



## MGM China 4Q25: The Outperformance Continues

Research 06 Feb 26, 01:35 PM Analysts: Nicholas Chen Analyst, East Asia Corporates  
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### Executive Summary

- **We keep our Outperform recommendation on MGMCHI post its decent 4Q25 results; MGMCHI remains our top pick among the HY Macau gaming operators.**
- **MGM China reported impressive topline and profitability growth in 4Q25 which remained far above pre-COVID levels; total net revenues/EBITDA up by 21%/30% YoY during the quarter, largely thanks to MGM Cotai, lifting the EBITDA margin higher by 1.8 ppt to 28.6%; For FY26, we project a mid-single-digit YoY-increase in the topline, while also expecting a slight uplift to the company's profitability margin from the completion of its suite conversion efforts.**
- **Gross leverage improved further as of YE25 (vs Sep-25) thanks to the lower total debt and stronger EBITDA generation, and remains comfortably below pre-COVID levels; we estimate free cash flow to have remained positive in FY25; we expect leverage to marginally improve in FY26 on the back of incremental EBITDA growth.**
- **Casino operations still contributed most of the overall topline, though MGM China improved its market share further YoY; hotel occupancy rates at both properties remained healthy albeit with a slight slip at MGM Macau.**

### Relative Value

**We keep our Outperform recommendation on MGMCHI post its decent 4Q25 results;** the company remains our top pick among the HY Macau gaming operators (MGMCHI, WYNMAC, MPEL, STCITY). We note that its parent, MGM Resorts, had acknowledged that it had prematurely released preliminary 4Q25/FY25 results during [BetMGM's 2025](#) results and business update, a week early from its initial planned announcement date of 11 February 2026. Nevertheless, this was (fortunately) a happy problem, as MGM China reported a strong set of 4Q25 results and continued to impress by improving its credit metrics further beyond pre-COVID levels. Notably, MGM China remains the only HY casino operator so far to have recovered its leverage metrics back and surpassed 2019 levels.

MGMCHI bond yields trade modestly tight (~30 bp) to comparable bonds from its HY peer WYNMAC (M/P), which we believe is more than warranted given MGMCHI's stronger credit fundamentals and impressive post-pandemic gains in market share. We note prior to the pandemic, MGMCHI bonds traded ~60 bp tight to comparable WYNMAC bonds. Meanwhile, we continue to prefer MGMCHI over MPEL and STCITY bonds given our concerns surrounding Melco's choppy deleveraging progress and increased appetite for shareholder rewards. For investors who are seeking higher coupon clips, we like the 7.125% MGMCHI Jun-31, although we acknowledge the high coupon will likely result in an early refi. We note, the bonds are callable at \$103.56 in Jun-27 and the call steps down to par by Jun-29.

