2026 Annual Shareholder Meeting – Chief Executive's Address

Thank you, Philip.

Tēnā tātou katoa, good morning everyone.

It is a pleasure to address you again as Chief Executive of Sky, following what has been a defining year for your company.

When I stood before you 12 months ago, I spoke about the important work underway to strengthen our business, inclusive of the opportunities created by the acquisition of Three and ThreeNow.

Today, I am pleased to report that FY26 has been a year of significant delivery, both strategically and financially.

As Philip shared, we have delivered a strong financial result, strengthened our unrivalled position in premium sport, refreshed our entertainment strategy, expanded our reach to more New Zealanders than ever before, and continued to advance our digital transition.

My focus today is on what we have delivered, how this positions us, and how we intend to build on these solid foundations as we look to the future and the evolution of our strategy to FY31.

Financial Results

Starting with what we've delivered, and I'm pleased to report our FY26 result benefitted from our expanded business and continued financial discipline.

Reported revenue grew 10 percent to $824.8 million, with 11 months' contribution from the acquisition of Three and ThreeNow being the key driver of the increase.

Reported EBITDA increased 41 percent to $170.2 million, and net profit after tax rose 190 percent to $59.8 million. This increase in profit included several one-off items, notably a $31.4 million Gain on Bargain Purchase arising from the acquisition of Three and ThreeNow for $1.

Critically, our underlying performance was also strong, with revenue growth of 9 percent and EBITDA increasing 6 percent to $157 million, towards the top of our guidance.

As a result, we delivered a substantial uplift in normalised free cash flow, which increased 60 percent to $58.9 million.

This enabled a substantial dividend uplift to 32 cents per share: a very satisfying over-achievement of the ambitious target we set in FY23.

Performance against 3-year targets

As a reminder, three years ago we communicated bold targets for the Sky standalone business to allow the Market to check our homework.

Notwithstanding the 9 percent uplift in underlying revenue I just mentioned, we reset and fell short of our 3-year revenue target on a standalone basis. The prevailing economic conditions during most of this time, and an accelerated satellite migration, both played a part.

Importantly, despite these challenges, we delivered on the programming-cost and capex ratios linked to revenue. And we also achieved the important EBITDA margin target.

While we made meaningful progress in lifting our Customer Net Promoter Score, it's not yet where we want it to be, and remains an important area of focus for my team and I.

I often reference the importance of teamwork, which is why I'm particularly proud of our employee engagement result. Our motivated team are the closest thing we have to a silver bullet as we embark on the opportunities ahead of us.

And of course, not forgetting, the boldest of our targets – to double the FY23 dividend of 15 cents per share. This has been well and truly delivered.

Strengthened position

We enter this next phase well positioned to build on our track record of delivery to date.

Sky's lifeblood is our content.

In sport, Sky's slate of must-watch season-long sporting codes is unrivalled and unassailable into the next decade. We have major long-term agreements in place with New Zealand Rugby, Cricket, the Olympics, the Premier League and, subject to today's vote, the NRL, delivering an outstanding line-up of sport alongside a suite of other sports our customers' relish.

These rights give certainty to our customers, partners and investors. Coupled with our fan-focused shows and clips, they also provide opportunities to reach more fans across Sky, Sky Sport Now, our commercial venues, Three, ThreeNow and our social media channels.

In entertainment, the global market is an increasingly competitive and complex landscape, with audiences having more choice than ever before across both pay and free services.

To meet this challenge, our refreshed entertainment strategy gives us greater flexibility to respond. We have diversified our studio relationships, giving us more choice in the content we acquire.

In addition, our acquisition of Three and ThreeNow has resulted in a meaningful uplift in our local programming. We know it's the combination of global and local content that is so important for the delivery of a differentiated offering for New Zealand audiences.

And we have much to celebrate here in the local space, with the quality of our productions recognised at last night's NZ Screen Awards. Sky took home an impressive 24 awards, including Best Entertainment Programme for *New Zealand Tomorrow*, Best Reality Series for *The Traitors*

NZ, Best Pasifika Programme for *Lolo: Champion Maker*, Best Documentary Series for *David Lomas: Breakthrough*, and Best Drama Series for a personal favourite of mine *Bust Up*. Shaun Johnson also picked up the award for Best Entertainment Presenter, for his work on the League Lounge.

Our sport productions were also recognised with wins for Best Live Event Coverage for *Super Rugby,* Best Multi-Camera Director for the *A-Leagues Grand Final,* and *Forever Auckland FC* took out Best Sports Programme.

These awards are fantastic recognition of the talent, creativity and expertise of our teams and production partners, and the quality, depth and breadth of the local content we bring to New Zealand audiences.

As you can see, the acquisition of Three and ThreeNow has fundamentally strengthened our position in the New Zealand market, not only by expanding our advertising business, but also by giving us greater scale and flexibility in how we acquire and distribute content.

With a broader portfolio of pay and free-to-access services, we can reach more New Zealanders, make better use of our investment in content, and offer advertisers and partners access to larger audiences.

We are also becoming an increasingly digital, data-led business. At the full year, 70 percent of our paid customers engaged with Sky content through a digital service, including 41 percent via the new Sky experience.

Together, these building blocks coupled with a match-fit team provide the foundations for our next phase of growth.

