



# FY23 RESULTS

## INVESTOR PRESENTATION

sky CITY  
ENTERTAINMENT GROUP

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# FY23 Results Summary

Strong Group normalised earnings with reported earnings impacted by one-off adjustments

## REVENUE

**\$926.2** million  44.9% YoY

Reported

**\$966.7** million  53.1% YoY

Normalised<sup>1</sup>

## NPAT

**\$8.0** million  nm

Reported

**\$138.8** million  1331.6% YoY

Normalised<sup>1</sup>

## DIVIDENDS<sup>2</sup> PER SHARE

**12.0** cents per share

## DEBT GEARING<sup>3</sup>

**1.5x**

## NET DEBT<sup>4</sup>

**\$443** million

## EBITDA

**\$165.9** million  71.1% YoY

Reported

**\$310.3** million  125.0% YoY

Normalised<sup>1</sup>

## EARNINGS PER SHARE

**1.1** cents per share  nm

Reported

**18.3** cents per share  1331.6% YoY

Normalised<sup>1</sup>

1. Refer to appendices for normalisation detail

2. Final dividend of 6.0cps, payable on 22 September 2023 with a record date of 8 September 2023

3. Debt Gearing Ratio as per financing agreements

4. Group borrowing plus leases less cash on hand



# FY23 Key Messages

Strong performance delivering improved financial results while prioritising compliance matters



## Performance

Strong rebound in FY23 earnings - now ahead of FY19 levels on a like-for-like basis

NZ operations robust with EGM growth, non-gaming benefiting from tourism recovery

Table games recovery slow across the Group

Adelaide trading reflects solid EGM and non-gaming, but significant cost pressures

Adelaide casino licence impairment (A\$46m) reflecting heightened gaming sector risk, reduced international earnings and slower table games ramp up



## Regulatory

Response to AUSTRAC's Statement of Claim continues

CBS appointment of independent expert to monitor SkyCity Adelaide's AML/CTF enhancement programme pending

Adelaide provision of A\$45m for a potential AUSTRAC civil penalty and associated legal fees

Engagement with DIA continues including scheduled audit of AML function



## Compliance

Continued progress on AML/CTF and Host Responsibility enhancement programmes

Dedicated resource of 84 employees across Group AML and Host Responsibility departments supported by frontline operations

Compliance costs across Group of \$18m including one-off enhancement and legal costs of \$10m

New Chief Risk Officer role to lead Risk, AML and Host Responsibility functions



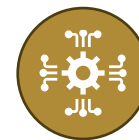
## People

Good recruitment progress, enabling increased opening hours to meet customer demand

Positive employee survey engagement scores in a challenging year, leadership development programmes re-launched

Health & safety of staff and customers continues to be a priority

Chief People & Culture Officer recruited



## Strategy

Continued focus on operating core properties efficiently to maximise returns

Auckland and Queenstown capitalising on NZ tourism recovery

Initiatives underway to sustainably remove cost, particularly in Adelaide

Restructured and refocused International Business

Increased advocacy for NZ online regulation, but timing remains uncertain

Gaming Innovation Group performing well



## Resilience

Strong Group balance sheet, with a material level of liquidity headroom and robust debt gearing ratio of 1.5x

New USPP financing drawn in March 2023 in preparation for Auckland carpark concession agreement termination

Final dividend of 6.0 cents per share, taking total FY23 to 12.0 cents per share, within Group dividend policy



## Projects

Positive programme progress for NZICC and Horizon Hotel projects

Reinstatement spend on these projects covered by insurance, or it is expected to be incurred by, or sought from, the contractor

Planned opening of Horizon Hotel in 2024 and NZICC in 2025

SkyCity initiated a court proceeding to resolve carpark concession agreement dispute



# Regulatory Environment and Compliance

SkyCity Adelaide (SCA) continues to manage heightened regulatory activity while advancing comprehensive uplifts

## Australian Regulatory Environment

### AUSTRAC

Australian federal regulator of AML/CTF

- Working toward agreeing facts and potential admissions before the Court identifies a process for any remaining disputed issues (if any) and potential penalty to be determined
- SCA has booked a provision of A\$45m for a potential civil penalty and associated legal costs
- Quarterly operational meetings continue with AUSTRAC

### CBS

South Australian gambling regulator

- CBS independent review remains on hold
- CBS direction issued in May 2023 requiring SCA to appoint an independent expert to review and monitor SCA's AML/CTF and host responsibility enhancement programmes
- Independent expert appointment pending
- Regular interactions with CBS on AUSTRAC proceedings, and operational matters continue

## SkyCity Adelaide (SCA) Compliance and Enhancement Programmes

### AML/CTF

Enhancement programme progressing, with improvements implemented throughout 2023 including:

- updated AML/CTF Programme (Part B) approved with supporting standards and procedures being embedded
- roll out of SCA Board approved AML/CTF Risk Appetite Statement
- increased AML/CTF internal communications and risk awareness training for staff
- uplift across financial crime operational activities, including investigations, customer due diligence and transaction monitoring
- continued upgrade of supporting technology and building foundations to enable future automation

### Host Responsibility

- Resourcing increased, including permanent VIP Room presence and dedicated training
- 12-hour continuous presence policy in place, limiting the time certain customers can remain in gaming areas
- Uplifted analytics capability for carded play, with further technology enhancements pending CBS approval



# Regulatory Environment and Compliance

SkyCity New Zealand continues to uplift compliance activities while working constructively with the regulators

## New Zealand Regulatory Environment

### Department of Internal Affairs (DIA)

NZ gambling and AML/CTF regulator

- Scheduled DIA audit of NZ AML functions is currently underway
- First tranche of regulatory changes came into effect from 31 July 2023 following the NZ Government's statutory review of the NZ AML/CTF Act
- New Minister of Internal Affairs appointed in January 2023
- Ministerial exemption under the AML/CTF Act for casino loyalty programmes has been extended to end of December 2024

## SkyCity New Zealand Compliance and Enhancement Programmes

### AML/CTF

- The NZ AML team has increased in size following a review of its operating model
- Enhancements to transactional monitoring processes have been implemented
- The procurement process for a new case management system has been completed
- Ongoing refinements to the AML Programme have been embedded as part of a continuous improvement model

### Host Responsibility

- Facial recognition technology introduced to SkyCity Auckland main site ATMs, with implementation in SkyCity Hamilton pending
- A dedicated Host Responsibility room (Te Whare Haumarū) has been opened at the Auckland property for customer education and support
- Patron scan technology trials ongoing at SkyCity Auckland main casino entrance to support the identification of minors and false IDs
- The Host Responsibility team has been expanded, with new Responsible Gambling Manager and Host Responsibility Compliance Manager roles in place

