



# **GALAXY ENTERTAINMENT GROUP REPORTS Q4 & ANNUAL 2020 RESULTS**

**CONTINUE WORKING CLOSELY WITH MACAU COMMUNITY  
TO CONTROL COVID-19**

**Q4 2020 GROUP ADJUSTED EBITDA OF \$1.0 BILLION  
VS \$(0.9) BILLION LOSS IN Q3 2020**

**CONTINUE INVESTING IN MACAU'S ECONOMIC FUTURE  
BY  
UPGRADING EXISTING PROPERTIES & PROGRESSING PHASES 3 & 4  
REMAINS FINANCIALLY HEALTHY**

Hong Kong, 25 February 2021 – Galaxy Entertainment Group (“GEG”, “Company” or the “Group”) (HKEx stock code: 27) today reported results for the three month and twelve month periods ended 31 December 2020. (All amounts are expressed in HKD unless otherwise stated)

## **LETTER FROM THE CHAIRMAN OF GALAXY ENTERTAINMENT GROUP**

I wish to take this opportunity to update you on the status of Macau and the performance of GEG in 2020. COVID-19 has continued to impact the community and businesses globally including Macau and GEG. In Q4 2020, Mainland China, Hong Kong and Macau continued to experience travel restrictions and social distancing measures as they continued to effectively contain the pandemic. Given the subdued revenue the Group's Adjusted EBITDA was \$1.0 billion for the fourth quarter. This represents a 207% improvement compared to the Adjusted EBITDA loss of \$0.9 billion reported in Q3. This improvement was largely driven by an increase in visitation which translated into increased revenue and continuing cost control. The full year Adjusted EBITDA was \$(1.0) billion versus \$16.5 billion in 2019.

We again applaud the Macau Government for their proactive leadership during the challenging pandemic crisis. Their focus is not only to ensure the health and safety of the community, but also ensuring that Macau is well positioned to attract visitors, support economic recovery and maintain the social stability of Macau.

We continue to make good progress with our development projects including Cotai Phases 3 & 4. In the meanwhile, we renovate, reconfigure and introduce new products to our resorts. In addition, we remain engaged in our international expansion plans including Japan, which is also being impacted by the pandemic.

Due to our conservative financial management, the Group's net cash as at year end provides us with valuable flexibility in managing our ongoing operations and allows us to continue with our longer term development plans.

In the Macau Policy Address for 2021, Chief Executive Mr. Ho Iat Seng stated that the Government will promote the stable and healthy development of the gaming industry, and to commence



preparatory and preliminary work for the new gaming concessions. We are looking forward to the launching of the public consultation in the 2H 2021.

Upholding the philosophy of “what is taken from the community is to be used for the good of the community”, we have been proactively supporting Macau and the Mainland during this epidemic. GEG has been working with the community to combat the outbreak through an array of practical initiatives, including: offering cash donations, donating hygiene & essential supplies, supporting local SMEs and providing timely assistance to numerous non-profit welfare and social service organizations and schools. In addition, GEG also adopted and supported all protective measures laid out by the Health Bureau of the Macau SAR Government and strengthened the epidemic prevention measures within our resorts.

In the medium to longer term, we have great confidence in the future of Macau. We have seen signs of early recovery post the reinstatement of the IVS in late September 2020 and it may take a few more quarters for business volumes to ramp up. However, we do acknowledge the ongoing difficulties associated with COVID-19 and potential future flare ups of COVID-19 could have a material adverse impact on our financial performance. Given the uncertainty caused by the COVID-19 pandemic, today the Board of Directors has decided not to declare a dividend.

We are pleased to hear that Macau and other locations are proceeding with their COVID-19 vaccination rollout plans. We believe that when Mainland and international tourists make future travel plans, health and safety will be foremost in their minds.

Finally, I would again like to acknowledge and thank the health and emergency personnel who have worked so hard to ensure the safety of Macau. I would also like to thank our staff, management team and Board of Directors who voluntarily contributed to the various cost savings programs and for being so supportive of our Company during this period of time. Thank you!

**Dr. Lui Che Woo**

*GBM, MBE, JP, LLD, DSSc, DBA  
Chairman*



## Q4 & FULL YEAR 2020 RESULTS HIGHLIGHTS

### **GEG: Well Capitalized to Weather the Storm**

- Full Year Group Net Revenue of \$12.9 billion, down 75% year-on-year
- Full Year Group Adjusted EBITDA of \$(1.0) billion versus \$16.5 billion in 2019
- Full Year Group net profit attributable to shareholders ("NPAS") of \$(4.0) billion, down 130% year-on-year including \$746 million of non-recurring and other charges
- Full year Adjusted NPAS of \$(3.2) billion, down 123% year-on-year after adjusting for non-recurring and other charges
- Q4 Group Net Revenue of \$5.1 billion, down 61% year-on-year and up 229% quarter-on-quarter
- Q4 Group Adjusted EBITDA of \$1.0 billion, down 75% year-on-year and up 207% quarter-on-quarter
- Played unlucky in Q4 which decreased Adjusted EBITDA by approximately \$59 million, normalized Q4 Adjusted EBITDA of \$1.1 billion, down 73% year-on-year and up 214% quarter-on-quarter

