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

## 2022 FULL YEAR RESULTS – INVESTOR PRESENTATION

Seven West Media Limited (ASX: SWM) attaches the Investor Presentation for the year ended 25 June 2022.

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**, **MKR**, **AGT**, **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 West Media

# FY22

Results



FY22 FULL YEAR RESULTS / 16 AUGUST 2022



# FY22 Overview

## RETURN TO #1 DRIVES STRONG RESULTS AHEAD OF GUIDANCE

### UNDERLYING RESULTS

#### Revenue

\$1,540m

↑ 21%

#### Expenses<sup>1</sup>

\$1,198m

↑ 17%

#### EBITDA

\$342m

↑ 35%

#### EBIT

\$309m

↑ 35%

#### Net Profit

\$201m

↑ 60%

#### Net Debt

\$256m

↑ 7%

- Seven West Media is in its strongest financial position in over a decade
- #1 national ratings and total TV revenue share with positive momentum into FY23
- 39.1% total TV<sup>2</sup> revenue share growing share across, metro, regional and BVOD
- 7plus outperforming in a strong BVOD market, up 57% YoY
- Exceeded Group FY22 EBITDA guidance with 35% growth YoY
- Prime integration tracking well with significant increase in 7plus adoption in regional markets and further revenue upside identified
- Successfully de-leveraged with net debt/EBITDA reduced to 0.7x (including Prime)
- On-market buyback of up to 10% of shares on issue to commence post results

### FY22 Market Growth:

- Metro TV Revenue +9%
- Regional TV Revenue +6%
- BVOD Revenue +47%
- Total TV<sup>2</sup> +11%





# The Transformation Continues



3



# Group Strategy

## THREE-YEAR PLAN SCORECARD

### Content-Led Growth

#### Revitalise entertainment programming, creating momentum to engage heartland Australia

- #1 National share
- Improved ratings performance in January-June 2022

#### Be the most relevant and exciting offer to advertisers

- Grown share in every demographic in FY22
- Market-leading data offering in place leveraging 13m+ registered users

#### Explore a meaningful streaming partnership play

- Ongoing discussions with content partners for streaming play



#### Sharpen focus on being an audience and sales-led organisation

- First phase of investment in dynamic trading platforms to go live in October
- Established commercial partnerships to enrich audience insights



#### Redefine working practices, becoming more efficient and effective

- Simplified operating structure across the group
- \$200m cost saving program actioned

#### Explore traditional and non-traditional adjacencies

- Digital earnings now more than 40% of group earnings
- Seven West Ventures portfolio valued at \$60m



### Capital Structure and M&A

#### Maintain focus to work down debt and improve balance sheet flexibility

- Successfully deleveraged and balance sheet in a strong position
- Pro-forma net debt reduced to 0.7x leverage including Prime transaction



#### Explore M&A opportunities

- Completed acquisition of Prime Media Group assets
- Integration underway, cost synergies to be at the top end of guidance, positive traction on revenue synergies





# Content-Led Growth: Seven's FY22 Scorecard

**#1  
NATIONALLY**

ALL PEOPLE AND DEMOS

**#1 METRO**

ALL PEOPLE, 16-39  
(AND CLOSE IN 25-54)

