

Dice Holdings, Inc.

Q4 and Full Year 2014 Public Earnings Call

January 29, 2015 at 8:30 a.m. Eastern

CORPORATE PARTICIPANTS

Jennifer Milan – *Director of Investor Relations*

John Roberts - *CFO*

Mike Durney – *President and CEO*

PRESENTATION

Operator

Good morning and welcome to the Dice Holdings Fourth Quarter 2014 Earnings conference call. All participants will be in listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero.

After today's presentation there will be an opportunity to ask questions. To ask a question you may press star then one on your touchtone phone. To withdraw your question, please press star then two.

Please note, this event is being recorded. I would now like to turn the conference over to Jennifer Milan, Director of Investor Relations. Please go ahead.

Jennifer Milan

Thanks and good morning, everyone. I'm thrilled to be joining you all today as the company's new Director of Investor Relations. With me on the call today is Mike Durney, President and Chief Executive Officer of Dice Holdings along with John Roberts, our Chief Financial Officer.

This morning we issued a press release describing the company's results for the fourth quarter and full year 2014. A copy of that release can be viewed on the company's website at Diceholdingsinc.com.

Before I hand the call over to John I'd like to note that today's call includes certain forward-looking statements, particularly, statements regarding future financial and operating results of the company and its businesses. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in the economics, business, competitive, technological and/or regulatory factors.

The principal risks that could cause our results to differ materially from our current expectations are detailed in the company's SEC filings, including our Annual Report on Form 10-K in the sections entitled "Risk Factors," "Forward-Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The company is under no obligation to update any forward-looking statements except as required by the federal securities laws.

Today's call also includes certain non-GAAP financial measures, including adjusted EBITDA, adjusted EBITDA margin, and free cash flow. For details on these measures, including why we use them and reconciliations to the most comparable GAAP measures, please refer to our earnings release and our Form 8-K that is been furnished to the SEC, both of which are available on our website.

Now, I'll turn the call over to John.

John Roberts

Thank you, Jen. I'm excited to have you on the team. We're looking forward to your expertise as it relates to your experience as both in investor relations in communications firms and as a research analyst. It's great to have you here.

Now let me welcome you all to the Dice Holdings Fourth Quarter Earnings Results conference call. First, I will give you details on our Q4 financial performance. Then I will turn the call over to Mike, who will cover the progress we are making on our strategic plan and provide a view of the company's key goals and initiatives for 2015, all of which are designed to further enhance our ability to capture organic growth longer-term. And finally, we will open it up to questions.

Overall, we are pleased with the continued progress we made on our operations during the fourth quarter, which builds on the work we have completed throughout the year. Recruitment activity in the fourth quarter was fairly consistent across our brands with the exception of Energy, where we have started to see significantly more uncertainty in the market.

For the fourth quarter I want to highlight a few areas important to our results. First, improved year-over-year organic billings growth, including in all three brands in our Tech & Clearance segment. Second, higher year-over-year revenue for recruitment package customer at Dice.com, reflecting the positive impact of Open Web and increased service levels. And third, improved year-over-year results at Slashdot Media for a fourth quarter in a row.

Fourth quarter revenues increased 16% year-over-year to \$67.8 million. The majority of the growth, \$7.5 million, came from businesses that we acquired since November of last year. The year-over-year increase also reflects growth in all three brands in the Tech & Clearance segment and Slashdot Media.

Our profitability remains strong with adjusted EBITDA at 30% of adjusted revenues and up 5% year-over-year to \$20.1 million.

Now for more detail on the specific segments. For Tech & Clearance, revenues increased 4% year-over-year with growth in all segment brands. For Dice.com, revenues increased 1% year-over-year. At December 31st Dice recruitment package customers were 7,800, down relative to the count at the end of the third quarter. The decrease in count from Q3 to Q4 is typical and on a percentage basis was less than last year but similar with 2011 and 2012.

