



Tuesday, 2 May 2023

## INVESTOR PRESENTATION AND TRADING UPDATE

Please find attached an investor presentation and trading update to be given today by Seven West Media (ASX: SWM) Managing Director and Chief Executive Officer, James Warburton, and Chief Digital Officer, Gereurd Roberts, at the Macquarie Australia Conference held at The Sheraton Grand Sydney Hyde Park.

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 and 7Bravo; 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 public affairs programs **7NEWS**, **7NEWS Spotlight**, **Sunrise** and **The Morning Show**, **The Voice**, **Home and Away**, **Australian Idol**, **My Kitchen Rules**, **Big Brother**, **SAS Australia**, **Farmer Wants A Wife**, **The Chase Australia**, **Better Homes and Gardens**, **RFDS**, **Million Dollar Island**, **Blow Up** and the **TV WEEK Logie Awards**, Seven West Media is also the broadcast partner of the AFL, Cricket Australia and Supercars.

# 7TV

Macquarie Conference



# Seven West Media

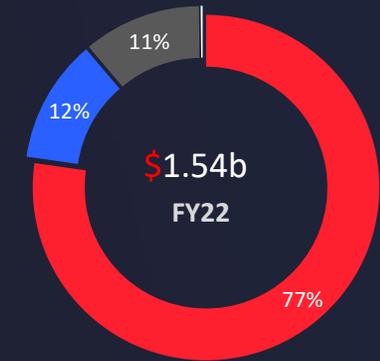
Ongoing transformation driving operational performance across all business units

