



Wednesday, 4 May 2022

Investor presentation and trading update

Seven West Media Limited (ASX: SWM) Managing Director and Chief Executive Officer, James Warburton, will deliver the attached presentation at the Macquarie Australia Conference today.

The presentation includes a trading update that upgrades SWM's expectations for earnings before interest, tax, depreciation and amortisation (EBITDA) for the 2021-22 financial year from the previous guidance of between \$315 million and \$325 million to between \$335 million and \$340 million.

Mr Warburton said: "The earnings upgrade reflects the strength of advertising markets and the ongoing success of Seven's broadcast and digital businesses.

"The recent acquisition of Prime Media Group, coupled with the winning performance of the Seven broadcast television business and the strong growth of 7plus, make SWM the undisputed leader in the national total television market – a position that we plan to build on in the future."

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, 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; broadcast video on demand platform 7plus; 7NEWS.com.au; The West Australian; and The Sunday Times. With iconic brands such as Australia's leading news and breakfast programs **7NEWS** and **Sunrise**, **Big Brother**, **SAS Australia**, **Farmer Wants A Wife**, **The Voice**, **Dancing With The Stars: All Stars**, **Home and Away**, **The Chase Australia** and **Better Homes and Gardens**, Seven West Media is also the broadcast partner of the AFL, Cricket Australia, Supercars, the Commonwealth Games and the Olympics

Seven overview

Undisputed National Total Television Leader

91% Reach



Publishing

82% Reach



Ventures/Other assets

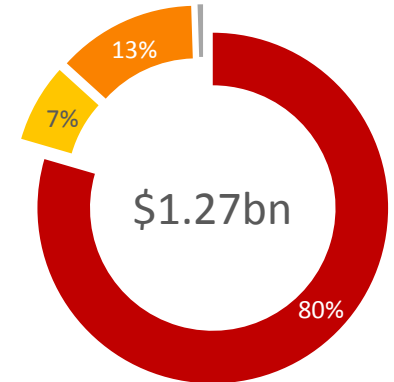
Ventures:



Other assets:

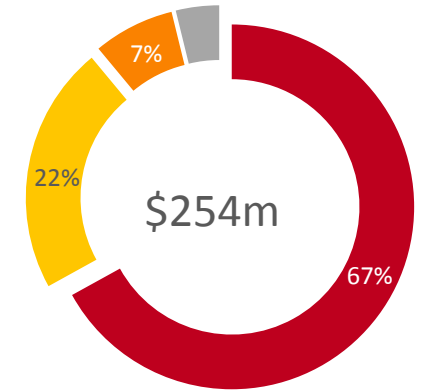


Group Revenue – FY21



■ TV Broadcast ■ 7 Digital ■ WAN ■ Other

Group EBITDA – FY21



■ TV Broadcast ■ 7 Digital ■ WAN ■ Other

Key three year strategic achievements

AUGUST 2019

- Challenging market with material headwinds
- Losing ratings with stale and stagnant entertainment line up in prime time
- Distant #2 BVOD share with minimal earnings
- Uneconomic contracts
- Growing cost base with layers of middle management
- Significant debt burden limiting growth initiatives and M&A options

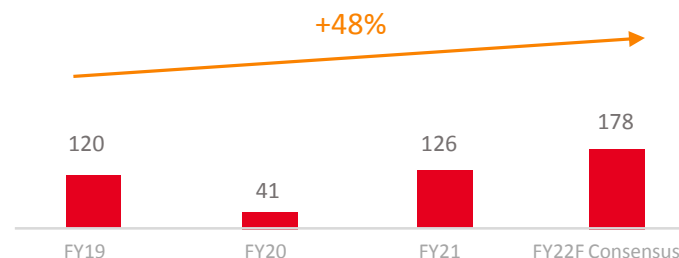
STRATEGY

Content Led Growth
Transformation
Capital structure and M&A

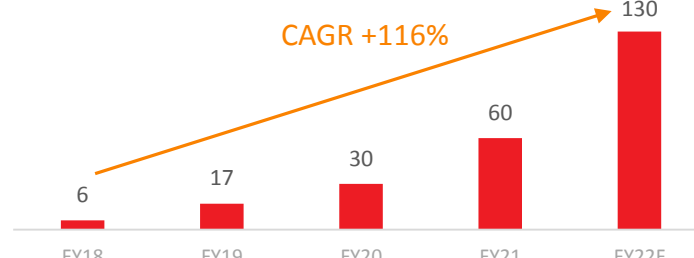
TODAY

- Returned to leadership, earnings growing, balance sheet fixed
- Capturing share across broadcast and BVOD in strong / growing advertising market
- Digital to represent 40% of group earnings
- Landmark Google and Facebook deals secured
- Leverage at 0.9x post Prime acquisition
- Now the leading national total TV company with unmatched scale

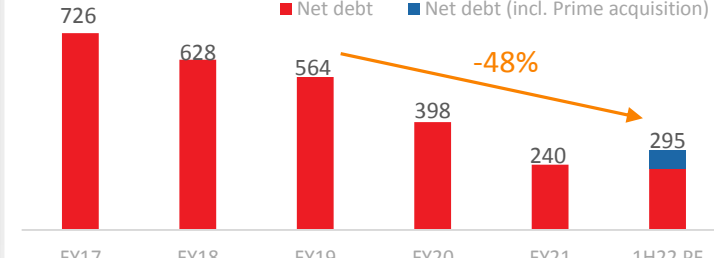
SWM Underlying NPAT (\$m)



7Digital EBITDA (\$m)



Net debt (\$m)



The big questions

“Can the total TV advertising market continue to grow?”

The big questions

“Can BVOD underpin growth for total TV?”

