



PREMIUM  
LEISURE CORP.

# Presentation to Investors

MAY 2024



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# Philippines: strong macroeconomic fundamentals



## Young workforce with rising incomes

GDP Growth <b>5.7%</b>	Per Capita GDP <b>USD3,745</b>	Median Age <b>23</b>
Consumption Driven <b>74.5% of GDP</b>	Per Capita GNI <b>USD4,295</b>	Population <b>113M</b> +0.9% p.a.

## Inflation and interest rate environment

- Avg. Inflation rate: **3.5%** (Jan-May 2024)
- T-Bills (91-day): **5.70%** (Jun 2024)
- T-Bills (364-day): **6.05%** (Jun 2024)

## Healthy fiscal and monetary system

- Debt/GDP: **60.2%**
- CAR: **16.4%**
- NPLs: **3.1%**

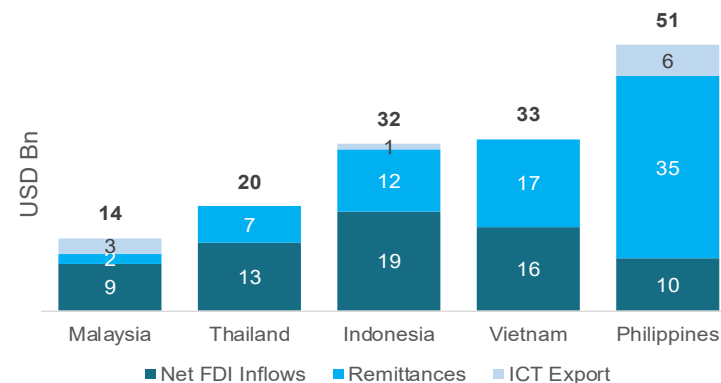
Current Credit Ratings	
S&P	BBB+ Stable
Moody's	Baa2 Stable
Fitch	BBB Stable

Source: BSP Selected Economic and Financial Indicators Release as of May 9, 2024

## Opportunities

- Improved Infrastructure development
- Provincial growth – Luzon, Visayas, Mindanao
- Job creation and inclusive growth
- Agriculture, Manufacturing, Services
- Foreign Direct Investments

## Foreign direct investments



Source: The World Bank, Most Recent Data (2019)



# The Philippine gaming industry



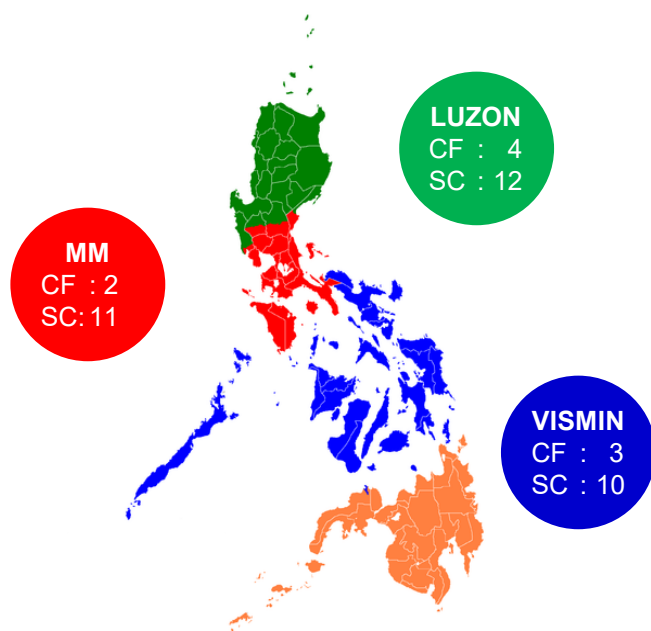
## Regulator : PAGCOR

- Since 1976, PAGCOR has been overseeing games of chance, particularly casino gambling
- Revenues generated augment the government's budget for socio-civic work and national development programs
- In 2008, the Philippine Congress allowed PAGCOR to grant licenses to operate integrated resorts to private sector companies



