



**Massachusetts Gaming Commission**

January 2014

# Maximizing the Economic Impact in MA



Wynn Resort in Everett will generate the following economic benefits:

## Direct Capital Investment

- \$1.6 bn initial development cost (\$1.0 bn hard costs, \$125 mn land / infrastructure, \$450 mn other)
- Equivalent to 90% of City of Boston 5 year capital plan 2014-2018

## New Jobs

- 6,000+ long-term jobs (4,000 direct & 2,000 additional induced) + 4,000 direct construction jobs
- Wynn will be in the Top 5 private employers in Boston

## Tax Revenue

- \$267 mn in annual, recurring state and local taxes (\$29 mn directly to the City of Everett)
- \$183 mn in one-time state and local taxes during the resort development

## Household Earnings

- \$269 mn in recurring earnings (\$136 mn direct and \$134 mn indirect / induced)
- \$763 mn in one-time construction-related earnings

## Tourism and Visitation

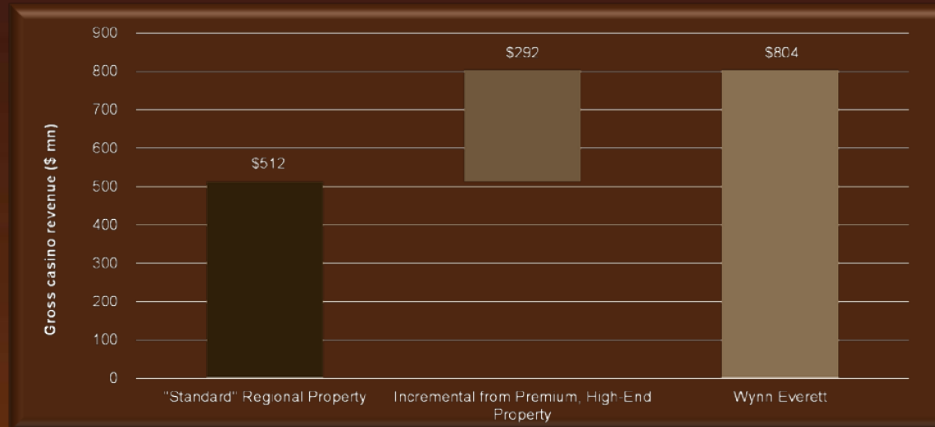
- 7+ mn visitors annually
- 1.6x more visits than the annual attendance for Red Sox, Celtics, Patriots and Bruins

# The Wynn Effect in Massachusetts



- The Wynn Resort in Everett will extend Wynn's industry-leading development and operating philosophy:
    - Cater to premium and international market segments
    - Deliver true integrated-resort experience to drive non-gaming revenues
    - Implement 5-star customer service
- ⇒ **Create robust gaming and non-gaming markets and establish sustainable competitive advantages**

**The Wynn Resort in Everett  
Bridging the Revenue Gap**



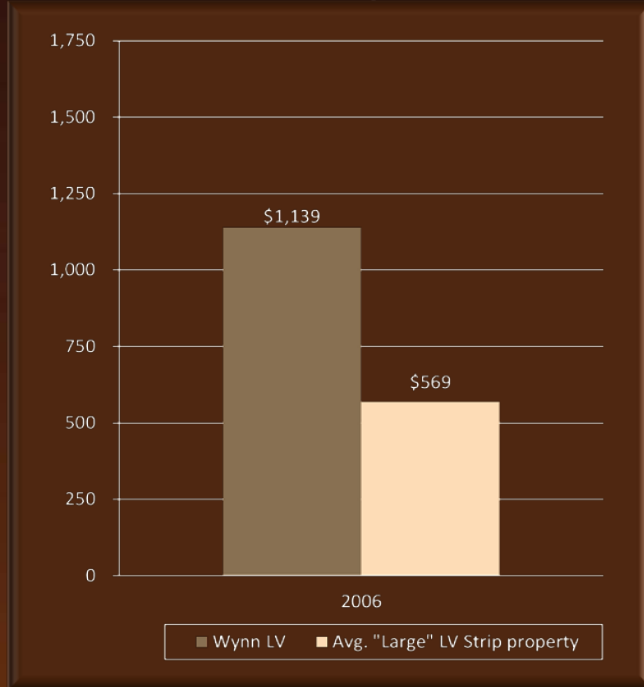
Sources: Regional gaming commissions, TMG Consulting, company estimates.

