

# Financial Results for Q1 FY2017



**Recruit Holdings Co., Ltd.**

**Keiichi Sagawa**

**CFO and Senior Managing Corporate Executive Officer**



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## ■ Highlights

### ■ Q1 FY2017 Results: Favorable

Revenue: +19.6% YoY, EBITDA: +13.9%, Adjusted EPS: +11.3%

### ■ Indeed: Continuous high growth

Revenue: +58.4% in USD terms\*<sub>1</sub>

### ■ Staffing: Earnings growth with contribution of M&A (USG People)

Revenue: +25.8%, EBITDA: 38.8%

\*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.

## ■ Q1 FY2017 Consolidated Financial Results

(JPY Bn)	FY2016	FY2017	
	Q1 YTD	Q1 YTD	YoY Change
<b>Revenue</b>	<b>438.5</b>	<b>524.3</b>	<b>+19.6%</b>
<b>EBITDA</b>	<b>63.0</b>	<b>71.8</b>	<b>+13.9%</b>
<b>EBITDA margin</b>	<b>14.4%</b>	<b>13.7%</b>	<b>-0.7pt</b>
<b>Adjusted profit</b>	<b>38.5</b>	<b>42.3</b>	<b>+9.7%</b>
<b>Adjusted EPS (Yen)</b>	<b>22.76<sup>(1)</sup></b>	<b>25.34</b>	<b>+11.3%</b>

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

## ■ Adjustment Items for EBITDA and Adjusted Profit under IFRS

(JPY Bn)	FY2017
EBITDA	Q1 YTD
Operating income	56.3
Other operating income	-0.3
Other operating expenses	+1.3
Depreciation and amortization	+14.5
<b>EBITDA</b>	<b>71.8</b>

(JPY Bn)	FY2017
Adjusted Profit	Q1 YTD
Profit attributable to owners of the parent	40.2
Amortization of intangible assets arising due to business combinations	+4.6
One-off income	-1.1
One-off losses	+1.1
Tax reconciliation regarding the adjustment items	-2.5
<b>Adjusted Profit</b>	<b>42.3</b>

## Results by Segment

(JPY Bn)	FY2016	FY2017	
	Q1 YTD	Q1 YTD	YoY Change
<b>Revenue</b>			
<b>Consolidated results</b>	<b>438.5</b>	<b>524.3</b>	<b>+19.6%</b>
HR Technology	29.0	46.4	+59.9%
Media & Solutions	161.4	165.2	+2.3%
Staffing	252.7	318.0	25.8%
Corporate Expenses/Elimination	-4.7	-5.3	-
<b>EBITDA</b>			
<b>Consolidated results</b>	<b>63.0</b>	<b>71.8</b>	<b>+13.9%</b>
HR Technology	4.3	7.7	+79.0%
Media & Solutions	44.1	43.1	-2.2%
Staffing	14.8	20.6	38.8%
Corporate Expenses/Elimination	-0.2	0.3	-

## Media & Solutions: Results by Business

(JPY Bn) Revenue	FY2016	FY2017	
	Q1 YTD	Q1 YTD	YoY Change
<b>Media &amp; Solutions</b>	<b>161.4</b>	<b>165.2</b>	<b>+2.3%</b>
Marketing Solutions	90.6	91.7	+1.2%
Housing and Real Estate	25.7	24.6	-4.2%
Bridal	13.5	13.8	+2.2%
Travel	14.1	13.6	-3.1%
Dining	8.9	8.8	-0.9%
Beauty	13.7	15.0	+9.7%
Others	14.5	15.6	+7.3%
HR Solutions	68.0	71.2	+4.7%
Domestic Recruiting	63.6	66.3	+4.2%
Others	4.4	4.9	+11.6%
Corporate Expenses/Eliminations	2.7	2.1	-19.9%

### EBITDA

<b>Media &amp; Solutions</b>	<b>44.1</b>	<b>43.1</b>	<b>-2.2%</b>
Marketing Solutions	25.9	24.7	-4.6%
HR Solutions	18.6	20.7	+11.7%
Corporate Expenses/Eliminations	-0.4	-2.3	-

