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Company – Results | Malaysia

Friday, 21 August 2026

Genting Malaysia (GENM MK)

2Q26: RWNYC Gaining Momentum, Better 2H26 Ahead

Highlights

- 2Q26 results came in within expectations, lifted mainly by US operations as RWNYC fully transitioned into a commercial casino and is expected to further enhance earnings in 2H26 as operations reach better efficiency.
- Operations in RWG and UK were flattish, with lower visitations due to ongoing Middle East tensions.
- Maintain BUY with an unchanged target price of RM2.36. RWNYC's stronger earnings delivery provides visible upside towards 2H26-2027 earnings.

2Q26 Results

Year to 31 Dec (RMm)	2Q26	qoq % chg	yoy % chg	1H26	yoy % chg	Remarks
Revenue	3853.3	34.4	32.0	6720.2	8.9	Improved yoy on higher RWNYC and Empire's consolidation
Adjusted EBITDA	899.1	37.8	12.5	1551.6	0.7	
Leisure – Malaysia	615.0	20.1	1.4	1127.1	2.2	Surged yoy due to better operating cost management, despite lower visitations
Leisure – UK	68.8	35.2	(2.0)	119.7	8.1	Impacted by geopolitical tensions in the Middle East, and higher payroll costs
Leisure – US	216.6	169.1	82.9	297.1	(10.9)	Lifted by RWNYC's commercial casino commencement
Others	(56.4)	(4800.0)	(124.0)	(55.2)	(3780.8)	
Pretax profit	143.8	233.6	(71.4)	186.9	102.4	
Net Profit	47.4	(1347.4)	(88.6)	43.6	200.5	
Core net Profit	178.8	455.3	(11.9)	211.0	(12.8)	Deducting exceptional items
Margins (%)		+/- ppt	+/- ppt		+/- ppt	
Core adjusted EBITDA	23.3	0.6	(4.1)	23.1	(2.0)	
Core net profit	4.6	3.5	(2.3)	3.1	(1.2)	

Source: GENM, UOB Kay Hian

Analysis

- **2Q26: Within expectations.** Genting Malaysia (GENM) reported higher core adjusted EBITDA of RM899m (+13% yoy, +38% qoq) in 2Q26. 1H26 EBITDA was within expectations, making up 51% and 52% of our and consensus full-year forecasts respectively.
- **RWG charted flattish earnings, with better cost management offsetting weaker visitations.** Resorts World Genting's (RWG) revenue dropped 1% yoy, while EBITDA improved 1% yoy. On gaming statistics, non-VIP wins (-3% yoy) and VIP wins (+2% yoy) were mixed, with overall weaker visitations due to fewer holidays and moderating travel demand (hilltop visitors -6% yoy). Nevertheless, better operating cost management resulted in a slight EBITDA improvement of 1% and EBITDA margin uptick of 0.8ppt yoy.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	10,911.8	11,884.3	12,201.6	12,882.2	13,281.3
EBITDA	2,550.2	3,297.6	3,024.4	3,298.0	3,471.8
Operating profit	1,309.9	1,983.1	1,657.8	1,944.2	2,145.2
Net profit (rep./act.)	(108.9)	754.8	511.6	699.5	825.6
Net profit (adj.)	290.0	566.9	511.6	699.5	825.6
EPS	4.9	9.6	8.6	11.8	13.9
PE (x)	40.5	20.7	23.0	16.8	14.2
P/B (x)	1.0	0.9	0.9	0.8	0.8
EV/EBITDA (x)	7.7	6.3	7.0	6.5	6.3
Dividend yield (%)	5.0	3.5	3.5	4.0	5.0
Net margin (%)	(1.0)	6.4	4.2	5.4	6.2
Net debt/(cash) to equity(%)	73.0	73.2	74.2	75.4	75.2
ROE (%)	(0.7)	4.8	3.2	4.3	5.0
Consensus net profit	n.a	n.a	687.2	819.9	897.3
UOBKH/Consensus (x)	n.a	n.a	0.7	0.8	0.9

Source: Genting Malaysia, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM1.73
Target Price	RM2.36
Upside	36%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	GENM MK
Shares issued (m)	5,667.7
Market cap (RMm)	11,165.4
Market cap (US$m)	2,817.8
3-mth avg daily t'over (US$m)	1.4

