



GENTING MALAYSIA BERHAD  
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**PRESS RELEASE**

**For Immediate Release**

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**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE  
FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019**

**KUALA LUMPUR, 27 February 2020** – Genting Malaysia Berhad (Group) today announced its financial results for the fourth quarter (4Q19) and financial year ended 31 December 2019 (FY19).

The Group's 4Q19 total revenue declined by 3% to RM2,442.0 million while its adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) was lower by 26% to RM551.4 million. The Group recorded profit before tax (PBT) and net profit of RM286.9 million and RM282.2 million respectively.

In FY19, the Group recorded a 5% increase in total revenue to RM10,406.9 million. However, adjusted EBITDA declined by 8% to RM2,641.4 million. The Group's PBT and net profit were higher at RM1,489.4 million and RM1,332.2 million respectively, primarily due to an impairment loss on the Group's investment in promissory notes issued by the Mashpee Wampanoag Tribe which resulted in the Group recording a net loss last year.

**4Q19 Results**

The Malaysian leisure and hospitality business registered lower revenue and adjusted EBITDA by 6% and 29% to RM1,604.8 million and RM415.1 million respectively. During the period, the Group's non-gaming segment recorded a 34% improvement in revenue as the entertainment offerings at Resorts World Genting (RWG) were well received. Nevertheless, the Group's decline in revenue and adjusted EBITDA was largely due to lower hold percentage in the mid to premium players segment as well as a decrease in volume of business in the mass market segment. Adjusted EBITDA was also impacted by higher gaming duties imposed.

In the United Kingdom (UK) and Egypt, revenue from the Group's operations remained relatively flat at RM422.3 million while adjusted EBITDA was lower at RM59.8 million. The Group also reported a one-off gain of RM132.1 million from the disposal of investment properties in the UK in the quarter.

The Group's operations in the United States (US) and Bahamas recorded a 7% improvement in revenue to RM368.5 million, mainly due to the higher volume of business registered at Resorts World Casino New York City (RWNYC). However, adjusted EBITDA declined to RM65.3 million primarily due to higher payroll and operating expenses incurred at RWNYC, coupled with an increase in operating costs at Resorts World Bimini.

On 15 November 2019, the Group completed the privatisation of Empire Resorts, Inc (Empire) via a 49:51 joint venture between the Group and Kien Huat Realty III Limited. Following its conclusion, the Group has recognised its share of Empire's loss of RM31.6 million in the period. This was primarily due to financing costs as well as depreciation and amortisation. Meanwhile, operating results at Resorts World Catskills (RWC) have registered marked improvements, with gaming revenues at the property registering a 33% increase in December 2019.

## **FY19 Results**

The Group's leisure and hospitality business in Malaysia recorded a 7% growth in revenue to RM7,066.6 million, aided by an improved hold percentage in the mid to premium players segment. During the year, revenue from the Group's non-gaming segment also reported a 39% improvement, driven by the various attractions at RWG. Nevertheless, overall volume of business in the gaming segment registered a decline, primarily due to the reduction in incentives offered to customers as part of the Group's cost rationalisation initiatives. The Group also registered a decrease in adjusted EBITDA by 11% to RM2,048.2 million mainly due to the increase in gaming duties imposed.

In the UK and Egypt, the Group's operations reported a decrease in revenue to RM1,676.4 million. The decline was largely due to lower hold percentage in the Group's premium players segment in the UK, coupled with lower contributions from Crockfords Cairo in Egypt. However, adjusted EBITDA grew by 27% to RM231.6 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 recorded a 6% improvement in revenue to RM1,469.4 million primarily due to the favourable foreign exchange translation of USD against RM. Excluding this impact, revenue from the Group's operations increased by 3%, largely attributable to the higher volume of business registered at RWNYC. Nevertheless, adjusted EBITDA declined to RM289.3 million mainly due to the higher payroll costs and operating expenses incurred at RWNYC. Meanwhile, the Group registered lower operating losses on its operations in the Bahamas as a result of improved operational efficiencies at Resorts World Bimini.

The Group's overall adjusted EBITDA includes the impact of lower foreign exchange translation gains on the Group's USD denominated assets. Excluding the effects of the foreign exchange translation, the Group's overall adjusted EBITDA decreased by 7% from last year.

The Board of Directors (Board) has declared a special single-tier dividend of 9.0 sen per ordinary share. The Board has also recommended a final single-tier dividend of 5.0 sen per ordinary share. If approved, total dividend for FY19 would amount to 20.0 sen per ordinary share, comprising an interim single-tier dividend of 6.0 sen per ordinary share, a special single-tier dividend and a proposed final single-tier dividend as mentioned above. This represents a 5% increase from the previous year.

