



MCK INTERIM RESULTS

For the six months to 30 June 2024 (HY24)

HY24 PERFORMANCE SNAPSHOT

Revive and Thrive strategy delivering value

TOTAL REVENUE

\$85.3m

HY23: \$60.0m

NZ HOTEL REVENUE

\$55.9m

HY23: \$47.5m

PROFIT

Before Tax and non-controlling interests

\$21.5m

HY23: \$11.5m

EARNINGS PER SHARE

7.94 cents*

HY23: 3.90 cents

TOTAL ASSETS

\$738.5m

FY23: \$746.8m

SHAREHOLDERS' FUNDS

\$532.0m

FY23: \$547.9m

- Strong turnaround in hotel business
- CDL Investments feeling the pressure of the short-term cooldown in residential land property sales
- Australia apartment sales progressed
- Continue to invest in property refurbishments and network expansion
- Removal of tax depreciation on commercial buildings results in adverse one-off non-cash impact to net profit after tax

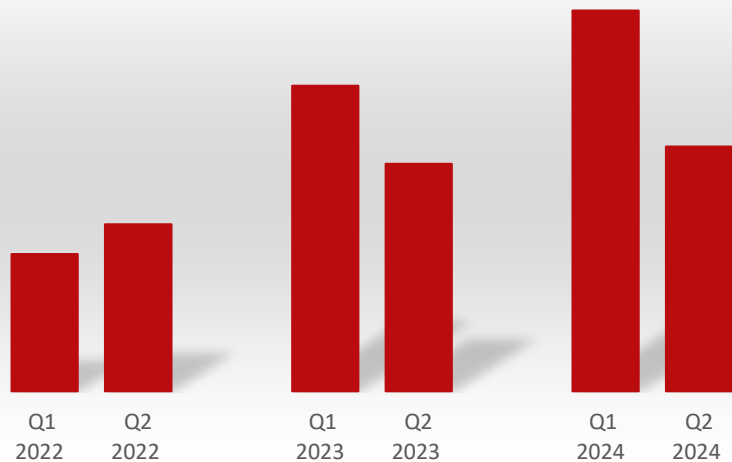
* Adjusted to remove one-off non-cash impact from tax depreciation changes

HY24 SHOWS POSITIVE PROGRESS

Optimistic outlook for continued recovery in 2024

- Tourism continues to recover and demand from overseas continues to improve
- Limited special events to attract international visitors to New Zealand (following 2023 FIFA Women's World Cup)
- Benefit of trading from Sofitel Brisbane Central
- Current economic headwinds expected to continue for 2024, impacting on demand

NZ Hotels Revenue



Ensure our hotels and guest experiences are of the highest quality to meet the current demand as the market rebounds

Q1 2024: Positive start to the year. First quarter in 5 years without the impact of Covid-19, weather events or large staffing shortages

Q2 2024: Steady trading as hotels adjusted with no special events

HY24 RESULTS AT A GLANCE

Strong Q1 trading moving to a steady Q2

FINANCIAL PERFORMANCE - CONSOLIDATED	Unaudited HY 2024 \$000's	Unaudited HY 2023 \$000's	Change \$	Change %
Hotel revenue	55,902	47,452	8,450	17.81%
Rental income	1,933	1,973	(40)	-2.03%
Property sales	27,484	10,626	16,858	158.65%
REVENUE	85,319	60,051	25,268	42.08%
Operating Profit	19,811	8,726	11,085	127.03%
Net finance income	1,742	2,740	(998)	-36.42%
Share of loss of joint venture	(19)	-		
Profit before income tax	21,534	11,466	10,068	87.81%
Income tax expense	(5,948)	(3,085)	(2,863)	92.80%
One-off deferred tax adjustment*	(25,760)	-	(25,760)	-
Profit for the year	(10,174)	8,381	(18,555)	-221.39%
Earnings per share (cents)	-7.42	3.90		
EPS excl One-off tax adjustment	7.94			

Hotel Operations

- First uninterrupted period of trading since the pandemic

Property Sales

- Signs of recovery in residential land sales
- Sale of six Sydney apartments bolsters HY24 result

Tax Depreciation Changes

- Removal of tax depreciation on commercial buildings results in one-off non-cash deferred tax adjustment

Deferred Tax adjustment due to government tax legislation changes on depreciation

