



## ***Q2 & Interim Results 2022***

18 August, 2022

# Letter from the Chairman of GEG



I appreciate the opportunity to update you on GEG's most recent activities and financial results for the second quarter and first half of 2022. We continue to support the Macau Government by providing hotels for quarantine and medical personnel. We would also like to acknowledge and thank our staff for participating in our various voluntary community programs.

We are pleased to report that we successfully applied for and was granted an extension of our Macau gaming concession, which has been extended to the end of December 2022. The Government subsequently announced the tendering process on 29 July 2022 with submissions due by 14 September 2022. We are well positioned to compete for one of the Macau's gaming concessions, given our track record of introducing innovative non-gaming elements into our resorts, our strong operational history, significant investment into Macau's economy and our substantial CSR efforts including supporting SMEs. We look forward for the completion of the concession bidding process by year end.

A number of cities across China experienced travel restrictions for a significant part of the first half of 2022. These restrictions on inter-provincial travel impacted visitation to Macau and in turn adversely impacted both revenue and profitability. In addition, Macau experienced a COVID-19 outbreak and the Macau Government requested suspension of all commercial activities from 11 to 22 July 2022 which further impacted visitation, revenue and profitability. In Q2 2022, Group Net Revenue was \$2.4 billion, down 56% year-on-year and down 41% quarter-on-quarter. Group Adjusted EBITDA was \$(0.4) billion, versus \$1.1 billion in Q2 2021 and \$0.6 billion in Q1 2022.

Our balance sheet remains liquid and healthy. As of 30 June 2022, cash and liquid investments were \$29.0 billion and net cash was \$20.3 billion. Core debt remains relatively unchanged at \$0.3 billion. This provides us with valuable flexibility in managing operations and supporting our development initiatives. Given the ongoing impact of COVID-19, today the Board of Directors has decided not to declare a dividend. We paid the previously announced special dividend of \$0.30 per share on 29 April 2022.

During the quarter, we optimized our City Club operations and ceased business at Rio Casino and President Casino. All gaming related staff have been reassigned to our other properties.

Moving on to our development update, we continue to make ongoing progressive enhancements to our resorts to ensure that they remain competitive and appealing to our guests. We also continue to invest in Macau with our Cotai Phase 3 effectively completed and continue to move forward with Phase 4, our next generation integrated resort, which will complete our ecosystem in Cotai. As you can see, we remain confident about the future of Macau where Cotai Phases 3 & 4 will support Macau's vision of becoming a World Centre of Tourism and Leisure.

Going forward in the medium to longer term, we remain confident in the future of Macau. However, we do acknowledge that further potential outbreaks of COVID-19 may impact our future financial performance. Finally, I would again like to thank the Macau Government and the health and emergency personnel who have worked so hard to ensure the safety of Macau. I would also like to thank our staff, management team and Board of Directors who voluntarily contributed to the various cost savings programs and for being so supportive of our Company throughout the pandemic. Thank you.

**Dr. Lui Che Woo**

*GBM, MBE, JP, LLD, DSSc, DBA*

*Chairman*

Aug 2022

# Executive Summary

## GEG: Continues to support the Macau Government's COVID-19 prevention efforts through our extensive CSR initiatives

### **Q2 2022**

- Q2 Group Net Revenue of \$2.4 billion, down 56% year-on-year and down 41% quarter-on-quarter
- Q2 Group Adjusted EBITDA of \$(384) million, versus \$1,132 million in Q2 2021 and \$575 million in Q1 2022
- Normalized Q2 Adjusted EBITDA was \$(408) million after adjusting for good luck of \$24 million
- Latest twelve months Adjusted EBITDA of \$1.7 billion, down 16% year-on-year and down 47% quarter-on-quarter

### **1H 2022**

- 1H Group Net Revenue of \$6.5 billion, down 39% year-on-year
- 1H Group Adjusted EBITDA of \$191 million, down 90% year-on-year
- 1H Net Loss Attributable to Shareholders of \$850 million, versus profit of \$947 million in 1H 2021

# Executive Summary

## Galaxy Macau™: Continues to be Impacted by COVID-19 and Travel Restrictions

### **Q2 2022**

- Q2 Net Revenue of \$1.4 billion, down 62% year-on-year and down 53% quarter-on-quarter
- Q2 Adjusted EBITDA of \$(188) million, versus \$924 million in Q2 2021 and \$724 million in Q1 2022
- Normalized Q2 Adjusted EBITDA was \$(212) million after adjusting for good luck of \$24 million
- Hotel occupancy for Q2 across the five hotels was 28%

### **1H 2022**

- 1H Net Revenue of \$4.5 billion, down 38% year-on-year
- 1H Adjusted EBITDA of \$536 million, down 68% year-on-year

# Executive Summary

## StarWorld Macau: Continues to be Impacted by COVID-19 and Travel Restrictions

### **Q2 2022**

- Q2 Net Revenue of \$220 million, down 76% year-on-year and down 48% quarter-on-quarter
- Q2 Adjusted EBITDA of \$(158) million, versus \$135 million in Q2 2021 and \$(58) million in Q1 2022
- There was no luck impact on Q2 Adjusted EBITDA
- Hotel occupancy for Q2 was 33%

### **1H 2022**

- 1H Net Revenue of \$644 million, down 67% year-on-year
- 1H Adjusted EBITDA of \$(216) million, versus \$305 million in 1H 2021

# Executive Summary

## Broadway Macau™: Continues to be Impacted by COVID-19 and Travel Restrictions

### **Q2 2022**

- Q2 Net Revenue of \$15 million, versus \$14 million in Q2 2021 and \$16 million Q1 2022
- Q2 Adjusted EBITDA of \$(19) million, versus \$(20) million in Q2 2021 and \$(17) million in Q1 2022
- There was no luck impact on Q2 Adjusted EBITDA
- Hotel occupancy for Q2 was 32%