### **Galaxy Macau™: Adjusting Operations to the Current Business Environment**

- Full Year Net Revenue of \$7.8 billion, down 79% year-on-year
- Full Year Adjusted EBITDA of \$(0.9) billion versus \$12.6 billion in 2019
- Q4 Net Revenue of \$3.3 billion, down 64% year-on-year and up 430% quarter-on-quarter
- Q4 Adjusted EBITDA of \$0.7 billion, down 77% year-on-year and up 193% quarter-on-quarter
- Played unlucky in Q4 which decreased Adjusted EBITDA by approximately \$41 million, normalized Q4 Adjusted EBITDA of \$0.8 billion, down 74% year-on-year and up 199% quarter-on-quarter
- Hotel occupancy for Q4 across the five hotels was 49%

### **StarWorld Macau: Adjusting Operations to the Current Business Environment**

- Full Year Net Revenue of \$2.2 billion, down 80% year-on-year
- Full Year Adjusted EBITDA of \$(0.3) billion versus \$3.5 billion in 2019
- Q4 Net Revenue of \$1.0 billion, down 64% year-on-year and up 380% quarter-on-quarter
- Q4 Adjusted EBITDA of \$0.2 billion, down 81% year-on-year and up 167% quarter-on-quarter
- Played unlucky in Q4 which decreased Adjusted EBITDA by approximately \$18 million, normalized Q4 Adjusted EBITDA of \$0.2 billion, down 79% year-on-year and up 176% quarter-on-quarter
- Hotel occupancy for Q4 was 57%

### **Broadway Macau™: A Unique Family Friendly Resort, Strongly Supported by Macau SMEs**

- Full Year Net Revenue of \$94 million, down 84% year-on-year
- Full Year Adjusted EBITDA of \$(0.2) billion, versus \$39.0 million in 2019
- Q4 Net Revenue of \$16 million, down 90% year-on-year, up 23% quarter-on-quarter
- Q4 Adjusted EBITDA of \$(28) million, versus \$(37) million in Q3 2020 and \$16 million in Q4 2019
- There was no luck impact on Q4 Adjusted EBITDA
- Hotel occupancy for Q4 was 22%

### **Balance Sheet: Healthy and Liquid Balance Sheet**

- As at 31 December 2020, cash and liquid investments were \$46.0 billion and net cash was \$36.8 billion
- As at 31 December 2020, debt was \$9.2 billion, including \$8.7 billion associated with our treasury yield enhancement program and \$0.5 billion of core debt

### **Development Update: Continuing to Pursue Development Opportunities**

- Continue to make ongoing progressive enhancements to our resorts to ensure that they remain competitive and appealing to our guests
- Cotai Phases 3 & 4 – Continue with development works for Phases 3 & 4, with a strong focus on non-gaming, primarily targeting MICE, entertainment, family facilities and also including gaming, given COVID-19, timelines may be impacted
- Hengqin – Encouraged by recent strengthening of the relationship between Hengqin and Macau, continue with planning of our Hengqin project. We are also expanding our focus beyond Hengqin and Macau to potentially include opportunities within the rapidly expanding Greater Bay Area
- International – Continuously exploring opportunities in overseas markets, including Japan



## Macau Market Overview

With the outbreak of COVID-19, the Macau Government acted rapidly and decisively to control the pandemic. Basically for the whole year of 2020 Macau was impacted by COVID-19 and the associated travel restrictions. Based on DICJ reporting, Macau's Gross Gaming Revenue ("GGR") for the full year 2020 was \$58.7 billion, down 79% year-on-year. GGR in Q4 2020 was \$21.2 billion, down 70% year-on-year and up 347% quarter-on-quarter.

Furthermore, border entry restrictions were introduced and combined with the ongoing IVS temporary suspension, customer arrivals were impacted. The IVS was progressively reinstated through the third quarter of 2020. However, the majority of Mainland Chinese visitors were not eligible to apply for travel to Macau until late September.

In 2020, visitor arrivals to Macau were 5.9 million, down 85% year-on-year, in which overnight visitors and same-day visitors both decreased 85% year-on-year. The average length of stay for overnight visitors increased by 0.6 day to 2.8 days. Mainland visitor arrivals to Macau were 4.8 million, down 83% year-on-year. For Q4 2020, visitor arrivals to Macau were 1.9 million, down 80% year-on-year and up 150% quarter-on-quarter. Mainland visitor arrivals to Macau were 1.7 million, down 73% year-on-year and up 155% quarter-on-quarter.

## Group Financial Results

### *Full Year 2020*

The Group posted net revenue of \$12.9 billion, down 75% year-on-year. Adjusted EBITDA was \$(1.0) billion versus \$16.5 billion in 2019. Net profit attributable to shareholders was \$(4.0) billion, down 130% year-on-year. Galaxy Macau™'s Adjusted EBITDA was \$(0.9) billion versus \$12.6 billion in 2019. StarWorld Macau's Adjusted EBITDA was \$(0.3) billion versus \$3.5 billion in 2019. Broadway Macau™'s Adjusted EBITDA was \$(0.2) billion versus \$39.0 million in 2019.

