



GENTING MALAYSIA BERHAD
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PRESS RELEASE

For Immediate Release

**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE
SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2023**

- **Resorts World Genting maintains recovery momentum**
- **Group's results impacted by unrealised foreign exchange translation losses**
- **Group registered net profit in 2Q23**

KUALA LUMPUR, 24 August 2023 – Genting Malaysia Berhad (Group) today announced its financial results for the second quarter (2Q23) and half year ended 30 June 2023 (1H23).

In 2Q23, the Group's total revenue grew by 14% to RM2,474.5 million. However, adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) declined by 28% to RM447.9 million. The Group registered an 89% improvement in profit before taxation (PBT) to RM95.4 million. The Group reported net profit of RM30.3 million as compared to a net loss of RM42.3 million in the same period last year (2Q22).

In 1H23, the Group recorded a 22% increase in total revenue to RM4,758.0 million while adjusted EBITDA improved marginally to RM1,040.8 million. The Group registered PBT of RM136.7 million as compared to loss before taxation of RM65.5 million in the same period last year (1H22). Net loss narrowed by 92% to RM15.1 million during the period.

2Q23 Results

The Group's leisure and hospitality business in Malaysia recorded an increase in revenue by 17% to RM1,533.2 million while adjusted EBITDA grew by 16% to RM532.3 million. These improvements were largely driven by the overall higher volume of business registered at Resorts World Genting (RWG). As operations at RWG continued to ramp up, the Group incurred higher operating expenses in 2Q23. The Group achieved an adjusted EBITDA margin of 35% for the period.

In the United Kingdom (UK) and Egypt, the increase in revenue for the Group's leisure and hospitality business was mainly due to the strengthening of GBP against RM. The Group recorded a decline in adjusted EBITDA by 27% to RM59.5 million, primarily attributable to higher payroll and related costs incurred in the period.

In the United States of America (US) and the Bahamas, the Group's revenue grew by 14% to RM475.5 million and the Group reported an increase in adjusted EBITDA by 19% to RM146.0 million. These improvements were mainly attributable to higher contributions from Resorts World New York City (RWNYC). In addition, Resorts World Bimini (RW Bimini) registered an improvement in its operating performance, aided by the higher number of cruise calls and visitations at the resort during the period.

The Group's associate company, Empire Resorts, Inc. (Empire) recorded higher total gross gaming revenue in the period as compared to 2Q22, contributed by Resorts World Catskills (RW Catskills) and Resorts World Hudson Valley (RW Hudson Valley). However, Empire's adjusted EBITDA was impacted by higher payroll costs and operating expenses in 2Q23.

The Group's overall adjusted EBITDA includes the impact of unrealised foreign exchange translation losses on the Group's USD denominated borrowings due to the strengthening of USD against RM. Excluding the net unrealised foreign exchange translation losses, the Group recorded a 15% increase in adjusted EBITDA.

1H23 Results

In Malaysia, the Group's leisure and hospitality business registered a 32% growth in revenue to RM2,935.8 million while adjusted EBITDA increased by 34% to RM968.8 million. These improvements were primarily attributable to the overall higher volume of business registered at RWG following the re-establishment of travel globally as compared to 1H22, when several key markets have not reopened. As a result of the ramp up of operations at RWG, the Group incurred higher operating expenses during the period.

In the UK and Egypt, the Group reported a 4% decline in revenue to RM742.7 million mainly due to lower volume of business in the UK as a result of slower consumer spending amid ongoing inflationary pressures. The Group also recorded a 39% decrease in adjusted EBITDA to RM101.9 million, largely due to higher payroll and related costs incurred during the period.

In the US and the Bahamas, revenue from the Group's operations increased by 21% to RM936.2 million while adjusted EBITDA grew by 42% to RM284.4 million. The increase in revenue and adjusted EBITDA were primarily attributable to the overall higher volume of business recorded at RWNYP, coupled with the progressive improvements to RW Bimini's operating performance. However, the increase in adjusted EBITDA was offset by higher operating and payroll related expenses.

Empire reported higher total gross gaming revenue in the period as compared to 1H22, contributed by RW Catskills and RW Hudson Valley. However, Empire's adjusted EBITDA in 1H23 was impacted by higher payroll costs and operating expenses.

The Group's overall adjusted EBITDA includes the impact of unrealised foreign exchange translation losses on the Group's USD denominated borrowings in the period. Excluding the effects of the unrealised foreign exchange translation, the Group's overall adjusted EBITDA improved by 30% from 1H22.

