



THE STAR

ENTERTAINMENT
GROUP

ANNUAL GENERAL MEETING

THURSDAY 28 OCTOBER 2021

The Star Entertainment Group Limited – ACN: 149 629 023 – ASX Code: SGR

OUR BOARD OF DIRECTORS



JOHN O'NEILL
AO
Chairman and
Non Executive
Director



MATT BEKIER
Managing
Director and
Chief Executive
Officer



**GERARD
BRADLEY**
AO
Non Executive
Director



BEN HEAP
Non Executive
Director



KATIE LAHEY
AM
Non Executive
Director



SALLY PITKIN
AO
Non Executive
Director



**RICHARD
SHEPPARD**
Non Executive
Director



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John O'Neill AO, Chairman

10 YEARS OF TRANSFORMATION

TODAY

3 properties
Sydney, GC, Brisbane

1,389
Premium Hotel Keys

4,783
Slots cap

Unlimited
Tables and MTGMs

- ◆ Sydney and Gold Coast properties upgraded and expanded
- ◆ Large property portfolio – freehold or long term leases

**Queen's Wharf
Brisbane**

Treasury Brisbane

**The Star
Gold Coast**

The Star Sydney

HIGH QUALITY ASSETS,
LONG TERM LEASES
AND LICENCES



- ◆ 99 year lease upon opening
- ◆ Licence to 2122

- ◆ New 99 year lease upon QWB opening

- ◆ Freehold
- ◆ Perpetual licence

- ◆ 99 year lease and licence to 2093

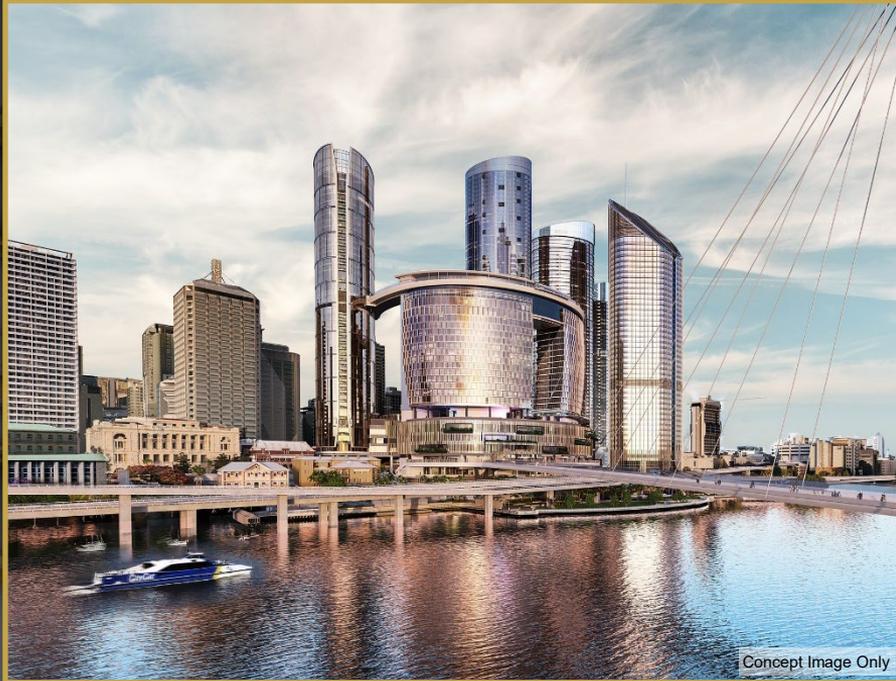
RECENT EVENTS

- ◆ 14 September 2021 – the NSW regulator (ILGA) advised of next regular review of The Star Sydney
- ◆ 10-13 October 2021 – media reports contained allegations against The Star
- ◆ Queensland regulator (OLGR) to investigate the allegations
- ◆ 11 October 2021 – ASX Release - The Star is concerned by a number of assertions within the media reports that it considers misleading
- ◆ 12 October 2021 – ASX Release to correct the assertions in relation to the KPMG reports

CULTURE OF COMPLIANCE AND REGULATORY REFORM

- ◆ Committed to a culture of compliance and continuous improvement
- ◆ The Star has a strong risk and compliance model
- ◆ The Board and its committees play an important role in assessing the appropriateness of systems and processes
- ◆ The Star supports an enhanced regulatory regime including the re-establishment of an independent dedicated casino regulator in NSW
- ◆ The Star has a strong history of compliance in NSW and Queensland

SOUTH-EAST QUEENSLAND INVESTMENTS



QUEEN'S WHARF BRISBANE



THE STAR GOLD COAST

QUEEN'S WHARF BRISBANE



OCTOBER 2020



OCTOBER 2021

THE STAR GOLD COAST DEVELOPMENT



OCTOBER 2020



OCTOBER 2021

COVID-19 RECOVERY



- ◆ Debilitating impact on tourism, hospitality and entertainment
- ◆ Severe impact on businesses and individuals
- ◆ Look forward with optimism – vaccination rates
- ◆ The Star Sydney re-opened on 11 October 2021
- ◆ Operating in Queensland with some short shutdown periods



THE 2021 FINANCIAL YEAR RESULTS

FY2021 GROUP PERFORMANCE HIGHLIGHTS	NORMALISED ⁴		STATUTORY	
	\$M	VS PCP ⁵	\$M	VS PCP ⁵
GROSS REVENUE	1,561.1	↓ 20.9%	1,557.1	↓ 11.0%
NET REVENUE ¹	1,548.7	↓ 6.5%	1,545.4	↑ 3.9%
EBITDA ²	429.7	-	426.7	↑ 51.3%
NPAT ³	116.4	↓ 5.2%	57.9	N.M.

