



## ***Selected Unaudited 2021 First Quarter Financial Data***

13 May, 2021

# Letter from the Chairman of GEG

I wish to take this opportunity to update you on the status of Macau and the performance of GEG in Q1 2021. COVID-19 has continued to impact the community and businesses globally including Macau and GEG. We are encouraged by Macau's gradual recovery and remain cautiously optimistic that business conditions will continue to improve, while, at the same time, remain hypersensitive about any future outbreaks of the pandemic. From the later part of 2020 and continuing into 2021, we started to see some easing of restrictions relating to COVID-19. As a result, Macau has experienced a gradual increase in visitor arrivals which has translated into increased revenue.

Group's Q1 Adjusted EBITDA of \$859 million more than tripled year-on-year and was down 15% quarter-on-quarter. Please note that even though Adjusted EBITDA in Q1 2021 was less than Adjusted EBITDA in Q4 2020, we are pleased with the outcome given that Q4 2020 included a one-off \$100 million COVID-19 insurance claim. In addition, Construction Materials Division is historically seasonal softer in the first quarter compared to the other three quarters. Construction Materials Division contributed \$156 million in Q1 2021 compared to \$326 million in Q4 2020. This is an annual seasonal occurrence and we expect an improvement in Q2 2021. Further, GEG's performance was also supported by continued effective cost controls across the Group.

We again applaud the Macau Government for their proactive leadership during the challenging pandemic crisis. Their focus is not only to ensure the health and safety of the community, but also ensuring that Macau is well positioned to attract visitors, support economic recovery and maintain the social stability of Macau. We are pleased that the Macau Government through the Macau Government Tourism Office (MGTO) has been actively touring numerous Mainland cities and actively promoting Macau. This marketing is positioning Macau's track record in combating COVID-19, promoting the various health and safety measures implemented in Macau and offering special tourism and accommodation packages to encourage visitation to Macau. We will continue to work with and support this important government lead initiative.

On 15 May 2021, Galaxy Macau™ will celebrate an exceptional 10-year presence in Macau. Since our launch in 2011, Galaxy Macau™ has delivered the highest level of entertainment and leisure options and provided exceptional experiences to our guests from all over the world. We are pleased to report that we continue to make good progress with our expansion plans through our development projects including Cotai Phases 3 & 4. In addition, we continue renovate, reconfigure and introduce new products to our resorts and we remain engaged in our international expansion plans including Japan, which is also being impacted by the pandemic.

We were pleased to announce in March 2021 the introduction of the legendary Raffles at Galaxy Macau. Raffles at Galaxy Macau will feature an approximate 450 all-suite tower and is targeted to open in the later part of 2021 or early 2022. The addition of Raffles further expands GEG's portfolio of world-class accommodation offerings.

# Letter from the Chairman of GEG



Our balance sheet continues to remain healthy with \$42.4 billion in cash and liquid investments as at the end of Q1 and \$33.6 billion of net cash. Total debt was \$8.8 billion, including \$8.3 billion associated with our treasury yield enhancement program and \$0.5 billion of core debt. Our conservative financial management provides the Group with valuable flexibility in managing our ongoing operations and allows us to continue with our longer term development plans.

Going forward in the medium to longer term, we remain confident in the future of Macau. We have seen signs of early recovery post the reinstatement of the Individual Visit Scheme (“IVS”) in late September 2020 and it may take a few more quarters for business volumes to ramp up. However, we do acknowledge the ongoing difficulties associated with COVID-19 and potential future flare ups of COVID-19 could have a material adverse impact on our financial performance.

Finally, I would again like to acknowledge and thank the Government of Macau 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 during this period of time. Thank you!

**Dr. Lui Che Woo**

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

*Chairman*

# Executive Summary

## **GEG: Gradual Pandemic Recovery Continues Supported by Continued Effective Cost Control**

- Q1 Group net revenue of \$5.1 billion, up 1% year-on-year and flat quarter-on-quarter
- Q1 Group Adjusted EBITDA of \$859 million, up 204% year-on-year and down 15% quarter-on-quarter
- Normalized Q1 Adjusted EBITDA was \$690 million after adjusting for good luck of \$169 million
- Latest twelve months Adjusted EBITDA of \$(444) million, down 104% year-on-year and up 57% quarter-on-quarter