Price Performance (%)

52-week high/low				RM2.40/RM1.70
1mth	3mth	6mth	1yr	YTD
8.2	0.0	(16.2)	16.6	(3.4)

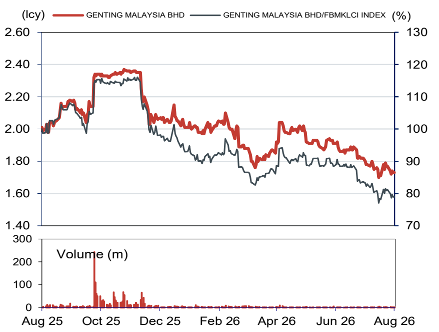
Major Shareholders (%)

Genting Bhd	73.9
UBS AG	1.0
Vanguard Group	1.0

Balance Sheet Metrics

FY26 NAV/Share (RM)	2.3
FY26 Net Debt/Share (RM)	1.7

Price Chart



Source: Bloomberg

Company Description

Casino, resort and theme park operator.

- **For RWG's non-gaming operations,** Genting SkyWorlds theme park ticket attendance declined 29% yoy as ticket prices normalised from 2Q25's lower levels. Recall that 2Q25 ticket prices were discounted in tandem with Genting Group's 60th Anniversary and attracted more crowds. Meanwhile, hotel occupancy rate was also slightly lower yoy at 97% (2Q25: 98%).
- **US operations: EBITDA surged qoq and yoy on higher costs.** GENM's US operations − comprising Resorts World New York City (RWNYC), Bimini (Bahamas) and Empire Resorts − delivered an EBITDA of RM217m (+83% yoy, +169% qoq) with higher revenue of RM1.53b (+166% yoy, +121% qoq). The much stronger EBITDA mainly reflects higher contribution from RWNYC following the commencement of its commercial casino operations.
- **UK and Egypt operations: Flattish yoy earnings despite new acquisition, dragged by Middle East tensions and Ramadan.** EBITDA dropped 2% yoy in tandem with slightly lower revenue (-1% yoy) despite being cushioned by the newly-acquired Genting Casino Stratford (formerly known as Aspers Stratford) in Apr 25. The slight earnings decline was mainly due to softer visitations and VIP gaming volume due to the ongoing Middle East tensions, as well as higher payroll costs from the increase in minimum wages. These headwinds were offset by the strengthening of the ringgit against the British pound.
- **RWNYC officially became the first full-fledged casino in downstate New York.** RWNYC officially opened its 242 live table games floor and another 2,507 commercial casino slots floor on 28 April. This marks the first component of RWNYC's US$5.5b investment, with a progressive ramp-up to 400 tables and 4,000 commercial slot machines by end-26. For 2H26, we expect gaming volume to improve in stages as more capacity is added. Slots GGR will also improve on a lower tax rate of 56% (from 68%). This will allow RWNYC's GGR and EBITDA to surge by US$603m and over US$106m respectively annually upon maturity. Note that the other two approved commercial casino developments in New York City are not expected to open before 2030.

Valuation/Recommendation

- **No changes to our earnings forecast.**
- **Maintain BUY with an SOTP-based target price of RM2.36**. Our target price implies 7.3x 2026 EV/EBITDA (-1SD below historical mean).

Environment, Social, Governance (ESG) Updates

Environmental

- 1,180 tonnes of recyclable waste collected globally in 2020, 0.433m mt of carbon dioxide reduction for carbon footprint.

Social

- Provided jobs for over 14,000 employees globally.
- Over RM8m worth of community investments.

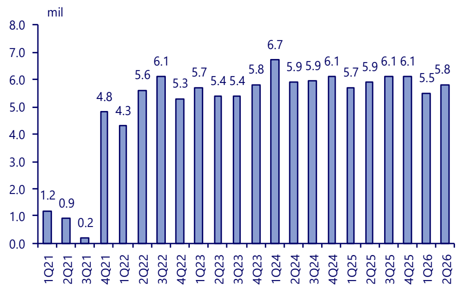
Governance

- Comprehended and applied Malaysian Code on Corporate Governance (MCCG).

