12 November 2020

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

2020 ANNUAL GENERAL MEETING ADDRESSES AND TRADING UPDATE

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

This release has been authorised to be given to ASX by the Managing Director & CEO of SWM.

For more details:

Alan Stuart
Investors/Analysts
T: +61 2 8777 7211
E: astuart@seven.com.au

Jack McLintock
Media
T: +61 2 8777 7166
E: jmclintock@seven.com.au

Thursday, 12 November 2020

Seven West Media Limited
2020 Annual General Meeting

Chairman's Address
CEO & Managing Director's Address

Chairman: Mr Kerry Stokes AC

The meeting marks the end of what has been the most tumultuous year in history for Seven West Media, the rest of the media sector and global economy as the COVID-19 pandemic impacted all of us.

At the start of the 2020 financial year the board appointed a new Managing Director and Chief Executive Officer, James Warburton, to make the necessary changes to regain the group's winning position with improved financial, operational and programming strategies.

James and his team put in place a range of building blocks to regain our leadership position and build on the success in AFL, news and current affairs programs in our TV business, while cutting our costs, selling non-core assets and lowering our debt level.

With these initiatives being put into place, we were hit in early 2020 by the bushfires and the onset of the COVID-19 crisis, which has dented consumer confidence and business activity, with media bearing the brunt of lower advertising expenditure as a result.

The re-structuring initiatives continued through these events, with millions more viewers tuning in to Sunrise, our news bulletins, special programs, newspapers and digital platforms to keep abreast of developments.

It is tribute to our staff that we were and continue to be the preferred source of trusted information and I thank all of them for their hard work and dedication during what has been a very difficult time in our history.

The unprecedented set of difficult economic conditions flowing from the pandemic brought more urgency to our plans to reinvigorate the group and we had to make very difficult decisions to shore up our business to withstand the economic shocks.

This work continues with the divestment of non-core assets, a sharper focus on our cost structure, a refreshed programming schedule and content across all of our platforms.

Sadly the cost-cutting has resulted in the departure of many valued staff who have made significant contributions to the group over many years. They have our greatest respect and we wish them well in the future.

As part of our work to position Seven West Media for the future, we have been working with the rest of the media industry and Federal Government to get our fair share of advertising dollars, hundreds of millions of which continue to be siphoned off to the foreign digital players.

These foreign owned online platforms pay little tax in Australia and operate on an entirely different playing field without being constrained by the myriad requirements placed on local media players.

We welcome the very effective work being performed by the Australian Competition and Consumer Commission in bringing these platforms to account for the damage they are causing to jobs, the integrity of news gathering and the established, law abiding businesses in Australia.

We urge political parties from all sides to implement changes in legislation recommended by the ACCC.

Our management team are preparing a very exciting programming schedule for 2021, have successfully re-negotiated our rights contracts in AFL and horse racing, with other sports and programming contracts identified for new arrangements.

We believe these measures and others being put in place will put Seven in a long-term winning position, and we are best placed to be the first and strongest to recover from the current difficulties.

On behalf of the Board, I thank you, our shareholders, and staff for your ongoing support of Seven as we continue to navigate our way through the very choppy waters in the economy.

I would now like to welcome James Warburton to speak to you. James

Managing Director & Chief Executive Officer: Mr James Warburton

Thank you, Chairman.

Good morning and thank you for joining us. 2020 has been a year like no other, but I think it will be the pivotal point in the turnaround of our company. We've accelerated the transformation of Seven West Media through the COVID-19 pandemic and clearly positioned the business for future success.

Fifteen months ago, we were in a tough spot. Our prime time television schedule was tired, stagnant and stale. Revenue in our core offerings was in decline. Cost reductions weren't keeping pace with revenue, and we were stuck with uneconomic sporting contracts. Seven's BVOD offering was a distant #2 and WAN's digital offering was in the early stages of rollout. We were also hampered by significant debt levels.

In August 2019, we embarked on a strategy to address all of these issues. The strategy had three pillars: content-led growth, transformation, and addressing our capital structure and exploring M&A.

In FY20, we simplified the management structure of Seven West Media and appointed a new executive team.

