RESULTS PRESENTATION

For the year ended 30 June 2020

SKY NETWORK TELEVISION LIMITED

Agenda

- FY20 Highlights
- COVID-19 impact
- Financial performance
- FY20 Progress in strategy focus areas
- Looking ahead

FY20 Highlights

Sky has delivered results in-line with guidance and entered FY21 in a strong financial position

$747.6m

Revenue

At top end of guidance range $730m - $750m

$164.2m

EBITDA

within guidance range of $155m - $175m

$(156.8m)

Net loss after tax

Net Profit After Tax excluding goodwill of $20.7m within guidance range of $20m - $25m

$192.4m

Adjusted EBITDA

$41.0m

Adjusted NPAT

$82.7m

Free cash flow

$157.3m operating cash flow and $74.6m investing cash flow

21%

Improvement in satellite net churn

585k satellite customers at 30 June

35%

Increase in streaming revenue

through organic growth and acquisitions to achieve brand presence and scale

Increased focus on Streaming

Acquired and merged Lightbox with Neon; Acquired RugbyPass; Launched Sky Sport Now

Secured key rights

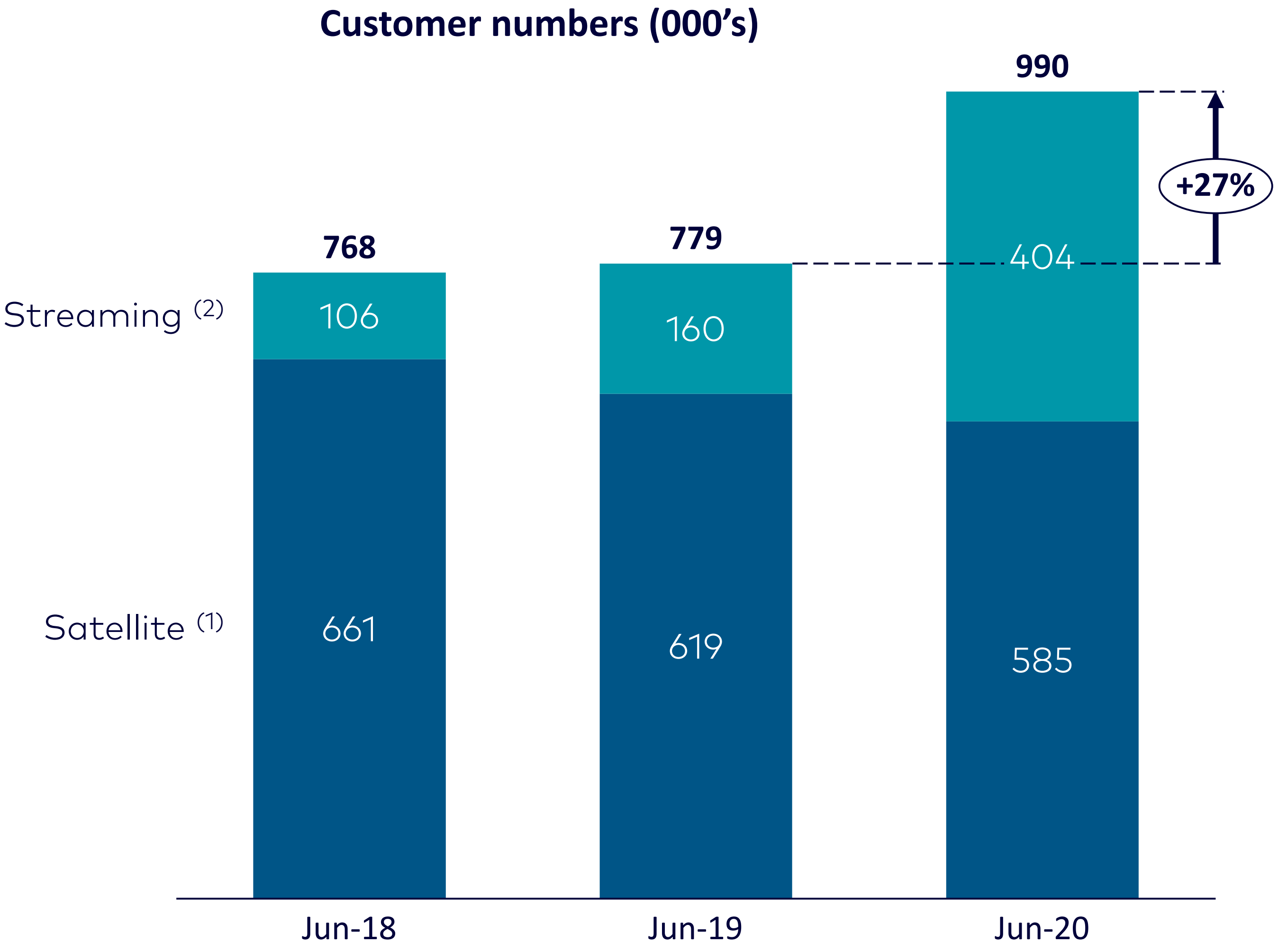
including SANZAAR Rugby, Netball, Supercars, ICC Cricket, IPL, Commonwealth Games, BBC, ViacomCBS and more

Refinanced debt and raised capital

to strengthen balance sheet and navigate COVID-19 uncertainty

[1] A reconciliation between reported and adjusted figures is set out on page 10 and 11.

27% growth in customer relationships in FY20

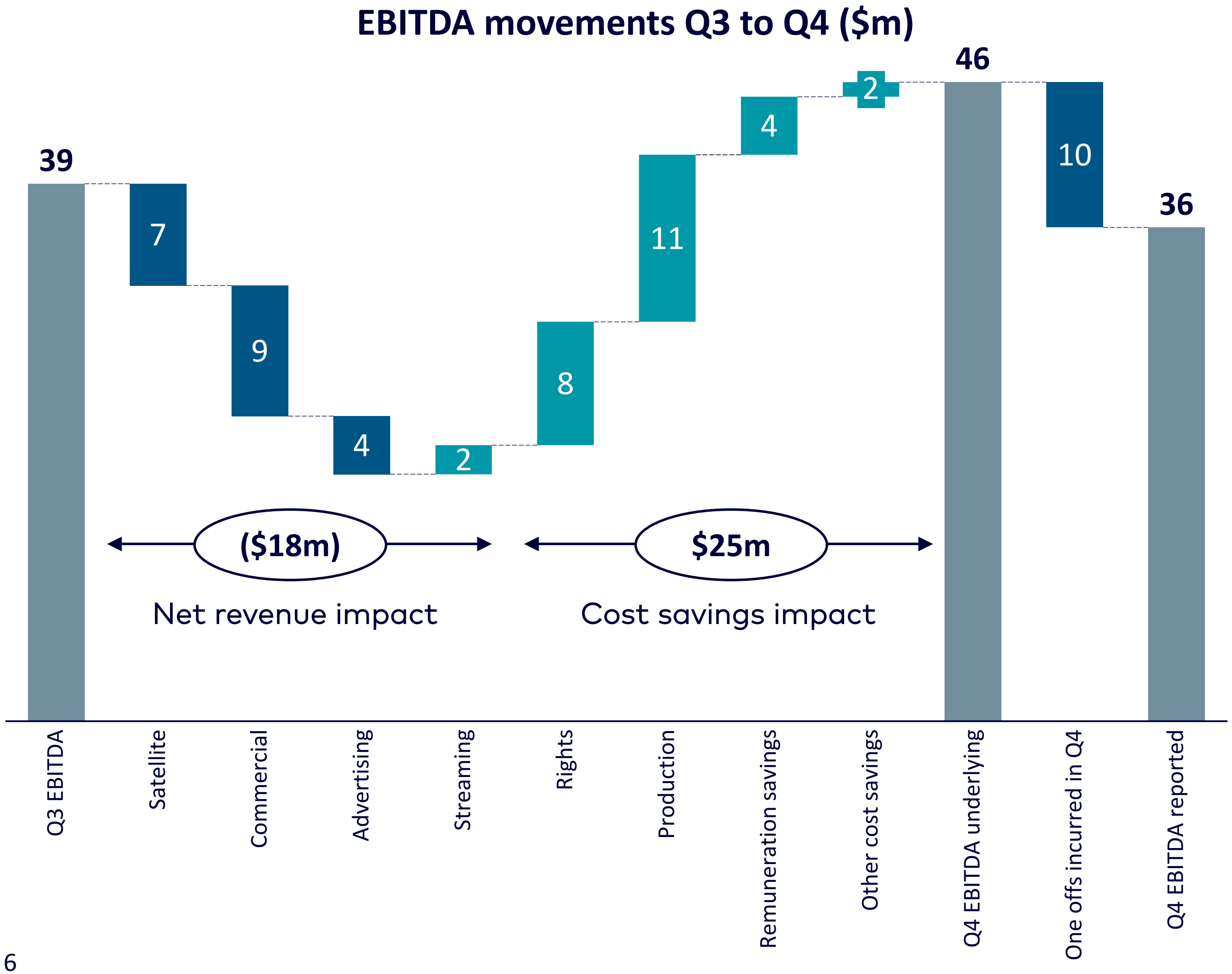


- Satellite customer numbers stabilising and achieved growth in the final month of FY20.
- Significant growth of 153% in streaming customers from 30 June 2019 to 30 June 2020.
- Streaming boosted by successful acquisitions of RugbyPass and Lightbox.
- At 31 August streaming customer numbers have reduced to 315k reflecting the changed recognition of former Lightbox customers following Neon merger, but with minimal revenue impact due to confidential commercial terms in place with Spark until January 2021.

