



ASX Announcement

17 February 2022

2022 HALF-YEAR RESULTS PRESENTATION

Attached is the presentation regarding the financial results of The Star Entertainment Group Limited (**The Star**) for the half-year ended 31 December 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's website at www.starentertainmentgroup.com.au from 9:45am (Sydney time) today.

The information contained in this announcement should be read in conjunction with today's announcement of The Star's half-year Financial Report and The Star's most recent Annual Report.

Authorised by:

The Board of Directors

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THE STAR

ENTERTAINMENT
GROUP

THE STAR ENTERTAINMENT GROUP

1H FY2022 RESULTS PRESENTATION

THURSDAY
17 FEBRUARY
2022

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 six months ended 31 December 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 2H 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 unless otherwise stated
- ◆ 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
- ◆ 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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THE STAR ENTERTAINMENT GROUP

AGENDA

1. OVERVIEW

2. FINANCIALS

3. PRIORITIES

4. Q&A

OVERVIEW

1H FY2022 HIGHLIGHTS

EARNINGS MATERIALLY IMPACTED BY COVID-19 RESTRICTIONS

- ◆ Normalised Group revenue \$580m, EBITDA \$29m and net loss \$74m*
- ◆ Statutory EBITDA \$31m (pre significant items), net loss \$74m (post significant items)
- ◆ COVID-19 related property shutdowns, operating restrictions and border closures materially impacted revenues and earnings

KEY PERFORMANCE HIGHLIGHTS

- ◆ Sydney - strong revenue performance post property re-opening (revenue up 29% on pcp from 11 October 2021)
- ◆ Queensland – stable revenues when open despite border closures and COVID-19 restrictions
- ◆ Non-gaming – successful reactivation as properties positioned for return to normal operations

KEY PROJECTS

- ◆ Opened the Dorsett Gold Coast Hotel and additional F&B facilities in December 2021
- ◆ Strong apartment pre-sales Gold Coast Tower 2 (94% pre-sold)

OPERATING EXPENSES

- ◆ Operating expenses up 5% on pcp to \$401m**
- ◆ Costs in 1H FY2022 reflect COVID-19 related inefficiencies and investment in staff to position the properties for re-opening
- ◆ Previously announced cost reduction program materially completed

DEBT COVENANT AMENDMENTS

- ◆ Received full waiver of debt covenants for the December 2021 testing date and an amendment of the covenant ratios for the June 2022 testing date

ASSET SALES CONTINUE TO PROGRESS

- ◆ VIP jet sold in 1H FY2022 for ~\$40m
- ◆ Entered into agreement for sale of interest in Treasury Brisbane assets for \$248m ex GST
- ◆ Continuing work on the potential sale and leaseback (or similar transaction) of a minority holding in The Star Sydney property

* Not directly comparable to the pcp given different COVID-19-related property closures and operating restrictions in both periods

** Adjusting for JobKeeper in the prior period

OVERVIEW

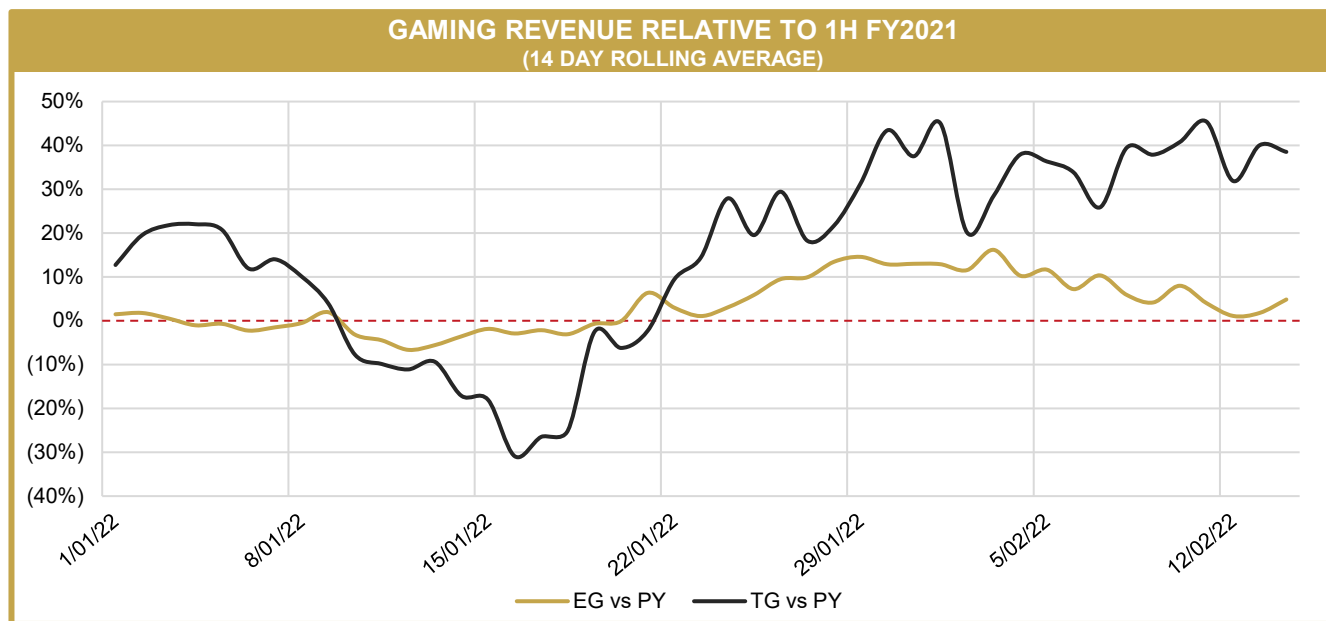
TRADING UPDATE AND REGULATORY REVIEWS

EARLY 2H FY2022 TRADING IMPACTED BY COVID-19

- ◆ Early 2H FY2022 trading has continued to be impacted by COVID-19 and the prevalence of the Omicron variant
- ◆ Omicron has had a material impact on visitation and the supply of products and services, however, this impact peaked in mid-January and has progressively eased
- ◆ In the period from 1 January 2022 to 13 February 2022, Group revenue is up 7% on pcp
 - ◆ Sydney revenue is up 20% on pcp with gaming revenue up 17% on pcp and non-gaming revenue up 46%
 - ◆ Queensland revenue is down 6% on pcp with gaming revenue down 12% on pcp and non-gaming revenue up 32%

REGULATORY REVIEWS

- ◆ AUSTRAC enforcement investigation underway
- ◆ ILGA Review – review of The Star Sydney underway, to report to ILGA by 30 June 2022



OVERVIEW SYDNEY

PROPERTY CLOSURE AND OPERATING RESTRICTIONS

- ◆ Normalised EBITDA loss of \$25m
- ◆ Earnings significantly impacted by the property shutdown and COVID-19 related operating restrictions
- ◆ The Star Sydney re-opened on 11 October 2021 (open for 81 of 184 days) and certain COVID-19 operating restrictions were eased progressively through to 15 December 2021

STRONG PERFORMANCE UPON RE-OPENING

- ◆ Strong domestic revenues on re-opening, up 28% on pcp from 11 October and approaching pre-COVID-19 levels in November/December with strong improvement in mass revenues
- ◆ Non-gaming revenue up 46.5% on pcp from 11 October

OPERATING COSTS

- ◆ Operating costs declined 9.5% on pcp*
- ◆ Operating costs were impacted by the decision to pay staff for a significant part of the shutdown period
- ◆ Costs also reflect activity levels, which when operating, were materially higher than prior period levels

KEY INITIATIVES

- ◆ The Star Sydney signed a new Enterprise Agreement in the period with the average increase in wage rates slightly above historical growth rates

Normalised	1H FY2022	
	\$m	vs pcp
Gross Revenue	239	(39%)
EBITDA	(25)	(124%)
EBIT	(84)	(282%)