### Operated casinos

9 Casino Filipino (CF);  
33 Satellite casinos (SC)

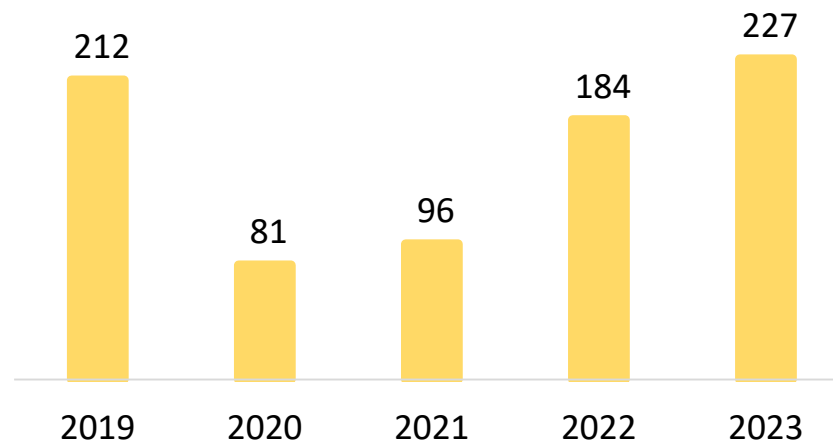


Source: PAGCOR

## Rise of integrated resorts

- Since 2008, 5 integrated resort projects have been approved by PAGCOR for development at or near Entertainment City: with 4 already operating:
  - Resorts World Manila (in Newport City; opened 2009)
  - Solaire Resort & Casino (opened 2013)
  - City of Dreams Manila (opened 2014)
  - Okada Manila (opened 2017)
  - Resorts World Westside City (estimated opening in 2025)
- In 2012, Philippine casino gross gaming revenue was just Php56B. In 2019, it reached Php212B\*
- 2020-21 Gross gaming revenues were adversely affected by community quarantines resulting from the COVID-19 pandemic.

### Philippine casino gross gaming revenues (Php Billions)\*



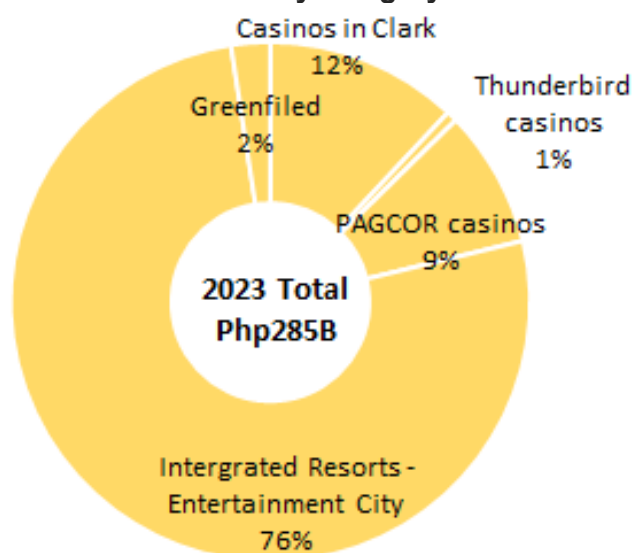
\* Figures exclude revenue from online gaming.  
Source: PAGCOR, Credit Suisse

# Integrated resorts: driving growth



In 2023, integrated resorts accounted for 76% of casino GGR.

