



Wednesday, 16 August 2023

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

2023 FULL YEAR RESULTS – INVESTOR PRESENTATION

Seven West Media Limited (ASX: SWM) attaches the Investor Presentation for the year ended 30 June 2023.

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

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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 is home to some of Australia's most renowned media businesses, including the Seven Network and its affiliate channels 7two, 7mate, 7flix and 7Bravo; broadcast video on demand platform [7plus](#); [7NEWS.com.au](#); *The West Australian*; and *The Sunday Times*. The Seven Network is home of Australia's most loved news, sport and entertainment programming. Its iconic brands include Australia's leading news and public affairs programs **7NEWS**, **7NEWS Spotlight**, **Sunrise** and **The Morning Show**, **The Voice**, **Home and Away**, **Australian Idol**, **My Kitchen Rules**, **Big Brother**, **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, Supercars and the FIFA Women's World Cup 2023™.



Seven West Media
FY23 Results



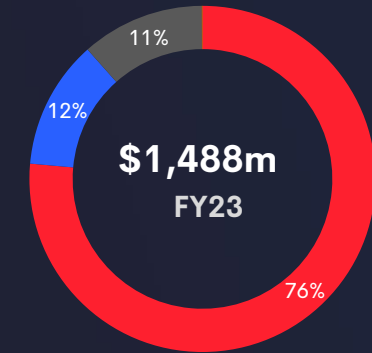
Seven West Media

The most connected news, sport and entertainment brand in Australia

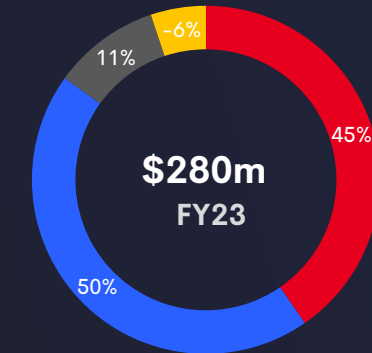
Undisputed national total TV leader reaching 91% of population



Group Revenue



Group EBITDA

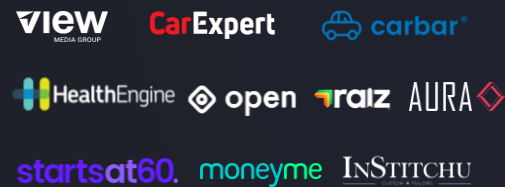


■ TV Broadcast ■ 7Digital ■ The West ■ Corporate/Other

Publishing reaching 76% of WA¹



Ventures



Other Assets



Key Operational Achievements

Growing total TV revenue share, managing costs and disciplined investing for the future

Unparalleled national reach driving revenue share (excl. Olympics). Achieved revenue share target > 39% in H1 FY23 and Q4. Grew underlying share (ex Olympics / Comm Games) each quarter; full year up 1.2 share points

Costs managed in line with outlook; savings offset NBCUniversal costs holding year on year growth to < 1%

Challenging market down 7.9% in FY23. Total TV market in line with FY21 levels

NBCUniversal content driving digital audience growth, on track for 2 billion minutes annually. Digital sports rights from September 2024

Underlying 7Digital EBITDA growth of 17% (excl. Olympics and Commonwealth Games) with digital now over 49% of underlying earnings. Content, platform and enabling investments ongoing and will drive digital leadership

Solid Financial Performance in a Challenging Environment

Revenue

↓ 3%

\$1,488m

Expenses

↑ 1%

\$1,208m

EBITDA

↓ 18%

\$280m

Underlying NPAT¹

↓ 27%

\$146m

Net cashflow before temporary
and capital items

↓ 19%

\$155m

Net Debt ↓ 3%

0.9x Net Debt/EBITDA LTM

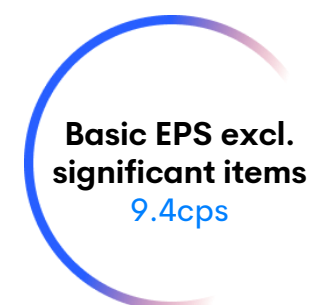
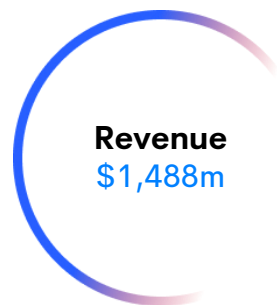
\$249m



