

18 October 2019

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ASX Market Announcements
Australian Stock Exchange
Exchange Centre
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20 Bridge Street
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**RE: SKYCITY ENTERTAINMENT GROUP LIMITED (SKC)
ANNUAL MEETING OF SHAREHOLDERS**

Please find **attached** a copy of the presentation to be delivered at the company's annual meeting of shareholders to be held at 10.00am (New Zealand time) in Auckland today.

A copy of the presentation and the video presentation that will be screened at the annual meeting will be available to view from SkyCity's website later today at <https://www.skycityentertainmentgroup.com/investor-centre/financial-information/reports-presentations/2019>.

Yours faithfully



Jo Wong
Company Secretary

SkyCity Entertainment Group Limited

2019 Annual Meeting
18 October 2019

2019 Annual Meeting

- Meeting duly convened
- Quorum present
- Minutes of 2018 Annual Meeting available on SkyCity's website

Sequence of Meeting

- Chair's Address
- Chief Executive Officer's Address
- Board Committee Chairs' Addresses
- General Q&A session on management and operations of business
- Two resolutions and questions relating to the resolutions
- Refreshments

Chair's Address

Rob Campbell



Chair's Address

FY19

- A sound year, progressing medium-term strategy aimed at creating both sustainable shareholder returns and enhanced social and sustainability initiatives
- Progressed major projects in Auckland and Adelaide
- Divested non-core assets, releasing ~\$450 million
- Progressed new ventures
- Progressed master planning activities across the Group
- Consolidated our core casino performance

Chair's Address

SkyCity today

- Set the stage for improved future performance
- Strong platform to drive medium-term earnings growth
- Management team focused on delivery of strategic plan
- Board's primary role, alongside development of strategy, to maintain strong discipline on capital allocation
- Our vision for SkyCity is to be the leader in gaming, entertainment and hospitality in our communities

Chair's Address

Looking out over the next 5 years

- Continuing to grow our core gambling business in Auckland
- Auckland – an expanded precinct and the leading tourist and entertainment area in New Zealand
- New Zealand International Convention Centre – a world-class venue of leading architecture and construction
- Adelaide – a leading luxury destination in Australia
- Operating a regulated online casino business in New Zealand

Chair's Address

Looking out over the next 5 years

- Hamilton and Queenstown
- Significant increase in operating earnings following completion of major projects in Auckland and Adelaide
- Steady dividend of 20 cents per share per annum, with opportunity to grow
- Safe entertainment destinations
- Digital technology
- Zero carbon and industry leading waste management programmes

Chair's Address

Looking out over the next 5 years

- Industry leading employment practices, training and development
- SkyCity Community Trusts - best in class philanthropic practice
- Strong employment pathways
- Industry leading surveillance and monitoring, customer management and exclusion practices
- Highest standards of governance practice

Chief Executive Officer's Address

Graeme Stephens





Group Strategic Plan

Our Vision

To be the leader in gaming, entertainment and hospitality in our communities

Our Business Goals



Improve
our operating
performance



Optimise
our existing
portfolio



Grow and
diversify our
business



Offer a great
and safe
place to work



Always put
customers
first



Be responsible
leaders in our
communities

FY19 Results

	FY19	FY18 ⁽²⁾	Movement	
	\$m	\$m	\$m	%
Reported Revenue ⁽¹⁾	822.3	815.9	6.4	0.8%
Reported EBITDA ⁽¹⁾	297.8	310.0	(12.2)	(3.9%)
Reported NPAT	144.6	169.5	(24.9)	(14.7%)
Reported EPS	21.4cps	25.3cps	(3.9cps)	(15.4%)
	FY19	FY18	Movement	
	\$m	\$m	\$m	%
Normalised Revenue (incl Gaming GST)	1,118.9	1,100.8	18.1	1.6%
Normalised EBITDA	342.7	338.2	4.5	1.3%
Normalised NPAT	173.0	169.9	3.1	1.9%
Normalised EPS	25.6cps	25.4cps	0.2cps	0.8%
Final Dividend DPS	10.0cps	10.0cps	0.0cps	0.0%

(1) Continuing operations

(2) FY18 reported results have been restated to reflect adoption of NZIFRS 15 (Revenue from Contracts with Customers) and Darwin classification

FY19 Highlights

- Reported earnings down vs prior period due to one-off items and low International Business win rate
- Record Group result (normalised)
- Normalised NPAT up 7.5% on like-for-like basis
- Record performance in International Business (normalised), Auckland and Hamilton
 - Strong electronic gaming machine performance in Auckland
 - Softer performance in domestic tables

FY19 Highlights

- Improved performance in Adelaide on like-for-like basis (post restructure)
- Operating efficiencies mitigating cost pressures
- Ongoing investment in ICT
- Total dividend of 20cps (5% cash yield), consistent with existing policy