Within the Dice recruitment package customer base there were minimal shifts quarter-over-quarter between shorter-term and annual customers with more than 90%, or 7,250 of our customers, under annual contract at quarter end. A renewal rate on annual contracts ticked up slightly, both sequentially and on a year-over-year basis in the fourth quarter, to 69% with about 1,800 customers up for renewal during the quarter.

In Q4 customers spent on average \$1,070 per month, up 6% year-over-year as customers continued to increase their levels of service. Given the significant growth of Open Web over the year this now accounts for nearly half of the year-over-year increase in average revenue per customer during the quarter.

Finally, within the Tech & Clearance segment, clearance jobs, while only accounting for 4% of our overall revenues, achieved record quarterly billings with a fourth straight quarter of higher year-over-year billings.

Moving on to our Finance segment, revenues increased 1% year-over-year to \$9.2 million with billings relatively flat to last year. Translation from the pound to the dollar negatively impacted revenues by \$177,000 compared to the fourth quarter a year ago, so on a constant currency basis revenues increased 2% year-over-year.

I'll be discussing the regions and their respective functional currency to give perspective on the underlying business trends. Overall, the trend is positive in the major financial centers. In the UK revenues increased 6% year-over-year in sterling and accounted for about 43% of the segment's revenues in the quarter. The environment continues to be better than last year.

In the Asia-Pacific region, which is 24% of overall segment revenues, revenues were up 2% in

Singapore dollars with stronger performance in Asia, which was up 10%, offset by continued softness in Australia.

In Continental Europe and the Middle East, which is a combined 19% of the segment, revenues increased 8% in euros and current sentiment there is more mixed, especially in Switzerland and France.

The US, which is 13% of the segment's revenues, was down 3% year-over-year. However, Q4 billings were up 4% year-over-year, marking two straight quarters of billings growth.

In our Energy segment revenues were up 34% year-over-year to \$80 million in the fourth quarter, including oil careers acquired in March 2014 which contributed \$1.9 million in the quarter.

In the quarter we started to see the impact of falling oil prices and an increase in overall uncertainty in the market. We expect the impacts to be worse as we move forward into 2015 given the announced layoffs at several large energy companies and the impact of uncertainty on hiring plans.

In our Healthcare segment revenues totaled \$6.9 million, up \$3.2 million from Q4 2013, due to the November 2013 acquisitions of HEALTHeCAREERS and BioSpace.

The Hospitality segment contributed \$3.6 million of revenues in the quarter, up \$2.2 million due to the timing of the 2013 acquisition of HCareers.

Finally, Corporate and Other. This segment contains Slashdot Media and WorkDigital. Slashdot Media revenues increased 16% year-over-year to \$4.7 million due to the continued impact of better strategies to optimize the assets of the business. This makes four consecutive quarters of improved performance for this business. This segment also contains our corporate-related costs, which were \$3.3 million in the quarter.

On a year-over-year basis for our largest segments, Q4 billings for Tech & Clearance were up 11%, including an increase of 8% year-over-year at Dice.com. Finance billings were consistent with prior year and Energy, including OilCareers, increased 38%.

Our billings performance is reflected in deferred revenue on the balance sheet, which totaled \$86.4 million at the end of the year, which is up 12%, or \$9.1 million, from last year. While deferred revenue is certainly driven by the timing of billings to some extent, there are some positive indicators within here. The increase was primarily driven by Dice.com and ClearanceJobs, which contributed \$4.2 million of the \$9.1 million increase. And the acquisition of OilCareers also accounted for approximately 10% of the increase.

On the expense side operating expenses decreased 15% year-over-year, primarily due to a \$15.9 million impairment charge in Q4 of last year. Excluding the impact of the impairment charge in 2013, operating expenses increased \$6.5 million year-over-year, or 13%. The year-over-year increase from acquired businesses was \$6.7 million in the quarter.

While operating expenses for Q4 were slightly above our initial expectations, we took the opportunity to continue to invest in the quarter. As an example, our own hiring was higher than usual and we were able to fill open positions faster than we thought. Additionally, Dice.com ran a successful marketing campaign in Silicon Valley, and given the positive reception, we expanded it faster than initially planned.

