



PREMIUM
LEISURE CORP.

NOVEMBER 2020

Presentation to Investors



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Philippines: strong macroeconomic fundamentals



Young workforce with rising incomes

Strong GDP Growth -9.0%	Per Capita GDP USD3,282	Median Age 23
Consumption Driven 72.6% of GDP	Per Capita GNI USD3,592	Population 105M +1.6% p.a.

Inflation and interest rate environment

- Avg. Inflation rate: **2.5%** (Jan-Jul 2020)
- Avg. lending rate: **7.1%** (Jan-Dec 2019)

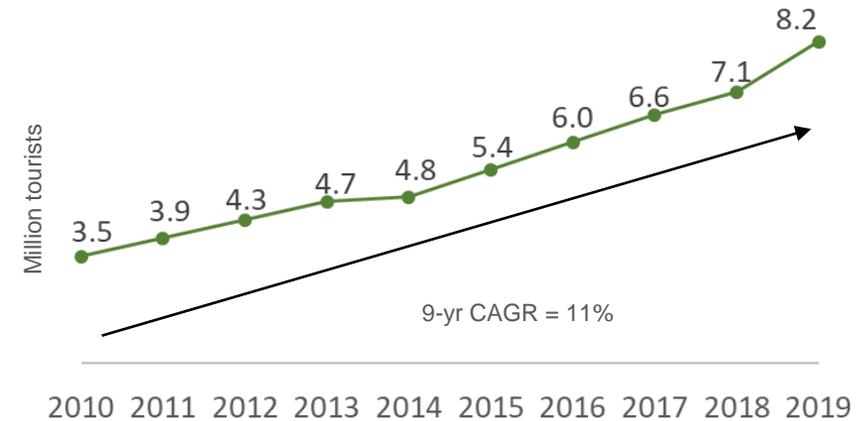
Healthy fiscal and monetary system

- Debt/GDP: **48.1%**
- CAR: **16.0%**
- NPLs: **2.4%**

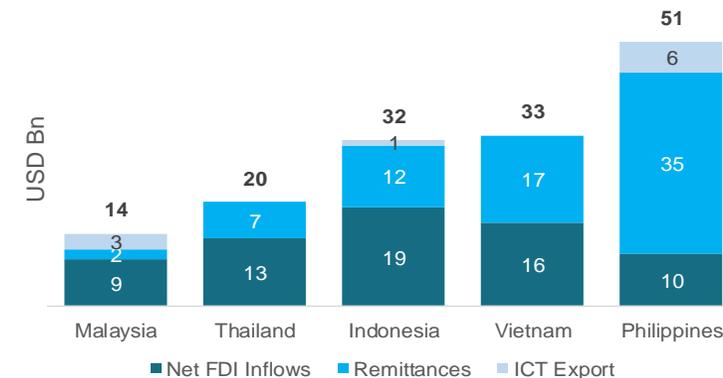
Current Credit Ratings	
S&P	BBB+ Stable
Moody's	Baa2 Stable
Fitch	BBB Stable

Source: BSP Selected Economic and Financial Indicators Release as of October 30, 2020

Tourist arrivals



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

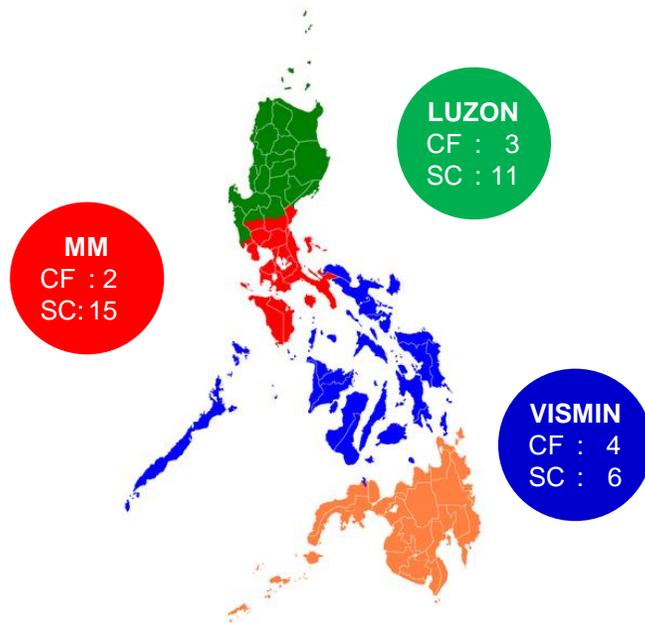
Rise of integrated resorts

- 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 2021)
- In 2012, Philippine casino gross gaming revenue was just Php56B. In 2019, it reached Php212B*



