



FY2017 3Q Summary

Cookpad Inc.



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# 1. Business Overview

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## 3Q Highlights

(M: in millions of JPY)

### Financials

Revenue and Expenses declined from prior year due to divestures of the business conducted in 2016.

When the impact of the business divestiture is excluded, sales revenue declined and SG&A expenses increased due to the increase in headcount at the overseas business.

Operating margin declined to 40.7% reflecting the impairment loss on goodwill of a Japanese consolidated subsidiary.

### Sales

The growth of sales revenue from the Premium Services business was 3.3% year-on-year. Revenue sharing sales declined while Premium Service users increased.

Sales revenue from the Advertising business fell 16.6% year-on-year reflecting the limited advertising space on offer due to priority to service development as well as the changes to the sales structure.

### Global

Monthly average users in global has been affected by the changes in the algorithms of major search engines, the user community has been active led by Indonesian-speaking countries. The service is now available in 68 countries.

# 1. Business Overview

## Operation Results

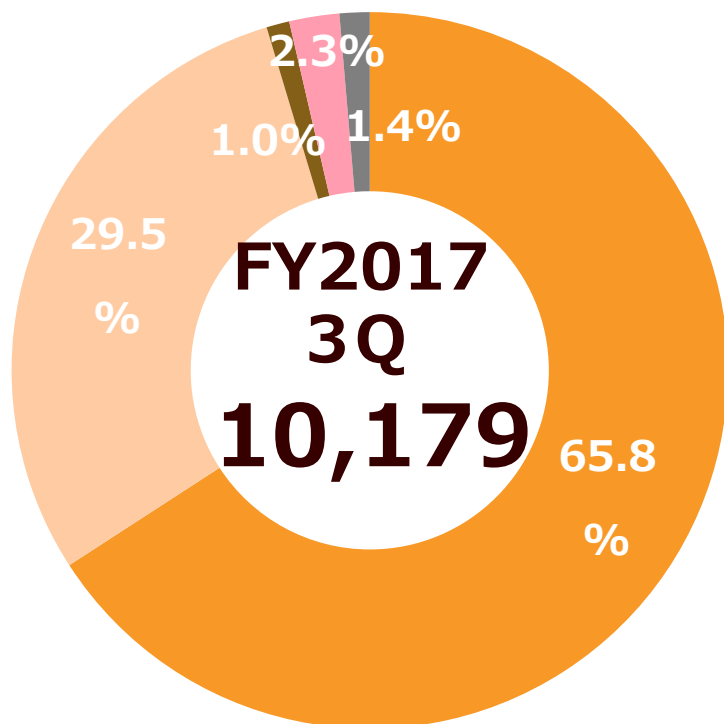
(in millions of JPY)

	FY2017 3Q	FY2016 3Q	vs PY	Causes
Sales revenue ( Continuing operations )	10,179	12,313	-17.3%	Revenue declined by divesture of the business including MINNANO WEDDING and decrease of Advertising Revenue.
Operating income ( Continuing operations )	4,140	6,135	-32.5%	SG&A expenses declined by divesture of the business while increase in overseas personnel expense. Recorded impairment loss on goodwill.
Operating income margin (Continuing operations )	40.7%	49.8%	-9.1pt	
Profit before tax ( Continuing operations )	4,539	6,137	-26.0%	Financial income increased by gain on sales of securities. Prior year had loss from securities revaluation.
Profit attributable to shareholders of CookpadInc. ( All business operations )	2,415	3,711	-34.9%	—

\* Due to disposition of EC segment in 3Q 2016, revenue from EC segment is excluded under IFRS 5.

# 1. Business Overview

## Sales revenue Mix



### IT/Media

Recipe Services

(in millions of JPY)

Premium Service	6,703
"Cookpad" premium membership sales	
Advertising	3,002
Ad sales on "Cookpad" sites	
Others	105
Editorial fees for "Cookpad" related publications, etc	

Other IT/Media

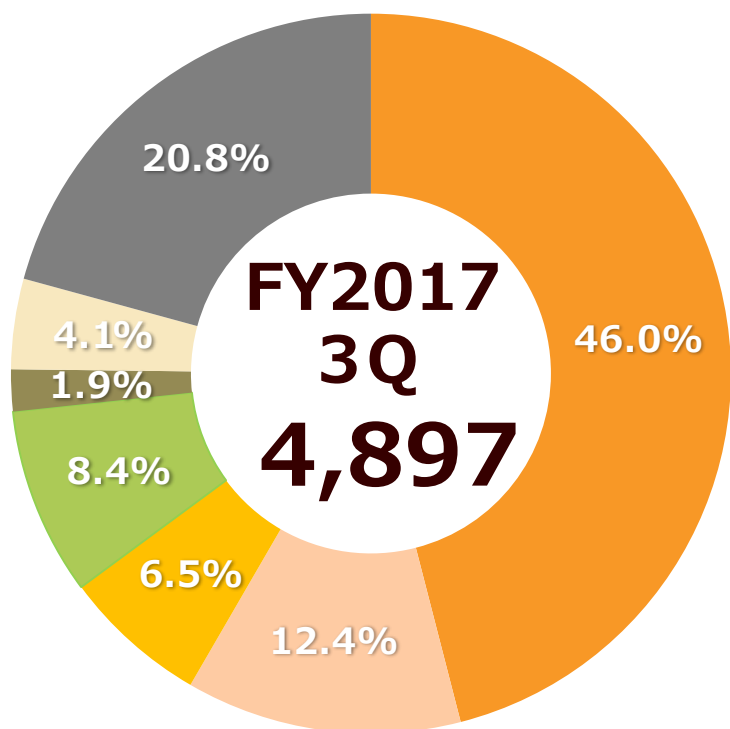
Other IT/Media	230
"Cyta", "Cookpad cooking school" sales	

