

TVNZ FY24 results

- **EBIT loss of (\$28.5m) for the year ended 30 June 2024**
- **Growth in digital audience and revenue share**
- **New data advertising tools to support revenue growth**

TVNZ today reported an underlying operational earnings (EBIT) loss of (\$28.5m) for the year ended 30 June 2024 (FY24), in line with its proactive disclosure to the market on 4 June 2024.

The company also announced a Net Loss After Tax (NPAT) of (\$85.0m) for the period, including a non-cash impairment of \$62.1m, a decrease of (\$86.7m) from the previous year.

Within this, TVNZ saw a (\$38.8m) reduction in revenues and achieved \$9.9m in annualised savings off the back of strategic cost reduction measures, resulting in a net reduction in TVNZ's cash reserves of (\$7.4m).

TVNZ+ achieved 25% year-on-year growth in viewership to record 464 million streams for the period and delivered year-on-year increases in weekly audience reach (+16%). Digital advertising revenue also grew (+8.2%) providing a clear commercial path for the company.

TVNZ CEO Jodi O'Donnell said, "TVNZ successfully executed on its strategy to deliver compelling content that drove growth in audience reach in FY24. TVNZ was the highest reaching content provider across TV and TVNZ+, ahead of YouTube and Netflix*, and 1News was surveyed as the most popular and trusted source of news*.

"Despite this, and our careful management of costs, our financial performance reflects a constrained economy, market disruption and a difficult advertising market. It has been an extremely challenging period for ad-funded broadcasters globally, including TVNZ, but we are confident in our turnaround plan and digital strategy."

TVNZ has sufficient cash to fund its digital strategy over the next three years. In light of the FY24 loss and aligned with prior years, TVNZ will not pay a dividend to its shareholder. The company is in a position to address its multi-year tech debt, build a robust and scalable IP platform to support its digital progress, and return to profit.

Investment in local content

Te Reo Tātaki TVNZ allocated more than 50% of its content budget to a local lineup that reflected New Zealand and our unique culture on screen. This content resonated with audiences, with 15 of the top 20 programmes on broadcast television, and 9 of the top 20 on TVNZ+ being local shows.

"In FY24 we had to work harder and smarter with a reduced budget to ensure we had a compelling local and international content line up, and I'm proud of what we delivered in this environment.

"Our team presented record breaking 2023 General Election coverage and brought New Zealand cricket back to free-to-view. From critically acclaimed dramas like *After the Party* or premium docu-series, *Escaping Utopia*, to favourites including *Celebrity Treasure Island*, *Country Calendar*, *Shortland Street* and *Taskmaster NZ*, our channels and platforms had something for all New Zealanders.

“We’re continuing to transform how we bring news and current affairs to digital audiences, with a more prominent home for news content on TVNZ+ making it easier for viewers to access our programming. We’ve seeing good growth in our digital news, with a 16% increase in weekly news viewership on TVNZ+ in FY24.”

Sport is now a cornerstone of TVNZ’s content offering, and FY24 was a landmark year. On TVNZ+, cricket, Black Clash and Super Bowl, and other key sporting events drove significant streaming audiences and new sign ups. In June 2023, TVNZ+ launched a dedicated home for sport, and in its first 12 months, sport content was viewed by almost 910,000 accounts, with close to 15.4 million streams.

“We know Kiwis want to hear local stories and voices; this is TVNZ’s point of difference in the streaming market. Our unique content and commitment to local ensures we maintain a strong connection with New Zealand audiences. This will remain core to our offering, regardless of how our technology evolves.”

Digital transformation

Six new innovations for advertisers were launched as part of TVNZ’s audience data and targeting offering, *TVNZ+ Activate* in FY24. This suite of products delivered more than 1,400 campaigns and 120 million impressions over this period.

New product, Data Connect, gives advertisers the ability to target a wider range of audiences more accurately on TVNZ+ through external data partnerships. The initiative is already delivering value, with revenue doubling every month since its launch in March.

“The new advertiser data tools we’ve brought to market as part of our transformation programme provide significant growth opportunity,” O’Donnell says. “The preparatory work for our IP Programme has been completed, and TVNZ is well placed to begin progressing more initiatives that will realise value in 2025.”

“This is a significant programme of work that will flip the priorities of our operating model so that our TV broadcast channels become ‘a consumer’ of our digital operations. This year, we’ll prioritise an overall uplift of Data and AI capability across the business so we can innovate further and faster to meet evolving audience needs.”

FY25 outlook

The market decline is moderating in the current quarter, pacing better than FY24 Q4. “We are cautiously planning for a stabilising of the economy and expect challenging market conditions to continue until the end of the calendar year,” says O’Donnell.

“We continue to be disciplined on our cost outlook and are working with our people to find solutions to a \$30m challenge in FY25. We need to stabilise losses quickly and continue with a multi-year programme to strengthen our streaming technology. We have a clear commercial mandate, and will deliver on this and innovate at pace to be a more sustainable media business.

“We’ve proven our ability to deliver must-watch content for viewers and unrivalled scale for advertisers. Now our focus is on maximising new ways to monetise our content so we’re in a strong position to take advantage when the market stabilises.”

ENDS

*NZ on Air's Where are the Audiences? 2024 - TVNZ ranked as highest provider for reach at 48% (aggregating linear broadcast channels and TVNZ+), followed by YouTube at 47% (for video or music) and Netflix at 38%, Warner Brothers Discovery at 24%.

*NZ on Air's Where are the Audiences? 2024 - TVNZ News is the most trusted source at 22% (up 1pt), with Stuff and NZ Herald second equal at 11%, Newshub next at 9% and RNZ at 8%.

Financial Snapshot FY24

Year Ended 30 June 2024

	FY2024	FY2023
	\$'000	\$'000
Revenue and income	288,859	327,630
<i>Advertising revenue</i>	<i>272,743</i>	<i>308,987</i>
Operating expenses	(303,617)	(313,566)
EBITDAF	(14,758)	14,064
Depreciation and amortisation	(13,703)	(13,499)
Interest income	5,646	4,032
Interest expense	(253)	(315)
Financial instruments/foreign currency losses	(48)	(1,735)
Impairment	(62,105)	0
Income tax (expense)/benefit	209	(829)
Net (Loss)/Profit after tax	(85,012)	1,718