### **1H 2022**

- 1H Net Revenue of \$31 million, up 7% year-on-year
- 1H Adjusted EBITDA of \$(36) million, versus \$(43) million in 1H 2021

# Executive Summary

## Balance Sheet: Maintain a Healthy and Liquid Balance Sheet

- As at 30 June 2022, cash and liquid investments were \$29.0 billion and net cash was \$20.3 billion
- As at 30 June 2022, core debt was \$0.3 billion

## GEG Dividend

- Given the ongoing impact of COVID-19, today the Board of Directors has decided not to declare a dividend
- We paid the previously announced special dividend of \$0.30 per share on 29 April 2022

# Executive Summary

## Development Update: Continue Making Progress on Cotai Phases 3 & 4

- Continue to make ongoing progressive enhancements to our resorts to ensure that they remain competitive and appealing to our guests
- Cotai Phases 3 & 4 – Phase 3 is effectively completed and our efforts are firmly focused on the development of Phase 4. Phases 3 & 4 have a strong focus on non-gaming, primarily targeting MICE, entertainment, family facilities and also include gaming
- Will align the opening of Raffles at Galaxy Macau with prevailing market conditions, followed by the opening of Galaxy International Convention Center (“GICC”) and Andaz Macau, while proceeding with the construction of remaining phases



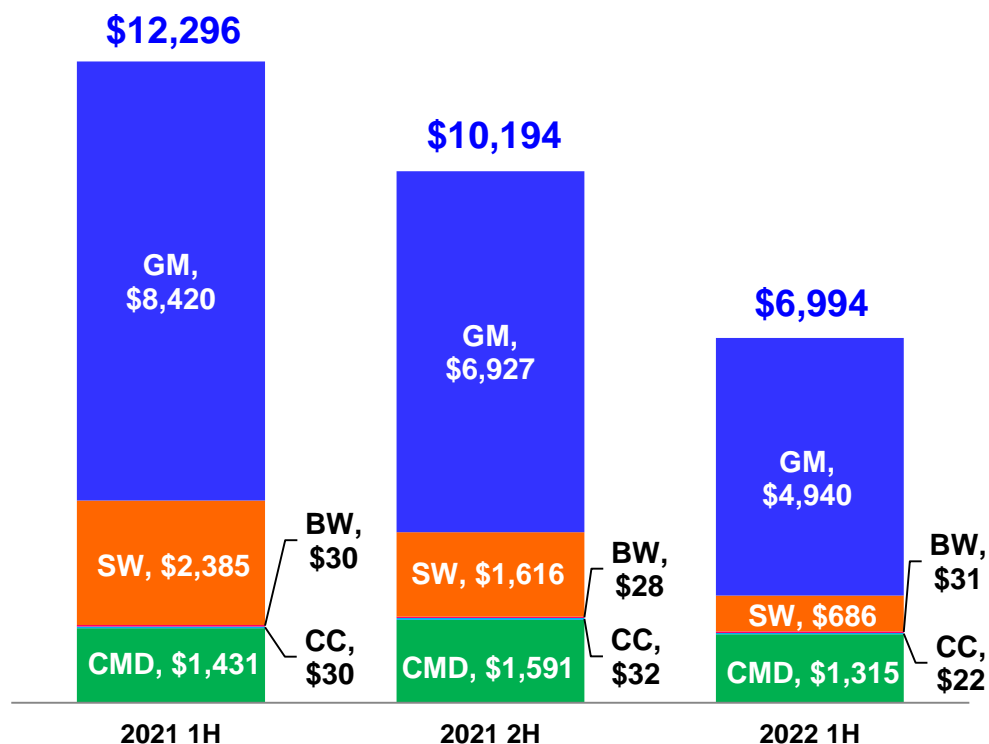
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# Interim Results 2022

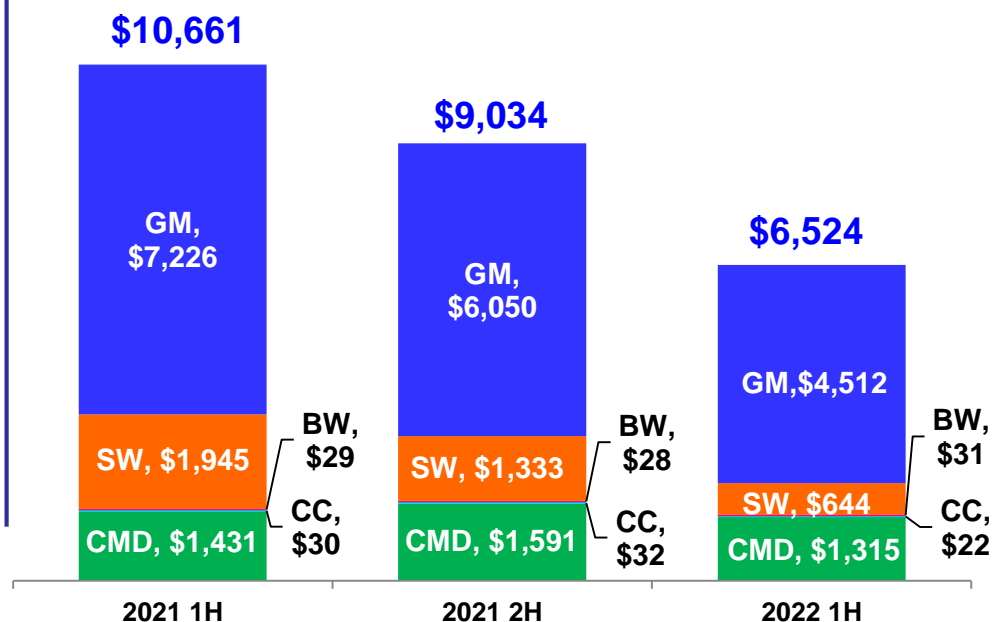
# GEG Revenue Summary 1H 2022

Group Net Revenue in the first half of 2022 was down 39% YoY to \$6.5 billion

GEG Gross Revenue (HK\$'m)