GEG played lucky in its gaming operation during 2020, which increased its Adjusted EBITDA by approximately \$25 million. Normalized 2020 Adjusted EBITDA was \$(1.0) billion versus \$15.7 billion in 2019.

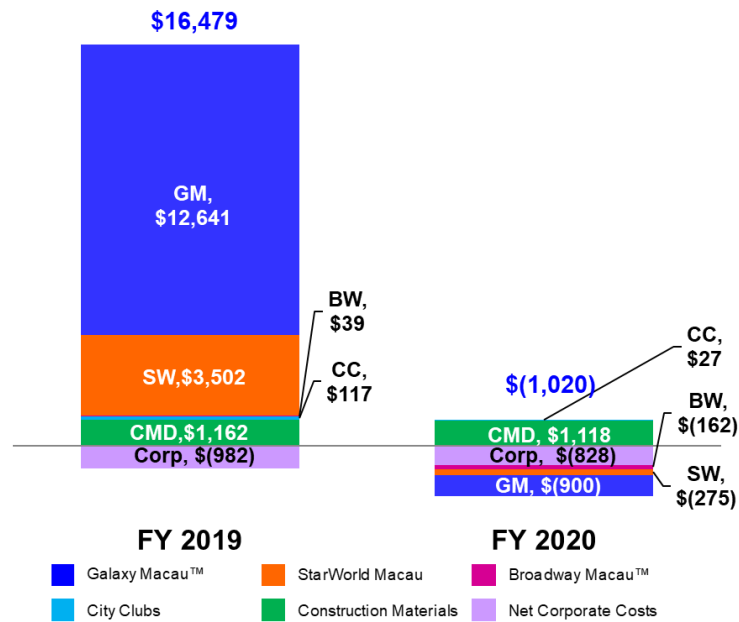
The Group's total GGR on a management basis<sup>1</sup> in 2020 was \$11.5 billion, down 81% year-on-year. Mass GGR was \$6.1 billion, down 79% year-on-year. VIP GGR was \$4.9 billion, down 82% year-on-year. Electronic GGR was \$477 million, down 81% year-on-year.

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<sup>1</sup> The primary difference between statutory gross revenue and management basis gross revenue is the treatment of City Clubs revenue where fee income is reported on a statutory basis and gross gaming revenue is reported on a management basis. At the group level the gaming statistics include Company owned resorts plus City Clubs.



**GEG Adjusted EBITDA (HK\$'m)**



**Group Key Financial Data**

(HK\$'m)	2019	2020
Revenues:		
Net Gaming	43,582	8,566
Non-gaming	5,486	1,571
Construction Materials	2,834	2,739
<b>Total Net Revenue</b>	<b>51,902</b>	<b>12,876</b>
<b>Adjusted EBITDA</b>	<b>16,479</b>	<b>(1,020)</b>

<b>Gaming Statistics<sup>2</sup></b> (HK\$'m)	2019	2020
Rolling Chip Volume <sup>3</sup>	715,988	130,584
Win Rate %	3.9%	3.8%
Win	27,583	4,910
Mass Table Drop <sup>4</sup>	121,879	25,662
Win Rate %	24.0%	23.9%
Win	29,260	6,129
Electronic Gaming Volume	67,942	14,131
Win Rate %	3.7%	3.4%
Win	2,513	477
<b>Total GGR Win<sup>5</sup></b>	<b>59,356</b>	<b>11,516</b>

<sup>2</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>3</sup> Reflects junket rolling chip volume only.

<sup>4</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.

<sup>5</sup> Total GGR win includes gaming win from City Clubs.