# The Wynn Effect in Las Vegas

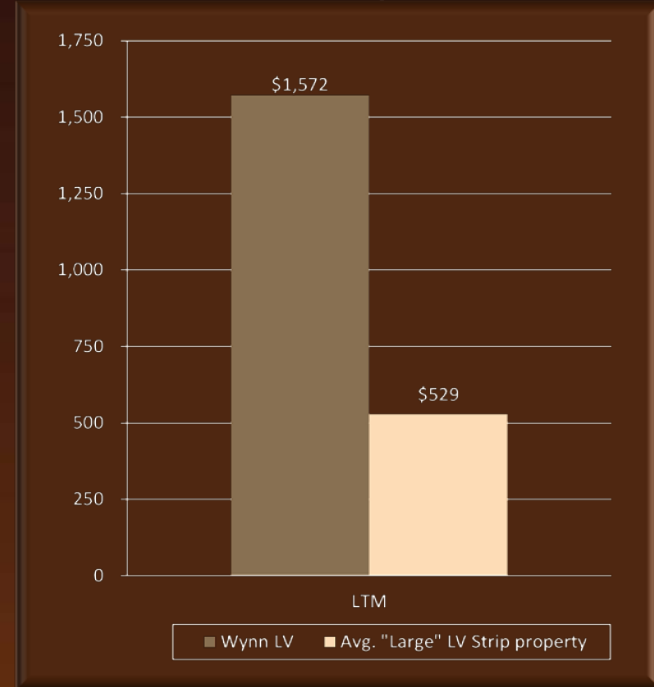


## Wynn Las Vegas vs. Average LV Strip Property Net Revenue (US\$ in millions)

**First full year**  
**100% revenue premium**



**LTM**  
**200% revenue premium**

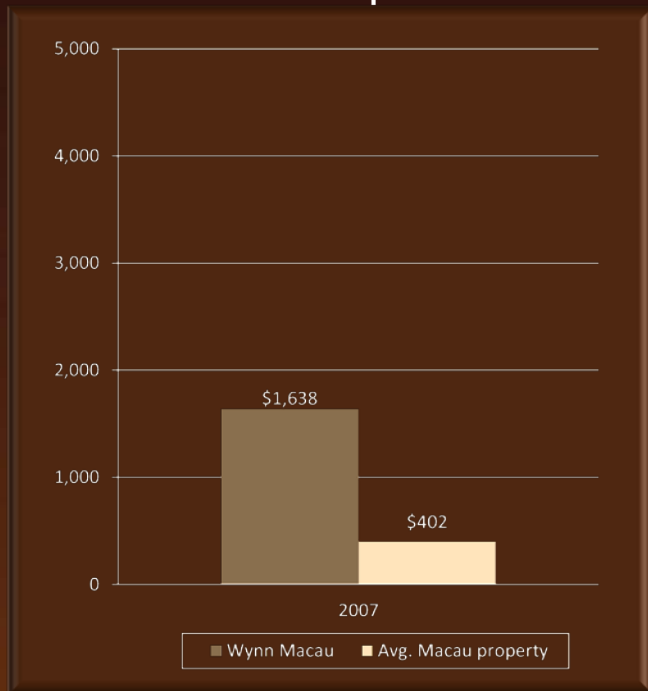


# The Wynn Effect in Macau

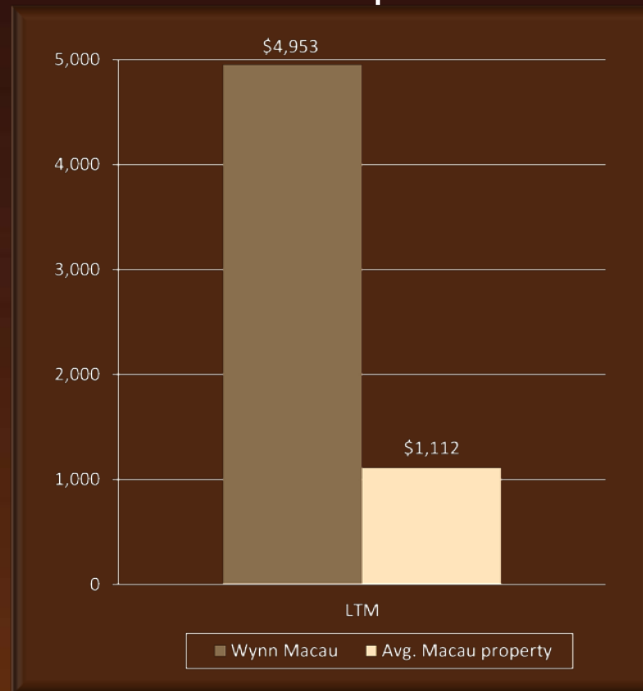


## Wynn Macau vs. Average Macau Property Gross Gaming Revenue (US\$ millions)

**First full year**  
**300% revenue premium**



**LTM**  
**350% revenue premium**



Sources: Company public filings, Macau DICJ  
LTM = Last twelve months ended September 30, 2013

