

# APAC SBU Business Overview

IR Day

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July 2024



**Excerpts from the "Mid-Term Management  
Plan 2026" announced in May 2023**

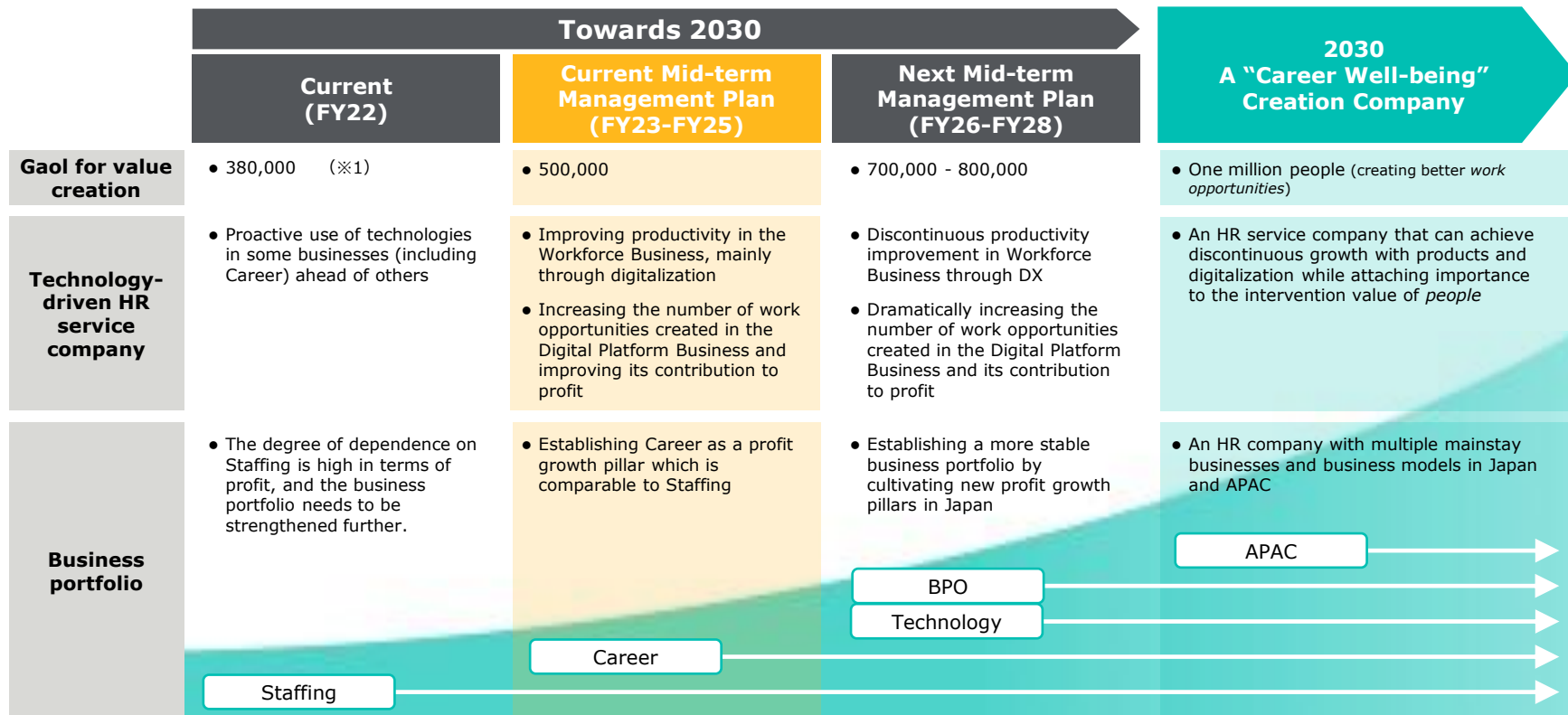
# Positions of businesses and management policy

The position of each business and management policy are as follows. In particular, under this Mid-term Management Plan, we position Career, BPO, and Technology as the domains of focus and invest proactively in them.

|  |                   |  |
|--|-------------------|--|
| <b>The Group's foundation</b><br>Continue to be the foundation of the Group's growth.  | <b>Staffing</b>   | <ul style="list-style-type: none"> <li>– Aim to achieve growth by increasing market share despite the possibility of a shrinking the clerical and administrative staffing market over the long term.</li> <li>– Contribute to the Group's growth by strengthening relations with customers.</li> </ul>   |
| <b>Pillars of profit growth</b><br>Proactive business investments, for the sake of significant profit growth in the medium to long term    | <b>Career</b>     | <ul style="list-style-type: none"> <li>– Aim to achieve growth exceeding market growth while the career-change-related market continues to expand.</li> <li>– <b>Continue to make investments that contribute to medium- to long-term business growth and the acquisition of competitive advantages.</b></li> </ul>                                  |
|  | <b>BPO</b>        | <ul style="list-style-type: none"> <li>– Aim to achieve growth exceeding market growth by taking advantage of the customer base of temporary staffing.</li> <li>– <b>Make large-scale investments, mainly to acquire the ability to achieve a business transformation.</b></li> </ul>  |
|  | <b>Technology</b> | <ul style="list-style-type: none"> <li>– Reinforce the foundations for large-scale recruitment and the development of high value-added human resources and improve sales capabilities, in an attempt to increase billing rates.</li> <li>– <b>Continue large-scale recruitment to derive medium- to long-term competitive advantages.</b></li> </ul> |
| <b>Reinforce the foundations for a breakthrough.</b><br>Improve earnings to enable large-scale investment for growth in FY2025 and beyond. | <b>APAC</b>       | <ul style="list-style-type: none"> <li>– Achieve earnings improvement at a level that will contribute to improving shareholder value.</li> <li>– Invest in a quantitative expansion after improving earnings.</li> </ul>   |
| <b>Investments toward the future</b><br>Implement R&D after achieving an investment quota at a certain level.                              | <b>R&amp;D</b>    | <ul style="list-style-type: none"> <li>– Achieve an investment quota at a certain level to explore and create businesses related to Career Well-being.</li> </ul>  |

# Towards 2030

Aim for value creation of 500,000 people by the final fiscal year of the current Mid-term Management Plan (FY2025) and one million people by 2030.

