

# 1H24 RESULTS

## INVESTOR PRESENTATION

SKYCL

sky CITY  
ENTERTAINMENT GROUP



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# 1H24 Results Summary

Challenging economic environment impacted underlying performance

## REVENUE

**\$445.2** million  (3.7%) YoY

Reported

**\$490.2** million  0.6% YoY

Underlying<sup>1</sup>

## NPAT

**\$22.5** million  (1.3%) YoY

Reported

**\$66.5** million  (8.5%) YoY

Underlying<sup>1</sup>

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

**5.25** cents per share

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

**1.75x**

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

**\$500** million

## EBITDA

**\$101.0** million  (5.0%) YoY

Reported

**\$146.3** million  (9.6%) YoY

Underlying<sup>1</sup>

## EARNINGS PER SHARE

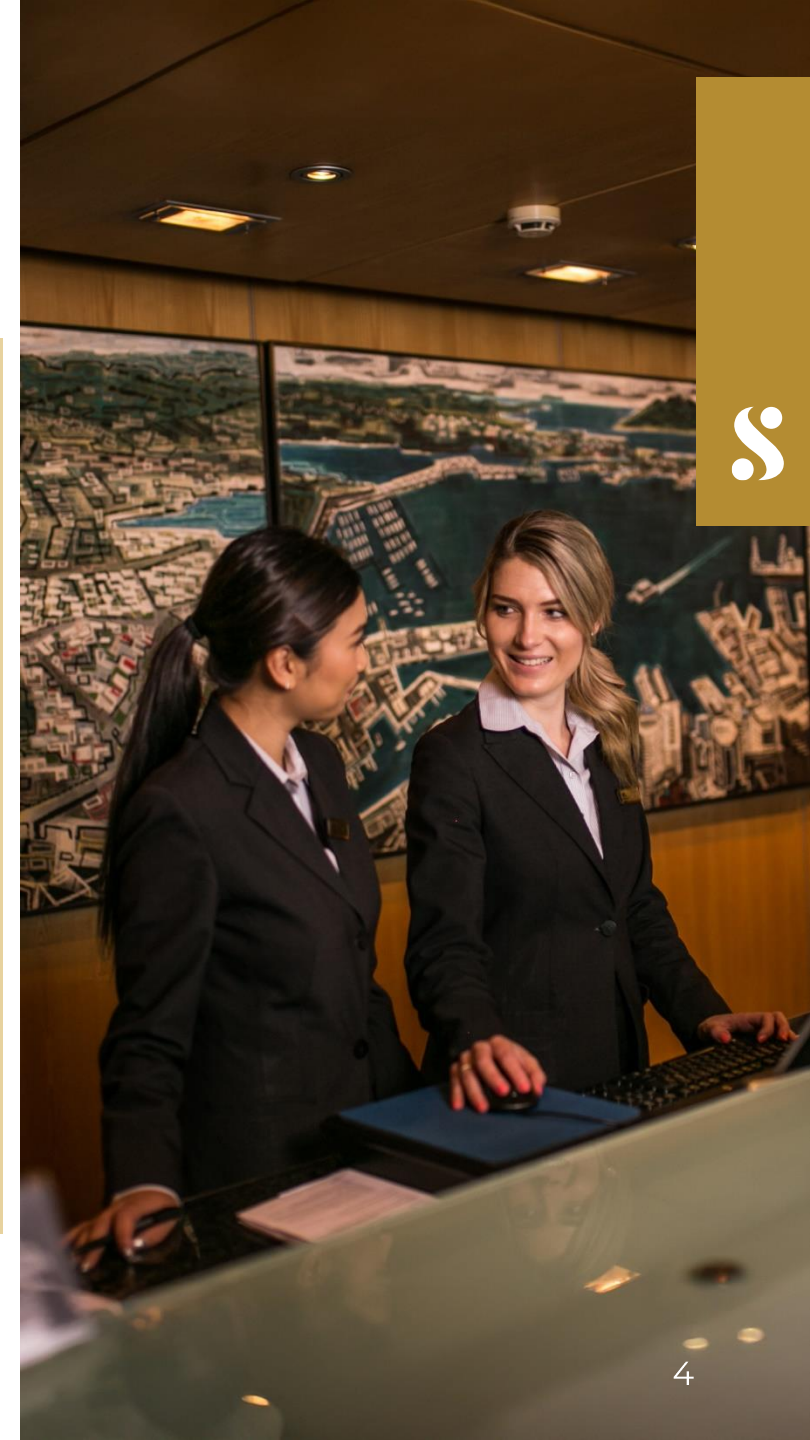
**3.0** cents per share No change YoY

Reported

**8.8** cents per share  (8.3%) YoY

Underlying<sup>1</sup>

1. Refer to the appendices for a description and further details of SkyCity's underlying results
2. Interim dividend of 5.25 cps, payable on 21 March 2024 with a record date of 7 March 2024
3. Debt Gearing Ratio as per financing agreements
4. Group borrowing plus leases less cash on hand



# 1H24 Key Messages

Focus remains on progressing key priorities

- **EARNINGS PERFORMANCE RESILIENT** - 1H24 underlying EBITDA of \$146.3m despite the challenging economic environment, with a declaration of a 5.25cps interim dividend
- **SOLID PROGRESS ON AML/FINANCIAL CRIME AND HOST RESPONSIBILITY UPLIFT** – continued investment in compliance capability with new enterprise risk management framework
- **PROGRESSING RESOLUTION OF REGULATORY AND COMPLIANCE MATTERS**
- **MAJOR PROJECTS ON TRACK** - with the repurchase of the Auckland car park, opening of Horizon Hotel in April 2024 and NZICC on track for 2025 opening
- **PREPARING FOR NZ ONLINE GAMING REGULATION** - with dedicated project team in place
- **BALANCE SHEET REMAINS ROBUST**



A photograph of two women standing in a high-rise observation deck. The woman on the left is wearing a black t-shirt with a red heart and the text 'SKY TOWER' and 'ALBANY, NZ'. The woman on the right is wearing a black blazer. They are both smiling and looking at each other. The background shows a panoramic view of a city and a body of water through large glass windows.

