Half Year Financial Report

2024

SevenWestMedia

Contents

Appendix 4D

Half Year Financial Report for the half year ended 31 December 2023

Results for announcement to the market

	Dec 2023 $'000	Dec 2022 $'000	Movement %
Reported			
Revenue from ordinary activities	**775,729**	814,577	Down (4.8%)
Other income	**58**	825	Down (93.0%)
Revenue and other income	**775,787**	815,402	Down (4.9%)
Net profit for the period attributable to members	**54,466**	114,913	Down (52.6%)
Additional information			
Group EBITDA[1]	**124,192**	205,049	Down (39.4%)
Group EBIT[2]	**105,723**	185,114	Down (42.9%)
Significant items before tax	**(7,906)**	(12,508)	Down (36.8%)
Profit before tax excluding significant items	**86,435**	168,200	Down (48.6%)
Profit after tax excluding significant items net of tax	**62,533**	123,401	Down (49.3%)

Note 1: Group EBITDA is profit before significant items, net finance costs, tax, depreciation and amortisation.
Note 2: Group EBIT is profit before significant items, net finance costs and tax.

The current reporting period relates to the period from 1 July 2023 to 31 December 2023 and the previous reporting period relates to the period from 26 June 2022 to 31 December 2022.

Dividends

No dividends were declared or paid during the half year ended 31 December 2023 or during the prior corresponding period.

Net Tangible Assets

	Dec 2023	Jun 2023
Net tangible asset backing per ordinary share (cents)	**(0.18)**	(0.22)

Entities over which control was gained or lost during the period

The Group did not gain or lose control over any entities during the period.

Directors' Report

For the half year ended 31 December 2023

The Directors of Seven West Media Limited (the Company) are pleased to present their report together with the consolidated financial statements for the half year ended 31 December 2023 and the review report thereon.

Directors

The Directors of Seven West Media Limited at any time during or since the end of the half year are:

Name	Period of Directorship
Non-Executive	
Kerry Matthew Stokes AC (Chairman)	Director since September 2008 and Chairman since December 2008
Teresa Dyson	Director since November 2017
Colette Garnsey OAM	Director since December 2018
Michael Malone	Director since June 2015
Ryan Kerry Stokes AO	Director since August 2012
Michael Ziegelaar	Director since November 2017
Former Non-Executive	
David Evans	Director retired November 2023
Executive	
James Warburton (Managing Director & Chief Executive Officer)	Managing Director & Chief Executive Officer since August 2019

Review of results and operations

A review of operations and of the results of those operations is attached and forms part of this Report.

Matters subsequent to the end of the half year

There has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of these operations, or the state of affairs of the Group, currently or in future financial periods.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 8 and forms part of the Directors' Report for the half year ended 31 December 2023.

Rounding

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest one thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors.

KM Stokes AC
Chairman

13 February 2024

Review of Operations

Group Performance

Summary of Financial Performance

	H1FY24 $m	H1FY23 $m	Change[3] %
Revenue	**775.7**	814.5	(4.8%)
Other income	**0.1**	0.8	(87.5%)
Share of net profit of equity accounted investees	**(0.8)**	0.1	nm
Revenue, other income and equity accounted profits	**775.0**	815.4	(5.0%)
Operating expenses excluding depreciation and amortisation	**(650.8)**	(610.4)	(6.6%)
EBITDA[1]	**124.2**	205.0	(39.4%)
Depreciation and amortisation	**(18.5)**	(19.9)	(7.0%)
EBIT[2]	**105.7**	185.1	(42.9%)
Net finance costs	**(19.3)**	(16.9)	(14.2%)
Profit (loss) before significant items and tax	**86.4**	168.2	(48.6%)
Significant items excluding tax	**(7.9)**	(12.5)	(36.8%)
Profit (loss) before tax	**78.5**	155.7	(49.6%)
Tax (expense) benefit	**(24.0)**	(40.8)	(41.2%)
Profit (loss) after tax	**54.5**	114.9	(52.6%)
EBITDA margin	**16.0%**	25.2%	
Basic EPS	**3.5 cents**	7.4 cents	
Basic EPS excluding significant items net of tax	**4.1 cents**	8.0 cents	
Diluted EPS	**3.5 cents**	7.3 cents	
Diluted EPS excluding significant items net of tax	**4.0 cents**	7.8 cents	

1 EBITDA relates to profit before significant items, net finance costs, tax, depreciation and amortisation
2 EBIT relates to profit before significant items, net finance costs and tax
3 Changes in percentages are calculated on whole dollars and not the rounded amounts presented
4 "nm" means "not meaningful"

Seven West Media Limited reported profit before significant items, net finance costs, tax, depreciation and amortisation (EBITDA) of $124.2 million which was down 39.4 per cent on the previous corresponding period. Excluding significant items, the current half year profit after tax of $62.5 million is down 49.3 per cent on the previous corresponding period.

The Group delivered revenue including share of equity accounted investees profits of $775.0 million, down 5.0 per cent on the previous half year due to a 9.1 per cent decline in the TV advertising market, however, the Group was able to partially offset this impact by growing our share of the market by 1.7 per cent for the half year.

Significant items before tax of $7.9 million were recorded in the period, relating to implementation costs in relation to Project Phoenix, being the Group's new integrated revenue system, net costs in relation to the Group's investments and redundancy and restructure costs being partially offset by a gain recognised on a reduction in the expected term of one of the Group's leases. The net costs in relation to the Group's investments is primarily in relation to the Group's investment in ARN Media entered into during the period, which is discussed below. The gain recognised on the remeasurement of the lease has impacted the Consolidated Statement of Profit and Loss and Other Comprehensive Income due to previous impairments recognised on the ROU asset of this lease. Redundancy and restructure costs are incurred in relation to the cost initiatives announced at the FY23 AGM in November. Significant items in the prior period also related to implementation costs in relation to Project Phoenix and net income in relation to the Group's investments.

As announced at the Group's FY22 year end results announcement, the Group commenced a 12 month on-market share buy-back for up to 10 per cent of shares on issues. As part of the Group's FY23 year end results announcement, it was announced that this program was being continued for a further 12-month period. As at 31 December 2023, 50,977,737 shares ($18,864 thousand) have been bought back at an average price of $0.37 under this program, of which, 14,430,739 shares ($3,866 thousand) were purchased in the six months to 31 December 2023.

