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Australian Securities Exchange Limited
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SYDNEY NSW 2000

2021 FULL YEAR RESULTS – INVESTOR PRESENTATION

Seven West Media Limited (ASX: SWM) attaches the Investor Presentation for the year ended 26 June 2021.

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

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Disclaimer

Basis of preparation

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FY21 Overview

Financial results – Continuing Operations

Revenue \$1,270m ↑ 4%	Expenses \$1,022m ↓ 7%	EBITDA \$254m ↑105%	EBIT \$229m ↑141%	Underlying NPAT \$126m	Net Debt \$240m ↓40%
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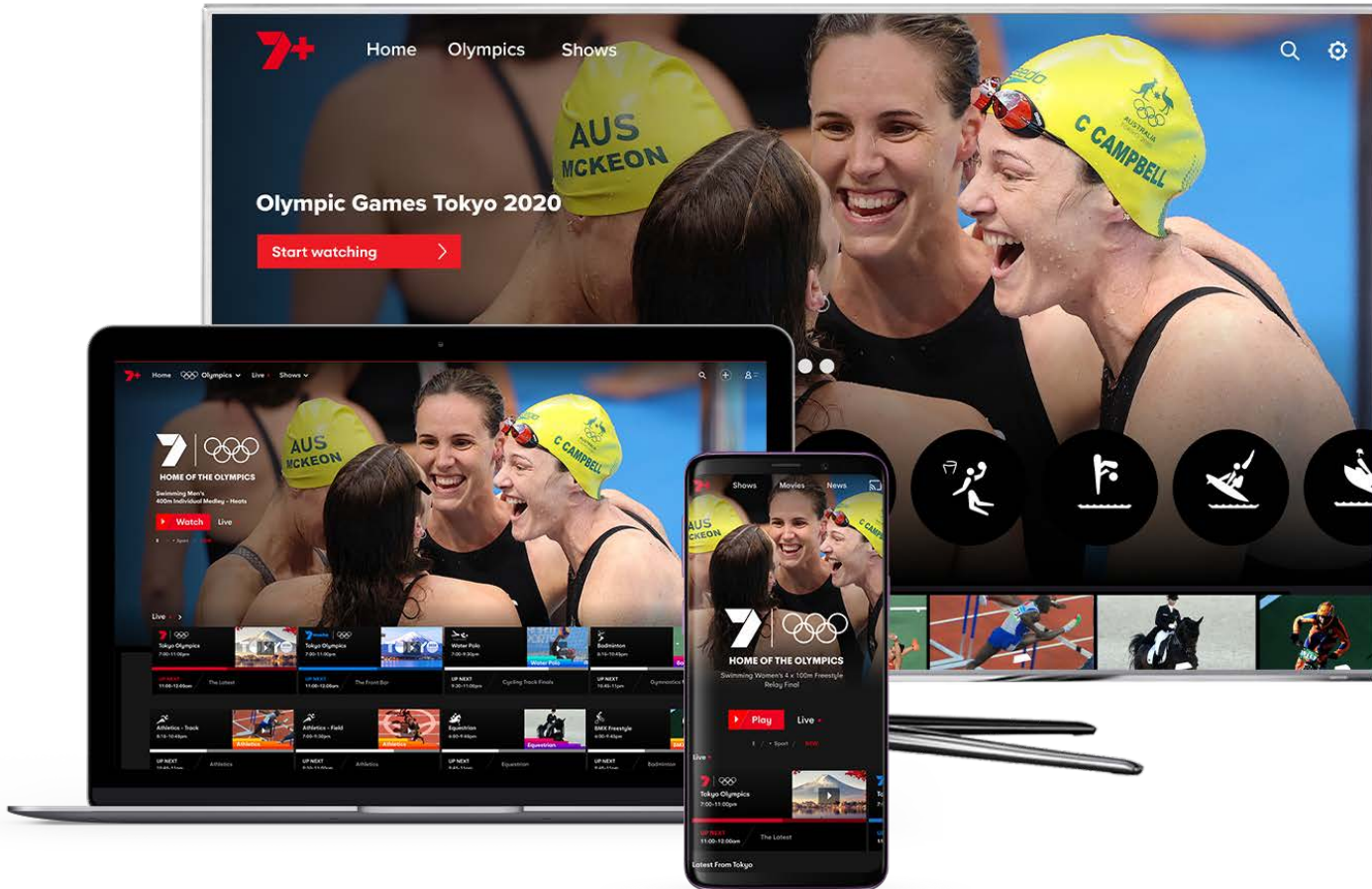
- ▶ Broadcast TV ad market rebounded strongly +25.8% in 2H, 11.5% in FY21
- ▶ 7plus grew revenue 78%, with BVOD ad market growth +55%
- ▶ Secured landmark deal with Google and Facebook for news content
- ▶ \$200m operating cost and cash savings actioned
- ▶ Operating costs declined 7% (including \$18m temporary benefits)
- ▶ Seven's digital EBITDA grew 131% to \$60.5m
- ▶ Gain on significant items before tax of \$277m
- ▶ Net debt reduced 40% to \$240m; leverage ratio now 0.95x
- ▶ Balance sheet improvement paves the way for either capital management options, once debt facilities refinanced, or consolidation opportunities

