

**MARKET RELEASE**

**SkyCity Entertainment Group Limited**  
**(SKC.NZX/SKC.ASX)**

31 October 2024

**2024 Annual Meeting of Shareholders**

Pursuant to NZX Listing Rule 3.19.2, please find **attached** copies of the following prepared presentations to be delivered at the company's 2024 Annual Meeting of shareholders today:

- (a) Annual Meeting Presentation (which contains an update on trading and outlook, as set out below);
- (b) Chair of the SkyCity Board's Address;
- (c) Chief Executive Officer's Address; and
- (d) Chair of the SkyCity Transformation Sub-Committee's Address.

These presentations will also be available on the company's website at <https://www.skycityentertainmentgroup.com/investor-centre/financial-information/reports-presentations/2024> later today together with the video presentations to be screened at the Annual Meeting showcasing the SkyCity properties and the highlights across the business over the financial year ended 30 June 2024.

A recording of the Annual Meeting will also be available on the company's website following the Annual Meeting.

**Trading update and outlook**

- Economic environment continues to be challenging with cuts to interest rates potentially providing some relief
- Expect tough conditions to continue into 2025 as consumer discretionary spend is forecast to be subdued with improving outlook in second half of FY25
- Reiterate FY25 earnings guidance of underlying Group EBITDA of between \$245 million and \$265 million

**Ends**

**For more information, please contact:**

<b>Investors and Analysts</b>	<b>Media</b>
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This announcement has been authorised for release by:  
Jo Wong, General Counsel & Company Secretary



# Annual Meeting

31 October 2024

**sky**  
CITY  
ENTERTAINMENT GROUP

Chair  
**Julian Cook**

# Welcome to the 2024 Annual Meeting

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- Meeting duly convened with a quorum present
- The Annual Meeting is a **hybrid** meeting, so shareholders and bondholders can participate either online or in person
- Shareholders participating online can view the presentations, ask questions and vote on the resolutions on their selected devices
- Bondholders participating online can view the presentations on their selected devices, but cannot ask questions or vote on the resolutions



# Online Instructions – Questions/Assistance

- If you have a question to submit during the meeting
  - Select the 'Q&A' tab on your screen at any time
  - Type your question into the field and press send
  - Your question will be immediately submitted
- The 'Q&A' tab can also be used for assistance
  - Submit your query in the same manner as typing a question and a Computershare representative will respond to you directly
  - Alternatively, call Computershare on 0800 650 034

## ONLINE INSTRUCTIONS

- 1** Select the Q&A tab
- 2** Type your question in the field
- 3** Press 'send' to submit your question

# Voting Online and In Person

- You can vote online on the resolutions once voting opens
  - To vote, click on the 'Vote' tab, and select your voting direction from the options shown
  - Vote for all resolutions at once or by each resolution
  - Your vote has been cast when the tick appears
  - To change your vote, select 'Change Your Vote'
- If you are attending in person in the SkyCity Theatre
  - Complete your voting paper
  - Place your completed voting paper in one of the ballot boxes at the end of the meeting

## ONLINE INSTRUCTIONS

- 1** Select voting directions
- 2** Green tick = vote cast
- 3** Select 'change your vote' to change a vote

# SkyCity Board of Directors



**Julian Cook, Chair**



**Donna Cooper, Director**



**David Attenborough,  
Director**



**Chad Barton, Director**



**Kate Hughes, Director**



**Glenn Davis, Director**

# Meeting Agenda

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- Chair's Address
- Chief Executive Officer's Address
- Transformation Sub-Committee Chair's Address
- Resolutions and questions relating to the resolutions
- General Q&A session on management and operations of the business
- Close of meeting
- Refreshments in the Sky Theatre foyer



Chair's Address  
**Julian Cook**

# Introduction

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- Over the last 12 months a number of regulatory issues have been resolved
- A new CEO and CFO have been recruited to lead the Group
- Milestones achieved since last year
  - Repurchase of the Auckland car park concession
  - Opening of the Horizon by SkyCity hotel
- Trading conditions have been challenging and a prudent decision was made to suspend dividends

skyCITY  
AUCKLAND



# Regulatory matters

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- In May 2024, SkyCity reached an agreement with the Department of Internal Affairs to resolve the civil penalty proceedings commenced in February 2024 – this led to a \$4.16m penalty
- In July 2024, SkyCity reached an agreement with the Secretary for Internal Affairs to resolve the application to temporarily suspend SkyCity's NZ casino operator's licence - this led to a 5-day closure of the Auckland gaming areas in September 2024
- The Australian Federal Court approved our agreement with AUSTRAC to resolve the civil penalty proceedings commenced in December 2022 and in July 2024 a A\$67m civil penalty payment was made



# Transformation programme

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- Significant focus on undertaking a Group-wide multi-year transformation of processes, systems and capability around prevention of financial crime and uplift in host responsibility
  - Refresh of Board and appointment of key leaders, including new Chief Risk Officer in 2023
  - Creation of a dedicated Board Risk and Compliance Committee and a Board Transformation Sub-Committee
  - Reducing risk and complexity by changing the way we operate to reflect our lower risk tolerance, including limiting the ways in which customers can transact with us
- Introduction of mandatory carded play (MCP) in mid 2025 in NZ and 2026 in Adelaide



# Capital structure

- In June 2024, a prudent approach to managing the increasing debt profile was taken that resulted in the decision to suspend the final dividend for FY24 and the FY25 dividends
- In August 2024, SkyCity successfully refinanced significant tranches of its debt funding and maintains significant funding headroom in its debt facilities
- In the medium term, SkyCity is targeting metrics consistent with a BBB (flat) S&P Global credit rating



# Concluding remarks

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- Financial year ahead continues to reflect a challenging economic environment, particularly in Auckland
- SkyCity remains a key contributor to NZ and Adelaide economies
- A full year of the new Horizon by SkyCity hotel and the opening of the New Zealand International Convention Centre (NZICC) will provide positive momentum for the Auckland precinct
- There is much to be excited about at SkyCity