Investment in ARN Media Limited

During November, the Group announced that it had acquired a 14.9 per cent shareholding in ARN Media Limited (ARN) as well as entering into a cash-settled equity swap with Barrenjoey Markets Pty Limited relating to a further 5.0 per cent of ARN. SWM has existing and long-standing commercial partnerships with ARN and has an interest in ensuring their continued and long-term success via a direct investment in ARN.

The Group acquired these investments at $1.10 per ARN share, resulting in a gross payment of approximately $67 million. These investments were required to be fair valued to the listed market price on acquisition, which has resulted in a day 1 P&L loss being recognised as a significant item. This fair value loss has been partially offset by fair value gains recognised due to the increase in value of the ARN share price since acquisition through to reporting date.

The Group is aware of recent ASX announcements involving ARN and others around consolidation in the sector and is supportive of ARN's current business direction.

Advertising Market and Revenue Performance

ThinkTV reported that total television advertising market decreased by 10.4 per cent to $3.31 billion in the calendar year, despite audience stabilisation during the half year. The market has continued to be impacted by the macroeconomic inflationary environment. The declines in the traditional linear market has been offset by continued growth in the Broadcast Video on Demand (BVOD) category, with growth of 12.5 per cent in the six months to 31 December 2023.

The West Australian newspapers delivered above market revenue trends in a sector that continues to face strong headwinds. The West Australian news brand now have a collective 4.4 million unique monthly audience, an increase of 18.5 percent in the past year.

Cost Management

Costs remain a focus area of the Group. As announced at the AGM on 9 November 2023, the Group has identified $60 million in initiatives for execution over FY24 – FY25, with $25m being targeted for action in FY24.

Total Group costs in H1FY24 of $669.3 million, were $38.9 million higher than the prior corresponding period. This cost increase relates to the content investment made in the half, as flagged at the Group's FY23 results announcement in August, and inflationary impacts.

Cashflow

Operating cash inflows of $82.1 million, were down $25.6 million on the prior half year and impacted by the decrease in operating results and increased interest payments made, partially offset by the tax refund received during the half year. Working capital movements largely relate to the timing of programming payments.

The Group finalised its FY23 tax return during the period, which has resulted in a refund of the Group's monthly tax instalments made during FY23. This has resulted in a net refund received by the Group of $24 million. This refund has been offset by FY24 monthly tax instalments made of $13 million during the year.

The Group's CAPEX spend during the half has decreased as the prior half included additional spend on Project Arx, which was the consolidation of all Sydney staff into our South Eveleigh head office. This project was completed at the start of this half year and the Group is in the process of finalising its exit from the Martin Place site.

Balance Sheet

As at 31 December 2023, the Group's net assets and net current assets were $434.9 million and $139.7 million, an increase of $56.1 million and $23.5 million compared to these amounts at 30 June 2023 of $378.8 million and $116.2 million respectively. This improvement reflects the trading performance of the group during H1FY24.

Net Debt

At 31 December 2023, the Group had net debt (inclusive of upfront borrowing costs) of $257 million, broadly in line with the net debt at 30 June 2023 of $249 million. Leverage at 31 December 2023 of 1.3x is an increase compared to leverage at 30 June 2023 of 0.9x, primarily as a result of the decrease in the Group's operating results and the Group's investment in ARN during the period. Excluding the ARN investment, leverage would have been 1.0x.

During the period, the Group refinanced its debt facility. The refinanced facility has been downsized from $600 million to $525 million, and the tenor increased from three years to a four-year term. Despite recent market movement, funding costs have been held at approximately 2.4 per cent above BBSY, reflecting the same terms as the existing deal, adjusted for the extra tenor. There has been no change to the Group's covenants as part of this refinancing and the group has maintained compliance with these covenants during the period up to, and as at, 31 December 2023.

The Group's interest costs in the period have increased in line with the movement in market rates, as well as the higher average drawn debt amount as compared to the previous corresponding half year period.

Ventures

Seven West Ventures has expanded during H1FY24 due to the Group's investment in ARN Media Limited as described above. These ventures are opportunities where we leverage the power of our assets to unlock maximum growth potential and drive long-term value creation. The portfolio is focused on disruptive, scalable businesses with a strong consumer or media proposition.

Review of Operations

Seven

Seven's content strategy continued to be successful, with the programming slate continuing to deliver audience consistency and strength and allowed Seven to claim the position as the number 1 network for National audience share for calendar year and survey year 2023. Seven has been number 1 for three survey years in a row and 15 of the past 17 years.

In the 2023 OzTAM TV ratings survey year and across the 2023 calendar year, Seven was the most-watched network in all people nationally and in the capital cities. Seven is the only network to grow its national audiences year-on-year, resulting in a 0.8 growth in commercial share points in the 2023 survey year. With an average total TV audience of 977,000, The 1% Club was the breakout entertainment hit of 2023. Four of Seven's tent pole shows – Dancing With The Stars, SAS Australia, Farmer Wants A Wife and My Kitchen Rules – increased their audiences year-on-year, a result no other network could match.

Seven's strategy continues to focus on acquiring, engaging and retaining advertising friendly demographics. Our aim is to bring viewers the best entertainment, news and sport content to engage these audiences at scale. The entertainment schedule is continuing to enrich the demographic profile of the network and enhance our proposition for advertisers. Every month, Seven reaches more than 17 million people nationally across broadcast and digital.

The 2024 financial year commenced with the FIFA Women's World Cup™ with the semi-final between Australia v England being the highest rating program on Australian TV for more than 20 years. All up, the FIFA Women's World Cup 2023™ accounted for five of the top six programs of the 2023 survey year. This event provided the strong platform to launch the remaining content in H1FY24 including The Voice, My Kitchen Rules and SAS Australia, as well as the AFL Finals Series. The AFL Grand Final was up 22 per cent on 2022.

Seven	H1FY24 $m	H1FY23 $m	Inc/(Dec) %
Revenue	**686.3**	729.8	(6.0%)
Costs	**(570.7)**	(534.0)	6.9%
EBITDA	**115.6**	195.8	(41.0%)
EBIT	**98.4**	176.6	(44.3%)

In addition, the depth of the Seven broadcast schedule remains unparalleled. This consistency is led by our market leading news and public affairs programming, long running Seven productions (Home and Away and Better Homes and Gardens) and Sport.