[1] Satellite customer groups comprise Sky Residential, Commercial and Vodafone reseller customers. [2] Streaming customer groups comprise Neon, Lightbox, Sky Sport Now, RugbyPass and Vodafone retransmission customers, but do not include free trials. At 30 June 2020 Lightbox bundled wholesale subscribers account for approximately 52% of total entertainment SVOD streaming customers.

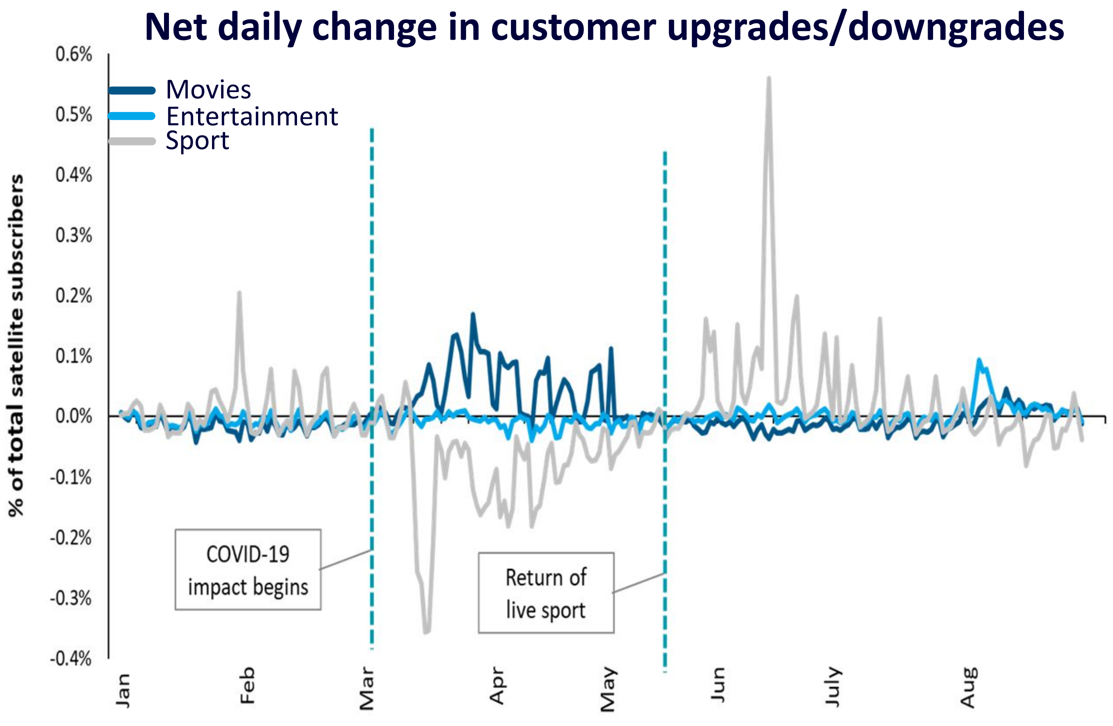
COVID-19 Impact

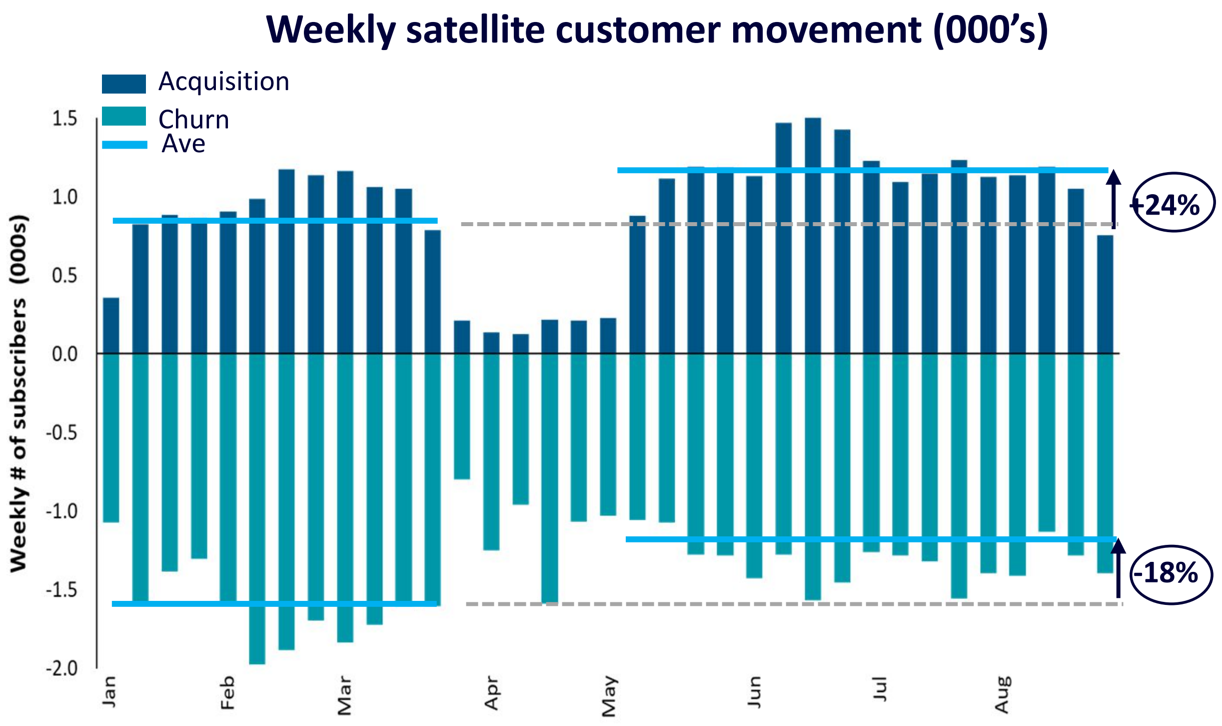
Strong cost control protected EBITDA in Q4



- Q4 revenue reduction offset by lower programming costs, including live sport production costs avoided and working with partners to negotiate reductions for COVID-19 impacted sports payments.
- Remuneration savings included release of executive incentive scheme payments.
- Q4 included $7m of one-off redundancy costs and $3m of Holidays Act provision.
- Lower revenue from satellite partially offset by an increase from streaming.
- Commercial revenue significantly impacted due to gathering and border restrictions. Proactive support well received by commercial customers.
- Advertising revenue down due to economic uncertainty and the absence of live sport.

Resilient satellite base contributing to strong rebound



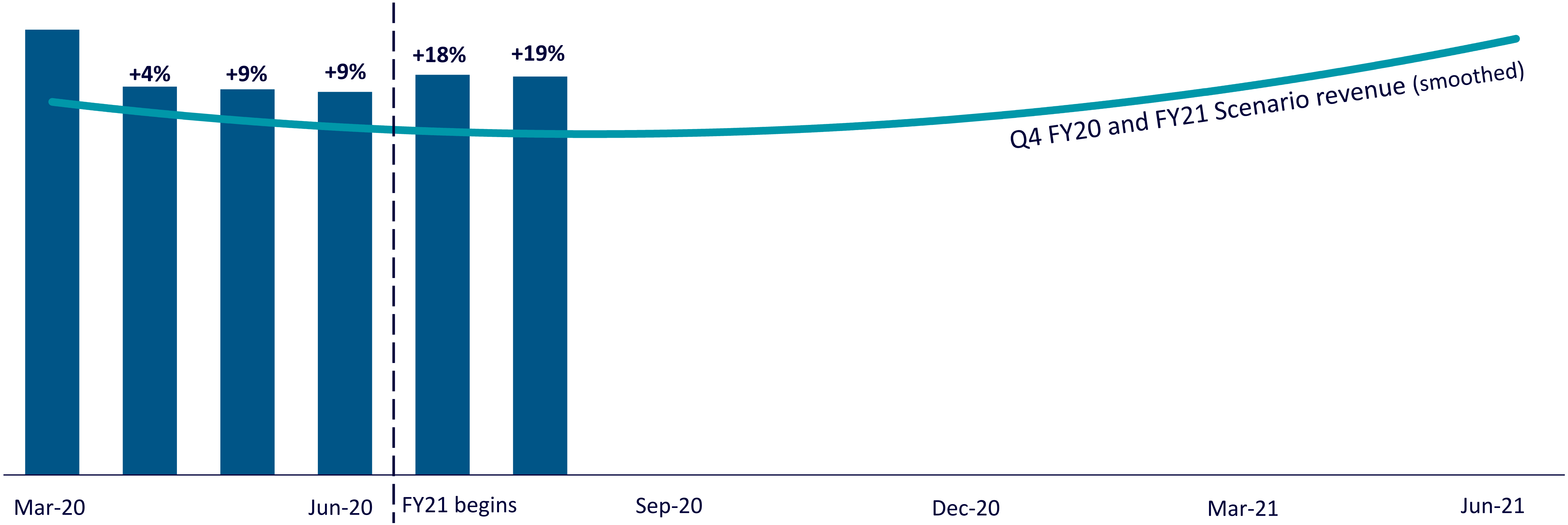


- The majority of the 8.2% sports satellite customers who downgraded subscriptions during period impacted by COVID-19 restrictions reinstated in the final five weeks to 30 June.
- COVID-period gains in movie package subscriptions largely retained. Entertainment and Movie package upgrades provided to sports subscribers ended on 31 July.

