

SkyCity Entertainment Group Limited

2026 Annual Shareholders' Meeting – 21 October 2026

Jason Walbridge | Chief Executive Officer's Address

Introduction

Thank you, Julian.

Good morning, and thank you for being here in our newly opened New Zealand International Convention Centre and for your continued interest in the company.

The people who delivered this building, and the people who now run it, have given us an asset that is winning global awards that we can be very proud of.

FY26 did not deliver the results we expected. But we are in a stronger position than a year ago. The major land-based investments are behind us, the balance sheet is being reset, and the cost out programme is progressing well.

Our transformation still has further to go: reducing debt, improving underlying EBITDA and cash flow continue to be our principle focuses.

Let me take you through the year ended 30 June 2026, with an update of our key initiatives underway for FY27 and beyond.

FY26 performance

Julian has already spoken to the overall Group results. Gaming revenue declined because of the implementation of carded play in New Zealand and weaker premium play across the Group. The economy, which was difficult for consumers, particularly in the fourth quarter of FY26, was a headwind for discretionary spending that impacted all parts of our business.

Turning to the performance of our individual property precincts.

Auckland

Auckland is our largest business and remains the centre of the Group. Underlying EBITDA for the precinct was 188 point 5 million dollars.

Gaming revenue fell for the reasons I have given, with carded play having the greatest impact here in Auckland given it is our largest gaming operation. We are well advanced with enhancing our offerings to gaming customers with a new mobile app soon to launch providing players with more information at their finger tips and a refreshed loyalty programme. Pleasingly, non-gaming revenue rose 16 per cent driven with the opening of

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the NZICC adding conference and event revenue, bringing more guests into our hotels, restaurants and bars. Non-gaming now makes up 36 per cent of Auckland's revenue, up from 30 per cent a year ago. Our hotels sold nearly 270,000 room nights across the year, up 8 point 8 per cent over the prior year.

Auckland is where the NZICC and the City Rail Link come together, and it is central to our FY27 plans and I will come back to this shortly.

Hamilton

Hamilton had a better year than we expected. Carded play landed more easily there than in Auckland. We have lodged our application to renew the Hamilton licence for a 15-year term from September 2027.

Queenstown

In Queenstown, we secured a 15-year renewal of our casino licence. International visitor numbers, particularly from Australia, supported performance, along with additional airline capacity.

Adelaide

In Adelaide, revenue was flat on the prior year. Table games and electronic gaming machines both grew, and that growth was offset by lower premium play. Our market share improved to 8 point 3 per cent in June, from 7 point 9 per cent a year earlier.

We are continuing to address the cost base while managing through a challenging economic environment in Australia.

The Building a Better Business programme has momentum and continues to lift our host responsibility, anti-money laundering, and counter-terrorism financing practices. We expect to submit the final elements of the programme to the Independent Monitor and South Australian regulator by June 2027 and receive approval and formal completion in early FY28.

As Julian mentioned, we reached a non-binding Heads of Agreement to resolve the outstanding regulatory matters, this is following the release of the Martin Review that concluded that SkyCity Adelaide is suitable to hold its casino licence.

Interested parties approached us following the strategic review of the Adelaide business announced in August, and we have now commenced a formal sale process. There is no certainty that this process will result in a sale. We will inform the market when there is something material to report.

Where we made progress

Turning now to the good progress we made during FY26 in transforming our business.

Asset monetisation

We are close to completing our asset monetisation programme, with last week's announcement of the conditional sale of the Grand Hotel. Together with the other asset sales, it will deliver close to \$300 million in gross sale proceeds by December 2026. Those proceeds are expected to bring our net debt-to-underlying EBITDA ratio to around 2.0 times by the end of FY27, maintaining our investment-grade credit metrics. This includes the cost of the online licences.

We are gaining neighbours rather than simply selling buildings. The new owners of The Grand, of 99 Albert Street and of the other commercial properties want the same thing for this part of Auckland that we do - a thriving mid-town.

Having made progress in resetting our balance sheet and completed the NZICC and the online auction, we continue to remain disciplined and targeted in investing capital in the areas of our business that provide the best returns to shareholders.

Cost

In August 2025, we set a target of 10 million dollars of cost reduction in FY26. We exceeded it and have expanded the programme. We are now targeting 30 million dollars of realised benefit in FY27, building to 70 million dollars in FY28. We are progressing well, with meaningful savings already delivered, and have a clear, detailed plan to achieve the target.

The programme that delivers these realised benefits has four parts. The first is a reset of the Group operating model to match the business's direction and includes all our land-based operations. The changes primarily affect corporate and back-of-house roles, impacting almost 250 positions across the Group, with most changes here in New Zealand already implemented.

Secondly, we have reviewed our external supplier contracts across the Group and have identified significant savings opportunities. Thirdly, we are investing in technology, including artificial intelligence, to run processes more efficiently than we have been able to until now. Fourth, we are pursuing new growth initiatives, some of which are already being implemented, with more to follow in FY28.

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Organisational changes are difficult for any business and affect people in a real and consequential way. We have sought to build understanding of the need for change, run a transparent and fair process, and offer support to those leaving us.

Carded play

We have now implemented carded play across all our New Zealand casinos.

Carded play has greatly strengthened our ability to reduce gambling harm and safeguard against money laundering. It gives us the tools to shape a safer, more enjoyable experience for our customers, ensuring we meet our casino licence obligations.

Carded play also gives us a much richer understanding of how our customers play. Used responsibly, these insights will help us strengthen customer engagement while keeping player wellbeing and our licence obligations at the heart of every decision.