Adjusted EBITDA, which includes the add-back of \$142,000 for the fair value adjustment related to purchase accounting of acquisitions, totaled \$20.1 million, or 30% of adjusted revenues during the fourth quarter. That's up 5% year-over-year.

Reconciliations of adjusted EBITDA to net income and net cash flow from operations are provided in our press release.

Our income tax expense for the quarter was \$5 million, resulting in an effective tax rate of 44%. The rate was higher than our normalized rate due to a true-up of a discreet item from the OTJ acquisition.

For the full year, income tax expense totaled \$15.2 million for an effective rate of 36%. The 36% rate is lower than our normalized go-forward rate due to the tax benefit recognized in Q3 2014.

The company posted net income in Q4 of \$6.5 million, resulting in diluted EPS of \$0.12. Cash flow from operations totaled \$7.9 million in the fourth quarter compared to \$8.6 million last year and \$55.5 million for the full year compared to \$49.4 million last year. This is up 13% year-over-year while we continue to invest in our business for growth and innovation.

The financial strength and consistency of our business allowed us to expand strategically and continue to return cash to stockholders through our buyback program. We ended the year with \$26.8 million in cash and equivalents and \$110.5 million of debt outstanding after \$2.6 million in net debt repayment and \$1.9 million in cap ex spending during the fourth quarter.

During the quarter we purchased approximately 700,000 shares of our common stock pursuant to our stock repurchase plan at an average cost of \$8.34 per share for a total cost of approximately \$5.6 million. In December 2014 the board authorized a new buyback program for a total of \$50 million.

For 2015 our guidance includes ranges for both the upcoming quarter and the full year. For 2015 we anticipate revenues in the range of \$268 to \$276 million and adjusted EBITDA of \$80 to \$84 million, or approximately 30% of revenues. In Q1 we expect revenues of \$63.5 to \$65 million and adjusted EBITDA of \$16.5 to \$17.5 million, or 26% to 27% of revenues.

There are a few items impacting the Q1 guidance specifically that I want to highlight. First, the growing uncertainty in the energy market is projected to have a significant impact on Q1 revenues. Because we believe the impact of that to be temporary, we are not reducing expenses in our Energy segment. Therefore, an impact on Q1 margins.

Second, on a year-over-year basis, the strengthening dollar is expected to have approximately a \$1 million negative impact on Q1 revenue.

And third, we continue to make investments in the Dice.com product and sales teams as well as new investments in the Healthcare vertical through product development.

For more on the investments and strategies we have planned to drive organic revenue growth in 2015, let me turn the call over to Mike.

Mike Durney

Great. Thanks, John. Usually I conclude my remarks by thanking all of our employees for their hard work and dedication, but this time I want to start off by acknowledging each of them for their effort and accomplishments over the past year. As a company, we've undergone a tremendous amount of change through 2014. When I look at our company today relative to a year ago we have a lot of new

people in place not only in senior positions but throughout the whole organization. Of our 830 or so people worldwide, roughly a third of them joined the company over the past year.

The result of that today is I believe we are a more innovative, more progressive and more responsive organization by far for our customers and the professionals who use our services and for our employees and shareholders, and it shows in the operating and financial performance of the company.

We started 2014 with a number of goals designed to better position the company for capturing more organic growth and although we still have a lot of work ahead of us, I'm very pleased with all that we've accomplished so far.

A year ago we talked with you about two principal initiatives for 2014 that we believed were critical to strengthening our company's performance for clients and professionals and ultimately in our ability to compete in what is a rapidly evolving marketplace. The first was improving Dice.com in the areas of product development, marketing and sales. And the second was investing in technology and support for additional products built within our WorkDigital team who developed the service that it is, the foundation of what became Open Web.

In addition to these two specific areas of focus for us in 2014 we outlined three key strategic priorities. One was to leverage the power of data and analytics in order to maximize the value that is inherent in the targeted nature of our brands. Two was to build robust mobile applications and mobile-enabled sites that would allow us to deliver our services anywhere. And three was to continue building a culture of high performance within the company that would enable us to better leverage innovation across all of our sites. Throughout our earnings calls in 2014 we kept you apprised of our progress against these initiatives and priorities and we have more progress to report to you today.

