



Craigs Investment Partners
Investor Day 2022





WHAT MATTERS MOST?

Our Customers

WHAT DO WE DO?

We connect New Zealanders with the sport and entertainment they love, in ways that work for them, right across the country

WHAT WE'RE FOCUSING ON

1

CUSTOMERS

Nurture and grow our customer relationships

2

CONTENT

Create and secure the best sport and entertainment for our customers

3

CREW

Be a place where our crew can do their best work

4

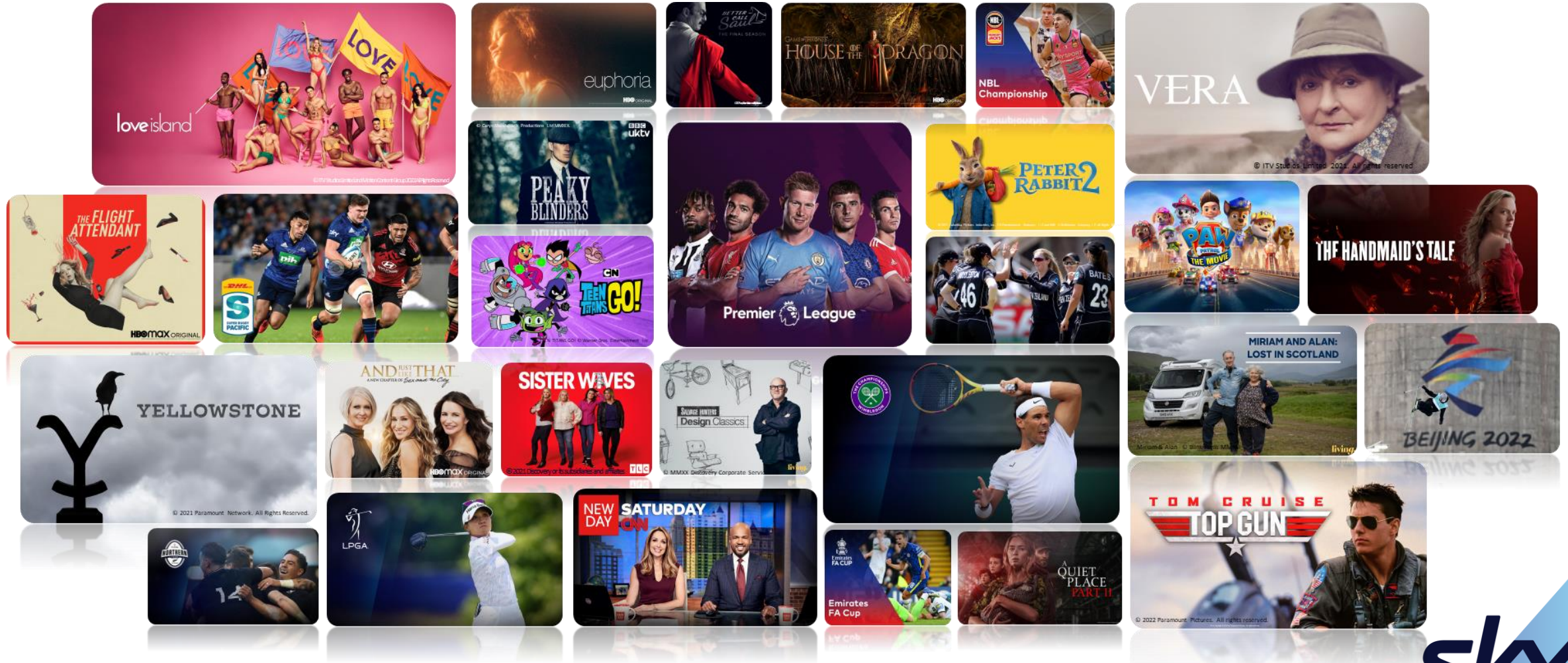
CAPABILITY

Develop or partner for the best tech and data outcomes

THE 'BEDROCK' OF OUR BUSINESS

Rapid and sustained execution to meet or exceed our key results and continue to be a responsible, adaptive and profitable business

We connect New Zealanders with the sport and entertainment they love ...