Seven's programming schedule begins each day with Sunrise, which remains Australia's most-watched breakfast show for a 20th consecutive financial year. The Morning Show celebrated its 16th birthday as the most-watched morning show. Home and Away continues to be the #1 Australian drama on free to air. Rounding out Seven's dominance throughout the day is The Chase that provides the lead-in to Seven's market leading nightly news service. Seven's nightly news service remains the most trusted source of broadcast news in the country with more Australians turning to Seven for news and public affairs. Seven is also the home of Australia's number one winter sport in the AFL and the number one summer sport with the Cricket.

This content line up has seen Seven grow its linear audience by 2.2 per cent during the half year*.

* Source: Seven's average audiences; 18:00 to 22:30; per Oztam

This ratings performance has translated into our market leading 41.0 per cent share of the total television advertising market, tracking in line with our FY24 target of 40 per cent plus. During Q1 FY24, the group record a share of 42.2 per cent share which was the strongest ever non-Olympics quarter for the Group.

Seven's revenue decreased by 6.0 per cent to $686.3 million, despite a market decline for the period of 9.1%. Costs increased by 6.9 per cent to $570.7 million. As a result of these movements, EBIT decreased 44.3 per cent to $98.4 million.

Seven Digital platforms

Seven's major events and tent pole programming supported the continued growth in consumption on 7plus, building on the audiences that the platform's library content continues to deliver.

7Plus has seen minutes growth of 35.5 per cent year-on-year, which includes significant growth across both live and video on demand minutes. 7Plus provides access to over 20,000 hours of free on-demand content across 7's owned content and content from numerous major international publishers. This minutes growth has outpaced the market, with the Group's minutes share during the year increasing by 2.2 per cent.

The Group continues to invest in the 7plus platform across all mediums, with a focus on user experience and seeking to continue to add innovative features, functionality and optimisations. The introduction of the Group's AFL and Cricket digital rights commencing September 2024 will be a game changer for the 7plus platform and is expected to drive significant growth for the platform. Our investments are aimed at making the use of our platforms now and into the future a best in class experience.

The industry's audience measurement platform VOZ launched in May and is starting to demonstrate the incremental demand for BVOD, enabling the delivery of premium experiences for customers. VOZ is now the currency used in sales discussions and continues to deliver greater opportunities for customers, with the addition of BVOD, in their future campaigns.

The West

WAN	H1FY24 $m	H1FY23 $m	Inc/(Dec) %
Revenue	**87.9**	84.9	3.5%
Costs	**(71.8)**	(67.6)	(6.2%)
EBITDA	**16.1**	17.3	(6.9%)
EBIT	**15.1**	16.9	(10.7%)

West Australian Newspapers is a leading multi-platform digital news business. Publications include The West Australian, The Sunday Times, 19 regional publications, 11 suburban newspapers, the State's most popular news websites thewest.com.au and perthnow.com.au and streamer.com.au, Australia's premier community sport streaming platform.

The West Australian news brands now have a collective 4.4 million unique monthly audience, an increase of 18.5 percent in the past year *. The strong performance of thewest.com.au, perthnow.com.au, West Regionals and growth from new platforms launched during the year such as Streamer.com.au and The Game (App) all contributed to this growth.

In print, The West Australian Monday to Friday editions and Saturday editions continue to have the highest market reach of any major metropolitan masthead in the nation, with 14.9 per cent of West Australians on average reading an issue of the weekday edition and 21.4 per cent of West Australians on average reading an issue of the Saturday edition**.

The latest data from Roy Morgan to September 2023 indicates average readership numbers have risen 4.0 per cent in the past year for the Saturday newspaper on the back of award-winning journalism and newspaper presentation. The West Australian averages 345,000 print readers every day and 495,000 on the weekend. The Sunday Times averages 390,000 readers every weekend.

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

While economic conditions were strong in WA, advertising conditions were mixed in a challenging market impacted by interest rate rises and high inflation. Strong retail trade continued to translate into advertising spend and the travel sector continues to grow towards pre COVID-19 spend levels.

Overall total revenue increased $3.0 million or 3.5 per cent to $87.9 million. Rendering of services increased $3.7 million or 73.1 percent due to an increase in commercial printing secured following closure of local competitor print centre. The West's advertising revenue increased 1.0 per cent in H1FY24 and circulation revenue declined 6.0 per cent.

Operating costs continue to be an ongoing focus. The West's costs excluding depreciation & amortisation increased $4.2 million or 6.2 per cent to $71.8 million in H1FY24. This was mainly due to greater labour, materials and printing costs associated with the additional commercial printing work secured.

* Source: Ipsos iris Online Audience Measurement Service, November 2022 – November 2023, Age 14+, PC/laptop/smartphone/tablet, Text only, Brand Group, Audience (000s)

** Roy Morgan, All people 14+. Average issue readership for the year to September 2023

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Seven West Media Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Seven West Media Limited for the Half Year ended 31 December 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

DMcLennan

Duncan McLennan
Partner

Sydney
13 February 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2023

	Notes	Dec 2023 $'000	Dec 2022 $'000
Revenue	3	**775,729**	814,577
Other income	3	**58**	825
Revenue and other income		**775,787**	815,402
Expenses	4	**(669,294)**	(630,365)
Net Income (costs) related to investments	5	**(10,052)**	892
Major IT project implementation costs	5	**(10,815)**	(13,400)
Redundancy and restructure costs	5	**(1,505)**	–
Gain on change in lease terms	5	**14,466**	–
Share of net (loss) profit of equity accounted investees		**(770)**	77
Profit before net finance costs and tax		**97,817**	172,606
Finance income		**1,555**	1,448
Finance costs		**(20,843)**	(18,362)
Profit before tax		**78,529**	155,692
Tax expense	6	**(24,063)**	(40,779)
Profit for the half year		**54,466**	114,913
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**269**	25
Items that will not be reclassified to profit or loss:			
Net change in fair value of financial assets (net of tax)		**4,078**	(7,413)
Other comprehensive income for the half year, net of tax		**4,347**	(7,388)
Total comprehensive income for the half year attributable to owners of the Company		**58,813**	107,525
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share	7	**3.5 cents**	7.4 cents
Diluted earnings per share	7	**3.5 cents**	7.3 cents