2023 Philippine casino gaming revenues by category



Source: PAGCOR

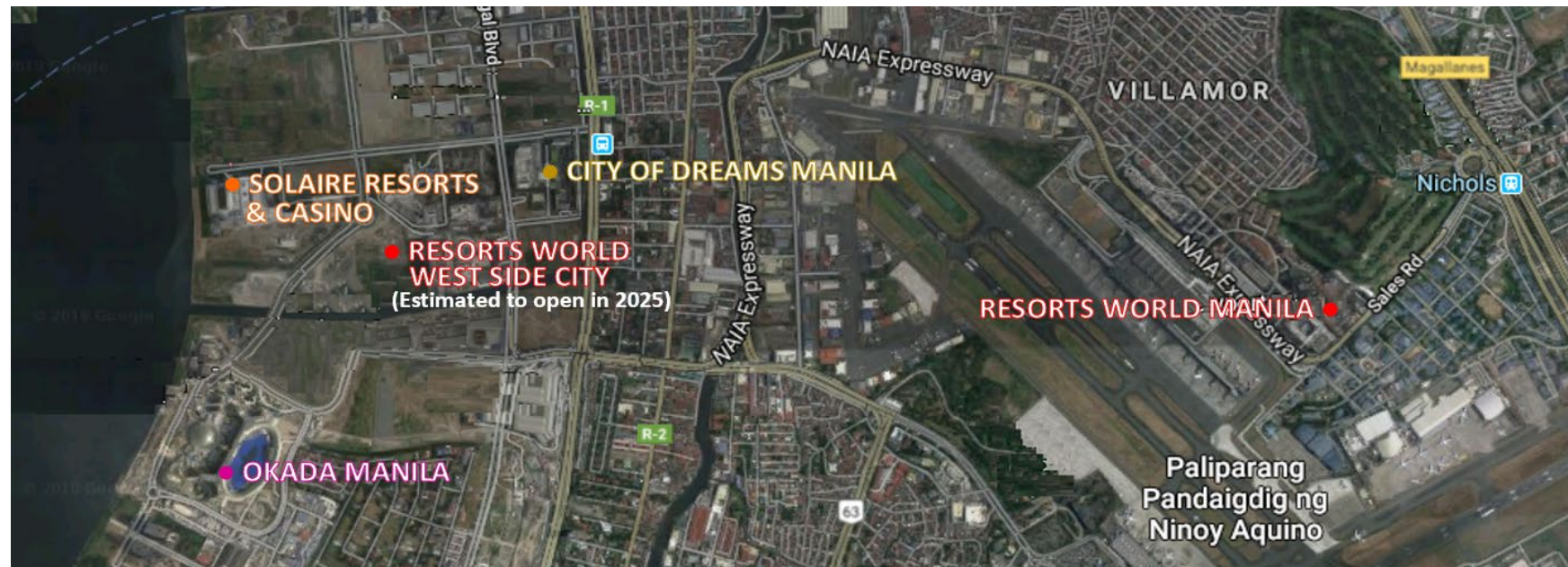


Image from Google maps

Integrated Resorts	Year Opened	Hotel Rooms
Resorts World Manila	2009	3,570
Solaire Resorts & Casino	2013	793
<b>City of Deams Manila</b>	<b>2014</b>	<b>939</b>
Okada Manila	2017	993
Resorts World West Side City	~ 2025	475

Source: Company Information and PAGCOR



# Gaming: a growth opportunity



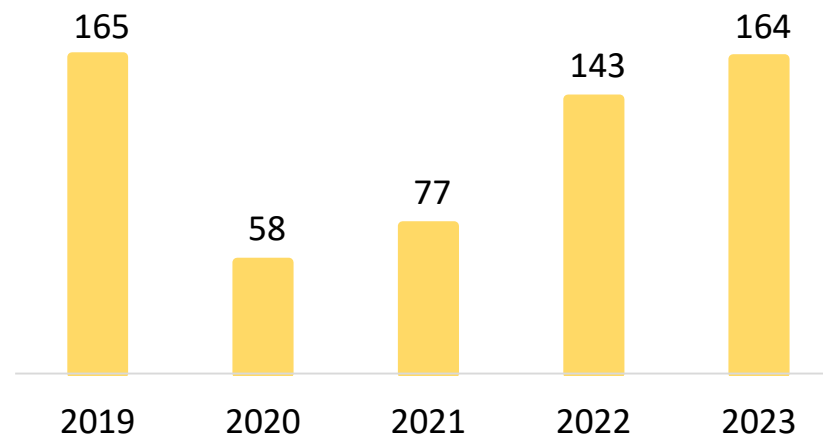
**Philippine gaming has been on a growth trajectory with integrated resorts leading the way. With the COVID-19 pandemic affecting its advancement in 2020-2021 now over, the industry's progress has made strong headway close to reaching pre-pandemic levels.**



## Growth drivers:

- Tourist arrivals
- Easier travel documentary requirements
- VIP experience compared to other regional casinos
- Targeted marketing efforts aimed at local clientele
- Enhanced family-based entertainment propositions

## Integrated resorts GGR (Php Billions)



Source: PAGCOR, Credit Suisse

# About Premium Leisure Corp.



Premium Leisure Corp. (PLC) is an investment holding company that participates in gaming-related businesses in the Philippines.

