Results Presentation

For the six months ended
31 December 2021

24 February 2022

Agenda

- HY22 Overview
- Operational performance
- Financial performance
- Capital Management review
- Outlook
- Questions

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:

1. **CUSTOMERS**
   Nurture and grow our Sky Box and Streaming customers
2. **CONTENT**
   Be the preferred partner for rightsholders, content creators and distributors
3. **PEOPLE**
   Be a place where our crew are empowered to do their best work
4. **FINANCIAL**
   Grow revenues and reduce operating costs

THE "BEDROCK" OF OUR BUSINESS:

1. Rapid and sustained execution, and enabling our people to succeed
2. Being an efficient, adaptive and profitable business

HY22 At a Glance

- **Customer relationships** continue to rise
- Key **content secured** though long-term deals
- Attracting and **securing key talent**
- Returned to **revenue growth**
- Significant **permanent cost reductions** in FY22 with more to come
- Delivering faster return to higher **sustainable free cash flows**
- Returning to **paying dividends** from FY22
- Balance sheet strength providing opportunity to explore **investment opportunities**

TOTAL CUSTOMER RELATIONSHIPS
983,561
(HY21: 926,530)

STREAMING CUSTOMER GROWTH[2]
+23% YOY

SKY BOX CUSTOMERS
545,002
(HY21: 566,497)

FREE CASH FLOW[1]
$39.7m
(HY21: $13.2m)

REVENUE
$371.7m
(HY21: $356.9m)

OPERATING EXPENSES
$287.2m
(HY21: $242.8m)

EBITDA
$85.3m
(HY21: $116.3m)

NPAT
$28.3m
(HY21: $39.6m)

[1] Free Cash Flow is defined as net cash from operating activities, less net cash used in investing activities less payments for lease liability principal. [2] Comprising Neon, Sky Sport Now, Retransmission and RugbyPass

Significant progress achieved in HY22

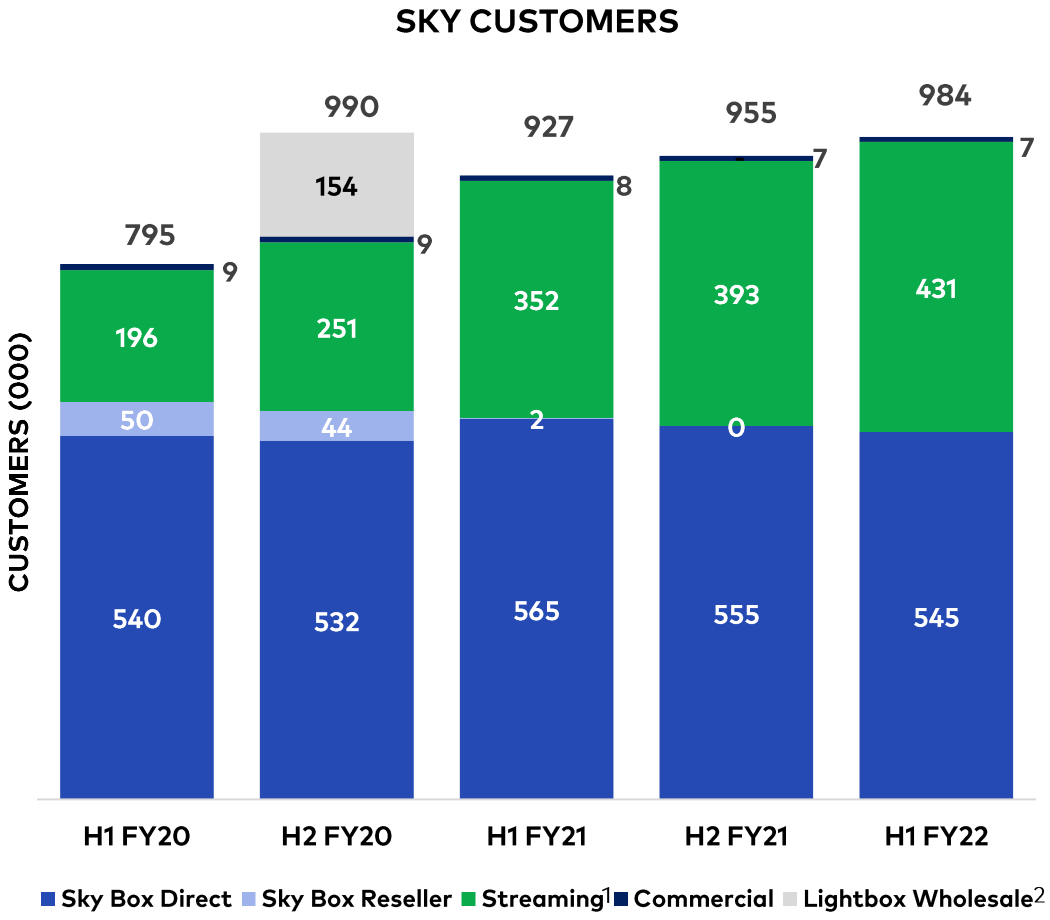
		Sky's Strategy	FY22 Targets	HY22 Results	Progress
FOCUS	1	Nurturing and growing Sky Box and Streaming customers	• Sky Box customer churn 11.5 – 12.0% • Sky Broadband attachment rate of 3% - 5% • Grow Neon and Sky Sport Now customers by 10% - 15% • Average tenure for Neon and Sky Sport Now of 12+ months	9.1% On track N:28% SSN: 62% N:15 SSN:12	✓✓ ✓ ✓✓ ✓
	2	Being the preferred partner for key rights holders, content creators and distributors	• Continue to deliver the content that matters to customers • Neon engagement 80%; Sky Sport Now engagement 75%	Ongoing N:81% SSN:73%	✓✓ ✓
	3	Growing revenues and reducing operating costs	• Streaming revenue growth of 15% - 25% • Grow new business revenues to 1% - 3% of total revenue • Revenue growth of \$5m - \$35mp.a. • Programming costs return to within 46% - 48% of total revenue[1] • At least \$22m - \$27m of non-prog. operating cost savings p.a.[2]	34% 1.3% \$15.1m On track On track	✓✓ ✓ ✓ ✓ ✓
	4	Being a place where our crew are empowered to do their best work	• Year on year increases in employee engagement scores	Annual measure	
BEDROCK	1	Rapid and sustained execution and enabling our people to succeed	• New Sky Box in New Zealand homes by mid-year • 50% - 60% of capex on growth initiatives	On track 55%	✓ ✓
	2	Being efficient, adaptive and profitable business	• Maintain positive free cash flow • Depreciation & amortisation reduced to \$85m - \$95m • Capex spend within 6% to 7% of revenue[3]	\$39.7m \$43m in H1 5.0%	✓ ✓ ✓

[1] Updated from 50% - 55% on 7 Dec 2021. [2] Increased from \$5m - \$10m on 7 Dec 2021. [3] Updated from 7% - 8.5% on 7 Dec 2021.

