

Goldman Sachs Technology & Internet Conference

Company Participants

- Jeffrey Weiner, CEO of LinkedIn

Other Participants

- Heather Anne Bellini, Analyst, Goldman Sachs
- Unidentified Participant, Analyst, Unknown

Presentation

Heather Anne Bellini {BIO 2268229 <GO>}

All right. Good afternoon, everybody. Thank you for joining us. I'm going to read a brief safe harbor before we get going and do the introduction. But before we begin, Microsoft may make some forward-looking statements during this presentation. And you should refer to their SEC filings for the risk factors relating to their business. And that's true, whether you're here in person or listening on the webcast. So we got the legal part of it out of the way.

So the slide says Microsoft, right? But we're actually here to talk about LinkedIn and how the acquisition is working out. And we've got Jeff Weiner, who is no stranger to this stage. He's been at every one of the Goldman Sachs tech conferences since LinkedIn went public. He is the Chief Executive Officer of LinkedIn. And I think he's got some really interesting stuff to share. So thank you, Jeff, for coming.

Jeffrey Weiner {BIO 5642386 <GO>}

Thanks for having me.

Questions And Answers

Q - Heather Anne Bellini {BIO 2268229 <GO>}

So I guess, for those who are newer to the story, can you give us a brief overview of kind of what brought the 2 companies together?

A - Jeffrey Weiner {BIO 5642386 <GO>}

So when Satya and I first sat down to talk about ways in which Microsoft and LinkedIn could work together, there were a number of commercial areas that we thought might make sense. And as the conversation continued, it became clear that...

Q - Heather Anne Bellini {BIO 2268229 <GO>}

This was a partnership, though, right? You started out --

A - Jeffrey Weiner {BIO 5642386 <GO>}

It was a partnership. It wasn't -- we didn't sit down and immediately started talking about M&A. We had always, to some extent, been on Microsoft's radar, I think, going way back predating Satya. And conversations never really materialized and amounted to much outside of having a good working relationship. And similarly, when we first sat down, Satya and I, it was a discussion about commercial opportunities and ways in which we could potentially partner. And the longer the list grew, the more the conversation kind of shifted and morphed into should we talk about what it would mean to combine entities. And as that conversation progressed, we both agreed that it would only make sense to continue the conversation and get more serious if we had alignment on at least 2 dimensions, one was the sense of purpose that drove the companies and the other was structure, organizationally how this would work. And on the subject of purpose, it was interesting, because after Satya became the CEO of Microsoft, Satya and the leadership team actually revised the mission statement for the company, which is now to empower every individual and organization on the planet to achieve more. And that's actually quite similar to our mission statement, which is to connect the world's professionals to make them more productive and successful. Now the words are a bit different.

But fundamentally, we're trying to do the same thing. We've just gone about it very differently, Microsoft, through their software and increasingly to cloud; and LinkedIn through our professional network. But there's very strong alignment in terms of the impact, we believe, these companies and these assets can have on LinkedIn's membership, on Microsoft's customer base and, really, the responsibility that both companies have in the world, given the times that we live in, in terms of, not only increasing productivity. But ensuring that every member of the global workforce has access to economic opportunity. It's something that is codified at LinkedIn's vision statement. And I know that's something that Satya and the leadership team at Microsoft also believe very, very strongly in. And under Satya's leadership, Microsoft has become increasingly purpose-driven. And it's something that comes very naturally to him. It's very authentic. And I would say the same of the entire leadership team at Microsoft. And that was a learning for me. I wasn't as familiar with that sense of purpose prior to sitting down with him. So we had alignment on that front, surprisingly strong alignment. Then we turned the discussion towards how this would be structured.

And I had no idea what he was going to propose, I had no idea what he was going to say. And it may have been relocating the company up to Redmond and asking me to move up there. And I had no idea. And he said he's been giving us a lot of thought in terms of how we would potentially structure an acquisition of this kind of scale and scope. And he said, "I want to try things differently. And I'd like for LinkedIn, if it's going to materialize, to remain independent." And I half-jokingly said, "You had me at independent." And the model was really -- you take a look at success that Facebook has had with Instagram, that Google has had with YouTube. And those companies and organizations have operated almost entirely independent. I think,

today, many, many years later, YouTube is probably a bit more integrated into the way Google is overseen. But for years, it operated as a completely independent entity. And that's still the case today, for the most part, with Instagram. And they both have had extraordinary success post acquisition. Now in our case, Instagram had something on the order of 13 employees at the time of the acquisition.

