



MGM China 2Q25: Robust Performance

Research 31 Jul 25, 01:17 PM Analysts: Nicholas Chen Analyst, Asia-Pacific Corporates
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Executive Summary

- We maintain our Outperform recommendation on MGMCHI post its decent 2Q25 results; MGMCHI remains our top pick among the HY Macau gaming operators.
- MGM China posted higher 2Q25 total revenues (+9% YoY) and EBITDA (+3% YoY), largely thanks to higher visitations and player counts, coupled with contributions from 10 newly opened villas at MGM Macau; EBITDA margin dipped slightly to 29.0%, but within management's target range of mid-to-high 20%; we expect marginal topline and EBITDA improvement in 3Q25 from additional offerings (new villas and Alpha Club) coming online.
- MGM China's leverage metrics improved thanks to debt reduction and stronger EBITDA; we estimate its free cash flow (FCF) to have remained positive in 2Q25 despite the higher capex.
- The company's market share improved to 16.6% in 2Q25 (1Q25: 15.7%) and still well within management's mid-teens target range; hotel room occupancy rates remained healthy though REVPAR fell YoY in 2Q25.

Relative Value

We maintain our Outperform recommendation on MGMCHI post its decent 2Q25 results; MGMCHI remains our top pick among the HY Macau gaming operators (MGMCHI, WYNMAC, MPEL, STCITY), and we have a more constructive credit outlook on the name in 2025 compared to its HY peers. Notably, the company had managed to further improve its leverage metrics in 2Q25, being the only HY operator to have seen its leverage metrics recover and surpass pre-COVID levels. MGMCHI 2027s currently trade ~43 bp tighter than WYNMAC 2027s (pre-pandemic: ~57 bp differential), which we think is more than justified given the former's stronger credit fundamentals, faster deleveraging, and higher market share post-COVID. Meanwhile, we continue to like MGMCHI over MPEL and STCITY bonds given our concerns surrounding Melco's choppy deleveraging progress, amid Melco's appetite for opportunistic share buybacks while also having previously alluded to other shareholder rewards/capital allocation aspirations. Within the MGMCHI curve, the 7.125% MGMCHI Jun-31 provides one of the highest coupon carry amongst the \$ bonds in the HY Macau gaming space.