Operational Performance

Our Customers

Customer relationships up 6% as growth trend continues



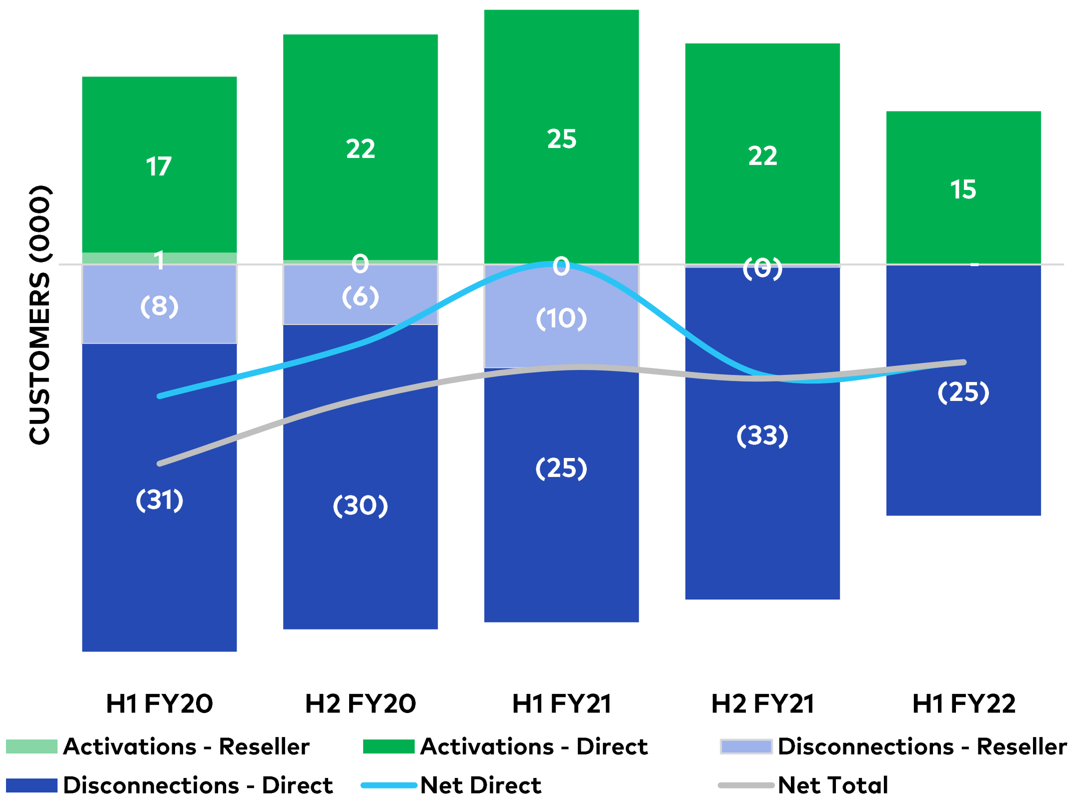
- Sky Box customer base continues to show positive signs of stabilisation, reducing 3.8% in the 12 months to December 2021 compared to 4.0% in the prior year
- Streaming customer[1] growth of 23% year on year includes a 28% increase for Neon and 62% increase for Sky Sport Now
- Streaming customers now account for 44% of the total base, up from 25% at H1 2020 following growth of 121% over the past two years
- Agreement in place for Vodafone Retransmission[3] customer migration to Sky with account migration in March and the move to a Sky product to follow ahead of the H1 FY23 platform shutdown
- Broadband customer relationships are excluded from this analysis. Sky's initial focus in launching Sky Broadband is on providing additional value for existing Sky Box customers

[1] Streaming customer groups comprise Neon, Sky Sport Now, RugbyPass subscriptions and Retransmission (excludes free trials). [2] Lightbox acquisition completed 31 Jan 2020. [3] Retransmission customers are currently included in Streaming customer and revenue lines as they receive Sky content via an IP platform. Sky's new box is a hybrid, built to deliver via satellite and IP.

Sky Box Customers

Acquisitions becoming more targeted; significant reduction in disconnections

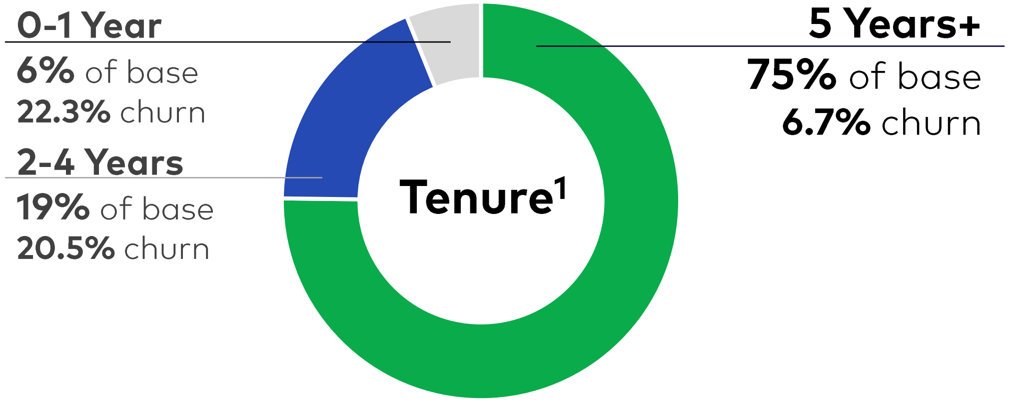
SKY BOX ACTIVATIONS / DISCONNECTIONS

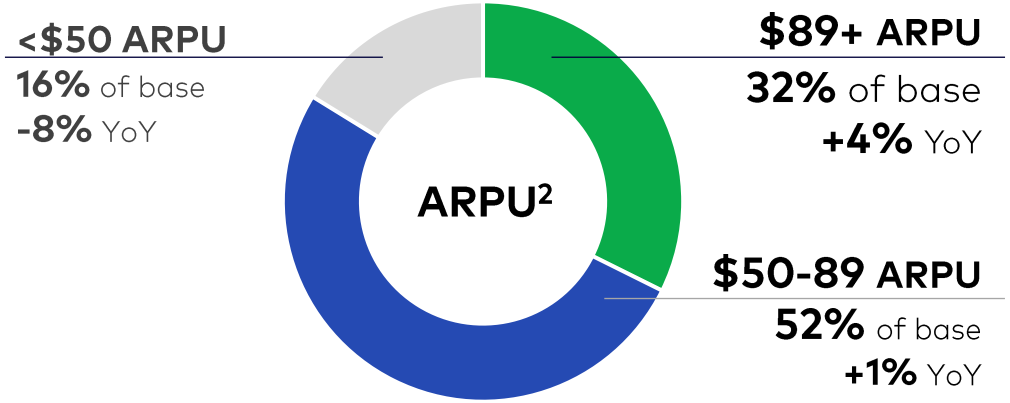


- 30% year on year improvement in disconnections reflects a strong content line-up, positive Reseller migration impact and an increasingly 'sticky' customer base
- Activations somewhat impacted by 15-week Auckland lockdown (compared to 8 weeks in H1 FY21) with sales efforts scaled back and diverted to package upgrade campaigns to avoid installation delays
- Recent enhancements to the online customer buy and upgrade journey and reduced use of third-party sales expected to deliver higher completion rates and a lower cost to acquire
- Moving to reduce the use of sign-on incentives, which may discourage some sales but with a corresponding improvement in early churn linked to the end of a discount period and improvements in ARPU and average cost to acquire

Sky Box Customers

Customer base weighted to longer tenure with 27% improvement in annualised churn





- Significant improvement in annualised total churn to 9.1% versus 12.4% at HY 2021 following transition of Reseller customers to a direct relationship with Sky and continued stabilisation of the customer base
- 75% of direct customers have been with Sky for over 5 years, (from 74%) with churn remaining very low at 6.7%. 0-1 year churn improved to 22.3% from 23.2%. 2-4 year churn is stable
- Loyalty programme introduced toward the end of H1 FY22 to reward valued customers. Initial package 'unlock' rewards positively received, with a 19ppt rise in NPS for customers selecting a reward
- Recently refined acquisition strategy uses customer and product-match insights to target segments with lower propensity to churn. Expected to positively impact early churn and customer lifetime value metrics
- 4% increase year on year in Sky Box customers with ARPU[2] above $89 (excluding GST and pay per view). Primarily due to higher retention rates and increased subscriptions for higher value packages and broadband

[1] Tenure is for direct customers only, excluding former Reseller customers that migrated in a direct relationship with Sky in FY21.
[2] ARPU is Average Revenue Per User, net of GST for all Sky Box customers (including Reseller). Includes broadband revenue. Excludes pay-per-view.

