



Press Release

SJM Holdings Posts Third Quarter 2019 Results
Net Profit up 4.5%
Adjusted EBITDA up 3.4%

(Hong Kong, 29 October 2019) 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 2019 (“Q3 2019”) and the nine months ended 30 September 2019.

2019 THIRD QUARTER AND YEAR-TO-DATE HIGHLIGHTS (UNAUDITED)

- Net Gaming Revenue¹ of the Group in Q3 2019 was HK\$8,059 million, a decrease of 3.2% from Q3 2018, and for the nine months ended 30 September 2019, Net Gaming Revenue was HK\$24,779 million, a decrease of 1.6% from the first nine months of 2018.
- Adjusted EBITDA² of the Group in Q3 2019 was HK\$950 million, an increase of 3.4% over Q3 2018, and for the nine months ended 30 September 2019, Adjusted EBITDA was HK\$3,029 million, an increase of 5.2% from the first nine months of 2018.
- Adjusted EBITDA Margin³ of the Group in Q3 2019 increased to 11.5% from 10.8% in Q3 2018, and for the nine months ended 30 September 2019 increased to 12.0% from 11.2% in the first nine months of 2018.
- Profit attributable to owners of the Company in Q3 2019 was HK\$738 million, an increase of 4.5% over Q3 2018, and for the nine months ended 30 September 2019, profit attributable to owners of the Company was HK\$2,417 million, an increase of 9.6% from the first nine months of 2018.
- Gross gaming revenue of Casino Grand Lisboa was HK\$2,799 million, a decrease of 33.0% from Q3 2018, whilst its Adjusted EBITDA was HK\$524 million, an increase of 5.7%. For the nine months ended 30 September 2019, Casino Grand Lisboa’s gross gaming revenue was HK\$9,658 million, a decrease of 20.3% from the first nine months of 2018, whilst its Adjusted EBITDA was HK\$1,709 million, an increase of 7.6%.
- The Group maintained a strong and liquid financial position, with HK\$16,023 million of cash, bank balances and pledged bank deposits and HK\$15,329 million of debt as at 30 September 2019.
- Construction of the Grand Lisboa Palace, the Group’s integrated resort on Cotai, is nearing completion and the Group expects pre-operating government inspections to begin shortly.

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, gain on disposal of property and equipment, share-based payments, and write-back of/provision for impairment losses on property and equipment.

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		
	2019 <i>HK\$</i> <i>million</i>	2018 <i>HK\$</i> <i>million</i>	Increase/ (decrease)	2019 <i>HK\$</i> <i>million</i>	2018 <i>HK\$</i> <i>million</i>	Increase/ (decrease)
Total Net Revenue	8,240	8,510	(3.2%)	25,314	25,706	(1.5%)
Net Gaming Revenue	8,059	8,328	(3.2%)	24,779	25,171	(1.6%)
Profit Attributable to						
Owners of the Company	738	707	4.5%	2,417	2,205	9.6%
Adjusted EBITDA	950	919	3.4%	3,029	2,878	5.2%
Adjusted EBITDA Margin	11.5%	10.8%		12.0%	11.2%	

Gaming revenue, net of commissions and incentives of HK\$1,434 million (Q3 2018 : HK\$2,619 million), earned by Sociedade de Jogos de Macau, S.A., a subsidiary of the Company, was HK\$8,059 million in Q3 2019, a decrease of 3.2% from Q3 2018.

During Q3 2019, the Group's VIP gross gaming revenue was HK\$2,890 million, a decrease of 42.6% from HK\$5,039 million in Q3 2018, mass market gross gaming revenue was HK\$6,305 million, an increase of 12.1% from HK\$5,623 million, and slot machine gross gaming revenue was HK\$298 million, an increase of 4.6% from HK\$285 million. The Group's total net revenue during Q3 2019 of HK\$8,240 million included hotel, catering, retail and related services revenue of HK\$181 million (Q3 2018 : HK\$182 million).

	Third Quarter			Nine months ended 30 September		
	2019 <i>HK\$</i> <i>million</i>	2018 <i>HK\$</i> <i>million</i>	Increase/ (decrease)	2019 <i>HK\$</i> <i>million</i>	2018 <i>HK\$</i> <i>million</i>	Increase/ (decrease)
VIP Gross Gaming Revenue	2,890	5,039	(42.6%)	10,345	14,996	(31.0%)
Mass Market Gross Gaming Revenue	6,305	5,623	12.1%	18,707	17,111	9.3%
Slot Machine Gross Gaming Revenue	298	285	4.6%	873	867	0.7%
Gross Gaming Revenue	9,493	10,947	(13.3%)	29,925	32,974	(9.2%)
Commissions and incentives	(1,434)	(2,619)	(45.2%)	(5,146)	(7,803)	(34.0%)
Net Gaming Revenue	8,059	8,328	(3.2%)	24,779	25,171	(1.6%)

During Q3 2019 the Group operated an average of 286 VIP gaming tables (Q3 2018 : 291), 1,503 mass market gaming tables (Q3 2018 : 1,408) and 2,563 slot machines (Q3 2018 : 2,637) (average of three month-end counts).

Total VIP chips sales for the Group during Q3 2019 were HK\$93 billion (Q3 2018 : HK\$166 billion), and the VIP gaming hold percentage (before commissions and discounts) was 3.10% (Q3 2018 : 3.04%).

Key Results for the Group's Casinos

	Q3 2019		Nine months ended 30 September 2019	
	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	2,799	524	9,658	1,709
Other Self-promoted Casinos ¹	1,631	323	4,655	907
Satellite Casinos ²	5,063	129	15,612	460

¹ Casino Lisboa, Casino Oceanus at Jai Alai (including the casino area in the Jai Alai building) and Casino Taipa

² Sixteen third party-promoted casinos

During Q3 2019, the Grand Lisboa Hotel achieved an average occupancy rate of 91.3% and average room rate of HK\$1,516 per night, as compared with average occupancy rate of 94.0% and average room rate of HK\$1,458 per night in Q3 2018.

Capital expenditure of the Group during Q3 2019 was HK\$1,084 million, which was primarily for construction in progress and furniture, fixtures and equipment. As at 30 September 2019, the Group had total cash, bank balances and pledged bank deposits of HK\$16,023 million and total debt of HK\$15,329 million.

Speaking on the third quarter results, Dr. Ambrose So, Vice-Chairman and Chief Executive Officer of SJM Holdings Limited, said, "We are pleased to note that SJM has continued to show positive results in the recent quarter. In spite of challenges in the global economy, the revenues and earnings from our mass market gaming business have more than compensated for the uncertainties which are affecting VIP gaming in Macau. At the same time, we are completing construction of our Grand Lisboa Palace on Cotai, on which government inspection is due to begin shortly."

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