



Thursday, 7 November 2024

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

2024 ANNUAL GENERAL MEETING ADDRESSES AND TRADING UPDATE

Attached is a copy of the Chairman's Address and Managing Director and Chief Executive Officer's Address and Presentation to be made at the Annual General Meeting commencing at 11.00am AEDT today.

This release has been authorised to be given to ASX by the Board of Seven West Media Limited.

Attachments:

1. Chairman's Address and Managing Director & Chief Executive Officer's Address
2. Annual General Meeting Presentation Slides (including Trading Update)

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About Seven West Media

Seven West Media (ASX: SWM) is one of Australia's most prominent media companies, reaching more than 19 million people a month with a market-leading presence in content production across broadcast television, publishing and digital.

The company owns some of Australia's most renowned media businesses, including the Seven Network and its affiliate channels 7two, 7mate, 7flix and 7Bravo; the digital platform 7plus; 7NEWS.com.au; *The West Australian*; *The Sunday Times*; PerthNow; *The Nightly*; and Streamer. The Seven Network is home to Australia's most loved news, sport and entertainment programming, including **7NEWS**, **7NEWS Spotlight**, **Sunrise**, **The Morning Show**, **The Voice**, **Home and Away**, **Australian Idol**, **My Kitchen Rules**, **SAS Australia**, **Farmer Wants A Wife**, **The Chase Australia**, **Better Homes and Gardens**, **RFDS**, **The 1% Club** and the **TV WEEK Logie Awards**. Seven Network is also the broadcast partner of the AFL, Cricket Australia and Supercars.

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Seven West Media Limited 2024 Annual General Meeting

Chairman's Address

Managing Director and Chief Executive Officer's Address

Seven West Media acknowledges the Gadigal people of the Eora Nation as the Traditional Custodians of the Country we are meeting on today.

We pay our respects to Elders past and present, and extend that respect to all First Nations people present today.

Chairman: Mr Kerry Stokes AC

Firstly, please let me introduce the members of our Board:

I am joined by Teresa Dyson, Colette Garnsey, Michale Malone, Ryan Stokes, Michael Ziegelaar, and Jeff Howard, the Managing Director and Chief Executive Officer of Seven West Media.

I am very happy to report that Seven West Media is still one of Australia's leading media companies, an agile and ambitious business squarely focused on delivering world-class, market-leading content – in news, sport and entertainment – that attracts large, sought-after audiences across all of our broadcast, digital and publishing assets.

We face industry-wide challenges, including a subdued economic environment that is putting sustained pressure on advertising, and Federal Government policy settings that are creating unnecessary roadblocks.

Your Board acted swiftly this year to confront the headwinds facing our industry, initiating a group-wide restructure of our operations and management.

This was designed to invigorate the business and set us up to best exploit modern consumer habits, fast-track transformation, control costs, grow audiences and maximise revenues. Among several management changes, the former Chief Financial Officer, Jeff Howard, was promoted to Managing Director and Chief Executive Officer.

This preceded a new operating structure in which three streamlined divisions were created – television, digital and Western Australia. This positions the digital operations as our top growth priority and a fundamental driver of earnings.

While we drive sustainable change to bring consumers and advertisers together, our broadcast division once again dominated, cementing its place as the market leader, reaching 17 million viewers nationally every month.

Seven's prized sports programming, centred on our two most-loved national sports of AFL and cricket, continued to deliver exceptional audiences all year. Our new exclusive rights to major sporting events mean viewers can watch AFL and cricket for the first time on our free live streaming service, 7plus, as well as on our other digital assets.

The 2024 AFL Grand Final recorded the largest ever audience for an AFL game on a streaming platform. This is just the beginning, as we have big plans to dominate sports broadcasting in Australia on all platforms.

Not to be outdone, our news and current affairs programs, general interest and drama continue to attract strong audiences.

