

**sansan**

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IR Day

# Financial Strategies

Sansan, Inc. February 15, 2024



A portrait of Muneyuki Hashimoto, a middle-aged man with dark hair, smiling. He is wearing a dark blue suit jacket over a white button-down shirt. His hands are clasped in front of him.

# Muneyuki Hashimoto

**Director, Executive Officer, CFO**

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Muneyuki worked for investment banks in Tokyo and New York for nearly 9 years, providing M&A and financing advisory services. He then moved to a group company of the Development Bank of Japan to work in private equity. He joined Sansan, Inc. in 2017, and was appointed CFO in 2018 to lead the company's financial strategy.

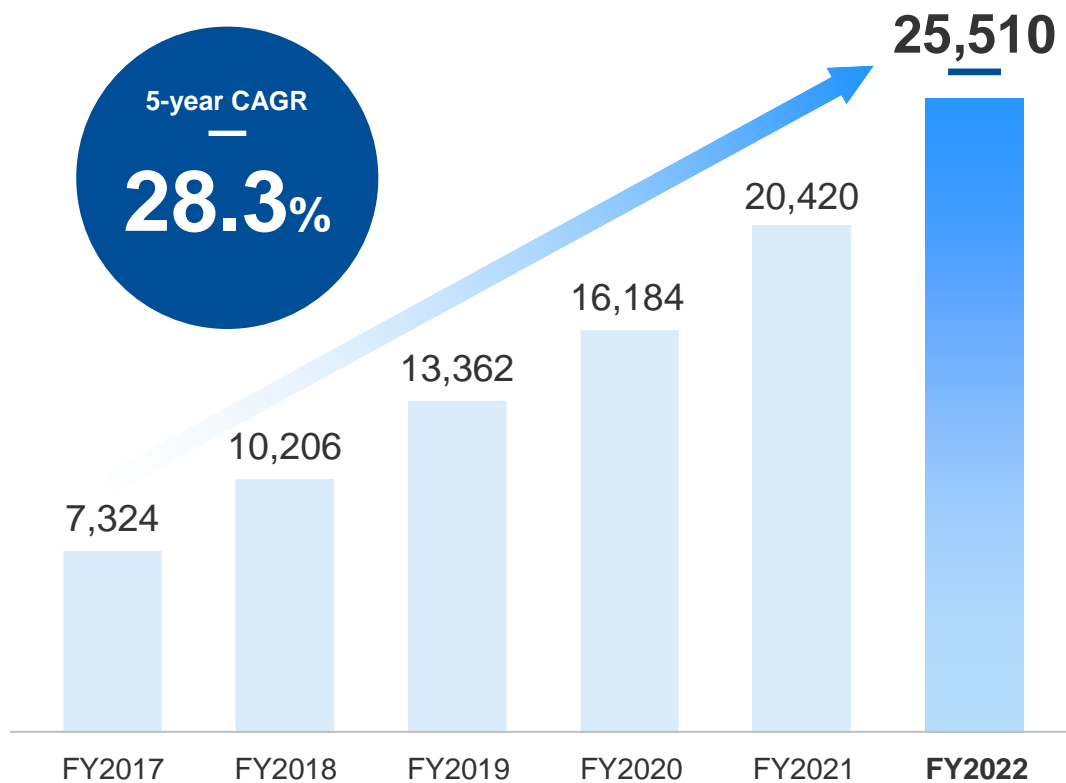
# **1. Trends in Consolidated Financial Results**



# Net Sales/ARR (1)

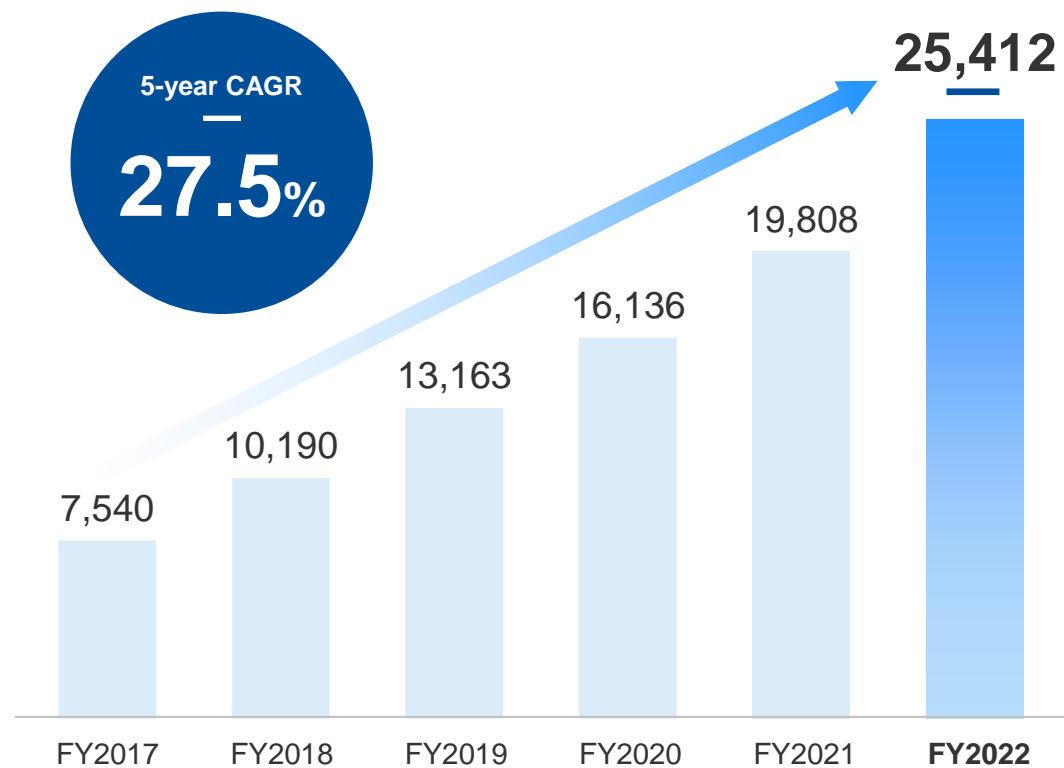
## Net Sales

(millions of yen)



## ARR

(millions of yen)



