

# ANNUAL SHAREHOLDER MEETING 2020





Spark<sup>nz</sup>

# Virtual Meeting

POWERED BY LINK MARKET SERVICES

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# ORDER OF MEETING



Introductions

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Chair's Address

---

CEO's Review

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Resolutions

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Shareholder Questions

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Conduct of Polls

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Meeting Close

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# INTRODUCTIONS



- Jolie Hodson, CEO
- Stefan Knight, Finance Director
- Ido Leffler
- Alison Barrass
- Warwick Bray
- Charles Sitch
- Pip Greenwood
- Paul Berriman
- Ana Wight, Future Director

**CHAIR'S**

**ADDRESS**





**2020 – A YEAR**

**LIKE NO OTHER**



# COMPLETION

## OF 3-YEAR STRATEGY



1

Up-weight our emphasis on wireless services and investment

2

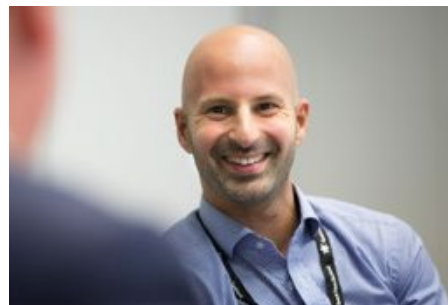
Do better at serving price-sensitive customers, by further developing our multi-brand strategy

3

Become the lowest cost operator, through radically simplified and digitised processes, products and services

# BOARD

# COMPOSITION







## OUR PLAN ON A PAGE

### Our Purpose

TO HELP ALL OF  
**NEW ZEALAND**  
WIN BIG IN A DIGITAL WORLD

Āwhinatia ngā tangata katoa o Aotearoa  
kia matomato te tipu i te ao matihiko.

### Our Strategic Pillars

- World Class **Capabilities and Culture**
- Grow **Established Markets**
- Accelerate **Future Markets**
- A **Positive Digital Future** for all of New Zealand

### Our 3 Year Goals

- Brand **Strength** +10pp
- +40 **Customer Engagement** (NPS)
- +70 **Employee Engagement** (eNPS)
- Sustainable **Free Cash Flow Growth** and **Top Decile TSR**
- **Best Cost** ~31% EBITDAI margin
- Lift **Digital Equity** +25k

### Our Values

- **Whakamana**, We Empower
- **Matomato**, We Succeed Together
- **Tūhono**, We Connect
- **Māia**, We are Bold

# A POSITIVE DIGITAL FUTURE FOR ALL OF NEW ZEALAND

We will work **alongside New Zealand** to harness the **power of technology** and create a **positive digital future** for all.



## Create a Sustainable Spark

Be bold in our business to have a positive impact on our communities and the environment.

- Invest in the capabilities of our people, equipping them to thrive in a digital future
- Reduce our footprint and meet our emissions reduction target by investing in our fleet and infrastructure
- Be responsible, transparent and accountable for our social and environmental performance



## Economic Recovery and Transformation

Help New Zealand transform to a high productivity, low carbon economy.

- Focus our infrastructure investment on supporting New Zealand's recovery and transformation
- Support Kiwi businesses to adapt to become more productive, resilient and sustainable through technology
- Support New Zealanders to upskill and adapt to new ways of working



## Champion Digital Equity

Champion digital equity so all New Zealanders have the opportunity to thrive in a digital future.

- Extend the reach of Skinny Jump to benefit more households – 35,000 by June 2023
- Partner alongside the Spark Foundation to address barriers to digital equity, including access, skills, trust and motivation
- Champion diversity and inclusion in our business and our communities



# REAFFIRMING

## FY21 GUIDANCE

	FY21 Guidance <sup>1</sup>	FY21 Spectrum Renewals <sup>(2)</sup>
<b>EBITDAI</b>	<b>\$1,090m to \$1,130m</b>	
<b>Capital expenditure</b>	<b>~\$350m<sup>(3)</sup></b>	<b>\$50m</b>
<b>Dividend per share</b>	<b>Ordinary 23-25c ( 100% imputed)</b>	

