



# SEEK's Purpose: To help people live more fulfilling and productive working lives and help organisations succeed

	Asia Pacific & Americas (AP&A)	Investments
<i>Candidate Relationships</i>	c40m+	c140m+
<i>Hirer Relationships</i>	c200k+	c600k+
<i>Population Exposure</i>	c900m	c2b

Significant scope for SEEK to fulfil its purpose to a much greater extent by:

- Helping many more people and organisations
- Offering more products and services that are solving larger and more complex problems

# SEEK adopts a purpose driven approach to creating long-term value

**All activities are focused on achieving our purpose**

- *Ensures strategic alignment and drives clear prioritisation*

**We take a long-term approach to building defensible and sustainable businesses**

- *Once strong foundations are built this drives long-term growth*
- *Deep expertise in building and acquiring online employment and education businesses*

**Solving complex candidate and hirer problems across huge labour markets**

- *Finding talent is a slow and inefficient process*
- *Uniquely positioned given our capabilities and data accumulated over many years*
- *Accessing enormous Human Capital Management market opportunity*

**SEEK is a growth company that makes bold but risk aware decisions**

- *Strong track record in deploying capital for reinvestment and M&A*
- *Risk aware approach (e.g. conservative use of debt, portfolio sizing, etc.)*

# SEEK is investing and evolving to go after large market opportunities

## Phases of growth



**SEEK is uniquely positioned to attack these large market opportunities given:**

- Operates market leaders with powerful positional assets
- World class Strategy, Product and Tech capabilities to evolve business models and assist investments
- We invest with a long-term horizon to build world class businesses

# The strategic logic of the new structure

Structural changes have been made to pursue large and growing opportunities across

1. Operating and innovating businesses (AP&A)
2. M&A & Entrepreneurial activities (SEEK Investments)

## AP&A

## SEEK Investments

### *Rationale*

- ANZ provides the 'playbook' to grow revenue and compete against global players (LinkedIn, Indeed, etc.)
- Significant benefits from utilising scale across ANZ, SE Asia, Brazil, Mexico and building once for global market
- Creating the right settings to pursue an enormous opportunity set supported by clear value creation strategy
- Opportunity set, capabilities and synergies we bring have never been greater

### *Skillset required*

- World class expertise in Product & Tech, Sales & Marketing, HR and Finance
- Skilled capital allocators and entrepreneurs supported by active portfolio management

### *Strong track record*

- ANZ has grown +48% revenue and +36% in EBITDA (FY14 to FY17) in variable economic conditions
- High IRRs: Zhaopin, IDP, OES and SEEK Learning with returns backed by cash received & capital appreciation

### *Success metrics*

- Expect to see solid and reliable growth over time in profits and cashflow despite continued investment
- Focus on 5+ year capital value rather than short-term profits

# AP&A businesses will leverage our global scale to create world class local solutions

*Closer integration and collaboration to increase speed and delivery of solutions ...*

*...to better serve the needs of a huge market opportunity.*

- Centrally co-ordinating our global capabilities in Strategy, Product and Tech will led to greater speed to market and better outcomes
- Maintaining ability to customise solutions to meet local needs

- Human capital opportunity is growing given scarcity of skilled labour and shifts in labour markets
- Utilising ANZ's leadership with large scale of capabilities will allow us to better serve the needs of c900m people

*Successful execution will lead to growth in operating metrics ...*

- New solutions and business improvements expected to lead to growth in operating metrics and strengthening of market position

*...and subsequent growth in profits over time.*

- Profit growth will lag revenue growth (as observed in ANZ) but over time we hope to see solid profit growth in other AP&A businesses
- Over time, free cash flow expected to grow strongly alongside continued strong investment to pursue long-term growth in Human Capital Management

# Dedicated SEEK Investments function will help us pursue an enormous opportunity set

*Existing portfolio has substantial opportunities for growth...*

- Zhaopin, OES and existing ESV Investments provides a strong foundation for significant capital appreciation

*...and we are focusing on reinvestment to realise their potential*

- Profit growth is not the primary focus as we aggressively invest to capitalise on substantial market opportunities
- To date, benefits from re-investment has led to strong growth in operating metrics and revenue

*Exciting new opportunities aligned to our purpose...*

- Exciting investment opportunities where SEEK can bring synergies or strategic expertise to accelerate growth in our portfolio

*...with a focus on significant growth in capital value*

- Businesses in our portfolio will aspire to be market leaders exposed to large addressable markets
- We view all businesses in SEEK Investments as an opportunity for significant growth in capital value with a 5+ year timeframe