**#1  
REGIONAL**

ALL PEOPLE AND DEMOS

**#1  
NATIONAL  
REVENUE & SHARE**

**#1 WEEKS  
WON**

PRIME TIME

**#1 BVOD  
MINUTES**

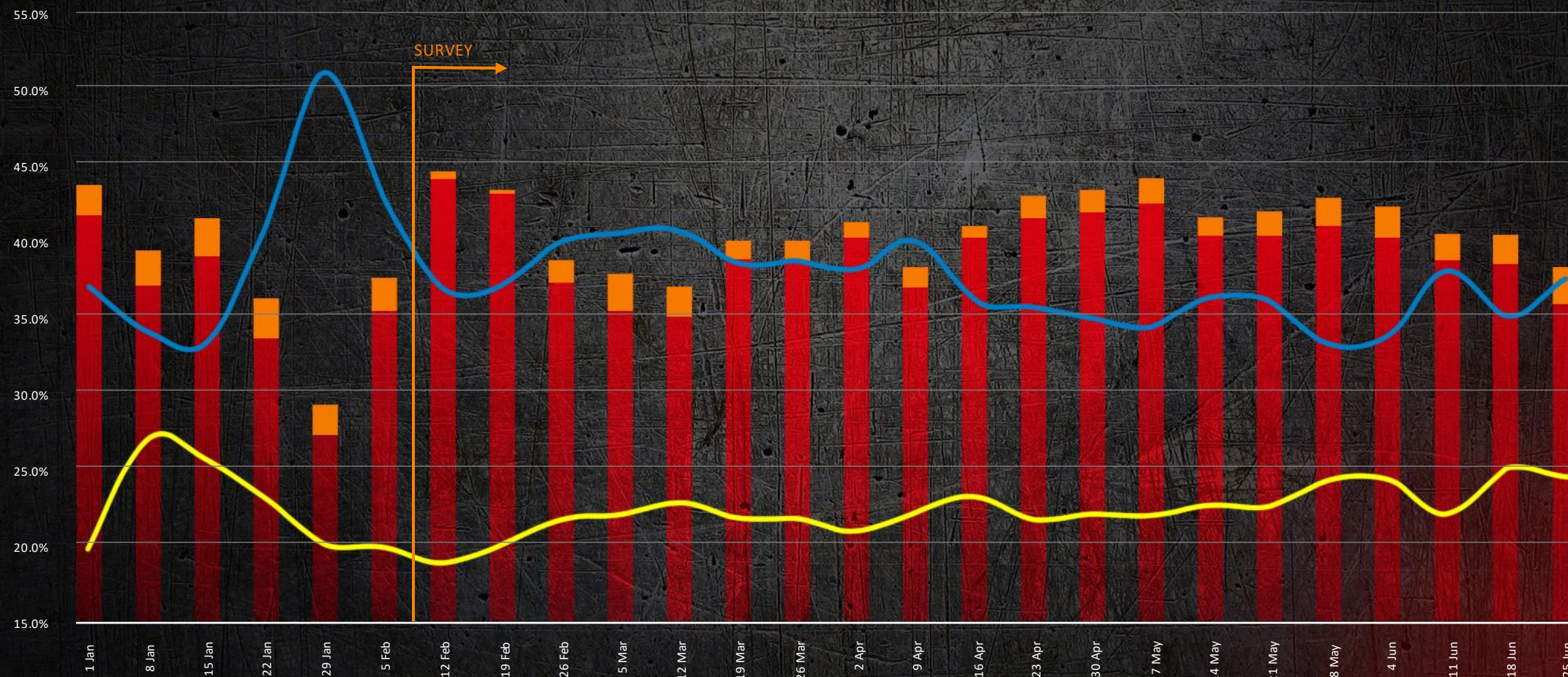


FY22 FULL YEAR RESULTS / 16 AUGUST 2022



# Content-Led Growth: #1 National Network

IMPACT OF REGIONAL AUDIENCE ON NATIONAL BROADCAST SHARE: TOTAL PEOPLE (2022)



FY22 FULL YEAR RESULTS / 16 AUGUST 2022

Seven Metro

Seven Regional Uplift

Nine National

Ten National

Source: OZTAM, REGTAM



# Content-Led Growth: Power of Seven

POWER OF OUR UNRIVALLED PLATFORM

WA PUBLISHING REACH 82%

**The West Australian**

**Sunday Times** **perthnow**

# 91%

MONTHLY REACH ALL AUSTRALIANS



- #1 national network across all key demographics
- Grown share in every demographic
- 39.1% total TV\* revenue share in FY22 including the Olympics
- National sales proposition gaining traction in market



FY22 FULL YEAR RESULTS / 16 AUGUST 2022

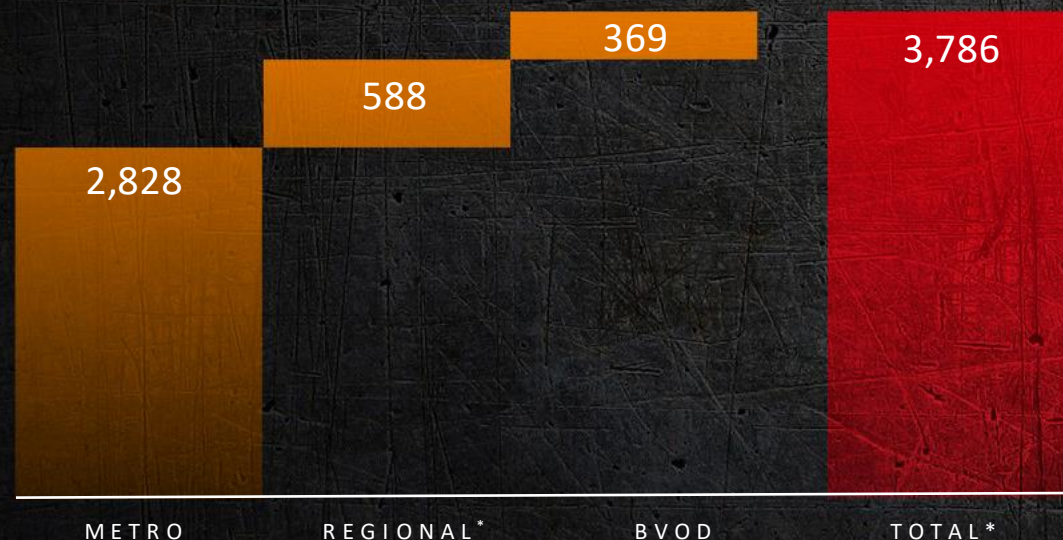
\* Total TV includes BVOD and national broadcast tv (excluding regional NT, TAS, SA) and reflects Seven's owned licence areas



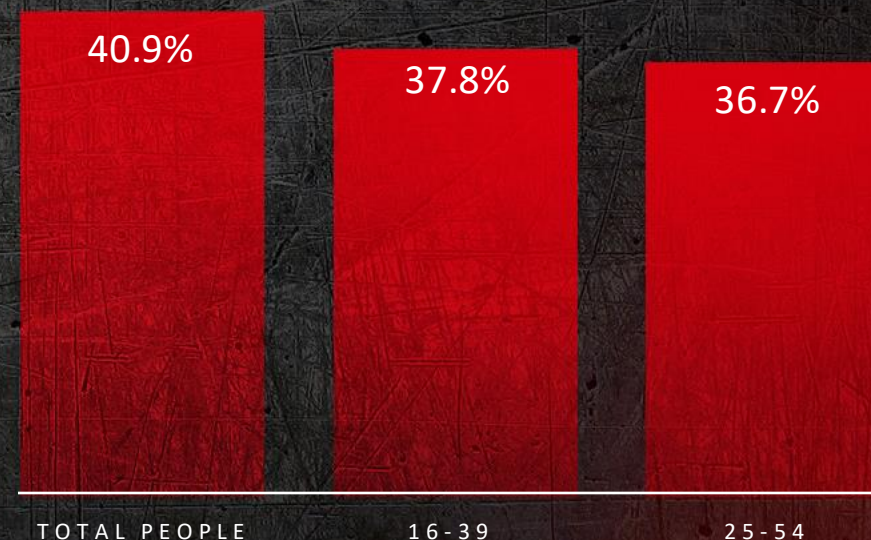
# Content-Led Growth: #1 National Network

