

SPORTS ENTERTAINMENT GROUP.

2023 Annual General Meeting Chairman & CEO Address

23 November 2023

**SPORTS
ENTERTAINMENT
NETWORK.**





THE HOME OF **LIVE**
SPORT ALL YEAR
ROUND.



**SPORTS
ENTERTAINMENT
GROUP.**

**CHAIRMAN'S
ADDRESS.**



OUR CORE PILLARS.

A unique sports and entertainment business that's hard to replicate.

1

MEDIA ASSETS

Australian & New Zealand radio programs and broadcast rights

- Own 60+ radio stations in two countries and produce over 170 sport talk programs.
- Radio broadcast rights for the biggest Australian and international sporting events – AFL, NRL, Test & Big Bash Cricket, A League, NBL & AO

Radio Syndication

- Syndicate to over 130 markets across Australia

AFL Publication

- Publisher and seller of the AFL Record

2

SEN TEAMS

SEG owns five professional sporting teams in Australia and New Zealand

- **Perth Wildcats** Men's NBL team
- **Bendigo Spirit** Women's WNBL team
- **Otago Nuggets** Men's NZ NBL team
- **Southern Hoiho** Women's NZ NBL team
- **Melbourne Mavericks** Women's Suncorp Super Netball Team

3

CHASING, PACING & RACING

SENTrack

- Australia's first independent racing, harness and greyhound radio network consisting of 20+ radio stations across Australia. It's chasing, pacing and racing delivered differently and aimed at 18-44 year old race fans

4

DIGITAL & TECH

SEN Website & App

- SEN.com.au and the SEN App are home to all the latest sporting content, housing and showcasing up to date article and video content
- Digital audio – SEN produces more than 100 sporting and lifestyle podcasts
- The Quaddie App, Same Racer App, Perth Wildcats App, The Drivers Seat App, Reel Adventures App and other custom solutions

Talented and resourced Tech team

- P&D director, Backend developers, iOS developers, Android developers and UI/Graphic designers

5

PRODUCTION & CONTENT DELIVERY

Live Sport Production & Delivery

- AFLW, GRV, HRV, WSL, Athletics Australia, Hockey Australia, Bowls Australia & Golf NSW

Content Production

- TVC production, digital and social content for partners

High-Tech Infrastructure

- State-of-the-art production studio
- Production trucks
- Owned cameras and systems
- CDS – radio content system

6

EVENTS & TALENT

Ballpark

- Full service sports marketing agency delivering strategic and creative campaigns, including partnerships services, PR, brand strategy, advertising services, events and activations, content creation and premium hospitality experiences

Bravo

- Boutique talent management agency representing media professionals and sports players, personalities and entertainers.

STRATEGIC AND FINANCIAL ROADMAP.

Strategic ambition to build a specialist sports media and entertainment business.

A >\$67 million investment (primarily cash flow supported by debt) transforming a single core station into a national network with complementary businesses – our focus is to profitably manage these assets and realise their full potential

2017

- Pacific Star Network acquires Crocmedia, owners of SEN

2018

- Acquire 25% of Melbourne United Basketball Club
- Acquire AFL Record

2019

- Acquire Rapid TV
- Acquire Precision Sports and Entertainment Group

2020

- Rebrand to Sports Entertainment Network
- Launch 1170 SEN Sydney, 2CH Sydney moves to DAB+
- Launch SEN Track Perth, Atherton, Ingham, Gosford, Sydney, Brisbane and Gold Coast
- Launch SEN Spirit South West (WA)

2021

- Launch SENZ
- Launch The Quaddie App
- Launch SEN Stadium LIVE
- Acquire Otago Nuggets Basketball Team (NZNBL)
- Launch SEN Track Darling Downs, Kingaroy, Griffith, Latrobe Valley, Northern Tas
- Launch SEN Tassie, Top End, SEN Gold Coast rebrand and Peel DAB

2022

- Acquire Perth Wildcats Basketball Club (NBL)
- Acquire Bendigo Spirit Basketball Team (WNBL)
- Acquire Southern Hoiho Basketball Team (TBAL)
- Launch SEN Kalgoorlie
- Acquire 4KQ Brisbane
- SEN launches on TikTok
- AFL Rights extension

2023

- Secures Supercars rights
- Secures 8th Suncorp Super Netball Licence and announces Melbourne Mavericks brand

FY23 Financial Settings

- Revenue \$118m
- U/L EBITDA incl. NZ \$4.8m
- U/L EBITDA ex. NZ \$7.2m
- Op. Cash Flow \$8.1m
- Net Borrowings \$21.6m
- Underlying leverage ex NZ EBITDA 3.0x

2024

Profitably manage our existing assets, focused on organic growth and margin improvement

Well understood capital settings reflect our deliberate expansion strategy

Focus on reducing net debt, with several proposals and initiatives under consideration

SENZ sale reduces underlying FY23 pro-forma gearing to ~2.5x

DIVESTMENT OF SENZ.