## **Galaxy Macau™: Gradual Pandemic Recovery Continues**

- Q1 net revenue of \$3.4 billion, down 3% year-on-year and up 3% quarter-on-quarter
- Q1 Adjusted EBITDA of \$764 million, up 132% year-on-year and up 4% quarter-on-quarter
- Normalized Q1 Adjusted EBITDA was \$637 million after adjusting for good luck of \$127 million
- Hotel occupancy for Q1 across the five hotels was 44%

# Executive Summary

## StarWorld Macau: Gradual Pandemic Recovery Continues

- Q1 net revenue of \$1.0 billion, up 1% year-on-year and up 6% quarter-on-quarter
- Q1 Adjusted EBITDA of \$170 million, up 63% year-on-year and up 13% quarter-on-quarter
- Normalized Q1 Adjusted EBITDA was \$128 million after adjusting for good luck of \$42 million
- Hotel occupancy for Q1 was 62%

## Broadway Macau™: A Unique Family Friendly Resort, Strongly Supported by Macau SMEs

- Q1 net revenue of \$15 million, down 72% year-on-year and down 6% quarter-on-quarter
- Q1 Adjusted EBITDA of \$(23) million, versus \$(45) million in Q1 2020 and \$(28) million in Q4 2020
- There was no luck impact on Q1 Adjusted EBITDA
- Hotel occupancy for Q1 was 9%

# Executive Summary

## Balance Sheet: Healthy and Liquid Balance Sheet

- As at 31 March 2021, cash and liquid investments were \$42.4 billion and net cash was \$33.6 billion
- As at 31 March 2021, debt was \$8.8 billion, including \$8.3 billion associated with our treasury yield enhancement program and \$0.5 billion of core debt

## Development Update: 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 – Continue with development works for Phases 3 & 4, with a strong focus on non-gaming, primarily targeting MICE, entertainment, family facilities and also including gaming, given COVID-19, timelines may be impacted
- Target to open an exclusive all-suite tower, Raffles at Galaxy Macau in the later part of 2021/early 2022
- Greater Bay Area & Hengqin – We understand the strategic master plan might have been revised with more emphasis on strengthening ties with Macau's plan for the future and the Macau community. It was reported that more information will be available shortly and we are eagerly awaiting the details. We are also expanding our focus beyond Hengqin and Macau to potentially include opportunities within the rapidly expanding Greater Bay Area
- International – Continuously exploring opportunities in overseas markets, including Japan



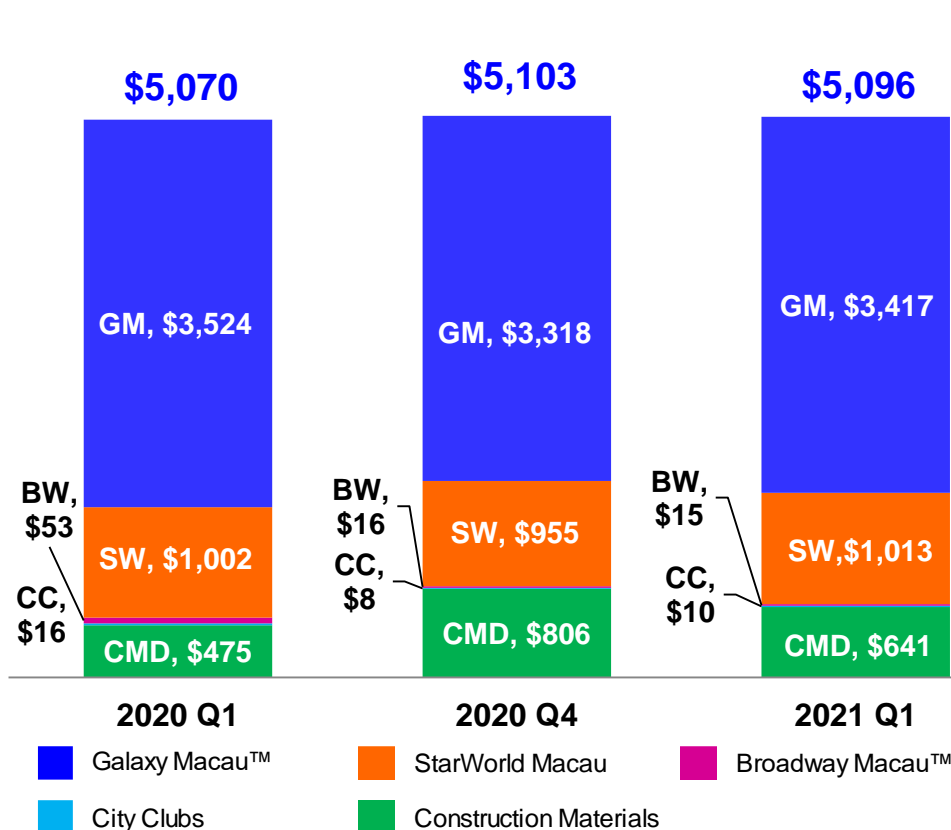
銀娛 GEG

# Q1 2021 Results

# GEG Revenue Q1 2021

Group Net Revenue in Q1 2021 increased 1% YoY and was flat sequentially to \$5.1 billion

