

*Recruitment Solutions*

*Training & Assessment*

*HR Outsourcing & Consulting*



**Q4 2019 Company Presentation**



# Safe Harbor Statement and Disclosure

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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, including the impact of the coronavirus. 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

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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, changes in fair value of convertible senior notes, zero-strike call options, equity securities investment and impairment of long-term investments, 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 items 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 items 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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Full HR Services Ecosystem for Employers and Workers



Multi-Product Strategy Linking Entire HR Value Chain



Combining Online and Offline for Complete, Superior User Experience



Proven Track Record of Industry Leadership, Innovation and Monetization

# Long History of Expertise in HR Services

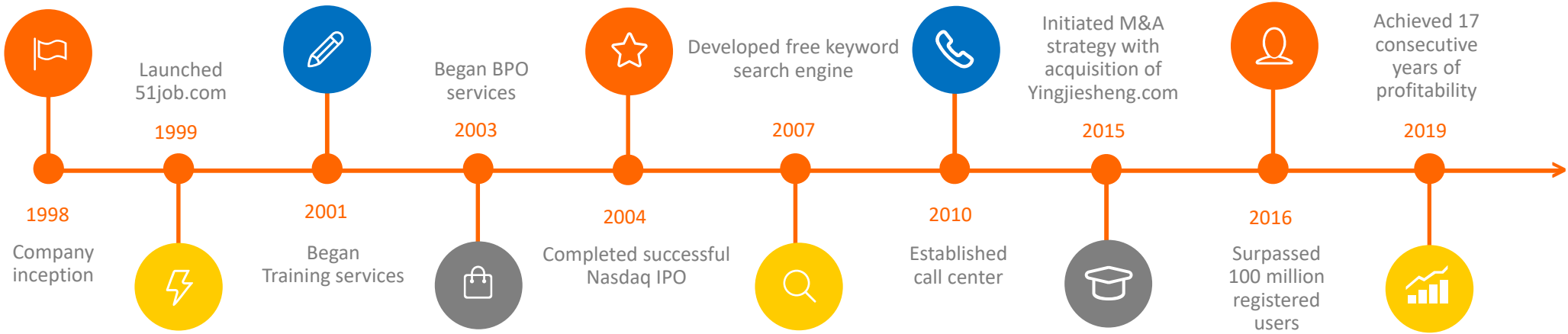
## Talent Lifecycle



Online Recruitment 62% of 2019 Revenues



Other HR Services 38% of 2019 Revenues





# Recruitment Platforms and Mobile Apps



## Online Recruitment

- ▶ Primarily focused on white collar, service industry jobs
- ▶ Multiple, targeted platforms that address specific labor segments and worker demographics
- ▶ Building job seeker communities for better engagement and effectiveness
- ▶ Providing opportunities throughout a worker's entire career development



## Products & Partners



51job.com  
Flagship brand



Yingjiesheng.com  
For campus hiring/  
new graduates



51jingying.com  
For experienced  
professionals



Lagou.com  
For technology  
talent



51mdd.com  
For front line  
service workers

# Talent Management and Development Services

## Other HR Services Portfolio

- Social insurance and benefits processing
- Payroll and tax payments
- Regulatory compliance and filings
- Attendance tracking



HR Outsourcing

- Live seminars and workshops
- Experiential, outdoor learning
- Behavioral and technical assessment tests
- Podcasts, videos and e-learning platform



Training and Assessment

- Assist employers with campus recruitment strategy
- Employer brand promotion to graduates and students
- On-site event planning and management



Campus Services

- Recruitment process outsourcing
- Overseas recruitment and job fairs
- Executive search and placement services



Placement Projects

- Compensation analysis
- Salary benchmarking
- Market and industry surveys
- HR conferences and awards