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. Comparatives have been restated due to a change in the Software-as-a-Service (SaaS) arrangements accounting policy which was adopted as at 30 June 2021

* Adjusting for JobKeeper in the prior period

OVERVIEW

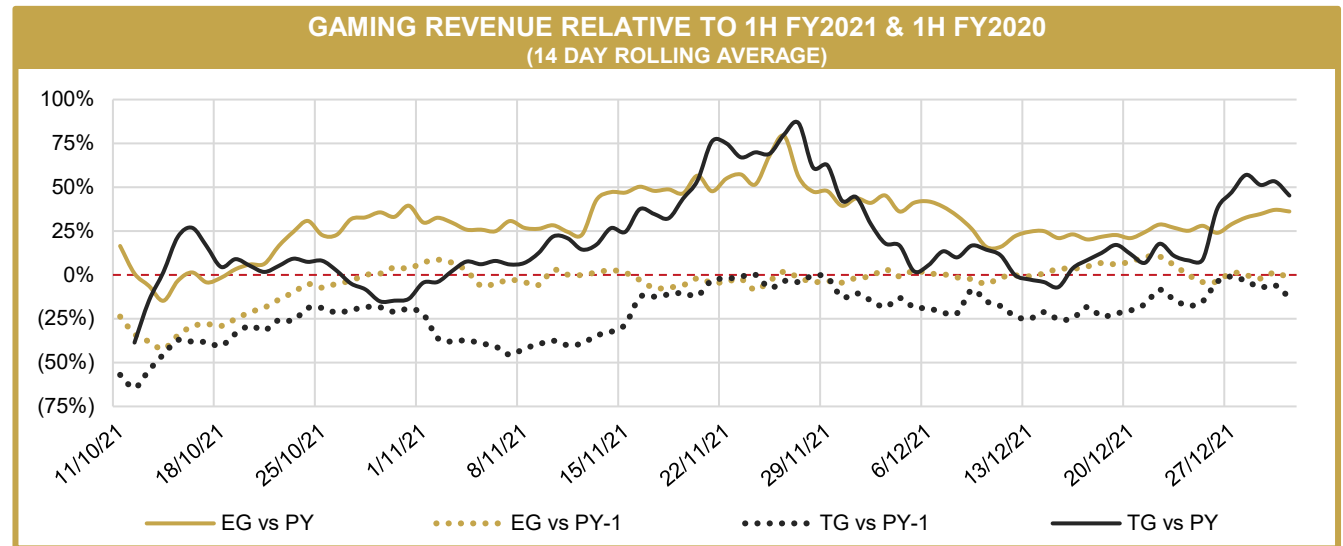
SYDNEY REVENUE PERFORMANCE UPON RE-OPENING

STRONG PERFORMANCE UPON RE-OPENING

- ◆ Revenue approached pre-COVID-19 levels as restrictions were eased throughout the December quarter
- ◆ Restrictions were progressively eased through to 15 December, some restrictions were re-imposed from 24 December
- ◆ The strong momentum evidenced in November was tempered in December by the Omicron outbreak

STRONG GROWTH ON PCP; SLOTS BACK TO PRE-COVID-19 LEVELS

- ◆ Revenue was up 29% on pcp in the period from 11 October to 31 December
 - ◆ Slots revenue was up 34% on pcp and down just 3% on pre-COVID-19 levels*
 - ◆ Table revenue was up 22% on pcp but down 19% on pre-COVID levels*
 - ◆ Non-gaming revenue was up 46.5% on pcp but it was still down 38% on pre-COVID-19 levels*

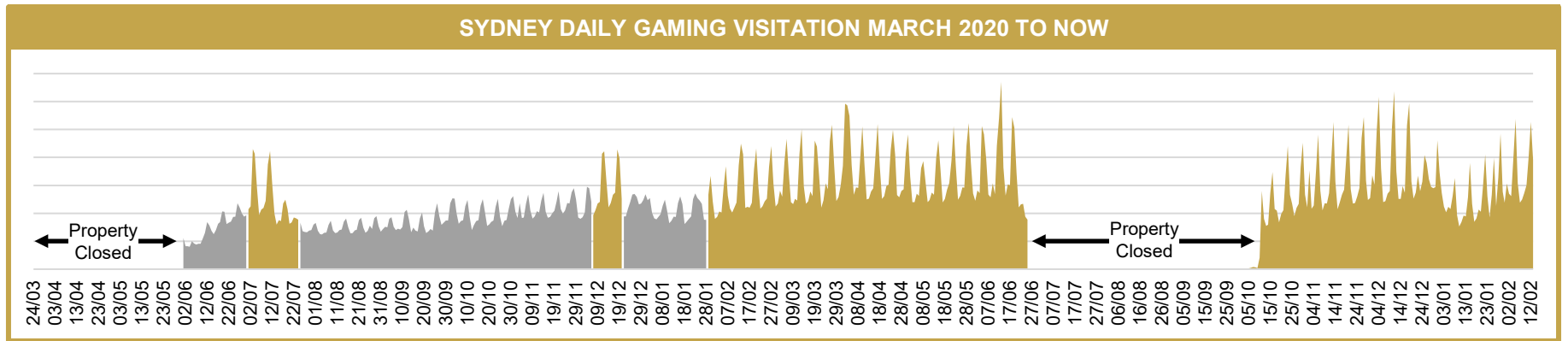
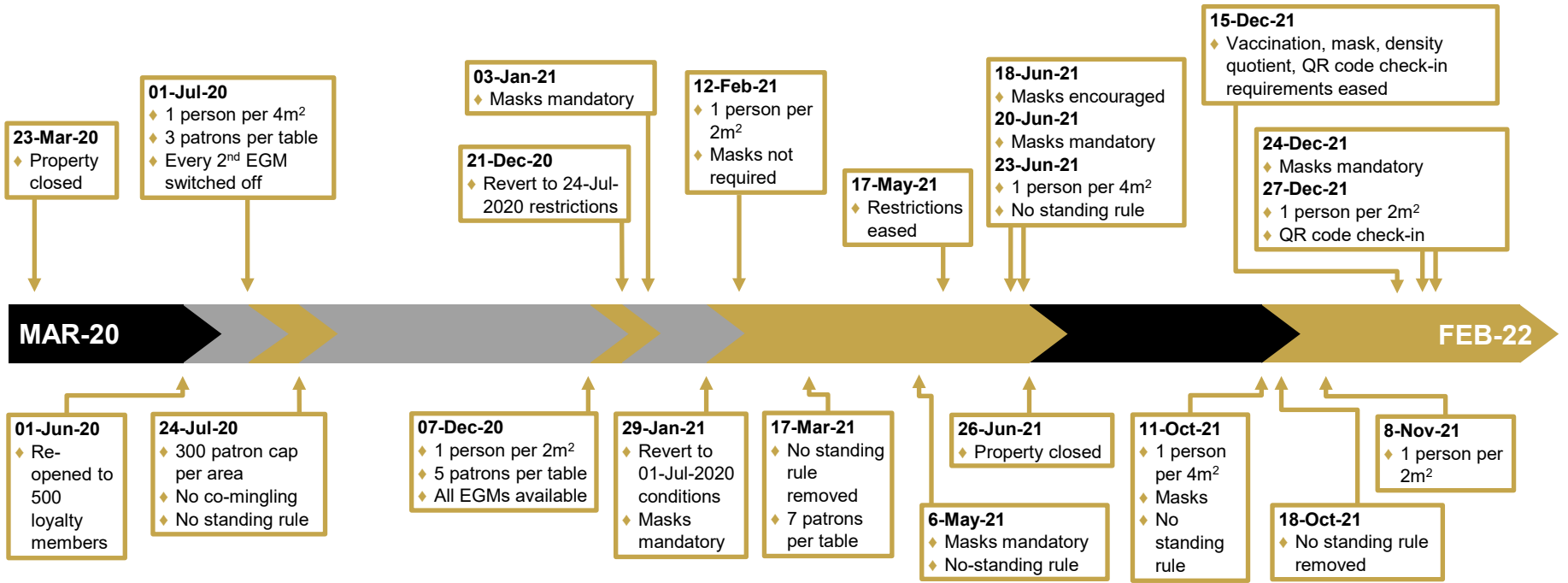


Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business. Normalised results are adjusted using an average win rate of 1.35% on actual turnover, taxes and revenue share commissions and are before significant items. EBITDA is before equity accounted investments profits/ losses and significant items.