# SEEK has a long term track record of value creation

Consistent  
purpose &  
strategy

+

Long term focus  
& sustained  
investment

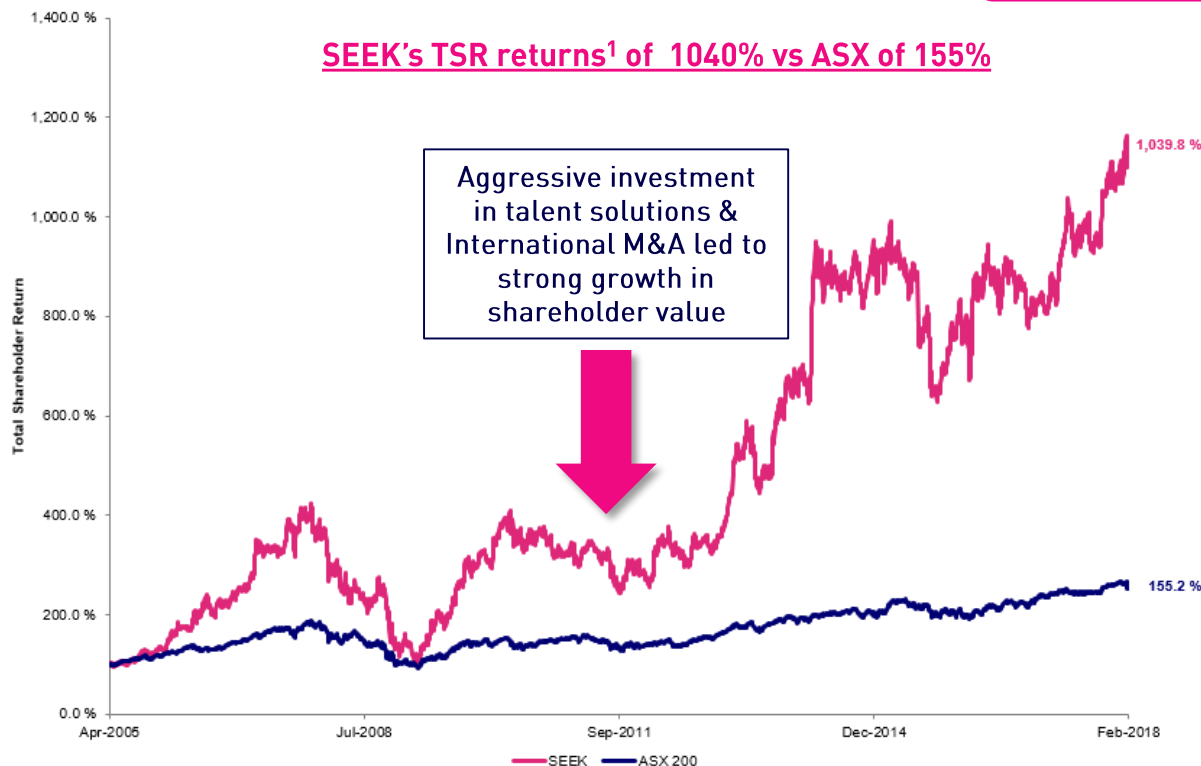
+

Market leaders  
exposed to large  
addressable  
markets

=

Revenue CAGR of 29%  
EBITDA CAGR of 31%  
*(CAGR period H1 04 – H1 18)*

Strong total  
shareholder returns



SEEK's focus is to make the right investments and strategic moves to grow long term shareholder value



# Asia Pacific & Americas (AP&A)



# AP&A is seeing early benefits from the structure change

## Progress to date has been pleasing

- Strategic logic and operational benefits well understood across AP&A
- Positive feedback across ANZ, SE Asia and LatAm who are excited about greater resourcing and knowledge to accelerate growth in their businesses

## Leadership team in place

- AP&A leadership appointments have been made and now operating with aligned values and priorities
- Implementing new initiatives that will benefit all of AP&A

## Continuing momentum in ANZ & SEEK Asia

- Initial focus of integration is between ANZ and SEEK Asia
- Continuation of good momentum (op. metrics & financials) due to sustained investment, integration efforts and good macro conditions