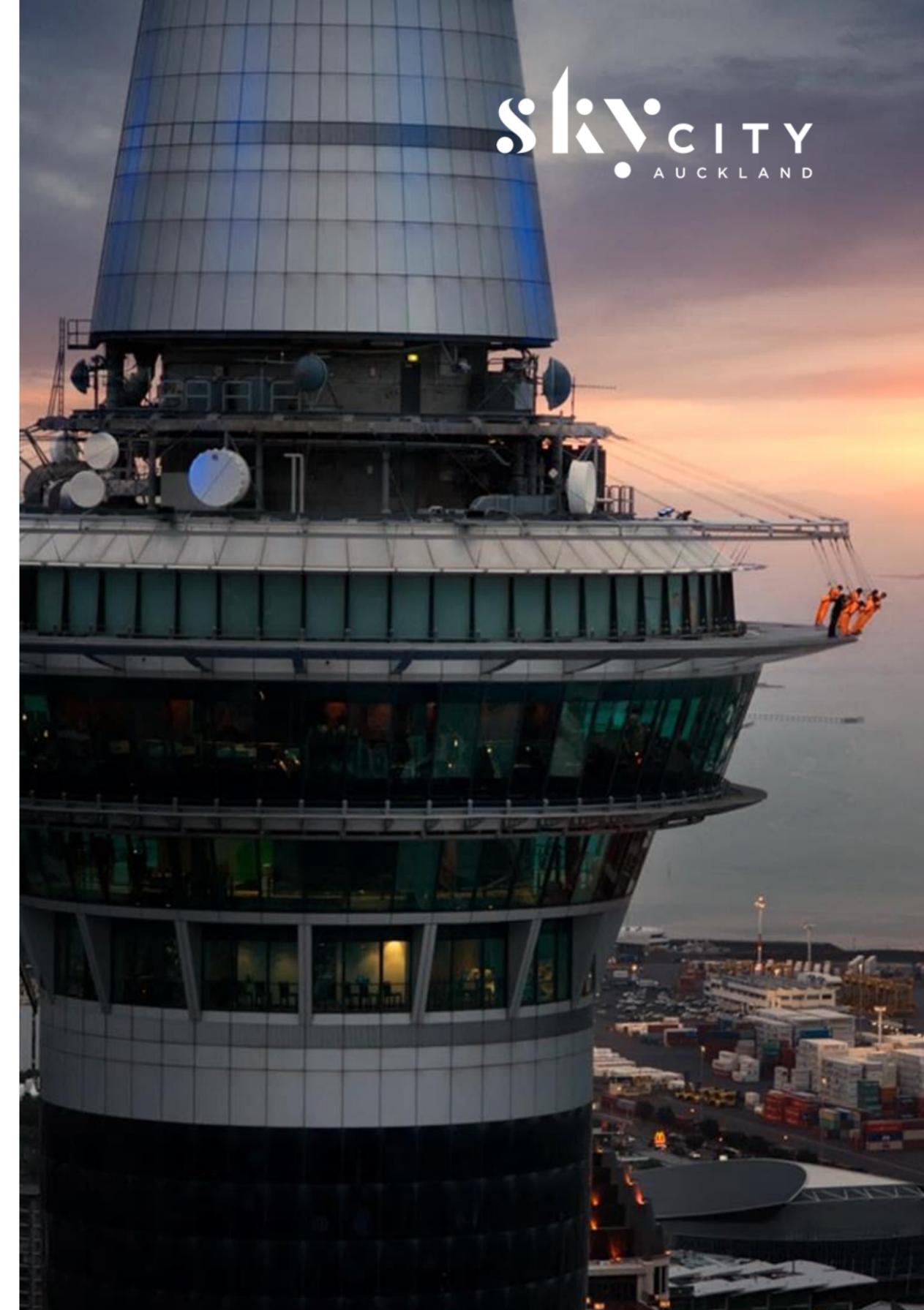


Chief Executive  
Officer's Address  
**Jason Walbridge**

# Introduction

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- My first Annual Meeting as CEO of SkyCity
- SkyCity already has significant value in its people and properties which provides a very solid foundation to build upon for the future
- Recent changes in complex regulatory environments in NZ and South Australia are consistent with global experience
- The multi-year Transformation Programme will take time, effort and investment, but it is imperative if we are to retain our casino operating licences



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AUCKLAND

# FY24 financial results

## REVENUE

**\$928.5m**  0.3% YoY  
Reported

**\$959.6m**  0.3% YoY  
Underlying<sup>1</sup>

## NPAT

**(\$143.3)m**  (1,897.4%) YoY  
Reported

**\$123.2m**  (7.2%) YoY  
Underlying<sup>1</sup>

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

**5.25** cents  
per share

## DEBT LEVERAGE<sup>2</sup>

**2.3x**

## EBITDA

**\$138.2m**  (16.7%) YoY  
Reported

**\$277.8m**  (8.0%) YoY  
Underlying<sup>1</sup>

## EARNINGS PER SHARE

**(18.9)cps**  (1,896.0%) YoY  
Reported

**16.2cps**  (7.3%) YoY  
Underlying<sup>1</sup>

## NET DEBT<sup>3</sup>

**\$663** million

(1) Refer to the appendices in SkyCity's FY24 Results Investor Presentation dated 22 August 2024 for a description and further details of SkyCity's underlying results

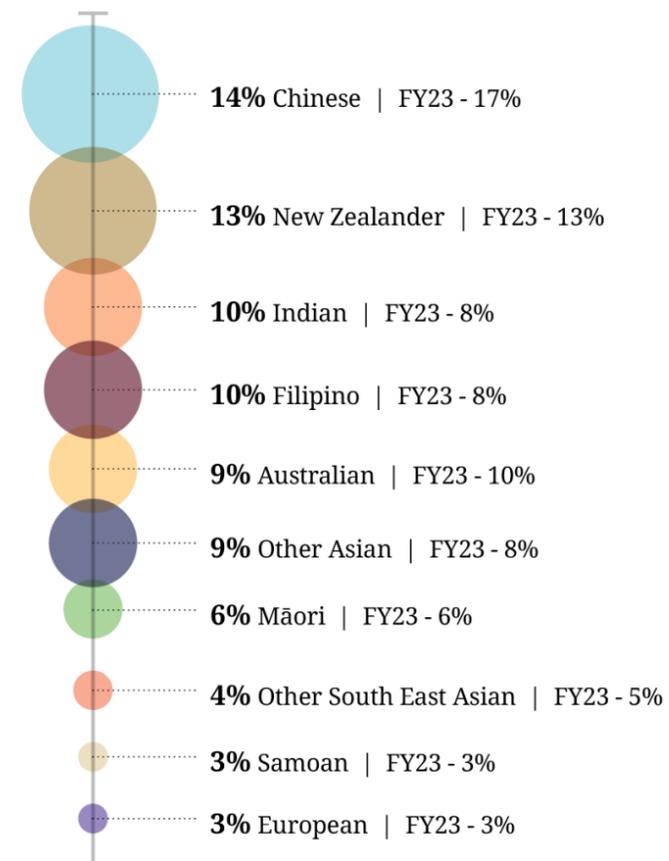
(2) Debt Leverage is Net Debt/EBITDA ratio as per financing agreements