### Others

Others	138
Other than as described above	

# 1. Business Overview

## SG&A Expenses Mix



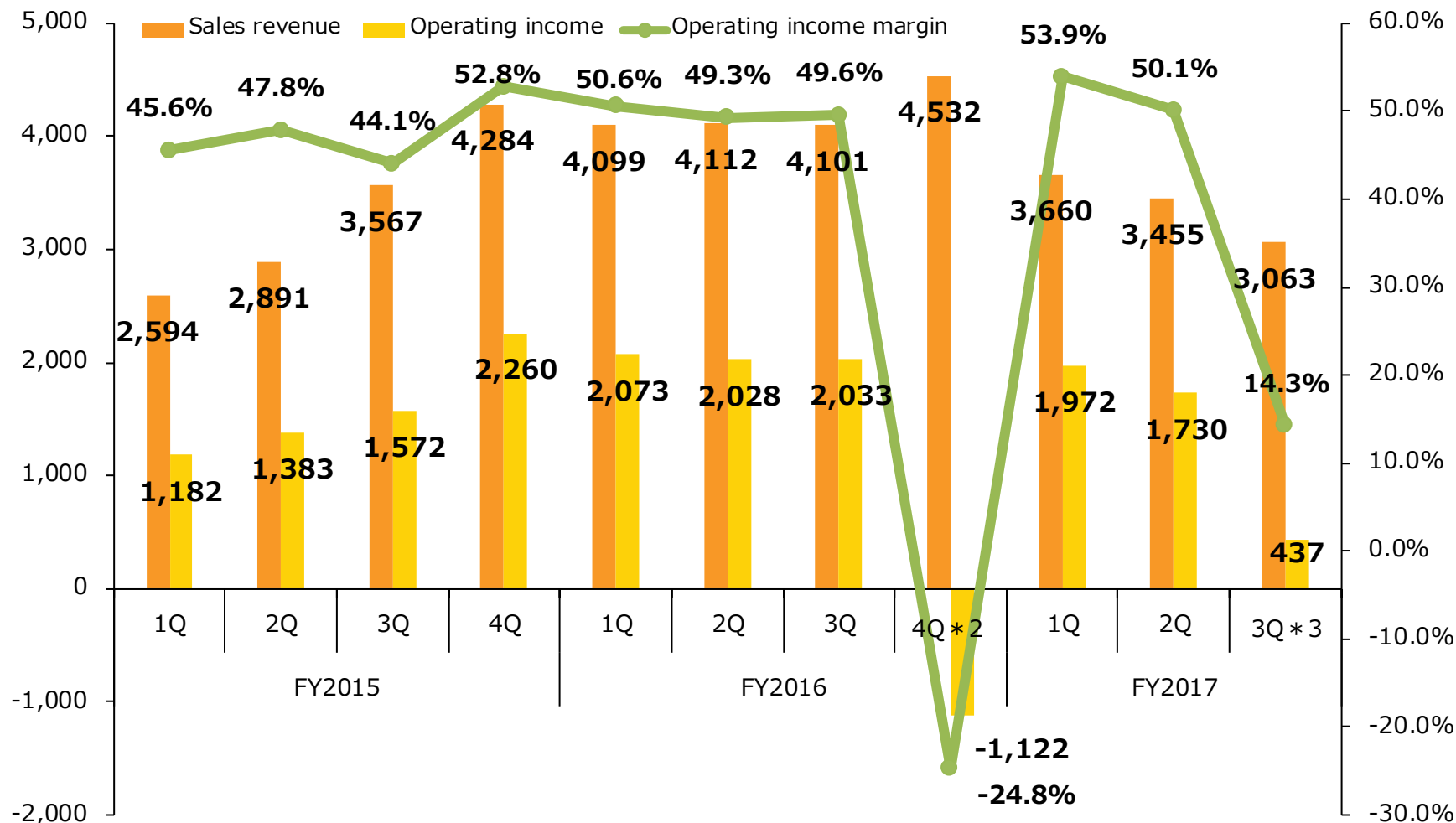
(in millions of JPY)

Personnel expenses	2,252
Salary for employees	
Sales commissions	605
To collect Premium membership fee through settlement platform	
Outsourcing expenses	412
Mainly "Cookpad" outsourcing expenses	
Cloud computing fee	319
To use cloud computing for "Cookpad" services	
Rent	198
Office rent	
Promotion fee/ Advertising	92
Promotion fee, Advertising for each service	
Others	1,016
	—

# 1. Business Overview

## Financial Summary by Quarter

(in millions of JPY)



\*1 Due to disposition of EC segment in 3Q 2016, Revenue and Operating income and loss from EC segment is excluded under IFRS 5.

