

Gaming

Macau: February GGR in line & Q1 tracking ahead; Las Vegas starts off 2023 strong

Industry Overview

Exhibit 1: Las Vegas & Macau monthly heat map

Monthly trends for LV Strip, LV Locals, and Macau

Macau GGR	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
MOP (B)	2.7	3.3	2.5	0.4	2.2	3.0	3.9	3.0	3.5	11.6	10.3
Y/Y	-68%	-68%	-62%	-95%	-51%	-50%	-11%	-56%	-56%	83%	33%
vs. 2019	-89%	-87%	-90%	-98%	-91%	-87%	-85%	-87%	-85%	-54%	-59%
Las Vegas Y/Y											
Strip GGR	23%	12%	20%	-3%	5%	8%	1%	-11%	25%	26%	
Strip RevPAR	116%	68%	39%	13%	13%	39%	30%	27%	29%	78%	
Locals GGR	-3%	-1%	-6%	-3%	0%	0%	11%	-4%	-2%	15%	
Las Vegas vs. 2019											
Strip GGR	23%	41%	19%	43%	27%	19%	31%	29%	38%	34%	
Strip RevPAR	24%	14%	19%	15%	7%	28%	50%	28%	31%	14%	
Locals GGR	14%	24%	35%	10%	41%	13%	15%	39%	3%	25%	
LV Air Traffic	-1%	0%	5%	8%	5%	11%	12%	9%	4%	13%	
LV Visitation	-5%	-7%	-8%	-5%	-11%	-3%	-1%	-7%	-5%	-5%	
Las Vegas Absolute Values											
Strip GGR	\$593	\$732	\$735	\$773	\$660	\$693	\$706	\$669	\$814	\$713	
Strip ADR	\$188	\$187	\$167	\$170	\$158	\$199	\$226	\$200	\$188	\$206	
Strip Occ. %	87%	86%	86%	86%	80%	85%	89%	84%	82%	81%	

Source: Nevada Gaming Control Board, LVCVA, Macau DICJ. Apr = April, Jun = June, Sep = September, Oct = October, Dec = December, Jan = January, Feb = February. Occ. = Occupancy.

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Macau: February GGR in line; Q1 tracking ahead

February GGR of 10.3B MOP was in line with BoFA's estimate of [10.3 MOP \(see the 21 February 2023 Asia Gaming and Lodging Weekly report\)](#). The average daily run rate (ADR) of MOP 369M was helped by better VIP hold in the middle part of the month and was down only 1.3% M/M, impressive, in our view, given the Chinese New Year holiday in January. The sequential growth rate vs. 2019 slowed M/M due to the Chinese New Year holiday occurring in February 2019 vs. January this year.

As previously highlighted in our recent Macau ["deep dive" \(see report\)](#), we believe that there could be an average of ~40% upside to Q1 '23 consensus EBITDA estimates. Underpinning that assumption was a Q1 ADR of 360M MOP, and through two months of Q1, the ADR is 371M MOP. Net, Q1 is tracking well ahead of consensus, with even the possibility of additional upside if March's run rate accelerates from January/February levels. The focus for Q1 should turn to refining assumptions around market share and margins/flow-through as March progresses.

Las Vegas: A strong start to 2023, even with an easy comp

Las Vegas results in January were strong, though the Y/Y comp is easy due to Omicron-related disruption in 2022. **GGR:** January Las Vegas Strip GGR was \$713M, down sequentially off [last month's record \(see our 1 February 2023 report\)](#), though ~3% above the 2022 monthly average of \$691M. Las Vegas Locals was a standout in January, reaching its second-highest total ever and only 2% off the March 2022 all-time high.

RevPAR / Room rates: January RevPAR was +9% M/M, driven by the second-highest average daily rate ever at \$206, which offset a M/M decline in occupancy. Our room rate survey shows extremely strong rates in March (average of **+70%** vs. 2019 and **+48%** Y/Y), though Y/Y growth has moderated to ~10-15% in April and May as comps get harder amid a strong seasonal period.

