



## *Selected Unaudited 2020 First Quarter Financial Data*

13 May, 2020

# Letter from the Chairman of GEG



Q1 2020 has been a very difficult period for the community and businesses globally due to the COVID-19 pandemic. I would like to express my heartfelt thanks to everyone globally for their efforts and restraints during this period of time. In particular, I would like to acknowledge and thank all of the medical and emergency personnel for their efforts and sacrifice.

The introduction of immigration and quarantine restrictions has adversely affected visitations to Macau and impacted virtually all businesses in Macau. However, I am pleased to say that the Macau Government has been doing an excellent job to implement a wide range of health and safety and financial measures, to minimize the impact of the pandemic and to unite society. Also, all the concessionaires are working closely with the Macau Government and the relevant departments to contain the spread of the virus.

Moving onto our Q1 2020 performance, our net revenue during this difficult quarter was \$5.1 billion and Adjusted EBITDA was \$283 million. At this point in time it is difficult to quantify the full year financial impact of the virus, but it will have a material impact on our financial results and we cannot determine the duration of the pandemic.

We remain well capitalized. Having said that, we are doing our best to adjust our operations to the current business environment and effectively control costs. I would like to thank everyone on the GEG team who supported the Company in these difficult times by contributing to our cost control program. I am proud to report that virtually all team members made voluntary contributions including the Board of Directors (the “Board”) which also waived their Director’s fee, management who participated in our non-paid leave program and the many group members who joined our Flexi Family Care Program. At GEG we have tried to spread the impact of COVID-19 fairly across all team members as we prefer not to engage in redundancies. We continue with our Cotai development of Phases 3 & 4. We paid the previously announced special dividend of \$0.45 per share on 24 April 2020.

Further to our previously announced financial donations, facial masks, education support, social services and food & hygiene hampers, in April 2020, we announced an additional donation of MOP75 million through the Galaxy Entertainment Group Foundation. The goal of these initiatives is to assist healthcare workers, help with public health promotion and support the medical and scientific research related to the epidemic. In addition, GEG Foundation subscribed \$100 million to a special purpose Macau COVID-19 Recovery Bond that was specifically launched to provide financial assistance to SMEs in Macau. Total philanthropic contributions by GEG now total MOP200 million.

During this challenging period of time, we need to stay focused on the battle against the pandemic and I would like to thank all the medical and emergency personnel for their efforts and sacrifice. I would also like to thank our loyal staff for maintaining the highest level of cleanliness and hygiene within our resorts. I would like to acknowledge the outstanding efforts of the Central and the Macau SAR Governments and thank them for their leadership during this period. I am confident in the longer term that we will recover from this challenge and we are committed to supporting the Macau Government in their vision to develop Macau into a World Center of Tourism and Leisure. Thank you.

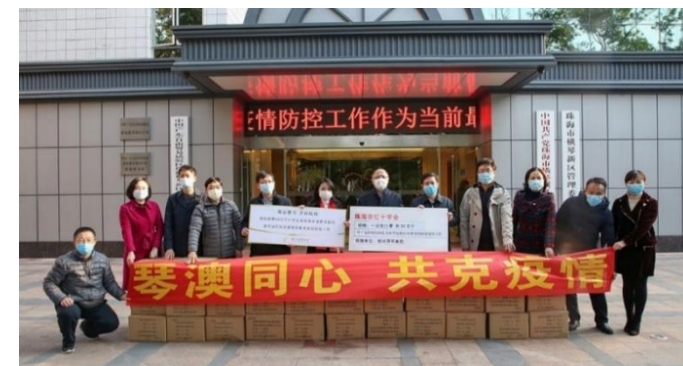
**Dr. Lui Che Woo**

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

# Prevention Efforts against Coronavirus

Working closely with the Macau Government to promote health & safety of the community, our team members and guests; and to prevent the spread of the coronavirus

- **Total philanthropic contributions by GEG now total MOP200 million**
- **Donation of MOP25 million to Hubei and Macau**
  - Cash donation of MOP20 million through Galaxy Entertainment Group Foundation to Hubei Province in order to assist in relief efforts and to purchase medical supplies and equipment
  - Cash donation of MOP5 million to support the prevention initiatives in the Macau community
    - Provided MOP30,000 to over 35 local schools for infection prevention measures
    - Provided MOP2,000 to over 900 children registered at Macau's 20 non-government subsidized nurseries for the school fee
- **Additional Donation of MOP75 million**
  - Announced in April an additional donation of MOP75 million through the Galaxy Entertainment Group Foundation to provide assistance to healthcare workers, help with public health promotion and support the medical and scientific research related to the epidemic