In keeping with the Group's commitment to deliver value and sustainable returns to shareholders, the Board of Directors (Board) has declared an interim single-tier dividend of 6.0 sen per ordinary share.

Outlook

Global economic growth is expected to moderate with an anticipated slowdown in advanced economies amid continued monetary policy tightening. Whilst the Malaysian economy is subjected to downside risks from the weaker global growth, domestic demand is expected to continue driving its recovery.

The travel and tourism sectors are expected to remain resilient in spite of the headwinds to the external environment. In line with this, the ongoing recovery momentum of the regional gaming market is expected to be sustained, aided by the increase in airline capacity in the region.

The Group continues to be cautiously optimistic of the near-term outlook of the leisure and hospitality industry and remains positive in the longer-term.

In Malaysia, the Group remains focused on driving visitation, operational efficiencies and effective cost management at RWG. The Group will leverage its integrated resort offerings to capitalise on the increasing inbound tourist arrivals to Malaysia to drive incremental foreign visitation to RWG. To further strengthen the resilience of the Group's business, the Group will optimise yields through database marketing, working with strategic partners to augment the Group's assets and product offerings, particularly in the mid-hill location, whilst strengthening and expanding the Group's distribution channels. Meanwhile, the Group will continue to invest in the infrastructure at Genting Highlands to elevate the customer experience as well as to enhance the safety and wellbeing of guests and the community at RWG.

In the UK, the Group remains cautious on the volatility implicit in the operating environment, particularly in the London segment. The Group will continue to explore opportunities to strengthen its capabilities and enhance its competitiveness to build a more resilient business. At the same time, emphasis will continue to be placed on proactively managing costs and driving operational efficiencies to further improve the overall performance of the Group's operations.

In the US, the Group remains focused on strengthening its leading position in the New York State gaming market. The Group will continue to intensify marketing efforts and promotional activities to grow the Group's US database whilst leveraging synergies between RWNYC and Empire's assets to drive visitation and improve the overall returns of the Group's US operations. Meanwhile, the Group will continue to closely monitor developments surrounding the New York Gaming Facility Board's Request for Application to solicit proposals for up to three commercial casinos in New York State. In the Bahamas, the Group will continue to leverage its collaborations with international cruise operators to increase footfall to the resort. The Group also remains steadfast in driving efficiencies and fiscal discipline to improve the performance of RW Bimini.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		SIX MONTHS ENDED 30 JUNE		Variance	
	2Q2023	2Q2022	2Q23 vs 2Q22		2023	2022	1H23 vs 1H22	
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
Revenue								
Leisure & Hospitality								
- Malaysia	1,533.2	1,310.3	222.9	17%	2,935.8	2,230.3	705.5	32%
- United Kingdom and Egypt	390.2	381.2	9.0	2%	742.7	776.5	-33.8	-4%
- United States of America and Bahamas	475.5	417.2	58.3	14%	936.2	775.1	161.1	21%
	<u>2,398.9</u>	<u>2,108.7</u>	290.2	14%	<u>4,614.7</u>	<u>3,781.9</u>	832.8	22%
Property	24.5	21.9	2.6	12%	51.0	44.3	6.7	15%
Investments & others	51.1	45.0	6.1	14%	92.3	70.7	21.6	31%
	<u>2,474.5</u>	<u>2,175.6</u>	298.9	14%	<u>4,758.0</u>	<u>3,896.9</u>	861.1	22%
Adjusted EBITDA/(LBITDA)								
Leisure & Hospitality								
- Malaysia	532.3	459.1	73.2	16%	968.8	722.0	246.8	34%
- United Kingdom and Egypt	59.5	81.3	-21.8	-27%	101.9	166.0	-64.1	-39%
- United States of America and Bahamas	146.0	122.9	23.1	19%	284.4	200.9	83.5	42%
	<u>737.8</u>	<u>663.3</u>	74.5	11%	<u>1,355.1</u>	<u>1,088.9</u>	266.2	24%
Property	1.6	2.1	-0.5	-24%	10.3	11.6	-1.3	-11%
Investments & others	(291.5)	(45.9)	-245.6	->100%	(324.6)	(66.6)	-258.0	->100%
Adjusted EBITDA	<u>447.9</u>	<u>619.5</u>	-171.6	-28%	<u>1,040.8</u>	<u>1,033.9</u>	6.9	1%
Pre-operating expenses	(24.2)	(16.9)	-7.3	-43%	(57.5)	(37.5)	-20.0	-53%
Property, plant and equipment								
written off	(0.6)	(0.9)	0.3	33%	(1.7)	(1.4)	-0.3	-21%
Impairment losses	(0.2)	(70.8)	70.6	100%	(3.7)	(70.8)	67.1	95%
Gain on disposal of a subsidiary	-	5.8	-5.8	NC	-	5.8	-5.8	NC
Net gain on disposal of property, plant								
and equipment	182.2	0.2	182.0	>100%	183.2	0.1	183.1	>100%
Others	2.4	(1.6)	4.0	>100%	(0.8)	(3.1)	2.3	74%
EBITDA	<u>607.5</u>	<u>535.3</u>	72.2	13%	<u>1,160.3</u>	<u>927.0</u>	233.3	25%
Depreciation and amortisation	(309.2)	(311.5)	2.3	1%	(617.8)	(608.1)	-9.7	-2%
Interest income	29.2	3.3	25.9	>100%	42.2	10.9	31.3	>100%
Finance costs	(158.8)	(134.6)	-24.2	-18%	(307.2)	(304.1)	-3.1	-1%
Share of results in associates	(72.0)	(41.9)	-30.1	-72%	(139.5)	(91.2)	-48.3	-53%
Share of results in joint ventures	(1.3)	*	-1.3	->100%	(1.3)	*	-1.3	->100%
Profit/(loss) before taxation	<u>95.4</u>	<u>50.6</u>	44.8	89%	<u>136.7</u>	<u>(65.5)</u>	202.2	>100%
Taxation	<u>(65.1)</u>	<u>(92.9)</u>	27.8	30%	<u>(151.8)</u>	<u>(124.6)</u>	-27.2	-22%
Profit/(loss) for the financial period	<u>30.3</u>	<u>(42.3)</u>	72.6	>100%	<u>(15.1)</u>	<u>(190.1)</u>	175.0	92%
Basic earnings/(loss) per share (sen)	<u>0.83</u>	<u>(0.19)</u>	1.0	>100%	<u>0.35</u>	<u>(2.43)</u>	2.8	>100%
Diluted earnings/(loss) per share (sen)	<u>0.83</u>	<u>(0.19)</u>	1.0	>100%	<u>0.35</u>	<u>(2.43)</u>	2.8	>100%

