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16 August 2021

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

2021 FULL YEAR RESULTS – INVESTOR PRESENTATION

Seven West Media Limited (ASX: SWM) attaches the Investor Presentation for the year ended 26 June 2021.

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

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Seven West Media

FY21 Financial Results

16 August 2021

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Disclaimer

Basis of preparation

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FY21 Overview

Financial results – Continuing Operations

Revenue	Expenses	EBITDA	EBIT	Underlying NPAT	Net Debt
$1,270m	$1,022m	$254m	$229m	$126m	$240m
⬆ 4%	⬇ 7%	⬆105%	⬆141%		⬇40%

- Broadcast TV ad market rebounded strongly +25.8% in 2H, 11.5% in FY21
- 7plus grew revenue 78%, with BVOD ad market growth +55%
- Secured landmark deal with Google and Facebook for news content
- $200m operating cost and cash savings actioned
- Operating costs declined 7% (including $18m temporary benefits)
- Seven's digital EBITDA grew 131% to $60.5m
- Gain on significant items before tax of $277m
- Net debt reduced 40% to $240m; leverage ratio now 0.95x
- Balance sheet improvement paves the way for either capital management options, once debt facilities refinanced, or consolidation opportunities

TV AD MARKET BOUNCED BACK +11.5% IN FY21

7PLUS GREW REVENUE 78%

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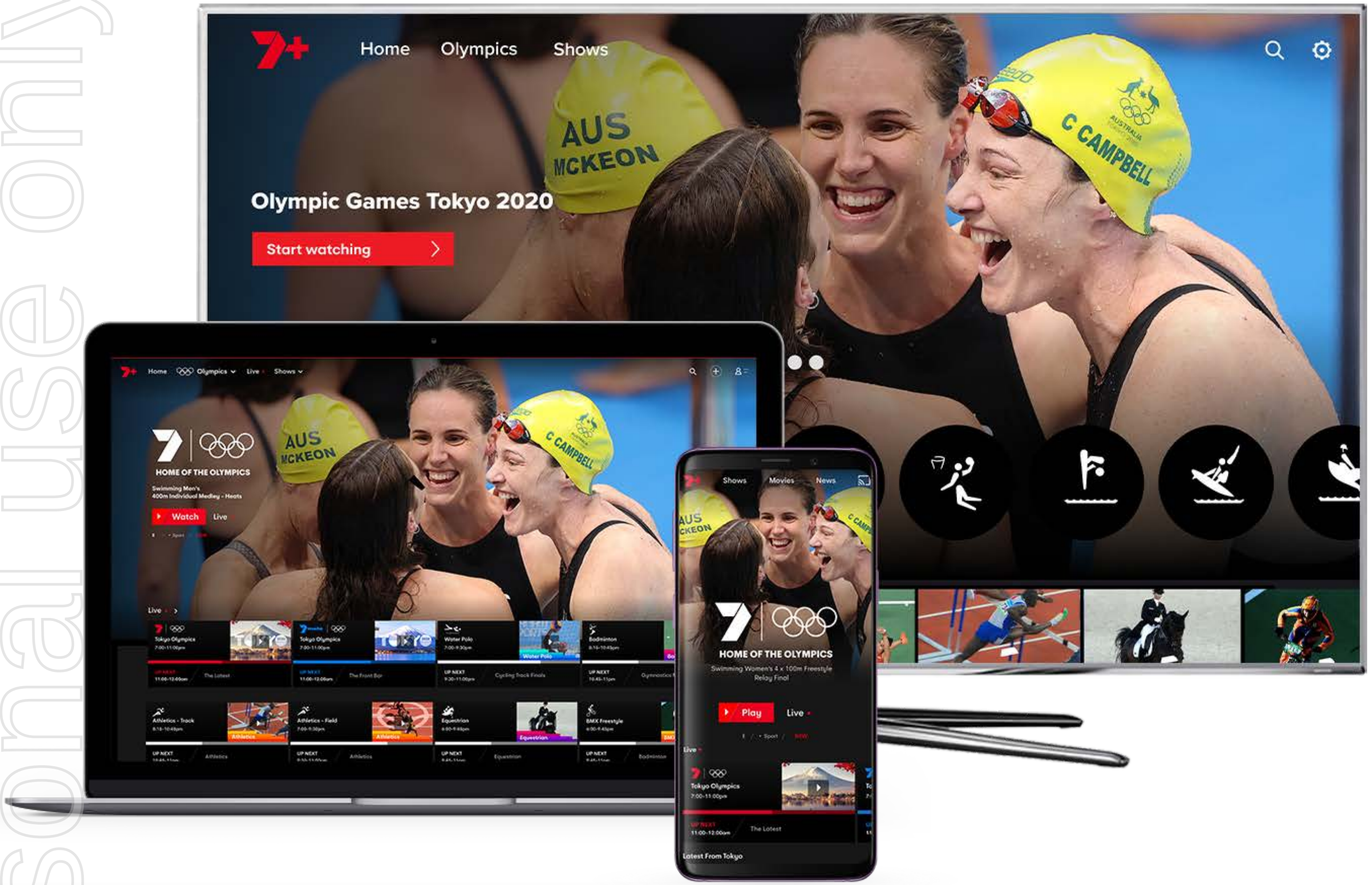
CONTENT LED GROWTH

