

2022 Annual Meeting of Shareholders

2 November 2022

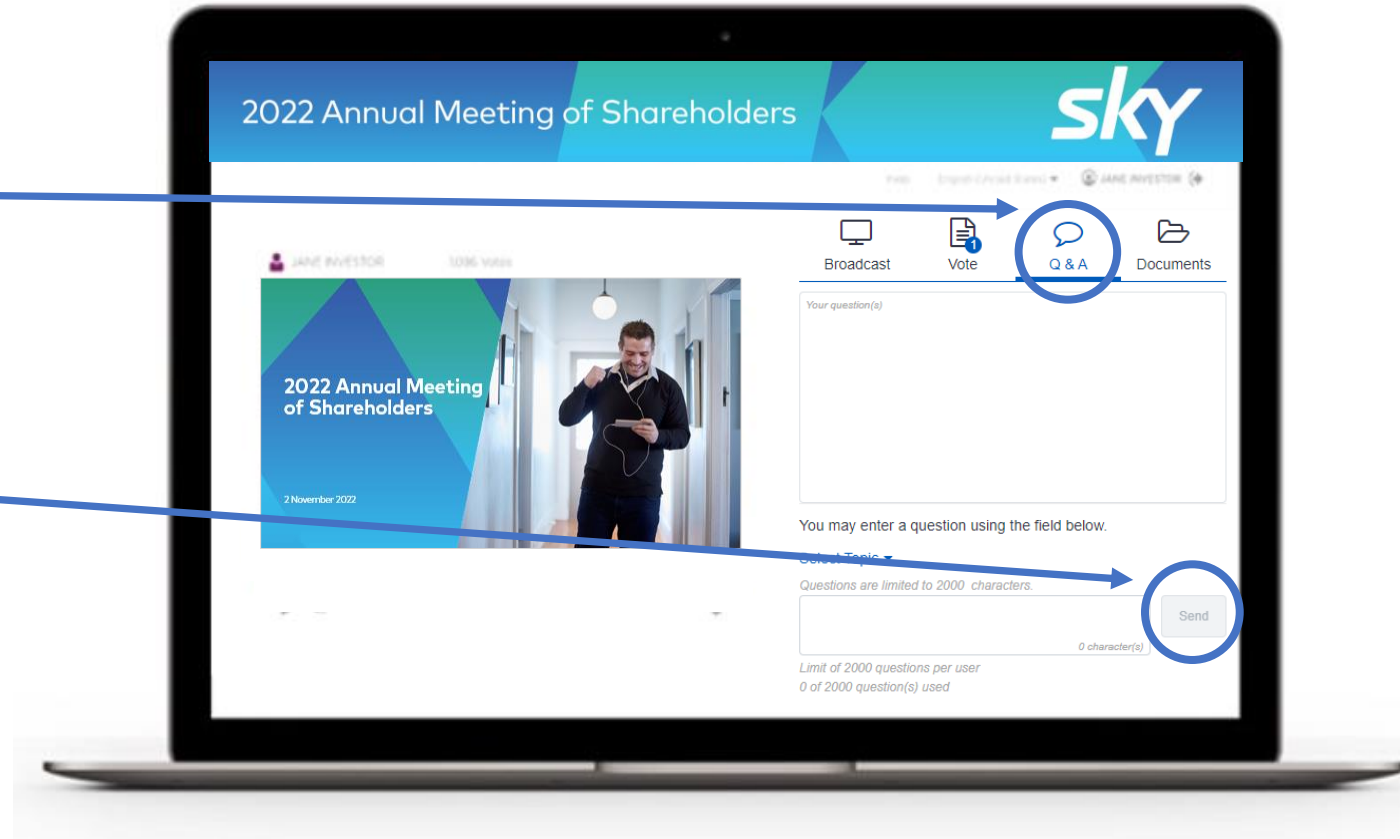


Welcome



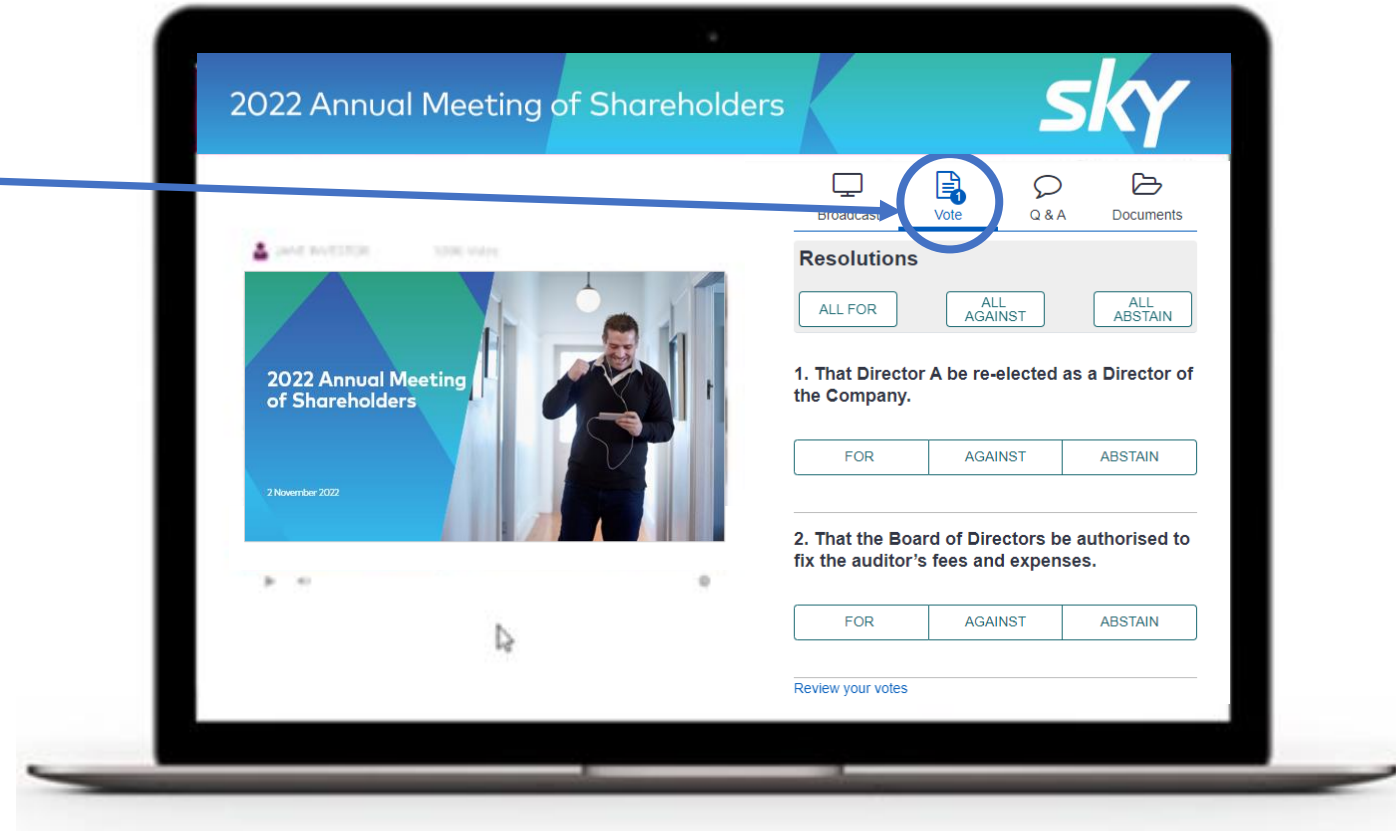
Asking a question at the meeting

- ▶ Questions may be submitted by selecting the Q&A icon on the right side of the screen
- ▶ Type your question in the space provided and then press 'send'. Your question will be submitted immediately
- ▶ Help: The same process can be used if you need help at any stage. A Computershare representative will respond to you directly



Voting at the meeting

- ▶ When voting is opened, the resolutions will be accessible by selecting the voting icon
- ▶ To vote simply select your voting direction from the options shown on the screen
- ▶ Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote' at any time until the voting closes



Board and Executives



Philip Bowman
Independent Chair



Sophie Moloney
Chief Executive Officer



Keith Smith
Independent Director



Joan Withers
Independent Director



Mike Darcey
Independent Director



Geraldine McBride
Independent Director



Mark Buckman
Independent Director



Tom Gordon
Chief Financial Officer



James Bishop
Company Secretary

Agenda

- ▶ Chair's Address
- ▶ Chief Executive's Address
- ▶ Formal Business - resolutions
- ▶ General Business - shareholder questions