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	Dec 2023 $'000	Jun 2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**68,351**	57,402
Trade and other receivables		**213,676**	230,147
Current tax receivable		**7,945**	18,574
Program rights and inventories		**163,701**	176,915
Other assets		**24,014**	20,378
Total current assets		**477,687**	503,416
Non-current assets			
Equity accounted investees		**16,024**	16,694
Other financial assets	8	**140,086**	79,441
Property, plant and equipment		**119,175**	123,215
Intangible assets	10	**714,014**	714,801
Right of use assets		**49,842**	62,846
Other assets		**95**	398
Total non-current assets		**1,039,236**	997,395
Total assets		**1,516,923**	1,500,811
LIABILITIES			
Current liabilities			
Trade and other payables		**183,414**	206,226
Lease liabilities		**15,233**	13,488
Provisions		**88,136**	104,986
Deferred income		**51,177**	62,547
Total current liabilities		**337,960**	387,247
Non-current liabilities			
Trade and other payables		**3,330**	4,019
Lease liabilities		**145,504**	177,505
Provisions		**49,728**	50,588
Deferred tax liabilities		**220,177**	195,788
Borrowings	13	**325,283**	306,834
Total non-current liabilities		**744,022**	734,734
Total liabilities		**1,081,982**	1,121,981
Net assets		**434,941**	378,830
EQUITY			
Share capital	11	**3,414,102**	3,417,968
Reserves		**(18,766)**	(25,579)
Accumulated deficit		**(2,960,395)**	(3,013,559)
Total equity		**434,941**	378,830

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2023

	Share capital $'000	Equity compensation reserve $'000	Reserve for own shares $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Accumulated deficit $'000	Total equity $'000
Balance at 25 June 2022	**3,432,966**	**17,407**	**(45,221)**	**446**	**(8,169)**	**(3,133,738)**	**263,691**
Effect of adoption of accounting standard change	–	–	–	–	–	(6,588)	(6,588)
Adjusted opening balance at 25 June 2022	**3,432,966**	**17,407**	**(45,221)**	**446**	**(8,169)**	**(3,140,326)**	**257,103**
Profit for the half year	–	–	–	–	–	114,913	114,913
Foreign currency translation differences	–	–	–	25	–	–	25
Net change in fair value of financial assets (net of tax)	–	–	–	–	(7,413)	–	(7,413)
Other comprehensive income (expense) for the year, net of tax	–	–	–	25	(7,413)	–	(7,388)
Total comprehensive income (expense) for the year	**–**	**–**	**–**	**25**	**(7,413)**	**114,913**	**107,525**
Transactions with owners in their capacity as owners							
Share based payment expense	–	1,475	–	–	–	–	1,475
Shares issued pursuant to vesting of executive employee share plan	–	–	26,771	–	–	(26,771)	–
Shares bought back and cancelled	(7,470)	–	–	–	–	–	(7,470)
Transfers within equity	–	(7,791)	–	–	–	7,791	–
Total transactions with owners	**(7,470)**	**(6,316)**	**26,771**	**–**	**–**	**(18,980)**	**(5,995)**
Balance at 31 December 2022	**3,425,496**	**11,091**	**(18,450)**	**471**	**(15,582)**	**(3,044,393)**	**358,633**
Balance at 30 June 2023	**3,417,968**	**12,663**	**(20,377)**	**(151)**	**(17,714)**	**(3,013,559)**	**378,830**
Profit for the half year	–	–	–	–	–	54,466	54,466
Foreign currency translation differences	–	–	–	269	–	–	269
Net change in fair value of financial assets (net of tax)	–	–	–	–	4,078	–	4,078
Other comprehensive income (expense) for the year, net of tax	–	–	–	269	4,078	–	4,347
Total comprehensive income (expense) for the year	**–**	**–**	**–**	**269**	**4,078**	**54,466**	**58,813**
Transactions with owners in their capacity as owners							
Share based payment expense	–	1,164	–	–	–	–	1,164
Shares issued pursuant to vesting of executive employee share plan	–	–	6,347	–	–	(6,347)	–
Shares bought back and cancelled	(3,866)	–	–	–	–	–	(3,866)
Transfers within equity	–	(5,045)	–	–	–	5,045	–
Total transactions with owners	**(3,866)**	**(3,881)**	**6,347**	**–**	**–**	**(1,302)**	**(2,702)**
Balance at 31 December 2023	**3,414,102**	**8,782**	**(14,030)**	**118**	**(13,636)**	**(2,960,395)**	**434,941**

Consolidated Statement of Cash Flows

For the half year ended 31 December 2023

	Notes	Dec 2023 $'000	Dec 2022 $'000
Cash flows related to operating activities			
Receipts from customers		**858,763**	893,105
Payments to suppliers and employees		**(769,075)**	(686,541)
Interest and other items of similar nature received		**1,286**	865
Interest and other costs of finance paid		**(12,670)**	(9,240)
Interest paid on lease liability		**(7,688)**	(8,222)
Income taxes paid, net of tax refunds		**11,490**	(82,282)
Net operating cash flows		**82,106**	107,685
Cash flows related to investing activities			
Payments for purchases of property, plant and equipment		**(8,320)**	(20,534)
Payments for intangibles		**(2,614)**	(125)
Payments for other financial assets		**(67,202)**	(3,450)
Proceeds on sale of subsidiaries		**–**	1,183
Receipts of previously impaired loans from investees		**–**	8
Payments for equity accounted investees		**(100)**	(100)
Net investing cash flows		**(78,236)**	(23,018)
Cash flows related to financing activities			
Payment for share buy back	11	**(3,866)**	(7,470)
Proceeds from borrowings		**110,000**	130,000
Repayment of borrowings		**(90,000)**	(140,000)
Payment of refinancing costs		**(2,688)**	–
Payment of lease liabilities		**(6,367)**	(5,904)
Net financing cash flows		**7,079**	(23,374)
Net increase in cash and cash equivalents		**10,949**	61,293
Cash and cash equivalents at the beginning of the half year		**57,402**	37,938
Cash and cash equivalents at the end of the half year		**68,351**	99,231

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

1. Summary of significant accounting policies

Seven West Media (SWM) is a for-profit company limited by shares and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

This half year financial report is for the Group consisting of Seven West Media Limited (the "Company") and its subsidiaries. The half year financial report is a general purpose financial report and is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Seven West Media Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

1.1 Basis of preparation

This half year financial report is for the period 30 June 2023 to 31 December 2023, with the comparative period 26 June 2022 to 31 December 2022 and has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Act 2001 and is in compliance with IAS 34 Interim Financial Reporting.