Tokyo Olympics – a landmark media event



Audience

- ► Reached 20.2 million Australians over the Games
- ► Digital consumption exceeded expectations, marking the largest digital event in Australia with 4.74 billion minutes streamed.
- ► Huge adoption of 7plus, now 9.2 million registered users

Financial

- ► Record ad revenue for an Olympics which has led to a $21m reversal of the onerous provision in FY21
- ► Operating costs controlled despite COVID challenges
- ► $21m improved cash position from the adjustment in FY22, but net neutral FY22 P&L impact with a $21m increase in operating expense due to the reversal offset by an equivalent revenue uplift

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The Transformation Continues

Content Led Growth

Transformation

Capital Structure and M&A

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STRATEGY

Scorecard: Year two of three year plan

Content Led Growth	Revitalise entertainment programming, creating momentum to engage heartland Australia	✓	Only network to grow share in FY21 New line-up of 7.30pm tentpole shows on 7 and 7plus
	Be the most relevant and exciting offer to advertisers	✓	Strong improvement in Seven's demographic profile Competitive data offering in place
	Explore a meaningful streaming partnership play		Ongoing discussions with content partners for streaming play
Transformation	Sharpen focus on being an audience and sales led organisation	✓	Investing in dynamic trading platforms Established commercial partnerships to enrich audience insights
	Redefine working practices, becoming more efficient and effective	✓	Simplified operating structure across the group $170m cost saving program delivered and further $30m saving program actioned
	Explore traditional adjacencies / Explore non-traditional adjacencies	✓	Digital and data transformation accelerated across the group with digital earnings expected to double in FY22 Seven West Ventures portfolio value increased 11% to $56m with several new investments underway
Capital structure and M&A	Maintain focus to work down debt and improve balance sheet flexibility	✓	Balance sheet stronger and in a position to pursue growth Net debt reduced 57% ($324m) to $240m since FY19, leverage ratio now at 0.95x
	Explore M&A opportunities		Several opportunities have been assessed, actively pursuing consolidation in the sector

