**Melco Resorts (2026 Q3 Earnings)**
**November 4, 2026**

Corporate Speakers

- Lawrence Ho; Melco Resorts & Entertainment Limited; Chairman and Chief Executive Officer
- Evan Winkler; Melco Resorts & Entertainment Limited; President & Board Director
- Geoffrey Davis; Melco Resorts & Entertainment Limited; Executive Vice President and Chief Financial Officer
- Jeanny Kim; Melco Resorts & Entertainment Limited; Senior Vice President, Group Treasurer

Participants

- David Bain; Texas Capital Bank; Managing Director
- Praveen Choudhary; Morgan Stanley; Managing Director
- Timothy Chau; Citigroup; Analyst

## PRESENTATION

**Operator:** Ladies and gentlemen, thank you for participating in the Third Quarter 2026 Earnings Conference Call of Melco Resorts & Entertainment Limited. At this time, all participants are in a listen-only mode. After the call, we will conduct a question-and-answer session.

Today's conference is being recorded.

I would now like to turn the call over to Ms. Jeanny Kim, Senior Vice President, Group Treasurer of Melco Resorts & Entertainment Limited.

**Jeanny Kim:** Thank you, Operator, and thank you all for joining us today for our third quarter 2026 earnings call. On the call are Lawrence Ho, Geoff Davis, Evan Winkler, and our property presidents in Macau, Manila, and Cyprus. Before we get started, please note that today's discussion may contain forward-looking statements made under the safe harbor provisions of federal securities laws.

Our actual results could differ from our anticipated results. In addition, we may discuss non-GAAP measures. Definitions and reconciliations of each of these measures to the most comparable GAAP financial measures are included in the earnings release.

Finally, please note that our supplementary earnings slides are posted on our Investor Relations website. With that, I will now turn the call over to Mr. Lawrence Ho.

**Lawrence Ho:** Thank you, Jeanny, and thank you all for joining us today. We continue to be confident in the long-term prospects of our business in Macau. We're focused on disciplined execution of a strategy to drive strong returns.

Our distinctive product portfolio in Macau reflects the best in luxury and innovation. Coupled with the opening of our newly branded hotel, REM, and the renovation of our retail space at City of Dreams, we believe we're well-positioned to capture the demands of our evolving customer base, supporting long-term growth. We're also proud that Morpheus at City of Dreams has been awarded three Michelin keys, becoming the first hotel in Macau and one of only four in Greater China to receive this distinction.

This recognition underscores our commitment to delivering exceptional hospitality and guest experiences. We continue to enhance our product offerings through improvements to City of Dreams retail and food and beverage experiences. Work is underway. We expect to unveil completed areas progressively from the end of this year, with a substantial portion coming on stream before Chinese New Year and construction continuing into the summer of 2027. Once complete, City of Dreams will offer the most interactive retail and dining experience in Macau, one that is truly second to none. The Macau market remains extremely competitive. We have been increasingly disciplined in allocating resources, with a sharper focus on customer acquisition and reinvestment, and ensuring every dollar invested strengthens returns. Alongside these efforts, our performance has improved, with our business outperforming the broader Macau market in October. Turning to the operations outside Macau, in the Philippines, despite broader economic pressures, City of Dreams Manila demonstrated resilience with adjusted property EBITDA remaining steady at approximately US$33 million in the third quarter of 2026, compared to the prior quarter.

In Cyprus, City of Dreams Mediterranean and our satellite casinos continue to show strong growth, recording the highest quarterly EBITDA since the start of operations. In Sri Lanka, we continue to build on our understanding of the market and customer preferences as we ramp up operations. With that, I turn the call over to Geoff.

**Geoffrey Davis:** Thank you, Lawrence. Our group-wide adjusted property EBITDA for the third quarter of 2026 was approximately US$288 million. Adjusted for VIP Hold, our adjusted property EBITDA was approximately US$298 million.

