



THE STAR

ASX Announcement

19 August 2021

FULL YEAR RESULTS PRESENTATION

Attached is the presentation regarding the financial results of The Star Entertainment Group Limited (**The Star Entertainment Group**) for the year ended 30 June 2021, to be presented by Matt Bekier (Managing Director and Chief Executive Officer) and Harry Theodore (Chief Financial Officer).

The presentation and a link to an audio webcast of the presentation will be available on The Star Entertainment Group's website at www.starentertainmentgroup.com.au from 10:00am (Sydney time) today.

The information contained in this announcement should be read in conjunction with today's announcement of The Star Entertainment Group's full year results.

Authorised by:

The Board of Directors

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THE STAR

ENTERTAINMENT
GROUP

THE STAR ENTERTAINMENT GROUP

FY2021 RESULTS PRESENTATION

THURSDAY
19 AUGUST
2021

THE STAR ENTERTAINMENT GROUP

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 1H 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 EBIT and Normalised EBITDA 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
- ◆ Comparatives are generally to the prior corresponding period, however, revenue comparatives in 2H FY2021 are more meaningful to 2H FY2019
- ◆ The Star Entertainment Group retrospectively adopted IFRIC's agenda decision, released in April 2021, relating to the change in accounting treatment for configuration and customisation costs incurred related to Software as a Service (SaaS) arrangements. SaaS arrangements are arrangements whereby contracted access is given for use of cloud hosted software for a period of time. The new interpretation disallows the capitalisation of configuration and customisation costs relating to SaaS arrangements. Consequently, costs incurred to configure or customise SaaS arrangements will be expensed as they are incurred. Application of the new interpretation resulted in the derecognition of software assets, associated depreciation and an increase in operating costs for the periods to which they relate. Comparatives have been restated

DISCLAIMER

- ◆ This presentation is prepared for information purposes only and does not take into consideration any individual investor's circumstances. The Star Entertainment Group recommends investors make their own assessments and seek independent professional advice before making investment decisions
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THE STAR ENTERTAINMENT GROUP

AGENDA

1. OVERVIEW

2. FINANCIALS

3. PRIORITIES

4. Q&A

OVERVIEW

FY2021 HIGHLIGHTS

PERFORMANCE IMPACTED BY COVID-19 RELATED RESTRICTIONS

- ◆ Normalised Group revenue of \$1.56bn, EBITDA of \$430m and NPAT of \$116m*
- ◆ Statutory EBITDA of \$427m (before significant items) and statutory NPAT of \$58m (after significant items)
- ◆ COVID-19 related property shutdowns, operating restrictions and border closures materially impacted revenues and earnings

KEY PERFORMANCE HIGHLIGHTS

- ◆ Queensland properties' EBITDA increased 48% on pcp to \$226m, record annual earnings
- ◆ Gold Coast domestic gaming revenue in 2H FY2021 up 18% on 2H FY2019**, Brisbane +3%
- ◆ Group slots revenue in 2H FY2021 up 4% on the comparative period in 2H FY2019
- ◆ Group loyalty gaming revenue in 2H FY2021 up 4% on 2H FY2019

STRONG COST CONTROL AND MARGIN EXPANSION

- ◆ Operating expenses down 11% on pcp to \$740m***, down 30% on FY2019
- ◆ \$50m fixed cost reduction program progressed with full run-rate to be realised in FY2022
- ◆ Group normalised EBITDA margin improved from 21.8% to 27.5%

BALANCE SHEET POSITION IMPROVED

- ◆ Net debt reduced by \$211m during the period
- ◆ Net debt/EBITDA declined to 2.7x, substantial liquidity on hand (\$492m)
- ◆ Capex down 63% to \$89m****, well below D&A of \$211m
- ◆ Significant growth investments continuing to plan – QWB and Gold Coast Towers 1 and 2

ASSET SALES PROGRESSING

- ◆ VIP asset sales in FY2021, additional jet to be sold in FY2022
- ◆ In due diligence for the sale of an interest in the Treasury Brisbane buildings, targeting a sale agreement in 1H FY2022
- ◆ Initiated a formal process for the sale and leaseback (or similar transaction) of a minority holding in The Star Sydney property

* Not directly comparable to the pcp given COVID-related operating restrictions in both periods

** 2H FY2019 not impacted by COVID-19

*** Operating expenses \$798m ex JobKeeper wage subsidy of \$58m

**** Net of \$7m SaaS adjustment

OVERVIEW

TRADING UPDATE

EARLY 1H FY2022 TRADING IMPACTED BY COVID

- ◆ Early 1H FY2022 trading has been negatively impacted by property shutdowns and operating restrictions upon re-opening of the Queensland properties
- ◆ When open in Queensland, the revenue trends were broadly consistent with 1H FY2021
- ◆ Restrictions may change over the remainder of the year, which could materially impact revenues and earnings

PROPERTY CLOSURES

- ◆ The Star Sydney closed on 25 June 2021 and remains shut
- ◆ The Queensland properties were shut from 30 June 2021 for 3-4 days and re-opened with operating restrictions in place, including 1 person per 4m², the mandatory wearing of masks and patrons had to be seated while eating or drinking
- ◆ The Queensland properties were again shut down from 31 July 2021 for a period of 8 days

EMPLOYEE SUPPORT AND MITIGATION EFFORTS

- ◆ The Star has supported staff through these shutdown periods, paying all staff through to 8 August 2021 and has subsequently provided access to hardship payments
- ◆ With these hardship payments, The Star Sydney has weekly staff costs of ~\$3.5m (including corporate allocation), down from ~\$6m (prior to 8 August)
- ◆ Board and executive management have also taken fixed pay reductions

OVERVIEW

IMPROVING REVENUE TRENDS AS RESTRICTIONS EASE

1

POSITIVE REVENUE TRENDS

- ◆ EGM revenue returned to growth on pre-COVID levels during 2H FY2021
- ◆ Table games revenue improved but was still below pre-COVID levels

2

QUEENSLAND STRONG GROWTH IN 2H FY2021

- ◆ Gold Coast domestic gaming revenue up 18% in 2H FY2021 vs 2H FY2019
- ◆ Brisbane domestic gaming revenue up 3% in 2H FY2021 vs 2H FY2019 despite the shutdowns in January, March and June

3

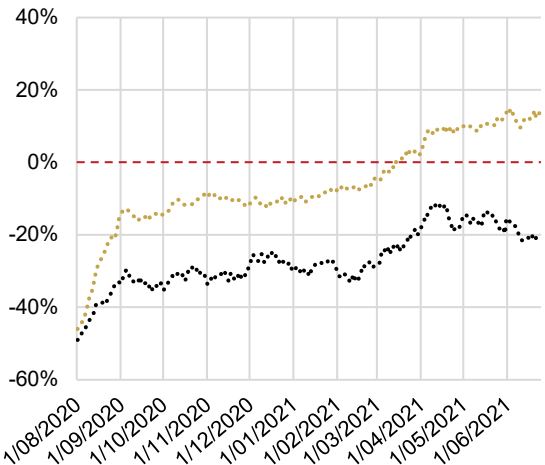
SYDNEY IMPROVING

- ◆ Sydney EGM revenue returned to growth from March vs 2H FY2019
- ◆ Table games improved post restrictions easing but were below pre-COVID levels

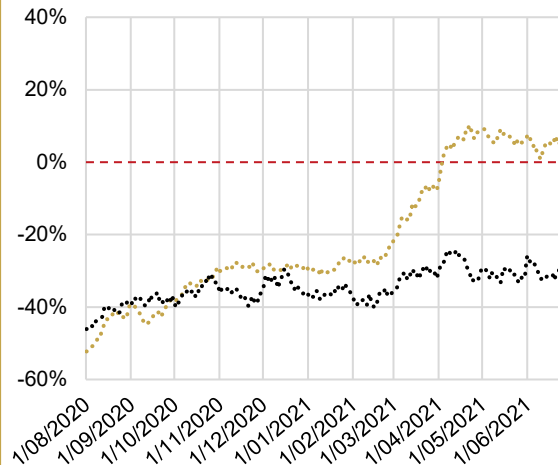
GAMING REVENUE RELATIVE TO FY2019 (60 DAY ROLLING AVERAGE)

