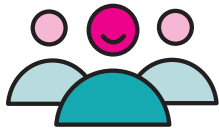


# SEEK ANNUAL REPORT 2019

We help people live more fulfilling and productive working lives and help organisations succeed.



# Making a positive impact on a global scale



## 215m+

Candidate relationships



## 1.1m+

Hirer relationships



## 2.9bn

Population exposure



## 51m+

Students and learners

> A strong international portfolio of employment and education businesses

> A market leader in online employment marketplaces with deep and rich insights into the future of work

> A presence in 18 countries including China and across South-East Asia and Latin America

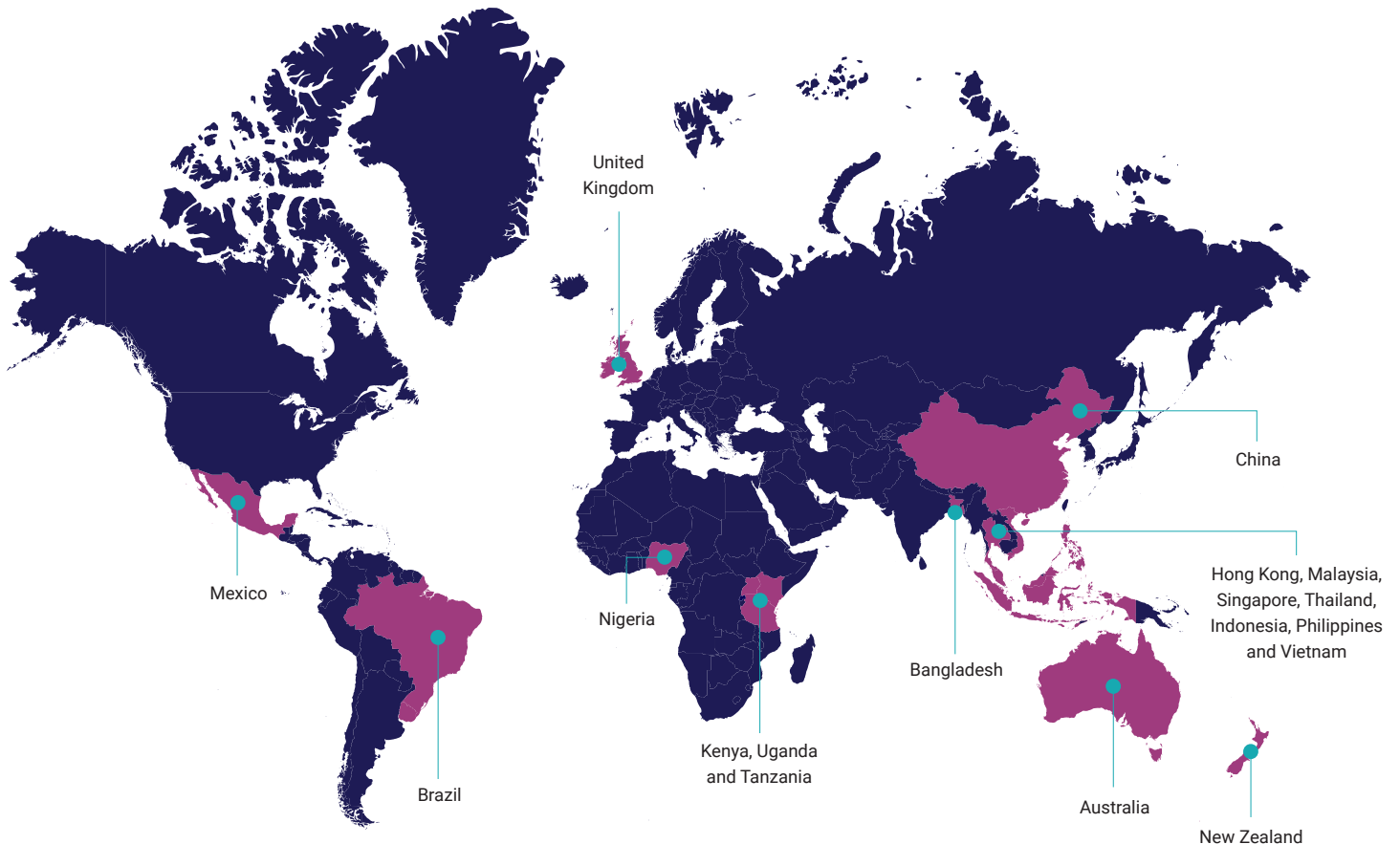
> Creating world-class products through ongoing investment into AI and technology

> Employing 1,000 people in Australia and 10,000+ around the world

> Creating a culture of innovation, empowerment and collaboration

> Australian owned and operated

Our unified purpose helps people live more fulfilling and productive working lives and helps organisations succeed.



Asia Pacific & Americas



SEEK Investments







This report covers SEEK Limited as a consolidated entity consisting of SEEK Limited (the Company) and its controlled entities. The Financial Report was authorised for issue by the directors on 20 August 2019. The Company has the power to amend and reissue the Financial Report.

SEEK Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered principal place of business is:

Level 6  
541 St Kilda Road  
MELBOURNE VIC 3004

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the Directors' Report on pages 4 to 40.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All ASX Announcements, reports, presentations and other information are available at our Investor Centre on our website at [www.seek.com.au/about/investors/](http://www.seek.com.au/about/investors/).



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# Message from the Chairman & CEO



## Welcome to the 2019 Annual Report

Dear Shareholder,

The 2019 financial year ('FY2019') was another successful year for the SEEK Group ('Group') as we continued to deliver on our purpose of helping people live more fulfilling and productive working lives and helping organisations succeed.

Despite some challenging macro-economic conditions across our key markets, the Group achieved strong financial results while continuing to invest across AP&A and SEEK Investments, including our Early Stage Ventures.

We also outlined our progress against our key strategic priorities as we aggressively pursue our long-term aspirations.

SEEK is well placed to pursue these aspirations given the strength of its businesses, strong capabilities and track record of execution.

## Delivering on our Purpose

SEEK's purpose of "Helping people live more fulfilling and productive working lives and helping organisations succeed" guides everything we do and we are pleased with the progress we are making on a global scale:

- SEEK's Asia Pacific & Americas ('AP&A') business has relationships with over 40 million candidates and 200,000 hirers. Our teams are now working more closely together to solve common problems at a faster pace for candidates and hirers.
- SEEK Investments has relationships with over 175 million candidates and over 900,000 hirers, and is investing aggressively to capture large market opportunities across employment, education and the broader human capital management market.

## Key achievements in FY2019

We are proud of SEEK's achievements over the last 12 months, including:

1. Significant progress towards our key strategic priorities;
2. Delivering strong revenue results as a result of strategic investment, despite subdued macro-economic conditions; and
3. Making a positive social contribution beyond our day-to-day business activities.

We have provided more detail below across each of these headings.

## Progress towards key strategic priorities

Earlier this calendar year we discussed our \$5 billion aspirational revenue opportunity by FY2025 which we believe is achievable if we execute well.

There are five key headings that will drive us towards this target being SEEK ANZ, SEEK Asia, Zhaopin, Online Education Services ('OES') and our Early Stage Ventures. Within each of these headings we have a strategy in place and our teams are very focused on delivering strong outcomes in these areas.

In order to achieve the \$5 billion aspirational revenue target, we require a compound annual growth rate of approximately 20% from FY2018 to FY2025 and we feel validated by the fact that in FY2019 we delivered 18% revenue growth despite some macro-economic softness in our major markets.

Specifically in FY2019, key achievements included:

- AP&A: laying the foundation for aligning price to value in SEEK ANZ and good progress with the SEEK Asia integration.
- SEEK Investments: ongoing improvements to the freemium model in Zhaopin and signing three additional partners in OES. Across our Early Stage Ventures portfolio we deployed \$185m into new businesses including FutureLearn and Coursera.

We continue to invest aggressively, stepping up investment levels in product & technology in our highest performing businesses, and into high ROI initiatives.

We anticipate that there will be a lag period before this investment translates into financial returns and our past experience shows that this can take some years. As such, through this investment period, we are under-earning, but we remain very confident that it will improve SEEK's defensibility, profitability and result in growth in shareholder value over time.

## Strong revenue result alongside strategic investment

SEEK delivered a solid financial result with sales revenue of \$1,537.3m, EBITDA of \$455.0m and NPAT of \$184.8m, before significant items. Group cash flows remain strong and supported total FY2019 dividends of 46 cents.

## Asia Pacific & Americas

The AP&A structure has been in place for 18 months and we are seeing some positive signs from leveraging ANZ's capability, product and people into SEEK Asia. There is a lot more work to be done, but with continued investment over the next two or three years and strong execution, we are confident we are positioning AP&A to capture the significant opportunity that we see over the long-term.

### **SEEK ANZ continues to be a clear market leader, achieving revenue growth of 7% despite weak macro-economic conditions.**

- We were particularly pleased by strong revenue contribution from depth products, which helped offset some macro weakness and validates our prior period investment in new products and services.
- Our success to date gives us the confidence to continue investing, and our strategies focused on aligning price to value and product set expansion will, we expect, unlock significant revenue opportunities.

### **SEEK Asia delivered good revenue results and is seeing positive results from AP&A initiatives**

- Revenue result of 9% growth (constant currency) against a backdrop of slowing macro-economic environment and strong competition.
- Positive results from AP&A's first wave of initiatives which is supporting growth in key marketplace metrics.
- We still have a long road ahead to bring SEEK Asia to the current SEEK ANZ baseline, and this will require sustained investment. We are confident about the future operational and financial benefits from this investment, providing we execute well.



### Latin America delivered weak results amidst challenging conditions

- Brasil Online and OCC's results were broadly anticipated due to challenging conditions.
- Both businesses will deploy more of their own capital to improve their product offerings, and we believe that this along with better execution and more favourable macro-economic conditions will drive improved operating and financial results.

### SEEK Investments

#### Zhaopin delivered strong financial results and grew market share

- Zhaopin delivered revenue growth of 34%, but in line with online peers saw softer online billing growth in H2 FY2019 due to easing macro-economic conditions and weaker employment sentiment.
- EBITDA growth was less than revenue growth due to planned strategic investment to grow market share and expand core and adjacent businesses.
- In the near-term, we are operating against a slowing macro backdrop but our focus is on building market leadership in a competitive environment. As a result we will continue investing for long-term growth.

#### OES achieved solid financial results alongside scaling up multiple new partnerships

- OES delivered revenue growth of 7%, a good result given the constraints of government funding. EBITDA growth was slightly negative due to investment in scaling up three new partners.

#### SEEK Investments Early Stage Ventures portfolio is delivering strong growth in operating metrics, revenue and in overall portfolio valuation

- Our portfolio of emerging leaders in online education, online contingent labour and HR SaaS is focused on growing market share in large addressable markets.
- We achieved strong look-through revenue growth of approximately 65% and at year end the portfolio valuation was \$425m, on track to becoming a meaningful contributor to the Group.

Our results have encouraged us to continue investing in our current portfolio and to pursue new investments across these themes.

### Making a positive contribution beyond SEEK's day-to-day business activities

SEEK continues to make a positive contribution to society in many ways and is proud to be able to contribute both financially and "in kind" through the efforts of our employees. In addition to our core purpose, we also engage in activities such as:

#### SEEK Volunteer

Operating for the past 19 years, SEEK Volunteer in partnership with Volunteering Australia is an online platform connecting volunteers to opportunities. Across Australia and New Zealand, SEEK Volunteer is the largest source of volunteer opportunities online, helping over 130,000 potential volunteers connect with over 10,000 registered volunteer organisations in FY2019.

#### Small Change workplace program

SEEK offers a best practice workplace giving program 'Small Change', where greater than 50% of employees participate and SEEK matches every employee donation dollar for dollar to one or more of SEEK's ten partner charities.

Further information about these activities and SEEK's broader approach to environmental, social and governance ('ESG') areas can be found in our Sustainability Report on page 42.

SEEK takes a proactive approach to ESG matters and we have refreshed our Sustainability Report this year to provide increased transparency on our key initiatives in each of these areas.

### A personal note from Graham Goldsmith

FY2019 marks the first period in my new role as SEEK Chairman, following Neil Chatfield's retirement in December 2018.

I would like to pay tribute to Neil for his significant contribution to, and accomplishments at, SEEK over a significant period, having joined the SEEK Board in 2005 and been Chairman since 2012.

I would like to thank you all for the opportunity to represent you in my new capacity as Chairman, which is a particular honour. SEEK has a very exciting future and I am very focused on supporting the business to achieve its full potential and maintaining the trust of all our stakeholders.

### Other Board appointments

In FY2019 we were pleased to welcome two new Board members with the appointment of Michael Wachtel and Leigh Jasper as non-executive directors.

Michael was appointed as a non-executive director effective 1 September 2018 and Chairman of the Audit and Risk Management Committee effective 1 January 2019. Leigh was appointed as a non-executive director effective 1 April 2019.

## Executive changes

During FY2019, there were two changes to the SEEK Executive Team. In July 2019 Michael Ilczynski stepped down as AP&A Chief Executive Officer ('AP&A CEO') to take an extended leave of absence for personal reasons.

Michael has made a tremendous contribution to SEEK over 13 years and we wish him all the best with his extended career break.

In April 2019, we were pleased to appoint Ian Narev to the newly created dual role of Group Chief Operating Officer and AP&A CEO. In this role, Ian has executive responsibility for the AP&A business and will also work on strategy development and operating priorities for the overall SEEK Group.

## Thanks to those that make SEEK a success

SEEK would like to thank its candidates, hirers, students and shareholders for their continued support during FY2019.

SEEK's ability to grow, evolve and deliver against its Purpose would not be possible without the strong contribution from the talented, committed and hard-working employees across SEEK's businesses, and the Executive team, supported and guided by the Board.

We are focused on delivering more value to candidates, hirers and students across our markets globally. We are confident that if we execute well this will translate into strong returns for shareholders over the medium to long-term.



**Graham Goldsmith**  
Chairman



**Andrew Bassat**  
CEO



Our Purpose:  
We help people  
live more fulfilling  
and productive  
working lives and  
help organisations  
succeed.

---

**IMAGE RIGHT**

Amy Lee Seymour, Commercial Analyst at SEEK.

"I love working at SEEK, because every day I get to learn and develop the skills I'm passionate about, while contributing to a company that helps others find a way to do that too."

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# Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as the Group or SEEK), consisting of SEEK Limited and the entities it controlled at the end of, or during, the year ended 30 June 2019.

## SEEK is having a global impact improving people's lives across employment and education

### Asia Pacific & Americas (AP&A)

**40m+**

Candidate relationships

**200k+**

Hirer relationships

Approximately

**900m**

Population exposure



### SEEK Investments

**175m+**

Candidate relationships

**900k+**

Hirer relationships

Approximately

**2bn**

Population exposure



## Principal activities

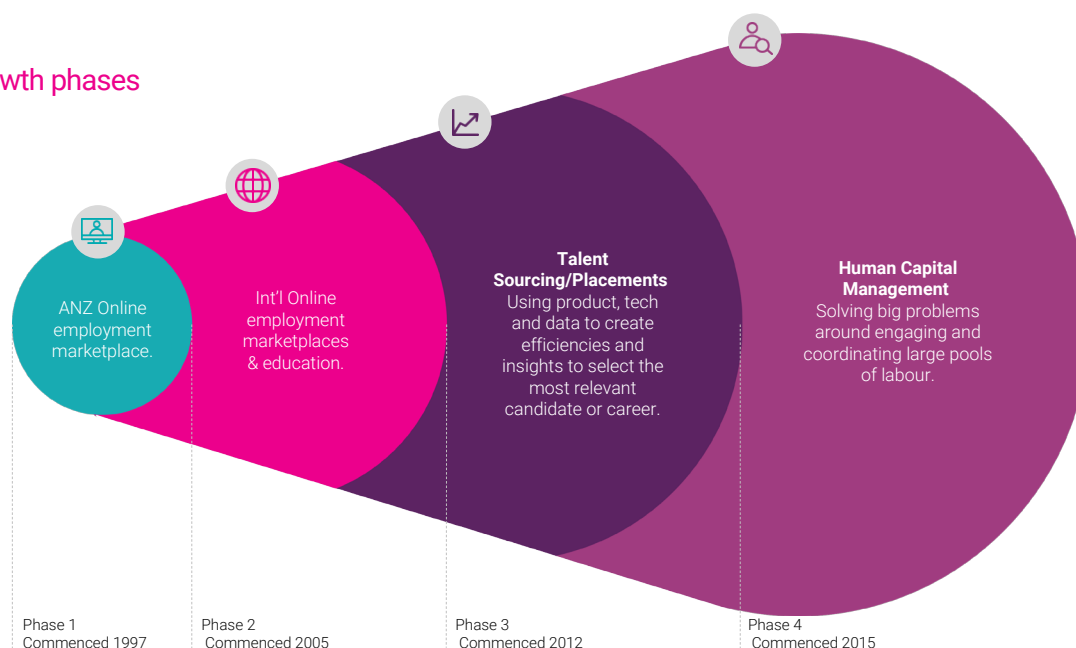
During the year the principal activities of the Group consisted of:

- > online matching of hirers and candidates with career opportunities and other related services;
- > investing in early stage businesses and technologies which are in the human capital management market; and
- > distribution and provision of higher education courses.

## Business strategies and prospects

Throughout SEEK's history the business has continued to evolve and expand. We think about SEEK's growth trajectory in four growth horizons.

### SEEK's growth phases



### Phase 1: Australia and New Zealand Online Employment Marketplaces

The focus during this period was SEEK building the leading online employment marketplace. SEEK was the disruptor to print classifieds' 'rivers of gold' and by using the internet and technology, SEEK was able to build a low cost and highly effective online employment marketplace, which continues to hold market leadership on key metrics such as:

- Over 35 million monthly visits;
- 82% brand awareness (lead of approximately two times over SEEK's nearest competitor); and
- 34% share of placements (lead of approximately six times over SEEK's nearest competitor).

There continue to be opportunities for SEEK to grow its share of ad volume and revenue from print across areas such as government, regional, and trades and services.

### Phase 2: International Online Employment Marketplaces and Education Expansion

The key areas of focus for SEEK over the last 14 years have been:

- Leveraging its experience and capabilities in acquiring and operating international online employment marketplaces; and
- Leveraging its assets and capabilities in online employment marketplaces into adjacent education businesses.

SEEK has been successful in these expansion activities as evidenced by:

- Online employment marketplaces with a presence in 18 countries and exposure to approximately 2.9 billion people;
- Starting up Online Education Services ('OES') which is now a market leader in online adult education. The financial returns from OES have been strong. In FY2019 the business generated sales revenue of \$127.5m and EBITDA of \$36.7m from an initial capital investment of \$10m.

In SEEK's international businesses, there are still growth opportunities including:

1. Substantial volume and yield opportunities in our online employment marketplaces; and
2. SEEK's international education businesses which are still in early stages of roll-out.



## Business strategies and prospects continued

### Phase 3: Talent Sourcing / Placement Strategy

In the last seven years, SEEK has redefined success for its online employment marketplaces where the focus is now

*'Being the market leader in terms of job placements'*

where placements are defined as the SEEK online employment business being the key source of placed candidates.

In order for each of SEEK's businesses to grow a greater share of placements, its areas of strategic focus and reinvestment have been across the following:

#### 1. Maintain/grow market leadership

Whilst placements is the key metric in terms of market leadership, the forward looking indicators to placements are:

- (i) share of visits;
- (ii) share of unique and relevant job ads;
- (iii) number of candidate profiles;
- (iv) number of hirers; and
- (v) unaided brand awareness.

These metrics are the critical inputs to maintain the 'network effect' between hirers and candidates where all the job seeker visits lead to all the hirer job placements and vice versa.

An important part of SEEK growing the 'network effect' is that SEEK provides the best search and matching experience whereby through product and search technology, SEEK is matching the most relevant candidate or job opportunity to both hirers and job seekers.

#### 2. Capturing more data and delivering more insights to candidates and hirers

To ensure SEEK is providing the best search and matching experience, it is important to have the most relevant and up-to-date data on candidates and hirers. When breadth and depth of candidate data is applied against leading search and matching algorithms, SEEK can then provide the most relevant candidates to hirers and the most relevant opportunities to candidates. In turn, this increases efficiencies in the talent sourcing process.

Similarly, SEEK can become more embedded by helping hirers find the most relevant candidates in a faster and more effective way. This allows SEEK to capture greater insights on where and how hirers are using its services.

#### 3. Data and insights captured form the foundation for new products and services

- Candidates: As candidates share more data, SEEK is better placed to provide the most relevant career and/or education insights and opportunities to assist candidates to fulfil their career aspirations. These career insights will increase usage of SEEK and grow its reputation as the trusted source for all things career-related, strengthening SEEK's 'network effect'.
- Hirers: The breadth and depth of data that SEEK captures helps SEEK develop value-add products which further improves efficiencies and effectiveness in the hiring process. For example, tools such as the advertiser centre (candidate management tool), combined with other products such as Role Requirements, Premium Talent Search and Guaranteed Hire aim to help hirers efficiently reduce the pool of candidates from, for example, 50-100 to the 5-10 most relevant candidates.

SEEK's Australia & New Zealand ('ANZ') employment business is most advanced in the Placement Strategy. A key focus for SEEK's international businesses is to leverage the ANZ experiences, learnings and technical expertise into their respective businesses and accelerate this business evolution.

### Phase 4: Human Capital Management

In the last four years, SEEK has identified large market opportunities in the Human Capital Management Industry across both its ANZ and international businesses.

These are areas of the market that are either occurring at a high cost and/or being performed offline or in an inefficient manner. SEEK believes that its technology and data, and relationships with hirers and candidates positions us to solve large and complex problems for hirers and candidates.

Given SEEK's unique capabilities and the size of the market opportunity, SEEK is investing in building products or services and also making strategic investments (e.g. Sidekicker, Workana, GO1, FutureLearn and Employment Hero).



## Our Vision

To be the best in the world in online employment by:

- > matching more people with job opportunities than any other organisation in each market in which we operate; AND
- > being the most trusted partner for advice on, and access to, relevant career related education.

# Directors' Report

## Performance highlights

Reported sales revenue

**\$1,537.3 million**

FY2018\* \$1,299.5 million

FY2017 \$1,035.2 million

Reported segment EBITDA<sup>(1)</sup>

**\$455.0 million**

FY2018\* \$431.2 million

FY2017 \$362.3 million

Reported profit attributable to SEEK

**\$180.3 million**

FY2018\* \$52.2 million

FY2017 \$340.2 million

NPAT (excluding significant items, AP&A Other and SEEK Investments ESVs) attributable to SEEK

**\$229.0 million**

FY2018\* \$228.5 million

FY2017 \$220.8 million

Total dividend (cents per share)

**46c per share**

FY2018\* 46c per share

FY2017 44c per share



## Review of operations

|  | Reported currency |                           | Constant currency <sup>(2)</sup> |             |
|--|-------------------|---------------------------|----------------------------------|-------------|
|  | 2019<br>\$m       | Restated<br>2018 *<br>\$m | Growth<br>%                      | Growth<br>% |
| <b>Sales revenue</b>   | <b>1,537.3</b>    | 1,299.5                   | 18%                              | 16%         |
| <b>Segment EBITDA<sup>(1)</sup></b>  | <b>455.0</b>      | 431.2                     | 6%                               | 3%          |
| Depreciation and amortisation  | (85.8)            | (67.6)                    |                                  |             |
| Net interest   | (44.4)            | (25.9)                    |                                  |             |
| Share-based payments and other LTI   | (21.6)            | (26.8)                    |                                  |             |
| Share of results of equity accounted investments   | (16.5)            | (6.2)                     |                                  |             |
| Other items  | (2.5)             | (131.4)                   |                                  |             |
| Income tax expense   | (85.8)            | (83.3)                    |                                  |             |
| Non-controlling interests  | (18.1)            | (37.8)                    |                                  |             |
| <b>Reported profit attributable to owners of SEEK Limited</b>  | <b>180.3</b>      | 52.2                      | 245%                             |             |
| Add back significant items   | 4.5               | 147.0                     |                                  |             |
| <b>Profit attributable to owners of SEEK Limited (excluding significant items)</b>   | <b>184.8</b>      | 199.2                     |                                  |             |
| Add back AP&A Other and SEEK Investments ESVs <sup>(3)</sup>   | 44.2              | 29.3                      |                                  |             |
| <b>Profit attributable to owners of SEEK Limited (excluding significant items, AP&amp;A Other and SEEK Investments ESVs)</b> | <b>229.0</b>      | 228.5                     | 0%                               |             |

(1) Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share-based payment expense, share of results of equity accounted investments, gains/losses on investing activities, and other non-operating gains/losses.

(2) Constant currency amounts are calculated by retranslating current year data using prior year exchange rates.

(3) AP&A Other and SEEK Investments ESVs NPAT losses attributable to owners of SEEK Limited, totalling \$44.2m as outlined in Note 1 on page 74 of the Financial Report.

\* The adoption of AASB 15 *Revenue from Contracts with Customers* has resulted in some immaterial restatements as outlined in Note 27 on pages 125-127 of the Financial Report.

In the year ended 30 June 2019 (FY2019) SEEK achieved growth in sales revenue of 18% (16% constant currency) and growth in EBITDA of 6% (3% constant currency) compared to the period ended 30 June 2018 (FY2018).

Profit attributable to the owners of SEEK Limited was \$180.3m (30 June 2018: \$52.2m).

### Significant items

Amounts recognised as significant items in FY2019 are mainly comprised of Zhaopin privatisation and refinancing related costs of \$4.5m.

FY2018 significant items of (\$147.0m) included the following:

- Fair value gain from SEEK's investment in MaiMai (via Zhaopin) of \$35.9m (representing SEEK's share);
- Impairment charge against the carrying value of Brasil Online (\$119.0m), OCC (\$60.0m, \$58.9m SEEK share) and CJOL (subsidiary of Zhaopin) of \$1.6m (representing SEEK's share); and
- Other one-off items of \$3.4m.

### Key drivers

- SEEK's revenue growth of 18% (compared to FY2018) was a strong result and organically driven against a backdrop of easing macro-economic conditions. The key drivers of growth were Zhaopin's online and offline divisions; ANZ's increasing depth revenue penetration and solid revenue growth in SEEK Asia, particularly in Hong Kong and Singapore;
- EBITDA growth was less than revenue growth due to focused investment. Significant investment occurred in Zhaopin, Latin America, Early Stage Ventures (ESVs) and OES; and
- Attributable profit (before significant items) for FY2019 declined by 7% (increase of 245% including significant items) due to increased depreciation and amortisation from investment in product and technology, higher net interest expense to fund new investments and higher losses incurred by Early Stage Ventures as they scale up to become large and defensible businesses.

## Asia Pacific and Americas (AP&A)

The AP&A segment comprises:

### The Australia and New Zealand (ANZ) business

### SEEK Asia

### The Latin America businesses of Brasil Online and OCC

### Other entities including Jora, GradConnection and Digitaly

|                          | Reported currency |                         |             | Constant currency |
|--------------------------|-------------------|-------------------------|-------------|-------------------|
|                          | 2019<br>\$m       | Restated<br>2018<br>\$m | Growth<br>% | Growth<br>%       |
| <b>Sales revenue</b>     | <b>726.8</b>      | <b>684.6</b>            | <b>6%</b>   | <b>5%</b>         |
| ANZ                      | 437.6             | 409.7                   | 7%          |                   |
| SEEK Asia                | 176.6             | 151.8                   | 16%         | 9%                |
| Brasil Online            | 64.1              | 74.9                    | (14%)       | (8%)              |
| OCC                      | 29.3              | 29.0                    | 1%          | (4%)              |
| AP&A Other               | 19.2              | 19.2                    |             |                   |
| <b>EBITDA</b>            | <b>351.1</b>      | <b>336.3</b>            | <b>4%</b>   | <b>3%</b>         |
| ANZ                      | 270.1             | 249.7                   | 8%          |                   |
| SEEK Asia                | 91.3              | 76.8                    | 19%         | 11%               |
| Brasil Online            | 11.5              | 22.7                    | (49%)       | (46%)             |
| OCC                      | 3.7               | 4.9                     | (24%)       | (26%)             |
| AP&A Other               | (25.5)            | (17.8)                  |             |                   |
| <b>EBITDA margin (%)</b> | <b>48%</b>        | <b>49%</b>              |             |                   |
| ANZ                      | 62%               | 61%                     |             |                   |
| SEEK Asia                | 52%               | 51%                     |             |                   |
| Brasil Online            | 18%               | 30%                     |             |                   |
| OCC                      | 13%               | 17%                     |             |                   |

The adoption of AASB 15 *Revenue from Contracts with Customers* has resulted in some immaterial restatements as outlined in Note 27 on pages 125-127 of the Financial Report.

## AP&A contributed 47% of Group sales revenue and 77% of EBITDA in FY2019.

The AP&A structure has been in place for 18 months and there are positive signs from leveraging ANZ's capability, learnings and product and technology initiatives across a much larger opportunity set.

While the progress in FY2019 is pleasing, successful integration will require ongoing investment over the next 2-3 years, positioning AP&A for long-term growth and making the business more defensible against global competitors.

### Revenue growth of 6% and EBITDA growth of 4% compared to FY2018 were driven by the following business results:

- ANZ: revenue growth of 7% was primarily driven by increased penetration of depth products (prominence ads and Premium Talent Search);
- SEEK Asia: revenue growth of 16% in context of easing macro-economic conditions provides proof of the benefits of early integration with ANZ and sustained reinvestment; and
- Latin America: delivered weak results due to anticipated modest revenue declines and required investment in product and technology to position these businesses for the long term.

Reported results were positively impacted by the depreciation of the Australian dollar against key currencies, in particular the Hong Kong dollar and the Malaysian Ringgit. On a constant currency basis AP&A achieved revenue growth of 5% and EBITDA growth of 3%.

### Australia & New Zealand (ANZ)

ANZ's revenue and earnings result reflects our market leadership and the benefits of sustained investment. The majority of the growth came through depth products which have increased ANZ's value proposition to candidates and hirers.

Key operational highlights in FY2019 included:

#### *Creating value for candidates:*

- Approximately 70% of total traffic is now via mobile;
- Approximately 75% of traffic is direct; and
- Total profiles of 13.2m represents over 80% of Australia and New Zealand's labour force.

#### *Leading Ad scale and Artificial Intelligence capabilities:*

- SEEK has the largest pool of unique job ads and Jora has the most jobs of any Australian aggregator; and
- SEEK uses leading Artificial Intelligence capabilities to deliver tailored results to candidates and hirers. For example, approximately 5.5m candidates receive approximately 40m job recommendations weekly.

SEEK continues to be the market leader with

# 34%

**of placements which is a lead  
of approximately six times  
over the nearest competitor.**



### SEEK Asia

- On a constant currency basis, SEEK Asia achieved revenue growth of 9% and EBITDA growth of 11% with good results in Hong Kong and Singapore;
- Ongoing reinvestment and collaboration with ANZ is favourably impacting growth across key marketplace metrics.

### Latin America

- Brasil Online: on a constant currency basis, revenue declined 8% and EBITDA declined 46%. Whilst broadly anticipated, the revenue result was disappointing due to continued weakness from the candidate-pays model. The EBITDA result was also impacted by the long-term investment required in Sales, Product and Technology;
- OCC: on a constant currency basis, revenue declined 4% and EBITDA declined 26%, with Employment revenue growing 2% and Education revenue declining 35%;
- Better macro-economic conditions alongside operational execution is required for sustainable growth in financial results.

### AP&A Other

- Jora now has a presence in 37 countries and is playing a key role in growing ad scale and supporting new product development;
- GradConnection is Australia's leading graduate recruitment site with approximately 300 of the best known graduate employers and approximately 275,000 candidate profiles in key markets;
- SEEK Learning Careers Guide now has over 350 roles live on the website.

## SEEK Investments

The SEEK Investments segment comprises:

### Zhaopin

SEEK share 61%

### Online Education Services (OES)

SEEK share 80%

### Early Stage Ventures (ESVs)

|                          | Reported currency |                         |             | Constant currency |
|--------------------------|-------------------|-------------------------|-------------|-------------------|
|                          | 2019<br>\$m       | Restated<br>2018<br>\$m | Growth<br>% | Growth<br>%       |
| <b>Sales revenue</b>     | <b>810.5</b>      | <b>614.9</b>            | <b>32%</b>  | <b>29%</b>        |
| Zhaopin                  | 647.9             | 468.1                   | 38%         | 34%               |
| OES                      | 127.5             | 119.4                   | 7%          |                   |
| ESVs                     | 35.1              | 27.4                    |             |                   |
| <b>EBITDA</b>            | <b>128.9</b>      | <b>111.8</b>            | <b>15%</b>  | <b>13%</b>        |
| Zhaopin                  | 99.1              | 84.0                    | 18%         | 15%               |
| OES                      | 36.7              | 37.5                    | (2%)        |                   |
| ESVs                     | (6.9)             | (9.7)                   |             |                   |
| <b>EBITDA margin (%)</b> | <b>16%</b>        | <b>18%</b>              |             |                   |
| Zhaopin                  | 15%               | 18%                     |             |                   |
| OES                      | 29%               | 31%                     |             |                   |
| ESVs                     | (20%)             | (35%)                   |             |                   |

The adoption of AASB 15 Revenue from Contracts with Customers has resulted in some immaterial restatements as outlined in Note 27 on pages 125-127 of the Financial Report.

#### SEEK Investments revenue growth of 32% and EBITDA growth of 15% compared to FY2018 were driven by:

- Zhaopin: strong revenue growth from online and offline divisions in what we expect to be the world's largest human capital market;
- Online Education Services: solid underlying financial result as it invests to scale up multiple new partners;
- Early Stage Ventures: strong operational and financial results;
- Reported results were favourably impacted by the depreciation of the Australian dollar against the Chinese Renminbi (RMB). On a constant currency basis, SEEK Investments achieved revenue growth of 29% and EBITDA growth of 13%.

#### Zhaopin

- On a constant currency basis, Zhaopin delivered strong revenue growth of 34% and EBITDA growth of 15%;
- The revenue result was driven by strong results across both online and offline services despite easing conditions since HY2019. Online revenue growth was 19% due to increased hirer penetration and 100% in offline revenue (driven by Business Process Outsourcing (BPO) and Campus);
- Good EBITDA growth was due to strong overall revenue growth alongside Zhaopin continuing to invest in Product, Technology, Data and Artificial Intelligence alongside scaling up the BPO and Campus divisions;
- Weak macro-economic conditions are expected to impact near term financials however our focus is to continue investing to build market leadership in a competitive environment.

#### Online Education Services (OES)

- OES delivered a good financial result despite the challenging "capped" regulatory environment for Australian undergraduate courses;
- OES continues to focus on scaling up the number of partners on its platform and investing in technology to enhance the student experience.

#### Early Stage Ventures (ESVs)

SEEK Investments ESVs portfolio comprises investments exposed to high growth structural trends across:

- Online Education
- Contingent Labour
- HR Software as a Service (SaaS)

SEEK has invested in emerging leaders in these key themes and serves as an active partner that offers strategic and operational support to accelerate their growth. Some key investments in the portfolio are:

**Online Education:** FutureLearn and Coursera are global leaders in the Massive Open Online Courses space;

**Contingent Labour:** Sidekicker is one of Australia and New Zealand's leading on-demand staffing platforms with exposure to a large and growing contingent labour market;

**HR SaaS:** GO1 helps organisations source, deliver and track employee training and Employment Hero is a cloud-based platform combining HR software, employee benefits, financial services, compliance and payroll modules.



## Financial position

|                                      | 2019<br>\$m    | Restated<br>2018<br>\$m |
|--------------------------------------|----------------|-------------------------|
| Cash and cash equivalents            | 382.9          | 361.7                   |
| Other current assets                 | 310.3          | 256.5                   |
| Intangible assets                    | 2,719.5        | 2,552.6                 |
| Equity accounted investments         | 237.2          | 130.9                   |
| Other non-current assets             | 600.3          | 482.3                   |
| <b>Total assets</b>                  | <b>4,250.2</b> | <b>3,784.0</b>          |
| Current borrowings                   | 133.1          | 80.5                    |
| Non-current borrowings               | 1,466.6        | 1,218.7                 |
| Unearned income                      | 401.1          | 367.3                   |
| Current creditors and provisions     | 370.4          | 326.3                   |
| Non-current creditors and provisions | 184.6          | 166.2                   |
| Shareholders equity                  | 1,694.4        | 1,625.0                 |
| <b>Total liabilities and equity</b>  | <b>4,250.2</b> | <b>3,784.0</b>          |

The adoption of AASB 15 *Revenue from Contracts with Customers* has resulted in some immaterial restatements as outlined in Note 27 on pages 125-127 of the Financial Report.

At 30 June 2019, SEEK had:

- Total assets of \$4,250.2m of which 64% related to long-life intangible assets (goodwill, brands and licences) arising from business combinations, with the remainder relating primarily to cash, funds on deposit, equity accounted investments and trade receivables; and
- Total liabilities of \$2,555.8m of which 63% related to borrowings, with the remainder relating to unearned income, tax and trade and other payables.

SEEK's current liabilities exceed its current assets by \$211.4m. Excluding unearned income of \$401.1m, which represents non-refundable advances from customers, the Group would have net current assets of \$189.7m.

### Net debt

Net debt at 30 June 2019 was \$756.9m (\$750.5m net of capitalised borrowing costs) and is further discussed in Note 7 Net debt of the Financial Report.

SEEK's borrowings comprise a combination of debt facilities across SEEK Limited and Zhaopin:

- SEEK Limited has an unsecured syndicated bank facility comprising of A\$625.0m and US\$575.0m, and has issued debt of A\$175.0m under its EUR 1 billion EMTN programme; and
- Zhaopin has entrusted loan facilities of US\$385.0m, and a working capital loan facility of RMB200.0m.

At 30 June 2019, \$1,606.1m of the total available facilities were drawn down, with \$603.3m available in undrawn capacity.

## Cash flow

**Cash generated from operations increased to \$499.9m and represented an EBITDA conversion ratio<sup>(1)</sup> of 110%.**

(1) EBITDA conversion ratio is calculated as cash generated from operations / EBITDA.

|   | 2019<br>\$m    | 2018<br>\$m    |
|---|----------------|----------------|
| Cash generated from operations                                  | 499.9          | 495.0          |
| Transaction costs   | (5.2)          | (19.5)         |
| Finance costs and taxes paid                                    | (122.1)        | (82.8)         |
| <b>Net cash from operating activities</b>                       | <b>372.6</b>   | <b>392.7</b>   |
| Disposal of equity accounted investment                         | 6.3            | 5.2            |
| Acquisition of subsidiaries (net of acquired cash)              | (9.2)          | -              |
| Acquisition of equity accounted investments                     | (121.9)        | (97.2)         |
| Capital expenditure (intangible assets and plant and equipment) | (125.1)        | (113.6)        |
| Other investing activities                                      | (51.4)         | (63.5)         |
| <b>Net cash used in investing activities</b>                    | <b>(301.3)</b> | <b>(269.1)</b> |
| Net change in borrowings  | 262.4          | 302.6          |
| Dividends paid to shareholders of SEEK Limited                  | (161.5)        | (157.7)        |
| Dividends paid to non-controlling interests                     | (9.6)          | (31.7)         |
| Net change in deposits to support entrusted loan facilities     | (86.5)         | (302.9)        |
| Zhaopin privatisation   | (49.2)         | (152.5)        |
| Net change in short-term investments                            | -              | 75.4           |
| Payment for additional interest in subsidiary                   | (1.6)          | (158.5)        |
| Other financing activities                                      | (14.5)         | (2.0)          |
| <b>Net cash used in financing activities</b>                    | <b>(60.5)</b>  | <b>(427.3)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | <b>10.8</b>    | <b>(303.7)</b> |

### Key cash flow movements

Net cash outflow of \$301.3m used in investing activities was primarily due to capital expenditure of \$125.1m and payments for interests in equity accounted investments \$121.9m.

Net cash outflow of \$60.5m from financing activities was primarily due to the net drawdown of borrowings of \$262.4m, offset by the net change of \$86.5m in deposits to support entrusted loan facilities held by Zhaopin, payment of dividends \$161.5m to SEEK shareholders and final payments associated with Zhaopin privatisation \$49.2m.

## Principal risks

SEEK actively manages the risks that could materially impact our ability to sustain our future financial performance and deliver our long-term strategy. The following are the key risks and the actions we are taking to manage these risks. Climate change risk is not considered financially material at this time and is addressed separately in SEEK's Sustainability Report from page 42.

| Risk area                                     | Impact of the risk  | Mitigation and monitoring strategies   |
|---|---|--|
| <b>Cyber security and business resilience</b> | A major cyber security breach could result in the loss of personally identifiable information, proprietary algorithms or sensitive data. A prolonged, unplanned disruption to critical platforms or significant interruptions in the systems of third parties upon which SEEK relies may impair SEEK's ability to provide services and damage SEEK's reputation and trust with candidates, hirers and students. | Highly skilled cyber security and technical experts focus on preventative, detective and responsive capabilities, to identify and respond to the emerging cyber threat landscape. Initiatives to raise employee cyber awareness and vigilance are being implemented. SEEK continues to enhance business continuity and disaster recovery capability and procedures, and the monitoring of critical systems for signs of poor performance, intrusion or interruption. |
| <b>Disruption and competition</b>             | New disruptive business models, competitors entering the market or existing competitors aggressively increasing their market share could erode SEEK's ability to compete. SEEK may not successfully build and acquire new growth platforms or products that solve candidate, hirer or student needs in the human capital market as quickly or effectively as competitors.                                       | Productive paranoia about being disrupted by companies keeps SEEK vigilant in monitoring local and global competitive trends and operating metrics. SEEK's organisational structure is designed for effective and fast-paced product and technology rollouts to provide market-leading experience for candidates, hirers and students. Increased investment activity aims to diversify the portfolio and enhance capabilities and value offerings.                   |
| <b>Data governance</b>                        | Failure to use and protect personally identifiable information or sensitive data in breach of data privacy laws or contrary to customer expectations may breach customer trust, damage SEEK's reputation and market position, and could result in regulatory action.  | SEEK continually invests in its cyber security measures and data management practices and procedures. Legal teams monitor developments in data privacy laws in relevant jurisdictions. Privacy policies are supported by clear guidance for candidates on how their information is collected, used, protected and how they can manage their data when they use SEEK's services.  |
| <b>Talent</b>                                 | Operating and financial performance is dependent on the ability to attract and retain top talent in a competitive environment, particularly in technology roles. Loss of key people could leave SEEK vulnerable to leadership and capability gaps.  | Investment in our people and culture enables SEEK to attract and retain key talent and maintain a motivated and effective workforce. External hiring addresses gaps in experience and capability for more complex roles with cross-geographical responsibility. The senior management remuneration structure is designed to retain key managers in specific geographies and focus them on SEEK's long-term growth potential.   |
| <b>Execution effectiveness</b>                | Changes and integration across the operating model and technology systems are complex particularly across geographies, and anticipated business benefits may not be realised within the desired timeline.   | Detailed planning processes underpin adjustments to the operating model designed to respond to customer needs, promote cross-regional collaboration and deliver greater impact on a global scale.  |
| <b>Country and regulatory</b>                 | SEEK is exposed to regulatory, legal, political and conduct risks in the countries in which it operates including in China, Asia Pacific and Latin America. Changes in policy or regulation in any country in which SEEK's employment or education businesses operate may adversely impact the delivery of services.  | Local and corporate management monitor economic and political indicators and changes to legislation. SEEK maintains strong relationships with key stakeholders in these markets, trains relevant employees and participates in industry consultation.  |
| <b>Economic conditions</b>                    | A prolonged decline in job advertisement volumes and revenue may occur as a result of severe economic downturn impacting employment markets in one or more of SEEK's markets.   | SEEK continually evolves its business model, products and services. Agile development methodologies enable fast response to challenges as well as enabling us to capitalise on new opportunities as they arise. The portfolio strategy reduces country-specific exposure by generating earnings across several geographies and the wider human capital market, including employment and education.   |







# Directors' Report

## Board of Directors



### Graham Goldsmith, age 59

Non-Executive Director since October 2012, Chairman from 1 January 2019

#### Skills and Experience

Graham Goldsmith retired in 2012 as Vice Chairman and a Managing Director of Goldman Sachs Australia after a 25 year career with the firm (and its predecessors in Australia), spanning a number of different roles. He was Chancellor of Swinburne University of Technology, until his retirement on 31 January 2019. Graham is a Panel Member of Adara Partners, a director of Stars Foundation Inc and a member of the Board of Trustees of Gandel Philanthropy.

#### Other listed company directorships

- Djerriwarrh Investment Ltd since April 2013

#### Board Committee memberships

- Chairman of Remuneration Committee
- Member of Audit and Risk Management Committee
- Member of Nomination Committee

#### Qualifications

B.Bus (Accounting) (Swinburne), AMP (Harvard University), FCPA, FAICD



### Andrew Bassat, age 53

Executive Director since September 1997

#### Skills and Experience

Andrew Bassat is the Managing Director, CEO and Co-Founder of SEEK Limited. He has been involved in all stages of the development of the business since he co-founded the Company in 1997.

In July 2016 Andrew was appointed as a director of St Kilda Football Club and in December 2018, became President of the Club.

#### Other listed company directorships

None

#### Qualifications

BSc (Computer Science) (Melb), LLB (Hons) (Monash), MBA (Melb)



### Denise Bradley, age 77

Non-Executive Director since February 2010

#### Skills and Experience

Emeritus Professor Denise Bradley AC has been extensively involved in national education policy groups for more than two decades. She has had significant roles on government and educational boards and committees involved in higher education and training. Denise is currently a member of the NSW Skills Board and Advisory Board for the NSW Centre for Educational Statistics and Evaluation. She is also deputy chair of the National Schools Resourcing Board.

#### Other listed company directorships

None

#### Board Committee memberships

- Member of Remuneration Committee
- Member of Nomination Committee

#### Qualifications

B.A (USYD), Dip Ed (Adelaide University), Dip. Librarianship (UNSW), MSocAdmin (Flinders University)



### Julie Fahey, age 62

Non-Executive Director since July 2014

#### Skills and Experience

Julie Fahey has over 30 years of experience in technology, covering consulting, software vendor and Chief Information Officer roles. In addition, Julie spent 10 years as a partner at KPMG. She is a director of Datacom Group Limited and CenITex and a member of the Australian Red Cross Blood Service Board.

#### Other listed company directorships

- IRESS Ltd since October 2017
- Vocus Group Ltd since February 2018

#### Board Committee memberships

- Member of Audit and Risk Management Committee
- Member of Nomination Committee

#### Qualifications

BAppSc (RMIT)





### **Leigh Jasper, age 45**

Non-Executive Director since April 2019

#### **Skills and Experience**

Leigh Jasper co-founded and was the CEO of Aconex, which listed on the ASX in 2014 and was subsequently acquired by Oracle in March 2018. Leigh led Aconex's global growth, expanding the business into Asia, the Americas, the Middle East and Europe.

Leigh is a director of The Macfarlane Burnet Institute for Medical Research and Public Health Limited and Salta Properties Pty Ltd.

#### **Other listed company directorships**

None

#### **Board Committee memberships**

- Member of Remuneration Committee
- Member of Nomination Committee

#### **Qualifications**

BE (Hons) (Melb), BSc (Mathematics) (Melb), Dip ML (French) (Melb)



### **Michael Wachtel, age 64**

Non-Executive Director since September 2018

#### **Skills and Experience**

Michael Wachtel has considerable global business experience gained during his 35 year career in the professional services industry. Michael was previously Chairman (Asia Pacific & Oceania) of Ernst & Young (EY) and a member of the EY Global Governance Council and Global Risk Executive Committee.

He is currently a Board member of the Future Fund and St Vincent's Medical Research Institute and past director of the Australian Centre for the Moving Image.

#### **Other listed company directorships**

None

#### **Board Committee memberships**

- Chairman of Audit and Risk Management Committee
- Member of Nomination Committee

#### **Qualifications**

BCom LLB (UCT), LLM (LSE)



### **Vanessa Wallace, age 55**

Non-Executive Director since March 2017

#### **Skills and Experience**

Vanessa Wallace has over 30 years experience in management consulting. Her former roles at Booz & Company (now known as Strategy&) included Executive Chairman of Booz & Company (Japan) Inc, Senior Partner, member of the global Board, lead of the financial services practice in Global Markets and lead of the strategy practice in ANZSEA. Vanessa is also a member of the Chairman's Council of the Australian Chamber Orchestra.

#### **Other listed company directorships**

- Wesfarmers Ltd since July 2010
- AMP Ltd (March 2016 to May 2018)

#### **Board Committee memberships**

- Member of Audit and Risk Management Committee
- Member of Remuneration Committee
- Member of Nomination Committee

#### **Qualifications**

BCom (UNSW), MBA (IMD, Switzerland)

## Directors and meetings of directors

All persons listed below were directors of SEEK Limited during the year ended 30 June 2019 and up to the date of this report, unless otherwise stated.

The qualifications, experience and special responsibilities of each director, including current and recent directorships, are detailed on pages 16 and 17 of the Directors' Report.

The table below details the number of Board and Committee meetings held and attended by those directors during the year ended 30 June 2019.

|  | Board |   | Audit and Risk Management Committee |   |   | Remuneration Committee |   |   | Nomination Committee |   |   | Ad hoc Committee <sup>1</sup> |   |   |
|--|-------|---|-------------------------------------|---|---|------------------------|---|---|----------------------|---|---|-------------------------------|---|---|
|  | A     | B | A                                   | B | C | A                      | B | C | A                    | B | C | A                             | B | C |
| <b>Managing Director, Chief Executive Officer and Co-Founder</b> |       |   |                                     |   |   |                        |   |   |                      |   |   |                               |   |   |
| A R Bassat   | 9     | 9 | -                                   | - | 5 | -                      | - | 4 | -                    | - | 4 | 2                             | 2 | - |
| <b>Non-Executive Directors</b>                                   |       |   |                                     |   |   |                        |   |   |                      |   |   |                               |   |   |
| G B Goldsmith <sup>2</sup>                                       | 9     | 9 | 5                                   | 5 | - | 2                      | 2 | 2 | 4                    | 4 | - | 3                             | 3 | - |
| D I Bradley  | 9     | 9 | -                                   | - | 4 | 4                      | 4 | - | 4                    | 4 | - | -                             | - | - |
| N G Chatfield <sup>3</sup>                                       | 5     | 5 | 3                                   | 3 | - | 2                      | 2 | - | 4                    | 4 | - | 2                             | 2 | - |
| J A Fahey  | 9     | 9 | 5                                   | 5 | - | -                      | - | 4 | 4                    | 4 | - | -                             | - | - |
| L M Jasper <sup>4</sup>  | 2     | 2 | -                                   | - | 1 | 1                      | 1 | - | -                    | - | - | -                             | - | - |
| M H Wachtel <sup>5</sup>   | 6     | 6 | 3                                   | 3 | - | -                      | - | 3 | 2                    | 2 | - | 1                             | 1 | - |
| V M Wallace  | 9     | 9 | 5                                   | 5 | - | 4                      | 4 | - | 4                    | 4 | - | -                             | - | - |

A - Meetings held while member held office and was eligible to attend as a member

B - Meetings attended

C - Meetings attended by invitation.

1. Ad hoc committees of the Board were organised during the year in relation to financial results and the implementation of an updated Euro Medium Term Note programme.
2. Graham Goldsmith was appointed to the Remuneration Committee effective 1 November 2018 and was appointed Chairman of the Board effective 1 January 2019.
3. Neil Chatfield retired as Chairman and a Non-Executive Director effective 31 December 2018.
4. Leigh Jasper was appointed to the Board and the Remuneration Committee effective 1 April 2019.
5. Michael Wachtel was appointed to the Board effective 1 September 2018 and to the Audit and Risk Management Committee effective 1 November 2018.

## Company Secretary

The Company Secretary is Lynne Jensen. Lynne was appointed Company Secretary effective 22 December 2015. Lynne has over 25 years of international and domestic legal and governance experience, including as a partner of Allens Arthur Robinson and as Group General Counsel and Company Secretary of Grocon. Lynne holds a Bachelor of Laws (Honours) and Bachelor of Arts from the University of Melbourne.

## Indemnification and insurance of officers

The SEEK Limited Constitution provides that the Company will, to the extent permitted by law, indemnify any current or former director or officer in respect of any liability incurred in that capacity and related legal costs. SEEK Limited has entered into a Deed of Indemnity with each director and a number of senior executives. During the year SEEK Limited paid a premium in respect of an insurance contract which covers the directors and officers against certain liabilities in accordance with the terms of the policy. The insurance contract requires the nature of the liability covered and the amount of the premium paid to be confidential.

## Interests in shares and options

As at the date of the report the directors held the following interests in shares and options:

|               | Shares in<br>SEEK Limited | Options over<br>SEEK Limited<br>shares |
|---------------|---------------------------|--|
| G B Goldsmith | 45,000                    | -                                      |
| A R Bassat    | 14,512,045                | 666,456 <sup>1</sup>                   |
| D I Bradley   | 10,056                    | -                                      |
| J A Fahey     | 8,888                     | -                                      |
| L M Jasper    | 15,849                    | -                                      |
| M H Wachtel   | 4,000                     | -                                      |
| V M Wallace   | 10,000                    | -                                      |

1. Includes Wealth Sharing Plan Options/Rights (refer to section 8.2 on page 38).

## Dividends

Dividends paid or declared by the Company to shareholders during the financial year are set out in Note 16 Dividends of the Financial Report.

