



# INTERIM RESULTS

SKY NETWORK TELEVISION LIMITED  
INTERIM RESULTS DECEMBER 2018



**JOHN FELLET**  
CHIEF EXECUTIVE OFFICER



# REVENUE

Millions



Dec-17

Dec-18



# POSITIVE CHANGE IN SUBSCRIBER MOVEMENTS

Dec-16

-36,544

Dec-17

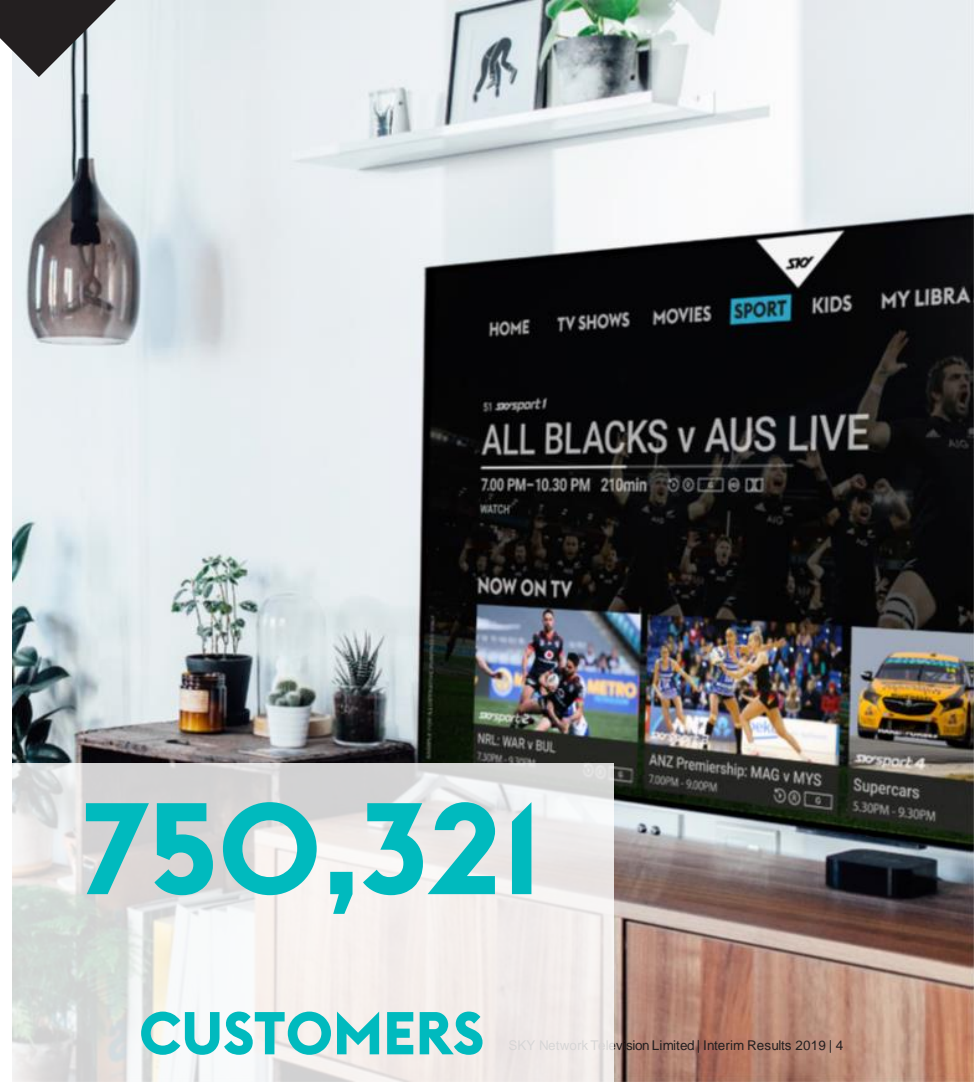
-46,006

Dec-18

-17,406

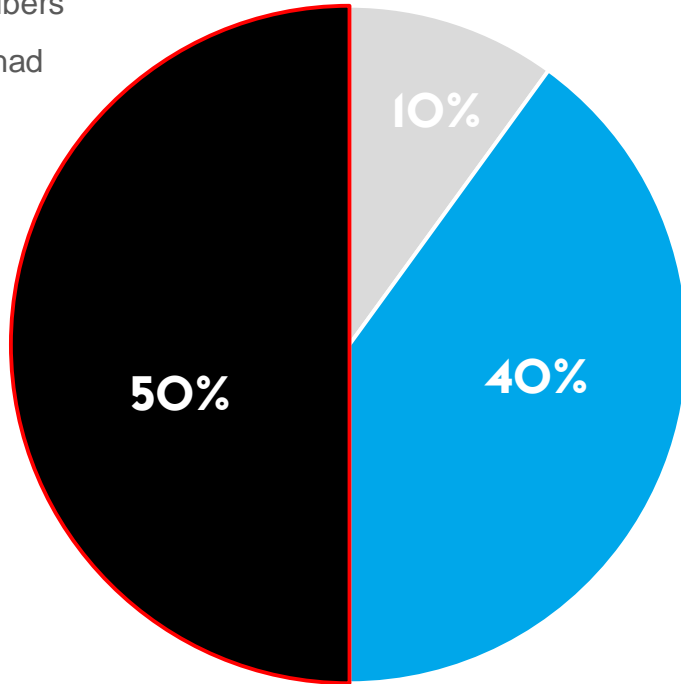