- Limited ability to acquire satellite customers during nationwide Level 4 and 3 lockdown corrected with net churn of -2,500 in the 17 weeks from the end of lockdown to 31 August, compared to -10,600 over the same weeks in 2019.

Faster return of sport delivering revenue performance stronger than planned in Q4 FY20 and in the FY21 Scenario [1]

Actual monthly revenue performance compared to FY21 Scenario [1]



[1] Sky provided a view on FY21 performance in May based on the availability of live sport (the *FY21 Scenario*). The FY21 Scenario indicated full year revenue for FY21 of between $610m - $640m. Percentages shown are performance above Q4 FY20 and FY21 Scenario expectations.

Financial Performance

Financial Performance

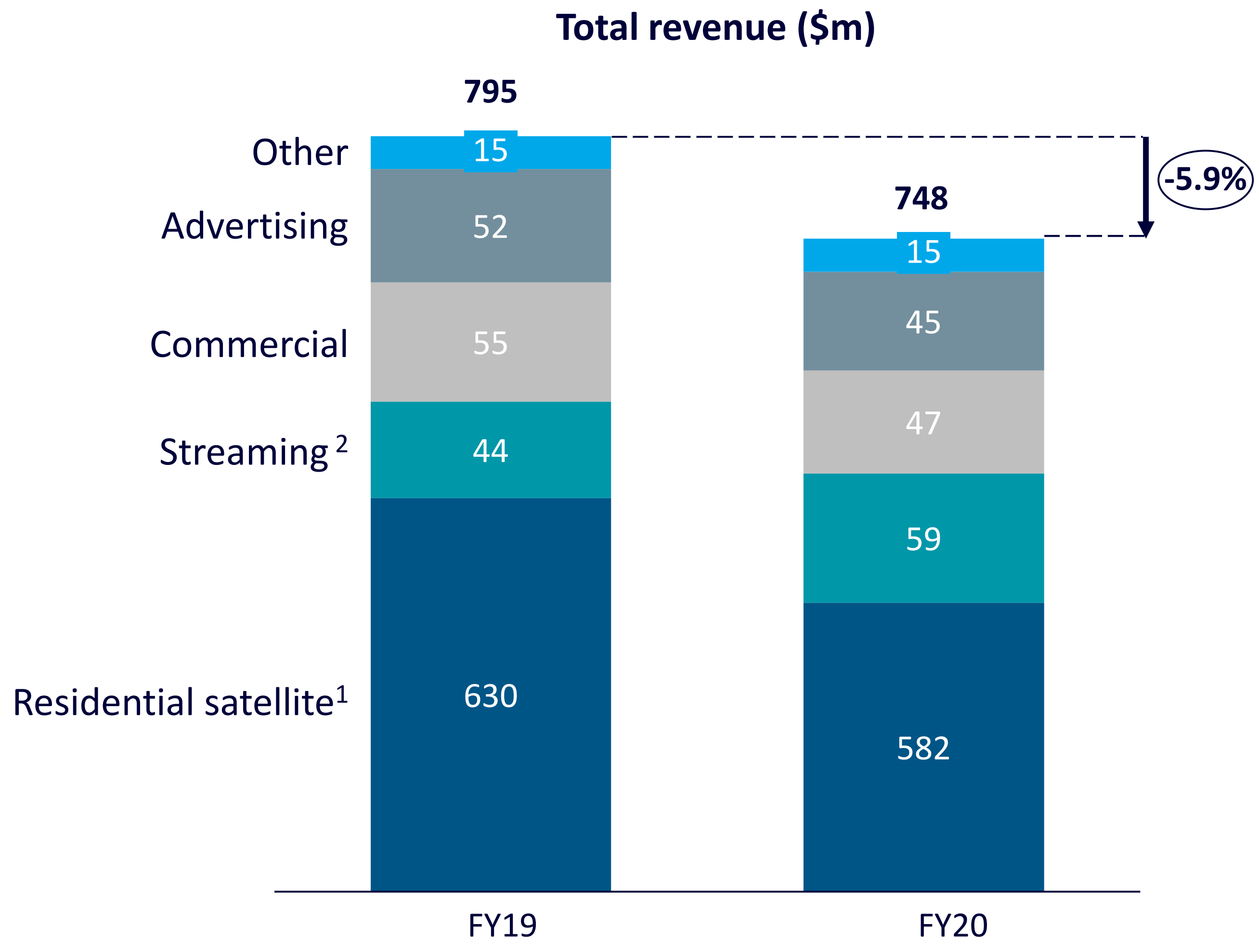
$m	FY20 Adjusted[1]	FY20 Reported	FY19 Adjusted[1]	FY19 Reported
Revenue	**747.6**	**747.6**	**795.1**	**795.1**
Operating Expenses	555.2	583.4	554.1	565.0
EBITDA	**192.4**	**164.2**	**241.0**	**230.1**
Depreciation & Amortisation	119.3	119.3	93.0	131.1
Impairment of Goodwill	-	177.5	-	670.0
EBIT	**73.1**	**(132.6)**	**148.0**	**(570.9)**
Interest	13.7	13.7	12.4	12.4
Profit/(Loss) before tax	**59.4**	**(146.3)**	**135.6**	**(583.4)**
Tax	18.4	10.5	38.2	24.4
Net Profit/(Loss) after tax	**41.0**	**(156.8)**	**97.4**	**(607.8)**

[1] Adjusted items normalise for non-recurring costs and non-cash impairments. A reconciliation between adjusted and reported figures is detailed further on page 11 in relation to FY20. Reconciliation between adjusted and reported figures is detailed further in Sky's FY20 full year results materials.

Non-cash adjustment and one-off costs explained

	$m	
Net Loss after tax – Reported	**(156.8)**	
Goodwill	177.5	▪ Sky goodwill impairment $150.0m ▪ RugbyPass impairment $27.5m
Net Profit after tax – excluding goodwill	**20.7**	
Redundancies	15.5	▪ ~18% of FTE left/leaving ▪ Gross annualised savings of $15m with $5m reinvested to build new capabilities and support growth
Other one-off costs	12.7	▪ Non-recurring consultancy costs $3.3m ▪ Holidays Act provision $3.2m ▪ Content write-offs $3.2m ▪ Satellite reservation fee $3.0m
Tax effect of adjustments	(7.9)	
Net Profit after tax – Adjusted	**41.0**	

Strong growth in streaming revenue; satellite trend continues to improve

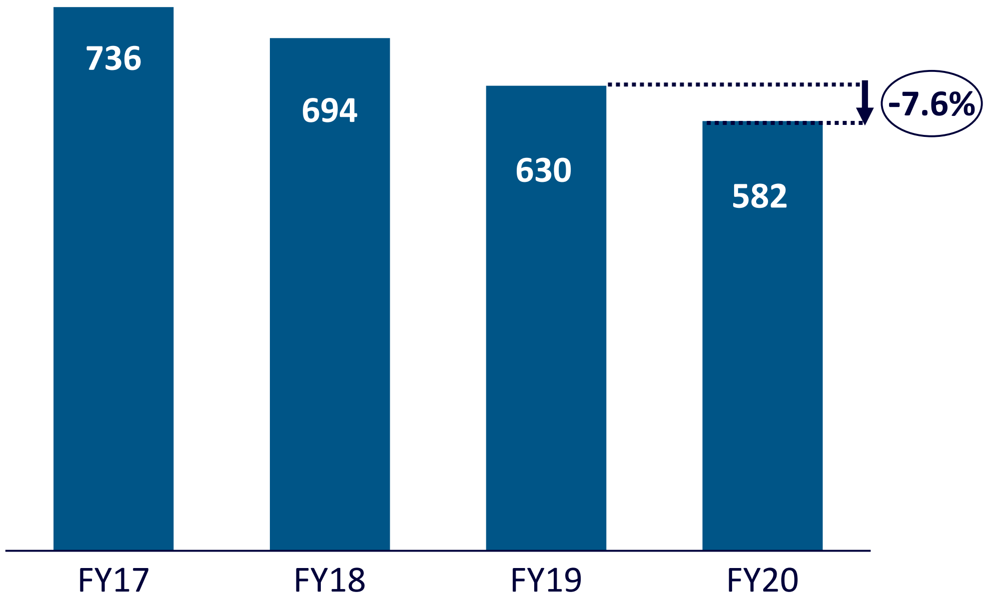


- Revenue reduction of 5.9% in FY20 compares favourably against 6.8% decline in FY19, despite impact of COVID-19 on FY20 performance.
- FY20 revenue reduction of 3.7% YoY after adjusting for net impact of $18m in Q4 due to COVID-19.
- Residential satellite revenue loss continuing to slow.
- 35% increase in streaming revenue through organic growth and acquisitions.