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CONTENT LED GROWTH

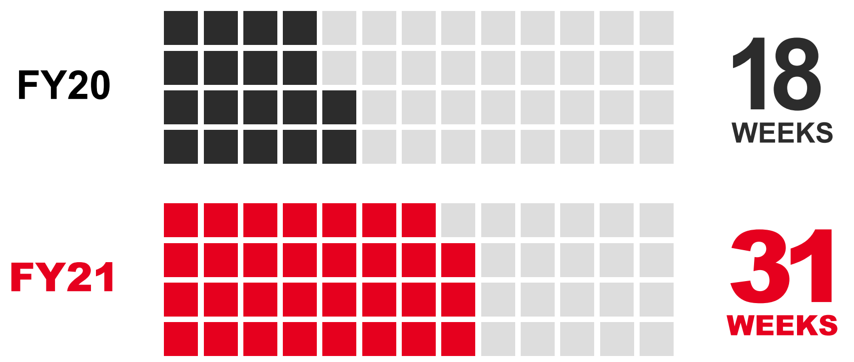
Ratings and content momentum

- Seven was the only network to increase its commercial share in FY21 and grow in all key demos
- New entertainment schedule working, winning prime time ratings for 31 weeks in FY21 vs 18 weeks in FY20
- Content “spine” remains consistently #1: Sunrise, The Morning Show, The Chase, 7NEWS, Home and Away, Better Homes and Gardens
- FY22 positioned to benefit from major sporting events and full content schedule
- Two priorities:
    1) Focus on improving prime time entertainment ratings with new content slate
    2) Focus on strengthening Q3 ratings performance with new content

FY21 Broadcast audience and BVOD minute share gains

	TOTAL PEOPLE	25-54	16-39	BVOD
Prime time audience share (BVOD minutes share)	+1.8	+0.7	+3.4	+2.5
Tentpoles Sun-Thurs, prime time audience share	+1.8	+1.7	+3.0	

Weeks won in prime time:



CONTENT LED GROWTH

INCREDIBLE SCHEDULE

to drive FY22 ratings

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CONTENT LED GROWTH

$90m revenue opportunity

Metro FTA advertising revenue share (%)

PwC forecasts broadcast TV revenue to rebound in CY21

VOZ launched with total TV measurement, demonstrating the unparalleled reach of our assets

Dominant spine, leading sports and entertainment ratings improving

$90m broadcast revenue upside opportunity for Seven to return to its historical share

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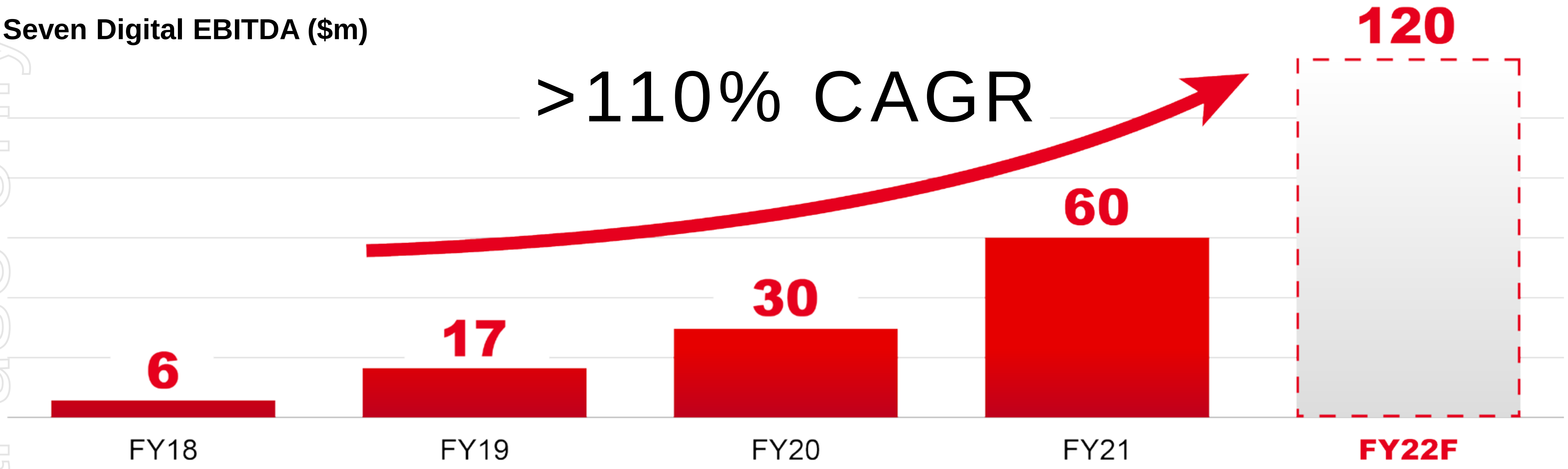
TRANSFORMATION

Digital strategy delivering results

Seven Digital EBITDA ($m)



>110% CAGR

PwC forecasts BVOD market
to grow at 33% p.a.
to $900m by 2025

7plus grew revenue 78%
(+4.8 points share)

