

MARKET RELEASE

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

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HY26 Interim Results: First-Half Performance in a Transition Period

SkyCity Entertainment Group Limited (SkyCity) reports its interim results for the six months ended 31 December 2025 (1H26). The period saw several operational and regulatory changes, including the introduction of mandatory carded play across New Zealand casinos. The Group maintained its balance sheet and funding settings within policy parameters. FY26 Underlying EBITDA guidance remains unchanged, with a different earnings profile expected in the second half, predominantly due to cross-precinct benefits from the NZICC being realised.

Chief Executive Officer Jason Walbridge said, "The first half of FY26 reflected a planned period of operational transition, with the Group focused on the second half of the year and ongoing work to support long-term operating objectives.

We are undertaking a disciplined review of our operating model to ensure our cost structures reflect the current environment, while maintaining our commitment to compliance and customer experience."

Performance Highlights

Financial Results:

- Group revenue: \$411.7 million (2.4% lower than the prior period)
- Group Underlying EBITDA: \$85.5 million, compared with \$119.5 million in the prior corresponding period (restated to exclude B3 costs)
- Reported Group NPAT: \$12.1 million
- Underlying Group NPAT: \$14.4 million
- No dividends are expected to be paid for the period

Operational and Regulatory Developments:

- Introduction of mandatory carded play across New Zealand casinos from July 2025
- Continued investment in Anti-Money Laundering (AML) and Host Responsibility capability
- Balance sheet and covenant headroom remained within policy settings

Financial Performance

Underlying EBITDA for 1H26 reflects the expected first-half earnings profile and the operational changes introduced during the period. Gaming revenue was affected by carded play in New Zealand, lower premium table volumes in Auckland and Adelaide, and VIP customer churn, partially offset by contributions from non-gaming businesses, including Food & Beverage and Hotels.

Total costs were higher than the prior period in part due to ongoing investment in AML, host responsibility, and technology, particularly in Adelaide. 1H26 also included pre-opening costs for NZICC and investment in Online.

Asset Monetisation

The Auckland carpark concession process has not resulted in a proposal that meets SkyCity's commercial objectives. CBRE has formally commenced the marketing of the 99 Albert Street office building.

The Group holds a significant portfolio of assets on its balance sheet and is actively assessing monetisation options across individual assets and potential combinations. External advisers have been engaged, and the programme is well advanced, with SkyCity targeting approximately \$200 million in monetisation proceeds by February 2027. In evaluating options, we are carefully considering strategic alignment, value realisation, transaction sequencing and relevant external dependencies.

New Zealand International Convention Centre (NZICC)

The NZICC opened on 11 February 2026, and conferences and live events are already underway. During the first half, SkyCity incurred commissioning, testing and readiness costs associated with the opening.

"The opening of the New Zealand International Convention Centre marks a major milestone for SkyCity, with initial operations underway and a strong forward events pipeline supporting future precinct visitation," said Walbridge.

Carded Play

Mandatory carded play was introduced across SkyCity's New Zealand casinos in July 2025.

Mandatory carded play affected gaming activity and revenue during the period, as expected. The carded play framework provides additional data and oversight to support regulatory and host responsibility requirements.

"Carded play was introduced to strengthen our host responsibility framework and support player welfare.

"Six months on, we are seeing some operational benefits from the additional customer data and visibility it provides. We have maintained strong customer satisfaction through implementation, and the deeper insights are supporting our longer-term omni-channel strategy," said Walbridge.

Omni-channel and Online

Online is a natural extension of SkyCity's land-based gaming offering, and preparations continue ahead of potential regulation. The Group notes the Government's proposed regulated online casino framework in New Zealand, with legislation expected to take effect on 1 May 2026, with the market opening between 1 December 2026 and 1 June 2027. SkyCity intends to participate in the licensing process if the legislation is enacted.

Outlook

SkyCity's FY26 Underlying EBITDA guidance remains unchanged. The Group anticipates a different earnings weighting in the second half of the year, influenced by the contribution of non-gaming businesses, operating settings following the opening of the NZICC, and the absence of one-off costs incurred in the first half.

Ends

All figures stated are in NZ dollars.

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