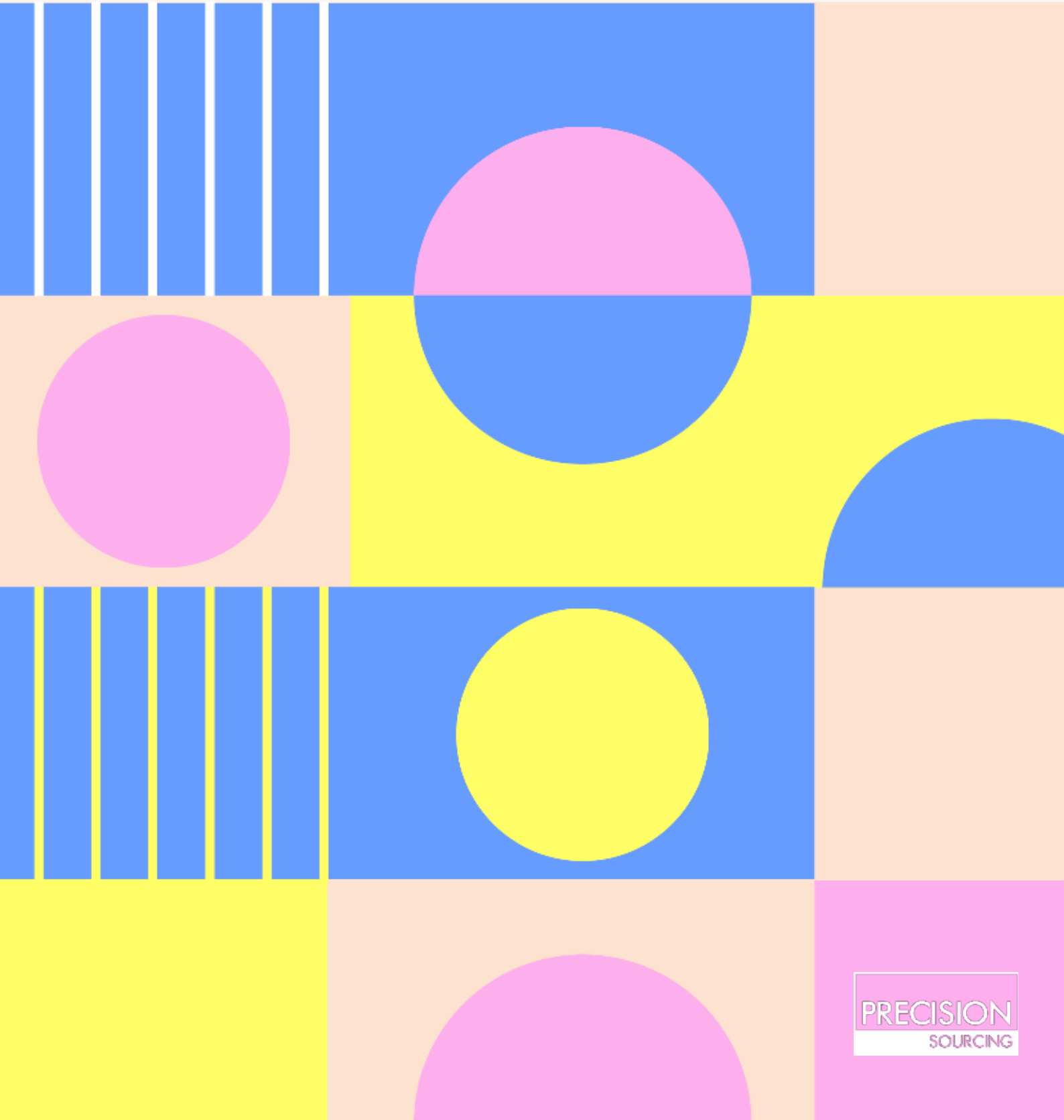


SAP Q4 Market Report 2022



OVERVIEW

Q4 was the first full quarter post pandemic where we have all experienced the force of a new normal. People are travelling both for work and pleasure, city offices are witnessing more activity and companies have taken learnings from the pandemic, implementing them for the long term.

While there is a lot changing around us: a new government, record weather conditions, our approach to work – one thing has remained – a booming job market. Only time will tell whether the looming recession will deeply impact this market.

The Impact On The Sap Market

Now let's unpack all of the above and focus solely on the SAP market in Australia. Firstly, more and more face-to-face meetings and state travelling is happening again, therefore costs are slowly rising. In return, those interactions are building deeper relationships and giving companies more confidence to move forward with work. The investment in time and cost for face-to-face is becoming a key differentiator for service providers winning work because other competitors are simply not doing it.

The SAP companies that are thriving are the ones that lead through wellness and have adopted a holistic view to all things: relationship management, promotional criteria, hiring and retention. The companies that treat their employees as individuals and avoid the "one rule fits all" are at the forefront of success. These are some of the key learnings from the pandemic and the companies that do not adopt these will simply be left behind.

