

# MONTE.CARLO

SOCIETE DES BAINS DE MER

## SOCIETE DES BAINS DE MER ET DU CERCLE DES ETRANGERS A MONACO

Société anonyme monégasque au capital de 24 516 661 €.  
Siège social : Monte-Carlo - Place du Casino, Principauté de Monaco.  
R.C.S. : Monaco 56 S 523 - Siren : 775 751 878.

### Consolidated Results 2021/2022

(1 April 2021 – 31 March 2022)

- **Revenue €530.5 million compared with €336.9 million for the previous fiscal year, with:**
  - gaming revenue of €200.8 million, compared with €124.3 million in 2020/2021
  - hotel revenue of €213.3 million compared with €109 million for the previous year
  - steady growth in rental activities, with revenue up 11% to €117.6 million.
- However, revenue remains 14% below fiscal year 2019/2020.**
- **Operating profit was €35.4 million compared with an operating loss of -€103.3 million for the previous fiscal year and a profit of €22.6 million in 2019/2020.**
- **Consolidated net income was €76.4 million, compared with a consolidated net loss of -€79.1 million for the fiscal year 2020/2021, with:**
  - a negative financial result of -€5.2 million
  - the impacts related to Betclie Everest Group of +€46.2 million compared with +€30.9 million for the previous year.

At its meeting held on 30 May 2022, the Board of Directors of the Société des Bains de Mer approved the financial statements for the fiscal year 2021/2022, prepared in accordance with international accounting principles IFRS.

In millions of euros	2020/2021	2021/2022
Consolidated Revenue	336.9	530.5
Operating income/loss	-103.3	35.4
Financial result	-7.0	-5.2
BEG Equity Accounting & Minority interests	31.1	46.2
Net Income/Loss (Group share)	-79.1	76.4

■ **Net operating profit of €35.4 million compared with a loss of -€103.3 million in the previous fiscal year**

Société des Bains de Mer and its subsidiaries reported consolidated revenue of €530.5 million for the fiscal year 2021/2022, compared with €336.9 million in 2020/2021, an improvement of 57% across the year as a whole.

The increase in revenue of €193.6 million reflects the resumption of activities despite the ongoing unfavourable health situation and is the result of higher revenues across all sectors. While activity in the first quarter (April to June) was still very severely impacted by the unprecedented nature of the health crisis (with the Rolex Monte-Carlo Master's tennis tournament played behind closed doors and limited attendees at the Formula 1 Grand Prix), the summer season (July to September) saw an upturn in activities. The second half of the year confirmed the upward trend seen during the summer season. Although there was a slowdown in activity in December 2021 and January 2022, with the arrival of the fifth wave of the virus coinciding with the end of year festive season, the positive trend continued in February and March 2022.

The **gaming** sector achieved revenue of €200.8 million, compared with €124.3 million in 2020/2021. All activities (table games, slot machines, other activities and catering) grew significantly. The increase can be explained by a longer period of operations, given that all locations were closed for the first two months of the previous year, but also by an increase in customer numbers over the year. Nonetheless, gaming activities remain 16% below the figure for fiscal year 2019/2020.

**Hotel** revenue was €213.3 million compared with €109 million in 2020/2021, a year-on-year increase of €104.3 million. As a reminder, only the Hôtel de Paris and the Monte-Carlo Bay Hotel & Resort remained partially open in April and May 2020, primarily to accommodate their permanent guests, but with a low occupancy rate. Catering outlets gradually reopened from 2 June 2020 onwards, with reduced capacity in order to comply with social distancing rules and ensure optimal safety conditions for staff and clients.

The **rental** sector, which combines boutiques and office leasing together with the activities of the Monte-Carlo Bay, the Balmoral, the Villas du Sporting and the One Monte-Carlo, reported revenue of €117.6 million, compared with €106.2 million for the previous year, an increase of 11%. The increase is mainly due to the rise in residential leasing activities following the gradual release of apartments in the One Monte-Carlo and the non-recurrence of the rebates granted to retail tenants during the closed period in April 2020.

Finally, other activities accounted for annual consolidated revenue of €9.3 million, compared with €4.6 million for the previous year, an increase of €4.7 million.

In this context, the S.B.M. Group continued to focus on cost optimisation on fiscal year 2021/2022, through reducing operating expenses and adjusting costs more closely in line with seasonal fluctuations. Among other things, on 4 March 2021, the S.B.M. Group announced the implementation of its staff restructuring plan, as part of an overall restructuring plan implemented in addition to the arrangements already put in place since the start of the health crisis. The departures of the employees concerned, which began in January 2021, have continued during the current year.

The stated objective of a €25 million reduction in annual costs resulting from the restructuring plan and from the reduction of operating costs was achieved.

As a reminder, this restructuring plan had been recorded for a net cost of €25.3 million in fiscal year 2020/2021 results. A cost of €7.5 million was also recorded for fiscal year 2020/2021 in respect of the closure of the Sun Casino, since the S.B.M. Group decided not to reopen this establishment, and provision had been recorded for all of the outstanding financial commitments.