# ANZ provides the playbook for AP&A's evolution

## ANZ's evolution has led to sustainable growth

Phase 1 – Online employment marketplace

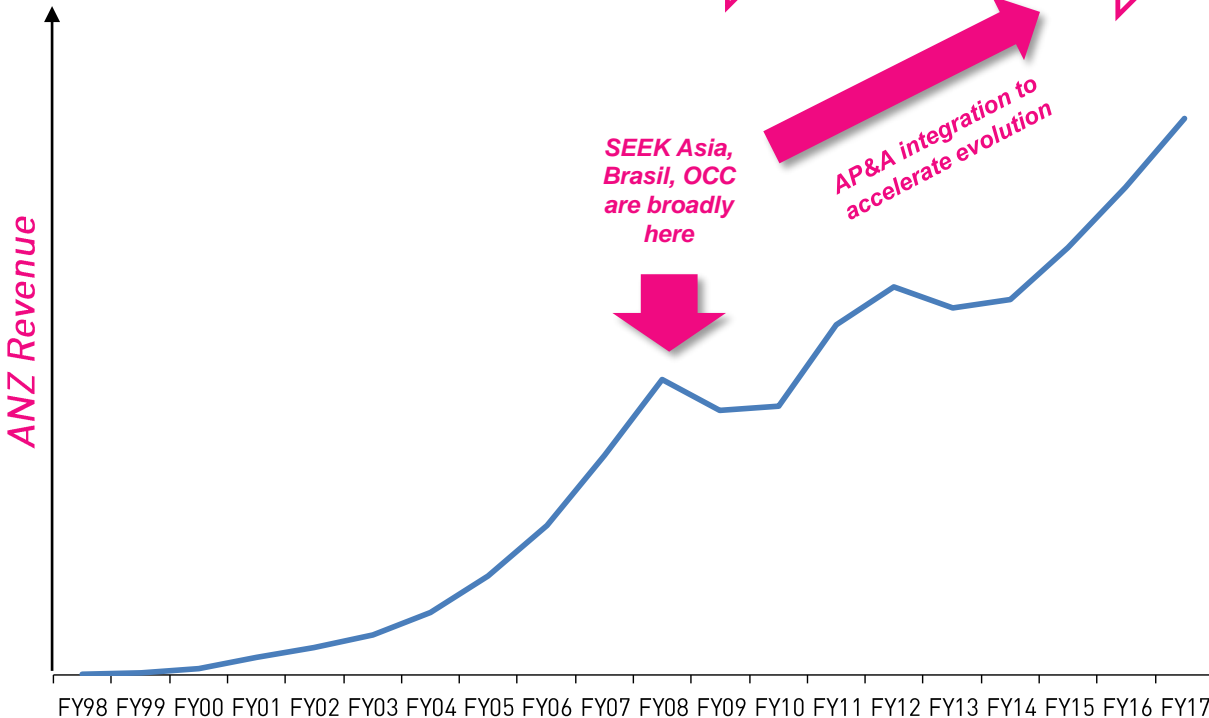
Phase 3 – Talent sourcing

ANZ evolved from a Sales & Marketing Company

To a world class Tech Company

SEEK Asia,  
Brasil, OCC  
are broadly  
here

AP&A integration to  
accelerate evolution



AP&A structure to accelerate business model evolution for SEEK Asia, Brasil and OCC

## Key Insights

- ANZ's evolution led to significant strengthening of competitive position and sustained growth in revenue and profits
- Progress to date has created a playbook for evolution
- Still significant opportunities for ANZ across Talent Solutions and Human Capital
- AP&A Early Stage Ventures also helping to strength core businesses and accelerating evolution (e.g. Jora, JobAdder)

# Reinvestment in ANZ leading to strong growth in operating metrics...

*Growth in marketplace metrics & capturing huge scale of data...*

## Strongest marketplace metrics

Market leader on visits and largest scale of unique job ad opportunities

- c35m+ visits (now), growth of c170% vs Jul-11
- 185k+ paid ads (now), growth of 22% vs Jul-11
- Jora is a strong aggregator with largest ad scale in ANZ

## Rich and unique Data

Unique and rich data accumulated over many years

- 11m profiles (now), vs 200k (Jul-11)
- 7.7m searchable profiles, >50% of working adult population

*..combined with world class service & solutions...*

## New candidate and hirer solutions

Significant increase in services and platforms for candidates and hirers

- 5m candidates receiving >35m recommendations weekly
- Role requirements is reducing time to shortlist candidates by 35%+
- 350k Talent search connections each month

*..has led to strong growth in placements.*

## Brand Awareness

Strong brand and competitive lead

- 82% brand awareness, c3x lead nearest competitor

## Placements

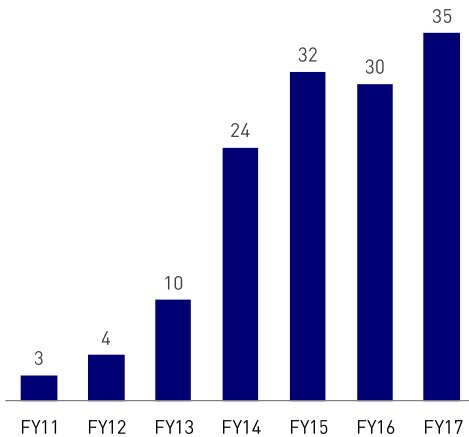
Record placements share

- 36% placements share, c8x lead over nearest competitor

# ...and strong growth in financial results.

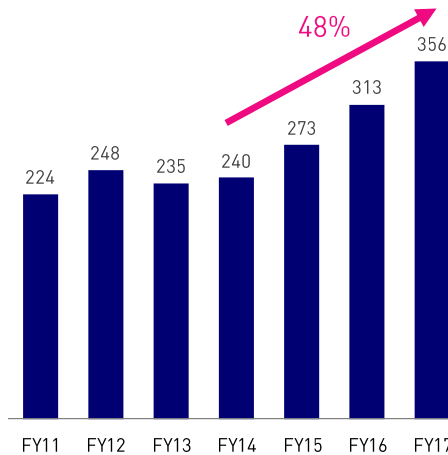
*Sustained focus  
on investment ...*

ANZ Product & Tech capex (A\$m)



