



THE STAR

ASX Announcement

29 August 2023

FULL YEAR RESULTS PRESENTATION

Attached is the presentation regarding the financial results of The Star Entertainment Group Limited (**The Star**) for the year ended 30 June 2023.

A conference call to discuss the financial results will be hosted by Robbie Cooke (Group Chief Executive Officer and Managing Director) and Christina Katsibouba (Group Chief Financial Officer) at 10:00am (AEST) today.

To register for the conference call, please visit The Star's website at:
www.starentertainmentgroup.com.au/financial-results.

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

Authorised by:

Board of Directors

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THE STAR ENTERTAINMENT GROUP

FY23 RESULTS PRESENTATION

TUESDAY
29 AUGUST
2023

THE STAR ENTERTAINMENT GROUP

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 (TSEG) financial report for the twelve months ended 30 June 2023 (**Financial Report**) and other disclosures made via the Australian Securities Exchange
- ◆ TSEG's 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 FY24 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

DISCLAIMER

- ◆ This presentation is prepared for information purposes only and does not take into consideration any individual investor's circumstances. TSEG recommends investors make their own assessments and seek independent professional advice before making investment decisions
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3. TRADING YTD & KEY PRIORITIES

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OVERVIEW

INTRODUCTION

FY23 REMEDIATION FOCUS

- ◆ Our focus in the year has been to work towards earning back the trust of our regulators, governments, shareholders, team members, guests and the community by transforming our culture, our governance, our risk and compliance management, our accountabilities and capabilities, and our approach to harm minimisation.

NEW ORGANISATIONAL STRATEGY

- ◆ Our organisational strategy is:
 - To deliver sustainable outcomes for our guests, our team members, the communities in which we exist and our shareholders by providing entertainment, gaming and leisure experiences in a safe, responsible and ethical way.
 - We will do this by embedding a new set of values to lead the organisation with a focus on safer gambling and good business practices.

KEY ACTIONS TAKEN

- ◆ Progress on key remediation actions since June 2022 include:
 - Significant uplift in AML capabilities – team expanded from 26 to 99 full time employees.
 - Significant uplift in safer gambling capabilities from 18 to 55 full time employees.
 - Our overall risk and compliance team now 83 full time employees, up from 53.
 - Our entire Board replaced.
 - Refreshed our senior leadership team. Key external hires include the Group CEO and Managing Director, Group Chief Risk Officer, Group Controls Officer, Group Chief Legal Officer, General Manager Safer Gambling and General Manager Financial Crime. Key internal promotions include our Group Chief Financial Officer and Chief Transformation Officer.

OVERVIEW

INTRODUCTION

KEY ACTIONS TAKEN (CONTINUED)

- ◆ Progress on key remediation actions in the last 12 months include:
 - Culture review completed by The Ethics Centre.
 - Root Cause Analysis completed by Deloitte.
 - Vision, Purpose, Values and Principles restatement commenced.
 - New organisational structure announced and in implementation phase – including three lines of accountability model.
 - Sydney Casino Internal Controls replaced in 8 months including 546 unique controls and ~150 personnel working on the project.
 - A comprehensive draft Remediation Plan submitted including ~550 milestones over a multi-year period. 14 individual remediation workstreams across the entire Group.
- ◆ Commitment to earn back the trust and confidence of our community including our regulators, governments, shareholders, employees and guests.
- ◆ While our reform journey has commenced, we acknowledge a lot remains to be done.

OVERVIEW

SIGNIFICANT MATTERS

NSW CASINO DUTY RATES

- ◆ In-principle agreement reached with the NSW Government to amend the casino duty rates, removing considerable uncertainty introduced in December 2022.

AUSTRAC

- ◆ AUSTRAC has commenced civil penalty proceedings in relation to alleged contraventions of obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. Parties are working towards establishing a statement of agreed facts and admissions by 1 November 2023.

CLASS ACTIONS

- ◆ Four separate proceedings have been commenced in the Supreme Court of Victoria alleging misleading or deceptive conduct in relation to disclosures made to the market. Expectation that one plaintiff firm will be granted carriage of the proceeding which The Star will defend.

ASIC

- ◆ ASIC has commenced civil penalty proceedings against a number of former directors and executives for alleged contraventions of duties under the Corporations Act. The Star is not a defendant in the proceedings.

DEBT REFINANCING

- ◆ The Star is undertaking a process to refinance its existing debt facilities and intends to provide an update on the refinancing process in coming months.

OVERVIEW

GROUP PERFORMANCE

FY23 EARNINGS

		FY23	FY22
Normalised¹	EBITDA	\$317m	\$235m
	NPAT / (loss)	\$41m	(\$33m)
Statutory	EBITDA	\$317m	\$238m
	NPAT / (loss)	(\$2,435m)	(\$203m)

- ◆ EBITDA slightly above the top end of previously announced guidance range (EBITDA \$280m to \$310m).
- ◆ Significant items² of \$2.82bn predominantly include: non-cash impairment of the Sydney, Gold Coast and Treasury Brisbane goodwill and property assets (\$2.17bn), regulatory and legal costs (\$595m), debt restructuring costs (\$54m), redundancy costs (\$16m).
- ◆ Queensland properties started the period strongly post Covid, however, the Gold Coast softened in the second half.
- ◆ Sydney performance was impacted by uplifted controls, some operating restrictions, increased competition and weaker consumer discretionary spending.

FY23 ACTIONS

- ◆ In-principle agreement reached with the NSW Government to amend casino duty rates creating a sustainable path forward for The Star Sydney.
- ◆ Completed \$800m equity raising in February 2023. \$779m net proceeds applied to repay and/or cancel debt facilities.
- ◆ Previously announced ~\$100m cost-out program completed. Reduced headcount by ~500 with no impact on risk and compliance roles.
- ◆ Reached agreement to sell the Sheraton Grand Mirage Resort Gold Coast for \$192m.
- ◆ Focus on remediation actions (refer slides 4 and 5).

Notes: ¹ Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business, noting The Star has suspended all 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. ² FY23 Significant Items include impairment of Sydney, Gold Coast and Treasury Brisbane goodwill, PPE and intangibles, regulatory and associated costs (including fines), debt modifications, restructuring and redundancy costs, and software-as-a-service implementation costs, partially offset by profit on sale of assets. Refer to Note A7 of the Financial Report for a reconciliation of significant items.