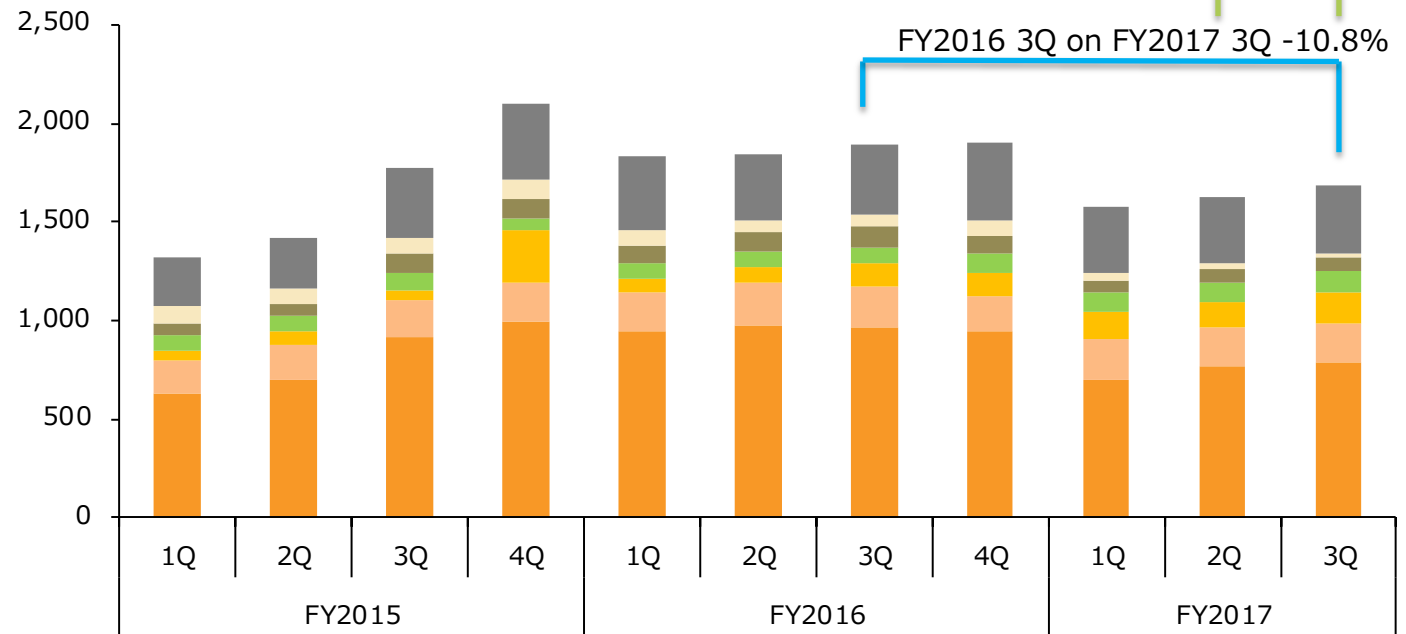
\*2 Recognized Impairment losses on goodwill by 3.5 billion JPY.

\*3 Recognized Impairment losses on goodwill by 0.9 billion JPY.

# 1. Business Overview

## SG&A Expenses by Quarter

(in millions of JPY)



Others	256	254	353	* 387	377	341	353	393	330	342	343
Promotion fee/ Advertising	89	76	83	99	77	57	62	77	45	25	21
rent	57	58	99	100	94	93	100	95	60	67	70
Cloud computing fee	74	81	81	63	82	83	81	92	101	106	111
Outsourcing expenses	55	66	54	260	63	78	116	117	134	125	152
Sales commissions	164	182	188	195	202	214	214	186	204	199	202
Personnel expenses	630	698	914	999	942	978	963	941	701	765	785
Total	1,327	1,418	1,774	2,107	1,840	1,848	1,891	1,905	1,578	1,632	1,687

Consolidated employees as end of quarter	291	365	487	519	499	523	516	321	333	354	367
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\* 200M JPY incurred for management change in English recipe site "ALLTHECOOKS".



