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Tuesday, 11 February 2025

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

PRESENTATION OF HALF YEAR RESULTS

Seven West Media Limited (ASX: SWM) attaches the results presentation slides for the half year ended 31 December 2024.

Mr Jeff Howard, Chief Executive Officer and Managing Director, and Mr Craig Haskins, Chief Financial Officer, will host a webcast at 9.00am AEDT, Tuesday 11 February 2025 to run through the results presentation.

Participants can access the webcast using the below link.
https://www.sevenwestmedia.com.au/investors/livestream/

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, reaching more than 19 million people a month with a market-leading presence in content production across broadcast television, publishing and digital.

The company owns some of Australia's most renowned media businesses, including the Seven Network and its affiliate channels 7two, 7mate, 7flix and 7Bravo; the digital platform 7plus; 7NEWS.com.au; *The West Australian*; *The Sunday Times*; PerthNow; The Nightly; and Streamer. The Seven Network is home to Australia's most loved news, sport and entertainment programming, including **7NEWS**, **7NEWS Spotlight**, **Sunrise**, **The Morning Show**, **The Voice**, **Home and Away**, **Australian Idol**, **My Kitchen Rules**, **SAS Australia**, **Farmer Wants A Wife**, **The Chase Australia**, **Better Homes and Gardens**, **RFDS**, **The 1% Club** and the ***TV WEEK* Logie Awards**. Seven Network is also the broadcast partner of the AFL, Cricket Australia and Supercars.

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Seven West Media

FY25 Half Year Results

Overview

HY25 outcomes

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Total TV audiences up 1.5%[1]. Strong BVOD audience growth (+43%) offset a modest linear decline (-1.8%)

Total TV advertising revenue down -6% due to ongoing soft market (-5.4%) and major one-off sporting events (in line with AGM outlook)

Seven increased total TV revenue share to 41.5% (+0.5 points), a record for a non-Olympic broadcaster

HY25 costs down 2%. Full year costs tracking to guidance of ~$20m - $30m down YoY with ongoing commitment to drive efficiency

Digital sports rights driving step change in high value audience and revenue. 347,000 new 7plus users during cricket, ~70% in the key 18-54 demo. Q2 7plus revenue +23%

Seven's leading content, 7plus Sport and 7plus First driving audience and revenue momentum into H2

1. Excluding FIFA WWC (Seven pcp), and Olympic Games (Nine)

Financial Performance

Challenging market impacting performance

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INCOME STATEMENT	HY25 $m	HY24 $m	Inc/(Dec) %
Revenue, other income and share of net profit of equity accounted investees	727	775	(6%)
Operating expenses (excluding depreciation and amortisation)	(635)	(651)	(2%)
EBITDA[1]	92	124	(26%)
Depreciation and amortisation	(21)	(18)	17%
EBIT[2]	71	106	(33%)
Net finance costs	(20)	(19)	5%
Profit before significant items and tax	51	87	(41%)
Significant items before tax	(21)	(8)	nm
Profit before tax	30	79	(62%)
Tax expense	(12)	(24)	(50%)
Profit after tax	18	55	(67%)
Underlying net profit after tax excluding significant items	37	63	(41%)

1. EBITDA relates to profit before significant items, net finance costs, tax, depreciation and amortisation
2. EBIT relates to profit before significant items, net finance costs and tax

Financial Performance

Statutory results

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STATUTORY RESULTS	HY25 $m	HY24 $m	Inc/(Dec) %
Profit before tax	30	79	(62%)
Profit after tax	18	54	(67%)
Basic EPS	1.1	3.5	(69%)
Diluted EPS	1.1	3.5	(69%)

ADDITIONAL INFORMATION Earnings per share based on net profit excl. significant items (net of tax)	HY25 $m	HY24 $m	Inc/(Dec) %
Group EBITDA	92	124	(26%)
Group EBIT	71	106	(33%)
Profit after tax excluding significant items	37	63	(41%)
Significant items (net of tax)	(20)	(8)	nm
Basic EPS excl significant items	2.4	4.1	(41%)
Diluted EPS excl significant items	2.4	4.0	(40%)

SIGNIFICANT ITEMS	HY25 $m	HY24 $m
Major IT project implementation costs	(9)	(11)
Net costs of investments	(14)	(10)
Programming Valuation Adjustment	1	-
Restructuring costs	-	(2)
Gain on change in lease terms	-	15
Total significant items before tax	**(22)**	**(8)**
Tax benefit	2	0
Net significant items after income tax	**(20)**	**(8)**

CORPORATE & OTHER COSTS	HY25 $m	HY24 $m	Inc/(Dec) %
Revenue	1	-	nm
Costs	(7)	(8)	(13%)
EBITDA	(6)	(8)	(25%)
EBIT	(6)	(8)	(25%)