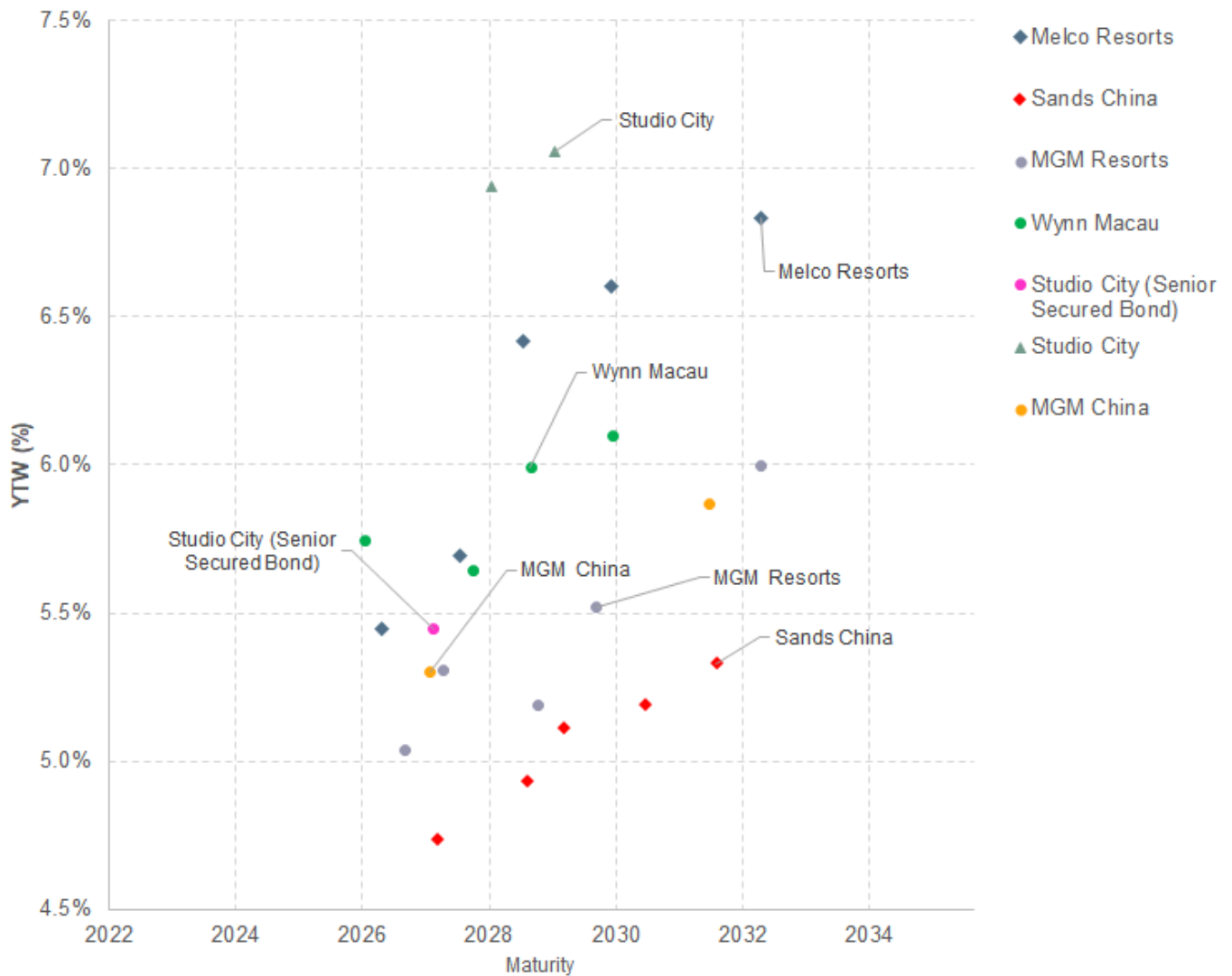
Macau Gaming: Major \$ Bonds Outstanding											
Issuer	Cpn	Maturity	Next Call Date	Amt. Out. (\$ mn)	Bond Ratings	Mid Price	T+ (bp)	OAS spd (bp)	G-spd (bp)	Mid YTW	Rec.
MGM China ²	5.875%	15-May-26	10-Aug-25	750	B+/B1/BB-	100.1	n.a.	n.a.	n.a.	2.84%	Outperform
MGM China	4.750%	1-Feb-27	10-Aug-25	750	B+/B1/BB-	99.2	137	121	128	5.30%	
MGM China	7.125%	26-Jun-31	26-Jun-27	500	B+/B1/BB-	104.3	192	154	196	5.87%	
Sands China	3.800%	8-Jan-26	8-Dec-25	800	BBB-/Baa2/BBB-	99.7	51	13	15	4.45%	Market perform
Sands China	2.300%	8-Mar-27	8-Feb-27	700	BBB-/Baa2/BBB-	96.3	81	78	74	4.74%	
Sands China	5.400%	8-Aug-28	8-May-28	1,900	BBB-/Baa2/BBB-	101.2	106	102	105	4.94%	
Sands China	2.850%	8-Mar-29	8-Jan-29	650	BBB-/Baa2/BBB-	92.6	117	121	122	5.11%	
Sands China	4.375%	18-Jun-30	18-Mar-30	700	BBB-/Baa2/BBB-	96.5	125	123	125	5.19%	
Sands China	3.250%	8-Aug-31	8-May-31	600	BBB-/Baa2/BBB-	89.4	139	127	129	5.33%	Market perform
Wynn Macau	5.500%	15-Jan-26	30-Aug-25	1,000	BB-/B1/BB-u	99.9	181	136	146	5.75%	
Wynn Macau	5.500%	1-Oct-27	10-Aug-25	750	BB-/B1/BB-u	99.7	171	123	173	5.65%	
Wynn Macau	5.625%	26-Aug-28	10-Aug-25	1,350	BB-/B1/BB-u	99.0	212	176	211	5.99%	
Wynn Macau ²	4.500%	7-Mar-29	Bullet	600	NR/NR/BB-u	103.7	n.a.	n.a.	n.a.	3.39%	
Wynn Macau	5.125%	15-Dec-29	10-Aug-25	1,000	BB-/B1/BB-u	96.3	215	208	217	6.10%	Underperform
Melco Resorts	5.250%	26-Apr-26	30-Aug-25	500	BB-/Ba3/NR	99.8	151	112	126	5.45%	
Melco Resorts	5.625%	17-Jul-27	30-Aug-25	600	BB-/Ba3/NR	99.9	176	115	176	5.70%	
Melco Resorts	5.750%	21-Jul-28	30-Aug-25	850	BB-/Ba3/NR	98.2	255	238	255	6.42%	
Melco Resorts	5.375%	4-Dec-29	30-Aug-25	1,150	BB-/Ba3/NR	95.4	266	262	268	6.60%	
Melco Resorts	7.625%	17-Apr-32	17-Apr-27	750	BB-/Ba3/NR	102.5	289	244	293	6.83%	Market perform
Studio City ¹	7.000%	15-Feb-27	2-Sep-25	350	B+/Ba3/NR	100.8	151	117	119	5.45%	
Studio City	6.500%	15-Jan-28	2-Sep-25	500	B+/B1/NR	99.0	306	279	304	6.94%	
Studio City	5.000%	15-Jan-29	2-Sep-25	1,100	B+/B1/NR	93.8	311	315	316	7.05%	Underperform
MGM Resorts	4.625%	1-Sep-26	1-Jun-26	400	BB-/B1/BB-	99.6	110	101	94	5.04%	Outperform
MGM Resorts	5.500%	15-Apr-27	15-Jan-27	675	BB-/B1/BB-	100.3	137	144	128	5.31%	
MGM Resorts	4.750%	15-Oct-28	15-Jul-28	750	BB-/B1/BB-	98.7	131	159	130	5.19%	
MGM Resorts	6.125%	15-Sep-29	15-Sep-26	850	BB-/B1/BB-	101.7	165	192	164	5.52%	
MGM Resorts	6.500%	15-Apr-32	15-Apr-27	750	BB-/B1/BB-	101.6	205	241	209	5.99%	

