



ENTERTAINMENT GROUP

# FY24 RESULTS

INVESTOR PRESENTATION

22 August 2024



# Executive Leadership Changes



Jason Walbridge  
Chief Executive Officer



Peter Fredricson  
Chief Financial Officer  
(from 23 August 2024)



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# FY24 Results Summary

Solid underlying earnings performance with reported results impacted by significant adjustments

## REVENUE

**\$928.5<sub>m</sub>**  0.3% YoY  
Reported

**\$959.6<sub>m</sub>**  0.3% YoY  
Underlying<sup>1</sup>

## NPAT

**(\$143.3)<sub>m</sub>**  (1,897.4%) YoY  
Reported

**\$123.2<sub>m</sub>**  (7.2%) YoY  
Underlying<sup>1</sup>

## INTERIM DIVIDEND

**5.25** cents  
per share

## EBITDA

**\$138.2<sub>m</sub>**  (16.7%) YoY  
Reported

**\$277.8<sub>m</sub>**  (8.0%) YoY  
Underlying<sup>1</sup>

## EARNINGS PER SHARE

**(18.9)<sub>cps</sub>**  (1,896.0%) YoY  
Reported

**16.2<sub>cps</sub>**  (7.3%) YoY  
Underlying<sup>1</sup>

## DEBT LEVERAGE<sup>2</sup>

**2.3x**

## NET DEBT<sup>3</sup>

**\$663<sub>m</sub>**

(1) Refer to the appendices for a description and further details of SkyCity's underlying results

(2) Debt Leverage is Net Debt/EBITDA ratio as per financing agreements

(3) Group borrowing plus leases less cash on hand



# FY24 Key Messages

Significant progress made during the year

|  |  |
|--|--|
| <b>Solid Underlying Earnings Performance</b> | Group delivered underlying EBITDA of \$277.8m in a challenging operating environment   |
| <b>Progress on Regulatory Matters</b>        | AUSTRAC and DIA matters resolved <sup>(1)</sup> ; CBS independent review recommenced; Kroll programme of work submitted for approval                                   |
| <b>Building a Better Business</b>            | Significant transformation programme underway to de-risk the business with a focus on building capability to ensure better compliance with our regulatory requirements |
| <b>Refinanced Debt</b>                       | Extended \$217.5m of revolving bank facility tenor by 3 and 4 years, and negotiated new US\$150m of USPP debt with 7-year maturity                                     |
| <b>Credit Rating</b>                         | S&P Global Ratings reaffirmed BBB- rating. Board commitment to maintaining an investment grade rating, and targeting BBB flat metrics in the medium term               |
| <b>Auckland Precinct Expansion</b>           | Completed the repurchase of the Auckland car park concession in January 2024; Horizon by SkyCity opened on 1 August 2024; NZICC to open in 2025                        |
| <b>NZ Online Gaming Regulation</b>           | Investing in internal capability ahead of regulation of the New Zealand online gaming market   |

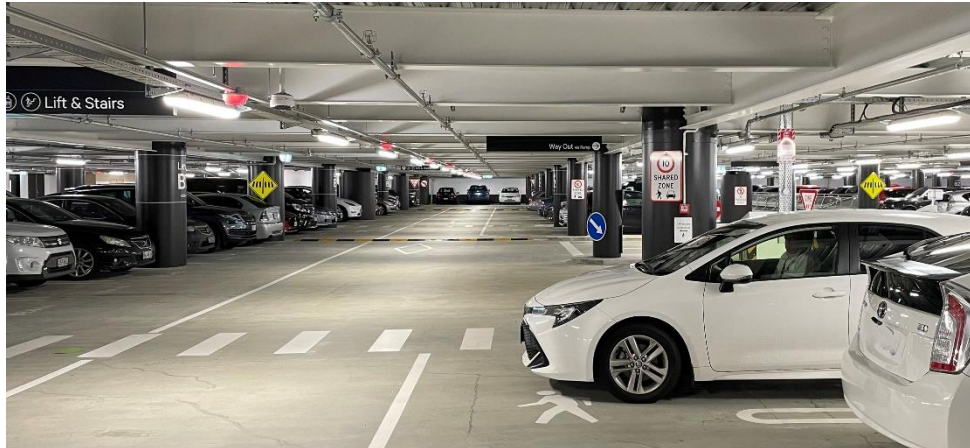
(1) Agreement reached with the DIA in relation to AML/CFT proceedings remains subject to Court approval – see page 8





# Key Projects

Good progress made with future earnings growth opportunities



## Auckland Car Park Buyback

- Agreement reached to buy back the SkyCity Auckland car park concession in December 2023 at a cost of \$204m
- Management of the car park reintegrated back into SkyCity from end January 2024
- Forecast to provide ca \$17m EBITDA contribution to FY25



## Horizon By SkyCity

- Formally opened on 1 August 2024
- 303 room 5-star hotel connected to the NZICC and the SkyCity Auckland precinct bringing total Auckland hotel room offering to nearly 1,000 rooms
- Forecast to provide ca \$8m EBITDA contribution to FY25



## New Zealand International Convention Centre (NZICC)

- Opening in 2025
- Total project cost to SkyCity of approx. \$750m (assuming some recoveries) with \$76m remaining to complete
- SkyCity remains comfortable with its contractual position on the project
- Sales and operations teams ramping up ahead of opening with expected pre-opening operating expenditure of ca \$11m in FY25



# Regulation

Progress made to resolve key regulatory matters

## **DIA**

- Agreement reached with the DIA to resolve the civil penalty proceedings relating to historical non-compliance with the New Zealand AML/CFT laws. Remains subject to High Court approval with a hearing set down for September 2024
- The DIA's application to temporarily suspend SkyCity's New Zealand casino operator's licence has been withdrawn as part of an agreement reached with the DIA. The agreement includes closure of the gambling area of the SkyCity Auckland casino for five consecutive days from 9 September 2024

## **AUSTRAC**

- Agreement reached with AUSTRAC to resolve the civil penalty proceedings relating to historical non-compliance with Australian AML/CTF laws. The Statement of Agreed Facts and Admissions and civil penalty of A\$67m was approved by the Federal Court in June 2024

## **CBS Independent Review**

- CBS independent review of SkyCity Adelaide's suitability to continue to hold the SkyCity Adelaide casino licence recommenced with findings due by 31 December 2024 (subject to any extensions granted)
- Kroll appointed as independent monitor in August 2023 in relation to SkyCity Adelaide's AML/CFT and host responsibility programmes
- Kroll programme of work submitted for approval





# People

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

- Staff vacancy levels have now returned to more normal levels as constraints in the labour market have significantly reduced
- SkyCity's employee engagement survey (MyVoice) is now undertaken twice a year with the latest survey concluded in May 2024 with a 69% participation rate by permanent employees:
  - overall engagement score of 75% in a challenging year
  - 80% would recommend SkyCity as a great place to work
- The SkyCity Gender Pay Gap was 4% in both New Zealand and Australia as at 30 June 2024 which compares very favourably to the relevant national averages
- Health and Safety scorecard achieved targets during FY24 including TRIFR<sup>(1)</sup> of 11.4
- Compliance training is a significant and crucial aspect of the SkyCity Way training programme with 56 compliance courses currently on offer – 25,037 course completions over FY24 (including over 22,000 compliance courses)
- SkyCity is a signatory to the 40:40 Vision and our executive leadership team was 50.0% female and 50.0% male at 30 June 2024
- Of all employees, 48.3% are female; 51.2% are male and 0.4% are gender diverse as at 30 June 2024



(1) Total Recordable Incident Frequency Rate



# Contributing Positively in the Community

Over \$7m contributed during the year

- \$4.6m contributed in FY24 via the NZ Community Trusts, enabling \$5.9m of grants to be distributed to 130 community organisations – a total of \$77.4m has been awarded via more than 5,230 grants since 1996
- Fundraising efforts for Leukaemia & Blood Cancer NZ raised \$2.2m from Sky Tower stair challenges – takes total raised to more than \$18.8m over the partnership period
- Support for Variety – The Children's Charity via Variety Bingo in Auckland raised more than \$150,000 over FY24 and now, in excess of \$5.5m over the 24-year partnership
- 47 rangatahi (young people) onboarded to Project Nikau during FY24, taking the total graduates to 175 since inception in 2019
- Proud sponsor of many events in both NZ and South Australia, including:





