



Seven West Media

1H FY23 results

14 FEBRUARY 2023

BELOW DECK

bravo / 7+



1

1H FY23 Highlights



Key Operational Achievements

- ▶ #1 national audience share in CY22 (total people, 16-to-39s)
- ▶ 39.3% total TV revenue share in 1H23, tracking in line with target
- ▶ Secured long term broadcast and digital rights for AFL, Cricket and NBCUniversal
- ▶ Underlying 7Digital EBITDA growth of 35% (excl. Olympics)
- ▶ New venture investment in View Media Group



Key Financial Metrics

Revenue
\$815m
↓ 0.5%

Expenses
\$610m
↑ 1.0%

EBITDA
\$205m
↓ 4.8%

Operating Cashflow
before interest & tax
↑ **\$204m**
54.5%

Underlying NPAT¹
\$123m
↓ 4.1%

Adjusted Net Debt²
\$223m
0.7x Net Debt/EBITDA LTM



Network Content Foundation Secured With Long Term Rights



- AFL broadcast and new digital rights secured from 2025 to 2031
- #1 Winter code will maintain its home on Seven and, for the first time, 7plus
- 7plus will include live and replay matches as well as catch-up rights and highlight packages
- Rights fee will increase 14% in 2025 and at 2% annually thereafter



CRICKET
AUSTRALIA

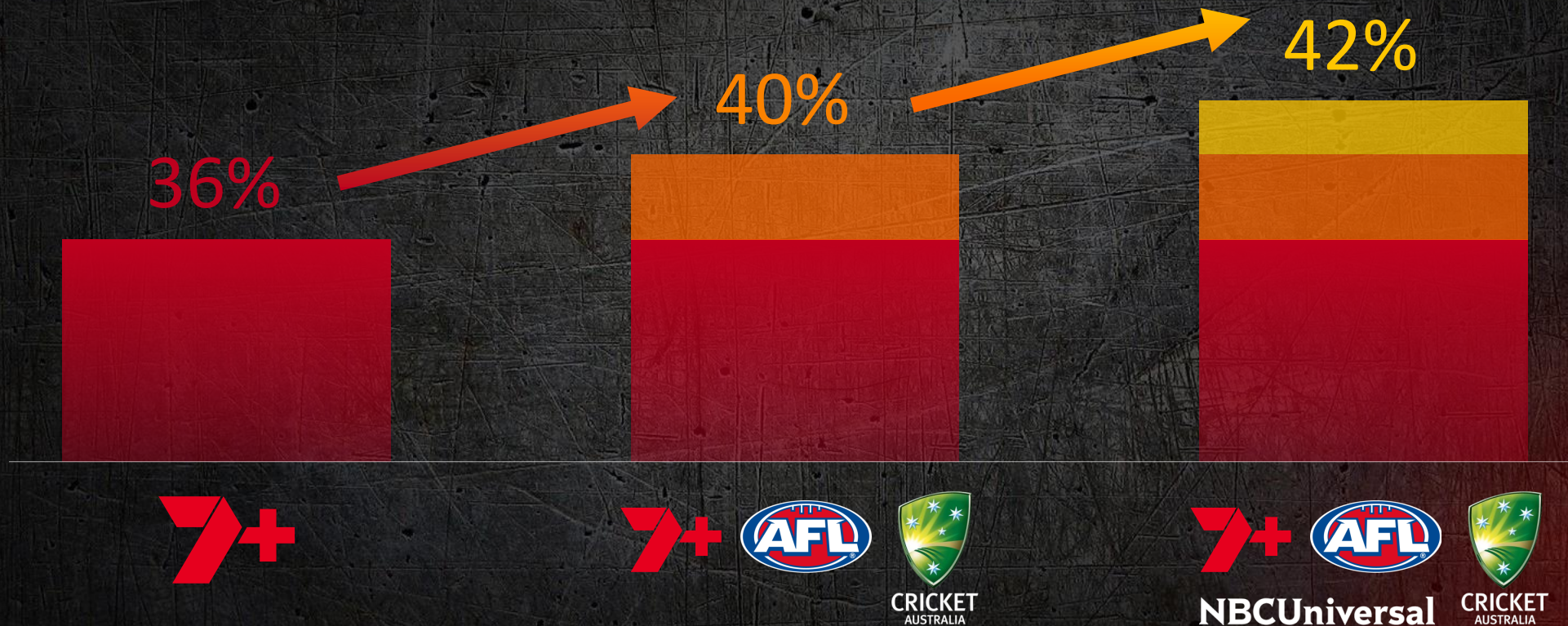
- Test cricket and BBL rights for broadcast and digital secured to 2031
- Cricket Australia has committed to improving the BBL and is financially incentivised
- New deal delivers \$50m cash saving vs current agreement
- Rights fee will be reduced 13% to \$65m in 2024 and grow at 2% annually thereafter