## **Outlook**

The expansion of the global economy is expected to modestly improve in 2020 as market sentiments gradually recover following potentially lower global trade tensions. However, downside risks are more pronounced due to heightened global concerns over the impact of the Coronavirus Disease 2019 (COVID-19) on the global economy. Additionally, concerns over protracted geopolitical tensions and policy uncertainties remain. In Malaysia, the expansion of the domestic economy is expected to continue at a slower pace.

Demand for international travel is expected to decline in the near-term following the imposition of travel restrictions and widespread concerns surrounding the COVID-19 outbreak. The regional leisure and hospitality industry will be adversely impacted, including the gaming industry.

Consequently, the Group is more cautious on the near-term prospects of the leisure and hospitality industry.

In Malaysia, the Group remains focused on the timely completion of the outdoor theme park as ongoing development works approach its final stages. Pre-opening arrangements for the theme park are currently underway as the Group prepares to capitalise on the growth in visitation once the domestic and regional tourism sector recovers. Meanwhile, the Group will keep leveraging its quality assets to grow key business segments and improve overall yield contributions at RWG. Additionally, the Group will continue to drive operational and cost efficiencies as well as optimise yield management at the resort to better manage the challenging operating environment.

In the UK, the Group endeavours to continue delivering sustainable performance by focusing on strengthening its position in the mass market segment. Additionally, the Group will review its operations on an ongoing basis to identify streamlining opportunities to improve overall business efficiency. This includes leveraging the Group's revamped online interactive business to enhance offline and online gaming experiences for customers.

In the US, the Group is focused on strengthening its position in the New York State gaming market amid an increasingly competitive landscape. The ongoing expansion project at RWNYC is progressing well and the Group is currently working towards the completion of a new 400-room hotel, which is expected to open in the second half of 2020. Meanwhile, the Group is committed to implementing various strategies to improve RWC's operating performance as well as capitalise on synergies between RWNYC and RWC to drive business volume at the resort. In the Bahamas, the Group remains focused on improving the accessibility and infrastructure at Resorts World Bimini to increase visitation to the property.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD  SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		FINANCIAL YEAR ENDED 31 DECEMBER		Variance	
	4Q2019	4Q2018	4Q19 vs 4Q18		2019	2018	FY19 vs FY18	
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
<b>Revenue</b>								
Leisure & Hospitality								
- Malaysia	1,604.8	1,698.6	-93.8	-6%	7,066.6	6,594.6	472.0	7%
- United Kingdom and Egypt	422.3	426.6	-4.3	-1%	1,676.4	1,780.7	-104.3	-6%
- United States of America and Bahamas	368.5	343.0	25.5	7%	1,469.4	1,384.9	84.5	6%
	<u>2,395.6</u>	<u>2,468.2</u>	<u>-72.6</u>	<u>-3%</u>	<u>10,212.4</u>	<u>9,760.2</u>	<u>452.2</u>	<u>5%</u>
Property	27.6	26.3	1.3	5%	101.7	96.3	5.4	6%
Investments & others	18.8	12.5	6.3	50%	92.8	71.1	21.7	31%
	<u>2,442.0</u>	<u>2,507.0</u>	<u>-65.0</u>	<u>-3%</u>	<u>10,406.9</u>	<u>9,927.6</u>	<u>479.3</u>	<u>5%</u>
<b>Adjusted EBITDA</b>								
Leisure & Hospitality								
- Malaysia	415.1	582.2	-167.1	-29%	2,048.2	2,297.3	-249.1	-11%
- United Kingdom and Egypt	59.8	62.1	-2.3	-4%	231.6	182.4	49.2	27%
- United States of America and Bahamas	65.3	92.0	-26.7	-29%	289.3	305.8	-16.5	-5%
	<u>540.2</u>	<u>736.3</u>	<u>-196.1</u>	<u>-27%</u>	<u>2,569.1</u>	<u>2,785.5</u>	<u>-216.4</u>	<u>-8%</u>
Property	11.9	13.8	-1.9	-14%	49.3	42.1	7.2	17%
Investments & others	(0.7)	(1.6)	0.9	56%	23.0	45.2	-22.2	-49%
<b>Adjusted EBITDA</b>	<u>551.4</u>	<u>748.5</u>	<u>-197.1</u>	<u>-26%</u>	<u>2,641.4</u>	<u>2,872.8</u>	<u>-231.4</u>	<u>-8%</u>
Pre-operating expenses	(11.4)	(69.4)	58.0	84%	(64.9)	(116.3)	51.4	44%
Property, plant and equipment written off	(4.7)	(0.7)	-4.0	->100%	(23.0)	(22.3)	-0.7	-3%
Net gain/(loss) on disposal of property, plant and equipment	-	2.1	-2.1	NC	(1.7)	1.0	-2.7	->100%
Net gain on disposal of investment properties	132.1	-	132.1	NC	132.1	-	132.1	NC
Impairment losses	(28.2)	(24.2)	-4.0	-17%	(67.6)	(1,969.9)	1,902.3	97%
Reversal of previously recognised impairment losses	2.5	-	2.5	NC	13.6	27.1	-13.5	-50%
Gain on disposal of a subsidiary	-	-	-	-	123.8	-	123.8	NC
Others	(6.8)	0.2	-7.0	->100%	(22.3)	15.2	-37.5	->100%
<b>EBITDA/(LBITDA)</b>	<u>634.9</u>	<u>656.5</u>	<u>-21.6</u>	<u>-3%</u>	<u>2,731.4</u>	<u>807.6</u>	<u>1,923.8</u>	<u>&gt;100%</u>
Depreciation and amortisation	(279.5)	(242.7)	-36.8	-15%	(1,070.6)	(954.8)	-115.8	-12%
Interest income	23.5	29.2	-5.7	-20%	110.5	299.0	-188.5	-63%
Finance costs	(60.4)	(42.6)	-17.8	-42%	(250.3)	(155.8)	-94.5	-61%
Share of results in an associate	(31.6)	-	-31.6	NC	(31.6)	-	-31.6	NC
<b>Profit/(loss) before taxation</b>	<u>286.9</u>	<u>400.4</u>	<u>-113.5</u>	<u>-28%</u>	<u>1,489.4</u>	<u>(4.0)</u>	<u>1,493.4</u>	<u>&gt;100%</u>
<b>Taxation</b>	<u>(4.7)</u>	<u>305.0</u>	<u>-309.7</u>	<u>-&gt;100%</u>	<u>(157.2)</u>	<u>(82.3)</u>	<u>-74.9</u>	<u>-91%</u>
<b>Profit/(loss) for the financial period</b>	<u>282.2</u>	<u>705.4</u>	<u>-423.2</u>	<u>-60%</u>	<u>1,332.2</u>	<u>(86.3)</u>	<u>1,418.5</u>	<u>&gt;100%</u>
<b>Basic earnings/(loss) per share (sen)</b>	<u>5.30</u>	<u>12.74</u>	<u>-7.4</u>	<u>-58%</u>	<u>24.68</u>	<u>(0.35)</u>	<u>25.0</u>	<u>&gt;100%</u>
<b>Diluted earnings/(loss) per share (sen)</b>	<u>5.29</u>	<u>12.69</u>	<u>-7.4</u>	<u>-58%</u>	<u>24.64</u>	<u>(0.35)</u>	<u>25.0</u>	<u>&gt;100%</u>

