



SKYLINE ENTERPRISES LIMITED
PO Box 17, Queenstown 9348
New Zealand
phone +64 3 441 0377
fax +64 3 441 0394
email info@skyline.co.nz
www.skylineenterprises.co.nz

31 March 2023 Preliminary Profit Announcement

Greetings Shareholders,

The preliminary profit before tax for the year ended 31st March 2023 for continuing operations is \$71.3m (\$34.9m last year). This result includes \$10.4m of commercial property revaluation gains (\$7.7m gain last year). Underlying trading profits were therefore \$60.9m compared to \$27.2m last year.

This result is particularly pleasing given the inflationary operating environment globally and ongoing challenges with the labour market. The result also reflects the tourism rebound experienced across our trading properties, but particularly in New Zealand. The result remains subject to audit.

Business Performance

Revenue from continuing operations was up on the prior year at \$183m (compared to \$123m), with the reopening of international travel markets a strong contributor to that result. Ongoing cost control activities and operating efficiencies, coupled with a focus on maintaining margins, have resulted in a pleasing trading performance.

The Skyline Rotorua business has benefited from completed track enhancements, with the new tracks launched in December 2022 proving popular with domestic visitors. Despite noteworthy weather challenges during the summer period, visitation was strong, resulting in some record luge ride numbers for the site.

The Christchurch Casino achieved a sound trading result despite a tough operating year. The launch of the christchurchcasino.com online casino was delayed by regulatory processes, but the Malta Gaming license has now been issued and the online casino is expected to be operational by the end of July.

The Skyline Queenstown business has continued to benefit from increasing international visitation, particularly from the Australian market. Our Blue Peaks accommodation properties have also enjoyed strong occupancy from the returning international markets.

Also in Queenstown, our commercial property portfolio has seen a steady return to pre-pandemic tenancy levels, and this year we have added another property to the portfolio. Adjacent to an existing Skyline owned property, 20 Ballarat Street in Queenstown provides a strategic future development opportunity. The opening of the DFS T-Galleria retail experience and Eatspace food and beverage hub late in the year was an important milestone in the re-development of the O'Connell's building, and the revitalization of downtown Queenstown.

Our international locations have produced a solid result overall, and we continue to refine our product offering in these markets.

Skyline Luge Singapore has performed well and much like our Queenstown-based operations, has benefited from the reopening of borders and the resumption of global travel. Skyline Luge Calgary and Skyline Luge Mont-Tremblant also delivered particularly good results, driven by domestic visitation and operational efficiencies.

The trading environment in South Korea continues to be tough. Ongoing government restrictions and caution around Covid-19 impacted visitation throughout the year, and inferior imitation luge sites continue to pose a

challenge. The introduction of a zipline product at Skyline Luge Busan mid-next financial year is an important enhancement to our product offering.

We have made timely progress on our sustainability journey, with momentum across the business in all three strategic pillars of *people, place, and prosperity*.

Embedding the operational flexibility and innovation that the global teams have demonstrated in recent years has positioned us well to meet returning visitation levels whilst also navigating an inflationary environment and ongoing labour market constraints.

Developments

The redevelopment of Skyline Queenstown is progressing well with construction of the new top and bottom terminals on time and budget, and the gondola replacement scheduled for completion in July as we welcome guests into Queenstown for the busy winter season. Infrastructure works for the new multi-story carpark situated at the rear of the new bottom terminal structure is also well underway. The car park facility is due to open in the first half of 2024.

Construction of our new Skyline Luge site in the Gamuda Gardens development in Kuala Lumpur, Malaysia continues. A first for Malaysia, the site will incorporate nearly 200 meters of tunnels and an exciting new zipline product. Opening is scheduled for late 2023.

Our first Skyline site in the United Kingdom is progressing well, and we expect to submit a planning application for the site in Swansea, Wales before the end of the year.

Looking ahead

Skyline's global presence, diverse business portfolio and enduring customer appeal provide solid foundations for Skyline's sustainable success.

The Board is appreciative of the commitment and tenacity demonstrated by all Skyliners across the group. The "can do" attitude of our employee community is a key element in enabling Skyline to deliver a safe and fun customer experience.

With Covid now behind us, we continue to focus on realizing efficiencies, remaining nimble and optimizing margins. This will ensure we are well positioned to meet customer demand and progress key developments whilst also remaining responsive to inflationary headwinds.

After careful consideration, your Directors have determined a final dividend of 28 cents per share will be payable on 29 September 2023. The total dividend for the year is 48 cents per share following the payment of the 20 cents per share interim dividend in December 2022.

We look forward to welcoming you to the Annual Shareholders Meeting to be held at Skyline Queenstown on Saturday 23rd September 2023 at 5pm (arrivals from 4pm). Further details will follow in the notice of meeting to be distributed in August.

Kind regards
Peter Treacy
Chairman, Skyline Enterprises Limited

21 June 2023