- We are pleased to announce we have entered a non-binding agreement with TAB New Zealand to acquire SEN NZ's digital and audio businesses including the SENZ brand, app and website, and its network of 28 radio stations across 29 frequencies.
- The multi-faceted deal will see SEG receive NZ\$4 million cash paired with a content supply partnership.
- SEN NZ will remain the commercial arm for SENZ Digital & Audio, sourcing third-party advertising revenue for the business under new ownership. SEG will earn commission income on advertising revenue it sources.
- SEG has also bolstered its strong relationship with TAB NZ's partner Entain New Zealand, and recently agreed to extend its extension to its commercial partnership with Entain's Australian brands for a three-year term.
- This transaction removes start-up losses from our operating performance. In FY23, our New Zealand business represented a negative \$2.4 million drag on underlying EBITDA.
- The transaction is subject to satisfactory completion of legal agreements with operational handover expected to commence on February 1, 2024.

BALANCE SHEET MANAGEMENT.

- Commonwealth Bank of Australia has been the company's banker for 9 years, a relationship extending well before the merger with Crocmedia in 2018
- CBA has supported SEG's strategy expanding its original \$8.6 million facility in 2014 to \$28.7 million currently
- The current facility expires in August 2024 and we are in normal dialogue with CBA to extend this facility
- CBA has provided SEG with covenant relief for the September and December 2023 quarters
- SEG is focused on reducing net debt and intends to use SENZ sale proceeds for this objective
- SEG also has several proposals and initiatives under consideration to achieve further debt reduction in FY24
- SEG believes it will be able to continue with the planned renegotiation and extension of CBA facilities in early 2024 for three years

**SPORTS
ENTERTAINMENT
GROUP.**

**CHIEF EXECUTIVE
OFFICER'S ADDRESS.**



**SPORTS
ENTERTAINMENT
NETWORK**

SEN SENZ

**SEN
SPIRIT**

**SEN
TRACK**

RAINMAKER.

Ballpark

**BRAVO
MANAGEMENT**

AFL RECORD



FY23 RESULTS HIGHLIGHTS.

(\$ million)	FY23		
	Continuing Operations	Discontinuing Operations (NZ audio & digital)	Consolidated
Revenue	113.0	5.0	118.0
Operating Expenses	106.3	9.8	116.1
EBITDA	6.7	(4.8)	1.9
+ Restructuring/Abnormal items	0.9	0.1	1.1
+ Non-cash loss on impairment	2.2	3.3	5.5
Underlying EBITDA	9.8	(1.4)	8.5
- AASB16 Impact	(2.7)	(1.0)	(3.8)
Underlying EBITDA (pre-AASB16)	7.1	(2.4)	4.7

(\$ million)	FY22		
	Continuing Operations	Discontinuing Operations (NZ audio & digital)	Consolidated
Revenue	104.7	4.2	109.0
Operating Expenses	88.7	5.5	94.2
EBITDA	16.1	(1.3)	14.8
+ Restructuring/Abnormal items	(0.7)	0.1	(0.7)
+ Non-cash loss on impairment	0.0	0.0	0.0
Underlying EBITDA	15.3	(1.3)	14.1
- AASB16 Impact	(2.6)	(1.1)	(3.7)
Underlying EBITDA (pre-AASB16)	12.7	(2.4)	10.3

- **Group revenue up 8% to \$118m with growth achieved across all divisions. This growth fully offset a negative impact on revenue caused by the expiry during the year of a number of long-term syndication distribution agreements**
- **Group underlying EBITDA (pre-AASB16) down 54% to \$4.8m but includes a drag of \$4.7m associated with the establishment of new assets in Sydney, Brisbane and New Zealand**
- **Excluding the New Zealand drag, underlying EBITDA (pre-AASB16) would have been an adjusted \$7.1m**
- **While operational costs for the complementary services divisions will fluctuate relative to revenue, we expect the cost base for the media and corporate segments to have normalised and expect margin to be accretive as revenue continues to grow**

WE ARE A DOMINANT AUDIO PLAYER.

Our owned stations in Australia. 44 markets.

SPORTS ENTERTAINMENT GROUP.

