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# EDITED TRANSCRIPT

Q4 2018 Melco Resorts & Entertainment Ltd Earnings Call

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## CORPORATE PARTICIPANTS

**Lawrence Ho** *Melco Resorts & Entertainment Limited - Chairman & CEO*

**Geoffrey Stuart Davis** *Melco Resorts & Entertainment Limited - Executive VP & CFO*

**David Ross Sisk** *Melco Resorts & Entertainment Limited - Property President of City of Dreams-Macau*

**Richard Huang** *Melco Resorts & Entertainment Limited - Director of IR*

## CONFERENCE CALL PARTICIPANTS

**Anil Jeevan Daswani** *Citigroup Inc, Research Division - MD and Head of Global Gaming Research and Hong Kong Country Research*

**Harry Croyle Curtis** *Instinet, LLC, Research Division - MD and Senior Analyst of Gaming, Leisure & Lodging*

**Hay Ling Ng** *BofA Merrill Lynch, Research Division - Research Analyst*

**Karen Tang** *Deutsche Bank AG, Research Division - Head of Asian Gaming and Hotels Research*

**Praveen Kumar Choudhary** *Morgan Stanley, Research Division - MD*

## PRESENTATION

### Operator

Ladies and gentlemen, thank you for participating in the Fourth Quarter 2018 Earnings Conference Call of Melco Resorts & Entertainment Limited. (Operator Instructions) Today's conference call is being recorded.

I would like to turn the call over to Mr. Richard Huang, Director of Investor Relations of Melco Resorts & Entertainment Limited. Please go ahead.

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### **Richard Huang** *Melco Resorts & Entertainment Limited - Director of IR*

Thank you for joining us today for our fourth quarter 2018 earnings call. On the call today are Lawrence Ho; Geoff Davis; and our Property Presidents in Macau and Manila.

Before we get started, please note that today's discussion may contain forward-looking statements made under the safe harbor provision of federal securities law. Our actual results could differ from our anticipated results.

Also I would like to highlight that all of the financials mentioned in the prepared remarks are denominated in U.S. dollars.

With that, I'll now turn the call over to Lawrence.

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### **Lawrence Ho** *Melco Resorts & Entertainment Limited - Chairman & CEO*

Thank you, Richard. Hello, everyone. First, before I proceed with my opening remarks, I would like to express Melco's sincere gratitude to the Macau government for consideration and approval of our gaming table application for operation from January 1, 2019. We're highly appreciative of the approval to operate an additional 40 gaming tables at City of Dreams. We're grateful for the recognition that City of Dreams has been materially revitalized, following the significant investment we made in Morpheus, which is designed to help the SAR to be recognized as a world-leading travel and entertainment destination.

Moving on to our results. During the fourth quarter of 2018, Melco delivered record property EBITDA of \$425 million, driven by robust mass gaming revenue growth at all of our Melco integrated resorts. We remain bullish on Melco's long-term prospects, with Macau being one of the most attractive integrated resort markets and with Melco being well positioned to benefit from Macau's anticipated mass-driven growth with our best-in-class premium mass-focused resorts.

Our optimism is evidenced by the company repurchasing an incremental \$165 million worth of shares, in addition to the \$490 million of shares that were repurchased and announced with our third quarter results.

Morpheus continues to receive overwhelmingly positive reception. After being ranked by Time Magazine as one of the world's 100 greatest places, the French culinary experience brought by Alain Ducasse at Morpheus has recently been awarded with 2 Michelin Stars in less than 6 months since its opening.



Moreover, Jade Dragon at City of Dreams has further lifted the benchmark for Cantonese fine dining by attaining the highly coveted 3 Michelin Star designation.

We're thrilled to achieve our record-breaking milestone with 10 Michelin Stars awarded among 6 of Melco's signature restaurants, solidifying Melco's leadership as the leading premium integrated resort operator in the world, with the most Michelin Star restaurants and with the most Forbes Star awards.

Morpheus' positive reception has translated into business improvements, with COD's mass table GGR growth accelerating to 23% in the fourth quarter, allowing for significant market share expansion in the high-margin mass market segment.

Going forward, with further ramp of the iconic award-winning Morpheus, we're confident in our ability to continue to drive revenue and market share improvement.

Our confidence is also supported by further property upgrade at City of Dreams. With our VIP guests now enjoying a significantly upgraded gaming experience with renovation of the VIP area on the second floor completed just ahead of the Chinese New Year.

