



Wednesday, 14 August 2024

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

## **2024 full year results – investor presentation**

Seven West Media Limited (ASX: SWM) attaches the Investor Presentation for the year ended 30 June 2024.

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

### **Investors / Analysts:**

Craig Haskins  
[chaskins@seven.com.au](mailto:chaskins@seven.com.au)  
02 8777 7277

### **Media:**

Neil Shoebridge  
[neil@skmediagroup.com.au](mailto:neil@skmediagroup.com.au)  
0417 511 012

### **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 owns some of Australia's most renowned media businesses, including the Seven Network and its affiliate channels 7two, 7mate, 7flix and 7Bravo; the digital platform [7plus](#); [7NEWS.com.au](#); *The West Australian*; *The Sunday Times*; [PerthNow](#); [The Nightly](#); and [Streamer](#). The Seven Network is home to Australia's most loved news, sport and entertainment programming, including **7NEWS**, **7NEWS Spotlight**, **Sunrise**, **The Morning Show**, **The Voice**, **Home and Away**, **Australian Idol**, **My Kitchen Rules**, **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 and Supercars.



Seven West Media

FY24 Results

14 August 2024



# FY24 Outcomes

Operating model restructured and FY25 cost out program in place to drive operational and financial performance

Content strategy drives audience growth and underpins total TV market revenue share of 40.2% (+1.7 points)

Strong digital audience growth (7plus minutes up 39%), launched The Nightly and 7NEWS.com.au app

Revenue outcome impacted by continued weakness in total TV market which declined 8.2%

Cost growth held to 2%; 2H costs down 4% YoY; FY25 cost-out program underway

Organisational restructure completed to drive operational and financial performance

# Results impacted by soft advertising markets

INCOME STATEMENT	FY24 \$m	FY23 \$m	Inc/(Dec) %
Revenue, other income and share of net profit of equity accounted investees	1,415	1,488	(5%)
Operating expenses (excluding depreciation and amortisation)	(1,228)	(1,208)	2%
EBITDA <sup>1</sup>	187	280	(33%)
Depreciation and amortisation	(36)	(42)	(14%)
EBIT <sup>2</sup>	151	238	(37%)
Net finance costs	(40)	(35)	14%
Profit before significant items and tax	111	203	(45%)
Significant items before tax	(44)	(7)	nm
Profit before tax	67	196	(66%)
Tax expense	(22)	(50)	(56%)
Profit after tax	45	146	(69%)
Underlying net profit after tax excluding significant items	78	146	(46%)



# Financials: Seven

- Content driving audience growth across linear and BVOD
- Total broadcast audiences up 0.5% for the year<sup>1</sup>, BVOD minutes growth of 39%
- Total TV revenue share 40.2%, up 1.7 points. Revenue share growth experienced in every quarter of FY24
- Total TV market declined 8.2% in FY24:
  - Metro market declined 12.1%
  - Regional market declined 5.5%
  - BVOD market grew 12.7%
- Costs growth in line with expectations. 2H costs decline of 4% (vs 2H23) due to \$25m cost-out initiatives announced at the 2023 AGM

SEVEN	FY24 \$m	FY23 \$m	Inc/(Dec) %
<b>Revenue</b>			
Advertising	1,127	1,211	(7%)
Other	113	105	8%
<b>Total Revenue</b>	<b>1,240</b>	<b>1,316</b>	<b>(6%)</b>
<b>Expenses</b>			
Media Content	(635)	(621)	2%
Personnel Costs	(241)	(242)	(0%)
Other	(192)	(188)	2%
<b>Total Expenses</b>	<b>(1,068)</b>	<b>(1,051)</b>	<b>2%</b>
<b>EBITDA</b>	<b>172</b>	<b>265</b>	<b>(35%)</b>
<b>EBIT</b>	<b>139</b>	<b>225</b>	<b>(38%)</b>

