

Crown Resorts Limited

2018 Full Year Results Presentation

9 August 2018



Crown Resorts Limited Results Overview

Crown Resorts Limited (Crown) performance:

- ◆ Normalised¹ NPAT attributable to the parent of \$386.8 million, up 12.7%²
- ◆ Reported NPAT attributable to the parent of \$326.7 million, up 5.8%² before significant items
- ◆ Reported NPAT attributable to the parent of \$558.9 million, down 70.0%² after significant items
- ◆ 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 an associated net foreign currency gain, as well as net gains from the sales of CrownBet and Ellerston
- ◆ Final dividend of 30 cents per share declared (total full year dividend of 60 cents per share)

Australian resorts performance:

- ◆ Normalised revenue of \$3,123.6 million, up 10.6%
- ◆ Main floor gaming revenue of \$1,681.0 million, up 1.5%
- ◆ Non-gaming revenue of \$747.7 million, up 4.1%
- ◆ VIP program play turnover of \$51.5 billion, up 54.5%
- ◆ Normalised EBITDA of \$893.8 million, up 7.2%
- ◆ Reported EBITDA of \$807.5 million, down 2.5%

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. The prior corresponding period (pcp) includes Crown's share of Melco Resorts & Entertainment's (MRE) normalised NPAT of \$42.4 million and reported NPAT of \$37.9 million. The pcp also includes a net gain on the sale of Crown's interest in MRE of \$1,745.5 million, which was recognised as a significant item. During the pcp, Crown held a 27.4% interest in MRE from 1 July 2016 to 20 December 2016 and a 24.6% interest from 21 December 2016 to 31 December 2016, following which it no longer equity accounted the results of MRE. Crown completed the sale of its remaining interest in MRE on 16 May 2017 and, as a result, no longer holds an interest in MRE.

Crown Resorts Limited Group Result



	F18 Normalised \$m	F17 Normalised \$m	Variance F/(U)	F18 Actual \$m	F17 Actual \$m	Variance F/(U)
Australian Resorts EBITDA	893.8	833.7	7.2%	807.5	828.0	(2.5%)
Crown Aspinalls EBITDA	12.0	26.6	(54.8%)	12.4	(5.5)	N/A
Wagering and Online Social Gaming Operations EBITDA	26.9	14.8	81.8%	26.9	14.8	81.8%
Corporate costs (net)	(54.4)	(47.1)	(15.6%)	(54.4)	(47.1)	(15.6%)
EBITDA	878.3	828.0	6.1%	792.4	790.3	0.3%
Depreciation & amortisation	(285.9)	(296.8)	3.7%	(285.9)	(296.8)	3.7%
EBIT	592.4	531.2	11.5%	506.5	493.5	2.6%
Net interest	(46.0)	(101.6)	54.7%	(46.0)	(101.6)	54.7%
Income tax	(170.1)	(135.1)	(25.9%)	(144.3)	(127.1)	(13.5%)
Equity accounted - Melco Resorts & Entertainment	-	42.4	(100.0%)	-	37.9	(100.0%)
- Other	9.3	1.3	635.2%	9.3	1.3	635.2%
NPAT (pre non-controlling and significant items)	385.6	338.2	14.0%	325.5	304.0	7.1%
Non-controlling interest	1.2	4.9	(75.6%)	1.2	4.9	(75.6%)
NPAT (pre significant items) – attributable to the parent	386.8	343.1	12.7%	326.7	308.9	5.8%
Significant items (net of tax) – attributable to the parent	-	-	-	232.2	1,557.2	(85.1%)
Net Profit – attributable to the parent	386.8	343.1	12.7%	558.9	1,866.1	(70.0%)