EGM vs FY2019 ●●●●●●●●●● TG vs FY2019 ●●●●●●●●●●

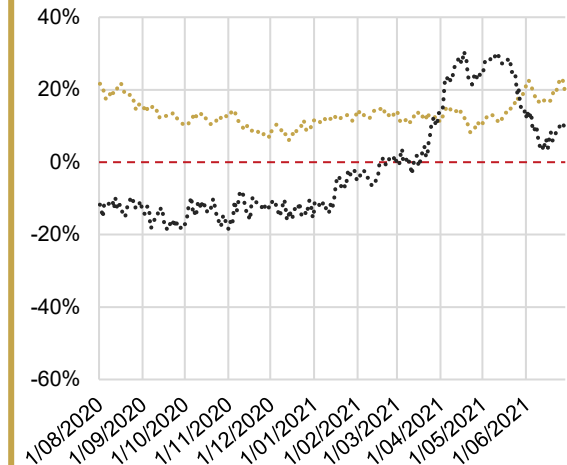
GROUP



SYDNEY



QUEENSLAND



OVERVIEW SYDNEY

IMPACTED BY OPERATING RESTRICTIONS

- ◆ Earnings significantly impacted by the more onerous COVID-19 related operating restrictions (300 patron cap per area, no co-mingling, caps on table and machine utilisation, masks) and the property shutdown at the end of the period
- ◆ Domestic EBITDA down 16% on pcp
- ◆ Restrictions began to ease through the March quarter
- ◆ Sydney EGM revenue returned to growth from March vs 2H FY2019
- ◆ Table games improved post restrictions easing but have not yet reached pre-COVID levels

STRONG PERFORMANCE ON COSTS

- ◆ Costs well-managed with operating expenses down 17% on pcp to \$409m
- ◆ Domestic EBITDA margin declined from 27.5% to 25.5%

NEW INITIATIVES

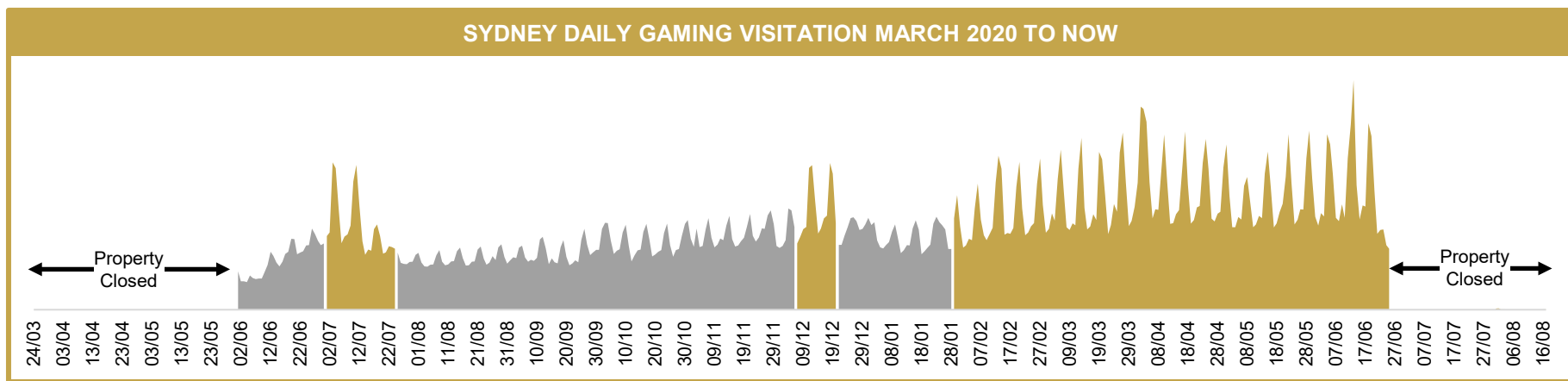
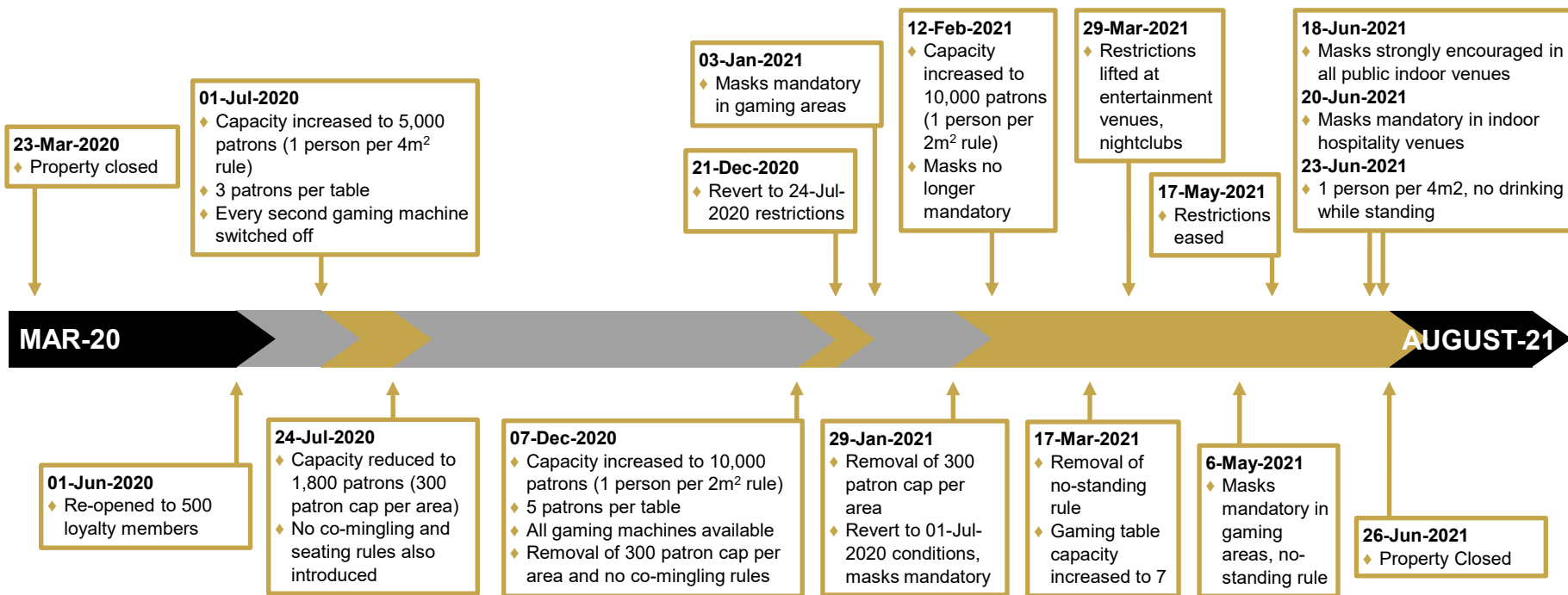
- ◆ Performance of the enlarged and expanded Sovereign PGR has been positive (revenue up 6% on Sovereign 1.5) despite capacity being restricted for the majority of the period
- ◆ The refurbished Oasis Room opened during the period
- ◆ New Italian restaurant, 'Cucina Porto', was rated #1 best restaurant in Sydney by Tripadvisor for the period 10 January 2021 to 7 June 2021
- ◆ Hosting the award winning musical 'Hamilton'

Normalised	FY2021	
	\$m	vs pcp
Gross Revenue	832	(30%)
Domestic	813	(10%)
VIP	12	(96%)
EBITDA	204	(26%)
EBIT	84	(48%)

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 and are before significant items. EBITDA is before equity accounted investments profits/ losses and significant items.

