



**ASX/MEDIA RELEASE
FOR IMMEDIATE RELEASE
13 December 2021**

CROWN RESORTS LIMITED INVESTOR BRIEFING

MELBOURNE: Crown Resorts Limited (ASX:CWN) (Crown) announces it will host an investor briefing for analysts and institutional investors at Crown Sydney today.

A copy of the presentation to be delivered by the company is attached.

The presentation will be webcast live from 9:30am AEDT at <https://edge.media-server.com/mmc/p/rx5vihyj>.

A replay of the webcast will be available on Crown's website at [Presentations \(crownresorts.com.au\)](https://www.crownresorts.com.au/Presentations) following the conclusion of the event.

ENDS

This announcement was authorised for release by the Crown Board.

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COPIES OF RELEASES

Copies of previous media and ASX announcements issued by Crown are available on Crown's website at www.crownresorts.com.au

Crown Resorts Limited

Investor Briefing

13 December 2021



**CROWN
RESORTS**



Agenda

1. Crown Resorts Overview

2. Remediation Plan Progress

3. Crown Sydney – Development & Operational Update

4. Royal Commission Updates

5. Operational & Trading Update

6. Conclusion

1. Crown Resorts Overview

Renewed Leadership on the Crown Resorts Board



Dr Ziggy Switkowski AO
Chairman
Independent Non-executive Director
Appointed December 2021



Steve McCann
Chief Executive Officer
and Managing Director
Appointed October 2021



Jane Halton AO PSM
Independent Non-executive Director
Appointed May 2018



Bruce Carter
Independent Non-executive Director
Appointed August 2021



Nigel Morrison
Independent Non-executive Director
Appointed April 2021



Anne Ward
Independent Non-executive Director*
Appointment pending

* Subject to receipt of regulatory approvals.

New Senior Management Team



Steve McCann
CEO & MD Crown Resorts
CEO Crown Melbourne
Commenced June 2021



Lonnie Bossi
CEO Crown Perth
Appointed December 2020



Simon McGrath*
CEO Crown Sydney &
Group Head of Hospitality
Commencing February 2022



Alan McGregor
Chief Financial Officer &
Interim Company Secretary
Appointed August 2020



Betty Ivanoff
Group General Counsel
Commenced June 2021



Steven J Blackburn
Group Chief Compliance &
Financial Crime Officer
Commenced February 2021



Tony Weston
Chief People &
Culture Officer
Commenced June 2021



Nick Weeks
EGM Transformation &
Regulatory Response
Commenced March 2021



Danielle Keighery*
Chief Corporate Affairs
& Brand Officer
Commencing early 2022



Jeannie Mok*
Chief of Staff
Commenced October 2021



Nic Emery
Chief Customer
& Digital Officer
Appointed November 2021

* Subject to receipt of regulatory approvals.

Culture Transformation Program

- ◆ New leadership team driving tone from the top
- ◆ Comprehensive culture transformation program is being implemented
- ◆ New purpose and values being rolled out across the organisation



Together, we create exceptional experiences with respect and care for our communities.

WE ACT
WITH
INTEGRITY



WE WORK
TOGETHER



WE
CARE



WE STRIVE FOR
EXCELLENCE



Overview of Crown

Crown is a leading operator and developer of integrated resorts and entertainment facilities

Land based		
Crown Melbourne	Australia's leading luxury integrated resort and casino	<ul style="list-style-type: none"> Licensed to operate 2,628 gaming machines and 540 gaming tables ~1,600 hotel rooms Queensbridge development site could accommodate a fourth hotel
Crown Perth	Western Australia's only integrated resort and casino	<ul style="list-style-type: none"> Approval to operate 2,500 gaming machines and 350 gaming tables ~1,200 hotel rooms
Crown Sydney	Iconic six star hotel resort, including VIP gaming facilities ¹	<ul style="list-style-type: none"> Expected to operate ~160 gaming tables in first year of operation ~350 hotel rooms
Crown Aspinalles	Boutique high-end London casino	<ul style="list-style-type: none"> 22 gaming tables

Digital	
Betfair Australasia	Betting exchange (Australia and New Zealand)
DGN Games	Developer of online social games
Investments	
Nobu (20%)	International hotel and restaurant brand
Aspers (50%)	Operates four regional casinos in the United Kingdom
Chill Gaming (50%)	Developer of new and innovative gaming products



Crown Melbourne



Crown Perth



Crown Sydney

1. Select non-gaming operations at Crown Sydney opened to the public for the first time in a restricted capacity from 28 December 2020. Gaming areas are now complete and ready for opening subject to the receipt of necessary approvals.

