



# 2021 Annual Meeting of Shareholders

28 October 2021

# Asking a question at the meeting

- ▶ Questions may be submitted by selecting the Q&A icon on the right side of the screen
- ▶ To ask a question, simply 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

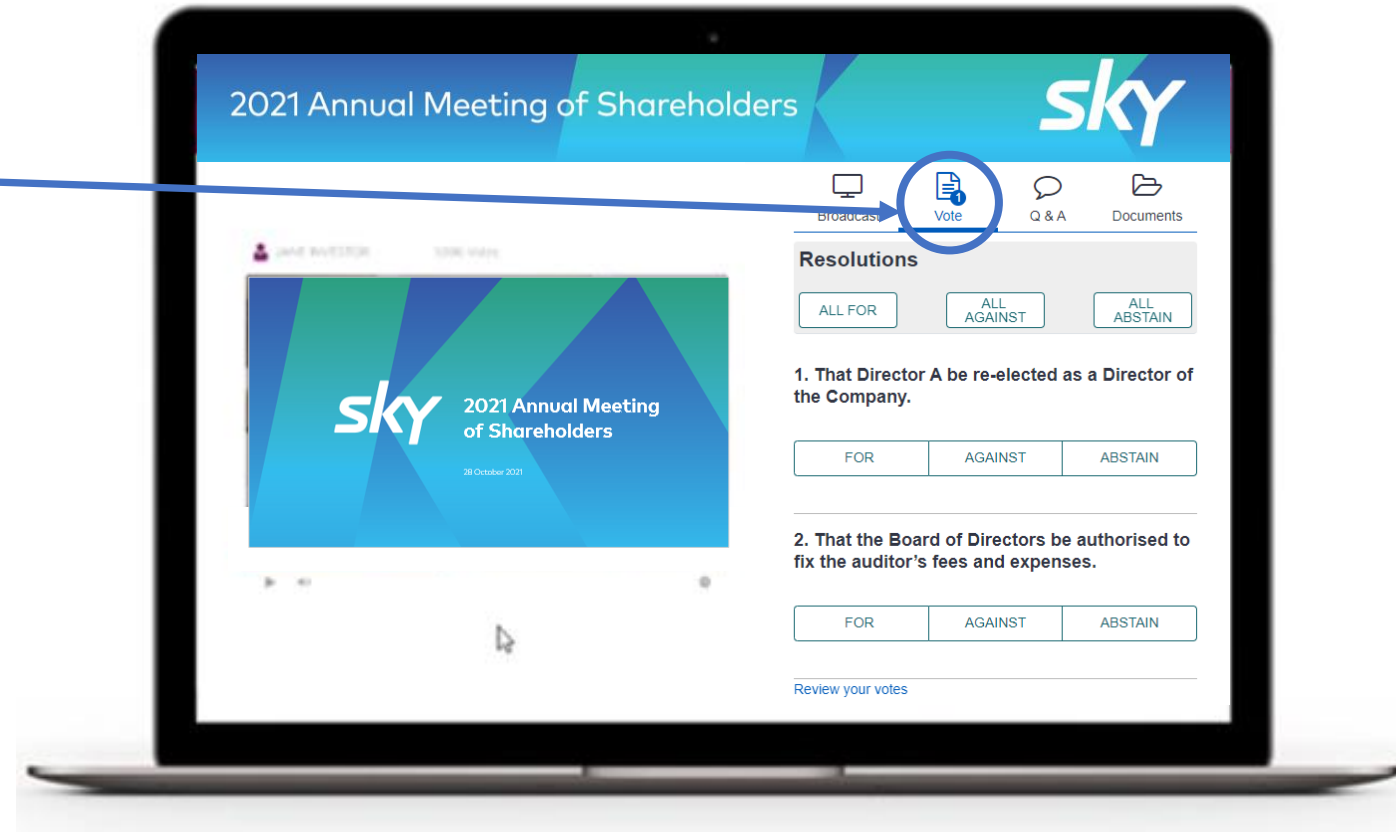


# Questions

- ▶ Questions will be put to the Chair during a dedicated question time
- ▶ Questions must be relevant to the meeting and we ask that they be succinct and clear
- ▶ As questions can be submitted throughout the meeting, and in the interests of time, we may respectfully choose not to pose a question if it has been covered in the presentations
- ▶ Questions on a related topic may be grouped, and should we be unable to address all questions due to time constraints we will respond to shareholders 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



Welcome!



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# 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



**Andrew Hirst**  
Interim Chief Financial Officer

# Agenda

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

# Chair's Address

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# Chief Executive's Address

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# FY 2021 At a Glance

## FINANCIAL


### REVENUE

\$**711.2**m

5% 

### EBITDA

\$**186.4**m

14% 

Adjusted<sup>1</sup>  3%

### OPERATING EXPENSES

(includes one offs)

\$**538.3**m

8% 

Adjusted<sup>1</sup>  5%

### NPAT

\$**47.5**m

130% 

Adjusted<sup>1</sup>  15%

## CUSTOMER




### TOTAL CUSTOMER RELATIONSHIPS

**955,168**

### SKY BOX CUSTOMERS

**554,690**

### GROWTH IN STREAMING CUSTOMERS<sup>2</sup>

**57%** 

<sup>1</sup> A reconciliation between reported and adjusted figures is set out on page 39 of Sky's 2021 Annual Report.

<sup>2</sup> On a like for like basis, excluding Lightbox wholesale at FY 2020.