TV AD MARKET BOUNCED
BACK +11.5% IN FY21

7PLUS GREW REVENUE
78%

CONTENT LED GROWTH

Tokyo Olympics – a landmark media event



Audience

- ▶ Reached 20.2 million Australians over the Games
- ▶ Digital consumption exceeded expectations, marking the largest digital event in Australia with 4.74 billion minutes streamed.
- ▶ Huge adoption of 7plus, now 9.2 million registered users

Financial

- ▶ Record ad revenue for an Olympics which has led to a \$21m reversal of the onerous provision in FY21
- ▶ Operating costs controlled despite COVID challenges
- ▶ \$21m improved cash position from the adjustment in FY22, but net neutral FY22 P&L impact with a \$21m increase in operating expense due to the reversal offset by an equivalent revenue uplift

1

The Transformation Continues

Content Led Growth

Transformation

Capital Structure and M&A

Scorecard: Year two of three year plan

Content Led Growth

- ▶ Revitalise entertainment programming, creating momentum to engage heartland Australia ✓
 - Only network to grow share in FY21
 - New line-up of 7.30pm tentpole shows on 7 and 7plus
- ▶ Be the most relevant and exciting offer to advertisers ✓
 - Strong improvement in Seven's demographic profile
 - Competitive data offering in place
- ▶ Explore a meaningful streaming partnership play
 - Ongoing discussions with content partners for streaming play

Transformation

- ▶ Sharpen focus on being an audience and sales led organisation ✓
 - Investing in dynamic trading platforms
 - Established commercial partnerships to enrich audience insights
- ▶ Redefine working practices, becoming more efficient and effective ✓
 - Simplified operating structure across the group
 - \$170m cost saving program delivered and further \$30m saving program actioned
- ▶ Explore traditional adjacencies / Explore non-traditional adjacencies ✓
 - Digital and data transformation accelerated across the group with digital earnings expected to double in FY22
 - Seven West Ventures portfolio value increased 11% to \$56m with several new investments underway

Capital structure and M&A

- ▶ Maintain focus to work down debt and improve balance sheet flexibility ✓
 - Balance sheet stronger and in a position to pursue growth
 - Net debt reduced 57% (\$324m) to \$240m since FY19, leverage ratio now at 0.95x
- ▶ Explore M&A opportunities
 - Several opportunities have been assessed, actively pursuing consolidation in the sector

