

16 October 2020

Client Market Services
NZX Limited
Level 1, NZX Centre
11 Cable Street
WELLINGTON

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

**RE: SKYCITY ENTERTAINMENT GROUP LIMITED (SKC)
2020 ANNUAL MEETING OF SHAREHOLDERS**

Please find **attached** a copy of the presentation to be delivered at the company's 2020 Annual Meeting of shareholders to be held virtually today from 1.00pm (New Zealand time).

A copy of this presentation is available on the company's website at www.skycityentertainmentgroup.com/investor-centre/financial-information/reports-presentations/2020 together with the following prepared video presentations (also to be delivered at the Annual Meeting today):

- Chair's Address;
- Chief Executive Officer's Address;
- operations video;
- summary of the activities of the Board's Audit and Risk Committee and Adelaide Sub-Committee; and
- re-election addresses of Sue Suckling, Jennifer Owen and Murray Jordan.

A recording of the Annual Meeting will also be available on the company's website at www.skycityentertainmentgroup.com/investor-centre/financial-information/reports-presentations/2020 following the Annual Meeting.

Authorised by:



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SkyCity Entertainment Group Limited

2020 Annual Meeting

16 October 2020

2020 Annual Meeting

- Meeting duly convened with a quorum present
- Shareholders can view the presentations, ask questions and vote on the resolutions on their selected devices
- Questions can be submitted at any time during the meeting – these will be addressed at the relevant time in the meeting

1

**Click the speech
bubble icon**

2

**Type your question in
the text box**

3

**Click the arrow symbol
to submit your question**

2020 Annual Meeting

- Cast your votes at any time during the meeting when voting opens
- Minutes of 2019 Annual Meeting available on SkyCity's website
- SkyCity Board and Management in attendance

Sequence of Meeting

- Chair's Address
- Chief Executive Officer's Address
- Operations video
- Summary of the activities of the Board's Audit & Risk Committee and Adelaide Sub-Committee
- General Q&A session on management and operations of business
- Five resolutions and questions relating to the resolutions
- Close of meeting



Chair's Address

Rob Campbell

Chair's Address

- Challenging year for SkyCity
- Gambling and entertainment business
 - importance of the quality and variety of our offering to our customers
 - customer and stakeholder/community expectations
- Board and management decision-making involves consideration of the expectations of all our customers and stakeholders/community

Chair's Address

- Investors expect
 - careful allocation and management of capital
 - that we will protect and grow capital value
 - an income flow from capital, which is reliable and consistent with cash returns from comparable shares
- Expect social distancing, travel restrictions and enhanced safety and health procedures will form an ongoing part of our operating environment
- We are substantially adapting our business model to reflect the conditions we face

Chair's Address

- Confident that with skill, care and adaptability, our core business model will meet investors' expectations - but this will not happen quickly or easily
- SkyCity Board, Management and staff excited about the challenge



Chief Executive Officer's Address

Graeme Stephens

FY20 Results Overview

	FY20	FY19	Movement	
	\$m	\$m	\$m	%
Reported Revenue	1,125.0	822.3	302.7	36.8%
Reported EBITDA	348.3	297.8	50.5	16.9%
Reported NPAT	235.4	144.6	90.8	62.8%
Reported EPS	35.4cps	21.4cps	14.0ps	65.5%
	FY20	FY19	Movement	
	\$m	\$m	\$m	%
Normalised Revenue (incl Gaming GST) ⁽¹⁾	779.5	1,029.8	(250.3)	(24.3%)
Normalised EBITDA ⁽¹⁾	200.7	322.2	(121.5)	(37.7%)
Normalised NPAT ⁽¹⁾	66.3	164.6	(98.3)	(59.7%)
Normalised EPS	10.0cps	24.4cps	(14.4cps)	(59.0%)
Final Dividend DPS	0.0cps	10.0cps	(10.0cps)	NA

(1) Darwin has been excluded from normalised results to aid comparability vs. pcg, but there has been no change to FY19 reported NPAT

Key Features of FY20

- Group normalised EBITDA and NPAT negatively impacted, but at the top end of the guidance range provided at the time of the equity raising in June 2020
- Challenging year due to the NZICC fire in October 2019 and COVID-19 in 2020
 - significant operational and financial impacts
 - 25% reduction in New Zealand workforce to position SkyCity as a smaller, domestically focused business on reopening
 - successful recapitalisation following implementation of funding plan in June/July 2020, including a \$230 million equity raise

Current Trading

- Domestic businesses performing well/resilient when open
 - Auckland performance following second closure in August 2020 consistent with trading during May/June 2020 (at Alert Level 2)
 - Hamilton, Queenstown and Adelaide continue to trade ahead of expectations
 - SkyCity Online Casino continues to trade positively
- Trading update in mid-November 2020 (UBS Investor Conference)