750,321

CUSTOMERS



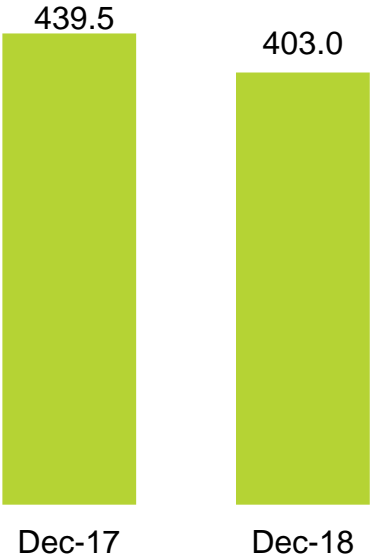
# NEW SKY SUBSCRIBERS PROFILE 2018

- Former Netflix Subscribers
- Never had Netflix
- Netflix



# REVENUE

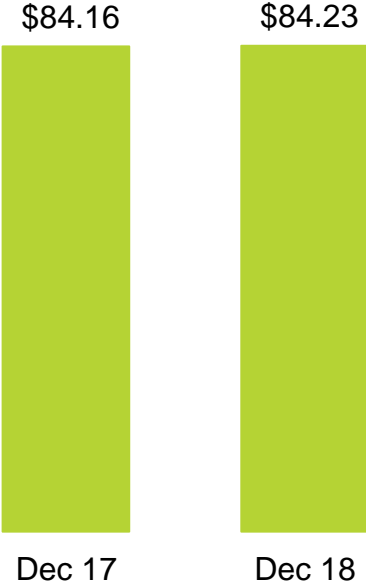
Millions



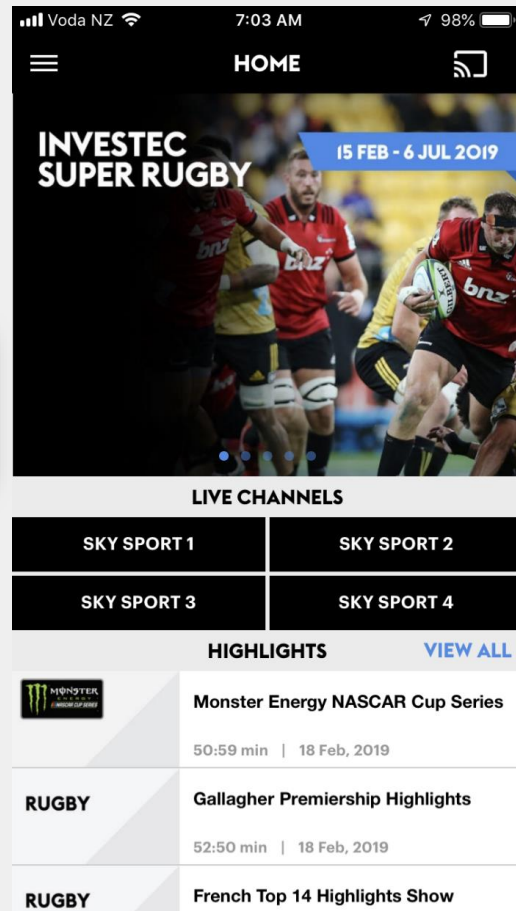
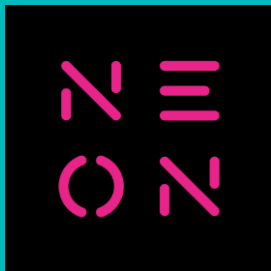
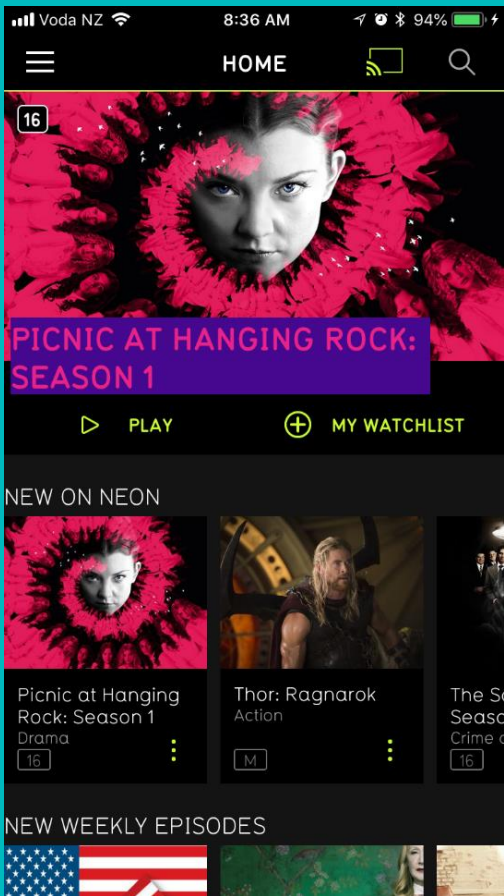
**85%**

