



**MARKET RELEASE**

**31 August 2022**

## **Further detail regarding Spark's revised Capital Management Policy**

As part of the recent FY22 results announcement on 24 August 2022, Spark New Zealand (Spark) disclosed its revised Capital Management Policy, which is designed to maintain financial strength and flexibility.

Spark New Zealand Chair, Justine Smyth, commented "The Board is committed to Spark maintaining an investment grade credit rating and its capital management policies are designed to ensure this objective is met. As part of this commitment Spark manages its debt levels to ensure that the ratio of net debt to EBITDA does not materially exceed 1.4 times on a long-run basis, which, for credit rating agency purposes, Spark estimates equates approximately to adjusted debt to EBITDA of 1.7 times.

The Board believes that any as-yet unidentified acquisition would be funded in the context of the gearing policy of 1.4 times, which Spark believes is consistent with maintaining an A- rating."

For completeness Spark has clarified this position on page 14 of its FY22 Results Investor Presentation, and an updated copy is attached.

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