(3) Group borrowing plus leases less cash on hand

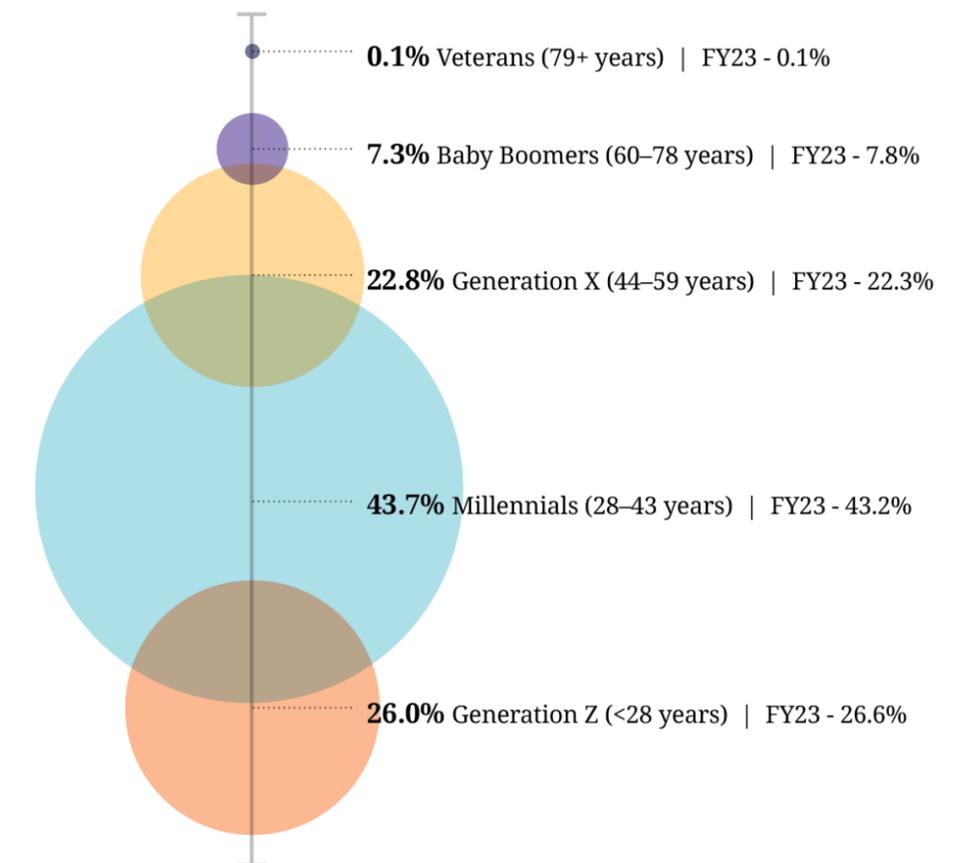
# SkyCity people

- Across more than 4,500 employees at SkyCity there are many ethnicities, age groups and more than 61 languages
- Of all employees, 48.3% are female, 51.2% are male and 0.4% are gender diverse

## Top 10 ethnicities our staff identify with



## Age breakdown



Data provided as at 30 June 2024

# SkyCity in the community

- SkyCity plays an important role in the communities that we operate in
- \$5.9m of grants approved to 130 different community organisations by the SkyCity NZ Community Trusts in FY24
- Support for Leukaemia and Blood Cancer NZ's fundraising efforts helping them raise \$2.5 million through two key events at the Sky Tower in FY24



# Key upcoming priorities

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- Outstanding regulatory matters in Adelaide
  - Brian Martin KC's independent review due by 31 December 2024
  - Working with Kroll to deliver programme of improvements in AML/CFT and host responsibility
- Preparing for rollout of 100% carded play with the aim of minimising the impact on our gaming operations
  - Estimated initial impact is 15% to 20% of annual uncarded gaming revenue could be affected



# Key upcoming priorities



**Opening of NZICC**

# Key upcoming priorities

- Key policy settings we think are critical to successful online gaming regulatory framework:
  1. Recognise the existing licensed casinos when awarding online gaming licences and ensure only trusted and reputable operators are granted licences
  2. Limit the number of online casino licences to between five and seven
  3. Require a substantive domestic presence for all licensees



# Trading update and outlook

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- Economic environment continues to be challenging with cuts to interest rates potentially providing some relief
- Expect tough conditions to continue into 2025 as consumer discretionary spend is forecast to be subdued with improving outlook in second half of FY25
- Reiterate FY25 earnings guidance of underlying Group EBITDA of between \$245 million and \$265 million



Transformation Sub-Committee  
Chair's Address  
**Donna Cooper**

- Three resolutions set out in the Notice of Meeting
- 544,732,320 proxy votes (representing 71.66% of all voting securities) received by 11.00 am on Tuesday 29 October 2024

## ONLINE INSTRUCTIONS

- 1** Select voting directions
- 2** Press 'for', 'against' or 'abstain'
- 3** Green tick = vote cast

# Resolution 1

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## Re-election of Director: Julian Cook

- Appointed to Board in June 2021 and appointed Chair in January 2022
- Independent
- Board unanimously recommends that shareholders vote in favour of his re-election



# Resolution 2

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## Re-election of Director: Chad Barton

- Appointed to Board in June 2021
- Independent
- Board unanimously recommends that shareholders vote in favour of his re-election