GEG Net Revenue (HK\$'m)



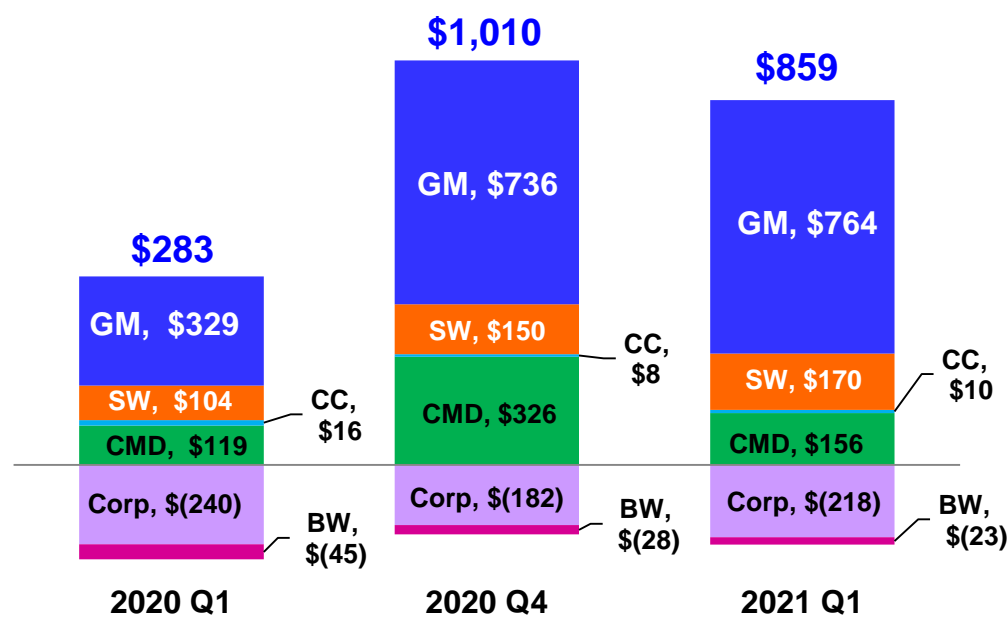
	YoY	QoQ
GEG Total	+1%	0%
Galaxy Macau™	(3)%	+3%
StarWorld Macau	+1%	+6%
Broadway Macau™	(72)%	(6)%
City Clubs	(38)%	+25%
Construction Materials	+35%	(20)%



# GEG Adjusted EBITDA Q1 2021

Group Adjusted EBITDA in Q1 2021 increased 204% YoY and decreased 15% QoQ to \$859 million

## GEG Adjusted EBITDA (HK\$'m)



■ Galaxy Macau™  
■ StarWorld Macau  
■ Broadway Macau™  
■ City Clubs  
■ Construction Materials  
■ Net Corporate Costs

	YoY	QoQ
GEG Total	+204%	(15)%
Galaxy Macau™	+132%	+4%
StarWorld Macau	+63%	+13%
Broadway Macau™	+49%	+18%
City Clubs	(38)%	+25%
Construction Materials	+31%	(52)%



# Galaxy Macau™ Q1 2021

**Galaxy Macau™ Q1 2021 Adjusted EBITDA was up 132% YoY and 4% QoQ to \$764 million**

**Net Revenue decreased 3% YoY and increased 3% QoQ to \$3.4 billion**

- VIP win decreased 34% YoY and increased 13% QoQ to \$1.3 billion
- Mass win increased 6% YoY and was flat QoQ to \$2.0 billion
- Non-gaming revenue of \$542 million was up 17% YoY and decreased 8% QoQ, including \$292 million of net rental revenue
- Hotel occupancy for Q1 across the five hotels was 44%

**Adjusted EBITDA of \$764 million, up 132% YoY and 4% QoQ**

- Normalized Q1 Adjusted EBITDA was \$637 million after adjusting for good luck of \$127 million
- Please note that Q4 2020 EBITDA benefitted from the COVID- 19 insurance claim of \$75 million

