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19 August 2020

2020 FULL YEAR RESULTS – PRESENTATION SLIDES

MELBOURNE: Crown Resorts Limited (ASX: CWN) (Crown) attaches the results presentation slides for the full year ended 30 June 2020.

ENDS

This announcement was authorised for release by the Crown Board.

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Crown Resorts Limited

2020 Full Year Results Presentation

19 August 2020

Crown Resorts Limited Results Overview

Crown Resorts Limited (Crown) performance:

- Reported EBITDA of $504.6 million, down 40.6%
- Reported NPAT attributable to the parent of $79.5 million, down 80.2%
- Theoretical[1] EBITDA before Closure Costs[2] and Significant Items of $503.8 million, down 37.2%
- Theoretical NPAT attributable to the parent before Closure Costs and Significant Items of $161.0 million, down 56.3%
- Closure Costs of $81.6 million (net of tax), which includes costs incurred during the mandated closure of Crown's properties and investments, and Significant Items of $78.7 million (net of tax), relating to the impairment of Crown Aspinalls and Nobu, Crown Sydney pre-opening costs and costs related to a reassessment of DGN contingent consideration, were recorded during the period[3]
- No final dividend declared (total full year dividend of 30 cents per share)

Australian resorts performance:

- Actual revenue[4] of $2,214.9 million, down 25.7%
- Theoretical revenue of $2,091.1 million, down 29.2%
- Main floor gaming revenue of $1,235.2 million, down 26.9%
- VIP program play turnover of $20.4 billion, down 46.5%
- Actual VIP revenue[4] of $398.2 million, down 26.0%
- Non-gaming revenue of $581.5 million, down 22.7%

1. Theoretical results have been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play (at Crown Melbourne, Crown Perth and Crown Aspinalls). The theoretical win rate is the expected hold percentage on VIP program play over time. Accordingly, the theoretical result gives rise to adjustments to VIP program play revenue, operating expenses and income tax expense. Crown believes that theoretical results are the relevant measure of viewing performance of the business as it removes the inherent volatility in VIP gaming revenue. Theoretical results are a non-IFRS measure.
2. Costs incurred whilst Crown's properties were closed due to Government direction, excluding costs in relation to hotel quarantine services and Crown Digital (Closure Costs).
3. Significant Items with a net $nil value were recorded in the prior comparable period (pcp), with an impairment charge of $48.9 million recorded against DGN's goodwill offset by a corresponding reduction to the contingent consideration associated with the acquisition of Winners Club Limited.
4. Before VIP commission adjustment.

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Changed Operating Conditions

- During the year, Crown was directed by relevant State and Federal Governments to modify its operating conditions and ultimately suspend its gaming activities and other non-essential services in response to the COVID-19 pandemic, with effect from 20 March 2020 for Crown Aspinalls and 23 March 2020 for Crown Melbourne and Crown Perth
- As a result of the mandated closure of Crown's properties, Crown was forced to substantially reduce its workforce through a series of stand downs. On 16 April 2020, Crown announced that it had progressively stood down, on either a full or partial basis, approximately 95% or over 11,500 of its employees
- Gaming activities at Crown Melbourne and Crown Aspinalls remained closed through to 30 June 2020
- With effect from 27 June 2020, Crown Perth re-commenced gaming activities and the operation of the majority of its food and beverage venues under temporary restrictions agreed with the Western Australian Government, including:
  - capacity limits at each venue based on a prescribed maximum density of at least two square metres of space for each person;
  - physical distancing between patrons at electronic gaming machines and electronic table games, including the deactivation of every second electronic gaming machine and electronic table game terminal;
  - restricting the number of players at table games; and
  - enhanced hygiene protocols
- During the year, Crown Melbourne and Crown Perth qualified for the Commonwealth Government's JobKeeper program
  - Through this program, Crown recorded $43.4 million in payroll subsidies relating to the period through to 30 June 2020 for employees that continued to work in either a full or partial capacity
  - In addition, Crown recorded $67.9 million in JobKeeper payments relating to the period through to 30 June 2020 on behalf of employees that were stood down which were paid in their entirety to Crown's employees

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Crown Resorts Limited Group Result