* The comparable period in 1H FY2020 (11 October to 31 December 2019)

OVERVIEW

SYDNEY OPERATING CONDITIONS



OVERVIEW

GOLD COAST

PROPERTY CLOSURES AND OPERATING RESTRICTIONS

- ◆ Normalised EBITDA \$26m
- ◆ Earnings materially impacted by property shutdowns, COVID-19 related operating restrictions and the border closure

SOLID REVENUE PERFORMANCE

- ◆ Domestic revenue up 6% on pcp with non-gaming revenue up 35% despite shutdowns and more onerous operating restrictions
- ◆ Revenue performance reflects strong growth in peak periods (weekends/holidays) and softer performance in off-peak periods given the lack of interstate visitation and conferencing
- ◆ Slots market share up

OPERATING COSTS

- ◆ Operating costs increased 27% on pcp*
- ◆ Growth in operating expenses reflects higher underlying activity levels, particularly non-gaming, higher staffing costs given peak demand and COVID-19 related costs
- ◆ Costs in the prior period benefited from a deliberately slow ramp-up, which was not able to be replicated in the current period

KEY INITIATIVES

- ◆ Opened the Dorsett Gold Coast Hotel on 26 December 2021 with our JV partners
- ◆ Pool Club to open in February 2022 and The Star Residences to complete in 4Q FY2022
- ◆ Tower 2 remains on schedule to open in FY2025 with continuing strong apartment pre-sales

Normalised	1H FY2022	
	\$m	vs pcp
Gross Revenue	180	5%
EBITDA	26	(50%)
EBIT	(5)	(125%)

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. Comparatives have been restated due to a change in the Software-as-a-Service (SaaS) arrangements accounting policy which was adopted as at 30 June 2021.

* Adjusting for JobKeeper in the prior period

PROJECTS – THE STAR GOLD COAST

THE DORSETT GOLD COAST AND THE STAR RESIDENCES



DORSETT GOLD COAST AND THE STAR RESIDENCES – TOWER 1



DORSETT GOLD COAST HOTEL ROOM



DORSETT GOLD COAST HOTEL LOBBY

PROJECTS – THE STAR GOLD COAST NEW NON-GAMING AMENITIES



Concept image only

ISOLETTA POOL CLUB AND ISOLETTA PRIVÉ DECK



ATRIUM BAR



Concept image only

ISOLETTA POOL CLUB



UNCLE SU RESTAURANT

OVERVIEW

BRISBANE

PROPERTY CLOSURES AND OPERATING RESTRICTIONS

- ◆ Normalised EBITDA \$29m
- ◆ Earnings impacted by property shutdowns and COVID-19 related operating restrictions

REVENUE PERFORMANCE

- ◆ Domestic revenue down 11%, impacted by shutdowns and more onerous COVID-19 related operating restrictions
- ◆ Non-gaming revenue up 10% on pcp
- ◆ Softer CBD visitation impacted property visitation mid-week

OPERATING COSTS

- ◆ Operating costs up 19% on pcp*
- ◆ Growth in operating expenses reflects higher underlying activity levels, particularly non-gaming, COVID-19 related costs and investment in management capability in advance of the QWB opening
- ◆ Costs in the prior period benefited from a deliberately slow ramp-up, which was not able to be replicated in the current period

QWB UPDATE

- ◆ As previously advised, we have received a revised construction schedule from the builder. QWB is expected to open progressively from mid CY2023
- ◆ The contract provides for liquidated damages based on this revised schedule, however, the builder advised of a claim for an extension of time and costs in January 2022

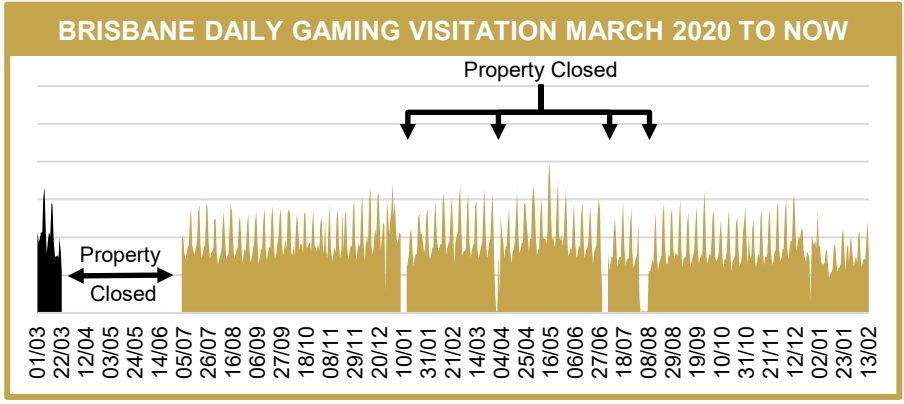
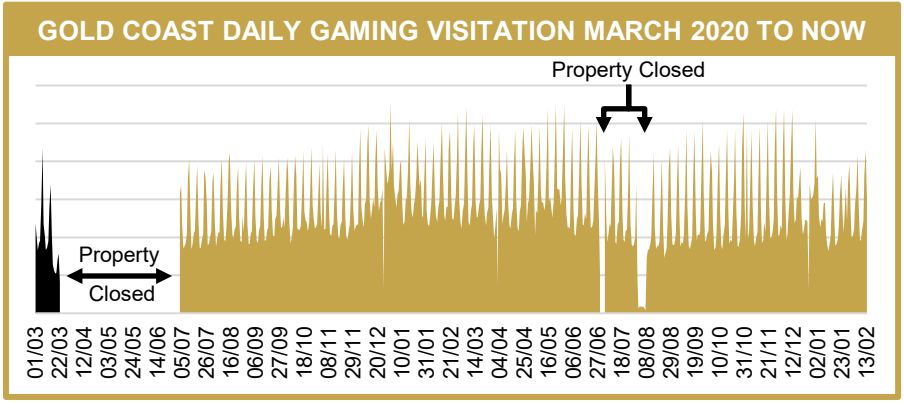
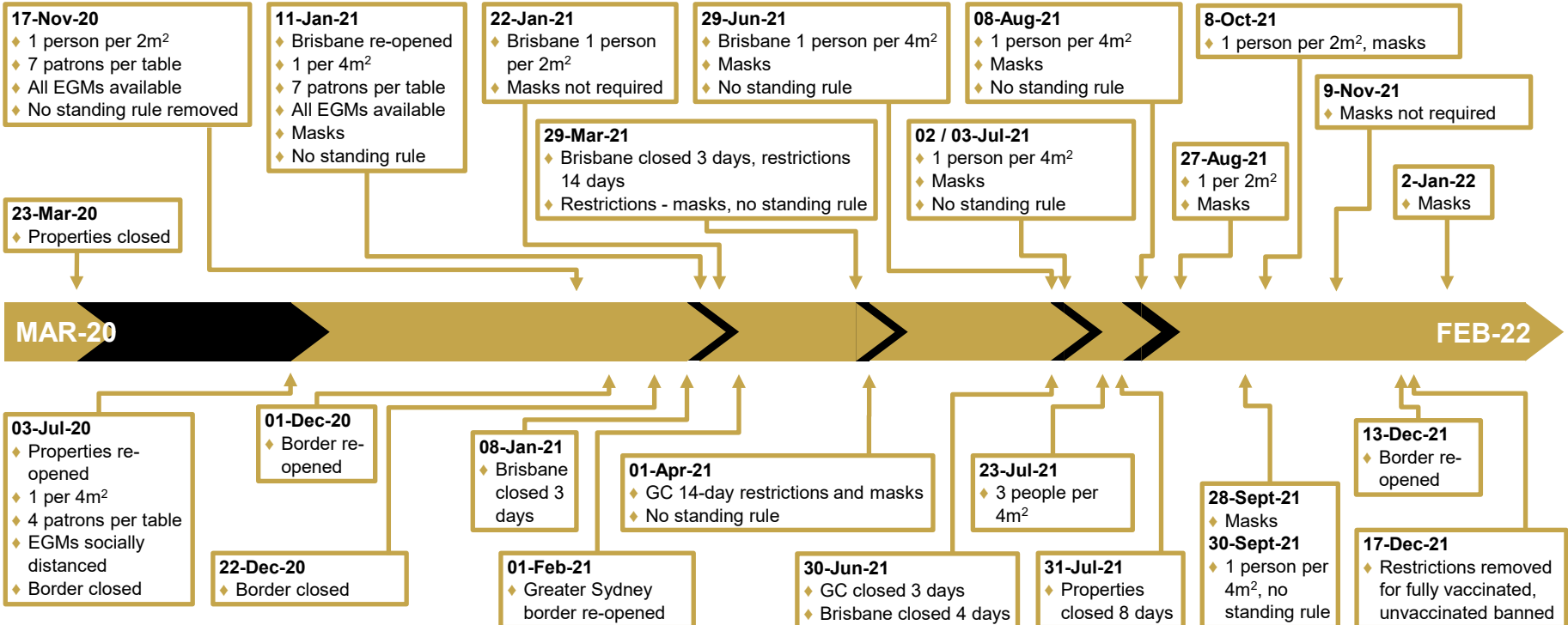
Normalised	1H FY2022	
	\$m	vs pcp
Gross Revenue	161	(11%)
EBITDA	29	(57%)
EBIT	15	(71%)

