

PRESS RELEASE  
 8 August 2019

## DXB Entertainments PJSC Announces First Half 2019 Financial Results

- **17% year-on-year improvement in adjusted EBITDA loss**
- **Continued improvement in hotel occupancy to 63% in H1 2019; Rove Hotel opens adding over 500 rooms to Dubai Parks and Resorts**
- **H1 2019 visitation was 1.4 million with Q2 2019 visitation up 5%**
- **Strategy in place to deliver EBITDA breakeven during H2 2020**

### Financial Highlights (1 Jan 2019 - 30 June 2019)

|                                    | Q2 2018             | Q2 2019             | H1 2018             | H1 2019             |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Visits</b>                      | <b>612 thousand</b> | <b>641 thousand</b> | <b>1.46 million</b> | <b>1.40 million</b> |
| <i>Change</i>                      |                     | 5%                  |                     | (4%)                |
| <b>Average hotel occupancy</b>     | <b>46%</b>          | <b>54%</b>          | <b>55%</b>          | <b>63%</b>          |
| <i>AED millions</i>                |                     |                     |                     |                     |
| <b>Revenue</b>                     | <b>116</b>          | <b>110</b>          | <b>289</b>          | <b>252</b>          |
| <i>Change</i>                      |                     | (5%)                |                     | (13%)               |
| <b>EBITDA</b>                      | <b>(61)</b>         | <b>(60)</b>         | <b>(81)</b>         | <b>(81)</b>         |
| <i>Change</i>                      |                     | 3%                  |                     | -%                  |
| <b>Adjusted EBITDA<sup>1</sup></b> | <b>(77)</b>         | <b>(62)</b>         | <b>(98)</b>         | <b>(81)</b>         |
| <i>Change</i>                      |                     | 19%                 |                     | 17%                 |
| <b>Net loss</b>                    | <b>(259)</b>        | <b>(233)</b>        | <b>(469)</b>        | <b>(448)</b>        |
| <i>Change</i>                      |                     | 10%                 |                     | 4%                  |

### H1 2019 Highlights

- 17% year-on-year improvement in adjusted EBITDA loss due to the annualised impact of cost optimisation initiatives and excluding a one-time gain of AED 17 million in relation to the contribution of land to the LEGOLAND® Hotel which was reported in the first half of 2018
- H1 2019 revenue of AED 252 million, compared to AED 289 million in H1 2018, mainly due to lower visitation
- Total visits in H1 2019 were 1.40 million, compared to 1.46 million in the same period last year; with growth in international visitors, now representing 40% of the visitor mix
- Philippine Independence Day promotions between June 12<sup>th</sup> to 15<sup>th</sup>, attracted over 92 thousand visits, many first-time
- Lapita™ Hotel occupancy increased to 63%, up from 55% in H1 2018
- Strategic review of cost base ongoing, further operational efficiencies to be implemented

<sup>1</sup> EBITDA adjusted to exclude one-time and non-recurring charges and income.

DXB Entertainments PJSC (DFM: DXBE) announced today its financial results for the half year ended 30 June 2019, reporting AED 252 million in revenues, 1.40 million visits and 63% occupancy at the Lapita™ Hotel.

EBITDA loss for the period was AED 81 million, comparable to the first half 2018, while adjusted EBITDA loss shows an improvement of 17% to AED 81 million. First half 2018 included a one-time gain in relation to the contribution of land to the LEGOLAND® Hotel Dubai. Operating cost during H1 2019 decreased to AED 309 million, compared to AED 361 million during the same period last year.

Theme park revenue during the second quarter was AED 70 million with a revenue per capita of AED 110. Hospitality revenue totalled AED 19 million during Q2 2019 at an ADR of AED 541 reflecting summer yields.

Commenting on the H1 2019 results, Mohamed Almulla, CEO and Managing Director, DXB Entertainments PJSC, said: “Dubai Parks and Resorts received over 1.40 million visitors during the first half of 2019 with international visitation growing to represent 40% of our overall visitor mix. The growth in international visitation was supported by our hotel strategy, which is designed to attract higher yielding international visitors. The progress of this strategy is illustrated by the increase in occupancy at our Lapita™ Hotel to 63% from 55% during the same period last year.

“As we shift the mix of our revenue, we have continued to focus on our cost optimization and efficiency, delivering a 17% improvement in our adjusted EBITDA loss during the period.

“Operational expenditure savings will play an important part in our strategy to achieve EBITDA breakeven in the second half of 2020 and consequently, we are continuing to review our cost base to implement further operational efficiencies, the results of which we will present to the market in the third quarter.”

## **Strategy Update**

As part of DXB Entertainments strategy to deliver EBITDA breakeven in the second half of 2020, the Rove Hotel opened its doors at Dubai Parks and Resorts on 16 June. This midrange 579-rooms hotel diversifies the accommodation offering at the destination and targets a broader demographic of international tourists to the parks.

The LEGOLAND® Hotel is currently under construction and is expected to deliver an additional 250 rooms during the first half of 2020, taking total rooms to over 1,300 by the second half of 2020.

Furthermore, the company has decided to focus on its core asset - Dubai Parks and Resorts. As part of this realignment, the company has reached an agreement with its majority shareholder Meraas to discontinue the management of its portfolio of leisure and entertainment assets, with effect from mid-September. Concurrently, Mr. Paul Parker, former General Manager of the Family Entertainment Centres and

recently Chief Commercial Officer will be leaving the organisation, the company will provide an update regarding a replacement in due course.

On 2 July, the company announced that pursuant to receiving shareholder approval at the General Assembly held on the 24<sup>th</sup> April 2019, the Company has reached an agreement with Six Flags which allows the company to retain exclusive rights of first refusal to utilise the Six Flags intellectual property rights in the UAE for a period of five years.

The company continues to work on its ride enhancement plan which will allocate a select portfolio of 10-12 rides purchased for the previously planned Six Flags Dubai park, to MOTIONGATE™ Dubai and Bollywood Parks™ Dubai to increase dwell time and drive repeat visitation.

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**DXB Entertainments PJSC**

DXB Entertainments PJSC is the Dubai-based owner and operator of Dubai Parks and Resorts, the region's leading integrated leisure and entertainment destination. The Company is traded on the Dubai Financial Market (DFM) under the trading symbol "DXBE". We bring together a portfolio of world-class brands to offer entertainment in the areas of theme parks, retail and hospitality.

For more information, go to: [www.dxbentertainments.com](http://www.dxbentertainments.com)