Melbourne, Perth and Aspinalls Results

Normalised F18

	Crown Melbourne \$m	Variance F/(U)	Crown Perth \$m	Variance F/(U)	Crown Aspinalls \$m	Variance F/(U)
Table games (non-program play)	767.1	4.6%	198.8	(4.1%)	–	–
Gaming machines	449.9	0.2%	265.1	(0.6%)	–	–
Main floor gaming (total)	1,217.0	2.9%	463.9	(2.1%)	–	–
VIP program play	591.8	73.9%	103.0	(5.8%)	63.4	(35.8%)
Non-gaming	470.2	(0.3%)	277.6	12.5%	1.0	(2.8%)
Total Revenue	2,279.0	14.2%	844.5	1.7%	64.4	(35.5%)
Operating expenses ¹	(1,634.0)	(16.2%)	(595.7)	(1.8%)	(52.4)	28.4%
EBITDA	645.0	9.5%	248.8	1.6%	12.0	(54.8%)
Depreciation & amortisation	(177.5)	5.9%	(87.0)	(9.3%)	(1.9)	(106.7%)
EBIT	467.5	16.8%	161.8	(2.1%)	10.1	(60.7%)
EBITDA / revenue %	28.3%	(1.2%) ²	29.5%	– ²	18.7%	(8.0%) ²
VIP turnover \$ billion	43.8	73.9%	7.6	(5.8%)	7.5	(32.3%)
VIP win rate	1.35%	–	1.35%	–	0.84% ³	(0.05%)

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.

Melbourne, Perth and Aspinalls Results

Actual F18

	Crown Melbourne \$m	Variance F/(U)	Crown Perth \$m	Variance F/(U)	Crown Aspinalls \$m	Variance F/(U)
Table games (non-program play)	767.1	4.6%	198.8	(4.1%)	–	–
Gaming machines	449.9	0.2%	265.1	(0.6%)	–	–
Main floor gaming (total)	1,217.0	2.9%	463.9	(2.1%)	–	–
VIP program play	564.6	40.5%	100.7	(32.1%)	74.7	35.5%
Non-gaming	470.2	(0.3%)	277.6	12.5%	1.0	(2.8%)
Total Revenue	2,251.8	9.5%	842.2	(3.1%)	75.7	34.9%
Operating expenses ¹	(1,665.8)	(12.1%)	(620.7)	(1.5%)	(63.3)	(2.8%)
EBITDA	586.0	2.7%	221.5	(13.9%)	12.4	N/A
Depreciation & amortisation	(177.5)	5.9%	(87.0)	(9.3%)	(1.9)	(106.7%)
EBIT	408.5	6.9%	134.5	(24.3%)	10.5	N/A
EBITDA / revenue %	26.0%	(1.7%) ²	26.3%	(3.3%) ²	16.4%	26.1% ²
VIP turnover \$ billion	43.8	73.9%	7.6	(5.8%)	7.5	(32.3%)
VIP win rate	1.29%	(0.30%) ³	1.32%	(0.51%) ³	0.99%	0.49% ³

1. Inclusive of actual gaming taxes and commissions. Actual commissions across Crown Melbourne, Crown Perth and Crown Aspinalls totalled \$409.9 million in F18.

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	F18 \$m ¹	F17 \$m	Variance F/(U)
Total revenue	293.0	303.3	(3.4%)
Total expenses	(266.1)	(288.5)	7.8%
EBITDA	26.9	14.8	81.8%
Depreciation & amortisation	(14.8)	(22.3)	33.8%
EBIT	12.1	(7.5)	N/A

Crown Digital includes:

- ◆ EBITDA from Crown's wagering and online social gaming operations (shown above)
 - ◆ Betfair Australasia, a 100% owned, online betting exchange
 - ◆ DGN Games, an 85% owned², online social gaming business
 - ◆ CrownBet, a 62% owned, online wagering business, which was sold in February 2018¹
- ◆ Equity accounted investments (not included above) in Chill Gaming and Draftstars (which was sold as part of the CrownBet sale)