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 RM17 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) and Resorts World Catskills (RWC) (which is 49%-owned via an associate company) 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 Crockfords Hotel, new attractions in the SkyAvenue entertainment complex and First World Plaza, as well as the new Skytropolis Indoor Theme Park. 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 which provides 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's RWNYC, the first and only video gaming machine facility in New York City, and RWC, a premium destination resort situated within the scenic Catskills Mountains, collectively offer the ultimate gaming, hospitality and entertainment experience, featuring a live table games casino, over 400 rooms across 2 hotels, video gaming machines, diverse bar and restaurant choices, exciting shows and unforgettable events. In addition, the ongoing expansion project at RWNYC is progressing well and the Group is currently working towards the completion of a new 400-room hotel, which is expected to open in the second half of 2020. 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 successfully established the Resorts World brand as a leader in the leisure and hospitality sector in Malaysia, Singapore, the Philippines, the US, the Bahamas and the UK. Tan Sri Lim Kok Thay also has significant investments in other industries globally including oil palm plantations, property development, power generation, oil and gas, cruise and biotechnology.

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

For information on the major properties of Genting Malaysia

Resorts World Genting, visit [www.rwgenting.com](http://www.rwgenting.com)

Genting Casinos UK Limited, visit [www.gentingcasinos.co.uk](http://www.gentingcasinos.co.uk)

Resorts World Casino New York City, visit [www.rwnewyork.com](http://www.rwnewyork.com)

Resorts World Catskills, visit [www.rwcatskills.com](http://www.rwcatskills.com)

Resorts World Birmingham, visit [www.resortsworldbirmingham.co.uk](http://www.resortsworldbirmingham.co.uk)

Resorts World Bimini, visit [www.rwbimini.com](http://www.rwbimini.com)

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