



SEVEN WEST MEDIA

13 November 2019

Company Announcements Office  
Australian Securities Exchange Limited  
Level 6, 20 Bridge Street  
Sydney NSW 2000

***By electronic lodgment***

Total Pages: 6 (including covering letter)

Dear Sir / Madam

**Annual General Meeting Presentation and Trading Update**

Attached is a copy of the presentation and trading update to be made at the Annual General Meeting commencing at 10.00am today.

Yours Sincerely

**Warren Coatsworth**  
Company Secretary

# Seven West Media

Annual General Meeting | 13 November 2019



STRICTLY CONFIDENTIAL

# Group Strategy

## Focus and objectives



### 1. Content Led Growth

- Revitalise our entertainment programming, creating momentum to engage heartland Australia
- Be the most relevant and exciting offer to advertisers
- Explore a meaningful streaming partnership play

### 2. Transformation

- Sharpen our focus on being an audience and sales led organisation
- Redefine our working practices, becoming more efficient and effective
- Explore traditional adjacencies
- Explore non-traditional adjacencies

### 3. Capital Structure & Balance Sheet

- Maintain focus to work down debt and improve balance sheet flexibility
- Explore M&A opportunities

# Transactions and strategic initiatives

Transforming the business and working down debt

## 1/ SWM merger with Prime

- › Merger of SWM with Prime Media Group Limited (Prime) through a 100% scrip-based Prime scheme of arrangement
- › Creates Australia's leading wholly-owned commercial premium broadcast, video and news network reaching over 90% of Australians each month
- › Expected to generate significant synergies (unlock regional ad revenue potential<sup>1</sup> and ~\$11m cost synergies<sup>2</sup>) and be EPS accretive for all shareholders



## 2/ Redwave divestment

- › Entered in binding agreement to divest SWM's Western Australian radio assets (Redwave) to Southern Cross Media on 18 October 2019
- › Cash consideration of \$28m, a 8x FY19 EV/EBITDA multiple



## 3/ Pacific Magazines divestment

- › Entered into binding agreement to divest SWM's consumer magazines business (Pacific Magazines) to Bauer Media on 21 October 2019
- › Cash consideration of \$40m (pre-adjustments and leave provisions), a 4.9x FY19 EV/EBITDA multiple



## 4/ Simplified operating model

- › Operating model and leadership structure to be simplified by reducing duplicate roles to transform into a leaner and more agile company



*\*Transactions are expected to complete by calendar year end, subject to regulatory approvals (e.g. ACCC)*

<sup>1</sup> Merger will provide advertisers and media agencies access to metro and regional audiences through a single, seamless platform. Potential to unlock ad revenue where 36% of Australian's live in regional areas, but only 10% of national advertising is allocated; <sup>2</sup> On an annualised basis and excluding any one-off transaction and integration costs



# Content led growth

Revitalising our core through refreshed and refocussed content

7.30



8.30



THE SPINE



SEVEN SPORT



# Trading Update

---

- Seven Network grew to a 39% revenue share in the first quarter of FY20, but in a down market
- The market remains short and difficult to predict but we expect further softness in the second quarter
- Forecasting the metropolitan television market to be down mid single digits for the financial year
- Expect to be at the lower end of our FY20 underlying EBIT guidance of between \$190 million to \$200 million including the impact of AASB 16
  - Excludes the impact of the Prime, Pacific and Redwave transactions which all remain subject to regulatory approval