New Sky Box update

Customer validation confirms high appeal and growing excitement for Sky's next-generation Box

- Development on track to be in customer homes mid-2022
- *Achieved in H1:*
  - ✓ Proposition finalised following detailed customer research (6,000 responses - 5,000 wanted to be on the trial)
  - ✓ New box and remote design completed and samples have arrived
  - ✓ Feature development sprints on track
- *To complete:*
  - — Final 'go' for mass production of box and remote
  - — Staff and customer trials
  - — Initiate launch campaign

Sky Broadband Customers

Launch momentum continues and on track to achieve FY22 customer attachment rate target of 3 - 5%

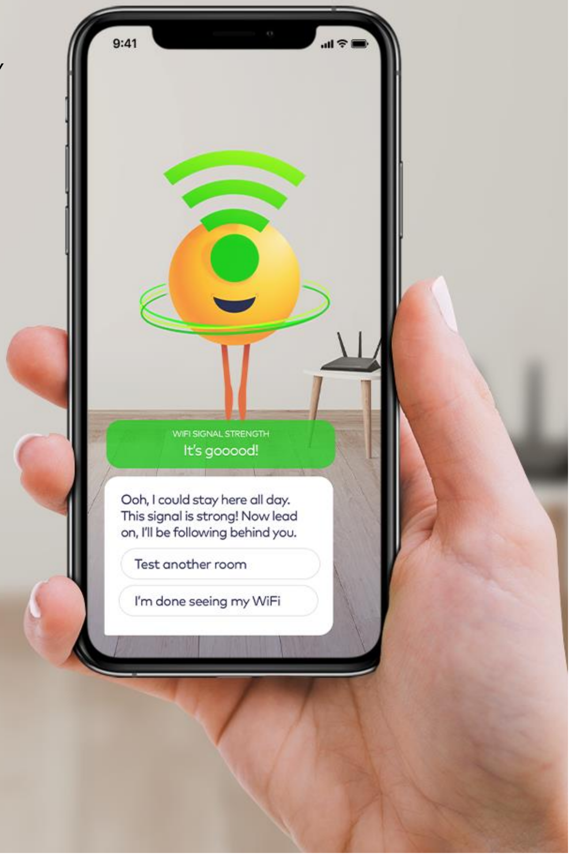
$80.19 (inc. GST) monthly
ARPU[1] ($69.73 ex-GST)

68%
900/400 speed plans

16%
Sales online at sky.co.nz

26%
Voice attachment

12%
WiFi booster attachment



NZ COMPARE
POWER & BROADBAND
AWARDS
2021
Winner

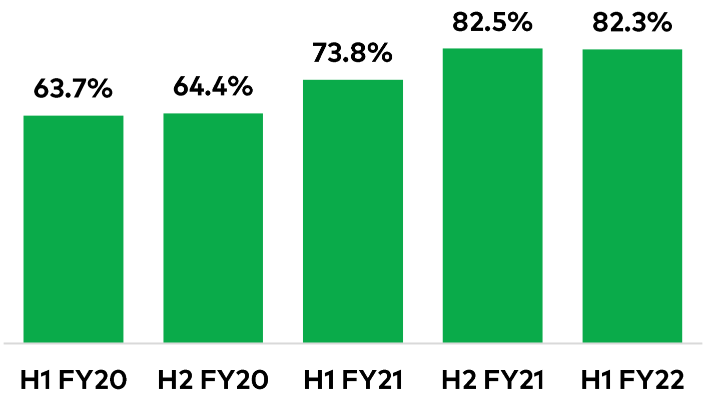
- Performance speed and reliability of Sky's WiFi-6 tech combined with the ease of set-up are proving very popular with customers and contributing to strong NPS and CSAT scores (CSAT at joining 79%, at 100 days 85%)
- Awareness and consideration continues to grow, particularly within the Sky customer base, with 23% unprompted / 53% prompted awareness, boosted by owned channel marketing
- Continuing to hero the '1GB' plan. Increased popularity of the upgraded 300mb plan slightly reduced ARPU although somewhat offset by a rise in higher margin voice and calling plans (from 20%)
- Within its first year Sky Broadband was a finalist in four categories at the 2021 Broadband Compare Awards, finishing on the podium in the Peoples Choice Award and taking first place in the Best Bundled Plan award – a credit to Sky crew and great Sky content

[1] Includes add-ons such as land line, calling plans and boosters. .

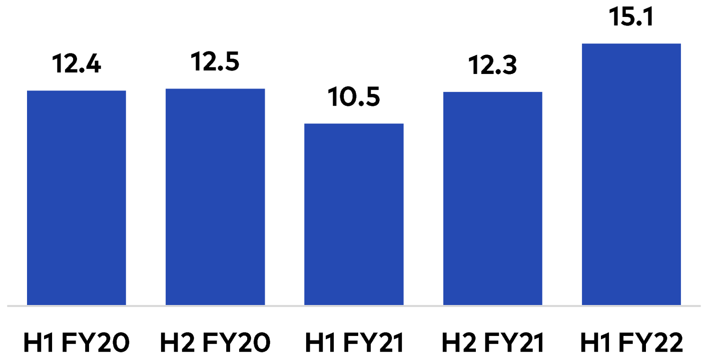
Streaming Customers - Neon

Customer numbers growing and becoming more committed

CUSTOMER ENGAGEMENT[1]



AVERAGE CUSTOMER TENURE[2] (mths)



28%
Neon Customer Growth (YoY)

12%
Customer Engagement (YoY)

44%
Average Tenure (YoY)

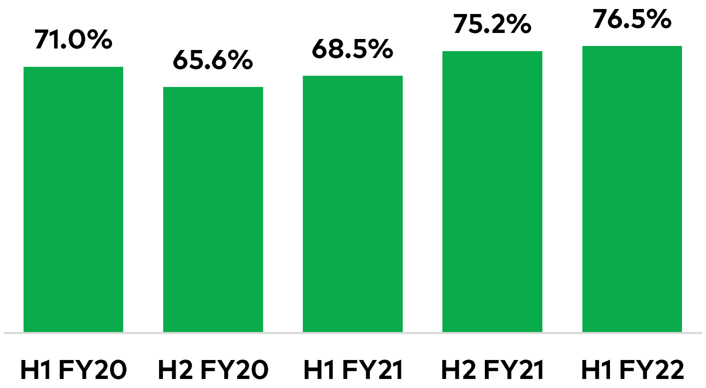
- Neon continues to attract new customers, with 28% year on year growth, and 96% of the increase coming from direct subscriptions
- Covid lockdowns provided some support in August, although a noticeable increase in engagement levels also coincided with a strong content lineup, including the launch of HBO Max content
- Average tenure improved 44% year on year, to a new high of 15.1 months as the audience for Neon becomes more engaged. A new Annual Pass option was launched in May to support the growing trend towards continuous subscription
- Feature enhancements delivered during H1 include improved navigation and search functionality and increased personalisation for customers

[1] Engagement is defined as customers that viewed content during a month, using a 12-month rolling average.
[2]. Tenure: Average total tenure of the active subscription base.