**SKY customers have SKY Entertainment**

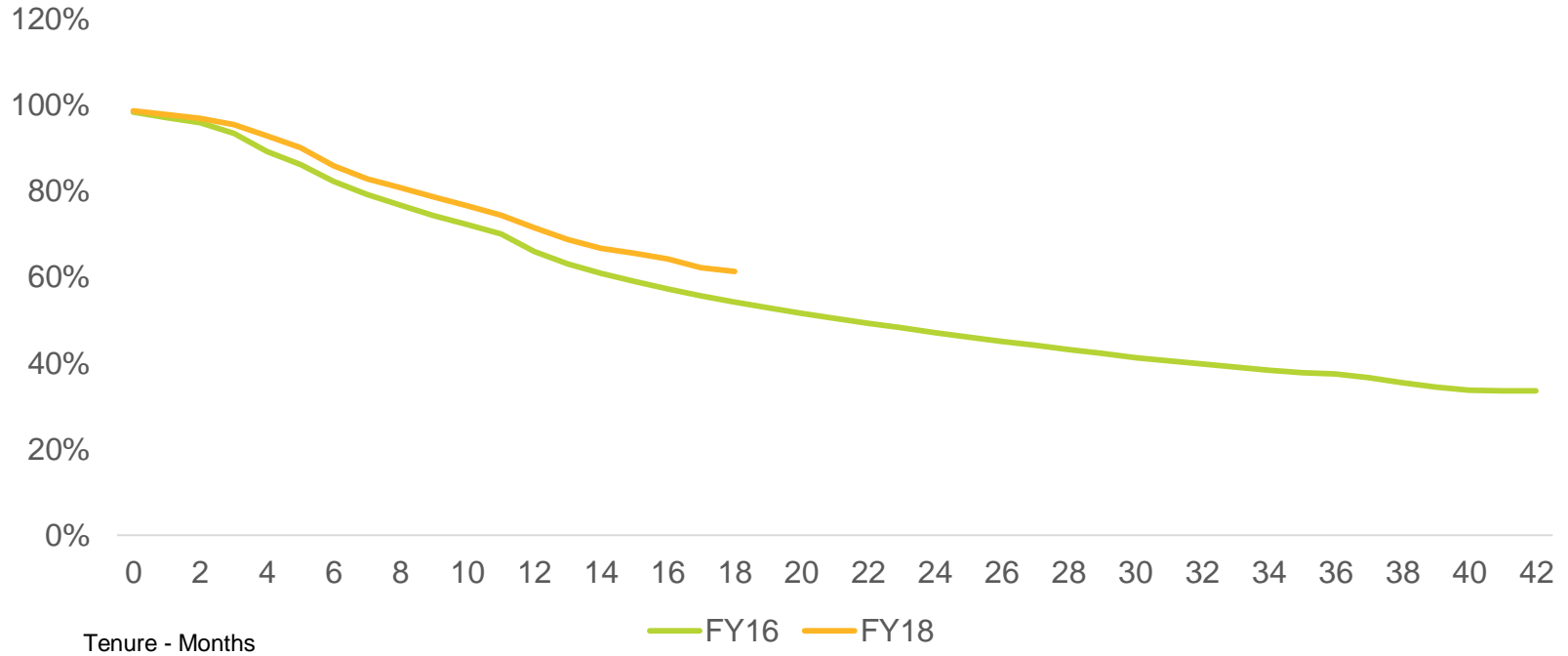
# SATELLITE ARPU





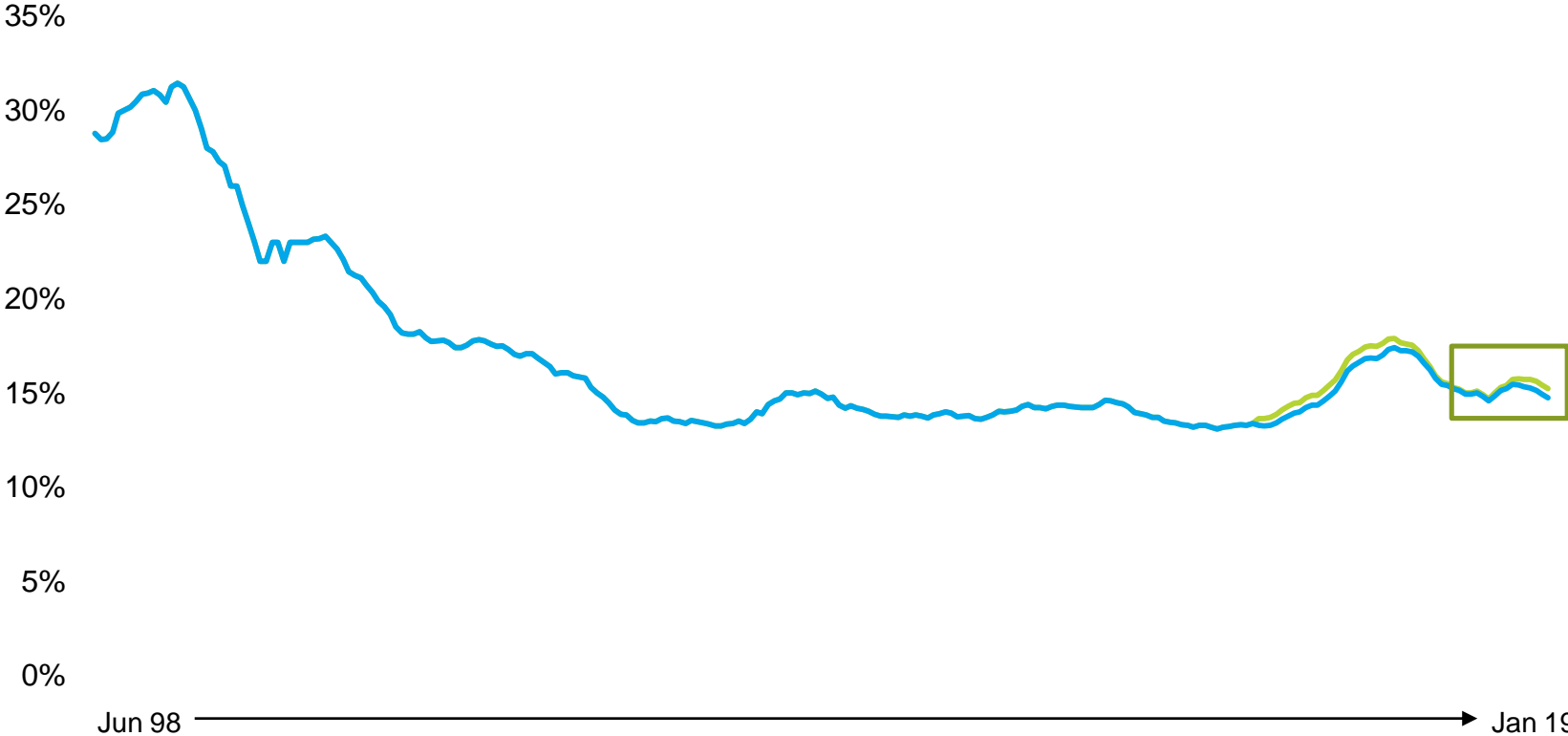


# NEW CUSTOMERS HAVE IMPROVED RETENTION RATES

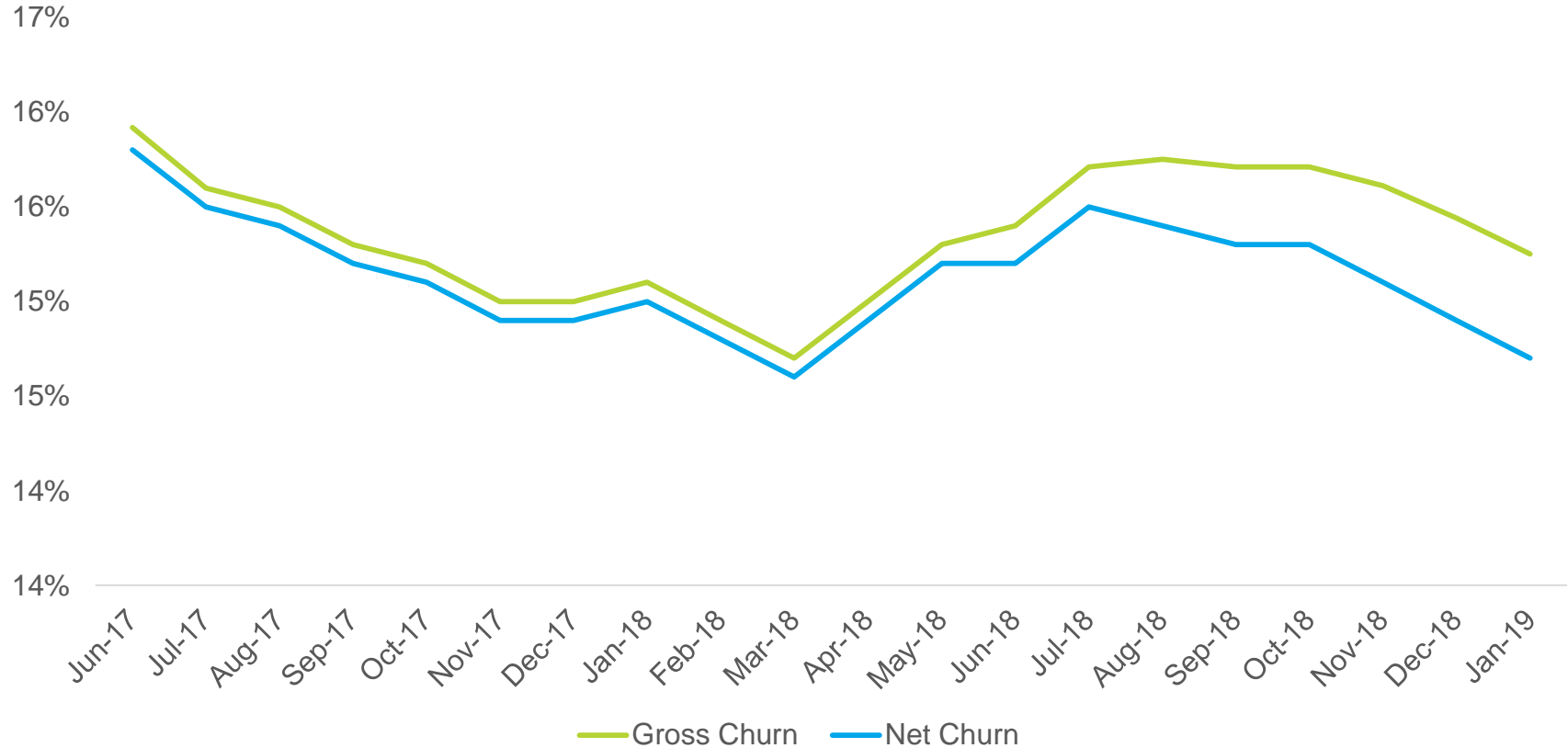




# CHURN STABILITY

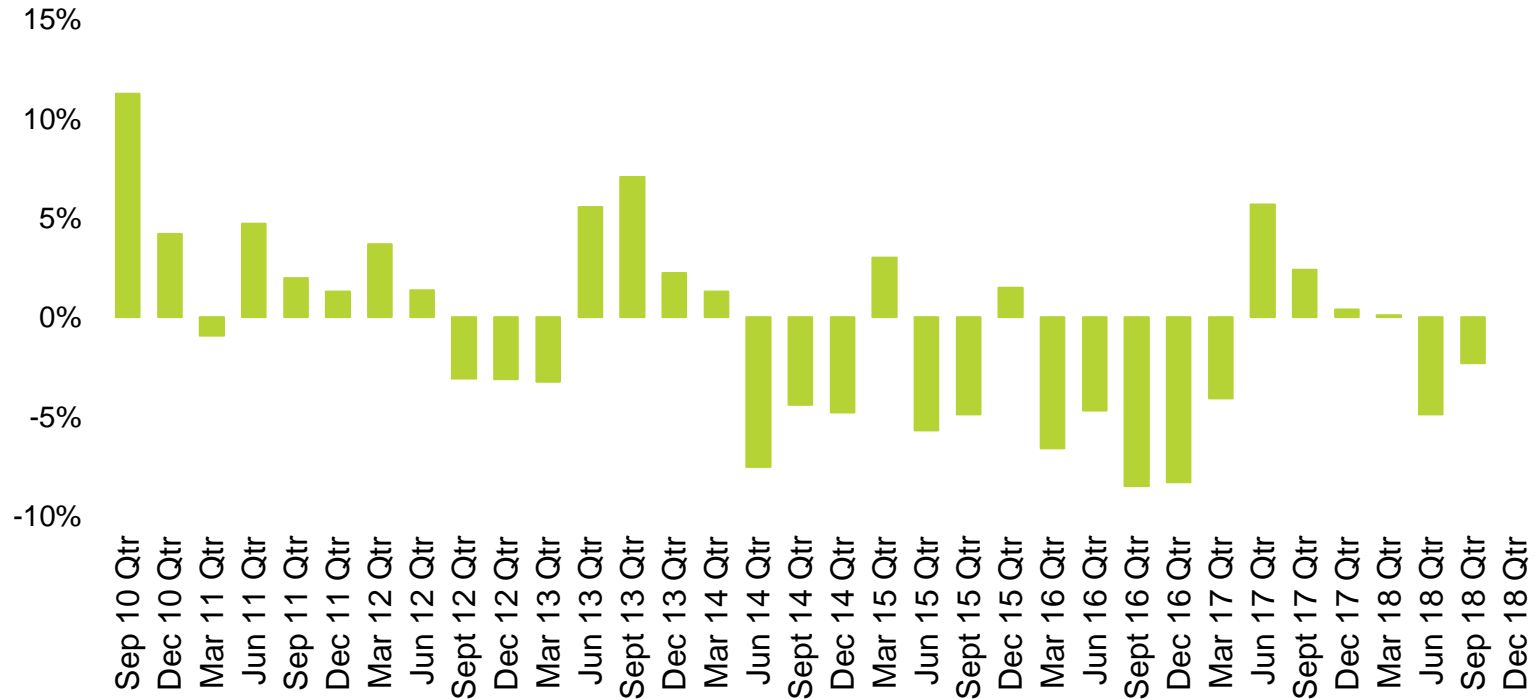


