



ASX Announcement  
15 August 2018

***SEEK delivers strong underlying FY18 result  
alongside investing for future growth***

**FY18 Key Highlights**

**Excl significant items: Revenue, EBITDA and underlying NPAT at top end of guidance**

- *Top end of guidance range: Revenue growth of 25%, EBITDA growth of 15%, Underlying NPAT<sup>1</sup> of c\$230m*
- *Record FY18 dividends of 46 cents (5% growth vs pcg)*
- *Strong results reflect benefits of sustained investment and strategic execution*

**Asia Pacific & Americas (AP&A): Strong ANZ results & good momentum in Asia**

- *SEEK ANZ: Record financial results reflect benefits of sustained reinvestment*
- *SEEK Asia: Strong revenue momentum due to new initiatives and improving macro conditions*
- *LATAM: Challenging conditions and disappointing financial results led to impairment*

**SEEK Investments: Strong growth across the portfolio**

- *Zhaopin: Strong financial results and well positioned for long-term capital appreciation*
- *OES: Good underlying financial results and investing to grow new revenue streams*
- *ESVs: Strong growth in operating metrics and revenue reflects high growth potential*

SEEK Limited ("SEEK") announced its results for 12 months ended 30 June 2018

- Reported Revenue of A\$1,294.5m (FY17: A\$1,039.7m)
- Reported EBITDA of A\$432.8m (FY17: A\$375.8m)
- Underlying NPAT (excl. significant items & Early Stage Ventures) of A\$229.5m (FY17: A\$220.8m)
- Reported NPAT of A\$53.2m (FY18: A\$147m of significant items, FY17: A\$340.2m, which includes OES fair value gain of \$138.7m and other one-off items)

**Commenting on SEEK's last 12 months, SEEK CEO and Co-Founder Andrew Bassat said:**

*"SEEK is performing strongly across five out of six of our major headings. Our three biggest businesses, SEEK ANZ, SEEK Asia and Zhaopin are all travelling well. In particular, each business achieved strong H2 revenue growth which augurs well for FY19."*

*"We are disappointed with the performance of our LatAm businesses. We remain committed to these markets and hopeful greater strategic focus, resourcing under the AP&A structure and an improving economy can over time assist in turning around performance."*

*"OES is making good inroads into their strategic imperatives and is progressing well with the Western Sydney University partnership which commenced in early FY18."*

*"And finally our Early Stage Ventures are showing promising growth giving us confidence to invest more into some of these businesses and to make further similar investments."*

*"Overall, SEEK is performing at a high level which is validation that our strategic approach is the right one to grow shareholder value."*

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<sup>1</sup> Underlying NPAT defined as excluding significant items and before deducting investments in early stage growth options

## IMPAIRMENT OF LATAM BUSINESSES AND FAIR VALUE GAIN IN MAIMAI

SEEK will recognise the net impact of three key significant items totalling A\$142m:

- Non-cash impairment charge against the carrying value of Brasil Online (impairment charge: A\$119m) and OCC (SEEK share of impairment charge: A\$59m)
- Non-cash fair value gain of A\$36m on investment in Maimai (SEEK share)

## ASIA, PACIFIC & AMERICAS (AP&A)

### **SEEK ANZ: Record EBITDA result despite continued investment**

- Strong financial result with revenue growth of 16% and EBITDA growth of 18%
- Market leader with c36% of placements, lead of c7x times over our nearest competitor

### **SEEK Asia: Continued momentum in operational metrics and revenue growth**

- Solid H2 Revenue result particularly across more mature markets
- Investment is delivering strong growth in operating metrics

Andrew Bassat commented,

*“SEEK ANZ delivered strong results alongside continued investment. Reflecting the strength of the business, ANZ’s revenue has increased by approximately 70% in the last four years. We remain very excited by ANZ’s product roadmap and the short and long-term outlook.”*

*“SEEK Asia is in an earlier stage of business model evolution. Early initiatives in sales, product and tech are delivering good results and alongside better macro conditions, this is leading to improving revenue results. We expect closer integration with ANZ to accelerate SEEK Asia’s business model transition. SEEK Asia is well positioned to capitalise on the large market opportunities in a high growth region.”*

## SEEK INVESTMENTS

### **Zhaopin: Strong revenue result alongside growth in market share**

- Strong Revenue growth of 21% and strong growth in key operating metrics

### **OES: Good underlying financial results alongside strong student outcomes**

- Investing to build a leading multi partner platform

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

- Strong revenue growth of 30% across the portfolio<sup>2</sup>

Andrew Bassat commented,

*“Zhaopin has successfully evolved its business model which contributed to strong growth in operating metrics and revenue. The focus is to continue investing aggressively and capitalise on the enormous market opportunity in China. Led by CEO, Evan Guo and supported by SEEK we believe that Zhaopin is well placed for long-term growth.”*

*“OES continues to successfully deliver excellent student outcomes to over 11,000 Australians, who are predominantly working adults. A key priority is to form new domestic and international partnerships to create new revenue streams.”*

*“We are pleased with the progress of our early stage investments which as a portfolio grew revenue by 30%. A dedicated SEEK Investments team is focusing on new investment opportunities across the large headings of Human Capital Management and Online Education.”*

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<sup>2</sup> Based on assumption of 100% ownership across FY18 and FY17 (SEEK Investment ESVs)

## DIVIDENDS | 5% growth in FY18 dividends

- H2 18 dividend per share of 22 cents per share (growth of 5% vs pcg)
- Record total FY18 dividends of 46 cents (growth of 5% vs pcg)
- The final dividend will be paid on 4 October 2018 with a record date of 13 September 2018.

## OUTLOOK | FY19 short term guidance

### FY19 Guidance (excl. significant items)

- Revenue growth in the range of 16% to 20% (FY19 vs FY18) <sup>3</sup>
- EBITDA growth in the range of 5% to 8% (FY19 vs FY18) <sup>3</sup>
- Investments in Early Stage Ventures of approximately A\$35m to \$40m
- Reported NPAT (incl cost of investments in ESVs) to remain broadly similar to FY18 Reported NPAT

In conclusion Andrew Bassat commented,

*“Our FY19 outlook for aggressive investment reflects our high conviction view that SEEK is well placed to capture large growth opportunities. We are looking to allocate approximately 80% of the increase in Group Opex and c70% of Group Capex into our largest and highest performing businesses being SEEK ANZ, Zhaopin and SEEK Asia. We are confident these businesses will deliver strong FY19 results and that the aggressive investment will underpin strong returns for long-term shareholders.”*

## ANNUAL GENERAL MEETING

In accordance with ASX Listing Rule 3.13.1, SEEK Limited advises that its Annual General Meeting will be held in Melbourne, Victoria on 27 November 2018.

**For further information or to arrange an interview please contact:**

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*This announcement contains certain “forward-looking statements”. Forward looking words such as, “expect”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements, opinions and estimates are not guarantees of future performance. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement contains such statements that are subject to risk factors associated with the markets in which SEEK operates. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially. Such forward-looking statements only speak as to the date of this announcement and SEEK assumes no obligation to update such information. No representation or warranty is or will be made by any legal or natural person in relation to the accuracy or completeness of all or part of this document, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the information or any part of it. To the full extent permitted by law, SEEK disclaims any obligation or undertaking to release any updates or revisions to the information contained in this document to reflect any change in expectations or assumptions. Nothing contained in this document constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.*

## 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.

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<sup>3</sup> Includes consolidated early stage investments