- Targeting 40% share of the \$3.8 billion total TV\* market
- Ratings performance to underpin 39% total TV\* revenue share in FY23
- Targeting 40%+ share of total TV\* market in FY24 which represents ~\$40m upside vs. FY22

TOTAL TV\* MARKET IN FY22 (\$M)



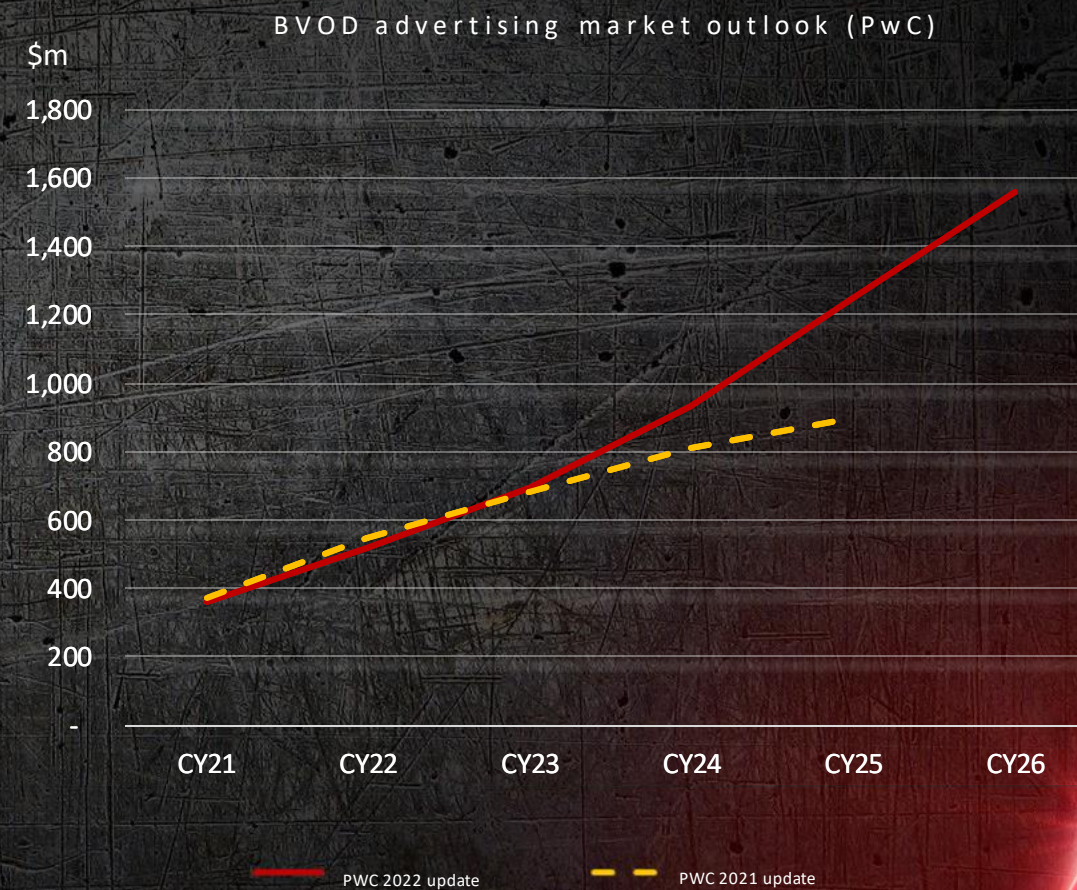
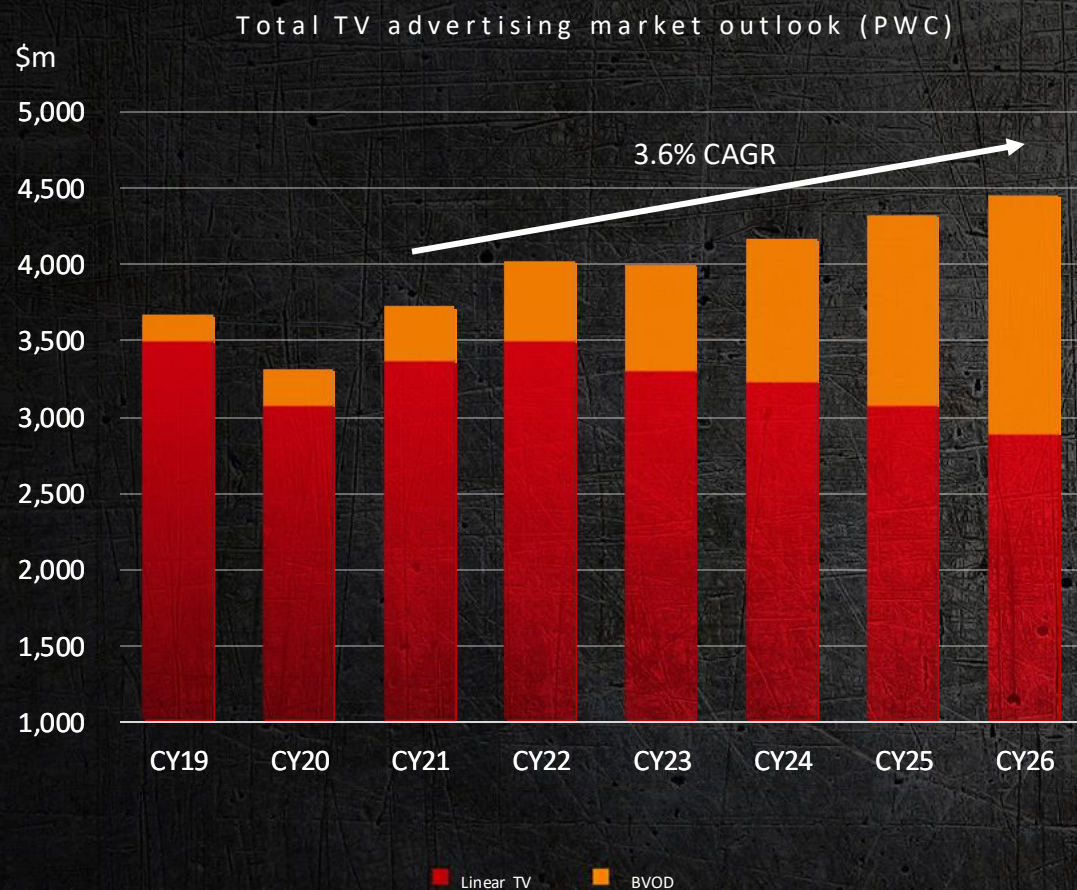
#1 NATIONAL NETWORK ACROSS ALL DEMOGRAPHICS