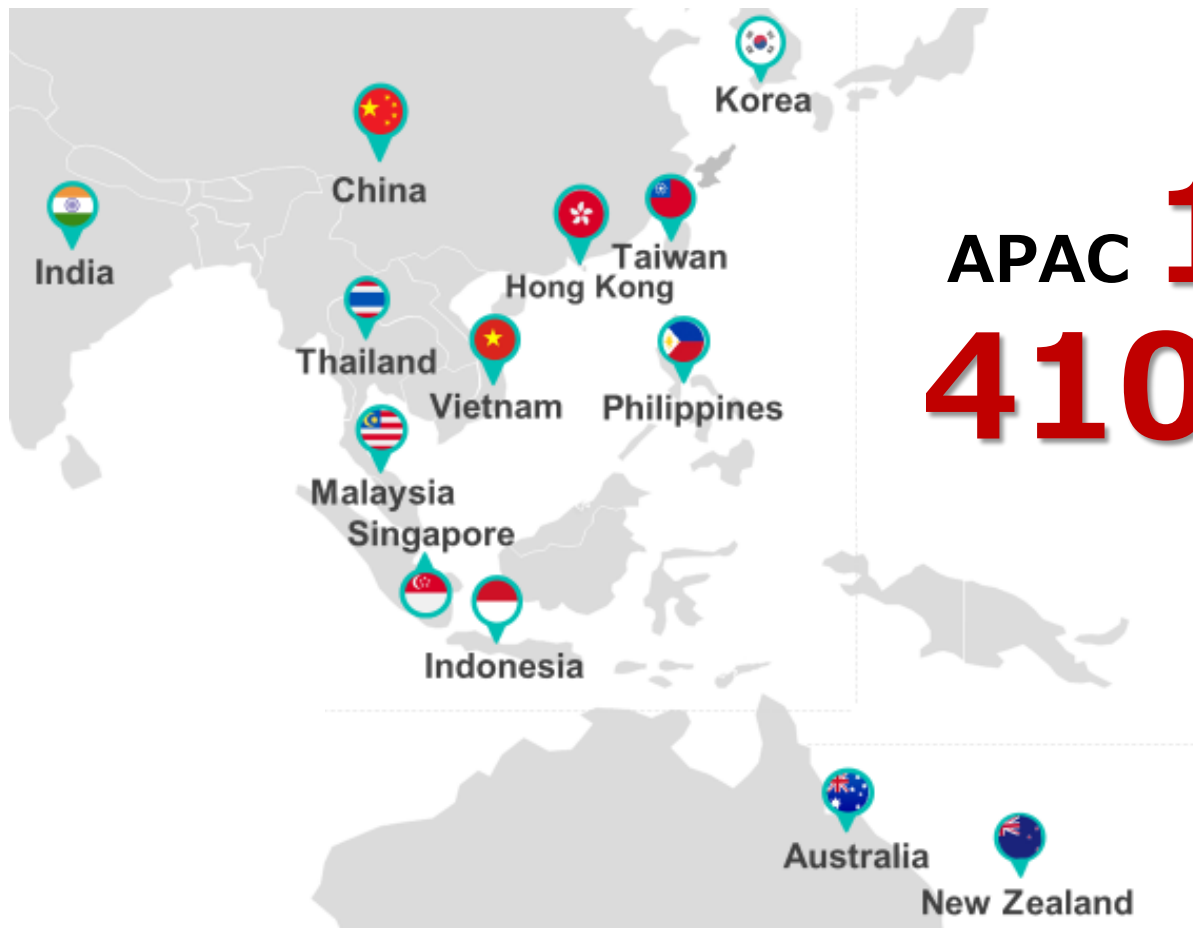




# Work and Smile

A company creating “**career well-being**” and becoming a **technology-driven** human resource service company

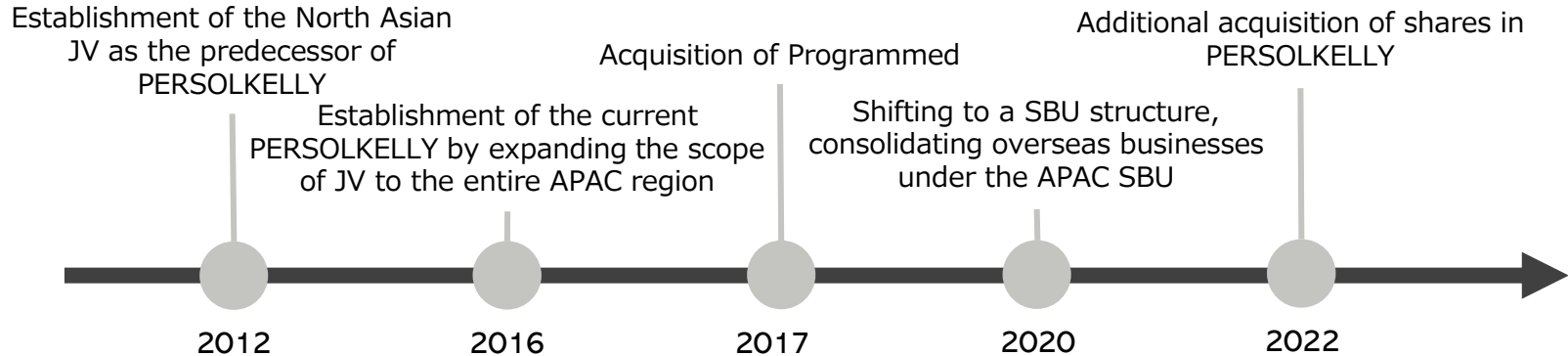




APAC **13** Markets  
**410**bn JPY Revenue

# History of APAC SBU

- With the shift to the SBU structure in 2020, overseas businesses were consolidated under the APAC SBU
- By acquiring additional shares in PERSOLKELLY in 2022, we unified the entities under APAC SBU with the aim of making further improvement in profitability



Became the largest HR service provider **in Asia** in **8 years**  
(excluding Japan)

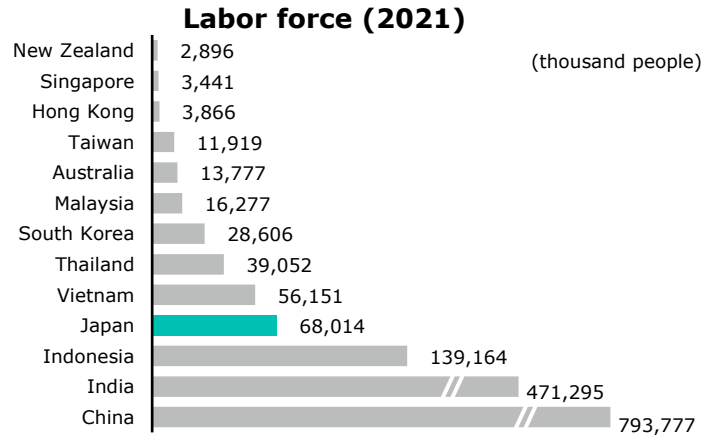
**10,000** HC of diverse nationalities are employed in APAC SBU

# Human Resource Markets in the APAC Region



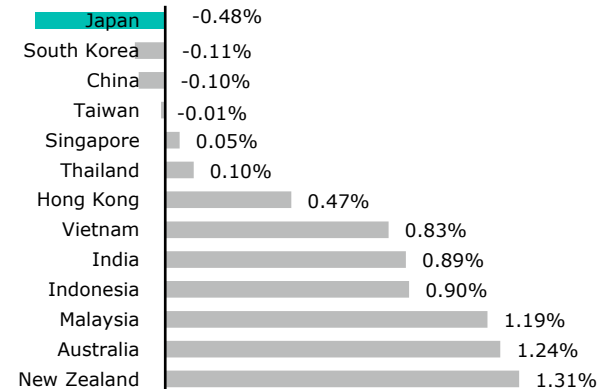
APAC region has **3.5 bn** opportunities to realise our “Work and Smile” vision

- The total population of the 13 markets which APAC SBU operates in is around 3.5 billion
- The APAC region accounts for roughly 50% of the global labor force
- The region has the highest wage growth and human resource mobility in the world



- The APAC region accounts for **roughly 50%** of the global labor force

**Average population growth rate (2022-2025)**



- While a majority of ASEAN nations and the ANZ region\* are seeing **positive population growth**, **Japan is projected to have the largest rate of decline**



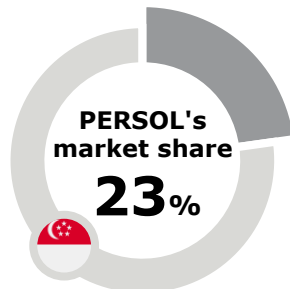
# PERSOL's Market Share in the APAC Region



## ■ PERSOL has established a strong position as a leading human resources solution company in the APAC region

Leading market share in Singapore, Malaysia and Australia

### Singapore



Human resource services  
Market size

**168 billion yen**

- **No.1** market share of 23%
- As the driving force of economic growth, the government has created many opportunities for the human resource services industry, and our initiatives focused on the **public sector** have been successful.

### Malaysia



Human resource services  
Market size

**65 billion yen**

- **No. 1** market share specializing in temporary staffing and business outsourcing
- As with Singapore, the **public sector** is promoting economic growth
- There is potential for further growth because of the nurse training initiatives aimed at developing nursing cities, particularly in the ASEAN region.