FY23 Financial Performance



Profit and Loss



INCOME STATEMENT	FY23 \$m	FY22 \$m	Inc/(Dec) %
Revenue, other income and share of net profit of equity accounted investees	1,488	1,540	(3%)
Operating expenses (excluding depreciation and amortisation)	(1,208)	(1,198)	1%
EBITDA ¹	280	342	(18%)
Depreciation and amortisation	(42)	(33)	27%
EBIT ²	238	309	(23%)
Net finance costs	(35)	(36)	(3%)
Profit before significant items and tax	203	273	(26%)
Significant items before tax	(7)	10	nm
Profit before tax	196	283	(31%)
Tax expense	(50)	(72)	(31%)
Profit after tax	146	211	(31%)
Underlying net profit after tax excluding significant items	146	201	(27%)

Financials: Seven

- Total TV market declined 7.9% in FY23, partly impacted by the Olympics in PY
 - Metro free-to-air advertising market declined 10.6%
 - Regional free-to-air advertising market declined 4.0%
 - BVOD market grew 6.1%, now approx. \$460m
- Seven secured target share in H1 FY23 (39.3%) and Q4 (39.1%). FY23 share of 38.5% (total TV). Underlying share growth (excl. Olympics / Comm Games) of approx. 1.2 share points YoY.
- Food, retail and government categories soft; travel, auto and insurance growing YoY.
- Costs in line with expectations.
- Underlying 7Digital EBITDA growth of 17% excluding the Olympics and Commonwealth Games.
- Program sales earnings in the period of \$40m, flat YoY.

SEVEN	FY23 \$m	FY22 ¹ \$m	Inc/(Dec) %
Revenue			
Broadcast and program sales	1,137	1,190	(4%)
Digital	179	178	1%
Total Revenue	1,316	1,368	(4%)
Expenses			
Broadcast and program sales	(1,011)	(1,001)	1%
Digital	(40)	(39)	3%
Total Expenses	(1,051)	(1,040)	1%
EBITDA			
Broadcast and program sales	126	189	(33%)
Digital	139	139	0%
Total EBITDA	265	328	(19%)
EBIT			
Broadcast and program sales	91	161	(43%)
Digital	134	135	(1%)
Total EBIT	225	296	(24%)

Financials: The West and Other

THE WEST

- Strong growth in digital audiences and the launch of new digital products resulted in a record 4.5m unique monthly audience, up 22%.¹
- Digital subscriptions continue to grow with revenue up 17% during the period.
- Advertising conditions remain mixed with retail the strong performer, while auto and real estate remain weak.
- Cost growth driven by increase in paper costs.
- Management remain focussed on strategy of holding the line on print, reducing cost and growing digital.

THE WEST	FY23 \$m	FY22 \$m	Inc/(Dec) %
Revenue	171	169	1%
Costs	(140)	(136)	3%
EBITDA	31	34	(9%)
EBIT	29	33	(12%)

CORPORATE & OTHER COSTS	FY23 \$m	FY22 \$m	Inc/(Dec) %
Revenue	1	3	(67%)
Costs	(17)	(22)	(23%)
EBITDA	(16)	(20)	nm
EBIT	(17)	(20)	nm

Statutory Results

STATUTORY RESULTS	FY23 \$m	FY22 \$m	Inc/(Dec) %
Profit before tax	196	283	(31%)
Profit after tax	146	211	(31%)
Basic EPS	9.4	13.3	(29%)
Diluted EPS	9.2	13.0	(29%)

ADDITIONAL INFORMATION	FY23 \$m	FY22 \$m	Inc/(Dec) %
Earnings per share based on net profit excl. significant items (net of tax)			
Underlying group EBITDA	280	342	(18%)
Underlying group EBIT	238	309	(23%)
Profit after tax excluding significant items	146	201	(27%)
Significant items (net of tax)	(1)	10	nm
Underlying Basic EPS	9.4	12.7	(26%)
Underlying Diluted EPS	9.3	12.4	(25%)

SIGNIFICANT ITEMS	FY23 \$m	FY22 \$m
Major IT project implementation costs	(22)	-
Net Gain on assets disposed	2	-
Net Gain on investments	12	4
Reversal of onerous provisioning	-	8
Net gain on disposal of subsidiaries	-	3
Write off of unamortised borrowing costs	-	(5)
Total significant items before tax	(7)	10
Tax benefit	6	0
Net significant items after income tax	(1)	10

