



GENTING MALAYSIA BERHAD
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PRESS RELEASE

For Immediate Release

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE
THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

- **Group operating performance in 3Q20 records steady recovery, aided by the progressive reopening of several of the Group's resort operations worldwide**
- **Recalibrated operating structure will anchor Group's recovery and position the Group for greater long-term sustainable growth**

KUALA LUMPUR, 26 November 2020 – Genting Malaysia Berhad (Group) today announced its financial results for the third quarter (3Q20) and nine months ended 30 September 2020 (9M20).

In 3Q20, the Group recorded total revenue of RM1,416.9 million, representing 54% of the total revenue registered in the third quarter ended 30 September 2019 (3Q19). The Group also achieved an adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) of RM310.7 million, aided by the resumption of several of the Group's resort operations with reduced capacity since mid-June 2020. The Group registered loss before tax (LBT) and net loss of RM361.3 million and RM726.3 million respectively.

In 9M20, the Group recorded a 56% decrease in total revenue to RM3,487.7 million, primarily due to the unprecedented disruptions to the Group's leisure and hospitality operations worldwide amid the outbreak of the Coronavirus Disease 2019 (COVID-19) pandemic. Despite the challenging conditions, the Group registered an adjusted EBITDA of RM179.9 million. Including depreciation and amortisation, impairment losses and finance costs, the Group reported LBT and net loss of RM1,852.4 million and RM2,103.3 million respectively.

While business volumes continue to be impacted by the pandemic, the Group is confident that its recalibrated operating structure will anchor recovery and position the Group for greater long-term sustainable growth.

3Q20 Results

The Group's leisure and hospitality business in Malaysia resumed operations in mid-June 2019 with reduced capacity and stringent health and safety protocols in line with guidance from the authorities. Revenue from this quarter recovered to 66% of 3Q19 levels. The Group registered lower volume of business from the general market and non-gaming segments as Resorts World Genting (RWG) continues to operate under the aforementioned parameters. Nevertheless, the impact to the Group's earnings was mitigated by recovery in mid to premium players segment, which achieved relatively similar level of business against 3Q19. The Group also recorded an adjusted EBITDA of RM424.7 million, aided by a reduction in payroll and related expenses due to lower headcount. This represents 80% of the adjusted EBITDA reported in 3Q19. In addition, adjusted EBITDA margin was higher at 36% compared to the 30% recorded in 3Q19.

In the United Kingdom (UK) and Egypt, the Group reported a decrease in revenue by 68% to RM131.4 million and an adjusted loss before interest, taxation, depreciation and amortisation (LBITDA) of RM50.5 million. This was largely due to the lower volume of business recorded after operations at the Group's UK casinos resumed with reduced capacity from mid-August 2020. Additionally, Crockfords Cairo in Egypt and certain of the Group's land-based casinos in the UK remained temporarily closed throughout 3Q20. The Group's adjusted LBITDA was also attributable to higher debt provision. However, the Group recorded payroll and operating cost savings, which mitigated the impact to earnings.

In the United States of America (US) and Bahamas, the Group recorded lower revenue by 80% to RM69.9 million and an adjusted LBITDA of RM71.7 million. This was primarily due to the temporary closure of Resorts World Casino New York City (RWNYC), which resumed operations with reduced capacity since 9 September 2020. Nevertheless, the impact to the Group's earnings was alleviated by lower payroll cost and operating expenses at RWNYC. Despite the restrictions, the reopening of RWNYC has been well received and operating performance at the property is improving.

9M20 Results

The leisure and hospitality segment in Malaysia reported a 54% decrease in revenue to RM2,488.6 million. The decline was mainly due to the disruptions to the Group's business arising from the temporary closure of RWG since 18 March 2020 and the subsequent resumption of RWG's operations with reduced capacity since reopening on 19 June 2020. Additionally, the lower revenue as compared to the same period last year was also attributable to the high hold percentage recorded in the mid to premium players segment in the nine months ended 30 September 2019. Despite the challenges faced, the Group achieved an adjusted EBITDA of RM541.2 million.

In the UK and Egypt, the Group registered a 57% decline in revenue to RM535.8 million and an adjusted LBITDA of RM131.6 million. This was primarily due to the five-month suspension of the Group's land-based gaming business from mid-March 2020 in compliance with government directives, which significantly impacted the Group's operating performance. Additionally, several of the Group's casinos, including Crockfords Cairo, remained temporarily closed as at 30 September 2020.