<sup>(1)</sup>Subject to no adverse change in operating outlook

<sup>(2)</sup>1800MHz and 2100MHz spectrum renewals

<sup>(3)</sup>Includes purchase of property, plant and equipment, intangible assets and capacity (including Southern Cross) but excludes spectrum purchases and leased customer equipment assets

<sup>(4)</sup>Dividend Reinvestment Plan reinstated for H2 FY20 dividend. Shares issued under the Dividend Reinvestment Plan will be issued at a 2% discount to the prevailing market price as determined around the time of issue



**THANK YOU**



CEO's

REVIEW



# RESPONSE TO

## COVID-19

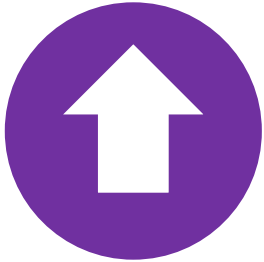
A young child with dark hair and eyes is holding a bright yellow rectangular sign in front of their face, covering their mouth and nose. The sign has two lines of handwritten text in green marker: '#STAYHOME' on the top line and '#STAYSAFE' on the bottom line. The child is wearing a light-colored t-shirt with a palm tree pattern. The background is a blurred indoor setting with warm lighting.

#STAYHOME

#STAYSAFE

- Financial impacts in Q4 FY20
- Maintained critical services as a Lifeline Utility
- Protocols to keep our people safe
- Strong network performance
- Seamless transition to supporting customers from home
- Support to keep New Zealanders connected
- Retail stores became emergency distribution centres
- Skinny Jump ramped up

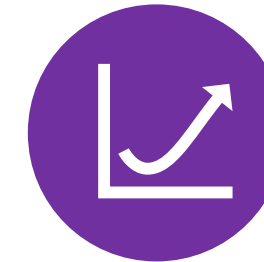




**Delivered what we said we would – FY20 results within guidance and dividend of 25.0c**



**Mobile service revenues up 3.9%**



**Cloud, security and service management revenue up 10.8%**



**Customer service improvements and greater use of digital channels**



**Continued 5G rollout: launched in five South Island locations and in Palmerston North**



**eNPS up 25 points and Agile maturity increased**

# WORLD-CLASS

## CAPABILITIES

CUSTOMER BENEFIT

**Simple, intuitive  
customer experience**

My interactions with  
Spark **'just work'**

**Deep customer  
insights**

Spark offers me the  
**right products at  
the right time**

**Automated,  
smart network**

Spark delivers me  
connectivity,  
**anytime, anywhere**

**Growth  
mindsets**

**I want to work at Spark  
to grow my career** and  
help deliver Spark's  
purpose

SPARK BENEFIT

Engaged customers  
Upsell and cross sell  
Efficiency in cost to  
serve

Marketing efficiencies  
ROI  
Upsell and cross sell

Growth opportunities  
Efficient cost base  
Core foundation to great  
digital experiences