# Financials: The West

- The West remains focused on executing its strategy: accelerate digital growth, hold the line on print and maintain a sustainable cost base
- Strong growth in digital audiences:
  - Launched new digital products including the national digital newspaper The Nightly
  - 4.5m audience with ~60m monthly page views, up 10% YoY<sup>1</sup>
- Advertising revenue flat YoY; circulation revenue declined 3.0%; profitable commercial print opportunities driving revenue growth
- Costs excluding commercial printing held flat
- Delivered exceptional community engagement through our charity partner Telethon, raising \$78 million and supporting 136 beneficiaries during the year

THE WEST	FY24 \$m	FY23 \$m	Inc/(Dec) %
Revenue	172	171	1%
Costs	(145)	(140)	4%
EBITDA	27	31	(13%)
EBIT	25	29	(14%)

# Statutory results

STATUTORY RESULTS	FY24 \$m	FY23 \$m	Inc/(Dec) %
Profit before tax	67	196	(66%)
Profit after tax	45	146	(69%)
Basic EPS	2.9	9.4	(69%)
Diluted EPS	2.9	9.2	(68%)

ADDITIONAL INFORMATION	FY24 \$m	FY23 \$m	Inc/(Dec) %
Earnings per share based on net profit excl. significant items (net of tax)			
Group EBITDA	187	280	(33%)
Group EBIT	151	238	(37%)
Profit after tax excluding significant items	78	146	(47%)
Significant items (net of tax)	(33)	(1)	nm
Basic EPS excl significant items	5.1	9.4	(46%)
Diluted EPS excl significant items	5.1	9.3	(45%)

SIGNIFICANT ITEMS	FY24 \$m	FY23 \$m
Major IT project implementation costs	(19)	(22)
Net (Loss) / Gain on investments and assets disposed	(17)	14
Restructuring costs	(10)	-
Programming Valuation Adjustment	(15)	-
Gain on change in lease terms	14	-
Settlement of dispute	3	-
<b>Total significant items before tax</b>	<b>(44)</b>	<b>(7)</b>
Tax benefit	11	6
<b>Net significant items after income tax</b>	<b>(33)</b>	<b>(1)</b>

CORPORATE & OTHER COSTS	FY24 \$m	FY23 \$m	Inc/(Dec) %
Revenue	4	1	nm
Costs	(16)	(17)	(6%)
EBITDA	(12)	(16)	(25%)
EBIT	(13)	(17)	(24%)

# Cashflow

- Cashflow before temporary and capital items of \$54m
- Temporary and capital items for FY24:
  - Tax: refund of FY23 PAYG monthly instalments
  - Share buyback: 14.4m shares purchased
  - ARN investment of \$67m
- Net debt \$301m vs \$249m at June 2023
- Leverage (net debt/EBITDA) 1.6x
- FY25 expectations:
  - Project Phoenix investment expected to be ~\$13m
  - Onerous provision reduced to \$2m as cricket onerous provision fully utilised
  - Property changes (Melbourne / Martin Place) contributing to increased CAPEX and expected makegood payments

CASH FLOW	FY24 \$m	FY23 \$m	Inc/ (Dec) %
<b>EBITDA</b>	<b>187</b>	<b>280</b>	<b>(33%)</b>
Working capital and other movements, net of onerous and Project Phoenix	(54)	(24)	nm
Tax paid net of refund and balancing payment	(12)	(27)	(56%)
Net payment for PP&E, leases and software	(40)	(45)	(11%)
Net finance costs paid and other	(27)	(29)	(7%)
<b>Cashflow before temporary and capital items</b>	<b>54</b>	<b>155</b>	<b>(65%)</b>
Tax refund / (balancing payment)	23	(59)	nm
Onerous contracts	(39)	(42)	(7%)
Project Phoenix	(19)	(22)	(14%)
Share buyback and refinancing costs paid	(7)	(15)	(53%)
Net payments for investments & loans issued; net of dividends received	(65)	(8)	nm
<b>Net (increase) / decrease in net debt</b>	<b>(53)</b>	<b>9</b>	<b>nm</b>
<b>Opening net debt</b>	<b>(249)</b>	<b>(256)</b>	<b>(3%)</b>
Change in unamortised refinancing costs	1	(2)	nm
<b>Closing net debt</b>	<b>(301)</b>	<b>(249)</b>	<b>(21%)</b>