Note 1: Senior secured.

Note 2: No meaningful data for this bond.

Source: Bloomberg, CreditSights. Note: Prices as at 31 July 2025.

Macau Gaming: Major \$ Bonds Outstanding



Source: Bloomberg, CreditSights. Note: Prices as at 31 July 2025.

See also:

[MGM 2Q25: Regional & Macau Casinos Buoy Soft Vegas](#)

[Sands China 2Q25: Customer Reinvestment Focus](#)

[Macau Gaming Monitor: June 2025](#)

[Macau Gaming: Casinos Trip Note \(May 2025\)](#)

Financial Metrics

MGM China Holdings Ltd: Key Credit Metrics						
\$ mn	2018	2019	2023	2024	1Q25	2Q25
Operating Margin ²	7.5%	13.0%	18.4%	19.6%	n.a.	n.a.
EBITDA Margin	25.2%	27.2%	29.3%	28.9%	29.6%	29.0%
EBITDA/Gross Interest ²	6.3x	6.3x	4.0x	5.9x	n.a.	n.a.
Total debt/LTM EBITDA	3.9x	2.7x	3.4x	2.6x	2.6x	2.4x
Net debt/LTM EBITDA	3.1x	2.2x	2.8x	2.0x	1.9x	1.8x
Total Debt	2,408	2,149	3,104	3,000	3,027	2,815
Unrestricted Cash	509	418	542	685	815	703
Free Cash Flow ²	111	461	576	718	n.a.	n.a.

Note 1: Based on disclosed figures in prelim quarterly results; some line items such as operating margin, interest expenses and FCF are not disclosed in the quarterly results.

Note 2: Figures for 2020 to 2022 during the COVID-19 pandemic are not meaningful due to the negative EBITDA generated.

