

8 October 2020

SkyCity Entertainment Group Ltd (SKC)

The company will hold an Annual Shareholders Meeting **1.00pm Friday 16 October 2020**.

You can join the meeting at <https://web.lumiagm.com/> The meeting code is 345-894-708.

The company operates casinos in Auckland, Hamilton, Queenstown, and Adelaide. During the year it established an online casino. It has 273 table games, 3204 electronic gaming machines and 307 automated table games. It operates 19 restaurants and 14 bars, and its hotels provide 653 rooms. It employs 3800 staff. The Adelaide expansion project has been substantially completed however it will not meet the performance forecast in 2018.

Covid-19 impacted all operations with facilities closed for varying lengths of time. The impact is ongoing with no international tourists to either New Zealand or Australia and uncertainty around when international travel will resume. In October 2019, a fire at the partially completed International Convention Centre adjacent to the Auckland property severely disrupted work and has put back the completion date to January 2025.

During the year, the company undertook a \$180 million institutional placement at \$2.50 per share and a Share Purchase Plan raising \$45.6 million of the planned \$50 million at \$2.38 per share.

Revenue for the year was down 20% at \$641.6 million, normalised EBITDA was down 32.6% at \$200.7 million with normalised NPAT down 54% at \$66.3 million. The interim dividend was 10 cents per share. No final dividend was paid.

The shares are trading at \$3.05 and have traded through a range of \$1.30/\$4.10 over the past year.

Board Composition

The Board comprises an Independent Chair, an Independent Deputy Chair and 3 Independent Directors. In November 2019, the company announced Richard Didsbury, who had served as an Independent Director since 2012, would resign, and that the Board had commenced the search for a new non-executive Director. No replacement Director has yet been appointed.

Resolutions

1. To re-elect Rob Campbell as an Independent Director.

Rob Campbell was appointed to the Board in June 2017 and as Chair in January 2018. He is also chair of Summerset, Tourism Holdings, and a director of Precinct Properties. Mr Campbell also chairs Ultrafast Fibre, New Zealand Rural Land Company, Ara Ake Limited and WEL Networks.

NZSA has criteria around the number of roles that are appropriate for a director before they may be considered “over boarded”. Mr Campbell exceeds the threshold and NZSA is aware of public criticism for that. However, he also has support from the boards of the companies where he is a director to continue in his roles and many bear witness to his capacity for work. On that basis NZSA supports his re-election.

We will vote undirected proxies **IN FAVOUR** of this resolution.

2. To re-elect Sue Suckling as an Independent Director.

Sue Suckling was appointed to the Board in May 2011. She is chair of the Insurance & Financial Services Ombudsman Scheme Commission, Jacobsen Holdings, Brannigans Consulting, Rubix Limited, Soltians, Jade Software, and Zag Limited. She has a substantial track record in corporate governance.

We will vote undirected proxies **IN FAVOUR** of this resolution.

3. To re-elect Jennifer Owen as an Independent Director.

Jennifer Owen was appointed to the Board in December 2016. She is currently a Principal of Owen Gaming Research and a director of Aspire Child Care (Mascot) Pty. She is a chartered accountant and also has experience in equities research.

We will vote undirected proxies **IN FAVOUR** of this resolution.

4. To re-elect Murray Jordan as an Independent Director.

Murray Jordan was appointed to the Board in December 2016. He is currently a director of Chorus, Metcash, Stevenson Group, and of Southern Cross Benefits, Hospitals and Medical Care Society. He is a trustee of Southern Cross Health Trust and some other entities.

We will vote undirected proxies **IN FAVOUR** of this resolution.

5. That the Board is authorised to fix the auditor’s remuneration for the coming year.

This is an administrative resolution.

We will vote undirected proxies **IN FAVOUR** of this resolution.

Proxies

You can vote online or appoint a proxy at <https://www.investorvote.com.au/Login>

Instructions are on the Proxy/voting paper sent to you.

Voting and proxy appointments close **1.00pm Wednesday 14 October 2020.**

Please note you can appoint the Association as your proxy. We will have a representative attending the meeting.

STANDING PROXIES - AUTOMATICALLY APPOINT NZSA AS YOUR PROXY

MAKE YOUR VOTE COUNT!

Details on the NZSA website.

The Team at NZSA.