# Regulatory & Compliance

1H24 RESULTS INVESTOR PRESENTATION



# Regulatory Environment and Compliance

SkyCity Adelaide progressing key regulatory enhancements

## Australian Regulatory Environment

- The Australian casino sector remains under heavy regulatory scrutiny

### AUSTRAC:

- SkyCity Adelaide and AUSTRAC informed the Federal Court of Australia that they have reached an agreement regarding the contraventions that SkyCity Adelaide will admit in the proceedings and the amount of a civil penalty they will jointly propose as appropriate, subject to finalisation of a Statement of Agreed Facts and Admissions
- Penalty hearing set down for 7 June 2024 - the Federal Court has discretion over the final amount

### CBS:

- Independent review remains on hold
- Kroll appointed as independent expert in August 2023 in relation to SkyCity Adelaide's AML/CTF and host responsibility programmes
- SkyCity Adelaide is working to agree the Programme of Work that will be approved by the Commissioner and monitored by Kroll
- CBS reviewing penalty regime to align with other States

## SkyCity Adelaide Compliance and Enhancement Programmes

### AML/CTF

- The AML Enhancement Programme has continued to roll out improvements in structures and processes underpinning AML/CTF compliance
- Embedded the updated AML/CTF Programme (Part B) including new enhanced supporting processes, guides and forms. Refinement of processes is ongoing
- Refreshed and rolled out targeted training across business units
- Developed new technology and systems that enhance transactional monitoring activities and refine customer interactions
- Case management system due to roll out 2H24 allowing more efficient and targeted case management
- Updated risk assessment methodology underway to guide further enhancements

### Host Responsibility

- The use of the safer gambling software, the Focal AleRT BETTOR Protection system, approved by the South Australian regulator for use within the casino for implementation in the 2024 calendar year
- Progressing application for regulatory approval to implement facial recognition long stay technology to increase ability to prevent and minimise harm from problem gambling
- Working with the regulator to implement new responsible gaming training changes

# Regulatory Environment and Compliance

SkyCity New Zealand progressing key regulatory enhancements

## New Zealand Regulatory Environment

### **DIA/Gambling Commission:**

- Ongoing interaction with the DIA, including frequent inspections and regular audit programme
- The DIA's application to temporarily suspend SkyCity's New Zealand casino operator's licence is scheduled to be heard by the Gambling Commission in private in the week of 15 April 2024
- Civil proceedings filed by the DIA in the High Court against SkyCity for non-compliance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. Intend to cooperate with the DIA to bring this matter to a conclusion expeditiously
- Agreed with the DIA/Gambling Commission to implement mandatory carded play across all New Zealand properties by July 2025

## SkyCity New Zealand Compliance and Enhancement Programmes

### **AML/CFT**

- Reduced risk and complexity from the business by changing policies in line with a lower risk tolerance and limiting the ways in which customers can transact
- Reviewed and enhanced specific compliance processes by updating transactional monitoring rules and improving customer due diligence processes
- Expanded the capacity and capability of teams and increased awareness of money laundering risk across the business
- Developed new technology and systems that enhance transactional monitoring activities and refine customer interactions
- Case management system due to roll out in 2H24 allowing more efficient and targeted case management
- Updated risk assessment methodology underway to guide further enhancements

### **Host Responsibility**

- Updated Host Responsibility Programme approved for each New Zealand site by the Gambling Commission, effective from 15 January 2024
- Additional staff recruited across Responsible Gambling teams to further increase the number of interactions with customers to assess for signs of problem gambling
- A new Advanced Host Responsibility staff training programme rolling out to frontline staff
- Continue to review and increase facial recognition camera coverage across VIP suites and the main gaming floor



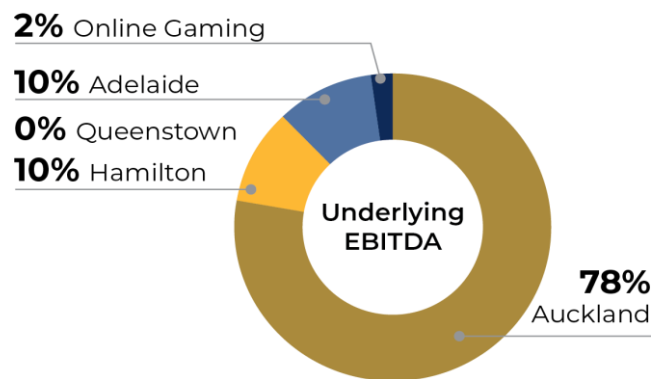
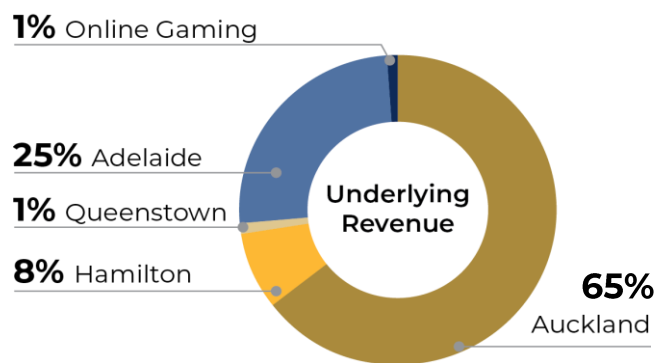


# Group Financial Performance & Capital Allocation

# 1H24 Group Underlying Profit

Challenging economic environment impacted underlying performance

- Visitation trends positive across the Group, with noticeable recovery of international tourism in Auckland
- Local gaming machine revenue impacted by economic uncertainty across the Group, but continues to track well above pre COVID levels
- Local table games revenue reflecting strong recovery in Auckland whilst Adelaide continues to adjust to the new operating environment
- Modest premium table games performance, benefitting from a favourable win-rate in Auckland
- Non-gaming revenue reflects increased visitation, particularly tourism in Auckland, coupled with improvements to offerings and pricing strategy
- Manpower cost ramp up against prior period reflects a more sustainable labour level and broader inflationary pressure
- Compliance and related costs of \$11m were up 20% on last year



