



Bloomberg Resorts Corporation

BLOOMBERRY RESORTS CORPORATION

(incorporated in the Philippines)

PSE: BLOOM

FOURTH QUARTER AND FY2019 RESULTS ANNOUNCEMENT

Bloomberg 2019 profits reach P9.9 billion, up 38% YoY

FY2019 HIGHLIGHTS:

- Total Gross Gaming Revenue (GGR) at Solaire was P59.8 billion, 17% higher than the P51.0 billion recorded in 2018. Growth was aided by higher hold in VIP and strength in the mass gaming segments
- Mass table drop and EGM coin-in at Solaire were P51.5 billion and P255.1 billion, representing year-on-year growth of 15% and 20%, respectively
- Solaire's VIP, mass tables and EGM GGR were P26.2 billion, P16.7 billion and P16.8 billion, representing year-on-year growth of 20%, 10% and 21%, respectively
- Consolidated net revenue was P46.6 billion, representing growth of 22% from P38.4 billion in 2018
- Consolidated EBITDA reached P19.8 billion, representing an increase of 33% from P14.9 billion in the previous year
- Consolidated net profit was P9.9 billion, higher by 38% compared to P7.2 billion in 2018, despite incurring foreign exchange losses and higher interest expenses

4Q2019 HIGHLIGHTS:

- Total GGR at Solaire was P14.5 billion, representing growth of 9% over the comparable period in 2018. VIP GGR declined by 10%, while mass table and EGM GGR recorded increases of 21% and 30%, respectively
- Consolidated net revenue was P10.9 billion, representing an increase of 16% year-on-year
- Consolidated EBITDA was P4.0 billion, 17% higher compared to P3.4 billion in the fourth quarter of 2018
- Consolidated net profit was P1.4 billion, representing an increase of 87% against P725.1 million recorded for the same quarter in 2018

Bloomberg Resorts Corporation ("Bloomberg", "the Company"), whose subsidiaries own and operate Solaire Resort & Casino (Solairé) and Jeju Sun Hotel & Casino (Jeju Sun), reported audited consolidated financial results for the year ended December 31, 2019.

Enrique K. Razon Jr., Bloomberg chair and CEO, says, "I am pleased to report another record year of profits for Bloomberg, with consolidated net profit hitting P9.9 billion, higher by 38% year-on-year. Despite increasing competitive pressure, Solairé maintained its market-leading position and has again proven itself as the premier integrated resort of the Philippines."

“We are off to a rough start in 2020 as we contend with the tourism impact of an official world health emergency. However, we remain steadfast and aim to demonstrate our resilience by working towards another year of operating excellence.”

“We continue to focus on our next leg of growth as work on Solaire North progresses smoothly. We are on track to complete the project in the second half of 2023.”

Gaming Performance

In 2019, total GGR at Solaire was P59.8 billion, representing an increase of 17% from P51.0 billion in 2018.

Solaire’s VIP volume in 2019 declined by 5% to P771.4 billion. However, VIP GGR increased by 20% to P26.2 billion from P21.8 billion in the previous year. Growth was aided by a meaningfully higher VIP win rate of 3.40% compared to 2.69% in 2018.

Mass table drop and EGM coin-in at Solaire for 2019 reached P51.5 billion and P255.1 billion, increasing by 15% and 20%, respectively, compared to 2018. Growth in the mass market continues to be supported by robust domestic and international discretionary spending. Mass table revenue increased to P16.7 billion in 2019, higher by 10% compared with P15.3 billion in 2018. EGM revenue was P16.8 billion, representing an increase of 21% from P13.9 billion in the previous year.

Amounts in millions	2019			2018			Change in Revenue	
	Volume*	Revenue	Hold	Volume*	Revenue	Hold	Amount	%
VIP tables	771,417	₱26,240	3.40%	810,233	₱21,817	2.69%	₱4,423	20.3
Mass tables	51,467	16,747	32.5%	44,894	15,258	34.0%	1,489	9.8
Slots	255,103	16,814	6.6%	211,887	13,897	6.6%	2,917	21.0
Total GGR		59,801			50,972		8,829	17.3

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

In the fourth quarter of 2019, total GGR at Solaire was P14.5 billion, 9% higher than the GGR recorded for the comparable period in 2018. VIP GGR in the fourth quarter declined by 10% compared to the same quarter in the previous year due to lower volumes and a less favorable VIP win rate. Fourth quarter mass table and EGM GGR recorded increases of 21% and 30%, respectively, compared with the same period in 2018.

Solaire’s strong overall GGR performance in 2019 was due in part to a higher than normal VIP win rate. However, we anticipate that sustainable long-term growth for Bloomberry lies within Solaire’s high-margin mass gaming segment which benefits from a healthy domestic patron database.