The New Zealand International Convention Centre

We opened the New Zealand International Convention Centre in February. It is a significant milestone for this company, and is also an important piece of infrastructure for Auckland and for New Zealand.

In its first months, the venue hosted 141 events and recorded more than 100,000 visitations, and customer feedback has been strong. Forward bookings for FY27 are encouraging, and we are expecting to host more than 350 events and 350,000 visitations across the year.

We are still early in realising value from this asset, and I will come back to that as part of the exciting future we see for Auckland.

Our people, our communities and our purpose

More than 4,600 people work across our Group. The last 18 months have brought significant change for our company; carded play, a new operating model and cost-out programme, a new convention centre, asset sales, and the pending regulatory resolution and sales process in Adelaide, all of which have directly impacted many of our employees.

To anchor these changes, we have launched a new purpose and customer-focused ambition for the company and refreshed our values. Our purpose and ambition puts our customers at the centre of everything we do, and our values shape how we become stronger and better together.

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We continue to invest in the communities we operate in, both financially and in kind. Here in Auckland, SkyCity's Community Trust made grants during the year totalling 3 point 3 million dollars.

Looking forward to FY27

Turning now to the key priorities for the remainder of FY27.

Beyond asset monetisation, Adelaide and the cost-out programme, which I have already covered, two of our most important priorities for FY27 that speak to the growth opportunities for our business are establishing SkyCity in the regulated New Zealand online casino market and realising the value in our Auckland precinct.

Online casino

As we announced last week, we are progressing through the online licensing process following our success in the auction where we secured the right to apply for two online casino gambling licences and we are now preparing our licence applications.

The auction settled at a price within the scenarios we modelled, and we are confident we can achieve the appropriate return on the capital invested. It was a deliberate capital allocation decision to reduce from the maximum three allowable licences to two, ensuring we remained within our risk-adjusted, return on capital targets.

This is not a new market. New Zealanders have been playing these online games for years, with offshore operators operating outside of any New Zealand regulation. Regulating this market means only licensed operators will be permitted to offer online casinos; if licensed, we will be two of the fifteen brands, with everyone adhering to the regulations ensuring a level playing field.

We believe we can compete strongly in this important market. Being a land-based casino operator for 30 years, we have a brand New Zealanders know and trust, which is the most important attribute of online brands, and we will now be able to advertise and market our online presence, which we haven't been able to before. Importantly, we clearly understand the New Zealand host responsibility and AML requirements, as they are similar or the same across land and online. We do expect this to be a competitive market, and the level of potential advertising when the market goes live in the second half of FY27 is something we will be watching closely.

Realising the value in our Auckland precinct

We are well underway in our efforts to unlock the cross-precinct benefit here in Auckland with the combined openings of the NZICC and CRL.

With the sale of 99 Albert Street, the associated Victoria Street properties and the binding conditional deal to sell The Grand, these buildings have, and soon will have, owners who are investing in them. That was part of our intention. We want this part of the city further developed now with the NZICC and City Rail Link open. Excitingly, the new owners of 99 Albert Street have already begun renovations.

The NZICC brings delegates and visitors to our doorstep, and the City Rail Link makes it easier than ever for them, and for all rail passengers across Auckland to visit our precinct. Our focus is on making sure they don't just pass through, but stay, play, and explore all elements of our Auckland precinct.

We will continue to enhance our food and beverage offerings and refresh our gaming floors, using customer data to deploy capital where returns are highest and that delivers our expected customer and financial returns.

Current trading

Before I close, let me turn to current trading.

Group trading in the first quarter of FY27 has been consistent with the fourth quarter of FY26, as discussed when we released our full-year results in August. Consumer conditions in New Zealand and Australia remain subdued, with higher fuel prices and interest rates weighing on household spending.

Despite these conditions, we are pleased with the positive start to the year: revenue is tracking in line with our expectations, and our cost savings programme is ahead of schedule in delivering the full year targeted benefits, with around a quarter of the expected annual benefits already achieved.

While it is early in the year, we remain confident in the earnings outlook we provided at the FY26 result in August, noting that this now needs to reflect the sale of The Grand Hotel.

As with last year there are a number of one-off and non-recurring items that will affect our FY27 Reported results including the continued delivery of the B3 programme, the sale of the Grand Hotel, and the costs associated with the cost-out programme. The one-off charges for the cost out programme are expected to be between 17 million and 22 million dollars impacting FY27 Reported earnings.

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Capital expenditure is likely to be in the middle of the range provided in August of 80 million to 100 million dollars. With the online auction now complete and the rights for two licences set at 30 million dollars for us, we expect our total capital expenditure will be around 120 million dollars.

We are not providing formal guidance at this stage, given the timing of the online casino market entry is still to be determined and the ongoing uncertainty of the macro-economic environments both here in New Zealand and in Australia.

Closing

In closing, we continue to focus on delivering against our stated goals and the things we can control. Carded play was delivered within guidance, the NZICC is open and trading, the cost programme is well advanced, and the asset monetisation programme is close to completion.

We recognise these steps have not yet improved outcomes for shareholders. We do expect cost savings, lower debt, improved cash flow, and a disciplined entry into online to deliver the needed improvement through FY27 and into FY28. As I noted in my opening remarks, these principle focuses will enable us to achieve our capital management and operating objectives, such that we should resume paying dividends in FY28.

We have a clear plan that we are executing against, the foundations are in place, and we are confident in what it can deliver.

To our shareholders, thank you for your patience and continued support. To our customers, thank you for your continuing loyalty. And to the more than 4,600 people across this business who have delivered a demanding year, I am grateful for your hard work.

I will now hand back to Julian for the formal business of the meeting.