Through its subsidiary, PremiumLeisure & Amusement, Inc. (PLAI), PLC has an interest in the operations of City of Dreams Manila, an integrated entertainment and gaming complex located at the PAGCOR Entertainment City in Parañaque by Manila Bay. PLAI has a partnership with Melco Resorts & Entertainment Limited, a leading developer and operator of integrated gaming resorts in Macau, to operate City of Dreams Manila (CODM).

PLC also owns a 50.1% stake in Pacific Online Systems Corporation (LOTO), a publicly listed company that leases lottery software and equipment to the Philippine Charity Sweepstakes Office.



# Pacific Online (LOTO): Overview



## Long-Time Lottery Partners of the PCSO

- Pacific Online has a long-time partnership with state-run Philippine Charity Sweepstakes Office (PCSO)
- Since 1995, it has delivered technical and market expertise through the provision and management of lottery systems in the country
- It has an ISO/IEC 27001:2013 Certification on Information Security Management
- Pacific Online is an awardee of 3 Golden Arrows by the Institute of Corporate Directors for Good Corporate Governance

## PLS Lottery System: Pinoylotto

- Successfully launched last Oct. 1 2023 the Philippine Lottery System (PLS), resulting in a new unified and centralized lottery operations from the decades-old legacy system.
- PinoyLotto completed the migration to PLS and installed 6,500 terminals nationwide.
- PinoyLotto Technologies Corp. is a joint venture corporation 50% owned by Pacific Online in partnership Philippine Gaming Management Corp. (PGMC) and International Lottery & Totalizator Systems, Inc. (ILTS).