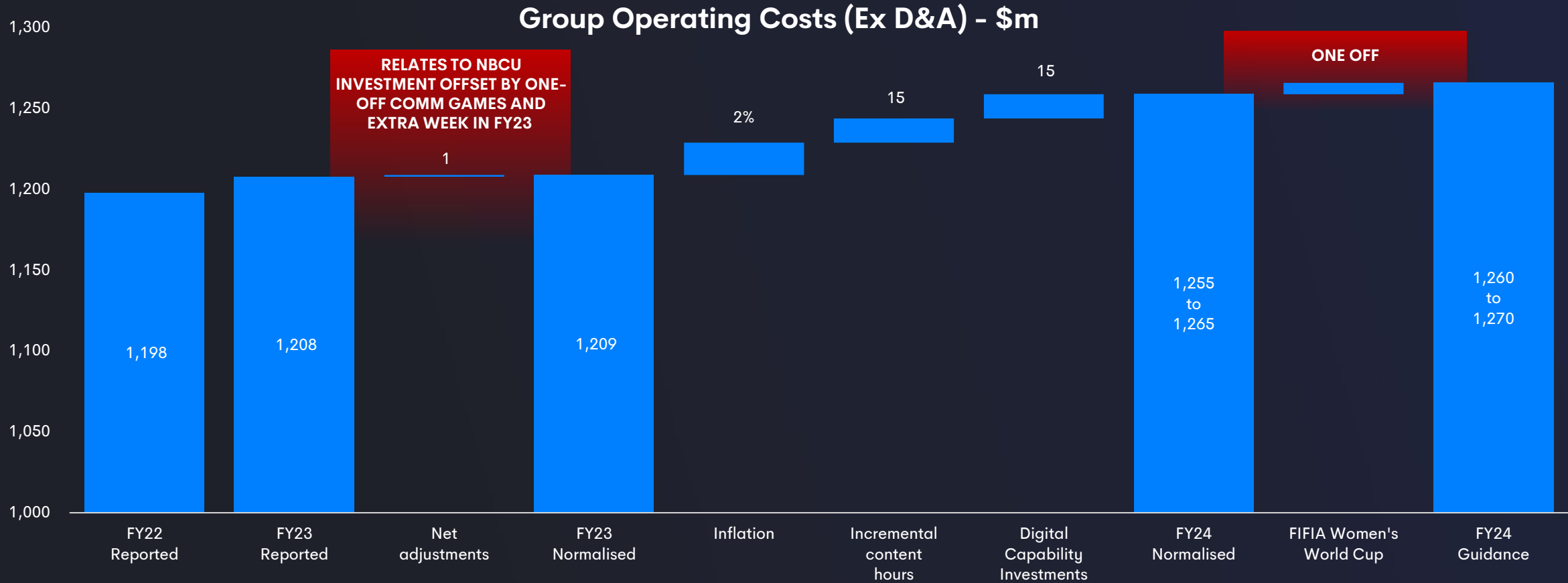
Cashflow

- Cashflow before temporary and capital items of \$155m
- Recurring cashflows include "normal" working capital, in-year tax payments, finance costs, capex and lease payments
- Temporary and capital items for FY23:
 - Onerous contracts and significant items (Project Code 7+) of \$64m. Previously included in working capital
 - Tax: FY22 catch up payment made. Now normalised
 - Share buyback: 36.5m shares purchased
- Net debt \$249m. Leverage 0.9x (net debt/EBITDA)
- News and Public Affairs move to Eveleigh largely complete. Looking to exit or sublease Martin Place office
- FY24 expectations:
 - Capex in line with FY23
 - Project CODE7+ investment expected to be circa \$20m in FY24
 - Onerous provision impact of \$38m in FY24 in relation to final year of current cricket agreement. Circa \$2m impact in future years in relation to legacy output agreement

CASH FLOW	FY23 \$m	FY22 \$m	Inc/ (Dec) %
EBITDA	280	342	(18%)
Working capital and other movements, net of onerous and Project Code 7+	(24)	(50)	(52%)
Tax paid, net of refund	(27)	(28)	(4%)
Net finance costs paid	(32)	(43)	(26%)
Net payment for PP&E and software	(32)	(27)	19%
Lease payments (excluding interest)	(12)	(10)	20%
Other	2	8	(75%)
Cashflow before temporary and capital items	155	192	(19%)
Tax balancing payment	(59)	-	nm
Onerous contracts	(42)	(90)	(53%)
Project Code 7+	(22)	-	nm
Share buyback	(15)	-	nm
Net proceeds from disposals & payments for investments & loans issued	(8)	(117)	nm
Net increase / (decrease) in net (debt) cash	9	(15)	nm
Opening net (debt) cash	(256)	(240)	7%
Change in unamortised refinancing costs	(2)	(1)	nm
Closing net (debt) cash	(249)	(256)	(3%)

Cost Expectations

Content and capability investment to lift cost base by 4%; circa 2.6% per annum since FY22.



