



Seven West Media

1H FY24 Results

13 February 2024



Our Strategic Objective

Australia's Most Connected News, Sport and Entertainment Brand

Our Strategic Pillars and Priorities

Accelerate our digital future

Enhance and elevate
the SWM brands

Optimise the business

Partner for growth

Executing Plan in a Challenging Market

Platform in place to position SWM for market upside

Content strategy driving audience growth

Audience growth underpinning revenue share gains

Q2 total TV market softer than expected; market down 9% (1H24)

Costs in line with expectations; implementing \$60m cost-out program

Debt facilities refinanced (4 years)

Positive industry progress on regulatory reform and measurement

ARN investment: monitoring industry consolidation

Result Impacted by Total TV Market Decline

INCOME STATEMENT	1H FY24 \$m	1H FY23 \$m	Inc/(Dec) %
Revenue, other income and share of net profit of equity accounted investees	775	816	(5%)
Operating expenses (excluding depreciation and amortisation)	(651)	(611)	7%
EBITDA ¹	124	205	(40%)
Depreciation and amortisation	(18)	(20)	(10%)
EBIT ²	106	185	(43%)
Net finance costs	(19)	(17)	12%
Profit before significant items and tax	87	168	(48%)
Significant items before tax	(8)	(12)	(33%)
Profit before tax	79	156	(49%)
Tax expense	(25)	(41)	(39%)
Profit after tax	54	115	(53%)
Underlying net profit after tax excluding significant items	63	123	(49%)

Financials: Seven

- Total TV market declined 9.1% in 1H FY24:
 - Metro market declined 13.0%
 - Regional market declined 5.5%
 - BVOD market grew 12.5%
 - Market softened post AGM; 2Q market down 10.4% vs ~ 7.5% expected (~\$10m impact)
- Content strategy driving audience growth
- Revenue share 41.0%; up 1.7 points
- Costs tracking in line with expectations
 - Majority of FY24 content investment weighted to H1
 - Cost initiatives implemented (content and operational savings)
 - FY24 cost growth to be ~1-2%; H2 FY24 costs lower YoY

SEVEN	1H FY24 \$m	1H FY23 \$m	Inc/(Dec) %
Revenue			
Advertising	630	680	(7%)
Other	56	50	12%
Total Revenue	686	730	(6%)
Expenses			
Media Content	(344)	(314)	10%
Personnel Costs	(126)	(123)	2%
Other	(100)	(97)	3%
Total Expenses	(570)	(534)	7%
EBITDA	116	196	(41%)
EBIT	98	177	(45%)

Financials: The West

- Management remains focussed on the strategy of holding the line on print, reducing cost and growing digital
- Strong growth in digital audiences:
 - Launched new digital products
 - 4.4m unique monthly audience, up 18.5%¹
- Advertising conditions remain mixed:
 - Strong retail trade and travel sector
 - Weakness seen in motoring and government spend
- Profitable commercial print opportunities, driving revenue and cost growth; like for like costs flat YoY

THE WEST	1H FY24 \$m	1H FY23 \$m	Inc/(Dec) %
Revenue	88	85	4%
Costs	(72)	(68)	6%
EBITDA	16	17	(6%)
EBIT	15	17	(12%)

Statutory Results

STATUTORY RESULTS	1H FY24 \$m	1H FY23 \$m	Inc/(Dec) %
Profit before tax	79	156	(49%)
Profit after tax	54	115	(53%)
Basic EPS	3.5	7.4	(53%)
Diluted EPS	3.5	7.3	(52%)

ADDITIONAL INFORMATION	1H FY24 \$m	1H FY23 \$m	Inc/(Dec) %
Earnings per share based on net profit excl. significant items (net of tax)			
Group EBITDA	124	205	(40%)
Group EBIT	106	185	(43%)
Profit after tax excluding significant items	63	123	(49%)
Significant items (net of tax)	(8)	(8)	-
Basic EPS excl significant items	4.1	8.0	(49%)
Diluted EPS excl significant items	4.0	7.8	(49%)

SIGNIFICANT ITEMS	1H FY24 \$m	1H FY23 \$m
Major IT project implementation costs	(11)	(13)
Net (Loss) / Gain on investments	(10)	1
Redundancy and restructure costs	(2)	-
Gain on change in lease terms	15	-
Total significant items before tax	(8)	(12)
Tax (expense) / benefit	-	4
Net significant items after income tax	(8)	(8)