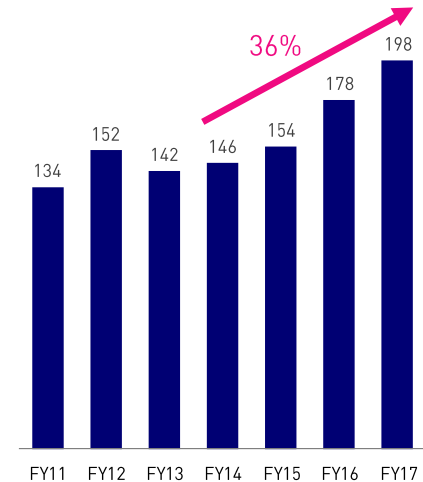
*...led to strong  
revenue growth...*

ANZ Revenue (A\$m)



*...and delivered record  
levels of earnings*

ANZ EBITDA (A\$m)







## Key insights

- “Lag effect” from investment led to flat financial results (2012-14) but strong growth in operating metrics
- Since 2011, SEEK’s market position has strengthened significantly and is well placed to deal with new competitors
- Financial pay-off (FY14-17): Revenue increased 48% and EBITDA by 36% in variable economic conditions
- Significant headroom for growth in Talent Solutions and Human Capital

# The market opportunity for AP&A is large and expected to grow

## Long-term illustrative Revenue Opportunity (A\$m)

	GDP (A\$Bn) <sup>1</sup>	FY17 Revenue	Revenue Opportunity	Rev Opp ÷ FY17 Rev
 seek	c\$2,018Bn	\$355.9m	n/a	
 seek asia	c\$3,522Bn	\$139.7m	\$620m	c4.4x
 CATHO	c\$2,367Bn	\$87.3m	\$417m	c4.8x
 OCCMundial	c\$1,525Bn	\$29.4m	\$268m	c9.1x

## Key Insights

- To capitalise on the large opportunity in AP&A we will continue investing in:
  - Strategy, Product and Technology
  - Data and Artificial Intelligence
  - Sales & marketing to grow penetration of new solutions
- AP&A Early Stage Ventures to also drive growth
  - Solving problems not on our product roadmap
  - Provide new capabilities and IP
  - Significant scale benefit where ESVs can be leveraged across AP&A
- How will you see benefits of reinvestment?
  1. Firstly, via operating metrics  
*Growth in visits, hirer growth, scaling up of new services, etc*
  2. Followed by revenue growth  
*Driven by growth in ad volume, hirer retention, penetration of depth products*
  3. Then in sustainable earnings growth

### AP&A Revenue Opportunity expected to increase over time

- ANZ only just beginning in Talent Sourcing which is also a large revenue opportunity across Asia and LatAm
- GDP growth also likely to increase given long-term favourable macro/structural trends

Revenue Opportunity methodology

(1) ANZ Revenue / ANZ GDP = 0.0176%

(2) 0.0176% x GDP exposure of each respective business

<sup>1</sup> Source: World Bank

# SEEK Asia is well positioned for growth in a large market opportunity

## Good growth in operating metrics and revenue momentum

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- **Reinvestment is driving sustained growth in operating metrics<sup>1</sup>**
  - Total visits +13%, applications +25%, profiles +23%, no. of hirers +16% & job ads +12%
  - Placement lead in many markets greater than ANZ
- **Operational improvements and better macro conditions leading to improving revenue**
  - Revenue growth vs pcp: H1 17 = 1%; H2 17 = 6%; H1 18 = 9% (constant currency)

## AP&A integration positions SEEK Asia to capture a large market opportunity

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- **Integration between ANZ and SEEK Asia will be initial focus area for AP&A**
  - Integration to increase speed of product and tech rollout which will strengthen marketplace
- **Large market opportunity across SE Asia**
  - Exposure to combined population of c570m and GDP of A\$3.5bn across 7 SE Asian markets
- **If execute well, expect SEEK Asia to be larger than ANZ Employment in the long-term**

# Brasil Online is positioning itself for an eventual recovery

## **Financial results are showing some signs of improvement**

- Declines in candidate pays revenue are stabilising
- Hirer pays revenue performing well (H1 18: +11% vs pcp)

## **Investment in Sales, AI and Data led to robust growth in operating metrics**

- Total job ads +25% (H1 18) vs pcp, Total hirers +6% (H1 18) vs pcp
- Enhanced hirer tools and AI driven job recommendations led to a 22% increase in contacts per candidate

## **Brasil is evolving candidate, hirer and student experience so it is positioned for growth over the medium to long-term**

- Capitalising on AI capabilities to also assist AP&A
- Multiple revenue streams (hirer, candidate, education) & exposure to large economy



# OCC is taking a medium to long term approach to capture a large market opportunity

## **External and internal issues led to weak short-term results**

- Employment: Impacted by earthquake and weak macro conditions
- Education: Issues with lead mix and sales force effectiveness led to us resizing the business for sustainable growth

