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22nd November 2022

Update for the six months ended 30th September 2022

Greetings Shareholders,

At last, the disruption and impact of COVID-19 is slowly dissipating, and whilst the operating environment is challenging with high inflation, constrained supply, and a tight employment market, the overall performance picture is positive with revenue at \$91m for the six months to 30th September 2022. This is ahead of last year and budget. The unaudited underlying Trading Earnings Before Interest and Tax for the six months to 30th September was \$26m which is 33% ahead of budget and 44% ahead of last year.

This figure does not take into account any upward or downward property revaluations which are only accounted for at 31st March annually.

Business performance

The Skyline Queenstown business continues to benefit from the increase in international visitation, particularly out of Australia over the winter months. This has carried through into the recent Australian and New Zealand school holidays, and all lead indicators point to strong summer trading.

Our Queenstown commercial property tenants have also benefited from the increase in visitors. A recent highlight has been the opening of the re-developed O'Connell's property. It includes office space and the DFS Group T Galleria luxury retail experience and the exciting new Eatspace food and beverage offering. As previously stated, this is a significant milestone for not only this iconic landmark but for the revitalisation of downtown Queenstown.

Also, in Queenstown the Blue Peaks accommodation properties have enjoyed strong occupancy and rate and are holding strong forward bookings into the summer.

Christchurch Casino's trading has continued to be solid with the christchurchcasino.com offshore online casino subsidiary to open before the end of the year.

The new Luge tracks which opened in May at Skyline Rotorua have proved very popular with the predominantly domestic market over the recent New Zealand school holidays. The business is trading well above last year and budget, and further track enhancements are on schedule to open prior to the busy Christmas and summer period.

Our international operations have maintained a largely domestic focus, except for Singapore which like Queenstown has seen an increase in international guest visitation. This has seen the Skyline Luge Singapore business build momentum from the end of the last financial year and continue to deliver improved revenue against last year and budget.

The seasonal Canadian sites in Calgary and Mont Tremblant enjoyed good summer weather and trading with both sites delivered excellent profit results.

The two operations in South Korea, Tongyeong and Busan have experienced a tougher trading environment with visitation impacted by ongoing COVID-19 restrictions which are only now starting to recede. Poor weather and a higher number of typhoon events in September also contributed to softer than forecast results.

Operational flexibility and innovation are crucial to our ability to meet the return of guests and while this positions us well against the headwinds of operating in a higher inflationary environment, the availability and access to skilled staff in a constrained labour market is an ongoing challenge for the remainder of the financial year and likely beyond. The Board are very appreciative of the commitment and dedication shown by our global teams of Skyliners and the “can do” attitude which ensures Skyline continues to deliver a safe and fun customer experience.

Developments

The redevelopment of the Skyline Queenstown property continues at pace with forestry removal, bottom and top terminal construction and the formation of the car park site. Works are on schedule and on budget, with tight cost control and oversight ensuring the business can continue to operate through this next period of increased construction. The opening of the new 10-seater gondola in July 2023 will mark not only an exciting milestone for the redevelopment but be a timely arrival as visitation levels increase.

Construction of the Skyline Luge site in the Gamuda Gardens development in Kuala Lumpur, Malaysia is progressing with completion of the base foundations and form work. This supports four luge tracks with nearly 200 metres of tunnels, and a new zipline experience. The civil works have taken slightly longer than expected, however we are still targeting an opening in late 2023.

The first Skyline site in the United Kingdom, in Swansea, Wales which will comprise a gondola a luge and zipline alongside mountain biking and food and beverage is progressing well, with financial support from the Swansea Council and Welsh Government to be finalised before the year end.

Board update

I am also pleased to announce the appointment of Bruce Thomassen to the board of Skyline Enterprises effective from 1st January 2023. Many of you will be familiar with Bruce who has been with Skyline in various roles and capacities since first joining the Rotorua business in 2003. Bruce was central to setting up the very successful Skyline Luge businesses in Mont Tremblant in Canada and on Sentosa Island in Singapore and has also been the General Manager of the Skyline Rotorua business, and most recently a member of the Skyline International Luge Board. We look forward to welcoming Bruce.

Further to the announcement at the annual general meeting in September a 20c dividend per share will be paid on Friday 16th December to all shareholders on the register as at 5pm Monday 5th December 2022.

Looking forward

With COVID-19 receding into the rear-view mirror, and despite the challenging operating environment, the board and management of Skyline are increasingly confident in the forward outlook. We expect a strong summer for our New Zealand based businesses, with increased international visitation. This coupled with the breadth of our

global presence, the diversity of businesses in our portfolio and our continued broad customer appeal supports Skyline's continued sustainable success.

As I also announced at the annual general meeting I retire from the Skyline board at the end of this year, and this is therefore my last update. It has been a great privilege to have served on your Skyline board for the past 14 years, the last three as your Chair. I am very excited by the future potential for the company, and I am pleased to hand over the Skyline Chair reins to Peter Treacy to continue the strong Skyline growth journey.

We wish you and your families all the very best for a wonderful Christmas and a very happy New Year as we welcome in what promises to be a very exciting 2023.

Kind regards

Jan Hunt

Chair – Skyline Enterprises