



ENTERTAINMENT GROUP

# 1H23 RESULTS

INVESTOR PRESENTATION

15 February 2023



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# 1H23 Results Summary

Strong business recovery reflected in 1H23 financial performance

## REVENUE

**\$462.6**  59.6% YoY  
million

Reported

**\$487.4**  86.9% YoY  
million

Normalised<sup>1</sup>

## NPAT

**\$22.8**  167.8% YoY  
million

Reported

**\$73.1**  474.3% YoY  
million

Normalised<sup>1</sup>

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

**6.0** cents per share

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

**1.6x**

## EBITDA

**\$106.3**  421.0% YoY  
million

Reported

**\$162.4**  348.2% YoY  
million

Normalised<sup>1</sup>

## EARNINGS PER SHARE

**3.0**  167.7% YoY  
cents per share

Reported

**9.6**  474.0% YoY  
cents per share

Normalised<sup>1</sup>

## LIQUIDITY HEADROOM<sup>4</sup>

**\$475.3** million

1. Refer to appendices for normalisation detail

2. Fully imputed cash dividend, payable on 17 March 2023 with a record date of 3 March 2023

3. Debt Gearing Ratio as per financing agreements

4. Liquidity headroom represents unutilised, committed syndicated debt and cash-in-bank



# 1H23 Key Messages

Strong business performance delivering robust financial results while prioritising regulatory and compliance matters



## Performance

Strong 1H23 Group normalised<sup>1</sup> EBITDA, in line with pre COVID-19 levels

Strong Auckland hospitality and EGM EBITDA from domestic visitation and tourism recovery

Record normalised<sup>1</sup> EBITDA for New Zealand properties

Robust trading for Adelaide, benefiting from market share growth and competitive offerings

Slower recovery in table games



## Regulatory

CBS Independent Review on hold pending completion of AUSTRAC civil proceedings

Response to AUSTRAC civil penalty proceedings underway

SkyCity considers this one of the rare situations contemplated by financial reporting standards whereby a reliable estimate for an AUSTRAC penalty provision is not yet possible



## Compliance

Enhancements to AML/CFT and Host Responsibility programmes continue, with progress of multi-year uplift roadmaps

Over 80 dedicated compliance people in Financial Crime and Host Responsibility across the Group, supported by frontline operations

Cost of response to Australian regulatory matters in 1H23 of \$6m, taking inception to date spend to \$10m

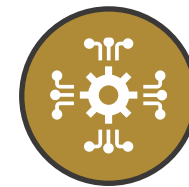


## People

Recruitment progressing in a challenging environment, with significant vacancies still in Auckland

Strong staff value proposition with collective wage agreement reached, enhanced learning initiatives, and other employee support initiatives

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



## Strategy

Continuation of core asset operational excellence to leverage property investments

Online regulation advocacy continues in NZ, but timing remains uncertain

Evaluating Ontario online opportunity, leveraging GiG platform business and SkyCity brand

GiG business continues to grow. Share price accretion of 47% since Group's acquisition of ~10% shareholding



## Resilience

Financially resilient Group balance sheet with a material level of liquidity retained

Formally exited covenant waiver/variation period as at 31 December 2022 test period

Interim dividend<sup>2</sup> of 6.0 cents per share, in line with the Group's dividend policy

New USPP financing arranged with drawdown end February 2023



## Projects

NZ International Convention Centre (NZICC) is a significant investment in the future of SkyCity Auckland precinct

NZICC and Horizon Hotel projects progressing well

Horizon Hotel to complete in 2024 and NZICC in 2025 - with strong pipeline of international demand

Auckland Carpark concession termination to be finalised

Earnings uplift to be realised once carpark operations transfer

1. Refer to appendices for normalisation detail

2. Fully imputed cash dividend, payable on 17 March 2023 with a record date of 3 March 2023



# Regulatory Environment and Compliance

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

## Australian Regulatory Environment

### AUSTRAC

#### Australian federal regulator of AML/CTF

- Investigation initiated June 2021 and concluded with AUSTRAC filing Federal Court civil penalty proceedings against SCA on 7 December 2022
- Responses to the allegations currently under consideration with expert advisor support
- Resolution of AUSTRAC civil proceedings could potentially take 1-2 years
- SCA may be subject to a material financial penalty. It is not yet possible to reliably estimate any potential financial penalty

### CBS

#### South Australian gambling regulator

- Independent review initiated July 2022 to determine continued suitability of SCA to hold casino licence, and SCEG to be close associate
- CBS advised on 6 February 2023 that the review is on hold pending resolution of AUSTRAC proceedings
- CBS Commissioner is considering options regarding any action he should take whilst the review is on hold and whether any interim steps should be undertaken by SCA
- Regulatory action remains a possibility

## SkyCity Adelaide (SCA) Enhancement Programmes

### SCA AML/CTF Programme

- Enhancement roadmap progressing well, with improvements implemented in 1H23, including:
  - conducted enterprise-wide and business unit ML/TF risk assessment
  - updated SCA AML/CTF Program approved by the SCA Board – new standards and procedures being embedded
  - new SCA AML Risk Appetite Statement approved by SCA Board - being rolled out across the business
  - further AML/CTF risk awareness training, coupled with increased communications and awareness
  - detailed process reviews, with improvements across multiple Financial Crime operational activities, including investigations, customer due diligence and transaction monitoring
  - continued implementation of multi-year systems upgrade, including refinement of transaction monitoring, workflow management and foundations to enable future automation

