



# Q1 2018 Company Presentation



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This presentation contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "targets," "confident" and similar statements. Among other things, statements that are not historical facts, including statements about 51job's beliefs, expectations and business outlook in this presentation, as well as 51job's strategic and operational plans, are or contain forward-looking statements. 51job may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. All forward-looking statements are based upon management's expectations at the time of the statements and involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: execution of 51job's strategies and business plans; behavioral and operational changes of enterprises in meeting their human resource needs as they respond to evolving social, political, regulatory and financial conditions in China; introduction by competitors of new or enhanced products or services; price competition in the market for the various human resource services that 51job provides in China; acceptance of new products and services developed or introduced by 51job outside of the human resources industry; risks related to acquisitions or investments 51job has made or will make in the future; accounting adjustments that may occur during the quarterly or annual close or auditing process; fluctuations in the value of the Renminbi against the U.S. dollar and other currencies; and fluctuations in general economic and business conditions in China. Further information regarding these and other risks are included in 51job's filings with the U.S. Securities and Exchange Commission. All information provided in this presentation and in the attachments is as of the date of the presentation and based on assumptions that 51job believes to be reasonable as of this date, and 51job undertakes no obligation to update any forward-looking statement, except as required under applicable law.

To supplement the consolidated financial statements presented in accordance with US GAAP, the Company uses non-GAAP financial measures to exclude share-based compensation expense, gain/loss from foreign currency translation, convertible senior notes issuance costs, change in fair value of convertible senior notes and change in fair value of zero-strike call options, as well as the related tax effect of these items. The Company believes excluding these items from its non-GAAP financial measures is useful for its management and investors to assess and analyze the Company's core operating results as these expenses are not directly attributable to the underlying performance of the Company's business operations and may not impact its cash earnings. The Company also believes that excluding these expenses are important in helping investors to understand the Company's current financial performance and future prospects and to compare business trends among different reporting periods on a consistent basis. The presentation of these additional measures should not be considered a substitute for or superior to GAAP results or as being comparable to results reported or forecasted by other companies.

The facts and statistics used in this presentation relating to the human resource services industry and economy in China are derived from various government and institute research publications. While 51job has taken reasonable care to ensure that these facts and statistics presented are accurately reproduced from such sources, 51job has not independently verified them. These facts and statistics may not be comparable to similar facts and statistics collected for the industry or economy in the United States and other countries.

# ***Leading HR Services Provider in China***

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One-Stop Shop for Employers' Human Resource Needs



Leader in Online and HR Services Segments

Large National Footprint

Diversified Customer Base in a Focused Vertical



# Comprehensive Product Offering

Business Lines	2017 Revenue Mix	Products	Description
<p><b>Online Recruitment Services</b></p>	 <p><b>65%</b></p>	<p>Flagship offerings:</p> <ul style="list-style-type: none"> <li>• 51job.com (age 20s-30s)</li> <li>• eHire (employer platform)</li> </ul> <p>Additional channels:</p> <ul style="list-style-type: none"> <li>• Yingjiesheng.com (college)</li> <li>• 51jingying.com (experienced workers)</li> <li>• Lagou.com (technology talent)</li> </ul>	<ul style="list-style-type: none"> <li>• Leading technology platforms for entire white collar hiring range from college graduates to experienced professionals</li> <li>• Job seekers can maintain an account and apply to jobs for free</li> <li>• Employers/recruiters post job ads for a fee</li> <li>• Search large database of resumes to identify passive candidates</li> </ul>
<p><b>Other Human Resource Related Services</b></p>	 <p><b>35%</b></p>	<ul style="list-style-type: none"> <li>• Business process outsourcing</li> <li>• Training &amp; assessment</li> <li>• Campus recruitment</li> <li>• Executive search</li> <li>• HR conferences</li> <li>• Compensation analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Broad portfolio of “one-stop” solutions to meet wide range of HR needs</li> <li>• Integrated online/offline strategy to deliver complete, high quality services</li> <li>• Shared sales force and resources to drive overall scale efficiency and higher productivity</li> </ul>

# Unique Integrated Services Model

## Employment Lifecycle



## Products & Services



Online



Mobile



## Tangible Results

Vast Candidate Pool  
High Quality Resumes

Superior Customer  
Service

End-to-End Solutions

# ***Key Investment Highlights***

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Economic Growth and Secular Trends Underpinning HR Market Development

