20 February 2025

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Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000
AUSTRALIA

Dear Sir/Madam

SkyCity Entertainment Group Limited (SKC)
Interim results for the six months ended 31 December 2024

Please find **attached** the following information relating to SkyCity Entertainment Group Limited's (**SkyCity**) result for the six months ended 31 December 2024:

1. Results Announcement (as required by NZX Listing Rule 3.5.1);

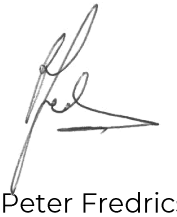
2. Market Release;

3. Investor Presentation; and

4. Financial Statements and Notes

SkyCity is hosting a conference call for investors and analysts today at 11.00am New Zealand time (9.00am Australian Eastern Daylight time) to discuss the 1H25 results. Details for this call were released on the NZX and ASX on 22 January 2025.

Authorised by:



Peter Fredricson
Chief Financial Officer

Results Announcement

Results for Announcement to the Market		
Name of issuer	SkyCity Entertainment Group Limited (**SkyCity**)	
Reporting period	6 months to 31 December 2024	
Previous reporting period	6 months to 31 December 2023	
Currency	New Zealand dollars	
Reported	Amount (million)	Percentage change
Reported revenue from continuing operations [1]	$422.0	-5.2%
Total reported revenue [1]	$422.0	-5.2%
Reported profit from continuing operations	$6.1	-73.1%
Reported total net profit (loss)	$6.1	-73.1%
Underlying	Amount (million)	Percentage change
Underlying revenue [2]	$422.0	-4.7%
Underlying total net profit (loss)[2]	$37.8	-41.5%

Notes:
- 'Reported' information is per the financial statements;
- 'Underlying' results adjust for certain revenue and expense items. Reconciliation between reported and underlying financial information is provided at the end of this announcement;
- 'EBITDA' means earnings before interest, tax, depreciation and amortisation;
- 'EBIT' means earnings before interest and tax;
- 'NPAT' means net profit after tax; and
- certain totals, subtotals and percentages may not agree due to rounding.

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[1] On the Income Statement, this is the total of revenue and other income.
[2] Percentage change based on 1H24 restated underlying result.

Results Announcement

Final Dividend		
Amount per Quoted Equity Security	Not Applicable – no dividend payable	
Imputed amount per Quoted Equity Security	Not Applicable	
Record Date	Not Applicable	
Dividend Payment Date	Not Applicable	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	$0.9349	$1.2056
A brief explanation of any of the figures above necessary to enable the figures to be understood	SkyCity's 1H25 performance is set out in the company's Investor Presentation attached to this announcement, which provides detail and explanatory comment on: - operating and financial performance for each business unit and the SkyCity Group as a whole; and - various other relevant aspects of the financial performance, for the six months ended 31 December 2024. The Investor Presentation will be available on the company's website from 20 February 2025.	
Authority for this announcement		
Name of person authorised to make this announcement	Phil Leightley	
Contact person for this announcement	Phil Leightley	
Contact phone number	09 971 5506	
Contact email address	phil.leightley@skycity.co.nz	
Date of release through MAP	20 February 2025	

Unaudited financial statements accompany this announcement.

NZX Appendix

Results Announcement

Reconciliation between Reported and Underlying Financial Information

The Group's objective in preparing underlying financial information is to enable the investment community to better understand the Group's underlying operational performance.

The Group achieves this objective by providing information that:

- is representative of SkyCity's underlying performance as a potential indicator of future performance; and
- enables comparison across financial periods.

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.

NZX Appendix

Results Announcement

$m	1H25				1H24 (restated)[1]			
	Revenue	EBITDA	EBIT	NPAT	Revenue	EBITDA	EBIT	NPAT
Reported Results	**422.0**	**113.1**	**67.8**	**6.1**	**445.2**	**101.0**	**56.7**	**22.5**
Remove impact of NZICC Fire Accounting	-	-	-	-	(2.4)	5.5	5.5	4.2
Remove AUSTRAC Regulatory Penalty	-	-	-	-	-	37.8	37.8	37.8
Remove provision for interest payable and tax implications of the SA Casino Duty Dispute	-	-	-	31.7	-	-	-	-
Underlying Results	**422.0**	**113.1**	**67.8**	**37.8**	**442.8**	**144.3**	**100.0**	**64.5**

[1] *1H24 underlying results have been restated to remove adjustments less than $5m, GST revenue reclassification and gaming rebates due to a change in company policy*

MARKET RELEASE
SkyCity Entertainment Group Limited
(SKC.NZX/SKC.ASX)

20 February 2025

FY25 INTERIM RESULTS: STRONG VISITATION AMID MARKET CHALLENGES

SkyCity Entertainment Group Limited (SkyCity) today announced its results for the six months ended 31 December 2024 and provides revised FY25 guidance.

Key features:

- **Group revenue $422m** – 5% lower than the prior period; lower spend per visit
- **Group EBITDA $113m** – down 22% on the prior period; impact of lower revenue plus continued investment in risk transformation programme
- **Reported Group NPAT $6m** – includes $31.7m impact from the settlement with Revenue South Australia of interest on gaming duty
- **Underlying Group NPAT $38m** – reverses out $31.7m South Australia gaming duty interest settlement
- **Solid balance sheet** – remains well within debt covenants and investment grade credit rating retained
- **NZICC to open in February 2026** – transformational asset for SkyCity, Auckland and New Zealand
- **Customer visitation levels remain strong** – lower spend resulting from challenging macro-economic conditions
- **Revised FY25 underlying Group EBITDA guidance** – to between $225m and $245m (from $245m to $265m)
- **No interim dividend declared**

Chief Executive Officer, Jason Walbridge, said: "We continue to operate in challenging market conditions with subdued consumer confidence, so we're pleased to see strength in our visitation numbers as people continue to enjoy coming to SkyCity for their entertainment.

"We welcome the government focus on economic growth and tourism we're seeing on both sides of the Tasman. SkyCity has a big part to play in the tourism sector and we can't wait to open the New Zealand International Convention Centre (NZICC) in February 2026 and welcome visitors to this world-class venue."

Financial Performance

Group revenue of $422 million is down 5% on the prior corresponding period and Group EBITDA of $113 million is down 22% on the prior corresponding period, due primarily to lower customer spend on visitation levels essentially maintained year on year.

Underlying Group NPAT of $38 million was down 41% on the prior corresponding period due to the lower level of earnings and increased costs arising from our ongoing transformation programme.

Reported Group NPAT of $6 million was down 73% on the prior corresponding period as a result of interest costs arising from the resolution of the long-standing gaming duty matter with Revenue South Australia.

Gaming revenue in Auckland was impacted by the 5-day closure of gaming operations, weaker market conditions compared to the prior corresponding period and a change in overall customer mix. This reduction was partially offset by contributions from the Horizon by SkyCity Hotel (5 months), carpark income and an increased contribution from the Sky Tower.

“The Sky Tower stands out as one of the most visited attractions in the country. The Lookout, our new viewing area, has further enhanced the experience and we continue to see strong customer demand from both New Zealand and International visitors,” said Mr Walbridge.

The performance of SkyCity’s hotels is also a significant positive in a challenging market, with total rooms sold increasing by 16% and an occupancy rate in 1H25 of 73%, four percentage points ahead of the market.

“The Horizon Hotel has been a fantastic addition to the SkyCity Auckland precinct. We maintain our leadership in the sector, outperforming the market in terms of occupancy and we expect to go from strength to strength with the NZICC opening in February 2026.

EBITDA for Hamilton and Queenstown was up 5% due to increased revenues and disciplined cost control.

The SkyCity Adelaide business saw visitation increase by 10% driving increased revenue that was ultimately offset by increased expenditure incurred through our 3-year (FY25-27) transformation programme.

Capital structure

As at 31 December 2024, the balance sheet remained in a solid position with total drawn debt of $772m. During the half $367.5 million of debt was refinanced (including $US50 million of new 2031 USPP notes) with the weighted average debt maturity increasing by around two years to four and a half years. The leverage ratio of 2.8x is well within our banking covenant of 3.75x. During the period we maintained our BBB- (stable outlook) investment grade credit rating from S&P Global Ratings.

A review of assets has been completed and a five-year master plan created. In this context, SkyCity has begun a process of monetizing select assets to reduce debt, move towards the resumption of paying dividends to our shareholders, and invest in growth opportunities. This will capitalize on the impending opening of the NZICC, and drive visitation and spend per visit into our highest margin gaming business.

Regulatory progress and transformation

“We continue to make significant investment in areas of host responsibility and preventing financial crime” said Mr Walbridge.

In Adelaide, Consumer and Business Services' independent review into SkyCity Adelaide continues, with Mr Brian Martin KC due to report his findings to the regulator in the first half of calendar year 2025. Kroll, the independent expert appointed in August 2023 in relation to SkyCity Adelaide's AML/CTF and host responsibility programme and SkyCity Adelaide, are together advancing the Programme of Work approved by the South Australian Liquor and Gambling Commissioner.

In New Zealand, we plan to introduce mandatory carded play across our properties in July 2025. SkyCity Adelaide is planning to introduce carded play in 2026. This is expected to impact revenue in the first few years from implementation but is a critical component of SkyCity's transformation programme.

"100% carded play represents a step change in host responsibility and customer care," said Mr Walbridge. "All customers will need to use a SkyCity card that contains their identity and other important information to play anywhere in our casinos. This will enable them to know how long they've played, how much they've spent, and when to take a break."

Outlook

"We expect the challenging economic conditions to continue to impact discretionary spend into the 2025 calendar year. We also expect the full year result to be impacted by somewhat lower revenues from customer spend and increased transformation costs – in particular the Building a Better Business (B3) programme in Adelaide, which in FY25 is expected to be in the order of $18m.

"As a result, we now anticipate that FY25 full year underlying Group EBITDA will likely fall within a range of $225 million to $245 million (compared to the previous guidance of $245m to $265m).

"The opening of the NZICC in February 2026 will be a game changer for SkyCity Auckland and New Zealand. We expect to see a boost of around 500,000 visitor days a year to SkyCity Auckland with the facility providing a significant lift to the wider Auckland and New Zealand economies."

ENDS

All figures stated are in NZ$ dollars.

For more information, please contact:

Investors and analysts	**Media**
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SKYCITY ENTERTAINMENT GROUP

FIRST HALF 2025 RESULTS

1H25 INVESTOR PRESENTATION | 20 FEBRUARY 2025



THE ULTIMATE EXPERIENCE IN ENTERTAINMENT

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- A number of non-GAAP financial measures are included in this presentation which are used by management to assess the performance of the business and have been derived from SkyCity's financial statements. You should not consider any such financial measures in isolation from, or as a substitute for, the information provided in the financial statements which are available at www.skycityentertainmentgroup.com.
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- All figures in this presentation are in NZ Dollars (NZ$) unless stated otherwise.
- Some totals may not sum due to rounding.