Additional Services



## Key Investment Highlights

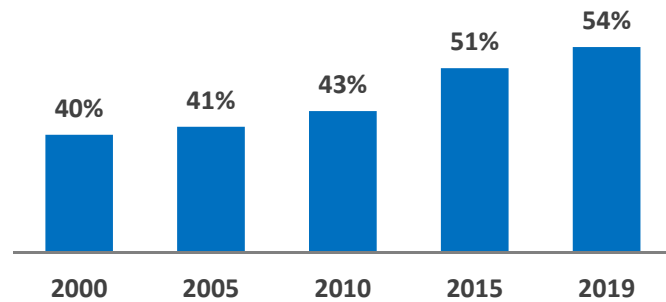
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-  Economic Growth and Secular Trends Underpinning HR Market Development
-  Premier HR Brand and Online Leader
-  Large Direct Sales Force with Nationwide Footprint
-  Consistent Profitability and Healthy Margins
-  Highly Experienced Management Team

# China's Economic Growth and Labor Market Supply

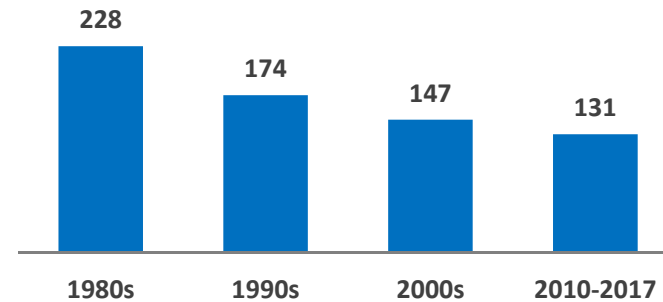
## Increasing Contribution of Services Industry

(as % of Total China GDP)



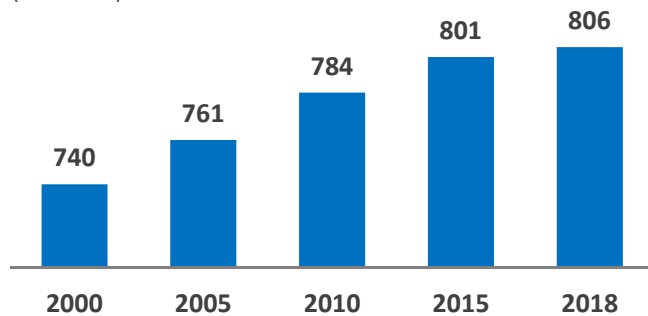
## Total Births by Decade in China

(in millions)



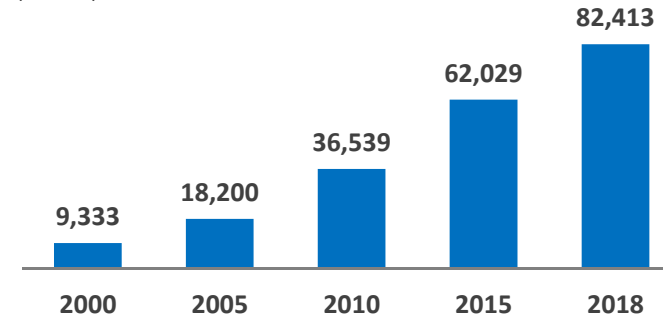
## Urban Labor Population

(in millions)



## Average Annual Wage of Urban Worker

(in RMB)







# Leadership in Online Segment

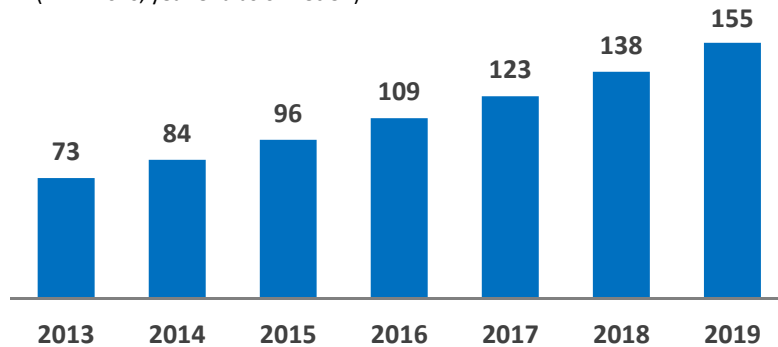
## Growth of Internet Usage in China

	2013	2014	2015	2016	2017	2018
Internet Users (millions)	618	649	688	731	772	829
Internet Penetration %	46%	48%	50%	53%	56%	60%
Mobile Internet Users (millions)	500	557	620	695	753	817
% of Internet Users	81%	86%	90%	95%	97%	99%