GEG Net Revenue (HK\$'m)



■ Galaxy Macau™  
■ StarWorld Macau  
■ City Clubs  
■ Construction Materials  
■ Broadway Macau™

■ Galaxy Macau™  
■ StarWorld Macau  
■ City Clubs  
■ Construction Materials  
■ Broadway Macau™

# GEG Revenue Summary 1H 2022

**Group Net Revenue in the first half of 2022 was down 39% YoY to \$6.5 billion**

**YoY**

	<i>Gross Revenue</i>	<i>Net Revenue</i>
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<b>GEG Total</b>	(43)%	(39)%
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<b>Galaxy Macau™</b>	(41)%	(38)%
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<b>StarWorld</b>	(71)%	(67)%
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<b>Broadway Macau™</b>	+3%	+7%
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<b>City Clubs</b>	(27)%	(27)%
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<b>Construction Materials</b>	(8)%	(8)%
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**HoH**

	<i>Gross Revenue</i>	<i>Net Revenue</i>
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<b>GEG Total</b>	(31)%	(28)%
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<b>Galaxy Macau™</b>	(29)%	(25)%
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<b>StarWorld</b>	(58)%	(52)%
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<b>Broadway Macau™</b>	+11%	+11%
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<b>City Clubs</b>	(31)%	(31)%
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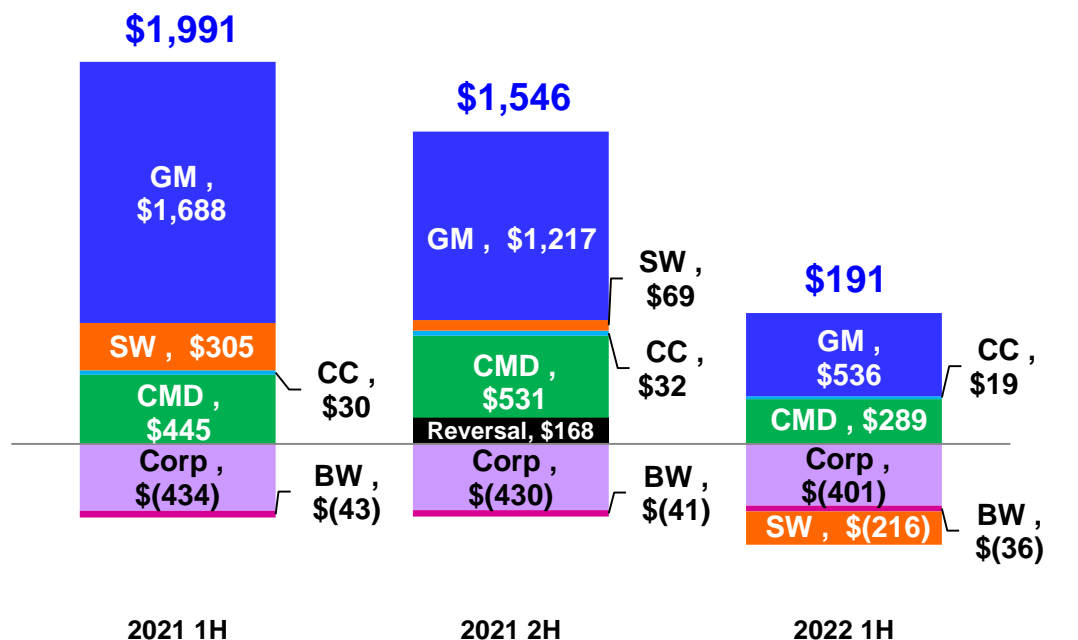
<b>Construction Materials</b>	(17)%	(17)%
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# GEG Adjusted EBITDA Summary 1H 2022

**Group Adjusted EBITDA was \$191 million in the first half of 2022, down 90% YoY**

- Normalized 2022 1H Adjusted EBITDA was \$164 million after adjusting for good luck of \$27 million, down 91% YoY

GEG Adjusted EBITDA (HK\$'m)



	YoY	HoH
GEG Total	(90)%	(88)%
Galaxy Macau™	(68)%	(56)%
StarWorld Macau	(171)%	(413)%
Broadway Macau™	+16%	+12%
City Clubs	(37)%	(41)%
Construction Materials	(35)%	(46)%

# GEG 1H 2022 NPAS

**1H 2022 Net Loss Attributable to Shareholders of \$850 million, including \$185 million of non-recurring items, Vs profit of \$947 million in 1H 2021**

	(in HK\$'m)	1H21	1H22	YoY
Net Revenue	\$	10,661	\$ 6,524	-39%
Adjusted EBITDA	\$	1,991	\$ 191	-90%
Net Profit / (Loss) attributable to shareholders	\$	947	\$ (850)	-190%
Non-recurring Items	\$	103	\$ 185	
Pro Forma Net Profit / (Loss) attributable to shareholders	\$	1,050	\$ (665)	-163%



