

CEO Matt Maddox leaving Wynn Resorts

By [Richard N. Velotta](#) Las Vegas Review-Journal

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Matt Maddox, Wynn Resorts Ltd.'s chief executive officer since Steve Wynn resigned in 2018, stunned the gaming industry Tuesday by announcing he's leaving the company as of Jan. 31.

Craig Billings, who is CEO of Wynn Interactive and who has served as president and chief financial officer of Wynn Resorts, was named the new CEO effective Feb. 1.

The company's board of directors unanimously requested Maddox remain on the Wynn Macau and Wynn Interactive boards through 2022. That will enable him to consult for the company during the critical concession renewal process in Macao next year.

Maddox, 46, said that after nearly 20 years with the company — he joined Wynn Resorts at its founding in 2002 and was Steve Wynn's right-hand man up until Wynn became embroiled in a sexual misconduct scandal in January 2018 — he's ready for a new challenge.

Steve Wynn has denied all accusations involving sexual harassment.

Billings will become the third CEO the company has ever had when he takes over in February.

“The entire board of directors is grateful for Matt’s dedication and leadership of the company and thanks him for all that he has done,” Phil Satre, chairman of Wynn’s board of directors, said in a company statement.

“We are very fortunate to have a talented executive in Craig Billings who will assume the role of CEO and join the board in February 2022,” Satre said. “The board and I have worked with Craig for five years, as chief financial officer and president of the company. He has our confidence and trust as he begins his new role.”

Impressed with transition

Locally based gaming analysts also were impressed with the executive transition.

“Mr. Maddox has been a steady force at the helm of Wynn Resorts during his tenure as CEO,” said Brendan Bussmann, director of government affairs for Las Vegas-based Global Market Advisors. “He has put the company in a strong position for its future in Las Vegas, Boston, Macao and beyond. He led the company through a difficult time but put it on a strong foundation and set it on a great path for the future.”

Bussmann also was impressed with Maddox's leadership during the pandemic.

“He set the standard for health and safety measures not just for the gaming industry since the start of the Great Shutdown but for all of the travel and tourism industry,” he said. “This includes not only what it did for its guests but most importantly for their employees.”

‘Clutch leader’

Josh Swissman, founding partner of The Strategy Organization in Las Vegas, said Maddox was the right man at the right time for Wynn. “Maddox has proven to be a clutch leader in times of crisis,” he said.

“When Steve Wynn left the company, he stepped in and kept the company moving forward,” Swissman said. Throughout the pandemic, particularly in the early stages when information and details were lacking, Maddox stood at the front of the entire industry and showed the rest of the operators what it meant to take care of your customers and ultimately your employees and community. I will forever remember the way Maddox led with transparency during a time when it was needed most ... in the height of the pandemic.”

Swissman and Bussmann also are impressed with Billings' credentials.

“Craig Billings is the right CEO for where Wynn Resorts is headed for the rest of the decade,” Swissman said. “He has great international and even more impressive digital experience. He will drive the company forward in its next chapter of growth, which will extend beyond traditional, physical, brick-and-mortar experiences.”

“Mr. Billings is an excellent choice to take the reins of the leading luxury brand in the gaming industry,” Bussmann added. “His background and knowledge of the company as it works forward with land-based and online gaming (will help) as the company continues to grow.”

Maddox’s announcement of his departure came minutes before Wynn Resorts was scheduled to conduct a conference call with investors on the company’s third-quarter earnings.

Record quarter

The company reported a 168.4 percent increase in revenue over a year ago for the quarter that ended Sept. 30, and properties in Las Vegas and suburban Boston posted record adjusted property cash flow.

But it remains slow going for the company, which also reported a net loss of \$246 million, \$1.45 a share, on revenue of \$994.6

million. By comparison, in 2020, Wynn posted a net loss of \$831.5 million, \$7.10 a share, on revenue of \$370.5 million.

Analysts focused most of their questions on the executive transition while offering congratulatory comments for Maddox and Billings.

Maddox said during the call that he is proud of keeping room and occupancy rates high during a period of turmoil. He said Wynn Las Vegas recently had weekend room rates of \$780 a night with rooms 99 percent full.

Maddox said Wynn continues to be a desired place to work with more than 1,000 people applying for 22 casino cleaner positions.

“That,” Maddox said, “is a sign of a good business.”

He also said one of Wynn’s new restaurants, the Delilah supper club, is so popular that patrons can’t get a reservation for a table until February.

The company’s growth strategy has been to take market share from competitors and build a database of customers 30 to 50 years old to join the baby boomers who already patronize the place.

The company’s database also is growing exponentially at Encore Boston Harbor in Massachusetts, and October was the best month on record there.

Before joining Wynn, Maddox was an investment banker in the mergers and acquisitions department at Bank of America before working in corporate finance at Park Place Entertainment, the predecessor to Caesars Entertainment Inc.

Financing Wynn Las Vegas

He joined Wynn as treasurer and vice president of investor relations and was responsible for securing the financing to build Wynn Las Vegas.

Recognizing the potential of Macao, Maddox became the first Wynn employee based there in 2003 as chief financial officer for Wynn Resorts Macau.

During his three years in Asia, he was a part of the opening team for Wynn's first of three resorts there.

In 2008, Maddox was appointed chief financial officer of Wynn Resorts. In 2013, he added the title of president and returned to Macao to lead the financing and development of the \$4.2 billion Wynn Palace on Cotai.

It was in early 2018 that Maddox was a part of what he called "one of the messiest transitions in corporate history." That was when Steve Wynn left the company. Maddox was immediately appointed CEO.

“My goal was to emerge better than we were before,” he said.
“Then, we bumped into a pandemic.”

But before the coronavirus closed every casino in Nevada for 78 days, Maddox had to weather a suitability investigation and licensing in Massachusetts. Members of the state’s gaming commission said he lacked the necessary leadership skills to be licensed. But in the end, he won out.

The commission eventually fined Wynn Resorts a record \$35 million and slapped Maddox personally with a \$500,000 fine.

‘Rough start’

“We certainly had a rough start in Massachusetts, but over the last few years and with a lot of hard work doing the right thing for our customers and employees, I have developed a very good relationship with the Massachusetts Gaming Commission and Encore Boston Harbor has become a valued member of the Massachusetts business community,” Maddox said Tuesday.

Wynn Resorts shares, traded on the Nasdaq exchange, closed down Tuesday by 73 cents, 0.8 percent, to \$94.12 a share on average volume. After hours — and after Maddox made his announcement that he was leaving — shares rebounded slightly by 13 cents, 0.1 percent, to end at \$94.25 a share.

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Wynn Resorts Ltd.

Third-quarter revenue and earnings for Las Vegas-based Wynn Resorts Ltd., which operates Wynn Las Vegas and Encore Las Vegas, three properties in Macao, and Encore Boston Harbor. (Nasdaq: WYNN)

Revenue

3Q 2021: \$994.6 million

3Q 2020: \$370.5 million

Change: +168.4%

Net income/(loss)

3Q 2021: (\$246 million)

3Q 2020: (\$831.5 million)

Earnings/(Loss) per share

3Q 2021: (\$1.45)

3Q 2020: (\$7.10)