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CHIEF EXECUTIVE OFFICER

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SKYCITY ENTERTAINMENT GROUP

OVERVIEW

JASON WALBRIDGE | CHIEF EXECUTIVE OFFICER



1H25 RESULTS OVERVIEW

Strong visitation amid market challenges

REPORTED/UNDERLYING[1] REVENUE

$422M

(5%) PCP[2]

REPORTED/UNDERLYING EBITDA

$113M

(22%) PCP[2]

UNDERLYING NPAT

$38M

(41%) PCP

REPORTED NPAT

$6M

(73%) PCP

UNDERLYING EPS

5.0CPS

EBITDA MARGIN[3]

26.8%

NET DEBT/ EBITDA[4]

2.8x

TOTAL VISITATION

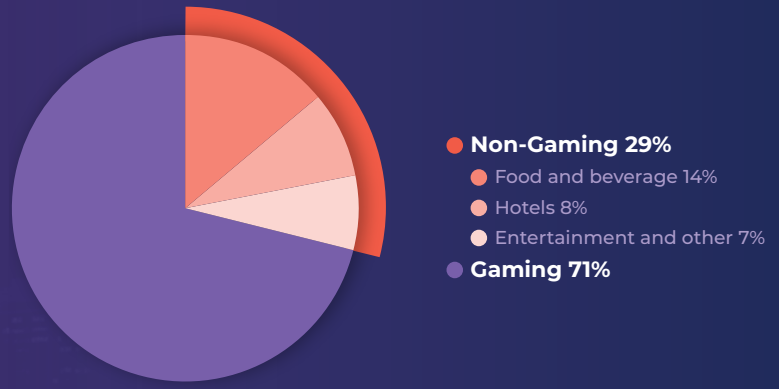
>5.4M

+5.3% PCP

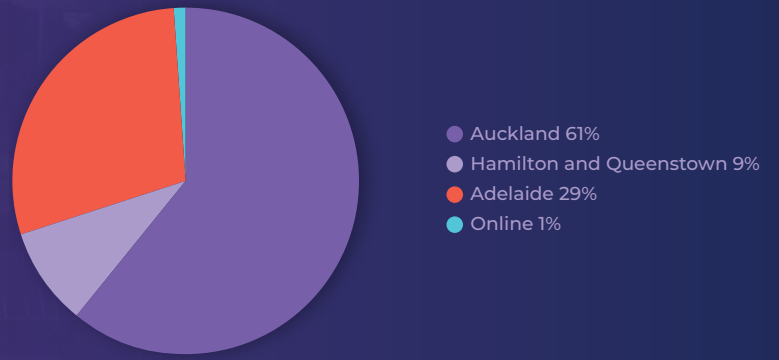
REPORTED EPS

0.8CPS

1H25 REVENUE BY TYPE



1H25 REVENUE BY PRECINCT



1. Refer Appendices for a description and further details of SkyCity's underlying results
2. Percentage change based on underlying result
3. Underlying EBITDA / Underlying revenue
4. Last 12 months reported EBITDA adjusted for one-offs

VISITATION AND SPEND

	1H25	1H24
Group Visitation	5.4m	5.1m
Group Underlying EBITDA[1]	$113.1m	$144.3m
Group EBITDA/Visitation[2]	~$21	~$28
Difference	**$7/visit**	

- Key business drivers include visitation, spend per visit and costs
- Spend per visit leads into EBITDA per visit and at a Group level this has reduced $7.00 per visit over 1H25 compared to pcp
- Indicative 1H25 EBITDA impact in the order of $30m (inclusive of increased risk transformation costs of $10m)



1. EBITDA refers to underlying EBITDA
2. Auckland EBITDA/ visitation for 1H25 was $46 compared with $50 in pcp

EVOLVING FOR THE FUTURE

CHANGING LANDSCAPE	HOW WE ARE RESPONDING
Internal regulatory reset has increased compliance costs and impacted revenue	Multi-year risk transformation program to retain our gaming and social licences
Historical capital investments, previously targeted at international business, have impacted ROIC performance	Recycling capital through monetising select assets to reduce debt, invest in growth and move toward resumption of dividend payments
The land-based gaming environment is becoming increasingly uneven; integration of non-gaming businesses and a seamless connection to online is key	NZICC opening and an omni-channel customer-focused strategy to drive visitation and spend per visit
New Zealand is expected to regulate online gaming in 2026, bringing ~$700m market under a new NZ regulatory regime	Government engagement to help shape a sustainable regulatory framework, and secure an online licence
Technology advancements and AI are creating opportunities in customer experience and operational productivity	Strategically investing in technology for 100% land and online account-based play, and regulatory compliance tools
Company culture matters more now than ever and is also a key focus for regulators	Enterprise-wide culture change program to ensure we care for our customers, our communities and are fit for the future



DELIVERING VALUE AND ENABLING GROWTH

Learn from the PAST, make the most of NOW, and create an exciting FUTURE for SkyCity

STRATEGIC PRIORITIES		
CORE BUSINESS OPTIMISATION	**CUSTOMER FOCUS**	**ONLINE GAMING**
Make the most of our existing assets to help grow market share and invest in our future	Engage our customers with amazing experiences, driving preference and loyalty	Use our land based presence to become the online local hero

CRITICAL ENABLERS		
RISK TRANSFORMATION	**PEOPLE AND CULTURE**	**DIGITAL TRANSFORMATION**
We act with integrity in all aspects of our business and are leaders in host responsibility and preventing financial crime	We show up everyday focused on delivering great outcomes for one another, our customers and Australia/New Zealand	Our systems and platforms support a clear view of our customer, are seamless, fast and efficient



STRENGTHENING OUR FUTURE THROUGH ACTION

Delivering on our priorities in 1H25

$4.8M
in community contributions, sponsorships and donations in 1H25

CORE OPERATIONS	CUSTOMER FOCUS	ONLINE GAMING
Asset review completed, monetisation options being evaluated	Delivered gaming system upgrade across NZ	Engaged with government on global best practice regulatory frameworks
Successful opening of the Horizon Hotel Aug 24	Completed new viewing platform at SkyTower	Progressed the build of our own front-end, content management system and App
Completed Auckland production kitchen refurbishment	Winner Restaurant and Catering Awards for Excellence and 2024 South Australian Tourism Awards	Expanded team capability
Continued construction progress of NZICC		

RISK TRANSFORMATION	PEOPLE AND CULTURE	DIGITAL TRANSFORMATION
Resolution of South Australian casino duty dispute	Culture audits completed in NZ and Adelaide	Gaming upgrades underway and on track to support 100% carded play
CBS and Kroll approved 'Program of Work' well underway	Group-wide culture change program launching in 3Q25	Installed NZICC booking management system
NZ 100% carded play planning to go-live in July 25	Leadership renewal, with 58% of senior leadership roles newly appointed in the past 18 months	Completed installation of hotel self service check-in kiosks at SkyCity Hotel
Implemented focal and facial recognition long stay in Adelaide, with facial long play launching in 3Q25	In-principle agreement reached on Collective Agreements	

RISK TRANSFORMATION

GOVERNANCE, BOARD AND MANAGEMENT	CULTURE	RISK AND COMPLIANCE MANAGEMENT	CONDUCT	RE-ESTABLISHING TRUST	EXECUTIONAL ENABLEMENT	ADELAIDE B3
• Board Transformation Sub-Committee meeting quarterly • SkyCity Adelaide majority independent Board of Directors monthly meetings continue • SkyCity Adelaide dedicated remediation team fully accountable to Adelaide Board of Directors	• Independent third party culture audits completed in Adelaide and New Zealand • Culture change plan for Adelaide being reviewed and pending approval by Regulator	• SkyCity Integrated Risk Management System go live 2H25 • Controls Centre of Excellence established and progressing controls uplift	• New code of conduct rolled out to all employees • Increasing use of the "Should we?" test guiding decision making • Customer look backs and case studies being used to drive learning	• Monthly/quarterly engagement with all financial and gaming regulators • New position of Chief Legal, Governance and External Relations Officer established	• Facial recognition long stay technology live in Adelaide • External experts with AU casino remediation experience engaged providing independent audits	• Dedicated resources and significant focus to get where we want to be • Remediation program includes a significant investment in capability in both resources and technology • The Brian Martin KC Independent Review reporting date has been extended to May 2025



SKYCITY ENTERTAINMENT GROUP

GROUP FINANCIAL RESULTS

PETER FREDRICSON | CHIEF FINANCIAL OFFICER



1H25 GROUP RESULTS

Financial performance reflects challenging trading conditions

$M	1H25	1H24[1]	
Total Revenue[2]	**422.0**	**442.8**	**(5%)**
Auckland	107.7	125.7	
Hamilton and Queenstown	17.5	16.8	
Adelaide	15.2	18.2	
Online	(1.1)	3.0	
Corporate	(26.2)	(19.4)	
Group EBITDA	**113.1**	**144.3**	**(22%)**
EBITDA margin[3]	*26.8%*	*32.6%*	
D&A	(45.3)	(44.2)	
EBIT	**67.8**	**100.0**	
Net finance costs	(12.3)	(8.7)	
Tax expense	(17.7)	(26.8)	
Underlying NPAT[4]	**37.8**	**64.5**	**(41%)**
Non-operating items[5]	(31.7)	(42.0)	
Reported NPAT	**6.1**	**22.5**	**(73%)**

1. 1H24 Revenue restated to exclude gaming GST and gaming rebates
2. Excludes gaming GST
3. Underlying EBITDA/Underlying Revenue (excluding gaming GST)
4. Refer Appendices for a description and further details of SkyCity's underlying results
5. For 1H25, refers to the provision for interest payable and tax implications of the SA Casino duty dispute

- Total revenue lower due to a 12% reduction in Auckland gaming revenue, partially offset by:
  - Gaming revenue growth in Adelaide and Queenstown (up 5% and 4% respectively)
  - Growth in non-gaming revenue across the Group (up 5%)

Auckland
- EBITDA down 14%, driven by:
  - Softer market conditions compared to pcp, a change in customer composition and slightly lower table hold rates
  - Partially offset by stronger contributions from the Horizon Hotel, increased carpark income and higher contribution from the Sky Tower
  - Disciplined management of expenses, down 3% on pcp

Hamilton and Queenstown
- EBITDA up 5% with revenue broadly in line with pcp and expenses down 6%

Adelaide
- EBITDA down 17% with:
  - Gaming revenue up 4% and non-gaming revenue up 9%
  - Revenue gains offset by increased spend in regulatory compliance