Unfavorable VIP win rates at City of Dreams Macau negatively impacted property EBITDA by approximately US$14 million, partially offset by favorable VIP win rates at City of Dreams Manila and Sri Lanka, which positively impacted property EBITDA by approximately US$2 million at each property. Total daily Opex in Macau declined to approximately US$3.2 million during the third quarter of 2026, inclusive of House of Dancing Water and below our prior guidance. While the operating environment remains competitive, we continue to review our operating structure and adjust spending in response to changes in demand and business volumes while maintaining the highest standards of service and product offerings.

Turning to our balance sheet, we continue to maintain a strong liquidity position. As of September 30, 2026, we had total liquidity of approximately US$2 billion, including

approximately US$887 million of cash and cash equivalents and restricted cash. Melco Resorts, excluding Studio City, the Philippines, Cyprus, and Sri Lanka, accounted for approximately US$474 million of cash and cash equivalents.

During the quarter, Studio City redeemed US$165 million in aggregate principal amount of its 6.5% senior notes due 2028. The redemption was funded principally through a drawdown under Studio City's senior secured credit facility and cash on hand, which reduces interest expense. In September, Melco Resorts also redeemed US$600 million in aggregate principal amount of its 5.625% senior notes due 2027 in full. The redemption was funded through a drawdown under Melco's revolving credit facilities and also resulted in reduced interest expense.

We currently do not have any debt maturities in 2027. From July 1st through November 3rd, 2026, we repurchased approximately 33.1 million of our ADSs for consideration of approximately US$160 million. This brings total repurchases in 2026 to approximately 47.1 million ADSs for aggregate consideration of approximately US$236 million.

As we normally do, we'll give you some guidance on non-operating line items for the upcoming fourth quarter of 2026. Total depreciation and amortization expense is expected to be US$140 to US$145 million. Corporate expense is expected to come in at approximately US$20 to US$25 million and consolidated net interest expense is expected to be approximately US$115 to US$120 million. This includes finance liability interest of approximately US$6 million relating to fees payable in relation to the Macau gaming concession and the Cyprus gaming license and finance lease interest of approximately US$5 million relating to City of Dreams Manila.

That concludes our prepared remarks.

Operator, back to you for the Q&A.

## QUESTIONS AND ANSWERS

**Operator:** Thank you. (Operator Instructions)

Your first question comes from David Bain with Texas Capital Bank. Please go ahead.

**David Bain:** Great. Thank you. I guess first, during the quarter we saw, I would call it notable volatility and share price dislocation with MSC and recognizing liquidity makes it difficult to be opportunistic, I guess, in the open market. It kind of reopened the debate, I think, around potential consolidation.

Just given your focus on deleveraging and maybe even the upcoming dividend this year. Does consolidating MSC corporate structure, does that rank somewhere within the priority list or just any kind of color around what kind of conditions could things evolve that direction?

**Lawrence Ho:** Hey, David. Lawrence.

**David Bain:** Hi.

**Lawrence Ho:** Maybe I'll start and Geoff can supplement. I think our corporate priority, as we've stated for the last two or three years, has been to delever. But recognizing there is a massive dislocation of share prices versus what we believe the fair market value of Melco Resorts, as Geoff said in his prepared remarks, that we have bought back a lot of shares at Melco. So, any sort of Studio City consolidation, that is not a priority at all. But at the same time, we're always open to look at what is the optimum structure.

**David Bain:** Got it. That makes sense. Okay.

And then, can we also get your take on the recent Macau government guidance fund? Just given the reinvestment or the investment accounts towards the mandatory quotas, does that alleviate maybe uncertainty in terms of non-gaming physical extension disruption? Is this a better result for you and your requirement? And does it even more broadly have any theoretical impact on 2032 renewals, either from a goodwill perspective or structurally?

**Lawrence Ho:** Well, I think we think so. We're always happy to support the government in their initiatives. And I think the most important thing for Melco and our fellow competitors in the industry is that this counts towards the stated investment.

