Media Release: NEW ZEALAND RUGBY AND NEW ZEALAND RUGBY PLAYERS ASSOCIATION BOARDS APPROVE PARTNERSHIP WITH SILVER LAKE

Wellington, New Zealand, February 17 – The New Zealand Rugby (NZR) Board and the New Zealand Rugby Players Association (NZRPA) Board today announced that they have approved a partnership agreement between Silver Lake, NZR and the NZRPA, providing capital to invest in the game at all levels and supporting the development of new capabilities and the pursuit of new global opportunities enabled by digital technologies.

This partnership marks the beginning of a transformational phase for the entire game in New Zealand and will allow us to pursue exciting new opportunities for rugby. Under the terms of the agreement, which remains subject to ratification by the Provincial Unions and Māori Rugby Board, Silver Lake will invest NZD $200 million in a new commercial entity that will house all revenue-generating assets of NZR, with additional co-investment of up to NZD $100 million to be offered to New Zealand-based institutional investors later in 2022. Silver Lake, NZR and NZRPA will also establish “Global Rugby Opportunities” to invest together in rugby-related businesses outside of New Zealand.

Stewart Mitchell, NZR Chairman said: “In the privileged role we hold as guardians of our national game, we are proud of where we have landed with this partnership. I want to acknowledge that the journey to get here hasn’t been easy at times, there was healthy debate and some adjustments by all parties, but always with the good of the game at the heart of this process. The NZR Board are looking forward to continuing our conversations with the Provincial Unions and Māori Rugby Board and anticipate ratification in the coming weeks.”

David Kirk, NZRPA Chairman said: “The partnership is the outcome of long and considered discussions and has been approved by the NZRPA board. This is a pivotal moment for rugby in New Zealand. The agreement provides capital on a sound economic basis and Silver Lake brings additional capability to execute on the new growth opportunities. The proposed investment by New Zealand institutions provides an opportunity and natural pathway for New Zealanders to share in the growth of rugby over time.”

Mark Robinson, NZR CEO said: “This partnership presents rugby with an extraordinary opportunity to secure its future and unleash its true potential. We are truly excited by what we can achieve together with Silver Lake’s world class capabilities: from fostering and growing our grassroots, to enhancing the experiences we can create for New Zealanders, and truly maximising our potential on the global stage.”

Rob Nichol, NZRPA CEO also cemented the NZRPA’s support: “NZRPA is excited for this partnership and what it means for the future of rugby. It addresses our fundamental principles—ensuring a
true comprehensive partnership, allowing us to invest together in rugby globally, and establishing the right governance models. Silver Lake have shown great integrity and a commitment to getting the right deal in place. They were willing to listen to everyone and understand what rugby means to people in our country. We are confident that Silver Lake is the right investment partner.”

Sarah Hirini, NZRPA board member and Black Ferns Sevens captain said: “The proposal brings new investment and capability into the game and will help us go after some exciting new opportunities, especially given 2022 is such a big year for women’s rugby. There’s a lot of change in rugby globally and this partnership will position us well.”

Sam Cane, NZRPA board member and All Blacks captain said: “We are excited about this agreement and have confidence that it is a great outcome for rugby on all levels. We are impressed by Silver Lake’s thoughtful approach and what they can contribute to help us become better at what we do off the pitch. This partnership is a great step forward for the game.”

Silver Lake Managing Director Simon Patterson remarked: “New Zealand has a phenomenal track record in rugby, with a great history and culture of leadership, inclusion and teamwork. Silver Lake is fully committed to rugby in New Zealand, to help build on all these past successes at a key moment in the development of the game globally.”

Silver Lake Managing Director Stephen Evans added: “Digital technologies are transforming all sports, and we look forward to bringing our global network and resources to help New Zealand rugby drive innovation and take advantage of all the opportunities ahead.”

In summary, the partnership agreement comprises the following components subject to necessary approvals:

- Establishes NZR CommercialCo under the control of NZR that will contain all the revenue-generating activities of NZR.
- Silver Lake invests NZD $200 million into NZR CommercialCo at an NZD $3.5 billion valuation in the form of a perpetual convertible security at a low interest rate, which can convert into ordinary equity after three years.
- Later in 2022, an additional co-investment will be offered to New Zealand-based institutional investors so that domestic capital can have the opportunity to also participate in the investment. A minimum of NZD $62.5 million will be offered, with the potential to seek up to NZD $100 million if parties agree. Silver Lake will underwrite this institutional syndication if it is not fully subscribed.
- At the conclusion of the additional co-investment, Silver Lake will own between 5.71-8.58% of NZR CommercialCo (representing NZD $200-300 million investment, depending on capital needs and the uptake of New Zealand-based institutional investors) vs. the 10-15% stake that had been previously proposed.
- An increase in valuation compared with the prior proposal driven by the improved future financial outlook from broadcasting and sponsorship, resulting in NZR raising a substantial
amount of money whilst selling a smaller share of the entity, allowing NZR to fund all its investment needs and putting the game on a sound financial footing for the future.

- Silver Lake, NZR and NZRPA will through “Global Rugby Opportunities” (GRO) together invest in global rugby and rugby-related technology businesses, earning NZR and NZRPA a 15% share of the profits of GRO (split 50/50) in return for their contribution of sports expertise, know-how and relationships.

Under this partnership, the protections and controls for NZR remain in place as previously agreed. Silver Lake would be a minority investor and NZR will retain full control over rugby as well as the commercial strategy. The new NZR CommercialCo entity board will be controlled by NZR and will comprise a new independent chair, and other independent directors, to assure high governance standards and at the same time business acumen to make NZR CommercialCo a success for everyone interested in rugby in New Zealand. The NZRPA will have a seat on the NZR CommercialCo board.

Separately and subject to ratification, NZR and NZRPA have agreed terms for a new collective agreement which continues the current revenue sharing arrangement and governs the new relationship between NZR, the players, and NZR CommercialCo. Further, NZR will undertake an independent review of its governance structures and processes to ensure it is fit-for-purpose for this new chapter. NZRPA will also be reviewing its constitution and governance structures in 2022 as part of a strategic and business planning process it is undertaking.

-ENDS-

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About NZR

New Zealand Rugby (NZR) is the governing body of the game in New Zealand, with a vision to inspire and unify people through rugby. NZR has a significant responsibility to lead, support, grow and promote rugby at all levels, from the community grassroots through to representative Teams in Black.

About NZRPA

The New Zealand Rugby Players’ Association (NZRPA) was founded by New Zealand’s professional rugby players as their independent representative body in 1999. Through the NZRPA, the players work with the game’s administration to address issues of importance to players and the ongoing development of the game, including negotiating the Collective Employment Agreement (CEA) between the professional players and New Zealand Rugby, Super Rugby Clubs and Provincial Unions. A key focus of the NZRPA’s work is to encourage, educate, challenge and support players in their personal and professional development both on and off the field in order to help them thrive in all aspects of their life. “It is through the NZRPA that the Players’ individual and collective role within professional rugby is defined and activated”. The NZRPA is a founding member of New Zealand Athletes Federation, International Rugby Players and the World Players Association.

About Silver Lake

Silver Lake is a leading global technology investment firm, with more than USD $90 billion in combined assets under management and committed capital and a team of professionals based in North America, Europe, and Asia. Silver Lake’s portfolio companies collectively generate more than USD $227 billion of revenue annually and employ more than 567,000 people globally. For more information about Silver Lake and its portfolio, please visit Silver Lake’s website at silverlake.com.