



Bloomberg Resorts Corporation

BLOOMBERRY RESORTS CORPORATION
(incorporated in the Philippines)
PSE: BLOOM

SECOND QUARTER AND FIRST HALF 2019 UNAUDITED RESULTS ANNOUNCEMENT

**Bloomberg's consolidated EBITDA in 2Q2019 reaches P4.955 billion, up 32% YoY
2Q2019 net profit hits P2.450 billion, higher by 52% YoY**

2Q2019 HIGHLIGHTS:

- ⊕ Consolidated EBITDA hit a record P4.955 billion, representing a YoY increase of 32%, driven by strength in all gaming segments
- ⊕ Consolidated Net Profit was P2.450 billion, higher by 52% compared to P1.616 billion in the same quarter last year
- ⊕ Total Gross Gaming Revenue (GGR) at Solaire was P14.622 billion, 19% higher than the P12.334 billion recorded in the second quarter of 2018. Growth was driven by higher hold in VIP as well as record levels of mass table drop and EGM coin-in
- ⊕ Solaire's VIP and EGM GGR were P6.182 billion and P4.363 billion, representing YoY growth of 32% and 26%, respectively
- ⊕ Mass table drop increased by 14% YoY to P12.507 billion, its highest recorded quarterly level. However, mass table games revenue decreased by 3% YoY to P4.078 billion as the hold rate declined to 32.6% from 38.3% in the same quarter last year

FIRST HALF 2019 HIGHLIGHTS:

- ⊕ Consolidated GGR was P28.625 billion, representing growth of 10% over P26.133 billion in the first half of 2018
- ⊕ Consolidated Net Revenue was P22.386 billion, representing an increase of 12% against P19.925 billion over the same period last year
- ⊕ Consolidated EBITDA was P9.456 billion compared to P8.285 billion in the first six months of the prior year, up 14% YoY
- ⊕ Solaire's VIP, mass tables and Electronic Gaming Machine (EGM) GGR were P12.161 billion, P8.074 billion, and P8.002 billion, representing YoY growth of 3%, 8%, and 17%, respectively. Total GGR at Solaire was P28.237 billion, up 8% YoY

Bloomberg Resorts Corporation (Bloomberg, the Company), whose subsidiaries own and operate Solaire Resort & Casino (Solaire) and Jeju Sun Hotel & Casino (Jeju Sun), reported unaudited consolidated financial results for the three months and six months ended June 30, 2019.

Enrique K. Razon Jr., Bloomberg Chair and CEO, says: "In the second quarter of 2019, Bloomberg delivered

another solid set of results led by Solaire’s robust performance across all its gaming segments. It has been a great year so far and we will strive to carry this momentum into the next six months.”

Gaming Performance

In the second quarter of 2019, total GGR at Solaire was P14.622 billion, representing growth of 7% and 19% on a sequential and YoY basis, respectively.

Solaire’s VIP volumes were P177.045 billion, representing declines of 5% on both sequential and YoY bases. VIP revenues increased by 33% YoY to P6.182 billion as the hold rate increased to 3.49% in the second quarter from 2.49% in the same period last year. VIP revenues were higher by 3% sequentially.

Second quarter mass table drop and EGM coin-in at Solaire hit record levels of P12.507 billion and P65.477 billion, representing YoY growth of 14% and 23%, respectively.

Mass table revenues were P4.078 billion, down 3% YoY as the mass table games hold rate declined to 32.6% from 38.3% in the same quarter last year. Sequentially, mass table revenues were up 2%.

EGM revenues were P4.363 billion, representing an increase of 20% and 26% on a sequential and YoY basis, respectively.

Amounts in millions	Q2 2019			Q2 2018			Change in Revenue	
	Volume*	Revenue	Hold	Volume*	Revenue	Hold	Amount	%
VIP tables	177,045	₱6,182	3.49%	187,238	₱4,666	2.49%	₱1,516	32.5
Mass tables	12,507	4,078	32.6%	10,984	4,206	38.3%	(128)	(3.0)
Slots	65,477	4,363	6.7%	53,202	3,463	6.5%	900	26.0
Total GGR		14,622			12,334		2,288	18.5

*VIP volume represents rolling chips; Mass volume represents mass table drop; Slots volume represents coin in.

In the first half of 2019, VIP, mass tables and EGM revenues were higher by 3%, 8% and 17% compared to the same six-month period a year ago. Our mass gaming segments in the Philippines are supported by increased spending from both local and international patrons as well as by healthy property visitation with about 3.2 million people setting foot in Solaire within the first half of 2019.

In the second quarter of 2019, Solaire Korea continued to offer competitive casino programs which boosted gaming revenues to P135 million, higher by P82 million or by 157% YoY.

Consolidated contra revenue accounts increased by 11% YoY to P4.082 billion. This represents 28% of consolidated GGR compared to 29% in the previous quarter and 30% in the second quarter last year.

Consolidated gaming revenues after contra revenue accounts reached P9.610 billion in the second quarter, representing growth of 21% over the same quarter last year. In the first six months, consolidated gaming revenues after contra revenue accounts hit P18.459 billion, up 10% YoY.

