



Crown Resorts Limited

2019 Full Year Results Presentation

21 August 2019

Crown Resorts Limited Results Overview



Crown Resorts Limited (“Crown”) performance:

- ◆ Normalised¹ NPAT attributable to the parent of \$368.6 million, down 4.7%
- ◆ Reported NPAT attributable to the parent of \$401.8 million, up 23.0% before significant items or down 28.1% after significant items²
- ◆ Final dividend of 30 cents per share declared (total full year dividend of 60 cents per share)

Australian resorts performance:

- ◆ Normalised revenue of \$2,954.8 million, down 5.4%
- ◆ Main floor gaming revenue of \$1,689.3 million, up 0.5%
- ◆ VIP program play turnover of \$38.0 billion, down 26.1%
- ◆ Non-gaming revenue of \$752.1 million, up 0.6%
- ◆ Normalised EBITDA of \$811.3 million, down 9.2%
- ◆ Reported EBITDA of \$859.6 million, up 6.4%

1. Normalised results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth and Crown Aspinalls) and significant items. Normalised results are a non-IFRS measure, which have not been subject to audit or review.

2. Significant items with a net \$nil value were recorded during the period, with an impairment charge of \$48.9 million recorded against DGN's goodwill offset by a corresponding reduction to the contingent consideration associated with the acquisition of Winners Club Limited. The pcp included a net gain from significant items attributable to the parent of \$232.2 million, which includes the reversal of an impairment of the Alon Las Vegas land and associated net foreign currency gain, as well as net gains from the sales of CrownBet and Ellerston.

Crown Resorts Limited Group Result



	F19 Normalised \$m	F18 Normalised \$m	Variance F/(U)	F19 Actual \$m	F18 Actual \$m	Variance F/(U)
Crown Melbourne EBITDA	589.5	645.0	(8.6%)	615.0	586.0	4.9%
Crown Perth EBITDA	221.8	248.8	(10.8%)	244.6	221.5	10.4%
Crown Aspinalls EBITDA	6.4	12.0	(46.5%)	5.7	12.4	(54.3%)
Wagering and Online Social Gaming Operations EBITDA	26.1	26.9	(2.7%)	26.1	26.9	(2.7%)
Corporate costs	(41.7)	(54.4)	23.3%	(41.7)	(54.4)	23.3%
EBITDA	802.1	878.3	(8.7%)	849.7	792.4	7.2%
Depreciation & amortisation	(273.6)	(285.9)	4.3%	(273.6)	(285.9)	4.3%
EBIT	528.5	592.4	(10.8%)	576.1	506.5	13.7%
Net interest	(10.1)	(46.0)	78.0%	(10.1)	(46.0)	78.0%
Income tax	(162.0)	(170.1)	4.8%	(176.4)	(144.3)	(22.2%)
Equity accounted investments	13.3	9.3	43.0%	13.3	9.3	43.0%
NPAT (pre non-controlling and significant items)	369.7	385.6	(4.1%)	402.9	325.5	23.8%
Non-controlling interest	(1.1)	1.2	N/A	(1.1)	1.2	N/A
NPAT (pre significant items) – attributable to the parent	368.6	386.8	(4.7%)	401.8	326.7	23.0%
Significant items (net of tax) – attributable to the parent	–	–	–	–	232.2	(100.0%)
Net Profit – attributable to the parent	368.6	386.8	(4.7%)	401.8	558.9	(28.1%)