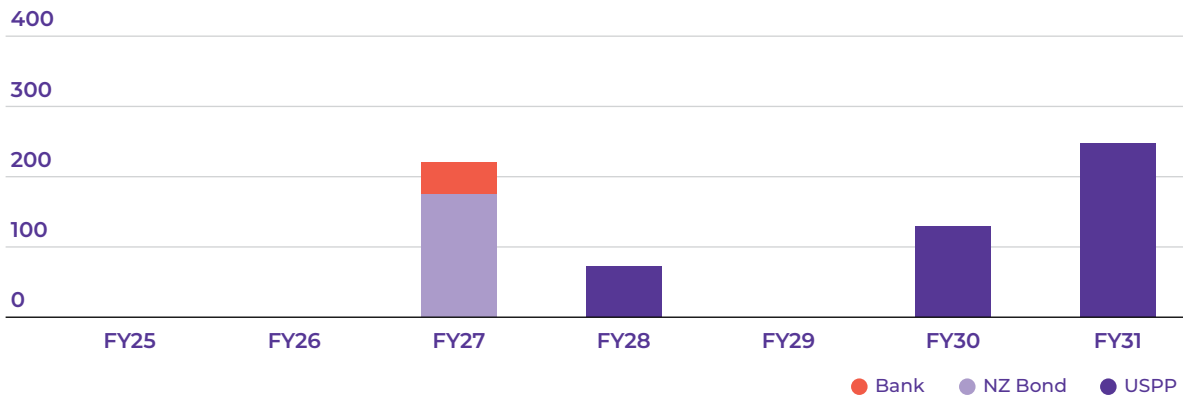
Online
- Lower due to an uneven regulatory environment and an increased investment in future team capability

Corporate / Group
- Increase largely driven by higher employee expenses associated with the transformation program

SOLID BALANCE SHEET

	31 DEC 24	30 JUN 24
Net debt to EBITDA	2.8x	2.3x
Total drawn debt	$722.4m	$663.1m
Available liquidity (cash and undrawn facilities)	$308.6m	$303.0m
Average borrowing cost	5.96%	5.59%
Average debt maturity	4.5 yrs	2.4 yrs
Hedged debt %	67%	61%
Average hedge maturity	2.4 yrs	2.5 yrs
Credit rating (S&P Global)	BBB-	BBB-

DRAWN DEBT MATURITIES AS AT 31 DEC 2024 ($M)

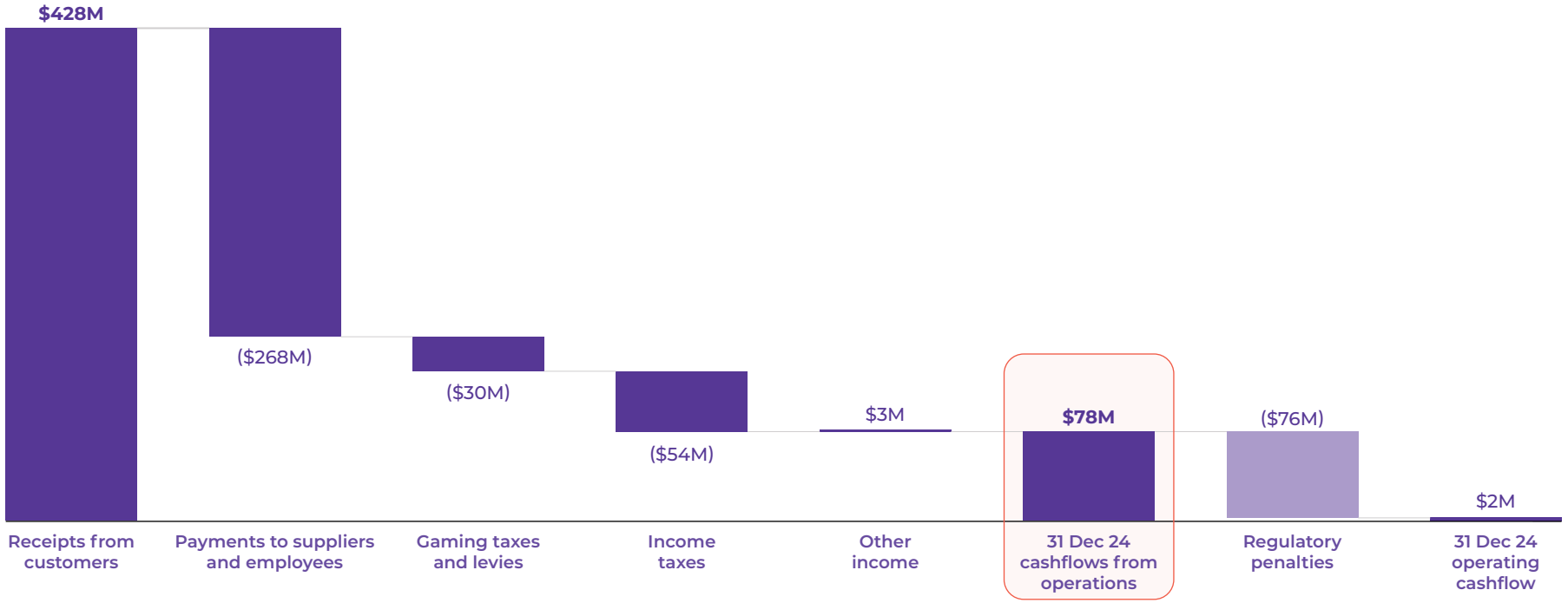


$309M
available liquidity

- Leverage ratio of 2.8x well within banking covenants and consistent with BBB- credit rating from S&P Global Ratings with "Stable" outlook
- $464.4m of debt refinanced (including $82.3m of new debt) with the weighted average debt maturity increased by over 2 years to 4.5 years
  - Average borrowing cost of 5.96%, up 37bps
- 1H25 capital expenditure of $60m, comprising:
  - $30m NZICC development
  - $30m business as usual capex
- 2H25 focus:
  - Maintaining a sustainable and prudent capital position, ensuring sufficient capital to support business targets to move toward resumption of dividend payments
  - Monetise select assets
  - Targeting metrics consistent with a BBB rating in the medium-term

SOLID OPERATING CASHFLOW

- Cashflow from operations $78m (excluding regulatory penalties of $76m)
- The business continues to generate positive cash flow from operations across the board, reinforcing a reliable and resilient financial model

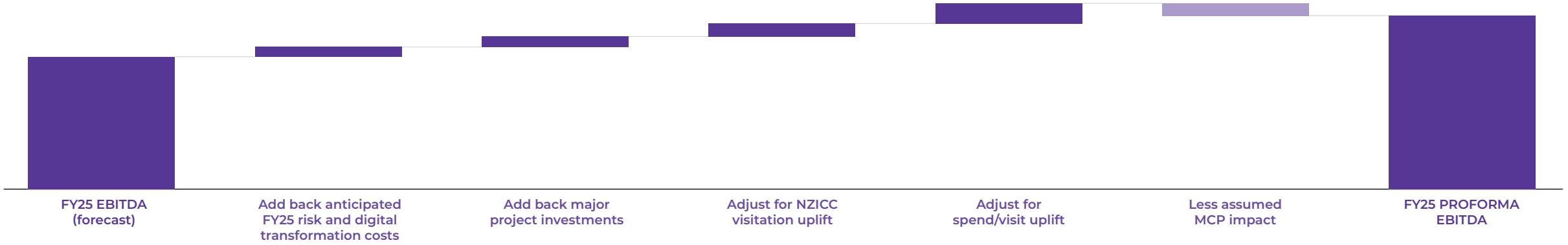




LOOKING BEYOND CURRENT FACTORS

- Business performance is driven by visitation, spend per visit and costs

FY25 PROFORMA EBITDA [1]



- Risk transformation costs of ~$18m are part of a $60m three year program
- Investment in major projects including online and pre-opening costs associated with Horizon Hotel and NZICC
- The opening of NZICC is expected to generate 500,000 additional visitor days annually
- Spend per visit impacted by current reduced discretionary spend in depressed economy
- MCP expected to impact revenues in first few years from implementation

1. FY25 PROFORMA EBITDA is an estimate derived from adjusting the forecast FY25 EBITDA for assumed impacts from a number of relevant factors

SKYCITY ENTERTAINMENT GROUP

OPERATING PERFORMANCE

CALLUM MALLETT | CHIEF OPERATING OFFICER



AUCKLAND: RESILIENT VISITATION AMID SOFTER SPENDING

Gaming

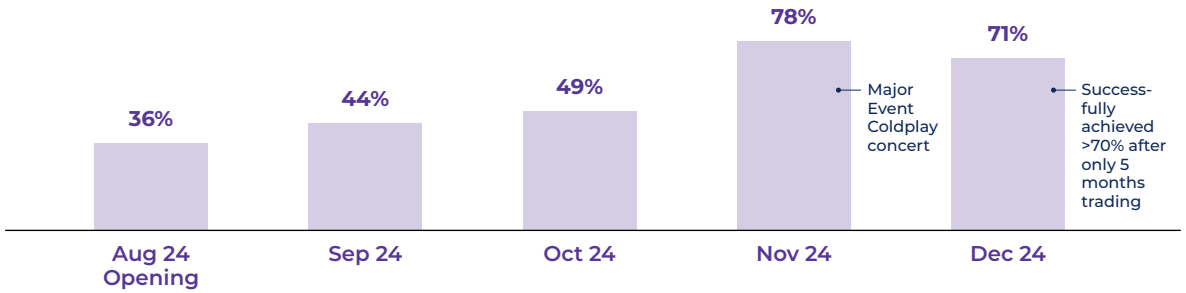
- 1H25 visitation was 7% lower, primarily due to the prior period benefiting from the World Cup
- WPUPD and WPOH down reflecting weaker market conditions compared to pcp, a change in customer composition and slightly lower table hold rates
- Delivered gaming system upgrade across NZ, giving access to EGM games library previously not available

Non-gaming

- Successful opening of the Horizon Hotel in Aug 24
  - Contributing to total rooms sold up 16%
- Solid combined hotel occupancy of 73% (79% excluding Horizon)
  - Outperforming the market by 4 percentage points
- F&B visitation and spend down, impacted by weaker consumer sentiment and a change in customer composition
- Completed Auckland production kitchen refurbishment
- Sky Tower customer experience enhanced with the creation of a new viewing area – The Lookout

KEY OPERATING METRICS	1H25	1H24	
Gaming			
Visitation	1.01m[1]	1.09m	(7%)
EGM WPUPD	$424	$449	(6%)
Table games WPOH	$395	$422	(6%)
Carded revenue	66%	65%	
Non-Gaming			
Hotels – rooms sold	118,762	102,227	16%
Hotels – occupancy	73%	88%	(17%)
Hotels – average daily rate	$231	$248	(7%)
F&B – visitation (covers)	1,015k	1,047k	(3%)
F&B – average spend	$35	$36	(4%)