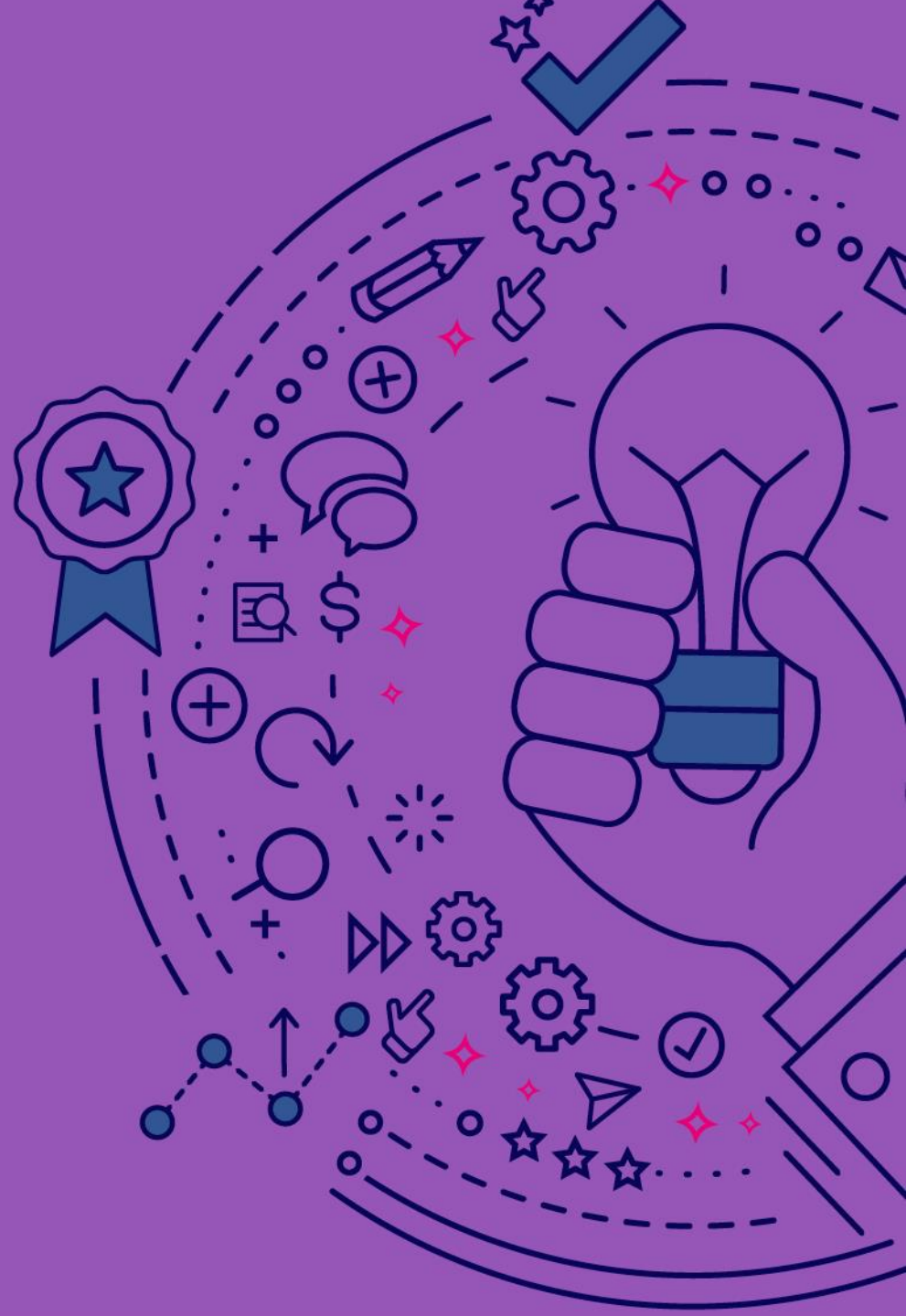
## **Strong growth in operating metrics from aggressive product and tech investment**

- Ongoing business model evolution led to significant improvement in products and services

## **Taking a medium to long-term approach to capture large market opportunities**

- Employment: Large opportunity via SME and next generation products
- Education: Despite recent issues, market opportunity is large and attractive
- Over time, expect to reap benefits from greater integration with AP&A

# SEEK Investments



# SEEK Investments: A dedicated team is focused on a broader opportunity set

## Expanded team in place ...

- Team made up of current SEEK Executives & Senior Managers
- Strong capabilities across M&A, Strategy and Functional areas