Melbourne, Perth and Aspinalls Results

Normalised F19

	Crown Melbourne \$m	Variance F/(U)	Crown Perth \$m	Variance F/(U)	Crown Aspinalls \$m	Variance F/(U)
Table games (non-program play)	772.4	0.7%	186.8	(6.0%)	–	–
Gaming machines	462.7	2.8%	267.4	0.8%	–	–
Main floor gaming (total)	1,235.1	1.5%	454.2	(2.1%)	–	–
VIP program play	441.4	(25.4%)	72.0	(30.1%)	54.9	(13.4%)
Non-gaming	478.9	1.9%	273.2	(1.5%)	1.1	10.3%
Total Revenue	2,155.4	(5.4%)	799.4	(5.3%)	56.0	(13.0%)
Operating expenses ¹	(1,565.9)	4.2%	(577.6)	3.0%	(49.6)	5.4%
EBITDA	589.5	(8.6%)	221.8	(10.8%)	6.4	(46.5%)
Depreciation & amortisation	(175.2)	1.3%	(85.3)	2.0%	(2.7)	(37.5%)
EBIT	414.3	(11.4%)	136.5	(15.6%)	3.7	(62.8%)
EBITDA / revenue %	27.3%	(1.0%) ²	27.7%	(1.8%) ²	11.5%	(7.2%) ²
VIP turnover \$ billion	32.7	(25.4%)	5.3	(30.1%)	5.3	(29.6%)
VIP win rate	1.35%	–	1.35%	–	1.04% ³	0.20% ⁴

1. Inclusive of normalised gaming taxes and commissions.

2. Represents the difference in EBITDA margin compared to the pcp.

3. Crown Aspinalls normalised VIP win rate based on the mix of play during the period.

4. Represents the difference in win rate compared to the pcp.

Melbourne, Perth and Aspinalls Results

Actual F19

	Crown Melbourne \$m	Variance F/(U)	Crown Perth \$m	Variance F/(U)	Crown Aspinalls \$m	Variance F/(U)
Table games (non-program play)	772.4	0.7%	186.8	(6.0%)	–	–
Gaming machines	462.7	2.8%	267.4	0.8%	–	–
Main floor gaming (total)	1,235.1	1.5%	454.2	(2.1%)	–	–
VIP program play	453.7	(19.6%)	84.4	(16.2%)	55.2	(26.1%)
Non-gaming	478.9	1.9%	273.2	(1.5%)	1.1	10.3%
Total Revenue	2,167.7	(3.7%)	811.8	(3.6%)	56.3	(25.6%)
Operating expenses ¹	(1,552.7)	6.8%	(567.2)	8.6%	(50.6)	20.0%
EBITDA	615.0	4.9%	244.6	10.4%	5.7	(54.3%)
Depreciation & amortisation	(175.2)	1.3%	(85.3)	2.0%	(2.7)	(37.5%)
EBIT	439.8	7.6%	159.3	18.5%	3.0	(71.4%)
EBITDA / revenue %	28.4%	2.4% ²	30.1%	3.8% ²	10.1%	(6.3%) ²
VIP turnover \$ billion	32.7	(25.4%)	5.3	(30.1%)	5.3	(29.6%)
VIP win rate	1.39%	0.10% ³	1.58%	0.26% ³	1.04%	0.05% ³

1. Inclusive of actual gaming taxes and commissions. Actual commissions across Crown Melbourne, Crown Perth and Crown Aspinalls totalled \$261.3 million in F19.

2. Represents the difference in EBITDA margin compared to the pcp.

3. Represents the difference in win rate compared to the pcp.

Crown Digital



Crown Wagering and Online Social Gaming Operations	F19 \$m	F18¹ \$m	Variance F/(U)
Total revenue	130.1	292.9	(55.6%)
Total expenses	(104.0)	(266.0)	60.9%
EBITDA	26.1	26.9	(2.7%)
Depreciation & amortisation	(6.8)	(14.8)	54.2%
EBIT	19.3	12.1	60.2%

Crown Digital includes:

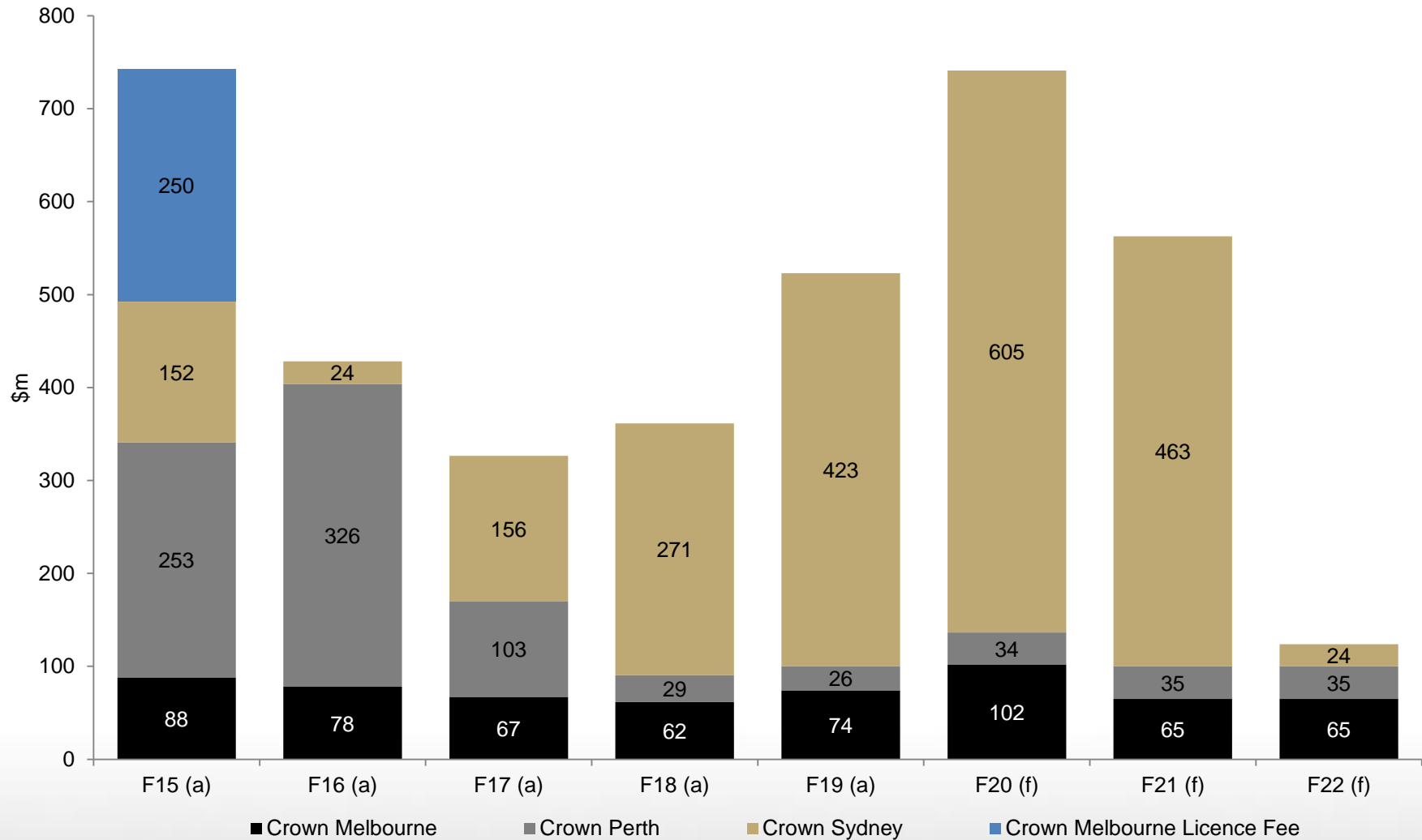
- ◆ EBITDA from Crown's wagering and online social gaming operations (shown above)¹
 - ◆ Betfair Australasia, a 100% owned, online betting exchange
 - ◆ DGN Games, an 85% owned, online social gaming business
- ◆ Equity accounted investment (not included above) in Chill Gaming

1. The prior comparable period included the consolidated operating results of CrownBet, which was sold by Crown in February 2018.

Equity Accounted Investments

- ◆ Crown's equity accounted result is comprised of its share of equity accounted profits from Nobu and Aspers Group, offset by Crown's share of the equity accounted losses arising from the operating costs of Chill Gaming. Crown's net equity accounted share of NPAT across all these investments was \$13.3 million

Investment in Australian Resorts



This chart excludes investment in Crown Aspinalls, Crown Digital, Crown's equity accounted investments and the proposed One Queensbridge Project as well as the expected proceeds from the sale of Crown Sydney apartments.