The big questions

YES

if the industry continues to drive
value for advertisers

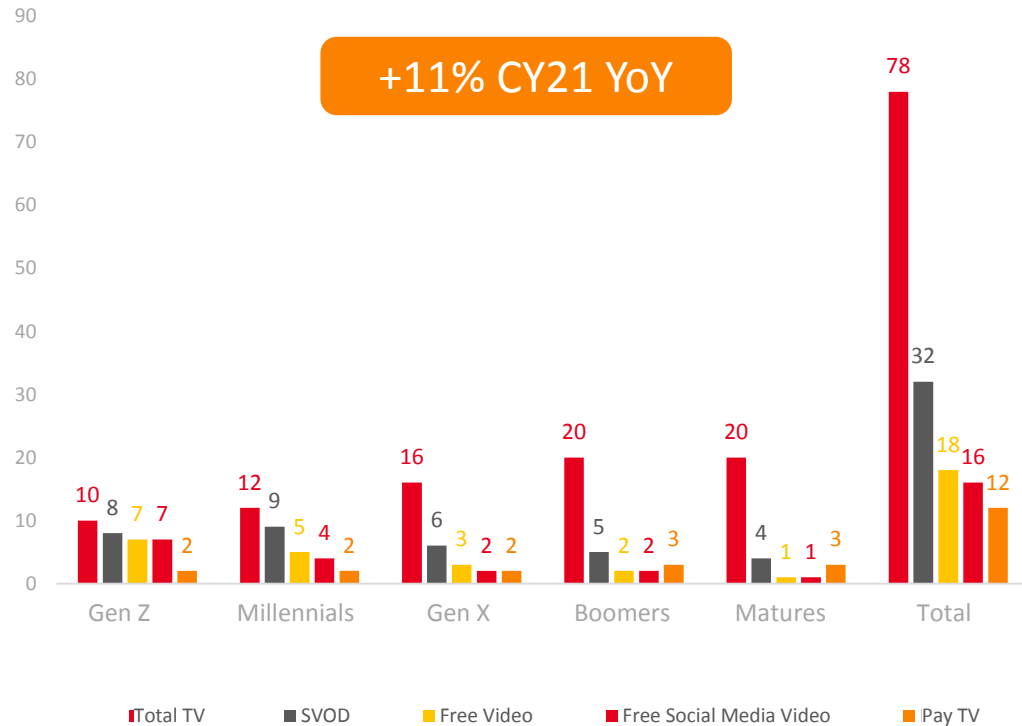
- Industry / Seven positioning
- No longer a broadcast offering measured overnight
- Now a total TV offering delivering unmatched reach
- Optimising audiences across platforms
- Sophisticated data and ad-tech solutions
- Unparalleled national opportunity

Content investment is growing audience

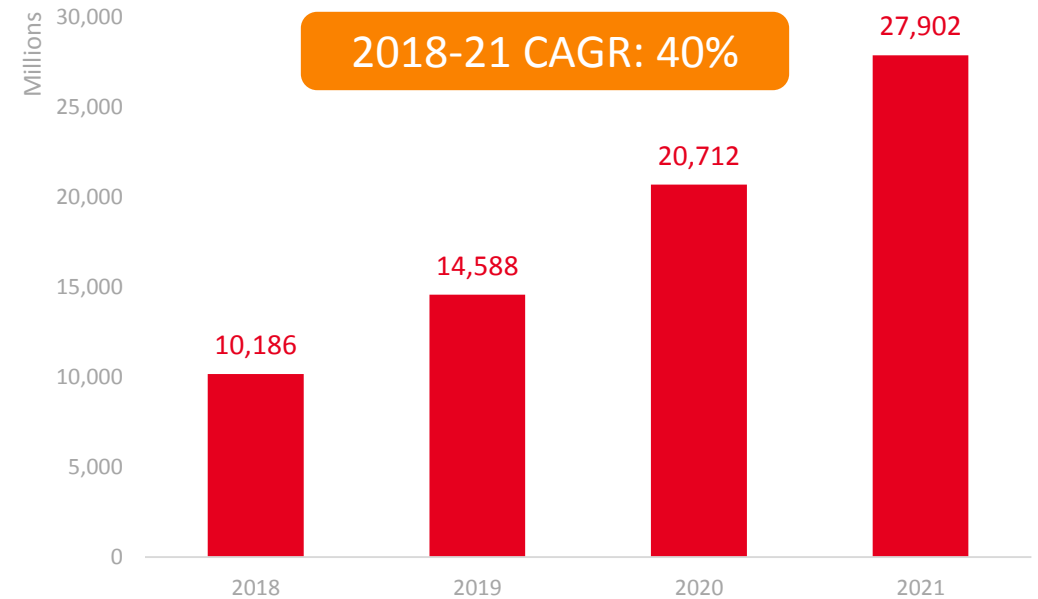
Broadcast and BVOD is the dominant form of consumption across all demographics

Hours of video content viewed per week

Deloitte Consumer Media Survey, 2021 (n = 2000)
Total TV includes FTA and BVOD



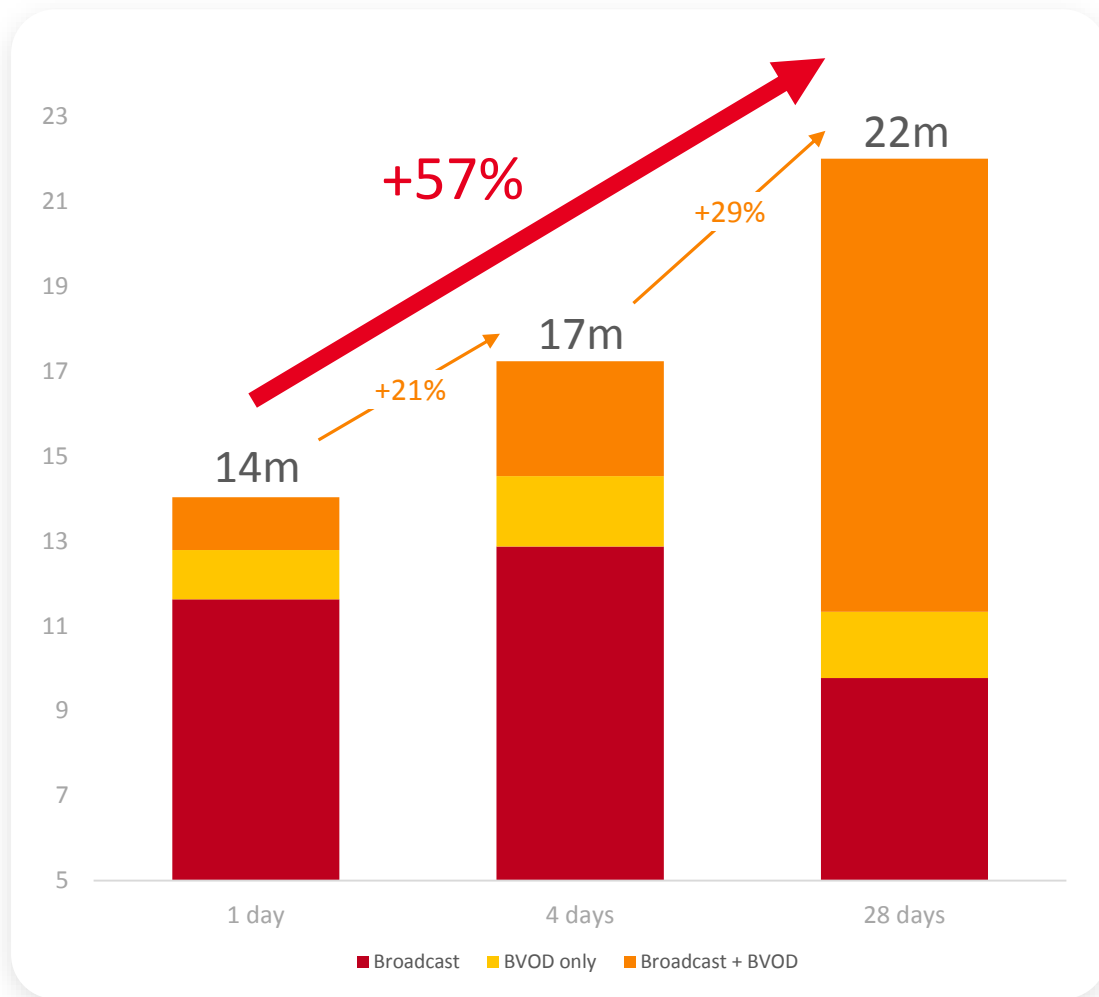
Commercial FTA BVOD market minutes (m)



