



Interim Report

FINANCIAL YEAR 2025



tvnz+

Re:





Consolidated Interim Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (UNAUDITED)



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Chief Executive's Overview

Digital growth and strong cost management deliver profitable first half performance for TVNZ

TVNZ has reported underlying operational earnings of \$11.8m for the six-month period ended 31 December 2024. The company also announced a total Net Profit After Tax (NPAT) of \$53.1m for the period, an increase of \$69.9m compared to H1 FY24. This included a non-cash adjustment of \$41.3m to remove costs already accounted for in the FY24 impairment.

The result reflects efforts by the business to stabilise its revenue in a challenging advertising market and reshape its operating cost base to meet the economic conditions. Total revenue of \$152.7m declined marginally (-1.9%) versus H1 FY24. While the difficult trading environment seen in FY24 continued, alongside market disruption from global streaming services, modest declines in television advertising revenue were buoyed by a 15.4% year-on-year increase in digital revenue.

Underlying operational expenses of \$143.9m were \$18.8m lower than the same period last year, with TVNZ taking several steps to adjust its cost profile in response to the economic environment. Savings were achieved primarily through a reset of organisational structure, a reduction in content, technology and marketing costs.

Jodi O'Donnell, TVNZ's Chief Executive says, "This is an encouraging financial performance for the business. While the advertising market remains challenged, we've worked hard to shore up our revenue pipeline and reduce our costs. Today's result puts us in the best possible position to advance our digital strategy and deliver on our aspiration to be New Zealand's number one streaming platform of trusted news, sport and entertainment."





2030 Digital+ Strategy

TVNZ is in the first year of its 5-year Digital+ strategy which is focused on ensuring long-term value for audiences and shareholder alike. The plan sets out three key objectives for transitioning to a digital first media business; to double TVNZ+'s 18-54 audience, triple digital advertising revenue and create a sustainable operational model. TVNZ has made positive progress as demonstrated in today's result and the accompanying audience data.

TVNZ+ has cemented its position as the biggest local streaming platform, with over 1.65 million New Zealanders now using the service every week. In the first half of FY25, TVNZ's online audience benefited from enhanced personalisation features, the launch of a digital news video home, News on TVNZ+, and premium titles including The Day of the Jackal, Love Island and the UEFA 2024 Euros.

Digital now makes up over a quarter of the business' revenue. Efforts have been directed at making it easier for advertisers and agencies to trade with TVNZ and access to audiences across platforms, as well as launching additional first-party data products through the TVNZ+ Activate offering. Underpinning this activity is a significant programme of work to address TVNZ's 'tech debt' and replace broadcast infrastructure with a more modern and flexible cloud-based core.

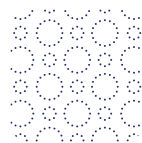
"Audiences are changing, and we have a plan in place to meet their needs today and into the future. We're focused on leveraging our strength in television, while investing to become a digital-first business. We're committed to expanding our offering with new products and services that deliver for viewers and advertisers," says O'Donnell.

FY25 Full Year Outlook

While declines in advertising revenues have softened, challenging trading conditions are expected to continue through the second half of the financial year. Cyclical advertising trends also see lower television advertising revenues in the latter half of the financial year.

TVNZ is forecasting underlying operational earnings (EBIT) between \$5m and \$-5m for the full year FY25, with a range provided due to ongoing market volatility and some unpredictability around the phasing of investment in technology. In addition to this underlying result, TVNZ's full year result may include a non-cash impairment, acknowledging the impact TVNZ's current forecasted future earnings will have on its asset valuation. While the market remains challenging, the initiatives delivered have supported TVNZ in reaching a stronger position, enabling the business to execute its strategy and secure its digital future.

Jodi O'Donnell



Highlights

FOR THE PERIOD

UNBEATABLE SPORT

UEFA Euro 2024 was the most watched sport on TVNZ+, reaching over 350k accounts and generating 2.7 million streams. BLACKCAPS cricket and Paralympic Games Paris 2024 also resonated with streaming audiences.



1NEWS AT SIX

News dominated on air and online with 1News at Six scoring an average TVNZ 1 audience of 580k night and reaching 426k accounts over the period.



MUST-WATCH DRAMA

Drama reigned on TVNZ+ with *The Day Of The Jackal* shooting into the top 5 streaming shows reaching 325k accounts with 3.45 million streams. It was also DUKE's most watched show of the period.