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* Adjusting for JobKeeper in the prior period

OVERVIEW

QUEENSLAND OPERATING CONDITIONS



THE STAR ENTERTAINMENT GROUP

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FINANCIALS

GROUP OVERVIEW

OPERATING EXPENSES AND SIGNIFICANT ITEMS

- ◆ Operating expenses up 5% on pcp to \$401m*
- ◆ Costs in 1H FY2022 reflect investment in staff and operating footprint to position for re-opening
- ◆ Significant items net \$1.4m**

BALANCE SHEET AND DEBT COVENANT AMENDMENTS

- ◆ Net debt increased by \$52m (4%) to \$1.2bn during the period, net leverage increased to 5.2x (Net Debt/trailing 12-month normalised EBITDA) given the property shutdowns in 1H FY2022
- ◆ Substantial liquidity on hand – \$520m in cash and undrawn facilities as at 31 December 2021
- ◆ Received full waiver of debt covenants for the December 2021 testing date and an amendment of the covenant ratios for the June 2022 testing date (annualisation of 2H FY2022 EBITDA and EBIT and amended covenant levels)

CAPEX WELL BELOW D&A

- ◆ Capex of \$66m below depreciation and amortisation expense of \$103m
- ◆ JV equity contributions down 77% to \$11m in 1H FY2022 (primarily Gold Coast Tower 2)

ASSET SALES CONTINUE TO PROGRESS

- ◆ VIP jet sold in 1H FY2022 for ~\$40m
- ◆ Entered into an agreement to sell an interest in the Treasury Brisbane assets for \$248m ex GST, targeting completion of first tranche in 2H FY2022 (proceeds of \$170m)
- ◆ Continuing work on the potential sale and leaseback (or similar transaction) of a minority holding in The Star Sydney property

* Adjusting for JobKeeper in the prior period

** Includes COVID-19 related expenditure, a gain on the sale of the jet, and settlement of the cladding dispute. Comparatives have been restated due to a change in the Software-as-a-Service (SaaS) arrangements accounting policy which was adopted as at 30 June 2021.

FINANCIALS

OPERATING EXPENSES

COST REDUCTION PROGRAM RECAP

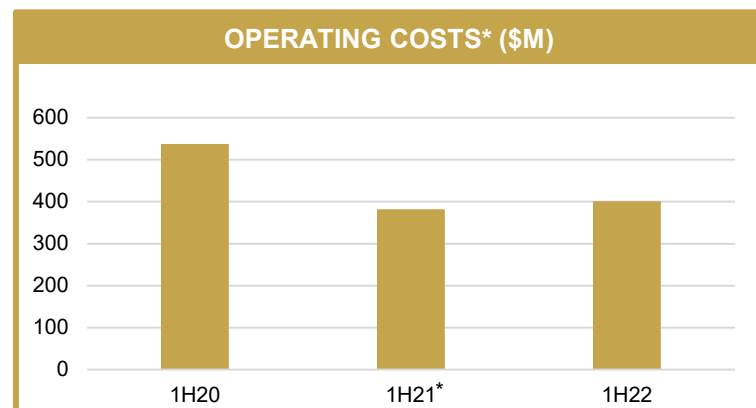
- ◆ Moved to centralised functions in 2019-2020 with ~\$50m salaried headcount savings achieved in early FY2020
- ◆ Additional \$50m in fixed cost savings targeted in FY2021 program – further streamlining central functions/overheads, international business restructure, table games supervisory labour, F&B labour, other costs
- ◆ Previously announced cost reduction program materially completed

1H FY2022 COST APPROACH

- ◆ Costs in the prior period benefited from a deliberately slow ramp-up, which was not able to be replicated in the current period
- ◆ COVID-19 resulted in a number of operating cost challenges in 1H FY2022:
 - Changing operating restrictions driving inefficiencies
 - Labour market supply challenges driving increased cost (overtime, labour mix)
 - COVID-19 related costs (compliance, cleaning, staff absenteeism, sick leave)
 - Supply chain pressures on cost of goods and services
- ◆ Additional investment made in regulatory, compliance and responsible gambling functions in the period, including costs associated with the Bell and AUSTRAC reviews

COST OUTLOOK

- ◆ COVID-19 related challenges continuing into 2H FY2022, expected to subside over time
- ◆ Further continued investment in increased headcount in regulatory and compliance functions
- ◆ Cost pressures being experienced in other cost categories (e.g. wages, insurance, energy)