### Australia



Blue-collar temporary staffing  
Market size

**592 billion yen**

- One of the top tier suppliers in the market and a preferred vendor among clients
- Despite the impact of automation and the shift to a service-based economy, **demand for blue-collar temporary staffing is expected to grow** steadily, with the workforce projected to increase by 4% by 2025

Source: Singapore/Malaysia - company financial statements from ACRA/SSM, SIA Reports, internal company analysis

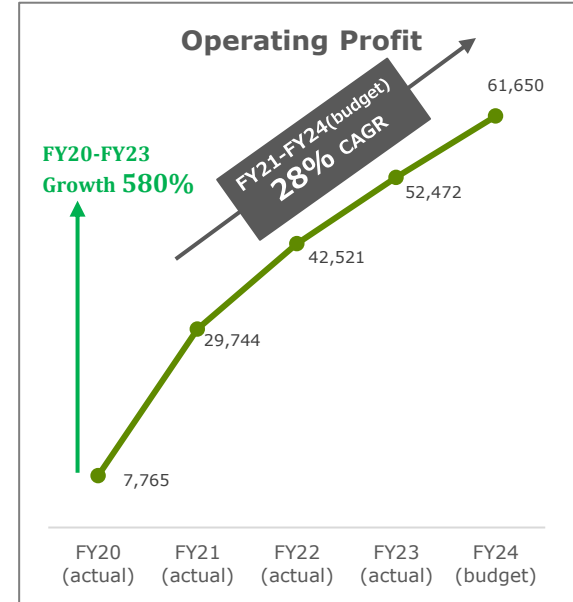
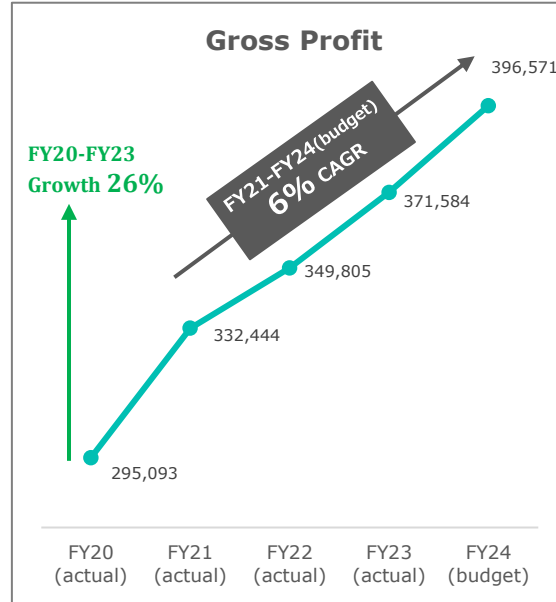
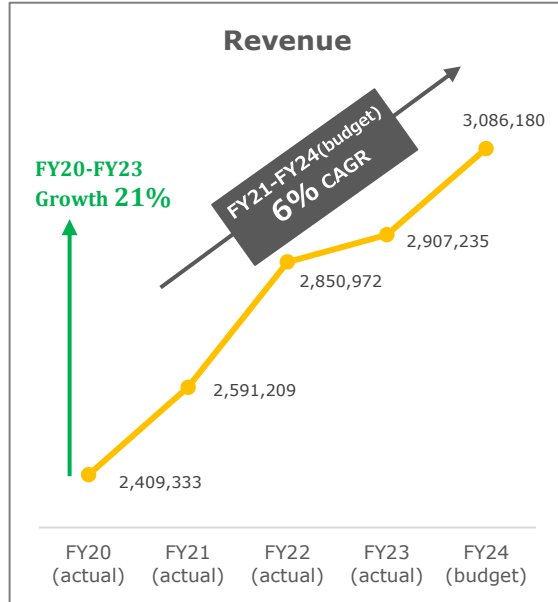
ANZ region - IBIS World Reports, press releases, McKinsey Expert Interview

Note - Exchange rates are converted to national currency rates based on 130 yen to the US dollar.

# Historical Business Growth Last 5 years



- In FY23, APAC SBU achieved 370 mil USD Gross Profit and 52 mil USD Operating Profit, representing 26% and 580% growth respectively from FY20
- In FY24 Budget, APAC SBU targets to achieve circa 62 mil Operating Profit, and is on track to achieve the target for FY25
- We achieved significant profitability improvements in Operating Profit growing at a faster rate than Revenue over the past five years (US\$ '000)



\*December year-end from FY20 to FY22; March year-end from FY23

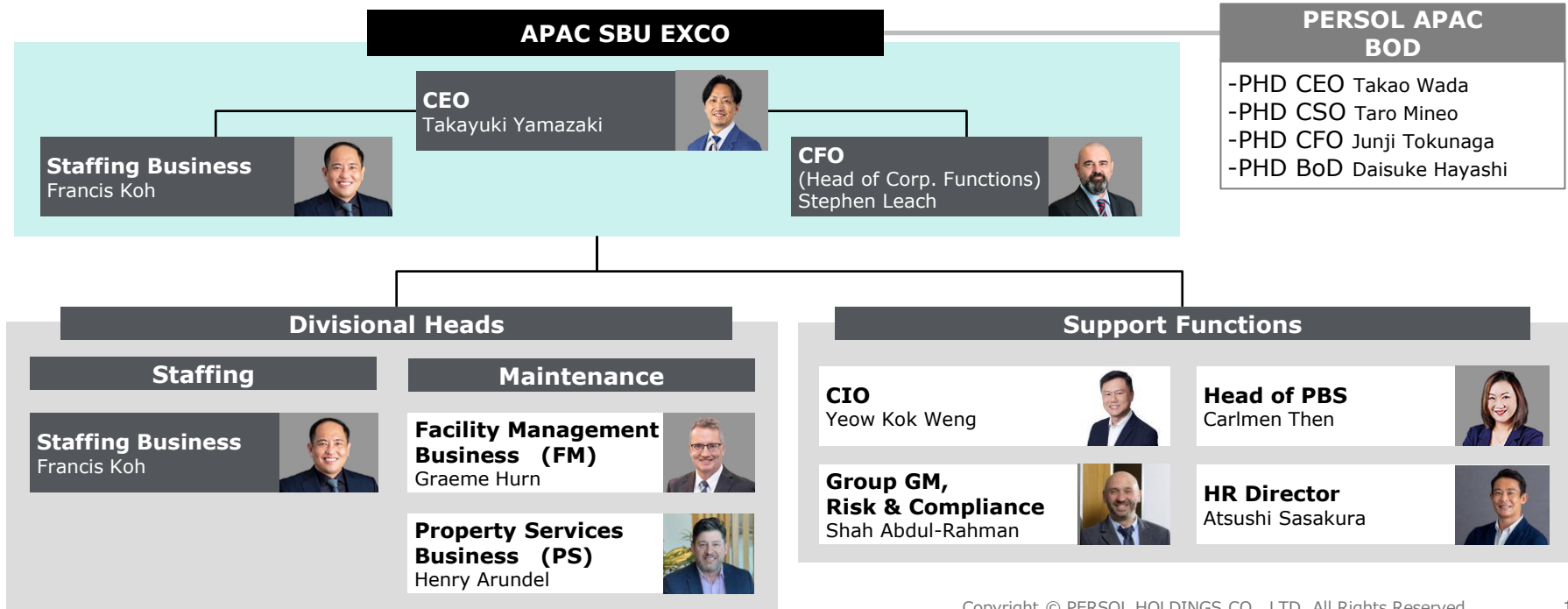
\*\*Operating Profit number excluded impairment

# Business overview

Asia Pacific SBU

# Management Team in the APAC SBU

- Following the acquisition of additional shares in PERSOLKELLY, an integrated management team has been established to oversee the APAC region, eliminating any boundaries between PERSOLKELLY and Programmed
- The management team is made up of diverse and highly experienced professionals