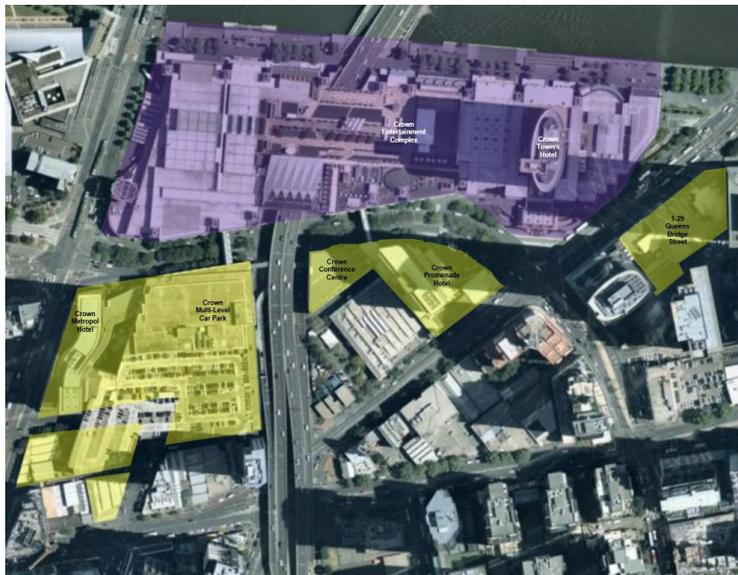
Value Underpinned by Significant Property Portfolio

- ◆ Portfolio of world-class entertainment resorts
- ◆ PP&E book value of \$4.3 billion as at 30 June 2021 (historical cost less accumulated depreciation)
 - \$1.7 billion in freehold land and buildings
 - \$2.0 billion in buildings on leasehold land
 - \$0.6 billion in plant and equipment
- ◆ Secure property tenure
 - Crown Melbourne – combination of freehold and long-term leasehold (expires 2092)
 - Crown Perth – freehold
 - Crown Sydney – long-term leasehold (expires 2119)
 - Capital Golf Course – freehold