# Resolution 3

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## Remuneration of Auditor

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



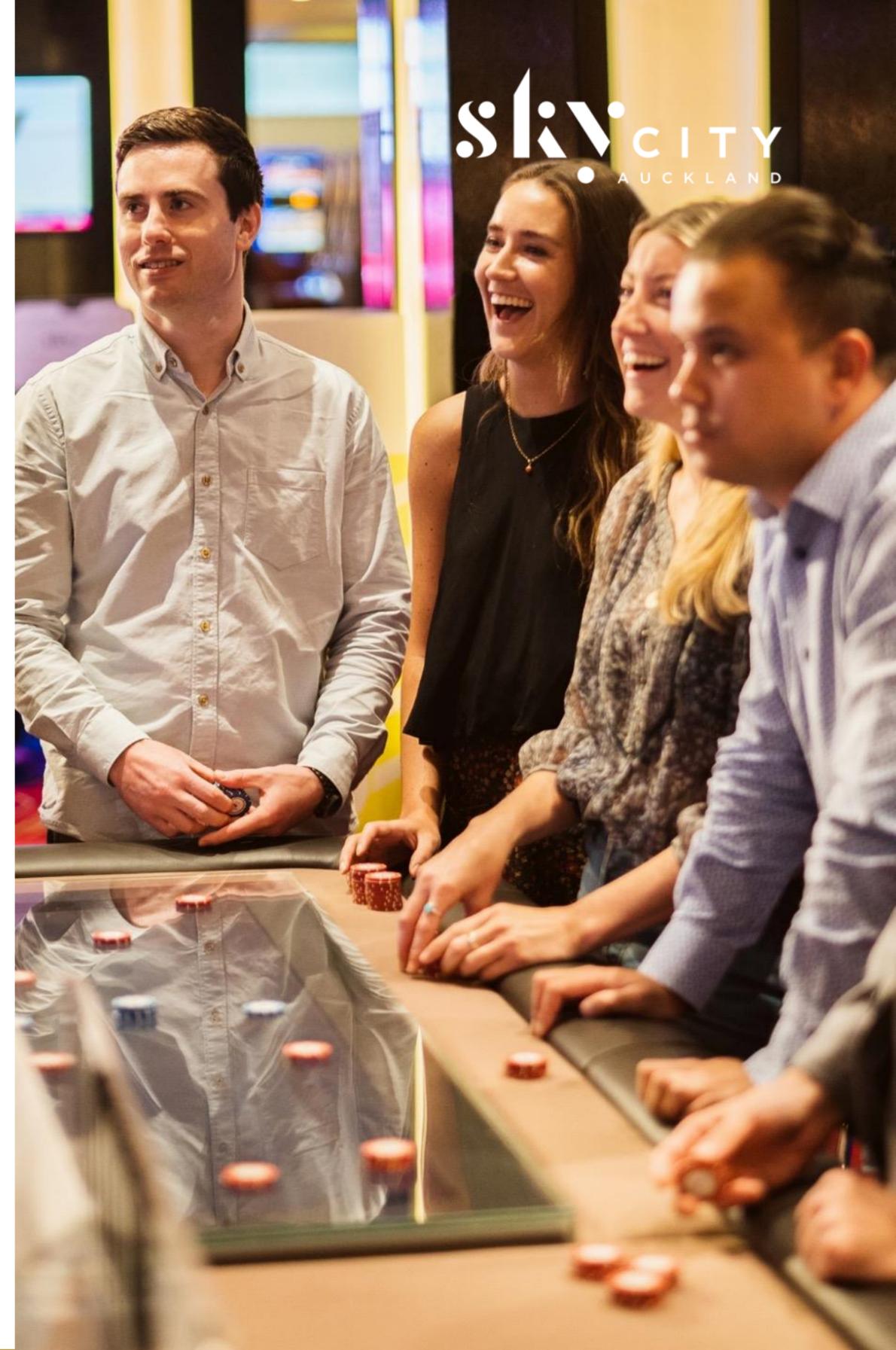
# Shareholder Questions

**Thank you**

# Disclaimer

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- All information included in this presentation is provided as at 31 October 2024
- This presentation, as well as the Chair's and Chief Executive Officer's addresses, include 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 and seek financial advice.



## **SkyCity Entertainment Group 2024 Annual Meeting**

### **Julian Cook - Chair's Address, SkyCity Board**

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#### Introduction

The year since our last Annual Meeting has been a busy one. Over this period, we have worked to resolve a number of matters relating to historical regulatory breaches, repurchased the Auckland car park concession, and put in place a new Chief Executive Officer and Chief Financial Officer to lead the business.

Trading conditions within the business have been challenging over the past financial year, due in large part to a weaker New Zealand economy.

Notwithstanding this, we are pleased to have opened the Horizon by SkyCity hotel in August this year – a key milestone towards the completion of the New Zealand International Convention Centre (**NZICC**), which is also progressing well towards its own completion and opening.

At the same time, it is pleasing to see the Government proceeding at pace with the development and implementation of the regulatory environment for online casinos within New Zealand.

Less pleasingly, as you will know, we have suspended dividends in light of the challenging trading conditions. We acknowledge the disappointing outcome for shareholders currently in terms of the share price and dividend suspension, but we remain committed to returning to paying dividends as soon as is prudent, while maintaining the strength of the balance sheet.

Overall, the Board's perspective is that the business has made good progress throughout the year. The resolution of a number of historical regulatory breaches has required considerable focus, as has the establishment of programmes to overhaul and improve our performance in preventing money laundering and problem gambling.

The Board's view is that business prospects will improve as we work through the regulatory improvement programmes, as the NZICC and Horizon hotel begin to contribute to earnings, and as we see the benefit of an improvement in trading conditions into 2025.

#### Regulatory matters

I will now touch in a little more detail on our regulatory situation, as this has – and continues to be – a priority focus for SkyCity.

Over the past financial year, the Department of Internal Affairs (**DIA**) launched action against our New Zealand casinos in relation to historical breaches of both responsible gaming and anti-money laundering obligations.

In May this year, we reached an agreement with the DIA to resolve the civil penalty proceedings for historical non-compliance with New Zealand anti-money laundering laws. This agreement has now been approved by the High Court and includes a pecuniary penalty against SkyCity of \$4.16 million.