HORIZON HOTEL OCCUPANCY

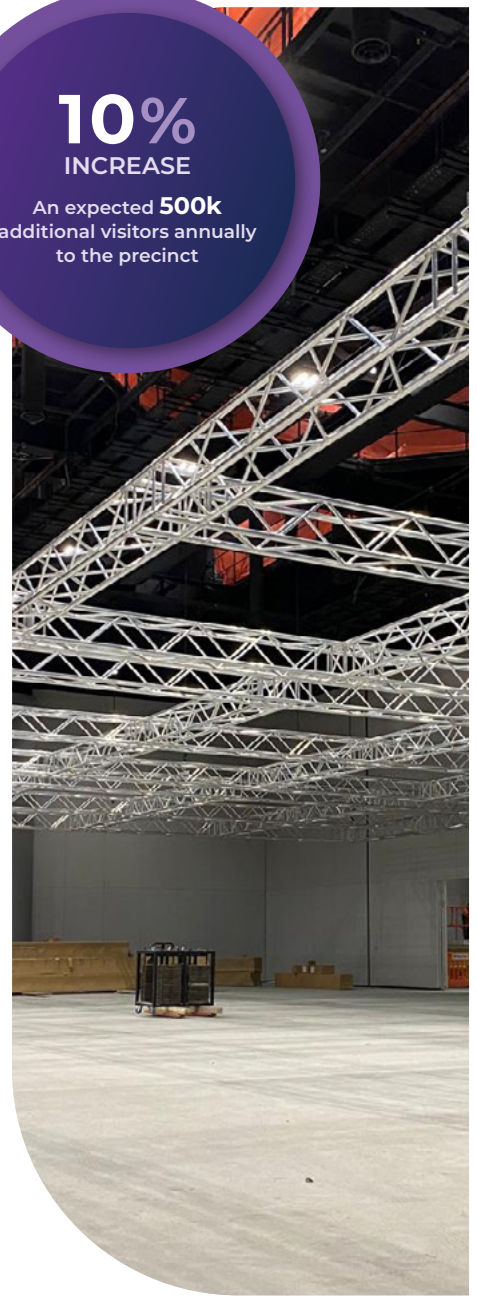


1. Adjusted for 5 day closure, based on average daily visitation

NZICC: SET TO BOOST AUCKLAND VISITATIONS

- NZICC opening Feb 26 with pre-opening activities to commence in the second half of calendar 2025 following handover from the Contractor, including:
  - **1H26:** Installations, testing and operational training
  - **2H26:** Test events
- Encouraging levels of interest:
  - Pipeline of 210 bookings, confirmed and prospective, with an estimated 516,000 visitor days over seven years
  - Including 19 international bookings agreed with estimated visitor days of 116,750
- Set to establish the region as a premier global destination, while strengthening SkyCity's competitive edge and unlocking the full potential of existing gaming licences

10%
INCREASE
An expected **500k** additional visitors annually to the precinct









HAMILTON AND QUEENSTOWN: SOLID OPERATING PERFORMANCE

Gaming

- Visitation up 2% driven by increased tourism in Queenstown
- WPUPD stable, with improvement in Queenstown offset by weaker spend at Hamilton
  - Hamilton WPUPD $413 (down 4%)
  - Queenstown WPUPD $263 (up 13%)
- Table games WPOH down, Hamilton flat with a change in VIP play impacting Queenstown
- Hamilton carded revenue has increased 9%

Non-gaming

- F&B visitation increased by 5%, driven by six months of operations at Hamilton's *Amuse Bar and Kitchen*
- F&B average spend remains steady

KEY OPERATING METRICS	1H25	1H24	
Gaming			
Visitation	216k	212k	2%
EGM WPUPD	$383	$388	(1%)
Table games WPOH	$250	$257	(3%)
Carded revenue	60%	51%	
Non-Gaming			
F&B – visitation (covers)	307k	292k	5%
F&B – average spend	$15	$15	<(1%)



ADELAIDE: SOLID VISITATION GROWTH

Gaming

- Visitation up 4%, supported by major Adelaide events
- WPUPD and WPOH slightly up reflecting increased visitation and improved hold rates, partially offset by changes in customer composition
- Agreed Programme of Works with Kroll approved by CBS; implementation underway
- Awaiting outcome of CBS independent review
  - Report completion expected by end of May 25

Non-gaming

- Hotel occupancy up 4%, albeit average daily rate down 5%, reflecting competitive market
- F&B average spend flat, while a slight reduction in covers
- The State's premier event space with event bookings up over 100%
  - Restaurant and Catering Awards for Excellence:
    - Caterer of the year, winner
    - Function / convention centre caterer, winner
    - Wedding caterer, winner
  - 2024 South Australian Tourism Awards
    - 5-Star luxury accommodation, winner
    - Business event venues, silver

KEY OPERATING METRICS	1H25	1H24	
Gaming			
Visitation	570k	547k	4%
EGM WPUPD	$262	$258	2%
Table games WPOH	$477	$471	1%
Carded revenue	66%	66%	
Non-Gaming			
Hotels – rooms sold	16,986	16,221	5%
Hotels – occupancy	77%	74%	4%
Hotels – average daily rate	$417	$440	(5%)
F&B – visitation (covers)	871k	879k	(2%)
F&B – average spend	AUD$26	AUD$26	2%

ADELAIDE'S 2H25 EVENT SCHEDULE SET TO SUPPORT VISITATION LEVELS

Jan 25	Adelaide Tennis International Cycling Tour Down Under KFC Big Bash 20/20 Cricket Lunar New Year
Feb 25	LIV Golf Adelaide Fringe Festival Adelaide Festival
Mar 25	AFL Season Commences WOMAdelaide – The Worlds Festival
Apr 25	AFL – Gather Round
May 25	RAA Travel – Tasting Australia
Jun 25	Adelaide Cabaret Festival

ONLINE: BUILDING CAPABILITY

- Significant growth potential in a regulated online market
- Ambition to be a top 4 operator (subject to securing licences in the regulated market)

PLATFORM AND CAPABILITY

2024

- Established office in Malta
- Commenced payment of 12% online casino duty from Jul 24
- Transitioning from outsourced people services to an offshore in-house team
- Expanded team capability with dedicated SEO, Games, and UX specialists
- Proactive engagement with NZ regulators and Government
- Assessed front end, mobile and platform alternatives

2025

- Optimise current .com offshore operations
- Continue engagement with regulators
- Build and own the front-end, content management system and App
- Select and migrate to new Platform partner
- SkyCity Malta to obtain and operate under a Malta gaming licence
- Secure NZ online gaming licence
- Define and execute strategies for NZ regulated market

GROW MARKET SHARE

2026+

- Regulation anticipated to take effect in early 2026
- Ensure full operational readiness for Day 1 launch to accelerate market growth
- Key focus areas: localised marketing, host responsibility, single customer view, VIP management and utilisation of land based assets and brand for customer education, acquisition and retention



MCP: CARDED PLAY PROGRAMME

Preparing for a seamless customer experience

- Planning for 100% carded play across NZ by Jul 25 (Adelaide early 26)
- Reflects our proactive approach to risk and customer care
- Incorporating industry learnings to ensure:
  - Enhanced customer loyalty opportunities
  - Smooth customer enrolment process (targeting 3-5 minutes) to achieve frictionless customer experience
  - Experiences planned for go-live

CARDED PLAY ROLL OUT PRIORITIES



ENROLMENT
The solution and cards we need to enable customers to get an authenticated account and card



ENGAGE
Preparing the hardware and software we need to enable carded play at tables and electronic games



TABLE GAMES
Updating our table gaming experience to enable carded play



ELECTRONIC
Updating our EGM and ATG hardware and user experience to enable carded play



LAUNCH
Preparing for go-live and launching technology solutions across Auckland, Hamilton and Queenstown



CUSTOMER
Ensuring everyone understands the what, why and how of MCP, and upholding the customer experience

BENEFITS OF CARDED PLAY

- Enhanced customer loyalty opportunities
- Enhanced management of risks associated with regulatory compliance
- Improved ability to administer responsible gaming measures
- Operational efficiency
- Customer insights

SKYCITY ENTERTAINMENT GROUP

OUTLOOK

JASON WALBRIDGE | CHIEF EXECUTIVE OFFICER



REVISED FY25 OUTLOOK

- Based on the 1H25 result and the expectation of continued economic weakness, we take the view that a lower range of EBITDA is likely in FY25

- Revise previous FY25 Underlying Group EBITDA guidance to between $225m and $245m (previously $245m and $265m)
  - Impacted by lower customer spend and higher risk transformation costs
- Maintain no dividend expected for FY25

- The revised EBITDA range includes ~$18m of costs related to the Adelaide transformation programme (B3), up from $10m in previous guidance
  - Note: We expect to spend in the order of $60m between FY25 and FY27 in completing the B3 programme in Adelaide
- Continue to expect FY25 core stay-in-business capex of $60-$70m (1H25: $30m)



SUPPORTING GROWTH AND RETURNS TO SHAREHOLDERS

DRIVERS OF EARNINGS GROWTH OVER TIME



1. ECONOMIC RECOVERY

- Increased customer spend
- Increased visitation
- Margin improvement



2. NZICC

- Increased visitation
- Cross spend opportunities



3. GROW ONLINE

- Grow online channel customers
- Ambition to be a top 4 operator

RISK TRANSFORMATION | **DIGITAL TRANSFORMATION** | **CAPITAL RECYCLING** | **COST MANAGEMENT**

SKYCITY INVESTMENT PROPOSITION

Platform for success and growth

SIGNIFICANT GAMING OPERATOR IN NZ AND AU

ASX/NZX listed casino operator

Investing to ensure compliance with **AML/CFT** and **host responsibility** regulatory requirements

Exclusive and long dated casino licences with an **average term >20 years**

Unmatched gaming offering in all operating markets

OWN AND OPERATE WORLD CLASS INTEGRATED RESORTS

World class gaming, entertainment and leisure operator

- **Four** casinos, **Four** hotels, **36** food and beverage outlets, Sky Tower, **~4,300** car parks, international convention centre (opening 2026) and bowling alley

A diversified business with a **71%:29% mix** of revenue between gaming and non-gaming

Owner of a diversified, **significant property portfolio**

Experienced management team and **~4,500 employees**

Over **10m visitations** per annum

GROWTH OPPORTUNITIES

Improved economic conditions supporting an increasing customer base and spend levels

Growth in visitation from **opening of NZICC**

Regulation of New Zealand **online gaming**, providing opportunity for online growth

FINANCIAL RETURN PROFILE

Attractive EBITDA margins **(1H25: 27%)**

High cash-generating business

Well supported access to capital with a **weighted average debt maturity of 4.5 yrs**