# Transformation: BVOD underpins growth for Total TV

PWC UPGRADES TOTAL TV FORECAST DRIVEN BY STRONGER BVOD GROWTH



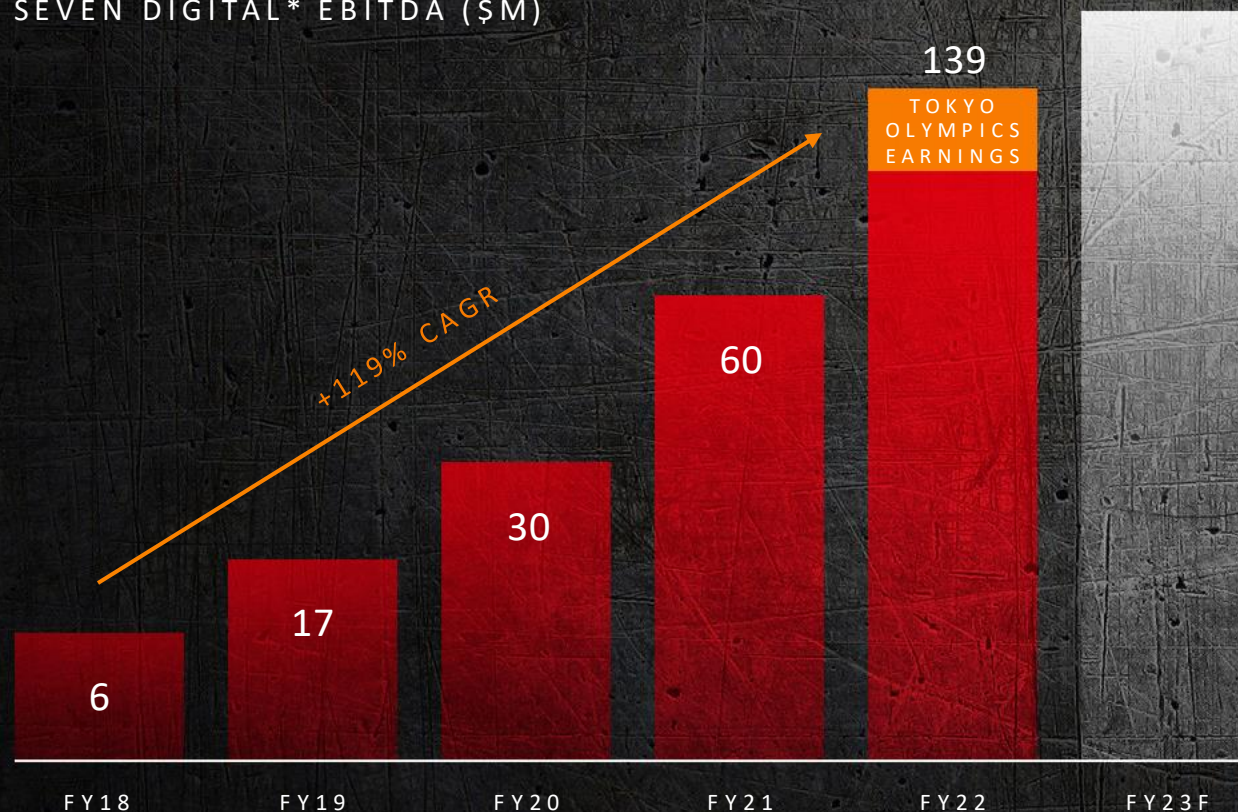
Source: PwC Australian Entertainment & Media Outlook, 2022 and 2021



