GENTING
BERHAD
Registration No. 196801000315 (7916-A)

**PRESS RELEASE** | **For Immediate Release**

## GENTING BERHAD ANNOUNCES THIRD QUARTER RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

**KUALA LUMPUR, 25 NOVEMBER 2021** - Genting Berhad today announced its financial results for the third quarter ("3Q21") and nine months ended 30 September 2021 ("YTD 3Q21").

In 3Q21, Group revenue was RM3,502.1 million, an increase of 6% compared with the previous year's corresponding quarter's ("3Q20") revenue of RM3,298.8 million. However, adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") of the Group for 3Q21 was RM908.2 million compared with RM1,095.3 million in 3Q20, a decline of 17%, attributed mainly to the Leisure & Hospitality Division.

Revenue and EBITDA of Resorts World Sentosa ("RWS") declined in 3Q21 due to the series of enhanced safe management measures introduced to curb the surge of new community cases. Such measures included reduction in group size for social gathering and prohibition of dining-in at food and beverage establishments. Whilst most of the key offerings at RWS remained operational, these were at considerably lower levels.

At Resorts World Genting ("RWG"), revenue and EBITDA declined significantly due to the temporary closure of operations since 1 June 2021 in compliance with a government directive of a nationwide total lockdown amid the outbreak of the Coronavirus Disease 2019 ("COVID-19") pandemic. RWG resumed operations since 30 September 2021. Consequently, an adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") was recorded in 3Q21 which was partially mitigated by lower operating expenses and a reduction in payroll and related costs as a result of lower headcount.

The higher revenue from the leisure and hospitality businesses in United Kingdom ("UK") and Egypt in 3Q21 was largely due to re-opening of Genting Malaysia Berhad ("GENM") Group's land-based casinos in the UK since mid-May 2021 and the progressive easing of COVID-19 restrictions across the region. Crockfords Cairo resumed operations since 18 October 2020. In 3Q20, certain of GENM Group's UK casinos had only resumed operations with reduced capacity from mid-August 2020 after a lockdown. The higher EBITDA was primarily attributable to higher revenue and higher debt recovery, partially offset by higher payroll and related costs following the resumption of its operations since mid-May 2021.

The leisure and hospitality businesses in the United States of America ("US") and Bahamas recorded higher revenue in 3Q21 compared with 3Q20 mainly due to the strong operating performance from Resorts World Casino New York City ("RWNYC") since the full lifting of COVID-19 restrictions in June 2021 and contribution from Resorts World Las Vegas ("RWLV"). RWNYC achieved revenue surpassing pre-pandemic levels. In 3Q20, RWNYC was largely closed as it reopened with reduced capacity in compliance with COVID-19 restrictions from 9 September 2020. EBITDA of RWNYC improved mainly due to higher revenue partially offset by higher payroll and related costs following the resumption of its operations.

The financial results of RWLV are included in the revenue and EBITDA of the US and Bahamas segment. RWLV opened its doors to the public on 24 June 2021 and hence, 3Q21 results are the first full set of quarter results since its opening. It achieved revenue of almost USD175.0 million (equivalent to approximately RM722.8 million) and just short of USD27.0 million (equivalent to approximately RM110.0 million) in EBITDA for 3Q21. Its results in 3Q21 were impacted by the State of Nevada's mandate requiring face masks while in public indoor spaces regardless of vaccination status on 30 July 2021. Hotel occupancy rate for 3Q21 was 54.9% as several conventions were cancelled as a result of the mandate. The Zouk Nightclub, the Spa, additional retail outlets and restaurants were opened during 3Q21. Additional retail, restaurants and The Theatre at RWLV are expected to open in the fourth quarter. Total development and land costs incurred as of 30 September 2021 were approximately USD4.2 billion.