Financial Position

- Prepared for possibility of further COVID-19 related closures
- Planning for international border to remain closed for the duration of FY21 - negligible International Business and international tourism activity
- Strong balance sheet following implementation of funding plan
- Sufficient liquidity to respond to a range of downside scenarios, including further COVID-19 disruptions

Key Strategic Initiatives

SkyCity Online Casino

- Launched in August 2019 with GiG (via a Malta-based subsidiary)
- Grown rapidly despite operational constraints
- Around 25,000 first time depositors (actives) as at 30 September 2020
- Significant omni-channel opportunity if online market regulated in New Zealand

Key Strategic Initiatives

NZICC and Horizon Hotel Development

- NZICC fire and impact of COVID-19 caused significant project delays
- Expect Horizon Hotel to be completed by late 2021 and NZICC around mid-2023
- Remain comfortable with contractual position
- Appropriate project insurance (responding to reinstatement)
- No change to previous guidance for total project costs - expect total project costs of around \$750 million
- No change to long-term investment thesis for the project

Key Strategic Initiatives

Adelaide Expansion Development

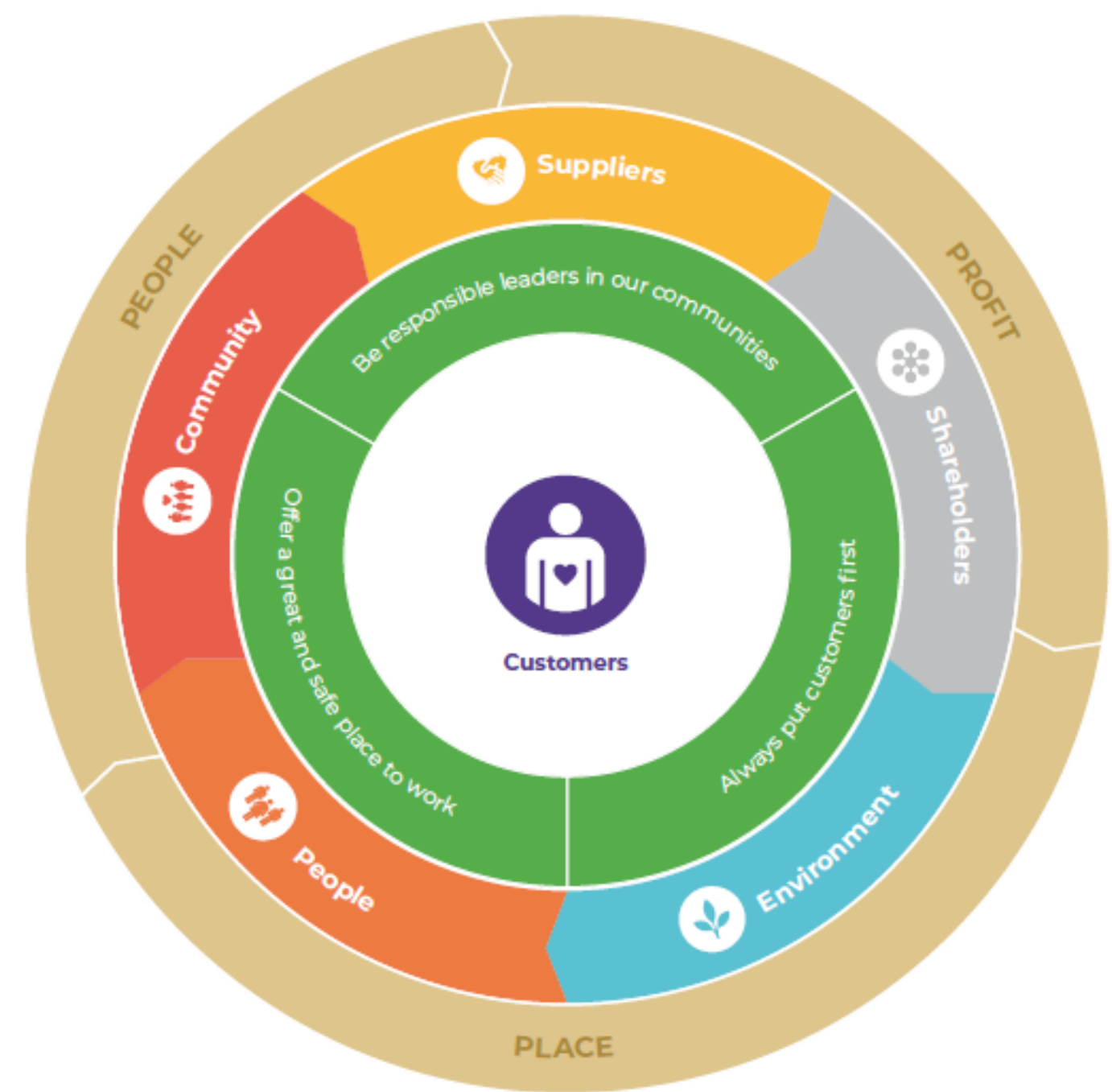
- Expect to open in a staged manner from late November 2020, reflecting customer demand
- Expect car park to be handed over by Walker Corporation during 2Q 2021
- New regulatory reforms to be implemented from October 2020
- Master planning works on existing building on-track
- Expansion to transform SkyCity Adelaide into world-class casino and entertainment complex