### SCA Host Responsibility Programme

- Resourcing increased, including permanent VIP Room presence and dedicated Learning Manager
- 12-hour continuous presence policy in place, limiting the time a customer can remain in gaming areas
- Uplifted analytics capability for carded play, with further technology enhancements pending CBS approval
- Implementation of activities as part of comprehensive roadmap improvement plan

### SCA Pilot Programme

- Following a comprehensive assessment, a pilot of further opportunities to strengthen ML/TF risk mitigation commenced on 16 January 2023, including the following procedural changes:
  - total cash limit introduced of A\$5k per gaming customer per day, for both receipts and payments
  - introduced A\$2k cash limit per transaction to all Main Gaming Floor table games
  - mandatory carded play for all customers accessing and playing in VIP rooms
  - products and technology upgrades for easier monitoring with a pathway to fully automated monitoring



# Regulatory Environment and Compliance

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

## New Zealand Regulatory Environment

### Department of Internal Affairs (DIA)

NZ gambling and AML/CFT regulator

- DIA closely monitoring regulatory activity in Australia and other jurisdictions
- Routine AML and Host Responsibility audits continue

### Gambling Commission

NZ statutory decision-making body

- Three yearly review of Host Responsibility programmes underway for completion 2H23

### Governmental

- New Minister of Internal Affairs appointed on 31 January 2023, with effect from 1 February 2023
- SkyCity engagement continuing
- Statutory review of AML/CFT Act completed with recommendations announced in November 2022

## SkyCity New Zealand Enhancement Programmes

### SkyCity New Zealand AML/CFT Programme

- Introduction of enhanced transactional monitoring processes
- Refinements made to AML policies and programme, including reviews of processes in investigations and customer due diligence within the New Zealand Financial Crime department
- Systems activity underway to identify and implement improvements, including enhancement of automated transaction monitoring processes and workflow management
- New business analytical tools implemented within the AML team to improve efficiency and effectiveness of processes
- Development and implementation of new assurance processes
- Financial crime training material refreshed and rolled out across New Zealand, with supplementary awareness communication programme deployed
- Review and prioritisation of key recommendations from statutory review to ensure continued compliance as regulations change
- Further recruitment underway

### SkyCity New Zealand Host Responsibility Programmes

- Continued investment in responsible gaming hosts across all properties and technology, including monitoring time onsite and preventing banned players from entering the property
- Upgrade of the behavioural algorithm risk model to identify potentially harmful EGM carded patrons
- Constructive dialogue underway with the DIA in relation to technology roadmap which leads toward the implementation of mandatory carded play and a cashless environment

### SkyCity Online Casino (SkyCity Malta)

- Independent Operational Compliance Review commissioned for SkyCity Online Casino in 1H23 showed an overall robust compliance framework and included recommendations to further enhance processes



A vibrant night scene in an urban setting. In the foreground, three people are walking and smiling: a woman in a black leather jacket over a grey dress, a woman in a black floral dress, and a man in a dark blue shirt and brown pants. To the left, a row of red lanterns hangs from a building. In the background, there are trees with gold lights, a white car, and a storefront with large glass windows. The word "DEPOT" is visible on the glass. The scene is lit with warm, golden lights, creating a festive atmosphere.

