



ASX Announcement

21 February 2017

SEEK provides Zhaopin transaction update, delivers strong results in ANZ and China alongside reinvestment to support growth aspirations

H1 17: Key Highlights

Transaction Update: Zhaopin

- *SEEK has formed a consortium with leading private equity firms Hillhouse Capital Group and FountainVest Partners for the purpose of a potential privatisation of Zhaopin Limited*

SEEK Group: Underlying NPAT growth of 11% & confirms FY17 guidance at upper end of range

- *Underlying NPAT (excl Sig. items & Early Stage Ventures) of A\$113.6m, growth of 11% vs pcp*
- *H1 17 dividend per share of 23 cents per share*
- *Confirms FY17 guidance at upper end of range*

Australia and New Zealand Employment: Strong financial results from clear market leader

- *Revenue growth of 13% & EBITDA growth of 10%*
- *Market leader with 34% share of placements, lead of c9x times over our nearest competitor*
- *Strong financial result validates benefits of strategy and sustained reinvestment*

International: Zhaopin extended its market leadership alongside 23% revenue growth

- *Zhaopin achieved total revenue growth of 23% and grew its market leadership*

Education: OES continues to deliver strong student and financial results

- *Online Education Services achieving strong student outcomes & financial results*

SEEK Limited ("SEEK") announced its results for 6 months ended 31 December 2016

- Reported Revenue of A\$487.9m (pcp: A\$482.0m)
- Reported EBITDA of A\$170.3m (pcp: A\$193.3m)
- Underlying NPAT (excl significant items & Early Stage Ventures) of A\$113.6m (pcp: A\$102.4m)
- Reported NPAT of A\$84.1m (pcp: A\$275.1m including Gain on sale of IDP of A\$181.7m)

Commenting on H1 17 results, SEEK CEO and Co-Founder Andrew Bassat said:

"SEEK is pleased to deliver a solid half year result alongside reinvestment to support future growth. The benefit of sustained investment is best seen in the results of SEEK Australia and New Zealand which achieved Revenue growth of 13% and EBITDA growth of 10%."

"SEEK International is operating against soft macro conditions and is at an earlier stage of its business model evolution. The subdued conditions are most felt in Brazil and across key markets in South-East Asia. Zhaopin has extended its market leadership which has underpinned growth in unique hirers and 23% revenue growth."

Andrew Bassat also commented, *“SEEK is focused on accelerating the evolution of our businesses. We are confident that our sustained reinvestment will translate into an even better experience for candidates, hirers and students and help to extend our market leadership. If we do these things well, we expect to see strong growth in long term shareholder value.”*

Transaction Update: Zhaopin

- SEEK has formed a consortium with leading private equity firms Hillhouse Capital Group and FountainVest Partners (“consortium”), for the purpose of a potential privatisation of Zhaopin Limited
- The consortium is in advanced discussions with a Special Committee of the Board of Zhaopin Limited in relation to the potential transaction for a purchase price of US\$18 per ADS
- The consortium intends to fund part of the consideration for the potential transaction through available cash in Zhaopin, which may be in the form of a cash dividend from Zhaopin to holders of shares (with a corresponding reduction in the per ADS purchase price)
- If the proposed transaction is completed, it is expected that SEEK will retain a similar controlling equity interest in the Privatised company. SEEK will update the market as appropriate

AUSTRALIA AND NEW ZEALAND EMPLOYMENT | KEY INSIGHTS

Strong Revenue growth of 13% & EBITDA growth of 10% (Revenue A\$171.3m, EBITDA of A\$97.2m)

- Strong revenue result validates benefits of strategy and sustained reinvestment
- Strong operational results from product innovation and sales and service initiatives
- Market leader with 34% share of placements, lead of c9x times over our nearest competitor

Key operational highlights

- Continuing to grow the depth and breadth of SEEK's Profile database, which now includes c9m profiles (December 2013: c3m), representing a CAGR of c44% from Dec-13 to Dec-16
- SEEK's Premium Talent Solutions platform has c660 clients, growth of c91% vs pcp

Andrew Bassat commented,

“SEEK's strategic focus and sustained reinvestment has delivered great results with the majority of revenue growth attributable to our new products. Our results have also benefited from sales & service initiatives particularly in the SME segment. These have given us even greater impetus to attack other under-penetrated hirer segments.”