We also made other transformative changes:

- We departed from our internal production strategy for key tentpole shows and launched a completely refreshed prime time line up which we believe clearly positions us to win;
- We implemented $170 million of annualised gross cost saving initiatives, including the renegotiation and extension of the AFL contract;
- We prioritised our digital strategy and reinvigorated our 7plus BVOD platform, securing the #1 position in about 12 months, and turbo-charged WAN's digital subscription push;

- And we secured proceeds of $150 million from the sale of assets to reduce debt.

At our Upfront in October 2019, we outlined a refreshed and revitalised prime time content strategy. We were confident it would return Seven to leadership in the key advertising demographics and help strengthen our already dominant content spine.

The reality of 2020 has turned out to be completely different. We thought our new tentpole programming strategy would take six months to come to fruition, but it's not what happened.

We had to delay filming of Home and Away. We weren't expecting to lose the AFL for eight weeks. We weren't expecting an Olympiad without the Olympics and Paralympics.

We weren't expecting that we would be forced to delay Holey Moley for six months or that we would lose Australia's Got Talent entirely. It should be on air right now.

COVID didn't single us out, but it certainly affected us significantly more than it did our competitors.

However, our new content-led growth strategy of outsourcing known and tried international formats kicked off in June this year and things started to change - quickly.

We moved from almost five share points down in the first half to more than 2 points up in the second half, which is a remarkable turnaround in the TV business.

The resurgence was led by our refreshed and rebooted Big Brother, coupled with the return of the AFL.

Big Brother was a runaway success and we followed it up with a new version of Farmer Wants A Wife and now SAS Australia, which launched as the number one entertainment show in October. It's been too long since Seven launched back-to-back hits, let alone three key new tentpole shows.

The AFL, which we extended our agreement with until 2025, was up in audience by a massive 15% in the capital cities this season and has clearly cemented its position as Australia's #1 winter sport.

Sunrise has not been beaten this year and dominates breakfast TV.

Between 5 and 7pm, Monday to Friday across the entire survey year, we have won every single day thanks to the strength of The Chase and 7NEWS.

Our ongoing process with Cricket Australia is much talked about. To be 100% clear, we LOVE the CRICKET and we have a huge amount of respect for the athletes.

Ultimately, we pay for media rights to deliver quality content and strong audience numbers. We paid for and expect a first-class product and we will hold Cricket Australia accountable to provide it, even if it means at times, we're outspoken.

It isn't just the Seven Network where we are focused on content-led growth. Generational change is also underway at WAN, with a digital-first editorial focus. Our focus is to position The West and its broader portfolio to hold the line on print while we turbocharge it for content-led, digital growth.

So that's content.

The second strategic pillar focuses on the transformation of SWM and we have made significant progress in that area.

In FY20 we delivered $170 million in permanent gross cost reduction initiatives across the business, with the majority of these savings to be realised in the 2021 financial year.

Temporary savings initiatives of $51 million were actioned in March which helped limit the impact of COVID-19 on the business.

The combined outcome of these savings has been transformational, resetting the business's cost base, simplifying its structure, optimising processes, reducing headcount and addressing uneconomic contracts. We have started the transformation, but we are not finished. We're targeting $30 to $50 million in further cost out initiatives in FY21 which will be incremental to the savings actioned in FY20.

We have also made significant headway on our third pillar, capital structure and M&A. The total proceeds from asset sales in FY20 were $150 million, including the sale of Pacific Magazines.

We have active sale processes underway with the proceeds to be used to work down debt. We're at an advanced stage with those asset sales and will update the market in coming months.

During the 2020 financial year we reduced net debt to $398 million, compared to $564 million at the end of FY19.

In July, we amended and extended our debt facilities to ensure liquidity through the transformation. New covenants are now in place to December 2021, monitoring liquidity and EBITDA. Leverage and interest coverage covenants will be reinstated from December 2021. We are absolutely focused on de-leveraging to position the business for optionality and will continue to address our capital structure to deliver this flexibility.

Turning to the results for FY20:

There is no question that COVID-19 resulted in a very challenging year for advertising markets.

The metropolitan free to air TV ad market declined 14 per cent for the financial year, including a decline of 34 per cent in the fourth quarter. The newspaper ad market was also challenged, with revenue down 30% in the fourth quarter. Overall, our group revenue was down 14% in the year, including a 33% decrease in Q4.

