

FOR IMMEDIATE RELEASE

**Studio City International Holdings Limited Announces
Unaudited Third Quarter 2022 Earnings**

Macau, Wednesday, November 2, 2022 – Studio City International Holdings Limited (NYSE: MSC) (“Studio City” or the “Company”), a world-class integrated resort located in Cotai, Macau, today reported its unaudited financial results for the third quarter of 2022.

Total operating revenues for the third quarter of 2022 were negative US\$2.8 million, compared to total operating revenues of US\$18.7 million in the third quarter of 2021. The change was primarily attributable to the government mandated temporary casino closures in Macau in July and heightened travel restrictions in Macau and mainland China related to COVID-19 during the quarter which led to a decrease in revenue from casino contract and lower non-gaming revenues.

Studio City Casino generated gross gaming revenues of US\$20.6 million and US\$85.0 million for the third quarters of 2022 and 2021, respectively.

Studio City Casino’s rolling chip volume was US\$42.1 million in the third quarter of 2022 versus US\$472.4 million in the third quarter of 2021. The rolling chip win rate was 4.18% in the third quarter of 2022 versus 2.35% in the third quarter of 2021. The expected rolling chip win rate range is 2.85% - 3.15%.

Mass market table games drop decreased to US\$61.9 million in the third quarter of 2022, compared with US\$250.5 million in the third quarter of 2021. The mass market table games hold percentage was 25.6% in the third quarter of 2022, compared to 26.4% in the third quarter of 2021.

Gaming machine handle for the third quarter of 2022 was US\$98.2 million, compared with US\$271.5 million in the third quarter of 2021. The gaming machine win rate was 3.1% in the third quarter of 2022, compared to 2.9% in the third quarter of 2021.

Revenue from casino contract was negative US\$18.2 million for the third quarter of 2022, compared with revenue from casino contract of negative US\$8.6 million for the third quarter of 2021. Revenue from casino contract is net of gaming taxes and the costs incurred in connection with the on-going operation of the Studio City Casino which are deducted by the Gaming Operator.

Total gaming taxes and the costs incurred in connection with the on-going operation of the Studio City Casino deducted from gross gaming revenues were US\$38.8 million and US\$93.6 million in the third quarters of 2022 and 2021, respectively.

Total non-gaming revenues at Studio City for the third quarter of 2022 were US\$15.4 million, compared with US\$27.3 million for the third quarter of 2021.

Operating loss for the third quarter of 2022 was US\$72.5 million, compared with operating loss of US\$55.7 million in the third quarter of 2021.

Studio City generated negative Adjusted EBITDA⁽¹⁾ of US\$39.5 million in the third quarter of 2022, compared to negative Adjusted EBITDA of US\$23.1 million in the third quarter of 2021. The change was mainly attributable to the decrease in revenue from casino contract and lower non-gaming revenues.

Net loss attributable to Studio City International Holdings Limited for the third quarter of 2022 was US\$85.2 million, compared with net loss attributable to Studio City International Holdings Limited of US\$63.2 million in the third quarter of 2021. The net loss attributable to participation interest was US\$8.0 million and US\$12.4 million in the third quarters of 2022 and 2021, respectively.

Other Factors Affecting Earnings

Total net non-operating expenses for the third quarter of 2022 were US\$20.7 million, which mainly included interest expenses of US\$23.2 million, net of amounts capitalized, partially offset by interest income of US\$2.5 million.

Depreciation and amortization costs of US\$31.9 million were recorded in the third quarter of 2022, of which US\$0.8 million was related to the amortization expense for the land use right.

The negative Adjusted EBITDA for Studio City for the three months ended September 30, 2022 referred to in Melco's earnings release dated November 2, 2022 ("Melco's earnings release") is US\$8.1 million less than the negative Adjusted EBITDA of Studio City contained in this press release. The Adjusted EBITDA of Studio City contained in this press release includes certain intercompany charges that are not included in the Adjusted EBITDA for Studio City contained in Melco's earnings release. Such intercompany charges include, among other items, fees and shared service charges billed between the Company and its subsidiaries and certain subsidiaries of Melco. Additionally, Adjusted EBITDA of Studio City included in Melco's earnings release does not reflect certain intercompany costs related to the table games operations at Studio City Casino.