OVERVIEW

SYDNEY OPERATING CONDITIONS



OVERVIEW

GOLD COAST

RECORD DOMESTIC EARNINGS

- ◆ Gold Coast normalised EBITDA up 17% to \$112m, margins improved from 18.0% to 29.2%
- ◆ Domestic EBITDA up 86% on pcp to \$115m, margins improved from 20.4% to 30.2%
- ◆ Very strong performance in the second half upon re-opening of domestic borders

SLOTS AND TABLES VERY STRONG

- ◆ Domestic gaming revenue in the second half up 18% on 2H FY2019
- ◆ Slots revenue up 22% vs 2H FY2019
- ◆ Table revenue up 13% vs 2H FY2019

COSTS AND CAPEX WELL-MANAGED

- ◆ Costs well-managed through the period, down 10% on pcp
- ◆ Dorsett Hotel and Residences scheduled to complete in 2H FY2022
- ◆ Commenced construction of Tower 2 in conjunction with our JV partners - \$400m 63-storey mixed use tower, incorporating a 210 room 5-star hotel. Scheduled to open in FY2025
- ◆ On track to exceed investment return hurdles despite absence of VIP business

Normalised	FY2021	
	\$m	vs pcp
Gross Revenue	382	(28%)
Domestic	379	26%
VIP	1	(100%)
EBITDA	112	17%
EBIT	50	38%

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OVERVIEW

BRISBANE

RECORD PERFORMANCE DESPITE SHUTDOWNS

- ◆ Brisbane normalised EBITDA up 100% on pcp to \$114m, revenue up 34%
- ◆ EBITDA margin improved from 22.1% to 32.9%

SLOTS UP 4% ON 2H FY2019, TABLES +2%

- ◆ Domestic gaming revenue in the second half up 3% on 2H FY2019 despite shutdowns in January (3 days), March (3 days) and June (2 days)
- ◆ Slots revenue up 4% on 2H FY2019
- ◆ Table revenue up 2% on 2H FY2019

COSTS AND CAPEX WELL-MANAGED

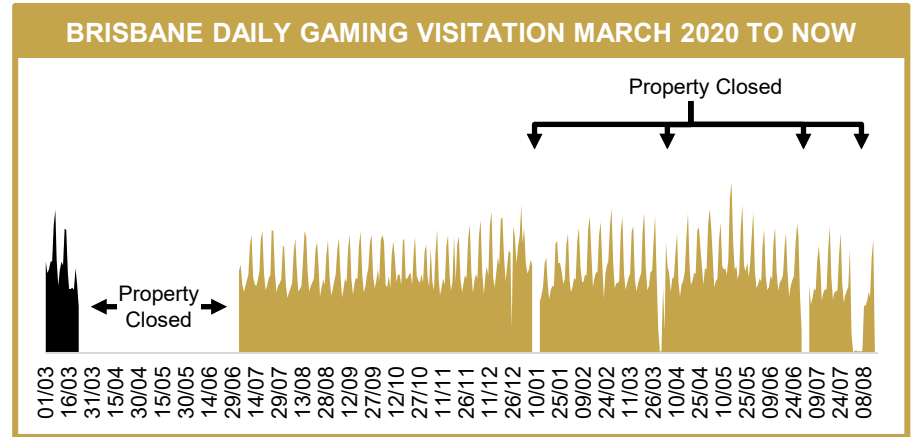
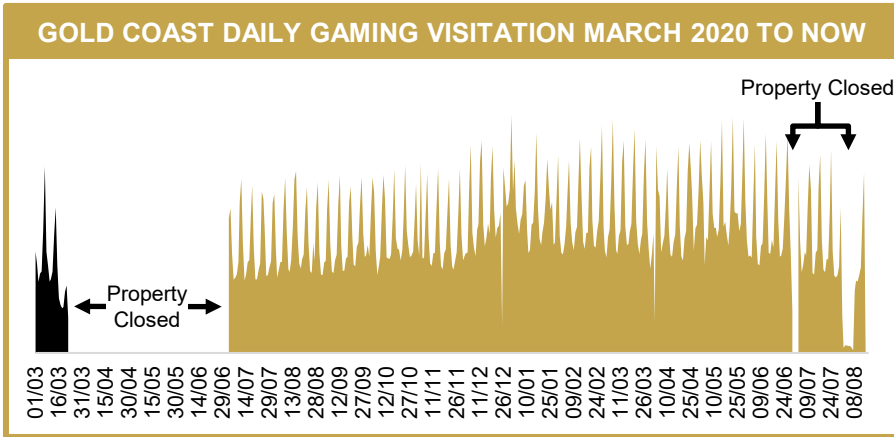
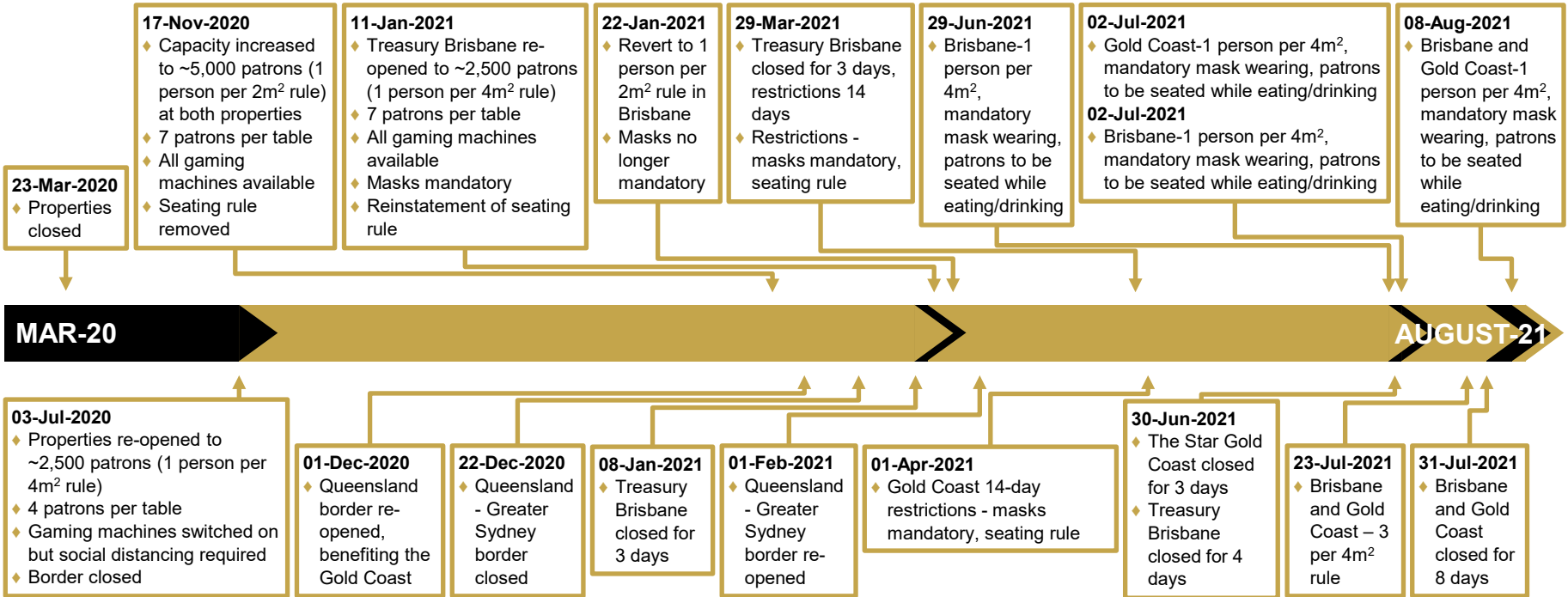
- ◆ QWB construction costs under lump sum contract now in excess of 90%
- ◆ QWB is now anticipated to open progressively in 1H CY2023, previously from late CY2022
- ◆ We are pro-actively expanding the table games market in anticipation of a much larger footprint with the opening of QWB
- ◆ Opened a new bar/restaurant, 'Will & Flow', during the period - acknowledged as "one of the most beautiful new bars to open in Australia and NZ in 2020" by Urban List

Normalised	FY2021	
	\$m	vs pcp
Gross Revenue	348	34%
Domestic	346	38%
VIP	0	(96%)
EBITDA	114	100%
EBIT	86	192%

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OVERVIEW

QUEENSLAND OPERATING CONDITIONS



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FINANCIALS

GROUP OVERVIEW

OPERATING COSTS WELL-MANAGED

- ◆ Operating expenses down 11% on pcp to \$740m
- ◆ JobKeeper wage subsidy of \$58m booked in 1H FY2021*
- ◆ \$50m fixed cost reduction program progressed with the full run-rate to be realised in FY2022, assuming more normal operating conditions
- ◆ \$51.5m in net significant items were largely restructuring related**

BALANCE SHEET POSITION IMPROVED

- ◆ Net debt reduced by \$211m during the period
- ◆ Net leverage declined to 2.7x (Net Debt/Normalised EBITDA)
- ◆ Substantial liquidity on hand – \$492m

CAPEX DOWN SIGNIFICANTLY

- ◆ Capex down 63% on the prior period to \$89m***, below guidance and well below D&A of \$211m
- ◆ JV equity contributions \$118m in FY2021 with QWB and Gold Coast Tower 1 equity contributions now complete