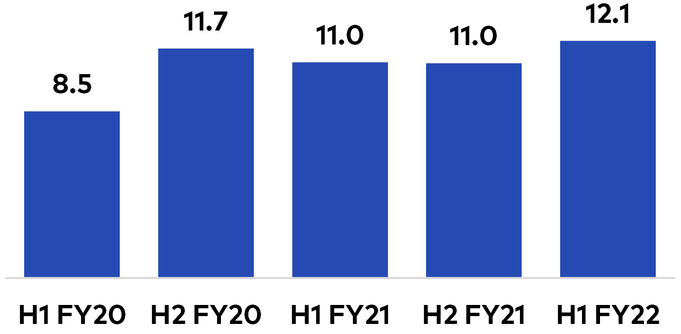
Streaming Customers – Sky Sport Now

Year-round calendar of live sport attracting a strong and growing following

CUSTOMER ENGAGEMENT[1]



AVERAGE CUSTOMER TENURE[2] (mths)



62% ↑
Sky Sport Now Customer Growth (YoY)

12% ↑
Customer Engagement (YoY)

10% ↑
Average Tenure (YoY)

- Sky Sport Now continues to deliver significant year on year growth with most of the gain weighted towards H1 2022.
- An increase in customer engagement rates to 76.5% benefitted from a strong performance through the Summer Olympics period while increased tenure reflects strong, year-round content line up
- The introduction of a bespoke 'Olympic Pass' exceeded expectations. 71% of those joining on this pass were new to the platform, providing useful insights on casual sports fans/non-core Sky customers, as well as increasing the potential win-back pool
- H1 Investment included further upgrade in picture quality. Additional improvements to customer interface and user experience planned for H2

[1] Engagement is defined as customers that viewed content during a month, using a 12-month rolling average. [2] Tenure is defined as the average total tenure of the active subscription base excluding all transactional passes. Paid passes only and includes current and previous subscriptions.

Content and Partnerships

Customer focused decisions based on rich data and insights are making commercial sense

- Entertainment wins include: WarnerMedia expanded multi-year partnership - Sky continues as the home of HBO while also delivering core brands: Warner Bros. TV/movies, CNN and Cartoon Network, plus HBO Max; ViacomCBS multi-year renewal, including Paramount Pictures
- Sports wins include: multi-year agreement for A-League football, host market broadcast rights deal for FIFA 2023 Women's World Cup, All Blacks Northern Tour, Six Nations Rugby. Recently secured a six-year deal for Premier League rights
- Innovative new 5-year partnership with NBL encompasses broader commercial arrangements to grow interest in the game and revenues
- Winter Olympics and Commonwealth Games in H2 to build on success of Summer Olympics coverage that saw 96% of Sky Box customers 'satisfied' or 'very satisfied' and positive impact on sport upgrades
- Focused on maximising the significant depth and value of current content rights across all platforms - Sky Box, streaming and free to air on Prime

People and Performance
Customer value mindset is providing clarity and purpose

Tom Gordon
Chief Financial Officer

Jonny Errington
Chief Content & Commercial Officer

Dan Kelly
Chief Customer Officer

Chris Major
Chief Corporate Affairs Officer

Jason Foden
Chief Digital & Information Officer

Antony Welton
Chief Operations & People Officer

- Strengthened leadership team announced in November to continue Sky's transformation and deliver on strategy
- Attracting significant talent to key roles within the business
- Experience and passion of Sky crew has been evident as Sky continues to deliver for customers through the challenges and complexity brought about by Covid

Financial Performance

Financial Performance

Revenue and Free Cash improve as Sky reaches inflection point; H1 NPAT sits above earlier guidance range for FY22, as Sky's transformation accelerates

REVENUE

$371.7m

HY21: $356.9m (+4%)

OPERATING EXPENSES

$287.2m

HY21: $242.8m (-18%)

EBITDA

$85.3m

HY21: $116.3m (-27%)

NPAT

$28.3m

HY21: $39.6m (-29%)

FREE CASH FLOW[1]

$39.7m

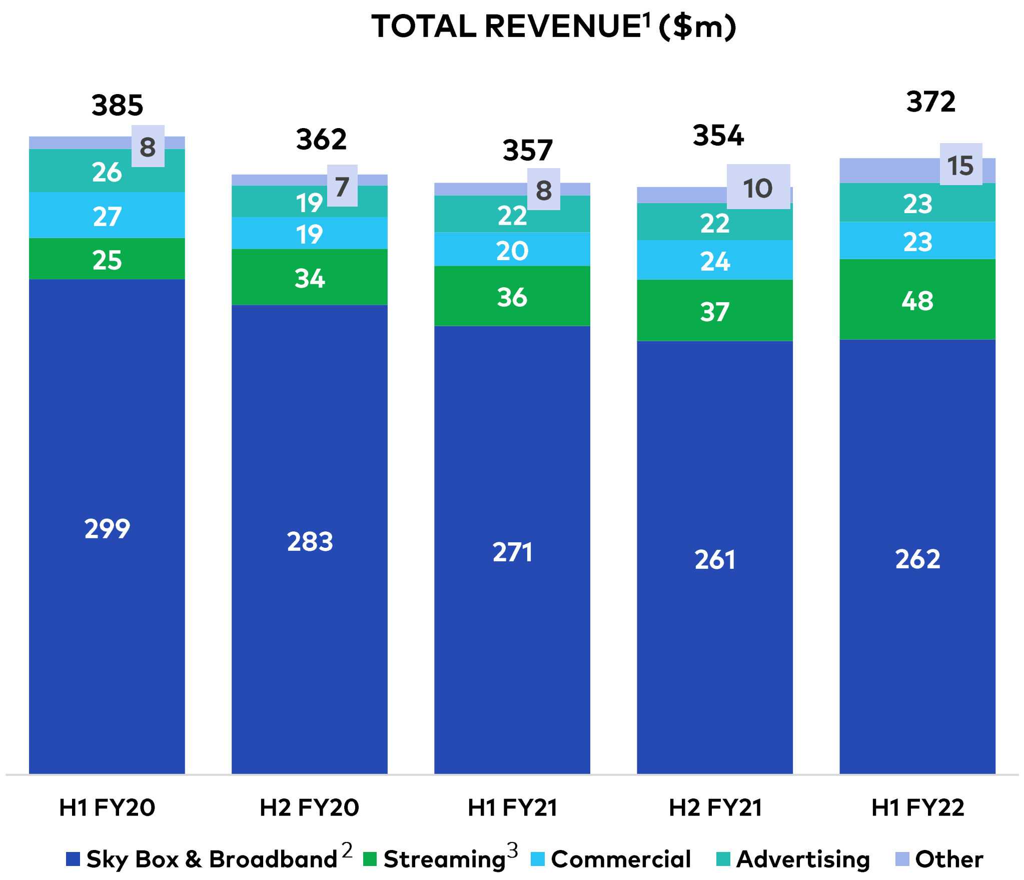
HY21: $13.2m (+201%)

- H1 NPAT sits above the original forecast range for FY 2022 earnings provided in August at the time of Sky's FY2021 results ($17.5m - $27.5m)
- Sky returns to growth with total revenue increase of 4.1% year on year - marks the first six-month period of revenue growth since H1 2016
- Operating expenses increase as expected due to step-up in rights costs, without the same level of Covid-19 related negotiated reductions and with permanent savings from the cost review exercise still to come
- Significant improvement in Free Cash Flow generation

[1] Free Cash Flow is defined as net cash from operating activities, less net cash used in investing activities less payments for lease liability principal.