In the fourth quarter we continued to demonstrate results in these key strategic areas with further improvements at Dice.com, the rollout of Open Web for a third brand, the continued launch of mobile services, and the ongoing deployment of enhanced products for our clients and professionals across our brands.

We continue to leverage our team in technology at WorkDigital with the rollout of a third version of Open Web. This version, for our e-financial careers business, is tailored specifically to the brands and user market as are the deployments for Dice.com and the IT Job Board.

Just as we have distinguished ourselves in our core businesses throughout our leading specialist position and strategy, we're doing the same with Open Web: leveraging the knowledge, data and insights in our specialist verticals to create a meta search experience that is unique to each vertical. During the first week of December we launched the next version of Open Web as a stand-alone service with a search algorithm based on skills and companies specific to financial services.

What this means in practice is that, for example, a search for a fin tech professional on the eFinancialCareers version will generate a different set of results that is uniquely tailored to financial services than you would get from the same search criteria applied generally to tech professionals on Dice or IT Job Board. This highlights our vertical focus and the ability to use data and analytics to enhance efficiency in the recruiting process.

In the one month of 2014 since launch we are pleased with the number of customers who are conducting a paid trial and the feedback we've gotten to date, especially given that December is not generally a good time for recruiting activity in financial services sector.

At Dice.com we also continued to evolve Open Web with another round of product enhancements featuring integrated search or more detailed profiles that have increased Open Web usage by over 50% in the last six months. Recently, we launched a new mobile app called Dice Recruiter for all of our Open Web customers, bringing greater efficiency to recruiters using Open Web and the Dice talent match product. Initial adoption trends have been good and we're also seeing increased adoption at the IT Job Board in the UK and Europe.

At eFinancialCareers we integrated social profiles into the resume database search for existing clients, pulling Open Web profile information and skills burst into matching candidate profiles. Skills burst is a new feature that was introduced in this deployment of Open Web that uses data we've accumulated from Open Web together with our own proprietary data about relations of skills. This enables clients to see the skills clusters of candidates in a highly interactive and visual format.

For the professionals who use Dice.com we've rolled out a completely revamped experience for tech professionals, resulting in simplified work flows, a mobile-friendly web site, and big improvements in the site's performance, making for a faster, easier experience that tech pros are using on all of their devices. There's more work to do here, but this is an important first step in building a better user experience on Dice.

Throughout 2014 we made a lot of progress at Dice.com in product initiatives, innovation and speed to market, and also enhancing the sales force and our sales strategy. Now we can add to that demonstrable improvement at marketing as we've created some serious buzz with our hottest tech talent marketing initiative, a new billboard campaign that amplified the awareness and coverage of Dice.com tremendously.

We launched the first billboard in Silicon Valley in October and while we can't point to a direct correlation from an offline campaign to specific results, we saw a steady growth in Silicon Valley traffic in Q4 and job count in that region that is up 10% year-over-year. And anecdotal customer prospect awareness has certainly grown. We've now rolled out the campaign to tech centers like Seattle and Austin and may expand it to other tech markets.

Lastly, in terms of 2014 milestones and one I didn't specifically call out earlier, our two large integration projects are well in hand. Our original healthcare brand, Health Callings, was officially sunset at the close of 2014, so all profiles and user activity are now fully integrated into HEALTHeCareers. We're now operating our healthcare vertical under one brand on one site.

And the integration of Rigzone in OilCareers remains on track to complete in the spring.

Looking forward to the year ahead, I first want to give you my high level thoughts on the environment. In the technology sector, overall hiring remains positive both here and abroad. In the US, average compensation continues to grow and hiring sentiment is the strongest in the history of our semiannual hiring survey. Candidates appear to be in a very strong negotiating position.

In security clearance the marketplace continues to be favorable with a greater number of open positions and smaller pool of available talent.