# Thinking differently



# Our ambition drives strategy and structure

Organisational restructure to drive accountability and performance – maximise revenue and embed cost discipline to drive profit and cash flow

1. Build a better, digital media business
2. Drive our own future
3. Redefine success
4. What next?



Deliver a digital future

Optimise traditional assets

Manage costs responsibly

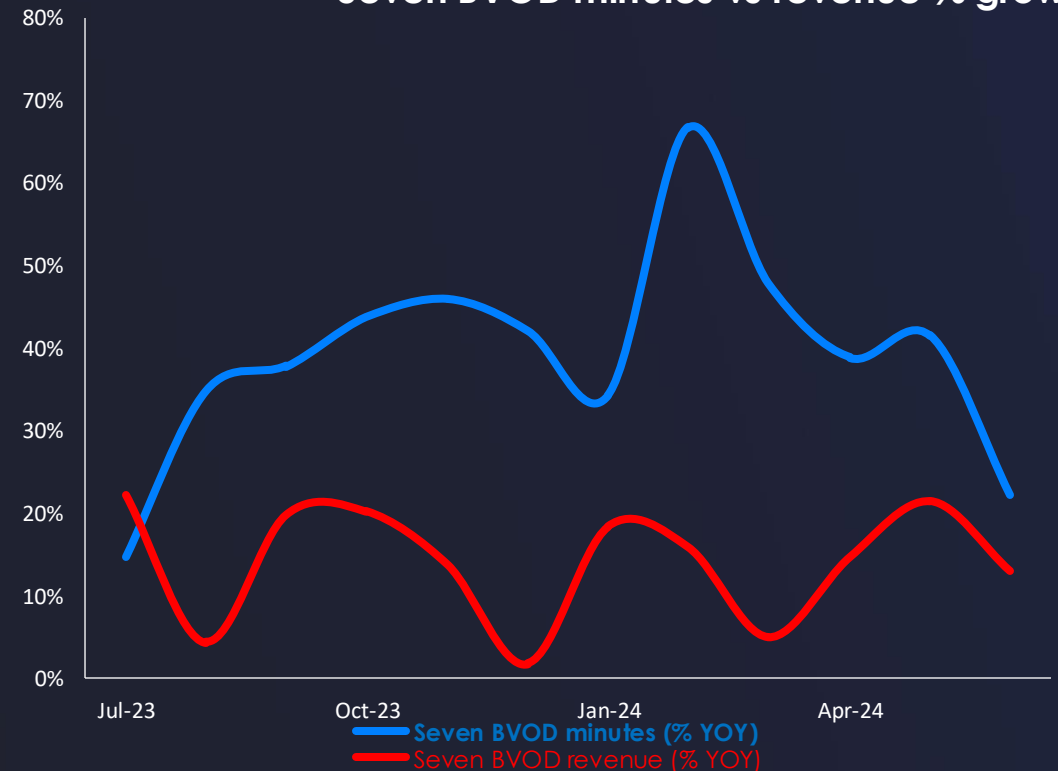
Find new revenue streams  
and opportunities

# Monetise our market leading content

Control our destiny by growing our user base, driving users to our content and effectively selling all available inventory

- 7plus is the #1 brand (awareness and frequency) in the premium BVOD category with 39% growth in minutes consumed in FY24
- 30% increase in consumption of on-demand content driven by exclusives
- 50% increase in consumption of live content (FIFA WWC and 2H tentpoles) with momentum into AFL Grand Final, Aust vs India Test cricket and BBL
- Creating new digital go-to-market strategy to drive step change in BVOD inventory monetisation skewing to younger demographics
- Content / demographic specific audience predictions (Databricks AI) to build confidence in agency and advertiser buying on 7plus
- 7NEWS.com.au is Australia's fourth biggest website (9.7m monthly users); launched new app in June, driving valuable and loyal traffic