Crown Melbourne¹

Leasehold: Main site lease covering ~69,000 m²

Freehold: ~40,000 m²



Crown Perth

Freehold: ~209,000 m²

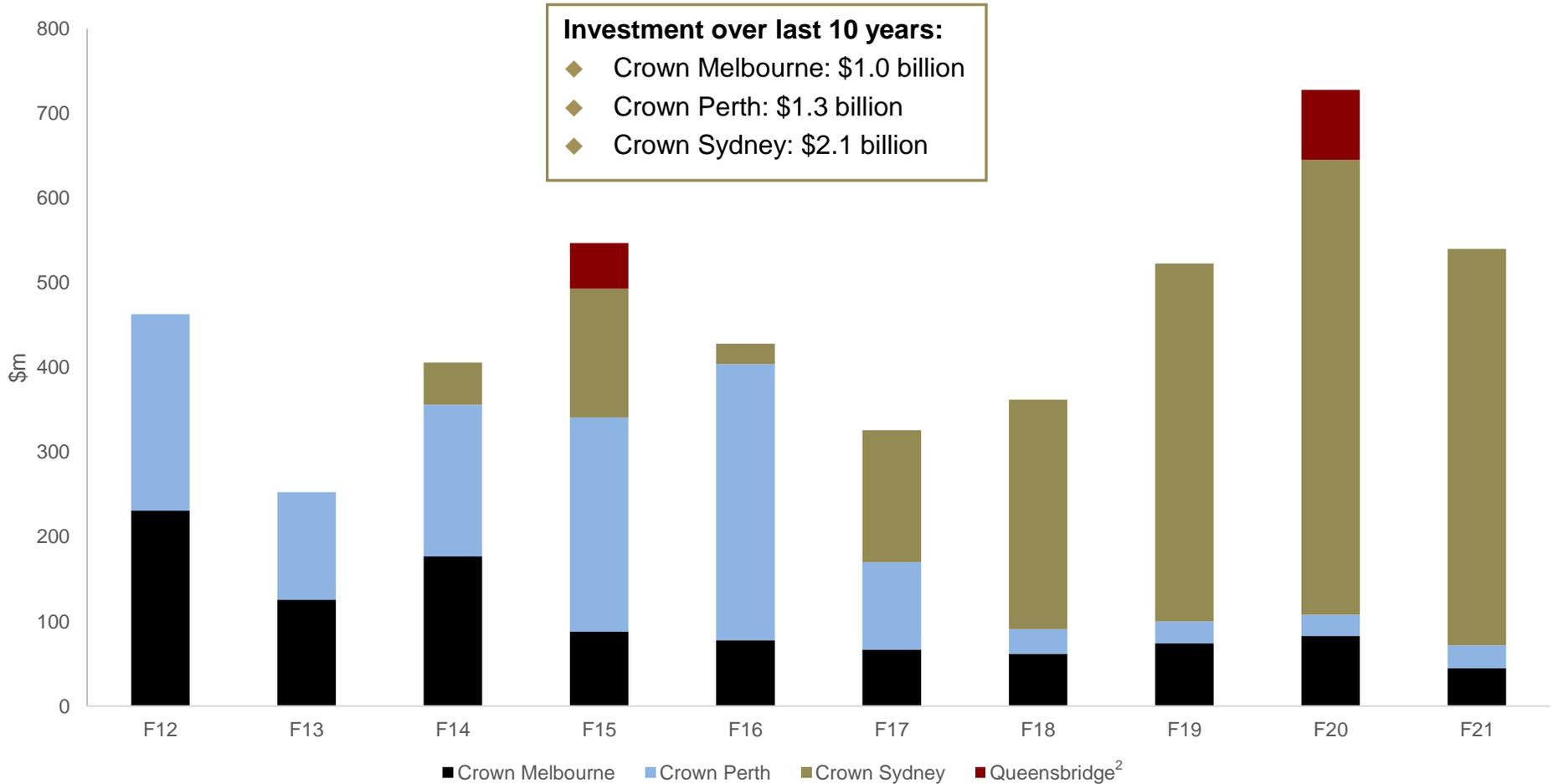


1. Excludes commercial leaseholds and freehold for Capital Golf Club.

Major Investment in Crown's Australian Resorts



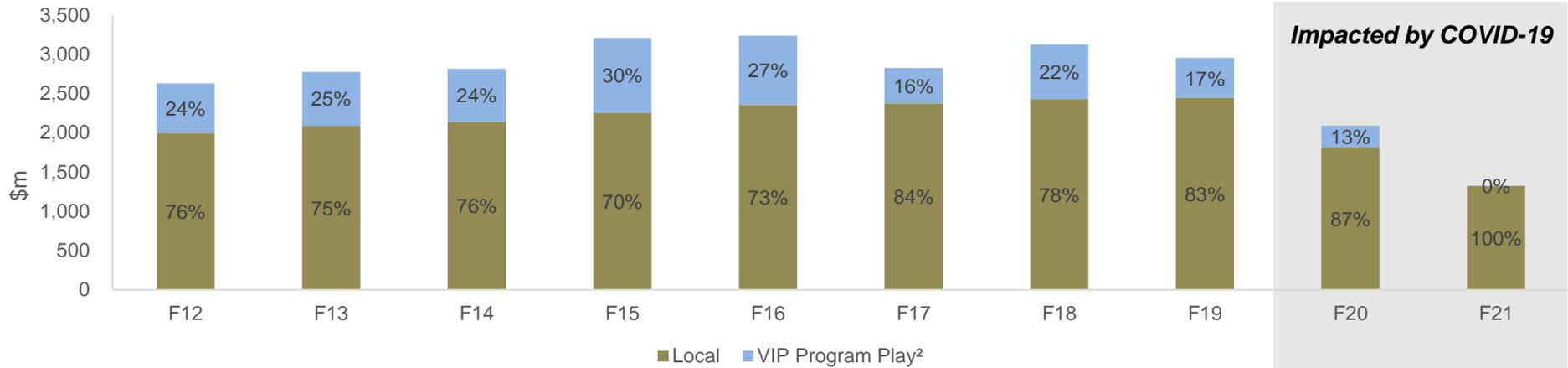
Capital Expenditure



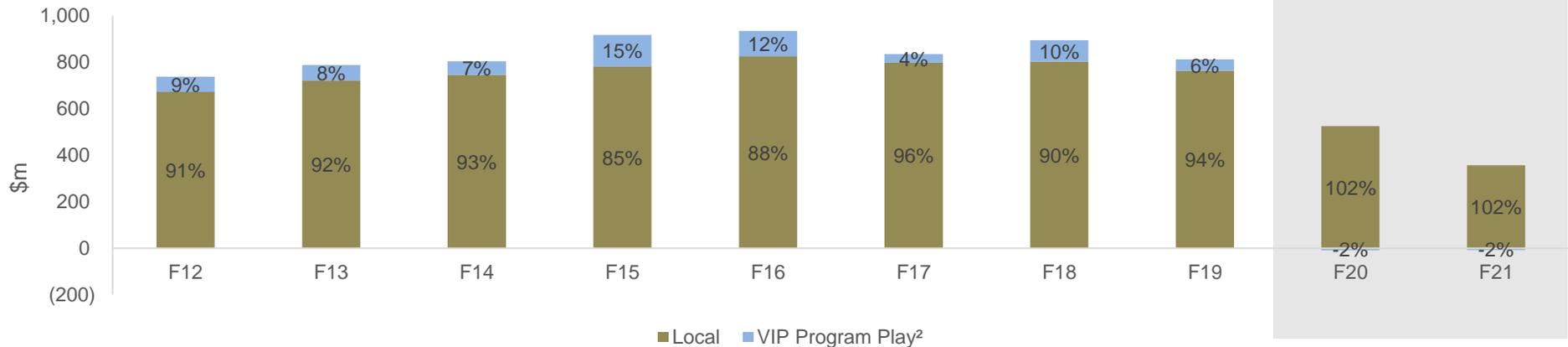
1. This chart excludes investments in Crown Aspinals, Crown Digital and Crown's equity accounted investments, as well as the proceeds from the sale of property, plant and equipment (including Crown Sydney apartments).
2. Relates to Crown's initial purchase of a 50% interest in the Queensbridge development site for approximately \$50 million in F15 and the subsequent purchase of the Schiavello Group's 50% interest in the One Queensbridge development site as well as all predevelopment assets for approximately \$80 million in F20.

Track Record of Stable Domestic Earnings

Australian Resorts Revenue¹



Australian Resorts EBITDA^{1,3}



1. Revenue and EBITDA shown at Theoretical. Theoretical results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP Program Play (at Crown Melbourne and Crown Perth (until 24 February 2021)). The theoretical win rate is the expected hold percentage on VIP Program Play over time. The theoretical result gives rise to adjustments to VIP Program Play revenue, operating expenses and income tax expense. Crown believes that theoretical results are the relevant measure of viewing performance of the business as it removes the inherent volatility in VIP gaming revenue.
2. Includes Interstate Programs.
3. Before Closure Costs and Significant Items. Closure Costs and Significant Items are a non-IFRS measures.

2. Remediation Plan Progress

Remediation Plan

- ◆ As part of Crown's engagement with regulators, Crown has developed a comprehensive Remediation Plan which broadly comprises the following key areas:
 - Corporate governance and organisation structure (including Board/senior management change)
 - AML/CTF Change Program
 - Culture
 - Responsible Gaming
 - Risk management
 - Junkets/VIP and significant players
 - CPH (major shareholder) relationship
- ◆ Successful implementation of the Remediation Plan is intended to position Crown as a leader in the industry in its approach to governance, compliance, responsible gaming and the management of financial crime risk, underpinned by an uplifted organisational culture
- ◆ Crown has made significant progress in implementing the changes outlined in the Remediation Plan and has committed to providing regulators with regular updates on its progress