ASSET SALES PROGRESSING

- ◆ VIP asset sales in FY2021, additional jet to be sold in FY2022
- ◆ In due diligence for the sale of an interest in the Treasury Brisbane buildings, targeting a sale agreement in 1H FY2022
- ◆ Initiated a formal process for the sale and leaseback (or similar transaction) of a minority holding in The Star Sydney property

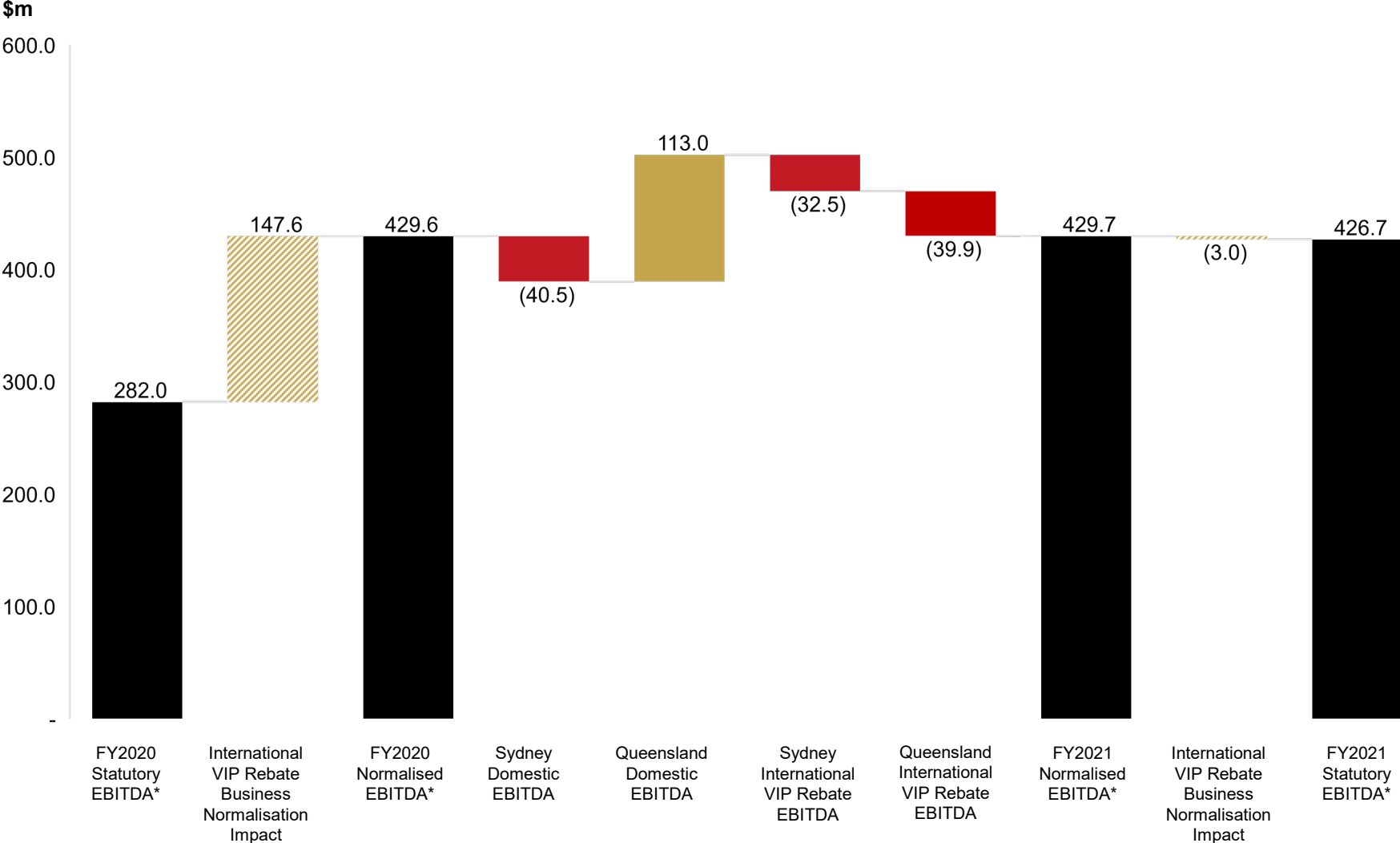
* The Star received \$88m relating to the Jul-Dec 20 period with \$30m flowing directly to employees stood down or on reduced hours

** Refer to Note A7 of the Financial Report for a reconciliation of significant items

*** Net of \$7m SaaS adjustment

FINANCIALS

EBITDA BRIDGE



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 and are before significant items.

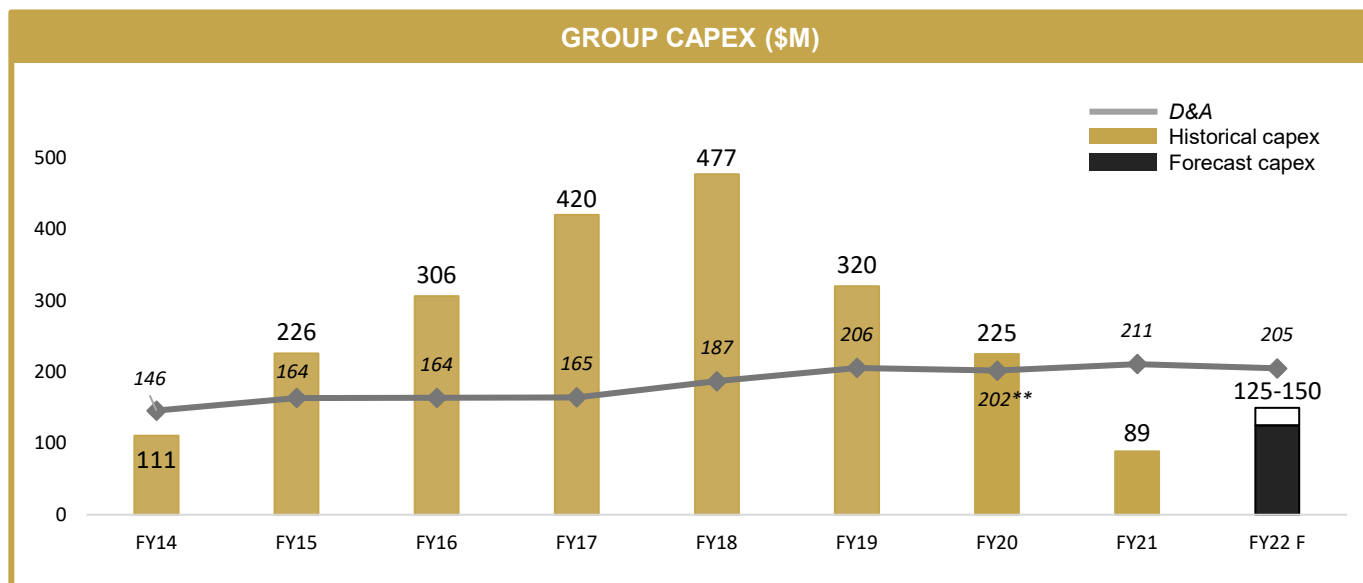
* Excluding equity accounted investments profits/ losses and significant items.

FINANCIALS

CAPEX

GROUP CAPEX IS DOWN MATERIALLY FROM PRIOR YEARS

- ◆ The Group is coming off a period of heavy investment, delivered on time and on budget
- ◆ FY2021 group capex down 63% to \$89m*, below guidance and well below D&A of \$211m
- ◆ FY2022 expected capex remains \$125-150m, FY2023 guidance is ~\$175m
- ◆ FY2022 expected D&A expense of ~\$205m
- ◆ Expected net funding costs \$55-60m in FY2022



JV CONTRIBUTIONS ARE ALSO REDUCING

- ◆ JV equity contributions of \$118m in FY2021, representing final equity contributions for Queen's Wharf Brisbane and Gold Coast Tower 1
- ◆ FY2022 JV equity contributions of ~\$35m, primarily relating to Gold Coast Tower 2

* Net of \$7m SaaS adjustment.

