



# MCK 2024 ANNUAL MEETING

WELCOME

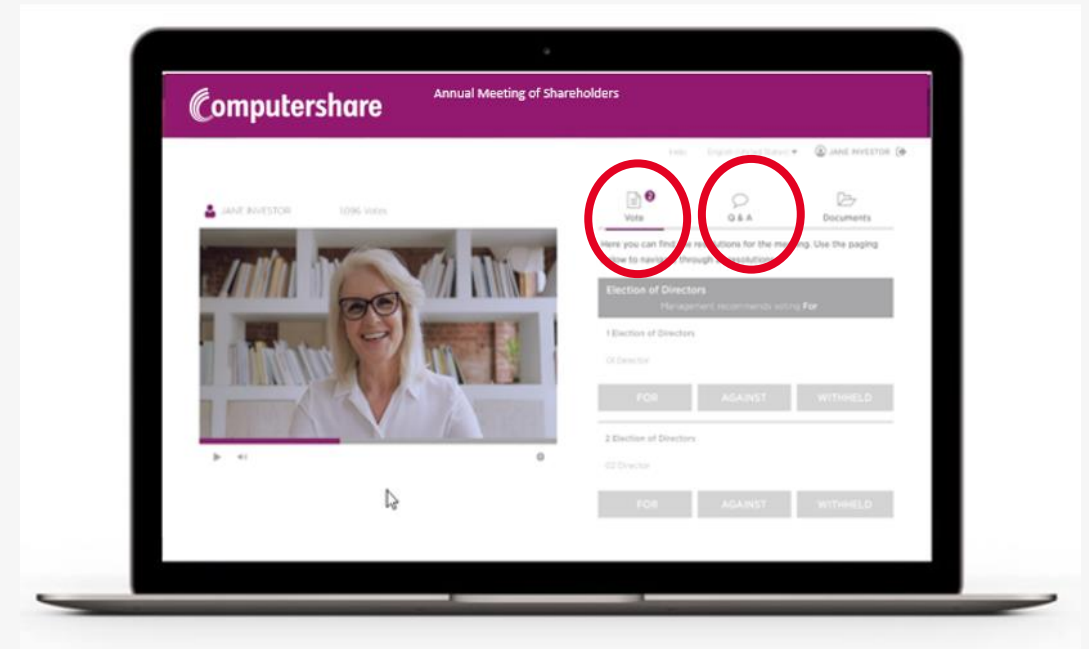
# VOTING AND Q&A

Today's meeting is being held both in-person and online through Computershare's online meeting platform.

For online attendees, the Q&A is always open - please feel free to submit questions throughout the meeting.

Voting today will be conducted by way of a poll. Online voting for all resolutions will be open shortly.

Please cast your vote under the Vote tab. You can change your vote, up until the time voting is declared closed.



# OUR BOARD



**COLIN SIM**  
Independent Director



**STUART HARRISON**  
Managing Director



**EIK SHENG KWEK**  
Non-Executive Director



**KEVIN HANGCHI**  
Non-Executive Director



**GRAHAM MCKENZIE**  
Independent Director



**LESLIE PRESTON**  
Independent Director

# AGENDA

- Chair and Managing Director's Addresses
- Resolutions
- Shareholder Discussion
- General Business
- Close of the Meeting

# STRATEGY: REVIVE AND THRIVE

## OUR VISION REMAINS:

- to be the preferred hotel choice for travellers in our region;
- grow our footprint; and
- deliver value for our guests, our team and our shareholders.

## PRIORITY FY23 – FY24 FOCUS:

Reviving our business for tourism market momentum post-Covid.