Galaxy Macau™	YoY	QoQ
<b>Total Gross Revenue</b>	<b>(12)%</b>	<b>+2%</b>
<b>Total Net Revenue</b>	<b>(3)%</b>	<b>+3%</b>
<b>Adjusted EBITDA</b>	<b>+132%</b>	<b>+4%</b>

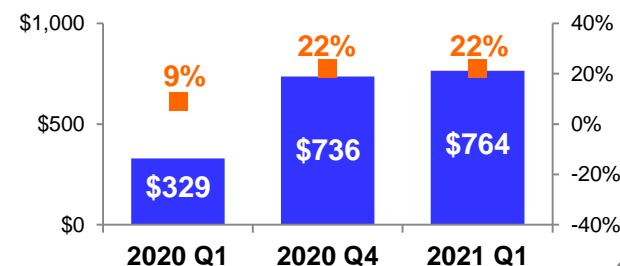
## Gaming (Gross)

VIP Win #	(34)%	+13%
Mass Win	+6%	0%
Slots Win	(43)%	(33)%
<b>Total Gaming Revenue</b>	<b>(15)%</b>	<b>+3%</b>

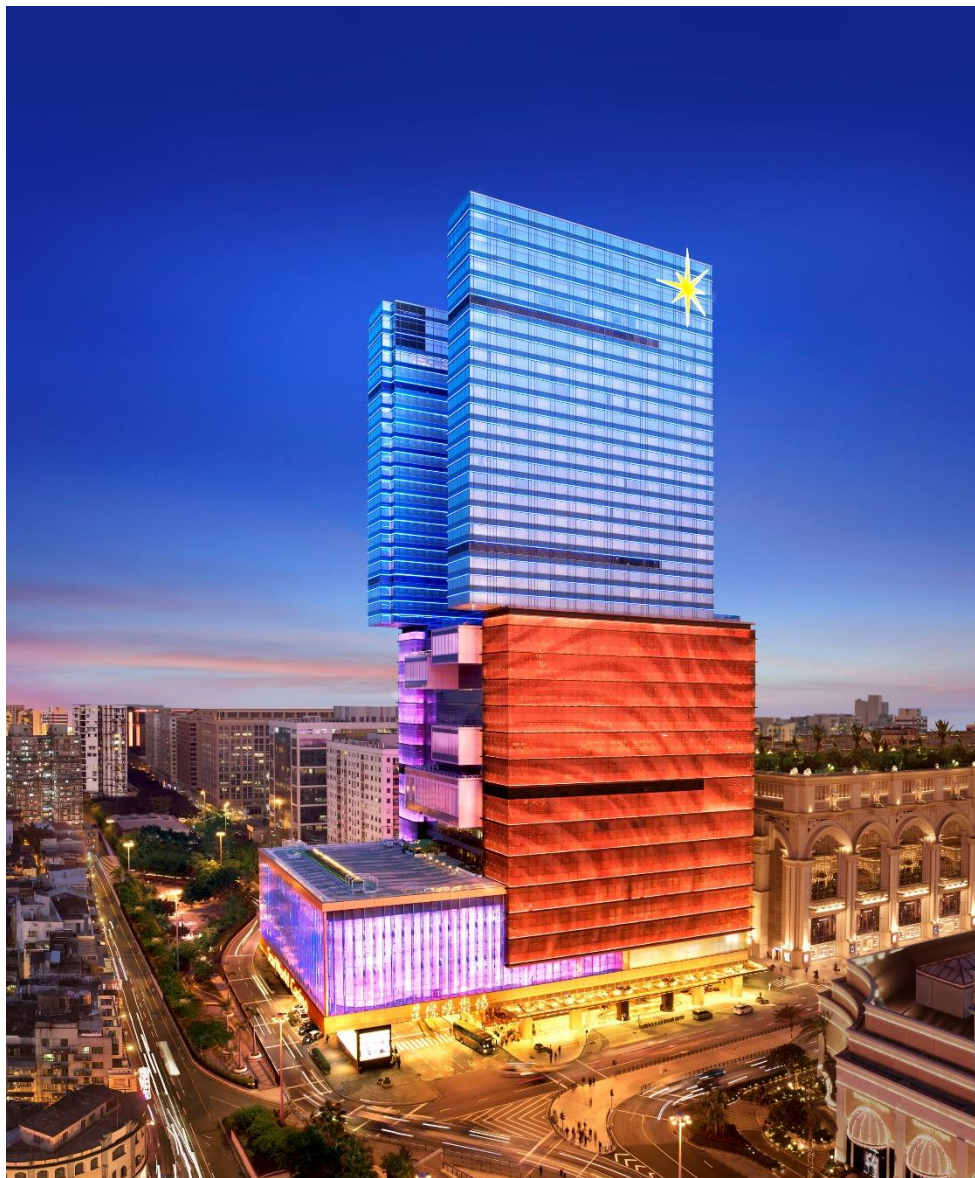
# includes Jinmen

<b>Non-Gaming Revenue</b>	<b>+17%</b>	<b>(8)%</b>
---------------------------	-------------	-------------