BLUEY FEVER

Bluey was the most streamed show of the period with a whopping 34 million streams. *Whack-a-doo!*



LEADING LOCAL

New shows *My Family Mystery*, *Four Go Flatting*, *Location Location Location NZ* and *Camp Be Better* debuted. News seasons of *Celebrity Treasure Island*, *Taskmaster NZ*, *Heavyweight with Dave Letele*, and *Under the Vines* returned.

UNDERLYING EARNINGS

\$11.8m

ADVERTISING REVENUE

\$144.4m

TVNZ + TOTAL STREAMS

265.8m

NET PROFIT

\$53.1m

TOTAL REVENUE

\$152.7m

TVNZ DAILY CHANNEL REACH

1.6m

Consolidated Income Statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (UNAUDITED)

	Notes	Six Months Ended 31/12/24 \$000	Six Months Ended 31/12/23 \$000
Operating revenue	4	152,747	155,854
Expenses			
Programming	5	(40,961)	(87,888)
Employee benefits		(26,158)	(32,492)
Transmission, technology and telecommunications		(11,616)	(14,326)
Premises and occupancy		(1,817)	(1,678)
Marketing		(5,121)	(6,690)
Other		(13,208)	(12,670)
	6	(98,881)	(155,744)
Earnings before interest, tax, depreciation, amortisation, financial instruments and impairment (EBITDAF)		53,866	110
Depreciation and amortisation		(3,778)	(6,939)
Interest income		2,692	2,866
Interest expense		(114)	(131)
Financial instruments/foreign currency (losses)/gains		414	(462)
Profit/(Loss) for the period before tax and impairment		53,080	(4,556)
Impairment	3	0	(12,234)
Profit/(Loss) for the period before tax		53,080	(16,790)
Income tax expense	7	0	0
Profit/(Loss) for the period		53,080	(16,790)

Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (UNAUDITED)

	Six Months Ended 31/12/24 \$000	Six Months Ended 31/12/23 \$000
Profit/(loss) for the period	53,080	(16,790)
Other comprehensive income reclassifiable to profit or loss in subsequent periods		
Revaluation land and buildings	0	0
Income tax effect	0	0
Revaluation of land and buildings, net of tax	0	0
Total comprehensive Income/(loss) income for the period	53,080	(16,790)

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2024 (UNAUDITED)

	Notes	As at 31/12/24 \$000	As at 30/06/24 \$000
ASSETS			
Current Assets			
Cash and cash equivalents		39,133	26,233
Short term investments		70,000	65,000
Trade and other receivables		35,245	37,644
Programme rights		33,643	0
Derivatives		634	324
Tax receivable		452	452
Total current assets		179,107	129,653
Non-current assets			
Property, plant and equipment		120,256	123,538
Right-of-use assets		3,212	2,477
Other intangibles		116	0
Total non-current assets		123,584	126,015
Total assets		302,691	255,668
LIABILITIES			
Current Liabilities			
Trade and other payables		33,611	41,731
Employee entitlements		2,998	3,058
Deferred income		2,299	2,132
Lease liabilities		700	858
Derivatives		7	35
Provisions	9	3,092	1,799
Total current liabilities		42,707	49,613
Non-current liabilities			
Employee entitlements		679	679
Derivatives		0	1
Lease liabilities		2,508	1,658
Provisions	9	794	794
Total non-current liabilities		3,981	3,132
Total liabilities		46,688	52,745
Equity			
Share capital		140,000	140,000
Revaluation reserves		68,023	68,023
Retained earnings		47,980	(5,100)
Total equity		256,003	202,923
Total equity and liabilities		302,691	255,668

Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (UNAUDITED)

	Share capital \$000	Revaluation reserve \$000	Retained earnings \$000	Total \$000
At 1 July 2024	140,000	68,023	(5,100)	202,923
Total comprehensive income/(loss)	0	0	53,080	53,080
Dividend paid in the period	0	0	0	0
At 31 December 2024	140,000	68,023	47,980	256,003
At 1 July 2023	140,000	67,148	79,912	287,060
Total comprehensive income/(loss)	0	0	(16,790)	(16,790)
Dividend paid in the period	0	0	0	0
At 31 December 2023	140,000	67,148	63,122	270,270

Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (UNAUDITED)