Financial Position and Capital Expenditures

Total cash and bank balances as of September 30, 2022 aggregated to US\$620.7 million (December 31, 2021: US\$499.4 million), including US\$0.1 million of restricted cash (December 31, 2021: US\$0.1 million). Total debt, net of unamortized deferred financing costs and original issue premiums, at the end of the third quarter of 2022 was US\$2.43 billion (December 31, 2021: US\$2.09 billion).

Capital expenditures for the third quarter of 2022 were US\$132.4 million.

Recent Developments

Uncertainty around COVID-19 outbreaks and related restrictions continue to have a material effect on our operations, financial position, and future prospects into the fourth quarter of 2022.

On August 2, 2022, the validity of nucleic acid tests to enter Macau was set at 48 hours for entry from Zhuhai and was reduced to 24 hours from October 30, 2022. Since September 1, 2022, tourists became eligible to enter Macau without prior approval provided they held passports issued by the 41 countries specified by the Macau government or comply with certain conditions imposed by the Macau government, subject to valid nucleic acid tests, 7-day quarantine at a government designated facility and a 3-day self-monitoring period. On November 1, 2022, China's National Immigration Administration commenced electronic processing of visa applications for individual or group travel to Macau.

Uncertainty around COVID-19 outbreaks is expected to continue for at least the remainder of 2022 with travel bans or restrictions, visa restrictions, and quarantine requirements being key factors impacting performance.

The construction of Studio City Phase 2 continues to progress on schedule with construction completion expected within 2022. We will monitor the market closely to determine the appropriate time to open and currently anticipate opening in stages, beginning in the second quarter of 2023.

Studio City Phase 2 will offer approximately 900 additional luxury hotel rooms and suites, an additional indoor/outdoor water park which is expected to be one of the largest in the world, a Cineplex, multiple fine-dining restaurants, and a total of approximately 1,100 square meters of state-of-the-art MICE space. Furthermore, the expansion will also feature a hotel tower under the W Hotel brand in partnership with Marriott International.

Safe Harbor Statement

This press release contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Studio City International Holdings Limited (the "Company") may also make forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the "SEC"), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, and a number of factors could cause actual results to differ materially from those contained in any forward-looking statement. These factors include, but are not limited to, (i) the global COVID-19

outbreak, caused by a novel strain of the coronavirus, and the continued impact of its consequences on our business, our industry and the global economy, (ii) risks associated with the newly adopted gaming law in Macau and its implementation by the Macau government, (iii) growth of the gaming market and visitations in Macau, (iv) capital and credit market volatility, (v) local and global economic conditions, (vi) our anticipated growth strategies, (vii) gaming authority and other governmental approvals and regulations, and (viii) our future business development, results of operations and financial condition. In some cases, forward-looking statements can be identified by words or phrases such as “may”, “will”, “expect”, “anticipate”, “target”, “aim”, “estimate”, “intend”, “plan”, “believe”, “potential”, “continue”, “is/are likely to” or other similar expressions. Further information regarding these and other risks, uncertainties or factors is included in the Company’s filings with the SEC. All information provided in this press release is as of the date of this press release, and the Company undertakes no duty to update such information, except as required under applicable law.

Non-GAAP Financial Measures

- (1) “Adjusted EBITDA” is defined as net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other and other non-operating income and expenses. We believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results. This non-GAAP financial measure eliminates the impact of items that we do not consider indicative of the performance of our business. While we believe that this non-GAAP financial measure is useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute for the related financial information prepared in accordance with U.S. GAAP. It should not be considered in isolation or construed as an alternative to net income/loss, cash flow or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. The use of Adjusted EBITDA has material limitations as an analytical tool, as Adjusted EBITDA does not include all items that impact our net income/loss. In addition, the Company’s calculation of Adjusted EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited. Investors are encouraged to review the reconciliation of the historical non-GAAP financial measure to its most directly comparable GAAP financial measure. Reconciliations of Adjusted EBITDA with the most comparable financial measures calculated and presented in accordance with U.S. GAAP are provided herein immediately following the financial statements included in this press release.
- (2) “Adjusted net income/loss” is net income/loss before pre-opening costs, property charges and other and loss on extinguishment of debt, net of participation interest. Adjusted net income/loss is presented as supplemental disclosure because management believes it provides useful information to investors and others in understanding and evaluating our performance, in

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addition to income/loss computed in accordance with U.S. GAAP. Adjusted net income/loss may be different from the calculation methods used by other companies and, therefore, comparability may be limited. Reconciliations of adjusted net income/loss attributable to Studio City International Holdings Limited with the most comparable financial measures calculated and presented in accordance with U.S. GAAP are provided herein immediately following the financial statements included in this press release.

