

Macau Gaming

Sep 26's GGR Misses Consensus Estimates By 3%

Highlights

- Macau's Sep 26 GGR reached MOP18.1b, down 1% yoy and 17% mom. September's GGR figure missed market consensus by 3%, and recovered to 82% of 2019's level (vs a recovery of 90% in Aug 26). For 9M26, GGR rose by 3% yoy to MOP187.1b.
- Macau's August visitors reached 4.5m, up 6% yoy and 26% mom, and 24% above 2019's level. For 8M26, cumulative visitation increased 8% yoy to 29.0m, 6% above 2019's level. During the Mid-Autumn Festival holiday (25-27 September), the average daily visitor arrivals fell 3% yoy to 138,300. Looking ahead to the upcoming National Day holiday, MGTO expects average daily visitor arrivals to reach 150,000.
- Maintain OVERWEIGHT; Galaxy remains our top pick.

Analysis

- Sep 26's GGR missed market consensus by 3%.** According to DICJ, Macau's Sep 26 gross gaming revenue (GGR) reached MOP18.1b, down 1% yoy and 17% mom, and recovered to 82% of 2019's level (vs a recovery of 90% in Aug 26). September's GGR figure missed market consensus by 3%. For 9M26, GGR rose by 3% yoy to MOP187.1b.
- Macau's August visitation was up 6% yoy and 24% vs 2019.** According to the Statistics and Census Service (DSEC), in Aug 26, Macau's total visitation reached 4.5m, up 6% yoy and 26% mom, and 24% above 2019's level. Of the total, Mainland Chinese visitors accounted for 3.6m, up 9% yoy and 32% mom, while same-day visitors totalled 2.9m, up 12% yoy and 35% mom. The average length of stay for visitors remained unchanged mom at 1.7 days. For 8M26, cumulative visitation increased 8% yoy to 29.0m, 6% above 2019's level. The growth was driven by same-day visitors, which hiked 14% yoy, while overnight visitors fell 1% yoy.
- During the Mid-Autumn Festival holiday (25-27 September), Macau recorded approximately 415,000 visitor arrivals, according to Macau's Public Security Police, bringing the daily average to around 138,300. This represented a 3% yoy decline compared with the average daily visitor arrivals of 143,050 during last year's eight-day combined Mid-Autumn Festival and National Day holiday period, which was affected by Typhoon Matmo. Looking ahead to the upcoming National Day holiday, the Macau Government Tourism Office (MGTO) expects average daily visitor arrivals to reach 150,000.
- Both hotel occupancy rates and average room rates increased mom in Aug 26.** The Macao Government Tourism Office reported an increase in hotel occupancy rates to 94.4% in Aug 26 from 93.1% in Jul 26, while average room rates rose to MOP1,337 in Aug 26 from MOP1,316 in Jul 26.

Valuation/Recommendation

- Maintain OVERWEIGHT; Galaxy remains our top pick.** We keep Galaxy as our top pick for its ability to capture incremental high-end demand amid a premium-growing GGR trend. We maintain Galaxy's target price at HK\$47.00, based on a 12.0x target 2026 EV/EBITDA ratio. The stock currently trades at 7.3x 2026 EV/EBITDA and 6.9x 2027 EV/EBITDA.

Peer Comparison

Company	Ticker	Rec	Price	Target	Upside	Market	PE		P/B		EV/EBITDA		ROE	Yield
			30-Sep-26 (HK\$)	Price (HK\$)	to TP (%)	Cap (US\$m)	2026F (x)	2027F (x)	2026F (x)	2027F (x)	2026F (x)	2027F (x)	2026F (%)	2026F (%)
Galaxy	27 HK	BUY	31.62	47.00	48.6	17,646.89	12.8	11.9	1.6	1.5	7.3	6.9	12.7	5.9
Sands China	1928 HK	BUY	11.85	20.30	71.3	12,222.38	10.4	9.6	8.2	7.6	8.1	7.8	81.7	9.4