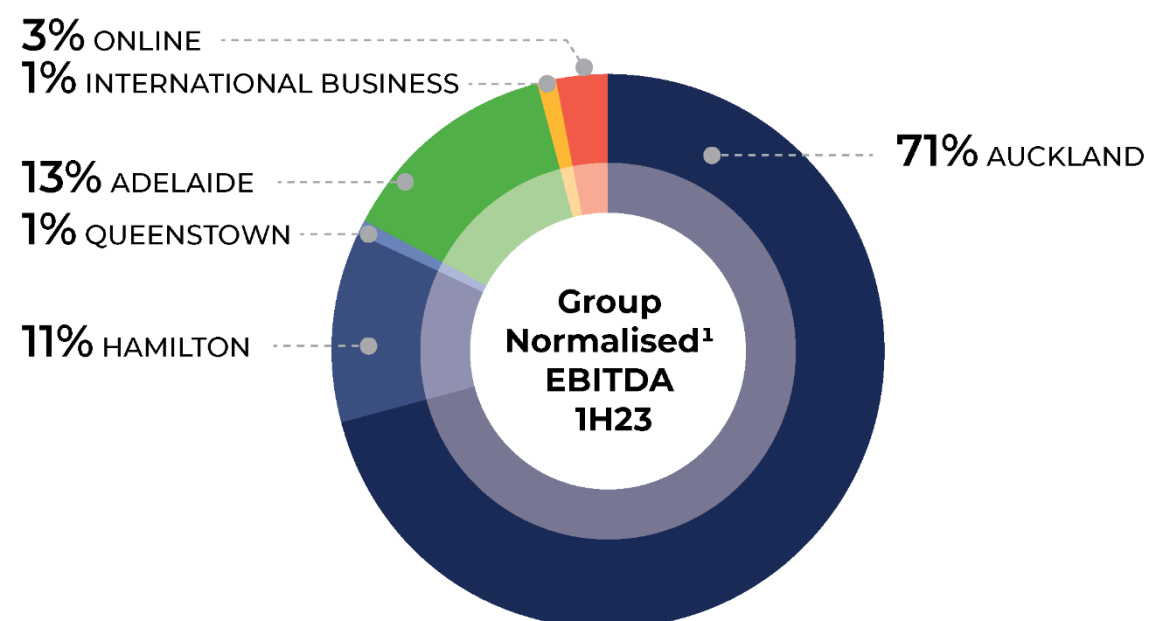
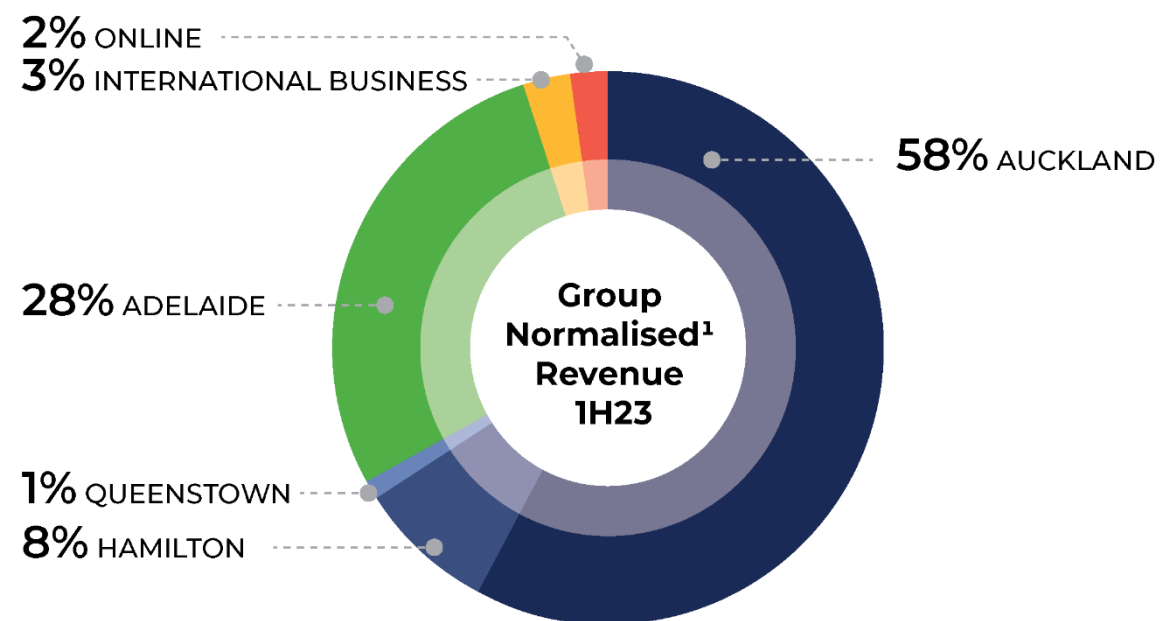
# 1H23 FINANCIAL RESULTS



# 1H23 Group Summary Profit & Loss

Strong 1H23 Group financial performance, with earnings in line with like-for-like pre COVID-19 (1H19) earnings level

## 1H23 CONTRIBUTION BY BUSINESS (%)



NOTE: Group Normalised EBITDA 1H23 pie chart excludes Corporate

\$m	1H23	1H22	Movement	1H19 <sup>2</sup>	Movement
<b>GROUP REVENUE</b>					
Reported	462.6	289.8	59.6%		
Normalised <sup>1</sup>	487.4	260.8	86.9%	519.2	(6.1%)
<b>CORPORATE</b>	(16.6)	(8.0)	(107.3%)	(16.7)	0.6%
<b>GROUP EBITDA</b>					
Reported	106.3	20.4	421.0%		
Normalised <sup>1</sup>	162.4	36.2	348.2%	160.8	1.0%
Normalised <sup>1</sup> EBITDA Margin	33.3%	13.9%		31.0%	
<b>GROUP EBIT</b>					
Reported	60.9	(27.4)	321.9%		
Normalised <sup>1</sup>	117.0	(11.6)	1108.3%	120.2	(2.7%)
<b>GROUP NPAT</b>					
Reported	22.8	(33.7)	167.8%		
Normalised <sup>1</sup>	73.1	(19.5)	474.3%	81.6	(10.4%)
<b>EARNINGS PER SHARE</b>					
Reported	3.0	(4.5)	167.7%		
Normalised <sup>1</sup>	9.6	(2.6)	474.0%		

1. Refer to appendices for normalisation detail

2. 1H19 adjusted to remove discontinued operations (Darwin, Auckland Carpark and Conventions) to aid with comparability



# 1H23 SkyCity Auckland

Record normalised EBITDA driven by revenue recovery and favourable business mix

- Strong EGM performance driven by the Main Gaming Floor and continued investment in new gaming product
- Customer value proposition benefits realised from investments in Flare Bar and Food Republic driving Main Gaming Floor visitation uplift
- Tables performance recovery constrained with open hours over the period below pre COVID-19 levels
- Pleasing rebound in hospitality despite ongoing labour market constraints, with hotels continuing to outperform competitor set and average occupancy in 1H23 of 77%
- International tourism recovery noticeable in Q2, benefiting SkyCity attractions including Sky Tower, Weta Workshop and All Blacks Experience
- Operating model, cost discipline and staff vacancies delivered strong 1H23 margin
- No forced property closures in 1H23 due to COVID-19 (1H22 107 days closed) although staff availability and customer visitation continue to be impacted by illness