# Our Strategy

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:

### CUSTOMERS

Nurture and grow our Sky Box and Streaming customers

### CONTENT

Be the preferred partner for rightsholders, content creators and distributors

### PEOPLE

Be a place where our crew are empowered to do their best work

### FINANCIAL

Grow revenues and reduce operating costs

THE "BEDROCK"  
OF OUR BUSINESS:

Rapid and sustained execution, and enabling our people to succeed

Being an efficient, adaptive and profitable business

# FY 2021 Achievements: Customers

Nurture and grow our Sky Box and Streaming customers

- ▶ 16% growth in underlying<sup>1</sup> customer numbers during FY 2021
- ▶ Significant progress towards stabilising Sky Box customer base
- ▶ Continued growth in Streaming customers, up 57%<sup>1</sup> in FY 2021
- ▶ Successful launch of Sky Broadband



<sup>1</sup> On a like for like basis, excluding Lightbox wholesale at FY 2020.

# FY 2021 Achievements: Content

Be the preferred partner for rightsholders, content creators and distributors

- ▶ Secured key content that matters to New Zealanders, including: Discovery, ESPN, NRL, NZRL, ICC World Test Championship, ViacomCBS, NBCUniversal, Foxtel
- ▶ Recent confirmation of multi-year WarnerMedia deal, home of HBO



# Homegrown 'Sky Originals' productions

Telling local stories, for and about New Zealanders

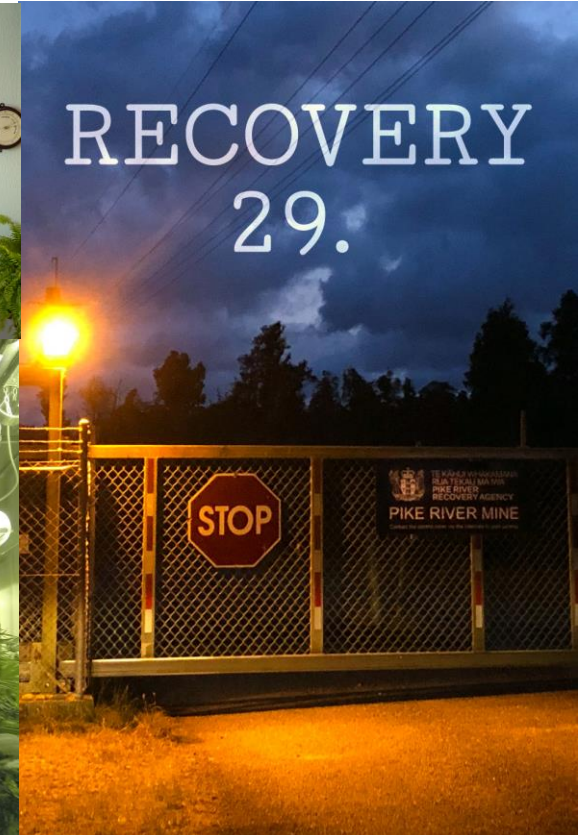


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ORIGINALSNZ

Irirangi Te Motu  
NZ On Air



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# FY 2021 Achievements: People

Be a place where our crew are empowered to do their best work

- ▶ Sky crew committed to delivering superbly for customers despite Covid disruptions
- ▶ Sky Values developed collaboratively
- ▶ Recognition of achievements of our people, including at the recent Promax Awards



# Sky's three-year targets include:

**Stabilising Sky Box** customers and **returning to growth**, including through the new Sky Box

**Growing Neon and Sky Sport Now** customers by 10% – 15% CAGR

Continuing to **deliver the content that matters** to customers

**Growing revenue** by \$75-\$100m+ p.a. by FY24

Achieving annualised **non-programming opex saving** of \$10-\$15m p.a. by FY24<sup>1</sup>

**Investing 50-60%** of capex **in growth initiatives** by FY24

**Maintaining capex** within a long term average of **7-9% of revenue**

**Maintaining positive free cash flow throughout**



<sup>1</sup> Excluding broadband and net of inflation



# Revenue growth targets include:

	FY 2022 Target	3 Year Target (by 2024)
Grow Revenue:	<b>\$5-\$35m</b> p.a.	At least <b>\$75-\$100m</b> p.a.
Stabilise and then grow Sky Box customers:	Churn <sup>1</sup> reduced to <b>11.5-12%</b>	Churn <sup>1</sup> reduced to <b>10%</b>
Grow Streaming revenue:	<b>10-25%</b> CAGR	<b>10-25%</b> CAGR

<sup>1</sup>Annualised churn



# Cost reduction targets include:

	FY 2022 Target	3 Year Target (by 2024)
Annualised non-programming opex saving <sup>1</sup> :	At least <b>\$5-\$10m</b> p.a.	At least <b>\$10-\$15m</b> p.a.
Programming costs to total revenue:	Within <b>50-55%</b> of revenue	Within <b>45-50%</b> of revenue
Maintaining capex within long term average range:	<b>7-8.5%</b> of revenue	Within <b>7-9%</b> of revenue

<sup>1</sup> Excluding broadband, net of inflation

# New Sky Box delivery on track

The centre of Sky's new connected entertainment experience

- ▶ In homes by mid-2022
- ▶ Cementing Sky's position as preferred content aggregator
- ▶ Combining Satellite and IP technology
- ▶ All your Sky content and apps in one place



# Being a good kiwi company

Through social responsibility initiatives and customer reward programmes

- ▶ We're encouraging New Zealanders to participate and engage in sport through 'Sport for Good', and we're contributing to our communities through 'Sky for Good'
- ▶ We're committed to playing our part in tackling environmental issues
- ▶ We're continuing to listen to our customers, and committed to rewarding their loyalty



**Thank you!**

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# Formal Business



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# Auditor's remuneration

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



# Director Re-election

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



# Amendment to the Constitution

- ▶ To amend the Company's constitution in the manner described in the explanatory notes, with effect from the close of the Annual Meeting

# Q&A

## Formal Business



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**Q&A:  
General Business**



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Thank you!



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