Source: Bloomberg, UOB Kay Hian

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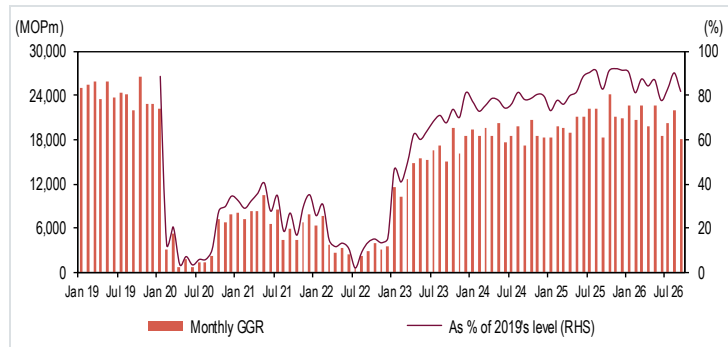
**OVERWEIGHT
(Maintained)**

Sector Picks

Company	Ticker	Rec	Share Price (HK\$)	Target Price (HK\$)
Galaxy	27 HK	BUY	31.62	47.00

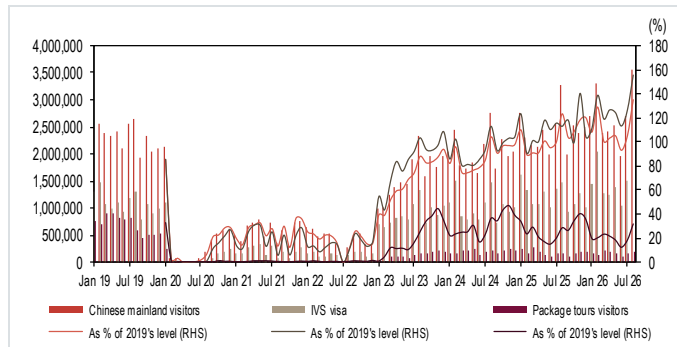
Source: Bloomberg, UOB Kay Hian

Monthly GGR Trend



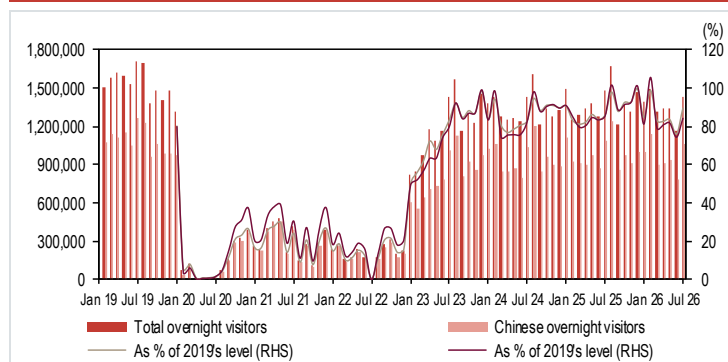
Source: DICJ, UOB Kay Hian

Mainland Visitors Under IVS And Group Tours



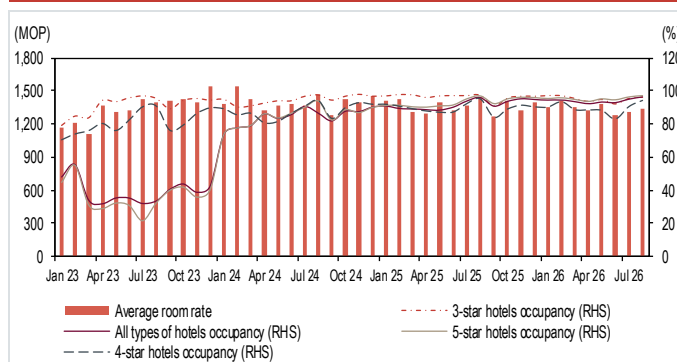
Source: Macao Tourism, DSEC, UOB Kay Hian

Monthly Overnight Visitors



Source: Macao Tourism, DSEC, UOB Kay Hian

Hotel Occupancy Rates And Room Rates



Source: Macao Tourism, UOB Kay Hian

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