

Our marketplace, strategy and business model

Our marketplace

The markets in which we operate are constantly changing and evolving. Consumers are demanding more of the very best content on their terms, be it live on the main television set in the home, or on demand when on the move. However, daily viewing to television remains high, with consumers continually wanting to be entertained on a big screen.

When looking at our business and the markets we are in today, we see a significant growth opportunity ahead. We have 22.5 million customers to whom we can offer more products. In addition, around 64 million households have yet to take pay TV in our core markets, giving us substantial headroom to address this with our multi-platform and streaming TV services. And we continue to look at other opportunities to grow, which in time might include launching products and services in new markets.

64m

households have yet to take pay TV

22.5m

customers to sell more products to

£3.5bn

value of transactional home video markets

£11bn

value of TV advertising market

Opportunities in adjacent markets represent significant further areas of growth.

- Customers are increasingly consuming content in digital formats, with the transactional home video market valued at around £3.5 billion across our markets.
- We are able to exploit this opportunity through our own transactional video service, Sky Store.
- In addition, our advertising sales house, Sky Media, operates in an advertising market worth £11 billion across the Group.
- With strong global demand for high-quality content, Sky Vision, our production and distribution arm, goes from strength to strength. Our growing slate of Sky original programming has been popular with broadcasters around the world, with sales in hundreds of territories.

Our strategy

Our strategy is to broaden our business; moving into new markets, opening up new customer segments and expanding our range of products and services.

At the heart of our strategy are the steps we have taken to build our position as Europe's leading entertainment and communications business. Across all our markets we are ensuring Sky is the home of more of the best content from around the world, with sustained market-leading innovation across multiple platforms, delivered by a trusted brand that offers best in class customer service.

This customer proposition enables us to pursue the significant opportunities for growth in the attractive markets where we operate.

Our strategy is enabling us to deliver sustained broadly based revenue growth which, together with our focus on operating efficiency, creates a consistently stronger, more profitable business and long-term shareholder value.

Our business model

We are focused on delivering the very best content, innovation and service for our customers.

Our strengths

Great content

We invest to deliver the best and broadest range of content rights across the portfolio of channels and services we provide to customers, offering something for everyone in the household. We partner with content owners to secure the very best content from around the world, and produce our own original productions.

Market-leading innovation

We combine our investment in technologies with a deep understanding of our customers to offer a great viewing experience whenever, wherever and however our customers want to watch.

Our customer focus

We are a customer-centric organisation, focused on meeting the needs of all our customers in every market. We are able to meet their needs through the strength of our trusted brand, ensuring that we offer a market-leading TV experience and our commitment to superior customer service.

Growth opportunities

Growing pay TV penetration

Across our markets there is a significant opportunity for growth, with 64 million households yet to take pay TV. We have further developed our segmented customer offers to ensure we are well placed to persuade more customers to join and stay with Sky.

Selling more to customers

We focus on broadening out our range of products and services to offer more to existing customers and address more of their needs.

Scaling adjacent businesses

We create and pursue opportunities in adjacent sectors such as advertising, transactional services and international programme sales to create and grow additional revenue streams.

How we create value

Investing for the long term

We invest over the long term because we want to build a business that is durable. This means ensuring that we create the conditions for sustainable success whilst also delivering results in the short term.

Driving efficiency

We underpin everything we do with a rigorous focus on operating efficiency. By ensuring that we have an efficient and agile operating model, we consistently drive down costs, allowing us to invest more where customers see greatest value.

Seeing the Bigger Picture

We are committed to acting responsibly in all that we do. That's because we know that to build a successful business over the long term, how we do business is as important as what we do. We also focus on making a positive impact on society. We call this seeing the Bigger Picture.

Investing in people

We invest in our people because we recognise that their talent and commitment are critical to our success. We aim to foster a culture which encourages our people to fulfil their potential and strive for continual improvement in all that they do, enabling us all to achieve great things together.