## Staffing

**FY23 Revenue**  
US\$1,778 mil

- **Managed skilled and professional workforces. Contract/Temporary staffing services**
- **Permanent recruitment** for both blue and white collar
- **HR Consultation and Training services**
- **Outcome-based services** e.g., project workforce management, concierge, etc.
- **Industrial maintenance services** covering contract maintenance, shutdown and project services to light and heavy industry



## Maintenance

**FY23 Revenue**  
US\$1,090 mil

### ■ Facility Management (FM)

- **End-to-end management of organization's facilities and services**, including reactive and preventative maintenance all under a **comprehensive outsourced contract**
- **Soft services** e.g., pest control, cleaning, waste removal, catering, security
- **Strategic asset management and spend analysis**
- **Maintenance Planning**

### ■ Property Services (PS)

- Commercial Painting services
- Grounds, Golf and Racecourse maintenance
- Corporate Imaging, Electrical Technologies services



Become the **No. 1 Human Resource services company in APAC**, in terms of size and profitability, under a highly efficient and productive management to enable further growth toward FY2025

## Client Focus

- Strengthen **Regional Clientele** across markets
- Establish **our core business lines** in all markets

## Sustainable Growth

- Build an **effective and sustainable structure** for long-term growth
- Data-driven decisions to boost **productivity and profitability**

## Borderless Talents

- Leverage our **network** to provide in-demand Talents from **skill-rich regions to work anywhere**
- Optimize **regional resource** utilization

## Digital Transformation

- **Build and utilize Technology** to transform our processes, enhancing productivity and efficiency



# Staffing Business - Strategic Focus in respective SBGs

- Develop Strategic Business Group (SBG) according to the macro situation in each market
- Strategies vary depending on the market position and business mix for each SBG



# Maintenance Business



OL

- **Facility Management (FM)**  
-Facility management services cover the provision of outsourced services to the owner or operator of the asset or facility.
- **Property Services (PS)**  
-Property Services provides a variety of services for maintenance and management of customers' facilities and assets.
- **Collaboration with FM and PS**  
-There are overlapping areas with the PS such as Painting and Open Space. The difference is that FM usually manages the master contract, while PS directly provides the specific service. Given the overlapping interests, PS often collaborates as a vendor in FM's multi-year projects.

## Key Sub-Segments



**Water/  
Utilities**



**Social  
Housing**



**Education**



**Corrections**



**Airports**



**Industrial**



**Government**



**2,641,600**

**KM<sup>2</sup> OF WATER  
NETWORKS**



**70+**

**YEARS OF  
EXPERIENCE**  
*Established in 1951*

**52**

**BRANCHES**  
*Across Australia  
and New Zealand*



**25,424,373**

**SQM OF  
AIRPORTS**



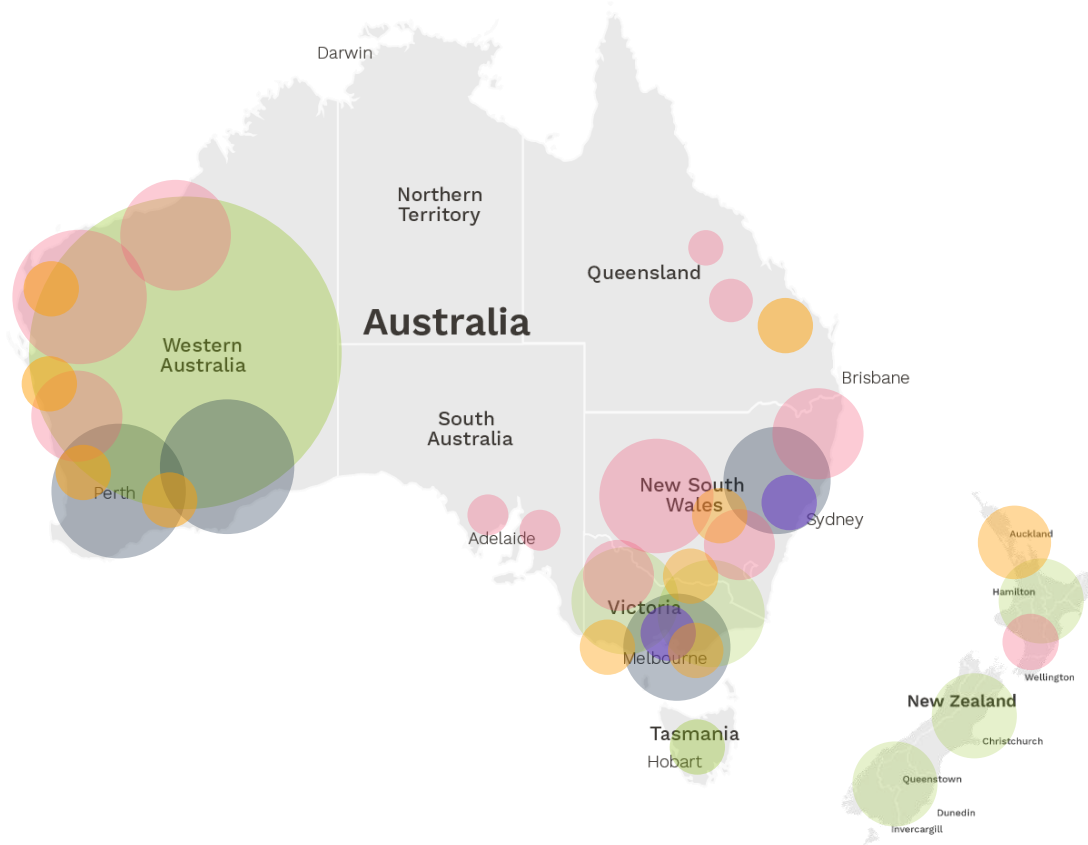


Programmed is in the top three of facility and asset management providers within our core industries of Water, Education, Social Housing, Airports, and Government.

We look to increase our market presence within these core industries while exploring **future growth industries**. This allows us to expand upon and **leverage our service offerings** to take advantage of **emerging trends**.

# Facility management – Core Sector reach

- For Australia & New Zealand, FM operates across all major markets in both countries.



## Business scale by major sector



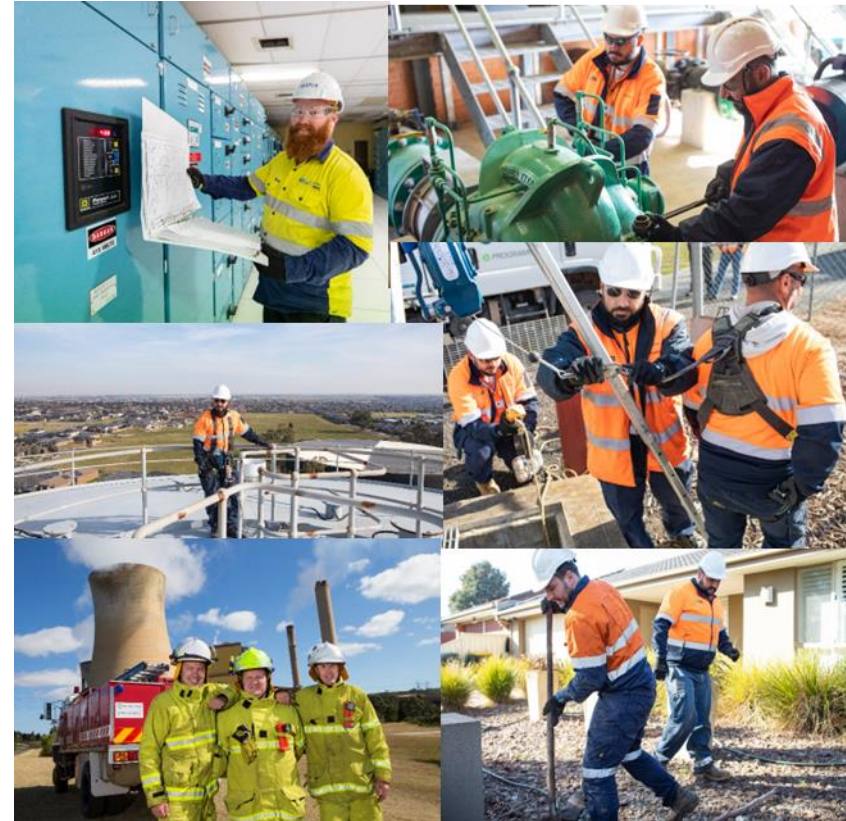


## Water / Utilities

### ■ What is this sector?

Companies that are essential service providers in water, electricity and other daily utilities to the broader population of an area.