CORPORATE & OTHER COSTS	1H FY24 \$m	1H FY23 \$m	Inc/(Dec) %
Revenue	1	1	-
Costs	(8)	(9)	(11%)
EBITDA	(7)	(8)	(13%)
EBIT	(8)	(8)	-

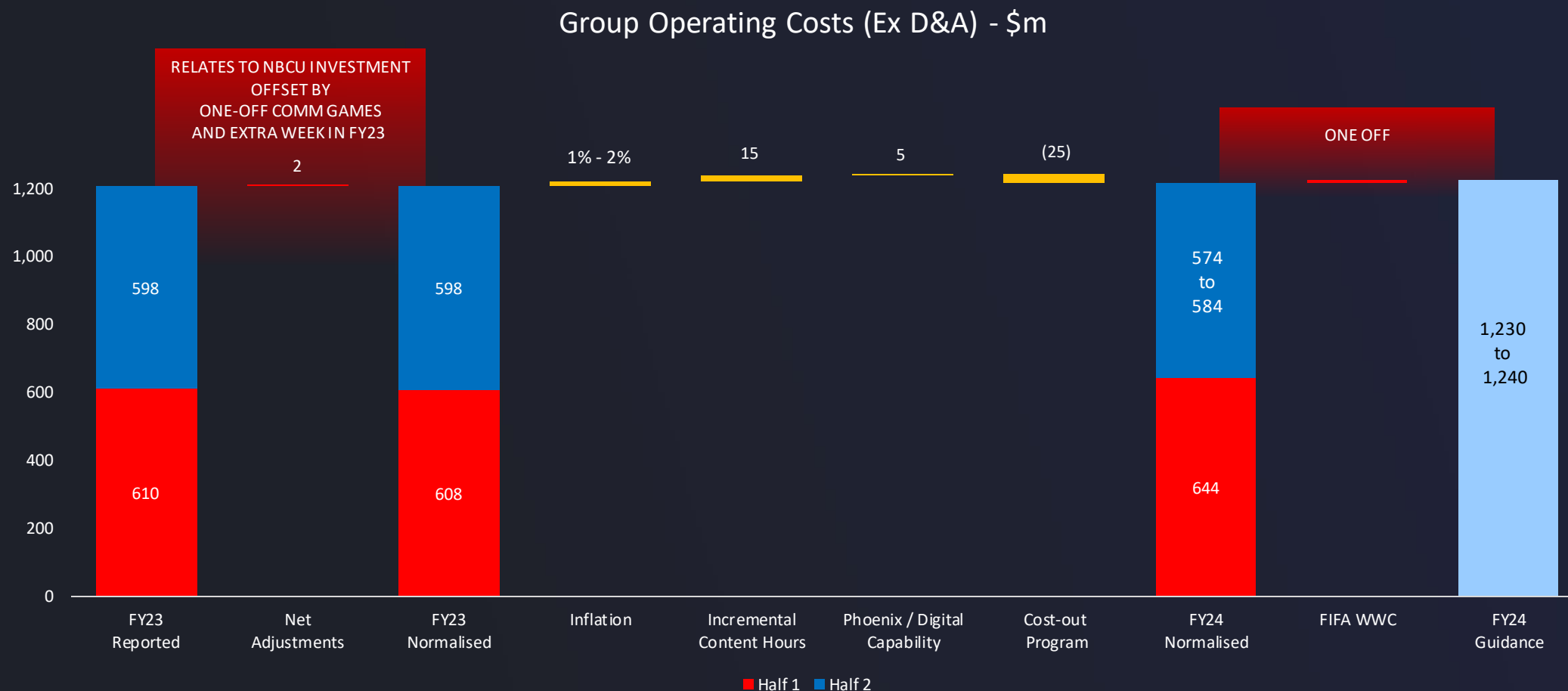
Cashflow

- Cashflow before temporary and capital items of \$69m
- Temporary and capital items for 1H FY24:
 - Tax: Refund of FY23 PAYG monthly instalments
 - Share buyback: 14.4m shares purchased
 - ARN investment of \$67m
- FY24 expectations:
 - Capex in line with FY23 (\$32m); weighted to H2
 - Project Phoenix investment expected to be ~\$20m
 - Onerous provision impact of \$38m in FY24 in relation to final year of current cricket agreement
- Net debt \$257m vs \$249 at June 2023.
- Leverage (net debt/EBITDA) 1.3x; ~1.0x ex ARN investment