Opportunity to **monetise select assets** to support an improved ROIC

Tripadvisor #1 RANKING TRIPADVISOR

Tripadvisor Travelers' Choice Awards 2024 AWARDED TRIPADVISORS TRAVELERS CHOICE AWARD

qualmark BEST SUSTAINABLE TOURISM BUSINESS IN NZ QUALMARK GOLD WINNER

SOUTH AUSTRALIAN TOURISM AWARDS 2024 GOLD WINNER

SKYCITY ENTERTAINMENT GROUP

APPENDICES



SKYCITY OVERVIEW

	AUCKLAND	HAMILTON AND QUEENSTOWN	ADELAIDE	ONLINE (MALTA)
Operated since	**1996**	**2002 & 2000**	**2000**	**2019**
Gaming licence expiry	**2048**	**2027** Hamilton	**2085** (exclusive to 30 June 2035)	
		2025 Queenstown[1]		
Gaming licences total	**1,877** EGMs	**425** EGMs	**1,500** EGMs	
	390 Table games	**35** Table games	**200** Table games	**2,000** games
Gaming licences utilised	**1,715** EGMs	**425** EGMs	**1,080** EGMs	
	297 Table games	**30** Table Games	**81** Table Games	
Non-gaming	**938** Hotel rooms (3 hotels)		**120** Hotel rooms (1 hotel)	
	17 F&B Outlets	**9** F&B outlets	**10** F&B	
	1 Convention/Entertainment		**1** Convention/Entertainment	
	3,198 Carparking spaces[2]	**330** Carparking spaces		
Property owned	**1** Casino	**1** Hamilton Casino	**1** Hotel	
	3 Hotels	**1** Bowling alley		
	1 Observation tower			
	20,000 sqm Office			
	32,500 sqm Conv. centre			
Property leased		**1** Queenstown Casino	**1** Casino	
			1 Carpark	

1. Application for renewal submitted
2. Includes estimated 1,248 carspaces for the NZICC

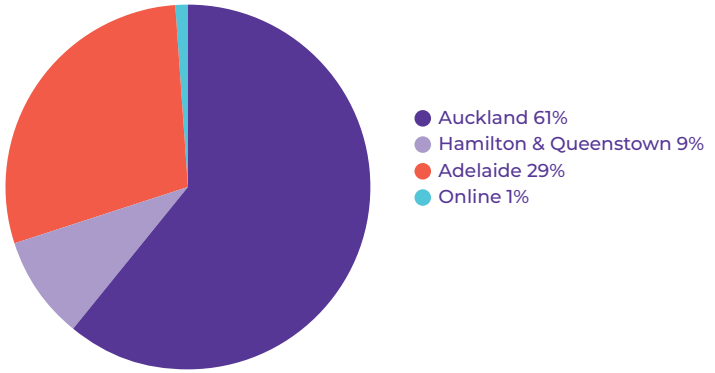
GROUP RESULTS

$M	1H25	1H24
Auckland	258.3	280.6
Hamilton and Queenstown	38.3	38.8
Adelaide	123.2	116.8
Online	2.1	5.6
Corporate	0.1	1.1
Total underlying revenue[1]	**422.0**	**442.8**
Auckland	107.7	125.7
Hamilton and Queenstown	17.5	16.8
Adelaide	15.2	18.2
Online	(1.1)	3.0
Corporate	(26.2)	(19.4)
Underlying EBITDA	**113.1**	**144.3**
EBITDA margin	*26.8%*	*32.6%*
Depreciation and amortisation	(45.3)	(44.2)
Underlying EBIT	**67.8**	**100.0**
Net finance costs	(12.3)	(8.7)
Operating income tax expense	(17.7)	(26.8)
Underlying net profit after tax	**37.8**	**64.5**
Non-operating items	(31.7)	(42.0)
Reported net profit after tax	**6.1**	**22.5**

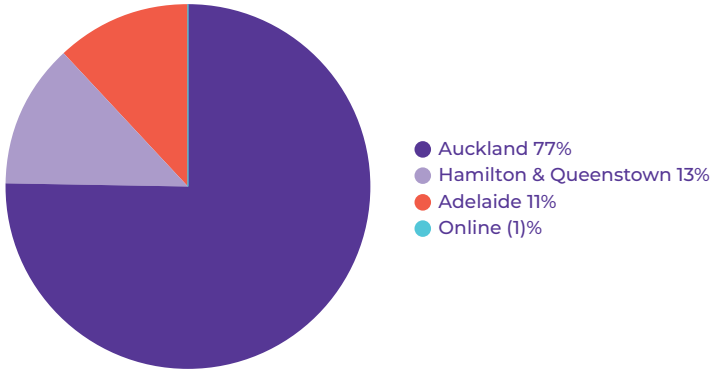
Key Metrics	1H25	1H24
Underlying EPS (cents)	5.0	8.8
Reported EPS (cents)	0.8	3.0
DPS (cents)	0.00	5.25

1. Excludes gaming GST
2. Excludes Corporate segment

1H25 REVENUE BY SEGMENT[2]



1H25 EBITDA BY SEGMENT[2]



UNDERLYING PROFIT TO REPORTED RESULT RECONCILIATION

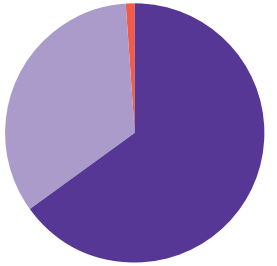
	1H25				1H24 (RESTATED)[1]			
$M	**REVENUE**	**EBITDA**	**EBIT**	**NPAT**	**REVENUE**	**EBITDA**	**EBIT**	**NPAT**
Reported Results	**422.0**	**113.1**	**67.8**	**6.1**	**445.2**	**101.0**	**56.7**	**22.5**
Remove impact of NZICC Fire Accounting	–	–	–	–	(2.4)	5.5	5.5	4.2
Remove AUSTRAC regulatory penalty	–	–	–	–	–	37.8	37.8	37.8
Remove provision for interest payable and tax implications of the SA Casino duty dispute	–	–	–	31.7	–	–	–	–
Underlying Results	**422.0**	**113.1**	**67.8**	**37.8**	**442.8**	**144.3**	**100.0**	**64.5**

1. 1H24 underlying results have been restated to remove adjustments less than $5m, GST revenue reclassification and gaming rebates due to a change in company policy.

OPERATING RESULTS BY SEGMENT

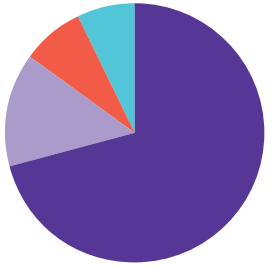
	AUCKLAND		HAMILTON AND QUEENSTOWN		ADELAIDE		ONLINE		CORPORATE		TOTAL	
$M	**1H25**	**1H24**	**1H25**	**1H24**	**1H25**	**1H24**	**1H25**	**1H24**	**1H25**	**1H24**	**1H25**	**1H24**
Gaming machines	118.3	127.9	26.0	26.4	50.3	46.6	0.0	0.0	0.0	0.0	**194.6**	**200.9**
Table games	57.1	66.4	7.0	6.5	30.3	29.1	0.0	0.0	0.0	0.0	**94.4**	**101.9**
Premium tables	5.9	12.6	(0.1)	0.4	3.6	5.3	0.0	0.0	0.0	0.0	**9.4**	**18.3**
Other gaming	0.0	0.0	0.0	0.0	0.1	0.1	2.1	5.6	0.0	0.0	**2.1**	**5.7**
Total gaming revenue[1]	**181.3**	**206.9**	**32.9**	**33.3**	**84.2**	**81.0**	**2.1**	**5.6**	**0.0**	**0.0**	300.5	326.8
Food and beverage	32.5	34.5	2.9	2.9	23.6	23.6	0.0	0.0	0.0	0.0	**59.0**	**61.0**
Hotels	25.3	23.9	0.0	0.0	7.6	7.3	0.0	0.0	0.0	0.0	**32.9**	**31.2**
Entertainment and other	19.2	15.3	2.5	2.6	7.7	4.9	0.0	0.0	0.1	1.1	**29.6**	**23.8**
Total non-gaming revenue	**77.0**	**73.7**	**5.4**	**5.5**	**38.9**	**35.7**	**0.0**	**0.0**	**0.1**	**1.1**	121.5	116.0
Total underlying revenue	**258.3**	**280.6**	**38.3**	**38.8**	**123.2**	**116.8**	**2.1**	**5.6**	**0.1**	**1.1**	422.0	442.8
Operating expenses	(150.7)	(154.9)	(20.8)	(22.0)	(108.0)	(98.6)	(3.2)	(2.6)	(26.3)	(20.5)	**(308.9)**	**(298.5)**
Underlying EBITDA	**107.7**	**125.7**	**17.5**	**16.8**	**15.2**	**18.2**	**(1.1)**	**3.0**	**(26.2)**	**(19.4)**	113.1	144.3
Depreciation and amortisation	(23.8)	(18.9)	(2.6)	(2.6)	(12.4)	(15.9)	(0.2)	0.0	(6.3)	(6.8)	**(45.3)**	**(44.2)**
Underlying EBIT	**83.9**	**106.8**	**14.9**	**14.1**	**2.8**	**2.3**	**(1.3)**	**3.0**	**(32.5)**	**(26.2)**	67.8	100.0

1H25 GAMING REVENUE BY TYPE



- Gaming Machines 65%
- Table Games 34%
- Other Gaming 1%

1H25 TOTAL REVENUE BY TYPE



- Gaming 71%
- Food & Beverage 14%
- Hotels 8%
- Entertainment and other 7%

1. Excludes gaming GST.

DEBT AND LIQUIDITY

DEBT FACILITIES

$M

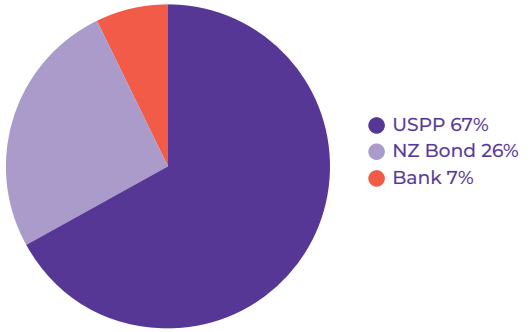
Type	Maturity date	Total amount	Facility amount	Amount drawn	Undrawn
USPP	Mar-28	65.4 AUD	72.1 NZ	72.1 NZ	–
USPP	Feb-30	75.0 US	129.0 NZ	129.0 NZ	–
USPP	Sep-31	150.0 US	246.9 NZ	246.9 NZ	–
NZ Bond	May-27	175.0 NZ	175.0 NZ	175.0 NZ	–
Bank facility	Jul-27	57.5 NZ	57.5 NZ	45.0 NZ	12.5 NZ
Bank facility	Sep-27	80.0 NZ	80.0 NZ	–	80.0 NZ
Bank facility	Sep-28	137.5 NZ	137.5 NZ	–	137.5 NZ
			898.0 NZ	**668.0 NZ**	**230.0 NZ**