## ■ Staffing: Results by Business

(JPY Bn) <b>Revenue</b>	FY2016	FY2017	
	Q1 YTD	Q1 YTD	YoY change
<b>Staffing</b>	<b>252.7</b>	<b>318.0</b>	<b>+25.8%</b>
Domestic Staffing	111.7	125.7	+12.6%
Overseas Staffing	141.0	192.3	+36.3%
<b>EBITDA</b>			
<b>Staffing</b>	<b>14.8</b>	<b>20.6</b>	<b>+38.8%</b>
Domestic Staffing	7.4	11.3	+52.2%
Overseas Staffing	7.3	9.2	+25.1%



## Consolidated Earnings Forecast for FY2017

(JPY Bn)	FY2016		FY2017		
	Full-year*1	Full-year After adjustment*2	Full-year Forecast	YoY Change*1	YoY Change After adjustment*2
Revenue	1,941.9	-	2,084.0	+7.3%	-
EBITDA	232.2	-	251.0	+8.1%	-
Operating income	193.5	171.5	185.5	-4.1%	+8.1%
Profit attributable to owners of the parent	136.6	117.6	122.0	-10.7%	+3.7%
Adjusted profit	133.7	-	137.0	+2.4%	-
Adjusted EPS (Yen)	80.06*4	-	82.01	+2.4%	-
Profit used as basis for dividend calculation	122.1	-	124.0	+1.5%	-
Dividend per share (JPY)	21.67*4	-	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.

\*2: Excluding proceeds from sales of subsidiary and relevant tax reconciliation from FY2016 figures

\*3: Assumed foreign exchange rates for FY2017: JPY110 /USD, JPY118 /EUR, JPY82 /AUD