** Comparatives have been restated due to a change in accounting policy.

FINANCIALS

ASSET SALES

RATIONALE

- ◆ The Group has been pursuing a strategy of releasing capital from non-core or low-yielding assets and to re-invest the proceeds in higher growth and more productive areas
- ◆ Assets that meet this criteria include VIP related assets, car parks, hotels, retail and property more generally
- ◆ Assets currently in active processes include VIP assets, the Treasury buildings in Brisbane and The Star Sydney property

VIP ASSET SALES

- ◆ Some VIP assets were sold in FY2021, including a jet and a boat, realising ~\$35m
- ◆ An additional jet is targeted to be sold in FY2022

TREASURY BUILDINGS

- ◆ In due diligence for the sale and partial leaseback of the Treasury Brisbane buildings
- ◆ The Treasury buildings comprise four assets including the Treasury Casino building, the Treasury Hotel building, the former State Library building, and Queens Gardens Car Park
- ◆ Expected sale price of ~\$250m
- ◆ Targeting a sale agreement in FY2022

SYDNEY PROPERTY

- ◆ The Star sees potential to unlock value from our property assets from a sale and leaseback or similar transaction
- ◆ Formal process for the sale and leaseback (or similar transaction) of The Star Sydney property has been initiated
- ◆ The Star is proposing to retain significant ownership and alignment via a >50% interest
- ◆ The Gold Coast and QWB properties could be added at a future point in time
- ◆ The sale of The Star Sydney Car Park concession remains under consideration

FINANCIALS

PROFIT AND LOSS – FY2021

\$M	FY2021	FY2020*	fav/(unfav)	FY2021	FY2020*	fav/(unfav)
	STATUTORY	STATUTORY		NORMALISED ²	NORMALISED ²	
Domestic Gaming revenue	1,363.8	1,243.9	9.6%	1,363.8	1,243.9	9.6%
International VIP Rebate	9.5	285.2	(96.7%)	13.5	509.2	(97.3%)
Non-gaming and other revenue	183.8	219.8	(16.4%)	183.8	219.8	(16.4%)
Gross Revenue¹	1,557.1	1,748.9	(11.0%)	1,561.1	1,972.9	(20.9%)
Player rebates and commissions	(11.7)	(261.9)	95.5%	(12.4)	(315.8)	96.1%
Net Revenue	1,545.4	1,487.0	3.9%	1,548.7	1,657.1	(6.5%)
Gaming taxes and levies	(378.7)	(377.3)	(0.4%)	(379.0)	(399.8)	5.2%
Operating expenditure	(740.0)	(827.7)	10.6%	(740.0)	(827.7)	10.6%
EBITDA (before significant items)³	426.7	282.0	51.3%	429.7	429.6	0.0%
D&A	(210.5)	(202.2)	(4.1%)	(210.5)	(202.2)	(4.1%)
EBIT (before significant items)	216.2	79.8	170.9%	219.2	227.4	(3.6%)
Share of net profit/(loss) of associate	(4.4)	(2.1)	(109.5%)	(4.4)	(2.1)	(109.5%)
Statutory EBIT (before significant items)	211.8	77.7	172.6%	214.8	225.3	(4.7%)
Net funding costs	(54.3)	(48.4)	(12.2%)	(54.3)	(48.4)	(12.2%)
Tax (before significant items) ⁴	(48.1)	(9.7)	(395.8%)	(44.1)	(54.1)	18.5%
NPAT (before significant items)	109.4	19.6	458.3%	116.4	122.8	(5.2%)
Significant items (after tax) ⁵	(51.5)	(114.4)	55.0%			
Statutory NPAT	57.9	(94.8)	N.M.			
Earnings per share (cents)	6.1	(10.3)	N.M.			
Total Dividends per share (cents)	0.0	10.5	(100.0%)			

Notes

1. Revenue is shown as the net gaming win, but gross of rebates and commissions paid to players and third parties
2. Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International Rebate business. Normalised results are adjusted using an average win rate of 1.35% on actual turnover, taxes and revenue share commissions and before significant items
3. Statutory EBITDA of \$426.7m is before equity accounted investments and before significant items
4. Tax before significant items is calculated for actual and normalised purposes based on the statutory effective tax rate paid in the period
5. Refer to Note A7 of the Financial Report for a reconciliation of significant items

* Comparatives have been restated due to a change in accounting policy.

FINANCIALS

BALANCE SHEET

\$M	JUN 2021	JUN 2020 RESTATED*
ASSETS		
Current Assets		
Cash and cash equivalents	67.9	66.1
Trade and other receivables	23.3	99.5
Inventories	15.2	16.4
Income tax receivable	-	7.5
Derivative financial instruments	2.9	65.8
Assets held for sale	30.6	37.2
Other assets	23.8	59.9
Total current assets	163.7	352.4
Non current assets		
Property, plant and equipment	2,695.4	2,837.0
Intangible assets	1,831.4	1,839.8
Derivative financial instruments	13.9	67.9
Investment in associate and joint venture entities	631.7	525.1
Other assets	37.2	40.4
Total Non current assets	5,209.6	5,310.2
TOTAL ASSETS	5,373.3	5,662.6
LIABILITIES		
Current liabilities		
Trade and other payables	181.8	324.0
Interest bearing liabilities	6.8	162.9
Income tax payable	1.0	-
Provisions	78.6	70.9
Derivative financial instruments	5.6	7.7
Other liabilities	23.5	21.5
Total current liabilities	297.3	587.0
Non current liabilities		
Interest bearing liabilities	1,285.9	1,462.1
Deferred tax liabilities	138.3	134.3
Provisions	10.0	10.5
Derivative financial instruments	8.0	7.0
Other liabilities	9.8	5.9
Total non current liabilities	1,452.0	1,619.8
TOTAL LIABILITIES	1,749.3	2,206.8
NET ASSETS	3,624.0	3,455.8
EQUITY		
Share capital	3,159.3	3,050.8
Retained earnings	459.5	401.6
Reserves	5.2	3.4
TOTAL EQUITY	3,624.0	3,455.8

* Comparatives have been restated due to a change in accounting policy.

- ◆ Capital programs progressed
 - Property, plant and equipment declined, reflecting capex below depreciation
 - Investment in associates and joint venture entities increased, relating to QWB and the Gold Coast JV towers progressing as planned
- ◆ COVID-19 property and border closures impacted business volumes and VIP debt provisioning
 - Cash, trade and other payables declined, reflecting lower business volumes
 - Trade and other receivables declined, reflecting IRB collections in the period and lower VIP business volumes
- ◆ The movement in derivative financial instruments reflects the movement in interest rates and currency exchanges
- ◆ Net debt of \$1,171m* (excluding lease liabilities of \$50m), was down \$211m vs 30 June 2020, reflecting free cashflow generation
- ◆ Cash conversion was 123% (FY2020 102%) reflecting the unwinding of prepayments (e.g. NSW gaming tax), IRB collections, and JobKeeper wage subsidy

THE STAR ENTERTAINMENT GROUP

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PRIORITIES

OUR PRIORITIES FOR THE YEAR AHEAD

1

OPERATIONS

- ◆ **Post COVID-19 earnings recovery**
- ◆ **Operating expenses** – maintain cost benefits from recently executed programs

2

LEGAL, REGULATORY AND COMPLIANCE

- ◆ **AUSTRAC** – enforcement investigation – notified in June 2021
 - The Star will co-operate fully with AUSTRAC in relation to its requests for information and documents and the investigation
 - The Star continues to enhance its AML capabilities inc. leveraging technology
- ◆ **International VIP business repositioning** - reduced the fixed cost base, will focus on IPM and Direct Premium customers when borders re-open
- ◆ **Cashless gaming** - advance roadmap towards cashless gaming alternatives
- ◆ **Sydney slots** – proposal to government to increase the number of slots at Sydney
- ◆ **Business Interruption insurance** – unsuccessful at first instance, considering appeal options

3

STRATEGIC INITIATIVES

- ◆ **Crown Resorts** – withdrew the non-binding indicative merger proposal with Crown Resorts but remain open to exploring value-enhancing opportunities with Crown
- ◆ **Asset sales**
 - In due diligence for the sale of an interest in the Treasury Brisbane buildings
 - Initiated a formal process for the sale and leaseback (or similar transaction) of The Star Sydney property