Crown Sydney Project

Construction update

- ◆ Construction of the Crown Sydney Hotel Resort is progressing on schedule
- ◆ The tower elevator core structure has been constructed to level 51, whilst the fit-out of the first hotel rooms on level 6 is well advanced. The podium structure is complete with exterior glazing and façade work well advanced, enabling fit out activities to be progressed in all areas of the podium
- ◆ Sales are well advanced for the residential component of the project, “One Barangaroo”, with over \$450 million in contracted sales to date
- ◆ The project remains on schedule for completion in the first half of calendar year 2021. The project cost remains unchanged, with the gross project cost expected to be approximately \$2.2 billion and net project cost expected to be approximately \$1.4 billion



Crown Sydney Project

Settlement of sight lines dispute

- ◆ As announced on 19 August 2019, Crown has settled its dispute with Infrastructure New South Wales (formerly the Barangaroo Delivery Authority) in connection with the Crown Sydney Hotel Resort
- ◆ The terms of the settlement are confidential
- ◆ Crown is satisfied with the outcome of the settlement and the retention of the sight lines across Central Barangaroo from the Harbour Bridge to the Sydney Opera House



Proposed One Queensbridge Project



- ◆ Crown holds a 50% ownership interest in the One Queensbridge development site which is strategically located adjacent to the Crown Melbourne entertainment complex, with the remaining 50% interest held by the Schiavello Group
- ◆ Crown has reached an agreement to purchase the Schiavello Group's 50% ownership interest in the site as well as all pre-development assets, including all intellectual property and designs for the project, for approximately \$80 million. The transaction remains subject to long-form agreements between Crown and the Schiavello Group
- ◆ The purchase represents Crown's continued investment in Victoria and the Southbank arts and entertainment precinct. The One Queensbridge site could accommodate a fourth Crown hotel which would deliver significant economic and tourism benefits to Victoria, including additional employment and training opportunities

On-Market Share Buy-Back

- ◆ During the year, Crown bought back approximately \$131.4 million of shares (or approximately 10.3 million shares) under the on-market share buy-back announced on 9 August 2018. The on-market share buy-back will expire on 29 August 2019
- ◆ Crown may, at its discretion, vary, suspend or terminate the on-market share buy-back at any time

Debt Structure



Nature of Facility	30 Jun 19 \$m	31 Dec 18 \$m	30 Jun 18 \$m
Bank debt	28.5	41.2	54.6
Finance lease liability and other loans	1.0	1.1	1.0
Capital market debt - EMTN	174.6	174.6	174.6
- AMTN	259.1	259.1	259.1
- Subordinated Notes ¹	615.4	615.2	1,003.4
Total Outstanding Debt	1,078.6	1,091.2	1,492.7
Less available cash ²	(992.1)	(1,098.7)	(1,713.7)
Net Debt / (Net Cash)	86.5	(7.5)	(221.0)