[1] Residential satellite revenue includes Vodafone reseller subscriptions.
[2] Streaming revenue includes Neon, Lightbox, Sky Sport Now, RugbyPass and retransmission revenues.

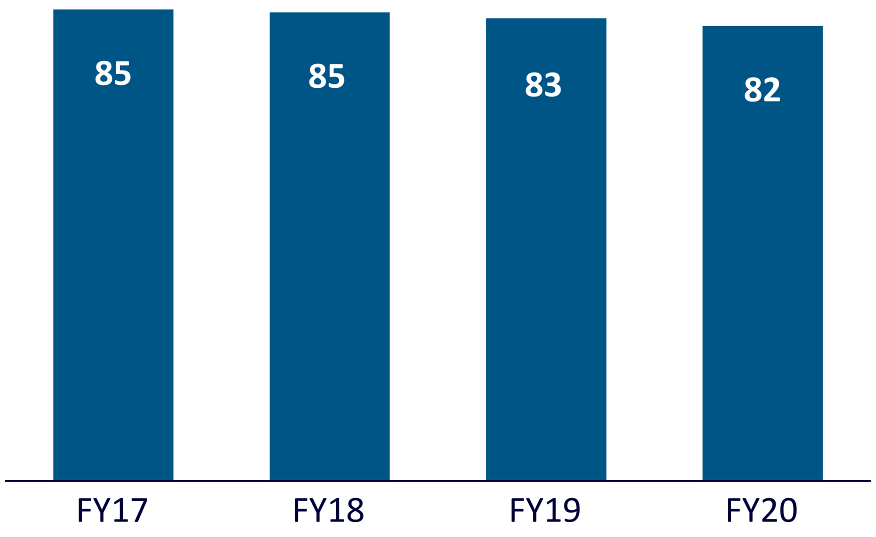
Satellite revenue continuing to stabilise

Satellite revenue[1] ($m)



- Residential satellite revenue loss continuing to slow, down 7.6% in FY20, including impact from COVID-19, compared to 9.3% reduction in FY19.

Satellite subscription ARPU[2] ($)

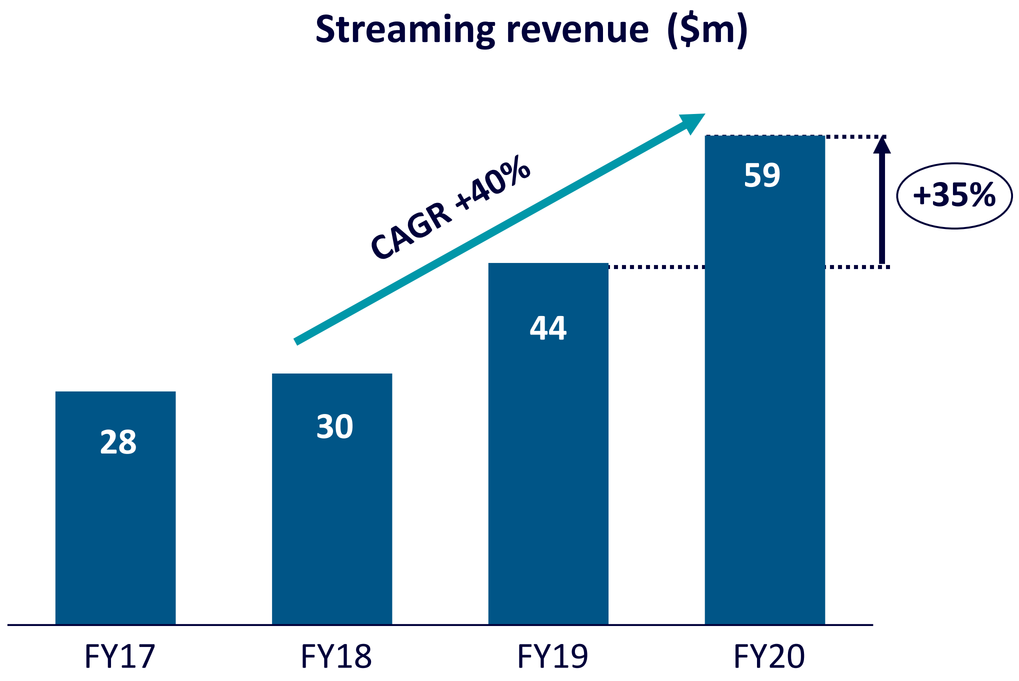


- Satellite ARPU impacted by COVID-19 in Q4 as a number of customers downgraded from sports packages.
- Q4 sport downgrade impact equivalent to $0.25 of ARPU, multiroom impact of $0.47 and rolling full year impact of pricing changes implemented in FY19 such as removing HD and Rugby Channel fees.

[1] FY17 and FY18 satellite revenue is adjusted for the adoption of NZ IFRS 15.

[2] Satellite subscription ARPU is the monthly average revenue for residential customers including Vodafone, reseller customers, calculated as the average for the twelve month period.

35% increase in streaming revenue through organic and acquisition growth

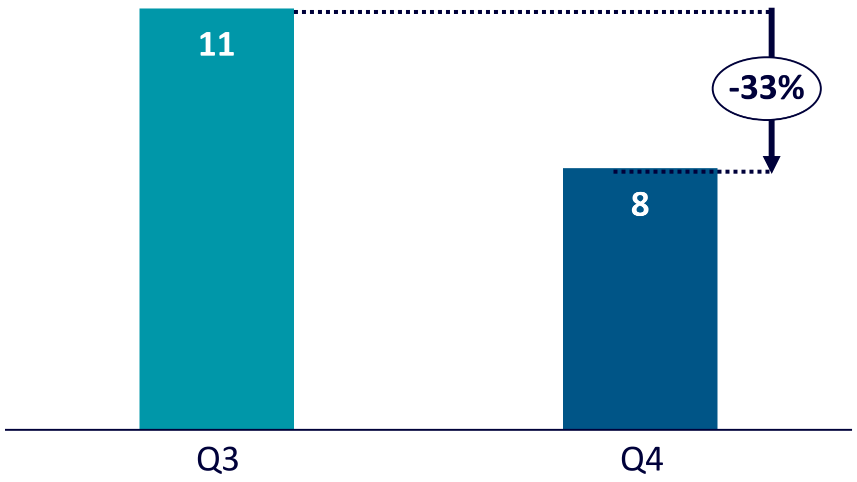


- Streaming revenue has essentially doubled over the past two years with a compound average growth rate of 40% since FY18.
- Blended monthly ARPU[1] in FY20 of $20
  - Changing mix following significant growth in Neon/Lightbox subscriptions.
  - Higher ARPU Sky Sport Now subscriptions disproportionately impacted by COVID-19. Return of live sport now driving customer reactivations and new customer acquisitions.

[1] Streaming subscription ARPU is the blended rate across Neon, Lightbox, Sky Sport Now, RugbyPass and retransmission, calculated as the average for the twelve month period.