Highly engaged  
talented people will  
strive to deliver more

# GROWING OUR ESTABLISHED MARKETS

## Established markets



Wireless



Broadband



Cloud

Simple, intuitive customer experience

Deep customer insights

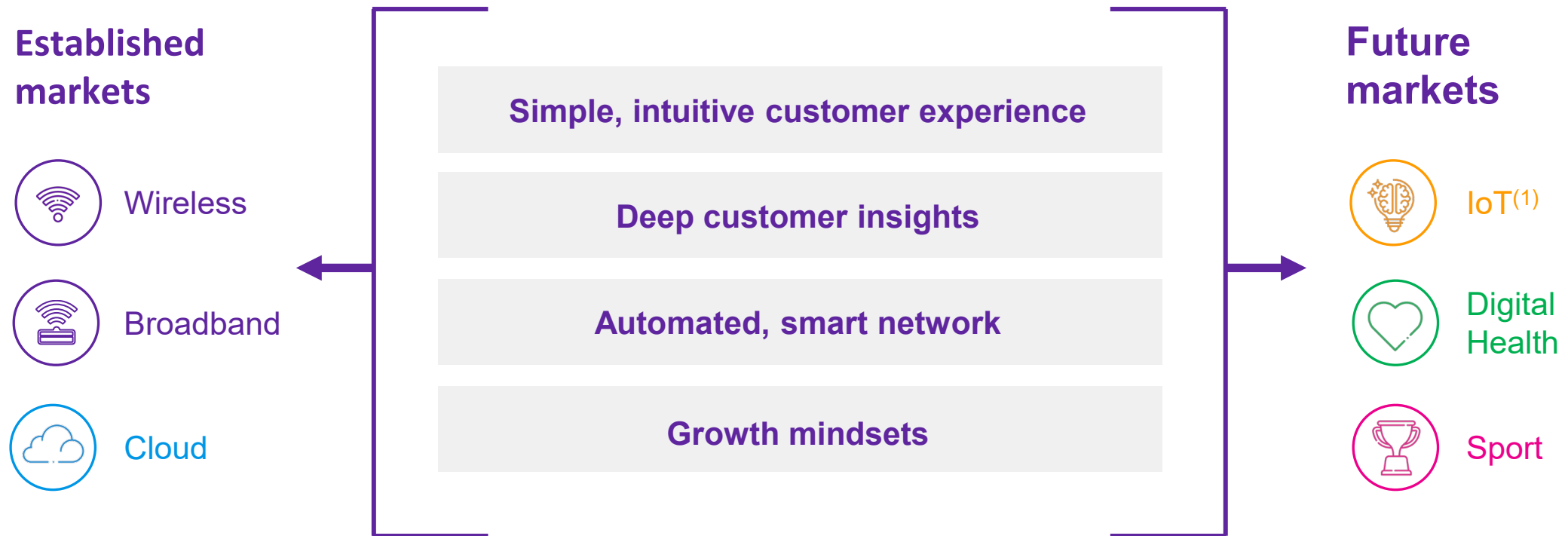
Automated, smart network

Growth mindsets



# ACCELERATING OUR

## FUTURE MARKETS



<sup>(1)</sup>Internet of Things

# WHERE WE

## ASPIRE TO BE



### Primarily Wireless

~80% of  
relationships on  
wireless technology



### Digitally Native

Digital channels are  
the predominant  
choice  
  
Experience  
consistently replicated  
across all channels



### Leading Cloud Custodian

Bringing the best of  
private and public  
cloud together with our  
service expertise



### 5G Everywhere

5G and IoT<sup>(1)</sup> deployed  
nationwide  
  
Unconstrained  
mobile capacity



### Future Workforce

Skills rebalanced  
  
Top decile culture,  
defined by inclusivity  
and growth  
  
Best-in-class adaptive  
leadership



Delivery of these aspirations will result in highly engaged customers and people, growth and top decile returns

<sup>(1)</sup>Internet of Things



**THANK YOU**



# RESOLUTIONS



1. Auditor's appointment and remuneration
2. Re-election of Paul Berriman
3. Re-election of Charles Sitch

# AUDITOR'S APPOINTMENT AND REMUNERATION





**RE-ELECTION OF**

**PAUL BERRIMAN**





# RE-ELECTION OF

## CHARLES SITCH





# QUESTIONS



**THANK YOU**





# Disclaimer

This announcement may include forward-looking statements regarding future events and the future financial performance of Spark New Zealand. Such forward-looking statements are based on the beliefs of and assumptions made by management along with information currently available at the time such statements were made.

These forward-looking statements may be identified by words such as 'guidance', 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'plan', 'may', 'could', 'ambition', 'aspiration' and similar expressions. Any statements in this announcement that are not historical facts are forward-looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Spark New Zealand's control, and which may cause actual results to differ materially from those projected in the forward-looking statements contained in this announcement.

Factors that could cause actual results or performance to differ materially from those expressed or implied in the forward-looking statements are discussed herein and also include Spark New Zealand's anticipated growth strategies, Spark New Zealand's future results of operations and financial condition, economic conditions and the regulatory environment in New Zealand, competition in the markets in which Spark New Zealand operates, risks related to the sharing arrangements with Chorus, other factors or trends affecting the telecommunications industry generally and Spark New Zealand's financial condition in particular and risks detailed in Spark New Zealand's filings with NZX and ASX. Except as required by law or the listing rules of the stock exchanges on which Spark New Zealand is listed, Spark New Zealand undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.