# Prevention Efforts against Coronavirus

Working closely with the Macau Government to promote health & safety of the community, our team members and guests; and to prevent the spread of the coronavirus

- **Subscription of the HKD100 million SMEs themed COVID-19 Impact Alleviation Social Bonds issued by Bank of China (Macau Branch)**
  - The Social Bonds were issued to support the affected SMEs to overcome the challenges during the epidemic
  - The proceeds will be used to provide loans and reduce the financing costs of Macau SMEs that provides health care and medical supplies so as to support the recovery of the local production and supply of epidemic prevention and control products
- **Donation of 1 million masks to Macau and China**
  - Donation of 500,000 protective face masks to the Macau Government; and another 500,000 protective face masks to Zhuhai City Government and Hengqin New Area Government



*Ceremony of the HKD100 million subscription of the SMEs themed COVID-19 Impact Alleviation Social Bonds*



*Certificate of the Bond subscription*

# Prevention Efforts against Coronavirus

Working closely with the Macau Government to promote health & safety of the community, our team members and guests; and to prevent the spread of the coronavirus

## Supporting our staff and guests

- Increased the frequency of cleaning and sanitation of our resorts
- Provided full pay to staff during casino suspension
- No staff layoffs during casino suspension
- Strengthened disinfection and cleaning in public and back-of-house areas
- Installed rapid temperature-screening equipment at all resort casino and staff entrances
- Providing protective masks and hand sanitizers to our staff and guests
- Providing health and sanitation education and information

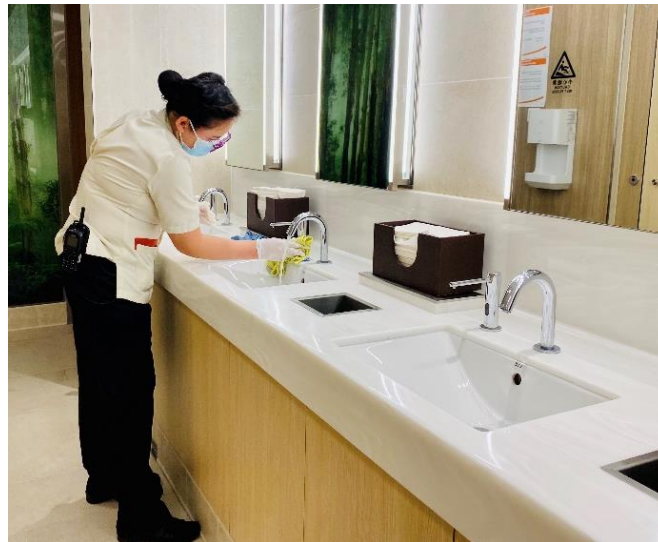
## Supporting the community

- Working closely with the Macau Government and adopted all of their protective measures
- GEG volunteer team delivered festive gift packs to 40 elderly users of Peng On Tung Tele-Assistance Service
- Donated disinfection and hygiene products to the Fuhong Society of Macau, The General Union of Neighborhood Associations and Women's General Association of Macau



# Photo Collage of GEG Prevention Efforts against Coronavirus

Working closely with the Macau Government to promote health & safety of the community, our team members and guests; and to prevent the spread of the coronavirus



# Photo Collage of GEG Prevention Efforts against Coronavirus

Working closely with the Macau Government to promote health & safety of the community, our team members and guests; and to prevent the spread of the coronavirus



# Executive Summary

## GEG: Well Capitalized to Weather the Storm

- Balance sheet remains strong and liquid with healthy cash position of \$51.9 billion
- Adjusting operations to the current business environment and effectively controlling cost
- Continue to ramp up Cotai Phases 3 & 4 while COVID-19 may impact schedule
- Q1 Group Net Revenue of \$5.1 billion, down 61% YoY and down 61% QoQ
- Q1 Group Adjusted EBITDA of \$283 million, down 93% YoY, down 93% QoQ
- Played lucky in Q1 which increased Adjusted EBITDA by approximately \$84 million, normalized Q1 Adjusted EBITDA of \$199 million, down 95% YoY and down 95% QoQ