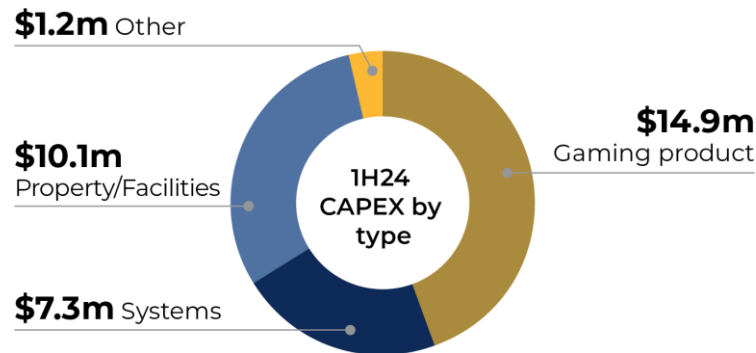
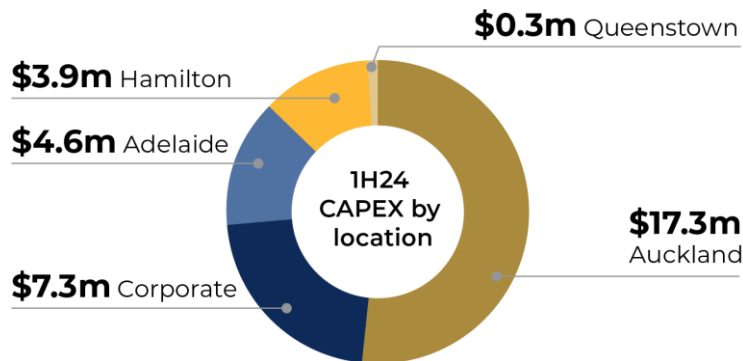
\$m	1H24 Underlying	1H23 <sup>2</sup> Underlying	Movement
Gaming Machines Revenue	228.9	245.6	(6.8%)
Table Games Revenue	115.6	117.7	(1.8%)
Premium Tables Revenue	22.1	16.3	35.6%
Online Gaming Revenue	5.6	7.9	(29.1%)
<b>Gaming Revenue (including GST)</b>	<b>372.2</b>	<b>387.5</b>	<b>(4.0%)</b>
Non-Gaming Revenue	118.0	99.7	18.4%
<b>Total Revenue (including Gaming GST)</b>	<b>490.2</b>	<b>487.2</b>	<b>0.6%</b>
Expenses	(299.9)	(280.3)	(7.0%)
<b>EBITDA</b>	<b>146.3</b>	<b>161.8</b>	<b>(9.6%)</b>
<i>EBITDA Margin<sup>1</sup></i>	29.8%	33.2%	(3.4%pts)
<b>EBIT</b>	<b>102.0</b>	<b>116.3</b>	<b>(12.3%)</b>
<i>EBIT Margin</i>	20.8%	23.9%	(3.1%pts)
<b>NPAT</b>	<b>66.5</b>	<b>72.8</b>	<b>(8.5%)</b>

1. EBITDA margin calculated as EBITDA divided by Revenue including GST  
 2. 1H23 restated to remove normalisation

# 1H24 Capital Projects

Conservative management of capital spend continued into 1H24

- 1H24 BAU CAPEX of \$33.5m reflects prioritisation of spend to gaming product, property maintenance and technology investment
- A modest increase expected in 2H24 BAU CAPEX, with some key multi-year projects commencing, including Auckland property upgrade, NZICC integration and gaming transformation programme (encompassing mandatory carded play project)



## NZICC and Horizon Hotel Construction Project

- No material change to previous guidance of total project costs to SkyCity (around \$750m)
- Horizon Hotel on target for April 2024 opening with operations team in place and integration requirements on track
- SkyCity remains comfortable with the contractual position on the project
- NZICC expected opening in 2025
- International and local demand for conference bookings continues, with sales and operations teams ramping up

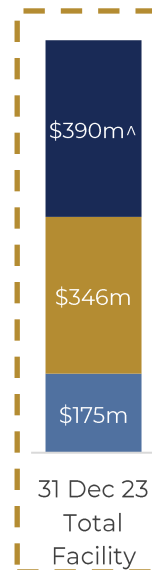
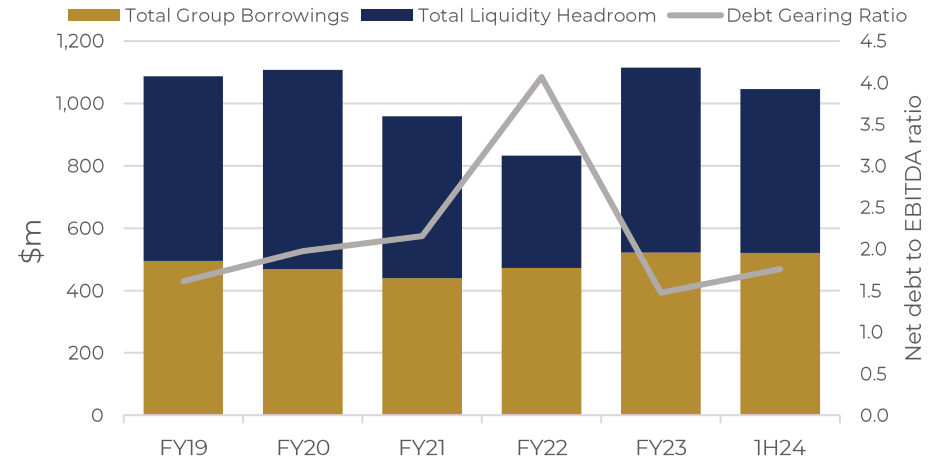


# Financial Resilience

Balance sheet strength maintained, with greater certainty emerging

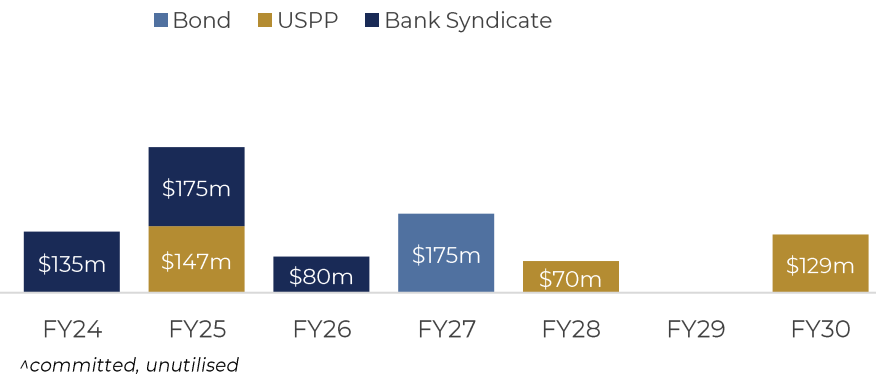
- Group net debt of **\$500m** at 31 December 2023, representing borrowings (\$521m) and leases (\$167m), offset by cash (\$188m)
- Liquidity headroom of **\$525m** at 31 December 2023, reflecting unutilised, committed syndicated debt facility (\$390m) and cash reserves
- Net debt gearing of **1.75x** at 31 December 2023, slightly up from 30 June 2023 but well within covenants and investment grade credit rating range
- Cash requirements for future obligations secured, with 30 June 2024 debt gearing expected to rise to between **2.3-2.5x**
- Successful early refinance of selected tranches of syndicated debt maturing June 2024, including extension of maturation by 1 and 3 years respectively
- The next significant maturity is March 2025 (USPP c\$147m) followed by syndicated debt tranches in June 2025 (c\$175m)
- A prudent interim dividend of 5.25cps declared, equivalent to c70% of underlying NPAT