The Plantation Division's revenue and EBITDA increased in 3Q21 mainly due to the effect of stronger palm product prices. Downstream Manufacturing posted marginally lower revenue in 3Q21 on the back of lower sales volume which was mitigated by the effect of higher palm products selling prices. However, EBITDA improved mainly due to higher margins which were moderated by lower sales volume.

Revenue and EBITDA from the Power Division increased mainly due to higher net generation from the Indonesian Banten Plant.

The Oil & Gas Division recorded higher revenue and EBITDA mainly due to higher average oil prices and higher production in 3Q21.

A higher LBITDA was recorded from "Investments & Others" in 3Q21 mainly due to lower investments and other income.

The Group reported a loss before taxation of RM278.3 million for 3Q21 compared with a profit before taxation of RM60.1 million in 3Q20. The loss in 3Q21 was mainly due to:

- the Group's lower EBITDA;
- higher depreciation and net finance costs with the opening of RWLV on 24 June 2021; and
- share of losses in joint ventures and associates, attributed mainly to a share of loss from the Meizhou Wan power plant in China compared with a profit in previous year's corresponding quarter mainly due to higher coal costs. This was partially offset by lower share of losses from GENM Group's associate, Genting Empire Resorts LLC, the holding company of Empire Resorts, Inc. ("Empire") mainly due to continued improvement in Empire's operating performance following the full relaxation of COVID-19 restrictions since June 2021;

partially offset by:

- lower impairment losses;
- lower pre-opening expenses incurred by RWLV in 3Q21 compared with 3Q20; and
- write-back of accounting accruals in 3Q21, now no longer needed by Genting Singapore Limited ("GENS") which was made in prior periods relating to the Yokohama Integrated Resort Bid.

In YTD 3Q21, Group revenue of RM8,691.9 million was marginally higher compared with RM8,516.0 million in the previous year's nine months ("YTD 3Q20"). The decline in revenue of the Leisure & Hospitality Division, which was mainly attributable to RWG, was offset by improved performance from the other divisions. However, Group EBITDA improved by 40% to RM2,407.4 million in YTD 3Q21 from RM1,725.3 million in YTD 3Q20 mainly due to improved EBITDA from the Leisure & Hospitality and Plantation divisions.

Revenue and EBITDA of RWS have improved in YTD 3Q21 as most operations at RWS had ceased for almost three months in the same period last year. Most of the key offerings at RWS continued to operate at considerably lower levels compared with pre-COVID-19 pandemic.

Lower revenue was recorded from RWG mainly due to the decline in the overall business volume from gaming and non-gaming segments following the re-imposition of movement control orders and total lockdown by the Malaysian Government. This has resulted in a temporary closure of RWG for approximately five months compared with three months in YTD 3Q20. As a result, RWG recorded LBITDA for YTD 3Q21 primarily due to lower revenue partially mitigated by lower operating expenses and a reduction in payroll and related costs as a result of lower headcount.

Revenue from the leisure and hospitality businesses in UK and Egypt was higher on resumption of business from mid-May 2021. Consequently, EBITDA was recorded compared with LBITDA in YTD 3Q20 due to higher revenue, lower payroll and related costs as a result of lower headcount and higher debt recovery.

The leisure and hospitality businesses in the US and Bahamas recorded higher revenue primarily due to strong rebound in demand seen at RWNYC as COVID-19 restrictions were gradually eased during the period and contribution from RWLV. Consequently, EBITDA was recorded compared with LBITDA in YTD 3Q20. Higher revenue recorded by RWNYC was partially offset by higher payroll and related costs following the resumption of its operations.

Since RWLV opened its doors to the public on 24 June 2021, the financial results for YTD 3Q21 comprise mainly of the results achieved in 3Q21. The first integrated resort to be built on the Strip in over a decade, RWLV combines 3,506 guest rooms and suites across three hotels including Las Vegas Hilton, Conrad Las Vegas and Crockfords Las Vegas, over 40 food and beverage venues, world-class entertainment and innovative gaming technology, all prominently located on Las Vegas Boulevard. Total revenue of approximately USD189.7 million (equivalent to approximately RM783.9 million) and EBITDA of approximately USD30.7 million (equivalent to approximately RM125.5 million) were recorded up to 30 September 2021. Average hotel occupancy rate during the current period was approximately 56%.