Source: Company filings, CreditSights.

MGM China posted higher 2Q25 total revenues (+9% YoY) and EBITDA (+3% YoY), largely thanks to higher visitations and player counts, coupled with contributions from 10 newly opened villas at MGM Macau; EBITDA margin dipped slightly to 29.0%, but within management's target range of mid-to-high 20%; we expect marginal topline and EBITDA improvement in 3Q25 from additional offerings (new villas and Alpha Club) coming online.

Based on the preliminary 2Q25 results from its parent, MGM Resorts International, MGM China's total net revenues grew by 9% YoY to HKD 8.7 bn in 2Q25 (~\$1.1 bn; 157% of 2Q19 levels; 1Q25: -3% YoY), as expected. This was on the back of higher visitations and player counts, resulting in higher main floor table games drop (+6% YoY) and win (+9% YoY; 81% of 2Q25 total gaming win) during the quarter versus 2Q24, coupled with additional contributions from the 10 newly opened villas at MGM Macau. At the property level, both of MGM China's casinos saw higher topline; MGM Cotai's revenue jumped by 12% YoY (1Q25: +2% YoY; 61% of 2Q25 total revenue), while that of MGM Macau was up by 4% YoY (1Q25: -10% YoY; 39% of 2Q25 total revenue), dragged partially by the lower VIP hold rate. On a sequential basis, MGM China's 2Q25 total revenue increased by 8% QoQ.

MGM China's adjusted EBITDA was up by 3% YoY to HKD 2.5 bn in 2Q25 (~\$322 mn; 172% of 2Q19 levels; 1Q25: -6% YoY), largely on the back of higher EBITDA at MGM Cotai (+5% YoY) but partially offset by weaker performance at MGM Macau (-1% YoY). The company's overall EBITDA margin weakened slightly to 29.0% in 2Q25 (2Q24: 30.7%). Management had guided to its EBITDA margin being maintained in the mid-to-high 20% range.

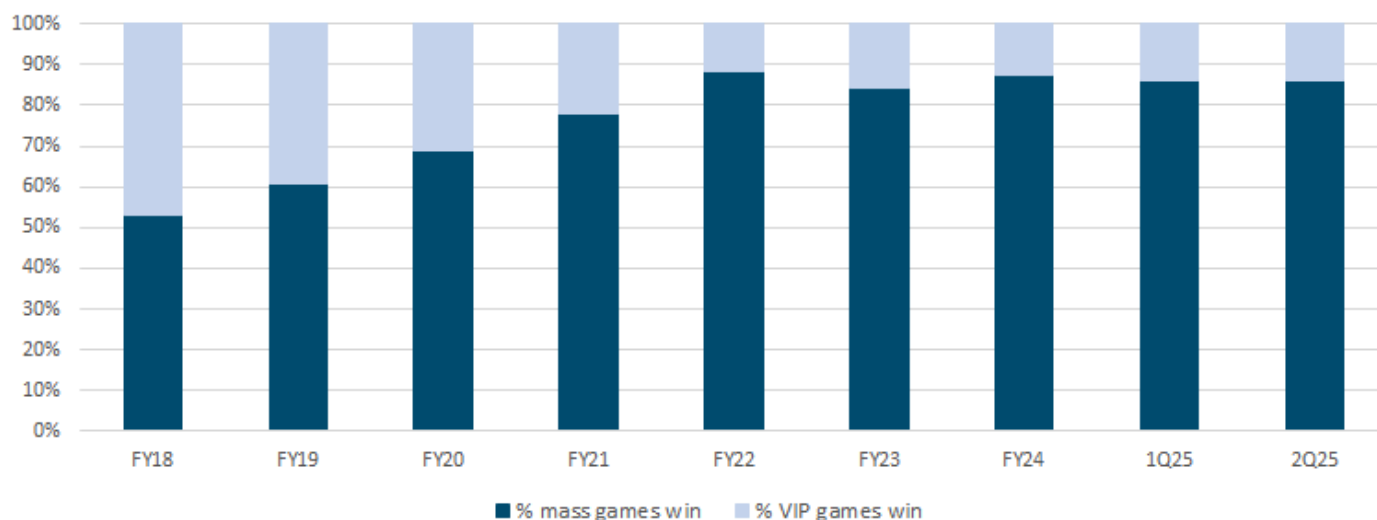
Looking ahead, we expect MGM China's topline and EBITDA to post marginal YoY improvements in 3Q25 from the completion of the remaining 18 new villas converted from former VIP junket areas (made available as of Jul-25) and the official opening of Alpha Club ahead of the October Golden Week (an ultra-high end offering with 20 tables, soft launched in Jul-25); management also saw robust volumes and casino performance in July, noting that trends in Macau had remained strong post 2Q25. Meanwhile, the conversion of standard rooms into 63 new suites at MGM Cotai (expected to complete by 1Q26) is also likely to provide a slight boost to MGM China's topline and EBITDA margin in early FY26.