About Studio City International Holdings Limited

The Company, with its American depositary shares listed on the New York Stock Exchange (NYSE: MSC), is a world-class integrated resort located in Cotai, Macau. For more information about the Company, please visit www.studiocity-macau.com.

The Company is strongly supported by its single largest shareholder, Melco Resorts & Entertainment Limited, a company with its American depositary shares listed on the Nasdaq Global Select Market (Nasdaq: MLCO).

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Studio City International Holdings Limited and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)
(In thousands of U.S. dollars, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Operating revenues:				
Revenue from casino contract ⁽³⁾	\$ (18,166)	\$ (8,562)	\$ (44,171)	\$ (5,522)
Rooms	3,527	9,782	13,566	30,774
Food and beverage	3,509	6,346	12,855	20,417
Entertainment	871	1,383	1,175	2,428
Services fee	5,033	6,330	16,215	19,493
Mall	1,246	3,115	5,800	9,684
Retail and other	1,187	329	1,871	1,213
Total operating revenues	<u>(2,793)</u>	<u>18,723</u>	<u>7,311</u>	<u>78,487</u>
Operating costs and expenses:				
Costs related to casino contract ⁽³⁾	(9,622)	(7,334)	(21,864)	(18,934)
Rooms	(2,884)	(3,217)	(8,476)	(9,328)
Food and beverage	(5,162)	(6,864)	(18,241)	(20,939)
Entertainment	(536)	(962)	(1,704)	(2,252)
Mall	(979)	(929)	(3,041)	(2,907)
Retail and other	(273)	(351)	(904)	(1,115)
General and administrative	(17,280)	(22,147)	(59,457)	(68,949)
Pre-opening costs	(785)	(6)	(1,731)	(739)
Amortization of land use right	(823)	(831)	(2,474)	(2,496)
Depreciation and amortization	(31,029)	(31,456)	(92,854)	(93,299)
Property charges and other	(369)	(346)	(3,790)	(4,129)
Total operating costs and expenses	<u>(69,742)</u>	<u>(74,443)</u>	<u>(214,536)</u>	<u>(225,087)</u>
Operating loss	<u>(72,535)</u>	<u>(55,720)</u>	<u>(207,225)</u>	<u>(146,600)</u>
Non-operating income (expenses):				
Interest income	2,458	841	4,187	2,350
Interest expenses, net of amounts capitalized	(23,181)	(23,564)	(70,430)	(69,073)
Other financing costs	(104)	(106)	(311)	(314)
Foreign exchange gains, net	162	2,484	6,402	4,989
Loss on extinguishment of debt	-	-	-	(28,817)
Total non-operating expenses, net	<u>(20,665)</u>	<u>(20,345)</u>	<u>(60,152)</u>	<u>(90,865)</u>
Loss before income tax	<u>(93,200)</u>	<u>(76,065)</u>	<u>(267,377)</u>	<u>(237,465)</u>
Income tax credit (expense)	9	531	(485)	(29)
Net loss	<u>(93,191)</u>	<u>(75,534)</u>	<u>(267,862)</u>	<u>(237,494)</u>
Net loss attributable to participation interest	8,016	12,367	26,817	38,885
Net loss attributable to Studio City International Holdings Limited	<u>\$ (85,175)</u>	<u>\$ (63,167)</u>	<u>\$ (241,045)</u>	<u>\$ (198,609)</u>
Net loss attributable to Studio City International Holdings Limited per Class A ordinary share:				
Basic	<u>\$ (0.111)</u>	<u>\$ (0.171)</u>	<u>\$ (0.349)</u>	<u>\$ (0.536)</u>
Diluted	<u>\$ (0.111)</u>	<u>\$ (0.171)</u>	<u>\$ (0.351)</u>	<u>\$ (0.536)</u>
Net loss attributable to Studio City International Holdings Limited per ADS:				
Basic	<u>\$ (0.442)</u>	<u>\$ (0.682)</u>	<u>\$ (1.396)</u>	<u>\$ (2.145)</u>
Diluted	<u>\$ (0.442)</u>	<u>\$ (0.682)</u>	<u>\$ (1.404)</u>	<u>\$ (2.145)</u>
Weighted average Class A ordinary shares outstanding used in net loss attributable to Studio City International Holdings Limited per Class A ordinary share calculation:				
Basic	<u>770,352,700</u>	<u>370,352,700</u>	<u>690,440,759</u>	<u>370,352,700</u>
Diluted	<u>770,352,700</u>	<u>370,352,700</u>	<u>762,952,519</u>	<u>370,352,700</u>