**Adjusted EBITDA (HK\$'m) and  
Adjusted EBITDA Margin (%)**







## StarWorld Macau Q1 2021 Adjusted EBITDA was up 63% YoY and 13% QoQ to \$170 million

### Net Revenue of \$1.0 billion increased 1% YoY and 6% QoQ

- VIP win increased 4% YoY and decreased 2% QoQ to \$470 million
- Mass win was flat YoY and increased 9% QoQ to \$727 million
- Non-gaming revenue decreased 24% YoY and was flat QoQ to \$41 million, including \$7 million of net rental revenue
- Hotel occupancy for Q1 was 62%

### Adjusted EBITDA of \$170 million, up 63% YoY and 13% QoQ

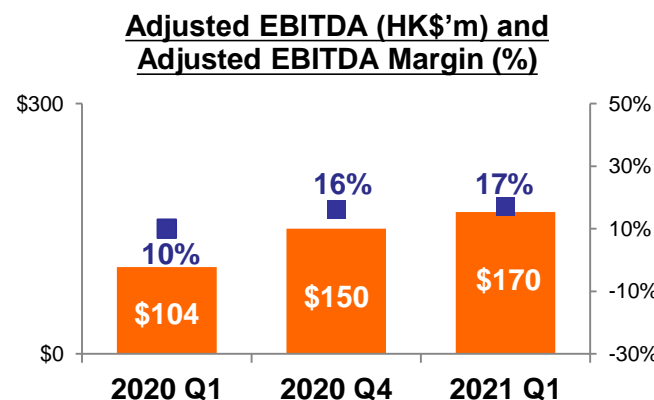
- Normalized Q1 Adjusted EBITDA was \$128 million after adjusting for good luck of \$42 million
- Please note that Q4 2020 EBITDA benefitted from the COVID- 19 insurance claim of \$25 million

StarWorld Macau	YoY	QoQ
Total Gross Revenue	0%	+5%
Total Net Revenue	+1%	+6%
Adjusted EBITDA	+63%	+13%

### Gaming (Gross)

VIP Win	+4%	(2)%
Mass Win	0%	+9%
Slots Win	(25)%	(64)%
Total Gaming Revenue	+1%	+5%

Non-Gaming Revenue	(24)%	0%
--------------------	-------	----







**Broadway Macau™ Adjusted EBITDA improved sequentially from a negative \$28 million in Q4 2020 to negative \$23 million in Q1 2021, was also up when compared to Q1 2020's negative \$45 million**

**Net Revenue of \$15 million, Vs \$53 million in prior year and \$16 million in Q4 2020**

- Hotel occupancy for Q1 was 9%

**Adjusted EBITDA of \$(23) million Vs \$(45) million in prior year and \$(28) million in Q4 2020**

- There was no luck impact on Q1 Adjusted EBITDA

Broadway Macau™	YoY	QoQ
Total Gross Revenue	(73)%	(6)%
Total Net Revenue	(72)%	(6)%
Adjusted EBITDA	+49%	+18%

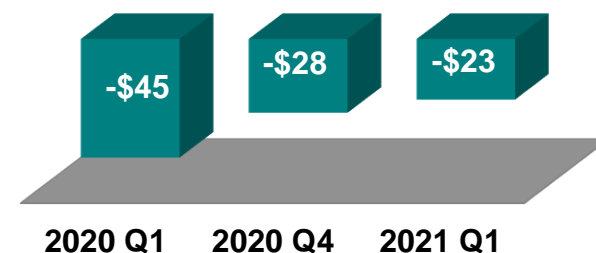
#### Gaming (Gross)

Mass Win*	N/A	N/A
Slots Win	(100)%	N/A
<b>Total Gaming Revenue</b>	<b>(100)%</b>	<b>N/A</b>