FINANCIAL POSITION

Strong Balance Sheet to deploy

BALANCE SHEET - CONSOLIDATED	Unaudited HY2024 \$000's	Audited FY2023 \$000's	Change \$	Change %
Property plant & equipment	266,742	263,051		
Development properties	249,019	244,082		
Investment properties	35,646	35,834		
Investment in JV	44,338	43,943		
Non-current assets	582,544	560,051	22,493	4.02%
Loans in JV	63,495	62,218		
Cash and bank deposits	62,169	75,331		
TOTAL ASSETS	738,522	746,790	(8,268)	-1.11%
Bank Debt	0	11,968		
Provision for Deferred Taxation	32,609	7,001		
Other Liabilities	60,956	65,369		
NET ASSETS	644,957	662,452	(17,495)	-2.64%
NTA per quoted equity security	\$ 3.36	\$ 3.46		

ENHANCING OUR HOTEL PRODUCT

Continued investment to upgrade and refurbish hotels

Current pipeline of activity:

Hotel	Size	Timing
Millennium Hotel Queenstown	132 rooms completed 70 rooms underway 15 suites to be commenced	FY23 - FY24
Millennium Hotel Rotorua	99 rooms completed 127 rooms and 2 suites commencing	FY23 - FY24
Copthorne Hotel Palmerston North	Recladding and other works – stage 1 nearing completion	FY23 - FY24
Copthorne Hotel & Resort Bay of Islands	50 rooms in Seaspray Wing commencing Exterior repainting nearing completion	FY24 – FY25

Whole-of-network plan being developed which will inform medium term investment decisions

AUSTRALIAN OPERATIONS

Sydney Apartments

FINANCIAL PERFORMANCE - Australia (owned 100%)

	Unaudited HY2024 \$000's	Unaudited HY2023 \$000's	Change \$	Change %
Units Available (Open)	31	36		
Number of units sold this year	6	0		
Units Available (Close)	25	36		
Currently rented out	23	30		
Rental & Sales Income	12,803	631	12,172	1929%
Profit before income Tax	5,729	450	5,279	1173%

- HY24 apartment sales
 - 1 x 3-bedroom studio
 - 4 x 1-bedroom units settled
 - 1 x 2-bedroom unit
- Rented units transferred to vacant pool to meet market demand

AUSTRALIAN OPERATIONS

Sofitel Brisbane Joint Venture

Financial Performance

HY2024

\$000's

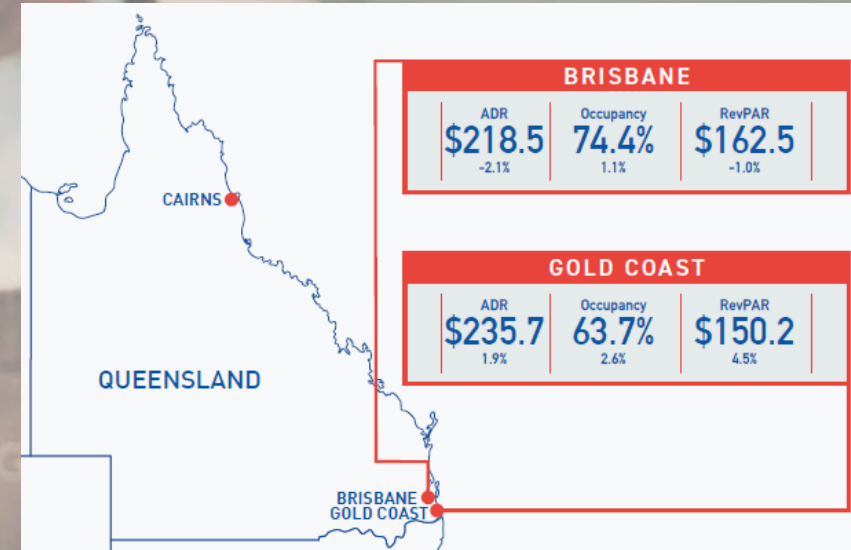
Hotel revenue		23,261
Hotel operating profit		3,644
Property and funding costs		
Depreciation & insurance	(2,790)	
Interest income	317	
Interest expense on related party loans	(1,225)	
Income tax expense	16	
		(3,682)
Profit/(loss) for the period	100%	(38)
Group's share of profit /(loss)	50%	(19)

Joint Venture Financial Position	Unaudited	Audited	Change \$	Change %
	HY2024	FY2023		
	\$000's	\$000's		
Non-current assets	201,809	202,650		
Current assets	22,851	27,477		
TOTAL ASSETS	224,660	230,127	(5,467)	-2.4%
Non-current liabilities				
Loans - internal	126,266	124,462		
Current liabilities	9,719	17,779		
Net assets (100%)	88,675	87,886	789	0.9%
Group's share (50%)	44,338	43,943		