The S.B.M. Group's operating profit was therefore €35.4 million, compared with a -€103.3 million operating loss during the previous fiscal year, an improvement of €138.6 million.

The change in operational performance was positive across all areas of activity.

#### ■ **Negative financial result and a positive contribution from the ownership in Betclie Everest Group**

Financial result for 2021/2022 fiscal year was -€5.2 million, compared with a loss of -€7 million in 2020/2021.

Finally, it should be noted that the S.B.M. Group has held a stake in the capital of Betclie Everest Group ("BEG"), an online gaming group, since May 2009.

This ownership, consolidated using the equity method, requires the inclusion of the share of income corresponding to the stake held, which represented a positive contribution of +€30.9 million in 2020/2021. For fiscal year 2021/2022, in addition to the usual inclusion of the share of income as indicated above, the consolidation of the stake in Betclie Everest Group recorded first, the impacts of the reorganisation carried out at the end of 2021 in order to align BEG's interests with those of the management, the effect of which, among other things, was to reduce the S.B.M. Group's percentage of ownership to 47.3% from its previous level of 50% by dilution, and secondly, the receipt of dividends paid by Betclie Everest Group.

Accordingly, the consolidation of the ownership in Betclie Everest Group produced a positive contribution to the S.B.M. Group's consolidated results of +€46.2 million for fiscal year 2021/2022 compared with +€30.9 million for the same period of the previous year.

#### ■ **Net profit/(loss)**

Net consolidated income (Group share) was +€76.4 million compared with a loss of -€79.1 million for the fiscal year 2020/2021, an increase of €155.5 million.

## ■ Financial structure and capital expenditure

In terms of financial structure, shareholder's equity (Group share) stood at €653.1 million as of 31 March 2022, compared with €566.5 million at the end of the previous fiscal year.

At the end of March 2022, S.B.M. Group recovered a cash position net of financial indebtedness of €30 million compared with a net financial debt of €129.9 million on 31 March 2021.

The debt relating to bank financing amounted to €124.4 million as of 31 March 2022, following the repayment of €26.4 million at the end of December, the next instalment, for the same amount, is due at the end of June 2022.

In July 2019, the S.B.M. Group set up a NEU CP (Negotiable European Commercial Paper) program, for a maximum of €150 million, used for an amount of €55 million as of 31 March 2022, amount reduced to €50 million as of today.

As of 30 May 2022, the Group has available cash closed to €180 million.

In addition, the S.B.M. Group strengthened its strict control of its investments. All investment projects were revised and those deemed non-essential have been suspended, reducing investment disbursements to €23.8 million compared with €43.2 million in 2020/2021.

## Forward-looking prospects

The S.B.M. Group's activities over the first two months of the fiscal year 2022/2023 confirm the trend seen in 2021/2022, but in a context of gradual emergence from the health crisis, which is still at a fragile stage. As a result, the S.B.M. Group's activity remains dependent not only on the progress of the epidemic but also the evolution of the war in Ukraine.

Moreover, the S.B.M. Group announced that it had reached an agreement on 10 May 2022, under which its subsidiary Monte-Carlo SBM International S.à.r.l ("SBM International") undertook to transfer, by means of a disposal and contribution of assets, the full ownership of 47.3% it held in BEG to the Dutch company FL Entertainment N.V. ("FL Entertainment").

This announcement is part of the business cooperation agreement between Pegasus Entrepreneurial Acquisition Company Europe B.V. ("Pegasus Entrepreneurs"), a "Special Purpose Company" (SPAC) and FL Entertainment, a global leader in the entertainment sector, combining two complementary and successful businesses in two attractive market segments with high growth potential: Banjay (the largest independent content production company in the world, operating over 120 production companies across 22 countries) and BEG. The newly combined entity will be listed on the Euronext Amsterdam regulated market.

SBM International's participation in this transaction will ensure the continuation of a successful partnership, undertaken with Stéphane Courbit (future chairman of the FL Entertainment board) since May 2009, when SBM International acquired its stake in BEG. The deal values SBM International's stake in BEG at €850 million, compared with its initial financial investment of €140 million in 2009.

The transaction is expected to close on 30 June 2022, subject to approval by the extraordinary general meeting of Pegasus Entrepreneurs' shareholders and customary closing conditions.

Should it go ahead, this transaction will have a very significant positive impact on the S.B.M. Group's consolidated financial statements for the fiscal year 2022/2023, while giving SBM International the financial resources needed to pursue its international development strategy.

### **Audit of accounts at the time of publication**

Audit procedures of the consolidated accounts have been completed. The certification report will be issued following verification of the management report and finalization of the procedures required regarding publication of the annual financial report.

Monaco, 31 May 2022

[www.montecarlosbm.com](http://www.montecarlosbm.com)

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