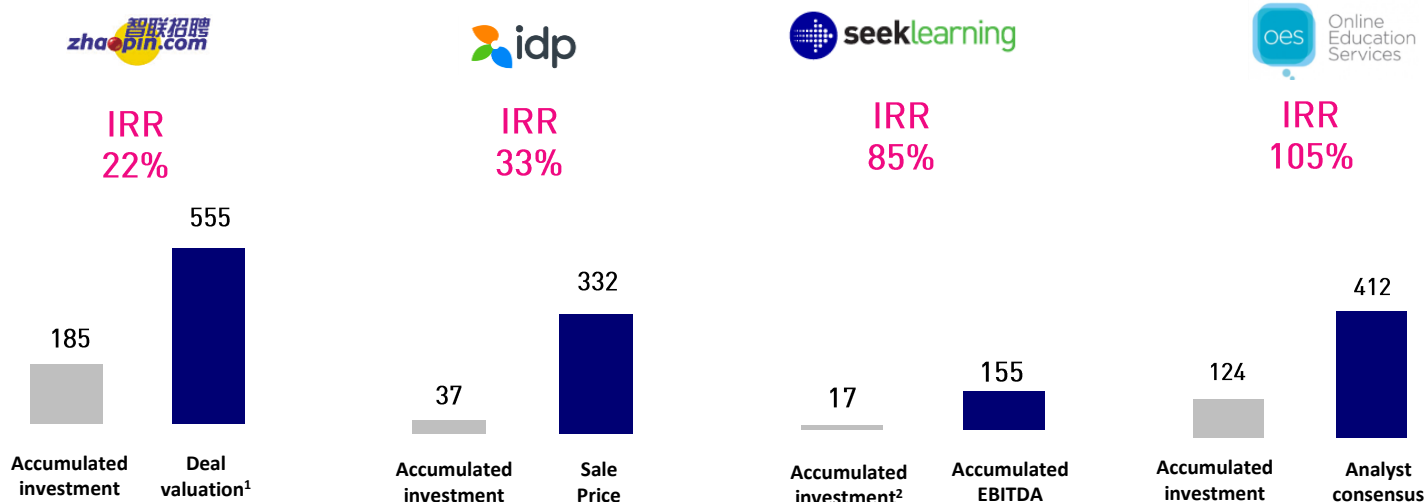
## ..to pursue an expanded opportunity set...

- Pursuing several value creation themes across broader Human Capital market and online education
- Investments made in last 12 months are performing ahead of expectations

## ..where SEEK can bring expertise and synergies

- Utilising decades of experience in building and buying marketplaces to both pursue new investment opportunities and active management of businesses
- Certain investments may also capitalise on AP&A synergy benefits (over time) to accelerate their growth trajectory

# Strong track record across M&A and Entrepreneurial activities



## Notes

All in A\$m and IRRs includes dividends received but excludes cost of funding

Accumulated investment: Total A\$m deployed into each business as at 30 June 2017



Analyst consensus: Based on broker's estimates of SEEK's share of equity value of each business

<sup>1</sup> Based on recent privatisation valuation adjusted for cash outflows associated with transaction

<sup>2</sup> Accumulated investment in SEEK Learning refers to Initial investment of A\$4m + subsequent capex (product & tech) prior to its cessation due to adverse changes in VET regulation

# Zhaopin is well positioned in what is expected to be the world's largest human capital market

## Long-term illustrative Revenue Opportunity (A\$m)

	<u>GDP (A\$Bn)<sup>1</sup></u>	<u>FY17 Revenue</u>	<u>Revenue Opportunity</u>	<u>Rev Opp ÷ FY17 Rev</u>
 seek	c\$2,018Bn	\$355.9m	n/a	
 智联招聘 zhaopin.com	c\$14,493Bn	\$372.9m	\$2,551m	c6.8x

### Significant hirer penetration opportunity

- Zhaopin has c600k hirer versus:
  - c4m<sup>2</sup> online employers (addressable market)
  - Total Chinese companies c78m<sup>3</sup>
- Transition to new freemium model is expected to accelerate SME penetration
- Strong Track record of hirer penetration with CAGR of 24% from FY13 to FY17

### Well positioned to play in growing “high end” market

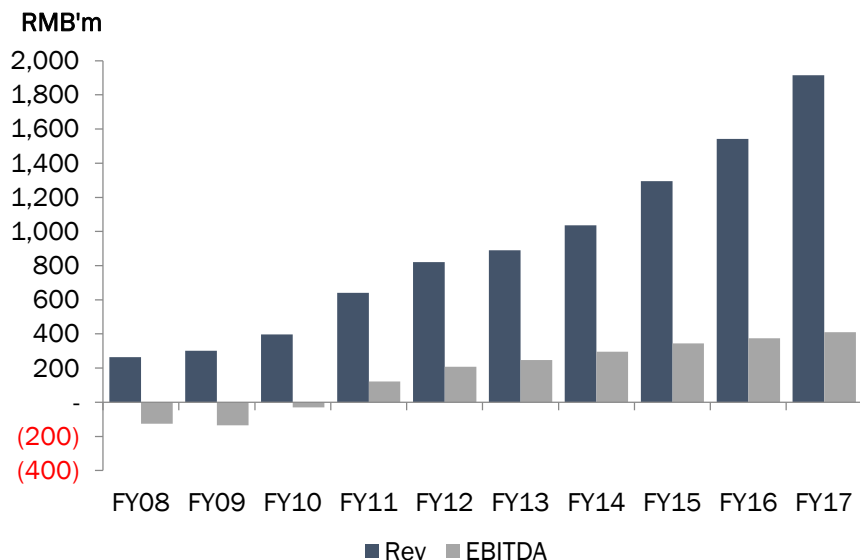
- High end recruitment presents a significant opportunity as existing customers engage in intensifying competition for mid to high-end talent
- Zhaopin is well positioned to attack this market via Highpin; already the no.2 player with c100k registered head hunters and steady stream of recruitment needs