**Programmed provides** maintenance services of the large water networks across the clients' portfolios. We supply facility management to large operational depots, water purification plants, and sewerage plants. Services include minor and major capital services, operational capital services, technical services, spares and inventory management, supply chain management, property maintenance, Fire trade services, signage and temporary fencing, Fire Safety and Security services, reactive and planned maintenance, and residential rectifications of water and sewerage networks.





Education

## What is this sector?

Primary, High and Tertiary Education facilities, including student accommodation.

**Programmed provides** maintenance services, including planned preventative maintenance and unscheduled repairs, asset lifecycle planning, minor and major capital works projects, make-safe evaluations, emergency management services, improvements of internal learning environments (electrical, insulation, lighting, etc.), design, construction, finance and maintaining, and strategic asset management of all educational facilities and student accommodation, where required.







Social Housing

## What is this sector?

Rental housing available for lower socio-economic population. Often individuals faced with secure housing challenges through family violence, financial or physical disabilities.

**Programmed provides** preventative and reactive maintenance, property condition assessments for strategic asset management planning, energy efficiencies, management of vacant sites for occupancy, upgrade works, minor capital works, grounds and common area cleaning, compliance and building essential services, tree removal/pruning, roof, sewer and stormwater repairs, external wall sheeting and associated works, supply chain management, tenant economic development, and tenant social and trades training programs.





Airports

## What is this sector?

As part of the Aviation sector, Airports cover all aspects of air travel and the relevant supporting activities and entities that facilitate it. Airports often encompass a supporting business park around it for the office space of supporting companies, known as a business precinct.

**Programmed provides** maintenance services, including planned preventative maintenance and unscheduled repairs, asset lifecycle planning, and help desk services to all terminals, as well as the Cargo and Business Enterprise Park. Scope includes minor capital works projects, civil infrastructure maintenance, low voltage electrical maintenance, and internal plumbing services. 24/7 availability is supported by our onsite delivery team and a pre-qualified network of subcontractors.





Government

## What is this sector?

Local and State government is responsible for a range of vital services for people and businesses in defined areas. Among them are well known functions such as social care, schools, housing and planning, waste collection, and Justice, but also lesser-known ones such as licensing, business support, registrar services and pest control.

**Programmed provides** maintenance services to numerous buildings and structures across the council areas. These include town halls, community centres, libraries, fitness centres, office buildings, parks, cemeteries, public pools and toilets, childcare centres, and justice facilities. The services include asset lifecycle strategy, minor and major capital works, help desk services, architectural design and planning, supply chain management, open space maintenance, facility cleaning, waste collection and disposal, streetscape maintenance, and specialist technology for courts.



# Mid-term Management Plan update

April 2023 to March 2026

# Three Pillars of the APAC Strategy



- ① Revise the business portfolio**
- ② Implement structural reforms and cost optimization**
- ③ Boost productivity through DX investment**



## Key Measures

## Status as of FY23 end

A

Improve profitability of the staffing business  
by **expanding the  
placement business**  
across the entire APAC SBU

**Portfolio reform**  
of the staffing business in the ANZ region

B

**focus on Facility  
Management**

### Placement Rev Growth last 3yrs (USD)

|           | FY20     |  | FY23     |
|-----------|----------|--|----------|
| PERM Rev. | \$42 mil | 13 % pa<br> | \$60 mil |

### FM Rev Growth last 3yrs (USD)

|         | FY20      |  | FY23      |
|---------|-----------|--|-----------|
| FM Rev. | \$456 mil | 19 % pa<br> | \$767 mil |

### Business Selection and Concentration

**Divestment of Health div. (May '24)**



## Strategic pillar 2 Implement Structural Reforms and Cost Optimization



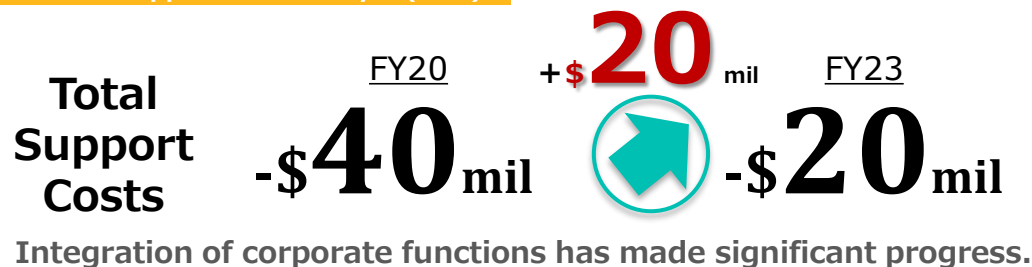
### Key Measures

### Status as of FY23 end

C

Eliminate duplications in head office function and consolidate support functions to **reduce costs**

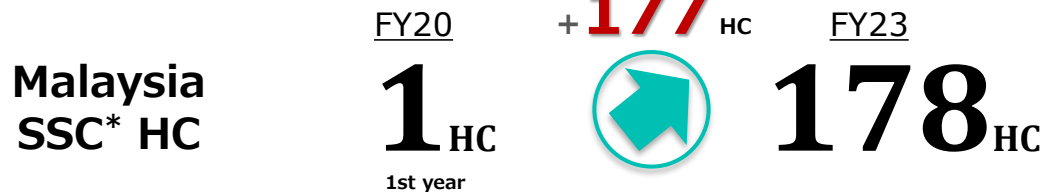
#### Reduce support cost last 3yrs (USD)



D

Utilize the shared services center in Malaysia to **reduce costs**

#### Malaysia SSC HC last 3yrs (USD)



Reduction of HC in AU which has relatively high personnel costs

\* Shared service center

# Strategic pillar ③ Boost productivity through DX investment



## Key Measures

## Status as of FY23 end

E

Develop AI matching collaborating with Career SBU and **improve the productivity of placement business consultants**

F

Utilize automation tools and process improvement tools to **improve productivity in the temporary staffing business**

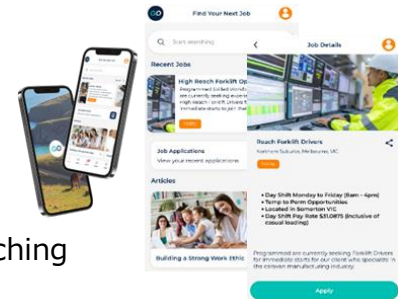
### Progress of the action plan (PERM)

- **Consider future business models based on doda model**
- **Collaborate and proceed with Career SBU**
  - Collaborate with the data scientists of Career SBU
  - Enhance the APAC ATS (Applicant Tracking System) algorithm and improve the precision of AI auto-matching
  - This has been implemented in SG and targeted to launch in MY within FY24

