



21 February 2023

The Manager
ASX Market Announcements Office
Australian Securities Exchange

Dear Manager

SEEK Limited – FY23 Half Year Results Announcement

In accordance with the Listing Rules, I enclose SEEK Limited's FY23 Half Year Results Announcement for immediate release to the market.

Yours faithfully,

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

Rachel Agnew
Company Secretary

Authorised for release by the Board of Directors of SEEK Limited

For further information please contact:

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ASX Announcement
21 February 2023

Revenue growth and investment for the long term

Highlights

- Volume growth in SEEK ANZ and to a lesser extent SEEK Asia
- Growth in yield, strongest in SEEK Asia
- Market and brand metrics maintained across ANZ and Asia
- Platform Unification remains on track for completion by the end of FY24
- Increase of 38% in value of investment in the SEEK Growth Fund since inception
- Deconsolidation of SEEK Growth Fund in December 2022

H1 23 Financial Results

		H1 23	H1 22	Growth %
Continuing Operations	Revenue	A\$626.7m	A\$517.2m	+21%
	EBITDA	A\$283.4m	A\$250.6m	+13%
	Reported NPAT (excl. significant items)	A\$135.0m	A\$124.2m	+9%
	Significant items	A\$nil	A\$2.5m	n/m
	Reported NPAT	A\$135.0m	A\$126.7m	+7%
Discontinued Operations	Reported NPAT (excl. significant items)	A\$2.7m	A\$8.7m	(69%)
	Significant items	A\$840.3m*	A\$(47.3)m	n/m
	Reported NPAT	A\$843.0m	A\$(38.6)m	n/m
Total Operations	Reported NPAT	A\$978.0m	A\$88.1m	n/m

*H1 23 significant item of A\$840.3m relates to gain on disposal of Discontinued Operations (SEEK Growth Fund)

EMPLOYMENT MARKETPLACES

- **SEEK ANZ: revenue up 19% and EBITDA up 8% vs pcp**
- **SEEK Asia: revenue up 25% and EBITDA up 78% vs pcp (constant currency)**

SEEK CEO and Managing Director Ian Narev said:

“Across our Asia Pacific markets, demand for labour remained high during H1 23 which led to increased job ad volumes. In the second quarter, volumes reduced moderately across all markets, and had the

usual seasonal variation. Yield increased through adoption of depth products, particularly in Asian markets. SEEK maintained its market leadership positions with stable placement metrics and brand awareness, with JobStreet and JobsDB showing the benefit of last year's increased marketing investment.

Across ANZ, volumes were higher than in the corresponding half last year, but lower than the peaks we saw in H2 22. Yield increased through higher depth adoption and increased variable ad prices. Our dynamic pricing structure is providing the ability to respond to changes in the marketplace and better align price to value.

In Asia, a new budget-based contract structure based on our ANZ approach was implemented progressively across our six markets. This was a major milestone for the business, and a direct result of the Platform Unification program. The new contract structure has led to increased substitution of basic ad products with depth products, which combined with higher ad prices, is increasing yield. Cost growth moderated following increased investment in the prior period. We continued to invest in key strategic areas such as experimentation with the seekMAX platform, an online learning platform being piloted in Indonesia, and growing commercial and sales functions to reflect the large market opportunity.

Platform Unification is progressing to plan and will be completed by the end of FY24. We reached a number of key milestones including the migration of all hirer and candidate data from the SEEK Asia platform to the SEEK ANZ platform. We performed extensive scalability testing to ensure the platform can support increased data and traffic. The CRM and ERP parts of the program are also progressing to plan and will be fully rolled out by the end of the current financial year.

Across Latin America, results continue to be mixed. In OCC, revenue grew due to higher volumes and increased yield, leading to margin expansion. In Brasil, revenue was impacted by the transition to the new candidate business model. The new model is now driving improved hirer and candidate metrics, putting the business on-track for a sustainable break-even EBITDA run-rate by end of this calendar year.

In China, Zhaopin has been impacted by severe COVID restrictions. Revenue declined 11%, but cost control ensured that EBITDA was in line with H1 22".