# Wynn Resorts' Financial Strength

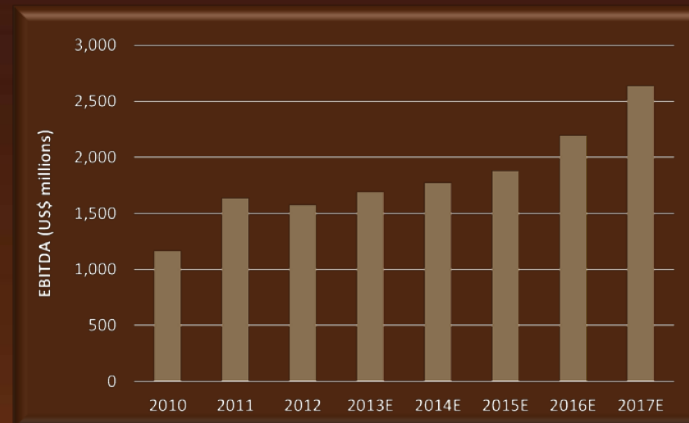


- Flexible balance sheet with minimal net leverage
  - \$2.7 billion of cash as of 9/30/13
  - Strong equity sponsorship: \$20 bn equity market capitalization
- Robust cash flow available to fund project  $\Rightarrow$  \$5.4 billion in discretionary Free Cash Flow to be generated through the construction period

**Strong Balance Sheet Metrics:  
Net leverage (Net debt / EBITDA)**

	2007	2010	2013
<b>Wynn Resorts</b>	<b>3.1x</b>	<b>1.8x</b>	<b>2.3x</b>
<b>Domestic Operator Avg.<sup>1</sup></b>	<b>4.8x</b>	<b>9.7x</b>	<b>6.3x</b>

**Strong EBITDA Generation<sup>2</sup>**



(1) Includes Las Vegas Sands, MGM Resorts, Caesars International, Boyd Gaming, Penn National Gaming, and Mohegan Tribal Gaming Authority.

(2) EBITDA projections exclude the potential contribution from the Wynn Resort in Everett.

Sources: Company public filings and ThomsonOne. Note: Wynn 2013-2017 EBITDA projections based on Wall Street research consensus estimates compiled by ThomsonOne.



## Region A Financial Comparison

- Wynn Resorts' current liquidity position is much stronger than Mohegan Tribal Gaming Authority's
  - 30x more cash on hand
  - 12x more annual Free Cash Flow
- Wynn Resorts' strong, flexible balance sheet ensures:
  - On-time project completion with no phasing
  - Consistent operations and staffing levels
  - Brand protection

	LTM			Net Debt / EBITDA
	EBITDA	Cash	FCF	
Wynn Resorts	\$1,525.2	\$2,498.9	\$903.0	2.3x
Mohegan Tribal Gaming	310.5	77.4	72.3	5.3x

Sources: Company public filings for the twelve month period ended September 30, 2013.

# Access to Capital Markets



- Experienced in financing and maintaining large integrated resort projects
  - Delivered \$7.0 bn of development projects on-time and on-budget
  - Only major domestic operator not to suspend or cancel a development project during the economic downturn
  - Industry-leading 99% overall job preservation during the economic downturn; management-level pay cuts preserved line level positions
- Strong relationships with many of the world's largest financial institutions
- Long, successful track record of raising capital to fund development projects

Wynn Resort Capital Raising<sup>1</sup>  
2000 through 2013

<u>Financing activity</u>	<u>Amount Raised</u> (\$mn)
U.S.	\$12,750
Macau	6,250
<b>Total</b>	<b>\$19,000</b>

(1) Includes re-financing activity



# Conclusion



The “Wynn” difference:

1. 40 year track record in developing integrated destination casino resorts that stimulate and transform markets
2. Unique premium positioning enables Wynn developments to grow and lead their markets with minimal cannibalization
  - Cater to premium and international market segments
  - Deliver true integrated experience to drive non-gaming revenues
  - Implement 5-star customer service
3. Unmatched ability to fund integrated-resort projects ensures on-time delivery with no “phasing”
  - Flexible balance sheet and strong equity sponsorship supports project in all economic environments



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