\$m	1H23	1H22	Movement
Gaming Machines Revenue	156.1	60.0	160.0%
Table Games Revenue	66.2	23.5	182.2%
<b>Gaming Revenue (including GST)</b>	<b>222.4</b>	<b>83.5</b>	<b>166.3%</b>
Non-Gaming Revenue	58.6	35.0	67.6%
Gaming GST	(28.8)	(10.8)	(165.8%)
<b>Total Normalised<sup>1</sup> Revenue (excluding Gaming GST)</b>	<b>252.2</b>	<b>107.6</b>	<b>134.3%</b>
Expenses	(124.4)	(91.6)	(35.8%)
<b>Normalised<sup>1</sup> EBITDA</b>	<b>127.8</b>	<b>16.0</b>	<b>697.5%</b>
EBITDA Margin	45.5%	13.5%	32.0pp
Depreciation & Amortisation	(19.2)	(22.0)	12.7%
<b>EBIT</b>	<b>108.6</b>	<b>(6.0)</b>	<b>1909.7%</b>

<b>Normalised<sup>1</sup> EBITDA including International Business</b>	<b>128.0</b>	<b>14.8</b>	<b>765.8%</b>
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1. Refer to appendices for normalisation detail



# 1H23 SkyCity Hamilton

Record 1H23 normalised EBITDA, benefiting from a strong economy and margin efficiencies

- Record result for the property for the period, with strong gaming visitation enabled by new product investment
- Operating hours of casino reduced to increase the efficiency and margin across the property
- Food and beverage offering reduced due to resourcing and recruitment constraints
- Plans progressing well for the opening of a new Chinese restaurant (tenancy), due to open April 2023
- Strong performance from Bowl and Social, with increase in both visitation and spend
- No forced property closures in 1H23 due to COVID-19 (1H22 65 days closed) although staff availability and customer visitation continue to be impacted by illness

\$m	1H23	1H22	Movement
Gaming Machines Revenue	28.3	16.9	66.9%
Table Games Revenue	6.2	3.3	84.5%
<b>Gaming Revenue (including GST)</b>	<b>34.5</b>	<b>20.3</b>	<b>69.8%</b>
Non-Gaming Revenue	5.0	4.1	(21.7%)
Gaming GST	(4.5)	(2.6)	(69.8%)
<b>Total Normalised<sup>1</sup> Revenue (excluding Gaming GST)</b>	<b>34.9</b>	<b>21.7</b>	<b>60.8%</b>
Expenses	(15.6)	(12.2)	(28.2%)
<b>Normalised<sup>1</sup> EBITDA</b>	<b>19.3</b>	<b>9.6</b>	<b>102.2%</b>
<i>EBITDA Margin</i>	49.1%	39.3%	9.8pp
Depreciation & Amortisation	(2.1)	(2.3)	10.3%
<b>EBIT</b>	<b>17.3</b>	<b>7.3</b>	<b>138.1%</b>

<b>Normalised<sup>1</sup> EBITDA including International Business</b>	<b>19.3</b>	<b>9.5</b>	<b>102.6%</b>
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1. Refer to appendices for normalisation detail

# 1H23 SkyCity Queenstown

Record normalised EBITDA for 1H23

- Single casino operation model working well and compensating in part for significant regional worker shortage
- Strong performance from EGMs up over 30% on pre COVID-19 levels
- Preparations underway for the casino venue licence renewal process
- No forced property closures in 1H23 due to COVID-19 (1H22 21 days closed) although staff availability and international visitation significantly impacted

\$m	1H23	1H22	Movement
Gaming Machines Revenue	4.2	3.4	22.7%
Table Games Revenue	1.4	1.0	40.7%
<b>Gaming Revenue (including GST)</b>	<b>5.6</b>	<b>4.4</b>	<b>26.8%</b>
Non-Gaming Revenue	0.7	0.6	23.1%
Gaming GST	(0.7)	(0.6)	(27.0%)
<b>Total Normalised<sup>1</sup> Revenue (excluding Gaming GST)</b>	<b>5.6</b>	<b>4.4</b>	<b>26.3%</b>
Expenses	(3.2)	(3.0)	(8.4%)
<b>Normalised<sup>1</sup> EBITDA</b>	<b>2.3</b>	<b>1.4</b>	<b>64.5%</b>
<i>EBITDA Margin</i>	<i>36.8%</i>	<i>28.3%</i>	<i>8.5pp</i>
Depreciation & Amortisation	(0.6)	(0.6)	(1.6%)
<b>EBIT</b>	<b>1.7</b>	<b>0.8</b>	<b>113.6%</b>

<b>Normalised<sup>1</sup> EBITDA including International Business</b>	<b>2.3</b>	<b>1.4</b>	<b>62.0%</b>
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1. Refer to appendices for normalisation detail



# 1H23 SkyCity Adelaide

Positive performance in 1H23 across the business

- Overall strong gaming performance:
  - EGM win growth increased 89.4% since 1H19, compared to pubs and clubs at 34.7%
  - EGM market share increased from 6.84% 1H19 to 9.35% during 1H23
  - table games growing, but at a slower rate
- Eos hotel performed consistently above competitor set, with multiple state and national awards and accolades
- Food and beverage offering remains strong, with increased margins delivered across restaurants and bars
- Functions and events uplifts, benefiting from lifting of COVID-19 related restrictions
- Significant cost pressures, with increases largely arising from increased compliance and governance, professional advisory services and property utilities

