THE STAR

ASX AND MEDIA RELEASE

15 April 2025

THE STAR ENTERTAINMENT GROUP H1 FY25 RESULTS[1]

The Star Entertainment Group Limited (ASX: SGR) (**The Star**, the **Group** or the **Company**) today announced its results for the half year ended 31 December 2024 (H1 FY25).

SUMMARY

Financial

- H1 FY25 normalised revenue of $650 million and normalised EBITDA loss of $26 million, as previously announced in The Star's quarterly reports
- H1 FY25 statutory net loss of $302 million after significant items of $166 million and Normalised loss after tax of $136 million before significant items
- Trading performance further deteriorated over H1 FY25, in particular from the introduction of mandatory carded play and cash limits at The Star Sydney and challenging trading conditions caused by casino operating reforms and market share loss at The Star Gold Coast
- The Star has achieved the previously announced $100 million reduction in annualised cost savings[2]. The Star is working on embedding these costs savings and identifying further areas of potential incremental cost-out
- The H1 FY25 result reflects a partial contribution from Treasury Brisbane, which closed on 25 August 2024, and partial contribution from The Star Brisbane, which commenced its phased opening from 29 August 2024

Trading Update

- For FY25YTD, monthly trading in Q2 had stabilised compared to Q1, however there has been a softening in trading during Q3, with revenue declining by 9% across the Group compared to Q2
- The decline was more pronounced at The Star Gold Coast, which declined 13% in Q3 compared to Q2, partially due to generally softer trading conditions but also the closure of the property for 5-days due to Tropical Cyclone Alfred and the gradual return to a pre-closure run rate following re-opening
- The Star Sydney revenue has declined by 8% in Q3 compared to Q2, reflecting a seasonal softening in revenue
- The Star continues to be impacted by an uneven competitive environment with pubs and clubs, which continues to negatively impact on operating performance

[1] This release should be read in conjunction with The Star Entertainment Group Limited's 1H FY25 Results Presentation, Appendix 4D for the six months ended 31 December 2024 and Interim Financial Statements for the six months ended 31 December 2024
[2] Based on annualised corporate cost run rate (excluding significant items) for the three months to 31 March 2025 compared to the annualised run rate at August 2024.

Liquidity

- As at 11 April 2025, The Star had available cash of $98 million[3]
- As announced to the ASX on 7 April 2024, The Star executed a binding term sheet with Bally's Corporation (**Bally's**) and a binding commitment letter with Investment Holdings Pty Ltd (**Investment Holdings**) for a $300 million strategic investment into The Star by way of convertible notes and subordinated debt
    - Bally's intend to invest $200 million and Investment Holdings intend to invest $100 million
    - The Star received $100 million on 9 April 2025
    - Receipt of further proceeds is subject to approval of The Star shareholders. A shareholder meeting to consider this matter is intended to be scheduled for late June 2025
- As previously announced to the ASX on 8 April 2025, The Star has completed the sale of The Star Sydney Event Centre and associated spaces for $60 million following receipt of all required consents. As part of the NICC's consent, sale proceeds of approximately $58 million are now being held in escrow and will be released after shareholder approval is obtained for the strategic investment into The Star by Bally's Corporation. Otherwise, these funds can be accessed subject to agreement with the NICC
- The Star has secured covenant waivers with its existing lenders through to and including 30 June 2025
- There remains material uncertainty regarding the Group's ability to continue as a going concern. Key initiatives in the near term which are critical to the Group's liquidity outlook include completing the Bally's and Investment Holdings $300 million strategic investment, securing access to the release of the Event Centre sale proceeds and completing the transaction entered into with its joint venture partners to exit the Destination Brisbane Consortium (DBC)
- The Group's H1 FY25 financial statements include a full summary of the broader matters relevant to the Group's going concern status

Update on Key Initiatives

- The Star continues to progress the transaction to exit DBC and transfer other interests between the joint venture partners and The Star, including for The Star to consolidate its position on the Gold Coast
    - Currently targeting execution of long-form documentation by the end of April 2025
    - Currently targeting completion of the transaction by the end of June 2025
- The Star is focused on implementing the strategic investment by Bally's and Investment Holdings. Long form documentation is currently targeted in the next week, with a shareholder meeting currently targeted for late June 2025
- The Star is pursuing a range of initiatives to improve performance and enhance the Group's liquidity position, including:
    - Driving revenue generating initiatives to off-set the impacts of mandatory carded play and cash limits
    - Improving market share and driving revenue growth through customer-focused enhancements and initiatives
    - Embedding the $100 million cost-out program and identifying further areas for additional cost-out
- The Star's revised remediation plan is being delivered across all three properties of The Star. The plan (as it relates to The Star Gold Coast and The Star Brisbane) was approved by Office of Liquor and Gaming Regulation (OLGR) in October 2024, with further updates being made following the Bell Two Review, particularly with respect to Governance to embed the principle of close and direct supervision