Revenue

Return to revenue growth, as Sky Box stabilises and Streaming grows

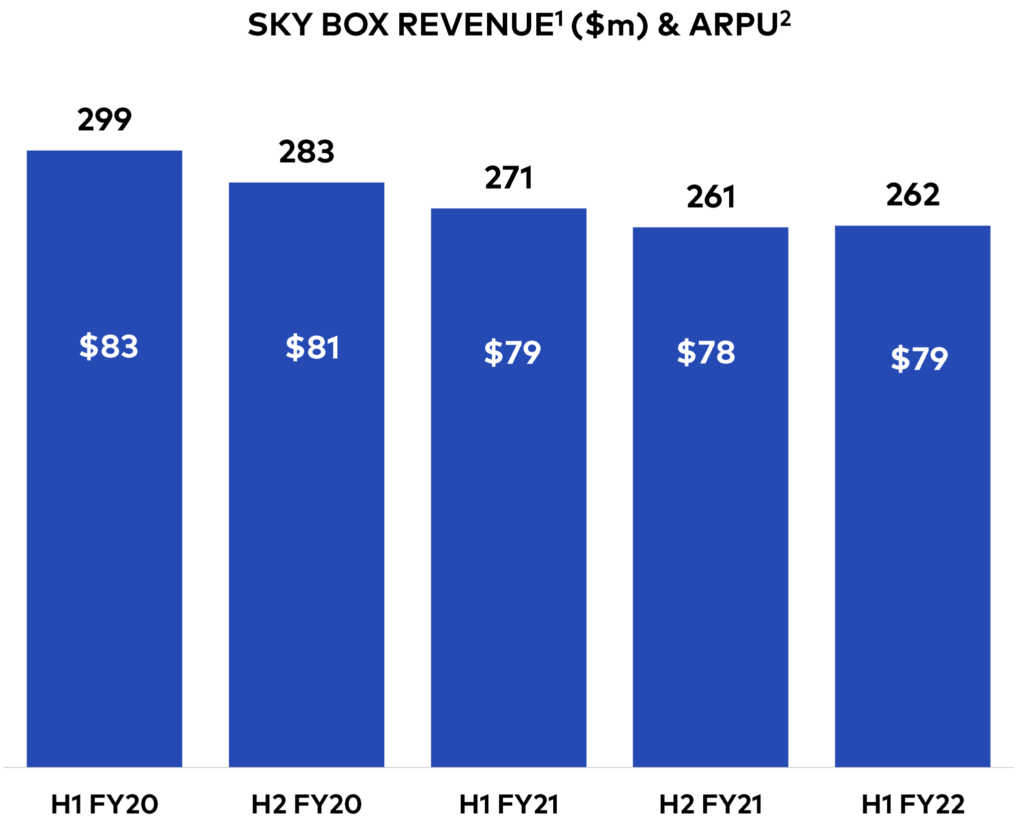


- Revenue growth of 4.1% year on year compares to a decline of -7.3% in the prior period
- Core residential customer revenue from Sky Box (including from Broadband attachments) and Streaming customers grew by 1.3% year on year and by 4.1% against H2 FY21
- Other revenue of $14.8m includes on-sold programming rights (including the Olympics sub-license to TVNZ), Sky Box & Broadband installations and satellite access fees

[1] Revenue does not include Other Income which was $2.2m in H1 FY21 and $0.8m in H1 FY22. [2] Sky Box revenue includes direct and Vodafone reseller subscriptions and Broadband subscriptions. [3] Streaming revenue includes Neon, Sky Sport Now, and Retransmission revenues and RugbyPass subscriptions revenues.

Sky Box Revenue

H1 demonstrates significant progress towards stabilising Sky Box revenue



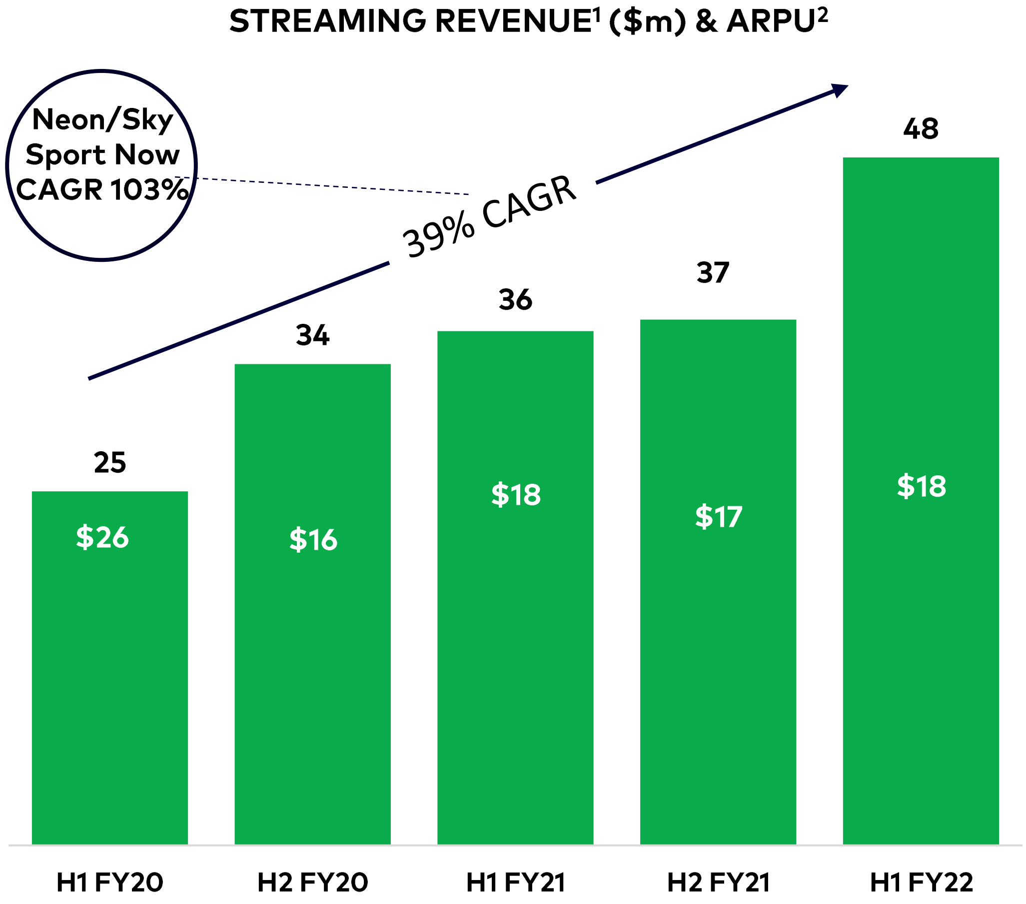
	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22
Sky Box Revenue change	-2.9%	-5.2%	-4.4%	-3.4%	0.3%

- Sky Box Revenue continues to stabilise. Year on year decline of 3.1% (compared to 9.4% in the prior year), was weighted to H2 of FY21 with performance in the first half of H1 FY22 (while admittedly including an initial contribution from broadband attachments), returned to growth of 0.3%
- H1 FY22 Sky Box ARPU of $79.50 is a $1.51 improvement on H2 FY21
- Underlying ARPU growth is driven in part by the early impact of Sky Broadband attachment, recovery of sport penetration, increased contribution from pay per view, and by significantly improved churn performance – with more higher value customers choosing to stay

[1] Sky Box revenue includes an initial contribution from Sky Broadband.. [2] Sky Box subscription ARPU is the monthly average revenue for residential customers including Vodafone, reseller and Sky Broadband customers calculated as the average for the year. Excludes GST.