Undisputed National Total Television Leader

91% Reach



Group Revenue



■ TV Broadcast ■ 7Digital ■ WAN ■ Other

Publishing

82% Reach



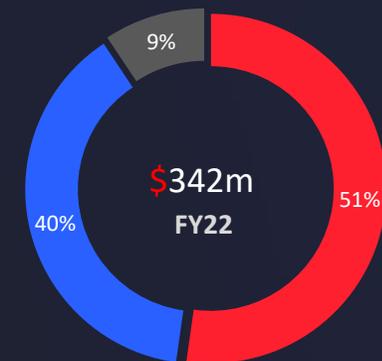
Ventures



Other Assets



Group EBITDA

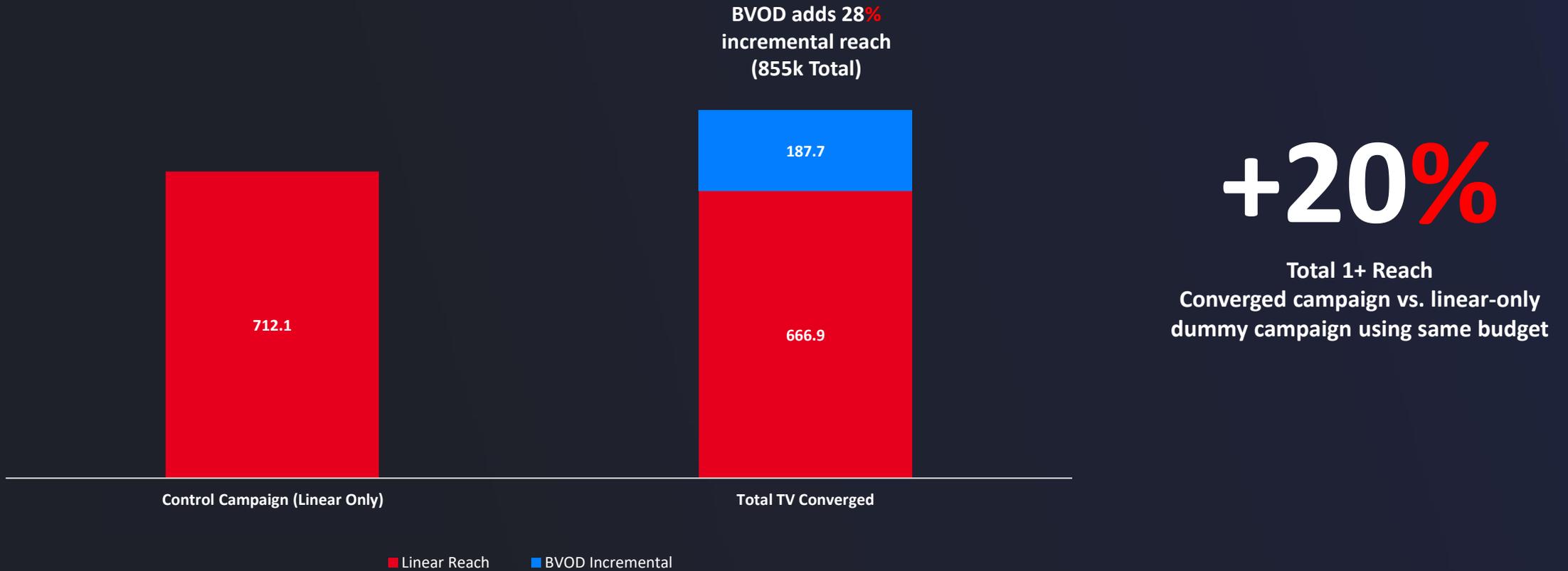


■ TV Broadcast ■ 7Digital ■ WAN



# Increasing audiences with VOZ

Demonstrating the power of cross-screen reach



# The new market opportunity

Total pool of revenue

\$6.56b

\$3.6b

Broadcast – MTV, STV, RTV

\$460m

BVOD

\$2.5b

AVOD

# One place to reach all Australians

Reach, engage and interact with 91% of Australia

Addressability at scale with over 13m verified 7plus users

More disposable income in regional markets due to a lower cost of living

9.3m live in regional Australia, one of Australia's largest and fastest growing markets

Huge growth opportunity with only 14% of national media budgets spent regionally against 36% of the population

