

25 August 2021



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Copy to:
ASX Market Announcements
Australian Stock Exchange
Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000
AUSTRALIA

Dear Sir/Madam

RE : SKYCITY ENTERTAINMENT GROUP LIMITED (SKC)
ANNUAL RESULT FOR THE YEAR ENDED 30 JUNE 2021

Please find **attached** the following information relating to SkyCity Entertainment Group Limited's (**SkyCity**) result for the financial year ended 30 June 2021:

1. Results Announcement (as required by NZX Listing Rule 3.5.1);
2. Investor Presentation;
3. Annual Report, including the audited financial statements and notes; and
4. Distribution Notice (as required by NZX Listing Rule 3.14.1) detailing the ordinary dividend of NZ 7.0 cents per ordinary share to be paid on 24 September 2021 to those shareholders on the company's share register as at 5pm (New Zealand time) on 17 September 2021. The company's Dividend Reinvestment Plan will not be activated in respect of these dividends.

For the purposes of ASX Listing Rule 1.15.3, SkyCity confirms that it continues to comply with the listing rules of its home exchange, the NZX Listing Rules.

SkyCity is hosting a teleconference call for equity analysts, institutional investors and fund managers at 12pm noon New Zealand time (10am Australian Eastern time) today, where SkyCity management will present the key information of the FY21 result and provide an overview of the status of SkyCity's major projects and other key strategic initiatives. Details for this call were released on the NZX and ASX on 19 July 2021.

Authorised by:

A blue ink signature of Julie Amey, consisting of a stylized 'J' and 'A'.

Julie Amey
Chief Financial Officer
Phone: +64 9 363 6047
Email: julie.amey@skycity.co.nz

Results for Announcement to the Market

Name of issuer	SkyCity Entertainment Group Limited (SkyCity)	
Reporting period	12 months to 30 June 2021	
Previous reporting period	12 months to 30 June 2020	
Currency	New Zealand dollars	
Reported	Amount (million)	Percentage change
Reported revenue from continuing operations ¹	\$951.9	-15.4%
Total reported revenue ¹	\$951.9	-15.4%
Reported profit (loss) from continuing operations	\$156.1	-33.6%
Reported total net profit (loss)	\$156.1	-33.7%
Normalised	Amount (million)	Percentage change
Normalised revenue including gaming GST	\$822.3	5.5%
Normalised total net profit (loss)	\$90.3	36.3%

Notes:

- 'Reported' information is per the financial statements;
- 'Normalised' results set International Business win to a theoretical win rate of 1.35% and adjust for certain revenue and expense items. Reconciliation between reported and normalised 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.

¹ On the Income Statement, this is the total of revenue, other income and fire related income.

Final Dividend		
Amount per Quoted Equity Security	\$0.07	
Imputed amount per Quoted Equity Security	\$0.07	
Record Date	17 September 2021	
Dividend Payment Date	24 September 2021	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$1.3142	\$1.0602
A brief explanation of any of the figures above necessary to enable the figures to be understood	SkyCity's FY21 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 year ended 30 June 2021. The Investor Presentation will be available on the company's website from 25 August 2021.	
Authority for this announcement		
Name of person authorised to make this announcement	Jo Wong	
Contact person for this announcement	Jo Wong	
Contact phone number	09 363 6143	
Contact email address	jo.wong@skycity.co.nz	
Date of release through MAP	25 August 2021	

Audited financial statements accompany this announcement.

Reconciliation between Reported and Normalised Financial Information

SkyCity's objective of producing normalised financial information is to provide data that is useful to the investment community in understanding the underlying operations of the Group – the intention is to provide information which:

- Is representative of SkyCity's underlying performance (as a potential indicator of future performance);
- Can be compared across years; and
- Can assist with comparison between publicly listed casino companies in NZ and Australia.

This objective is achieved by:

- Eliminating inherent volatility or "luck" factor from IB which has variable turnover and actual win % from period to period;
- Eliminating structural differences in the business between periods; and
- Eliminating known different treatments with other NZ and Australian publicly listed casino companies.

SkyCity believes that by making these adjustments the users of the financial information are able to understand the underlying performance of the Group and form a view on future performance.

For internal purposes, including budgeting and determination of staff incentives, normalised results are used.

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.

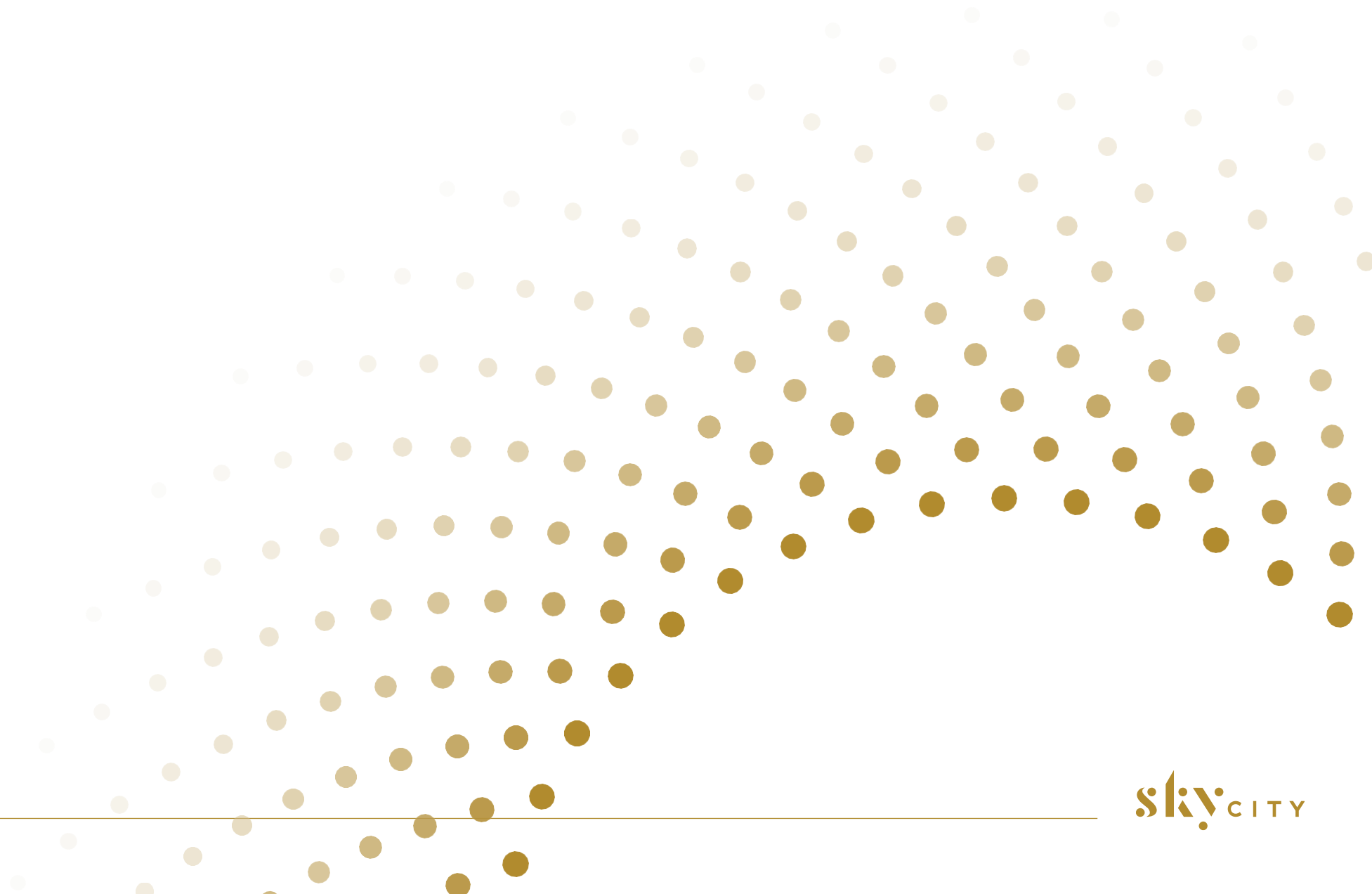
Application of SkyCity's "Non-GAAP Financial Information Policy" is consistent with the approach adopted in FY20.

	FY21				FY20			
	Revenue \$m	EBITDA \$m	EBIT \$m	NPAT \$m	Revenue \$m	EBITDA \$m	EBIT \$m	NPAT \$m
Reported	951.9	317.3	225.9	156.1	1,125.0	348.3	261.7	235.4
IB revenue adjustment	7.3	-	-	-	39.3	-	-	-
Gaming GST	78.7	-	-	-	73.4	-	-	-
IB at theoretical win rate	(5.3)	(4.9)	(4.9)	(3.6)	(7.3)	0.1	0.1	0.2
Gain on sale – Auckland car parks	-	-	-	-	(66.4)	(66.4)	(66.4)	(66.4)
Revaluation of Auckland properties	-	(7.4)	(7.4)	(7.4)	-	14.1	14.1	14.1
Liquidated damages	(39.5)	(39.5)	(39.5)	(39.5)	-	-	-	-
NZICC fire impacts	(170.7)	(22.4)	(22.4)	(24.2)	(384.5)	(269.4)	(269.4)	(268.5)
Labour restructure	-	-	-	-	-	13.5	13.5	9.7
Funding plan costs	-	-	-	-	-	-	-	5.4
Deferred tax liability reversal	-	-	-	-	-	-	-	(24.1)
Asset impairment	-	8.8	8.8	8.8	-	160.6	160.6	160.6
Normalised	822.3	252.0	160.6	90.3	779.5	200.7	114.2	66.3

SkyCity Entertainment Group Limited

FY21 Results

Investor Presentation
25 August 2021





Important Information

- Average NZ\$ vs. A\$ cross-rate for FY21 = 0.9323 and FY20 = 0.9483
- Weighted average number of shares (excl treasury stock) for FY21 = 756,293,136 and FY20 = 664,946,279
- Normalised revenue (incl gaming GST), calculated as gaming win (incl GST) plus non-gaming revenue (excl GST), shown to facilitate Australasian comparisons
- Normalised revenue and earnings adjusted for IB at the theoretical win rate of 1.35% vs. an actual win rate of 1.67% in FY21 (FY20: 1.47%) and certain other items
- EBITDA margin is calculated as a % of revenue (incl gaming GST) to facilitate Australasian comparisons
- Certain totals, subtotals and percentages may not agree due to rounding

Contents

01	FY21 Key Features	05	Strategic Projects
02	FY21 Results	06	Trading Update & Outlook
03	Capital Structure	07	Appendices
04	Group Strategy and CEO Update		

FY21 Key Features

1. Solid financial performance, despite challenging operating environment
2. Successful CEO transition and refreshed senior leadership team – Board renewal confirmed
3. Adelaide expansion completed on-time and on-budget – consistent performance when open
4. NZICC/Horizon Hotel project progressing and working closely with Fletcher Construction
5. Responding to AUSTRAC investigation of Adelaide – enhancing Group-wide Host Responsibility and AML controls
6. Strong balance sheet and financial flexibility – comfortably met financial covenants for June 2021 testing period and FY21 dividend of 7.0cps declared



FY21 Results

Presentation of FY21 Results

- Normalised results adjust for accounting impact of NZICC fire and liquidated damages on NZICC/Horizon Hotel project and certain other items (see pages 37-38 for more details)
 - Adjustments from reported to normalised results consistent with SkyCity's "Non-GAAP Financial Information Policy"
 - Normalised results not adjusted for impact of Covid-19 and related property closures
- Comparability of underlying (or "like-for-like") normalised earnings of the Group in FY21 vs. pcip significantly impacted by:
 - Temporary closure of SkyCity Auckland during August 2020 and February/March 2021 due to Covid-19
 - Temporary closure of SkyCity Adelaide in November 2020 due to Covid-19
 - Related operational and financial impacts on business from Covid-19 (i.e. periods of social distancing/restrictions on gatherings, NZ wage subsidy and Australian JobKeeper scheme)
 - Sale of long-term concession over Auckland car parks and closure of convention centre operations in Auckland in pcip
- Board resolved to make partial repayment of NZ wage subsidy and Australian JobKeeper scheme (totalling \$10m) due to improved financial performance during FY21, in addition to payment of corporate bonus and dividend for shareholders

FY21 Results Overview

	FY21	FY20	Movement	
	\$m	\$m	\$m	%
Reported Revenue	951.9	1,125.0	(173.1)	(15.4%)
Reported EBITDA	317.3	348.3	(31.0)	(8.9%)
Reported NPAT	156.1	235.4	(79.3)	(33.7%)
Reported EPS	20.6cps	35.4cps	(14.8cps)	(41.7%)
	FY21	FY20	Movement	
	\$m	\$m	\$m	%
Normalised Revenue (incl Gaming GST) ⁽¹⁾	822.3	779.5	42.8	5.5%
Normalised EBITDA ⁽¹⁾	252.0	200.7	51.3	25.5%
Normalised NPAT ⁽¹⁾	90.3	66.3	24.0	36.3%
Normalised EPS	11.9cps	10.0cps	2.0cps	19.8%
Dividend DPS ⁽²⁾	7.0cps	10.0cps	(3.0cps)	(30.0%)

(1) See pages 37-38 for more details

(2) No final dividend paid in FY20 or interim dividend in FY21 due to reliance on covenant waivers/relief secured as part of funding plan implemented in mid-2020

FY21 Revenue by Business

	FY21	FY20	Movement
	\$m	\$m	%
Properties (excl IB)⁽¹⁾			
Auckland	488.2	497.3	(1.8%)
Hamilton	73.5	58.8	24.9%
Queenstown	12.3	11.1	10.0%
NZ Other ⁽²⁾	1.0	1.2	(21.5%)
Adelaide (A\$)	196.9	121.0	62.7%
Total Property Revenue (excl IB)⁽¹⁾	786.2	695.7	13.0%
Normalised IB Revenue	22.1	78.8	(72.0%)
Online/E-sports	14.0	4.9	185.4%
Normalised Revenue⁽¹⁾⁽³⁾	822.3	779.5	5.5%
IB revenue adjustment ⁽³⁾	5.3	7.3	NA
Non-GAAP adjustments ⁽³⁾	124.3	338.2	NA
Reported Revenue	951.9	1,125.0	(15.4%)