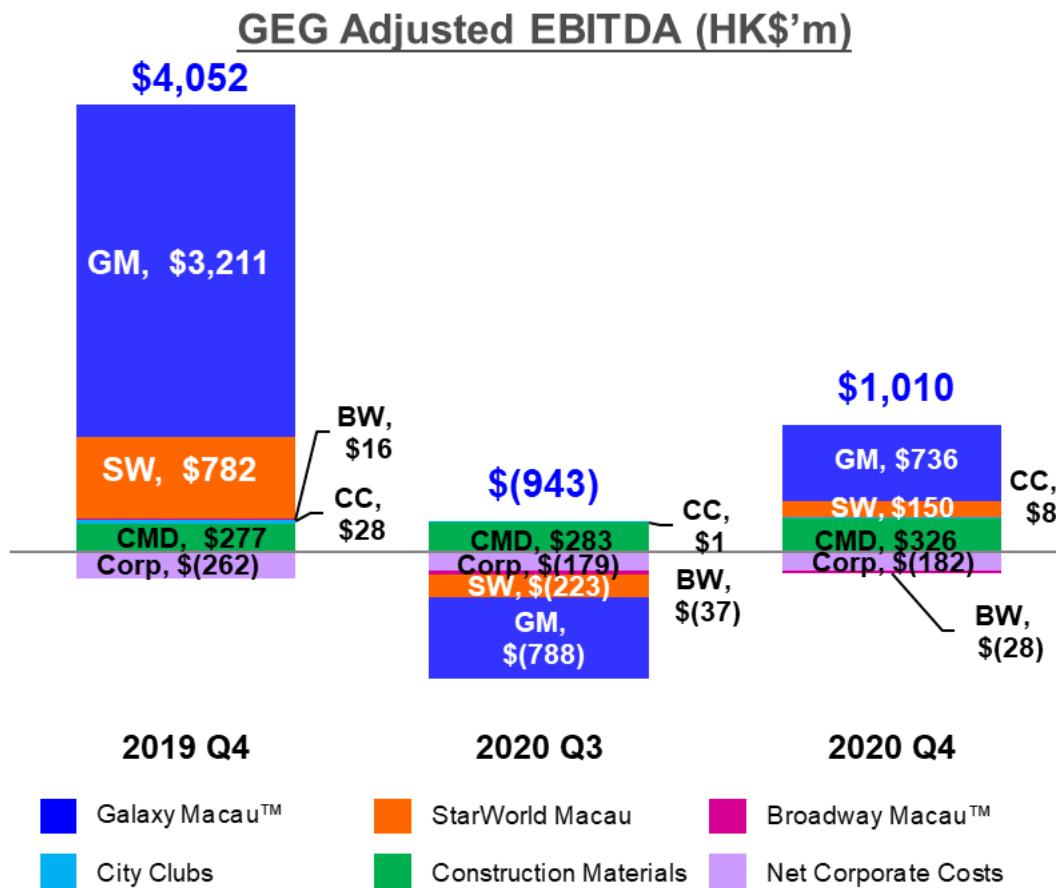


*Balance Sheet*

Due to our conservative financial management, our balance sheet continues to remain strong. At the year end, cash and liquid investments were \$46.0 billion. Total debt was \$9.2 billion, including \$8.7 billion associated with our treasury yield enhancement program and \$0.5 billion of core debt. We remained virtually unlevered with net cash of \$36.8 billion. This provides us with valuable flexibility in managing our ongoing operations and allows us to continue investing in our longer term development plans. Given the uncertainty caused by the COVID-19 pandemic, today the Board of Directors has decided not to declare a dividend.

*Q4 2020*

During Q4 2020, the Group's net revenue decreased 61% year-on-year and increased 229% quarter-on-quarter to \$5.1 billion. Adjusted EBITDA decreased 75% year-on-year and increased 207% quarter-on-quarter to \$1.0 billion. Galaxy Macau™'s Adjusted EBITDA decreased 77% year-on-year and increased 193% quarter-on-quarter to \$0.7 billion. StarWorld Macau's Adjusted EBITDA decreased 81% year-on-year and increased 167% quarter-on-quarter to \$0.2 billion. Broadway Macau™'s Adjusted EBITDA was \$(28) million versus \$(37) million in Q3 2020 and \$16 million in Q4 2019.





During Q4 2020, GEG played unlucky in its gaming operations which decreased its Adjusted EBITDA by approximately \$59 million. Normalized Q4 2020 Adjusted EBITDA decreased 73% year-on-year and increased 214% quarter-on-quarter to \$1.1 billion.

The Group's total GGR on a management basis<sup>6</sup> in Q4 2020 was \$4.6 billion, down 68% year-on-year and up 436% quarter-on-quarter. Mass GGR was \$2.8 billion, down 62% year-on-year, up 685% quarter-on-quarter. VIP GGR was \$1.6 billion, down 74% year-on-year and up 249% quarter-on-quarter. Electronic GGR was \$178 million, down 73% year-on-year and up 394% quarter-on-quarter.

### Group Key Financial Data

(HK\$m)

	Q4 2019	Q3 2020	Q4 2020	FY2019	FY2020
Revenues:					
Net Gaming	10,745	593	<b>3,651</b>	43,582	<b>8,566</b>
Non-gaming	1,426	246	<b>646</b>	5,486	<b>1,571</b>
Construction Materials	802	711	<b>806</b>	2,834	<b>2,739</b>
Total Net Revenue	12,973	1,550	<b>5,103</b>	51,902	<b>12,876</b>
Adjusted EBITDA	4,052	(943)	<b>1,010</b>	16,479	<b>(1,020)</b>

### Gaming Statistics<sup>7</sup>

(HK\$m)

	Q4 2019	Q3 2020	Q4 2020	FY2019	FY2020
Rolling Chip Volume <sup>8</sup>	168,975	11,801	<b>43,910</b>	715,988	<b>130,584</b>
Win Rate %	3.8%	4.0%	<b>3.8%</b>	3.9%	<b>3.8%</b>
Win	6,460	472	<b>1,648</b>	27,583	<b>4,910</b>
Mass Table Drop <sup>9</sup>	30,601	1,654	<b>12,037</b>	121,879	<b>25,662</b>
Win Rate %	24.0%	21.7%	<b>23.4%</b>	24.0%	<b>23.9%</b>
Win	7,330	359	<b>2,817</b>	29,260	<b>6,129</b>
Electronic Gaming Volume	17,984	1,324	<b>4,322</b>	67,942	<b>14,131</b>
Win Rate %	3.7%	2.7%	<b>4.1%</b>	3.7%	<b>3.4%</b>
Win	659	36	<b>178</b>	2,513	<b>477</b>
Total GGR Win	14,449	867	<b>4,643</b>	59,356	<b>11,516</b>

<sup>6</sup> The primary difference between statutory gross revenue and management basis gross revenue is the treatment of City Clubs revenue where fee income is reported on a statutory basis and gross gaming revenue is reported on a management basis. At the group level the gaming statistics include Company owned resorts plus City Clubs.