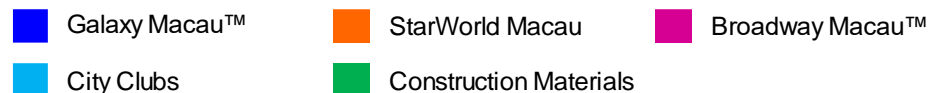
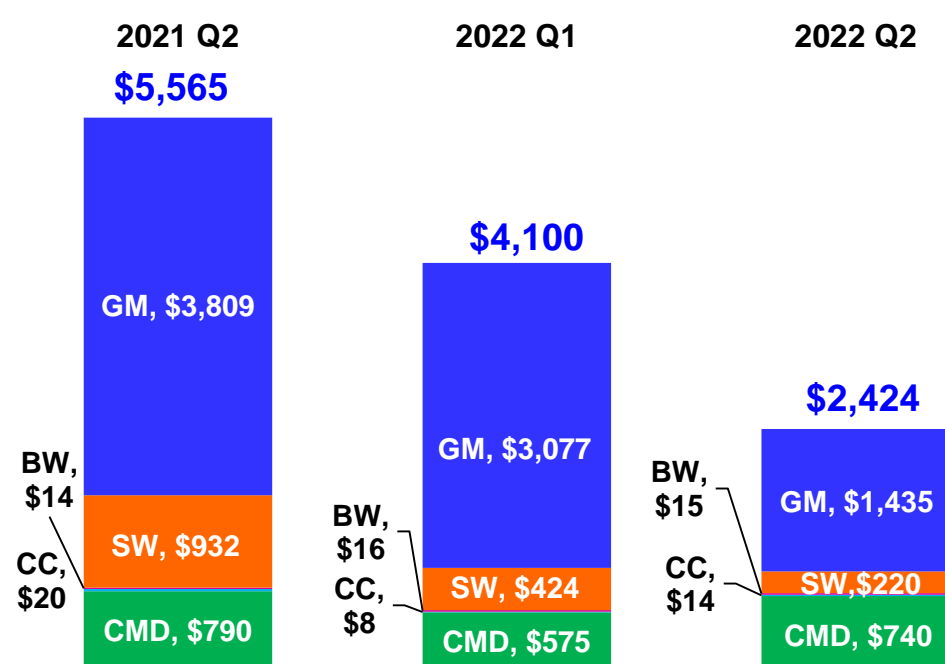
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# Q2 2022 Results

# GEG Revenue Q2 2022

**Q2 Group Net Revenue of \$2.4 billion, down 56% YoY and 41% QoQ**

## GEG Net Revenue (HK\$'m)



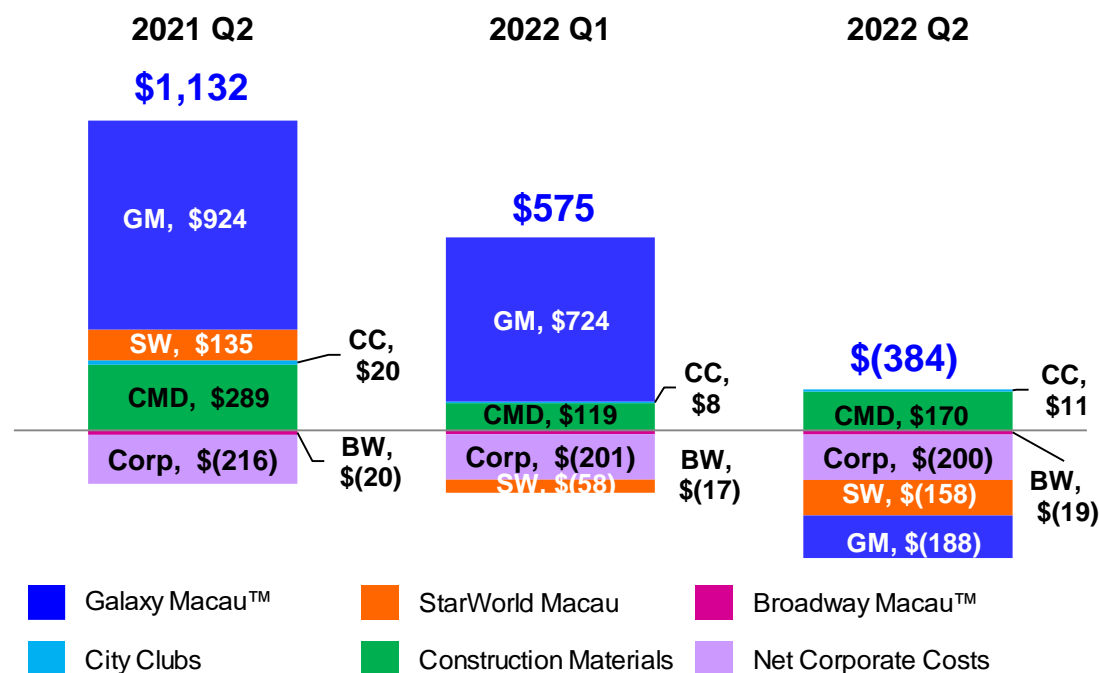
	YoY	QoQ
GEG Total	(56)%	(41)%
Galaxy Macau™	(62)%	(53)%
StarWorld Macau	(76)%	(48)%
Broadway Macau™	+7%	(6)%
City Clubs	(30)%	+75%
Construction Materials	(6)%	+29%

# GEG Adjusted EBITDA Q2 2022

**Q2 Group Adjusted EBITDA of \$(384) million, versus \$1,132 million in Q2 2021 and \$575 million in Q1 2022**

- Normalized Q1 Adjusted EBITDA of \$(408) million, after adjusting for good luck of approximately \$24 million, versus \$1,051 million in Q2 2021 and \$572 million in Q1 2022

## GEG Adjusted EBITDA (HK\$m)



	YoY	QoQ
GEG Total	(134)%	(167)%
Galaxy Macau™	(120)%	(126)%
StarWorld Macau	(217)%	(172)%
Broadway Macau™	+5%	(12)%
City Clubs	(45)%	+38%
Construction Materials	(41)%	+43%



## Galaxy Macau™ Q2 Adjusted EBITDA of \$(188) million, versus \$924 million in Q2 2021 and \$724 million in Q1 2022

### Net Revenue of \$1.4 billion, down 62% YoY and 53% QoQ

- VIP win of \$153 million, down 89% YoY and 73% QoQ
- Mass win of \$915 million, down 59% YoY and 57% QoQ
- Non-gaming revenue of \$419 million, down 43% YoY and 27% QoQ, including \$244 million of net rental revenue
- Hotel occupancy for Q2 across the five hotels was 28%