“Looking forward, we are focused on enhancing and scaling up our existing product and services. In terms of our future product roadmap, SEEK is very well positioned to solve more candidate and hirer problems. Our world class capabilities and market leadership has conferred unique data and insights on candidate and hirer behaviour.”

INTERNATIONAL | KEY INSIGHTS

Revenue growth of 4% and EBITDA reduction of -3% (Revenue A\$308.5m, EBITDA of A\$97.5m)

- In constant currency, achieved Revenue growth of 11% and EBITDA growth of 2%
- Weak macro conditions in majority of International markets
- Significant reinvestment program expected to deliver strategic and financial payback

Andrew Bassat said, *“SEEK International delivered a creditable result against the backdrop of weak macro conditions and a significant reinvestment program.”*

“Zhaopin achieved strong revenue growth of 23% and continued to grow its market leadership. Zhaopin has achieved 10 consecutive quarters of 20%+ growth in both unique hirers and online revenue which is testament to the strength and commitment of Zhaopin's management team. We expect the benefits of leadership to drive robust medium to long-term earnings growth.”

Refer to Zhaopin's Q2 FY17 earnings presentation (ZPIN; NYSE) for further details.

On commenting about SEEK Asia, Andrew Bassat said, *“As anticipated, SEEK Asia’s results were broadly flat given challenging macro conditions particularly in its major markets of Malaysia, Hong Kong and Singapore. The medium to long-term prospects of this business remain strong given its market leadership and exposure to large addressable markets. The focus is to continue investing to grow its value proposition so it is well positioned to capitalise on better macro conditions.”*

SEEK operates market leaders in Latin America. Andrew Bassat said, *“Brazil (Brasil Online) faced headwinds from the continuation of depressed macro conditions but is focused on improving its business fundamentals in readiness for eventual economic recovery. Mexico (OCC) achieved a solid revenue result despite uncertainties from US elections and is aggressively investing in product and technology.”*

“SEEK’s International businesses operate in high growth markets with exposure to c4b people and approximately 30% of global GDP. To capitalise on this opportunity and create long-term shareholder value, SEEK International will continue to invest to evolve our product and service offerings and to extend our market leadership.”

EDUCATION | KEY HIGHLIGHTS

- **Strong results from OES (Swinburne Online)**
- **SEEK Learning ceased VET operations during H1 17 due to regulatory reforms**

Andrew Bassat said, *“OES continues to deliver positive student outcomes and strong financial results. The business is focused on progressing its organic growth options and signing up new partners.”*

“As mentioned at SEEK’s AGM in November 2016, as a result of significant regulatory changes, we have ceased VET operations for SEEK Learning from November 2016. Whilst this is disappointing, we are really excited about starting up a new education business which will address a significant unmet need in the marketplace for independent education and career insights.”

DIVIDENDS | 10% growth in H1 17 dividend

- **H1 17 dividend per share of 23 cents per share (growth of 10% vs pcp)**

The Board has declared an interim dividend payment of 23 cents per share which represents growth of 10% compared to the prior half year dividend. The interim dividend will be paid on 19 April 2017 with a record date of 29 March 2017.

OUTLOOK | SEEK confirms guidance at upper end of range

- **FY17 NPAT Guidance (excluding significant items) at upper end of range**

Reported NPAT of approximately A\$220m before deducting investments in early stage growth options of approximately A\$25m

In conclusion Andrew Bassat commented,

“SEEK is uniquely positioned to capture large market opportunities across the broader human capital management industry. We are focused on solving complex problems faced by candidates and hirers and delivering on our purpose of helping people live more productive working lives and helping organisations succeed. We expect that SEEK’s mindset to solve problems and long-term focus will lead to strong returns for our shareholders over the medium to long term.”

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Appendices - ASX Release

Notes to this release

SEEK's results are reported under International Financial Reporting Standards (IFRS). This document also makes reference to the non-IFRS measure "EBITDA". This measure is used internally by management to assess the performance of our business, our associates and Joint Ventures, make decisions on the allocation of our resources and assess operational management.

EBITDA

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

Review of information

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