# Transformation: Digital Scaling Rapidly

SEVEN DIGITAL NOW >40% OF GROUP EARNINGS

SEVEN DIGITAL\* EBITDA (\$M)



**+93%**

SEVEN DIGITAL  
REVENUE GROWTH

**+60%**

MINS GROWTH  
YOY

SINCE ACQUIRING PRIME IN JANUARY 2022

**+60%**

REGIONAL 7PLUS  
USERS

**+100%**

REGIONAL MINUTES  
GROWTH

**\$1.56bn**

BVOD MARKET SIZE  
BY 2026 (PwC)

**78%**

Seven Digital  
Margin



FY22 FULL YEAR RESULTS / 16 AUGUST 2022

\* Seven Digital consists of BVOD, 7news.com.au, 7news digital platform agreements, and social revenue

Note: Chart is representative only and not to scale

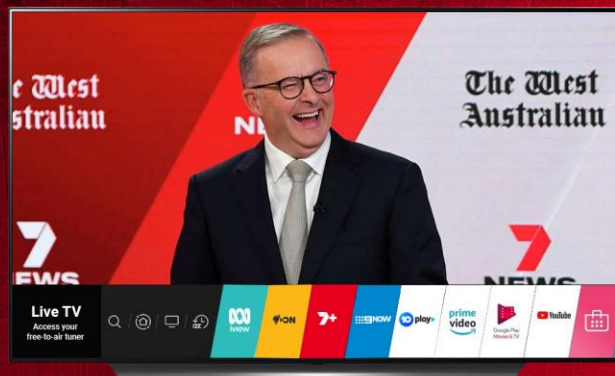


# Transformation: Digital Priorities in FY23

INITIATIVES TO INCREASE ENGAGEMENT AND GROW REVENUE ACROSS ALL PLATFORMS

## PROMINENCE

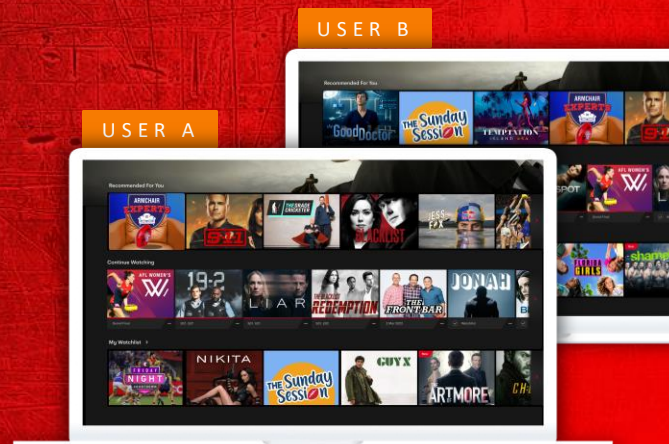
IMPROVE 7PLUS DISCOVERY AND USE



- Engaging with the Government for legislative change to ensure Australian broadcasters have prominent positioning on connected TVs and other devices as well as free carriage
- Free TV is also pursuing changes to the anti-siphoning code to reflect global streaming players

## PERSONALISATION

INCREASE ENGAGEMENT AND CONSUMPTION



- Upgrading 7plus to customise the content curation window based on individual preferences and data.
- Targeting 25% increase in engagement over the next two years as the recommendation engine is refined

## TRADING PLATFORM

MAXIMISE INVENTORY UTILISATION AND YIELD



- First phase on digital replacement to go live in October 2022
- Second phase investment commenced across broadcast and digital to:
  - Simplify the buying process
  - Support national & converged buying
  - Optimise inventory, increasing availability
  - Drive greater revenue from yield
- Targeting 2½ year payback post implementation on \$40m investment



FY22 FULL YEAR RESULTS / 16 AUGUST 2022

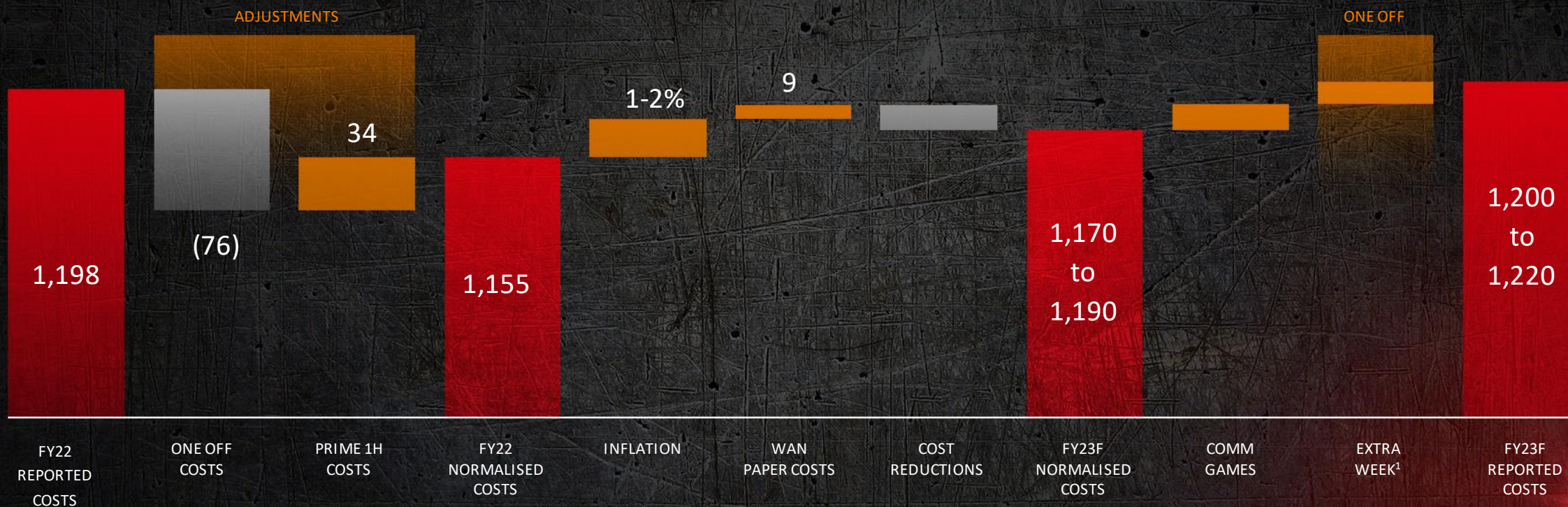
\* Commercial free-to-air – Seven, Nine and Ten