BVOD is the destination for younger demographics (76% are under 50)

Driving unmatched total TV audience reach

VOZ measurement tracks all consumption; Seven is focused on educating the market



More than just overnight audience. Industry starting to measure itself more effectively:

- Across broadcast and BVOD, total TV reaches 22m deduplicated Australians every month
- VOZ measurement confirming 57% greater reach after 28 days compared to overnight only
- Consumers that view both Broadcast and BVOD represent 60% of reach after 28 days
- Delivering unparalleled reach in video advertising, strengthening sale proposition in market

The new way to look at audiences

The Voice Launch, 18 April 2022

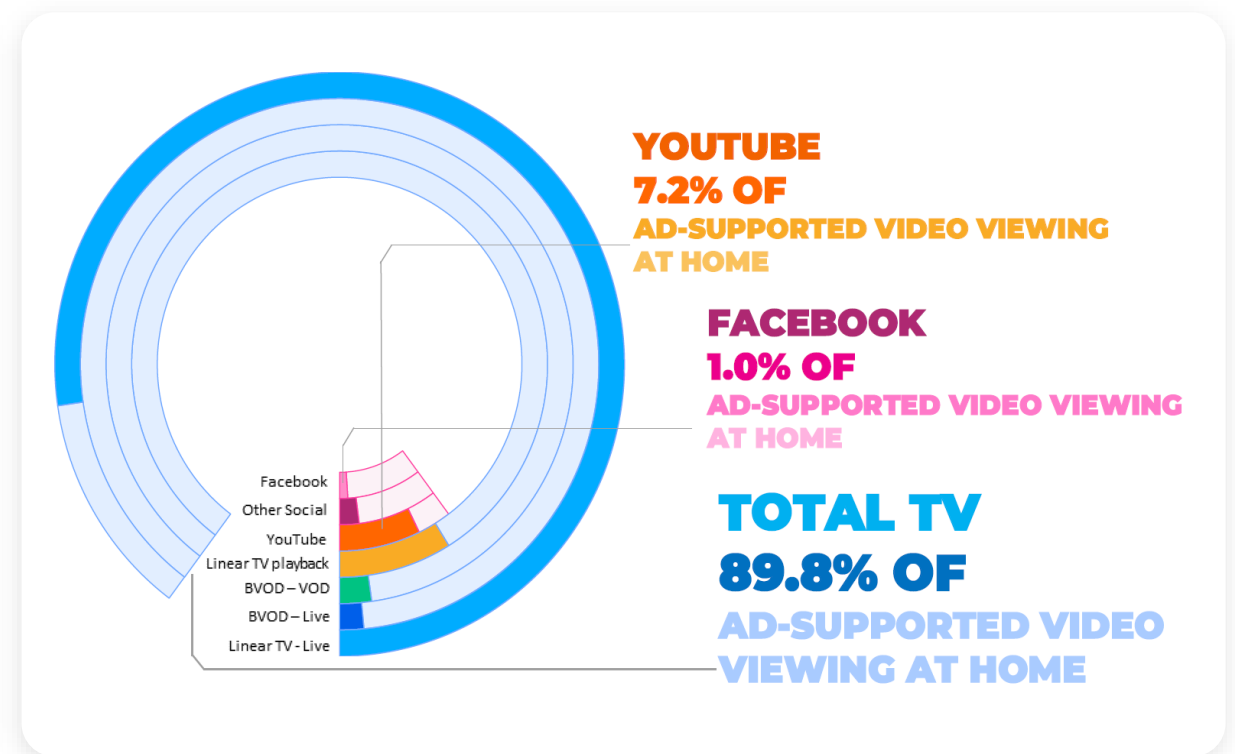
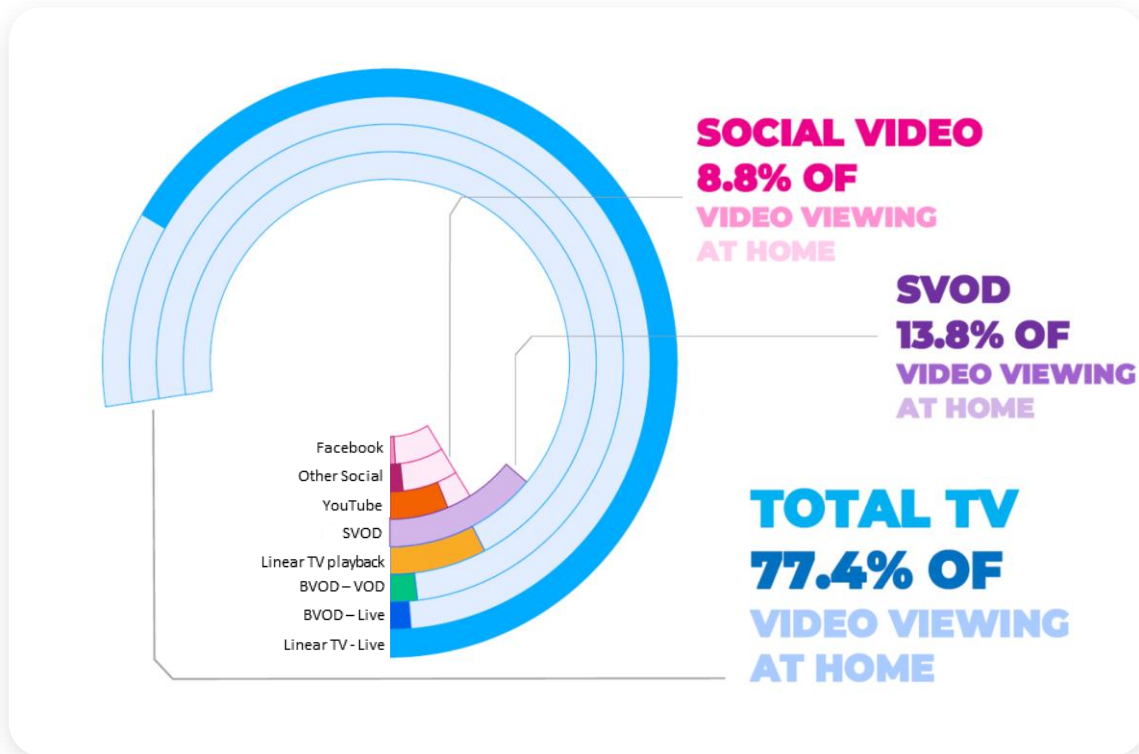
- Television measured the same way for 22 years
- No digital inclusion
- Industry working on VOZ and national rollout for 2023