Higher revenue and EBITDA from the Plantation Division in YTD 3Q21 was mainly due to higher palm products prices. Higher production in Indonesia in line with increased harvesting areas and better yields compensated for lower harvest in the Malaysian estates due to the lagged effects of droughts coupled with progressive replanting activities. However, revenue from Downstream Manufacturing segment declined due to lower sales volume which was mitigated by the effect of higher palm products selling prices. Increase in EBITDA was mainly due to higher margins which were moderated by lower sales volume.

Revenue from the Power Division for YTD 3Q21 which comprised mainly revenue from sale of electricity by the Indonesian Banten Plant improved on higher net generation. However, EBITDA was lower due to higher operating and maintenance expenses.

The Oil & Gas Division recorded higher revenue and EBITDA mainly due to higher average oil prices and higher production which mitigated higher platform maintenance and workover expenses.

The Group reported a loss before taxation of RM1,272.3 million for YTD 3Q21 compared with a loss of RM1,818.3 million recorded in YTD 3Q20. The lower loss in YTD 3Q21 was mainly due to higher EBITDA and lower impairment losses. However, this was partially offset by higher pre-opening expenses incurred by RWLV and higher net finance costs. The higher share of losses in joint ventures and associates was mainly due to the Meizhou Wan power plant as a result of higher coal costs. This was partly mitigated by the lower share of loss in Empire due to improvement in its operating performance following the easing of COVID-19 restrictions. The share of loss in Empire in YTD 3Q20 had also been impacted by costs associated with the refinancing of Empire's loans.

The performance of the Group for the remaining period of the current financial year may be impacted as follows:

The recovery of the global economy is expected to continue, supported by sustained progress in vaccination programmes worldwide and the relaxation of containment measures. However, downside risks to global growth remain, given uncertainties surrounding the evolution of COVID-19, ongoing supply chain disruptions, escalating energy prices and inflationary risk. The recovery momentum of the Malaysian economy is expected to improve in line with the rally of the global economy and continued implementation of domestic economic and fiscal stimulus measures.

The tourism industry is expected to continue recovering with the increase in vaccination rates and easing of border crossing restrictions worldwide. The introduction of the Twelfth Malaysia Plan, with the tourism industry as one of the key focus areas, will augur well for GENM Group as a leading player in the leisure and hospitality sector in Malaysia and the region. As for the regional gaming market, the introduction of vaccinated travel lanes between certain countries will provide a positive catalyst for industry players.

Against this backdrop, GENM Group is cautiously optimistic on the near-term prospects of the leisure and hospitality industry.

In Malaysia, GENM Group is encouraged by the positive reception to the resumption of business at RWG since 30 September 2021. In view of the increasing visitor turnout at RWG since its re-opening, GENM Group will ramp up its operational capacity by leveraging existing assets. Genting SkyWorlds, a first class, world class theme park, is targeted to complete by the end of 2021 and GENM Group is currently preparing for its opening. GENM Group will continue to enforce strict COVID-19 precautionary measures in line with the guidelines from government authorities for the safety of all its stakeholders. Meanwhile, GENM Group will continue to optimise its cost base to drive productivity and efficiency across its operations.

In the UK and Egypt, GENM Group remains steadfast in executing various strategies to strengthen the resilience of its business by streamlining and reorganising its operations to optimise efficiencies. At the same time, GENM Group will place emphasis on driving business volume and revenue at its properties as it continues to capitalise on improving consumer sentiments following the lifting of COVID-19 restrictions.

