

### COMPANY RESULTS

## Genting Singapore (GENS SP)

2Q24: Seasonally Softer; Slowing Recovery Pace

2Q24 results reflect the normalisation of operational volume in all business segments due to the absence of Chinese New Year, mega events and seasonally lower visitorship. Gaming revenue fell as VIP luck factor normalised from 1Q24's high base. Meanwhile, non-gaming revenue was hampered (-11% qoq) by the closure of Hard Rock Hotel for renovations. We cut earnings on a slower recovery momentum despite remaining positive on GENS' bargain valuations. Maintain BUY with a lower target price of S\$1.18.

### 2Q24 RESULTS

Year to 31 Dec (\$m)	2Q24	qoq % chg	yoy % chg	1H24	yoy % chg
Revenue	571.3	(27.2)	(4.1)	1,355.8	25.5
-Singapore	566.5	(27.8)	(4.9)	1,350.8	25.1
- Gaming	381.6	(33.7)	(6.2)	957.6	28.2
- Non-gaming	184.9	(11.2)	(2.0)	393.2	18.0
Core adjusted EBITDA	201.3	(45.5)	(22.8)	570.8	26.2
Core Net profit	110.2	(55.8)	(31.4)	359.5	23.2
Margins		+/- ppt	+/- ppt		+/- ppt
Adjusted EBITDA (%)	35.2	(11.9)	(8.5)	42.1	0.2

Source: GENS, UOB Kay Hian

### RESULTS

- 2Q24: Weak set of results pivoting from 1Q24's strong start.** Resort World Sentosa (RWS) reported 2Q24 revenue of S\$571m (-27% qoq, -4% yoy) and EBITDA of S\$201m (-46% qoq; -23% yoy). Earnings were weaker qoq mainly due to seasonally softer visitations, lower VIP hold and absence of mega events. 1H24 EBITDA represented only 45% and 48% of our and consensus full-year forecasts respectively.
- Operating statistics dragged by lower visitations and normalising VIP luck factor.** Gaming revenue in 2Q24 deteriorated about 34% qoq and merely represented 87% of pre-pandemic level, presumably reflecting the normalisation of high-base VIP win percentage to 2.91% (2Q23: 3.95%/1Q24: 4.62%) and softer betting volume (gross gaming revenue -29% qoq). Meanwhile, non-gaming revenue fell 11% qoq, reflecting much lower daily available rooms of about 1186 rooms (1Q24:1451 rooms) following the closure of Hard Rock Hotel in early-March for renovations and rebranding. Meanwhile, hotel occupancy rate of 85% (1Q24: 85%) and average room rate of S\$495 (1Q24: S\$480) are flattish qoq.

### KEY FINANCIALS

Year to 31 Dec (\$m)	2022	2023	2024F	2025F	2026F
Net turnover	1,725	2,418	2,697	2,832	2,973
EBITDA	774	1,026	1,192	1,253	1,317
Operating profit	440	658	844	867	895
Net profit (rep./act.)	340	612	706	724	747
Net profit (adj.)	374	634	706	724	747
EPS (S\$ cent)	3.1	5.3	5.9	6.0	6.2
PE (x)	26.3	15.5	13.9	13.6	13.2
P/B (x)	1.2	1.2	1.2	1.1	1.1
EV/EBITDA (x)	8.3	6.3	5.4	5.1	4.9
Dividend yield (%)	3.7	4.9	4.9	5.5	6.7
Net margin (%)	19.7	25.3	26.2	25.6	25.1
Net debt/(cash) to equity (%)	(43.2)	(44.0)	(40.5)	(34.8)	(28.9)
ROE (%)	4.3	7.6	8.5	8.5	8.6
Consensus net profit	-	-	729	774	757
UOBKH/Consensus (x)	-	-	0.97	0.93	0.99

Source: GENS, Bloomberg, UOB Kay Hian

## BUY

(Maintained)

Share Price	S\$0.82
Target Price	S\$1.18
Upside	+44.8%
(Previous TP)	S\$1.25

### COMPANY DESCRIPTION

Genting Singapore is a Singapore-based regional leisure, hospitality and integrated resorts development specialist.