Overall in financial services, the hiring environment continues to be positive in the main financial centers – the US, UK, Singapore, Hong Kong and Mainland China – with the environment in Europe and the Middle East more mixed.

Sentiment in the Energy sector is poor, as you might suspect, as oil prices continue to drop. The

current expectation of most analysts seems to be that pricing will not improve in the next six months and could persist at low levels throughout 2015 and beyond. Recent history has shown that dramatic changes in the price of oil will cause the industry to go into standstill from a hiring and recruiting standpoint, and this time is no different. We expect that when the dust settles, though, recruitment activity will return, although it's like to be at a lower level than we have seen recently until the price of oil rises above today's levels.

Looking ahead in the Healthcare sector, hiring appears to be relatively flat. We believe that finding qualified talent continues to be a challenge for hiring managers, particularly in the case of positions with an increase in turnover rate serving as another potential benefit over the long-term.

In Hospitality, overall the environment appears to be one of cautious optimism for 2015 and '16, based on positive industry trends in 2014 such as the highest occupancy rates in the US since 1996. There are a record number of hotel rooms being constructed, turnover continues to increase, and demand for a number of industry positions has remained consistently high.

So what does this all mean for us in terms of strategic direction? There is a focus in 2015. Our overarching approach is to continue on our path of innovation and vertical leadership that we outlined a year ago. We made great progress in 2014 and our confident in our direction, but recognize we have more work to do.

Overall, we've seen the evolution of sourcing as a dominant theme in recruiting. Companies are spending more time and resources on sourcing candidates versus the past. We've been a leader in sourcing from its early stages when Dice created the profile database for IT professionals that recruiters searched. That leadership has continued with the successful beginning of Open Web where we are providing efficient access to many millions of professionals by creating aggregative profiles from publicly available information.

We will continue to enhance our offerings in the areas of talent sourcing and be a leader in providing access to talent through multiple channels. Specifically in the near-term, we'll continue to work on improving product performance and capabilities across all of our brands. We'll also continue to enhance our products with actionable data and improved depth of analysis while iterating and launching new versions of Open Web.

At the same time, we'll continue to build on our now stronger platform with strategic expansion initiatives. This will include expansion of tech in EMEA with the launch of the Dice.com brand and platform as we intended with the acquisition of the IT Job Board.

We'll also work to build out further capabilities in talent sourcing management to add more offerings in our Healthcare segment and expect to complete the integration of OilCareers and Rigzone.

All of this will entail ongoing levels of investment and product, marketing and sales. We believe it's prudent to elevate our sense of urgency to capitalize on the investments we've made to date and will continue to make in innovation and bringing our new products to market. In short, 2015 is a year in which we continue our path of product innovation and building organizational leverage as we work to improve our overall capabilities and better position the company for growth over the longer-term.

And so with that, I'll turn it over to questions.

QUESTIONS AND ANSWERS

Operator

We will now begin the question and answer session. To ask a question, you may press star then one on your touchtone phone. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, please press star then two. At this time we will pause momentarily to assemble our roster.

And the first question comes from Craig Huber with Huber Research Partners. Please go ahead.

Craig Huber

Good morning. Thanks for taking the questions. My first question, I guess on the cost front, can you give us a sense the percent change you're expecting for your sales and marketing line for 2015?

John Roberts

Hey, Craig. It's John. So I wouldn't expect the percentage of the core to change dramatically. It will go up a little bit as we continue to make some additional investments in especially the Dice.com sales and marketing business, that part of the business that we've talked about. I think as the, certainly as the energy revenue goes down and we don't make dramatic changes there on the cost front that we've talked about, naturally that percentage is going to move up a little bit in the short-term.

Craig Huber

Okay. And then could somebody just speak a little bit about the pricing environment out there of your competitors, pretty stable still or how's it tracking out there?

Mike Durney

I think it continues to be relatively stable. There's a wide variety of products and services and a wide variety of pricing I think overall from the generalists, so Monster, CareerBuilder, LinkedIn. Pricing is generally stable and LinkedIn's raised their pricing. They're also now starting to restrict what you can get for free, which we had expected would come over time. But generally speaking over the last 12, 18 months, the overall pricing environment's been stable to relatively positive.