And YouTube was probably several hundred. We had 11,000 plus employees. And it was a more mature company in terms of the number of years that we had been around. So there was some question as to whether or not that kind of independence model would work at our scale and with a company that has been established for as long as we have at the time of the announcement. And Satya was true to his word. He'd been true to every word we discussed that day and then some in terms of his level of conviction around, not only independence but, how we prioritize the LinkedIn post acquisition, which starts with growing LinkedIn. And it's to accelerate the realization of our mission, our vision, our core objectives and to do it in a way that's consistent with the way the business has been operated to date. We have the same mission, the same vision, same culture, the same value, the same leadership team. And the objectives have grown over time with some of the discussions we've had. But it's, to a large extent, the same company.

And that level of independence post an acquisition like this, it takes a lot of work. But not necessarily in the way people think of work and rolling up your sleeves and initiatives and so forth and so on. I can get to that a little bit later. But this was work in terms of communication cascading and maintaining consistency and alignment. And it requires tremendous conviction. And not erring from that -- and by the way, that's not just coming from Satya and Microsoft's leadership. Interestingly enough, it's coming from me and LinkedIn's leadership because people on our team had certain expectations as to how this would operate. And when they were meeting with their Microsoft counterparts, just assuming at times that they should be prioritizing differently. And so we constantly had to reinforce the importance of operating independently and continuing to pursue the objectives that we had always laid out for the company. And so you fast-forward, we announced, it was June 13, 2016, we closed -- I think, it was around December 8, 2016, closed officially. So now we're about 14 months into this. And we're pleased with the results. We had very high hopes and expectations going into it. And it's exceeded those expectations.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Can you share a little bit -- I mean, I think Satya took a different tack when the acquisition happened. I thought it was really interesting what you were sharing last week when we spoke about how he talked to you about how the integration would go. Can you share his strategy behind that?

A - Jeffrey Weiner {BIO 5642386 <GO>}

Yes. This was a page out of a playbook that I was not familiar with, to put it mildly. So we've done a lot of M&A at LinkedIn. And I started at Yahoo! in core dev. So I'm fairly familiar with different M&A models and integration models. But about a week after the announcement back in June of 2016, Satya sent me an e-mail and said, "I've been giving a lot of thought to how we're going to handle the integration." And

while traditionally, there are 2 integration teams, one from the acquired company, one from the acquiring company and the acquired company's integration team will typically answer to the acquiring company. It's just how it works, no surprise there. He said, "I'd like to do things a bit differently in this case. I'd like for there to be 1 acquisition integration team. And I'd like you to oversee it." So I did -- I think I probably did that literally as I read that e-mail and then I had to reread it a couple of times to make sure I was interpreting it right. Then I still wasn't certain. So I gave him a call and said, "I just want to make sure I understand what you're saying. Are you asking me to oversee the acquisition integration?" And he said, "Yes. Like I said, I'd like to try things differently. And I think you are in a position where you know what's best for LinkedIn."

And I'd like you to help coordinate and oversee a singular team comprised of executives and employees from both companies." And I said, "You got it. Sure. I'd be happy to." And he's pulled other pages from a playbook that, for me at least, is somewhat unprecedented in a deal like this. Our head of technology, a guy named Kevin Scott, had been an intern at Microsoft a couple of decades ago, really talented guy. And after the acquisition was announced, we were talking about career paths. And then he said, "You know, it would be literally a dream come true if I had the opportunity to be the CTO of Microsoft." And he said, "You think something like that would be possible?" I said, "There's only one way to find out." And it turned out that Satya was very open to the idea of filling that role. It's not always a filled seat at Microsoft. There have been times when they had a CTO and times when they have none, it's gone, it's vacant. And I mentioned the idea and Satya said, "Let me give it some thought. It's interesting. Wanted to make sure we had thought it all the way through." And over roughly 4- to 6-week period, he decided that made sense. Then our head of technology became the CTO of Microsoft. So these are things that you don't typically see in a situation like this. And I think they all add up. I think it makes all the difference in the world.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

And that's a good segue to talk about kind of how you've seen LinkedIn perform versus your expectations since the deal closed. Can you -- I think there's a lot of people wondering in the room and I think you've got a lot of talk about there.