## Galaxy Macau™: Adjusting Operations to the Current Business Environment

- Q1 Net Revenue of \$3.5 billion, down 62% YoY and down 62% QoQ
- Q1 Adjusted EBITDA of \$329 million, down 89% YoY, down 90% QoQ
- Played lucky in Q1 which increased Adjusted EBITDA by approximately \$73 million, normalized Q1 Adjusted EBITDA of \$256 million, down 91% YoY and down 91% QoQ
- Hotel occupancy for Q1 across the five hotels was 38%



# Executive Summary

## StarWorld Macau: Adjusting Operations to the Current Business Environment

- Q1 Net Revenue of \$1.0 billion, down 66% YoY and down 62% QoQ
- Q1 Adjusted EBITDA of \$104 million, down 89% YoY, down 87% QoQ
- Played lucky in Q1 which increased Adjusted EBITDA by approximately \$12 million, normalized Q1 Adjusted EBITDA of \$92 million, down 90% YoY and down 89% QoQ
- Hotel occupancy for Q1 was 42%

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

- Q1 Net Revenue of \$53 million, down 65% YoY and down 66% QoQ
- Q1 Adjusted EBITDA of \$(45) million versus \$15 million in Q1 2019 and \$16 million in Q4 2019
- Played unlucky in Q1 which decreased Adjusted EBITDA by approximately \$1 million, normalized Q1 Adjusted EBITDA of \$(44) million versus \$11 million in Q1 2019 and \$17 million in Q4 2019
- Hotel occupancy for Q1 was 34%

# Executive Summary

## Balance Sheet: Healthy and Liquid Balance Sheet

- Cash and liquid investments were \$51.9 billion and net cash was \$47.5 billion as at 31 March 2020
- Debt of \$4.4 billion as at 31 March 2020, primarily reflects ongoing treasury yield management initiative
- Paid the previously announced special dividend of \$0.45 per share on 24 April 2020

## Development Update: Continuing to Pursue Development Opportunities

- Property Enhancement Program – Almost completed the previously announced \$1.5 billion property enhancement program in both Galaxy Macau™ and StarWorld Macau, are reviewing additional enhancement opportunities
- 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
- Hengqin – Refining plans for a lifestyle resort to complement our high-energy entertainment resorts in Macau
- International – Continuously exploring opportunities in overseas markets, including Japan



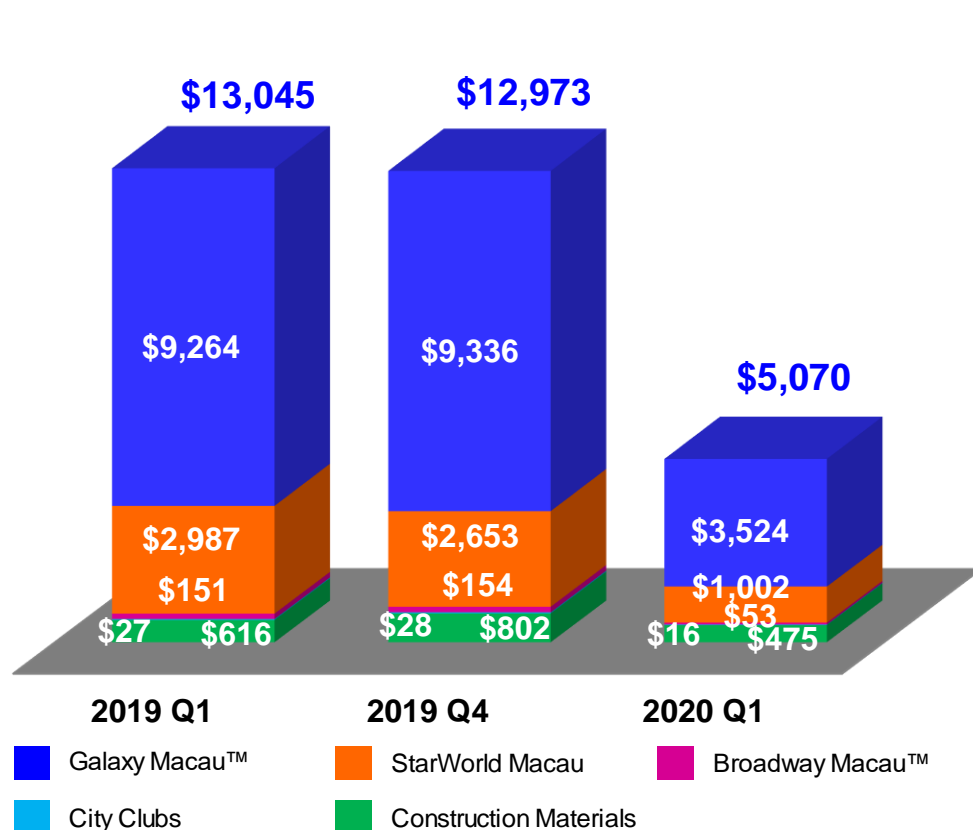
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# Q1 2020 Results

