Information for Attendees

Q1 FY2021 Financial Results Briefing

Time and Date: May 13, 6:00–7:00 PM JST (Zoom accessible from 5:50 PM)

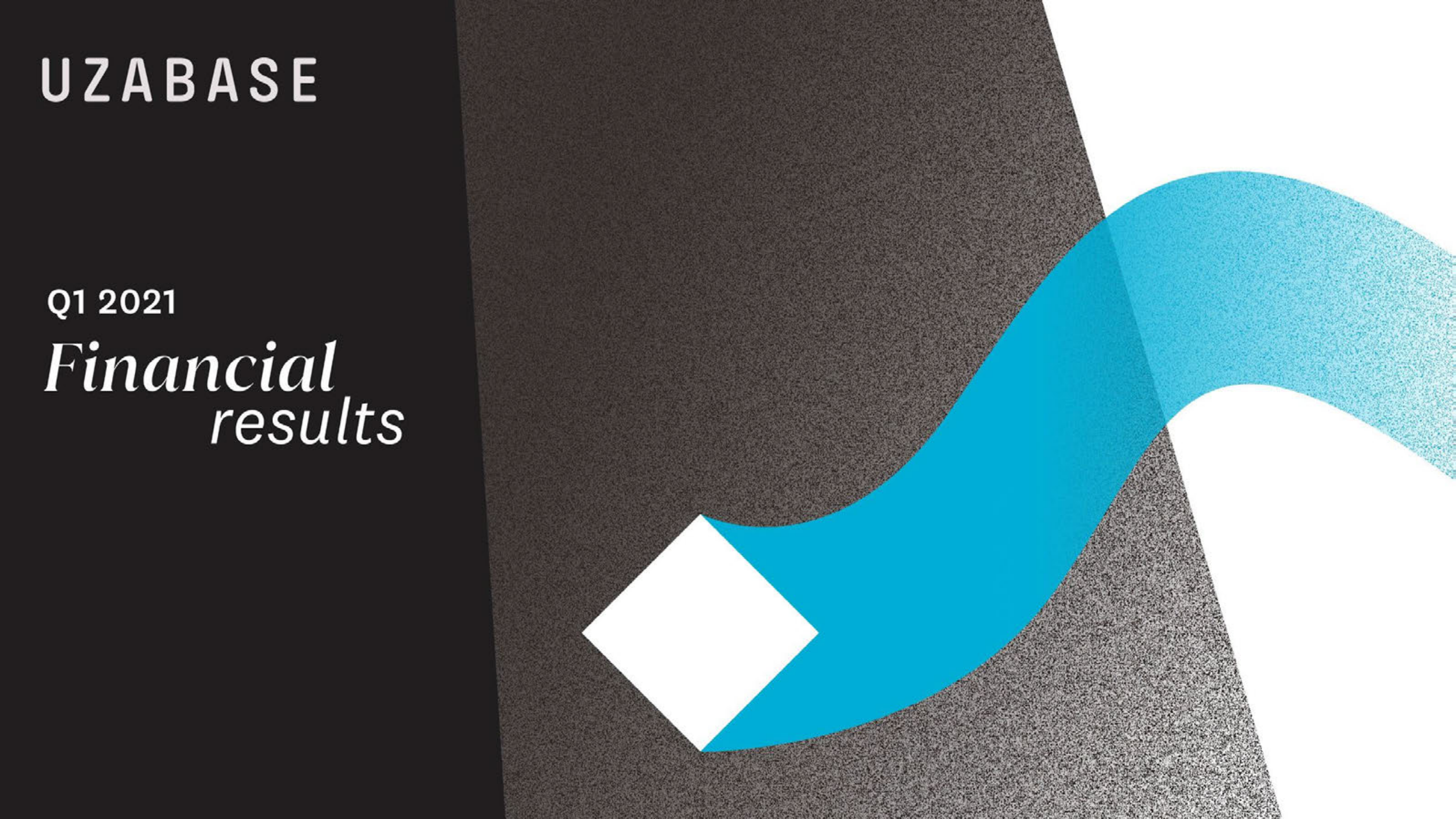
Speakers: Yusuke Inagaki (Co-CEO), Taira Sakuma (Co-CEO)
Daisuke Chiba (CFO)
Daisuke Sakamoto (NewsPicks Inc., CEO)

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Q1 2021

Financial results





We guide business people to insights that change the world

We provide a foundation of intelligence that supports the needs of business and business people. We analyze, organize, and create global information so you can make the right decisions at the right time unleashing your creative and innovative potential.

Our ***mission***

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Q1 2021

Financial results

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Highlights of:

Consolidated results

* All financials presented in this section are consolidated cumulative totals for each fiscal year.

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Business segments

SPEEDA

SPEEDA

Business Intelligence Platform
Provides the information necessary for business strategy development and market analysis, including global and local company/market data, industry reports, M&A information, patent- related trends, and more.

MIMIR

Expert Network
Provides “SPEEDA Expert Research”, a service that offers access to the opinions of industry experts in cutting-edge fields.

Other B2B Services

FORCAS

B2B Marketing Platform
Offers support for implementing ABM practices to help identify high probability prospects via data analysis.

FORCAS Sales

Sales Research Platform
Service looking to improve the productivity of sales teams via a selling process based around solutions for customers problems.

INITIAL

Startup Information Platform
Provides business descriptions, funding round information, and original articles on startups.

NewsPicks

NEWS PICKS

Business News Media
Provides news articles from over 100 media in Japan and overseas, as well as its own original articles and video content, alongside comments from industry professionals and experts.

AlphaDrive

Consulting Business
Provides NewsPicks tailored to corporate clients, offering support in the areas of organisational revitalization and new business development, in addition to SaaS to support new business development.

Other

SPEEDA EDGE

US-Focused Emerging Industry Analysis Platform
Provides information on startups, funding, investors, and news mapped to specific sectors to cater to clients’ analytical research needs.

UB VENTURES

Venture Capital Business
Seed and early-stage investment business specializing in SaaS and media-related startups.

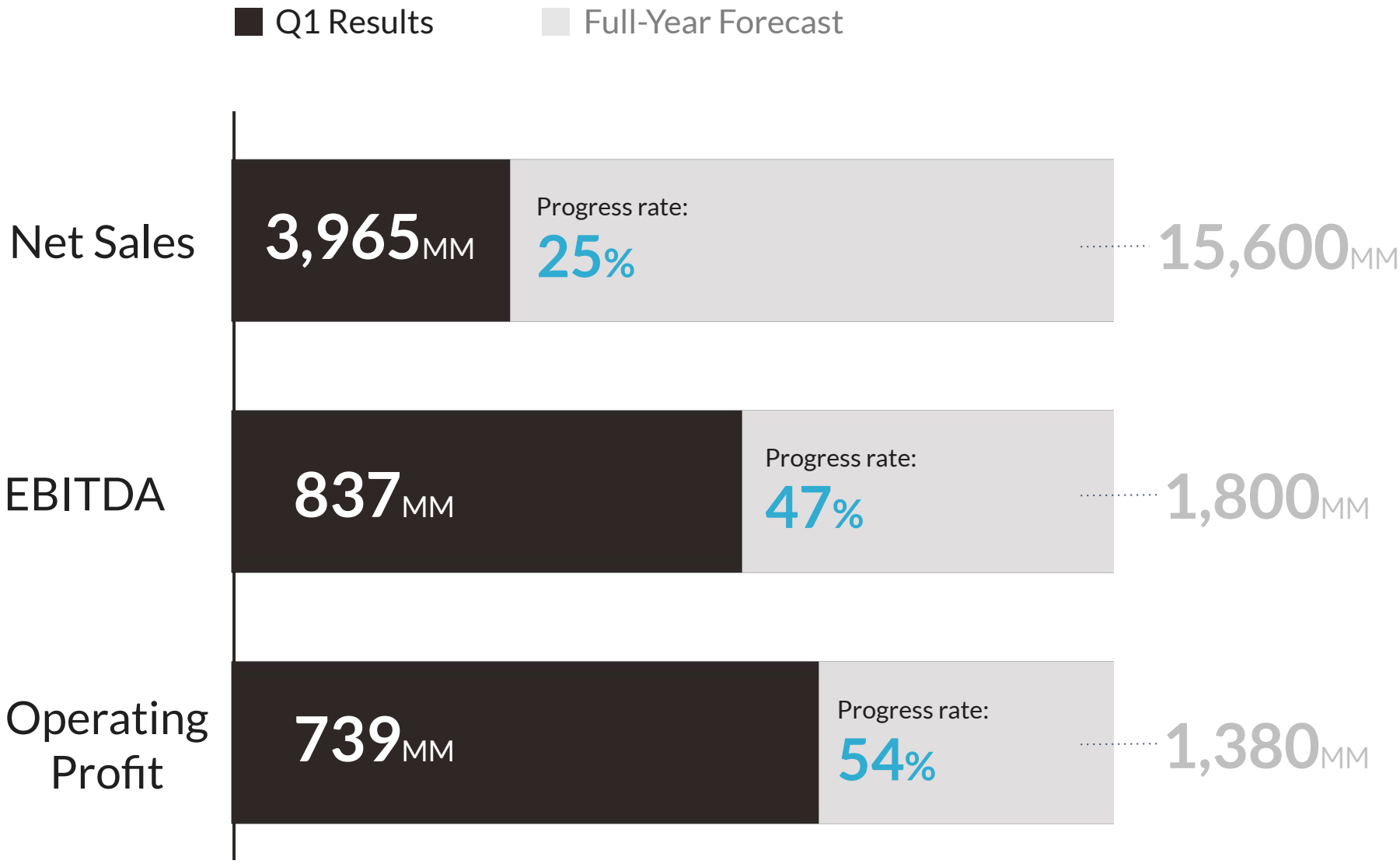
Highlights

PERFORMANCE OVERVIEW

SPEEDA	Other B2B Businesses	NewsPicks
Net sales and MRR growth rates both increased	Net sales and EBITDA recorded steady growth	Favourable performance of the Advertising business drove significant growth in net sales and EBITDA
		

Both net sales and profit grew favourably vis-à-vis forecasts.

➔ High-priority investments are scheduled to start in full from Q2 onwards, and as such, profit is expected to land within the forecast figures for the full year.



- "Full-Year Forecast" refers to the figures announced on 10 February 2021.
- EBITDA = Operating Profit + Depreciation and Amortisation (including Goodwill Amortisation)
- All monetary amounts are truncated values. Progress rates and growth rates are rounded to the nearest whole. (Same applies for all slides that follow)

Consolidated MRR on a stable uptrend at +24% YoY.