Note: Tables may not add down due to rounding

Financial Performance

Cashflow

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- Cashflow before temporary and capital items of $52m
- YTD temporary and capital items for HY25 primarily relates to Phoenix which is now live for bookings
- Net debt $260m vs $301m at June 2024
- Leverage (net debt/EBITDA) 1.7x
- FY25 expectations:
  - Phoenix investment expected to be ~$14m, completing in 2H25
  - Onerous provision reduced to $2m as cricket onerous provision fully utilised
  - Property changes (Melbourne / Martin Place) contributing to increased capex and expected makegood payments in H2

CASH FLOW	HY25 $m	HY24 $m	Inc/ (Dec) %
EBITDA	**92**	**124**	**(26%)**
Working capital and other movements, net of onerous and Phoenix	1	(9)	nm
Tax paid net of refund received	-	(13)	nm
Net payment for PP&E, leases and software	(20)	(17)	18%
Net finance costs paid and other	(21)	(16)	31%
Cashflow before temporary and capital items	**52**	**69**	**(25%)**
Tax refund received	-	24	nm
Onerous contracts	(1)	(17)	(94%)
Phoenix	(9)	(11)	(18%)
Share buyback and refinancing costs paid	-	(7)	nm
Net payments for investments & loans issued	-	(67)	nm
Net decrease / (increase) in net debt	**42**	**(9)**	nm
Opening net debt	**(301)**	**(249)**	21%
Change in unamortised refinancing costs	(1)	1	nm
Closing net debt	**(260)**	**(257)**	1%

Managing Costs Responsibly

FY25 cost out program on track

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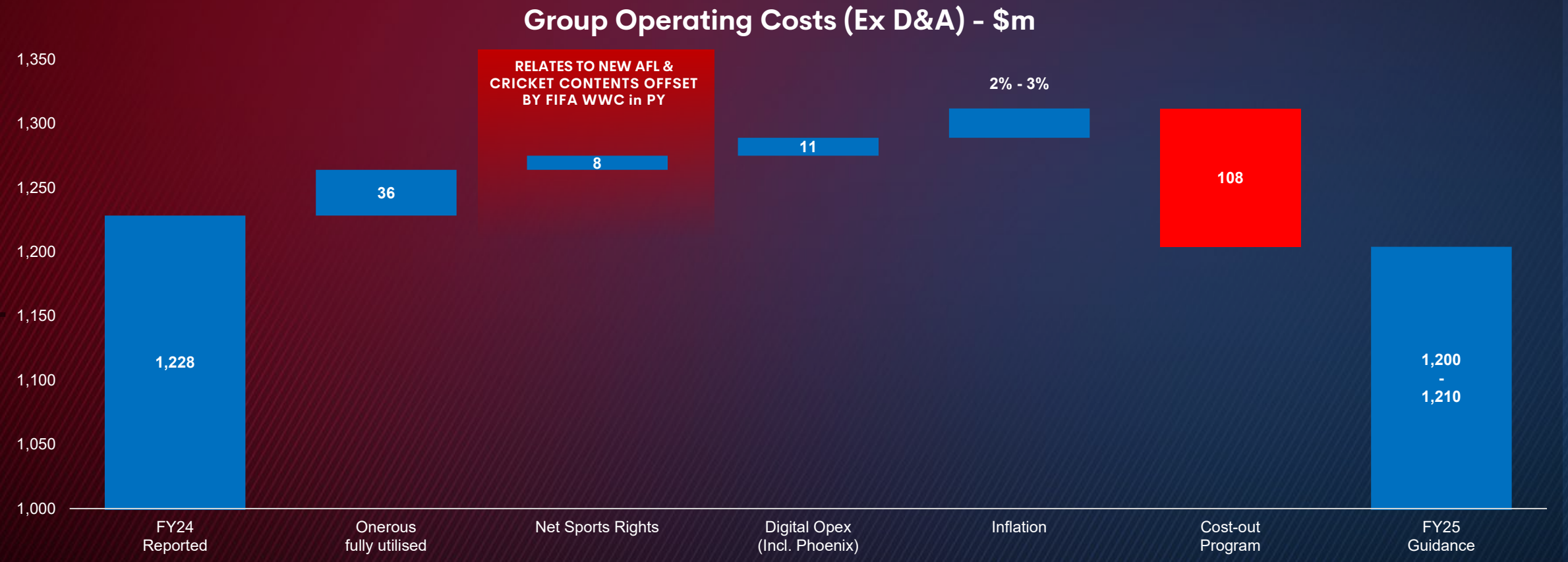

Note: Chart is representative only and not to scale

Segment Performance

Seven (Total TV)