OVERVIEW

THE STAR SYDNEY PERFORMANCE

FY23 EARNINGS

NORMALISED ¹	FY23 \$m	FY22 \$m	% chg
Sydney Revenue	978	774	27%
EGMs	341	261	30%
Tables	498	418	19%
Non-gaming	140	94	49%
EBITDA	127	81	57%

- ◆ Performance impacted by uplifted controls resulting in increased guest exclusions, certain operating restrictions impacting customer experience (i.e. reduced level of complimentary services and benefits in private gaming areas) and weaker consumer discretionary spending.
- ◆ Also impacted by increased competition (Crown and less regulated NSW clubs – see below) and higher levels of risk and compliance resourcing and remediation costs.
- ◆ Sydney revenue was up 27% on pcp:
 - EGMs up 30%, tables up 19%;
 - Non-gaming revenue up 49%.
- ◆ Operating costs up 21% at \$586m.
- ◆ EBITDA up 57% on pcp to \$127m and EBIT up 149% on pcp to \$18m.

FY24 KEY INITIATIVES & PRIORITIES

- ◆ Focus on regaining suitability to hold NSW casino licence.
- ◆ Secure competitive neutrality in operating conditions across NSW (ie safer gambling, customer probity and carded/cashless play).
- ◆ Sustain the benefits of the recent cost reduction and operational initiatives.

Notes: ¹ Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business, noting The Star has suspended all 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

THE STAR GOLD COAST PERFORMANCE

FY23 EARNINGS

NORMALISED ¹	FY23 \$m	FY22 \$m	% chg
Gold Coast Revenue	505	422	20%
EGMs	233	214	9%
Tables	103	96	7%
Non-gaming	169	112	52%
EBITDA	107	89	20%

- ◆ Strong start to the period benefitting from a surge in domestic tourism and customer spending post Covid along with a return in convention activity.
- ◆ 2H FY23 impacted by uplifted controls resulting in increased number of excluded guests, rebound in outbound travel competing with domestic tourism and weaker consumer discretionary spending.
- ◆ Gold Coast revenue up 20% on pcp;
 - EGMs up 9% and tables up 7%;
 - Non-gaming revenue up 52% driven by new amenities and the return of conferences.
- ◆ Operating costs up 24% at \$312m driven by higher activity levels, new amenities, investment in risk and compliance capability, and the step-up in remediation costs.
- ◆ EBITDA up 20% on pcp to \$107m and EBIT up 77% on pcp to \$46m.

FY24 KEY INITIATIVES & PRIORITIES

- ◆ Focus on regaining suitability to hold the Gold Coast casino licence.
- ◆ Optimising occupancy and yields.
- ◆ Tower 2 construction underway with all apartments pre-sold.

Notes: ¹ Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business, noting The Star has suspended all 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

TREASURY BRISBANE PERFORMANCE

FY23 EARNINGS

NORMALISED ¹	FY23 \$m	FY22 \$m	% chg
Brisbane Revenue	373	325	15%
EGMs	197	168	17%
Tables	143	132	8%
Non-gaming	34	25	34%
EBITDA	83	65	29%

- ◆ Strong start to FY23 with a slight slowdown in the second half.
- ◆ Brisbane revenue up 15% on pcp:
 - EGMs up 17% and tables up 8%;
 - Non-gaming revenue up 34%.
- ◆ Operating costs up 11% at \$196m reflecting higher activity levels, investment in risk and compliance capability, and the step-up in remediation costs.
- ◆ EBITDA up 29% to \$83m and EBIT up 52% to \$58m.

FY24 KEY INITIATIVES & PRIORITIES

- ◆ Focus on regaining suitability to hold the Brisbane casino licence.
- ◆ Queen's Wharf Brisbane expected to open from April 2024:
 - final section of the SkyDeck lifted into place in July;
 - the Star Grand Hotel topped out;
 - received 'the keys' to several dining, entertainment and gaming areas on Levels 5 & 6.

Notes: ¹ Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business, noting The Star has suspended all 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

NSW CASINO DUTY RATES

IN-PRINCIPLE AGREEMENT

- ◆ In-principle agreement reached with the NSW Government to amend the casino duty rates removing considerable uncertainty introduced in December 2022.
- ◆ Creates a sustainable path forward for The Star Sydney, including employment certainty for team members.
- ◆ The duty rate amendments include:
 - **Rebate play** – increase from 10% to 12.5% from 1 July 2023
 - **Non-rebate table games** – increase from 17.91% to 20.25% from 1 July 2023 (ex GST and RGL).
 - **Non-rebate poker machines**
 - no change until FY30 from the current agreement of 20.91% to FY24 (ex GST and RGL), 21.91% to FY27 and 22.91% to FY30.
 - From FY31, the following rates will apply:

AVERAGE EGM MONTHLY REVENUE	DUTY RATE
Less than \$2,666	0%
More than \$2,666 and less than \$6,667	37.6%
More than \$6,667 and less than \$12,500	42.1%
More than \$12,500	51.6%

- ◆ In the period 1 July 2023 to 30 June 2030, an additional levy will apply equal to 35% of all Star Sydney gaming revenue above \$1.125bn for each financial year.
- ◆ The expected additional duty payable in FY24 is ~\$10m.
- ◆ The Star has provided commitments to maintain its NSW headcount at specified levels subject to certain permitted adjustments, and force majeure and material change events.
- ◆ The Star Sydney will introduce a trial of its cashless gaming machine technology in October on 50 gaming machines and 8 gaming tables.

OVERVIEW

REGULATORY UPDATE

NEW SOUTH WALES

- ◆ Post the Bell Review, The NSW Independent Casino Commission suspended The Star Sydney's casino licence, appointed a Manager and imposed a \$100m fine (payable in three instalments by 29 December 2023).
- ◆ The Casino Control Act was amended to include compulsory carded play and daily cash limits (from August 2024) and has overridden The Star's right to compensation for regulatory changes.

QUEENSLAND

- ◆ Post the Gotterson Review, the Queensland Attorney-General and casino regulator advised of the suspension of The Star's Queensland casino licences on a deferred basis, appointed a Special Manager and imposed a \$100m fine (payable in three instalments by 31 December 2023).
- ◆ The casino licences are to be suspended for a period of 90 days on a deferred basis with effect from 1 December 2023.
- ◆ The Casino Control Act is expected to be amended in 2023 to implement the Gotterson Review recommendations, including mandatory carded play, cash and time play limits and mandatory pre-commitment restrictions on EGMs.

