



15 February 2022

The Manager
ASX Market Announcements Office
Australian Securities Exchange

Dear Manager

SEEK Limited – FY22 Half Year Results Announcement

In accordance with the Listing Rules, I enclose SEEK's FY22 Half Year Results Announcement for immediate release to the market.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "R. Agnew".

Rachel Agnew
Company Secretary

Authorised for release by the Board of Directors of SEEK

For further information please contact:

Investors & Analysts

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ASX Announcement
15 February 2021

SEEK grows revenue and margin while accelerating investment

Highlights

- Record ANZ volumes combined with yield improvement from increased depth adoption
- Volume recovery across Asia
- Strengthening market and brand metrics across both businesses
- Revenue strength enabling margin improvement and accelerated investment, with major projects proceeding to plan
- Debt facilities refinanced with extended tenor and next maturity in November 2024
- 17% increase in value of investment in SEEK Growth Fund

H1 22 Financial Results

		H1 22	H1 21	Growth %
Continuing Operations ¹	Revenue	A\$517.2m	A\$326.1m	+59%
	EBITDA	A\$250.6m	A\$137.1m	+83%
	Reported NPAT (excl significant items)	A\$124.2m	A\$50.3m	+147%
Discontinued Operations ¹	Reported NPAT (excl significant items)	A\$8.7m	A\$16.5m	(47%)
Total Operations	Reported NPAT	A\$88.1m	A\$66.8m	+32%

EMPLOYMENT MARKETPLACES

- **SEEK ANZ: Revenue up 72% vs pcg**
- **SEEK Asia: Revenue up 42% (constant currency) vs pcg**

SEEK CEO and Managing Director Ian Narev said:

“Market conditions across our ANZ and Asia businesses were favourable for revenue growth. Businesses continued to rehire following COVID-related cuts, and in many cases restarted investment. Whilst candidate activity on our sites remained high, application rates were weaker, which in turn drove greater depth adoption. Previous investments, in particular the flexibility of our new ANZ contract and pricing model, positioned us well to capture these opportunities.”

¹ Continuing Operations is comparable to SEEK's FY22 guidance (refer ASX announcement of 17 November 2021 – “AGM - CEO Presentation”) for “SEEK (Excluding the SEEK Growth Fund)” and Discontinued Operations is comparable to SEEK's FY22 guidance for the “SEEK Growth Fund”

ANZ yield grew, due particularly to a significant increase in premium and stand-out ads. Yield in Asia fell slightly, a function of higher volume commitments from hirers that led to higher volume-linked discounts. The impact was lessened by increased adoption of depth products.

The strength of our revenue enabled us to accelerate some investment. We increased planned expenditure in marketing, especially in Asia, and saw the benefits of that spend quickly. We also brought forward investment in data and analytics, including our Certsy capability. Our major investment in Platform Unification is continuing as planned, and we remain on track to complete the program within previously announced time and cost guidelines.

Similar revenue trends occurred in Mexico, enabling OCC to grow revenue and EBITDA. Market conditions in Brazil were more difficult, and we are still experimenting with significant changes to the Catho business model. Whilst our minority investment in JobKorea is in its very early days, performance to date has well exceeded our investment case.

Zhaopin Online revenue grew 9%, amid significant ongoing COVID restrictions. Adjacent Services Revenue decreased 9%. Excluding Business Process Outsourcing, Adjacent Services Revenue increased 9% driven by Campus & Training. Competition remains intense, requiring high levels of product and marketing investment. EBITDA fell 50%."