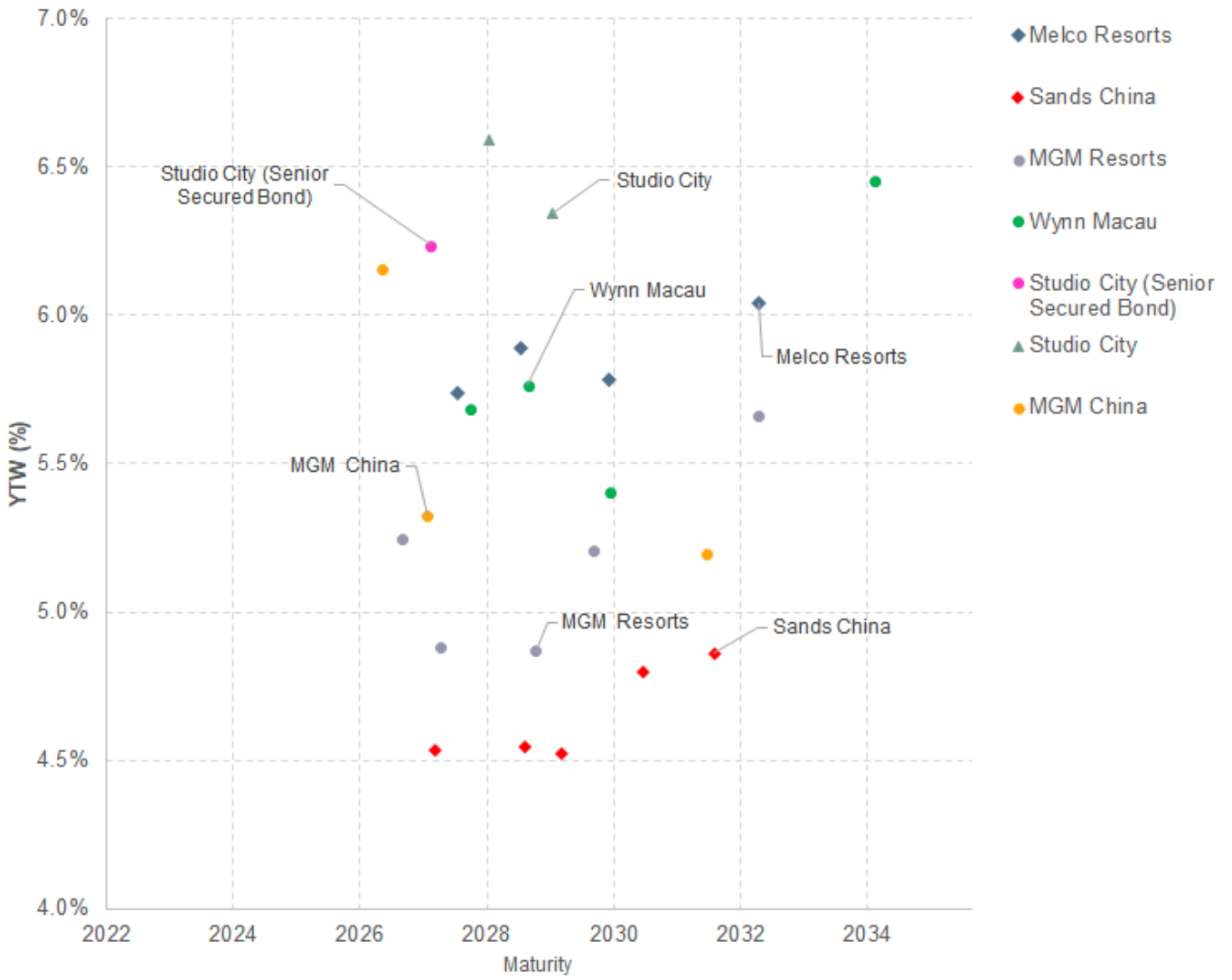
Macau Gaming: Major \$ Bonds Outstanding											
Issuer	Cpn	Maturity	Next Call Date	Amt. Out. (\$ mn)	Bond Ratings	Mid Price	T+ (bp)	OAS spd (bp)	G-spd (bp)	Mid YTW	Rec.
MGM China	5.875%	15-May-26	16-Feb-26	750	B+/B1/BB-	100.0	269	266	249	6.15%	
MGM China	4.750%	1-Feb-27	16-Feb-26	750	B+/B1/BB-	99.6	186	191	188	5.32%	Outperform
MGM China	7.125%	26-Jun-31	26-Jun-27	500	B+/B1/BB-	106.1	173	123	170	5.19%	
Sands China	2.300%	8-Mar-27	8-Feb-27	700	BBB-/Baa2/BBB-	97.8	107	115	109	4.54%	
Sands China	5.400%	8-Aug-28	8-May-28	1,900	BBB-/Baa2/BBB-	102.0	108	104	106	4.55%	
Sands China	2.850%	8-Mar-29	8-Jan-29	650	BBB-/Baa2/BBB-	95.4	99	98	98	4.53%	Market perform
Sands China	4.375%	18-Jun-30	18-Mar-30	700	BBB-/Baa2/BBB-	98.5	108	111	113	4.80%	
Sands China	3.250%	8-Aug-31	8-May-31	600	BBB-/Baa2/BBB-	92.5	114	107	108	4.86%	
Wynn Macau	5.500%	1-Oct-27	16-Feb-26	750	BB-/B1/BB-	99.9	222	211	223	5.69%	
Wynn Macau	5.625%	26-Aug-28	16-Feb-26	1,350	BB-/B1/BB-	99.8	230	200	226	5.76%	
Wynn Macau <sup>2</sup>	4.500%	7-Mar-29	Bullet	600	NR/NR/BB-	102.4	n.a.	n.a.	n.a.	3.74%	Market perform
Wynn Macau	5.125%	15-Dec-29	16-Feb-26	1,000	BB-/B1/BB-	99.3	187	164	179	5.40%	
Wynn Macau	6.750%	15-Feb-34	15-Aug-28	1,000	BB-/B1/BB-	101.3	273	224	277	6.45%	
Melco Resorts	5.625%	17-Jul-27	8-Mar-26	600	BB-/Ba3/NR	100.0	227	214	229	5.74%	
Melco Resorts	5.750%	21-Jul-28	8-Mar-26	850	BB-/Ba3/NR	99.9	243	215	239	5.89%	
Melco Resorts	5.375%	4-Dec-29	8-Mar-26	1,150	BB-/Ba3/NR	98.8	225	206	217	5.79%	Underperform
Melco Resorts	7.625%	17-Apr-32	17-Apr-27	750	BB-/Ba3/NR	104.7	251	213	248	6.04%	
Melco Resorts	6.500%	24-Sep-33	24-Sep-28	500	BB-/Ba3/NR	99.6	241	242	260	6.60%	
Studio City <sup>1</sup>	7.000%	15-Feb-27	9-Mar-26	350	B+/Ba3/NR	100.1	277	301	254	6.24%	Market perform
Studio City	6.500%	15-Jan-28	9-Mar-26	500	B+/B1/NR	100.0	312	288	313	6.59%	Underperform
Studio City	5.000%	15-Jan-29	9-Mar-26	1,100	B+/B1/NR	96.7	281	282	281	6.35%	
MGM Resorts	4.625%	1-Sep-26	1-Jun-26	400	BB-/B1/BB-	99.9	178	118	166	5.24%	
MGM Resorts	5.500%	15-Apr-27	15-Jan-27	675	BB-/B1/BB-	100.8	141	112	143	4.88%	
MGM Resorts	4.750%	15-Oct-28	15-Jul-28	750	BB-/B1/BB-	100.0	140	141	135	4.87%	Outperform
MGM Resorts	6.125%	15-Sep-29	15-Sep-26	850	BB-/B1/BB-	102.4	174	178	170	5.21%	
MGM Resorts	6.500%	15-Apr-32	15-Apr-27	750	BB-/B1/BB-	102.9	213	216	211	5.66%	