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GROUP FINANCIALS OVERVIEW

FINANCIAL OVERVIEW

- ◆ Group revenue up 22% on pcp:
 - Queensland properties started the period strongly post Covid, however, trading softened in the second half, particularly on the Gold Coast.
 - Sydney performance was impacted by uplifted controls (and consequent exclusions), some operating restrictions (complimentary benefits in private gaming areas) and increased competition.
- ◆ Operating costs of \$1,094m were up 20% on pcp, reflecting higher activity levels, remediation costs, and investments in risk, controls and compliance resources.

SIGNIFICANT ITEMS

- ◆ Significant items¹ of \$2.82bn predominantly include:
 - \$2.17bn for a non-cash impairment of The Star Sydney, The Star Gold Coast and Treasury Brisbane. The Sydney impairment reflect earnings impacts from the changed operating conditions and increased NSW casino duty rates. All properties have been impacted by an increase in discount rate and softness in earnings.
 - \$595m for ongoing regulatory and legal costs including fines issued by the NICC and OLGR, AUSTRAC civil proceedings, underpaid casino duty in NSW and costs associated with the ongoing regulatory review (legal, consultants and other).
 - \$54m for debt restructuring costs comprised of: (a) cash financing and increased interest costs associated with covenant modification arrangements with bank lenders and USPP noteholders; and (b) associated non-cash adjustments under the accounting standards.
 - \$16m for redundancy costs associated with the recent cost-out program.

CAPEX

- ◆ Capex of \$126m, below guidance of \$150m and well below D&A expense of \$195m.
- ◆ JV equity contributions of \$19m for The Star Gold Coast Tower 2.

Notes: ¹ FY23 significant items include impairment of Sydney, Gold Coast and Treasury Brisbane goodwill, PPE and intangibles, regulatory and associated costs (including fines), debt modifications, restructuring and redundancy costs, and software-as-a-service implementation costs, partially offset by profit on sale of assets. Refer to Note A7 of the Financial Report for a reconciliation of significant items.

GROUP FINANCIALS

PROFIT AND LOSS – FY23

\$M	FY23 STATUTORY	FY22 STATUTORY	fav/(unfav)
Domestic Gaming revenue	1,513.6	1,289.5	17.4%
International VIP Rebate	-	5.5	(100.0%)
Non-gaming and other revenue	353.9	239.1	48.0%
Gross Revenue¹	1,867.5	1,534.1	21.7%
Player rebates and commissions	-	(7.0)	100.0%
Net Revenue	1,867.5	1,527.1	22.3%
Gaming taxes and levies	(456.1)	(379.0)	(20.3%)
Operating expenditure	(1,094.0)	(910.6)	(20.1%)
EBITDA (before significant items)²	317.4	237.5	33.6%
D&A	(195.3)	(208.3)	6.2%
EBIT (before significant items)	122.1	29.2	318.2%
Share of net profit/(loss) of associate	(3.8)	(8.6)	55.8%
Statutory EBIT (before significant items)	118.3	20.6	474.3%
Net funding costs	(56.5)	(50.2)	(12.5%)
Tax (before significant items) ³	(20.5)	(2.1)	(876.2%)
NPAT (before significant items)	41.3	(31.7)	230.3%
Significant items (after tax) ⁴	(2,476.5)	(170.8)	(1,349.9%)
Statutory NPAT	(2,435.2)	(202.5)	(1,102.6%)
Earnings per share (cents)	(211.7)	(21.3)	(893.9%)
Total Dividends per share (cents)	-	-	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 Statutory EBITDA is before equity accounted investments and before significant items.

³ Tax before significant items is calculated for actual and normalised purposes based on the statutory effective tax rate paid in the period.

⁴ FY23 significant items include impairment of Sydney, Gold Coast and Treasury Brisbane goodwill, PPE and intangibles, regulatory and associated costs (including fines), debt modifications, restructuring and redundancy costs, and software-as-a-service implementation costs, partially offset by profit on sale of assets. Refer to Note A7 of the Financial Report for a reconciliation of significant items.

GROUP FINANCIALS

BALANCE SHEET

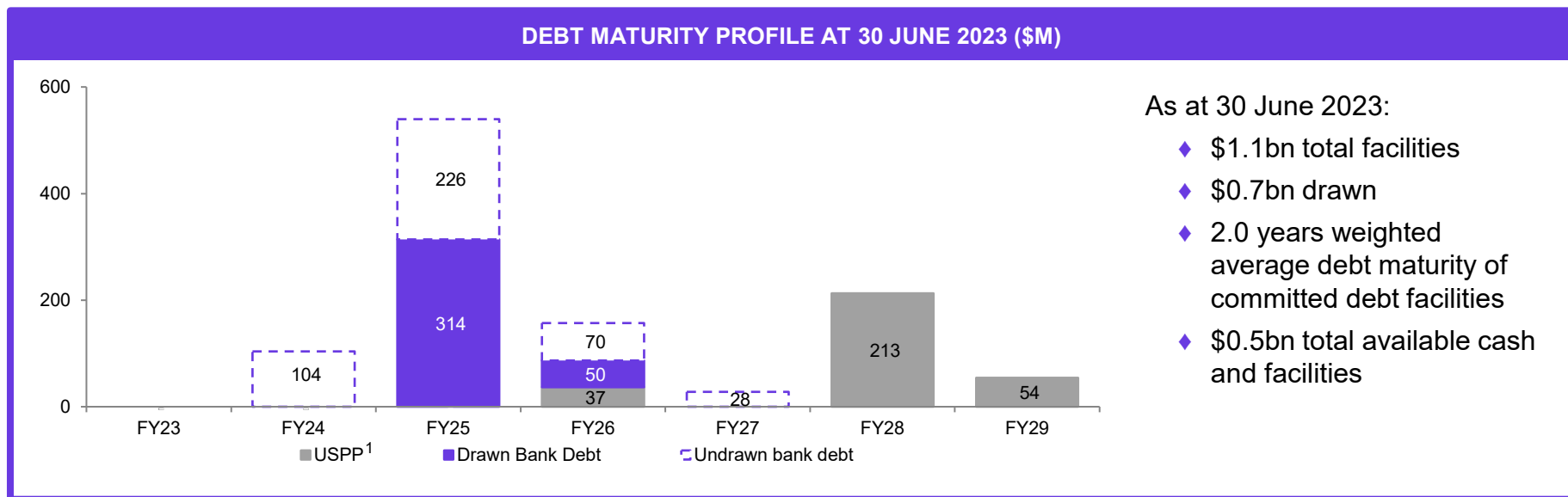
\$M	JUN 2023	JUN 2022
ASSETS		
Current Assets		
Cash and cash equivalents	88.7	82.0
Trade and other receivables	20.8	18.0
Inventories	14.9	16.2
Income tax receivable	30.8	4.4
Derivative financial instruments	2.6	1.4
Other assets	93.7	79.5
Total current assets	251.5	201.5
Non current assets		
Property, plant and equipment	1,752.3	2,635.5
Intangible assets	332.8	1,662.0
Derivative financial instruments	37.4	62.9
Investment in associate and joint venture entities	669.2	669.6
Deferred tax assets	190.4	-
Other assets	26.7	39.9
Total Non current assets	3,008.8	5,069.9
TOTAL ASSETS	3,260.3	5,271.4
LIABILITIES		
Current liabilities		
Trade and other payables	184.9	206.4
Interest bearing liabilities	6.0	6.1
Provisions	505.7	115.2
Derivative financial instruments	3.8	5.7
Other liabilities	18.6	23.1
Total current liabilities	719.0	356.5
Non current liabilities		
Interest bearing liabilities	751.2	1,326.4
Deferred tax liabilities	-	140.9
Provisions	8.0	8.3
Other liabilities	11.1	9.0
Total non current liabilities	770.3	1,484.6
TOTAL LIABILITIES	1,489.3	1,841.1
NET ASSETS	1,771.0	3,430.3
EQUITY		
Share capital	3,955.6	3,171.0
(Accumulated losses)/ retained earnings	(2,187.4)	247.8
Reserves	2.8	11.5
TOTAL EQUITY	1,771.0	3,430.3

