

**For Immediate Release**



## **NagaCorp Announces 2022 Interim Results**

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**Gross Gaming Revenue (GGR) of US\$237.4 million**

**EBITDA of US\$130.1 million**

**Net Profit of US\$52.7 million**

**Interim Dividend Payout Ratio of 60%**

Hong Kong, 18 July 2022 – **NagaCorp Ltd.** (“**NagaCorp**” or the “**Company**”, SEHK stock code: 3918), together with its subsidiaries (collectively referred to as the “**Group**”) which owns, manages and operates NagaWorld, the entertainment centre of the Mekong Region, today announced financial and operating results for the six months ended 30 June 2022 (the “**Period**” or “**1H2022**”).

- 1) Gross Gaming Revenue (“GGR”) of US\$237.4 million**
- 2) Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”) of US\$130.1 million.**
- 3) Net Profit of US\$52.7 million**
- 4) Mass Market Tables GGR of US\$103.3 million**
- 5) Mass Market Electronic Gaming Machines (“EGM”) GGR of US\$55.5 million**
- 6) Premium Mass Market GGR of US\$61.3 million**
- 7) Referral VIP Market GGR of US\$17.2 million**

The financial results of NagaCorp Ltd. for the six months ended 30 June 2022 reflected satisfactory sequential quarterly growth for the key financial metrics. Given the Group’s deep and resilient market with strong focus on the captive domestic market, the

Company remained profitable during the peak COVID-19 period during the financial year ended 31 December 2020 (“FY2020”) till 1H2022 and is one of only a handful of integrated resorts in the Asia Pacific region to report a cumulative positive net profit for the said period. During the Period, the Group recorded EBITDA of US\$130.1 million and net profit of US\$52.7 million. The net profit of the Group increased sequentially Quarter on Quarter (“QoQ”) by 39.4% on the back of higher Mass Market and Premium Mass Market revenues with stable costs. Both net gaming revenue (“NGR”) and gross profit increased by 9.2% and 10.0% respectively compared to the three months ended 31 March 2022 (“1Q2022”). Despite increased business volumes, the administrative and other operating expenses of the Company remained stable resulting in higher profitability margins. EBITDA also grew sequentially by 13.2% QoQ. In consideration of the Company’s financial results for 1H2022, the Board recommends the payment of an interim dividend of US cents 0.73 per share (or equivalent to HK cents 5.66 per share) for the Period by way of scrip shares, representing a dividend payout ratio of approximately 60% based on the net profit generated for the Period.

During the Period, The Company continued to see sequential quarterly growth in business recovery for 2Q2022 compared to 1Q2022 across all business segments especially in the Mass Market, Premium Mass and Referral VIP. The average daily business volumes for Mass Market and Premium Mass segments grew by 15.9% and 14.5% sequentially QoQ to US\$9.69 million and US\$8.63 million in 2Q2022 respectively. This demonstrates the depth, strength and resilience of the captive domestic market during the peak pandemic stage as well as its strong recovery during the present initial stage of recovery from the global pandemic. Referral VIP business volumes also improved significantly where average daily rollings increased by 98.5% on a sequential basis to US\$3.91 million in 2Q2022 as the number of the international direct flights to Phnom Penh continues to recover. The average daily business volumes for Mass Market and Premium Mass segments in 2Q2022 have already recovered by 80.3% and 71.8% respectively compared to FY2019 (peak pre-COVID-19 year). Both the average daily business volumes for Mass Market and Premium Mass segments in 2Q2022 also achieved the highest levels since the first quarter of 2020.

The Group’s cash and deposits have further increased from US\$125.1 million as of 31 December 2021 to US\$212.9 million as of 30 June 2022. Such increases were the result of the continued recovery of business volumes and prudent cash management.

