



# Bloomberg Resorts Corporation

BLOOMBERRY RESORTS CORPORATION

*(incorporated in the Philippines)*

PSE: BLOOM

## SECOND QUARTER AND FIRST HALF 2020 UNAUDITED RESULTS ANNOUNCEMENT

**Bloomberg reports 2Q2020 net loss of P4.7 billion due to pandemic  
First half net loss at P3.3 billion, a reversal from P4.7 billion profit in 1H2019**

### 2Q2020 HIGHLIGHTS:

- ⊕ Second quarter results have been negatively impacted by the temporary suspension of gaming operations at Solaire since March 16, 2020
- ⊕ From June 15, 2020, the relevant authorities have allowed limited dry-run gaming operations at the property under General Community Quarantine (GCQ) as a means to fine-tune services in accordance with new normal health and safety protocols. The limited dry run involves only in-house and select invited guests. Solaire remains closed to the public.
- ⊕ Gross gaming revenue (GGR) at Solaire was P686.6 million during the quarter, representing a 95% decrease from P14.6 billion in the same period last year
- ⊕ Consolidated net revenue was P940.9 million, representing a decline of 92% year-over-year
- ⊕ Consolidated LBITDA was P2.0 billion, compared to P5.0 billion EBITDA in the same quarter last year
- ⊕ Consolidated net loss was P4.7 billion, representing a decline from net profit of P2.5 billion in the second quarter of 2019
- ⊕ Consolidated cash and cash equivalents balance as of June 30, 2020 was P31.2 billion

### FIRST HALF 2020 HIGHLIGHTS:

- ⊕ Consolidated GGR was P13.0 billion, representing a decline of 55% from P28.6 billion in the first half of 2019
- ⊕ Solaire's VIP, mass tables and Electronic Gaming Machine (EGM) GGR were P4.9 billion, P4.2 billion, and P3.8 billion, representing year-over-year declines of 60%, 48%, and 52%, respectively. Total GGR at Solaire was P12.9 billion, 54% lower compared to the first half of 2019
- ⊕ Consolidated Net Revenue was P10.4 billion, representing a decrease of 54% against P22.4 billion in the same period last year
- ⊕ Consolidated EBITDA was P1.5 billion compared to P9.5 billion in the first six months of the previous year, down by 84% year-over-year
- ⊕ Consolidated net loss was P3.3 billion, representing a decline from net profit of P4.7 billion in the same period last year

Bloomberry Resorts Corporation (“Bloomberry”, “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, 2020.

Enrique K. Razon Jr., Bloomberry chairman and CEO, says, “Bloomberry is not exempt from the seismic impact of the COVID-19 pandemic on global tourism and the gaming entertainment industry. During this difficult time, our top priorities are to weather the impact of this virus and to maintain the health and safety of our team members and guests.”

“While we are uncertain of the pace of business recovery, we will push forward with our key capital project, Solaire North, as we believe that its opening will coincide with a meaningful upcycle that is typical after a period of economic weakness. We look to emerge from this crisis as a much stronger company.”

## Gaming Performance

Gaming operations at Solaire have been suspended since March 16, 2020 in accordance with PAGCOR’s directive given to IR operators to align with the government’s community quarantine initiative. The relevant authorities have allowed limited dry run gaming operations at the property while under GCQ from June 15, 2020. Such dry run operations, which involve only in-house and select invited guests, are a means for Solaire to fine-tune its services in accordance with new normal health and safety protocols. Solaire is currently not open to the public.

In the second quarter of 2020, total GGR at Solaire was P686.6 million, representing a 95% decrease from P14.6 billion in the same quarter last year and a 94% decrease from P12.2 billion in the previous quarter. GGR at Solaire in the first half was P12.9 billion, 54% lower compared to the first half of 2019.

Solaire’s VIP, mass table, and EGM GGR in the second quarter were P121.7 million, P303.7 million, and P261.1 million, representing year-over-year declines of 98%, 93%, and 94%, respectively. First half VIP, mass table, and EGM GGR were P4.9 billion, P4.2 billion, and P3.8 billion, representing year-over-year declines of 60%, 48%, and 52%, respectively.

Amounts in millions	2Q 2020			2Q 2019			Change in Revenue	
	Volume*	Revenue	Hold	Volume*	Revenue	Hold	Amount	%
VIP tables	3,985	₱122	3.05%	177,045	₱6,182	3.49%	(₱6,060)	(98.0)
Mass tables	604	304	50.3%	12,507	4,078	32.6%	(3,774)	(92.6)
Slots	3,182	261	8.2%	65,477	4,362	6.7%	(4,102)	(94.0)
<b>Total GGR</b>		<b>687</b>			<b>14,622</b>		(13,935)	(95.3)

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

Jeju Sun had nil gaming revenue for the quarter as gaming operations at the property have been suspended since March 21, 2020. In the first half, total gaming revenue at Jeju Sun was P93.1 million, representing a decline of 76% year-over-year.