Premier HR Brand and Online Leader

Large Direct Sales Force with Nationwide Footprint

Consistent Profitability and Healthy Margins

Highly Experienced Management Team with a Proven Track Record

# China's Economic Growth and Development

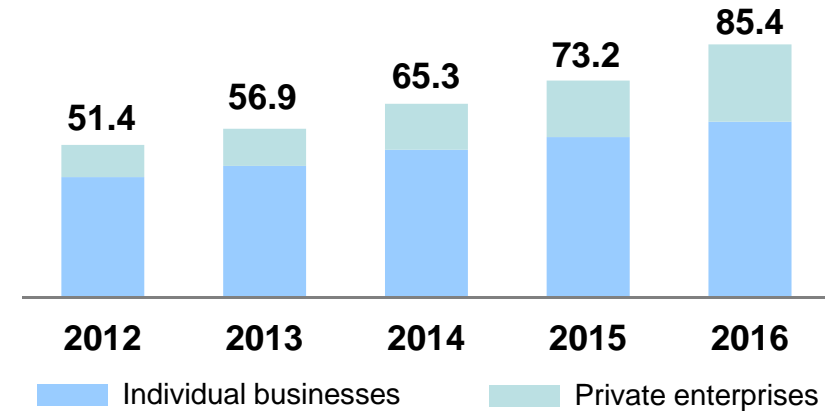
## Economic Growth Comparison

Recent Selected Economic and Demographic Data

	<u>U.S.</u>	<u>China</u>
GDP (US\$B)	19,400	12,700
GDP Growth	2.3%	6.9%
2012-2017 Avg Growth	2.2%	7.2%
Population (MM)	323	1,390
Urban	82%	56%

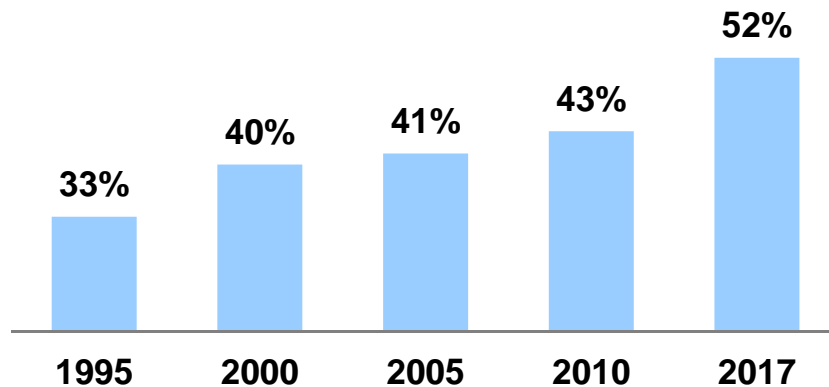
## Registered Businesses in China

(in MM)



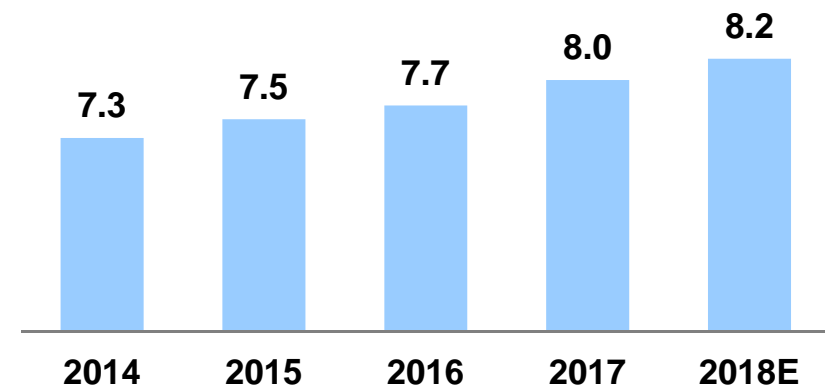
## Increasing Contribution of Services Sector

(as % of total China GDP)



## College Graduates in China

(in MM)



Source: United States – U.S. Census, BEA

China – National Bureau of Statistics, PRC State Administration for Industry and Commerce, PRC Ministry of Education