I'm very proud to say our West Australian operation continues to set the stage for our national business, with its deep and unrivalled integration in the community helping secure exceptional market dominance across broadcast, print and digital.

The division is also a market leader in digital innovation, best exemplified by the successful launch of Australia's newest, and fastest growing, national news brand, The Nightly. Its impact with readers and advertisers will help drive further adoption of technology that will transform how our business both delivers news and tells the stories connecting communities across all corners of our vast country.

There is no better example of this than Telethon, which this October brought the entire state of WA together to raise an incredible \$83.3 million for sick and vulnerable kids.

Our people are deeply ingrained in our towns and cities, where we fight for our viewers and readers. We are a business built on and loved by millions of Australians, who make up our broad Seven family.

This is in stark contrast to overseas-based streaming platforms. Unlike them, we pay our taxes, look after our people and follow the strict broadcasting rules.

Unfortunately, the Federal Government has failed to create a legislative environment that allows Australians unfettered and guaranteed access to free sports programming. Our parliamentarians are not doing enough to reinforce and strengthen the anti-siphoning rules in order to give every Australian access – for free – to iconic sporting events of national significance.

Seven will continue to give audiences first-class, free and live, content across all our platforms, and we will fight to protect families from unfair and un-Australian price barriers for viewers.

Our new management has also taken decisive, proactive steps to modernise our culture, and continue to build positive, inclusive, creative and high-performance environments that we are all proud to work in.

Our national broadcaster, the ABC's Four Corners program, recently veered well away from the ABC charter to engage in an egregious and unfair assault on our business and the reputation of our good people.

Our formal complaint to the ABC – making a compelling case that Four Corners had clearly failed to meet the broadcaster's own principles of impartiality, accuracy and fairness – was unsurprisingly ignored.

Despite our request, the ABC's Ombudsman has also refused to investigate the matter. The Four Corners program backfired as the ABC itself is now the subject of charges of hypocrisy and entrenched cultural problems including racism, misogyny and bullying.

This attack failed to dent the spirit and pride of our incredibly talented, hard-working and professional teams.

Despite the ongoing difficult economic conditions and the Federal Government's failure to create a fair media policy framework, we continue to reduce costs to stabilise the business and set us up for sustained growth.

We are fortunate to have in place a great team of creative people, who have made an incredible contribution to our success over many years.

On behalf of the Board, I thank you, our shareholders and our staff, for your ongoing support of Seven West Media as we navigate this challenging environment in order to propel our business toward a successful future.

I would now like to welcome Jeff Howard to speak to you.

Managing Director and Chief Executive Officer: Mr Jeff Howard

Thank you, Chairman, and good morning everyone.

It's a real privilege to lead our great media business.

Seven West Media is, first and foremost, passionately focused on creating and delivering valuable connections. We're very proudly a content-led business. Every day our audiences are growing as they engage with that content, whether that be news, sport or entertainment; on broadcast, our publishing assets or our digital properties. Our data platforms connect our partners with that audience like never before, enabling those audiences to be reached at scale – or at a totally micro level.

Financial Results

Our FY24 results reflected the challenging macroeconomic environment. Seven grew its audiences across total television: broadcast audience was up 0.5% and 7plus consumption grew by 39% in the financial year. Against this, revenue share was up 1.7 share points or the equivalent of \$44 million.

However, in a television advertising market that was down 8.2% or nearly \$300 million, group revenue including share of associates of \$1.415 billion was down 5% on FY23.

In an inflationary environment operating cost growth was held to 2% during the period, with a 4% year-on-year decline achieved in second-half costs.

Statutory net profit after tax of \$45 million was therefore down 69% on FY23, while underlying net profit after tax after excluding significant items was \$78 million, down 46%. Group earnings before interest, tax, depreciation and amortisation (EBITDA) before significant items of \$187 million was down 33% on FY23.

