Macau Gaming

Jul 26's GGR Misses Consensus By 2%

OVERWEIGHT
(Maintained)

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Highlights

- Macau's Jul 26 GGR reached MOP20.3b, down 8% yoy, but up 9% mom. July's GGR figure missed market consensus by 2%, and recovered to 83% of 2019's level.
- 1H26 cumulative visitations increased 9% yoy to 20.9m, up 3% vs 2019's level, with growth mainly driven by same-day visitors, which jumped 15% yoy, while overnight visitors remained largely flat
- Maintain OVERWEIGHT; Galaxy remains our top pick.

Analysis

- **Jul 26's GGR missed market consensus by 2%.** According to DICJ, Macau's Jul 26 gross gaming revenue (GGR) reached MOP20.3b, down 8% yoy but up 9% mom. July's GGR figure missed market consensus by 2%, and recovered to 83% of 2019's level (vs a recovery of 78% in Jun 26). For 7M26, GGR rose by 4% yoy to MOP147.2b.
- **Visitations to Macau increased 9% yoy and 3% vs 2019's level in 1H26.** According to the Statistics and Census Service (DSEC), in Jun 26, Macau's total visitations reached 2.8m, down 3% yoy and 20% mom, recovering to 90% of 2019's level. Of this, Mainland Chinese visitors reached 2.0m, down 2% yoy and 23% mom, and same-day visitors totalled 1.6m, up 2% yoy but down 24% mom. The average length of stay for visitors remained unchanged mom at 1.7 days. For 1H26, cumulative visitations increased 9% yoy to 20.9m, up 3% vs 2019's level, with growth mainly driven by same-day visitors, which jumped 15% yoy, while overnight visitors remained largely flat.
- **Hotel occupancy rates and average room rates fell mom due to World Cup in Jun 26.** The Macao Government Tourism Office reported a decrease in hotel occupancy rates to 88.5% in Jun 26 from 91.7% in May 26, and average room rates declined to MOP1,287 in Jun 26 from MOP1,387 in May 26 due to the FIFA World Cup.

Valuation/Recommendation

- **Maintain OVERWEIGHT; Galaxy remains our top pick.** We still prefer Galaxy, as its post-World Cup events calendar (Tencent Music Awards, i-dle and ENHYPEN concerts) should help capture incremental high-end demand amid a premium-driven recovery path in GGR. We maintain Galaxy's target price at HK$48.00, based on a 12.0x target 2026 EV/EBITDA ratio. The stock currently trades at 7.9x 2026 EV/EBITDA and 7.4x 2027 EV/EBITDA.

Sector Picks

Company	Ticker	Rec	Share Price (HK$)	Target Price (HK$)
Galaxy	27 HK	BUY	34.20	48.00

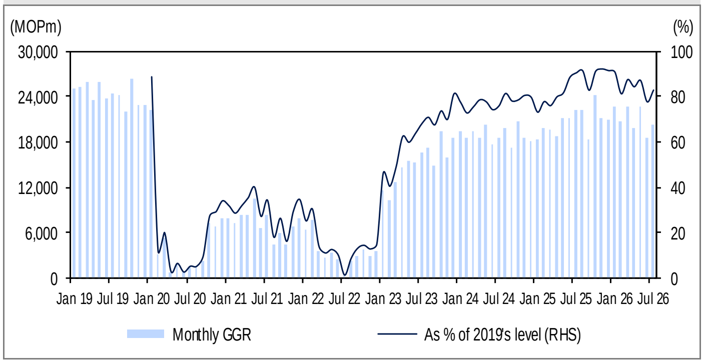
Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Price 31-Jul-26 (HK$)	Target Price (HK$)	Upside to TP (%)	Market Cap (US$m)	PE 2026F (x)	PE 2027F (x)	P/B 2026F (x)	P/B 2027F (x)	EV/EBITDA 2026F (x)	EV/EBITDA 2027F (x)	ROE 2026E (%)	Yield 2026F (%)
Galaxy	27 HK	BUY	34.20	48.00	40.4	19,097.96	13.6	12.8	1.7	1.6	7.9	7.4	12.8	4.9
Sands China	1928 HK	BUY	14.72	20.30	37.9	15,191.47	12.9	11.9	10.2	9.4	9.4	9.0	81.7	7.6

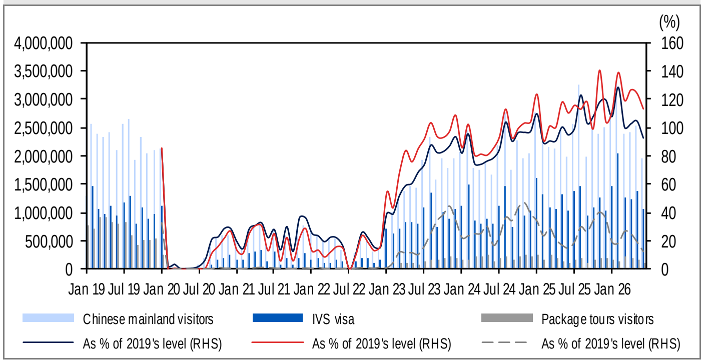
Source: Bloomberg, UOB Kay Hian

Monthly GGR Trend



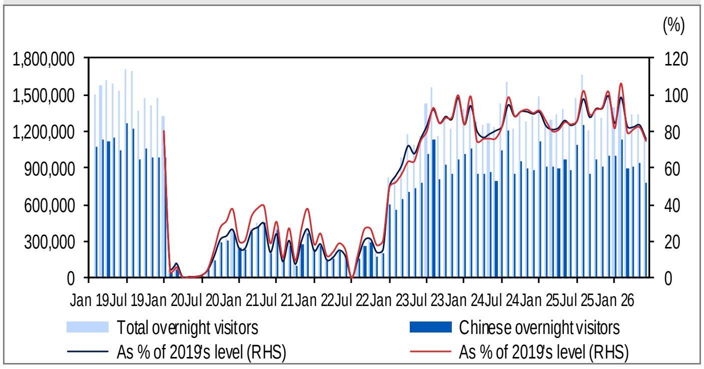
Source: DICJ, UOB Kay Hian

Mainland Visitors Under IVS And Group Tours



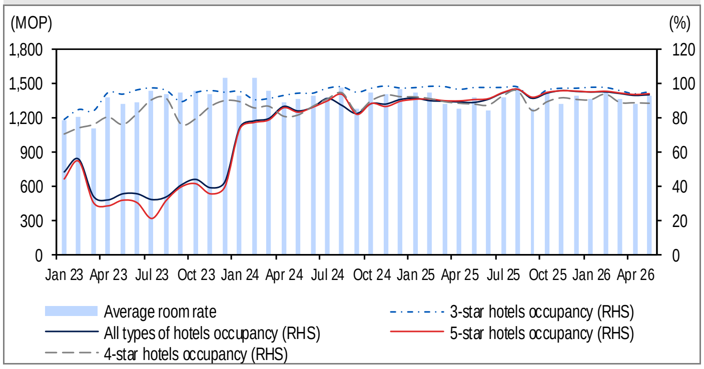
Source: Macao Tourism, DSEC, UOB Kay Hian

Monthly Overnight Visitors



Source: Macao Tourism, DSEC, UOB Kay Hian

Hotel Occupancy Rates And Room Rates



Source: Macao Tourism, UOB Kay Hian