And so, I think if anything, it does remove some of the uncertainties of having to do more events or other things. So all in all, I think it's a good outcome.

**Geoffrey Davis:** Okay, great. And Dave, if there was an accounting question in there, there is going to be a difference in how we treat it at MIDL with IFRS versus U.S. GAAP for MLCO. So for MIDL, the accounting will record the investment as an asset, likely an intangible asset, but we're still finalizing that with our auditors.

And similarly at Melco, we're still working with our auditors on the final treatment there, but we do anticipate accounting for it as an asset downstairs as well.

**David Bain:** All right, perfect. Thanks, Geoff. Thanks, guys.

**Operator:** Your next question comes from Praveen Choudhary with Morgan Stanley. Please go ahead.

**Praveen Choudhary:** Thank you. Hi, Lawrence. Hi, Geoff. Hi, Evan. Greetings and congrats on the steady business and grand opening of REM Hotel. I have two questions.

The first one is financial. Could you tell us if you have a deleveraging target, either over the next 12 months or over a medium period, but also do you have a dividend reinstatement target? That's the first question.

The second question is just asking about the current demand environment, especially if you can talk about second half of October, November. There has been some slowdown in the premium segment, and how are you looking at it right now?

Thank you.

**Lawrence Ho:** Hey, Praveen, maybe I'll take the second question first and let Geoff answer the first one, and Evan can supplement it.

But I think we -- the market is challenging right now. And I think everybody saw that October was down 10%. And let's not forget last year, last October, October 2025, I mean, we had typhoons, and then I think mid-autumn festival was stuck in there, so it was already kind of a low base.

So, it is -- I think on other calls, we've also listened. I don't think there's one factor. I think the main thing is really consumption part of the Chinese economy tends to be a bit weak right now, and there could be aftereffects of the World Cup, the overseas tax issues.

So, I think it's a little bit of a perfect storm. But I don't think it affects our long-term thesis of the durability of this market. But I think at the same time, we were happy to see that we made some changes over August and September, and those are starting to play out for us in October.

But I think maybe Evan can talk about it more.

**Evan Winkler:** Yes. No, I think, Praveen, as you talk about the market, I think we saw similar to what others have seen, which is there is some softness going into October. I don't think it was only at the high end, although people talk about sort of different points on what the high end is, but we did see some softness going in.

I think, as Lawrence alluded to, our relative positioning because we've been going through some changes in our sales force and other things in the August-September time frame bore some fruit. So, we did a little bit better in October from a company standpoint. But from an overall market standpoint, I think, as Lawrence said, we've hit a little bit of a soft pocket.

I think some of that is just the general overall China economy coming through. I'm not sure that I would point, and I know others have, acutely only to the high end. It's not just in the sort of top, top players that we're seeing.

We are seeing some general softness issue go down, which makes us sort of feel like it's probably a little bit more overall China economy than just the specific tax one that's sort of getting the highlights. But as Lawrence said, I think as we look forward, I don't think we view it as a permanent structural change. I think we view it more as a soft pocket, and we're working through it.

**Geoffrey Davis:** And Praveen, on your first question, as Lawrence said, deleveraging is our number one priority with our free cash flow. We don't have a specific target to share, but we'd like to be a lot closer to where we were in 2019 versus where we are today. And on the dividend, perhaps to echo what we said on the second quarter call, we would still aim to recommence a dividend potentially towards the end of next year, but that will be very hard to

predict the exact timing, given that we will have potentially other opportunities to continue to buy back stock.

We have prioritized buying back stock at these very dislocated levels of valuation, and you can expect us to continue to buy stock if the shares stay at or around these levels. So, dividend is still something we would endeavor to do on the horizon, but timing is difficult to pinpoint.

**Praveen Choudhary:** Thank you so much. Those are very clear. Can I have a follow-up question?

I want to ask about the competitive intensity. First of all, the Opex number looks good. So, clearly, everyone, but also you are working on your Opex.