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- Seven total TV advertising revenue -6% in HY25 reflecting a weak advertising market and one-off sporting events (~$37m)[1]
- Total TV market -5.4% (metro -10.1%, regional -5.3%, BVOD +19.7%)
- Q1 revenue decline of -8% moderated to -4% in Q2 as Seven's premium sport drove audience and revenue improvement. 7plus revenue +23% in Q2
- Total TV revenue share 41.5% (+0.5 points), a record for a non-Olympic broadcaster. Revenue share of 43.8% in Q2 (+4.0 points YoY) rebounded significantly from 39.4% (-2.8 points) in Q1
- Other revenue decline includes Meta non-renewal
- Costs tracking in line with guidance
  - Down 2% YTD cycling HY24 onerous cricket benefit of $16m
  - FY25 restructuring program continuing to identify opportunities

SEVEN	HY25 $m	HY24 $m	Inc/(Dec) %
Revenue			
Advertising Revenue – TV	505	556	(9%)
Advertising Revenue – 7Plus	85	74	15%
Other Revenue	51	56	(9%)
Total Revenue	**641**	**686**	**(7%)**
Expenses			
Media Content	(341)	(344)	(1%)
Personnel Costs	(120)	(126)	(5%)
Other	(97)	(100)	(3%)
Total Expenses	**(558)**	**(570)**	**(2%)**
EBITDA	**83**	**116**	**(28%)**
EBIT	**64**	**98**	**(35%)**

1. Includes FIFA WWC (Seven pcp), and Olympic Games (Nine, estimate)

Optimise Traditional Assets

Audience growth driving revenue share

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- Content strategy mitigated Olympic impact in Q1. Driving growth in Q2 with launch of 7plus Sport
- Audience (excl Olympics, FIFA WWC) up 1.5% YoY with modest decline in linear (-1.8%) offset by +43% growth on 7plus
- Audience share of 41.1%; 43.4% (ex-Olympics)[1]
- Key content grew audience YoY - AFL, Cricket (Tests and BBL), My Kitchen Rules, Home and Away, The Front Bar, TV WEEK Logie Awards
- Audience growth converted to revenue share growth to 41.5% (+0.5% points)
- Content costs down 1% notwithstanding inflationary impacts and costs of new cricket contract without the benefit of the onerous provision ($16m HY24)

1. Source: Oztam 06:00 to 24:00 for H1 FY25

Premium sport – driving audience and revenue

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- Leveraging AFL: new ancillary content in 2025 to "own the footy" all week on Seven and 7plus, driving incremental audience and premium revenue
- AFL Grand Final was the largest audience since 2016; average audience of ~4 million, +6% YoY with 654,000 on 7plus (+44% YoY). Record 7plus revenue
- Australia v India Test Series delivered record audiences, averaging >1m. Audiences +39% YoY
- Big Bash League was the highest rating in five years with total audience up 21% YoY
- Sri Lanka away Test series delivered strong audience on Seven and 7plus in prime time
- The first T20 of the Women's Ashes series was Seven's second highest ratings women's game ever
- Strong cricket revenue growth (+16%) YoY driven by 7plus

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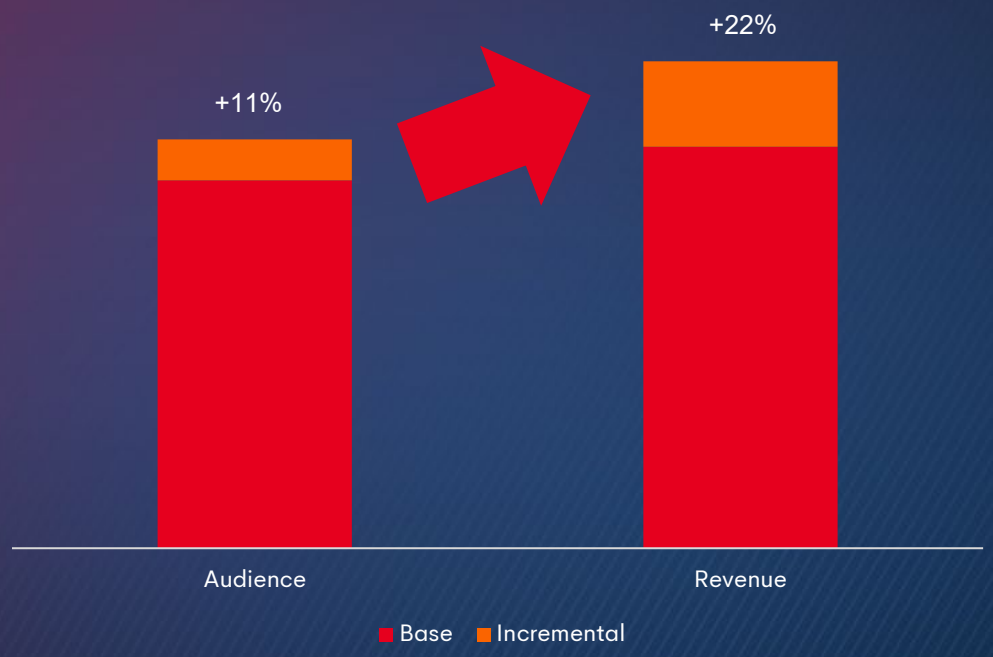
Deliver a Digital Future