Chair's Address

sky

FY2022 at a Glance

REVENUE (excl Other Income)

\$736.1m

(FY21: \$711.2m)

NET PROFIT AFTER TAX

\$62.2m

(FY21: \$44.2m, restated)

FREE CASH FLOW¹

\$42.8m

(FY21: \$18.6m)

FINAL DIVIDEND

7.3cps

(60% of Free Cash Flow¹)

Refreshed dividend policy

Refreshed Dividend Policy

To distribute between 60% and 90% of Free Cash Flow¹
(excluding one-off items)

- ▶ Targeting increased dividend distributions based on growth in free cash flow
- ▶ Our policy is to pay out the majority of Free Cash Flow, excluding one off items, within the context of market conditions and investment opportunities
- ▶ We will look to pay approximately 40% of the annual dividend by way of an Interim distribution

1. Free Cash Flow is defined as net cash from operations, less payments for lease liability principal, less both replacement and growth capex, but excluding one off items such as material acquisitions or disposals of assets.

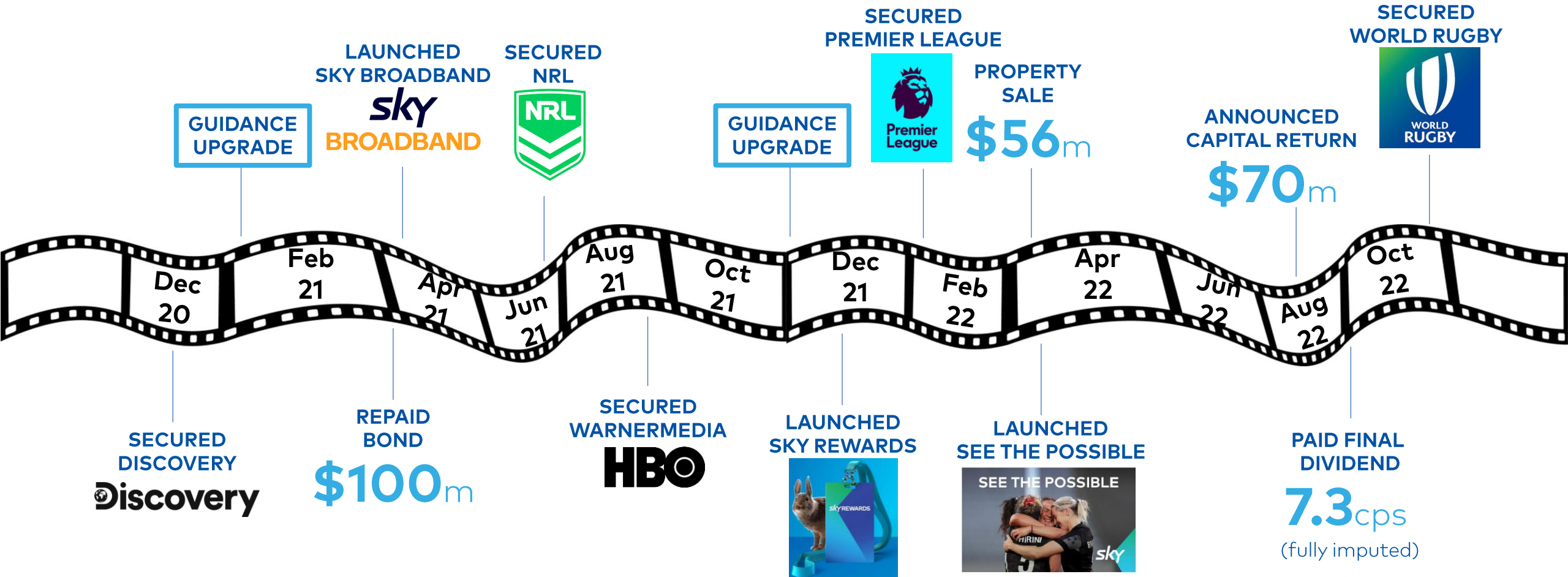
What's changed?

