



GENTING MALAYSIA BERHAD
(58019-U)

PRESS RELEASE

For Immediate Release

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE
SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2019**

KUALA LUMPUR, 29 August 2019 – Genting Malaysia Berhad (Group) today announced its financial results for the second quarter (2Q19) and half year ended 30 June 2019 (1H19).

The Group's 2Q19 total revenue grew by 7% to RM2,601.5 million. The adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) registered a marginal improvement to RM711.5 million. Profit before tax (PBT) was higher by 2% to RM476.2 million while net profit increased by 7% to RM403.1 million in the quarter.

In 1H19, the Group's total revenue increased by 11% to RM5,337.1 million while adjusted EBITDA grew by 7% to RM1,395.6 million. However, PBT and net profit were lower by 12% and 9% to RM758.8 million and RM656.2 million respectively.

2Q19 Results

The Malaysian leisure and hospitality business registered a 10% growth in revenue to RM1,756.1 million while adjusted EBITDA remained flat at RM540.0 million. In the period, Resorts World Genting (RWG) reported overall decline in volume of business in the gaming segment, primarily due to lower incentives offered to customers in line with the Group's cost rationalisation initiatives. However, the Group's earnings were aided by improved hold percentage in the mid to premium players segment. Additionally, the Group recorded a reversal of provision for contract termination related costs of RM60.2 million in relation to the outdoor theme park at RWG.

In the United Kingdom (UK) and Egypt, the Group's operations recorded a decline in revenue to RM420.1 million, mainly due to lower contribution from the Group's interactive business. However, adjusted EBITDA improved by 53% to RM45.1 million largely attributable to the adoption of a new accounting standard involving the reclassification of lease expenses.

The Group's operations in the United States (US) and Bahamas reported higher revenue by 10% to RM378.1 million, aided by foreign exchange translation gains from the strengthening of USD against RM. Excluding this impact, revenue from the Group's operations grew by 4% mainly due to higher volume of business recorded at Resorts World Casino New York City (RWNYC). Adjusted EBITDA also improved by 32% to RM102.6 million, mainly contributed by improved operational efficiencies at Resorts World Bimini.

The Group's overall adjusted EBITDA was impacted by lower foreign exchange translation gains on its USD denominated assets of RM0.8 million as compared to higher foreign exchange translation gains of RM32.0 million recorded in the same period last year.

1H19 Results

The leisure and hospitality business in Malaysia registered revenue and adjusted EBITDA of RM3,665.6 million and RM1,095.6 million respectively. The Group's earnings were primarily aided by exceptionally high hold percentage from the mid to premium players segment. However, overall volume of business from the Group's gaming segment recorded a decline, largely due to the reduction in incentives offered to customers as part of ongoing cost rationalisation initiatives at RWG. Adjusted EBITDA was also supported by lower payroll and related expenses as a result of a reduction in headcount. Nevertheless, the improvement in adjusted EBITDA was offset by higher casino duties. The Group's earnings were also impacted by a provision for contract termination related cost of RM138.0 million in relation to the outdoor theme park.

In the UK and Egypt, the Group's operations recorded a decline in revenue to RM839.4 million. However, adjusted EBITDA increased by 43% to RM86.1 million despite lower debt recovery, mainly due to the Group's adoption of a new accounting standard involving the reclassification of lease expenses.

In the US and Bahamas, the Group registered an 8% improvement in revenue to RM745.1 million. This was mainly attributable to foreign exchange translation gains from the strengthening of USD against RM. Excluding this impact, revenue increased by 3% largely due to higher business volumes recorded at RWNYC. Adjusted EBITDA was also higher by 18% to RM168.6 million, mainly driven by lower operating losses at Resorts World Bimini as a result of continued improvements to operational efficiencies at the resort.

The Board of Directors has maintained the interim single-tier dividend at 6.00 sen per ordinary share.

Outlook

Global economic growth is expected to continue moderating across certain developed economies and emerging markets due to prolonged geopolitical and global trade policy uncertainties. The expansion of the Malaysian economy is expected to continue, albeit at a slower pace as it is expected to be affected by both domestic and global macroeconomic issues.

In line with uncertain economic sentiments, the regional gaming industry is anticipated to remain challenging, particularly in the premium players segment, as evidenced by the recent performances of certain gaming operators in Singapore and Macau. Meanwhile, the modest outlook for international travel demand is expected to persist.

The Group remains cautious on the opportunities and growth potential of the leisure and hospitality industry.