MRR: **883**MM

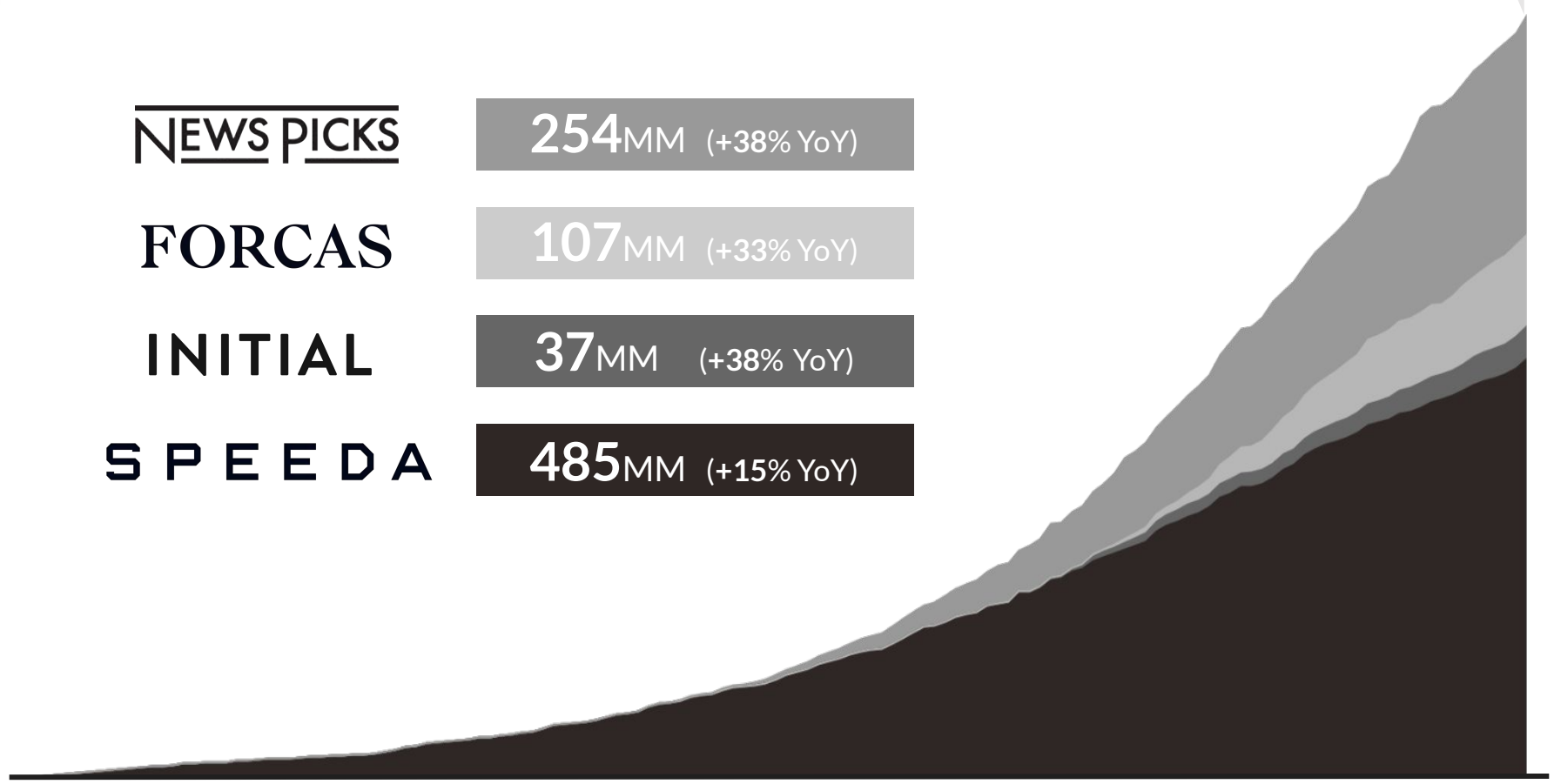
ARR: **10,607**MM

NEWS PICKS **254**MM (+38% YoY)

FORCAS **107**MM (+33% YoY)

INITIAL **37**MM (+38% YoY)

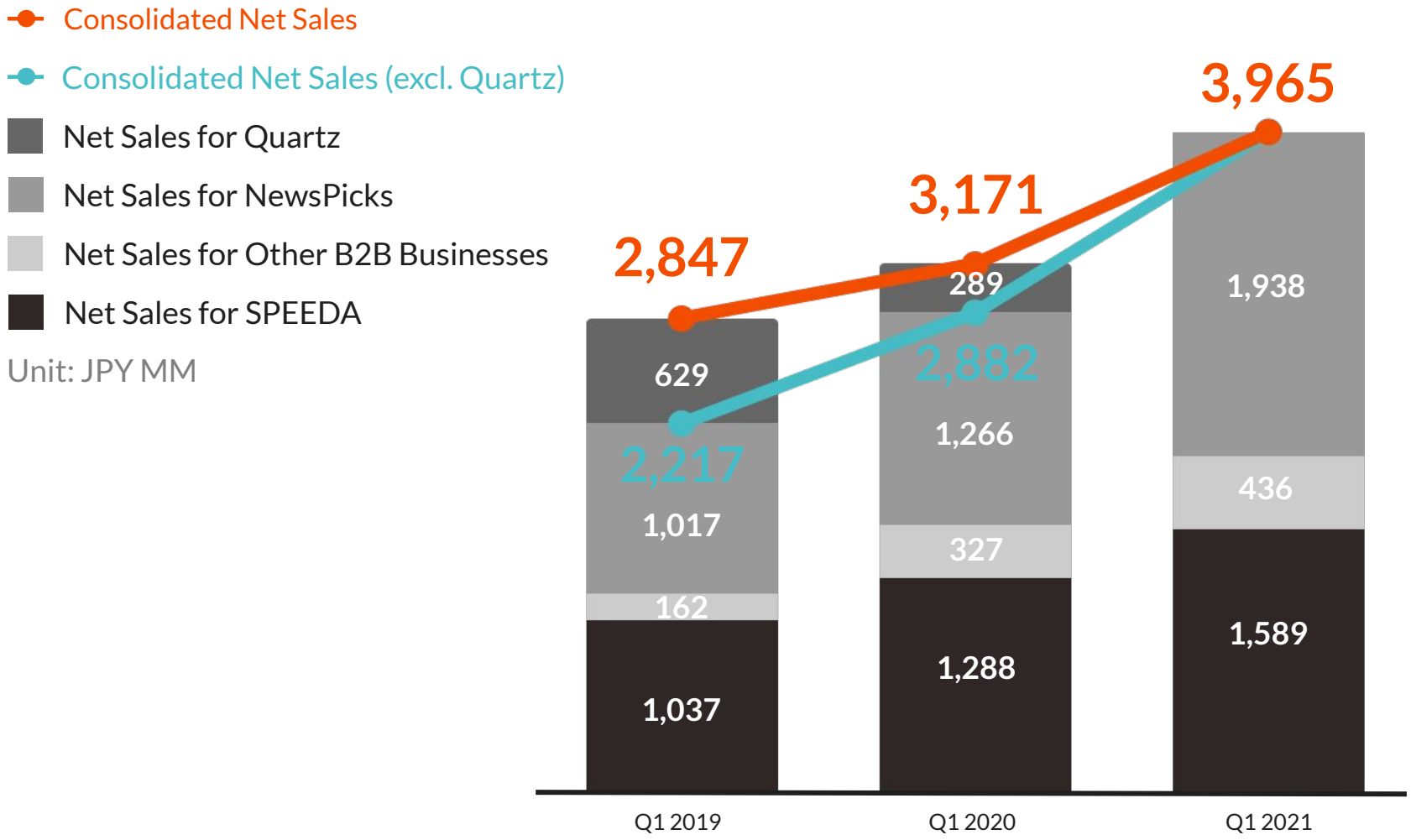
SPEEDA **485**MM (+15% YoY)



2009/12 2021/03

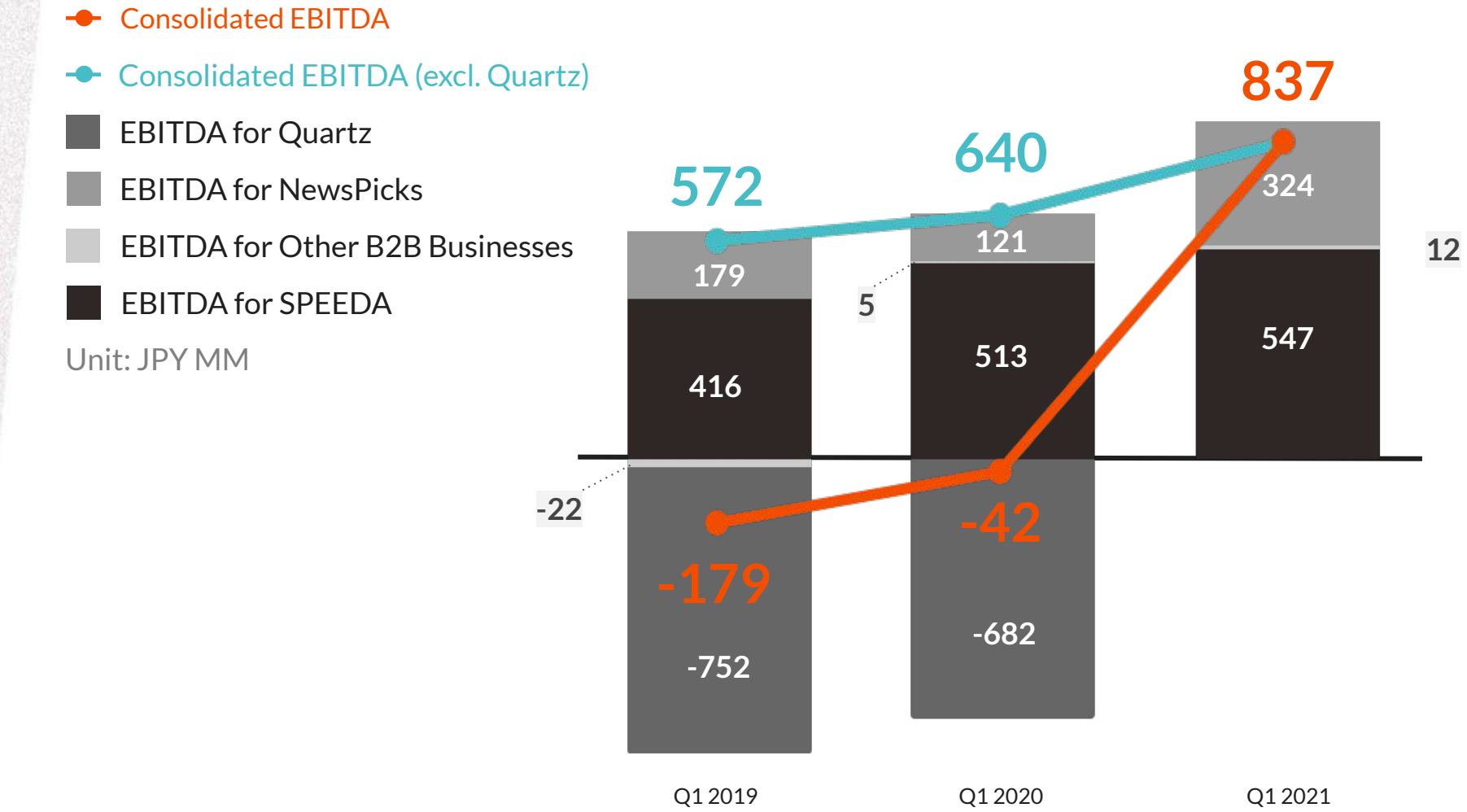
- Note that calculations were changed from showing gross MRR to net MRR. For details, refer to page 31 in the Appendix.
- MRR (Monthly Recurring Revenue): revenue recurring on a monthly basis that excludes any one-off payments by customers such as initial cost.
- ARR (Annual Recurring Revenue): fixed annual earnings calculated as MRR multiplied by 12 months.
- As Quartz has been excluded from the consolidated results since November 2020, its MRR is also excluded.

Consolidated net sales (excl. Quartz) saw solid growth at +38% YoY.