NBCUniversal

- Long-term agreement with NBCUniversal, strengthening the female demographic appeal
- New free-to-air and streaming channel, 7Bravo, and large-scale 7plus digital content deal
- First full year cost of \$45-50m (including marketing and new channel overheads)
- Positive launch with 7Bravo and NBCU content has secured three of the top 25 shows in BVOD in first weeks of launch

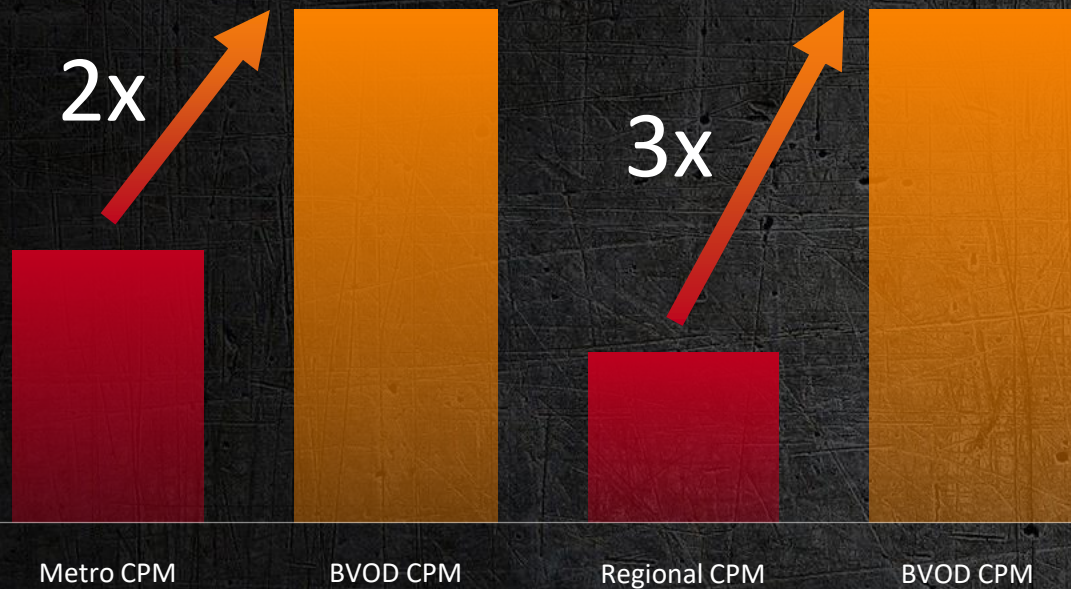
New Content Deals To Bolster BVOD Market Share

BVOD 2022 minutes share with expected contribution from new content deals¹



Opportunity To Monetise BVOD Audience

CPM differential metro, regional broadcast and BVOD¹



Greater audience targeting

45%
Impressions Sold with Data

Younger registered users

55%+
15-39 years old

Ad product innovation



Broader market appeal

3x
of broadcast
advertisers



1. CPM based on total people in CY22

2

Financial Performance



Profit And Loss

Revenue
\$815m

Underlying
Group EBIT
\$185m

Underlying Group
net profit after tax
\$123m

Significant
items before tax
\$13m

Basic EPS excl.
significant items
8.0cps

INCOME STATEMENT

	1H23 \$m	1H22 \$m	Inc/(Dec) %
Revenue and other income	815.4	819.5	(0.5%)
Share of net profit of equity accounted investees	0.1	0.2	(50.0%)
Operating expenses (excluding depreciation and amortisation)	(610.5)	(604.4)	1.0%
EBITDA	205.0	215.3	(4.8%)
Depreciation and amortisation	(19.9)	(11.8)	68.6%
Profit before significant items, net finance costs and tax	185.1	203.5	(9.0%)
Net finance costs	(16.9)	(20.3)	(16.7%)
Profit before significant items and tax	168.2	183.2	(8.2%)
Significant items before tax	(12.5)	(9.6)	30.2%
Profit / (loss) before tax	155.7	173.6	(10.3%)
Tax / (expense) benefit	(40.8)	(53.1)	(23.2%)
Profit / (loss) after tax	114.9	120.5	(4.6%)
Underlying net profit after tax excluding significant items	123.4	128.7	(4.1%)