# 1. Business Overview

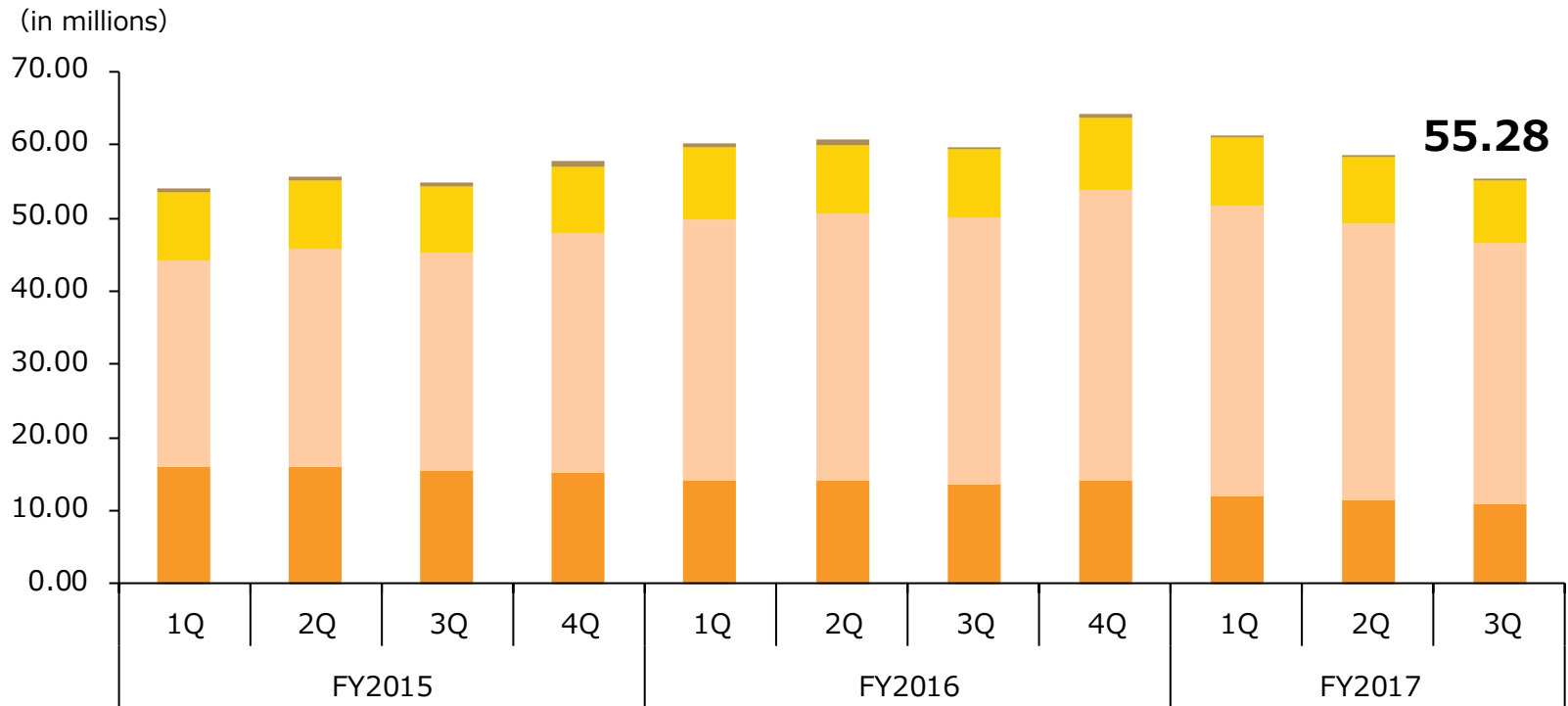
## Cash Flows

(in millions of JPY)

	FY2017 3Q	FY2016 3Q	increase or decrease of amount	FY2016 Full year
Cash flows from operating activities	1,406	3,290	-1,883	5,248
Cash flows from investing activities	1,588	550	1,038	-693
Cash flows from financing activities	-1,093	-1,147	54	-1,167
Cash and cash equivalents at end of period	18,438	15,370	3,068	16,543

## 2. Web/APP Usage

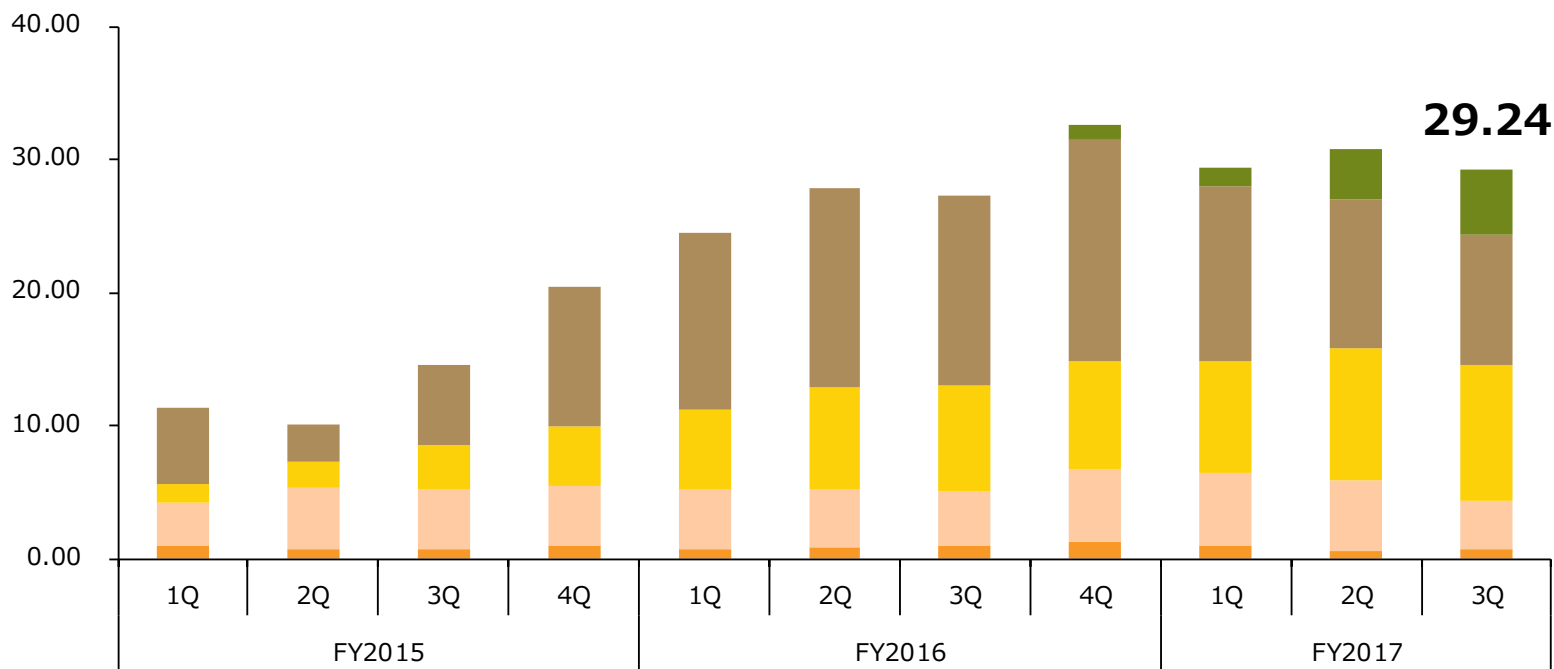
### “Cookpad” monthly average users by quarter in Japan\*



\* The number of domestic users is calculated by monthly average for each quarter visitor counted by every access from one of the devices or browsers above.