## Auditor and non-audit services

PricewaterhouseCoopers (PwC) continues in office as auditor of the parent entity ('Auditor') in accordance with section 327 of the *Corporations Act 2001*.

It is the Group's policy to employ PricewaterhouseCoopers on assignments in addition to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions.

It is the Group's policy to seek competitive tenders for all major consulting projects.

Fees that were paid or payable during the financial year for non-audit services provided by the Auditor and its related practices are disclosed in Note 25 Remuneration of auditors of the Financial Report.

The Board has considered the position and, in accordance with the advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are satisfied that the provision of non-audit services by the Auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the impartiality and objectivity of the Auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 41.

## Environmental regulation

The operations of the Group are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

## Proceedings on behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company, nor have any applications for leave to do so been made in respect of the Company, under section 237 of the *Corporations Act 2001*.

## Significant changes in the state of affairs

### Appointment of Group COO and AP&A CEO

On 2 April 2019, SEEK announced the appointment of Ian Narev as SEEK Limited's Group Chief Operating Officer and Asia Pacific & Americas CEO. In this role, Ian has executive responsibility for the AP&A business and will work in close partnership with the SEEK Group CEO and Co-Founder, Andrew Bassat, on strategy development and operating priorities for the overall SEEK Group.

Ian commenced his employment on 29 April 2019. Prior to joining SEEK, Ian held senior roles within private equity and at the Commonwealth Bank of Australia, where he was employed for over 10 years including as CEO during the bank's ongoing technology transformation. In addition, during his nine years at McKinsey, Ian worked with companies across many industries in the US, Australia, New Zealand and Asia.

## Other information

The following information also forms part of this Directors' Report and is located as follows:

- Principal activities are set out on page 4;
- the Group's Operating and financial review is set out on pages 8 to 14; and
- the Remuneration Report is set out on pages 23 to 40.

## Matters subsequent to the end of the financial year

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

## Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Corporations Instrument to the nearest hundred thousand dollars, or in certain cases, the nearest dollar.







# Directors' Report

## Letter from Remuneration Committee Chairman

Dear Shareholder,

On behalf of the Board, I am pleased to present SEEK's FY2019 Remuneration Report.

In the last 12 months, I have had the pleasure of engaging with shareholders and proxy advisors on SEEK's approach to remuneration. The support expressed by so many of you is pleasing, especially regarding our use of Equity Rights in lieu of traditional short-term incentives ('STIs'). Our management team has demonstrated their continued focus on bold decision-making to position SEEK well for sustainable, long-term success, irrespective of the external environment or where we are within the business cycle. This is evidenced by strategic investments made over the past 12 to 18 months. While some of these investments may have impacted business profitability in the short-term, they support SEEK's future growth plans.

Our remuneration structure, particularly the Wealth Sharing Plan, is designed to reward management only if shareholders see the resultant returns. We appreciate however that there are some Wealth Sharing Plan features that may not be viewed positively by some proxy advisors and shareholders. Reflecting on this, the Remuneration Committee considered a range of potential design changes to the plan, as noted in the Q&As that follow this letter. In addition, with a preference for taking a holistic view of remuneration rather than implementing standalone changes that may not substantially improve overall effectiveness, we also considered whether the current approach to remuneration continues to support SEEK's strategy and business objectives.

The current approach drives the right behaviours, supports an ever-evolving business strategy and creates strong shareholder alignment. On this basis, the Remuneration Committee believes that it remains fit for purpose and appropriate for FY2020. That said, we remain open to exploring alternatives and considering potential changes in future. We often look beyond SEEK for different designs and structures that may better support our aim of long-term, sustainable shareholder wealth creation. We are also mindful of the ongoing debate about what best practice remuneration looks like, the Board's role in shaping this and the potential flow-on impact of regulatory changes within the financial services sector. We are committed to regular, critical review of our remuneration effectiveness on an ongoing basis.

Sections 2 and 3 of SEEK's FY2019 Remuneration Report set out why we believe our remuneration approach is right for us for now. I invite you to read this and consider our views. I would also like to thank those who provided both positive and constructive feedback during the past financial year. I look forward to engaging with you again in FY2020.



**Graham Goldsmith**  
Chairman of the Remuneration Committee

At SEEK, our remuneration approach is simple. We aim to pay competitively to attract and retain the best. Our variable remuneration components are designed to align executive reward with the shareholder experience and encourage a long-term business ownership mindset.

### > Executive team changes during FY2019

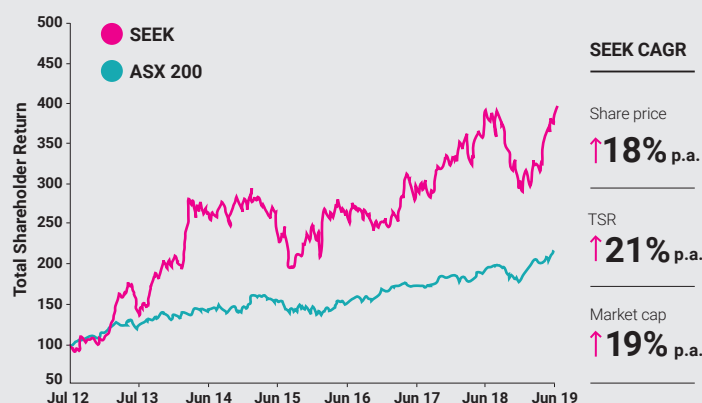
During FY2019, SEEK announced two changes to the Group Executive team: with Michael Ilczynski, CEO Asia Pacific and Americas ('AP&A') taking a period of extended leave from July 2019 for personal reasons; and Ian Narev being appointed to the newly created role of Group Chief Operating Officer ('COO') and AP&A CEO. This is a significant appointment, demonstrating our ability to attract the best senior talent to support our business. Ian's key contractual arrangements are outlined in section 5 of our FY2019 Remuneration Report.

### > CEO Remuneration Outcomes

While Andrew Bassat, CEO, again performed strongly throughout a challenging FY2019, the Board determined not to apply an increase to his remuneration for FY2020. With the CEO's current remuneration package remaining within the target range against our primary comparator group, we are confident of maintaining a competitive positioning against the market. In making its decision, the Board has also considered public sentiment regarding executive pay and feedback from some proxy advisors and shareholders about remuneration quantum.

Since the end of the reporting period, the FY2017 Wealth Sharing Plan vested. This outcome was a result of the growth in SEEK's share price exceeding the three year share price hurdle to 30 June 2019, with a compound annual growth rate ('CAGR') from 1 July 2016 to 30 June 2019 of 7.75% per annum. Dividends received by shareholders were on top of the share price growth achieved. Vested FY2017 awards are subject to a one year exercise restriction until 30 June 2020.

In assessing the reasonableness of the reward received by the CEO and executives through the FY2017 Wealth Sharing Plan, we continue to measure SEEK's long-term performance against the external market. Since FY2013, when SEEK's current remuneration structure, including the Wealth Sharing Plan was first introduced, the growth in SEEK's share price and total shareholder returns have significantly exceeded that of the ASX 200 index. This is a clear indication to the Board that our approach has driven the right behaviours and led to sustainable, long-term outcomes for the business and shareholders – and as a result of this, executives have been rewarded accordingly.



## Q&A

We are often asked about our remuneration approach and structure. What follows is a selection of questions that we were asked in FY2019, a brief summary of our responses and points of clarification.

### Why has SEEK retained the Wealth Sharing Plan design?

We welcome ongoing feedback on our remuneration approach, whilst also acknowledging there are significant differences in opinion between investor groups, making it unlikely that we will be able to please everyone. During FY2019, the Remuneration Committee undertook a detailed review of the Wealth Sharing Plan design, considering a range of potential changes for FY2020 and if any of these changes on their own, or in conjunction with others, would better achieve our plan objectives.

When the plan was introduced in FY2013, our overarching aim was to create a true “wealth sharing” arrangement: ensuring executives receive reward only when shareholders see significant, absolute share price appreciation. This was, and remains, in contrast to many other ASX-listed company long-term incentives (‘LTIs’) that vest if performance exceeds peers, even when the share price has fallen. Our secondary aim was to offer the executive team a competitive long-term reward proposition, supporting the attraction and retention of senior individuals who are critical to ensuring SEEK’s ongoing success.

The Remuneration Committee looked closely at all Wealth Sharing Plan design features, with a particular focus on the award vehicle, allocation methodology and vesting approach. Balancing various external views with an assessment against what we had set out to achieve, we made the decision to retain the existing plan design. After considerable discussion, this decision was agreed primarily based on the view of the Remuneration Committee and Board that the Wealth Sharing Plan appropriately rewards only when shareholder returns are delivered and motivates executives through the ups and downs of the business cycle.

### How does SEEK explain the Wealth Sharing Plan hurdle in comparison to historical growth rates of global technology companies?

Particularly in the current market environment where we have seen high share price volatility across the ASX, the growth rate required to achieve our Wealth Sharing Plan hurdle is challenging for the following reasons:

- Delivery of shareholder returns that exceed the Australian market is not easy to do, particularly as SEEK continues to re-invest locally and overseas.
- SEEK’s performance against the target growth rate excludes dividends, generally included in considering capital returns.
- An absolute share price hurdle, rather than a more commonly used relative hurdle, requires a positive return to shareholders and ensures executives are not shielded from market factors.

We also see a difference between the mainly ASX-listed companies that SEEK competes with for capital, against which the hurdle rate is set, versus competitors for business and talent which include the global technology companies. It is worth recognising that the remuneration structures within US-based businesses tend to be vastly different to Australia, with many offering unhurdled equity awards as a retention mechanism, instead of or in addition to their long-term incentive.

### What comparator group(s) does SEEK use to benchmark CEO and executive remuneration?

Each year, an external remuneration advisor is engaged to undertake market benchmarking against a primary comparator group that comprises 10 ASX-listed companies directly either side of SEEK based on 12-month average market capitalisation: a total of 20 companies. It is against this group that we aim to achieve a total remuneration target positioning of between the 50th and 80th percentiles. The primary data is supplemented by two other ASX-listed market capitalisation based comparator groups as a further sense-check of the local market. For purposes of clarity, detail on these three benchmarking groups, including the companies who comprised the primary group is provided in section 3.1 of our Remuneration Report.

Setting remuneration based on the ASX-listed market means a lower market positioning against global technology companies, many of whom offer significantly higher quantum and de-risked equity awards instead of, or in addition to, LTIs. However, while SEEK’s executives deal with many of the same challenges and complexities as their global counterparts, we believe taking a local view is the most appropriate approach at this time.

### Is SEEK still comfortable with the decision to use Equity Rights in place of a traditional STI?

We maintain that STIs are flawed and traditional annual scorecard metrics do not align with our objective of creating sustainable, long-term shareholder wealth. Over the past year, we have seen increasing support for the removal or significant re-design of STIs, due to these incentives consistently paying out at or around target or delivering inexplicable outcomes that have necessitated appropriate adjustment by a company’s Board.

We have received strong support from our institutional shareholders, along with many consultants, proxy advisors, and leading directors for our Equity Rights model which gives us great comfort that we are doing the right thing.

### How does SEEK ensure its senior leaders are doing the right thing - and what mechanisms are in place if they do not behave appropriately?

SEEK’s leaders are held to a very high performance standard in terms of behaviours and outcomes. Accordingly, regular performance assessments and quality conversations are conducted with our senior leaders. We have a high performing culture and aim to deliver great results for shareholders, but we value the ‘how’ just as much as the ‘what’. Performance assessments therefore consider both the business results achieved, along with how well each leader has demonstrated our values and attributes in contributing to the long-term success of SEEK.

While performance management is an important ‘frontline’ tool for addressing behavioural concerns, we continuously strive to maintain a safe, open and trusting environment for all employees as this is critical to ensuring that issues are surfaced to the right people, at the right time – and can then be adequately addressed. In addition, our equity plans provide for the ability to claw back unvested and certain vested awards, in circumstances where the expected behaviours or standards of performance are not being upheld by our senior leaders.

# Directors' Report

## Remuneration Report

### Contents

This Remuneration Report ('Report') contains the following sections:

|   |   |
|---|---|
| <b>1</b> Introduction                                   | <b>5</b> Executive contract terms and remuneration                          |
| <b>2</b> Executive remuneration strategy and principles | <b>6</b> Relationship between company performance and remuneration outcomes |
| <b>3</b> Executive remuneration framework               | <b>7</b> Non-Executive Director fees  |
| <b>4</b> Remuneration governance                        | <b>8</b> Other KMP disclosures  |

### 1. Introduction

This Report sets out the remuneration arrangements for the Key Management Personnel ('KMP') of SEEK for the year ended 30 June 2019. It has been prepared based on the requirements of the *Corporations Act 2001* and its Regulations and has been audited.

The aim of this Report is to provide shareholders with an understanding of SEEK's remuneration strategy, principles, policies and programs, their link with SEEK's Purpose, Vision, financial performance and shareholders' interests, as well as individual KMP remuneration outcomes. All references to Executives in this Report are to SEEK's Group Executives, including those who are not considered Executive KMP.

#### 1.1 Key Management Personnel

The KMP covered in this report are SEEK's Non-Executive Directors, Chief Executive Officer and Co-Founder ('CEO'), newly appointed Group COO and AP&A CEO, outgoing CEO AP&A and Group Chief Financial Officer ('Group CFO').

| Name                                 | Position  |
|--------------------------------------|---|
| <b>Non-Executive Directors</b>       |   |
| G B Goldsmith                        | Chairman (from 1 January 2019), Non-Executive Director    |
| D I Bradley                          | Non-Executive Director                                    |
| J A Fahey                            | Non-Executive Director                                    |
| L M Jasper                           | Non-Executive Director (from 1 April 2019)                |
| M H Wachtel                          | Non-Executive Director (from 1 September 2018)            |
| V M Wallace                          | Non-Executive Director                                    |
| <b>Former Non-Executive Director</b> |   |
| N G Chatfield                        | Chairman, Non-Executive Director (until 31 December 2018) |
| <b>Executive KMP</b>                 |   |
| A R Bassat                           | CEO   |
| M J Ilczynski                        | CEO AP&A (until 22 July 2019)                             |
| I M Narev                            | Group COO and AP&A CEO (from 29 April 2019)               |
| G I Roberts                          | Group CFO   |

## 1.2 Changes in KMP

During FY2019, there were two changes to the SEEK Group Executive team:

- Michael Ilczynski: as announced to the ASX, Michael stepped down from the CEO AP&A role to take an extended leave of absence from 22 July 2019 for personal reasons.
- Ian Narev: with Michael Ilczynski stepping down from the CEO AP&A role, SEEK appointed Ian into the newly created dual role of Group COO and AP&A CEO effective 29 April 2019. In this role, Ian has executive responsibility for the AP&A business. Ian will also work in close partnership with the CEO on strategy development and operating priorities for the overall SEEK Group. Ian's appointment date ensured an appropriate handover of the AP&A component of his role from Michael.

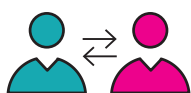
There have been no changes in KMP since the end of the reporting period.

## 2. Executive remuneration strategy and principles

**SEEK's remuneration strategy is aligned with the Company's Purpose, Vision and shareholders' interests. This section explains the strategy and principles which underpin the approach to Executive remuneration at SEEK.**

The objective of remuneration at SEEK is to support the business as it evolves and reward behaviours and actions which grow the long-term value of the Group, rather than those which focus primarily on short-term gains. As a people centric business facing increasing competitive threats, the creation of sustainable, long-term shareholder wealth relies on an ability to attract and retain world class talent and reward them for driving strategic execution and business outperformance.

### SEEK's guiding principles for Executive remuneration



**Aligns reward with SEEK's strategic intent and the shareholder experience, encouraging Executives to think and act as owners**



At SEEK, Executives are not merely management stewards, they are integral to the execution of strategy and creation of sustainable, long-term shareholder wealth.

It is therefore critical for Executives to have an ownership mindset and a willingness to make bold decisions that enhance the Company's long-term prospects, rather than focusing primarily on short-term gains. This is encouraged by sharing of wealth created by the SEEK business, but only when shareholders have also done well.



**Ensure Executives are paid competitively in the Australian market, with flexibility to attract and retain talent in the face of increasing competition**



SEEK's most important asset is its people, with a high correlation between the intellectual capital created by them and the delivery of strong shareholder returns.

Targeting remuneration at the 50th to 80th percentile of the local market reflects the challenging nature of Executives' roles and importance of attracting and retaining senior talent in a highly competitive environment. It also motivates individuals to perform well in all market conditions and economic cycles.



**Balances the need to be competitive with being fair, reasonable and appropriately reflective of SEEK's culture and external environment**



Remuneration is not relied upon to drive Executive focus and should not be needed for leaders to take key outcomes seriously. The aim is to ensure that SEEK's values and culture are sustained and supported by the Company's remuneration approach.

The Board also aims to balance community expectations regarding executive pay as an ASX-listed company, with the demands placed on Executives in managing a truly global business and ensuring SEEK is rewarding Executives for high performance.



**Is simple, easy to explain and delivers transparent remuneration outcomes that make sense both internally and to SEEK shareholders**



Over time, remuneration has become overly complex and too often delivers outcomes that are hard for both Executives and shareholders to understand. Simplicity and transparency are key to building trust with shareholders, as well as the Executive team.

SEEK's remuneration structure has been designed so that at any point in time, the likelihood of vesting and potential value of remuneration to be received by Executives can be determined; pending any further movements in SEEK's share price

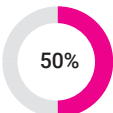
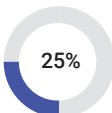
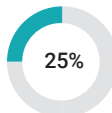
SEEK's principles are reviewed on a regular basis to ensure they remain fit for purpose. Each year, the Remuneration Committee also conducts an assessment of remuneration effectiveness against both the principles and overarching objective of remuneration.



### 3. Executive remuneration framework

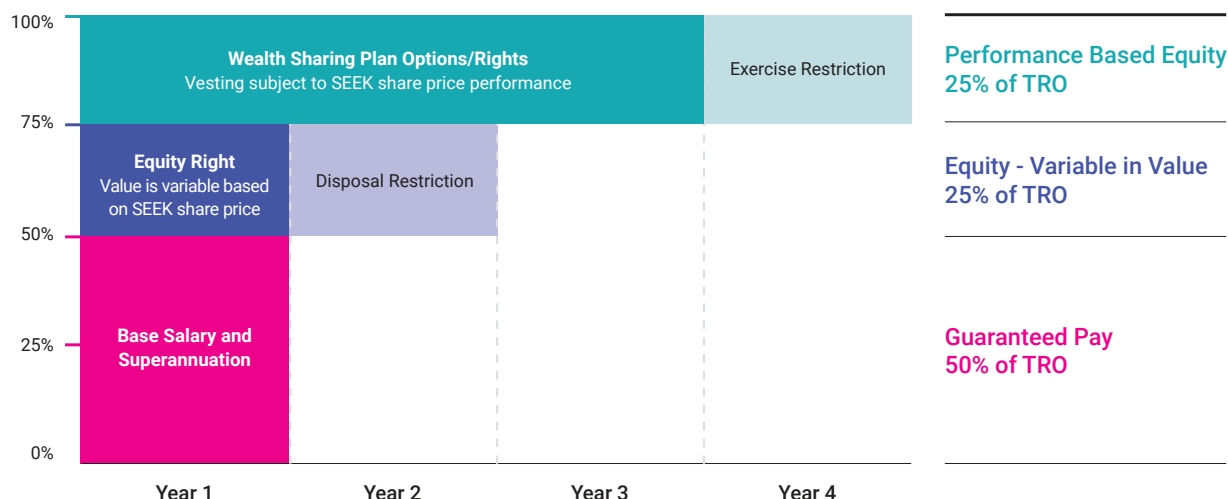
SEEK's Executive remuneration framework is made up of three components. Together, these reward for high performance, and align with the Group's vision of being a world-class company and delivering sustainable long-term growth in shareholder wealth. This section provides an overview of each component and how they each support SEEK's remuneration principles.

The FY2019 remuneration framework was largely consistent with the FY2018 approach, with amendments made to the Executive Equity Plan and Wealth Sharing Plan to enhance the operation of the plan and strengthen SEEK's governance framework.

| Component                                     | Base Salary & Superannuation  | Executive Equity Plan ('EEP')   | Wealth Sharing Plan ('WSP')   |
|---|---|---|---|
| <b>Purpose and how we aim to achieve this</b> | <b>Guaranteed Pay</b><br><br>Base Salaries are set at a level that results in Executives' Total Remuneration Opportunity being positioned between the 50th and 80th percentiles of local companies of comparable size<br><br>Refer section 3.1 for SEEK's FY2019 benchmarking approach and section 3.2 for the link to principles | <b>Equity - Variable in Value</b><br><br>Annual grant of 'locked-up' equity that is variable in value as the share price moves; this means that from Day 1, there is ongoing alignment with SEEK shareholders<br><br>Refer section 3.3 for the link to principles and summary of the FY2019 EEP Offer details | <b>Performance Based Equity (long-term equity component)</b><br><br>Annual grant of 'at-risk' equity which rewards only upon the achievement of a challenging level of share price growth, regardless of where SEEK is at in the business cycle<br><br>Refer section 3.4 for the link to principles and summary of the FY2019 WSP Offer details |
| <b>% of Total Remuneration Opportunity</b>    |   |   |   |
| <b>Delivery mechanism</b>                     | Base Salary plus Superannuation   | One Equity Right that converts into an agreed number of SEEK shares   | Choice of Options and/or Rights that may be converted into SEEK shares  |
| <b>Timeframe before reward is realised</b>    | Immediate   | Two years following grant<br><i>Deferred Shares allocated after a one-year Qualifying Period with a further one-year Disposal Restriction Period</i>  | Four years following grant<br><i>Vesting determined after a three-year performance period, with any vested equity exercisable only after a further one-year Exercise Restriction Period</i>   |

The diagram below provides a graphical overview of SEEK's Executive remuneration framework and structure of each component.

#### SEEK's Total Remuneration Opportunity ('TRO')



Awards under the Executive Equity Plan and Wealth Sharing Plan are made on an annual basis meaning that after one year of employment, Executives will have multiple equity awards 'at-risk' and/or 'locked-up', ensuring ongoing alignment with shareholders.

### 3.1 SEEK's approach to determining remuneration

While SEEK is an Australian headquartered business, the Company has a significant global footprint and as such, Executives face similar types of challenges and opportunities as their international counterparts. The competitive threats from global technology companies continue and the skills and experience of SEEK's senior leaders are aggressively pursued by companies both within the technology sector, as well as other high paying industries such as the financial services sector, where significant investments are being made to attract the best talent available in the market.

Recent organisational changes have enabled the Company to take full advantage of growing operational and investment opportunities and respond to competitors and market factors by leveraging the Executive and senior leader talent pool. The attraction and retention of these individuals is key to SEEK's ongoing success. While SEEK's voluntary attrition rate continues to be lower than the industry average, rewarding people for high performance remains critical in the ability to attract, retain and motivate top talent.

#### SEEK's target market positioning

The Board's objective is to position Executives' Total Remuneration Opportunity within a target range of the 50th and 80th percentiles of SEEK's primary comparator group, which comprises 20 similarly sized ASX-listed companies.

While there is an increasing requirement for the scope of senior roles to expand across multiple geographies, anchoring to the Australian market continues to be appropriate, especially with all Executives currently based locally. However, given the global nature of the business and competitive threats from both a business and talent perspective, it is becoming even more critical to pay Executives comfortably within the target range. The Board also remains cognisant of the remuneration structures and quantum offered by global technology businesses; noting this data is referred to as information only and not specifically applied to make Executive remuneration decisions.

#### SEEK's benchmarking approach

During FY2019, members of the Board and management engaged with and heard from shareholders, proxy advisors and others regarding their varied views about how a benchmarking comparator group should be constructed. It is acknowledged that there are pros and cons for each approach, including SEEK's current method of benchmarking Executive remuneration on a role-by-role basis against companies with a similar market capitalisation.

Without any direct ASX-listed peers, using a relatively small, local and market capitalisation-based primary comparator group enables the benchmarking of like-for-like roles against ASX-listed companies that are most similar in size and comparable in complexity to SEEK. Recognising that a common approach in Australia is to utilise a larger sample of companies selected on the basis of market capitalisation, data is also sought from two secondary sources as a further sense-check of positioning within the local market.

Following the outcomes of the FY2019 remuneration review, the Board remains confident that Executives are positioned well against the primary comparator group. Against large, multi-national and global technology companies, it is noted that Executives tend to be positioned lower in the target range and for this reason, ongoing monitoring will continue.

## FY2019 benchmarking comparator groups

### Primary comparator group

Consistent with the prior year, SEEK's FY2019 primary comparator group comprised 20 ASX-listed companies: 10 companies immediately either side of SEEK based on 12-month average market capitalisation to 28 February 2019 of \$6,872m, with no exclusions other than due to data availability for each individual role benchmarked.

#### FY2019 Primary Comparator Group Constituents:

|                     |  |
|---------------------|--|
| + 10 Companies      | Crown Resorts Limited                          |
|                     | Aurizon Holdings Limited                       |
|                     | Mirvac Group                                   |
|                     | BlueScope Steel Limited                        |
|                     | The a2 Milk Company Limited                    |
|                     | Medibank Private Limited                       |
|                     | Caltex Australia Limited                       |
|                     | Alumina Limited                                |
|                     | Fisher & Paykel Healthcare Corporation Limited |
|                     | Boral Limited                                  |
| <b>SEEK Limited</b> |  |
| - 10 Companies      | Orica Limited                                  |
|                     | Coca-Cola Amatil Limited                       |
|                     | Challenger Limited                             |
|                     | Spark New Zealand Limited                      |
|                     | TPG Telecom Limited                            |
|                     | Incitec Pivot Limited                          |
|                     | Seven Group Holdings Limited                   |
|                     | AusNet Services                                |
|                     | Xero Limited                                   |
|                     | Washington H Soul Pattinson and Co. Limited    |

### Secondary data sources

Two additional comparator groups supplemented the FY2019 benchmarking analysis, providing a more complete view of Executive remuneration within the local market:

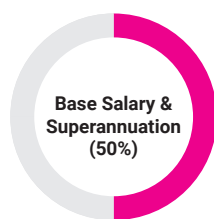
- 68 ASX-listed companies within the range of 50% to 200% of SEEK's market capitalisation based on a 12 month average market capitalisation to 28 February 2019; and
- 29 ASX-listed companies with international operations within the range of 50% to 200% of SEEK's market capitalisation based on a 12 month average market capitalisation to 28 February 2019.

While from time to time, the Board obtains global IT sector data to assess SEEK's ongoing competitiveness, no such data was sought in FY2019.

### Application of benchmarking data

Individual Total Remuneration Opportunity is determined by the Board with reference to:

- External market data provided by independent remuneration consultants for each Executive role and market positioning against this data, targeting between the 50th and 80th percentiles of the primary comparator group;
- Individual performance, role complexity, scope of role and associated internal relativities; and
- Availability of similar talent in the domestic and international marketplace.



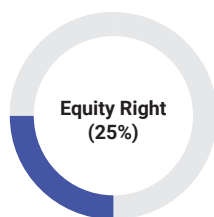
Year 1

### 3.2 Base Salary and Superannuation

Base Salary and Superannuation for SEEK's Executives comprises 50% of Total Remuneration Opportunity. Executives are eligible for cover under the SEEK salary continuance insurance policy, which is available to all permanent employees, as well as on-site car parking.

Base Salary is set at a level that results in Executives' Total Remuneration Opportunity being positioned between the 50th and 80th percentile of the local market. Provision of a competitive Base Salary that is reflective of the opportunities and challenges faced; and the Board's expectation of high performance at all times, in all conditions, allows Executives to focus on the job at hand. Together with the Equity Rights and Wealth Sharing Plan Options/Rights, Executives have the confidence that they will be fairly remunerated for their efforts throughout the business cycle, without this being excessive.

Under current legislation, SEEK permits the choice of superannuation funds for all employees.

Qualifying Period  
Year 1Disposal Restriction  
Year 2

### 3.3 Equity Rights

Executives receive 25% of Total Remuneration Opportunity as Equity Rights, which ensures alignment with shareholders and emphasises SEEK's focus on sustainable, long-term shareholder wealth creation. Equity Rights, rather than a traditional STI, encourage Executives to think and act as owners. It also supports a focus on the day-to-day actions that will sustainably grow the business rather than a focus on short-term financial targets which may not support SEEK's long-term aims.

The key design features of the Executive Equity Plan are as follows:

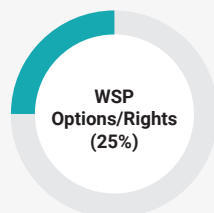
- Equity Rights vest, subject to continued employment, after a one-year Qualifying Period. Shares allocated are subject to a further one-year Disposal Restriction (in total, a two-year 'lock-up' period);
- The number of shares to be allocated is determined based on a Volume Weighted Average Price ('VWAP') for the 60 trading days leading up to the start of the Qualifying Period (up to and including 30 June);
- The actual value of each Equity Right is variable during the Qualifying and Disposal Restriction Periods, based on the SEEK share price at a given point in time. This means that Executives are always exposed to the same SEEK share price movements (up and down) as shareholders.

### Terms and duration

The terms of FY2019 Equity Rights are set out below. There were no design changes from the prior financial year, however, a formal clawback mechanism was introduced from FY2019 offers onwards.

#### Equity Rights

|   |  |
|---|--|
| <b>Objective</b>                          | Ensuring Executives hold substantial equity in SEEK to create shareholder alignment and exposure to movements in SEEK's share price for the duration of the award.   |
| <b>Effective Date</b>                     | 1 July 2018  |
| <b>Grant date</b>                         | Executives: 16 October 2018<br>CEO: 6 December 2018  |
| <b>Closing share price at 1 July 2018</b> | \$21.81  |
| <b>Qualifying Period</b>                  | 1 July 2018 to 30 June 2019  |
| <b>Lapsing condition</b>                  | Equity Rights generally lapse where the Executive ceases employment before the end of the Qualifying Period. In other circumstances, being good leaver events, the Executive's Equity Right will remain on foot and the number of shares that will be received will be adjusted to take into account the Executive's service period. The Board retains discretion to determine a different treatment if considered appropriate in the circumstances. |
| <b>Vesting date</b>                       | 1 July 2019  |
| <b>Allocation methodology</b>             | Shares allocated using a 60 day VWAP up to and including 30 June 2018, being \$20.42   |
| <b>Exercise price</b>                     | \$nil  |
| <b>Disposal Restriction Period</b>        | 1 July 2019 to 30 June 2020<br>Executives are entitled to retain their shares if employment ceases during the Disposal Restriction Period, subject to the original restriction terms and compliance with post-employment obligations.  |
| <b>Dividend and voting entitlements</b>   | During the Disposal Restriction Period, dividends are received on shares allocated on conversion of the Equity Right and the Executive can exercise the voting rights on those shares.   |
| <b>Change of control</b>                  | Board discretion to determine an appropriate treatment for unvested Equity Rights and/or Deferred Shares allocated to Executives.  |
| <b>Malus and clawback</b>                 | Equity Rights and/or the underlying Deferred Shares may lapse or be forfeited, at the discretion of the Board, in certain circumstances which include fraudulent behaviour or gross misconduct in relation to the Group, material breach of contractual obligations or where equity awards have vested as a result of a material misstatement in the financial statements.   |



Performance Period  
Year 1–Year 3

Exercise Restriction  
Year 4

### 3.4 Wealth Sharing Plan Options/Rights

Executives receive 25% of Total Remuneration Opportunity in equity awards granted to them under the SEEK Wealth Sharing Plan, representing the at-risk, long-term equity component of an Executive's remuneration opportunity. The Wealth Sharing Plan supports the retention of Executives and operates as a true 'wealth sharing' arrangement, whereby reward is received only when shareholders have also done well.

The key design features of the Wealth Sharing Plan are as follows:

- Executives are offered the choice to receive a grant of Options and/or Rights, with the number of awards granted dependent on this choice: fewer Rights are offered compared to Options reflecting the higher fair value of a Right relative to an Option. All Executives including the CEO elected to receive their FY2019 award in Rights.
- Both Options and Rights are subject to the same share price performance hurdle which requires the SEEK share price to outperform the historical CAGR of the Australian market for awards to vest. This creates close alignment of Executives with shareholders' interests over the vesting period. While the plan has the potential to result in substantial reward for Executives, the requirement for absolute share price growth ensures a clear link to the value created for shareholders over the same period.
- The share price performance hurdle is a purely capital hurdle which excludes dividends. By contrast, shareholders receive the benefit of any dividends paid to them in addition to any capital returns. Upfront disclosure of this hurdle also enables both Executives and shareholders to easily monitor actual performance against the target at any time during the vesting period.
- Awards vest in full upon achievement of the share price performance hurdle. Conversely, Executives do not receive any value from the plan if the hurdle is not achieved, even if the SEEK share price has outperformed its peers. This intentionally differs from traditional LTI plans which vest on a 'sliding scale' basis with reference to relative performance, such that vesting can occur even if the company's share price has decreased.
- Vested awards are subject to a one-year Exercise Restriction, meaning the value that may be realised by Executives remains variable based on the SEEK share price over this period. This exposure to share price variability means that if the value of SEEK's shares decrease following the attainment of the share price hurdle, and subsequent vesting, Executives will experience the same downside and vice versa.



## Terms and duration

The terms of the FY2019 Wealth Sharing Plan awards are set out below. There were no design changes from the prior financial year, other than an amendment to the cessation terms from FY2019 offers onwards. A formal clawback mechanism was also introduced.

### Wealth Sharing Plan Options/Rights

|  |   |
|--|---|
| <b>Objective</b>   | Ensuring Executives focus on sustainable absolute increases in shareholder value over the long-term.  |
| <b>Effective Date</b>  | 1 July 2018   |
| <b>Grant date</b>  | Executives: 16 October 2018<br>CEO: 6 December 2018   |
| <b>Testing date</b>  | 30 June 2021  |
| <b>Vesting date</b>  | 1 July 2021   |
| <b>Exercise restriction period</b>                                 | 1 July 2021 to 30 June 2022   |
| <b>Exercise period</b>   | 1 July 2022 to 1 July 2023  |
| <b>Expiry date</b>   | 1 July 2023   |
| <b>Fair value at Effective Date (allocation value)<sup>1</sup></b> | Option: \$3.04; Right: \$9.69   |
| <b>Closing share price at grant date<sup>2</sup></b>               | Executives: \$19.23 at 16 October 2018<br>CEO: \$17.38 at 6 December 2018   |
| <b>Exercise price</b>  | Option: \$24.39; Right: \$nil   |
| <b>Fair value at grant date (accounting value)<sup>2</sup></b>     | Executives: \$6.18 at 16 October 2018<br>CEO: \$3.94 at 6 December 2018   |
| <b>Performance conditions</b>                                      | <p>Vesting is dependent on achieving a share price hurdle of \$24.39, calculated as follows:</p> <ul style="list-style-type: none"> <li>i. The 15 year average growth in the ASX All Ordinaries Index for the FY2019 grant was 6.10%;</li> <li>ii. 60 day VWAP up to, but not including, the Effective Date was \$20.42;</li> <li>iii. The 6.10% ASX All Ordinaries Index 'return' was multiplied over a three-year performance period on a compound basis and applied to SEEK's 60 day VWAP</li> </ul> <p><i>Calculation: <math>(1+0.061)^3 \text{ year period} \times \\$20.42 = \\$24.39</math></i></p>    |
| <b>Lapsing condition</b>   | <p>Options/Rights will lapse, subject to Board discretion, where the Executive ceases employment (i) before the testing date as a result of summary dismissal or (ii) less than one year has elapsed between the Effective Date and the date of cessation.</p> <p>In other circumstances, a pro-rated portion of the Executive's Options/Rights based on service period, will remain on foot and subject to their original terms, unless the Board determines otherwise.</p>  |
| <b>Vesting schedule</b>  | If SEEK's 60 day VWAP up to and including 30 June 2021 meets or exceeds the share price hurdle, 100% of Options/Rights will vest. If SEEK's share price does not meet the hurdle, 0% of Options/Rights will vest.   |
| <b>Allocation methodology</b>                                      | <p>The number of Options/Rights granted to an Executive was determined by dividing the Executive's award opportunity by the fair value of the Options/Rights at the Effective Date, as determined by an independent consultant (Ernst &amp; Young).</p> <p>The fair value was based on the closing share price as at the Effective Date, and was calculated using a Monte-Carlo simulation model, which takes into consideration factors such as the performance hurdle, probability of the hurdle being achieved, share price volatility, expected life of the award, dividend yield and risk-free rate.</p> |
| <b>Change of control</b>   | Board discretion to determine an appropriate treatment for unvested and/or vested, but unexercised Options/Rights.  |
| <b>Malus and clawback</b>  | Unvested and vested, but unexercised Options/Rights may lapse or be forfeited, at the discretion of the Board, in certain circumstances which include fraudulent behaviour or gross misconduct in relation to the Group, material breach of contractual obligations or where equity awards have vested as a result of a material misstatement in the financial statements.  |

1. A fair value per Option and Right was calculated as at the Effective Date, 1 July 2018, for the purposes of determining the number of Options and Rights to be allocated to the CEO and other Executives.

2. WSP Options/Rights were granted to Executives other than the CEO on 16 October 2018; and to the CEO on 6 December 2018, following shareholder approval of the CEO's FY2019 equity awards at SEEK's 2018 AGM. The closing share prices and fair values at grant date therefore reflect SEEK's share price and the fair value per Option and Right as at 16 October 2018 and 6 December 2018, respectively. The fair values at grant date are the values attributed to the CEO and Executives' FY2019 WSP Options/Rights for accounting purposes, as shown in section 8.3.

### Value of the CEO's FY2019 Wealth Sharing Plan award

The Board acknowledges that some shareholders and proxy advisors would have a preference to convert the fair value of the CEO's Wealth Sharing Plan award into an equivalent face value amount. For transparency and to aid these shareholders and proxy advisors, this conversion is set out below.

The CEO's FY2019 Wealth Sharing Plan grant was equal to 25% of his Total Remuneration Opportunity which using a fair value allocation approach, resulted in 129,676 Rights being allocated following shareholder approval at SEEK's 2018 Annual General Meeting ('AGM'). For allocation purposes, the fair value of the Rights, as determined by Ernst & Young at the start of the performance period (that is, 1 July 2018), was \$9.69. For comparison purposes, the face value of the Rights, based on SEEK's 60 day VWAP up to and including 30 June 2018, was \$20.42.

|               | Number of Rights | Fair value of Rights | Face value of Rights |
|---------------|------------------|----------------------|----------------------|
| Andrew Bassat | 129,676          | \$1,256,565          | \$2,647,984          |

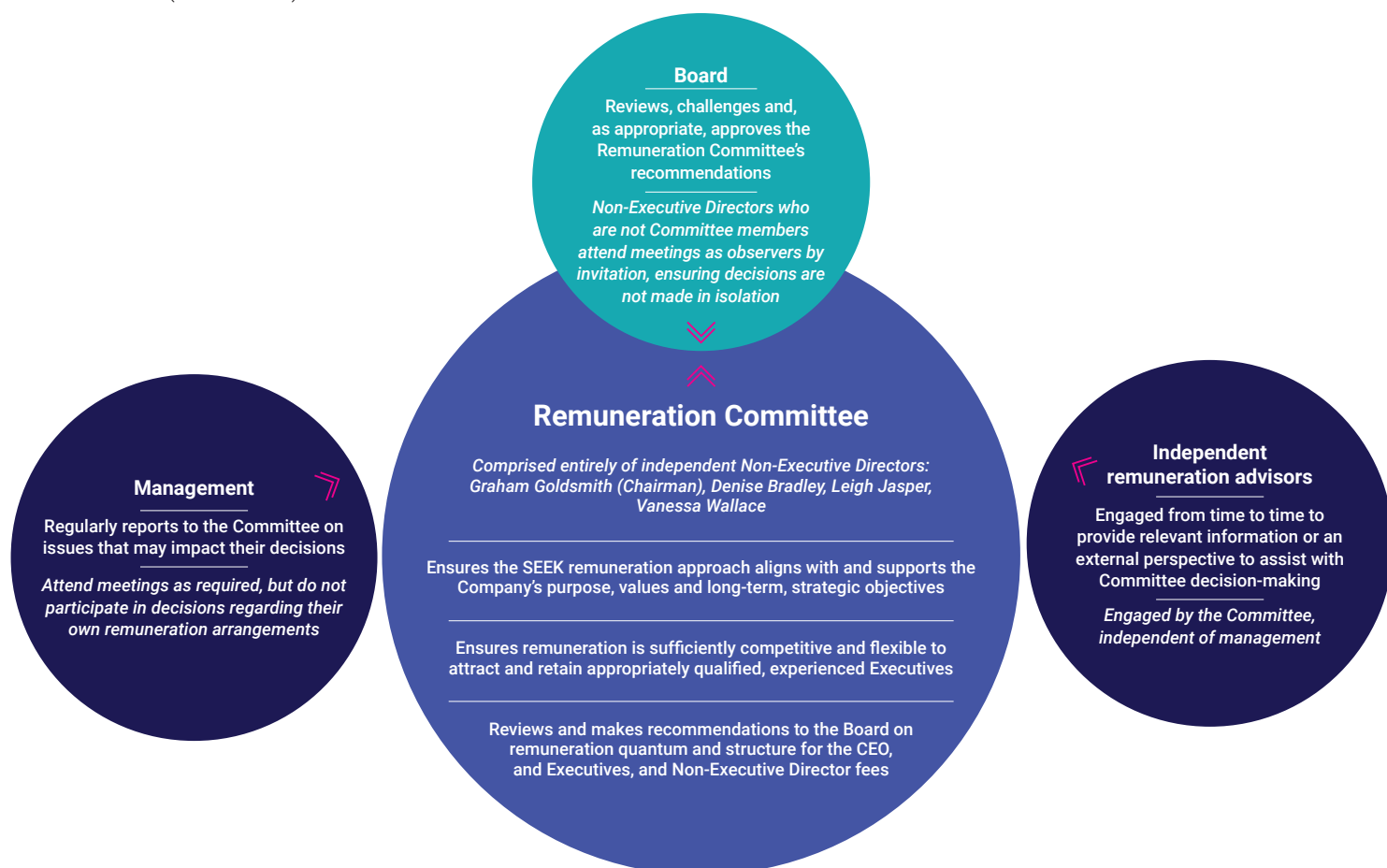
The difference between the fair value and face value of these Rights reflects the degree of difficulty associated with SEEK's three-year absolute share price performance hurdle. In contrast to a more typical relative total shareholder return ('RTSR') hurdle (whereby vesting may occur if the Company outperforms its peers, even if their absolute share price decreases), SEEK's hurdle requires absolute growth in the share price on a compound annual growth rate basis over the vesting period, regardless of market performance during this period.

SEEK's more challenging performance hurdle, in conjunction with the all or nothing vesting approach, results in a lower overall probability of vesting than many other LTIs used by ASX-listed companies. Together with SEEK not accounting for dividends foregone during the vesting period, these factors lead to the determination of the fair value per Right of approximately half of face value.

## 4. Remuneration governance

SEEK's remuneration governance framework and related policies ensure that the integrity of the Company's remuneration strategy is maintained and appropriate outcomes are delivered. This section sets out the role of the Remuneration Committee and other key elements of SEEK's remuneration governance framework.

The following diagram illustrates SEEK's remuneration governance framework and the key roles of the Board and Remuneration Committee ('Committee').



#### 4.1 Independent remuneration advisors

The Committee engages independent remuneration advisors on an as needs basis to provide information regarding market movements, trends and regulatory developments. The Committee and the Board consider this information along with other best practice insights to ascertain what is right for SEEK when making decisions regarding remuneration.

In FY2019, Ernst & Young was engaged to provide Executive benchmarking data for the purposes of informing the Committee of the current market positioning of Executives against SEEK's benchmarking comparator groups. The Committee is satisfied that no remuneration recommendations (as defined in the *Corporations Act 2001*) were provided by Ernst & Young or any other external remuneration advisor during FY2019.

#### 4.2 Executive performance evaluations

The performance of each Executive including the CEO is assessed annually, with performance conversations conducted on an ongoing basis throughout the year. The CEO's performance assessment is conducted by the Board, followed by a one-on-one discussion between the Chairman and the CEO, taking into account the results achieved, demonstrated leadership behaviours and the culture fostered across the organisation. Executives' performance is assessed by the CEO and tabled with the Board for discussion. Discussions on CEO and Executive performance also occur at Board and Committee meetings on a more regular basis throughout the year.

Performance assessments at SEEK are undertaken primarily against the Company's performance framework, referred to as 'This is SEEK', which is applied consistently for all SEEK employees. The framework considers both the individual and collective outcomes achieved, along with how well each individual has demonstrated the SEEK values and attributes when achieving these. For the CEO, Executives and other senior leaders, other inputs into their performance assessment include formal '360 degree' feedback and the results and insights from bi-annual engagement survey results.

In respect of FY2019, CEO and Executive performance evaluations have been undertaken in accordance with the process described above.

#### 4.3 Malus and clawback

In FY2019, a malus and clawback clause was introduced into the SEEK Equity Plan Rules, which govern offers made to Executives under the Executive Equity Plan and Wealth Sharing Plan. While SEEK's remuneration structure aims to avoid the risk of a conflict between short-term KPIs and sustainable, long-term decision-making, this clause provides clarity for all parties regarding when and how any such clawback and/or adjustment may occur.

Under the applicable clause, the Board may determine that both unvested and/or vested equity awards (the latter in relation to shares which have not yet been allocated), along with any restricted shares allocated under the SEEK Equity Plan, may lapse or be forfeited if the circumstances require. Examples of where the Board may seek to enforce the malus and clawback clause include instances of fraudulent behaviour or gross misconduct in relation to the Group, material breach of contractual obligations or where equity awards have vested as a result of a misstatement in the financial statements.

#### 4.4 Minimum shareholding requirements

SEEK has a Minimum Shareholding Policy ('Policy') that applies to Executives and Non-Executive Directors. This Policy has been endorsed by the Board to promote the alignment of interests of Executives and Non-Executive Directors with the interests of shareholders. In FY2019, the CEO, all Executives and all Non-Executive Directors met or are on track to meet, their minimum shareholding requirements as outlined below.

Under the Policy, the CEO is required to hold SEEK equity equivalent to two years of annual base salary and superannuation and Executives are required to hold SEEK equity equivalent to one year of annual base salary and superannuation. The equity remuneration taken into account in determining if this requirement is met includes shares, vested Options/Rights and unvested Equity Rights. Newly appointed Executives are permitted to reach the minimum shareholding requirement over a three-year period.

Non-Executive Directors are required to hold a SEEK shareholding equivalent to one year of their annual base director fee under the Policy. With no equity-based director fees, Non-Executive Directors must fulfill this obligation through their own purchase of SEEK shares on-market. Newly appointed Non-Executive Directors are permitted to reach the minimum shareholding requirement over a five-year period. As part of this transition period, new Non-Executive Directors are expected to hold 20% of their annual base director fee in SEEK shares for each year of their directorship until the minimum shareholding requirement is achieved.

#### 4.5 Share Trading Policy

SEEK has a Share Trading Policy which aims to ensure that all employees understand their obligations in relation to insider trading, describes restrictions on buying and selling SEEK shares by Executives, other senior leaders and certain other SEEK employees ('Designated Persons') and when approvals need to be sought. Under the Share Trading Policy, SEEK prohibits Designated Persons from entering into arrangements which have the effect of limiting the economic risk related to an unvested share, option or other security granted or awarded under a SEEK employee incentive scheme, including those still subject to disposal restrictions.

All KMP, Executives and certain other SEEK senior leaders ('SEEK Senior Personnel') are also restricted from entering into margin loans in respect to SEEK's securities, unless they have received prior written approval from the Chairman. No margin loans were entered into by KMP during FY2019 and none are currently on foot.

The Share Trading Policy can be found on the Corporate Governance page in the Investors section of the Company's website at <https://www.seek.com.au/about/investors/corporate-governance>.

## 5. Executive contract terms and remuneration

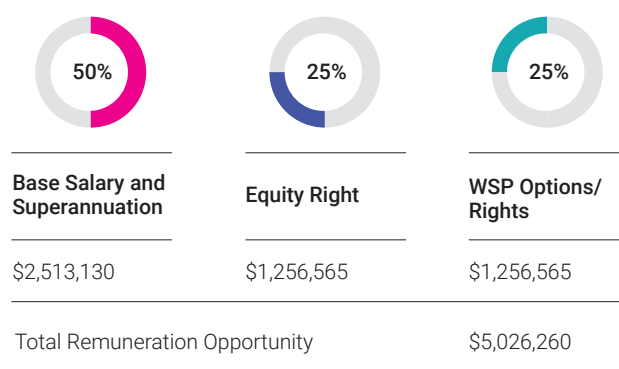
SEEK's approach has always been to adhere to good governance standards and provide full transparency to shareholders. This section provides details of the CEO's FY2020 remuneration package and the agreed contractual arrangements for the Group COO and AP&A CEO, along with key contract terms for SEEK's Executives.

### 5.1 CEO Remuneration for FY2020

Since the end of the reporting period, SEEK has completed its FY2019 remuneration review and the Board has determined CEO and Executive remuneration increases for FY2020. SEEK's review confirmed that the CEO's Total Remuneration Opportunity is positioned between the targeted 50th and 80th percentile range of SEEK's FY2019 primary comparator group, appropriately reflecting the Board's expectations of the role, the CEO's track record and the increasing globalisation of SEEK's business. After review and discussion of these factors, a decision was taken by the Board to maintain CEO Total Remuneration Opportunity at the same level, meaning no quantum increase will be applied to CEO remuneration for FY2020.

At the 2019 AGM on 26 November 2019, shareholders will be asked to approve the grant of an Equity Right and a grant of Wealth Sharing Plan Options and/or Rights to the CEO.

FY2020 package: CEO



### 5.2 Executive contract terms

During FY2019, SEEK entered into newly revised individual employment contracts with each Executive, formalising their remuneration arrangements and revising or restating other terms of employment as applicable. Each of these agreements provides for Base Salary and Superannuation, the Equity Right, and WSP Options/Rights. Executive's Total Remuneration Opportunity is reviewed on an annual basis. The table below outlines contractual arrangements for the CEO and Executives.

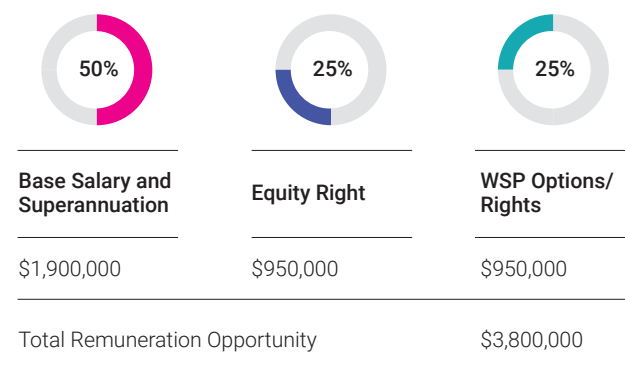
| Individual               | Contract term | Notice period - employer | Notice period - employee | Post-employment restraints  |
|--------------------------|---------------|--------------------------|--------------------------|---|
| CEO and other Executives | Ongoing       | Six months               | Six months               | 12 month non-competition period across all markets in which SEEK operates |

The Company has the option to terminate employment with a payment in lieu of notice. Any payment in lieu of notice is not to exceed average annual base salary as defined by the *Corporations Act 2001*. The Company may terminate employment immediately for cause, in which case the Executive is not entitled to any payment in lieu of notice.

#### Appointment of Group COO and AP&A CEO

During FY2019, Ian Narev commenced employment with SEEK as the new Group COO and AP&A CEO. Given Ian is a newly appointed Executive and KMP, his remuneration arrangements for both FY2019 and FY2020 are disclosed in the corresponding graphic. Ian's Total Remuneration Opportunity ensures he is appropriately remunerated for a sizeable dual executive role being: executive responsibility for the AP&A business; and working in close partnership with the CEO on strategy development and operating priorities for the overall SEEK Group. For FY2019, Ian received a pro-rated Executive Equity Plan award, reflective of his commencement date of 29 April 2019. However, given his commencement late into the financial year, the first annual award under the Wealth Sharing Plan will be made in FY2020 at the same time offers are issued to other Executives.

FY2020 package: Group COO & CEO AP&A



As part of his employment with SEEK, Ian was also issued a one-off sign-on equity award as compensation for remuneration foregone as a result of joining SEEK and in recognition of the important, strategic role that he is expected to play. The structure of the award ensures alignment with other Executives and SEEK shareholders from the date of commencement. The award opportunity is \$3,200,000, separated into two offers made under the SEEK Equity Plan: one-third granted as an Equity Right under the Executive Equity Plan, with the other two-thirds granted as 50% Options and 50% Rights under the Wealth Sharing Plan. The majority of the award is therefore at-risk, with vesting subject to SEEK's share price performance over the long-term. In addition, any potential value is not realised until two years (for the Equity Right) and four years (for the Wealth Sharing Plan Options/Rights) from commencement, with actual value linked to SEEK's share price at all times. Key terms of the one-off, sign-on Equity Right and Wealth Sharing Plan Options/Rights broadly reflect the FY2019 Executive Equity Plan and Wealth Sharing Plan offers, with the following exceptions to reflect Ian's commencement date of 29 April 2019:

- Equity Right – one-year Qualifying Period from 29 April 2019 until 28 April 2020 and subsequent one-year Disposal Restriction Period from 29 April 2020 until 28 April 2021.
- Wealth Sharing Plan Options/Rights – three-year vesting period from 29 April 2019 to 28 April 2022, subject to a share price hurdle of \$20.95, representing a compound annual growth rate of 5.70% per annum on a starting share-price of \$17.74 (based on a 60 day VWAP up to and including 28 April 2019). The subsequent one-year Exercise Restriction Period runs from 29 April 2022 to 28 April 2023. Any unexercised Options/Rights will expire on 28 April 2024. WSP Options have an exercise price of \$20.95.