Financials: Seven

- Seven secured a 39.3% total TV share
- Total TV market declined 4.5%¹ in 1H23, partly impacted by the Olympics in PY
 - Metro free-to-air advertising market declined 6.4%
 - Regional free-to-air advertising market declined 1.7%
 - BVOD market grew 5.4%
- 1H23 includes full half contribution from Prime
- Costs in line with expectations and temporary savings identified
- Underlying 7Digital EBITDA growth of 35% excluding the Olympics
- Program sales earnings in the period of \$18 million, flat YoY

SEVEN	1H23 \$m	1H22 \$m	Inc/(Dec) %
Revenue			
Broadcast and program sales	628.8	634.9	(1.0%)
Digital	101.0	97.2	3.9%
Total Revenue	729.8	732.1	(0.3%)
Expenses			
Broadcast and program sales	(512.7)	(505.9)	1.3%
Digital	(21.3)	(21.0)	1.4%
Total Expenses	(534.0)	(526.9)	1.3%
EBITDA			
Broadcast and program sales	116.1	129.0	(10.0%)
Digital	79.7	76.2	4.6%
Total EBITDA	195.8	205.2	(4.6%)
EBIT			
Broadcast and program sales	99.1	119.7	(17.2%)
Digital	77.4	74.2	4.3%
Total EBIT	176.5	193.9	(9.0%)

1 FreeTV



Financials: WAN and Other

WAN

- Strong multi-platform audience growth up 1.3% with TheWest.com.au up 15.9%¹
- Advertising conditions mixed, strong national retail spend, but auto and real estate demand outstripping supply and still to return to pre-pandemic levels
- Paywall penetration growing, digital circulation revenue increased 28%
- Material uplift in paper costs incurred in the period and additional week drove costs higher. Adjusted for the extra week, costs would be down 1.2%

WAN	1H23 ¹ \$m	1H22 \$m	Inc/(Dec) %
Revenue	84.9	85.8	(1.0%)
Costs	(67.6)	(66.4)	1.8%
EBITDA	17.3	19.4	(10.8%)
EBIT	16.9	19.2	(12.0%)

OTHER & CORPORATE COSTS	1H23 \$m	1H22 \$m	Inc/(Dec) %
Revenue	0.7	1.9	(63.2%)
Costs	(8.9)	(11.2)	(20.5%)
EBITDA	(8.2)	(9.3)	11.8%
EBIT	(8.4)	(9.5)	11.6%

Financials

STATUTORY RESULTS

STATUTORY RESULTS	1H23 \$m	1H22 \$m	Inc/(Dec) %
Profit / (loss) before tax	155.7	173.6	(10.3%)
Profit / (loss) after tax	114.9	120.5	(4.6%)
Basic EPS	7.4	7.8	(5.1%)
Diluted EPS	7.3	7.8	(6.4%)

ADDITIONAL INFORMATION	1H23 \$m	1H22 \$m	Inc/(Dec) %
Earnings per share based on net profit excl. significant items (net of tax)			
Underlying group EBIT	185.1	203.5	(9.0%)
Profit after tax excluding significant items	123.4	128.7	(4.1%)
Significant items (net of tax)	(8.5)	(8.2)	3.7%
Profit / (loss) after tax	114.9	120.5	(4.6%)
Underlying Basic EPS	8.0	8.4	(4.8%)
Underlying Diluted EPS	7.8	8.4	(7.1%)