# GEG Revenue Q1 2020

Group Net Revenue in Q1 2020 decreased 61% YoY and 61% QoQ to \$5.1 billion

GEG Net Revenue (HK\$'m)



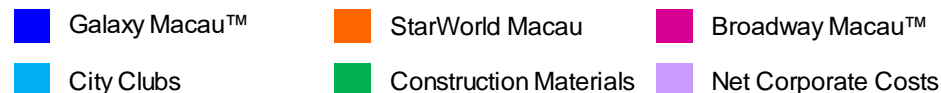
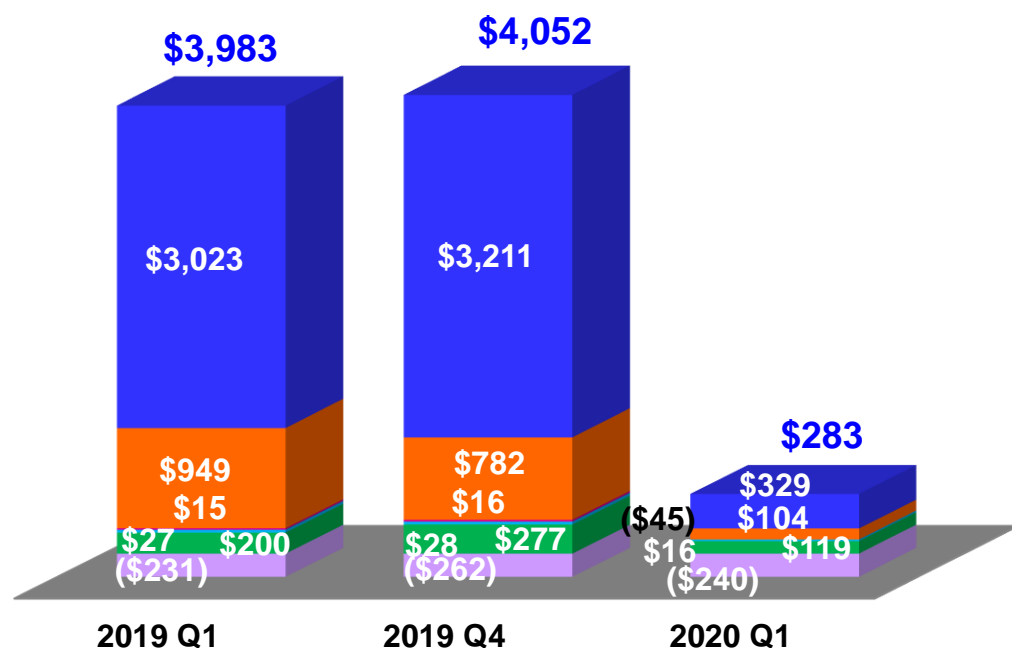
	YoY	QoQ
GEG Total	(61)%	(61)%
Galaxy Macau™	(62)%	(62)%
StarWorld Macau	(66)%	(62)%
Broadway Macau™	(65)%	(66)%
City Clubs	(41)%	(43)%
Construction Materials	(23)%	(41)%

# GEG Adjusted EBITDA Q1 2020

Group Adjusted EBITDA in Q1 2020 decreased 93% YoY and 93% QoQ to \$283 million

- Played lucky which increased EBITDA by approx. \$84 million
- Normalized EBITDA decreased 95% YoY and 95% QoQ to \$199 million

GEG Adjusted EBITDA (HK\$'m)



	YoY	QoQ
GEG Total	(93)%	(93)%
Galaxy Macau™	(89)%	(90)%
StarWorld Macau	(89)%	(87)%
Broadway Macau™	NMF	NMF
City Clubs	(41)%	(43)%
Construction Materials	(41)%	(57)%