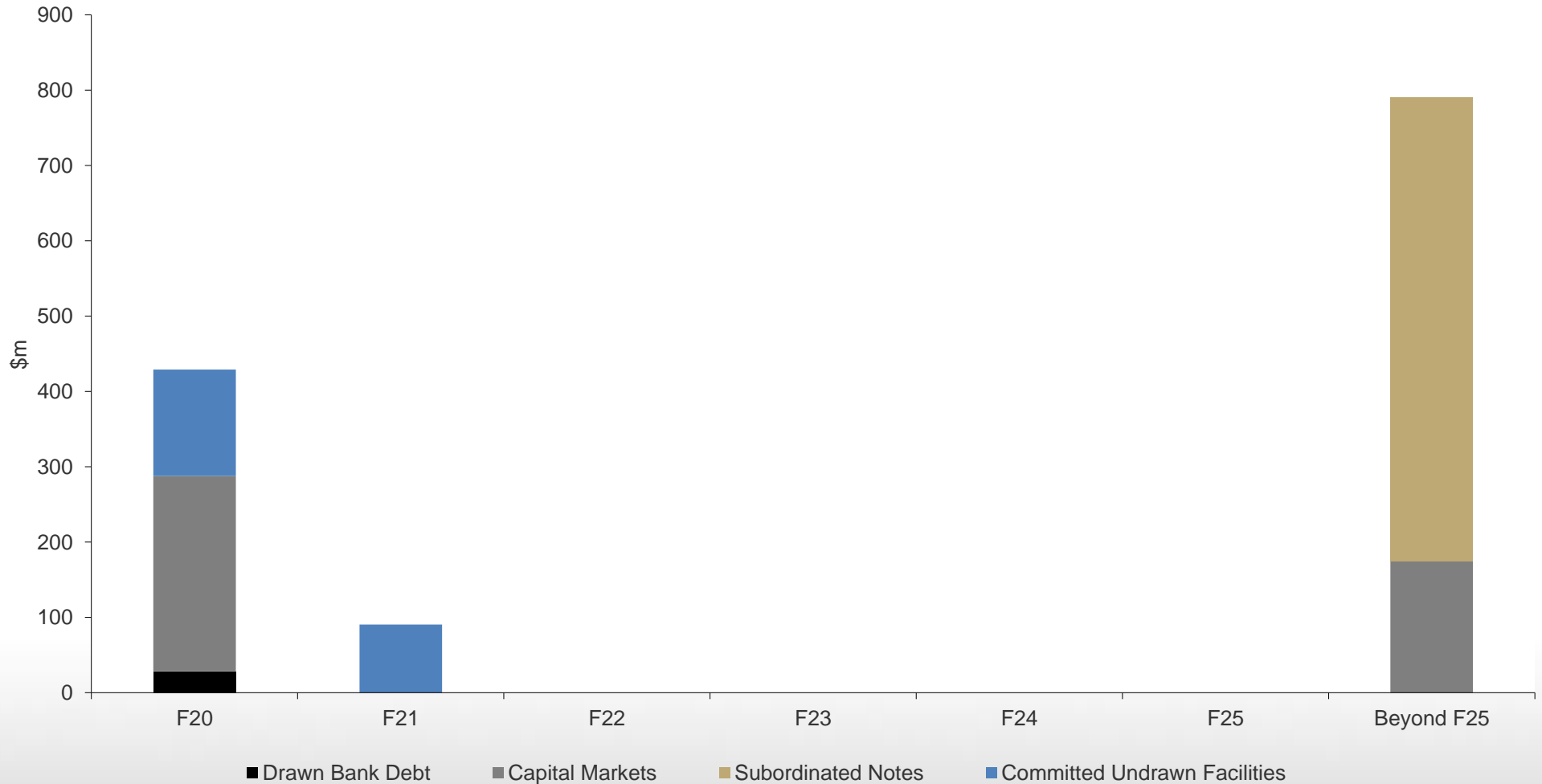
- ◆ Committed un-drawn bank facilities of \$200.4 million at 30 June 2019
- ◆ Group's current debt ratings (S&P/Moody's/Fitch) BBB/Baa2/BBB

1. Net of unamortised transaction costs.

2. Available cash refers to the closing cash balance of \$1,126.0 million (Dec 2018: \$1,276.4 million, Jun 2018: \$1,844.6 million) less working capital cash of \$133.9 million (Dec 2018: \$177.7 million, Jun 2018: \$130.9 million). The working capital cash refers to cash held on the Company's premises and cash held in bank accounts for day-to-day operations of the businesses.

Debt Maturity Profile

At 30 June 2019



Group Cash Flow

\$m	F19	F18
Normalised EBITDA	802.1	878.3
Win rate variance	47.6	(85.9)
Reported EBITDA	849.7	792.4
Working capital movements	43.0	69.4
Cash Flow Generated by Operations	892.7	861.8
Net interest	(48.0)	(79.9)
Dividends received	8.9	9.1
Income tax payments	(75.5)	(59.3)
Operating Cash Flow	778.1	731.7
Capital expenditure (net) ¹	(538.5)	(55.1)
Investments (net)	6.5	256.0
Net borrowings	(425.0)	(428.5)
Dividends paid	(409.0)	(413.4)
Share buy-back payments	(131.4)	(18.8)
Effect of exchange rates on cash	0.7	1.5
Net increase / (decrease) in cash	(718.6)	73.4
Closing Cash ²	1,126.0	1,844.6

1. Net of proceeds from the sale of property plant and equipment.

2. Includes \$133.9 million (Dec 2018: \$177.7 million, Jun 2018: \$130.9 million) of cash held on the Company's premises and cash held in bank accounts for the day-to-day operations of the businesses.

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