Underlying results exclude significant items



1H FY23 RESULTS / 14 FEBRUARY 2023

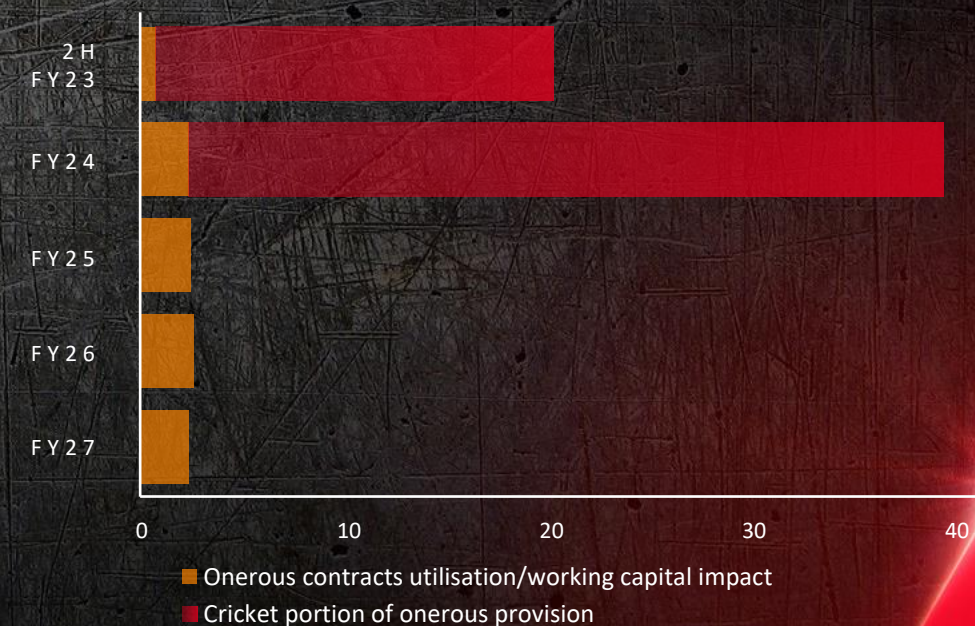
SIGNIFICANT ITEMS	1H23 \$m	1H22 \$m
Reversal of previously impaired/ (impairment of) intangible assets	-	-
Net impairment of other assets	-	-
Total impairments and write-offs	-	-
Major IT project implementation costs	(13.4)	-
Net Gain/(Loss) on investments	0.9	(4.8)
Other	-	(4.8)
Total significant items before tax	(12.5)	(9.6)
Tax benefit /(expense)	4.0	1.4
Net significant items after income tax	(8.5)	(8.2)

Cashflow

CASH FLOW	1H23 \$m	1H22 \$m	Inc/ (Dec)%
EBITDA	205.0	215.3	(4.8%)
Working capital and other movements	(1.0)	(83.1)	nm
Dividends received net of share of associates (profit) / loss	(0.1)	(0.2)	(50.0)%
Operating cash flow before interest and tax	203.9	132.0	54.5%
Tax paid, net of refund	(82.3)	21.0	nm
Net finance costs paid	(16.0)	(22.4)	(28.6%)
Net payment for property, plant & equipment and software	(20.7)	(8.2)	nm
Net proceeds from disposals & payments for investments & loans issued	(1.7)	9.8	nm
Upfront finance costs	-	(7.2)	nm
Lease payments (excluding interest)	(5.9)	(4.5)	31.1%
Other	(6.0)	2.7	nm
Net increase in cash and cash equivalents	71.3	123.2	(42.1%)
Opening net (debt) cash	(256.5)	(240.0)	6.9%
Change in unamortised refinancing costs	(1.2)	0.1	nm
Closing net (debt) cash	(186.4)	(116.7)	59.7%

- Cash tax expense higher due to catch-up on FY22 cash payments
- Net debt adjusted for timing benefit was \$223m (0.7x Net debt/EBITDA)
- Capex forecast maintained at c\$40m in FY23
- Project CODE7+ investment of \$25m in FY23
- On-market buyback underway of up to 10% of shares on issue. Dividend to remain on hold given prevailing market conditions.