In Malaysia, the Group is continuing work on the development of the outdoor theme park following the resolution of the legal dispute surrounding the park. Details on the opening date of the outdoor theme park will be made available in due course. Meanwhile, the Group will continue focusing its efforts on rationalising its operating cost structure and improving overall operational efficiencies at RWG. Additionally, the Group will place emphasis on building its service delivery and product offerings to enhance the quality of guest experience. To this end, the Group will leverage the new assets to grow key business segments while emphasising yielding capabilities and database marketing efforts to drive revenue growth.

In the UK, the Group will continue reviewing its operations to identify streamlining opportunities to improve operational efficiencies. Additionally, the Group remains steadfast in delivering sustainable performance by managing business volatility in the premium players segment as well as strengthening its position in the mass market segment. The Group will also continue to put in place measures to encourage higher levels of visitation and volume of business at Resorts World Birmingham.

In the US, RWNYC maintained its position as market leader in terms of gaming revenue in the Northeast US region. Nevertheless, the Group remains focused on executing various initiatives to drive visitation and frequency of play at the property. Meanwhile, the first phase of the Group's expansion at RWNYC is expected to open by the end of this year while the development of the remaining facilities is progressing well. Once completed, the expansion will position the Group to capitalise on growing opportunities in the New York State amid an increasingly competitive landscape. In Miami, the Group will continue to leverage the Hilton Miami Downtown hotel to drive visitation and revenue at the property. In the Bahamas, the Group will place emphasis on improving the connectivity and infrastructure at Resorts World Bimini. The Group will also focus on enhancing the attractions at the resort by leveraging partnerships with renowned brands to grow visitation and encourage higher spend.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		SIX MONTHS ENDED 30 JUNE		Variance	
	2Q2019	2Q2018	2Q19 vs 2Q18		2019	2018	1H19 vs 1H18	
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
Revenue								
Leisure & Hospitality								
- Malaysia	1,756.1	1,591.9	164.2	10%	3,665.6	3,191.4	474.2	15%
- United Kingdom and Egypt	420.1	436.0	-15.9	-4%	839.4	848.4	-9.0	-1%
- United States of America and Bahamas	378.1	344.7	33.4	10%	745.1	691.1	54.0	8%
	<u>2,554.3</u>	<u>2,372.6</u>	181.7	8%	<u>5,250.1</u>	<u>4,730.9</u>	519.2	11%
Property	23.6	23.3	0.3	1%	50.3	47.0	3.3	7%
Investments & others	23.6	26.2	-2.6	-10%	36.7	43.7	-7.0	-16%
	<u>2,601.5</u>	<u>2,422.1</u>	179.4	7%	<u>5,337.1</u>	<u>4,821.6</u>	515.5	11%
Adjusted EBITDA								
Leisure & Hospitality								
- Malaysia	540.0	540.2	-0.2	<-1%	1,095.6	1,073.9	21.7	2%
- United Kingdom and Egypt	45.1	29.5	15.6	53%	86.1	60.1	26.0	43%
- United States of America and Bahamas	102.6	77.6	25.0	32%	168.6	142.4	26.2	18%
	<u>687.7</u>	<u>647.3</u>	40.4	6%	<u>1,350.3</u>	<u>1,276.4</u>	73.9	6%
Property	12.3	13.4	-1.1	-8%	27.2	28.0	-0.8	-3%
Investments & others	11.5	41.1	-29.6	-72%	18.1	5.1	13.0	>100%
Adjusted EBITDA	<u>711.5</u>	<u>701.8</u>	9.7	1%	<u>1,395.6</u>	<u>1,309.5</u>	86.1	7%
Pre-opening expenses	65.9	(15.7)	81.6	>100%	(144.7)	(32.3)	-112.4	->100%
Property, plant and equipment written off	(0.8)	(3.5)	2.7	77%	(1.5)	(19.2)	17.7	92%
Net (loss) / gain on disposal of property, plant and equipment	-	(0.1)	0.1	NC	(3.7)	0.1	-3.8	->100%
Impairment losses	(3.0)	(33.3)	30.3	91%	(20.8)	(33.3)	12.5	38%
Gain on disposal of a subsidiary	-	-	-	-	123.8	-	123.8	NC
Others	(5.3)	-	-5.3	NC	(5.3)	18.1	-23.4	->100%
EBITDA	<u>768.3</u>	<u>649.2</u>	119.1	18%	<u>1,343.4</u>	<u>1,242.9</u>	100.5	8%
Depreciation and amortisation	(260.9)	(238.0)	-22.9	-10%	(517.5)	(478.7)	-38.8	-8%
Interest income	27.4	92.2	-64.8	-70%	59.3	171.6	-112.3	-65%
Finance costs	(58.6)	(38.3)	-20.3	-53%	(126.4)	(73.2)	-53.2	-73%
Profit before taxation	<u>476.2</u>	<u>465.1</u>	11.1	2%	<u>758.8</u>	<u>862.6</u>	-103.8	-12%
Taxation	<u>(73.1)</u>	<u>(86.9)</u>	13.8	16%	<u>(102.6)</u>	<u>(142.3)</u>	39.7	28%
Profit/(loss) for the financial period	<u>403.1</u>	<u>378.2</u>	24.9	7%	<u>656.2</u>	<u>720.3</u>	-64.1	-9%
Basic earnings per share (sen)	<u>7.37</u>	<u>6.99</u>	0.4	5%	<u>12.11</u>	<u>13.33</u>	-1.2	-9%
Diluted earnings per share (sen)	<u>7.36</u>	<u>6.99</u>	0.4	5%	<u>12.10</u>	<u>13.31</u>	-1.2	-9%