- ▶ *Distribution range increased from 50% - 80%*
- ▶ *Definition of Free Cash Flow clarified to confirm this is after capex spend (including both replacement and growth assets). One off items defined.*

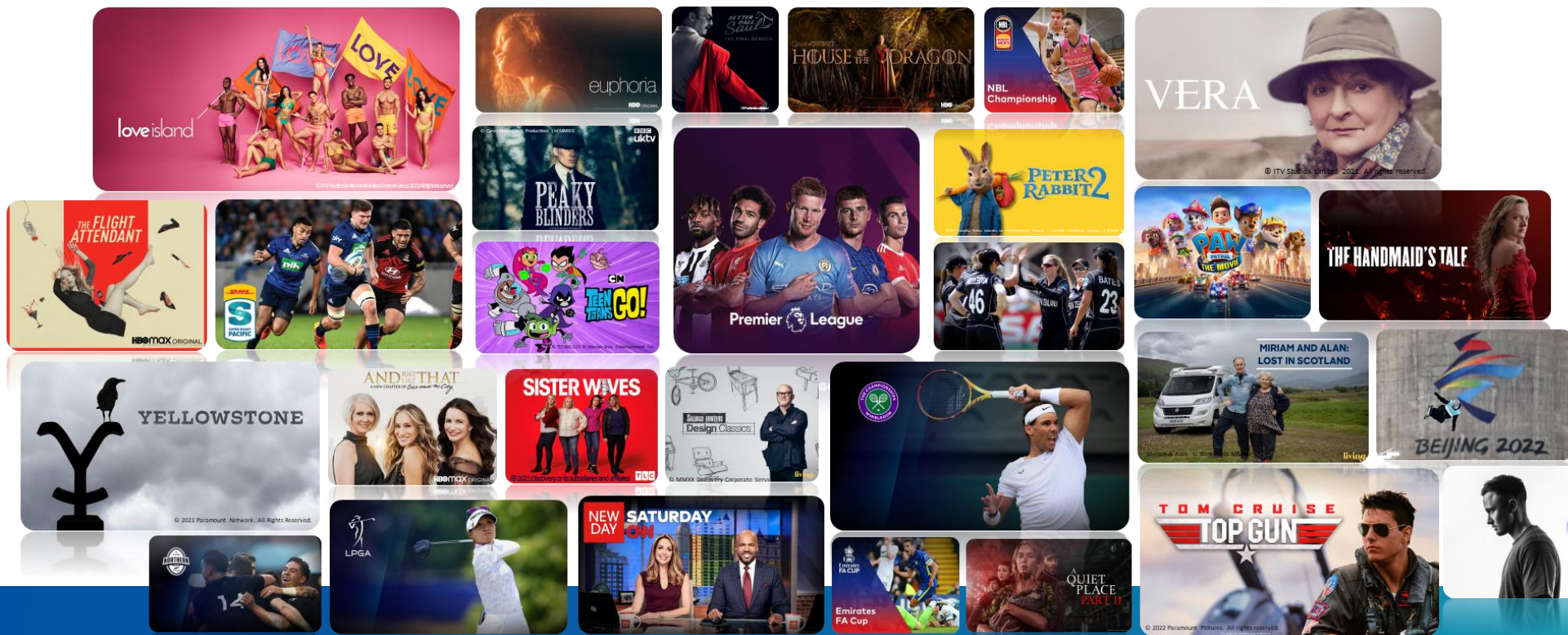
Chief Executive's Address

sky

Recap on progress



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



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

sky



sky ADVERTISING



sky BROADBAND



Our competitive advantage

1

Understanding what customers value based on rich viewership data

2

Our ultimate aggregator 'power of the bundle' content offering

3

Our ability to deliver to all of New Zealand

4

Our significant high ARPU Sky Box customer base

5

Our multi product and platform play, including free to access options

FY2022 at a Glance

Customer

TOTAL CUSTOMER
RELATIONSHIPS

990,761

(FY21: 957,098)

STREAMING
CUSTOMER GROWTH¹

+11% YOY

(+18% excl. RugbyPass)

SKY BOX CUSTOMERS

529,521

(FY21: 554,690)

Financial

REVENUE (excl Other Income)

\$736.1m

(FY21: \$711.2m)