# 2023 WAS A YEAR OF POSITIVE PROGRESS

- First uninterrupted year of trading since the pandemic
- Increased number of international flights to New Zealand has improved visitor numbers – however still short of the pre-Covid level of tourists
- Overall hotel occupancy reached 61%, hotel profit increased nearly 400% to \$11.6m
- Completed the purchase of the Sofitel Brisbane Hotel in December 2023.
- CDL Investments' results reflected continued softness in the residential property markets but still recorded an operating profit after tax

# FY23 PERFORMANCE SNAPSHOT

Revive and Thrive strategy delivering value

<p><b>TOTAL REVENUE</b></p> <p><b>\$145.7m</b> FY23: \$144.2m</p>	<p><b>PROFIT</b> After Tax and non-controlling interests</p> <p><b>\$21.6m</b> FY23: \$21.7m</p>	<p><b>EARNINGS PER SHARE</b></p> <p><b>13.65 cents</b> FY23: 13.72 cents</p>
<p><b>DIVIDEND</b></p> <p><b>3 cents</b> FY23: 3 cents</p>	<p><b>TOTAL ASSETS</b></p> <p><b>\$746.8m</b> FY23: \$709.2m</p>	<p><b>SHAREHOLDERS' FUNDS</b></p> <p><b>\$547.9m</b> FY23: \$531.0m</p>

- Strong turnaround in hotel business
- CDL Investments feeling the pressure of the short term cooldown in property sales
- Australia apartment sales muted
- Continue to invest in property refurbishments and network expansion



# LOOKING FORWARD

Optimistic outlook for continued recovery in 2024

- Tourism continues to recover and demand from overseas continue to improve
- Benefit of full year trading from Sofitel Brisbane Central
- Strong and experienced leadership team
- Committed and passionate team across the hotel network
- Current economic headwinds expected to continue for at least 1H 2024, impacting on demand.

Focus on making sure we have the best product available to capture existing demand as the tourism market recovers.