Seven BVOD minutes vs revenue % growth



# Control our destiny in TV and print assets

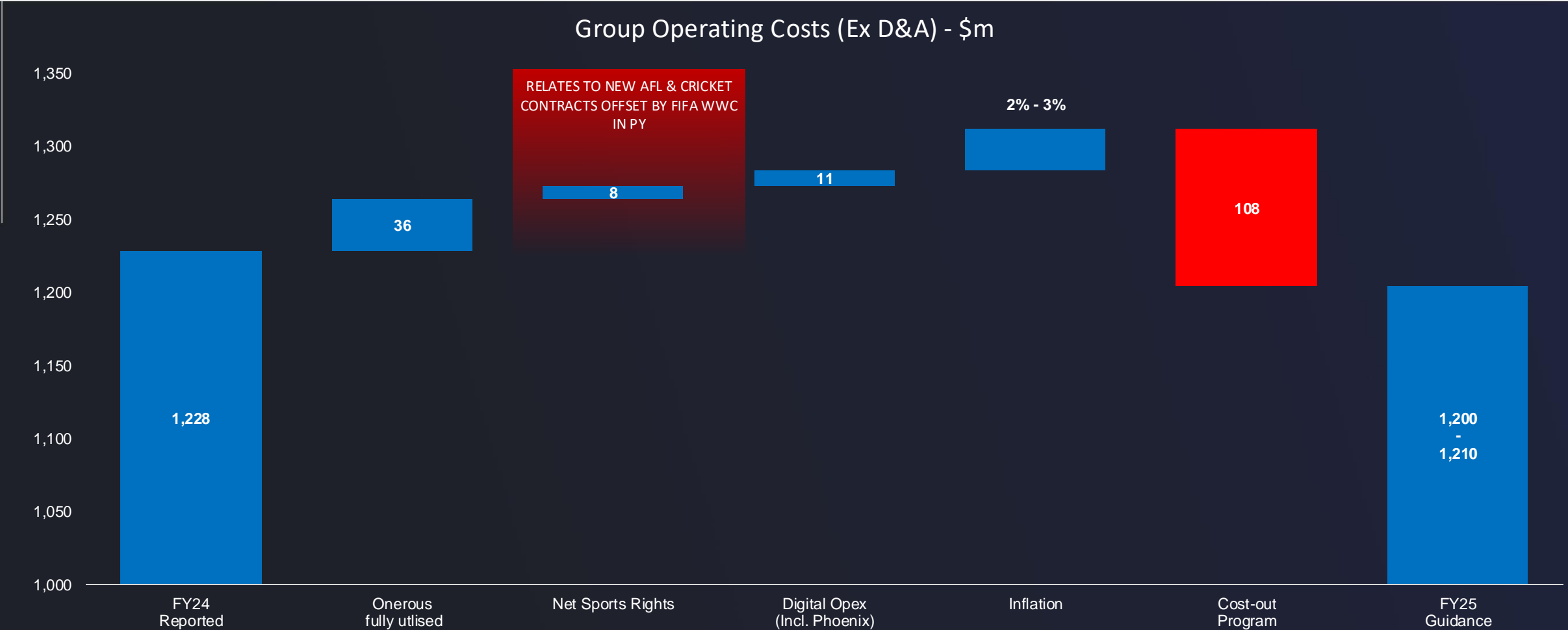
Drive resilient earnings and cash flow through proactively monetising our market leading content and mass audience reach

- Drive audience growth and retention through news, sport and general entertainment content
- Promote strength of television as the most effective way to reach mass audiences - industry collaboration essential
- Sales, content and marketing teams restructured to align objectives, performance and accountability
- Improve inventory monetisation and drive yield through our new Phoenix trading platform
- Continued discipline on total cost base while not compromising on editorial and content quality