FY20 Outlook

- Comparability of FY20 earnings to FY19 impacted by structural changes (ie. asset sales and closure of Auckland convention centre)
 - Adjusted FY19 normalised earnings provides for better like-for-like comparative
 - Reduces FY19 normalised EBITDA to \$303m and NPAT to \$151m
- Expect to achieve some growth in FY20 Group normalised EBITDA vs pcp on like-for-like basis
- Expect FY20 Group normalised NPAT to be flat vs prior period on like-for-like basis
- Operating environment to continue to be challenging with cost pressures

Year to Date Trading

- Positive start in New Zealand - particularly Auckland electronic gaming machines
- Reasonable start in International Business (lower turnover/win rate higher than theoretical)
- No change to FY20 earnings guidance⁽¹⁾
- Trading update: 7 November 2019 – SkyCity Investor Day in Adelaide

NZICC & Horizon Hotel Project

- Project progressing, although slower than previously indicated
 - NZICC expected to be completed in late 2020
 - Horizon Hotel expected to be completed before NZICC
- Remain comfortable with contractual position
- No change to previous guidance for total project costs (net of liquidated damages)
- Focus on establishing new business operations prior to completion
 - Good pipeline of conventions: APEC in 2021 - marquee event for NZ
 - Significant number of new jobs to be created

Adelaide Expansion Project

- Project on-time and on-budget
- Total project costs remain at A\$330m (including contingency)
- Opening expected in October 2020 (T20 World Cup Cricket November 2020)
- Walker Corporation advancing car park development at Festival Plaza (could be up to 6 months delayed)
- SA Government regulatory review complete – Bill to allow note acceptors (amongst other changes) being considered by SA Parliament
- Enhancements to existing building underway

Key Strategic Initiatives

- Successfully executed asset sales during 2H19 (Darwin and Auckland car parks)
- Feasibility analysis for Auckland master planning ongoing
- Continue to evaluate development opportunities in Hamilton and Queenstown
- Online casino launched in August 2019 in partnership with GiG
- Non-gaming attractions secured for Auckland – partnering with two iconic NZ brands (All Blacks and Weta Workshop)

Capital Allocation

- Focused on capital discipline and improving returns
- Immediate priority completing investment on major projects
- Major projects funded from existing/planned debt facilities
- Future growth investments still being developed/evaluated
- ~\$450m realised from asset sales - used to pay down debt
- Low level of gearing
- Continuing with share buy back (up to 5% of issued capital)
- Committed to current dividend policy (minimum of 20cps)

Sustainability at SkyCity



				
Customers	People	Communities	Suppliers	Environment
<u>Be responsible hosts</u>	<u>Inspire our people</u>	<u>Grow our communities</u>	<u>Source responsibly</u>	<u>Protect the environment</u>
Ensure safe and enjoyable opportunities for customers, staff and our communities	Create a great place to work where people are empowered to grow and achieve	Serve a social purpose by investing in local economies and communities	Commit to the highest standards of sourcing, ethically, responsibly and locally	Actively reduce waste and minimise our environmental impact
Happy, safe customers	Great, safe place to work	Thriving local communities	Consistent ethical sourcing	Significantly lower emissions

*“The aim of SkyCity is to be a business which succeeds in financial, social and environmental terms in the long-run” ⁽¹⁾
(Rob Campbell, SkyCity Chair)*

(1) FY19 SkyCity Annual Report

Other Strategic Initiatives

Customers

- Ongoing investment in ICT/digital
- Continue to refine and enhance host responsibility programme (facial recognition)
- Refreshed brand launched

People

- New values agreed with staff – “Own it, Share it, Live it”
- Increasing minimum wage in NZ - \$20 by 2020
- Continue to deliver on health and safety plan – focus on preventing harm and building awareness

Other Strategic Initiatives

Communities

- Refocused SkyCity Community Trusts (particularly youth initiatives)
- Launched project to create pathways to employment for youth

Suppliers

- Procurement Strategy refocused – prioritising ethical sourcing, sustainability and local suppliers

Environment

- Taking action on climate change initiatives
- Carbon neutral in NZ (Australia 2020)
- Creating awareness and reducing emissions
- Future developments to adopt green building technologies

FY20 Focus

- Improve operating performance – deliver on earnings guidance
- Deliver major projects (NZICC/Horizon Hotel and Adelaide), including preparing for new business operations
- Progress key strategic initiatives
 - Master planning (including investment in VIP/International Business gaming in Auckland)
 - Hamilton and Queenstown
 - Online gambling
- Continue to develop and deliver sustainability and wellbeing initiatives

Closing Remarks

- Positive momentum in business
- Delivering on promises and shareholder expectations
- Well positioned to unlock value – FY20 transitional year ahead of new openings
- Working on medium-term strategy 2021 and beyond
- Focus on capital allocation and shareholder wealth
- Seeking to maximise existing assets and leverage core competencies
- Strive to be good corporate citizen