Lastly, we will soon commence the rolling refurbishment of Nüwa with the renovated hotel rooms expected to be rolled out in phases over the next 18 months.

Moving to Studio City. The property continues to enjoy solid mass gaming revenue performance. To drive continued growth, we have exciting plans to enhance the entertainment offerings, which includes the recent launch of the world's first all-electric indoor theatrical stunt show, Elekron. Developed in partnership with world-class entertainment architect, Stufish, and with the full support of the Macau SAR government, the show features powerful electric vehicles and daredevil stunts to keep audiences on the edge of their seats from start to finish.

Earlier in January, we also opened the pop-up Legends Heroes VR Park, paving the way for the opening of the 50,000 square feet permanent venue later in the year.

Finally, the Flip Out Trampoline Park will be unveiled at Studio City in the next few months.

Looking further out, the further expansion of Studio City is expected to have two hotel towers, a water park, a cineplex and additional gaming space.

Altira continues to deliver strong year-over-year growth across all gaming segments with EBITDA growing 15% to reach \$20 million in the fourth quarter of 2018.

Turning to the Philippines. City of Dreams Manila in the fourth quarter of 2018 delivered its 12th consecutive quarter of luck-adjusted EBITDA growth. However, with rising competition in and around Entertainment City, we're more cautious about 2019 and beyond.

Finally, we are devoting significant resources on international expansion, with a strong emphasis on Japan, which we have always viewed as the most attractive integrated resort opportunity globally outside of Macau. The license bidding process may start in 2019 or 2020, and we are gearing up for this process. We believe we are well placed in Japan with a strong local team actively working on the ground, engaging with the relevant stakeholders.

We also believe our focus on the Asian premium segment, a portfolio of high-quality assets, devotion to craftsmanship, dedication to world-class entertainment offerings, market-leading social safeguard system and an established track record of successful partnerships will put Melco in a strong position to help Japan realize the vision of developing world-leading IRs with a unique Japanese touch.

With that, I turn the call to Geoff to go through some of the numbers.

**Geoffrey Stuart Davis Melco Resorts & Entertainment Limited - Executive VP & CFO**

Thank you, Lawrence. We reported group-wide property EBITDA of approximately \$425 million in the fourth quarter of 2018, increasing by 25% from the fourth quarter of 2017, while luck-adjusted property EBITDA declined 2% year-over-year to \$369 million. The favorable VIP win rates positively affected EBITDA at COD Macau, Studio City, Altira and COD Manila by approximately \$28 million, \$11 million, \$10 million and \$7 million, respectively.

In addition to the VIP win rate fluctuation, our performance was also affected by our bad debt provision. During the fourth quarter of 2018, we incurred a bad debt provision of \$11 million as compared to a bad debt reversal of \$3 million in the third quarter of 2018 and a reversal of \$11 million in the fourth quarter of 2017. On a year-over-year basis, the change in the bad debt provision negatively affected EBITDA by approximately \$22 million.

In the fourth quarter, the luck-adjusted property EBITDA margin in Macau was approximately 27%, up from 24% in the prior quarter and down from 29% in the fourth quarter of 2017. I would like to clarify that these are apples-to-apples comparisons as the aforementioned margins are all calculated based on the new accounting standards, including those from the prior period.

With continued robust growth in the mass gaming revenues, the EBITDA contribution from our non-VIP segment now represents more than 90% of luck-adjusted EBITDA on the Macau-wide basis, highlighting the mass gaming and nongaming segments' importance in driving group-wide EBITDA and EBITDA margins.

In the Philippines, COD Manila delivered luck-adjusted EBITDA of approximately \$61 million, representing an increase of 4% year-over-year. The luck-adjusted EBITDA margin at COD Manila declined by approximately 120 basis points quarter-over-quarter, but increased by approximately 120 basis points year-over-year to 42%. The sequential EBITDA margin decline was due primarily to a \$2 million one-time back-tip payment. Adjusting for that, the luck-adjusted EBITDA margin from COD Manila would have been broadly flat quarter-over-quarter.

Moving on to capital management. The board has increased the quarterly cash dividend by 7% to \$0.155 per ADS. Melco has also repurchased another 10 million ADSs, worth approximately \$165 million, which is in addition to the \$490 million share repurchase announced with our third quarter results. The average repurchase price for the incremental \$165 million of share repurchase was approximately \$17 per ADS.

