

# Financial Results for Q3 FY2017



Recruit Holdings Co., Ltd.

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CFO and Senior Managing Corporate Executive Officer



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# ■ Disclaimer

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## Highlights of the Nine Months Ended December 31, 2017

- Y on Y growth: Revenue +13.6% , EBITDA +13.8%, Adjusted EPS +9.6 %
- Revenue & EBITDA grew in all three segments, HR Technology, Media & Solutions, and Staffing
- Strong revenue growth continued in HR technology with +60.6% increase in US Dollar terms\*1

Full-year forecasts for FY2017 were revised upward, reflecting the results and Q4 outlook

- Y on Y growth: Revenue +11.5% , EBITDA +11.1%, Adjusted EPS +6.5 %  
Profit attributable to owners of the parent +9.0%

\*1: This is the local financial results of Indeed, which differ from the figures of reported Recruit Holdings Co., Ltd. consolidated results under IFRS due to differences in consolidation methodologies.

# Consolidated Financial Results

## the Nine Months Ended December 31, 2017

(JPY Bn)	FY2016	FY2017	
	Nine Months (Apr. - Dec.)	Nine Months (Apr. - Dec.)	YoY Change
Revenue	1,422.9	1,616.8	+13.6%
EBITDA	189.5	215.6	+13.8%
EBITDA margin	13.3%	13.3%	+0.0pt
Operating Income	167.9	166.6	-0.8%
Adjusted Operating Income <sup>(1)</sup>	145.9	165.4	+13.3%
Profit attributable to owners of the parent	119.0	128.6	+8.1%
Adjusted profit	111.9	122.7	+9.6%
Adjusted EPS (Yen)	67.02 <sup>(2)</sup>	73.48	+9.6%

(1): Excluding proceeds and losses from transfer of subsidiary

(2): Applying 3-for-1 stock split which was implemented on July 1, 2017

# Consolidated Financial Results

## Q3 FY2017

(JPY Bn)	FY2016	FY2017	
	Q3 (Oct. - Dec.)	Q3 (Oct. - Dec.)	YoY Change
Revenue	498.2	553.8	+11.2%
EBITDA	67.7	76.4	+12.7%
EBITDA Margin	13.6%	13.8%	+0.2pt
Operating Income	50.4	58.2	+15.5%
Profit attributable to owners of the parent	35.0	46.5	+32.9%
Adjusted profit	39.3	42.0	+7.0%
Adjusted EPS (Yen)	23.55 <sup>(1)</sup>	25.18	+6.9%

(1): Applying 3-for-1 stock split which was implemented on July 1, 2017

# Results by Segment

(JPY Bn)

Revenues	FY2016	FY2017			
	Q3 (Oct. - Dec.)	Q3 (Oct. - Dec.)	YoY Change	Nine Months (Apr. - Dec.)	YoY Change
<b>Consolidated Results</b>	<b>498.2</b>	<b>553.8</b>	<b>+11.2%</b>	<b>1,616.8</b>	<b>+13.6%</b>
HR Technology	34.3	57.4	+67.3%	156.6	+67.7%
Media & Solutions	159.7	166.7	+4.4%	498.7	+3.4%
Staffing	308.6	336.2	+8.9%	978.9	+13.6%
Corporate Expenses/ Elimination	-4.5	-6.6	-	-17.3	-
<b>EBITDA</b>					
<b>Consolidated Results</b>	<b>67.7</b>	<b>76.4</b>	<b>+12.7%</b>	<b>215.6</b>	<b>+13.8%</b>
HR Technology	4.6	7.0	+51.3%	23.2	+80.1%
Media & Solutions	45.6	46.1	+1.2%	128.3	+1.0%
Staffing	17.7	22.1	+25.0%	62.8	+25.2%
Corporate Expenses/ Elimination	-0.2	1.0	-	1.1	-

# HR Technology

(JPY Bn, USD MM)

Revenue	FY2016	Y2017			
	Q3 (Oct. - Dec.)	Q3 (Oct. - Dec.)	YoY Change	Nine Months (Apr. - Dec.)	YoY Change
HR Technology	34.3	57.4	+67.3%	156.6	+67.7%
Ref- Revenue in US Doller	312	509	+62.9%	1,403	+60.6%