In the US, GENM Group will continue to strengthen its market leading position by pursuing growth opportunities in New York. This includes the development of Empire's new video gaming machines facility, Resorts World Hudson Valley in Orange County, New York, which is targeted to open in the summer of 2022. More recently, the New York State Gaming Commission had selected nine operators, including Empire to receive mobile sports betting licences to operate in the state. This latest development will enable GENM Group to expand its suite of product offerings to customers in New York. Meanwhile, GENM Group will continue to maximise synergies between RWNYC and Resorts World Catskills to drive business volume and improve the overall profitability of its US operations. In the Bahamas, the launch of the new Resorts World Bimini Cruise Port will be a key growth platform for GENM Group as it continues to leverage partnerships with renowned brands to drive visitation and spend at the resort.

GENS is encouraged by the implementation of vaccinated travel lanes that allows business and leisure travel from designated countries. This is a significant milestone in the opening of its borders. However, in the short term, GENS expects minimal increase in overseas visitors' footfall as the countries designated for this quarantine-free travel are from non-traditional source markets. At the same time, there may be an impact on the integrated resort's ("IR") visitorship from an outflow of the local population to these countries due to the pent-up demand for international travel.

To further its sustainability journey, RWS stepped forward as founding member of the Sentosa Carbon Neutral Network, a collective public-private effort between Sentosa Development Corporation and a network of industry players to transform Sentosa island into a sustainable tourism destination and achieve carbon neutrality by 2030. RWS has also ramped up its sustainability drive with the launch of Eco Meetings, Incentives, Conferences and Exhibitions packages to meet increasing demand for sustainable events. This latest initiative paves the way for the IR to hold sustainable yet state-of-the-art hybrid events to shape the growth of eco-tourism in Singapore.

RWLV combines traditional and modern architecture, weaving a new luxury hotel experience into the fabric of Las Vegas with Asian-inspired touches, progressive technology and world-class guests service. This includes 117,000 square-feet casino, 59-story tower housing three Hilton hotel brands with over 3,506 rooms, 70,000 square-feet retail space, over 40 food and beverage outlets, 5,000 seat theater, and a 100,000 square-feet exterior LED screen on the West hotel tower. Upon opening, RWLV experienced a large number of guests enjoying the property's various offerings. RWLV will keep the momentum going by leveraging the Hilton branding partnership with over 123 million Hilton Honors Members and capitalising on the return of the convention business with its proximity to the Las Vegas Convention Center expansion. The completion of the 5,000-capacity state-of the-art theater headlined by A-list residencies will drive additional foot traffic in the fourth quarter.

Genting Plantations Berhad ("GENP") Group's prospects for the remaining months of 2021 will track the performance of its mainstay Plantation segment, which is in turn dependent principally on the movements in palm products prices and GENP Group's fresh fruit bunches ("FFB") production.

GENP Group expects palm oil prices for the remaining part of the year to remain resilient supported by a confluence of factors such as sustained demand on the back of global economic recovery, tightness in supply ahead of the upcoming monsoon season as well as historically high prices of other substitute oils and fats.

GENP Group's FFB production growth up to the first half of 2021 was mainly driven by its Indonesian operations as a result of additional harvesting areas and the progression of existing mature areas into higher yielding brackets. However, production growth has moderated since then in line with seasonal cropping patterns coupled with unfavourable weather conditions curtailing operations. Taking into consideration the above as well as ongoing replanting activities in Malaysian estates, GENP Group's FFB production is anticipated to be comparable to the level attained in 2020.

For the Property segment, GENP Group will continue to offer products which cater to a broader market segment given the prevailing market sentiments. Meanwhile, following the recent lifting of travel restrictions, the patronage and sales from the Premium Outlets® have shown encouraging recovery and is likely to rebound in fourth quarter of 2021 subject to the COVID-19 situation.

For the Downstream Manufacturing segment, notwithstanding the historical high palm product prices, the demand for refined palm products is expected to stay resilient given its competitive pricing vis-à-vis other substitute soft oils. Meanwhile, the outlook for biodiesel will remain challenging due to the unfavourable palm oil-gas oil ("POGO") spread.