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Key Terms

ADR: Average Daily Rate

GGR: Gross Gaming Revenue

LV: Las Vegas

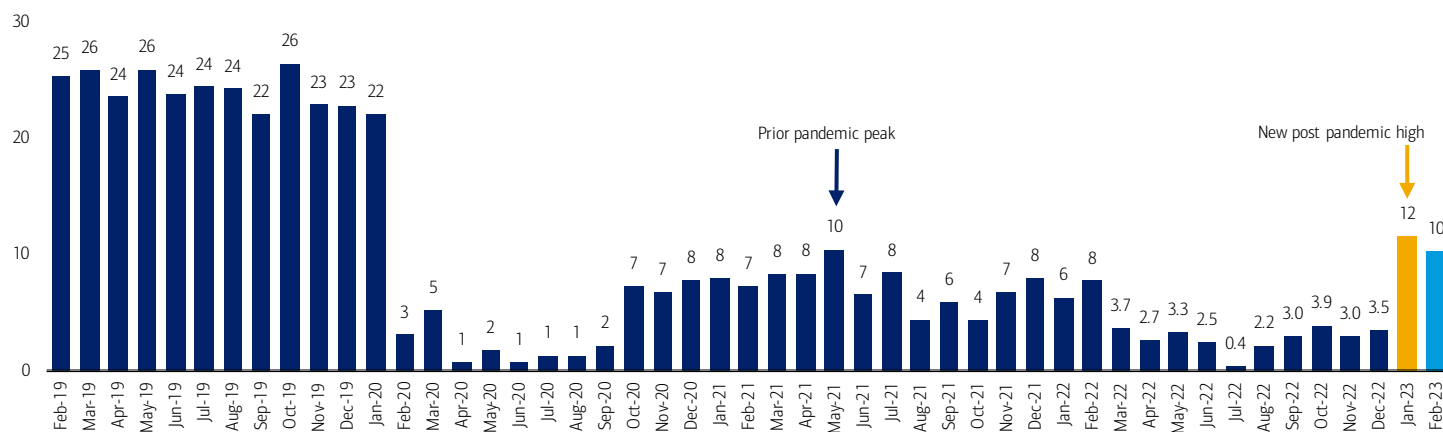
ADR: Average Daily Rate

RevPAR: Revenue per available room

vs.: versus

Exhibit 2: Monthly Macau GGR since 2019

February 2023 GGR was 10.3B MOP, the third-highest total of the post-pandemic era, with ADR down slightly M/M

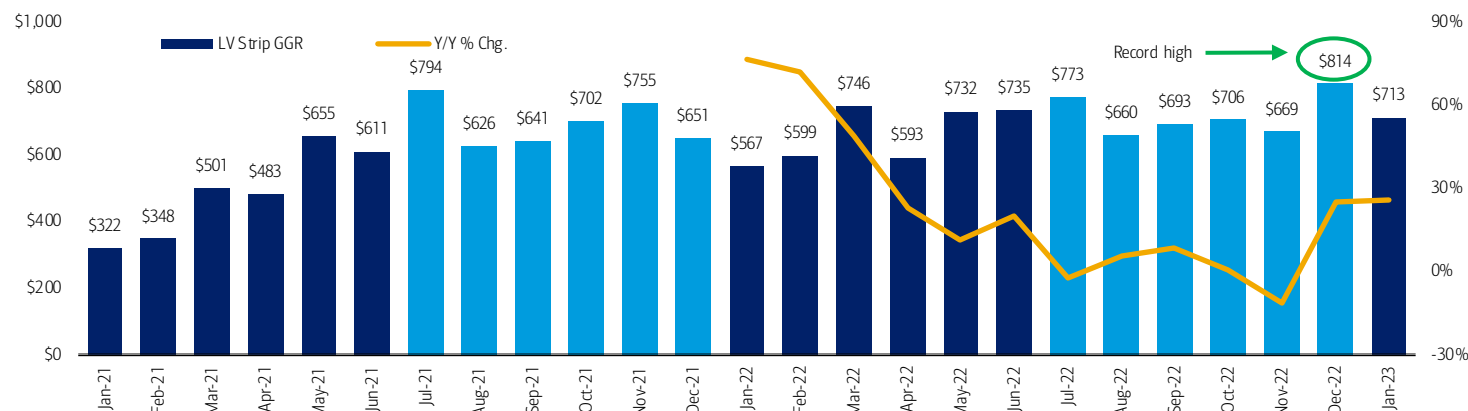


Source: BofA Global Research, Macau DICJ, Bloomberg

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Exhibit 3: LV Strip GGR Y/Y comparisons

January 2023 GGR was down sequentially, though ~3% ahead of the FY 2022 monthly average

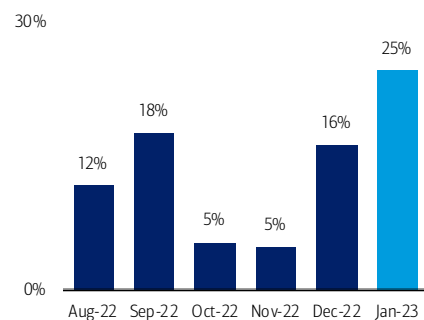


Source: BofA Global Research, Nevada Gaming Control Boards

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Exhibit 4: Slot handle Y/Y growth

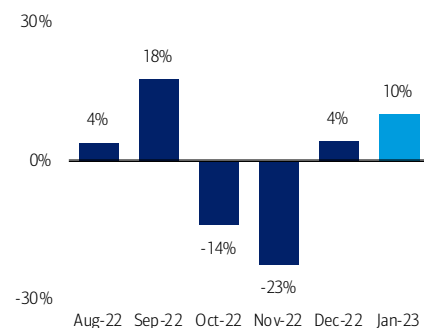
Slot handle was +25% Y/Y in January



Source: BofA Global Research, Nevada Gaming Control Boards
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Exhibit 5: Table drop Y/Y growth