7plus– accelerating growth

- 36% increase in total audience YoY (VOD +24% and live streaming +49%)
- 7plus summer audiences up 79% YoY driven by summer of cricket
- 347,000 new registered users streamed 7plus to watch cricket, ~70% high value 18-54 demo; ~60% of new users watching other 7plus content
- 7plus First strategy commenced in H2 FY25. New premium content every month elevates 7plus as premium destination
- Restructured digital team has step changed the go-to-market strategy, converting audience growth to revenue across live and VOD
- AI Factory partnership with Databricks delivering AI led solutions that drive revenue, increase audience engagement and optimise inventory
- Market leading customer data platform REDiQ, powered by ~15m Australians and multiple data partnerships, serving deterministic and predictive customer insights

Premium Sport Driving Audiences and Revenue



Sport driving audience and yield: post the AFL Grand Final, 7plus average daily audience has increased 11% and revenue has increased 22%

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Segment Performance

The West

- The West continues to execute on its strategy: accelerate digital growth in audience and paying subscribers, hold the line on print and reduce costs
- Strong growth in digital audiences:
  - 62.5 million monthly page views, up 10.6% YoY[1]
  - The Nightly: 8.3 million page views in just its ninth month post launch. Strong growth in total unique audience since launch[1]
- Advertising revenue declined 8.0% YoY impacted by inflation and interest rate conditions. Supermarket sector primary contributor
- Circulation revenue increased 1.3% due to strong performance of print circulation
- Cost reduction YoY despite 3.5% YoY growth in wages in the WA market[2]

THE WEST	HY25 $m	HY24 $m	Inc/(Dec) %
Revenue	86	89	(3%)
Costs	(71)	(73)	(3%)
EBITDA	15	16	(6%)
EBIT	13	15	(13%)

1. Source: Ipsos iris Online Audience Measurement Service, November 2023 to November 2024, Age 14+, PC/laptop/smartphone/tablet, Text only, Brand Group, Audience (000s) Page Views (MM)
2. Average weekly earnings data as at 15 August 2024, Wage Price Index (WPI), Department of Treasury WA, https://www.wa.gov.au/organisation/department-of-treasury/wages

Strategy Update

Solid progress on strategy under new structure

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1. Build a better, digital media business
2. Drive our own future
3. Redefine success
4. What next?

Deliver a digital future

- 7plus Sport launched, strong results to date
- 7plus First strategy in place for 2025
- New digital sales leadership and team structure

Creating a step change in high value audience and revenue growth opportunity

Optimise traditional assets

- Improving industry collaboration
- Regulatory activity reflects criticality of FTA TV
- Marketing projects with partners underway to demonstrate the effectiveness of total TV

Driving to resilient earnings and cash flow from our market leading content and scale reach

Manage costs responsibly

- FY25 guidance maintained
- Continuing to invest in opportunities to drive growth while maintaining cost guidance
- Ambition: flat FY26 costs inc. AFL and inflation

Aggressively managing costs, without compromising content and editorial quality

Find new revenue streams and opportunities

- Investment in AFL ancillary programming to "own the footy"
- The Nightly continues to grow audience, revenue and earnings

AFL season launch in March will provide content over seven days on Seven and 7plus

Phoenix: growth through convergence

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Bookings opened in December, go-live from 2 March 2025

Delivers national dynamic audience trading, a first for FTA / BVOD platforms in Australia

Latest testing has demonstrated that a significant amount of inventory will be freed up through inventory optimisation

Enables customers to buy seamlessly and on a converged basis across metro, regional and BVOD; a step change in customer experience

Ensures that every campaign is delivered in full, maximising the yield of every spot and eliminating over delivery / makegoods

The future of effective total TV audience trading in Australia enabled by market-leading technology

Salesforce + Landmark + Databricks AI + VOZ

PHOENIX

the orchestra of audience

Summary

Trading update

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- Market improving: Q3 bookings tracking up low single digits
- H2 to benefit from AFL growth and Federal Election
- Cost guidance ($1.2b – $1.21b) maintained for FY25
- Based on current expectations and market conditions, H2 earnings expected to see modest growth on H2 FY24

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Questions?

Basis of Preparation

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