VICTORIA

Melbourne
Melbourne
Sunraysia/Mildura
Latrobe Valley
South West Gippsland
Bendigo
Swan Hill
Hamilton
Melbourne
Bendigo
Ballarat
Geelong
Gippsland
Sunraysia
Shepparton

SEN 1116AM & DAB+
SENTrack 1593AM & DAB+
SENTrack 89.1fm
SENTrack 91.9fm
SENTrack 91.3fm
SENTrack 87.8fm
SENTrack 87.5fm
SENTrack 88.0fm
SEN Fanatic DAB+
SEN Digital
SEN Digital
SEN Digital
SEN Digital
SEN Digital
SEN Digital

WESTERN AUSTRALIA

Perth
Bunbury
Margaret River
Goldfields
Pilbara
Mid West
Great Southern
SEN WA
Mandurah

SENTrack 657AM
SEN Spirit 621AM
SEN Spirit 1494AM
SEN 1611AM
SEN Digital
SEN Digital
SEN Digital
SEN Digital
SEN Peel DAB+

NEW SOUTH WALES

Sydney
Sydney
Illawarra
Central Coast
Griffith

SEN 1170AM & DAB+
SENTrack 1539AM & DAB+
SENTrack 1575AM
SENTrack 801AM
SENTrack 90.3fm

SOUTH AUSTRALIA

Adelaide
Mt Gambier

SEN SA 1629AM
SEN Mt Gambier 1629AM

QUEENSLAND

Brisbane
Brisbane
Gold Coast
Atherton
Ingham
Kingaroy
Darling Downs
Rockhampton

SENQ 693AM
SENTrack 1053AM
SEN 1620AM
SENTrack 99.1fm
SENTrack 96.9fm
SENTrack 96.3fm
SENTrack 91.5fm
SEN 1611AM