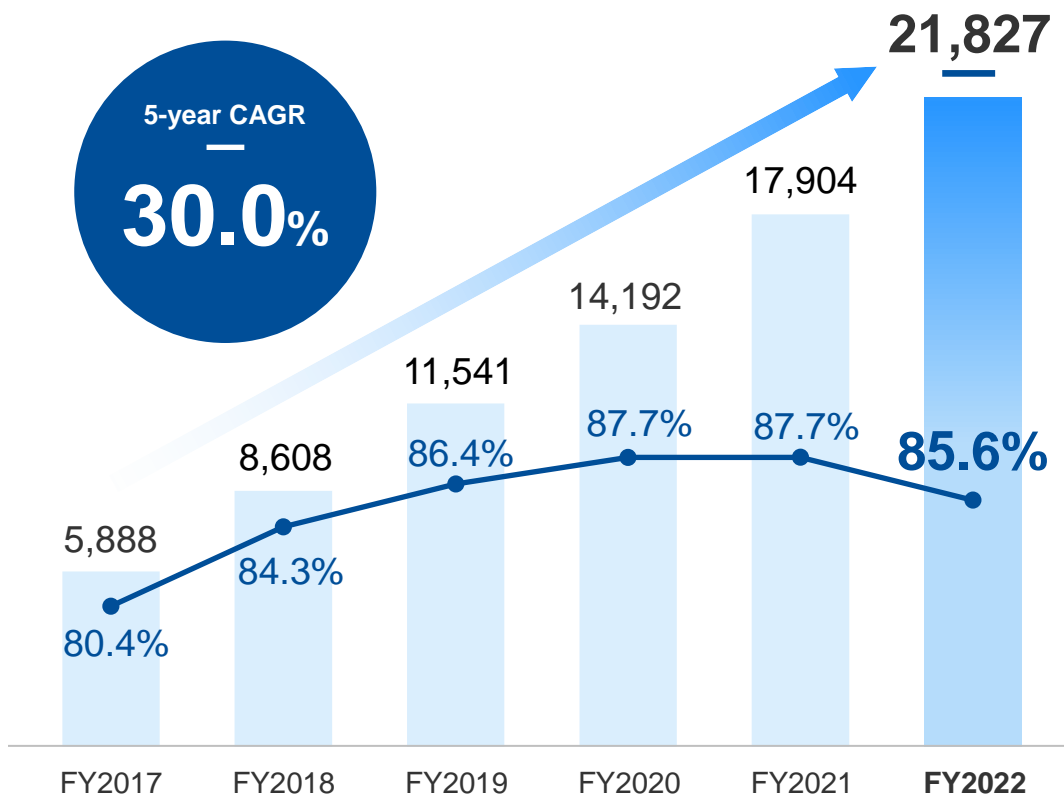
(1) Annual recurring revenue

# Gross Profit/Adjusted Operating Profit (1)

## Gross Profit/Gross Profit Margin

(millions of yen)

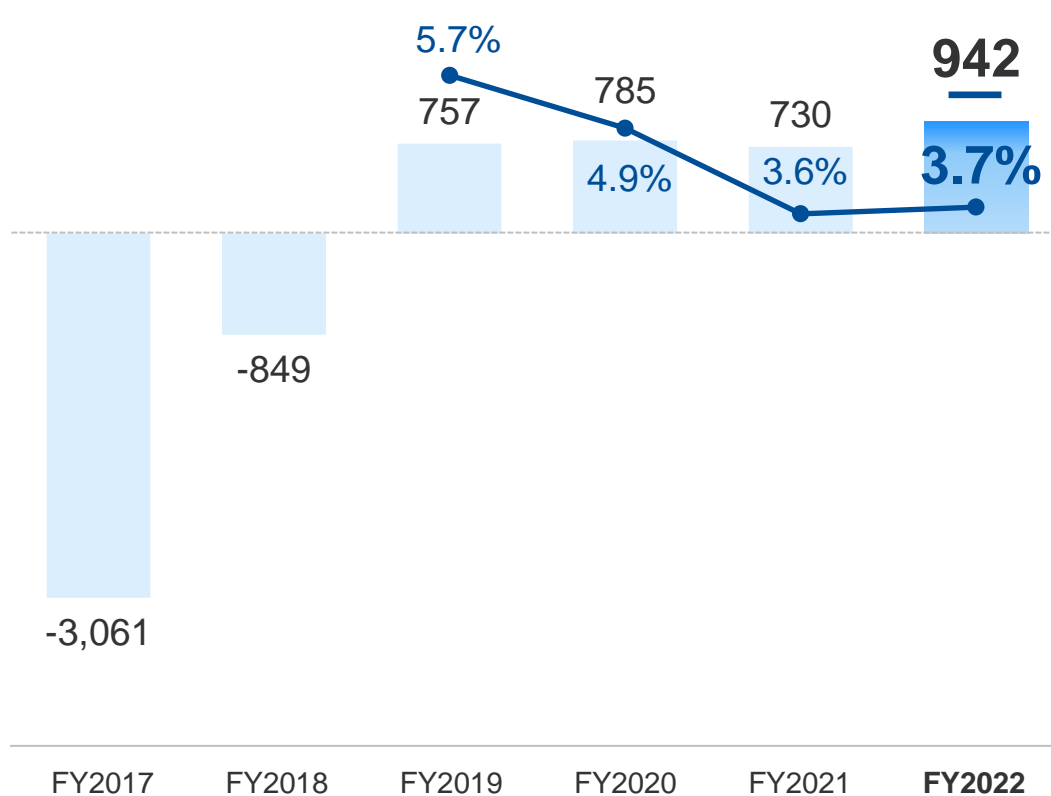
■ Gross Profit ● Gross Profit Margin



## Adjusted Operating Profit/Adjusted Operating Profit Margin

(millions of yen)