\* represents tables closed during the period

<b>Non-Gaming Revenue</b>	<b>(52)%</b>	<b>(6)%</b>
---------------------------	--------------	-------------

#### Adjusted EBITDA (HK\$m)



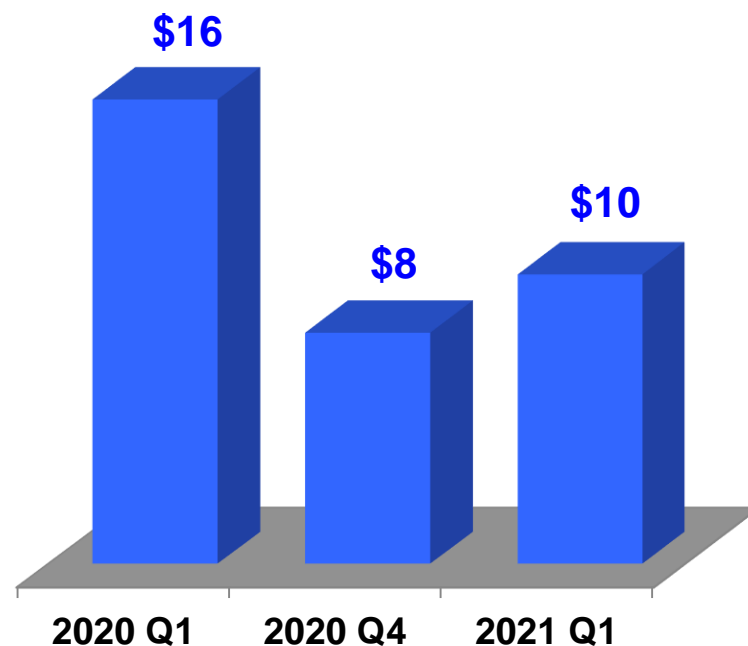


# City Clubs Q1 2021

City Clubs Q1 2021 Adjusted EBITDA decreased 38% YoY and increased 25% QoQ to \$10 million



Adjusted EBITDA (HK\$'m)





# Construction Materials Q1 2021

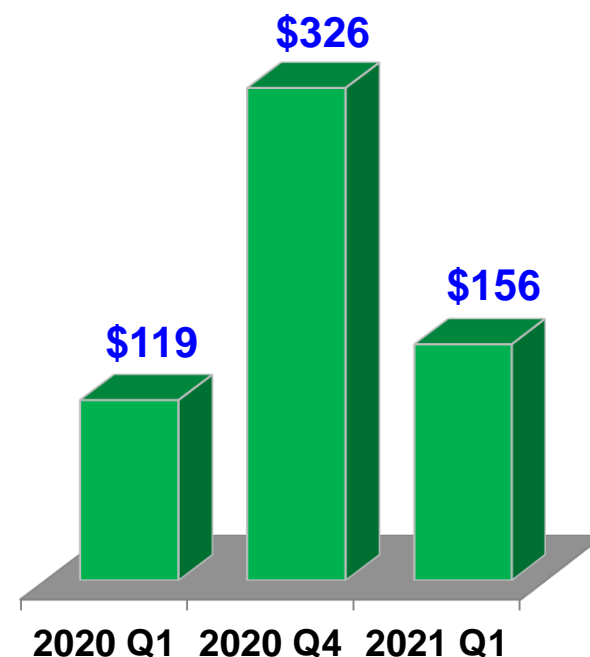
## Construction Materials Q1 2021 Adjusted EBITDA increased 31% YoY and decreased 52% QoQ to \$156 million

- Note that Q1 is historically a seasonally softer quarter compare to the other three quarters. This is an annual seasonal occurrence and we expect an improvement in Q2 2021