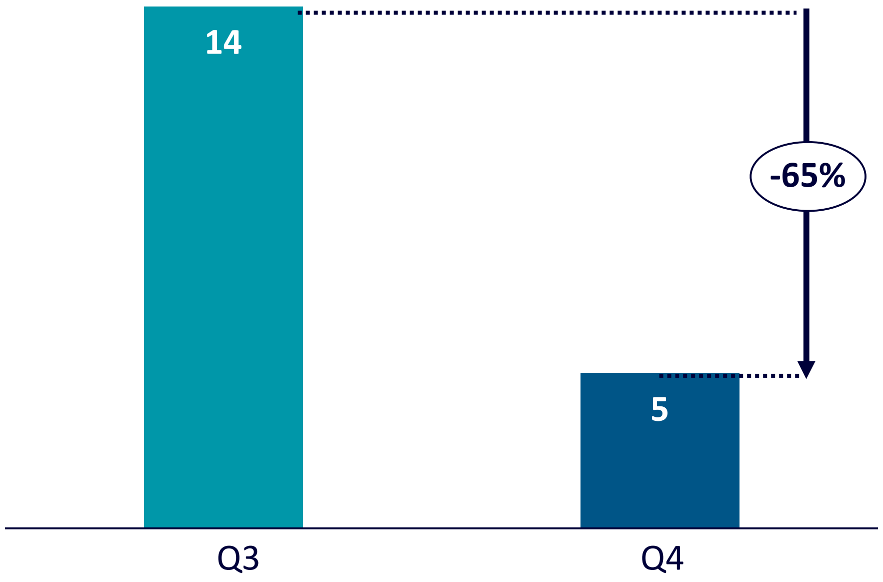
Commercial and advertising disproportionately impacted by COVID-19

Advertising revenue ($m)



- Advertising revenue down $3.8m or 33% in Q4 compared to Q3 due to business uncertainty surrounding COVID-19 and the absence of live sport.
- YoY revenue decline has been slightly higher than total market due to impact of 2019 Rugby World Cup but otherwise market share has remained consistent[1].

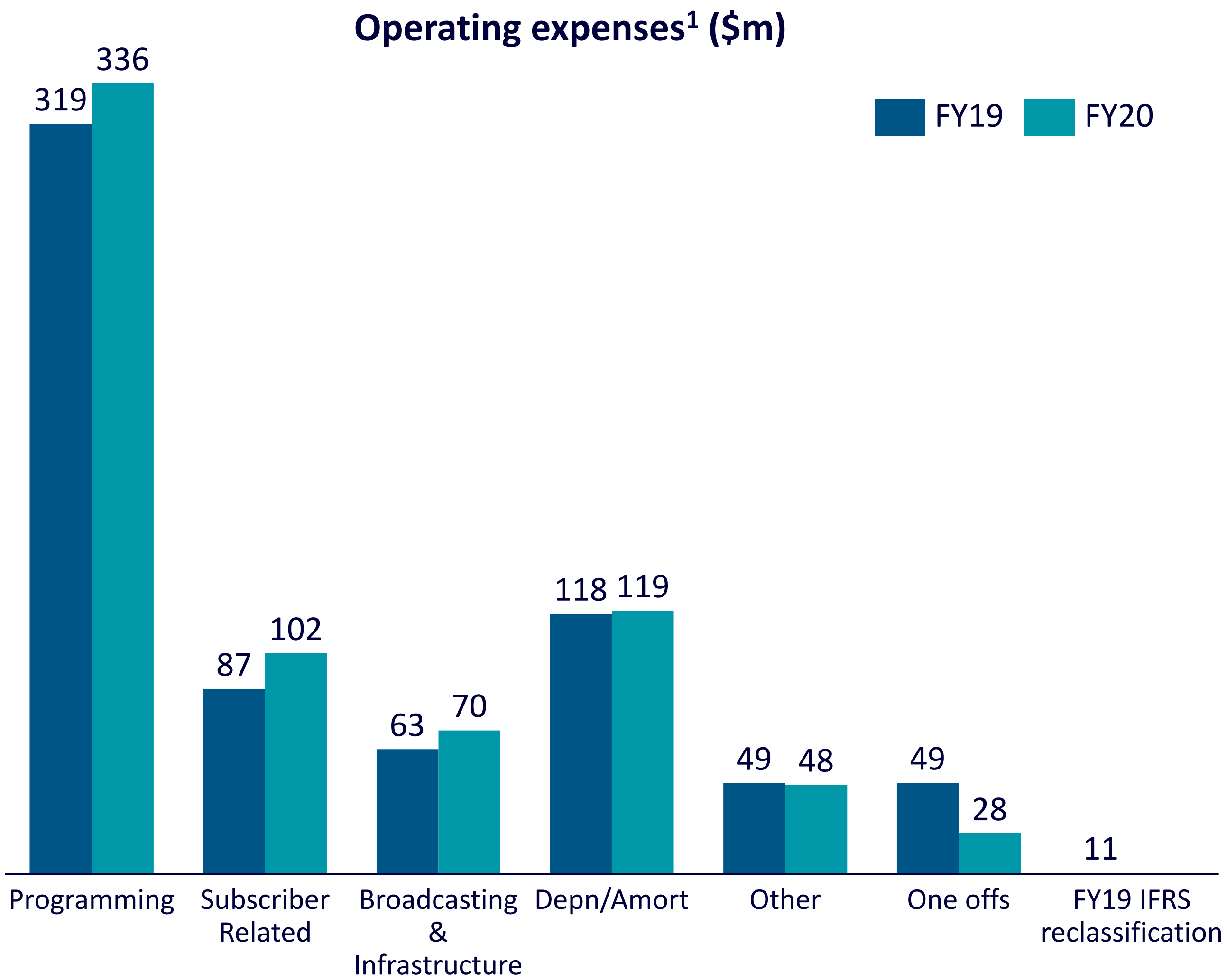
Commercial revenue ($m)



- Commercial revenue impacted by border and gathering restrictions, with Q4 revenue down $9.2m or 65% compared to Q3, higher than the YoY reduction of $8.5m.
- Proactive support provided on a case-by-case basis through discounts and payments holidays. Return to normal billing for licenced premise customers from 1 August. Further support provided in the Auckland region during recent Level 3 restrictions.

[1] Data source: SMI Dataminer, agency reported advertising revenue, Nielsen Television Audience Measure (Arianna)

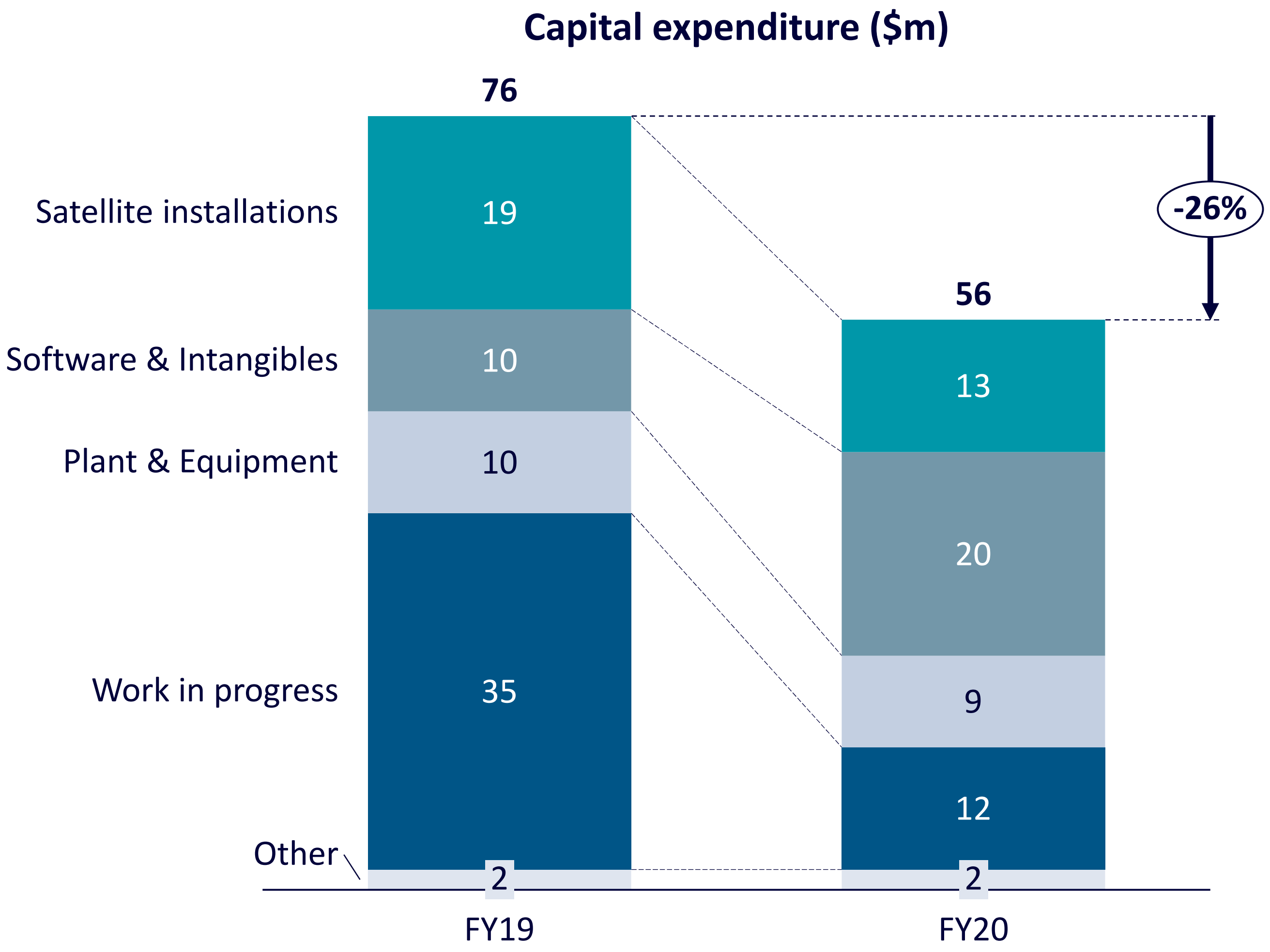
Operating expenses closely managed



- Reported operating expense increase less than 1%.
- Programming expenses increase due to additional programming costs associated with acquisitions, rights increases during the year offset by Q4 reductions.
- Subscriber related cost increases included investment in marketing initiatives to drive customer growth and support product launches.
- Broadcast and infrastructure included incremental increase in internet delivery costs to support expanded and acquired streaming services.
- Other costs include advertising costs and corporate overhead costs.