(1) Including gaming GST

(2) "NZ Other" revenue relates to NZ wage subsidy attributable to corporate function and IB

(3) See pages 37-38 for more details

FY21 EBITDA by Business

	FY21	FY20	Movement
	\$m	\$m	%
Properties (excl IB)			
Auckland ⁽¹⁾	203.4	193.9	4.9%
Hamilton ⁽¹⁾	35.2	24.4	44.4%
Queenstown ⁽¹⁾	3.2	0.7	388.1%
Adelaide (A\$) ⁽²⁾	42.8	11.2	281.2%
Total Property EBITDA (excl IB)⁽¹⁾⁽²⁾	287.8	230.7	24.8%
Normalised IB EBITDA ⁽¹⁾	(1.8)	4.5	(140.3%)
Corporate Costs ⁽¹⁾	(35.9)	(31.5)	(14.0%)
Online/E-sports	8.2	1.1	N/A
NZICC/Horizon Hotel/Adelaide pre-opening costs	(6.3)	(4.1)	(51.3%)
Normalised EBITDA	252.0	200.7	25.5%
Non-GAAP adjustments ⁽³⁾	65.4	147.6	N/A
Reported EBITDA	317.3	348.3	(8.9%)

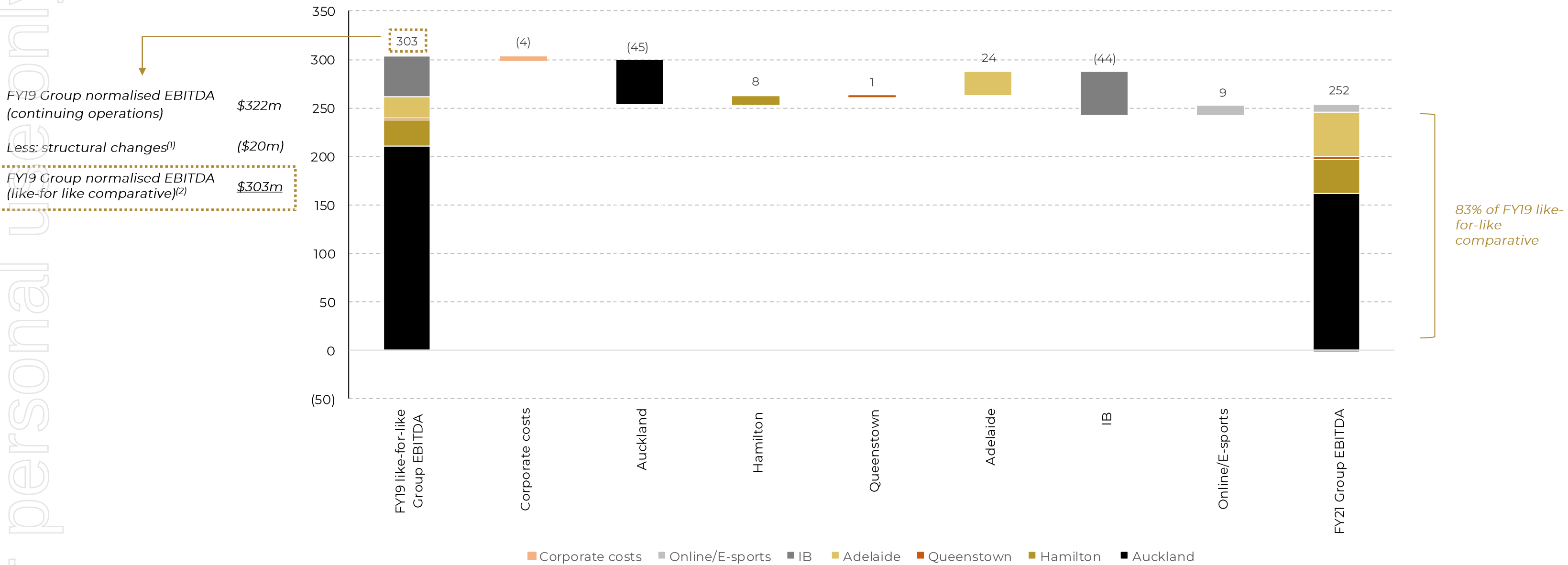
(1) Impacted by NZ wage subsidy during the period – treated as other income (total EBITDA impact around \$4m for combined NZ businesses and corporate function)

(2) Impacted by JobKeeper scheme during the period – treated as other income (total EBITDA impact around A\$11m)

(3) See pages 37-38 for more details

Group Normalised EBITDA: FY19-FY21

Group normalised EBITDA bridge: FY19-FY21 (\$m)

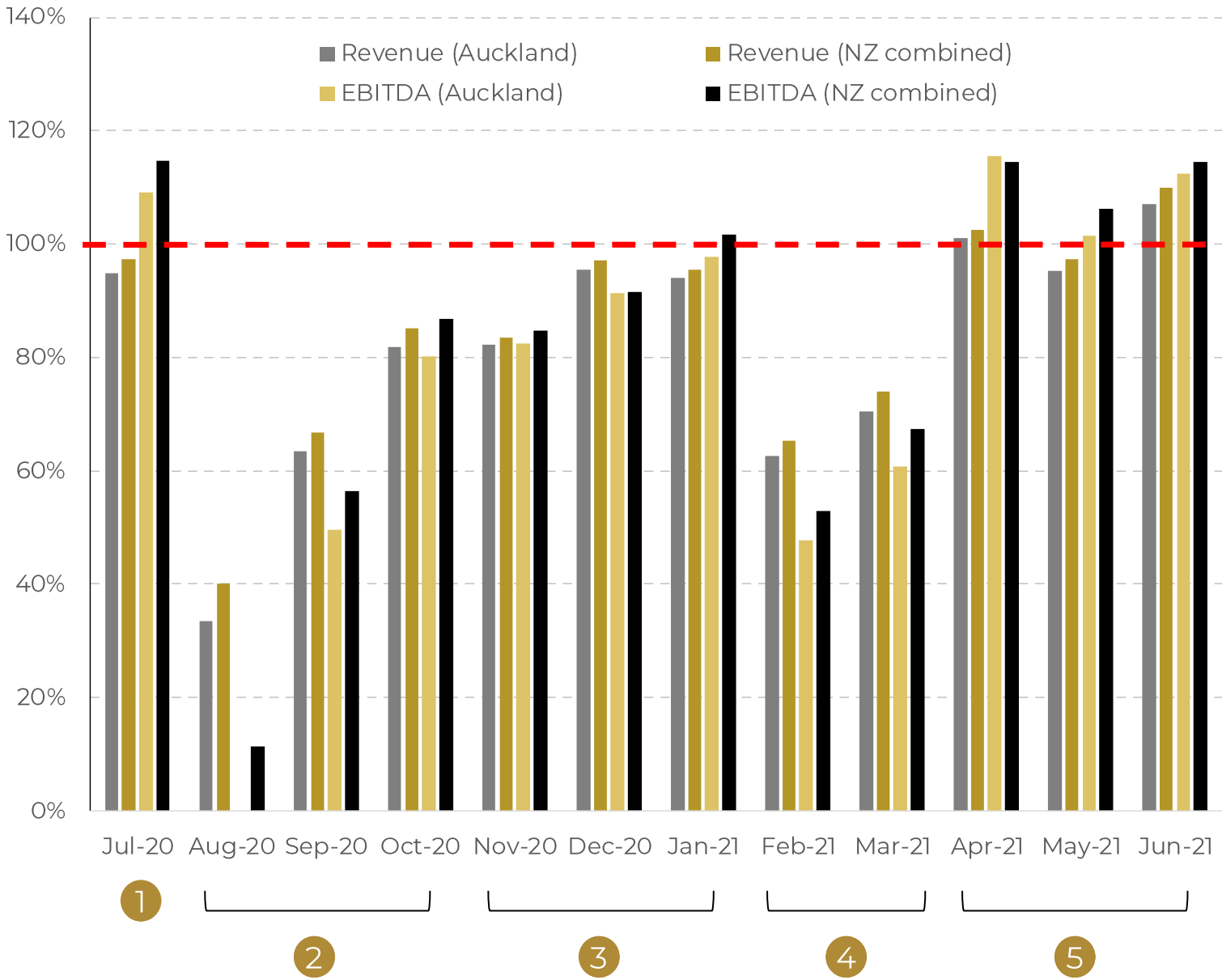


Earnings recovery underway vs. FY19 like-for-like comparative⁽²⁾ – domestic-led (negligible IB activity), predominantly local gaming, with benefits of investment in Adelaide and launch of online casino being realised

(1) Auckland car park concession sale impact (settled 19 August 2019) and closure of former Auckland convention centre (November 2019)
(2) Refer to page 17 of FY19 investor presentation for FY19 like-for-like Group normalised EBITDA comparative

FY21 Local Performance – NZ Properties

*NZ properties: FY21 monthly revenue and EBITDA
as % of pre-Covid-19 levels⁽¹⁾*



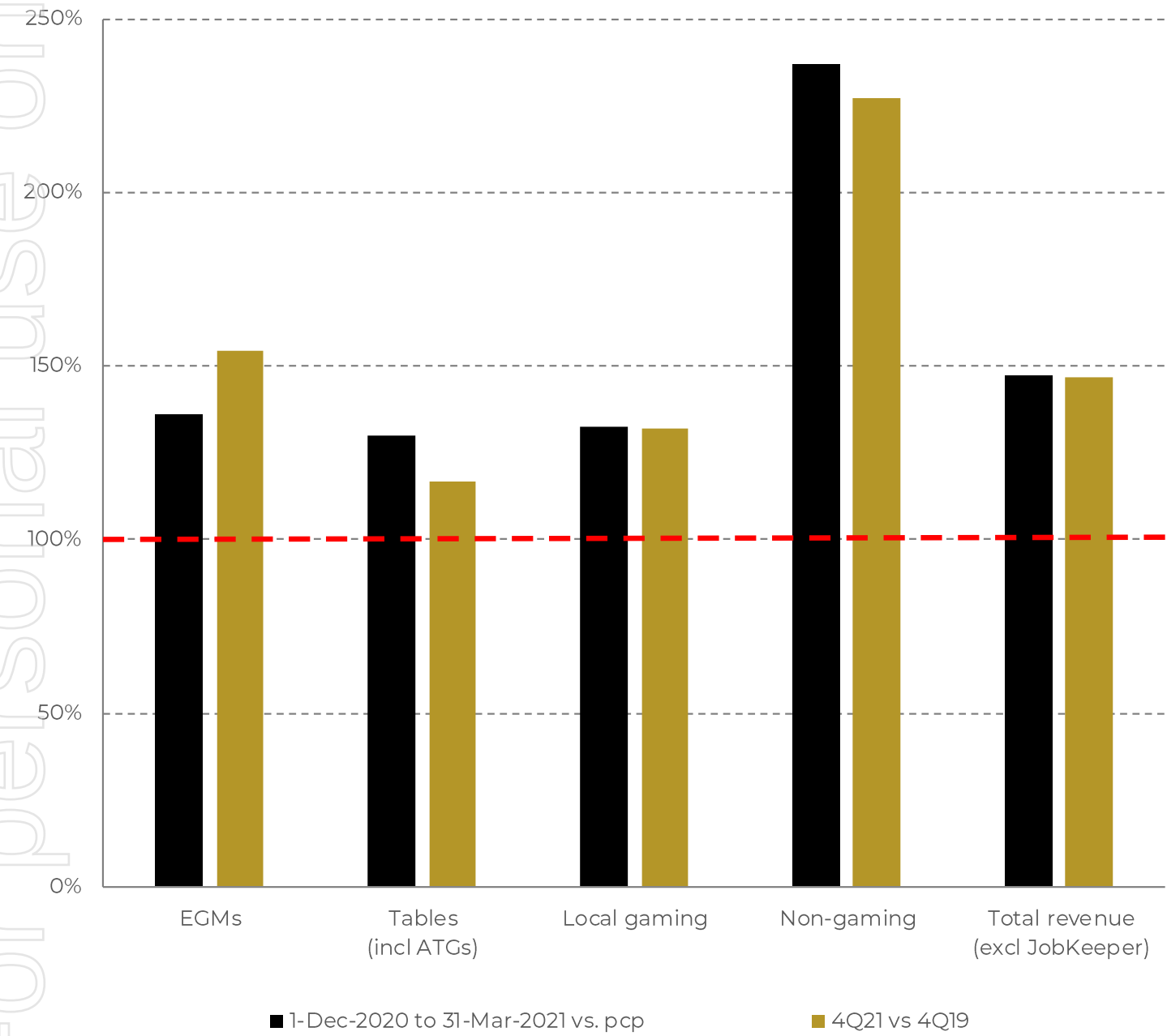
Covid-19 settings

- 1. NZ at Alert Level 1 (no restrictions)
 - 2. Auckland closed for 19 days during August 2020 (Alert Level 2 for 37 days)
Hamilton and Queenstown at Alert Level 2 for 41 days
 - 3. NZ at Alert Level 1
 - 4. Auckland closed for 10 days during February/March 2021 (Alert Level 2 for 11½ days)
Hamilton and Queenstown at Alert Level 2 for 10 days
 - 5. NZ at Alert Level 1
- Resilient performance from local businesses
 - Trading at Alert Level 1 in-line or above pre-Covid-19 levels, despite ongoing international border closures
 - Local gaming activity quick to rebound in Auckland following February/March 2021 property closure
 - Strong 4Q21 performance across NZ properties, particularly EGMs in Auckland and Hamilton

(1) Average monthly revenue and EBITDA for period 1 July 2019 to 28 February 2020 – FY20 period pre-Covid-19 related restrictions commencing