A\$m	1H23	1H22	Movement
Gaming Machines Revenue	51.6	34.4	50.1%
Table Games Revenue	39.7	36.1	9.9%
<b>Gaming Revenue (including GST)</b>	<b>91.3</b>	<b>70.5</b>	<b>29.5%</b>
Non-Gaming Revenue	31.7	22.3	42.3%
Gaming GST	(8.3)	(6.3)	(33.0%)
<b>Total Normalised<sup>1</sup> Revenue (excluding Gaming GST)</b>	<b>114.7</b>	<b>86.5</b>	<b>32.5%</b>
Expenses	(94.1)	(75.7)	(24.2%)
<b>Normalised<sup>1</sup> EBITDA</b>	<b>20.6</b>	<b>10.8</b>	<b>91.0%</b>
<i>EBITDA Margin</i>	16.8%	11.6%	5.2pp
Depreciation & Amortisation	(15.4)	(15.5)	0.8%
<b>EBIT</b>	<b>5.3</b>	<b>(4.7)</b>	<b>212.4%</b>

<b>Normalised<sup>1</sup> EBITDA including International Business</b>	<b>22.8</b>	<b>10.2</b>	<b>123.7%</b>
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1. Refer to appendices for normalisation detail

# 1H23 International Business

Business significantly reduced compared to pre COVID-19 levels

- Visitation significantly impacted by ongoing overseas international border closures - a material recovery not anticipated in the near term given ongoing uncertainty
- Continued focus on Australian interstate visitation to Adelaide property
- Working closely with AML Enhancement Programme Project and Financial Crime teams to fully embed ongoing improvements and updates across operating procedures
- Actual win rate of 1.33%, closely aligned to theoretical win rate of 1.35%

\$m	1H23	1H22	Movement
Turnover	1,215.0	187.5	547.8%
Reported Revenue	16.3	0.2	8,150.3%
Normalised <sup>1</sup> Revenue	16.4	2.5	547.8%
<b>Reported EBITDA</b>	<b>1.9</b>	<b>(4.4)</b>	<b>140.9%</b>
<b>Normalised<sup>1</sup> EBITDA</b>	<b>2.6</b>	<b>(1.9)</b>	<b>236.8%</b>
<i>EBITDA Margin</i>	16.0%	(75.0%)	90.8pp
Actual Win %	1.33%	0.11%	1.22pp

1. Refer to appendices for normalisation detail

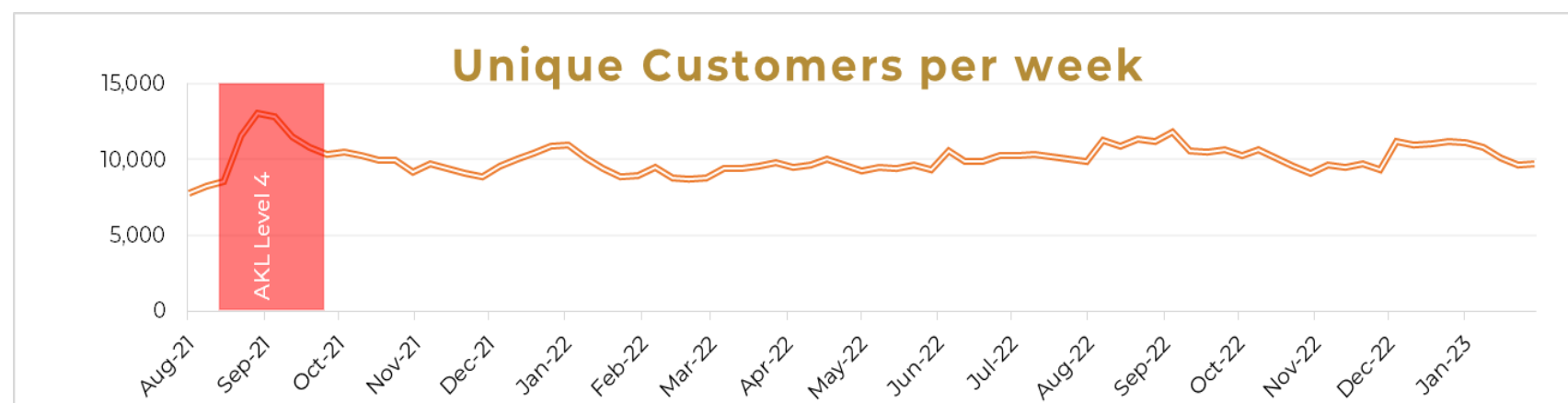


# 1H23 SkyCity Online

SkyCity Online Casino continues to be a meaningful contributor to the Group

- First period without COVID-19 disruptions since 2020
- Customer conversion from registration high, and long-term customer retention rates remain above market norms, despite stringent up front KYC checks and no Customer Relationship Management (CRM) activity
- Continued site optimisation with 270 new games released in 1H23, taking total live games to over 2,300
- Ethical Commerce site initiative launched with donations to date to three NZ charities
- NZ remains one of the most attractive non-regulated markets globally, with offshore operators able to capitalise on the lack of enforced regulation
- GiG partnership continues to be leveraged to explore opportunities, including the prospect of an online operation in Ontario, Canada