LIQUIDITY PROFILE

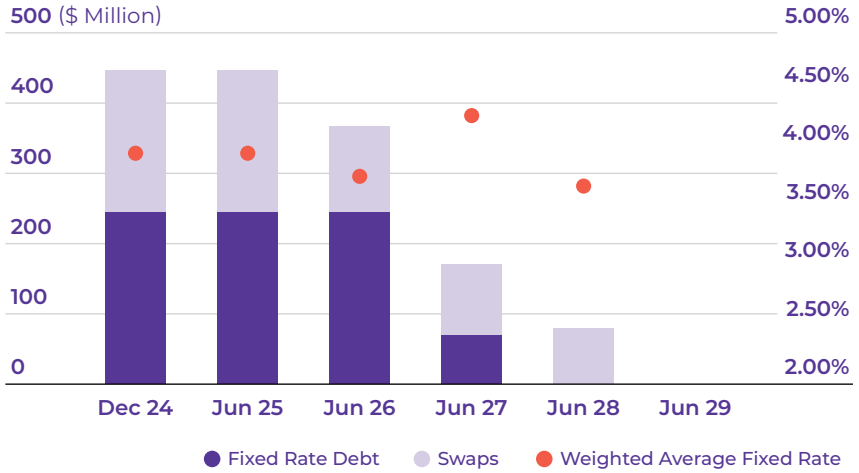
$M

As at 31 Dec 2024	Facility limit	Drawn amount	Available liquidity
Facilities due within 12 months	–	–	–
Facilities due post 12 months	898.0	668.0	230.0
Total	**898.0**	**668.0**	**230.0**
Cash and cash equivalents available for liquidity			68.6
Overdraft facility			10.0
Total liquidity			**308.6**
Less facilities maturing <12 months			0.0
Funding headroom			**308.6**

DRAWN DEBT SOURCES



HEDGING AND FIXED INTEREST PROFILE 31 DEC 24



IMPORTANT INFORMATION

- Average NZ$ vs. A$ cross-rate for 1H25 = 0.9122 and 1H24 = 0.9246
- Weighted average number of shares excludes executives' shares held on trust under the Group's executive incentive schemes:
  - 1H25 = 759,218,929
  - 1H24 = 758,733,593
- GST rates: NZ 15%; AU 10%
- EBITDA margin % is calculated on revenue, excluding 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:

- regulatory penalties and provisions and NZICC fire accounting; and
- structural differences in the business between financial reporting periods

Underlying results are also used for internal purposes such as budgeting and staff incentives, but not for financing decisions

Non-GAAP information is prepared in accordance with a Board approved "Non-GAAP Financial Information Policy" and is reviewed by the Board at each reporting period

Application of the Group's "Non-GAAP Financial Information Policy" is consistent with the Board-approved approach

GLOSSARY

AML	Anti-money laundering and counter terrorism financing
ATG	Automated table game
D&A	Depreciation and amortisation
DPS	Distribution per share
EBITDA	Earnings before interest and taxes
EGM	Electronic gaming machine
EPS	Earnings per share
F&B	Food and beverage outlets
FIFA	Fédération Internationale de Football Association
MPC	Mandatory carded play
NPAT	Net profit after tax
NZICC	New Zealand International Convention Centre
PCP	Prior comparable period
WPOH	Win per opening hour
WPUPD	Win per unit per day

SKYCITY ENTERTAINMENT GROUP

THANK YOU

1H25 INVESTOR PRESENTATION | 20 FEBRUARY 2025



CONTACT

Craig Brown
Head of Investor Relations
Craig.Brown@skycity.co.nz

SkyCity Entertainment Group Limited
Interim Financial Statements
for the six month period ended
31 December 2024

For and on behalf of the Board:





Julian Cook
Chair of the SkyCity Board

Chad Barton
Chair of the Audit Committee

19 February 2025

Independent auditor's review report

To the shareholders of SkyCity Entertainment Group Limited

Report on the interim financial statements

Our conclusion

We have reviewed the interim financial statements of SkyCity Entertainment Group Limited (the Company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, and the income statement, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the six-month period ended on that date, and selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and cash flows for the six-month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In our capacity as auditor, our firm provides review, specified procedures, agreed-upon procedures, and other assurance-related services involving an assessment of whether the preconditions for assurance exist in preparation for assurance over greenhouse gas emissions. Our firm carries out other assignments in the areas of tax compliance, tax advisory services and other advisory services. The firm has no other relationship with, or interests in, the Group.

Responsibilities of the Directors for the interim financial statements

The Directors of the Group are responsible on behalf of the Company for the preparation and fair presentation of these interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Who we report to
This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Philippa (Pip) Cameron.

For and on behalf of:



PricewaterhouseCoopers
19 February 2025 Auckland

SkyCity Entertainment Group Limited
Income Statement
For the six month period ended 31 December 2024

	Notes	**Unaudited 6 months 31 December 2024 $'000**	Unaudited 6 months 31 December 2023 $'000
Revenue	5	**420,798**	440,426
NZICC fire related income		**-**	2,422
Other income		**1,172**	1,488
NZICC fire related expenses		**-**	(3,329)
Employee benefits expense		**(174,380)**	(161,011)
Other expenses		**(59,636)**	(66,140)
Directors' fees		**(676)**	(597)
Gaming taxes and levies		**(26,453)**	(26,484)
Direct consumables		**(32,534)**	(32,960)
Marketing and communications		**(10,798)**	(10,788)
Regulatory penalties		**-**	(37,758)
Community contributions, sponsorships and donations		**(4,791)**	(5,171)
Fair value gain on investment properties		**382**	-
Share of profits from associates		**-**	892
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**113,084**	100,990
Depreciation and amortisation		**(42,397)**	(41,067)
Depreciation on right-of-use assets		**(2,932)**	(3,180)
Earnings before interest and tax (EBIT)		**67,755**	56,743
Net finance costs	8	**(39,631)**	(8,715)
Profit Before Income Tax		**28,124**	48,028
Income tax expense	6	**(22,053)**	(25,482)
Profit for the Period Attributable to Shareholders of the Company		**6,071**	22,546
Earnings per share for Profit Attributable to the Shareholders of the Company			
Basic and diluted earnings per share		**0.8**	3.0

The above income statement should be read in conjunction with the accompanying notes.

SkyCity Entertainment Group Limited
Statement of Comprehensive Income
For the six month period ended 31 December 2024

	Unaudited 6 months 31 December 2024 $'000	Unaudited 6 months 31 December 2023 $'000
Profit for the Period	**6,071**	22,546
Other Comprehensive Income		
Items that may be subsequently reclassified to profit or loss		
Foreign Currency Translation Reserve		
Exchange differences on translation of overseas subsidiaries	**1,504**	(2,921)
Cash Flow Hedge Reserve		
Cash flow hedges - revaluations	**(3,066)**	(9,313)
Cash flow hedges - transfer to finance costs	**(605)**	8,297
Cash flow hedges - income tax	**1,028**	285
Cost of Hedging Reserve		
Cost of hedging reserve - revaluations	**(713)**	(268)
Cost of hedging reserve - transfer to finance costs	**459**	579
Cost of hedging reserve - income tax	**71**	(87)
Other Comprehensive Income for the Year, Net of Tax	**(1,322)**	(3,428)
Total Comprehensive Income for the Year	**4,749**	19,118

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

SkyCity Entertainment Group Limited
Balance Sheet
As at 31 December 2024

	Notes	Unaudited 31 December 2024 $'000	30 June 2024 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		**88,649**	60,536
Receivables and prepayments		**24,390**	86,878
Inventories		**8,809**	8,375
Derivative financial instruments		**234**	17,913
Current tax receivables		**1,779**	7
NZICC fire recoveries		**-**	2,480
Assets classified as held for sale		**13,000**	13,000
Total Current Assets		**136,861**	189,189
Non-current Assets			
Deferred tax assets	7	**49,493**	52,350
Derivative financial instruments		**16,371**	550
Investment properties		**79,814**	78,800
Property, plant and equipment		**1,847,005**	1,816,961
Intangible assets		**549,876**	544,607
Right-of-use assets		**119,886**	98,579
Total Non-current Assets		**2,662,445**	2,591,847
Total Assets		**2,799,306**	2,781,036
LIABILITIES			
Current Liabilities			
Payables and provisions	8	**196,472**	226,796
Interest bearing liabilities	9	**-**	241,116
Current tax liabilities		**203**	34,707
Derivative financial instruments		**466**	366
Lease liabilities		**7,471**	3,285
Total Current Liabilities		**204,612**	506,270
Non-Current Liabilities			
Interest bearing liabilities	10	**678,178**	368,381
Non-current payables		**11,611**	20,052
Deferred tax liabilities		**211,197**	210,739
Lease liabilities		**135,541**	118,147
Deferred licence value		**246,408**	246,408
Derivative financial instruments		**2,568**	7,178
Total Non-current Liabilities		**1,285,503**	970,905
Total Liabilities		**1,490,115**	1,477,175
Net Assets		**1,309,191**	1,303,861
EQUITY			
Share capital		**1,343,017**	1,342,436
Reserves		**(8,772)**	(7,450)
Retained earnings		**(25,054)**	(31,125)
Total Equity		**1,309,191**	1,303,861

The above balance sheet should be read in conjunction with the accompanying notes.

SkyCity Entertainment Group Limited
Statement of Changes in Equity
For the six month period ended 31 December 2024

	Share Capital $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance as at 1 July 2024	**1,342,436**	**(7,450)**	**(31,125)**	**1,303,861**
Total comprehensive income	-	(1,322)	6,071	**4,749**
Share rights issued for employee service	637	-	-	**637**
Net movement in treasury shares	(56)	-	-	**(56)**
Balance as at 31 December 2024	**1,343,017**	**(8,772)**	**(25,054)**	**1,309,191**
Balance as at 1 July 2023	**1,343,027**	**(10,435)**	**197,605**	**1,530,197**
Total comprehensive income	-	(3,428)	22,546	**19,118**
Dividends paid	-	-	(45,541)	**(45,541)**
Share rights issued for employee service	1,727	-	-	**1,727**
Net movement in treasury shares	36	-	-	**36**
Balance as at 31 December 2023	**1,344,790**	**(13,863)**	**174,610**	**1,505,537**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

SkyCity Entertainment Group Limited
Statement of Cash Flows
For the six month period ended 31 December 2024

	Unaudited 6 months 31 December 2024 $'000	Unaudited 6 months 31 December 2023 $'000
Cash Flows from Operating Activities		
Receipts from customers	**427,513**	432,495
Payments to suppliers and employees	**(268,486)**	(264,436)
Government grants	**100**	260
Other insurance income	**2,480**	-
Regulatory penalties paid	**(75,697)**	-
Gaming taxes and levies paid	**(30,428)**	(30,899)
Income taxes paid	**(53,536)**	(49,958)
Net Cash Inflow from Operating Activities	**1,946**	87,462
Cash Flows from Investing Activities		
Proceeds from disposal of shares in associate	**56,755**	-
Capital additions	**(76,119)**	(77,321)
Purchased intangible assets	**(2,642)**	(3,461)
NZICC fire related expenses	**-**	(797)
Net Cash Outflow from Investing Activities	**(22,006)**	(81,579)
Cash Flows from Financing Activities		
Cash flows associated with net derivatives	**(1,547)**	810
Proceeds from new borrowings	**340,664**	-
Repayment of borrowings	**(275,380)**	-
Movement in treasury shares	**(56)**	36
Interest paid	**(9,040)**	(12,694)
Dividends paid to company shareholders	**-**	(45,541)
Lease interest paid	**(3,635)**	(3,299)
Repayment of lease liabilities	**(2,833)**	(1,992)
Net Cash Inflow/(Outflow) from Financing Activities	**48,173**	(62,680)
Net Increase/(Decrease) in Cash and Cash Equivalents	**28,113**	(56,797)
Cash and cash equivalents at the beginning of the period	**60,536**	245,013
Cash and Cash Equivalents at the End of the Period	**88,649**	188,216

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 General Information

SkyCity Entertainment Group Limited (the **Company**) and its subsidiaries (together, **SkyCity** or the **Group**) operate in the gaming, entertainment, hotel, convention, hospitality and tourism sectors. The Group has operations in New Zealand and Australia.