# 2. Web /APP Usage

“Cookpad” monthly average users in Global by quarter\*1  
(in millions)

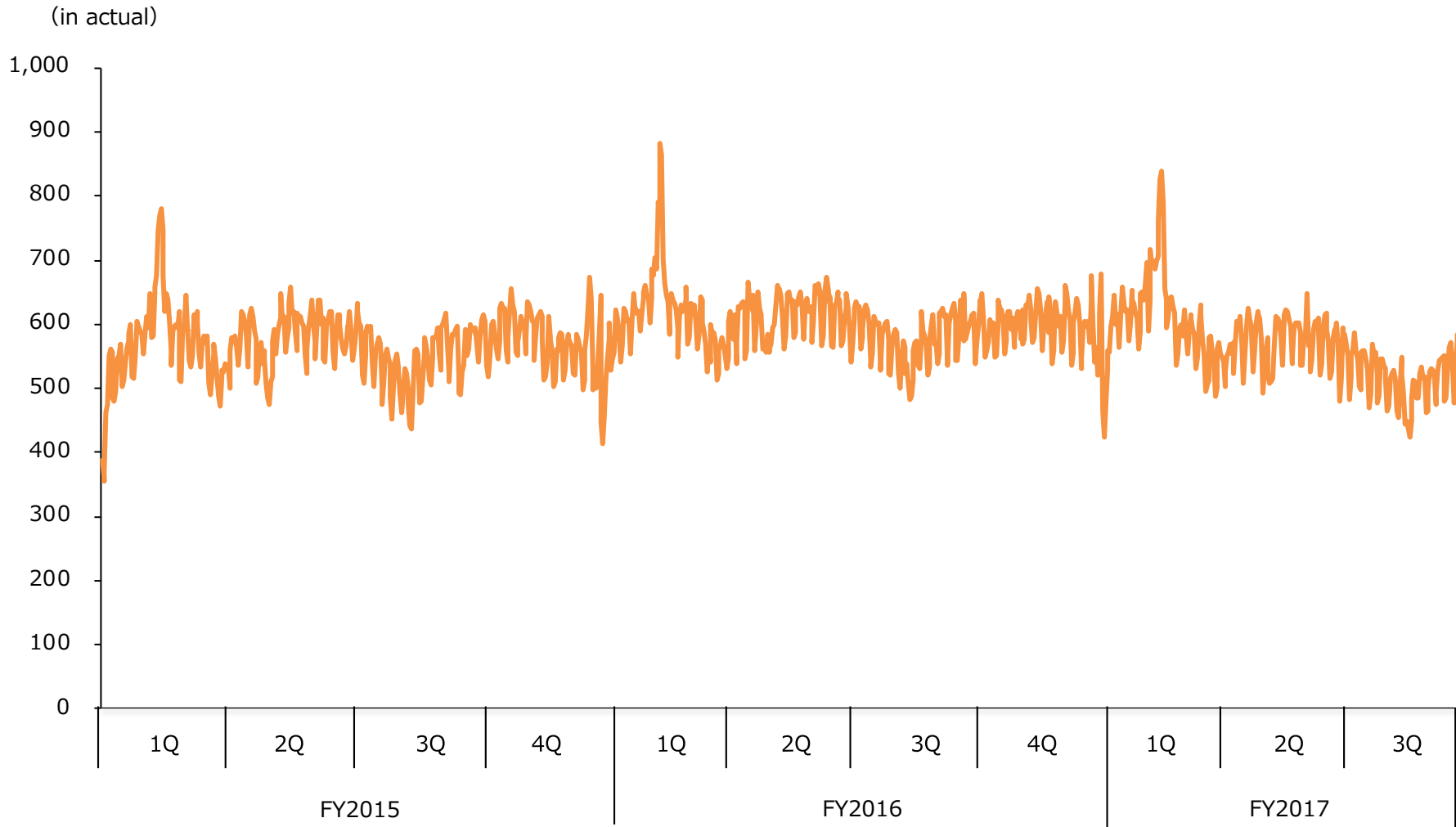


Others *2	-	-	-	-	-	-	-	1.08	1.36	3.75	4.89
Spanish	5.63	2.91	5.99	10.55	13.40	15.00	14.38	16.67	13.15	11.24	9.75
Bahasa Indonesian	1.42	1.91	3.35	4.40	5.94	7.70	7.87	8.07	8.45	9.93	10.18
Arabic	3.30	4.64	4.58	4.54	4.53	4.37	4.12	5.48	5.39	5.32	3.73
English	0.97	0.70	0.68	1.00	0.72	0.86	1.00	1.27	1.01	0.60	0.66
Total	11.33	10.18	14.61	20.50	24.59	27.95	27.39	32.60	29.38	30.86	29.24

\*1 Measured by Google Analytics.  
\*2 Users in Taiwan, Hungary, Greece etc.

