



15 August 2023

The Manager  
ASX Market Announcements Office  
Australian Securities Exchange

Dear Manager

**SEEK Limited – FY23 Full Year Results Announcement**

In accordance with the Listing Rules, I enclose SEEK's FY23 Full 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**

**For further information please contact:**

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ASX Announcement  
15 August 2023

**Revenue and earnings growth underpinned by higher yield – Platform Unification well on track**

**Highlights**

- Revenue growth from higher yield, strongest in SEEK Asia
- Variable pricing and depth adoption creating yield growth
- Market leading placement share and brand awareness maintained
- Platform Unification well on track: ERP platform delivered, CRM platform ready for Asia roll-out, all software development for online marketplace completed and ready for testing, and incremental costs already being removed from the cost base
- Increase of 41% in value of investment in the SEEK Growth Fund (the Fund) since creation<sup>1</sup>

**FY23 Financial Results**

A\$m	FY23	FY22	Growth %
<b>Continuing Operations</b>			
<b>Revenue</b>	<b>1,225.3</b>	<b>1,116.5</b>	<b>10%</b>
<b>EBITDA</b>	546.1	509.1	7%
<b>Adjusted NPAT*</b>	<b>255.0</b>	<b>256.8</b>	<b>(1%)</b>
SEEK Growth Fund	(57.1)	(11.3)	n/m
Significant items <sup>2</sup>	4.8	(4.7)	n/m
<b>Reported NPAT</b>	<b>202.7</b>	<b>240.8</b>	<b>(16%)</b>
<b>Discontinued Operations</b>			
<b>Adjusted NPAT*</b>	<b>3.1</b>	<b>14.1</b>	<b>(78%)</b>
Significant items <sup>3</sup>	817.8	(86.1)	n/m
<b>Reported NPAT</b>	<b>820.9</b>	<b>(72.0)</b>	<b>n/m</b>
<b>Reported NPAT - Total operations</b>	<b>1,023.6</b>	<b>168.8</b>	<b>n/m</b>

**\*Change in non-IFRS profit measure**

- SEEK has changed its non-IFRS profit measure from Reported NPAT (excluding significant items) to Adjusted NPAT to better reflect profit from SEEK's core operations
- Adjusted NPAT for Continuing Operations is defined as Reported NPAT excluding the Fund and significant items
- FY23 guidance provided on 4 April 2023 for FY23 Reported NPAT Continuing Operations (excluding significant items) was "approximately A\$250m". On a like for like basis, FY23 guidance on an Adjusted NPAT basis would have been "approximately A\$263m". A detailed reconciliation from Reported NPAT (excluding significant items) and Adjusted NPAT for the FY23 guidance as well as FY22 comparative is provided in Appendix 1
- Adjusted NPAT for Discontinued Operations is defined as Reported NPAT excluding significant items

<sup>1</sup> The creation of the Fund was announced in August 2021.

<sup>2</sup> Comprises gain on disposal of Ringier One Africa Media of A\$8.3m (including a tax benefit of A\$6.5m arising from capital losses on disposal) and tax benefit of A\$1.0m arising from capital loss generated from liquidation of JobStreet Education, partially offset by an impairment charge against the carrying value of Expertlead of A\$4.5m.

<sup>3</sup> Comprises gain on disposal of Discontinued Operations of A\$840.3m (the Fund) partially offset by amounts relating to the disposal of SEEK's controlling interest in Zhaopin in May 2021 comprising a A\$8.3m decrease in the receivable after discounting and A\$14.2m in FX losses on receivables and payables.

## EMPLOYMENT MARKETPLACES

- **SEEK ANZ: revenue up 5% and EBITDA down 2% vs pcg**
- **SEEK Asia: revenue up 17% and EBITDA up 76% vs pcg (constant currency)**

SEEK CEO and Managing Director Ian Narev said:

*“SEEK has grown revenue and earnings in FY23, with yield improvements coming through increased variable pricing and adoption of depth products. This yield performance has more than offset lower job volumes caused by a slowing of economic activity across all markets in FY23, and particularly in the last quarter.*

*In ANZ, after unprecedented demand led to record job volumes in FY22, volumes moderated in FY23. However the job market remains tight with a low unemployment rate. Applications per job ad have recovered to pre-pandemic levels due to increased candidate activity and lower job volumes. Our dynamic pricing and suite of depth products have enabled us to respond to this environment and better align price to the value SEEK delivers.*

*In Asia, we achieved a major milestone with the implementation of a new budget-based contract structure across our six markets. This is a direct result of the Platform Unification program. The new structure has led to increased substitution of depth products for basic ad products, which along with higher ad prices has delivered higher yield to more than offset lower paid volumes.*