\$m	1H23	1H22	Movement
Gaming Revenue (net of jackpots and bonusing)	<b>15.4</b>	<b>17.3</b>	<b>(11.0%)</b>
GiG costs	(5.5)	(5.7)	(3.5%)
NZ GST	(2.0)	(2.3)	(11.0%)
<b>Gaming Revenue (attributable to SkyCity)</b>	<b>7.9</b>	<b>9.3</b>	<b>(15.6%)</b>
Expenses	(2.2)	(2.3)	(1.6%)
<b>EBITDA (attributable to SkyCity)</b>	<b>5.6</b>	<b>7.0</b>	<b>(20.1%)</b>
EBITDA Margin	36.6%	40.7%	(4.1pp)



Unique customers are only counted once in the week they play in





# CAPITAL PROJECTS & FINANCIAL RESILIENCE



# 1H23 Capital Projects

Group continues to focus on completion of major projects, and effective capital spend discipline

## Group Capital Spend

- 1H23 CAPEX of \$23.4m reflects cautious spend that prioritises NZICC project and essential BAU activations
- Ongoing focus on closely managing capital spend

## New Zealand International Convention Centre (NZICC) and Horizon Hotel Projects

- Positive momentum in 1H23, with reinstatement progressing and a significant milestone met with the roof construction well underway
- Completion expected of Horizon Hotel during 2024 and NZICC during 2025
- While project and insurance arrangements remain complex, SkyCity is comfortable with progress and with SkyCity's contractual position:
  - no material change to previous guidance for SkyCity's total net project cost obligation of ~\$750m after forecast recoveries and liquidated damages
  - net project costs of \$138m remaining for financing by SkyCity, with the cost of reinstatement to be covered either by insurance or Fletcher Construction
  - in addition to net project costs, SkyCity continues to incur costs directly in relation to the unavailability of the carparks due to the fire

## Macquarie Carpark Concession Agreement (CA) Termination

- CA termination being finalised, with settlement expected by end of FY23
- Preparations progressing for integration into Auckland operations

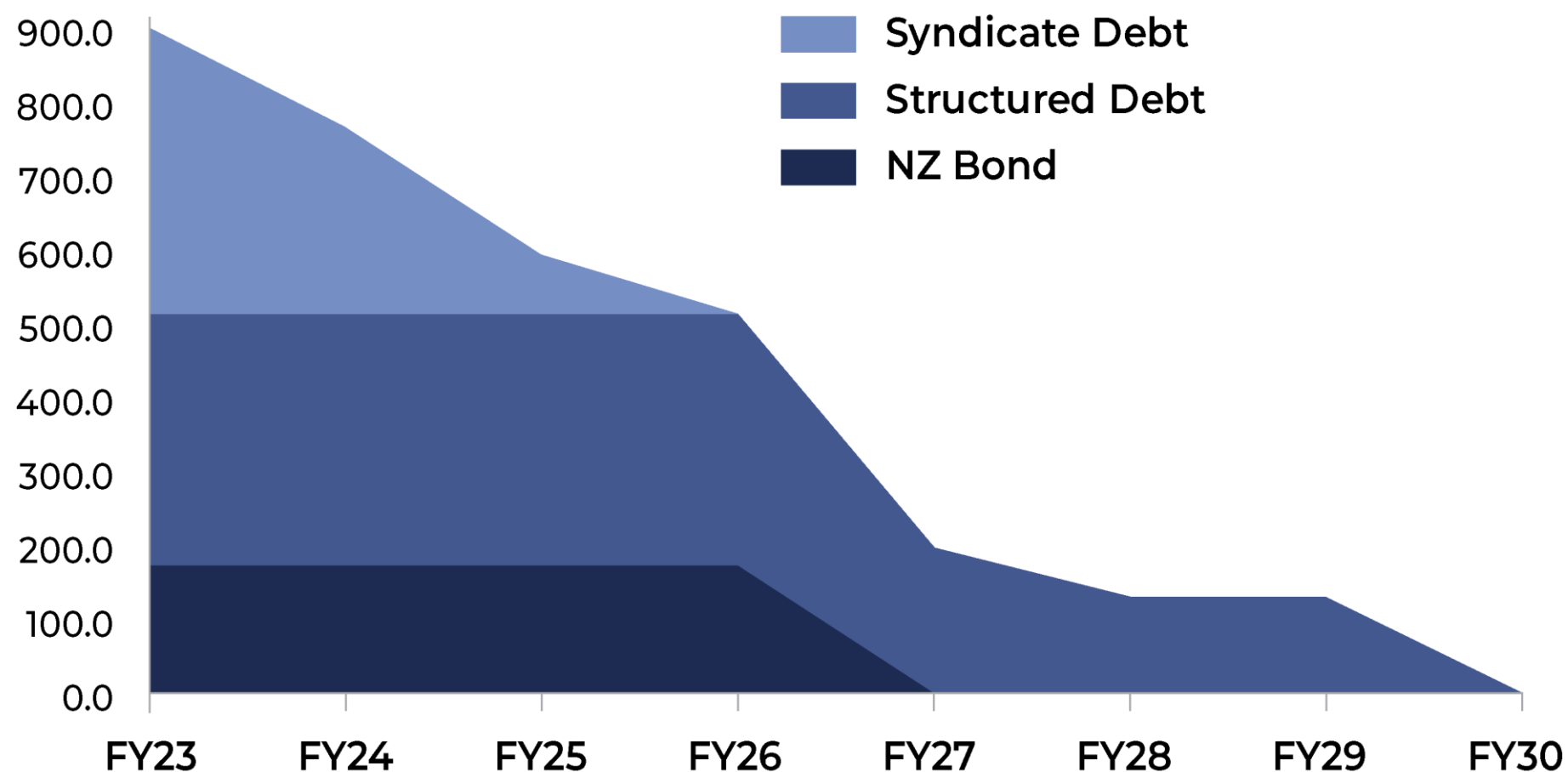


# 1H23 Financial Resilience

The Group continues to preserve its balance sheet strength to manage future uncertainties