- ◆ Other assets of \$94m include a payment to the Australian Taxation Office in relation to the disputed GST treatment of rebates paid to junket operators (\$40.9m).
- ◆ Property, plant and equipment declined with capex (\$97m) below impairment (\$818m) and depreciation (\$161m).
- ◆ Intangible assets declined with capex (\$39m) below impairment (\$1.34bn) and amortisation (\$33m).
- ◆ Provisions include \$423m for regulatory and legal matters including fines issued by the NICC and OLGR, AUSTRAC civil proceedings, underpaid casino duty in NSW, consultants, legal and other costs.
- ◆ The primary driver of reduction in derivative financial instruments is partial settlement of the CCIRS hedging the USPP (\$21m). This occurred following the repayment of USPPs using capital raised in March 2023.
- ◆ Due to the impairment of assets, the net deferred tax liability position is now a net deferred tax asset position.
- ◆ Net debt of \$596m¹ (excluding lease liabilities of \$37m) declined following the capital raising in March 2023 with proceeds used to repay debt and partial settlement of the USPP debt.

Notes: ¹ Net debt shown as interest bearing liabilities (excluding lease liabilities of \$36.8m) less cash and cash equivalents (\$88.7m) less the net impact of derivative financial instruments (\$36.2m)

GROUP FINANCIALS

FUNDING AND DEBT REFINANCING



DEBT REFINANCING

- ◆ The Star is undertaking a process to refinance its existing debt facilities.
- ◆ The resolution of the uncertainty around the proposed NSW casino duty rates increase on 11 August 2023 helps facilitate this process.
- ◆ The debt refinancing is aimed at further optimising the capital structure by extending tenor, providing more flexible covenant settings and increasing liquidity to cater for a range of operating and regulatory uncertainties.
- ◆ The Star intends to provide an update on the refinancing process in coming months.

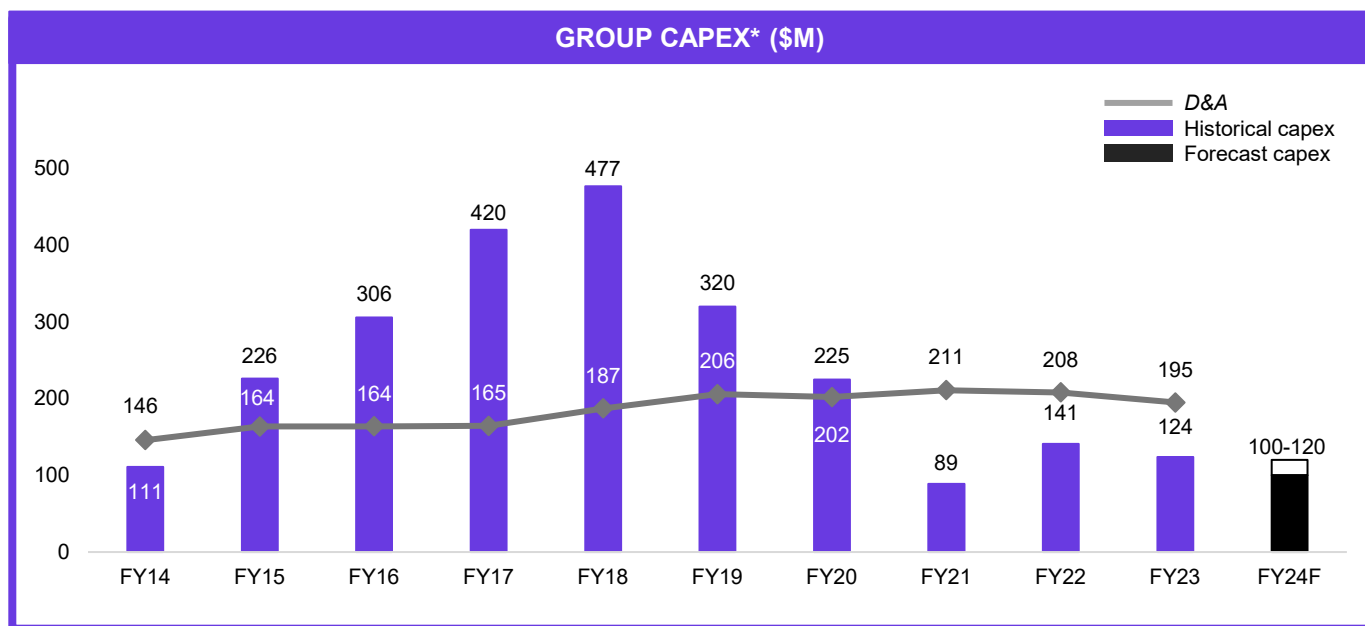
Notes: ¹ USPP shown on a hedged basis (total \$304m).

