

Gaming

Valuation update: Double digit cash flow yields now on sale at your local casino

Industry Overview

Double digit free cash flow yields now available

Gaming stocks and valuations have come down significantly, with increasing interest [after Q3's stock sell off \(see our Q3 Preview here for more\)](#). Domestic gaming operator stocks trade at 7x EV/EBITDAR, in-line with historical troughs and a standard deviation below normal at 8.5x. Macau stocks have been hit harder, trading at 9.5x EV/EBITDA and more than 2 standard deviations below LT average of 13.4x. Key reasons: 1) Cyclically, rising interest rates, US consumer, leisure normalization and China macro are all concerns; 2) Structurally, the rise of OpCos weighs on Gaming multiples vs. history.

Bottom line: Valuations are near or *below* historical trough levels across most of Gaming, but sector free cash flow yield spreads to the 10-year Treasury and Gaming High Yield are only in-line with long-term averages. This means the sector has been very efficient in pricing in a higher cost of capital, but it could be harder to simply buy on historical ranges as interest rates rise and the TINA-era ends.

Sector view: Gaming valuations are the lowest since 2012

Gaming operator valuations are at or below historical trough levels on an EV/EBITDAR basis at 7x 2024E vs. a LT average of 10.3x and are the lowest since 2012. Las Vegas and Macau have been the hardest hit sub-sectors, owing to over-earning (Las Vegas) and macro (China) concerns as well as 1) structural operating changes given OpCo-PropCo models in Vegas and 2) concession capex in Macau that weighs on FCF conversion.

Bull case: Some really cheap stocks out there

We now see some of the most attractive free cash flow (FCF) yields (12% on 2024) we have ever seen in Gaming. CZR, BYD, MGM, PENN, RRR and WYNN, all have double digit FCF yields, with better balance sheets than pre-COVID (incl. leases). If we adjust for the value of sports betting, FCF yields for MGM, BYD, CZR and PENN reach 14-20%+. With a few exceptions (PENN, LVS, MGM) gaming is in cash flow harvesting mode more than development mode, which may allow for substantial capital returns to shareholders.

Bear case: Wait, but rise in interest rates matters

Relative to credit and interest rates, however, Gaming stocks appear to have nearly perfectly adjusted their valuations (on a free cash flow yield basis) for the ~2-3% move in long-term rates. As a result, Gaming valuations may *not* be as cheap as they appear versus any recent low-rate historical view. While stocks should (theoretically) see their equity risk premium compress if they can grow, Gaming's low growth (and questionable pricing power) could, again theoretically, weigh on long-term valuations.

Structural view: Free cash flow is the new value metric

Cyclicality is driving the current sell off, but a key reason for lower overall Gaming EV/EBITDA(R) multiples over time is also the varying mix of real estate ownership. Pre-2013, gaming operators owned 100% of their real estate, but due to the spin offs of GLPI, VICI and MGP (acquired by VICI) the sector is now a mix. Sector multiples largely match OpCo-PropCo valuation differences (6-7x for OpCos, 13-14x for PropCos) tie to 10.5x overall. But OpCos bear the entirety of downside risk. Given the shifting mix, free cash flow is increasingly relevant basis of comparison for us and many investors.

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Key Terms

TINA: There is no alternative

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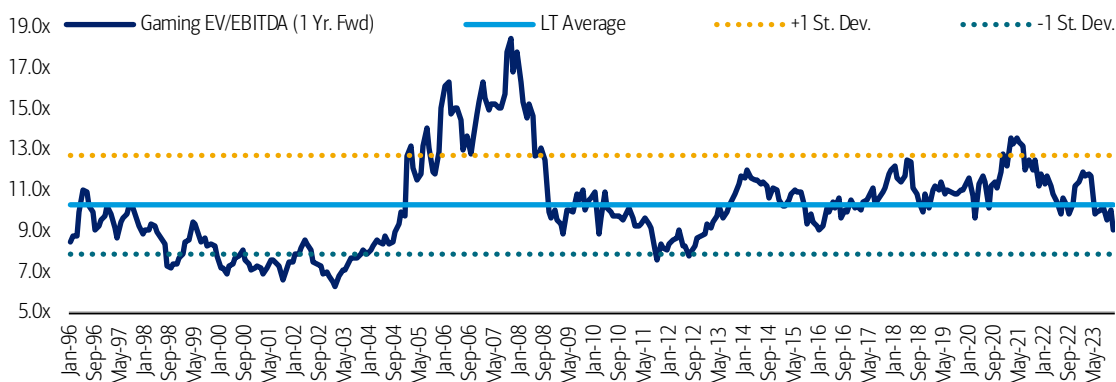
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The big picture: Gaming sector overview

Overall gaming valuations (Exhibit 1) are about 13% below long-term average. Gaming operators (Exhibit 2) are about 20% below average and in-line with historical trough levels. Las Vegas operators are 31% below average due to a combination of cyclical concerns and structural changes to OpCo vs. PropCo mix. Gaming REITs are trading in-line with long-term average, though meaningfully below recent highs. Macau stocks are trading 27% below long-term average

Exhibit 1: Overall Gaming Sector (Operator and REIT) 1-Year Forward EV/EBITDA(R)

Overall the Gaming Sector including operators and REITs is trading at 9.0x or a 13% discount to long-term average. It's at more than a 30% discount to post-COVID cycle highs which were driven by online euphoria, recovery and margin potential and helped by low interest rates.