The number of Wealth Sharing Plan Options/Rights granted to Ian and their allocation values are disclosed in section 8.2. The fair value of these awards for accounting purposes is disclosed in section 8.3.



### 5.3 Executive statutory remuneration for FY2019 and FY2018

The following table provides the statutory remuneration disclosures for Executive KMP for FY2019 and is prepared in accordance with Australian Accounting Standards. The statutory remuneration disclosed in this table differs from the Executive KMPs' FY2019 Total Remuneration Opportunity and the elements of the remuneration framework outlined in section 3. Differences arise mainly due to the accounting treatment of long-term benefits (which include annual leave and long service leave) and share-based payments (Equity Rights and Wealth Sharing Plan Options/Rights). Statutory disclosures include an accounting value for current year Equity Rights and all unvested Wealth Sharing Plan awards. The Accounting Standards require remuneration in the form of equity awards to be expensed (and therefore included as remuneration) over the performance period of the Wealth Sharing Plan Option/Right even though an Executive may not realise any benefit from that award.

|                          | Short-term benefits           |                          | Post-employment benefits         |                         | Long-term benefits                     |                                 | One-off share-based payments |           | Ongoing share-based payments |            | Total | Performance based equity component <sup>(7)</sup> % |  |
|--------------------------|-------------------------------|--------------------------|----------------------------------|-------------------------|--|---------------------------------|------------------------------|-----------|------------------------------|------------|-------|---|--|
|                          | Cash salary <sup>(1)</sup> \$ | Non-monetary benefits \$ | Superannuation <sup>(2)</sup> \$ | Leave <sup>(3)</sup> \$ | One-off equity award <sup>(4)</sup> \$ | Equity Rights <sup>(5)</sup> \$ | WSP Rights <sup>(6)</sup> \$ |           |                              |            |       |   |  |
| Executive KMP            |                               |                          |                                  |                         |  |                                 |                              |           |                              |            |       |   |  |
| A R Bassat               | 2019                          | 2,488,130                | 7,823                            | 25,000                  | 361,493                                | -                               | -                            | 1,256,565 | 686,131                      | 4,825,142  | 14%   |   |  |
|                          | 2018                          | 2,324,175                | 7,515                            | 24,545                  | 206,840                                | -                               | -                            | 1,174,360 | 1,363,115                    | 5,100,550  | 27%   |   |  |
| M J Ilczynski            | 2019                          | 1,750,025                | 11,680                           | 25,000                  | 116,933                                | -                               | -                            | 887,513   | 518,945                      | 3,310,096  | 16%   |   |  |
|                          | 2018                          | 1,560,298                | 10,921                           | 24,545                  | 115,865                                | -                               | -                            | 792,422   | 884,206                      | 3,388,257  | 26%   |   |  |
| I M Narev <sup>(8)</sup> | 2019                          | 303,846                  | 1,701                            | 25,000                  | 32,911                                 | 370,713                         | -                            | 164,422   | -                            | 898,593    | 21%   |   |  |
|                          | 2018                          | -                        | -                                | -                       | -                                      | -                               | -                            | -         | -                            | -          | n/a   |   |  |
| G I Roberts              | 2019                          | 1,105,674                | 11,679                           | 20,532                  | 28,037                                 | -                               | -                            | 571,320   | 359,574                      | 2,096,816  | 17%   |   |  |
|                          | 2018                          | 1,078,645                | 10,921                           | 20,049                  | (5,375)                                | -                               | -                            | 571,320   | 666,732                      | 2,342,292  | 28%   |   |  |
| Former Executive KMP     |                               |                          |                                  |                         |  |                                 |                              |           |                              |            |       |   |  |
| I Mazer <sup>(9)</sup>   | 2019                          | -                        | -                                | -                       | -                                      | -                               | -                            | -         | -                            | -          | n/a   |   |  |
|                          | 2018                          | 596,414                  | 6,902                            | 21,361                  | 50,883                                 | -                               | -                            | 307,940   | 431,947                      | 1,415,447  | 31%   |   |  |
| Total                    | 2019                          | 5,647,675                | 32,883                           | 95,532                  | 539,374                                | 370,713                         | -                            | 2,879,820 | 1,564,650                    | 11,130,647 |       |   |  |
|                          | 2018                          | 5,559,532                | 36,259                           | 90,500                  | 368,213                                | -                               | -                            | 2,846,042 | 3,346,000                    | 12,246,546 |       |   |  |

1. Amounts disclosed include base salary and any superannuation amount over the general concessional contributions cap of \$25,000 for the 2018-19 income year.

2. Superannuation at SEEK is uncapped, with any amount earned over the general concessional contributions cap or maximum super contributions base (where applicable), paid as cash and included within 'cash salary'.

3. Amounts disclosed reflect long service leave and annual leave accrued but not taken.

4. Amounts disclosed reflect the accounting expense for the one-off, sign-on equity award received by Ian Narev upon his commencement with SEEK. Refer section 5.2 for further detail.

5. Amounts disclosed reflect the accounting expense for the Equity Rights.

6. Amounts disclosed reflect the accounting expense for the WSP Rights. The decrease in expense from FY2018 to FY2019 is as a result of a change in the cessation treatment of WSP Rights. Prior to FY2019, the default treatment on cessation was to allow the full WSP award to remain on foot as long as the WSP participant was employed for at least 1.5 years of the three-year vesting period; as such, awards were expensed over a 1.5 year period. From FY2019 onwards, the default treatment now allows only for a pro-rata portion of the award to remain on foot, referencing the period of time served, as long as the WSP participant is employed for at least one year of the three-year vesting period; as such, awards are expensed over the full three-year vesting period.

7. Amounts disclosed reflect the expense relating to WSP Rights/Options component of the one-off equity award or ongoing WSP Rights as a percentage of Total Remuneration. Refer section 8.2 for further detail.

8. Ian Narev became a KMP effective 29 April 2019. The FY2019 amounts reflect his remuneration from 29 April 2019 to 30 June 2019.

9. Isar Mazer ceased to be a KMP on 5 March 2018. The FY2018 amounts reflect his remuneration from 1 July 2017 to 5 March 2018.

## 6. Relationship between company performance and remuneration outcomes

SEEK's Executive remuneration outcomes are closely linked to the Company's share price performance. This section provides the vesting outcomes of SEEK's equity plans, along with other information relating to SEEK's five-year financial performance.

### 6.1 SEEK's performance

SEEK's remuneration strategy focuses on continuing to drive long-term growth in shareholder wealth. The following table and charts set out information about the Group's earnings and movements in shareholders' wealth for the past five financial years up to and including FY2019.

|  | FY2015 | FY2016 | FY2017  | FY2018  | FY2019         |
|--|--------|--------|---------|---------|----------------|
| Share price at year end (\$)   | 14.06  | 15.21  | 16.91   | 21.81   | <b>21.16</b>   |
| Weighted average share price (\$)  | 16.61  | 14.12  | 15.76   | 18.73   | <b>19.13</b>   |
| Cumulative Total Shareholder Return (TSR) - Indexed (%) <sup>(1)</sup>   | 90.25  | 100.39 | 114.67  | 151.62  | <b>150.63</b>  |
| Total dividend (cents per share)   | 36.0   | 40.0   | 44.0    | 46.0    | <b>46.0</b>    |
| Sales revenue (excluding significant items)(\$m) <sup>(2)</sup>  | 858.4  | 950.4  | 1,040.9 | 1,299.5 | <b>1,537.3</b> |
| EBITDA (excluding significant items)(\$m) <sup>(2)</sup>   | 348.9  | 366.7  | 375.8   | 431.2   | <b>455.0</b>   |
| NPAT (excluding significant items, AP&A Other and SEEK Investments ESVs) attributable to SEEK (\$m) <sup>(2) (3)</sup> | 193.0  | 198.1  | 220.8   | 228.5   | <b>229.0</b>   |
| Basic EPS (excluding significant items, AP&A Other and SEEK Investments ESVs) (cents) <sup>(2) (3)</sup>               | 56.3   | 57.6   | 63.5    | 65.2    | <b>65.2</b>    |

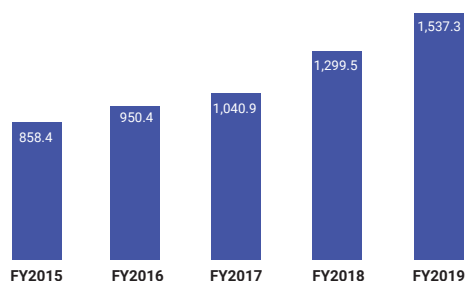
1. Cumulative Total Shareholder Return includes dividends and share price appreciation and is indexed from 1 July 2014 (1 July 2014 = 100.00).

2. Financial information for FY2018 has been restated due to the adoption of AASB15 *Revenue from Contracts with Customers*. Further information regarding the impact of these changes are provided in Note 27 Changes in accounting policies of the Financial Report.

3. Excludes the impact of one-off significant items, AP&A Other and SEEK Investments ESVs in FY2019, FY2018 and FY2017; refer to the 'Review of operations' on page 9.

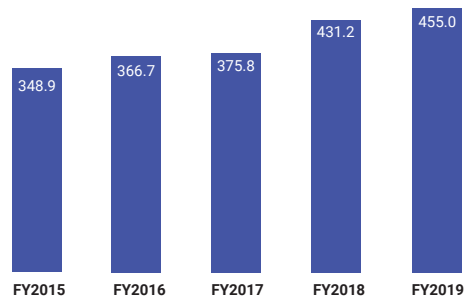
**Sales revenue**  
(excluding significant items) (\$m)

CAGR 16% ↗



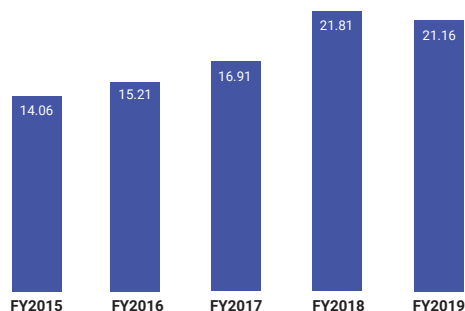
**EBITDA**  
(excluding significant items) (\$m)

CAGR 7% ↗

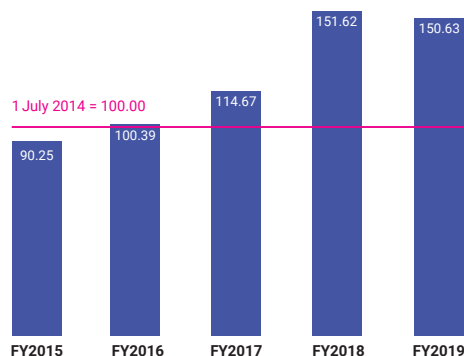


**Share price at year end (\$)**

CAGR 11% ↗



**Cumulative TSR (Indexed)**



## 6.2 Outcome of equity plans

### FY2016 Wealth Sharing Plan Options/Rights – vested on 1 July 2018

Under the FY2016 Wealth Sharing Plan, Executives were given the choice to receive Options or Rights. All Executives elected to receive Rights. Rights granted under the FY2016 Wealth Sharing Plan vested on 1 July 2018. Details of these grants and the vesting outcomes are outlined below.

| Effective date | Grant date                                       | Participants | Performance hurdle   | Test date    | Vesting date | % Vested | End of exercise restriction |
|----------------|--|--------------|----------------------|--------------|--------------|----------|-----------------------------|
| 1 July 2015    | 1 October 2015<br>2 November 2015<br>30 May 2016 | Executives   | Share price: \$16.68 | 30 June 2018 | 1 July 2018  | 100%     | 30 June 2019                |
| 1 July 2015    | 7 December 2015                                  | CEO          | Share price: \$16.68 | 30 June 2018 | 1 July 2018  | 100%     | 30 June 2019                |

The vested Rights remained subject to an exercise restriction period until 30 June 2019.

### FY2017 Wealth Sharing Plan Options/Rights – vested on 1 July 2019

Under the FY2017 Wealth Sharing Plan, Executives were given the choice to receive Options or Rights. All Executives elected to receive Rights. Rights granted under the FY2017 Wealth Sharing Plan vested on 1 July 2019. Details of these grants and the vesting outcomes are outlined below.

| Effective date | Grant date       | Participants | Performance hurdle   | Test date    | Vesting date | % Vested | End of exercise restriction |
|----------------|------------------|--------------|----------------------|--------------|--------------|----------|-----------------------------|
| 1 July 2016    | 3 October 2016   | Executives   | Share price: \$17.85 | 30 June 2019 | 1 July 2019  | 100%     | 30 June 2020                |
| 1 July 2016    | 19 December 2016 | CEO          | Share price: \$17.85 | 30 June 2019 | 1 July 2019  | 100%     | 30 June 2020                |

Full vesting of the FY2017 Wealth Sharing Plan grant is the result of a significant increase in SEEK's share price over the three-year performance period (from \$15.87 to \$19.85), representing compound annual growth of 7.75% which well exceeds the target growth hurdle of 4.0% per annum. This vesting outcome is aligned with the objective of rewarding Executives in circumstances where shareholders also see significant share price appreciation. The vested Rights remain subject to a further one year exercise restriction period, meaning Executives will remain exposed to movements in SEEK's share price until 30 June 2020.

### FY2018 Equity Rights – vested on 1 July 2018

In FY2018, each Executive received one Equity Right with an effective date of 1 July 2017. The Equity Rights vested on 1 July 2018 and were automatically exercised for \$nil exercise price. The table below details the number of shares issued to Executives in respect of these Equity Rights. Shares received on exercise of these Equity Rights had a disposal restriction for one year until 1 July 2019.

|                      | Name                   | Effective date | Date of exercise of Equity Right | Number of shares issued on exercise |
|----------------------|------------------------|----------------|----------------------------------|-------------------------------------|
| Executive KMP        | A R Bassat             | 1 July 2017    | 1 July 2018                      | 68,877                              |
|                      | M J Ilczynski          | 1 July 2017    | 1 July 2018                      | 46,476                              |
|                      | I M Narev              | n/a            | n/a                              | n/a                                 |
|                      | G I Roberts            | 1 July 2017    | 1 July 2018                      | 33,508                              |
| Former Executive KMP | I Mazer <sup>(1)</sup> | 1 July 2017    | 1 July 2018                      | 18,061                              |

1. Isar Mazer's allocation was pro-rated for unpaid leave during FY2018.

### FY2019 Equity Rights – vested on 1 July 2019

In FY2019, each Executive received one Equity Right with an effective date of 1 July 2018. The Equity Rights vested on 1 July 2019 and were automatically exercised for \$nil exercise price. The table below details the number of shares that will be issued to Executives, following announcement of the FY2019 financial results, in respect of these Equity Rights. Shares issued will be subject to a disposal restriction for 12 months until 1 July 2020.

|               | Name                     | Effective date | Date of exercise of Equity Right | Number of shares issued on exercise |
|---------------|--------------------------|----------------|----------------------------------|-------------------------------------|
| Executive KMP | A R Bassat               | 1 July 2018    | 1 July 2019                      | 61,535                              |
|               | M J Ilczynski            | 1 July 2018    | 1 July 2019                      | 43,462                              |
|               | I M Narev <sup>(1)</sup> | 1 July 2018    | 1 July 2019                      | 8,052                               |
|               | G I Roberts              | 1 July 2018    | 1 July 2019                      | 27,978                              |

1. Ian Narev commenced on 29 April 2019 and his Equity Right was granted on a pro-rata basis.

## 6.3 Shares provided on exercise of Options

Rights issued to Executive KMP under the FY2016 Wealth Sharing Plan were subject to an exercise restriction until 30 June 2019. Executive KMP did not hold any other vested Wealth Sharing Plan Options/Rights. Accordingly, no Options/Rights were exercised during FY2019.

## 7. Non-Executive Director fees

SEEK's Non-Executive Director fees aim to appropriately recognise the time, contribution and expertise of each director. This section sets out how SEEK's director fees are determined and details the actual Non-Executive Director fees paid in FY2019.

### 7.1 Non-Executive Director fee policy

The following table outlines the Non-Executive Director fee policy and terms of the parent entity and the Group:

|   |   |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
|---|---|--|-----------------------|-----------|-------------------------|-----------|---|----------|---|----------|--|----------|--------------------------------------|----------|------------------------------------|-----|
| <b>Aggregate Non-Executive Director fee limit</b>                 | Non-Executive Director fees are determined within a yearly aggregate directors' fee limit.<br>The current aggregate fee limit of \$1,800,000 per annum was approved by shareholders at the 2016 AGM.  |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| <b>Non-Executive Director fee reviews</b>                         | <p>Non-Executive Director fees and payments are reviewed annually by the Committee, and approved by the Board, to ensure fees are appropriately positioned in the market to attract and retain high calibre Non-Executive Directors.</p> <p>In light of modest market movements and a comprehensive external review in FY2016, the Committee determined not to undertake a detailed review of Non-Executive Director fees for FY2019 or FY2020. Instead, reflective of the external environment and market movements:</p> <ul style="list-style-type: none"><li>• in FY2019, effective 1 July 2018, Board and Committee fees increased by between 2.5% and 3.0%. This was the first increase to Non-Executive Director base fees since FY2014.</li><li>• in FY2020, effective 1 July 2019, Board and Committee fees remained unchanged.</li></ul> |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| <b>Non-Executive Director fees in FY2019 and FY2020</b>           | <p>The fee structure for FY2019 and FY2020 is set out below.</p> <table><tr><td>Chairman of the Board</td><td>\$410,000</td></tr><tr><td>Non-Executive Directors</td><td>\$154,000</td></tr></table> <p>Additional fees are paid for the following roles:</p> <table><tr><td>Chairman of the Audit and Risk Management Committee</td><td>\$38,000</td></tr><tr><td>Member of the Audit and Risk Management Committee</td><td>\$19,500</td></tr><tr><td>Chairman of the Remuneration Committee</td><td>\$31,000</td></tr><tr><td>Member of the Remuneration Committee</td><td>\$15,500</td></tr><tr><td>Member of the Nomination Committee</td><td>\$0</td></tr></table>   |  | Chairman of the Board | \$410,000 | Non-Executive Directors | \$154,000 | Chairman of the Audit and Risk Management Committee | \$38,000 | Member of the Audit and Risk Management Committee | \$19,500 | Chairman of the Remuneration Committee | \$31,000 | Member of the Remuneration Committee | \$15,500 | Member of the Nomination Committee | \$0 |
| Chairman of the Board   | \$410,000   |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| Non-Executive Directors   | \$154,000   |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| Chairman of the Audit and Risk Management Committee               | \$38,000  |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| Member of the Audit and Risk Management Committee                 | \$19,500  |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| Chairman of the Remuneration Committee                            | \$31,000  |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| Member of the Remuneration Committee                              | \$15,500  |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| Member of the Nomination Committee                                | \$0   |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
|   | The Chairman of the Board does not receive Committee fees on top of his Chairman of the Board fee.  |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| <b>Superannuation</b>   | The fees set out above include superannuation payments in accordance with relevant statutory requirements. Superannuation is paid up to the relevant concessional contributions cap.  |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| <b>Non-Executive Director shareholding requirement</b>            | All Non-Executive Directors are required to hold a SEEK shareholding equivalent to one year of their annual base director fee. Refer to section 4.4 for further detail.   |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| <b>Performance-based remuneration</b>                             | Non-Executive Directors do not receive share options or rights or any performance-based remuneration.   |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |
| <b>Non-Executive Director fees for international subsidiaries</b> | Zhaopin Limited is a subsidiary entity based in China. Zhaopin Limited was listed on the New York Stock Exchange until October 2017. Consistent with international practice, Zhaopin Limited's independent directors were paid director fees while it was listed. The Zhaopin Limited director fees paid in FY2018 in relation to a SEEK director are disclosed in the table of Non-Executive Director fees in section 7.2.   |  |                       |           |                         |           |   |          |   |          |  |          |                                      |          |                                    |     |



## 7.2 Non-Executive Director fees

Details of the actual fees paid to each Non-Executive Director of the parent entity for FY2019 and FY2018 are set out in the following table. The total Non-Executive Director fees paid for FY2019 were \$1,241,414, which is below the current annual aggregate fee limit of \$1,800,000.

|                                       |      | Short-term benefits           |                              |                          | Post-employment benefits | Total \$  |
|---------------------------------------|------|-------------------------------|------------------------------|--------------------------|--------------------------|-----------|
|                                       |      | SEEK Limited director fees \$ | Zhaopin Ltd director fees \$ | Non-monetary benefits \$ | Superannuation \$        |           |
| G B Goldsmith <sup>(1)</sup>          | 2019 | 277,245                       | -                            | 5,251                    | 26,338                   | 308,834   |
|                                       | 2018 | 170,776                       | 32,250                       | 5,245                    | 16,224                   | 224,495   |
| D I Bradley                           | 2019 | 154,794                       | -                            | -                        | 14,706                   | 169,500   |
|                                       | 2018 | 150,685                       | -                            | -                        | 14,315                   | 165,000   |
| J A Fahey                             | 2019 | 158,448                       | -                            | -                        | 15,052                   | 173,500   |
|                                       | 2018 | 154,338                       | -                            | -                        | 14,662                   | 169,000   |
| L M Jasper <sup>(2)</sup>             | 2019 | 38,699                        | -                            | -                        | 3,676                    | 42,375    |
|                                       | 2018 | -                             | -                            | -                        | -                        | -         |
| M H Wachtel <sup>(3)</sup>            | 2019 | 137,519                       | -                            | -                        | 13,064                   | 150,583   |
|                                       | 2018 | -                             | -                            | -                        | -                        | -         |
| V M Wallace                           | 2019 | 172,603                       | -                            | -                        | 16,397                   | 189,000   |
|                                       | 2018 | 163,486                       | -                            | -                        | 15,531                   | 179,017   |
| <b>Former Non-Executive Directors</b> |      |                               |                              |                          |                          |           |
| N G Chatfield <sup>(4)</sup>          | 2019 | 194,614                       | -                            | 2,622                    | 10,386                   | 207,622   |
|                                       | 2018 | 379,950                       | -                            | 5,245                    | 20,050                   | 405,245   |
| C B Carter <sup>(5)</sup>             | 2019 | -                             | -                            | -                        | -                        | -         |
|                                       | 2018 | 119,073                       | -                            | -                        | 11,312                   | 130,385   |
| Total                                 | 2019 | 1,133,922                     | -                            | 7,873                    | 99,619                   | 1,241,414 |
|                                       | 2018 | 1,138,308                     | 32,250                       | 10,490                   | 92,094                   | 1,273,142 |

1. Graham Goldsmith was appointed Chairman of the Board effective 1 January 2019 and a member of the Remuneration Committee effective 1 November 2018. He was Chairman of the Audit and Risk Management Committee until 31 December 2018.

2. Leigh Jasper was appointed a Non-Executive Director and a member of the Remuneration Committee effective 1 April 2019.

3. Michael Wachtel was appointed a Non-Executive Director effective 1 September 2018, a member of the Audit and Risk Management Committee effective 1 November 2018 and Chairman of the Audit and Risk Management Committee effective 1 January 2019.

4. Neil Chatfield retired as Chairman of the Board and a Non-Executive Director effective 31 December 2018.

5. Colin Carter retired as a Non-Executive Director effective 22 March 2018.

## 8. Other KMP disclosures

This section sets out additional statutory disclosures of KMP remuneration for FY2019.

### 8.1 Ordinary shareholdings – SEEK Limited

The number of ordinary shares in the Company held during FY2019 by each KMP, including their personally related parties, is set out below. No shares were granted during the reporting period as compensation.

| FY2019 - SEEK Limited shares         | Balance at the start of the year <sup>(1)</sup> | Received during the year on exercise of WSP Options | Received during the year on exercise of Equity Rights <sup>(2)</sup> | Purchase of shares | Sale of shares | Other changes during the year | Balance at the end of the year |
|--------------------------------------|---|---|--|--------------------|----------------|-------------------------------|--------------------------------|
| <b>Non-Executive Directors</b>       |   |   |  |                    |                |                               |                                |
| G B Goldsmith                        | 45,000  | -   | -  | -                  | -              | -                             | 45,000                         |
| D I Bradley                          | 10,056  | -   | -  | -                  | -              | -                             | 10,056                         |
| J A Fahey                            | 4,988   | -   | -  | 3,900              | -              | -                             | 8,888                          |
| L M Jasper                           | 15,849  | -   | -  | -                  | -              | -                             | 15,849                         |
| M H Wachtel                          | -   | -   | -  | 4,000              | -              | -                             | 4,000                          |
| V M Wallace                          | 10,000  | -   | -  | -                  | -              | -                             | 10,000                         |
| <b>Executive KMP</b>                 |   |   |  |                    |                |                               |                                |
| A R Bassat                           | 14,443,168                                      | -   | 68,877   | -                  | -              | -                             | 14,512,045                     |
| M J Ilczynski                        | 127,678   | -   | 46,476   | -                  | (59,990)       | -                             | 114,164                        |
| I M Narev <sup>(3)</sup>             | -   | -   | -  | -                  | -              | -                             | -                              |
| G I Roberts                          | 62,177  | -   | 33,508   | -                  | -              | -                             | 95,685                         |
| <b>Former Non-Executive Director</b> |   |   |  |                    |                |                               |                                |
| N G Chatfield <sup>(4)</sup>         | 26,756  | -   | -  | -                  | -              | -                             | 26,756                         |

1. For directors that were appointed during FY2019, the balance reported as at the start of the financial year reflects shares held as at the date of appointment.

2. These shares were held in the employee share trust as at the end of the financial year.

3. Ian Narev commenced on 29 April 2019. As at 30 June 2019, he did not hold any SEEK shares.

4. For Neil Chatfield, the balance reported as at the end of the financial year reflects share held at the date of retirement.

### 8.2 Other equity holdings

The number of Options and Rights over ordinary shares in the Company held during FY2019 by KMP (as a result of Equity Rights grants or awards made under the WSP), including their personally related parties, are set out below.

| FY2019                   | Balance at the start of the year | Granted during the year as compensation | Granted during the year: one-off equity award | Exercised during the year | Forfeited during the year | Balance at the end of the year | Vested and exercisable at the year | Vested and unexercisable at the end of the year | Unvested at the end of the year |
|--------------------------|----------------------------------|---|---|---------------------------|---------------------------|--------------------------------|------------------------------------|---|---------------------------------|
| <b>WSP Rights</b>        |                                  |   |   |                           |                           |                                |                                    |   |                                 |
| A R Bassat               | 536,780                          | 129,676                                 | -   | -                         | -                         | 666,456                        | -                                  | 182,713   | 483,743                         |
| M J Ilczynski            | 345,434                          | 91,590                                  | -   | -                         | -                         | 437,024                        | -                                  | 106,521   | 330,503                         |
| I M Narev <sup>(1)</sup> | -                                | -                                       | 152,817                                       | -                         | -                         | 152,817                        | -                                  | -   | 152,817                         |
| G I Roberts              | 265,004                          | 58,959                                  | -   | -                         | -                         | 323,963                        | -                                  | 92,753  | 231,210                         |
| <b>WSP Options</b>       |                                  |   |   |                           |                           |                                |                                    |   |                                 |
| I M Narev <sup>(1)</sup> | -                                | -                                       | 536,013                                       | -                         | -                         | 536,013                        | -                                  | -   | 536,013                         |
| <b>Equity Rights</b>     |                                  |   |   |                           |                           |                                |                                    |   |                                 |
| A R Bassat               | 1                                | 1                                       | -   | (1)                       | -                         | 1                              | -                                  | -   | 1                               |
| M J Ilczynski            | 1                                | 1                                       | -   | (1)                       | -                         | 1                              | -                                  | -   | 1                               |
| I M Narev <sup>(1)</sup> | -                                | 1                                       | 1   | -                         | -                         | 2                              | -                                  | -   | 2                               |
| G I Roberts              | 1                                | 1                                       | -   | (1)                       | -                         | 1                              | -                                  | -   | 1                               |

1. During FY2019, Ian Narev received a pro-rated FY2019 Executive Equity Plan award, reflective of his commencement date of 29 April 2019. He also received a one-off sign-on equity award comprising one Equity Right with an allocation value of \$1,066,667, 152,817 Wealth Sharing Plan Rights with an allocation value of \$6.98 per Right, and 536,013 WSP Options with an allocation value of \$1.99 and an exercise price of \$20.95 per Option. Vesting of the WSP Rights and Options is subject to achievement of a three-year share price hurdle. Refer to section 5.2 for further details.

### 8.3 Equity grants on foot during FY2019

This section sets out the required statutory disclosures of equity grants for SEEK's KMP.

|                      | Grant date   | # of options and rights granted | Vest date                  | Exercise price | Value of options and rights at grant date <sup>(1)</sup> | Vested % | Vested # | Forfeited / lapsed % |
|----------------------|--------------|---------------------------------|----------------------------|----------------|--|----------|----------|----------------------|
| <b>Executive KMP</b> |              |                                 |                            |                |  |          |          |                      |
| A R Bassat           | 7 Dec 2015   | 182,713                         | 1 Jul 2018 <sup>(2)</sup>  | \$0.00         | \$1,037,810  | 100%     | 182,713  | 0%                   |
|                      | 19 Dec 2016  | 182,126                         | 1 Jul 2019 <sup>(3)</sup>  | \$0.00         | \$994,408  | -        | -        | -                    |
|                      | 4 Dec 2017   | 1                               | 1 Jul 2018 <sup>(2)</sup>  | \$0.00         | \$1,174,360  | 100%     | 1        | 0%                   |
|                      | 4 Dec 2017   | 171,941                         | 1 Jul 2020                 | \$0.00         | \$1,547,469  | -        | -        | -                    |
|                      | 6 Dec 2018   | 1                               | 1 Jul 2019 <sup>(3)</sup>  | \$0.00         | \$1,256,565  | -        | -        | -                    |
|                      | 6 Dec 2018   | 129,676                         | 1 Jul 2021                 | \$0.00         | \$510,923  | -        | -        | -                    |
| M J Ilczynski        | 1 Oct 2015   | 106,521                         | 1 Jul 2018 <sup>(2)</sup>  | \$0.00         | \$378,150  | 100%     | 106,521  | 0%                   |
|                      | 19 Dec 2016  | 122,893                         | 1 Jul 2019 <sup>(3)</sup>  | \$0.00         | \$670,996  | -        | -        | -                    |
|                      | 17 Oct 2017  | 1                               | 1 Jul 2018 <sup>(2)</sup>  | \$0.00         | \$792,422  | 100%     | 1        | 0%                   |
|                      | 17 Oct 2017  | 116,020                         | 1 Jul 2020                 | \$0.00         | \$990,811  | -        | -        | -                    |
|                      | 16 Oct 2018  | 1                               | 1 Jul 2019 <sup>(3)</sup>  | \$0.00         | \$887,513  | -        | -        | -                    |
|                      | 16 Oct 2018  | 91,590                          | 1 Jul 2021                 | \$0.00         | \$566,026  | -        | -        | -                    |
| I M Narev            | 11 June 2019 | 1                               | 1 Jul 2019 <sup>(3)</sup>  | \$0.00         | \$164,422  | -        | -        | -                    |
|                      | 11 June 2019 | 1                               | 29 Apr 2020 <sup>(4)</sup> | \$0.00         | \$1,066,667  | -        | -        | -                    |
|                      | 11 June 2019 | 536,013                         | 29 Apr 2023 <sup>(4)</sup> | \$20.95        | \$1,801,004  | -        | -        | -                    |
|                      | 11 June 2019 | 152,817                         | 29 Apr 2023 <sup>(4)</sup> | \$0.00         | \$1,671,818  | -        | -        | -                    |
| G I Roberts          | 2 Nov 2015   | 67,088                          | 1 Jul 2018 <sup>(2)</sup>  | \$0.00         | \$295,187  | 100%     | 67,088   | 0%                   |
|                      | 30 May 2016  | 25,665                          | 1 Jul 2018 <sup>(2)</sup>  | \$0.00         | \$112,926  | 100%     | 25,665   | 0%                   |
|                      | 3 Oct 2016   | 88,603                          | 1 Jul 2019 <sup>(3)</sup>  | \$0.00         | \$571,489  | -        | -        | -                    |
|                      | 17 Oct 2017  | 1                               | 1 Jul 2018 <sup>(2)</sup>  | \$0.00         | \$571,320  | 100%     | 1        | 0%                   |
|                      | 17 Oct 2017  | 83,648                          | 1 Jul 2020                 | \$0.00         | \$714,354  | -        | -        | -                    |
|                      | 16 Oct 2018  | 1                               | 1 Jul 2019 <sup>(3)</sup>  | \$0.00         | \$571,320  | -        | -        | -                    |
|                      | 16 Oct 2018  | 58,959                          | 1 Jul 2021                 | \$0.00         | \$364,367  | -        | -        | -                    |

1. For Equity Rights, value is the allocated value of the Equity Right. For WSP Options/Rights, value is the accounting fair value at grant.

2. 100% vested on 1 July 2018.

3. 100% vested on 1 July 2019.

4. One-off sign-on award; refer to section 5.2 for further detail.

## 8.4 Shares under option

Unissued ordinary shares of SEEK under option at the date of this Report are as follows:

| Date granted                                   | Expiry date   | Exercise price <sup>(1)</sup> | Number of shares under option |
|--|---------------|-------------------------------|-------------------------------|
| <b>CEO Options/Rights</b>                      |               |                               |                               |
| 7 December 2015                                | 1 July 2020   | \$0.00                        | 182,713                       |
| 19 December 2016                               | 1 July 2021   | \$0.00                        | 182,126                       |
| 4 December 2017                                | 1 July 2022   | \$0.00                        | 171,941                       |
| 6 December 2018                                | 1 July 2023   | \$0.00                        | 129,676                       |
| <b>Other Options/Rights</b>                    |               |                               |                               |
| 1 October 2015                                 | 1 July 2020   | \$0.00                        | 208,838                       |
| 2 November 2015                                | 1 July 2020   | \$0.00                        | 67,088                        |
| 30 May 2016                                    | 1 July 2020   | \$0.00                        | 29,395                        |
| 3 October 2016                                 | 1 July 2021   | \$0.00                        | 233,617                       |
| 19 December 2016                               | 1 July 2021   | \$0.00                        | 127,520                       |
| 17 October 2017                                | 1 July 2022   | \$0.00                        | 444,351                       |
| 16 October 2018                                | 1 July 2023   | \$0.00                        | 408,689                       |
| 11 June 2019                                   | 28 April 2024 | \$20.95                       | 536,013                       |
| 11 June 2019                                   | 28 April 2024 | \$0.00                        | 152,817                       |
| <b>Total shares under option<sup>(2)</sup></b> |               |                               | <b>2,874,784</b>              |

1. Unlike Options, Rights do not have an Exercise Price.

2. Balance excludes Equity Rights which were automatically exercised on 1 July 2019. Corresponding fulfilment of these shares will occur in August/September 2019.

## 8.5 Shares or options over shares in subsidiaries

KMP do not hold any shares or options over shares in any subsidiaries of SEEK.

## 8.6 Loans to KMP

There were no loans to KMP during FY2019 (FY2018: \$nil).

## 8.7 Other transactions with KMP

There were no other transactions with KMP, apart from related party transactions disclosed in Note 24 Related party transactions of the Financial Report, during FY2019.

This Directors' Report is made in accordance with a resolution of the directors.



**Graham Goldsmith**

Chairman  
Melbourne

20 August 2019



# Auditor's Independence Declaration



## *Auditor's Independence Declaration*

As lead auditor for the audit of SEEK Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of SEEK Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Dodd', written over a light blue horizontal line.

Chris Dodd  
Partner  
PricewaterhouseCoopers

Melbourne  
20 August 2019

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# Sustainability Report

## Our Purpose

**We help people live more fulfilling and productive working lives and help organisations succeed.**

SEEK delivers access to employment and education opportunities to millions of people creating shared value for candidates, hirers, students and employees, and ultimately investors. Delivering on the purpose has driven SEEK's long-term growth, supported by a sustainable approach to the management of key environmental, social and governance (ESG) risks.

Sustainability reporting is increasingly in focus as investors, potential employees and customers look to how a company performs well beyond its financial statements. During 2019 we have experienced more dialogue with key stakeholders about sustainability issues affecting the business than ever before.

SEEK's sustainability reporting describes our performance and initiatives across our key ESG areas. Through increased transparency the aim is to further build trust with investors, customers and the community about how SEEK manages its ESG risks and opportunities. We are proud of the positive social impact of our purpose-led business, and our achievements so far in addressing key areas of stakeholder interest.

## Reporting what matters

SEEK has assessed its impacts on people, the environment and the community in the context of SEEK's long-term sustainability. The topics covered in this report were guided by a materiality assessment to determine SEEK's main impacts from the viewpoint of stakeholders, as well as SEEK's approach to corporate governance. To determine the topics we combined feedback from our investors, SEEK leaders and subject matter experts and our risk management framework. Close consideration of stakeholder expectations, the external environment, the ASX Corporate Governance Principles and Recommendations and the Group Reporting Initiative (GRI) Standards contributed to topic selection. Topic weighting was informed by a self-assessment of the impact of the ESG topics on SEEK's customers, activities, relationships and business strategy.

## Reporting topics

|   | Customers   | Employees  | Community  |
|---|---|--|--|
|  <b>Social</b>      | <ul style="list-style-type: none"> <li>• Data privacy</li> <li>• Use of data</li> <li>• Cyber security</li> <li>• Customer experience</li> </ul>          | <ul style="list-style-type: none"> <li>• Our People</li> <li>• Workplace health and safety</li> <li>• Diversity and inclusion</li> </ul> | <ul style="list-style-type: none"> <li>• Social impact</li> <li>• Social contribution</li> </ul> |
|  <b>Environment</b> | <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Energy consumption and emissions</li> <li>• Minimising environmental impact</li> </ul> |  |  |
|  <b>Governance</b>  | <ul style="list-style-type: none"> <li>• Responsible and ethical business practices</li> </ul>  |  |  |

## Stakeholder expectations and engagement

Stakeholders provide valuable insights into how SEEK is performing in delivering on its purpose in employment and education, and informs the approach to the management of sustainability issues and reporting.

| Stakeholder                                      | ESG expectations of SEEK   | How SEEK engages on ESG matters  |
|--|--|--|
| <b>Customers-candidates, hirers and students</b> | <ul style="list-style-type: none"> <li>• Provide employment and education services that enhance productive working lives</li> <li>• Provide safe and reliable access to online services</li> <li>• Communicate openly, disclose risks and fix any mistakes</li> <li>• Follow consumer laws including data privacy</li> </ul> | <ul style="list-style-type: none"> <li>• Clear explanation on the SEEK website for candidates about their data, privacy and online security.</li> <li>• Corporate reporting including the Sustainability Report</li> </ul>   |
| <b>Employees</b>                                 | <ul style="list-style-type: none"> <li>• Meaningful employment including fair pay, career opportunities and training</li> <li>• Safe working environment</li> <li>• Observe anti-discrimination and other employment laws</li> </ul>   | <ul style="list-style-type: none"> <li>• Regular All-Staff meetings</li> <li>• Internal engagement surveys</li> <li>• Induction and ongoing training</li> <li>• Code of Conduct and other employee policies</li> </ul>   |
| <b>Shareholders</b>                              | <ul style="list-style-type: none"> <li>• Information about material non-financial risks and key ESG topics to inform decision making</li> </ul>  | <ul style="list-style-type: none"> <li>• Annual General Meeting and Annual Report</li> <li>• Investor relations program</li> <li>• Participation in investor surveys</li> <li>• Corporate reporting including the Sustainability Report and Corporate Governance Statement</li> <li>• Continuous disclosure to the ASX supplemented by the SEEK website</li> </ul> |
| <b>Community</b>                                 | <ul style="list-style-type: none"> <li>• Responsible business practices</li> <li>• Compliance with the law</li> <li>• Payment of corporate income taxes</li> <li>• Environmental performance</li> </ul>  | <ul style="list-style-type: none"> <li>• Sustainability Report</li> <li>• Tax Transparency Report</li> <li>• Corporate Governance Statement</li> </ul>   |
| <b>Government and regulators</b>                 | <ul style="list-style-type: none"> <li>• Compliance with the law</li> <li>• Engage with regulators on relevant proposals</li> <li>• Payment of corporate income taxes</li> </ul>   | <ul style="list-style-type: none"> <li>• Engagement with governments on proposals affecting SEEK and the technology, employment and education sectors</li> <li>• Governance disclosures in the Sustainability Report</li> <li>• Tax Transparency Report</li> </ul>   |
| <b>Partners, suppliers and financiers</b>        | <ul style="list-style-type: none"> <li>• Conduct business fairly, ethically and lawfully</li> <li>• Communicate openly and honestly</li> </ul>   | <ul style="list-style-type: none"> <li>• As above</li> </ul>   |

### Report scope

This report addresses the business activities by SEEK in Australia and New Zealand which are material sustainability risks for the year ended 30 June 2019.

Investments by SEEK that are not under its operational control do not form part of the disclosures.

### ESG accountability and oversight

The Board through the Audit & Risk Management Committee is responsible for oversight and management of non-financial risks.

The Chief Financial Officer is accountable for sustainability reporting and has established an ESG working group comprising senior management working in key areas of ESG risk, as well as ESG specialist skills.

## Looking to future reports

Evolving community expectations of environmental, social and governance standards for businesses will inform our approach to sustainability. In this context SEEK aspires to continually improve its sustainability performance and reporting.

### Current foundations

- Increased transparency for stakeholders on sustainability issues
- Reporting based on a materiality assessment
- Alignment to Taskforce on Climate Related Disclosure (TCFD) framework
- Climate change position statement

### On the horizon

- Broader assessment of sustainability impacts across the global SEEK business
- Alignment with the approach of the Group Reporting Initiative (GRI) Standards
- External verification of sustainability disclosures

# Data privacy

SEEK's strategy is to attract the largest pool of candidates and inventory of job opportunities. This creates a network effect where large numbers of candidates access job opportunities and hirers advertise to reach the largest pool of candidates. SEEK maintains and grows the network effect by utilising data-driven search and matching technology to help candidates and hirers achieve their objectives. For a candidate, it is finding a new job. For a hirer, it is finding the best candidate.

To use SEEK's services candidates provide contact details and other personal information such as employment and educational history and preferred employment location. This data is used to create a candidate's SEEK Profile which provides access to customised tools, services and resources to assist them in finding a job.



## Create Resume

To be successful a candidate must stand out from others when applying for a role. SEEK's research showed that one of the areas where candidates need the most help is their resume. Questions and concerns candidates have about creating their resume are: what to include and in what order, presentation and design and what to leave out. Difficulties in preparing a resume is a significant hurdle to obtaining employment, particularly for people who don't use computers and written language in their daily work. Candidates are disadvantaged if they apply for a job without a written resume.

To overcome these challenges for candidates SEEK has developed an automated resume. Candidates can now simply click Create Resume and, based on the information they have provided in their SEEK Profile, a professional style resume is instantly generated. Candidates can use this resume anywhere in their working life, including applying for a job on SEEK.

Hirers appreciate Create Resume as they can ask candidates to create a resume on SEEK. The hirer then has a shortlist of candidates to compare based on consistent information which is far more efficient than phone screening.

When candidates provide their personal information to SEEK they expect this data will remain safe and secure and be used appropriately. SEEK is committed to meeting these expectations and complying with privacy legislation. This is done through prioritising data privacy protection, cyber security controls and measures to protect candidate security online.

## Protecting data privacy

SEEK's platforms display Privacy Statements explaining how personal information is collected and used, and how privacy is protected. On the SEEK Jobs website this is supported by a concise plain language section called 'My Privacy'.

Candidates create their SEEK Profile by submitting their personal information directly to the SEEK platform. Information about candidates' job seeking intentions is also collected by SEEK through analysis of their interactions with the SEEK website or app.

**Candidates have control over the data they submit with access to edit their SEEK Profile at any time online and ongoing access to request that SEEK delete their personal information. Through privacy settings candidates can control if their SEEK Profile is made visible to hirers on SEEK's Talent Search platform. They can unsubscribe from receiving job recommendations and career advice at any time.**

Some of the data collected provides career and recruitment insights for SEEK based on how job seekers use the SEEK website. This is also used to improve website performance or make business decisions. When data is used in this way it is always aggregated and anonymised.

SEEK's approach to protecting candidate and student personal information and the SEEK systems from unauthorised access, involves a combination of technical solutions, cyber security controls and internal processes. Robust procedures are in place for external data processing and storage, in particular around Personally Identifiable Information (PII). This is data which could reasonably be used to establish the identity of an individual to whom the data belongs. Prior to entering into any arrangement with a third party that involves sharing any PII, the terms of that arrangement must be reviewed by the Legal and Security teams, and a data handling and security assessment of the third party is undertaken.

SEEK has not received any substantiated complaints regarding customer privacy or encountered any data breach requiring notification under the *Privacy Act 1988 (Cth)* during the reporting period.



# Use of data

## Data analytics

Innovation in data analytics is a key competitive advantage, enabling SEEK to maintain its market position by continuing to offer the most effective job search to candidates.

SEEK collects and analyses data about candidates' job seeking preferences based on their interactions with the platform, such as how regularly candidates update their SEEK Profiles. SEEK uses this data by applying automated processes to develop algorithms. These enable SEEK to better tailor its job seeking offerings and provide more targeted services to both hirers and candidates. This allows, for example, SEEK's Talent Search platform to display to hirers an "Approachability Signal" based on behavioural factors including the level of a candidate's job application activity.

Innovation in data analytics increases the speed and accuracy of talent sourcing and selection. SEEK applies its data assets to build scalable tools to help hirers in sourcing and selecting relevant candidates. This role in the recruitment process does not supplant human judgement or the interactions that are critical in the ultimate selection of a candidate.

## Display advertising

The SEEK employment website when viewed on a desktop computer may, in addition to job advertisements, display advertisers' messages as banners. SEEK's policy is that display advertising not directly supporting job advertisements must be aligned to employment or career related services, such as a hirer's recruitment campaign.

Advertising may target types of candidates on websites outside of SEEK with employment or career related display advertising. Audiences for this advertising are compiled by SEEK based on aggregated information from anonymised SEEK Profiles and candidate browsing behaviours. In compiling these audiences no candidate data is provided to third parties.

## Future outlook

Customers' expectations for privacy and online safety motivate the business to further develop robust processes to protect data privacy. As technological capabilities evolve across the employment and education sectors data governance will be an on-going area of focus. SEEK is developing principles to govern how SEEK applies artificial intelligence and data technologies to drive improved candidate and hirer outcomes.



## Smarter Search

Search technology is constantly evolving. As it does, consumers have higher expectations about the relevance of website search results returned to them.

SEEK's search engine 'Smarter Search' has improved the relevance of search results to help candidates find the right opportunities faster. Artificial intelligence and candidate behaviour are key elements. Artificial intelligence applies aggregated data from historical searches by millions of candidates on the SEEK platform to improve accuracy and continually learns new patterns and trends. The Smarter Search algorithms learn which jobs have higher relevance for candidates. Machine learning surfaces the most relevant roles for a candidate even where titles vary for similar jobs (such as 'early childhood' and 'kindergarten' teacher) or where similar titles apply to different jobs ('project manager' or 'architect').

SEEK's search engine makes all job opportunities available to a candidate without exclusion. The job search is smarter because it delivers the most relevant results first to satisfy the candidate's intention.

# Cyber security

## As the operator of online employment marketplaces and education services with large scale data from hirers, candidates and students, SEEK has significantly invested in cyber and fraud mitigation.

Managing resilience across systems, infrastructure and processes is a key aspect of the Risk Management Framework and is resourced by experienced technology talent led by the Chief Information Security Officer. The Audit and Risk Management Committee is regularly briefed on the state of cyber security at SEEK.

SEEK has adopted an approach leveraging multiple frameworks to address cyber security, focused on implementing a layered defence-in-depth security programme addressing security across people, process and technology.

SEEK's security programme applies a risk-based approach to tackling current and emerging cyber security related threats and vulnerabilities. The Security team regularly assesses cyber security controls based on changes to the threat landscape and breaches affecting other organisations. SEEK collaborates with organisations throughout the technology industry globally to continuously improve its security controls.

SEEK's infrastructure operates using a combination of cloud services leveraging Amazon Web Services infrastructure and physical data centres in Australia. These are geographically separated Tier III and ISO 27001 compliant, and are discussed further on page 57.

The disaster recovery programme ensures that services remain available or are recoverable in the case of a disaster. This is accomplished through building a robust technical environment, creating and testing disaster recovery plans, and back-up and restoration capabilities which are tested regularly.

SEEK employees participate in security awareness training via ongoing internal phishing campaigns, training sessions educating users on the cyber threat landscape, how to report suspicious activity, best practices for staying secure and the role they play in keeping SEEK secure.

### Future outlook

Cyber security will remain integral to SEEK's operations. The continually evolving threat landscape demands constant vigilance. SEEK will continue to grow technical capabilities and invest in experienced cyber security talent. Employee awareness is an ongoing focus, reinforcing the risks to individuals and the business of cyber threats with the aim of integrating cyber secure practices in employees' daily work.



### Capture the Flag security competition

Capture the Flag is a competition which involves solving a number of security-related challenges of varying difficulty and emulating system compromises. These are very popular around the world at hacking conferences and at technology companies such as eBay, Facebook, Slack, Stripe and now at SEEK.

The competition is part of SEEK's cyber security education and awareness programme, and is open to all employees, with the aim of engaging and reminding employees about the importance of security at SEEK and in daily life, and how key it is to design and build secure products for SEEK and for customers.

Engagement in 2019 led to an impressive week-long competition to crack the challenges ranging from lock picking through to finding and exploiting a programming vulnerability. Teams were awarded points for the speed with which they solved the challenges and how many of the overall challenges were completed.



### Bug Bounty

Alongside other leading technology companies and government agencies, SEEK works with a crowdsourced security researcher platform to test web applications and services. The aim is to find security weaknesses that could compromise customer data, mainly candidate profiles and resumes.

Through the Bug Bounty program public researchers are pre-vetted to be invited to legally "attack" SEEK's systems. Rewards are paid to researchers who find system vulnerabilities and tell SEEK how a real attacker could abuse the vulnerability and how this could be mitigated.

SEEK values the contribution made by the security researcher community to continually improve the strength and security of the websites, services and infrastructure which are publicly exposed to the internet.

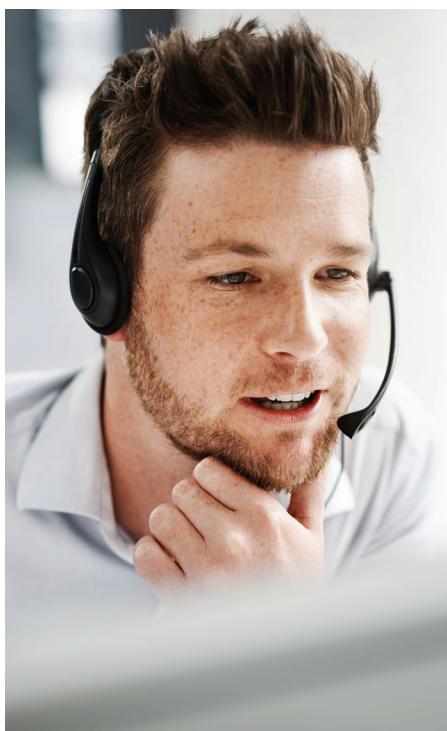
Since the SEEK Bug Bounty program began in late 2016 SEEK has:

Rewarded researchers for 182 vulnerabilities detected

Paid \$143,500 in rewards including the highest single reward of US\$10,000

# Customer experience

SEEK serves both sides of the employment marketplace, with both candidates and hirers as customers. We also support students, volunteers and small business owners. Our success relies on the delivery of meaningful services and positive interactions for diverse customers.



## Customer engagement

While overall customer satisfaction is high, SEEK maintains multiple approaches to listen for customer challenges and opportunities.

Segment specific surveys are conducted regularly to measure sentiment across the customer base. Insights from this work enable SEEK to tailor improvement initiatives to support specific segments. We also conduct regular research among the general community about work related issues, further building our understanding of customer needs and attitudes.

User experience (UX) research and on-site surveys analyse elements of the customer experience to deeply understand any areas of difficulty. Findings are then used to optimise future product design and improve the customer experience.

## Customer contact

SEEK offers customers a variety of channels to engage with the business, including phone, email and live chat, along with a dedicated contact point for questions or concerns about privacy of personal information. Customer teams servicing the SEEK businesses in Australia and New Zealand are local, and have no call time targets so they can focus on fully addressing candidates' and hirers' issues. Customer service teams operate with a continuous improvement mindset acting as customer advocates, providing regular reports of customer feedback on products and processes to the operational areas of the business.

## Candidate security and online fraud

Websites are subject to potential fraud by external parties, for example job advertisements which ask candidates for personal and financial information.

A dedicated team screens the SEEK employment platform to detect suspicious job advertisements and advertisers, and immediately removes them. Every job advertisement posted by a first time hirer is reviewed in full to ensure legitimacy.

Using these resources, in addition to other various filtering tools, SEEK is committed to ensuring that all job advertisements on the SEEK employment platform are for legitimate job opportunities and to making job hunting safe and secure.