Non-gaming Revenues

In the second quarter, the Company reported consolidated non-gaming revenues of P2.009 billion, representing growth of 20% over the P1.676 billion generated in the same period last year. In the first half of 2019, consolidated non-gaming revenues were P3.928 billion, higher by 22% YoY.

At Solaire, second quarter non-gaming revenues were P1.984 billion, higher by 22% YoY, driven by higher rental income as well as incrementally higher hotel and F&B revenues.

Hotel occupancy at Solaire in the second quarter was 89.4%, compared to 93.2% in the same quarter last year. The decline in occupancy is due to the closure and planned conversion of the Grand Ballroom into new gaming space resulting in fewer hotel bookings associated with conventions and other pre-booked events.

Solaire Korea's second quarter non-gaming revenues declined by 56% YoY to P24 million due to ongoing renovations in 80% of the property's hotel rooms and all four of its F&B outlets. The Company anticipates completion of renovation works by the fourth quarter of 2019.

Net Revenues

Bloomberry's second quarter consolidated net revenues were P11.619 billion, up by 21% from P9.621 billion in the same quarter last year and higher by 8% compared to the previous quarter. Approximately 99% of net revenues were generated in the Philippines and the remaining 1% was generated by the Group's Korea operations. Consolidated net revenues in the first six months of 2019 were P22.386 billion, up by 12% YoY.

Expenses

The Company's second quarter consolidated cash operating expenses reached P6.609 billion, representing an increase of 6% and 13% on a sequential and YoY basis, respectively. Consolidated cash operating expenses in the first half of 2019 were P12.847 billion, higher by 11% YoY.

At Solaire, second quarter cash operating expenses were P6.384 billion, up by 13% on a YoY basis mainly due to higher gaming taxes, cost of sales, and salaries and benefits.

In Solaire Korea, cash operating expenses for the quarter were P225 million, higher by P45 million YoY. Note that the increase was driven by higher gaming promotions which generated P82 million in additional revenues.

EBITDA, Net Profit and Earnings Per Share

Bloomberry's second quarter consolidated EBITDA was P4.955 billion, representing an increase of 10% and 32% on a sequential and YoY basis, respectively. Solaire contributed P5.096 billion to consolidated EBITDA, which was off-set by the P141 million negative EBITDA recorded at Solaire Korea. First half consolidated EBITDA was P9.456 billion, higher by 14% YoY.

On a hold-normalized basis, Bloomberry's consolidated EBITDA in the second quarter was P4.228 billion, P727 million lower than the reported consolidated EBITDA of P4.955 billion. Hold-normalized EBITDA in the second quarter would have increased by 3% on both sequential and YoY bases.

The Company reported second quarter consolidated net profit of P2.450 billion, 52% higher than the P1.616 billion in the same quarter last year despite increases of P188 million and P112 million in interest expenses and foreign exchange losses, respectively. Second quarter consolidated net profit was 11% higher sequentially. Consolidated net profit for the first half of 2019 was P4.653 billion, down 12% YoY as a result of lower foreign exchange gains and higher interest expenses from the full drawdown of the P73.5 billion Syndicated Loan.

Bloomberry reported second quarter basic earnings per share (EPS) of P0.223, representing an increase of 51% YoY. EPS in the first half was P0.424, down 12% YoY.

Balance Sheet and Other Items

As of June 30, 2019, Bloomberry had a consolidated cash and cash equivalents balance of P36.762 billion. Total long-term debt was P70.152 billion, which represents the current and non-current portions of the P73.5 billion Syndicated Loan issued in 2018. Total equity attributable to equity holders of the parent company was P39.217 billion.

As of June 30, 2019, Bloomberry had P4.123 billion in net receivables, 47% higher than at the beginning of the year due to additional credit issuances. Receivables over 90 days increased by P38 million from the end of the previous quarter to P385 million. The Company made P54 million of additional provisions for bad debt in the second quarter, representing only 1.2% of gross receivables.

Bloomberry has a P40 billion Loan Facility meant to fund the construction, pre-opening, and pre-operating expense requirements of Solaire North in Quezon City. As of June 30, 2019, the company has not drawn on this facility.

Profile: Bloomberry Resorts Corporation

Bloomberry Resorts Corporation's subsidiaries own and operate the Solaire Resort & Casino (Solaire) and Jeju Sun Hotel & Casino (Jeju Sun). Solaire was the first Integrated Resort property to open in PAGCOR's Entertainment City. In November 2014, Solaire opened the Sky Tower which added a 312-key all-suite five-star hotel and other amenities to Solaire's hospitality and entertainment portfolio. The Sky Tower features The Theatre, a 1,760-seat Broadway-style theatre; The Macallan, a luxury cigar and whisky bar; 1,000 sqm of meeting space in The Forum; an international KTV bar, as well as additional retail and gaming facilities. Solaire's high-end retail area, The Shoppes at Solaire, features the following luxury boutiques: Louis Vuitton, Versace, Prada, Bvlgari, Salvatore Ferragamo, Givenchy, Y-3 (Adidas) and Luk Fook Jewelry, among others. Solaire's Sky Tower was given the Forbes Travel Guide five-star rating for the third consecutive year last February 2019.