



**ASX/MEDIA RELEASE  
FOR IMMEDIATE RELEASE  
19 February 2020**

**2020 HALF YEAR RESULTS – PRESENTATION SLIDES**

**MELBOURNE: Crown Resorts Limited (ASX: CWN) (Crown)** attaches the results presentation slides for the half year ended 31 December 2019.

**ENDS**

This announcement was authorised for release by the Crown Board.

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# **Crown Resorts Limited**

## **2020 Half Year Results Presentation**

*19 February 2020*

# Crown Resorts Limited Results Overview

## Crown Resorts Limited (Crown) performance:

- ◆ Normalised<sup>1</sup> NPAT attributable to the parent of \$172.7 million, down 11.0%
- ◆ Reported NPAT attributable to the parent before significant items<sup>2</sup> of \$218.8 million, up 25.1%
- ◆ Reported NPAT attributable to the parent after significant items<sup>2</sup> of \$218.2 million, up 24.8%
- ◆ Interim dividend of 30 cents per share declared

## Australian resorts performance:

- ◆ Normalised revenue of \$1,457.5 million, down 5.2%
- ◆ Main floor gaming revenue of \$872.9 million, up 0.6%
- ◆ VIP program play turnover of \$13.1 billion, down 34.2%
- ◆ Non-gaming revenue of \$408.2 million, up 1.8%
- ◆ Normalised EBITDA of \$390.4 million, down 9.7%
- ◆ Reported EBITDA of \$453.9 million, up 11.0%

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 statutory audit or review.
2. Significant items of \$0.6 million (net of tax) were recorded during the period relating to Crown Sydney pre-opening costs. There were no events or transactions classified as significant items in the prior comparable period (pcp).

# Crown Resorts Limited Group Result



\$m	1H F20 Normalised	1H F19 Normalised	Variance F/(U)	1H F20 Actual	1H F19 Actual	Variance F/(U)
Crown Melbourne EBITDA	268.7	314.9	(14.7%)	333.5	271.3	22.9%
Crown Perth EBITDA	121.7	117.6	3.4%	120.4	137.6	(12.5%)
Crown Aspinalls EBITDA	3.6	6.2	(42.2%)	5.6	2.8	97.5%
Crown Digital EBITDA	14.1	7.5	87.5%	14.1	7.5	87.5%
Corporate costs	(26.8)	(27.4)	2.2%	(26.8)	(27.4)	2.2%
<b>EBITDA</b>	<b>381.3</b>	<b>418.8</b>	<b>(9.0%)</b>	<b>446.8</b>	<b>391.8</b>	<b>14.0%</b>
Depreciation & amortisation	(142.1)	(140.4)	(1.2%)	(142.1)	(140.4)	(1.2%)
<b>EBIT</b>	<b>239.2</b>	<b>278.4</b>	<b>(14.1%)</b>	<b>304.7</b>	<b>251.4</b>	<b>21.2%</b>
Net interest income / (expense)	1.6	(8.6)	N/A	1.6	(8.6)	N/A
Income tax	(73.7)	(83.4)	11.6%	(93.1)	(75.6)	(23.1%)
Equity accounted investments <sup>1</sup>	6.1	7.2	(15.3%)	6.1	7.2	(15.3%)
<b>NPAT (pre NCI and significant items)</b>	<b>173.2</b>	<b>193.6</b>	<b>(10.5%)</b>	<b>219.3</b>	<b>174.4</b>	<b>25.7%</b>
Non-controlling interest (NCI)	(0.5)	0.5	N/A	(0.5)	0.5	N/A
<b>NPAT (pre significant items) attributable to the parent</b>	<b>172.7</b>	<b>194.1</b>	<b>(11.0%)</b>	<b>218.8</b>	<b>174.9</b>	<b>25.1%</b>
Significant items (net of tax)	–	–	–	(0.6)	–	N/A
<b>NPAT attributable to the parent</b>	<b>172.7</b>	<b>194.1</b>	<b>(11.0%)</b>	<b>218.2</b>	<b>174.9</b>	<b>24.8%</b>