### Puer Cement Plant



### Adjusted EBITDA (HK\$'m)



# Selected Awards for Q1 2021

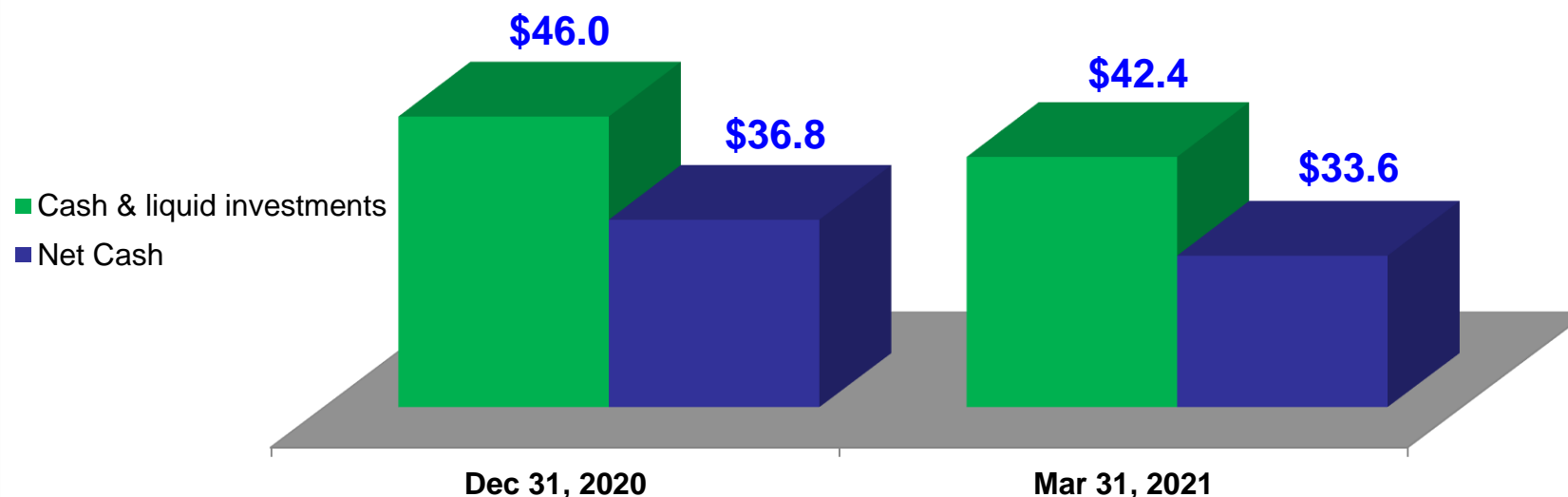
	Award			Presenter
Galaxy Macau™	<b>Michelin One-star</b> <ul style="list-style-type: none"> <li>8½ Otto e Mezzo BOMBANA</li> <li>Lai Heen</li> </ul>	<b>Michelin Plate</b> <ul style="list-style-type: none"> <li>Terrazza Italian Restaurant</li> <li>The Ritz-Carlton Café</li> <li>Yamazato</li> </ul>	<b>2021 Particularly Pleasant Luxury Hotel</b> <ul style="list-style-type: none"> <li>Banyan Tree Macau</li> <li>The Ritz-Carlton, Macau</li> </ul>	Michelin Guide Hong Kong and Macau 2021
	<b>2021 Forbes Travel Guide Five-star Hotel</b> <ul style="list-style-type: none"> <li>Banyan Tree Macau</li> <li>The Ritz-Carlton, Macau</li> </ul>	<b>2021 Forbes Travel Guide Five-star Spa</b> <ul style="list-style-type: none"> <li>Banyan Tree Spa Macau</li> <li>The Ritz-Carlton Spa, Macau</li> </ul>	<b>2021 Forbes Travel Guide Five-star Restaurant</b> <ul style="list-style-type: none"> <li>Belon</li> <li>Lai Heen</li> </ul>	Forbes Travel Guide
	<b>SCMP 100 Top Tables 2021</b> <ul style="list-style-type: none"> <li>8½ Otto e Mezzo BOMBANA</li> <li>Lai Heen</li> <li>Yamazato</li> </ul>			South China Morning Post
	Hotel Group B (Excellence Award) Energy Saving Concept Award (Hotel Group)			Macau Energy Saving Activity 2020
StarWorld Macau	<b>Top Class Comfort Hotel</b> Michelin Two-star - Feng Wei Ju			Michelin Guide Hong Kong and Macau 2021
	SCMP 100 Top Tables 2021 - Feng Wei Ju			South China Morning Post
Broadway Macau™	Michelin Plate - Wong Kun Sio Kung			Michelin Guide Hong Kong and Macau 2021
	Hotel Group B (Excellence Award)			Macau Energy Saving Activity 2020
Construction Materials Division	Safety Performance Award (Other Industries) - Outstanding	Safety Management System Award (Other Industries) - Merit	Safety Management System Award - Best Workplace Infection Control Measures Award (Other Industries) - Merit	Occupational Safety and Health Council The Hong Kong Occupational Safety & Health Award 2020

# Cash and Debt Update

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

- As at 31 March 2021, cash and liquid investments were \$42.4 billion and net cash was \$33.6 billion
- As at 31 March 2021, debt was \$8.8 billion, including \$8.3 billion associated with our treasury yield enhancement program and \$0.5 billion of core debt