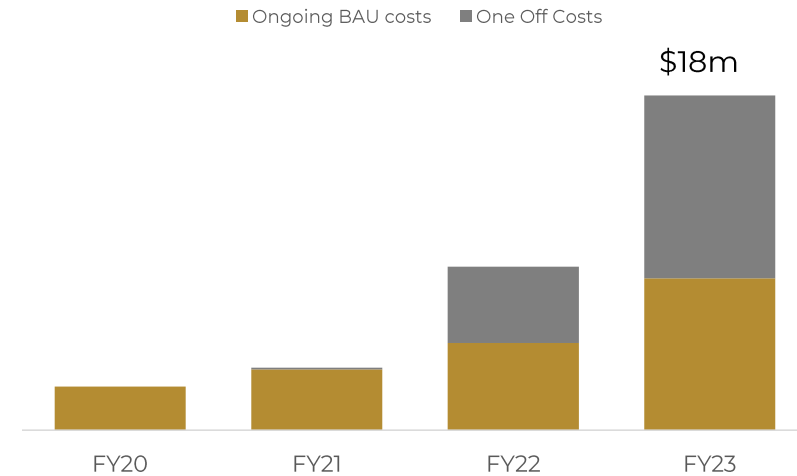


# Risk & Compliance Investment

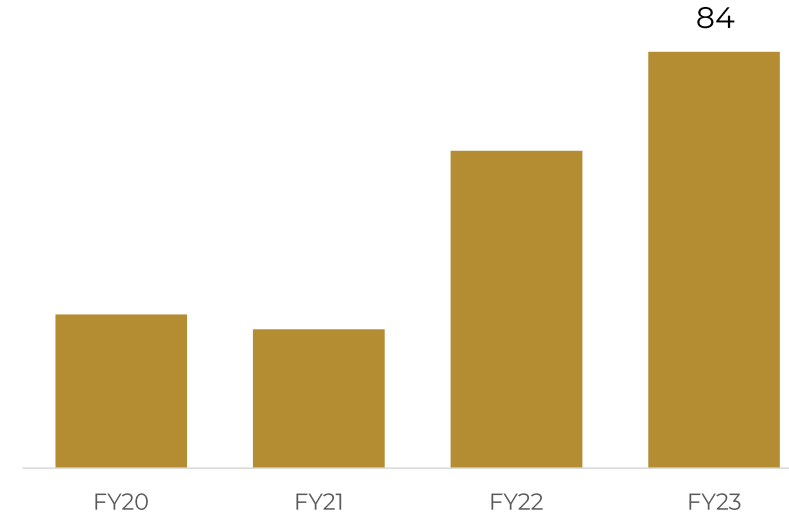
SkyCity has invested significantly in its AML, financial crime and host responsibility enhancements

- Significant investment in both people and technology to support the uplift in AML/CTF and Host Responsibility across the Group
  - Includes a material amount of one-off effort and spend over the past two years
- The number of dedicated positions within the Group's AML, Host Responsibility and Compliance departments over the last four years has increased significantly to support the enhancement and execution of the Group's programmes
  - Financial crime teams across the Group have expanded significantly over the last three years, and now has 30 dedicated positions working on a combination of operations and enhancement programmes
  - Significant increase in dedicated host responsibility headcount as operations recovered post COVID-19
- In addition to dedicated roles, employees across casino operations, security, surveillance are trained to support the care of customers

## Group Compliance Costs Trend



## AML, Compliance and Host Responsibility Headcount Trend

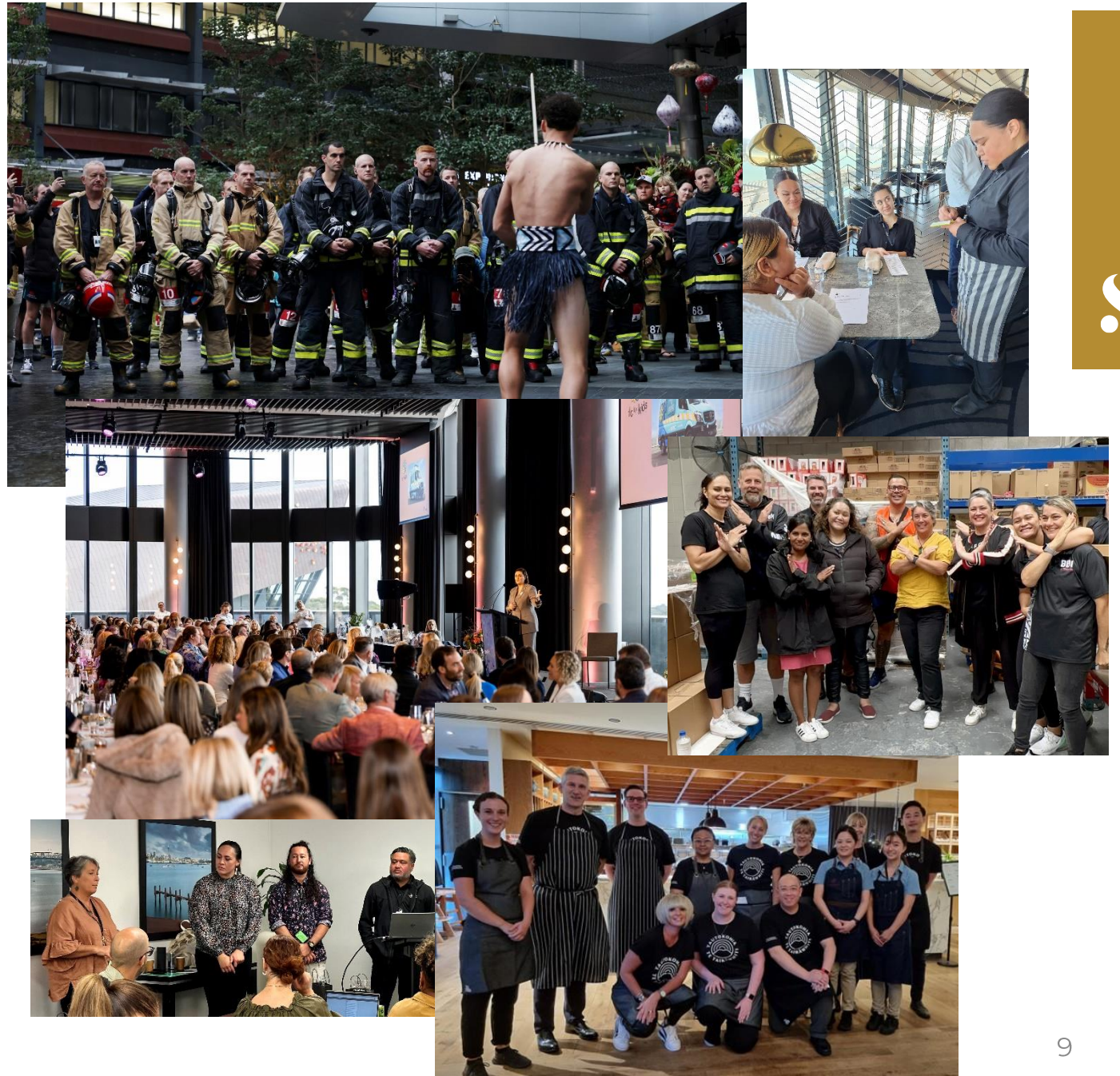




# Community

SkyCity is an important contributor to the communities we operate in

- In FY23, SkyCity contributed \$4.5m to its NZ Community Trusts, enabling a record \$5.3m of grants to be distributed to 122 community organisations – total of \$72m awarded since 1996
- SkyCity contributed to communities impacted by Cyclone Gabrielle and by Auckland's extreme weather events
- SkyCity continued its support to fundraising efforts for Leukaemia & Blood Cancer NZ, raising \$2m from Sky Tower stair challenges
- SkyCity concluded the fifth year of its “Building Communities by Developing People” approach, which includes our Project Nikau and TupuToa Internship programmes
- 73 rangatahi (young people) onboarded to Project Nikau during FY23, taking the total graduates to 99 since inception and targeting 300 recruits by end of 2025
- SkyCity is a proud sponsor of many events in both NZ and South Australia including Women’s Rugby World Cup, HAS Foundation Mother’s Day Luncheon, Sammy D Foundation Annual Ball and AFL Gather Round