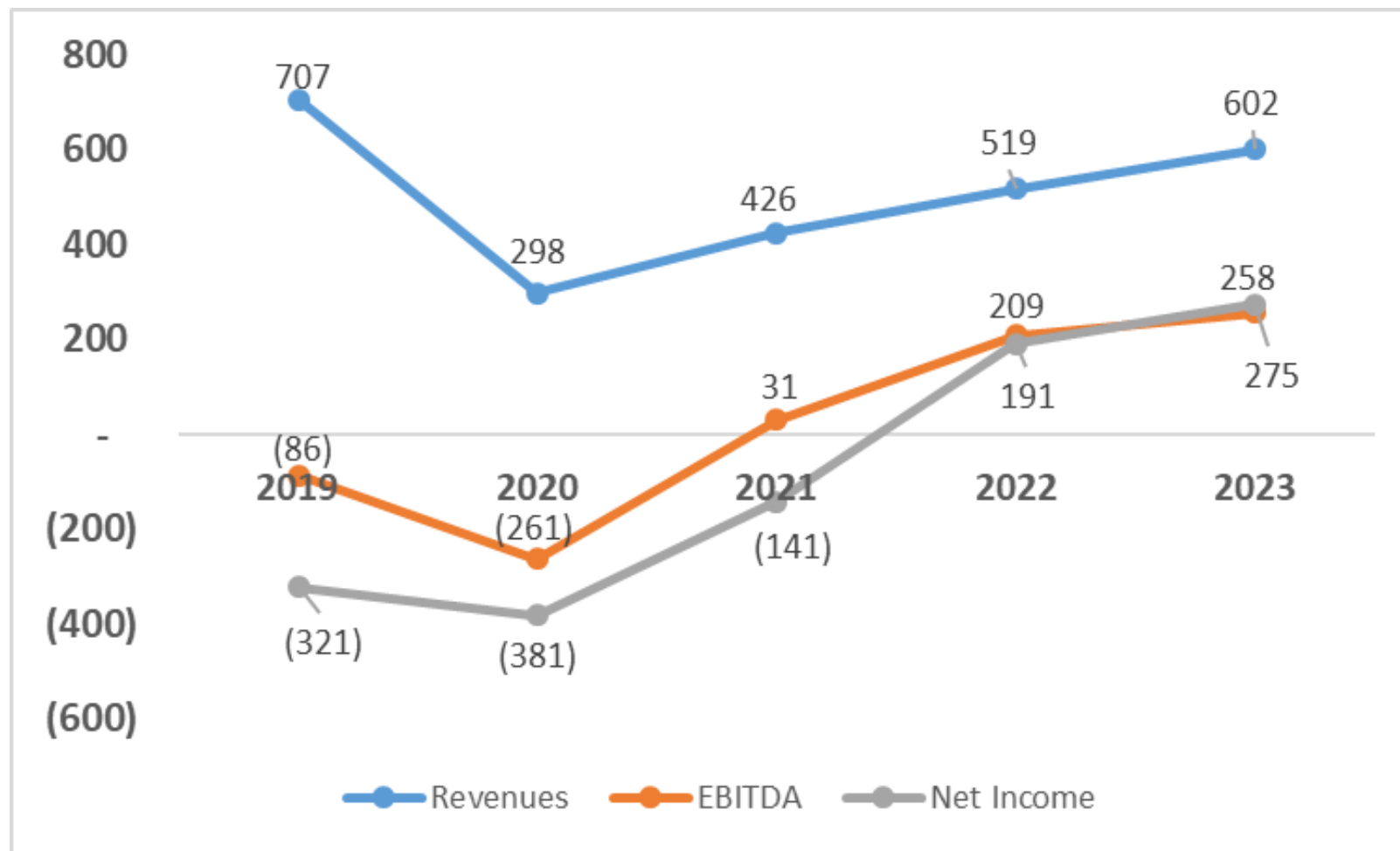
## WABP System: E-Lotto

- Pacific Online signed a Memorandum of Agreement with the PCSO on August 30, 2023 for a 1-year Test-run of a web-based application betting platform (WABP)
- This test run was launched successfully on December 15, 2023, a first-ever official PCSO E-Lotto project.
- E-Lotto is a new platform for the PCSO to sell its traditional lottery games, which can now be played on-the-go through PCs and mobile devices.





# LOTO operating highlights



# PremiumLeisure & Amusement, Inc. (PLAI): Overview



## PAGCOR License

Co-terminus with PAGCOR charter

## Key agreements

- Cooperation Agreement (MRP, Belle, PLAI)
- Operating Agreement (MRP and PLAI)

## Operating partner : Melco Resorts & Entertainment (Philippines) Inc. (MRP)

- Affiliate of Macau and Hong Kong based Melco Resorts & Entertainment Ltd. (Melco), the only operator in Macau that is running an integrated resort in the Philippines
- Melco owns and operates three integrated resorts in Macau

## City of Dreams

- ~30 ha. of total gross floor area
- Over 2 ha. of gaming space
- ~ 2 ha. of retail and restaurants
- 3 world class hotels
- Dreamplay – Dreamworks Animation inspired indoor theme park



NUWA

NOBU  
HOTEL  
MANILA

HYATT  
REGENCY™

DREAMWORKS  
DREAMPLAY  
PLAY • CREATE • LEARN

# Melco Resorts & Entertainment Ltd. (Melco): A Strong Partner



## Experienced operator

- Operator of award-winning integrated resorts in Macau:
  - City of Dreams Macau
  - Studio City
  - Altira Macau
- Able to leverage Macau knowhow for best practices in resort marketing and efficient operations

## Broad customer base

- Proprietary access to regional gaming and tourism customers
- Has developed a sizable database of local customers since City of Dreams Manila opened in 2014

## City of Dreams Manila – a world class product

- 2015: Won the prestigious International Gaming Awards Casino / Integrated Resort of the Year
- Multiple awards and recognition for each of the hotels in the resort complex





# Revenue sharing with MRP



PLAI is entitled to the HIGHER of:

1. **50% of MRP's gaming EBITDA computed without deducting lease expenses but after deducting:**
  - Management allowance for 2% of Net Win, where "Net Win" is defined as:
    - For mass market = Net Gaming Revenue
    - For VIP = Net Gaming Revenue less commissions, marketing/ incentives and bad debts expenses
  - Incentive fee of 7% of EBITDA
- OR-
2. **A percentage of Net Win as follows:**
  - For mass market – 15%; and
  - For VIP – 5%