Onerous contracts utilisation by year (\$m)



3

Content Underpins Largest Total TV Audience In Australia

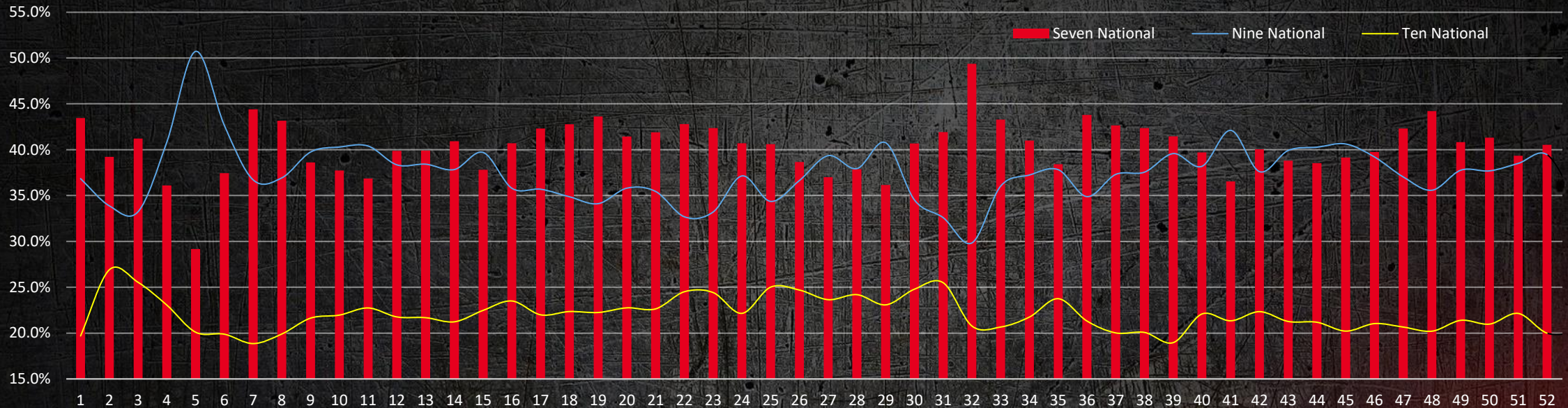


1H FY23 RESULTS / 14 FEBRUARY 2023



Seven Maintains Dominant #1 Ratings Position, Winning 38 Of 52 Weeks

National Broadcast share: Total People (2022)



7 #1 Network
In Total People

7 #1 Network
in 16 to 39s

7NEWS #1 News

AFL #1 Winter Sport

7+ Up 16%
Year-on-year

sunrise #1 Breakfast

Home and Away #1 Drama

two #1 Multichannel
In Total people

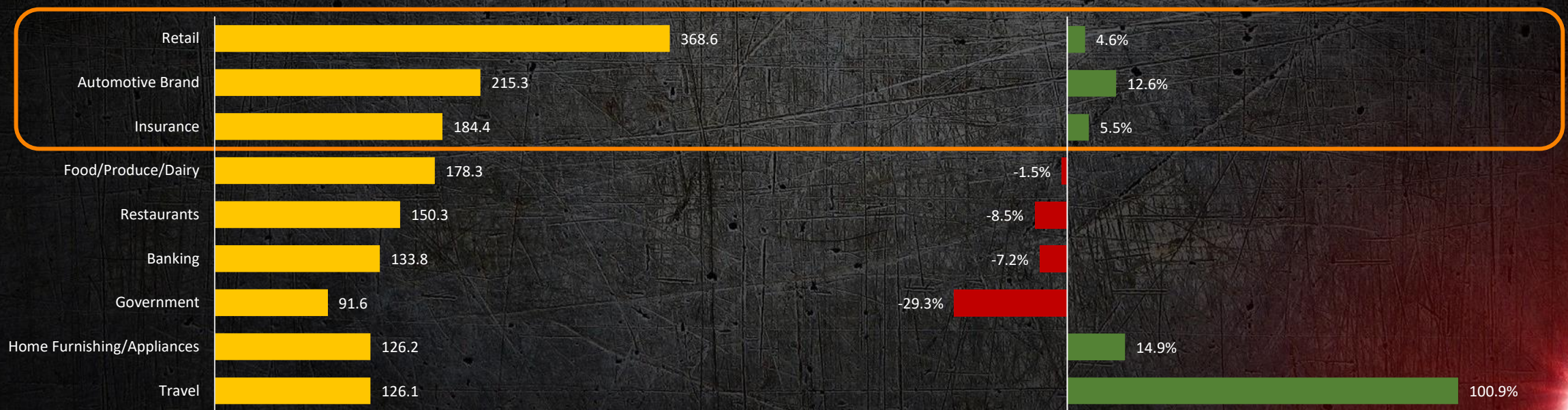


Key Advertising Categories Remain Robust With Auto And Travel Recovering Strongly