1. 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 Melbourne Result



\$m	1H F20 Normalised	1H F19 Normalised	Variance F/(U)	1H F20 Actual	1H F19 Actual	Variance F/(U)
Table games (non-program play)	387.5	397.7	(2.5%)	387.5	397.7	(2.5%)
Gaming machines	243.3	233.0	4.4%	243.3	233.0	4.4%
Main floor gaming (total)	630.8	630.7	0.0%	630.8	630.7	0.0%
VIP program play	140.9	233.3	(39.6%)	239.6	176.5	35.8%
Non-gaming	253.9	254.9	(0.4%)	253.9	254.9	(0.4%)
<b>Total Revenue</b>	<b>1,025.6</b>	<b>1,118.9</b>	<b>(8.3%)</b>	<b>1,124.3</b>	<b>1,062.1</b>	<b>5.9%</b>
Operating expenses <sup>1</sup>	(756.9)	(804.0)	5.9%	(790.8)	(790.8)	(0.0%)
<b>EBITDA</b>	<b>268.7</b>	<b>314.9</b>	<b>(14.7%)</b>	<b>333.5</b>	<b>271.3</b>	<b>22.9%</b>
Depreciation & amortisation	(89.7)	(90.4)	0.7%	(89.7)	(90.4)	0.7%
<b>EBIT</b>	<b>179.0</b>	<b>224.5</b>	<b>(20.3%)</b>	<b>243.8</b>	<b>180.9</b>	<b>34.7%</b>
EBITDA / revenue %	26.2%	28.1%	(1.9%) <sup>2</sup>	29.7%	25.5%	4.2% <sup>2</sup>
VIP turnover \$ billion	10.4	17.3	(39.6%)	10.4	17.3	(39.6%)
VIP win rate	1.35%	1.35%	— <sup>3</sup>	2.30%	1.02%	1.28% <sup>3</sup>

1. Inclusive of gaming taxes and commissions.

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

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

# Crown Perth Result



\$m	1H F20 Normalised	1H F19 Normalised	Variance F/(U)	1H F20 Actual	1H F19 Actual	Variance F/(U)
Table games (non-program play)	97.9	99.4	(1.5%)	97.9	99.4	(1.5%)
Gaming machines	144.2	137.5	4.9%	144.2	137.5	4.9%
Main floor gaming (total)	242.1	236.9	2.2%	242.1	236.9	2.2%
VIP program play	35.5	34.8	1.8%	14.6	56.3	(74.2%)
Non-gaming	154.3	146.0	5.7%	154.3	146.0	5.7%
<b>Total Revenue</b>	<b>431.9</b>	<b>417.7</b>	<b>3.4%</b>	<b>411.0</b>	<b>439.2</b>	<b>(6.4%)</b>
Operating expenses <sup>1</sup>	(310.2)	(300.1)	(3.4%)	(290.6)	(301.6)	3.6%
<b>EBITDA</b>	<b>121.7</b>	<b>117.6</b>	<b>3.4%</b>	<b>120.4</b>	<b>137.6</b>	<b>(12.5%)</b>
Depreciation & amortisation	(42.1)	(43.9)	4.2%	(42.1)	(43.9)	4.2%
<b>EBIT</b>	<b>79.6</b>	<b>73.7</b>	<b>8.0%</b>	<b>78.3</b>	<b>93.7</b>	<b>(16.5%)</b>
EBITDA / revenue %	28.2%	28.2%	0.0% <sup>2</sup>	29.3%	31.3%	(2.0%) <sup>2</sup>
VIP turnover \$ billion	2.6	2.6	1.8%	2.6	2.6	1.8%
VIP win rate	1.35%	1.35%	— <sup>3</sup>	0.55%	2.18%	(1.63%) <sup>3</sup>

