

Sky Network Television

Rapid Insights Conference
29 June 2023



Sky is in a strong position

Delivering on its strategy for customers and shareholders



Significant, high value customer relationships



Unrivalled sport and entertainment bundle



Unmatched multi-product strategy



Strengthened leadership & operations



Revenue and ARPU growth



Sharp focus on cost



Strong balance sheet



Decisive capital management action



Market leader in paid sport and entertainment

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

1m+

Customer Relationships

#1

in SPORT across Box, Streaming & free-to-air

Only

Box solution in market

Largest

high ARPU media company customer base

Leading

content aggregator for customers and partners

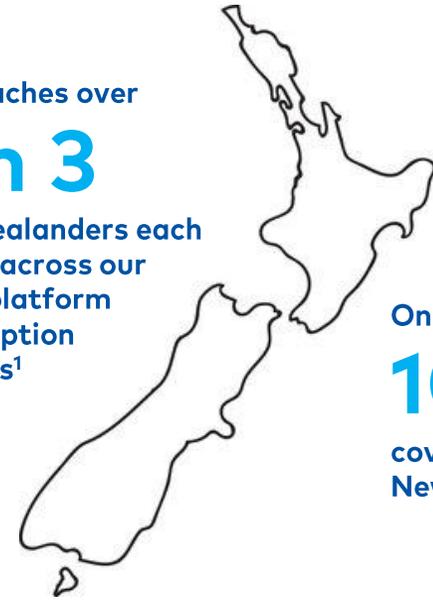
Most

global and local partners across sport and entertainment

Sky reaches over

1 in 3

New Zealanders each month across our multi-platform subscription services¹



Only provider with

100%

coverage to all of New Zealand

SUBSCRIPTION BUSINESS

Sky Box/Sky Pod



Streaming



Broadband



Commercial



FREE-TO-AIR



ADVERTISING



Significant multi-platform subscription business

Over 1 million customer relationships – 33% growth in 3 years



Sky Box & Sky Pod

517k households

Only box solution following VTV exit.
Delivery via satellite, hybrid or IP and
via companion app

Valuable, high ARPU base:
\$81+ average per month and 70%
penetration on sport

Loyal customers: 77% have been
with Sky 5+ years

New Sky Box & Sky Pod
providing opportunity



Streaming

506k customers

#1 in sports streaming
(Sky Sport Now) +68% yoy

NZ's only locally curated
paid entertainment
streaming (Neon) +15% yoy

Significant win-back pool
for low-cost acquisitions

Strong engagement and
growing tenure profile
driving recurring revenue



Broadband

23k households

Growing fibre
broadband business

4.3%+ attachment to
Sky Box; 11% on
acquisitions

Positive contribution
from FY23

Winner of Canstar Blue
'Most Satisfied
Customer' Award 2023



Commercial

7k businesses

#1 provider to
commercial premises

High ARPU, including
value-based charging to
hospitality sector

Significant market
share in high ARPU
accommodation sector

Focused on growing revenue ahead of costs

Significant delivery in the past two years with further opportunities ahead

Returned to sustainable revenue growth

- ✓ Positive revenue inflection point at HY22
- ✓ Stabilising Sky Box revenue, with half-on-half growth in HY23
- ✓ Consistent, double-digit Streaming growth
- ✓ Solid growth in average revenue per user (ARPU)
- ✓ Increased revenue diversity

Future opportunities include:

- New Sky Box/Sky Pod rollout, and new packaging in FY24
- Maximising the value of Sky's unmatched content to capture opportunities in Advertising
- Continued growth in Streaming and Broadband
- Optimising in Commercial

Continued sharp focus on costs

- ✓ Reinvestment enabled through delivery of \$81m in permanent annual savings between FY20 and FY22
- ✓ Additional targeted savings in FY23 and beyond
- ✓ Targeted content runway secured over multi-year deals
- Noting higher capex as we roll out new products before returning to lower long-run profile

Future opportunities include:

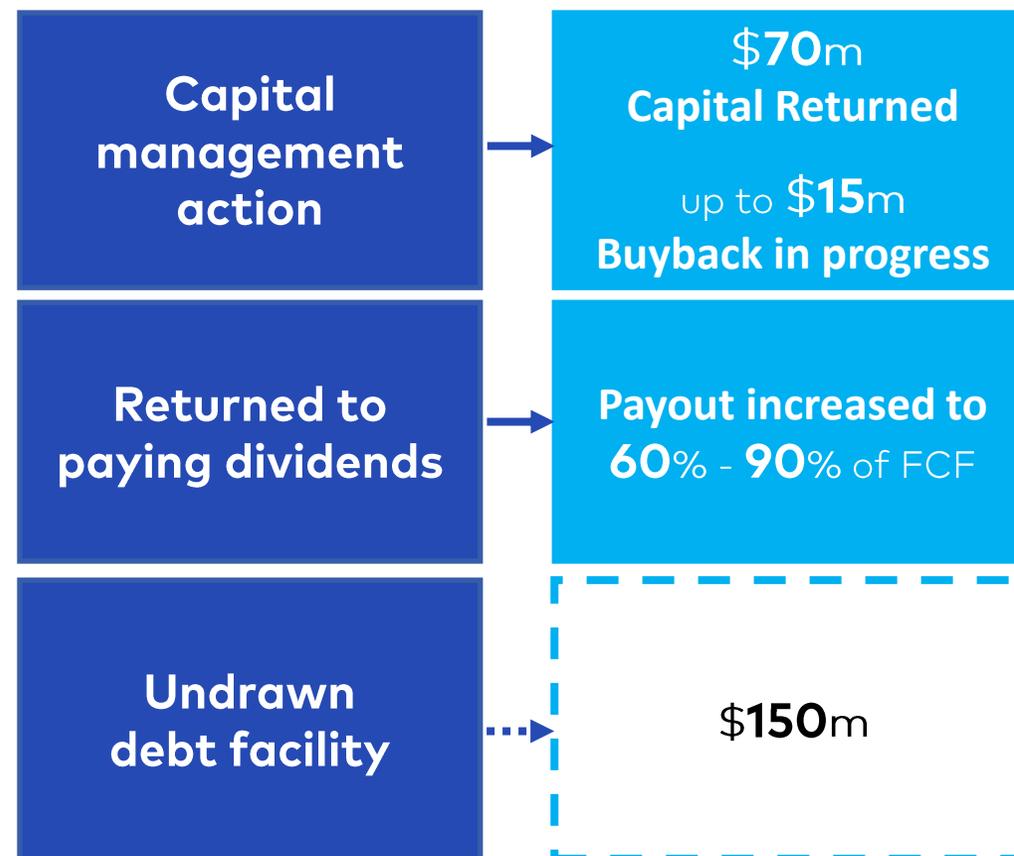
- We value what our customers value - customer insights enable a choice of exclusive, co-exclusive, non-exclusive rights consideration on renewals, or rationalisation where that makes sense
- Lower cost to serve through new Sky Box/Sky Pod
- Increased operational efficiencies



Strong balance sheet; decisive capital mgmt

Returning capital to shareholders while investing for future growth

- ✓ \$70m returned to shareholders in HY23 through Court Approved Scheme in November 2022
- ✓ \$15m Buyback launched March 2023
- ✓ Confident return to paying dividends at FY22 with a final dividend of 7.3cps
- ✓ FY23 dividend guidance of \$20m - \$23m (HY23: 6.0cps)
- ✓ Strong cash balance of \$57m at 31 December 2022 and no debt



FY22 results and FY23 Guidance

FY22 Results

REVENUE

\$736.1m

(excl. Other Income)

NET PROFIT AFTER TAX

\$62.2m

FINAL DIVIDEND

7.3cps

(60% of Free Cash Flow²)

EBITDA

\$169.0m

CAPEX

\$44.7m

FY23 Guidance¹

(updated 23 Feb 2023)

REVENUE

\$750m - \$760m

EBITDA

\$150m - \$160m

NPAT

\$55m - \$60m

CAPEX

\$65m - \$75m

DIVIDEND

\$20m - \$23m

1. Excludes the impact of on-offs associated with organisational changes announced 29 March 2023. Assumes no adverse change in operating conditions, including future economic headwinds, and the impacts of significant climatic events. Excludes RugbyPass contribution. 2. Free Cash Flow excludes one offs and is defined as net cash from operating activities, less capex, less payments for lease liability principal. One off items includes material acquisition or disposal of assets.

Committed to playing our part

We recognise our responsibility to make a positive contribution

- ✓ Sky and its customers make a significant contribution to New Zealand's creative and sporting sectors
- ✓ We understand the need to reflect the people and cultures we represent
- ✓ Sky for Good is about using our platform, people and presence in the community
- ✓ We are committed to minimising our impact on the environment through Toitū Envirocare CarbonReduce



Halberg
Foundation



TOITŪ
ENVIROCARE

Starship



sky

Executing at pace on the opportunities ahead of us

- ▶ Over 1 million **customer relationships**
- ▶ Unrivalled **biggest content bundle**
- ▶ Unmatched **multi-product offering**
- ▶ Returned to **revenue growth**
- ▶ Firm focus on **permanent cost reductions**
- ▶ Returned to **paying dividends**
- ▶ **Returning capital** to shareholders while **investing for future growth**



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