■ Adjusted Operating Profit ● Adjusted Operating Profit Margin



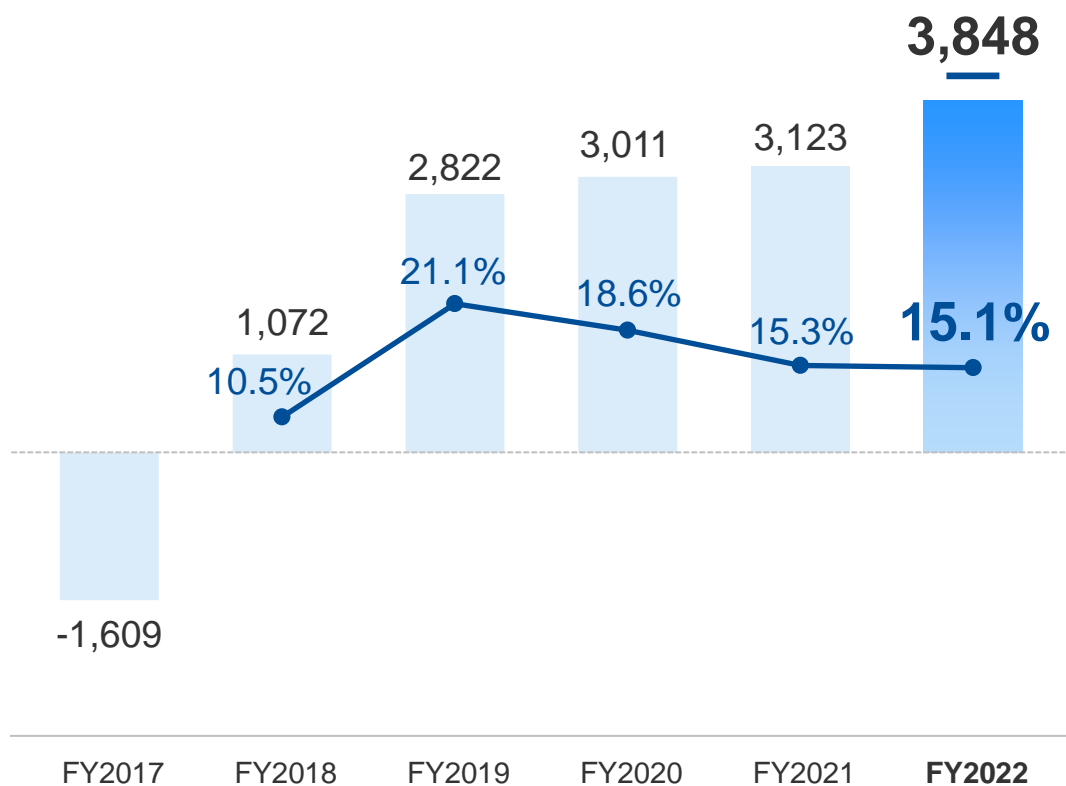
(1) Operating profit + share-based payment expenses + expenses arising from business combinations (amortization of goodwill and amortization of intangible assets)

# Cash Flows from Operating Activities/Free Cash Flow <sup>(1)</sup>

## Cash Flows from Operating Activities

(millions of yen)

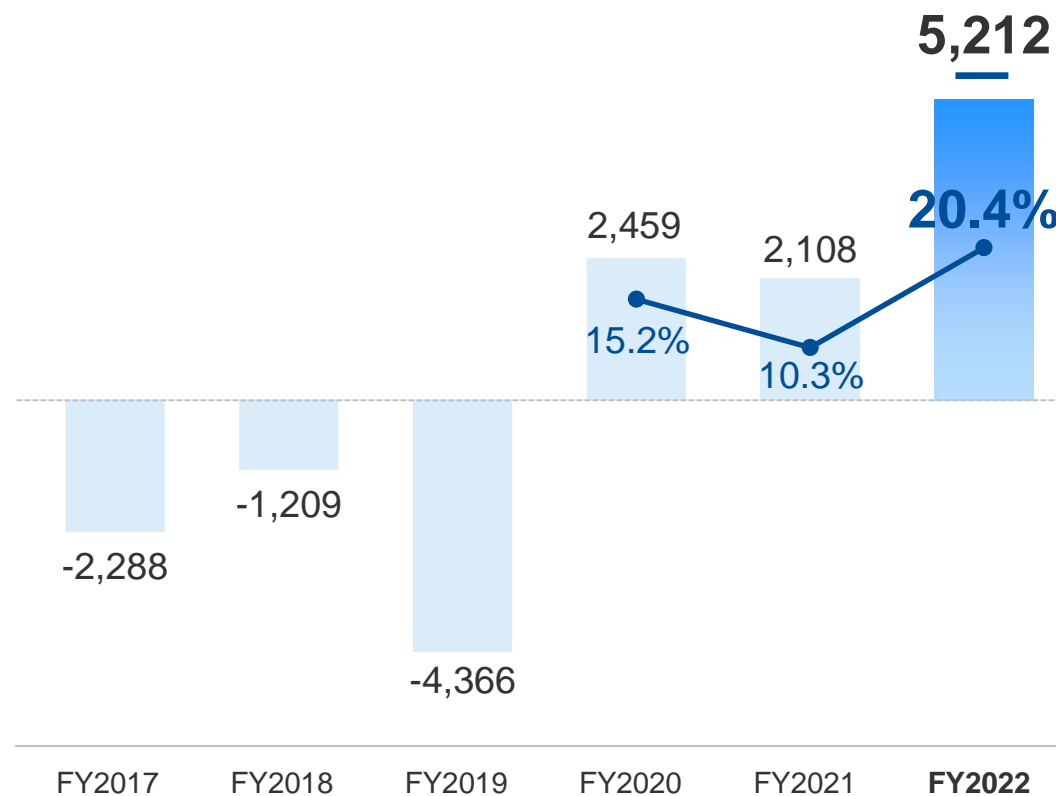
Operating Cash Flow    Operating Cash Flow Margin



## Free Cash Flow

(millions of yen)

Free Cash Flow    Free Cash Flow Margin



(1) Cash flows from operating activities + cash flows from investing activities

## **2. State of Progress against Medium-Term Financial Goals**

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# Medium-Term Financial Goals Adopted for FY2022