[1] One-off items shown separately. FY19 restated for NZ IFRS 16. $11m IFRS16 delta to reconcile to FY19 reported costs.

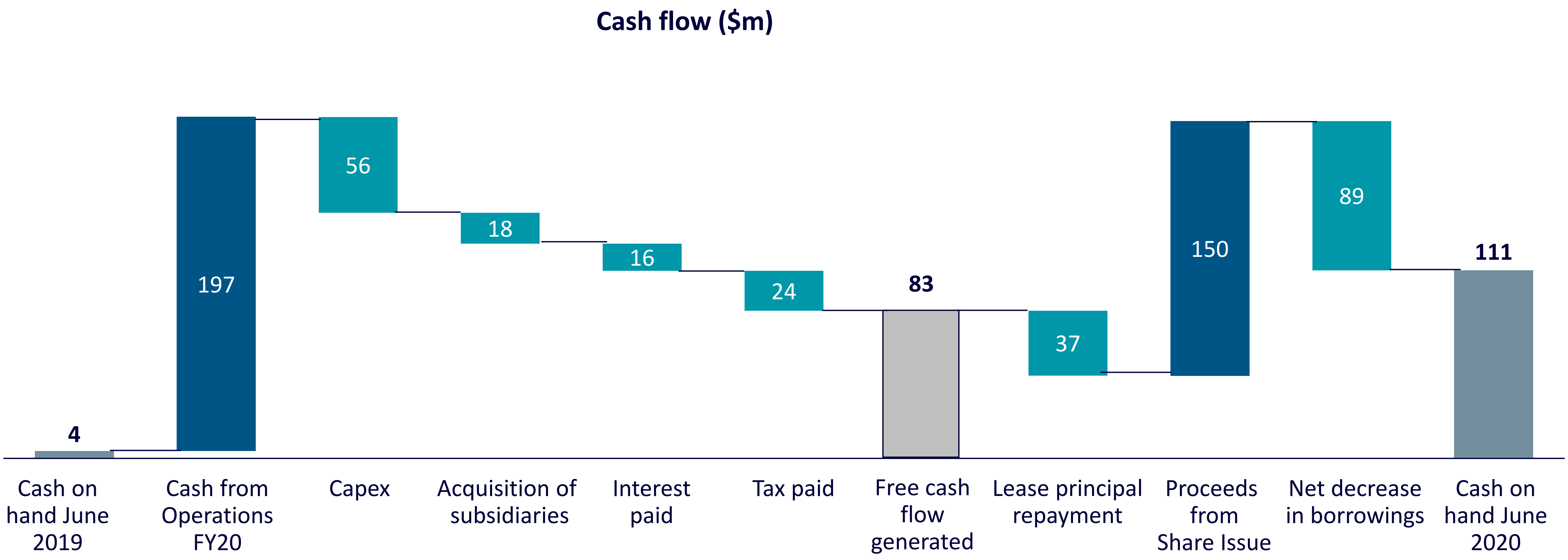
Transition to a lighter capital model continues; capex within target range



- FY20 capex was 7.6% of revenue, down from 9.6% in FY19. Continuing to target capex spend within 7%-9% of revenue.
- Capex of $23m in H2 FY20, down 30% on H1 FY20 as management sought to offset impacts of COVID-19.
- Satellite installation capex declined by 32% driven by lower installation volumes. Capex per installation declined from $380 to $310.
- Increased capex for software and intangibles reflecting increased focus on streaming and digitisation of production and broadcast assets.
- Decrease in WIP due to cancellation of IVP project in 2019.
- Sale of OSB to NEP[1] reduces future capex requirements related to technology upgrades estimated at $50m over the next 5 years.

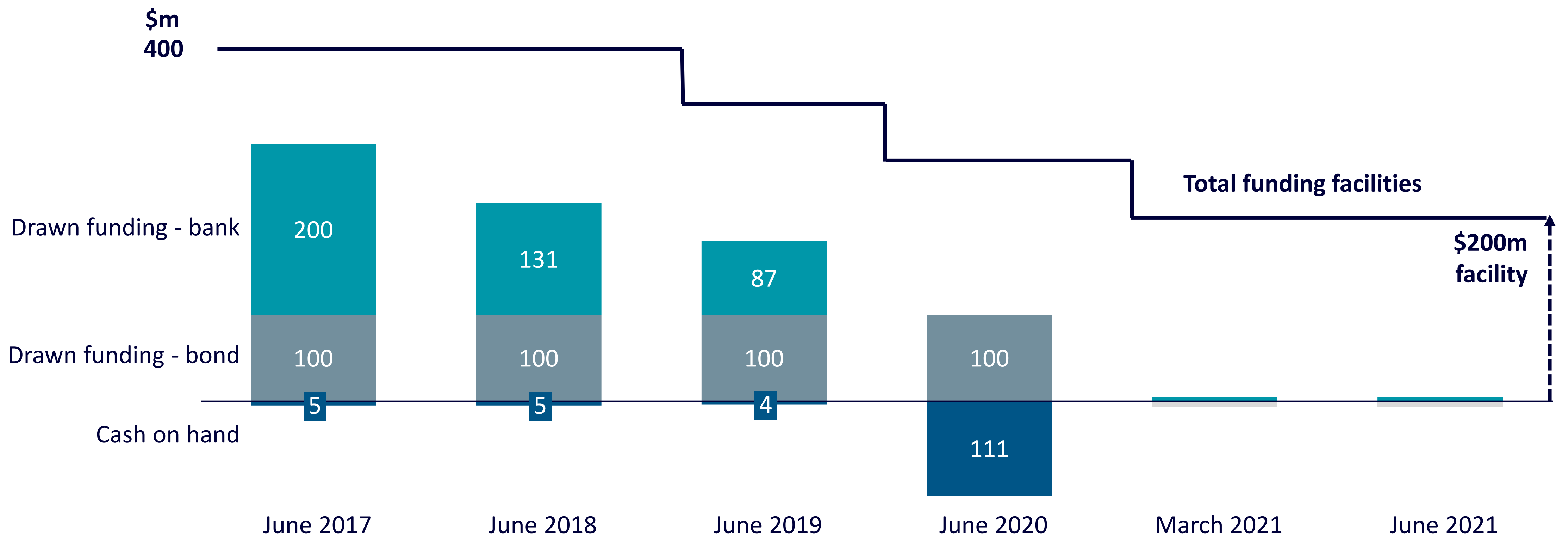
[1] Sale of OSB to NEP announced in August 2020 and remains subject to regulatory approvals under the Commerce Act and Overseas Investment Act

$82.7m free cash flow generation



- Strong cash generation, despite challenges caused by COVID-19.
- Funds from the capital raise used to pay down debt with sufficient funds on hand at end of FY20 to repay bond in March 2021.

Currently no net debt and secure funding in place



- Funds from the capital raise applied to pay down debt with sufficient cash on hand at year end to repay bonds in March 2021.
- Access to significant undrawn bank facility of $200m through to 31 July 2023, following one year extension.
- Facility limit remains at $200m (no stepdown to $150m previously scheduled for 31 July 2021).