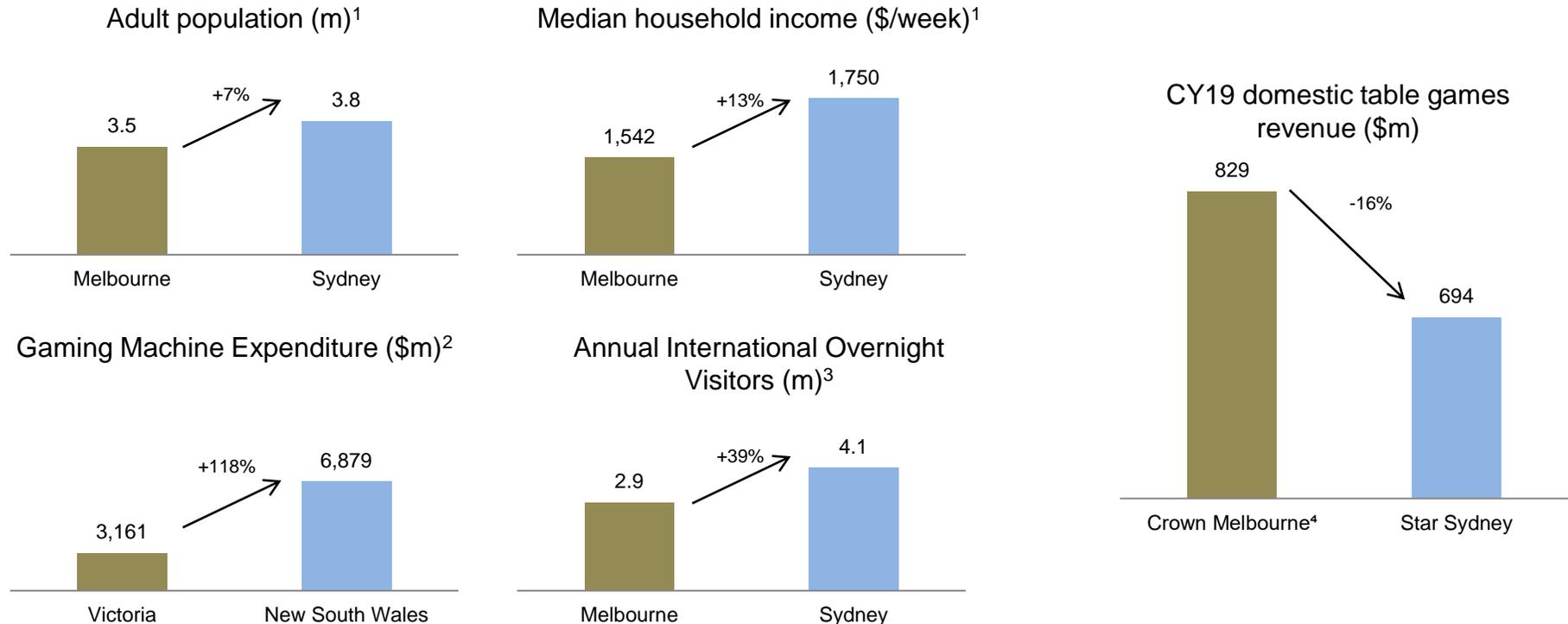
Select key achievements to date

- ✓ Board and senior management renewal
- ✓ Revised organisational structure
- ✓ Financial Crime & Compliance Change Program developed
- ✓ Forensic audit and controls assessment of Crown's patron bank accounts by an independent expert consultant complete
- ✓ Culture Transformation Program developed
- ✓ Revised Purpose and Values rolled out
- ✓ Enhancements to Crown's approach to responsible gaming
- ✓ Risk Uplift Plan developed
- ✓ Ceased dealing with junket operators
- ✓ Implementation of the Significant Player Review process
- ✓ CPH no longer separately represented on the Board and information sharing agreements have been terminated

3. Crown Sydney – Development & Operational Update

Sydney Opportunity

- ◆ Opportunity to grow the size of the Sydney tables market segment
- ◆ Despite more favourable demographics, including a greater population, median incomes, expenditure on other forms of gambling and international visitation, the domestic Sydney tables market segment underperforms Melbourne