Streaming Revenue

Streaming revenue growth continues to exceed expectations



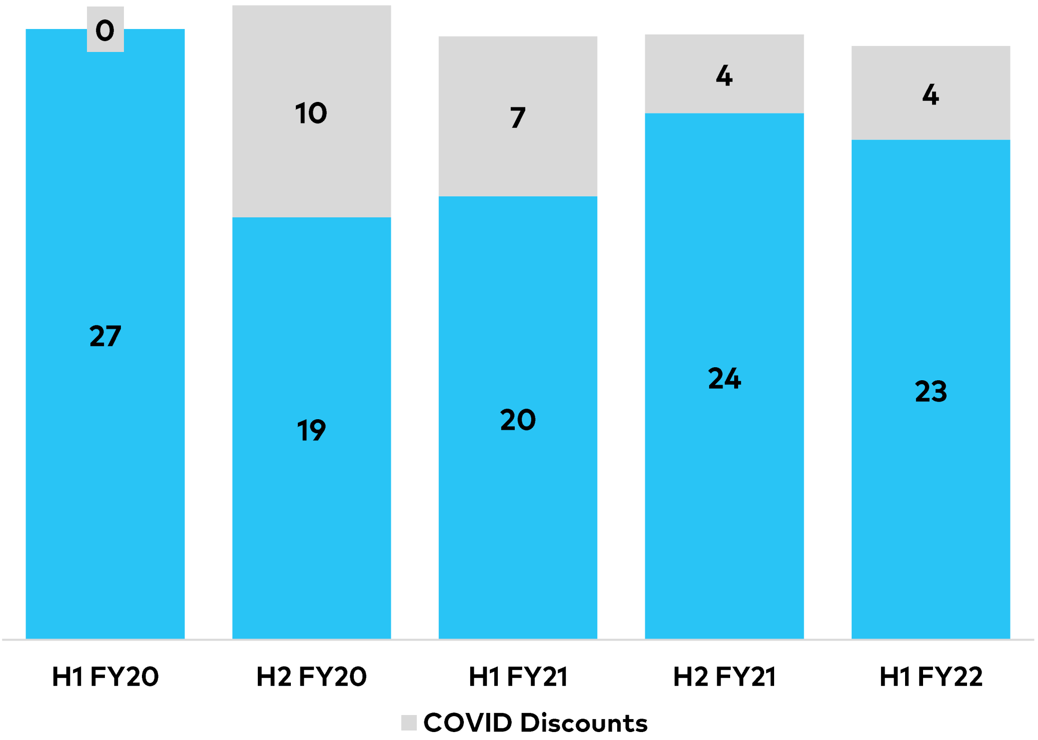
- Year on year revenue growth of 34% outpaced 23% growth in customer numbers
- Growth of 57% YoY for Neon and 101% YoY for Sky Sport Now, comfortably on track to meet FY22 target growth ranges. Growth is in line with the 4-year CAGR of 58% across both platforms, with 2-year CAGR at 103%
- H1 2022 revenue includes full six-month impact from the 14.6% Neon price rise[3] implemented in May 2021 and increased contribution from Sky Sport Now following stronger growth rate in higher ARPU Sport subscribers and more pay per view events

[1] Streaming revenue includes Neon, Sky Sport Now, RugbyPass subscriptions and Retransmission. [2] Streaming subscription ARPU is the blended rate across streaming products, calculated as the average for the year. Excludes GST. [3] Price increase to $15.99 (from $13.95).

Commercial Revenue

Covid impact moderating; tiered pricing and customer upgrade effects yet to show through

COMMERCIAL REVENUE ($m)

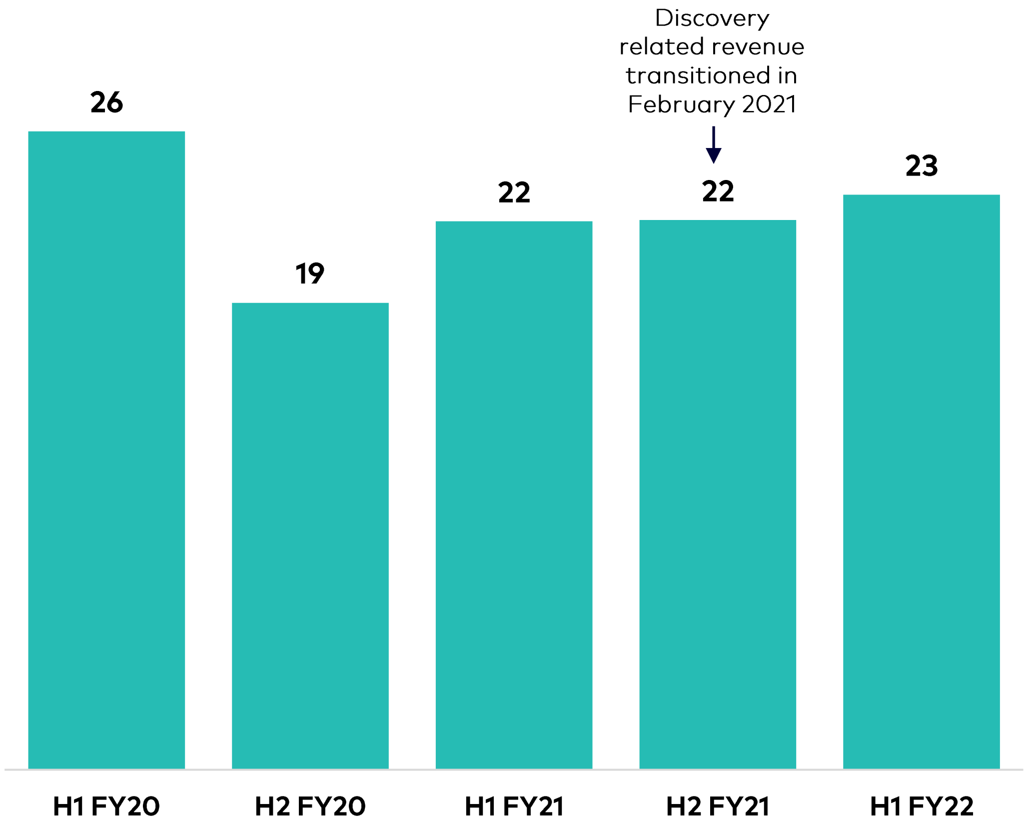


- Year on year revenue growth of 13% achieved despite a longer Covid-lockdown period in the key Auckland market. H1 FY22 impact of $4.2m was an improvement against $7.2m in the prior period.
- Continued to support licensed premise customers during this time, with a return to normal billing from December 2021
- Covid restrictions have so far masked the positive ARPU impact of value-based pricing for licenced premise customers introduced in February 2021
- Covid impact on accommodation providers during recent lockdowns is lower than the prior year, with 4% of rooms 'non-paying/suspended' at the peak in H1 2022 compared with up to 30% during earlier lockdowns
- Digital upgrade continues for accommodation providers although some implementation delays due to Covid-19. A further 400 properties (14,000 rooms) have potential to upgrade to provide a higher quality guest experience, and deliver 25% ARPU uplift

Advertising Revenue

HY performance approaching pre-Covid levels when adjusted for Discovery revenue transition

ADVERTISING REVENUE[1] ($m)