The performance of Banten plant in Indonesia has resumed to normalcy with 100% availability subsequent to the minor outage which was carried out from end December 2020 to early February 2021. The plant load factor remains high since second quarter until October 2021 when it dropped marginally due to some delays in coal supplies arising from local shortage. The supplies of coal have returned to normal since November 2021. The performance of the Jangi wind farm in Gujarat, India has shown improvement with the higher wind season from June to September. Meanwhile, the progress of copper cap installation that will mitigate the probability of lightning strikes is pending one last wind turbine which is to be completed together with the wind turbine gear box repair work during the low wind season by end December.

With the steady production year on year, coupled with global crude oil prices remaining at its current high level beyond USD80/bbl, Chengdaoxi block is expected to perform better than 2020 when global crude oil was in the gloom. Following the approval from the Ministry of Energy and Mineral Resources of Indonesia on the Plan of Development for the Kasuri block, the progress of the front end engineering design has commenced since 2019. However, the completion date has been further postponed pending the finalisation of negotiation with a potential petrochemical plant off taker in West Papua for the supply of natural gas which will be utilising the 1.7 trillion cubic feet of discovered gas-in-place.

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| GENTING BERHAD<br>SUMMARY OF RESULTS | 3Q21<br>RM'million | 3Q20<br>RM'million | 3Q21 vs 3Q20<br>% | YTD 3Q21<br>RM'million | YTD 3Q20<br>RM'million | YTD 3Q21 vs 3Q20<br>% |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Leisure & Hospitality | | | | | | |
| - Malaysia | 16.0 | 1,179.5 | -99 | 549.2 | 2,483.6 | -78 |
| - Singapore | 779.1 | 833.1 | -6 | 2,482.1 | 2,137.7 | +16 |
| - UK and Egypt | 406.0 | 131.4 | >100 | 631.5 | 535.8 | +18 |
| - US and Bahamas | 1,087.0 | 69.7 | >100 | 1,757.3 | 358.3 | >100 |
| | 2,288.1 | 2,213.7 | +3 | 5,420.1 | 5,515.4 | -2 |
| Plantation | | | | | | |
| - Oil Palm Plantation | 525.6 | 355.2 | +48 | 1,399.7 | 1,028.1 | +36 |
| - Downstream Manufacturing | 383.9 | 399.6 | -4 | 1,059.4 | 1,078.0 | -2 |
| | 909.5 | 754.8 | +20 | 2,459.1 | 2,106.1 | +17 |
| - Intra segment | (193.0) | (128.0) | -51 | (466.8) | (387.9) | -20 |
| | 716.5 | 626.8 | +14 | 1,992.3 | 1,718.2 | +16 |
| Power | 336.7 | 244.7 | +38 | 803.6 | 740.2 | +9 |
| Property | 35.3 | 35.0 | +1 | 123.8 | 101.0 | +23 |
| Oil & Gas | 92.9 | 70.2 | +32 | 260.0 | 226.7 | +15 |
| Investments & Others | 32.6 | 108.4 | -70 | 92.1 | 214.5 | -57 |
| | **3,502.1** | **3,298.8** | +6 | **8,691.9** | **8,516.0** | +2 |
| **Loss for the period** | | | | | | |
| Leisure & Hospitality | | | | | | |
| - Malaysia | (204.6) | 534.8 | >-100 | (395.9) | 660.4 | >-100 |
| - Singapore | 335.1 | 448.5 | -25 | 1,217.7 | 686.1 | +77 |
| - UK and Egypt | 98.5 | (102.3) | >100 | 55.7 | (194.3) | >100 |
| - US and Bahamas | 229.4 | (79.9) | >100 | 417.5 | (242.0) | >100 |
| | 458.4 | 801.1 | -43 | 1,295.0 | 910.2 | +42 |
| Plantation | | | | | | |
| - Oil Palm Plantation | 233.3 | 120.3 | +94 | 618.3 | 338.6 | +83 |
| - Downstream Manufacturing | 25.5 | 11.9 | >100 | 43.5 | 27.9 | +56 |
| | 258.8 | 132.2 | +96 | 661.8 | 366.5 | +81 |
| Power | 137.6 | 101.6 | +35 | 300.2 | 305.8 | -2 |
| Property | 15.8 | 10.6 | +49 | 23.2 | 39.5 | -41 |
| Oil & Gas | 74.5 | 53.3 | +40 | 201.9 | 176.9 | +14 |
| Investments & Others | (36.9) | (3.5) | >-100 | (74.7) | (73.6) | -1 |
| **Adjusted EBITDA** | 908.2 | 1,095.3 | -17 | 2,407.4 | 1,725.3 | +40 |
| Net fair value gain on derivative financial instruments | 6.4 | - | NM | 6.4 | - | NM |
| Net fair value (loss)/gain on financial assets at fair value through profit or loss | (2.2) | (7.5) | +71 | 15.6 | (29.1) | >100 |
| Net gain on derecognition and change in shareholding of associates | - | 14.6 | -100 | - | 65.3 | -100 |
| Gain on disposal of a subsidiary | - | - | - | 64.3 | - | NM |
| Net impairment losses | (29.9) | (206.1) | +85 | (373.8) | (774.8) | +52 |
| Depreciation and amortisation | (774.7) | (577.8) | -34 | (1,990.8) | (1,841.9) | -8 |
| Interest income | 40.3 | 71.3 | -43 | 108.1 | 323.4 | -67 |
| Finance cost | (379.6) | (241.7) | -57 | (862.1) | (820.7) | -5 |
| Share of results in joint ventures and associates | (83.1) | 62.8 | >-100 | (161.2) | (57.1) | >-100 |
| Others | 36.3 | (150.8) | >100 | (486.2) | (408.7) | -19 |
| **(Loss)/profit before taxation** | **(278.3)** | **60.1** | >-100 | **(1,272.3)** | **(1,818.3)** | +30 |
| Taxation | (48.2) | (481.4) | +90 | (187.6) | (411.1) | +54 |
| **Loss for the period** | **(326.5)** | **(421.3)** | +23 | **(1,459.9)** | **(2,229.4)** | +35 |
| Basic loss per share (sen) | (8.95) | (3.40) | >-100 | (32.20) | (27.25) | -18 |