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[3] Comprises total cash and cash deposits balance of $226 million less $128 million of restricted cash (including cage cash). These amounts exclude Event Centre sale proceeds which are being held in escrow following completion

H1 FY25 RESULTS

KEY FINANCIAL METRICS

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Revenue	$650m	$812m	$866m
EBITDA	($26m)	$61m	$114m
EBITDA Margin	(4.1%)	7.5%	13.1%
EBIT	($57m)	$3m	$51m
Share of net profit / (loss) of associates	($21m)	($7m)	$4m
Net profit after tax (NPAT) (normalised)	($136m)	($13m)	$25m
Significant Items (net of tax)	($166m)	($1,681m)	($16m)
Statutory NPAT	($302m)	($1,694m)	$9m

- Group revenue for H1 FY25 was down 25% on the prior corresponding period (pcp), reflecting challenging trading conditions due to the implementation of casino operating reforms (including mandatory carded play and cash limits at The Star Sydney) and further loss of market share
- Domestic gaming revenue was down 32%. Excluding the impact from the closure of Treasury Brisbane Casino, domestic gaming revenue was down 20% (private gaming rooms down 25%, main gaming floor down 16%) and non-gaming revenue was down 2%
- Operating expenses decreased 4% on the pcp to $522 million. This was driven by the closure of Treasury Brisbane, the impact of the cost-out program and other volume-related reductions, partially offset by higher spending on transformation and remediation-related activities (including additional resourcing for risk, controls and safer gaming functions)
- Depreciation and amortisation expense decreased 50% compared to the pcp, primarily reflecting the reduced asset base following prior year impairments and closure of Treasury Brisbane Casino
- Net finance costs of $20 million increased by 6%, reflecting the finance costs associated with the debt facility executed in November 2024 (but excluding certain fees treated as significant items)
- Significant items of $166 million (after tax) includes impairment of investment in DBC; debt refinancing costs; regulatory, fines, penalties, underpaid casino duty, consultant, redundancy, legal and other costs, including movements in regulatory and legal provisions

INVESTOR AND ANALYST CONFERENCE CALL

A briefing for investors and analysts will be held at 1pm Australian Eastern Standard Time (AEST) today, Tuesday 15 April 2025.

The briefing will be hosted by Steve McCann, Group CEO and Frank Krile, Group CFO.

Investors and analysts can pre-register for the call at the link below:

https://s1.c-conf.com/diamondpass/10046797-4ds87e.html

Participants will receive a calendar invite and a unique code which is to be quoted when dialing into the call.

Authorised by:

The Board of Directors

For further information:

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KEY FINANCIALS – H1 FY25

Statutory[4]		***% chg vs pcp***
Revenue	724.0	(16.4%)
EBITDA (before significant items)	(26.4)	(123.2%)
EBIT (before significant items)	(57.3)	(211.5%)
NPAT (before significant items)	(135.7)	n.m.f
Earnings Per Share[5]	(10.5)	n.m.f
Normalised[6] **(Underlying)**		***vs pcp***
Revenue		
- Sydney	362.2	(19.5%)
- Gold Coast	218.2	(8.4%)
- Treasury Brisbane	54.8	(69.1%)
- The Star Brisbane Operator Fee	14.4	N/A
EBITDA		
- Sydney	(24.6)	(165.8%)
- Gold Coast	18.1	(59.4%)
- Treasury Brisbane	-	(100.0%)
- The Star Brisbane net Operator Fee	(19.9)	N/A
EBIT		
- Sydney	(42.7)	(1167.5%)
- Gold Coast	8.8	(66.5%)
- Treasury Brisbane	(3.5)	(116.6%)
- The Star Brisbane net Operator Fee	(19.9)	N/A
NPAT	(135.7)	n.m.f
Dividend per share		
Total dividends per share (fully franked)	N/A	N/A

[4] Refer to Note A7 of the Financial Report for a reconciliation of significant items. Statutory revenue and expenses also include contracted cost recovery revenue associated with the DBC integrated resort joint venture (at cost, no margin) in relation to the supply of labour and other shared costs in respect of the portion of the DBC integrated resort operated by the Group

[5] Earnings per share based on weighted average number of shares on issue

[6] Normalised EBITDA and Normalised EBIT are before equity accounted investment profits / losses and significant items. Normalised NPAT is after equity accounted investment profits / losses and before significant items