MGM China: Property Level EBITDA and EBITDA Margins								
(HKD mn)	2019	2020	2021	2022	2023	2024	2Q24	2Q25
MGM Macau EBITDA	3,819	(384)	361	(274)	3,171	3,830	984	976
EBITDA Margin	30.9%	-13.7%	7.0%	-8.9%	29.2%	29.2%	30.2%	28.8%
MGM Cotai EBITDA	2,364	(988)	(174)	(1,000)	4,064	5,229	1,459	1,536
EBITDA Margin	22.7%	-42.9%	-4.1%	-45.4%	29.4%	28.6%	31.0%	29.1%
Overall EBITDA	6,183	(1,372)	187	(1,274)	7,235	9,059	2,443	2,511
EBITDA Margin	27.2%	-26.9%	2.0%	-24.2%	29.3%	28.9%	30.7%	29.0%

Source: Company filings, CreditSights.

MGM China: Mass and VIP Gaming Win % Split

Mass gaming win has been steadily occupying a larger share of overall gaming win



Source: Company filings, CreditSights.

Leverage metrics improved thanks to debt reduction and stronger EBITDA; free cash flow (FCF) expected to have remained positive.

In 2Q25, MGM China drew down on its new 5-year HKD 23.4 bn (~\$3 bn) revolving credit facility (entered into in Apr-25) to refinance a \$527 mn credit facility and partially refinance its \$500 mn 5.25% 2025 bond, with the balance outstanding amount repaid with internal liquidity. As such, MGM China pared its total debt slightly to \$2.8 bn as of Jun-25 (as of Mar-25: \$3.0 bn). Coupled with the stronger EBITDA generated in 2Q25, MGM China's gross and net leverage metrics (as measured by total debt/LTM EBITDA and net debt/LTM EBITDA) improved to 2.4x and 1.8x as of Jun-25, respectively (vs Mar-25: 2.6x/1.9x), notably still stronger than pre-COVID levels (FY19: 2.7x/2.2x). Meanwhile, MGM China's unrestricted cash balance (cash, cash equivalents and short-term investments in debt securities) stood at \$703 mn (as of Mar-25: \$815 mn), which is further bolstered by ~\$2.2 bn of available revolver credit facility; we note that the company's total liquidity (including the available revolver lines) just covers its total debt load.

MGM China's next debt maturity is its \$750 mn 5.875% May-26 bond, though the company had yet to detail any refinancing plans for this bond maturity. At present, drawing down on its 5-year revolving credit facility (remaining: ~\$2.2 bn as of Jun-25) appears to be the more attractive option, given its lower borrowing cost (HIBOR+1.625% to 2.75%, which comes to around 4.1%-4.9% when swapped back to USD) amid a recent dip in HIBOR rates (for more: [Hong Kong Property: Issuer Trip Note \(May 2025\)](#)), compared to tapping the \$ bond market (YTWs: 5.3%-5.9%, excluding the 2026s); nevertheless, we note that this would also depend on HIBOR levels closer to the point of refinancing.