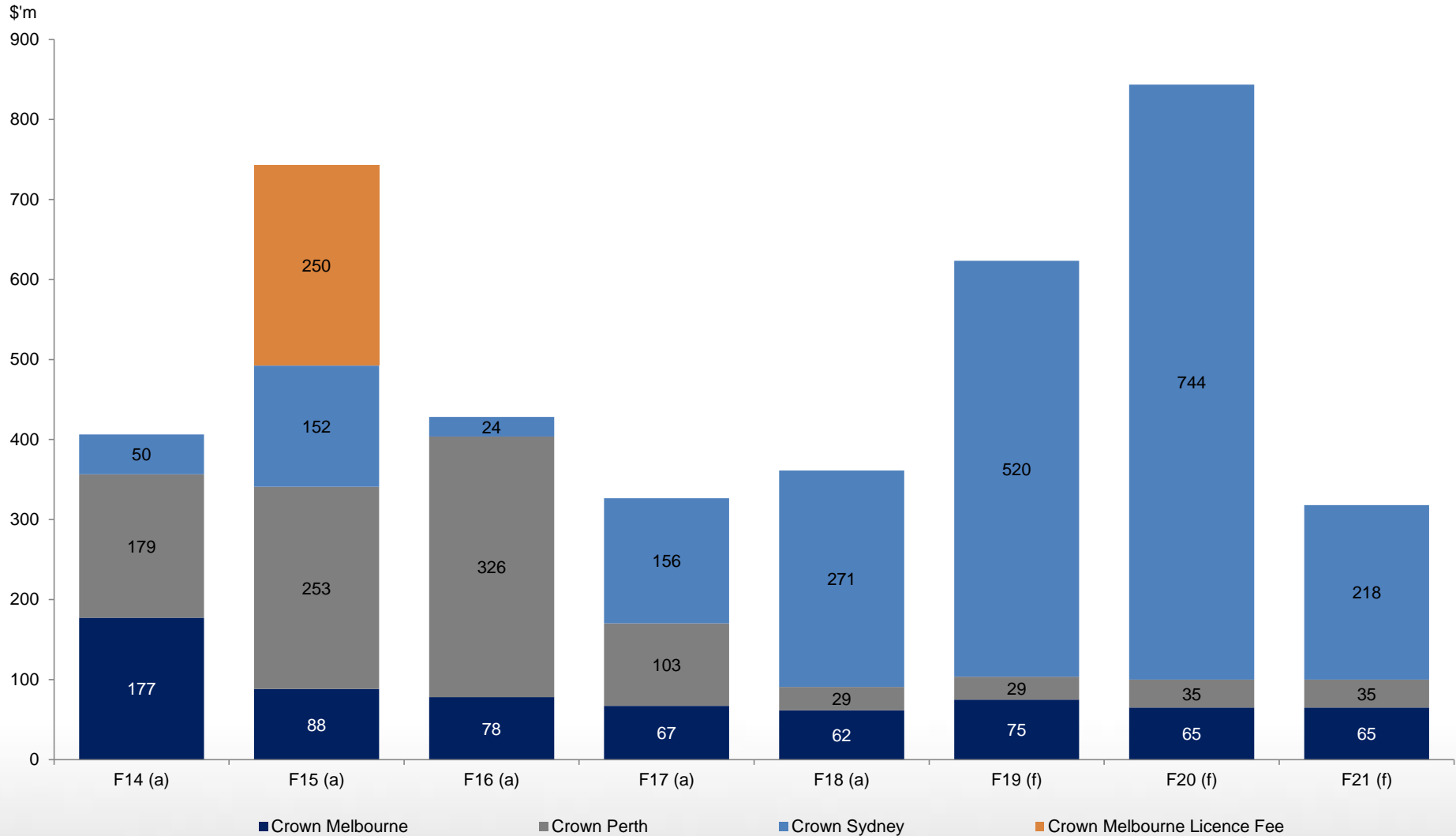
1. EBITDA from Crown's wagering and online social gaming operations includes CrownBet's consolidated result from 1 July 2017 to 28 February 2018. On 28 February 2018, Crown completed the sale of its 62% interest in CrownBet and no longer holds any interest in CrownBet.

2. During the period, Crown increased its interest in DGN Games from 70% to 85% in exchange for an earn-out payment to the founders of US\$8.4 million.