## Group Liquidity Headroom & Debt Gearing



## Group Borrowing Facilities (\$m)

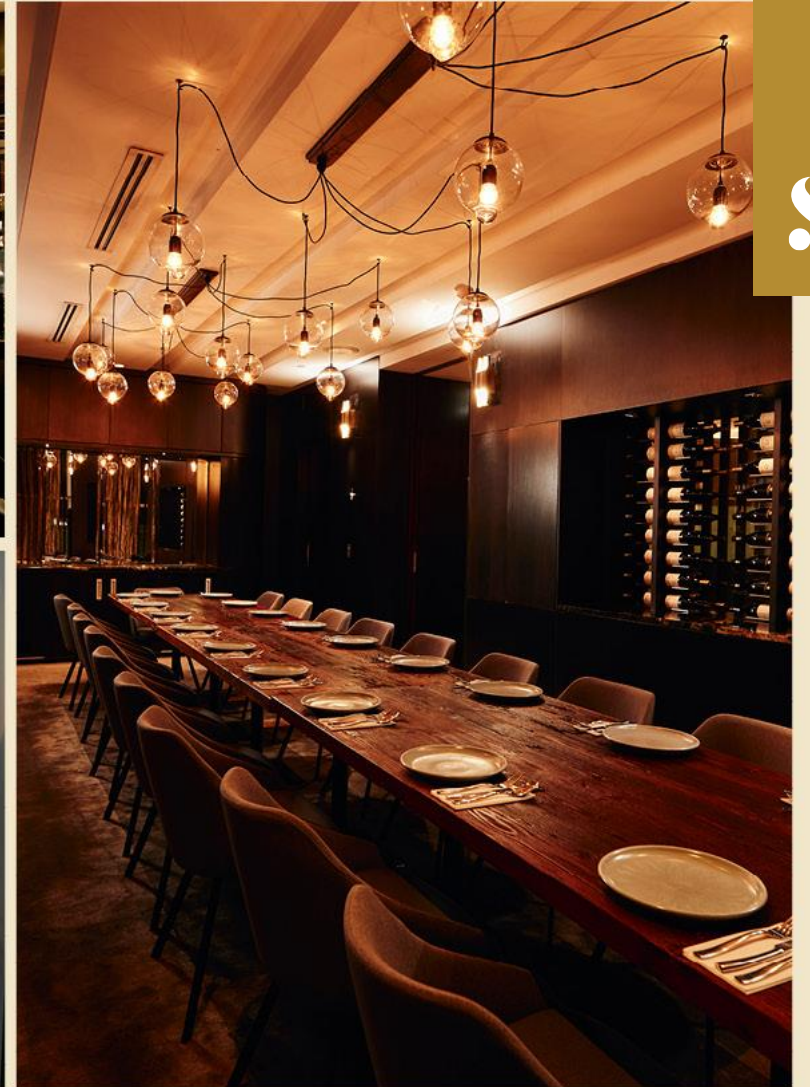
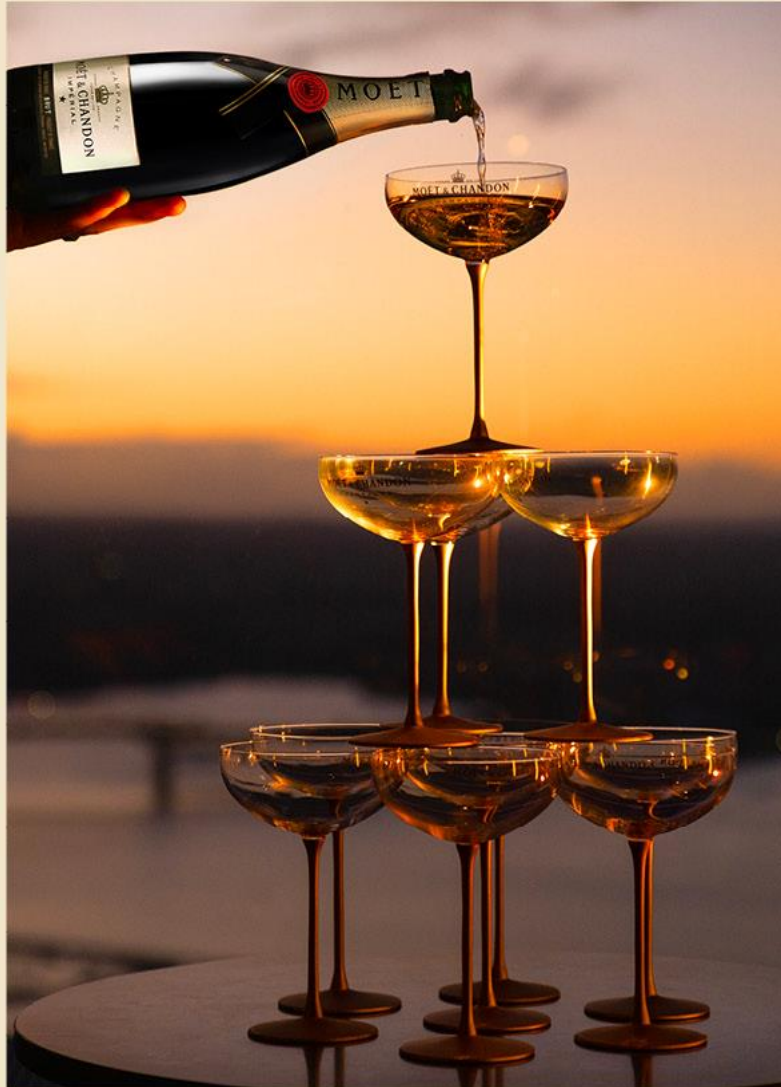
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# Operational Performance