Notes	Six Months Ended 31/12/24 \$000	Six Months Ended 31/12/23 \$000
Cash flows from/(used in) operating activities		
Receipts from customers	155,891	162,791
Receipt of programme funding	4,448	1,480
Interest received	2,695	2,867
Payments to suppliers and employees	(144,469)	(156,777)
Interest paid	(52)	(58)
Income tax received / (paid)	0	0
Net cash flows from/(used in) operating activities	18,513	10,303
Cash flows from/(used in) investing activities		
Purchase of property, plant and equipment	(234)	(1,501)
Purchase of intangibles	0	(267)
(Purchase)/sale of short term investments	(5,000)	(10,000)
Net cash flows from/(used in) investing activities	(5,234)	(11,768)
Cash flows from/(used in) financing activities		
Lease liability payments	(379)	(387)
Net cash flows from/(used in) financing activities	(379)	(387)
Net increase/(decrease) in cash and cash equivalents	12,900	(1,852)
Cash and cash equivalents at the beginning of the period	26,233	33,668
Cash and cash equivalents at the end of the period	39,133	31,816

Notes to the Consolidated Financial Statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (UNAUDITED)

1. CORPORATE INFORMATION

Television New Zealand Limited and its subsidiaries (together "TVNZ") operate as a multi-channel television and digital media broadcasting and production company in New Zealand.

TVNZ is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is wholly owned by the Crown. TVNZ is bound by the requirements of the Television New Zealand Act 2003. The Crown does not guarantee the liabilities of TVNZ in any way.

These consolidated financial statements were approved for issue by the Board of Directors on 27 February 2025.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The unaudited interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and the requirements of the Television New Zealand Act 2003.

The unaudited interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with TVNZ's annual financial statements as at 30 June 2024.

The financial statements are presented in New Zealand dollars, which is TVNZ's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

b) Accounting policies

The accounting policies used in the preparation of the unaudited interim financial statements are consistent with those used in the preparation of TVNZ's annual financial statements for the year ended 30 June 2024.

c) Accounting standards and interpretations adopted in the current period

There are no new standards or amendments to existing standards which have or are expected to have a material impact on TVNZ in the current or future reporting periods.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

a) Impairment assessment

Impairment assessments are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment is recognised immediately as an expense in the consolidated income statement.

The Annual Report for the year ended 30 June 2024 disclosed the significant judgements, estimates, and assumptions that were made when preparing the forecast which was used to determine a commercial valuation of TVNZ under a Fair Value Less Costs of Disposal basis. This assessment resulted in there being an impairment of \$62.1m required at that date.

Significant judgements, estimates, and assumptions were made in the preparation of the updated forecast in line with the previous assessment.

Management has undertaken an impairment assessment and determined no impairment is required at 31 December 2024. This will be reassessed at 30 June 2025.

Notes to the Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (UNAUDITED)

4) OPERATING REVENUE

	Six Months Ended 31/12/24 \$000	Six Months Ended 31/12/23 \$000
Advertising revenue	144,406	146,801
Programme funding	2,865	2,984
Other trading revenue	5,476	6,069
	152,747	155,854

Accounting policy

TVNZ derives revenue from the transfer of goods and services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer at an amount that reflects the consideration to which TVNZ expects to be entitled in exchange for those services.

Revenue is stated exclusive of goods and services tax (GST).

Key classes of revenue are recognised on the following basis:

Advertising

TVNZ is in the business of providing advertising services on its free to air television and TVNZ+ digital streaming channels. Advertising revenue is recognised as income at the time the performance obligation has been met. Advertising revenue includes revenue from advertising, sponsorship and programme production funding on TVNZ 1, TVNZ 2, TVNZ DUKE, TVNZ+ and tvnz.co.nz. Where TVNZ provides advertising for non-cash consideration, revenue is recognised at the fair value of the consideration received, unless TVNZ cannot reasonably estimate the fair value of the non-cash consideration; in which case revenue is recognised by reference to the stand-alone selling price of the advertising promised to the customer.

TVNZ provides retrospective volume bonuses to certain customers once the quantity of advertising services purchased during the period exceeds a threshold specified in the contract. Volume bonuses are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, TVNZ applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. TVNZ then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future bonuses.

Programme funding

Programme funding is recognised initially as deferred income when there is reasonable assurance that it will be received, and that TVNZ will comply with the conditions associated with the funding. Funding that compensates TVNZ for expenses incurred are recognised as income on a systematic basis in the same periods in which the expenses are recognised.

Other trading revenue

Other trading revenue is recognised when the service has been delivered or in the accounting period in which the actual service has been provided. Other trading revenue includes revenue from production facilities, programme sales and multi feed service.