# FY24 Group Performance

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Julie Amey & Callum Mallett

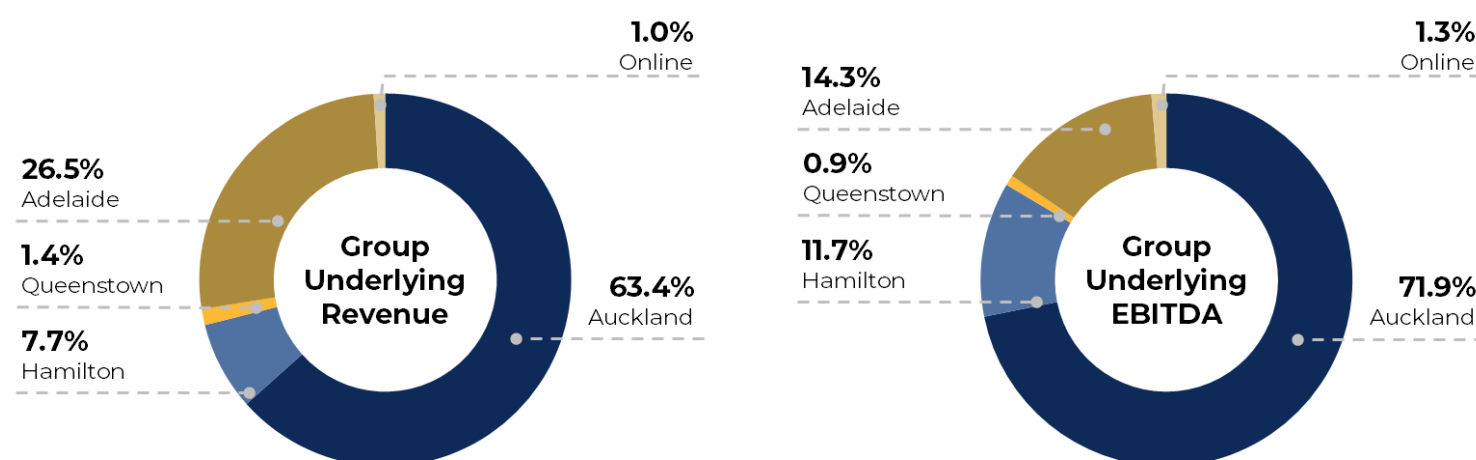




# FY24 Group Underlying Profit

Challenging economic environment impacted underlying earnings performance

- Visitation trends remain positive across the Group, with noticeable recovery of international tourism in Auckland - particularly during the summer months
- Local gaming machine revenue impacted by economic uncertainty in New Zealand partially offset by a second half recovery in Adelaide
- Local table games revenue rebased to a new level following an improvement in labour availability in New Zealand and changes to cash limits in Adelaide
- Strong premium table games performance, benefiting from a favourable win-rate in Auckland
- Non-gaming revenue benefited from increased visitation, particularly from tourism in Auckland in 1H24, coupled with improvements to offerings and pricing strategy
- Labour costs increased due to increase in FTE and underlying wage inflation offset by savings made in Adelaide
- Risk and compliance investment of \$21.7m up 4.3% on last year



| \$m   | FY24 Underlying | FY23 <sup>2</sup> Underlying | Movement       |
|---|-----------------|------------------------------|----------------|
| Gaming Machine Revenue                      | 453.2           | 477.4                        | (5.1%)         |
| Table Game Revenue                          | 225.6           | 231.3                        | (2.4%)         |
| Premium Table Revenue                       | 39.5            | 25.7                         | 53.6%          |
| Online Gaming Revenue                       | 9.3             | 15.4                         | (39.2%)        |
| <b>Gaming Revenue (including GST)</b>       | <b>727.7</b>    | <b>749.7</b>                 | <b>(2.9%)</b>  |
| Non-Gaming Revenue                          | 231.8           | 207.4                        | 11.8%          |
| <b>Total Revenue (including Gaming GST)</b> | <b>959.6</b>    | <b>957.1</b>                 | <b>0.3%</b>    |
| Expenses                                    | (595.9)         | (567.8)                      | 5.0%           |
| <b>EBITDA</b>                               | <b>277.8</b>    | <b>301.8</b>                 | <b>(8.0%)</b>  |
| <i>EBITDA Margin<sup>1</sup></i>            | 29.0%           | 31.5%                        | (2.5%pts)      |
| <b>EBIT</b>                                 | <b>185.8</b>    | <b>211.1</b>                 | <b>(12.0%)</b> |
| <i>EBIT Margin</i>                          | 19.4%           | 22.1%                        | (2.7%pts)      |
| <b>NPAT</b>                                 | <b>123.2</b>    | <b>132.8</b>                 | <b>(7.2%)</b>  |

1. EBITDA margin calculated as EBITDA divided by Revenue including GST  
2. FY23 restated to remove normalisation of International Business



# FY24 Significant Accounting items

SkyCity has reported a number of significant items in FY24:

1. SkyCity Adelaide Valuation – A\$86.2m (NZ\$94.3m) impairment
  - Key assumptions included in the valuation:
    - MCP implemented in early 2026
    - Additional legal and compliance costs associated SkyCity Adelaide's AML/CFT and host responsibility uplift programmes
    - Review of previous underlying earnings forecasts
2. Adjustment for change to New Zealand tax legislation in March 2024 - \$129.6m
  - Removes the ability to depreciate commercial buildings with an estimated life of 50 years or more under NZ IAS 12 Income Taxes, results in one-off charge to tax expense of \$129.6m
3. The deferred tax impact of termination of the Car Park Concession Agreement - \$19.4m
4. An increase in the provision for regulatory penalties and associated legal costs of \$35.9 million relating to the AUSTRAC civil proceedings and DIA civil proceedings (AML/CFT)
5. Provision in relation to potential additional casino duty payable in Adelaide - \$9.8m
6. Impact of NZICC fire accounting - \$8.4m
7. Gain on sale of GiG shares - \$9.6m



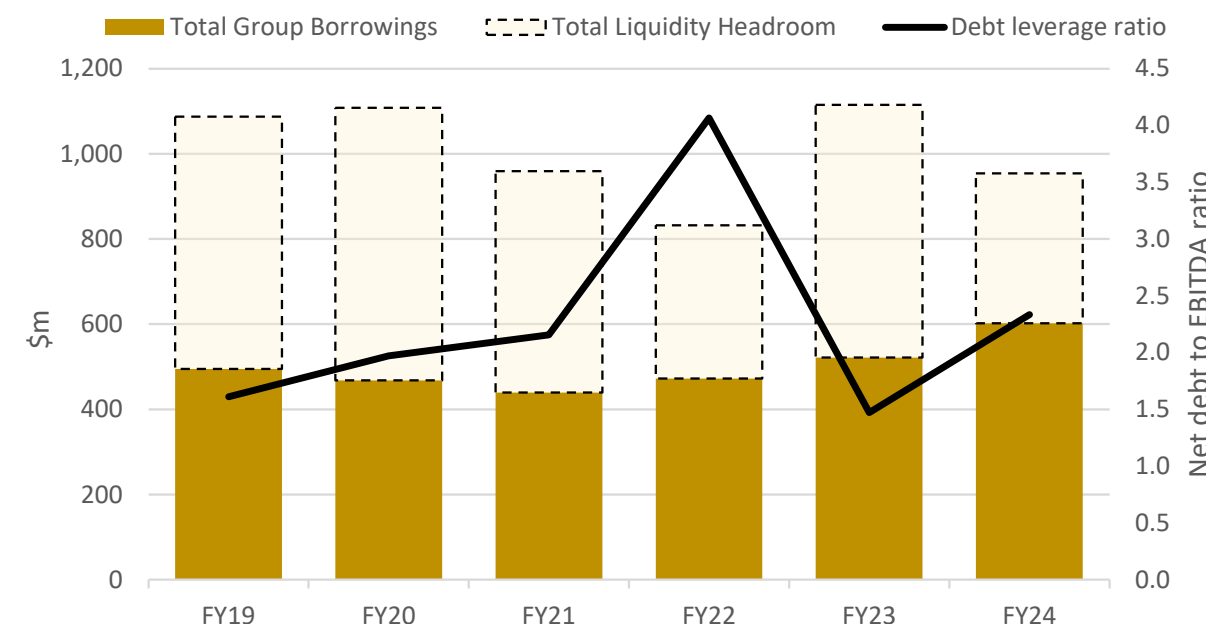


# Debt Profile

Refinancing of debt facilities has improved maturity profile

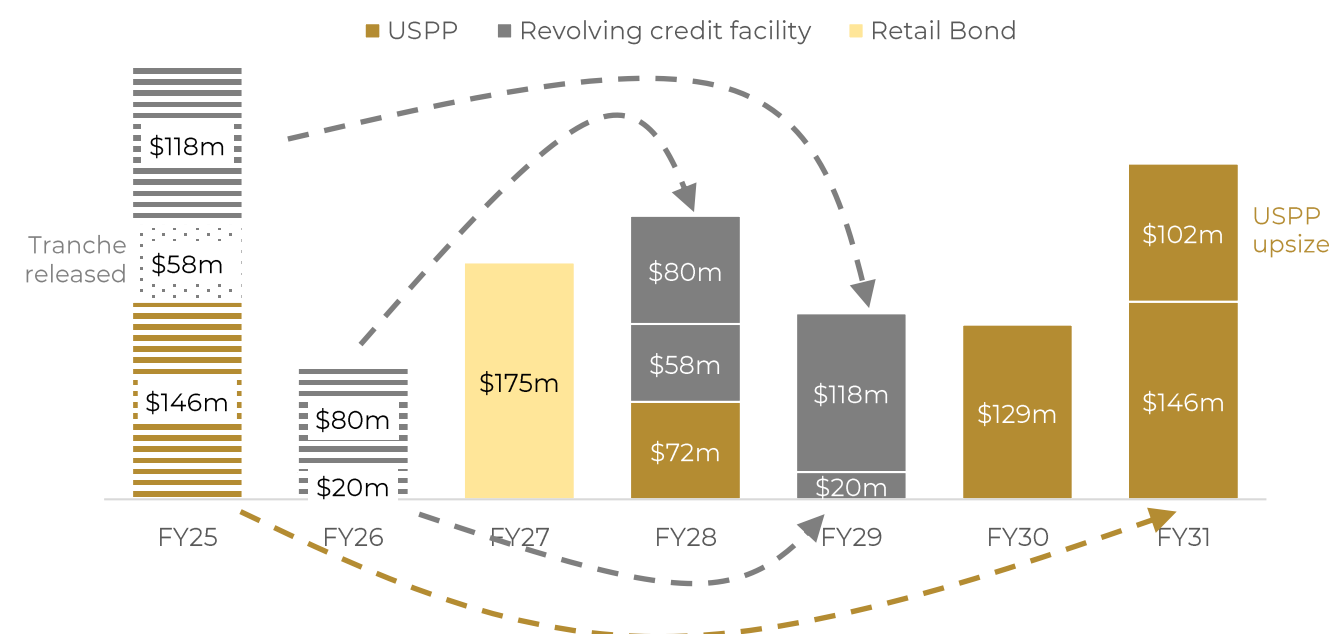
- Group net debt of \$663m at 30 June 2024, representing borrowings (\$603m) and leases (\$121m), offset by cash (\$61m)
- Liquidity headroom of \$271m at 30 June 2024, reflecting unutilised, committed syndicated debt facility (\$252m) and cash reserves
- Net debt/EBITDA ratio of 2.3x at 30 June 2024, in line with guidance and within covenants and investment grade credit rating metrics
- Successful early refinance of selected tranches of debt maturing 2025 and 2026:
  - US\$150m of USPP debt negotiated with 7-year tenor (Sept 2031) including additional US\$50m of debt versus previous maturing tranche due to favourable demand and pricing
  - Extended \$217.5m of syndicated bank facility to FY28 and FY29 year maturities
  - Debt maturity profile now has no debt maturing before May 2027 and an even laddering of maturities in future
- Board suspended FY24 final dividend and FY25 dividend payments to maintain conservative balance sheet settings
- S&P Global Ratings reconfirmed BBB- rating/Stable outlook. Targeting metrics consistent with a BBB rating in the medium term.