A - Jeffrey Weiner {BIO 5642386 <GO>}

Yes, sure. So 2016. So my folks at the onset of 2016, the guidance that we gave The Street, that was the first time we were giving guidance in terms of 2016. It was not what The Street was expecting. There was steep sell off in the stock. And that decel, from a growth rate perspective, continued. And it continued through the end of 2016. We actually saw some further declines, more so than we might have anticipated by the end of 2016. And those are being baked into our plan as part of Microsoft. And in 2017, things were going just about according to plan for the first 2 quarters. Some areas slight outperformance, some areas slight underperformance and some gaps that we were open to close. But it was the Third Quarter calendar '17 where we started to see some upticks. And our CFO, Steve Sordello, said, "You know, my instincts tell me there may be some possibilities here for acceleration. And anything that would stabilize that growth rate and then any uptick, even a few hundred basis points, I think would have been welcome." And sure enough, we

started to see acceleration. It started with engagement. And we are essentially an enterprise business that's built on top of the consumer platform. And we have multiple business lines.

We have a Talent Solutions line; very much enterprise business; we have marketing solutions; our e-ad [ph] sales, which is tied very much to engagement and the inventory that's created -- the ad inventory that's created through engagement. We have a premium business. And that funnel is largely driven by engagement, sales solutions, learning solutions, et cetera. And when engagement is listed at LinkedIn, it's a tide that lifts all boats, to the extent the individual business lines are then improving their own business, their business model, their products and services, their go-to-market strategies and we get compounding effects. And so the very first uptick came from engagement. And it was a byproduct, in large part, of investments we had been making over the prior, call it, 6, 12, 18 months in terms of a completely redesigned mobile experience then a redesigned desktop experience that created a lot more alignment between the 2, not only in terms of the user experience. But in terms of the way in which we develop products, which was a big deal in terms of productivity and in terms of accelerating innovation.

We had been making and continue to make aggressive investment in our feed. And we're starting to see record levels in traffic in the feed through curated packages and video and greater relevancy models. We overhauled our inbox and created a far more modern way of communicating on LinkedIn. It was way overdue. But we're now all in on messaging and we stripped out the old inbox. Then we invested in our active job seeker use case as opposed to just passive candidates, people who are actively seeking a job, which is something we had shied away from. And underlying the growth, we started to see in these 3 essential areas for our members, was a notifications ecosystem that while hardly perfected, we started to make tremendous progress on in terms of understanding where to optimize for both relevancy and frequency. And so all told, as a result of that, we started to see a fairly substantial lift and engagement. And it just keeps building. So this third calendar year of 2017, we started to see what had been a gap in terms of our engagement expectations as measured by sessions, was reversed with no longer a gap or a surplus. Then it started to materially be planned in expectations. Then the businesses started to follow suit. And we've now seen acceleration 3 quarters in a row.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

On top line?

A - Jeffrey Weiner {BIO 5642386 <GO>}

On top line, also with regard to engagement. Engagements got big enough where even a few hundred basis points of downtick is still wildly..

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Just for the audience. How do you measure engagement? How are you measuring...

A - Jeffrey Weiner {BIO 5642386 <GO>}

Sessions. And that's a great question. So historically we had measured via unique users and page views, which we lamented time and time again. It was something we introduced at a time of the public offering. And then once it's out there...

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Hard to take back.

A - Jeffrey Weiner {BIO 5642386 <GO>}

You all know -- you know all too well. It's almost impossible to take back. And the way in which you're explaining, why you want to take it back and then people start assuming the worst. And it's a rationalization because it's underperforming. You want people looking elsewhere, not the case. Unique users and page views are not ideal ways of measuring engagement. They're not ideal ways of measuring the value that a consumer website or application is generating because they can be gained. I don't mean gained in nefarious ways. I mean, if you want to generate additional page views, you can create a crappy experience. So they'll have to keep clicking. And the whole shift from desktop to mobile also changes the way you think about this stuff. And unique users on a site like LinkedIn could be someone receiving an invitation, clicking it, coming into the site and probably sticking out. No value created. So we shifted. We pivoted. And we pivoted from unique users to sessions, people visiting the site. You can't gain that. They're either coming to the site or they're not. And we replaced the idea of unique users with engaged quality members. Those are people who actually visited the site within the last 28 days, 30 or more connections. They're reachable via e-mail address or a cell number. And they have at least 2 key fields completed on their profile. So massively up-leveling how we define a user of LinkedIn. And we saw acceleration across the board. And yes?