1. Based on 2016 Australian Census responses.

2. Based on 2018-19 Australian Gambling Statistics and F19 company filings.

3. Based on Tourism Research Australia's F19 international visitor survey.

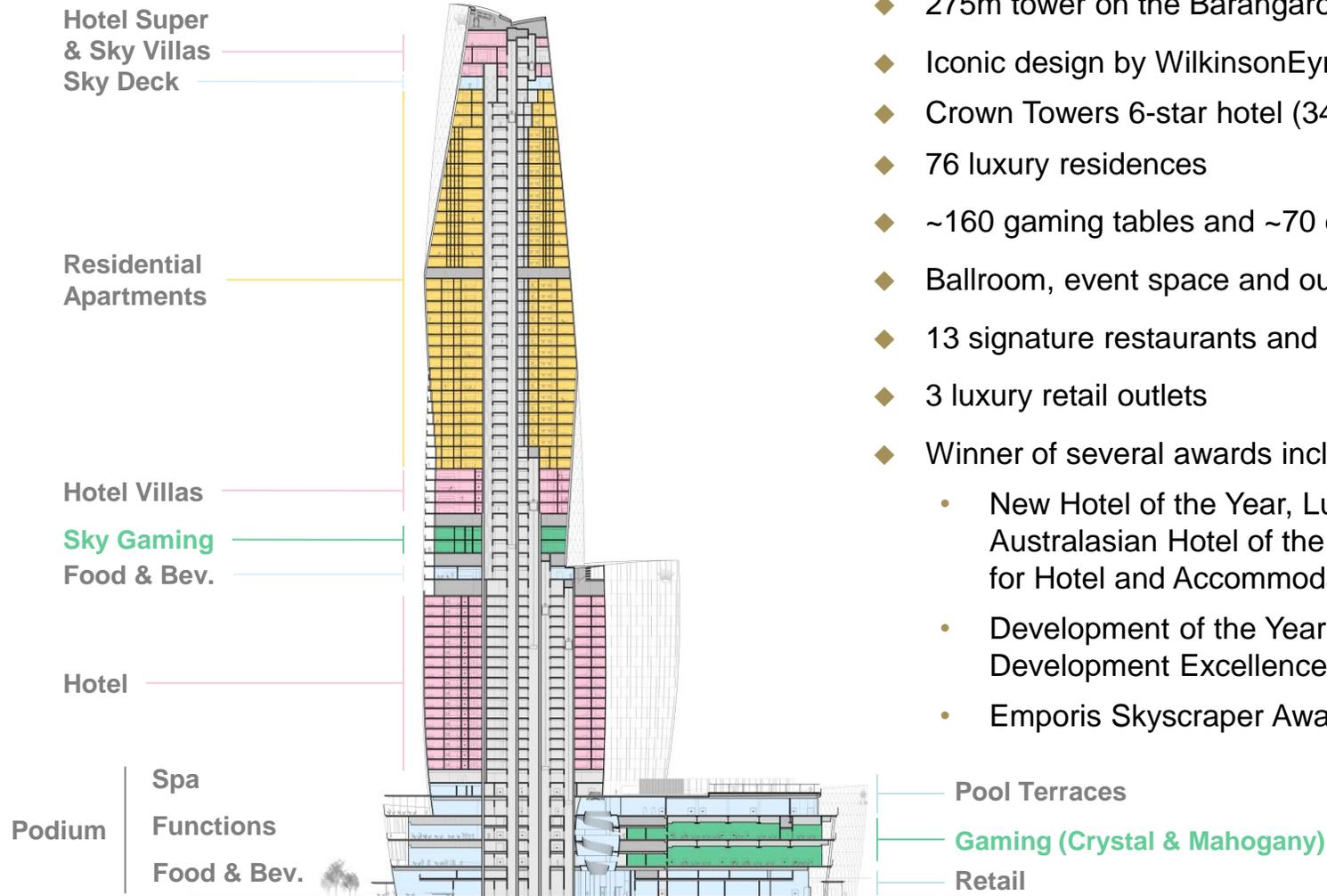
4. Includes \$67 million of Interstate Program Play revenue.

Sydney Opportunity (cont.)



- ◆ Sydney is the major gateway to Australia for international visitors
- ◆ Expected to be long term benefits to the broader business from the opening of Crown Sydney
- ◆ Portfolio of assets provides diversification and efficiency benefits to the group
- ◆ A multi-property offering is more attractive to both international and domestic tourists and enables cross promotion of Crown's properties
- ◆ Ability to leverage Crown brand into a new market segment

Crown Sydney Overview



- ◆ Sydney's first 6-star luxury hotel resort
- ◆ 275m tower on the Barangaroo waterfront
- ◆ Iconic design by WilkinsonEyre
- ◆ Crown Towers 6-star hotel (349 keys) and spa
- ◆ 76 luxury residences
- ◆ ~160 gaming tables and ~70 eTGs¹ in first year of operation
- ◆ Ballroom, event space and outdoor function area
- ◆ 13 signature restaurants and bars
- ◆ 3 luxury retail outlets
- ◆ Winner of several awards including:
 - New Hotel of the Year, Luxury Hotel of the Year and Australasian Hotel of the Year at the 2021 HM Awards for Hotel and Accommodation Excellence;
 - Development of the Year 2021 at the Urban Taskforce Development Excellence Awards; and
 - Emporis Skyscraper Award