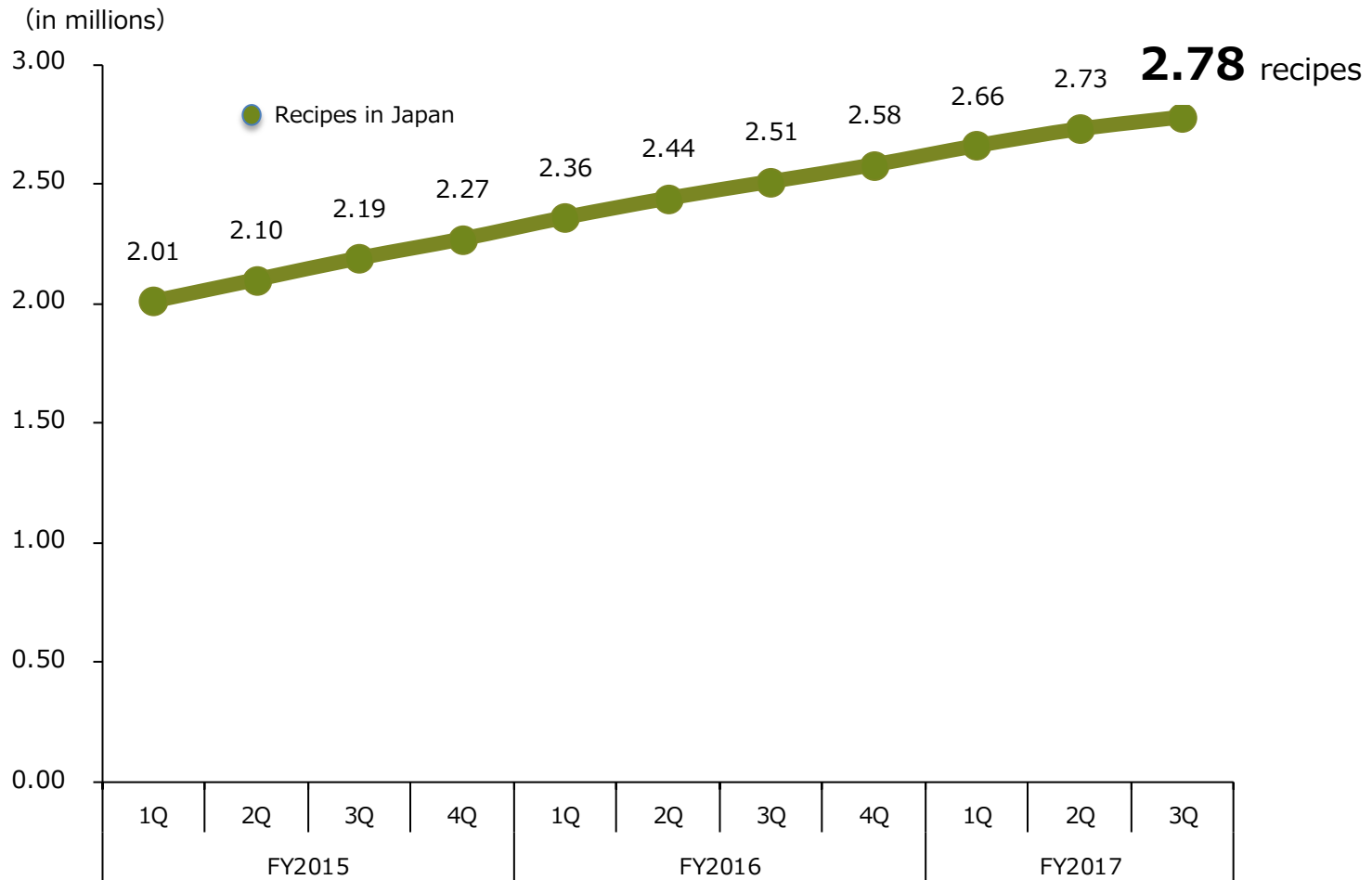
## 2. Web / APP Usage

### “Cookpad” daily user trend in Japan.



## 2. Web / APP Usage

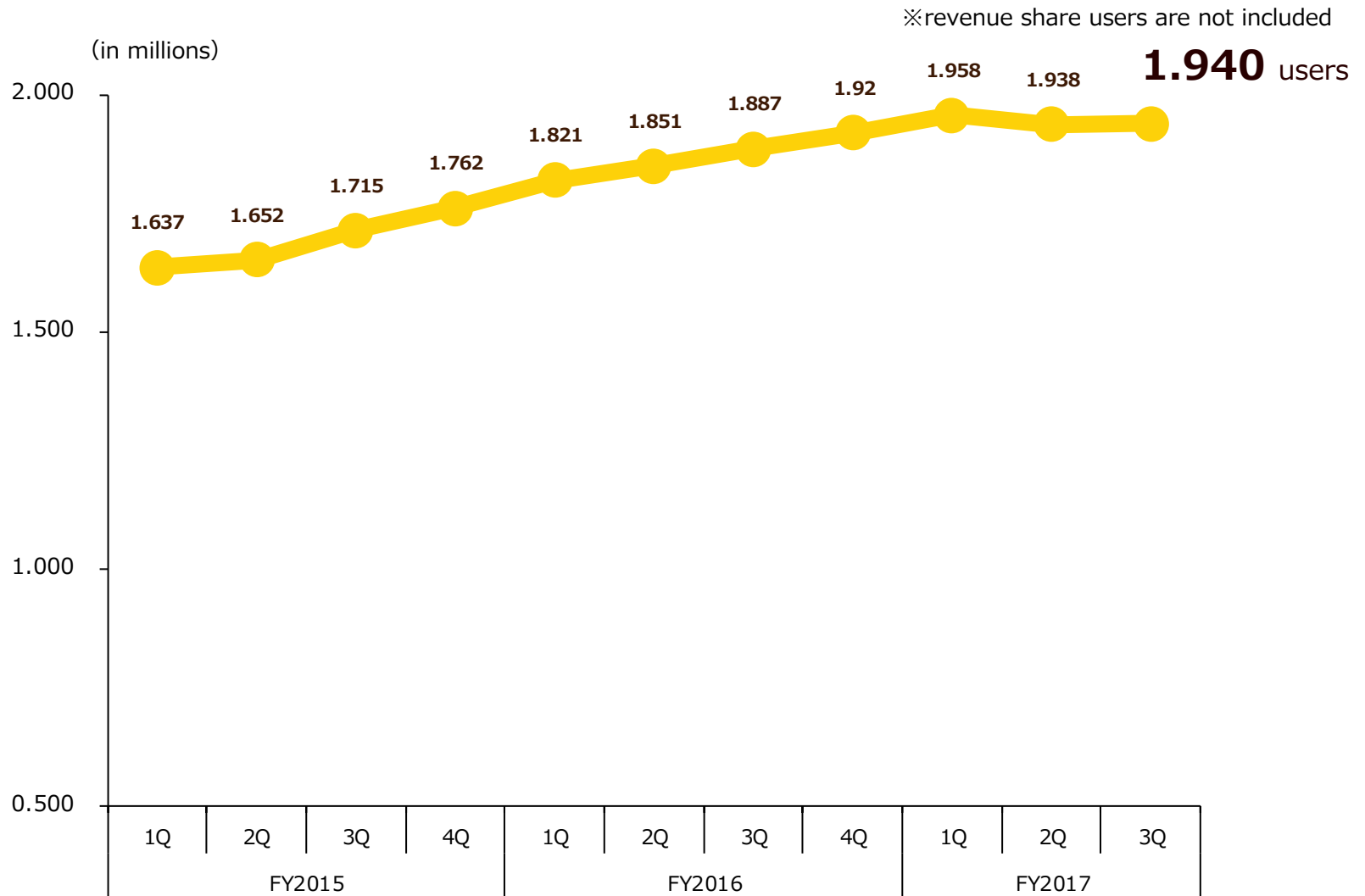