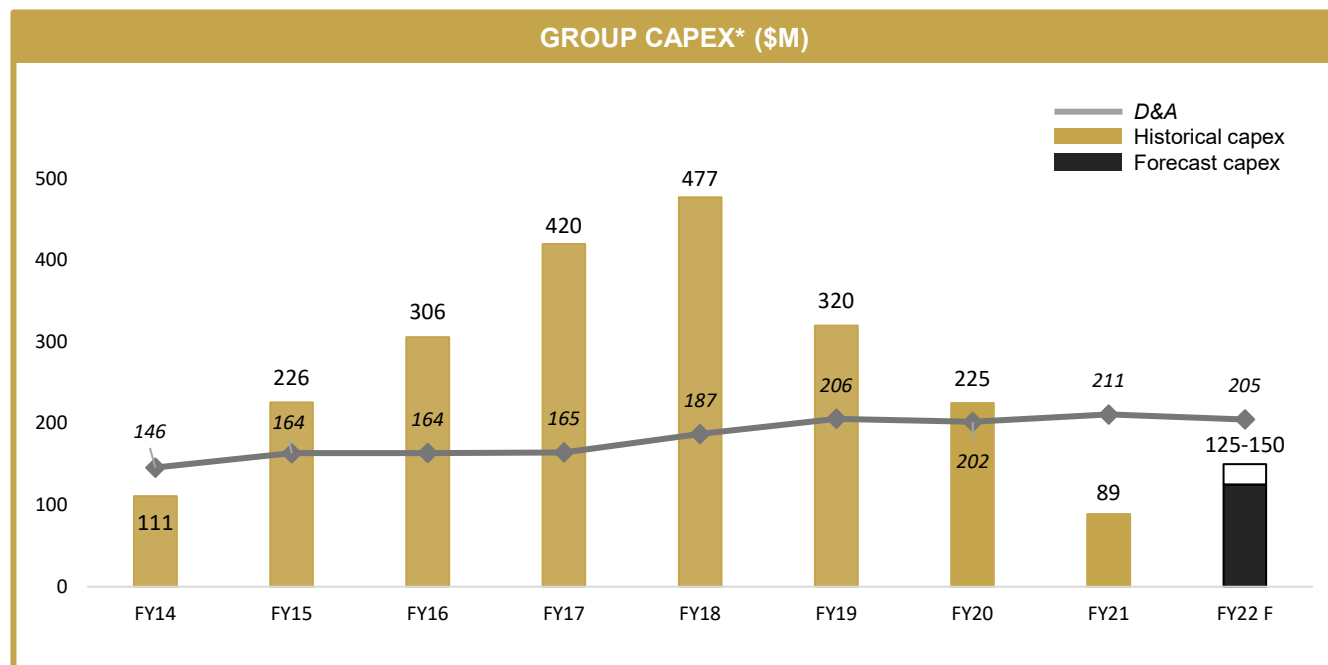
* 1H FY2021 comparatives have been restated to reflect JobKeeper and a change in the Software-as-a-Service (SaaS) arrangements accounting policy which was adopted as at 30 June 2021

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
- ◆ Capex of \$66m well below depreciation and amortisation expense of \$103m
- ◆ FY2022 expected capex remains \$125-150m, FY2023 guidance is ~\$175m
- ◆ FY2022 expected D&A expense of ~\$205m
- ◆ Expected net funding costs \$50-55m in FY2022 (previously \$55-60m)



JV CONTRIBUTIONS ARE ALSO REDUCING

- ◆ JV equity contributions down 77% to \$11m in 1H FY2022
- ◆ FY2022 JV equity contributions of ~\$35m, primarily relating to Gold Coast Tower 2

* Comparatives have been restated due to a change in the Software-as-a-Service (SaaS) arrangements accounting policy which was adopted as at 30 June 2021.

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

VIP ASSET SALES

- ◆ Sold a second VIP jet in 1H FY2022 for ~\$40m
- ◆ This is in addition to the VIP assets that were sold in FY2021, including a jet and a boat, realising ~\$35m

TREASURY ASSETS

- ◆ Entered into an agreement to sell an interest in the Treasury Casino, Hotel and Car Park for \$248m ex GST
- ◆ The Star will lease back the Hotel and the Car Park for an initial term of 30 years with 2 x 15-year options
- ◆ The lease terms imply an initial cap rate of 4.7%
- ◆ The transaction excludes the former State Library building
- ◆ Targeting completion of the first tranche in 2H FY2022 (proceeds of \$170m)

SYDNEY PROPERTY

- ◆ Continuing work on the potential sale and leaseback (or similar transaction) of a minority holding in The Star Sydney property
- ◆ The Star sees potential to unlock value from our property assets from a sale and leaseback or similar transaction
- ◆ The Gold Coast and QWB properties could be added at a future point in time

FINANCIALS

PROFIT AND LOSS – 1H FY2022

\$M	1H FY2022	1H FY2021	fav/(unfav)	1H FY2022	1H FY2021	fav/(unfav)
	STATUTORY	STATUTORY ⁶		NORMALISED ²	NORMALISED ² ₆	
Domestic Gaming revenue	498.0	657.5	(24.3%)	498.0	657.5	(24.3%)
International VIP Rebate	1.8	16.4	(89.0%)	0.5	8.8	(94.3%)
Non-gaming and other revenue	81.5	76.0	7.2%	81.5	76.0	7.2%
Gross Revenue¹	581.3	749.9	(22.5%)	580.0	742.3	(21.9%)
Player rebates and commissions	(4.2)	(8.5)	50.6%	(4.2)	(9.2)	54.3%
Net Revenue	577.1	741.4	(22.2%)	575.8	733.1	(21.5%)
Gaming taxes and levies	(145.8)	(184.1)	20.8%	(145.8)	(183.3)	20.5%
Operating expenditure	(400.6)	(324.1)	(23.6%)	(400.6)	(324.1)	(23.6%)
EBITDA (before significant items)³	30.7	233.2	(86.8%)	29.4	225.7	(87.0%)
D&A	(103.1)	(105.8)	2.6%	(103.1)	(105.8)	2.6%
EBIT (before significant items)	(72.4)	127.4	(156.8%)	(73.7)	119.9	(161.5%)
Share of net profit/(loss) of associate	(6.6)	(1.3)	(407.7%)	(6.6)	(1.3)	(407.7%)
Statutory EBIT (before significant items)	(79.0)	126.1	(162.6%)	(80.3)	118.6	(167.7%)
Net funding costs	(22.9)	(26.9)	14.9%	(22.9)	(26.9)	14.9%
Tax (before significant items) ⁴	29.1	(31.7)	191.8%	29.5	(27.5)	207.3%
NPAT (before significant items)	(72.8)	67.5	(207.9%)	(73.7)	64.2	(214.8%)
Significant items (after tax) ⁵	(1.4)	(17.8)	92.1%			
Statutory NPAT	(74.2)	49.7	(249.3%)			
Earnings per share (cents)	(7.8)	5.3	(247.2%)			
Total Dividends per share (cents)	0.0	0.0	0.0%			

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 \$30.7m 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. 1H FY2022 Significant Items include COVID-19 related expenditure, a gain on the sale of the jet, and settlement of the cladding dispute. Refer to Note A5 of the Financial Report for a reconciliation of significant items
6. Comparatives have been restated due to a change in the Software-as-a-Service (SaaS) arrangements accounting policy which was adopted as at 30 June 2021

FINANCIALS

BALANCE SHEET

\$M	DEC 2021	JUN 2021 ¹	DEC 2020 ¹
ASSETS			
Current Assets			
Cash and cash equivalents	100.8	67.9	88.6
Trade and other receivables	20.8	23.3	61.7
Inventories	17.1	15.2	16.4
Income tax receivable	9.3	-	-
Derivative financial instruments	2.7	2.9	43.9
Assets held for sale	-	30.6	28.9
Other assets	81.8	23.8	41.7
Total current assets	232.5	163.7	281.2
Non current assets			
Property, plant and equipment	2,664.9	2,695.4	2,787.2
Intangible assets	1,825.6	1,831.4	1,834.7
Derivative financial instruments	35.0	13.9	13.6
Investment in associate and joint venture entities	636.2	631.7	580.0
Other assets	39.4	37.2	33.8
Total Non current assets	5,201.1	5,209.6	5,249.3
TOTAL ASSETS	5,433.6	5,373.3	5,530.5
LIABILITIES			
Current liabilities			
Trade and other payables	215.7	179.1	219.9
Interest bearing liabilities	4.8	6.8	144.6
Income tax payable	-	1.0	1.6
Provisions	102.5	94.5	98.2
Derivative financial instruments	5.9	5.6	8.9
Other liabilities	25.1	23.5	25.9
Total current liabilities	354.0	310.5	499.1
Non current liabilities			
Interest bearing liabilities	1,396.1	1,285.9	1,262.2
Deferred tax liabilities	111.1	134.3	135.8
Provisions	10.0	10.0	10.4
Derivative financial instruments	1.3	8.0	16.8
Other liabilities	9.4	9.8	5.6
Total non current liabilities	1,527.9	1,448.0	1,430.8
TOTAL LIABILITIES	1,881.9	1,758.5	1,929.9
NET ASSETS	3,551.7	3,614.8	3,600.6
EQUITY			
Share capital	3,170.5	3,159.3	3,159.3
Retained earnings	376.1	450.3	442.1
Reserves	5.1	5.2	(0.8)
TOTAL EQUITY	3,551.7	3,614.8	3,600.6

