

2 November 2022



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## Sky Annual Shareholders' Meeting

### Chairman's and Chief Executive's Address and Presentation

2 November 2022

The 2022 Annual Meeting of Shareholders of Sky Network Television Limited (**Sky**) will be held today, Wednesday 2 November 2022, commencing at 10:00am (NZDT) at The Maritime Room, Princes Wharf, Viaduct Harbour, Auckland and via the Computershare online meeting platform at <https://meetnow.global/nz>. Copies of the Chair's and Chief Executive's addresses and presentation are *attached* and also available on Sky's website. Sky shareholders are warmly encouraged to participate.

The meeting includes a Special Resolution regarding the return of approximately \$70 million by way of a Court Sanctioned Scheme of Arrangement (Scheme). In this regard, Sky Chairman Philip Bowman confirms receipt of a binding ruling from the New Zealand IRD in his address to shareholders, satisfying one of the conditions to the Scheme. Should the Special Resolution be passed at the meeting, satisfying the other condition to the Scheme, Sky expects to seek final orders from the High Court sanctioning the return of capital shortly thereafter.

Mr Bowman will also provide an update on the Company's dividend policy and signal the potential for additional capital allocation measures: "As a further demonstration of the Board's confidence, and with reference to our view on cash generation and appropriate levels of leverage, we have made an amendment to Sky's dividend policy. Going forward, the previously advised pay-out range of 50% to 80% of Free Cash Flow (excluding one-off items) has been increased to 60% to 90% on the same basis. We are also confirming the definition of Free Cash Flow as cashflow from operations less both replacement and growth capex, but excluding one-off items such as material acquisitions or disposals of assets.

"As a result of the change, Sky's dividend guidance for FY23 has been increased to between \$18m and \$24m. This change is a positive demonstration of our ongoing commitment to return surplus cash and one that I trust shareholders will appreciate."

"Consistent with the Board's stated capital allocation strategy and focus on value creation, the Board is currently minded to initiate an on-market buy-back programme following the announcement of the interim results, noting that the size of any programme would be determined by reference at that time to the prevailing share price, the cash position of the company, the economic outlook, and the liquidity of our shares in the market."

Chief Executive Sophie Moloney will provide an update to shareholders on Sky's strategy and core competitive advantages, and the progress made in the last two years. She will also outline priority projects for the upcoming year, including:

- Delivery of the new Sky Box and Sky Pod, noting that Sky has agreed with Vodafone that the Vodafone TV platform will stay open across the summer break to ensure customers can continue to watch Sky and other content on Vodafone TV until they move to new Sky products in the New Year;



- The next steps to take advantage of the significant opportunity that exists in the advertising space;
- Sky's focus on its data strategy to deliver deeper actionable insights; and
- Sky's ongoing delivery of cost control, in both programming and non-programming costs.

Sky remains on track to deliver results within the guidance ranges provided at the time of the FY22 results in August, being Revenue of between \$750m to \$770m; EBITDA of between \$150m to \$170m, NPAT of between \$50m to \$60m and Capex of between \$60m to \$75m.

For those unable to attend in person, the Computershare online meeting platform enables shareholders and guests to view the meeting and presentations and provides shareholders and proxyholders the opportunity to vote and ask questions. Instructions on how to participate are available in the Virtual Meeting Guide accompanying this announcement and available on Sky's website at [www.sky.co.nz/investor-centre/investor-information](http://www.sky.co.nz/investor-centre/investor-information).

A replay of the Annual Shareholders' Meeting webcast will be made available on Sky's website as soon as practicable following the event.

Authorised by: James Bishop, Company Secretary

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