### STOCK DATA

GICS sector	Consumer Discretionary
Bloomberg ticker:	GENS SP
Shares issued (m):	12,072.5
Market cap (S\$m):	9,839.1
Market cap (US\$m):	7,478.8
3-mth avg daily t'over (US\$m):	18.1

### Price Performance (%)

52-week high/low S\$1.06/S\$0.795

1mth	3mth	6mth	1yr	YTD
(6.3)	(12.4)	(20.1)	(13.8)	(18.5)

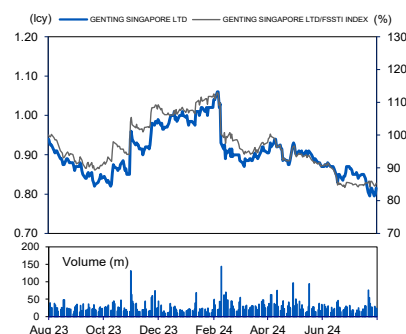
### Major Shareholders

	%
Genting Bhd	52.63
Vanguard Group	1.86
Blackrock Inc	1.63

FY24 NAV/Share (S\$) 0.70

FY24 Net Cash/Share (S\$) 0.28

### PRICE CHART



Source: Bloomberg

### ANALYST(S)

**Jack Goh**  
+603 2147 1943  
jackgoh@uobkayhian.com

- Encouragingly raised interim DPS to 2.0 S cents.** Positively, GENS declared an interim DPS of 2.0 S cents in 2Q24 (2Q23: 1.5 S cents), implying a yield of 2.5%. As revenue and cash flows recovered strongly, we anticipate that GENS will likely restore and dole out its 2019 dividend payout level of 4.0 S cents, which implies a lush 5% dividend yield.

### STOCK IMPACT

- Slowing momentum of foreign tourist visitations, but likely picking up in 2H24.** Based on the Singapore Tourism Board (STB), tourist arrivals in 2Q24 recovered to only about 83% of pre-pandemic's level (1Q24: 92%). On a seasonally and month-length adjusted basis however, international visitor arrivals to Singapore have seen better recovery in July to about 89% of pre-pandemic levels. We continue to expect steady improvement in foreign visitation in 2024 as intra-Asia flight capacities slowly get restored to pre-pandemic levels, prompting GENS' gross gaming revenue (GGR) to inch towards 2019's level.

- 2H24 to still chart progressive growth, premised on confluence of positive catalysts.** For the rest of 2024, we remain optimistic that GENS will continue to deliver sequential earnings growth. Our positivity is premised on: a) accelerated recovery of foreign visitations and flight frequencies; b) plenty of mega entertainment events in the pipeline; c) sustained trend of higher spending per capita in Resorts World Sentosa (RWS); and d) RWS' intensified marketing efforts through digital platforms which will attract more footfall and spending.

- Awaiting more newsflow on Thailand's casino legalisation.** Thailand's authority has recently finished the draft of the Entertainment Complex Act which may potentially legalise casino operations. Under the bill, initial licence tenure is 30 years and can be renewed for another 10 years after. Currently, the bill is under public consultation processes before being tabled in cabinet. While details such as how many licences will be awarded and proposed locations are yet to be finalised, we understand that several well-known operators such as Galaxy Entertainment Group, MGM Resorts, Las Vegas Sands and Genting Group have indicated their interests. If GENS is able to secure a Thailand casino licence, medium- to long-term earnings and growth prospects will be elevated.

- RWS' mid-term growth anchored on revised S\$6.8b expansion plan.** RWS has significantly increased commitment to spend S\$6.8b (initially S\$4.5b) over five years to elevate the resort's vibrancy, with various attractions targeted to be rolled out in phases (refer RHS table). While the remake of Hotel Ora completed in May 23 boosted RWS' room inventory by 389 keys, we understood that construction works on both Minion Land and the Singapore Oceanarium are progressing well. Earlier in May, GENS also received provisional permission from the Urban Redevelopment Authority (URA) to develop its 21,243 sqm waterfront development which will eventually add 700 hotel rooms to RWS.

- Solid balance sheet and huge cash pile entrench better capital and yield management.** With resilient cash flow delivery, we believe that management now has more flexibility to better utilise its sizeable capital which includes net cash of S\$3.6b (30.3 S cents/share) as of 2Q24. After dropping its decade-long pursuit of clinching a pricey Japan integrated resorts (IR) concession last year, we also do not rule out the possibility that GENS may also consider to explore other potential brownfield and greenfield opportunities in the region.