Information is also provided to candidates on protecting themselves online from fraudulent job advertisements, phishing, trojans, scams and spam. This is available on the landing page of [seek.com.au](https://seek.com.au)



Hirers usually verify work credentials as a pre-hiring background check. With access to pre-verified candidates, hirers could shortlist more confidently, but if candidates provided sensitive documents with each job application they would be exposed to online security risks.

Certsy was created by SEEK as a separate, secure way for candidates to stand out by demonstrating upfront that they meet a job's requirements. With Certsy's encrypted digital wallet, candidates can upload evidence to verify credentials, such as "right to work in Australia", and then make the verification available to hirers on SEEK without sharing their personal documents.

With Certsy, the candidate remains in control of their data, can verify once and re-use it multiple times, and benefits from a safe way to showcase their credentials on SEEK.

# Our People

## Introduction

SEEK's business performance is underpinned by our people.

**SEEK's Purpose and Vision is lived internally and integrated across all aspects of the business.** This is enabled by *This is SEEK*, the company's culture statement, which aligns the Company's Purpose and Vision with a clearly defined set of Beliefs and Attributes. *This is SEEK* is the codification of SEEK's culture, how SEEK operates, and defines what it means to be a high performer at SEEK. This provides the right platform for the Company to recruit, reward and enable high performance. The Beliefs describe the fundamentals that SEEK believes are integral to its success, and differentiate SEEK from other companies. They guide thinking, interactions and decisions at SEEK. The Attributes describe what it takes to be successful at SEEK. Combined with SEEK's Beliefs, these are what SEEK's best people deliver upon every day.

### SEEK Purpose

**We help people live more fulfilling and productive working lives and help organisations succeed.**

### SEEK Vision

Being the best in the world in online employment by:

- Matching more people with job opportunities than any other organisation in each market in which we operate;
- Being the most trusted partner for advice on, and access to, relevant career related education.

## This is SEEK



### SEEK Beliefs | At SEEK we believe in...

1

Having a positive impact on society

2

Focusing on business fundamentals and customer outcomes rather than short-term financials

3

Always striving, challenging and remaining productively paranoid

4

Doing the right thing for SEEK, not what is popular or easy

5

Doing the right amount of thinking upfront

6

Persevering through obstacles to get it done

7

Creating a community where individuals are valued



### SEEK Attributes | Our best people...

1

Are passionate about SEEK and our customers

2

Show great judgement and decision making ability

3

Know their stuff – professional skills (for everyone) and leadership skills (for leaders)

4

Deliver outcomes for SEEK



Inherent in *This is SEEK* is a culture of innovation, empowerment and collaboration, which manifests in various ways. Everyday examples include the emphasis on Agile ways of working, adoption of the OKR (Objectives and Key Results) framework, and bi-annual Hackathons.



### > Agile

The Agile working environment places an emphasis on collaboration and team decision making, as well as continuous planning, testing and integration of ideas. Early customer feedback provides opportunities to rapidly respond, adjust direction and modify products and other programs of work based on changing customer needs, new challenges and evolving market conditions.

SEEK hosts a range of education sessions to improve and deepen employees' application of Agile methodologies and practices.

### > Hackathons

SEEK's bi-annual three-day Hackathons provide employees with opportunities to collaborate cross-functionally and identify creative and innovative solutions to market opportunities. Hackathons give employees time to test and build out their ideas for products, customer solutions or internal innovations. Products developed during Hackathons offer potential long-term value to SEEK.

## Workforce profile

At the end of FY2019, SEEK's workforce in Australia and New Zealand consisted of 997 employees. This 11% growth is reflective of new employees joining SEEK during the year, coupled with strong retention and no significant reduction in roles. The majority of employees were permanent, with 8% employed on a fixed-term or casual basis.

|                     | 30 June 2019 | 30 June 2018 |
|---------------------|--------------|--------------|
| Permanent employees | 913          | 805          |
| Fixed term          | 76           | 76           |
| Casual              | 8            | 17           |
| <b>Total</b>        | <b>997</b>   | <b>898</b>   |

## Attraction and retention

*This is SEEK* plays a central role in building a high-performance culture and attracting and retaining talent within the highly competitive technology industry. SEEK has a robust recruitment process and the *This is SEEK* framework forms a core part of how potential new employees are evaluated.

SEEK continues to evolve its talent acquisition practices to support attraction and retention of top talent. The refreshed 'Work for SEEK' page on SEEK's website showcases the unique culture and the work undertaken in pursuit of SEEK's Purpose. A new internal Hiring Hub ensures clarity about the internal hiring process and provides resources and support for Hiring Managers.

SEEK retained 91% of permanent employees in FY2019, which is well above industry norms. SEEK's low voluntary attrition rate is a testament to the inclusive work environment and the 'people first' culture which the company strives to achieve.

## Career and talent development

Regular *This Is SEEK* performance conversations ensure every employee knows how they are performing. Performance is measured against agreed outcomes specific to an individual's role and the SEEK Attributes, which outline performance expectations from a behavioural perspective.

In FY2019, there has been a focus on career development at SEEK, ensuring employees have the tools, resources and skills to develop their careers. Alongside this, continual focus on the capabilities considered strategically important for SEEK has involved bespoke learning and development initiatives focused on coaching, growth mindset and leading change.

The continued growth and increased global reach of SEEK has created a greater need to invest in talent identification, succession planning and leadership capability building for SEEK senior leaders globally. A new internal Talent and Leadership function in FY2019 established a centralised approach to talent assessment and succession planning. This allows for improved understanding of SEEK's leadership profile and more proactive management of highest potential employees and related key person risk.

## Employee satisfaction and engagement

In FY2019 SEEK's focus on high engagement of employees continued. The overall engagement score was within the top quartile, consistent with previous years. Compared to Culture Amp benchmarks, this was significantly higher than both the average of other large technology companies and companies across Oceania.

## Employee benefits

Financial benefits for permanent employees comprise an annual Profit Share opportunity, an employee share purchase plan, salary continuance insurance and travel insurance. In line with legal obligations, employees also are also paid statutory superannuation to the pension fund of their choice.

Alongside this, employees are offered flexible working arrangements, generous leave provisions and programs to support physical and mental wellbeing. Employees also have access to vehicle salary packaging and various offers related to items such as health insurance, fitness and food, travel and accommodation.

## Workplace flexibility

SEEK is committed to creating a flexible work environment that meets the needs of its people, whilst also achieving the needs of the business. This is founded on a belief that sustainable flexible work arrangements must always balance the needs of the individual, the leader, the team and the organisation. Flexibility is important in helping employees balance work with caring responsibilities, community involvement and personal development, and allows individuals to meet their personal lifestyle needs.

A comprehensive review of SEEK's people policies and practices was undertaken during FY2019, involving benchmarking SEEK against other organisations and collecting feedback from employees. Changes have been implemented to improve overall clarity of leave entitlements and introduce a new leave type. These changes include:

- New guidelines supporting flexible working arrangements which ensure the needs of the individual, leader, team and organisation are met
- Introduction of 'Personal Flexi-Leave' which provides employees with up to 5 days paid leave per year to attend to personal responsibilities outside of work
- Up to 6 weeks paid Carer's Leave in addition to the statutory entitlement
- Application of Sick and Carer's Leave policies to employees undergoing, or supporting household or family members undergoing, gender affirmation or transition

SEEK offers 14 weeks paid Parental Leave for the primary carer, and 2 weeks for partners. Employees at SEEK can now take Parental Leave up to 18 months after their child is born, increased from 12 months previously. This allows greater flexibility and creates the potential for each parent to be the primary carer within the first 18 months of the child's life. This change is helping to drive greater gender balance in the taking of primary carer leave. Specialist coaching services support the employee and manager with this transition prior to leave, during leave and returning to the workplace. During FY2019, 83 employees took Parental Leave, comprising 71% females and 29% males who were nominated as the primary carer.



Retention of employees who took Parental Leave was strong. Of the 53 employees on Parental Leave and due to return to work in FY2019, only 2 ceased employment, a return rate of

# 96%

# Workplace health and safety

## Workplace behaviours

SEEK's Workplace Behaviour Guidelines clarify the standards and expectations of people at SEEK, when making decisions and behaving at work. These guidelines sit alongside SEEK's Code of Conduct for Employees, and together with *This is SEEK*, clearly prescribe the behavioural expectations of the employees working at SEEK. These standards of expected behaviour are designed to protect and promote SEEK's best interests, and to provide a productive, caring and respectful environment for employees.

New employees attend a day-long induction to learn about *This is SEEK* and the business, and meet senior leaders. To further build understanding of the expected behaviours, employees are required to complete mandatory training modules on Anti-Bribery and Anti-Corruption, Equal Employment Opportunity and Workplace Health and Safety with completion rates closely monitored.

## Collective agreements and freedom of association

Collective agreements are not customary in SEEK's industry as employees are engaged under individual contracts. Employment contracts and conditions are designed to attract and retain high performing talent. SEEK employees are not restricted in their entitlement to freedom of association.

Through the *Wellbeing at SEEK* program, employees are supported to actively foster personal wellness. Examples of what is provided include the following initiatives.

- Leader and employee workshops to build capability in recognising and supporting mental illness in the workplace.
- External Mental Health First Aid Training for a targeted cohort of cross-business employees.
- SEEKer Support Program, which enables employees to access services from a mental health practitioner or counsellor of their choice. In FY2019, SEEK increased the number of Company -funded sessions available to employees from three to six.

## Safety performance

SEEK continued its commitment to ensuring the health and safety of its employees, contractors and visitors at work and conducted its business in accordance with all workplace health and safety laws, standards and codes of practice. Through the promotion and support of a wide range of health and safety initiatives, SEEK maintained a strong safety record with zero lost time injuries.

|  | FY2019 | FY2018 |
|--|--------|--------|
| Lost time injury frequency rate*<br>(per million hours worked) | 0      | 1.4    |
| Lost time injury incident rate<br>(per 100 employees)          | 0      | 0.2    |
| Number of workcover claims                                     | 0      | 1      |

\*Where the following day could not be worked due to injury



# Diversity and inclusion

SEEK is committed to an inclusive culture which values diversity of thought, opinion and background, and where its employees are provided with equal access to opportunities. SEEK recognises and respects qualities which are unique to individuals such as, but not limited to, gender, language, ethnicity, age, religion, disability and sexual orientation. This is how SEEK creates an environment where people feel they can bring their true selves to work. SEEK believes in treating all people with dignity and respect and is committed to employing people with 'best in market' skills, and who complement the culture of the organisation.

Underpinning this is SEEK's Diversity and Inclusion Policy, which is available on the Corporate Governance page in the Investors section of the Company's website.

SEEK's Wellbeing, Diversity and Inclusion Strategy outlines the aims, objectives and priority areas through to 2020. In FY2019, the focus areas were on gender diversity, workplace inclusion and mental health and wellbeing. A key initiative under the banner of workplace inclusion was SEEK's sponsorship of Midsumma, Melbourne's premier LGBTIQ+ community event, for the fifth consecutive year. In the wellbeing space, a highlight was Wellbeing Week, which was celebrated at SEEK in October 2018 to coincide with World Mental Health Day.

## Gender diversity – a balanced workplace

SEEK recognises that achieving diversity, in all its forms, is important for an innovative and high performing business. The organisation has a specific focus on gender diversity and striving to achieve a workforce composition that is reflective of our customer base. As SEEK is a technology company, there are unique challenges in striving for gender balance, given the technology industry has a significant under representation of women in professional roles.

With this as context, SEEK continues to focus on gender diversity and aims to improve the under representation of women through a range of initiatives.

### > Achieving gender balance in hiring

#### Measurable Objective FY2019: Hiring decision based on both suitability for role and diversity across teams.

SEEK places great importance on ensuring balanced representation throughout the recruitment process. Achieving gender balance in hiring outcomes is particularly challenging for technology roles, and here gender imbalance continues despite proactive focus. This focus resulted in an uplift in female new hires in Product and Technology teams in Australia and New Zealand, where 39% of new hires were female in FY2019, compared to 33% in FY2018.

There are multiple dynamics which influence SEEK's workforce composition. Despite the positive shift within Product and Technology, the overall proportion of female external hires declined by 5% in FY2019. This decline was influenced by the following factors.

- The high volumes of hiring that occurred within Product and Technology roles, where there is an under representation of female candidates in the external market.
- Efforts in FY2019 to improve male representation within female-dominated teams at SEEK, which saw an increase in the number of male hires in certain areas. This is reflective of SEEK's holistic commitment to achieving a truly balanced workplace.

|   | FY2019 | FY2018 | FY2017 |
|---|--------|--------|--------|
| Female new hires, as a % of total new hires | 42%    | 47%    | 45%    |





## Female representation at SEEK

Overall female representation across the total workforce improved by 1% in FY2019 despite the decline in proportion of female external hires. Female representation at the Executive and Senior Manager level remained stable. This is reflective of a low voluntary attrition rate for females of 6% in FY2019, down 3% from FY2018, and a testament to the supportive workplace SEEK provides for female employees.

| Female Representation %                                      | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|--|--------------|--------------|--------------|
| Group Executives of SEEK Limited - direct reports to the CEO | 17%          | 17%          | 17%          |
| Executives and senior managers*                              | 28%          | 29%          | 27%          |
| Workforce - all employees                                    | 46%          | 45%          | 45%          |

\* This is defined based on seniority attributed to role and represents a total group of approximately 60 employees.

## > Gender pay equity

### Measurable Objective FY2019:

#### Maintain principles of gender pay equity.

SEEK is committed to maintaining principles of gender pay equity across all levels for comparable roles. Robust processes to ensure equitable pay outcomes are achieved for similar roles, regardless of gender, include:

- Transparency of remuneration policies and practices
- Leader education about potential gender bias during the annual salary review cycle
- Utilising both internal and external remuneration data when hiring external talent

Each year SEEK undertakes detailed analysis of individual pay and identifies any potential gender pay gaps. Accordingly in FY2019, SEEK undertook a pay parity analysis to ascertain any gender pay gaps between those performing the same role. Most of the differences could be explained by factors unrelated to gender and no systemic issues were identified. An analysis of proposed increases as part of the annual salary review found no statistically significant differences in the salary increases proposed for males and females, relative to the recommended annual pay increase for their role. SEEK is confident that through education of leaders and by monitoring pay decisions during the critical points in the lifecycle of an employee, the risk of gender pay equity in decision making remains low.

Overall, gender pay differentials tend to reflect under-representation of females in higher paying technical and senior roles, rather than genuine inequities in pay. This reinforces the need to focus on improving gender balance within higher paid roles, rather than specific concerns related to gender pay inequity.

## Increasing female participation in senior roles

The third Females at SEEK Thrive (FAST) program kicked off in FY2019. This program is a tailored development initiative designed for SEEK, which aims to increase female participation within senior roles by investing in high performing women and fostering their individual career progression. This program has expanded to 26 participants (up from 14 in FY2018), representing a cross-section of the organisation. The success of this program is measured by the career velocity of the individual women and an increase in the pipeline of future women leaders at SEEK.

## Improving the talent pipeline through long-term investment in female talent

The focus on building a pipeline of female talent remains an important part of SEEK's strategy in this area, as evidenced by the February 2019 Graduate Program. Reflecting the concerted efforts made around gender balance, four of the six graduate Software Developers hired were female. Other initiatives focused on building the pipeline include:

### CAMP SEEK

The aim of Camp SEEK is to engage girls aged 14 to 16, introducing them to the variety of careers available within the technology industry and to female role models. This program, free to participants, is run during the September school holidays at the SEEK head office in Melbourne. In FY2019, 36 girls took part.

### haXX

haXX is an ethical hacking training program for women interested in the technical security field and wanting to build foundational expertise. As part of SEEK's outreach program to support women in technology, a 10-week series of evening classes was opened to the public and significantly over-subscribed. Led by one of SEEK's female cyber security experts, topics ranged from penetration testing to techniques attackers use to exploit web application security vulnerabilities.

## Social impact

We help people  
live more fulfilling  
and productive  
working lives and  
help organisations  
succeed.

**SEEK's purpose is fundamental to driving the business which delivers access to employment and education opportunities to millions of people.**

SEEK is the market leader in product and technology solutions which address the needs of candidates and hirers by facilitating matching of employment opportunities and job seekers. Revenues are inextricably linked to the success of candidates and hirers using SEEK's job market platforms and students accessing education and advice that helps them advance their careers.

### **Education is essential to a productive labour market.**

Technology is increasing the accessibility of quality education enabling many people to more easily up-skill and re-skill to adapt to rapidly changing labour markets. Online Education Services (OES) is a majority owned subsidiary of SEEK which started as a joint venture in 2011. Today OES is helping about 12,000 non-traditional students in Australia achieve their career aspirations through online education, whilst addressing skill shortages in various employment markets such as nursing and teaching. Through delivery of innovative and dynamic learning environments, OES is equipping students for the future world of work. SEEK continues to invest in market leading, high growth education businesses across the large human capital market. Investments during FY2019 in FutureLearn and Coursera are key enablers in delivering education at scale.



### **Career Guide**

SEEK is passionate about assisting candidates to make fully-informed career decisions, helping them understand and discover potential career paths, with the Career Guide. Career Guide provides actionable insights to help Australians make career decisions, free of charge. Candidates can explore career pathways using information on what it is like to work in a role, the number of current job opportunities, job growth, average salary and job satisfaction levels as captured through real employee reviews. Since January 2019, Career Guide has shaped over 200,000 career decisions.



### **Reducing bias in hiring**

To help organisations build more diverse and inclusive workplaces the SEEK hirer Talent Search website provides a feature to reduce unconscious bias in the hiring process. The "Hide Names" feature is aimed at reducing potential gender and racial bias. Hirers can activate "Hide Names" which removes all candidate names from a talent pool for shortlisting so hirers can focus on a candidate's skills and experience. Since its launch in early 2018, 24,000 hirers have enabled the "Hide Names" feature in their search for candidates.

SEEK provides face to face training for hirers in how to use the SEEK's systems for effective recruitment. This training helps hirers to identify the stages in the recruitment process where bias may be triggered and to reduce unconscious bias in their hiring processes.

## SEEK Volunteer

Introduced in Australia in 2000 and New Zealand in 2015, SEEK Volunteer draws on the successful SEEK employment platform to provide the largest source of volunteer opportunities online.

SEEK Volunteer's social purpose is to strengthen communities by growing the impact of volunteering. The SEEK Volunteer platforms are free for not-for-profit organisations to post volunteer opportunities and for individuals to access. In FY2019, SEEK Volunteer connected more volunteers with opportunities than ever before with a 12% increase in the number of individuals who applied for a volunteer opportunity.



Individuals who have applied  
for a volunteer opportunity

Registered not-for-profit  
organisations offering volunteering

Volunteer opportunities listed as  
at 30 June

|      |         |      |        |
|------|---------|------|--------|
| 2019 | 121,500 | 9040 | 12,060 |
| 2018 | 108,500 | 8000 | 11,300 |
| 2017 | 92,000  | 7300 | 11,000 |

## Social contribution by employees

SEEK provides employees with one day of volunteer leave each year. Employees can use the day for individual or team volunteering, to undertake general or skilled tasks. In addition, during FY2019 SEEK introduced Personal-Flexi Leave, which enables employees to access an additional five days of paid leave throughout the year which can also be utilised for volunteering purposes. SEEK's employees have highly sought after technology skills which have been offered through volunteering to not-for-profit organisations.



It started as a conversation at a Christmas party and grew from there. A group of SEEK employees use their volunteer days to help Starlight Children's Foundation solve day to day technology issues in its Melbourne office. This skilled volunteer project means that Starlight Children's Foundation can redirect money otherwise spent in IT support to provide services to those in need.

SEEK continued its best practice workplace giving program 'Small Change'. Employees participate through pre-tax donations deducted directly from employees' pay which SEEK matches with a dollar-for-dollar corporate donation. Employees direct their donations to one or more of SEEK's ten partner charities. Unlike many other workplace giving programs, Small Change operates on an 'opt-in' basis. Over half of SEEK's Australian full and part-time permanent employees participated in the programme in FY2019. In addition to the Small Change programme, in FY2019 SEEK made donations to other charity and community groups.



SEEK won two gold awards at the 2018 Workplace Giving Australia Excellence Awards, one for Best Overall Workplace Giving program and the other for the Most Innovative Charity/Employer Partnership. Both awards recognised SEEK's relationships with its charity partners which create shared value well beyond matched workplace giving donations.

# Environment

## Climate change

**There are significant and well-publicised risks associated with climate change and global warming.**

The Board has considered the effect of the physical risks to SEEK of climate change, in particular the overall increase in the frequency and severity of weather events, reliability of power supplies and flooding. It has also assessed the indirect risks of the transition to a lower-carbon economy.

The SEEK business predominately operates online employment marketplaces and is not currently directly affected by the physical impacts of climate change.

The transition to a lower-carbon economy required to contain climate change will involve social, market and physical adjustments and potential regulatory responses. These will affect global and Australian economies, and with this the employment markets in which SEEK operates. Impacts on macroeconomic performance, and therefore hirers' and job seekers' engagement with SEEK, will involve a range of unpredictable factors. These include timeframes and the geographic spread of economic impacts, and the effectiveness of policy or regulatory intervention which may mitigate the economic impact in Australia and other countries in which SEEK operates.

Accordingly, while climate change is an emerging risk for SEEK, it is not currently a material business risk in the context of the financial statements. Climate-related risks will receive continued assessment by the Board.

### Future outlook

SEEK continues to build on its progress to understand climate-related risks to the business and minimise the environmental impacts of the business operations. Continued focus on these issues will include:

- Measuring and monitoring Greenhouse Gas (GHG) emissions
- Monitoring exposure to climate change risks for the business and investments
- Developing a roadmap for minimising the environmental impact of its activities, including minimising consumption of goods and services, energy and water.



## Minimising environmental impact

**SEEK's offices are managed with a commitment to minimising waste and energy use. Continual improvements have minimised energy use from lighting, air conditioning and printing.**

With the aim of reducing paper and toner usage, SEEK implemented "Follow-me Printing" across the Australian offices during FY2018. This resulted in a decrease in paper use in FY2019 of 45%.

Since 2006 SEEK's head office in Melbourne has worked with a cleaning company dedicated to "green cleaning" using GECA certified cleaning products. This avoids the residual and airborne toxic substances left behind from common chemicals generally used in office cleaning.

SEEK continues to widely implement technologies to connect SEEK offices, partners and service providers which assists with reducing business travel.



## Energy consumption and emissions

This year SEEK's objective was to measure and disclose its energy consumption and greenhouse gas emissions associated with its activities in Australia and New Zealand.

### Greenhouse gas emissions by scope SEEK Australia and New Zealand operations

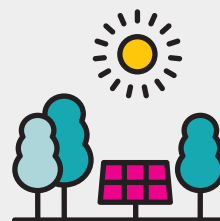
| (tonnes CO <sub>2</sub> -equivalent)    | FY2019       |
|---|--------------|
| Scope 1 - direct emissions              | 0            |
| Scope 2 - electricity-related emissions | 1,305        |
| Scope 3 - indirect emissions            | 7,385        |
| <b>Total emissions</b>                  | <b>8,690</b> |

### Energy consumption SEEK Australia and New Zealand operations

| (GJ)                            | FY2019        |
|---------------------------------|---------------|
| Electricity (offices)           | 4,922         |
| Energy (via purchased services) | 31,812        |
| <b>Total energy consumption</b> | <b>36,733</b> |

#### Notes

- Scope 1 emissions are direct emissions from operations that are owned or controlled by the reporting entity. SEEK does not have operational control over any activities that result in material scope 1 emissions.
- Scope 2 emissions are indirect emissions from the purchased electricity consumed by the reporting entity.
- Scope 3 emissions are indirect emissions (not included in scope 2) that occur in the value chain of the reporting entity including both upstream and downstream emissions. SEEK's Scope 3 emissions include: business travel (flights and taxis), base-building services (electricity and natural gas), waste generated in activities, purchased goods and services (primarily data services), employee commuting, embodied carbon in capital goods (IT equipment), and full fuel cycle emissions for fossil fuels and electricity consumed.
- Data includes SEEK Limited subsidiaries OES, JobAdder and Sidekicker.
- Energy (via purchased services) includes business travel (flights and taxis), base-building services (electricity and natural gas), and purchased data services.
- The corporate reporting protocol adopted by SEEK is the World Business Council for Sustainable Development Greenhouse Gas Protocol based on the company's operational control of its sites. Reference has also been made to Australia's National Carbon Offset Standards.
- Methodology (energy and emission factors) used for estimating Scope 1, 2 and 3 emission sources is from Australia's National Greenhouse Accounts (NGA) unless otherwise specified. Emissions estimates for flights were provided by the flight service provider and follows the UK BIES methodology.
- The SEEK Group falls below the threshold for National Greenhouse and Energy Reporting (NGER) mandatory annual reporting.



SEEK uses NEXTDC M1 Melbourne data centre which has a 400kW solar rooftop array.



## Data centres

SEEK's data is stored at dedicated external data centres in major Australian cities, and in cloud-based platforms. Sharing these common commercial facilities achieves energy efficiencies compared with inhouse data centres. Data centres help mitigate SEEK's business continuity risks by providing the excess capacity necessary to ensure agreed power, temperature and humidity levels are met, even during an energy outage or heatwave. Atmospheric controlling and powering at these data centres is a significant use of energy attributed to SEEK.

Where possible SEEK selects data centres which are pro-active in reducing energy consumption and dependence on non-renewable energy sources. SEEK utilises NEXTDC's M1 data centre in Melbourne which has a 5 star NABERS rating for energy efficiency. NEXTDC's operations have a low Power Usage Effectiveness (PUE) rating of 1.34 where the ideal ratio is 1.00 and the industry average is 1.70.

# Governance

Each year SEEK prepares a Corporate Governance Statement which is released to the Australian Securities Exchange. This is available on the SEEK website in the Corporate Governance section alongside Board charters and key policies that underpin the corporate governance practices.

## Promoting responsible and ethical business practices

SEEK is committed to conducting business in an honest, ethical and accountable way. Through *This is SEEK* the Company's Purpose and Vision are aligned with a clearly defined set of Beliefs and Attributes. These codify SEEK's culture and reinforce the desired behaviours and ways of working at SEEK. *This is SEEK* is described on page 48.

### Code of conduct

SEEK's Code of Conduct for Employees establishes a standard of performance, behaviour, professionalism and integrity for employees, contractors and directors with respect to their conduct.

### Whistleblowing

The SEEK Group Whistleblower Policy encourages employees and stakeholders to report instances of behaviour which may:

- be unethical or improper;
- constitute financial malpractice, impropriety, corruption, bribery or fraud;
- breach or potentially breach any law or regulation;
- amount to an abuse of authority;
- amount to non-disclosure or manipulation of the internal or external audit process; or
- be a serious breach of the SEEK Group's Policies or Code of Conduct.

Whistleblowers are protected from victimisation, adverse action or intimidation, and SEEK commits to ensure confidentiality and fairness in all matters raised.

The Board through the Audit and Risk Management Committee receives regular updates of any matters reported through SEEK's whistleblower channels.

With the introduction of the new whistleblower legal regime in Australia, the SEEK Group Whistleblower Policy will be reviewed during FY2020.

## Anti-bribery and corruption

SEEK is committed to conducting business in compliance with all applicable anti-bribery and anti-corruption laws in all countries in which the Group operates.

The SEEK Group Anti-Bribery and Anti-Corruption Policy sets out the Group's requirements in relation to interactions with officials and third parties, and is supplemented by the SEEK Group Gifts and Entertainment Policy. Awareness and understanding of the policy requirements is promoted through mandatory employee training.

Reporting of suspected breaches of the policy is encouraged, including through the whistleblower channels. Compliance officers have been appointed across the SEEK business. Any material violation of the policy would be reported to the Board through the Audit and Risk Management Committee.

## Modern slavery

SEEK's purpose is to help people live more fulfilling and productive working lives and help organisations succeed. Given this context, SEEK is opposed to slavery in all forms.

SEEK's employment platforms in Australia and New Zealand advertise around 160,000 jobs at any one time, and many more across SEEK's Asian and Latin American businesses. SEEK acknowledges its role and responsibility to safeguard against the risk of modern slavery in advertising job opportunities which could be deceptive recruiting for forced or bonded labour including human trafficking. SEEK applies significant resources to ensure that all job advertisements on the websites are for legitimate job opportunities and will remove any which are suspicious.

During FY2020 SEEK will prepare a Modern Slavery Statement describing its actions to assess and address modern slavery risks in SEEK's operations and supply chains.

## Insider trading prohibitions

The purpose of the Share Trading Policy is to ensure that officers and employees of SEEK have a clear understanding of insider trading laws and the rules that apply to them and to their associates in relation to dealing in SEEK securities.

Under the Share Trading Policy, they are prohibited from dealing in SEEK securities if they are in possession of inside information. Additional dealing restrictions apply to directors, executives and other SEEK employees who may be exposed to inside information. These people are not permitted to deal in SEEK securities during defined blackout periods, and must obtain clearance to deal at other times.

## Competition and consumer law compliance

Competition laws are designed to promote and maintain market competition by regulating anti-competitive conduct. Consumer laws set general standards of business conduct and prohibit unfair trading. SEEK participates lawfully and ethically in all market competitive activities and observes consumer protection laws. SEEK's Legal team is responsible for advising, monitoring and reporting on competition and consumer law compliance.

## Taxation transparency

SEEK has released its inaugural Tax Transparency Report detailing the tax strategy, governance and tax contributions made during FY2018 to global tax and other revenue authorities. The information was provided on a voluntary basis in accordance with the recommendations and guidelines contained in the Voluntary Tax Transparency Code released by the Australian Government.

# Corporate Governance Statement

The Board of SEEK considers that high standards of corporate governance are a cornerstone to creating long-term and sustainable shareholder value and ensuring that the workplace is fair, equitable and respectful of its employees, and protects the interests of other stakeholders. The Board is committed to fulfilling its corporate governance responsibilities in the best interests of SEEK and its stakeholders.

This statement describes the principal governance arrangements which operated across SEEK Limited ('SEEK', 'Company' or 'Group') during FY2019 to ensure effective decision-making and accountability. The third edition of the ASX Corporate Governance Principles and Recommendations ('ASX Recommendations') has been fully reflected in SEEK's governance throughout FY2019. Accordingly this statement reports compliance with the third edition of the ASX Recommendations. Some recommendations which appear for the first time in the fourth edition of the ASX Recommendations are also reflected in SEEK's current practices and described in this statement.

This Corporate Governance Statement has been approved by the Board and is current as at 10 October 2019.

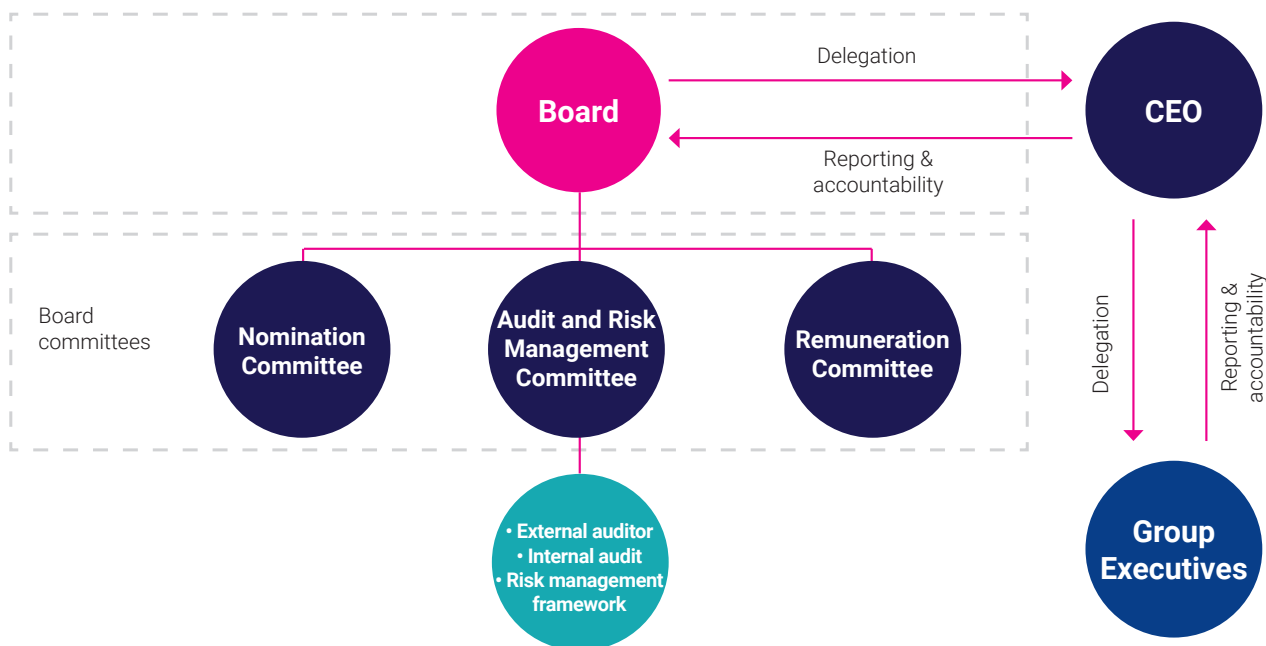
## Corporate governance policies and charters

SEEK maintains a Corporate Governance section on the Company website making available the governance policies, Code of Conduct and the Board and Committee charters referred to in this statement. This is located in the Investors section and can be accessed at <https://www.seek.com.au/about/investors/corporate-governance/>

## Board of Directors

| Director               | Position and independence   | Appointment as director |
|------------------------|---|-------------------------|
| Graham Goldsmith       | Chairman since January 2019<br>Independent Non-Executive Director                   | October 2012            |
| Andrew Bassat          | Managing Director, CEO and Co-Founder of SEEK<br>Non independent Executive Director | September 1997          |
| Denise Bradley         | Independent Non-Executive Director  | February 2010           |
| Julie Fahey            | Independent Non-Executive Director  | July 2014               |
| Leigh Jasper           | Independent Non-Executive Director  | April 2019              |
| Michael Wachtel        | Independent Non-Executive Director  | September 2018          |
| Vanessa Wallace        | Independent Non-Executive Director  | March 2017              |
| <b>Former director</b> |   |                         |
| Neil Chatfield         | Chairman, Independent Non-Executive Director<br>until retirement in December 2018   | June 2005               |

## Board structure



## Role of Board

The Board is accountable to shareholders for the performance of SEEK. The Board meets regularly to review SEEK's performance and progress against its strategic direction and business plans. It approves and monitors capital management including major capital expenditure, acquisitions and divestments. Ensuring the Group has in place appropriate internal controls, corporate reporting systems and risk management are further key areas of responsibility. The Board is responsible for the evaluation of the performance of the CEO, establishment and review of his remuneration and ensuring succession plans for key executive roles are in place.

The Board operates in accordance with the SEEK Board Charter which sets out the functions reserved to the Board and its key responsibilities. The Board reviews the Board Charter periodically to ensure it remains consistent with the Board's objectives.

The Board Charter delegates authority to the CEO for management of the Company, subject to established financial and other limitations. The CEO has overall responsibility for the operational, financial and business performance of the Group, and manages the organisation.

In accordance with its Charter the Board has established standards encouraging responsible and ethical behaviour for all SEEK employees, officers and directors including the Code of Conduct, Whistleblower Policy and Anti-Bribery and Anti-Corruption Policy.

*This is SEEK* is the Company's culture statement, which aligns SEEK's Purpose and Vision with a clearly defined set of Beliefs and Attributes. A summary can be found on page 48 of the Annual Report.

## Chairman

Graham Goldsmith became Chairman during FY2019 having served for six years on the Board and as Chairman of the Audit and Risk Management Committee. He is an independent director and devotes significant time to his chairmanship. The Board Charter describes his responsibilities which involve working closely with the CEO as the primary link between the Board and management. He leads the Board in discharging its responsibilities, and is supported by the Company Secretary in ensuring effective Board meetings.

## Company Secretary

The Company Secretary is Lynne Jensen who is accountable directly to the Board, through the Chairman, on all matters to do with corporate governance and the proper functioning of the Board. Each director has access to advice and support of the Company Secretary.



## Board committees

The Board has established three standing committees which provide efficient and effective mechanisms to focus on key areas of Board responsibility. On occasion the Board has also established ad hoc committees to provide specific oversight of time-critical matters, for example finalisation of the statutory financial reports.

| Committee                                  | Membership   | Key roles and responsibilities  |
|--|--|---|
| <b>Audit and Risk Management Committee</b> | Michael Wachtel (Chairman)<br>Julie Fahey<br>Graham Goldsmith<br>Vanessa Wallace | The Committee supports the Board by: <ul style="list-style-type: none"> <li>• reviewing and recommending the statutory financial reports;</li> <li>• reviewing accounting and financial controls;</li> <li>• recommending to the Board the appointment, remuneration and engagement terms of the external auditor, the provision of non-audit services and external auditor independence;</li> <li>• reviewing the effectiveness of the internal audit function and the internal audit function's reports on internal controls; and</li> <li>• reviewing the effectiveness of the risk management framework, the material risk assessment, the insurance programme and that the risk profile is within the approved risk appetite.</li> </ul> |
| <b>Remuneration Committee</b>              | Graham Goldsmith (Chairman)<br>Denise Bradley<br>Leigh Jasper<br>Vanessa Wallace | The Committee supports the Board by: <ul style="list-style-type: none"> <li>• overseeing the Remuneration Strategy;</li> <li>• reviewing the remuneration and incentives of the CEO and senior executives;</li> <li>• reviewing non-executive director fees;</li> <li>• reviewing the design of equity-based plans, and reviewing equity-based plan policies;</li> <li>• reviewing progress against diversity objectives; and</li> <li>• overseeing compliance with statutory responsibilities relating to remuneration disclosures.</li> </ul>   |
| <b>Nomination Committee</b>                | Graham Goldsmith (Chairman)<br>All other Non-Executive Directors                 | The Committee supports the Board by: <ul style="list-style-type: none"> <li>• reviewing the size, skills and composition of the Board;</li> <li>• reviewing director succession and the process of selection and appointment, and recommending the appointment and retirement of directors; and</li> <li>• ensuring there is a director induction and continuing education programme for directors.</li> </ul>  |

### Committee composition

- Members are all independent non-executive directors.
- Minimum of three members.
- Chaired by an independent director. The Audit and Risk Management Committee Chair may not be the Chair of the Board.
- The relevant financial qualifications and experience of the members of the Audit and Risk Management Committee are set out on pages 16-17 of the Annual Report.

The number of times each Committee met during the reporting period and the individual attendances of the members at those meetings is set out on page 18 of the Annual Report.

## Board composition

In determining the composition of the Board, the directors consider the size of the Board by reference to the Constitution and Board Charter, the needs of the Company for director skills and experience and orderly succession planning.

Currently the Board comprises six non-executive directors and a managing director. All the non-executive directors of SEEK are independent, and regularly confer as a group without management present. Andrew Bassat as the Managing Director, CEO and Co-Founder of SEEK, is an executive director and is the only director not considered independent.

## Board skills matrix

The skills and experience of SEEK's non-executive directors reflect the Group's principal activities globally. In assessing its skills mix and identifying any gaps in its collective skills, the Board applies a skills matrix. The skills matrix was reviewed during FY2019 to address current and emerging business and governance issues and provide a clear description of each skill area. The results of the most recent survey assessing the Board's collective skills and experience is shown in the matrix below. The criteria each individual non-executive director meets to be considered to have the skill is a rating of 'experienced or competent' or 'expert or significant operational experience'.

The Board is satisfied that the current mix of skills of the non-executive directors addresses existing and emerging business and governance issues. The focus for Board renewal is to continue, as opportunity arises through vacancies, to add directors with experience in digital business and education, and skills relevant to SEEK's growth markets.

| Skill area                             | Description  | Number of non-executive directors with these skills |   |   |   |   |   |
|--|--|---|---|---|---|---|---|
|  |  | 1   | 2 | 3 | 4 | 5 | 6 |
| Information technology/Digital         | Technology industry, digital platform, e-commerce, technology strategy, technology infrastructure, information monetisation, digital disruption              | ●   | ● | ● |   |   |   |
| Education and employment               | Higher education, online education, education policy, employment policy, recruitment and employment related industries                                       | ●   | ● | ● |   |   |   |
| Customer and marketing                 | Key relationships with customer base and industry participants; customer marketing strategies, consumer marketing, business development                      | ●   | ● | ● | ● | ● |   |
| Executive/Senior management leadership | Senior executive level role in an organisation of similar scale  | ●   | ● | ● | ● | ● | ● |
| Listed company governance              | Non-executive directorship or CEO of a listed company, related shareholder and investor relationships and corporate governance                               | ●   | ● | ● | ● | ● | ● |
| Financial acumen and risk management   | Assessment of financial performance of significant businesses, financial accounting and reporting, audit, oversight of risk management and internal controls | ●   | ● | ● | ● | ● | ● |
| Business mergers and acquisitions      | Mergers and acquisitions and business integration  | ●   | ● | ● | ● |   |   |
| Corporate finance                      | Capital management; debt and equity raising  | ●   | ● | ● | ● |   |   |
| Global perspective                     | Exposure to or responsibility for international operations or global markets   | ●   | ● | ● | ● | ● | ● |
| Strategy and innovation                | Developing strategic business objectives, execution of strategy, business transformation, driving long term change and growth                                | ●   | ● | ● | ● | ● | ● |

### Board diversity

SEEK is committed to an inclusive culture that values diversity. This is reflected in the Board's considerations on its composition which extends beyond ensuring the directors bring the right skills and experience for SEEK's current business and emerging challenges. Diversity of background and experiences brings different perspectives and thought which enhances decision-making.

**The Board reflects gender balance, a broad tenure and age range, and diverse educational and geographic backgrounds.**

### Measurable objectives

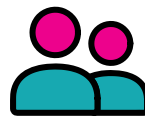
The SEEK Board intends to maintain the level of female directors at or above 30%. The Board of seven directors including the CEO is comparatively small, and one change of director can affect the gender balance considerably.

The measurable objectives established by the Board pursuant to SEEK's Diversity and Inclusion Policy for achieving gender diversity in the composition of senior executives and the workforce generally and its progress towards achieving those objectives is described in the 'Diversity and inclusion' section of the Sustainability Report on pages 52-53 of the Annual Report, together with the respective proportions of women and men in executive and senior manager positions and across the whole workforce.



# 43%

Female directors of  
SEEK Limited



# 45-77 years

Age range of directors



# 4/7

Directors have obtained  
higher education  
qualifications outside  
Australia



# 3/7

Directors born  
outside Australia



# 6 months to 9 years

Range of tenure of SEEK's  
non-executive directors



# 4 years

Average tenure of SEEK's  
non-executive directors

## Appointment of new directors

The Nomination Committee performs Board succession planning. As opportunity arises through vacancies, the Nomination Committee will identify suitable candidates to bring specific skills to complement the existing Board. Where appropriate, external search consultants may be engaged to assist.

The Nomination Committee will assess a candidate against a range of criteria including experience, professional qualifications, personal qualities and cultural fit with the Board and the Company. It also considers the candidate's other significant time commitments, if any, to ensure that the candidate will have capacity to fulfil his or her responsibilities as a director of SEEK.

Where a candidate is recommended by the Nomination Committee, the Company Secretary initiates detailed checks into the candidate's background and experience. Before the Board resolves to appoint the candidate as a director an independence assessment is also conducted using the detailed analysis which is applied annually in respect of each non-executive director.

A newly appointed director will stand for election at the annual general meeting ('AGM') following their appointment, as required under the Constitution. The notice of meeting will contain a detailed biography, including other directorships and significant commitments, and any other material information relevant to a shareholder's decision whether to elect the director.

A new director is provided an induction programme and materials designed to introduce the director to all aspects of SEEK's business and strategy. This will include meetings with the Chairman and the other directors, the CEO and senior management to gain insight into the business. The induction programme also incorporates information tailored to the director's committee work, knowledge, experience and particular area of expertise.

## Directors' responsibilities and obligations

### *Written agreement with each director*

Upon appointment each director is provided with a letter of appointment which details the terms of their directorship and the Board's expectations. The letter of appointment is with the director personally, and places specific obligations on the director in terms of time commitment, independence, disclosure of material interests and potential conflicts of interest and minimum shareholdings in SEEK. It also requires the director to consult with the Chairman before accepting any appointment which may affect a director's ability to meet the time commitment to SEEK.

### *Independence*

The Board requires that each non-executive director brings views and judgement to Board deliberations which are independent of management or any substantial shareholder, and free from business or other relationships which could interfere with the exercise of independent judgement. The Board's approach to the assessment of independence is set out in its Director Independence

Guidelines, and is also informed by the ASX Recommendations, the *Corporations Act 2001 (Cth)* and the Australian Accounting Standards.

Each year the Board considers and assesses each director's independence in light of the director's positions, relationships and interests and the materiality guidelines set out in the Director Independence Guidelines. The Board requires directors to provide relevant information to enable it to make the assessment.

The Board has reviewed the positions and relationships of all the directors in office as at the date of this statement. The Board has determined that none of its independent directors hold relationships which materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

In reaching its conclusion the Board reviewed the position of Graham Goldsmith who until 31 January 2019 was the Chancellor of Swinburne University of Technology ('Swinburne'). SEEK is in a joint venture with Swinburne through Online Education Services ('OES') which operates the Swinburne Online business. SEEK holds an 80% interest in OES with the remaining 20% interest held by Swinburne. Both SEEK and Swinburne had arrangements in place to manage any conflicts of interest, or perceived conflicts of interest, in relation to Graham's directorship of SEEK and his former role as Chancellor of Swinburne.

The Board also noted that some non-executive directors are involved in other companies or professional firms which may from time to time have immaterial dealings with SEEK, including as customers of SEEK's jobs websites. Details of offices held by directors with other listed companies are on pages 16-17 of the Annual Report.

### *Retirement and re-election*

Under the Constitution, directors cannot hold office without re-election for more than three years or past the third AGM after their appointment, whichever is longer. In addition, the Constitution provides that any director appointed by the Board holds office until the next AGM when they are eligible for election.

If no director is in a position requiring them to stand for election or re-election in the normal rotation, then one director must retire and stand for re-election at the AGM, as selected under the rules of the Constitution. In the notice of meeting security holders are provided with all material information relevant to their decision on whether or not to re-elect a director.

Andrew Bassat is exempt from retirement and re-election while he holds the position of Managing Director.

### *Minimum shareholding requirements for Directors*

To align the Board experience with that of shareholders, the Board has adopted a minimum shareholding policy which is described in the Remuneration Report on page 31 of the Annual Report.



## Directors' development and support

### *Professional development*

In addition to the induction programme for new directors, there is an ongoing programme of presentations and briefings on matters impacting the strategy and operations of SEEK. Directors are also provided with legal compliance training on matters such as continuous disclosure and anti-bribery and anti-corruption and briefings on key changes to laws and accounting standards affecting the Group. To assist directors in better understanding the Company's international, strategic and operational objectives, the Board and individual directors visit various overseas operations of the Group from time to time.

### *Access to Information*

In addition to comprehensive Board papers and briefings at Board meetings, directors are able to access the CEO and management to request relevant information.

Directors receive copies of all Committee packs, including the minutes of each Committee meeting. In addition, the Chair of each Committee provides an update at the following Board meeting on the activities of the Committee. All directors have a standing invitation to attend any Committee meeting.

### *Independent professional advice*

Directors are entitled to seek independent professional advice at the Company's expense relating to their role as a director of SEEK, subject to prior written approval by the Chairman.

## Board performance evaluation

The Board reviews its performance each year, including assessing the operation of the Board, committees and individual directors as well as Board reporting and processes. The aim of the Board performance review is to ensure that individual directors and the Board as a whole work effectively in meeting the responsibilities described in the Board Charter.

The Board performance evaluations are led by the Chairman and undertaken by way of internal surveys of each director. In addition the Chairman meets with each non-executive director to discuss individual performance and the Chairman of the Audit and Risk Management Committee or another senior director meets with the Chairman to discuss the Chairman's performance. In FY2019 the evaluation took place in accordance with that process.

The Board engages an externally facilitated performance review periodically, with the aim to conduct such reviews in every third year. These reviews incorporate feedback from executives and other stakeholders beyond the Board. The Board conducted an externally facilitated performance review in FY2017.

## Risk management and assurance

The Board views effective risk management as essential to achieving its operational and strategic objectives.

The Board is responsible for SEEK's Risk Management Policy, and has established the Risk Management Framework which it reviews annually to satisfy itself that it continues to be sound. Through SEEK's Risk Appetite Statement, the Board determines the Group's appetite for risk after taking into account the Group's strategic objectives and other factors including regulatory and legal requirements, shareholder and customer expectations, the Group's financial position and organisational culture. SEEK's approach to risk management is to identify and minimise the potential for loss, whilst also maximising strategic opportunities for growth.

SEEK monitors its exposure to all risks to the business including operational, financial and non-financial risks. The Group's Principal Risks are described in the Directors' Report on page 14 of the Annual Report. The Sustainability Report on pages 42-58 of the Annual Report outlines SEEK's approach to environmental, social and governance sustainability risks.

The Audit and Risk Management Committee oversees the Risk Management Framework and ensures it is implemented by management. The Committee reviewed the Risk Management Framework during FY2019. Each business unit profiles its risk environment, controls and operations. The outcomes of the risk profile across the Group are aggregated for reporting to the Audit and Risk Management Committee.

The Audit and Risk Management Committee approves the Internal Audit Plan and receives regular reporting on internal audit findings and the status of management actions with a focus on findings rated critical or high.

The Group Risk and Assurance function incorporates the internal audit function and is responsible for delivering assurance projects including internal audits. Assurance projects may be undertaken internally by members of the Group Risk and Assurance function or in conjunction with external service providers. The Head of Governance and Risk reports to the CFO and has unfettered access to the Chairman and to the Chairman of the Audit and Risk Management Committee and attends all meetings of the Audit and Risk Management Committee.

## Remuneration of Directors and Executives

The following matters are discussed in detail in the Remuneration Report from page 23 of the Annual Report.

- Executives' contractual arrangements and remuneration structure for FY2019
- Executive performance evaluations
- Malus and clawback policies
- Minimum shareholding requirements
- Prohibitions on executives hedging equity based remuneration contained in the Share Trading Policy
- Non-Executive Director remuneration policy and structure for FY2019

## Corporate reporting and assurance

SEEK has in place processes to verify the integrity of corporate reporting. The Audit and Risk Management Committee provides the Board with independent oversight of the corporate reporting processes. Its membership includes accounting and financial experts. The Committee recommends to the Board the appointment of the external auditor and the matters associated with the external auditor including rotation of the audit engagement partner, fees for audit and non-audit services and the scope of the external audit.

The CEO and CFO have for FY2019 assured the Board that the annual declaration provided in accordance with section 295A of the *Corporations Act 2001 (Cth)* and the equivalent declaration at half year are founded on a sound system of risk management and internal controls which is operating effectively.

## Market disclosure

SEEK is committed to accurate, balanced and timely disclosure to ensure the efficient operation of the securities market and is committed to promoting stakeholder and investor confidence through its continuous disclosure practices. The Continuous Disclosure Policy aims to ensure that the management and delivery of price sensitive information by SEEK complies with SEEK's continuous disclosure obligations under the *ASX Listing Rules* and the *Corporations Act 2001 (Cth)*.

The Continuous Disclosure Policy sets out SEEK's legal obligations, provides guidance for the identification of material information that may require disclosure to the market and sets out the roles and responsibilities of SEEK personnel. The Board has ultimate responsibility for ensuring that SEEK complies with its continuous disclosure obligations and is responsible for implementing and overseeing compliance with the Continuous Disclosure Policy. The Board has delegated certain responsibilities relating to SEEK's continuous disclosure obligations to a Disclosure Committee which comprises the CEO, CFO and Company Secretary. The Disclosure Committee is responsible for considering potentially price sensitive information, determining whether it requires disclosure and approving the form of that disclosure, other than on certain matters reserved to the Board for approval.

The Board receives copies of market releases directly after they are released to the market.

When SEEK gives a substantive investor or analyst presentation, this is released to the market ahead of the presentation.

## Shareholders and stakeholder engagement

SEEK is committed to transparency and openness in its communication with its shareholders. It works to keep shareholders fully informed regarding developments and important information affecting the Company.

The channel for shareholders to access information about SEEK is the 'About SEEK' section of the SEEK website which provides information about the Group generally and includes:

- a dedicated area for Investors including a Corporate Governance section;
- ASX announcements;
- the AGM Notice of Meeting, Chairman and CEO's addresses and voting results;
- reports and presentations including the Annual Report, the Sustainability Report, financial results and accompanying presentations to the market;
- information about key dates, the share price and dividends;
- links to and contact details for SEEK's share registry, Computershare; and
- contact details for enquiries by shareholders, analysts and media.

Shareholders may send and receive communications with SEEK and Computershare electronically. Investors and other stakeholders may sign up on the SEEK website to receive news and investor updates by email.

The AGM is a key opportunity for shareholders to hear the CEO and Chairman provide updates on the Company's performance, ask questions of the Board, and to express a view and vote on a poll on the various matters of Company business. Shareholders may also ask questions of the Company's external auditor at the meeting. SEEK encourages its shareholders to attend its AGM. SEEK also commits to dealing with shareholder queries in a respectful and timely manner whenever they are received by the Company.

