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

20 August 2026

FY26 Full Year Results: Important Steps Made in our Transformation

SkyCity Entertainment Group Limited ("SkyCity") reported its results for the year ended 30 June 2026 (FY26).

Chief Executive Officer Jason Walbridge said the business made important progress in strengthening its core operations and meeting the commitments to shareholders at the time of the August 2025 capital raise, while navigating a difficult operating environment, particularly in the latter part of the financial year.

"In FY26, we implemented carded play across our New Zealand casinos, opened the NZICC, advanced our asset monetisation, exceeded our cost-out targets, continued preparing for the regulated New Zealand online gambling market, and settled in principle the outstanding major regulatory issues in Adelaide."

"Our underlying results met the guidance given in May, which recognised that consumer discretionary spending was weaker in the last quarter of the year."

"We are becoming a simpler, smarter, and more connected business, actioning further savings to deliver annualised benefits of $30m in FY27 and growing to total benefits of $70m in FY28. This is a strategic response to our evolving operating environment and the future direction of our business, including the regulation of online gambling."

Key Financial Results:

- Group underlying revenue $822.7 million (-0.3% on the prior period)
- Group underlying EBITDA $181.6 million (-22.3% on the prior period)
- Group underlying NPAT $38.0 million (-46.9% on the prior period)
- Group Reported EBITDA of $120.5m (-44.2% on the prior period)
- Group Reported NPAT of $18.2 million (-37.6% on the prior period)
- Net debt $591 million, with net debt to EBITDA at 3.1 times on a debt covenant basis
- Exceeded cost savings target for FY26, targeting realised benefits of $30m in FY27 and $70m in FY28
- Asset monetisation expected to deliver $275-$300 million in gross proceeds

Operational and Regulatory Developments:

- Unconditional sale of the 99 Albert Street and Victoria Street investment properties for $74.5 million
- Non-binding heads of agreement signed for the sale of the Grand Hotel
- NZICC opened on 11 February 2026 with 100,000 visitations in FY26 and ~350,000 visitations in the pipeline for FY27
- Carded play and SHOW by SkyCity rolled out across all New Zealand casinos, with the financial impact in line with guidance
- Resolution of the CBS review in Adelaide being finalised with A$21 million fine

- Strategic review of Adelaide commencing in 1HFY27
- Continuing to prepare for the regulated New Zealand online casino gambling market, and we have submitted our Expression of Interest to participate in the licence auction

Financial Performance

Underlying Group revenue was $822.7 million, 0.3% lower than the prior period. Lower gaming revenue, driven by the introduction of carded play and reduced customer visitation and spending in the fourth quarter in Auckland and Adelaide, was partially offset by higher non-gaming revenue, including a contribution from the NZICC in the second half of the year following its successful opening in February.

Underlying Group EBITDA was $181.6 million, down 22.3% on the prior period and within the May 2026 guidance range of $180 million to $190 million. 2H26 underlying EBITDA was $96.1m and included a negative impact of approximately $20m in 4Q26 EBITDA compared with 3Q26.

Reported Group EBITDA of $120.5 million was affected by a number of accounting adjustments and by costs associated with the B3 programme in Adelaide ($23.5 million).

Underlying Group NPAT was $38.0 million, down 46.9% on the prior period. Reported NPAT of $18.2 million was 37.6% lower than the prior period, due to the accounting adjustments included in the FY26 result.

Group capital expenditure was $95.4 million, below the guidance range of $100 million to $110 million, and included $32.9 million for the NZICC.

Asset Monetisation

The asset monetisation programme is now expected to deliver gross proceeds of $275-$300m, with the sale proceeds anticipated by December 2026. The proceeds will be used to repay debt.

The sale of the 99 Albert Street and Victoria Street investment properties for $74.5 million is now unconditional, with settlement in September 2026. A non-binding heads of agreement for the sale of the Grand Hotel was signed, with settlement expected later this year.

Group Debt

Net debt at 30 June 2026 was $591 million, with net debt to EBITDA at 3.1x on a debt covenant basis, marginally above our expectations driven by the lower earnings achieved in FY26 and well within our covenant levels. We remain on track, subject to the completion of the Grand sale and prior to any payment for an online licence, to achieve net debt to EBITDA below 2.0x on a debt covenant basis by the end of FY27.

In July 2026, SkyCity renewed part of its banking facility, increasing the total facility size to $277.5 million and extending certain maturities by two years.

Cost-Out Programme

A group-wide reset of our operating model is underway, recognising the structural change in our land-based revenue and the introduction of online gaming in New Zealand. The programme is targeting realised benefits of $30m in FY27 and growing to total benefits of $70m in FY28, and may affect 200 to 250 predominantly New Zealand-based corporate and back-of-house roles.

Alvarez & Marsal have been engaged and have assisted in identifying a range of targeted initiatives to grow revenue, increase visitation and reduce costs, which are under assessment.

New Zealand International Convention Centre (NZICC)

The NZICC officially opened on 11 February 2026 and hosted 141 events in FY26, with approximately 100,000 visitations and positive reviews of the centre. The venue has a strong pipeline of events for FY27, with approximately 350,000 visitations, including several large international conferences.

Rollout of Carded Play

"The rollout of carded play across our New Zealand casinos is complete, and the financial impact is in line with our guidance. We also launched our rebranded loyalty programme, SHOW by SkyCity," said Jason Walbridge.

Carded Play has significantly improved SkyCity's visibility into individual customer activity across its New Zealand casinos and enhanced our host responsibility capability.

Regulatory Agreement Reached in Adelaide

We are in the process of formalising our non-binding agreement with CBS, our regulator in South Australia, in relation to the review undertaken in response to the Martin independent report. As part of that agreement, we expect to pay a fine of A$21 million, payable in three equal instalments over two years.

The Building a Better Business (B3) remediation program is now expected to have final approval in early FY28, reflecting the pace of design approvals and casino system delays.

We have recorded an A$43m write down of the Adelaide accounting carrying value.

Following a period of significant regulatory and operational change, SkyCity is commencing a strategic review of SkyCity Adelaide and will provide further updates as appropriate.

Outlook

We are not providing FY27 earnings guidance at this time, due to macro-economic uncertainty but will provide a trading update at the ASM in October.

We have seen a continuation of 4Q26 EBITDA run-rate in early 1Q27 trading, with $30m of FY27 savings expected, partially lowered by higher online costs as the regulated online market opens.

One-off costs from our cost-out programme will likely affect Reported earnings.

Capital expenditure in FY27 is forecast to be in the range of $80m - $100m and this includes retention payments for the NZICC and is before any costs for online licences.

Focus for the business is to execute on key priorities, return to positive cash flow and when achieved reinstate dividends.

Ends

All figures stated are in New Zealand dollars unless stated otherwise.

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