## EBITDA

HR Technology	4.6	7.0	+51.3%	23.2	+80.1%
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# Media & Solutions

(JPY Bn)

Revenue	FY2016	FY2017			
	Q3 (Oct. - Dec.)	Q3 (Oct. - Dec.)	YoY Change	Nine Months (Apr. - Dec.)	YoY Change
<b>Media &amp; Solutions</b>	159.7	166.7	+4.4%	498.7	+3.4%
Marketing Solutions	89.9	93.4	+3.9%	282.0	+3.5%
Housing and Real Estate	24.4	23.5	-3.6%	73.3	-0.9%
Bridal	14.2	14.4	+1.7%	42.2	+1.8%
Travel	13.3	14.0	+5.3%	44.6	+0.6%
Dining	10.0	9.9	-1.3%	27.6	-1.1%
Beauty	14.2	16.2	+14.0%	47.0	+11.6%
Others	13.6	15.1	+11.3%	47.0	+10.8%
HR Solutions	67.8	71.3	+5.1%	211.3	+3.8%
Domestic Recruiting	62.3	65.1	+4.6%	193.7	+3.4%
Others	5.5	6.1	+11.1%	17.6	+8.6%
Corporate Expenses/ Eliminations	1.8	1.9	+4.1%	5.2	-13.8%
<b>EBITDA</b>					
<b>Media &amp; Solutions</b>	45.6	46.1	+1.2%	128.3	+1.0%
Marketing Solutions	26.9	29.7	+10.4%	79.7	+4.6%
HR Solutions	20.6	19.8	-3.8%	58.0	+5.1%
Corporate Expenses/ Eliminations	-1.9	-3.3	-	-9.4	-

# Staffing

(JPY Bn)

Revenue	FY2016	FY2017			
	Q3 (Oct. - Dec.)	Q3 (Oct. - Dec.)	YoY Change	Nine Months (Apr. - Dec.)	YoY Change
Staffing	308.6	336.2	+8.9%	978.9	+13.6%
Domestic Staffing	116.7	130.6	+11.9%	380.3	+11.6%
Overseas Staffing	191.9	205.6	+7.1%	598.6	+15.0%

## EBITDA

Staffing	17.7	22.1	+25.0%	62.8	+25.2%
Domestic Staffing	7.5	10.6	+41.0%	31.0	+40.5%
Overseas Staffing	10.1	11.5	+13.2%	31.7	+13.2%

# Consolidated Financial Forecasts for FY2017

(JPY Bn)	FY2016	FY2017			
	Full-year <sup>(1)</sup>	Full-year Forecast			
		(A) Previous 2017/5/12	(B) Revised 2018/2/14	YOY Change <sup>(1)</sup>	Change (A) vs (B)
Revenue	1,941.9	2,084.0	2,166.0	+11.5%	+3.9%
EBITDA	232.2	251.0	258.0	+11.1%	+2.8%
Operating Income	193.5	185.5	191.5	-1.0%	+3.2%
Adjusted Operating Income <sup>(2)</sup>	171.3	184.5	190.0	+10.9%	+3.0%
Profit attributable to owners of the parent	136.6	122.0	149.0	+9.0%	+22.1%
Adjusted profit	133.7	137.0	142.5	+6.5%	+4.0%
Adjusted EPS (Yen)	80.06 <sup>(4)</sup>	82.01	85.30	+6.5%	+4.0%
Profit used as basis for dividend calculation	122.1	124.0	129.5	+6.0%	+4.4%
Dividend per share (Yen)	21.67 <sup>(4)</sup>	22.00	22.00	-	-

(1): Those figures are finalized under IFRS since the figures announced at FY2016 full-year results were estimated amounts as of the time. (3): Assumed foreign exchange rates for FY2017: JPY110 /USD, JPY129 /EUR, JPY86 /AUD

(2): Excluding proceeds and losses from transfer of subsidiary

(4): Applying 3-for-1 stock split which was implemented on July 1, 2017



# Appendix

## ■ Adjustment items for EBTDA and Adjusted Profit under IFRS

(JPY Bn)	FY2017	
	Q3 (Oct. - Dec.)	Nine Months (Apr. - Dec.)
<b>EBITDA</b>		
Operating income	58.2	166.6
Other operating income	-3.4	-4.2
Other operating expenses	+5.7	+7.9
Depreciation and amortization	+15.8	+45.3
<b>EBITDA</b>	<b>76.4</b>	<b>215.6</b>