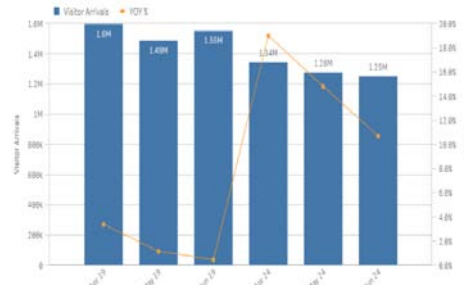
### EARNINGS REVISION/RISK

- We recalibrated our 2024-25 EBITDA downwards by 7-8% to account for 2Q24's poor VIP luck factor, weaker hotel occupancy and visitor momentum.**

### VALUATION/RECOMMENDATION

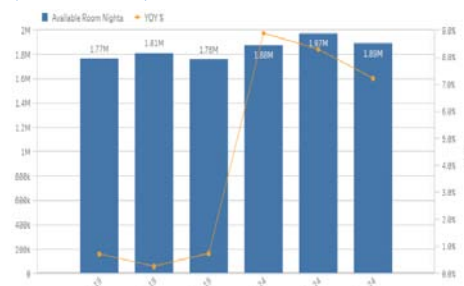
- Maintain BUY with a lower target price of S\$1.18** as we cut earnings and roll over our valuations to 2025. Our target price implies 8.5x 2025 EV/EBITDA (-0.5SD below mean).

### SINGAPORE'S TOURIST ARRIVAL (2024 VS 2019)



Source: Singapore Tourism Analytics Network, UOB Kay Hian

### SINGAPORE'S HOTEL AVERAGE ROOM RATES (2Q24 VS 2Q19)



Source: Singapore Tourism Analytics Network, UOB Kay Hian

### TIMELINE DEVELOPMENT FOR RWS 2.0 NON-GAMING ATTRACTIONS

Attraction	Timeline
Van Gogh: The Immersive Experience in new theater	Mar-Oct 2023
Hotel Ora (Renovated Festive Hotel)	May 2023
Gourmet Park at The Bull Ring	June 2024
Enhancement of convention center	End 2024
Forum and Coliseum	Early 2025
Singapore Oceanarium	Early 2025
Minion park (replace Madagascar zone)	Early 2025

Source: GENS

### KEY ASSUMPTIONS

Year	FY23	FY24F	FY25F
Revenue (\$m)	2,418	2,698	2,832
EBITDA (\$m)	1,026	1,192	1,253
Hotel Occupancy (%)	81%	90%	90%

Source: UOB Kay Hian

### EARNINGS TREND OF GENS AND MBS

Genting Singapore (GENS)					
(\$m)	2Q23	3Q23	4Q23	1Q24	2Q24
Revenue	595.9	689.9	647.3	784.4	571.3
EBITDA	260.7	345.4	227.8	369.5	201.3
Gaming Revenue	407.0	459.6	441.0	576.0	381.6
Marina Bay Sands (MBS)					
(\$m)	2Q23	3Q23	4Q23	1Q24	2Q24
Revenue	1,238.9	1,369.9	1,431.8	1,552.1	1,375.0
EBITDA	578.6	662.7	734.1	800.2	692.9
Gaming Revenue	869.2	942.1	1,000.0	1,151.3	955.4

Source: Respective companies, UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (\$m)	2023	2024F	2025F	2026F
Net turnover	2,418	2,697	2,832	2,973
EBITDA	1,026	1,192	1,253	1,317
Deprec. & amort.	367	348	386	422
EBIT	658	844	867	895
Associate contributions	4	4	4	4
Net interest income/(expense)	138	49	49	51
Pre-tax profit	777	897	919	949
Tax	(165)	(191)	(196)	(202)
Minorities	0	0	0	0
Preferred dividends	0	0	0	0
Net profit	612	706	724	747
Net profit (adj.)	634	706	724	747