Q - Heather Anne Bellini {BIO 2268229 <GO>}

The switch to sessions, did that happen once you're acquired by Microsoft? So does that kind of somewhat liberating you're able to get away from the old metric and then focus on what you thought matter the most?

A - Jeffrey Weiner {BIO 5642386 <GO>}

Yes, more than somewhat liberating. It was quite liberating. It was actually a discussion that has been underway at LinkedIn at least 2 or 3 quarters prior to the announcement. That is something we want to do. And we're just trying to figure out the right way to do it and the right time to do it and how we're going to explain to folks, right? It's -- I think it's illustrative of one overarching factor in terms of the success that we're seeing right now, which is being part of Microsoft and being able to focus on some things that, if you're constantly trying to meet or beat quarterly expectations, despite the best of your intentions and despite the fact that you are trying to maximize long-term value, there's just the reality of managing to the quarter. It's inescapable. And so this is an example. It may not be the most material of examples. But where we could focus on what we believe to be best for the business. And that has clearly been thematic throughout everything we do. The member; value propositions and the way in which we're investing in our platforms; our individual business lines, where we can think longer term. And interestingly

enough, as we thought longer term and as we became less focused on the quarterly performance, we actually started to...

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Do better.

A - Jeffrey Weiner {BIO 5642386 <GO>}

Outperform on a quarterly basis.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Right. And so I think there would probably be some people where they'd be surprised. So it seems like you've basically been able to run the business the way you think is the best way to run the business. And if Microsoft hasn't -- interfere, isn't the right word. But you've been able to have the strategy, be your strategy without having it being dictated by Redmond. Is that fair?

A - Jeffrey Weiner {BIO 5642386 <GO>}

Yes. And I -- it's funny. I wouldn't even couch it in terms of dictation or interference. It's just not the ethos with which we established this relationship. I think Satya and his leadership team, they have amazing talent at Microsoft. And there's a whole host of areas where we collaborate. And we haven't gotten into some of the specific point of integration in the present and in the future. But those are collaborative efforts. They are framed by a very, very clear mechanism for prioritization. I mentioned earlier, it starts with growing LinkedIn. And accelerating the realization of our objectives. But it's really 3 components. And they're interrelated. So the first is to grow LinkedIn. The second is to make our data accessible to Microsoft developers through APIs, SDKs, in a way that's consistent. We're putting our members first, consistent with our brand, consistent with terms of service. And these are high hurdles to get over. And once that data is made accessible, then hoping that Microsoft developers can then leverage that data within Microsoft products to differentiate those products and create more value for Microsoft's customers. And then success, you get a very nice and virtuous cycle, where Microsoft developers then want to see LinkedIn grow. So they're doing what they can to help LinkedIn accelerate its growth. So that we can create more data that can be further leveraged by Microsoft to create more value for Microsoft customers.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Flywheel keeps going.

A - Jeffrey Weiner {BIO 5642386 <GO>}

And round and round it goes.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

So I was going to get into some of the specific things in a minute in terms of the opportunities for the 2 companies. But just the strategy obviously hasn't changed for

LinkedIn. Has your role changed at all?

A - Jeffrey Weiner {BIO 5642386 <GO>}

Got to put my water down.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

(inaudible) put it down, sorry.

