

21 October 2019

Agreement to sell Pacific Magazines

Seven West Media Limited (**SWM**) (ASX:SWM) has today announced it has signed a binding agreement to sell Pacific Magazines (**Pacific Magazines**) to Bauer Media for a cash consideration of \$40 million (pre-adjustments and leave provisions), which represents a 4.9x EV/EBITDA multiple based on the 2019 financial year. The sale is expected to complete by the end of the calendar year, subject to ACCC approval.

The proceeds of the sale will be used to pay down debt, improving SWM's balance sheet flexibility and simplifying the organisation to focus on its content led growth strategy.

SWM and Bauer Media have also entered into commercial arrangements to mutually benefit both parties, including advertising spend commitments, the ongoing production of Better Homes and Gardens television programme, and sharing lifestyle content under a long-term agreement. In addition, SWM will receive \$6.6 million of advertising on Bauer Media assets over three years.

James Warburton, Managing Director and CEO of SWM said, "The sale of Pacific Magazines is another major initiative aligned with our strategy to improve balance sheet flexibility and simplify the operating model to enable greater focus on growth initiatives. The team at Pacific have been at the forefront of our groups transformation and have done a tremendous job at repositioning their business, but there can be no doubt that there is a greater future within a larger scaled magazine group."

Ends.

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