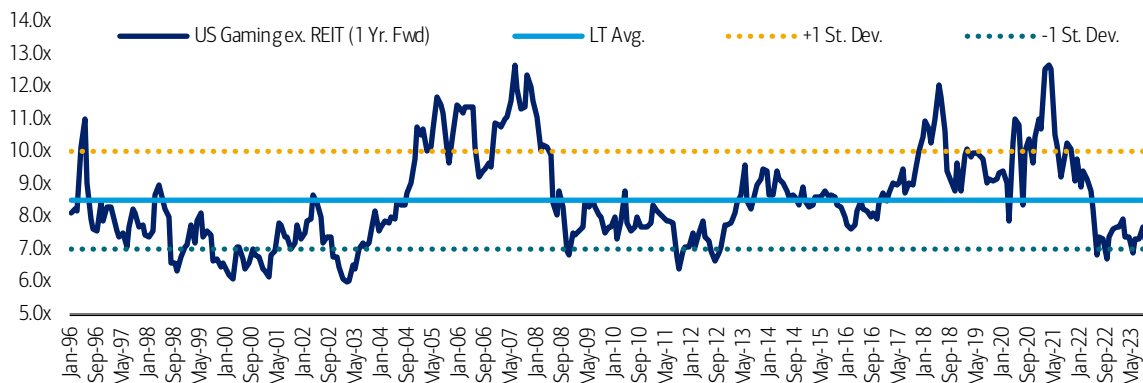
Overall gaming valuations incl. Gaming REITs are 13% below their LT average (9.0x vs. 10.3x) but are 30% below their cycle highs back in 2021 (13.6x) as online euphoria fades and earnings have normalized post COVID

Source: Bloomberg, BofA Global Research

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Exhibit 2: Domestic Gaming Operator 1-Year Forward EV/EBITDA(R)

U.S. Gaming Operators excluding REITs have taken the brunt of the sell-off and are currently trading at trough levels of 6.9x and about 20% below long-term average of 8.5x since 1996. This is one-standard deviation below their long-term average.



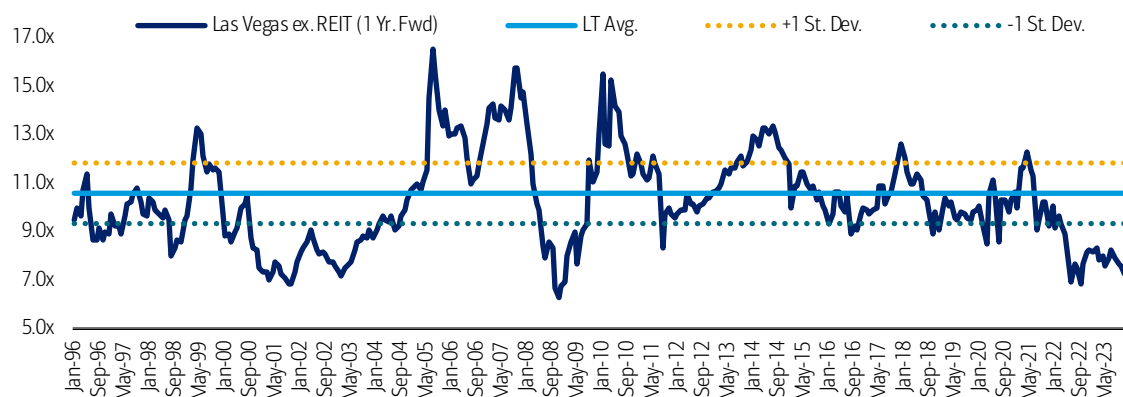
Domestic Gaming operators (ex-REITs) have corrected much more and are now at/near historical trough levels of 6.9x EV/EBITDA, 1 standard deviation below the LT average of 8.5x

Source: Bloomberg, BofA Global Research

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Exhibit 3: Las Vegas 1-Year Forward EV/EBITDAR

Las Vegas stocks (MGM, CZR and RRR) have seen some of the largest multiple compression and currently trade at 7.3x EV/EBITDAR or 29% below average. Some of this is due to cyclical fears but Las Vegas also has a structural headwind due to OpCo-PropCo structures. We discuss this more in the last section of the report.



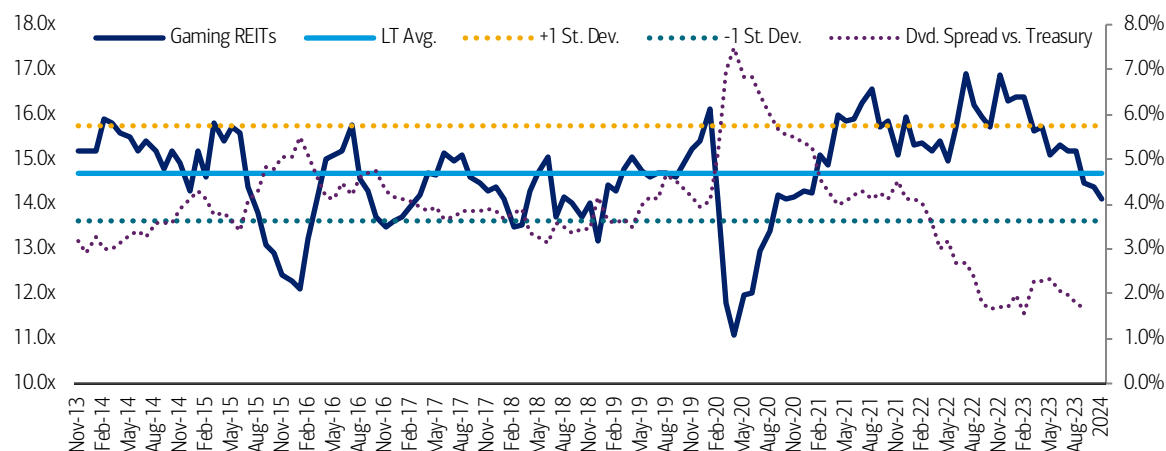
Source: Bloomberg, BofA Global Research

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Las Vegas stocks have been one of the biggest drags on Gaming sector multiples due largely to OpCo-PropCo structures; Las Vegas trades at 7.3x vs. a 10.3x LT average, but trade much closer to in-line when adjusting for real estate

Exhibit 4: Gaming REITs 1-Year Forward EV/EBITDA

Gaming REITs are trading slightly below their long-term average at 14.1x vs. 14.7x, and multiples have declined -16% as long-term interest rates have risen. Gaming REITs are more diversified and protected than Gaming operators from cyclical fluctuations in revenue and earnings.