### Multiple adjacent growth opportunities

- Large market opportunities in campus, assessment and training
- Strong strategic fit as Zhaopin can offer to end to end solutions connecting talent, skills and opportunities
- Strong track record with offline services revenue CAGR of 22% (FY13 to FY17)

# Zhaopin will continue to adopt its long-term approach that has created significant value

## Long track record of growth



Strong management, SEEK's active management and sustained investment have created a market leader across key metrics in China

World class support from leading private equity investors (Hillhouse and Fountainvest):

- Strategy & Partnerships
- Operations (Tech, Data, AI and sales)
- M&A and Corporate Finance

## Outlook is positive for Zhaopin

### Exposed to a huge market opportunity

- China forecast to be world's largest economy (2030)
- Expect China to be largest labour market given huge population and forecast GDP growth

### Despite a competitive landscape, Zhaopin has achieved strong growth

- Unique hirers, registered users and revenue have all doubled from FY13 to FY17
- Freemium model leading to accelerated growth in key metrics and strengthening network effects

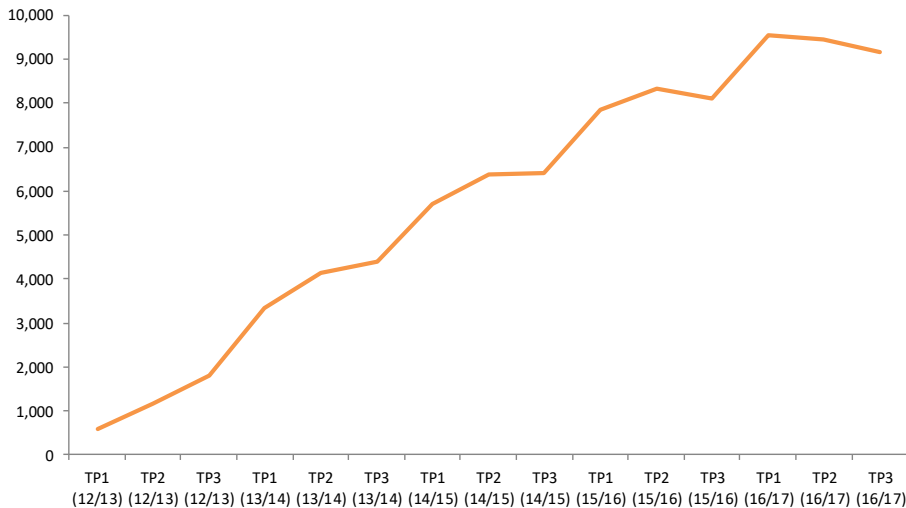
Given large market opportunity, the right strategy is to keep investing to grow market share and build multiple large revenue streams

Zhaopin's revenue is already bigger than ANZ and medium to long-term expected earnings to also exceed ANZ Employment

# OES is delivering strong student outcomes and has multiple levers for long-term growth

## Delivering world class education at scale

*OES Students Educated*



- Helping c10,000 Australian working adults/non-traditional students achieve their career aspirations
- Strong student outcomes with 2,600+ graduations since Mar-14
- Near-term focus is to manage business through an evolving regulatory environment and scaling up of WSU partnership

## Long-term drivers

### Organic growth in current partners

- Expand course offering into post graduate offerings
- Continue investing in student retention, marketing and sales

### New domestic partners

- Pursue partnerships in new states with focus on post graduate given fluid regulatory environment

### New international partners

- Markets where working adult online penetration is low alongside supportive regulatory dynamics

# Early Stage portfolio has investments with robust business models and attractive long-term financial characteristics

## *Strategic fit with SEEK*

- Investments are in SEEK's core areas of expertise and experience
- Standalone businesses in their own right OR over time can benefit from significant synergies with AP&A

## *Robust business models*

- Marketplace/platform models (network effects)
- HCM solutions (recurring revenue, scalable, high retention)
- Online education (scalable, multiple growth levers)

## *Exposed to favourable trends*

- Shifts in labour market trends (eg. contingent/freelance labour)
- Rising costs of sourcing and managing labour
- Higher demand for online education & upskilling for the digital economy

## *Attractive financial characteristics (at maturity)*


- Marketplaces: Fixed cost leverage drives high free cash flows
- HCM solutions: High retention rates and upsell opportunities over time
- Online education: EBITDA margins of c20-30%