* Less than RM0.1 million

NC : Not comparable

About Genting Malaysia Berhad

Genting Malaysia is one of the leading leisure and hospitality corporations in the world. Listed on Bursa Malaysia with approximately RM15 billion in market capitalisation, Genting Malaysia owns and operates major resort properties including Resorts World Genting (RWG) in Malaysia, Resorts World New York City (RWNYC), as well as Resorts World Catskills (RW Catskills) and Resorts World Hudson Valley (RW Hudson Valley) (which are 49%-owned via an associate company), in the United States (US), Resorts World Bimini (RW Bimini) in the Bahamas, Resorts World Birmingham (RW 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. Additionally, Genting SkyWorlds theme park is a key attraction in augmenting RWG's integrated entertainment line-up. Meanwhile, Genting Highlands Premium Outlets (a joint venture between Genting Plantations Berhad and Simon Property Group) at the mid-hill further complements RWG's extensive premium offerings and exemplifies its position as a leading provider of leisure and entertainment in the region.

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 RW 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 (VGM) in New York City. As a premier entertainment hub, RWNYC houses over 6,500 slots and electronic table games, numerous casual and fine dining restaurants and bars, multi-purpose entertainment and event spaces, and the 400-room Hyatt Regency JFK Airport at RWNYC hotel. Additionally, Genting Malaysia operates RW Catskills and RW Hudson Valley in New York State. RW Catskills, which offers an enticing all-season entertainment experience, features live table games, sports betting, VGMs, over 400 rooms across two hotels, varied bar and restaurant experiences, as well as multi-purpose venues and conference spaces. RW Hudson Valley, a 60,000 sqft gaming and entertainment space, is the Group's latest addition to its portfolio of casinos, featuring 1,200 slots and VGMs. 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, Genting Malaysia operates RW Bimini, which features a casino, Hilton at RW Bimini, restaurants and bars, various resort amenities, the RW Bimini Cruise Port, 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 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 New York City, visit www.rwnewyork.com

Resorts World Catskills, visit www.rwcatskills.com

Resorts World Hudson Valley, visit www.rwhudsonvalleyny.com/

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

Resorts World Bimini, visit www.rwbimini.com

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