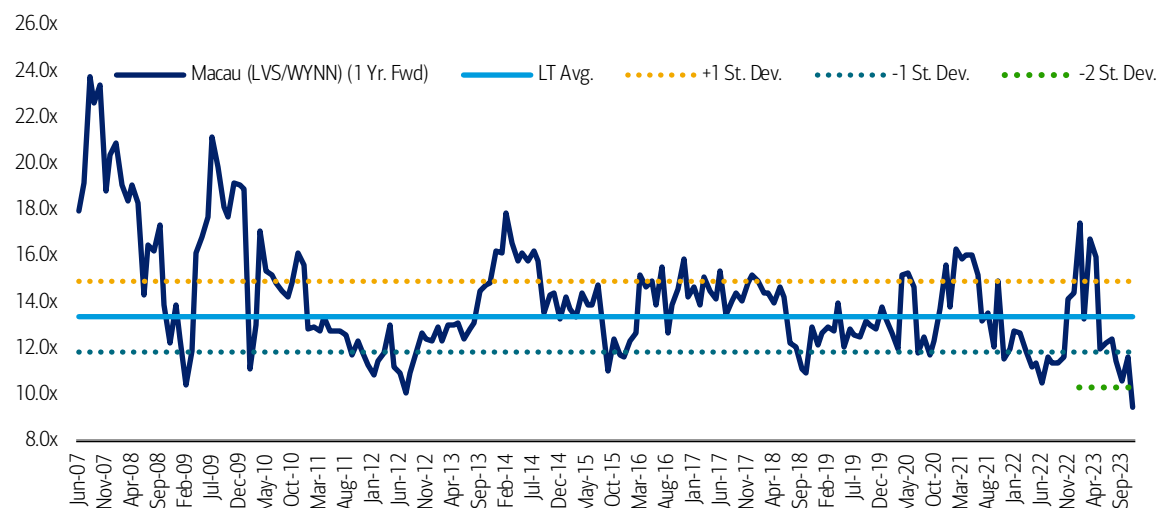
Source: Bloomberg, BofA Global Research

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Gaming REITs currently trade at 14.1x and are slightly (-4%) below their LT average of 14.7x. This is mostly due to the collapse in the dividend spread vs. the 10-year treasury which has narrowed from 3.9% to less than 2%

Exhibit 5: Macau 1-Year Forward EV/EBITDA

US-listed Macau stocks (LVS and WYNN) are trading at 9.4x EV/EBITDA over 2 standard deviations (or 32%) below their long-term average of 13.4x. China macro fears have weighed while we estimate elevated concession capex could structurally weigh on multiples by about 1x. Even adjusted for this, values are ~24% below LT avg.



Macau (LVS/WYNN) have been hit the hardest and are trading at all-time lows, more than 2 st. deviations below average at 9.4x EV/EBITDA or 32% below LT average of 13.4x; even adjusting for concession capex; multiples would still ~24% below LT avg.

Source: Bloomberg, BofA Global Research

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Bull case: Gaming stocks are really cheap

Most individual Gaming stocks are trading at historical deep valuations relative to their history. On 2024 estimates, the average Gaming stock ex. REITs is 27% below its last cycle average and on a “theoretical” basis, adjusted for OpCo-PropCo mix and concession capex in Macau, we estimate the average stock is still 16% below average. The average free cash flow (FCF) yield across the sector is currently 11.4% and the average FCF yield excluding online sports is over 14%. Versus history, over 90% of the time stocks have traded at or above these levels and vs. theoretical, 84% of the time stocks have traded at/above these levels.

Exhibit 6: Current vs. Historical and Theoretical Relative Valuation by Company (1-Yr. Forward EV/EBITDA)

The below charts show historical multiples relative to last cycle (2010-2020), long-term (since 1996) and vs. Theoretical average (adjusted for changes in OpCo-PropCo mix and concession capex in Macau). Versus history, MGM, WYNN and CZR are the least expensive. Versus theoretical, Boyd and Wynn

Subsector	EV/EBITDA 2024	Long-Term Average	Last Cycle Average	2024 Difference	Cumulative Distribution	Theoretical (1) LT Avg.	2024 Difference	Cumulative Distribution
Las Vegas Sands	10.0x	14.6x	13.5x	-25%	98%	12.4x	-19%	93%
Wynn Resorts	8.8x	13.7x	13.2x	-34%	99%	11.6x	-24%	94%
MGM Resorts	6.2x	10.6x	10.8x	-43%	100%	7.5x	-17%	84%
Penn National	6.6x	7.9x	7.8x	-16%	80%	7.5x	-13%	75%
Caesars Entertainment	7.2x	9.1x	10.0x	-28%	95%	8.6x	-15%	78%
Boyd Gaming	6.2x	8.4x	8.3x	-25%	98%	8.1x	-23%	97%
Red Rock Resorts	8.4x	10.3x	10.3x	-19%	93%	8.2x	2%	45%
Gaming & Leisure Properties	13.4x	13.8x	13.8x	-3%	66%	14.7x	-9%	87%
VICI Properties	14.9x	15.6x	15.6x	-4%	65%	14.7x	1%	46%
Overall Gaming	9.0x	10.3x	10.7x	-16%	91%	10.3x	-12%	85%

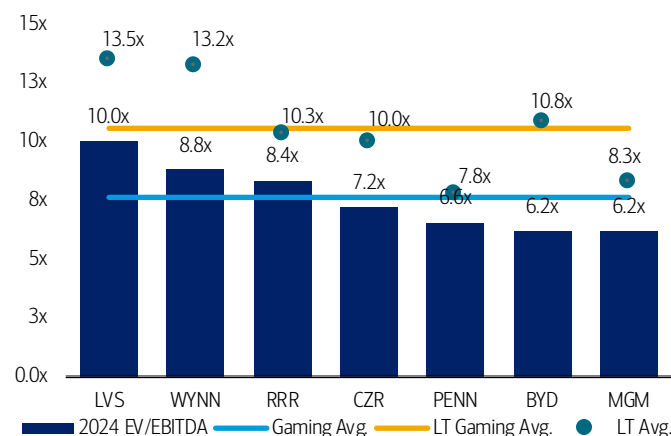
1. Theoretical multiple uses sub-sector averages rather than company averages and adjusts for OpCo-PropCo mix. A 1x discount is also applied to Macau to account for higher concession capex and its impact on FCF conversion relative to history.

