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12 September 2019

# 3Q19 EBITDA Is on Track to Meet Our Forecast

2019年第3季度EBITDA有望达到我们预期

- **Wynn Macau's (the "Company") parent company, Wynn Resorts (WYNN US), made an announcement (the "Announcement") on 11 Sep. in which it disclosed expected revenue and EBITDA for the Company for the first two months of 3Q19.** The Announcement was not a profit warning, but instead was a disclosure made in relation to a private offering of senior unsecured notes by two of the Wynn Resorts subsidiaries.
- **Consistent with the broader Macau market, the Company anticipates casino revenues and adjusted property EBITDA for 3Q19 will be negatively impacted by significantly lower VIP gaming turnover, which was negatively impacted by the ongoing U.S.-China trade dispute and social-political disruption in Hong Kong.** In addition, while total VIP win as a percentage of turnover was within the expected range of 2.7% to 3.0% during July and August, unusually low hold in the Company's direct VIP operations negatively impacted EBITDA during the period. On the bright side, the Company expects VIP gaming results to be partially offset by continued growth in mass market table drop and slot handle.
- **Based on the Announcement, the Company's total revenue for July and August is expected to decrease by between 12.0% and 12.2% yoy, better than our current forecast for the Company's revenue to decline of 15.1% yoy in 3Q19.** According to the Announcement, the Company's total revenue for July and August is expected to be in the range of US\$1.01 billion to US\$1.12 billion, compared to US\$1.15 billion for July and August 2018; this implies a yoy decrease of between 12.0% and 12.2%, better than our latest forecast for 3Q19 revenue of US\$1.113 billion, reflecting a 15.1% yoy decrease.
- **Based on the Announcement, the Company's hold-normalized adjusted property EBITDA is expected to decrease by between 15.6% to 24.0% yoy for July and August, in line with our current forecast for 3Q19 decline of 22.9% yoy.** According to the Announcement, adjusted property EBITDA is expected to be in the range of about US\$225 million to US\$248 million for July and August combined, down by between 26.9% to 33.7% from US\$339.4 million for July and August 2018. However, the Company estimates that its lower-than-normal table games hold percentage negatively impacted adjusted property EBITDA by about US\$30 million to US\$35 million for July and August compared to a benefit of about US\$4 million during July and August 2018. Excluding these "luck" factors implies that hold-normalized adjusted property EBITDA declined by between 15.6% and 24.0% to between US\$255 million to US\$283 million for July and August combined. This growth is in line with our latest forecast for the Company's 3Q19 adjusted EBITDA to decrease by 22.9% yoy to US\$315.5 million.
- **We maintain our HK\$15.70 target price and "Neutral" investment rating.** Our outlook for the sector and the Company remains the same, since our last Wynn Macau Company report was published on 6 Sep.
- 永利澳门（以下简称“公司”）的母公司永利度假村（WYNN US）在9月11日发布了一份公告，其中披露了公司在2019年第3季度前2个月的预期收入和EBITDA。该公告并非盈利预警，而是披露了公司的控股股东 Wynn Resorts 两间附属公司定向发行优先无抵押票据的情况。
- 与整体的澳门市场一致，公司预计2019年第3季度的娱乐场收益及经调整后的物业EBITDA将因中美的持续贸易争端及香港的社会政治局势干扰导致贵宾博彩转码数大幅减少而受到不利影响。此外，尽管7月和8月的贵宾总赢额占转码数百分比在2.7%至3.0%的预期范围内，但该期间异常低的直接贵宾业务赢率对EBITDA造成了不利影响。但好的方面是，公司预计贵宾博彩业绩将被中场赌台投注额及角子机投注额的持续增长所部分抵消。
- 根据该公告，公司7月与8月的总收入预期将同比减少12.0%至12.2%，好于我们目前对公司收入在2019年第3季度同比下降15.1%的预测。根据该公告，公司7月与8月的总收入预计为10.1亿美元至11.2亿美元，而2018年同期为11.5亿美元；此数据意味着收入同比减少12.0%至12.2%，好于我们最近对公司2019年第3季度收入为11.13亿美元，同比下降15.1%的预测。

- 根据该公告，公司在 7 月及 8 月的标准化赢率下经调整物业 EBITDA 预期将同比减少 15.6%至 24.0%，与我们对此数据将在 2019 年第 3 季度同比下降 22.9%的预期一致。根据该公告，7 月与 8 月的预期经调整物业 EBITDA 为 2.25 亿美元至 2.48 亿美元，比去年同期的 3.394 亿美元同比下降 26.9%至 33.7%。然而，公司估计 2019 年 7 月与 8 月低于正常水平的中场赌台赢率对经调整物业 EBITDA 带来了约 0.3-0.35 亿美元的负面影响，而去年同期此项数据为约 400 万美元的正面影响。去除运气因素后，公司 7 月与 8 月的标准化赢率下经调整物业 EBITDA 合计为 2.55 亿美元至 2.83 亿美元，同比下降 15.6%至 24.0%。该增长率与我们最近对公司 2019 年第 3 季度经调整物业 EBITDA 将同比下降 22.9%至 3.155 亿美元的预测一致。
- 我们维持公司 15.70 港元的目标价与“中性”的投资评级。我们对行业与公司的展望与我们最近在 9 月 6 日发布的公司报告一致。

**Company Rating Definition**

The Benchmark: Hong Kong Hang Seng Index

Time Horizon: 6 to 18 months

| Rating     |    | Definition  |
|------------|----|---|
| Buy        | 买入 | Relative Performance > 15%;<br>or the fundamental outlook of the company or sector is favorable.            |
| Accumulate | 收集 | Relative Performance is 5% to 15%;<br>or the fundamental outlook of the company or sector is favorable.     |
| Neutral    | 中性 | Relative Performance is -5% to 5%;<br>or the fundamental outlook of the company or sector is neutral.       |
| Reduce     | 减持 | Relative Performance is -5% to -15%;<br>or the fundamental outlook of the company or sector is unfavorable. |
| Sell       | 卖出 | Relative Performance < -15%;<br>or the fundamental outlook of the company or sector is unfavorable.         |

**Sector Rating Definition**

The Benchmark: Hong Kong Hang Seng Index

Time Horizon: 6 to 18 months

| Rating       |      | Definition   |
|--------------|------|--|
| Outperform   | 跑赢大市 | Relative Performance > 5%;<br>or the fundamental outlook of the sector is favorable.       |
| Neutral      | 中性   | Relative Performance is -5% to 5%;<br>or the fundamental outlook of the sector is neutral. |
| Underperform | 跑输大市 | Relative Performance < -5%;<br>Or the fundamental outlook of the sector is unfavorable.    |

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