## Total borrowings and liquidity headroom



## Group Borrowing Facilities (NZ\$m)

change in maturities post refinancing

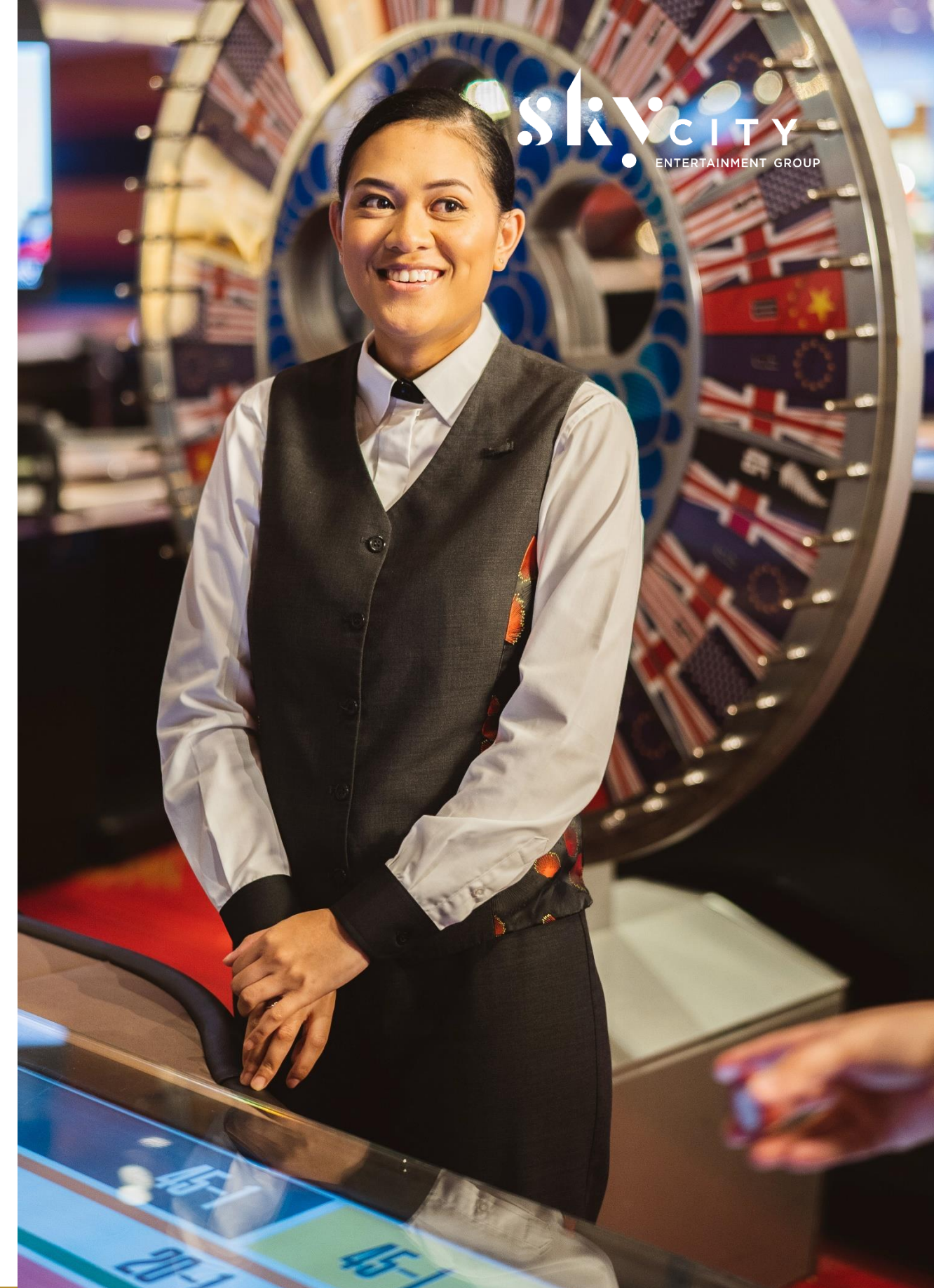
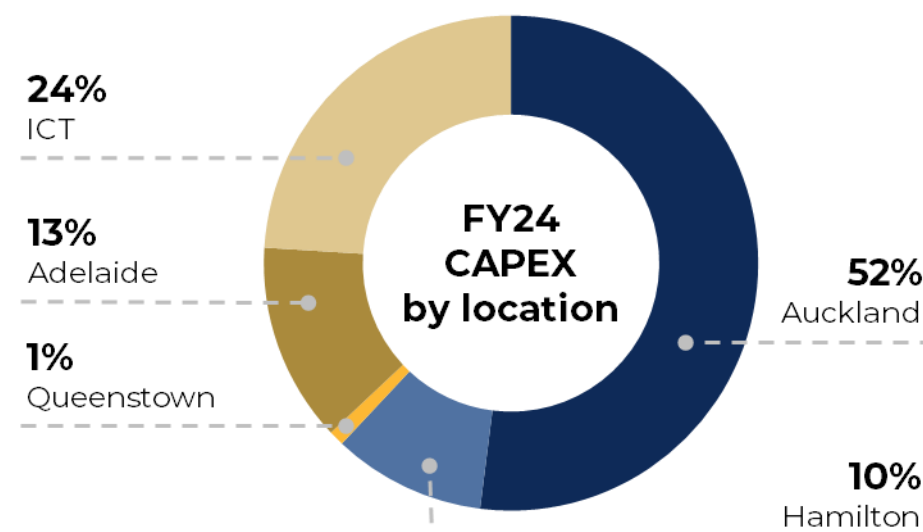
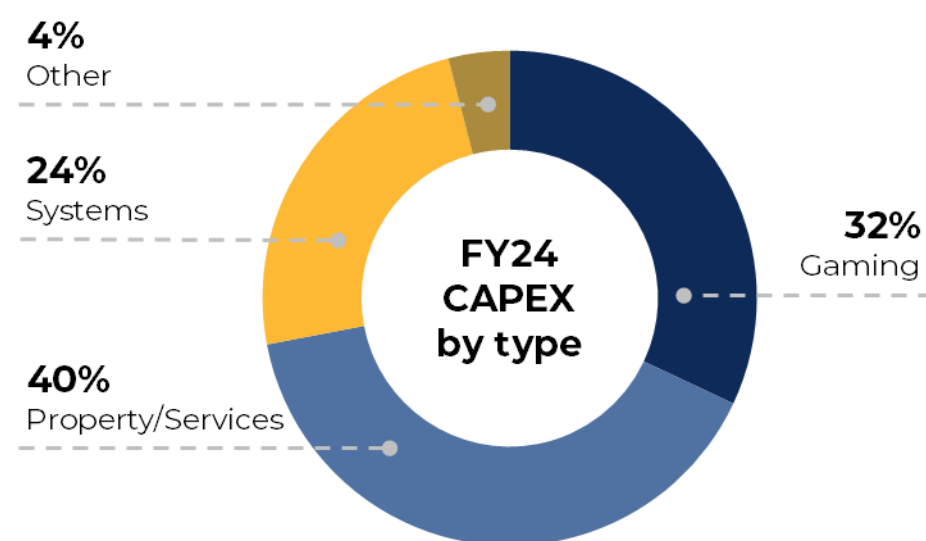




# Capital Expenditure

Pro-active management of capital spend continued in FY24

- FY24 core capex of \$64.2m included the following major projects:
  - Gaming equipment investment as part of normal replacement cycle programme
  - Property maintenance, including lift replacement and commencement of Auckland production kitchen refurbishment
  - ICT spend across a number of projects
  - Over half of all spend (ex NZICC) was incurred on Auckland site in FY24
- Total capex on NZICC and Horizon by SkyCity was \$63.0m net of insurance payments (\$18.1m in FY23)