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



# Appendix

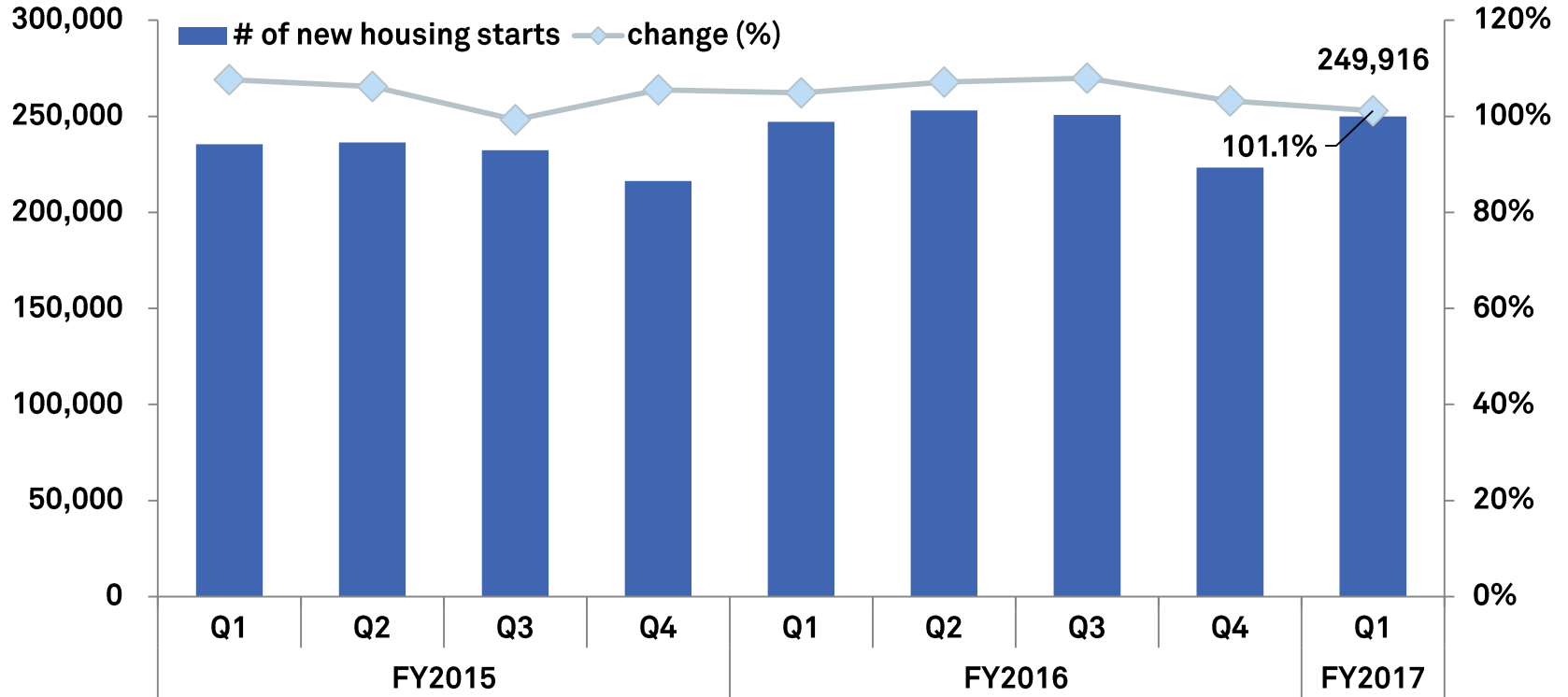
## Other Data

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

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

# Market Conditions: Housing and Real Estate

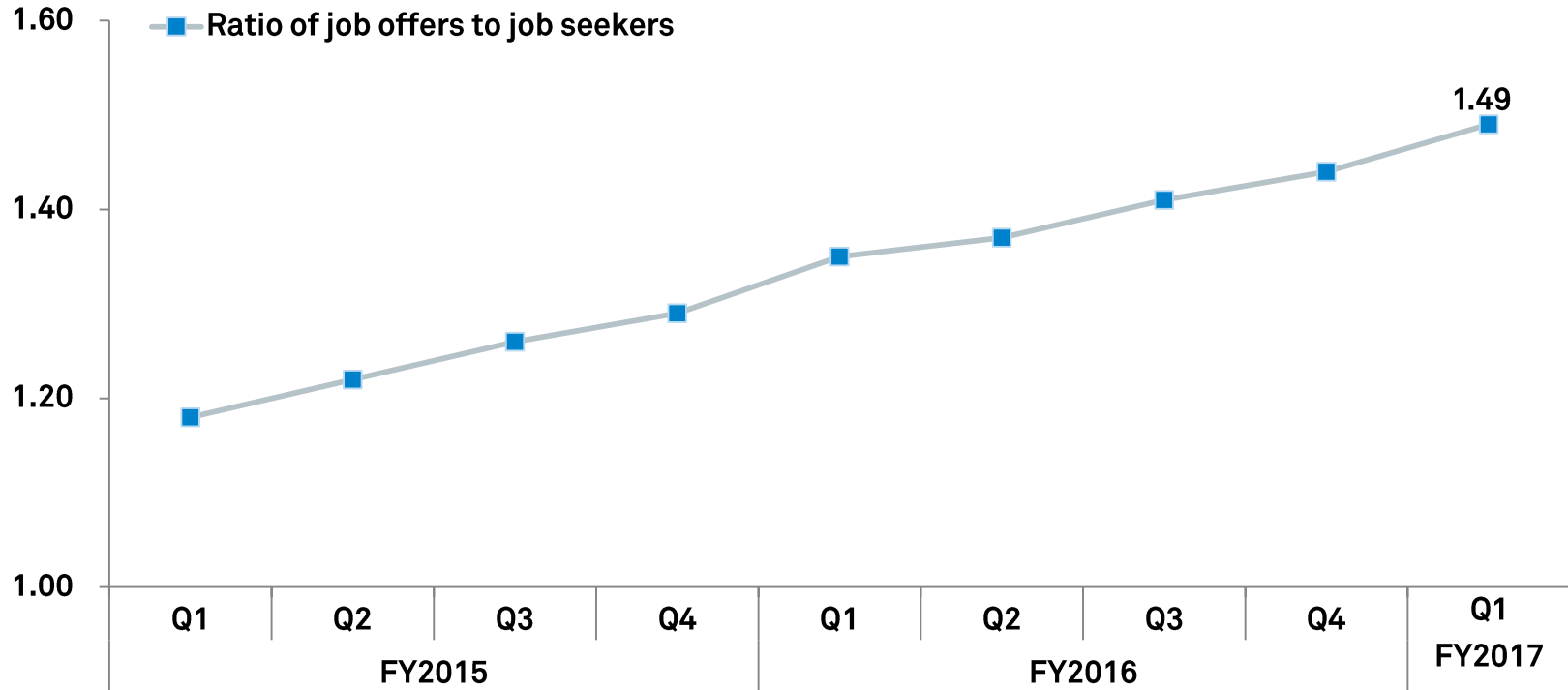
(# of houses)