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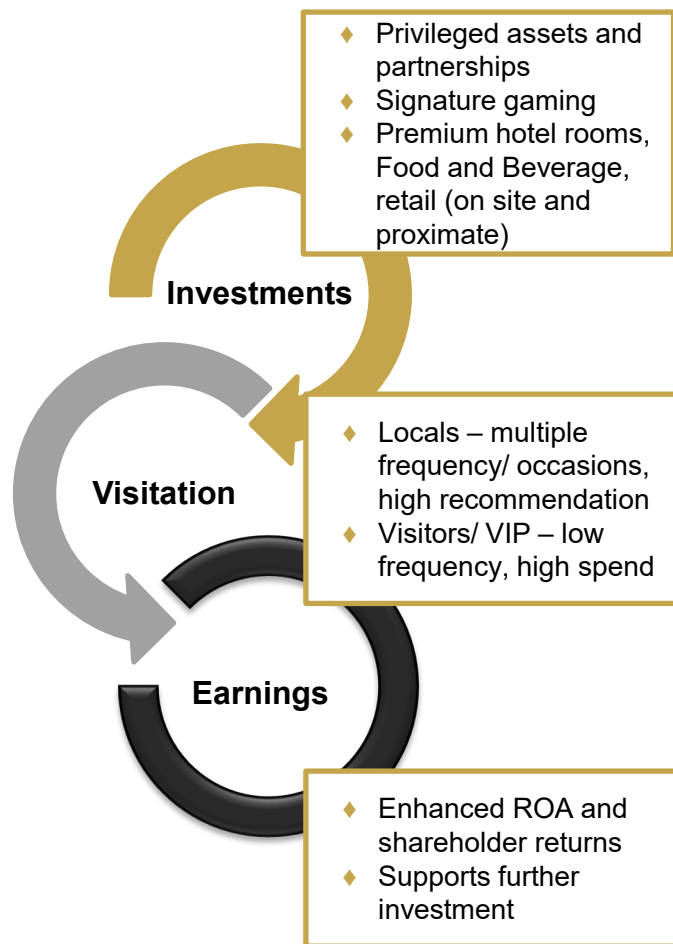
MAJOR PROJECTS

- ◆ **Gold Coast** – continue to progress the construction of the Dorsett Hotel and Residences and JV Tower 2
- ◆ **QWB** – continue to progress the construction of the QWB IRD
- ◆ **Sydney** – advance masterplan for development opportunities

PRIORITIES

STRATEGY REMAINS UNCHANGED

OUR STRATEGY



OUR DELIVERY

- 1 Deliver on the operating model**
 - ◆ Leverage improved capabilities – loyalty, gaming, risk, RG, AML/CTF
 - ◆ Retain the efficiencies from cost management programs
 - ◆ Accelerate the growth of our hospitality, tourism and entertainment businesses
- 2 Deliver on the investment strategy**
 - ◆ JV capital light approach to major projects
 - ◆ QWB/The Star Brisbane
 - ◆ Gold Coast Masterplan
 - ◆ Our Queensland properties are well-positioned for the Brisbane Olympics in 2032
 - ◆ Sydney – advance masterplan for additional mixed use development opportunities
- 3 Enhance shareholder returns**
 - ◆ Execute a capital efficient model
 - ◆ Progress capital recycling options
 - asset sales
 - property monetisation opportunities
 - ◆ Pursue a partnership approach to investments

PRIORITIES GOLD COAST

CONSTRUCTION ON TIME AND BUDGET

- ◆ Construction of the Dorsett Hotel and Residences (Tower 1)
 - Remains on time and budget for completion in FY2022
 - Equity contributions have been completed and \$260m in project level debt facilities are in place
 - Sold 93% of the apartments
- ◆ Commenced construction of Tower 2 in February 2021 in conjunction with our JV partners - a \$400m 63-storey mixed use tower, incorporating a 210 room 5-star hotel
 - Pre-sold in excess of 80% of the apartments in Tower 2
 - Capital works will be funded by partner contributions, existing and new debt facilities, and free cash flow generation
 - The Star's equity contribution for Tower 2 ~\$50m over 3 years



THE STAR GOLD COAST – TOWERS 1 AND 2



DORSETT HOTEL AND RESIDENCES – AUGUST 2021

KEY DATES*

Feb-21	◆ Commence construction of Tower 2
FY2022	◆ Opening of the Dorsett Hotel and Residences, retail and associated facilities
FY2025	◆ Complete construction of Tower 2

* Subject to planning and other approvals

PRIORITIES

QUEEN'S WHARF BRISBANE

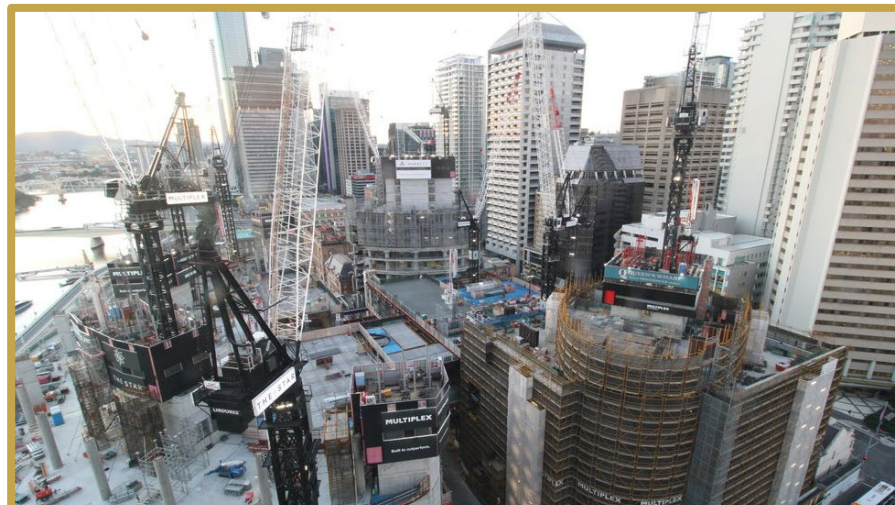
WORKS ON BUDGET

- ◆ 60% of gross floor area (GFA) has been built
- ◆ Fit-out of the gaming floor has commenced
- ◆ In excess of 90% of project costs are now under lump sum terms
- ◆ Signed a lease agreement with DFS, part of the LVMH Group, for ~6,000 sqm of luxury retail floorspace
- ◆ Anticipating a progressive opening of the Integrated Resort Development (IRD) in 1H CY2023, previously from late CY2022
- ◆ Equity contributions ceased in 2H FY2021, project debt drawdowns have commenced
- ◆ A \$1.6bn project level debt facility was established in May 2020 (5½ year term)

KEY DATES*

CY2021	◆ Commence the internal fit-out of the Integrated Resort
1H CY2023	◆ Opening of the first stage of the Integrated Resort
2023	◆ Continuation of phased opening of the Integrated Resort

* Subject to planning and other approvals



VIEW FROM 1 WILLIAM STREET – AUGUST 2021



VIEW FROM SOUTH BANK – AUGUST 2021

THE STAR ENTERTAINMENT GROUP

AGENDA

1. OVERVIEW

2. FINANCIALS

3. PRIORITIES

4. Q&A

APPENDIX

KEY SUSTAINABILITY METRICS

SUSTAINABILITY AND ENVIRONMENTAL

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM



>80% portfolio with **environmental ratings**, 90% by 2022



Green Star Performance Rating achieved – The Star Sydney and The Star Gold Coast



Net zero carbon emissions by 2030 for wholly owned and operated assets
30% reduction by 2023 in **carbon emissions and water consumption** intensity

SUSTAINABLE DESTINATION PARTNERSHIP

Founding member of **Sydney's Sustainable Destination Partnership**

Food take-away packaging now 98% compostable, targeting 100% overtime



Winner International Gaming **'Sustainable Business – Operator'** Award



Aligning our reporting with the **United Nations Sustainable Development Goals**



Second **TCFD aligned Climate-related Disclosures** report released

SOCIAL AND COMMUNITY



\$470M

Government taxes and levies paid in FY2019 *



62 TONNES

of food (183,000 meals) donated (**OzHarvest, Foodbank**) to date



32 TONNES

of furniture, equipment uniforms and hotel linen **donated to charities** to date



