



# 1Q'20 RESULTS PRESENTATION

May 2020

# Disclaimer

## Safe Harbor Statement

This presentation contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. The Company may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the "SEC"), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties and a number of factors could cause actual results to differ materially from those contained in any forward-looking statement. These factors include, but are not limited to, (i) growth of the gaming market and visitation in Macau, the Philippines and the Republic of Cyprus, (ii) capital and credit market volatility, (iii) local and global economic conditions, (iv) our anticipated growth strategies, (v) gaming authority and other governmental approvals and regulations and (vi) our future business development, results of operations and financial condition. In some cases, forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "anticipate", "target", "aim", "estimate", "intend", "plan", "believe", "potential", "continue", "is/are likely to" or other similar expressions. Further information regarding these and other risks, uncertainties or factors is included in the Company's filings with the SEC. All information provided in this presentation is as of the date of this presentation and the Company undertakes no duty to update such information, except as required under applicable law.

This presentation contains non-GAAP financial measures and ratios that are not required by, or presented in accordance with, U.S. GAAP, including Adjusted property EBITDA and Adjusted EBITDA. The non-GAAP financial measures may not be comparable to other similarly titled measures of other companies since they are not uniformly defined and have limitations as analytical tools and should not be considered in isolation or as a substitute for U.S. GAAP measures. Non-GAAP financial measures and ratios are not measurements of our performance under U.S. GAAP and should not be considered as alternatives to any performance measures derived in accordance with U.S. GAAP or any other generally accepted accounting principles. Reconciliations of such non-GAAP financial measures and ratios to their most directly comparable financial measures and ratios are included in our earnings releases that have been furnished with the SEC and are also available on our Investor Relations website at <http://ir.melco-resorts.com>.

# Selected examples of Melco Resorts' COVID-19 Support

Committed to supporting the community

- China
  - HKD 20 million donation to Red Cross Society of China Hubei Branch
  - MOP 5 million donation to Macao Federation of Trade Unions
  - MOP 3 million donation to Women's General Association of Macau
  - 500,000 surgical masks donated to the Macau government and the local community
  - 100 local Macanese construction workers hired
  - Mobilized thousands of our Macau colleagues to partake in a multitude of volunteering events during work hours
  - Launched Sustainable Mask Design competition, in collaboration with Macau Productivity and Technology Transfer Center
- The Philippines
  - PHP 150 million worth of food packs and service installations for the government's relief efforts, including:
    - 420,000 bottles of water
    - 625,000 kg of rice
    - 750,000 cans of sardines and tuna
    - Water service installation with Planet Water Foundations in various regions
  - 15,000 N95 masks, 125,000 pairs of gloves, 2,000+ bottles of alcohol hygiene kits to medical staff and hospitals
  - 800 PPE suits for front line medical staff
- Cyprus
  - EUR100,000 donation to Ministry of Health

# Melco's Sustainability Goals and Achievements

## Melco's "Above and Beyond" Sustainability Initiative:

- To outline ambitious goals, actionable targets and further enhancements to its disclosures around key environmental, social, and governance (ESG) issues that are critical to Melco's business

## Key Goals:

- To achieve carbon neutral resorts by 2030.
- To achieve zero waste across its resorts by 2030, eliminate problematic single-use plastics in daily operations and contribute to circular economy in Asia
- To be the employer of choice and create the best-in-class working environment for its employees, and to be the best partner to the community both in Macau and around the world
- To inspire guests by seamlessly integrating sustainability in their experience and demonstrate a sustainable future is a better future