<sup>7</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>8</sup> Reflects junket rolling chip volume only.

<sup>9</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.



## Galaxy Macau™

Galaxy Macau™ is the primary contributor to Group revenue and earnings. In 2020, net revenue was down 79% year-on-year to \$7.8 billion. Adjusted EBITDA was \$(0.9) billion versus \$12.6 billion in 2019. Galaxy Macau™ played lucky in its gaming operations which increased its Adjusted EBITDA by approximately \$43 million. Normalized 2020 Adjusted EBITDA was \$(0.9) billion versus \$12.0 billion in 2019.

In Q4 2020, Galaxy Macau™'s net revenue was \$3.3 billion, down 64% year-on-year and up 430% quarter-on-quarter. Adjusted EBITDA was \$0.7 billion, down 77% year-on-year and up 193% quarter-on-quarter. Adjusted EBITDA margin under HKFRS was 22% (Q4 2019: 34%). Galaxy Macau™ played unlucky in its gaming operations which decreased its Adjusted EBITDA by approximately \$41 million. Normalized Q4 2020 Adjusted EBITDA decreased 74% year-on-year and up 199% quarter-on-quarter to \$0.8 billion.

The combined five hotels occupancy rate was 49% for Q4 2020 and 28% for the full year 2020.

### Galaxy Macau™ Key Financial Data

(HK\$m)	Q4 2019	Q3 2020	Q4 2020	FY2019	FY2020
Revenues:					
Net Gaming	8,137	407	<b>2,731</b>	32,780	<b>6,398</b>
Hotel / F&B / Others	872	146	<b>290</b>	3,430	<b>809</b>
Mall	327	73	<b>297</b>	1,231	<b>572</b>
Total Net Revenue	9,336	626	<b>3,318</b>	37,441	<b>7,779</b>
Adjusted EBITDA	3,211	(788)	<b>736</b>	12,641	<b>(900)</b>
Adjusted EBITDA Margin	34%	NEG <sup>10</sup>	<b>22%</b>	34%	<b>NEG<sup>11</sup></b>

### Gaming Statistics<sup>12</sup>

(HK\$m)	Q4 2019	Q3 2020	Q4 2020	FY2019	FY2020
Rolling Chip Volume <sup>13</sup>	114,669	6,785	<b>29,552</b>	485,343	<b>89,219</b>
Win Rate %	4.0%	4.6%	<b>3.9%</b>	4.2%	<b>4.1%</b>
Win	4,612	309	<b>1,156</b>	20,171	<b>3,673</b>
Mass Table Drop <sup>14</sup>	18,359	860	<b>7,348</b>	72,786	<b>14,994</b>
Win Rate %	28.4%	25.9%	<b>27.3%</b>	28.0%	<b>28.0%</b>
Win	5,221	223	<b>2,009</b>	20,411	<b>4,198</b>
Electronic Gaming Volume	11,872	746	<b>3,064</b>	45,572	<b>8,755</b>
Win Rate %	4.5%	3.2%	<b>5.0%</b>	4.6%	<b>4.2%</b>
Win	539	23	<b>153</b>	2,076	<b>368</b>
Total GGR Win	10,372	555	<b>3,318</b>	42,658	<b>8,239</b>

<sup>10</sup> NEG represents negative margin.

<sup>11</sup> NEG represents negative margin.

<sup>12</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>13</sup> Reflects junket rolling chip volume only.

<sup>14</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.





## StarWorld Macau

In 2020, StarWorld Macau's net revenue was down 80% year-on-year to \$2.2 billion. Adjusted EBITDA was \$(0.3) billion versus \$3.5 billion in 2019. StarWorld Macau played unlucky in its gaming operations which decreased its Adjusted EBITDA by approximately \$17 million. Normalized 2020 Adjusted EBITDA was \$(0.3) billion versus \$3.3 billion in 2019.

In Q4 2020, StarWorld Macau's net revenue was \$1.0 billion, down 64% year-on-year and up 380% quarter-on-quarter. Adjusted EBITDA was \$0.2 billion, down 81% year-on-year and up 167% quarter-on-quarter. Adjusted EBITDA margin under HKFRS was 16% (Q4 2019: 29%). StarWorld Macau played unlucky in its gaming operations which decreased its Adjusted EBITDA by approximately \$18 million. Normalized Q4 2020 Adjusted EBITDA decreased 79% year-on-year and increased 176% quarter-on-quarter to \$0.2 billion.

Hotel occupancy was 57% for Q4 2020 and 28% for the full year 2020.