A - Jeffrey Weiner {BIO 5642386 <GO>}

No. I mean, for the most part, my role is identical to the role I had previously. There's a few notable changes. For one, this is the first time I've gotten up on stage in an event like this since we announced. No longer a publicly traded company, part of a publicly traded company. And so the cycles that were going into that exclusively have been reinvested in the integration. They have been reinvested in learning more about Microsoft. And they've been reinvested in growing LinkedIn's business. So that's been one material difference. The other is being a part of Microsoft and having a seat at the table with Satya and the leadership team of Microsoft to better understand what they're trying, how they're trying to accomplish it. And what role LinkedIn can play in making a difference there.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

You talked about those 3 areas of focus, kind of growing LinkedIn, making the data accessible and then making it so that the Microsoft developers can kind of leverage the data that you're creating. How do you see that translating into the type of products that you're offering or kind of synergies that you have between Microsoft products and LinkedIn products?

A - Jeffrey Weiner {BIO 5642386 <GO>}

Yes. Well some very specific real-world examples?

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Yes.

A - Jeffrey Weiner {BIO 5642386 <GO>}

Most recently, we just announced within the last week taking a product that we had been testing and had a limited audience and growing it out far more broadly is LinkedIn integration in Microsoft Word to help people flesh out and develop their resumes. And to do it, leveraging LinkedIn profile information. So as you -- there's a ton of people that use Microsoft Word to create resumes. And once we understand that you're in the process of developing your resume or editing your resume, we can light up a right rail, a panel on the right side of the stage. And in there, based on the words that you're using in your resume, we know, for example, what kind of title you're seeking, what kind of title you have. And oftentimes, with regard to writing your resume, it's a cold start. You don't know what to say. You don't know how to say it. I remember when I was in college, I used to look at the resumes of the folks that

were older than me and better understand how to do that stuff. And LinkedIn has all of that information and data.

So -- and then leveraging some light AI, we can make some recommendations and some suggestions. We can ultimately help you with formatting. We can connect you to people who can provide coaching. But the most important thing we can do is right there in the right rail let's light up some relevant jobs, right? You're updating your resume extensively for reason. And we know what job you're seeking. We know your objectives are. We know the skills you have. We know the people that you know. We're in a pretty good position to help you find a good job. So that would be an example. We have been, ever since the deal closed, our very first point of integration was our Sales Navigator product and integrating that into Dynamics CRM. And since that time, Microsoft has taken a new SKU to market in terms of Microsoft Relationship Sales solution. And that's starting to generate some nice pipeline momentum, still early days. One of the things we're most excited about is Outlook integration. So if you're in Outlook, you'll receive an e-mail. It may be someone legitimate.

And you know you're supposed to respond to them and you try to figure out how best to respond to them. But you don't know them very well. You just put the mouse, just briefly over the name. And you get a mini LinkedIn Profile Card and you start to see who this person is, what they do, where they work, who you know in common. Then if you click on that further, you get more in-depth LinkedIn experience right there within Outlook. So can see the kind of information they're sharing, the contents of work and so on. You can also integrate it with Microsoft. You can begin to see things like org chart. You can see through LinkedIn their skill set. And ultimately, you can see which roles in which -- if they're colleagues within your company, what roles they might be best at. You can figure out who to reach out to, to help answer questions.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Do these become all new SKUs of, say, Office or Outlook or with Dynamics? Or how do you think about packaging these up?

A - Jeffrey Weiner {BIO 5642386 <GO>}

So the Sales Navigator integration with Dynamics CRM is a SKU. The Outlook integration is just layering more value into Outlook. And ultimately all of that's identity information. All this kind of this social fabric that we have on LinkedIn with any professional contacts. There's a lot of opportunity to layer that throughout Office, not just in Outlook. So anytime you're working with anyone with a better sense of who they are, what they know, who they know, these are things that make a meaningful difference to how work gets done. And it's with your existing colleagues within your company and it's with people outside of your company you're trying to learn more about. Think about a meeting you're preparing for, whether they're sales prospects or business development partnership or a new clientele. Think about walking into that meeting with a far greater understanding of exactly who everyone is, what you know in common, what you have in common. It just changes the nature of that meeting.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Right. I'm going to pause for a second and see if there's any questions in the audience before I keep going. I think there's -- there are mic runners. Right here, up front. Bear with me one second.

Q - Unidentified Participant

Jeff, one of the things you said in the past was as a sort of not mega-scale tech company, it was hard when you looked at what the future held in terms of core technology to envision the path forward with -- in engineering. So I'd love to hear little bit now that you've had a year and change of being part of Microsoft. Like, what does that core technology mean to LinkedIn? And what can you do with it?