... in ways that work for them, right across the country

sky



skyADVERTISING



skyBROADBAND



sky

Customer relationships continue to rise

- High value Sky Box customer base is stabilising
- Strong growth in Streaming, including 14% for Neon and 53% for Sky Sport Now
- Stable Commercial customer base
- Strong result for Sky Broadband at close to 18,000 customers in first full year

Stabilising Sky Box customers and growing Streaming and Broadband

TOTAL CUSTOMER RELATIONSHIPS

+4% YOY

SKY BOX CUSTOMERS

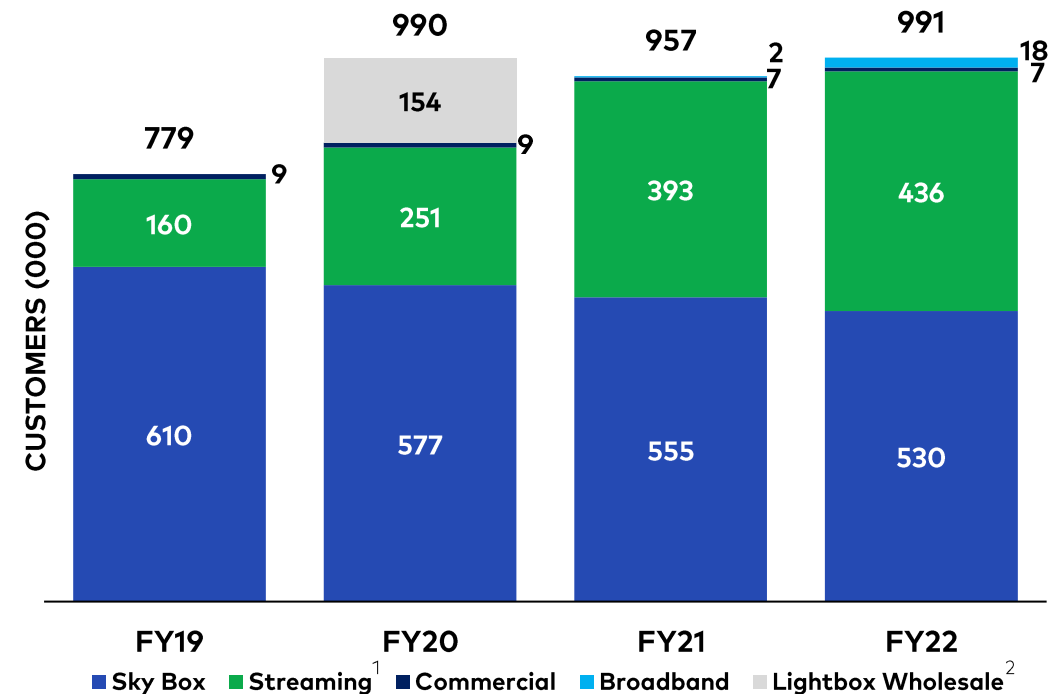
-4.5% YOY

STREAMING CUSTOMERS¹

+11% YOY

(18% excl. RugbyPass)