◆ Capital programs progressed

- Property, plant and equipment declined, reflecting capex below depreciation
- Investment in associates and JV entities increased, relating to QWB and the Gold Coast JV towers progressing as planned

◆ Other assets increased to \$81.8m primarily relating to a payment to the ATO in relation to the disputed GST matter

◆ The reduction in deferred tax liabilities is based on the 1H FY2022 tax loss

◆ The movement in derivative financial instruments reflects the movement in interest rates and currency exchanges

◆ Net debt of \$1,223m (excluding lease liabilities of \$46m), was up \$52m vs 30 June 2021

1. Comparatives have been restated due to a wage compliance issue and a change in the Software-as-a-Service (SaaS) arrangements accounting policy which was adopted as at 30 June 2021

THE STAR ENTERTAINMENT GROUP

AGENDA

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4. Q&A

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, scope expanded January 2022
 - The Star will continue to fully co-operate with AUSTRAC in relation to its requests for information and documents and the investigation
 - Continued investment to enhance AML capabilities
- ◆ **ILGA Review** – review of The Star Sydney underway, report to ILGA by 30 June 2022
- ◆ **Cashless gaming** - advance roadmap towards cashless gaming alternatives

3

STRATEGIC INITIATIVES

- ◆ **Sydney slots** – seek to advance proposal to government to increase the number of slots at Sydney
- ◆ **Asset sales**
 - Targeting completion of first tranche of the sale of the interest in the Treasury Brisbane assets in 2H FY2022 (\$170m)
 - Continuing work on the potential sale and leaseback (or similar transaction) of a minority holding in The Star Sydney property

4

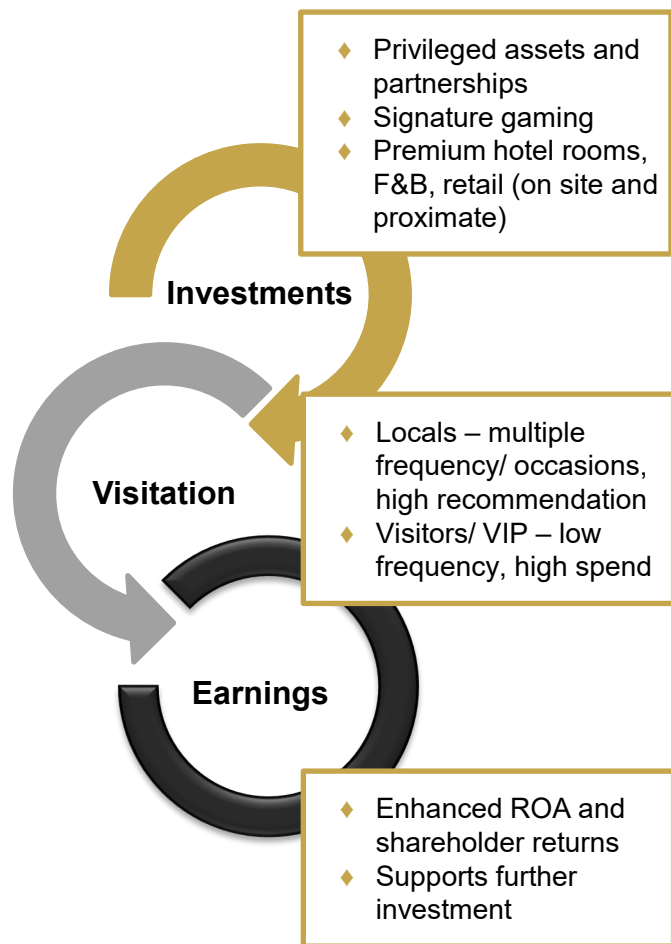
MAJOR PROJECTS

- ◆ **Gold Coast** – complete the opening of the Dorsett Gold Coast (commenced in December 2021), complete Tower 1 apartment settlements, continue to progress Tower 2, consider timing of Tower 3 post completion of Tower 1 settlements
- ◆ **QWB** – continue to progress the construction of the QWB IRD, seek to resolve the builder claim, prepare for the opening of the 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
- ◆ 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
- ◆ The Star Gold Coast Masterplan
- ◆ Our Queensland properties are well-positioned for the Brisbane Olympics in 2032
- ◆ The Star Sydney – advance masterplan for additional mixed use development opportunities

3

Enhance shareholder returns

- ◆ Continue to improve AML/CTF, RG capabilities
- ◆ Execute a capital efficient model
- ◆ Progress capital recycling options
 - asset sales
 - property monetisation opportunities
- ◆ Pursue a partnership approach to investments

PRIORITIES GOLD COAST

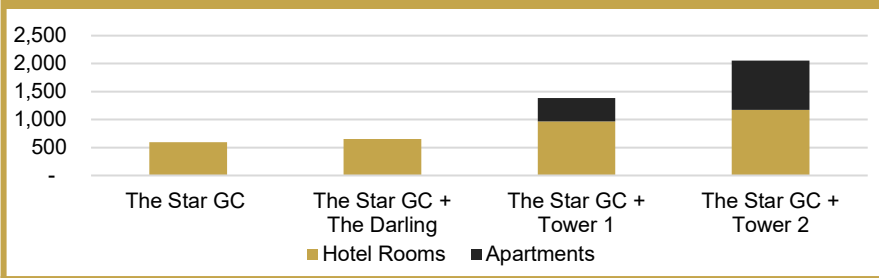
CONSTRUCTION ON TIME AND BUDGET

- ◆ Opened the Dorsett Gold Coast Hotel in December 2021
- ◆ Complete The Star Residences in 4Q FY2022
- ◆ Construction of Tower 2, a \$400m 63-storey mixed use tower, which commenced in February 2021 is underway, incorporating a 210 room 5-star hotel and 457 apartments (94% pre-sold)
- ◆ Capital works will be funded by partner contributions, existing and new debt facilities, and free cash flow generation
- ◆ Upon completion of Tower 2, The Star Gold Coast will have in excess of 2,000 hotel rooms and apartments on the island
- ◆ Tower 3 to be considered post Tower 1 settlements



THE STAR GOLD COAST – TOWERS 1 AND 2

THE STAR GOLD COAST HOTEL ROOM AND APARTMENT GROWTH



KEY DATES*

FY2025 ◆ Complete construction of Tower 2

Subject to planning and other approvals



TOWER 2 CONSTRUCTION – FEBRUARY 2022

PRIORITIES

QUEEN'S WHARF BRISBANE

PLANNED FOR MID CY2023 OPENING

- ◆ 64% of gross floor area has been built
- ◆ Fit-out of the podium is progressing
- ◆ In excess of 90% of project costs are under lump sum terms
- ◆ Construction of the Neville Bonner Bridge is progressing
- ◆ Signed a lease agreement with DFS, part of the LVMH Group, for ~6,000 sqm of luxury retail floorspace
- ◆ F&B leasing strategy progressing well with Agreements for Lease to be executed mid CY2022
- ◆ Restoration and fit-out of heritage buildings has commenced
- ◆ Anticipating a progressive opening of the IRD from mid CY2023
- ◆ Contract delay allows for liquidated damages, however, the builder has advised of claim for extension of time and costs
- ◆ 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*

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 GEORGE STREET – FEBRUARY 2022



VIEW FROM SOUTH BANK – FEBRUARY 2022

THE STAR ENTERTAINMENT GROUP

AGENDA

1. OVERVIEW

2. FINANCIALS

3. PRIORITIES

4. Q&A

APPENDIX

KEY SUSTAINABILITY METRICS

SUSTAINABILITY AND ENVIRONMENTAL



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



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



Green Star Performance Ratings achieved – The Star Sydney and The Star Gold Coast. **Green Star Rating** commitments for all new buildings