TASMANIA

Hobart
Launceston
Devonport

SEN Tassie 1629AM
SENTrack 1611AM
SENTrack 1611AM

ACT

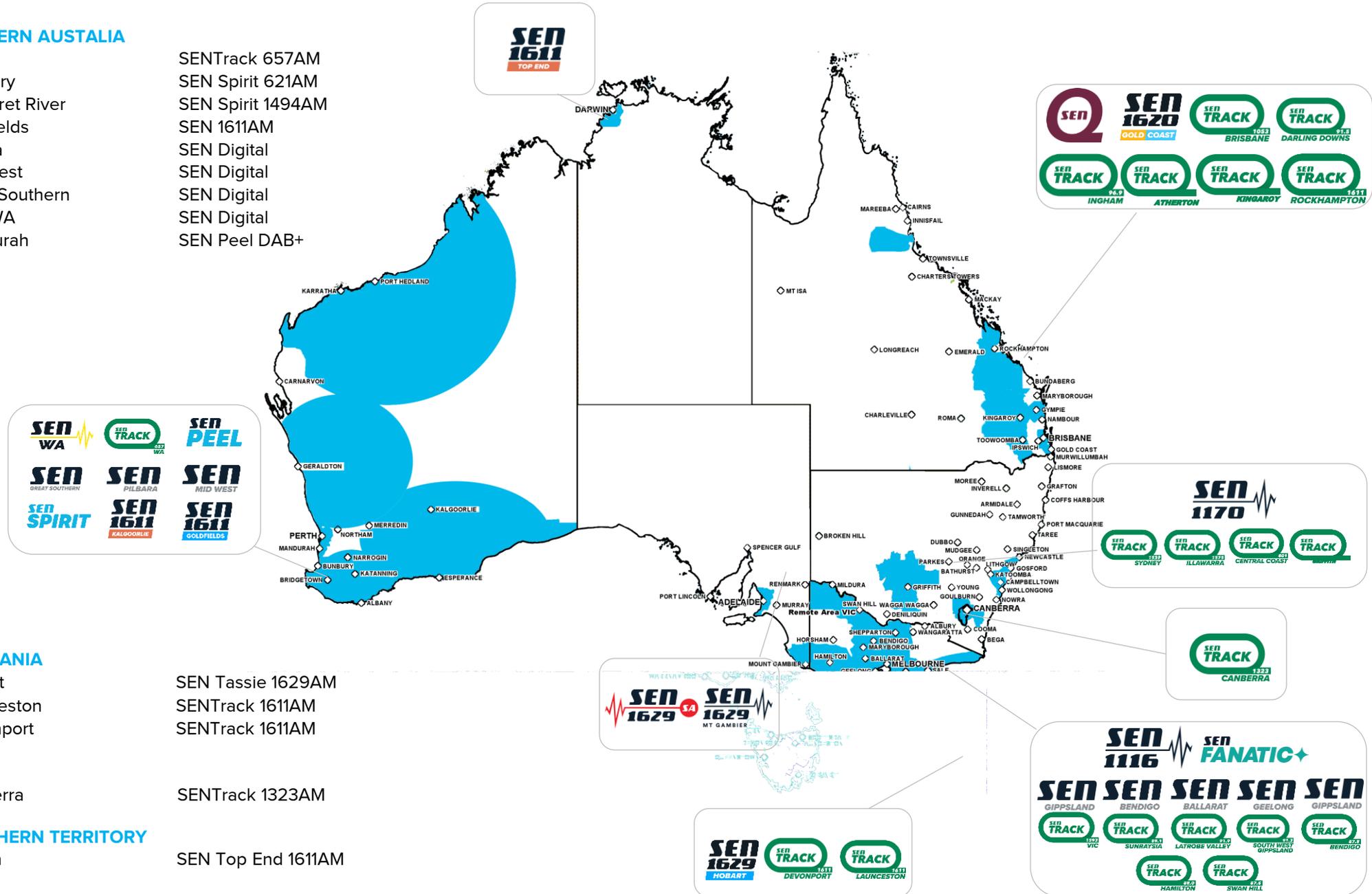
Canberra

SENTrack 1323AM

NORTHERN TERRITORY

Darwin

SEN Top End 1611AM

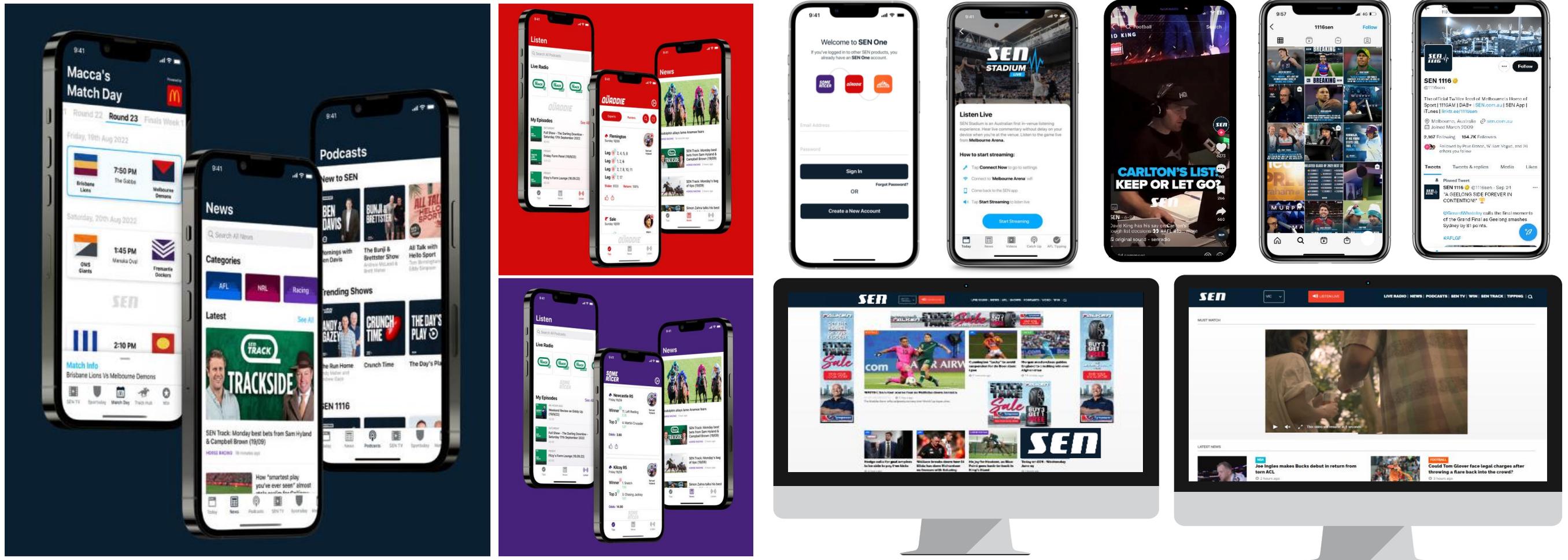


SEN'S DIGITAL ASSETS.