# New cost program responds to FY25 challenges

Proactive response to drive year on year cost decline in the face of known contractual uplifts, digital opex and inflationary pressures





## Finding new revenue streams and opportunities

# The Nightly

Demonstrating SWM's ability to drive new opportunities for commercial benefit

- **Australia's fastest growing news brand**

Launched in February 2024, The Nightly is our new digital-only national newspaper, website (thenightly.com.au) and app delivered free to devices every weeknight at 6pm AEST

- **Impact, influence, fierce and free**

Sharp opinion and sophisticated analysis mixed with unique national affairs coverage and incisive investigative journalism

- **A credible challenger to The Australian and the AFR**

With a unique monthly audience of ~2.3 million and ~5 million page views in June 2024, The Nightly is already capturing audiences Australia-wide

- **Strong support from advertisers**

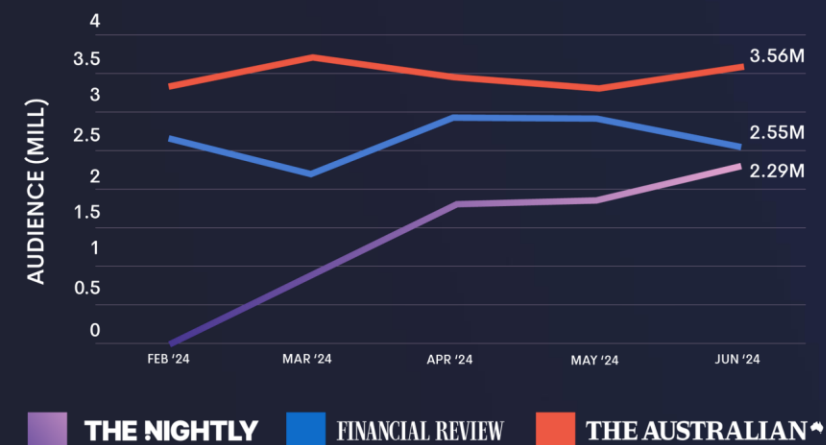
National audience attracting a premium from advertisers and driving incremental revenue opportunities

- **FY25 outlook**

Continue to scale audience and logged in users with award winning journalism and international content



## IPSOS UNIQUE AUDIENCE BY MONTH



## Summary

# Trading update

- Olympics contributing to TV market growth for July and August; Seven's share impacted as expected.
- September and October bookings currently down 4 – 5% vs same time last year
- Expecting revenue share gains in FY25 from digital sports rights (November onwards); Cricket bookings tracking up 11% vs same time last year
- Full year costs expected to be ~\$20-30m lower than FY24 based on benefits identified to date







Questions?





# Disclaimer

**Data included in this presentation is prepared for the management of Seven West Media Limited and its associated entities (together, 'SWM').**

**This data is included for information purposes only and has not been audited or reviewed or subject to the same level of review by SWM as the statutory accounts and so is merely provided for indicative purposes.**

SWM and its employees do not warrant the accuracy or reliability of this data and disclaim any liability flowing from the use of this data by any party.

SWM does not accept any liability to any person, organisation or entity for any loss or damage suffered as a result of reliance on this document. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, and are subject to variation.

All forward-looking statements in this document reflect the current expectations concerning future results and events. Any forward-looking statements contained or implied, either within this document or verbally, involve known and unknown risks, uncertainties and other factors (including economic and market conditions, changes in operating conditions, currency fluctuations, political events, labour relations, availability and cost of labour, materials and equipment) that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by any forward-looking statements.

Unless otherwise indicated, all references to estimates, targets and forecasts and derivations of the same in this document are references to estimates, targets and forecasts by SWM. Estimates, targets and forecasts are based on views held only at the date of this document, and actual events and results may be materially different from them. SWM does not undertake to revise this document to reflect any future events or circumstances.

Amounts, totals and change percentages calculated on whole numbers and not the rounded amounts presented. The information contained in these pages may not necessarily be in statutory format.