- Consolidated net sales (excl. Quartz) are calculated as Consolidated Net Sales minus Quartz's Net Sales,
- Net sales for each business exclude any internal transactions between segments.
- Financials for MIMIR, acquired earlier in 2020, are included as part of SPEEDA since May 2020.
- Financials for Quartz have been excluded from the scope of consolidation since November 2020.

Consolidated EBITDA (excl. Quartz) saw solid growth at +31% YoY.



- Consolidated EBITDA (excl. Quartz) is calculated as Consolidated EBITDA minus EBITDA for Quartz.
- Other EBITDA not attributable to the reportable segments has been omitted from the chart.
  Therefore, the sum of each business's EBITDA does not necessarily match the consolidated EBITDA figures.
- Financials for MIMIR, acquired in 2020, are included as part of SPEEDA since May 2020.
- Financials for Quartz have been excluded from the scope of consolidation since November 2020.

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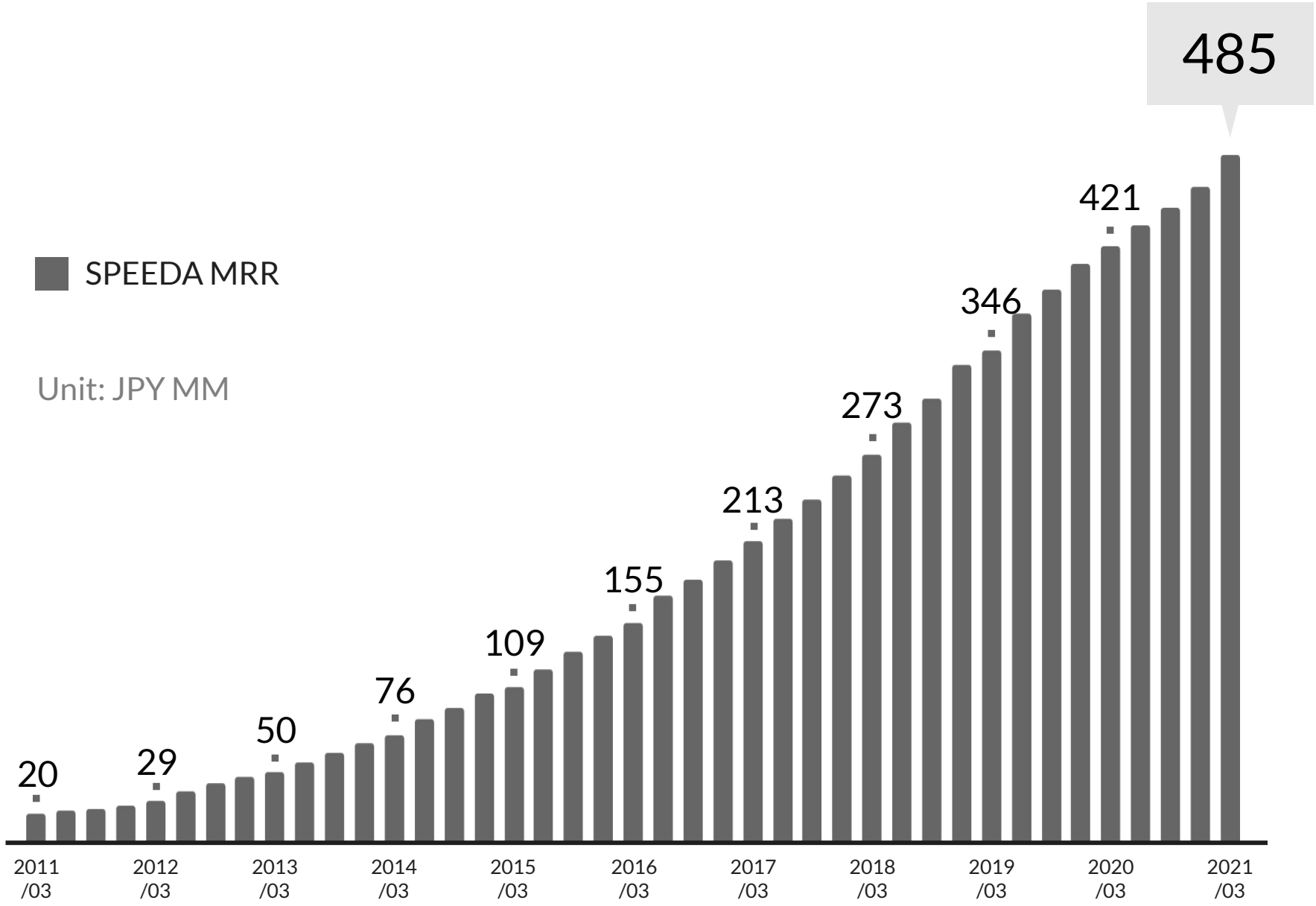
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Highlights for:

SPEEDA

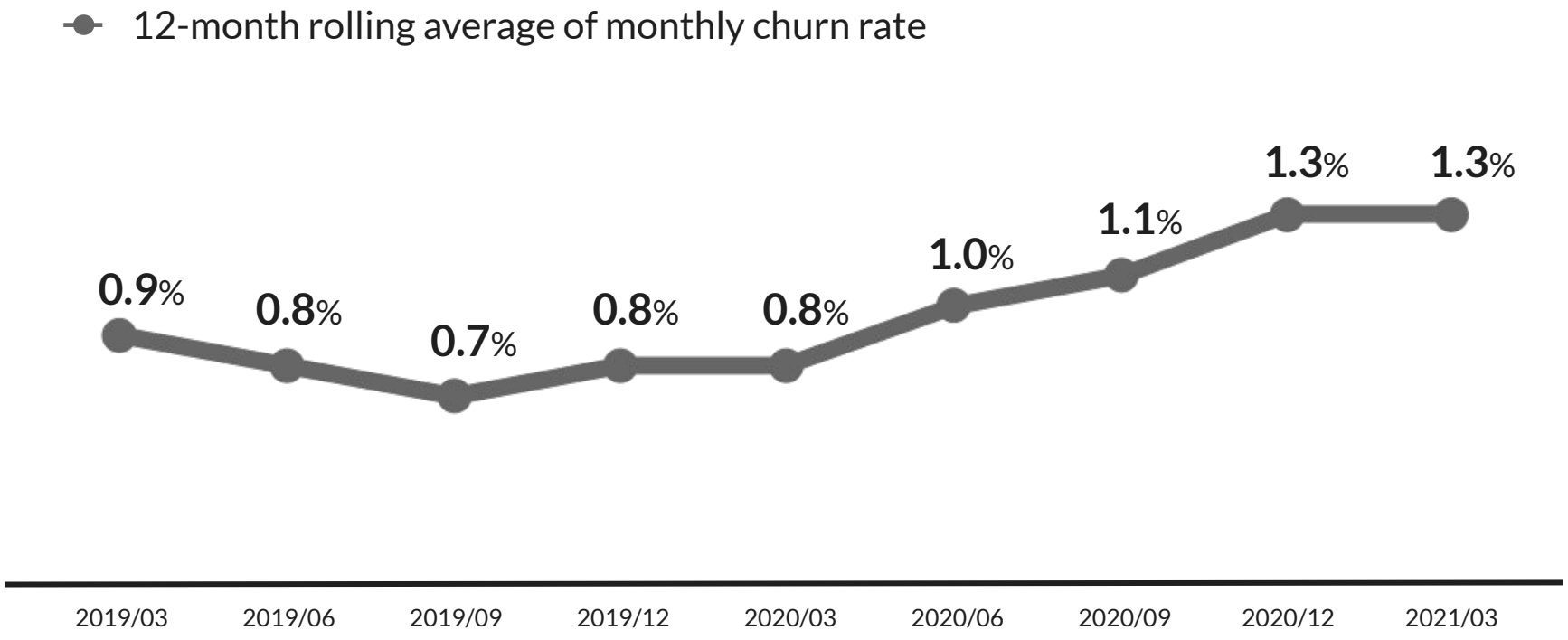
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MRR increased by +15% YoY.

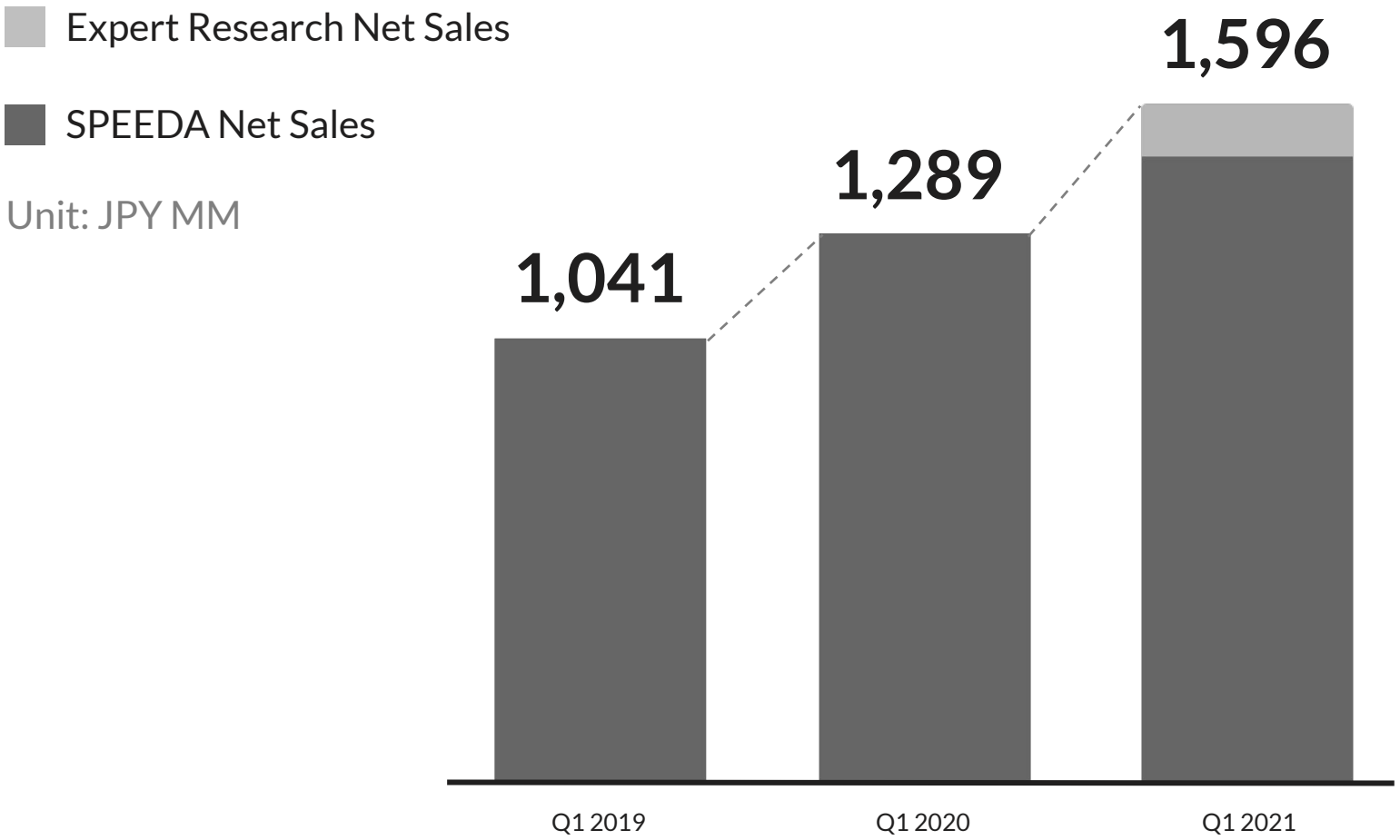


- MRR (Monthly Recurring Revenue): revenue recurring on a monthly basis that excludes any one-off payments by customers such as initial cost.
- MRR figure includes both the domestic and the overseas businesses.