A suite of web, app and social products & platforms, delivering sports content live and on demand

**SPORTS
ENTERTAINMENT
NETWORK.**

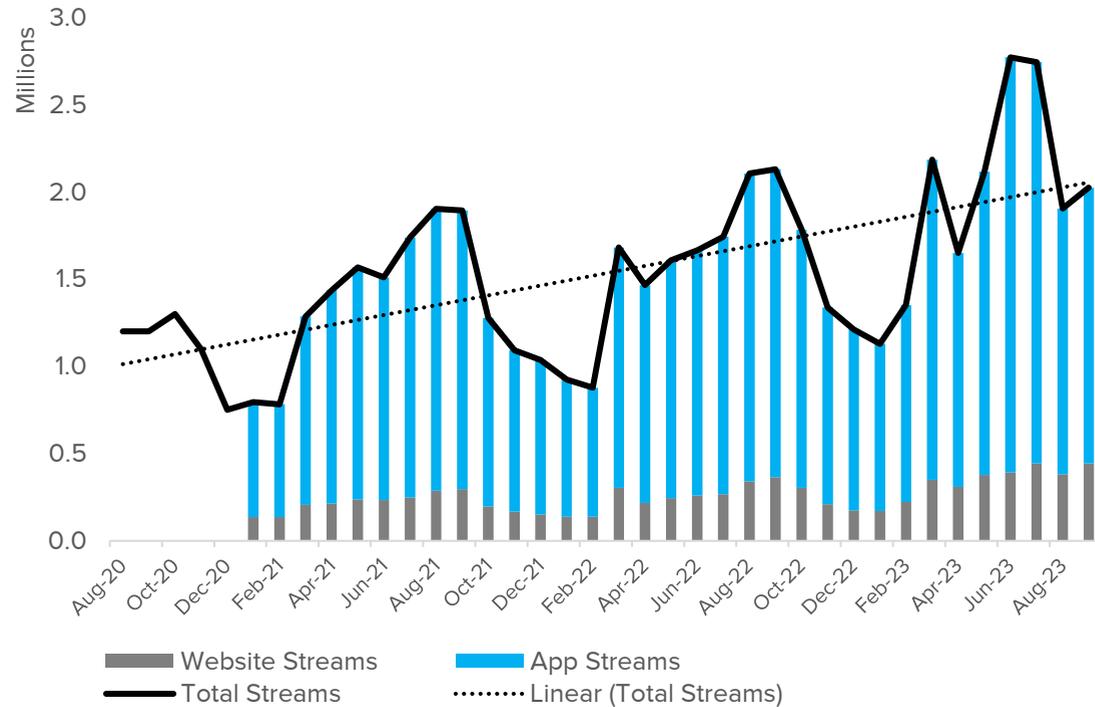
Sports Entertainment Network are the **#1 publisher of sports content in the country**, and our digital platforms are focused on audio access live and via podcasts, daily video content, news, tips, social updates and user interaction, for sports fans to access 24/7.



SEN AUDIENCE ENGAGEMENT.

Growth in audio streaming, predominantly via the SEN App.

National Streams
July 2020 – September 2023



Radio’s streaming audiences are rapidly growing following the strong uptake of listening over connected devices and smart speakers.

The introduction of streaming into the traditional radio ratings in June 2023 validates our strategic direction and focus on the delivery of broad choice for sports fans across our digital audio channels.

Unlike traditional linear radio ratings, live radio streaming **data is taken directly from radio station website, listening apps and server logs**. It provides an **exact and accurate** picture of live audio consumption.

With one in four Australians now streaming live radio on a weekly basis*, there is a broad and building shift to digital listening. **SEN is ahead of this curve:**

In Sydney: 32% of SEN1170’s audience stream the station, this is the greatest percentage of people who stream in the market (vs 23% for 2GB and 22% for Triple M).

In Brisbane: 33% of SENQ’s audience stream the station, this is the greatest percentage of people who stream in the market (vs 21% for 4BC and 14% for Triple M). Also of note, **53% of SENQ’s 25-54** year old listeners are streaming.

In Melbourne: 20% of SEN1116’s audience stream the station (vs 22% for 3AW and 14% for Triple M), which is reflective of the shift in listening habits from a more established radio station.

The accuracy of streaming measurement demonstrates the penetration of SEN in the market. Comparative data below illustrates SEN 1116’s share for streaming is close to double its share for traditional radio consumption.

	CY20A	CY21A	CY22A
Website streams	1.6m n/a	2.5m 57% annual growth	3.0m 18% annual growth
App streams	10.5m n/a	13.8m 32% annual growth	15.6m 13% annual growth