The Company is a limited liability company incorporated and domiciled in New Zealand. The Company is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The address of its registered office is 99 Albert Street, Auckland. The Company is listed on the New Zealand stock exchange and has a foreign exempt listing on the Australian stock exchange (**NZX** and **ASX** respectively).

These interim financial statements of the Group for the six months ended 31 December 2024 have been reviewed but have not been audited. They were approved for issue by the Board of Directors (**Board**) on 19 February 2025.

For the purposes of complying with generally accepted accounting practice in New Zealand (**GAAP**), the Group is a for-profit entity.

2 Basis of Preparation

These interim financial statements have been prepared in accordance with GAAP. They comply with the New Zealand equivalent to International Accounting Standard (NZ IAS) 34 Interim Financial Reporting, International Accounting Standard (IAS) 34 Interim Financial Reporting and the NZX Listing Rules.

These interim financial statements do not include all the notes normally included in the annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the Group's annual report for the year ended 30 June 2024.

Measurement Basis

These interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities, as identified in the 30 June 2024 annual financial statements.

Presentation Currency

These interim financial statements are presented in New Zealand dollars, which is the Company’s functional currency. Amounts are rounded to the nearest thousand dollars, unless otherwise stated.

Non-GAAP Financial Information

The Group’s standard profit measure prepared under GAAP is profit for the period. When discussing financial performance, the Group also uses non-GAAP financial information, which is not prepared in accordance with GAAP and therefore may not be comparable to similar financial information presented by other entities. The Directors and management believe that this non-GAAP financial information provides useful information to readers of the financial statements to assist them in understanding the Group's financial performance and is consistent with the information used internally to evaluate the performance of the business units.

Definitions of non-GAAP financial information used in these financial statements are:

- EBITDA: earnings before interest, tax, depreciation, and amortisation; and
- EBIT: earnings before interest and tax

Going Concern

While the Group has negative working capital of $67.7 million at balance date, the Group has available undrawn banking facilities of $230.0 million (refer to note 10) as at 31 December 2024.

SkyCity has prepared forecasts to support its going concern assessment. These forecasts consider a range of possible scenarios, including in relation to contingent liabilities (note 12), and have been informed by recent trading performance. SkyCity’s forecasts indicate that the Group continues to have access to a sufficient level of liquidity to sustain the business, remain compliant with its financial obligations and meet any future challenges that may arise from contingent liabilities. The Directors have therefore concluded that there are no material uncertainties related to the Group being a going concern and, accordingly, these interim financial statements are prepared on a going concern basis.

2 Basis of Preparation (continued)

Critical Accounting Estimates and Judgements

The preparation of interim financial statements requires the use of certain critical accounting estimates and the exercise of judgement regarding the application of accounting policies.

These interim financial statements are prepared using the same significant judgements and estimates as were used in the preparation of the 30 June 2024 annual financial statements and as disclosed below:

- the SkyCity Adelaide Pty Limited (**SkyCity Adelaide**) casino licence, which has a finite useful life, is reviewed for impairment at each reporting period. There is no recognition of impairment in the current period;
- in some instances, judgement is required to determine whether a payment that may occur in the future constitutes a provision or a contingent liability. A provision is recognised where an obligating event that gives rise to a requirement to make a payment has occurred. Where a provision is recognised, estimation of the value at which it will be recognised is required. Information on the Group's provisions is provided in note 8 and information on the Group's contingent liabilities is provided in note 12; and
- judgement and estimation are required when determining the amount of deferred tax assets to be recognised in respect of SkyCity Adelaide's tax losses. Further information is provided in note 7.

3 Material Accounting Policies

All material accounting policies applied in these interim financial statements are consistent with those applied in the audited 30 June 2024 annual financial statements and are consistently applied to all periods presented, unless otherwise stated.

4 Segment Information

Operating segments are reported in a manner consistent with the internal reports that the Chief Executive Officer (**CEO**), who is the chief operating decision maker, uses to assess performance and allocate resources.

The prior year has been restated to align the presentation with the July 2024 IFRIC agenda decision on segment reporting.

Gaming revenue has been adjusted for player rebates to align internal reporting with the revenue treatment in the income statement. Comparative information has been restated to reflect this change.

The Group is organised into the following main operating segments:

SkyCity Auckland

This segment consists of the Group's Auckland operations and includes casino operations, hotels and conventions, including the New Zealand International Convention Centre (**NZICC**), food and beverage, the Sky Tower, investment properties and a number of other related activities.

Other NZ Operations

This segment consists of the Group's operations at SkyCity Hamilton and SkyCity Queenstown and includes casino operations, conventions and food and beverage.

SkyCity Adelaide

This segment consists of the Group's Adelaide operations, which includes casino operations, a hotel and conventions and food and beverage.

Online

This segment comprises the Group's online gaming operations.

Corporate/Group

This segment includes head office functions, and funding entities. It is not considered an operating segment.

4 Segment Information (continued)

Six Months Ended 31 December 2024	SkyCity Auckland $'000	Other NZ Operations $'000	SkyCity Adelaide $'000	Online $'000	Corporate/ Group $'000	Total $'000
Gaming revenue	181,308	32,832	84,095	-	-	298,235
Online revenue	-	-	-	2,077	-	2,077
Non-gaming revenue	75,912	5,449	39,067	-	58	120,486
Other income	1,094	-	-	-	78	1,172
Total Income	258,314	38,281	123,162	2,077	136	421,970
Employee benefits expense	(88,819)	(12,230)	(56,955)	(1,385)	(14,991)	(174,380)
Gaming taxes and levies	(9,700)	(1,929)	(14,824)	-	-	(26,453)
Other expenses	(54,470)	(6,620)	(36,218)	(885)	(9,860)	(108,053)
Depreciation and amortisation	(23,751)	(2,655)	(12,402)	(212)	(6,309)	(45,329)
Segment Profit/(Loss) (EBIT)	81,574	14,847	2,763	(405)	(31,024)	67,755
Net finance costs						(39,631)
Profit before income tax						28,124

Restated **Six Months Ended 31 December 2023**	SkyCity Auckland $'000	Other NZ Operations $'000	SkyCity Adelaide $'000	Online $'000	Corporate/ Group $'000	Total $'000
Gaming revenue	206,831	33,293	80,902	-	-	321,026
Online revenue	-	-	-	5,567	-	5,567
Non-gaming revenue	72,473	5,463	35,858	-	39	113,833
Other income	1,254	-	-	-	234	1,488
NZICC fire income	2,422	-	-	-	-	2,422
Share of net profit of associate	-	-	-	-	892	892
Total Income	282,980	38,756	116,760	5,567	1,165	445,228
Employee benefits expense	(85,086)	(11,869)	(52,611)	(528)	(10,917)	(161,011)
Gaming taxes and levies	(10,909)	(2,089)	(13,486)	-	-	(26,484)
Other expenses	(65,254)	(8,069)	(32,456)	(2,027)	(7,850)	(115,656)
Regulatory penalties and fees	(5,000)	-	(32,758)	-	-	(37,758)
NZICC fire expenses	(3,329)	-	-	-	-	(3,329)
Depreciation and amortisation	(18,876)	(2,584)	(15,939)	-	(6,848)	(44,247)
Segment Profit/(Loss) (EBIT)	94,526	14,145	(30,490)	3,012	(24,450)	56,743
Net finance costs						(8,715)
Profit before income tax						48,028

5 Revenue

	6 months 31 December 2024 $'000	6 months 31 December 2023 $'000
Gaming	**298,235**	321,026
Non-gaming	**120,486**	113,833
Online gaming	**2,077**	5,567
Total Revenue	**420,798**	440,426

Gaming revenues represent the net win to the Group's land-based casinos from gaming activities, being the difference between amounts wagered and amounts won by casino patrons. Revenue is recognised at the conclusion of each game.

Gaming rebates are accounted for as a reduction in gaming revenue. Revenue from the online casino is derived from gaming activities by New Zealand based players using an online platform developed by Gaming Innovation Group Inc (**GiG**) and operated under a Malta gaming licence held by Silvereye Entertainment Limited (a subsidiary of GiG).

GiG (and not SkyCity) is therefore the principal transacting with the online casino customers. Revenue is reported net of costs payable to GiG under contractual arrangements agreed with GiG.

Non-gaming revenues include revenues arising from hotels and conventions, food and beverage, the Sky Tower, car parking and other sources. These revenues are recognised when the associated goods or services have been provided.

5 Revenue (continued)

	Notes	**6 months 31 December 2024 $'000**	6 months 31 December 2023 $'000
Reconciliation to the Segment Note			
Total revenue	5	**420,798**	440,426
Other income		**1,172**	1,488
Share of net profit of associate		**-**	892
NZICC fire related income		**-**	2,422
Total Income		**421,970**	445,228

6 Income Tax Expense

	6 months 31 December 2024 $'000	6 months 31 December 2023 $'000
Profit before tax	**28,124**	48,028
Prima facie income tax @ 28%	**7,875**	13,448
Australian tax group losses not recognised	**13,699**	-
Items non-deductible for tax purposes	**1,398**	1,092
Controlled foreign company regime	**703**	844
New Zealand tax law changes to depreciation	**500**	-
Non-deductible regulatory penalties	**55**	11,228
Items non-assessable for tax purposes	**(1,434)**	(1,868)
Differences in overseas tax rates	**(423)**	(1,571)
Investment property adjustments	**(204)**	(132)
Fair value adjustment on investment property	**(107)**	-
Prior period adjustments	**-**	2,169
NZICC fire capital expenses	**-**	254
Other	**(9)**	18
Income tax expense	**22,053**	25,482

The weighted average applicable tax rate is 78.4% (six months to 31 December 2023: 53.1%). The weighted average tax rate has been impacted by:

- Australian group tax losses not recognised and;
- non-deductible regulatory penalties (prior period only).