# Leadership in Online Segment

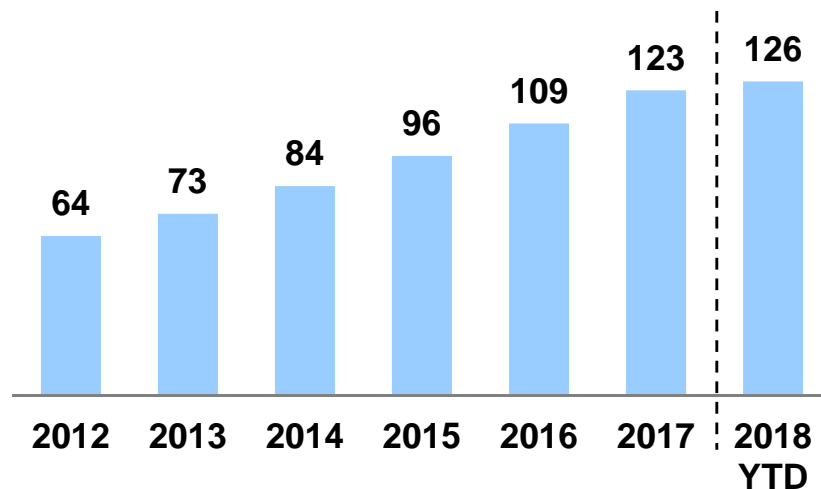
## Growth of Internet Usage in China

	2012	2013	2014	2015	2016	2017
Internet Users (MM)	564	618	649	688	731	772
% of Total Population	42%	46%	48%	50%	53%	56%
Mobile Internet Users (MM)	420	500	557	620	695	753
% of Internet Users	74%	81%	86%	90%	95%	97%

Source: CNNIC

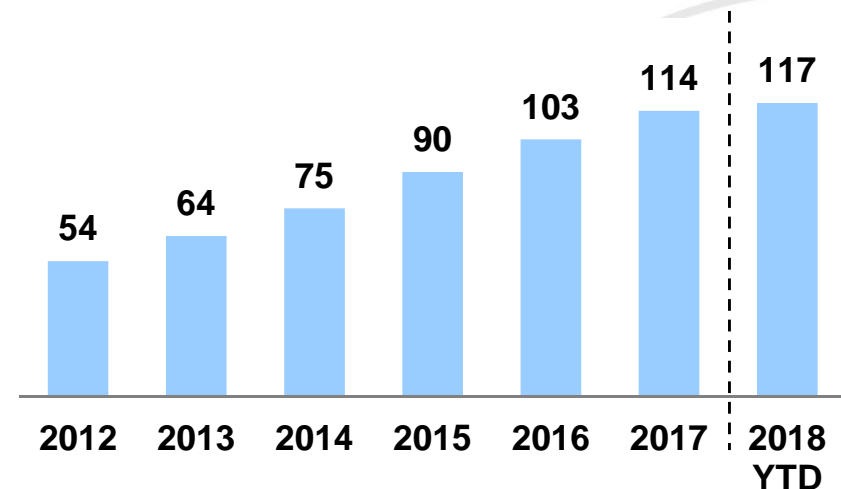
## Registered User Accounts at 51job.com

(in MM, year end as of Dec 31 and YTD as of Mar 31)



## Job Seeker Resumes at 51job.com

(in MM, year end as of Dec 31 and YTD as of Mar 31)