SEEK has an active investor engagement program in Australia that includes scheduled briefings following half-yearly and annual results reporting and during the AGM period. Other ad hoc briefings are held throughout the year with institutional investors, private investors, analysts and the media. These briefings and presentations provide an opportunity for two-way communication between SEEK and these stakeholders. The Company ensures provision of equal access to material information by observing the following:

- all discussions with investors and analysts are conducted by or with the sanction of the CEO or the CFO, and are limited to explanation of previously disclosed material;
- where information is likely to be price sensitive then, in line with its legal obligations and Continuous Disclosure Policy, SEEK immediately discloses the information to the market;
- all formal SEEK analyst presentations are released to the market prior to delivery; and
- meetings with analysts to discuss financial results are not held between 1 January and the release of the half-year results, or between 1 July and the release of the full-year results.

# Financial Report

## About this Financial Report

The content and structure of the financial report has been reviewed and modified in recent years with the aim of making it less complex and more relevant to users. The report continues to evolve in this context as well as in response to changes in accounting standards.

### Financial Statements

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## Basis of preparation

SEEK Limited is a for-profit entity for the purpose of preparing financial statements.

These financial statements:

- are general purpose financial statements;
- are for the consolidated entity consisting of SEEK Limited and its subsidiaries;
- have been prepared in accordance with Australian Accounting Standards (AASBs) and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*;
- comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- have been prepared on a going concern basis notwithstanding that current liabilities exceed current assets by \$211.4m as at 30 June 2019. This is mainly due to unearned income of \$401.1m;
- have been prepared on a historical cost basis except for the revaluation of financial assets and liabilities (including derivative instruments) measured at fair value through profit and loss; and
- are presented in Australian dollars with all values rounded to the nearest hundred thousand dollars, or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investments Commission Corporations Instrument 2016/191.

Accounting policies adopted are consistent with those of the previous financial year, with the exception of the areas described in Note 27 Changes in accounting policies.

The Directors have included information in this report that they deem to be material and relevant to the understanding of the financial statements.

Disclosure may be considered material and relevant if the dollar amount is significant due to size or nature, or the information is important to understand the:

- Group's current year results;
- impact of significant changes in the Group's business; or
- aspects of the Group's operations that are important to future performance.

## Consolidated Income Statement for the year ended 30 June 2019

|   | Notes | 2019<br>\$m      | Restated<br>2018<br>\$m |
|---|-------|------------------|-------------------------|
| <b>Revenue</b>  | 2     | <b>1,557.3</b>   | 1,315.2                 |
| Other income  | 3     | 8.5              | 62.9                    |
| <b>Operating expenses</b>   |       |                  |                         |
| Direct cost of services   |       | (228.7)          | (137.0)                 |
| Employee benefits expenses  |       | (541.6)          | (447.8)                 |
| Marketing related expenses  |       | (149.8)          | (145.0)                 |
| Technology, product and development expenses                          |       | (37.7)           | (30.8)                  |
| Operations and administration expenses                                |       | (148.3)          | (136.6)                 |
| Depreciation and amortisation expenses                                |       | (85.8)           | (67.6)                  |
| Finance costs   | 4     | (66.8)           | (43.4)                  |
| Transaction costs   |       | (6.4)            | (8.7)                   |
| <b>Total operating expenses</b>                                       |       | <b>(1,265.1)</b> | (1,016.9)               |
| Impairment loss   | 12    | -                | (181.7)                 |
| Share of results of equity accounted investments                      | 18(b) | (16.5)           | (6.2)                   |
| <b>Profit before income tax expense</b>                               |       | <b>284.2</b>     | 173.3                   |
| Income tax expense  | 6(a)  | (85.8)           | (83.3)                  |
| <b>Profit for the year</b>  |       | <b>198.4</b>     | 90.0                    |
| <b>Profit is attributable to:</b>                                     |       |                  |                         |
| Owners of SEEK Limited  |       | 180.3            | 52.2                    |
| Non-controlling interests   | 17(c) | 18.1             | 37.8                    |
|   |       | <b>198.4</b>     | 90.0                    |
| <b>Earnings per share attributable to the owners of SEEK Limited:</b> |       | <b>Cents</b>     | <b>Cents</b>            |
| Basic earnings per share  | 5     | 51.3             | 14.9                    |
| Diluted earnings per share  | 5     | 50.1             | 13.8                    |

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.

## Consolidated Statement of Comprehensive Income for the year ended 30 June 2019

|  | Notes | 2019<br>\$m  | Restated<br>2018<br>\$m |
|--|-------|--------------|-------------------------|
| <b>Profit for the year</b>   |       | <b>198.4</b> | 90.0                    |
| <b>Other comprehensive income</b>                                  |       |              |                         |
| <b>Items that may be reclassified to profit or loss:</b>           |       |              |                         |
| Exchange differences on translation of foreign controlled entities |       | 82.1         | 2.1                     |
| Exchange differences on translation of foreign associates          |       | 5.5          | (1.6)                   |
| Reserves recycled on disposal of equity accounted investment       |       | (0.4)        | -                       |
| Losses on net investment hedges of foreign controlled entities     |       | (18.2)       | (7.6)                   |
| (Losses)/gains on cash flow hedges                                 |       | (13.1)       | 2.0                     |
| Other individually immaterial items                                |       | (0.8)        | -                       |
| Income tax recognised on other comprehensive income                | 6(b)  | 4.2          | 1.9                     |
| <b>Items that will not be reclassified to profit or loss:</b>      |       |              |                         |
| Change in equity instruments held at fair value                    | 9(d)  | 0.5          | (2.3)                   |
| <b>Other comprehensive income for the year</b>                     |       | <b>59.8</b>  | (5.5)                   |
| <b>Total comprehensive income for the year</b>                     |       | <b>258.2</b> | 84.5                    |
| <b>Total comprehensive income for the year attributable to:</b>    |       |              |                         |
| Owners of SEEK Limited   |       | 242.0        | 36.3                    |
| Non-controlling interests  |       | 16.2         | 48.2                    |
|  |       | <b>258.2</b> | 84.5                    |

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.



## Consolidated Balance Sheet as at 30 June 2019

|   | Notes | 2019<br>\$m    | Restated<br>2018<br>\$m |
|---|-------|----------------|-------------------------|
| <b>Current assets</b>                             |       |                |                         |
| Cash and cash equivalents                         | 7(c)  | 382.9          | 361.7                   |
| Trade and other receivables                       | 11    | 147.8          | 163.3                   |
| Other financial assets                            | 9(b)  | 158.9          | 93.2                    |
| Current tax assets                                | 6(a)  | 3.6            | -                       |
| <b>Total current assets</b>                       |       | <b>693.2</b>   | 618.2                   |
| <b>Non-current assets</b>                         |       |                |                         |
| Investments accounted for using the equity method | 18(b) | 237.2          | 130.9                   |
| Plant and equipment                               |       | 43.0           | 39.5                    |
| Intangible assets                                 | 12    | 2,719.5        | 2,552.6                 |
| Other receivables                                 | 11    | 151.5          | 100.3                   |
| Other financial assets                            | 9(b)  | 359.8          | 308.6                   |
| Deferred tax assets                               | 6(c)  | 46.0           | 33.9                    |
| <b>Total non-current assets</b>                   |       | <b>3,557.0</b> | 3,165.8                 |
| <b>Total assets</b>                               |       | <b>4,250.2</b> | 3,784.0                 |
| <b>Current liabilities</b>                        |       |                |                         |
| Trade and other payables                          |       | 260.3          | 244.0                   |
| Borrowings  | 7(b)  | 133.1          | 80.5                    |
| Unearned income                                   |       | 401.1          | 367.3                   |
| Other financial liabilities                       | 9(b)  | 40.0           | 8.6                     |
| Current tax liabilities                           | 6(a)  | 31.0           | 38.4                    |
| Provisions  | 13    | 39.1           | 35.3                    |
| <b>Total current liabilities</b>                  |       | <b>904.6</b>   | 774.1                   |
| <b>Non-current liabilities</b>                    |       |                |                         |
| Borrowings  | 7(b)  | 1,466.6        | 1,218.7                 |
| Other financial liabilities                       | 9(b)  | 24.0           | 18.8                    |
| Deferred tax liabilities                          | 6(c)  | 138.6          | 124.2                   |
| Provisions  | 13    | 22.0           | 23.2                    |
| <b>Total non-current liabilities</b>              |       | <b>1,651.2</b> | 1,384.9                 |
| <b>Total liabilities</b>                          |       | <b>2,555.8</b> | 2,159.0                 |
| <b>Net assets</b>                                 |       | <b>1,694.4</b> | 1,625.0                 |
| <b>Equity</b>                                     |       |                |                         |
| Share capital                                     | 14    | 269.2          | 269.2                   |
| Foreign currency translation reserve              |       | 127.6          | 38.9                    |
| Hedging reserves                                  | 15(a) | (120.3)        | (91.9)                  |
| Other reserves                                    | 15(b) | (10.6)         | (0.1)                   |
| Retained profits                                  |       | 1,133.3        | 1,111.9                 |
| Non-controlling interests                         | 17(c) | 295.2          | 297.0                   |
| <b>Total equity</b>                               |       | <b>1,694.4</b> | 1,625.0                 |

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.

## Consolidated Statement of Changes in Equity for the year ended 30 June 2019

| Notes  | Attributable to equity holders of the parent |   |                         |                       |                         |                | Non-controlling interests<br>\$m | Total equity<br>\$m |
|--|--|---|-------------------------|-----------------------|-------------------------|----------------|----------------------------------|---------------------|
|  | Share capital<br>\$m                         | Foreign currency translation reserve<br>\$m | Hedging reserves<br>\$m | Other reserves<br>\$m | Retained profits<br>\$m | Total<br>\$m   |                                  |                     |
| <b>Balance at 1 July 2017</b>                                | 251.6  | 36.5  | (86.1)                  | 53.7                  | 1,225.0                 | 1,480.7        | 559.2                            | 2,039.9             |
| Net effect of changes in accounting policy                   | -  | -   | -                       | -                     | (11.0)                  | (11.0)         | (0.3)                            | (11.3)              |
| <b>Restated balance as at 1 July 2017</b>                    | 251.6  | 36.5  | (86.1)                  | 53.7                  | 1,214.0                 | 1,469.7        | 558.9                            | 2,028.6             |
| <b>Restated profit for the year</b>                          | -  | -   | -                       | -                     | 52.2                    | 52.2           | 37.8                             | 90.0                |
| Exchange differences on translation of foreign operations    | -  | (9.5)                                       | -                       | -                     | -                       | (9.5)          | 10.0                             | 0.5                 |
| (Losses)/gains on hedge contracts                            | -  | -   | (6.0)                   | -                     | -                       | (6.0)          | 0.4                              | (5.6)               |
| Change in fair value of financial assets                     | -  | -   | -                       | (2.3)                 | -                       | (2.3)          | -                                | (2.3)               |
| Income tax recognised in other comprehensive income          | 6(b)   | 1.7   | 0.2                     | -                     | -                       | 1.9            | -                                | 1.9                 |
| <b>Total comprehensive income for the year</b>               | -  | (7.8)                                       | (5.8)                   | (2.3)                 | 52.2                    | 36.3           | 48.2                             | 84.5                |
| <i>Transactions with owners:</i>                             |  |   |                         |                       |                         |                |                                  |                     |
| Contributions of equity                                      | 14   | 17.6  | -                       | -                     | -                       | 17.6           | -                                | 17.6                |
| Dividends provided for or paid                               | 16   | -   | -                       | -                     | (157.7)                 | (157.7)        | (51.9)                           | (209.6)             |
| Share-based payments   | -  | -   | -                       | 18.7                  | -                       | 18.7           | 4.0                              | 22.7                |
| Tax associated with employee share schemes                   | 6(b)   | -   | -                       | (0.1)                 | 2.0                     | 1.9            | -                                | 1.9                 |
| Change in ownership of subsidiaries                          | -  | 10.0  | -                       | (37.9)                | -                       | (27.9)         | (130.6)                          | (158.5)             |
| Settlement of employee share options                         | -  | -   | -                       | 6.4                   | -                       | 6.4            | (14.7)                           | (8.3)               |
| Conversion of equity settled share options                   | -  | -   | -                       | (3.0)                 | -                       | (3.0)          | (2.0)                            | (5.0)               |
| Zhaopin privatisation  | -  | 0.2   | -                       | (41.6)                | -                       | (41.4)         | (114.5)                          | (155.9)             |
| Share of reserve movement of associates                      | 18(b)  | -   | -                       | 5.6                   | 1.4                     | 7.0            | -                                | 7.0                 |
| Transfer between reserves                                    | -  | -   | -                       | 0.4                   | -                       | 0.4            | (0.4)                            | -                   |
| <b>Balance at 30 June 2018</b>                               | 269.2  | 38.9  | (91.9)                  | (0.1)                 | 1,111.9                 | 1,328.0        | 297.0                            | 1,625.0             |
| <b>Profit for the year</b>                                   | -  | -   | -                       | -                     | 180.3                   | <b>180.3</b>   | <b>18.1</b>                      | <b>198.4</b>        |
| Exchange differences on translation of foreign operations    | -  | 89.9  | -                       | -                     | -                       | <b>89.9</b>    | <b>(2.3)</b>                     | <b>87.6</b>         |
| (Losses)/gains on hedge contracts                            | -  | -   | (32.5)                  | -                     | -                       | <b>(32.5)</b>  | <b>0.4</b>                       | <b>(32.1)</b>       |
| Change in fair value of financial assets                     | -  | -   | -                       | 0.5                   | -                       | <b>0.5</b>     | -                                | <b>0.5</b>          |
| Income tax recognised in other comprehensive income          | 6(b)   | 0.1   | 4.1                     | -                     | -                       | <b>4.2</b>     | -                                | <b>4.2</b>          |
| Reserves recycled on disposal of equity accounted investment | -  | (0.4)                                       | -                       | -                     | -                       | <b>(0.4)</b>   | -                                | <b>(0.4)</b>        |
| <b>Total comprehensive income for the year</b>               | -  | 89.6  | (28.4)                  | 0.5                   | 180.3                   | <b>242.0</b>   | <b>16.2</b>                      | <b>258.2</b>        |
| <i>Transactions with owners:</i>                             |  |   |                         |                       |                         |                |                                  |                     |
| Dividends provided for or paid                               | 16   | -   | -                       | -                     | (161.5)                 | <b>(161.5)</b> | <b>(9.6)</b>                     | <b>(171.1)</b>      |
| Share-based payments   | -  | -   | -                       | 15.4                  | -                       | <b>15.4</b>    | <b>2.7</b>                       | <b>18.1</b>         |
| Tax associated with employee share schemes                   | 6(b)   | -   | -                       | 1.0                   | 1.3                     | <b>2.3</b>     | -                                | <b>2.3</b>          |
| Change in ownership of subsidiaries                          | -  | (0.7)                                       | -                       | (2.6)                 | -                       | <b>(3.3)</b>   | <b>1.7</b>                       | <b>(1.6)</b>        |
| Share of reserve movement of associates                      | 18(b)  | (0.2)                                       | -                       | (4.4)                 | -                       | <b>(4.6)</b>   | -                                | <b>(4.6)</b>        |
| Zhaopin privatisation  | -  | -   | -                       | (19.1)                | -                       | <b>(19.1)</b>  | <b>(12.8)</b>                    | <b>(31.9)</b>       |
| Transfer between reserves                                    | -  | -   | -                       | (1.3)                 | 1.3                     | -              | -                                | -                   |
| <b>Balance at 30 June 2019</b>                               | 269.2  | 127.6                                       | (120.3)                 | (10.6)                | 1,133.3                 | <b>1,399.2</b> | <b>295.2</b>                     | <b>1,694.4</b>      |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows for the year ended 30 June 2019

|   | Notes | 2019<br>\$m | 2018<br>\$m |
|---|-------|-------------|-------------|
| <b>Cash flows from operating activities</b>                               |       |             |             |
| Receipts from customers (inclusive of goods and services tax)             |       | 1,687.0     | 1,432.3     |
| Payments to suppliers and employees (inclusive of goods and services tax) |       | (1,187.1)   | (937.3)     |
|   |       | 499.9       | 495.0       |
| Interest received   |       | 13.9        | 17.0        |
| Interest paid   |       | (45.0)      | (34.7)      |
| Transaction costs   |       | (5.2)       | (19.5)      |
| Income taxes paid   | 6(a)  | (91.0)      | (65.1)      |
| <b>Net cash inflow from operating activities</b>                          | 8(a)  | 372.6       | 392.7       |
| <b>Cash flows from investing activities</b>                               |       |             |             |
| Payments for acquisition of subsidiary, net of cash acquired              |       | (9.2)       | -           |
| Payments for interests in equity accounted investments                    |       | (100.5)     | (89.2)      |
| Payments for additional interest in equity accounted investments          |       | (21.4)      | (8.0)       |
| Proceeds from disposal of equity accounted investment                     |       | 6.3         | 5.2         |
| Dividends and distributions received from equity accounted investments    |       | 0.9         | 0.7         |
| Return of capital from equity accounted investment                        |       | -           | 6.4         |
| Payment for investment in financial assets                                |       | (50.0)      | (40.0)      |
| Payment for intangible assets   |       | (106.1)     | (88.1)      |
| Payment for plant and equipment   |       | (19.0)      | (25.5)      |
| Payment for convertible notes   |       | (2.9)       | (29.8)      |
| Proceeds/(payments) from other investing arrangements                     |       | 0.6         | (0.8)       |
| <b>Net cash outflow from investing activities</b>                         |       | (301.3)     | (269.1)     |
| <b>Cash flows from financing activities</b>                               |       |             |             |
| Proceeds from borrowings  |       | 464.7       | 741.7       |
| Repayment of borrowings   |       | (202.3)     | (439.1)     |
| Transaction costs on establishment of debt facilities                     |       | (5.5)       | (0.4)       |
| Cash placed on deposit to support entrusted loan facilities               |       | (86.5)      | (302.9)     |
| Cash released from short-term investments                                 |       | -           | 75.4        |
| Proceeds from share options   |       | -           | 17.6        |
| Settlement of share options in subsidiaries                               |       | (0.9)       | (8.3)       |
| Zhaopin privatisation   |       | (49.2)      | (152.5)     |
| Dividends paid to members of the parent                                   | 16    | (161.5)     | (157.7)     |
| Dividends paid to non-controlling interests                               |       | (9.6)       | (31.7)      |
| Payment for additional interest in subsidiary                             |       | (1.6)       | (158.5)     |
| Net payment for other financing arrangements                              |       | (8.1)       | (10.9)      |
| <b>Net cash outflow from financing activities</b>                         |       | (60.5)      | (427.3)     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>               |       | 10.8        | (303.7)     |
| Cash and cash equivalents at the beginning of the year                    |       | 361.7       | 652.0       |
| Effect of exchange rate changes on cash and cash equivalents              |       | 10.4        | 13.4        |
| <b>Cash and cash equivalents at the end of the year</b>                   |       | 382.9       | 361.7       |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

For the year ended 30 June 2019

## Performance

### 1. Segment information

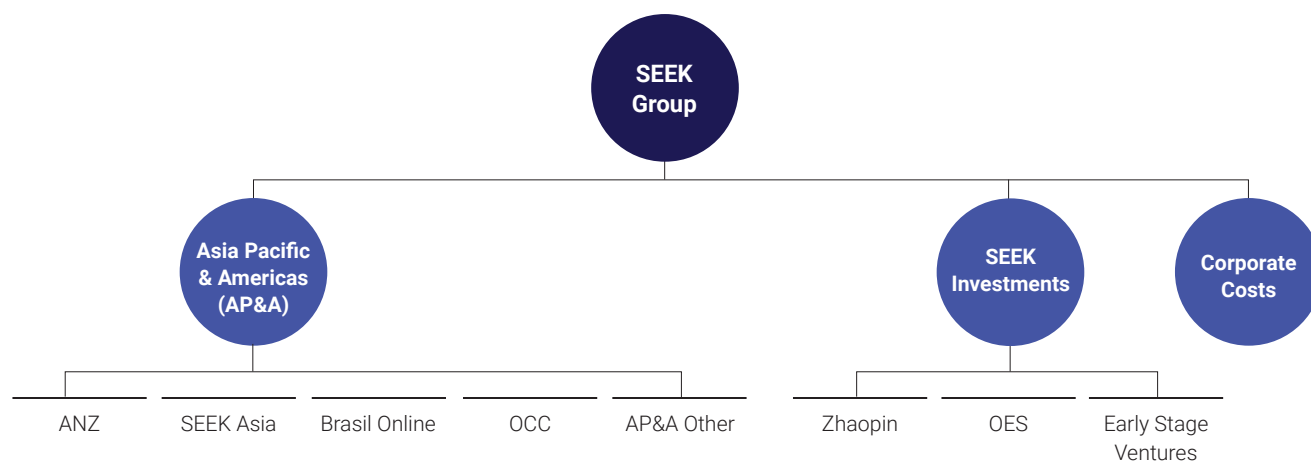
#### Accounting Policy

Operating segments, which have not been aggregated, are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Segment EBITDA is the measure utilised by the CODM to measure the businesses' profitability. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, amortisation of share-based payments and long-term incentives, gains/losses on investing activities, and other non-operating gains/losses.

The Group's segment reporting comprises three main operating segments, which are as described below:

- SEEK Asia Pacific & Americas ('AP&A'): SEEK ANZ, SEEK Asia, Brasil Online, OCC and AP&A Other (other businesses);
- SEEK Investments: Zhaopin, Online Education Services ('OES') and Early Stage Ventures ('ESVs'); and
- Corporate Costs: Costs incurred that are not directly attributable to AP&A or SEEK Investments.



| Operating segment    | Nature of operations  | Primary source of revenue                   | Geographical location                  |
|----------------------|---|---|--|
| ANZ                  | Online employment marketplace services  | Job advertising                             | Australia and New Zealand              |
| SEEK Asia            | Online employment marketplace services  | Job advertising                             | Seven countries across South East Asia |
| Brasil Online        | Online employment marketplace services  | Candidate services and job advertising      | Brazil                                 |
| OCC                  | Online employment marketplace services  | Job advertising                             | Mexico                                 |
| AP&A Other           | A portfolio of early stage investments that complement and/or have synergies with the AP&A operating businesses | Various                                     | Various                                |
| Zhaopin              | Online employment marketplace services and provision of other offline services                                  | Job and banner advertising                  | People's Republic of China             |
| OES                  | Provision of Online Education courses   | Provision of education services to students | Australia                              |
| Early Stage Ventures | A portfolio of early stage investments which are managed as independent entities                                | Various                                     | Various                                |

## (a) Segment information provided to the CODM

| Year ended 30 June 2019                          | Notes | Asia Pacific & Americas |           |               |       |        |        | SEEK Investments |       |        |        | Corporate Costs |         | Total |
|--|-------|-------------------------|-----------|---------------|-------|--------|--------|------------------|-------|--------|--------|-----------------|---------|-------|
|  |       | ANZ                     | SEEK Asia | Brazil Online | OCC   | Other  | Total  | Zhaopin          | OES   | ESVs   | Total  | Total           |         |       |
|  |       |                         |           |               |       |        |        |                  |       |        |        |                 |         |       |
| Online employment marketplaces                   |       | 437.6                   | 174.0     | 64.1          | 26.5  | 17.7   | 719.9  | 465.8            | -     | 31.9   | 497.7  | -               | 1,217.6 |       |
| Education  |       | -                       | -         | -             | 2.8   | 0.7    | 3.5    | -                | 127.5 | 3.2    | 130.7  | -               | 134.2   |       |
| Other sales revenue                              |       | -                       | 2.6       | -             | -     | 0.8    | 3.4    | 182.1            | -     | -      | 182.1  | -               | 185.5   |       |
| Sales revenue                                    | 2     | 437.6                   | 176.6     | 64.1          | 29.3  | 19.2   | 726.8  | 647.9            | 127.5 | 35.1   | 810.5  | -               | 1,537.3 |       |
| Segment EBITDA <sup>(1)</sup>                    |       |                         |           |               |       |        |        |                  |       |        |        |                 |         |       |
| Depreciation                                     |       | 270.1                   | 91.3      | 11.5          | 3.7   | (25.5) | 351.1  | 99.1             | 36.7  | (6.9)  | 128.9  | (25.0)          | 455.0   |       |
| Amortisation                                     |       | (1.6)                   | (2.8)     | (1.2)         | (1.1) | (0.1)  | (6.8)  | (7.3)            | (0.5) | -      | (7.8)  | (2.2)           | (16.8)  |       |
| Net interest (expense)/income                    | 12    | (31.3)                  | (6.3)     | (3.8)         | (1.4) | (5.9)  | (48.7) | (9.9)            | (9.6) | (0.7)  | (20.2) | (0.1)           | (69.0)  |       |
| Share-based payments and other LTI               |       | 0.4                     | (2.1)     | 3.0           | 0.6   | (0.5)  | 1.4    | (9.5)            | 0.9   | (0.2)  | (8.8)  | (37.0)          | (44.4)  |       |
| Share of results of equity accounted investments | 23(b) | (6.3)                   | 1.7       | (0.2)         | (0.3) | (1.4)  | (6.5)  | (7.0)            | -     | (2.2)  | (9.2)  | (5.9)           | (21.6)  |       |
| Gain on disposal of equity accounted investments |       | -                       | (0.4)     | -             | -     | (1.7)  | (2.1)  | -                | -     | (14.4) | (14.4) | -               | (16.5)  |       |
| Fair value gain on financial asset               | 3     | -                       | -         | -             | -     | -      | -      | -                | -     | 2.5    | 2.5    | -               | 2.5     |       |
| Related party services                           | 3     | -                       | -         | -             | -     | -      | -      | 3.2              | -     | -      | 3.2    | -               | 3.2     |       |
| Transaction costs from investing activities      |       | 3.8                     | (3.5)     | -             | -     | (0.3)  | -      | -                | -     | -      | -      | -               | -       |       |
| Other financing activities                       |       | -                       | -         | -             | -     | (0.3)  | (0.3)  | (5.2)            | -     | -      | (5.2)  | (0.9)           | (6.4)   |       |
| Profit before income tax expense                 |       | 235.1                   | 77.9      | 9.3           | 1.5   | (35.7) | 288.1  | 63.4             | 27.5  | (21.9) | 69.0   | (72.9)          | 284.2   |       |
| Income tax expense                               | 6(a)  | (69.6)                  | (18.0)    | (1.9)         | (0.4) | 10.7   | (79.2) | (21.2)           | (8.6) | 0.7    | (29.1) | 22.5            | (85.8)  |       |
| Profit for the year                              |       | 165.5                   | 59.9      | 7.4           | 1.1   | (25.0) | 208.9  | 42.2             | 18.9  | (21.2) | 39.9   | (50.4)          | 198.4   |       |
| Non-controlling interests                        | 17(c) | -                       | -         | -             | -     | 0.9    | 0.9    | (16.3)           | (3.8) | 1.1    | (19.0) | -               | (18.1)  |       |
| Profit attributable to owners of SEEK Limited    |       | 165.5                   | 59.9      | 7.4           | 1.1   | (24.1) | 209.8  | 25.9             | 15.1  | (20.1) | 20.9   | (50.4)          | 180.3   |       |

(1) Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, share-based payments expense, gains/losses on investing activities and other non-operating gains/losses.



| Restated<br>Year ended 30 June 2018                  | Notes | Asia Pacific & Americas |           |               |        |        | SEEK Investments |         |       |        |        | Corporate Costs |         | Total |
|--|-------|-------------------------|-----------|---------------|--------|--------|------------------|---------|-------|--------|--------|-----------------|---------|-------|
|  |       | ANZ                     | SEEK Asia | Brasil Online | OCC    | Other  | Total            | Zhaopin | OES   | ESVs   | Total  |                 |         |       |
|  |       |                         | \$m       | \$m           | \$m    | \$m    |                  |         |       |        |        |                 | \$m     |       |
| Online employment marketplaces                       |       | 409.7                   | 149.0     | 74.7          | 24.9   | 12.9   | 671.2            | 379.9   | -     | 25.5   | 405.4  | -               | 1,076.6 |       |
| Education  |       | -                       | -         | 0.2           | 4.1    | 5.8    | 10.1             | -       | 119.4 | 1.9    | 121.3  | -               | 131.4   |       |
| Other sales revenue                                  |       | -                       | 2.8       | -             | -      | 0.5    | 3.3              | 88.2    | -     | -      | 88.2   | -               | 91.5    |       |
| <b>Sales revenue</b>                                 | 2     | 409.7                   | 151.8     | 74.9          | 29.0   | 19.2   | 684.6            | 468.1   | 119.4 | 27.4   | 614.9  | -               | 1,299.5 |       |
| <b>Segment EBITDA<sup>(1)</sup></b>                  |       | 249.7                   | 76.8      | 22.7          | 4.9    | (17.8) | 336.3            | 84.0    | 37.5  | (9.7)  | 111.8  | (16.9)          | 431.2   |       |
| Depreciation   |       | (1.5)                   | (2.3)     | (1.4)         | (1.2)  | (0.1)  | (6.5)            | (5.7)   | (0.5) | (0.1)  | (6.3)  | (1.6)           | (14.4)  |       |
| Amortisation   | 12    | (26.5)                  | (3.0)     | (3.3)         | (1.9)  | (4.1)  | (38.8)           | (5.5)   | (8.4) | (0.5)  | (14.4) | -               | (53.2)  |       |
| Impairment loss                                      |       | -                       | -         | (119.0)       | (60.0) | -      | (179.0)          | (2.7)   | -     | -      | (2.7)  | -               | (181.7) |       |
| Net interest (expense)/income                        |       | 0.7                     | (3.5)     | 3.8           | 0.5    | (0.4)  | 1.1              | (0.6)   | 1.0   | (0.2)  | 0.2    | (27.2)          | (25.9)  |       |
| Share-based payments and other LTI                   | 23(b) | (4.6)                   | (2.3)     | (0.3)         | (0.3)  | (1.1)  | (8.6)            | (10.2)  | -     | (1.4)  | (11.6) | (6.6)           | (26.8)  |       |
| Share of results of equity accounted investments     | 3     | -                       | -         | -             | -      | (0.8)  | (0.8)            | -       | -     | (5.4)  | (5.4)  | -               | (6.2)   |       |
| Gain on disposal of equity accounted investment      | 3     | -                       | -         | -             | -      | -      | -                | -       | -     | 1.9    | 1.9    | -               | 1.9     |       |
| Fair value gain on financial asset                   |       | -                       | -         | -             | -      | -      | -                | 58.8    | -     | -      | 58.8   | -               | 58.8    |       |
| Transaction costs from investing activities          |       | -                       | -         | -             | -      | -      | -                | (6.9)   | -     | (0.1)  | (7.0)  | (1.7)           | (8.7)   |       |
| Other financing activities                           |       | -                       | (1.3)     | -             | 0.8    | -      | (0.5)            | -       | -     | -      | -      | (1.2)           | (1.7)   |       |
| <b>Profit before income tax expense</b>              |       | 217.8                   | 64.4      | (97.5)        | (57.2) | (24.3) | 103.2            | 111.2   | 29.6  | (15.5) | 125.3  | (55.2)          | 173.3   |       |
| Income tax expense                                   | 6(a)  | (62.2)                  | (17.6)    | -             | (0.7)  | 7.5    | (73.0)           | (19.0)  | (8.8) | 1.2    | (26.6) | 16.3            | (83.3)  |       |
| <b>Profit for the year</b>                           |       | 155.6                   | 46.8      | (97.5)        | (57.9) | (16.8) | 30.2             | 92.2    | 20.8  | (14.3) | 98.7   | (38.9)          | 90.0    |       |
| Non-controlling interests                            | 17(c) | -                       | (4.6)     | -             | 1.1    | 0.4    | (3.1)            | (32.0)  | (4.1) | 1.4    | (34.7) | -               | (37.8)  |       |
| <b>Profit attributable to owners of SEEK Limited</b> |       | 155.6                   | 42.2      | (97.5)        | (56.8) | (16.4) | 27.1             | 60.2    | 16.7  | (12.9) | 64.0   | (38.9)          | 52.2    |       |

Comparative information has been restated due to adoption of AASB 15 Revenue from Contracts with Customers outlined in Note 27 Changes in accounting policies.

(1) Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, share-based payments expense, gains/losses on investing activities and other non-operating gains/losses.

## (b) Segment financial position

|                          | Segment assets |                         | Segment liabilities |                         |
|--------------------------|----------------|-------------------------|---------------------|-------------------------|
|                          | 2019<br>\$m    | Restated<br>2018<br>\$m | 2019<br>\$m         | Restated<br>2018<br>\$m |
| ANZ                      | 246.8          | 168.7                   | (135.5)             | (97.4)                  |
| SEEK Asia                | 1,315.0        | 1,213.5                 | (99.2)              | (86.9)                  |
| Brasil Online            | 224.1          | 227.1                   | (24.1)              | (21.1)                  |
| OCC                      | 99.3           | 93.2                    | (18.5)              | (17.2)                  |
| AP&A Other               | 83.7           | 73.0                    | (12.1)              | (13.1)                  |
| Zhaopin                  | 1,489.0        | 1,366.8                 | (414.8)             | (406.6)                 |
| OES                      | 398.4          | 420.3                   | (23.4)              | (15.0)                  |
| ESVs                     | 227.4          | 119.0                   | (7.4)               | (9.1)                   |
| Corporate                | 116.9          | 68.5                    | (51.5)              | (30.8)                  |
| <b>Total of segments</b> | <b>4,200.6</b> | <b>3,750.1</b>          | <b>(786.5)</b>      | <b>(697.2)</b>          |
| Current tax asset        | 3.6            | -                       |                     |                         |
| Deferred tax assets      | 46.0           | 33.9                    |                     |                         |
| <b>Total assets</b>      | <b>4,250.2</b> | <b>3,784.0</b>          |                     |                         |
| Borrowings               |                |                         | (1,599.7)           | (1,299.2)               |
| Current tax liabilities  |                |                         | (31.0)              | (38.4)                  |
| Deferred tax liabilities |                |                         | (138.6)             | (124.2)                 |
| <b>Total liabilities</b> |                |                         | <b>(2,555.8)</b>    | <b>(2,159.0)</b>        |

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.

## (c) Geographical information

The following table analyses sales revenue and non-current assets (excluding deferred tax assets) based on geographical location.

Sales revenue is allocated to a country based on the geographical location of the customers. Refer to Note 2 Revenue for a reconciliation of total sales revenue to total consolidated revenue.

Non-current assets are allocated to a country based on the geographical location of the asset. Intangible assets that relate only to one country have been allocated to that country. Intangible assets acquired as part of the JobsDB and JobStreet acquisitions (goodwill, brands and other intangible assets) relate to several countries and have been shown as "South East Asia" as they cannot practically be split between the individual country locations. This is consistent with the approach for impairment testing (refer to Note 12 Intangible assets).

|                   | Sales revenue  |                         | Non-current assets (excluding deferred tax assets) |                |
|-------------------|----------------|-------------------------|--|----------------|
|                   | 2019<br>\$m    | Restated<br>2018<br>\$m | 2019<br>\$m  | 2018<br>\$m    |
| Australia         | 559.0          | 526.5                   | 873.9  | 556.6          |
| China             | 647.9          | 468.1                   | 1,151.7  | 1,076.6        |
| South East Asia   | 176.8          | 152.5                   | 1,103.6  | 1,135.6        |
| Brazil            | 66.3           | 76.1                    | 182.1  | 175.2          |
| New Zealand       | 54.0           | 45.3                    | 5.9  | 5.6            |
| Mexico            | 29.3           | 29.0                    | 124.8  | 112.4          |
| Africa            | -              | -                       | 19.1   | 21.0           |
| Rest of the world | 4.0            | 2.0                     | 49.9   | 48.9           |
| <b>Total</b>      | <b>1,537.3</b> | <b>1,299.5</b>          | <b>3,511.0</b>                                     | <b>3,131.9</b> |

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.

## 2. Revenue

### Accounting Policy

#### Recognition criteria

Revenue is measured at the fair value of the consideration received or receivable and is shown net of sales taxes (such as GST and VAT) and amounts collected on behalf of third parties.

The Group recognises revenue when the contract has been identified, it is probable that the entity will collect the consideration to which it is entitled and specific criteria have been met as described below for the material classes of revenue.

| Class of revenue                            | Recognition criteria   |
|---|--|
| <b>Online employment marketplaces</b>       |  |
| Job advertisements                          | over the period in which the advertisements are placed. If it is expected that the customer will not use all the services they are entitled to, the excess is recognised in the same pattern as for the services that the customer does use. |
| CV search/download                          | over the period in which the searches/downloads occur. If it is expected that the customer will not use all the services they are entitled to, the excess is recognised in the same pattern as for the services that the customer does use.  |
| CV online                                   | over the period in which the jobseeker can access the services.  |
| <b>Education</b>                            |  |
| Commission                                  | when the student is registered with the education provider or when the student passes the relevant census date, depending on the arrangement.  |
| Provision of education services to students | over the period in which the student studies a particular unit. For Higher Education it is typically four months. For Vocational Education (VET), the length of time to complete units can vary so an estimate is made.                      |
| <b>Other sales revenue</b>                  |  |
| Campus recruitment services                 | when the service is provided to the customer.  |
| Business Process Outsourcing                | when the service is provided to the customer.  |
| Provision of training services to companies | over the period in which the training is delivered.  |
| <b>Other revenue</b>                        |  |
| Dividend income                             | when the right to receive payment is established.  |
| Interest income                             | on a time proportion basis using the effective interest method.  |

#### Variable consideration

Certain education contracts include variable amounts of consideration, dependent on the occurrence or non-occurrence of future events that are not known until after the commencement of delivering services. For these contracts the Group uses an expected value to estimate the amount of revenue that should be recognised, based on historical and forecast information. The amount of consideration allocated to the contract is regularly reassessed to ensure it represents the most recent information.

#### Allocation of transaction price to services in a bundled contract

Where a contract identifies multiple services (performance obligations) that can be used independently of one another, the consideration is allocated between them on the basis of their relative standalone selling prices. This is usually the price at which the service is sold separately.

#### Contract costs

Costs incurred in the acquisition of contracts, predominantly sales commissions, are considered to be recoverable.

Applying the practical expedient in paragraph 94 of AASB 15 *Revenue from Contracts with Customers*, the Group recognises the incremental costs of obtaining contracts as an expense when incurred because the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

|                                | 2019<br>\$m    | Restated<br>2018<br>\$m |
|--------------------------------|----------------|-------------------------|
| Online employment marketplaces | 1,217.6        | 1,076.6                 |
| Education                      | 134.2          | 131.4                   |
| Other sales revenue            | 185.5          | 91.5                    |
| <b>Sales revenue</b>           | <b>1,537.3</b> | 1,299.5                 |
| Interest income                | 20.0           | 15.7                    |
| <b>Revenue</b>                 | <b>1,557.3</b> | 1,315.2                 |

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.

Sales revenue recognised during the financial year ended 30 June 2019 includes \$366.9m (2018: \$286.8m) that was included in the opening balance of unearned income at the beginning of the corresponding period.

At 30 June 2019, the Group is party to contracts with customers for services that have not yet been delivered (or fully delivered) at that date. Some amounts have already been invoiced to the customer in line with the terms of the contract, and are therefore recognised within unearned income, whereas other amounts are yet to be invoiced.

The Group has chosen to apply the practical expedient in paragraph 121 of AASB 15 *Revenue with Contracts with Customers* and therefore has not disclosed information about contracts that are expected to be completed in one year or less. Of the contracts with a duration of more than one year, the Group expects to recognise future revenue of \$6.0m.

The Group has chosen to apply the practical expedient in paragraph C5(d) of AASB 15 *Revenue with Contracts with Customers* and therefore has not provided equivalent data for the year ended 30 June 2018 as it was before the initial application date.

### 3. Other income

|  | Notes | 2019<br>\$m | 2018<br>\$m |
|--|-------|-------------|-------------|
| Gain on disposal of equity accounted investments |       | 2.5         | 1.9         |
| Fair value gain on financial asset               | 9(d)  | 3.2         | 58.8        |
| Government grants                                |       | 2.8         | 2.2         |
| <b>Total other income</b>                        |       | <b>8.5</b>  | <b>62.9</b> |

During the year, a fair value gain of \$3.2m was recognised in relation to the movement in the fair value of an investment in equity instruments that had been acquired in FY2018.

In FY2018, a fair value gain of \$58.8m was recognised in relation to the movement in the fair value of an investment in equity instruments that had been acquired during that year.

### 4. Expenses

Profit before income tax expense includes the following specific net gains and expenses:

|   | 2019<br>\$m | 2018<br>\$m |
|---|-------------|-------------|
| <b>Specific costs included within 'operations and administration'</b>     |             |             |
| Minimum lease payments for operating leases                               | 30.1        | 26.2        |
| Net foreign exchange gains recognised in profit before income tax expense | (8.0)       | (9.3)       |
| <b>Finance costs</b>  |             |             |
| Interest expense  | 64.4        | 41.6        |
| Borrowing costs written off   | 1.8         | 1.2         |
| Other finance charges paid/payable  | 0.6         | 0.6         |
| <b>Total finance costs</b>  | <b>66.8</b> | <b>43.4</b> |



## 5. Earnings per share

### Accounting Policy

Diluted Earnings Per Share ('EPS') reflects the following adjustments:

- the impact on profit if the subsidiaries' outstanding employee options were fully exercised, resulting in SEEK's ownership being diluted; and
- the effect of employee options and rights in SEEK Limited, calculated by comparing the number of shares that would be issued if all options/rights were exercised with the number of shares the Company could hypothetically buy back on market using the exercise price (the dilutive impact being the difference between the two).

|                            | 2019<br>Cents | Restated<br>2018<br>Cents |
|----------------------------|---------------|---------------------------|
| Basic earnings per share   | 51.3          | 14.9                      |
| Diluted earnings per share | 50.1          | 13.8                      |

### (a) Reconciliation of earnings used in calculating EPS

|  | 2019<br>\$m | Restated<br>2018<br>\$m |
|--|-------------|-------------------------|
| Profit attributable to owners of SEEK Limited (for basic EPS)            | 180.3       | 52.2                    |
| Potential dilutive adjustment for subsidiary option plans                | (3.1)       | (3.3)                   |
| Adjusted profit attributable to owners of SEEK Limited (for diluted EPS) | 177.2       | 48.9                    |

### (b) Weighted average number of shares

|  | 2019<br>number | 2018<br>number |
|--|----------------|----------------|
| Weighted average number of shares used as denominator in calculating basic EPS       | 351,183,978    | 350,366,293    |
| Weighted average of potential dilutive ordinary shares:                              |                |                |
| - WSP Options  | -              | 324,291        |
| - WSP Rights   | 2,032,436      | 1,536,071      |
| - Equity Rights and Performance Rights   | 388,678        | 412,798        |
| Weighted average number of shares used as the denominator in calculating diluted EPS | 353,605,092    | 352,639,453    |

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.

The weighted average of potential ordinary shares excludes 536,013 Wealth Sharing Plan (WSP) Options (2018: 790,095 which lapsed on 30 June 2018) which have an exercise price that is higher than the average share price for the period. If these WSP Options were to be exercised the Company could hypothetically use the proceeds to buy back more shares than it issues, resulting in a net positive impact to shareholders.

## 6. Income tax

### Critical accounting estimates and assumptions

#### Uncertain tax positions

The Group applies its current understanding of the tax law to estimate tax liabilities where the ultimate tax position is uncertain. When the tax position is ultimately determined or tax laws change, the actual tax liability may differ from this current estimate.

#### Research and development incentive

The research and development incentive available to the Group is estimated in the accounts because a full assessment of the position cannot be made by the reporting date. It is the policy of the Group to only bring to account the preliminary portion of expenses that is reasonably expected to be claimable at reporting date.

#### Tax rate applicable to Beijing Wangpin and Zhilian HR Services

Beijing Wangpin Consulting Co., Ltd and Zhilian Human Resources Services Co., Ltd (PRC subsidiaries of Zhaopin Ltd) both qualify as a High and New Technology Enterprise (HNTE) and therefore apply an income tax rate of 15% from 1 January 2017 to 31 December 2019, and 1 January 2018 to 31 December 2020, respectively. As such, income tax for the year and deferred tax balances of Beijing Wangpin and Zhilian HR Services as at 30 June 2019 have been calculated using a 15% tax rate.

### Accounting Policy

Each entity in the Group uses the tax laws in place or those that have been substantively enacted at reporting date in the relevant jurisdiction to calculate income tax. For deferred income tax, the entity also considers whether these laws are expected to be in place when the related asset is realised or the liability is settled.

Deferred tax assets and liabilities are recognised on all deductible and taxable temporary differences respectively, except for:

- the initial recognition of goodwill;
- any undistributed profits of the Company's subsidiaries, associates or joint ventures where either the distribution of those profits would not give rise to a tax liability or the directors consider they have the ability to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future; and
- the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred tax assets:

- are recognised only to the extent that it is probable that there are sufficient future taxable profits to recover these assets. This assessment is reviewed at each reporting date;
- are offset against deferred tax liabilities in the same tax jurisdiction, when there is a legally enforceable right to do so and they relate to taxes levied by the same taxation authority; and

- acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. If the changed circumstances existed at the acquisition date, it would be treated as a reduction to goodwill (as long as it does not exceed goodwill), otherwise through profit or loss.

SEEK Limited and its wholly-owned Australian subsidiaries formed an Australian income tax consolidated group in 2004. These entities have tax sharing and tax funding agreements in place. Refer to Note 19 for further information.

#### Adoption of Voluntary Tax Transparency Code

On 3 May 2016, the Australian Treasurer released a Voluntary Tax Transparency Code (the Voluntary Code). The Voluntary Code recommends additional tax information be publicly disclosed to help educate the public about the corporate sector's compliance with Australia's tax laws. SEEK fully supports and signed up to this Voluntary Code from FY2016. Accordingly, the income tax disclosures in this note include the recommended additional disclosures under Part A of the Voluntary Code.

SEEK's latest Tax Transparency Report can be found on the Corporate Governance page in the Investors section of the Company's website at <https://www.seek.com.au/about/investors/corporate-governance>.

Comparative information presented within this note in relation to FY2018 has been restated due to the adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.

## 6. Income tax continued

### (a) Income tax expense

|  | 2019<br>\$m | Restated<br>2018<br>\$m |
|--|-------------|-------------------------|
| Current tax  | 77.9        | 81.4                    |
| Deferred tax   | 6.7         | 2.1                     |
| Under/(over) provision in prior years (current tax)                          | 3.6         | (1.5)                   |
| (Over)/under provision in prior years (deferred tax)                         | (2.4)       | 1.3                     |
| <b>Income tax expense in the Consolidated Income Statement</b>               | <b>85.8</b> | <b>83.3</b>             |
| <b>Deferred income tax expense included in income tax expense comprises:</b> |             |                         |
| Increase in deferred tax assets  | (5.7)       | (3.5)                   |
| Increase in deferred tax liabilities   | 10.0        | 6.9                     |
|  | <b>4.3</b>  | <b>3.4</b>              |

### (i) Reconciliation of income tax expense

|  | 2019<br>\$m  | Restated<br>2018<br>\$m |
|--|--------------|-------------------------|
| <b>Profit before income tax expense</b>                        | <b>284.2</b> | <b>173.3</b>            |
| Income tax calculated @ 30% (2018: 30%)                        | 85.3         | 52.0                    |
| <i>Increase/(decrease) in income tax expense due to:</i>       |              |                         |
| Research and development incentive (a)                         | (14.2)       | (9.5)                   |
| Overseas tax rate differential (b)                             | (4.5)        | (8.5)                   |
| Fair value gain on financial asset (c)                         | (0.9)        | (17.6)                  |
| Impairment loss (d)  | -            | 54.5                    |
| Post-tax share of results of equity accounted investments (e)  | 4.9          | 1.9                     |
| Financing, transaction and legal costs (f)                     | 8.1          | 6.9                     |
| Under/(over) provision in prior years                          | 1.2          | (0.2)                   |
| Other  | 5.9          | 3.8                     |
| <b>Income tax expense in the Consolidated Income Statement</b> | <b>85.8</b>  | <b>83.3</b>             |

#### Explanation of key items:

- (a) Research and development incentives utilised throughout the Group.
- (b) The Group's international profits are taxed at local rates which vary from the Australian corporate tax rate (as shown below).
- (c) Non-taxable accounting gain on SEEK's investment in equity instruments (2018: non-taxable accounting gain on SEEK's investment in MaiMai (via Zhaopin)).
- (d) For FY2018, non-deductible impairment charges for Brasil Online, OCC and CJOL (via Zhaopin).
- (e) SEEK's share of associates' results is taken up net of associates' tax expense.
- (f) Non-deductible financing, transaction and legal costs throughout the Group.

#### Local tax rates

| Country (Business)  | 2019          | 2018          |
|---|---------------|---------------|
| Australia (SEEK Australia and OES)                                | 30.0%         | 30.0%         |
| New Zealand (SEEK NZ)   | 28.0%         | 28.0%         |
| China (Zhaopin excluding Beijing Wangpin and Zhilian HR Services) | 25.0%         | 25.0%         |
| China (Beijing Wangpin and Zhilian HR Services)                   | 15.0%         | 15.0%         |
| South East Asia (SEEK Asia)                                       | 16.5% - 30.0% | 16.5% - 30.0% |
| Brazil (Brasil Online)  | 34.0%         | 34.0%         |
| Mexico (OCC)  | 30.0%         | 30.0%         |

**(ii) Effective tax rate**

|   | SEEK Group   |                         | Australian operations <sup>(1)</sup> |                         |
|---|--------------|-------------------------|--------------------------------------|-------------------------|
|   | 2019<br>\$m  | Restated<br>2018<br>\$m | 2019<br>\$m                          | Restated<br>2018<br>\$m |
| Profit before income tax expense  | 284.2        | 173.3                   | 135.2                                | 164.7                   |
| Add: Post-tax share of results of equity accounted investments <sup>(2)</sup> | 16.5         | 6.2                     | 11.1                                 | 2.7                     |
| (A) Adjusted profit before income tax expense                                 | 300.7        | 179.5                   | 146.3                                | 167.4                   |
| (B) Income tax expense  | 85.8         | 83.3                    | 43.9                                 | 45.7                    |
| <b>Effective tax rate (B/A)</b>   | <b>28.5%</b> | <b>46.4%</b>            | <b>30.0%</b>                         | <b>27.3%</b>            |

(1) Excludes dividends within the Group.

(2) The post-tax share of results from SEEK's equity accounted investments have been excluded from the effective tax rate calculation to ensure the effective tax rate accurately reflects the actual tax payable on SEEK's profit.

**(iii) Reconciliation of income tax expense to net current tax liabilities**

|  | 2019<br>\$m | Restated<br>2018<br>\$m |
|--|-------------|-------------------------|
| <b>Income tax expense in the Consolidated Income Statement</b> | <b>85.8</b> | <b>83.3</b>             |
| <i>Add/(subtract):</i>   |             |                         |
| Deferred tax assets charged to income                          | 3.3         | 4.8                     |
| Deferred tax liabilities charged to income                     | (10.0)      | (6.9)                   |
| (Under)/over provision in prior years                          | (1.2)       | 0.2                     |
| <b>Current year tax included in income tax expense</b>         | <b>77.9</b> | <b>81.4</b>             |
| <i>Add/(subtract):</i>   |             |                         |
| Net opening balance carried forward                            | 38.4        | 17.9                    |
| Tax payments made to tax authorities                           | (91.0)      | (65.1)                  |
| Under/(over) provision in prior years (current tax)            | 3.6         | (1.5)                   |
| Items recognised directly in equity                            | (1.3)       | (2.0)                   |
| Acquisition of subsidiary's tax payable                        | 0.1         | -                       |
| Foreign exchange   | 0.8         | 0.8                     |
| Other  | (1.1)       | 6.9                     |
| <b>Net current tax liabilities</b>                             | <b>27.4</b> | <b>38.4</b>             |
| <b>Net current tax liabilities comprises:</b>                  |             |                         |
| Current tax assets in the Consolidated Balance Sheet           | (3.6)       | -                       |
| Current tax liabilities in the Consolidated Balance Sheet      | 31.0        | 38.4                    |
| <b>Net current tax liabilities</b>                             | <b>27.4</b> | <b>38.4</b>             |

**(b) Amounts recognised directly in equity**

Tax relating to certain taxable or deductible items are recognised in other comprehensive income or directly in equity rather than through the Consolidated Income Statement.

|   | 2019<br>\$m | Restated<br>2018<br>\$m |
|---|-------------|-------------------------|
| <b>Relating to items recognised in other comprehensive income:</b>          |             |                         |
| Deferred tax credited directly to foreign currency translation reserve      | 0.1         | 1.7                     |
| Deferred tax credited/(debited) directly to cash flow hedge reserve         | 4.1         | (0.6)                   |
| Deferred tax credited directly to net investment hedge reserve              | -           | 0.8                     |
| <b>Total tax recognised in other comprehensive income</b>                   | <b>4.2</b>  | <b>1.9</b>              |
| <b>Relating to items recognised directly in equity:</b>                     |             |                         |
| Deferred tax credited/(debited) directly to share-based payment reserve     | 1.0         | (0.1)                   |
| Current tax credited directly to retained profits on issuance of new shares | 1.3         | 2.0                     |
| <b>Total tax recognised directly in equity</b>                              | <b>2.3</b>  | <b>1.9</b>              |

## (c) Deferred taxes

## (i) Deferred tax balances

Deferred tax balances in the Consolidated Balance Sheet comprise temporary differences attributable to the following items:

| As at 30 June                            | 2019<br>\$m  | Restated<br>2018<br>\$m |
|--|--------------|-------------------------|
| Share-based payments                     | 8.8          | 8.6                     |
| Other provisions                         | 22.9         | 17.5                    |
| Employee benefits                        | 12.3         | 11.6                    |
| Unearned income                          | 7.5          | 10.6                    |
| Unrealised foreign exchange              | 3.7          | (0.1)                   |
| Research and development incentive       | (24.9)       | (24.2)                  |
| Tax losses recognised                    | 9.5          | 7.8                     |
| Other                                    | 6.2          | 2.1                     |
| <b>Deferred tax assets</b>               | <b>46.0</b>  | <b>33.9</b>             |
| Intangible assets                        | 99.4         | 97.7                    |
| Withholding tax on undistributed profits | 33.8         | 22.9                    |
| Other                                    | 5.4          | 3.6                     |
| <b>Deferred tax liabilities</b>          | <b>138.6</b> | <b>124.2</b>            |
| <b>Net deferred tax liabilities</b>      | <b>92.6</b>  | <b>90.3</b>             |

Certain deferred tax liability balances are shown as part of deferred tax assets, as they originate in the same jurisdiction as, and can be offset against, other deferred tax assets.