# MANAGING DIRECTOR'S ADDRESS

Stuart Harrison



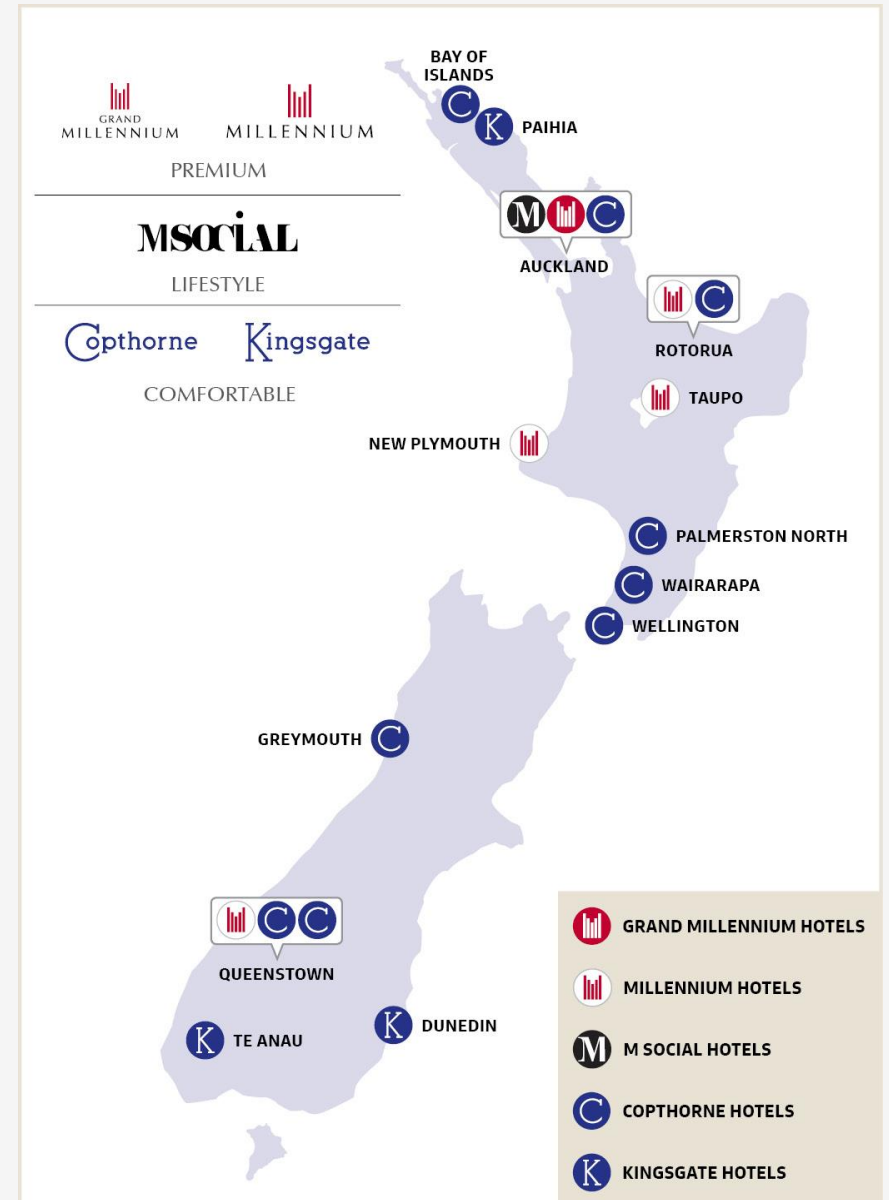
# OUR HOTEL NETWORKS

## 18 Hotels in NZ

Opportunity to fill in the network  
2,250 rooms per night owned and managed

## 1 Hotel in Australia

Beachhead being established.  
Significant opportunity to build footprint



# NZ'S TOURISM MARKET



- Good recovery in international tourism although lagging global rates
- Chinese visitor numbers continuing to increase
- Australia remains NZ's biggest market – still below pre-covid numbers
- Softer domestic tourism as fiscal conditions bite

# REVIVE AND THRIVE STRATEGY

Be the preferred hotel choice for travellers in our region, grow our footprint and deliver value for our guests, our team and our shareholders

## PEOPLE

Deliver memorable experiences for our guests

Build careers that our people love to talk about

## PRODUCT

Protect and expand our hotel presence in New Zealand & Australia

Invest in a portfolio of real estate or development projects - and manage our investment in CDL Investments

## PROFIT

Drive improving revenue and profit

Leverage our strong balance sheet to achieve growth

Deliver long term value to our shareholders

**Short term: Reviving our business for tourism market momentum post-Covid**

**Medium to long term: Growth of our hotel network in New Zealand and Australia**

# PEOPLE

Creating a great experience for our guests is essential to what we do.  
We need great people to make that happen.

- Recruitment to attract and retain the best people possible
- Improving our employee experience
- Leadership development programme

# PRODUCT

Investing into upgrading and refurbishing our hotels

## Current pipeline of activity:

Hotel	Size	Timing
Millennium Hotel Queenstown	132 rooms completed 70 rooms and 15 suites underway	FY23 - FY24
Millennium Hotel Rotorua	99 rooms nearing completion 127 rooms and 2 suites commencing	FY23 - FY24
Copthorne Hotel Palmerston North	Recladding and other works	FY23 - FY24
Copthorne Hotel & Resort Bay of Islands	Refresh of Seaspray Wing and reception	FY24 – FY25