The half year financial report does not include all notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and investing and financing activities of the Group as a full financial report. Accounting policies applied by the Group in the half year financial report are the same as those in its 2023 Annual Report.

This half year financial report has been prepared on the basis of historical cost except for assets described in Note 9.

The Group is of a kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest one thousand dollars unless otherwise stated.

1.2 Changes in Accounting Policies and Disclosures

1.2A. New and amended standards and interpretations issued but not yet effective

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

1.2B. Tentative agenda decisions that if issued will impact the Group in the current and prior period

There are no tentative agenda decisions issued at year end that are expected to have a material impact on the Group in the current and prior period.

1.2C. New and amended standards and interpretations

There are no new and amended standards and interpretations issued at year end that are expected to have a material impact on the Group in the current and prior period.

1.3 Use of estimates and judgements

The preparation of the half year financial report requires the use of certain accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the preliminary half year financial report, are disclosed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key estimates and associated assumptions are set out below.

1.3A. Impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

1.3B. Recoverable amounts of program rights

The Group recognises program rights which are available for use. These are capitalised and amortised over the useful life of the content. The assessment of the appropriate carrying value of these rights requires estimation by management of the forecast future cash flows which will be derived from that content. This estimate is based on a combination of market conditions and the value generated from the broadcast of comparable programs.

1.3C. Recoverable amounts of intangible assets and investments

Each reporting period, the Group tests whether investments and goodwill and intangibles with indefinite useful lives have suffered any impairment in accordance with the Group accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use approach. These calculations require the use of estimates and assumptions.

1.3D. Recoverable amounts of property, plant and equipment and right of use assets

The estimation of useful life, residual value and depreciation methods require some judgement and are reviewed at least annually. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with carrying amount. These are included in the income statement.

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

1. Summary of significant accounting policies (continued)

1.3E. Onerous provisions

Key assumptions made concerning future events are:

- The economic benefits expected to be received under the contracts is based on the historical benefits received on similar television programming and sports rights, adjusted to reflect the Group's expectation of future growth/decline rates for the advertising market;
- The costs of fulfilling the contract are estimated with reference to contractual rates and historical incremental costs of similar programming assumed to increase by CPI.

1.3F. Current and deferred taxes

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

1.3G. Share-based payments

The Group measures the cost of equity transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a valuation model. The most appropriate valuation model used is dependent on the terms and conditions of the grant. The estimate also requires determination of the most appropriate inputs into the valuation model including the expected life of the share options, volatility and dividend yield and making assumptions about them.

1.4 Comparatives

Comparative information is reclassified where appropriate to enhance comparability.

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

2. Segment information

2.1A. Description of segments

Accounting policy

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

Reportable segment	Description of Activities
Television	Production and operation of commercial television programming and stations as well as distribution of programming content across platforms in Australia and around the world
The West	Publishers of newspapers and insert magazines in Western Australia; Colourpress; Digital publishing; West Australian Publishers and Community Newspaper Group.
Other Business and New Ventures	Made up of equity accounted investees, other business operations and other ventures investments.

The chief operating decision makers, responsible for allocating resources and assessing performance of the operating segments, have been identified as the Chief Executive Officer, the Chief Financial Officer, Business Segment Chief Executive Officer and other relevant members of the executive team.

Segment performance is evaluated based on a measure of profit / (loss) before significant items, net finance costs and tax.

Revenue from external sales is predominantly to customers in Australia and total segment assets are predominantly held in Australia.

Total assets and liabilities by segment are not provided regularly to the chief operating decision makers and as such, are not required to be disclosed.

2.1B. Segment information

Half year ended 31 December 2023	REF	Television $'000	The West $'000	Other Business and New Ventures $'000	Corporate [A] $'000	Total $'000
Advertising revenue		629,756	45,501	–	–	675,257
Circulation revenue		–	26,280	–	–	26,280
Licencing of content and programming		36,174	4,796	–	–	40,970
Affiliate fees		7,824	–	–	–	7,824
Rendering of services		–	8,858	–	–	8,858
Other revenue		13,256	2,503	781	–	16,540
Revenue		687,010	87,938	781	–	775,729
Other income		58	–	–	–	58
Share of net profit of equity accounted investees		(770)	–	–	–	(770)
Revenue, other income and share of net profit of equity accounted investees		**686,298**	**87,938**	**781**	**–**	**775,017**
Expenses		(570,684)	(71,784)	(781)	(7,576)	(650,825)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		**115,614**	**16,154**	**–**	**(7,576)**	**124,192**
Depreciation and amortisation	[B]	(17,254)	(992)	(217)	(6)	(18,469)
Profit (loss) before significant items, net finance costs and tax		**98,360**	**15,162**	**(217)**	**(7,582)**	**105,723**

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

2. Segment information (continued)

Half year ended 31 December 2022	REF	Television $'000	The West $'000	Other Business and New Ventures $'000	Corporate [A] $'000	Total $'000
Advertising revenue		679,530	45,039	–	–	724,569
Circulation revenue		–	27,965	–	–	27,965
Licencing of content and programming		31,282	4,860	–	–	36,142
Affiliate fees		8,641	–	–	–	8,641
Rendering of services		–	5,116	–	–	5,116
Other revenue		9,629	1,941	574	–	12,144
Revenue		729,082	84,921	574	–	814,577
Other income		673	16	136	–	825
Share of net profit of equity accounted investees		77	–	–	–	77
Revenue, other income and share of net profit of equity accounted investees		**729,832**	**84,937**	**710**	**–**	**815,479**
Expenses		(533,986)	(67,579)	(578)	(8,287)	(610,430)
Profit (loss) before significant items, net finance costs, tax, depreciation and amortisation		**195,846**	**17,358**	**132**	**(8,287)**	**205,049**
Depreciation and amortisation	[B]	(19,281)	(433)	(217)	(4)	(19,935)
Profit (loss) before significant items, net finance costs and tax		**176,565**	**16,925**	**(85)**	**(8,291)**	**185,114**

[A] Corporate is not an operating segment. The amounts presented above are unallocated costs.
[B] Excludes program rights amortisation which is treated consistently with Media Content (refer Note 4).

2.1C. Other segment information

The chief operating decision makers assess the performance of the segments based on a measure of profit / (loss) before significant items, net finance costs and tax.