Note 1: Senior secured.

Note 2: No meaningful data for this bond.

Source: Bloomberg, CreditSights. Note: Prices as at 6 February 2026.

**Macau Gaming: Major \$ Bonds Outstanding**



Source: Bloomberg, CreditSights. Note: Prices as at 6 February 2026.

**See also:**

[MGM: Premature 4Q25 Release on BetMGM Update](#)

[Macau Gaming Monitor: December 2025](#)

[Sands China 4Q25: Segment Mix Weighs on Margin](#)

## Financial Metrics

MGM China Holdings Ltd: Key Credit Metrics								
\$ mn	2018	2019	2023	2024	1Q25	2Q25	3Q25	4Q25 <sup>3</sup>
Operating Margin <sup>2</sup>	7.5%	13.0%	18.4%	19.6%	n.a.	n.a.	n.a.	n.a.
EBITDA Margin	25.2%	27.2%	29.3%	28.9%	29.6%	29.0%	27.9%	28.6%
EBITDA/Gross Interest <sup>2</sup>	6.3x	6.3x	4.0x	5.9x	n.a.	n.a.	n.a.	n.a.
Total debt/LTM EBITDA	3.9x	2.7x	3.4x	2.6x	2.6x	2.4x	2.3x	1.9x
Net debt/LTM EBITDA	3.1x	2.2x	2.8x	2.0x	1.9x	1.8x	1.8x	n.a.
Total Debt	2,408	2,149	3,104	3,000	3,027	2,815	2,771	2,500
Unrestricted Cash	509	418	542	685	815	703	635	n.a.
Free Cash Flow <sup>2</sup>	111	461	576	718	n.a.	n.a.	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.