Managed to stop the churn rate from deteriorating any further. Will aim to bring the rate down to 1.0% within 2021.



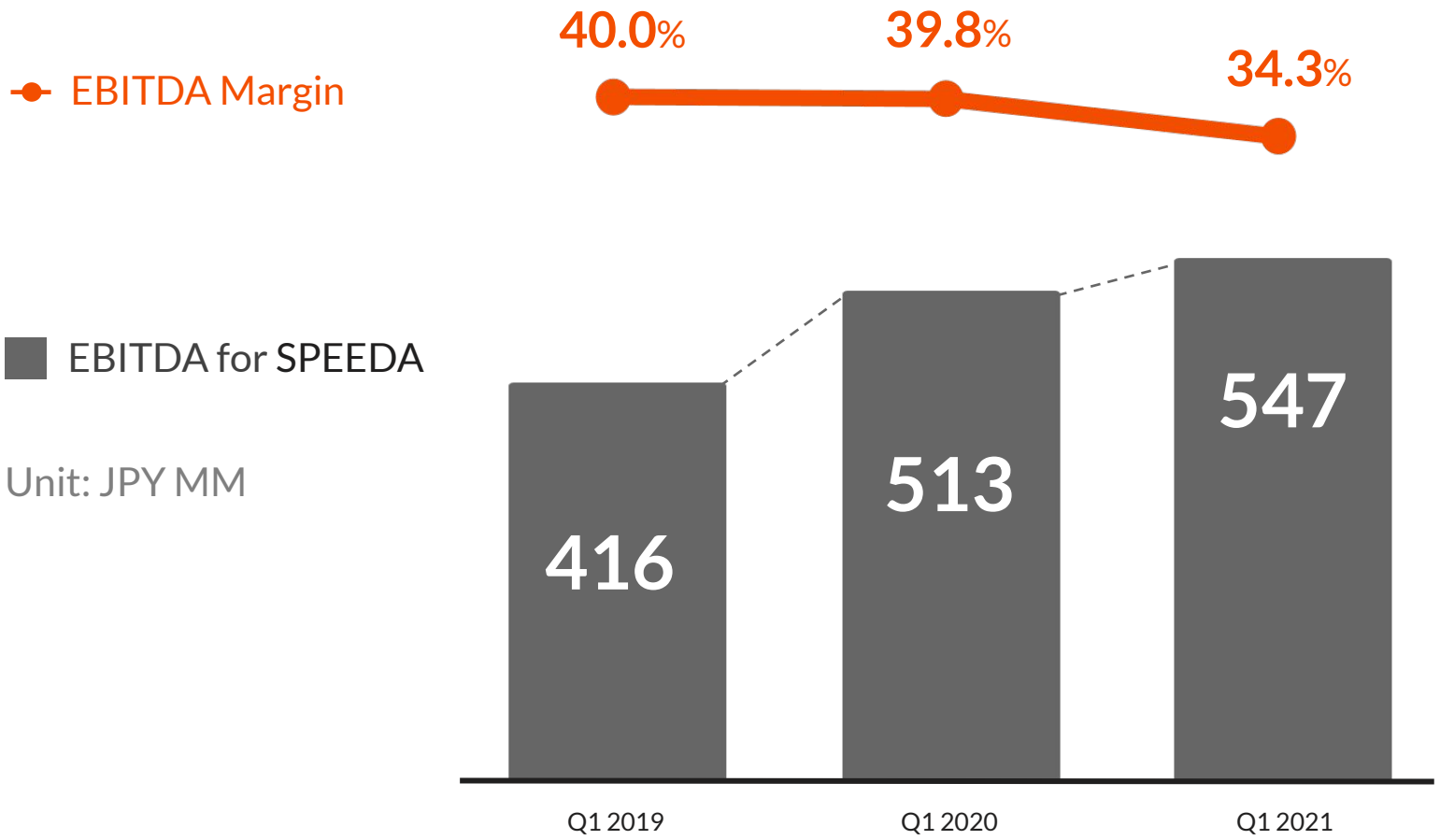
Expert Research business developing steadily, recording growth at +24% YoY.



- Internal transactions between segments are included.
- Financials for MIMIR, acquired earlier in 2020, are included as part of SPEEDA since May 2020.

EBITDA Margin decreased by around 5.5 percentage points due to investments into the Expert Research business.

➔ Expenses are more concentrated towards the second half of the year, and the full-year EBITDA margin is expected to be at around 30% (36.3% in FY2020).



- Financials for MIMIR, acquired earlier in 2020, are included as part of SPEEDA since May 2020.

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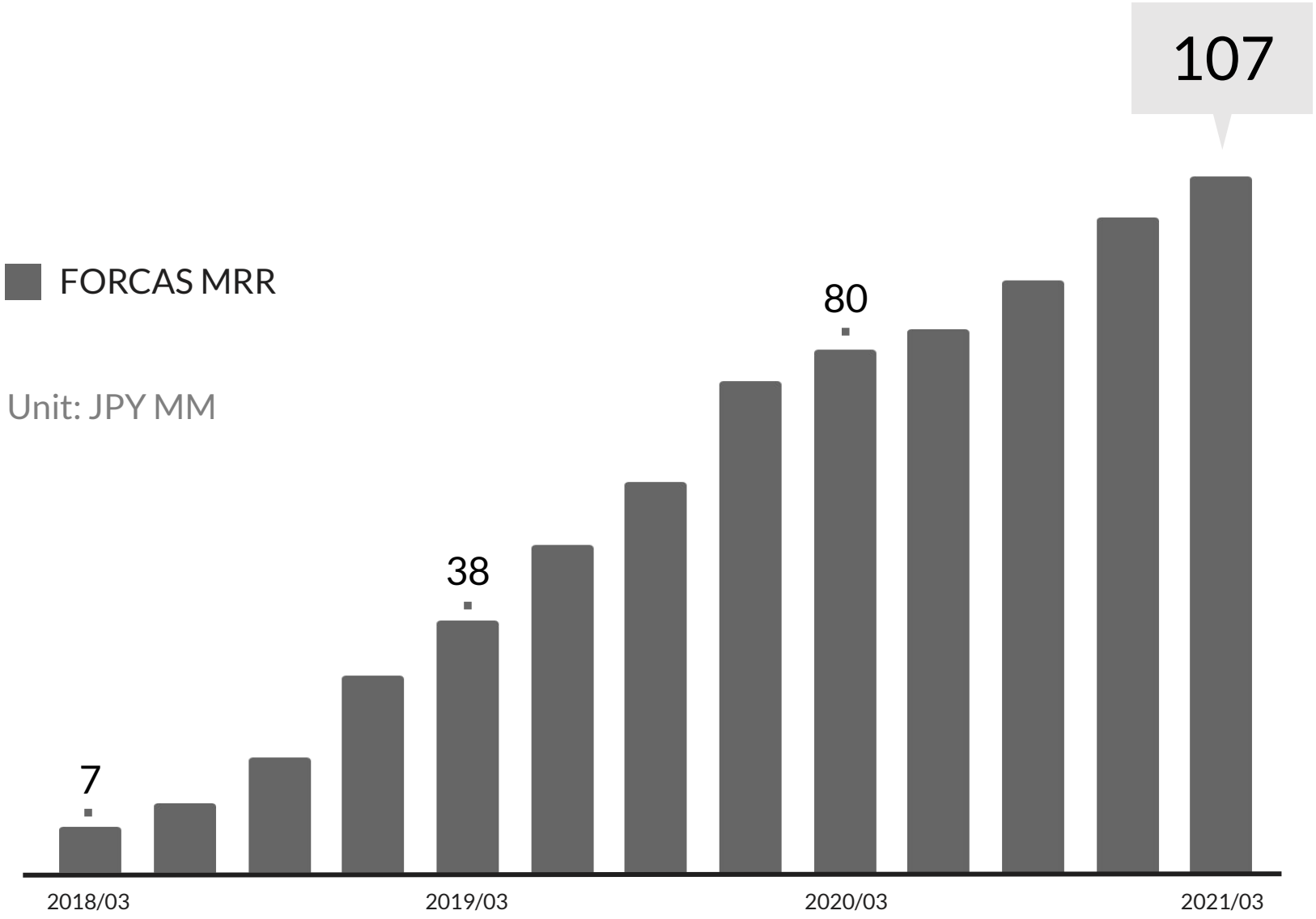
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Highlights for:

Other B2B Business

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FORCAS MRR growing steadily at a rate of +33% YoY.



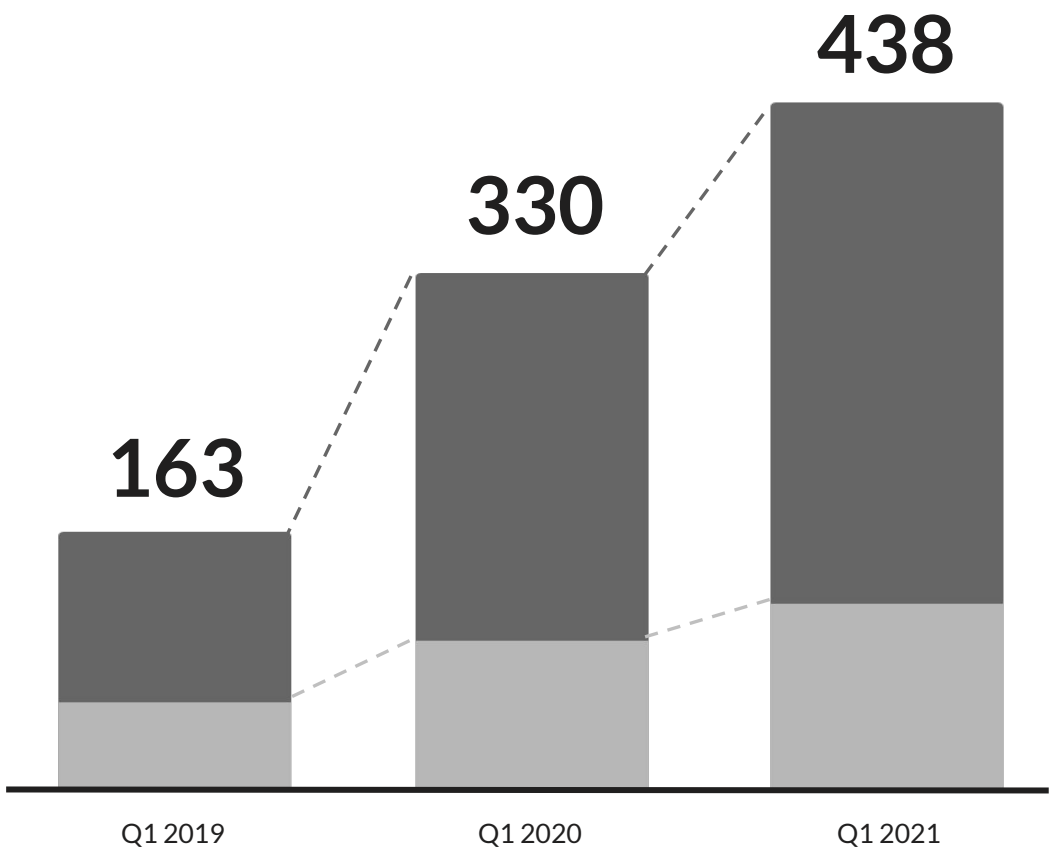
- MRR (Monthly Recurring Revenue): revenue recurring on a monthly basis that excludes any one-off payments by customers such as initial cost.
- MRR from December 2020 onwards includes FORCAS Sales' MRR.