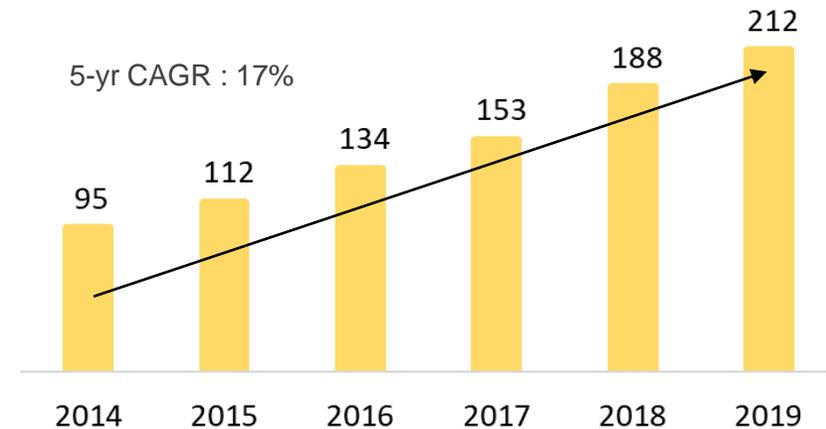
Operated casinos

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



Source: PAGCOR

Philippine casino gross gaming revenues (Php B)



* Figure excludes revenue from online gaming.

Source: PAGCOR, Credit Suisse

Integrated resorts: driving growth

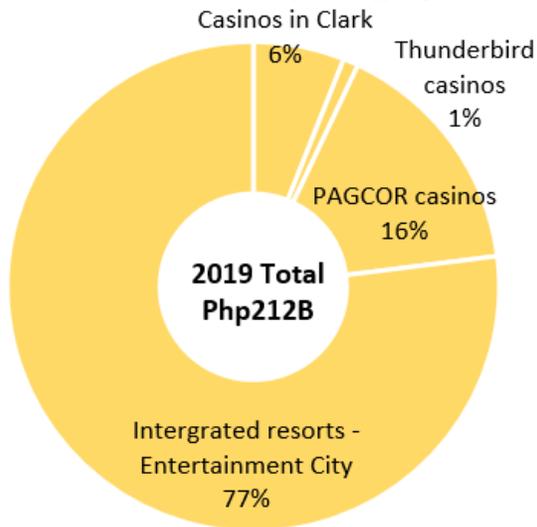


In 2019, integrated resorts accounted for 77% of casino GGR.



Image from Google maps

2019 Philippine casino gaming revenues by category



Source: PAGCOR

Integrated Resorts	Year Opened	Hotel Rooms
Resorts World Manila	2009	3,222
Solaire Resorts & Casino	2013	1,277
City of Deams Manila	2014	939
Okada Manila	2017	1,421
Resorts World West Side City	~ 2022	

Source: Company Information and PAGCOR

Gaming: a growth opportunity



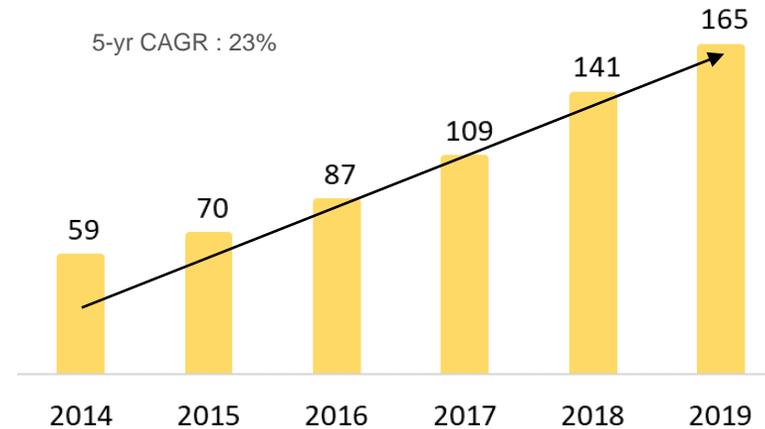
Philippine gaming is on a growth trajectory with integrated resorts leading the way.