In July this year, SkyCity reached an agreement with the Secretary for Internal Affairs to resolve an application to temporarily suspend SkyCity's New Zealand casino operator's licence for historic non-compliance with our host responsibility obligations. As part of this agreement, SkyCity closed its Auckland gaming areas for a five-day consecutive period in September.

In respect of Adelaide, in June this year, the Australian Federal Court approved our agreement with AUSTRAC to resolve civil penalty proceedings for historical non-compliance with Australian anti-money laundering laws. The A\$67 million civil penalty payment was paid by SkyCity in July 2024.

Our business improvement programme in Adelaide, the Building a Better Business Programme, has now been approved by the regulator, Consumer and Business Services. However, the regulator's independent review remains open and there is no resolution to this as yet. Jason will provide more detail on our progress in Adelaide shortly.

### Transformation Programme

SkyCity's historical performance in meeting its regulatory obligations is clearly not acceptable. This is a longstanding issue and, as such, has already taken considerable time and investment to rectify.

Since 2021, there has been significant progress in this space, with examples of key actions including:

- completing a full refresh of the SkyCity Board, including the recruitment of directors with specialist risk expertise;
- creation of a dedicated Board Risk and Compliance Committee to oversee anti-money laundering and countering financing of terrorism (**AML/CFT**), host responsibility, risk management and other compliance obligations;
- appointment of a Group Chief Risk Officer and moving the AML/CFT and host responsibility teams' reporting lines directly to that position;
- adoption of a three lines of accountability framework across SkyCity;

- significant enhancement and investment in our internal AML/CFT and host responsibility resourcing, capability, processes and systems;
- increasing capacity in our financial crime, risk and compliance, and host responsibility teams, with 113 employees as at 30 June 2024; and
- reducing risk and complexity by changing the way we operate to reflect our lower risk tolerance, including limiting the ways in which customers can transact with us.

We have also seen a refresh in key leadership positions, with a new Chief Executive Officer and Chief Financial Officer, a new Managing Director and General Manager Finance in Adelaide, alongside the new Chief Risk Officer who commenced in 2023.

Since commencing, our Chief Risk Officer has undertaken a comprehensive review of our historical shortcomings. At a high level, these can be summarised as insufficient importance placed on compliance within the business, lack of investment in systems and people to support this, and a lack of capability and expertise in these areas at all levels.

Our regulators, shareholders, customers and wider stakeholders need to have confidence that we fully understand the causes of these historical failings, that we have a coherent plan to address these, and that our culture will put compliance ahead of short-term profits.

We have now put into place a multi-year Transformation Programme which will embed improved practices through all parts of the business. Within the Transformation Programme, the Adelaide business has its own specific programme called the Building a Better Business Programme. Both of these programmes will take around three years to complete. These are critical pieces of work for the business and will continue to close gaps we have in our compliance and risk systems in Adelaide and New Zealand. Significant additional resource has been allocated to the Transformation Programme and given its importance, we have established a Board Transformation Sub-Committee to oversee and monitor its progress. This Committee is chaired by Donna Cooper, who will give an overview of its activities later in the meeting.

An important part of our Transformation Programme is the deployment of facial recognition technology – now embedded across our casinos with ongoing enhancements – and the impending implementation of mandatory carded play.

Mandatory carded play will be deployed across our New Zealand casinos by mid-2025, and at SkyCity Adelaide by early 2026. This will take our customer care to a new level, allowing both SkyCity and our customers to monitor length of play in real time. If a customer plays for too long, their card will be disabled.

While this is an important and exciting development, the technological challenges to deliver mandatory carded play are substantial and require significant and ongoing investment – both in terms of capital and workforce resource. We are committed, however, to implementing mandatory carded play as it will significantly increase our visibility and control of play, and simplify many parts of our current AML/CFT and host responsibility operations.

Jason will talk more to this significant initiative shortly.

In the coming year, we will implement a revised staff Code of Conduct, and deliver the supporting training to drive improvement in the underlying culture of SkyCity. This is a short video that launched internally earlier this week to introduce staff to the importance and the why behind the Code.

*[Video plays]*

A primary objective over the coming years is to ensure we have strongly performing risk management systems, a culture which prioritises compliance with our obligations and customer care, and a business which is seen as a good corporate citizen, worthy of retaining its casino licences.

We have made good progress, but we have more work to do. We are wholly committed to meeting the expectations required of us and building back trust, and we have the plans, people and necessary investment to achieve this.

#### Core business

As I noted earlier, our results for the year reflect the challenging economic environment faced by SkyCity and its customers, particularly in New Zealand. Whilst our earnings were lower than last year, we were pleased that the level of visitation remained stable. This gives us confidence we are providing the right product and offering what our customers want, and we remain confident that any improvement in the economic environment will ultimately flow through to a positive response in our underlying earnings.

Jason will talk more to the FY24 result shortly.

#### Capital structure

As I have already mentioned, in June, the Board determined to suspend the FY24 final dividend and dividends for the 2025 financial year. Whilst this is clearly disappointing for shareholders, it was the prudent course of action to maintain a resilient capital structure. 2024 saw a deterioration in trading conditions, on top of which cash flows were impacted by payment of regulatory fines, the car park concession repurchase and capital expenditure on the NZICC.

These factors are expected to further impact debt levels in 2025 and were a key consideration behind the dividend decision. Nevertheless, the Board remains committed to returning the company to a position of paying dividends as soon as it is prudent to do so. Jason will talk more to the current state of the balance sheet shortly.

Moving forwards, the company has committed to adopting a more conservative capital structure in line with a BBB (flat) credit rating - this is a medium term objective. Increased earnings from growth opportunities within the business, such as the new Horizon by SkyCity hotel, the NZICC and online gaming, combined with reducing capital expenditure as the NZICC nears completion, will support achieving this objective.

### Concluding Remarks and Outlook

The financial year ahead continues to reflect a challenging economic environment, particularly in Auckland. However, despite these challenges, and the work that is still to be done, there is a great deal to look forward to and be excited about over the next 12 months.

We remain one of New Zealand and Australia's largest tourism, hospitality and entertainment groups, with four hotels, four casino properties, one online casino, and over 30 restaurants and bars across our precincts. The opening of the new Horizon by SkyCity hotel brings our total number of hotel rooms in Auckland alone to nearly 1,000.