CASH FLOW	1H FY24 \$m	1H FY23 \$m	Inc/ (Dec) %
EBITDA	124	205	(40%)
Working capital and other movements, net of onerous and Project Phoenix	(9)	33	nm
Tax paid net of refund and balancing payment	(13)	(21)	(38%)
Net payment for PP&E, leases and software	(17)	(27)	(37%)
Net finance costs paid and other	(16)	(15)	7%
Cashflow before temporary and capital items	69	175	(61%)
Tax refund / (balancing payment)	24	(61)	nm
Onerous contracts	(17)	(20)	(15%)
Project Phoenix	(11)	(13)	(15%)
Share buyback and refinancing costs paid	(7)	(7)	-
Net payments for investments & loans issued	(67)	(3)	nm
Net (increase) / decrease in net debt	(9)	71	nm
Opening net debt	(249)	(256)	(3%)
Change in unamortised refinancing costs	1	(1)	nm
Closing net debt	(257)	(186)	38%

Cost Expectations

On track for 1-2% annual cost growth with H2 costs expected to be lower than PCP. \$60 million cost out program on track (FY24: \$25m)



Set Up For The Future



Building Australia's Leading Media Business

1. Positive progress on regulatory reviews
2. VOZ will change the power and currency of total TV
3. Investing in premium video content to grow audiences
4. Preparing for new digital sports rights
5. Investing in platforms and capability
6. Cost discipline delivers operating leverage
 - we will act decisively to reduce costs in the event of a protracted soft market
7. Taken ARN position ahead of expected industry consolidation

Target Outcomes

- Content and certainty of access driving audience
- Correcting perception of total TV fragmentation
- Total TV market will stabilise and recover
- Strengthening Seven's position to capture revenue upside
- Cost base aligned to market opportunity
- Future growth options

Seven Growing Audience

Total TV industry set to regain market share and Seven's building blocks are in place

Measurement

- VOZ and VOZ Streaming; world's best practice measurement system showing true TV reach
- Adoption by agencies underway

January Audience Reach¹

17.1m; +2.9%

Seven Content vs pcip

23.8m; +4.2%

Total FTA vs pcip

Audience

- Broadcast and BVOD audiences growing: genres and overall
- Digital sports rights from September 2024