# CHURN STABILITY



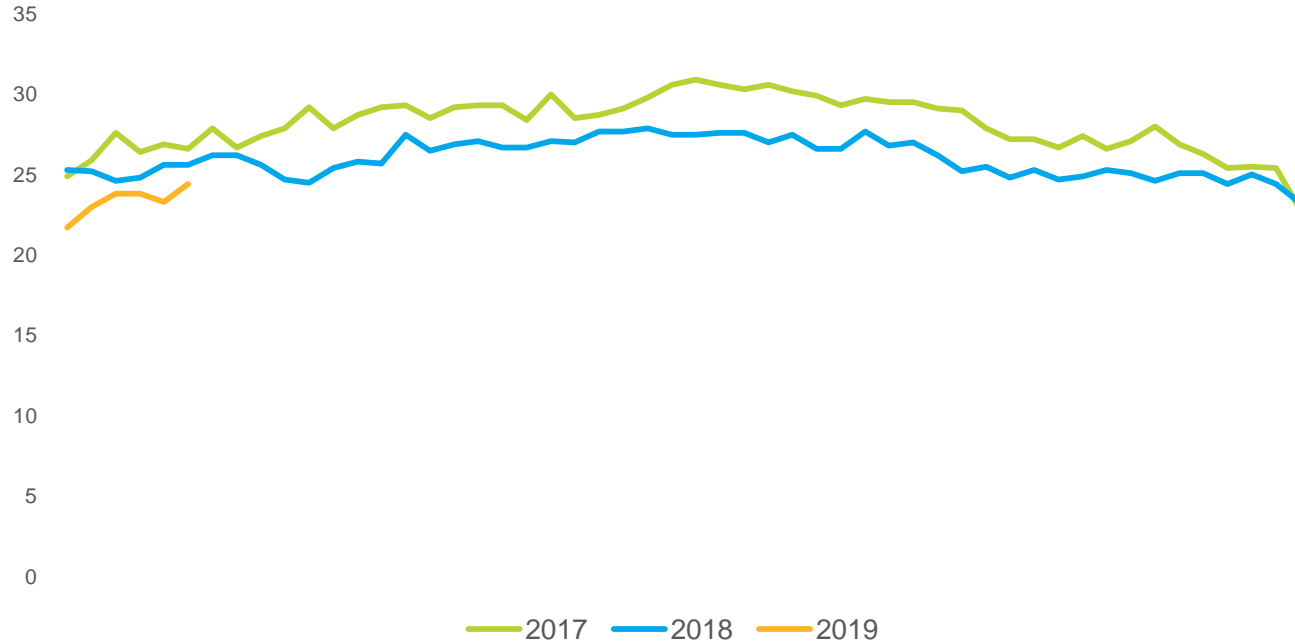
# TOTAL TELEVISION ADVERTISING REVENUE

(YOY Quarterly change)



# PEAK PUTS (PEOPLE USING TELEVISION) TREND

## ALL 5+



# ADVERTISING REVENUE FOLLOWING MARKET TRENDS



*sky* sport

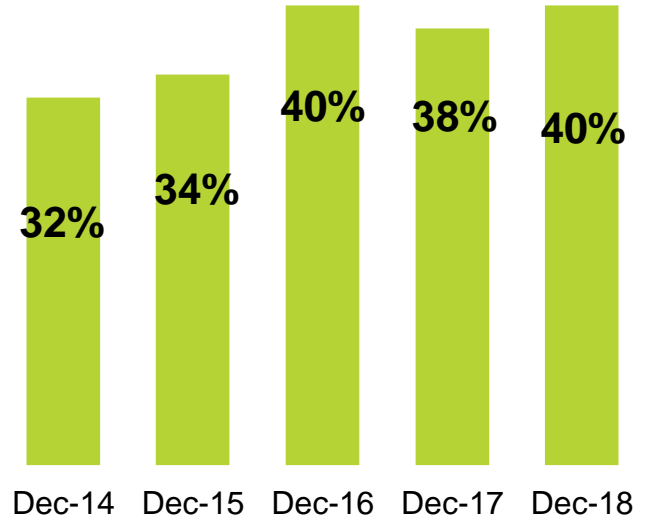