$m	F20 Theoretical	F19 Theoretical	Variance F/(U)	F20 Actual	F19 Actual	Variance F/(U)
EBITDA before Closure Costs and Significant Items						
Crown Melbourne	354.3	589.5	(39.9%)	447.6	615.0	(27.2%)
Crown Perth	161.8	221.8	(27.1%)	173.9	244.6	(28.9%)
Crown Aspinalls	(2.7)	6.4	(142.4%)	3.5	5.7	(38.7%)
Crown Digital	34.7	26.1	32.9%	34.7	26.1	32.9%
Corporate costs	(44.3)	(41.7)	(6.2%)	(44.3)	(41.7)	(6.2%)
EBITDA before Closure Costs and Significant Items	**503.8**	**802.1**	(37.2%)	**615.4**	**849.7**	(27.6%)
Depreciation & amortisation	(275.5)	(273.6)	(0.7%)	(275.5)	(273.6)	(0.7%)
EBIT before Closure Costs and Significant Items	**228.3**	**528.5**	(56.8%)	**339.9**	**576.1**	(41.0%)
Net interest income / (expense)	(0.0)	(10.1)	100.0%	(0.0)	(10.1)	100.0%
Income tax	(71.6)	(162.0)	55.8%	(104.4)	(176.4)	40.8%
Equity accounted investments before Closure Costs[1]	6.7	13.3	(49.6%)	6.7	13.3	(49.6%)
NPAT before NCI, Closure Costs and Significant Items	**163.4**	**369.7**	(55.8%)	**242.2**	**402.9**	(39.9%)
Non-controlling interest (NCI)	(2.4)	(1.1)	N/A	(2.4)	(1.1)	N/A
NPAT attributable to the parent before Closure Costs and Significant Items	**161.0**	**368.6**	(56.3%)	**239.8**	**401.8**	(40.3%)
Closure Costs (net of tax)				(81.6)	–	N/A
Significant Items (net of tax)				(78.7)	–	N/A
NPAT attributable to the parent				**79.5**	**401.8**	(80.2%)
EBITDA after Closure Costs and Significant Items[2]	**393.0**	**802.1**	(51.0%)	**504.6**	**849.7**	(40.6%)

1. Crown's equity accounted result is comprised of its net equity accounted share of NPAT from Nobu, Aspers Group and Chill Gaming. These amounts have been shown before costs incurred during the mandated closure of Aspers and Nobu during the period.
2. Significant Items in 'EBITDA after Closure Costs and Significant Items' includes EBITDA related Significant Items only.

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Crown Melbourne Result

$m	F20 Theoretical	F19 Theoretical	Variance F/(U)	F20 Actual	F19 Actual	Variance F/(U)
Table games (non-program play)	548.7	772.4	(29.0%)	548.7	772.4	(29.0%)
Gaming machines	341.9	462.7	(26.1%)	341.9	462.7	(26.1%)
Main floor gaming (total)	890.6	1,235.1	(27.9%)	890.6	1,235.1	(27.9%)
VIP program play	224.9	441.4	(49.1%)	352.3	453.7	(22.4%)
Non-gaming	362.3	478.9	(24.3%)	362.3	478.9	(24.3%)
Total revenue	**1,477.8**	**2,155.4**	**(31.4%)**	**1,605.2**	**2,167.7**	**(26.0%)**
EBITDA before Closure Costs	**354.3**	**589.5**	**(39.9%)**	**447.6**	**615.0**	**(27.2%)**
Costs incurred during mandated closure[1]	(65.8)	–	N/A	(65.8)	–	N/A
EBITDA after Closure Costs	**288.5**	**589.5**	**(51.1%)**	**381.8**	**615.0**	**(37.9%)**
Depreciation & amortisation	(176.0)	(175.2)	(0.5%)	(176.0)	(175.2)	(0.5%)
EBIT	**112.5**	**414.3**	**(72.9%)**	**205.8**	**439.8**	**(53.2%)**
EBITDA[2] / revenue %	24.0%	27.3%	(3.3%)[3]	27.9%	28.4%	(0.5%)[3]
VIP turnover $ billion	16.7	32.7	(49.1%)	16.7	32.7	(49.1%)
VIP win rate	1.35%	1.35%	0.00%[4]	2.11%	1.39%	0.72%[4]

1. Net of $26.6 million in payroll subsidies under the Commonwealth Government's JobKeeper program.
2. Before Closure Costs.
3. Represents the difference in EBITDA margin compared to the pcp.
4. Represents the difference in win rate compared to the pcp.