## City of Dreams Manila EBITDA Sharing

Gross Gaming Revenue

Less: PAGCOR License Fees

**Net Gaming Revenue**

Less: Management allowance (2% of Net Win)

Less: Operating Expenses (excluding lease expenses paid to Belle)

**Gaming EBITDA**

Less: Incentive fee (7% of Gaming EBITDA)

**Gaming EBITDA for sharing**

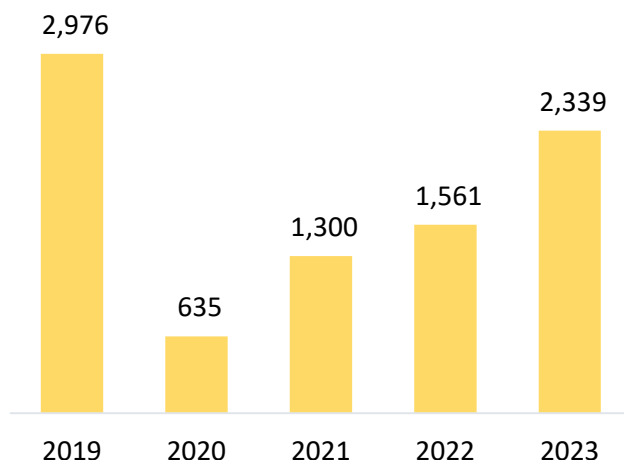
**PLAI share (higher of 50% of Gaming EBITDA or a percentage of Net Win)**

# Historical Financial Summary: Positioned to benefit from gaming sector

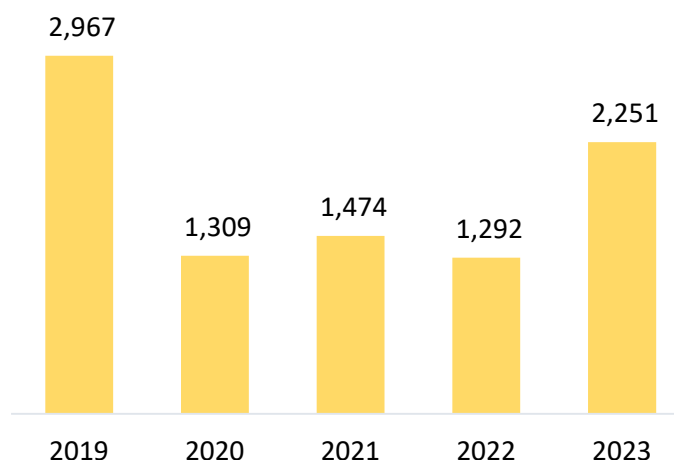


- The operation of 3 world-class integrated resorts has legitimized Entertainment City as a worthwhile destination for tourists looking for games of chance
- Manila is an attractive destination for Asian gamers : only a few hours flight from Korea, China and Japan
- Favorable tax incentive in the Philippines (15% VIP tax vs 39% in Macau)

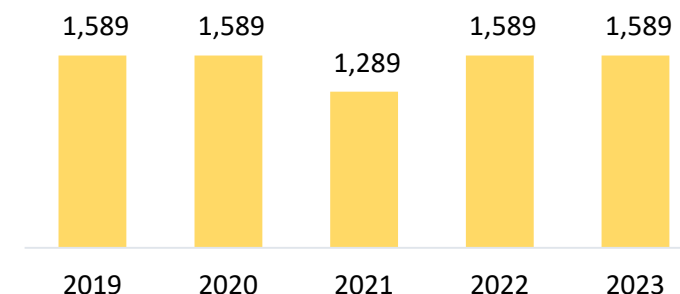
**PLAI revenue (Php m)**



**PLAI net income (Php m)**



**PLC dividend history (Php m)**



- It is PLC policy to declare dividends of at least 80% of prior year's unrestricted earnings

# Historical Financial Summary: Strong Proxy for Gaming Sector





# For more information



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PSE Ticker	PLC
Bloomberg Ticker	PLC:PM
Reuters Ticker	PLC:PS

## Disclaimer

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