## LOWER OPERATING COSTS





## CONTINUED INVESTMENT IN WORLD CLASS CONTENT



**PROGRAMMING COSTS % REVENUE**



# WORLD CLASS SPORT





ICC CRICKET WORLD CUP  
**ENGLAND & WALES**  
2019



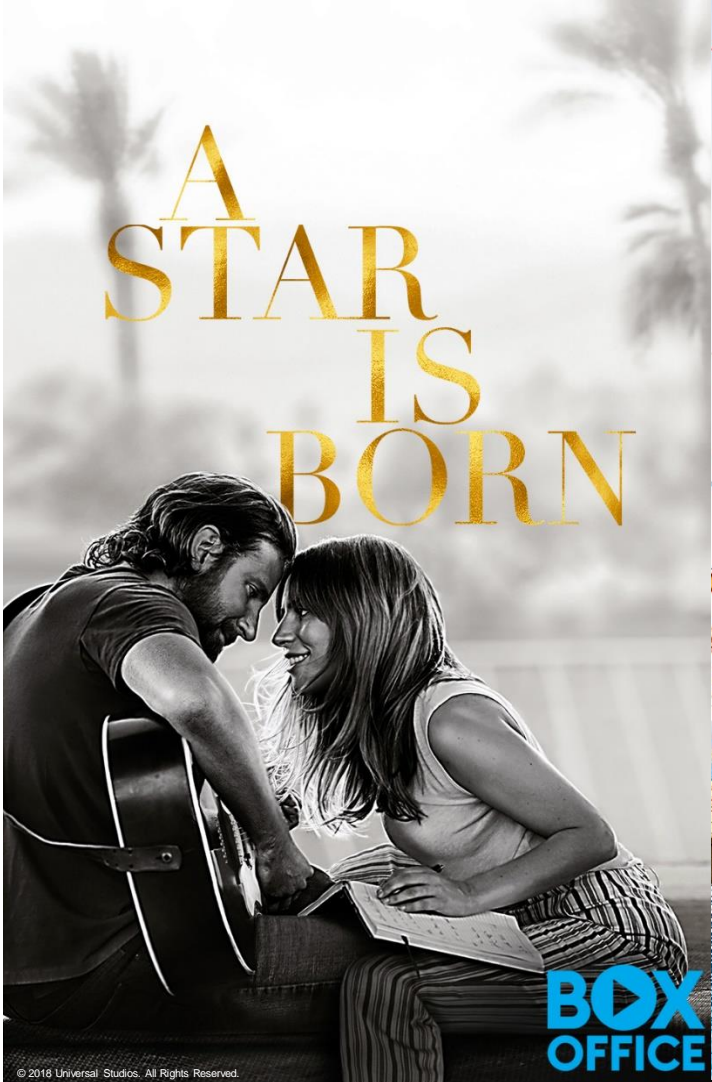
FIFA™  
WOMEN'S WORLD CUP  
**FRANCE 2019**