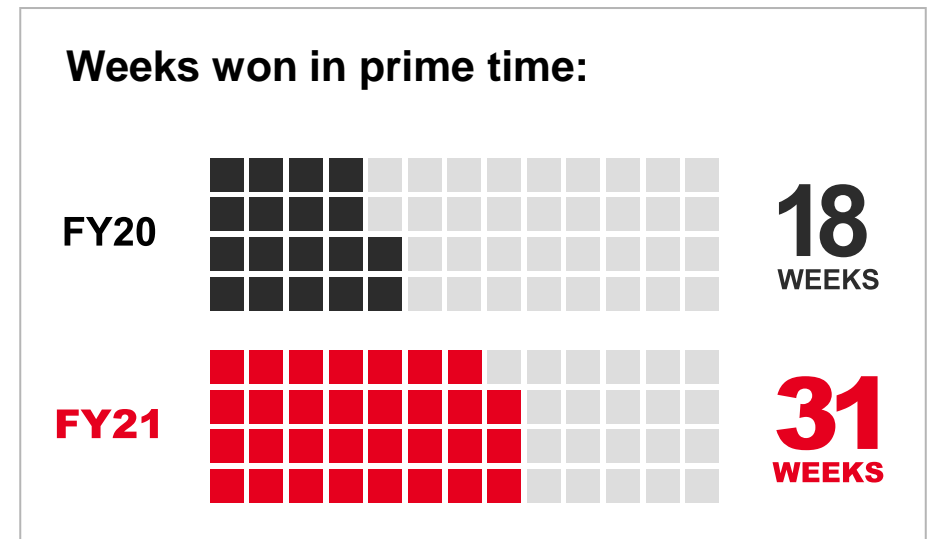
CONTENT LED GROWTH

Ratings and content momentum

- ▶ Seven was the only network to increase its commercial share in FY21 and grow in all key demos
- ▶ New entertainment schedule working, winning prime time ratings for 31 weeks in FY21 vs 18 weeks in FY20
- ▶ Content “spine” remains consistently #1: Sunrise, The Morning Show, The Chase, 7NEWS, Home and Away, Better Homes and Gardens
- ▶ FY22 positioned to benefit from major sporting events and full content schedule
- ▶ Two priorities:
 - 1) Focus on improving prime time entertainment ratings with new content slate
 - 2) Focus on strengthening Q3 ratings performance with new content

FY21 Broadcast audience and BVOD minute share gains

	TOTAL PEOPLE	25-54	16-39	BVOD
Prime time audience share (BVOD minutes share)	+1.8	+0.7	+3.4	+2.5
Tentpoles Sun-Thurs, prime time audience share	+1.8	+1.7	+3.0	



CONTENT LED GROWTH

INCREDIBLE SCHEDULE

to drive FY22 ratings



2022
HOME OF THE OLYMPICS & PARALYMPICS



the Voice



SAS
AUSTRALIA



BIG BROTHER
VIP



AFL
THE FINALS



THE
ASHES



OLYMPIC
Winter
GAMES
BEIJING 2022

CONTENT LED GROWTH

\$90m revenue opportunity

Metro FTA advertising revenue share (%)

Seven's long term average

FY21

\$90m Opportunity

PwC forecasts
broadcast TV revenue
to rebound in CY21

VOZ launched with
total TV measurement,
demonstrating the
unparalleled reach
of our assets

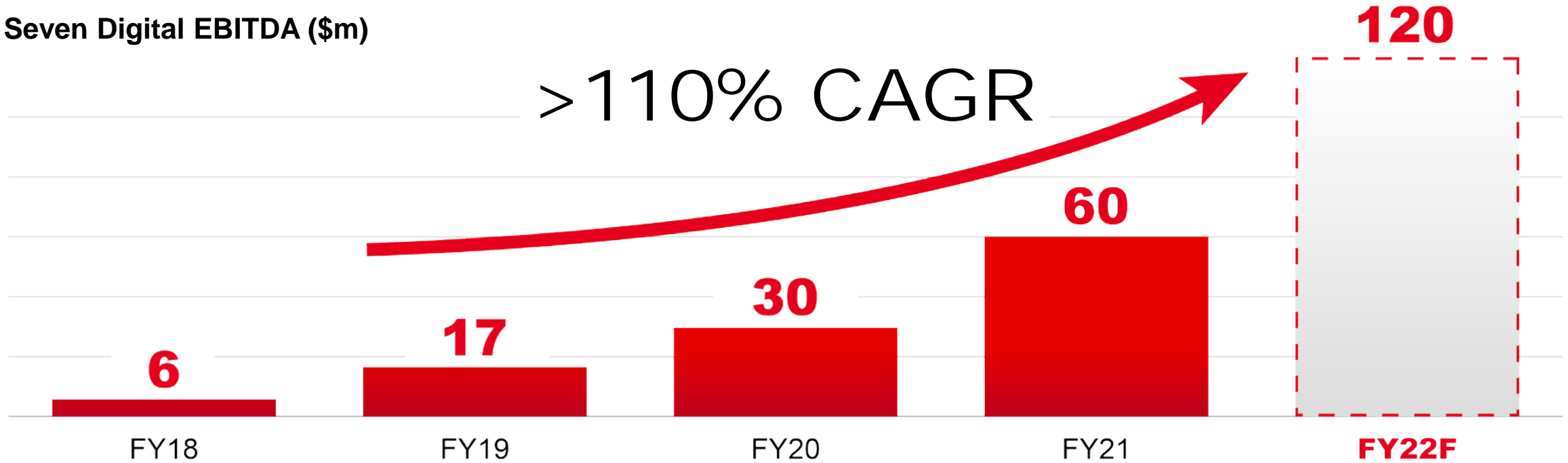
Dominant spine,
leading sports
and entertainment
ratings improving