Redefining The Power of Total TV



Redefining The Power of Total TV

National total TV leader

- #1 network in total people in FY23
- Dominant regional reach captures 36% of the national population
- 7plus has 13.5m verified and nearly 6m active users

Unmatched audience reach

- Seven reaches over 91% of Australians
- Monthly total TV reach of ~17.5m

Single Source of All-Screen Truth

- Covers all broadcast TV and BVOD viewing
- Truly national cross screen performance measure



Our redefined national total TV focus expands our market opportunity

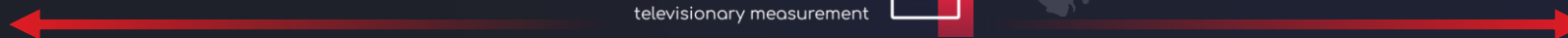
- \$3.6bn – MTV, STV, RTV
- \$460m growing to >\$1 bill – BVOD
- \$2.5bn – AVOD

We deliver mass cultural experiences through our leading content

- #1 News
- Leading broadcast and digital only entertainment
- #1 sports with AFL, Cricket streaming in CY24

Game changer for industry monetisation

- Captures currently unmonetised viewing
- Reduces friction and complexity for advertisers



The Move Away from TV is Overstated

VOZ: game changer for industry monetisation

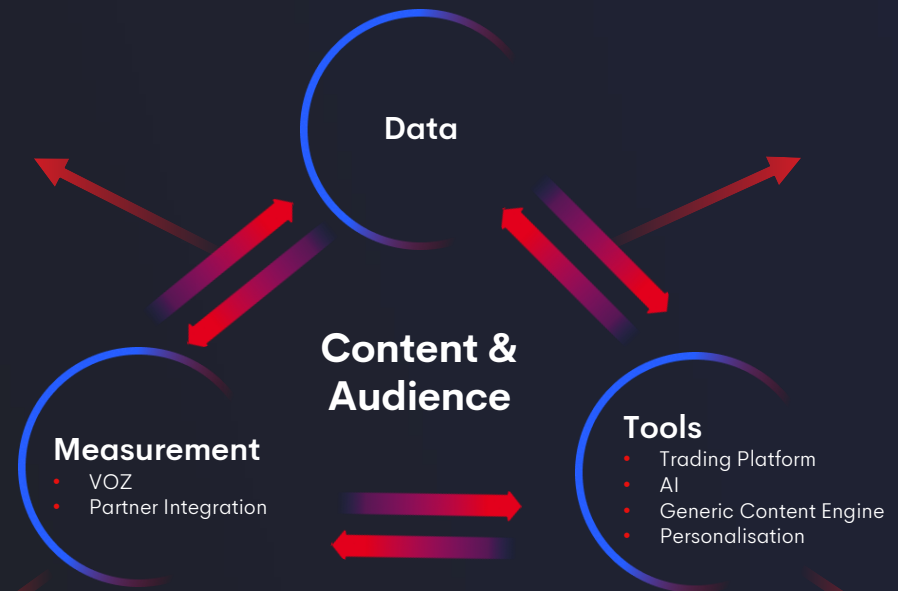
Acquisition

Audience is Growing



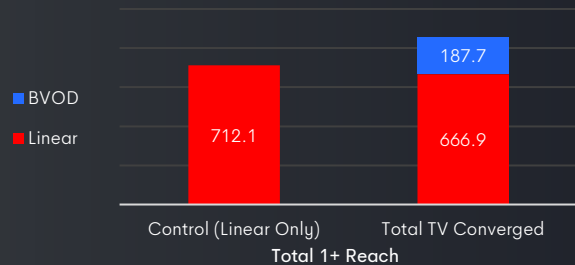
Activation

Minutes Viewed Have Grown FTA Taking Lions Share & Growing 5% YoY ¹



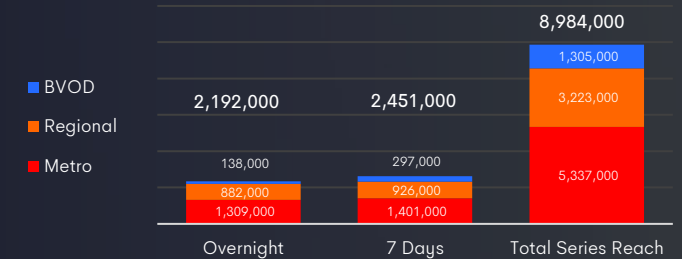
Monetisation

Improving reach and efficiency of spend