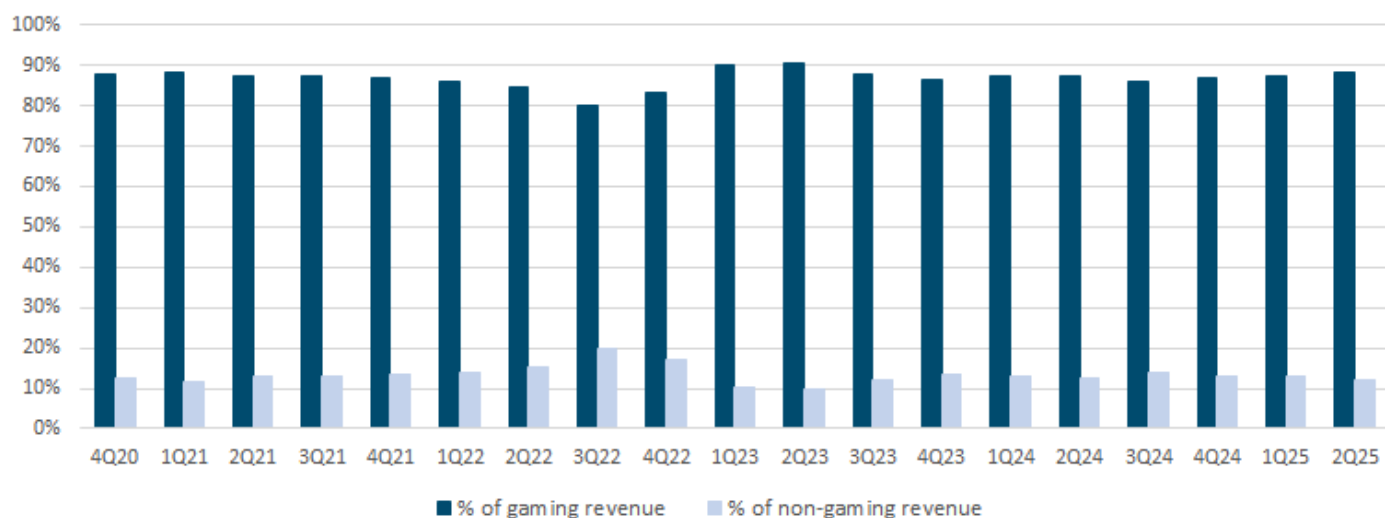
MGM China incurred \$52 mn of capex in 2Q25 (+110% YoY; includes concession-related capex); while the company did not provide a breakdown of its cash flow figures, we expect its free cash flow to have remained positive in 2Q25 (estimated ~\$200 mn). The company guides to another \$100-150 mn of capex in the back half of 2025 (1H25: \$111 mn).

Improved 2Q25 market share; hotel room occupancy rates remained healthy though REVPAR fell YoY in 2Q25.

Most of MGM China's topline still originates from its casino operations, with gaming revenue contributing 88% of the total revenue in 2Q25 (1Q25: 87%; FY24: 87%). Meanwhile, the company improved its market share to 16.6% in 2Q25 (1Q25: 15.7%), well above its pre-COVID market share (2019: 9.5%); management still expects a mid-teens market share going forward.