### Adjusted EBITDA of \$(188) million, versus \$924 million in Q2 2021 and \$724 million in Q1 2022

- Played lucky in Q2 which increased Adjusted EBITDA by approximately \$24 million
- Normalized Q1 Adjusted EBITDA was \$(212) million excluding the luck factor, versus \$842 million in Q2 2021 and \$721 million in Q1 2022

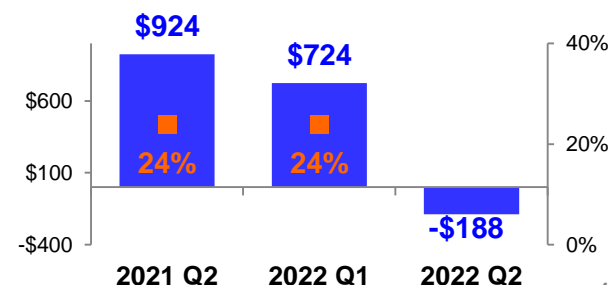
Galaxy Macau™	YoY	QoQ
Total Gross Revenue	(65)%	(55)%
Total Net Revenue	(62)%	(53)%
Adjusted EBITDA	(120)%	(126)%

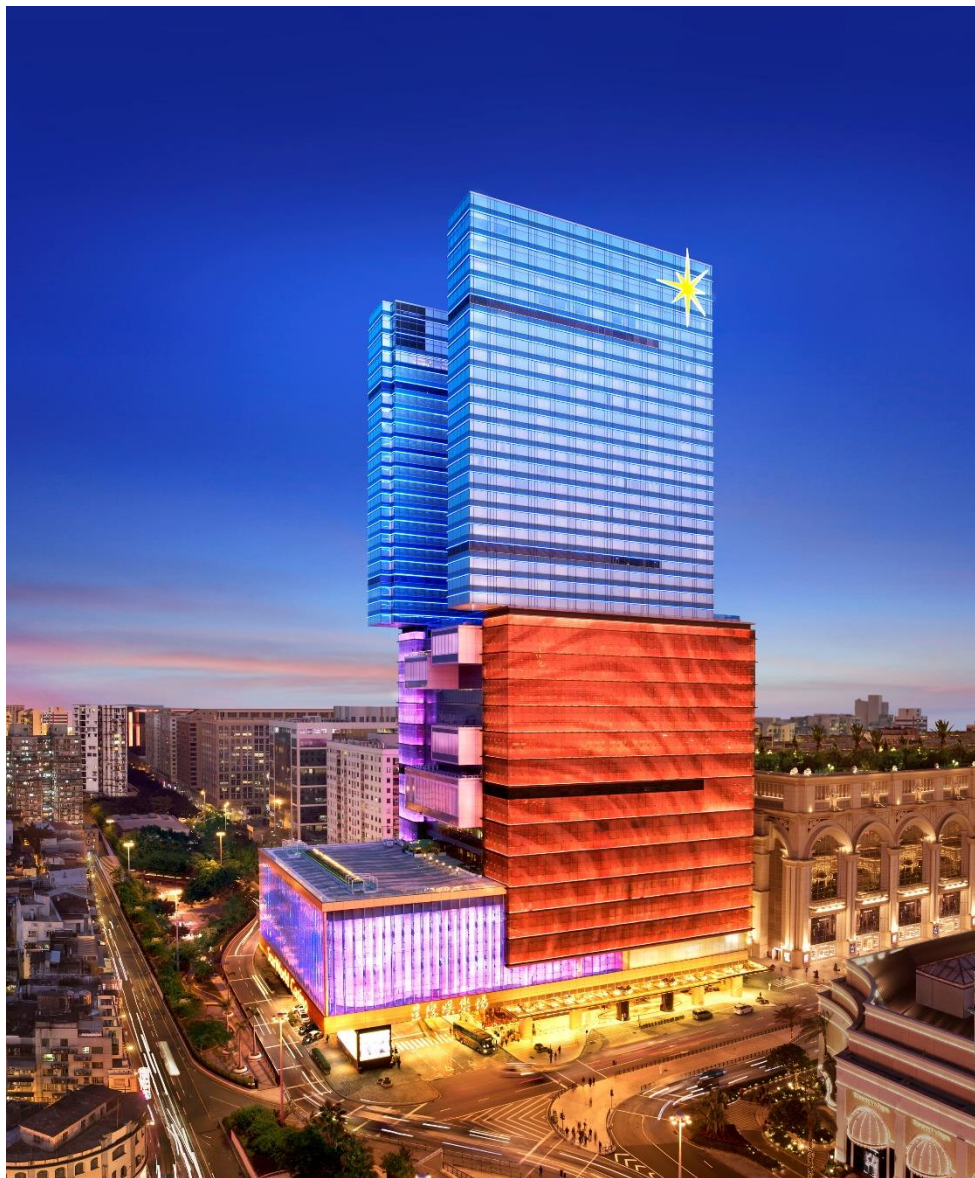
#### Gaming (Gross)

VIP Win	(89)%	(73)%
Mass Win	(59)%	(57)%
Slots Win	(69)%	(60)%
Total Gaming Revenue	(70)%	(60)%

Non-Gaming Revenue	(43)%	(27)%
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**Adjusted EBITDA (HK\$m) and  
Adjusted EBITDA Margin (%)**





## StarWorld Macau Q2 Adjusted EBITDA of \$(158) million, versus \$135 million in Q2 2021 and \$(58) million in Q1 2022

### Net Revenue of \$220 million, down 76% YoY and 48% QoQ

- Mass win of \$202 million, down 71% YoY and 51% QoQ
- Non-gaming revenue of \$22 million, down 53% YoY and 33% QoQ, including \$5 million of net rental revenue
- Hotel occupancy for Q2 was 33%