Craig Huber

Okay. And then Mike, on the same lines, is there any major differences in the various tech centers across the US in terms of how tight the labor market is for technology hirings or it's all pretty stable or does it really stand out one way or the other?

Mike Durney

Yeah, I think the, overall I would say it hasn't changed very much. As we like to describe it, the closer you are to the customer the tighter it is and the farther away you are from the customer it's less so. Certainly, the development centers of Silicon Valley and New York and maybe to a lesser extent Boston and Austin and Seattle are quite strong. When you get more back end it's less strong. And that's been the case for a while, but it's all relative 'cause generally speaking, it's strong across the board.

Craig Huber

And then just two quick housekeeping ones, please. At the end of the quarter – maybe you said this – what was the number of Open Web subscribers? I think it was like 600 the end of the September quarter.

John Roberts

Yeah, so, at the end of the year between the various businesses, which, so now we've launched it in three, there's over 700 active paying customers at the end of the year.

Craig Huber

So right around 700 then?

John Roberts

Yeah, just over 700, actually.

Craig Huber

Okay.

Mike Durney

Yeah, so sorry, Craig, just given the significance now of Open Web and how much it's grown and how important it is to us, going forward we'll start to give some specific metrics. So the number John just gave is the resolution of these are ongoing active paying customers across the brands.

Craig Huber

Maybe just remind people that the pricing of Open Web, how much that costs as a bundle but also to add on product versus your base price if you would, please.

Mike Durney

Sure. So on Dice.com, as a kind of a general benchmark, if you buy the recruitment package at roughly \$6,500 for an annual subscription you're going to add Open Web on top of that for about \$3,500.

Craig Huber

If I just want to buy Open Web, how much is that?

Mike Durney

About \$5,000.

Craig Huber

Great. Thank you.

Mike Durney

Thank you.

Operator

The next question comes from Randy Reece with Avondale Partners. Please go ahead.

Randy Reece

Morning. I wanted to get a better understanding of in your sales and marketing investment looking not only at your expectations for '15 but also the fourth quarter results, how much of the move there is sales versus online marketing spend and how much incrementally where the dollars are going to flow in '15 in those two categories: people versus, I guess, online.

John Roberts

So Randy it's both. So over the course of the year we've increased headcount at within the Dice sales team specifically and then also within Q4 one of the things that I talked about a little bit and Mike highlighted as well is the Dice marketing spend, certainly was up in Q4 due to the billboard and some other marketing campaigns that they had. While that's not direct dollars, that's offline, but it's in the marketing spend outside of the people. So if you look at what happened in Q4 and what the trend has

been recently, it's been increases in both pieces and I would expect that same to continue moving forward.

Randy Reece

When it comes to launching Dice.com in EMEA, what kind of timing are you looking for there? And is there any seasonal good period to launch this kind of thing?

Mike Durney

Yeah, I think to take the second piece first quickly, I think seasonally I don't think there's any great time or poor time. We certainly like to have it done before we get to the fourth quarter when we can start to really promote the brand from a customer standpoint heading into the buying season of Q4 into Q1. I would expect it'll be relatively slow over the course of 2015 as we first focus on the brand and incorporating the Dice brand into those markets. So Dice actually has some awareness in those markets even though we've never operated there, but it's not huge, so we need to build the awareness first with the current users and then and broaden to other users.

The integration of the platform is likely to come later in the year and roll into 2016.

Randy Reece

Into '16, okay. And looking at the Dice recruitment package pricing trend, it did better than expected for me in the fourth quarter and that kind of increase, what is built into guidance after you did a 6% number in the fourth quarter?

John Roberts

Yeah, so, what's built into guidance is a continuation of the trend we've seen over 2014. So if you look at what's happened to the average revenue per customer, you pointed out the 6%. I think we've seen that steady increase over the course of the year and one of the things I mentioned was that about half of that increase now in Q4, given the continued ramp-up of Open Web and the impact of Open Web revenue now in Q4, that accounted for about half of that dollar increase in Q4 on a year-over-year basis.