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. The result also includes Crown's share of the equity accounted losses arising between 1 July 2017 and 31 December 2017 from the operating costs of Ellerston and Draftstars, both of which were sold during the period
- ◆ Crown's net equity accounted share of normalised NPAT across all these investments was \$9.3 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



- ◆ Crown Sydney Hotel Resort at Barangaroo South will be Sydney's first six-star hotel and a landmark building with views of some of Australia's most celebrated icons, the Sydney Harbour Bridge and Sydney Opera House
- ◆ Construction of the Crown Sydney Hotel Resort is progressing on schedule with the podium rising on the Barangaroo foreshore and the tower core structure having been constructed to Level 6
- ◆ Crown Sydney Residences, which will be situated above the Crown Sydney Hotel Resort, has launched a marketing suite with strong interest from both domestic and international buyers. With stage 1 sales achieved, Crown has commenced its stage 2 international marketing campaign
- ◆ The project remains on schedule for completion in the first half of calendar year 2021 and the total gross project cost is expected to be approximately \$2.2 billion, with a net project cost of approximately \$1.4 billion
- ◆ Proceedings were commenced today against the BDA in relation to Crown Sydney's sight lines

Proposed One Queensbridge Project



- ◆ Crown and the Schiavello Group were granted planning approval in February 2017 for a new 388 room luxury six-star hotel and approximately 700 luxury apartments located on one of the last significant development sites adjacent to the Crown Melbourne complex
- ◆ The proposed project represents Crown's continued investment in the Southbank arts and entertainment precinct and would be connected to the Crown Melbourne complex by a sculptural pedestrian bridge spanning Queensbridge Street. This would result in Crown Melbourne offering a combined total of approximately 2,000 hotel rooms, which would support Melbourne's tourism industry
- ◆ The proposed project is a 50/50 joint venture between Crown and the Schiavello Group and remains subject to financing

Update on Transactions

As previously announced, during the period, Crown completed the sale of the following significant assets:

- ◆ the Alon Las Vegas land to Wynn Resorts, Limited for US\$300 million. Crown's share of the proceeds (after taking into account minority interests) was approximately US\$264 million;
- ◆ a 62% interest in CrownBet, together with loans advanced by Crown to CrownBet, for \$150 million;
- ◆ approximately 4.2 million shares in Caesars Entertainment Corporation for US\$53.3 million; and
- ◆ a 50% interest in Ellerston in the Hunter Valley for \$62.5 million.

Capital Management Initiatives

Share Buy-Backs

- ◆ The on-market share buy-back of up to approximately 29.3 million shares as announced to the ASX on 4 August 2017 (the “Current Share Buy-Back”) was suspended on 29 June 2018 until 10 August 2018, being the day after the release of Crown’s full year results. The Current Share Buy-Back will expire on 22 August 2018
- ◆ As Crown has only bought back approximately 1.43 million shares under the Current Share Buy-Back, Crown intends to undertake a new on-market share buy-back of approximately \$400 million of shares (the “New Share Buy-Back”), which is expected to commence on 30 August 2018. Based on the Company's closing share price of \$13.32 per share on 8 August 2018, a \$400 million buy-back represents the repurchase of approximately 30.0 million shares or approximately 4.4% of issued capital
- ◆ Crown may, at its discretion, vary, suspend or terminate the Current Share Buy-Back and/or the New Share Buy-Back at any time

Subordinated Notes Buy-Back and Redemption

- ◆ As previously announced, Crown bought back approximately 1.34 million Subordinated Notes listed on the ASX under the code "CWNHA" (the “CWNHA Notes”). The CWNHA Notes buy-back was cancelled on 29 June 2018
- ◆ As announced on 19 July 2018, Crown has elected to redeem all of the outstanding CWNHA Notes on the first call date of Friday, 14 September 2018 in accordance with the terms of the CWNHA Notes. This is expected to reduce Crown’s gross debt by approximately \$400 million

Significant Items



	F18 \$m	F17 \$m
Net asset (impairment) / reversal	122.3	(260.2)
Net foreign currency gain on disposal of foreign operations	76.9	88.8
Net gain on sale of CrownBet and Ellerston	93.4	–
Restructuring and other expenses	(15.5)	(89.6)
Equity accounted investments (Crown's share)	(2.7)	–
Net gain on sale of MRE	–	1,745.5
Special dividend received from MRE	–	48.6
Early debt retirement costs	–	(32.4)
Tax amounts in significant items	(26.7)	20.3
Non-controlling interest	(15.5)	36.2
Net gain on significant items attributable to the parent	232.2	1,557.2

