



Television New Zealand Limited	
Annual results announcement – 29 August 2019	
Reporting Period	Year ended 30 June 2019
Previous Reporting Period	Year ended 30 June 2018

Amount (000's)	Year ended 30 June 2019	Year ended 30 June 2018	% change
Revenue from ordinary activities	\$310,673	\$318,509	2.5% decrease
Profit before income tax	\$4,104	\$7,170	42.8% decrease
Profit for the period	\$2,872	\$5,081	43.5% decrease

Comments	<p>Stable Earnings, Stronger Local Content, and Spectacular TVNZ OnDemand Growth</p> <p>TVNZ reported stable operating earnings, continued market leadership of TV audiences off the back of strengthened local content performance and accelerated TVNZ OnDemand growth for the financial year ending 30 June 2019.</p> <p>The company delivered EBITDAF of \$24.6 million consistent with the previous year. Total revenue declined \$7.8 million (-2.5%) to \$310.7 million, with single digit declines in TV advertising partially offset by double digit growth in online advertising revenue. Operating expenditure improved by \$7.8 million (2.7%) to \$286.1 million due to a year-on-year reduction in programming costs.</p> <p>Net profit after tax was \$2.9 million, down \$2.2 million (-44%) on the prior year due to a \$2.9 million unfavourable movement in unrealised foreign exchange. TVNZ CEO Kevin Kenrick says the company's financial results are reflective of challenging market conditions.</p> <p>"In the context of this environment, stable year-on-year earnings is a pleasing result." Kevin says, "the standout achievements for the year have been the stellar ratings performance of our local news and entertainment</p>
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content, and the growth in TVNZ OnDemand.” TVNZ screened 19 of the top 20 TV programmes for the year including New Zealand’s most watched news and current affairs shows*.

TVNZ OnDemand achieved 80% year on year growth in viewership to record 184 million video streams for the period and delivered year-on-year increases in weekly audience reach (+38%) and advertising revenue (+31%). “We have definitely seen the benefits from our investments to enhance user experiences and device availability, and to bolster our breadth and depth of must watch content for online viewers.”

In the lead up to Rugby World Cup 2019 coverage in partnership with Spark Sport, TVNZ has upgraded studio facilities with ‘state of the art’ augmented reality and video wall capabilities and has fully trialled and tested this new sports production capability. “New Zealanders have responded positively to the availability of live sport back on free-to-air television. TVNZ’s coverage of the T20 Black Clash was the most watched live cricket event in the last 10 years, reaching more than a million viewers over the course of the match.”

The TVNZ Board has agreed with the shareholder to cease dividend payments due to increased investment in local content and digital capabilities. TVNZ has sufficient cash on hand to fund the planned transformation over the next three years.

“TVNZ’s competition has shifted from local to global and our future success will be less reliant on being the best in market vs. delivering content services that compare favourably with the global giants,” says Kevin Kenrick.

*Source: Nielsen TAM Consolidated, AP5+ FY18 - 1/07/2018 - 30/06/2019, All Channels, ranked on Average Audience.

FY2019 Snapshot

Earnings: EBITDAF of \$24.6 million, consistent with FY18

Net profit: \$2.9 million, down 2.2% or 43.5% year on year

Total revenue: \$310.7 million, down 2.5% or \$7.8 million year on year

Costs: \$286.1 million, down 2.7%

TV:

- TVNZ reaches 2 million New Zealanders daily
- TVNZ's all-day audience share was steady at 43.2%
- TVNZ had 19 of the top 20 TV shows
- Secured RWC 2019 FTA coverage in partnership with Spark

Online:

- 184 million TVNZ OnDemand streams – up 82 million or 80% video stream growth YOY
- 38.5% audience reach growth YOY
- 30 million Re: video views
- TVNZ OnDemand reached 141,145 New Zealanders daily

Financial Highlights Summary: year ended 30 June 2019

	FY2019 \$'000	FY2018 \$'000
Revenue and income	310,673	318,509
<i>Advertising revenue</i>	293,237	301,001
Operating expenses	(286,116)	(293,907)
EBITDAF	24,557	24,602
Depreciation and amortisation	(19,331)	(19,510)
Interest income	668	917
Interest expense	(129)	(105)
Financial instruments/foreign currency (losses)/gains	(1,628)	1,309
Share of results of joint venture	(33)	(43)
Income Tax	(1,232)	(2,089)
Net Profit after tax	2,872	5,081

ENDS

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