**Whole-of-network plan being developed which will inform medium term investment decisions**

# NETWORK EXPANSION AND GROWTH

Filling in the gaps in our New Zealand hotel network

- Whangarei land acquisition, conditional on detailed feasibility study

Building on our initial entry into Australia

- Short term focus to deliver return on Sofitel acquisition

**Settled:**  
December 2023

**Purchase Price:**  
A\$177.7M

50%  
JV Funded

**Equity:**  
\$43.9M

**Internal Loan:**  
\$62.2M

**YTD 2024:**  
v 2023  
v Budget



**Revenue:**  
A\$3.2m

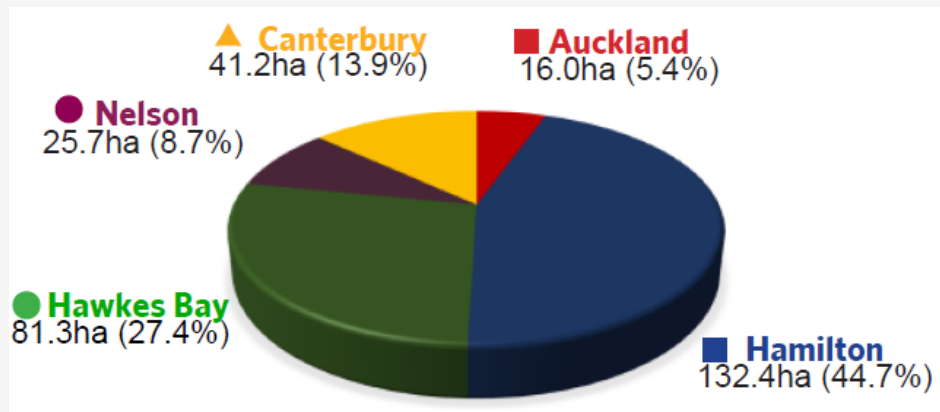
**Occupancy:**  
73.0%



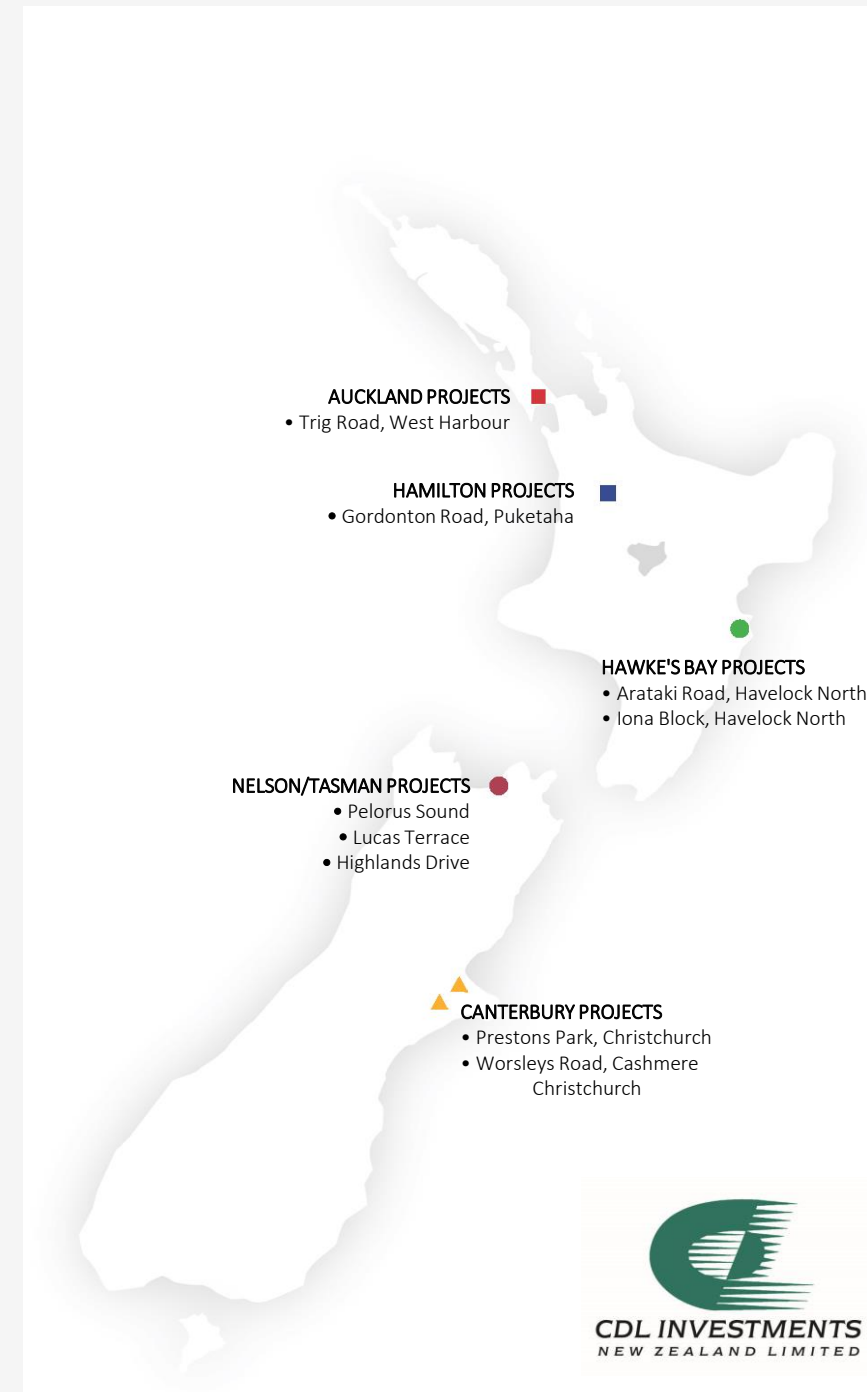
# CDL INVESTMENTS PIPELINE

## CDI have a solid Pipeline

- Total land holding **294.2Ha ( an increase of 48.3Ha on 2022)**
- Estimated yield circa **3,500 sections\***
- Maintained a nationwide geographical spread
- Diverse portfolio, offers flexibility for diversification
- Continually looking to grow their Portfolio