Net sales growing steadily at +33% YoY.

FORCAS Net Sales

INITIAL Net Sales

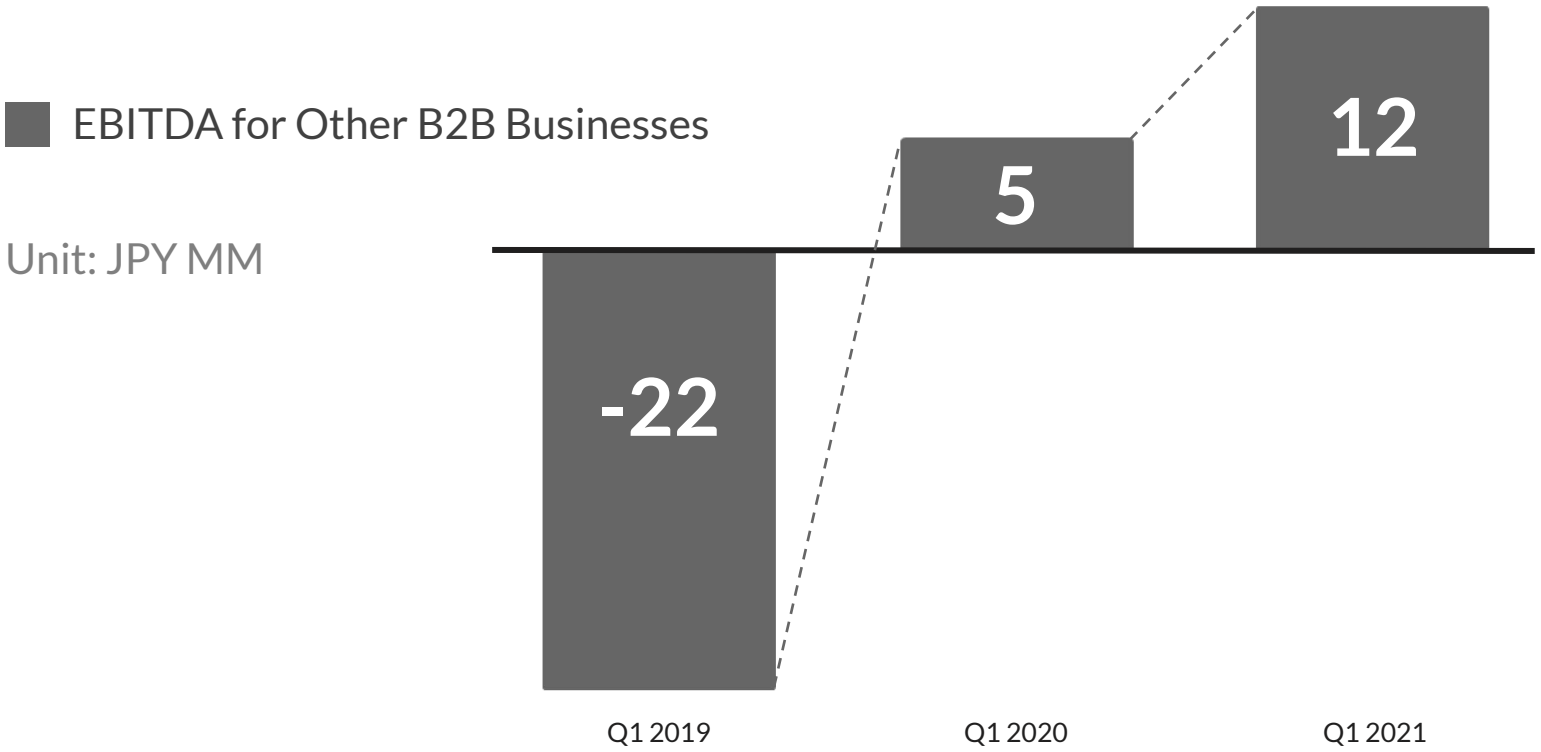
Unit: JPY MM



- Internal transactions between segments are included.

EBITDA recorded a marginal increase YoY.

➔ Due to investments earmarked towards the further growth of FORCAS, the segment is expected to be in the red for the full-year FY2021.



Sony Marketing:
FORCAS helped double the number of leads



- **Increased efficiency of inside sales operations** by completing preliminary research using only the company data from FORCAS
- **Facilitated cooperation between field and inside sales teams** by flagging target companies
- **Improved the results of outbound sales** by using MA tools and optimising the product pitch for each target company
- **Utilized FORCAS' original and convenient company features**: "foreign-funded company", "company expanding into North America", "company expanding into Asia"
- **Optimized outbound sales processes to be in line with current resourcing** by using FORCAS's scores.

Sony Marketing successfully leveraged data to build and optimise their customer-focused operations, seeing a more than **two-fold increase** in the number of leads

- For details, refer to the "Cases" section of FORCAS's official website (Japanese only)

A capital and business alliance with Chira-CEO aims to facilitate access to key people in target companies.



About Chira-CEO

A Sales Tech service that facilitates the process of scheduling business meetings with key decision makers, resolving issues with lead acquisition faced by B2B companies.

- Messaging between registered decision makers
- Online presentation events for decision makers
- Introduction of decision makers and other support

These services and more make it much easier to acquire online leads via key decision makers.

- For details, see "FORCAS Partners with Business Executive matching service 'Chira Ceo' to Offer a Key Person Approach Plan from Late May" (Japanese only)

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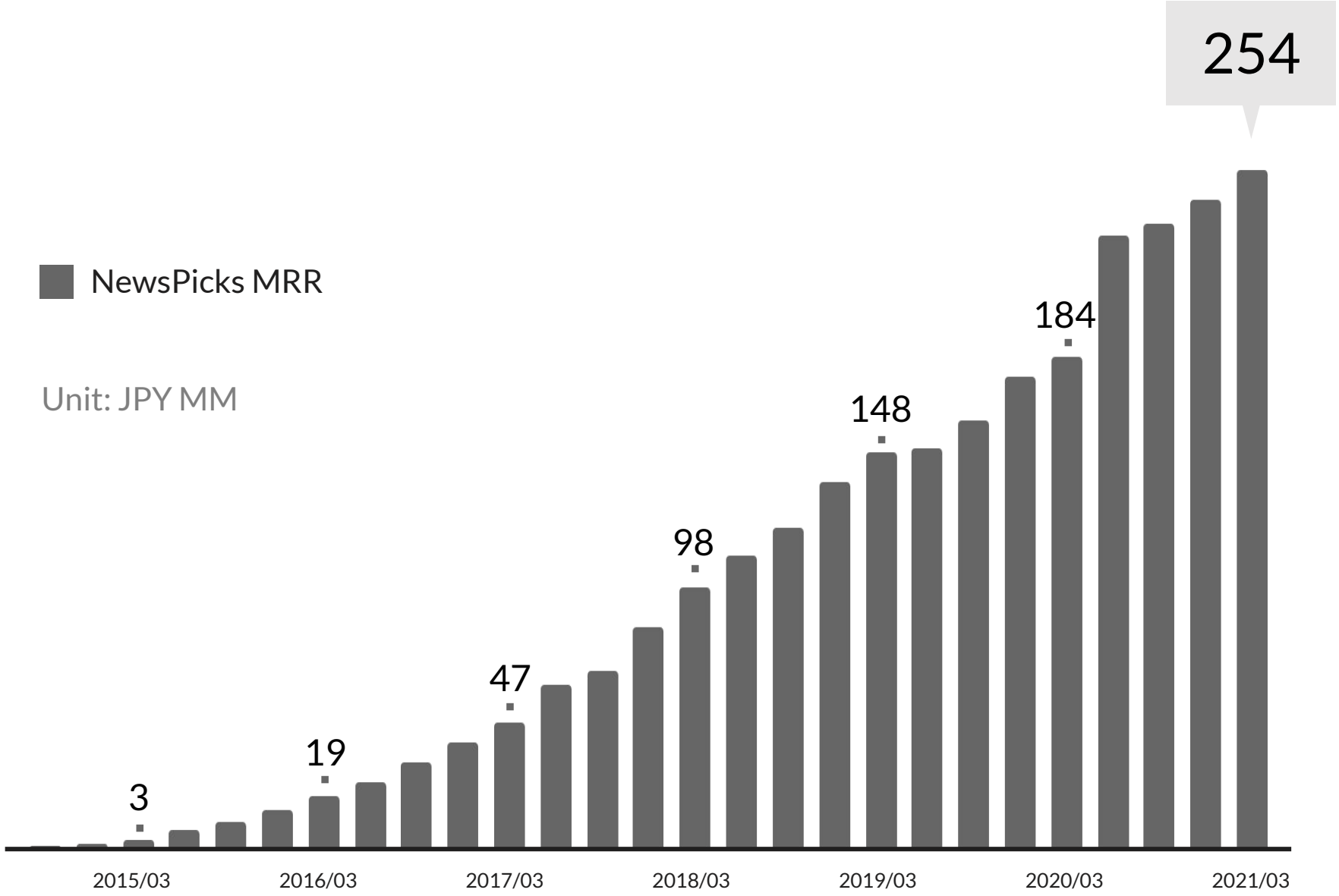
Highlights for:

NewsPicks

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MRR expanded at a steady +38% YoY.