### Adjusted EBITDA of \$(158) million, versus \$135 million in Q2 2021 and \$(58) million in Q1 2022

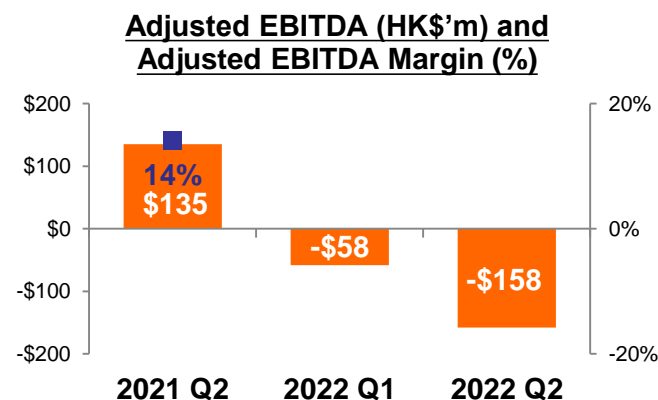
- There was no luck impact on Q2 Adjusted EBITDA, versus Normalized Adjusted EBITDA of \$136 million in Q2 2021 and \$(58) million in Q1 2022

StarWorld Macau	YoY	QoQ
Total Gross Revenue	(79)%	(49)%
Total Net Revenue	(76)%	(48)%
Adjusted EBITDA	(217)%	(172)%

### Gaming (Gross)

Mass Win	(71)%	(51)%
Slots Win	(44)%	(10)%
Total Gaming Revenue	(81)%	(50)%

Non-Gaming Revenue	(53)%	(33)%
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## Broadway Macau™ Q2 Adjusted EBITDA of \$(19) million Vs \$(20) million in Q2 2021 and \$(17) million in Q1 2022

**Net Revenue of \$15 million, up 7% YoY and down 6% QoQ**

- Hotel occupancy was 32% for Q2 2022

**Adjusted EBITDA of \$(19) million Vs \$(20) million in Q2 2021 and \$(17) million in Q1 2022**

- There was no luck impact on Q2 Adjusted EBITDA, versus Normalized Adjusted EBITDA of \$(20) million in Q2 2021 and \$(17) in Q1 2022

Broadway Macau™	YoY	QoQ
Total Gross Revenue	0%	(6)%
Total Net Revenue	+7%	(6)%
Adjusted EBITDA	+5%	(12)%

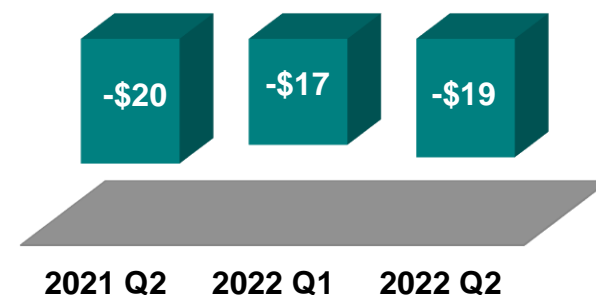
### Gaming (Gross)

Slots Win	NMF*	NMF*
Total Gaming Revenue	NMF*	NMF*

\* Not meaningful

Non-Gaming Revenue	+7%	(6)%
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### Adjusted EBITDA (HK\$'m)

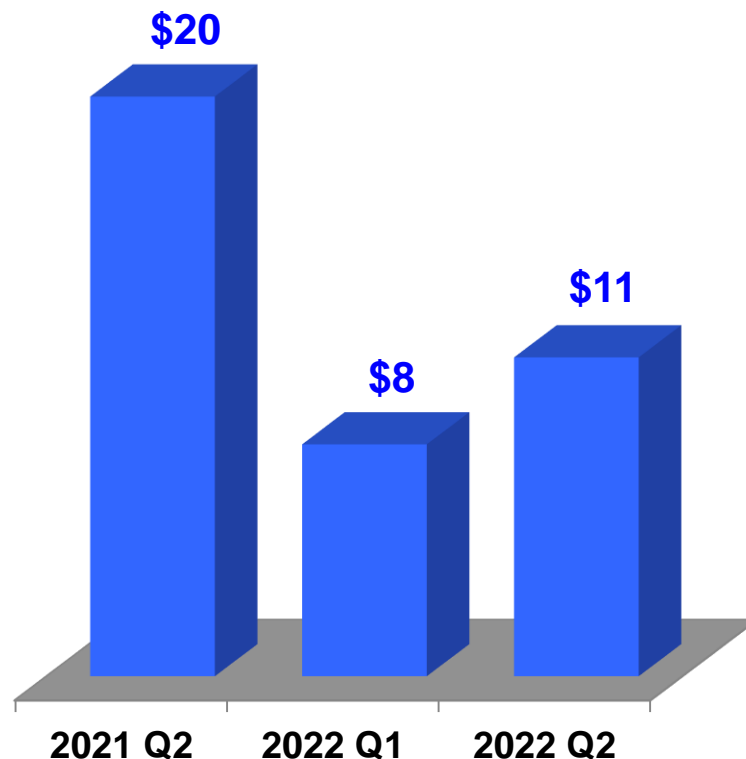


# City Clubs Q2 2022

City Clubs Q2 Adjusted EBITDA was \$11 million, down 45% YoY and up 38% QoQ, rationalized operations during the quarter



Adjusted EBITDA (HK\$'m)