	Notes	Dec 2023 $'000	Dec 2022 $'000
Reconciliation of profit before significant items, net finance costs and tax to statutory profit before tax			
Profit before significant items, net finance costs and tax		**105,723**	185,114
Finance income		**1,555**	1,448
Finance costs		**(20,843)**	(18,362)
Profit before tax excluding significant items		**86,435**	168,200
Significant items before tax	5	**(7,906)**	(12,508)
Profit before tax		**78,529**	155,692

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

3. Revenue and other income

Accounting policy

Revenue recognition and measurement

The Group derives revenue from the transfer of goods and services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Customer contracts can have a wide variety of performance obligations, from production contracts to format licences and distribution activities. For these contracts, each performance obligation is identified and evaluated. The Group needs to evaluate if a distribution right is a right to access the content (revenue recognised over time) or represents a right to use the content (revenue recognised at a point in time). The Group has determined that most distribution revenues are satisfied at a point in time due to their being limited ongoing involvement by the Group in the use of the rights following its transfer to the customer.

The transaction price, being the amount to which the Group expects to be entitled and has rights to under the contract is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Group's actual performance may impact the revenue to be recognised based on the achievement of agreed targets with the customer such as audience targets. Variable consideration is not recognised until the performance obligations are met.

Revenue is stated exclusive of GST and equivalent sales taxes.

Revenue recognition criteria for the Group's key classes of revenue are as follows:

Class of revenue	Recognition criteria	Timing of recognition
[A] Advertising	> Television Advertising is generated from selling spot airtime and is recognised at the point of transmission. > Newspapers Advertising is generated from selling space in the newspaper and is recognised at the point of publication.	At the point in time when the advertisement is broadcast or published.
[B] Circulation	> Circulation revenue is generated through the distribution and sale of newspapers to third party consumers. Recognised on delivery of the newspaper to the customer and the right to be compensated has been obtained.	At the time the newspapers are distributed.
[C] Licencing of content and programming includes:		
(i) Programme production	> Revenue generated from the programmes produced for broadcasters in Australia and internationally and is recognised at the point of delivery of an episode and acceptance by the customer.	At the point in time when obligations have been accepted by the customers.
(ii) Distribution rights	> A licence is granted for the transmission of a programme in a stated territory, media and period and revenue is recognised at the point when the contract is signed, the content is available for download and the licence period has started.	Recognised on delivery of rights to the customer.
[D] Affiliate fees	> Affiliate fees earned through the transmission of network channels in a stated territory. Recognised in the period of the broadcast feed to the affiliates in line with the contract terms and conditions.	Recognised over time as conditions are met over the contract life.
[E] Rendering of services	> The revenue is recognised when the service has been performed. These services mainly relate to printing and are generally delivered over a period of time.	At the point in time the services are delivered.
[F] Other revenue includes:		
(i) Rental income	> Rental income is derived through the leasing of assets and the benefits are to be transferred over time.	Revenue is recognised over the life of the lease.
(ii) Dividends	> Dividend revenue is recognised when the right to receive payment is established.	At the point in time the dividend is declared.

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

3. Revenue and other income (continued)

	Dec 2023 $'000	Dec 2022 $'000
Sales revenue		
Advertising revenue	**675,257**	724,569
Circulation revenue	**26,280**	27,965
Licencing of content and programming	**40,970**	36,142
Affiliate fees	**7,824**	8,641
Rendering of services	**8,858**	5,116
Other revenue	**16,540**	12,144
Total revenue	**775,729**	814,577
Other income		
Sundry income	**58**	825
Total other income	**58**	825

4. Expenses

	Dec 2023 $'000	Dec 2022 $'000
Expenses		
Depreciation and amortisation (excluding program rights amortisation)	**(18,469)**	(19,935)
Advertising & marketing expenses	**(14,337)**	(12,499)
Printing, selling & distribution (including newsprint and paper)	**(16,247)**	(15,222)
Media content (including program rights amortisation)	**(345,457)**	(315,840)
Employee benefits expense	**(169,933)**	(167,301)
Raw materials and consumables used (excluding newsprint and paper)	**(3,347)**	(2,482)
Repairs and maintenance	**(11,815)**	(12,087)
Licence fees	**(16,420)**	(15,878)
Rental expense relating to operating leases	**(1,784)**	(1,970)
Other expenses from ordinary activities	**(71,485)**	(67,151)
Total expenses	**(669,294)**	(630,365)
Depreciation and amortisation		
Depreciation of property, plant and equipment	**(10,851)**	(9,077)
Depreciation of right of use assets	**(4,217)**	(4,686)
Amortisation of intangible assets	**(3,401)**	(6,172)
Total depreciation and amortisation	**(18,469)**	(19,935)
Television program rights amortisation	**(50,778)**	(44,643)
Total depreciation and amortisation (including program rights amortisation)	**(69,247)**	(64,578)

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

5. Significant items

	REF	Dec 2023 $'000	Dec 2022 $'000
Profit before tax expense includes the following specific expenses for which disclosure is relevant in explaining the financial performance of the Group:			
Net (loss) / income related to investments	[A]	**(10,052)**	892
Major IT project implementation costs	[B]	**(10,815)**	(13,400)
Redundancy and restructure costs	[C]	**(1,505)**	–
Gain on change in lease terms	[D]	**14,466**	–
Total expense arising from recognition of significant items before tax		**(7,906)**	(12,508)
Tax (expense) / benefit		**(161)**	4,020
Total expense arising from recognition of significant items net of tax		**(8,067)**	(8,488)

[A] Net loss on investments relates to fair value losses recognised on the Group's investment in ARN during the period. Prior period amounts relates to fair value gains recognised on the Group's other financial assets, being partially offset by costs incurred in the finalisation of the Prime Media Group acquisition.

[B] These costs relate to implementation and customisation costs of a new SaaS arrangement that significantly benefits the future operation of the Group, however, is required to be expensed under recent changes to the accounting standards.

[C] The redundancy and restructure costs are part of the Group's ongoing focus on costs and in connection with the cost out announcement made at the FY23 AGM in November.

[D] During the period, the expected lease term of one of the Group's material leases was reduced as the Group has reassessed its future use of the property. This has resulted in a gain, due to the reduction in lease liabilities being greater than the right of use asset prior to adjustment.