*The Platform Unification program has progressed well through this year. All software development for the unified online marketplace has been completed. Subject to successful testing, the roll-out will begin in November 2023 and will be completed well within guidance timeline. This follows the successful roll-out of the APAC-wide Enterprise Resource Planning (ERP) platform and the launch of a new Customer Relationship Management (CRM) platform in ANZ, which will roll-out across SEEK Asia in FY24. The run-rate spend on the program has already declined and by the end of FY24 the incremental unification investment will be entirely removed from the cost base.*

*OCC's revenue grew due to increased yield and volumes, which led to growth in EBITDA and margin. In Brasil, Catho saw positive early signs from its transition to a new candidate business model, with the business having achieved break-even EBITDA in June 2023.*

*The Chinese economy's recovery following the lifting of COVID-19 restrictions earlier in the year has been slower than expected, leading to weaker revenue conditions for Zhaopin. Despite this, cost management enabled Zhaopin to grow EBITDA.”*

## SEEK GROWTH FUND

### **Portfolio value increased 41% to A\$2,318m<sup>3</sup>**

- Based on valuation provided by the Fund's Manager at 30 June 2023
- Value of A\$2,318m is after maintaining a downward adjustment of 18% to reflect a valuation lag as many private companies have not raised capital since the decline in comparable public company valuations
- SEEK committed to two-thirds of the Fund's A\$90m capital raise in May 2023 which is intended to be SEEK's final investment of new capital in the Fund

### **Quality assets within the portfolio**

- Companies in the ESV portfolio grew look-through revenue by 44%<sup>4</sup> vs pcg
- The Fund's largest businesses continue to attract capital and strong cash positions

<sup>3</sup> Portfolio valuation of A\$2,318m represents 100% valuation. SEEK's legal ownership in the Fund is 83.8%. Audited valuation provided by the Fund's manager at 30 June 2023.

<sup>4</sup> Look-through share represents net revenue of investments multiplied by the Fund's diluted ownership interest (based on comparable ownership interest across FY23 and FY22). Excludes OES & Coursera.

## SEEK deconsolidated the Fund during FY23

- SEEK determined that it no longer controlled the Fund and has deconsolidated the Fund's results as at 19 December 2022
- SEEK recognised a one-off gain of A\$840m<sup>5</sup> in FY23 (included in significant items) on deconsolidation reflecting the difference between SEEK's share of fair value of the Fund and the carrying value of the assets
- SEEK began equity accounting for the Fund in H2 FY23, recognising its share of the Fund's portfolio valuation movement and carried interest liability
- SEEK has recognised an A\$86m carried interest liability which relates to SEEK's share of the increase in net asset value since creation of the Fund (approximately A\$595m<sup>6</sup>)

Ian Narev said:

*"The quality of the Fund's portfolio was again demonstrated in FY23 by its performance in a weakening economic and funding environment. The value of SEEK's investment in the Fund has now grown 41% since creation, driven by strong gains by businesses in the HR Software as a Service theme. Consistent with the approach at FY22, this growth is after a downward adjustment to the portfolio valuation as the Fund has observed a difference between private market valuations and comparable public companies."*

## CAPITAL MANAGEMENT

The Board determined a FY23 final dividend of 23 cents per share, fully franked. The total FY23 dividends were 47 cents per share, fully franked. The final dividend will be paid on 3 October 2023 with a record date of 7 September 2023. The total FY23 dividend is in line with SEEK's capital management framework and reflects a payout of 96% of Cash NPAT less Capex.

In December 2022, SEEK established a new US\$200m long term debt facility with the proceeds used to repay subordinated debt (A\$225m). The overall tenor of debt has a weighted average of 3.2 years with the next maturity date in November 2024. SEEK has total debt facilities of A\$1.9b and A\$828m of cash and undrawn facilities as at 30 June 2023.

SEEK's CFO Kate Koch commented:

*"Our decision to pay a dividend near the top end of our target payout range demonstrates our comfort with our balance sheet, and our view that SEEK's strong cash flow generation will continue to enable us to invest in the major strategic opportunities that we outlined to the market in April, particularly since Platform Unification is coming to an end."*

## OUTLOOK | SEEK's FY24 GUIDANCE

### FY24 guidance (excluding the Fund and significant items)<sup>7</sup>

- Revenue of approximately A\$1.18bn to A\$1.26bn
- EBITDA of approximately A\$520m to A\$560m
- Adjusted NPAT of approximately A\$220m to A\$260m

Please refer to SEEK's FY23 results presentation lodged with the ASX on 15 August 2023 for detail on SEEK's FY24 guidance including key assumptions.