## Galaxy Macau™ Q1 2020 Adjusted EBITDA was down 89% YoY and 90% QoQ to \$329 million

**Net Revenue decreased 62% YoY and 62% QoQ to \$3.5 billion**

- VIP win decreased 63% YoY and 57% QoQ to \$2.0 billion
- Mass win decreased 63% YoY and 64% QoQ to \$1.9 billion
- Non-gaming revenue of \$464 million was down 59% YoY, including \$151 million of net rental revenue
- Hotel occupancy for Q1 across the five hotels was 38%

**Adjusted EBITDA decreased 89% YoY and 90% QoQ to \$329 million**

- Played lucky which increased Adjusted EBITDA by approx. \$73 million
- Normalized Adjusted EBITDA decreased 91% YoY and 91% QoQ to \$256 million
- HKFRS Adjusted EBITDA Margin of 9%

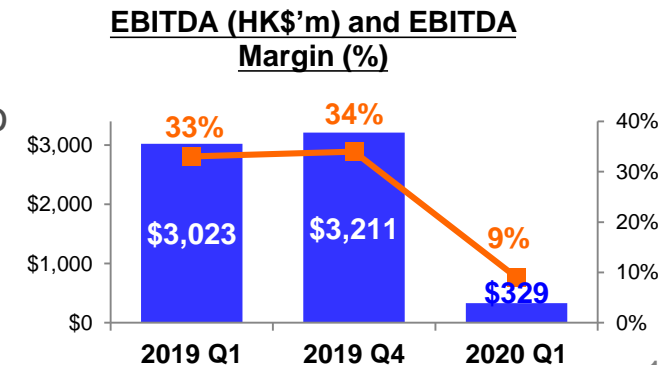
Galaxy Macau™	YoY	QoQ
<b>Total Gross Revenue</b>	<b>(62)%</b>	<b>(61)%</b>
<b>Total Net Revenue</b>	<b>(62)%</b>	<b>(62)%</b>
<b>Adjusted EBITDA</b>	<b>(89)%</b>	<b>(90)%</b>

### Gaming (Gross)

VIP Win #	(63)%	(57)%
Mass Win	(63)%	(64)%
Slots Win	(65)%	(67)%
<b>Total Gaming Revenue</b>	<b>(63)%</b>	<b>(61)%</b>

# includes Jinmen

<b>Non-Gaming Revenue</b>	<b>(59)%</b>	<b>(61)%</b>
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## StarWorld Macau Q1 2020 Adjusted EBITDA was down 89% YoY and 87% QoQ to \$104 million

**Net Revenue of \$1.0 billion decreased 66% YoY and 62% QoQ**

- VIP win decreased 79% YoY and 75% QoQ to \$451 million
- Mass win decreased 59% YoY and 55% QoQ to \$725 million
- Non-gaming revenue decreased 58% YoY and 61% QoQ to \$54 million, including \$5 million of net rental revenue
- Hotel occupancy in Q1 2020 was 42%

**Adjusted EBITDA of \$104 million decreased 89% YoY and 87% QoQ**

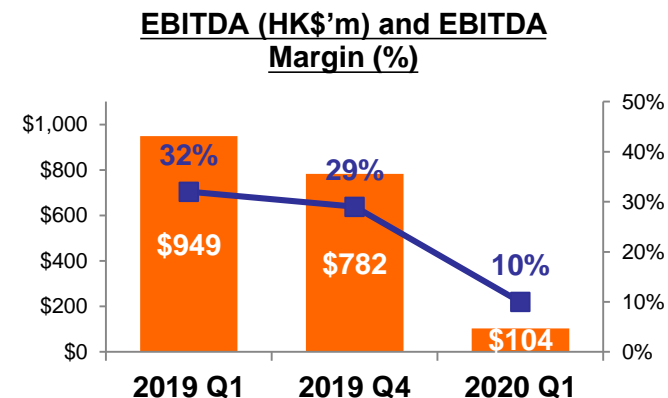
- Played lucky which increased Adjusted EBITDA by approx. \$12 million
- Normalized Adjusted EBITDA decreased 90% YoY and 89% QoQ to \$92 million
- HKFRS Adjusted EBITDA Margin of 10%

StarWorld Macau	YoY	QoQ
Total Gross Revenue	(69)%	(65)%
Total Net Revenue	(66)%	(62)%
Adjusted EBITDA	(89)%	(87)%