Brand integration and ideation at scale with national coverage and relevance



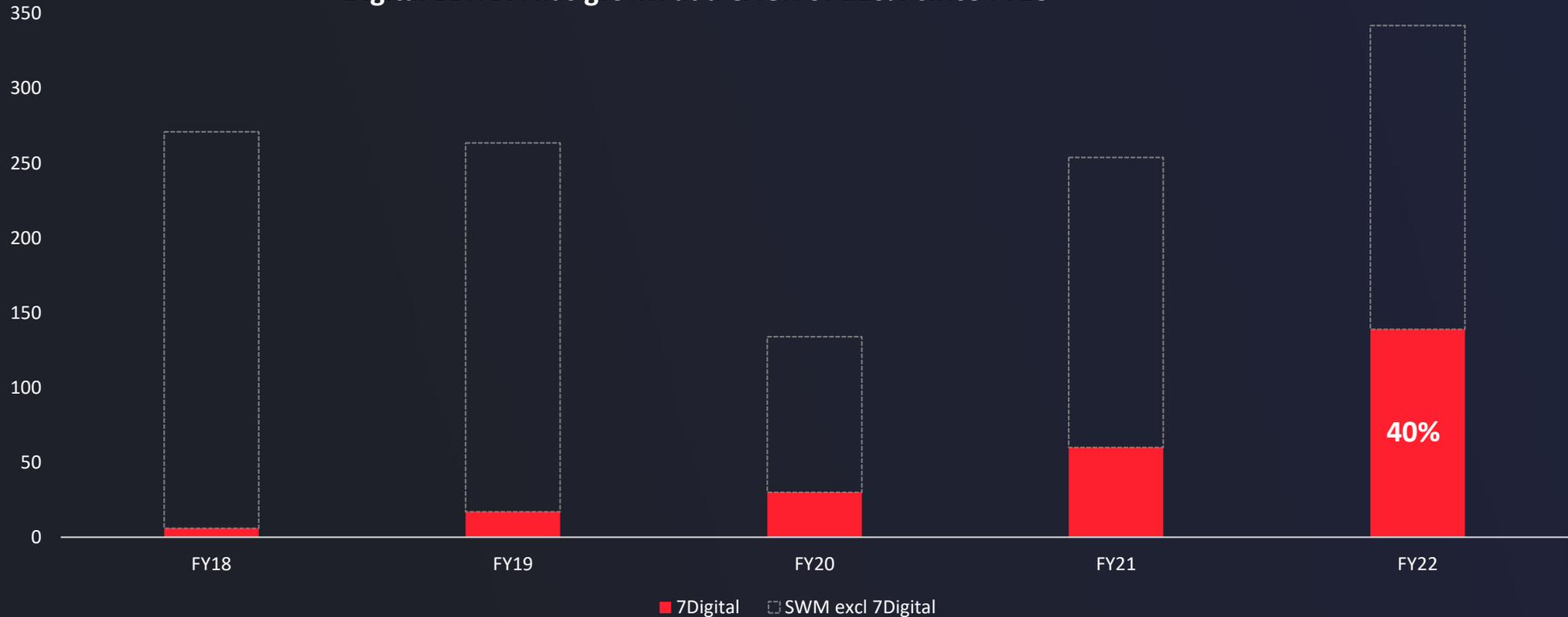
# Success In Digital



# Digital represents 40% of group earnings

The transformation of our business to put digital at the core is accelerating

Digital EBITDA has grown at a CAGR of 120% since FY18