NM= Not meaningful

**About GENTING:**

Genting Berhad is principally an investment holding and management company. While the Company was incorporated in 1968 and listed in 1971, the Genting Group was founded in 1965 when its Founder, the late Tan Sri Lim Goh Tong started the journey to realise his vision of building a mountaintop resort in Malaysia. Today, the Genting Group comprises Genting Berhad and its listed companies; Genting Malaysia Berhad, Genting Plantations Berhad and Genting Singapore Limited, as well as its wholly owned unlisted subsidiaries Genting Energy Limited and Resorts World Las Vegas LLC.

Led by Tan Sri Lim Kok Thay, the Group is involved in leisure and hospitality, oil palm plantations, power generation, oil and gas, property development, life sciences and biotechnology activities, with operations spanning across the globe, including in Malaysia (the Group's country of origin), Singapore, Indonesia, India, China, the United States of America, Bahamas, the United Kingdom and Egypt. In the core leisure and hospitality business, the Genting Group and its brand affiliates market and offer a suite of products under a number of premier brands including **Genting, Resorts World, Genting Grand, Genting Club, Crockfords, Maxims, Crystal Cruises, Dream Cruises** and **Star Cruises**. The Genting Group has tie ups with established names such as Universal Studios, Premium Outlets, Zouk, Hard Rock Hotel, Hilton, Hyatt and other renowned international brand partners.

For more information, visit www.genting.com.

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