## Key management indicators (FY2022–FY2024)

**1 Consolidated net sales**

Continue solid growth in 20% range or higher

**2 Adjusted consolidated operating profit**

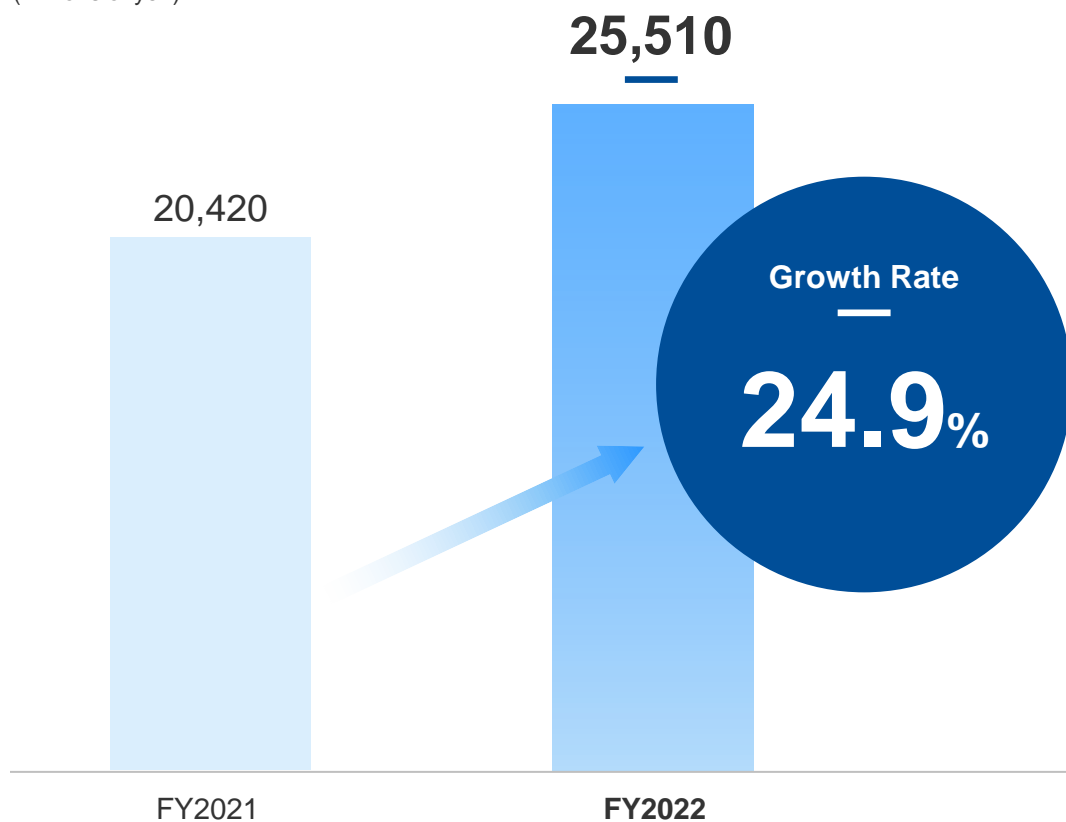
Improvement of profit margin in each fiscal year



# Results in First Year (FY2022)

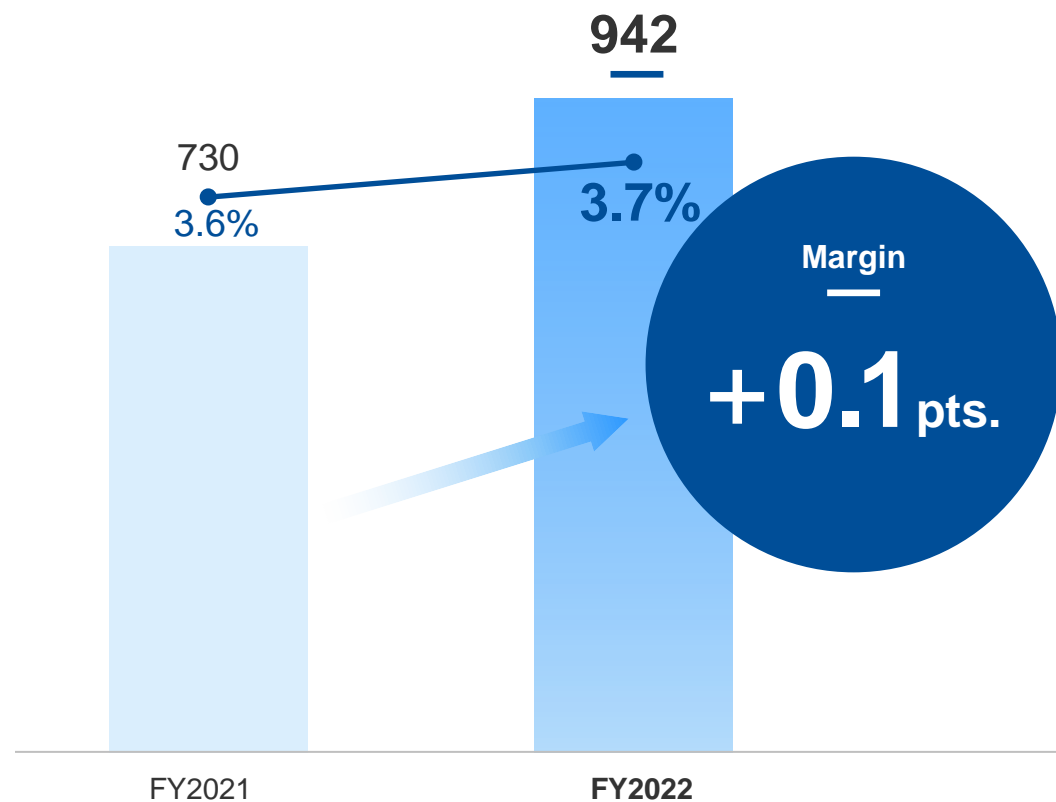
## Consolidated Net Sales

(millions of yen)