# National Coverage with Large Direct Sales Force

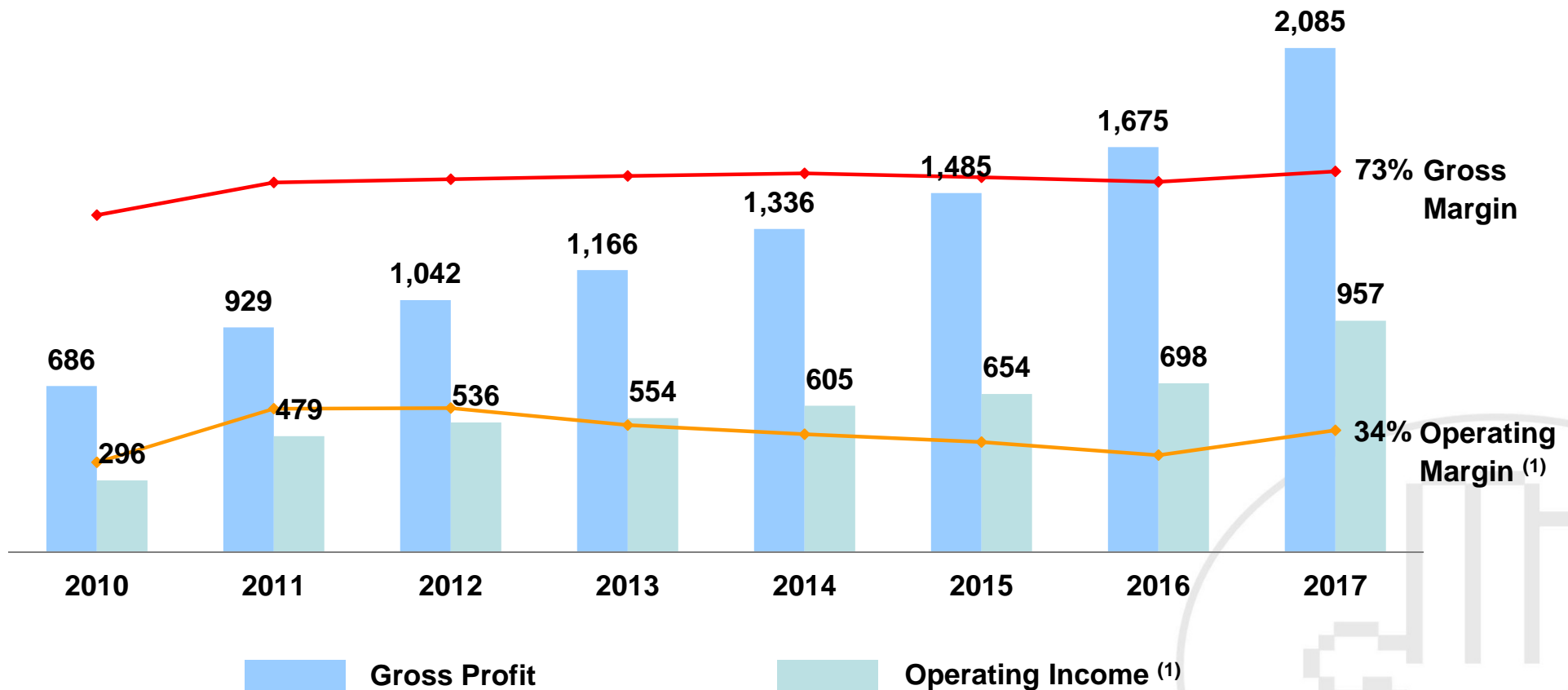


\* Excludes employees of Lagou.com

# Consistent Profitability and Healthy Margins

## Profit and Margin Performance

(RMB MM, Margin Calculated as % of Net Revenues)



(1) Excludes share-based compensation expense. Transition from business tax to value-added tax on online revenues starting June 1, 2014 and on other HR services revenues starting May 1, 2016 unfavorably affected revenue recognition and margin comparability to prior periods.

# Highly Experienced Management Team



- Rick Yan, Chief Executive Officer & Co-Founder
- Tenure: 18 years
- Director and Head of China Practice, Bain & Company (11 years)
- 2 HBR articles on China, speaker at many business conferences
- MBA Distinction, INSEAD, B.Sc and M.Phil, Hong Kong University



**Kathleen Chien**  
COO & Acting CFO,  
Co-Founder  
Tenure: 19 years



**David Jin**  
Senior VP  
Tenure: 18 years



**Lawrence Chen**  
Senior VP  
Tenure: 18 years



**Tao Wang**  
Vice President  
Tenure: 18 years

# World Class Board of Directors

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**David Chao**  
Chairman of  
the Board

- Co-founder and General Partner of DCM (venture capital firm) in the Silicon Valley
- Previously worked at McKinsey & Company, Apple and Recruit
- Director of Renren Inc.



**Junichi Arai**  
Non-executive  
director

- Corporate executive officer of Recruit Holdings Co., Ltd.
- Responsible for Recruit's capital market strategies in the finance department and corporate planning department



**Li-Lan Cheng**  
Independent  
Director

- COO of E-House (China) Holdings Limited
- Acting CFO of Leju Holdings Limited



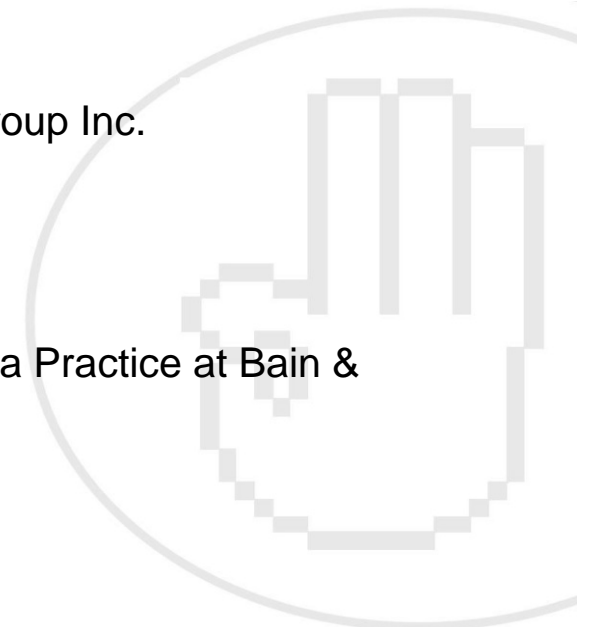
**Eric He**  
Independent  
Director

- Former CFO of YY Inc. and Giant Interactive Group Inc.
- Director of Bilibili Inc.