# Strong performance across all key metrics

7plus is much more than a catch-up service:

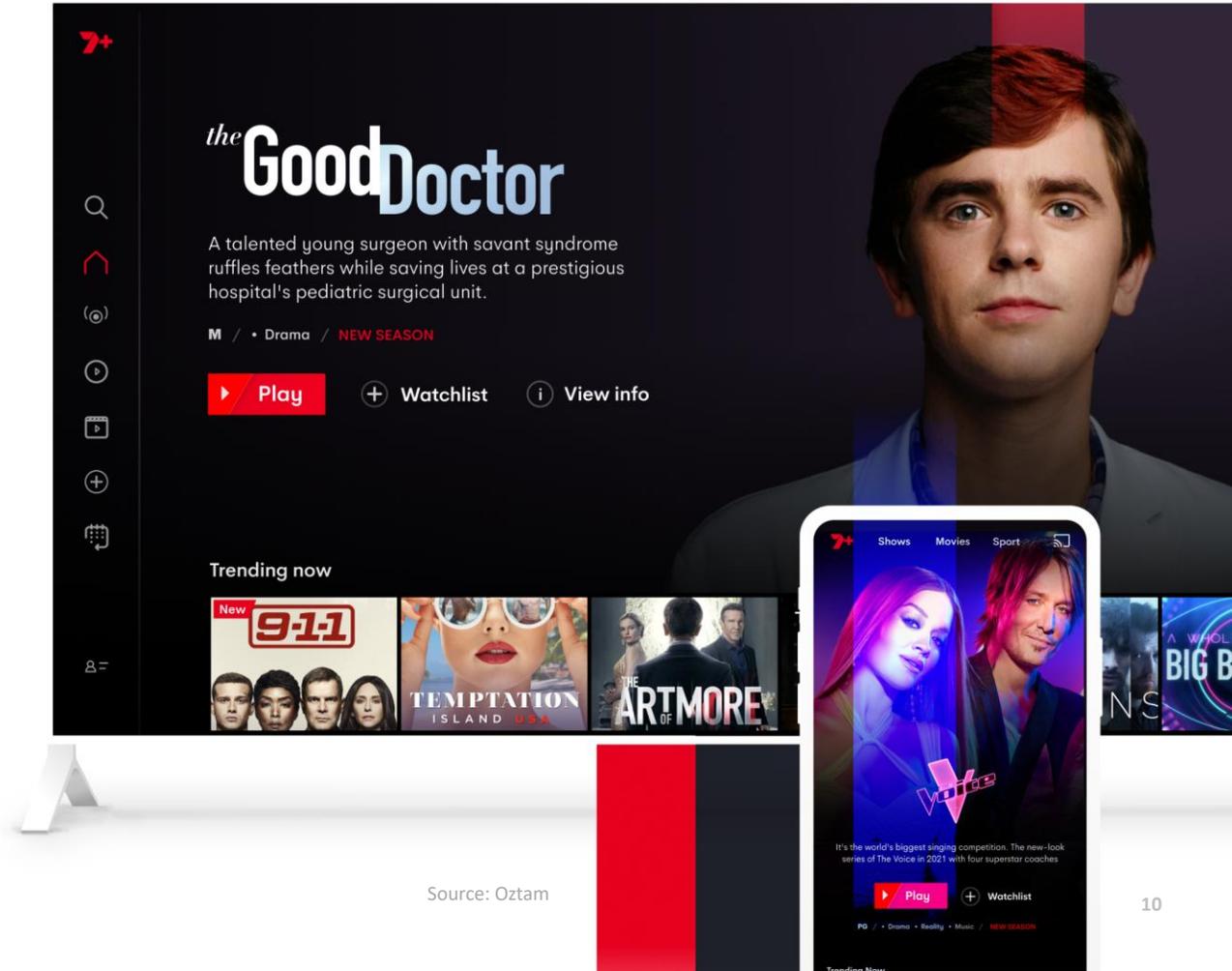
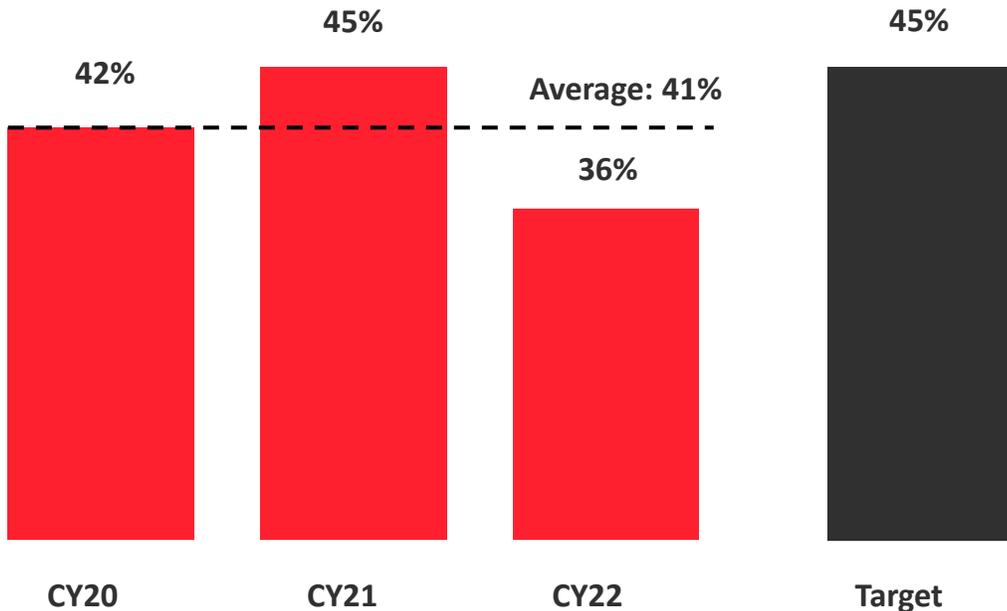
- More than 50 linear streaming channels across Seven's live and market-leading FAST offering
- 15,000+ hours of premium on-demand content
- 62% of content consumed is non-broadcast and exclusive to the platform (CY23 YTD)