# Transformation: Cost Outlook

FY23 COST GUIDANCE – ONGOING COST CONTROL MAINTAINED DESPITE HIGHER INFLATION ENVIRONMENT

GROUP OPERATING COSTS (EX D&A) - \$M



FY22 FULL YEAR RESULTS / 16 AUGUST 2022

Note: Chart is representative only and not to scale  
 1 Extra week reflects 5 days and is expected to contribute \$15m revenue in FY23

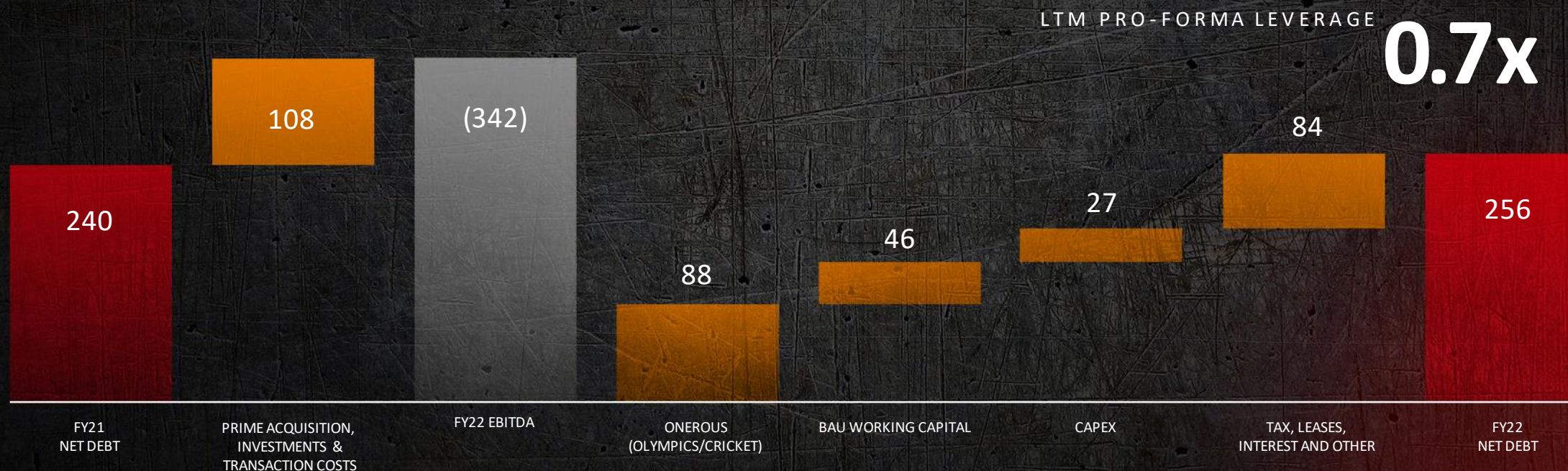


# Capital Structure and M&A

STRONG FINANCIAL POSITION SUPPORTS ON-MARKET BUY BACK

- Net debt position strong with the leverage ratio at 0.7x net debt/EBITDA
- Capital management announced: on-market buyback of up to 10% of shares on issue to commence post results

## GROUP NET DEBT AND CASHFLOW RECONCILIATION



FY22 FULL YEAR RESULTS / 16 AUGUST 2022

Note: Chart is representative only and not to scale

NOTE: CHART IS REPRESENTATIVE ONLY AND NOT TO SCALE



# Strategy Update

SIMPLIFICATION PHASE NEAR COMPLETION, IMMEDIATE FOCUS ON DIVERSIFYING AND SCALING BUSINESS

## Where do we want to be?

(3 TO 5 YEARS)

### Diversified Leader

- 1 Diversified media company
- 2 Audience led and digital first; powered by data and tech
- 3 Total audience monetisation with material non-ad revenue
- 4 Low gearing with capacity for growth and capital management
- 5 Re-weighting of portfolio to growth

## How do we get there?

### Being unmissable & easy to access

Win on every screen in all genres of news, sport and entertainment across all key demos.

Deepening audience relationships with a reweight to digital.