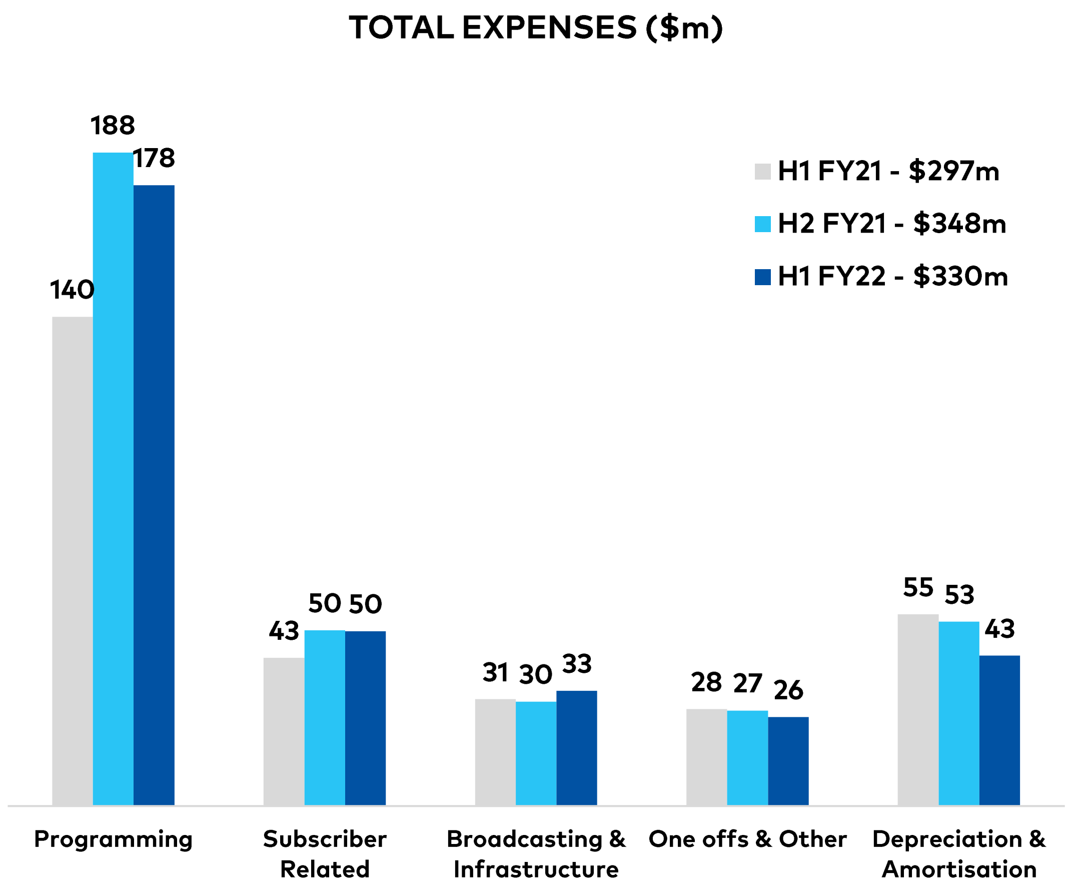


- 5% revenue increase achieved against prior year, despite H1 2022 including full period impact of advertising on Sky's 5 Discovery channels moving to Discovery NZ
- Following a period of extended disruption, including from the impact of Covid-19, the advertising market is entering a healthy recovery phase with total market TV ad revenue approaching 2019 levels

[1] Includes RugbyPass advertising related revenue .

Total Expenses

Firm focus on achieving permanent reductions as Sky resets its cost base

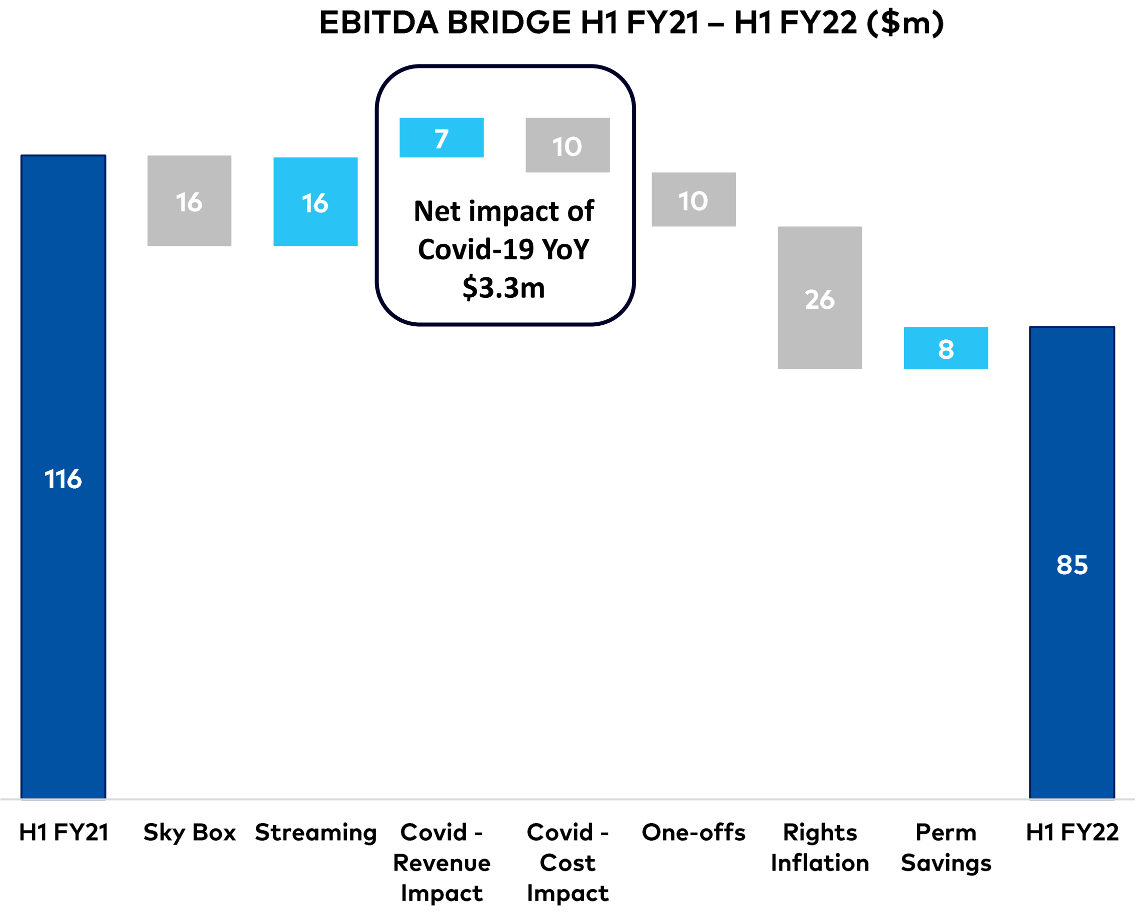


- Programming costs increased year on year as a result of rights inflation on key renewals, offset against significant cost-out around discretionary and strategic spend
- Subscriber related costs included one-off costs associated with brand re-launch and are expected to reduce from H2 FY22
- Broadcasting & Infrastructure costs have increased YoY in line with the increase in streaming customers
- Depreciation and amortisation includes leasing costs under IFRS 16. The majority of the saving was driven by the write-off of the old Sky Sport Now platform at the end of FY21, with additional upside from the Optus lease change in December and exit of OSB leases

[1] Total expenses is made up of Operating expenses plus Depreciation & Amortisation

EBITDA Bridge

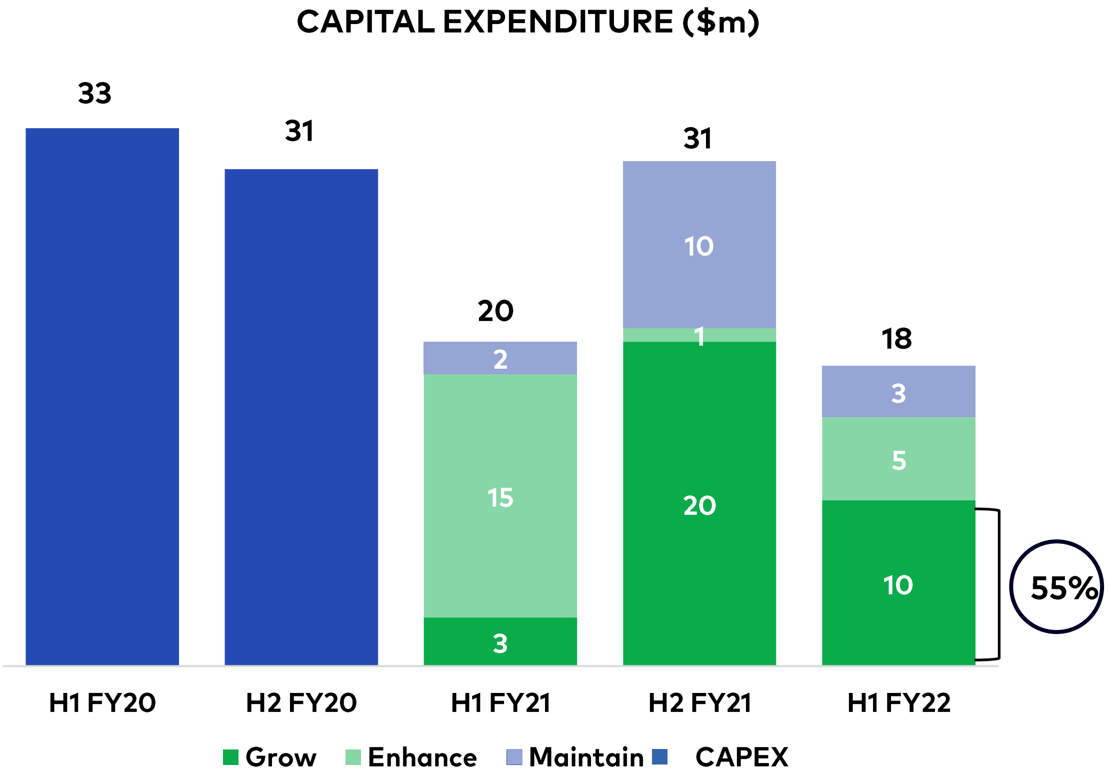
Core revenue stable; permanent savings beginning to offset expected rights inflation