## Adjusted Operating Profit/Adjusted Operating Profit Margin

(millions of yen) Adjusted Operating Profit Adjusted Operating Profit Margin



# Upward Revision of Medium-Term Financial Targets for FY2023

Before revision

1

Consolidated net sales

Continue solid growth in 20% range or higher



After revision

1

Consolidated net sales

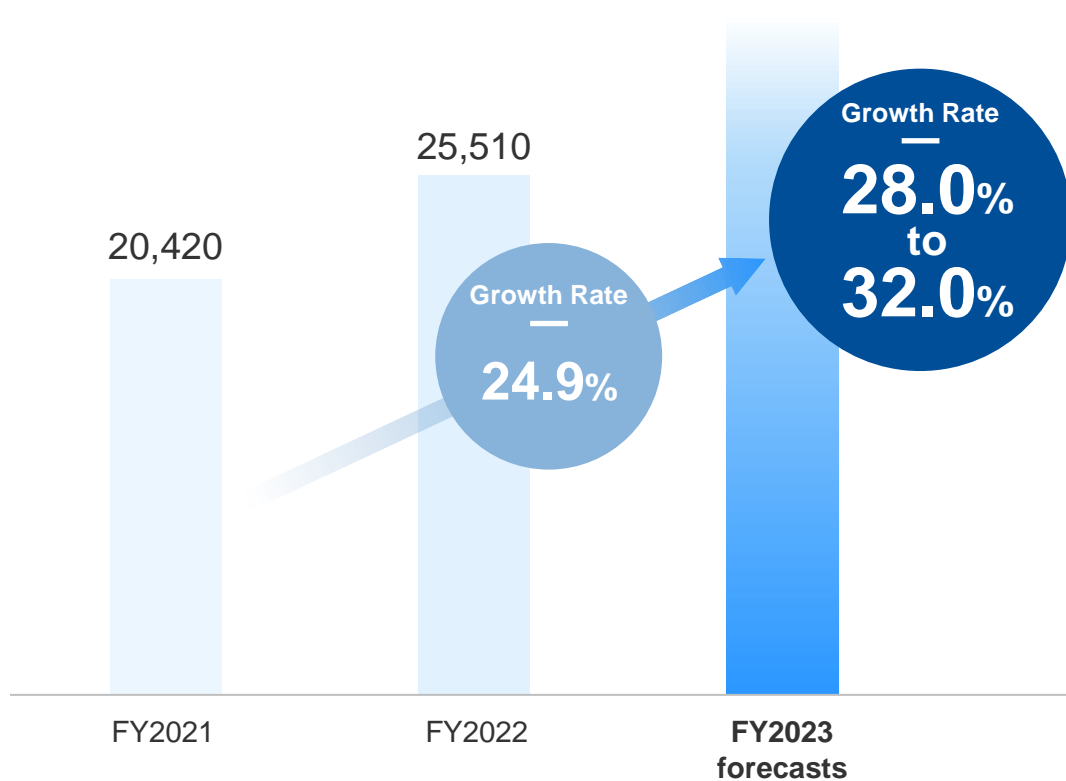
Continue growth in mid-20% range or higher

# Full-Year Forecasts for Second Year (FY2023)

## Consolidated Net Sales

(millions of yen)

**32,653 to 33,674**



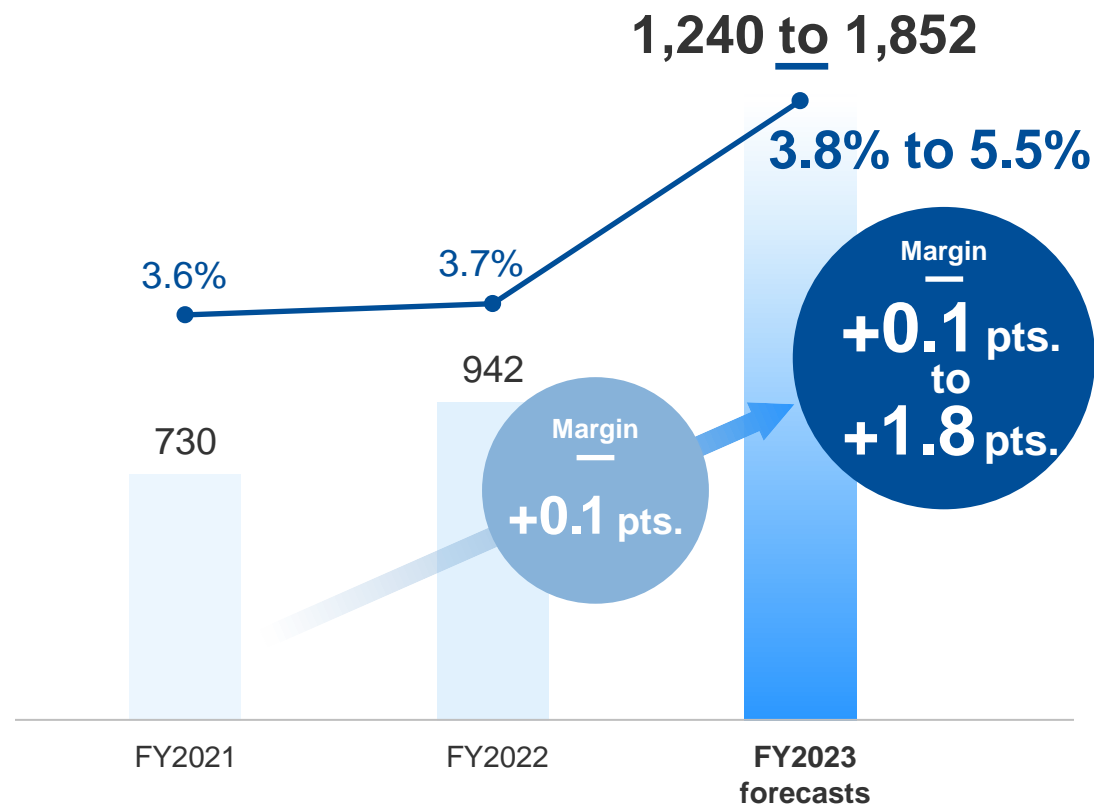
## Adjusted Operating Profit/Adjusted Operating Profit Margin

(millions of yen)

Adjusted Operating Profit

Adjusted Operating Profit Margin

**1,240 to 1,852**



# **3. Results for FY2023 Q2**



# Overview of Consolidated Financial Results

Net sales up 33.0% YoY.

Adjusted operating profit significantly up 704.2% YoY owing to lower ratio of advertising expenses to net sales, and increased net sales.