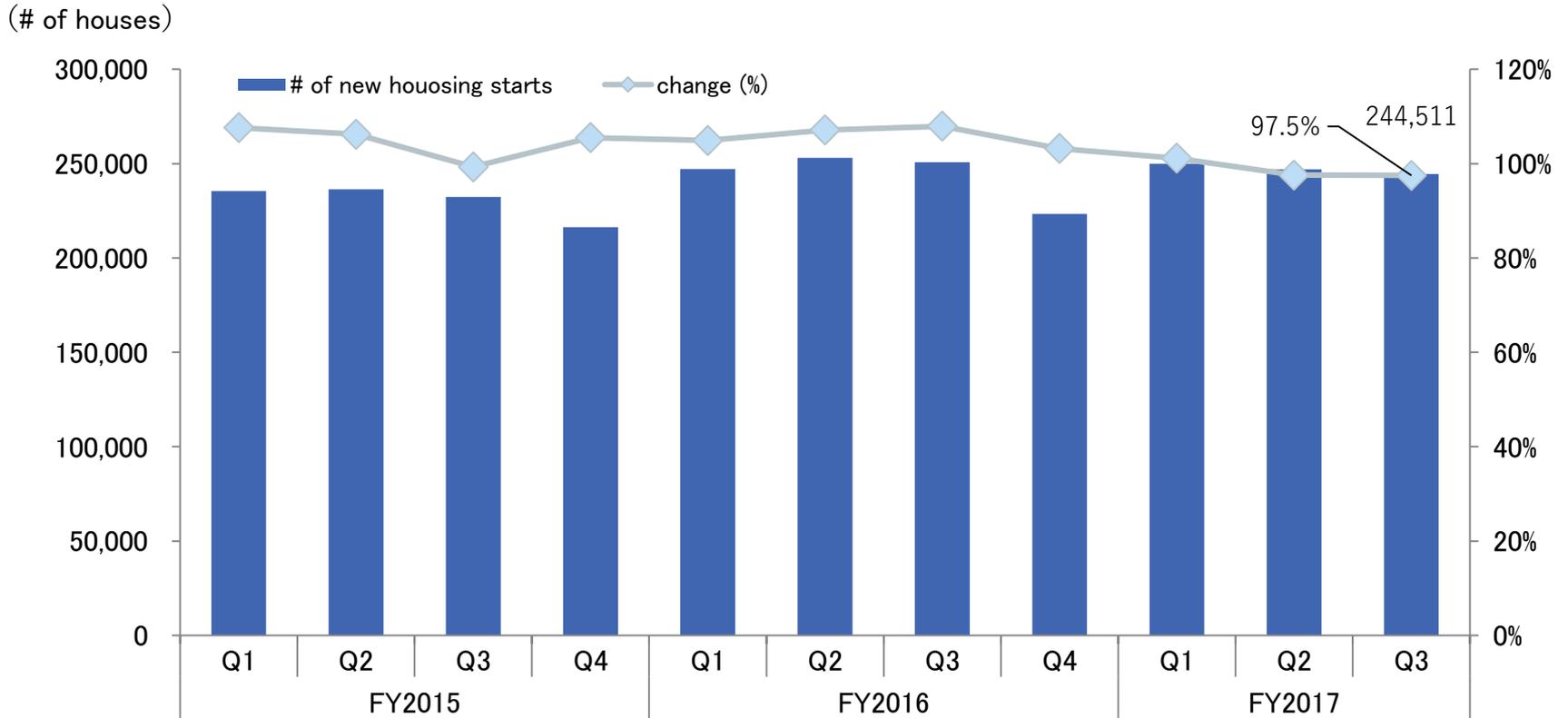
(JPY Bn)	FY2017	
	Q3 (Oct. - Dec.)	Nine Months (Apr. - Dec.)
<b>Adjusted Profit</b>		
Profit (loss) attributable to owners of the parent	46.5	128.6
Amortization of intangible assets arising due to business combinations	+5.0	+14.3
One-off income	-3.4	-5.5
One-off losses	+5.3	+7.2
Tax reconciliation regarding the adjustment items	-11.4	-21.9
<b>Adjusted profit</b>	<b>42.0</b>	<b>122.7</b>