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





# GEG Development Update

## Cotai - The Next Chapter

- We are proceeding with the development of Phases 3 & 4 and continue to review and refine plans to ensure a world-class optimal development. We see the premium market evolving with this segment preferring higher quality and more spacious rooms. 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
- We will try to maintain our development targets, however due to COVID-19, development timelines may be impacted. At this point we cannot quantify the impact but we will endeavor to maintain our schedule



Raffles at Galaxy Macau



Galaxy International Convention Center

# GEG Development Update

## Cotai - The Next Chapter

- The Group was pleased to announce in March the signing of a collaboration with Accor for Raffles
- Target to open an exclusive all-suite tower, Raffles at Galaxy Macau in the later part of 2021 or early 2022
- Raffles at Galaxy Macau, will feature an approximate 450 all-suites tower and is the latest chapter in the storied history of the legendary Raffles brand

Raffles at Galaxy Macau



## 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

## Greater Bay Area / Hengqin

- We understand the strategic master plan might have been revised with more emphasis on strengthening ties with Macau's plan for the future and the Macau community. It was reported that more information will be available shortly and we are eagerly awaiting the details
- In addition, we are also expanding our focus beyond Hengqin and Macau to potentially include opportunities within the rapidly expanding Greater Bay Area

## International

- Our Japan based team continues with our development efforts even as they deal with the COVID-19 crisis
- We view Japan as a long term growth opportunity that will complement our Macau operations and our other international expansion ambitions
- GEG, together with Monte-Carlo SBM from the Principality of Monaco and our Japanese partners, remain interested in bringing our brand of World Class IRs to Japan



# Summary

## Corporate – Gradual Pandemic Recovery Continues Supported by Continued Effective Cost Control

- Q1 2021 Net Revenue of \$5.1 billion, up 1% YoY and flat QoQ
- Q1 2021 Adjusted EBITDA of \$859 million, up 204% YoY and down 15% QoQ
- Normalized Q1 Adjusted EBITDA was \$690 million after adjusting for good luck of \$169 million

## Operations – Gradual Pandemic Recovery Continues

- Galaxy Macau™ reports \$3.4 billion of Net Revenue and \$764 million of Adjusted EBITDA in Q1 2021, down 3% and up 132% YoY respectively
- StarWorld Macau reports \$1.0 billion of Net Revenue and \$170 million of Adjusted EBITDA in Q1 2021, up 1% and 63% YoY respectively
- Broadway Macau™ reports \$15 million of Net Revenue and \$(23) million of Adjusted EBITDA in Q1 2021
- Construction Materials reports \$641 million of Net Revenue and \$156 million of Adjusted EBITDA in Q1 2021

## Financing – Healthy and Liquid Balance Sheet

- As at 31 March 2021, cash and liquid investments were \$42.4 billion and net cash was \$33.6 billion
- As at 31 March 2021, debt was \$8.8 billion, including \$8.3 billion associated with our treasury yield enhancement program and \$0.5 billion of core debt

## Development Pipeline – 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 – Continue with development works for Phases 3 & 4, with a strong focus on non-gaming, primarily targeting MICE, entertainment, family facilities and also including gaming, given COVID-19, timelines may be impacted
- Target to open an exclusive all-suite tower, Raffles at Galaxy Macau in the later part of 2021/early 2022
- Greater Bay Area & Hengqin – We understand the strategic master plan might have been revised with more emphasis on strengthening ties with Macau's plan for the future and the Macau community. It was reported that more information will be available shortly and we are eagerly awaiting the details. We are also expanding our focus beyond Hengqin and Macau to potentially include opportunities within the rapidly expanding Greater Bay Area
- International – Continuously exploring opportunities in overseas markets, including Japan

# 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**

# Disclaimer

This document and any verbal presentation or discussion have been prepared by Galaxy Entertainment Group Limited (the “Company”) solely for your personal reference. The information provided has not been independently verified. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information provided should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date of the presentation. None of the Company nor any of its respective affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

This document contains statements that reflect the Company’s beliefs and expectations about the future. These forward-looking statements are based on a number of assumptions about the Company’s operations and factors beyond the Company’s control, and accordingly, actual results may differ materially from these forward-looking statements. The Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

This document and the accompanying verbal presentation contain proprietary information and no part of it may be reproduced, redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization / firm) or published, in whole or in part, for any purpose.



## ***Selected Unaudited 2021 First Quarter Financial Data***

13 May, 2021