# People

A leading employer of over 4,500 people in New Zealand and South Australia

- SkyCity's biennial employee engagement survey (MyVoice) concluded in May 2023 with an 84% participation rate by permanent employees
  - Overall engagement score of 78% in a challenging year
  - 89% feel safe when they are at work
  - 82% were proud to work for SkyCity
  - 79% would recommend SkyCity as a great place to work.
- Health and Safety scorecard achieved all targets during FY23 including TRIFR<sup>1</sup> of 11.3
- During FY23, SkyCity added 669 net new employees including across the key areas of Food & Beverage (440), Gaming (100) and Hotels & Tower (74).
- The strong focus on recruitment has seen the level of vacancies across the Group reduce to 243 – back within normal levels
- Recruitment is also underway for approximately 700 jobs for the Horizon Hotel and NZICC developments
- SkyCity is a signatory to the 40:40 Vision – an investor-led initiative to achieve balance across the executive leadership teams of all ASX200 companies by 2030 – we have achieved this objective for 2023
- Of all employees, 48.5% are female and 51% male and 0.5% were gender diverse as at 30 June 2023

<sup>1</sup>Total Recordable Incident Frequency Rate based on 1,000,000 hours worked



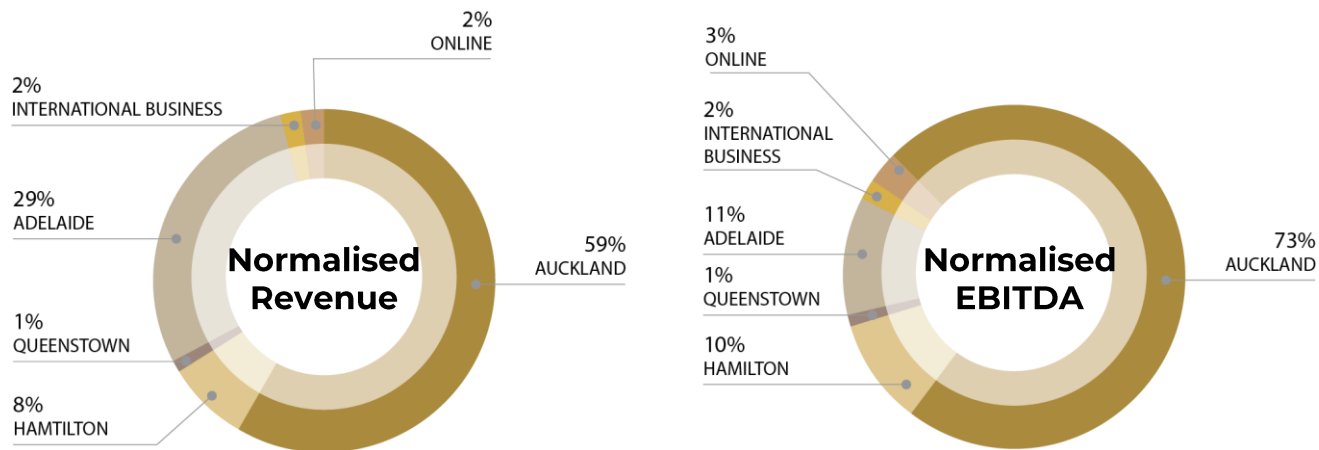


# Operational Performance

# FY23 Group Summary Profit & Loss

A year of re-emerging performance combined with significant one-off adjustments

- Strong Group operating earnings, exceeding like-for-like trading performance in FY19 with compositional differences driving stronger margins
- Normalised EBITDA of ~\$310m at the top end previous guidance range
- Significant cost inflation experienced year-on-year through increased staff costs, food and beverage inflation, offset by pricing/productivity focus
- Compliance uplifts continue to be a key feature, with ~\$8m invested across operations and corporate areas to enhance internal control frameworks and ~\$10m incurred to manage regulatory proceedings
- Reported EBITDA and NPAT impacted by recognition of a provision related to AUSTRAC proceedings, and an impairment of the Adelaide Casino licence



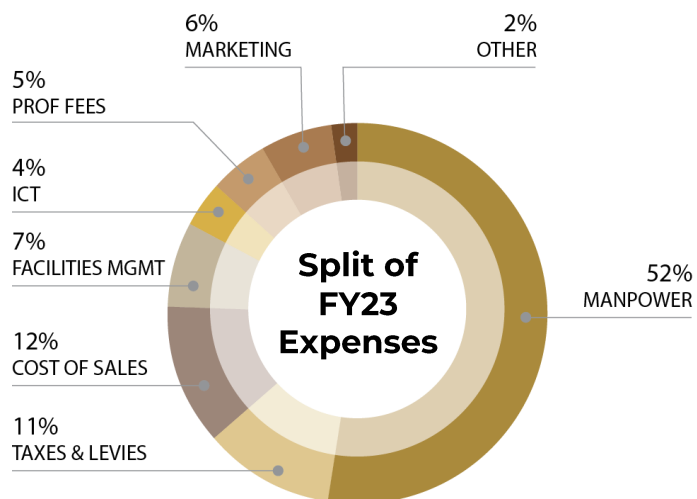
\$m	FY23	FY22	Movement
<b>GROUP REVENUE</b>			
Reported	926.2	639.0	44.9%
Normalised <sup>1</sup>	966.7	631.5	53.1%
<b>CORPORATE</b>	(33.8)	(24.7)	(36.9%)
<b>GROUP EBITDA</b>			
Reported	165.9	96.9	71.1%
Normalised <sup>1</sup>	310.3	137.9	125.0%
Normalised <sup>1</sup> EBITDA Margin	32.1%	21.9%	10.2%pts
<b>GROUP EBIT</b>			
Reported	75.2	2.3	3,204.3%
Normalised <sup>1</sup>	219.6	43.3	407.5%
<b>GROUP NPAT</b>			
Reported	8.0	(33.6)	nm
Normalised <sup>1</sup>	138.8	9.7	1331.6%
<b>EARNINGS PER SHARE</b>			
Reported	1.1	(4.4)	nm
Normalised <sup>1</sup>	18.3	1.3	1331.6%



# FY23 Group Normalised Profit & Loss

Strong growth from prior financial year, with EGM revenue contribution dominating