## Achievements to date:

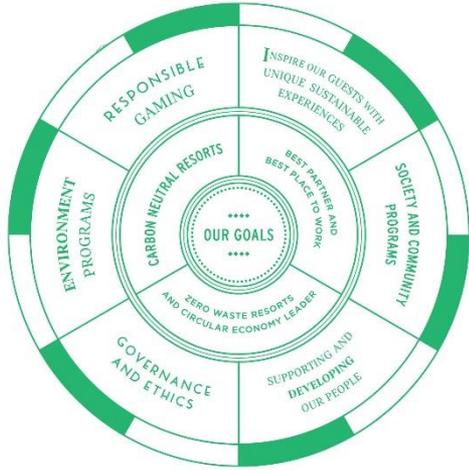
- Replaced:
  - all single use plastic bottles in employee areas with refill water stations
  - all single use plastic straws with sustainable alternatives including reusable metal straws and paper straws
  - all single use plastic F&B containers and utensils with biodegradable, sustainable alternatives including cornstarch, bamboo fiber and paper
- Trialing large refillable shower amenities in place of small single use plastic amenity bottles at our hotel towers
- Assembled Macau's largest solar array of 18,000+ solar panels, generating 7.7 million kWh of energy per year, equivalent to powering 1,500+ households
- Launched twenty electric buses in September 2018 (Largest fleet in Macau)
- Trialing WINNOW's food waste training AI technology
- Achieved all 100% cotton bed, table and bath linens at our Macau and Manila resorts made from both Better Cotton Initiative certified and OEKO-TEX certified cotton.

# Melco's Sustainability Goals and Achievements

## Awards and Recognition:

- “2019 Best First Time Performer” by global non-profit environmental disclosure system CDP, and received an A- rating, one of the highest among disclosing companies in Greater China.
- First hospitality group and integrated resort which signed the New Plastics Economy Global Commitment, a global initiative to tackle plastic waste and pollution, led by the Ellen MacArthur Foundation in collaboration with UN Environment, in March 2019.
- First hospitality group to join the Better Cotton Initiative
- First integrated resort and hotel in Macau & Hong Kong to receive the ISO 41001:2018 certification for its efforts in facilities management system (FMS), and the ISO 50001:2018 certification for effective energy management systems (EnMS).
- Five awards at CEM Macau Energy Saving Activity 2019 accrediting energy conservation measures at City of Dreams, Studio City and Altira
- Macau's first and only company to achieve the prestigious 2018 Green Key Awards, recognizing Melco's compliance with the highest environmental management standards set by the Foundation for Environmental Education (FEE).