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 B)



Source: PAGCOR, Credit Suisse



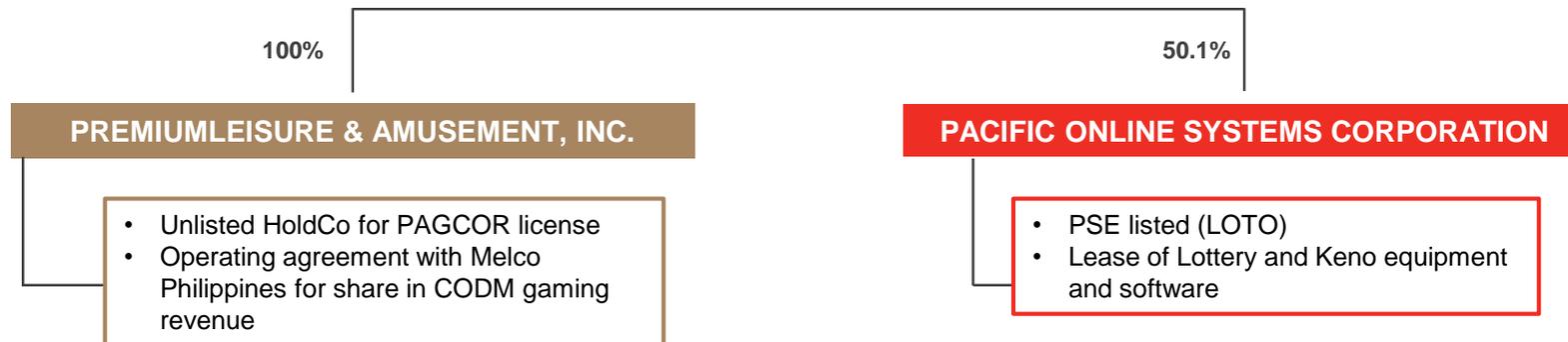
About Premium Leisure Corp.



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



Our business

- Provide technical and market expertise for the distribution of lottery products in the country in partnership with the state-run Philippine Charity Sweepstakes Office (PCSO)
- Since 1995, LOTO has been leasing to PCSO its online lottery systems for the Visayas and Mindanao regions