## *Strong Revenue growth*

- 49% Revenue growth across the portfolio (H1 18 vs H1 17)<sup>1</sup>



# Exciting portfolio of high growth early stage ventures within SEEK Investments

	Investment <sup>1</sup>	Description	Strong growth in financial/operating metrics <sup>2</sup>
Employment marketplaces		<ul style="list-style-type: none"> <li>Platform to help hirers with short term labour needs (AU &amp; NZ)</li> </ul>	<ul style="list-style-type: none"> <li>Revenue growth of 86% vs pcp</li> <li>Customer growth of 62% vs pcp</li> </ul>
		<ul style="list-style-type: none"> <li>Leading Latam marketplace for knowledge-based freelancing</li> </ul>	<ul style="list-style-type: none"> <li>Revenue growth of 62% vs pcp</li> <li>Customer growth of 45% vs pcp</li> </ul>
Human Capital Solutions		<ul style="list-style-type: none"> <li>Scheduling and 'time &amp; availability' tracker (mainly hospitality &amp; retail)</li> </ul>	<ul style="list-style-type: none"> <li>Revenue growth of 31% vs pcp</li> <li>Customer growth of 30% vs pcp</li> </ul>
		<ul style="list-style-type: none"> <li>Online platform to issue, store and share academic documents</li> <li>Acquired in Dec-17</li> </ul>	<ul style="list-style-type: none"> <li>47 universities live on platform (globally) and 33 contracted but not yet live</li> </ul>
Online Education		<ul style="list-style-type: none"> <li>Provides career-relevant coding and other IT-related training</li> </ul>	<ul style="list-style-type: none"> <li>Revenue growth of 48% (CY17 vs pcp)</li> </ul>

<sup>1</sup> SEEK has additional investments in private companies which we do not publicly disclose for competitive reasons. Digitary may reside in AP&A

<sup>2</sup> Revenue growth and operating metrics based on H1 18 vs pcp (unless otherwise stated)

## A blue-toned illustration featuring a hand holding a glowing lightbulb, surrounded by various icons representing business, technology, and innovation, all set against a background of dashed lines and stars.

# Confirming short term guidance provided at H1 FY18 Result

## **FY18 guidance (excluding significant items)<sup>1</sup>**

*Note, forecasting is challenging given SEEK's exposure to different FX rates and variations in macro conditions across multiple markets*

- **CONFIRM:** Revenue growth in the range of 20% to 25%<sup>2</sup> (FY18 vs FY17)
- **CONFIRM:** EBITDA growth in the range of 14%-15%<sup>2</sup> (FY18 vs FY17)
- **CONFIRM:** Reported NPAT in the range of A\$225m to A\$230m before deducting investments in early stage growth options of approximately A\$25m to A\$30m

**Refer to H1 18 Investor Presentation for explanation of key year-on-year financial movements**

# SEEK is well positioned to grow long term shareholder value

## *SEEK operates a unique platform...*

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Operates market leaders in countries typically in high growth markets like China, Asia and LatAm

SEEK has data advantage accumulated over many years of leadership which continues to grow

Large scale of world class capabilities across strategy, product and tech

Exposure to multiple business models which is growing our ability to serve the evolving needs of labour markets

## *...with significant growth in AP&A...*

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Opportunity to leverage global capabilities alongside adoption of ANZ playbook

New structure uses SEEK's global scale to build world class product & tech that can be localised

International revenue has potential to be multiple times large than ANZ

## *...and opportunities to create value via Investment activities*

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SEEK to drive capital appreciation in its investment activities via:

- *Acquisitions that are highly synergistic with AP&A's operations*
- *Use our deep knowledge across employment and education to invest in market leaders and/or better support our investments*
- *Provide our investments with access to world class strategy, product & tech and functional expertise*

### ***Disclaimer***

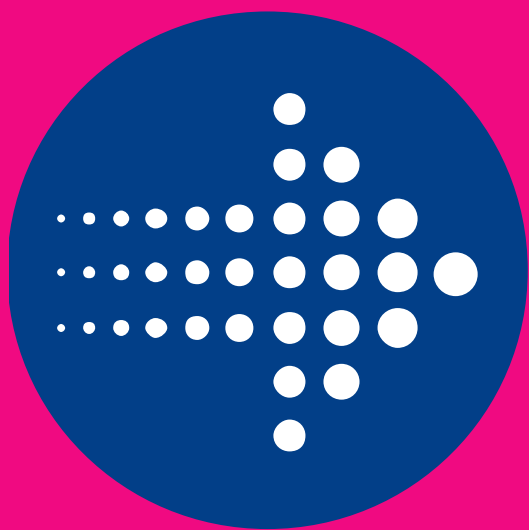
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### ***Non-IFRS Financial Information***

SEEK's results are reported under International Financial Reporting Standards (IFRS). This presentation also includes certain non-IFRS measures including, "Underlying NPAT", "EBITDA", "Significant items" and "pro-forma". These measures are used internally by management to assess the performance of our business, our associates and Joint Ventures, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review.

Refer to SEEK's Appendix 4E and Statutory Accounts for the 6 months ended 31 December 2017 for IFRS financial information that is presented in accordance with all relevant accounting standards.



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