- Total TV market declined 4.5% in 2H CY22
- BVOD market grew 5.4% in 2H CY22

1H23 Total TV Advertising Spend

Vs Previous corresponding period



7Digital Underlying EBITDA Growth Of 35%

7Digital Underlying Revenue¹

↑ 29%

7plus Minutes Growth (Dec - Jan 2023)

↑ 27% YoY

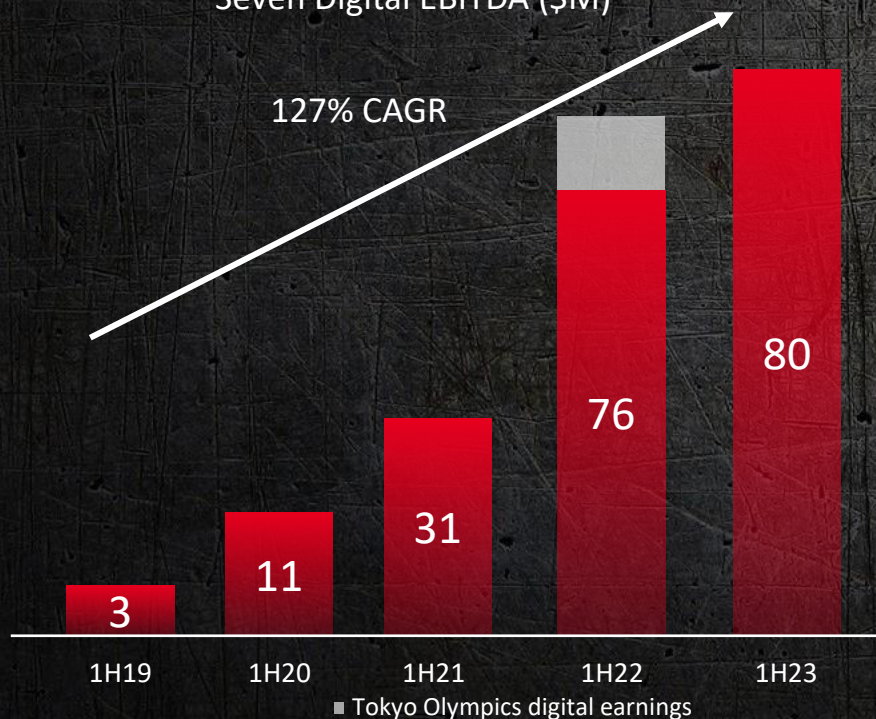
BVOD CPM Growth

↑ 6%

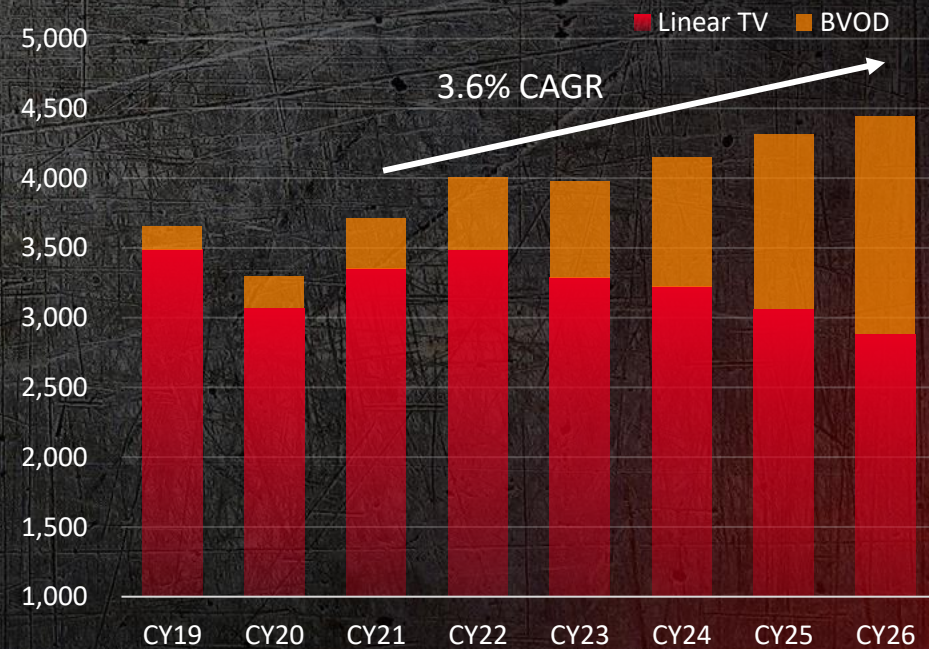
BVOD Market CY22

↑ 18%

Seven Digital EBITDA (\$M)