FY21 SkyCity Adelaide – Post Expansion

*SkyCity Adelaide: revenue by activity vs. pcp:
1 December 2020 to 30 June 2021*

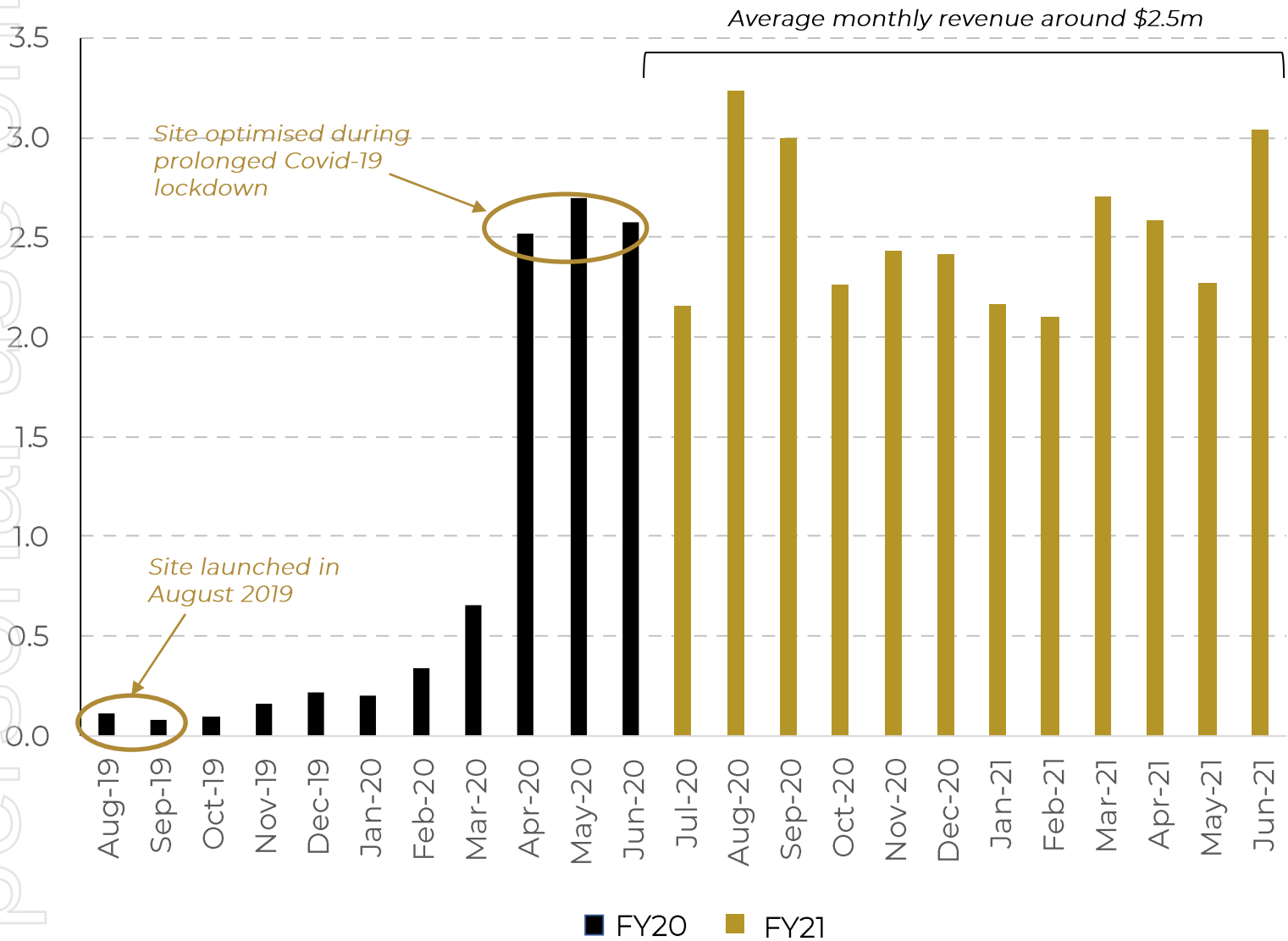


- Project handed over on-time and on-budget – expansion opened in December 2020
- Total revenue up around 50% for period 1 December 2020 to 31 March 2021 vs. pcp on like-for-like basis⁽¹⁾
 - Strong local gaming activity, particularly from premium customers
 - Benefiting from regulatory reforms, particularly note acceptors
 - Non-gaming facilities popular with customers
- 4Q21 performance consistent with 3Q21 and well up on FY19 comparative
 - Property closure from 23 March 2020 limits comparability with pcp
 - EGM market share around 9% – strong growth (around 20%) from pubs & clubs over same period
- Good cost execution – property EBITDA margin around 20% since opening
- Festival Plaza car park completed during June 2021 – operational and integrated with casino and hotel precinct
 - Around 750 car parks leased exclusively by SkyCity – A\$5m lease cost per annum

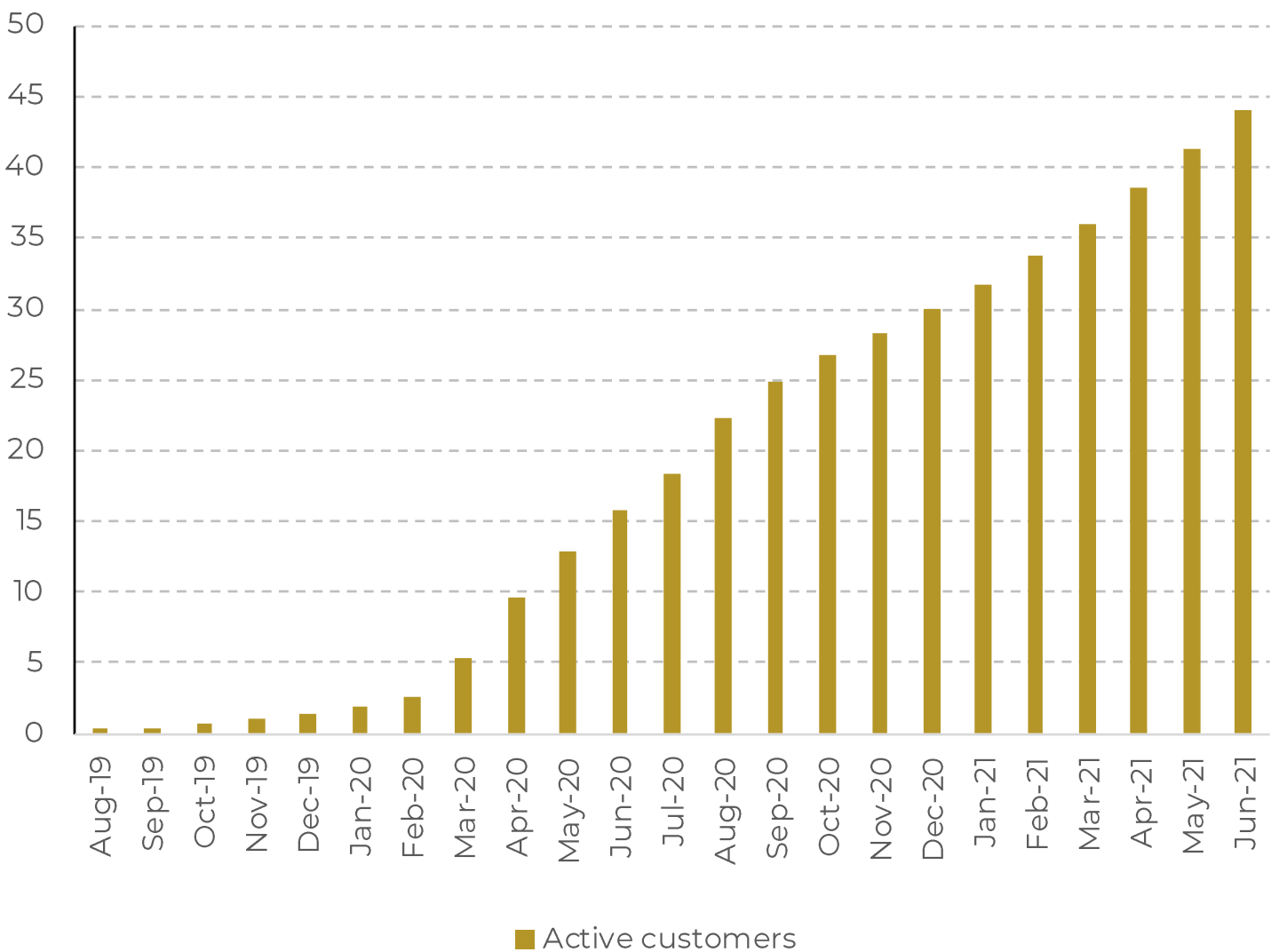
(1) 8½ trading days excluded from March 2021 to ensure comparability with pcp (property closed from 23 March 2020 due to Covid-19)

FY21 NZ Online Casino

Monthly gross gaming revenue: FY20-FY21 (\$m)



Cumulative active customers: FY20-FY21 (000s)



Consistent performance from NZ online casino following significant growth during 4Q20 – positive customer acquisition and retention rates

FY21 Result Commentary (1 of 3)

Group

- Solid group performance, with Group normalised EBITDA and NPAT at top-end of previous guidance, but still well below FY19 like-for-like comparative⁽¹⁾
- Reported results down vs. pcp due to accounting impact of NZICC fire and gain from Auckland car park concession sale in pcp
- Resilient local gaming activity, particularly from EGMs and when operating with no restrictions
- Progressive improvement in performance across the period, with 2H21 Group normalised EBITDA up 10% vs. 1H21 – sustained period at Alert Level 1 in NZ and opening of Adelaide expansion (ref. page 12 for more details)

NZ Properties

- Auckland:
 - Resilient local gaming activity, particularly during weekend/holiday peaks with EGM revenue 5% above FY19 on like-for-like basis⁽²⁾ – non-gaming businesses significantly impacted by international border closures
 - Property closed for 29 days during the period (EBITDA impact around \$30m) with a further 48½ days at Alert Level 2 restrictions
- Hamilton: Strong EBITDA performance underpinned by improved gaming activity (gaming revenue +30%) and cost savings
- Queenstown: Strong EBITDA performance – operating model optimised and benefitting from positive domestic tourism in NZ

NZ Online Casino

- Significant growth in gaming revenue and EBITDA vs. pcp, despite operational constraints – meaningful contributor to Group earnings
- Over 45k active customers currently
- Continued broad geographic spread of customers across NZ
- EBITDA margin (32.5%) in-line with expectations

(1) Refer to page 10 for more details

(2) Adjusts for closure periods in Auckland in FY21, but not trading period at Alert Level 2

FY21 Result Commentary (2 of 3)

Adelaide

- Performance prior to completion of expansion impacted by operational constraints due to Covid-19 and construction disruption
- Consistent performance across all business activities post opening of expansion
- One-off benefit from JobKeeper scheme recognised as other income (around A\$11m EBITDA impact, net of partial repayment)

International Business

- Significantly impacted by ongoing international border closures – negligible international tourism activity
- Cost control and modest interstate tables activity in Adelaide post opening of expansion reduced expected losses – 2H21 slightly EBITDA positive
- Actual win rate 1.67% (volatility higher with lower turnover) well above theoretical win rate of 1.35%
- Permanently ceased junket arrangements from April 2021

Corporate and Other Expenses

- Corporate costs of \$36m – ongoing savings across function offset by one-off CEO retirement costs and project write-offs
- Pre-opening costs on major projects (\$6.3m) up vs. pcg reflecting ramp-up prior to completion of Adelaide expansion
- D&A slightly above pcg – Adelaide expansion now in-service, offset by certain assets coming to end of useful life
- Net interest expense (\$32m) in-line with previous guidance – ability to capitalise interest on NZICC/Horizon Hotel paused from date of fire
- Normalised effective tax rate of 29.5%, in-line with pcg

FY21 Result Commentary (3 of 3)

Funding and Dividends

- Pro-forma liquidity around \$305m as at 30 June 2021
- Debt restructure completed – USPP notes⁽¹⁾ repaid during March 2021, successful issue of NZ bond⁽²⁾ during May 2021 and bank debt facilities reduced/maturities extended at attractive interest rates
- Comfortably met financial covenants for June 2021 testing period
- FY21 dividend of 7.0cps declared by the Board

Management/Board Changes

- Transition of CEO and CFO during the period
 - Appointment of Michael Ahearne as CEO in November 2020 following internal succession process
 - New management structure established under CEO – Julie Amey commenced as CFO during May 2021
- Board renewal confirmed

(1) US\$100m (hedged at \$108m)

(2) \$175m, 6-year, unsubordinated, fixed rate bonds (listed on NZDX under ticker SKC050)



Capital Structure

Funding and Dividends

Funding

- Balance sheet in strong position to deliver on medium-term strategic plan
 - Net hedged debt⁽¹⁾ as at 30 June 2021 of \$590m – gearing of 2.3x and covenant waivers/relief not required
 - Sufficient headroom for financial covenants for 31 December 2021 testing period
 - Adequate available liquidity to fund commitments and withstand one-off events and/or Covid-19 disruptions
 - Adelaide expansion completed and majority of capex remaining on NZICC/Horizon Hotel project funded by insurance
- Remain committed to BBB- credit rating from S&P Global Ratings – credit rating upgraded to “Stable” from “Negative” Outlook during April 2021
- Focused on effective cost and capital discipline