Source: Bloomberg, BofA Global Research

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Exhibit 7: 2024 EV/EBITDAR Multiples by company and vs. history

Sorted high to low, LVS is the most expensive Gaming stock at 10.0x EV/EBITDA and MGM and BYD are the least expensive at 6.2x

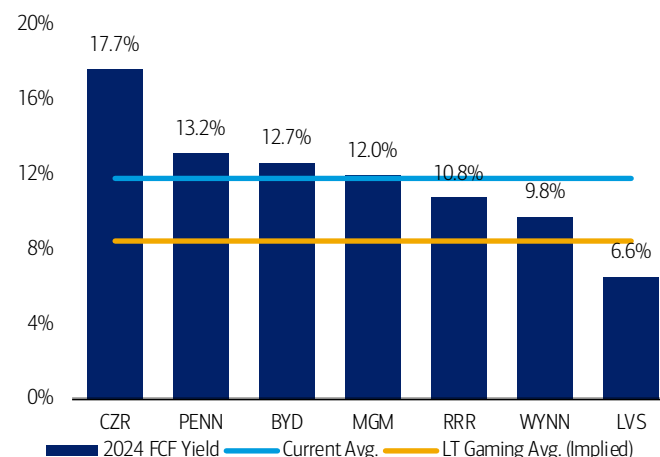


Source: Bloomberg, BofA Global Research

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Exhibit 8: 2024 FCF Yield by company and vs. history

Sorted high to low, CZR is trading at a 17.7% FCF Yield with PENN at a 13% FCF yield; LVS is the most expensive at a 6.6% FCF Yield



Source: Bloomberg, BofA Global Research

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Exhibit 9: 2024 EV/EBITDAR Multiple and Valuation Calculations

This chart shows EV/EBITDAR bridges for 2024 with DraftKings the most expensive given its inflection to profitability and BYD and MGM the cheapest both at 6.2x EV/EBITDAR

Company	LVS	WYNN	MGM	PENN	BYD	CZR	RRR	DKNG	SRAD
Share Price	\$47.04	\$87.28	\$34.23	\$18.41	\$54.56	\$39.14	\$39.11	\$26.64	\$8.75
Shares Outstanding	764	113	315	157	95	215	103	502	313
Equity Value	\$35,939	\$9,880	\$10,791	\$2,895	\$5,185	\$8,415	\$4,040	\$13,377	\$2,735
Plus: Net Debt	\$5,992	\$7,341	\$3,052	\$1,650	\$2,366	\$10,092	\$2,789	(\$251)	(\$419)
Plus: Capitalized Leases	\$0	\$1,140	\$14,191	\$7,621	\$648	\$10,672	\$0	\$0	\$0
Plus: Minority Interest/CIP/Other	\$5,015	\$685	\$2,099	(\$388)	\$0	\$0	(\$175)	\$0	\$0
Enterprise Value	\$46,945	\$19,047	\$30,132	\$11,778	\$8,198	\$29,179	\$6,654	\$13,126	\$2,316
EBITDAR (Sales for DKNG, SRAD)	\$4,648	\$2,162	\$4,855	\$1,853	\$1,319	\$4,031	\$795	\$314	\$223
EV/EBITDAR	10.1x	8.8x	6.2x	6.4x	6.2x	7.2x	8.4x	41.9x	10.4x

Source: Bloomberg, BofA Global Research

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Exhibit 10: 2024 Free Cash Flow (FCF) Yield Calculation and Bridge

This chart shows our FCF calculation and bridges with CZR and BYD yielding the highest and SRAD, DKNG and LVS yielding the lowest. Note DKNG numbers are on 2025.

Company	LVS	WYNN	MGM	PENN	BYD	CZR	RRR	DKNG	SRAD
EBITDAR / Cash Flow from Operations	\$4,648	\$2,162	\$4,855	\$1,853	\$1,319	\$4,031	\$795	\$701	\$309
Less: Cash Rent	(56)	(143)	(1,762)	(953)	(109)	(1,334)	0	0	0
Less: Cash Interest	(521)	(527)	(423)	(164)	(154)	(831)	(167)	0	0
Less: Maintenance Capex	(865)	(328)	(770)	(200)	(225)	(300)	(100)	(100)	0
Less: Cash Taxes	(298)	(27)	(297)	(155)	(173)	0	(93)	0	0
Less: Other Adjustments	(560)	(172)	(331)	0	(1)	(80)	0	0	(183)
Free Cash Flow	2,347	965	1,273	381	657	1,486	435	601	126
FCF Per Share	\$3.07	\$8.52	\$4.04	\$2.42	\$6.92	\$6.91	\$4.21	\$1.20	\$0.40
FCF Yield	6.5%	9.7%	11.8%	13.1%	12.6%	17.5%	10.8%	5.7%	3.8%
FCF Conversion	51%	45%	26%	21%	50%	37%	55%	86%	41%

Source: Bloomberg, BofA Global Research

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Exhibit 11: Online Sports Betting Valuation Calculation by Company

Below calculates our per share valuations for online sports betting and online gaming using both a revenue multiple and stabilized EV/EBITDA multiple

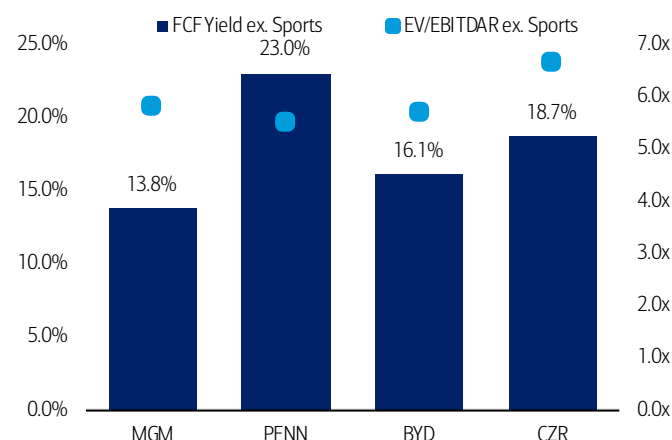
	DKNG	MGM	PENN	BYD	CZR
Online Market Size (2025)	\$23,062	\$23,062	\$23,062	\$23,062	\$23,062
Market Share used	30.5%	16.0%	5.9%	35.0%	9.0%
2025 Implied Revenue	\$5,523	\$2,767	\$1,015	\$6,054	\$1,557
Multiple Credit	100.0%	50.0%	50.0%	100.0%	50.0%
2025 Revenue Multiple	2.3x	1.1x	1.1x	2.3x	1.1x
Implied Value (2025)	\$12,674	\$1,588	\$1,165	\$695	\$1,786
Ownership	100.0%	50.0%	100.0%	5.0%	100.0%
Shares Outstanding	513	296	154	101	215
Revenue Value/Share (A)	\$27	\$5	\$8	\$7	\$8
Stabilized EBITDA Margin	25.0%	22.5%	17.5%	30.0%	22.5%
Stabilized EBITDA Potential	\$1,381	\$623	\$178	\$1,816	\$350
Implied EV/EBITDA	9.2x	9.2x	9.2x	9.2x	9.2x
EBITDA Value/Share (B)	\$27	\$10	\$11	\$8	\$15
Avg. Value/Share (A+B)	\$27	\$8	\$9	\$8	\$12
Incremental Value/Share		\$5	\$9	\$8	\$3

Source: Bloomberg, BofA Global Research

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Exhibit 12: FCF Yield excluding Online Sports Betting

Below shows FCF yields excluding the value of sports and online gaming which range between 14-23%.