Landmark deals **secured**
with Google and Facebook

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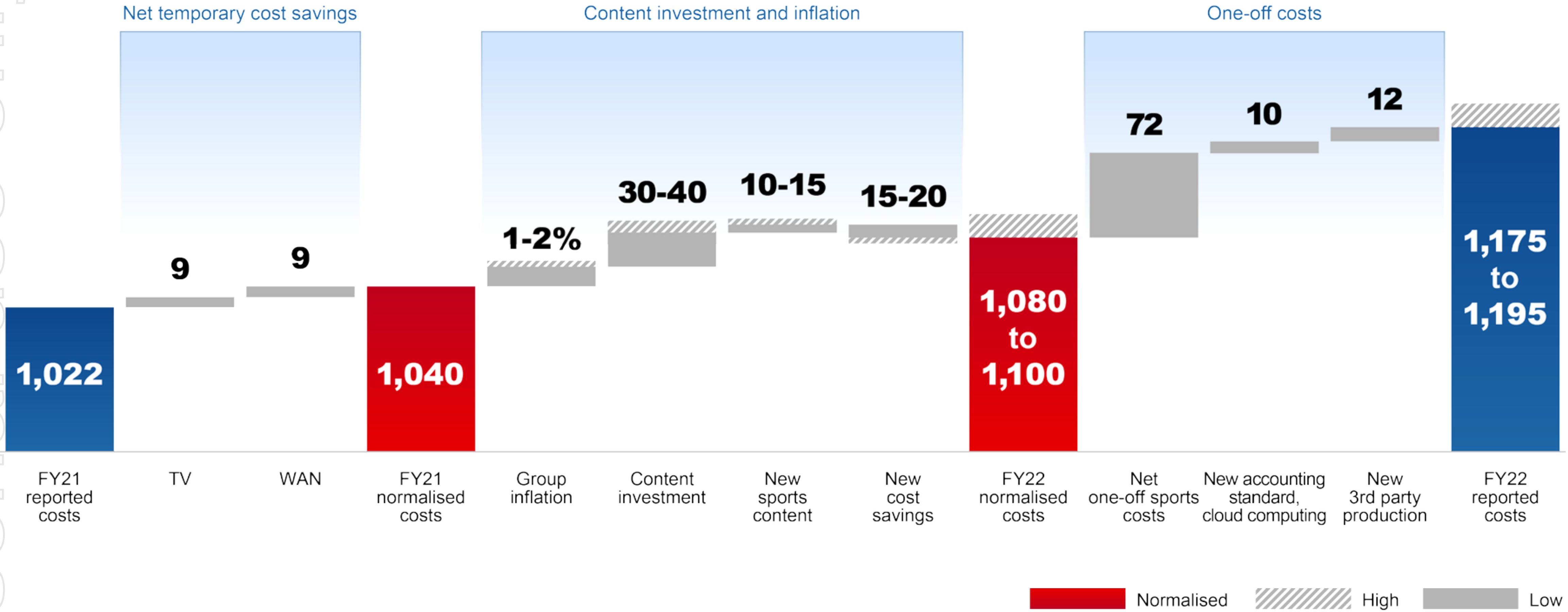
TRANSFORMATION

FY22 impacted by one-off costs

Operating costs (excl D&A) ($m)