1. Inclusive of gaming taxes and commissions.

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

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

# Crown Aspinalls Result



\$m	1H F20 Normalised	1H F19 Normalised	Variance F/(U)	1H F20 Actual	1H F19 Actual	Variance F/(U)
VIP program play	28.4	34.7	(18.2%)	33.6	31.5	6.6%
Non-gaming	0.6	0.6	9.6%	0.6	0.6	9.6%
<b>Total Revenue</b>	<b>29.0</b>	<b>35.3</b>	<b>(17.8%)</b>	<b>34.2</b>	<b>32.1</b>	<b>6.7%</b>
Operating expenses <sup>1</sup>	(25.4)	(29.1)	12.6%	(28.6)	(29.3)	2.1%
<b>EBITDA</b>	<b>3.6</b>	<b>6.2</b>	<b>(42.2%)</b>	<b>5.6</b>	<b>2.8</b>	<b>97.5%</b>
Depreciation & amortisation	(2.3)	(1.3)	(71.2%)	(2.3)	(1.3)	(71.2%)
<b>EBIT</b>	<b>1.3</b>	<b>4.9</b>	<b>(73.3%)</b>	<b>3.3</b>	<b>1.5</b>	<b>120.9%</b>
EBITDA / revenue %	12.3%	17.5%	(5.2%) <sup>2</sup>	16.3%	8.8%	7.5% <sup>2</sup>
VIP turnover \$ billion	2.5	3.6	(31.3%)	2.5	3.6	(31.3%)
VIP win rate <sup>3</sup>	1.15%	0.97%	0.18% <sup>4</sup>	1.36%	0.88%	0.48% <sup>4</sup>

1. Inclusive of 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.

# Crown Digital Result



\$m	1H F20	1H F19	Variance F/(U)
Total revenue	62.8	65.9	(4.6%)
Total expenses	(48.7)	(58.4)	16.5%
<b>EBITDA</b>	<b>14.1</b>	<b>7.5</b>	<b>87.5%</b>
Depreciation & amortisation	(4.5)	(3.0)	(47.7%)
<b>EBIT</b>	<b>9.6</b>	<b>4.5</b>	<b>114.6%</b>

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% owned, online social gaming business
- ◆ Equity accounted investment in Chill Gaming (not included above)