**NETBALL**  
**WORLD CUP**  
**LIVERPOOL 2019**



# AWARD WINNING SHOWS



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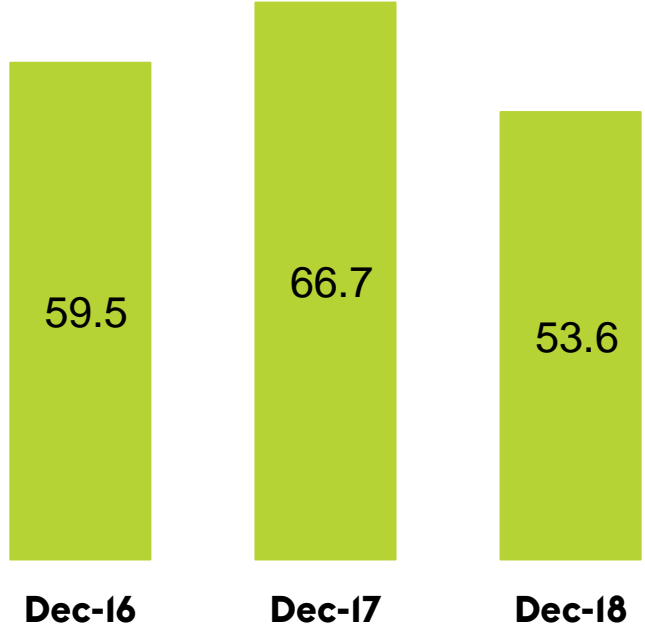


**SoHo**

**GAME OF THRONES**  
**APRIL 2019**

# STRONG NET PROFIT

Millions

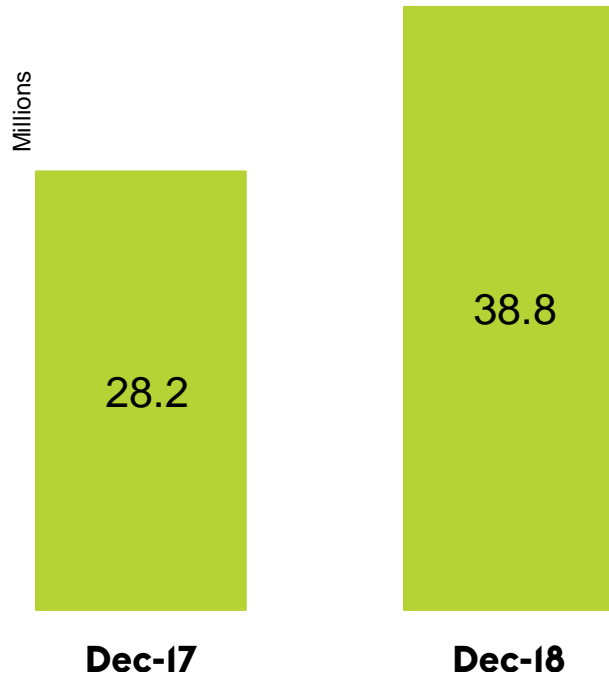


**SKY**

**SALE OF**



# INVESTING MORE IN DEVELOPING FUTURE PRODUCTS



**CAPEX**

*sky* sport







# IMPROVED CUSTOMER VIEWING EXPERIENCE

UNDERSTANDING  
OUR CUSTOMERS  
AND DELIVERING  
GREAT EXPERIENCES





**SKY HD CHANNELS  
TO BE EXPANDED AND  
MADE AVAILABLE TO ALL  
AS PART OF THE PRICE CHANGES**

CHANNEL PACKAGE	OLD RATE	NEW RATE 1 APRIL 2019
HD Ticket	\$9.99 per month	<b>No charge</b>
SKY Starter	\$24.91 per month	\$25.99 per month
SKY Entertainment	\$25 per month	\$25.50 per month
SKY Sport	\$29.90 per month	\$31.99 per month

*sky* sport



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# NZ BASED COMPANY



**1,100 EMPLOYEES**

**2018**

**INCOME TAX**

**\$40** MILLION

**GST**

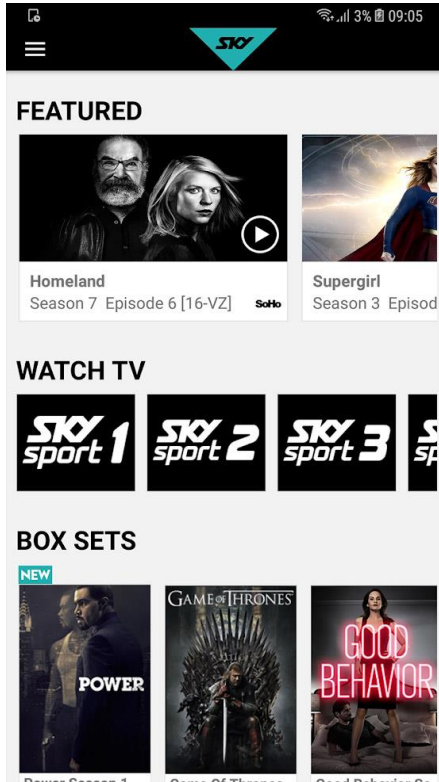
**\$91.6** MILLION

**PAYE**

**\$29.6** MILLION



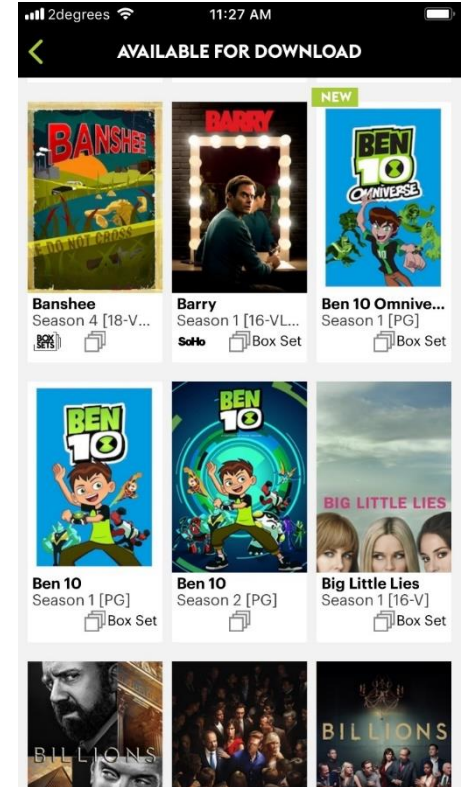
# IMPROVED CUSTOMER STREAMING EXPERIENCE