To optimize our capital structure, Studio City has, in the past few months, partially redeemed then refinanced its 2020 senior notes, which resulted in an extended maturity, lower gearing level and reduced interest expense of approximately \$27 million per annum. To provide more clarity regarding our capital structure within our core or wholly owned group, we had cash of approximately \$660 million and gross debt of approximately \$2.5 billion at the end of the fourth quarter of 2018, excluding Studio City and the Philippines. As we normally do, we'll give you some guidance on non-operating line items for the upcoming quarter.

Total depreciation and amortization expense is expected to be approximately \$155 million to \$165 million. Corporate expense is expected to come in at approximately \$30 million to \$31 million and consolidated net interest expense is expected to be approximately \$73 million, which includes finance lease interest of \$10 million relating to City of Dreams Manila. For those that follow City of Dreams Manila more closely, our building lease payment for the fourth quarter of 2018 was approximately \$9 million.

That concludes our prepared remarks. Operator, back to you for the Q&A.

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**QUESTIONS AND ANSWERS**

**Operator**

(Operator Instructions) Your first question comes from the line of Anil Daswani of Citi.

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**Anil Jeevan Daswani Citigroup Inc, Research Division - MD and Head of Global Gaming Research and Hong Kong Country Research**

Lawrence, could you comment a little bit on what your thoughts have been for the Chinese New Year this year? How have things gone? And has there been any visible evidence of any impact from that Supreme Court ruling that came into effect on the 1st of February? That will be my first question. And the second question is fantastic job on the hold rate in the mass business in the fourth quarter back up to about 33%. How sustainable is that? Is that something that's remained pretty flat at those levels? Or is it still improving into the first quarter?

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**Lawrence Ho Melco Resorts & Entertainment Limited - Chairman & CEO**

Anil, it's Lawrence here. On Chinese New Year, we are very happy about Chinese New Year. As we all know, there has been record visitation. But for us at City of Dreams and, in particular, City of Dreams with the addition of Morpheus and even at Studio City with the addition of Elekron, the new show, we have seen great foot traffic. And all the gaming KPIs and our key KPIs have increased. So we're happy with Chinese New Year. In terms of the Supreme Court ruling on the underground banking and some of those issues, our view is that it's always been law. The law has always existed. What China has done is really crystallize the punishment and the severity of it. I think it's a bit too early to tell because, after all, it was only recently announced and -- but in any case, we've been in close dialogue with our junket partners. And so we'll monitor very closely over the next few weeks, next few months. For now, we don't see any major concern, especially now for Melco's main bread and butter, which is mass and premium mass. In terms of VIP, of course, we're going to be cautious on that. But so far, it's okay. And Chinese New Year was strong for us. So we're very happy. And in terms of your question -- your second question on hold, I guess, you're referring to City of Dreams. And in that case, let me defer the question to David to add more color.

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**David Ross Sisk Melco Resorts & Entertainment Limited - Property President of City of Dreams-Macau**

Anil, so it's the normal stuff that we've talked about on the prior call. Our expectation is we're probably going to hang in the low 30s. We think it's -- we're pretty comfortable with that given what we've done with Morpheus and the impact Morpheus has had on our premium mass business, our mass business. We've also done some other changes on that main gaming floor, we've also changed the pricing as well as, now, also putting in a new signature club area, so our new signature area over there for our premium mass. So again, we're very comfortable with this and we think good things to come.

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**Operator**

Our next question is from Billy Ng of Bank of America Merrill Lynch.

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**Hay Ling Ng BofA Merrill Lynch, Research Division - Research Analyst**

One more questions on -- in terms of the ramp-up. Obviously, in the fourth quarter, COD has a very fantastic ramp-up. And I think in the past, the management kind of guide that, like, we should expect COD or the Morpheus should return at least 20% in terms of ROIC. So like, have you -- after that probably had been in place for 6 months now and more so, like, where are we exactly in terms of the ramp-up curve? Should we expect further ramp-up in the first or second quarter for this year? And also, do you think, like, the 20% return from Morpheus is a bit conservative at this point?

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**Lawrence Ho Melco Resorts & Entertainment Limited - Chairman & CEO**

Billy, it's Lawrence here. I think Morpheus with Q4 -- with the strong results in Q4 is really starting to ramp up, so I certainly look for much more improvements going forward in terms of how Morpheus is integrating into the rest of City of Dreams. And as we mentioned earlier on, we opened the new VIP area that opened just before Chinese New Year. So there's a lot of good stuff happening. But maybe, I'll let David supplement.