	METRO	NATIONAL	BVOD	TOTAL
LAUNCH	843,000	1,266,000	48,075	1,314,075
AFTER 7 DAYS	896,000	1,335,000	197,000	1,532,000

The new way to look at audiences

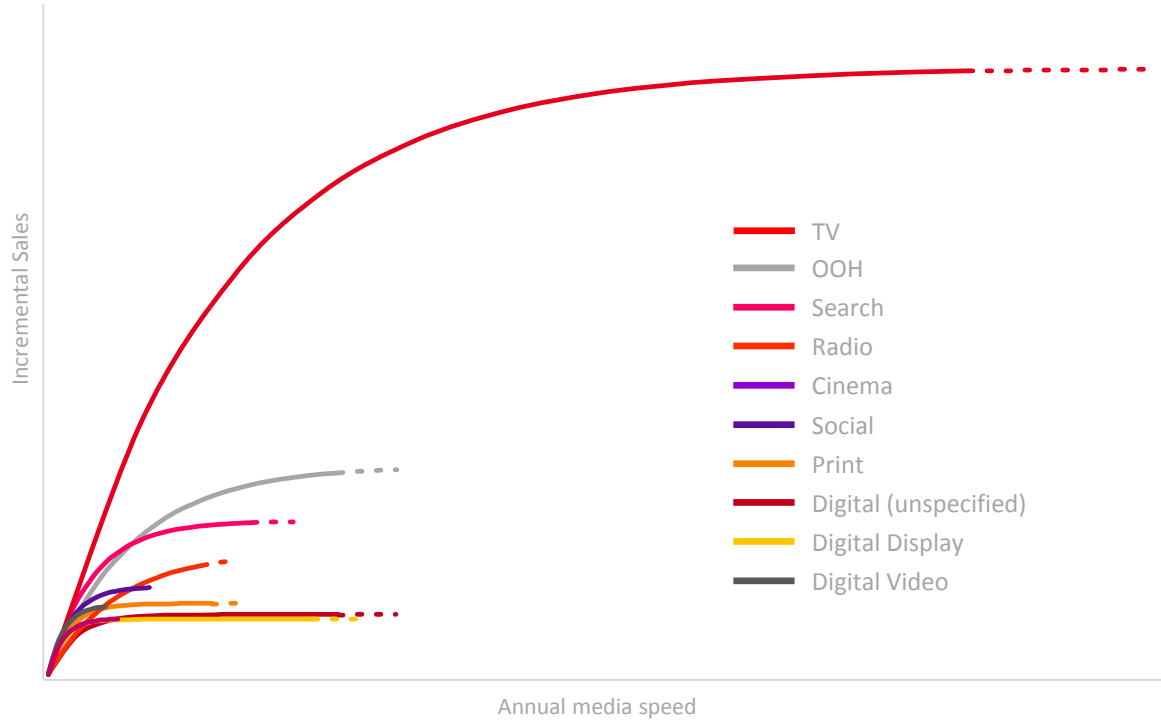
Total video and ad-supported in-home video viewing



Total TV delivers the greatest ROI

TV demonstrates the strongest performance vs other media

TV drives greater sales for ad spend and for longer...