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



Net zero carbon emissions by 2030 for wholly owned and operated assets

30% reduction by 2023 in carbon emissions and water consumption intensity

23.6% reduction in carbon emissions from base year FY13



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



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



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



FTSE4Good

Constituent of the **FTSE4Good** Index



BlockTexx founding partner supporting the recycling of textiles into new resources

SOCIAL AND COMMUNITY



64 TONNES of food (192,000 meals) donated (**OzHarvest, Foodbank**) to date



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



Signatory to the Global Compact Network Australia – released first **'Communication on Progress'**



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

APPENDIX

STATUTORY RESULTS – 1H FY2022

\$M	SYDNEY			GOLD COAST			BRISBANE			TOTAL		
	1H FY2022	1H FY2021 ¹	fav/(unfav)	1H FY2022	1H FY2021	fav/(unfav)	1H FY2022	1H FY2021	fav/(unfav)	1H FY2022	1H FY2021 ¹	fav/(unfav)
Slots	79.6	121.2	(34.3%)	98.9	98.7	0.2%	81.3	91.3	(11.0%)	259.8	311.2	(16.5%)
Domestic Tables	130.9	227.5	(42.5%)	40.5	41.6	(2.6%)	66.8	77.2	(13.5%)	238.2	346.3	(31.2%)
Non-gaming	26.1	30.5	(14.4%)	40.4	29.9	35.1%	12.0	10.9	10.1%	78.5	71.3	10.1%
Total Domestic	236.6	379.2	(37.6%)	179.8	170.2	5.6%	160.1	179.4	(10.8%)	576.5	728.8	(20.9%)
International VIP Rebate	1.8	14.9	(87.9%)	0.0	0.9	(100.0%)	-	0.6	(100.0%)	1.8	16.4	(89.0%)
Other revenue	1.9	3.4	(44.1%)	0.6	0.6	0.0%	0.5	0.7	(28.6%)	3.0	4.7	(36.2%)
Total Gross Revenue	240.3	397.5	(39.5%)	180.4	171.7	5.1%	160.6	180.7	(11.1%)	581.3	749.9	(22.5%)
Player rebates and commissions	(3.1)	(8.2)	62.2%	(0.7)	(0.1)	(600.0%)	(0.4)	(0.2)	(100.0%)	(4.2)	(8.5)	50.6%
Net Revenue	237.2	389.3	(39.1%)	179.7	171.6	4.7%	160.2	180.5	(11.2%)	577.1	741.4	(22.2%)
Gaming taxes and levies	(66.5)	(100.1)	33.6%	(37.6)	(37.9)	0.8%	(41.7)	(46.1)	9.5%	(145.8)	(184.1)	20.8%
Operating expenses	(194.7)	(176.4)	(10.4%)	(116.3)	(81.5)	(42.7%)	(89.6)	(66.2)	(35.3%)	(400.6)	(324.1)	(23.6%)
EBITDA (before significant items)	(24.0)	112.8	(121.3%)	25.8	52.2	(50.6%)	28.9	68.2	(57.6%)	30.7	233.2	(86.8%)
D&A	(58.8)	(60.4)	2.6%	(30.8)	(30.9)	0.3%	(13.5)	(14.5)	6.9%	(103.1)	(105.8)	2.6%
EBIT (before significant items)	(82.8)	52.4	(258.0%)	(5.0)	21.3	(123.5%)	15.4	53.7	(71.3%)	(72.4)	127.4	(156.8%)
Share of net profit/(loss) of associate										(6.6)	(1.3)	(407.7%)
Significant Items										(2.0)	(25.5)	92.2%
Net funding costs										(22.9)	(26.9)	14.9%
Tax										29.7	(24.0)	223.8%
Statutory NPAT										(74.2)	49.7	(249.3%)
EBITDA/Revenue %	(10.0%)	28.4%		14.3%	30.4%		18.0%	37.7%		5.3%	31.1%	
International VIP Rebate Front Money \$m	3.9	40.3	(90.3%)	0.0	4.9	(100.0%)	-	1.0	(100.0%)	3.9	46.2	(91.6%)
International VIP Rebate Turnover \$m	36.6	559.3	(93.5%)	0.4	74.8	(99.5%)	-	19.8	(100.0%)	37.0	653.9	(94.3%)
International VIP Rebate Win rate	4.92%	2.67%		5.07%	1.20%		0.00%	3.03%		4.86%	2.51%	

Net Revenue is after player rebates and commissions. Complimentary revenue is included within domestic gaming revenue. International VIP Rebate includes IPM. Refer to Note A5 of the Financial Report for a reconciliation of significant items.

1. Comparatives have been restated due to a change in the Software-as-a-Service (SaaS) arrangements accounting policy which was adopted at 30 June 2021

APPENDIX

NORMALISED RESULTS – 1H FY2022

\$M	SYDNEY			GOLD COAST			BRISBANE			TOTAL		
	1H FY2022	1H FY2021 ¹	fav/(unfav)	1H FY2022	1H FY2021	fav/(unfav)	1H FY2022	1H FY2021	fav/(unfav)	1H FY2022	1H FY2021 ¹	fav/(unfav)
Slots	79.6	121.2	(34.3%)	98.9	98.7	0.2%	81.3	91.3	(11.0%)	259.8	311.2	(16.5%)
Domestic Tables	130.9	227.5	(42.5%)	40.5	41.6	(2.6%)	66.8	77.2	(13.5%)	238.2	346.3	(31.2%)
Non-gaming	26.1	30.5	(14.4%)	40.4	29.9	35.1%	12.0	10.9	10.1%	78.5	71.3	10.1%
Total Domestic	236.6	379.2	(37.6%)	179.8	170.2	5.6%	160.1	179.4	(10.8%)	576.5	728.8	(20.9%)
International VIP Rebate	0.5	7.5	(93.5%)	0.0	1.0	(99.5%)	-	0.3	(100.0%)	0.5	8.8	(94.3%)
Other revenue	1.9	3.4	(44.1%)	0.6	0.6	0.0%	0.5	0.7	(28.6%)	3.0	4.7	(36.2%)
Total Gross Revenue	239.0	390.1	(38.7%)	180.4	171.8	5.0%	160.6	180.4	(11.0%)	580.0	742.3	(21.9%)
Player rebates and commissions	(3.1)	(7.7)	59.7%	(0.7)	(1.3)	46.2%	(0.4)	(0.2)	(100.0%)	(4.2)	(9.2)	54.3%
Net Revenue	235.9	382.4	(38.3%)	179.7	170.5	5.4%	160.2	180.2	(11.1%)	575.8	733.1	(21.5%)
Gaming taxes and levies	(66.5)	(99.3)	33.0%	(37.6)	(37.9)	0.8%	(41.7)	(46.1)	9.5%	(145.8)	(183.3)	20.5%
Operating expenses	(194.7)	(176.4)	(10.4%)	(116.3)	(81.5)	(42.7%)	(89.6)	(66.2)	(35.3%)	(400.6)	(324.1)	(23.6%)
Normalised EBITDA	(25.3)	106.7	(123.7%)	25.8	51.1	(49.5%)	28.9	67.9	(57.4%)	29.4	225.7	(87.0%)
D&A	(58.8)	(60.4)	2.6%	(30.8)	(30.9)	0.3%	(13.5)	(14.5)	6.9%	(103.1)	(105.8)	2.6%
Normalised EBIT	(84.1)	46.3	(281.6%)	(5.0)	20.2	(124.8%)	15.4	53.4	(71.2%)	(73.7)	119.9	(161.5%)
Share of net profit/(loss) of associate										(6.6)	(1.3)	(407.7%)
Normalised EBIT after share of net profit of associate										(80.3)	118.6	(167.7%)
Net funding costs										(22.9)	(26.9)	14.9%
Tax										29.5	(27.5)	207.3%
Normalised NPAT										(73.7)	64.2	(214.8%)
EBITDA/Revenue %	(10.6%)	27.4%		14.3%	29.7%		18.0%	37.6%		5.1%	30.4%	
International VIP Rebate Front Money \$m	3.9	40.3	(90.3%)	0.0	4.9	(100.0%)	-	1.0	(100.0%)	3.9	46.2	(91.6%)
International VIP Rebate Turnover \$m	36.6	559.3	(93.5%)	0.4	74.8	(99.5%)	-	19.8	(100.0%)	37.0	653.9	(94.3%)
International VIP Rebate Win rate	1.35%	1.35%		1.35%	1.35%		0.00%	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 A5 of the Financial Report for a reconciliation of significant items.