Collectively across the Group, we host more than 7 million visitors every year, and employ more than 4,500 people – a number that is set to increase to more than 5,000 with the opening of the NZICC. This is also expected to bring in a further 33,000 international visitors to Auckland every year.

Our annual contribution to the New Zealand and Adelaide economies is around \$1 billion and, since opening in 1996, SkyCity has contributed more than \$77.4 million to local community groups, organisations, events and initiatives through the SkyCity New Zealand Community Trusts.

None of this would happen without the dedication, commitment and pride of our people. The Executive, Board and myself would like to extend a heartfelt thanks to them, our customers and other stakeholders for their continued support.

There is much to be excited about at SkyCity as we work hard to deliver an industry-leading, safe entertainment destination that delivers great outcomes for our people, customers, regulators, shareholders, communities and local economies.

**SkyCity Entertainment Group 2024 Annual Meeting**  
**Julian Cook - Chair's Address, SkyCity Board**



With that, Ladies and Gentlemen, I will hand over to Jason for a more fulsome view of operations and, importantly, his views on the future potential of the business after his first three months in the role.

## **SkyCity Entertainment Group 2024 Annual Meeting Jason Walbridge – Chief Executive Officer’s Address**

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### Introduction

Ngā mihi Julian.

Tēnā koutou katoa.

Nau mai, haere mai.

Ko Jason Walbridge tōku ingoa.

Ngā mihi nui ki a koutou katoa.

Good morning everyone, and welcome again to SkyCity Entertainment Group’s Annual Meeting, my very first for the company as your Chief Executive Officer.

I came back to New Zealand with my family to take up the role after 23 years away – and like many expats, I’m the proudest of Kiwis, so it’s exciting to be home, and just as exciting to be working for SkyCity.

It’s also another form of homecoming to work here. I joined the casino industry with Aristocrat here in Auckland when the Sky Tower was literally still coming out of the ground – so it’s been a full circle moment for me.

SkyCity is an iconic brand and business, with enormous potential to deliver positive outcomes for a wide range of stakeholders including you – our shareholders - over the coming years.

Since starting in July, I have met many of our people and visited all of our properties. I have been incredibly impressed by the energy of our team, their pride in their work, and their appetite to meet the challenges and opportunities ahead.

The quality of our assets compares to many of the best casino properties I have visited in other parts of the world. And I’ve been to a few of them.

What I have seen in my first three months has reinforced for me that SkyCity has significant value in its people and properties, and this provides a solid foundation to build on.

I am optimistic about our future, but I want to be clear about the challenges we face.

We operate in extremely complex regulatory environments. They are changing. It’s important to acknowledge though, that these changes are in line with what is happening around the world.



Throughout my career, I have learnt being open and transparent is the best approach with regulators - in any country. My message to SkyCity’s regulators has been that they will know as soon as we know.

As Julian mentioned, our history in meeting our regulatory obligations hasn’t always measured up. That is changing. Our multi-year Transformation Programme will take time, effort and investment, but it is vital in meeting the requirements of our licences. That’s both our casino operating licences and our social licence.

Our aim is to have a robust, continuously improving, risk management system.

We are transforming SkyCity’s internal culture to one that absolutely prioritises caring for our customers, meeting our obligations, and ensuring the safety and wellbeing of our people.

We get this right and we will continue to grow the business for the benefit of our shareholders and our communities.

### **Turning now to our 2024 financial results.**

It’s been a year where customers have battled cost of living pressures as a result of weaker economies and high inflation on both sides of the Tasman. And that’s certainly been reflected in our results.

But pleasingly, the number of people visiting us has held up well across the Group. They generally spent less as, like all of us, they kept an eye on what they could afford to spend on entertainment.

Given all these challenges, we were able to deliver what we consider to be a solid result with:

- underlying Group EBITDA of around \$278 million – that’s 8% down on the prior year; and
- underlying Group net profit after tax of \$123 million, which compared to a profit of around \$132 million in the prior year.

The significant difference between underlying and reported earnings which you see on this slide is largely down to two major things. The first is the impact of an impairment on our Adelaide casino business of A\$86 million. The second is an adjustment of \$130 million for the impact of recent changes in New Zealand tax law regarding commercial buildings.

The Adelaide impairment reflects what we think the impact will be on our revenues of introducing 100% carded play there. It also includes the added legal and compliance costs to combat financial crime and improve host responsibility.



There were several other smaller accounting adjustments that impacted reported earnings. Importantly, underlying Group EBITDA most closely represents the actual cash earnings we produced, and our view of what represents a base to sustainable earnings into the future.

**Let’s turn to New Zealand.** What’s clear is that the challenging economic conditions I’ve spoken about resulted in lower electronic gaming machine revenues. Pleasingly though, we saw table games revenue continue to recover from their post-COVID levels as we were able to increase opening hours to meet customer demand.

The strong performance of non-gaming revenue, particularly in the first half of the year, was driven by increased visitation, plus the enhancements we made to a number of our attractions.

Operating margins for the year are more representative of a sustainable cost base.

We were able to increase our team members to support the delivery of appropriate service levels and we locked in costs that were generally driven by higher levels of inflation. The change in revenue mix, with a greater weighting to non-gaming revenue, had a somewhat negative impact on the overall margin for the Group.

**Now to Australia.** Adelaide delivered a solid result despite total revenues reducing relative to the previous year. This year’s improvement reflected a reasonably significant cost-out programme that focused on reducing labour, utilities and marketing costs.

During the year, we made a number of management changes in Adelaide, and you will shortly hear from our recently appointed Managing Director there, Avril Baynes.

We’re not yet where we need to be, but Avril and her team, with support from the broader Group, are working incredibly hard to build a better business in Adelaide. We’re confident we’ll do it, but it will take time.

Julian has spoken about the balance sheet and the Board’s commitment to maintaining an investment grade credit rating and targeting BBB metrics over time.

As at 30 June 2024, our net debt was around \$663 million. We continue to have significant funding headroom in our debt facilities, with \$252 million of undrawn facilities available to assist us in the funding of the business.