## (ii) Deferred tax charged to income

| For the year ended 30 June                | 2019<br>\$m | Restated<br>2018<br>\$m |
|---|-------------|-------------------------|
| Share-based payments                      | (0.9)       | 6.4                     |
| Other provisions                          | 5.0         | 3.3                     |
| Employee benefits                         | 0.6         | 1.2                     |
| Unearned income                           | (3.5)       | 0.8                     |
| Unrealised foreign exchange               | 3.7         | -                       |
| Research and development incentive        | (0.7)       | (6.1)                   |
| Tax losses recognised                     | 0.7         | 0.7                     |
| Other                                     | 0.8         | (2.8)                   |
| <b>Deferred tax assets</b>                | <b>5.7</b>  | <b>3.5</b>              |
| Intangible assets                         | (2.4)       | (3.1)                   |
| Withholding tax on undistributed profits  | 10.7        | 8.3                     |
| Other                                     | 1.7         | 1.7                     |
| <b>Deferred tax liabilities</b>           | <b>10.0</b> | <b>6.9</b>              |
| <b>Net deferred tax charged to income</b> | <b>4.3</b>  | <b>3.4</b>              |

## (iii) Deferred tax movements

| For the year ended 30 June                       | 2019<br>\$m | Restated<br>2018<br>\$m |
|--|-------------|-------------------------|
| Opening net deferred tax liabilities             | 90.3        | 79.0                    |
| Charged to income                                | 4.3         | 3.4                     |
| Charged to other comprehensive income and equity | (5.2)       | (1.8)                   |
| Other reserves                                   | (0.9)       | 7.5                     |
| Acquisition of subsidiaries                      | 0.9         | -                       |
| Exchange differences                             | 3.2         | 2.2                     |
| <b>Closing net deferred tax liabilities</b>      | <b>92.6</b> | <b>90.3</b>             |



## Financing and risk management

### 7. Net debt

#### Accounting Policy

Borrowings are initially recognised net of transaction costs incurred. Fees paid on the establishment of loan facilities are recognised as transaction costs where it is probable that some or all the facility will be drawn down. The fee is deferred until the drawdown occurs and is amortised on a straight-line basis over the entire life of the facility.

Borrowings are classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the reporting period.

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (a) Cash and cash equivalents

Cash and short-term deposits held in certain Asian countries (including China) are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from those countries, other than through normal dividends. Cash and bank balances at 30 June 2019 include RMB33.3m (A\$6.9m) held by some subsidiaries in the People's Republic of China, which is not freely convertible into other currencies for transfer around the Group (2018: A\$6.8m).

At 30 June 2019, cash and cash equivalents include \$62.7m (2018: \$105.4m) of short-term deposits and debentures held by Brasil Online ('BOL') and OES. These highly liquid deposits and investments are readily convertible into known cash amounts and are subject to insignificant risk of changes of value.

#### (b) Borrowings

|  | Current      |             | Non-current    |                |
|--|--------------|-------------|----------------|----------------|
|  | 2019<br>\$m  | 2018<br>\$m | 2019<br>\$m    | 2018<br>\$m    |
| Syndicated facility (unsecured) - SEEK Limited (i) | -            | -           | 995.3          | 786.6          |
| Entrusted loan facilities - Zhaopin (ii)           | 129.4        | 79.2        | 302.7          | 261.5          |
| Euro Medium Term Note Programme ('EMTN') (iii)     | -            | -           | 175.0          | 175.0          |
| Working capital loan - Zhaopin (iv)                | 3.7          | 1.3         | -              | -              |
| Less: transaction costs capitalised                | -            | -           | (6.4)          | (4.4)          |
| <b>Total borrowings</b>                            | <b>133.1</b> | <b>80.5</b> | <b>1,466.6</b> | <b>1,218.7</b> |

The Group had access to \$603.3m in undrawn facilities at 30 June 2019 (2018: \$354.9m).

#### (i) Syndicated facility (unsecured) - SEEK Limited

The key features of the syndicated senior debt facility are as follows:

| Facility              | Maturity | Drawn       |             | Undrawn     |             | Total       |             |
|-----------------------|----------|-------------|-------------|-------------|-------------|-------------|-------------|
|                       |          | 2019<br>\$m | 2018<br>\$m | 2019<br>\$m | 2018<br>\$m | 2019<br>\$m | 2018<br>\$m |
| Tranche A (Revolving) | Nov 2021 | A\$335.0m   | A\$190.0m   | A\$40.0m    | -           | A\$375.0m   | A\$190.0m   |
| Tranche B (Revolving) | Nov 2022 | A\$90.0m    | A\$299.0m   | A\$160.0m   | A\$61.0m    | A\$250.0m   | A\$360.0m   |
| Tranche C (Revolving) | Nov 2023 | US\$100.3m  | US\$220.0m  | US\$174.7m  | US\$55.0m   | US\$275.0m  | US\$275.0m  |
| Tranche D (Term Loan) | Nov 2022 | US\$100.0m  | n/a         | -           | n/a         | US\$100.0m  | n/a         |
| Tranche E (Term Loan) | Nov 2023 | US\$200.0m  | n/a         | -           | n/a         | US\$200.0m  | n/a         |

In December 2018, the Group refinanced its syndicated loan facility which is now comprised of revolving facilities of A\$625.0m and US\$275.0m, and two new term loans totalling US\$300.0m. Transaction costs have been capitalised in the Consolidated Balance Sheet and will be amortised through the Consolidated Income Statement over the term of the facilities.

As at 30 June 2019, A\$995.3m principal had been drawn down against the facility, comprising A\$425.0m and US\$400.3m (2018: A\$786.6m, comprising A\$489.0m and US\$220.0m).

The SEEK Limited Borrower Group includes SEEK Limited and all subsidiaries in which its ownership is at least 90%.

## (ii) Entrusted loan facilities - Zhaopin

The key features of the entrusted loan facilities are as follows:

| Facility                      | Maturity | Drawn       |             | Undrawn     |             | Total       |             |
|-------------------------------|----------|-------------|-------------|-------------|-------------|-------------|-------------|
|                               |          | 2019<br>\$m | 2018<br>\$m | 2019<br>\$m | 2018<br>\$m | 2019<br>\$m | 2018<br>\$m |
| Revolving Credit Facility     | Oct 2019 | US\$63.2m   | US\$28.6m   | US\$11.8m   | US\$46.4m   | US\$75.0m   | US\$75.0m   |
| Loan Facility                 | Jul 2020 | US\$30.0m   | US\$30.0m   | -           | -           | US\$30.0m   | US\$30.0m   |
| Loan Facility                 | Aug 2022 | US\$70.0m   | US\$70.0m   | -           | -           | US\$70.0m   | US\$70.0m   |
| Amortising Term Loan Facility | Sep 2019 | US\$27.5m   | US\$27.5m   | -           | -           | US\$27.5m   | US\$27.5m   |
| Amortising Term Loan Facility | Sep 2022 | US\$82.5m   | US\$82.5m   | -           | -           | US\$82.5m   | US\$82.5m   |
| Loan Facility                 | Oct 2022 | US\$29.7m   | US\$13.5m   | US\$70.3m   | US\$86.5m   | US\$100.0m  | US\$100.0m  |

The facilities are supported by funds on deposit of A\$466.2m within Zhaopin Limited and are non-recourse to the SEEK Limited Borrower Group (2018: A\$368.6m).

## (iii) Euro Medium Term Note Programme (EMTN)

A Guaranteed Euro Medium Term Note Programme was established in March 2017 with a programme limit of EUR 1 billion. Under the programme the Group may from time to time issue notes denominated in any currency, with funds raised under the programme to be used for general corporate purposes. In April 2017, the Group issued A\$175.0m of 5 year A\$ Floating Rate Notes. The notes are unsecured and rank equally with SEEK's existing senior unsecured debt.

## (iv) Working capital loan - Zhaopin

In January 2018, Zhaopin established an onshore working capital facility of RMB200.0m of which RMB18.0m has been drawn. This facility was renewed in July 2019 and matures in June 2020 and is non-recourse to the SEEK Limited Borrower Group.

## (c) Net debt

|  | Facility limit     | Borrowings<br>\$m<br>Note 7(b) | Cash<br>\$m  | Short-term<br>investments<br>\$m<br>Note 9(b) | Funds on<br>deposit<br>\$m<br>Note 11(i) | Net cash/<br>(debt)<br>\$m |
|--|--------------------|--------------------------------|--------------|---|--|----------------------------|
| <b>Year ended 30 June 2019</b>                   |                    |                                |              |   |  |                            |
| SEEK Limited A\$ bank debt                       | A\$625.0m          | (425.0)                        |              |   |  |                            |
| SEEK Limited US\$ bank debt                      | US\$575.0m         | (570.3)                        |              |   |  |                            |
| SEEK Limited A\$ EMTN                            | A\$175.0m          | (175.0)                        |              |   |  |                            |
| <b>SEEK ANZ</b>                                  |                    | (1,170.3)                      | 60.7         | -   | -  | (1,109.6)                  |
| Brasil Online                                    |                    | -                              | 34.3         | -   | -  | 34.3                       |
| OCC  |                    | -                              | 7.1          | 0.1   | -  | 7.2                        |
| SEEK Asia  |                    | -                              | 85.8         | -   | -  | 85.8                       |
| Other  |                    | -                              | 3.6          | -   | -  | 3.6                        |
| <b>SEEK Limited Borrower Group<sup>(1)</sup></b> |                    | (1,170.3)                      | 191.5        | 0.1   | -  | (978.7)                    |
|  |                    |                                |              |   |  |                            |
| Zhaopin  | RMB200.0m          | (3.7)                          |              |   |  |                            |
| Zhaopin  | US\$385.0m         | (432.1)                        |              |   |  |                            |
| <b>Zhaopin total</b>                             |                    | (435.8)                        | 147.4        | -   | 466.2                                    | 177.8                      |
| OES  |                    | -                              | 35.8         | -   | -  | 35.8                       |
| Other  |                    | -                              | 8.2          | -   | -  | 8.2                        |
| <b>Total</b>                                     | <b>A\$2,209.4m</b> | <b>(1,606.1)</b>               | <b>382.9</b> | <b>0.1</b>                                    | <b>466.2</b>                             | <b>(756.9)</b>             |
| Unamortised borrowing costs                      |                    | 6.4                            |              |   |  |                            |
| <b>Per Consolidated Balance Sheet</b>            |                    | <b>(1,599.7)</b>               |              |   |  |                            |

**Consolidated net interest cover: EBITDA<sup>(2)</sup> / Net interest**

**10.2**

**Consolidated net leverage ratio: Net debt / EBITDA<sup>(2)</sup>**

**1.7**

(1) Borrower Group includes SEEK Limited and all subsidiaries in which its ownership is at least 90%. Borrower Group EBITDA for the year ended 30 June 2019 was \$368.7m (2018: \$406.4m) inclusive of cash dividends received from excluded subsidiary OES \$37.5m and from equity accounted investments \$0.9m (Note 18).

(2) EBITDA is defined and reconciled to consolidated profit before income tax expense in Note 1 Segment information.

|   | Facility limit | Borrowings<br>\$m<br>Note 7(b) | Cash<br>\$m | Short-term<br>investments<br>\$m<br>Note 9(b) | Funds on<br>deposit<br>\$m<br>Note 11(i) | Net cash/<br>(debt)<br>\$m |
|---|----------------|--------------------------------|-------------|---|--|----------------------------|
| <b>Year ended 30 June 2018</b>                                |                |                                |             |   |  |                            |
| SEEK Limited A\$ bank debt                                    | A\$550.0m      | (489.0)                        |             |   |  |                            |
| SEEK Limited US\$ bank debt                                   | US\$275.0m     | (297.6)                        |             |   |  |                            |
| SEEK Limited A\$ EMTN   | A\$175.0m      | (175.0)                        |             |   |  |                            |
| <b>SEEK ANZ</b>   |                | (961.6)                        | 27.7        | -   | -  | (933.9)                    |
| Brasil Online   |                | -                              | 50.6        | -   | -  | 50.6                       |
| OCC   |                | -                              | 8.3         | 0.1   | -  | 8.4                        |
| SEEK Asia   |                | -                              | 65.6        | -   | -  | 65.6                       |
| Other   |                | -                              | 2.5         | -   | -  | 2.5                        |
| <b>SEEK Limited Borrower Group</b>                            |                | (961.6)                        | 154.7       | 0.1   | -  | (806.8)                    |
|   |                |                                |             |   |  |                            |
| Zhaopin   | RMB200.0m      | (1.3)                          |             |   |  |                            |
| Zhaopin   | US\$385.0m     | (340.7)                        |             |   |  |                            |
| <b>Zhaopin total</b>  |                | (342.0)                        | 141.3       | -   | 368.6                                    | 167.9                      |
| OES   |                | -                              | 62.1        | -   | -  | 62.1                       |
| Other   |                | -                              | 3.6         | -   | -  | 3.6                        |
| <b>Total</b>  | A\$1,658.5m    | (1,303.6)                      | 361.7       | 0.1   | 368.6                                    | (573.2)                    |
| Unamortised borrowing costs                                   |                | 4.4                            |             |   |  |                            |
| <b>Per Consolidated Balance Sheet</b>                         |                | (1,299.2)                      |             |   |  |                            |
|   |                |                                |             |   |  |                            |
| <b>Consolidated net interest cover: EBITDA / Net interest</b> |                |                                |             |   |  | 16.7                       |
| <b>Consolidated net leverage ratio: Net debt / EBITDA</b>     |                |                                |             |   |  | 1.3                        |

## 8. Notes to the cash flow statement

### (a) Reconciliation of profit for the year to net cash inflow from operating activities

The table below shows the reconciliation of profit after tax to operating cash flow. Operating cash flow is, broadly speaking, the net cash amount of receipts from our customers and payments to our suppliers. The difference between profit and operating cash flow is generally due to:

- items included in profit which have no cash impact (e.g. depreciation, amortisation, share of results from equity accounted investments and impairment);
- items included in profit which are not related to operations (e.g. gain on step acquisitions);
- payments/receipts being made in the current financial year in relation to previous or future financial years (e.g. opening balances on debtor/creditor accounts); and
- foreign exchange movements which cause operating assets and liabilities balances to fluctuate.

|  | 2019<br>\$m  | Restated<br>2018<br>\$m |
|--|--------------|-------------------------|
| <b>Profit for the year</b>   | <b>198.4</b> | 90.0                    |
| <b>Non-cash items</b>  |              |                         |
| Depreciation and amortisation  | 85.8         | 67.6                    |
| Amortisation of share-based payments   | 18.1         | 22.7                    |
| Aggregated tax amounts arising in the reporting period recognised directly in equity | (2.3)        | (1.9)                   |
| Share of results of equity accounted investments                                     | 16.5         | 6.2                     |
| Impairment loss  | -            | 181.7                   |
| Other  | 2.3          | 1.2                     |
| <b>Non-operating items</b>   |              |                         |
| Gain on disposal of equity accounted investment                                      | (2.5)        | (1.9)                   |
| Fair value gain on financial asset   | (3.2)        | (58.8)                  |
| Write-off of borrowing costs   | 1.8          | -                       |
| <b>Change in operating assets and liabilities:</b>                                   |              |                         |
| (Increase)/decrease in trade and other receivables                                   | (2.5)        | (22.3)                  |
| (Increase)/decrease in current tax assets  | (3.6)        | -                       |
| (Increase)/decrease in deferred tax assets   | (12.1)       | 2.3                     |
| Increase/(decrease) in trade and other payables                                      | 19.7         | 35.5                    |
| Increase/(decrease) in unearned income   | 33.8         | 88.8                    |
| Increase/(decrease) in current tax liabilities                                       | (7.4)        | 20.4                    |
| Increase/(decrease) in provisions  | 2.6          | (2.6)                   |
| Increase/(decrease) in deferred tax liabilities                                      | 14.4         | 8.9                     |
| Exchange gains/(losses) on translation of foreign operations                         | 12.8         | (45.1)                  |
| <b>Net cash inflow from operating activities</b>                                     | <b>372.6</b> | 392.7                   |

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.

## (b) Changes in assets/liabilities arising from financing activities

The table below shows cash and non-cash changes in assets and liabilities for which cash flows were, or will be, classified as financing activities in the Consolidated Statement of Cash Flows.

This disclosure, which is a requirement of AASB 107 *Statement of Cash Flows*, allows users to understand changes in the balance of certain liabilities such as borrowings. It also includes certain assets where cash flows have been, or will be, included in cash flows from financing activities. The disclosure identifies changes from cash flows as well as non-cash changes such as acquisitions and exchange differences.

|  |               | Trade and other receivables                        | Other financial assets     |  |                       | Borrowings           | Other financial liabilities |                            |
|--|---------------|--|----------------------------|--|-----------------------|----------------------|-----------------------------|----------------------------|
|  | Movement type | Funds on deposit for entrusted loan facilities \$m | Short term investments \$m | Funds on deposit for entrusted loan facilities \$m | Derivative assets \$m | Total Borrowings \$m | Put option \$m              | Derivative liabilities \$m |
| 2018                                     |               |  |                            |  |                       |                      |                             |                            |
| Opening balance                          |               | 16.7   | 75.5                       | 26.4   | 2.7                   | 968.0                | 18.5                        | 3.8                        |
| Net cash flows from financing activities | Cash          | 95.5   | (75.4)                     | 207.4  | -                     | 302.2                | -                           | -                          |
| Interest                                 | Non-cash      | -  | -                          | -  | -                     | -                    | 0.3                         | -                          |
| Amortisation                             | Non-cash      | -  | -                          | -  | (0.4)                 | 3.2                  | -                           | (0.1)                      |
| Fair value through OCI                   | Non-cash      | -  | -                          | -  | 2.5                   | -                    | -                           | 0.1                        |
| Fair value through profit and loss       | Non-cash      | -  | -                          | -  | 5.8                   | -                    | -                           | (0.6)                      |
| Foreign exchange movements               | Non-cash      | 6.5  | -                          | 16.1   | -                     | 25.8                 | -                           | -                          |
| Closing balance                          |               | 118.7  | 0.1                        | 249.9  | 10.6                  | 1,299.2              | 18.8                        | 3.2                        |
| 2019                                     |               |  |                            |  |                       |                      |                             |                            |
| Net cash flows from financing activities | Cash          | 26.2   | -                          | 60.3   | -                     | 256.9                | -                           | -                          |
| Interest received/receivable             | Non-cash      | 4.2  | -                          | (0.1)  | -                     | -                    | 0.4                         | -                          |
| Amortisation                             | Non-cash      | -  | -                          | -  | (0.2)                 | 3.5                  | -                           | -                          |
| Fair value through OCI                   | Non-cash      | -  | -                          | -  | (3.8)                 | -                    | -                           | 24.7                       |
| Fair value through profit and loss       | Non-cash      | -  | -                          | -  | 1.7                   | -                    | -                           | 5.6                        |
| Foreign exchange movements               | Non-cash      | 2.4  | -                          | 4.6  | -                     | 40.1                 | -                           | -                          |
| Closing balance                          |               | 151.5  | 0.1                        | 314.7  | 8.3                   | 1,599.7              | 19.2                        | 33.5                       |



## 9. Financial instruments and fair value measurement

### Accounting Policy

Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured to their fair value at each reporting period.

#### (i) Derivatives that qualify for hedge accounting

Hedge effectiveness is determined at the establishment of the hedge relationship. This relates to the extent that the hedging instrument (derivative) offsets the changes in value of the hedged item (asset, liability or future transaction that is being hedged). It is measured through periodic forward looking effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument matches the terms of the hedged item, after a qualitative assessment is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

The Group designates certain derivatives as either:

#### Cash flow hedge

|  |  |
|--|--|
| Risk that is being hedged                    | The risk of uncertain cash flows attributable to a particular risk associated with an asset, liability or future transaction.  |
| Treatment of gains or losses                 | The effective portion of changes in the fair value is recognised in other comprehensive income and accumulated in reserves in equity.<br><br>The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'operations and administration expenses'.   |
| Treatment if the hedge relationship finishes | The hedge relationship will end when the hedging instrument expires or is sold or terminated, or when it no longer meets the criteria for hedge accounting, or when the hedged risk occurs.<br><br>Gains and losses accumulated in equity remain in equity until the hedged item affects profit or loss. At this time, the accumulated gain or loss is reclassified to profit or loss within: <ul style="list-style-type: none"> <li>• 'finance costs' for interest rate derivatives hedging variable rate borrowings; and</li> <li>• 'operations and administration expenses' for other derivative instruments, where the underlying exposure is not relating to funding the Company.</li> </ul> When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss. |

#### Fair value hedge

|  |   |
|--|---|
| Risk that is being hedged                    | The risk of changes in the fair value of a financial asset, liability or unrecognised firm commitment.  |
| Treatment of gains or losses                 | The effective portion of changes in the fair value is recognised in other comprehensive income and accumulated in reserves in equity.<br><br>The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'operations and administration expenses'. Where the hedged item is an equity instrument for which an election has been made to present changes in fair value in other comprehensive income, the ineffective portion shall remain in other comprehensive income.      |
| Treatment if the hedge relationship finishes | The hedge relationship will end when the hedging instrument expires or is sold or terminated, or when it no longer meets the criteria for hedge accounting, or when the hedged item is disposed of.<br><br>Gains and losses accumulated in equity remain in equity until the hedged item affects profit or loss. If the hedged item is an equity instrument for which an election has been made to present changes in fair value in other comprehensive income, those amounts shall remain in other comprehensive income. |

#### Net investment hedge

|  |   |
|--|---|
| Risk that is being hedged                    | The risk of changes in foreign currency when net assets of a foreign operation are translated from their functional currency to Australian dollars.   |
| Treatment of gains or losses                 | The effective portion of changes in the fair value is recognised in other comprehensive income and accumulated in reserves in equity.<br><br>The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'operations and administration expenses'.  |
| Treatment if the hedge relationship finishes | The hedge relationship will end when the hedging instrument expires or is sold or terminated, or when it no longer meets the criteria for hedge accounting, or when the hedged item is disposed of.<br><br>Gains and losses accumulated in equity remain in equity until the foreign operation ceases to be consolidated. At this time, the accumulated gain or loss is recognised in profit or loss as part of the gain or loss on disposal. |

#### (ii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting or are not designated for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify or is not designated for hedge accounting are recognised immediately in profit or loss and are included in 'operations and administration expenses' or 'finance costs'.

This note provides information about the Group's financial instruments, including:

- (a) Valuation methodology of financial instruments;
- (b) the Composition of financial instruments held by the Group and fair value measurement; and
- (c) Derivative financial instruments.

Additional non-statutory information is included in section (d) regarding the indicative valuation methodology in respect to Early Stage Ventures.

## (a) Valuation methodology of financial instruments

For financial instruments measured and carried at fair value, the Group uses the following fair value measurement hierarchy:

Level 1: fair value is calculated using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: fair value is estimated using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## (b) Composition of the Group's financial instruments

| Financial Instruments                          | Valuation method | Note | Current     |             | Non-current |             |
|--|------------------|------|-------------|-------------|-------------|-------------|
|  |                  |      | 2019<br>\$m | 2018<br>\$m | 2019<br>\$m | 2018<br>\$m |
| Cash and cash equivalents                      | Amortised cost   | 7(c) | 382.9       | 361.7       | -           | -           |
| Net trade receivables                          | Amortised cost   | 11   | 90.0        | 79.7        | -           | -           |
| Funds on deposit for entrusted loan facilities | Amortised cost   | 11   | -           | 18.4        | 151.5       | 100.3       |
| Other financial assets                         | Various          | 9(b) | 158.9       | 93.2        | 359.8       | 308.6       |
| Trade and other payables                       | Amortised cost   | n/a  | (260.3)     | (244.0)     | -           | -           |
| Borrowings                                     | Amortised cost   | 7(b) | (133.1)     | (80.5)      | (1,466.6)   | (1,218.7)   |
| Other financial liabilities                    | Various          | 9(b) | (40.0)      | (8.6)       | (24.0)      | (18.8)      |

Further information regarding the Group's other financial assets and liabilities is provided below.

| Other financial assets   | Hierarchy level | Current      |             | Non-current  |              |
|--|-----------------|--------------|-------------|--------------|--------------|
|  |                 | 2019 \$m     | 2018 \$m    | 2019 \$m     | 2018 \$m     |
| <b>Financial assets held at amortised cost</b>                                   |                 |              |             |              |              |
| Funds on deposit for entrusted loan facilities                                   | n/a             | 141.2        | 71.0        | 173.5        | 178.9        |
| Short-term investments   | n/a             | 0.1          | 0.1         | -            | -            |
| Security deposits  | n/a             | -            | -           | 1.1          | 1.1          |
| <b>Financial assets at fair value through profit and loss (FVPL)</b>             |                 |              |             |              |              |
| Investment in equity instruments (i)   | Level 3         | -            | -           | 102.2        | 97.7         |
| Convertible loans (ii)   | Level 3         | 9.3          | 6.3         | 26.5         | 24.9         |
| Derivative financial instruments (c)   | Level 2         | 7.5          | 6.0         | -            | -            |
| <b>Financial assets at fair value through other comprehensive income (FVOCI)</b> |                 |              |             |              |              |
| Investment in equity instruments (i)   | Level 2         | -            | -           | 50.0         | -            |
| Investment in equity instruments (i)   | Level 3         | -            | -           | 6.5          | 6.0          |
| Additional interest in equity accounted investment                               | Level 2         | -            | 5.2         | -            | -            |
| Derivative financial instruments (c)   | Level 2         | 0.8          | 4.6         | -            | -            |
| <b>Total other financial assets</b>  |                 | <b>158.9</b> | <b>93.2</b> | <b>359.8</b> | <b>308.6</b> |

|  |                 | Current  |          | Non-current |          |
|--|-----------------|----------|----------|-------------|----------|
|  | Hierarchy level | 2019 \$m | 2018 \$m | 2019 \$m    | 2018 \$m |
| Other financial liabilities  |                 |          |          |             |          |
| Financial liabilities at fair value through profit and loss (FVPL)             |                 |          |          |             |          |
| Derivative financial instruments (c)   | Level 2         | (5.9)    | (0.3)    | -           | -        |
| Put option (iii)   | Level 3         | -        | -        | (19.2)      | (18.8)   |
| Contingent consideration   | Level 3         | (6.5)    | -        | (4.8)       | -        |
| Additional interest in equity accounted investment                             | Level 2         | -        | (5.4)    | -           | -        |
| Financial liabilities at fair value through other comprehensive income (FVOCI) |                 |          |          |             |          |
| Derivative financial instruments (c)   | Level 2         | (27.6)   | (2.9)    | -           | -        |
| Total other financial liabilities  |                 | (40.0)   | (8.6)    | (24.0)      | (18.8)   |

## 9. Financial instruments and fair value measurement continued

Other financial assets and liabilities held by the Group as at 30 June 2019 are carried at an amount which closely approximates their fair value.

The Group's exposure to various risks associated with financial instruments is discussed in Note 10 Financial risk management.

### (i) Investment in equity instruments

As part of its overall investment strategy, the Group holds various investments in equity instruments that do not meet the requirements of either consolidation or equity accounting, and which are not held for the purposes of trading. They are therefore held at fair value.

During the year, the Group acquired a small interest of the total shares on issue in Coursera Inc for US\$35.0m (A\$50.0m at the exchange rate on the date of the transaction) and has irrevocably elected to recognise movements in the fair value of this investment through other comprehensive income.

The balance as at 30 June 2019 included \$54.2m SEEK Investments ESVs as per additional disclosure on indicative fair value disclosed in Note 9(d).

The following table shows the summary of changes in the fair value of the Group's investment in equity instruments:

|  | FVPL<br>\$m  | FVOCI<br>\$m | Total<br>\$m |
|--|--------------|--------------|--------------|
| Opening fair value 1 July 2017                           | 11.5         | 6.4          | 17.9         |
| Additions  | 26.5         | 1.9          | 28.4         |
| Unrealised gain recognised in other income               | 58.8         | -            | 58.8         |
| Unrealised loss recognised in other comprehensive income | -            | (2.3)        | (2.3)        |
| Foreign exchange movements                               | 0.9          | -            | 0.9          |
| <b>Closing fair value as at 30 June 2018</b>             | <b>97.7</b>  | <b>6.0</b>   | <b>103.7</b> |
| Additions  | -            | 50.0         | 50.0         |
| Unrealised gain recognised in other income               | 3.2          | -            | 3.2          |
| Unrealised gain recognised in other comprehensive income | -            | 0.5          | 0.5          |
| Foreign exchange movements                               | 1.3          | -            | 1.3          |
| <b>Closing fair value as at 30 June 2019</b>             | <b>102.2</b> | <b>56.5</b>  | <b>158.7</b> |

### (ii) Convertible loans

The Group has extended convertible loans to certain early stage entities. These loans are interest-bearing and subject to various terms and conditions.

### (iii) Put option

A put option has been recognised relating to the remaining shares held by non-controlling interests in JobAdder. Movements in the estimated exercise value of this put option are recognised in the Consolidated Income Statement.



## 10. Financial risk management

The Group maintains a capital structure for the business to ensure sufficient liquidity and support to fund business operations, maintain shareholder and market confidence, provide strong stakeholder returns, and position the business for future growth.

The Group's ongoing capital management approach is characterised by:

- Rolling cash flow forecast analyses and detailed budgeting processes which, combined with continual development of relationships with banks and investors, is directed at providing a sound financial positioning for the Group's operations and financial management activities;
- A capital structure that provides adequate funding for the Group's potential acquisition and investment strategies in order to build future growth in shareholder value; and
- Investment criteria that consider earnings accretion and risk adjusted rate of return requirements based on overall strategic goals.

The Group's financial risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as use of derivative financial instruments and investment of excess liquidity.

### Exposure to risks

The Group's capital structure, global operations and the nature of the business activities result in exposure to operational risks and a number of financial risks including:

| Risk   | Exposure arising from  | Management   |
|--|--|--|
| <b>Foreign exchange risk</b> - the risk that fluctuations in foreign exchange rates may impact the Group results   | Translation risk - the risk of unfavourable foreign exchange movements in the translation of the profits, assets and liabilities of overseas subsidiaries operating in functional currencies other than Australian dollars | Creating a natural hedge by matching debt with underlying local currency earnings and investments<br><br>Where a natural hedge is not possible, creating synthetic debt (via cross currency interest rate swaps) to hedge some underlying earnings and balance sheet exposures |
|  | Transaction risk - the risk that unfavourable foreign exchange movements may have an adverse impact on future cash flows which are committed to in foreign currencies  | When international cash inflows and outflows are certain, use forward foreign exchange contracts or options to hedge inflows/outflows  |
| <b>Interest rate risk</b> – the risk that fluctuations in interest rates may impact the Group results  | Long-term borrowings at variable interest rates  | Where appropriate, adopt interest rate swaps or options to fix some interest rates   |
| <b>Liquidity risk</b> – the risk that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities | Borrowings and other liabilities   | Availability of cash, and committed and uncommitted borrowing facilities   |
| <b>Credit risk</b> – the risk that default by a counterparty (debtor or creditor) could impact the Group's financial position and results                              | Cash and cash equivalents, and derivative financial instruments  | Use of financial institutions with an investment grade rating  |
|  | Trade receivables  | Credit limits and credit checks  |

A summary of the Group's derivative financial instruments and its application of hedge accounting is outlined in Note 9 Financial instruments and fair value measurement.



## (a) Foreign exchange risk

The Group increasingly operates internationally and is therefore exposed to foreign exchange risk arising from various currencies, predominantly the US Dollar ('USD'), Chinese Renminbi ('RMB'), Hong Kong Dollar ('HKD'), Malaysian Ringgit ('MYR'), Philippine Peso ('PHP'), Singapore Dollar ('SGD'), British Pound ('GBP'), Brazilian Real ('BRL') and Mexican Peso ('MXN').

As a result of this international presence, the Group is exposed to both translation and transaction risk.

### Risk management policy

The Group's foreign exchange risk management policy is to hedge up to 100% of anticipated significant cash flows in foreign currencies (for example for one-off significant transactions) for up to a six month period using external forward currency contracts. The derivative instruments used for hedging these types of exposures are forward foreign exchange contracts and purchased net forward exchange option contracts. The forward foreign exchange contracts taken up by the Group are regularly reassessed.

If funding of equity in foreign subsidiaries is material, Group Treasury will attempt to match the asset with borrowings in the currency of that subsidiary to form a natural hedge to protect the balance sheet. Where a natural hedge is not possible, synthetic debt may be created using a cross currency interest rate swap.

Whilst, as mentioned above, the Group's reported profits are subject to foreign exchange translation risk, the current policy is not to specifically hedge reported profits on the basis that:

- there can be significant cost associated with hedging some currencies, particularly in 'emerging markets' where SEEK has significant exposures;
- profits do not always align with cash flow, and to the extent that there is a mismatch between profits and cash flow, hedging can create mismatches; and
- the level of balance sheet (translation) and cash flow (transaction) hedging undertaken already provides a degree of protection against P&L translation risk.

### Material arrangements in place at reporting date

The Group has foreign exchange options in hedging relationships against the USD denominated portion of the Group's syndicated facility intended to limit the cost of making the repayments.

The Group holds foreign exchange forward and option structures to protect against the devaluation of RMB (which are designated as net investment hedges in relation to the Group's investment in Zhaopin Limited). At 30 June 2019 there is a net liability on the foreign exchange options of \$2.6m and the foreign exchange forward contracts of \$0.7m (2018: net assets of \$0.4m and \$2.7m respectively).

The Group has also entered into cross currency interest rate swap contracts (designated as net investment hedges) in relation to the Group's investment in:

- SEEK Asia Investments: to create synthetic SGD funding and protect its balance sheet from fluctuations between the AUD and SGD. At 30 June 2019, there is a net liability on this derivative of \$11.8m (2018: \$2.7m), and
- FutureLearn: to create synthetic GBP funding and protect the investment from fluctuations between the AUD and GBP. At 30 June 2019, there is a net asset on this derivative of \$0.8m (2018: nil).

In order to repay SEEK Asia's HKD and SGD external borrowings during FY2018, the Group drew down against its USD borrowing facility and entered HKD/USD and SGD/USD cross currency interest rate swaps to create synthetic HKD and SGD debt to internally fund SEEK Asia. These contracts have not been designated for hedge accounting as the foreign currency revaluation on the USD debt drawn down, the intercompany balances and cross currency interest rate swaps all offset in the income statement. At 30 June 2019, there is a net asset on these derivatives of \$5.6m (2018: \$4.9m).

### Material exposures and sensitivities

As noted above, the Group has significant offshore operations. In addition to the revenue and earnings for these operations as set out in the segment information (refer to Note 1) and other related disclosures, there are also significant assets which are subject to foreign exchange fluctuations, as set out in Note 12 Intangible assets and Note 17 Interests in controlled entities. The method for translating the Group's offshore results, assets and liabilities is described in Note 26 Other significant accounting policies.

A sensitivity analysis has been performed over possible movements in relevant foreign currencies against the underlying functional currencies in the short term subsequent to 30 June 2019. Utilising a range of +5% to -5%, the analysis showed that the impact to the profit and loss would be less than \$1.0m for each of the common currency pairings.

At 30 June 2019, the Group's largest exposure to foreign currency exchange risk is in regards to the USD denominated borrowings. This is the largest exposure that the Group has in relation to a foreign currency denominated asset or liability as it is repayable in USD but held by an Australian entity which operates in Australian dollars.

At 30 June 2019, the amount of USD borrowings drawn down on SEEK Limited's USD bank debt was US\$400.3m (2018: US\$220.0m). US\$165.0m of this loan has been designated as a net investment hedge with a further US\$35.0m designated as a fair value hedge for accounting purposes and therefore movements are taken directly to equity, rather than impacting profit or loss. The remaining US\$200.3m of this loan has been economically hedged by cross currency interest rate swap contracts, forward foreign exchange contracts and USD denominated assets.

## 10. Financial risk management continued

### (b) Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

#### Risk management policy

To protect part of its borrowings from exposure to fluctuations in interest rates, the Group's Treasury policy prescribes the use of interest rate swaps and options.

#### Material arrangements in place at reporting date

The Group has entered into interest rate swaps and options under which it receives interest at variable rates and pays interest at fixed rates. As shown in the table below, swaps and options in place at 30 June 2019 cover approximately 36% (2018: 34%) of the variable loan principal outstanding on the Group's loan facility.

|  | 2019                             |         | 2018                             |         |
|--|----------------------------------|---------|----------------------------------|---------|
|  | Weighted average interest rate % | \$m     | Weighted average interest rate % | \$m     |
| <b>AUD denominated borrowings</b>                      |                                  |         |                                  |         |
| Bank loans - principal                                 | 3.3%                             | 425.0   | 3.2%                             | 489.0   |
| Euro Medium Term Note                                  | 4.2%                             | 175.0   | 4.1%                             | 175.0   |
| Less amounts covered by interest rate swaps            | 1.8%                             | (450.0) | 2.0%                             | (310.0) |
|  |                                  | 150.0   |                                  | 354.0   |
| <b>USD denominated borrowings</b>                      |                                  |         |                                  |         |
| Bank loan - principal                                  | 4.2%                             | 570.3   | 3.4%                             | 297.6   |
| Entrusted loan facilities                              | 3.9%                             | 432.1   | 3.3%                             | 340.7   |
| Less amounts covered by interest rate swaps or options | 2.2%                             | (135.4) | 1.4%                             | (135.2) |
|  |                                  | 867.0   |                                  | 503.1   |
| <b>RMB denominated borrowings</b>                      |                                  |         |                                  |         |
| Loan facility  | 4.8%                             | 3.7     | 5.0%                             | 1.3     |
| Less amounts covered by interest rate swaps            |                                  | -       |                                  | -       |
|  |                                  | 3.7     |                                  | 1.3     |
| <b>Total Group borrowings</b>                          |                                  |         |                                  |         |
| Total borrowings                                       | 3.8%                             | 1,606.1 | 3.4%                             | 1,303.6 |
| Less amounts covered by interest rate swaps            | 1.9%                             | (585.4) | 1.8%                             | (445.2) |
|  |                                  | 1,020.7 |                                  | 858.4   |

As at 30 June 2019, the Group has a net liability on its interest rate swaps and options of \$16.1m (2018: net asset \$1.4m), meaning that at 30 June 2019 interest rate swaps have fixed the Group interest payments higher than market rates. This is due to the recent downward trend in AUD and USD interest rates.

#### Material exposures and sensitivities

The weighted average interest rate for the year ended 30 June 2019 was 3.8% (2018 3.4%). If the weighted average interest rate had been 10% higher or 10% lower, interest expense would increase/decrease by \$5.6m.

While the Group's bank accounts are predominantly interest bearing accounts, funds that are in excess of short-term liquidity requirements are generally invested in short-term deposits. Where excess funds are significantly in excess of short-term requirements, they are then applied to reduce the syndicated loan facility balance. Given this, at 30 June 2019, there is not a material interest rate risk relating to the Group's cash balances.

## (c) Liquidity risk

Prudent liquidity risk management requires maintaining sufficient cash and ensuring that all term deposits can be converted to funds at call.

### Risk management policy

Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping the cash reserves of the business accessible. The Group maintains borrowing facilities to enable the Group to borrow funds when necessary. For details of these facilities, refer to Note 7 Net debt.

### Material arrangements in place at reporting date

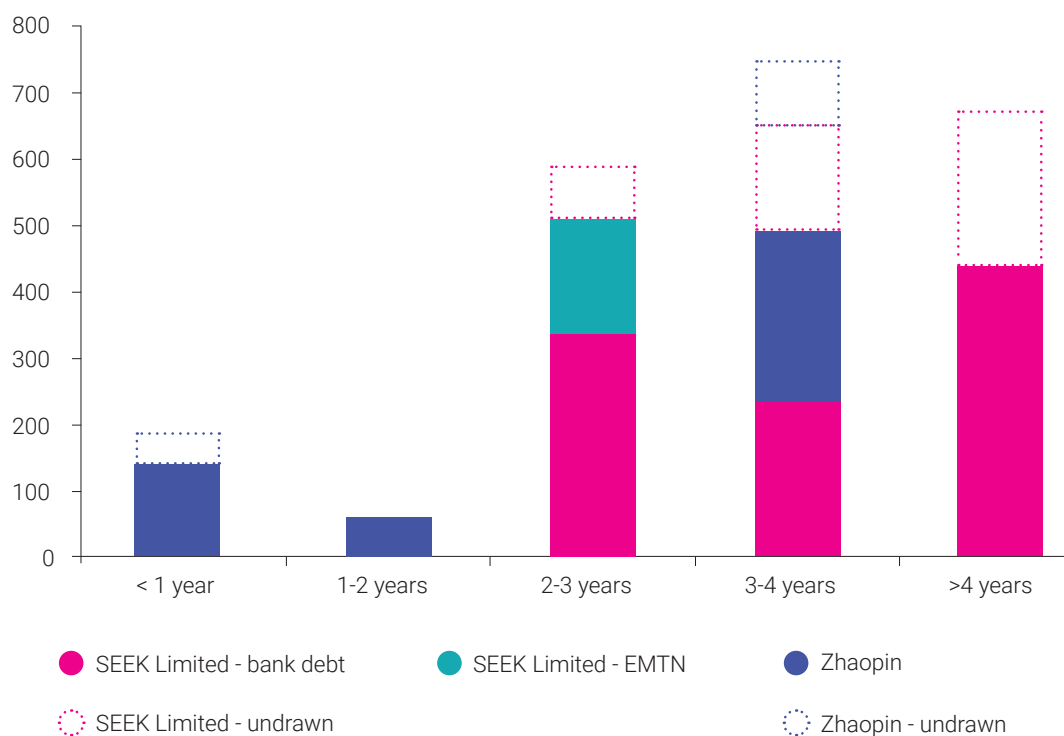
At 30 June 2019, the Group had access to borrowing facilities totalling \$187.6m expiring within one year and \$2,021.8m expiring beyond one year (2018: \$80.5m expiring within one year and \$1,578.0m expiring beyond one year). The table below outlines the level of drawn and undrawn debt at the balance sheet date.

|                          | Drawn       |             | Undrawn     |             | Total       |             |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                          | 2019<br>\$m | 2018<br>\$m | 2019<br>\$m | 2018<br>\$m | 2019<br>\$m | 2018<br>\$m |
| <b>Floating rate</b>     |             |             |             |             |             |             |
| Expiring within one year | 133.1       | 80.5        | 54.5        | -           | 187.6       | 80.5        |
| Expiring beyond one year | 1,473.0     | 1,223.1     | 548.8       | 354.9       | 2,021.8     | 1,578.0     |
|                          | 1,606.1     | 1,303.6     | 603.3       | 354.9       | 2,209.4     | 1,658.5     |

Subject to continuing to meet certain financial covenants, certain revolving bank loan facilities may be drawn down at any time. The Group is not subject to externally imposed capital requirements, other than the contractual banking covenants and obligations. The Group has complied with all bank lending requirements during the year and at the date of this report.

### Material exposures

The below graph outlines the contractual undiscounted maturities of the Group's borrowing portfolio:



## 10. Financial risk management continued

### Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual undiscounted maturities for:

- (a) all non-derivative financial liabilities, and
- (b) net and gross settled derivative financial instruments.

| Contractual maturities of financial liabilities | Less than 6 months<br>\$m | 6 to 12 months<br>\$m | Between 1 and 2 years<br>\$m | Between 2 and 5 years<br>\$m | Over 5 years<br>\$m | Total contractual (inflows)/ outflows<br>\$m | Carrying amount (assets)/ liabilities<br>\$m |
|---|---------------------------|-----------------------|------------------------------|------------------------------|---------------------|--|--|
| <b>At 30 June 2019</b>                          |                           |                       |                              |                              |                     |  |  |
| <b>Non-derivatives</b>                          |                           |                       |                              |                              |                     |  |  |
| Trade payables                                  | 260.3                     | -                     | -                            | -                            | -                   | 260.3  | 260.3  |
| Put option                                      | -                         | -                     | 19.2                         | -                            | -                   | 19.2   | 19.2   |
| Contingent consideration                        | 5.9                       | 0.6                   | 1.3                          | 3.5                          | -                   | 11.3   | 11.3   |
| Borrowings                                      | 151.6                     | 24.9                  | 83.6                         | 1,479.1                      | -                   | 1,739.2                                      | 1,606.1                                      |
| <b>Total non-derivatives</b>                    | <b>417.8</b>              | <b>25.5</b>           | <b>104.1</b>                 | <b>1,482.6</b>               | <b>-</b>            | <b>2,030.0</b>                               | <b>1,896.9</b>                               |
| <b>Derivatives</b>                              |                           |                       |                              |                              |                     |  |  |
| <b>Net settled</b>                              |                           |                       |                              |                              |                     |  |  |
| Interest rate swaps                             | 1.5                       | 2.2                   | 4.2                          | 2.5                          | -                   | 10.4   | 11.1   |
| <b>Gross settled</b>                            |                           |                       |                              |                              |                     |  |  |
| Forward foreign exchange contracts/options      |                           |                       |                              |                              |                     |  |  |
| - (inflow)                                      | (353.6)                   | (36.3)                | -                            | -                            | -                   | (389.9)                                      | 5.6  |
| - outflow                                       | 353.8                     | 36.5                  | -                            | -                            | -                   | 390.3  |  |
| Cross currency interest rate swaps              |                           |                       |                              |                              |                     |  |  |
| - (inflow)                                      | (51.7)                    | (1.6)                 | (3.2)                        | (193.6)                      | -                   | (250.1)                                      | 16.8   |
| - outflow                                       | 54.6                      | 1.8                   | 3.5                          | 209.4                        | -                   | 269.3  |  |
| <b>Total derivatives</b>                        | <b>4.6</b>                | <b>2.6</b>            | <b>4.5</b>                   | <b>18.3</b>                  | <b>-</b>            | <b>30.0</b>                                  | <b>33.5</b>                                  |

| Contractual maturities of financial liabilities    | Less than 6 months<br>\$m | 6 to 12 months<br>\$m | Between 1 and 2 years<br>\$m | Between 2 and 5 years<br>\$m | Over 5 years<br>\$m | Total contractual (inflows)/ outflows<br>\$m | Carrying amount (assets)/ liabilities<br>\$m |
|--|---------------------------|-----------------------|------------------------------|------------------------------|---------------------|--|--|
| <b>At 30 June 2018</b>                             |                           |                       |                              |                              |                     |  |  |
| <b>Non-derivatives</b>                             |                           |                       |                              |                              |                     |  |  |
| Trade payables                                     | 244.0                     | -                     | -                            | -                            | -                   | 244.0  | 244.0  |
| Put option   | -                         | -                     | -                            | 18.8                         | -                   | 18.8   | 18.8   |
| Additional interest in equity accounted investment | 5.4                       | -                     | -                            | -                            | -                   | 5.4  | 5.4  |
| Borrowings   | 64.8                      | 24.2                  | 272.2                        | 1,085.2                      | -                   | 1,446.4                                      | 1,303.6                                      |
| <b>Total non-derivatives</b>                       | <b>314.2</b>              | <b>24.2</b>           | <b>272.2</b>                 | <b>1,104.0</b>               | <b>-</b>            | <b>1,714.6</b>                               | <b>1,571.8</b>                               |
| <b>Derivatives</b>                                 |                           |                       |                              |                              |                     |  |  |
| <b>Gross settled</b>                               |                           |                       |                              |                              |                     |  |  |
| Forward foreign exchange contracts/options         |                           |                       |                              |                              |                     |  |  |
| - (inflow)   | (6.4)                     | -                     | -                            | -                            | -                   | (6.4)  | 0.5  |
| - outflow  | 6.8                       | -                     | -                            | -                            | -                   | 6.8  |  |
| Cross currency interest rate swaps                 |                           |                       |                              |                              |                     |  |  |
| - (inflow)   | (1.7)                     | (1.7)                 | (52.5)                       | (101.1)                      | -                   | (157.0)                                      | 2.7  |
| - outflow  | 1.3                       | 1.3                   | 51.5                         | 102.7                        | -                   | 156.8  |  |
| <b>Total derivatives</b>                           | <b>-</b>                  | <b>(0.4)</b>          | <b>(1.0)</b>                 | <b>1.6</b>                   | <b>-</b>            | <b>0.2</b>                                   | <b>3.2</b>                                   |

## (d) Credit risk

The Group's exposure to credit risk arises from the potential default of the Group's trade and other receivables as well as the institutions in which the Group's cash and cash equivalents are deposited, and with whom derivative instruments are traded, with a maximum exposure equal to the carrying amounts of these assets.

### Risk management policy

Credit risk in relation to trade and other receivables is managed in the following ways:

- The provision of credit is covered by a risk assessment process for all customers (e.g. appropriate credit history, credit limits, past experience); and
- Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.

Credit risk arising from the deposit of Group cash and cash equivalents is managed under the Group's treasury policy which only authorises dealings with financial institutions that have an investment grade rating.

### Material exposures

Cash and cash equivalents at 30 June 2019 were \$382.9m (2018: \$361.7m). All amounts are invested with financial institutions that have an investment grade rating. Funds on deposit to support entrusted loan facilities at 30 June 2019 were \$466.2m (2018: \$368.6m). All amounts are invested with financial institutions that have an investment grade rating, and are held as security against the borrowing facilities of Zhaopin. Given this, at 30 June 2019, there is not a material credit risk relating to the Group's cash balances.

Trade receivables at 30 June 2019 were \$94.2m (2018: \$85.3m). The Group does not hold any credit derivatives or collateral to offset its credit exposure. Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. The exposure to credit risk is relatively low due to the credit terms provided and the large and diverse customer base.

### Net trade receivables

During the year, a total expense of \$0.7m (2018: \$2.2m) was recognised in the Consolidated Income Statement in relation to the provision for doubtful debts and credit notes.

The following table shows the ageing of the Group's net trade receivables at 30 June:

|                            | 2019<br>\$m | 2018<br>\$m |
|----------------------------|-------------|-------------|
| Not past due               | 55.0        | 43.5        |
| Past due less than 30 days | 23.8        | 21.7        |
| Past due 30 - 60 days      | 5.6         | 6.1         |
| Past due 61 - 90 days      | 3.1         | 4.6         |
| Past due 91 - 120 days     | 0.9         | 2.3         |
| Past due 120+ days         | 1.6         | 1.5         |
| <b>Closing balance</b>     | <b>90.0</b> | <b>79.7</b> |



## Assets and liabilities

### Accounting Policy

Trade receivables are recognised initially at the amount stated on the invoice and subsequently at the amount considered receivable from the customer (amortised cost using the effective interest method), less a provision for expected credit losses. These receivables are interest-free and are generally due for settlement within 30 days.

Amounts recognised as revenue, which are not yet able to be invoiced to the customer, are recognised in the Consolidated Balance Sheet as accrued revenue.

Once the amount is unconditionally payable to the customer, it is invoiced and reclassified from accrued revenue to trade receivables.

The creation or release of the provision for doubtful debts has been included in 'operations and administration' expenses in the Consolidated Income Statement and the creation or the release of the credit note provision has been included within sales revenue. Amounts charged to the provision are generally written off when there is no expectation of recovering additional cash.

## 11. Trade and other receivables

|  | Current      |                         | Non-current  |              |
|--|--------------|-------------------------|--------------|--------------|
|  | 2019<br>\$m  | Restated<br>2018<br>\$m | 2019<br>\$m  | 2018<br>\$m  |
| Trade receivables                                  | 94.2         | 85.3                    | -            | -            |
| Less: loss allowance                               | (4.2)        | (5.6)                   | -            | -            |
| <b>Net trade receivables</b>                       | <b>90.0</b>  | <b>79.7</b>             | <b>-</b>     | <b>-</b>     |
| Accrued revenue                                    | 4.9          | 5.7                     | -            | -            |
| Other receivables                                  | 21.5         | 29.0                    | -            | -            |
| Funds on deposit for entrusted loan facilities (i) | -            | 18.4                    | 151.5        | 100.3        |
| Prepayments  | 31.4         | 30.5                    | -            | -            |
| <b>Total trade and other receivables</b>           | <b>147.8</b> | <b>163.3</b>            | <b>151.5</b> | <b>100.3</b> |

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.