### Gaming (Gross)

VIP Win	(79)%	(75)%
Mass Win	(59)%	(55)%
Slots Win	(48)%	(56)%
Total Gaming Revenue	(70)%	(65)%

Non-Gaming Revenue	(58)%	(61)%
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## Broadway Macau™ Q1 2020 Adjusted EBITDA of \$(45) million, versus \$15 million in Q1 2019

Net Revenue of \$53 million, versus \$151 million in prior year and \$154 million in Q4 2019

- Mass win of \$20 million versus \$70 million in Q1 2019
- Revenue mix was approx. 58% non-gaming and 42% gaming
- Hotel occupancy for Q1 was 34%

Adjusted EBITDA of \$(45) million versus \$15 million in prior year and \$16 million in Q4 2019

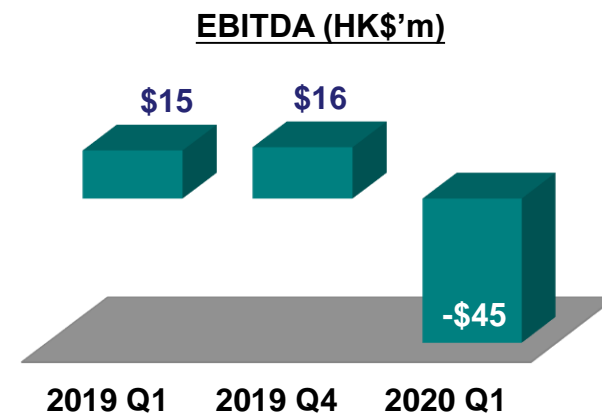
- Played unlucky which decreased Adjusted EBITDA by approx. \$1 million

Broadway Macau™	YoY	QoQ
Total Gross Revenue	(65)%	(65)%
Total Net Revenue	(65)%	(66)%
Adjusted EBITDA	NMF	NMF

### Gaming (Gross)

Mass Win	(71)%	(67)%
Slots Win	(67)%	(55)%
Total Gaming Revenue	(71)%	(65)%

Non-Gaming Revenue	(59)%	(65)%
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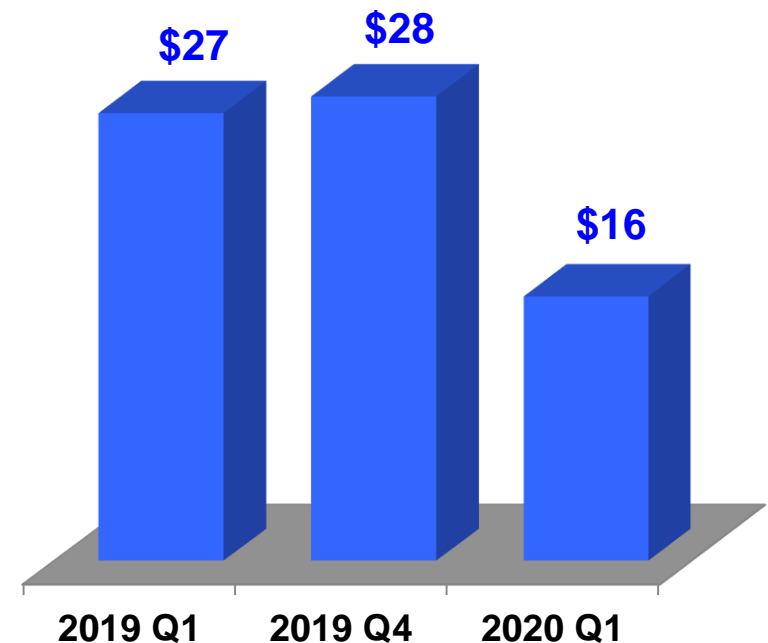


# City Clubs Q1 2020

City Clubs Q1 2020 Adjusted EBITDA decreased 41% YoY and 43% QoQ to \$16 million



Adjusted EBITDA (HK\$'m)