- Total borrowing<sup>1</sup> of \$391m at 31 December 2022 (excluding leases), with liquidity headroom of \$475m and a debt gearing ratio of 1.6x
- Syndicated debt revolving credit facility of \$390m was committed but unutilised at end of 1H23
- Group formally exited its debt covenant waiver/variation period as at 31 December 2022 after passing the standard covenant tests
- A new structured debt facility was secured by the Group on 3 November 2022 for drawdown by end of February 2023, with an option for a further facility to be agreed by end of FY23 if required
- Based on existing secured debt portfolio, the Group's next debt maturation is in FY24

Group Secured Debt - Maturation Profile \$m



1. Total utilised borrowing from financiers, excluding unutilised debt, leases and cash reserves





# FY23 OUTLOOK



# FY23 Trading Outlook

Performance trend expected to continue but with ongoing uncertainties

- FY23 normalised<sup>1</sup> EBITDA expected to track ahead of FY19 levels on a like-for-like basis, with estimates ranging from \$305m to \$320m excluding upside from integration of the Auckland carpark
- Group performance trend in January 2023 is consistent with 1H23, with no indications yet of a recessionary environment although Group remains cautious
- Cost escalation in 2H23 expected on the back of successful recruitment in 1H23, and operational ramp up. Increased investment in compliance, risk and regulatory functions continues which will see these costs increase in the near term
- Table games performance continues to be subdued
- No meaningful International Business expected in the near term
- Heightened regulatory focus on the industry will continue
- New Chief Risk Officer position established reporting to the Chief Executive Officer - with recruitment underway alongside the recruitment for a Chief People & Culture Officer
- Subject to regulatory approvals being obtained, David Attenborough will become a director of the SkyCity Entertainment Group Board from 1 March 2023