Against this backdrop, SWM's FY20 EBIT from continuing operations, before significant items, declined 54 per cent to $99 million. We reported $352 million of significant items before tax, largely related to impairments and the provision for onerous contracts. Accounting for these items, SWM delivered a loss after tax of $200 million.

The impact of COVID-19 has been substantial, however the cost-out program goes a long way to delivering a sustainable cash-generating business as market conditions improve. Further, the already-completed asset sales underpin liquidity for the recovery.

Following the cost-out initiatives implemented in the 2020 financial year, we expect FY21 operating costs, excluding depreciation and amortisation, to be within analyst consensus range of between $1.03 and $1.05 billion.

We are working hard to drive significant change in the core business and improve profitability, despite market and economic headwinds.

The changes we have implemented so far position the business strongly to capitalise on a market recovery, but there is still much to be done. M&A remains very much on our radar, but our initial priority is strengthening the balance sheet so we can participate in future market consolidation and resume dividend payments to our shareholders.
Despite everything that happened this year, we still reach and engage with 17.5 million people a month. Despite a soft start to the 2020 ratings year, we are only half a point behind our nearest TV competitor in prime time. We lead the year in BVOD.

So think about what happens next year when we get back JUST the missing contents of 2020… then add in the new…

Add 5250 hours of the newest and freshest family content in the country and you can see how this schedule on Seven and 7plus will be the most disruptive schedule ever delivered.

In the past six months we have clearly demonstrated that when we can deliver engaged audiences, particularly after 7.30pm, advertising market share will follow.

I would like to thank you, our shareholders, and all our staff for your support in these most challenging times. We appreciate it and will continue to work tirelessly to strengthen the business and grow its value for all our stakeholders.

I'd now like to show you a short reel that underlines why we're excited about Seven and the year ahead.

You can see why we're excited about our future.

Finally today, a trading update for the business.

As I outlined earlier, since August 2019 we've focused on content: delivering what we can for 2020 despite the impact of COVID, and putting a strong schedule in place for 2021. We are confident that the slate we outlined at our upfront, and showed to you today, will ensure Seven is absolutely competitive in 2021 and beyond.

Competitive content drives revenue. So far in FY21 we've seen strong revenue share performance when we've delivered engaging content. The holes in our schedule are fixed for 2021. When content works share follows, with each share point worth $22m per annum.

The market has improved since the August results but remains short and volatile. The Metro FTA market was down 5% YoY for the period from July to October. Over the same period, the BVOD market continues to grow strongly, up 37%, with 7plus capturing share and growing 62% in that period.

Forward bookings suggest Seven's advertising revenue for the first half could be down approximately 5%.

Pleasingly, cost savings YTD, ex JobKeeper, have more than offset this revenue decline.

WAN has also had a positive start to FY21. Ex JobKeeper benefits, YTD cost savings have offset most of the revenue decline, which has been driven by continued weakness in travel against a stronger retail backdrop.

Relentless focus on cash flow has reduced net debt to approximately $425m at the end of October with $750 in drawn facilities and $325m cash.

SWM is not in a position to guide on FY21 earnings due to market uncertainty.

Thank you Chairman.