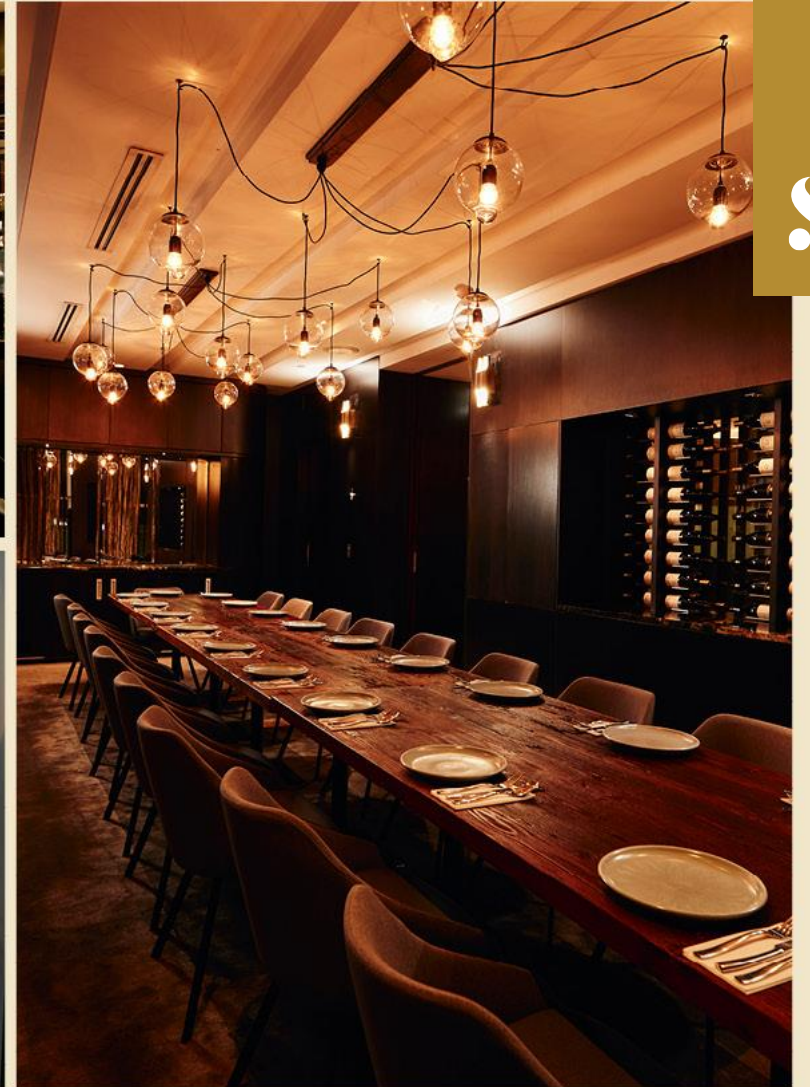
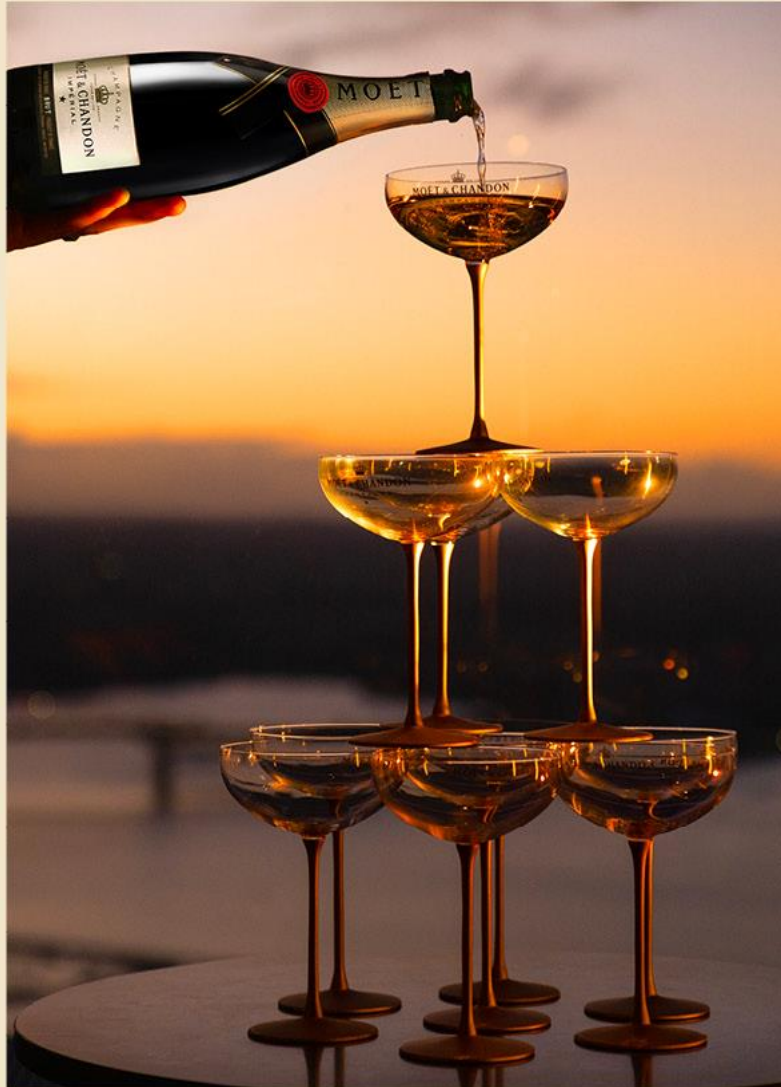
- Gaming Machines contributed c50% of the total Group revenue, predominantly from the Main Gaming Floor
  - This compares to 38% in FY19, demonstrating the structural change in the group's earnings composition
  - Implies a 27% increase in EGM revenue since FY19
- Table Games revenue of \$231m is up 50% from FY22 but 11% below FY19, highlighting the softer recovery
- Online revenue meeting expectations in a difficult operating environment
- Expenses under inflationary pressure



\$m	FY23	FY22	Movement
Gaming Machines Revenue	477.5	313.5	52%
Table Games Revenue	231.2	154.4	50%
Online Gaming Revenue	15.4	16.9	(9%)
International Business	35.3	16.5	115%
<b>Gaming Revenue (including GST)</b>	<b>759.4</b>	<b>501.3</b>	<b>51%</b>
Non-Gaming Revenue	207.4	130.2	59%
<b>Total Normalised<sup>1</sup> Revenue (including Gaming GST)</b>	<b>966.7</b>	<b>631.5</b>	<b>53%</b>
Gaming GST <sup>2</sup>	(88.6)	(56.5)	(57%)
<b>Total Normalised<sup>1</sup> Revenue (excluding Gaming GST)</b>	<b>878.1</b>	<b>575.0</b>	<b>53%</b>
Expenses	(567.8)	(437.1)	(30%)
<b>Normalised<sup>1</sup> EBITDA</b>	<b>310.3</b>	<b>137.9</b>	<b>125%</b>
<i>EBITDA Margin</i>	21.8%	32.1%	10.3%pts
Depreciation & Amortisation	(90.7)	(94.7)	4.2%
<b>Normalised<sup>1</sup> EBIT</b>	<b>219.6</b>	<b>43.3</b>	<b>407.5%</b>

1. Refer to appendices for normalisation detail  
 2. Gaming GST includes impact of IB normalisation on GST

# SkyCity Auckland



# FY23 SkyCity Auckland

Strong local gaming coupled with tourism ramp up delivering significant earnings

- Strong EGM performance led by mass market visitation
- Uplift in Food & Beverage contribution in FY23, with opening hours constraints from resourcing availability easing significantly over the year
- Refresh of Auckland outlets, included the opening of Cassia (Indian fusion restaurant) and SkyBar (world class cocktail bar at top of the Sky Tower)
- Non-gaming revenue growth reflects international tourism ramp up, particularly evident in the Sky Tower with peak months' visitation in-line with FY19 visitation numbers
- Margins settled to levels that reflect full costing of business in 2H 23, with recruitment and opening hours closer to normal operating levels