A - Jeffrey Weiner {BIO 5642386 <GO>}

Yes. So a few things that come to mind immediately, AI, unsurprisingly. And while we had made sizable investment in Machine Learning over the years, it's hard to compete exactly to your point, with the tech titans investment in AI. And there's a lot of expertise there that we're increasingly going to be able to leverage. There's elements of Azure, for example, that we can leverage. That's going to meaningfully accelerate how we scale our video -- posting video on LinkedIn and those opportunities. We're doing machine translation within our feeds, leveraging Azure capabilities. There's a fair number of areas that we are meaningfully able to accelerate by virtue of the investment that Microsoft has made thus far to date. Interestingly enough. And it's hard to tease apart the extent to which it would have happened anyway or to the extent it's part of being a part of Microsoft. But we're seeing the highest rate of engineering hiring in terms of wins and yield on offers in absolute terms in the company's history and LinkedIn's history. So that's been a really positive trend as well. And I think part of that has to do with what we're trying to accomplish and how we're trying to accomplish that. I think part of it is people like the fact that LinkedIn is now playing in this much bigger sandbox as far as advanced technologies and has access to world-class talent and infrastructure. So --

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Any other questions from the audience? It's hard to see with the lights. So there's one right behind you, sir.

Q - Unidentified Participant

Jeff, quick question on competition. Who's LinkedIn competition?

A - Jeffrey Weiner {BIO 5642386 <GO>}

So as far as professional networks go, specifically, there's really one professional network, one country in the world where we're not the #1 professional network, that's Germany. And there's a company called XING there that's been doing well. Thankfully, we're growing in Germany pretty quickly, which we're excited about. International has actually been a big part of the acceleration that we're seeing. Our membership, 70% international at this point. And we're seeing business line

acceleration in a meaningful way in a number of different markets for Talent Solutions. EMEA has been a very positive surprise. The team has done a really nice job there. France is one of our fastest-growing markets in the world, which was unexpected, not only in terms of engagement. But also the business and starting to add up. Germany, where we were lagging XING I think closing that gap. And we're starting to see the impact on the business and that's a big opportunity going forward. Perhaps unsurprisingly, given the size of the markets and the fact they're still developing, China and India, are large growth opportunities for us. And we continue to see some pretty positive momentum in markets like that as well.

Q - Unidentified Participant

Question...

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Sorry, go ahead.

Q - Unidentified Participant

Jeff, question is just broadly, if you can help us connect the dots between all the different communication platforms inside Microsoft between Skype, Xbox, Minecraft. Is there a master plan? I mean, obviously, you've got Outlook that's massive. Help us connect all of those different pieces.

A - Jeffrey Weiner {BIO 5642386 <GO>}

I would gladly leave that to Satya and the team responsible for the communication strategy. I do think they're very clearly in the long-term plans to maximize alignment and start to orient those offerings around value propositions and around the end user as opposed to just selling product and bringing more SKUs to market. And I think Satya and the team has been very thoughtful in terms of areas for opportunity that will help align situations with multiple SKUs like that.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Great. Thank you. Any other -- sorry, there's one right here.

Q - Unidentified Participant

Jeff, you've talked a lot about the product innovation on the user side and how you can leverage different technologies to help the users to be more successful in whatever it is that they're trying to do. Can you talk a little bit about some of the innovation that you're driving on the Talent Solutions side to help the users of that product to be more successful?

A - Jeffrey Weiner {BIO 5642386 <GO>}

Yes. So thank you. It's a really important question. So Talent Solutions is still our largest business, especially when you consider our learning solutions business post the acquisition of Lynda. Increasingly we think about those 2 as one solution set. And where we're taking Talent Solutions has 2 components really, a marketplace, you've

got people seeking the jobs and you've got people offering the jobs. In terms of the job-seeking experience, we have dramatically increased the number of jobs made available on LinkedIn. About 4-plus years ago, we were at roughly 350,000 jobs available on LinkedIn. And we thought that was the immediate addressable opportunity for our core audience in terms of high-value white-collar jobs and knowledge worker roles.