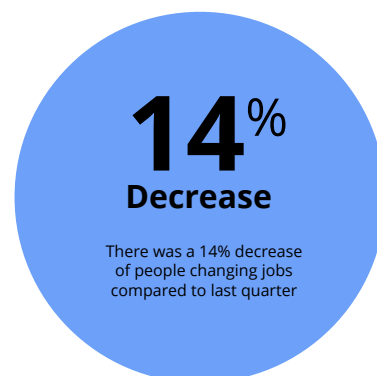
Even though the number of new starters in the SAP market has dropped by 14% there is still a huge demand for SAP Talent. There is a perfect

storm brewing of SAP customers needing to do a project in the next 5 years, a lack of new talent coming in, despite international borders reopening, and the aging SAP Talent pool that are in their twilight years and looking to retire in the near future.

What Are Customers Saying About The Looming Recession?

This quarter Precision Sourcing returned to face-to-face client meetings and firmly on the agenda was our customers view on the recession. How will it impact companies? What damage will it have on the volume of vacancies? What will the impact be like?

We caught up with a leader from a large global FMCG company who suggested a recession in this country will not necessarily stop any project because other countries and regions will make up for the short fall.



OVERVIEW CONTINUED

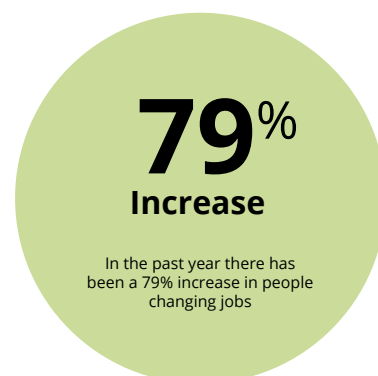
This region has posted a record year and he even suggested they are ahead of where they need to be currently. This bullish confidence was also reflected from a leading manufacturing company who have a backlog of work due to supply challenges, therefore even through a recession this pent up pipeline will ride them out. For both companies, there are more pressing challenge such as inflation squeezing the bottom line.

We also sat down with a medium sized consultancy in the SAP space who suggested ERP is thriving. He was confident the project pipeline in the next 5 years in the SAP space will not slow down, as companies must do some sort of SAP project in that time. Now while the above can change, the summary we got from these conversations is that companies have planned for a downturn yet are going ahead with projects regardless.

What Are The Common Trends Of Q4?

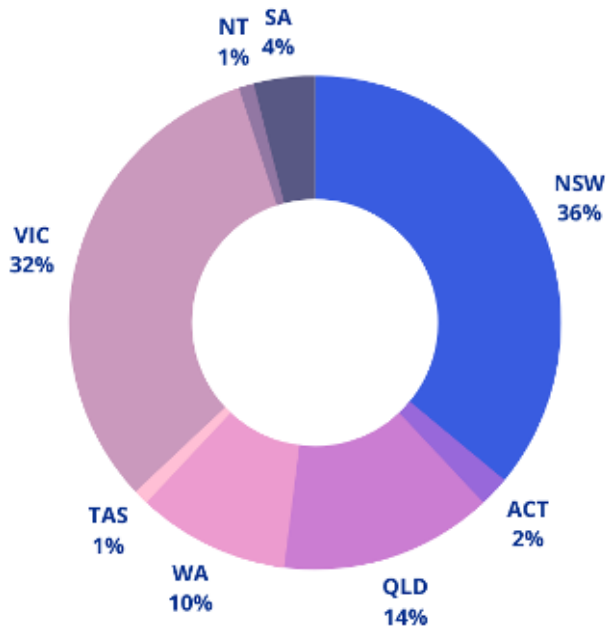
- Candidates have multiple opportunities
- There is a lot more contract work on offer partly due to:
 - An increase in project work demand
 - Many contractors converted to permanent in the last 2 years and are wanting to return to their contractor roots

- There's some top talent in the market and clients are losing out due to poor recruitment processes
- There is a disconnect between clients and candidate expectation with work from home vs work at the office
- Unemployment rates at an all-time low
- There is a lack of SAP resources coming into Australia from overseas
- Junior SAP talent that have between 3-6 years' experience are gold dust. Every company wants them but there simply is a lack of supply
- Companies that have their story aligned and can sell their culture and opportunities will have a better chance of securing talent at interview stage
- Candidates are expecting a raise in salary coupled with better work/life balance

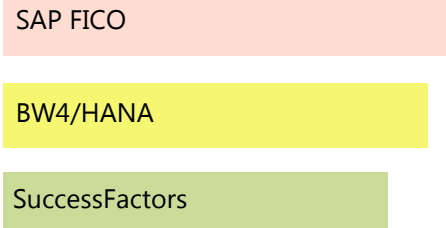


QUICK FACTS

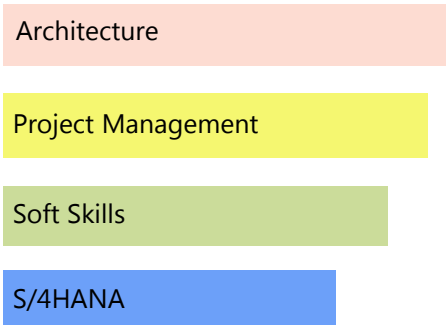
Hires Per State



Job Titles In Demand



Skills In Demand



Number Of People Changing Jobs

	Q1	Q2	Q3	Q4
2021	720	2020	1076	1211
2022	2570	1988	2388	2063

There was a 14% decrease of people changing jobs compared to last quarter.

There has been a 70% increase compared to the same time in Q4 last year.

Over 9009 people in the SAP Community have started a new position in the past year compared to 5035 the year before. A massive 79% increase!