# Crown Sydney Project

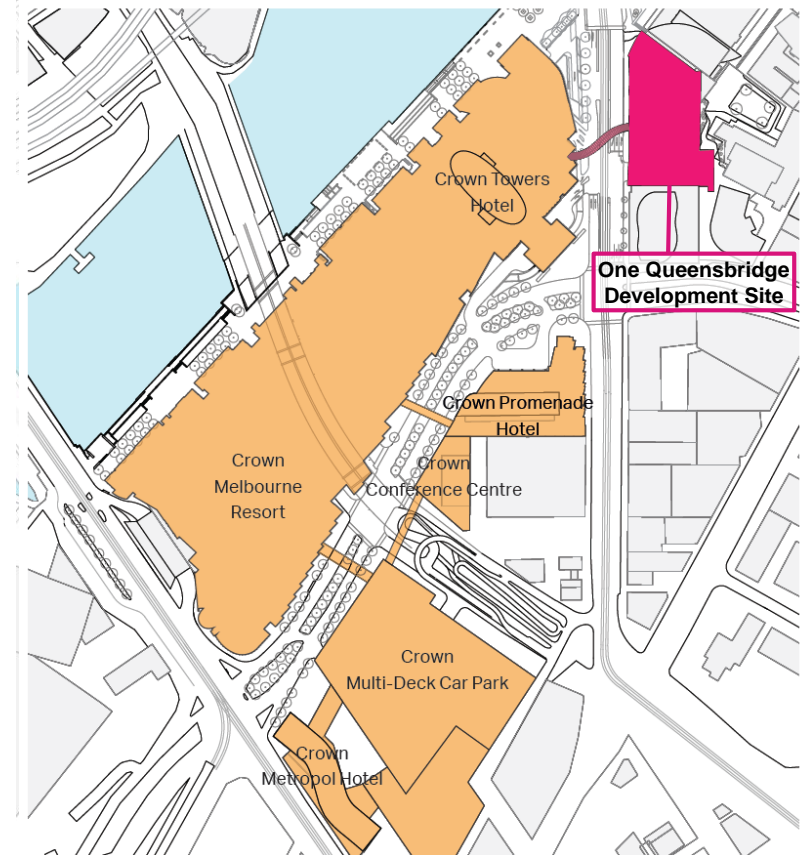


- ◆ Construction of the Crown Sydney Hotel Resort is progressing on schedule.
- ◆ The tower elevator core structure is expected to be topped out during the first week of March 2020 with the balance of the floor slabs expected to be completed by June 2020. The hotel fit-out is progressing from floors 6 to 22 with rooms on the lower floors substantially complete. The façade glazing on the hotel tower is currently being installed on level 45 with residential fit out activities advancing closely behind. The podium structure and façade is substantially complete with interior fit out activities progressing well across all areas of the podium.
- ◆ Sales are well advanced for the residential component of the project, “One Barangaroo”, with approximately \$650 million in sales and commitments achieved to date, with strong interest from local buyers.
- ◆ The project is expected to open progressively from December 2020, with grand opening celebrations planned for early in 2021. The project cost remains unchanged, with the gross project cost expected to be approximately \$2.2 billion and the net project cost expected to be approximately \$1.4 billion.



# One Queensbridge Development Site

- ◆ As previously announced, on 8 November 2019, Crown completed the purchase of the Schiavello Group’s 50% ownership interest in the One Queensbridge development site as well as all pre-development assets for approximately \$80 million.
- ◆ Crown now wholly owns the One Queensbridge development site and continues to assess various options for the site.
- ◆ 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.
- ◆ The purchase represents Crown’s continued investment in Victoria and the Southbank arts and entertainment precinct.



*Previously approved site plan with bridge link connection*

# Debt Structure



\$m	31 Dec 19	30 Jun 19	31 Dec 18
Bank debt	25.7	28.5	41.2
Lease liabilities and other loans <sup>1</sup>	56.0	1.0	1.1
Capital market debt - EMTN	174.6	174.6	174.6
- AMTN	-	259.1	259.1
- Subordinated Notes <sup>2</sup>	615.5	615.4	615.2
<b>Total Outstanding Debt</b>	<b>871.8</b>	<b>1,078.6</b>	<b>1,091.2</b>
Less available cash <sup>3</sup>	(500.6)	(992.1)	(1,098.7)
<b>Net Debt / (Net Cash)</b>	<b>371.2</b>	<b>86.5</b>	<b>(7.5)</b>

- ◆ Committed un-drawn bank facilities of \$200.7 million at 31 December 2019
- ◆ Group's current debt ratings (S&P/Moody's/Fitch) BBB/Baa2/BBB