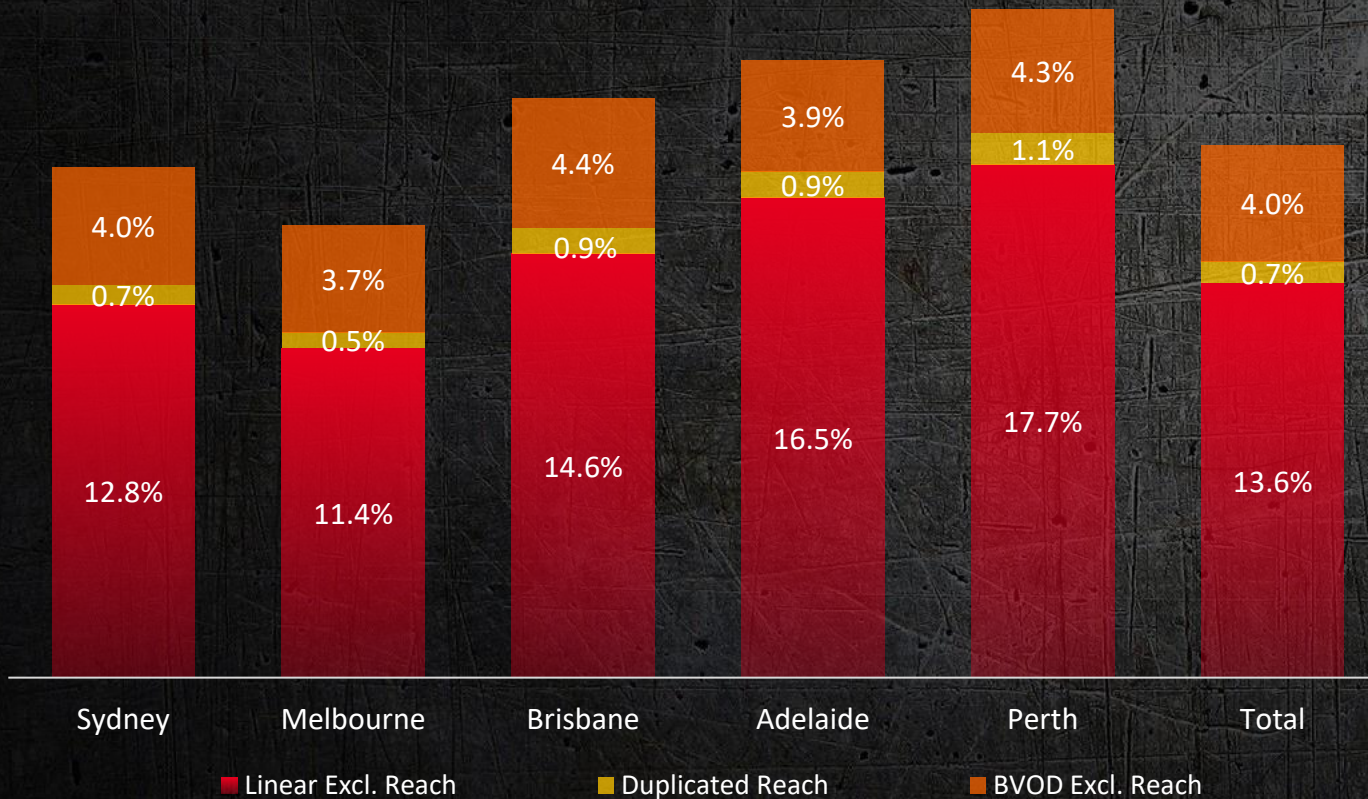
Total TV: BVOD underpins growth for total TV²



1: Underlying 7Digital revenue is adjusted to remove Olympics revenue in 1H22
 2: PWC Australia Entertainment & Media Outlook 2022-2026