Note 3: The cash and cash equivalents figure at the MGM China level was not yet disclosed in the preliminary 4Q25 results.

Source: Company filings, CreditSights.

**MGM China reported impressive topline and profitability growth in 4Q25 which remained far above pre-COVID levels; total net revenues/EBITDA up by 21%/30% YoY during the quarter, largely thanks to MGM Cotai, lifting the EBITDA margin higher by 1.8 ppt to 28.6%; for FY26, we project a mid-single-digit YoY-increase in the topline, while also expecting a slight uplift to the company's profitability margin from the completion of its suite conversion efforts.**

Based on preliminary 4Q25 results from its parent, MGM Resorts International, MGM China's total net revenues were up by 21% YoY to HKD 9.6 bn in 4Q25 (~\$1.2 bn; 169% of 4Q19 levels; 3Q25: +17% YoY). This was largely driven by the MGM Cotai property, which saw its total net revenues up by 34% YoY to HKD 6.1 bn (64% of 4Q25 total net revenues), thanks to a higher main floor table games drop (+25% YoY) and win (+29% YoY), coupled with a better VIP hold rate (+1.9 ppt YoY). Meanwhile, the MGM Macau property's topline also grew, albeit to a smaller extent by just 4% YoY to HKD 3.5 bn (36% of 4Q25 total net revenues), as the higher main floor table games drop (+2% YoY) and win (+8% YoY) were partially offset by the weaker VIP hold rate (-1.6 ppt YoY). For the full year of 2025, MGM China's total net revenues were up by 11% YoY to HKD 34.8 bn (~\$4.4 bn) and remains far above pre-COVID levels (FY25/FY24: 153%/138% of FY19 figure).

MGM China's adjusted EBITDA also jumped by 30% YoY to HKD 2.8 bn in 4Q25 (~\$354 mn; 3Q25: +20% YoY), as the slightly weaker EBITDA from MGM Macau (-5% YoY) was more than offset by the surge in EBITDA churn at MGM Cotai (+55% YoY). This lifted the overall EBITDA margin higher YoY to 28.6% in 4Q25 (4Q24: 26.8%). On a full year basis, EBITDA was up by 10% YoY to HKD 10.0 bn (~\$1.3 bn), with the overall EBITDA margin relatively flat at 28.8% (FY24: 28.9%). These were still higher than pre-COVID levels as well (FY19 EBITDA/EBITDA margin: HKD 6.2 bn or ~\$790 mn/27.2%). Management still guided to EBITDA margin being maintained in the mid-to-high 20% range.

During the 4Q25 earnings call, management remarked that booking trends for the upcoming Chinese New Year holiday were very encouraging, and was very optimistic about the holiday growth. The company added that it is focused on attracting the higher quality premium mass players.

Looking ahead, we project a mid-single-digit YoY-increase in MGM China's topline in FY26, based on an assumed low-single-digit YoY-increase in the overall market GGR and the company's expected maintenance of a mid-teens market share. Meanwhile, we expect a slight uplift to the company's profitability margin from the completion of its suite conversion efforts (expected in 1Q26) in FY26, and for EBITDA to also grow by mid-single-digit YoY.