Solaire Korea’s Jeju Sun reported gaming revenue of P573.1 million in 2019, representing an increase of 18% from P484.4 million in 2018.

Consolidated contra revenue accounts for 2019 increased by 6% to P17.6 billion. This represents 29% of consolidated GGR compared to 32% in 2018. Consolidated contra revenue accounts in the fourth quarter of 2019 was P4.6 billion, representing 32% of consolidated GGR compared to 37% in the same quarter of 2018.

Consolidated gaming revenues after contra revenue accounts for the year reached P38.5 billion, representing an increase of 22% compared with 2018. In the fourth quarter, consolidated gaming revenues after contra revenue accounts hit P8.8 billion, higher by 15% compared to the comparable period in the previous year.

Non-gaming Revenues

The Company reported consolidated non-gaming revenues of P8.2 billion for 2019, representing growth of 21% over the P6.8 billion generated in the previous year. In the fourth quarter, consolidated non-gaming revenue was P2.1 billion, higher by 16% compared with the same quarter in 2018.

At Solaire, non-gaming revenue for the year was P8.0 billion, representing an increase of 23% from 2018. Hotel occupancy in 2019 was 90.5%, compared to 92.6% in 2018.

At Jeju Sun, non-gaming revenues declined by 41% YoY to P129.0 million due to comprehensive renovation works that put 80% of the property's hotel rooms and all four of its F&B outlets out of commission for most of 2019.

Net Revenues

Bloomberry's consolidated net revenue in 2019 was P46.6 billion, representing growth of 22% from P38.4 billion in 2018. Consolidated net revenue growth was due to the strong performance of Solaire's gaming and non-gaming segments. Consolidated net revenue in the fourth quarter was P10.9 billion, representing an increase of 15% over the comparable period in 2018.

Expenses

Consolidated cash operating expenses reached P26.5 billion in 2019, compared to P23.4 billion in 2018. The Company's continuous drive toward cost efficiency capped the annual growth of expenses at 13%, comparing favorably to the 22% increase in consolidated net revenues. The increase in cash operating expense was mainly due to higher gaming taxes paid consistent with the increase in GGR, higher cost of sales due to the improved quality and increased quantity of promotional items given to patrons, and augmented salaries and benefits expenses. Consolidated cash operating expenses in the fourth quarter was P6.8 billion, higher by 12% compared with the same quarter in the previous year.

EBITDA, Net Profit and Earnings Per Share

The Company's 2019 consolidated EBITDA was P19.8 billion, representing an increase of 33% from P14.9 billion in 2018. Solaire contributed P20.3 billion to consolidated EBITDA, which was off-set by the P463.5 million negative EBITDA recorded at Solaire Korea. Consolidated EBITDA in the fourth quarter was P4.0 billion, higher by 17% compared to P3.4 billion in the same quarter of 2018.

On a hold-normalized basis, Bloomberry's consolidated EBITDA for 2019 was P17.2 billion, P2.7 billion lower than the reported consolidated EBITDA of P19.8 billion. Hold-normalized EBITDA in 2019 would have increased by 7% year-on-year. Hold-normalized EBITDA in the fourth quarter would have been P4.4 billion, representing a 8% increase over hold-normalized EBITDA for the comparable period in 2018.

The Company reported consolidated net profit of P9.9 billion for 2019 compared to P7.2 billion for 2018. Net profit grew 38% YoY despite incurring foreign exchange losses and higher interest expenses. Net profit in the fourth quarter was P1.4 billion, higher by 87% compared to P725.1 million for the same quarter in the previous year.

Bloomberry reported Basic Earnings per Share (EPS) of P0.903, representing growth of 39% year-on-year.

Balance Sheet and Other Items

As of December 31, 2019, Bloomberry had a consolidated cash and cash equivalents balance of P41.9 billion. Total long-term debt was P69.1 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 P44.1 billion.

As of December 31, 2019, Bloomberry had P3.1 billion in net receivables, 10% higher than at the beginning of the year due to additional credit issuances. Receivables over 90 days decreased by P540.8 million from the end of the previous quarter to P559.0 billion. The Company made P123.1 million of additional provisions for bad debt in the fourth quarter, representing only 3.5% of gross receivables.

Bloomberry has a P40 billion Loan Facility to be used to partially fund the construction, pre-opening, and pre-operating expense requirements of Solaire North in Quezon City. As of December 31, 2019, the company has not drawn on this facility.

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 (Solairé) in the Philippines and Jeju Sun Hotel & Casino (Jeu 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>