**Rick Yan**  
Director and  
CEO

- Prior experience: Director and the Head of China Practice at Bain & Company for 11 years



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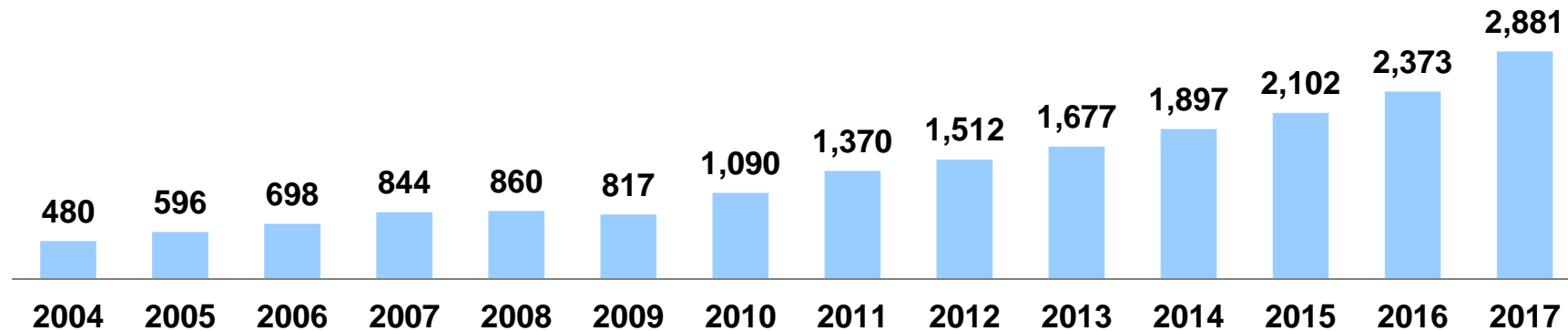
## Financial Highlights



# Historical Revenue Performance and Contribution

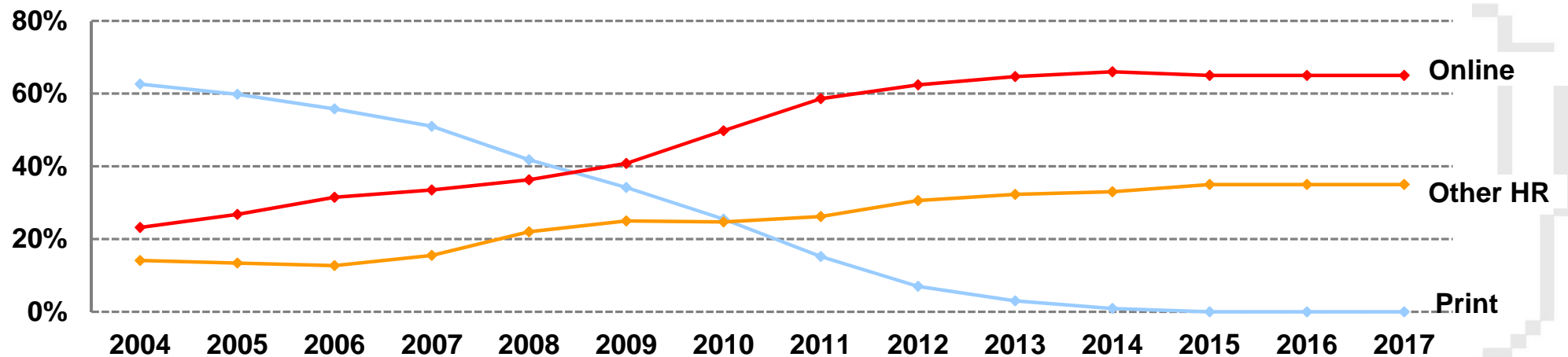
## Revenue Growth Despite Economic Uncertainty, Business Transition and Regulatory Change

Total Revenues (RMB MM)