SEEK GROWTH FUND

Portfolio value increased 38% to A\$2,254m¹

- Based on valuation provided by the Fund's Manager at 31 December 2022
- Value of A\$2,254m is after a downward adjustment of 18% to reflect disconnect between public and private valuations

Continued revenue growth across the portfolio

- Companies in the ESV portfolio grew revenue 70%² vs pcip
- OES revenue growth was driven by Online Program Management. EBITDA declined due to investment in marketing and scaling partnerships

SEEK deconsolidated the Fund during H1 23

- SEEK determined that it no longer controlled the Fund and deconsolidated the Fund's results as at 19 December 2022
- SEEK recognised a one-off gain of A\$840m in H1 23 (included in significant items) reflecting the difference between SEEK's share of fair value of the Fund and the carrying value of the assets³
- Post deconsolidation, SEEK will equity account for the Fund, recognising its share of the Fund's profit and loss, including movements in fair value of the portfolio

¹ Portfolio valuation of A\$2,254m represents 100% valuation. SEEK's legal ownership in the Fund is 84.5%. Unaudited valuation (review opinion only).

² Based on look-through revenue which represents net revenue of investments multiplied by SEEK's ownership interest (based on comparable ownership interest across H1 23 and H1 22).

³ The net gain of A\$840m includes a loss on disposal of FutureLearn of A\$89.5m. Refer to SEEK's H1 23 Results Presentation and SEEK's Half-year report 2023 for further detail on the fair value gain.

Ian Narev said:

“The value of SEEK’s investment in the Fund has increased 38% since inception. This increase has been driven by recent funding rounds within the HR Software as a Service theme, partially offset by valuation declines in some assets within the Education theme. We have continued to observe a disconnect between private market valuations and the declines in public market valuations of technology businesses. Consistent with the approach at FY22, a downward adjustment has been applied to the portfolio valuation.

In December we deconsolidated the Fund and recognised a one-off gain of \$840m. Whilst this event represents a change in the way we account for the Fund, there is no change to the operations or governance of the Fund which will continue to operate independently of SEEK.”

CAPITAL MANAGEMENT

The Board determined a H1 23 interim dividend of 24 cents per share, fully franked. The interim dividend will be paid on 5 April 2023 with a record date of 23 March 2023. The dividend is in line with SEEK’s capital management framework and reflects a payout of 95% of Cash NPAT less Capex.

In December 2022, SEEK established a new US\$200m long term debt facility. The overall tenor of debt is a weighted average of 3.7 years⁴ with the next maturity date in November 2024. SEEK has total debt facilities of A\$2.1b and A\$1.02b of cash and undrawn facilities as at 31 December 2022.

SEEK’s CFO Kate Koch commented:

“We are pleased to declare a dividend of 24 cents per share whilst investing in key strategic initiatives including Platform Unification. This is testament to SEEK’s ability to generate strong cash flows. Our balance sheet is well placed to support our long-term growth agenda.”

OUTLOOK | SEEK’s FY23 GUIDANCE

FY23 guidance (excluding significant items) for SEEK’s Continuing Operations

- Revenue of approximately A\$1.26bn
- EBITDA of approximately A\$560m
- NPAT of approximately A\$250m

Further detail on SEEK’s FY23 guidance including key assumptions is provided in SEEK’s H1 23 results presentation.

Ian Narev concluded:

“We are all aware of the potential for ongoing volatility in economic conditions across all our markets. As flagged at the November AGM, we are seeing a gradual moderation in key labour market indicators and our job ad volumes. Our guidance for revenue for the remainder of this financial year remains within the range we provided in August, albeit towards the lower end of that range. Our EBITDA guidance assumes no change to our investment plans for the remainder of the year, including Platform Unification. From the beginning of the 2024 financial year, the spend required on the program will begin to slow materially. In the meantime, we will maintain a relatively higher level of spend so that the program maintains its pleasing progress, and we make the other investments required to maintain our strong competitive positions. By doing so we will be in a good position to fully exploit the innovation and efficiency benefits of the unified platform.”

⁴ Excludes subordinated debt; consistent with FY22 disclosure.

Authorised for release by SEEK's Board of Directors.

For further information or to arrange an interview please contact:

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Forward-looking statements

This announcement contains certain "forward-looking statements". Forward looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target", "continue", "anticipate", "guidance", "outlook", "aim" and other similar expressions are intended to identify forward-looking statements. 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.

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. SEEK believes the expectations reflected in these statements are reasonable, but they may be affected by a range of uncertainties and variables, many of which are beyond the control of SEEK, which could cause results, trends or circumstances 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 currency, accuracy, reliability 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.

You are cautioned not to place undue reliance on any forward-looking statements regarding our belief, intent or expectations with respect to SEEK's businesses, market conditions and/or results of operations (particularly in light of the current economic uncertainties and volatility and continued disruption in connection with COVID-19).

Not advice

Information in this announcement, including forecast financial information, should not be considered as investment, legal, tax or other advice. You should make your own assessment and seek independent professional advice in connection with any investment decision.

Non-IFRS Financial Information

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" 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.

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.