\$90m broadcast
revenue upside
opportunity for Seven to
return to its historical share

TRANSFORMATION

Digital strategy delivering results

Seven Digital EBITDA (\$m)



PwC forecasts BVOD market to grow at 33% p.a. to \$900m by 2025

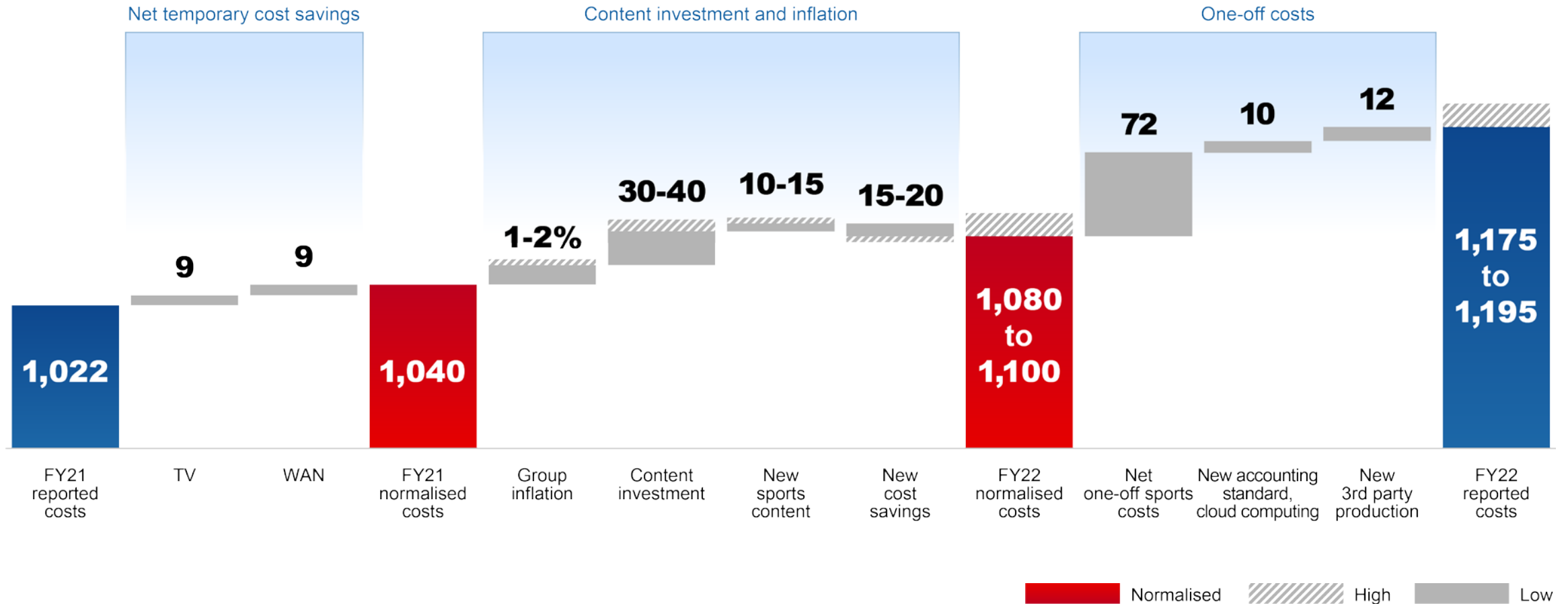
7plus grew revenue 78% (+4.8 points share)