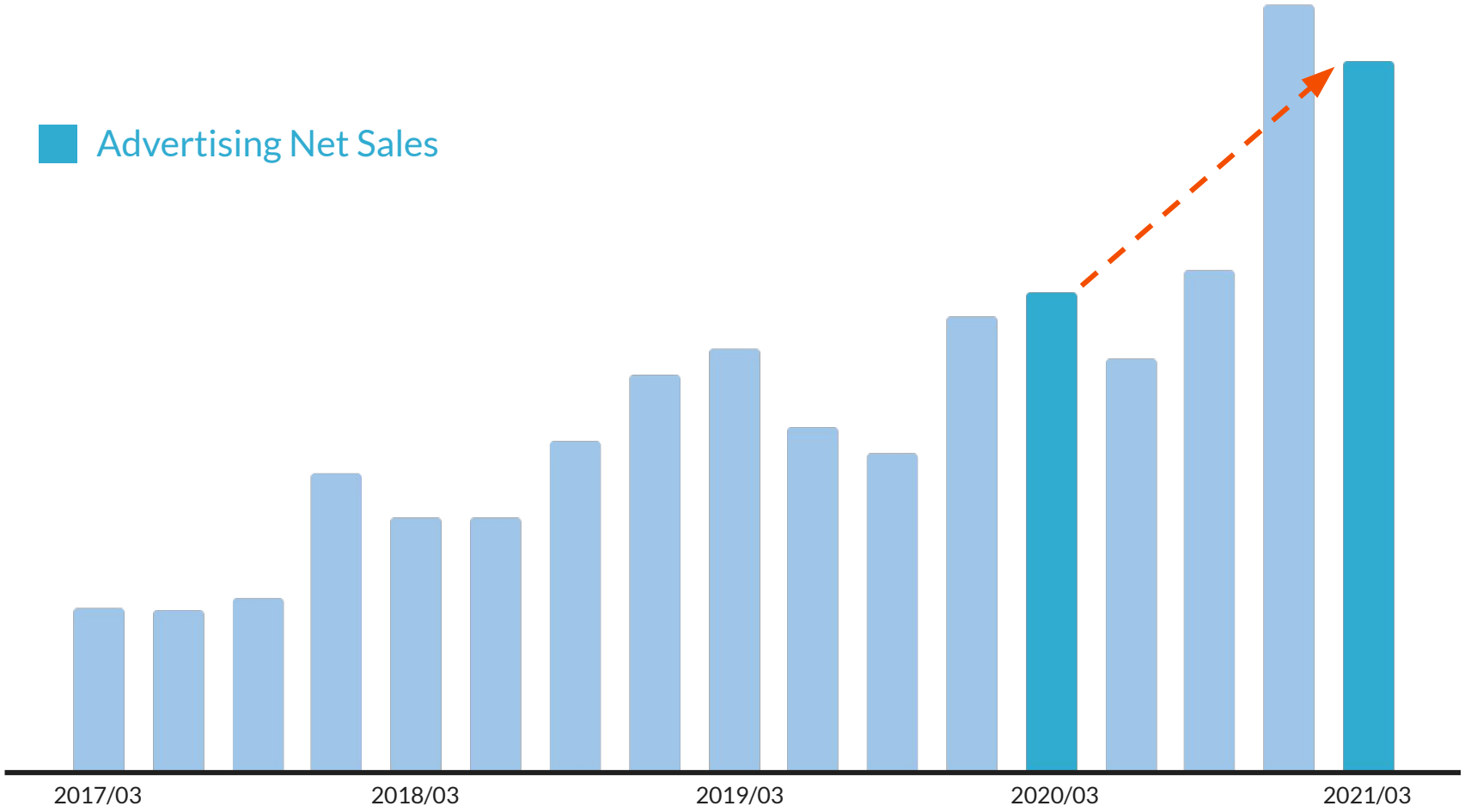
- ➔ Looking at QoQ results, MRR from individual users increased marginally, while MRR from corporate users drove growth with a steady uptrend.
- ➔ As part of a natural correction following the surge in annual plan subscriptions last year, MRR from individuals is expected to decrease temporarily in Q2 2021.



- MRR (Monthly Recurring Revenue): revenue recurring on a monthly basis that excludes any one-off payments by customers such as initial cost.
- MRR is a total for individual and corporate users.

The momentum seen in Q4 2020 for net sales in the Advertising Business also continued in Q1.

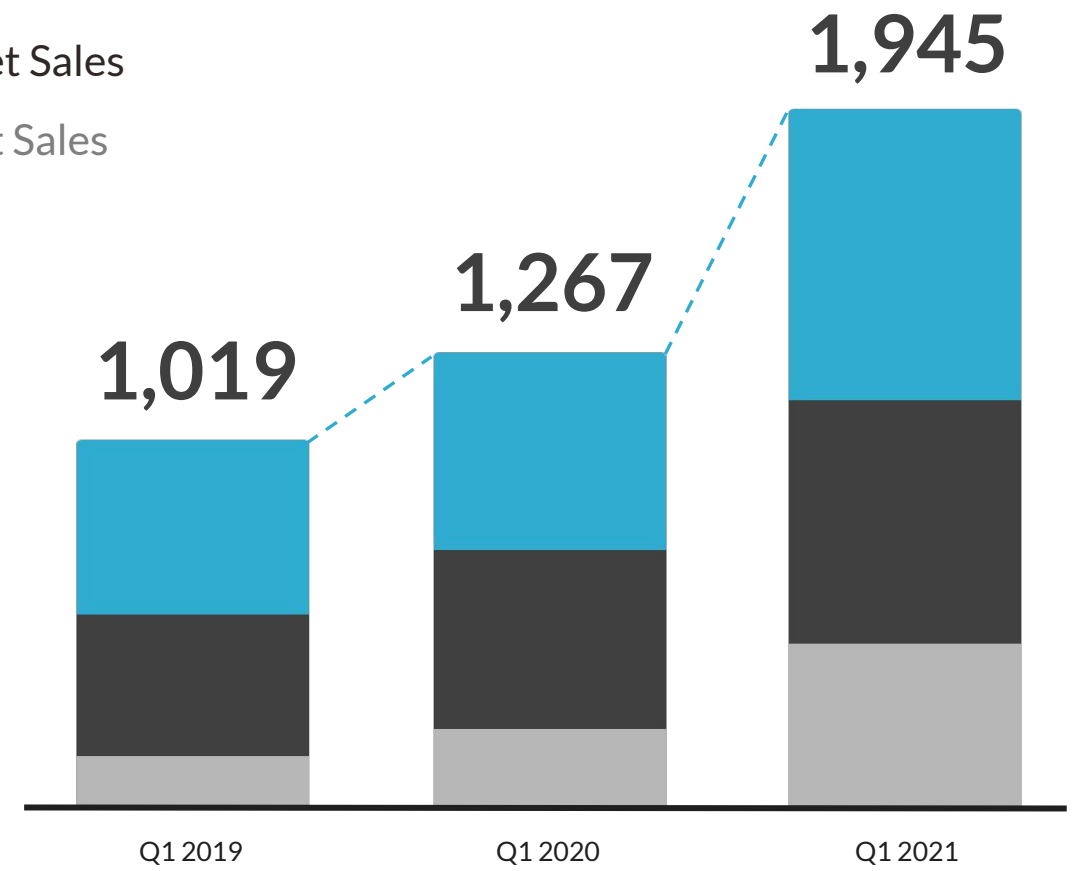
- ➔ Share of net sales from video advertisements (launched in 2018) increased.
- ➔ Due to the effects of seasonality, advertising sales are expected to decrease in Q2 as usual, but the figures have been higher compared to 2020.



Driven by Advertising, net sales were up by +54% YoY, maintaining high growth rate.

Advertising Net Sales
Paid Subscriptions Net Sales
Other Businesses Net Sales

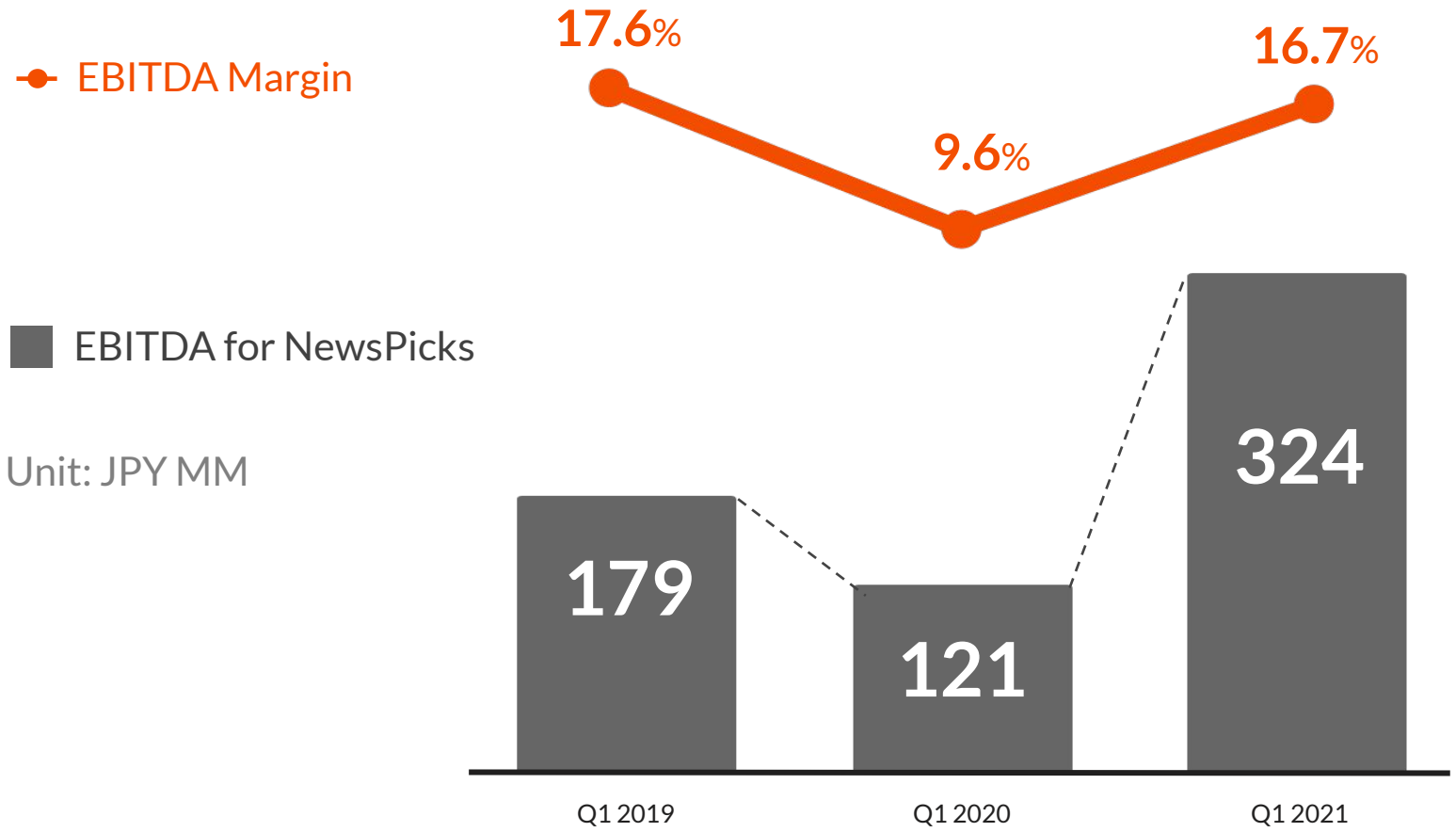
Unit: JPY MM



- Internal transactions between segments are included.
- Other Businesses include publishing, NewsPicks Newschool, and consulting,

EBITDA increased more than 2.5 times YoY due to a large increase in sales.

➔ Additional investments to be directed towards mid-to-long term growth in the Paid Subscriptions business from Q2 onwards.



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5 *Appendix*

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Appendix: Consolidated MRR Changed from Gross to Net

Reasons for Change

- Up until now, some transactions overlapped between SPEEDA and NewsPicks, but due to their insignificance in monetary terms, Uzabase's disclosures still showed the gross MRR.

- However, this overlap is anticipated to grow in the future due to various collaborative projects involving NewsPicks, such as the FORCAS Sales × NewsPicks initiative. As such, Uzabase has deemed that the disclosure of the net MRR will be a more appropriate and accurate representation of the company's transactions, and will switch to that format going forward.