In the US and Bahamas, the Group recorded lower revenue by 67% to RM359.0 million and an adjusted LBITDA of RM233.4 million. This was predominantly due to the temporary closure of the Group's operations in the US and Bahamas from mid-March 2020, which resulted in a decline in overall volume of business. RWNYC resumed operations with reduced capacity in early September 2020.

Outlook

The global economy is expected to gradually recover, albeit at an uneven pace in the near-term. However, significant downside risks remain mainly due to uncertainties surrounding the COVID-19 situation globally. In Malaysia, economic activity is projected to improve supported by monetary and fiscal measures. Nevertheless, the introduction of targeted actions to contain the COVID-19 outbreak is expected to affect the recovery momentum of the domestic economy.

The recovery prospects of the leisure, hospitality, and tourism sectors globally remain highly uncertain as the COVID-19 situation continues to evolve. While the regional gaming market have registered signs of early recovery, the industry is expected to remain challenging in the near-term.

In Malaysia, the government's implementation of a Conditional Movement Control Order in most of the states in the country will have an impact on the Group's business. Nevertheless, the Group will continue to re-engineer itself to adapt to the new operating environment to drive productivity and efficiency whilst ensuring the health and safety of its guests, employees and the community in RWG. Meanwhile, the Group remains committed to the timely completion of outdoor theme park, which is targeted to open by the middle of 2021.

In the UK, the Group's land-based casinos which reopened on 15 August 2020 have temporarily closed since 4 November 2020 in compliance with the latest government directives. To cope with the fluidity of the new operating environment, the Group will continue to be agile in its approach at streamlining its cost structure and identifying operational efficiencies. Meanwhile, Crockfords Cairo has resumed operations since 18 October 2020.

In the US, the Group is encouraged by the positive reception to the resumption of RWNYC and Resorts World Catskills' operations since 9 September 2020. The Group will continue to develop its strong local market exposure by executing various strategies to drive visitation and frequency of play at both properties. Meanwhile, the ongoing expansion project at RWNYC is progressing well. The new 400-room Hyatt Regency JFK at Resorts World New York hotel is expected to open in stages from next year, complete with various F&B and retail options as well as state-of-the-art conference and meeting spaces. In the Bahamas, operations at RW Bimini remains suspended until further notice and the Group will continue to actively manage its operating costs.