Landmark deals **secured** with Google and Facebook

TRANSFORMATION

FY22 impacted by one-off costs

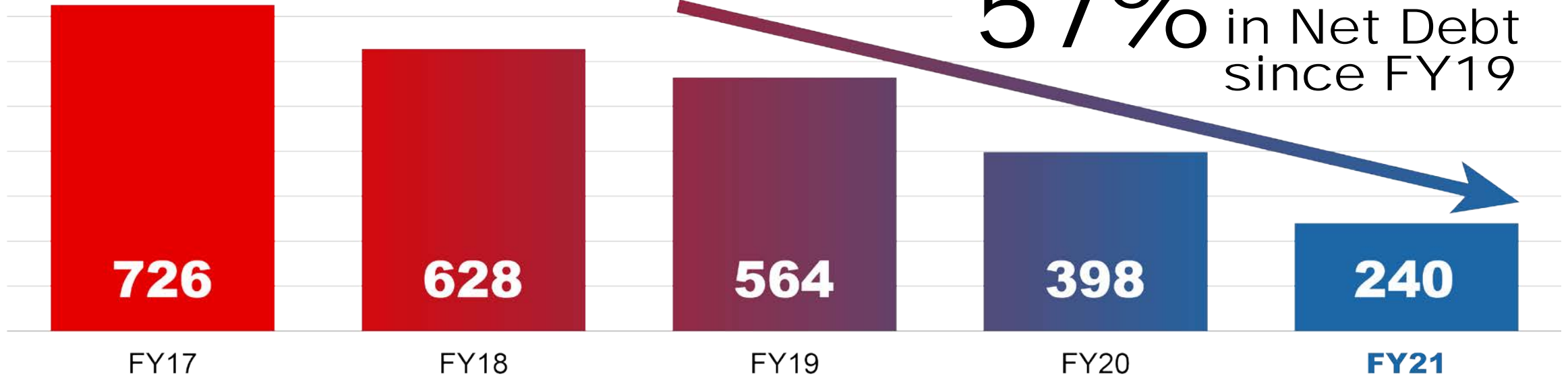
Operating costs (excl D&A) (\$m)



CAPITAL STRUCTURE AND M&A

Balance sheet position improved

Net Debt (\$m)



Net Debt / EBITDA (x)



2

FY21 Financial Results



Financials

Income statement (continuing operations)

\$1,270m Revenue	\$229m Underlying Group EBIT	\$126m Underlying Group net profit after tax	\$277m Significant items before tax	8.2cps Basic EPS excl. significant items
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Income Statement (continuing operations)	FY21 \$m	FY20 ¹ \$m	Incl/(Dec) %
Revenue and other income	1,269.6	1,227.0	3.5%
Share of net profit of equity accounted investees	6.3	1.2	433.9%
Expenses (including depreciation)	(1,046.9)	(1,133.3)	(17.6%)
Profit before significant items, net finance costs and tax	229.1	95.0	141.2%
Net finance costs	(60.7)	(40.6)	49.5%
Profit before significant items and tax	168.4	54.4	209.7%
Significant items before tax	277.2	(349.9)	
Profit / (loss) before tax	445.6	(295.5)	
Tax / (expense) benefit	(127.5)	94.4	
Profit / (loss) after tax	318.1	(201.2)	
Underlying net profit after tax excluding significant items	125.5	36.9	240.4%

Financials: Segments

Seven and Digital

- ▶ Metro FTA ad market increased 11.5% in FY21 and 25.8% in 2H¹
- ▶ Seven delivered a revenue metro FTA share of 35.3% in FY21¹
- ▶ BVOD market grew 54.6% in FY21 and 65.7% in 2H¹
- ▶ Seven secured a 36.9% share of the BVOD market in FY21, up 4.8 points on FY20, driving the majority of Seven's digital revenue¹
- ▶ Operating cost declined 6% in the financial year, reflecting the cost saving initiatives across the group and \$8.6m of temporary savings
- ▶ 7Studios EBITDA was \$45m in the financial year with the majority related to program sales

Seven*	FY21	FY20 ¹	Inc/(Dec)
	\$m	\$m	%
Revenue	1,106.5	1,041.9	6.2%
Costs	(870.9)	(931.0)	-6.4%
EBITDA	235.6	110.9	112.0%
EBIT	211.6	85.6	147.2%

Digital	FY21	FY20	Inc/(Dec)
	\$m	\$m	%
Revenue	92.1	55.2	66.8%
Costs	(31.6)	(29.0)	9.0%
EBITDA	60.5	26.2	130.9%
EBIT	56.7	22.5	152.0%

1. ThinkTV



FY21 Full Year Results / 16 August 2021

1: Prior year figures have been restated for the adoption of IFRIC Agenda decision