\$m	FY23	FY22	Movement
Gaming Machines Revenue	305.3	185.5	64.6%
Table Games Revenue	139.6	75.0	86.2%
<b>Gaming Revenue (including GST)</b>	<b>444.9</b>	<b>260.5</b>	<b>70.8%</b>
Non-Gaming Revenue	123.9	70.1	76.8%
Gaming GST	(57.7)	(33.8)	(70.5%)
<b>Total Normalised<sup>1</sup> Revenue (excluding Gaming GST)</b>	<b>511.2</b>	<b>296.8</b>	<b>72.3%</b>
Expenses	(258.6)	(195.9)	(32.0%)
<b>Normalised<sup>1</sup> EBITDA</b>	<b>252.6</b>	<b>100.9</b>	<b>150.4%</b>
<i>EBITDA Margin<sup>2</sup></i>	44.4%	30.5%	13.9%pts
Depreciation & Amortisation	(38.0)	(42.4)	10.4%
<b>EBIT</b>	<b>214.6</b>	<b>58.5</b>	<b>267.1%</b>

<b>Normalised<sup>1</sup> EBITDA including International Business</b>	<b>255.9</b>	<b>99.2</b>	<b>158.1%</b>
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1. Refer to appendices for normalisation detail

2. EBITDA margin calculated as Normalised EBITDA divided by Normalised Revenue including GST

# FY23 SkyCity Auckland

Change in 2H 23 momentum across the different activities

- Gaming Machine revenue impacted in 2H23 with re-opening of Table Game capacity, adverse weather impacts and normal seasonality
- Tables Games recovered in Q4 23 due to increased opening hours (weekly opening hours up by 12% Q4 23 v Q1 23 ) from successful recruitment campaigns and management initiatives
- Hospitality portfolio continues to benefit from increased operational hours supported by staff shortages easing, and growing demand from both the domestic and international tourist markets
- Higher expenses driven by increase in employment, with labour costs (51% of the cost base) increasing by 19% 1H 23 to 2H 23
- EBITDA margin returning to a more sustainable level >40%

\$m	2H23	1H23	2H22	Movement 2H23v1H23	Movement 2H23v2H22
Gaming Machines Revenue	149.2	156.1	125.5	(4.4%)	18.9%
Table Games Revenue	73.4	66.2	51.5	10.8%	42.2%
<b>Gaming Revenue (including GST)</b>	<b>222.6</b>	<b>222.4</b>	<b>177.0</b>	<b>0.1%</b>	<b>25.8%</b>
Food & Beverage Revenue	27.9	26.4	16.2	5.8%	71.8%
Hotel Revenue	22.0	20.4	11.5	7.5%	90.8%
Sky Tower Revenue	9.0	6.5	4.1	37.5%	118.5%
Other	6.4	5.3	3.3	20.7%	94.0%
<b>Total Non-Gaming Revenue</b>	<b>65.3</b>	<b>58.6</b>	<b>35.1</b>	<b>11.5%</b>	<b>85.9%</b>
Gaming GST	(28.8)	(28.8)	(23.0)	0.1%	(25.5%)
<b>Total Normalised<sup>1</sup> Revenue (excluding Gaming GST)</b>	<b>259.1</b>	<b>252.2</b>	<b>189.1</b>	<b>2.7%</b>	<b>37.0%</b>
Expenses	(134.2)	(124.4)	(104.3)	(7.9%)	(28.7%)
<b>Normalised<sup>1</sup> EBITDA</b>	<b>124.8</b>	<b>127.8</b>	<b>84.9</b>	<b>(2.3%)</b>	<b>47.1%</b>
<i>EBITDA Margin<sup>2</sup></i>	43.4%	45.5%	40.0%	(2.1%pts)	3.4%pts

1. Refer to appendices for normalisation detail

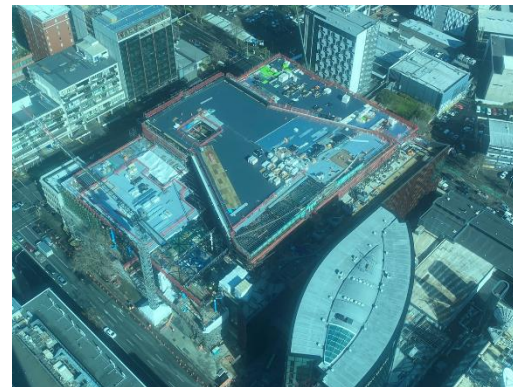
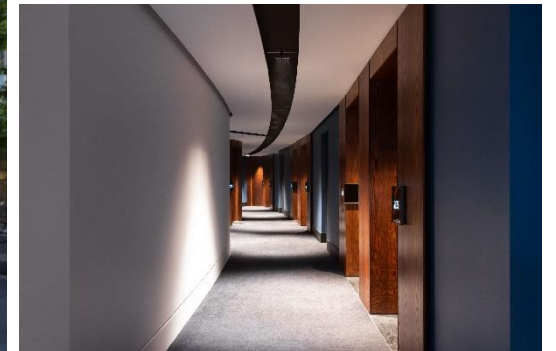
2. EBITDA margin calculated as Normalised EBITDA divided by Normalised Revenue including GST



# Update on NZICC/Horizon Hotel

Look forward to Horizon Hotel opening in 2024 and NZICC in 2025

- Significant investment in future of Auckland: project secured exclusive casino licence for key Auckland property out to 2048 and other gambling concessions
- The NZICC project is almost back to the point equivalent to when the fire occurred, with the roof substantially weathertight and the artwork façade installation progressing well
- c470 carparks were delivered to SkyCity in December 2022 with a further c650 scheduled for delivery in Q2 FY24
- Latest Fletcher Construction programme indicates completion of Horizon Hotel in early 2024 and NZICC during 2025
- Remain comfortable with contractual position on project
- No material change to previous guidance for total project costs to SkyCity (around \$750m)<sup>1</sup>
- Good demand for early bookings of NZICC international conferences from mid-2025 onwards



<sup>1</sup> After forecast recoveries and liquidated damages, and excludes costs to Macquarie relating to unavailability of car parks due to fire

# SkyCity Hamilton & Queenstown



# FY23 SkyCity Hamilton & Queenstown

Record earnings for both properties, with strong margin growth a key feature

- Hamilton Gaming Machine Revenue 22% above FY19 levels driven by continued investment in product and a strong local economy
- Operating model improvements embedded
- New restaurant in Hamilton opened May 2023
- 2H 23 saw staffing return to normal levels, enabling optimisation of opening hours and further activation of non-gaming offerings
- Consolidating Queenstown operations to one site has worked well with planning for renewal of SkyCity Queenstown licence progressing
- SkyCity Wharf casino unlikely to re-open