VOZ To Support Incremental Demand For BVOD

Reach and frequency benefit from Unilever test campaign



Total TV delivered 28% incremental reach with BVOD

Greater efficiency: 21% lower cost per reach point

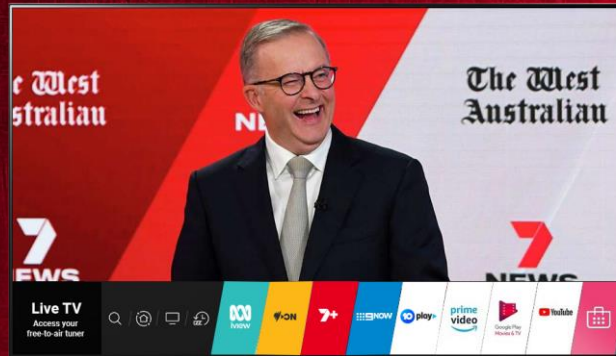
Results support increasing BVOD spend in campaigns



Digital Priorities In 2H FY23: Positive Progress On All Initiatives

PROMINENCE

IMPROVE 7PLUS DISCOVERY AND USE



- Positive developments with the Government committing to regulating prominence. A public consultation process has commenced.
- Free TV has submitted its response to the anti-siphoning review, advocating for the scheme to be extended to global streaming players.

PERSONALISATION

INCREASE ENGAGEMENT AND CONSUMPTION



- Dynamic user experience has been enabled across 7plus providing personalised content recommendations based on genre preferences and likelihood to view.
- Initial results indicate c15% uplift in user engagement. New capability and AI features will be deployed over the next six months to build on these results.
- New contextual shoppable ad units to be introduced in 3Q.

TRADING PLATFORM

MAXIMISE INVENTORY UTILISATION AND YIELD



- First phase on digital replacement now live
- Second phase targeting completion by mid-2024. Broadcast and digital deliverables include:
 - Simplify the buying process
 - Support national & converged buying
 - Optimise inventory, increasing availability
 - Drive greater revenue from yield

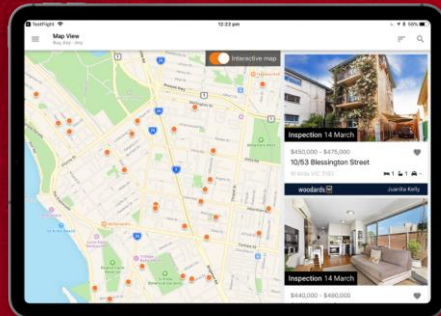
New Venture In 1H FY23 – View Media Group

SWM contra investment for c20% stake in disruptive real estate platform

EXPERIENCED TEAM

HIGHLY CAPABLE TEAM WITH STRONG TRACK RECORD

- View Media Group led by Antony Catalano who has deep real estate media & technology experience
- Backed by ACM and Thorney Investment Group
- Seven West Media completed its investment of \$12m cash and \$24m media in August 2022
- ANZ invested \$50m cash in February 2023



LARGE CATEGORY

AUSTRALIAN PROPERTY MARKET

- AU property market worth approximately ~\$10T
- Large established opportunity with leading platforms earning ~\$1.5bn p.a. in revenue
- Ambition for View Media Group to disrupt core and adjacent markets with new offerings
- Significant opportunity in adjacent markets of home loans, insurance, connections and transaction-related services



OPPORTUNITY TO DISRUPT

DIFFERENTIATED BUSINESS MODEL

- Roll up of group companies underway with plan to integrate businesses and go-to-market strategy
- Group businesses include listings portal, new developments site, real estate marketing and technology services, AI-driven software services, and comparison & connections.
- Key components in place with businesses, technology assets and operations consolidating under one team, plus investment from strategic partners

realestate
view AD Group
propic thetoday.business
tomorrow Beevo



Cost Outlook

COST DISCIPLINE MAINTAINED DESPITE INFLATIONARY PRESSURES

Group Operating Costs (Ex D&A) - \$M



Trading Update



- Second half total TV market and share expectations:
 - Early indications suggest market may decline mid to high single digits in 2H, but limited visibility at this stage
 - BVOD expected to maintain double digital growth
 - Seven to grow total TV share
- Seven's trading:
 - January and February weaker than 1H trend, partly due to one-off events;
 - March relatively better, tracking in line with 1H trend
- Identified \$15-20m in cost savings to offset market conditions



5

Q&A



1H FY23 RESULTS / 14 FEBRUARY 2023

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