### StarWorld Macau Key Financial Data

(HK\$m)

	Q4 2019	Q3 2020	Q4 2020	FY2019	FY2020
Revenues:					
Net Gaming	2,515	184	914	10,403	2,119
Hotel / F&B / Others	125	10	35	461	99
Mall	13	5	6	53	19
Total Net Revenue	2,653	199	955	10,917	2,237
Adjusted EBITDA	782	(223)	150	3,502	(275)
Adjusted EBITDA Margin	29%	NEG <sup>15</sup>	16%	32%	NEG <sup>16</sup>

### Gaming Statistics<sup>17</sup>

(HK\$m)

	Q4 2019	Q3 2020	Q4 2020	FY2019	FY2020
Rolling Chip Volume <sup>18</sup>	50,539	4,429	13,280	222,014	37,434
Win Rate %	3.5%	3.3%	3.6%	3.2%	3.0%
Win	1,770	148	481	7,118	1,140
Mass Table Drop <sup>19</sup>	9,217	619	3,957	36,274	8,474
Win Rate %	17.5%	16.9%	16.9%	18.7%	18.1%
Win	1,614	105	668	6,787	1,535
Electronic Gaming Volume	2,421	155	584	8,632	2,099
Win Rate %	2.2%	2.3%	2.1%	2.3%	2.2%
Win	55	4	11	196	45
Total GGR Win	3,439	257	1,160	14,101	2,720

<sup>15</sup> NEG represents negative margin.

<sup>16</sup> NEG represents negative margin.

<sup>17</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>18</sup> Reflects junket rolling chip volume only.

<sup>19</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.



## Broadway Macau™

Broadway Macau™ is a unique family friendly, street entertainment and food resort supported by Macau SMEs, it does not have a VIP gaming component. In 2020, Broadway Macau™'s net revenue was \$94 million, down 84% year-on-year. Adjusted EBITDA was \$(0.2) billion versus \$39 million in 2019. Broadway Macau™ played unlucky in its gaming operations which decreased its Adjusted EBITDA by approximately \$1 million. Normalized 2020 Adjusted EBITDA was \$(0.2) billion versus \$34 million in 2019.

In Q4 2020, Broadway Macau™'s net revenue was \$16 million, down 90% year-on-year, up 23% quarter-on-quarter. Adjusted EBITDA was \$(28) million, versus \$16 million in prior year and \$(37) million in Q3 2020. There was no luck impact on Broadway Macau™'s Adjusted EBITDA in Q4 2020.

Hotel occupancy was 22% for Q4 2020 and 20% for full year 2020.

### Broadway Macau™ Key Financial Data

(HK\$m)

	Q4 2019	Q3 2020	Q4 2020	FY2019	FY2020
Revenues:					
Net Gaming	65	1	0	282	22
Hotel / F&B / Others	78	6	10	267	49
Mall	11	6	6	44	23
Total Net Revenue	154	13	16	593	94
Adjusted EBITDA	16	(37)	(28)	39	(162)
Adjusted EBITDA Margin	10%	NEG <sup>20</sup>	NEG <sup>21</sup>	7%	NEG <sup>22</sup>

### Gaming Statistics<sup>23</sup>

(HK\$m)

	Q4 2019	Q3 2020	Q4 2020	FY2019	FY2020
Mass Table Drop <sup>24</sup>	320	NIL*	NIL*	1,334	114
Win Rate %	19.1%	NIL*	NIL*	20.0%	17.9%
Win	61	NIL*	NIL*	267	20
Electronic Gaming Volume	471	36	7	1,923	337
Win Rate %	2.3%	2.4%	1.5%	2.4%	2.1%
Win	11	1	0	47	7
Total GGR Win	72	1	0	314	27

\* NIL represents tables not opened during the period.

<sup>20</sup> NEG represents negative margin.

<sup>21</sup> NEG represents negative margin.

<sup>22</sup> NEG represents negative margin.

<sup>23</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>24</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.



## City Clubs

City Clubs contributed \$27 million of Adjusted EBITDA in 2020, down 77% year-on-year. Q4 2020 Adjusted EBITDA was \$8 million, versus \$28 million in prior year and \$1 million in Q3 2020.

### City Clubs Key Financial Data

(HK\$m)	Q4 2019	Q3 2020	Q4 2020	FY2019	FY2020
Adjusted EBITDA	28	1	8	117	27

### Gaming Statistics<sup>25</sup>

(HK\$m)

	Q4 2019	Q3 2020	Q4 2020	FY2019	FY2020
Rolling Chip Volume <sup>26</sup>	3,767	587	1,078	8,631	3,931
Win Rate %	2.1%	2.4%	1.1%	3.4%	2.5%
Win	78	15	11	294	97
Mass Table Drop <sup>27</sup>	2,705	175	732	11,485	2,080
Win Rate %	16.1%	17.8%	19.2%	15.6%	18.1%
Win	434	31	140	1,795	376
Electronic Gaming Volume	3,220	387	667	11,815	2,940
Win Rate %	1.7%	2.0%	1.9%	1.6%	1.9%
Win	54	8	14	194	57
Total GGR Win	566	54	165	2,283	530

## Construction Materials Division

The Construction Materials Division contributed Adjusted EBITDA of \$1.1 billion in 2020, down 4% year-on-year. Q4 2020 Adjusted EBITDA was \$326 million, up 18% year-on-year and up 15% quarter-on-quarter.

## Development Update

### *Galaxy Macau™ and StarWorld Macau*

We continue to make ongoing progressive enhancements to our resorts to ensure that they remain competitive and appealing to our guests.

<sup>25</sup> Gaming statistics are presented before deducting commission and incentives.