## Strategic Focus on High Potential Online and Other HR Services Businesses

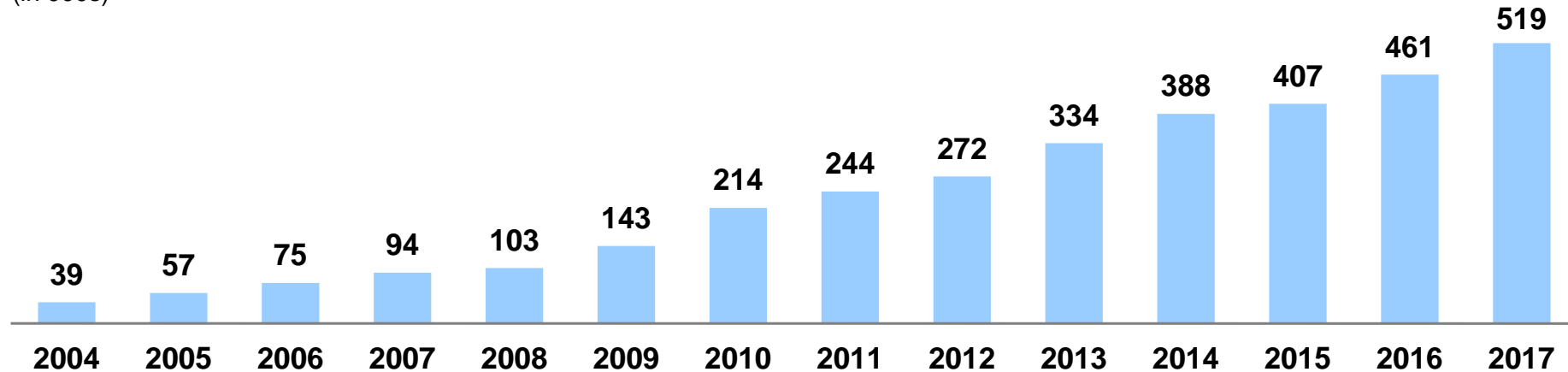
(Calculated as % of Total Revenues)



# Capturing Attractive Online Opportunity

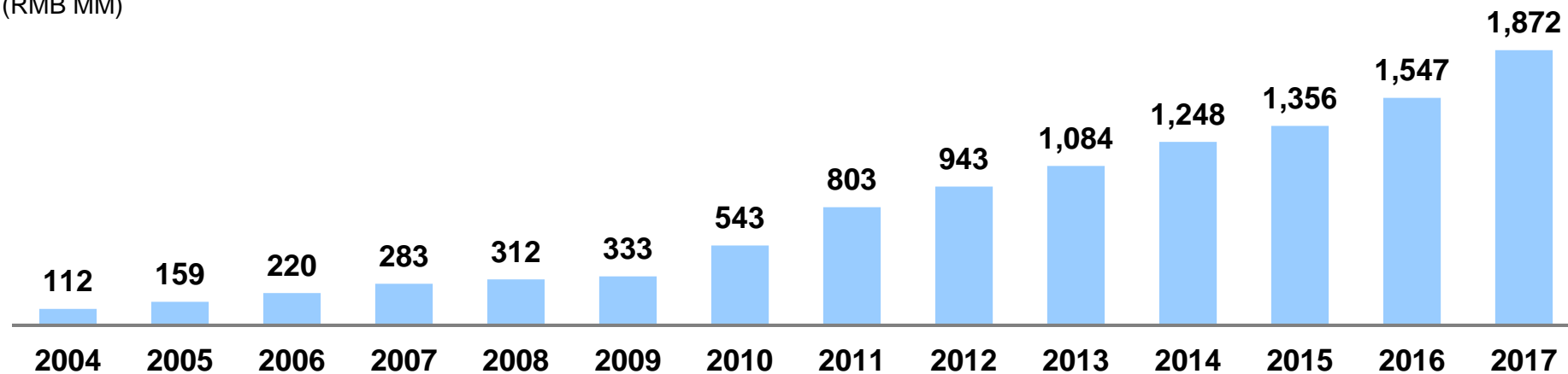
## Unique Employers Using Online Services <sup>(1)</sup>

(in 000s)



## Online Recruitment Services Revenues <sup>(2)</sup>

(RMB MM)



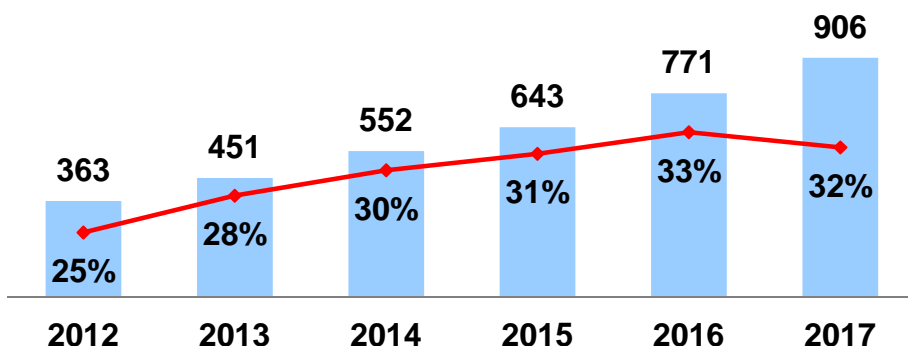
(1) An employer who purchases online services multiple times or in multiple quarters is only counted as ONE unique employer for the annual figure.

(2) Transition to 6% value-added tax on online revenues starting June 1, 2014 unfavorably affected growth and margin comparability to prior periods.