### “Cookpad” cooking recipes in Japan



\* Total number of cooking recipes in global is 1.03 million in FY2017 3Q .

# 3. Premium Service

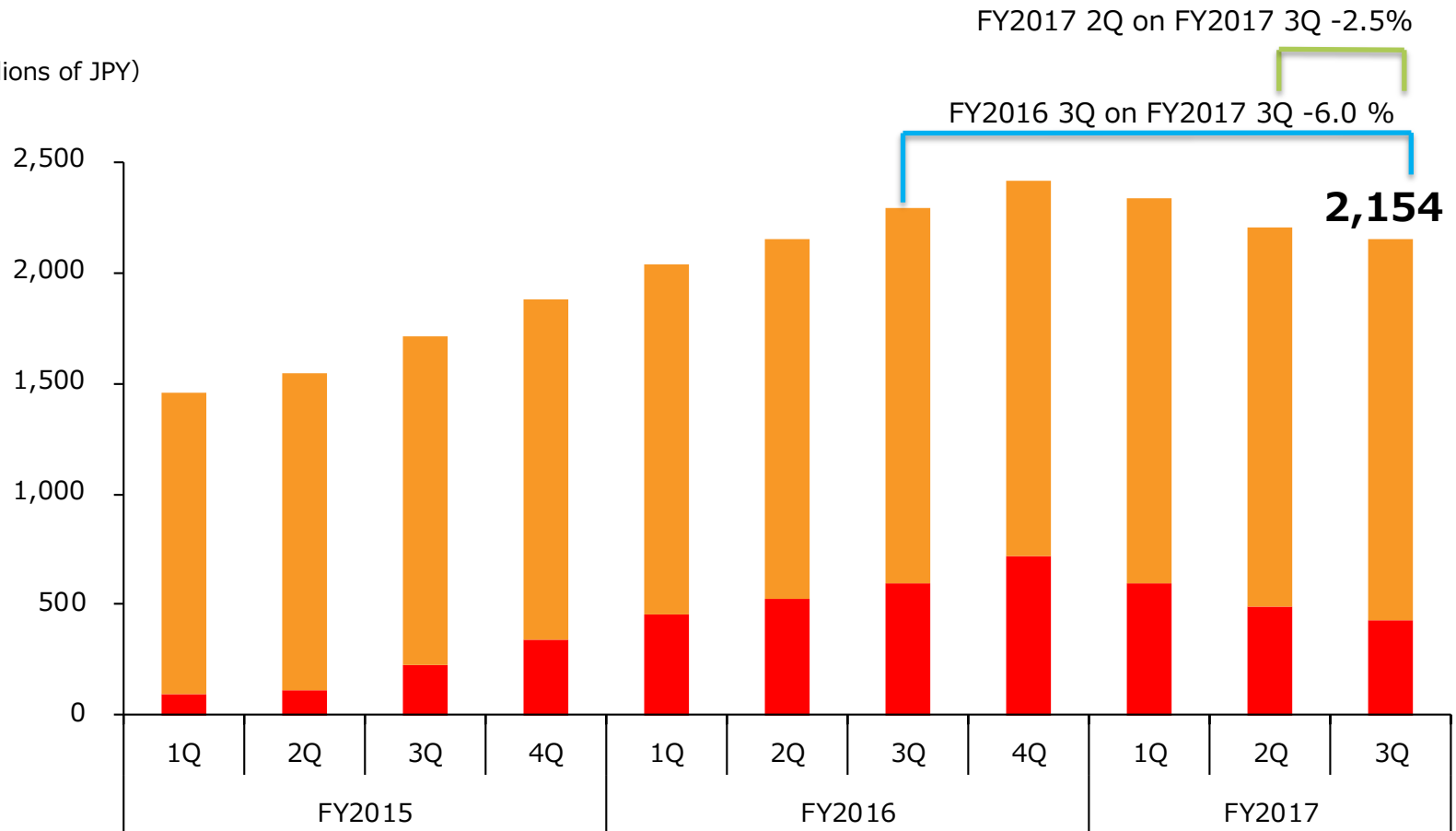
## “Cookpad” premium service users in Japan