... driving new advertisers to total TV

20%

increase in new broadcast advertisers

92%

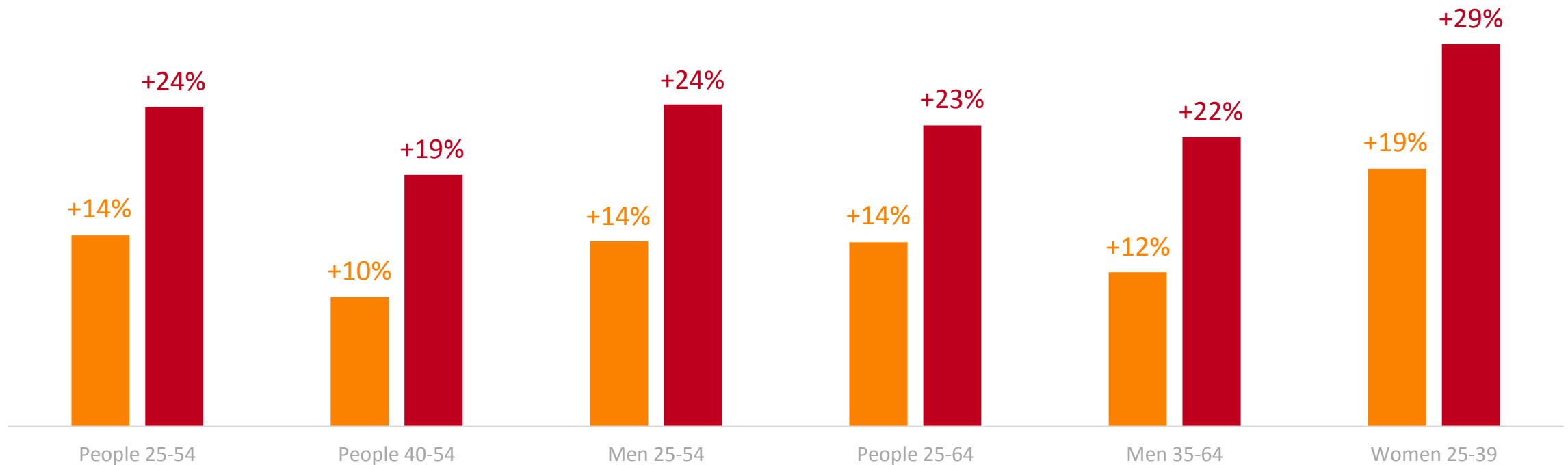
growth in new digital advertisers

Upside for convergence

Incremental BVOD spend on top of broadcast drives greater reach and greater ROI

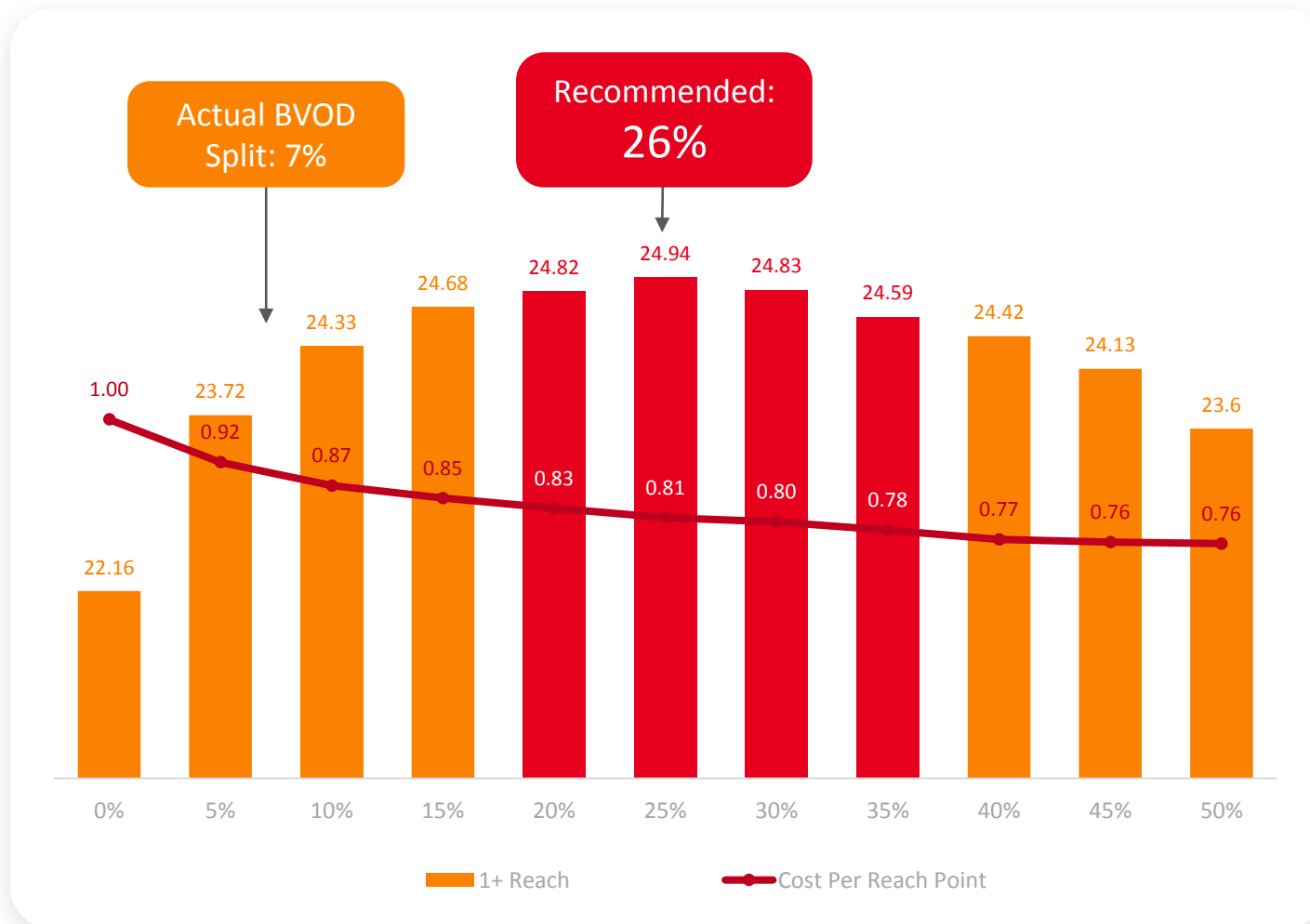
Incremental Campaign Reach (1+)

■ Move 25% Broadcast To BVOD ■ Add 25% BVOD to Broadcast



More than just a concept...

Recent client optimisation example: 25-54 reach curve (1+ reach%)



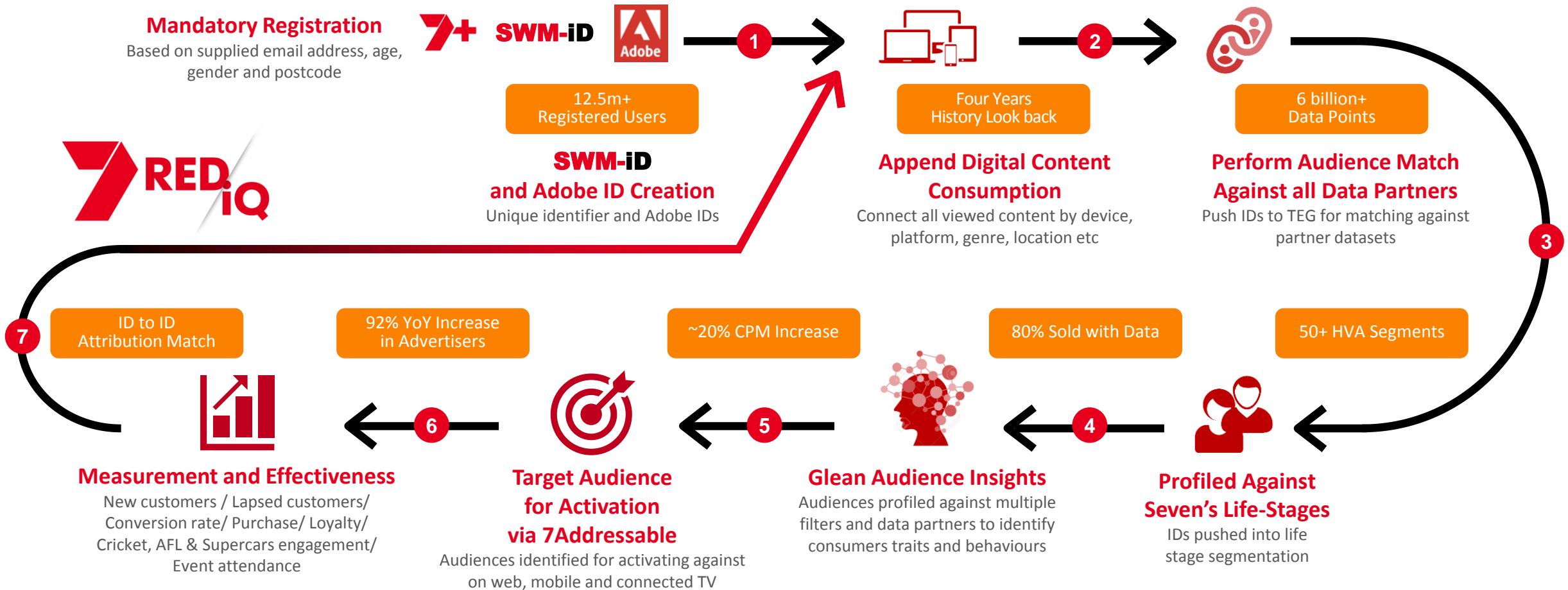
+13%
Incremental reach

-19%
Cost per reach point

-9%
CPM reduction

Underpinned by a sophisticated data proposition

Leveraging our insights and data capability to drive results for advertisers



Total TV is swimming in a new lane...