### CASH FLOW

Year to 31 Dec (\$m)	2023	2024F	2025F	2026F
Operating	959	1,091	1,126	1,187
Pre-tax profit	777	897	919	949
Tax	(130)	(191)	(196)	(202)
Deprec. & amort.	340	348	386	422
Associates	0	0	0	0
Working capital changes	(210)	37	15	16
Other operating cashflows	182	0	1	2
Investing	(389)	(800)	(1,000)	(1,000)
Capex (growth)	(328)	(800)	(1,000)	(1,000)
Investments	0	0	0	0
Proceeds from sale of assets	1	0	0	0
Others	(63)	0	0	0
Financing	(426)	(484)	(544)	(665)
Dividend payments	(423)	(484)	(544)	(665)
Issue of shares	0	0	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	(3)	0	0	0
Others/interest paid	0	0	0	0
Net cash inflow (outflow)	143	(193)	(418)	(478)
Beginning cash & cash equivalent	3,465	3,605	3,412	2,994
Changes due to forex impact	(3)	0	0	0
Ending cash & cash equivalent	3,605	3,412	2,994	2,516

### BALANCE SHEET

Year to 31 Dec (\$m)	2023	2024F	2025F	2026F
Fixed assets	4,960	5,592	6,206	6,784
Other LT assets	230	230	230	230
Cash/ST investment	3,605	3,412	2,994	2,516
Other current assets	352	273	284	295
<b>Total assets</b>	<b>9,147</b>	<b>9,507</b>	<b>9,713</b>	<b>9,824</b>
ST debt	2	2	2	2
Other current liabilities	758	715	741	768
LT debt	1	1	1	1
Other LT liabilities	194	373	372	371
Shareholders' equity	8,192	8,415	8,597	8,682
Minority interest	0	0	0	0
<b>Total liabilities &amp; equity</b>	<b>9,147</b>	<b>9,507</b>	<b>9,713</b>	<b>9,824</b>

### KEY METRICS

Year to 31 Dec (%)	2023	2024F	2025F	2026F
<b>Profitability</b>				
EBITDA margin	42.4	44.2	44.2	44.3
Pre-tax margin	32.1	33.2	32.5	31.9
Net margin	25.3	26.2	25.6	25.1
ROA	6.8	7.6	7.5	7.6
ROE	7.6	8.5	8.5	8.6
<b>Growth</b>				
Turnover	40.1	11.6	5.0	5.0
EBITDA	32.5	16.2	5.1	5.1
Pre-tax profit	70.1	15.4	2.5	3.3
Net profit	79.8	15.4	2.5	3.3
Net profit (adj.)	69.5	11.3	2.5	3.3
EPS	69.5	11.3	2.5	3.3
<b>Leverage</b>				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(44.0)	(40.5)	(34.8)	(28.9)

## Disclosures/Disclaimers

This report is prepared by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser in Singapore.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

**This report is prepared for general circulation.** It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKH. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKH may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKH and its connected persons (as defined in the Financial Advisers Act, Chapter 110 of Singapore) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report ("Information") has been obtained or derived from sources believed by UOBKH to be reliable. However, UOBKH makes no representation as to the accuracy or completeness of such sources or the Information and UOBKH accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKH and its connected persons may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKH and its connected persons are subject to change without notice. UOBKH reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKH, its connected persons and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKH, its connected persons and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKH may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the "Subject Business"); and (4) UOBKH may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

**IMPORTANT DISCLOSURES FOR U.S. PERSONS**

This research report was prepared by UOBKH, a company authorized, as noted above, to engage in securities activities in Singapore. UOBKH is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKH (whether directly or through its US registered broker dealer affiliate named below) to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). All US persons that receive this document by way of distribution from or which they regard as being from UOBKH by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc ("UOBKHUS"), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKH.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

### Analyst Certification/Regulation AC

Each research analyst of UOBKH who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKH or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKH's total revenues, a portion of which are generated from UOBKH's business of dealing in securities.

Reports are distributed in the respective countries by the respective entities and are subject to the additional restrictions listed in the following table.

General	This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation.
Hong Kong	This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Indonesia	This report is distributed in Indonesia by PT UOB Kay Hian Sekuritas, which is regulated by Financial Services Authority of Indonesia ("OJK"). Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report.
Malaysia	Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia.
Singapore	This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law.
Thailand	This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand.
United Kingdom	This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients.
United States of America ('U.S.')	This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly.

Copyright 2024, UOB Kay Hian Pte Ltd. All rights reserved.

<http://research.uobkayhian.com>

RCB Regn. No. 197000447W