### (i) Funds on deposit for entrusted loan facilities

The following table shows the Zhaopin funds on deposit to support entrusted loan facilities:

|   | Other financial assets - Note 9(b) |                    | Other receivables - Note 11 |                    | Total<br>\$m |
|---|------------------------------------|--------------------|-----------------------------|--------------------|--------------|
|   | Current<br>\$m                     | Non-current<br>\$m | Current<br>\$m              | Non-current<br>\$m |              |
| Opening funds on deposit as at 1 July 2018                  | 71.0                               | 178.9              | 18.4                        | 100.3              | 368.6        |
| Cash placed on deposit to support entrusted loan facilities | 27.9                               | 32.4               | -                           | 26.2               | 86.5         |
| Transfer between current and non-current classification     | 39.5                               | (39.5)             | (18.4)                      | 18.4               | -            |
| Movement in interest received/receivable                    | 0.6                                | (0.7)              | -                           | 4.2                | 4.1          |
| Movement in exchange  | 2.2                                | 2.4                | -                           | 2.4                | 7.0          |
| <b>Closing funds on deposit as at 30 June 2019</b>          | <b>141.2</b>                       | <b>173.5</b>       | <b>-</b>                    | <b>151.5</b>       | <b>466.2</b> |

## 12. Intangible assets

### Critical accounting estimates and assumptions

Management has determined that some of the intangible assets (brands and licences) recognised as part of business combinations have indefinite useful lives. This means that the value of these assets do not reduce over time and therefore they are not amortised. These assets have no legal or contractual expiry date and are integral to future revenue generation. Management intends to continue to promote, maintain and defend the brands and

licences to the extent necessary to maintain their values for the foreseeable future.

Management assesses the useful lives of the Group's intangible assets at the end of each reporting period. If an intangible asset is no longer considered to have an indefinite useful life, this change is accounted for prospectively.

### Accounting Policy

Intangible assets are non-physical assets held by the Group in order to generate revenue and profit. These assets include goodwill, brands and licences, software and website development and work in progress. They are recognised either at the cost the Group has paid for them or at their fair value if they are acquired as part of a business combination. They are amortised over their expected useful life unless they are considered to have an indefinite useful life.

| Type of intangible asset         | Valuation method  | Amortisation method  | Estimated useful life     |
|----------------------------------|---|--|---------------------------|
| Goodwill                         | Initially measured at cost. The excess of consideration paid and the amount of any non-controlling interest in a business combination over the fair value of the net identifiable assets acquired is recognised as goodwill | Not amortised, reviewed for impairment at least annually   | n/a                       |
| Brands and licences              | Initially at cost, or fair value if acquired as part of a business combination  | Finite life brands, straight-line. Indefinite life brands not amortised, reviewed for impairment at least annually | Specific to circumstances |
| Customer relationships           | Initially at fair value at date of business combination   | Straight-line  | 1 to 5 years              |
| Software and website development | Initially at cost, or fair value if acquired as part of a business combination, and subsequently at cost less accumulated amortisation  | Straight-line  | 3 to 5 years              |
| Work in progress                 | Cost  | Not amortised as not ready for use   | n/a                       |

#### (i) Goodwill

Goodwill relates to the portion of amounts paid to acquire other entities which cannot be identified as separate assets but instead represents expected future economic benefits. Goodwill on acquisition of subsidiaries is included in intangible assets whilst goodwill on acquisitions of associates and joint ventures is included in the carrying amount of the investment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### (ii) Software and website development

Costs incurred in acquiring, developing and implementing new websites or software are recognised as intangible assets only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, licences and direct labour.

#### (iii) Work in progress

Work in progress ('WIP') represents intangible assets of other classes not yet put into use. These assets are transferred to another class of assets, normally software and website development, on the date of completion.

|                                       | Notes | Goodwill<br>\$m | Brands and<br>licences<br>\$m | Customer<br>relationships<br>\$m | Software<br>and website<br>development<br>\$m | Work in<br>progress<br>\$m | Total<br>\$m   |
|---------------------------------------|-------|-----------------|-------------------------------|----------------------------------|---|----------------------------|----------------|
| <b>2018</b>                           |       |                 |                               |                                  |   |                            |                |
| <b>Cost</b>                           |       |                 |                               |                                  |   |                            |                |
| Opening balance at 1 July 2017        |       | 2,171.9         | 353.0                         | 93.6                             | 214.0   | 13.3                       | 2,845.8        |
| Additions                             |       | -               | -                             | -                                | 7.2   | 81.5                       | 88.7           |
| Exchange differences                  |       | 20.6            | 5.9                           | 1.8                              | 0.1   | 0.3                        | 28.7           |
| Transfers                             |       | -               | -                             | -                                | 67.2  | (67.2)                     | -              |
| Closing balance at 30 June 2018       |       | 2,192.5         | 358.9                         | 95.4                             | 288.5   | 27.9                       | 2,963.2        |
| <b>Amortisation &amp; Impairment</b>  |       |                 |                               |                                  |   |                            |                |
| Opening balance at 1 July 2017        |       | -               | (1.0)                         | (62.8)                           | (109.8)                                       | -                          | (173.6)        |
| Amortisation charge                   |       | -               | -                             | (8.0)                            | (45.2)  | -                          | (53.2)         |
| Impairment loss                       |       | (179.0)         | (2.7)                         | -                                | -   | -                          | (181.7)        |
| Exchange differences                  |       | -               | -                             | (1.9)                            | (0.2)   | -                          | (2.1)          |
| Closing balance at 30 June 2018       |       | (179.0)         | (3.7)                         | (72.7)                           | (155.2)                                       | -                          | (410.6)        |
| <b>Carrying value at 30 June 2018</b> |       | <b>2,013.5</b>  | <b>355.2</b>                  | <b>22.7</b>                      | <b>133.3</b>                                  | <b>27.9</b>                | <b>2,552.6</b> |
| <b>2019</b>                           |       |                 |                               |                                  |   |                            |                |
| <b>Cost</b>                           |       |                 |                               |                                  |   |                            |                |
| Opening balance at 1 July 2018        |       | 2,192.5         | 358.9                         | 95.4                             | 288.5   | 27.9                       | 2,963.2        |
| Additions                             |       | -               | -                             | -                                | 8.7   | 97.1                       | 105.8          |
| Exchange differences                  |       | 99.5            | 16.1                          | 3.1                              | 4.5   | (0.2)                      | 123.0          |
| Acquisition of subsidiaries           |       | 20.9            | 1.4                           | 0.9                              | 3.5   | -                          | 26.7           |
| Transfers                             |       | -               | -                             | -                                | 95.1  | (95.1)                     | -              |
| Closing balance at 30 June 2019       |       | 2,312.9         | 376.4                         | 99.4                             | 400.3   | 29.7                       | 3,218.7        |
| <b>Amortisation &amp; Impairment</b>  |       |                 |                               |                                  |   |                            |                |
| Opening balance at 1 July 2018        |       | (179.0)         | (3.7)                         | (72.7)                           | (155.2)                                       | -                          | (410.6)        |
| Amortisation charge                   |       | -               | (0.1)                         | (7.0)                            | (61.9)  | -                          | (69.0)         |
| Exchange differences                  |       | (13.0)          | -                             | (4.0)                            | (2.6)   | -                          | (19.6)         |
| Closing balance at 30 June 2019       |       | (192.0)         | (3.8)                         | (83.7)                           | (219.7)                                       | -                          | (499.2)        |
| <b>Carrying value at 30 June 2019</b> |       | <b>2,120.9</b>  | <b>372.6</b>                  | <b>15.7</b>                      | <b>180.6</b>                                  | <b>29.7</b>                | <b>2,719.5</b> |

## (a) Impairment

### Critical accounting estimates and assumptions

Goodwill and intangible assets with indefinite useful lives are allocated to a cash-generating unit ("CGU") or group of CGUs and tested annually to determine whether they have suffered any impairment.

The recoverable amounts of the CGU or group of CGUs to which the assets have been allocated have been determined based on value-in-use or fair value less costs of disposal calculations. These calculations are performed based on cash flow projections and other supplementary information which, given their forward looking nature, require the adoption of assumptions and estimates.

The key assumptions and estimates utilised in management's assessments relate primarily to:

- Ten year cash flow forecasts sourced from internal budgets and long-term management forecasts;
- Terminal value growth rates applied to the period beyond the ten year cash flow forecasts; and
- Post-tax discount rates, used to discount the cash flows to present value.

Each of these assumptions and estimates is based on a 'best estimate' at the time of performing the valuation. However, increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amount of CGUs or groups of CGUs to fall below their carrying amounts, resulting in an impairment loss being recognised.

## Cash-generating units

For the purpose of undertaking impairment testing, the Group has identified its cash-generating units ('CGUs'). These are the smallest group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This assessment is usually determined by considering business and operating segments and areas of operation.

Goodwill and other intangible assets are allocated to CGUs for the purpose of testing. This allocation is made based on which CGUs are expected to benefit from the relevant business combination.

| CGU / Group of CGUs                | 2019            |  | 2018            |  |
|------------------------------------|-----------------|--|-----------------|--|
|                                    | Goodwill<br>\$m | Intangible<br>assets with<br>indefinite<br>useful lives<br>\$m | Goodwill<br>\$m | Intangible<br>assets with<br>indefinite<br>useful lives<br>\$m |
| <b>Asia Pacific &amp; Americas</b> |                 |  |                 |  |
| SEEK New Zealand                   | 5.8             | -  | 5.6             | -  |
| SEEK Asia (i)                      | 1,040.0         | 145.3  | 974.1           | 136.3  |
| Brasil Online (ii)                 | 120.0           | 51.6   | 112.7           | 48.5   |
| OCC                                | 60.4            | 20.4   | 55.5            | 18.9   |
| Jora                               | 1.1             | -  | 1.1             | -  |
| JobAdder                           | 12.6            | 5.0  | 12.6            | 5.0  |
| GradConnection                     | 14.4            | 1.4  | -               | -  |
| <b>SEEK Investments</b>            |                 |  |                 |  |
| Zhaopin                            | 526.2           | 148.9  | 518.0           | 146.5  |
| OES                                | 334.7           | -  | 328.2           | -  |
| Sidekicker                         | 5.7             | -  | 5.7             | -  |
|                                    | <b>2,120.9</b>  | <b>372.6</b>   | <b>2,013.5</b>  | <b>355.2</b>   |

### (i) SEEK Asia

SEEK Asia is a leading provider of online employment marketplaces operating across seven countries throughout South East Asia and Hong Kong. The goodwill and intangible assets with indefinite useful lives relating to SEEK Asia are a significant component of the Consolidated Balance Sheet. The goodwill for this business is attributable to the strong market position it holds and the high growth potential in these emerging markets.

For the purpose of impairment testing, goodwill and intangible asset balances are assessed on the following basis:

- Goodwill is tested across the group of CGUs that comprise SEEK Asia as the goodwill balance contributes to the generation of cash flows across the whole business; and
- The JobsDB and JobStreet brands are tested across the group of CGUs that comprise SEEK Asia as a high level of integration has been achieved in the period post acquisition of JobStreet in November 2014, with management having exercised its ability to direct cash flows from one brand to the other.

### (ii) Brasil Online

Brasil Online ('BOL') operates the two online employment marketplaces in Brazil, Catho Online and Manager Online, and considers them as two CGUs. For the purpose of impairment testing, goodwill and intangible asset balances are assessed on the following basis:

- Goodwill and Catho Online and Manager Online brands are tested across the group of CGUs that comprise Brasil Online as they contribute to the generation of cash flows across the whole of the businesses.

## Impairment testing and key assumptions

The Group tests whether goodwill and other intangible assets have suffered any impairment as described above. Impairment is recognised where the recoverable amount of an asset or CGU has fallen below the carrying amount.

The recoverable amounts of assets and CGUs have been determined based on the higher of:

- value-in-use (expected future cash flows from operating the asset/CGU); and
- fair value less costs of disposal (expected net proceeds if the asset/CGU were sold).

These calculations require the use of key assumptions on which management has based its cash flow projections, as well as post-tax discount rates. These key assumptions are discussed above.

The cash flow projections have been:

- derived from management forecasts based on next year's budgeted result, with the remaining years based on management forecasts; and
- compiled using a combination of past experience, current performance and market position as well as structural changes and economic factors which have been derived based on external data and internal analysis.

### Key assumptions

Key assumptions relating to structural and market factors have been derived under a consistent approach to the prior year impairment assessment, utilising past experience, external data and internal analysis. The key structural and market factors considered in relation to the online employment businesses comprise labour market growth, rising internet penetration, continued structural migration of advertising expenditure from print to online channels and GDP growth.

| CGU / Group of CGUs | Valuation method                  | Years of cash flow projection | Terminal growth rate % | Post-tax discount rate % |      |
|---------------------|-----------------------------------|-------------------------------|------------------------|--------------------------|------|
|                     |                                   |                               |                        | 2019                     | 2018 |
| SEEK Asia           | Fair value less costs of disposal | 10                            | 2.4                    | 14.5                     | n/a  |
| Brasil Online       | Fair value less costs of disposal | 10                            | 5.3                    | 17.0                     | 17.0 |
| OCC                 | Fair value less costs of disposal | 10                            | 3.5                    | 13.5                     | 13.5 |
| JobAdder (i)        | Fair value less costs of disposal | n/a                           | n/a                    | n/a                      | n/a  |
| GradConnection (ii) | Fair value less costs of disposal | n/a                           | n/a                    | n/a                      | n/a  |
| Zhaopin (iii)       | Fair value less costs of disposal | n/a                           | n/a                    | n/a                      | n/a  |
| OES                 | Fair value less costs of disposal | 10                            | 2.3                    | 10.0                     | n/a  |
| Sidekicker (iv)     | Fair value less costs of disposal | n/a                           | n/a                    | n/a                      | n/a  |

Management also anticipate growth from increased market penetration and continued evolution of products and services.

#### (i) JobAdder

In determining the indicative fair value of SEEK's Early Stage Ventures portfolio as at 30 June 2019 (refer Note 9 Financial instruments and fair value measurement), SEEK obtained an external independent valuation for JobAdder. As at 30 June 2019, the recoverable amount of its assets have been determined based on a fair value less costs of disposal, with reference to this independent external valuation.

#### (ii) GradConnection

On 8 February 2019, SEEK acquired a 100% interest in GradConnection Holdings Pty Ltd (together with its consolidated subsidiaries, 'GradConnection'). GradConnection was consolidated in the SEEK Group result from that date. As at 30 June 2019, the recoverable amount of its assets have been determined based on a fair value less costs of disposal, with reference to this transaction. There are no indicators to suggest that the fair value of GradConnection has significantly changed since this transaction.

#### (iii) Zhaopin

During 2018, Zhaopin completed its going private transaction whereby SEEK and two private equity firms, Hillhouse Capital Management and FountainVest Partners, acquired all the outstanding shares of Zhaopin Limited. The recoverable amounts of Zhaopin's assets as at 30 June 2019 have been assessed based on fair value less costs of disposal with reference to the final transaction settlement. There are no indicators to suggest that the fair value of Zhaopin has significantly decreased since this transaction.

#### (iv) Sidekicker

In determining the indicative fair value of SEEK's Early Stage Ventures portfolio as at 30 June 2019 (refer Note 9 Financial instruments and fair value measurement), SEEK obtained an external independent valuation for Sidekicker. As at 30 June 2019, the recoverable amount of its assets have been determined based on a fair value less costs of disposal, with reference to this independent external valuation.



## Sensitivity analysis

Future net cash flows of these CGUs are based on the key assumptions noted above, each of which are subject to some uncertainty. Any reasonable change in the key assumptions would not result in the carrying amounts materially exceeding their recoverable amounts, as disclosed below.

### (i) Brasil Online

In FY2018 an impairment charge of \$119.0m was recognised against Brasil Online's goodwill. The decrease in the recoverable amount reflected a deterioration in Brazil's macro-economic and political conditions and a delay in the recovery of the candidate pays model, both of which impacted Brasil Online's financial performance.

As part of management's impairment assessment for the year ended 30 June 2019, the carrying value of goodwill and other indefinite useful life intangible assets in Brasil Online was compared with the recoverable amount as determined using a fair value less costs of disposal ('FVLCD') discounted cash flow ('DCF') model.

Brasil Online's recoverable amount at 30 June 2019 was broadly in line with its carrying value. As a result, any adverse movements in key assumptions may lead to a further impairment.

Consistent with 30 June 2018, the recoverable amount of Brasil Online is sensitive to:

- i. Assumed improvements in the Brazilian economy, which has a significant impact on Brasil Online's revenue growth profile; and
- ii. The macro-economic and political environment (specifically key inputs such as market risk premium, inflation and interest rates) which have an impact on the discount rate.

If the return to positive revenue growth were to be delayed until FY2023 (a further two years compared to management's current assumption), or the post-tax discount rate were to increase by 1%, the valuation indicated by the FVLCD DCF model would decrease by approximately \$28m and \$16m respectively.

### (ii) OCC

In FY2018 an impairment charge of \$60.0m was recognised against OCC's goodwill. The decrease in the recoverable amount reflected Mexico's macro-economic and political uncertainty, competitive intensity, operational issues in education and the need to reinvest to evolve the business model impacting the outlook for future cashflows.

As part of management's impairment assessment for the year ended 30 June 2019, the carrying value of goodwill and other indefinite useful life intangible assets in OCC was compared with the recoverable amount as determined using a FVLCD DCF model.

OCC's recoverable amount at 30 June 2019 is marginally higher than its carrying value. As a result, any adverse movements in key assumptions may lead to a further impairment.

Consistent with 30 June 2018, the recoverable amount of OCC is sensitive to:

- i. Assumed timing of recovery from the cyclical downturn and operational improvements, which have a significant impact on OCC's revenue growth profile; and
- ii. The macro-economic and political environment (specifically key inputs such as market risk premium, inflation and interest rates) which have an impact on the discount rate.

If the return to positive revenue growth were to be delayed until FY2023 (a further two years compared to management's current assumption), or the post-tax discount rate were to increase by 1%, the valuation indicated by the FVLCD DCF model would decrease by approximately \$17m and \$11m respectively.

## 13. Provisions

### Critical accounting estimates and assumptions

Following the guidance in AASB 3 *Business Combinations*, the Group has recognised a provision for contingent liabilities acquired in various business combinations. At acquisition, the provisions were measured at the fair value of the contingent liabilities, which reflected the range of possible outcomes across the portfolio of contingent liabilities and is adjusted for risk. The carrying amount

of the provision has been reassessed in each subsequent reporting period.

The settlement of these contingent liabilities is uncertain and the difference between the settlement amounts and the amounts provided for may be material.

### Accounting Policy

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources (usually cash or other assets) will be required to settle the obligation; and
- the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering those similar obligations together. A provision is recognised in aggregate even if the likelihood of an outflow with respect to any one item is small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

|                             | Current     |             | Non-current |             |
|-----------------------------|-------------|-------------|-------------|-------------|
|                             | 2019<br>\$m | 2018<br>\$m | 2019<br>\$m | 2018<br>\$m |
| Employee benefits provision | 25.7        | 21.0        | 11.8        | 10.7        |
| Other provisions            | 13.4        | 14.3        | 10.2        | 12.5        |
| <b>Total provisions</b>     | <b>39.1</b> | <b>35.3</b> | <b>22.0</b> | <b>23.2</b> |

The movement in other provisions during the financial year is set out below:

|   | Lease<br>incentives<br>\$m | Make good<br>provision<br>\$m | Acquired<br>contingent<br>liabilities (i)<br>\$m | Tax cases<br>provision (ii)<br>\$m | Other<br>\$m | Total<br>\$m |
|---|----------------------------|-------------------------------|--|------------------------------------|--------------|--------------|
| <b>Balance at 1 July 2018</b>                 | 0.7                        | 1.5                           | 16.3   | 5.8                                | 2.5          | 26.8         |
| Additional provision recognised in the year   | 0.5                        | -                             | -  | 1.5                                | 0.6          | 2.6          |
| Credited to the Consolidated Income Statement | (0.4)                      | -                             | (6.1)  | -                                  | -            | (6.5)        |
| Additions through business combinations       | -                          | -                             | 1.5  | -                                  | -            | 1.5          |
| Utilisation during the year                   | -                          | -                             | -  | (1.8)                              | -            | (1.8)        |
| Effect of movement in foreign exchange        | -                          | 0.1                           | 0.4  | 0.3                                | 0.2          | 1.0          |
| <b>Balance at 30 June 2019</b>                | 0.8                        | 1.6                           | 12.1   | 5.8                                | 3.3          | 23.6         |
| <b>Current</b>                                | <b>0.2</b>                 | <b>1.6</b>                    | <b>9.8</b>                                       | <b>-</b>                           | <b>1.8</b>   | <b>13.4</b>  |
| <b>Non-current</b>                            | <b>0.6</b>                 | <b>-</b>                      | <b>2.3</b>                                       | <b>5.8</b>                         | <b>1.5</b>   | <b>10.2</b>  |

#### (i) Acquired contingent liabilities

In accordance with the Group's accounting policy on business combinations, the Group has recognised the fair value of contingent liabilities acquired as part of a number of business combinations:

- JobStreet (FY2015), relating to tax and legal contingent liabilities (current and non-current);
- Zhaopin (FY2013), relating to tax and labour contingent liabilities (current); and
- Brasil Online (FY2012), relating to legal, and social security provisions (non-current).

## (ii) Tax cases provision

Brasil Online is subject to a number of tax infraction notices from Brazilian tax authorities. These tax infractions are either open, subject to legal proceedings, or under appeal after legal proceedings. Based on advice from leading Brazilian external legal counsel, Brasil Online has estimated the most likely amounts payable including penalties and interest and has recognised this amount as a provision. Unrecognised contingent liabilities relating to uncertain tax positions applicable to Brasil Online are discussed further in Note 21 Contingent liabilities.

## Equity

### 14. Share capital

|   | Ordinary shares<br>(excluding<br>Treasury shares) | Treasury shares  | Total Share capital |              |
|---|---|------------------|---------------------|--------------|
| Movement of shares on issue                                   | No. of Shares                                     | No. of Shares    | No. of Shares       | \$m          |
| Balance at 30 June 2017                                       | 348,172,858                                       | 1,733,024        | 349,905,882         | 251.6        |
| Issue of shares to satisfy future rights and option exercises | -   | 1,150,000        | 1,150,000           | -            |
| Exercise of options - proceeds received                       | -   | -                | -                   | 17.6         |
| Exercise of options   | 1,695,481   | (1,695,481)      | -                   | -            |
| Release of restricted shares                                  | 396,964   | (396,964)        | -                   | -            |
| <b>Balance at 30 June 2018</b>                                | <b>350,265,303</b>                                | <b>790,579</b>   | <b>351,055,882</b>  | <b>269.2</b> |
| Issue of shares to satisfy future rights and option exercises | -   | <b>955,000</b>   | <b>955,000</b>      | -            |
| Exercise of options - proceeds received                       | -   | -                | -                   | -            |
| Exercise of options   | <b>88,173</b>                                     | <b>(88,173)</b>  | -                   | -            |
| Release of restricted shares                                  | <b>377,949</b>                                    | <b>(377,949)</b> | -                   | -            |
| <b>Balance at 30 June 2019</b>                                | <b>350,731,425</b>                                | <b>1,279,457</b> | <b>352,010,882</b>  | <b>269.2</b> |

Ordinary shares have no par value and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Treasury shares are shares in the Company that are held by the Employee Share Trust for the purpose of future allocation to employees under SEEK's options and rights plans, and shares held by the Employee Share Trust that have been allocated to employees but are subject to a disposal restriction.

## 15. Reserves

### Nature and purpose of reserves

#### Share-based payments reserve

The Share-based payments reserve is used to recognise the grant date fair value of shares issued to employees.

#### Foreign currency translation reserve

Exchange differences arising on the translation of foreign controlled entities and associates are recognised in the Foreign currency translation reserve, as described in Note 26.

#### Cash flow hedge reserve

The Cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that is recognised directly in equity, as described in Note 9.

#### Net investment hedge reserve

The Net investment hedge reserve is used to record gains or losses on a hedging instrument in a net investment hedge that is recognised directly in equity, as described in Note 9.

#### Fair value hedge reserve

The Fair value hedge reserve is used to record gains or losses on a hedging instrument in a fair value hedge that is recognised directly in equity, as described in Note 9.

#### Cost of hedging reserve

The Cost of hedging reserve is used to record gains or losses on the forward element of a hedging instrument where the cost of hedging approach is applied.

#### Financial asset revaluation reserve

The Financial asset revaluation reserve is used to record changes in the fair value of investments in equity instruments that are not held for trading, for which the Group elected, at initial recognition, to present gains and losses in other comprehensive income.

#### Transfers under common control reserve

The Transfers under common control reserve is used to record the net impact on the equity attributable to the shareholders of the Group in the event of a transfer of an entity under common control. Upon disposal of all interests in that entity by the Group this reserve would be transferred to retained earnings.

#### Transactions with non-controlling interests

This reserve is used to record differences arising as a result of transactions with a non-controlling interest that do not result in a loss of control.

### (a) Hedging reserves

|                                  | 2019<br>\$m    | 2018<br>\$m   |
|----------------------------------|----------------|---------------|
| Cash flow hedge reserve          | (7.5)          | 1.5           |
| Net investment hedge reserve (i) | (112.0)        | (93.4)        |
| Fair value hedge reserve         | 0.1            | -             |
| Cost of hedging reserve          | (0.9)          | -             |
| <b>Total hedging reserve</b>     | <b>(120.3)</b> | <b>(91.9)</b> |

The Group's approach to hedging is described in Note 9 Financial instruments and fair value management.

#### (i) Net investment hedge reserve

The movement of \$18.6m (2018: \$7.2m) in the net investment hedge reserve for the year was due to the appreciation of the US dollar, the Chinese Renminbi and the Singapore dollar against the Australian dollar. The appreciation of these currencies has impacted USD borrowings and derivatives which have been designated as net investment hedges to SEEK's foreign operations. The movement in this reserve partially offsets the translation of foreign operations recognised in the Foreign Currency Translation Reserve, (as shown in the Consolidated Statement of Changes in Equity).

## (b) Other reserves

Other reserves comprises the following reserves:

|   | 2019<br>\$m   | Restated<br>2018<br>\$m |
|---|---------------|-------------------------|
| Share-based payments reserve                    | 100.0         | 83.6                    |
| Put option reserve                              | (18.3)        | (18.3)                  |
| Financial asset revaluation reserve             | (1.8)         | (2.3)                   |
| Transactions with non-controlling interests (i) | (89.4)        | (62.0)                  |
| Transfers under common control                  | (1.1)         | (1.1)                   |
| <b>Total other reserves</b>                     | <b>(10.6)</b> | <b>(0.1)</b>            |

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.

### (i) Transactions with non-controlling interests

The finalisation of Zhaopin privatisation payments during the financial year has resulted in a debit of \$19.1m in the transactions with non-controlling interests reserve.

## 16. Dividends

|   | Payment<br>date | Amount per<br>share | Franked<br>amount per<br>share | Total dividend  |
|---|-----------------|---------------------|--------------------------------|-----------------|
| Financial Year 2018   |                 |                     |                                |                 |
| 2017 final dividend   | 13 October 2017 | 21.0 cents          | 21.0 cents                     | \$73.5m         |
| 2018 interim dividend                                       | 13 April 2018   | 24.0 cents          | 24.0 cents                     | \$84.2m         |
| Total dividends paid for the year ended 30 June 2018        |                 |                     |                                | \$157.7m        |
| Financial Year 2019   |                 |                     |                                |                 |
| 2018 final dividend   | 4 October 2018  | 22.0 cents          | 22.0 cents                     | \$77.2m         |
| 2019 interim dividend                                       | 12 April 2019   | 24.0 cents          | 24.0 cents                     | \$84.3m         |
| <b>Total dividends paid for the year ended 30 June 2019</b> |                 |                     |                                | <b>\$161.5m</b> |

Dividends paid or declared by the Company after the financial year (to be paid out of retained profits at 30 June 2019):

|                            |                       |                   |                   |                 |
|----------------------------|-----------------------|-------------------|-------------------|-----------------|
| <b>2019 final dividend</b> | <b>3 October 2019</b> | <b>22.0 cents</b> | <b>22.0 cents</b> | <b>\$77.4 m</b> |
|----------------------------|-----------------------|-------------------|-------------------|-----------------|

The balance of the franking account of the Australian income tax consolidated group, adjusted for franking credits that will arise from the payment of its current tax liability, is \$68.8m at 30 June 2019 (2018: \$91.0m) based on a tax rate of 30% (2018: 30%).

The dividend payment on 3 October 2019 will be fully franked using this balance, and will reduce the franking credits available by \$33.2m for the Australian income tax consolidated group.

## Group structure

### 17. Interests in controlled entities

#### (a) Material subsidiaries

##### Critical judgements in applying the entity's accounting policies

The Group has fully consolidated a number of entities in the SEEK Asia group despite not holding the majority of equity. SEEK has also consolidated a number of Special Purpose Entities ('SPEs') which Zhaopin controls despite not holding a direct ownership interest. A list of these entities is shown below in section (b).

Unless otherwise stated, the following subsidiaries have share capital consisting solely of ordinary shares that are held by the Group, and the proportion of ownership interests held equals the voting rights of the Group.

| Name of entity  | Country of incorporation | Equity holding 2019 % | Equity holding 2018 % |
|---|--------------------------|-----------------------|-----------------------|
| SEEK (NZ) Limited   | New Zealand              | 100                   | 100                   |
| SEEKAsia Ltd <sup>(1)</sup> (together with its consolidated subsidiaries, 'SEEK Asia')          | Cayman Islands           | 100                   | 100                   |
| Jobs DB Hong Kong Limited   | Hong Kong                | 100                   | 100                   |
| Jobs DB Singapore Pte Limited   | Singapore                | 100                   | 100                   |
| Jobs DB Recruitment (Thailand) Limited  | Thailand                 | 100                   | 100                   |
| PT Jobs DB Indonesia  | Indonesia                | 100                   | 90                    |
| Jobs DB Philippines Inc.  | Philippines              | 100                   | 100                   |
| SEEK Asia Investments Pte. Ltd.   | Singapore                | 100                   | 100                   |
| JobStreet.com Pte Ltd   | Singapore                | 100                   | 100                   |
| JobStreet.com Shared Services Sdn. Bhd.   | Malaysia                 | 100                   | 100                   |
| JobStreet.com Philippines, Inc  | Philippines              | 100                   | 100                   |
| PT. JobStreet Indonesia   | Indonesia                | 100                   | 100                   |
| JobStreet Company Limited   | Vietnam                  | 100                   | 100                   |
| Catho Online, Ltda (together with its parent and other subsidiaries, 'Brasil Online')           | Brazil                   | 100                   | 100                   |
| Online Career Center Mexico, S.A.P.I de CV (together with its consolidated subsidiaries, 'OCC') | Mexico                   | 98.2                  | 98.2                  |
| Zhaopin Limited <sup>(1)</sup> (together with its consolidated subsidiaries, 'Zhaopin')         | Cayman Islands           | 61.1                  | 61.1                  |
| Beijing Wangpin Consulting Co., Ltd   | China                    | 100                   | 100                   |
| Shenzhen Xijier Human Resources Co., Ltd (CJOL)   | China                    | 75.6                  | 75.6                  |
| Online Education Services Pty Ltd   | Australia                | 80                    | 80                    |
| The Sidekicker Group Pty Ltd  | Australia                | 85.7                  | 82.1                  |
| Job Adder Operations Pty Ltd  | Australia                | 60                    | 60                    |
| SEEK Learning Pty Ltd   | Australia                | 100                   | 100                   |

(1) Certain entities in these groups are fully consolidated despite not holding the majority of equity. See section (b) for further details.



## (b) Entities fully consolidated despite not holding majority of equity

The Group has fully consolidated a number of entities in the SEEK Asia group and Zhaopin despite not holding the majority of equity or direct ownership interest. Through existing contractual agreements, the Group is able to exercise effective control over the financial and operating policies of these businesses and receive substantially all of the economic benefits and returns.

| SEEK Asia entities                              |                               | Zhaopin entities  |  |
|---|-------------------------------|---|--|
| Jobs DB Malaysia Sdn. Bhd.                      | Jobs DB Assets (Thailand) Ltd | Beijing Zhilian Sanke Human Resources Service Co., Ltd. | Wuhan Zhilian Rencai Advertising Co., Ltd.     |
| 88 Karat Sdn. Bhd.                              | Jobs DB Prestige Inc          | Guangzhou HouBo Information Technology Co., Ltd.        | Shenyang Zhilian Wangpin Advertising Co., Ltd. |
| Agensi Pekerjaan JobStreet.com Sdn. Bhd.        | PT Prestige Indonesia         | Harbin Zhilian Wangcai Advertising Co., Ltd.            | Shenyang Zhilian Recruitment Service Co., Ltd. |
| Agensi Pekerjaan JS Staffing Services Sdn. Bhd. |                               |   |  |

## (c) Summarised financial information for subsidiaries with non-controlling interests

| For the year ended 30 June 2019                                 | Zhaopin<br>\$m | OES<br>\$m   | Other <sup>(1)</sup><br>\$m | Total<br>\$m |
|---|----------------|--------------|-----------------------------|--------------|
| <b>Non-controlling interests percentage</b>                     | <b>38.9%</b>   | <b>20.0%</b> |                             |              |
| Non-current assets  | 1,171.7        | 361.4        |                             |              |
| Current assets  | 341.3          | 40.6         |                             |              |
| Non-current liabilities   | (377.3)        | (5.3)        |                             |              |
| Current liabilities   | (565.2)        | (22.8)       |                             |              |
| Net assets  | 570.5          | 373.9        |                             |              |
| Net assets attributable to non-controlling interests            | 198.5          | 74.8         |                             |              |
| Net assets attributable to vested share options <sup>(2)</sup>  | 8.8            | -            |                             |              |
| <b>Carrying amount of non-controlling interests</b>             | <b>207.3</b>   | <b>74.8</b>  | <b>13.1</b>                 | <b>295.2</b> |
| Revenue   | 647.9          | 127.5        |                             |              |
| Profit  | 47.7           | 18.9         |                             |              |
| Other comprehensive loss for the year                           | (4.7)          | -            |                             |              |
| <b>Total comprehensive income</b>                               | <b>43.0</b>    | <b>18.9</b>  |                             |              |
| Profit allocated to non-controlling interests                   | 16.3           | 3.8          | (2.0)                       | 18.1         |
| Other comprehensive loss allocated to non-controlling interests | (1.9)          | -            | -                           | (1.9)        |
| Cash flows from operating activities                            | 77.4           | 29.9         |                             |              |
| Cash flows from investing activities                            | (8.6)          | (4.7)        |                             |              |
| Cash flows from financing activities                            | (62.7)         | (51.5)       |                             |              |
| Net increase/(decrease) in cash and cash equivalents            | 6.1            | (26.3)       |                             |              |
| <b>Dividends paid to non-controlling interests</b>              | <b>-</b>       | <b>9.4</b>   | <b>0.2</b>                  | <b>9.6</b>   |

(1) 'Other' represents other individually immaterial non-controlling interests.

(2) Non-controlling interest reserve includes the fair value of unexercised share options of the subsidiary that were vested at the date the Group obtained a controlling interest.

## 17. Interests in controlled entities continued

| For the year ended 30 June 2018                                   | Restated<br>Zhaopin<br>\$m | OES<br>\$m | Restated<br>SEEK Asia <sup>(1)</sup><br>\$m | Other <sup>(2)</sup><br>\$m | Total<br>\$m |
|---|----------------------------|------------|---|-----------------------------|--------------|
| <b>Non-controlling interests percentage</b>                       | 38.9%                      | 20.0%      | 0.0%  |                             |              |
| Non-current assets  | 1,090.2                    | 358.8      | 1,138.6                                     |                             |              |
| Current assets  | 290.2                      | 64.3       | 78.3  |                             |              |
| Non-current liabilities   | (322.8)                    | (8.0)      | (37.5)                                      |                             |              |
| Current liabilities   | (498.5)                    | (13.2)     | (198.6)                                     |                             |              |
| Net assets  | 559.1                      | 401.9      | 980.8                                       |                             |              |
| Net assets attributable to non-controlling interests              | 194.2                      | 80.4       | -   |                             |              |
| Net assets attributable to vested share options <sup>(3)</sup>    | 8.7                        | -          | -   |                             |              |
| <b>Carrying amount of non-controlling interests</b>               | 202.9                      | 80.4       | -   | 13.7                        | 297.0        |
| Revenue   | 468.1                      | 119.4      | 151.8                                       |                             |              |
| Profit  | 92.1                       | 20.8       | 46.8  |                             |              |
| Other comprehensive income  | 21.7                       | -          | 28.0  |                             |              |
| <b>Total comprehensive income</b>                                 | 113.8                      | 20.8       | 74.8  |                             |              |
| Profit allocated to non-controlling interests                     | 32.0                       | 4.1        | 4.6   | (2.9)                       | 37.8         |
| Other comprehensive income allocated to non-controlling interests | 8.6                        | -          | 1.8   | -                           | 10.4         |
| Cash flows from operating activities                              | 113.2                      | 22.7       | 63.7  |                             |              |
| Cash flows from investing activities                              | (46.3)                     | (4.4)      | (20.9)                                      |                             |              |
| Cash flows from financing activities                              | (444.1)                    | -          | (36.2)                                      |                             |              |
| Net increase/(decrease) in cash and cash equivalents              | (377.2)                    | 18.3       | 6.6   |                             |              |
| <b>Dividends paid to non-controlling interests</b>                | 51.9                       | -          | -   | -                           | 51.9         |

(1) SEEK's interest in SEEK Asia included non-controlling interests of 13.7% until March 2018 when SEEK Asia became a wholly owned subsidiary.

(2) 'Other' represents other individually immaterial non-controlling interests.

(3) Non-controlling interests reserve includes the fair value of unexercised share options of the subsidiary that were vested at the date the Group obtained a controlling interest.

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers* outlined in Note 27 Changes in accounting policies.

## 18. Interests in equity accounted investments

### Critical judgements in applying the entity's accounting policies

The Group's investment in its associates and joint ventures are reviewed for impairment on an annual basis or when events or circumstances indicate that the carrying amount of the investment may not be recoverable. As required by current Accounting Standards, the Group has evaluated, among other factors, the financial health of and business outlook of its associates and has assessed the carrying value of its investments against current estimated fair value.

### (a) Interests in associates and joint ventures

Set out below is the additional information about some of our associates and joint ventures as at 30 June 2019.

| Name of entity                                      | Principal activities   | Country of Incorporation | Nature of relationship | Ownership interest |        |
|---|--|--------------------------|------------------------|--------------------|--------|
|   |  |                          |                        | 2019 %             | 2018 % |
| Apiom Inc ('GO1')                                   | Provides an online platform that helps organisations source, deliver and track employee training   | United States of America | Associate              | 30.0               | 33.7   |
| Bdjobs.com Limited ('Bdjobs')                       | Online employment focussed business that helps job seekers manage their career more efficiently, including job search, training and assessment | Bangladesh               | Associate              | 35.0               | 35.0   |
| Educalcp II, S.A. de C.V. ('UTEL')                  | A private online university in Mexico that provides online higher education, predominantly to working adults                                   | Mexico                   | Associate              | 36.1               | 36.1   |
| Framework Computer Consultants Limited ('Digitary') | Provides an online platform for education institutions to issue secure, shareable academic documents such as transcripts and testamurs         | Ireland                  | Associate              | 42.8               | 42.8   |
| FutureLearn Limited <sup>(1)</sup>                  | Online education platform offering short courses, micro-credentials and full degrees on behalf of higher education and specialist institutions | United Kingdom           | Joint venture          | 50.0               | n/a    |
| One Africa Media (Pty) Ltd ('OAM') <sup>(2)</sup>   | Owns, operates and invests in a portfolio of African market-leading online marketplaces in the segments of jobs, cars and real estate          | South Africa             | Joint venture          | 35.1               | 17.9   |

(1) On 28 April 2019, SEEK acquired a 50.0% interest in FutureLearn Limited for GBP 50.0m (A\$92.2m at the exchange rate on the date of the transaction). Although the Group has a 50.0% interest in FutureLearn, certain provisions within the shareholders' agreement stipulate that commercial and operational decisions over its activities require the approval of all parties to the arrangement. As a result, it has been determined that SEEK has joint control and therefore accounts for FutureLearn as a joint venture.

(2) Representing SEEK's indirect ownership in the entire OAM operating group although SEEK has a 60.0% direct interest in OAM (2018: 34.6%). The shareholders' agreement requires the approval of SEEK and another shareholder in all significant commercial and operational decisions over OAM's activities. As a result, SEEK has joint control of OAM and accounts for the investment as a joint venture.

### (b) Movement in carrying amount of equity accounted investments

|  | Investment in associates \$m | Investment in joint ventures \$m | Total equity accounted investments \$m |
|--|------------------------------|----------------------------------|--|
| <b>For the year ended 30 June 2019</b>               |                              |                                  |  |
| Carrying amount at 1 July 2018                       | 109.8                        | 21.1                             | 130.9                                  |
| Acquisition of interest                              | 9.2                          | 93.1                             | 102.3                                  |
| Acquisition of additional interest                   | 18.4                         | 6.4                              | 24.8                                   |
| Share of results of equity accounted investments     | (10.2)                       | (6.3)                            | (16.5)                                 |
| Share of other comprehensive income                  | 5.7                          | (0.2)                            | 5.5                                    |
| Dividends received                                   | (0.9)                        | -                                | (0.9)                                  |
| Share of movement in other reserves                  | (0.8)                        | (3.8)                            | (4.6)                                  |
| Disposal of interest                                 | (4.3)                        | -                                | (4.3)                                  |
| <b>Carrying amount at 30 June 2019<sup>(1)</sup></b> | <b>126.9</b>                 | <b>110.3</b>                     | <b>237.2</b>                           |

(1) Including SEEK Investments ESVs of \$206.7m. The difference of \$30.5m represents AP&A Investments.

## 19. Parent entity financial information

### Accounting Policy

The financial information for the parent entity, SEEK Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

#### (i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of SEEK Limited. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established, rather than being deducted from the carrying amount of these investments.

#### (ii) Income tax consolidation legislation

SEEK Limited and its wholly-owned Australian subsidiaries have elected to form an Australian income tax consolidated group.

The entities in the arrangement each account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the arrangement continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, SEEK Limited also recognises the current tax assets/liabilities and the

deferred tax assets arising from unused tax losses and unused tax credits assumed from the other entities in the arrangement. As a result, the entities in the Australian income tax consolidated group have entered into a tax funding agreement under which they:

- fully compensate SEEK Limited for any current tax liabilities assumed; and
- are compensated by SEEK Limited for any current tax assets and deferred tax assets relating to unused tax losses or unused tax credits that are assumed by SEEK Limited under the Australian income tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in each entity's financial statements. Assets or liabilities arising under the tax funding agreement are recognised as current amounts receivable from or payable to SEEK Limited.

#### (iii) Financial guarantees

Where SEEK Limited has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

### (a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

|                                      | 2019<br>\$m  | Restated<br>2018<br>\$m |
|--------------------------------------|--------------|-------------------------|
| <b>Balance sheet</b>                 |              |                         |
| Current assets                       | 115.1        | 77.0                    |
| Total assets                         | 1,953.7      | 1,712.1                 |
| Current liabilities                  | (161.7)      | (125.1)                 |
| Total liabilities                    | (1,347.8)    | (1,104.0)               |
| <b>Net assets</b>                    | <b>605.9</b> | <b>608.1</b>            |
| <b>Equity</b>                        |              |                         |
| Issued capital                       | 269.2        | 269.2                   |
| Reserves                             |              |                         |
| Cash flow hedge reserve              | (7.5)        | 1.4                     |
| Put option reserve                   | (18.3)       | (18.3)                  |
| Foreign currency translation reserve | (0.1)        | (0.2)                   |
| Share-based payments reserve         | 83.2         | 69.5                    |
| Retained earnings                    | 279.4        | 286.5                   |
|                                      | <b>605.9</b> | <b>608.1</b>            |
| <b>Profit/(loss) for the year</b>    | <b>153.2</b> | <b>(96.8)</b>           |
| <b>Total comprehensive income</b>    | <b>158.0</b> | <b>(94.4)</b>           |

Comparative information has been restated due to adoption of AASB 15 *Revenue from Contracts with Customers*, as well as a correction of prior period errors including accounting for impairment (\$212.4m impairment has been recognised against the carrying value of SEEK International Investments II Cooperatie U.A., which holds the Group's investments in Brasil Online and OCC) and hedging (\$75.8m net investment hedge reserve has been reclassified to retained earnings or profit for the year, depending on the year to which it related).

### (b) Guarantees entered into by the parent entity

The parent entity and certain subsidiaries have given unsecured guarantees in respect of the syndicated loan facility of A\$625.0m and US\$575.0m. As at 30 June 2019, A\$995.3m principal had been drawn down against the facility, comprising A\$425.0m and US\$400.3m (2018: \$786.6m, comprising A\$489.0m and US\$220.0m). Refer to Note 7 Net debt.

The parent entity and certain subsidiaries have also given unsecured guarantees in respect of any debt issued under the EMTN Programme by Jobstreet.com Pte Ltd (Singapore) and Job DB Hong Kong Limited. As at 30 June 2019, no such debt has been issued.

SEEK Limited and certain subsidiaries have entered into a Deed of Cross Guarantee for the purposes of ASIC Corporations (Wholly-Owned Companies) Instrument 2016/785 under which the parties guarantee the debts of the others. The Deed of Cross Guarantee is in the process of being terminated.

The parent entity is also the guarantor in respect of a number of subsidiaries' operating leases.

### (c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2019 (2018: nil).

### (d) Contractual commitments

As at 30 June 2019, the parent entity had contractual commitments for minimum lease payments in relation to non-cancellable operating leases totalling \$249.5m (2018: \$291.3m).

Other commitments for the payment of IT services, advertising and promotions under long-term contracts in existence totalled \$4.2m (2018: \$7.0m).

## Unrecognised Items

### 20. Commitments for expenditure

|   | Lease commitments (a) |              | Other commitments (b) |             |
|---|-----------------------|--------------|-----------------------|-------------|
|   | 2019<br>\$m           | 2018<br>\$m  | 2019<br>\$m           | 2018<br>\$m |
| Within one year                                   | 25.9                  | 27.0         | 5.9                   | 9.9         |
| Later than one year but not later than five years | 90.8                  | 87.5         | 7.6                   | 4.1         |
| More than five years                              | 196.9                 | 242.2        | -                     | -           |
| <b>Total</b>                                      | <b>313.6</b>          | <b>356.7</b> | <b>13.5</b>           | <b>14.0</b> |

### (a) Lease commitments

The Group leases various offices under non-cancellable operating leases which primarily expire within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the lease are negotiated.

In June 2018, council approval was granted for the construction of the Group's new headquarters in Melbourne. Lease commitments have been recognised, although the property is not yet available for use.

### (b) Other commitments

The Group has commitments for the payment of IT services, advertising and promotions under long-term contracts in existence at the reporting date but not recognised as liabilities payable.

In addition to the amounts disclosed above, SEEK International Holdings Pty Ltd, a wholly owned subsidiary of SEEK Limited, has committed to contribute additional capital to a jointly controlled entity, Avenu Learning LLC ("Avenu"), subject to Avenu's achievement of certain milestones. The amount of the commitment is up to US\$12.0m (A\$17.1m at the exchange rate on 30 June 2019) and is expected to be fulfilled over the next three years.

## 21. Contingent liabilities

Unrecognised contingent liabilities represent the possible (but not probable) cash outflow in excess of any provision. They do not represent management's expectation of likely outflow and are not recognised on the balance sheet.

AASB Interpretation 23 *Uncertainty over Income Tax Treatments*, which becomes effective on 1 July 2019, clarifies that uncertain tax positions that give rise to contingent liabilities should be disclosed in a consistent manner with other contingent liabilities. In advance of the application date of this Interpretation, the Group has chosen to adopt the disclosure at 30 June 2019.

### Uncertain tax positions

As mentioned in Note 13 Provisions, Brasil Online is subject to a number of tax infraction notices from Brazilian tax authorities. Based on advice from leading Brazilian external legal counsel, Brasil Online has estimated the most likely amounts payable including penalties and interest and has recognised this amount as a provision.

For tax infraction notices where it is not probable that an outflow of resources will be required, a provision has not been raised. Unrecognised contingent liabilities at 30 June 2019 amounted to BRL199.0m (A\$74.0m) including penalties and interest.

### Other matters

From time to time, the Group is subject to legal claims. The majority of these are subsequently proven to be without merit and resolved with no cash outflow. At 30 June 2019, in addition to the provisions recognised in Note 13 Provisions, the Group has unrecognised contingent liabilities of \$2.2m (2018: \$3.3m) which relate to labour and civil cases in Brasil Online.

## 22. Events occurring after balance sheet date

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.



## Other information

### 23. Share-based payments

#### Accounting Policy

The cost of share-based payments is recognised by expensing the fair value of options or rights granted, over the period during which the employees become unconditionally entitled to these benefits.

Where the plan will be settled by:

- issuing equity, the corresponding entry is an increase in the share-based payment reserve;
- a payment in cash, the corresponding entry is a liability.

#### Calculating the fair value

Calculating the fair value of share-based payments can be complex. Independent consultants use Black-Scholes or similar option pricing models to value options and rights. This calculation includes any

market performance conditions and the impact of any non-vesting conditions. Once the fair value has been determined (at grant date), it is not revised.

The impact of any service and non-market vesting conditions is excluded from the fair value. Instead, this is included in assumptions about the number of options that are expected to vest. These assumptions are revised at the end of each reporting period. The impact of any revision to original estimates is recognised in the Consolidated Income Statement, with a corresponding adjustment to equity.

#### (a) Types of share-based payments

The SEEK Group has several forms of share-based payments:

- **SEEK Limited:** share-based benefits are provided to SEEK Limited Executives and certain employees via Performance Rights, Equity Rights and/or Wealth Sharing Plan Options/Rights.
- **Zhaopin:** during FY2018 certain vested options were cash-settled as a result of the privatisation transaction. Unvested options were also converted to restricted cash awards at that time. A new equity-settled share option plan was established during FY2019.
- **SEEK Asia:** a share option plan was established in SEEK Asia in 2014. The options are held over the ordinary share capital of SeekAsia Limited.
- **OCC:** on acquisition of OCC in FY2012, its share option plan was not replaced. The options are held over the ordinary share capital of Online Career Centre Mexico, S.A.P.I de CV.
- **Sidekicker:** a share option plan was established during 2018. The options are held over the ordinary share capital of The Sidekicker Group Pty Limited.

If the options granted by Zhaopin, SEEK Asia, OCC or Sidekicker were to be exercised and satisfied by issuing new shares, the Group's interest in the respective businesses would be diluted.

#### (b) Financial impact of share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of the employee benefits expense were \$21.6m (2018: \$26.8m) including:

- Equity-settled share-based payment plans:
  - SEEK Limited options and rights: \$12.6m (2018: \$11.2m)
  - Subsidiary options: \$5.5m (2018: \$11.5m)
- Cash-settled share-based payments: \$2.5m (2018: \$2.8m)
- Other associated costs: \$1.0m (2018: \$1.3m).

The total liability arising from cash-settled share-based payment transactions recognised at the end of the period has a carrying amount of \$7.3m (2018: \$6.3m), including vested amounts of \$4.3m (2018: \$4.1m).

#### (c) Options and rights - SEEK Limited

For details of Equity Rights and Wealth Sharing Plan Options/Rights granted to SEEK Limited Executives, refer to the Remuneration Report contained in the Directors' Report. Wealth Sharing Plan Options/Rights are also granted to a select group of senior employees.

As noted above, certain employees receive a Performance Right as part of their remuneration each year. Each Performance Right converts to a number of shares following the end of the financial year based on the SEEK Limited share price and the performance of the individual. Shares are restricted for a further 12 months from vesting. Options and rights were previously issued under the Performance Rights and Options Plan Rules. Since 25 September 2018, options and rights have been issued under the SEEK Equity Plan Rules.