1. Net of player rebates and promotional allowances.

2. EBTIDA is before equity accounted investments profits/losses and significant items.

3. Normalised NPAT is after equity accounted investments profits/losses and before significant items.

4. Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% on actual turnover, taxes and revenue share commissions, unless otherwise stated, and are before significant items.

5. Prior comparable period.



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Matt Bekier, Managing Director and CEO

OUR PEOPLE



FINANCIAL RESULTS

**SOUND
PERFORMANCE
DESPITE COVID-19
OPERATING
RESTRICTIONS**

- ◆ Normalised Group revenue of \$1.56bn, normalised EBITDA of \$430m (flat on pcp) and normalised NPAT of \$116m (down 5% on pcp)
- ◆ Strong performance in Queensland and across loyalty customers
 - Queensland properties' EBITDA up 48% on pcp
 - The Star Gold Coast domestic EBITDA up 86% on pcp
- ◆ Costs and capex well managed
 - Operating expenses down 11% on pcp
 - Capex down 63% on pcp
- ◆ Balance sheet position improved
- ◆ Asset sales opportunity for further deleveraging

KEY MILESTONES

KEY MILESTONES ATTAINED

- ◆ QWB was further de-risked with >90% of total project costs now under lump sum terms
- ◆ DFS lease agreement for luxury retail floor space at QWB
- ◆ The Star Gold Coast – the Dorsett hotel and apartments tower is nearing completion with the hotel opening planned for December
- ◆ Commenced construction of an additional internationally branded five-star hotel and apartment tower on the Gold Coast
- ◆ Opened the new Sovereign room in Sydney

OUR SUSTAINABILITY APPROACH

TARGETS



NET-ZERO by 2030 for wholly owned and operated assets



30% reduction in carbon intensity by 2023



30% reduction in water intensity by 2023



100% takeaway food packaging to be compostable



90% of The Star's portfolio to attain green ratings

RECOGNITION



A Sustainability Leader: 2020 Dow Jones Sustainability Index



Included in the S&P Global Sustainability Yearbook 2021



World's most sustainable gaming and casino operator: 2020 Industry Community Awards



The Star continues to be a constituent of the FTSE4Good Index

PRIORITIES FOR YEAR AHEAD

- ◆ Legal, Regulatory and Compliance
 - Technology to further enhance AML/CTF capabilities
 - Focus on Responsible Gambling and the roadmap towards cashless gaming
- ◆ Recovery of business operations post COVID-19 while maintaining cost benefits
- ◆ Strategic initiatives
 - Exploration of value-enhancing transactions
 - Asset Sales
- ◆ Major projects – Brisbane, Gold Coast and Sydney

TRADING UPDATE

- ◆ Trading in 1H FY2022 has been impacted by property shutdowns and COVID-19 related restrictions when open
 - Sydney re-opened to vaccinated guests on 11 October 2021 (shut from 26 June 2021)
 - Queensland properties are operating (shut from 30 June 2021 for 3-4 days and for an additional 8 days from 31 July 2021)
- ◆ The Star Sydney has had a positive start with encouraging trends since re-opening
- ◆ Some COVID-19 related restrictions are still in place in Sydney with a significant easing scheduled for 1 December 2021
- ◆ When open in Queensland, the revenue trends are broadly consistent with the prior comparable period in 1H FY2021
- ◆ All properties will benefit from the planned re-opening of domestic and international borders

THE STAR ENTERTAINMENT GROUP LIMITED (ASX: SGR)

BASIS OF PREPARATION AND NON-IFRS INFORMATION

- ◆ Information in this presentation is provided as at the date of the presentation unless specified otherwise. It should be read in conjunction with The Star Entertainment Group Limited's financial report for the full year ended 30 June 2021 (Financial Report) and other disclosures made via the Australian Securities Exchange
- ◆ The Star Entertainment Group results are reported under International Financial Reporting Standards (IFRS). This presentation may include certain non-IFRS measures including normalised results, which are used internally by management to assess the performance of the business
- ◆ Non-IFRS measures and current trading FY2022 results to date have not been subject to audit or review
- ◆ Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% on actual turnover, taxes and revenue share commissions
- ◆ Normalised EBITDA and Normalised EBIT are calculated based on normalised gross revenue, taxes and revenue share commissions. Significant items are excluded from the normalised results
- ◆ Queensland results referred to in this presentation relate to The Star Gold Coast and Treasury Brisbane segments as reported in the Financial Report
- ◆ The Star Entertainment Group adopted AASB 16 Leases on 1 July 2019. The new standard impacts the Group's accounting for leases, with operating leases greater than 12 months required to be recognised on the balance sheet as a right-of-use asset and lease liability. The new standard also affects the classification and timing of expense recognition in the income statement, with a reduction to lease costs in operating expenses replaced by an increase in interest and depreciation expense. Comparatives have not been restated.

DISCLAIMER

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- ◆ This presentation may include forward looking statements and references which, by their very nature, involve inherent risks and uncertainties. These risks and uncertainties may be matters beyond The Star Entertainment Group's control and could cause actual results to vary (including materially) from those predicted. Forward looking statements are not guarantees of future performance. Past performance information in this presentation is provided for illustration purposes only. It is not indicative of future performance and should not be relied upon as such
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Thank you for joining us today