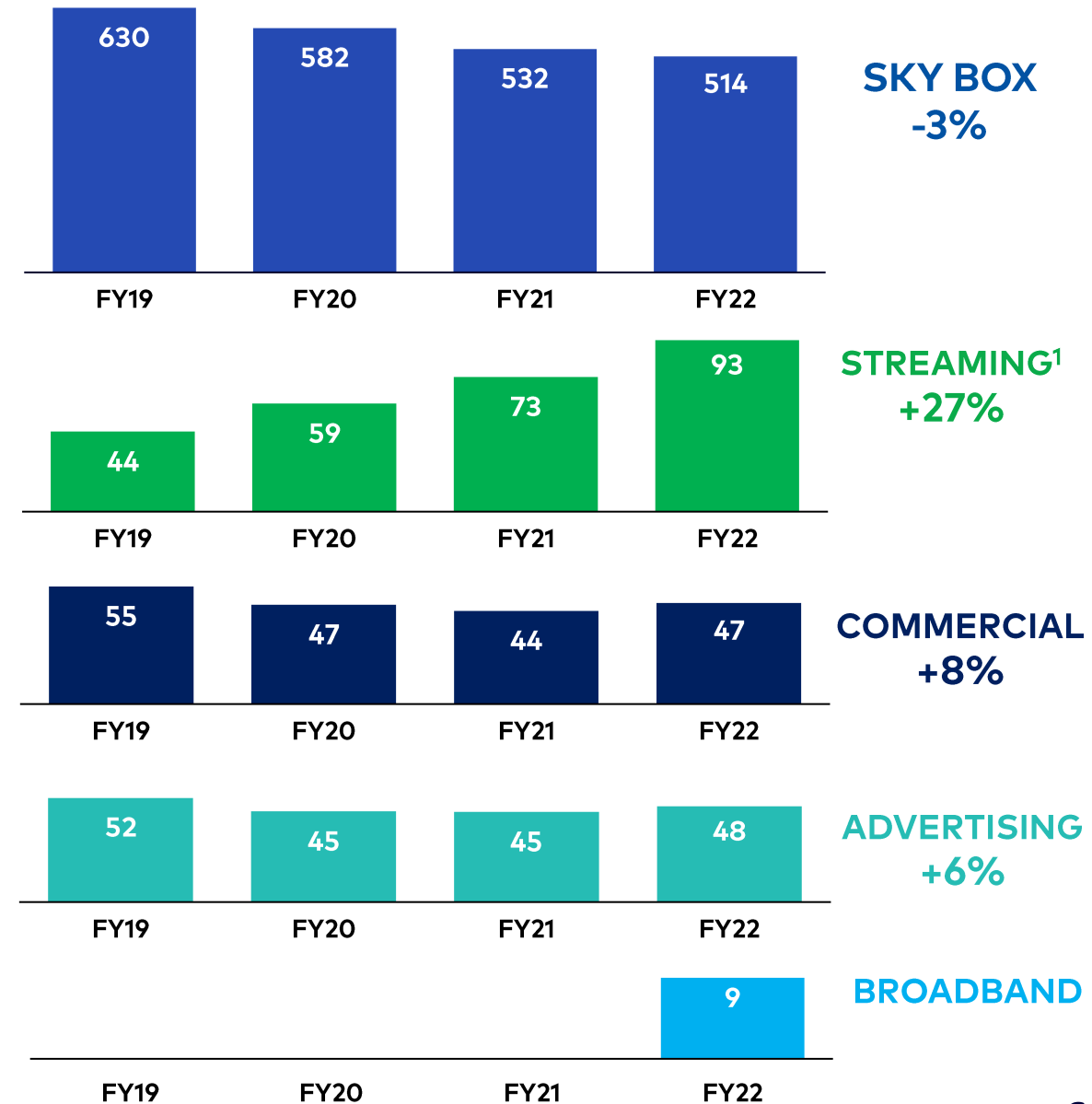
SKY CUSTOMER RELATIONSHIPS



Returned to revenue growth

- Sky Box revenue stabilising,
- Significant growth in Streaming including Neon +47% and for Sky Sport Now +87%
- Commercial recovery gaining momentum
- Advertising increasing with further opportunities for growth
- Solid initial contribution from Sky Broadband