Network Australia

Signatory to the Global Compact **Network Australia**



First **Modern Slavery and Human Trafficking Statement** released

* Unaudited

APPENDIX

STATUTORY RESULTS – FY2021

\$M	SYDNEY			GOLD COAST			BRISBANE			TOTAL		
	FY2021	FY2020*	fav/(unfav)	FY2021	FY2020*	fav/(unfav)	FY2021	FY2020*	fav/(unfav)	FY2021	FY2020*	fav/(unfav)
Slots	277.7	258.7	7.3%	203.9	132.6	53.8%	173.8	118.0	47.3%	655.4	509.3	28.7%
Domestic Tables	458.1	526.3	(13.0%)	100.8	93.0	8.4%	149.5	115.3	29.7%	708.4	734.6	(3.6%)
Non-gaming	77.1	115.7	(33.4%)	74.5	76.6	(2.7%)	22.8	17.3	31.8%	174.4	209.6	(16.8%)
Total Domestic	812.9	900.7	(9.7%)	379.2	302.2	25.5%	346.1	250.6	38.1%	1,538.2	1,453.5	5.8%
International VIP Rebate	8.5	261.6	(96.8%)	0.6	23.6	(97.5%)	0.4	0.0	100.0%	9.5	285.2	(96.7%)
Other revenue	6.8	7.2	(5.6%)	1.5	2.0	(25.0%)	1.1	1.0	10.0%	9.4	10.2	(7.8%)
Total Gross Revenue	828.2	1,169.5	(29.2%)	381.3	327.8	16.3%	347.6	251.6	38.2%	1,557.1	1,748.9	(11.0%)
Player rebates and commissions	(11.5)	(147.2)	92.2%	(0.9)	(110.5)	99.2%	0.7	(4.2)	116.7%	(11.7)	(261.9)	95.5%
Net Revenue	816.7	1,022.3	(20.1%)	380.4	217.3	75.1%	348.3	247.4	40.8%	1,545.4	1,487.0	3.9%
Gaming taxes and levies	(208.1)	(248.3)	16.2%	(80.7)	(62.6)	(28.9%)	(89.9)	(66.4)	(35.4%)	(378.7)	(377.3)	(0.4%)
Operating expenses	(408.8)	(489.9)	16.6%	(187.2)	(208.6)	10.3%	(144.0)	(129.2)	(11.5%)	(740.0)	(827.7)	10.6%
EBITDA (before significant items)	199.8	284.1	(29.7%)	112.5	(53.9)	308.7%	114.4	51.8	120.8%	426.7	282.0	51.3%
D&A	(119.9)	(114.7)	(4.5%)	(61.9)	(59.7)	(3.7%)	(28.7)	(27.8)	(3.2%)	(210.5)	(202.2)	(4.1%)
EBIT (before significant items)	79.9	169.4	(52.8%)	50.6	(113.6)	144.5%	85.7	24.0	257.1%	216.2	79.8	170.9%
Share of net profit/(loss) of associate										(4.4)	(2.1)	(109.5%)
Significant Items										(77.7)	(159.0)	51.1%
Net funding costs										(54.3)	(48.4)	(12.2%)
Tax										(21.9)	34.9	(162.8%)
Statutory NPAT										57.9	(94.8)	N.M.
EBITDA/Revenue %	24.1%	24.3%		29.5%	(16.4%)		32.9%	20.6%		27.4%	16.1%	
International VIP Rebate Front Money \$m	51.6	2,161.4	(97.6%)	5.5	728.3	(99.2%)	1.4	49.5	(97.2%)	58.5	2,939.2	(98.0%)
International VIP Rebate Turnover \$m	905.3	20,303.5	(95.6%)	76.8	16,872.2	(99.6%)	21.7	509.5	(95.7%)	1,003.8	37,685.2	(97.3%)
International VIP Rebate Win rate	0.94%	1.29%		0.78%	0.14%		1.84%	0.00%		0.95%	0.76%	

Net Revenue is after player rebates and commissions. Complimentary revenue is included within domestic gaming revenue. International VIP Rebate includes IPM. Refer to Note A7 of the Financial Report for a reconciliation of significant items.

* Comparatives have been restated due to a change in accounting policy.

APPENDIX

NORMALISED RESULTS – FY2021

\$M	SYDNEY			GOLD COAST			BRISBANE			TOTAL		
	FY2021	FY2020*	fav/(unfav)	FY2021	FY2020*	fav/(unfav)	FY2021	FY2020*	fav/(unfav)	FY2021	FY2020*	fav/(unfav)
Slots	277.7	258.7	7.3%	203.9	132.6	53.8%	173.8	118.0	47.3%	655.4	509.3	28.7%
Domestic Tables	458.1	526.3	(13.0%)	100.8	93.0	8.4%	149.5	115.3	29.7%	708.4	734.6	(3.6%)
Non-gaming	77.1	115.7	(33.4%)	74.5	76.6	(2.7%)	22.8	17.3	31.8%	174.4	209.6	(16.8%)
Total Domestic	812.9	900.7	(9.7%)	379.2	302.2	25.5%	346.1	250.6	38.1%	1,538.2	1,453.5	5.8%
International VIP Rebate	12.2	274.6	(95.6%)	1.0	227.7	(99.6%)	0.3	6.9	(95.7%)	13.5	509.2	(97.3%)
Other revenue	6.8	7.2	(5.6%)	1.5	2.0	(25.0%)	1.1	1.0	10.0%	9.4	10.2	(7.8%)
Total Gross Revenue	831.9	1,182.5	(29.6%)	381.7	531.9	(28.2%)	347.5	258.5	34.4%	1,561.1	1,972.9	(20.9%)
Player rebates and commissions	(11.0)	(166.1)	93.4%	(2.1)	(144.6)	98.5%	0.7	(5.1)	113.7%	(12.4)	(315.8)	96.1%
Net Revenue	820.9	1,016.4	(19.2%)	379.6	387.3	(2.0%)	348.2	253.4	37.4%	1,548.7	1,657.1	(6.5%)
Gaming taxes and levies	(208.3)	(249.6)	16.5%	(80.8)	(83.1)	2.8%	(89.9)	(67.1)	(34.0%)	(379.0)	(399.8)	5.2%
Operating expenses	(408.8)	(489.9)	16.6%	(187.2)	(208.6)	10.3%	(144.0)	(129.2)	(11.5%)	(740.0)	(827.7)	10.6%
Normalised EBITDA	203.8	276.9	(26.4%)	111.6	95.6	16.7%	114.3	57.1	100.2%	429.7	429.6	0.0%
D&A	(119.9)	(114.7)	(4.5%)	(61.9)	(59.7)	(3.7%)	(28.7)	(27.8)	(3.2%)	(210.5)	(202.2)	(4.1%)
Normalised EBIT	83.9	162.2	(48.3%)	49.7	35.9	38.4%	85.6	29.3	192.2%	219.2	227.4	(3.6%)
Share of net profit/(loss) of associate										(4.4)	(2.1)	(109.5%)
Normalised EBIT after share of net profit of associate										214.8	225.3	(4.7%)
Net funding costs										(54.3)	(48.4)	(12.2%)
Tax										(44.1)	(54.1)	18.5%
Normalised NPAT										116.4	122.8	(5.2%)
EBITDA/Revenue %	24.5%	23.4%		29.2%	18.0%		32.9%	22.1%		27.5%	21.8%	
International VIP Rebate Front Money \$m	51.6	2,161.4	(97.6%)	5.5	728.3	(99.2%)	1.4	49.5	(97.2%)	58.5	2,939.2	(98.0%)
International VIP Rebate Turnover \$m	905.3	20,303.5	(95.6%)	76.8	16,872.2	(99.6%)	21.7	509.5	(95.7%)	1,003.8	37,685.2	(97.3%)
International VIP Rebate Win rate	1.35%	1.35%		1.35%	1.35%		1.35%	1.35%		1.35%	1.35%	

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 and are before significant items.

Net Revenue is after player rebates and commissions. Complimentary revenue is included within domestic gaming revenue. International VIP Rebate includes IPM. Refer to Note A7 of the Financial Report for a reconciliation of significant items.

* Comparatives have been restated due to a change in accounting policy.

