



Bloomberg Resorts Corporation

BLOOMBERRY RESORTS CORPORATION

(incorporated in the Philippines)

PSE: BLOOM

THIRD QUARTER AND NINE MONTHS 2020 UNAUDITED RESULTS ANNOUNCEMENT

Bloomberg reports 3Q2020 net loss of P2.5 billion due to pandemic

Third quarter EBITDA almost at break-even

3Q2020 HIGHLIGHTS:

- ⊕ Third quarter results reflect the difficult business environment wrought by the COVID-19 pandemic
- ⊕ Solaire continued to operate at capacities consistent with a limited dry-run as allowed by relevant authorities; the dry-run involves only long-stay hotel guests and select invitees. Solaire remains closed to the public
- ⊕ Gross gaming revenue (GGR) at Solaire was P4.4 billion during the quarter, representing a 74% decrease from P17.1 billion in the same period last year. GGR was further impacted by the return to MECQ between August 4, 2020 and August 19, 2020 which resulted in the closure of the mass gaming floor
- ⊕ Consolidated net revenue was P3.2 billion, representing a decline of 76% year-over-year
- ⊕ Consolidated LBITDA was P203.7 million, compared to EBITDA of P6.4 billion in the same quarter last year
- ⊕ Consolidated net loss was P2.5 billion, representing a decline from net profit of P3.9 billion in the third quarter of 2019
- ⊕ Consolidated cash and cash equivalents balance as of September 30, 2020 was P24.7 billion

NINE MONTHS 2020 HIGHLIGHTS:

- ⊕ Solaire's VIP, mass tables and Electronic Gaming Machine (EGM) GGR were P6.9 billion, P5.3 billion, and P5.1 billion, representing year-over-year declines of 67%, 56%, and 59%, respectively. Total GGR at Solaire was P17.3 billion, 62% lower compared to the first nine months of 2019
- ⊕ Consolidated Net Revenue was P13.6 billion, representing a decrease of 62% against P35.7 billion in the same period last year
- ⊕ Consolidated EBITDA was P1.3 billion compared to P15.8 billion in the first nine months of the previous year, down by 92%
- ⊕ Consolidated net loss was P5.9 billion compared to profit of P8.6 billion in the same period last year
- ⊕ Capital expenditures made related to health, safety, and sanitation totalled over P300 million
- ⊕ The Bloomberg Cultural Foundation, Inc. (BCFI) has donated over P800 million to various institutions in the form of medical supplies, personal protective equipment, quarantine and treatment facilities, and relief goods and supplies

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 nine months ended September 30, 2020.

Enrique K. Razon, Jr., Bloomberry Chairman and CEO, says, “Our third quarter results reflect the difficult business environment brought about by the pandemic, which has negatively impacted international travel and overall demand for leisure and gaming entertainment services. In the near term, we hope to see a recovery as domestic quarantine restrictions are eased further.”

“Despite the challenges we face, Bloomberry remains committed to ensuring the health and safety of our team members and guests. Solaire’s safety protocols have been enhanced with the latest technologies while the sanitation of the casino, rooms, dining areas, and public spaces are non-stop; we go the extra mile and provide regular RT-PCR tests to our team members and make the same available to guests. With these investments—which have reached over P300 million—we hope to maintain our market leadership as well as become the tourism industry’s gold standard of hygiene and sanitation.”

Gaming Performance

Solaire’s casino has been operating at a capacity consistent with a limited dry-run since June 15, 2020, as allowed by PAGCOR; recall that PAGCOR suspended all gaming operations under its purview from March 16, 2020 to align with the government’s community quarantine initiative. Such dry run operations, which involve only long-stay and select invited guests, are a means for the industry to fine-tune its services in accordance with new normal protocols. Solaire is currently not open to the public.

In the third quarter of 2020, total GGR at Solaire was P4.4 billion; representing a 74% decrease from P17.1 billion in the same quarter last year and an improvement from P686.6 million in the previous quarter when the casino was closed for most of the period. GGR for the quarter was further impacted by the return to Modified Enhanced Community Quarantine (MECQ) from August 4, 2020 to August 19, 2020 which resulted in the closure of the mass gaming floor. GGR at Solaire in the first nine months was P17.3 billion, 62% lower compared to the same period in 2019.

Solaire’s VIP, mass table, and EGM GGR in the third quarter were P2.0 billion, P1.1 billion, and P1.3 billion, representing year-over-year declines of 77%, 73%, and 71%, respectively. In the first nine months, VIP, mass table, and EGM GGR were P6.9 billion, P5.3 billion, and P5.1 billion, representing year-over-year declines of 67%, 56%, and 59%, respectively.