Randy Reece

Very good. Thank you very much.

John Roberts

Thank you.

Operator

The next question comes from Jeff Silber with BMO Capital Markets. Please go ahead.

Jeff Silber

Thanks so much. In looking at your 2015 guidance it looks like you're projecting some slight EBITDA margin contraction in the year despite some hope for revenue growth. You mentioned the investments. They make a lot of sense to better position the company long-term, but do you think margins can begin to expand again after this year and if so, what are your long-term goals for adjusted EBITDA margin?

Mike Durney

Yeah, Jeff, this is Mike. I think when I look out; we went through the process we normally go through in terms of evaluating what we wanted to accomplish in 2015. There is slight margin contraction because we believe firmly we need to continue on the path of the things that we've been working on already. I talked about Dice.com, we talked about WorkDigital, certainly the Energy business I would say is a

couple million dollars of contraction from an EBITDA standpoint from '14 into '15. So that certainly plays a part.

When I look out in what we've evaluated as a management team is the number of initiatives in our core product that we have to continue that we started in '13 through '14, and I think those level out in '15. There's a number of other initiatives that we're looking at to expand our business that have slight incremental cost built into 2015 where we're going to make a go of those businesses and we'll invest in them for a period of time and see if they have legs, and if they do then we'll continue to invest and expect that they'll yield revenue growth and if they don't, we'll pause on those. So that's background.

Generally speaking, I would think that we'll have EBITDA margin expansion coming out of '15 and into '16. And I think long-term; we used to talk about 40%. I think given the nature of the businesses in and how we've expanded them and the different margin profiles that 40% is probably a lofty goal over the next few years, but I certainly think we'll be firmly into the 30's based on the level set of investment we've made to date and are expecting in '15 and how we can leverage that starting out of '15 into '16.

Jeff Silber

Okay, that's helpful. Appreciate that. You mentioned the uncertainty in the Energy business. I'm just curious – in talking to your customers, is there a certain level of oil prices where maybe that uncertainty goes away? If we stay at stable oil prices can things improve over the course of this year? Thanks.

Mike Durney

Yeah, so we've talked for a long time about the view that there's kind of full investment at \$70 and above. Under \$70 it starts to decline and when you get to \$50 it's really hard for a lot of markets to make money. Now, that varies wildly. I mean, some markets you can make money at \$30 and \$40 and some markets it takes \$60 and \$70, but generally speaking that's always been our view since we've been in this business over the last four or five years. So I would say that's a baseline.

Having said that, what I try to portray when I was talking about the environment is one of the things that happens, and we saw this – we didn't own the business in '08 and '09 but we certainly saw it after the fact – is when you have steep movements up or down there's a little bit of paralysis that comes 'cause you don't know how far it's going to go up or how far it's going to go down. So what we've seen in the back half of Q4 and in the first month of 2015 is that paralysis where you have no idea where it's going to go.

And so what we hear from customers is "I don't know. I can't make a decision. We'll see what happens," but the expectation is no matter where it lands or let's say it lands in the \$40's for a period of time, once the movement stabilizes then we'll start to see some level of recruiting activity. So that level of recruiting activity is likely to be lower, in the \$40's, than it was, would be in the \$70's and was in the \$90's and \$100's, but there will be some level of recruitment activity.

So that's why when you look at our projections, generally speaking, we don't expect the business to be half the size even though oil's less than half of what it was because we expect that activity to continue, some level of activity to continue.

But when it bottoms, when it stabilizes we're pretty sure that a fair amount of recruitment activity will commence, recommence.

Jeff Silber

Okay, great. Thanks very much.

Mike Durney

Is that helpful?

Jeff Silber

Yeah.

Operator

The next question comes from Tim McHugh with William Blair. Please go ahead.

