



ASX Announcement
27 February 2019

SEEK's reinvestment focus delivers strong revenue growth

H1 19 Key Highlights

SEEK Group: Strong revenue result alongside strategic investment

- Revenue growth of 21% vs pcp¹
- EBITDA growth of 6% vs pcp¹ is lower than revenue growth reflecting a bias towards investing to build large defensible businesses
- H1 19 interim dividend of 24 cents per share

Asia Pacific & Americas (AP&A): SEEK ANZ and SEEK Asia performing well

- SEEK ANZ: Record H1 financial result driven by depth products
- SEEK Asia: Strong operational performance and record H1 financial results
- LatAm: Still more work to do to improve financial performance

SEEK Investments: Strong revenue growth particularly in Zhaopin

- Zhaopin: Acceleration of revenue growth alongside increase in market share
- OES: Solid revenue result and reinvesting in multi-partner strategy
- ESVs: "Look-through" revenue growth of 60%² across the portfolio

SEEK Limited ("SEEK") announced its results for the 6 months ended 31 December 2018

- Reported Revenue of A\$757.2m (pcp¹: A\$627.5m)
- Reported EBITDA of A\$238.5m (pcp¹: A\$224.5m)
- Underlying NPAT (excl. significant items & Early Stage Ventures) of A\$123.8m (pcp¹: A\$116.4m)
- Reported NPAT of A\$99.3m (pcp¹: A\$104.4m)

Commenting on SEEK's H1 19 results, SEEK CEO and Co-Founder Andrew Bassat said:

"We are pleased with our overall strategic progress in the first half of FY19. A key focus has been to reinvest in our largest and highest performing businesses being SEEK ANZ, SEEK Asia and Zhaopin. Our reinvestment bias over many years has resulted in these businesses performing at a high level. Their strong results have encouraged us to continue reinvesting to pursue new revenue pools in the large human capital market."

"Our AP&A businesses are benefiting from increased scale, collaboration and the sharing of ANZ's key learnings across a population of c900m people. SEEK ANZ continues to perform well despite easing macro conditions. SEEK Asia is continuing to show strong operating and financial momentum. Across LatAm, we are seeing an overall improvement in marketplace metrics. AP&A's integration efforts are expected to increase the quality and speed of new products and services which in turn supports long-term revenue growth."

"In SEEK Investments, Zhaopin, OES and our early stage investments are performing well. Zhaopin is delivering strong revenue and market share growth. OES signed new partnership agreements with three higher education providers across Australia and the UK. We are pleased with the performance of our portfolio of early stage businesses, and this gives us confidence to reinvest in select businesses and invest in new high growth opportunities under these strategic themes."

¹ Comparative information has been restated to reflect the adoption of AASB15 Revenue from Contracts with Customers

² "Look-through" share represents revenue of investments multiplied by SEEK's ownership interest (based on comparable ownership interest across H1 18 & H1 19)

ASIA, PACIFIC & AMERICAS (AP&A)

SEEK ANZ: Continuation of strong results

- Revenue growth of 11% and EBITDA growth of 13%
- Market leader with c35% of placements, lead of c7x times over our nearest competitor

SEEK Asia: Strong operational and financial results

- Revenue growth of 11% and EBITDA growth of 10% (constant currency)
- Benefitting from AP&A integration

LatAm: As broadly expected, weak revenue result alongside investment

- In the early stages of a turn-around

Andrew Bassat commented, *“SEEK ANZ delivered another record H1 financial result with 11% revenue growth primarily driven by depth products. We have a strong pipeline of products and services and are excited for ANZ’s growth outlook.”*

“ANZ’s business model evolution and strong financial results over the last five years gives us world class capabilities and key learnings to apply to SEEK Asia’s evolution. SEEK Asia delivered a record H1 result which reflects the benefits of prior period reinvestment and closer integration with ANZ. Our LatAm businesses are in the early stages of their turn-around. Whilst we are seeing some early signs of improvement (economic and operational), more time is required before this translates into an improvement in financial results.”

SEEK INVESTMENTS

Zhaopin: Accelerating revenue growth alongside growth in market share

- Accelerated revenue growth of 39% (constant currency)
- Strong uptake in the new freemium model and offline services

OES: Good financial results alongside strong student outcomes

- Continuing to execute on partnership opportunities (scaling-up WSU and new QUT and UK partnerships)

ESVs: Continued investment to support rapid scale up of early stage businesses

- “Look-through” revenue growth of c60%³ across the portfolio

Andrew Bassat commented,

“In Zhaopin, the freemium model is performing well and contributing to strong market share and revenue growth. Products and services adjacent to the core online platform also made a strong revenue contribution. We expect Zhaopin to continue its reinvestment focus as it aims to increase market penetration in enormous addressable markets.”

“OES delivered a solid financial result despite the constraints of funding caps on Australian undergraduate courses. It made good progress in scaling up the Western Sydney University partnership, and recently signed on the Queensland University of Technology and two UK universities. OES continues to deliver excellent student outcomes to over 11,000 Australians the majority of which are working adults looking to fulfil new career aspirations.”

“We are very pleased with the strategic progress made across our early stage ventures portfolio. Our key investments are making strong progress in growing market share in large addressable markets. Strong “look-through” revenue growth of c60% alongside their strong strategic progress has emboldened us to continue to reinvest more aggressively in select businesses in our current portfolio and to pursue new investments.”

³ “Look-through” share represents revenue of investments multiplied by SEEK’s ownership interest (based on comparable ownership interest across H1 18 & H1 19)

H1 19 INTERIM DIVIDEND | 24 cents per share in line with pcg

- The interim dividend will be paid on 12 April 2019 with a record date of 26 March 2019

OUTLOOK | SEEK provides updated FY19 guidance

FY19 Guidance (excl. significant items)

- **AFFIRM:** Revenue growth in the range of 16% to 20% (FY19 vs FY18)⁴
- **AFFIRM:** EBITDA growth in the range of 5% to 8% (FY19 vs FY18)⁴
- **UPDATED:** Investments in Early Stage Ventures of approximately A\$40m to A\$45m
- **UPDATED:** FY19 Reported NPAT (incl cost of investments in ESVs) to be slightly below FY18 Reported NPAT due to the increased level of investment in Early Stage Ventures

Further detail on SEEK's FY19 guidance is provided in the H1 19 results presentation.

In conclusion Andrew Bassat commented,

"We are pleased to be affirming SEEK's Group Revenue and EBITDA guidance. Given the strong performance in our early stage ventures portfolio we are looking to reinvest more to accelerate their growth strategies. Consistent with what we have communicated previously, we also expect the aggregate of ANZ, Asia and Zhaopin to deliver FY19 Revenue, EBITDA and NPAT growth rates in excess of the overall SEEK Group growth rates."

"Across the medium to long-term, you should expect SEEK to continue allocating capital into high returning areas across AP&A and SEEK Investments. Given the strength of SEEK's operating businesses and M&A track record, if we execute well and invest appropriately this is expected to lead to strong returns for long-term shareholders."

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Appendices - ASX Release

SEEK's results are reported under International Financial Reporting Standards (IFRS). This document also makes reference to the non-IFRS measure "EBITDA". This measure is 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.

EBITDA

"EBITDA" is earnings before interest, tax, depreciation and amortisation and excluding share of net profits of associates and jointly controlled entities accounted for using the equity method, dividend income and amortisation of share-based payments and other long-term incentive schemes.

Review of information

Non-IFRS financial information is calculated based on underlying IFRS financial information extracted from SEEK's financial statements. Non-IFRS measures have not been subject to audit or review.

⁴ Includes consolidated early stage investments