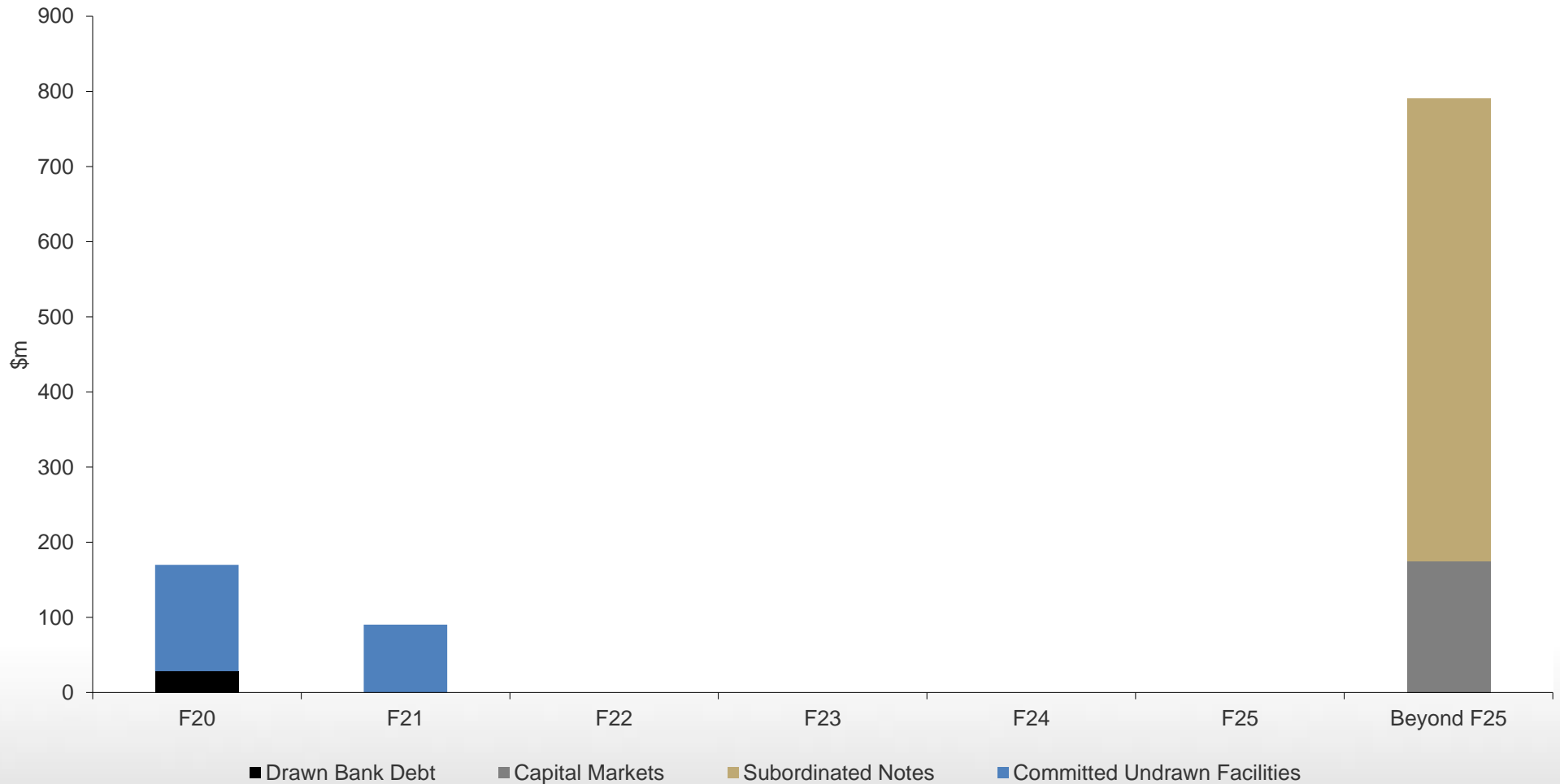
1. At 31 December 2019, the balance includes lease liabilities of \$54.9 million following the adoption of AASB 16 on 1 July 2019.

2. Net of unamortised transaction costs.

3. Available cash refers to the closing cash balance of \$652.0 million (Jun 2019: \$1,126.0 million, Dec 2018: \$1,276.4 million) less working capital cash of \$151.4 million (Jun 2019: \$133.9 million, Dec 2018: \$177.7 million). 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 31 December 2019



1. Debt maturity profile excludes lease liabilities and other loans.

# Group Cash Flow

\$m	1H F20	1H F19
<b>Normalised EBITDA</b>	<b>381.3</b>	<b>418.8</b>
Win rate variance	65.5	(27.0)
<b>Reported EBITDA</b>	<b>446.8</b>	<b>391.8</b>
Working capital movements	43.8	55.8
Significant items	(0.8)	–
<b>Cash Flow Generated by Operations</b>	<b>489.8</b>	<b>447.6</b>
Net interest	(24.1)	(25.2)
Dividends received	4.3	3.9
Income tax payments	(50.9)	(44.0)
<b>Operating Cash Flow</b>	<b>419.1</b>	<b>382.3</b>
Capital expenditure (net) <sup>1</sup>	(426.3)	(209.3)
Investments (net)	(2.7)	6.9
Net borrowings	(264.7)	(411.7)
Dividends paid	(203.1)	(205.9)
Share buy-back payments	-	(131.4)
Effect of exchange rates on cash	3.7	0.9
<b>Net increase / (decrease) in cash</b>	<b>(474.0)</b>	<b>(568.2)</b>
<b>Closing Cash<sup>2</sup></b>	<b>652.0</b>	<b>1,276.4</b>

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

2. Includes \$151.4 million (Dec 2018: \$177.7 million) of cash held on the Company's premises and cash held in bank accounts for the day-to-day operations of the businesses.

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