# SkyCity Auckland



# 1H24 SkyCity Auckland Result

Local economic conditions impacting gaming, with tourism uplift across non-gaming

- Visitation up 8.2% on prior period, with over 2.5m people visiting the precinct, including international tourism recovery
- Gaming machines revenue impacted by challenging economic environment impacting customer spend levels
- Table games uplift reflects higher opening hours enabled by labour availability. Overall revenue still below pre COVID levels
- Premium table games revenue assisted by higher than theoretical win rate of 3.13% against theoretical 1.35%
- Food & beverage revenue uplift from increased visitation and a well received refresh of customer offerings and availability of staff (Cassia, Metita & SkyBar)
- Growth in hotel revenue from higher occupancy (~87%) - rate consistent with prior period in a highly competitive market, with increasing cost base
- Sky Tower revenue benefitting from tourism uplift coupled by revised pricing strategy
- Increase in expenses reflecting both increased labour costs and general inflation
- EBITDA margin was above 40% and reflected a more sustainable cost base plus a revenue mix change

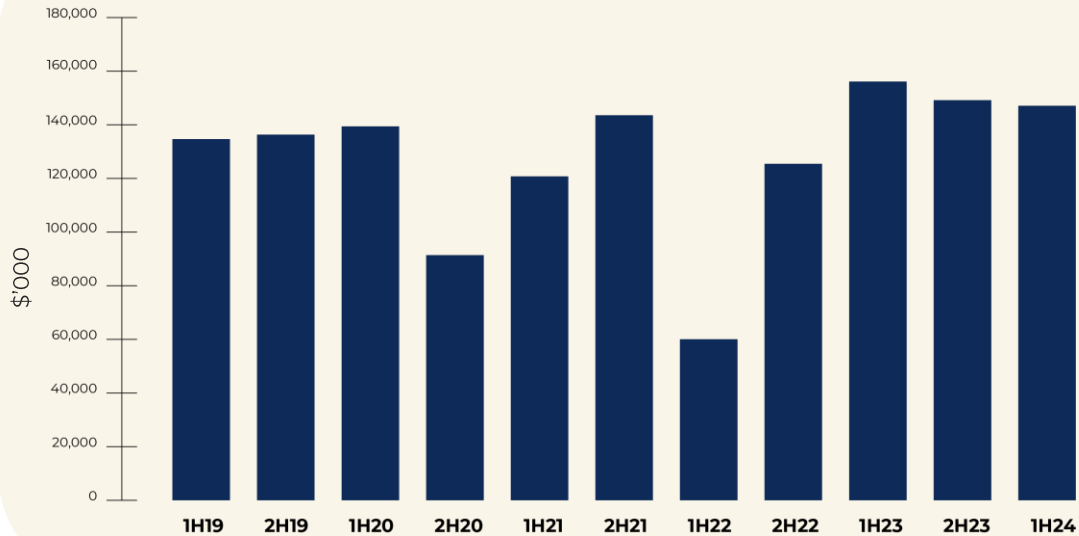
\$m	1H24	1H23 <sup>2</sup>	Movement
Gaming Machines Revenue	147.1	156.1	(5.8%)
Local Tables Revenue	76.2	66.2	15.0%
Premium Tables Revenue	15.7	10.1	55.0%
<b>Gaming Revenue (including GST)</b>	<b>239.0</b>	<b>232.5</b>	<b>2.8%</b>
Food & Beverage Revenue	34.5	26.4	30.9%
Hotel Revenue	23.9	20.4	17.1%
Sky Tower Revenue	9.7	6.5	48.2%
Other Revenue	5.6	5.3	5.9%
<b>Total Non-Gaming Revenue</b>	<b>73.7</b>	<b>58.6</b>	<b>25.7%</b>
<b>Total Property Revenue</b>	<b>312.7</b>	<b>291.1</b>	<b>7.4%</b>
Gaming GST	(30.9)	(30.1)	(2.6%)
Expenses	(156.0)	(130.4)	(19.7%)
<b>EBITDA</b>	<b>125.7</b>	<b>130.6</b>	<b>(3.7%)</b>
<i>EBITDA Margin<sup>1</sup></i>	40.2%	44.9%	(4.7%pts)
Depreciation & Amortisation	(18.9)	(19.2)	1.9%
<b>EBIT</b>	<b>106.8</b>	<b>111.3</b>	<b>(4.0%)</b>

1. EBITDA margin calculated as EBITDA divided by Revenue including GST  
 2. 1H23 restated to remove normalisation

# SkyCity Auckland – Gaming Revenue Trends

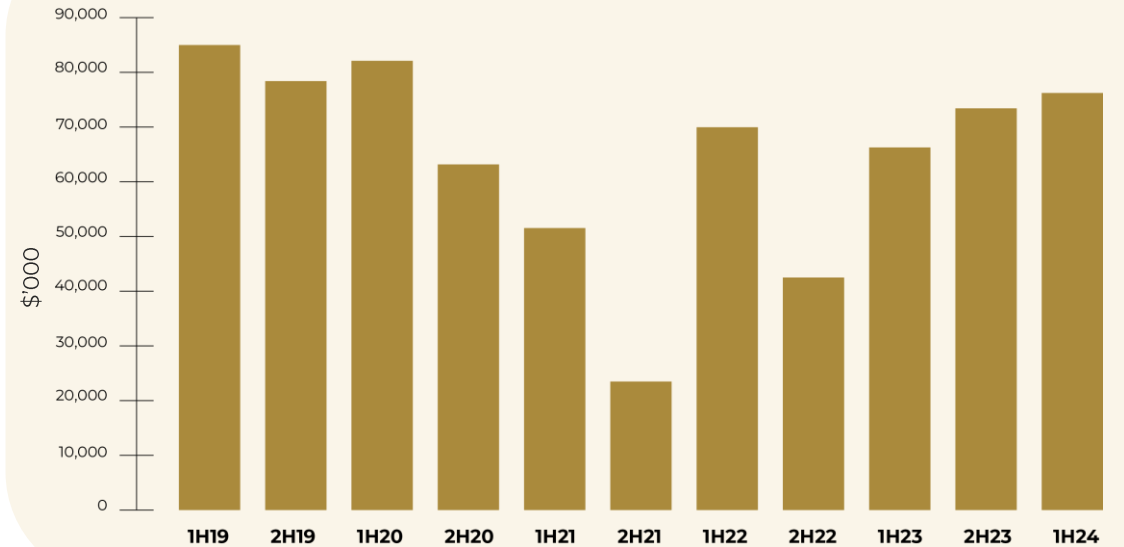
Strong revenue recovery post COVID continues