Steven Sheldon

Hey, good morning. It's Steven Sheldon for Tim. First, I just want to ask about your revenue guidance for 2015. I believe you said that the drag from currency would be \$1 million in the first quarter, so how much of a drag are you factoring in for the full year?

Mike Durney

For the full year, Steven, it's close to \$3 million.

Steven Sheldon

Okay. And then just looking at the Energy segment, I know we've talked about, you've talked about that a decent amount, but it looks like you're assuming a roughly 10% to 15% decline in the segment for 2015, if my math is right. So I know that's normally been a higher margin segment. How much of the assumed decline in 2015 is due to that? And I know you said also you're not going to be cutting expenses there, so just any color there would be appreciated.

Jeff Roberts

Yeah, so, a pretty big portion of the decline certainly in Q1 is related to that, so you're right. I mean, if you look at the, what we're saying in our projections both for Q1 and for the year, it projects that segment down 10% to 15% or down a couple million dollars, as Mike said a second ago. And at least as we sit here today we don't anticipate making changes to the cost structure. That's going to have the most significant impact on the margin is going to be related to that.

Mike Durney

I think I would just add that broadly speaking there's a couple things that we want to do. One is we have to finish the integration of the two, so that has a cost, at least a short-term cost to it. And that we're going to do no matter what because we set out to not have two sites but one.

As an example of where we're investing is we talked a lot about the data services business over the years. It's a relatively small part of Rigzone, but we think we can expand it. We think there's some countercyclical benefits to the data services business as people look for information about what's going on in the marketplace, so we're investing a little bit. It's not a huge amount, but it's a little, but I use it as an example of where we want to continue to invest so we're ready. We know the business will come back, we know oil prices will come back. We don't know when, but we're totally confident it will come back and our business will rebound, and we want to be there to take share in that market.

Steven Sheldon

Okay. That's helpful. Thanks.

Operator

And once again, if you have a question, please press star then one. The next question comes from Kip Paulson with Cantor Fitzgerald. Please go ahead.

Kip Paulson

Hi. Good morning. Thanks for taking the question. Just a couple quick ones. First, what was primarily responsible for the decelerating year-on-year revenue growth in Finance and what was deferred revenue growth for the segment in the quarter? Thanks.

John Roberts

Sure. So let me give you the – so deferred revenue growth for Finance specifically in the quarter, that was up actually about 17% from the end of last year, so the end of '14 through the end of 2013. So up about \$1.3 million or \$1.4 million is 17%.

I'm sorry, what was the first part of it?

Kip Paulson

And as far as the decelerating year-on-year revenue growth overall in the quarter for Finance?

John Roberts

I think you have to look at the, so you have to look at the individual segments within there. And I gave some color on some of the pieces in there. I mean, I think overall if you look at kind of the trends in the major financial centers, those are positive in the last, certainly in the last quarter or so. If you look at the individual growth year-over-year on a constant currency basis, outside of the US and Continental Europe, that certainly are being a drag on the overall segment. It's been, it's actually been fairly positive in the UK and the Asia part of our Asia-Pacific region.

Kip Paulson

Okay, great. And then as far as guidance, what does guidance imply for the Financial segment in 2015? Are you baking in continued acceleration from here?

John Roberts

Yeah. If you look at, so if you look at kind of the percentages of what the segments are that are in the guidance there, I think what you see in Finance is a continuation of the core trends that we've seen in the last couple quarters. One of the things that obviously is impacting it given that the majority of that business is non-US business is the impact of the currency that I mentioned earlier. I mean, the Finance segment feels the brunt of the currency impact that I described earlier.

Kip Paulson

Got it. Okay, great. Thanks, guys.

John Roberts

Thank you.

Operator

As there are no further questions, this concludes our question and answer session. I would now like to turn the conference back over to Jennifer Milan for any closing remarks.

CONCLUSION**Jennifer Milan**

Thank you for your time this morning and for your interest in Dice Holdings. Management will be available to answer any follow-up questions you may have. Please call Investor Relations at 212-448-4181 to be placed in the queue. Thank you and have a great day, everyone.

Operator

The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.