1. Refer to appendices for normalisation detail







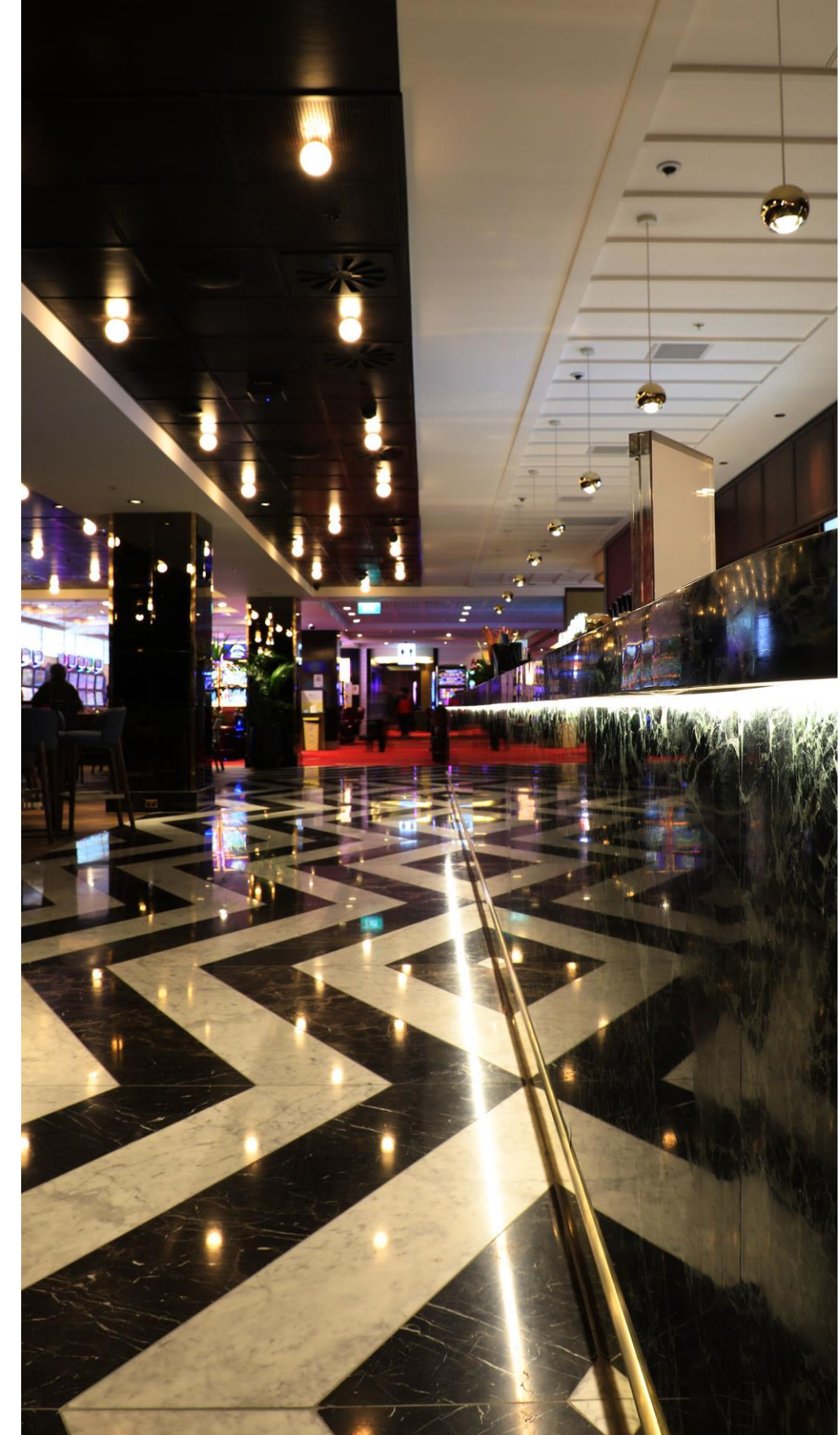
# APPENDICES



# Important Information

- Unless otherwise stated, all dollar amounts in this presentation are expressed in New Zealand dollars
- Average NZ\$ vs. A\$ cross-rate for 1H23 = 0.9061 and 1H22 = 0.9525
- Weighted average number of shares excludes shares held on trust under the Group's executive incentive schemes:
  - 1H23 = 758,117,231
  - 1H22 = 757,507,871
- Normalised<sup>1</sup> revenue (including gaming GST) calculated as gaming win (including gaming GST) plus non-gaming revenue, to facilitate Australasian comparison
- 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

1. Refer to appendices for normalisation detail





# Normalisation of Group Results

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

# Nomalisation of Group Results

## Reconciliation to Reported Results

\$m	1H23				1H22				1H19			
	Revenue	EBITDA	EBIT	NPAT	Revenue	EBITDA	EBIT	NPAT	Revenue	EBITDA	EBIT	NPAT
<b>Reported</b>	<b>462.6</b>	<b>106.3</b>	<b>60.9</b>	<b>22.9</b>	<b>289.8</b>	<b>20.4</b>	<b>(27.4)</b>	<b>(33.7)</b>	<b>411.4</b>	<b>148.3</b>	<b>107.7</b>	<b>82.8</b>
IB Revenue Adjustment	3.2	-	-	-	0.5	-	-	-	44.7	-	-	-
Gaming GST	45.2	-	-	-	20.7	-	-	-	48.8	-	-	-
IB Theoretical Win Rate	0.1	0.7	0.7	0.4	2.3	2.5	2.5	1.7	28.0	23.4	23.4	16.8
NZICC Fire Impact	(23.7)	43.4	43.4	39.0	(52.5)	7.1	7.1	6.2	-	-	-	-
Asset Impairment	-	3.6	3.6	3.6	-	6.2	6.2	6.2	-	-	-	-
Property Revaluation	-	8.4	8.4	7.2	-	-	-	-	-	-	-	-
Significant tax event	-	-	-	-	-	-	-	-	-	-	-	3.9
Darwin Casino	-	-	-	-	-	-	-	-	-	-	-	(14.0)
Discontinued Operations	-	-	-	-	-	-	-	-	(13.7)	(10.9)	(10.9)	(7.9)
<b>Normalised</b>	<b>487.4</b>	<b>162.4</b>	<b>117.0</b>	<b>73.1</b>	<b>260.8</b>	<b>36.2</b>	<b>(11.6)</b>	<b>(19.5)</b>	<b>519.2</b>	<b>160.8</b>	<b>120.2</b>	<b>81.6</b>

- 1. IB Revenue Adjustment:** to report International Business (IB) commissions paid to customers as an expense rather than a revenue reduction, which reduces both reported revenue and operating expenses. This normalisation effectively reverses the impact of IFRS 15 Revenue from Contracts with Customers
- 2. Gaming GST:** to add gaming GST to reported revenue
- 3. IB Theoretical Win Rate:** to replace the actual win rate with the theoretical win rate of 1.35%
- 4. NZICC Fire Impact:** to reverse the fire accounting and related entries arising from the NZICC fire, including the reversal of the insurance recoveries received on Macquarie compensation payments for carparks compromised by reinstatement of NZICC/Horizon Hotel
- 5. Asset Impairment:** to reverse the asset impairment of the investment property floors not held for third party tenancy
- 6. Property Revaluation:** to reverse the investment property fair value adjustments based on market valuation
- 7. Significant Tax Event:** to reverse the significant tax event in relation to a tax settlement with the Australian Tax Office
- 8. Darwin Casino:** to eliminate Darwin operations as a discontinued business due to the Darwin Casino sale in FY19 to enable a more meaningful comparison basis
- 9. Discontinued Operations:** to eliminate the discontinued operations in relation to the Auckland carpark and conventions to enable a more meaningful comparison basis



# Disclaimer



- All information in this presentation is provided as at 15 February 2023
- This presentation includes forward-looking statements that by their nature involve inherent risks and uncertainties, many of which are matters beyond SkyCity's control and could cause actual results to differ from those predicted. Variations could either be materially positive or materially negative
- This presentation has not taken into account any particular investor's investment objectives or other circumstances. Investors are encouraged to make an independent assessment of SkyCity