- ◆ During the period, there were events or transactions arising that were unusual in terms of both their size and their nature. These items have been classified as Significant Items

Debt Structure



Nature of Facility	30 Jun 18 \$m	31 Dec 17 \$m	30 Jun 17 \$m
Bank debt	54.6	63.2	58.4
Finance lease liability and other loans	1.0	10.9	142.6
Capital market debt - EMTN	174.6	174.6	174.6
- AMTN	259.1	259.1	559.1
- Subordinated Notes ^{1,2}	1,003.4	1,009.6	1,010.3
Total Outstanding Debt	1,492.7	1,517.4	1,945.0
Less available cash ³	(1,713.7)	(1,267.5)	(1,636.5)
Net Debt / (Net Cash)	(221.0)	249.9	308.5

- ◆ Committed un-drawn bank facilities of \$176.1 million at 30 June 2018
- ◆ Group's current debt ratings (S&P/Moody's/Fitch) BBB/Baa2/BBB

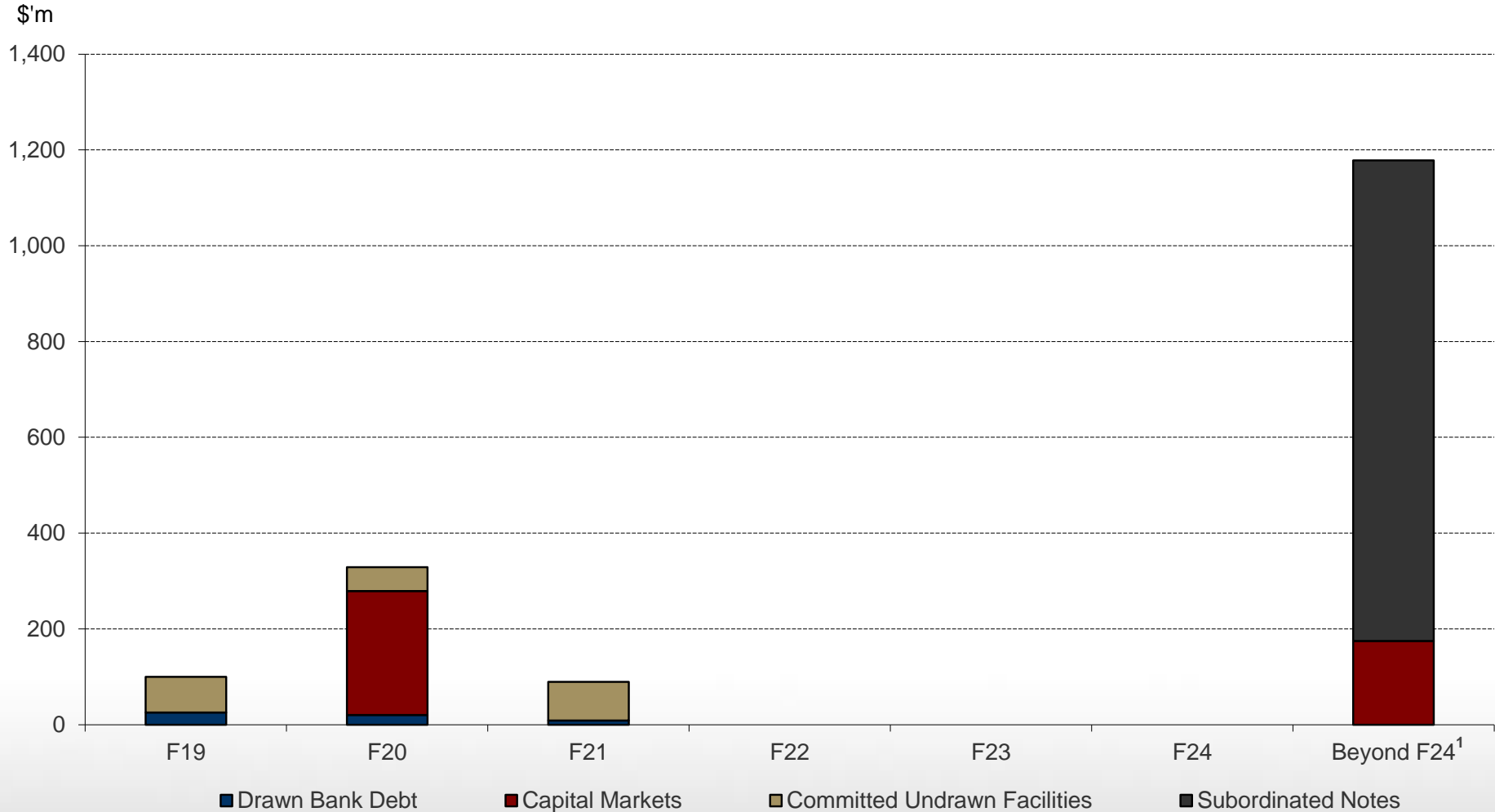
1. Net of unamortised transaction costs.