- Sofitel Brisbane draws upon its strong market positioning as one of the oldest and most reputable luxury hotels in Brisbane
- HY24 hotel operations outperforms 2023 levels
 - Q1 - traditionally quieter period of operation
 - Q2 - stepping up on the back of specially equipped sporting group facilities and utilisation of conferencing / functions capabilities
- Ownership structure includes debt funding from MCK (interest expense to joint venture / income to MCK)
- Trading loss reported after deduction of property and funding costs

BRISBANE MARKET PERFORMANCE

- Hotel's central location, a secure CBD environment, plethora of food & beverage options, specially equipped sporting group facilities, paired with a strong commercially focused leadership team
- Over the next 12 months, the city will see the staged opening and introduction of further precincts via the highly anticipated Queen's Wharf project putting the hotel in direct competition with some of Australia's most well-known hotel brands



MACRO-ECONOMIC MARKET INFLUENCES



Cash Rate

4.35% as at the June 2024 meeting, greater than June last year.



GDP

1.10% for the year to March 2024, lower than the outcome for the year to March 2023.



Inflation

Prices in Brisbane changed by 3.40% for the year to March 2024, lower than 7.40% for the year to March 2023.



Unemployment

Brisbane recorded an unemployment rate of 4.50% in May 2024. The unemployment rate has increased over the past year.



Wages

Wages growth in Queensland was 4.60% for the year to March 2024, greater than the previous year.



Consumer Confidence

83.00 in June 2024. Consumer confidence has decreased over the past year.



Business Confidence

97.00 in May 2024. Business confidence has increased over the past year.

CDL INVESTMENTS PIPELINE

FINANCIAL PERFORMANCE - CDLI	Unaudited HY 2024 \$000's	Unaudited HY 2023 \$000's	Change \$	Change %
REVENUE	16,614	11,968	4,646	38.8%
Operating Profit	7,862	5,271	2,591	49.2%
Net Finance income	1,345	1,707	(362)	-21.2%
Profit before income Tax	9,207	6,978	2,229	31.9%

BALANCE SHEET - CDLI (NZX:CDL - Owned 65.99%)	Unaudited HY2024 \$000's	Audited FY2023 \$000's	Change \$	Change %
Development properties	234,719	224,541		
Investment properties	35,646	35,834		
Non-current assets	259,196	238,984	20,212	8.5%
Cash and bank deposits	35,853	52,159		
TOTAL ASSETS	313,461	319,228	(5,767)	-1.8%
Bank Debt	0	0		
Other Liabilities	6,448	5,503		
NET ASSETS	307,013	313,725	(6,712)	-2.1%

- Solid pipeline of land development
 - Total land holding **294.2Ha**
 - Estimated yield circa **3,500 sections***
- Maintained a nationwide geographical spread
- Diverse portfolio, offers flexibility for diversification
- Continually looking to grow their portfolio – unconditional agreement to purchase 10.08 hectares of land in Burnside, Christchurch

* Estimated section yield, subject to residential zoning/resource consents

NETWORK EXPANSION AND GROWTH

- Filling in the gaps in our New Zealand hotel network
 - Whangarei land acquisition, conditional on detailed feasibility study
- Building on our initial entry into Australia
 - Short term focus to deliver return on Sofitel acquisition
 - Key facts

Settled: Dec 2023

Purchase price: A\$177.7m

Structure: 50% JV

Equity funding: NZ\$44.3m

Internal debt funding: NZ\$62.2m

Occupancy 74.2%

Revenue HY24 A\$21.5m

+ 5.4% v YTD 2023

REVIVE AND THRIVE FY23 TO FY26

Key initiatives

ACHIEVED

FY23

Revival

- Bring all rooms back online
- Build occupancy back to former levels
- Attract and retain full complement of staff
- Marketing and sales activity to drive guest visits
- Continued investment in refurbishment and upgrades

IN PROGRESS

FY23 - 24

Early Stage Growth

- Identify opportunities to fill the gaps in the New Zealand hotel network
- Build beachhead in Australia
- Formalise strategy for sustainable operations
- Continued investment in refurbishment and upgrades

FUTURE PLANNING

FY25 - 26

Accelerate Growth

- Optimise hotel network and under-utilised land and buildings
- Expand footprint in Australia
- Continued investment in refurbishment and upgrades

2024 OUTLOOK

Remain confident in continued progress under Revive and Thrive strategy

- Good control over the controllables - strong staffing levels and more room capacity
- Varied regional demand – some areas such as Queenstown remain extremely strong
- Ongoing challenges – cost inflation, lower consumer and business confidence, cost of living increases
- No major sporting events scheduled in 2024
- Central and local Government action and support needed to promote NZ and attract tourists, conferences and events