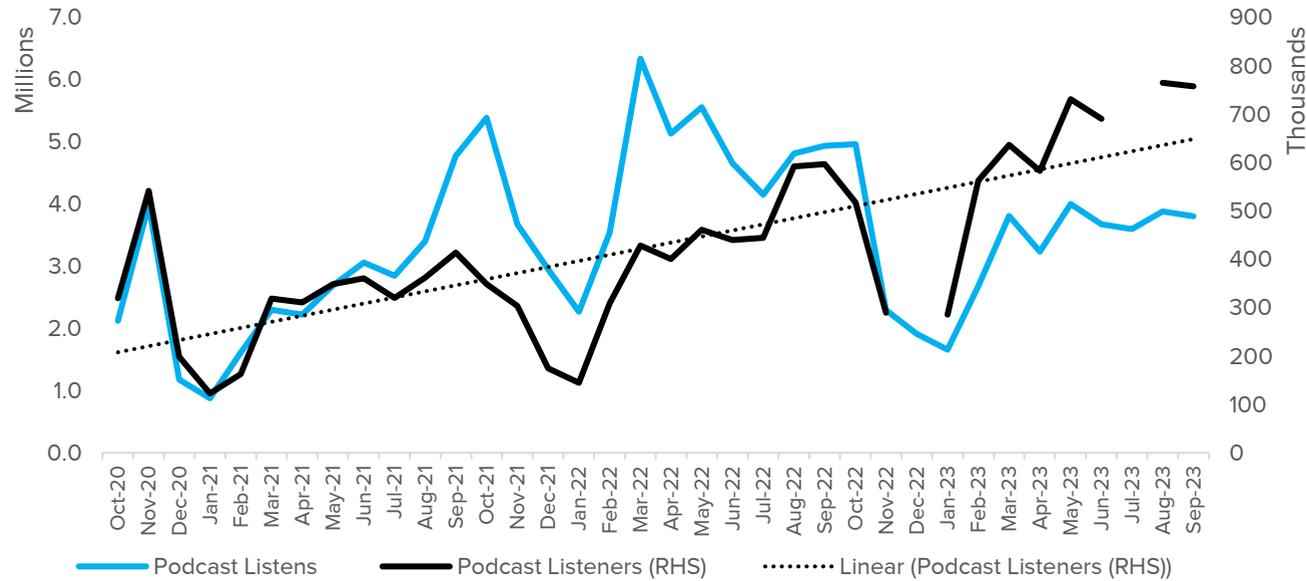
MELBOURNE SEN 1116	AM/FM/DAB+	Streaming
All Ppl 10+ Mon-Sun 5.30am-12mn	3.1	5.3
Breakfast All Ppl 10+	2.4	5.5
Drive All Ppl 10+	2.8	5.4

SEN PODCASTS.

SEN produces more than 100 sports and lifestyle podcasts.

SPORTS ENTERTAINMENT GROUP.

Podcasts



Podcast Audience

	CY20A	CY21A	CY22A
Podcast Listens	22.9m 47% annual growth	36.4m 60% annual growth	48.8m 34% annual Growth
Podcast Listeners	~0.2m	~0.4m	~0.6m
Podcast	Podcast Downloads (CY22A)		
SEN Breakfast Melbourne	13.5m		
Mornings with Whateley	11.7m		



Source: Megaphone / Whooshkaa

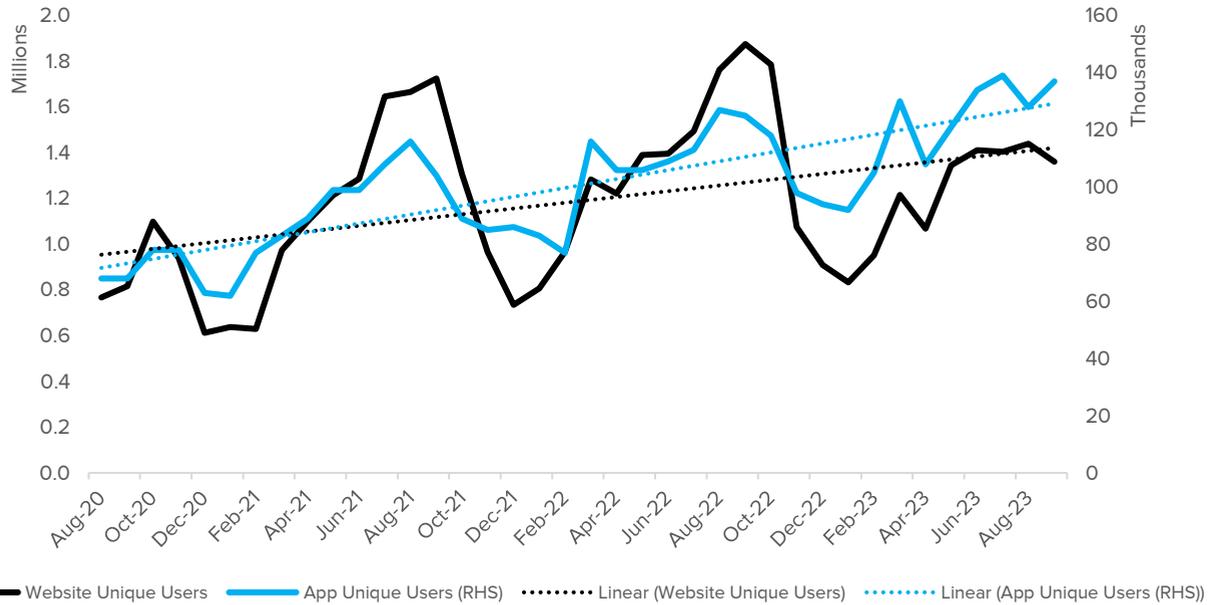
Note: Listener data unavailable Nov 22-Jan 23 due to changeover in podcast platform

SEN'S DIGITAL PRESENCE.