Total pool of Rev.

\$6.6B

\$360M

BVOD

\$3.8B

Broadcast - MTV, STV, RTV

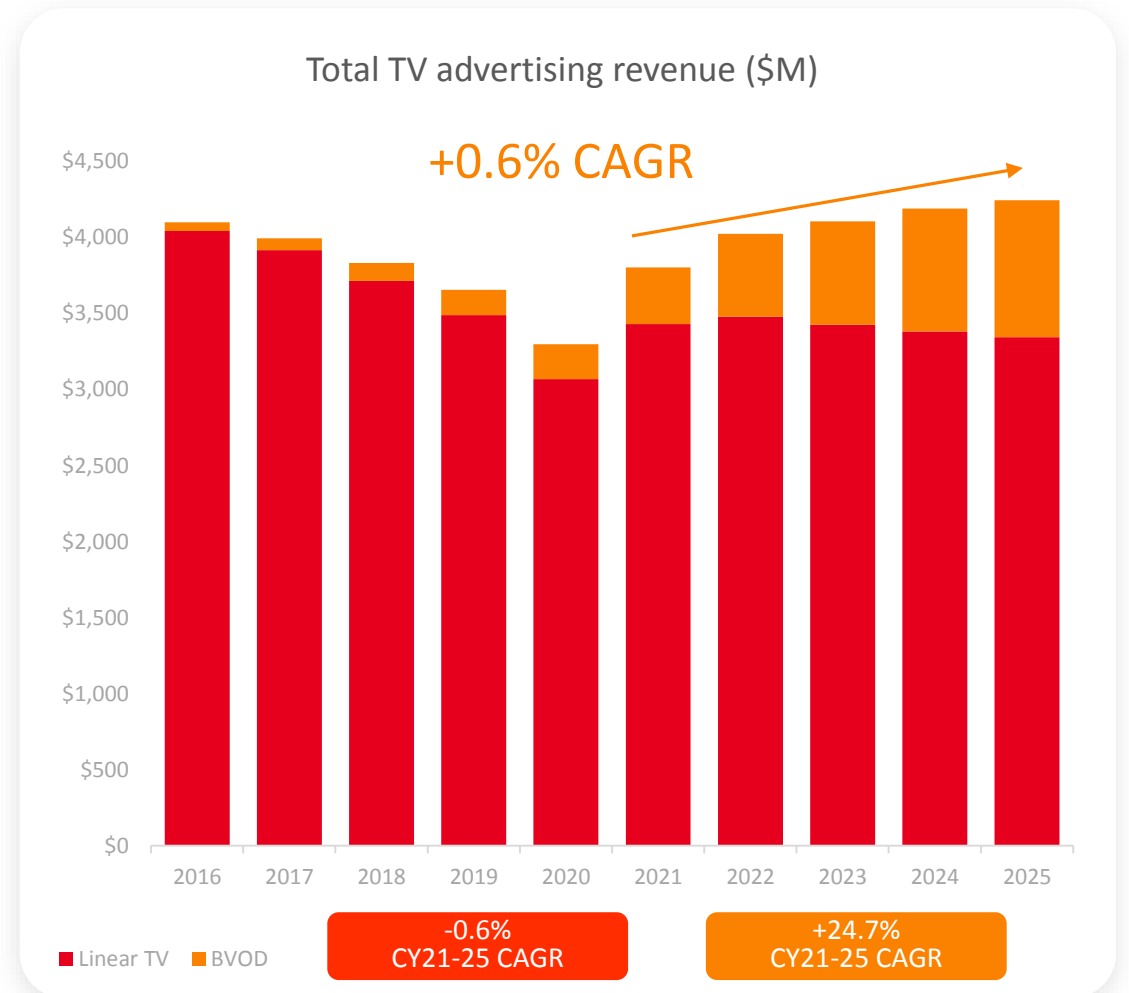
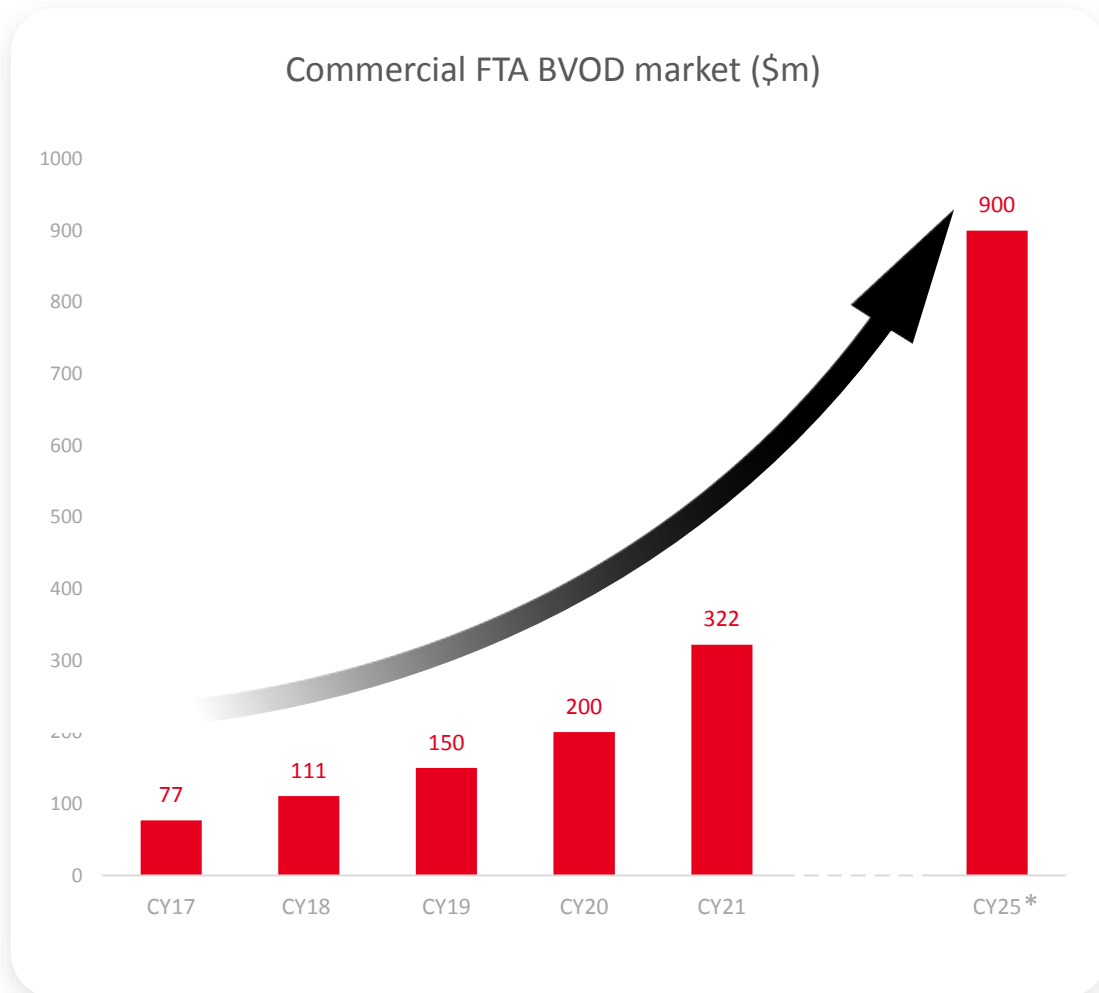
\$2.5B

AVOD



BVOD market will rapidly expand...