SEEK GROWTH FUND

Portfolio value increased 17% to A\$1,738m

- Based on unaudited valuation provided by the Fund's Manager at 31 December 2021
- Recent public market valuation declines had not flowed through to private markets in this period

Continued growth across the portfolio

- ESV portfolio delivered look-through revenue growth of 72% vs pcg
- OES grew revenue by 13% vs pcg and EBITDA declined by 29% vs pcg due to ongoing high levels of investment

SEEK continues to consolidate the Fund at 31 December 2021

- SEEK will deconsolidate the Fund when the Fund has drawn down all its committed capital²
- Upon deconsolidation, SEEK's share of fair value gain/loss will be recognised in SEEK's accounts as a non-cash item³
- Anticipate deconsolidation to occur in H2 22 but subject to the Manager's ability to source and complete transactions

Ian Narev said:

"The valuation uplift of the portfolio reflects new capital deployed into the Fund as well as an increase in the value of some of the seeded assets, mainly driven by recent funding rounds in the HR SaaS theme. Andrew Bassat and his team remain focused on long-term returns to SEEK and other investors, and not short-term valuation movements. We can expect volatility in the near to medium term. We remain pleased with the quality of the assets, their current performance and their long-term potential."

² The Fund has committed capital of A\$460m and currently has drawn down \$295m (\$165m yet to be deployed at 31-Dec-21)

³ At the time of deconsolidation SEEK will record (i) a gain on the sale of seeded assets; and (ii) SEEK's 84.5% share of any fair value gain or loss based on any valuation movement since inception of the Fund; and (iii) will reverse any previously booked fair value uplift on non-controlling interest in the SEEK Growth Fund

CAPITAL MANAGEMENT

The Board determined a H1 22 interim of 23 cents per share, fully franked. The interim dividend will be paid on 7 April 2022 with a record date of 24 March 2022. The dividend is in line with SEEK's capital management framework and reflects a payout of 75% of Cash NPAT less Capex.

In December 2021, SEEK refinanced its debt facilities, extending the average tenor of debt to 4.2 years with the next maturity due on 30 November 2024. SEEK has total debt facilities of A\$1.75b and A\$569m of cash and undrawn facilities at December 2021.

SEEK's CFO Kate Koch commented:

"Our ongoing cash generation and leverage position support our long term investment plans. The refinancing of our debt facilities provides flexibility and assurance as we execute on our strategic initiatives including Platform Unification."

OUTLOOK | SEEK's FY22 UPDATED GUIDANCE

FY22 Guidance (excluding significant items) for SEEK (excluding the SEEK Growth Fund):

- Revenue to be in the range of A\$1.05bn to A\$1.10bn
- EBITDA to be in the range of A\$490m to A\$515m
- NPAT to be in the range of A\$230m to A\$250m

FY22 Guidance (excluding significant items) for the SEEK Growth Fund:

- SEEK's share of NPAT to be in the range of A\$10m to A\$20m for FY22

Further detail on SEEK's FY22 guidance including key assumptions is provided in SEEK's H1 22 results presentation.

Ian Narev concluded,

"Our key markets are experiencing, to varying degrees, a combination of ongoing economic recovery, relatively low unemployment rates and continued restrictions on labour mobility. Job ad volumes and depth adoption remain high. We have assumed these conditions continue for the remainder of this financial year, and have therefore upgraded our guidance. The revised guidance assumes a low risk of economic volatility from the ongoing development of the pandemic, monetary policy, and geopolitical change. If these risks are elevated, revenue could fall below guidance. Our guidance also assumes a continuation of our accelerated investment from the first half, even if this limits further margin expansion this year. And in any event, we will continue to fund our long-term investment priorities. The progress we have made in this half on market metrics and core projects has again shown the benefits of consistent, through-the-cycle investment."

Authorised for release by SEEK's Board of Directors.

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This announcement contains certain "forward-looking statements". Forward looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements, opinions and estimates are not guarantees of future performance.

Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement contains such statements that are subject to risk factors associated with the markets in which SEEK operates. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially. Such forward-looking statements only speak as to the date of this announcement and SEEK assumes no obligation to update such information. No representation or warranty is or will be made by any legal or natural person in relation to the accuracy or completeness of all or part of this document, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the information or any part of it. To the full extent permitted by law, SEEK disclaims any obligation or undertaking to release any updates or revisions to the information contained in this document to reflect any change in expectations or assumptions. Nothing contained in this document constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

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.