Our current leverage ratio of net debt to EBITDA is 2.3 times, well within the company’s banking covenants. It’s also consistent with our BBB minus credit rating from S&P Global Ratings, where we have a “Stable” outlook which was reconfirmed in June this year.

In August 2024, we refinanced the parts of our debt funding that were due to mature in 2025 and 2026. This means we do not have any further debt maturities until May 2027, which is a pleasing position to be in.

Let’s have a look now at a video presentation of our operating highlights for the past financial year.

*[Video plays]*

**Let’s talk now about another significant strength.**

As I mentioned earlier, the more than 4 and a half thousand employees who work at SkyCity across New Zealand and South Australia are a talented and incredibly diverse workforce with, at last count, 61 languages spoken or written by staff!

And as we saw in the video, maybe a few budding actors as well!

As a significant employer, we positively impact our local communities. That’s why we are so committed to meeting our obligations and looking after our customers, so we can continue growing and creating jobs and opportunities for advancement.

At SkyCity, we’re committed to growing sustainably and protecting and enhancing the environment.

Our Sustainability Implementation Plan outlines both our approach to managing our impact on the environment, and the commitments we’ve made related to climate change.

I would also like to highlight the important social role that SkyCity plays. Over the past financial year

- we paid \$4.6 million to our SkyCity New Zealand Community Trusts. The Trusts then approved a total of \$5.9 million in grants to 130 different organisations in New Zealand; and
- we continued our support for Leukaemia and Blood Cancer New Zealand’s annual fundraising efforts, helping them raise \$2.5 million through two key events at the Sky Tower. Please visit their stand in the foyer to see the great work they do.

We are also fortunate to have representatives from two of our other charities in attendance today:

- **Variety - The Children’s Charity**, which is focused on improving the wellbeing of children and young people; and
- **The Catalytic Foundation**, which is dedicated to helping create thriving communities throughout the country.

We are very proud of the work they do, and I encourage you to visit them at their booths in the foyer to see and hear more.

You will also see we have the All Blacks’ Experience, a popular attraction at our Auckland precinct. You can drop by to get a photo with the Bledisloe Cup and a sense of how our partnerships are adding value and memorable experiences for our customers.

After just over three months in the job, I’m really encouraged with what we have been able to achieve in such a challenging year. A few examples I’d like to highlight are:

- The buyback of the Auckland car park concession in January, with management of the car park now back in SkyCity’s control.
- As Julian shared, in Australia we settled our AUSTRAC proceedings.
- We reached agreement on the two matters with the Department of Internal Affairs that saw the closure of our Auckland casino for five days in September which had a silver lining in that we used the time to train and develop our teams and carry out significant upgrade works on the gaming floor.
- In June this year, we made the strategic decision to sell our equity interest in Gaming Innovation Group (or GiG) for \$55 million. We recognised we no longer needed equity in GiG to achieve our online ambitions and we used the proceeds to pay down debt.
- We opened the 5-star, “Horizon by SkyCity” hotel in August. This 303-room hotel is connected to both the New Zealand International Convention Centre and our Auckland precinct.

**I now want to talk about what’s in front of us.**

We still have a comprehensive to-do list, with one of our key priorities being to resolve the regulatory matters in Adelaide to the satisfaction of our regulator. The South Australia regulator, Consumer and Business Services, has recently recommenced its review into SkyCity Adelaide’s suitability to continue to hold its casino licence. The review findings are due by the end of the year, with a decision on the licence, and any penalty, to follow. It is possible that these findings will be unfavourable.

Alongside this is the work we are doing with the independent monitor, Kroll, in relation to SkyCity Adelaide’s anti-money laundering and host responsibility programmes.

This multi-year programme of work, called the Building a Better Business Programme, was recently approved by the regulator. It is critical for the future success and returns for our Adelaide business.

We are also progressing the contractual dispute with the Treasurer of South Australia concerning the treatment of loyalty points that are converted to gaming machine play and the calculation of casino duty.

The other key focus for 2025 is the rollout of 100% carded play by mid-July in New Zealand, followed by its introduction in Adelaide in early 2026.

As Julian mentioned earlier, this is an important part of our Transformation Programme and will help us better manage our host responsibility and anti-money laundering requirements.

100% carded play is a major step forward in customer care. Initially, we believe there will be an impact on revenue – somewhere in the order of 15% to 20% of annual uncarded gaming revenue. This assessment is based on our existing level of carded play, which is approximately 65% in Auckland and 70% in Adelaide. We add to that an understanding of the gaming venue competition in the various markets we operate in. We have also learned from the experience of others who have already gone through this process. I would note, there remains a high degree of uncertainty associated with this analysis.

Our aim to mitigate revenue impact is to work hard to increase the level of carded play in the run-up to launch in July next year. We want to create a seamless customer sign-up journey for those who are currently uncarded. We are well advanced in our work on this and have ensured we have the necessary resources.

To give you a better sense of our plans, we have put together a short video on what carded play will mean for our customers.

*[Video plays]*

Importantly, there are two other initiatives that we are excited about and expect to provide future earnings growth opportunities.

First is the New Zealand International Convention Centre, which is expected to be completed in 2025 and is a transformational infrastructure asset. We expect it to benefit not only SkyCity, but the wider Auckland and New Zealand economies with the increase in international tourism it will deliver.

It's truly world class. And I say that based on my experience of living in Las Vegas for more than 20 years. It is fully integrated into the Auckland precinct, and as a result we can expect significant earnings growth across many revenue streams.

Secondly, as you heard from Steve Salmon, our online gaming operation has provided us with significant capability in a growing market. This positions us well for when online casino gaming is regulated by the New Zealand Government in 2026.



We are supportive of the Government’s public health-based approach, and its intention to level what is currently an uneven playing field. A playing field I might add where SkyCity competes legitimately against operators who are breaking the law around advertising.

We have provided feedback to the Government and have highlighted key policy settings we think are critical for success. These include

- Recognising existing licensed casinos that have already gone through stringent suitability checks, including ourselves, importantly ensuring only trusted and reputable operators are granted licences.
- Limiting the number of online casino licences to between five and seven. This will balance customer choice against potential harm from excessive advertising and marketing.
- There should be a substantive domestic presence for all licensees to capture tax and support enforcement.

We will keep you updated on this.