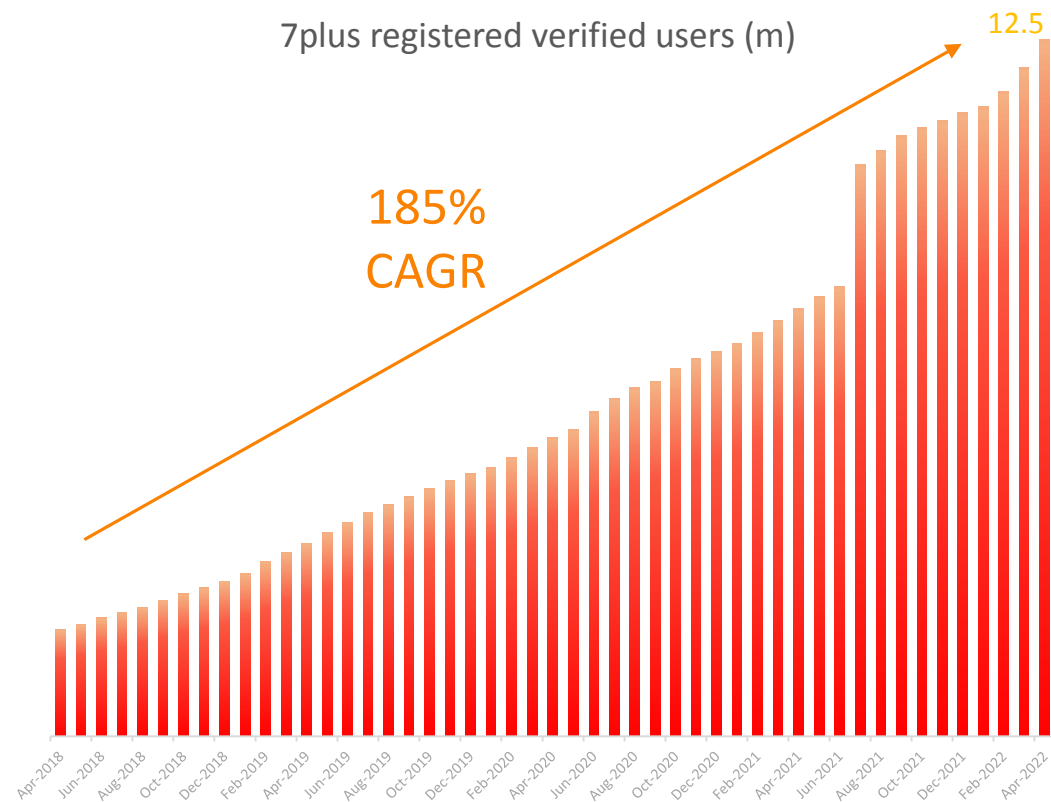
Proven results leading to a shift in spend from display and AVOD markets with a strong growth pipeline



7plus is booming, with more to come

Significant progress has been made over the past three years scaling 7plus

First phase scaling complete



Next phase and future focus

7plus and streaming

- Government support for free carriage and prominence
- Invest in BVOD content to drive incremental returns
- Expand BVOD addressable market (attack \$2.5bn AVOD and \$2.1bn display markets)
- Focus on sector-leading audience and advertiser experience
- Aggressively win share through leading content, differentiated data and commercial offerings
- Evolve 7plus beyond BVOD into subscription and transactional businesses

Data and tech

- Leverage 12.5m+ registered, verified users to drive business growth through data-led insights
- Launch innovative data and insight products to grow revenue base and yield
- Maximise yield and inventory utilisation through dynamic trading platform

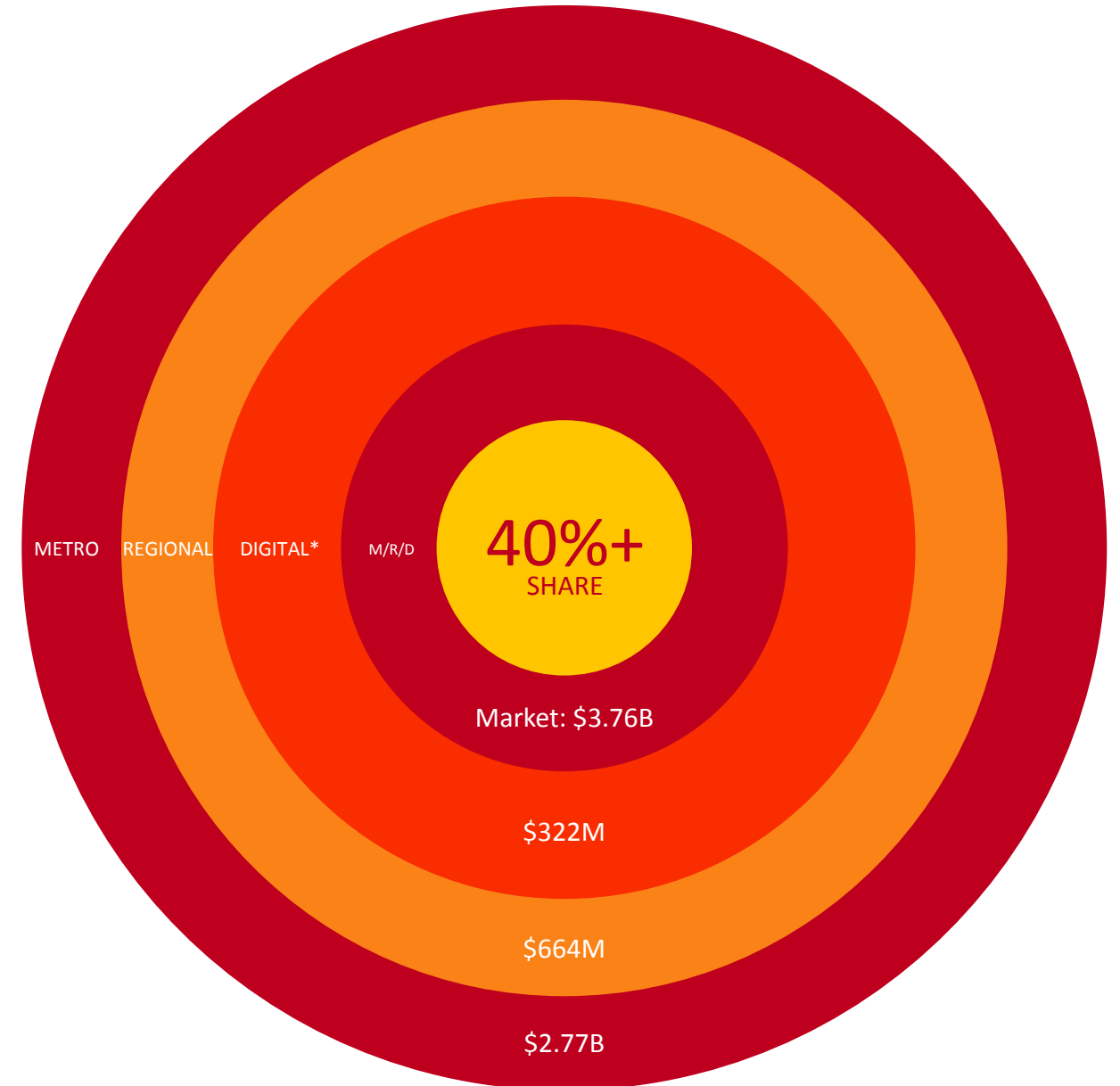
Seven: the undisputed national total TV leader