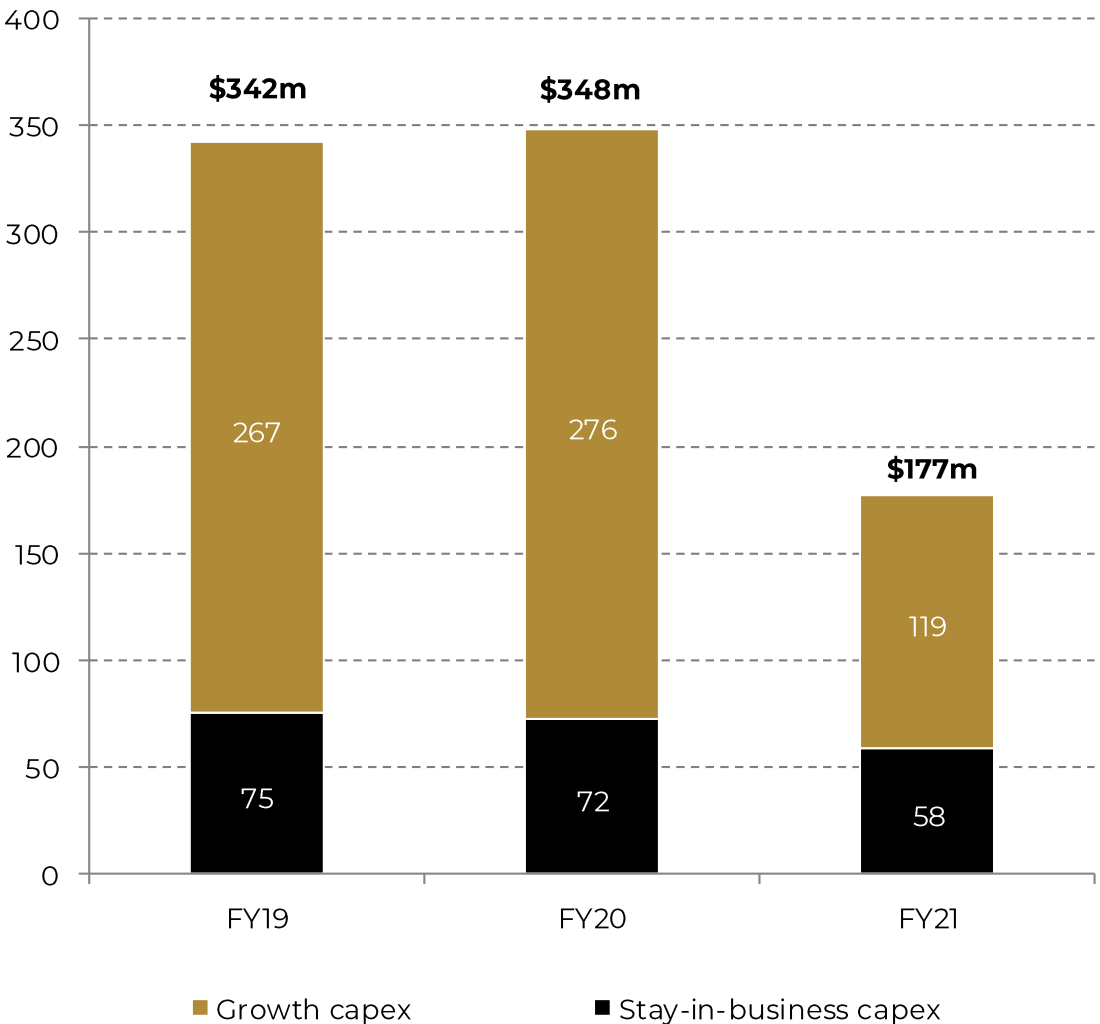
Dividends

- FY21 dividend of 7.0cps declared by the Board – to be paid on 24 September 2021
 - Dividends previously suspended for period of covenant waivers/relief
 - 60% of FY21 normalised NPAT (after adjusting for capitalised interest) distributed
- Intend to progressively increase dividends over time as earnings grow

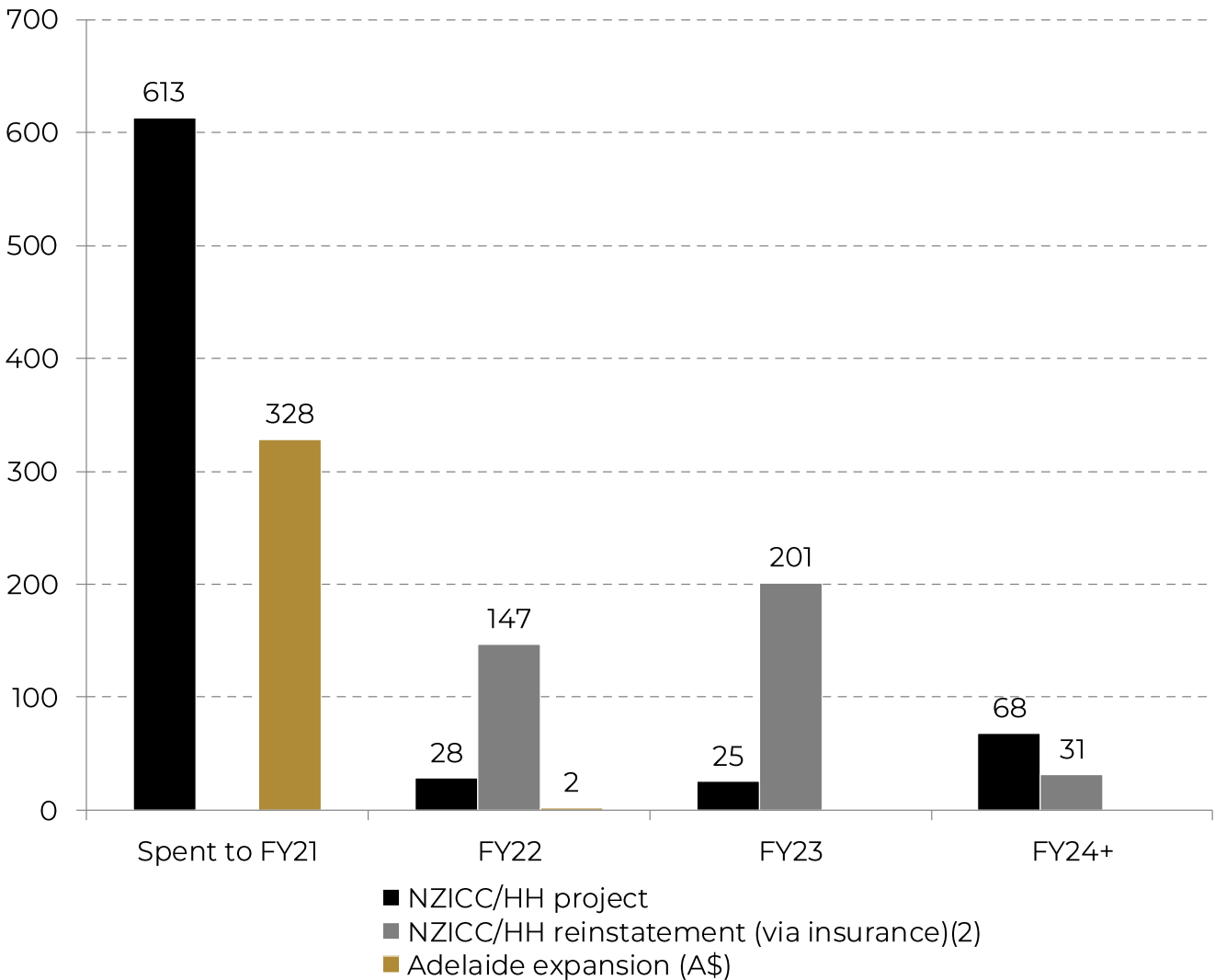
(1) Including lease-related liabilities

Capital Expenditure

FY21 group cash capex⁽¹⁾ (\$m)



Future major projects capex (\$m)



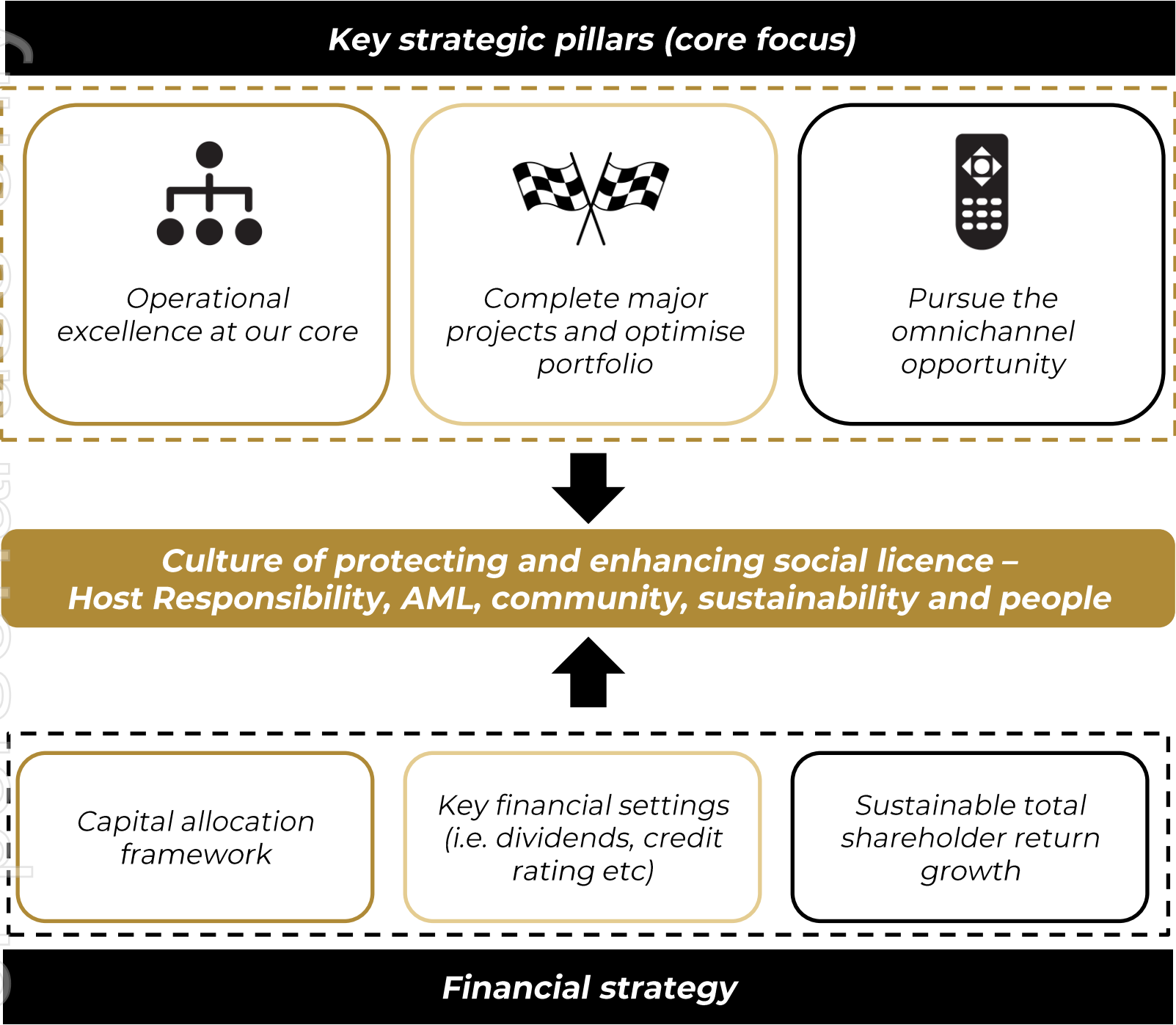
- Growth capex primarily related to major projects in Auckland and Adelaide
- Stay-in-business capex in-line with previous guidance (\$60m)
- Around \$500m remaining on NZICC/Horizon Hotel project, of which at least \$380m to be funded via insurance
- Around A\$2m remaining on Adelaide expansion, primarily relating to post-completion retentions

(1) Cash capex excludes around \$20m of capex accrued during FY21, but not spent
(2) Excludes certain costs (around \$60m) in FY21 arising from NZICC fire not able to be capitalised, but funded via insurance (including demolition and site preparation) and other costs already incurred in pre-opening



Group Strategy and CEO Update

Group Strategic Plan



- Focus on continuous improvement in operational performance (and investments to support this)
- Focus on maximising value of exclusive casino licences
- Execute major projects in Adelaide and Auckland and leverage benefits
- Unique opportunity to monetise omnichannel and consolidate on leadership position in gaming industry
- Focus on growing free cashflows as major projects complete
- Critical to protect/enhance social licence to operate
 - Recently announced commitment to sustainability wage in NZ
 - Focused on enhancing Group-wide Host Responsibility and AML controls
- Continue to monitor/evaluate adjacent opportunities

Progress Against Strategic Priorities



*Operational
excellence at our core*

Ongoing management of Covid-19 operating environment (ref. current/recent closure of NZ properties/Adelaide)

Strategic review of IB undertaken

Positive gaming activity when open – leveraging new assets in Auckland

Good cost execution across the business



*Complete major
projects and optimise
portfolio*

Optimising Adelaide expansion when open

Completed integration of Walker Corporation car park at Festival Plaza

Working closely with Fletcher Construction on NZICC/Horizon Hotel project



*Pursue the
omnichannel
opportunity*

Optimising NZ online casino with GiG

Resourcing digital business to deliver on omnichannel opportunity

Monitoring DIA's (NZ gambling regulator) policy review of online gaming

Near-Term Strategic Priorities

1

Navigate through ongoing uncertainty of Covid-19 operating environment

2

Return business to FY19 earnings and grow from there

3

Respond to AUSTRAC investigation of Adelaide

4

Enhancement of Host Responsibility programme and AML controls

5

Optimise Adelaide expansion – focus on local and interstate business (when borders reopen)

6

Progress NZICC/Horizon Hotel reinstatement with Fletcher Construction

7

Pursue online gaming opportunity in NZ

8

Ongoing effective cost and capital discipline

Commitment to Sustainability

The impact of Covid-19 on SkyCity has highlighted the need to **preserve and grow sustainable profitability** alongside enhancing non-financial capitals to ensure long-term viability and success