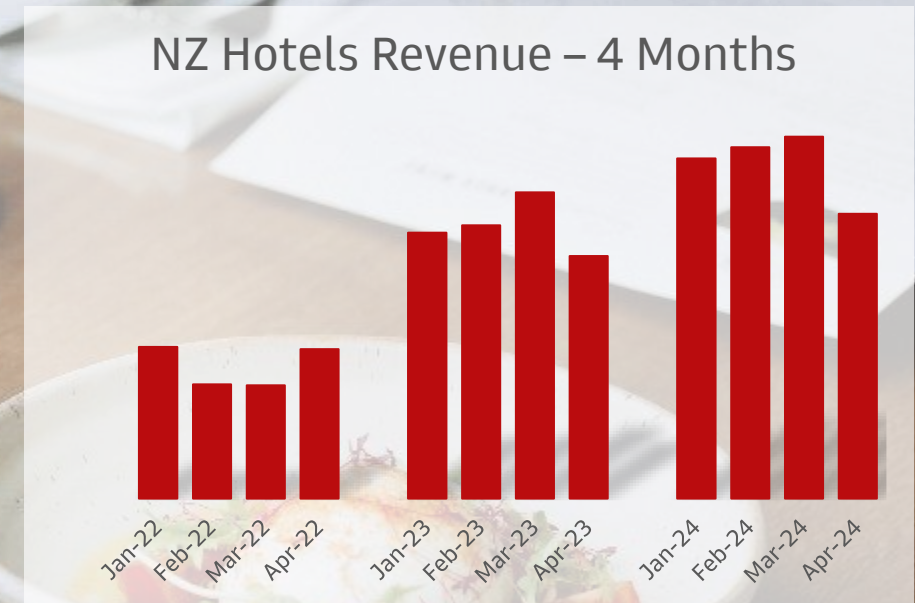
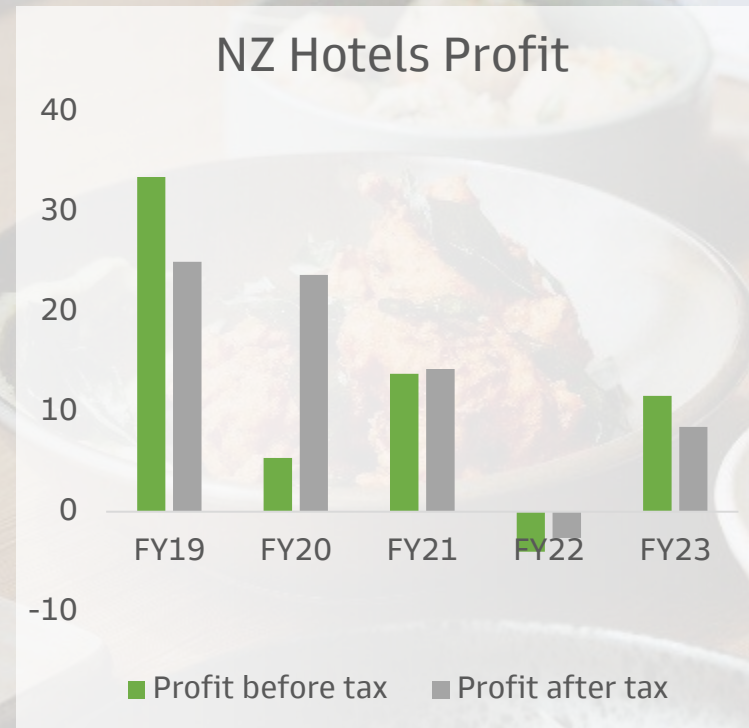
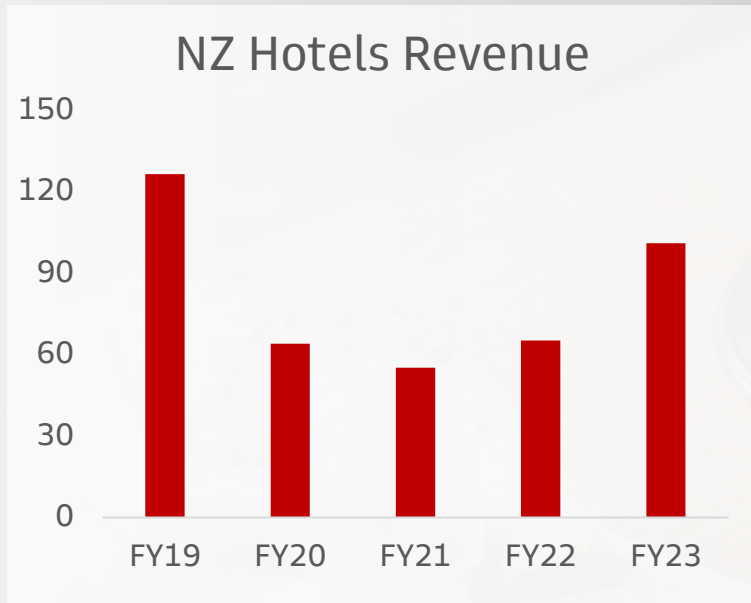