GROUP FINANCIALS

CAPEX AND JV CONTRIBUTIONS

GROUP CAPEX

- ◆ Capex of \$126m, below guidance of \$150m and well below D&A of \$195m.
- ◆ FY24 capex expected to be \$100m to \$120m.



JV CONTRIBUTIONS

- ◆ JV equity contributions \$19m in FY23.
- ◆ FY24 projected JV equity contributions of ~\$159m relate to QWB and 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.

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TRADING YEAR TO DATE

1H FY24 YTD

EARLY 1H FY24 TRADING

- ◆ Early 1H FY24 trading is broadly consistent with 4Q FY23. In the period from 1 July 2023 to 22 August 2023:
 - **Group:** revenue down 20% on pcp but up 3% on 4Q FY23¹;
 - **Sydney:** revenue down 23% on pcp but up 3% on 4Q FY23¹;
 - **Gold Coast:** revenue down 17% on pcp but up 5% on 4Q FY23¹;
 - **Brisbane:** revenue down 14% on pcp and down 2% on 4Q FY23¹.

FY23 COST OUT

- ◆ The previously announced ~\$100m cost out program is complete, with the benefit largely reflected in 4Q FY23 operating expenses.
- ◆ During 2H FY23, the Group undertook the following initiatives:
 - reduced the FTE headcount by ~500 with no impact on risk and compliance roles;
 - cancelled the Group's short-term and other incentives for FY23;
 - froze salaries for non-EBA employees;
 - aligned operational hours to current demand conditions;
 - generally reduced discretionary costs.

TRADING YEAR TO DATE

QUARTERLY EARNINGS

GROUP NORMALISED RESULTS (\$M)	FY23 1Q	FY23 2Q	FY23 3Q	FY23 4Q	FY23 TOTAL YEAR
Slots	211.6	197.1	187.7	174.1	770.5
Domestic Tables	216.1	195.4	171.6	160.0	743.1
Non-gaming & Other Revenue	94.1	98.8	80.2	80.7	353.8
Total Domestic Revenue	521.8	491.3	439.5	414.8	1,867.4
Gaming taxes and levies	(125.5)	(118.2)	(108.2)	(104.3)	(456.1)
Operating expenses	(288.3)	(281.4)	(273.5)	(250.8)	(1,094.0)
Normalised EBITDA	108.1	91.7	57.9	59.7	317.4

- ◆ 1H FY24 year to date revenue is broadly consistent with 4Q FY23 as noted on the previous page.
- ◆ The previously announced ~\$100m cost-out program was completed in May / June. The step-down in operating expenses between 3Q and 4Q FY23 reflects the benefits of these cost initiatives¹.
- ◆ The benefit from the cost initiatives is expected to be offset by a ~\$20m increase in operating expenditure due to increases to contracted EBA rates in FY24.
- ◆ Remediation costs in FY24 are expected to be \$35m to \$45m (in line with FY23). The previously foreshadowed 50% reduction in remediation costs is not expected to occur until FY26.
- ◆ The resolution of the NSW casino duty is expected to result in an increase in Gaming Duty by ~\$10m in FY24.
- ◆ Capex spend in FY24 is expected to be \$100m to \$120m.
- ◆ The transition to QWB will impact the accounting of the Group's consolidated earnings.

Notes: ¹ The expectation for costs assumes market conditions and the regulatory environment do not materially change and is dependent on a number of uncertain factors, including the level of inbound international tourism and economic conditions

KEY PRIORITIES

PRIORITIES FOR THE YEAR AHEAD

1

REMEDIATION MEASURES

- ◆ Comprehensive and urgent focus on remediation actions.
- ◆ Working towards returning to suitability.
- ◆ Repair and strengthen The Star's relationships with relevant regulators and other stakeholders in NSW and Queensland.
- ◆ Continued focus on safer gambling and AML / financial crime uplift along with culture transformation.

2

OPERATIONS

- ◆ Sustain the benefits of the recent cost reduction and operational initiatives.
- ◆ Complete the refinancing of existing debt funding arrangements.
- ◆ Complete recruitment of remaining executive roles.
- ◆ Manage the competitive impact in Sydney (Crown and less regulated NSW clubs).
- ◆ Prepare for the introduction of cashless and carded play.
- ◆ Resolution of AUSTRAC proceedings.

3

MAJOR PROJECTS

- ◆ Queen's Wharf Brisbane – complete construction, manage costs and prepare for the phased opening.
- ◆ Gold Coast – progress the construction of Tower 2.

4

ASSET SALES

- ◆ Complete the sale of the Sheraton Grand Mirage Resort Gold Coast.
- ◆ Commence a formal market process for the sale of the Treasury Brisbane assets.

MAJOR PROJECTS

QUEEN'S WHARF BRISBANE

PLANNED OPENING FROM APRIL 2024

- ◆ Project delayed through the period
- ◆ Significant milestones include:
 - Final section of the SkyDeck lifted into place in July
 - Topping out of The Star Grand Hotel
 - Received 'the keys' to several dining, entertainment and gaming areas on Levels 5 and 6
 - Restoration and repurposing of the heritage buildings including the Printery, the former DPI building and Harris Terraces in progress
 - Neville Bonner Bridge complete
- ◆ Total project costs are expected to be ~\$2.9bn
- ◆ Destination Brisbane Consortium (DBC) has been served an originating process in the Supreme Court of Queensland by Multiplex seeking declarations and orders in relation to extensions of time, relevant milestone dates, liquidated damages and variations. The Star understands that DBC intends to defend the proceedings.

KEY DATES*

- | | |
|------------|---|
| April 2024 | ◆ Opening of the first stage of the Integrated Resort |
| 2024-2025 | ◆ Continuation of phased opening of the Integrated Resort |

Note: * Subject to planning and other approvals.



