



ASX Announcement

22 August 2016

SEEK achieves record result and reinvests to capture exciting growth opportunities

SEEK Limited (“SEEK”) reported record financial results for the 12 months ended 30 June 2016 and is pleased to announce the following results:

- Revenue of A\$950.4m
- EBITDA of A\$366.7m
- NPAT excluding significant items and Early Stage Ventures of A\$198.1m

FY16 – Key Highlights

- SEEK Group: *Underlying NPAT of A\$198.1m; exceeded NPAT guidance¹*
- Australia and New Zealand Employment: *Revenue growth & EBITDA growth of 15%*
- International: *Revenue growth of 18% & EBITDA growth of 17%*
- Aggressive reinvestment has significantly expanded addressable market opportunity

	A\$m		Growth	
	FY16	FY15	\$m	%
Revenue ^(a)	950.4	858.4	92.0	11%
EBITDA	366.7	348.9	17.8	5%
Reported NPAT	357.1	281.2	75.9	27%
Underlying NPAT ^(b)	198.1	193.0	5.1	3%
Dividends per share (cps)	40.0	36.0	4.0	11%

(a) Revenue excludes interest income and dividend income
 (b) Underlying NPAT excludes significant items and investments in Early Stage Ventures

SEEK CEO and Co-Founder Andrew Bassat said,

“SEEK has achieved a record full year result, a strong achievement given we have been operating in relatively flat macro conditions. We are reinvesting aggressively within our current businesses and also making strategic acquisitions to position SEEK to play a role in the large human capital management industry. We are uniquely positioned to play in this large market given our global scale and breadth and depth of our relationships with over 150m jobseekers and 700k hirers.”

“We expect that our reinvestment to address the unmet needs of candidates and hirers will in turn increase the size of SEEK’s addressable market opportunity and grow SEEK’s market leadership.”

¹ Underlying NPAT excludes significant items and investments in Early Stage Ventures

“SEEK’s evolution is most advanced in Australia and New Zealand which achieved EBITDA growth of 15%. This strong result is also testament to the medium to long-term benefits of reinvestment.”

“SEEK’s International businesses are strong market leaders and achieved EBITDA growth of 17% against a backdrop of subdued conditions. The near-term priority is to continue with a focused reinvestment program to grow market leadership, build data moats and launch new products and services.”

“SEEK has a long and sustained track record of reinvestment and undertaking M&A which has led to strong growth in financial results and shareholder value. Our expectation is that our latest endeavours will position the business to capture large market opportunities and generate strong returns to shareholders over the medium to long-term.”

AUSTRALIA AND NEW ZEALAND EMPLOYMENT | KEY INSIGHTS

- **Strong Revenue growth of 15% and EBITDA growth of 15% (Revenue A\$313.1m, EBITDA of A\$177.8m)**
 - Excellent financial and operational results reflecting benefits of prior period reinvestment
 - Share of placements at 33% a lead of c8 times over our nearest competitor

Andrew Bassat said, *“Australia and New Zealand Employment achieved a record full year financial result. Revenue growth was at its highest level in five years despite subdued macro conditions which reflects the benefits of prior period reinvestment in people, technology and products.”*

Key operational highlights in the last 12 months:

- Strong take-up of SEEK’s Talent Solutions offerings with c6,000 clients using Talent Search, and 540+ using Premium Talent Search
- c5m searchable candidate profiles representing growth of c40% compared to one year ago
- Scaled up SEEK’s Company Reviews product which has 265k reviews collected thus far

Andrew Bassat also commented, *“In the next 12 months, we are focused on deepening the relationships we have with candidates and hirers in Australia and New Zealand through the launch of several new candidate and hirer products and scaling up existing products like Premium Talent Search and Company Reviews.”*

INTERNATIONAL | KEY INSIGHTS

- **Solid Revenue growth of 18% and EBITDA growth of 17% (Revenue A\$592.3m, EBITDA of A\$193.1m)**
 - International results contributed over 50% of SEEK’s Group Revenue and EBITDA
 - SEEK operates market leaders across 14 countries exposed to large addressable markets
 - Continuing to progress its focused reinvestment program

Andrew Bassat said, *“SEEK International delivered a record full year result. Our exposure to large global markets is reflected in International’s strong contribution to SEEK’s Group Revenue and EBITDA. This is a pleasing result as we continue to progress our reinvestment program amongst weak macro conditions.”*

“SEEK operates market leaders in economies which are forecast for high growth. The recent increase in equity ownership in Brasil Online and SEEK Asia is demonstration of our strong confidence in these businesses.”

“Zhaopin achieved strong online revenue growth of 22% against a backdrop of soft macro conditions due to its growing market leadership. We expect that the benefits of leadership combined with sustained reinvestment will drive robust medium to long-term earnings growth.”

Refer to Zhaopin’s Q4 FY16 earnings presentation (ZPIN; NYSE) for further details.

On commenting about SEEK Asia, Andrew Bassat said, *“SEEK Asia delivered good EBITDA growth. The result was due to good results in core online job advertising and merger integration benefits. In the last 12 months, SEEK Asia’s product and technology capabilities also supported global product initiatives such as Company Reviews.”*

SEEK also owns market leaders in Brazil (Brasil Online) and Mexico (OCC). Andrew Bassat commented, *“Brasil Online continues to demonstrate resilience against the backdrop of very weak macro conditions. OCC’s strong results across both its Employment and Education businesses are reflective of its strong market leadership and aggressive re-investment in growth initiatives.”*

“Very few businesses are as well positioned as SEEK being exposed to over 4.0 billion people and c30% of global GDP. Our focus in the next 12 months will be to aggressively re-invest on the expectation that SEEK International will be a key driver for strong future shareholder returns in the medium to long-term.”

EDUCATION | KEY HIGHLIGHTS

- **Strong results from OES (Swinburne Online)**
- **SEEK Learning in a transition period**

Andrew Bassat said, *“OES achieved another record result alongside progressing its expansion across vocational education and international course offerings. This business has multiple levers for long-term growth.”*

As anticipated, SEEK Learning’s H2 FY16 result was impacted by the implementation of regulatory changes. The overall regulatory changes will improve the sustainability of the for-profit education industry and SEEK Learning’s competitive position.

SEEK Learning is in a transition period and we expect this business will resume a trajectory of solid earnings growth in the medium to long term.

DIVIDENDS

- **H2 FY16 dividend per share of 19 cents per share (growth of 12% vs pcp)**
- **Total FY16 dividends of 40 cents per share (growth of 11% vs FY15)**

The final dividend will be paid on 14 October 2016 with a record date of 15 September 2016.

OUTLOOK

SEEK’s short-term financial outlook is as follows

- FY17 Reported NPAT (before significant items and before deducting early stage growth ventures of approximately A\$25m) is expected to be in the range of A\$215m to A\$220m
- In the event that SEEK makes further investments in Early Stage Ventures or other growth initiatives we will update our guidance statement

In conclusion Andrew Bassat commented, *“SEEK’s global platform and focused reinvestment is leading to new products and services which makes SEEK uniquely positioned to capture large market opportunities across the large human capital management industry. We are pleased with SEEK’s progress but there remains significant untapped opportunities. Our focus is to aggressively invest and execute our growth strategy to capitalise on these large growth opportunities.”*

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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.