

20 August 2019

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

***By electronic lodgment***

Total Pages: 6 (including covering letter)

Dear Sir / Madam

**APPENDIX 4E AND YEAR END RESULTS ANNOUNCEMENT**

Following is a copy of the Appendix 4E and the Year End Results Announcement for the financial year ended 29 June 2019.

Yours faithfully  
**For and on behalf of Seven West Media**



**Warren Coatsworth**  
Company Secretary

**Seven West Media Limited**  
**Appendix 4E**  
**Preliminary Final Report**  
*Under ASX Listing Rule 4.3A*

**Year Ended 29 June 2019**

**Results for announcement to the market**

	2019 \$'000	Restated <sup>3</sup> 2018 \$'000	Movement
<b>Reported</b>			
Revenue from ordinary activities	1,552,810	1,620,618	Down -4.2%
Other income	3,624	474	N/A
Revenue and other income	1,556,434	1,621,092	Down -4.0%
Net profit (loss) for the period attributable to members	(444,481)	133,675	N/A
<b>Additional information</b>			
Underlying group EBIT <sup>1</sup>	212,079	235,636	Down -10.0%
Underlying group EBITDA <sup>2</sup>	243,597	270,886	Down -10.1%
Significant items before tax	(611,016)	(8,495)	N/A
Profit before tax excluding significant items	177,387	197,272	Down -10.1%
Profit after tax excluding significant items net of tax	129,296	140,358	Down -7.9%

The current reporting period relates to the period from 1 July 2018 to 29 June 2019 and the previous reporting period relates to the period from 25 June 2017 to 30 June 2018.

	Amount per security	Franked amount per security
<b>Dividends</b>		
Final dividend 2018	nil	nil
Final dividend 2019	nil	nil

**Audit**

This report is based on financial statements which have been audited by KPMG. Refer to the 29 June 2019 Seven West Media Limited and controlled entities Financial Report for the independent auditor's report to the members of Seven West Media Limited.

**Net Tangible Assets**

Net tangible asset backing per ordinary share (cents)	-	-
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Note 1: Underlying EBIT is profit before significant items, net finance costs and tax

Note 2: Underlying EBITDA is profit before significant items, net finance costs, tax, depreciation and amortisation

Note 3: Prior year figures have been restated for retrospective transition method of AASB 9 Financial Instruments standard

Tuesday August 20, 2019

## **Seven West Media releases full year financial results for year ended 29 June 2019**

### **KEY POINTS**

- Television licence and newspaper masthead carrying values impaired due to softer advertising market conditions. Total significant items of \$573.7m net of tax were recorded in the period.
- Metro TV revenue share grew 0.7% pts to 38.8% in FY19, despite softer ad market
- Cost discipline delivered \$38m reduction in opex, at the upper end of guidance
- Underlying Group EBIT of \$212.1m, down 7.5% YoY excluding 53<sup>rd</sup> week in FY18
- Seven Digital grew EBIT 3x to \$15m driven by strong BVOD market growth (+32%)
- Seven Studios delivers \$59m EBIT up 5.3%, capitalising on global content growth
- Seven West Ventures portfolio value grows 24% to \$95m
- Group net debt reduced to \$564m with debt facilities refinanced to 2021/2022

The Seven Network has again proven to be Australia's favourite, delivering a 13th consecutive year of ratings leadership, and a 40.3 per cent share of commercial free-to-air viewing across the day – up a full percentage point on last year. Seven was also number one in the key advertising demographic of people aged 25-54 across the day, and grew revenue share across the period.

Channel 7 and 7mate ended the year as the most-watched channel and multichannel respectively.

Seven's Summer of Cricket broke records, growing commercial share in all key demographics throughout the day and in primetime. At year end, the current season's AFL's audiences were up 10 per cent on last year.

Seven's strategy to own and operate its direct to consumer products has resulted in a significant uplift in performance of all its digital assets compared to when they were under the Yahoo7 joint venture.

Streaming platform 7plus is scaling both audience and revenue at a rapid rate, while 7NEWS.com.au has established itself as one of the most-viewed sites in the country just weeks after launch.

Seven Studios is capitalising on the global demand for content by licencing Seven's shows, and signing production and co-production deals, with a wide range of international broadcasters and digital platforms including Netflix, Twitter and Facebook.

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Seven's publications in Western Australia continue to be clear leaders in the local market. The West Australian has undergone a renewal under new creative leadership, resulting in a readership lift of six per cent over the year.