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**David Ross Sisk Melco Resorts & Entertainment Limited - Property President of City of Dreams-Macau**

Sure. I think, obviously, when you start off and open a new resort and something as significant as we've done with Morpheus, it's going to take time for that to kind of really come to fruition here. Ultimately, I'm not sure what the return is going to be on that. I think it's going to be a good return for us. But we still haven't completely optimized here from a revenue standpoint or from an expense standpoint. So I think that the returns will bear out over the next couple of years. But again, we're very pleased with the results so far. It's been very positive for us. It's been incredibly well received by not only our customers, but, I think, in general, the hospitality industry.

**Geoffrey Stuart Davis Melco Resorts & Entertainment Limited - Executive VP & CFO**

Just to supplement. Our 20% ROI is still -- in the long term, still intact. I don't know if we're going to have a perfectly linear quarterly sequential increase to get us there. But over time, we still believe that it will be a very good return, meet our hurdles. And we still think we have plenty of room for ramp-up.

**Hay Ling Ng BofA Merrill Lynch, Research Division - Research Analyst**

And my second question is regarding to return of capital. I think, last year in the first half, like, the company focused a bit more on raising the regular dividends and then in last past few months maybe because of the share price. And we noticed that the company spent a lot more on buyback. And then going forward, like, let's say, it's just there's still remaining about 20-something dollars in 2019, what kind of return of capital policy? And what will be the focus in 2019?

**Geoffrey Stuart Davis Melco Resorts & Entertainment Limited - Executive VP & CFO**

Our focus on returning capital, we're committed to returning capital to shareholders. And I think we have a strong track record of doing that. The focus will remain on quarterly regular dividend. But at the same time, we'll be opportunistic and return capital through share repurchase when that makes sense. And in the third quarter, we purchased about 440 million of shares. In the fourth quarter, we repurchased 216 million of shares and, again, bringing that average price down to around \$20 per share over the course of that entire buyback program. So we're very pleased with that. And certainly wouldn't rule out further share repurchase, but it is opportunistic. And our primary method of returning capital will be through the quarterly dividend, which, you may have seen, we've increased again as of the fourth quarter.

**Hay Ling Ng BofA Merrill Lynch, Research Division - Research Analyst**

And one last question very quickly is, like, I think, in Q3, there were some bonus accrual happened. And in Q4, could you clarify any accrual being taken during the fourth quarter?

**Geoffrey Stuart Davis Melco Resorts & Entertainment Limited - Executive VP & CFO**

Well, you're right. The third quarter had an extraordinary catch-up provision, while the fourth quarter had more of a normal provisioning across various buckets of our provisioning policy. We'd like to reiterate the idea, though, that we did go from a reversal in our bad debt provision to an \$11 million charge for doubtful debts.

**Hay Ling Ng BofA Merrill Lynch, Research Division - Research Analyst**

So like, what you are saying is fourth quarter, the provision is at the normal level and that should be sustained for the next few quarters.

**Geoffrey Stuart Davis Melco Resorts & Entertainment Limited - Executive VP & CFO**

Well, there's always a certain amount of volatility in the bad debt provision, but we'll follow our normal policy and formulas for provisioning against outstanding debts. So I don't anticipate anything unusual, but I do think we're back into a more normal territory of bad debt provisions rather than reversals for the foreseeable future.

**Operator**

Our next question comes from the line of Harry Curtis of Instinet.

**Harry Croyle Curtis Instinet, LLC, Research Division - MD and Senior Analyst of Gaming, Leisure & Lodging**

A quick question following up, David. The expected hold percentage in mass, it sounds like you're more comfortable with the improvement that you've seen into the low 30% range. Can you talk about how that fits with just the level of volume that you're seeing? Is it just increased volume that is going to push that back into the low 30s? Or is there something else -- you had mentioned pricing, for example, that could be a policy shift?

**David Ross Sisk Melco Resorts & Entertainment Limited - Property President of City of Dreams-Macau**

No. This is something we've been working on for the last 12 months since i came over from Studio City in terms of changing the pricing on the floor. I'm really trying to appeal to our premium mass business. And while we talked we've got these separate premium areas within the property, we've also like to think our main gaming floor. If you look at the pricing, you walk around, it's pretty much a premium mass

price for any place elsewhere in Macau or, for that matter, any place in the world. It's a few things. I think, one, as we talked about in terms of the increased volumes that we're seeing, as we've freshened up that floor, as we've gotten Morpheus, as we've gotten new premium space. But also, what we're seeing too is people are playing longer. We're getting more players that are coming in. It's had a good impact for us. All those factors come into play to help kind of get us to a better hold percentage.