# Australia's leading BVOD platform

The clear #1 across two of the past three years

Minutes Share of CFTA BVOD Market



# A rapidly growing market

Seven has two goals:

1. Capitalise on this growth through accelerated transformation and increased investment, in order to:
2. Capture our unfair share





# The Year Ahead



# Strategic priorities and enablers

Three areas driving core strategy and delivering against defined goals

**Content**

**Experience**

**Monetisation**

**Key Priorities**

**Enablers**

**Technology**

**Data**

**Regulation**

# Targeted digital rights acquisitions

## NBCUniversal

- 1400+ hours of the world's best premium entertainment content
- NBCU minutes more than doubled MoM, now representing more than 10% of total minutes

## AFL

- Australia's #1 winter sporting code
- 360+ hours of premium live content, plus replay & highlight rights

## Cricket

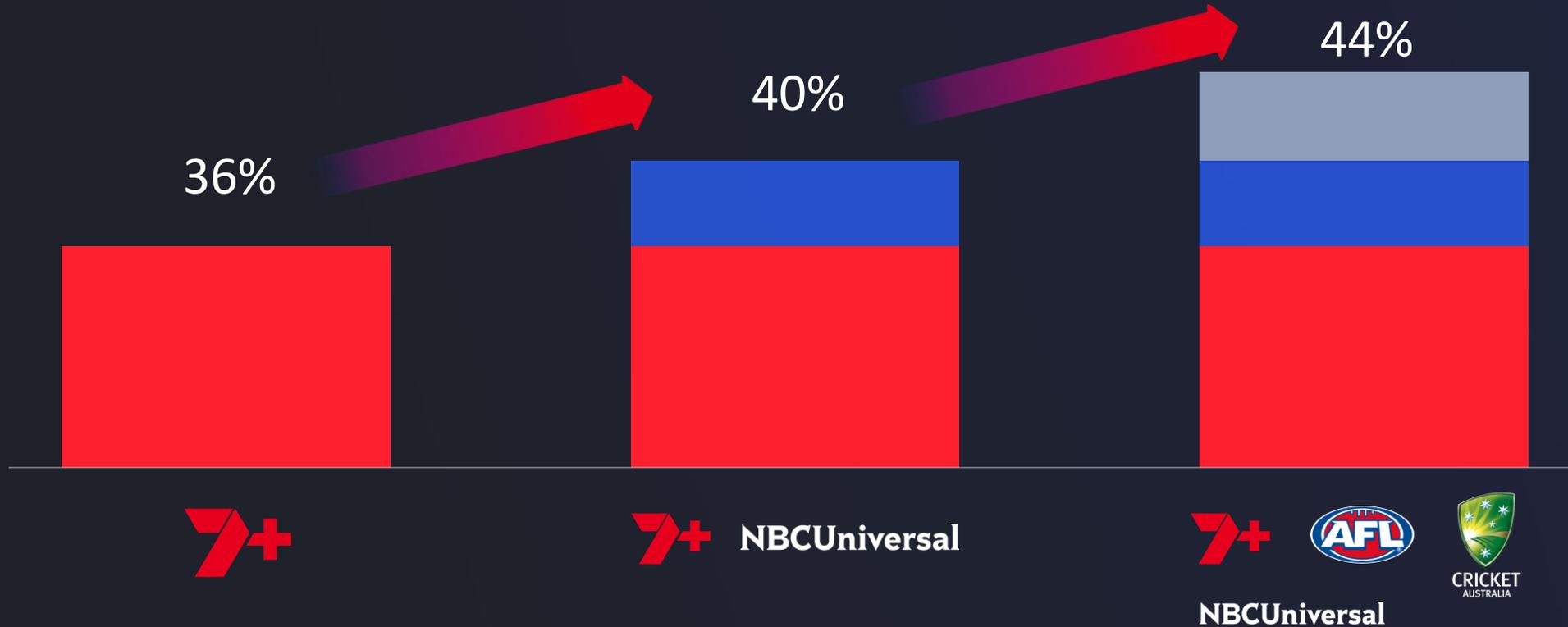
- Australia's #1 summer sporting code
- 400+ hours of premium live content, plus replay & highlight rights