Past figures consolidated MRR will change as per the table below:

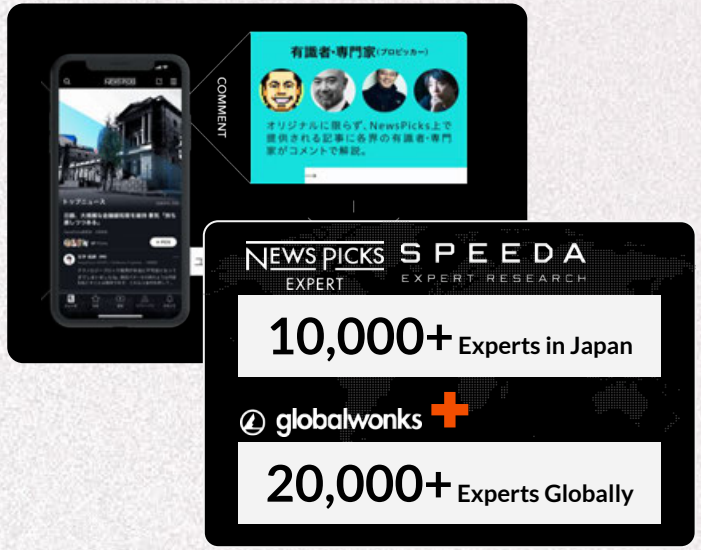
Unit: JPY MM	End-Dec 2019	End-Mar 2020	End-June 2020	End-Sep 2020	End-Dec 2020
Before (Gross)	696	725	793	821	842
After (Net)	694	724	792	819	840
Change (Intercompany Eliminations)	-1	-1	-1	-1	-1

- MRR for Quartz is included up until end-September 2020
- All monetary amounts are truncated values.

Appendix: 3 Core Assets Shared by Each Product

Expert Network

- Comments from NewsPicks' ProPickers
- Expanded significantly through acquisition of MIMIR and partnership with GlobalWonks



Data

SPEEDA

Listed/Private Companies	Industry/Trend Reports
Over 9 Million	Over 3,000

Data on over 9 million companies and over 3,000 pieces of original content

FORCAS

Listed/Private Companies	Unique Features of Companies
Over 1.4 Million	Over 1,390

Data on software services used by Japanese companies, their disclosures and job ads—analyzed and visualized

INITIAL

Startups	Investors
16,100	13,800

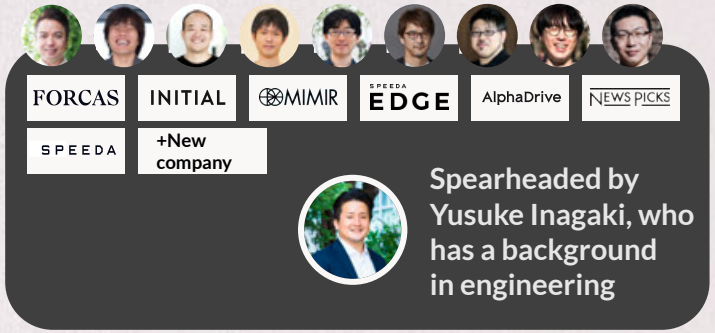
Original data on startups in Japan

Technology

Building the team and infrastructure for one-stop collaboration within Uzabase Group

CTOs and highly-skilled engineers who can improve the technological quality of products

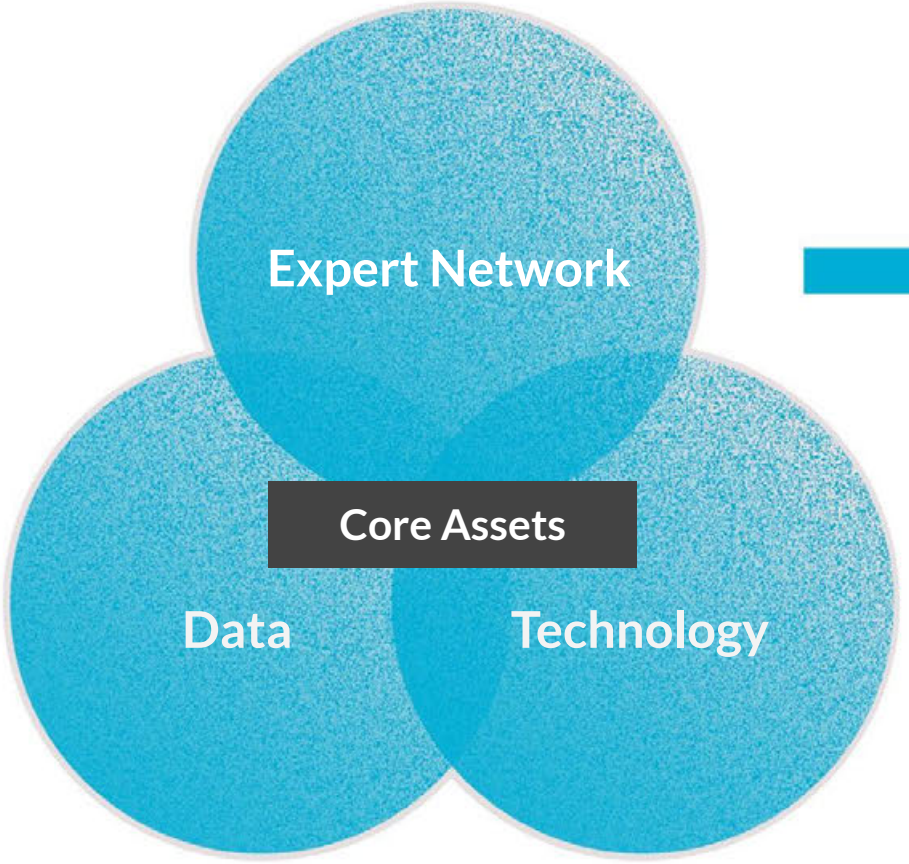
"Uzabase Fellows" – 9 engineers



Uzabase intends to further bolster its engineering team in 2021 by hiring at least 50 more engineers

Appendix: Relationship between core assets and products

These 3 Core Assets are leveraged to provide the optimum product to match client needs.



Products	Customer Needs
SPEEDA	Financial and business management strategy
FORCAS FORCAS Sales	Sales and marketing
INITIAL	Startup investment and partnerships
incubation suite	Development of new businesses
NEWS PICKS	Business news
NEWS PICKS Enterprise	Organizational strategy
New services	New customer needs

Business model with a subscription-based revenue stream.

Data Sources

Data Suppliers

NRI 野村総合研究所 Nomura Research Institute
JIJI PRESS 時事通信社
MORNINGSTAR
TSR
EUROMONITOR INTERNATIONAL
and more...

In-House Resources

Analysts and editors in Japan and Asia

Financial Data, Statistics, etc.

Original Content

SPEEDA

Listed/Private Companies	Original Content	Experts
More than **9 Million** Global Listed Companies & Private Companies (Japan/Asia)	More than **3,000** industry and trends reports	(Japan) More than **10,000** (Global) More than **20,000**



Provision of Services

Monthly Fee
(incl. one-off payments)

End-users

MRR
485MM

Financial Institutions
44%

Business Corporations
56%

*As of March 31, 2021

- Financial Institutions include banks and brokerage firms, audit firms, and M&A advisory firms.
- Business Corporations include general electrical manufacturers, general contractors, as well as firms in real estate, pharmaceuticals, biotechnology, infrastructure, telecom, and IT industries.

Business model with two revenue streams: Subscriptions and Advertising.

Data Sources

Media

The New York Times, WSJ, REUTERS, Forbes, BUSINESS INSIDER JAPAN, KYODO

and more...

Expert Insights



In-House Resources



Business News → **Curated Media (External)**: More than **100** media sources

News Commentary → **Comments**: More than **180k** posts/mo.

Original Content → **Original Content**: More than **230** articles/mo.

NEWS PICKS

Provision of Services →

← Monthly Fee



End-Users

Membership (Total)

6.17M

Paid Subscribers

181K

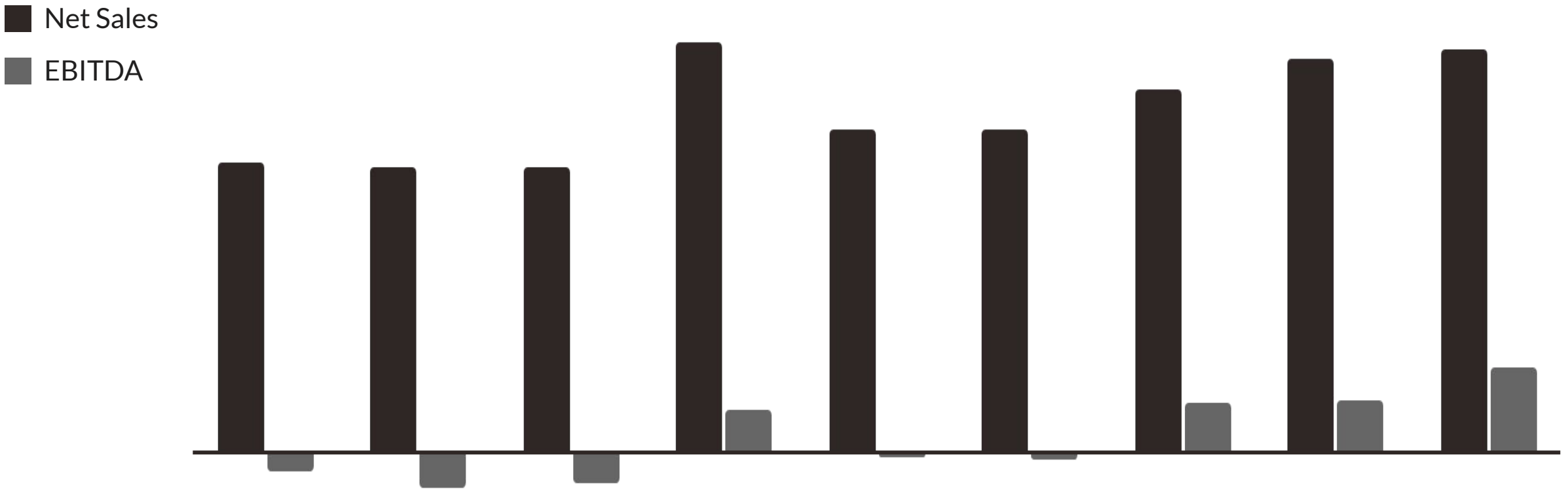
← Ad Revenue

Clients

Advertisers

- The content includes both articles and video feeds.
- All figures shown are as of March 31, 2021.
- The number of Paid Subscribers is the sum of individual and corporate members.

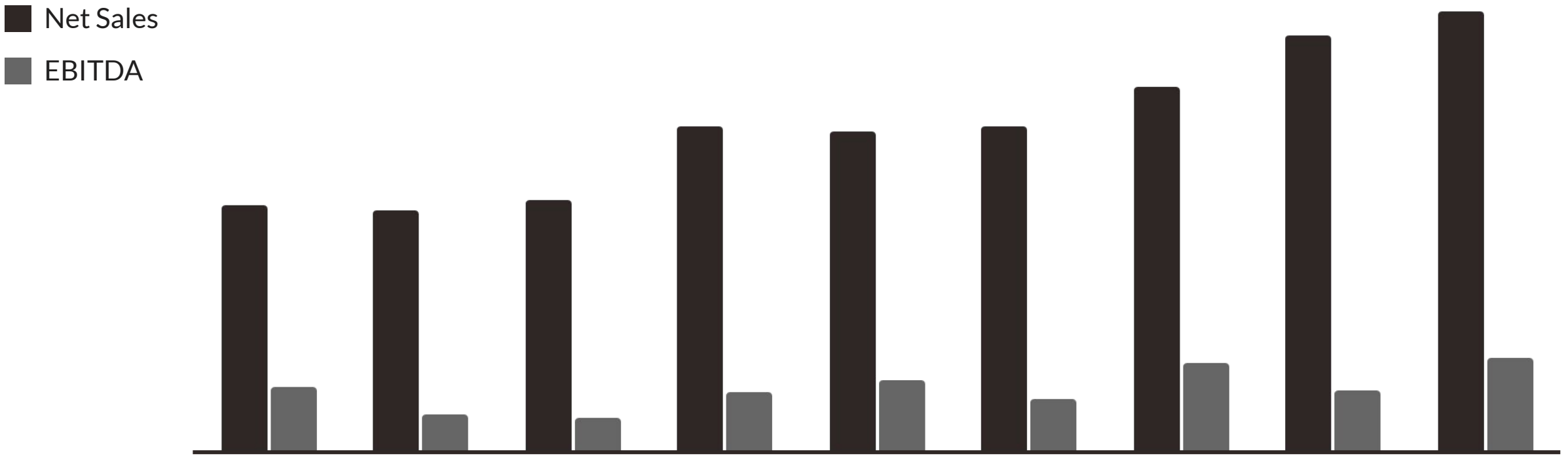
Appendix: Consolidated — Quarterly Results



Unit: JPY MM	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Net Sales	2,847	2,818	2,808	4,048	3,171	3,182	3,583	3,871	3,965
EBITDA	-179	-349	-304	421	-42	-61	499	522	837

- All monetary amounts are truncated values.