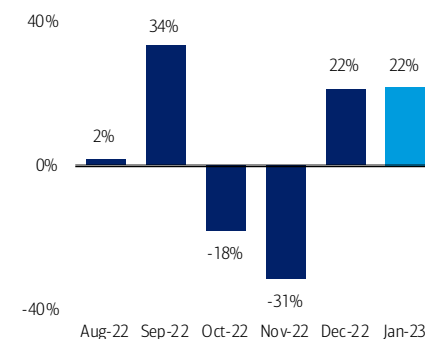
Table drop was +10% Y/Y in January



Source: BofA Global Research, Nevada Gaming Control Boards
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Exhibit 6: Baccarat drop Y/Y growth

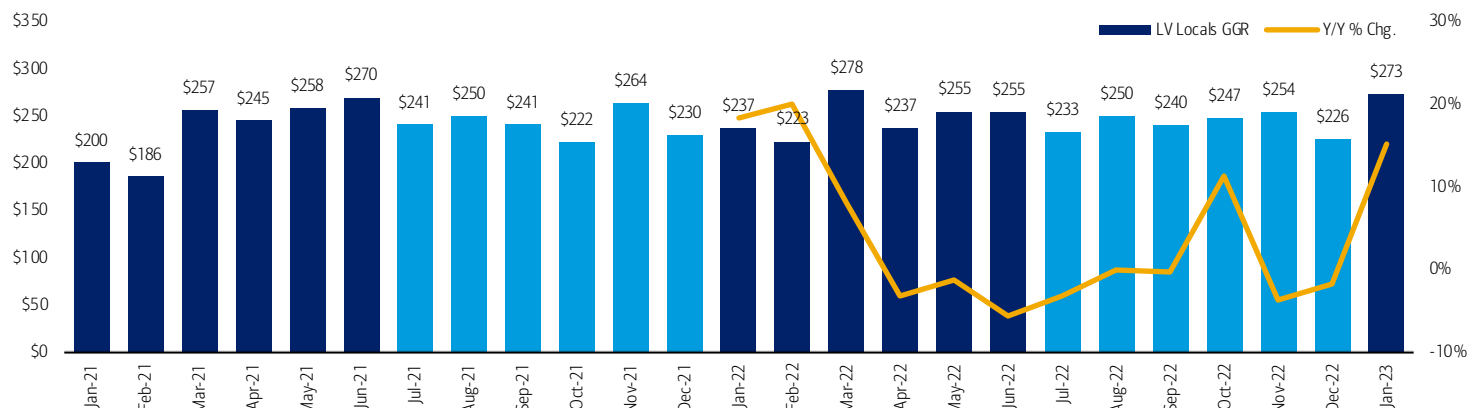
Baccarat drop was +22% Y/Y in January



Source: BofA Global Research, Nevada Gaming Control Boards
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Exhibit 7: LV Locals GGR Y/Y comparisons

Las Vegas Locals GGR was the second-highest monthly total ever in January

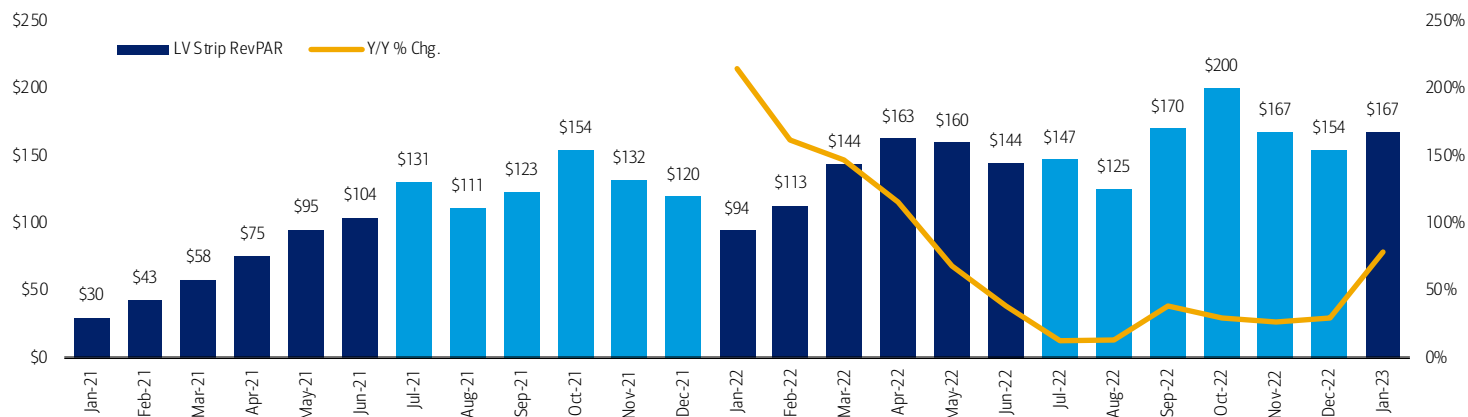


Source: BofA Global Research, State Gaming Control Boards. Chg = change.

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Exhibit 8: LV Strip RevPAR Y/Y comparisons

January Strip RevPAR was +9% M/M, driven by rates



Source: BofA Global Research, LVCVA

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