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Crown Perth Result

$m	F20 Theoretical	F19 Theoretical	Variance F/(U)	F20 Actual	F19 Actual	Variance F/(U)
Table games (non-program play)	137.6	186.8	(26.4%)	137.6	186.8	(26.4%)
Gaming machines	207.0	267.4	(22.6%)	207.0	267.4	(22.6%)
Main floor gaming (total)	344.6	454.2	(24.1%)	344.6	454.2	(24.1%)
VIP program play	49.5	72.0	(31.2%)	45.9	84.4	(45.6%)
Non-gaming	219.2	273.0	(19.7%)	219.2	273.0	(19.7%)
Total revenue	**613.3**	**799.2**	**(23.3%)**	**609.7**	**811.6**	**(24.9%)**
EBITDA before Closure Costs	**161.8**	**221.8**	**(27.1%)**	**173.9**	**244.6**	**(28.9%)**
Costs incurred during mandated closure[1]	(19.7)	–	N/A	(19.7)	–	N/A
EBITDA after Closure Costs	**142.1**	**221.8**	**(36.0%)**	**154.2**	**244.6**	**(37.0%)**
Depreciation & amortisation	(79.6)	(85.3)	6.7%	(79.6)	(85.3)	6.7%
EBIT	**62.5**	**136.5**	**(54.2%)**	**74.6**	**159.3**	**(53.2%)**
EBITDA[2] / revenue %	26.4%	27.8%	(1.4%)[3]	28.5%	30.1%	(1.6%)[3]
VIP turnover $ billion	3.7	5.3	(31.2%)	3.7	5.3	(31.2%)
VIP win rate	1.35%	1.35%	0.00%[4]	1.25%	1.58%	(0.33%)[4]

1. Net of $16.8 million in payroll subsidies under the Commonwealth Government's JobKeeper program.
2. Before Closure Costs.
3. Represents the difference in EBITDA margin compared to the pcp.
4. Represents the difference in win rate compared to the pcp.

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Crown Aspinalls Result

$m	F20 Theoretical	F19 Theoretical	Variance F/(U)	F20 Actual	F19 Actual	Variance F/(U)
VIP program play	32.3	54.9	(41.2%)	41.9	55.2	(24.0%)
Non-gaming	0.8	1.1	(25.7%)	0.8	1.1	(25.7%)
Total revenue	**33.1**	**56.0**	**(40.9%)**	**42.7**	**56.3**	**(24.0%)**
EBITDA before Closure Costs	**(2.7)**	**6.4**	**(140.8%)**	**3.5**	**5.7**	**(37.0%)**
Costs incurred during mandated closure[1]	(1.2)	–	N/A	(1.2)	–	N/A
EBITDA after Closure Costs	**(3.9)**	**6.4**	**(160.0%)**	**2.3**	**5.7**	**(58.7%)**
Depreciation & amortisation	(4.8)	(2.7)	(79.2%)	(4.8)	(2.7)	(79.2%)
EBIT	**(8.7)**	**3.7**	**(330.7%)**	**(2.5)**	**3.0**	**(182.4%)**
EBITDA[2] / revenue %	(7.9%)	11.5%	(19.4%)[3]	8.3%	10.1%	(1.8%)[3]
VIP turnover $ billion	2.8	5.3	(47.5%)	2.8	5.3	(47.5%)
VIP win rate[4]	1.16%	1.04%	0.12%[5]	1.51%	1.04%	0.47%[5]

1. Net of $2.6 million in Coronavirus Job Retention Scheme payments under the employee retention scheme in operation in the UK.
2. Before Closure Costs.
3. Represents the difference in EBITDA margin compared to the pcp.
4. Crown Aspinalls theoretical VIP win rate based on the mix of play during the period.
5. Represents the difference in win rate compared to the pcp.

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Crown Digital Result

$m	F20 Actual	F19 Actual	Variance F/(U)
Total revenue	135.5	130.1	4.1%
Total expenses	(100.8)	(104.0)	3.1%
EBITDA	**34.7**	**26.1**	**32.9%**
Depreciation & amortisation	(9.4)	(6.8)	(38.7%)
EBIT	**25.3**	**19.3**	**30.9%**

Crown Digital includes:

- EBITDA from Crown's wagering and online social gaming operations (shown above)
  - Betfair Australasia, a 100% owned, online betting exchange
  - DGN Games, an 85% owned, online social gaming business
- Equity accounted investment in Chill Gaming (not included above)

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Closure Costs

- During the mandated closure period, whilst Crown did not generate any gaming revenues, Crown continued to incur expenses to maintain its operations and corporate responsibilities. Crown has separately identified these costs in reporting its results for the full year ended 30 June 2020[1]