* Seven includes broadcast, digital and studios

Financials: Segments

WAN and Other

WAN

- ▶ Audience growth with print readership up 19%¹ for The West and digital audiences up 34.4% & 20.0%² for perthnow and thewest.
- ▶ Circulation and digital subscription revenue grew 5% and now represents c35% of revenue
 - ▶ Digital subscription revenue grew 90%
- ▶ Advertising conditions remain mixed with strong Retail trade offset by softness in Travel, Auto and Real Estate
- ▶ Costs reduced by 8.9% or \$13.1m which includes \$9m of temporary savings
- ▶ Targeting an incremental \$7m net cost savings in FY22

Other and corporate costs

- ▶ Other predominantly reflects corporate costs
- ▶ FY20 includes one-off live event and the contribution from Redwave which was divested on 31 Dec 2019

WAN	FY21	FY20	Inc/(Dec)
	\$m	\$m	%
Revenue	162.2	167.1	-2.9%
Costs	(133.7)	(146.7)	-8.9%
EBITDA	28.5	20.4	39.9%
EBIT	28.2	17.7	59.0%

Other & Corporate costs	FY21	FY20	Inc/(Dec)
	\$m	\$m	%
Revenue	7.3	19.3	-88.7%
Costs	(17.5)	(27.0)	-95.6%
EBITDA	(10.2)	(7.7)	32.5%
EBIT	(10.7)	(8.3)	30.1%

Financials

Statutory results (continuing operations)

Statutory results

	FY21 \$m	FY20 ¹ \$m	Inc/(Dec) %
Profit / (loss) before tax	445.6	(295.5)	250.8%
Profit / (loss) after tax	318.1	(201.2)	258.2%
Basic EPS	20.7	(13.2)	255.8%
Diluted EPS	20.7	(13.2)	255.8%

Additional information – Earnings per share based on net profit excl. significant items (net of tax)

	FY21 \$m	FY20 ¹ \$m	Inc/(Dec) %
Underlying group EBIT	229.1	95.0	141.2%
Profit after tax excluding significant items	125.5	36.9	240.4%
Significant items (net of tax)	192.6	(238.1)	180.9%
Profit / (loss) after tax	318.1	(201.2)	258.2%
Underlying Basic EPS	8.2	2.5	233.7%
Underlying Diluted EPS	8.2	2.5	233.7%

Underlying results exclude significant items

Significant items

	FY21 \$m	FY20 ¹ \$m
Reversal of previously impaired/ (impairment of) intangible assets	208.5	(65.5)
Net impairment of other assets	(1.3)	(137.3)
Total impairments and write-offs	207.2	(202.8)
Redundancy and restructure costs	4.9	(12.0)
Net Reduction/(Increase) in onerous provision	59.1	(136.9)
Net Gain/(Loss) on investments	3.4	11.0
Net Gain/(Loss) on assets disposed	-	9.4
Other	2.6	(18.6)
Total significant items before tax	277.2	(349.9)
Tax benefit /(expense)	(84.6)	111.9
Net significant items after income tax	192.6	(238.1)

1. Prior year figures have been restated for the adoption of IFRIC Agenda decision

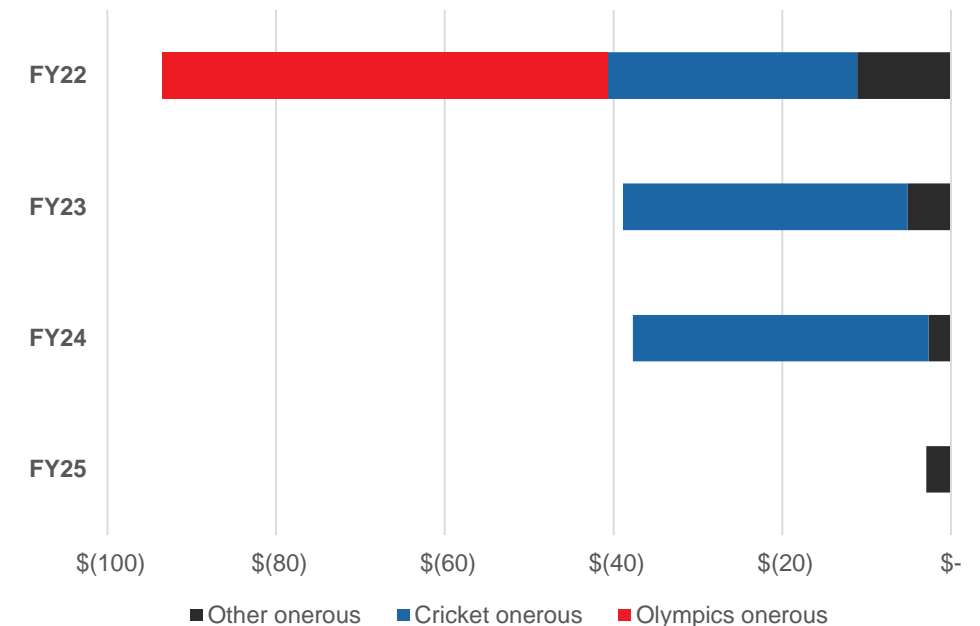
Financials

Cash flow (including discontinued operations)