Amounts in millions	3Q 2020			3Q 2019			Change in Revenue	
	Volume*	Revenue	Hold	Volume*	Revenue	Hold	Amount	%
VIP tables	₱62,591	₱2,008	3.21%	₱198,655	₱8,645	4.35%	(₱6,637)	(76.8)
Mass tables	3,330	1,116	33.5%	13,484	4,208	31.2%	(3,092)	(73.5)
Slots	20,310	1,255	6.2%	66,910	4,258	6.4%	(3,004)	(70.5)
Total GGR		4,379			17,111		(12,732)	(74.4)

*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 nine months, total gaming revenue at Jeju Sun was P93.1 million, representing a decline of 81% year-over-year.

Consolidated contra revenue accounts in the third quarter decreased by 70% year-over-year to P1.5 billion. Consolidated contra revenue accounts in the first nine months declined by 59% compared to the same period last year.

Consolidated gaming revenue after contra revenue accounts for the third quarter reached P2.6 billion, representing a decrease of 77% on a year-over-year basis. Consolidated gaming revenue after contra accounts in the first nine months was P10.7 billion, down by 64% compared to the same period last year.

Non-gaming Revenues

During the quarter, the company continued to operate —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 P585.5 million for the quarter, representing a decline of 72% from the P2.1 billion generated in the same quarter last year. Consolidated non-gaming revenue in the first nine months was P2.9 billion, lower by 51% compared to the same period last year.

At Solaire, non-gaming revenue for the third quarter was P584.2 million, representing a decrease of 71% from the same quarter last year. Hotel occupancy in the second quarter was 17.6%, compared to 14.5% in the previous quarter and 91.8% in the same quarter last year. Non-gaming revenue at Solaire in the first nine months was P2.9 billion, representing a decline of 51% year-over-year.

At Jeju Sun, third quarter non-gaming revenue decreased by 97% year-over-year to P1.3 million.

Net Revenues

Bloomberry's consolidated net revenue in the third quarter was P3.2 billion, representing a decline of 76% from P13.3 billion in the same quarter last year and an improvement from P940.9 million recorded in the previous quarter. Consolidated net revenue in the first nine months was P13.6 billion, lower by 62% year-over-year.

Expenses

Third quarter consolidated cash operating expenses reached P3.2 billion, representing a decrease of 53% from P6.9 billion in the same period last year and higher by 20% compared to P2.7 billion in the previous quarter. The year-over-year 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 nine months was P11.7 billion, lower by 41% compared to the first nine months of 2019.

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

The Company's third quarter consolidated LBITDA was P203.7 million, compared to EBITDA of P6.4 billion in the same quarter last year and LBITDA of P2.0 billion in the previous quarter. LBITDA at Solaire and Jeju Sun were P119.2 million and P84.5 million, respectively. Consolidated EBITDA in the first nine months was P1.3 billion, representing a decline of 92% from P15.8 billion in the same period last year.

On a hold-normalized basis, Bloomberry's consolidated LBITDA for the third quarter was P307.7 million, worse off by P104.0 million compared to the reported consolidated LBITDA. Hold-normalized EBITDA in the first nine months was P894.9 million, lower by 93% year-over-year.

The Company reported consolidated net loss of P2.5 billion for the third quarter, representing a decline from net profit of P3.9 billion in the same quarter last year and an improvement from net loss of P4.7 billion in the previous quarter. Consolidated net loss in the first nine months was P5.9 billion, compared to net profit of P8.6 billion in the first nine months of 2019.

Bloomberry reported third quarter Basic Earnings per Share (EPS) of negative P0.232, compared to P0.356 in the third quarter of 2019. Basic EPS in the first nine months was negative P0.534, compared to P0.780 in the same period last year.

Balance Sheet and Other Items

As of September 30, 2020, Bloomberry had a consolidated cash and cash equivalents balance of P24.7 billion. Total outstanding long-term debt was P67.6 billion, which represents the balance of the current and non-current portions of the P73.5 billion Syndicated Loan. Total equity attributable to equity holders of the parent company was P34.9 billion.

As of September 30, 2020, Bloomberry had P2.3 billion in net receivables, 24% lower than at the beginning of the year due to significantly reduced credit issuances. Receivables over 90 days increased by P96.6 million

from the end of the previous quarter to P878.6 million. The Company made P195.6 million of additional provisions for bad debt in the third 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 September 30, 2020.

The Bloomberry Cultural Foundation, Inc. (BCFI) has in the first nine months donated over P800 million to various institutions in the form of medical supplies, personal protective equipment, quarantine and treatment facilities, and relief goods. BCFI's latest contribution is the 600-bed Solaire-PAGCOR Mega Quarantine Facility which was turned over to the Inter-Agency Task Force (IATF) in September. The facility was completed in cooperation with the Razon Group through Prime Metro BMD Corporation.

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>