Notes to the Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (UNAUDITED)

4) OPERATING REVENUE *(continued)*

Significant financing component

TVNZ does not expect, at contract inception, that the period between the transfer of the promised goods or services from contracts with customers and when the customer pays for those goods and services to be more than one year. TVNZ applies the practical expedient in NZ IFRS 15 to not adjust the promised amount of consideration for the effects of a significant financing component.

Incremental cost of obtaining a contract

TVNZ has elected to apply the optional practical expedient in NZ IFRS 15 for costs to obtain a contract which allows TVNZ to immediately expense sales commissions (included under employee benefits) because the amortisation period of the asset that TVNZ otherwise would have used is one year or less.

5) PROGRAMMING

	Six Months Ended 31/12/24 \$000	Six Months Ended 31/12/23 \$000
Programme utilisation	40,961	87,888
	40,961	87,888

Programme utilisation for the current year is significantly lower than the comparative period due to the impairment booked at 30 June 2024, which resulted in all programme rights held being written down to nil. This has led to a \$34.6m decrease in programme utilisation for the six months ended 31 December 2024, as costs that would have normally been expensed during this period, were included in the 30 June 2024 impairment.

6) EXPENSES

Other expenses include central overhead expenses, industry levies, contractors, and multi-feed event expenses.

7) INCOME TAX EXPENSE

TVNZ has sufficient tax losses carried forward to cover any forecasted taxable profits for the year ended 30 June 2025 and as such no income tax expense has been recorded.

Notes to the Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (UNAUDITED)

8) PROGRAMME RIGHTS

	As at 31/12/24 \$000	As at 30/06/24 \$000
Programme rights	33,643	0
	33,643	0

At 30 June 2024 all programme rights held were written down to nil as part of the FY24 impairment assessment. The balance at 31 December 2024 of \$33.6m relates to content acquired during the current financial year.

9) PROVISIONS

Accounting policy

Provisions are recognised when TVNZ has a present legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Movement in provisions

	Reorganisation \$000	Make Good \$000	Total \$000
At 1 July 2024	1,799	794	2,593
Raised during the year	2,932	0	2,932
Utilised during the year	(1,639)	0	(1,639)
At 31 December 2024	3,092	794	3,886
Current	3,092	0	3,092
Non-current	0	794	794
At 31 December 2024	3,092	794	3,886
Current 30 June 2024	1,799	0	1,799
Non-current 30 June 2024	0	794	794
At 30 June 2024	1,799	794	2,593

Nature and timing of provision

Reorganisation

The reorganisation provision balance related to the costs of redundancy, outplacement and other costs associated with changes in operational areas of the business to align with TVNZ strategy and technology changes.

Make good

At the expiration of property leases TVNZ is required to restore the property to a standard as specified in the lease agreement. The estimated costs to restore the property have been prepared by independent advisors.

Notes to the Consolidated Financial Statements *(continued)*

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (UNAUDITED)

10) COMMITMENTS

	As at 31/12/24 \$000	As at 30/06/24 \$000
Programme rights	105,849	107,438
Property, plant and equipment and software	357	190
	106,206	107,628

Commitments for programme rights denominated in Australian dollars and are converted at the exchange rate ruling at the date of transaction and revalued at the end of the period. The commitments are determined with reference to the licence period start dates.

11) CONTINGENT LIABILITIES

In the normal course of business various litigation claims have been made against TVNZ. Given the absence of quantified claims in these proceedings, and uncertainty as to the outcomes of these claims, no estimate of the financial effect can be made and no provision for any potential liability has been made in the financial statements.

12) EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurring since balance date requiring disclosure.

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AUSTRALIA



UNITED KINGDOM



UNITED STATES OF AMERICA



OUR BOARD

Alastair Carruthers CNZM, *Chair*
Ripeka Evans, *Deputy Chair*
Aliesha Staples
John Quirk
Linda Clark
Meg Matthews
John Fellet (From September 2024)

OUR EXECUTIVE

Jodi O'Donnell, *Chief Executive Officer*
Brent McAnulty, *Chief Operating Officer*
Rob Hutchinson, *Acting Chief Digital Officer*
Liz O'Neil, *Acting Chief Financial Officer*
Valerie Walshe, *Chief Revenue Officer*
Nevak Rogers, *Chief Content Officer*
Phil O'Sullivan, *Executive Editor, News and Current Affairs*