**Now I’d like to give an update on trading.**

The economic environment in New Zealand continues to be challenging. However, interest rates are trending down, which should provide some welcome relief for both businesses and our customers.

We are expecting current conditions to continue into 2025, but we remain hopeful to see signs of improvement in the second half of the financial year.

At this point, we remain comfortable with the guidance provided at our financial year 2024 results release in August for underlying Group EBITDA in financial year 2025 of between \$245 and \$265 million.

As noted previously, we are not expecting to pay a dividend for financial year 2025 based on our current earnings outlook as we continue to maintain a conservative balance sheet in the short to medium term. However, as Julian pointed out, it remains an objective of both the Board and management to return to paying dividends as soon as we can.

**Let me summarise.**

I am really excited about SkyCity and the outlook for the Group.

We are going to transform our business, change our internal culture, meet the obligations expected of us, and improve shareholder returns.

But it’s going to take time, and it will need continued investment. Without doubt, there will be further challenges along the way.



I am well aware that returns to shareholders have been below what they should be with the outstanding assets we have. As a business, we have been laser focused on resolving key issues facing the Group, and this has meant less attention on operational matters.

Our focus now is on making our future happen.

Together with our leadership team, we are taking a detailed look at our broader business and mix of assets to ensure they are structured in the most optimal way. Our primary goal is to allocate capital in the most efficient manner and to the highest returning assets.

We are well positioned to take advantage of improvements in the economy, the opening of the New Zealand International Convention Centre and the growth in tourism we expect to see on the back of that. We welcome the prospect of regulation of the New Zealand online gaming market so that we can deliver value to SkyCity and our communities.

Together with the changes that we can control, I am optimistic that SkyCity's performance will improve over the coming months and years.

In closing, I want to say thank you to the SkyCity whānau, our Board and Management team, and our incredible people for their resilience and ongoing commitment to SkyCity.

And to our external stakeholders – from our regulators, financiers, suppliers through to our customers and our shareholders – SkyCity does not exist without you. You have my thanks.

Nga mihi nui.

**SkyCity Entertainment Group 2024 Annual Meeting**  
**Donna Cooper – Chair of the Board Transformation**  
**Sub-Committee’s Address**

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Tēnā koutou katoa.

My name is Donna Cooper and I am the Chair of the SkyCity Board’s Transformation Sub-Committee. I am pleased to be here today and have this opportunity to address our shareholders.

As both Julian and Jason have shared, we are committed to uplifting our governance and risk management practices across the SkyCity Group. How we collectively think about the risks that SkyCity faces, and ensuring we have adequate controls in place to mitigate these risks, are important aspects of everyone, at all levels, at SkyCity.

In June 2024, we established a Board Transformation Sub-Committee to oversee this journey and monitor our progress.

While this is a multi-phase approach, our initial key priorities have been:

- finalising a comprehensive multi-year Transformation Programme;
- creating an uplift in programme delivery capability and capacity; and
- ensuring there are clear governance structures and robust reporting.

The Sub-Committee met monthly while the governance and reporting processes were being established, but with the finalisation and implementation of these, we are now meeting quarterly.

We are proud of the progress SkyCity is making to address the shortcomings of its past, and the establishment of this Sub-Committee marks a significant milestone as we move towards the next chapter of our transformation journey.

We now have a comprehensive multi-year Transformation Programme, designed to not only meet the expectations of our regulators, but also achieve material improvements in the way we identify, assess and manage our risks within the Board’s defined risk appetite. To further strengthen this, we have taken the learnings from other organisations, both from within our own and adjacent industries, that have made enduring changes to their business.

Our Transformation Programme focuses on six strategic pillars that have been deliberately designed to deliver tangible outputs and improvements. These are:

- governance – at both Board and Management levels;
- culture;
- risk management and compliance;

- conduct;
- re-establishing trust with our regulators and stakeholders; and
- executional enablement.

Significant progress has already been made in these areas in the past 2-3 years, such as strengthening the capability of the Board and Management team, establishing a more robust risk operating model, increased investment in host responsibility and AML/CFT capability and capacity, and progressing the resolution of regulatory matters.

The Transformation Programme outlines our commitments for future delivery, designed to enable the best outcomes for our customers and communities by driving long term growth, deepening our regulatory relationships, and fostering a culture of care for our customers and communities.

Enhancing and embedding our culture of care is a key element in getting our risk improvement right. The rollout of our new internal Code of Conduct is an important part, and there will be an ongoing focus on continuing to grow and support our people, at all levels, who will always play an important role in safeguarding our customers and our business.

You can read a summary of our Transformation Programme on pages 8 and 9 of our 2024 Annual Report.

As we look to the future, we’ll be continuing to:

- have a continued focus on strengthening our host responsibility and AML/CFT capability, including enhancements to our technology such as facial recognition which is now embedded across our casinos; and
- deliver the foundations to enable carded play, which you have already heard about from Jason and in the video.

Carded play will be the only way to play at SkyCity, and we are committed to its implementation as it will significantly increase our visibility and control of play, simplifying many parts of our current AML/CFT and host responsibility operations.

To ensure that we remain focused, there are clear governance structures and robust reporting in place. Alongside establishing the Board Transformation Sub-Committee, the Management team has streamlined and strengthened reporting and oversight of the Transformation Programme and remediation programmes.

The SkyCity Board and management team are committed to the delivery of the Transformation Programme and, to support this, we have also strengthened our ability to deliver complex programmes of work.

We have created a new Group Manager Transformation role and introduced Group General Manager Transformation roles into both our Risk and Technology functions. These new experienced senior leaders will work collaboratively together to support the successful delivery of these programmes of work. Our new General Manager Transformation joins SkyCity in early November 2024.

We have made good progress to date, but there is more work to do. We are committed to meeting the expectations required of us and building back trust, and we have the plans, people and necessary investment to achieve this.

I want to reinforce that this programme touches every part of SkyCity – this is a whole of business risk transformation that will pave the way for our successful future.

Ultimately, our Transformation Programme is an essential investment of time, effort and resources that will allow us to retain our casino licences and, just as importantly, maintain our social licence to operate. It will be a long-term programme of work, but by getting it right, SkyCity will be able to continue supporting our local communities and deliver appropriate returns to our shareholders.

Ngā mihi nui.