6. Tax expense

	Dec 2023 $'000	Dec 2022 $'000
Reconciliation of tax expense to pre-tax statutory profit before tax		
Profit before tax	**78,529**	155,692
Tax at the Australian tax rate of 30% (2022: 30%)	**(23,559)**	(46,708)
Tax effect of amounts which are not deductible taxable in calculating taxable income:		
Share of net (loss) profit of equity-accounted investees	**(231)**	23
Non-assessable income	**1,695**	911
Other non-deductible items	**(2,669)**	76
Adjustments for tax of prior periods	**701**	4,919
Tax expense	**(24,063)**	(40,779)

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

7. Earnings per share

Accounting policy

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit (loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Retrospective adjustments

If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. In addition, basic and diluted earnings per share of all periods presented shall be adjusted for the effects of errors and adjustments resulting from changes in accounting policies, accounted for retrospectively.

	Dec 2023	Dec 2022
Basic earnings per share	**3.5 cents**	7.4 cents
Diluted earnings per share	**3.5 cents**	7.3 cents

	$'000	$'000
Earnings used in calculating earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	**54,466**	114,913

	Number	Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic earnings per share	**1,542,304,228**	1,548,805,750
Weighted average number of ordinary shares outstanding during the half year used in the calculation of diluted earnings per share	**1,549,469,768**	1,578,828,567

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

8. Other financial assets

Accounting policy

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss (FVTPL) or financial assets at fair value through other comprehensive income (FVTOCI). The classification depends on the Group's business model for managing the financial asset as well as its contractual cash flow characteristics.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

	6 Months Dec 2023 $'000	12 Months Jun 2023 $'000
Movements in carrying amounts of other financial assets		
Carrying amount at the beginning of the period	**79,441**	39,571
Acquisitions	**67,202**	34,362
Net change in fair value of financial assets at fair value	**(5,775)**	5,508
Disposals	**(782)**	–
Carrying amount at the end of the period	**140,086**	79,441

Other financial assets represent equity investments in listed and unlisted entities comprising of ARN Media Limited, View Media Group, RAIZ Invest Limited, Open Money Group Pty Limited and a portfolio of other SWM Ventures.

During the period the Group acquired an investment in ARN Media Limited. The investment was acquired through a combination of direct shares (14.9%) and a cash settled equity swap with Barrenjoey Markets Pty Limited relating to a further 5.0% interest. SWM has existing and long-standing commercial partnerships with ARN Media Limited and has an interest in ensuring their continued and long-term success via a direct investment.

Non-cash acquisitions made during the half year ended 31 December 2023 were nil (June 2023: $24,200,000).

9. Fair value measurement of financial assets and financial liabilities

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying amounts of financial instruments disclosed in the statement of financial position approximate to their fair values. AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table shows the valuation techniques and measurement level inputs used to assess the fair value of financial assets and financial liabilities at 31 December 2023 and 30 June 2023.

Type	Valuation Technique	Measurement Level	Dec 2023 $'000	June 2023 $'000
Other Financial Assets – Listed Entities	The fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.	Level 1	63,266	2,820
Other Financial Assets – Unlisted Entities	The fair value is based on the equity price established in the most recent round of equity financing and consideration of any other key changes in the investment which requires a level of judgement.	Level 3	76,820	76,621

Assessment of fair value of Other (unlisted) investments

The fair value of other financial assets measured through a Level 3 (significant unobservable inputs) approach under AASB 9. This methodology included using:

> The issue prices in the most recent round of equity raising conducted by each company assuming this was in the last 12 months;
> Comparison of issue price movements to listed peers over the same period; and
> Consideration of the investment method and the Group's current and forecasted valuation date.

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

10. Intangible assets

Accounting policy

Goodwill
Goodwill acquired in a business combination is initially measured at cost. Cost is measured as the consideration and transaction cost of the business combination minus the net fair value of the acquired and identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Costs incurred for internally developed software and websites are capitalised and amortised over the estimated useful life of the software or website. Costs that relate to the design and ongoing maintenance of the internally developed software and websites are expensed as incurred.

Software-as-a-Service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. For SaaS arrangements, the Group assesses if the contract will provide a resource that it can 'control' to determine whether an intangible asset is present. If the Group cannot determine control of the software, the arrangement is deemed a service contract and any implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when incurred.

Following initial recognition, intangible assets are carried at cost less amortisation and any impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over their useful life and tested for impairment whenever there is an indication that they may be impaired. Intangible assets with indefinite lives are tested for impairment annually. The amortisation period and method is reviewed at least annually.

A summary of the policies applied to the Group's intangible assets is as follows:

	Useful life	Amortisation method used	Internally generated or acquired
Goodwill	Indefinite	No amortisation	Acquired
Television licences	Indefinite	No amortisation	Acquired
The West mastheads	Indefinite	No amortisation	Acquired
Reacquired Rights	Finite (1-2 years)	Amortised on a straight line basis over its useful life	Acquired
Customer Relationships	Finite (2-9 years)	Amortised on a straight line basis over its useful life	Acquired
Computer software	Finite (3-7 years)	Amortised on a straight line basis over its useful life	Internally developed and acquired

	Licences $'000	Mastheads $'000	Computer software $'000	Goodwill $'000	Re-acquired Rights and Customer Relationships $'000	Total $'000
Half year ended 31 December 2023						
Opening net book amount	670,277	–	7,747	30,254	6,523	714,801
Additions	–	–	2,614	–	–	2,614
Amortisation charge	–	–	(2,314)	–	(1,087)	(3,401)
Closing net book amount	**670,277**	**–**	**8,047**	**30,254**	**5,436**	**714,014**
Comprised of:						
Cost	2,300,000	119,555	75,218	1,266,337	19,725	3,780,835
Accumulated amortisation and impairment	(1,629,723)	(119,555)	(67,171)	(1,236,083)	(14,289)	(3,066,821)
Year ended 30 June 2023						
Opening net book amount	670,277	–	8,163	27,398	14,439	720,277
Finalisation of business combinations	–	–	(39)	2,856	411	3,228
Additions	–	–	3,878	–	–	3,878
Amortisation charge	–	–	(4,255)	–	(8,327)	(12,582)
Closing net book amount	**670,277**	**–**	**7,747**	**30,254**	**6,523**	**714,801**
Comprised of:						
Cost	2,300,000	119,555	72,604	1,266,337	19,725	3,778,221
Accumulated amortisation and impairment	(1,629,723)	(119,555)	(64,857)	(1,236,083)	(13,202)	(3,063,420)

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

10. Intangible assets (continued)

10.1 Carrying value of non-financial assets

Accounting policy

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units or CGUs). Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use.