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**Harry Croyle Curtis *Instinet, LLC, Research Division - MD and Senior Analyst of Gaming, Leisure & Lodging***

Very good. And then a quick follow-up on -- for Geoff on the bad debt payment. I guess, what I'm still struggling with is that the VIP piece of your business is so much smaller than mass. So I'm trying to understand why this increase is -- how to have squared your focus on mass and the rising debt. Is the debt provision actually going up? Or is there something going on with your customers -- the VIP customers, your direct customers, where they're just paying later?

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**Geoffrey Stuart Davis *Melco Resorts & Entertainment Limited - Executive VP & CFO***

Well, I think what's been unusual is not sort of what's happening in the fourth quarter and what we expect going forward. It's more of what's been happening over the last several quarters where we've registered reversals to our bad debt provision. As you'd expect, running this sort of business, you'd expect some normal level or some level of taking a bad debt charge quarter-to-quarter. And again, that can be volatile. But in normal times, I would say, the expectation should be for a charge, whereas in the past, through very aggressive collections, we've been able to turn that into a net reversal. But going forward, I think a normal expectation for more normal levels of provision should be anticipated. I don't think we're seeing anything dramatically different when it comes to collections or credit quality. But we are looking very closely at that, monitoring the situation with some of the other questions that came up on this call, just making sure that we're keeping our thumb on the pulse of what's happening. But as we said, we're not seeing anything really changing in the tone or tenor of the business in VIP or in our perceived ability of the junkets to collect on their debts.

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**Harry Croyle Curtis *Instinet, LLC, Research Division - MD and Senior Analyst of Gaming, Leisure & Lodging***

Okay. And then just a quick last one. Can you -- you had mentioned the CapEx projects. Can you give us a sense of what you're planning to spend in 2019? And then any anticipated construction disruption?

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**Geoffrey Stuart Davis *Melco Resorts & Entertainment Limited - Executive VP & CFO***

This is Geoff. I'll take the CapEx question and maybe I'll let my colleagues handle the construction disruption question. But for 2019, we're expecting maintenance CapEx of approximately \$165 million, growth projects across the portfolio of roughly \$350 million, so little over \$500 million of CapEx for 2019, excluding Studio City Phase 2.

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**Harry Croyle Curtis *Instinet, LLC, Research Division - MD and Senior Analyst of Gaming, Leisure & Lodging***

Okay. And then the disruption question.

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**Lawrence Ho *Melco Resorts & Entertainment Limited - Chairman & CEO***

Harry, It's Lawrence here. We're constantly looking for new offerings and adding and improving our various gaming areas, nongaming areas in general. But I think the bulk of the disruption is behind us and the last of which was the opening of the VIP area at City of Dreams. So Nüwa will be going through a rolling refurbishment, so there's going to be some disruption, but it's not going to be major as it's over 18 months. So I think, all in all, we should have a relatively clean year from this point forward.

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**David Ross Sisk *Melco Resorts & Entertainment Limited - Property President of City of Dreams-Macau***

Yes. I think if you go back -- and It's David, if you go back and look at 2018 for us, it was an incredibly painful year. But with some of the things we needed to do to get that floor where we wanted it to be, but we had a lot of that area of the floor was hoarded up and created a lot of issues for us. We've also gotten through a lot of our smoking as well, so we've got our smoking rooms up now, which we needed to construct on that main gaming floor. So this next year, we really want to minimize the levels of disruption. So as Lawrence said, most of our disruption is probably going to come through. And It will be minimal, but it will come through in the nongaming areas. We've got little bit of disruption still as we finish up on level 2 for the VIP. But again, that -- we're trying to minimize that as much as possible. It will be nothing like we saw in 2018.

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**Operator**

Our next question is from Praveen Choudhary of Morgan Stanley.



**Praveen Kumar Choudhary Morgan Stanley, Research Division - MD**

I have just one question on the buyback. You bought back \$490 million before and then \$165 million again. Could you tell us if those shares have been canceled or the outstanding number of shares have reduced by now? Or will it be done in future?

**Geoffrey Stuart Davis Melco Resorts & Entertainment Limited - Executive VP & CFO**

The bulk of the shares are still held as treasury shares, but they are already reflected in a reduced share count.