Engagement & Retention

Overnight < 7 Days < Series Reach Growing 20% YoY



When we sell converged with data – we can maximise value for clients and SWM.

BVID added 28% incremental reach using same budget as linear only based on test campaign performed

Our Strategic Objective

Australia's Most Connected News, Sport and Entertainment Brand

Our Strategic Pillars and Priorities

Accelerate our digital future

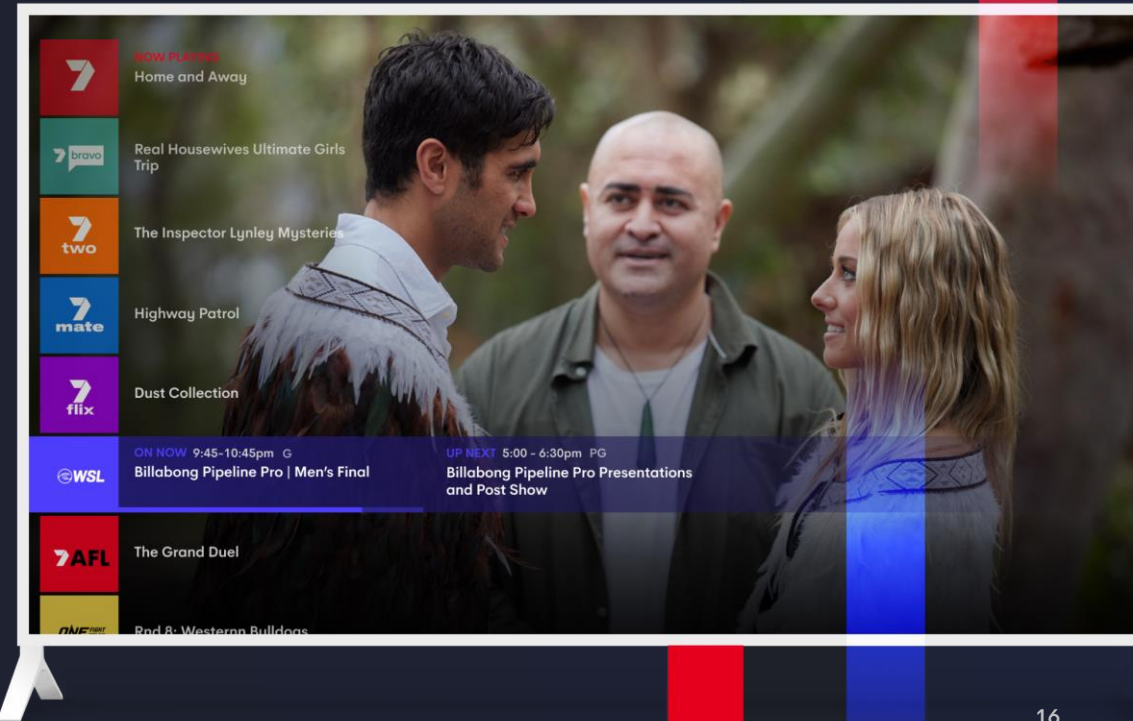
Enhance and elevate the Seven brand

Optimise the business

Partner for growth

Foundations Laid, Focused on the Future

1. Content in place and key digital rights coming
2. Best in class VOZ measurement system showing total TV as even more effective for clients
3. Platform investment in 7plus driving engagement
4. Trading platform (CODE7+) investment to target \$6.56bn video market



Summary

Trading Update

- FY24 content schedule optimised to maximise total TV audience
- Targeting 40% + total TV revenue share
- Continue to look for ways to drive efficiency into the business
- Total TV market expected to stabilise during Q2 once comps ease
- Early trading indicates Seven underlying revenue is tracking to FY23 market trend in July and August. Currently pacing slightly ahead of last year in September



Questions?



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