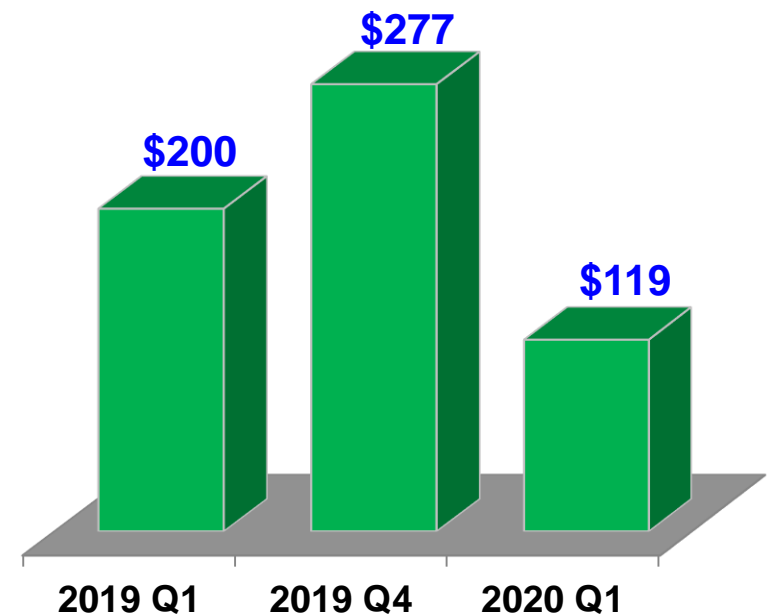
# Construction Materials Q1 2020

Construction Materials Q1 2020 Adjusted EBITDA decreased 41% YoY and 57% QoQ to \$119 million

Nan Gang Slag Plant



Adjusted EBITDA (HK\$'m)



# Selected Awards in Q1 2020

	Award	Presenter
GEG	Casino Operator of the Year Australia & Asia Socially Responsible Operator (Asia / Australia)	13 <sup>th</sup> International Gaming Awards
	Social Responsibility Award	The 2 <sup>nd</sup> Greater China Most Influential Brand & Entrepreneur Awards Ceremony
Galaxy Macau™	<b>5-Star Hotel:</b> The Ritz-Carlton Macau Banyan Tree Macau  <b>5-Star Restaurant:</b> Lai Henn Belon  <b>5-Star Spa:</b> The Ritz-Carlton Spa, Macau Banyan Tree Spa Macau	2020 Forbes Travel Guide
	<b>100 Top Tables 2020:</b> 8 ½ Otto e Mezzo BOMBANA Macau Yamazato Lai Heen	South China Morning Post
	Hotel Group B Excellence Award: Galaxy Macau™	Macau Energy Saving Activity 2019

# Selected Awards in Q1 2020

	Award	Presenter
<b>StarWorld Macau</b>	100 Top Tables 2020 - Feng Wei Ju	South China Morning Post
<b>Construction Materials Division</b>	Caring Company Scheme – 15 Years Plus Caring Company Logo	The Hong Kong Council of Social Service
	Hong Kong Awards for Environmental Excellence – Manufacturing and Industrial Services – Certificate of Merit	Environmental Campaign Committee
	Hong Kong Green Organisation Certification - Wastewi\$e - Certificate - Excellence Level - Carbon Reduction - Certificate - Achieved 7% Carbon Reduction	
	Occupational Health Award 2019-20 Joyful@Healthy Workplace Best Practices Award (Enterprise / Organisation Category) – Grand Award	Occupational Safety and Health Council
	BOCHK Corporate Environmental Leadership Awards 2019 – EcoPartner & 3 Years+ EcoPioneer	Bank of China (Hong Kong) and Federation of Hong Kong Industries