Key agreements with the PCSO

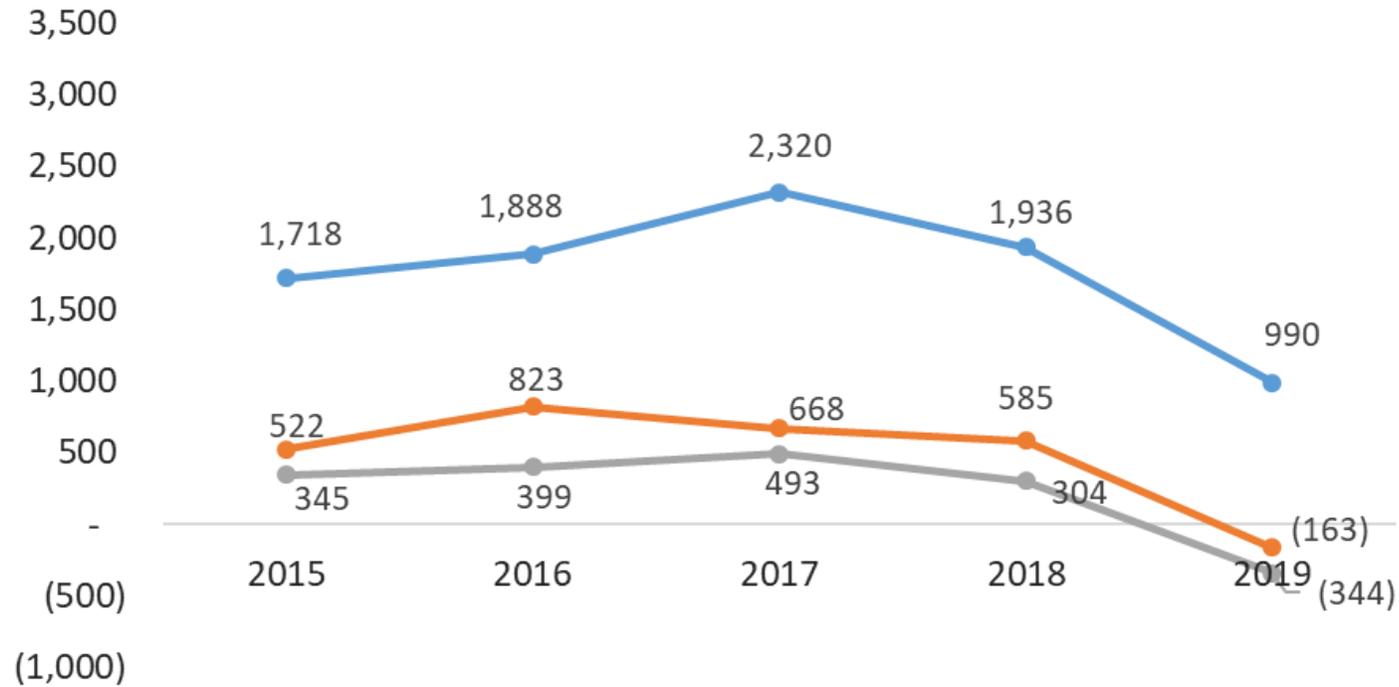
- Equipment Lease Agreement
 - Lottery
 - Keno
- Maintenance Repair Agreement

Major suppliers

- Scientific Games Worldwide Ltd., a global gaming and technology leader in lottery
- Intralot SA Integrated Lottery Systems & Services, a leading supplier of integrated gaming and transaction processing systems



LOTO operating highlights



Peso amounts in millions

● Revenues ● EBITDA ● Net Income

	Lotto					Keno				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
PCSO Sales (Php B)	12.2	12.1	13.5	11.2	7.13	3.5	4.3	5.4	4.4	1.75
# of terminals	4,088	4,157	4,205	4,029	3,785	1,770	2,020	2,410	2,454	1,833

PLAI: overview



PAGCOR License

Co-terminus with PAGCOR charter

Key agreements

- Cooperation Agreement (Melco, Belle, PLAI)
- Operating Agreement (Melco & PLAI)

Operating partner : Melco

- Only Macau-based operator running an integrated resort in the Philippines
- 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: 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 Melco



PLAI is entitled to the HIGHER of:

1. **50% of MCP'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

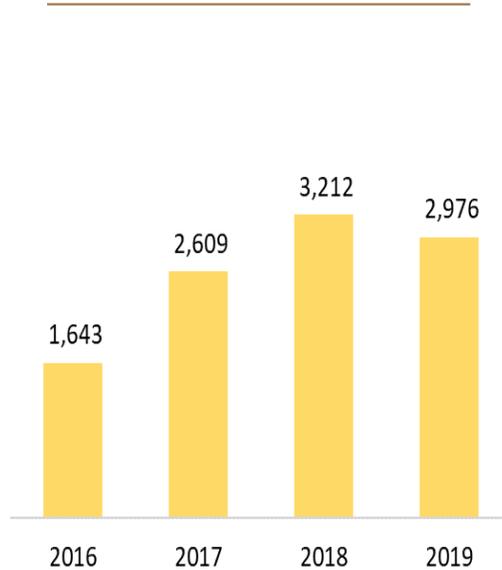
PLAI share (higher of 50% of Gaming EBITDA or a percentage of Net Win)