\*Source: MLIT housing start statistics

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## Market Conditions : Domestic Recruiting

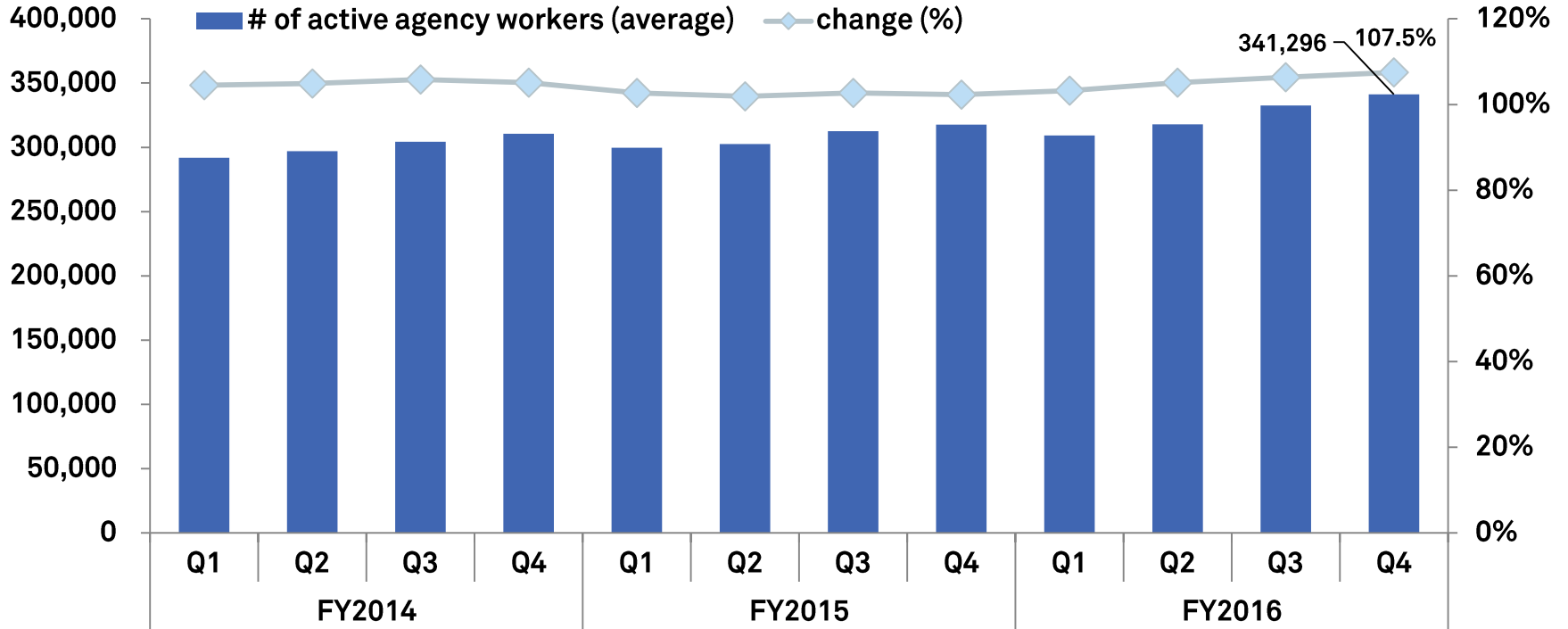


\*Source: Ministry of Health, Labour and Welfare

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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 + other operating income, expenses**

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

**± tax reconciliation regarding the adjustment items**

**\*amortization of intangible assets arising due to business combinations ± 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.**