## Other Data

	FY2016				FY2017		
	Q1e	Q2e	Q3e	Q4e	Q1e	Q2e	Q3e
HotPepper Gourmet # of seats reserved online* (million)	9.63	19.40	36.92	51.53	14.48	28.28	52.75
HotPepper Beauty # of online reservations* (million)	13.88	29.44	44.93	61.38	18.24	37.95	57.58
Air REGI # of accounts (thousand)	244	255	267	279	292	305	318
Study Sapuri high school student course # of paying subscribers (thousand)	215	230	237	244	318	333	336

\*Based on number of reservations, cancels are not counted

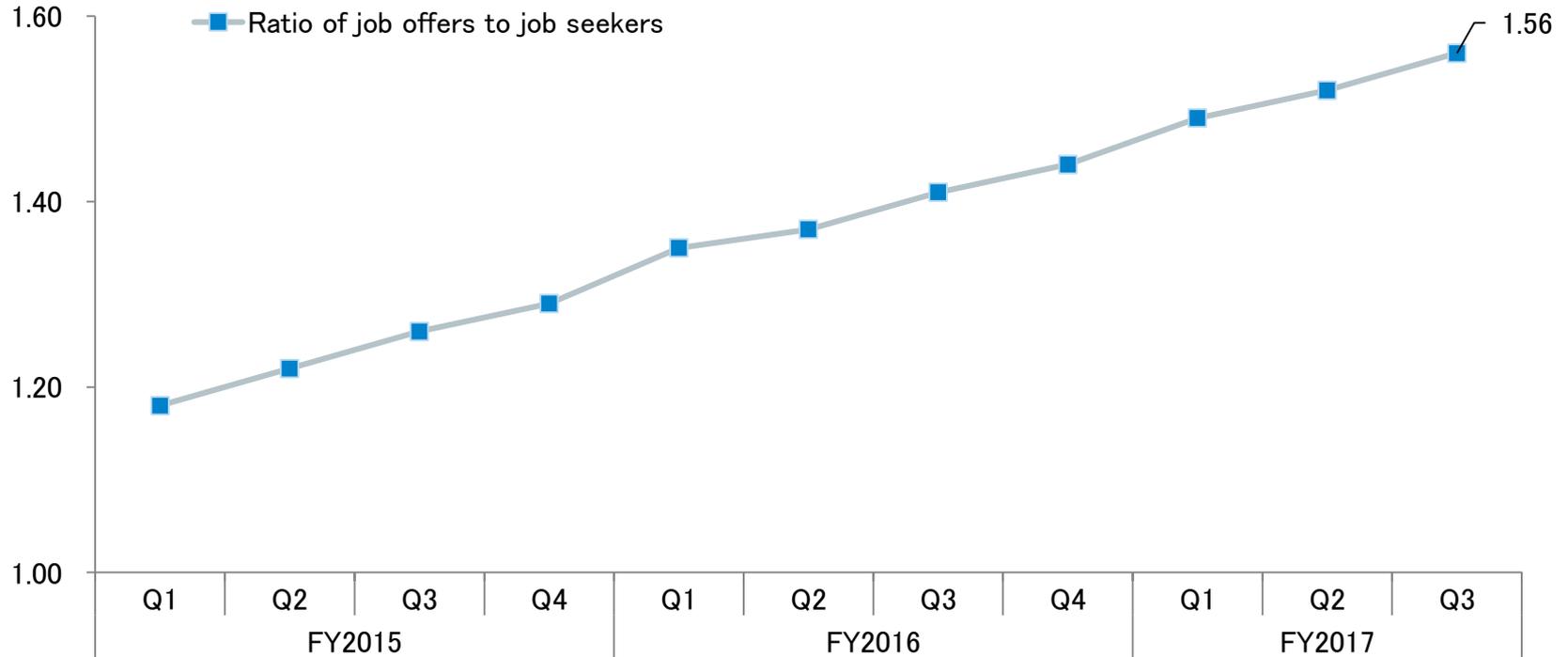
# Market Conditions: Housing and Real Estate