MGM China: Gaming and Non-Gaming Revenue Split

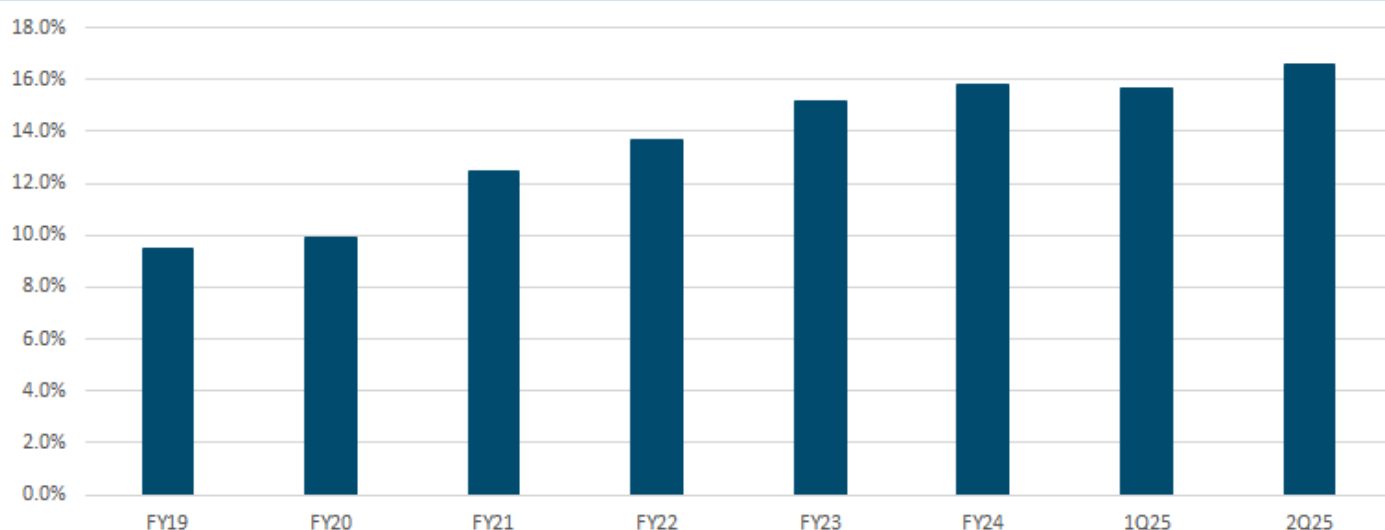
Gaming revenue still contributes the lion's share of MGM China's overall topline



Source: Company filings, CreditSights.

MGM China: Market Share

MGM China's market share improved to 16.6% in 2Q25; the company expects to sustain in the mid-teens range



Note: MGM defines its market share as its GGR (gross slot win + main floor win + VIP win) as a % of the overall GGR in Macau.

Source: Company filings, CreditSights.

On the hotel front, room occupancy rates in 2Q25 remained healthy at both MGM Macau (94.9%; 1Q25: 93.8%; 2Q24: 94.8%) and MGM Cotai (94.4%; 1Q25: 93.0%; 2Q24: 94.2%). However, REVPAR (revenue per available room) had dropped compared to the second quarter last year at both MGM Macau/MGM Cotai to HKD 2,382/HKD

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2,100 (2Q24: HKD 2,580/HKD 2,227), but remained above pre-COVID levels (2Q19: HKD 1,948/HKD 1,428).

MGM China: Hotel Occupancy Rates, REVPAR, Games Win % and Average Daily Gaming Win								
(in HKD)	2019	2020	2021	2022	2023	2024	2Q24	2Q25
MGM Macau								
Hotel occupancy rate	96.4%	35.6%	79.8%	54.2%	93.9%	94.5%	94.8%	94.9%
REVPAR	1,951	593	1,155	824	2,912	2,632	2,580	2,382
Main floor table games win %	21.6%	20.4%	20.3%	22.0%	20.4%	21.7%	20.6%	22.0%
Average daily gross win per main floor table	105,400	26,300	52,200	33,500	92,000	107,300	105,800	115,300
VIP table games win %	3.0%	3.4%	2.9%	2.0%	3.1%	2.9%	3.4%	2.9%
Average daily gross win per VIP table	193,700	47,500	48,300	13,600	56,900	99,200	111,200	82,000
MGM Cotai								
Hotel occupancy rate	91.6%	22.4%	47.2%	25.2%	92.0%	93.8%	94.2%	94.4%
REVPAR	1,428	327	569	355	1,805	2,258	2,227	2,100
Main floor table games win %	25.2%	26.3%	22.9%	24.1%	24.9%	28.1%	28.1%	27.6%
Average daily gross win per main floor table	92,800	25,800	43,500	23,900	94,200	127,200	135,700	144,400
VIP table games win %	3.6%	2.5%	3.7%	2.8%	3.7%	2.7%	2.5%	3.5%
Average daily gross win per VIP table	201,500	30,100	50,900	38,800	169,400	160,500	125,400	241,400

Note: REVPAR is revenue per available room.

Source: Company filings, CreditSights.



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