# New deals underpin leading audience share

Conservative estimates indicate significant combined upside

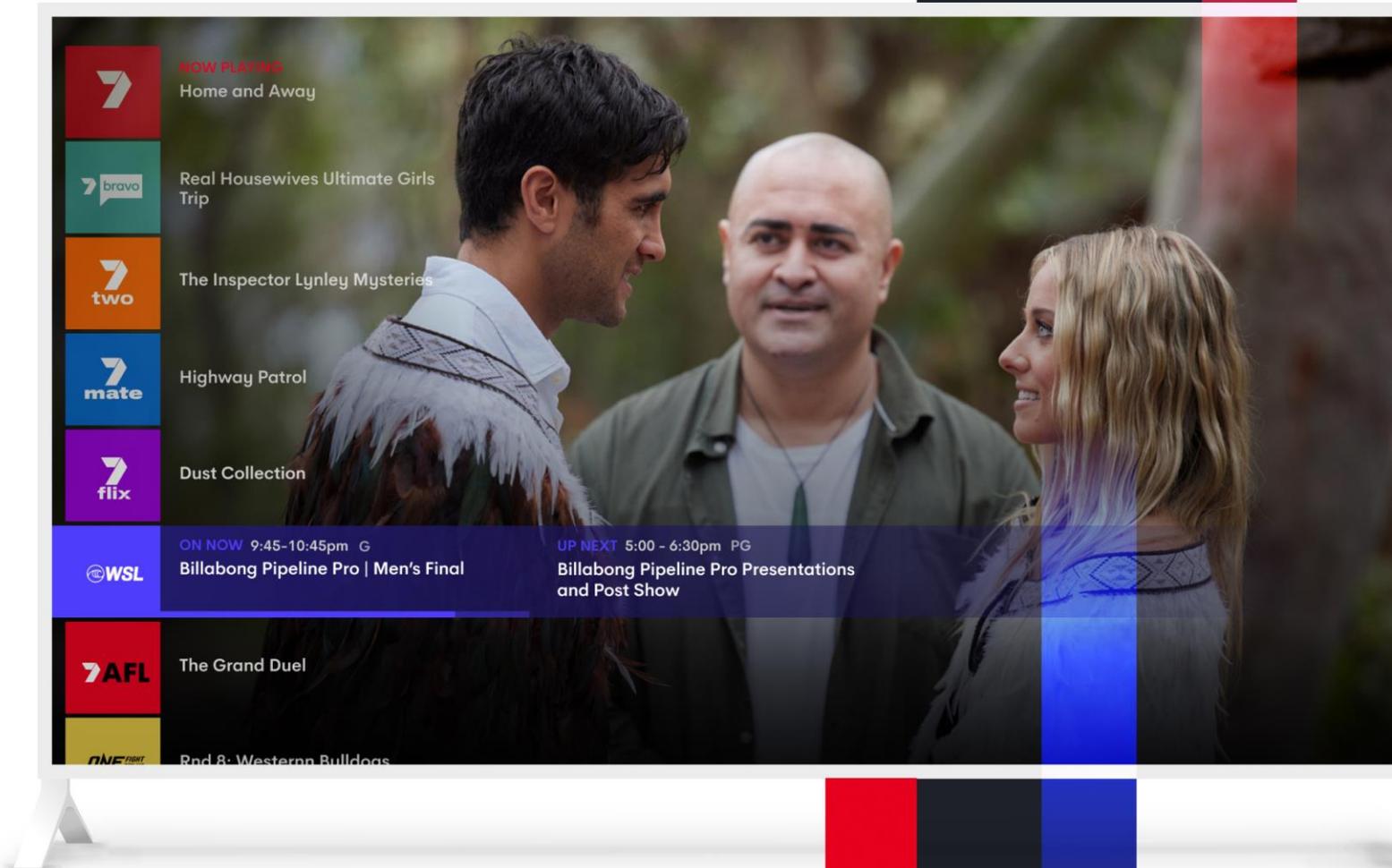
2022 BVOD minutes share with expected contribution from new content agreements



# Evolution of features & UX

Commitment to innovation fuelling 7plus' market-leading product

- With scale audiences on 7plus, focus now on driving engagement and retention which all drive greater monetisation
- User experience is key to this, and 7plus has invested in deeply developing innovative features, functionality, and optimisations
- Upcoming feature releases include:
  - Full HD and 4K Streams
  - Start Over, Live Pause and Rewind
  - Enhanced Live streaming experience: Dynamic EPG, Channel scroll, filtering and live channel favourites
  - Premium Ad Products