PEOPLE

Inspire our people

Create a great place to work where people are empowered to grow and achieve

Great, safe place to work

PLACE

Protect our environments

Respect and protect our physical environments for future generations

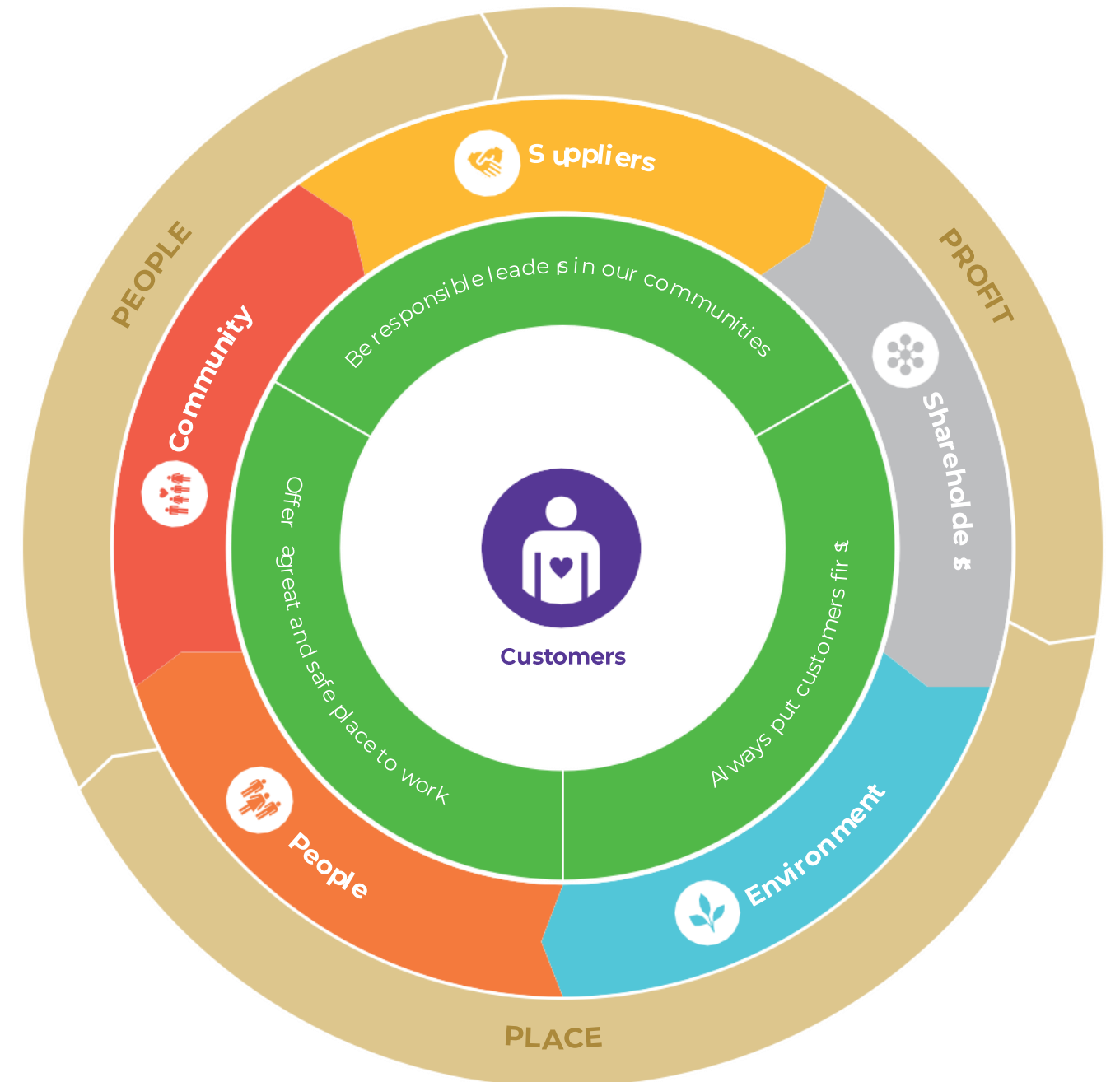
Sustainable success

PROFIT

Create sustainable value

Ensure business continuity through operational efficiency, sustainable investment and customer focus

Reliable return on investment



Distributions to Stakeholders (FY21)

For personal use only



“Better communities at the heart of what we’re doing”



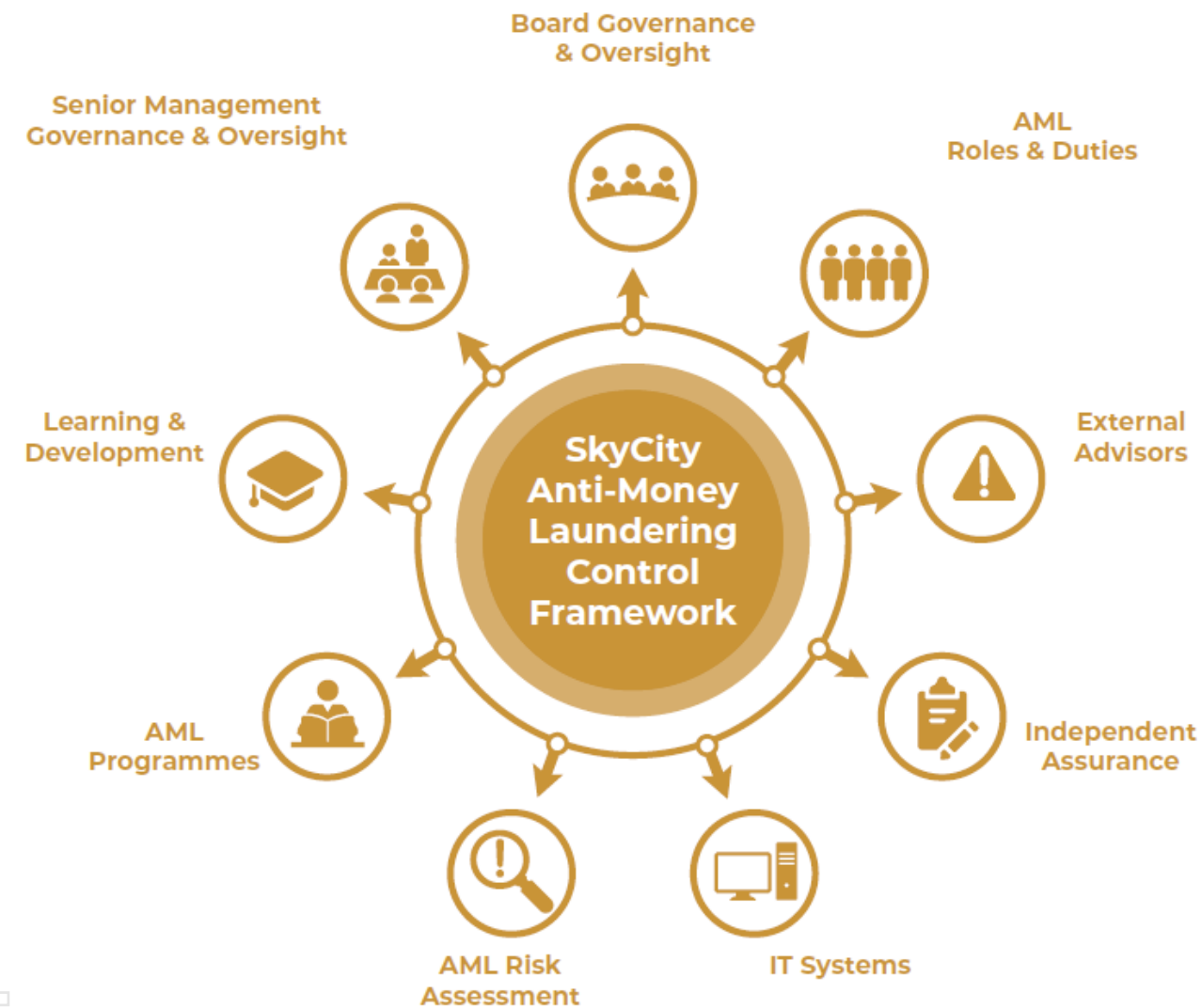
Source: FY21 SkyCity Annual Report

Host Responsibility



- Heightened regulatory scrutiny in gaming sector in NZ and Australia around Host Responsibility
- Promotion of responsible/safe gaming at heart of business
- Board (Sustainability) Committee oversees Harm Minimisation framework
- Internal governance group meets monthly to consider Host Responsibility matters
- Regular engagement with regulators on effectiveness of Host Responsibility programme
- Leverage technology to support programme
 - Facial recognition across all land-based casinos

AML Controls



- Heightened regulatory scrutiny in gaming sector in Australia around AML compliance
- AUSTRAC investigation of Adelaide ongoing
 - Fully cooperating with compliance team
 - Steering group established to respond to investigation, led by Chair of the Board
 - Fully committed to addressing AUSTRAC's concerns – will require more investment in resourcing, systems and technology
 - Timetable for finalisation of investigation remains unclear
- Committed to continuous improvement of AML practices and governance



Strategic Projects

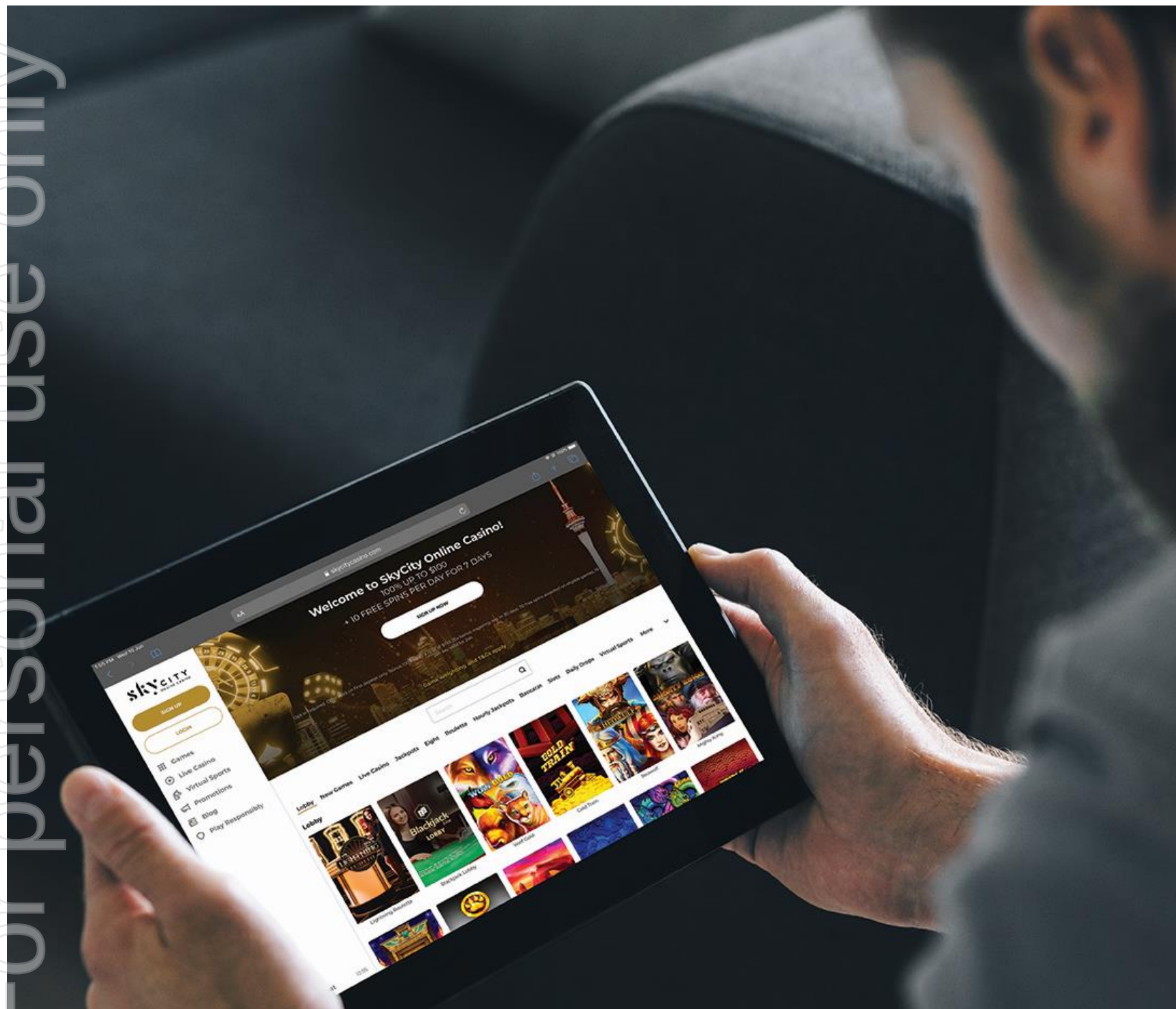
NZICC/Horizon Hotel Project



View from Hobson St – new linkway bridge

- Significant investment in future of Auckland
- Project secured exclusive casino licence for key Auckland property out to 2048 and other gambling concessions
- NZICC fire causing significant project delays
- Reinstatement works progressing, but slower than expected – working closely with Fletcher Construction
- Latest Fletcher Construction draft programme now indicates completion of both NZICC and Horizon Hotel during 2024 (NZICC likely late 2024)
- Remain comfortable with contractual position on project
 - Secured extension to long-stop date with the NZ Government to December 2027
- Comprehensive insurance responding to damage caused by fire
- No material change to previous guidance for total project costs (around \$750m)
 - Around \$120m of net capex still to spend as at August 2021 (excl reinstatement works funded by insurance)
- Liquidated damages of \$39.5m recognised as income in FY21 (previously a contingent asset)

Online Gaming



- Optimising offshore venture with GiG, despite operational constraints
 - GiG continues to provide full-suite online gaming solution
- Support future regulation in NZ
 - Emphasis on protecting harm and community benefits
 - Significant omnichannel opportunity for SkyCity if online market regulated in NZ
 - DIA's policy review ongoing – optimistic for clarity on potential regulatory reform by end of 2021
- Growth in online gambling significant global industry theme
 - Numerous jurisdictions regulating online gambling
 - Transition from physical to online across most industries – exacerbated by impact of Covid-19
 - Valuation multiples for online gaming companies trading at significant premium to land-based casinos (i.e. DraftKings, Penn Gaming, Flutter, Score Media etc.)