**Praveen Kumar Choudhary Morgan Stanley, Research Division - MD**

Okay. Great. And if I may, I had one more question about the Studio City. Remember, you mentioned that you are calling back those VIP tables from them a year from now. And then you received 40 new mass tables from government. Just wanted to understand the utilization of those new tables. Are they proportionately getting you higher revenue and EBITDA or it is going to take some more time to ramp up?

**David Ross Sisk Melco Resorts & Entertainment Limited - Property President of City of Dreams-Macau**

So on the 40 tables, we've got those tables, we put them in place on the first of the year, 1st of January. There is some level of ramp-up on that. They've been very helpful for us during the CNY period. We've also distributed those to some of our other premium mass areas. We've been able to bring more tables in those great areas as well. But there's a normal ramp-up, but I think we'll be pretty happy with the overall results here. And we've been happy so far with what we've seen.

**Geoffrey Stuart Davis Melco Resorts & Entertainment Limited - Executive VP & CFO**

On on the Studio City, those tables will revert back on January of next year. So at that time, we'll assess sort of the relative performance across the Melco properties and make a decision about optimization. And that's what the decision was all about on the VIP tables. So it's just optimizing performance across the Melco portfolio, but that's a decision we'll make closer to the time when those tables revert back.

**Operator**

Next is from Karen Tang of Deutsche Bank.

**Karen Tang Deutsche Bank AG, Research Division - Head of Asian Gaming and Hotels Research**

It's Karen here. 3 questions. Question one is you guys have a very good premium mass segment. And you guys typically have the first pulse on how this segment is trending. My question is either on fourth quarter numbers or year-to-date numbers, can you let us know whether premium mass is going faster or gaming mass are growing faster as Lawrence has said that out. Your visitation growth over Chinese New Year to the [town] has been very strong. The second question is, can you -- maybe, David, just can explain to us a little bit more about your second floor upgraded VIP facility at City of Dreams. Like, which are the new junkets? Or who have more space? And finally, sorry, Geoff, can you repeat the good luck impact on each of the properties? Sorry, I didn't quite get it.

**Lawrence Ho Melco Resorts & Entertainment Limited - Chairman & CEO**

Let me hand it to David.

**David Ross Sisk Melco Resorts & Entertainment Limited - Property President of City of Dreams-Macau**

Okay. So I think a couple of things there. One on the junkets on the second floor space, what we've done is we've increased the size of the space. We have created a lot more private rooms for our various junket operations. Suncity has got an amazing space, plus they've also got a private drop-off. We've created a better access as you come in through the Morpheus side, the newest side of the building, that takes you straight up into the VIP space. So everybody has kind of got in there. We're still waiting for Ocean Star to open up. They're going to open up sometime later this month. We've got probably 5 of the junkets open in those spaces now. There's some other junkets that will kind of trail along as we get towards the end of the second quarter here. And then on the first question...



**Lawrence Ho Melco Resorts & Entertainment Limited - Chairman & CEO**

I think on the mass versus premium mass, I think ever since City of Dreams and we've lost our smoking advantage, we're one of the first ones to lose it last July, I think ever been since then and given the new layout of the COD gaming floor, mass has grown very nicely. So it has grown probably side-by-side with premium mass. So I think there's a lot of synergies between the 2 business and at Studio City as well. So I think, overall, they both are growing extremely well. I don't know if Geoff or David or even Andy have any...

**David Ross Sisk Melco Resorts & Entertainment Limited - Property President of City of Dreams-Macau**

The only thing I would add, Lawrence, real quickly, is that what we see is a lot of players that play in and outside of both our puffy areas now. So like I said, our main floor at COD is totally a premium mass floor as well as having those premium mass areas from a traditional high limit or signature space that we've done. But players go back and forth constantly, chasing the trends.

**Geoffrey Stuart Davis Melco Resorts & Entertainment Limited - Executive VP & CFO**

And Karen, on your last question, so the impact per property, the positive impact at COD Macau was \$28 million. Studio City was \$11 million. Altira was \$10 million. And COD Manila was \$7 million.

**Geoffrey Stuart Davis Melco Resorts & Entertainment Limited - Executive VP & CFO**

All right, operator. If there are no more questions, I think we are -- we can wrap it up.

**Operator**

Ladies and gentlemen, that does conclude our conference for today. Thank you for participating. You may now all disconnect.

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