Source: Bloomberg, BofA Global Research

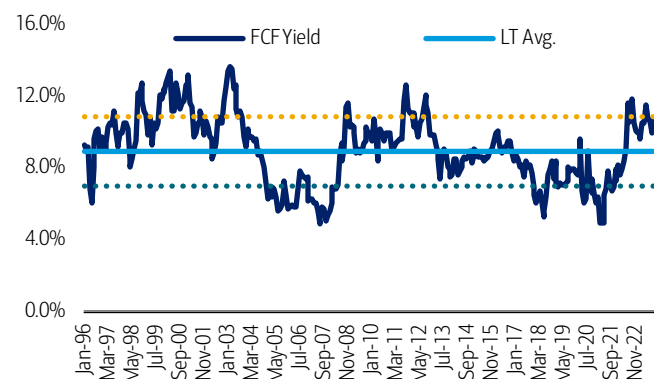
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Bear case: Interest rates matter

Free Cash flow yields for operators are similarly about 200bps above their long-term average. However, this FCF yield is only in-line with the recent move in the 10-year Treasury. So if viewed purely as yield vehicles with limited or no growth, then the stocks have been efficient at passing through the recent move in interest rates/cost of capital. The same relationship applies to the spread versus Gaming High Yield (HY) credit. Gaming bonds currently yield 8%, or 200bps wider than pre-COVID. Gaming stocks have kept their historical spread to gaming credit but do not appear cheap relative to history.

Exhibit 13: Gaming Operator (implied) FCF Yield

The average FCF yield is now 11% for domestic operators; this compares to a historical (implied) average FCF yield of about 8.9%

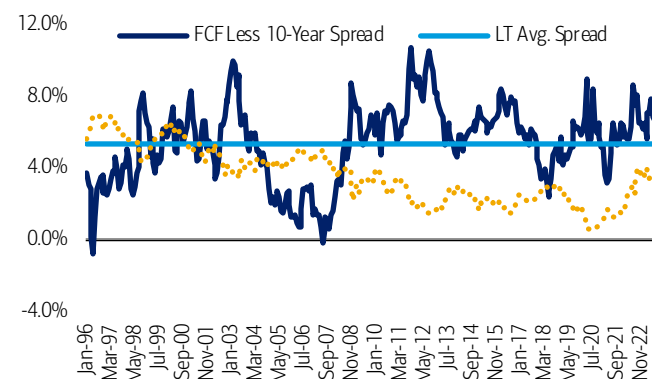


Source: Bloomberg, BofA Global Research

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Exhibit 14: Gaming Operator FCF Yield Spread to 10-Year Treasury

The FCF yield spread relative to Treasuries, however, is roughly in-line with normal, owing to the 230bps increase in the 10-year recently

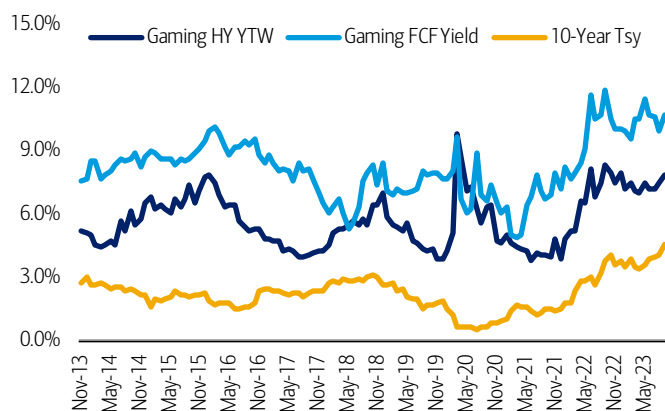


Source: Bloomberg, BofA Global Research

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Exhibit 15: Gaming FCF Yield vs. Gaming High Yield and 10-Year

Gaming FCF yield expansion looks very similar to the widening in Gaming High Yield bonds and the recent move in the 10-Year Treasury

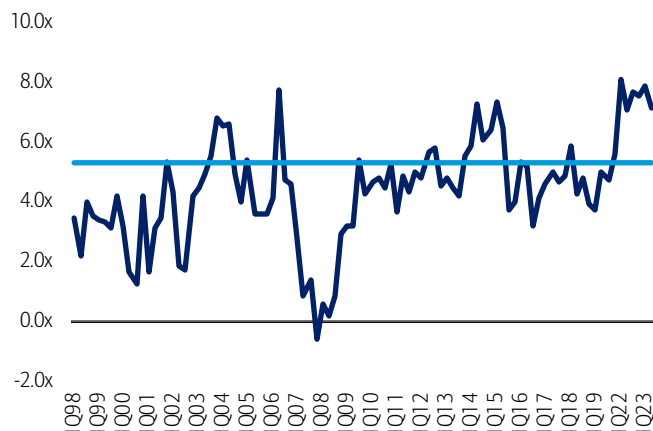


Source: Bloomberg, BofA Global Research

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Exhibit 17: Gaming Operator vs. Lodging C-Corp (EV/EBITDA Diff.)