January Average Audiences²

+10.1%

Seven Content vs pcip

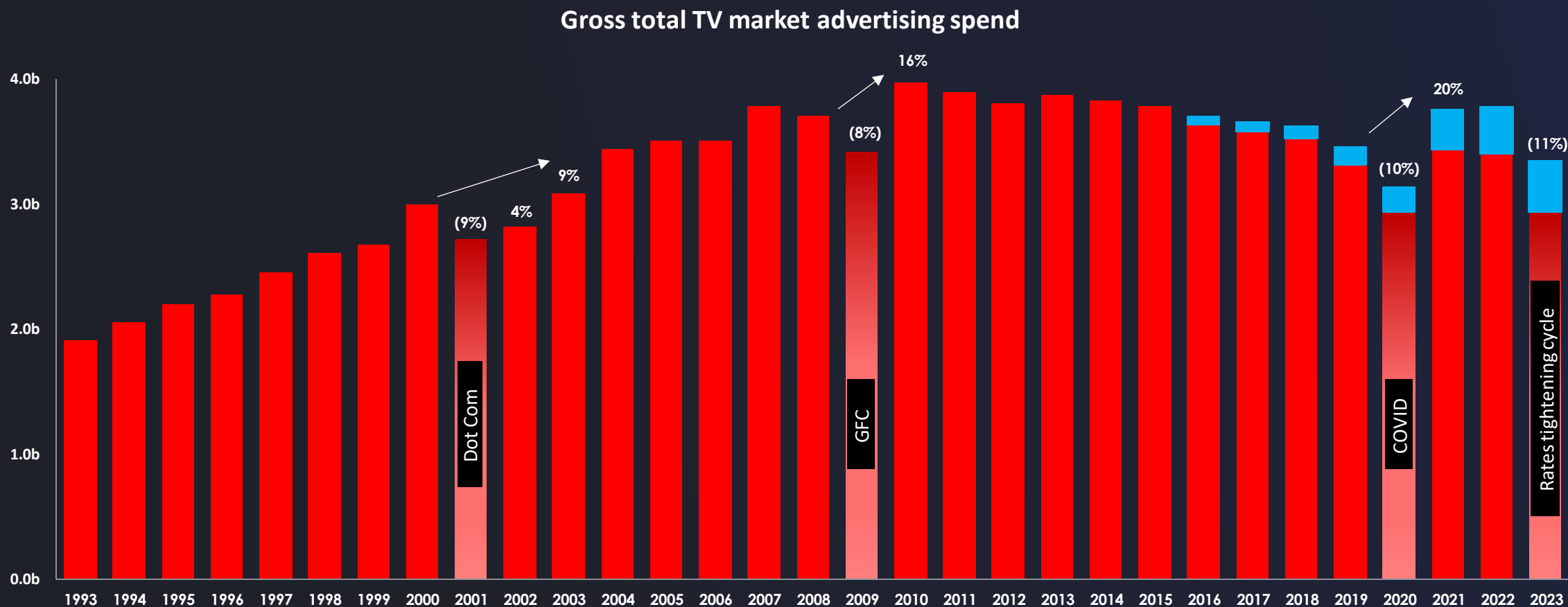
+3.9%

Total FTA vs pcip

Regulation

- Prominence: leading to FTA BVOD services being discoverable
- Anti-siphoning: driving audience through continued free access to live sport
- Commercialisation of generative AI: commenced engagement

Market Expected to Recover



Audience Growth Driving Revenue Share

Seven has grown linear audiences based on our content line up which is secured long-term

- Seven grew linear audiences during the half year
- Including January, four of the seven months of FY24 have delivered audience growth
- SAS Australia, Farmer Wants A Wife, Dancing With The Stars and My Kitchen Rules all grew audiences during the calendar year. Australian Idol audiences up YoY season to date.
- 2023 AFL Grand final up 22% YoY
- Seven's cricket grew audiences over the summer and we are well positioned for next two summers (India and The Ashes), which will also include digital rights.
- Audience growth will drive Seven's revenue in a market expected to recover

1HFY24 Audience Growth¹

+2.2%

Total people vs pcg



Set Up For The Future

Live Streaming Delivering New Monetisable Audiences

7plus has established great momentum driven by news and entertainment and one-off sporting events... with AFL and Cricket to come in FY25

Alongside major events like the AFL Grand Final and Test Cricket Championship, the FIFA Women's World Cup delivered 557m live minutes, and the biggest audience in Australian streaming history



Tentpoles such as Australian Idol, The Voice, SAS Australia, My Kitchen Rules and Farmer Wants A Wife drove YoY live minutes growth



1H FY24 Minutes Growth

+36%

vs pcp



News continues to grow and capture younger audiences, with an 18% increase in live viewership YoY



The AFL and Cricket join 7plus from September 2024, estimated to generate more than 4 billion minutes a year and +45% share

Project Phoenix: Growth Through Convergence

On track for launch by the end of CY24

We are creating the future of effective total TV audience trading in Australia enabled by market-leading technology

Salesforce + Landmark + Databricks AI + VOZ

1

Buy seamlessly and on a converged basis nationally, across metro, regional and BVOD

2

Drive dynamic revenue yield optimisation

3

Improve inventory utilisation

4

Prove effectiveness and allow access to SME and new revenue markets



PHOENIX
the orchestra of audience

Summary

Trading Update

- Second half total TV market and share expectations:
 - Q3 market decline rate moderating: currently pacing better than 1H FY24 (Q3 FY23 market down 11%). BVOD market expected to maintain double-digit growth
 - Limited visibility into Q4; expecting further moderation in decline vs Q3 FY24
 - Seven growing total TV share; full year forecast maintained at > 40%
- H2 costs expected to be 4% (\$20-25m) lower than 2H23



Questions?



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