- Target 40%+ share of ratings and revenue in the total TV market by FY24
- Accelerate the digital transformation with 7plus to improve the UX and grow consumption
- Establish deeper audience relationships to curate content experiences and greater monetisation
- Regulatory engagement for prominence and free access for all Australians

### Growing through technology & scale

Driving scale, efficiencies, capability and defensibility

M&A with non-media companies, leverage scale to drive total audience monetisation

- Deliver on Prime acquisition upside
- Invest in systems to improve/simplify trading capability and increase revenue
- Pursue value accretive M&A
- Scale digital ventures

### Driving Value

Empowering everyone to think and act like an owner; constantly questioning... is there a better way?

- Allocate resources and capital to maximise ROI and ensure ongoing cost management
- Maintain economic discipline securing leading content for broadcast and digital
- Hold the line on print while turbo charging digital
- Undertake value accretive capital management





# 2

## FY22 Full Year Financial Results



FY22 FULL YEAR RESULTS / 16 AUGUST 2022





# Income Statement

**Revenue**  
\$1,540m

**Underlying  
Group EBIT**  
\$309m

**Underlying Group  
net profit after tax**  
\$201m

**Significant  
items before tax**  
\$10m

**Basic EPS excl.  
significant items**  
12.7ps

## INCOME STATEMENT

	FY22 \$m	FY21 \$m	Inc/(Dec) %
Revenue and other income	1,539.6	1,269.6	21.3%
Share of net profit of equity accounted investees	0.3	6.3	(95.2%)
Expenses (including depreciation)	(1,230.9)	(1,046.9)	17.6%
Profit before significant items, net finance costs and tax	309.0	229.1	34.9%
Net finance costs	(35.5)	(60.7)	(41.5%)
Profit before significant items and tax	273.5	168.4	62.4%
Significant items before tax	9.9	277.2	nm
Profit / (loss) before tax	283.4	445.6	(36.4%)
Tax / (expense) benefit	(72.3)	(127.5)	(43.3%)
Profit / (loss) after tax	211.1	318.1	(33.6%)
Underlying net profit after tax excluding significant items	200.8	125.5	60.0%





# Financials: Seven

- Seven has returned to #1 position in ratings and revenue
- Seven's FY22 financial result is its strongest since FY11
- Metro free-to-air advertising market revenue grew 8.7% in FY22
- Regional free-to-air advertising market increased 6% in FY22
- Ratings and revenue share gains achieved in the second half  
- Expect incremental gains in the following year for this period
- BVOD market grew 47% in FY22, with 7plus up 57%
- Seven secured a 39.4% share of the BVOD market in FY22, up 2.4 pts YoY
- Full year contributions from the digital platform news deals
- Operating costs in line with guidance provided
- Program sales earnings in the period of \$39 million

SEVEN	FY22 \$m	FY21 \$m	Inc/(Dec) %
<b>Revenue</b>			
Broadcast and program sales	1,190	1,014	17.3%
Digital	178	92	92.9%
<b>Total Revenue</b>	<b>1,368</b>	<b>1,107</b>	<b>23.6%</b>
<b>Expenses</b>			
Broadcast and program sales	( 1,001)	( 839)	19.3%
Digital	(39)	(32)	23.1%
<b>Total Expenses</b>	<b>(1,040)</b>	<b>(871)</b>	<b>19.4%</b>
<b>EBITDA</b>			
Broadcast and program sales	189	175	8.1%
Digital	139	61	129.4%
<b>Total EBITDA</b>	<b>328</b>	<b>236</b>	<b>39.2%</b>
<b>EBIT</b>			
Broadcast and program sales	161	155	3.7%
Digital	135	57	138.3%
<b>Total EBIT</b>	<b>296</b>	<b>212</b>	<b>39.8%</b>

1 Seven includes broadcast, digital and program sales

Note: FY22 includes \$10m studios revenue, which contributed no EBITDA. This will not recur in FY23.





# Financials: WAN and Other

## WAN

- Strongest EBITDA since FY17 with digital growth offsetting decline in print
- Fastest growing digital news brand in Australia<sup>1</sup>
- Strong WA retail sector advertising market, while travel, motor and real estate categories are still to return to pre-pandemic levels
- Paywall penetration growing, digital circulation revenue increased 43%
- Cost base down 5% excluding FY21 temporary savings (\$9 million in JobKeeper and PING)
- EBITDA grew 73% excluding temporary savings

## Corporate

- Corporate costs increased in FY22 due to COVID initiatives in FY21 with JobKeeper and 20% temporary salary reduction across company executives

W A N	FY22 \$m	FY21 \$m	Inc/(Dec) %
Revenue	169.3	162.2	4.4%
Costs	(135.6)	(133.7)	1.4%
EBITDA	33.7	28.5	18.2%
EBIT	33.2	28.2	17.7%

OTHER & CORPORATE COSTS	FY22 \$m	FY21 \$m	Inc/(Dec) %
Revenue	2.8	7.3	(61.6%)
Costs	(22.3)	(17.5)	28.0%
EBITDA	(19.6)	(10.2)	(92.2%)
EBIT	(20.0)	(10.7)	(86.9%)





# Financials

## STATUTORY RESULTS

STATUTORY RESULTS	FY22 \$m	FY21 \$m	Inc/(Dec) %
Profit/ (loss) before tax	283.4	445.6	(36.4%)
Profit/ (loss) after tax	211.1	318.1	(33.6%)
Basic EPS	13.3	20.7	(35.7%)
Diluted EPS	13.0	20.7	(37.1%)