NC : Not comparable

About Genting Malaysia

Genting Malaysia is one of the leading leisure and hospitality corporations in the world. Listed on Bursa Malaysia with approximately RM18 billion in market capitalisation, Genting Malaysia owns and operates major resort properties including Resorts World Genting (RWG) in Malaysia, Resorts World Casino New York City (RWNYC) in the United States (US), Resorts World Bimini (RW Bimini) in the Bahamas, Resorts World Birmingham and approximately 40 casinos in the United Kingdom (UK) and Crockfords Cairo in Egypt. Genting Malaysia also owns and operates two seaside resorts in Malaysia, namely Resorts World Kijal in Terengganu and Resorts World Langkawi on Langkawi island.

RWG is a premier leisure and entertainment resort in Malaysia. It is equipped with about 10,500 rooms spread across 7 hotels, theme parks and entertainment attractions, dining and retail outlets, as well as international shows and business convention facilities. The transformation at RWG has seen the Group introducing a plethora of new facilities and attractions which include the First World Hotel Tower 3, the Awana SkyWay cable car system, the Theme Park Hotel, the Crockfords Hotel, new attractions in the SkyAvenue entertainment complex and the First World Plaza, as well as the new Skytropolis Indoor Theme Park. The opening of the Genting Highlands Premium Outlet (a joint venture between Genting Plantations Berhad and Simon Property Group) at the mid-hill further complements the new and existing offerings at RWG.

In the UK, Genting Malaysia owns and operates approximately 40 casinos, making it one of the largest casino operators in the country. The Group is also involved in an interactive business which operates an online gaming platform comprising an online casino and sports book operation aimed at providing customers a seamless multi-channel gaming experience. Additionally, Genting Malaysia operates Resorts World Birmingham, the first integrated leisure complex of its kind in the UK, offering gaming and entertainment facilities, retail and dining outlets and a 182-room four-star hotel. In the Middle East, Crockfords Cairo, an exclusive casino nestled within the posh surroundings of The Nile Ritz-Carlton Hotel in Cairo, is the Group's first venture into the region.

In the US, Genting Malaysia operates RWNYC, the first and only video gaming machine facility in New York City, at the site of the Aqueduct Racetrack. As a premier entertainment hub, RWNYC offers the ultimate gaming and entertainment experience, with electronic gaming machines, shows, events and culinary delights. Additionally, RWNYC embarked on an expansion project in July 2017 to add new facilities and attractions to its portfolio, such as a 400-room hotel, additional gaming space, F&B outlets, retail stores and entertainment facilities. Over in Miami, the Group owns the 527-room Hilton Miami Downtown which sits on 30 acres of prime freehold waterfront land.

In the Bahamas, the Group operates RW Bimini, which features a casino, The Hilton at RW Bimini, restaurants and bars, various resort amenities as well as the largest yacht and marina complex on the island surrounded by turquoise waters and white-sand beaches.

Genting Malaysia is a member of the Genting Group, one of Asia's leading and best-managed multinational companies. The Genting Group is led by Tan Sri Lim Kok Thay, a visionary entrepreneur who has established Resorts World branded properties in Malaysia, Singapore, the Philippines, the US, the Bahamas and the UK, as well as significant investments in oil palm plantations, power generation, oil and gas, property development, cruise, biotechnology and other industries globally.

For more information, visit <http://www.gentingmalaysia.com> or contact ir.genm@genting.com.

For information on the major properties of Genting Malaysia

Resorts World Genting, visit www.rwgenting.com

Genting Casinos UK Limited, visit www.gentingcasinos.co.uk

Resorts World Casino New York City, visit www.rwnewyork.com

Resorts World Birmingham, visit www.resortsworldbirmingham.co.uk

Resorts World Bimini, visit www.rwbimini.com

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