But the issue is that now our GGR numbers for the market has turned negative. When revenue was great, our cost was also up for the industry. And now that GGR is negative, even though we are working on Opex and reinvestment, I'm worried that EBITDA growth is not visible.

I just wanted to understand from your perspective sitting there, what could you do to ensure that your EBITDA is not falling or you can maintain at this level? What else can you do? Thank you so much.

**Evan Winkler:** Why don't I lead off and Lawrence and Geoff may also comment? Again, I think from where we are as a market, and what we're focused on very much so, is that as you go into a period of lower demand, that you're not trying to chase to unhealthy levels in reinvestment to get the business that's there. So, we actually, as we speak, are launching our new player club tomorrow morning.

So, we've gone back over the last sort of couple of months in the wake of some changes that we've made in our sales force to make sure that we're taking an appropriate and disciplined approach to how we're looking at reinvestment relative to player performance sort of across the board and trying to make sure that we're putting in guide rails and everything else to make sure that we maintain margins moving forward. So, I think the approach that we're taking and we're sort of signaling to the market is we think the right thing to be doing here is to continue to be disciplined in what we're doing going forward because it's very easy to chase everybody down to the bottom, especially if you're in a market where people feel like they need to grab a little bit of share because revenue is soft.

I think we feel good about where we are and what we're doing, but the market's going to continue to be dynamic, and the market right now continues to be competitive. So, what I would tell you is we, with Lawrence's direction, put in place programs that we think are customer attractive but that preserve margin, and we're going to have to see how that plays out over the next month or two because, obviously, we're going to react to what others do, but the hope is that others will sort of follow the lead and take a rational approach because, again, as demand softens, you don't want to double the impact by having a circumstance where everyone is throwing money at getting the remaining share and driving down margins disproportionately.

So, I'd say we're a leader in rationality, but whether or not everyone decides to follow suit or to check themselves into the asylum, we will see over the next month or so.

**Praveen Choudhary:** Cool. Thanks so much. And, again, thanks for being disciplined.

Congrats on REM, on buyback and gaining share in October.

**Lawrence Ho:** Thanks, Praveen .

**Operator:** Your next question comes from Timothy Chau with Citigroup. Please go ahead. Timothy, your line has been unmuted. You may proceed with your question.

**Timothy Chau:** Hi. Sorry, I think I was on mute just now. I actually have two questions here.

First of all, thank you so much for the opportunity. The first one is about REM. If I remember correctly from last quarter's guidance, I think the opening of REM should not have significant impact on the costing of the overall group.

I'm just wondering if this guidance still stands, seeing REM is currently operating normally now. The second question is about the CapEx guidance. I'm just wondering if there is any change or any color on how we should be looking at the CapEx guidance, sorry, CapEx by end of this year, so next year. Thank you.

**Evan Winkler:** So, this is Evan. Maybe I'll take REM, and then Geoff will do CapEx. I think the guidance that we gave you in the last call is correct in the sense that Tim and the team at COD have worked very hard to try and move bodies around, not to increase incremental costs in terms of opening up the additional room count.

We are going to see a tick up in expenses overall just because it still is an incremental 150 keys, but we're trying to find other places where we can rationalize expense. So, I would say it's not a dramatic move up, but there will be a tick up now that we've got REM fully operational.

**Geoffrey Davis:** And on the second question on CapEx, so we've been able to bring down CapEx for the remainder of 2026 and for 2027 as compared to prior guidance. So, for the fourth quarter of this year, we're looking at about US$95 million of CapEx, bringing the total to roughly US$375 million. And then for next year, we're looking for total CapEx of around US$275 million.

**Timothy Chau:** That's very clear. Thank you so much for the color.

**Operator:** Thank you. There are no further phone questions at this time. I'll now hand back to Jeanny Kim for closing remarks.

**Jeanny Kim:** Thank you for participating in the conference call today, and we look forward to speaking to you again next quarter. Thank you.

**Operator:** That does conclude our conference for today. Thank you for participating. You may now disconnect.