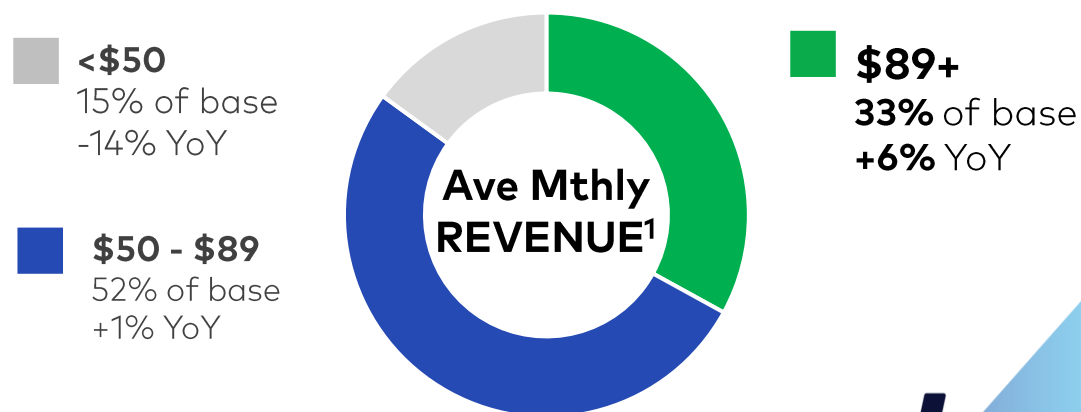
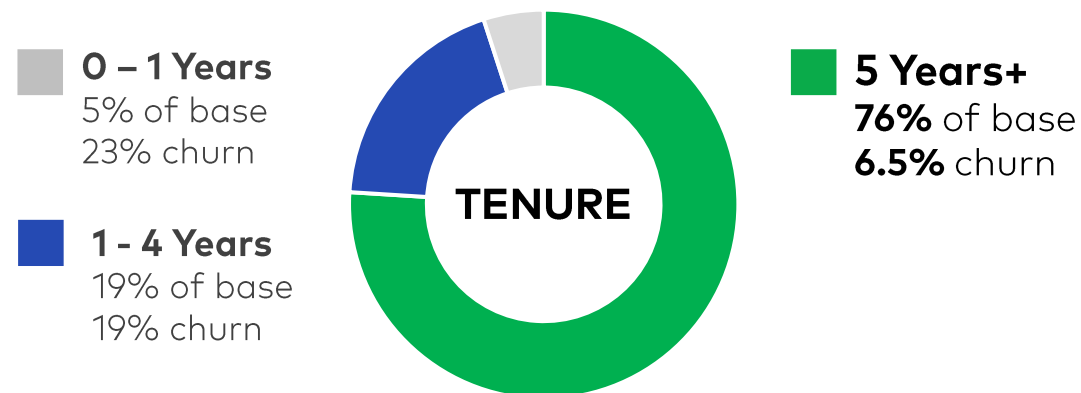
Delivering +4% growth in FY22



Significant Sky Box customer base

- Strong base of high tenure customers
- Sky Broadband and Sky Rewards delivering increased customer satisfaction and lower churn
- Changed acquisition strategy improving revenue and cost profile, and early churn
- Increased Average Revenue Per User (ARPU) to \$79 in FY22
- 85% of customers with ARPU of \$50+

76% of customers have 5 year+ tenure and impressively low churn



Firm focus on costs

- Laser focus on cost reduction as we step into higher rights costs
- Delivered transformational cost reset across operating and capex lines in FY22
- Capex to increase as we roll out the new Sky Box before returning to lower long-run profile
- Further permanent savings to come in FY23 and beyond