Excluding these items, the weighted average tax rate would have been 29.7% (six months to 31 December 2023: 29.4%).

7 Deferred Tax Assets

Deferred tax assets relate to the Group's Australian tax group and other foreign operations (excluding Malta).

The Group has recognised a deferred tax asset of $49.5 million (A$44.9 million) in relation to tax losses and other deductible timing differences. A deferred tax asset of $30.7 million (A$27.9 million) has been recognised on tax losses of $102.4 million (A$92.9 million) (30 June 2024: $102.5 million, A$93.7 million) in relation to Australia. The Group has a further $59.1 million (A$53.6 million) of tax losses which are not recognised as the Group has limited the recognition of losses to be utilised against future taxable profits to an appropriate period of time. The tax losses have predominantly arisen as a result of the COVID-19 pandemic impacting SkyCity Adelaide's operations and South Australian tourism, with the expanded SkyCity Adelaide property largely not able to operate at full capacity for the majority of time since opening in December 2020. In addition, accelerated tax depreciation on the Adelaide property expansion and expenditure incurred in relation to ongoing SkyCity Adelaide regulatory reviews have also contributed to the tax loss position.

It is possible to carry forward Australian tax losses indefinitely, subject to ownership and same business tests, and these losses do not have an expiry date.

The Group's forecasts, including consideration of key sensitivities, indicate that the Adelaide business will generate future taxable income. On this basis, the Group has considered it is probable that sufficient future taxable income will be generated to utilise the tax losses recognised.

The Group reviews future loss utilisation at each reporting date.

8 Payables and Provisions

	31 December 2024 $'000	30 June 2024 $'000
Trade payables	**30,363**	20,846
Deferred income	**15,826**	18,216
Accrued expenses	**49,928**	116,400
Employee benefits	**57,168**	47,346
Other provisions	**43,187**	14,469
Regulatory penalties provision	**-**	9,519
Total Payables and Provisions	**196,472**	226,796

Provisions

Provisions are recognised in relation to a number of matters, including the longstanding contractual dispute between SkyCity Adelaide and Revenue South Australia concerning the proper interpretation of the Casino Duty Agreement for the purpose of calculating casino duty at the SkyCity Adelaide casino.

On 16 October 2024, the High Court delivered its judgment. The High Court confirmed the Court of Appeal's interpretation of the Casino Duty Agreement finding that credits on gaming machines arising from the conversion of loyalty points, when played by customers, are to be included in gaming revenue for the purpose of calculating casino duty at the SkyCity Adelaide casino. Accordingly, SkyCity Adelaide is now obliged to pay additional casino duty of A$13.1 million in respect of the casino duty return periods from January 2014 to January 2024.

The High Court also ruled in favour of the Treasurer's position on the interest clause in the Casino Duty Agreement. Accordingly, SkyCity has recognised a provision of A$24.8 million (NZ$27.3 million) in relation to the exposure to interest payable in addition to the prior year provision of A$13.1 million (NZ$14.5 million) in relation to the exposure to casino duty payable.

In the prior year, provisions were also recognised in relation to civil penalty proceedings commenced by the Department of Internal Affairs against SkyCity Casino Management Limited. Those matters are now resolved.

9 Current Interest Bearing Liabilities

	31 December 2024 $'000	30 June 2024 $'000
Syndicated bank facility	**-**	80,000
USPP notes	**-**	161,116
Total secured current interest bearing borrowings	**-**	241,116

10 Non-current Interest Bearing Liabilities

	31 December 2024 $'000	30 June 2024 $'000
USPP notes	**461,827**	195,924
Syndicated bank facility	**45,000**	-
New Zealand bonds	**175,000**	175,000
Deferred funding expenses	**(3,649)**	(2,543)
Total Non-current Interest Bearing Liabilities	**678,178**	368,381

(a) USPP Notes

The USPP fixed rate US dollar borrowings have been hedged and converted to New Zealand dollar floating rate borrowings by using cross-currency interest rate swaps to eliminate foreign exchange exposure to the US dollar.

USPP notes mature in March 2028 (A$65.4 million), February 2030 (US$75.0 million) and September 2031 (US$150.0 million).

As disclosed in the audited financial statements for the year ended 30 June 2024, the movement in the amount of USPP notes from 30 June 2024 relates to the issue of new USPP notes and the repayment of USPP notes that were due to mature in March 2025, along with foreign exchange and interest rate movements.

(b) Syndicated Bank Facility

The syndicated banking facility is provided by ANZ (New Zealand) and Westpac (New Zealand).

As at 31 December 2024, SkyCity had in place revolving credit facilities of:

- NZ$57.5 million maturing 15 July 2027 ($45.0 million drawn at the reporting date);
- NZ$80.0 million maturing 15 September 2027 (undrawn at the reporting date); and
- NZ$137.5 million maturing 15 September 2028 (undrawn at the reporting date).

(c) New Zealand Bonds

$175.0 million of six-year unsubordinated, unsecured redeemable fixed rate bonds were issued on 21 May 2021.

11 Commitments

Capital Commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as set out below:

	31 December 2024 $'000	30 June 2024 $'000
Property, plant and equipment	**28,684**	53,866

Capital commitments largely comprise estimations for NZICC construction completion.

12 Contingencies

(a) Contingent Liabilities

SkyCity operates in a highly regulated industry. During the current period, there has been continued focus on the casino industry in both New Zealand and Australia.

SkyCity takes its regulatory obligations seriously and continues to engage proactively with its regulators and respond to their inquiries.

(i) Independent Review

As further detailed in the Group's financial statements for the year ended 30 June 2024, the Honourable Brian Martin AO KC has been appointed to undertake an independent review of SkyCity Adelaide in accordance with Part 3 of the Casino Act 1997 (SA) to consider, amongst other things, whether SkyCity Adelaide is a suitable person to continue to hold the casino licence in South Australia, whether the Company is a suitable person to continue to be a close associate of SkyCity Adelaide, and, if SkyCity Adelaide or the Company is not a suitable person, what changes (if any) are required for that party to become a suitable person. In addition, Kroll Australia Pty Limited (**Kroll**) has been appointed as the independent expert by SkyCity Adelaide to review its anti-money laundering and counter terrorism (**AML/CTF**) and host responsibility enhancement programmes, and if required make amendments to those programmes, and monitor their implementation and SkyCity Adelaide's compliance with its AML/CTF and gambling harm minimisation obligations. On 30 December 2024, the Acting Commissioner announced that they have agreed to an extension of time for the completion of Mr Martin's report until the end of May 2025.

Prior to any findings being made or a final report being provided by Mr Martin, it is not possible to determine what regulatory action, if any, might be applied to SkyCity Adelaide as a result of the independent review. Consequently, at the reporting date there is no present obligation and a provision has not been recognised in relation to this matter.

The Company and SkyCity Adelaide will continue to cooperate with Consumer and Business Services, Kroll and Mr Martin and any further requests for information and/or documents.

(ii) Casino (Penalties) Amendment Act 2024 (SA)

On 21 November 2024, the Casino (Penalties) Amendment Act 2024 (SA) (**Penalties Act**) came into operation in South Australia.

The Penalties Act has amended the Casino Act 1997 (SA) and Gambling Administration Act 2019 (SA) by introducing a range of new and significantly increased penalties for contraventions of those Acts in line with the penalty regimes in other Australian states, whether imposed for criminal offending, as expiation fees or as a fine imposed by taking disciplinary action. The Penalties Act also establishes new causes for the South Australian Liquor and Gambling Commissioner to take disciplinary action against the holder of the Adelaide casino licence.

Of particular note, the Penalties Act gives the Commissioner power to impose a financial penalty on SkyCity Adelaide, as a casino licensee, either in the form of a default notice requiring payment of up to A$1.0 million (increased from A$10,000 currently) or by taking disciplinary action and issuing a fine not exceeding A$75 million (increased from A$100,000 currently).

12 Contingencies (continued)

The transitional provisions contained within the Penalties Act clarify that the changes being made to the maximum fine that can be imposed by taking disciplinary action, as well as the new causes for taking disciplinary action, will apply to conduct which has occurred prior to commencement of the provisions (should such circumstances come to light), as well as to disciplinary action which has commenced but has not yet reached the stage of determining the penalty.

(iii) Other Regulatory Matters

In addition to the matters outlined above, the Group receives correspondence from and engages with its regulators from time to time as required regarding the Group's business operations, including in relation to regulator audits/reviews, adverse media about the Group's operations, and complaints made about the Group's business operations. In relation to these matters, the Group engages with the relevant regulator and responds to requests for information and documents as they arise.

In the case of any alleged wrongdoing by the Group, the appropriate regulatory response or action by a regulator (where contraventions are admitted or established) is very specific to the facts in each case and may include no action, a formal warning or, where the matter relates to the Group's casino operations, an application to suspend and/or cancel the relevant casino licence under the Gambling Act, South Australian Casino Act 1997 and/or South Australian Gambling Administration Act 2019 as applicable. Provisions are recognised in relation to such matters only where an obligation exists at the reporting date.

(b) Contingent Assets

The Group will seek recovery from The Fletcher Construction Company Limited, the Contractor for the NZICC and Horizon Hotel projects, for additional costs and losses associated with the NZICC fire and delays that are not covered by the insurers. These include insurance excesses, payments to Macquarie under the Car Park Concession Agreement, additional project costs, and other items.

The Group has identified $74.0 million (30 June 2024: $50.8 million) of costs incurred to date where it does not believe that recovery is virtually certain at this time given the position currently being taken by the Contractor, and therefore no income has been recognised. However, these costs will be sought from the Contractor and as recovery of these costs is considered probable they are included as a contingent asset. This does not include the full extent of the costs and losses that have been incurred or that could be claimed from the Contractor relating to the fire and construction delays.

There are no other significant contingent assets at 31 December 2024 (30 June 2024: no additional contingent assets).

13 Events Occurring after the Reporting Date

Casino Duty Dispute

On 31 January 2025, SkyCity announced that SkyCity Adelaide had accepted an offer from the Treasurer of South Australia (the **Treasurer**) to fully and finally resolve the long running contractual dispute between the Treasurer and SkyCity Adelaide concerning the treatment of loyalty points converted to gaming machine play for the purpose of calculating casino duty at the SkyCity Adelaide casino and the associated legal proceedings.

The offer accepted by SkyCity Adelaide requires it to pay A$13.1 million (NZ$14.4 million) of additional casino duty and A$24.8 million (NZ$27.3 million) in interest. SkyCity Adelaide will also pay A$200,000 (NZ$220,519) of the Treasurer's costs. The payment totalling A$38.1 million (NZ$41.9 million) encompasses casino duty return periods from January 2014 to January 2024 and brings to an end the long running contractual dispute between the parties that resulted in the parties becoming involved in legal proceedings. The amount has been fully provided for in these interim financial statements (note 8).