Other Projects



Flare Bar (Auckland)

- Leveraging benefits of refurbishment of premium gaming rooms in Auckland
- New main gaming floor bar (Flare) and food court (Food Republic) in Auckland opened during October 2020
- All Blacks Experience and Weta Workshop “Unleashed” in Auckland opened during December 2020
- NZ development opportunities remain on hold
 - Significant long-term option value embedded in Auckland and Hamilton precincts
- Progressing sale of certain non-core assets (i.e. Little Mindil land in Darwin and Let’s Play Live Media)



Trading Update & Outlook

Update on Covid-19 in NZ and South Australia

- NZ currently at Alert Level 4 – all properties closed
- SkyCity Auckland a location of interest and one staff member has tested positive for Covid-19
 - Staff and customers impacted – focused on wellbeing and providing necessary assistance
 - Working closely with public health services to support response – all affected areas undergone deep clean whilst property closed
- International border (incl Trans-Tasman) expected to remain closed for foreseeable future
- Ongoing refinements to operating model to reflect domestic-only business

Operational settings during FY21	
Alert Level 1 ⁽¹⁾	Auckland: 287½ days Hamilton/Queenstown: 314 days
Alert Level 2 ⁽¹⁾	Auckland: 48½ days Hamilton/Queenstown: 51 days
Alert Level 3/4	Auckland: 29 days Hamilton/Queenstown: 0 days

Closed

- Interstate borders only partly open (ACT, NSW and Victoria closed)
- International border expected to remain closed for foreseeable future
- Businesses/public activities required to have Covid-Safe plan
- Casino open to public, but under certain restrictions following recent community outbreak
 - Capacity subject to maximum patronage (around 5k pax) – limit of 1 person per 2m²
 - Mandatory mask wearing in indoor settings

Covid-Safe plan	Full period
100 pax limit ⁽²⁾	14 days
Closed	3½ days

(1) Alert Level 1 settings in NZ: no operating restrictions. Alert Level 2 settings: social distancing across all venues, deactivation of every 2nd EGM and limitations on tables to 3 pax, restrictions on gatherings to 100 pax, largely members only. Properties closed at Alert Levels 3 and 4

(2) 100 pax limit in casino and individual F&B venues

Trading Update (YTD to 23 August 2021)

NZ Properties

- NZ properties closed from 17 August 2021 – EBITDA impact around \$1m per day
- Local business performance consistent with 4Q21 activity prior to property closures
- Positive local gaming activity when open – EGM performance remains resilient in Auckland, Hamilton and Queenstown
- Non-gaming businesses benefitted from strong domestic tourism and weekend/holiday trading peaks
- Stable operating margins vs. pcg

IB

- Negligible IB and interstate activity due to ongoing border closures
- Focus on cost control
- Implementing operational changes following strategic review

SkyCity Adelaide

- Closed from 20 to 27 July 2021 due to Covid-19
- Reopening in staged manner with capacity limits and social distancing requirements – performance gradually improving
- Expanded facilities continuing to be popular with customers when open

NZ Online Casino

- Consistent performance vs. pcg prior to property closures in NZ
- Uplift in customer activity from 17 August 2021 – record weekly turnover and gaming revenue
- YTD EBITDA margins comparable to pcg

FY22 Outlook

Group

- Changeable operating settings and uncertain near-term outlook due to Covid-19 – unable to provide detailed earnings guidance at this time
- Local gaming businesses in NZ expected to perform well when open and no operating restrictions, particularly EGMs
- Adelaide expansion to be optimised, albeit slower ramp-up given operating restrictions and ongoing interstate border closures
- Expect consistent performance from NZ online casino (beneficiary of Alert Level escalation)
- Tourism-related businesses to continue to be negatively impacted by international border closures
- Labour shortages in NZ and South Australia driving wage inflation
- Prepared for possibility of further property closures

Capex/ Dividends

- Expect stay-in-business capex consistent with FY21 and growth capex around \$40m (net of reinstatement costs on NZICC/Horizon Hotel project funded by insurance)
- Committed to existing dividend policy – 60-90% of normalised NPAT (after adjusting for capitalised interest) per annum

Corporate

- Expect corporate costs to be consistent with FY21 (around \$36m)
- Provision for costs to respond to AUSTRAC investigation and to resource AML function
- Net interest expense expected to be around \$26m
- D&A expected to be around \$105m – full-year impact of Adelaide expansion in-service
- Normalised effective tax rate expected to be comparable to FY21



Appendices

Reported and Normalised Results (1 of 2)

- The differences between FY21 reported and normalised financial information are summarised overleaf
- FY21 adjustments (from reported to normalised)
 - Treat IB commissions as an expense rather than a reduction in revenue which reduces both reported revenue and operating expenses within IB (by \$7.3m) – effectively reverses impact of IFRS 15 (Revenue from Contracts with Customers)
 - Add gaming GST (\$78.7m) to reported revenue
 - Apply theoretical win rate of 1.35% for IB vs. actual win rate of 1.67%
 - Eliminate net gain (\$24.2m post-tax) arising from impacts of NZICC fire⁽¹⁾
 - Eliminate impact of revaluation (increase of \$7.4m) of Auckland investment properties
 - Reverse impairment (\$8.8m) of AA Centre building (SkyCity HQ) in Auckland
 - Eliminate benefit (\$39.5m) arising from liquidated damages on NZICC/Horizon Hotel project withheld due to late practical completion
- FY20 adjustments (from reported to normalised)
 - Treat IB commissions as an expense rather than a reduction in revenue which reduces both reported revenue and operating expenses within IB (by \$39.3m) – effectively reverses impact of IFRS 15 (Revenue from Contracts with Customers)
 - Add gaming GST (\$73.4m) to reported revenue
 - Apply theoretical win rate of 1.35% for IB vs. actual win rate of 1.47%
 - Eliminate gain (\$66.4m) arising from Auckland car park concession sale (completed in August 2019)
 - Eliminate net gain (\$268.5m post-tax) arising from impacts of NZICC fire
 - Reverse impact of labour restructuring (\$13.5m) and implementation of funding plan (\$5.4m post-tax) associated with response to impacts of Covid-19
 - Reverse impact of revaluation (reduction of \$14.1m) of Auckland investment properties
 - Reverse impairment (A\$150m) of SkyCity Adelaide casino licence
 - Eliminate benefit (\$24.1m) relating to reversal of deferred tax liabilities previously recognised in relation to non-depreciable buildings

⁽¹⁾ Refer to note 6 of FY21 financial statements for further information on NZICC fire accounting

Reported and Normalised Results (2 of 2)

	FY21				FY20			
	Revenue	EBITDA	EBIT	NPAT	Revenue	EBITDA	EBIT	NPAT
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Reported	951.9	317.3	225.9	156.1	1,125.0	348.3	261.7	235.4
IB revenue adjustment	7.3	-	-	-	39.3	-	-	-
Gaming GST	78.7	-	-	-	73.4	-	-	-
IB at theoretical win rate	(5.3)	(4.9)	(4.9)	(3.6)	(7.3)	0.1	0.1	0.2
Gain on sale – Auckland car parks	-	-	-	-	(66.4)	(66.4)	(66.4)	(66.4)
Revaluation of Auckland properties	-	(7.4)	(7.4)	(7.4)	-	14.1	14.1	14.1
Liquidated damages	(39.5)	(39.5)	(39.5)	(39.5)	-	-	-	-
NZICC fire impacts	(170.7)	(22.4)	(22.4)	(24.2)	(384.5)	(269.4)	(269.4)	(268.5)
Labour restructure	-	-	-	-	-	13.5	13.5	9.7
Funding plan costs	-	-	-	-	-	-	-	5.4
Deferred tax liability reversal	-	-	-	-	-	-	-	(24.1)
Asset impairment	-	8.8	8.8	8.8	-	160.6	160.6	160.6
Normalised	822.3	252.0	160.6	90.3	779.5	200.7	114.2	66.3

FY21 Result – Reported

	FY21	FY20	Movement	
	\$m	\$m	\$m	%
Reported Revenue	951.9	1,125.0	(173.1)	(15.4%)
Expenses	(634.6)	(776.7)	142.1	18.3%
Reported EBITDA	317.3	348.3	(31.0)	(8.9%)
Depreciation & Amortisation	(91.4)	(86.6)	(4.8)	(5.6%)
Reported EBIT	225.9	261.7	(35.8)	(13.7%)
Net Interest	(32.5)	(28.6)	(3.8)	(13.4%)
Reported NPBT	193.5	233.1	(39.7)	(17.0%)
Tax	(37.3)	2.2	(39.5)	N/A
Profit from Continuing Operations	-	235.3	N/A	N/A
Profit from Discontinued Operations ⁽¹⁾	-	0.1	N/A	N/A
Reported NPAT	156.1	235.4	(79.3)	(33.7%)
Reported EPS	20.6cps	35.4cps	(14.8cps)	(41.7%)

(1) FY20 profit from discontinued operations relates to deposit received on sale of Little Mindil in Darwin

FY21 Result – Normalised

	FY21	FY20	Movement	
	\$m	\$m	\$m	%
Normalised Revenue (incl Gaming GST)	822.3	779.5	42.8	5.5%
Gaming GST	(77.8)	(72.8)	(5.0)	(6.9%)
Normalised Revenue	744.5	706.7	37.8	5.4%
Expenses	(492.5)	(506.0)	13.4	2.7%
Normalised EBITDA	252.0	200.7	51.3	25.5%
Depreciation & Amortisation	(91.4)	(86.6)	(4.9)	(5.6%)
Normalised EBIT	160.6	114.2	46.4	40.7%
Net Interest	(32.5)	(21.1)	(11.3)	(53.8%)
Normalised NPBT	128.1	93.0	35.1	37.7%
Tax	(37.8)	(26.8)	(11.0)	(41.2%)
Normalised NPAT	90.3	66.3	24.0	36.3%
Normalised EPS	11.9cps	10.0cps	2.0cps	19.8%

SkyCity Auckland

	FY21	FY20	Movement
	\$m	\$m	%
Revenue			
Gaming Machines	264.3	230.8	14.5%
Tables	133.1	128.0	4.0%
Gaming Revenue (incl GST)	397.4	358.8	10.8%
Non-Gaming Revenue ⁽¹⁾	90.9	138.5	(34.4%)
Total Normalised Revenue (incl gaming GST) (excl IB)	488.2	497.3	(1.8%)
Gaming GST	(51.6)	(46.4)	(11.1%)
Total Normalised Revenue (excl gaming GST) (excl IB)	436.7	450.9	(3.1%)
Expenses	(233.3)	(257.0)	9.4%
Normalised EBITDA (excl IB)	203.4	193.9	4.9%
EBITDA Margin (excl IB)	41.7%	39.0%	
Depreciation & Amortisation	(45.5)	(46.1)	
EBIT (excl IB)	157.9	147.8	6.8%
Normalised EBITDA (incl IB)	200.8	198.6	1.1%

- Property closed for 29 days during the period and 48½ days under Alert Level 2 restrictions
- Resilient local gaming performance, particularly at Alert Level 1
 - EGM revenue well up on pcp and 5% up vs. like-for-like FY19 comparative⁽²⁾
 - Progressive improvement in table games performance over the period
 - Benefitting from new product and floor layout
 - Leveraging new premium gaming rooms
- Tourism-related businesses significantly impacted by international border closures
 - Hotels profitable and benefiting from positive domestic tourism, but well down vs. pcp and FY19 comparative
 - Improved F&B performance in 2H21 vs. 1H21, but remains broadly break-even contribution
- Good cost execution (300bps margin improvement vs. pcp) – benefitting from operational efficiencies

(1) Includes NZ wage subsidy of \$3.2m recognised as other income, net of partial repayment made in June 2021

(2) Adjusts for closure periods in Auckland in FY21, but not trading period at Alert Level 2

SkyCity Hamilton

	FY21	FY20	Movement
	\$m	\$m	%
Revenue			
Gaming Machines	53.0	41.4	28.0%
Tables	11.5	8.4	37.8%
Gaming Revenue (incl GST)	64.6	49.8	29.7%
Non-Gaming Revenue	8.9	9.0	(1.7%)
Total Normalised Revenue (incl gaming GST) (excl IB)	73.5	58.8	24.9%
Gaming GST	(8.4)	(6.5)	(29.7%)
Total Revenue (excl gaming GST) (excl IB)	65.0	52.3	24.3%
Expenses	(29.8)	(27.9)	(6.7%)
EBITDA (excl IB)	35.2	24.4	44.4%
<i>EBITDA Margin (excl IB)</i>	<i>47.9%</i>	<i>41.5%</i>	
Depreciation & Amortisation	(4.2)	(4.4)	
EBIT (excl IB)	31.0	20.0	54.7%
Normalised EBITDA (incl IB)	35.2	24.4	44.4%

- Strong EBITDA performance
- Property under Alert Level 2 restrictions for 51 days over the period
- Local gaming performance driven by
 - Strong EGM activity, despite capacity constraints during peak periods
 - Improved product mix and floor layout, particularly for VIPs
 - New outdoor areas and refurbished premium gaming areas
 - Higher table games hold vs. pcp
 - Strong local economic conditions
- Positive non-gaming performance on like-for-like basis with F&B contribution well up on pcp
- Hamilton Hotel project costs written-off during 1H21 (around \$1m)
- Significant margin improvement (+640bps) vs. pcp – focus on cost control and operational efficiencies

SkyCity Queenstown/Wharf Casino

	FY21	FY20	Movement
	\$m	\$m	%
Revenue			
Gaming Machines	8.5	5.7	49.5%
Tables	2.2	3.8	(44.1%)
Gaming Revenue (incl GST)	10.6	9.5	11.6%
Non-Gaming Revenue	1.6	1.6	1.1%
Total Normalised Revenue (incl gaming GST) (excl IB)	12.3	11.1	10.0%
Gaming GST	(1.4)	(1.2)	(11.9%)
Total Revenue (excl gaming GST) (excl IB)	10.9	9.9	9.8%
Expenses	(7.6)	(9.2)	17.3%
EBITDA (excl IB)	3.2	0.7	388.1%
<i>EBITDA Margin (excl IB)</i>	26.4%	5.9%	
Depreciation & Amortisation	(1.2)	(1.4)	
EBIT (excl IB)	2.0	(0.7)	N/A
Normalised EBITDA (incl IB)	3.1	0.8	272.5%