Key Strategic Initiatives

Other Developments

- Completed major refurbishment and expansion of VIP/premium gaming facilities in Auckland
- Exciting developments due to open in Auckland
 - new 'Food Republic' food court and 'Flare' bar on the casino floor
 - Weta and All Blacks attractions
- Auckland/Hamilton/Queenstown development opportunities continue to be refined, but major decisions paused
- Continuing to progress opportunities to optimise property assets

Sustainability Initiatives



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

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

Sustainability Initiatives

Our Customers

- Ongoing investment in ICT/digital
- Facial recognition implemented across all sites
- Upgraded algorithm to enhance detection of problem gambling
- Progressing review of CXM/loyalty

Our People

- Focus on maintaining staff resilience, morale and motivation
- Focus on creating pathways to employment
- Flexible working framework implemented across the Group
- Reduction in gender pay gap in New Zealand

Sustainability Initiatives

Our Communities

- Greater alignment of the four SkyCity Community Trusts in New Zealand
- \$3.7 million contributed to the SkyCity Community Trusts in FY20

Our Suppliers

- Good progress in ensuring local and ethical sourcing

Sustainability Initiatives

Our Environment

- Carbon neutral across both New Zealand and Adelaide
- Employee-led Green Fund allocations commenced
- Implementing initiatives to reduce waste to landfill and water usage

Our Shareholders

- Introduction of a new pillar
- Recognises that SkyCity must create value for its shareholders while maintaining its social licence to operate

FY21 Priorities

- Continue positive operating recovery post re-opening of properties, particularly in Auckland
- Maximise development opportunities in New Zealand whilst maintaining discipline over capital allocation
- Major projects in Adelaide and Auckland
 - Complete Adelaide expansion and achieve successful opening of new facilities
 - Progress reinstatement of the NZICC and Horizon Hotel post the fire
- Progress online casino opportunity in New Zealand
- Continue to invest in and enhance key CSR/sustainability initiatives

FY21 Outlook

- No change to previous guidance for FY21 Group normalised EBITDA
- Outlook remains unpredictable as we adjust to new social and economic settings
- Dividend policy to be reviewed
 - no interim dividend for FY21
 - expect to pay a final dividend for FY21 (assuming no meaningful further COVID-19 disruptions)
- Thank you to SkyCity staff, Board and shareholders



Chair of Audit & Risk Committee
Chair of Adelaide Sub-Committee

Bruce Carter



General Questions from Shareholders

(not relating to the resolutions)

Voting

- Five resolutions set out in the Notice of Meeting
- Voting by way of poll

1

Click on the polling icon

2

Press 'For', 'Against' or
'Abstain' for each resolution

- 544 million proxy votes (representing ~72% of all voting securities) received by 1pm on Wednesday 14 October 2020

Resolution 1

Re-election of Director: Rob Campbell

- Appointed to Board in June 2017
- Appointed as Chair of Board in January 2018
- Independent
- Board unanimously recommends that shareholders vote in favour of his re-election



Resolution 2

Re-election of Director: Sue Suckling

- Appointed to Board in May 2011
- Chair of the Board Sustainability Committee
- Independent
- Board unanimously recommends that shareholders vote in favour of her re-election



Resolution 3

Re-election of Director: Jennifer Owen

- Appointed to Board in December 2016
- Independent
- Board unanimously recommends that shareholders vote in favour of her re-election



Resolution 4

Re-election of Director: Murray Jordan

- Appointed to Board in December 2016
- Chair of the Board People and Culture Committee
- Chair of the Board New Zealand International Convention Centre Sub-Committee
- Independent
- Board unanimously recommends that shareholders vote in favour of his re-election



Resolution 5

Remuneration of Auditor

- Authorise the Directors to fix the auditor's remuneration
- PricewaterhouseCoopers continues as the auditor of SkyCity

Conclusion

- Cast your vote on all resolutions
- Results advised to NZX and ASX later today
- Close of meeting

Disclaimer

- All information included in this presentation is provided as at 16 October 2020
- 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 investors investment objectives or other circumstances. Investors are encouraged to make an independent assessment of SkyCity