FY20 Progress in strategy focus areas

FY20 Progress

Satellite

Strengthen our significant core business through continued reliable delivery and enhanced value perception

- ✓ Continued to improve retention
- ✓ Minimised COVID-19 spin-down
- ✗ Advertising revenue reduced
- ✗ Commercial revenue impacted by COVID-19 restrictions
- ✓ New Optus agreement in place

Valuable Core

Streaming

Grow our entertainment and sports streaming business. We are using digital innovation to improve the customer experience and move to a lower-cost model

- ✓ Significant revenue and customer growth
- ✓ Acquired LightBox
- ✓ Launched New Neon on time
- ✓ Launched Sky Sport Now
- ✓ Developed platform and enhanced functionality

Current Growth Opportunity

Broadband

Grow customer relationships with broadband offers differentiated on quality, service and price

- ✓ Value proposition tested and refined
- ✓ Customer and operational processes being tested
- ✓ On target for phased launch

RugbyPass

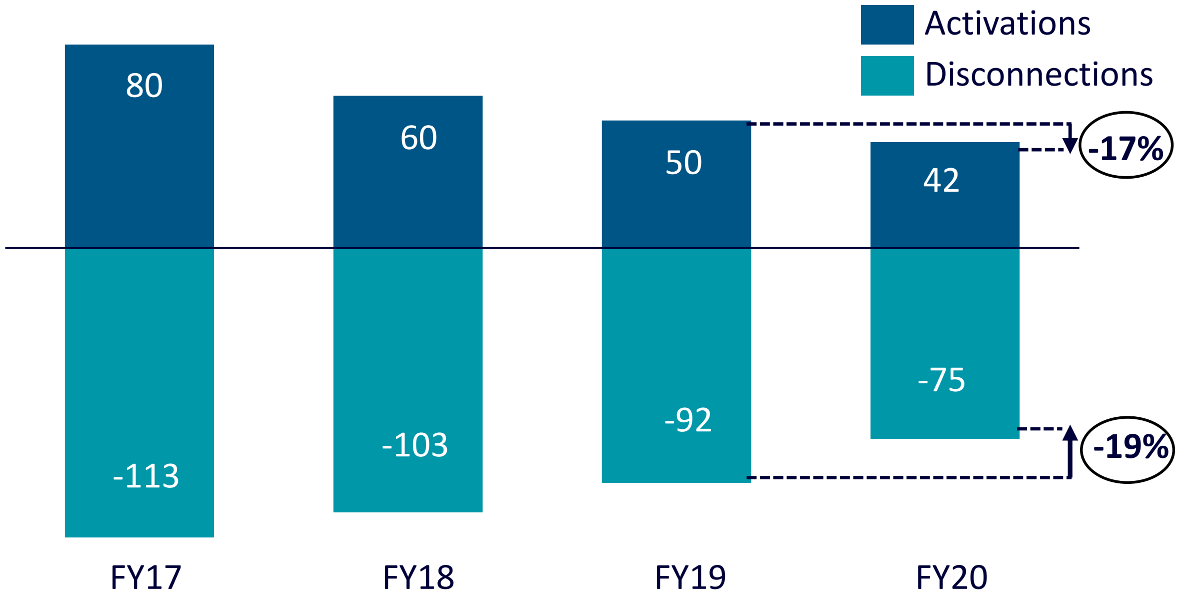
Develop and grow an international rugby content business and become the online destination for fans globally

- ✓ Gaining traction prior to COVID-19
- ✓ Significant growth in engaged network
- ✗ Lack of live international content slowing path to achieve target return
- ✓ Revised business model activated

Future Growth Opportunity

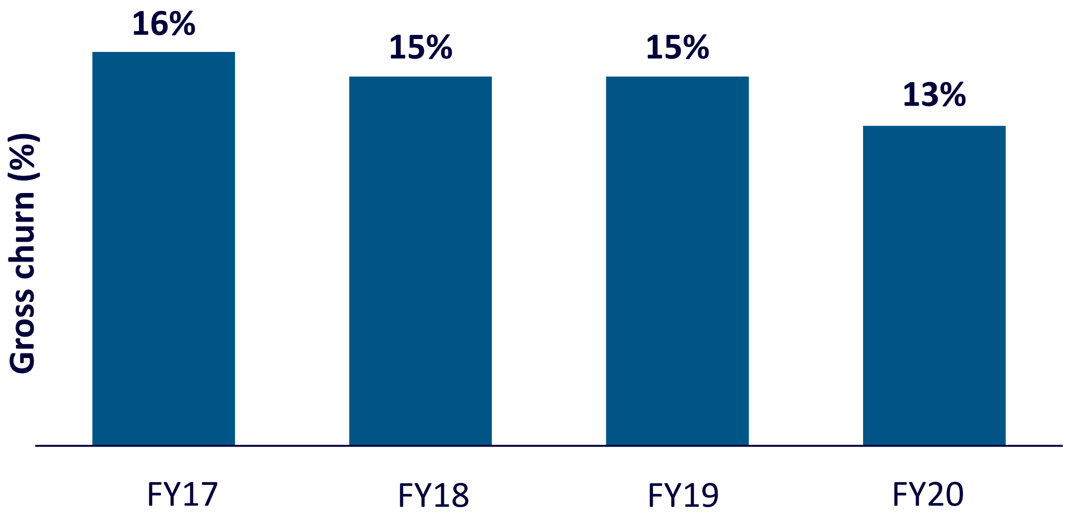
21% improvement in satellite retention

Satellite customer subscriptions[1] (000's)



- Continued improvement in satellite retention with FY20 net loss from activations/disconnections reduced by 21% as initiatives gain traction.
- Sky Go unlocking value for satellite customers with strongest use recorded by higher ARPU subscribers and delivering a meaningful difference in churn rates across the satellite base.

Satellite customer churn[2]

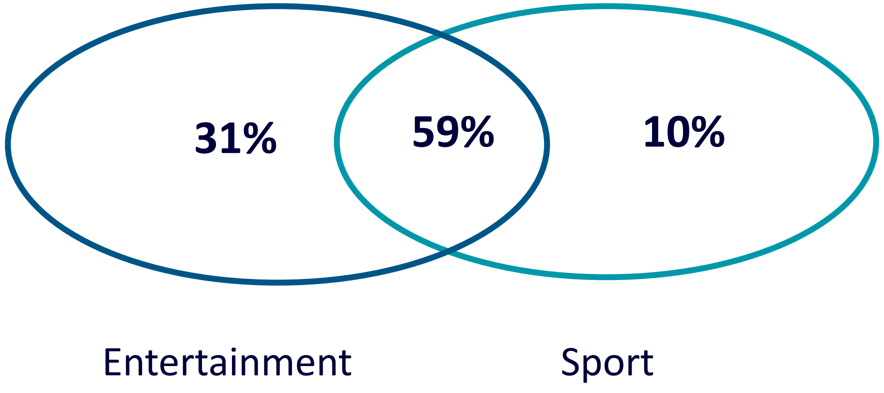


- Satellite customer gross churn, including reseller customers improved to 13% and ex-reseller to 11%.
- 73% of customer base has been with Sky for more than five years and has extremely low churn at 7%.

[1] Activations and disconnections information is for Sky residential customers only, including Vodafone reseller customers. [2] Gross churn is total disconnections for residential satellite customers, including Vodafone reseller customers.

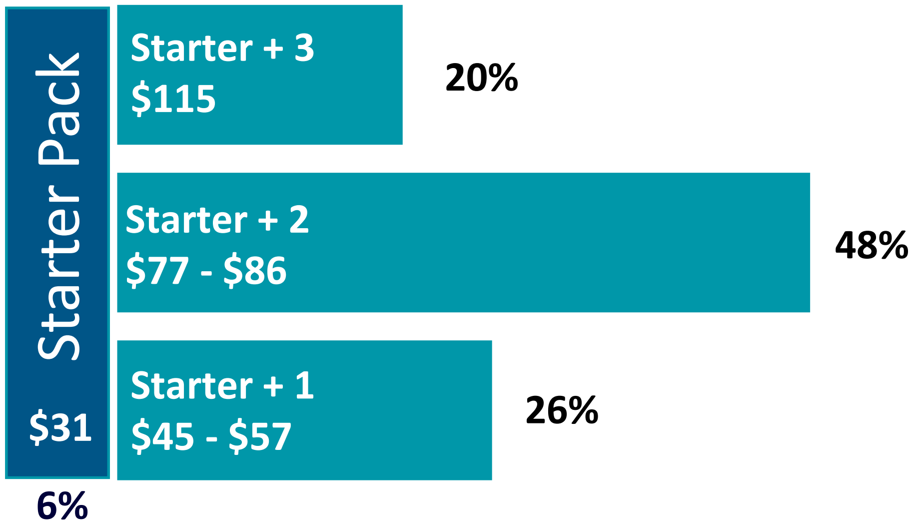
Package mix stable with opportunity for growth

Satellite subscriptions by content[1]



- Customer package mix remains stable YoY at 30 June 2020 despite reduced availability of live sport content.

Satellite package mix[2] at 30 June 2020



- At 30 June 68% of satellite customers subscribed for at least two additional content packages above the starter tier.
- Average FY20 ARPU of $82 includes add-ons[3] e.g. MySky+ ($17.40), Multi-room ($21.74), specialist channels and pay-per-view.