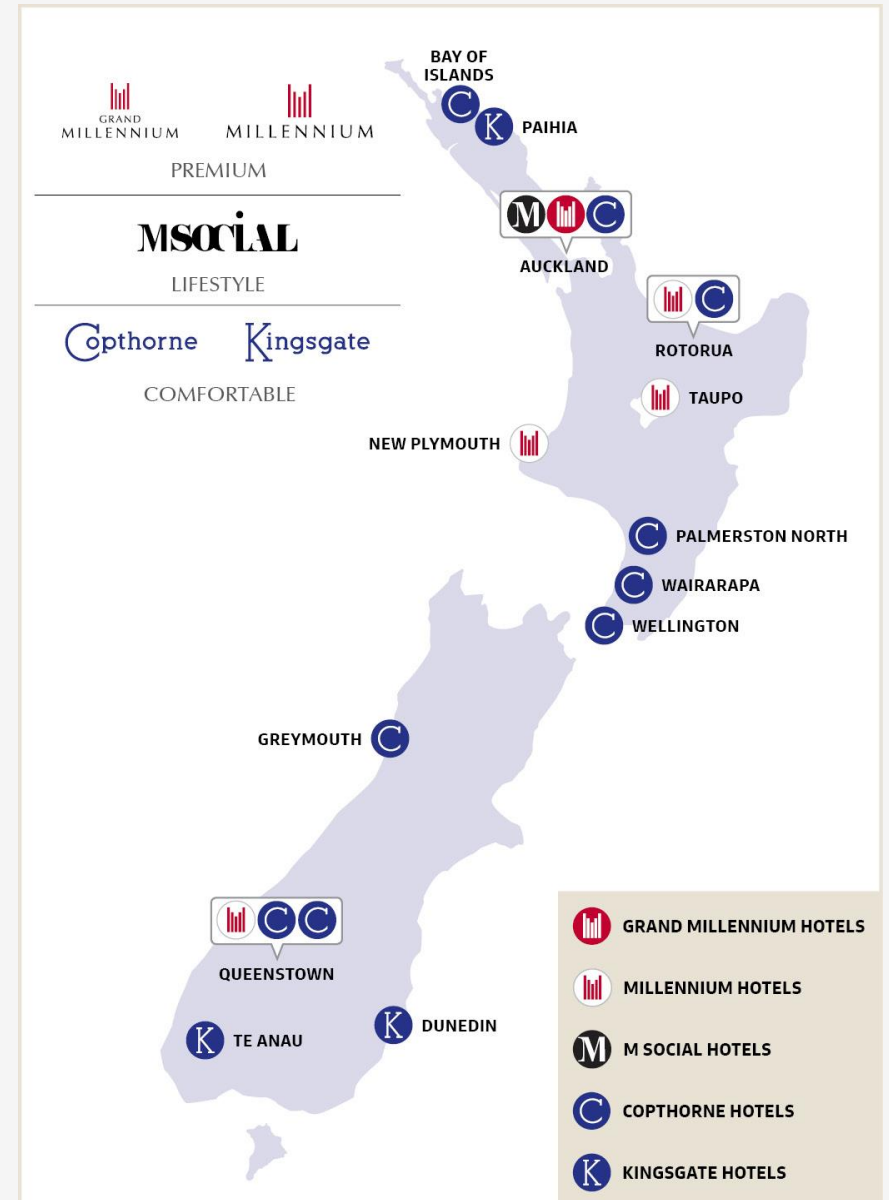
OUR HOTEL NETWORKS

18 Hotels in NZ

Opportunity to fill in the network
2,250 rooms per night owned and managed

1 Hotel in Australia

Beachhead being established.
Significant opportunity to build footprint



DISCLAIMER

This announcement has been prepared by Millennium & Copthorne Hotels New Zealand Limited ("M&C Hotels"). The details in this announcement provide general information only. It is not intended as investment, legal, tax or financial advice or recommendation to any person and must not be relied on as such. You should obtain independent professional advice prior to making any decision relating to your investment or financial needs.

All references to \$ are to New Zealand dollars unless otherwise indicated. Percentages may be subject to rounding.

This announcement may contain forward-looking statements. Forward-looking statements can include words such as "expect", "intend", "plan", "believe", "continue" or similar words in connection with discussions of future operating or financial performance or conditions. The forward-looking statements are based on management's and directors' current expectations and assumptions regarding the M&C Hotels business, assets and performance and other future conditions, circumstances and results. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and to any changes in circumstances. M&C Hotels actual results may vary materially from those expressed or implied in the forward-looking statements. M&C Hotels and its directors, employees and/or shareholders have no liability whatsoever to any person for any loss arising from this announcement or any information supplied in connection with it. M&C Hotels are under no obligation to update this announcement or the information contained in it after it has been released. Past performance is no indication of future performance.