In calculating the recoverable value, the cash flows include projections of cash inflows and outflows from continuing use of the CGU's assets. For value-in-use models, the cash flows are estimated for the assets of the CGU in their current condition and discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the risks specific to the CGU. For fair value less cost to sell models, the recoverable amount is defined as the price that would be received from selling the asset less any costs required and needed to make the sale.

Non-financial assets other than goodwill that have been impaired previously are reviewed for possible reversal of the impairment at each reporting date. Impairment reversals are recognised to the extent of any previous revaluation with any excess recognised in the profit and loss.

10.1A. Allocation of goodwill and indefinite life assets

Intangible assets with indefinite lives, including goodwill, are allocated to the Group's CGUs, as follows:

	Goodwill $'000	Licences, masthead $'000	Total $'000
Half year ended 31 December 2023			
Television	30,254	670,277	700,531
The West (Metro and Regional)	–	–	–
Other Business and New Ventures	–	–	–
Total goodwill and indefinite life assets	**30,254**	**670,277**	**700,531**
Year ended 30 June 2023			
Television	30,254	670,277	700,531
The West (Metro and Regional)	–	–	–
Other Business and New Ventures	–	–	–
Total goodwill and indefinite life assets	**30,254**	**670,277**	**700,531**

10.1B. Impairment of cash generating units ('CGUs') including goodwill and indefinite life assets

At the reporting date, the Group performed an assessment taking into consideration the current and forecast changes in the size of the various markets and market shares that the CGUs operate in compared to those previously forecast, as well as its previous assumptions for long term growth and other operating environment changes. These matters did not indicate the intangibles might be impaired.

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

11. Share Capital

Accounting policy

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares are fully-paid and have no par value. They carry one vote per share and the right to dividends. They bear no special terms or conditions affecting income or capital entitlements of the shareholders.

	Dec 2023 $'000	Jun 2023 $'000
1,539,140,502 (June 2023: 1,553,571,241) Ordinary shares fully paid	**3,414,102**	3,417,968

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

In conjunction with the Group's FY22 year end results announcement on 16 August 2022, an on-market share buy back of up to 10% of shares on issue was announced. As part of the Group's FY23 results it was announced this program would continue for a further 12 months.

As at 31 December 2023, 50,977,737 shares ($18,864,000) have been bought back as part of this program. Of this amount, 14,430,739 ($3,866,000) have been bought back in the six months to 31 December 2023 (31 December 2022: 17,272,454 shares ($7,470,000)). Of the cash paid during the half, $90,000 related to the settlement of shares bought back during FY23. The shares bought back were subsequently cancelled.

As at 31 December 2023, a trust controlled by the Group (disclosed as 'Reserve for own shares' in the Consolidated Statement of Changes in Equity) held 23,380,140 (June 2023: 34,926,146) ordinary shares in the Group. During the period, 11,546,006 shares were issued (June 2023: 50,351,431) out of the trust to employees and no shares were purchased by the trust (June 2023: 5,000,000 shares). Shares are held for the purpose of satisfying the vesting of performance rights obligations to the Group's employees who participate in the Group's Short Term and Long Term Incentive Plans.

12. Dividends

Accounting policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

No dividends were declared or paid during the half year ended 31 December 2023 or during the prior corresponding period.

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

13. Borrowings

Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings. Any related accrued interest is included in trade payables and accruals.

	Dec 2023 $'000	Jun 2023 $'000
Borrowings – secured	**330,000**	310,000
Unamortised refinancing costs	**(4,717)**	(3,166)
Borrowings net of unamortised refinancing costs	**325,283**	**306,834**

As at 31 December 2023, the Group had access to secured revolving syndicated debt facilities to a maximum of $525,000,000 (June 2023: $600,000,000). The amount of these facilities undrawn at reporting date was $195,000,000 (June 2023: $290,000,000).

In November 2023, the Group refinanced its syndicated debt facility for a further 4 years. The new facility has been downsized from $600 million to $525 million, with funding costs being held at approximately 2.4% above BBSY, in line with the existing deal plus the extra tenor. The covenants are consistent with the prior facility.

In addition, the Group has access to a $13,400,000 (June 2023: $13,400,000) multi-option facility with Australia and New Zealand Banking Group Limited. As at reporting date, $11,218,701 of this facility (June 2023: $11,244,606) was utilised for the provision of bank guarantees. The Group also has access to a $18,000,000 (June 2023: $18,000,000) uncommitted trade facility for short-term working capital purposes. As at reporting date, no amounts were utilised under this facility (June 2023: Nil).

The facilities are subject to a weighted average interest rate of 6.77% at 31 December 2023 (June 2023: 6.53%).

Fair Value
The carrying amount and fair value of Group borrowings at the end of the half was $330,000,000 (June 2023: $310,000,000).

14. Contingent liabilities

Participation in media involves particular risks associated with defamation litigation and litigation to protect media rights. The nature of the Group's activities is such that, from time to time, claims are received or made by the Group. The Directors are of the opinion that there are no material claims that require disclosure of such a contingent liability.

15. Subsequent events

In the interval between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of these operations, or the state of affairs of the Group, currently or in future financial periods.

Directors' Declaration

For the half year ended 31 December 2023

In the opinion of the Directors of Seven West Media Limited (the Company):

1. the consolidated financial statements and notes set out on pages 9 to 25 are in accordance with the Corporations Act 2001, including:
    a. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
    b. complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors

KM Stokes AC
Chairman

13 February 2024

Independent Auditor's Review Report

To the shareholders of Seven West Media Limited

Conclusion

We have reviewed the accompanying ***Half Year Financial Report*** of Seven West Media Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half Year Financial Report of Seven West Media Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2023 and of its performance for the Half Year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001*.

The ***Half Year Financial Report*** comprises:

- Consolidated Statement of Financial Position as at 31 December 2023;
- Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the Half Year ended on that date;
- Notes 1 to 15 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Group*** comprises Seven West Media Limited (the Company) and the entities it controlled at the Half Year's end or from time to time during the Half Year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Independent Auditor's Review Report

KPMG

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half Year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards and the Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Half Year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half Year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half Year Financial Report does not comply with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Half Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a Half Year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

DMcLennan

Duncan McLennan

Partner

Sydney
13 February 2024

SevenWestMedia

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