\$m	Hamilton			Queenstown		
	FY23	FY22	Movement	FY23	FY22	Movement
Gaming Machines Revenue	54.1	40.8	32.6%	8.0	7.2	11.3%
Table Games Revenue	11.5	8.1	41.7%	3.0	1.9	57.8%
<b>Gaming Revenue (including GST)</b>	<b>65.5</b>	<b>48.9</b>	<b>34.1%</b>	<b>11.0</b>	<b>9.1</b>	<b>20.9%</b>
Non-Gaming Revenue	9.3	7.4	27.1%	1.3	1.1	20.4%
Gaming GST	(8.5)	(6.4)	(34.1%)	(1.4)	(1.2)	(20.9%)
<b>Total Normalised<sup>1</sup> Revenue (excluding Gaming GST)</b>	<b>66.3</b>	<b>49.8</b>	<b>33.1%</b>	<b>10.9</b>	<b>9.0</b>	<b>20.8%</b>
Expenses	(31.1)	(25.4)	(22.6%)	(6.8)	(6.0)	(13.2%)
<b>Normalised<sup>1</sup> EBITDA</b>	<b>35.2</b>	<b>24.5</b>	<b>43.9%</b>	<b>4.1</b>	<b>3.0</b>	<b>35.9%</b>
<i>EBITDA Margin<sup>2</sup></i>	47.0%	43.5%	3.5%pts	33.4%	29.7%	3.7%pts
Depreciation & Amortisation	(4.0)	(4.4)	8.8%	(1.3)	(1.3)	(6.7%)
<b>EBIT</b>	<b>31.2</b>	<b>20.0</b>	<b>55.5%</b>	<b>2.8</b>	<b>1.8</b>	<b>56.8%</b>
<b>Normalised<sup>1</sup> EBITDA including International Business</b>	<b>35.2</b>	<b>24.5</b>	<b>43.9%</b>	<b>4.6</b>	<b>3.0</b>	<b>53.4%</b>

1. Refer to appendices for normalisation detail

2. EBITDA margin calculated as Normalised EBITDA divided by Normalised Revenue including GST



# SkyCity Adelaide



# FY23 SkyCity Adelaide

A complex and challenging year with changes made to focus on local and domestic customers

- Strong Gaming Machine Revenue performance capitalising on market growth
- Table Games performance impacted by market conditions and the introduction of a daily cash limit
- Eos Hotel and Food & Beverage benefited from a full year of no COVID impacts, delivering strong performance in both revenues and profit with the implementation of price increases where possible
- Conventions & Events operated at full capacity for the first time since the opening of the expanded property in December 2020
- Wage inflation and low unemployment resulted in higher labour costs and Australian electricity network constraints resulted in a significant electricity price spike in FY23
- Compliance costs of ~A\$8m incurred from responses to AUSTRAC and CBS reviews plus the AML/CTF enhancement program
- Restructure of cost base in June 2023 targeting improvement in annualised EBITDA of at least ~A\$5m

A\$m	FY23	FY22	Movement
Gaming Machines Revenue	100.5	74.9	34.2%
Table Games Revenue	70.3	64.9	8.4%
<b>Gaming Revenue (including GST)</b>	<b>170.8</b>	<b>139.8</b>	<b>22.2%</b>
Non-Gaming Revenue	65.4	44.7	46.3%
Gaming GST	(15.4)	(12.6)	(22.2%)
<b>Total Normalised<sup>1</sup> Revenue (excluding Gaming GST)</b>	<b>220.8</b>	<b>171.8</b>	<b>28.5%</b>
Expenses	(185.9)	(151.3)	(22.8%)
<b>Normalised<sup>1</sup> EBITDA</b>	<b>34.9</b>	<b>20.5</b>	<b>70.4%</b>
<i>EBITDA Margin<sup>2</sup></i>	14.8%	11.1%	3.7%pts
Depreciation & Amortisation	(30.7)	(30.9)	0.7%
<b>EBIT</b>	<b>4.1</b>	<b>(10.5)</b>	<b>139.4%</b>

<b>Normalised<sup>1</sup> EBITDA including International Business</b>	<b>35.6</b>	<b>21.9</b>	<b>62.8%</b>
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1. Refer to appendices for normalisation detail

2. EBITDA margin calculated as Normalised EBITDA divided by Normalised Revenue including GST

# FY23 SkyCity Adelaide

## Key 2H revenue and earnings trends

- Gaming Machine revenues slightly softer in H2 23, reflecting market impact from cost-of-living pressures and lower consumer spending plus normal seasonality
- Table Games revenue decline in H2 23, reflecting market conditions and impact of a daily cash limit introduced in January 2023
- Table Games customers appear to have adjusted to the new limits with Q4 23 showing signs of stabilisation
- Eos Hotel and Food & Beverage facilities benefited from precinct and State activations including AFL Gather Round and LIV Golf events in H2 23, both of which are also confirmed for next year

A\$m	2H23	1H23	2H22	Movement 2H23v1H23	Movement 2H23v2H22
Gaming Machines Revenue	48.9	51.6	40.4	(5.5%)	20.7%
Table Games Revenue	30.6	39.7	28.8	(22.8%)	6.5%
<b>Gaming Revenue (including GST)</b>	<b>79.5</b>	<b>91.3</b>	<b>69.2</b>	<b>(13.0%)</b>	<b>14.8%</b>
Food & Beverage Revenue	20.6	20.5	13.8	0.7%	49.9%
Hotel Revenue	7.2	7.0	6.5	1.9%	9.8%
Other Revenue	5.9	4.2	2.1	40.5%	168.2%
<b>Total Non-Gaming Revenue</b>	<b>33.7</b>	<b>31.7</b>	<b>22.4</b>	<b>6.3%</b>	<b>50.4%</b>
Gaming GST	(7.1)	(8.3)	(6.4)	14.7%	(11.5%)
<b>Total Normalised<sup>1</sup> Revenue (excluding Gaming GST)</b>	<b>106.1</b>	<b>114.7</b>	<b>85.3</b>	<b>(7.5%)</b>	<b>24.4%</b>
Expenses	(91.9)	(94.1)	(75.6)	2.4%	(21.4%)
<b>Normalised<sup>1</sup> EBITDA</b>	<b>14.2</b>	<b>20.6</b>	<b>9.7</b>	<b>(31.1%)</b>	<b>47.3%</b>
<i>EBITDA Margin<sup>2</sup></i>	12.6%	16.8%	10.5%	(4.2%pts)	2.1%pts

1. Refer to appendices for normalisation detail

2. EBITDA margin calculated as Normalised EBITDA divided by Normalised Revenue including GST

# FY23 SkyCity Online

Longer term opportunity remains very attractive for SkyCity

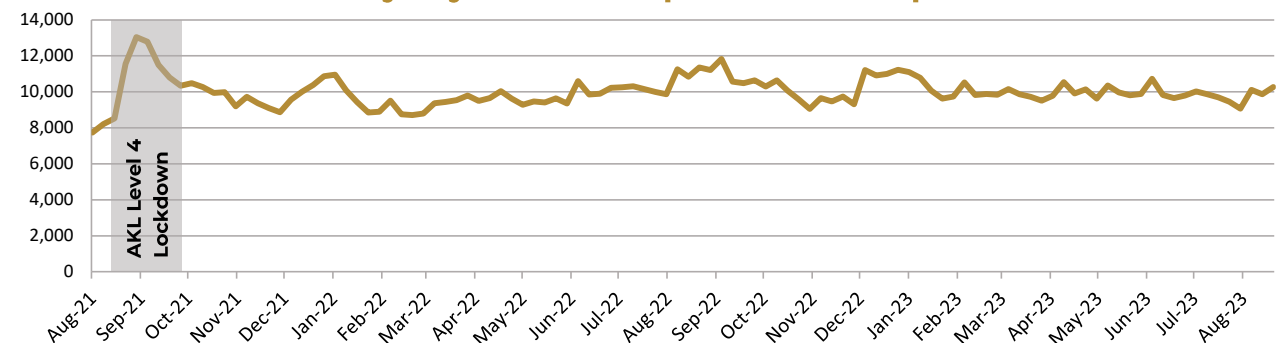
- Online gaming performance delivered in line with expectations given the difficult operating environment and offshore competitors aggressively acquiring customers
- SkyCity's online gaming product strategy successfully operationalised in FY23, including exclusive SkyCity content. Over 2,300 games on offer at 30 June 2023
- Ongoing investment in new content, infrastructure and capacity to support current strategy impacted margins
- Significant engagement continues with a broad range of stakeholders in relation to potential regulation of the online gaming market in NZ
- SkyCity's investment in Gaming Innovation Group has increased in value by 40%<sup>1</sup> since acquisition, and continues to offer strategic alignment opportunities including new international markets