		FY2022	FY2023	
		Q2YTD Results	Q2YTD Results	YoY
<b>Consolidated Results</b>	(millions of yen)			
	Net Sales	11,824	15,726	+33.0%
	Gross Profit	10,200	13,423	+31.6%
	Gross Profit Margin	86.3%	85.4%	-0.9 pts.
	Adjusted Operating Profit	65	522	+704.2%
	Adjusted Operating Profit Margin	0.5%	3.3%	+2.8 pts.
	Ordinary Profit	-113	268	—
	Profit Attributable to Owners of Parent	151	143	-5.1%
EPS	1.21 yen	1.14 yen	-5.5%	

# Results by Segment

Increased net sales and adjusted operating profit (turned positive) in both Sansan/Bill One and Eight businesses. Negative YoY increase in adjustment amount (adjusted operating profit) mainly reflects increased headcount associated with growth investments.

		FY2022	FY2023	
		Q2YTD Results	Q2YTD Results	YoY
		(millions of yen)		
Net Sales	Consolidated	11,824	15,726	+33.0%
	Sansan/Bill One Business	10,516	14,023	+33.3%
	Eight Business	1,235	1,509	+22.1%
	Others	101	257	+154.8%
	Adjustments	-29	-64	—
Adjusted Operating Profit	Consolidated	65	522	+704.2%
	Sansan/Bill One Business	2,964	3,907	+31.8%
	Eight Business	-149	4	—
	Others	-11	-36	—
	Adjustments	-2,739	-3,353	—

# Sansan/Bill One Business Overview

Net sales up 33.3% YoY backed by solid growth of Sansan and strong growth of Bill One.

Adjusted operating profit up 31.8% YoY while implementing growth investments for Sansan and Bill One.

		FY2022	FY2023	
		Q2YTD Results	Q2YTD Results	YoY
		(millions of yen)		
Sansan/ Bill One Business	Net Sales	10,516	14,023	+33.3%
	Sansan	9,532	11,012	+15.5%
	Sansan Recurring Sales	9,039	10,401	+15.1%
	Sansan Other Sales	492	610	+24.0%
	Bill One	898	2,588	+188.2%
	Others	86	422	+391.0%
	Adjusted Operating Profit	2,964	3,907	+31.8%
	Adjusted Operating Profit Margin	28.2%	27.9%	-0.3 pts.

## Eight Business Overview

Net sales up 22.1% YoY owing to steady growth of B2B services and solid growth of B2C services.  
Adjusted operating profit turned positive owing to sales growth and the profitability-focused business operation.

		FY2022	FY2023	
		Q2YTD Results	Q2YTD Results	YoY
(millions of yen)				
Eight Business	Net Sales	1,235	1,509	+22.1%
	B2C Services	146	166	+13.6%
	B2B Services	1,088	1,342	+23.3%
	Adjusted Operating Profit	-149	4	—
	Adjusted Operating Profit Margin	—	0.3%	—



# 4. Future Growth Investment Concept

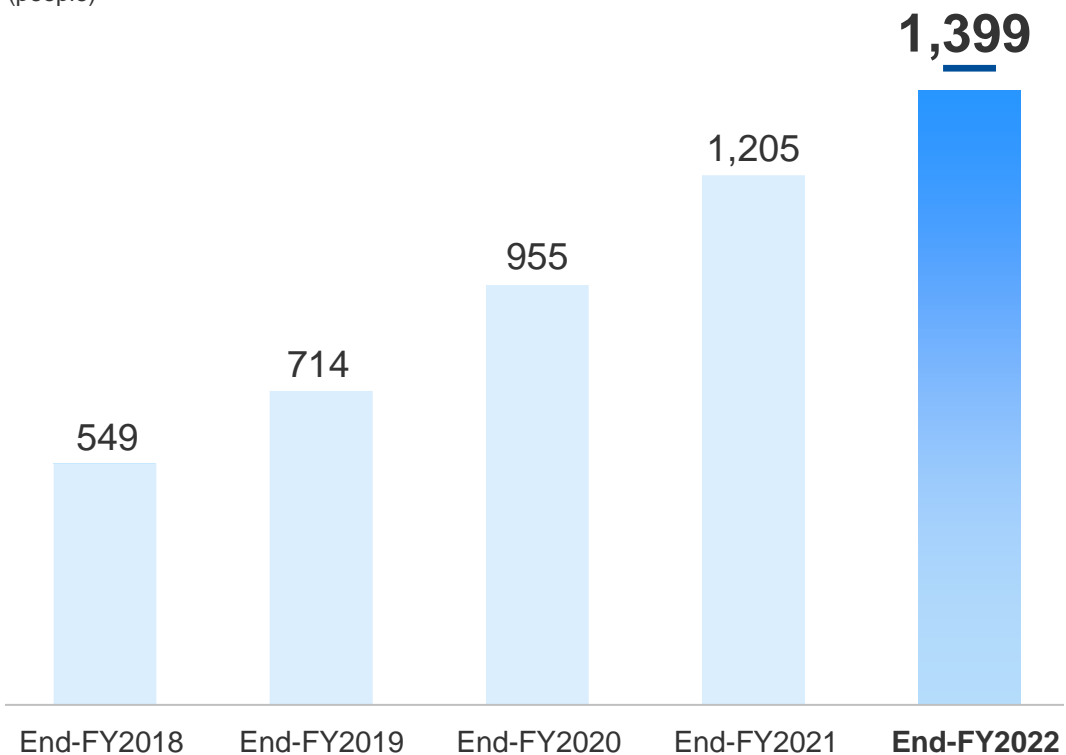


# Strengthening of Recruitment

Strengthening recruitment expected to continue over the medium term while taking into consideration balance with profit growth.