$m	F20
Crown Melbourne	(65.8)
Crown Perth	(19.7)
Crown Aspinalls	(1.2)
Corporate	(20.6)
Closure Costs included in EBITDA	**(107.3)**
Equity accounted investments	(6.4)
Tax effect of Closure Costs	32.1
Closure Costs included in NPAT	**(81.6)**

1. Closure Costs exclude costs in relation to hotel quarantine services provided during the mandated closure period.

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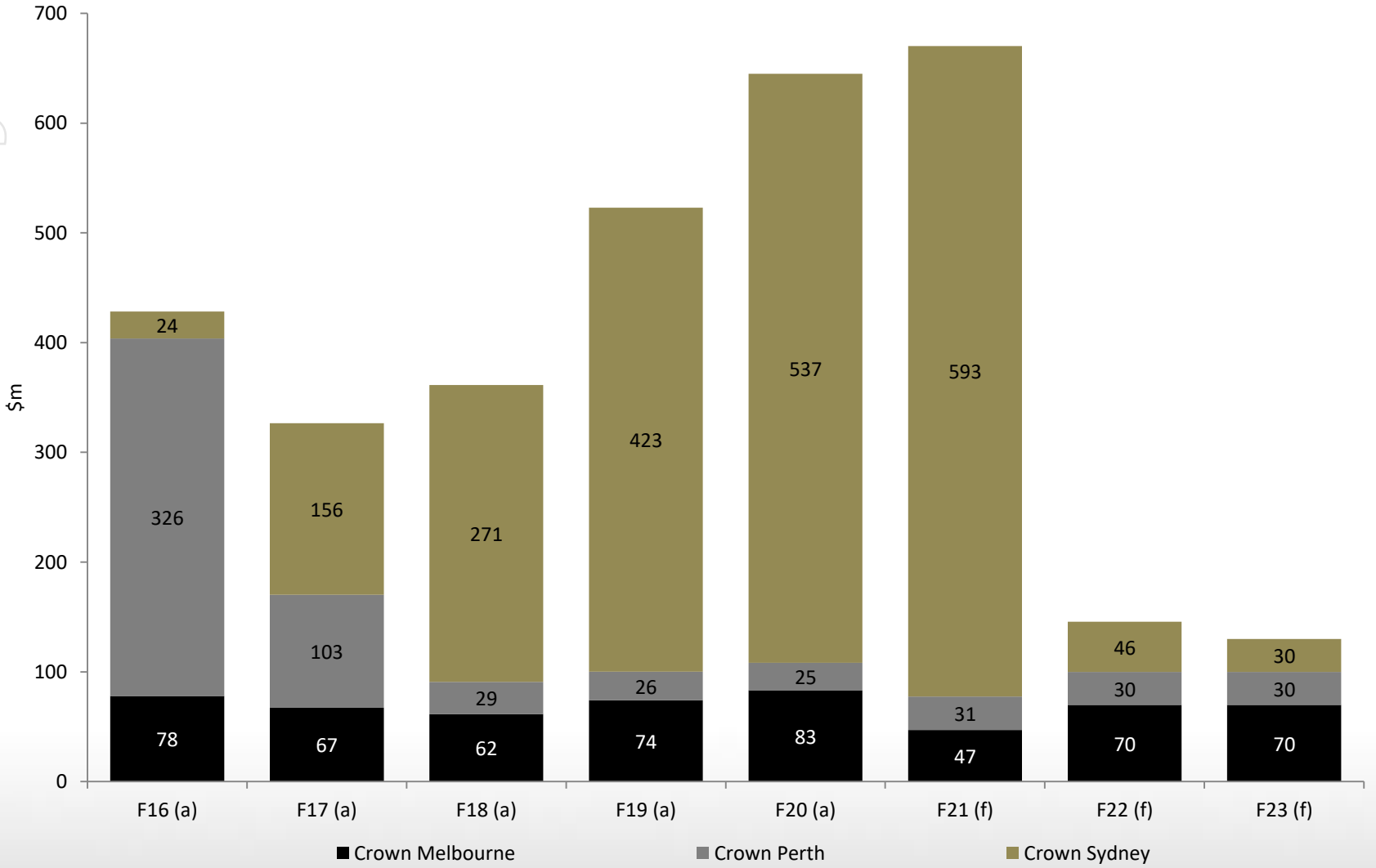
Significant Items

- During the period, the following have been classified as Significant Items

$m	F20
Crown Sydney pre-opening costs	(3.5)
Impairment – Crown Aspinalls	(52.8)
Impairment – Nobu	(21.7)
Reassessment of DGN contingent consideration	(1.7)
Tax effect of Significant Items	1.0
Significant Items (net of tax)	**(78.7)**

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Investment in Australian Resorts



This chart excludes investments in Crown Aspinalls, Queensbridge, Crown Digital, Crown's equity accounted investments as well as the expected proceeds from the sale of Crown Sydney apartments.