1. As at 18 August 2023

\$m	FY23	FY22	Movement
Gaming Revenue (net of jackpots and bonusing)	<b>30.3</b>	<b>32.0</b>	<b>(5.4%)</b>
GiG costs	(11.0)	(10.9)	(0.6%)
NZ GST	(3.9)	(4.2)	5.4%
<b>Gaming Revenue (attributable to SkyCity)</b>	<b>15.4</b>	<b>16.9</b>	<b>(9.3%)</b>
Expenses	(4.6)	(4.1)	(13.5%)
<b>EBITDA (attributable to SkyCity)</b>	<b>10.7</b>	<b>12.9</b>	<b>(16.5%)</b>
EBITDA Margin	35.5%	40.2%	(4.7pts)
GiG equity earnings	1.0	-	nm
<b>EBITDA (incl equity earnings)</b>	<b>11.8</b>	<b>12.9</b>	<b>(8.4%)</b>

nm = not meaningful

SkyCity Online unique customers per week



# FY23 International Business

International Business largely Australian interstate VIP play

- FY23 revenue reflects limited hosting of international patrons
- International Business operating model was restructured at end of FY23
  - Consolidation of Premium VIP into Adelaide and Auckland property operations
  - Disestablishment of senior IB roles
  - Customer programmes and offerings revised
- Repurposing of certain Auckland International Business facilities into Food & Beverage offerings (ie 7<sup>th</sup> floor of SkyCity Grand now a restaurant)
- Options around repurposing Adelaide facilities currently being assessed

\$m	FY23	FY22	Movement
Turnover	2,612.1	1,216.7	114.7%
Reported Revenue	16.4	16.4	0.5%
Normalised <sup>1</sup> Revenue	35.3	16.5	114.5%
<b>Reported EBITDA</b>	<b>(3.7)</b>	<b>3.7</b>	<b>(201.0%)</b>
<b>Normalised<sup>1</sup> EBITDA</b>	<b>5.8</b>	<b>(0.1)</b>	<b>4,588%</b>
<i>EBITDA Margin</i>	16.3%	(0.8%)	17.1pp
Actual Win %	0.98%	1.77%	(0.79)pp

1. Refer to appendices for normalisation detail

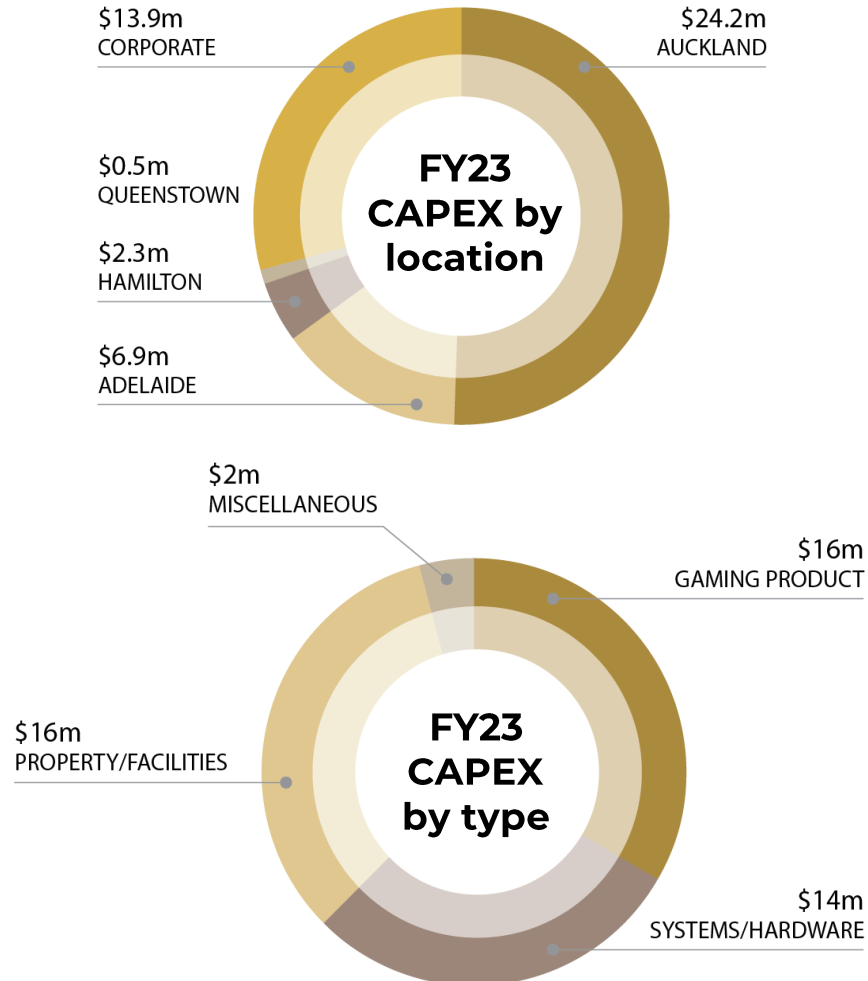




# Capital Allocation

# FY23 Capital Projects

Prudent Group capital spend in FY23, with return to normal annual spend levels from FY24



- FY23 CAPEX of \$48m (excluding NZICC) predominantly for Gaming Product and Facilities Maintenance CAPEX (FY22 \$33m)
- Spend largely focused on Auckland site as the major value generation unit and concentrated on gaming product, back of house upgrades and new outlets including Cassia and SkyBar
- Corporate spend of \$14m reflects uplift in investment in Group-wide systems and hardware, including facial recognition to further enhance AML and Host Responsibility programmes
- Spend on gaming product was acquisition of EGMs across all sites – lower than what has been spent historically
- Property and facilities CAPEX also across multiples sites and included refurbishment projects and plant replacement
- Auckland carparks continue to be operated under the Concession Agreement by Macquarie Principal Finance (MPF), awaiting a ruling on contract interpretation in the High Court and will then look to finalise termination arrangements with MPF