EV/Ebitda

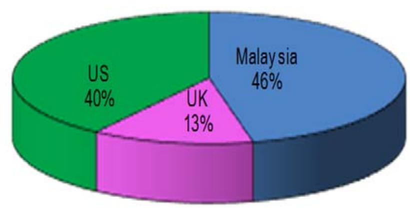
Source: UOB Kay Hian

Genting Highlands' Visitor Arrivals



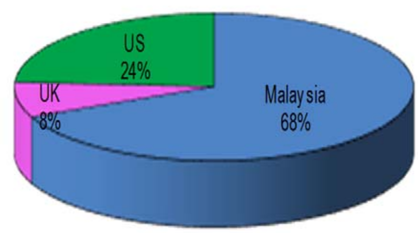
Source: GENM, UOB Kay Hian

Revenue By Country (2Q26)



Source: GENM, UOB Kay Hian

EBITDA By Country (2Q26)



Source: GENM, UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	11,884	12,202	12,882	13,281
EBITDA	3,298	3,024	3,298	3,472
Deprec. & amort.	1,314	1,367	1,354	1,327
EBIT	1,983	1,658	1,944	2,145
Associate contributions	0	0	0	0
Net interest income/(expense)	(837)	(1,030)	(1,040)	(1,056)
Pre-tax profit	985	628	904	1,089
Tax	(314)	(200)	(288)	(347)
Minorities	84	84	84	84
Preferred dividends	755	512	699	826
Net profit	567	512	699	826
Net profit (adj.)	11,884	12,202	12,882	13,281

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	16,338	16,371	16,217	15,891
Other LT assets	8,324	8,324	8,324	8,324
Cash/ST investment	2,847	2,544	2,093	1,813
Other current assets	2,016	2,047	2,093	2,120
Total assets	31,388	31,333	31,359	31,863
ST debt	1,440	1,440	1,440	1,440
Other current liabilities	3,283	3,500	3,649	3,732
LT debt	11,288	11,288	11,288	11,288
Other LT liabilities	2,760	2,260	1,760	1,760
Shareholders' equity	13,497	13,725	14,101	14,523
Minority interest	(880)	(880)	(880)	(880)
Total liabilities & equity	31,388	31,333	31,359	31,863

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	2,029	1,980	2,072	2,124
Pre-tax profit	985	628	904	1,089
Tax	(314)	(200)	(288)	(347)
Deprec. & amort.	1,167	1,367	1,354	1,327
Associates	(164)	0	0	0
Working capital changes	(244)	186	103	56
Other operating cashflows	599	0	0	0
Investing	(1,483)	(1,400)	(1,200)	(1,000)
Capex (growth)	(908)	(1,400)	(1,200)	(1,000)
Investments	(164)	0	0	0
Proceeds from sale of assets	89	0	0	0
Others	(501)	0	0	0
Financing	(1,130)	(883)	(1,324)	(1,404)
Dividend payments	(227)	(283)	(324)	(404)
Issue of shares	0	0	0	0
Proceeds from borrowings	289	0	0	0
Loan repayment	(372)	(600)	(1,000)	(1,000)
Others/interest paid	(820)	0	0	0
Net cash inflow (outflow)	(584)	(303)	(451)	(280)
Beginning cash & cash equivalent	3,537	2,847	2,544	2,093
Changes due to forex impact	(105)	0	0	0
Ending cash & cash equivalent	2,847	2,544	2,093	1,813

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	27.8	24.8	25.6	26.1
Pre-tax margin	8.3	5.2	7.0	8.2
Net margin	6.4	4.2	5.4	6.2
ROA	2.4	1.6	2.2	2.6
ROE	4.8	3.2	4.3	5.0
Growth				
Turnover	8.9	2.7	5.6	3.1
EBITDA	13.3	(8.3)	9.0	5.3
Pre-tax profit	18.7	(16.4)	17.3	10.3
Net profit	32.1	(45.2)	43.9	20.5
Net profit (adj.)	44.9	(44.1)	36.7	18.0
EPS	44.9	(44.1)	36.7	18.0
Leverage				
Debt to total capital	100.9	99.1	96.3	93.3
Debt to equity	94.3	92.7	90.3	87.6
Net debt/(cash) to equity	73.2	74.2	75.4	75.2