Consolidated contra revenue accounts in the second quarter decreased by 97% year-over-year to P136.4 million. First half consolidated contra revenue accounts declined by 53% compared to the same period last year.

Consolidated gaming revenue after contra revenue accounts for the second quarter reached P327.7 million, representing a decrease of 96% and 97% on a sequential and year-over-year basis, respectively. Consolidated gaming revenue after contra accounts in the first six months was P8.0 billion, down by 57% compared to the same period last year.

## Non-gaming Revenues

During the quarter, the company operated —with limited capacity— certain parts of the hotel, F&B, and retail businesses to cater to remaining long-stay hotel guests and select invitees.

The Company reported consolidated non-gaming revenue of P613.2 million for the quarter, representing a decline of 70% from the P2.0 billion generated in the same quarter last year. Consolidated non-gaming revenue in the first half was P2.3 billion, lower by 41% compared to the same period last year.

At Solaire, non-gaming revenue for the second quarter was P610.6 million, representing a decrease of 69% from the same quarter last year. Hotel occupancy in the second quarter was 14.5%, compared to 67.3% in the previous quarter and 89.4% in the same quarter last year. Non-gaming revenue at Solaire in the first six months was P2.3 billion, representing a decline of 41% year-over-year.

At Jeju Sun, second quarter non-gaming revenue decreased by 89% year-over-year to P2.6 million.

### **Net Revenues**

Bloomberry's consolidated net revenue in the second quarter was P940.9 million, representing a decline of 92% from P11.6 billion in the same quarter last year and down by 90% compared to the previous quarter. Consolidated net revenue in the first half was P10.4 billion, lower by 54% year-over-year.

### **Expenses**

Second quarter consolidated cash operating expenses reached P2.7 billion, representing a decrease of 59% from P6.6 billion in the same period last year and lower by 54% compared to P5.8 billion in the previous quarter. The decrease in cash operating expense is consistent with the reduced scope of operations at Solaire and Jeju Sun during the quarter. Consolidated cash operating expenses in the first half was P8.5 billion, lower by 34% compared to the first six months of 2019.

### **EBITDA (LBITDA), Net Profit (Loss) and Earnings Per Share**

The Company's second quarter consolidated LBITDA was P2.0 billion, compared to EBITDA of P5.0 billion in the same quarter last year and P3.5 billion in the previous quarter. LBITDA at Solaire and Jeju Sun were P1.8 billion and P110.6 million, respectively. Consolidated EBITDA in the first six months was P1.5 billion, representing a decline of 84% from P9.5 billion in the same period last year.

On a hold-normalized basis, Bloomberry's consolidated LBITDA for the second quarter was P2.0 billion, lower by P13.0 million compared to the reported consolidated LBITDA. Hold-normalized EBITDA in the first half was P1.2 billion, lower by 86% year-over-year.

The Company reported consolidated net loss of P4.7 billion for the second quarter, representing a decline from net profit of P2.5 billion in the same quarter last year and net profit of P1.4 billion in the previous quarter. Consolidated net loss in the first six months was P3.3 billion, compared to net profit of P4.7 billion in the first half of 2019.

Bloomberry reported second quarter Basic Earnings per Share (EPS) of negative P0.428, compared to P0.223 in the same quarter last year. EPS in the first six months was negative P0.302, compared to P0.424 in the same period last year.

### **Balance Sheet and Other Items**

As of June 30, 2020, Bloomberry had a consolidated cash and cash equivalents balance of P31.2 billion. The Company's strong cash position will allow it to weather through the challenging environment brought about by the pandemic. Total outstanding long-term debt was P68.1 billion, which represents the current and non-current portions of the P73.5 billion Syndicated Loan. Total equity attributable to equity holders of the parent company was P37.4 billion.

As of June 30, 2020, Bloomberry had P2.5 billion in net receivables, 20% lower than at the beginning of the year due to significantly reduced credit issuances. Receivables over 90 days increased by P196.9 million from the end of the previous quarter to P782.0 million. The Company made P207.8 million of additional provisions for bad debt in the second quarter, representing 6% of gross receivables.

Bloomberry's P40 billion Loan Facility reserved for the development of Solaire North has not been drawn as of June 30, 2020.

**About Bloomberry Resorts Corporation**

*Bloomberry Resorts Corporation (PSE: BLOOM) is a public company listed on the Philippine Stock Exchange that develops destination resorts featuring premium accommodations, gaming and entertainment, and world-class restaurants and other amenities. Bloomberry Resorts Corporation's subsidiaries own and operate the Solaire Resort & Casino (Solaire) in the Philippines and Jeju Sun Hotel & Casino (Jeju Sun) in Korea.*

*The company's flagship property, Solaire Resort & Casino, is a USD \$1.2 Billion integrated destination resort on an 8.3-hectare site in Manila, Philippines and the first to open in the PAGCOR-sponsored economic development zone known as Entertainment City.*

*For more information, please visit <http://www.bloomberry.ph> and <https://www.solaireresort.com>*