<sup>26</sup> Reflects junket rolling chip volume only.

<sup>27</sup> Mass table drop includes the amount of table drop plus cash chips purchased at the cage.



*Cotai – The Next Chapter*

GEG is uniquely positioned for long term growth. We are proceeding with the development of Phases 3 & 4 and continue to review and refine plans to ensure a world-class optimal development. We see the premium market evolving with this segment preferring higher quality and spacious rooms. Phases 3 & 4 combined will have approximately 3,000 high end and family rooms and villas, 400,000 square feet of MICE space, a 500,000 square feet 16,000-seat multi-purpose arena, F&B, retail and casinos, among others. We will try to maintain our development targets, however due to COVID-19, development timelines may be impacted. At this point we cannot quantify the impact but we will endeavor to maintain our schedule.



*Exterior rendering of new tower at Galaxy Macau™*



*Photographs of new tower at Galaxy Macau™*



*Photograph of Galaxy International Convention Center, Galaxy Arena and Andaz Hotel towers*

### *Hengqin / Greater Bay Area*

We continue to make progress with the planning of our project on Hengqin that will complement our high energy resorts in Macau.

We are also expanding our focus beyond Hengqin and Macau to potentially include opportunities within the rapidly expanding Greater Bay Area.

### *International*

Our Japan based team continues with our Japan development efforts even as they deal with the COVID-19 crisis. We view Japan as a long term growth opportunity that will complement our Macau operations and our other international expansion ambitions. GEG, together with Monte-Carlo SBM from the Principality of Monaco and our Japanese partners, remain interested in bringing our brand of World Class IRs to Japan.



## Selected Major Awards for 2020

Award	Presenter
<b>GEG</b>	
Mr. Francis Lui, Vice Chairman of Galaxy Entertainment Group – Rank No.1	13 <sup>th</sup> Asian Gaming Power 50
Casino Operator of the Year Australia & Asia Socially Responsible Operator (Asia / Australia)	13 <sup>th</sup> International Gaming Awards
Certificate of Excellence in Investor Relations	HKIRA 6 <sup>th</sup> Investor Relations Awards
Best in Sector – Consumer Discretionary Certificate of Excellence in Investor Relations	IR Magazine Greater China Awards 2020
The Most Influential Social Responsibility Award	The 2 <sup>nd</sup> Greater China Most Influential Brand & Entrepreneur Awards Ceremony
Employer Recognition for the Hiring “Senior Talents”	2020 Outstanding Elderly Employees Award and Employer Recognition Scheme for the Hiring of “Senior Talents”
Original Convention and Exhibition Award	Macao Convention and Exhibition Commendation Awards 2020
<b>Galaxy Macau™</b>	
Five-Star Hotel: - The Ritz-Carlton, Macau - Banyan Tree Macau  Five-Star Restaurant: - Lai Heen - Belon  Five-Star Spa: - The Ritz-Carlton Spa, Macau - Banyan Tree Spa Macau	2020 Forbes Travel Guide
Energy Saving Concept Award Excellence Award	Macao Energy Saving Activity 2020
Best of the Best Awards Top 10 Hotels for Families - China  Travelers' Choice Winner: - The Ritz-Carlton, Macau - Banyan Tree Macau - Hotel Okura Macau - JW Marriott Hotel Macau	Tripadvisor 2020 Travelers' Choice
Best of the Best 2020 - The Best Shopping Experience	Robb Report China
2019 Macau Green Hotel Awards - Gold Award: - Banyan Tree Macau - JW Marriott Hotel Macau - The Ritz-Carlton, Macau	DSPA & MGTO
Annual Gourmet Landmark - Galaxy Macau™ Special Recommended Must Eat Restaurant - Fook Lam Moon	2019-2020 China Feast Restaurant Awards by Restaurant Review



Macau's Best Resort Spa 2020 - Banyan Tree Spa Macau	World Spa Awards
Most Anticipated Hotel - Andaz Macau Most Anticipated Convention Center - Galaxy International Convention Center	2020 Golden Five Stars Award by China International Conference & Exhibition
<b>StarWorld Macau</b>	
My Favorite Hotel Restaurant in Macau - Feng Wei Ju	U Magazine Favorite Food Awards 2020
I Food Award 2020 - My Favorite Restaurant in Hotel - Feng Wei Ju	I Food Award
<b>Broadway Macau™</b>	
Agoda Customer Review Award 2020	Agoda.com
Travelers' Choice Winner	TripAdvisor 2020 Travelers' Choice
Loved by Guests Award 2020	Hotels.com
<b>Construction Materials Division</b>	
Caring Company Scheme – 15 Years Plus Caring Company Logo	The Hong Kong Council of Social Service
Occupational Health Award 2019-20 - Joyful @ Healthy Workplace Best Practices Award (Enterprise / Organisation Category) - Grand Award	Occupational Safety and Health Council
Construction Industry Caring Organization	Construction Industry Sports and Volunteering Programme
Hong Kong Awards for Environmental Excellence – Manufacturing and Industrial Services – Certificate of Merit	Environmental Campaign Committee
Hong Kong Green Organisation Certification - Wastewi\$e - Certificate - Excellence Level - - Carbon Reduction - Certificate - Achieved 7% Carbon Reduction	
Good Employer Charter 2020: - Signatory of the Good Employer Charter 2020 - Family-friendly Good Employer Logo	Labour Department
BOCHK Corporate Environmental Leadership Awards 2019 – Eco Partner, 3 Years+ Eco Pioneer	Bank of China (Hong Kong); Federation of Hong Kong Industries
Social Capital Builder Awards – Social Capital Leader Logo Award	Labour and Welfare Bureau; Community Investment and Inclusion Fund