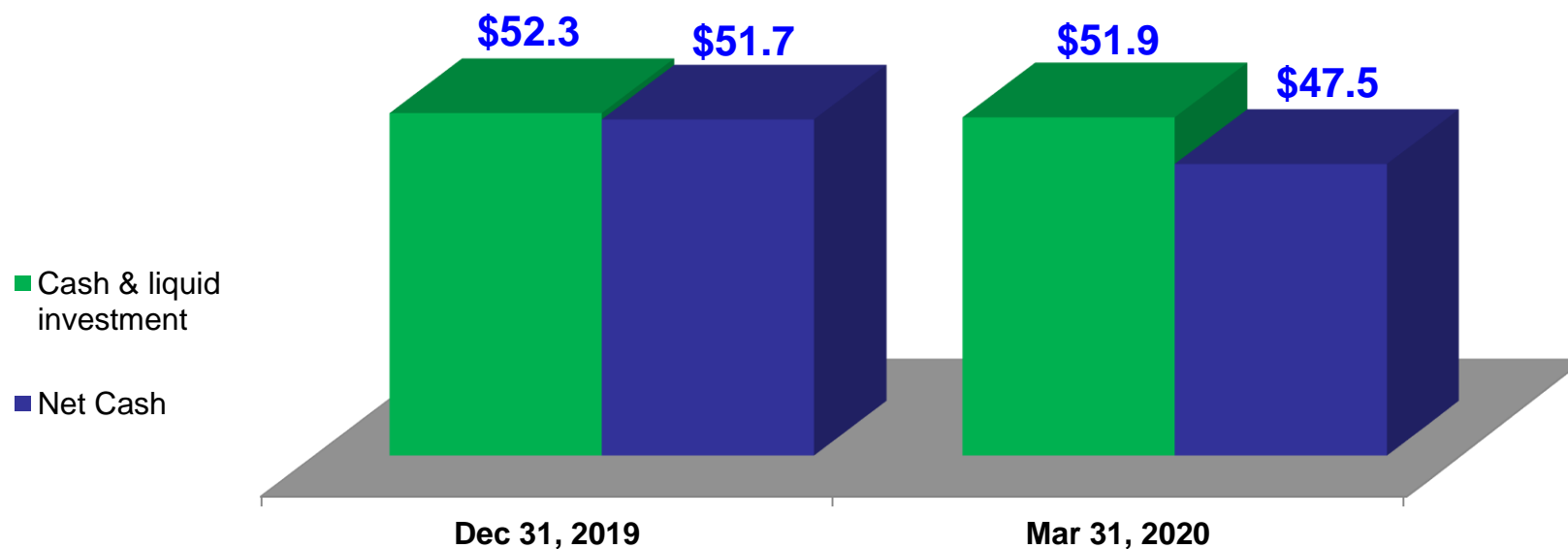
# Cash and Debt Update

## Balance Sheet: Healthy and Liquid Balance Sheet

- Cash and liquid investments were \$51.9 billion and net cash was \$47.5 billion as at 31 March 2020
- Debt of \$4.4 billion as at 31 March 2020, primarily reflects ongoing treasury yield management initiative
- Paid the previously announced special dividend of \$0.45 per share on 24 April 2020

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

\* Include liquid investment





# GEG Development Update

## Cotai - The Next Chapter

- GEG is uniquely positioned for long term growth. Our development works for Phases 3 & 4 include approximately 3,500 hotel rooms and villas, 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 will try to maintain development target, 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



← **High-end Hotel Tower**

**Galaxy International  
Convention Center**



# GEG Development Update



## Galaxy Macau™ and StarWorld Macau

- Almost completed the previously announced \$1.5 billion property enhancement program in both Galaxy Macau™ and StarWorld Macau
- We have identified and are reviewing additional enhancement opportunities

## Hengqin

- We continue to make progress with our concept plan for a lifestyle resort on Hengqin that will complement our high energy resorts in Macau
- We are encouraged by the Macau Chief Executive's recent positive comments in his inaugural Policy Address about the future role of Hengqin in the further development of Macau. We look forward to working with respective governments to develop our plan in Hengqin and support the government's strategy to diversify Macau's economy

## International

- Our Japan based team continues with our Japan development efforts
- 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

# Summary

## Corporate – Well Capitalized with Strong Balance Sheet

- Q1 2020 Adjusted EBITDA of \$283 million, down 93% YoY
- Paid the previously announced special dividend of \$0.45 per share on 24 April 2020

## Operations – Adjust Operations to Current Business Environment

- Galaxy Macau™ reports \$3.5 billion of Net Revenue and \$329 million of Adjusted EBITDA in Q1 2020, down 62% and 89% YoY respectively
- StarWorld Macau reports \$1.0 billion of Net Revenue and \$104 million of Adjusted EBITDA in Q1 2020, down 66% and 89% YoY respectively
- Broadway Macau™ reports \$53 million of Net Revenue and \$(45) million of Adjusted EBITDA in Q1 2020

## Financing – Strong and Liquid Balance Sheet

- Cash and liquid investments of \$51.9 billion and net cash of \$47.5 billion at 31 March 2020
- Debt of \$4.4 billion as at 31 March 20, primarily reflects ongoing treasury yield management initiative

## Development Pipeline – Continue to Ramp Up Phases 3 & 4

- Almost completed the previously announced \$1.5 billion property enhancement program in both Galaxy Macau™ and StarWorld Macau. we have identified and are reviewing additional enhancement opportunities
- 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
- Hengqin – Refining our plans for a lifestyle 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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