1. Comparatives have been restated due to a change in the Software-as-a-Service (SaaS) arrangements accounting policy which was adopted at 30 June 2021.

APPENDIX

CASH CONVERSION AND FUNDING

CASH CONVERSION

CATEGORY	DEC 2021	JUN 2021	DEC 2020 ²
\$M			
Cash flows from operating activities before interest and income tax			
Net cash receipts in the course of operations	612.9	1,689.7	816.9
Payments to suppliers, service providers and employees	(425.3)	(995.9)	(485.7)
Payment of government levies, gaming taxes and GST	(176.6)	(335.2)	(144.4)
Receipt of government grants	0.0	112.7	103.0
Net cash inflows from operating activities before interest and income tax	11.0	471.3	289.8
	(78.9)	138.4	104.9
Add back depreciation and amortisation	103.1	243.8	109.4
EBITDA¹	24.2	382.2	214.3
Cash collection	45%	123%	135%

Note:

1. Including share of net profit/(loss) of associate and significant items. Significant items in 1H FY2022 include impairment expense.

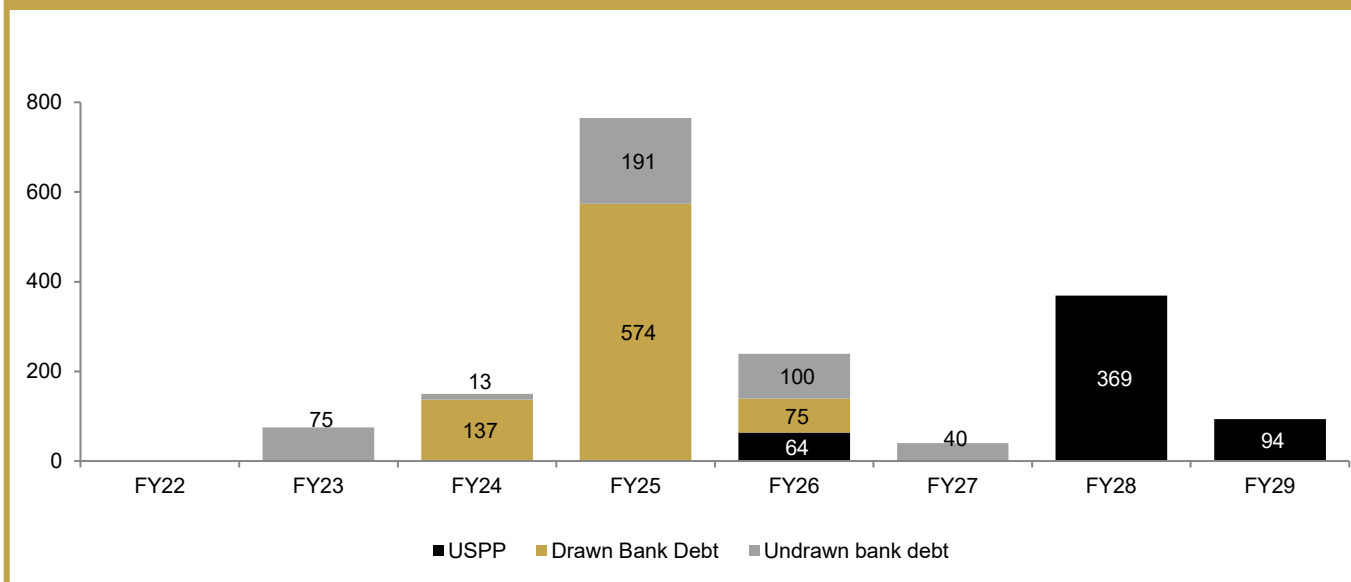
2. Comparatives have been restated due to a change in the Software-as-a-Service (SaaS) arrangements accounting policy which was adopted at 30 June 2021

FUNDING

As at 31 December 2021:

- ◆ \$1.7bn total facilities
- ◆ 3.4 years weighted average debt maturity of committed debt facilities
- ◆ \$0.5bn total available cash and facilities

DEBT MATURITY PROFILE AT 31 DECEMBER 2021 (\$M)



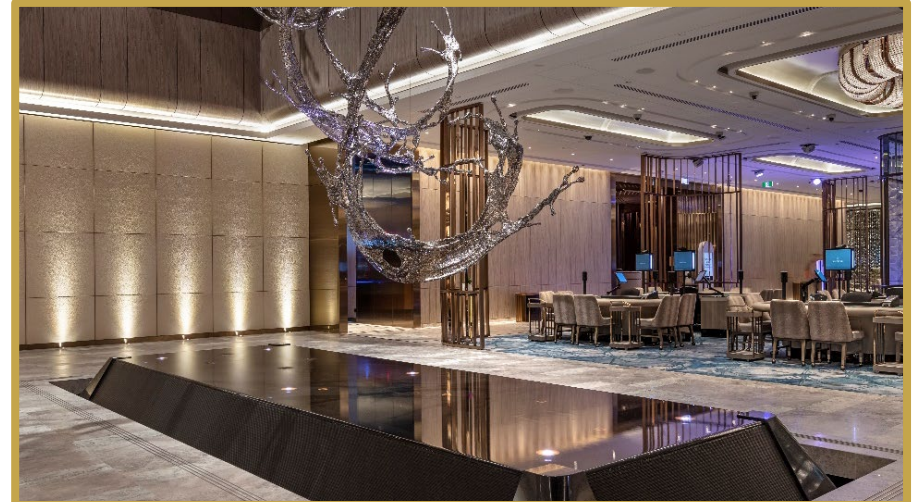
APPENDIX

ADDRESS CROWN SYDNEY

COMPETITION READY

1	Table and EGM Gaming	Regulatory and customer advantage <ul style="list-style-type: none"> ◆ Table/Slots overlap – individuals, small groups ◆ Casino EGM exclusivity
2	PGRs	Unmatched size and range <ul style="list-style-type: none"> ◆ New Chairman's and Sovereign Rooms ◆ Oasis, Oasis Extension
3	Car Park	Direct access to PGRs <ul style="list-style-type: none"> ◆ Over 90% of Sovereign patrons drive to property
4	Integrated Offer	Co-located gaming and F&B offer <ul style="list-style-type: none"> ◆ Premium play across PGRs and MGF ◆ Wide range of onsite F&B
5	Loyalty	Updated and targeted <ul style="list-style-type: none"> ◆ Leverage behavioural insights ◆ Improved ratings accuracy (smart tables)
6	Sales	Focused sales <ul style="list-style-type: none"> ◆ Sales/host to customer ratios, relationships
7	People	Retention schemes, upgraded service levels <ul style="list-style-type: none"> ◆ Key staff retention scheme in place ◆ Forbes 5-star service levels
8	Networked Properties	Spend in Sydney, play and stay in Queensland <ul style="list-style-type: none"> ◆ Gold Coast enlarged, upgraded ◆ QWB from 2022

	SOVEREIGN AND CHAIRMAN'S ROOMS	TOTAL
Tables	~ 95	~ 300 (ex VIP)
Slots	~ 310	1,500
MTGMs	~ 100	~ 600



SOVEREIGN ROOM



OASIS

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