Seven West Media

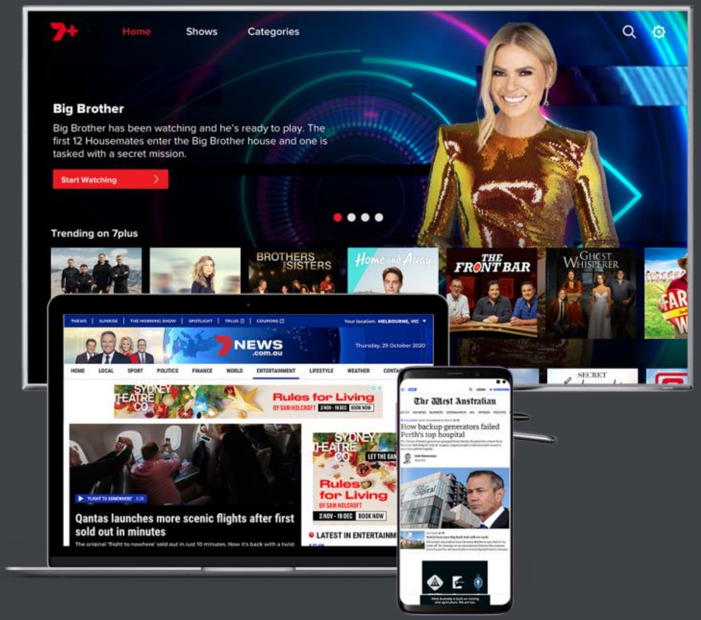
Closer to the moments that move us

Annual General Meeting / 12 November 2020

Transformation underway

Strategic Progress

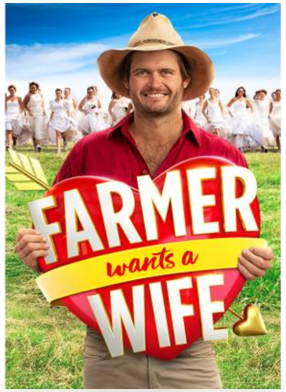
August 2019	November 2020
▶ Challenging market with material headwinds	▶ 15 months into a three-year transformation plan
▶ Losing ratings with stale and stagnant entertainment line up in prime time	▶ Momentum to win the content battle across all platforms
▶ Distant #2 BVOD share	▶ Resetting the cost base including uneconomic contracts
▶ Uneconomic contracts	▶ Plan set to work down debt
▶ Growing cost base with layers of middle management	▶ Paving the way to pursue M&A
▶ Significant debt burden limiting growth initiatives and M&A options	



1. Content Led Growth

Winning Key Demographics

Refreshed tentpole lineup



Big Brother highlights new content success extends beyond broadcast

- **#1 BVOD launch ever**
- **6.8 million viewers reached nationally**
- **100 million social media impressions**

Unbeatable content spine

2. Transformation

Redefining for a sustainable future

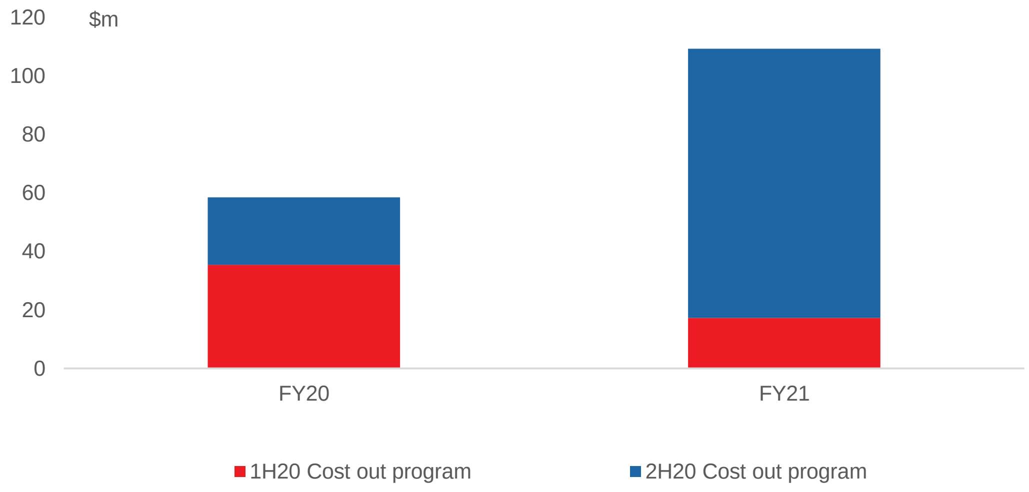
Permanent Initiatives

- ~$170m gross cost out in FY20
  - $135m TV; $33m Publishing[1]
  - Rebased AFL Sport Rights deal with $87m saving over 3 years
  - Review of all sports rights contracts ongoing
  - WAN savings of $15m realised in FY20
- FY21 focus – Further operating efficiencies and savings, targeting $30m-$50m.

Interim COVID Measures

- Incremental $51m of temporary cost savings achieved in FY20:
  - Production disruptions leading to content delay and cash cost deferral
  - Spectrum fee waiver Feb 20 to Jan 21; cash benefit in FY21
  - $30m saving from 3 month salary reduction and JobKeeper
  - FY20 Sports rights payments deferred / avoided

Realisation timing, $170m gross cost savings



Transformation journey to set up Seven West Media as a sustainable cash generating business for the future