Ian Narev concluded:

*"Economists are generally forecasting lower levels of economic activity in the markets in which we operate, whilst acknowledging the potential for volatility. Our FY24 guidance is based on our best current estimates, though any degree of precision is difficult. In ANZ, we currently expect higher unemployment and a corresponding decline in job ad volumes. In Asia, we expect changes in unemployment to be mixed across the region, leading to similar levels of aggregate paid ad volumes as FY23. Whilst conditions are easing, labour markets remain tight relative to historic benchmarks, so we expect wage growth to persist. That will support ongoing yield growth."*

<sup>5</sup> The net gain of A\$840m includes a loss on disposal of FutureLearn of A\$89.5m.

<sup>6</sup> Calculation based on SEEK's share of valuation gain on invested capital (includes seeded investments) since creation of the Fund, adjusted for distributions.

<sup>7</sup> Based on Continuing Operations.

We noted in our strategy overview, presented to the market on 4 April 2023, that we see a great deal of opportunity for SEEK in the coming years and we remain confident of our ability to achieve the A\$2 billion revenue target. Our preference is to continue to invest to capture those opportunities, even if revenue conditions are somewhat slower than we expect. It is helpful that the impending completion of the Platform Unification program is creating capacity. Total incremental unification costs are already down more than 30% from the monthly peak in FY23, and will all be out of the business by the end of FY24, as we committed. So even with the investment we are planning, overall costs will not grow in FY24. That said, we now need to increase the speed of our product development after a prolonged period of lower activity due to the major project. So it is incumbent upon us to identify productivity improvements and drive efficiencies across the business so we can continue to create investment capacity.”

## **ANNUAL GENERAL MEETING**

SEEK's Annual General Meeting will be held in Cremorne, Victoria on 15 November 2023.

**Authorised for release by SEEK's Board of Directors.**

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

### **Investors and Analysts**

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### **Media**

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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).

### **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.

## APPENDIX 1: Reconciliation of Reported profit to Adjusted profit (Continuing Operations)

SEEK has changed its reported non-IFRS profit measure from Reported NPAT (excluding significant items) to Adjusted NPAT to better reflect profit from SEEK's core operations. Adjusted NPAT for Continuing Operations is defined as Reported NPAT excluding the Fund and significant items.

The following table is to be read in conjunction with the explanatory notes below and reconciles the FY22 comparative and FY23 guidance (published on 4 April 2023) from Reported NPAT Continuing Operations (excluding significant items) to Adjusted NPAT Continuing Operations.

A\$m	Note	FY23	FY22	Growth %	FY23 Guidance	FY23 actual vs guidance %
<b>Reported NPAT</b>		<b>202.7</b>	<b>240.8</b>	<b>(16%)</b>		
<b><u>Adjusted to exclude</u></b>						
Significant items		4.8	(4.7)	n/m		
SEEK Growth Fund						
Share of portfolio valuation increase		46.6	-	n/m		
Share of movement in carried interest		(85.7)	-	n/m		
Tax expense		(5.0)	-	n/m		
	Note (1)	(44.1)	-	n/m		
<b>Reported NPAT excluding significant items and the Fund (including management fees)</b>	Note (2)	<b>242.0</b>	<b>245.5</b>	<b>(1%)</b>	<b>250.0</b>	<b>(3%)</b>
<b><u>Adjusted to exclude</u></b>						
Management fees (fund owned assets)						
Management fees	Note (3)	(18.5)	(16.2)	(14%)	(18.5)	
Tax benefit		5.5	4.9	12%	5.5	
		(13.0)	(11.3)	(15%)	(13.0)	
<b>Adjusted NPAT</b>	Note (4)	<b>255.0</b>	<b>256.8</b>	<b>(1%)</b>	<b>263.0</b>	<b>(3%)</b>

### Notes:

- (1) SEEK's share of the equity accounted results of the Fund since deconsolidation on 19 December 2022 (including share of Fund valuation increase and carried interest liability). The carried interest liability relates to SEEK's share of the increase in net asset value since creation of the Fund.

Prior to deconsolidation, the results of the Fund were included in Discontinued Operations.

- (2) Proforma result to enable the comparison between FY22 actuals and previously published FY23 guidance of "approximately A\$250m" (published on 4 April 2023)

- (3) Relates to management fees for assets owned by the Fund and managed by the Fund's Manager. Management fees related to assets owned by SEEK and managed by the Fund's Manager of A\$5.0m in FY23 remain in Adjusted NPAT (FY22: A\$4.6m)

- (4) Reflects Reported NPAT excluding the Fund and significant items