VIEW FROM 1 WILLIAM STREET – AUGUST 2023



AUGUST 2023

MAJOR PROJECTS

GOLD COAST

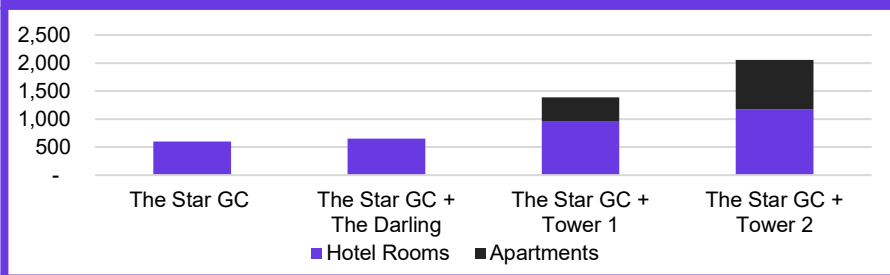
TOWER 2 UNDERWAY

- ◆ Construction of Tower 2 is targeting a late 2024 opening with all apartments pre-sold
- ◆ Construction is up to level 30
- ◆ Capital works will be funded by partner contributions, existing and new debt facilities
- ◆ Upon completion of Tower 2, The Star Gold Coast will have in excess of 2,000 hotel rooms and apartments on the island



THE STAR GOLD COAST – TOWERS 1 AND 2 – AUGUST 2023

THE STAR GOLD COAST HOTEL ROOM AND APARTMENT GROWTH



KEY DATES*

2024 ◆ Complete construction of Tower 2



THE STAR GOLD COAST – TOWERS 1 AND 2 – AUGUST 2022

Note: * Subject to planning and other approvals.

MAJOR PROJECTS

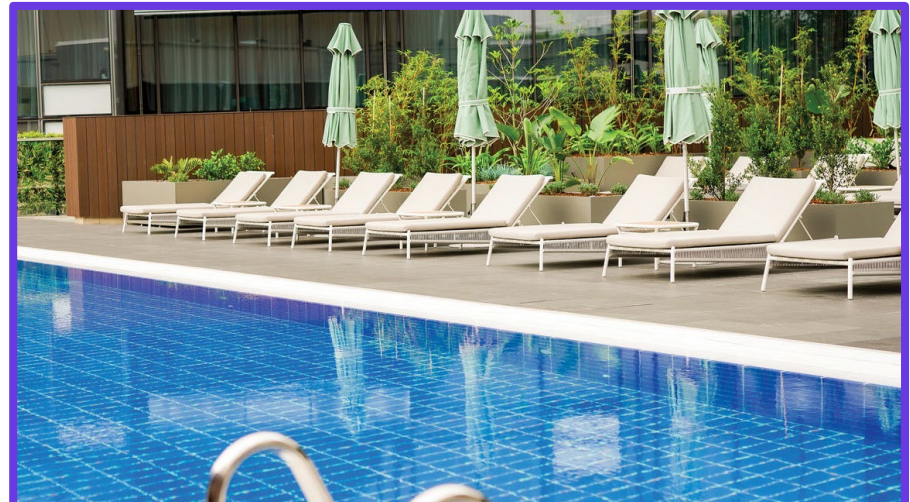
THE STAR SYDNEY

KEY PROJECTS

- ◆ The Darling Hotel – completion of the refurbishment of Sydney's only Forbes five-star hotel in August 2023
- ◆ Staff amenities – upgrade of back-of-house staff amenities, locker and changeroom facilities completed through the year
- ◆ Light rail – upgrade and refresh of The Star Station as part of the Sydney Light Rail Network



THE DARLING HOTEL – REFURBISHED ROOM



THE DARLING HOTEL POOL

THE STAR ENTERTAINMENT GROUP

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1. OVERVIEW

2. GROUP FINANCIALS

3. TRADING YTD & KEY PRIORITIES

4. Q&A



THE STAR ENTERTAINMENT GROUP

**FY23 RESULTS PRESENTATION
APPENDIX**

APPENDIX

STATUTORY RESULTS – FY23

\$M	SYDNEY			GOLD COAST			BRISBANE			TOTAL		
	FY23	FY22	fav/(unfav)	FY23	FY22	fav/(unfav)	FY23	FY22	fav/(unfav)	FY23	FY22	fav/(unfav)
EGMs	340.9	261.4	30.4%	233.0	214.3	8.7%	196.6	168.1	17.0%	770.5	643.8	19.7%
Domestic Tables	498.0	418.2	19.1%	102.5	96.0	6.8%	142.6	131.5	8.4%	743.1	645.7	15.1%
Non-gaming	139.5	93.9	48.6%	169.1	111.5	51.7%	34.0	25.4	33.9%	342.6	230.8	48.4%
Total Domestic	978.4	773.5	26.5%	504.6	421.8	19.6%	373.2	325.0	14.8%	1,856.2	1,520.3	22.1%
International VIP Rebate	-	4.7	(100.0%)	-	0.6	(100.0%)	-	0.2	(100.0%)	-	5.5	(100.0%)
Other revenue	5.6	5.3	5.7%	4.3	2.0	115.0%	1.4	1.0	40.0%	11.3	8.3	36.1%
Total Gross Revenue	984.0	783.5	25.6%	508.9	424.4	19.9%	374.6	326.2	14.8%	1,867.5	1,534.1	21.7%
Player rebates and commissions	(0.0)	(5.6)	100.0%	0.0	(1.1)	100.0%	0.0	(0.3)	100.0%	(0.0)	(7.0)	100.0%
Net Revenue	984.0	777.9	26.5%	508.9	423.3	20.2%	374.6	325.9	14.9%	1,867.5	1,527.1	22.3%
Gaming taxes and levies	(271.3)	(211.2)	(28.5%)	(89.7)	(83.1)	(7.9%)	(95.1)	(84.7)	(12.3%)	(456.1)	(379.0)	(20.3%)
Operating expenses	(585.5)	(483.3)	(21.1%)	(312.2)	(250.9)	(24.4%)	(196.3)	(176.4)	(11.3%)	(1,094.0)	(910.6)	(20.1%)
EBITDA (before significant items)	127.2	83.4	52.5%	107.0	89.3	19.8%	83.2	64.8	28.4%	317.4	237.5	33.6%
D&A	(109.0)	(118.3)	7.9%	(60.6)	(63.1)	4.0%	(25.7)	(26.9)	4.5%	(195.3)	(208.3)	6.2%
EBIT (before significant items)	18.2	(34.9)	152.1%	46.4	26.2	77.1%	57.5	37.9	51.7%	122.1	29.2	318.2%
Share of net profit/(loss) of associate										(3.8)	(8.6)	55.8%
Significant Items ¹										(2,824.8)	(176.0)	(1,505.0%)
Net funding costs										(56.5)	(50.2)	(12.5%)
Tax										327.8	3.1	10,474.2%
Statutory NPAT										(2,435.2)	(202.5)	(1,102.6%)
EBITDA/Revenue %	12.9%	10.6%		21.0%	21.0%		22.2%	19.9%		17.0%	15.5%	
International VIP Rebate Front Money \$m	-	13.7	(100.0%)	-	2.0	(100.0%)	-	0.8	(100.0%)	-	16.5	(100.0%)
International VIP Rebate Turnover \$m	-	159.7	(100.0%)	-	42.7	(100.0%)	-	5.2	(100.0%)	-	207.6	(100.0%)
International VIP Rebate Win rate	0.00%	2.94%		0.00%	1.41%		0.00%	3.85%		0.00%	2.65%	