### Progress of the action plan (TEMP)

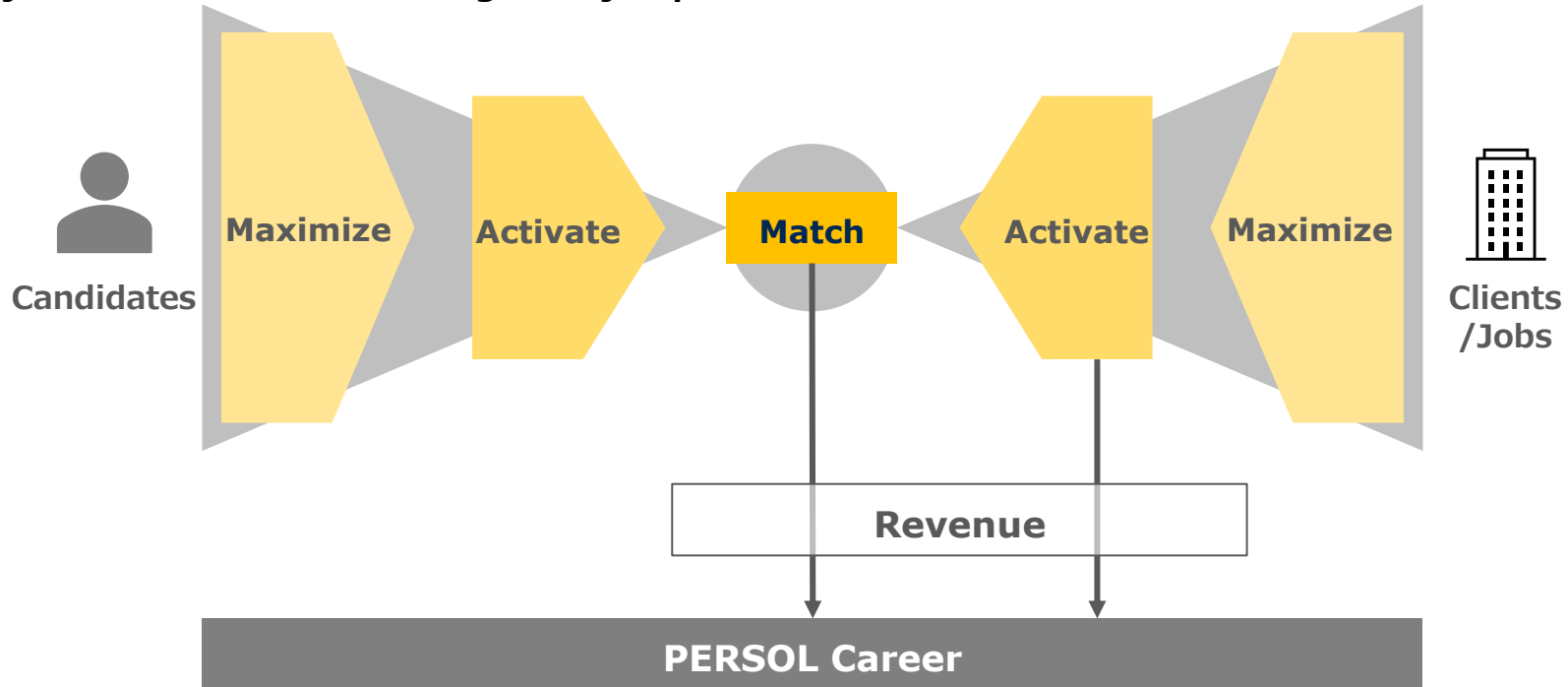
- **Launch Programmed GO in APAC**
- **Build user-centric technology for TEMP business to serve clients, candidates, and consultants**
  - Enhanced UI/UX of the search function to reduce time to job matching
  - Launched in SG and MY

### Candidate portal

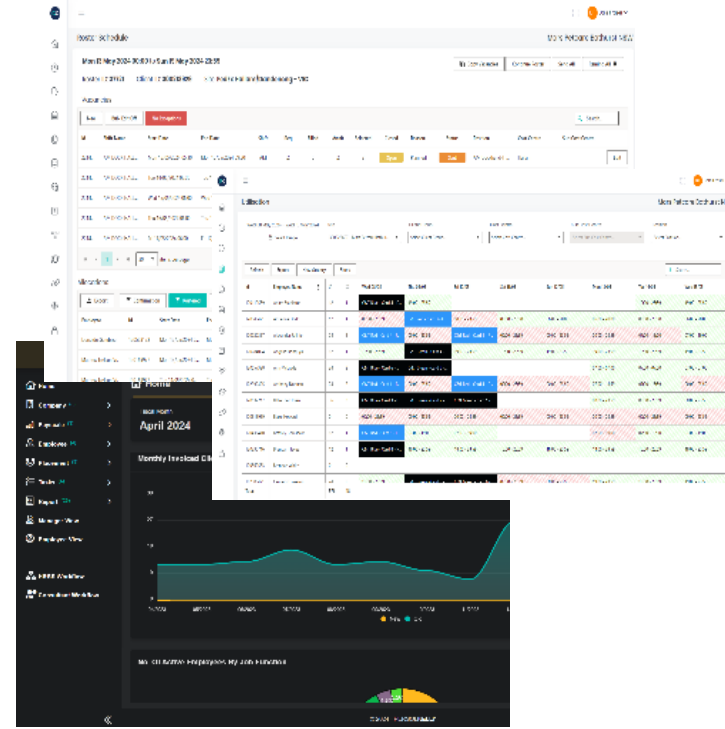
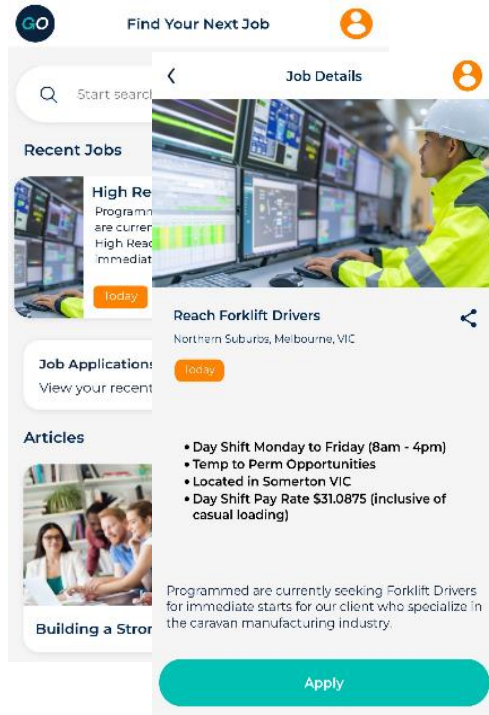


# Basic structure of the Placement business in Japan

- The basic structure of the Placement business in Japan is shown in the ribbon model below
- Revenue is generated by acquiring job orders from clients and matching them with job seekers sourced through the job portal



- User-centric technology for TEMP business to serve clients, candidates, and consultants
- Through GO App, candidates can search and apply for jobs, manage their job & shift confirmation, receive their pay-check, and so forth



## APAC SBU FY23A and FY25 MTBP Targets



- On track in FY23 and expected to achieve the FY25 MTBP financial targets
- The FY23 ROIC improvement plan is on track, and making progress to the 10% FY25 ROIC target in the MTBP
- FY24 budget has been structured in line with the original MTBP FY24 target

### FY23 Actual

#### Revenue

**US\$ 2,932 mil**

#### Adjusted EBITDA

**US\$ 69.3 mil**

### FY25 (MTBP Targets)

#### Revenue

**US\$ 3,080 mil**

#### Adjusted EBITDA

**US\$ 92.7 mil**

- FY23 Actual is based on FY23 Budget FX rate
- Both Health and Workmate are included