Gaming valuations are in-line with the historical wide peaks relative to Lodging C-Corps. We see this as a proxy of both value vs. growth and beta (ie quality vs. risk)

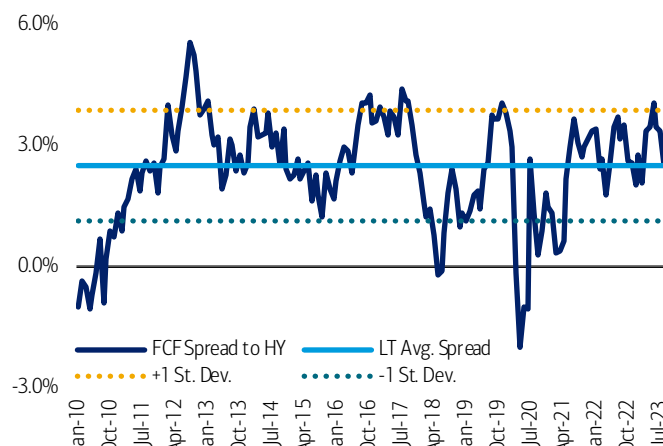


Source: Bloomberg, BofA Global Research

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Exhibit 16: Gaming FCF Yield Spread to Gaming High Yield

Relative to Gaming bonds, Gaming stocks are trading pretty much in-line with their long-term average spread of around 270bps

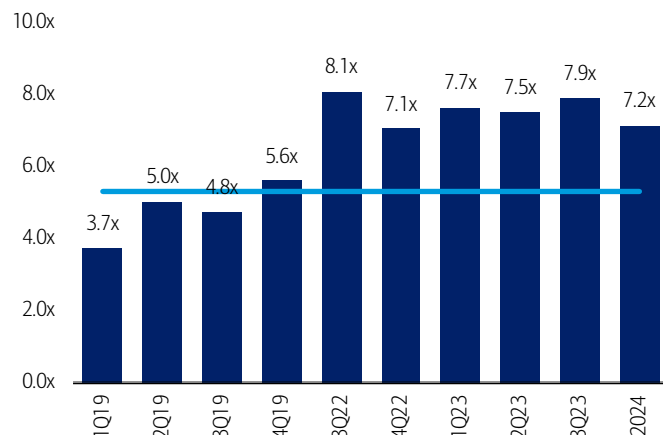


Source: Bloomberg, BofA Global Research

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Exhibit 18: Gaming vs. Lodging C-Corp by Quarter (EV/EBITDA Diff.)

Gaming valuations however are not extended versus their recent spreads (last 6 quarters) and OpCo-PropCo mix is a factor in seeing this spread increase over time



Source: Bloomberg, BofA Global Research

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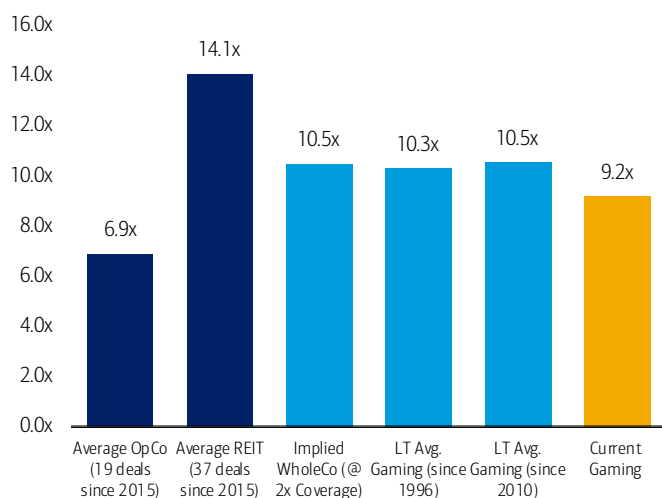
Theoretical: Free cash is the new EBITDA

Why are EV/EBITDA(R) multiples so low? Independent of cyclicity, Gaming multiples are structurally lower than pre-COVID due to the creation of OpCo-PropCo structures. Both transaction multiples and trading multiples are in-line with the “theoretical” value (say 10.5x EV/EBITDA) of splitting a Gaming cash flow in half, between a high multiple REIT (13-14x EBITDA) and a low-multiple OpCo (6-7x EBITDA).

OpCos have meaningfully higher fixed cost operating leverage and convert way less EBITDAR to free cash flow (due to the rent). They still bear all of the capex burden of the assets (despite not owning them) and small changes in revenue can be highly impactful.

Exhibit 19: Gaming OpCo and PropCo Multiples vs. WholeCo Valuations

OpCo deals have traded at 6.9x on average (6.4x median) and 14.1x on PropCo or REIT deals (13.1x median). Blended together, this implies a WholeCo multiple of 10.5x directly in-line with the sector's LT averages

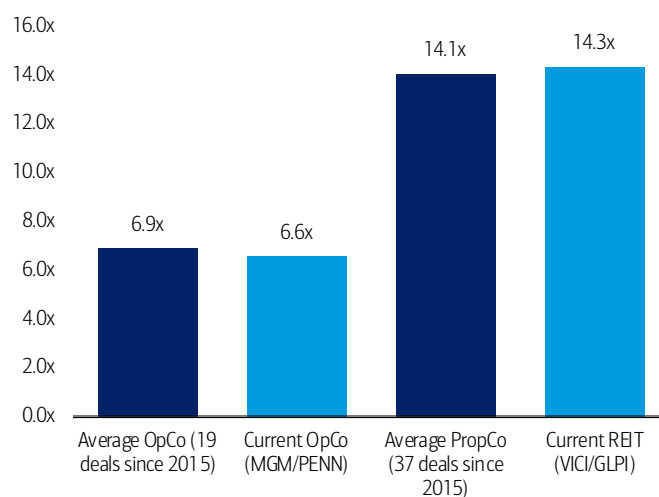


Source: Bloomberg, BofA Global Research

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Exhibit 20: Transaction Comps vs. Gaming Valuations (OpCos/REITs)

Interestingly, by company, current valuations are not far out of whack with transaction multiples and that is *despite* the recent material shift in cost of capital; the sector discount is largely being driven by WholeCos like BYD, RRR and Macau (LVS/WYNN)

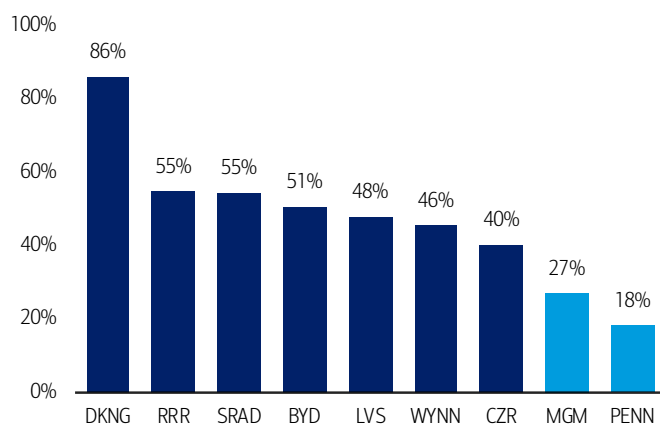


Source: Bloomberg, BofA Global Research

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Exhibit 21: Gaming EBITDA to Free Cash Flow Conversion