Source: CNNIC

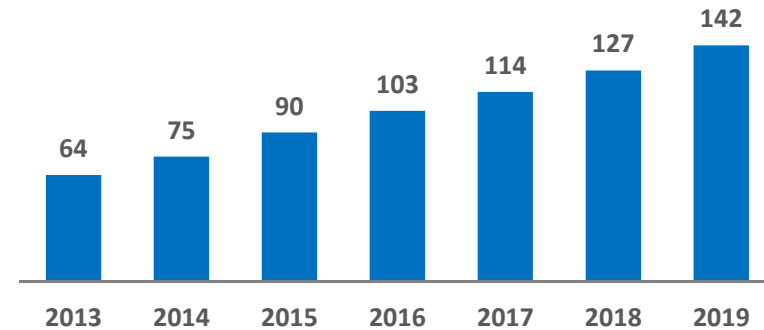
## Registered User Accounts at 51job.com

(in millions, year end as of Dec 31)



## Job Seeker Resumes at 51job.com

(in millions, year end as of Dec 31)



## National Coverage with Large Direct Sales Force



~4,100\*

Direct Sales Force Covering

196 Cities

● 25 Sales Offices

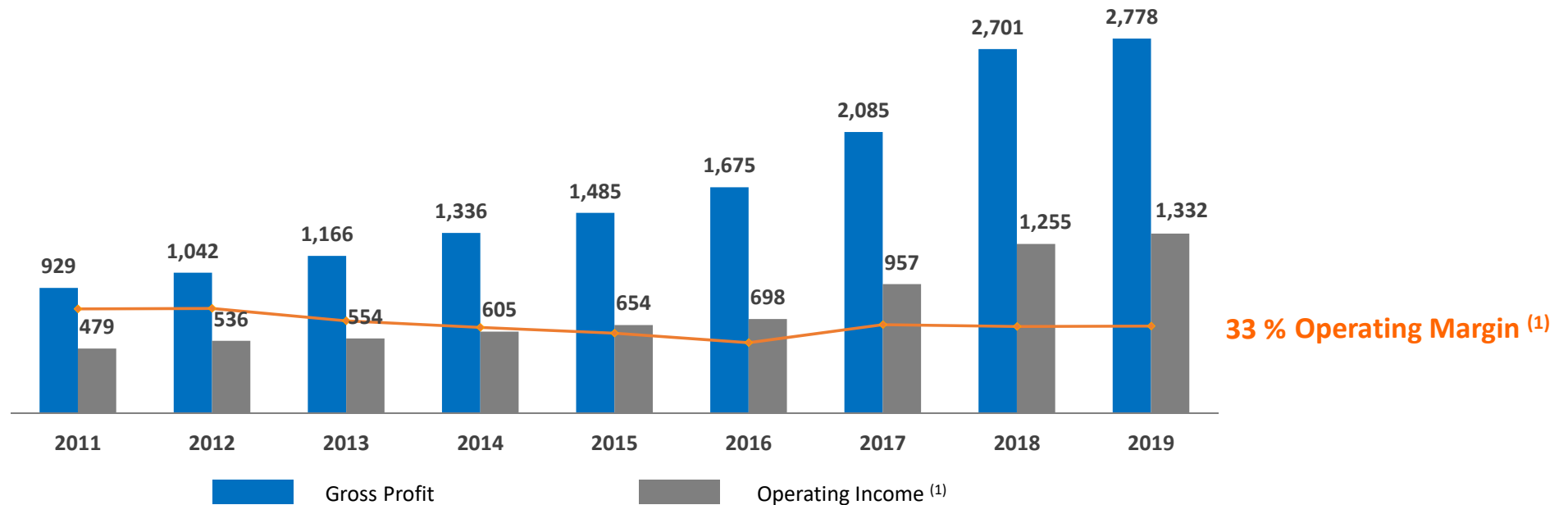
★ Wuhan Call Center

\* Excludes employees of Lagou.com

# Consistent Profitability and Healthy Margins

## Profit and Margin Performance

(in millions of RMB, Margin Calculated as % of Net Revenues)



\* 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. Also, the change in presentation and reclassification of government surcharges into cost of services starting January 1, 2019 affected net revenues and margin comparability.

(1) Excludes share-based compensation expense.

## Highly Experienced Management Team

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Rick YAN

Chief Executive Officer & Co-Founder



Kathleen CHIEN

COO & Acting CFO, Co-Founder



Jingwu CHEN

Senior Vice President



Tao WANG

Vice President

Working together with a cohesive vision for 20 years



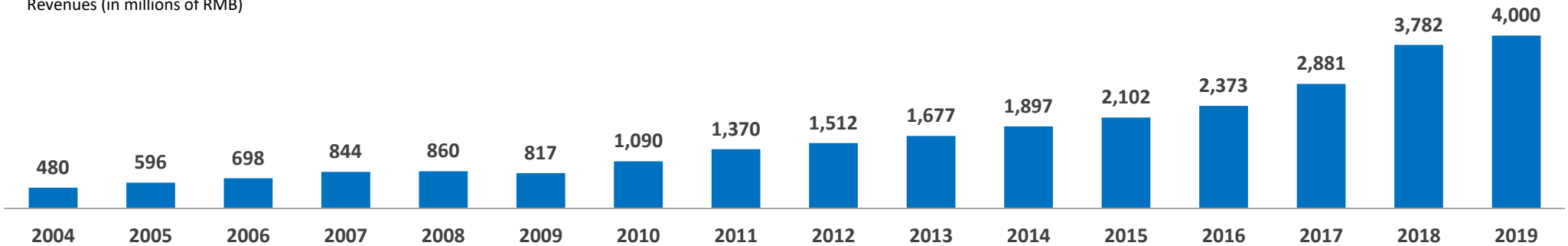
## *Financial Highlights*

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# Historical Financial Performance

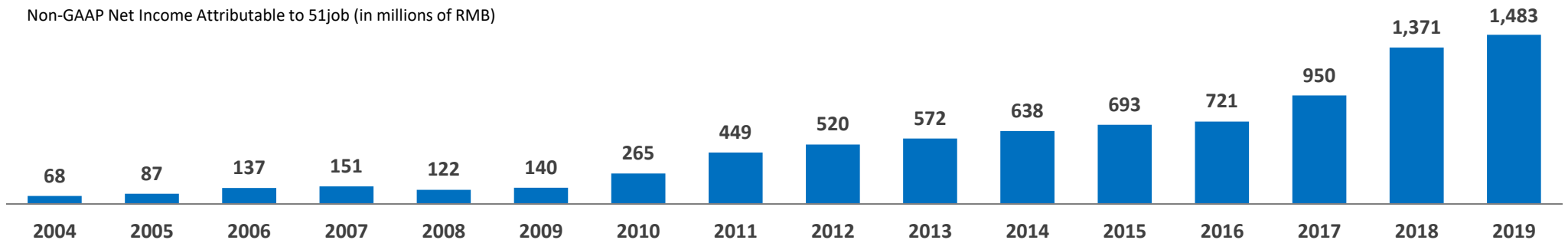
## Revenue Growth Despite Economic Uncertainty, Business Transition and Regulatory Change

Revenues (in millions of RMB)



## Consistency and Discipline in Profitability <sup>(1)</sup>

Non-GAAP Net Income Attributable to 51job (in millions of RMB)

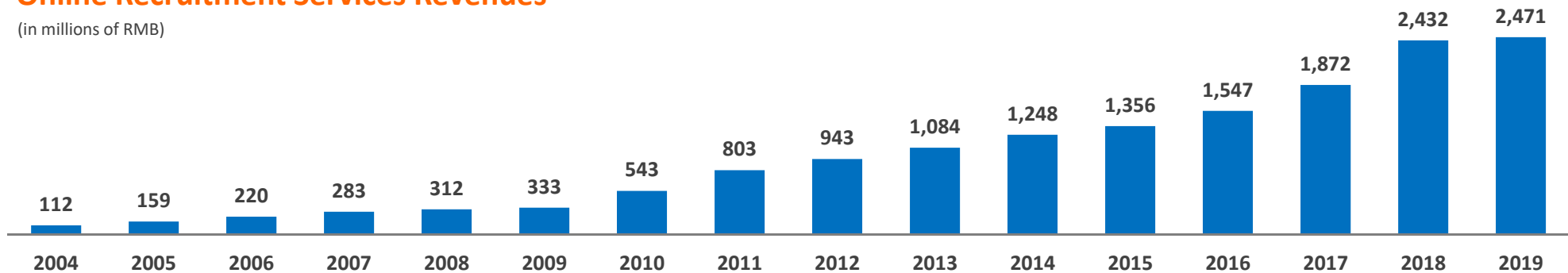


(1) Non-GAAP measures primarily exclude share-based compensation expense, gain/loss from foreign currency translation, and changes in fair value of convertible senior notes and equity securities investment.

# High Quality Growth Strategy for Online Business

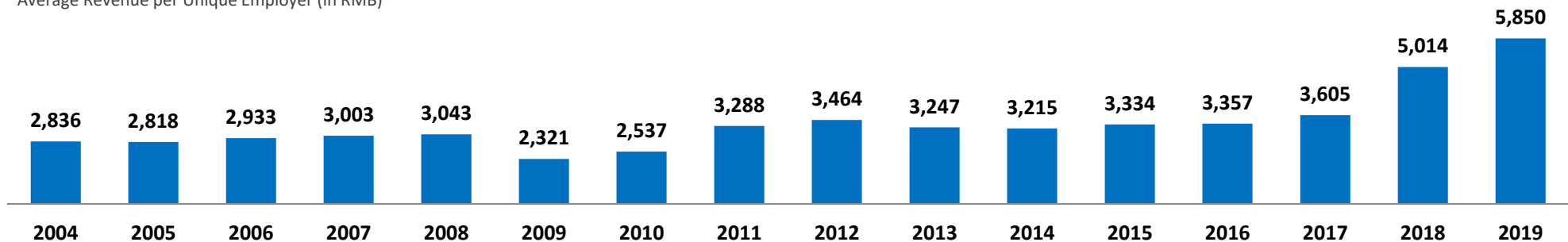
## Online Recruitment Services Revenues <sup>(1)</sup>

(in millions of RMB)



## Successful Transition to ARPU as Main Driver for High Quality Growth

Average Revenue per Unique Employer (in RMB)

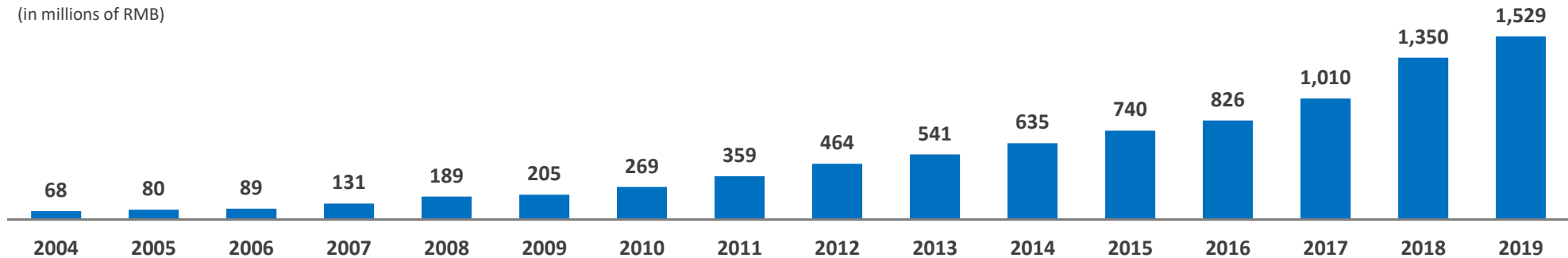


(1) Transition to 6% value-added tax on online revenues starting June 1, 2014 unfavorably affected growth and margin comparability to prior periods.

# Cross-Selling Opportunities in Other HR Services

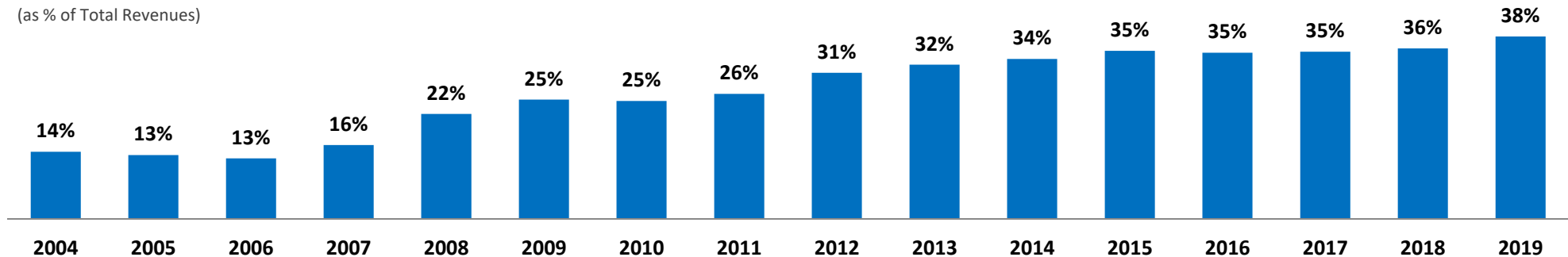
## Other HR Services Revenues <sup>(1)</sup>

(in millions of RMB)



## Increasing Monetization and Contribution of Other HR Services

(as % of Total Revenues)



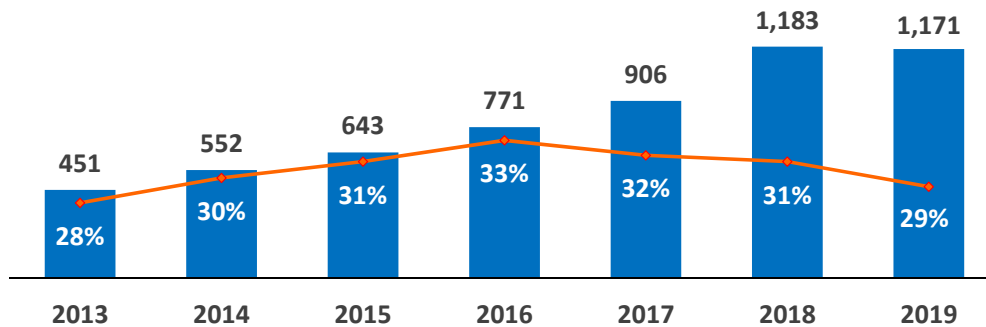
(1) Transition to higher value-added tax on other HR services starting May 1, 2016 unfavorably affected growth and margin comparability to prior periods.



# Balancing Investments and Returns

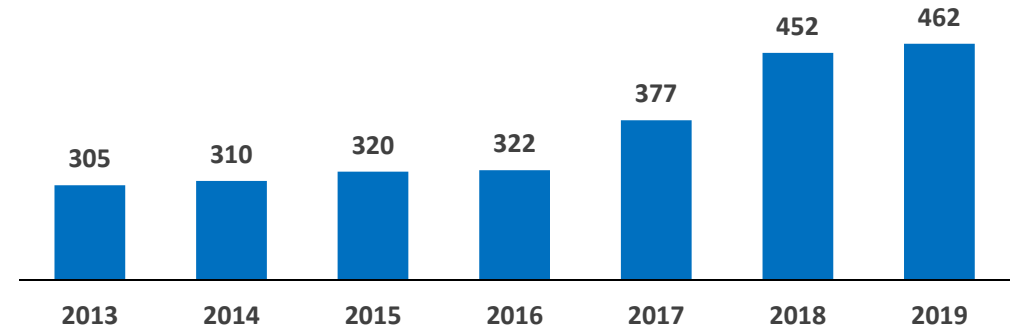
## Managing Expenses with Focus on ROI <sup>(1)</sup>

Sales and Marketing Expenses (in millions of RMB, Margin Calculated as % of Net Revenues\*)



## Improving Employee Productivity <sup>(2)</sup>

Revenues per Employee as of Dec 31 (in thousands of RMB)



\* 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. Also, the change in presentation and reclassification of government surcharges into cost of services starting January 1, 2019 affected net revenues and margin comparability.

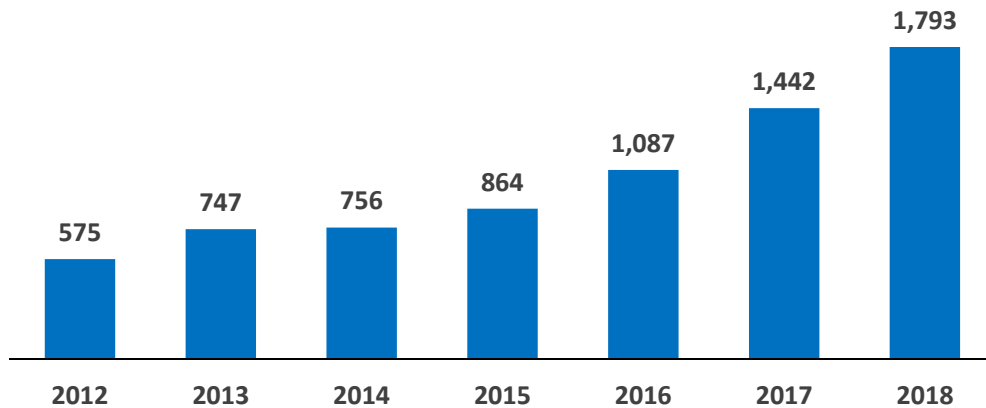
(1) Sales and marketing expenses exclude share-based compensation expense.

(2) Includes employees of Lagou.com, which was consolidated in 2018.

# Strong Cash Flow Generation to Support Growth

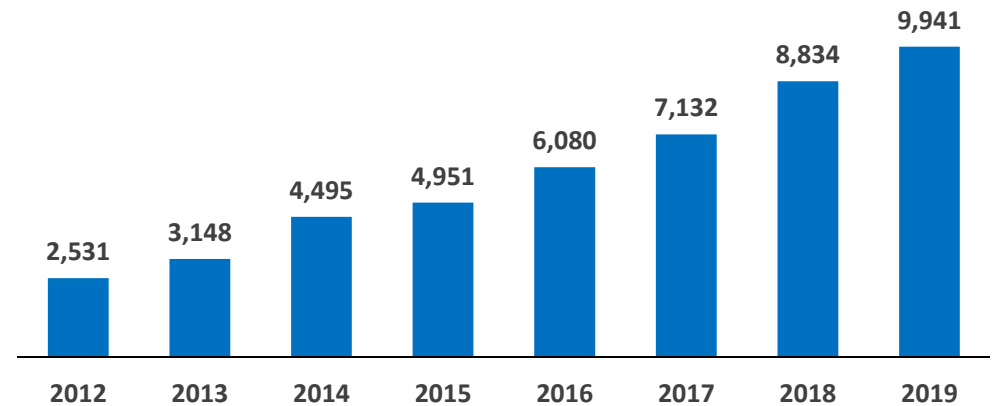
## Cash Flow Positive Every Year Since 2002

Net Cash Provided By Operating Activities (in millions of RMB)



## Cash Resources for Investments and M&A <sup>(1)</sup>

(in millions of RMB)



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



# *Growth Initiatives*



## Key Initiatives for Sustainable, Profitable Growth

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Increase customer wallet share through up-selling and cross-selling



Product development to widen service scope for new monetization opportunities



Selectively pursue strategic partners, investments and acquisitions



Deepen customer coverage and raise revenue per employer