# Construction Materials Q2 2022

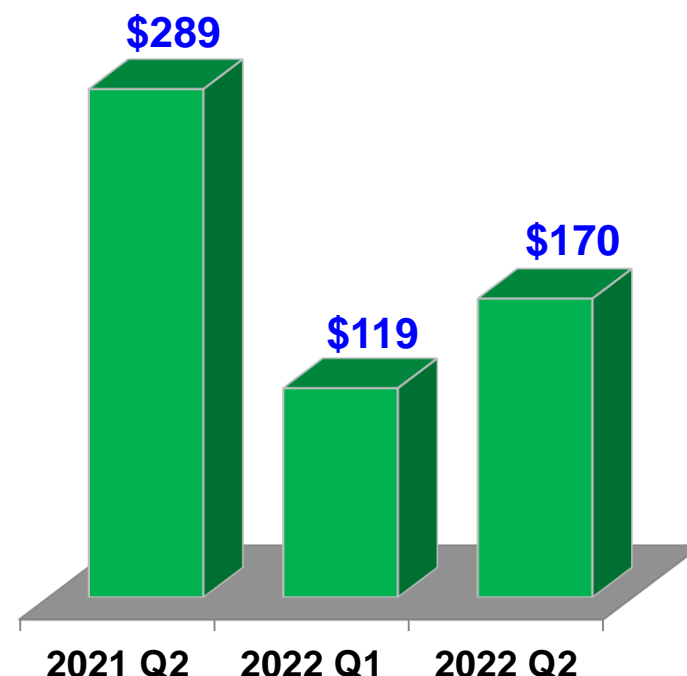
## Construction Materials Q2 Adjusted EBITDA decreased 41% YoY and increased 43% QoQ to \$170 million

- During Q2 the sale of construction materials was impacted by the various COVID-19 lockdowns within Mainland China and associated temporary suspension of construction sites

Puer Cement Plant



Adjusted EBITDA (HK\$'m)



# Selected Awards in 1H 2022

	Award			Presenter
<b>GEG</b>	Charitable Community Award			International Gaming Award 2022
<b>Galaxy Macau™</b>	Macao Green Hotel Award 2021 – Environmental Performance Gold Award – Hotel Okura Macau			Environmental Protection Bureau (DSPA)
	EarthCheck Certified 2022 • Gold Certification - Banyan Tree Macau • Silver Certification - Galaxy Hotel™			EarthCheck
	Michelin Guide Hotel Selection • Banyan Tree Macau • JW Marriott Hotel Macau • The Ritz-Carlton, Macau	Michelin one star • 8½ Otto e Mezzo BOMBANA • Lai Heen	Michelin Selected Restaurant • Terrazza Italian Restaurant • Yamazato • The Ritz-Carlton Café	Michelin Guide Hong Kong and Macau 2022
	Forbes Travel Guide Five-star Hotel • The Ritz-Carlton, Macau • Banyan Tree Macau • Hotel Okura Macau	Forbes Travel Guide Five-star Restaurant • Lai Heen	Forbes Travel Guide Five-star Spa • The Ritz-Carlton Spa, Macau • Banyan Tree Spa Macau	Forbes Travel Guide
	LEED V4 Gold Certificate – Galaxy Macau Phase 3 (MICE)			U.S. Green Building Council
<b>StarWorld Macau</b>	Michelin two stars - Feng Wei Ju			Michelin Guide Hong Kong and Macau 2022
	South China Morning Post 100 Top Tables 2022 • Feng Wei Ju			South China Morning Post
<b>Broadway Macau™</b>	Macao Green Hotel Award 2021 – Environmental Performance Silver Award – Broadway Hotel™			Environmental Protection Bureau (DSPA)
<b>Construction Materials Division</b>	Caring Company Logo 2021/22 – 20 Years Plus Caring Company Logo			The Hong Kong Council of Social Service

# Recent Examples of GEG's CSR Efforts

With a particular focus on supporting the Macau Government's efforts to control COVID-19

## Highlights of our prevention efforts against COVID-19

- Provided Broadway Hotel as self-health management hotel for persons with yellow health codes and then upgraded to a medical observation hotel for persons with red health codes
- Provided 130 mobile beds and mattresses to the Community Treatment Center of the Macau East Asian Games Dome
- Accommodated over 600 Mainland medical personnel in our Hotel Okura Macau
- Hosted Dr. Carolina Ung, PhD in Biomedical Sciences at the University of Macau to Banyan Tree Macau and StarWorld Macau respectively, for the hosting of Vaccine Information Seminars to our team members
- Launched the Family Vaccine Leave to allow team members to accompany their children under the age of 18 or parents aged 70 or above to get vaccinated
- Supported the Macau Government in boosting the vaccination rate among the elderly and people with disabilities by arranging more than 50 GEG volunteers to assist at the mobile vaccination vehicle at Iao Hon Market Park
- Mobilized around 500 GEG volunteers to provide onsite crowd control, enquiries support, and assistance for persons with special needs during the 17 rounds of Nucleic Acid Test ("NAT") held at the testing stations and special care stations