MGM and PENN have the slowest EBITDA to FCF conversion at 27% and 18%, respectively, while DKNG leads at 86%



Source: Bloomberg, BofA Global Research

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APPENDIX

Exhibit 22: Gaming Comp Sheet

Summary of gaming valuation metrics

Company	EV / Adj. EBITDA			Free Cash Flow Yield			Net Leverage		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Gaming - U.S. (Shaun Kelley)									
Las Vegas Sands	13.0x	10.0x	9.3x	6.6%	6.6%	8.0%	2.2x	1.7x	1.4x
Wynn Resorts	10.2x	8.8x	8.2x	8.3%	9.8%	10.3%	4.0x	3.4x	3.1x
MGM Resorts	6.8x	6.2x	5.9x	9.2%	12.0%	12.9%	3.8x	3.6x	3.4x
Penn National	6.4x	6.6x	6.6x	18.7%	13.2%	11.9%	4.9x	5.2x	5.4x
Caesars Entertainment	7.6x	7.2x	6.3x	15.8%	17.7%	20.2%	5.4x	5.2x	4.4x
Boyd Gaming	6.3x	6.2x	5.7x	12.9%	12.7%	14.0%	2.3x	2.3x	2.1x
Red Rock Resorts	8.5x	8.4x	7.8x	10.0%	10.8%	11.3%	4.3x	3.5x	3.0x
Gaming Operator Average	8.0x	7.8x	7.2x	9.6%	11.4%	11.6%	4.2x	3.5x	3.1x
Gaming REITs									
	AFFO			Net Leverage					
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Gaming & Leisure Properties	13.7x	13.4x	13.1x	11.8x	11.3x	11.1x	4.9x	4.7x	4.5x
VICI Properties	15.1x	14.9x	13.7x	12.8x	12.3x	11.8x	6.1x	5.6x	5.6x
Gaming REIT Average	14.4x	14.0x	13.3x	12.3x	11.8x	11.4x	5.5x	5.2x	5.1x

	Revenue		Enterprise Value / Sales		EV/EBITDA		EV/Stabilized EBITDA		
	2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E	2025E
Sports Betting & Online Gaming									
DraftKings	\$3,610	\$4,567	3.6x	2.9x	NM	41.9x	9.2x	14.5x	11.5x
Sportradar	€ 910	€ 1,091	2.6x	2.1x	14.0x	10.4x	7.9x	10.6x	8.5x
NeoGames	\$253	\$269	3.9x	3.5x	12.2x	10.5x	7.3x	11.9x	10.7x
Flutter ⁽¹⁾		\$10,782	3.2x	2.8x	19.1x	14.7x	11.6x	11.8x	10.3x
Entain ⁽¹⁾	\$4,746	\$5,088	2.0x	1.9x	9.7x	8.9x	7.9x	8.2x	7.7x
Rush Street Interactive*	\$674	\$771	0.9x	0.8x	NM	16.2x	6.4x	4.5x	3.8x
PointsBet*	\$210	\$241	-0.0x	1x	0x	NM	NM	NM	2.8x
Genius Sports*	\$411	\$483	2.0x	1.6x	16.0x	10.1x	6.5x	10.1x	8.2x
Sports/Online Average	\$2,260	\$4,567	3.2x	2.8x	13.1x	10.5x	7.9x	11.8x	10.3x

Source: Bloomberg for Not Covered companies marked "**", BoFA Global Research estimates. Note companies marked (1) covered by Kiranjot Grewal

BoFA GLOBAL RESEARCH

Exhibit 23: Gaming, Lodging, and Leisure historical multiples

The below chart shows historical multiples relative to last cycle (2010-2020), long-term (since 1996) and vs. Theoretical average

Subsector	EV/EBITDA 2024	Long-Term Average	Last Cycle Average	2024 Difference	Cumulative Distribution	Theoretical (1) LT Avg.	2024 Difference	Cumulative Distribution
Las Vegas Sands	10.0x	14.6x	13.5x	-25%	98%	12.4x	-19%	93%
Wynn Resorts	8.8x	13.7x	13.2x	-34%	99%	11.6x	-24%	94%
MGM Resorts	6.2x	10.6x	10.8x	-43%	100%	7.5x	-17%	84%
Penn National	6.6x	7.9x	7.8x	-16%	80%	7.5x	-13%	75%
Caesars Entertainment	7.2x	9.1x	10.0x	-28%	95%	8.6x	-15%	78%
Boyd Gaming	6.2x	8.4x	8.3x	-25%	98%	8.1x	-23%	97%
Red Rock Resorts	8.4x	10.3x	10.3x	-19%	93%	8.2x	2%	45%
Gaming & Leisure Properties	13.4x	13.8x	13.8x	-3%	66%	14.7x	-9%	87%
VICI Properties	14.9x	15.6x	15.6x	-4%	65%	14.7x	1%	46%
Overall Gaming	9.0x	10.3x	10.7x	-16%	91%	10.3x	-12%	85%
Lodging								
Lodging C-Corp (EBITDA)								
Hilton Worldwide	14.6x	12.9x	13.6x	7%	23%	14.4x	1%	46%
Marriott International	13.5x	12.9x	13.9x	-3%	56%	14.9x	-9%	74%
Hyatt Hotels Corp	10.5x	12.1x	12.1x	-13%	70%	11.8x	-11%	68%
Choice Hotels	11.6x	12.9x	13.9x	-16%	82%	14.4x	-19%	87%
Wyndham Hotels	11.5x	13.0x	13.6x	-15%	93%	14.0x	-18%	97%
Lodging C-Corp (P/E*)								
Hilton Worldwide	22.0x	21.1x	21.6x	2%	44%	23.6x	-7%	61%
Marriott International	19.4x	21.1x	21.6x	-10%	79%	22.1x	-12%	68%
Choice Hotels	16.1x	21.1x	21.6x	-25%	98%	21.5x	-25%	82%
Wyndham Hotels	18.3x	21.1x	21.6x	-15%	89%	19.5x	-6%	58%
C-Corp EBITDA	11.6x	13.0x	13.6x	-14%	92%	14.4x	-19%	98%
C-Corp P/E	18.9x	21.1x	21.6x	-13%	98%	21.8x	-13%	98%
Lodging REIT								
Full Service Lodging REITs								
Host Hotels & Resorts	8.6x	11.8x	13.2x	-35%	94%	11.8x	-27%	86%
Park Hotels & Resorts Inc	9.6x	12.1x	12.8x	-25%	94%	11.3x	-15%	80%
Sunstone Hotel Investors	10.2x	12.2x	12.4x	-17%	88%	12.2x	-16%	86%
DiamondRock Hospitality	10.3x	12.5x	12.6x	-18%	79%	12.5x	-18%	79%
Pebblebrook Hotel Trust	12.3x	15.2x	15.2x	-19%	87%	12.8x	-4%	57%
Ryman Hospitality Properties	11.0x	12.4x	12.3x	-10%	76%	13.5x	-18%	93%
Limited Service Lodging REITs								
RLJ Lodging Trust	9.6x	11.4x	11.4x	-16%	84%	11.4x	-16%	84%
Hersha Hospitality Trust	13.3x	12.8x	12.9x	3%	43%	12.8x	4%	42%
Summit Hotel Properties	11.4x	12.5x	12.5x	-9%	77%	12.5x	-9%	77%
Apple Hospitality REIT	10.7x	12.2x	12.2x	-12%	92%	12.2x	-12%	92%
Overall Lodging	11.0x	12.0x	12.5x	-12%	81%	12.5x	-12%	81%
Leisure								
Vail Resorts	11.2x	10.3x	12.0x	-7%	61%	12.0x	-7%	61%
Soho House	11.3x	12.9x	12.9x	-12%	84%	12.9x	-12%	84%
Playa Resorts	8.2x	9.4x	9.4x	-13%	74%	9.4x	-13%	NM
Marriott Vacations	6.6x	8.0x	8.0x	-17%	79%	8.0x	-17%	79%
Hilton Grand Vacations	5.2x	7.7x	7.7x	-33%	96%	7.7x	-33%	96%
Travel & Leisure	5.8x	7.9x	7.9x	-28%	96%	7.9x	-28%	96%