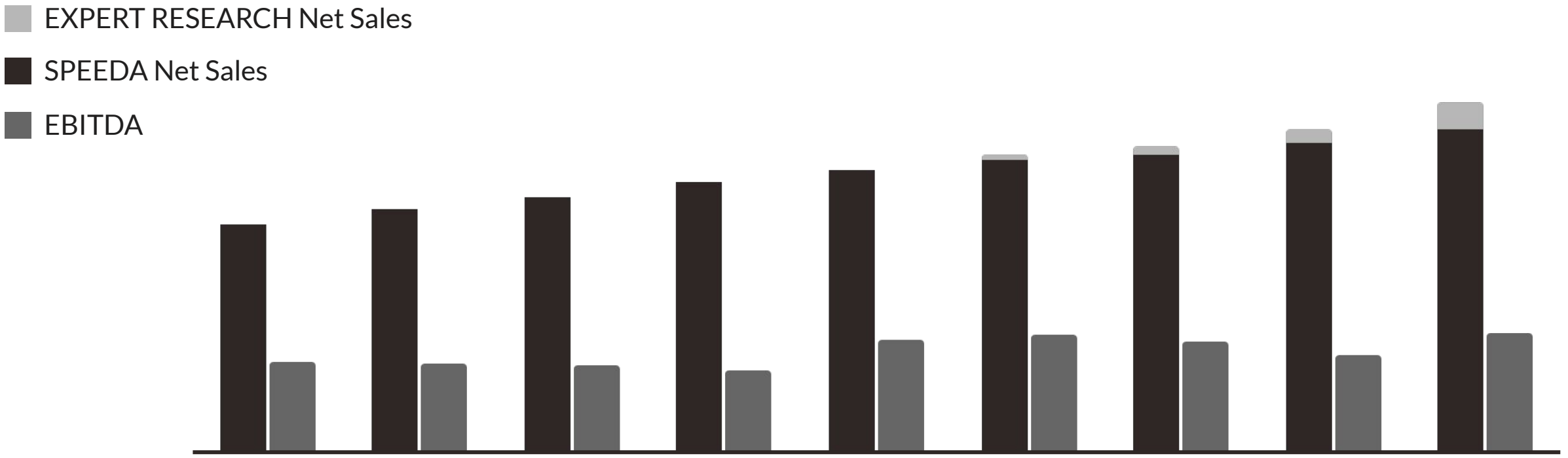
Appendix: Consolidated (excl. Quartz) — Quarterly Results



Unit: JPY MM	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Net Sales	2,217	2,171	2,270	2,919	2,882	2,927	3,287	3,739	3,965
EBITDA	572	331	307	537	640	471	789	542	837

- All monetary amounts are truncated values.
- Consolidated EBITDA (excl. Quartz) is calculated as Consolidated EBITDA minus EBITDA for Quartz.

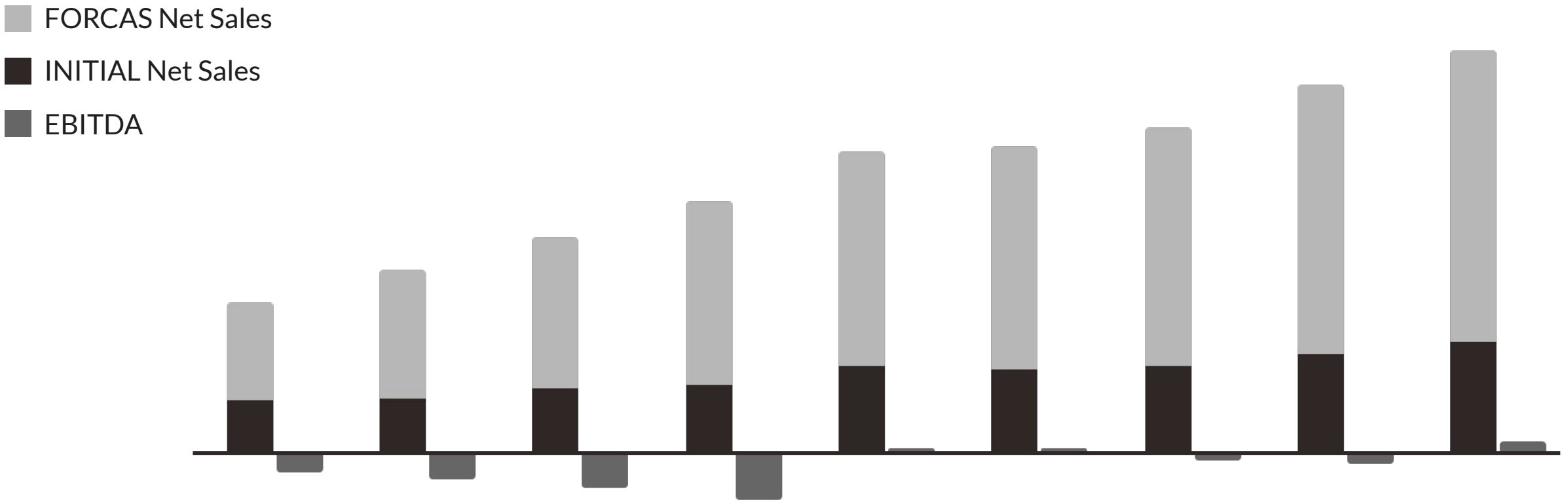
Appendix: SPEEDA — Quarterly Results



Unit: JPY MM	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Net Sales	1,041	1,107	1,165	1,228	1,289	1,355	1,391	1,473	1,596
EBITDA	416	409	398	372	513	536	503	447	547

- All monetary amounts are truncated values.

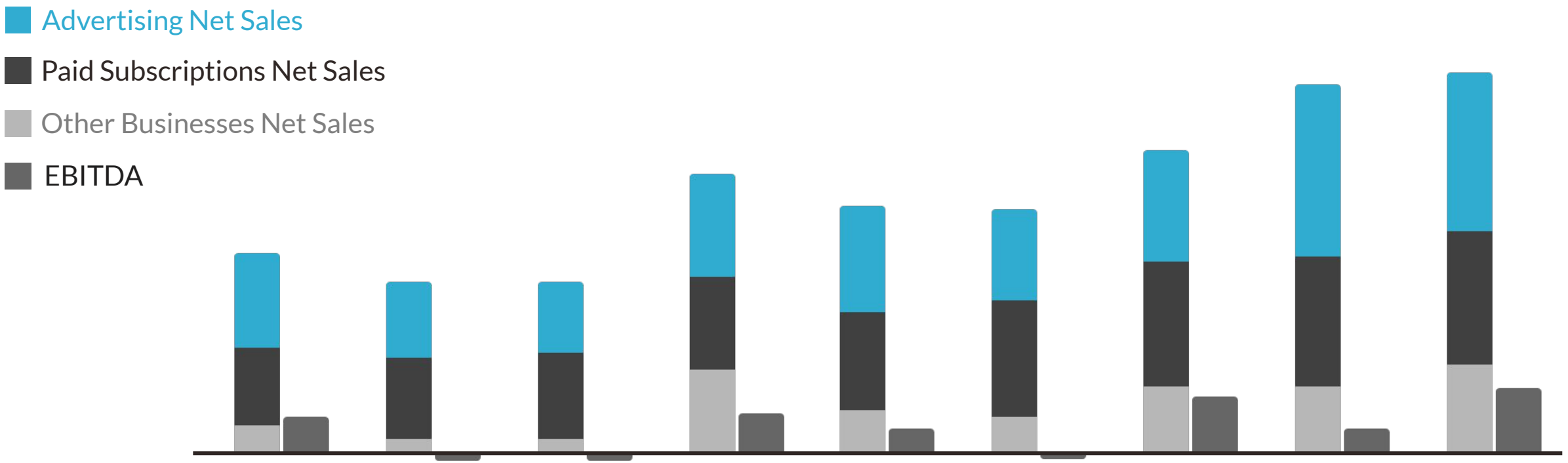
Appendix: Other B2B Businesses — Quarterly Results



Unit: JPY MM	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Net Sales	163	198	235	274	330	335	355	400	438
EBITDA	-22	-30	-39	-51	5	5	-9	-13	12

- All monetary amounts are truncated values.

Appendix: NewsPicks — Quarterly Results



Unit: JPY MM	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Net Sales	1,019	875	870	1,424	1,267	1,248	1,551	1,882	1,945
EBITDA	179	-45	-47	196	121	-38	286	122	324

- All monetary amounts are truncated values.

Consolidated Profit and Loss (Actuals)

(Unit: JPY MM)	Q1 2019	Q1 2020	Q1 2021
Net Sales	2,847	3,171	3,965
Net Sales Growth Rate	91%	11%	25%
SPEEDA	1,037	1,288	1,589
Other B2B	162	327	436
NewsPicks	1,017	1,266	1,938
Quartz	629	289	-
EBITDA	-179	-42	837
EBITDA Margin	-	-	21%
Operating Profit	-380	-263	739
Operating Profit Margin	-	-	19%
Ordinary Profit	-395	-317	677
Ordinary Profit Margin	-	-	17%
Net Profit Attributable to Parent Company Shareholders	-296	-473	482
Net Profit Margin Attributable to Parent Company Shareholders	-	-	12%

- Internal transactions between segments are excluded.

Consolidated Balance Sheet Comparison

(Unit: JPY MM)	End-2020	Q1 2021	Change
Current Assets	9,226	9,579	352
(Cash and Deposits)	7,584	7,443	-141
Non-current assets	6,600	6,524	-76
Deferred assets	87	78	-8
Total Assets	15,915	16,182	267
Current Liabilities	5,222	5,383	160
Non-current Liabilities	3,573	3,187	-386
Total Liabilities	8,796	8,570	-225
(Interest-Bearing Liabilities)	4,308	4,167	-140
Total Net Assets	7,118	7,611	493



For more information on financial records, refer to the full “FY12/2021 1Q Financial Report (Consolidated)”

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Disclaimer

The purpose of this material is to provide information to investors, and not to solicit investment in any particular service.

The information disclosed in this material and projections for future performance are based on the data and information available at the time when this material was composed, and may contain uncertainties.

Please be aware that actual future performance and results may differ significantly from projections due to various factors.

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May 13, 2021

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