[1] Satellite subscriptions include residential satellite customers and Vodafone reseller customers at 30 June 2020. Package mix at 30 June 2020. Includes residential satellite customers and Vodafone reseller customers. Entertainment packages include Starter, Entertainment and Movies. Sport only content is a combined Starter and Sport package. [2] Price range is the monthly average ARPU range achieved across product combinations in June 2020, excluding GST. [3] Add-on prices listed exclude GST.

Neon is the leading local provider of paid entertainment streaming content

- Significant growth in FY20 with customers recognising quality[1] and variety of content offering at an attractive price point.
- Acquisition of Lightbox completed in February 2020 strengthening market position and offering.
- Wholesale agreement for Lightbox customers in place for the majority of FY21.
- Significant growth in customer numbers and streaming requests through Level 3 and 4 Lockdown.
- New Neon strengthened content offering combines the best of both platforms and includes enhanced features and additional functionality such as accessibility from more devices, profile recommendations, and a dedicated kids area.

[1] Content offered by Sky received 62 Emmy nominations in 2020 compared to 48 for content offered by Netflix. Content available through other major NZ paid and free-to-air providers received between 1 and 16 nominations each.

New Zealand's #1 sport streamer

- Successful launch of Sky Sport Now in August 2019[1] and building solid base prior to interruption of live sports - now rebounding strongly.
- "Warriors on Us" promotion attracted both returning (31%) and new customers (69%). Over half of the new customers subsequently subscribed.
- Sky Sport Now customers saw double digit growth each month since the return of sport, and with July and August subscriber numbers each achieving all-time highs.
- Additional functionality and features post launch, including: increased range of devices, new landing pages, and extended 24 hour catchup.
- Introduced a range of trial and pricing options. Limited time offers currently available for Annual Pass at $299.99 ($25 per month) through to flexibility of the Weekly Pass at $19.99 (per week).

[1] Sky Sport Now replaced FanPass in August 2019. FanPass included four SD channels of sport content whereas Sky Sport Now has 12 HD channels, including 2 ESPN channels.

Broadband on track for launch

Customer engagement, refining offer and building in-house scale

Currently in use by staff as a trial

Extend trial to selected customers in H1 FY21

Full launch in second half of FY21

- ✓ **1/3rd of all New Zealand households have a relationship with Sky[1]**
- ✓ **Significant addressable market, including 40% of fibre ready households yet to upgrade[2]**

- Differentiated offering, based on quality, service and value.
- Strong indications of preparedness to switch to Sky Broadband.
- Purpose built for streaming sports, entertainment.
- Leverages 30 year history for technical excellence and reliable delivery, supported by quality service from our New Zealand based call centre and trusted install technicians.
- Minimal capital investment required through leveraging variable cost model.
- Relatively low marketing investment required for existing large customer base with owned channel advertising, e-coms engagement and 1.2 million+ customer interactions handled by our team annually.
- Launch focus on existing customer base to reward loyalty, enhance value proposition and increase retention.
- Positions Sky to capture future growth from increased demand for streaming services.

[1] Source: Statistics NZ *Dwelling and Household estimates – June 2020* estimates 1,795,300 households. Sky's satellite subscriber base is at 30 June 2020 is 585,000. [2] Source: *Crown Infrastructure Partners Quarterly Connectivity Update, Q2: to 30 June 2020*.

RugbyPass focused on monetising content

COVID-19 impact

- Premium rugby content business significantly impacted by limited availability of international live rugby, leading to pausing of streaming ambitions.
- Advertising revenue down 50% in Q4 compared to Q3 with near term challenges remaining.
- Tight focus on costs and cash preservation with immediate cuts, including reductions in headcount, premises and marketing.

Significant opportunity remains

- Audience growth YoY of >60% across direct and engaged social audience with 16m social media hits / 3m unique views in April 2020[1] while no live sport being played.
- Rugby in growth across many major consumer markets (Western Europe, North America, Asia). Substantial addressable market of 338m[2] rugby fans worldwide.

Focus for FY21

1 Audience Media Business

- Primary focus for FY21 lower cost, non-rights dependent subscriber model and branded RugbyPass content.
- New product launches and commercialisation path focuses on core rugby markets (UK, NZ, SA, Australia):
  - 'The XV' – 'The Athletic' style premium subscription product
  - Podcast offering aimed at Northern/Southern hemisphere fans
  - Statistics service for broadcast and digital partners

2 Premium Rugby Content Business

- Linear channel retains brand presence and revenue driver in Asia.

[1] Source: Google Analytics. [2] Source: Nielsen/World Rugby 2018

Content by numbers

3million+	**Sky reached over 3 million Kiwis a month on average in FY20**[1] through satellite, Prime and our streaming products Sky Sport Now and Neon.
>530	**Content provider relationships**[2] from large global content creators to local production storytellers across sport, entertainment and movies
+2,440	**Titles, events or series acquired in FY20**[3] Including sport and entertainment titles (excluding Lightbox)
>10,000	**Hours of entertainment and movie content**[3] **premiered** on Sky platforms in FY20
>7,500	**Live Sporting events broadcast in FY20**[3] covering over 50 sports codes on Sky in FY20
130!	**Emmy Nominations**[3] received by Sky content in 2020, including 69 Primetime Emmy Nominations

[1] Source: Nielsen TAM. Average reach per month in FY20. Includes: 2.83 million via satellite and Prime, with Sky Sport Now and Neon taking the total above 3.0 million. [2] Source: IBMS;
[4] Source: 69 Primetime Emmy Nominations.

The home of sport


SANZAAR


NRL


ESPN


NZRL


Australian Open


FIFA


NBL


Cricket Australia


UFC


Netball NZ


ICC Cricket


Hyundai A-League

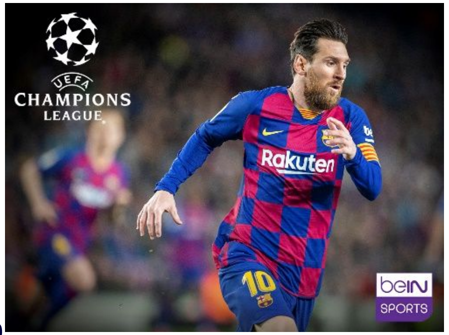

ASB Classic


Rugby Sevens


BCCI


Tour de France


IndyCar


BeIN Sports & UEFA


Supercars

PGA Tour

+100s more

Best in show

CBS

Viacom CBS

FX – 20th Century TV

NBC Universal

Warner Bros TV

Roadshow

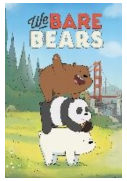
HBO

MGM

Sky Studios

20th Century Film

National Geographic



Turner Channels

E! Entertainment

Discovery Inc

Sony

BBC Studios

Foxtel

Paramount Pictures

Disney

Entertainment One TV

Endemol Shine

A+E NETWORKS

sky NEWS

itv STUDIOS

VICE

WWE

STUDIOCANAL
A CANAL+ COMPANY

LIONSGATE

all3media international

SOUTH PACIFIC PICTURES

Fremantle

PASSION DISTRIBUTION

+100s more

Looking Ahead

FY21 Priorities

Satellite

- Further reduction in net customer loss through improved retention and acquisition
- Enhanced Sky Go app launching in Q3 of FY21
- Improve advertising revenue share

Valuable Core

Streaming

- Grow Neon customers, including transitioning wholesale customers to paying
- Grow Sky Sport Now
- Platform development, including planned migrations to streamline systems and reduce cost
- Continually improving user experience and expanding product features

Current Growth Opportunity

Broadband

- Expand existing staff trial to selected customers in first half of 2021
- Full launch in second half of FY21, with an initial focus on existing customer base

RugbyPass

- Continue to develop and grow Audience Media business
- Continue to review global rights position for streaming business

Future Growth Opportunity

Continue to be nimble in addressing COVID-19 impacts

Ongoing focus on cost

Outlook

- Sky provided a view on FY21 performance in May based on the availability of live sport (FY21 scenario). The faster return of sport is expected to lead to higher revenues and commensurate increases in programming and production costs as signalled at the time

- While there is continuing uncertainty regarding the ongoing impact of COVID-19 and we remain cautious, Sky expects to deliver results for the year ending 30 June 2021 as follows:

$m	FY21 scenario	Revised FY21 Outlook[1]
Revenue	610 - 640	660 – 700
EBITDA	100 - 130	125 – 140
NPAT[2]	5 - 15	10 - 20
Capex	40 - 50	45 - 55

- The Board currently intends to reinvest available free cash flow during FY21 and will re-evaluate the commencement of dividends follow the completion of that period.

[1] Subject to no adverse change in operating conditions, including future economic impacts flowing from COVID-19.
[2] NPAT presented is prior to any non-cash adjustments

Questions

We have repositioned to be a leading multimedia organisation, transforming rapidly to meet the current and future needs of customers

- Resilience and progress in FY20
- The most customer relationships that Sky has ever had
- Solid financial position
- Sharp focus on costs
- Clear path forward with significant opportunities ahead

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