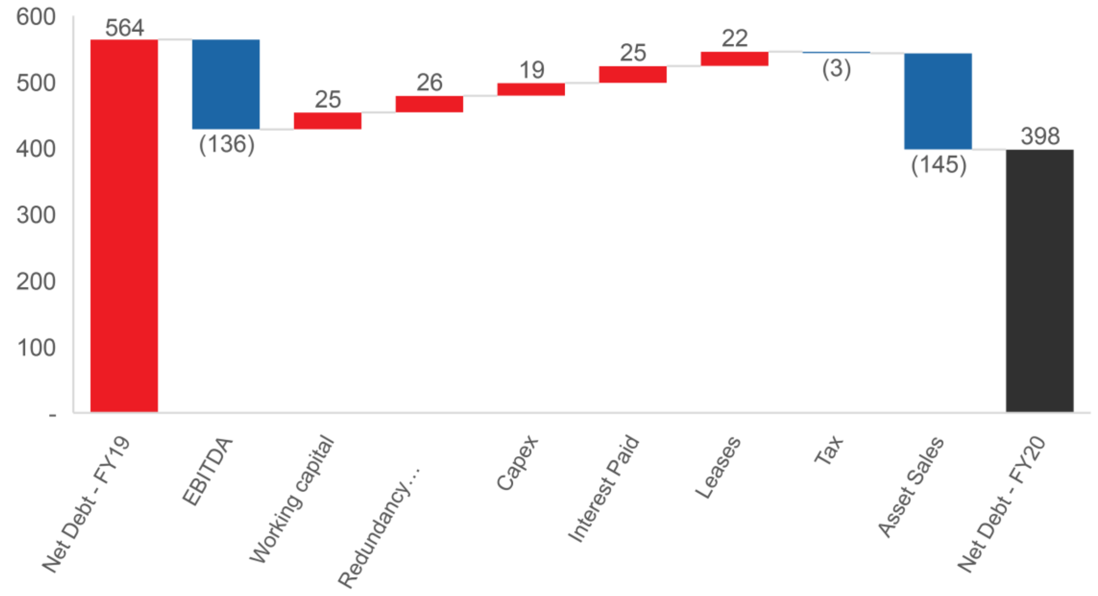
1. Includes $12m cost saving implemented in Pacific Magazines in FY20 prior to sale

3. Capital Structure and M&A

Deleveraging the business for optionality

Targeting material asset sales to offset FY21 working capital and Olympic outflows and drive net debt reduction

FY19 to FY20 Net Debt



- Significant COVID-19 impact on content and cash flow
  - Asset sales underpin liquidity for foreseeable recovery scenarios
  - Cost out to deliver sustainable cash generating business post recovery
- Asset sales delivered $150m
  - Redwave Radio ($28m)
  - Pacific Magazines ($40m)
  - WA Property ($75m, sale and leaseback)
  - Maroochydore ($7m, sale and leaseback)
- Amended debt facilities ensuring liquidity, flexibility and certainty
  - $450m maturity deferred to July 2022
  - New covenants (min liquidity and EBITDA) to Dec 21
  - Existing covenants reinstated from Dec 21

FY20 Overview

Transformation during challenging markets

- Advertising markets severely impacted by COVID-19
  - Metro FTA advertising market down 14.1% in FY20, (Q4 down 33.7%)[1]
  - WAN newspaper revenue down 30% in Q4 FY20
  - BVOD market growth of 30.4%[2] in FY20 (Q4 up 14.7%)
- Group revenue from continuing operations declined 14.0% to $1,227.1m, predominantly due to weaker advertising market conditions
  - Q4 revenue declined 33%
- EBIT[2] of $98.7m, a decrease of 53.6%
- Significant items of $352m before tax
- FY20 loss after tax of $200m

1. FreeTV, 2. from continuing operations and before significant items

Trading Update

FY21 Update

- TV advertising market has improved since August results but remains short and volatile
    - Metro TV advertising market was down 5% YoY from July-October
    - BVOD market up 36% from July-October, with 7plus capturing share and growing 63% in that period
    - Seven's advertising revenue is <5% down October YTD versus the prior year
    - Forward bookings indicate Seven's advertising revenue for H1 could be down approximately 5%
    - YTD cost savings have more than offset this revenue decline
- Net debt reduced to approximately $425m at the end of October
- WAN's performance has improved with cost savings offsetting most of the revenue decline
- Divestment processes are ongoing
- SWM is not in a position to guide on FY21 earnings due to market uncertainty

Seven West Media

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