Bruce Carter

Chair of Audit &
Risk Committee

Chair of Adelaide
Development
Sub-Committee



Activities of Audit & Risk Committee

- Complex set of financial statements in FY19
- Balance sheet in good shape following recent asset sales
- Clear focus from the Board on capital allocation
 - Stay-in-business capex
 - Growth projects
 - Debt repayment
 - Dividends and capital returns
- Strong focus on key risks during FY19

Activities of Adelaide Development Sub-Committee

- Oversee
 - Delivery of A\$330m Adelaide expansion project
 - Modernisation of the existing casino and its integration with the expanded building
- Relationships with State and private stakeholders in the Riverbank Precinct



Sue Suckling

Chair of
Sustainability
Committee



Activities of Sustainability Committee

- Protect and enhance our social licence to operate
- Strategic pillars
 - Customers
 - People
 - Communities
 - Suppliers
 - Environment
- Be responsible hosts
- Upgrade of predictive algorithm model at SkyCity Auckland
- Facial recognition technology

Activities of Sustainability Committee

- Grow our communities
 - Pathways to employment for youth
- Protect the environment
 - Climate change
 - Green Fund and emissions reduction
 - Science-based targets

Murray Jordan

Chair of People &
Culture Committee

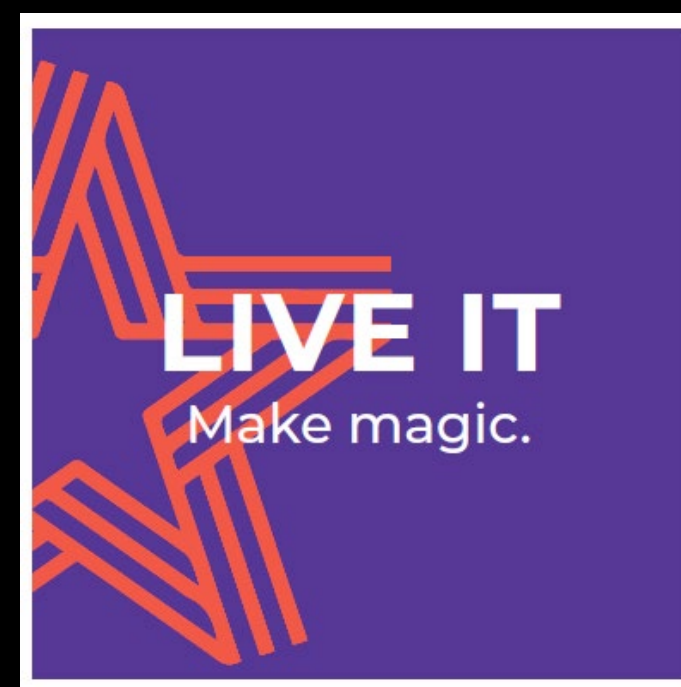


Activities of People & Culture Committee

- Oversee remuneration programme of work
- Continue to monitor and report on gender pay equality
- Comprehensive diversity and inclusion programme
 - 2018 Deloitte Top 200 Diversity & Inclusion Leadership award
 - Established the SkyCity Inclusion Council at SkyCity Auckland
 - Achieved Gender Tick accreditation
 - Joined Women in Gaming and Hospitality Australasia as a Platinum Partner

Activities of People & Culture Committee

- Ensure robust succession plan in place for key talent
- Refreshed SkyCity values



- Highly engaged employees
- Continue focus on improving health and safety performance

Richard Didsbury

Chair of NZICC
Sub-Committee



Activities of NZICC Sub-Committee

- Directing and supporting Management in the navigation of the delivery of the
 - New Zealand International Convention Centre
 - Horizon Hotel
- Ensuring that the project is fiscally governed within the budget set by the Board



Activities of NZICC Sub-Committee

- Convention Centre
 - Iconic building
 - Strong demand for the Centre in years ahead
- Horizon Hotel
- Progress over the past year
- Total project cost





General Questions from Shareholders

(not relating to the resolutions)

Voting

- Voting by way of poll
- 508.7 million proxy votes (representing ~76% of all voting securities) received by 10am on Wednesday 16 October 2019

Resolution 1

Alteration of Constitution

- SkyCity transitioned to the new NZX Listing Rules on 1 March 2019
- To comply with the new NZX Listing Rules, SkyCity must alter its constitution
- Copy of the amended constitution tabled at the meeting
- Shareholders are being asked to resolve that SkyCity's existing constitution be altered with effect from the close of the meeting
- The Board unanimously recommends shareholders vote in favour of altering the current constitution

Resolution 2

Remuneration of Auditor

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

Conclusion

- Place completed voting papers in one of the ballot boxes
- If you need a voting paper, please see Computershare in the foyer after the meeting
- Results advised to NZX and ASX later today
- Close of meeting
- Refreshments

Disclaimer

- All information included in this presentation is provided as at 18 October 2019
- 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