# Melco's Sustainability Goals and Achievements



**Melco's Above and Beyond Sustainability Initiative**



**Solar Panels at City of Dreams Macau**



**Macau's Largest Electric Vehicle Fleet**

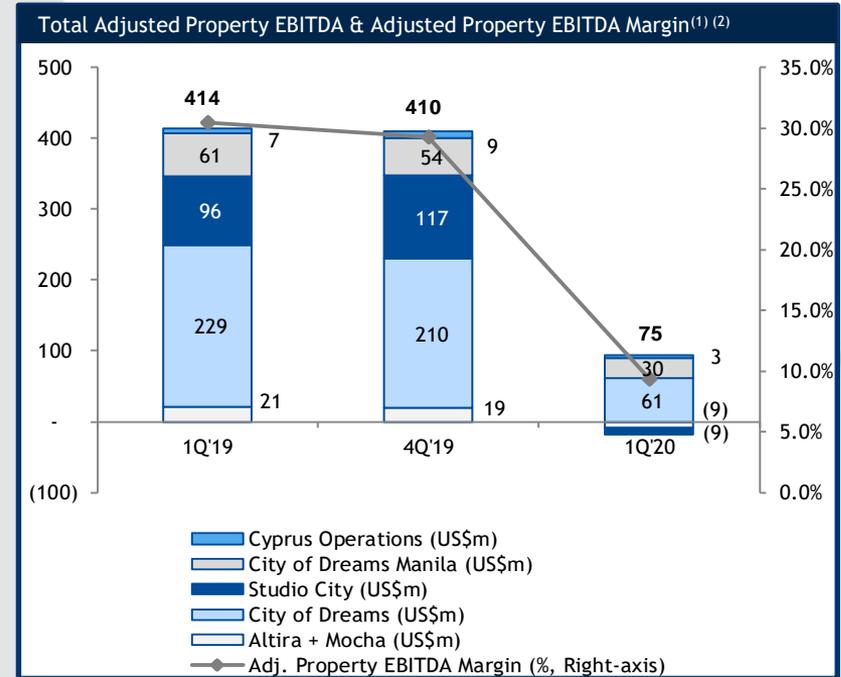


**Solar Panels at City of Dreams Manila**

# 1Q 2020 Earnings Summary

Group-wide Adjusted Property EBITDA declined 82% y-y

- In connection with the Company's acquisition of a 75% interest in ICR Cyprus Holdings Limited ("ICR Cyprus") from its parent company, Melco International Development Limited, on July 31, 2019, all periods presented have been restated to include the assets and liabilities and financial results of the ICR Cyprus group in accordance with applicable accounting standards.
- 1Q Total Operating Revenues of US\$0.81 billion, down 41% y-y.
- 1Q Adjusted Property EBITDA of US\$75 million, down 82% y-y.
- City of Dreams' Adjusted EBITDA declined 73% y-y to US\$61 million, which was primarily a result of a softer performance in the mass market table games and gaming machines segments, lower non-gaming revenue as well as higher provision for doubtful debt.
- Studio City recorded negative Adjusted EBITDA of US\$9 million, which was primarily a result of softer performance in all gaming segments.



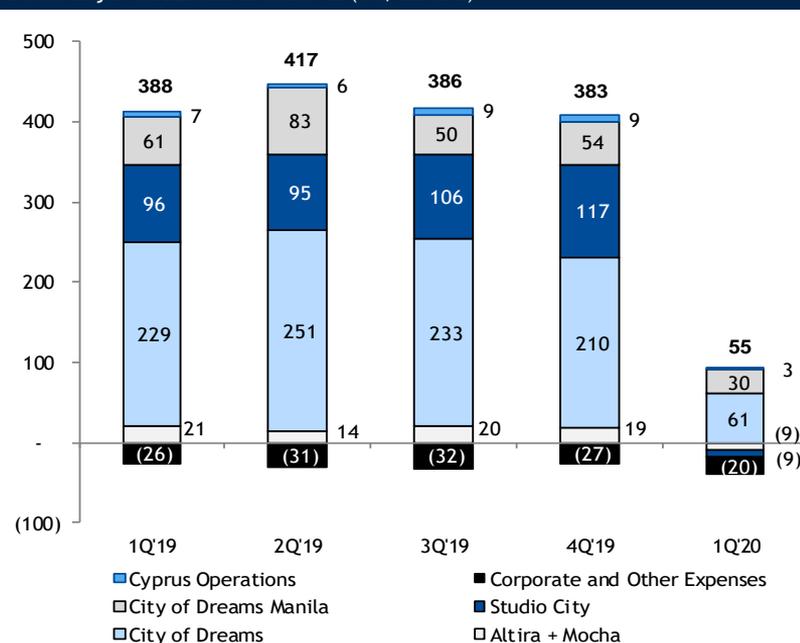
**Notes:**

- "Adjusted Property EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties under the cooperative arrangement (the "Philippine Parties"), land rent to Belle Corporation, Corporate and Other expenses and other non-operating income and expenses
- Adjusted Property EBITDA margin is Adjusted Property EBITDA divided by total operating revenues

# Melco Adjusted EBITDA 1Q 2020

Adjusted EBITDA declined 86% y-y

Melco Adjusted EBITDA Breakdown (US\$ million)<sup>(1)</sup>



Melco Adjusted EBITDA Growth Breakdown<sup>(1)</sup>

	Vs. 4Q 2019	Vs. 1Q 2019
Altira + Mocha	n.a.	n.a.
City of Dreams	-71%	-73%
Studio City	n.a.	n.a.
Total Macau Property EBITDA	-88%	-88%
City of Dreams Manila	-45%	-51%
Cyprus Operations	-63%	-53%
Corporate and Other Expenses	-23%	-21%
Total Adjusted EBITDA	-86%	-86%