## Auckland Gaming Machines Revenue Trends



- Gaming machines revenue continues to be ahead of pre COVID levels
- 1H24 impacted by economic environment

## Auckland Table Games Revenue Trends



- Table games revenue continues its recovery path with good growth achieved across the last three 6-month periods as extra capacity has been added following an improvement in labour availability from the end of 1H23



# 1H24 SkyCity Hamilton & Queenstown Results

Impact of local economic environment reflected in lower earnings

## Hamilton

- Impact from economic environment on customer spend levels evident across both gaming and non-gaming areas
- Both gaming machines and table games revenue remain above pre COVID levels
- Enhanced customer offerings include a revamped Amuse Bar on the main gaming floor and the new Shanghai restaurant

## Queenstown

- Gaming revenue impacted by lower visitation, particularly in premium tables
- Queenstown casino venue licence renewal process well underway
- Exit of Wharf casino venue licence and property lease progressing with further one-off costs recognised in the period

\$m	Hamilton			Queenstown		
	1H24	1H23 <sup>2</sup>	Movement	1H24	1H23 <sup>2</sup>	Movement
Gaming Machines Revenue	26.7	28.3	(5.6%)	3.7	4.2	(11.8%)
Local Tables Revenue	5.5	6.2	(10.8%)	1.9	1.4	37.2%
Premium Tables Revenue	0.2	0.0	435.8%	0.3	1.9	(82.7%)
<b>Gaming Revenue (including GST)</b>	<b>32.4</b>	<b>34.5</b>	<b>(6.2%)</b>	<b>5.9</b>	<b>7.5</b>	<b>(20.5%)</b>
Non-Gaming Revenue	4.7	5.0	(5.0%)	0.7	0.7	4.0%
<b>Total Property Revenue</b>	<b>37.1</b>	<b>39.5</b>	<b>(6.0%)</b>	<b>6.7</b>	<b>8.2</b>	<b>(18.4%)</b>
Gaming GST	(4.2)	(4.5)	6.2%	(0.8)	(1.0)	20.6%
Expenses	(16.5)	(15.6)	(5.6%)	(5.5)	(3.6)	(51.6%)
<b>EBITDA</b>	<b>16.4</b>	<b>19.3</b>	<b>(15.4%)</b>	<b>0.4</b>	<b>3.6</b>	<b>(89.8%)</b>
<i>EBITDA Margin<sup>1</sup></i>	44.1%	49.0%	(4.9pts)	5.5%	43.5%	(38.0pts)
Depreciation & Amortisation	(1.9)	(2.1)	6.9%	(0.6)	(0.6)	(3.5%)
<b>EBIT</b>	<b>14.4</b>	<b>17.3</b>	<b>(16.4%)</b>	<b>(0.3)</b>	<b>2.9</b>	<b>nm<sup>3</sup></b>

1. EBITDA margin calculated as EBITDA divided by Revenue including GST
2. 1H23 restated to remove normalisation
3. Nm = not meaningful

# 1H24 SkyCity Adelaide Result

Challenging operating environment continues to impact earnings and margin performance

- Visitation marginally lower on the prior period, with interstate and international tourism in South Australia slower to recover
- Gaming machines revenue impacted by a lower win-rate against theoretical hold and lower spend per customer
- Table games revenue consistent with 2H23 trend which was rebased with operational changes, including reduced opening hours and the introduced cash limits
- Premium table games revenue uplift based on interstate visitation with an actual win rate of 1.63% against theoretical 1.35%
- Eos hotel remains the market leader in Adelaide, although occupancy slightly lower at 73.5% reflecting softer leisure market
- An 8% reduction in expenses driven by a range of cost take-out initiatives including reduced VIP table games opening hours, 63 FTE reduction across the property, improved utility pricing and targeted marketing spend

A\$m	1H24	1H23 <sup>2</sup>	Movement
Gaming Machines Revenue	47.6	51.6	(8.0%)
Local Tables Revenue	29.5	39.7	(25.7%)
Premium Tables Revenue	5.5	3.9	41.1%
<b>Gaming Revenue (Including GST)</b>	<b>82.6</b>	<b>95.2</b>	<b>(13.3%)</b>
Food & Beverage Revenue	21.9	20.5	6.7%
Hotel Revenue	6.8	7.0	(3.5%)
Other Revenue	4.4	4.2	6.7%
<b>Total Non-Gaming Revenue</b>	<b>33.1</b>	<b>31.7</b>	<b>4.4%</b>
<b>Total Property Revenue</b>	<b>115.7</b>	<b>126.9</b>	<b>(8.9%)</b>
Gaming GST	(7.5)	(8.7)	13.6%
Expenses	(91.3)	(99.5)	8.2%
<b>EBITDA</b>	<b>16.9</b>	<b>18.7</b>	<b>(10.1%)</b>
<i>EBITDA Margin<sup>1</sup></i>	14.6%	14.8%	(0.2%pts)
Depreciation & Amortisation	(14.7)	(15.4)	4.1%
<b>EBIT</b>	<b>2.2</b>	<b>3.4</b>	<b>(37.2%)</b>

1. EBITDA margin calculated as EBITDA divided by Revenue including GST  
 2. 1H23 restated to remove normalisation

# 1H24 SkyCity Online Result

Longer term opportunity remains very attractive for SkyCity

- New Zealand online gaming market continues to grow and is being heavily targeted by offshore operators
- SkyCity not operating in a level playing field hence lower market share
- SkyCity continues to actively engage regulators and Government on potential regulation
- Visitation remains robust with First-Time-Depositors (FTDs) stable and a strong customer database
- Online casino content is consistently upgraded, including the launch of Bingo in September 2023
- Further uplift in the compliance regulatory framework which increased expenses
- Increasing the project team and actively working to progress New Zealand online gaming regulation opportunity
- GiG equity earnings of \$2.9m in 1H, reflecting strong performance across GiG's Media and Platform businesses

\$m	1H24	1H23	Movement
Gaming Revenue (net of jackpots and bonusing)	<b>11.8</b>	<b>15.4</b>	<b>(23.0%)</b>
GiG costs	(4.7)	(5.5)	14.3%
NZ GST	(1.5)	(2.0)	23.1%
<b>Gaming Revenue (attributable to SkyCity)</b>	<b>5.6</b>	<b>7.9</b>	<b>(29.2%)</b>
Expenses	(2.6)	(2.2)	(14.4%)
<b>EBITDA (attributable to SkyCity)</b>	<b>3.0</b>	<b>5.6</b>	<b>(46.5%)</b>
<i>EBITDA Margin<sup>1</sup></i>	25.4%	36.6%	(11.2pts)
GiG equity earnings	2.9	0.4	692.4%
<b>EBITDA (including equity earnings)</b>	<b>5.9</b>	<b>6.0</b>	<b>(1.3%)</b>

1. EBITDA margin calculated as EBITDA divided by gaming revenue (net of jackpots and bonusing)



# FY24 Outlook

# FY24 Outlook

Expect the challenging economic and operating environment to continue in 2H24. SkyCity remains cautious about the FY24 outlook

- Operating performance for 2H24 will reflect a continuation of the challenging economic environment
- Horizon Hotel planned to open in April 2024 - expect a small positive contribution for 2H24
- Car park earnings have been integrated into the Auckland property's operational earnings since 1 February 2024
- Confirm previous FY24 earnings guidance provided on 8 December 2023 of:
  - Underlying Group EBITDA for FY24 of between \$290 million and \$310 million
  - Underlying Group NPAT for FY24 of between \$125 million and \$135 million

# CEO Transition Update

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Continue to progress the CEO recruitment process – relatively well advanced

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Callum Mallett will commence as interim CEO on 9 March 2024

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Julian Cook will act as Executive Chair on a part-time basis from 26 February 2024 until new CEO confirmed





# Appendix

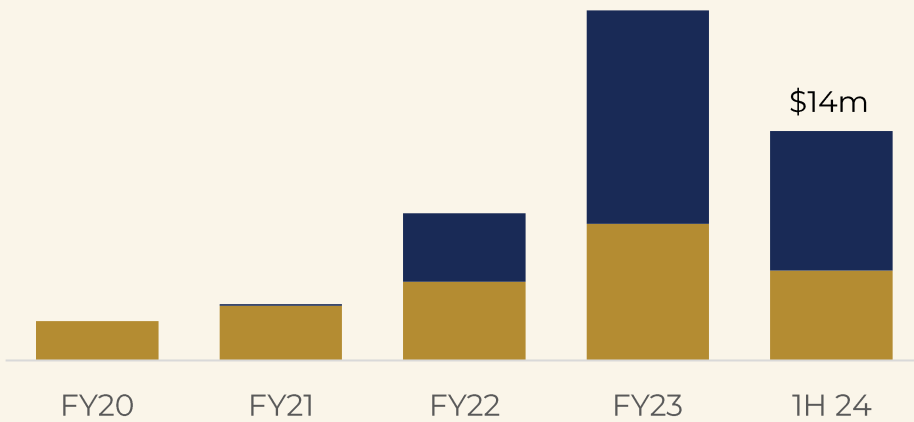
# Compliance/AML Costs

SkyCity continues to invest significantly in its AML, financial crime and host responsibility enhancements



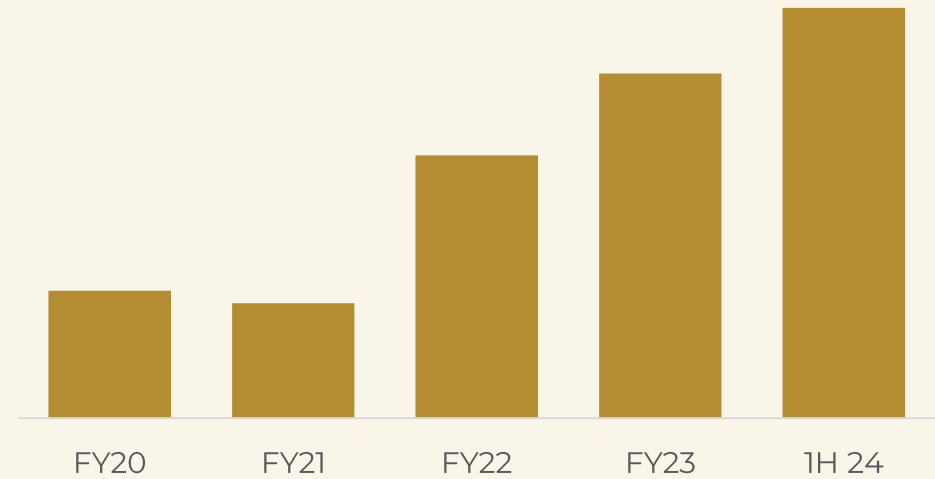
### Group Compliance Investment Trend

■ Ongoing BAU ■ One Off



### AML, Compliance and Host Responsibility Headcount Trend

Headcount 100





# NZ Host Responsibility Programmes

SkyCity's continuous improvement

2019	<ul style="list-style-type: none"><li>• NOVEMBER – Stage 1 of Facial Recognition (FR) technology was implemented at all SkyCity NZ sites to ensure that banned or excluded patrons could not access gaming areas without being identified</li></ul>
2020	<ul style="list-style-type: none"><li>• JANUARY – SkyCity expanded its use of Focal by introducing the Alert Bettor Protection system</li><li>• MARCH – Live Floor View (LFV) was launched to assist SkyCity to monitor uncarded continuous play on gaming machines</li><li>• NOVEMBER – SkyCity introduced a new Head of Host Responsibility (NZ) role to provide strategic leadership across the organisation</li></ul>
2021	<ul style="list-style-type: none"><li>• FEBRUARY – An enhanced Host Responsibility Training Programme (HRT) was launched</li><li>• APRIL – Stage 2 of FR technology was implemented at SkyCity Auckland to monitor continuous presence</li><li>• JULY – Host Responsibility KPI introduced into all SkyCity staff performance reviews</li></ul>
2022	<ul style="list-style-type: none"><li>• FEBRUARY – iTrak system upgraded to improve data entry and reporting functionality</li><li>• MAY – Increased FTEs in Responsible Gambling Host teams in Hamilton and Auckland</li><li>• MAY – Introduction of anniversary host responsibility interactions and welfare checks for Black and Ultra VIP customers</li><li>• JUNE – Continuous presence policy updated to 12 hours maximum time onsite</li></ul>



# NZ Host Responsibility Programmes cont.

SkyCity's continuous improvement

2023

- MARCH – Official opening of a designated Host Responsibility “Welcome Room” at SkyCity Auckland
- JUNE – Stage 4 of FR technology implemented at SkyCity Auckland to monitor repeat ATM visits (excl car park ATMs)
- JULY – Introduced PatronScan at casino main entrances (automated ID scan and verification)
- SEPTEMBER – Introduced guidelines for carded play in VIP rooms
- OCTOBER – Stage 4 implementation of FR technology continued at SkyCity Auckland with monitoring of repeat car park ATM visits
- OCTOBER – Stage 4 implementation of FR technology continued at SkyCity Hamilton with monitoring of repeat ATM visits onsite
- NOVEMBER – Expansion of Host Responsibility Executive team with 3 new roles
- DECEMBER – Refreshed scrolling messaging on gaming machines to remind customers to take regular breaks
- DECEMBER – External review of Host Responsibility against global peers completed

2024 +  
future

- JANUARY – Expansion of Responsible Gaming Hosts team with 5 new roles
  - JANUARY – New Host Responsibility Programmes effective for SkyCity Auckland, Hamilton and Queenstown
- Future Focus
- Across 2024/2025 – Development of the Host Responsibility processes and technology to support mandatory carded play, including proof of concept
  - FEBRUARY – Additional programme levels of Host Responsibility training undertaken
  - FEBRUARY – Creation of Host Responsibility Data Analysis and Insights roles (2 FTE)
  - MARCH /APRIL – Installation of additional FR technology cameras in VIP rooms and on main gaming floor

# NZ Anti-Money Laundering

## SkyCity's continuous improvement

EDD = enhanced due diligence  
CDD = customer due diligence  
KYC = know your customer

2021	<ul style="list-style-type: none"><li>• Ceased dealing with junkets</li><li>• Prevented the depositing of cash into SkyCity's player accounts at New Zealand bank branches</li><li>• Restricted customer's ability to transfer money between their personal SkyCity account and third party accounts</li><li>• Reviewed and enhanced training material</li><li>• Lowered cash thresholds before EDD commences</li></ul>
2022	<ul style="list-style-type: none"><li>• Enhanced the EDD process – introduced a time limited pass/fail process</li><li>• Increased staff engagement via targeted communications strategy</li><li>• Refresh of AML standard operating procedures</li><li>• Proactive KYC review of top tier customers</li><li>• New Head of Financial Crime appointed</li></ul>
2023	<ul style="list-style-type: none"><li>• Developed case management workflow system to better capture and manage financial crime activity</li><li>• Development of data management and analytics tool for enhanced transactional monitoring</li><li>• Recruited new analysts to expand capacity for ongoing CDD work</li><li>• Developed new approval process for the upgrade of customers across VIP tiers</li><li>• Introduced mandatory stand-downs for customers until EDD completed</li><li>• Ceased the provision of Cheque Cashing Facilities (credit) for customers</li></ul>
2024 + future	<ul style="list-style-type: none"><li>• Recruited new senior manager to increase financial crime leadership capability</li></ul> <p>Future Focus</p> <ul style="list-style-type: none"><li>• Roll out case workflow management system – Phase 1 due April 2024</li><li>• Deployment of data management and analytics platform – due May 2024</li><li>• New enterprise-wide risk assessment methodology – due March 2024</li><li>• Finalise Group-wide Financial Crime target operating model</li><li>• Ongoing increase in Financial Crime team capacity and capability</li></ul>

# Important Information

- Average NZ\$ vs. A\$ cross-rate for 1H24 = 0.9246 and 1H23 = 0.9061
- Weighted average number of shares excludes executives shares held on trust under the Group's executive incentive schemes:
  - 1H24 = 758,733,593
  - 1H23 = 758,117,231
- GST rates: NZ 15%; AU 10%
- EBITDA margin % is calculated on revenue, including gaming GST
- Certain totals, subtotals and percentages may not agree due to rounding



# Reconciliation of Group Results

## Guide to understanding the basis of underlying earnings

- The Group’s objective in preparing underlying 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; and
  - enables comparison across financial periods
- This objective is achieved by eliminating:
  - property valuations and NZICC fire accounting; and
  - structural differences in the business between financial reporting periods
- Underlying 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



# Reconciliation of Group Results

\$m	1H24				1H23 (Restated)			
	Revenue	EBITDA	EBIT	NPAT	Revenue	EBITDA	EBIT	NPAT
<b>Reported</b>	<b>445.2</b>	<b>101.0</b>	<b>56.7</b>	<b>22.5</b>	<b>462.6</b>	<b>106.3</b>	<b>60.9</b>	<b>22.8</b>
Premium Table Commissions	1.4	-	-	-	3.2	-	-	-
Gaming GST	44.0	-	-	-	45.2	-	-	-
NZICC Fire Impact	(2.4)	5.5	5.5	4.2	(23.7)	43.4	43.4	39.1
Asset Impairment	2.0	2.0	2.0	2.0	-	3.6	3.6	3.6
Property Revaluation	-	-	-	-	-	8.4	8.4	7.2
Regulatory Penalties	-	37.8	37.8	37.8	-	-	-	-
<b>Underlying</b>	<b>490.2</b>	<b>146.3</b>	<b>102.0</b>	<b>66.5</b>	<b>487.2</b>	<b>161.8</b>	<b>116.3</b>	<b>72.8</b>

- 1. Premium Table Commissions:** to report premium commissions paid to customers as an expense rather than a revenue reduction, which reduces both reported revenue and operating expenses. This adjustment effectively reverses the impact of IFRS 15 Revenue from Contracts with Customers
- 2. Gaming GST:** to add gaming GST to reported revenue
- 3. NZICC Fire Impact:** to reverse the fire accounting and related entries arising from the NZICC fire
- 4. Asset Impairment:** to reverse the impairment of LPL notes and the investment property floors not held for third party tenancy
- 5. Property Revaluation:** to reverse the investment property fair value adjustments based on market valuation
- 6. Regulatory Penalties:** to eliminate the provision in connection with any civil penalties imposed by the Courts relating to the AUSTRAC civil penalty proceedings against SkyCity Adelaide, and the Department of Internal Affairs' civil penalty proceedings against SkyCity Casino Management Limited