



Press Release

SJM Holdings Announces Selected Unaudited Q3 2020 Results

(Hong Kong, 29 October 2020) SJM Holdings Limited (the “Company”) today announced selected unaudited key performance indicators of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 September 2020 (“Q3 2020”) and the nine months ended 30 September 2020.

2020 THIRD QUARTER AND YEAR-TO-DATE HIGHLIGHTS (UNAUDITED)

- The Group was severely impacted by the COVID-19 outbreak, which led to closure of Macau casinos for 15 days in February, as well as ongoing restrictions on entry from the Mainland, Hong Kong and other locations, curtailment of transportation channels and quarantine requirements. Net Gaming Revenue¹ of the Group in Q3 2020 was HK\$841 million, a decrease of 89.6% from Q3 2019, and for the nine months ended 30 September 2020, Net Gaming Revenue was HK\$5,113 million, a decrease of 79.4% from the first nine months of 2019.
- Adjusted EBITDA² of the Group in Q3 2020 was negative HK\$782 million, a decrease of 182.3% over Q3 2019, and for the nine months ended 30 September 2020, Adjusted EBITDA was negative HK\$1,766 million, a decrease of 158.3% from the first nine months of 2019.
- Adjusted EBITDA Margin³ of the Group in Q3 2020 decreased to negative 89.0% from 11.5% in Q3 2019, and for the nine months ended 30 September 2020 decreased to negative 33.6% from 12.0% in the first nine months of 2019.
- Loss attributable to owners of the Company in Q3 2020 was HK\$1,031 million, as compared with a profit of HK\$738 million in Q3 2019, and for the nine months ended 30 September 2020, loss attributable to owners of the Company was HK\$2,444 million, as compared with a profit of HK\$2,417 million in the first nine months of 2019.
- Gross gaming revenue of Casino Grand Lisboa in Q3 2020 was HK\$176 million, a decrease of 93.7% from Q3 2019, whilst its Adjusted EBITDA was negative HK\$336 million, a decrease of 164.1%. For the nine months ended 30 September 2020, Casino Grand Lisboa’s gross gaming revenue was HK\$1,502 million, a decrease of 84.4% from the first nine months of 2019, whilst its Adjusted EBITDA was negative HK\$705 million, a decrease of 141.3%.
- The Group had HK\$5,935 million of cash, bank balances and pledged bank deposits and HK\$16,783 million of debt as at 30 September 2020. The Group has a revolving credit facility of HK\$10 billion, of which HK\$8.5 billion is undrawn as of 30 September 2020.
- Construction work on the Grand Lisboa Palace has been completed and the Group is awaiting the assignment by local government authorities of final inspection dates, which are expected in November 2020. The Group anticipates opening the project during the first quarter of 2021.

¹ Gross gaming revenue less commissions and incentives.

² Earnings after adjustment for non-controlling interests and before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal of property and equipment, share-based payments, sub-concession fee income and pre-opening expenses.

³ Adjusted EBITDA divided by total net revenue (net gaming revenue plus hotel, catering, retail and related services revenue).

	Third Quarter			Nine months ended 30 September		
	2020	2019	(Decrease)	2020	2019	(Decrease)
	<i>HK\$ million</i>	<i>HK\$ million</i>		<i>HK\$ million</i>	<i>HK\$ million</i>	
Total Net Revenue	879	8,240	(89.3%)	5,253	25,314	(79.2%)
Net Gaming Revenue	841	8,059	(89.6%)	5,113	24,779	(79.4%)
(Loss) Profit Attributable to Owners of the Company	(1,031)	738	(239.7%)	(2,444)	2,417	(201.1%)
Adjusted EBITDA	(782)	950	(182.3%)	(1,766)	3,029	(158.3%)
Adjusted EBITDA Margin	(89.0%)	11.5%		(33.6%)	12.0%	

Gaming revenue, net of commissions and incentives of HK\$106 million (Q3 2019: HK\$1,434 million), earned by Sociedade de Jogos de Macau, S.A., a subsidiary of the Company, was HK\$841 million in Q3 2020, a decrease of 89.6% from Q3 2019.

During Q3 2020, the Group's VIP gross gaming revenue was HK\$200 million, a decrease of 93.1% from HK\$2,890 million in Q3 2019, mass market gross gaming revenue was HK\$690 million, a decrease of 89.1% from HK\$6,305 million, and slot machine gross gaming revenue was HK\$57 million, a decrease of 80.8% from HK\$298 million.

The Group's total net revenue during Q3 2020 of HK\$879 million included hotel, catering, retail and related services revenue of HK\$38 million (Q3 2019: HK\$181 million).

	Third Quarter			Nine months ended 30 September		
	2020	2019	(Decrease)	2020	2019	(Decrease)
	<i>HK\$ million</i>	<i>HK\$ million</i>		<i>HK\$ million</i>	<i>HK\$ million</i>	
VIP Gross Gaming Revenue	200	2,890	(93.1%)	1,569	10,345	(84.8%)
Mass Market Gross Gaming Revenue	690	6,305	(89.1%)	3,981	18,707	(78.7%)
Slot Machine Gross Gaming Revenue	57	298	(80.8%)	292	873	(66.6%)
Gross Gaming Revenue	947	9,493	(90.0%)	5,842	29,925	(80.5%)
Commissions and incentives	(106)	(1,434)	(92.6%)	(729)	(5,146)	(85.8%)
Net Gaming Revenue	841	8,059	(89.6%)	5,113	24,779	(79.4%)

During Q3 2020 the Group operated an average of 180 VIP gaming tables (Q3 2019: 286), 832 mass market gaming tables (Q3 2019: 1,503) and 1,109 slot machines (Q3 2019: 2,563) (average of three month-end counts).

Total VIP chips sales for the Group during Q3 2020 were HK\$4.1 billion (Q3 2019: HK\$93 billion), and the VIP gaming hold percentage (before commissions and discounts) was 4.89% (Q3 2019: 3.10%).

Key Results for the Group's Casinos

	Q3 2020		Nine months ended 30 September 2020	
	Gross Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>	Gross Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>
Casino Grand Lisboa	176	(336)	1,502	(705)
Other Self-promoted Casinos ¹	187	(266)	1,052	(612)
Satellite Casinos ²	584	(63)	3,288	(139)

¹ Casino Lisboa, Casino Oceanus at Jai Alai (including the gaming area in the Jai Alai building), Casino Eastern (since April 2020) and Casino Taipa

² Fifteen third party-promoted casinos

During Q3 2020, the occupancy rate of Grand Lisboa Hotel was 5.3% and the average room rate was HK\$1,695 per night, as compared with an average occupancy rate of 91.3% and average room rate of HK\$1,516 per night in Q3 2019.

Capital expenditure of the Group during Q3 2020 was HK\$925 million, which was primarily for construction in progress and furniture, fixtures and equipment. As at 30 September 2020, the Group had total cash, bank balances and pledged bank deposits of HK\$5,935 million and total debt of HK\$16,783 million. The Group has a revolving credit facility of HK\$10 billion, of which HK\$8.5 billion is undrawn as of 30 September 2020.

Dr. Ambrose So, Vice-Chairman and Chief Executive Officer of SJM Holdings Limited, commented “SJM’s results in the third quarter continued to be impacted by the severe contraction in tourism caused by the COVID-19 pandemic. Around the end of the quarter, however, we saw the beginnings of recovery in visitation, hotel occupancy and visitor spending. We firmly believe that the unique attractions of Macau, combined with the successful responses to this year’s challenges by the Macau SAR and Central Government, will fuel Macau’s resumed development into a global centre of tourism and leisure. SJM of course will be a major participant, and beginning in 2021 our role in diversified tourism development will be further enhanced by our spectacular new resort, the Grand Lisboa Palace.”

Further information on SJM Holdings Limited can be found on www.sjmholdings.com.