# Balancing Investments and Returns for Long-Term Growth

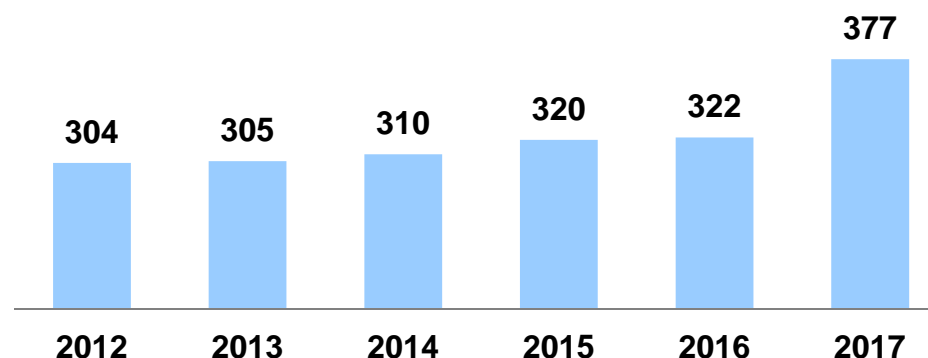
## Sales and Marketing Expenses (1)

(RMB MM, Margin Calculated as % of Net Revenues)



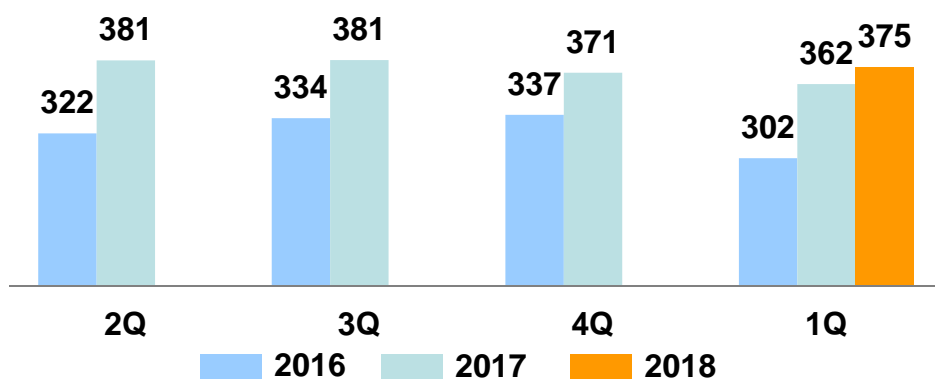
## Employee Productivity

Total Revenues/Total Employees as of Dec 31 (RMB 000s)



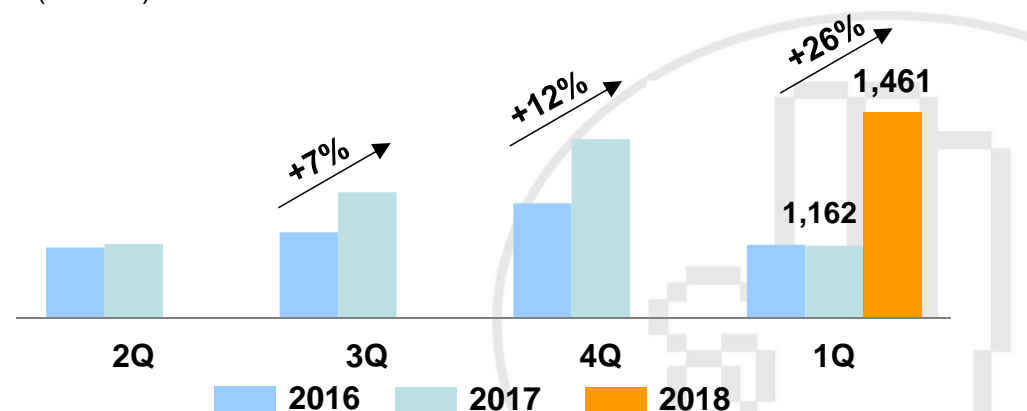
## Quarterly Unique Employers (2)

(in 000s)



## Quarterly Online ARPU

(in RMB)



(1) Excludes share-based compensation expense. Transition from business tax to value-added tax on online revenues starting June 1, 2014 and on other HR services starting May 1, 2016 unfavorably affected revenue recognition and margin comparability to prior periods.