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Crown Sydney Project

- The Crown Sydney Hotel Resort is in the final stages of construction with the 275 metre tower reaching the significant “Topping Out” milestone in May 2020, marking the completion of vertical construction
- Construction of the hotel guestrooms and suites located on floors 6-23 are substantially complete. The podium structure and façade are complete with interior fit out well advanced across all areas
- The residential component of the project, “One Barangaroo”, which is located in the upper portion of the tower, is progressing on schedule with the first residents scheduled to move into the building in March 2021
- With over 1,300 workers on site finalising the project, the hotel resort remains on schedule to open progressively from December 2020
- Recruitment activities are underway for the 2,000 people expected to be employed at Crown Sydney once it is fully operational, who will help bring Crown Sydney to life
- Crown has invested approximately $1.7 billion into the Crown Sydney project to date
- The total project cost remains unchanged, with the gross project cost expected to be approximately $2.2 billion and the net project cost expected to be approximately $1.4 billion



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Recent Trading

- Gaming activities re-commenced at Crown Perth on 27 June 2020, with a significant number of employees having now returned to full duties

- For the period 1 July to 16 August 2020, Crown Perth's main floor gaming revenue (excluding VIP program play revenue) was up approximately 18% on the pcp, however non-gaming revenue was down approximately 24% on the pcp

- Over this period, Crown Perth's VIP program play turnover has been minimal due to the ongoing international border restrictions

- Based on current trading levels, Crown Perth is not expected to qualify for the JobKeeper program beyond 27 September 2020. However, it is expected that Crown Melbourne will continue to qualify for the JobKeeper program beyond 27 September given the continued closure of that property

- Gaming activities re-commenced at Crown Aspinalls on 15 August 2020

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Debt Structure

$m	30 Jun 20	31 Dec 19	30 Jun 19
Bank debt	280.0	25.7	28.5
Lease liabilities and other loans[1]	59.7	56.0	1.0
Capital market debt - EMTN	174.6	174.6	174.6
- AMTN	-	-	259.1
- Subordinated Notes[2]	615.7	615.5	615.4
Total Outstanding Debt	**1,130.0**	**871.8**	**1,078.6**
Less available cash[3]	(238.5)	(500.6)	(992.1)
Net Debt / (Net Cash)	**891.5**	**371.2**	**86.5**