- FY25 is based on FY24 Budget FX rate
- Both Health and Workmate are excluded

# Growth Strategy

Toward 2030



# Growth Strategy

- Regarding FY26 onwards beyond the current MTBP,

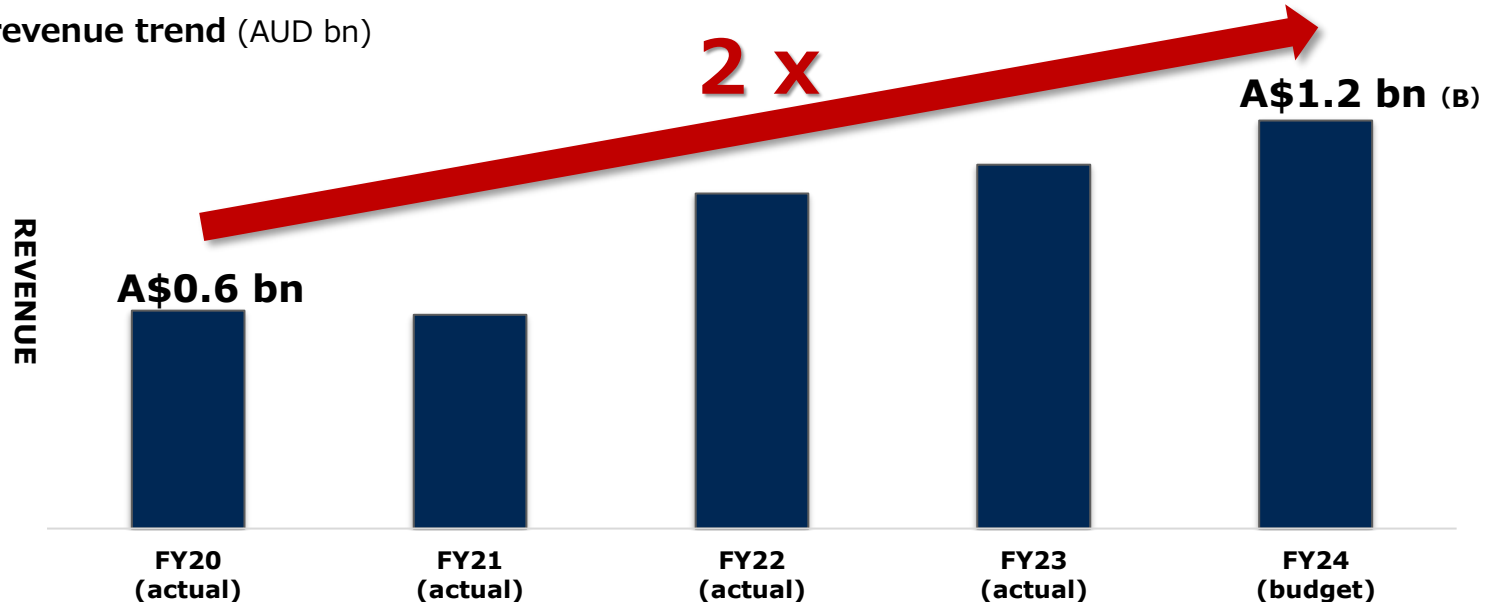
**APAC SBU aims to achieve**  
**Revenue of 700-800\* bn JPY and**  
**Adjusted EBITDA margin of 7-8% by 2030** through growth and investment in the following key three areas:

- ① Facility Management Business
- ② Placement Business
- ③ DX/Tech Strategy (doda model for APAC)

# Key Growth Pillars : ① Facility Management (FM)

- FM business is profitable and capital efficient, serving as a key driver for future growth in APAC
- FM FY24 revenue is projected to double compared to FY20, reflecting a robust growth rate of 13% p.a.
- The market size of FM in ANZ is approximately A\$15bn. We aim to expand market share through customer acquisition in new sectors and regions, with a target to achieve sales of A\$2-3bn by 2030.
- Leveraging our business expertise in ANZ, we plan to expand into APAC markets, thereby accessing new opportunities to bolster growth geographically.

■ FM revenue trend (AUD bn)

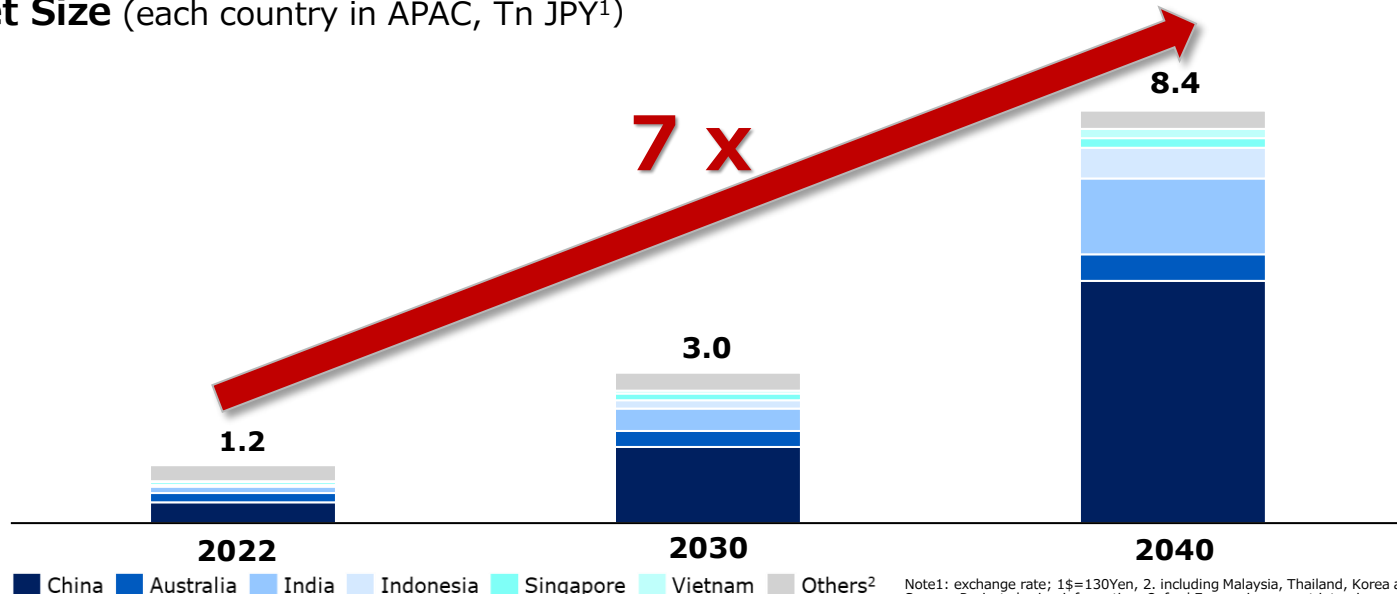


## Key Growth Pillars : ② Placement business



- The APAC recruitment market size is forecasted to expand 7x from 2022 to 2040 (12% growth p.a.). PERSOL
- We currently hold the No. 1 market share in several markets, including Singapore. As wages continue to rise in APAC and the market expands, we foresee opportunities to scale our business and maximize profits in those markets.
- The Chinese market, being notably large, offers boundless opportunities to expand our market share. Our strategic focus will be on growth in China, aiming to develop it into a key growth pillar for the APAC SBU.