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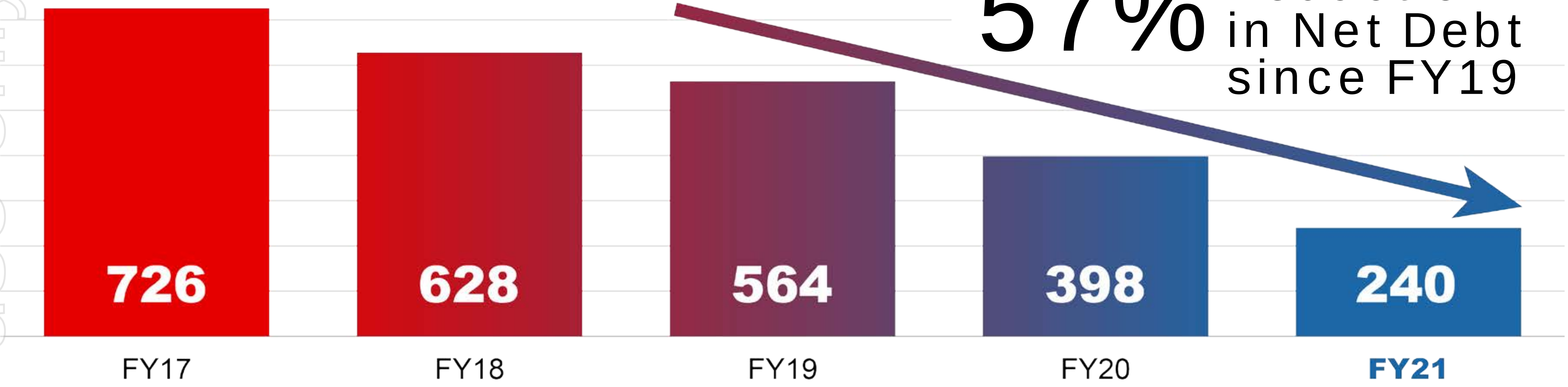
CAPITAL STRUCTURE AND M&A

Balance sheet position improved

Net Debt ($m)



57% Reduction in Net Debt since FY19

Net Debt / EBITDA (x)

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FY21 Financial Results

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Financials

Income statement (continuing operations)

$1,270m

Revenue

$229m

Underlying Group EBIT

$126m

Underlying Group net profit after tax

$277m

Significant items before tax

8.2cps

Basic EPS excl. significant items

Income Statement (continuing operations)	**FY21** **$m**	**FY20[1]** **$m**	**Inc/(Dec)** **%**
Revenue and other income	1,269.6	1,227.0	3.5%
Share of net profit of equity accounted investees	6.3	1.2	433.9%
Expenses (including depreciation)	(1,046.9)	(1,133.3)	(17.6%)
Profit before significant items, net finance costs and tax	229.1	95.0	141.2%
Net finance costs	(60.7)	(40.6)	49.5%
Profit before significant items and tax	168.4	54.4	209.7%
Significant items before tax	277.2	(349.9)	
Profit / (loss) before tax	445.6	(295.5)	
Tax / (expense) benefit	(127.5)	94.4	
Profit / (loss) after tax	318.1	(201.2)	
Underlying net profit after tax excluding significant items	125.5	36.9	240.4%

Note 1: Prior year figures have been restated for the adoption of IFRIC Agenda decision

Financials: Segments

Seven and Digital

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- Metro FTA ad market increased 11.5% in FY21 and 25.8% in 2H[1]
- Seven delivered a revenue metro FTA share of 35.3% in FY21[1]
- BVOD market grew 54.6% in FY21 and 65.7% in 2H[1]
- Seven secured a 36.9% share of the BVOD market in FY21, up 4.8 points on FY20, driving the majority of Seven's digital revenue[1]
- Operating cost declined 6% in the financial year, reflecting the cost saving initiatives across the group and $8.6m of temporary savings
- 7Studios EBITDA was $45m in the financial year with the majority related to program sales

Seven*	**FY21 $m**	**FY20[1] $m**	**Inc/(Dec) %**
Revenue	1,106.5	1,041.9	6.2%
Costs	(870.9)	(931.0)	-6.4%
EBITDA	**235.6**	**110.9**	**112.0%**
EBIT	**211.6**	**85.6**	**147.2%**

Digital	**FY21 $m**	**FY20 $m**	**Inc/(Dec) %**
Revenue	92.1	55.2	66.8%
Costs	(31.6)	(29.0)	9.0%
EBITDA	**60.5**	**26.2**	**130.9%**
EBIT	**56.7**	**22.5**	**152.0%**

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1. ThinkTV

1: Prior year figures have been restated for the adoption of IFRIC Agenda decision