ENHANCED



DOWNLOAD TO GO





## SKY CHANNELS UNLOCKED

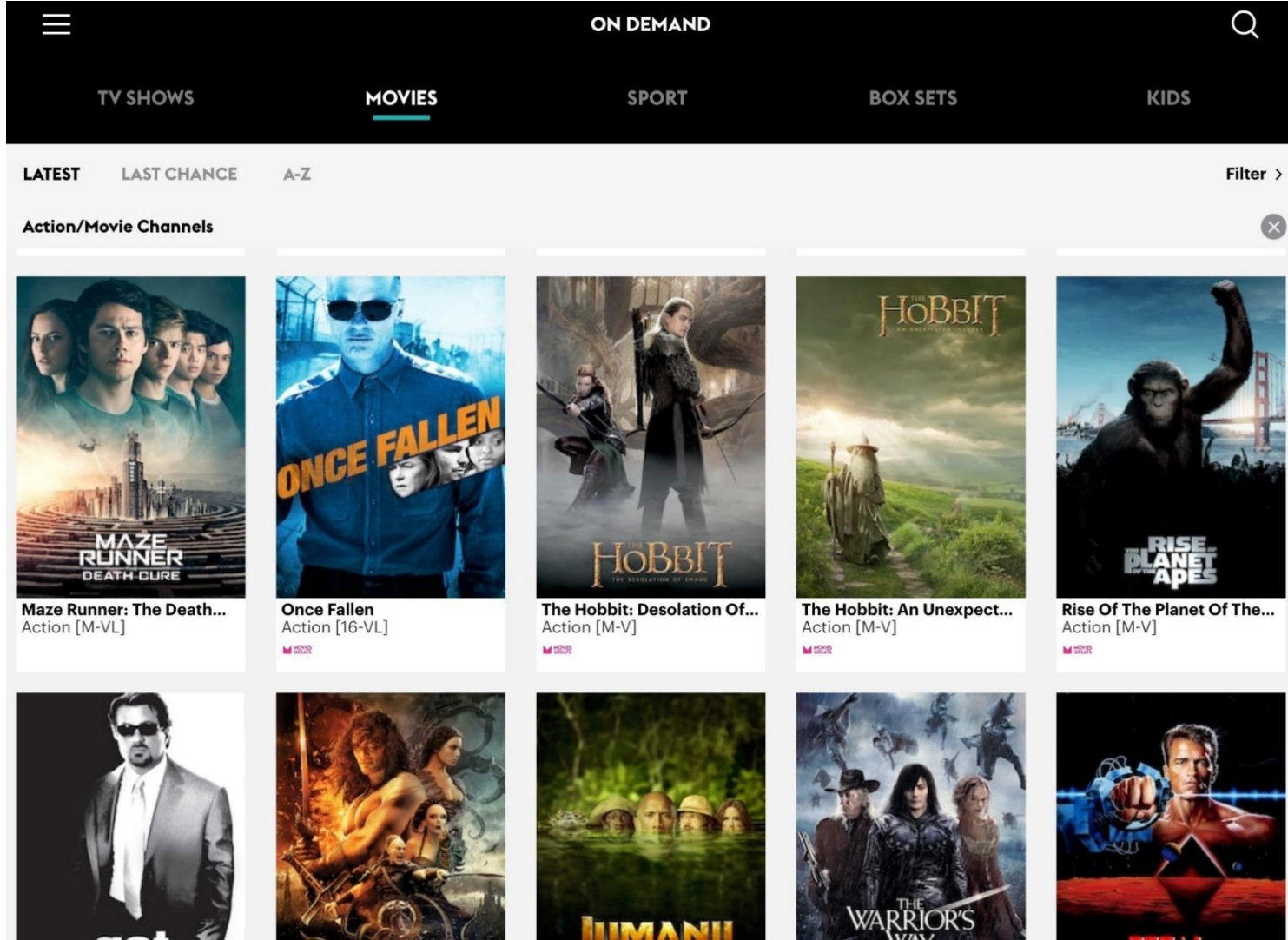
We're unlocking almost all of our channels and SKY GO so you can enjoy SKY's great content that you currently don't subscribe to during the holidays (24 December 6am - 6am 7 January 2019).

[FIND OUT MORE](#)