- Strong EBITDA performance driven by increased EGM activity and cost savings
- Property under Alert Level 2 restrictions for 51 days during the period
- Continue to benefit from positive domestic tourism in NZ, particularly during peak holiday periods
- Continue to consider strategic options for two casino licences
 - Leases for both properties match current casino licence terms, but Wharf Casino remains closed
 - Focus on optimising SkyCity Queenstown

SkyCity Adelaide

	FY21	FY20	Movement
	A\$m	A\$m	%
Revenue			
Gaming Machines	65.2	38.3	70.4%
Tables	82.4	56.9	44.8%
Gaming Revenue (incl GST)	147.6	95.2	55.1%
Non-Gaming Revenue ⁽¹⁾	49.3	25.8	91.0%
Total Normalised Revenue (incl gaming GST) (excl IB)	196.9	121.0	62.7%
Gaming GST	(13.4)	(8.7)	(54.9%)
Total Revenue (excl gaming GST) (excl IB)	183.5	112.3	63.4%
Expenses	(140.7)	(101.1)	(39.1%)
EBITDA (excl IB)	42.8	11.2	281.2%
<i>EBITDA Margin (excl IB)</i>	<i>21.7%</i>	<i>9.3%</i>	
Depreciation & Amortisation	(21.3)	(18.1)	
EBIT (excl IB)	21.5	(6.9)	N/A
Normalised EBITDA (incl IB)	43.5	10.4	315.4%

- Performance prior to completion of expansion impacted by operational constraints and construction disruption
- Strict social distancing measures required due to Covid-19 for majority of 1H21
- Property closed for 3½ days in late November 2020 in response to local Covid-19 outbreak
- Property EBITDA excludes pre-opening costs (around A\$3.5m) associated with Adelaide expansion during the period
- Consistent performance across all business activities post opening of expansion (refer to page 12 for further details)
 - 2H21 EBITDA around A\$18m up 105% vs. FY19 comparative⁽²⁾
- One-off benefit from JobKeeper scheme recognised as other income
 - EBITDA up 185.9% vs. pcpl excl JobKeeper scheme

(1) Includes JobKeeper scheme of around A\$12m recognised as other income (EBITDA benefit of A\$10.7m), net of partial repayment to be made during 1H22

(2) Property closure from 23 March 2020 to 29 June 2020 limits 2H21 comparability with the pcpl

International Business

	FY21	FY20	Movement
	\$bn	\$bn	%
Turnover			
Auckland	0.3	3.9	(91.9%)
Other NZ	0.0	0.6	N/A
Adelaide (A\$)	1.3	1.3	(0.8%)
Total Turnover	1.6	5.8	(72.0%)
Normalised Revenue (\$m)⁽¹⁾	22.1	78.9	(72.0%)
Reported Revenue (\$m)	17.8	38.0	(53.2%)

	FY21	FY20	Movement
	\$m	\$m	%
EBITDA			
Auckland	(2.5)	4.7	(154.0%)
Other NZ	(0.1)	0.7	N/A
Adelaide (A\$)	0.8	(0.8)	198.3%
Total Normalised EBITDA⁽¹⁾	(1.8)	4.5	(140.3%)
Total Reported EBITDA	3.1	3.8	(17.6%)

FY21	FY20
Actual Win %	
1.67%	1.47%

FY21	FY20
Margin %	
(8.3%)	5.8%

- Significantly impacted by ongoing international border closures
- Cost control and modest interstate tables activity in Adelaide post expansion reduced losses
 - 2H21 EBITDA slightly positive
- Actual win rate of 1.67% well above theoretical win rate
- Strategic review undertaken
 - Revised operating model, particularly around AML/KYC compliance
 - All transactions with direct customers
 - Enhanced customer due diligence and source of wealth/funds checks as required
 - No arrangements with corporate junkets (previously less than 15% of Group IB turnover)
 - Money remitters required to comply with KYC checks

(1) FY21 normalised results in IB adjusted for turnover at the actual win rate of 1.67% vs theoretical win rate of 1.35%, IFRS 15 (Revenue from Contracts with Customers) and Gaming GST

NZ Online Casino

	FY21	FY20	Movement
Operating KPIs			
Customer registrations	48,958	25,661	90.8%
First time depositors (new actives)	28,114	15,855	77.3%
Deposit conversion (%)	57%	62%	N/A
Total bets (\$m)	792.5	253.5	212.5%
	FY21	FY20	Movement
	\$m	\$m	%
Gaming revenue	27.9	10.2	173.5%
GiG costs and bonusing	(11.7)	(4.6)	(151.6%)
NZ GST	(3.1)	(1.0)	(197.1%)
Gaming revenue (attributable to SkyCity)	13.1	4.5	190.6%
Expenses	(4.1)	(2.3) ⁽²⁾	(75.0%)
EBITDA (attributable to SkyCity)	9.1	2.2	312.9%
<i>EBITDA Margin (vs. total gaming revenue)</i>	<i>32.5%</i>	<i>21.5%⁽²⁾</i>	

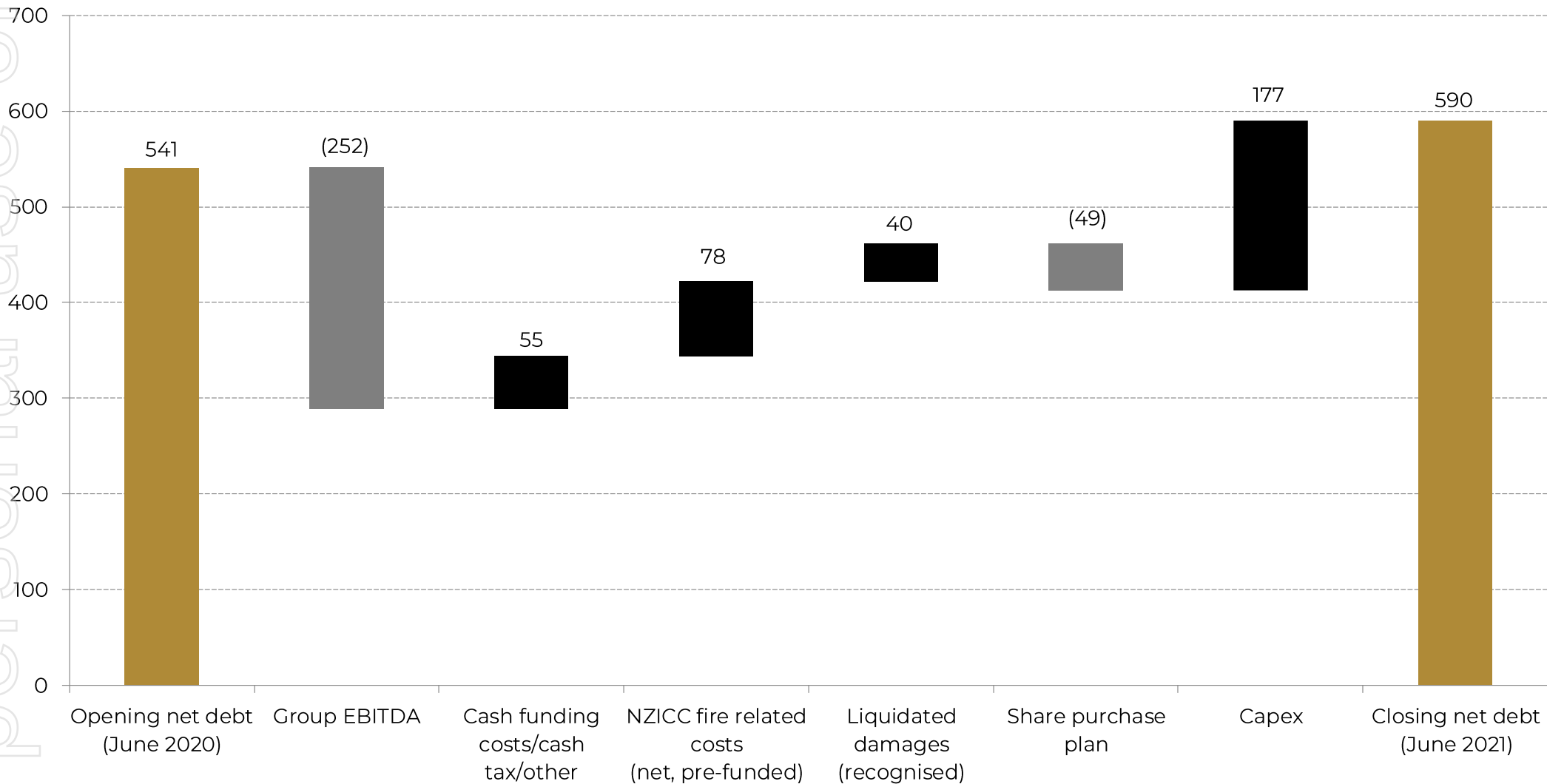
- NZ online casino performing consistently
- Significant growth in gaming revenue and EBITDA vs. pcp
 - Stable ARPU⁽¹⁾ and customer lifetime value
 - Strong retention of existing customers
 - Deposit conversion rates consistently around 60%
 - Broad geographic spread of customers across NZ
 - Meaningful contributor to Group earnings – EBITDA margin in-line with expectations
- Challenging to improve on FY21 performance (without regulation), particularly given operating constraints
 - NZ online market increasingly targeted by offshore operators
 - Advertising restrictions being circumvented (or ignored) by offshore operators with limited (if any) consequences

(1) Average revenue per user

(2) Restated from FY20 investor presentation due to minor revisions to expenses post 30 June 2020

Net Debt (as at 30 June 2021)

Movement in net hedged debt (\$m)

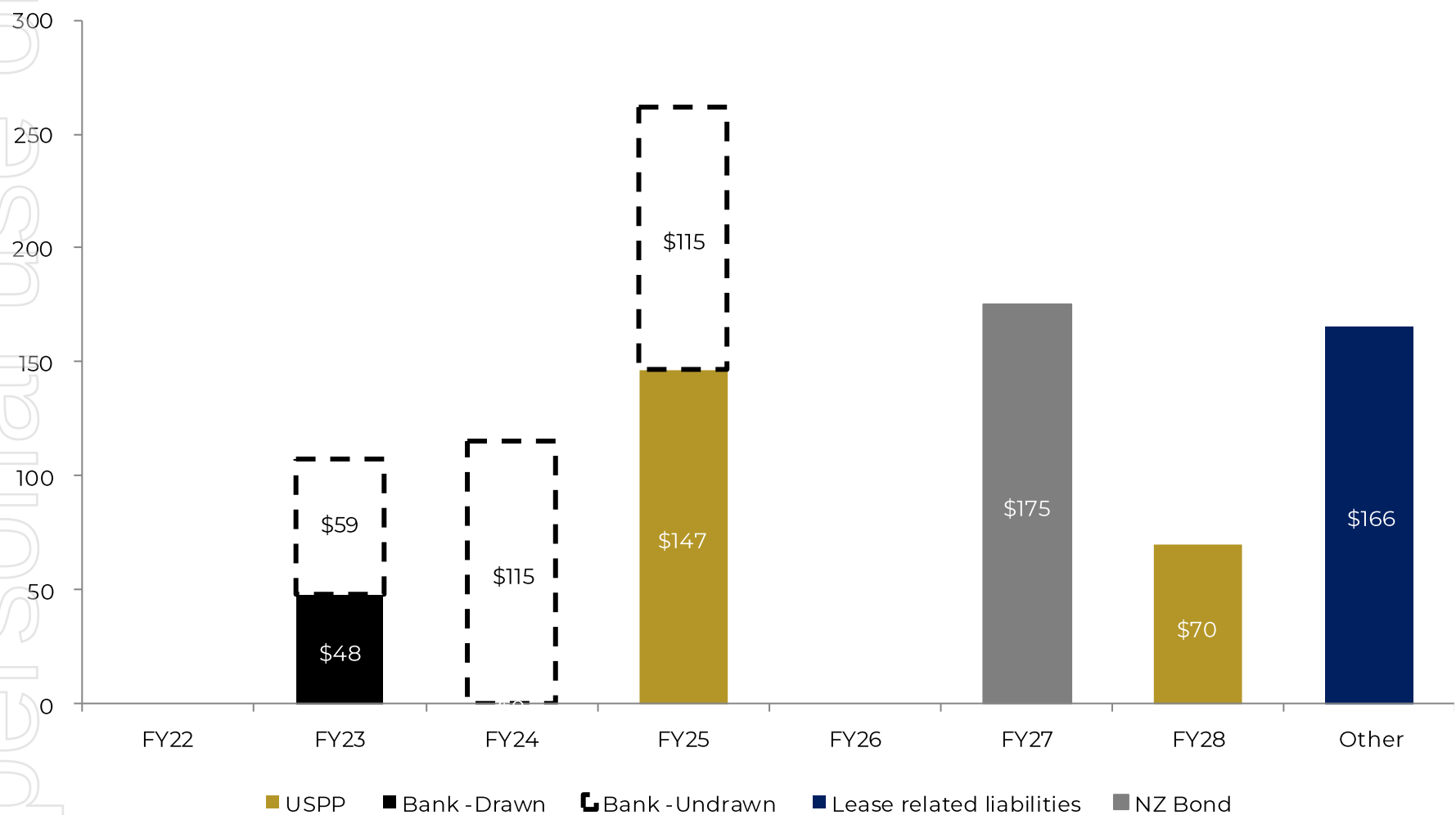


- Net hedged debt of \$590m as at 30 June 2021
 - Includes cash at bank of \$15m
 - Includes proceeds from share purchase plan (\$49m) received during July 2020
 - Includes redemption of September 2015 NZ bonds (\$129m), repayment of USPP notes (US\$100m) and corresponding drawdown of bank debt to fund this
 - Includes \$175m, 6-year, unsubordinated, fixed rate bonds issued during May 2021
- Gearing⁽¹⁾ of 2.3x as at 30 June 2021