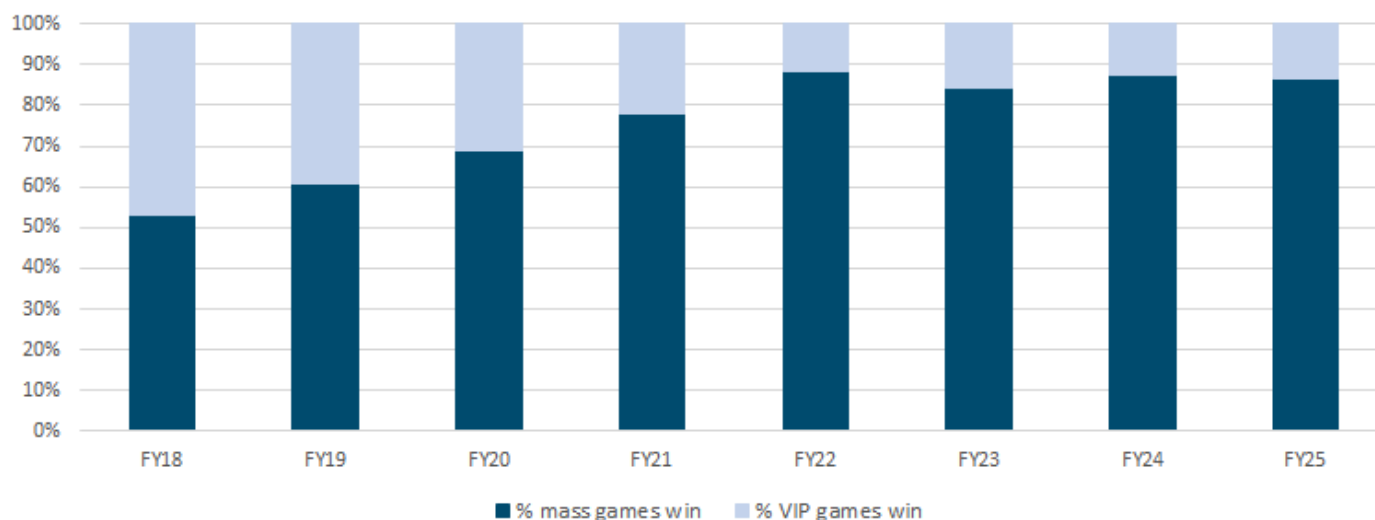
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MGM China: Property Level EBITDA and EBITDA Margins									
(HKD mn)	2019	2020	2021	2022	2023	2024	2025	4Q24	4Q25
MGM Macau EBITDA	3,819	(384)	361	(274)	3,171	3,830	3,661	911	868
EBITDA Margin	30.9%	-13.7%	7.0%	-8.9%	29.2%	29.2%	27.3%	27.3%	25.0%
MGM Cotai EBITDA	2,364	(988)	(174)	(1,000)	4,064	5,229	6,345	1,216	1,885
EBITDA Margin	22.7%	-42.9%	-4.1%	-45.4%	29.4%	28.6%	29.7%	26.6%	30.7%
Overall EBITDA	6,183	(1,372)	187	(1,274)	7,235	9,059	10,005	2,126	2,753
EBITDA Margin	27.2%	-26.9%	2.0%	-24.2%	29.3%	28.9%	28.8%	26.8%	28.6%

Source: Company filings, CreditSights.

### MGM China: Mass and VIP Gaming Win % Split

Mass gaming win now occupies most of the overall gaming win, though premium mass is likely also within this category



Source: Company filings, CreditSights.

**Gross leverage improved further as of YE25 (vs Sep-25) thanks to the lower total debt and stronger EBITDA generation, and remains comfortably below pre-COVID levels; we estimate free cash flow to have remained positive in FY25; we expect a leverage to marginally improve in FY26 on the back of the higher expected EBITDA.**

As of 31 December 2025, MGM China's total debt was disclosed at \$2.5 bn (Sep-25: \$2.8 bn). Coupled with the stronger EBITDA, we estimate MGM China's gross leverage (as measured by total debt/LTM EBITDA) to have further strengthened to 1.95x as of YE25 (as of Sep-25: 2.3x), and remains comfortably stronger than pre-COVID levels (FY19: 2.7x). Please note that the cash and cash equivalents breakdown at the MGM China level was not yet disclosed in the preliminary results of MGM Resorts.

MGM China's next \$ bond maturity is its \$750 mn 5.875% May-26 bond. While the company has not detailed any refinancing plans for this bond maturity, we would not rule out a full refinancing via the \$ bond market, given the cheaper cost of refinancing now (YTWs on the MGMCHI 2027 and 2031 are between 5%-5.2%, which are below the existing coupon rate of the 2026 bond). MGM China also has a lower need to further deleverage (compared to its other HY peers) given that its leverage metrics have already recovered well beyond pre-pandemic levels. Looking ahead, we see the potential for incremental leverage improvements in FY26, largely on the back of incremental EBITDA growth.