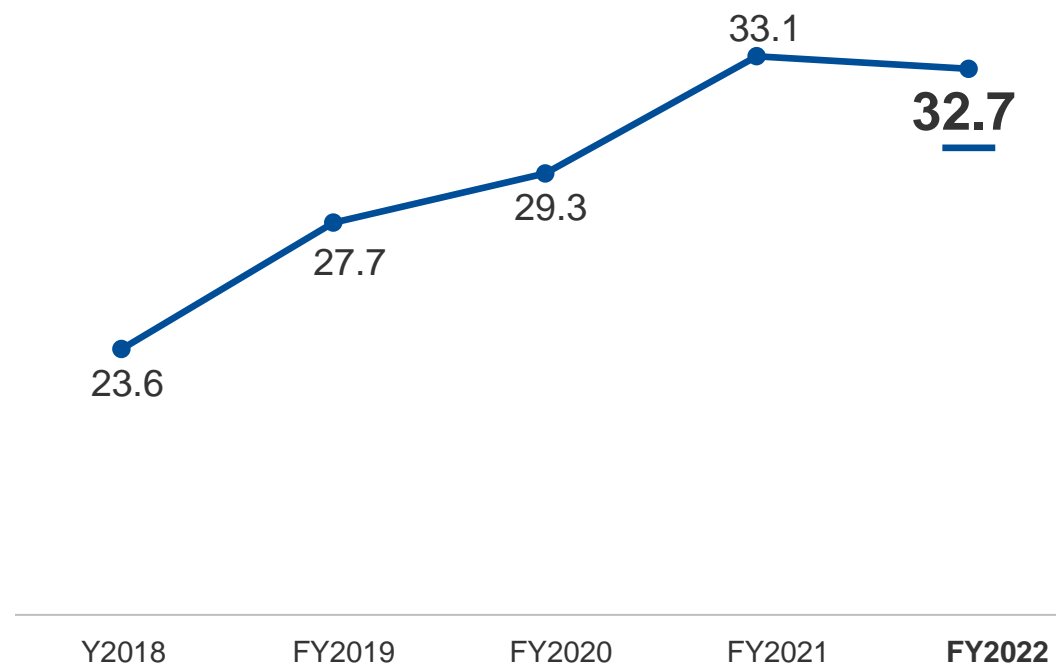
### Employees (Consolidated)

(people)



### Ratio of Personnel Expenses to Net Sales

(%)

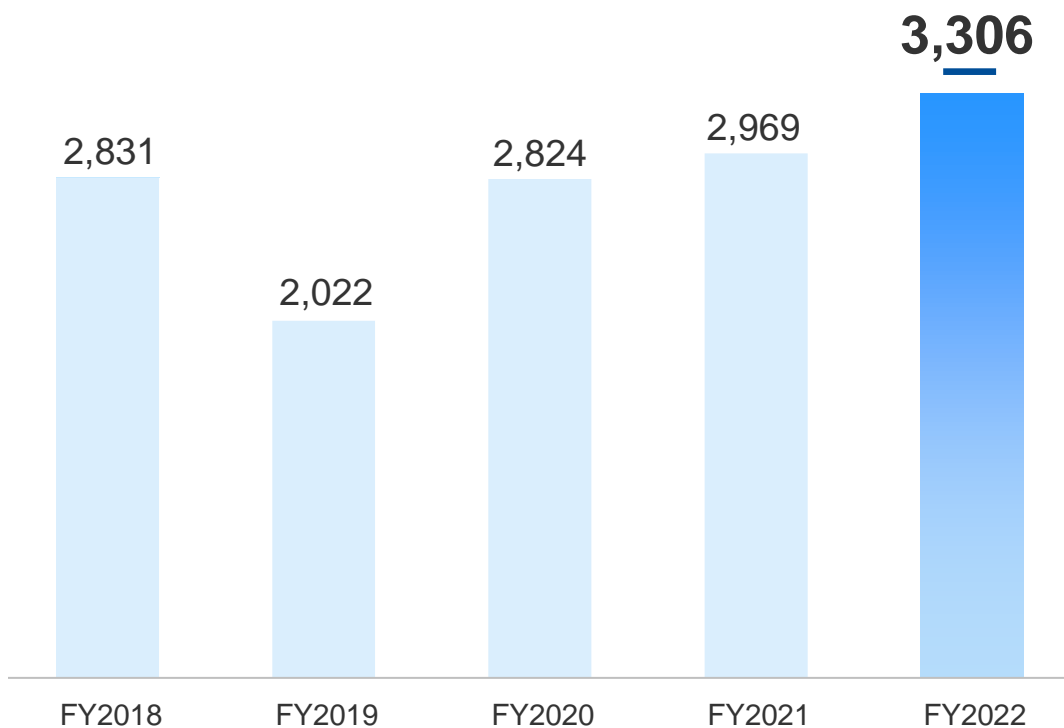


# Marketing Activities

Although a certain scale of marketing activities will continue, ratio of advertising expenses to net sales expected to gradually decline.

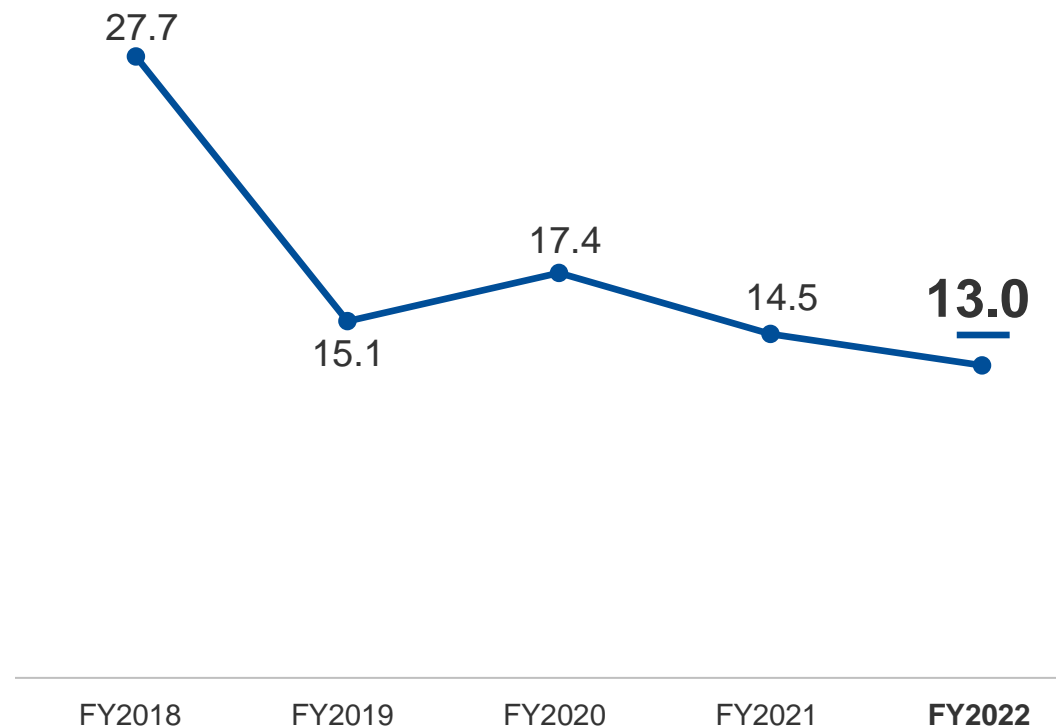
### Advertising Expenses

(millions of yen)



### Ratio of Advertising Expenses to Net Sales

(%)



# Utilize M&A

Actively utilize M&A opportunities to achieve discontinuous growth.