## Outlook

We believe that COVID-19 will continue to impact Macau for the immediate future. Mainland China, Hong Kong and Macau continue to experience social distancing measures and travel restrictions which have been progressively easing. We are pleased with the progressive reinstatement of the IVS visas in Mainland through Q3 2020 and we expect visitation to improve as Macau benefits from the ramping up of the IVS program. In the medium to longer term, we have great confidence in the future of Macau. However, we do acknowledge the ongoing difficulties associated with COVID-19 and the potential for COVID-19 to materially adversely impact our future financial results.

The expanded infrastructure will continue to improve the accessibility to Macau. In particular, the new Hengqin immigration port and the extension line of Zhuhai Urban-Airport Intercity Railway which commenced operation in August 2020. In addition, the Macau Government plans to repurpose part of the Taipa Ferry Terminal into the second terminal building of the Macau International Airport and increase the total airport capacity. The Macau Government also plans to build the east section of the Light Rail Transport which will connect the peninsula's Gongbei Border Gate checkpoint to the Taipa Ferry Terminal.

We are pleased to hear that Macau and other locations are proceeding with their COVID-19 vaccination rollout plans. We believe that when Mainland and international tourists make future travel plans, health and safety will be foremost in their minds.

Specifically, to GEG, the Group is ready to capture future growth with our substantial development pipeline. These include the ongoing development of Cotai Phases 3 & 4 which are specifically designed to capture a larger share of the Mass business, renovate the existing properties, reconfigure and introduce new products to our resorts to ensure they remain highly competitive and appealing to our valuable guests. These projects will support Macau's economy in the near term.

We remain engaged in our international expansion plans including Japan. We understand that due to the impact of COVID-19, Japan has revised their timeline of Integrated Resorts licenses and we remain interested in introducing our brands to Japan.

In the shorter to medium term, we do acknowledge it is hard to determine the speed of recovery with anticipated progressive-opening of travel restrictions and expected social distancing within our resorts. Further, we are also mindful that consumer sentiment has been impacted by a slower global economy, ongoing trade tensions and currency fluctuation among others. These events have been impacting consumer sentiment and subsequent spending habits. Longer term, we have great confidence in Macau and we will continue with our development program. GEG remains committed to support the Government's vision to develop Macau into a World Center of Tourism and Leisure.

Through our prudent business management, GEG has a strong and virtually unlevered balance sheet. This allows us to continue to invest into and upgrade our existing resorts and proceed with the planned opening of Cotai Phases 3 & 4. During the period of low revenue, we will continue to focus on effective cost control. However, we are mindful not to cut costs excessively and therefore adversely impact our renowned "World Class, Asian Heart" service standards and customer experiences.

- END -





About Galaxy Entertainment Group (HKEx stock code: 27)

Galaxy Entertainment Group (“GEG” or the “Group”) is one of the world’s leading resorts, hospitality and gaming companies. It primarily develops and operates a large portfolio of integrated resort, retail, dining, hotel and gaming facilities in Macau. The Group is listed on the Hong Kong Stock Exchange and is a constituent stock of the Hang Seng Index.

GEG is one of the three original concessionaires in Macau with a successful track record of delivering innovative, spectacular and award-winning properties, products and services, underpinned by a “World Class, Asian Heart” service philosophy, that has enabled it to consistently outperform the market in Macau.

GEG operates three flagship destinations in Macau: on Cotai, Galaxy Macau™, one of the world’s largest integrated destination resorts, and the adjoining Broadway Macau™, a unique landmark entertainment and food street destination; and on the Peninsula, StarWorld Macau, an award winning premium property.

The Group has the largest undeveloped landbank of any concessionaire in Macau. When The Next Chapter of its Cotai development is completed, GEG’s resorts footprint on Cotai will double to more than 2 million square meters, making the resorts, entertainment and MICE precinct one of the largest and most diverse integrated destinations in the world. GEG is also progressing plans for its Hengqin project and we are also expanding our focus beyond Hengqin and Macau to potentially include opportunities within the rapidly expanding Greater Bay Area. These projects will help GEG develop and support Macau in its vision of becoming a World Centre of Tourism and Leisure.

In July 2015, GEG made a strategic investment in Société Anonyme des Bains de Mer et du Cercle des Etrangers à Monaco (“Monte-Carlo SBM”), a world renowned owner and operator of iconic luxury hotels and resorts in the Principality of Monaco. GEG continues to explore a range of international development opportunities with Monte-Carlo SBM including Japan.

GEG is committed to delivering world class unique experiences to its guests and building a sustainable future for the communities in which it operates.

For more information about the Group, please visit [www.galaxyentertainment.com](http://www.galaxyentertainment.com)

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