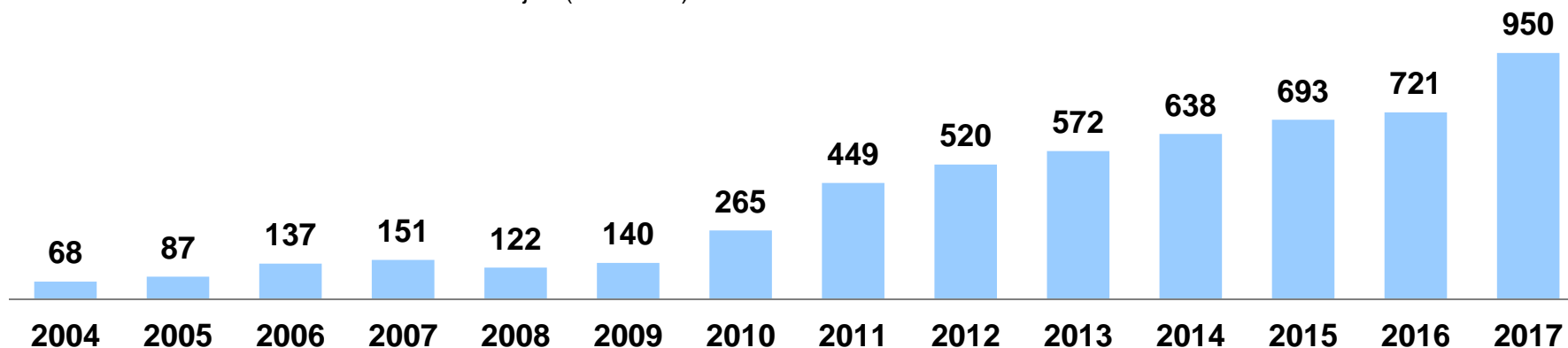
(2) An employer who purchases online services multiple times or in multiple quarters is only counted as ONE unique employer for the annual figure.



# Profitable Growth and Strong Cash Flow Generation

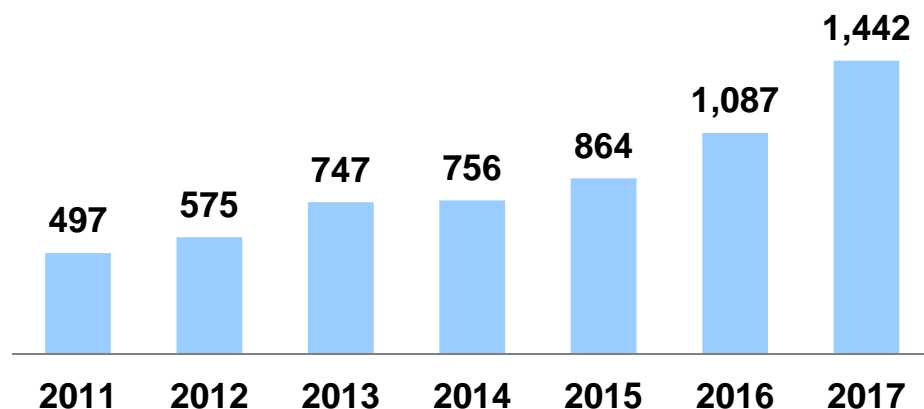
## Long History of Profitability <sup>(1)</sup>

Non-GAAP Net Income Attributable to 51job (RMB MM)



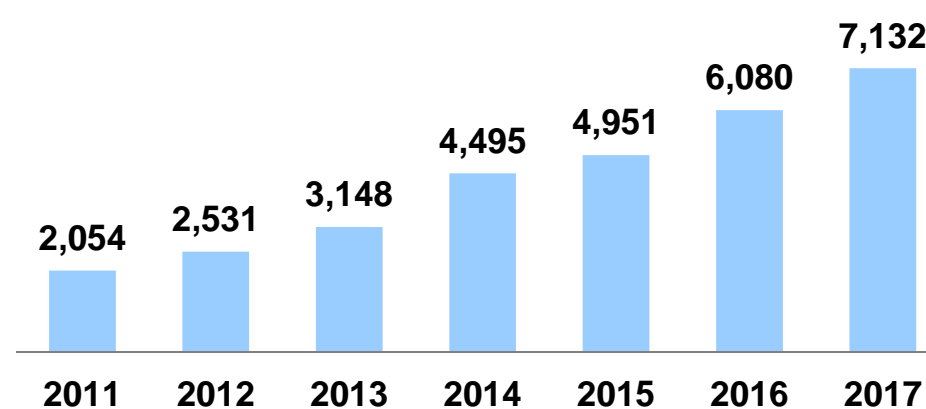
## Cash Flow From Operations

(RMB MM)



## Strong Cash Position for M&A <sup>(2)</sup>

(RMB MM)



(1) Excludes share-based compensation expense, gain/loss from foreign currency translation and mark-to-market change in fair value of convertible senior notes in addition to convertible senior notes issuance costs and change in fair value of zero-strike call options specific to 2014.

(2) Includes cash and short-term investments, which primarily consist of time deposits with original maturities between three months and one year.

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## **Growth Initiatives**



# Key Growth Initiatives

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