Crown Sydney Gaming



Crystal Room



Sky Gaming



Mahogany Room



Sky Gaming

Crown Towers Sydney Hotel



Lobby



Tower Suite



Deluxe King



Studio



Premier Suite Bathroom

Crown Sydney Restaurants & Bars



à Mare

SILKS

WOOD CUT



EPICUREAN BY CROWN



TWR
THE WAITING ROOM



Crown Residences

- ◆ Construction complete with resident occupancy commenced April 2021
- ◆ As at 30 November 2021:
 - Over \$1.1 billion in gross sales and pre-sale commitments (inclusive of GST), comprising over 85% of all apartments
 - Approximately \$925 million in sale proceeds (net of GST) had been received (including deposits previously released)
 - Remaining approximately \$325 million in sale proceeds (net of GST) targeted to be received by 30 June 2022, subject to the level of disruption caused by COVID-19



Crown Sydney – Operational Update

- ◆ All areas of the hotel resort are now complete
 - Final restaurant to open, Oncore by Clare Smyth, commenced trading on 18 November 2021
- ◆ Welcomed approximately 1,300 employees to Crown Sydney at a time when the hospitality industry has been severely impacted by COVID-19
 - Includes almost 420 employees in gaming related roles
- ◆ Gaming areas are ready for opening on a staged basis, pending a determination of suitability by ILGA
 - Good progress has been made in implementing the reforms outlined in our remediation plan, including those outlined in the Bergin Report, and continue to work constructively with the independent monitor
 - Ongoing discussions with ILGA – targeting a gaming floor opening early in the new year
 - Staged opening based on current staffing levels – further recruitment for gaming related roles to be undertaken ahead of a full commencement of gaming

4. Royal Commission Updates

Victorian Royal Commission & Phase 1 Legislation

- ◆ The Commissioner's Report of the Victorian Royal Commission was published on 26 October 2021, together with the Victorian Government's response
- ◆ The Commissioner recommended that Crown Melbourne continue to operate the casino with a Special Manager appointed to oversee all aspects of the casino's operations for the next two years
- ◆ In total, the Commissioner made 33 recommendations
- ◆ The Victorian Government accepted all the Commissioner's findings and identified 9 priority recommendations, including:
 - Establishing the position of the Special Manager (#21 and #22) and deferring the next regular review of Crown Melbourne's licence (#23)
 - Imposing new obligations on Crown Melbourne's interactions with the regulator (#19) and expanding the powers of the regulator (#20)
 - Prohibition on dealing with junket tour operators (#8)
 - Removing the circumstances in which the State may be liable to pay compensation to Crown Melbourne, including the repeal of Crown Melbourne's regulatory certainty regime (#15 and #31)
 - Increasing the maximum penalty which can be imposed for disciplinary action (#27)
- ◆ The Victorian Government introduced the *Casino and Gambling Legislation Amendment Bill 2021*, which gives effect to these 9 priority recommendations, as well as establishing the Victorian Gambling and Casino Control Commission
- ◆ The *Casino and Gambling Legislation Amendment Bill 2021* passed the Legislative Council on 2 December 2021 without amendment
- ◆ Proclamation of the Bill and formal appointment of the Special Manager is expected to occur prior to the end of 2021, both of which are expected to come into effect from 1 January 2022

Victorian Royal Commission & Phase 2 Legislation



- ◆ The remaining recommendations of the Victorian Royal Commission cover a broad range of areas, including in relation to minimising gambling harm, structural reforms to Crown Melbourne and addressing anti-money laundering risks
- ◆ The Victorian Government has stated that it supports the remaining recommendations in-principle subject to further detailed analysis and consultation being undertaken
- ◆ The second tranche of legislation covering these recommendations is expected to be introduced by the Victorian Government next year

Perth Casino Royal Commission

- ◆ On 12 March 2021, a Royal Commission was established into the suitability of Crown Perth to continue holding a casino gaming licence in Western Australia, examining the State's regulatory framework for casino gaming, and any matters that may enhance the WA Commission's future capability and effectiveness
- ◆ The Perth Casino Royal Commission comprises 2 phases of work: the first phase considers the adequacy of the current regulatory framework and the second phase considers Crown's suitability to hold the casino licence
- ◆ On 30 June 2021, the Commission delivered its Interim Report on the Regulatory Framework to the Western Australian Government, which was tabled in the Parliament of Western Australia on 3 August 2021
- ◆ Evidentiary hearings concluded on 17 November 2021
- ◆ Written submissions from Crown and other parties are due on 20 January 2022
- ◆ Closing oral presentations from counsel assisting and interested parties who wish to make them are scheduled for early February 2022
- ◆ The Perth Casino Royal Commission is scheduled to deliver its final report by 4 March 2022