Notes: ¹ Refer to Note A7 of the Financial Report for a reconciliation of significant items.

APPENDIX

NORMALISED RESULTS – FY23





\$M	SYDNEY			GOLD COAST			BRISBANE			TOTAL		
	FY23	FY22	fav/(unfav)	FY23	FY22	fav/(unfav)	FY23	FY22	fav/(unfav)	FY23	FY22	fav/(unfav)
EGMs	340.9	261.4	30.4%	233.0	214.3	8.7%	196.6	168.1	17.0%	770.5	643.8	19.7%
Domestic Tables	498.0	418.2	19.1%	102.5	96.0	6.8%	142.6	131.5	8.4%	743.1	645.7	15.1%
Non-gaming	139.5	93.9	48.6%	169.1	111.5	51.7%	34.0	25.4	33.9%	342.6	230.8	48.4%
Total Domestic	978.4	773.5	26.5%	504.6	421.8	19.6%	373.2	325.0	14.8%	1,856.2	1,520.3	22.1%
International VIP Rebate	-	2.2	(100.0%)	-	0.6	(100.0%)	-	0.1	(100.0%)	-	2.9	(100.0%)
Other revenue	5.6	5.3	5.7%	4.3	2.0	115.0%	1.4	1.0	40.0%	11.3	8.3	36.1%
Total Gross Revenue	984.0	781.0	26.0%	508.9	424.4	19.9%	374.6	326.1	14.9%	1,867.5	1,531.5	21.9%
Player rebates and commissions	(0.0)	(5.6)	100.0%	0.0	(1.1)	100.0%	0.0	(0.3)	100.0%	(0.0)	(7.0)	100.0%
Net Revenue	984.0	775.4	26.9%	508.9	423.3	20.2%	374.6	325.8	15.0%	1,867.5	1,524.5	22.5%
Gaming taxes and levies	(271.3)	(211.0)	(28.6%)	(89.7)	(83.1)	(7.9%)	(95.1)	(84.7)	(12.3%)	(456.1)	(378.8)	(20.4%)
Operating expenses	(585.5)	(483.3)	(21.1%)	(312.2)	(250.9)	(24.4%)	(196.3)	(176.4)	(11.3%)	(1,094.0)	(910.6)	(20.1%)
Normalised EBITDA	127.2	81.1	56.8%	107.0	89.3	19.8%	83.2	64.7	28.6%	317.4	235.1	35.0%
D&A	(109.0)	(118.3)	7.9%	(60.6)	(63.1)	4.0%	(25.7)	(26.9)	4.5%	(195.3)	(208.3)	6.2%
Normalised EBIT	18.2	(37.2)	148.9%	46.4	26.2	77.1%	57.5	37.8	52.1%	122.1	26.8	355.6%
Share of net profit/(loss) of associate										(3.8)	(8.6)	55.8%
Normalised EBIT after share of net profit of associate										118.3	18.2	550.0%
Net funding costs										(56.5)	(50.2)	(12.5%)
Tax										(20.5)	(1.4)	(1,364.3%)
Normalised NPAT										41.3	(33.4)	223.7%
EBITDA/Revenue %	12.9%	10.4%		21.0%	21.0%		22.2%	19.8%		17.0%	15.4%	
International VIP Rebate Front Money \$m	-	13.7	(100.0%)	-	2.0	(100.0%)	-	0.8	(100.0%)	-	16.5	(100.0%)
International VIP Rebate Turnover \$m	-	159.7	(100.0%)	-	42.7	(100.0%)	-	5.2	(100.0%)	-	207.6	(100.0%)
International VIP Rebate Win rate	0.00%	1.35%		0.00%	1.35%		0.00%	1.35%		0.00%	1.35%	

Notes: ¹ Normalised results reflect the underlying performance of the business as they remove the inherent win rate volatility of the International VIP Rebate business, noting The Star has suspended all 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

PORTFOLIO OF PREMIUM PROPERTIES

QWB to replace Treasury Brisbane once open

	The Star Sydney	The Star Gold Coast	Queen's Wharf Brisbane	Treasury Brisbane
				
Year opened	◆ 1997	◆ 1985	◆ April 2024 phased opening ³	◆ 1995
Gaming licence¹	◆ 99 years <i>Currently Suspended. Manager holding Licence</i>	◆ Perpetual licence <i>Deferred Suspension until 1 December 2023. Special Manager appointed</i>	◆ 99 years from opening ◆ 50 year casino management agreement	◆ 99 years <i>Deferred Suspension until 1 December 2023. Special Manager appointed</i>
Gaming²	◆ 1,500 EGMs ◆ 306 tables ◆ 522 MTGMs	◆ 1,651 EGMs ◆ 111 tables ◆ 170 MTGMs	◆ 2,500 EGMs ◆ 250 gaming tables ◆ 300 MTGMs	◆ 1,632 EGMs ◆ 93 tables ◆ 180 MTGMs
Non-gaming	◆ 650 hotel rooms ◆ 36 F&B venues	◆ 1,164 hotel rooms ◆ 22 F&B venues	◆ ~1,000 hotel rooms ◆ >50 F&B venues	◆ 125 hotel rooms ◆ 16 F&B venues
Property ownership	◆ 100% owned by Star ◆ 3.8 hectares ◆ Leasehold	◆ 100% owned by Star ◆ 6.8 hectares ◆ Freehold	◆ 50% Star ◆ 25% Chow Tai Fook ◆ 25% Far East Consortium ◆ 12.8 hectares ◆ Leasehold	◆ 1.9 hectares ◆ Leasehold
Historical capex (FY17-23)	\$1,016m	\$731m	\$2.9bn <i>(total project cost)</i>	\$155m
FY23 opex	\$586m	\$312m	n.a.	\$196m

Notes: ¹ There is a risk that one or more of The Star Sydney, Treasury Brisbane or The Star Gold Coast may not return to suitability to hold a casino licence. ² EGMs refer to licence caps. ³ There are risks associated with the opening of The Star Brisbane.