Today, we're about to surpass 15 million jobs on LinkedIn, something we're pretty excited about and is making a pretty significant difference, that kind of liquidity and the comprehensiveness for our active job seekers. So it starts on that foundation. But just investing more in getting that value proposition right. We now have our jobs capability directly and seamlessly integrated into our flagship application. And that was a huge step function lift in terms of the number of unique users seeking jobs, in terms of job applied, in terms ultimately of confirmed hires, which is True North [ph]. And we can see that by virtue of when someone changes their profile.

The other side of that equation with regard to Talent Solutions, the innovation that's happening both in terms of products and go-to-market. With regard to products, we announced at Talent Connect, which is our largest customer event on an annual basis last October, that we are going to be going all in on talent intelligence and starting to offer data-driven products that help our customers to better informed -- more informed workforce planning, which is increasingly going to become essential to the success of these companies, given not only the intensifying battle for talent. But some of the trends we're seeing on a global basis in terms of automation and AI, skills gap, the rise of independent workers, et cetera. So we're very excited about that. Also, we've started to evolve our go-to-market strategy and business model.

And within Talent Solutions, in particular, we're starting to gain some traction with what we call the Talent Solutions enterprise program, which has revisited our business model and has broadened the potential addressable opportunity within the customers we already served, who may have said that they didn't necessarily have the budget to reach their entire force of recruiters and sourcers and hiring managers that they were purchasing products pretty high-ticket item for the people who use us most intensively. What we knew that everyone within the organization who is related to that process could benefit through the tool. And so we went back to the drawing board and thought through that business model and are now able to effectively reduce the cost per seat or cost per user, while materially expanding the footprint within the organization. And the net result is more budget being allocated to LinkedIn. And so that's Talent Solutions proper.

With regard to learning, the enterprise component of learning when we acquired Lynda. Lynda was very early on with regard to taking other product to the enterprise. It was largely a consumer offerings and consumer subscription. We were able to leverage our existing enterprise sales force. And we're starting to see meaningful traction with regard to the enterprise. And we think this is a pretty big opportunity for all the reasons I cited earlier in terms of both secular trends and the need increasingly for companies to not only source the best talent. But to develop the

best talent and then think through leveraging the data, their workforce strategy is going forward. So it's kind of 3 legs to a stool.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

You mentioned enterprise sales force that you have that's existing at LinkedIn. But also Microsoft has obviously a huge global enterprise sales force with deep relationships. Can you share with us kind of how you might be able to leverage the broader footprint of the Microsoft sales organization?

A - Jeffrey Weiner {BIO 5642386 <GO>}

Sure. One example would be the Sales Nav Dynamics CRM example, where we're able to leverage Microsoft's sales teams' footprints in terms of the customers that are using Dynamics. And conversely, leverage our footprint for Sales Navigator. Microsoft, the sales team, has very significant penetration on a global basis that we're potentially able to leverage. We recently announced our hiring a country manager in Japan, which we're excited about. That's a large unaddressed opportunity by LinkedIn, where Microsoft has an enormous presence. And I think Microsoft's business in Japan is probably larger than or at parity with our entire business. And we're able to leverage their footprint in areas like that. Microsoft has a very strong footprint in terms of governments as customers that use Microsoft products. And increasingly, we've got some case studies where governments are purchasing our learning products to offer to their citizens. And that started in schools and higher educational organizations. And it is now expanding to everyone within that jurisdiction.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

Is it fair to say that, that is just -- you're just exploring that now. So the opportunity is - - you've been able to accelerate revenues just with what you've been doing with your internal LinkedIn asset. The kind of extension of the relationship into the rest of the Microsoft family seems like that's yet necessarily to show up in the top line. Is that fair?

A - Jeffrey Weiner {BIO 5642386 <GO>}

I think that's the -- an accurate characterization. I think there's a fair amount of opportunity there. And I just cited a few that would leverage Microsoft's field sales footprint. But there's also their customer footprint in terms of subscriptions and in terms of product lines O365 and M365 and then our subscription product, which is one of our larger businesses. And you start to think about what's possible in terms of integration opportunities, in terms of leveraging those existing footprints, whether it's learning, whether it's our general subscription packages. And that's also an interesting area to further explore.

Q - Heather Anne Bellini {BIO 2268229 <GO>}

All right. That's great. I think we're about out of time. But thanks, everybody. Thank you, Jeff. It's great.

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