APPENDIX

OPERATIONAL METRICS

OPERATIONAL METRICS	SYDNEY			GOLD COAST			BRISBANE		
	FY2021	FY2020	fav/(unfav)	FY2021	FY2020	fav/(unfav)	FY2021	FY2020	fav/(unfav)
Slots									
Revenue (\$m)	278	259	7.3%	204	133	53.8%	174	118	47.3%
NMR/machine/day	539	477	13.1%	373	245	52.3%	322	206	56.3%
MTGMs									
Revenue (\$m)	76	73	3.6%	15	11	32.7%	25	18	41.4%
NMR/machine/day	368	341	8.0%	209	169	23.7%	361	244	48.2%
Domestic Tables (excl. MTGMs)									
Revenue (\$m)	382	453	(15.6%)	86	82	5.0%	125	97	28.1%
Hold %	21%	20%		20.3%	21.5%		20.8%	19.5%	
VIP Rebate (Actual)									
Front Money (\$m)	52	2,161	(97.6%)	6	728	(99.2%)	1	50	(97.2%)
Turnover (\$m)	905	20,304	(95.6%)	77	16,872	(99.6%)	22	510	(95.7%)
Turns	17.5	9.4	86.8%	13.8	23.2	(40.6%)	15.8	10.3	53.8%
Win Rate	0.94%	1.29%		0.78%	0.14%		1.84%	0.02%	
Hotels									
Occupancy	67%	76%	(8.7%)	77%	78%	(0.9%)	88%	83%	4.7%
Cash Revenue (\$m)	22	25	(10.7%)	24	22	9.0%	4	2	53.2%
Restaurants									
Cash Revenue (\$m)	30	39	(24.2%)	28	28	(1.2%)	8	7	18.1%
Gross Revenue (\$m)	46	59	(21.3%)	41	40	1.7%	17	15	11.4%
Bars									
Cash Revenue (\$m)	11	28	(58.8%)	16	12	30.9%	10	7	47.0%
Gross Revenue (\$m)	63	74	(14.5%)	38	32	19.2%	25	19	32.2%
Statutory EBITDA/Revenue %	24.1%	24.3%		29.5%	(16.4%)		32.9%	20.6%	
Normalised EBITDA/Revenue %	24.5%	23.4%		29.2%	18.0%		32.9%	22.1%	
Employee Costs/Statutory Revenue %	24.7%	21.0%		26.0%	31.4%		23.1%	27.0%	
Employee Costs/Normalised Revenue %	24.6%	20.8%		26.0%	19.4%		23.1%	26.2%	

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 and are before significant items.

APPENDIX

CASH CONVERSION AND FUNDING

CASH CONVERSION

CATEGORY \$M	Jun-21	Jun-20 RESTATED*
Cash flows from operating activities before interest and income tax		
Net cash receipts from customers (inclusive of GST)	1,689.7	1,640.1
Payments to suppliers and employees (inclusive of GST)	(995.9)	(1,106.9)
Payment of government levies, gaming taxes and GST	(335.2)	(418.7)
Receipt of government grants	112.7	40.0
Net cash inflows from operating activities before interest and income tax	471.3	154.5
Profit before net finance costs and income tax*	138.4	(77.5)
Add back depreciation, amortisation and impairment	243.8	229.5
EBITDA*	382.2	152.0
Cash conversion	123%	102%

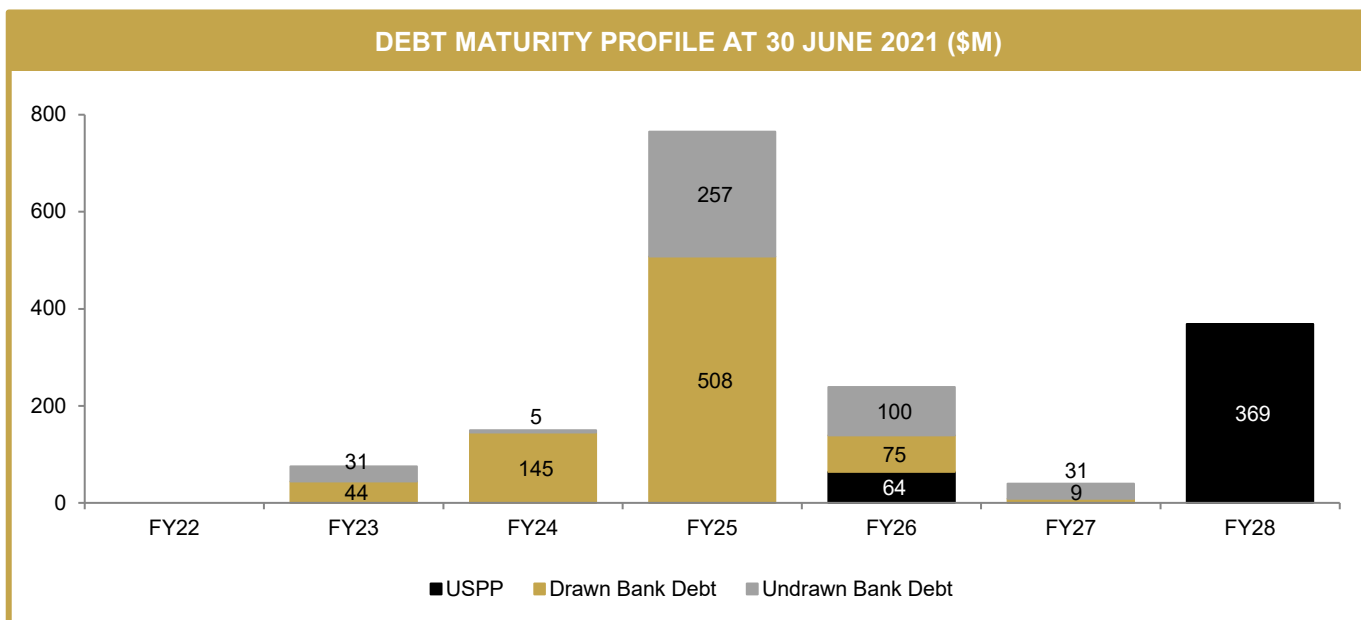
Note: Including share of net profit/(loss) of associate and significant items. Significant items in FY2021 include impairment expense.

* Comparatives have been restated due to a change in accounting policy.

FUNDING

As at 30 June 2021:

- ◆ \$1.6bn total facilities
- ◆ 3.7 years weighted average debt maturity of committed debt facilities
- ◆ \$0.5bn total available cash and facilities



APPENDIX

INTERNATIONAL VIP REBATE RECEIVABLES*

INTERNATIONAL VIP REBATE BUSINESS RECEIVABLES (BEFORE PROVISIONS)	0 - 30 DAYS	30 DAYS - 1 YEAR	1 - 3 YEARS	3 YEARS +	TOTAL
June 2021 (\$m)					
Not yet due	1.8	-	-	-	1.8
Past due not impaired	-	0.1	3.8	0.3	4.2
Considered impaired	-	-	38.1	-	38.1
Total	1.8	0.1	41.9	0.3	44.1
December 2020 (\$m)					
Not yet due	0.9	-	-	-	0.9
Past due not impaired	-	8.4	13.8	-	22.2
Considered impaired	-	18.3	18.7	-	37.0
Total	0.9	26.7	32.5	-	60.1
June 2020 (\$m)					
Not yet due	0.5	-	-	-	0.5
Past due not impaired	-	46.7	6.1	-	52.8
Considered impaired	-	64.3	39.3	-	103.6
Total	0.5	111.0	45.4	-	156.9

- ◆ 30 June 2021 past due not impaired receivables down on 30 June 2020 reflecting significantly reduced VIP business activity (border closures) and collections

* Excludes non-gaming debtors

APPENDIX

GLOSSARY

TERM	DEFINITION
AML/CTF	Anti-Money Laundering and Counter-Terrorism Financing
AUSTRAC	Australian Transaction Reports and Analysis Centre
CAGR	Compound Annual Growth Rate
Capital expenditure (capex)	Unless otherwise stated, capital expenditure is presented on an accruals basis and excludes investments in associates and equity acquisitions
D&A	Depreciation and Amortisation
Domestic Tables	Domestic Tables includes main gaming floor table games, private gaming room table games, domestic rebate table games
EGM	Electronic gaming machine – includes slots and MTGMs
F&B	Restaurants and bars
IPM	International Premium Mass, the international loyalty program business (non-commission)
JV	Joint venture
IRD	Integrated Resort Development
MGF	Main gaming floor
MTGM	Multi-terminal gaming machine or electronic table game
NMR	Net revenue per machine
Normalised/normalisation	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% of actual turnover, taxes and commissions
pcp	Prior comparable period
PGR	Private gaming room
QWB	Queen's Wharf Brisbane
RG	Responsible Gambling
ROA	Return on Assets
Significant items	Items of income or expense which are, either individually or in aggregate, material to The Star Entertainment Group and: <ul style="list-style-type: none"> ◆ Outside the ordinary course of business (e.g. the cost of significant reorganisations or restructuring); or ◆ Part of the ordinary activities of the business but unusual due to their size and nature (e.g. impairment of assets)
USPP	US Private Placement debt
VIP	International VIP Rebate business
yoy	Year on year



THE STAR

ENTERTAINMENT
GROUP