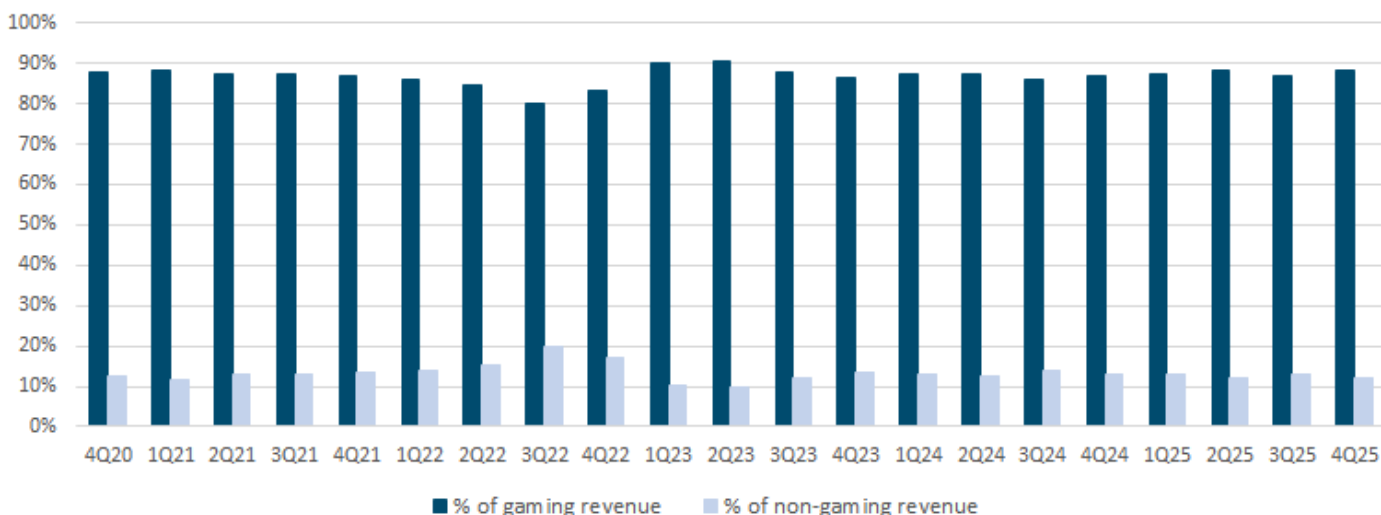
The company did not disclose 4Q25 capex in the preliminary results. For 9M25, MGM China incurred capex of \$158 mn, with the company guiding between \$50 to \$70 mn of capex in 4Q25 during the previous 3Q25 results. This would bring the full year 2025 capex to around \$208-\$228 mn. The company also did not provide a breakdown of its cash flow figures. Despite the higher capex YoY (est: +40% to +53% YoY), we estimate that MGM China had maintained a positive free cash flow in FY25 (est: \$750-\$775 mn), thanks to the jump in EBITDA.

**Casino operations still contributed most of the overall topline, though MGM China improved its market share further YoY; hotel occupancy rates at both properties remained healthy albeit with a slight slip at MGM Macau.**

MGM China’s overall topline is still largely dominated by its gaming operations, with casino revenues contributing 88% of total net revenues in 4Q25 and FY25. That said, the company has continued to improve its market share, which management reported at 16.5% in 4Q25 (3Q25: 15.5%; 2024: 15.8%); this remained well above its pre-pandemic market share figure (2019: 9.5%).