## Track Record of Company Consolidation

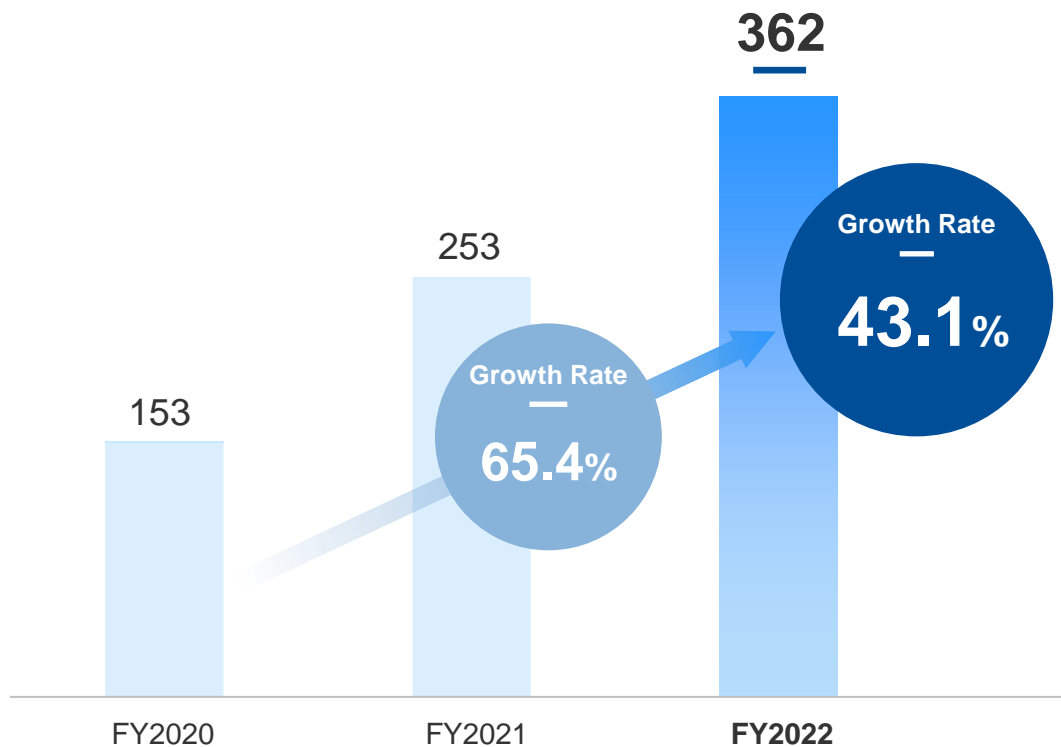


# logmi, Inc. Results

After joining the group, net sales and number of contracted companies have steadily grown

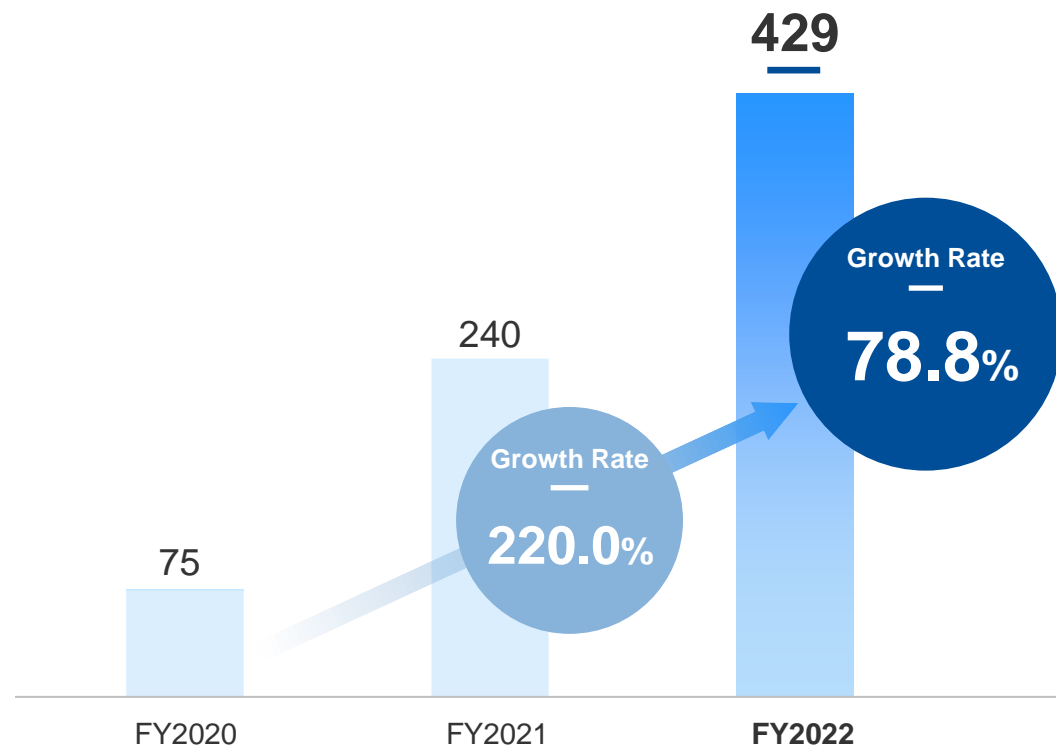
## Net Sales

(millions of yen)



## Number of Companies with logmi Annual Contract (logmi Finance Results Briefing)

(companies)



***sansan***

