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June 20, 2024

## Preliminary Profit Announcement

Greetings Shareholders,

The unaudited preliminary profit before tax, for continuing operations for the year ended 31<sup>st</sup> March 2024, is \$29.8m (compared with \$71.3m last year).

Impairments because of lighter than forecast trading have been recorded of \$19.5m for the Busan Luge in South Korea, and \$24.3m for Christchurch Casino. However, the commercial property investments recorded a revaluation increase of \$10.6m.

The performance of the group remains strong, with underlying trading profit at \$63m compared to \$59m last year.

We are thrilled with the trading performance results given the challenging inflationary environment and the pressure on discretionary spending for consumers the world over. The impairments whilst disappointing reflect the challenges of the economic environment in South Korea and the lower disposable incomes of patrons generally in respect of the casino.

After careful consideration, your directors have determined a final dividend of 65 cents per share, totaling just over \$22m, will be payable on 27 September 2024.

### Business Performance

Revenue from continuing operations exceeded the prior year coming in at \$221m (\$183m in 2022-23).

Tourism volumes have now bounced back to circa 80% of pre CV19 numbers, yet competitive pricing and careful cost control delivered strong EBITDA growth for the group.

The Skyline Queenstown business performed particularly well, even with two months of closure for the gondola changeover in May-June 2023. Strong visitation from Australia and the US, and the welcome return of the wider international market saw trading surge.

Our Blue Peaks accommodation properties have experienced another very good year. A perfect location, combined with competitive rates and a warm kiwi welcome, have resulted in high occupancy throughout the year.

Our Queenstown commercial property portfolio is in sound shape, with 93% occupation of tenancies across the commercial portfolio. The O'Connell's building and Eatspace venue are growing nicely and enjoying the patronage from a reinvigorated CBD.

The Skyline Rotorua business has benefited from significant track enhancements completed in early 2023, and they have experienced a record sales year.

The Christchurch Casino performance has been solid but subdued, and whilst we have seen some good patronage, spend per guest is down. Our online casino, ChristchurchCasino.com, is showing consistent growth.

Our international locations have produced very good results overall, and we were particularly excited about our launch into Malaysia in December 2023 with Skyline Luge Kuala Lumpur. Trading has been well ahead of projections since launch, with the site achieving half a million luge rides in the first four months of trading. We are very excited about the future of this business and are looking forward to the installation of a world first zipline design in late 2024.

Skyline Luge Singapore has also delivered another brilliant result, and a record year for the site.

The trading environment in Korea continues to be tough, with competition from copy sites. We are however encouraged by feedback from our customers about the quality of the experience, including the Busan Hyfly zipline product that opened in September 2023. We continue to explore new product opportunities in the search for growth.

Skyline Luge Calgary and Skyline Luge Mont-Tremblant have both delivered fantastic results this year, a record best year for Calgary, and a record equaling year for Tremblant.

### **New Developments**

The redevelopment of Skyline Queenstown is progressing well against budget and plan. The significant weather event in September 2023 has required ongoing attention, but we have worked hard to ensure this has not delayed construction of the new restaurant complex extension, or the car park, which is due to open in June 2024.

We continue our quest for new opportunities offshore with a particular focus in Europe. Planning for our project in Swansea, UK continues, and we are in talks with Sheffield City Council about an exciting leisure precinct development within the local urban area.

Our sustainability journey continues and with the foundations of our strategy now well established, accelerating our progress in emissions reduction is a key focus.

### **Looking Ahead**

Whilst we acknowledge the global economic outlook looks subdued, we believe the future is very positive for the group. Skyline's global presence, and the diverse business portfolio lay the foundations for sustainable success.

The Board is particularly appreciative of the contributions of our global team of Skyliners and would like to acknowledge their dedication and passion for delivering that 'special Skyline experience'.

We look forward to welcoming you to the Annual Shareholders Meeting to be held at Skyline Queenstown on Saturday 21<sup>st</sup> September 2024 at 5pm (arrivals from 4pm). Further details will be provided in the notice of meeting to be distributed in August.

Kind regards



Peter Treacy  
Chairman, Skyline Enterprises Limited  
20 June 2024