⁽³⁾ As a result of the amendments made to the agreement for the operation of the Studio City Casino announced on June 23, 2022, certain revenues and operating costs of the Company were previously captioned as i) revenue from provision of gaming related services and are now captioned as revenue from casino contract; and ii) costs for provision of gaming related services and are now captioned as costs related to casino contract.

Studio City International Holdings Limited and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands of U.S. dollars, except share and per share data)

	September 30, 2022 (Unaudited)	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 620,558	\$ 499,289
Accounts receivable, net	2,435	247
Amounts due from affiliated companies	245	15,697
Inventories	5,308	5,828
Prepaid expenses and other current assets	38,856	42,633
Total current assets	<u>667,402</u>	<u>563,694</u>
Property and equipment, net	2,817,355	2,556,040
Contract acquisition costs, net	12,797	-
Intangible assets, net	1,714	2,777
Long-term prepayments, deposits and other assets	36,415	69,624
Restricted cash	129	130
Operating lease right-of-use assets	13,086	14,588
Land use right, net	108,908	112,114
Total assets	<u>\$ 3,657,806</u>	<u>\$ 3,318,967</u>
LIABILITIES, SHAREHOLDERS' EQUITY AND PARTICIPATION INTEREST		
Current liabilities:		
Accounts payable	\$ 581	\$ 211
Accrued expenses and other current liabilities	163,762	201,405
Income tax payable	21	21
Amounts due to affiliated companies	74,205	53,093
Total current liabilities	<u>238,569</u>	<u>254,730</u>
Long-term debt, net	2,433,674	2,087,486
Other long-term liabilities	21,464	17,771
Deferred tax liabilities, net	483	-
Operating lease liabilities, non-current	13,198	14,797
Total liabilities	<u>2,707,388</u>	<u>2,374,784</u>
Shareholders' equity and participation interest:		
Class A ordinary shares, par value \$0.0001; 1,927,488,240 shares authorized; 770,352,700 and 370,352,700 shares issued and outstanding, respectively	77	37
Class B ordinary shares, par value \$0.0001; 72,511,760 shares authorized; 72,511,760 shares issued and outstanding	7	7
Additional paid-in capital	2,477,359	2,134,227
Accumulated other comprehensive losses	(29,194)	(6,136)
Accumulated losses	(1,579,760)	(1,338,715)
Total shareholders' equity	<u>868,489</u>	<u>789,420</u>
Participation interest	81,929	154,763
Total shareholders' equity and participation interest	<u>950,418</u>	<u>944,183</u>
Total liabilities, shareholders' equity and participation interest	<u>\$ 3,657,806</u>	<u>\$ 3,318,967</u>

Studio City International Holdings Limited and Subsidiaries
Reconciliation of Net Loss Attributable to Studio City International Holdings Limited to
Adjusted Net Loss Attributable to Studio City International Holdings Limited (Unaudited)
(In thousands of U.S. dollars, except share and per share data)

