



Press Release

SJM Holdings Announces Selected Unaudited Q1 2022 Results

(Hong Kong, 3 May 2022) 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 31 March 2022 (“Q1 2022”).

2022 FIRST QUARTER HIGHLIGHTS (UNAUDITED)

- Net gaming revenue¹ of the Group in Q1 2022 was HK\$2,350 million, as compared with HK\$2,412 million in Q1 2021.
- Adjusted EBITDA² of the Group in Q1 2022 was negative HK\$474 million, as compared with negative HK\$319 million in Q1 2021.
- Adjusted EBITDA Margin³ of the Group in Q1 2022 was negative 18.7%, as compared with negative 12.9% in Q1 2021.
- Loss attributable to owners of the Company was HK\$1,282 million in Q1 2022, as compared with a loss HK\$647 million in Q1 2021.
- The Grand Lisboa Palace, the Group’s integrated resort on Cotai, opened its doors to the public on 30 July 2021. Gross revenue of Grand Lisboa Palace in Q1 2022 was HK\$271 million, including gross gaming revenue of HK\$156 million and non-gaming revenue of HK\$115 million. After adjusting for pre-opening expenses of HK\$132 million, its Adjusted Property EBITDA⁴ was negative HK\$216 million.
- Grand Lisboa’s gross revenue in Q1 2022 was HK\$592 million including gross gaming revenue HK\$551 million and non-gaming revenue HK\$41 million, as compared with gross gaming revenue HK\$585 million and non-gaming revenue HK\$36 million in Q1 2021, whilst its Adjusted Property EBITDA was negative HK\$128 million, as compared with negative HK\$143 million in Q1 2021.

2022 FIRST QUARTER HIGHLIGHTS (UNAUDITED) (CONTINUED)

- The Group had HK\$1,750 million of cash, bank balances, short-term bank deposits and pledged bank deposits and HK\$22,811 million of debt as at 31 March 2022.
- On 28 February 2022 the Group extended the maturity of its syndicated banking facilities, originally consisting of a HK\$15 billion term loan and a HK\$10 billion revolving credit, of which HK\$13.3 billion was outstanding, until 28 February 2023. The Group expects to complete a refinancing of these facilities within the coming quarter.

¹ Net gaming revenue is gross gaming revenue less commissions and incentives.

² Adjusted EBITDA is earnings or losses after adjustment for non-controlling interests and before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal/write-off of property and equipment, bank charges for bank loans, gain on early repayment of a bank loan, loss on modification of a bank loan, sub-concession fee income and pre-opening expenses.

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

⁴ Adjusted Property EBITDA is earnings or losses before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal/write-off of property and equipment, bank charges for bank loans, gain on early repayment of a bank loan, loss on modification of a bank loan, sub-concession fee income, pre-opening expenses and corporate costs, and before elimination of inter-company consumption.

Year-to-Date Comparison (unaudited)

	Three months ended 31 March		
	2022 <i>HK\$ million</i>	2021 <i>HK\$ million</i>	Increase/ (Decrease)
Total net revenue	2,538	2,478	2.4%
Net gaming revenue	2,350	2,412	(2.6%)
Loss attributable to owners of the Company	(1,282)	(647)	(98.3%)
Adjusted EBITDA	(474)	(319)	(48.4%)
Adjusted EBITDA Margin	(18.7%)	(12.9%)	

Gaming revenue, net of commissions and incentives of HK\$191 million (Q1 2021 : HK\$240 million), earned by SJM Resorts, S.A., a subsidiary of the Company, was HK\$2,350 million in Q1 2022, a decrease of 2.6% from Q1 2021.

During Q1 2022, the Group's VIP gross gaming revenue was HK\$344 million, a decrease of 29.1% from HK\$485 million in Q1 2021, mass market gross gaming revenue was HK\$2,058 million, an increase of 0.3% from HK\$2,051 million, and slot machine gross gaming revenue was HK\$139 million, an increase of 19.5% from HK\$116 million.

The Group's total net revenue during Q1 2022 of HK\$2,538 million included hotel, catering, retail, leasing and related services revenue of HK\$188 million (Q1 2021 : HK\$66 million).

The following tables summarise the results of Self-promoted and Satellite Casinos' activity:

	Three months ended 31 March		
	2022 <i>HK\$ million</i>	2021 <i>HK\$ million</i>	Increase/ (Decrease)
VIP Gross Gaming Revenue	344	485	(29.1%)
Mass Market Gross Gaming Revenue	2,058	2,051	0.3%
Slot Machine Gross Gaming Revenue	139	116	19.5%
Gross Gaming Revenue	2,541	2,652	(4.2%)
Commissions and incentives	(191)	(240)	(20.5%)
Net Gaming Revenue	2,350	2,412	(2.6%)

Casino Grand Lisboa Palace Statistics					
	Three months ended 31 March			Variance	%
	2022 <i>HK\$ million</i>	2021 <i>HK\$ million</i>	<i>HK\$ million</i>		
Revenues:					
Mass Market	141	—	141	—	—
Slot	15	—	15	—	—
Gross Gaming Revenues	156	—	156	—	—
Mass Table Drop	905	—	905	—	—
Mass Table Win	141	—	141	—	—
Non-Rolling Chip Win %	15.5%	—	—	—	15.5 pts
Slot Handle	339	—	339	—	—
Slot Win	15	—	15	—	—
Slot Win %	4.6%	—	—	—	4.6 pts

Casino Grand Lisboa Statistics

	Three months ended 31 March			
	2022	2021	Variance	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	%
Revenues:				
VIP	240	215	25	11.3%
Mass Market	269	325	(56)	(17.2%)
Slot	42	45	(3)	(5.5%)
Gross Gaming Revenues	551	585	(34)	(5.9%)
VIP Chip Sales Volume	5,709	7,413	(1,704)	(23.0%)
Win	240	215	25	11.3%
Hold %	4.2%	2.9%	—	1.3 pts
Mass Table Drop	1,216	1,472	(256)	(17.4%)
Mass Table Win	269	325	(56)	(17.2%)
Non-Rolling Chip Win %	22.1%	22.1%	—	—
Slot Handle	802	911	(109)	(12.0%)
Slot Win	42	45	(3)	(5.5%)
Slot Win %	5.3%	4.9%	—	0.4 pts

Other Self-promoted Casino Statistics

	Three months ended 31 March			
	2022	2021	Variance	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	%
Revenues:				
VIP	—	1	(1)	(100.0%)
Mass Market	313	342	(29)	(8.4%)
Slot	39	32	7	20.2%
Gross Gaming Revenues	352	375	(23)	(6.2%)
VIP Chip Sales Volume	—	51	(51)	(100.0%)
Win	—	1	(1)	(100.0%)
Hold %	—	2.3%	—	(2.3 pts)
Mass Table Drop	2,333	2,411	(78)	(3.2%)
Mass Table Win	313	342	(29)	(8.4%)
Non-Rolling Chip Win %	13.4%	14.2%	—	(0.8 pts)
Slot Handle	775	683	92	13.5%
Slot Win	39	32	7	20.2%
Slot Win %	5.0%	4.7%	—	0.3 pts

Satellite Casino Statistics

	Three months ended 31 March		Variance <i>HK\$ million</i>	%
	2022 <i>HK\$ million</i>	2021 <i>HK\$ million</i>		
Revenues:				
VIP	104	269	(165)	(61.0%)
Mass Market	1,335	1,384	(49)	(3.6%)
Slot	43	39	4	8.0%
Gross Gaming Revenues	1,482	1,692	(210)	(12.4%)

The following table summarises the key results for the Group:

	Three months ended 31 March		Variance <i>HK\$ million</i>	%
	2022 <i>HK\$ million</i>	2021 <i>HK\$ million</i>		
		(re-class)		
Grand Lisboa Palace	(216)	—	(216)	—
Grand Lisboa	(128)	(143)	15	10.5%
Other Self-promoted ¹	(104)	(120)	16	13.8%
Satellite ²	34	20	14	71.9%
Total	(414)	(243)	(171)	(70.1%)

¹ Casino Lisboa, Casino Oceanus at Jai Alai (including gaming and non-gaming areas), Casino Eastern and Casino Taipa.

² Fourteen third party-promoted casinos.

The following table summarises the results of hotel room activity:

Hotel Statistics				
	Three months ended 31 March			
	2022	2021	Variance	
	HK\$	HK\$	HK\$	%
Occupancy %				
Grand Lisboa Palace Resort ¹	39.9%	—	—	39.9 pts
Grand Lisboa Hotel	52.4%	52.5%	—	(0.1 pts)
Jai Alai Hotel	60.9%	43.5%	—	17.4 pts
Sofitel at Ponte 16	44.4%	48.4%	—	(4.0 pts)
Average Daily Rate (ADR)				
Grand Lisboa Palace Resort ¹	926	—	926	—
Grand Lisboa Hotel	671	699	(28)	(4.0%)
Jai Alai Hotel	170	202	(32)	(15.6%)
Sofitel at Ponte 16	470	447	23	5.2%
Revenue per Available Room (RevPAR)				
Grand Lisboa Palace Resort ¹	369	—	369	—
Grand Lisboa Hotel	352	367	(15)	(4.1%)
Jai Alai Hotel	104	88	16	18.3%
Sofitel at Ponte 16	209	217	(8)	(3.7%)

¹ Grand Lisboa Palace Resort included two hotel towers – the Grand Lisboa Palace and THE KARL LAGERFELD.

Capital expenditure of the Group during Q1 2022 was HK\$118 million, which was primarily for construction in progress and furniture, fixtures and equipment.

Dr. Ambrose So, Vice-Chairman and Chief Executive Officer of SJM Holdings Limited, commented, “Inbound tourism is still being profoundly impacted by the COVID-19 pandemic. Given our confidence, however, in the eventual recovery of Macau tourism and in SJM’s prospects for obtaining a new concession extending beyond 2022, we have continued to introduce additional elements in retailing and F&B at our new Grand Lisboa Palace, whilst focusing on cost controls and efficiency.”

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