Pacific has delivered market-leading performance in both print circulation and advertising revenue, with digital revenue growing 27 per cent over the period. Costs have reduced by 7.3 per cent.

Seven West Media has delivered \$38 million of net cost reductions in FY19, which reflected savings across all business units and was at the top end of cost-out guidance range of \$30-40 million.

Net debt reduced to \$564.4 million at year end, with \$72.2m free cash flow generated, improving balance sheet flexibility. Debt is well within covenants.

Seven West Media is forecasting FY20 EBIT of \$190 to \$200 million, including the impact of new accounting standard AASB 16.

Seven West Media Managing Director and Chief Executive James Warburton said: *"FY19 was a tough year in the economy and advertising markets, which impacted Seven West Media's performance.*

*"But we have incredibly strong assets, and our focus moving forward is to speed up the rate of transformation while exploring opportunities for growth in our core and adjacent markets.*

*"We will revitalise our entertainment programming, creating momentum to engage heartland Australia and enrich the demographic mix, ensuring we are the most relevant and exciting offer to advertisers.*

*"We will sharpen our focus on being a high-performance audience and sales led organisation, and we will redefine our working practices, becoming more efficient and effective and making savings which do not impact on ratings.*

*"We will be a hunter and explore M&A opportunities in both traditional media and non-traditional adjacencies that are positive for our shareholders."*

## **Results**

Seven West Media reports a loss after income tax of \$444.4 million on total revenue of \$1,557.6 million. Underlying net profit after tax was \$129.3 million, down 7.9 per cent on the previous year.

EBITDA of \$243.6 million and EBIT of \$212.1 million were down 10.1 per cent and 10.0 per cent respectively versus the prior corresponding period.

Television licence and newspaper masthead carrying values were impaired due to softer advertising market conditions. Total significant items of \$573.7m net of tax were recorded in the period.

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<b>Financial Year Results</b>	<b>Year Ended 29 June 2019</b>	<b>Year Ended 30 June 2018**</b>
Total Revenue*	\$1,557.6m	\$1,622.8m
EBITDA	\$243.6m	\$270.9m
EBIT	\$212.1m	\$235.6m
Underlying NPAT	\$129.3m	\$140.4m
Underlying EPS	8.6 cents	9.3 cents
Final Dividend per Ordinary Share	-	-
Profit (loss) before tax (including significant items)	(\$433.6m)	\$188.8m
Profit (loss) after tax (including significant items)	(\$444.4m)	\$132.8m
Basic EPS	(29.5 cents)	8.8 cents
Diluted EPS	(29.5 cents)	8.8 cents
<b>Reconciliation to statutory results:</b>		
Profit before significant items, net finance costs and tax	\$212.1m	\$235.6m
Net finance costs	\$34.7m	\$38.3m
Profit before tax excluding significant items	\$177.4m	\$197.3m
Significant Items	\$611.0m	\$8.5m
Profit before income tax	\$433.6m	\$188.8m
<i>* Revenue includes share of equity accounted investees and other income</i>		
<i>** Prior year figures have been restated for AASB 9 Financial Instruments standard</i>		

## **Cost Management**

Group operating costs (including depreciation and amortisation) of \$1,345.5 million was down 3.0 per cent on the previous year, equivalent to a \$38m reduction in group operating expense and on the top end of guidance.

## **Outlook**

FY20 outlook:

- Targeting underlying FY20 Group EBIT to be between \$190m - \$200m, including impact of new accounting standard AASB 16
- Maintain cost discipline across the group, targeting operating savings where prudent
- Metro TV advertising market expected to decline low single digits
- Expect BVOD market to grow >25%
- Targeting growth in ratings and revenue share in both broadcast and BVOD
- Seven Studios to deliver eighth consecutive year of EBIT growth
- Ongoing focus on improving balance sheet and working down debt

End.

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**About Seven West Media**

Seven West Media (ASX: SWM) is one of Australia's leading integrated media companies, with a market-leading presence in broadcast television, magazine and newspaper publishing and online.

The company is the home to many of Australia's leading media businesses – Seven, 7TWO and 7mate, 7flix, Pacific Magazines, The West Australian and thewest.com.au, The Sunday Times and PerthNow.com.au, and the biggest content brands including My Kitchen Rules, House Rules, Home and Away, Sunrise, the Australian Football League, Cricket, the Olympic Games, Better Homes and Gardens, marie claire, Who, racing.com and 7plus.