Macau Gaming

Aug 26's GGR Misses Consensus By 2%

Highlights

- Macau's Aug 26 GGR reached MOP21.9b, down 1% yoy but up 8% mom, as July was impacted by the FIFA World Cup. August's GGR figure missed market consensus by 2%, and recovered to 90% of 2019's level (vs a recovery of 83% in Jul 26). For 8M26, GGR rose by 4% yoy to MOP169.1b.
- Macau's July visitation reached 3.5m, up 2% yoy and 26% mom, broadly in line with 2019's level. For 7M26, cumulative visitation increased 8% yoy to 24.5m, up 3% vs 2019's level.
- Maintain OVERWEIGHT; Galaxy remains our top pick.

Analysis

- **Aug 26's GGR missed market consensus by 2%.** According to DICJ, Macau's Aug 26 gross gaming revenue (GGR) reached MOP21.9b, down 1% yoy but up 8% mom, as July was impacted by the FIFA World Cup. August's GGR figure missed market consensus by 2%, and recovered to 90% of 2019's level (vs a recovery of 83% in July 26). For 8M26, GGR rose by 4% yoy to MOP169.1b.
- **Macau's July visitation up 2% yoy and flat vs 2019.** According to the Statistics and Census Service (DSEC), in Jul 26, Macau's total visitation reached 3.5m, up 2% yoy and 26% mom, broadly in line with 2019's level. Of this 3.5m, Mainland Chinese visitors accounted for 2.7m, up 5% yoy and 39% mom, while same-day visitors totalled 2.1m, up 6% yoy and 29% mom. The average length of stay for visitors remained unchanged mom at 1.7 days. For 7M26, cumulative visitation increased 8% yoy to 24.5m, up 3% vs 2019's level, with growth driven by same-day visitors, which jumped 14% yoy, while overnight visitors remained flat yoy.
- **Hotel occupancy rates increased mom in Jul 26.** According to DSEC, hotel occupancy rates increased to 91.6% in Jul 26 from 85.8% in Jun 26.

Valuation/Recommendation

- **Maintain OVERWEIGHT; Galaxy remains our top pick.** We prefer Galaxy, 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 7.7x 2026 EV/EBITDA and 7.3x 2027 EV/EBITDA.

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OVERWEIGHT (Maintained)

Sector Picks

Company	Ticker	Rec	Share Price (HK$)	Target Price (HK$)
Galaxy	27 HK	BUY	33.08	47.00

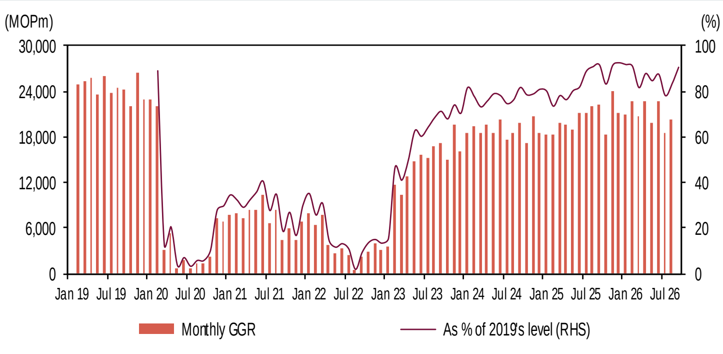
Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Price 1 Sep 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 2026F (%)	Yield 2026F (%)
Galaxy	27 HK	BUY	33.08	47.00	42.1	18,477.24	13.4	12.5	1.7	1.6	7.7	7.3	12.7	5.6
Sands China	1928 HK	BUY	13.78	20.30	47.3	14,224.99	12.1	11.1	9.6	8.8	9.0	8.6	81.7	8.1

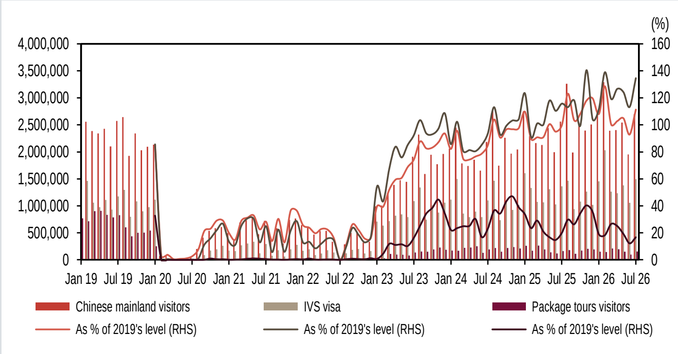
Source: Bloomberg, UOB Kay Hian

Monthly GGR Trend



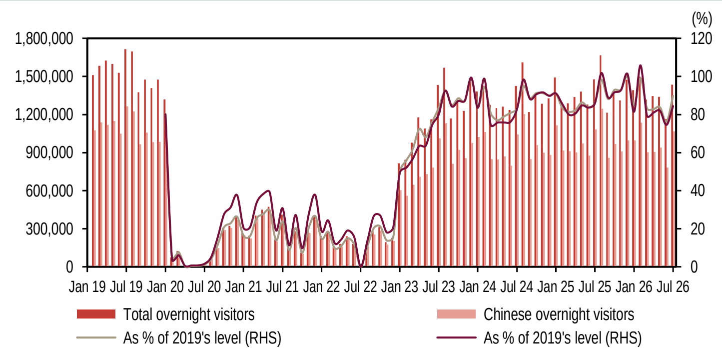
Source: DICJ, UOB Kay Hian

Mainland Visitors Under IVS And Group Tours



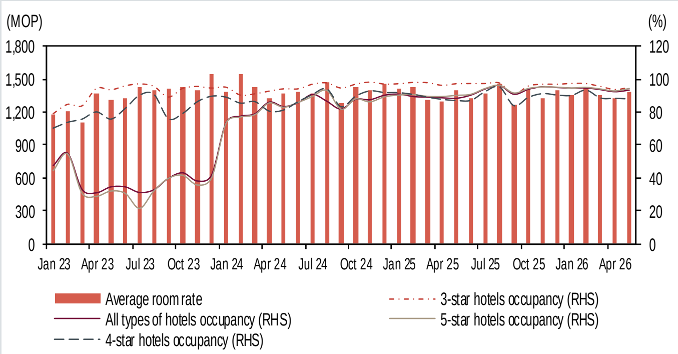
Source: Macao Tourism, DSEC, UOB Kay Hian

Monthly Overnight Visitors



Source: Macao Tourism, DSEC, UOB Kay Hian

Hotel Occupancy Rates And Room Rates



Source: Macao Tourism, UOB Kay Hian