** Seven includes broadcast, digital and studios*

Financials: Segments

WAN and Other

WAN

- Audience growth with print readership up 19%[1] for The West and digital audiences up 34.4% & 20.0%[2] for perthnow and thewest.
- Circulation and digital subscription revenue grew 5% and now represents c35% of revenue
    - Digital subscription revenue grew 90%
- Advertising conditions remain mixed with strong Retail trade offset by softness in Travel, Auto and Real Estate
- Costs reduced by 8.9% or $13.1m which includes $9m of temporary savings
- Targeting an incremental $7m net cost savings in FY22

Other and corporate costs

- Other predominantly reflects corporate costs
- FY20 includes one-off live event and the contribution from Redwave which was divested on 31 Dec 2019

WAN	**FY21 $m**	**FY20 $m**	**Inc/(Dec) %**
Revenue	162.2	167.1	-2.9%
Costs	(133.7)	(146.7)	-8.9%
EBITDA	**28.5**	**20.4**	**39.9%**
EBIT	**28.2**	**17.7**	**59.0%**

Other & Corporate costs	**FY21 $m**	**FY20 $m**	**Inc/(Dec) %**
Revenue	7.3	19.3	-88.7%
Costs	(17.5)	(27.0)	-95.6%
EBITDA	**(10.2)**	**(7.7)**	**32.5%**
EBIT	**(10.7)**	**(8.3)**	**30.1%**

1. *Roy Morgan March 21 Readership (Weekday – The West M-F, The West Sat, The Sunday Times*
2. *Source: Nielsen Digital Media Ratings, Monthly Tagged, June 2021, P2+, Digital C/M*

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Financials

Statutory results (continuing operations)

Statutory results

	FY21 $m	FY20[1] $m	Inc/(Dec) %
Profit / (loss) before tax	445.6	(295.5)	250.8%
Profit / (loss) after tax	318.1	(201.2)	258.2%
Basic EPS	20.7	(13.2)	255.8%
Diluted EPS	20.7	(13.2)	255.8%

Additional information –

Earnings per share based on net profit excl. significant items (net of tax)

	FY21 $m	FY20[1] $m	Inc/(Dec) %
Underlying group EBIT	229.1	95.0	141.2%
Profit after tax excluding significant items	125.5	36.9	240.4%
Significant items (net of tax)	192.6	(238.1)	180.9%
Profit / (loss) after tax	318.1	(201.2)	258.2%
Underlying Basic EPS	8.2	2.5	233.7%
Underlying Diluted EPS	8.2	2.5	233.7%

Underlying results exclude significant items

Significant items

	FY21 $m	FY20[1] $m
Reversal of previously impaired/ (impairment of) intangible assets	208.5	(65.5)
Net impairment of other assets	(1.3)	(137.3)
Total impairments and write-offs	207.2	(202.8)
Redundancy and restructure costs	4.9	(12.0)
Net Reduction/(Increase) in onerous provision	59.1	(136.9)
Net Gain/(Loss) on investments	3.4	11.0
Net Gain/(Loss) on assets disposed	-	9.4
Other	2.6	(18.6)
Total significant items before tax	**277.2**	**(349.9)**
Tax benefit /(expense)	(84.6)	111.9
Net significant items after income tax	192.6	(238.1)

1. *Prior year figures have been restated for the adoption of IFRIC Agenda decision*

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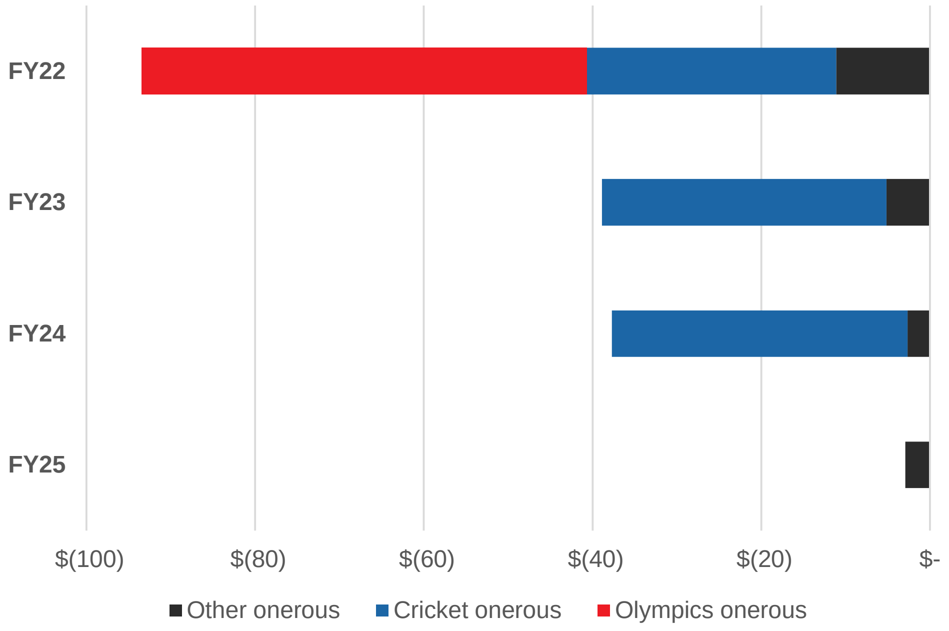
Financials