Leverage leading national audience share to drive higher combined national spend

- News, sport, entertainment = #1 audience share targeting 40%+ revenue share (normal year ex Olympics)
- 7plus underpenetrated in regional Australia
- National audience measurement: modernisation and consistency
- Sales team redesigned and investing in tech to drive ad market and share

Target 40%+ share of total TV
+/- 1% share ~ \$34m revenue (net)
+/- 1% growth ~ \$14m revenue (net)

National total TV opportunity



Seven proposition and trading update

The investment proposition

- Leading national total TV business positioned to capture share in broadcast and capitalise on the ongoing growth in BVOD
- Strong financial position; target leverage ratio ~ 1-1.5x
- Capital management strategy to be announced at FY22 results

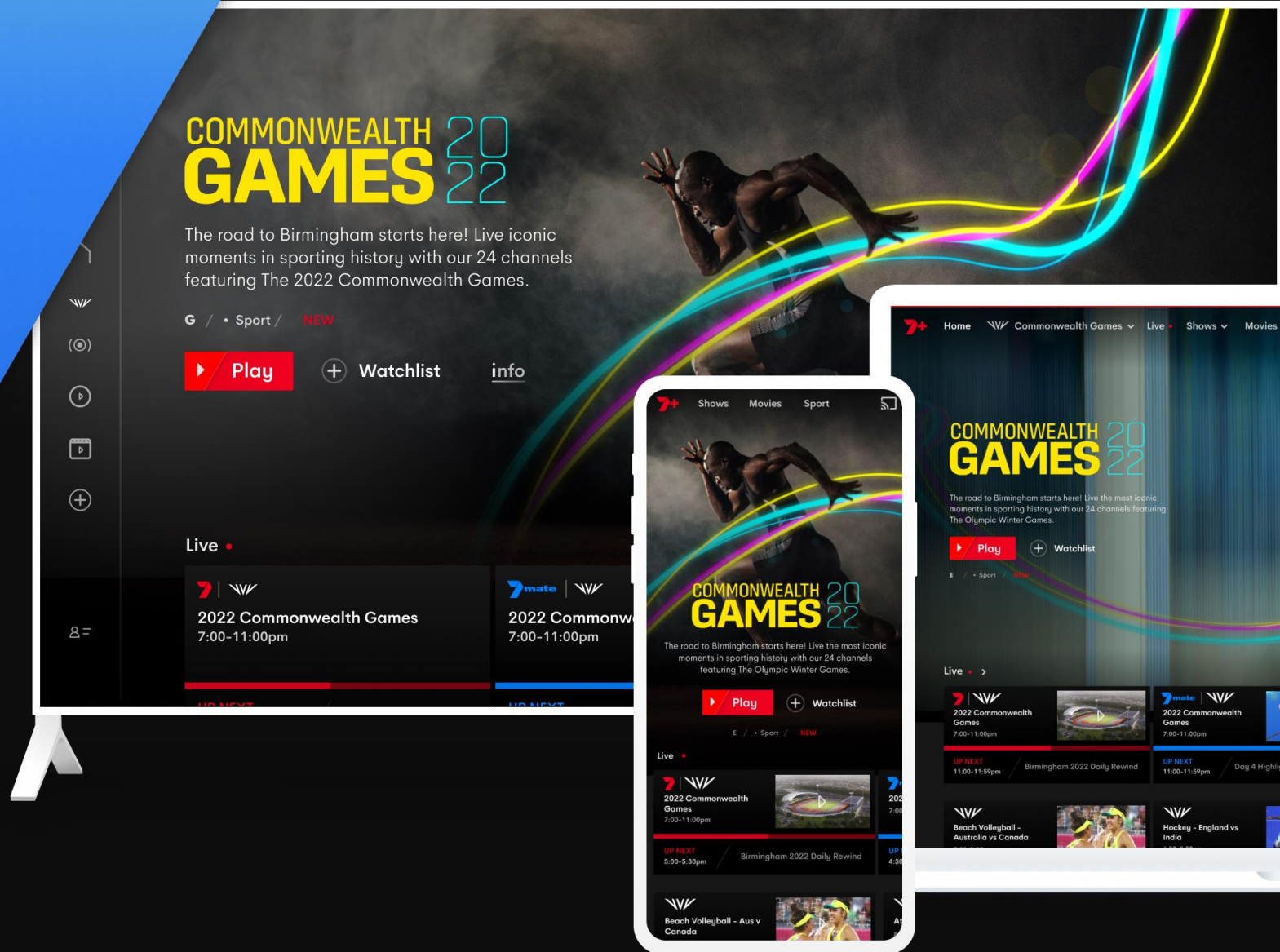
Trading update

- TV market remains buoyant, with the FTA market estimated to grow 4-5% in Q4 YoY after growing +6.7% in Q3 (metro & regional FTA TV)
- BVOD market growth continues to be strong, up 41% in Q3
- FY22 Cost guidance remains unchanged
- Strong trading conditions underpins upgrade to EBITDA range to \$335m to \$340m (including \$10m from Prime)
- FY22 Pro-forma EBITDA including 1H Prime would be \$350m to \$355m

A promotional image for the TV show 'Big Brother'. It features a woman with long dark hair in a grey dress and a man with curly hair in a black shirt. The background is a vibrant purple and pink space-themed graphic with the text 'BIG BROTHER' in large white letters at the top right.

BIG BROTHER

Questions



Disclaimer

Basis of preparation

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