Positioned to benefit from growing gaming sector



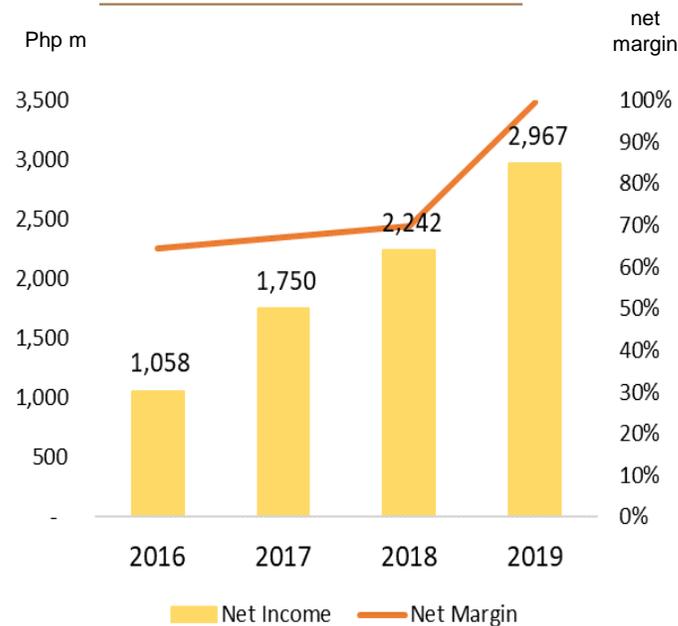
- The operation of 3 world-class integrated resorts has legitimized Entertainment City as a worthwhile destination for tourists looking for games of chance
- Manila is an attractive destination for Asian gamers : only a few hours flight from Korea, China and Japan
- Favorable tax incentive in the Philippines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

PLAI revenue (Php m)



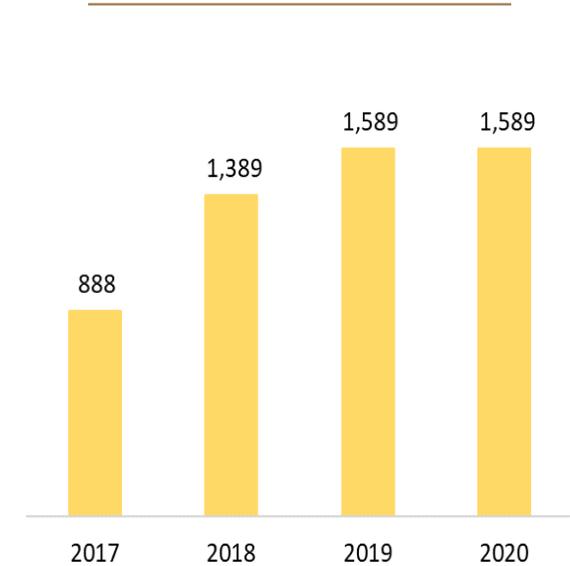
- Revenue increase driven by increased share in gaming revenue at City of Dreams Manila

PLAI net income / net margins



- Growing share in revenue from VIP market contributing to improving margins

PLC dividend history (Php m)



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

PLC: strong proxy for growing gaming sector



Income Statement	Nine Months		Full Year	
	2020	2019	2019	2018
Revenues	546	3,146	3,966	5,148
EBITDA	106	1,720	2,605	2,655
Net Income	(125)	1,603	2,102	2,310
Net Margin (inc-NCI)	-23%	51%	53.0%	44.9%
ROE	-0.78%	11%	11.8%	13.3%

Figures in Php m except percentages

- **Superior downside protection**
 - PLC, through PLAI, collects a fee even when there are operating losses in City of Dreams Manila
 - Efficient ownership structure
- **Strong cash flow**
 - No capex requirements
 - Reliable contribution from Pacific Online
- **Healthy balance sheet**
 - No debt
 - Consolidated stockholders' equity of Php16.1B as of September 30, 2020
- **Attractive dividend play**
 - Transparent dividend policy: at least 80% of unrestricted retained earnings to be paid out in the succeeding year

For more information



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PSE Ticker

PLC

Bloomberg Ticker

PLC:PM

Reuters Ticker

PLC:PS

Disclaimer

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