Our FY31 ambition and priorities for delivery

At its core, our five-year strategy through to FY31 represents an important evolution in how we think about our business.

We are moving beyond individual products and subscribers towards

> **an audience-driven Sky, enabled by data and technology, with less cost and complexity.**

This is a natural progression of our journey to this point and reflects the potential we see to better serve our audiences, grow and diversify our revenue, and operate more efficiently.

Underpinned by robust analysis and review, our FY31 financial ambition is clear:

> **To deliver significant and sustainable revenue growth, while remaining focused on margin expansion and earnings growth.**

As we grow, we expect 20 to 30 percent of Group revenue to come from non-subscription sources. And we will maintain our continued financial discipline, including operating within a tighter capex envelope of 6 to 8 percent of revenue.

This is not a fundamental change in direction, but an evolution of our strategy, building on the progress we have made and the opportunities now within our reach.

Several important initiatives are already underway that demonstrate what this looks like in practise.

First, we are focused on strengthening our core subscription business and improving the customer experience.

Subscription remains central to our business model, with the pricing power of Sky Sport continuing to reinforce the value of the Sky bundle.

Accelerating the uptake of the new Sky experience is a key priority. Our Sky Box customers remain a very valuable part of our business, and delivering the advantages of a connected experience to more customers will be important to improving satisfaction and retention.

It will also give us richer data and insights, helping us to better understand and serve our customers, while creating new opportunities for our advertising partners.

Second, we are focused on growing non-subscription revenue. The greatest opportunity is in advertising and sponsorship, supported by our expanded audience reach and growing digital capabilities.

A critical part of this is improving how we measure audiences across our platforms.

In partnership with TVNZ, we are developing a new audience measurement system that will give advertisers a more complete picture of who is watching and help us better demonstrate the value of both our premium video content and Sky's audiences.

To put the significance of this change into perspective, the current industry measurement system only captures viewing from just a few hundred Sky households and excludes all of the viewership on our streaming platforms. The new system will bring a cogent measure of viewing across our broadcast and digital platforms, allowing us to demonstrate the true scale and value of our audiences, and, unlock greater advertising revenue opportunities as a result.

This project will support advertising growth from FY28, and you will hear more about it in the year ahead.

We are also developing new ways for advertisers to reach audiences through Sky. One example is a new advertising product planned for launch this financial year, which will allow advertisers to connect with an audience of around 1.8 million per week through Sky screens in over 1,700

pubs and clubs across the country.

Building on our existing Sky Venue relationships, this will create our own unique 'Out of Home' advertising network, allowing Sky to participate in this growing market.

Third, we are simplifying how we operate, using data and technology to reduce cost and complexity.

We will maintain our disciplined approach to spending, while improving efficiency, reducing duplication and finding smarter ways of working across our business.

Technology, data and AI play a critical role in this evolution. Automation will continue to be key to our transformation, and we understand that AI isn't simply a new technology tool, but an opportunity to reshape how we work.

A tangible example of this simplification is already underway, as we begin moving towards a single streaming ecosystem, starting with the migration of ThreeNow to the platform already powering Neon.

Rather than maintaining separate technology platforms, this will allow us to develop features once and deploy them across our services as we choose.

It's the first of our strategic initiatives in the technology space that will streamline our delivery, in service of a better audience experience - while at the same time improving operational and cost efficiency. Importantly, we expect to deliver this within a tighter capex profile.

All three initiatives are proof points of our strategy already in action, with each contributing to our ambition to grow audiences, unlock new revenue and operate more efficiently.

While there is more work to do, we have a clear direction of travel. As we develop our FY31 roadmap, we will prioritise effort where we see the strongest returns and ensure we deliver sustainable growth rather than growth at any cost.

This work is progressing well, and we look forward to sharing more at the half year, with further evidence of delivery to form part of our FY27 announcement.

First quarter trading and unchanged guidance

Looking to the nearer term, and as we signalled at our Full Year Results, trading conditions have continued to be challenging.

While this was expected, recent pressure on household spending and the realities of a highly competitive entertainment streaming market have impacted Neon.

That said, we remain on the right path with our Entertainment strategy as our team secure titles on a portfolio basis serving Three, ThreeNow, Neon and Sky's refreshed channel line-up, including Sky Factual, Sky Justice, Sky Kids and the much-improved Sky Drama channel.

Importantly, notwithstanding such market impacts, our FY27 guidance remains unchanged.

In closing and acknowledgements

Looking to the future, we have confidence in the path ahead.

Sky is significantly stronger than we were three years ago across all aspects of our business, including our ability to generate strong free cash flows.

None of this would be possible without an excellent team.

On this note, I would like to thank Philip and the Board for their continued guidance, challenge and support. Their stewardship has been invaluable as we've navigated a period of substantial change and positioned Sky for our next phase.

To my Executive team and everyone across Rangiata Sky, thank you.

FY26 has required an enormous amount of hard work, change and commitment. I'm immensely proud of what our people have achieved, not only in delivering a strong financial result, but in strengthening your business for the future.

And to you, our shareholders, I am grateful for your continued confidence and support.

We know that your continued confidence must be earned, and we remain committed to doing just that through consistent delivery in the years ahead.

Thank you.

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