# SkyCity Auckland

Economic conditions impacting gaming, tourism growth supportive to non-gaming



- Visitation marginally ahead of the prior period, with over 4.5m people visiting the precinct, including ongoing recovery in international tourism visitation
- Gaming machine revenue reflects challenging economic environment impacting customer spend levels plus increased host responsibility initiatives
- Table game revenue growth reflects improved labour availability enabling extended opening hours.
- Premium table game revenue enhanced by higher than theoretical win rate of 2.6% against theoretical c.1.8% due primarily to game preference
- Food & beverage revenue uplift from a well received refresh of customer offerings, (Cassia, Metita & SkyBar), improved availability of staff and yield management
- Growth in hotel revenue from higher occupancy (c.85%) partly offset by a lower room rate due to a highly competitive market. Earnings impacted by an increased cost base
- Sky Tower revenue benefited from an uplift in tourism visitation and revised pricing strategy
- Increase in expenses reflects both increased labour costs and general inflation
- EBITDA margin of 39% reflects a more sustainable cost base and a revenue mix change

| \$m                                   | FY24         | FY23 <sup>2</sup> | Movement      |
|---------------------------------------|--------------|-------------------|---------------|
| Gaming Machine Revenue                | 285.0        | 305.3             | (6.6%)        |
| Local Table Revenue                   | 146.5        | 139.6             | 4.9%          |
| Premium Table Revenue                 | 25.0         | 15.2              | 64.0%         |
| <b>Gaming Revenue (including GST)</b> | <b>456.5</b> | <b>460.2</b>      | <b>(0.8%)</b> |
| Food & Beverage Revenue               | 67.6         | 54.3              | 24.4%         |
| Hotel Revenue                         | 45.0         | 42.4              | 6.1%          |
| Sky Tower Revenue                     | 19.8         | 15.5              | 28.3%         |
| Other Revenue                         | 19.4         | 11.8              | 64.9%         |
| <b>Total Non-Gaming Revenue</b>       | <b>151.8</b> | <b>123.9</b>      | <b>22.5%</b>  |
| <b>Total Property Revenue</b>         | <b>608.3</b> | <b>584.1</b>      | <b>4.1%</b>   |
| Gaming GST                            | (59.0)       | (59.6)            | (1.0%)        |
| Expenses                              | (312.3)      | (273.0)           | 14.4%         |
| <b>EBITDA</b>                         | <b>237.0</b> | <b>251.5</b>      | <b>(5.8%)</b> |
| <i>EBITDA Margin<sup>1</sup></i>      | 39.0%        | 43.1%             | (4.1%pts)     |
| Depreciation & Amortisation           | (40.7)       | (38.0)            | 7.0%          |
| <b>EBIT</b>                           | <b>196.3</b> | <b>213.5</b>      | <b>(8.0%)</b> |

(1) EBITDA margin calculated as EBITDA divided by Revenue including GST

(2) FY23 restated to remove normalisation



# SkyCity Hamilton & Queenstown

Encouraging signs with a stabilisation of revenue in 2H24



## Hamilton

- Impact from economic environment stabilised in 2H24 after difficult 1H24 with revenue marginally down over the year
- During 2H24 table game revenue improved, and gaming machine revenue was flat
- Opening of new customer offerings has been well-received
- Strong management focus on expenses

## Queenstown

- Gaming revenue benefited from improved table games play offset by a reduction in gaming machines revenue
- Queenstown casino venue licence renewal process well underway
- Includes costs associated with exit of Wharf casino venue licence and property lease
- Sale of surplus land now unconditional

| \$m                                   | Hamilton    |                   |               | Queenstown  |                   |                |
|---------------------------------------|-------------|-------------------|---------------|-------------|-------------------|----------------|
|                                       | FY24        | FY23 <sup>2</sup> | Movement      | FY24        | FY23 <sup>2</sup> | Movement       |
| Gaming Machine Revenue                | 52.6        | 54.1              | (2.8%)        | 7.5         | 8.0               | (5.8%)         |
| Local Table Revenue                   | 11.6        | 11.5              | 0.9%          | 3.7         | 3.0               | 25.1%          |
| Premium Table Revenue                 | 0.3         | 0.0               | 1,056.7%      | 0.9         | 0.8               | 16.1%          |
| <b>Gaming Revenue (including GST)</b> | <b>64.5</b> | <b>65.6</b>       | <b>(1.7%)</b> | <b>12.1</b> | <b>11.8</b>       | <b>3.4%</b>    |
| Non-Gaming Revenue                    | 8.9         | 9.3               | (4.5%)        | 1.5         | 1.3               | 8.2%           |
| <b>Total Property Revenue</b>         | <b>73.4</b> | <b>74.9</b>       | <b>(2.0%)</b> | <b>13.6</b> | <b>13.1</b>       | <b>3.9%</b>    |
| Gaming GST                            | (8.4)       | (8.6)             | (1.7%)        | (1.6)       | (1.6)             | 3.4%           |
| Expenses                              | (32.5)      | (31.1)            | (4.2%)        | (9.5)       | (7.5)             | (27.2%)        |
| <b>EBITDA</b>                         | <b>32.5</b> | <b>35.2</b>       | <b>(7.6%)</b> | <b>2.5</b>  | <b>4.0</b>        | <b>(38.9%)</b> |
| <i>EBITDA Margin<sup>1</sup></i>      | 44.3%       | 47.0%             | (2.7%pts)     | 18.3%       | 31.1%             | (12.8%pts)     |
| Depreciation & Amortisation           | (4.1)       | (4.0)             | (1.2%)        | (1.3)       | (1.3)             | (0.1%)         |
| <b>EBIT</b>                           | <b>28.4</b> | <b>31.2</b>       | <b>(8.8%)</b> | <b>1.1</b>  | <b>2.7</b>        | <b>(58.3%)</b> |

(1) EBITDA margin calculated as EBITDA divided by Revenue including GST

(2) FY23 restated to remove normalisation



# SkyCity Adelaide

Underlying EBITDA improved in FY24 with the focus on resolving the remaining challenges



- Visitation marginally lower on the prior period, with interstate and international tourism in South Australia slower to recover
- Gaming machine revenue improved in 2H24 to deliver a flat revenue outcome for FY24 - this is consistent with the market performance across South Australia
- Table game revenue has now rebased following the operational changes, including reduced opening hours and the introduced cash limits
- Premium table game revenue uplift based on interstate visitation with an actual win rate of 1.63% against theoretical of 1.35%
- Eos hotel remains the market leader in Adelaide - occupancy at 75% reflecting softer leisure market
- A 6.8% reduction in expenses was driven by a range of cost take-out initiatives including a 95 FTE reduction across the property, improved utility pricing and targeted marketing spend
- Declaratory proceedings are pending in the casino duty dispute with Revenue South Australia

| A\$m                                  | FY24         | FY23 <sup>2</sup> | Movement      |
|---------------------------------------|--------------|-------------------|---------------|
| Gaming Machine Revenue                | 99.7         | 100.5             | (0.8%)        |
| Local Table Revenue                   | 58.8         | 70.3              | (16.3%)       |
| Premium Table Revenue                 | 12.3         | 8.8               | 39.0%         |
| <b>Gaming Revenue (Including GST)</b> | <b>170.9</b> | <b>179.7</b>      | <b>(4.9%)</b> |
| Food & Beverage Revenue               | 42.6         | 41.1              | 3.5%          |
| Hotel Revenue                         | 13.7         | 14.2              | (3.4%)        |
| Other Revenue                         | 7.6          | 10.1              | (25.1%)       |
| <b>Total Non-Gaming Revenue</b>       | <b>63.8</b>  | <b>65.4</b>       | <b>(2.4%)</b> |
| <b>Total Property Revenue</b>         | <b>234.7</b> | <b>245.1</b>      | <b>(4.2%)</b> |
| Gaming GST                            | (15.5)       | (16.2)            | 0.7%          |
| Expenses                              | (182.7)      | (195.9)           | (6.8%)        |
| <b>EBITDA</b>                         | <b>36.5</b>  | <b>32.9</b>       | <b>11.0%</b>  |
| <i>EBITDA Margin<sup>1</sup></i>      | 15.6%        | 13.4%             | 2.2%pts       |
| Depreciation & Amortisation           | (29.7)       | (30.7)            | 3.4%          |
| <b>EBIT</b>                           | <b>6.8</b>   | <b>2.2</b>        | <b>214.7%</b> |

(1) EBITDA margin calculated as EBITDA divided by Revenue including GST

(2) FY23 restated to remove normalisation



# SkyCity Online

New Zealand Government has announced a high-level approach to regulating online gaming



- New Zealand online gaming market has continued to grow over 2024 and to attract offshore operators ahead of potential regulation
- Gaming revenue impacted by lower bet sizes and player numbers
- Gaming Innovation Group Inc (GiG) equity earnings of \$2.2m in FY24, reflecting strong performance across GiG's Media business
- SkyCity sold its equity investment in GiG just prior to year-end with completion in July 2024. Ownership of the shares was no longer considered strategically necessary
- FY24 result reflects the operating disadvantage SkyCity is currently facing due to the lack of regulation and the limited enforcement of current restrictions against overseas operators
- New Zealand Government announced a high-level approach to regulating online gaming in New Zealand which is expected to be in place from early 2026
- Increasing the project team and actively working to progress New Zealand online gaming opportunity
- Further uplift in the compliance regulatory framework which increased expenses

| \$m   | FY24        | FY23        | Movement       |
|---|-------------|-------------|----------------|
| Gaming Revenue<br>(net of jackpots and bonusing)    | <b>20.3</b> | <b>30.3</b> | <b>(33%)</b>   |
| GiG costs   | (8.3)       | (11.0)      | 24.2%          |
| NZ GST  | (2.6)       | (3.9)       | 33%            |
| <b>Gaming Revenue<br/>(attributable to SkyCity)</b> | <b>9.3</b>  | <b>15.4</b> | <b>(39.2%)</b> |
| Expenses  | (5.8)       | (4.6)       | (25.2%)        |
| <b>EBITDA<br/>(attributable to SkyCity)</b>         | <b>3.6</b>  | <b>10.7</b> | <b>(66.9%)</b> |
| <i>EBITDA Margin<sup>1</sup></i>                    | 17.5%       | 35.5%       | (18.0pts)      |
| GiG equity earnings                                 | 2.2         | 1.0         | 692.4%         |
| <b>EBITDA<br/>(including equity earnings)</b>       | <b>5.7</b>  | <b>11.8</b> | <b>(51.5%)</b> |

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



# Outlook

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Jason Walbridge



# Group Transformation Programme






Step change in initial uplift programme



|  |  |
|--|--|
| <b>Governance Refresh</b>                | Board refresh completed  |
|  | Recruitment of directors with specialist risk expertise  |
|  | Creation of a dedicated Board Risk and Compliance Committee  |
| <b>New Risk and Compliance Framework</b> | Creation of Chief Risk Officer role and appointment of Carolyn Kidd in April 2023 to lead new Enterprise Risk Management Framework |
|  | Continued to invest in both capacity and capability across the financial crime, risk, compliance and host responsibility teams     |
| <b>Culture Shift Leadership</b>          | Shaun Philp appointed new Chief People and Culture Officer in August 2023 to lead culture change                                   |
| <b>Step Change in Transformation</b>     | Established a Board Transformation Sub-Committee to oversee and monitor progress   |



# Our Transformation Programme Overview

| PILLARS                                    | COMPLETE: FY2024  | UNDERWAY: 2025-2026  | OUTCOMES   |
|--|---|--|--|
| <b>GOVERNANCE – BOARD &amp; MANAGEMENT</b> | <ul style="list-style-type: none"> <li>Strengthened Board capability</li> <li>Increased risk capability and visibility</li> <li>Transformation Programme established</li> <li>Strengthened Executive team capability</li> <li>Set clear 'tone from the top'</li> </ul>  | <ul style="list-style-type: none"> <li>Established Board Transformation Sub-Committee</li> <li>Enhanced reporting, monitoring and oversight</li> <li>Deliberate focus on outside in thinking through stakeholder and SME insights and engagements</li> </ul>   |  <p>Always doing the right thing, and maintain our social licence to operate</p>  |
| <b>CULTURE</b>                             | <ul style="list-style-type: none"> <li>New Chief People and Culture Officer appointed</li> <li>Enhanced Management and leadership development programmes</li> <li>Short and long term incentives linked to risk and compliance outcomes</li> </ul>  | <ul style="list-style-type: none"> <li>Establish and commence cultural shift programme</li> <li>Continue strengthening leadership and Management capabilities</li> <li>Establish consequence management framework</li> </ul>   |  <p>Strengthening governance, oversight and accountability</p>                    |
| <b>RISK &amp; COMPLIANCE MANAGEMENT</b>    | <ul style="list-style-type: none"> <li>Chief Risk Officer role created and appointed</li> <li>Risk Operating Model defined which encompasses key compliance-focused roles</li> <li>Increased risk and compliance capability and capacity</li> <li>New Enterprise Risk Management Framework approved by the Board</li> </ul>   | <ul style="list-style-type: none"> <li>Continued delivery against the risk transformation roadmap</li> <li>Refreshed Risk Appetite Statement and Risk Profile</li> <li>Embedding three lines of accountability</li> </ul>  |  <p>Taking a proactive approach to risk management</p>                           |
| <b>CONDUCT</b>                             | <ul style="list-style-type: none"> <li>Staff Code of Conduct refreshed</li> <li>Established clear expectations for staff conduct through the introduction of a refreshed Anti-Bribery and Corruption Policy and Conflict Management Policy</li> </ul>   | <ul style="list-style-type: none"> <li>Embedding Code of Conduct and related policies</li> <li>Enhanced Board visibility of customer insights and complaints</li> </ul>  |  <p>Building a more customer focused transparent culture</p>                    |
| <b>RE-ESTABLISHING TRUST</b>               | <ul style="list-style-type: none"> <li>Progression towards resolving outstanding regulatory matters</li> <li>Increased regulatory interactions</li> <li>External commitment to do what is rightly expected of us</li> </ul>   | <ul style="list-style-type: none"> <li>Sustained and proactive regulator engagement</li> <li>Establish and embed Regulatory Relationship Charter and Engagement Policy</li> <li>Continue to deliver on our commitments</li> <li>Remain committed to strengthening our social licence to operate</li> </ul> |  <p>Delivering on our commitments, consistently and to the highest standard</p> |
| <b>EXECUTIONAL ENABLEMENT</b>              | <ul style="list-style-type: none"> <li>Continued to strengthen host responsibility capabilities, including increased use of technology (such as facial recognition)</li> <li>Foundations for delivering mandatory carded play</li> <li>Reduced risk and improved regulatory relationships via the Building a Better Business Programme</li> <li>Online gaming work programme established</li> </ul> | <ul style="list-style-type: none"> <li>Stronger programme delivery practices established</li> <li>Complete Board strategy review and refreshed priorities to align to the strategy</li> <li>Deliver Transformation and Remediation Programme outcomes across the Group</li> </ul>                          |  |



# Mandatory Carded Play (MCP)

MCP will be implemented across all casinos in FY26

Expected implementation:

- New Zealand July 2025
- Adelaide early 2026

No card, no play which will enable SkyCity to manage customer's duration of play and identify when breaks are needed

- Automates a current manual process, which further de risks our business
- Phased implementation with further functionality to be added in the future including cashless optionality, an app-based interface and omnichannel experience

The maturity of our existing Host Responsibility framework will mitigate the impact of MCP when implemented

- High existing carded base to build from - 65% Auckland, 70% Adelaide (95%+ premium value customers)
- Increasing carded play levels ahead of the go-live date
- A seamless customer onboarding journey for uncarded customers being developed
- The difference in the gaming venue competitive settings in New Zealand compared to Adelaide is material
- New Zealand customers less likely to move to other venues versus Adelaide