# 3. Premium Service

## Premium Service Revenue by quarter

(in millions of JPY)

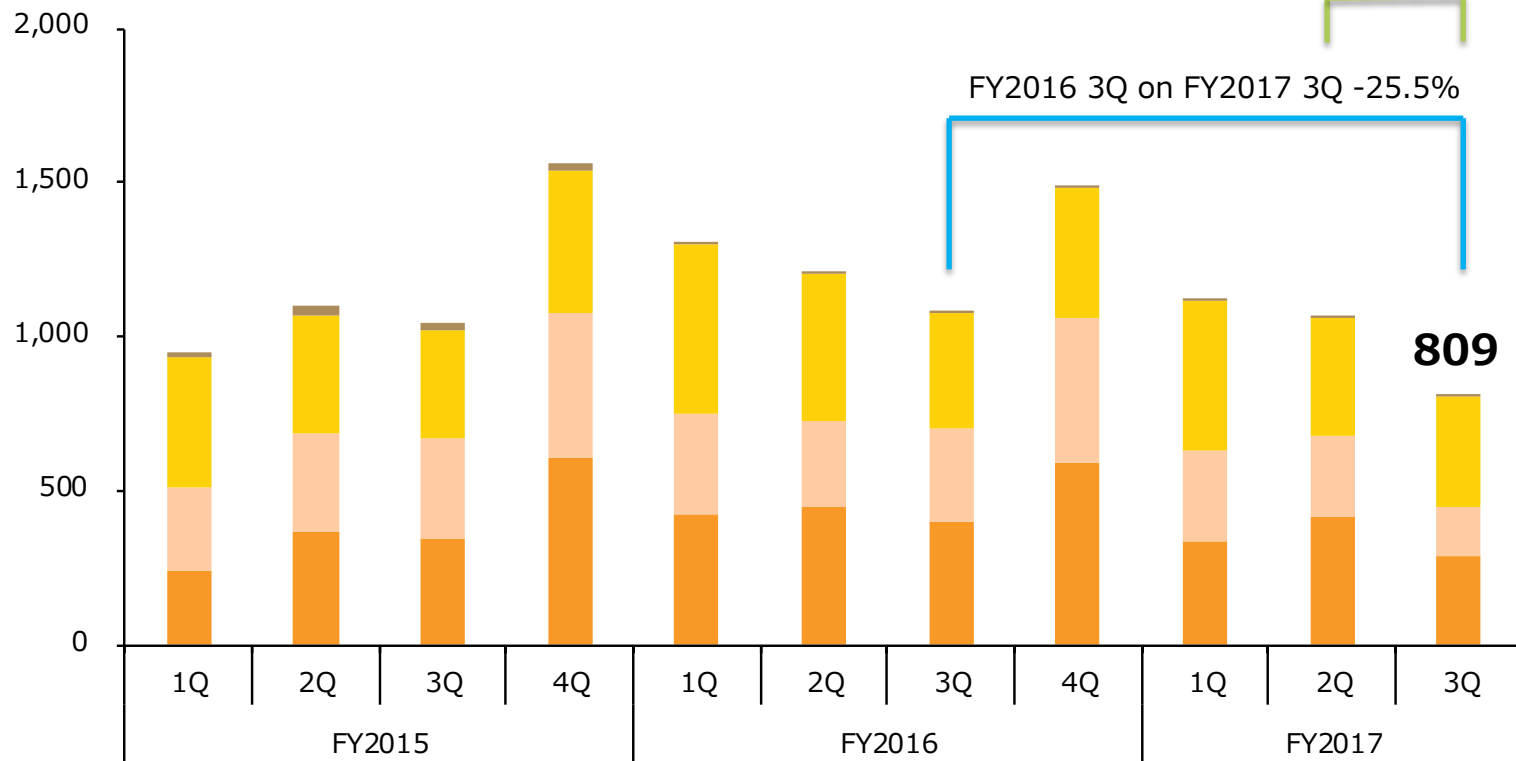


Premium membership sales	1,360	1,435	1,487	1,540	1,585	1,627	1,693	1,694	1,746	1,720	1,727
Revenue sharing sales	99	112	230	342	454	529	598	719	592	488	427
Total	1,459	1,547	1,717	1,882	2,038	2,156	2,292	2,413	2,339	2,209	2,154

# 4. Advertising Revenue

## Advertising Revenue by quarter

(in millions of JPY)



Others	13	30	22	22	7	0.7	4	5	5	6	1
Network ads	429	385	355	465	545	477	378	425	484	382	355
Display ads	264	318	323	468	330	282	301	470	297	263	164
Tie-up ads	243	366	347	609	423	445	401	588	334	419	287
Total	950	1,100	1,048	1,565	1,306	1,206	1,085	1,490	1,121	1,071	809



# 5. Cookpad TV

Started making strategic investment to become overwhelming No. 1 in the field of cooking video

Recipe video count  
No.1



Recipe video advertisement  
No.1

In the first stage of strategic investment in the cooking video field, we launched Cookpad StoreTV, a service to distribute original retail store signage to GMS and SM throughout Japan for free and distribute cooking videos at the retail outlets.

Recipe video Paying Users  
No.1



# Make everyday cooking fun!



This presentation contains certain comments that may be characterized as forward-looking statements. These statements are based on information currently available to management and its beliefs and assumptions regarding future business and financial performance. A number of factors such as changes in business environment may cause actual results to differ materially from any future results or performance expressed or implied by this presentation.

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