\*Source: MLIT housing start statistics

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## Market Conditions : Domestic Recruiting

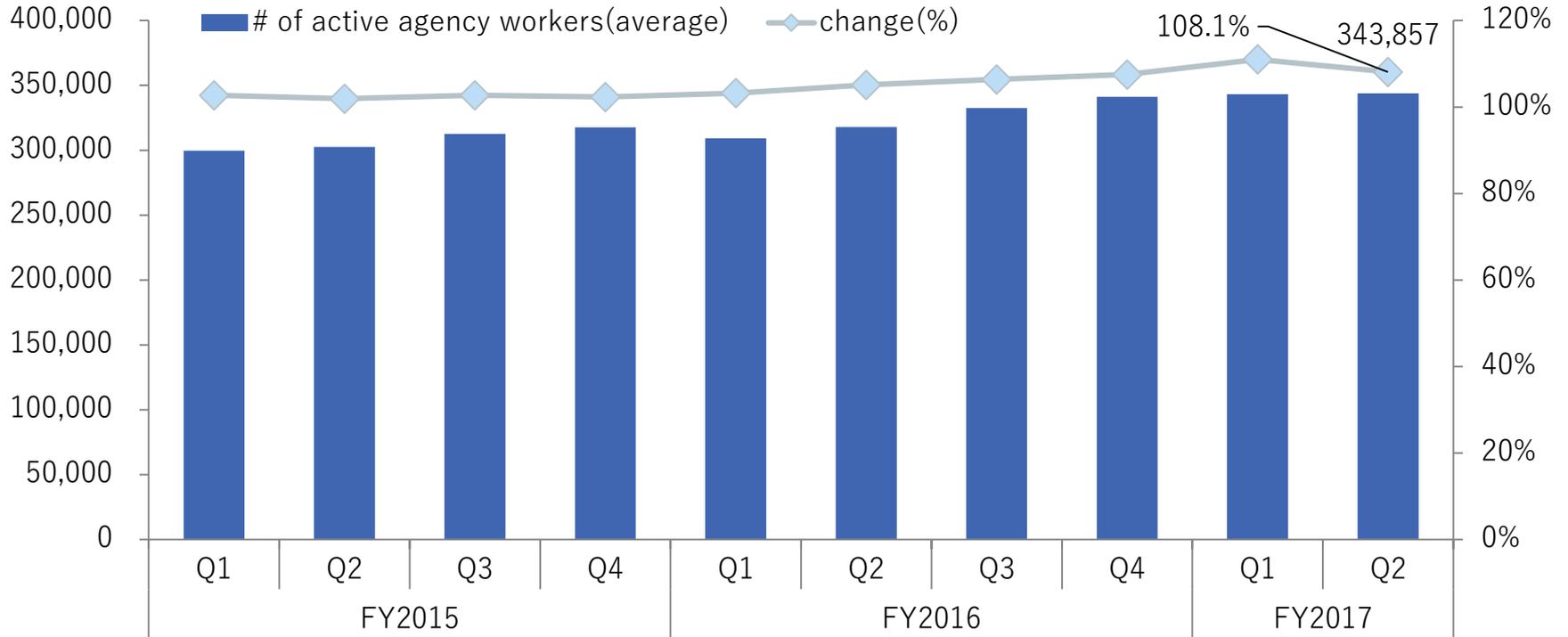


\*Source: Ministry of Health, Labour and Welfare

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# Market Conditions : Domestic Staffing

(# of persons)



\*Source: Japan Staffing Services Association

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# Notes

EBITDA = operating income + depreciation and amortization  $\pm$  other operating income/expenses

Adjusted profit: Profit (loss) attributable to owners of the parent  $\pm$  adjustment items\* (excluding non-controlling interests)

$\pm$  tax reconciliation regarding the adjustment items

\*amortization of intangible assets arising due to business combinations  $\pm$  one-off income/losses

Adjusted EPS: adjusted profit / (number of shares issued at the end of the period - number of treasury stock at the end of the period)

Profit used as basis of dividend calculation = Profit (loss) attributable to owners of the parent excluding one-off income/losses etc.