During the year, there was a change in the expensing treatment of Wealth Sharing Plan Options/Rights. Prior to FY2019, the default treatment on cessation was to allow the full Wealth Sharing Plan award to remain on foot as long as the participant was employed for at least 1.5 years of the three-year vesting period - as such, awards were expensed over a 1.5 year period. From FY2019 onwards, the default treatment now allows only for a pro-rata portion of the award to remain on foot, referencing the period of time served, as long as the participant is employed for at least one year of the three-year vesting period - as such, awards are expensed over the full three-year vesting period.

| 2019                       |                     |                | Number of options or rights |                         |                           |                        |                           |                 |                                   |  |
|----------------------------|---------------------|----------------|-----------------------------|-------------------------|---------------------------|------------------------|---------------------------|-----------------|-----------------------------------|--|
| Grant date                 | Expiry date (years) | Exercise price | Opening balance             | Granted during the year | Exercised during the year | Lapsed during the year | Forfeited during the year | Closing balance | Vested and exercisable at 30 June |  |
| Wealth Sharing Plan Rights |                     |                |                             |                         |                           |                        |                           |                 |                                   |  |
| 1 October 2015             | 5                   | \$0.00         | 297,011                     | -                       | (88,173)                  | -                      | -                         | 208,838         | -                                 |  |
| 2 November 2015            | 5                   | \$0.00         | 67,088                      | -                       | -                         | -                      | -                         | 67,088          | -                                 |  |
| 7 December 2015            | 5                   | \$0.00         | 182,713                     | -                       | -                         | -                      | -                         | 182,713         | -                                 |  |
| 30 May 2016                | 5                   | \$0.00         | 29,395                      | -                       | -                         | -                      | -                         | 29,395          | -                                 |  |
| 3 October 2016             | 5                   | \$0.00         | 233,617                     | -                       | -                         | -                      | -                         | 233,617         | -                                 |  |
| 19 December 2016           | 5                   | \$0.00         | 309,646                     | -                       | -                         | -                      | -                         | 309,646         | -                                 |  |
| 17 October 2017            | 5                   | \$0.00         | 444,351                     | -                       | -                         | -                      | -                         | 444,351         | -                                 |  |
| 4 December 2017            | 5                   | \$0.00         | 171,941                     | -                       | -                         | -                      | -                         | 171,941         | -                                 |  |
| 16 October 2018            | 5                   | \$0.00         | -                           | 408,689                 | -                         | -                      | -                         | 408,689         | -                                 |  |
| 6 December 2018            | 5                   | \$0.00         | -                           | 129,676                 | -                         | -                      | -                         | 129,676         | -                                 |  |
| 11 June 2019               | 5                   | \$20.95        | -                           | 536,013                 | -                         | -                      | -                         | 536,013         | -                                 |  |
| 11 June 2019               | 5                   | \$0.00         | -                           | 152,817                 | -                         | -                      | -                         | 152,817         | -                                 |  |
| Total                      |                     |                | 1,735,762                   | 1,227,195               | (88,173)                  | -                      | -                         | 2,874,784       | -                                 |  |
| Equity Rights              |                     |                |                             |                         |                           |                        |                           |                 |                                   |  |
| Oct - Dec 2017             | 2                   | \$0.00         | 7                           | -                       | (7)                       | -                      | -                         | -               | -                                 |  |
| 16 October 2018            | 2                   | \$0.00         | -                           | 6                       | -                         | -                      | -                         | 6               | -                                 |  |
| 6 December 2018            | 2                   | \$0.00         | -                           | 1                       | -                         | -                      | -                         | 1               | -                                 |  |
| 11 June 2019               | 2                   | \$0.00         | -                           | 2                       | -                         | -                      | -                         | 2               | -                                 |  |
| Total                      |                     |                | 7                           | 9                       | (7)                       | -                      | -                         | 9               | -                                 |  |
| Performance Rights         |                     |                |                             |                         |                           |                        |                           |                 |                                   |  |
| Oct 2017 - May 2018        | 2                   | \$0.00         | 58                          | -                       | (58)                      | -                      | -                         | -               | -                                 |  |
| 16 October 2018            | 2                   | \$0.00         | -                           | 54                      | -                         | -                      | (2)                       | 52              | -                                 |  |
| 6 December 2018            | 2                   | \$0.00         | -                           | 3                       | -                         | -                      | -                         | 3               | -                                 |  |
| 20 March 2019              | 2                   | \$0.00         | -                           | 2                       | -                         | -                      | -                         | 2               | -                                 |  |
| 4 June 2019                | 2                   | \$0.00         | -                           | 1                       | -                         | -                      | -                         | 1               | -                                 |  |
| Total                      |                     |                | 58                          | 60                      | (58)                      | -                      | (2)                       | 58              | -                                 |  |
| Total All Plans            |                     |                | 1,735,827                   | 1,227,264               | (88,238)                  | -                      | (2)                       | 2,874,851       | -                                 |  |

**2018****Wealth Sharing Plan Options**

|  |                  |   |         |           |   |             |           |   |   |   |
|--|------------------|---|---------|-----------|---|-------------|-----------|---|---|---|
|  | 6 September 2013 | 5 | \$10.38 | 1,023,133 | - | (1,023,133) | -         | - | - | - |
|  | 4 December 2013  | 5 | \$10.38 | 672,348   | - | (672,348)   | -         | - | - | - |
|  | 6 August 2014    | 5 | \$19.04 | 275,810   | - | -           | (275,810) | - | - | - |
|  | 12 December 2014 | 5 | \$19.04 | 514,285   | - | -           | (514,285) | - | - | - |
|  | <b>Total</b>     |   |         | 2,485,576 | - | (1,695,481) | (790,095) | - | - | - |

**Wealth Sharing Plan Rights**

|  |                  |   |        |           |         |   |   |          |           |   |
|--|------------------|---|--------|-----------|---------|---|---|----------|-----------|---|
|  | 1 October 2015   | 5 | \$0.00 | 297,011   | -       | - | - | -        | 297,011   | - |
|  | 2 November 2015  | 5 | \$0.00 | 67,088    | -       | - | - | -        | 67,088    | - |
|  | 7 December 2015  | 5 | \$0.00 | 182,713   | -       | - | - | -        | 182,713   | - |
|  | 30 May 2016      | 5 | \$0.00 | 29,395    | -       | - | - | -        | 29,395    | - |
|  | 3 October 2016   | 5 | \$0.00 | 233,617   | -       | - | - | -        | 233,617   | - |
|  | 19 December 2016 | 5 | \$0.00 | 309,646   | -       | - | - | -        | 309,646   | - |
|  | 17 October 2017  | 5 | \$0.00 | -         | 456,064 | - | - | (11,713) | 444,351   | - |
|  | 4 December 2017  | 5 | \$0.00 | -         | 171,941 | - | - | -        | 171,941   | - |
|  | <b>Total</b>     |   |        | 1,119,470 | 628,005 | - | - | (11,713) | 1,735,762 | - |

**Equity Rights**

|  |                |   |        |   |   |     |   |   |   |   |
|--|----------------|---|--------|---|---|-----|---|---|---|---|
|  | Oct - Dec 2016 | 2 | \$0.00 | 8 | - | (8) | - | - | - | - |
|  | Oct - Dec 2017 | 2 | \$0.00 | - | 7 | -   | - | - | 7 | - |
|  | <b>Total</b>   |   |        | 8 | 7 | (8) | - | - | 7 | - |

**Performance Rights**

|  |                        |   |        |           |         |             |           |          |           |   |
|--|------------------------|---|--------|-----------|---------|-------------|-----------|----------|-----------|---|
|  | Oct 2016 - May 2017    | 2 | \$0.00 | 56        | -       | (56)        | -         | -        | -         | - |
|  | Oct 2017 - May 2018    | 2 | \$0.00 | -         | 62      | -           | -         | (4)      | 58        | - |
|  | <b>Total</b>           |   |        | 56        | 62      | (56)        | -         | (4)      | 58        | - |
|  | <b>Total All Plans</b> |   |        | 3,605,110 | 628,074 | (1,695,545) | (790,095) | (11,717) | 1,735,827 | - |

The following table summarises the weighted average exercise price for the SEEK Limited plans:

|                                 | Opening balance | Granted during the year | Exercised during the year | Lapsed during the year | Forfeited during the year | Closing balance | Vested and exercisable at 30 June |
|---------------------------------|-----------------|-------------------------|---------------------------|------------------------|---------------------------|-----------------|-----------------------------------|
| <b>2019 - SEEK Limited</b>      |                 |                         |                           |                        |                           |                 |                                   |
| Weighted average exercise price | \$0.00          | \$9.15                  | \$0.00                    | -                      | -                         | \$3.91          | -                                 |
| <b>2018 - SEEK Limited</b>      |                 |                         |                           |                        |                           |                 |                                   |
| Weighted average exercise price | \$9.05          | \$0.00                  | \$10.38                   | \$19.04                | \$0.00                    | \$0.00          | -                                 |

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2019 was \$22.52 (2018: \$18.74).

The weighted average remaining contractual life of share options outstanding at the end of the year was 3.9 years (2018: 4 years).

#### (d) Share option plans - Zhaopin

The table below summarises the movements in options over shares of Zhaopin Limited.

|  |                     |                       | Number of options |                         |                           |                           |                                |                              |                   |  |
|--|---------------------|-----------------------|-------------------|-------------------------|---------------------------|---------------------------|--------------------------------|------------------------------|-------------------|--|
| Grant date                             | Expiry date (years) | Exercise price (US\$) | Opening balance   | Granted during the year | Exercised during the year | Forfeited during the year | Expired/lapsed during the year | Cash-settled during the year | Closing balance   | Vested and exercisable at balance date |
| Schemes issued prior to FY2014         |                     |                       | 3,586,500         | -                       | -                         | -                         | -                              | (2,400)                      | 3,584,100         | 3,584,100                              |
| 31 March 2014                          | 6                   | \$5.00                | 14,400            | -                       | -                         | (14,400)                  | -                              | -                            | -                 | -                                      |
| 31 March 2014                          | 6                   | \$4.00                | 392,520           | -                       | -                         | (53,760)                  | -                              | (114,480)                    | 224,280           | 145,200                                |
| 31 March 2014                          | 6                   | \$4.50                | 35,400            | -                       | -                         | (18,600)                  | (1,200)                        | (7,200)                      | 8,400             | 1,200                                  |
| 1 March 2016                           | 6                   | \$7.42                | 50,000            | -                       | -                         | -                         | -                              | -                            | 50,000            | 27,500                                 |
| 14 June 2018                           | 5                   | \$7.91                | 7,141,849         | -                       | -                         | -                         | -                              | -                            | 7,141,849         | 1,428,370                              |
| 28 June 2019                           | 5                   | \$7.91                | -                 | 1,517,643               | -                         | -                         | -                              | -                            | 1,517,643         | -                                      |
| <b>Balance at 30 June 2019</b>         |                     |                       | <b>11,220,669</b> | <b>1,517,643</b>        | <b>-</b>                  | <b>(86,760)</b>           | <b>(1,200)</b>                 | <b>(124,080)</b>             | <b>12,526,272</b> | <b>5,186,370</b>                       |
| <b>Weighted average exercise price</b> |                     |                       | <b>\$6.14</b>     | <b>\$7.91</b>           | <b>\$0.00</b>             | <b>\$4.27</b>             | <b>\$4.50</b>                  | <b>\$4.04</b>                | <b>\$6.39</b>     | <b>\$4.31</b>                          |
| <b>2018 - Zhaopin</b>                  |                     |                       |                   |                         |                           |                           |                                |                              |                   |  |
| Schemes issued prior to FY2014         |                     |                       | 4,383,654         | -                       | (3,320)                   | -                         | (500,000)                      | (293,834)                    | 3,586,500         | 3,586,500                              |
| 31 March 2014                          | 6                   | \$5.00                | 19,200            | -                       | -                         | -                         | -                              | (4,800)                      | 14,400            | -                                      |
| 31 March 2014                          | 6                   | \$4.00                | 433,392           | -                       | (1,200)                   | (14,112)                  | -                              | (25,560)                     | 392,520           | 157,800                                |
| 31 March 2014                          | 6                   | \$4.50                | 40,800            | -                       | -                         | -                         | -                              | (5,400)                      | 35,400            | 4,800                                  |
| 1 March 2016                           | 6                   | \$7.42                | 50,000            | -                       | -                         | -                         | -                              | -                            | 50,000            | 10,000                                 |
| 14 June 2018                           | 5                   | \$7.91                | -                 | 7,141,849               | -                         | -                         | -                              | -                            | 7,141,849         | -                                      |
| <b>Balance at 30 June 2018</b>         |                     |                       | <b>4,927,046</b>  | <b>7,141,849</b>        | <b>(4,520)</b>            | <b>(14,112)</b>           | <b>(500,000)</b>               | <b>(329,594)</b>             | <b>11,220,669</b> | <b>3,759,100</b>                       |
| <b>Weighted average exercise price</b> |                     |                       | <b>\$2.74</b>     | <b>\$7.91</b>           | <b>\$3.03</b>             | <b>\$4.00</b>             | <b>\$0.51</b>                  | <b>\$2.17</b>                | <b>\$6.14</b>     | <b>\$2.92</b>                          |

There were no options exercised during the year ended 30 June 2019. The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2018 was US\$18.25.

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.2 years (2018: 2.7 years).

## 23. Share-based payments continued

### (e) Share option plans - SEEK Asia

The table below summarises the movements in options over shares of SEEKAsia Limited.

#### 2019 - SEEK Asia

| Grant date                             | Expiry date (years) | Exercise price (US\$) | Number of options |                         |                           |                        | Closing balance | Vested and exercisable at balance date |
|--|---------------------|-----------------------|-------------------|-------------------------|---------------------------|------------------------|-----------------|--|
|  |                     |                       | Opening balance   | Granted during the year | Exercised during the year | Lapsed during the year |                 |  |
| 31 December 2014                       | 5                   | \$1.29                | 9,500,000         | -                       | -                         | (3,958,650)            | 5,541,350       | 5,541,350                              |
| <b>Balance at 30 June 2019</b>         |                     |                       | 9,500,000         | -                       | -                         | (3,958,650)            | 5,541,350       | 5,541,350                              |
| <b>Weighted average exercise price</b> |                     |                       | \$1.29            | n/a                     | n/a                       | \$1.29                 | \$1.29          | \$1.29                                 |

#### 2018 - SEEK Asia

|  |   |        |           |     |     |     |           |     |
|--|---|--------|-----------|-----|-----|-----|-----------|-----|
| 31 December 2014                       | 5 | \$1.29 | 9,500,000 | -   | -   | -   | 9,500,000 | -   |
| <b>Balance at 30 June 2018</b>         |   |        | 9,500,000 | -   | -   | -   | 9,500,000 | -   |
| <b>Weighted average exercise price</b> |   |        | \$1.29    | n/a | n/a | n/a | \$1.29    | n/a |

The weighted average remaining contractual life of share options outstanding at the end of the year was 0.5 years (2018: 1.5 years).

### (f) Share option plans - OCC

The table below summarises the movements in options over shares of Online Career Centre Mexico, S.A.P.I de CV.

#### 2019 - OCC

| Grant date                             | Expiry date (years) | Exercise price (US\$) | Number of options |                         |                           |                        | Closing balance | Vested and exercisable at balance date |
|--|---------------------|-----------------------|-------------------|-------------------------|---------------------------|------------------------|-----------------|--|
|  |                     |                       | Opening balance   | Granted during the year | Exercised during the year | Lapsed during the year |                 |  |
| Schemes issued prior to FY2014         |                     |                       | 6,460             | -                       | -                         | -                      | 6,460           | 6,460                                  |
| 12 May 2014                            | 10                  | \$145.00              | 2,951             | -                       | -                         | -                      | 2,951           | 2,951                                  |
| 1 June 2015                            | 14                  | \$168.20              | 52,725            | -                       | -                         | (52,725)               | -               | -                                      |
| <b>Balance at 30 June 2019</b>         |                     |                       | 62,136            | -                       | -                         | (52,725)               | 9,411           | 9,411                                  |
| <b>Weighted average exercise price</b> |                     |                       | \$161.57          | n/a                     | n/a                       | \$168.20               | \$124.44        | \$124.44                               |

#### 2018 - OCC

|  |    |          |          |     |          |     |          |          |
|--|----|----------|----------|-----|----------|-----|----------|----------|
| Schemes issued prior to FY2014         |    |          | 10,960   | -   | (4,500)  | -   | 6,460    | 6,460    |
| 12 May 2014                            | 10 | \$145.00 | 2,951    | -   | -        | -   | 2,951    | 2,951    |
| 1 June 2015                            | 14 | \$168.20 | 52,725   | -   | -        | -   | 52,725   | -        |
| <b>Balance at 30 June 2018</b>         |    |          | 66,636   | -   | (4,500)  | -   | 62,136   | 9,411    |
| <b>Weighted average exercise price</b> |    |          | \$157.54 | n/a | \$101.87 | n/a | \$161.57 | \$124.44 |

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.9 years (2018: 9.9 years).

## (g) Share option plans - Sidekicker

The table below summarises the movements in options over shares of The Sidekicker Group Pty Ltd.

### 2019 - Sidekicker

| Grant date                             | Expiry date (years) | Exercise price (AUD) | Number of options |                         |                           |                           | Closing balance | Vested and exercisable at balance date |
|--|---------------------|----------------------|-------------------|-------------------------|---------------------------|---------------------------|-----------------|--|
|  |                     |                      | Opening balance   | Granted during the year | Exercised during the year | Forfeited during the year |                 |  |
| 1 January 2018                         | 6                   | \$612.79             | 3,460             | -                       | -                         | -                         | 3,460           | 1,154                                  |
| 1 January 2019                         | 6                   | \$1,171.36           | -                 | 2,498                   | -                         | -                         | 2,498           | -                                      |
| <b>Balance at 30 June 2019</b>         |                     |                      | <b>3,460</b>      | <b>2,498</b>            | <b>-</b>                  | <b>-</b>                  | <b>5,958</b>    | <b>1,154</b>                           |
| <b>Weighted average exercise price</b> |                     |                      | <b>\$612.79</b>   | <b>\$1,171.36</b>       | <b>n/a</b>                | <b>n/a</b>                | <b>\$846.98</b> | <b>\$612.79</b>                        |

### 2018 - Sidekicker

|  |   |          |            |                 |            |            |                 |            |
|--|---|----------|------------|-----------------|------------|------------|-----------------|------------|
| 1 January 2018                         | 6 | \$612.79 | -          | 3,460           | -          | -          | 3,460           | -          |
| <b>Balance at 30 June 2018</b>         |   |          | <b>-</b>   | <b>3,460</b>    | <b>-</b>   | <b>-</b>   | <b>3,460</b>    | <b>-</b>   |
| <b>Weighted average exercise price</b> |   |          | <b>n/a</b> | <b>\$612.79</b> | <b>n/a</b> | <b>n/a</b> | <b>\$612.79</b> | <b>n/a</b> |

The weighted average remaining contractual life of share options outstanding at the end of the year was 4.9 years (2018: 5.5 years).

## 24. Related party transactions

The Group has identified the parties it considers to be related and the transactions conducted with those parties. Other than those disclosed below, no other related party transactions have been identified.

### (a) Transactions with equity accounted investments

|  | 2019<br>\$ | 2018<br>\$ |
|--|------------|------------|
| Dividends and distributions received from equity accounted investments | 946,281    | 662,156    |
| Convertible loans advanced to equity accounted investments (i)         | 1,405,755  | 13,730,584 |
| Convertible loans repaid by equity accounted investments               | 1,456,240  | -          |
| Revenue generated from equity accounted investments                    | 863,496    | -          |
| Interest payable to equity accounted investments                       | 230,244    | 166,034    |
| Interest received from equity accounted investments                    | 556,723    | 167,746    |

#### (i) Convertible loans advanced to equity accounted investments

Convertible loans have been advanced to certain equity accounted investments in the Group. These loans are interest-bearing and, if converted, would convert to additional equity interests in existing investments.

### (b) Transactions with key management personnel

|                               | 2019<br>\$        | 2018<br>\$        |
|-------------------------------|-------------------|-------------------|
| Short-term employee benefits  | 6,822,353         | 6,776,839         |
| Post-employment benefits      | 195,151           | 182,594           |
| Share-based employee benefits | 4,815,183         | 6,192,042         |
| Other long-term benefits      | 539,374           | 368,213           |
|                               | <b>12,372,061</b> | <b>13,519,688</b> |

### (c) Amounts outstanding

|  | 2019<br>\$ | 2018<br>\$ |
|--|------------|------------|
| Amounts receivable from equity accounted investments   | 17,544,897 | 14,585,708 |
| Provision for doubtful debts related to amounts receivable from equity accounted investments | 3,441      | -          |
| Amounts payable to equity accounted investments  | 3,645,105  | 5,403,185  |

### (d) Transactions with Director related parties

Some of the Non-Executive Directors hold directorships or positions in other companies or organisations. From time to time, SEEK may provide or receive services from these companies or organisations on arm's length terms. None of the Non-Executive Directors were, or are, involved in any procurement or Board decision-making regarding the companies or organisations with which they have an association.

## 25. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the Auditor, its related practices and non-related audit firms:

|   | 2019<br>\$       | 2018<br>\$       |
|---|------------------|------------------|
| <b>Audit services</b>   |                  |                  |
| <b>Audit services</b>   |                  |                  |
| PricewaterhouseCoopers Australia  | 1,193,000        | 895,000          |
| Network firms of PricewaterhouseCoopers Australia                                   | 1,829,822        | 1,849,900        |
| <b>Total remuneration for audit services</b>  | <b>3,022,822</b> | <b>2,744,900</b> |
| <b>Non-audit services</b>   |                  |                  |
| <b>Other assurance services</b>   |                  |                  |
| PricewaterhouseCoopers Australia  | 63,800           | 95,100           |
| Network firms of PricewaterhouseCoopers Australia                                   | 28,694           | -                |
| <b>Total remuneration for other assurance services</b>                              | <b>92,494</b>    | <b>95,100</b>    |
| <b>Taxation services</b>  |                  |                  |
| PricewaterhouseCoopers Australia  | 128,850          | 63,253           |
| Network firms of PricewaterhouseCoopers Australia                                   | 165,168          | 30,748           |
| <b>Total remuneration for taxation services</b>                                     | <b>294,018</b>   | <b>94,001</b>    |
| <b>Other services<sup>(1)</sup></b>   |                  |                  |
| PricewaterhouseCoopers Australia  | 133,224          | 559,305          |
| Network firms of PricewaterhouseCoopers Australia                                   | 489,854          | 310,473          |
| <b>Total remuneration for other services</b>  | <b>623,078</b>   | <b>869,778</b>   |
| <b>Total remuneration for non-audit services</b>                                    | <b>1,009,590</b> | <b>1,058,879</b> |
| <b>Total remuneration of Auditor</b>  | <b>4,032,412</b> | <b>3,803,779</b> |
| <b>Non-PwC audit firms - services provided to Online Education Services Pty Ltd</b> |                  |                  |
| Audit services  | 89,650           | 136,500          |
| Other non-audit services  | 36,000           | 9,450            |
| <b>Total remuneration of non-PwC audit firms<sup>(2)</sup></b>                      | <b>125,650</b>   | <b>145,950</b>   |

(1) Other services provided by PwC comprises mainly due diligence services.

(2) During the year the auditor of Online Education Services Pty Ltd was also engaged to provide non-audit services to other SEEK Group companies.

## 26. Other significant accounting policies

### (a) Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Joint ventures are all entities over which the Group has joint control with one or more other investors. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method, the investment is shown in one line on the balance sheet, with the Group's share of post-acquisition profits or losses recognised in profit or loss.

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are also accounted for using the equity method.

Accounting policies of subsidiaries, associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.



## (b) Foreign currency translation

### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is SEEK Limited's functional and presentation currency.

### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate on that day. Non-monetary assets and liabilities are maintained at the exchange rate on the date of the transaction. Monetary assets and liabilities are translated into the functional currency at the year end exchange rate.

Where there is a movement in the exchange rate between the date of the transaction and the date of settlement or the year end, a foreign exchange gain or loss may arise. This is recognised in the income statement (within "finance costs"), unless the asset or liability is a qualifying cash flow hedge or net investment hedge, in which case it is deferred in equity.

### (iii) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented (including goodwill and other fair value adjustments arising on acquisition) are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated using monthly average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

## (c) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST and VAT, unless the GST and VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST and VAT receivable or payable. The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included within 'trade and other receivables' or 'trade and other payables' in the consolidated balance sheet.

## (d) Impairment of assets

Assets other than goodwill and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the asset's fair value less costs of disposal and value in use).

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

## (e) New and amended Accounting Standards and Interpretations

### (i) New and amended Accounting Standards and Interpretations issued and effective

Refer to Note 27 Changes in accounting policies for the new Accounting Standards and Interpretations which became effective from 1 July 2018 and the corresponding impact of those changes on the Group's financial results.

Apart from these changes, the Group has not adopted any new or amended Accounting Standards and Interpretations this year that have had a material impact on the Group or the Company.

## 26. Other significant accounting policies continued

### (ii) Accounting standards and Interpretations issued but not yet effective

Certain new Accounting Standards and Interpretations have been published that will apply to future periods. The Group's interpretation of the impact of these new Standards is set out below:

| Summary   | Application date of standard | Application date for Group |
|---|------------------------------|----------------------------|
| <b>AASB 16 Leases</b>   | 1 January 2019               | 1 July 2019                |
| <p>AASB 16 will affect the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts.</p>   |                              |                            |
| <p><b>Accounting policy</b></p> <p>In preparing for the adoption of AASB 16, the Group has produced a new AASB 16 based lease accounting policy and adjusted relevant business processes to align with the new policy.</p>  |                              |                            |
| <p><b>Transition</b></p> <p>AASB 16 permits two possible transition methods for the adoption of the new guidance:</p> <p>(1) retrospectively to each prior reporting period presented in accordance with AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> (full retrospective approach), or</p> <p>(2) retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of retained earnings on the date of the initial application (cumulative catch-up approach).</p> <p>Effective 1 July 2019, the Group has started to apply the new standard using the cumulative catch-up approach.</p>  |                              |                            |
| <p><b>Recognition and measurement</b></p> <p>Due to the nature of its operations, the Group's main leased assets are office buildings. Under the existing accounting standards, these leases were classified as operating leases. Under AASB 16, on transition the Group is required to:</p> <p>a) Recognise a lease liability measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 July 2019; and</p> <p>b) Recognise a right-of-use asset measured at its carrying amount as if AASB 16 had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate at 1 July 2019.</p> <p>This change will increase non-current assets by \$56.6m, increase current liabilities by \$24.8m and increase non-current liabilities by \$41.3m at 1 July 2019. The difference is recognised as an adjustment to retained earnings.</p> <p>Going forward, future leases will be recognised in the balance sheet as a lease liability and right-of-use asset at the date of commencement of the lease.</p> <p>The lease rental payments associated with former operating leases will no longer be recognised as an operating expense in the income statement, instead being replaced by depreciation of the lease asset and interest expense on the lease liability. This will not change the profit after tax over the duration of the entire lease, but may change the profit after tax of any specific financial reporting period as the expense profile will differ to the current operating lease treatment. In addition, it will change the segment EBITDA (which is one of the measures utilised by the CODM to assess profitability) because the current operating lease expense is recorded within EBITDA, whereas depreciation and interest are excluded.</p> |                              |                            |
| <p><b>Use of practical expedients</b></p> <p>The Group has taken advantage of the practical expedient to rely on its assessment of whether leases were onerous applying AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> immediately before applying AASB 16, as an alternative to performing an impairment review. In addition, the Group has also taken advantage of the practical expedient to exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application.</p> <p>Going forward, the Group will take advantage of the practical expedient for low-value leases and instead recognise the lease payments as an expense on a straight-line basis over the lease term.</p>  |                              |                            |

| Summary   | Application date of standard | Application date for Group |
|---|------------------------------|----------------------------|
| <b>AASB 16 <i>Leases continued</i></b><br><br><b>Presentation</b><br>The Group will report under AASB 16 for the financial year ending 30 June 2020 (including the interim financial report for the half-year ending 31 December 2019).<br><br>In the Consolidated Balance Sheet, right-of-use assets and lease liabilities will be presented separately from other items. In the Consolidated Income Statement, interest expense on the lease liability will be presented consistently with other interest expense. Likewise depreciation of right-of-use assets will be presented consistently with other depreciation.<br><br>In the Consolidated Cash Flow Statement, cash payments for the principal portion of the liability will be shown within financing activities while cash payments for the interest portion of the liability will be shown within operating activities, consistent with other interest payments.<br><br><b>Disclosure</b><br>It is not practicable to estimate whether any of the additional disclosures that will be provided under AASB 16 could be material to readers of the financial statements.          | 1 January 2019               | 1 July 2019                |
| <b>Accounting Interpretation 23 <i>Uncertainty over Income Tax Treatments</i></b><br><br>Interpretation 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments.<br><br><b>Recognition and measurement</b><br>The Group will be required to: <ol style="list-style-type: none"> <li>(1) Determine whether uncertain tax positions are assessed separately or as a group, and</li> <li>(2) Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:               <ul style="list-style-type: none"> <li>• If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.</li> <li>• If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.</li> </ul> </li> </ol> The Group is currently assessing the impact of the Interpretation on its Consolidated Financial Statements but does not anticipate a material impact upon adoption. | 1 January 2019               | 1 July 2019                |

There are other new Accounting Standards or Interpretations issued but not yet effective. However these are not expected to have a material impact on the financial statements of the Group or the Company.

## 27. Changes in accounting policies

The financial statements have been prepared on the basis of accounting consistent with those applied in the 30 June 2018 Annual Report, with the exception of the following new accounting standards and interpretations which became effective from 1 July 2018:

- AASB 9 *Financial Instruments (2014)*
- AASB 15 *Revenue from Contracts with Customers*

Further information regarding the impact of these changes is provided below.

### (a) AASB 9 *Financial Instruments (2014)*

In FY2015 the Group early adopted AASB 9 *Financial Instruments (2013)* with an initial application date of 1 July 2014. As a result of early adopting this version of AASB 9, the Group amended its classification of financial assets and hedge accounting treatments.

The Group has now adopted AASB 9 *Financial Instruments (2014)* with a date of initial application of 1 July 2018. In addition to the above requirements which the Group had already adopted, this version of the Standard introduces a new impairment model, requiring the Group to use an expected credit loss model when assessing impairment of financial instruments. For the Group, this means a change in how the impairment of trade receivables is assessed.

The Group has concluded that the existing provision for impairment of trade receivables of \$4.2m at 30 June 2019 (2018: \$5.6m) is sufficient when compared against the new model and as a result, initial application of the above Standard has not affected any of the amounts recognised in the Financial Report.

## 27. Changes in accounting policies continued

### (b) AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 *Revenue from Contracts with Customers* with an initial application date of 1 July 2018. The Group applied AASB 15 retrospectively using the practical expedient in paragraph C5(c) of AASB 15, under which the Group does not disclose the amount of consideration allocated to the remaining performance obligation or an explanation of when the Group expects to recognise that amount of revenue for all reporting periods presented before the date of initial application, i.e. 1 July 2018.

The details of the changes in accounting policies is disclosed in Note 2 Revenue, and the quantitative impacts are disclosed as follows:

#### Impacts on the financial statements

The following tables summarise the impacts of adopting AASB 15 *Revenue from Contracts with Customers* on the Group's Consolidated Financial Statements.

#### (i) Consolidated Income Statement

| For the year ended 30 June 2018                                       | Notes | As previously reported<br>\$m | Adjustments<br>\$m | As restated<br>\$m |
|---|-------|-------------------------------|--------------------|--------------------|
| Revenue   | 2     | 1,310.2                       | 5.0                | 1,315.2            |
| Direct cost of services   |       | (130.4)                       | (6.6)              | (137.0)            |
| Income tax expense  | 6(a)  | (83.9)                        | 0.6                | (83.3)             |
| Other incomes and expenses  |       | (1,004.9)                     | -                  | (1,004.9)          |
| <b>Profit for the year</b>  |       | 91.0                          | (1.0)              | 90.0               |
| <b>Profit is attributable to:</b>                                     |       |                               |                    |                    |
| Owners of SEEK Limited  |       | 53.2                          | (1.0)              | 52.2               |
| Non-controlling interests   |       | 37.8                          | -                  | 37.8               |
|   |       | 91.0                          | (1.0)              | 90.0               |
| <b>Earnings per share attributable to the owners of SEEK Limited:</b> |       | <b>Cents</b>                  | <b>Cents</b>       | <b>Cents</b>       |
| Basic earnings per share  | 5     | 15.2                          | (0.3)              | 14.9               |
| Diluted earnings per share  | 5     | 14.1                          | (0.3)              | 13.8               |

#### (ii) Consolidated Statement of Comprehensive Income

| For the year ended 30 June 2018                                 | As previously reported<br>\$m | Adjustments<br>\$m | As restated<br>\$m |
|---|-------------------------------|--------------------|--------------------|
| <b>Profit for the year</b>                                      | 91.0                          | (1.0)              | 90.0               |
| Other comprehensive income/(loss) for the year                  | (5.5)                         | -                  | (5.5)              |
| <b>Total comprehensive income for the year</b>                  | 85.5                          | (1.0)              | 84.5               |
| <b>Total comprehensive income for the year attributable to:</b> |                               |                    |                    |
| Owners of SEEK Limited  | 37.3                          | (1.0)              | 36.3               |
| Non-controlling interests                                       | 48.2                          | -                  | 48.2               |

## (iii) Consolidated Balance Sheet

| As at 30 June 2018                          | Notes | As previously reported<br>\$m | Adjustments<br>\$m | As restated<br>\$m |
|---|-------|-------------------------------|--------------------|--------------------|
| Deferred tax assets                         |       | 29.4                          | 4.5                | 33.9               |
| Trade and other receivables - current       | 11    | 169.6                         | (6.3)              | 163.3              |
| Other asset balances                        |       | 3,586.8                       | -                  | 3,586.8            |
| <b>Total assets</b>                         |       | 3,785.8                       | (1.8)              | 3,784.0            |
| Unearned income                             |       | 356.8                         | 10.5               | 367.3              |
| Other liability balances                    |       | 1,791.7                       | -                  | 1,791.7            |
| <b>Total liabilities</b>                    |       | 2,148.5                       | 10.5               | 2,159.0            |
| Retained profits                            |       | 1,123.9                       | (12.0)             | 1,111.9            |
| Transactions with non-controlling interests |       | (61.7)                        | (0.3)              | (62.0)             |
| Other equity balances                       |       | 575.1                         | -                  | 575.1              |
| <b>Total equity</b>                         |       | 1,637.3                       | (12.3)             | 1,625.0            |

| As at 1 July 2017                           |  | As previously reported<br>\$m | Adjustments<br>\$m | As restated<br>\$m |
|---|--|-------------------------------|--------------------|--------------------|
| Deferred tax assets                         |  | 32.4                          | 3.9                | 36.3               |
| Trade and other receivables - current       |  | 111.7                         | (3.0)              | 108.7              |
| Other asset balances                        |  | 3,538.9                       | -                  | 3,538.9            |
| <b>Total assets</b>                         |  | 3,683.0                       | 0.9                | 3,683.9            |
| Unearned income                             |  | 266.3                         | 12.2               | 278.5              |
| Other liability balances                    |  | 1,376.8                       | -                  | 1,376.8            |
| <b>Total liabilities</b>                    |  | 1,643.1                       | 12.2               | 1,655.3            |
| Retained profits                            |  | 1,225.0                       | (11.0)             | 1,214.0            |
| Transactions with non-controlling interests |  | 559.2                         | (0.3)              | 558.9              |
| Other equity balances                       |  | 255.7                         | -                  | 255.7              |
| <b>Total equity</b>                         |  | 2,039.9                       | (11.3)             | 2,028.6            |

# Directors' Declaration

In the directors' opinion:

- a. the financial statements and notes set out on pages 67 to 127 are in accordance with the *Corporations Act 2001*, including:
  - i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- b. there are reasonable grounds to believe that SEEK Limited will be able to pay its debts as and when they become due and payable.

Page 67 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



**Graham Goldsmith**

Chairman

Melbourne

20 August 2019



# Independent Auditor's Report



## *Independent auditor's report*

To the members of SEEK Limited

### *Report on the audit of the financial report*

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#### *Our opinion*

In our opinion:

The accompanying financial report of SEEK Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### ***What we have audited***

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2019
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement for the year then ended
- the notes to the consolidated financial statements, which include the "Basis of preparation" and a summary of significant accounting policies
- the directors' declaration.

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#### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



| Materiality   | Audit scope  |
|---|--|
| <ul style="list-style-type: none"> <li>For the purpose of our audit we used overall Group materiality of \$14.2 million, which represents approximately 5% of the Group's profit before tax.</li> <li>We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.</li> <li>We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.</li> <li>We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.</li> </ul> | <ul style="list-style-type: none"> <li>Our audit focused on where the Group made subjective judgements; for example, the adoption of the new revenue accounting standards and investment activity and significant accounting estimates involving assumptions and inherently uncertain future events including carrying value assessments of assets.</li> <li>An audit of the most financially significant operations being, SEEK Employment Australia, Zhaopin and SEEK Asia, were conducted.</li> <li>Specified audit procedures over Brasil Online and OCC were conducted.</li> <li>Where audit work was performed by auditors operating under our instruction (component auditors), we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion. This included active dialogue throughout the year through phone calls, discussions and written instructions. We tailored our audit approach accordingly, considering factors such as differing regulations, compliance and tax regimes and sovereign risks in relation to foreign ownership.</li> </ul> |



## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Management Committee.

| Key audit matter   | How our audit addressed the key audit matter  |
|--|---|
| <p><b>Valuation of goodwill and indefinite lived intangible assets</b><br/>(Refer to note 12 - intangible assets) \$2,120.9m Goodwill and \$372.6m of indefinite lived intangible assets</p> <p><b>Result</b><br/>For each cash generating unit, the Group's valuation approximated or exceeded its carrying value. No impairment charges were recognised during the year in relation to goodwill or indefinite lived intangible assets.</p> <p><b>Summary</b><br/>The year end consolidated balance sheet includes \$2,120.9m of goodwill and \$372.6m of indefinite lived intangible assets that are subject to an annual impairment assessment by the Group.</p> <p>The Group's annual impairment assessment is performed at the lowest level at which the Group could allocate the goodwill of an asset which generates cash flows that are largely independent of cash flows from other assets, which is referred to as a cash generating unit (CGU). The annual impairment assessment is also carried out on indefinite lived intangible assets.</p> <p>The valuation models used by the Group to perform the impairment assessment are based on cash flow forecasts that use key assumptions including, revenue and EBITDA growth rates, capital expenditure assumptions and terminal growth rates. Future cash flows are discounted using a post-tax discount rate specific to the individual CGU.</p> <p>We considered the valuation of goodwill and indefinite lived intangible assets to be a key audit matter due to the size of the balances and because:</p> <ul style="list-style-type: none"> <li>Significant judgement is required by the Group in estimating future cash flows and the post-tax discount rates applied.</li> </ul> | <p>We evaluated whether the allocation of the Group into CGUs was consistent with our knowledge of the Group's operations and internal Group reporting.</p> <p>For the significant CGUs of Brasil Online, OCC, SEEK Asia, Zhaopin and OES CGU's, which are valued by the Group using fair value less costs of disposal models (the models), our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>Testing the mathematical accuracy and integrity of the calculations in the models.</li> <li>Considering the historical accuracy of the Group's forecasts by comparing the forecasts used in the prior year models to the actual performance in the current year.</li> <li>Assessing the forecasted cash flow growth assumptions including considering historic and current performance and the historic growth performance of similar established businesses within the SEEK portfolio.</li> <li>Comparing the forecast terminal growth rates (used to estimate future cash flows) and the post-tax discount rates used in the models to independent external market data collated by PwC valuation experts for Brasil Online and OCC.</li> <li>Performing sensitivity analyses on the models to identify if a reasonably possible change in the key assumptions would cause goodwill and indefinite lived intangible assets to be impaired. Key assumptions included post-tax discount rates, terminal growth rates and revenue growth rates assumptions and EBITDA margins.</li> <li>Considering the most recent transactions as an indicator of fair value, where applicable.</li> </ul> |



- Small subjective changes in key assumptions, such as terminal growth rates and post-tax discount rates can have a material impact on the valuation of goodwill and indefinite lived intangible assets, which may influence the likelihood of an impairment charge.
- We have focused on Brasil Online and OCC given the impairment charge recognised during FY18 and these CGU's continuing to have significant judgement in determining their valuations and because they remain sensitive to small changes in key assumptions as described in note 12.
- Comparing the Group's valuations to external data sources including broker reports.
- Evaluating the adequacy of disclosures in the financial report in light of the requirements of Australian Accounting Standards.

**Revenue recognition and the adoption of new revenue accounting standards**  
(Refer to note 2 - revenue) \$1,557.3m

The Group's most significant revenue stream is Online employment marketplaces (\$1,217.6m) ("online revenue") which is derived from a high volume of transactions. The Group also has revenues from "Other sales revenues totalling \$185.5m and includes revenue streams of Campus recruitment services and Business Process Outsourcing, which are predominantly derived from the Zhaopin operating segment. At the year-end, services sold to customers in advance (i.e. which are yet to be delivered) are recognised as a liability and classified as unearned income (\$401.1m).

The Group adopted a new revenue accounting standards during the year due to the mandatory introduction of AASB 15 Revenue for Contracts with Customers. The new policy is disclosed in note 2 and the transition impacts disclosed in note 27.

We considered revenue recognition and the adoption of the new accounting standards a key audit matter due to the:

- The material value of online revenue recognised during the year and the high volume of online revenue transactions recorded
- The complexity involved in applying the AASB 15 across multiple geographical locations as revenue models can vary

The complexity involved with the bespoke nature of Campus Recruitment and Business Process Outsourcing revenue terms and conditions with customers

Our audit procedures over revenue included, amongst others:

- Comparing the Group's updated policies to the requirements of AASB 15 and considering how these policies were communicated to the Group's significant operations.
- Assessing the design, implementation and operating effectiveness of relevant key internal controls over the recognition of revenue.
- For a sample contracts covering material revenue streams we:
  - Developed an understanding of the key contractual terms of the arrangement including background of agreement, performance obligations and payments to be made.
  - Considered the Group's identification of performance obligations and allocation of selling prices to the performance obligations.
- Analysing the expected flows of revenue transactions and agreeing a sample of transactions that deviated from our expectations to supporting documentation.
- Agreeing a sample of revenue transactions invoiced by the Group during the year to the relevant settlement and sales order supporting documents.
- For a sample of unearned income outstanding at 30 June 2019, we selected a sample and agreed to supporting evidence.



- Testing a sample of manual journal entries impacting revenue to assess whether they had been recorded in accordance with the Group's accounting policy.
- Evaluating the adequacy of disclosures in the financial report in light of the requirements of Australian Accounting Standards.

**Valuation of, and accounting for, equity accounted investments and other unlisted equity instruments**

*(Refer to note 9 - other financial assets and note 18 - interests in equity accounted investments)*

As at 30 June 2019 the Group's Consolidated Balance Sheet included investments accounted for under the equity method amounting to \$237.2m, and investments in equity instruments amounting to \$158.7m. There were two significant investments during the year being FutureLearn Limited (equity accounted investment of \$92.2, see note 18) and Coursera Inc (unlisted equity instrument of \$50.0, see note 9).

Investments in unlisted equity instruments are carried at fair value which is determined using a range of inputs including:

- Recent transaction activity
- Review of contract terms and conditions

For unlisted equity instruments where inputs are not based on observable market data (level 3 financial assets), the Group is required to make judgements in selecting the valuation technique to estimate the fair value of these assets.

Associates are entities over which the Group has significant influence or joint control, but not control, and are accounted for under the equity method. These investments are assessed on an annual basis by the Group for impairment.

We considered the valuation of, and accounting for, equity accounted investments and other unlisted equity instruments a key audit matter due to the:

- Increasing size of the balances.
- Large number of investments held by the Group, each with varying terms, which creates complexity

Our audit procedures over the valuation of, and accounting for, investments in unlisted equity instruments and equity accounted investments included:

- Inspecting a sample of signed shareholder agreements to develop an understanding of the underlying terms, arrangements and the appropriate accounting treatment.
- Assessing, for a sample of equity accounted investments acquired during the year, the Group's determination of whether it has significant influence, joint control or control.
- Considering the appropriateness of the Group's valuation methodology against the requirements of Australian Accounting Standards.
- Evaluating the adequacy of disclosures in the financial report in light of the requirements of Australian Accounting Standards.



in determining the appropriate accounting treatment.

- Variety of methods by which the Group acquires investments, including potential future options.

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### *Other information*

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

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### *Responsibilities of the directors for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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### *Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,





individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

### *Report on the remuneration report*

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#### *Our opinion on the remuneration report*

We have audited the remuneration report included in pages 23 to 40 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of SEEK Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

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#### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized, handwritten signature of PricewaterhouseCoopers in black ink.

PricewaterhouseCoopers

A stylized, handwritten signature of Chris Dodd in black ink.

Chris Dodd  
Partner

Melbourne  
20 August 2019

# Shareholder Information

The shareholder information set out below was applicable as at 30 September 2019.

## A. Distribution of shareholders

Analysis of numbers of ordinary shareholders by size of holding:

| Range            | Total holders | Shares             | % of Issued Capital |
|------------------|---------------|--------------------|---------------------|
| 1 – 1,000        | 14,369        | 6,338,684          | 1.80                |
| 1,001 – 5,000    | 8,413         | 18,803,692         | 5.34                |
| 5,001 – 10,000   | 1,115         | 7,902,219          | 2.24                |
| 10,001 – 100,000 | 534           | 11,856,070         | 3.37                |
| 100,001 +        | 62            | 307,110,217        | 87.25               |
| <b>Total</b>     | <b>24,493</b> | <b>352,010,882</b> | <b>100.00</b>       |

There were 393 holders of less than a marketable parcel of ordinary shares.

## B. Twenty largest quoted equity security holders

The names of the twenty largest registered holders of quoted equity securities are listed below:

| Name   | Ordinary Shares    |                     |
|--|--------------------|---------------------|
|  | Number Held        | % of Issued Capital |
| HSBC Custody Nominees (Australia) Limited                                  | 100,519,444        | 28.56               |
| JP Morgan Nominees Australia Pty Limited                                   | 89,015,718         | 25.29               |
| Citicorp Nominees Pty Limited  | 25,393,824         | 7.21                |
| National Nominees Limited  | 21,934,686         | 6.23                |
| BNP Paribas Nominees Pty Ltd (Agency Lending DRP a/c)                      | 13,779,119         | 3.91                |
| Kiteford Pty Ltd (Andrew Bassat Family a/c)                                | 11,250,113         | 3.20                |
| Citicorp Nominees Pty Limited (Colonial First State Inv a/c)               | 6,673,564          | 1.90                |
| BNP Paribas Noms Pty Ltd (DRP)   | 6,324,619          | 1.80                |
| Australian Foundation Investment Company Limited                           | 4,029,633          | 1.14                |
| Mr Andrew Reuven Bassat  | 3,113,705          | 0.88                |
| Netwealth Investments Limited (Wrap Services a/c)                          | 1,871,457          | 0.53                |
| Netherlane Pty Ltd (Paul Bassat Family a/c)                                | 1,636,245          | 0.46                |
| HSBC Custody Nominees (Australia) Limited (NT-Commonwealth Super Corp a/c) | 1,491,987          | 0.42                |
| Avanteos Investments Limited (Encircle IMA a/c)                            | 1,208,028          | 0.34                |
| Mr Roger William Allen   | 1,145,820          | 0.33                |
| Mutual Trust Pty Ltd   | 1,118,228          | 0.32                |
| BNP Paribas Nominees Pty Ltd Hub 24 Custodial Serv Ltd DRP                 | 1,055,103          | 0.30                |
| Pacific Custodians Pty Limited (SEK Plans Ctrl a/c)                        | 1,016,248          | 0.29                |
| Daleford Way Pty Ltd   | 1,000,000          | 0.28                |
| Australian United Investment Company Limited                               | 900,000            | 0.26                |
| Top 20 holders of ordinary fully paid shares (total)                       | 294,477,541        | 83.66               |
| Other shareholders   | 57,533,341         | 16.34               |
| <b>Total</b>   | <b>352,010,882</b> | <b>100.00</b>       |

## Unquoted equity securities

Options issued to take up ordinary shares under SEEK's equity plans:

|                             | Number held | Number of holders |
|-----------------------------|-------------|-------------------|
| Wealth Sharing Plan Rights  | 2,305,996   | 28                |
| Wealth Sharing Plan Options | 760,709     | 4                 |

## C. Substantial Holders

Substantial holders in the company are set out below:

|   | Number held <sup>(1)</sup> | % issued capital |
|---|----------------------------|------------------|
| FIL Limited and FIL Investment Management (Australia) Limited | 25,709,706                 | 7.30             |
| BlackRock Inc and subsidiaries                                | 17,641,283                 | 5.01             |
| The Vanguard Group Inc and Vanguard Investments Australia Ltd | 17,760,331                 | 5.05             |

1. Number of shares held by substantial shareholders is based on the most recent notifications lodged by substantial shareholders with the ASX.

## D. Voting Rights

The voting rights attaching to each class of equity securities are set out below:

### Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Wealth Sharing Plan Options and Rights

No voting rights.

# Five Year Financial Summary

| Operating Results   | 2019<br>\$m    | 2018 <sup>(1)</sup><br>\$m | 2017<br>\$m    | 2016<br>\$m    | 2015<br>\$m    |
|---|----------------|----------------------------|----------------|----------------|----------------|
| <b>Sales revenue</b>  |                |                            |                |                |                |
| ANZ   | 437.6          | 409.7                      | 355.9          | 313.1          | 273.2          |
| SEEK Asia   | 176.6          | 151.8                      | 139.7          | 141.8          | 104.7          |
| Brasil Online   | 64.1           | 74.9                       | 87.3           | 91.7           | 119.3          |
| OCC   | 29.3           | 29.0                       | 29.4           | 29.7           | 24.5           |
| SEEK Learning   | -              | -                          | 2.6            | 42.1           | 81.2           |
| Other businesses (AP&A Other)                                     | 19.2           | 19.2                       | 14.0           | 2.6            | 2.7            |
| Zhaopin   | 647.9          | 468.1                      | 372.9          | 329.1          | 252.8          |
| Online Education Services   | 127.5          | 119.4                      | 28.0           | -              | -              |
| Early Stage Ventures  | 35.1           | 27.4                       | 5.4            | 0.3            | -              |
| <b>Total sales revenue<sup>(2)</sup></b>                          | <b>1,537.3</b> | <b>1,299.5</b>             | <b>1,035.2</b> | <b>950.4</b>   | <b>858.4</b>   |
| <b>Segment EBITDA<sup>(3)</sup></b>                               | <b>455.0</b>   | <b>431.2</b>               | <b>362.3</b>   | <b>366.7</b>   | <b>348.9</b>   |
| Segment EBITDA to sales (%)                                       | 29.6%          | 33.2%                      | 35.0%          | 38.6%          | 40.6%          |
| Share of results of equity accounted investments <sup>(4)</sup>   | (16.5)         | (6.2)                      | 4.3            | 12.2           | 21.7           |
| <b>Net profit after tax (NPAT)</b>                                | <b>198.4</b>   | <b>90.0</b>                | <b>362.0</b>   | <b>399.4</b>   | <b>315.2</b>   |
| Non-controlling interests   | (18.1)         | (37.8)                     | (21.8)         | (42.3)         | (34.0)         |
| <b>Profit for the year attributable to owners of SEEK Limited</b> | <b>180.3</b>   | <b>52.2</b>                | <b>340.2</b>   | <b>357.1</b>   | <b>281.2</b>   |
| <b>Balance Sheet</b>  |                |                            |                |                |                |
| Current assets  | 693.2          | 618.2                      | 841.9          | 737.0          | 642.2          |
| Non-current assets  | 3,557.0        | 3,165.8                    | 2,841.1        | 2,541.4        | 2,658.9        |
| <b>Total assets</b>   | <b>4,250.2</b> | <b>3,784.0</b>             | <b>3,683.0</b> | <b>3,278.4</b> | <b>3,301.1</b> |
| Current liabilities   | 904.6          | 774.1                      | 550.0          | 575.0          | 599.4          |
| Non-current liabilities   | 1,651.2        | 1,384.9                    | 1,093.1        | 878.8          | 900.8          |
| <b>Total liabilities</b>  | <b>2,555.8</b> | <b>2,159.0</b>             | <b>1,643.1</b> | <b>1,453.8</b> | <b>1,500.2</b> |
| <b>Net assets</b>   | <b>1,694.4</b> | <b>1,625.0</b>             | <b>2,039.9</b> | <b>1,824.6</b> | <b>1,800.9</b> |
| <b>Equity</b>   | <b>1,694.4</b> | <b>1,625.0</b>             | <b>2,039.9</b> | <b>1,824.6</b> | <b>1,800.9</b> |
| <b>Gearing (debt/debt+equity)</b>                                 | <b>48.6%</b>   | <b>44.4%</b>               | <b>32.2%</b>   | <b>31.1%</b>   | <b>35.3%</b>   |
| <b>Per ordinary share (\$) (from continuing operations)</b>       |                |                            |                |                |                |
| Dividends - interim   | 24.0           | 24.0                       | 23.0           | 21.0           | 19.0           |
| Dividends - final   | 22.0           | 22.0                       | 21.0           | 19.0           | 17.0           |
| Dividends - total   | 46.0           | 46.0                       | 44.0           | 40.0           | 36.0           |
| Basic earnings per share  | 51.3           | 14.9                       | 97.9           | 103.7          | 82.1           |
| Diluted earnings per share  | 50.1           | 13.8                       | 96.6           | 101.7          | 79.9           |

1. Certain amounts reported for FY2018 have been restated due to the adoption of AASB 15 Revenue from Contracts with Customers on 1 July 2018.

2. Sales revenue is revenue excluding interest, dividend, other revenue and other income from fair value gains on acquisitions.

3. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, amortisation of share-based payments and long-term incentives, gains/losses on investing activities, and other non-operating gains/losses.

4. Includes dilution of investments in associates.

## Directors

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Graham B Goldsmith  
*Chairman*

Andrew R Bassat  
*Managing Director,  
Chief Executive Officer and Co-Founder*

Denise I Bradley

Julie A Fahey

Leigh M Jasper

Michael H Wachtel

Vanessa M Wallace

Lynne Jensen  
*Company Secretary*

## Principal registered office in Australia

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Level 6  
541 St Kilda Road  
MELBOURNE VIC 3004  
AUSTRALIA  
Ph: +61 3 8517 4100

## Share register

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Computershare Investor  
Services Pty Ltd  
452 Johnston Street  
ABBOTSFORD VIC 3067  
Ph: +61 3 9415 4000

## Auditor

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PricewaterhouseCoopers  
2 Riverside Quay  
SOUTHBANK VIC 3006

## Stock exchange listing

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SEEK Limited shares are  
listed on the Australian  
Securities Exchange  
(Listing code: SEK)

## Website

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[www.seek.com.au](http://www.seek.com.au)

## ABN

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46 080 075 314



ABN 46 080 075 314



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