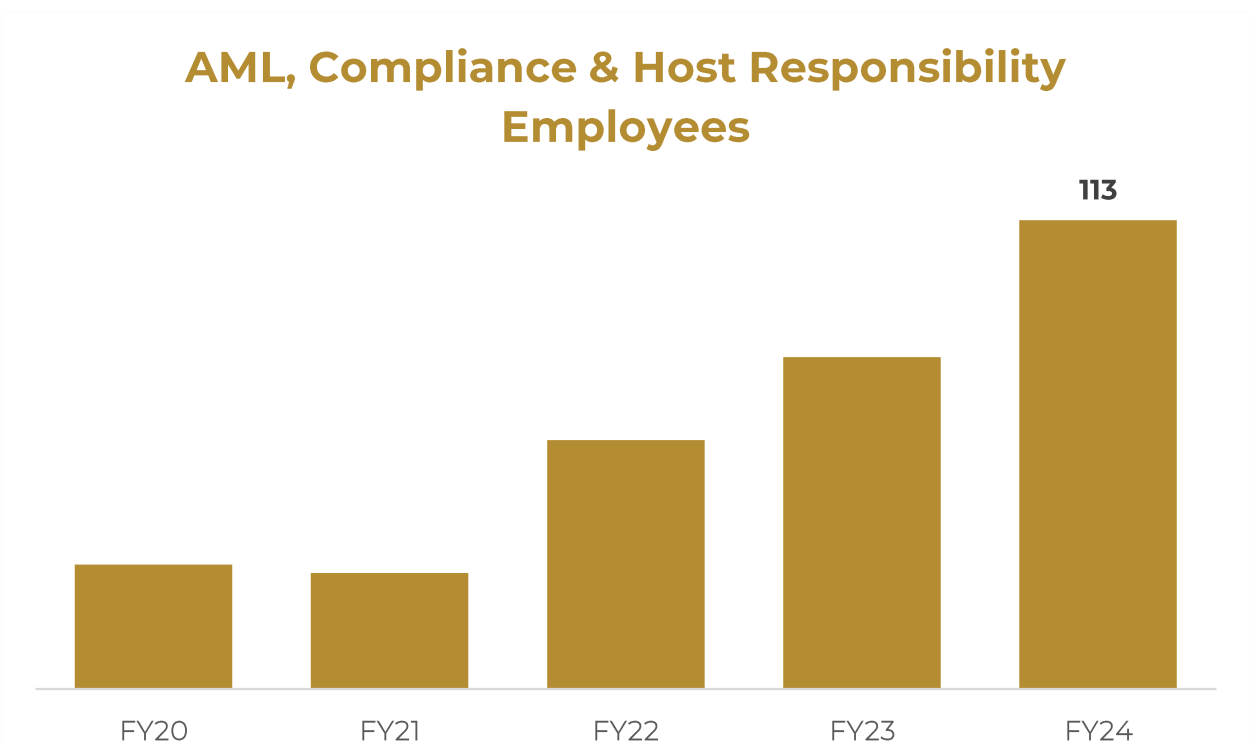
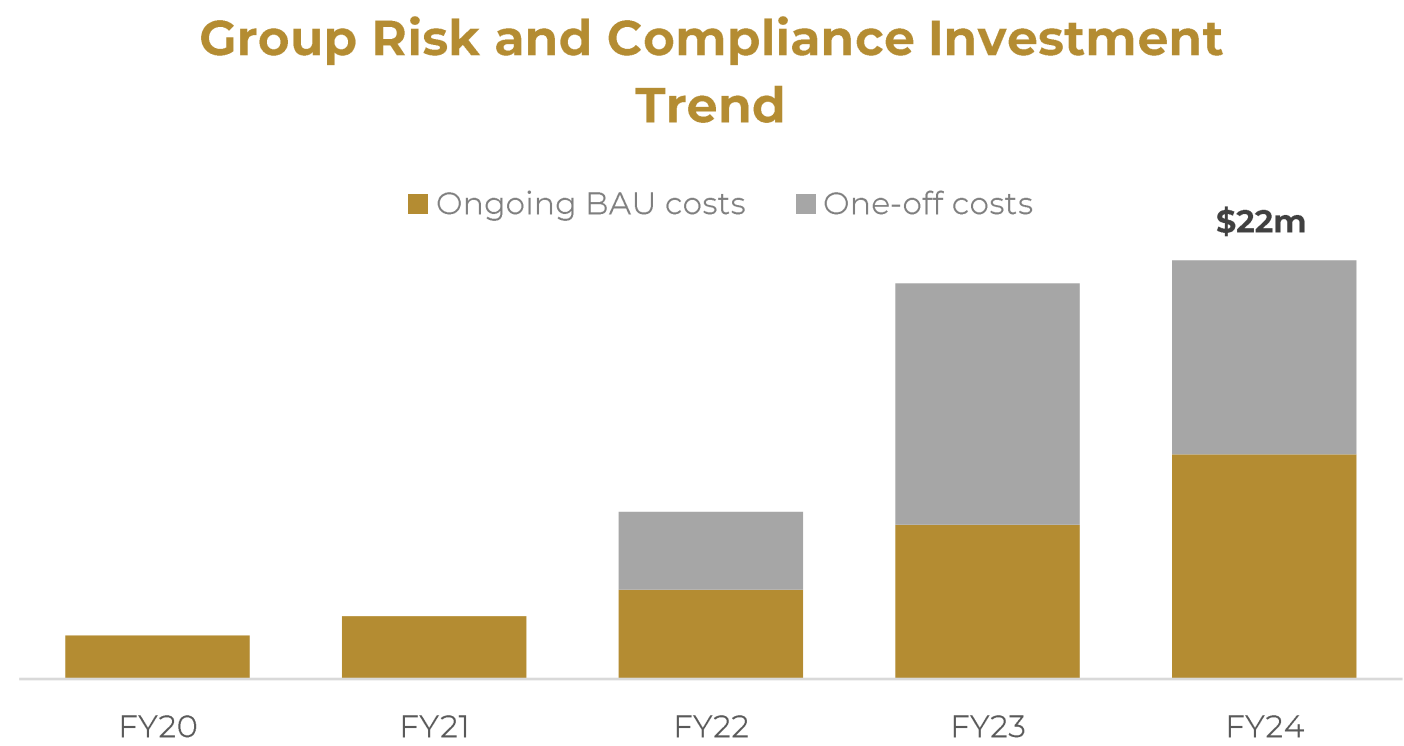
Assume the initial impact of MCP is estimated to be 15% - 20% of annual uncarded gaming revenue – high degree of uncertainty associated with this assumption





# Risk & Compliance Investment

- Further investment included in FY25 guidance primarily to support the move to MCP and the other Transformation Programme initiatives





# FY25 Outlook

- Confirming previous FY25 earnings guidance provided on 18 July 2024 of:
  - Underlying Group EBITDA of between \$245m and \$265m
  - No dividend expected for FY25
- Approximately \$20m to \$30m of costs within the above guidance relate to the following:
  - Further risk and compliance uplift activities across the Group and regulatory and project related costs at SkyCity Adelaide
  - Costs associated with Horizon by SkyCity opening in August 2024, but overall, we expect a positive contribution for FY25
  - Pre-opening operational investment for the NZICC - \$11m
  - Investment in online gaming capability ahead of potential regulation on New Zealand market
- Expect FY25 core stay-in-business capex of \$60 - \$70 million which includes the following:
  - Continuation of Auckland production kitchen refurbishment
  - Gaming equipment investment
  - Property maintenance





# CEO Initial Thoughts

Medium term outlook positive with the potential to deliver an uplift in underlying earnings

|  |  |
|--|--|
| <b>Gaming Licences are a Privilege</b> | <ul style="list-style-type: none"><li>• Rightfully being held to account for our historical failings</li><li>• Transparent and proactive engagement with regulators</li></ul>  |
| <b>Our People</b>                      | <ul style="list-style-type: none"><li>• 4,500 highly engaged employees who are the heart and soul of SkyCity</li><li>• Proud, energetic and ready to meet our challenges</li></ul>   |
| <b>Business Transformation</b>         | <ul style="list-style-type: none"><li>• Whole of business Transformation Programme</li><li>• Requires time and investment and there will be challenges</li><li>• We are making progress and lifting our capability</li></ul> |
| <b>Core Business</b>                   | <ul style="list-style-type: none"><li>• Review of our broader business and assets</li><li>• Realise our full potential to improve returns</li><li>• Fix Adelaide</li></ul>   |
| <b>Future Opportunities</b>            | <ul style="list-style-type: none"><li>• Horizon by SkyCity, NZICC, improving economic conditions and Online</li></ul>  |



# Appendix

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# Important Information

- Average NZ\$ vs. A\$ cross-rate for FY24 = 0.9232 and FY23 = 0.9143
- Weighted average number of shares excludes executives' shares held on trust under the Group's executive incentive schemes:
  - FY24 = 758,733,593
  - FY23 = 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 sum or reconcile 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 sustainable performance; and
  - enables comparison across financial periods
- This objective is achieved by eliminating:
  - property valuations, asset impairments, regulatory penalties and provisions, NZICC fire accounting and NZ tax treatment changes; 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  | FY24         |              |              |                | FY23*        |              |              |              |
|--|--------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|
|  | Revenue      | EBITDA       | EBIT         | NPAT           | Revenue      | EBITDA       | EBIT         | NPAT         |
| <b>Reported Results</b>                      | <b>928.5</b> | <b>138.2</b> | <b>46.2</b>  | <b>(143.3)</b> | <b>926.2</b> | <b>165.9</b> | <b>75.2</b>  | <b>8.0</b>   |
| Reclassify Premium Revenue Rebates           | 3.2          | -            | -            | -              | 7.0          | -            | -            | -            |
| Reclassify Gaming GST                        | 85.8         | -            | -            | -              | 87.5         | -            | -            | -            |
| Remove impact of NZICC Fire Accounting       | (48.4)       | 9.2          | 9.2          | 8.4            | (63.6)       | 22.8         | 22.8         | 12.3         |
| Remove Gain on Sale of shares                | (9.6)        | (9.6)        | (9.6)        | (9.6)          | -            | -            | -            | -            |
| Remove Asset Impairments                     | -            | 94.3         | 94.3         | 73.1           | -            | 50.8         | 50.8         | 50.8         |
| Remove Property fair value adjustments       | -            | -            | -            | -              | -            | 12.3         | 12.3         | 12.0         |
| Remove Labour Restructure                    | -            | -            | -            | -              | -            | 1.0          | 1.0          | 0.7          |
| Remove Regulatory Penalties                  | -            | 35.9         | 35.9         | 35.8           | -            | 49.0         | 49.0         | 49.0         |
| Remove Provisions for prior year casino duty | -            | 9.8          | 9.8          | 9.8            | -            | -            | -            | -            |
| Remove NZ deferred tax changes               | -            | -            | -            | 149.0          | -            | -            | -            | -            |
| <b>Underlying Results</b>                    | <b>959.6</b> | <b>277.8</b> | <b>185.8</b> | <b>123.2</b>   | <b>957.1</b> | <b>301.8</b> | <b>211.1</b> | <b>132.8</b> |

\*The FY23 underlying results were restated to remove International Business normalisation

- Premium revenue rebates:** This adjustment adds back premium revenue rebates (treated as a reduction from revenue in the reported results) and increases both revenue and expenses. This adjustment does not impact EBITDA, EBIT or NPAT.
- Gaming GST:** to add gaming GST to reported revenue
- NZICC Fire Impact:** to reverse out 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
- Gain on sale of shares:** to reverse out the impact of the gain on sale of shares in GiG
- Asset Impairment:** to reverse out the asset impairment of the Adelaide casino licence impairment
- Property Revaluation:** to reverse out any investment property fair value adjustments based on market valuation (prior year only)