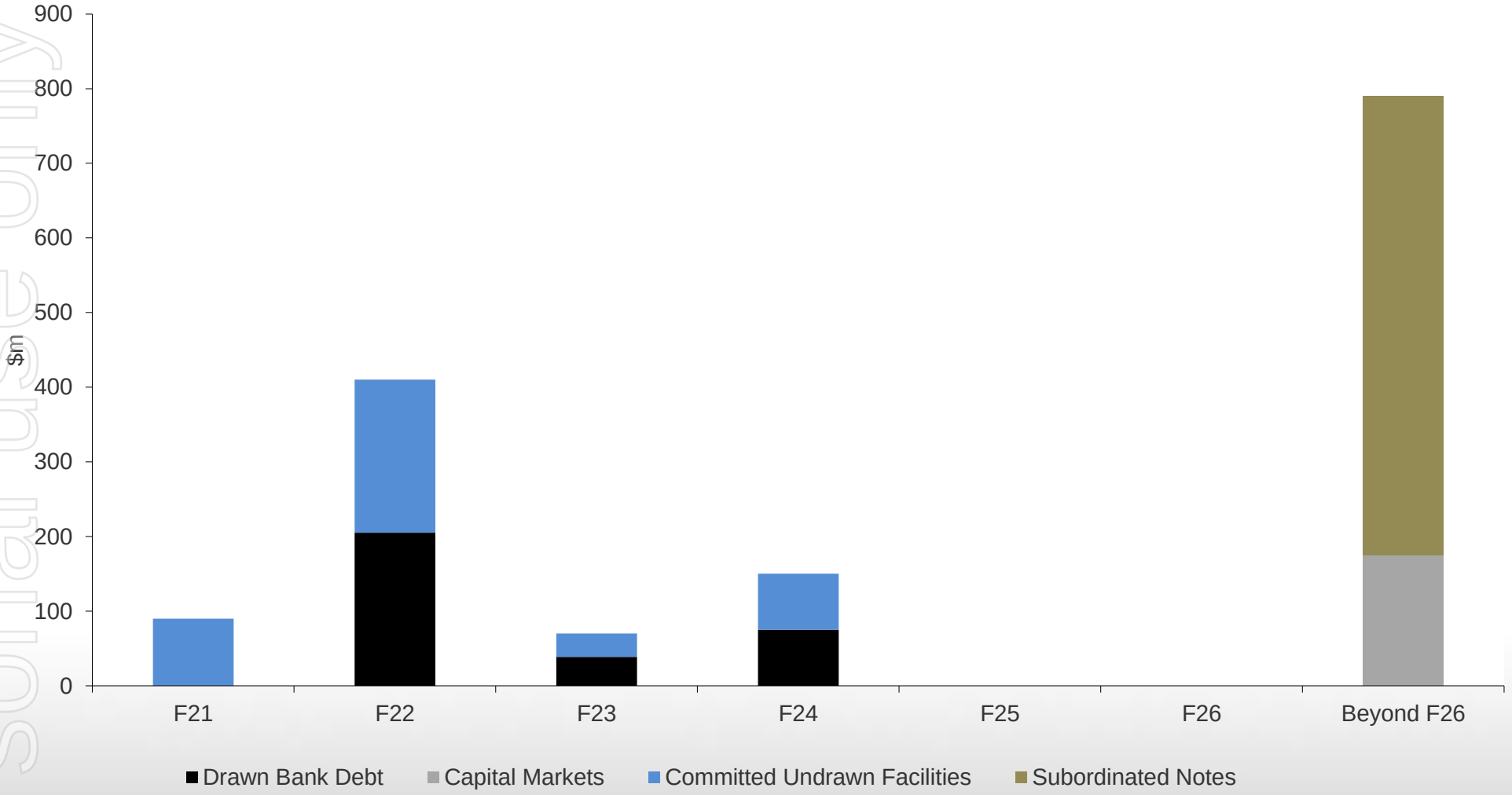
- Committed un-drawn bank facilities of $401.3 million at 30 June 2020
- Group's current debt ratings (S&P/Moody's/Fitch) BBB/Baa2/BBB

1. At 30 June 2020, the balance includes lease liabilities of $58.7 million (Dec 2019: $54.9 million) following the adoption of AASB 16 on 1 July 2019.
2. Net of unamortised transaction costs.
3. Available cash refers to the closing cash balance of $286.9 million (Dec 2019: $652.0 million, Jun 2019: $1,126.0 million) less working capital cash of $48.4 million (Dec 2019: $151.4 million, Jun 2019: $133.9 million). Working capital cash refers to cash held on the Company's premises and cash held in bank accounts for day-to-day operations of the businesses.

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Debt Maturity Profile

At 30 June 2020



1. Debt maturity profile excludes lease liabilities and other loans.

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Group Cash Flow

$m	F20	F19
Theoretical EBITDA before Closure Costs and Significant Items	**503.8**	**802.1**
Win rate variance	111.6	47.6
Closure Costs included in EBITDA	(107.3)	-
Crown Sydney pre-opening costs	(3.5)	-
Reported EBITDA	**504.6**	**849.7**
Working capital movements	(93.8)	43.0
Cash Flow Generated by Operations	**410.8**	**892.7**
Net interest	(53.8)	(48.0)
Dividends received	5.9	8.9
Income tax payments	(36.0)	(75.5)
Operating Cash Flow	**326.9**	**778.1**
Capital expenditure (net)[1]	(746.2)	(538.5)
Investments (net)	(3.9)	6.5
Net borrowings	(13.7)	(425.0)
Dividends paid	(406.2)	(409.0)
Share buy-back payments	-	(131.4)
Effect of exchange rates on cash	4.0	0.7
Net increase / (decrease) in cash	**(839.1)**	**(718.6)**
Closing Cash[2]	**286.9**	**1,126.0**

1. Net of proceeds from the sale of property plant and equipment.
2. Includes $48.4 million (Jun 2019: $133.9 million) of cash held on the Company's premises and cash held in bank accounts for the day-to-day operations of the businesses.

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