Net debt of \$301 million increased from \$257 million as of 30 June 2023, driven by the \$67 million invested in the purchase of ARN Media shares. Underlying cash generation, excluding this investment, was \$16 million. Reported net leverage (net debt/EBITDA) was 1.6 times; however, when adjusting for the ARN investment, the underlying leverage was 1.3 times.

Strategy

Our objective is to build a better media business, one that will prosper despite our industry's current structural changes and the broader economic challenges. Our priority is to focus on delivering on our digital future while we optimise our traditional assets, finding new revenue streams and business opportunities, and managing costs responsibly.

To do that we need to think differently about how we work and how we are structured. In June 2024 we introduced a new operating model of three divisions to help us achieve that ambition. Digital, Television, and Western Australia are supported by every department across Seven West Media.

This structural change does not mean we are moving away from converged audience thinking – if that's what our advertisers want. What we are doing is making sure that we deliver the best of Seven's assets in the most flexible ways we can, and making sure we have dedicated resources focused on driving digital.

By focusing on these areas, we can build a resilient and future-ready organisation that can thrive in the evolving media landscape. Content and valuable connections are at the heart of our strategy. We are committed to producing and delivering high-quality news, sport and entertainment content that resonates with our audiences and can be monetised effectively across all our platforms. This includes investing in original content, securing exclusive rights to major sports events, and continuously enhancing our news coverage.

It would be remiss of me not to acknowledge some of the tougher parts of the past 12 months. Seven West Media has been subject to a number of claims and media coverage. Where they do exist, we are addressing the various behavioural issues that have come to light and a number of people have already left the company as a result. Unfortunately, some historic matters are still playing out. We are dealing with these appropriately.

The Digital Future

Our digital platforms, particularly 7plus, continue to see excellent user growth and engagement.

7plus is a streaming powerhouse that's at least as good as the global SVOD platforms. It has high brand recognition. It already has one of the biggest content libraries and the biggest FAST – Free Ad-Supported Television - channel selection, all available for free. 7plus will soon become the regular home of first run exclusives to drive new, younger audiences.

We've been revving up everything to do with 7plus over the past 12 months as we get ready for Seven's biggest gamechanger: the arrival of this summer of cricket and the 2025 AFL season.

Two of Australia's most loved sports will be available on digital for free for the very first time. Early results indicate this is growing a new audience for Seven – it is not cannibalising our broadcast audience. Sport will also drive daily habitual audience behaviour and consumption of the 7plus content library. For advertisers, this represents the start of a golden opportunity to capture and engage millions of new, younger sports fans who can now watch for free on their device of choice.

Our digital strategy extends beyond content acquisition. We are investing in technology and working with market-leading partners such as AWS and Databricks to enhance the 7plus user and advertiser experience. The integration of AI into the 7plus personalisation engine has allowed us to provide tailored content recommendations, significantly boosting audience engagement and retention. Our data-driven approach ensures that we can deliver the right content to the right audience at the right time, maximising both viewer satisfaction and advertising effectiveness.

The Phoenix trading platform will open for bookings in a few weeks and will go live in the first quarter of calendar 2025. Phoenix will allow our customers to buy seamlessly, trade dynamically and on a converged basis nationally across metro, regional and streaming – and will be the only trading platform covering those three markets. Phoenix will allow us to maximise inventory utilisation and yield to drive better outcomes for campaigns and revenue.

Optimising Traditional Assets

Our digital and television platforms continue to reach more than 17 million people nationally every month. With a robust digital presence, including 7plus, The Nightly and 7NEWS.com.au, and a truly national broadcast network, we reach audiences across all corners of the country.

The West has continued to transform its business, driving a greater share of its revenue from digital subscriptions and circulation through high quality local editorial. The result of this focus is demonstrated in the leading readership and circulation results across the country, as well as the strong growth in digital subscriptions.

The West has also successfully expanded nationally with new ventures such as the digital newspaper The Nightly. In just its first seven months, The Nightly has established an audience of more than 2.5 million unique users a month. You can expect to see more market-leading innovations from the West.