5. Operational & Trading Update

Trading Update

- ◆ All three domestic resorts have reopened – mandatory vaccination policies in place
- ◆ Staff shortages are a significant issue across all three resorts, impacting on operational capacity

Crown Melbourne

- ◆ Operating restrictions have been progressively lifted for fully vaccinated patrons and staff
- ◆ Improving trends in business as restrictions have eased – main floor gaming revenue ~75% and non-gaming revenue ~65% of pre-COVID levels over the two weeks ended 5 December 2021
- ◆ Encouraging weekend visitation, however mid-week performance continues to reflect subdued activity in the CBD and reduced foot traffic

Crown Perth

- ◆ From 12 July to 5 December 2021:

	vs F21	vs F20
- Main floor gaming revenue	(8)%	+5%
- Non-gaming revenue	+31%	+11%

- ◆ Gaming business driven by strength in gaming machines, with table games performance remaining subdued
- ◆ Non-gaming demand remains strong, particularly on weekends, supported by the leisure market

Trading Update (cont.)

Crown Sydney

- ◆ Non-gaming operations reopened to fully vaccinated guests and staff on 11 October 2021
- ◆ Hotel offering has been well received. Occupancy has progressively improved since reopening, averaging ~40% since mid-November with higher occupancy on weekends and average room rates around twice the competitor set in the Sydney market
- ◆ Demand for F&B venues has been strong, with average spend exceeding expectations, albeit operational capacity remains restricted given current staff shortages across the hospitality industry
- ◆ Limited domestic and international travel continues to impact performance, particularly mid-week

Crown Digital

- ◆ Betfair and DGN revenues over the period 1 July to 5 December 2021 down approximately 12% on the previous year, with both businesses cycling strong performance in the prior year

Corporate

- ◆ Elevated legal, consulting and other costs associated with regulatory processes
- ◆ Full year corporate costs expected to be higher than last year at around \$130 million

Balance Sheet Management

- ◆ Proactive engagement with lenders to provide additional financial flexibility
- ◆ Package of modifications to Crown's financing arrangements agreed with lenders, including:
 - An extension of near-term maturities;
 - A waiver of financial covenants in relation to the 31 December 2021 testing date; and
 - Modifications to the consequences of a casino licence cancellation or suspension
- ◆ As part of these arrangements, Crown has agreed not to declare or pay dividends in respect of the half year ending 31 December 2021 or where a review event is triggered as a result of a casino licence cancellation or suspension
- ◆ New debt facility provided by a relationship lender under which debt funding of up to \$250 million (based on the value of unsold Crown Sydney apartments) is available in certain circumstances
- ◆ New \$150 million unsecured debt facility provided by a domestic industry superannuation fund
- ◆ Maintained investment grade credit rating with all ratings agencies, as announced on 29 October 2021:
 - S&P – BBB (Negative Outlook) affirmed, removed from CreditWatch negative
 - Moody's – Baa3 (Negative Outlook) affirmed
 - Fitch – BBB (Negative Outlook) affirmed, removed from Rating Watch negative

6. Conclusion

Conclusion

- ◆ Continuing to navigate through an uncertain environment with ongoing impacts from the COVID-19 pandemic, as well as various regulatory processes which remain unresolved
- ◆ Foundations in place to deliver long-term sustainable value for shareholders and other stakeholders:
 - Renewed leadership team in place, with significant Board and senior management change
 - Material progress in delivering the changes contained in Crown's Remediation Plan, including investment in people, systems, processes and culture and a focus upon responsible gaming and the prevention of financial crime
 - Victorian Royal Commission Report released in October
 - All three Australian resorts have reopened on a staged basis, with an expected improvement in economic activity as COVID-19 restrictions ease, including the reopening of domestic and international tourism
 - Completion of the construction of Crown Sydney and targeting an opening of gaming early in the new year
 - World-class entertainment resorts with value underpinned by significant property portfolio
 - Relatively low level of gearing, with further deleveraging expected from additional Crown Sydney apartment sales
- ◆ Remain focused on delivering exceptional experiences for our customers and improved results for our shareholders as normal trading conditions resume

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