FREE CASH FLOW²

\$42.8m

(FY21: \$18.6m)

NET PROFIT AFTER TAX

\$62.2m

(FY21: \$44.2m, restated)

FINAL DIVIDEND

7.3cps

(60% of Free Cash Flow²)

3-year targets - how we're tracking

	Sky's Strategy	3 Year Targets (to FY 2024)	Progress
FOCUS	CUSTOMERS	<ul style="list-style-type: none"> Stabilise and then grow Sky Box customers Sky Box customer churn 10% Sky Broadband attachment rate of 8% – 13% Grow Neon and Sky Sport Now customers by 10% – 15% CAGR Average tenure for Neon and Sky Sport Now of 12 - 18 months 	On track Ahead On track Ahead Ahead
	CONTENT	<ul style="list-style-type: none"> Continue to deliver the content that matters to customers Accessing co-exclusive rights opportunities Neon engagement 80%; Sky Sport Now engagement 75% 	On track On track On track
	CAPABILITY	<ul style="list-style-type: none"> Sky Box revenue stabilised¹ Streaming revenue growth of 15% – 25% CAGR Grow new business revenues to 10% - 15% of total revenue Revenue growth of \$75m - \$100m+ p.a.² Programming costs return to be within 45% - 50% of total revenue At least \$10m - \$15m of non-programming operating cost savings p.a.^{2,3} 	On track Ahead
			In progress
			On track
CREW	<ul style="list-style-type: none"> Year on year increases in employee engagement scores 	In progress	
BEDROCK	Rapid and sustained execution and enabling our people to succeed	<ul style="list-style-type: none"> New Sky Box in New Zealand homes by mid-year 2022 50% - 60% of capex on growth initiatives 	Behind Delayed
	Being efficient, adaptive and profitable business	<ul style="list-style-type: none"> Maintain positive free cash flow throughout Depreciation & amortisation reduced by \$20m - \$25m p.a.² Capex maintained at long term average of 7% - 9% of revenue 	On track Ahead Ahead

A focus on delivery

**Accelerate
digital
delivery**

Accelerate rollout of
the new Sky Box

**Increase speed to
market** for products
and services



A focus on delivery

Accelerate digital delivery

Accelerate rollout of the new Sky Box

Increase speed to market for products and services

Unlock advertising opportunities

Pursue digital revenue opportunities

Invest in ad tech

A focus on delivery

Accelerate digital delivery

Accelerate rollout of the new Sky Box

Increase speed to market for products and services

Unlock advertising opportunities

Pursue digital revenue opportunities

Invest in ad tech

Build out capability

Enhance data strategy to deliver deeper actionable insights

Partner for experience and expertise

Programming cost discipline

\$17m permanent savings delivered in FY22 with additional savings planned

Phase #1 Delivered

Programming Costs

- ✓ Rationalised rights portfolio focusing on content that customers' value
- ✓ Ensured a consistent approach to production choices aligned to content categories

Phase #2 Initiatives

- Continue to leverage customer data to ensure improved ROI from content spending including opportunities to consider non-exclusivity or co-exclusivity
- Continued innovation in production methods to reduce cost of delivery
- Target programming costs as a percentage of revenue to drop back below 50%

Further cost reduction ahead

\$12m permanent non-programming savings in FY22 – more ahead

Phase #1 Delivered

Phase #2 Initiatives

Subscriber acquisitions	<ul style="list-style-type: none"> ✓ Optimised marketing spend to reduce discounting and rationalise sales channels ✓ Leveraged owned media to drive effective and efficient sales (e.g. Broadband) 	<ul style="list-style-type: none"> – Leverage new box roll-out to increase mix of self-installs – Improved acquisition profile leading to reduced credit loss – Optimise agency model
3rd party optimisation	<ul style="list-style-type: none"> ✓ Partnered with reputable 3rd parties to deliver improved outcomes in 3PL, Care and IT ✓ Streamlined vendors for workflow and cost efficiency 	<ul style="list-style-type: none"> – Expand opportunities to partner with experts to access talent, best practice and economies of scale – Increase procurement discipline - consolidation to fewer bigger partners
Process efficiency	<ul style="list-style-type: none"> ✓ Leveraged learning through Covid to reduce non-essential discretionary costs 	<ul style="list-style-type: none"> – Review end to end costs of each activity to assess optimum ongoing model – Automation of repeatable activity – Enhance business planning and prioritisation to streamline accountabilities and ways of working
Working capital & capex	<ul style="list-style-type: none"> ✓ Reduced Optus satellite costs ✓ Consolidated digital platforms to reduce ongoing operating cost 	<ul style="list-style-type: none"> – New box roll out to support reduced install, maintenance and repair costs – Long term capex intensity to be within 6%-8% of revenue

