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RE: SKYCITY ENTERTAINMENT GROUP LIMITED - TRADING AND DIVIDEND UPDATE

Updated guidance for FY24

SkyCity Entertainment Group Limited (**SkyCity**) advises that it has updated its earnings guidance for FY24. SkyCity now expects underlying Group EBITDA for FY24 of between \$280 million and \$285 million and underlying Group NPAT for FY24 of between \$120 million and \$125 million¹.

This compares to previous guidance of underlying Group EBITDA for FY24 of between NZ\$290 million and NZ\$310 million and underlying Group NPAT for FY24 of between NZ\$125 million and NZ\$135 million.

The key drivers of this change in guidance for FY24 are:

- the ongoing challenging economic environment impacting customer spend (although visitation numbers across all sites remain strong);
- a further delay in the opening of the Horizon Hotel (now expected in August 2024) due to delayed completion of works by the contractor to the project, which impacts hotel, food and beverage and gaming contributions across the Auckland precinct; and
- a potential increase in Adelaide casino duty expense (for FY24) following the South Australian Court of Appeal's ruling on the interpretation of the relevant provisions in

¹ Underlying results adjust for certain revenue and expense items, calculated in accordance with SkyCity's Non-GAAP Financial Information Policy. Due to the uncertainty around the potential adjustments required as part of SkyCity's accounting processes, SkyCity is unable to provide an update for FY24 reported (statutory) results at this time.

the Adelaide Casino Duty Agreement regarding the treatment of loyalty points, as announced by SkyCity on 22 February 2024.

Early outlook for FY25

Current trading conditions continue to reflect a challenging economic environment, particularly in Auckland. SkyCity expects this to continue throughout FY25. In addition, FY25 financial performance is expected to be impacted by a number of one-off items including ongoing delays to the completion of the Horizon Hotel, pre-opening operational costs for the New Zealand International Convention Centre (**NZICC**), preparing for online gaming regulation in New Zealand, and the ongoing risk and compliance uplift activities at SkyCity Adelaide.

SkyCity advises that it currently expects underlying Group EBITDA for FY25 to be between \$250 million and \$270 million. SkyCity will provide updates as required on this early guidance. This estimated range includes the one-off costs noted above of approximately \$20 million to \$30 million.

This early outlook guidance does not include the impact of any potential temporary suspension of SkyCity Casino Management Limited's casino operator's licence in New Zealand (as previously flagged to the market by SkyCity on 3 September 2023). SkyCity notes that the private hearing for that matter, previously set down for the week of 15 April 2024, has been delayed as a result of scheduling constraints, with a new private hearing set down for August 2024.

Dividend update

SkyCity expects to pay the AUSTRAC civil penalty of A\$67 million in July 2024 (subject to Federal Court approval on 7 June 2024) and is also committed to approximately \$76 million capex to complete the NZICC.

In order to maintain a robust level of headroom with respect to SkyCity's Net Debt / EBITDA covenant of 3.75 times within its financing agreements, SkyCity's Board has determined to suspend dividends for 2H24 and FY25. SkyCity notes that it continues to hold prudent levels of committed liquidity headroom.

The Board currently expects, subject to satisfactory trading performance and market conditions, to resume paying dividends in FY26.

SkyCity will release its FY24 full year results on 22 August 2024.

For more information, please contact:

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Authorised by:

A handwritten signature in blue ink, appearing to read 'Jo Wong', with a stylized, cursive script.

Jo Wong
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