- Sky Box revenue has stabilised but shows decline YoY, which is fully offset by growth in streaming revenues after adjusting for one-offs
- Covid-19 impacts on revenue and costs were greater in H1 FY21, with the net impact across Commercial and Advertising revenue streams, as well as Sports rights and production costs amounting to a $3.3m reduction in EBITDA YoY
- One-offs include the EBITDA impacts of the Summer Olympics and T20 World Cup.
- Rights inflation incorporates the uplift in rights fees across multiple contracts, including NZ Rugby, ESPN and Universal
- Permanent Savings are largely in programming costs, being reductions in discretionary and strategic spend following significant rights wins. This is offset by a permanent transition of Advertising revenue to Discovery NZ

Capital Expenditure

Capex spending reduced by 7% and weighted towards growth following a period of infrastructure investment

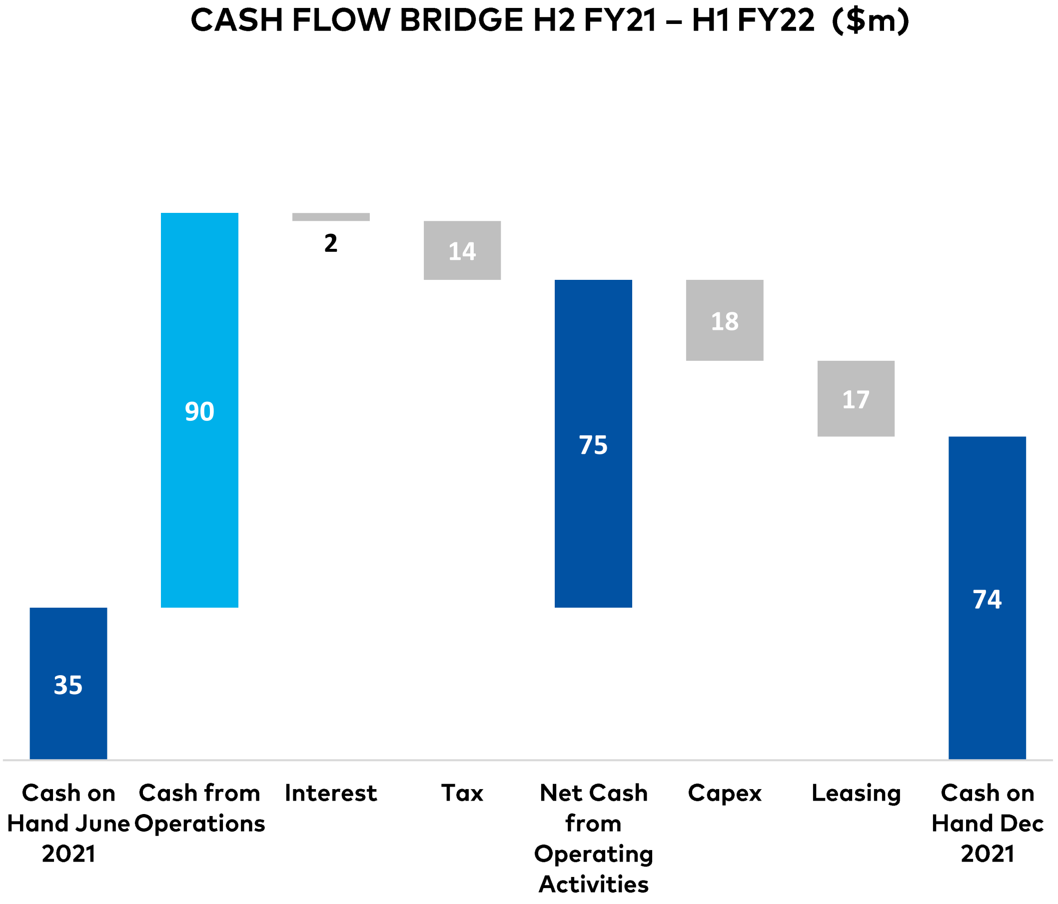


	H1 FY20	H2 FY20	H1 FY21	H2 FY21	H1 FY22
CAPEX/Revenue %	8.6%	8.5%	5.6%	8.8%	5.0%

- Capex spend on track against revised FY22 guidance of $45m - $50m following savings of $5m - $10m identified for the current financial year through the cost review process
- Investment to support growth initiatives, including the new Sky Box, was 55% of the total spending, and within the FY22 and 3-year target band of 50% - 60%

Free Cash Flow

Generating sustainable levels of Free Cash as Sky moves through the transition – up 201% to $39.7m



- Cash from operations of $90m includes $7m in proceeds received from the sale of OSB.
- Interest was lower due to the March 2021 repayment of $100m of bonds from cash reserves. Tax outflow was lower as a result of the final FY20 tax repayment falling into H1 FY21
- Lease payments were down slightly due to the December 2021 Optus lease renewal, with H2 to include a full six months of the lower fees
- Cashflow does not include any amounts related to the sale of Sky's Mt Wellington properties which is expected to settle in March 2022
- Following completion of the property sale transaction Sky's banking facility limit will reduce to $150m (from $200m)

Capital Management

Dividends and Capital Management

Sky returning to paying dividends and exploring options to invest for future growth

Dividends	Dividend Policy: ***To distribute between 50% and 80% of Free Cash Flow[1]*** *(excluding one-off items)* The Board expects to resume paying dividends commencing with a final dividend in September 2022, consistent with this dividend policy
Capital Management	• Management and the Board continue to assess opportunities to invest capital to accelerate business growth, generate new revenue streams, and improve shareholder returns • A further update on capital management will be provided in June at Sky's investor day • Any decisions on capital structure, including any return of capital, will be subject to market conditions and any other strategic opportunities that may arise

[1] Free Cash Flow is defined as net cash from operating activities, less net cash used in investing activities less payments for lease liability principal.

Looking Ahead

Outlook

Guidance confirmed for HY 2022; solid start to H2 as momentum builds

$m	FY22 guidance[1]
Revenue	725 - 745
EBITDA	150 - 160
NPAT	40 – 48
Capex	45 - 50

- On target to achieve results in line with upgraded guidance forecasts provided on 7 December 2021, noting that guidance excludes the impact of the property sale
- Expecting continued growth in customer numbers and core subscriber revenue in H2 2022 with gradual recovery towards pre-Covid run-rate for Commercial
- Permanent cost savings on track to be delivered during the second half of FY 2022 with further permanent savings to be achieved from FY 2023
- H2 will see Sky building on the momentum of the first half and with a firm focus on execution

[1] Based on the Company's best estimates of the realisable savings which are subject to delivery, and no adverse change in operating conditions, including future economic impacts flowing from Covid-19, or any extraordinary items or accounting changes (e.g. the potential impact of SaaS).

Questions

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