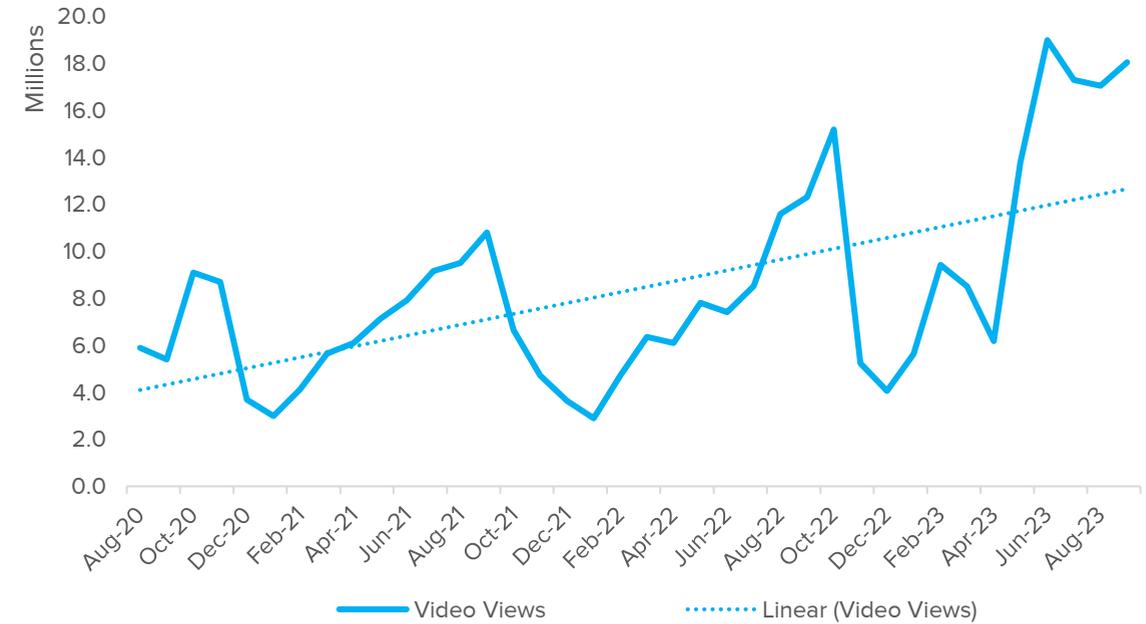
Strong growth in web and app users and in video views across both platforms due to a strategic focus on video content creation and distribution



SEN Website and SEN App Users
August 2020 – September 2023



National Video Views
August 2020 – September 2023



	CY20A	CY21A	CY22A
Unique web users	5.3m 28% annual growth	10.1m 98% annual growth	12.2m 21% annual growth
Unique app users	182k n/a	280k 54% annual growth	295k 5% annual growth
App downloads	247k 22% annual growth	330k 53% annual growth	415k 26% annual growth
News article views	34m 20% annual growth	70m 200% annual growth	112m 60% annual growth

	CY20A	CY21A	CY22A
Video views on SEN Website and App	38.9m 81% annual growth	67.7m 74% annual growth	73.8m 9% annual growth
Video views on social media	n/a n/a	22m n/a	62m 221% annual growth

TALENT, EVENTS & PRODUCTION.

Our offering of various touchpoints, sets us apart and ensures maximum connection between brand and audience.

BRAVO MANAGEMENT

Bravo Management is a boutique talent management agency that specializes in the representation of TV presenters, radio broadcasters, keynote speakers, and Sports Professionals.

MEDIA TALENT EXAMPLES

- Scott Cam
- Shaynna Blaze
- Gary Ablett
- Wayne Carey
- Kane Cornes
- Mark Philippoussis
- Tom Liberatore

OUR SPORT TALENT EXAMPLES

- Jack Riewoldt (AFL)
- Issac Smith (AFL)
- Mason Cox (AFL)
- Stephanie Chiocci (AFLW)
- Libby Birch (AFLW)
- Chris Goulding (NBL)
- James McDonald (Horse Racing)

Ballpark

Ballpark is a full-service sports marketing agency delivering strategic and creative campaigns that connect brands with sports fans.