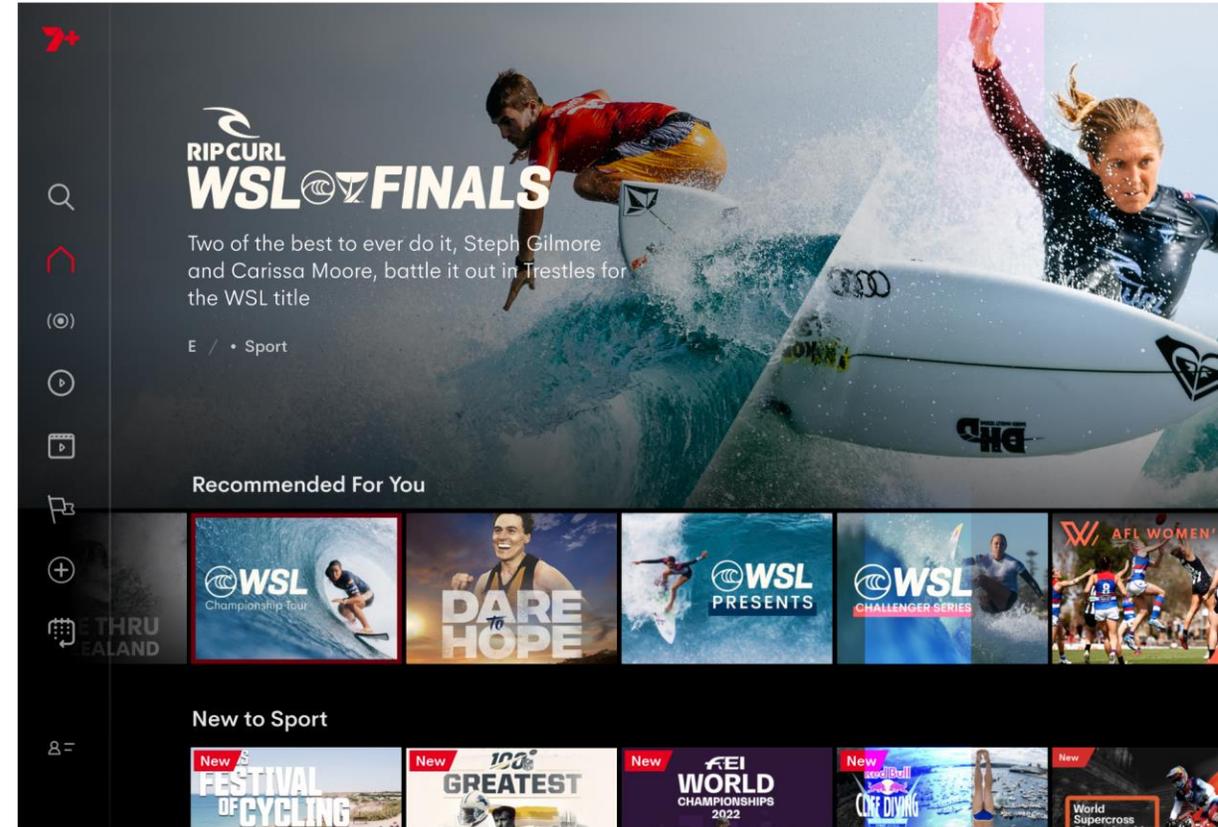
# Personalisation driving engagement

A critical driver for content discoverability and relevance

- Partnered with AWS to deliver personalised recommendation services, features, and functionality driven by AI and ML models
- Early results show personalised content shelves delivered a 20-50% increase in minutes versus previous consumption metrics
- Personalised 'Trending Now' shelf has shown interactions increase 3-4 times versus the previous human curation

“Seven has built an industry-leading recommendation engine for 7plus, leveraging Amazon Personalize. It delivers highly-customised recommendations to users, driving significantly improved results”

– Miles Gibson Enterprise Account Manager



# BVOD delivering premium yield

Data, targeting and inventory optimisation are the key drivers

Greater audience targeting

50%

Impressions Sold with Data

Ad Product Innovation



Younger Registered Users

55%

15-39  
Years old

Broader Market Appeal

3x

# of broadcast  
advertisers

CPM differential metro, regional broadcast and BVOD<sup>1</sup>



# Supporting growth and transformation

## Prominence

Improve 7plus Discovery and Use

- Legislation will ensure discoverability of 7+ on connected TVs and associated devices.
- Expect to increase engagement and consumption.

## Trading Platform

Maximise Inventory Utilisation and Yield

- Cross platform trading platform launching in 2024
- Simplify buying process, supporting national & BVOD converged buying
- Optimise inventory and drive greater yield

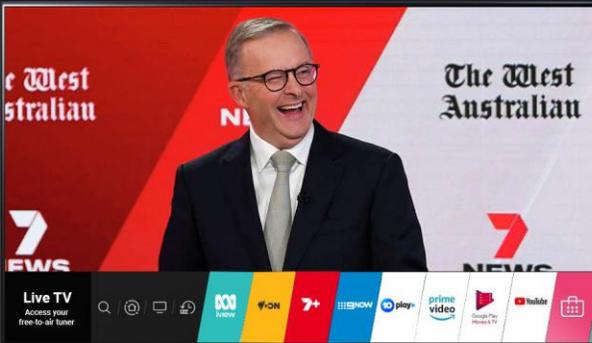
## Databricks Pilot

Partnership to drive predictive decisioning and business growth

- Leveraging all data points across Seven
- New project with Databricks to harness real-time data decisioning, driving predictive capabilities across all departments, including digital, programming, marketing and sales