(1) Net hedged debt/Group normalised EBITDA

Debt Maturity Profile

Pro-forma hedged debt maturity profile as at 30 June 2021 (\$m)



- Pro-forma committed debt (at hedged exchange rates) of \$900m as at 30 June 2021
 - Bank debt facilities reduced and maturities extended at attractive interest rates following recent restructure
 - Pro-forma liquidity around \$305m (includes \$15m cash at bank) as at 30 June 2021
 - \$440m in drawn facilities – \$392m fixed-term and \$48m bank debt
 - Average maturity of committed debt facilities of 4.0 years
- Average FY21 interest rate on drawn debt of 5.49%
- Expect interest rate to fall materially following debt restructure and as draw on cheaper bank debt

Reported and Normalised Results (1 of 4)

- SkyCity's objective of producing normalised financial information is to provide data that is useful to the investment community in understanding the underlying operations of the Group – the intention is to provide information which:
 - Is representative of SkyCity's underlying performance (as a potential indicator of future performance);
 - Can be compared across years; and
 - Can assist with comparison between publicly listed casino companies in NZ and Australia
- This objective is achieved by:
 - Eliminating inherent volatility or “luck” factor from IB which has variable turnover and actual win % from period to period;
 - Eliminating structural differences in the business between periods; and
 - Eliminating known different treatments with other NZ and Australian publicly listed casino companies
- SkyCity believes that by making these adjustments the users of the financial information are able to understand the underlying performance of the Group and form a view on future performance
- For internal purposes, including budgeting and determination of staff incentives, normalised results are used
- 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 SkyCity's “Non-GAAP Financial Information Policy” is consistent with the approach adopted in FY20

Reported and Normalised Results (2 of 4)

Adjustment	Discussion
Treat IB commissions as an expense rather than reduction in revenue which reduces both reported revenue and operating expenses within IB (by \$7.3m in FY21 and \$39.3 m in FY20)	▪ This adjustment adds back IB commissions (treated as a reduction from revenue in the reported results) and increases both revenue and expenses. This adjustment does not impact EBITDA, EBIT or NPAT. This adjustment has been made to maintain the relationship between turnover and the theoretical win rate of 1.35% when determining normalised revenue
Add gaming GST to reported revenue (by \$78.7m in FY21 and \$73.4m in FY20)	▪ Reported revenue included within the financial statements of the Group excludes GST ▪ This adjustment adds back GST associated with gaming so that normalised revenue equals the amount bet by gaming customers ▪ All publicly listed NZ and Australian casino companies include GST associated with gaming within their revenue results. Including gaming GST within reported revenue is not consistent with GAAP and SkyCity therefore does not do so ▪ However, SkyCity does include gaming GST within its normalised revenue. This adjustment does not impact EBITDA, EBIT or NPAT
Apply theoretical win rate of 1.35% for IB vs. actual win rate of 1.67% (FY21) and 1.47% (FY20)	▪ This adjustment recalculates gaming win from IB to the theoretical win rate. The vast majority of IB play is baccarat. Statistically, over the long-term the casino expects to win 1.35% of all bets taken on baccarat. However, in any particular reporting period the actual results of play will vary depending on “luck” ▪ The 1.35% win rate is used by all publicly listed NZ and Australian casino companies in addition to casino companies in Asia and the United States ▪ In order to understand the long-term results within IB there is the need to eliminate the inherent volatility or “luck” factor
Eliminate net gain (\$24.2m post-tax) arising from impacts of NZICC fire (\$268.5m in FY20)	▪ On 22 October 2019, there was a significant fire at the construction site of the New Zealand International Convention Centre (“NZICC”) in Auckland. This fire has caused extensive damage to the NZICC and damage to the Horizon Hotel which is being constructed on the adjacent site. Both buildings are insured and all significant costs associated with the fire are expected to be covered. Any costs not covered by insurance are expected to be sought from Fletcher Construction ▪ The fire has significant implications for the financial statements for the Group which were recognised in FY20 – these impacts are explained further on pages 184-188 in SkyCity’s FY20 financial statements which have been released to the NZX and ASX ▪ The FY20 financial statements included a number of significant judgements and estimates to determine the appropriate accounting. These judgements and estimates have continued to be reviewed as new information has become available – following a revised damage assessment for the NZICC/Horizon Hotel project, the expected insurance recovery relating to the asset has increased and is required to be recognised as income as SkyCity is principal in the insurance relationship. This income has been offset by an increase in costs relating to demolition and deconstruction of the site post fire that are required to be expensed as incurred ▪ The NZICC fire (and associated accounting impact) is a significant, one-off event that has impacted the comparability of the FY21 result with the prior year

Reported and Normalised Results (3 of 4)

Adjustment	Discussion
Eliminate benefit (\$39.5m) arising from liquidated damages on NZICC/Horizon Hotel project withheld due to late practical completion	▪ SkyCity entered into Building Works Contracts on the NZICC/Horizon Hotel projects in November 2015 ▪ Under the Building Works Contracts, liquidated damages apply for late delivery of contractual completion milestones ▪ Given the significant delays to completion of the NZICC/Horizon Hotel, SkyCity has claimed and deducted liquidated damages under the Building Works Contracts of \$39.5m ▪ Following several pre-fire claims being settled with Fletcher Construction during 1H21, recovery of the liquidated damages has been deemed virtually certain and hence the full amount is required to be accounted for as income in SkyCity's financial statements ▪ The liquidated damages are a significant, one-off event – making this adjustment which eliminates the one-off gain will enhance the reader's understanding as this item does not impact the underlying operations of the Group
Eliminate impact of revaluation (increase of \$7.4m) of Auckland investment properties (FY20: reduction of \$14.1m)	▪ SkyCity has a number of investment properties in Auckland. In accordance with the appropriate accounting standard, these investment properties will be revalued by an independent expert every year and the carrying value adjusted within the Group's financial statements ▪ This adjustment eliminates/reverses the increase/decline in value of these properties ▪ The revaluation is non-cash and unrelated to the operations of the Group ▪ This adjustment will be made each year to determine the Group's normalised results
AA Centre (SkyCity HQ) impairment (\$8.8m) SkyCity Adelaide licence impairment (A\$150m) (FY20 only)	<u>AA Centre</u> ▪ In FY21 the Group impaired the AA Centre (SkyCity HQ), majority owned by SkyCity, by \$8.8m ▪ The impairment arose due to revised expectations regarding the carrying value of the asset and the cost of significant improvements and remediation required to the building over the past year ▪ This adjustment eliminates this non-cash expense <u>SkyCity Adelaide</u> ▪ In FY20 the Group impaired the SkyCity Adelaide casino licence by A\$150m (\$160.6m) ▪ The impairment arose due to revised expectations regarding the timeframe for SkyCity Adelaide to achieve its long-term potential earnings following completion of the expansion project. The reduced earnings outlook for SkyCity Adelaide has been exacerbated in the short-to-medium term by the impacts of Covid-19, including an expectation that IB activity may take some years to recover ▪ This adjustment eliminates this non-cash expense

Reported and Normalised Results (4 of 4)

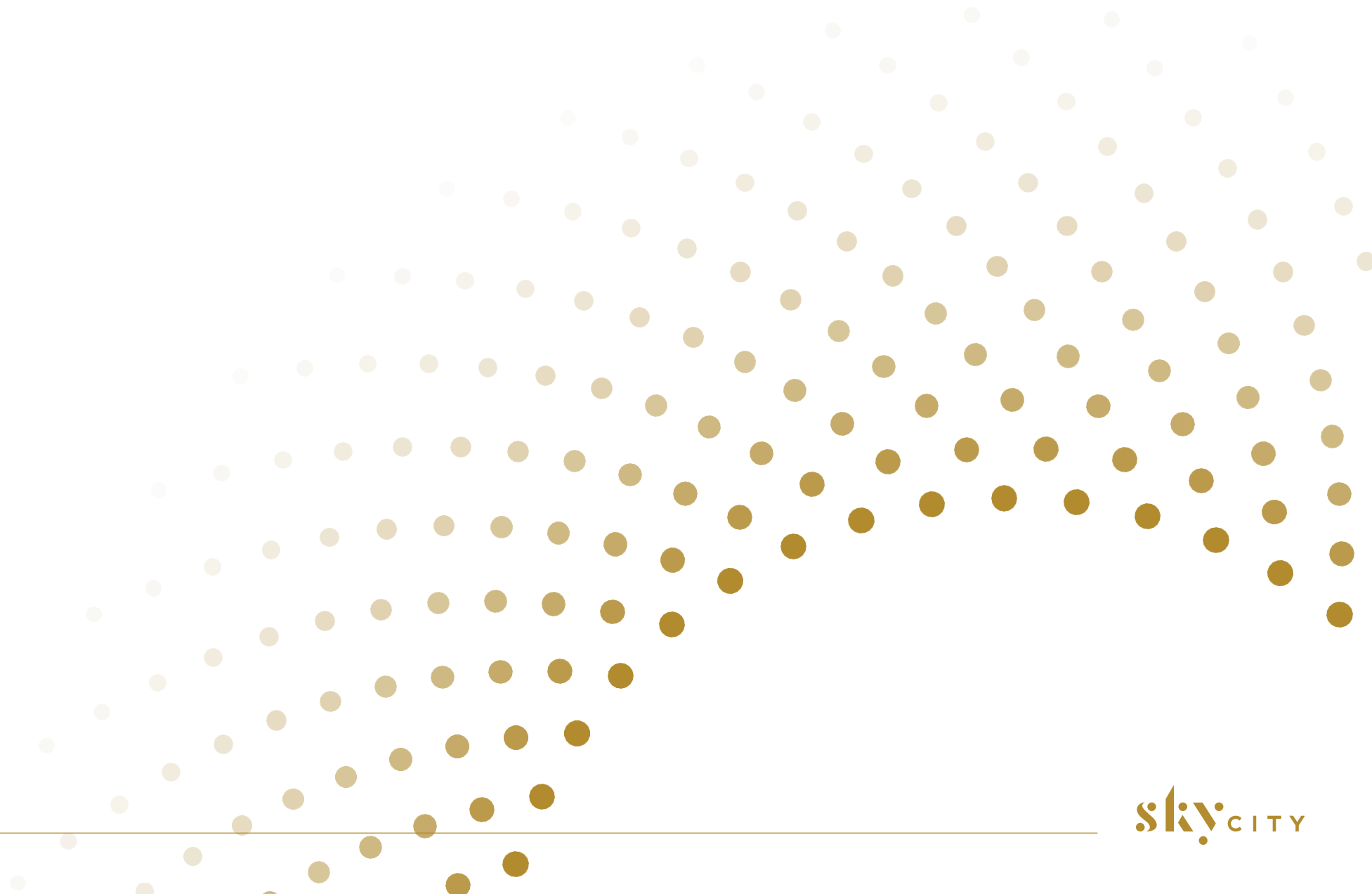
Adjustment	Discussion
Eliminate gain (\$66.4m) arising from Auckland car park concession sale (completed in August 2019) (FY20 only)	▪ The FY20 reported results included a significant gain relating to the Auckland car park concession sale which settled in August 2019 ▪ The adjustment reverses these gains
Labour restructure (\$13.5m) and funding plan costs (\$5.4m post-tax) (FY20 only)	▪ As part of its response to Covid-19, SkyCity undertook a labour restructure in NZ and implemented a new funding plan in FY20 ▪ This adjustment eliminates the costs associated with those actions
Deferred tax liability reversal (\$24.1m) (FY20 only)	▪ As part of its response to Covid-19, the NZ Government reinstated tax depreciation for commercial properties which resulted in a non-cash accounting reduction in the FY20 tax expense ▪ This adjustment eliminates this one-off reduction to tax expense



Disclaimer

- All information included in this presentation is provided as at 25 August 2021
- This presentation includes a number of forward-looking statements. Forward-looking statements, by their nature, involve inherent risks and uncertainties. Many of those risks and uncertainties are matters which are 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

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Section 1: Issuer information

Name of issuer	SkyCity Entertainment Group Limited			
Financial product name/description	Ordinary Shares			
NZX ticker code	SKC.NZ			
ISIN	NZSKCE0001S2			
Type of distribution	Full Year	X	Quarterly	
	Half Year		Special	
	DRP applies			
Record date	17 September 2021			
Ex-Date (one business day before the Record Date)	16 September 2021			
Payment date (and allotment date for DRP, if applicable)	24 September 2021			
Total monies associated with the distribution	\$53,214,365			
Source of distribution	Profit			
Currency	NZD			

Section 2: Distribution amounts per financial product

Gross distribution	\$0.09722222
Total cash distribution	\$0.07000000
Excluded amount (applicable to listed PIEs)	\$ -
Supplementary distribution amount	\$0.01235294

Section 3: Imputation credits and Resident Withholding Tax

Is the distribution imputed	Fully imputed	X
	Partial imputation	
	No imputation	
If fully or partially imputed, please state imputation rate as % applied	100%	
Imputation tax credits per financial product	\$0.02722222	
Resident Withholding Tax per financial product	\$0.00486111	

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Section 4: Distribution re-investment plan (if applicable)

DRP % discount (if any)	N/A	
Start date and end date for determining market price for DRP		
Date strike price to be announced (if not available at this time)		
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)		
DRP strike price per financial product		
Last date to submit a participation notice for this distribution in accordance with DRP participation terms		

Section 5: Authority for this announcement

Name of person authorised to make this announcement	Jo Wong
Contact person for this announcement	Jo Wong
Contact phone number	09 363 6143
Contact email address	jo.wong@skycity.co.nz
Date of release through MAP	25 August 2021

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