\* Estimated section yield, subject to residential zoning/resource consents



# PROFIT

Return to profit for hotel operations as recovery towards pre-covid levels continues



**Q1 2024:** Positive start to the year. First quarter in 5 years without the impact of covid, weather events or large staffing shortages.

# DOING GOOD

- Save the Kiwi: A unique opportunity for hotel guests to donate a meal or 'kiwi room' for a night
- Simple for guests to participate by opting out of their daily room servicing during a multi-night stay.
- More than 14,000 meals to feed a kiwi in first six months.



Save  
the kiwi

# REVIVE AND THRIVE FY23 TO FY26

## Key initiatives

### ACHIEVED

#### FY23

#### Revival

- Bring all rooms back online
- Build occupancy back to former levels
- Attract and retain full complement of staff
- Marketing and sales activity to drive guest visits
- Continued investment in refurbishment and upgrades

### IN PROGRESS

#### FY23 - 24

#### Early Stage Growth

- Identify opportunities to fill the gaps in the New Zealand hotel network
- Build beachhead in Australia
- Formalise strategy for sustainable operations
- Continued investment in refurbishment and upgrades

### FUTURE PLANNING

#### FY25 - 26

#### Accelerate Growth

- Optimise hotel network and under-utilised land and buildings
- Expand footprint in Australia
- Continued investment in refurbishment and upgrades

# 2024 OUTLOOK

Remain confident in continued progress under Revive and Thrive strategy

- Good control over the controllables - strong staffing levels and more room capacity
- Varied regional demand – some areas such as Queenstown remain extremely strong
- Ongoing challenges – cost inflation, lower consumer and business confidence, cost of living increases
- No major sporting events scheduled in 2024
- Central and local Government action and support needed to promote NZ and attract tourists, conferences and events

# BUSINESS OF THE MEETING

# RESOLUTIONS

## **DIRECTOR RE-ELECTIONS:**

- Resolution 1: Re-election of Kevin Hangchi
  - Resolution 2: Re-election of Colin Sim
  - Resolution 3: Re-election of Leslie Preston
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**DIRECTOR ELECTION:** Resolution 4: Election of Steven Zingel

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**DIRECTORS' REMUNERATION:** Resolution 5: That the aggregate maximum annual remuneration for directors be increased from NZ\$200,000 to NZ\$400,000

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**AUDITORS' REMUNERATION:** Resolution 6: That the Board of Directors be authorised to fix the auditor's fees and expenses.

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**The Board unanimously recommends shareholders vote in favour of resolutions 1 – 3. After due consideration, the Board has decided not to provide a recommendation to shareholders on resolution 4. Given that the Board is interested in resolution 5, it is not providing a recommendation for this resolution. The Board unanimously recommends shareholders vote in favour of resolution 6**

Shareholder discussion

General business

Close of the Meeting



 MILLENNIUM  
HOTELS AND RESORTS

**THANK YOU FOR  
YOUR ATTENDANCE**

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