	FY21	FY20	Inc/(Dec)
	\$m	\$m	%
EBITDA	253.8	128.0	98.2%
Working capital and other movements	(38.9)	(24.6)	55.9%
Redundancy and employee entitlements	(7.6)	(25.6)	(70.3%)
Dividends received net of share of associates profit / (loss)	(6.3)	3.9	nm
Operating cash flow before interest and tax	201.0	81.7	146.8%
Tax paid, net of refund	(5.8)	2.6	Nm
Net finance costs paid	(59.4)	(40.2)	47.8%
Net payment for property, plant & equipment and software	(19.2)	(15.3)	25.4%
Net proceeds from disposals and payments for investments	44.6	145.4	(69.2%)
Lease payments (excluding interest)	(9.2)	(7.4)	24.3%
Net increase / (decrease) in cash and cash equivalents	152.0	166.8	(8.6%)
Opening net (debt) cash	(398.0)	(564.4)	(29.4%)
Net increase in cash and cash equivalents	152.0	166.8	(8.6%)
Change in unamortised refinancing costs	6.0	(0.4)	Nm
Closing net (debt) cash	(240.0)	(398.0)	(39.7%)

- ▶ Net finance costs in FY21 includes c\$12m from upfront finance costs relating to the establishment of the current debt facility in 1H21.
- ▶ Capex to be approximately \$40m in FY22 relating to the News co-location project and revenue related capex initiatives.

Onerous contracts utilisation by year (\$m)



- ▶ Cash outflow in FY22 relating to the onerous contracts expected to be c\$41m given Olympics pre-payment.
- ▶ Onerous contracts in future years after FY22 should have corresponding cash outflows

3

Trading Update and Strategic Focus

Discover
something new



THE HUNTER
MURDER IN THE FIRST

TEMPTATION
ISLAND USA

9-1-1
LONE STAR

FILTHY
RICH

KITA

STATION 19

Ally McBeal

Home and Away

THE MYSTERIES
OF LAURA

THIRD WATCH

Mistresses

THE ART
OF MORE

Client
List

shameless

private practice

BOSTON
LEGAL

Trading Update

- ▶ Positive market momentum has continued into 1H22
 - ▶ Targeting 40% broadcast share in the first half
 - ▶ 1Q revenue bookings up 60% (compared to 1Q21 market down 12%). Up 50% when normalised for AFL timing
 - ▶ 2Q bookings (excl AFL) currently tracking low to mid-single digits ahead of 2Q21 (2Q21 market up 19%)
- ▶ Digital earnings expected to double to >\$120m in FY22
- ▶ WAN revenue tracking 7% ahead on July last year
- ▶ Operating expenses tracking in line with guidance, despite lockdown challenges

Get the feeling!



Next 12 months

Focus and Objectives

Content Led Growth

- ▶ Content and improved ratings are the fastest path to capture the \$90m revenue opportunity
- ▶ Capitalise on the Olympics:
 - ▶ Leverage audience momentum into improved ratings and revenue share
 - ▶ Drive greater adoption of 7plus and grow revenue share
- ▶ Content schedule to deliver >38% broadcast revenue share
 - ▶ 1% market growth ~\$8m revenue
 - ▶ 1% market share ~\$23m revenue

Transformation

- ▶ Secure target savings, maintain ongoing cost discipline and focus on onerous content
- ▶ Transform 7plus beyond BVOD including SVOD options
- ▶ Leverage enhanced data capability and insights to drive improved commercial outcomes

Capital structure and M&A

- ▶ Renegotiate debt facilities in CY21 given improved financial position
- ▶ Identify new opportunities and leverage our assets to grow the value of Seven West Ventures portfolio
- ▶ Strategic focus is on industry consolidation

4

Questions



Start your day
*feeling
good*