ADDITIONAL INFORMATION Earnings per share based on net profit excl. significant items (net of tax)	FY22 \$m	FY21 \$m	Inc/(Dec) %
Underlying group EBIT	309.0	229.1	34.9%
Profit after tax excluding significant items	200.8	125.5	60.0%
Significant items (net of tax)	10.3	192.6	nm
Profit/ (loss) after tax	211.1	318.1	(33.6%)
Underlying Basic EPS	12.7	8.2	54.9%
Underlying Diluted EPS	12.4	8.2	51.2%

Underlying results exclude significant items

SIGNIFICANT ITEMS	FY22 \$m	FY21 \$m
Reversal of previously impaired/ (impairment of) intangible assets	-	208.5
Net impairment of other assets	-	(1.3)
Total impairments and write-offs	-	207.2
Net Reduction/(Increase) in onerous provision	8.4	59.1
Net Gain/(Loss) on investments	6.3	3.4
Other	(4.8)	7.5
Total significant items before tax	9.9	277.2
Tax benefit/(expense)	0.4	(84.6)
Net significant items after income tax	10.3	192.6



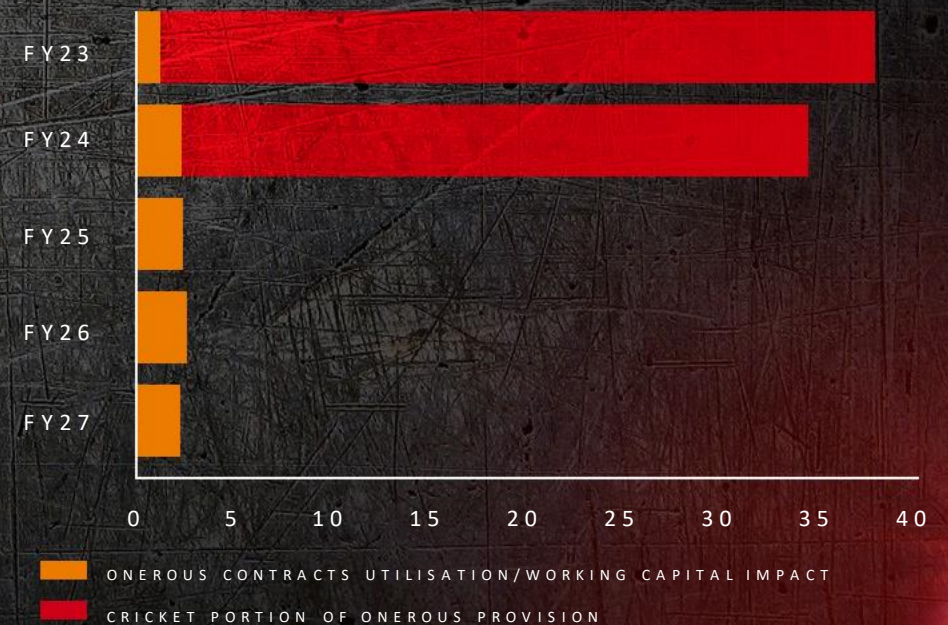


# Financials

CASH FLOW	FY22 \$m	FY21 \$m	Inc/ (Dec)%
EBITDA	342.2	253.8	34.8%
Working capital and other movements	(136.7)	(38.9)	nm
Redundancy and employee entitlements	(2.4)	(7.6)	(68.4%)
Dividends received net of share of associates (profit) / loss	(0.3)	(6.3)	nm
<b>Operating cash flow before interest and tax</b>	<b>202.8</b>	<b>201.0</b>	<b>0.9%</b>
Tax paid, net of refund	(27.6)	(5.8)	nm
Net finance costs paid	(42.8)	(59.4)	(27.9%)
Net payment for property, plant & equipment and software	(27.2)	(19.2)	41.7%
Net proceeds from disposals & payments for investments & loans issued	(117.0)	44.6	nm
Lease payments (excluding interest)	(10.0)	(9.2)	8.7%
Other	6.4	-	nm
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(15.4)</b>	<b>152.0</b>	<b>nm</b>
Opening net (debt) cash	(240.0)	(398.0)	(39.7%)
Change in unmortised refinancing costs	(1.1)	6.0	nm
<b>Closing net (debt) cash</b>	<b>(256.5)</b>	<b>(240.0)</b>	<b>6.9%</b>

- Cash tax should normalise to P&L tax in future years
- Capex to be c\$40m in FY23 including full year of Prime capex
- Project Code7+ investment of \$20m in FY23
- Onerous contracts should have corresponding cash outflows

ONEROUS CONTRACTS UTILISATION BY YEAR (\$M)





# 3

## Trading Update



FY22 FULL YEAR RESULTS / 16 AUGUST 2022



**Discover**  
something new





# Trading Update

- Trading conditions into 1H23:
  - ▶ Seven's 1Q is skewed with the impact of the Olympics
  - ▶ Estimate 1Q Total TV advertising market is down c2% (excluding the Olympics, -7% including)
  - ▶ Visibility improving into 2Q with longer dated forward bookings; outlook for Seven's 2Q currently positive year on year
  - ▶ Estimates include BVOD, with growth expected to remain robust
- Targeting 39% total TV revenue share in FY23
- Seven Digital EBITDA forecast to grow earnings; digital platform news revenue to be consistent with FY22
- FY23 group operating costs to be in the range of \$1.20bn to \$1.22bn
- The company will provide an update on the market at its AGM in November





# 4

## Questions

*Home  
and Away*



FY22 FULL YEAR RESULTS / 16 AUGUST 2022



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## BASIS OF PREPARATION

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