	Three Months Ended		Nine Months Ended	
	2022	2021	2022	2021
Net loss attributable to Studio City International Holdings Limited	\$ (85,175)	\$ (63,167)	\$ (241,045)	\$ (198,609)
Pre-opening costs	785	6	1,731	739
Property charges and other	369	346	3,790	4,129
Loss on extinguishment of debt	-	-	-	28,817
Participation interest impact on adjustments	(99)	(57)	(712)	(5,515)
Adjusted net loss attributable to Studio City International Holdings Limited	<u>\$ (84,120)</u>	<u>\$ (62,872)</u>	<u>\$ (236,236)</u>	<u>\$ (170,439)</u>
Adjusted net loss attributable to Studio City International Holdings Limited per Class A ordinary share:				
Basic	<u>\$ (0.109)</u>	<u>\$ (0.170)</u>	<u>\$ (0.342)</u>	<u>\$ (0.460)</u>
Diluted	<u>\$ (0.109)</u>	<u>\$ (0.170)</u>	<u>\$ (0.344)</u>	<u>\$ (0.460)</u>
Adjusted net loss attributable to Studio City International Holdings Limited per ADS:				
Basic	<u>\$ (0.437)</u>	<u>\$ (0.679)</u>	<u>\$ (1.369)</u>	<u>\$ (1.841)</u>
Diluted	<u>\$ (0.437)</u>	<u>\$ (0.679)</u>	<u>\$ (1.375)</u>	<u>\$ (1.841)</u>
Weighted average Class A ordinary shares outstanding used in adjusted net loss attributable to Studio City International Holdings Limited per Class A ordinary share calculation:				
Basic	<u>770,352,700</u>	<u>370,352,700</u>	<u>690,440,759</u>	<u>370,352,700</u>
Diluted	<u>770,352,700</u>	<u>370,352,700</u>	<u>762,952,519</u>	<u>370,352,700</u>

Studio City International Holdings Limited and Subsidiaries
Reconciliation of Operating Loss to Adjusted EBITDA (Unaudited)
(In thousands of U.S. dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Operating loss	\$ (72,535)	\$ (55,720)	\$ (207,225)	\$ (146,600)
Pre-opening costs	785	6	1,731	739
Depreciation and amortization	31,852	32,287	95,328	95,795
Property charges and other	369	346	3,790	4,129
Adjusted EBITDA	<u>\$ (39,529)</u>	<u>\$ (23,081)</u>	<u>\$ (106,376)</u>	<u>\$ (45,937)</u>

Studio City International Holdings Limited and Subsidiaries
Reconciliation of Net Loss Attributable to Studio City International Holdings Limited
to Adjusted EBITDA (Unaudited)
(In thousands of U.S. dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss attributable to Studio City International Holdings Limited	\$ (85,175)	\$ (63,167)	\$ (241,045)	\$ (198,609)
Net loss attributable to participation interest	(8,016)	(12,367)	(26,817)	(38,885)
Net loss	(93,191)	(75,534)	(267,862)	(237,494)
Income tax (credit) expense	(9)	(531)	485	29
Interest and other non-operating expenses, net	20,665	20,345	60,152	90,865
Property charges and other	369	346	3,790	4,129
Depreciation and amortization	31,852	32,287	95,328	95,795
Pre-opening costs	785	6	1,731	739
Adjusted EBITDA	<u>\$ (39,529)</u>	<u>\$ (23,081)</u>	<u>\$ (106,376)</u>	<u>\$ (45,937)</u>

Studio City International Holdings Limited and Subsidiaries
Supplemental Data Schedule

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Room Statistics⁽⁴⁾:				
Average daily rate ⁽⁵⁾	\$ 107	\$ 123	\$ 114	\$ 122
Occupancy per available room	25%	52%	27%	54%
Revenue per available room ⁽⁶⁾	\$ 27	\$ 64	\$ 31	\$ 66
Other Information⁽⁷⁾:				
Average number of table games	277	291	277	291
Average number of gaming machines	702	656	711	623
Table games win per unit per day ⁽⁸⁾	\$ 794	\$ 2,883	\$ 1,592	\$ 3,354
Gaming machines win per unit per day ⁽⁹⁾	\$ 54	\$ 131	\$ 82	\$ 135

⁽⁴⁾ Room statistics exclude rooms that were temporarily closed or provided to staff members due to the COVID-19 outbreak

⁽⁵⁾ Average daily rate is calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total occupied rooms including complimentary rooms

⁽⁶⁾ Revenue per available room is calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms available

⁽⁷⁾ Table games and gaming machines that were not in operation due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak have been excluded

⁽⁸⁾ Table games win per unit per day is shown before discounts, commissions, non-discretionary incentives (including the point-loyalty programs) as administered by the Gaming Operator and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis

⁽⁹⁾ Gaming machines win per unit per day is shown before non-discretionary incentives (including the point-loyalty programs) as administered by the Gaming Operator and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis