



## ***Selected Unaudited 2018 Third Quarter Financial Data***

25 October, 2018

# Executive Summary

## **GEG: Delivered Solid Performance, Driven by Mass, VIP & Operational Execution, Despite Playing Unlucky**

- Q3 Group Net Revenue\* of \$13.0 billion, up 6% YoY and down 7% QoQ
- Q3 Group Adjusted EBITDA of \$3.9 billion, up 10% YoY and down 10% QoQ
- Played unlucky in Q3 which decreased Adjusted EBITDA by approximately \$332 million
- Normalized Q3 Adjusted EBITDA of \$4.2 billion, up 16% YoY and down 6% QoQ
- LTM Adjusted EBITDA of \$16.7 billion, up 29% YoY and up 2% QoQ

## **Galaxy Macau™: Continued Solid Performance, Despite Playing Unlucky**

- Q3 Net Revenue\* of \$9.3 billion, up 7% YoY and down 6% QoQ
- Q3 Adjusted EBITDA of \$3.0 billion, up 9% YoY and down 8% QoQ
- Played unlucky in Q3 which decreased Adjusted EBITDA by approximately \$323 million
- Normalized Q3 Adjusted EBITDA of \$3.3 billion, up 14% YoY and down 2% QoQ
- Hotel occupancy for Q3 across the five hotels was virtually 100%

### **Notes**

\* Net Revenue is calculated in accordance with the new accounting standard and the comparison percentage is over the restated Net Revenue in Q3 2017 and Q2 2018.

# Executive Summary

## StarWorld Macau: Continued Solid Performance Driven by Mass

- Q3 Net Revenue\* of \$2.9 billion, up 7% YoY and down 5% QoQ
- Q3 Adjusted EBITDA of \$927 million, up 16% YoY and down 6% QoQ
- Played unlucky in Q3 which decreased Adjusted EBITDA by approximately \$5 million
- Normalized Q3 Adjusted EBITDA of \$932 million, up 24% YoY and down 6% QoQ
- Hotel occupancy for Q3 was virtually 100%

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

- Q3 Net Revenue\* of \$145 million, up 38% YoY and up 11% QoQ
- Q3 Adjusted EBITDA of \$9 million, versus \$(4) million in prior year & \$2 million in Q2 2018
- Played unlucky in Q3 which decreased Adjusted EBITDA by approximately \$4 million
- Normalized Q3 Adjusted EBITDA of \$13 million, versus \$(4) million in prior year and \$4 million in Q2 2018
- Hotel occupancy for Q3 was 96%

### Notes

\* Net Revenue is calculated in accordance with the new accounting standard and the comparison percentage is over the restated Net Revenue in Q3 2017 and Q2 2018.

# Executive Summary

## Balance Sheet: Healthy Balance Sheet

- Cash and liquid investments were \$43.3 billion and net cash of \$34.7 billion as at 30 September 2018
- Debt of \$8.6 billion as at 30 September 2018, primarily reflects ongoing treasury yield management initiative
- Paying the previously announced special dividend of \$0.50 per share on 26 October 2018

## Development Update: Continuing to Pursue Development Opportunities

- Cotai Phases 3 & 4 – Continue to move forward with Phases 3 & 4, with a strong focus on non-gaming, primarily targeting MICE, entertainment, family facilities and also including gaming
- Hengqin – Plans moving forward to develop a low-density integrated resort to complement our high-energy entertainment resorts in Macau
- International – Continuously exploring opportunities in overseas markets, including Japan



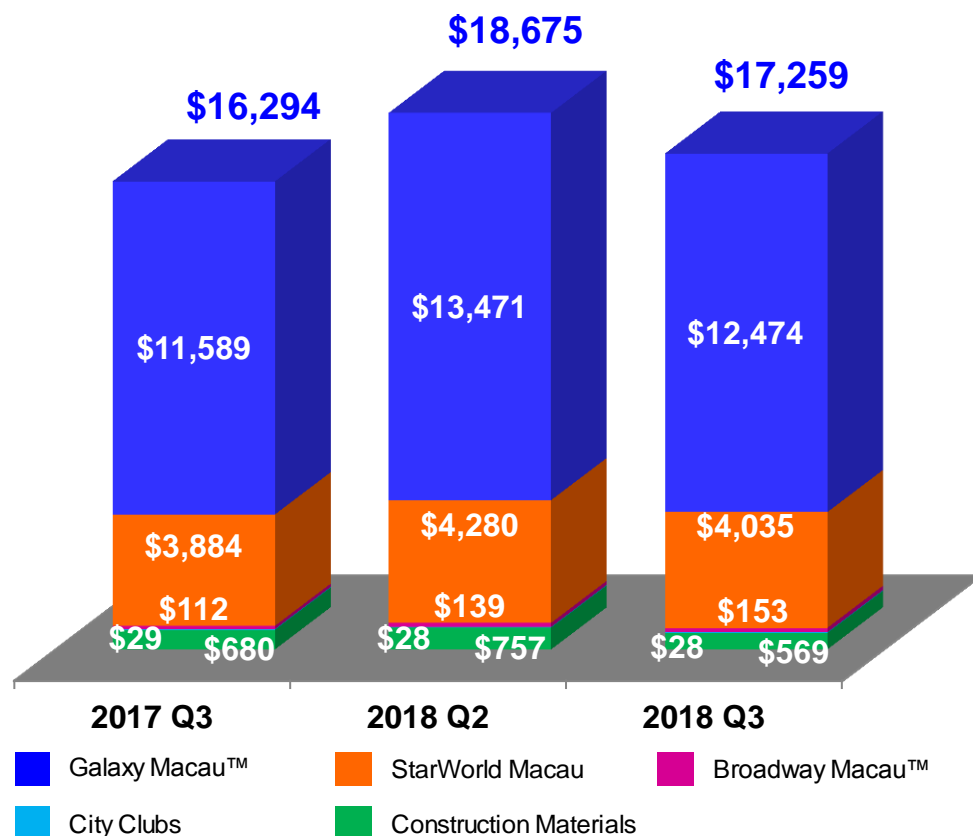
銀娛 GEG

# Q3 2018 Results

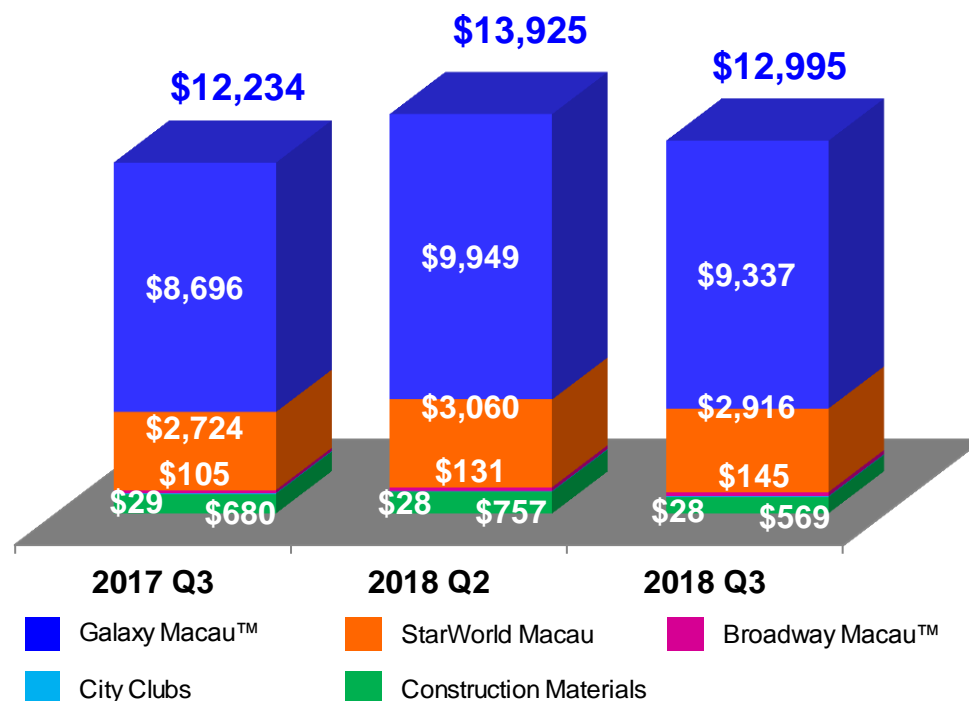
# GEG Revenue Q3 2018

Group Net Revenue in Q3 2018 grew 6% YoY and decreased 7% QoQ to \$13 billion

**GEG Gross Revenue (HK\$'m)**



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



# GEG Revenue Q3 2018

Group Net Revenue in Q3 2018 grew 6% YoY and decreased 7% QoQ to \$13 billion

YoY	Gross Revenue	Net Revenue
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GEG Total	+6%	+6%
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Galaxy Macau™	+8%	+7%
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StarWorld	+4%	+7%
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Broadway Macau™	+37%	+38%
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City Clubs	(3)%	(3)%
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Construction Materials	(16)%	(16)%
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QoQ	Gross Revenue	Net Revenue
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GEG Total	(8)%	(7)%
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Galaxy Macau™	(7)%	(6)%
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StarWorld	(6)%	(5)%
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Broadway Macau™	+10%	+11%
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City Clubs	0%	0%
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Construction Materials	(25)%	(25)%
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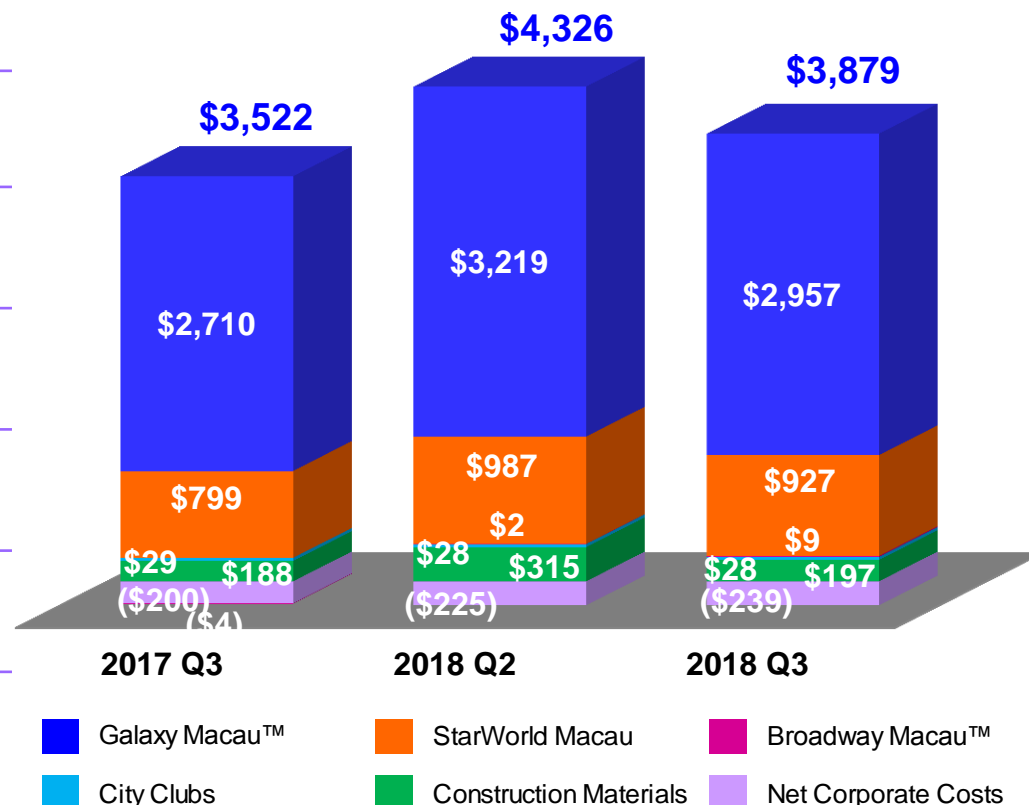
# GEG Adjusted EBITDA Q3 2018

**Group Adjusted EBITDA in Q3 2018 grew 10% YoY and decreased 10% QoQ to \$3.9 billion**

- Played unlucky which reduced EBITDA by approx. \$332 million
- Normalized EBITDA grew 16% YoY and decreased 6% QoQ to \$4.2 billion

	YoY	QoQ
<b>GEG Total</b>	+10%	(10)%
<b>Galaxy Macau™</b>	+9%	(8)%
<b>StarWorld Macau</b>	+16%	(6)%
<b>Broadway Macau™</b>	NMF	+350%
<b>City Clubs</b>	(3)%	0%
<b>Construction Materials</b>	+5%	(37)%

**GEG Adjusted EBITDA (HK\$m)**







# Galaxy Macau™ Q3 2018

## Galaxy Macau™ Q3 2018 Adjusted EBITDA grew 9% YoY and decreased 8% QoQ to \$3.0 billion

### Net Revenue of \$9.3 billion grew 7% YoY and decreased 6% QoQ

- VIP revenue grew 9% YoY and decreased 13% QoQ to \$6.4 billion
- Mass revenue grew 6% YoY and decreased 4% QoQ to \$4.4 billion
- Non-gaming revenue grew 7% YoY and 7% QoQ to \$1.2 billion, including \$268 million of net rental revenue
- Q3 hotel occupancy across the 5 hotels was virtually 100%

### Adjusted EBITDA of \$3.0 billion grew 9% YoY and decreased 8% QoQ

- Played unlucky which decreased Adjusted EBITDA by approx. \$323 million
- Normalized Adjusted EBITDA grew 14% YoY and decreased 2% QoQ to \$3.3 billion
- HKFRS Adjusted EBITDA Margin of 32%

Galaxy Macau™	YoY	QoQ
Total Gross Revenue	+8%	(7)%
Total Net Revenue	+7%	(6)%
Adjusted EBITDA	+9%	(8)%

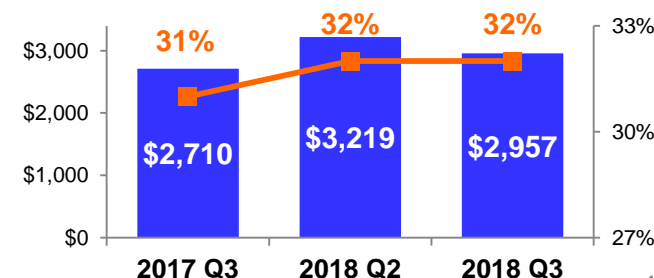
#### Gaming (Gross)

VIP Win #	+9%	(13)%
Mass Win	+6%	(4)%
Slots Win	+9%	+11%
Total Gaming Revenue	+8%	(9)%

# includes Jinmen

Non-Gaming Revenue	+7%	+7%
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Galaxy Macau™ Adjusted EBITDA (HK\$m)  
and Adjusted EBITDA Margin (%)







## StarWorld Macau Q3 2018 Adjusted EBITDA grew 16% YoY and decreased 6% QoQ to \$927 million

**Net Revenue of \$2.9 billion, up 7% YoY and down 5% QoQ**

- VIP win decreased 4% YoY and 9% QoQ to \$2.2 billion
- Mass win grew 18% YoY and decreased 1% QoQ to \$1.7 billion
- Non-gaming revenue decreased 2% YoY and flat QoQ to \$122 million, including \$12 million of net rental revenue
- Hotel occupancy in Q3 2018 was virtually 100%

**Adjusted EBITDA of \$927 million grew 16% YoY and declined 6% QoQ**

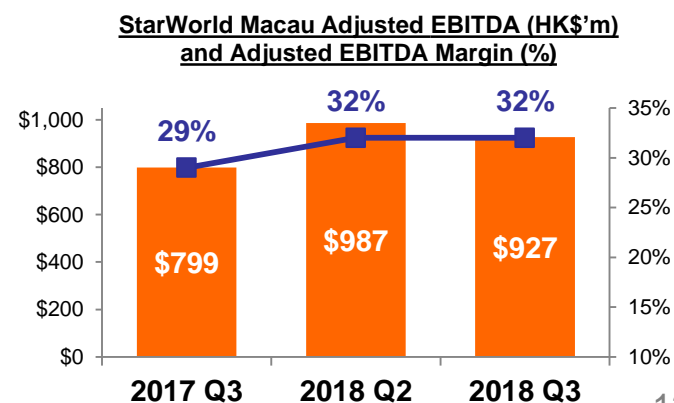
- Played unlucky which decreased Adjusted EBITDA by approx. \$5 million
- Normalized Adjusted EBITDA grew 24% YoY and decreased 6% QoQ to \$932 million
- HKFRS Adjusted EBITDA Margin of 32%

StarWorld Macau	YoY	QoQ
Total Gross Revenue	+4%	(6)%
Total Net Revenue	+7%	(5)%
Adjusted EBITDA	+16%	(6)%

### Gaming (Gross)

VIP Win	(4)%	(9)%
Mass Win	+18%	(1)%
Slots Win	+1%	(11)%
Total Gaming Revenue	+4%	(6)%

Non-Gaming Revenue	(2)%	0%
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## Broadway Macau™ Q3 2018 Adjusted EBITDA of \$9 million, versus \$(4) million in Q3 2017

Net Revenue of \$145 million, versus \$105 million in prior year and \$131 million in Q2 2018

- Mass win of \$62 million grew 29% YoY and 5% QoQ
- Revenue mix was approx. 52% non-gaming and 48% gaming
- Hotel occupancy for Q3 was 96%

Adjusted EBITDA of \$9 million versus \$(4) million in prior year and \$2 million in Q2 2018

- Played unlucky which decreased Adjusted EBITDA by approx. \$4 million

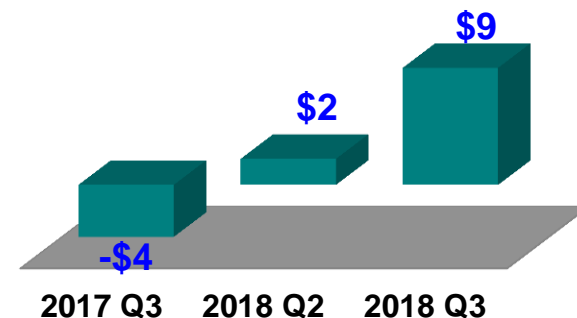
Broadway Macau™	YoY	QoQ
Total Gross Revenue	+37%	+10%
Total Net Revenue	+38%	+11%
Adjusted EBITDA	NMF	+350%

### Gaming (Gross)

Mass Win	+29%	+5%
Slots Win	+83%	(8)%
Total Gaming Revenue	+35%	+3%

Non-Gaming Revenue	+38%	+18%
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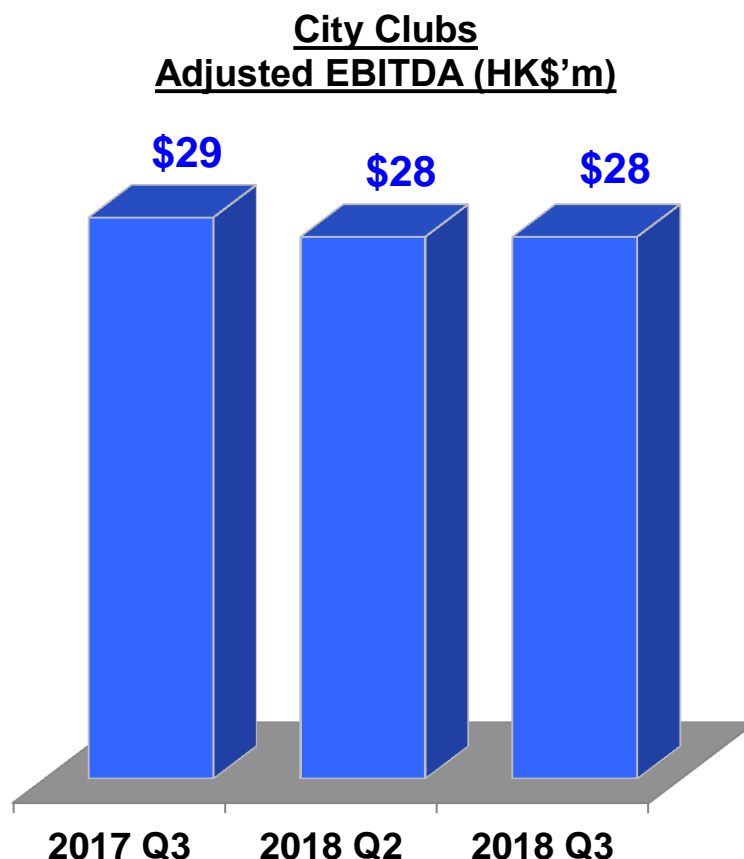
**Broadway Macau™  
Adjusted EBITDA (HK\$m)**





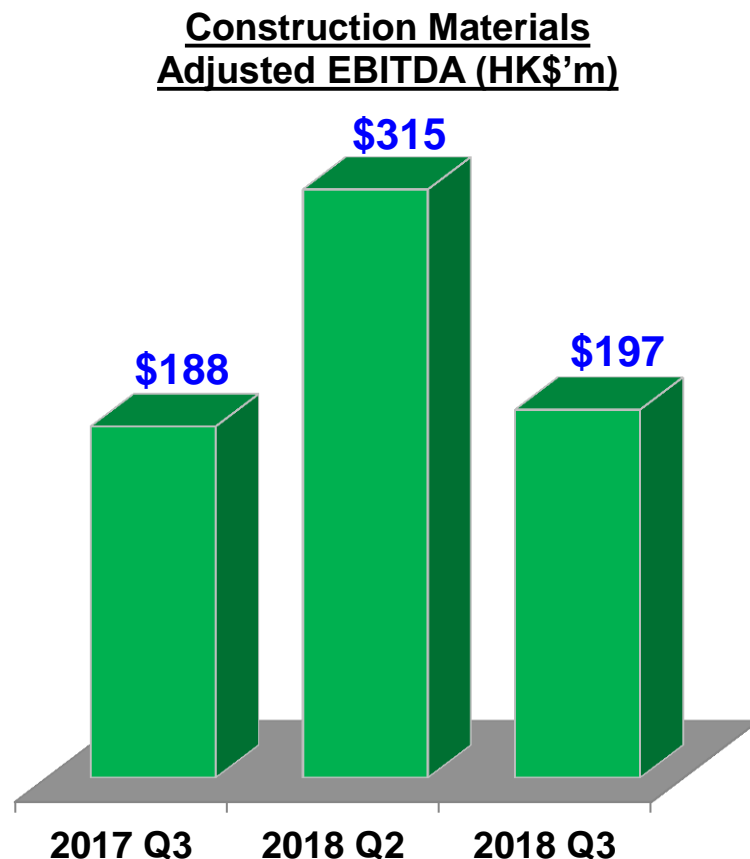
# City Clubs Q3 2018

City Clubs Q3 2018 Adjusted EBITDA decreased 3% YoY and flat QoQ to \$28 million



# Construction Materials Q3 2018

Q3 2018 Adjusted EBITDA grew 5% YoY to \$197 million in a seasonally slower period





# GEG Development Update

## Cotai - The Next Chapter

- Continue to move forward with Phases 3 & 4, which will include approximately 4,500 hotel rooms, including family and premium high end rooms, 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 look forward to formally announcing our development plans in the future

## Hengqin

- Continue to make progress with our concept plan for our Hengqin project. Hengqin will allow GEG to develop a low density leisure destination resort that will complement our high energy resorts in Macau

## International

- On 20 July 2018 the Japanese Diet passed the Integrated Resort (“IR”) Bill. We are very pleased with the recent passing of the IR Bill in Japan. We view Japan as a great 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, look forward to bringing our brand of World Class IRs to Japan.

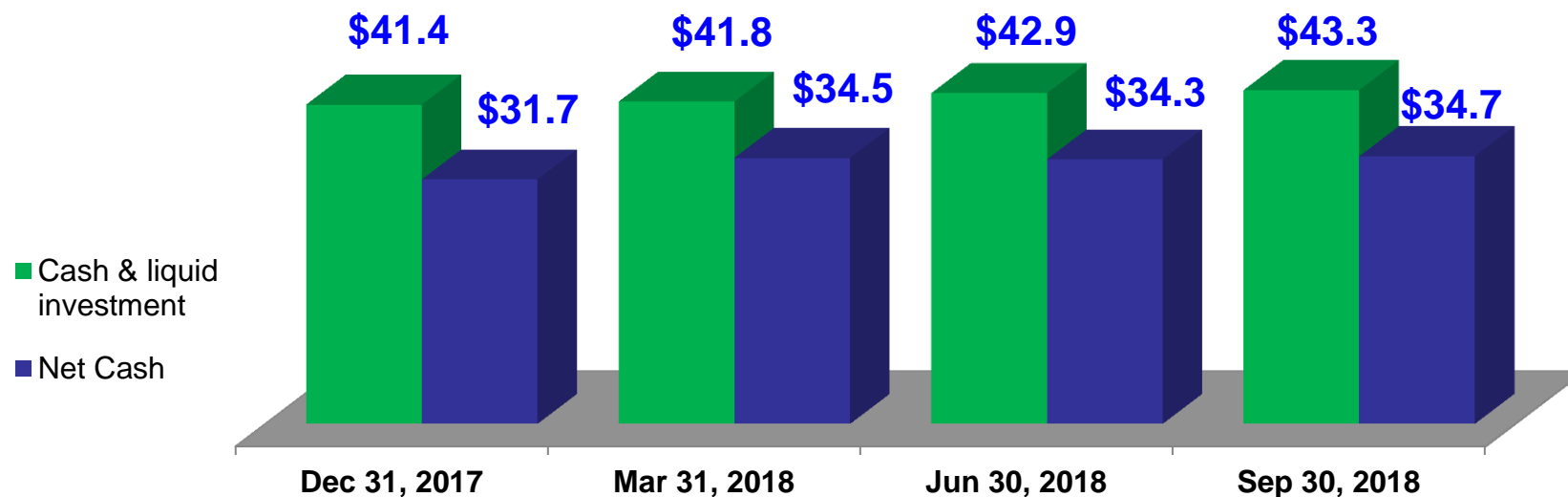
# Cash and Debt Update

## Balance Sheet: Healthy Balance Sheet

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### Cash\* & Net Cash\* on Hand (HK\$ billion)

\* Include liquid investment



# Selected Q3 2018 Awards

	Award	Presenter
GEG	Asiamoney Asia's Outstanding Companies Poll – Most Outstanding Company in Hong Kong - Consumer Discretionary Sector	Asiamoney
	Outstanding Corporate Social Responsibility Award	Mirror Post
Galaxy Macau™	Asia's Leading Casino Resort 2018	The 25 <sup>th</sup> World Travel Awards
StarWorld Macau	<i>Selected Restaurant</i> - Feng Wei Ju - Jade De Jardin	Ctrip Gourmet List 2018
Construction Materials Division	Grand Award-Excellence in Environmental Disclosure	Hong Kong ESG Reporting Awards
	17 <sup>th</sup> Hong Kong OSH Award Safety Performance Award- Other Industries	Occupational Safety and Health Council

# Q3 2018 Summary

## Corporate

- Q3 Group Net Revenue of \$13.0 billion, up 6% YoY and down 7% QoQ
- Q3 Group Adjusted EBITDA of \$3.9 billion, up 10% YoY and down 10% QoQ
- Paying the previously announced special dividend of \$0.50 per share on 26 October 2018

## Operations

- Galaxy Macau™ reports \$9.3 billion of Net Revenue and \$3.0 billion of Adjusted EBITDA in Q3 2018, up 7% and 9% YoY respectively
- StarWorld Macau reports \$2.9 billion of Net Revenue and \$927 million of Adjusted EBITDA in Q3 2018, up 7% and 16% YoY respectively
- Broadway Macau™ reports \$145 million of Net Revenue and \$9 million of Adjusted EBITDA in Q3 2018

## Financing

- Cash and liquid investments of \$43.3 billion and net cash of \$34.7 billion at 30 September 2018
- Debt of \$8.6 billion as at 30 September 2018, primarily reflects ongoing treasury yield management initiative

## Development Pipeline

- Cotai Phases 3 & 4 – Continue to move forward with Phases 3 & 4, with a strong focus on non-gaming, primarily targeting MICE, entertainment, family facilities and also including gaming
- Hengqin – Plans moving forward to develop a low-density integrated resort to complement our high-energy entertainment resorts in Macau
- 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**

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