APPENDIX

OPERATIONAL METRICS

OPERATIONAL METRICS	SYDNEY			GOLD COAST			BRISBANE		
	FY23	FY22	fav/(unfav)	FY23	FY22	fav/(unfav)	FY23	FY22	fav/(unfav)
EGMs									
Revenue (\$m)	341	261	30.4%	233	214	8.7%	197	168	17.0%
NMR/machine/day	627	484	29.5%	447	410	9.2%	397	341	16.6%
MTGMs									
Revenue (\$m)	81	64	25.3%	15	15	0.7%	27	25	8.2%
NMR/machine/day	434	339	28.1%	260	248	4.6%	409	346	18.2%
Domestic Tables (excl. MTGMs)									
Revenue (\$m)	417	354	17.9%	88	81	7.9%	116	107	8.5%
Hold %	20.3%	19.6%		21.6%	19.9%		20.4%	19.9%	
VIP Rebate (Actual)									
Front Money (\$m)	-	14	(100.0%)	-	2	(100.0%)	-	1	(100.0%)
Turnover (\$m)	-	160	(100.0%)	-	43	(100.0%)	-	5	(100.0%)
Turns	-	11.6	(100.0%)	-	21.3	(100.0%)	-	6.5	(100.0%)
Win Rate	0.00%	2.94%		0.00%	1.41%		0.00%	3.85%	
Hotels									
Occupancy	91%	65%		83%	76%		96%	90%	
Cash Revenue (\$m)	42	25	68.1%	46	35	32.5%	7	5	46.8%
Restaurants									
Cash Revenue (\$m)	50	35	44.5%	55	40	37.3%	12	9	28.7%
Gross Revenue (\$m)	74	52	40.0%	71	54	32.2%	23	20	12.2%
Bars									
Cash Revenue (\$m)	25	20	25.9%	29	21	35.4%	13	9	38.3%
Gross Revenue (\$m)	94	72	30.6%	54	43	24.7%	32	25	27.8%
Statutory EBITDA/Revenue %	12.9%	10.6%		21.0%	21.0%		22.2%	19.9%	
Normalised EBITDA/Revenue %	12.9%	10.4%		21.0%	21.0%		22.2%	19.8%	
Employee Costs/Statutory Revenue %	29.2%	28.6%		33.1%	31.3%		27.6%	28.8%	
Employee Costs/Normalised Revenue %	29.2%	28.7%		33.1%	31.3%		27.6%	28.8%	

APPENDIX SUSTAINABILITY

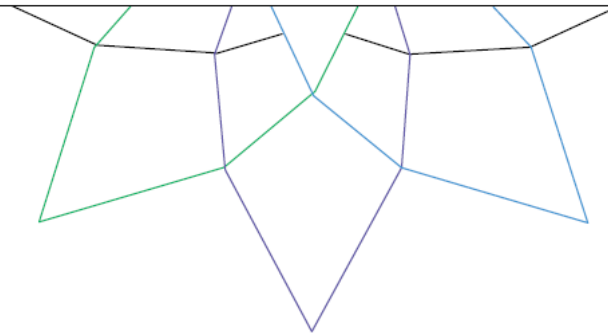
OUR STRATEGY

THE  STAR ENTERTAINMENT GROUP

RESPONSIBLE BUSINESS, SUSTAINABLE DESTINATIONS SUSTAINABILITY STRATEGY

ENVIRONMENT

Create low carbon places that support nature and conserve resources



PEOPLE

Foster wellbeing and enhance communities, within and beyond our precincts

RESPONSIBILITY

Lead with integrity to ensure safer gambling, sustainable growth, and zero tolerance for financial crime

SOCIAL AND COMMUNITY

The Star partners with a number of community organisations, charities and not-for-profit organisations to make a positive impact on the communities we call home



67 TONNES

of food (198,666 meals) donated (OzHarvest, Foodbank) to date



Third Modern Slavery and Human Trafficking Statement released

GIVIT

71 TONNES

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



Signatory to the Global Compact Network Australia

APPENDIX SUSTAINABILITY

SUSTAINABILITY AND ENVIRONMENTAL



GREEN STAR PERFORMANCE RATINGS

achieved for The Star Sydney and The Star Gold Coast

5.5 STAR NABERS ENERGY RATING

achieved for Sydney Corporate Office

COMMITTED TO A MINIMUM 5 STAR GREEN STAR RATING

for all new buildings



> **90%** portfolio with environmental ratings

(Green Star, NABERS, EarthCheck)



NET ZERO SCOPE 1 AND SCOPE 2 CARBON EMISSIONS BY 2030

for wholly owned and operated assets

30% reduction by 2023 in carbon emissions and water consumption intensity against a base year FY13

FY23 – Carbon emissions intensity **reduction of 27%** and water intensity **reduction of 9%**



Food take-away packaging now **98% COMPOSTABLE, TARGETING 100%**



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



PLANTING OVER 120,000 NATIVE TREES

over the next 5 years to create koala habitat

Reforestation 3 hectares for every hectare of integrated resort The Star operates
Registered an Emissions Reduction Fund project through native tree planting in QLD at our farm



Targeting 100% textile waste diverted from landfill through recycling of textiles - **(23 tonnes of textiles avoided landfill in FY23)**

**SUSTAINABLE
DESTINATION
PARTNERSHIP**

Founding member of Sydney's Sustainable Destination Partnership



FTSE4Good

Constituent of the FTSE4Good Index



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

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
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
pre-Covid	Comparable period in FY20
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