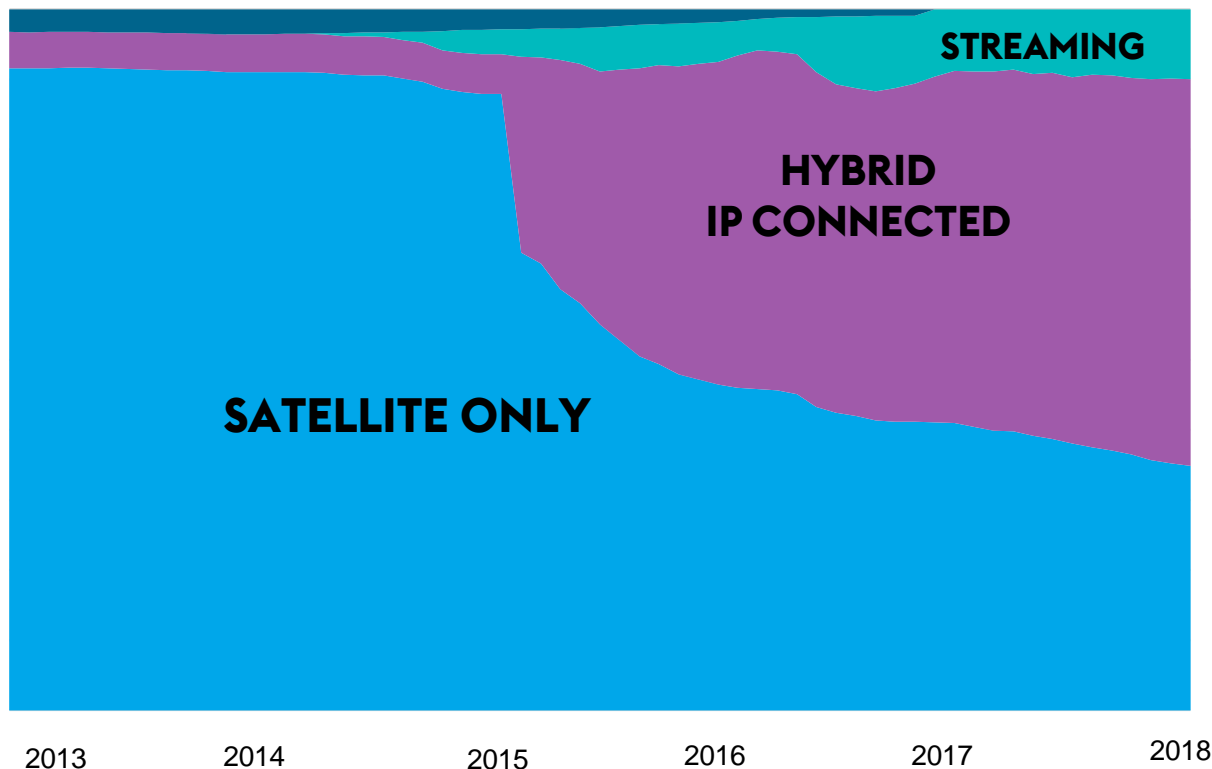


SKY

1000  
Movies  
  
ON  
DEMAND



# IP CONNECTED SUBSCRIBERS CONTINUES TO GROW





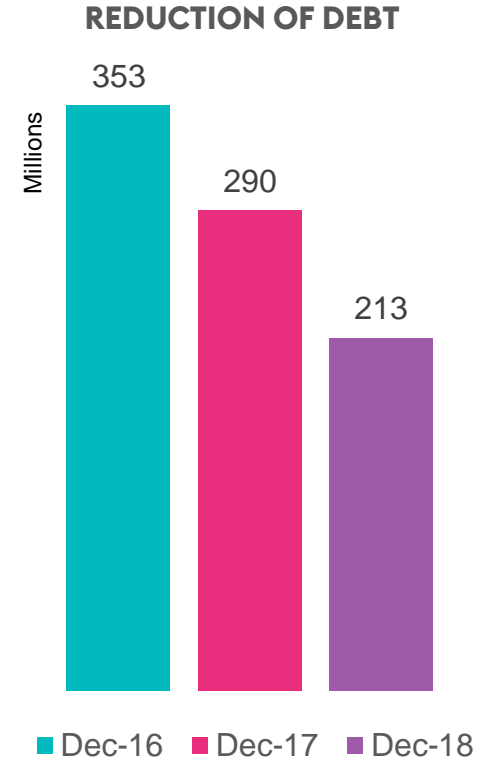


# OPTUS



# FUNDING PROFILE

	FACILITY	DRAWN	MARGIN	MATURITY
Bank Debt	\$200m	\$107m	280bp	Jul 2022
Bond	\$100m	\$100m	Fixed rate at 6.25%	Mar 2021



# FOREIGN CURRENCY HEDGING

## For USD exposures

- ▶ 100% hedged for 6 months 30 June 2019 @ 0.7205
- ▶ 67% hedged for June 2020 year @ 0.7093
- ▶ 25% hedged for June 2021 year @ 0.7038

## For AUD exposures

- ▶ 89% hedged for 6 months 30 June 2019 @ 0.9272
- ▶ 82% hedged for 30 June 2020 @ 0.9349
- ▶ 46% hedged for 30 June 2021 @ 0.9183

**Average \$US payment rate for Opex for the 6 months to December 18 @ 0.7090**

# DIVIDEND

The Board has declared a fully imputed dividend of 7.5 cps (\$29.2m) for the half year ending December 2018

A supplementary dividend for the same period of 1.3235 has been paid to non-residents.

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Interim	7.5	7.5	15.0	15.0	15.0	14.0	12.0	11.0	8.0	7.0
Final		7.5	12.5	15.0	15.0	15.0	12.0	11.0	10.5	7.0
Ordinary Total		15.0	27.5	30.0	30.0	29.0	24.0	22.0	18.5	14.0
Special								32.0	25.0	
TOTAL		15.0	27.5	30.0	30.0	29.0	24.0	54.0	43.5	14.0

## GUIDANCE

Sky's FY19 guidance is:

	\$m
<b>REVENUE</b>	<b>790 - 795</b>
<b>EBITDA</b>	<b>230 - 235</b>
<b>NPAT</b>	<b>85 - 90</b>
<b>CAPEX</b>	<b>70 - 75</b>





# INTERIM RESULTS

SKY NETWORK TELEVISION LIMITED  
INTERIM RESULTS DECEMBER 2018





# FINANCIAL DETAIL

# RESULTS SUMMARY

	2017	2018	% Change
Revenue	439.8	403.0	(8.4%)
Operating expenses	286.3	274.7	(4.1%)
<b>EBITDA</b>	<b>153.5</b>	<b>128.3</b>	<b>(16.4%)</b>
Depn & Amort	51.2	47.3	(7.6%)
<b>EBIT</b>	<b>102.3</b>	<b>81.0</b>	<b>(20.8%)</b>
Interest	9.6	6.5	(32.3%)
Tax	26.0	20.9	(19.6%)
<b>NET PROFIT/(LOSS)</b>	<b>66.7</b>	<b>53.6</b>	<b>(19.6%)</b>

# EXPENSE ANALYSIS

	2017	2018	% Change
Programming	166.9	161.7	(3.1%)
Subscriber related costs	48.4	42.1	(13.0%)
Broadcasting and infrastructure	46.5	46.8	(0.6%)
Depreciation and amortisation	51.2	47.3	(7.6%)
Other costs	24.6	24.1	(2.0%)
<b>TOTAL EXPENSE</b>	<b>337.6</b>	<b>322.0</b>	<b>(4.6%)</b>

# REVENUE ANALYSIS

	2017	2018	% Change
Residential Satellite subscriptions	357.5	322.0	(9.9%)
Other subscriptions	42.7	46.1	8.0%
Advertising	31.5	27.4	(12.7%)
Other Income	8.2	7.5	(8.5%)
<b>TOTAL REVENUE</b>	<b>439.9</b>	<b>403.0</b>	<b>(8.4%)</b>