- Labour Restructure:** to eliminate the costs associated with restructuring IB and Adelaide (prior year only)
- Regulatory Penalties:** This adjustment removes the provision recognised in relation to regulatory penalties and associated legal costs. This has been eliminated to allow comparability between FY24 and prior years
- Prior Year Casino Duty Provision:** to reverse out the additional casino duty payable in Adelaide
- Deferred tax treatment changes:** a change to legislation in March 2024 has led to a one-off increase to tax expense of NZ\$129.6 million as the tax base (from a depreciation perspective) of NZ buildings is effectively reduced to nil. A further NZ\$19.4 million provision relates to the deferred tax impact of the termination of the Auckland Car Park Concession Agreement with MPF Parking NZ Limited in January 2024



# Group Underlying Profit and Loss FY24

| 30 June 2024 Underlying results NZ\$m         | Auckland     | NZICC       | Hamilton    | Queenstown  | Adelaide     | Online      | Corporate    | Total        |
|---|--------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|
| Gaming Machines                               | 285.1        | 0.0         | 52.6        | 7.5         | 108.0        | 0.0         | 0.0          | 453.2        |
| Table Games                                   | 146.5        | 0.0         | 11.6        | 3.7         | 63.9         | 0.0         | 0.0          | 225.6        |
| Premium Tables                                | 25.0         | 0.0         | 0.3         | 0.9         | 13.3         | 0.0         | 0.0          | 39.5         |
| Online Gaming                                 | 0.0          | 0.0         | 0.0         | 0.0         | 0.0          | 9.3         | 0.0          | 9.3          |
| Keno  | 0.0          | 0.0         | 0.0         | 0.0         | 0.1          | 0.0         | 0.0          | 0.1          |
| <b>Total Gaming Revenue (incl Gaming GST)</b> | <b>456.5</b> | <b>0.0</b>  | <b>64.5</b> | <b>12.1</b> | <b>185.3</b> | <b>9.3</b>  | <b>0.0</b>   | <b>727.8</b> |
| Food and Beverage                             | 67.6         | 0.0         | 4.2         | 1.4         | 46.0         | 0.0         | 0.0          | 119.2        |
| Hotels  | 45.0         | 0.0         | 0.0         | 0.0         | 14.8         | 0.0         | 0.0          | 59.8         |
| Sky Tower                                     | 19.8         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         | 0.0          | 19.8         |
| Other   | 19.4         | 0.0         | 4.7         | 0.0         | 8.2          | 0.1         | 0.4          | 32.8         |
| <b>Total Non-Gaming Revenue</b>               | <b>151.8</b> | <b>0.0</b>  | <b>8.9</b>  | <b>1.5</b>  | <b>69.0</b>  | <b>0.1</b>  | <b>0.4</b>   | <b>231.7</b> |
| Equity earnings                               | 0.0          | 0.0         | 0.0         | 0.0         | 0.0          | 2.2         | -2.0         | 0.2          |
| <b>Total Revenue (incl Gaming GST)</b>        | <b>608.3</b> | <b>0.0</b>  | <b>73.4</b> | <b>13.6</b> | <b>254.3</b> | <b>11.6</b> | <b>-1.6</b>  | <b>959.6</b> |
| Gaming GST                                    | -59.0        | 0.0         | -8.4        | -1.6        | -16.8        | 0.0         | 0.0          | -85.8        |
| <b>Total Revenue (excl Gaming GST)</b>        | <b>549.3</b> | <b>0.0</b>  | <b>65.0</b> | <b>12.0</b> | <b>237.5</b> | <b>11.6</b> | <b>-1.6</b>  | <b>873.7</b> |
| Expenses                                      | -312.3       | -3.1        | -32.5       | -9.5        | -197.9       | -5.8        | -34.8        | -595.9       |
| <b>EBITDA</b>                                 | <b>237.0</b> | <b>-3.1</b> | <b>32.5</b> | <b>2.5</b>  | <b>39.6</b>  | <b>5.7</b>  | <b>-36.4</b> | <b>277.8</b> |
| Depreciation and amortisation                 | -40.7        | 0.0         | -4.1        | -1.3        | -32.2        | 0.0         | -13.8        | -92.0        |
| <b>EBIT</b>                                   | <b>196.3</b> | <b>-3.1</b> | <b>28.5</b> | <b>1.1</b>  | <b>7.4</b>   | <b>5.7</b>  | <b>-50.1</b> | <b>185.8</b> |
| Funding costs                                 |              |             |             |             |              |             |              | -16.0        |
| <b>NPBT</b>                                   |              |             |             |             |              |             |              | <b>169.8</b> |
| Tax   |              |             |             |             |              |             |              | -46.6        |
| <b>NPAT</b>                                   |              |             |             |             |              |             |              | <b>123.2</b> |



# Group Underlying Profit and Loss FY23



| 30 June 2023 Underlying results NZ\$m         | Auckland     | NZICC       | Hamilton    | Queenstown  | Adelaide     | Online      | IB         | Corporate    | Total        |
|---|--------------|-------------|-------------|-------------|--------------|-------------|------------|--------------|--------------|
| Gaming Machines                               | 305.3        | 0.0         | 54.1        | 8.0         | 110.0        | 0.0         | 0.0        | 0.0          | 477.4        |
| Table Games                                   | 139.6        | 0.0         | 11.5        | 3.0         | 77.2         | 0.0         | 0.0        | 0.0          | 231.3        |
| Premium Tables                                | 15.2         | 0.0         | 0.0         | 0.8         | 9.7          | 0.0         | 0.0        | 0.0          | 25.7         |
| Online Gaming                                 | 0.0          | 0.0         | 0.0         | 0.0         | 0.0          | 15.4        | 0.0        | 0.0          | 15.4         |
| Keno  | 0.0          | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         | 0.0        | 0.0          | 0.0          |
| <b>Total Gaming Revenue (incl Gaming GST)</b> | <b>460.2</b> | <b>0.0</b>  | <b>65.6</b> | <b>11.7</b> | <b>196.9</b> | <b>15.4</b> | <b>0.0</b> | <b>0.0</b>   | <b>749.7</b> |
| Food and Beverage                             | 54.3         | 0.0         | 4.7         | 1.3         | 44.8         | 0.0         | 0.0        | 0.0          | 105.1        |
| Hotels  | 42.4         | 0.0         | 0.0         | 0.0         | 15.5         | 0.0         | 0.0        | 0.0          | 57.8         |
| Sky Tower                                     | 15.5         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         | 0.0        | 0.0          | 15.5         |
| Other   | 11.8         | 0.0         | 4.6         | 0.0         | 11.0         | 0.0         | 0.0        | 0.4          | 27.9         |
| <b>Total Non-Gaming Revenue</b>               | <b>123.9</b> | <b>0.0</b>  | <b>9.3</b>  | <b>1.3</b>  | <b>71.3</b>  | <b>0.0</b>  | <b>0.0</b> | <b>0.4</b>   | <b>206.3</b> |
| GiG equity earnings                           | 0.0          | 0.0         | 0.0         | 0.0         | 0.0          | 0.0         | 0.0        | 1.1          | 1.1          |
| <b>Total Revenue (incl Gaming GST)</b>        | <b>584.1</b> | <b>0.0</b>  | <b>74.9</b> | <b>13.1</b> | <b>268.1</b> | <b>15.4</b> | <b>0.0</b> | <b>1.5</b>   | <b>957.1</b> |
| Gaming GST                                    | -59.6        | 0.0         | -8.6        | -1.5        | -17.8        | 0.0         | 0.0        | 0.0          | -87.5        |
| <b>Total Revenue (excl Gaming GST)</b>        | <b>524.4</b> | <b>0.0</b>  | <b>66.4</b> | <b>11.5</b> | <b>250.3</b> | <b>15.4</b> | <b>0.0</b> | <b>1.5</b>   | <b>869.6</b> |
| Expenses                                      | -273.0       | -3.4        | -31.1       | -7.5        | -214.3       | -4.7        | 0.6        | -34.4        | -567.8       |
| <b>EBITDA</b>                                 | <b>251.5</b> | <b>-3.4</b> | <b>35.2</b> | <b>4.1</b>  | <b>36.0</b>  | <b>10.7</b> | <b>0.6</b> | <b>-32.9</b> | <b>301.8</b> |
| Depreciation and amortisation                 | -38.0        | 0.0         | -4.0        | -1.3        | -33.6        | 0.0         | 0.0        | -13.6        | -90.7        |
| <b>EBIT</b>                                   | <b>213.5</b> | <b>-3.4</b> | <b>31.2</b> | <b>2.7</b>  | <b>2.4</b>   | <b>10.7</b> | <b>0.6</b> | <b>-46.5</b> | <b>211.1</b> |
| Funding                                       |              |             |             |             |              |             |            |              | -28.1        |
| <b>NPBT</b>                                   |              |             |             |             |              |             |            |              | <b>183.0</b> |
| Tax   |              |             |             |             |              |             |            |              | -50.2        |
| <b>NPAT</b>                                   |              |             |             |             |              |             |            |              | <b>132.7</b> |



# Regulatory Environment & Compliance

**HOST RESPONSIBILITY:** SkyCity progressing key regulatory enhancements



## Regulatory Environment

### DIA/Gambling Commission:

- Ongoing interaction with the DIA, including frequent inspections of New Zealand properties
- Following the DIA's application to temporarily suspend SkyCity's New Zealand casino operator's licence, an agreement has been reached to close the gambling areas of the SkyCity Auckland casino for five consecutive days in September 2024
- Process underway for renewal of Queenstown casino venue licence
- Agreed with the DIA/Gambling Commission to implement carded play across all New Zealand properties by July 2025