Regulatory

The regulatory environment is presenting new challenges, particularly when it comes to the digital and social media giants. We are actively advocating for fair regulations that ensure a level playing field for all media companies.

Trading Update

As anticipated, first half FY25 trading has been mixed, reflecting the impact of the Olympics. Based on performance to date and forward bookings, Seven's revenue for the first half of FY25 is currently pacing down ~ 6.5%.

When adjusting for one-off events (such as the FIFA Women's World Cup and the Paris Olympics), we estimate Seven's underlying first half revenue will be approximately 1% lower than the same time last year. This has been powered by strong content on Seven and 7plus and, in particular, premium sports content including the AFL Finals and cricket which will continue through the year.

SWM remains on track to deliver full year net cost reduction of \$20 million to \$30 million versus FY24.

Looking Forward

I'm excited about the opportunities that lie before us. Our focus is on delivering exceptional content, engaging our audiences, creating and delivering valuable connections. This will drive our digital future and underpin sustainable growth.

My thanks to the Chairman and Board of Directors, our executive team and to all our people for the hard work and dedication throughout FY24.

Thank you also to our shareholders for your continued support. We are committed to delivering value to our shareholders, employees and communities. Together, we will build a better Seven West Media.



Seven West Media 2024 Annual General Meeting

7 November 2024



Overview

FY24 Outcomes

Operating model restructured and FY25 cost out program in place to drive operational and financial performance

Content strategy drives audience growth and underpins total TV market revenue share of 40.2% (+1.7 points)

Strong digital audience growth (7plus minutes up 39%), launched The Nightly and 7NEWS.com.au app

Revenue outcome impacted by continued weakness in total TV market which declined 8.2%

Cost growth held to 2%; 2H costs down 4% YoY; FY25 cost-out program underway

Organisational restructure completed to drive operational and financial performance

Financial Performance

Results impacted by soft advertising markets

INCOME STATEMENT	FY24 \$m	FY23 \$m	Inc/(Dec) %
Revenue, other income and share of net profit of equity accounted investees	1,415	1,488	(5%)
Operating expenses (excluding depreciation and amortisation)	(1,228)	(1,208)	2%
EBITDA ¹	187	280	(33%)
Depreciation and amortisation	(36)	(42)	(14%)
EBIT ²	151	238	(37%)
Net finance costs	(40)	(35)	14%
Profit before significant items and tax	111	203	(45%)
Significant items before tax	(44)	(7)	nm
Profit before tax	67	196	(66%)
Tax expense	(22)	(50)	(56%)
Profit after tax	45	146	(69%)
Underlying net profit after tax excluding significant items	78	146	(46%)

Our ambition drives strategy and structure

Organisational restructure to drive accountability and performance – maximise revenue and embed cost discipline to drive profit and cash flow

1. Build a better, digital media business
2. Drive our own future
3. Redefine success
4. What next?



Deliver a digital future

Optimise traditional assets

Manage costs responsibly

**Find new revenue streams
and opportunities**

Trading update

- As anticipated, first half FY25 trading has been mixed, reflecting the impact of the Olympics. Based on performance to date and forward bookings, Seven's revenue for the first half of FY25 is currently pacing down ~ 6.5%.
- When adjusting for one-off events (such as the FIFA Women's World Cup and the Paris Olympics) we estimate Seven's underlying first half revenue will be approximately 1% lower than the same time last year. This has been powered by strong content on Seven and 7Plus and, in particular, premium sports content including the AFL finals and cricket which will continue through the year.
- SWM remains on track to deliver full year net cost reduction of \$20 - \$30m versus FY24.



Disclaimer

Data included in this presentation is prepared for the management of Seven West Media Limited and its associated entities (together, 'SWM').

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Amounts, totals and change percentages calculated on whole numbers and not the rounded amounts presented. The information contained in these pages may not necessarily be in statutory format.