Cash flow (including discontinued operations)

	FY21 $m	FY20 $m	Inc/(Dec) %
EBITDA	**253.8**	**128.0**	**98.2%**
Working capital and other movements	(38.9)	(24.6)	55.9%
Redundancy and employee entitlements	(7.6)	(25.6)	(70.3%)
Dividends received net of share of associates profit / (loss)	(6.3)	3.9	nm
Operating cash flow before interest and tax	**201.0**	**81.7**	**146.8%**
Tax paid, net of refund	(5.8)	2.6	Nm
Net finance costs paid	(59.4)	(40.2)	47.8%
Net payment for property, plant & equipment and software	(19.2)	(15.3)	25.4%
Net proceeds from disposals and payments for investments	44.6	145.4	(69.2%)
Lease payments (excluding interest)	(9.2)	(7.4)	24.3%
Net increase / (decrease) in cash and cash equivalents	**152.0**	**166.8**	**(8.6%)**
Opening net (debt) cash	(398.0)	(564.4)	(29.4%)
Net increase in cash and cash equivalents	152.0	166.8	(8.6%)
Change in unamortised refinancing costs	6.0	(0.4)	Nm
Closing net (debt) cash	**(240.0)**	**(398.0)**	**(39.7%)**

Onerous contracts utilisation by year ($m)



- Net finance costs in FY21 includes c$12m from upfront finance costs relating to the establishment of the current debt facility in 1H21.
- Capex to be approximately $40m in FY22 relating to the News co-location project and revenue related capex initiatives.

- Cash outflow in FY22 relating to the onerous contracts expected to be c$41m given Olympics pre-payment.
- Onerous contracts in future years after FY22 should have corresponding cash outflows

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Trading Update and Strategic Focus

Trading Update

- Positive market momentum has continued into 1H22
    - Targeting 40% broadcast share in the first half
    - 1Q revenue bookings up 60% (compared to 1Q21 market down 12%). Up 50% when normalised for AFL timing
    - 2Q bookings (excl AFL) currently tracking low to mid-single digits ahead of 2Q21 (2Q21 market up 19%)
- Digital earnings expected to double to >$120m in FY22
- WAN revenue tracking 7% ahead on July last year
- Operating expenses tracking in line with guidance, despite lockdown challenges

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Next 12 months

Focus and Objectives

Content Led Growth

- Content and improved ratings are the fastest path to capture the $90m revenue opportunity
- Capitalise on the Olympics:
  - Leverage audience momentum into improved ratings and revenue share
  - Drive greater adoption of 7plus and grow revenue share
- Content schedule to deliver >38% broadcast revenue share
  - 1% market growth ~$8m revenue
  - 1% market share ~$23m revenue

Transformation

- Secure target savings, maintain ongoing cost discipline and focus on onerous content
- Transform 7plus beyond BVOD including SVOD options
- Leverage enhanced data capability and insights to drive improved commercial outcomes

Capital structure and M&A

- Renegotiate debt facilities in CY21 given improved financial position
- Identify new opportunities and leverage our assets to grow the value of Seven West Ventures portfolio
- Strategic focus is on industry consolidation

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Questions