“Seven’s enterprise-scale use of real-time data will put them on par with the world’s best media businesses, who we work with today, like Disney, Paramount and ITV”

– Phil Mackertich Strategic Account Executive



# Trading update

## Second half total TV market and share expectations:

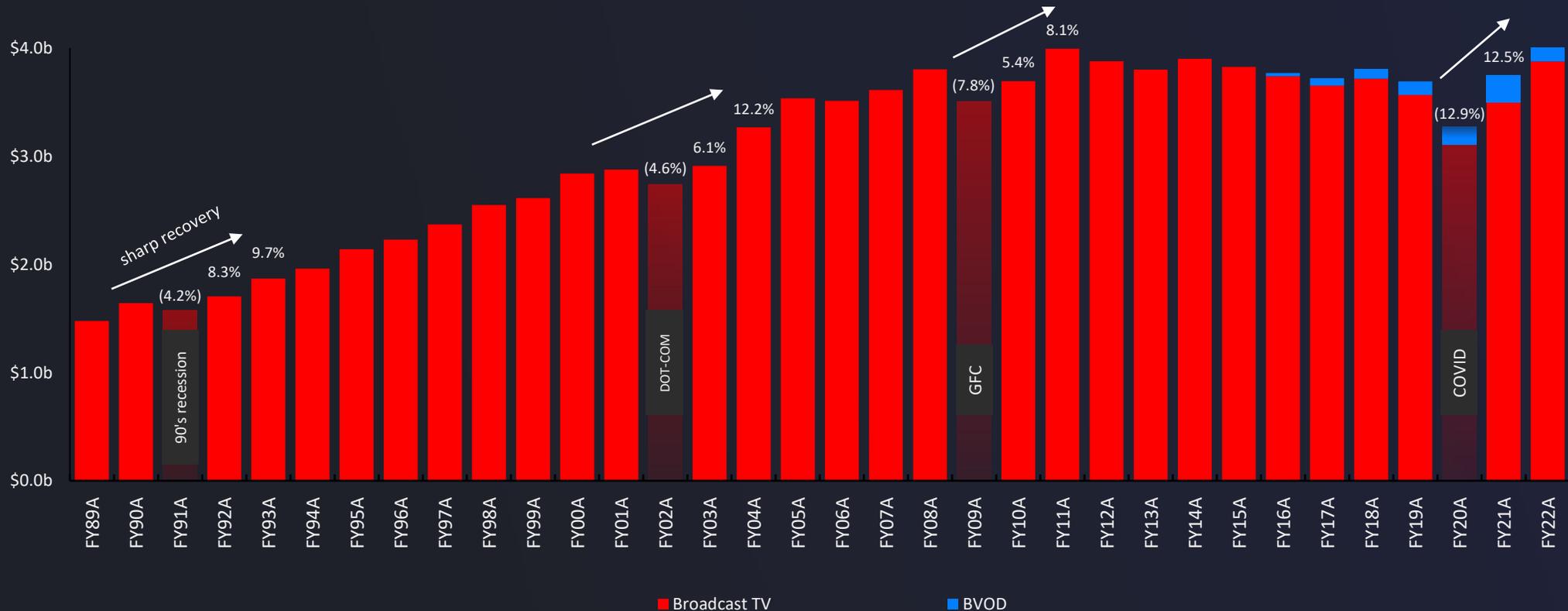
- 3Q23 Total TV market declined by c11%. In a short market currently expecting a similar 4Q
- BVOD expected to maintain double-digit growth in 2H23
- Continue to expect Total TV share growth in 2H23
- Identified \$15-20m in new additional temporary cost savings
- Reported operating costs in FY23 now expected to be between \$1.2 – \$1.21b



# TV has a history of very strong recovery

TV market declines and recoveries have historically resulted in higher revenue within two years.

Gross Total TV market advertising spend



PwC forecasts Total TV market to grow 3.6% CAGR from 2022 to 2026

# Foundations laid, focused on the future

- 1. Content in place and key digital rights coming**
- 2. Best in class VOZ measurement system showing Total Television as even more effective for Clients**
- 3. Platform investment in 7plus driving engagement**
- 4. Trading platform (Code7+) investment to target \$6.56b video market**