## **PROSPECTS**

The widespread effects of COVID-19 have brought unprecedented challenges and uncertainties to the global market. However, the extensive vaccination coverage against COVID-19 has enabled Cambodia to reopen borders for all socio-economic activities and tourism, leading to positive economic prospects in 2022 and 2023. According to the Ministry of Economy and Finance, Cambodia’s economic growth is

projected to reach 5.6% in 2022, underpinned by impressive high vaccination rates that rank among the best globally. Nationally, the country is progressing towards strong herd immunity against COVID-19 variants, which has allowed the government to fully restore socio-economic activities (*Source: Khmer Times, 8 March 2022*). The Ministry of Tourism of Cambodia (“MOT”) is targeting to receive at least 1 million foreign tourists in 2022, with tourists primarily arriving from ASEAN, the United States, France and the United Kingdom. Based on this trend, Cambodia will see at least 7 million foreign tourist arrivals by end of 2025 (*Source: Khmer Times, 20 May 2022*). Meanwhile, the government is focusing on managing the COVID-19 endemic and preparing health systems for possible future pandemics.

The Regional Comprehensive Economic Partnership (“RCEP”), in addition to Cambodia’s existing bilateral Free Trade Agreement (“FTA”), is the key factor encouraging more foreign investors, particularly from China to Cambodia, bringing benefits to Cambodia in the long term (*Source: Asian Development Outlook, April 2022*). Also, the strong friendship and bilateral cooperation with China under the framework of the Belt and Road initiative are the key driving forces for growth in trade and investment between the two countries. It is expected that Cambodia will attract additional new FDI after the Cambodia-China Free Trade Agreement. Moreover, the Cambodia-Republic of Korea Free Trade Agreement and the RCEP all came into effect in 2022 (*Source: Khmer Times, 26 May 2022*). The government is working to restore Cambodia’s economy and continue its upward trajectory post-pandemic.

Despite the challenges brought by the pandemic and heightened uncertainties following geopolitical tensions, bilateral trade between Cambodia and China continued to rise and remain strong, reaching US\$6.0 billion in the first half of 2022, an increase of 19.7% compared to the same period last year. Total imports from China was valued at US\$5.4 billion in the first half of 2022, representing an increase of 24.2% year-on-year (*Source: Khmer Times, 13 July 2022*). The rise in Cambodia and China trade volume was mainly attributed to the effective RCEP and FTA, better trade facilitation, as well as close ties and geographic proximity between the two countries.

The Group continues to focus on the execution of its existing development projects. The development of Naga 3 is in progress. It is expected that the combined complex of NagaWorld (Naga 1, Naga 2 and Naga 3) will have approximately 5,000 hotel rooms, 1,300 gaming tables and 4,500 EGM and many other non-gaming attractions. Approximately 93% of Naga 3’s gross floor area will feature non-gaming offerings, which is in line with the Group’s long term strategy of offering comprehensive lifestyle products and services. Naga 3’s long term strategy is the continuation of Naga 2’s success. The Company is committed to developing and completing the Naga 3 project to stimulate and enhance Cambodia’s tourism industry. Given the uniqueness of its casino monopoly in the heart of a capital city, the combined complex of NagaWorld is expected to position the Group as one of the most sizable riverine integrated resorts and entertainment centres in the Asia Pacific region.

Looking forward to the second half of 2022, the market outlook is relatively positive with the full restoration of socio-economic activity supported by high vaccination rates. Following the reopening of ASEAN and global travel restrictions, the outlook for international tourism continues to improve and the Group remains optimistic on the near term prospects. NagaWorld will continue drawing tourists to Cambodia, especially from ASEAN and believes that the long term business prospects and outlook of the Group will remain stable.

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**ABOUT NAGACORP LTD.**

NagaCorp Ltd. has been listed on The Hong Kong Stock Exchange since October 2006 (SEHK stock code: 3918). Established in 1995, NagaCorp's wholly owned subsidiary NagaWorld Ltd. owns, manages and operates the only world-class integrated entertainment and leisure complex in Phnom Penh, the capital of the Kingdom of Cambodia. It owns a casino license valid for 70 years, and exclusive gaming rights for a period of around 51 years (1995-2045). NagaCorp was selected for inclusion in the Hang Seng Foreign Companies Composite Index launched on 5 September 2011. On 10 September 2018, the Group was included as a constituent of the Hang Seng Composite Large Cap & Mid Cap Index.

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