1. Theoretical multiple uses sub-sector averages rather than company averages and adjusts for Opco-PropCo mix. A 1x discount is also applied to Macau to account for higher concession capex and its impact on FCF conversion relative to history.

Source: Bloomberg, BofA Global Research

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Exhibit 24: LVS Historical Stock Price Sell Offs

In other pullbacks, LVS has been down a median of -26% and -16% relative to the HIS, in-line with where we are today

	High Date	Low Date	Absolute % Chg.	Relative % Chg.
China Macro (Again)	5/1/2023	10/27/2023	-27%	-15%
COVID	1/17/2020	5/11/2022	-59%	-27%
China Macro	7/24/2019	9/17/2019	-9%	-3%
Trade Deal falls apart	4/26/2019	6/3/2019	-22%	-13%
UnionPay and GGR	5/31/2018	10/29/2018	-37%	-19%
UnionPay Limits	12/7/2016	12/30/2016	-15%	-11%
January Hard Landing	11/3/2015	1/13/2016	-27%	-16%
Union Pay 1.0	8/7/2015	10/1/2015	-35%	-22%
SHIBOR	5/21/2013	6/24/2013	-17%	-2%
SCC/VIP slowdown	4/13/2012	7/26/2012	-40%	-32%
China Macro	9/19/2011	10/3/2011	-25%	-14%
FCPA	2/3/2011	3/18/2011	-28%	-21%
China Tightening 2.0	6/23/2010	7/6/2010	-20%	-16%
China Tightening 1.0	4/26/2010	5/20/2010	-24%	-15%
Average			-28%	-16%
Median			-26%	-15%

Source: Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 26: LVS Stock returns following a sell-off

Following stock declines of more than -26%, LVS historically recovers +20% in the next month

	1M return	2M return	3M return
UnionPay and GGR / VIP slows	-5%	-1%	-9%
January Hard Landing	24%	44%	38%
Union Pay 1.0 / August RMB	20%	11%	10%
SCC/VIP slowdown	0%	-13%	-3%
FCPA	26%	14%	4%
Median	20%	11%	4%

Source: Bloomberg, BofA Global Research

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Exhibit 25: WYNN Historical Stock Price Sell Offs

In other pullbacks, WYNN has been down a median of -27% and -15% relative to the HSI

	High Date	Low Date	Absolute % Chg.	Relative % Chg.
China Macro (Again)	5/1/2023	10/27/2023	-24%	-12%
COVID	1/17/2020	5/11/2022	-61%	-29%
China Macro	7/24/2019	9/17/2019	-19%	-13%
Trade Deal falls apart	4/26/2019	6/3/2019	-31%	-21%
UnionPay and GGR	5/31/2018	10/29/2018	-52%	-33%
UnionPay Limits	12/7/2016	12/30/2016	-15%	-12%
January Hard Landing	11/6/2015	1/14/2016	-30%	-17%
Union Pay 1.0	8/10/2015	10/1/2015	-50%	-38%
SHIBOR	5/20/2013	6/24/2013	-13%	2%
SCC/VIP slowdown	5/1/2012	7/25/2012	-31%	-20%
China Macro	9/19/2011	10/3/2011	-30%	-19%
FCPA	3/4/2011	3/18/2011	-11%	-6%
China Tightening 2.0	6/25/2010	7/2/2010	-16%	-12%
China Tightening 1.0	4/29/2010	5/20/2010	-20%	-14%
Average			-29%	-17%
Median			-27%	-15%

Source: Bloomberg, BofA Global Research

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Exhibit 27: WYNN stock returns following a sell-off

Following stock declines of more than -26%, WYNN historically recovers +10% in the next month

	1M return	2M return	3M return
Trade Deal falls apart	18%	22%	-1%
UnionPay and GGR / VIP slows	-6%	-20%	-28%
January Hard Landing	42%	64%	84%
Union Pay 1.0 / August RMB	-29%	-11%	-9%
SCC/VIP slowdown	5%	-2%	3%
China Macro	15%	5%	-4%
Median	10%	1%	-3%

Source: Bloomberg, BofA Global Research

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Underperform	N/A	≥ 20%

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