We offer partnership management, public relations, brand strategy, advertising services, events and activations, content creation and premium hospitality experiences.

WHAT WE DO

- Brand Strategy
- Creative Services – including film production via our in-house TV production team Rainmaker
- Partnerships management and leverage
 - Public relations
 - Event management
- Hospitality and ticketing to major sporting events – here and internationally – including bucket list events like the Super Bowl
 - Consumer promotions
- Brand activations and experiences
 - Talent and influencer programs

RAINMAKER.

Rainmaker offers a state-of-the-art studio facility, producing market-leading tailored content, specific for brands and organisations seeking to push a particular message or look. Rainmaker provides broad and customisable solutions to clients. A whole of service package includes production, filming, editing, talent sourcing and delivery, which is one of the many options offered.

WHAT WE DO

- End-to-end live sport & event broadcast production
 - TV programs and documentaries
 - TV commercials and branded content
 - High-quality streaming service
 - Satellite delivery services

SPORTS TEAMS AND THEIR VALUATIONS.

Introducing SEN TEAMS.



- Growing global trend of private equity and sophisticated investors taking an interest in sports teams
- Investments in sporting teams are passion plays, not based on traditional earnings valuation methodologies
- NBL teams in Australia now commanding ownership stakes valued at ~\$30M+ (SEG exited Melbourne United on a \$30m valuation), as the league grows in reputation.
- We are the owners of five (5) professional teams in Australia & New Zealand –two (2) men’s teams and three (3) women’s teams:
 - Perth Wildcats – best non-NBA Team in world and profitable
 - Bendigo Spirit – two-time WNBL Championship winning team
 - Otago Nuggets – men’s basketball team competing in the NZ NBL
 - Southern Hoiho – women’s basketball team playing in the NZ WNBL
 - Melbourne Mavericks – SEG was recently awarded the 8th SSN licence & this newly formed women’s netball team will launch in season 2024



RECENT INVESTMENTS.

Sport teams are attracting significant investment globally, evidenced by recent investment by high profile investors in Australian National Basketball League teams.

SEN
TEAMS

SPORTS
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March 2022
Robyn Denholm – Chair
of Tesla Motors

December 2022
Andrew Bogut – Former
NBA Champion becomes
co-owner



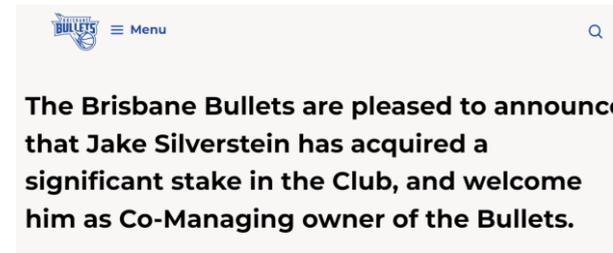
Sydney Kings
<https://www.sydneykings.com/news/andrew-bogut...>

[Andrew Bogut officially joins Kings ownership group](#)

The Brydens Lawyers Sydney Kings are pleased to announce that Andrew Bogut has officially joined the Club's ownership group. A 14-year veteran of the NBA, ...



May 2023
Jake Silverstein –
Swansea City AFC & DC
United co-owners
becomes Co-Managing
owner



January 2023
Nick Kyrgios and NBA
player **John Wall**
become co-owners



Fox Sports

['Thrilled' Kyrgios buys NBL team with star-studded group including NBA players](#)

Nick Kyrgios has turned his love of basketball in to an investment by joining the ownership group of NBL team the South East Melbourne...

12 Jan 2023

TRADING UPDATE & OUTLOOK.

- Revenues have been strong for the first four months of FY24 and are up 13% on the prior corresponding period (pcp).
- Underlying EBITDA for the period were positive across all divisions of the business and in line with expectations.
- While the advertising market for the remainder of 2Q24 has softened we are still forecasting both revenue and underlying EBITDA improvement on the pcp with a focus on strict cost control
- 2H24 performance will be aided by the divestment of the New Zealand audio and digital business (subject to completion of the transaction)
- We are confident we have created a suite of assets with long-term growth and strategic value. Our significant investment to establish multiple media platforms – radio, TV, digital, print, teams – supported by broadcast rights, talent and extensive content is unique and hard to replicate.
- We continue to believe we are operating in an attractive media segment, with sports media assets attracting significant investment globally.

**SPORTS
ENTERTAINMENT
GROUP.**

**QUESTION AND
ANSWER SESSION.**