### CBS:

- Kroll has been appointed as independent monitor and will oversee SkyCity Adelaide's uplift programme in respect of its host responsibility programme, with learnings applied across the Group where applicable

## Host Responsibility Enhancement Programmes

**Best Practice Host Responsibility:** In a dynamic casino environment, maintaining effectiveness, relevancy and consistency in harm minimisation best practice is an ongoing responsibility. In response, SkyCity continues to explore available technology solutions, seek expert advice, consult stakeholder groups and source a range of research material. Over the past financial year, additional host responsibility measures have been implemented to improve SkyCity's ability to prevent and minimise harm from problem gambling. This includes:

- **Updated Host Responsibility Programmes:** A refreshed Host Responsibility Programme has been approved by the Gambling Commission for each New Zealand land-based casino. The updated programmes include SkyCity's commitment to introduce carded play across its New Zealand properties by July 2025. SkyCity has also committed to introduce carded play at the Adelaide property by early 2026. Through delivering this transformative approach to gaming, SkyCity is seeking to elevate its approach to customer care in a way that enables customers to help track and monitor their play activity and ensure that customers take regular breaks from gaming
- **Enhanced Facial Recognition Technology:** Adapting and enhancing facial recognition technology at the SkyCity Auckland and SkyCity Hamilton properties to monitor repeat withdrawals and multiple declined transactions at ATMs for indicators of problem gambling, with the technology soon to be implemented in SkyCity Queenstown. Subject to obtaining regulatory approval, facial recognition technology is also intended to be implemented at the SkyCity Adelaide casino
- **Enhanced Training Suite:** Ongoing refresh of all staff host responsibility training programmes to ensure staff are up-to-date on the latest harm minimisation practices
- **PatronScan:** Introduction of PatronScan technology at all of our casino properties to support the identification of minors and verification of ID documentation



# Regulatory Environment & Compliance

## FINANCIAL CRIME: SkyCity progressing key regulatory enhancements



### Regulatory Environment

#### DIA:

- Regular audits and meetings with the regulator, including onsite inspections.
- Agreement reached with DIA to resolve the civil penalty proceedings commenced by the DIA in February 2024 for non-compliance with New Zealand AML/CFT laws – the agreement (including proposed \$4.16m civil pecuniary penalty) is subject to approval of the New Zealand High Court

#### AUSTRAC:

- On 7 June 2024, the Federal Court approved the agreement reached with AUSTRAC to resolve the civil penalty proceedings commenced by AUSTRAC in December 2022 for non-compliance with Australian AML/CFT laws

### Financial Crime Enhancement Programmes

SkyCity has continued to invest in strengthening its financial crime compliance and operational capabilities. The enhancement programmes are wide-ranging covering policies, processes, people and systems, and are being delivered over multiple years. A new risk assessment methodology has been introduced to ensure latest changes to the criminal landscape are assessed and risks identified and controlled. Supporting activity includes:

- **Policy Changes:** SkyCity continues to review policy settings in the light of changes to the regulatory and threat landscape. Recent changes include refinements stemming from the Statutory Review of the AML/CFT Act in New Zealand, and the wide-ranging scrutiny of the casino sector in Australia. For example, SkyCity has enhanced guidance around when and how SkyCity undertakes ongoing customer due diligence processes on our customers
- **Process Enhancements:** SkyCity has reviewed specific compliance processes and enhanced them by devising new transaction monitoring rules and increasing the number of customers we complete ongoing due diligence on
- **People and Culture:** SkyCity has recruited more senior staff to work in Financial Crime bringing expertise from a variety of backgrounds to increase the capability across the business
- **Technology and systems enhancements:** A case management workflow system has been deployed across the Group and is being used to enable more efficient tracking of cases and subsequent reporting of statutory obligations (this will ultimately move all financial crime activity onto a single workflow platform, extracting data from parent systems as necessary)



# Adelaide: Building A Better Business



Progress of Programme of Work to deliver sustainable uplift in core capabilities

## Australian Regulatory Environment

### **CBS:**

- Kroll appointed as independent monitor in August 2023 in relation to SkyCity Adelaide's AML/CFT and host responsibility programmes
- Following the conclusion of AUSTRAC's civil penalty proceedings, CBS recommenced its Independent Review (undertaken by Brian Martin AO KC) in June 2024. Mr Martin is due to report back to the Commissioner with his findings by 31 December 2024 (subject to any extension agreed between the Commissioner and Mr Martin)

## SkyCity Building a Better Business Programme

- SkyCity Adelaide is focused on strengthening its capabilities across all areas of risk and compliance via the Building a Better Business (B3) Programme of Work, which comprises 23 individual wide-ranging workstreams. The B3 Program includes working alongside Kroll as the independent monitor for SkyCity Adelaide
- Categorised thematically, the B3 Programme workstreams will deliver uplift in the following areas: Financial Crime; Host Responsibility; Governance Arrangements; People and Culture; Risk Management and Compliance; Data; Testing and Assurance; IT and Technology; Marketing and Messaging; Look backs and Remediation
- The scope of Kroll's appointment as independent monitor is to: (a) review the B3 Programme of Work; (b) monitor the implementation of the B3 Programme of Work; (c) Monitor SkyCity Adelaide's operations for compliance with AMT/CFT and gambling harm minimisation obligations; and (d) report to the Commissioner in relation to (a) to (c), including with respect to any breach of regulatory obligation
- SkyCity Adelaide continues to work closely with Kroll to finalise the B3 Programme of Work for CBS approval. This is now substantially complete
- SkyCity recognises that its reputation is impacted by the conduct of its people, which in turn is influenced by SkyCity's corporate culture. An important part of SkyCity's transformation journey is the implementation of a cultural shift program. As part of this cultural shift, SkyCity has over the last financial year refreshed its Code of Conduct that sets clear behavioral expectations of its people



# NZ Host Responsibility Programmes

SkyCity's continuous improvement



## 2019 - 2022

- **2019:** 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
- **2020:** SkyCity expanded its use of Focal by introducing the Alert Bettor Protection system and launched Live Floor View (LFV) to assist SkyCity to monitor uncarded continuous play on gaming machines
- **2021:** Stage 2 of FR technology was implemented at SkyCity Auckland to monitor continuous presence
- **2022:** iTrak system upgraded to improve data entry and reporting functionality, increase FTEs in Responsible Gambling Host teams in Hamilton and Auckland, introduced anniversary host responsibility interactions and welfare checks for Black and Ultra VIP customers, continuous presence policy updated to 12 hours maximum time onsite

## 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
  - FEBRUARY: Refreshed Host Responsibility training programmes developed to ensure staff are up-to-date on the latest harm minimisation practices
  - FEBRUARY: Creation of new Host Responsibility Data Analysis and Insights roles
  - FEBRUARY: New employee gambling harm awareness posters and information resources created
  - MARCH /APRIL: Installation of additional FR technology cameras in VIP rooms and on main gaming floor, and implementation of automation tools to support administrative tasks and reporting
  - MAY/ JULY: Ongoing refinement and uplift of FR reporting capability and user experience for staff
- Future Focus**
- Across 2024/2025 – Development of the Host Responsibility processes and technology to support the carded play environment (July 2025 NZ, early 2026 Adelaide)
  - Updating the Focal algorithm for Hamilton and creating a Focal algorithm for Adelaide



# NZ Anti-Money Laundering

SkyCity's continuous improvement



|               |  |
|---------------|--|
| 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>• Deployed Case Workflow Management system across Group sites</li><li>• Developed Data Management and Analytics tool to enhance transaction monitoring</li><li>• Developed a new Enterprise-Wide Risk Assessment</li><li>• Recruited new Staff to boost capacity and capability</li></ul> <p><b>Future Focus</b></p> <ul style="list-style-type: none"><li>• Refinements to programmes following adoption of the new Risk Assessment model</li><li>• Enhancements to key controls</li><li>• New onboarding system and automated Customer Risk Rating</li></ul> <p>EDD = enhanced due diligence<br/>CDD = customer due diligence<br/>KYC = know your customer</p> |



# Established operator with long-term casino licences



## Auckland<sup>1</sup>

- Casino venue licence to 2048
- 1,877 electronic gaming machines (EGMs)
- 150 table games
- 240 automated table games
- 5 VIP salons
- 17 food & beverage outlets
- 3 hotels offering 938 rooms
- ~32,500sqm convention space
- ~20,000sqm tenant space
- ~3,200 customer carparks
- ~2,700 employees



## Hamilton

- Casino venue licence to 2027
- 339 EGMs
- 23 table games
- 6 food & beverage outlets
- 2 restaurant tenant spaces
- 1 bowling alley
- ~500sqm convention space
- ~330 customer carparks
- ~300 employees



## Queenstown

- Casino venue licence to 2025
- 86 EGMs
- 12 table games
- 1 food & beverage outlet
- ~50 employees



## Online

- Operated offshore, NZ focused
- Managed agreement with Gaming Innovation Group (GiG)
- Over 2,000 slot products
- Live casino table games
- Virtual sports games



## Adelaide

- Casino licensing agreement to 2085, with exclusivity to 2035
- 1,075 EGMs
- 118 table games
- 138 automated table games
- 6 VIP salons
- 10 food & beverage outlets
- 120 hotel rooms
- ~750sqm convention space
- ~750 customer carparks
- ~1,400 employees

<sup>1</sup>. Including developments/concepts currently in progress