2. Subsequent to 30 June 2018, Crown elected to redeem all of the outstanding Subordinated Notes listed on the ASX under the code "CWNHA" on the first call date of 14 September 2018. This is expected to reduce Crown's total outstanding debt by approximately \$400 million.

3. Available cash refers to the closing cash balance of \$1,844.6 million (Dec 2017: \$1,435.9 million, Jun 2017: \$1,771.2 million) less working capital cash of \$130.9 million (Dec 2017: \$168.4 million, Jun 2017: \$134.7 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

Crown Resorts Limited Debt Profile - 30 June 2018



1. Subsequent to 30 June 2018, Crown elected to redeem all of the outstanding Subordinated Notes listed on the ASX under the code "CWNHA" on the first call date of 14 September 2018. In the chart above, the CWNHA Subordinated Notes (approximately \$400 million) are included in 'Beyond F24'.

Group Cash Flow

\$m	F18	F17
Normalised EBITDA	878.3	828.0
Win rate variance	(85.9)	(37.7)
Reported EBITDA	792.4	790.3
Working capital movements	69.4	(122.9)
Cash Flow Generated by Operations	861.8	667.4
Net interest	(79.9)	(164.4)
Dividends received	9.1	70.6
Income tax payments	(59.3)	(107.9)
Operating Cash Flow	731.7	465.7
Capital expenditure (net) ¹	(55.1)	(348.1)
Investments (net)	256.0	3,165.1
Net borrowings	(428.5)	(344.4)
Dividends paid	(413.4)	(1,110.8)
Share buy-back payments	(18.8)	(499.9)
Effect of exchange rates on cash	1.5	(6.1)
Net increase / (decrease) in cash	73.4	1,321.5
Closing Cash ²	1,844.6	1,771.2

1. Net of proceeds from the sale of property plant and equipment, including the sale of the Alon Las Vegas land in January 2018

2. Includes \$130.9 million (Dec 2017: \$168.4 million, Jun 2017: \$134.7 million) of cash held on the Company's premises and cash held in bank accounts for the day-to-day operations of the businesses.

Disclaimer



- ◆ All information provided in this presentation is provided as at the date stated or otherwise as at the date of this presentation.
- ◆ This presentation may include forward looking statements which can generally be identified by the use of forward looking terminology such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, or “anticipate”. Forward looking statements, by their nature, involve known and unknown risks, uncertainties and other factors. Many of those risks and uncertainties are matters which are beyond Crown’s control and could cause actual results, performance and achievements to differ materially from those contained in this presentation. Except as required by applicable laws and regulations, Crown does not undertake to publicly update or review any forward looking statements, whether as a result of new information or future events.
- ◆ Some information which has been included in this presentation has been provided by third parties. Those third parties have consented to the inclusion of that information and accordingly, Crown does not assume responsibility for the correctness or accuracy of the information.
- ◆ This presentation has not taken into account any particular investor’s investment objectives or other circumstances. Investors are encouraged to make an independent assessment of Crown.
- ◆ This presentation includes certain non-IFRS financial measures which have not been subject to audit or review.

Crown Resorts Limited

2018 Full Year Results Presentation

9 August 2018