**MGM China: Gaming and Non-Gaming Revenue Split**

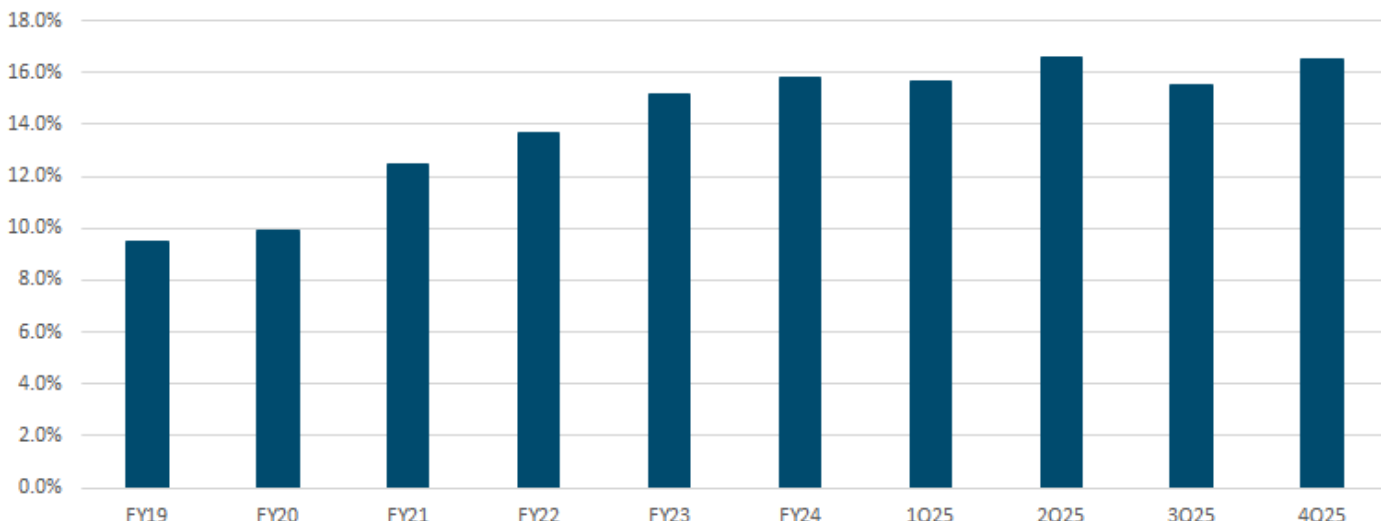
Gaming revenue still contributes the lion’s share of MGM China’s overall topline



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.

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Meanwhile, hotel occupancy rates at both MGM Macau and MGM Cotai remained healthy, albeit with a marginal slip at the former (MGM Macau: -1 ppt YoY to 93.5% in FY25; MGM Cotai; flat YoY at 93.8%). REVPAR (revenue per available room) fell slightly at both properties to HKD 2,446/HKD 2,101 (~\$314/\$269; FY24: HKD 2,632/HKD 2,258) though they were still higher than pre-COVID levels (FY19: HKD 1,951/HKD 1,428).

MGM China: Hotel Occupancy Rates, REVPAR, Games Win % and Average Daily Gaming Win									
(in HKD)	2019	2020	2021	2022	2023	2024	2025	4Q24	4Q25
<b>MGM Macau</b>									
Hotel occupancy rate	96.4%	35.6%	79.8%	54.2%	93.9%	94.5%	93.5%	94.8%	92.8%
REVPAR	1,951	593	1,155	824	2,912	2,632	2,446	2,383	2,566
Main floor table games win %	21.6%	20.4%	20.3%	22.0%	20.4%	21.7%	22.5%	22.1%	23.6%
Average daily gross win per main floor table	105,400	26,300	52,200	33,500	92,000	107,300	111,100	105,900	112,400
VIP table games win %	3.0%	3.4%	2.9%	2.0%	3.1%	2.9%	3.0%	4.4%	2.8%
Average daily gross win per VIP table	193,700	47,500	48,300	13,600	56,900	99,200	95,400	118,100	107,200
<b>MGM Cotai</b>									
Hotel occupancy rate	91.6%	22.4%	47.2%	25.2%	92.0%	93.8%	93.8%	93.9%	94.0%
REVPAR	1,428	327	569	355	1,805	2,258	2,101	2,031	2,128
Main floor table games win %	25.2%	26.3%	22.9%	24.1%	24.9%	28.1%	28.1%	29.1%	30.0%
Average daily gross win per main floor table	92,800	25,800	43,500	23,900	94,200	127,200	145,000	125,000	163,300
VIP table games win %	3.6%	2.5%	3.7%	2.8%	3.7%	2.7%	3.9%	3.0%	4.9%
Average daily gross win per VIP table	201,500	30,100	50,900	38,800	169,400	160,500	218,500	149,900	241,000

Note: REVPAR is revenue per available room.

Source: Company filings, CreditSights.



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