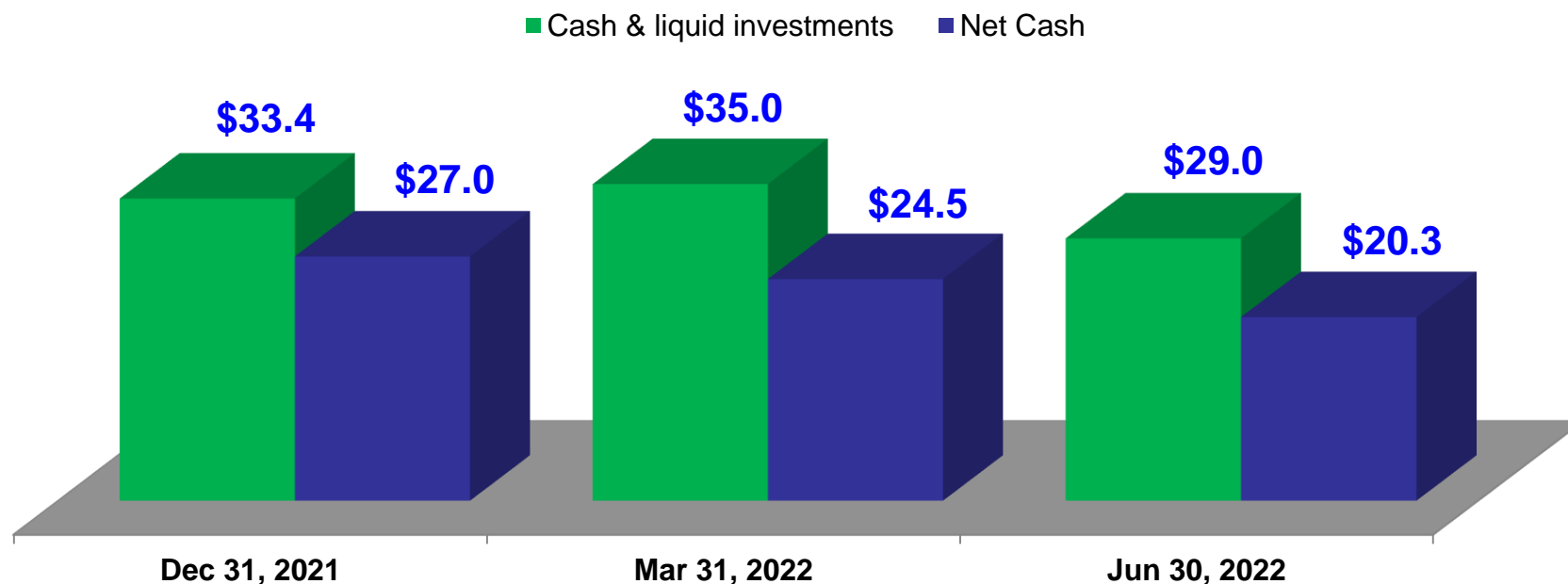


# Cash and Debt Update

## Balance Sheet: Maintain a Healthy and Liquid Balance Sheet

- As at 30 June 2022, cash and liquid investments were \$29.0 billion and net cash was \$20.3 billion
- As at 30 June 2022, core debt was \$0.3 billion
- Given the ongoing impact of COVID 19, today the Board has decided not to declare a dividend
- We paid the previously announced special dividend of \$0.30 per share on 29 April 2022

### Cash & Liquid Investments and Net Cash on Hand (HK\$ billion)



# GEG Development Update

## Galaxy Macau™ and StarWorld Macau

- We continue to make ongoing progressive enhancements to our resorts to ensure that they remain competitive and appealing to our guests

## Cotai - The Next Chapter

- GEG is uniquely positioned for long term growth. Phase 3 is effectively completed and we look forward to welcoming the iconic Raffles at Galaxy Macau through an exclusive 450 all-suite tower and will align the opening with prevailing market conditions. We intend to follow this with the opening of the GICC and Andaz Macau in anticipation of the recovery of the MICE and entertainment markets
- Phases 3 & 4 combined will have approximately 3,000 high end and family rooms and villas, 400,000 square feet of MICE space, a 500,000 square feet 16,000-seat multi-purpose arena, F&B, retail and casinos, among others. As you can see, we remain highly confident about the future of Macau where Cotai Phases 3 and 4 will support Macau's vision of becoming a World Centre of Tourism and Leisure



Recent photograph of Raffles at Galaxy Macau



Recent photograph of GICC, Galaxy Arena and Andaz Hotel towers

# GEG Development Update

## Cotai - The Next Chapter (continued)

- We are now firmly focused on the development of Phase 4, which is already well under way. We see the premium market evolving with this segment preferring higher quality and more spacious rooms. We continue to proceed with the construction of Cotai Phase 4, our next generation integrated resort, which will complete our ecosystem in Cotai



Recent photograph of Cotai Phase 4

# Summary

## Corporate – Continues to be Impacted by COVID-19 and Travel Restrictions

- 1H Group Adjusted EBITDA of \$0.2 billion Vs \$2.0 billion in 1H 2021
- Q2 Group Adjusted EBITDA of \$(0.4) billion, Vs \$1.1 billion in Q2 2021 and \$0.6 billion in Q1 2022
- Given the ongoing impact of COVID-19, today the Board has decided not to declare a dividend
- We paid the previously announced special dividend of \$0.30 per share on 29 April 2022

## Operations – Continues to be Impacted by COVID-19 and Travel Restrictions

- Galaxy Macau™ reports \$4.5 billion of Net Revenue and \$536 million of Adjusted EBITDA in 1H22; Q2 Adjusted EBITDA of \$(188) million
- StarWorld Macau reports \$644 million of Net Revenue and \$(216) million of Adjusted EBITDA in 1H22; Q2 Adjusted EBITDA of \$(158) million
- Broadway Macau™ reports \$31 million of Net Revenue and \$(36) million of Adjusted EBITDA in 1H22; Q2 Adjusted EBITDA of \$(19) million
- Construction Materials reports \$1.3 billion of Net Revenue and \$289 million of Adjusted EBITDA in 1H22; Q2 Adjusted EBITDA of \$170 million

## Financing – Healthy and Liquid & Paid Recent Dividend

- As at 30 June 2022, cash and liquid investments were \$29.0 billion and net cash was \$20.3 billion
- As at 30 June 2022, core debt was \$0.3 billion

## Development Pipeline – Continue Making Progress on Cotai Phases 3 & 4

- Continue to make ongoing progressive enhancements to our resorts to ensure that they remain competitive and appealing to our guests
- Cotai Phases 3 & 4 – Phase 3 is effectively completed and our efforts are firmly focused on the development of Phase 4. Phases 3 & 4 have a strong focus on non-gaming, primarily targeting MICE, entertainment, family facilities and also include gaming
- Will align the opening of Raffles at Galaxy Macau with prevailing market conditions, followed by the opening of Galaxy International Convention Center (“GICC”) and Andaz Macau, while proceeding with the construction of remaining phases

# Positioned for Growth

- **GEG commenced with a vision**
- **“To be globally recognized as Asia’s leading gaming & entertainment corporation”**
- **We are delivering upon our vision**

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## ***Q2 & Interim Results 2022***

**18 August, 2022**