The Group maintains its cautious stance on the near-term prospects of the leisure and hospitality industry. Given the dynamic operating environments both locally and abroad, uncertainties surrounding the full impact of the pandemic on the Group's operations and financial performance remain. The Board wishes to caution that the Group expects its financial results for the financial year ending 31 December 2020 to be adversely impacted.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		NINE MONTHS ENDED 30 SEPTEMBER		Variance	
	3Q2020	3Q2019	3Q20 vs 3Q19		2020	2019	9M20 vs 9M19	
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
Revenue								
Leisure & Hospitality								
- Malaysia	1,181.3	1,796.2	-614.9	-34%	2,488.6	5,461.8	-2,973.2	-54%
- United Kingdom and Egypt	131.4	414.7	-283.3	-68%	535.8	1,254.1	-718.3	-57%
- United States of America and Bahamas	69.9	355.8	-285.9	-80%	359.0	1,100.9	-741.9	-67%
	<u>1,382.6</u>	<u>2,566.7</u>	<u>-1,184.1</u>	<u>-46%</u>	<u>3,383.4</u>	<u>7,816.8</u>	<u>-4,433.4</u>	<u>-57%</u>
Property	17.8	23.8	-6.0	-25%	57.9	74.1	-16.2	-22%
Investments & others	16.5	37.3	-20.8	-56%	46.4	74.0	-27.6	-37%
	<u>1,416.9</u>	<u>2,627.8</u>	<u>-1,210.9</u>	<u>-46%</u>	<u>3,487.7</u>	<u>7,964.9</u>	<u>-4,477.2</u>	<u>-56%</u>
Adjusted EBITDA/(LBITDA)								
Leisure & Hospitality								
- Malaysia	424.7	537.5	-112.8	-21%	541.2	1,633.1	-1,091.9	-67%
- United Kingdom and Egypt	(50.5)	85.7	-136.2	->100%	(131.6)	171.8	-303.4	->100%
- United States of America and Bahamas	(71.7)	55.4	-127.1	->100%	(233.4)	224.0	-457.4	->100%
	<u>302.5</u>	<u>678.6</u>	<u>-376.1</u>	<u>-55%</u>	<u>176.2</u>	<u>2,028.9</u>	<u>-1,852.7</u>	<u>-91%</u>
Property	7.6	10.2	-2.6	-25%	24.4	37.4	-13.0	-35%
Investments & others	0.6	5.6	-5.0	-89%	(20.7)	23.7	-44.4	->100%
Adjusted EBITDA	<u>310.7</u>	<u>694.4</u>	<u>-383.7</u>	<u>-55%</u>	<u>179.9</u>	<u>2,090.0</u>	<u>-1,910.1</u>	<u>-91%</u>
Pre-operating expenses	(16.0)	91.2	-107.2	->100%	(56.8)	(53.5)	-3.3	-6%
Property, plant and equipment written off	(14.9)	(16.8)	1.9	11%	(17.5)	(18.3)	0.8	4%
Net gain/(loss) on disposal of property, plant and equipment	0.3	2.0	-1.7	-85%	(0.5)	(1.7)	1.2	71%
Impairment losses	(180.0)	(18.6)	-161.4	->100%	(541.1)	(39.4)	-501.7	->100%
Reversal of previously recognised Impairment losses	-	11.1	-11.1	NC	-	11.1	-11.1	NC
Gain on disposal of a subsidiary	-	-	-	-	-	123.8	-123.8	NC
Redundancy costs	(59.3)	-	-59.3	NC	(130.8)	-	-130.8	NC
Others	(0.1)	(10.2)	10.1	99%	(0.7)	(15.5)	14.8	95%
EBITDA/(LBITDA)	<u>40.7</u>	<u>753.1</u>	<u>-712.4</u>	<u>-95%</u>	<u>(567.5)</u>	<u>2,096.5</u>	<u>-2,664.0</u>	<u>->100%</u>
Depreciation and amortisation	(287.2)	(273.6)	-13.6	-5%	(849.6)	(791.2)	-58.4	-7%
Interest income	14.6	27.7	-13.1	-47%	76.7	87.0	-10.3	-12%
Finance costs	(67.4)	(63.5)	-3.9	-6%	(271.3)	(189.8)	-81.5	-43%
Share of results in an associate	(62.0)	-	-62.0	NC	(240.7)	-	-240.7	NC
(Loss)/profit before taxation	<u>(361.3)</u>	<u>443.7</u>	<u>-805.0</u>	<u>->100%</u>	<u>(1,852.4)</u>	<u>1,202.5</u>	<u>-3,054.9</u>	<u>->100%</u>
Taxation	<u>(365.0)</u>	<u>(49.9)</u>	<u>-315.1</u>	<u>->100%</u>	<u>(250.9)</u>	<u>(152.5)</u>	<u>-98.4</u>	<u>-65%</u>
(Loss)/profit for the financial period	<u>(726.3)</u>	<u>393.8</u>	<u>-1,120.1</u>	<u>->100%</u>	<u>(2,103.3)</u>	<u>1,050.0</u>	<u>-3,153.3</u>	<u>->100%</u>
Basic (loss)/earnings per share (sen)	<u>(12.46)</u>	<u>7.27</u>	<u>-19.7</u>	<u>->100%</u>	<u>(35.79)</u>	<u>19.38</u>	<u>-55.2</u>	<u>->100%</u>
Diluted (loss)/earnings per share (sen)	<u>(12.46)</u>	<u>7.26</u>	<u>-19.7</u>	<u>->100%</u>	<u>(35.79)</u>	<u>19.36</u>	<u>-55.2</u>	<u>->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 RM14 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 over 30 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.

With about 10,500 rooms across seven distinct hotels, RWG is Malaysia's premier integrated resort destination. The resort also features wide-ranging leisure and entertainment facilities, including gaming, theme park and amusement attractions, dining and retail outlets, as well as international shows and business convention facilities. Genting Highlands Premium Outlets (a joint venture between Genting Plantations Berhad and Simon Property Group) at the mid-hill further complements the various attractions at RWG. Additionally, the new outdoor theme park will add to RWG's extensive entertainment offerings upon completion.

In the UK, Genting Malaysia owns and operates over 30 casinos, making it one of the largest leisure and entertainment businesses in the country. The Group also 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 in the State of New York, collectively offer the ultimate gaming, hospitality and entertainment experience, featuring a live table games casino, over 400 rooms across two hotels, video gaming machines, diverse bar and restaurant choices, exciting shows and memorable events. Additionally, the Group embarked on an expansion project at RWNYC to expand its facilities and attractions, including the development of a new 400-room hotel. 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, 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.

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 Catskills, visit www.rwcatskills.com

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

Resorts World Bimini, visit www.rwbimini.com

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