Outlook and Guidance

Remain on-track despite delay in positive impact from Sky Box and Sky Pod launch; Dividend guidance increased

- ▶ Customer relationship growth expected to continue through growth in Neon, Sky Sport Now and Broadband and stabilisation of Sky Box
- ▶ FY23 revenue growth expected through customer acquisition, recovery in Commercial and expanded opportunities in Advertising
- ▶ Firm focus on costs remains. FY23 will include some step up in rights partly offset by FY22 permanent opex cost out and next phase of cost reduction measures
- ▶ Higher Capex through FY23 and FY24 as we roll out new boxes before reducing thereafter
- ▶ Dividend Guidance increased to \$18m-\$24m (from \$17m-\$23m) following policy change

\$m	FY23 guidance¹
Revenue	\$750 - 770m
EBITDA	\$150 - 170m
NPAT	\$50 - 60m
Capex	\$60 - 75m
Dividend	\$18m - \$24m

Sky crew

Supporting our people to do their best work

- ▶ Recognise the importance of attracting and retaining talented Sky crew
- ▶ Encouraging a flexible, hybrid 'anywhere works' approach to create options that work for our crew
- ▶ Refreshed workspaces providing an environment that encourages and facilitates collaboration



Playing our part for New Zealanders

Committed to making a positive contribution

- ▶ 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 committed to minimising impact on the environment through the Toitū carbon reduce programme



Halberg
Foundation

Special Children's
CHRISTMAS PARTIES

Starship



TOITŪ
ENVIROCARE



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.

Shareholder Questions



Formal Business



1. Auditor's remuneration

- ▶ That the Board be authorised to fix the auditor's remuneration for the ensuing year

2. Director Re-election

- ▶ That **Philip Bowman**, who retires at the Annual Meeting and is eligible for re-election, be re-elected as a director of the Company

3. Director Re-election

- ▶ That **Joan Withers**, who retires at the Annual Meeting and is eligible for re-election, be re-elected as a director of the Company

4. Director Re-election

- ▶ That **Mark Buckman**, who was appointed by the Board on 21 March 2022 and retires at the Annual Meeting, be re-elected as a director of the Company

5. Capital Return

- ▶ That the scheme of arrangement relating to the return of capital to shareholders, as set out in the explanatory notes accompanying the Notice of Meeting, be and is approved

General Business



Thank you!



Disclaimer

This presentation has been prepared by Sky Network Television Limited and its group of companies ("the Company") for informational purposes. This disclaimer applies to this document and the verbal or written comments of any person presenting it.

Information in this presentation has been prepared by the Company with due care and attention. However, neither the Company nor any of its directors, employees, shareholders nor any other person give any warranties or representation (express or implied) as the accuracy or completeness of this information. To the maximum extent permitted by law, none of the Company, its directors, employees, shareholders or any other person shall have any liability whatsoever to any person for any loss (including, without limitation, arising from any fault or negligence) arising from this presentation or any information supplied in connection with it.

This presentation may contain projections or forward-looking statements regarding a variety of items. Such projections or forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks, and uncertainties, including material adverse events, significant one-off expenses and other unforeseeable circumstances. There is no assurance that results contemplated in any of these projections and forward-looking statements will be realised, nor is there any assurance that the expectations, estimates and assumptions underpinning those projections or forward-looking statements are reasonable. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release or to provide you with further information about the Company.

You should not consider this in isolation from, or as a substitute for, the information provided in the audited consolidated financial statements for the twelve months ended 30 June 2022, which are available at <https://www.sky.co.nz/investor-relations/results-and-reports>.

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice or any recommendation. The presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any security and may not be relied upon in connection with the purchase or sale of any security. Nothing in this presentation constitutes legal, financial, tax or other advice.