

MEDIA RELEASE - Provincial Unions give private equity deal green light at historic New Zealand Rugby AGM

New Zealand Rugby Media Releases
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Provincial Unions give private equity deal green light at historic New Zealand Rugby AGM



- Provincial Unions vote unanimously in favour of Silver Lake proposal
- NZR announce \$18.7m operating loss and total loss of \$34.6m for the year
- Mark Hutton and Ajit Balasingham join NZR Board
- NZR to continue discussions with New Zealand Rugby Players' Association

New Zealand Rugby (NZR) has been given the green light by its Provincial Unions to finalise a private equity deal that will see US investment firm Silver Lake take a 12.5 percent stake in the game.

The landmark deal would see Silver Lake inject \$387.5 million into NZR with a large portion of the money earmarked for rugby's grassroots, but still needs the consent of the New Zealand Rugby Players' Association (NZRPA) to go ahead.

The 26 Provincial Unions and New Zealand Māori Rugby Board (NZMRB) voted unanimously in favour of the Silver Lake proposal at the governing body's 129th Annual General Meeting in Wellington today where NZR posted an operating loss of \$18.7m, just \$5m below the pre-COVID budgeted loss.

A further \$16m writedown of Sky Television shares created a total loss for the year of \$34.6m.

NZR Chair Brent Impey said the positive vote for private equity was one of the most significant in the game's history.

"We are thrilled that our Provincial Unions and the Māori Rugby Board have recognised the importance of private equity in driving commercial revenue and enabling investment to ensure rugby thrives and survives into the future. Today's vote for Silver Lake represents a transformational opportunity for our game and one we must grasp."

Impey said it was disappointing that the NZRPA had not given their consent.

"Through swift action, good governance and hard work of our people we are fortunate to be one of the best placed national unions in the world. However, we are at a critical juncture and need our players' support if we are to make the most of the opportunity in front of us.

"The game has to change, and Silver Lake's capital injection would allow us to re-imagine rugby and invest in the areas of the community game that need it most, particularly teenage and women's rugby, and to create better and more engaging experiences for our fans.

"The players are a critical part of this journey, but we have to look at what is right across all levels of the game, our whole eco-system. We hope the NZRPA will realise the significance of the opportunity in front of us and will continue to work toward an agreement in coming weeks."

NZR Chief Executive Officer Mark Robinson said the 2020 balance sheet was a reflection of rugby's adaptability and resilience.

"A year ago we were facing a collapse of more than 60 percent of our revenue and had to make some hard decisions in a short amount of time in order to keep costs down, while getting our players on the field and keeping our stakeholders engaged.

"From the Heartland unions' decision to cancel their representative season, to the extra hours our staff and players have put in, the past year has been difficult, and we

acknowledge the hardships felt by our people at all levels across the game.”

Notable on-field innovations to create revenue and content for fans included:

- The creation of Sky Super Rugby Aotearoa
- The revival of the Steinlager North v South match
- A Possible v Probables Black Ferns trial
- A two-match series between the Black Ferns and New Zealand Barbarians
- An historic match between the Māori All Blacks and Moana Pasifika in Hamilton.

“We could not have done this without the support of our fans, who turned out in force, the New Zealand Government, Sport New Zealand, our broadcast partner Sky TV, ACC and loyal sponsors like adidas and AIG, as well as the media,” Robinson said.

While rugby was not immune to falling player numbers, with COVID-19 severely limiting the ability to run school age tournaments, it allowed NZR time to re-prioritise the community game, he said.

“Private equity would provide the impetus for us to water the grassroots and resource the areas most in need at our clubs and Provincial Unions. It’s an exciting time to be involved.”

BOARD APPOINTMENTS

Sir Michael Jones has made the decision to step down from the NZR Board to commit more time to his family, community and work.

Jones said it had been an honour to serve on the Board and help drive some landmark decisions including the recent granting of conditional licenses to Moana Pasifika and the Fijian Drua to join NZR’s professional competitions in 2022.

“It has been a privilege to serve the game that has given me so much and I will continue to contribute where I can, particularly at grassroots levels.”

NZR Chair Brent Impey said: “We thank Michael for his valuable service since joining the Board in 2018. He has provided a crucial Pasifika lens and ensured community was always at the heart of our discussions.”

New Zealand Māori Board Chair Farah Palmer was reappointed as the Māori representative on the NZR Board, where she will be joined by Ajit Balasingham and Mark Hutton.

Balasingham was nominated by the Northland Rugby Union and elected by Provincial Union vote, while Hutton was appointed after being recommended by the Appointment’s and Remuneration Committee.

Impey said the new Board members brought excellent skill sets to the table.

New NZR Board member bios