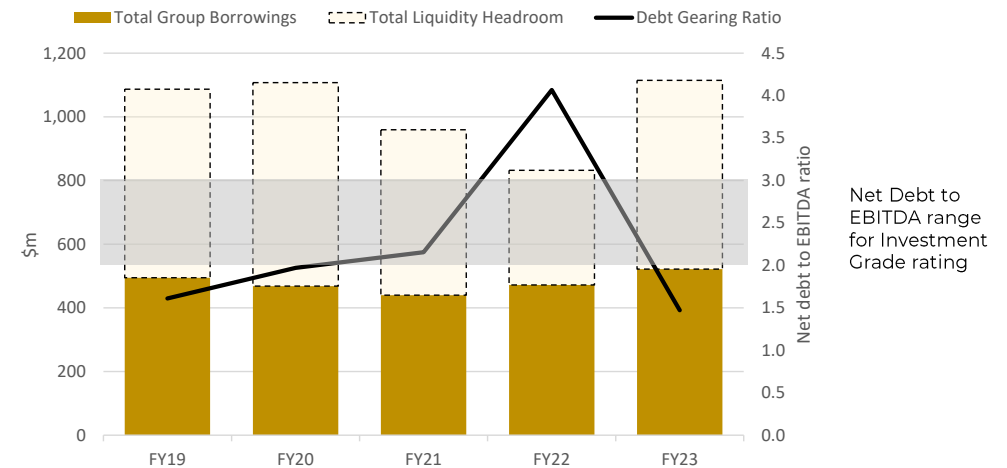


# FY23 Financial Resilience

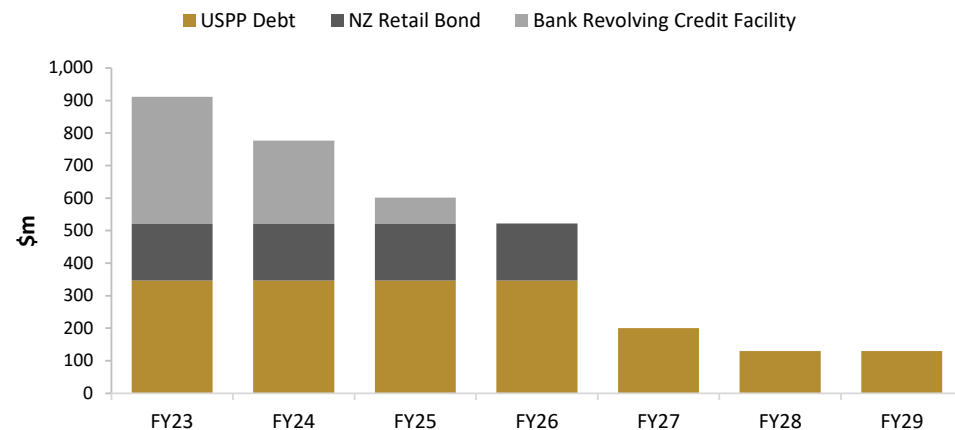
Continuation of Balance Sheet strength to manage future commitments and uncertainties

- Total Group net debt as at 30 June 2023 of \$443m
  - Borrowing of \$522m plus leases of \$166m, less cash on hand of \$245m
- Liquidity headroom of \$593m reflecting
  - Unutilised, committed revolving credit facility
  - Cash reserves including from drawn down USPP debt in preparation for Concession Agreement termination
- Net debt to EBITDA ratio of 1.5x at 30 June 2023 has markedly improved from last year
  - Highlights strength of Group's balance sheet
  - Gearing well within financing agreement covenants and Standard & Poors' Investment Grade credit rating range
- Financing strategy underway to support Group's mid to long term funding requirements and debt maturation profile

## Existing Group Debt Facilities



## Debt Maturity Profile





# Business Update and Outlook

# FY24 Outlook

Expect FY24 to build on the momentum achieved in FY23 and deliver modest growth in normalised earnings

- SkyCity remains cautiously optimistic about the FY24 outlook, with the Group's revised operating model providing flexibility to manage variable operating conditions
- Planned and recently implemented initiatives will support future earnings growth and help safeguard margins, including recent restructuring of Adelaide cost base
- Horizon Hotel expected to open in H2 – with some upfront spend before normal trading levels expected in FY25
- Carpark earnings will be integrated into Auckland property operational earnings, with timing uncertain
- SkyCity currently expects a modest year-on-year increase in FY24 normalised EBITDA





# Appendix

# Normalisation of Group Results

## Guide to understanding basis of normalisation

- The Group’s objective in preparing normalised financial information is to enable the investment community to better understand the Group’s underlying operational performance
- The Group achieves this objective by providing information that:
  - is representative of SkyCity’s underlying performance as a potential indicator of future performance;
  - enables comparison across financial periods; and
  - can assist with comparison between publicly listed casino companies in New Zealand and Australia
- This objective is achieved by eliminating:
  - property valuations and NZICC fire accounting;
  - inherent volatility or “luck” factor from the International Business, which has variable turnover and actual win rate % from period to period;
  - structural differences in the business between financial reporting periods; and
  - known different financial reporting treatments with other New Zealand and Australian publicly listed casino companies
- Normalised results are also used for internal purposes such as budgeting and staff incentives, but not for financing decisions
- Non-GAAP information is prepared in accordance with a Board approved “Non-GAAP Financial Information Policy” and is reviewed by the Board at each reporting period
- Application of the Group’s “Non-GAAP Financial Information Policy” is consistent with the Board-approved approach adopted for FY22 and FY23



# Normalisation of Group Results

\$m	FY23				FY22			
	Revenue	EBITDA	EBIT	NPAT	Revenue	EBITDA	EBIT	NPAT
<b>Reported</b>	<b>926.2</b>	<b>165.9</b>	<b>75.2</b>	<b>8.0</b>	<b>639.0</b>	<b>96.9</b>	<b>2.3</b>	<b>(33.6)</b>
IB Revenue Adjustment	7.0	-	-	-	3.8	-	-	-
Gaming GST	87.5	-	-	-	57.1	-	-	-
IB Theoretical Win Rate	9.6	8.5	8.5	6.0	(5.2)	(3.8)	(3.8)	(2.7)
NZICC Fire Impact	(63.6)	22.8	22.8	12.3	(63.2)	32.1	32.1	33.3
Asset Impairment	-	50.8	50.8	50.8	-	7.3	7.3	7.3
Property Revaluation	-	12.3	12.3	12.0	-	5.4	5.4	5.4
IB Labour Restructure	-	1.0	1.0	0.7	-	-	-	-
Regulatory Penalties	-	49.0	49.0	49.0	-	-	-	-
<b>Normalised</b>	<b>966.7</b>	<b>310.3</b>	<b>219.6</b>	<b>138.8</b>	<b>631.5</b>	<b>137.9</b>	<b>43.3</b>	<b>9.7</b>

1. Refer to appendices for normalisation detail

- 1. IB Revenue Adjustment:** to report International Business (IB) commissions paid to customers as an expense rather than a revenue reduction, which reduces both reported revenue and operating expenses. This normalisation effectively reverses the impact of IFRS 15 Revenue from Contracts with Customers
- 2. Gaming GST:** to add gaming GST to reported revenue
- 3. IB Theoretical Win Rate:** to replace the actual win rate with the theoretical win rate of 1.35%. Normalisation of this will not continue in FY24.
- 4. NZICC Fire Impact:** to reverse the fire accounting and related entries arising from the NZICC fire, including the reversal of the insurance recoveries received on Macquarie compensation payments for carparks compromised by reinstatement of NZICC/Horizon Hotel
- 5. Asset Impairment:** to reverse the asset impairment of the investment property floors not held for third party tenancy and the Adelaide casino licence
- 6. Property Revaluation:** to reverse the investment property fair value adjustments based on market valuation
- 7. IB Labour Restructure:** to eliminate the costs associated with restructuring IB
- 8. Regulatory Penalties:** to eliminate the provision in connection with any civil penalty imposed by AUSTRAC following proceedings against SkyCity Adelaide