Significant cost reductions delivered with additional savings in our sights

FY22 SAVINGS

OPERATING COST
SAVINGS

\$35m

INCLUDING PERMANENT
SAVINGS OF

\$29m

FY23 SAVINGS

OPERATING COST
SAVINGS

\$35m

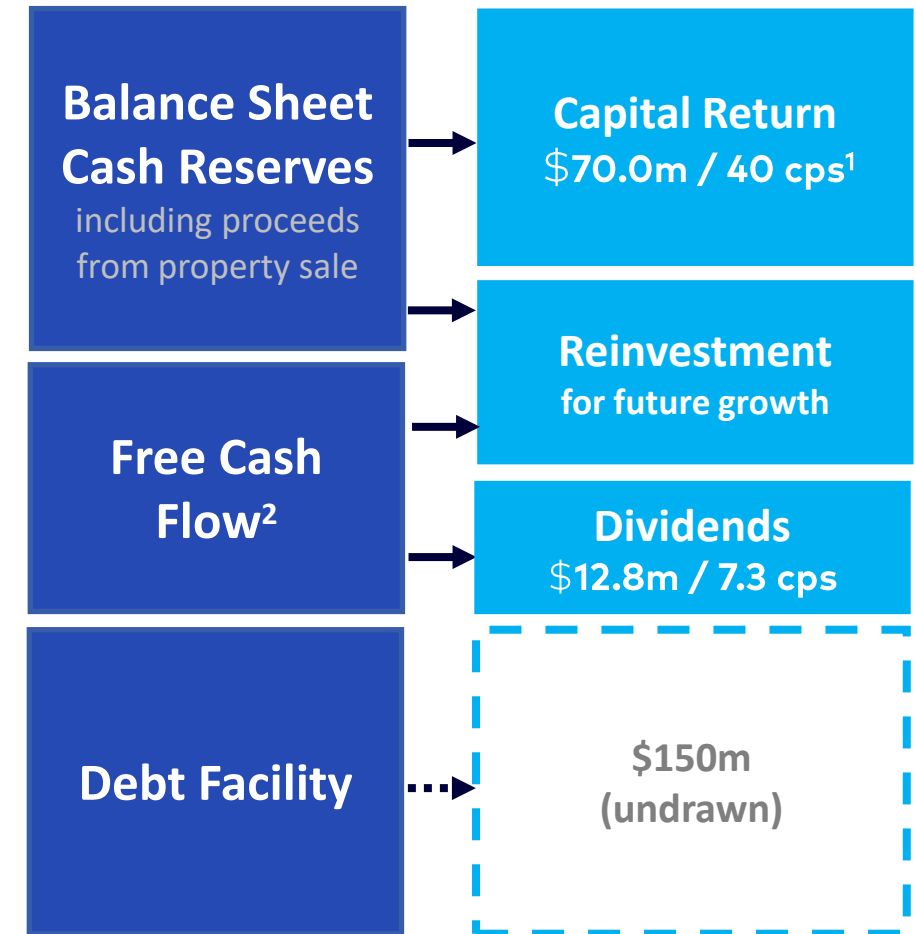
INCLUDING NEW
SAVINGS OF

\$10-20m

Strong balance sheet and cash generation

- Strong cash balance of \$139m at FY22 year end
- Returning \$70m to shareholders via a Court Sanctioned return of capital
- Reinvestment to accelerate growth, generate new revenue streams and deliver improved returns for shareholders
- Confident return to paying dividends at 50% - 80% of Free Cash Flow²
- Targeting increased dividend distributions based on growth in Free Cash Flow

Returning capital to shareholders while investing for future growth



Playing our part

- Sky understands the need to reflect the people and cultures we represent by supporting and promoting diversity
- Sky and its customers contribute to supporting New Zealand's creative and sporting sectors
- *Sky for Good* is about using our platform, people and presence in the community
- Sky is also committed to minimising Sky's impact on the environment through the Toitū carbon reduce programme

We recognise our responsibility to make a positive contribution



Halberg
Foundation



Momentum is Building

- ▶ Unrivalled **content runway** secured
- ▶ Unmatched **product offering** and roadmap
- ▶ **Customer relationships** continuing to rise
- ▶ Returned to **revenue growth**
- ▶ Significant **permanent cost reductions** achieved with more to come
- ▶ Returned to **paying dividends** from **sustainable free cash flows**
- ▶ **Returning capital** to shareholders while **investing for growth**

Sky remains focused on executing on the opportunities ahead



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