



THE STAR

ASX Announcement

24 June 2024

TRADING UPDATE AND EARNINGS GUIDANCE

The Star Entertainment Group Limited (ASX: SGR) (**The Star** or the **Group**) today provides a year-to-date trading performance update and earnings guidance for the financial year ending 30 June 2024 (**FY24**).

Earnings guidance

Trading conditions have remained challenging since the Group's last update on 12 April 2024. As a result, the Group expects Group revenue for FY24 to be between \$1,675 million and \$1,685 million. These conditions, coupled with elevated operating expenses as a result of ongoing remediation and transformation activities, as well as increased resourcing in risk and control functions, have resulted in the Group expecting its FY24 normalised¹ Group EBITDA to be in the range of \$165 million to \$180 million.

Trading update

Current trading conditions reflect the challenging economic environment and cost of living pressures. Group revenue for Q4 FY24 is expected to be 4.3% below the previous quarter (Q3 FY24) and 3.3% below the prior corresponding period (**pcp**) (Q4 FY23).

Revenue from Premium Gaming Rooms (**PGRs**) has continued to trend downwards and is expected to be down approximately 16.5% across the Group on the pcp. While the Main Gaming Floor (**MGF**) has shown a sound performance and is expected to be up 5.2% on the pcp, it has not been sufficient to offset the overall decline.

The Group anticipates Q4 FY24 revenue vs the pcp from its properties to be:

- *The Star Sydney*: PGRs revenue projected to decrease by 13.2% versus pcp, with MGF revenue expected to be up 6.3% compared to pcp, and total revenue down 0.9% year-on-year.
- *The Star Gold Coast*: PGRs revenue projected to be down 22.6% on pcp, with MGF revenue expected to be up 10% on pcp, and total revenue down 4.9% year-on-year.
- *Treasury Brisbane*: PGRs revenue projected to be down 18.2% on pcp, with MGF revenue expected to be flat on pcp, and total revenue down 6.9% year-on-year.

¹ Normalised results reflect the underlying performance of the business and exclude significant items. Refer to the 'Important Notes' at the end of this announcement.

Operating expense update

The Star’s monthly run-rate operating expenses remain elevated compared to the first half of FY24 (1H FY24), due to ongoing remediation and transformation activities.

- 1H FY24: Average monthly operating expenses were \$90.3 million.
- Q3 FY24: Increased to \$92.1 million.
- Q4 FY24: Anticipated to be approximately \$92.5 million.

In response to this new operating environment, The Star will seek to expedite a range of initiatives to further reduce the operating cost base of the Group.

Asset sales

The Star’s negotiations for the sale of assets including the Treasury casino, hotel and car park continue to progress. The Star has also commenced a process to sell the Festival Car Park in Brisbane. The Star continues to review the potential sale of other non-core assets and a further update will be provided as part of the FY24 Results Announcement.

Authorised by:

Board of Directors

Investor call

Interim Group CFO and Acting CEO, Neale O’Connell, will host a call at 10:00am (AEST) today, Monday, 24 June 2024 to in relation to this trading update. Analysts and investors can access the call by registering via the link below:

<https://s1.c-conf.com/diamondpass/10039921-7sb40c.html>

Registered participants will receive a calendar invite and a unique code to be quoted when dialling into the call. To ask a question, please dial “*1” (star, 1) on your telephone keypad.

FOR FURTHER INFORMATION:

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IMPORTANT NOTES:

Basis of preparation and non-IFRS information

- Information in this announcement is provided as at the date of the announcement unless specified otherwise. It should be read in conjunction with The Star's other disclosures made via the ASX.
- The Star's financial results are reported under International Financial Reporting Standards (**IFRS**). This announcement may include certain non-IFRS measures including 'underlying' or 'normalised' results, which are used internally by management to assess the performance of the business.
- Non-IFRS measures and current trading FY24 results to date have not been subject to audit or review.

Forward looking information

- This announcement includes 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'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 announcement is provided for illustration purposes only. It is not indicative of future performance and should not be relied upon as such.
- This announcement does not take into consideration any individual investor's circumstances. The Star recommends investors make their own assessments and seek independent professional advice before making investment decisions.

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