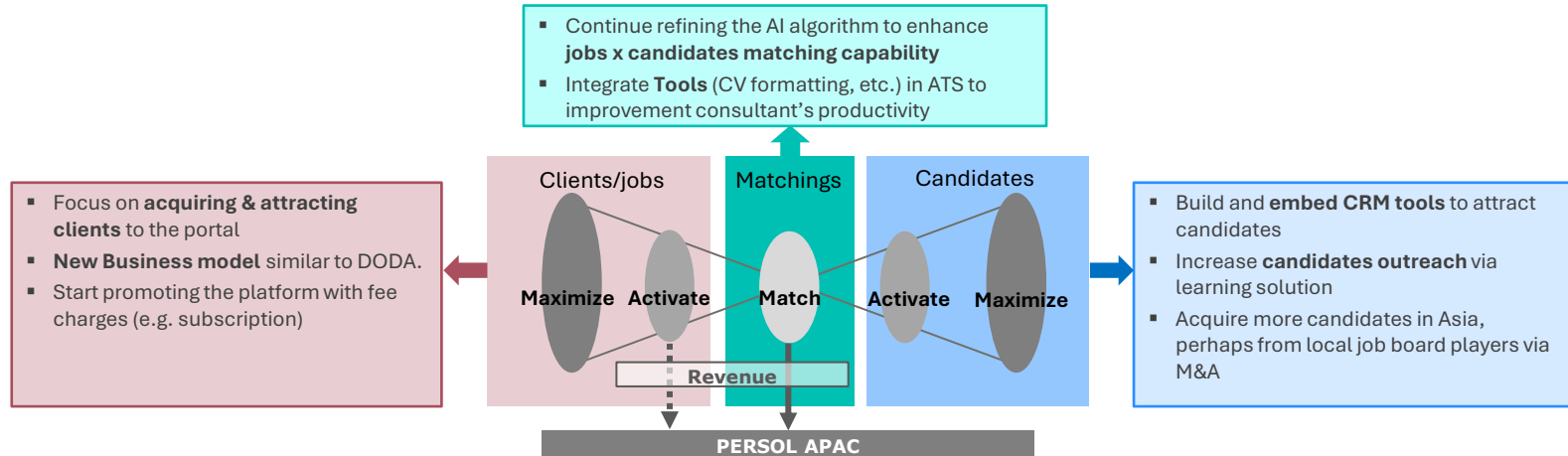
### ■ Market Size (each country in APAC, Tn JPY<sup>1</sup>)



Note1: exchange rate; 1\$=130Yen, 2. including Malaysia, Thailand, Korea and Taiwan, Source: Project sharing information, Oxford Economics, expert interview, and etc.







## Key Growth Pillars : ③ DX/Tech strategy (doda model for APAC)

- A key measure in the DX/Tech strategy is the implementation of the doda model (Placement + Job portal) in APAC. The model maximises efficiency and profitability through a robust auto-matching algorithm and an extensive candidate and customer database.
- While this model exists in Japan and highly profitable, it has yet to be replicated overseas, particularly in the APAC region where major players are absent.
- By introducing the doda model, candidates and clients will be attracted to the job portal, increase monetization points, and drive significant productivity improvements and revenue growth in APAC.
- **Eventually, our goal is to develop a tech model that optimises the acquisition and matching of candidates, clients, and jobs across the APAC region.**

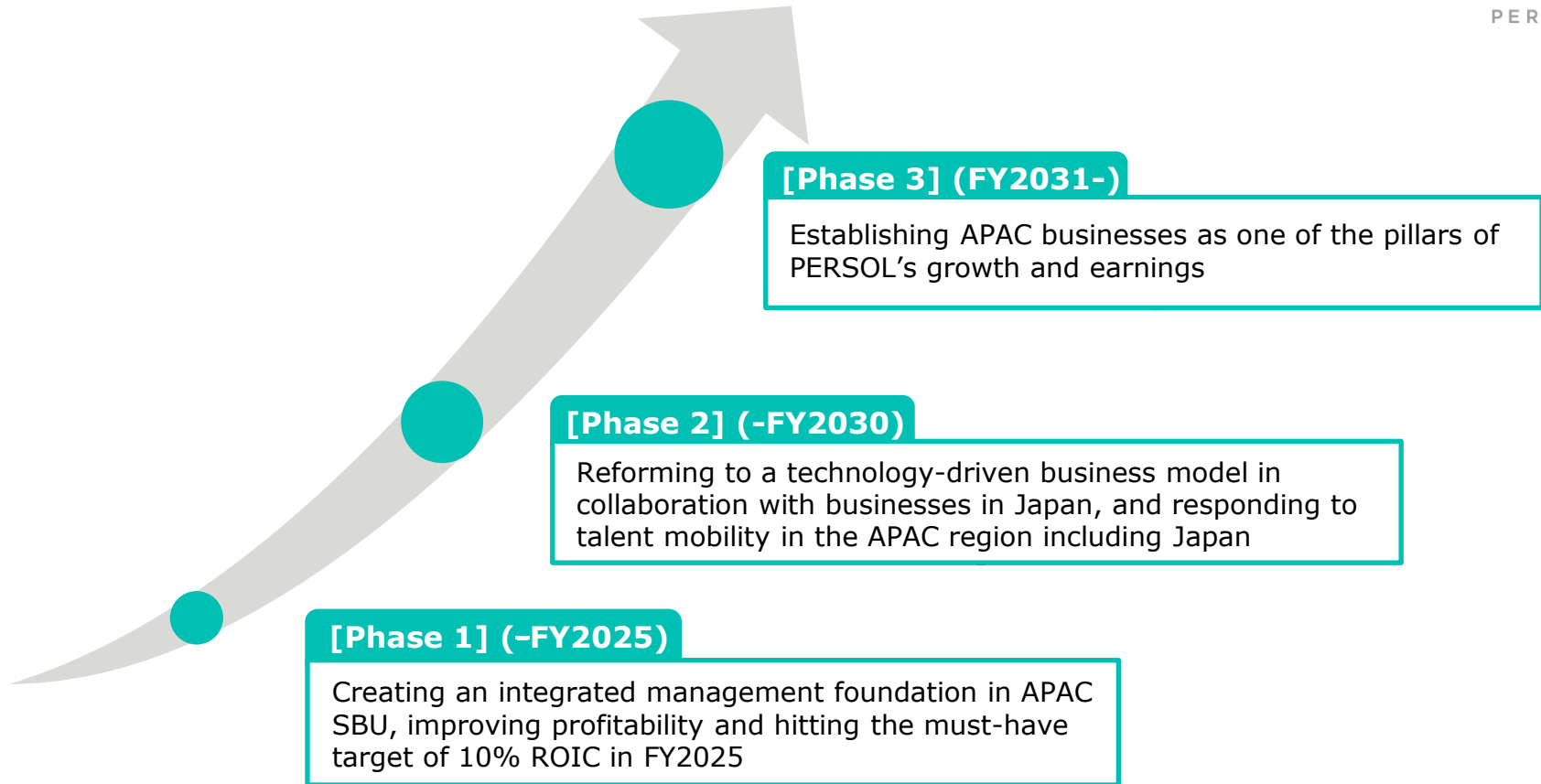


### WHY Now? : Disrupt ourself before we get disrupted

- In recent years, job board players have begun exploring ways to **utilize their extensive candidate and client databases to provide placement services**, essentially entering the agency business.
- In addition, candidate acquisition cost (mainly for job board players) have been on the rise recently.
- Therefore, it is crucial for us as an agency business to **expand and acquire our own candidate and client database**.

| Players  | <u>Job board</u><br>(focusing on Clients)  | <u>Agency</u><br>(focusing on Matching) | <u>Sourcing</u><br>(focusing on Candidate)   | <u>Revenue model</u>  |
|--|--|---|--|---|
| doda <sup>®</sup>  |  |   |  | <ul style="list-style-type: none"><li>• Candidates sourcing and job posting fee from agencies &amp; clients</li><li>• Acting as an agency, earn placement fee</li></ul> |
|   |   |   |   | <ul style="list-style-type: none"><li>• Acting as an agency, earn placement fee</li></ul>   |
|  |  |   |  | <ul style="list-style-type: none"><li>• Acting as an agency, earn placement fee</li></ul>   |

# Future initiatives in the APAC SBU





**Thank  
You**



Work and Smile



# Disclaimer



The statements concerning PERSOL HOLDINGS's future business performances in this material such as earnings forecasts are based on information available as of July 4, 2024 and certain assumptions deemed to be reasonable by PERSOL HOLDINGS, and do not mean that PERSOL HOLDINGS promises to achieve these figures. Actual results may differ materially from the statements due to a variety of factors.

The figures and indicators included in this material have been released to facilitate an appropriate understanding for business results and financial status of PERSOL Group. Kindly note that not all the figures and indicators have been subjected to audit and review by external auditors.