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

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FY25 INTERIM RESULTS: STRONG VISITATION AMID MARKET CHALLENGES

SkyCity Entertainment Group Limited (SkyCity) today announced its results for the six months ended 31 December 2024 and provides revised FY25 guidance.

Key features:

- **Group revenue $422m** – 5% lower than the prior period; lower spend per visit
- **Group EBITDA $113m** – down 22% on the prior period; impact of lower revenue plus continued investment in risk transformation programme
- **Reported Group NPAT $6m** – includes $31.7m impact from the settlement with Revenue South Australia of interest on gaming duty
- **Underlying Group NPAT $38m** – reverses out $31.7m South Australia gaming duty interest settlement
- **Solid balance sheet** – remains well within debt covenants and investment grade credit rating retained
- **NZICC to open in February 2026** – transformational asset for SkyCity, Auckland and New Zealand
- **Customer visitation levels remain strong** – lower spend resulting from challenging macro-economic conditions
- **Revised FY25 underlying Group EBITDA guidance** – to between $225m and $245m (from $245m to $265m)
- **No interim dividend declared**

Chief Executive Officer, Jason Walbridge, said: "We continue to operate in challenging market conditions with subdued consumer confidence, so we're pleased to see strength in our visitation numbers as people continue to enjoy coming to SkyCity for their entertainment.

"We welcome the government focus on economic growth and tourism we're seeing on both sides of the Tasman. SkyCity has a big part to play in the tourism sector and we can't wait to open the New Zealand International Convention Centre (NZICC) in February 2026 and welcome visitors to this world-class venue."

Financial Performance

Group revenue of $422 million is down 5% on the prior corresponding period and Group EBITDA of $113 million is down 22% on the prior corresponding period, due primarily to lower customer spend on visitation levels essentially maintained year on year.

Underlying Group NPAT of $38 million was down 41% on the prior corresponding period due to the lower level of earnings and increased costs arising from our ongoing transformation programme.

Reported Group NPAT of $6 million was down 73% on the prior corresponding period as a result of interest costs arising from the resolution of the long-standing gaming duty matter with Revenue South Australia.

Gaming revenue in Auckland was impacted by the 5-day closure of gaming operations, weaker market conditions compared to the prior corresponding period and a change in overall customer mix. This reduction was partially offset by contributions from the Horizon by SkyCity Hotel (5 months), carpark income and an increased contribution from the Sky Tower.

“The Sky Tower stands out as one of the most visited attractions in the country. The Lookout, our new viewing area, has further enhanced the experience and we continue to see strong customer demand from both New Zealand and International visitors,” said Mr Walbridge.

The performance of SkyCity’s hotels is also a significant positive in a challenging market, with total rooms sold increasing by 16% and an occupancy rate in 1H25 of 73%, four percentage points ahead of the market.

“The Horizon Hotel has been a fantastic addition to the SkyCity Auckland precinct. We maintain our leadership in the sector, outperforming the market in terms of occupancy and we expect to go from strength to strength with the NZICC opening in February 2026.

EBITDA for Hamilton and Queenstown was up 5% due to increased revenues and disciplined cost control.

The SkyCity Adelaide business saw visitation increase by 10% driving increased revenue that was ultimately offset by increased expenditure incurred through our 3-year (FY25-27) transformation programme.

Capital structure

As at 31 December 2024, the balance sheet remained in a solid position with total drawn debt of $772m. During the half $367.5 million of debt was refinanced (including $US50 million of new 2031 USPP notes) with the weighted average debt maturity increasing by around two years to four and a half years. The leverage ratio of 2.8x is well within our banking covenant of 3.75x. During the period we maintained our BBB- (stable outlook) investment grade credit rating from S&P Global Ratings.

A review of assets has been completed and a five-year master plan created. In this context, SkyCity has begun a process of monetizing select assets to reduce debt, move towards the resumption of paying dividends to our shareholders, and invest in growth opportunities. This will capitalize on the impending opening of the NZICC, and drive visitation and spend per visit into our highest margin gaming business.

Regulatory progress and transformation

“We continue to make significant investment in areas of host responsibility and preventing financial crime” said Mr Walbridge.

In Adelaide, Consumer and Business Services' independent review into SkyCity Adelaide continues, with Mr Brian Martin KC due to report his findings to the regulator in the first half of calendar year 2025. Kroll, the independent expert appointed in August 2023 in relation to SkyCity Adelaide's AML/CTF and host responsibility programme and SkyCity Adelaide, are together advancing the Programme of Work approved by the South Australian Liquor and Gambling Commissioner.

In New Zealand, we plan to introduce mandatory carded play across our properties in July 2025. SkyCity Adelaide is planning to introduce carded play in 2026. This is expected to impact revenue in the first few years from implementation but is a critical component of SkyCity's transformation programme.

"100% carded play represents a step change in host responsibility and customer care," said Mr Walbridge. "All customers will need to use a SkyCity card that contains their identity and other important information to play anywhere in our casinos. This will enable them to know how long they've played, how much they've spent, and when to take a break."

Outlook

"We expect the challenging economic conditions to continue to impact discretionary spend into the 2025 calendar year. We also expect the full year result to be impacted by somewhat lower revenues from customer spend and increased transformation costs – in particular the Building a Better Business (B3) programme in Adelaide, which in FY25 is expected to be in the order of $18m.

"As a result, we now anticipate that FY25 full year underlying Group EBITDA will likely fall within a range of $225 million to $245 million (compared to the previous guidance of $245m to $265m).

"The opening of the NZICC in February 2026 will be a game changer for SkyCity Auckland and New Zealand. We expect to see a boost of around 500,000 visitor days a year to SkyCity Auckland with the facility providing a significant lift to the wider Auckland and New Zealand economies."

ENDS

All figures stated are in NZ$ dollars.

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