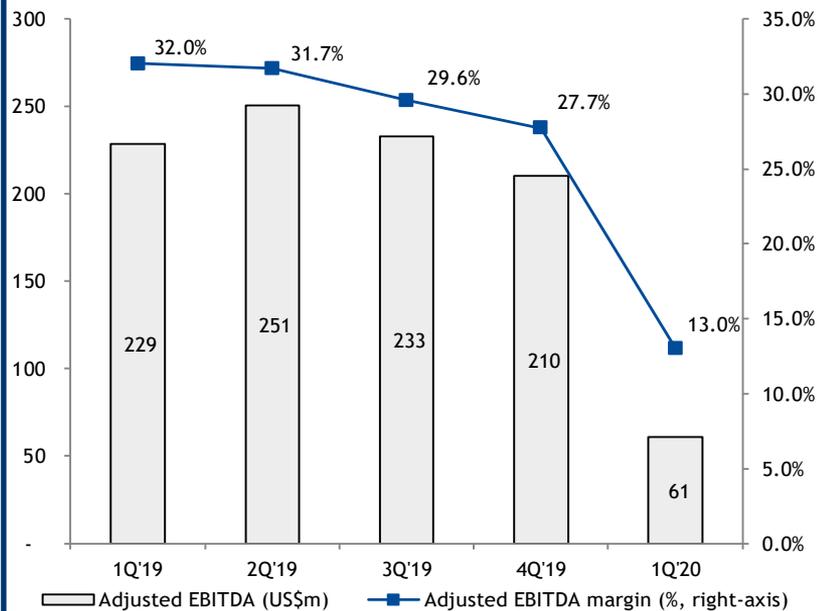
Note:

1. "Adjusted EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine parties under the cooperative arrangement (the "Philippine Parties"), land rent to Belle Corporation and other non-operating income and expenses

# City of Dreams 1Q 2020

## Adjusted EBITDA declined 73% y-y

City of Dreams Adjusted EBITDA and Adjusted EBITDA margin<sup>(1) (2)</sup>



City of Dreams Key Operating Metrics

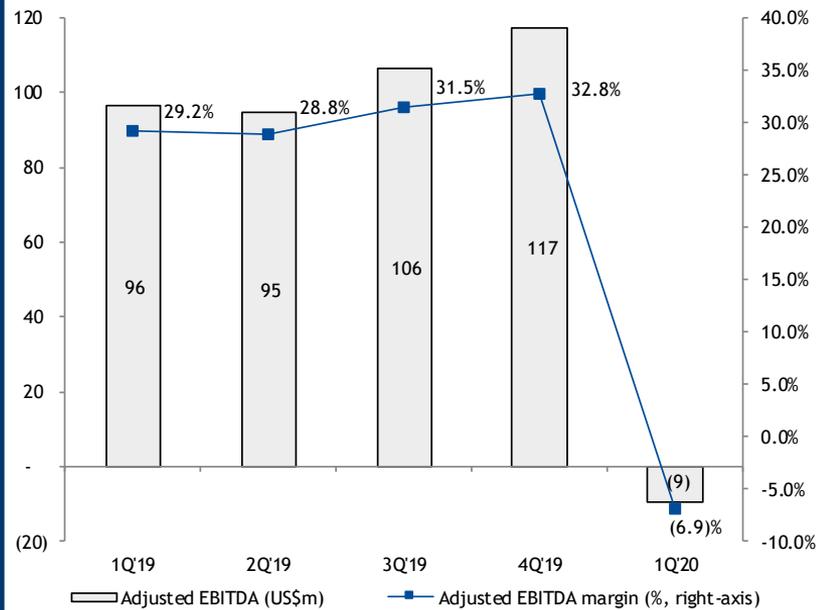
(US\$m, unless otherwise stated)	1Q 2020	Vs. 4Q 2019	Vs. 1Q 2019
VIP Rolling Chip	8,654	-46%	-16%
VIP win rate (%)	4.11%	+146bps	+69bps
Mass Table Drop	570	-60%	-57%
Mass Table Hold %	33.7%	+92bps	+225bps
VIP GGR	356	-16%	+1%
Mass GGR	192	-59%	-54%
Slots GGR	20	-62%	-49%
Total GGR	568	-39%	-29%
Total Operating Revenues	468	-38%	-34%
Adjusted EBITDA	61	-71%	-73%

- Note:
1. "Adjusted EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation and other non-operating income and expenses
  2. "Adjusted EBITDA margin" is Adjusted EBITDA divided by total operating revenues

# Studio City 1Q 2020

Studio City recorded negative Adjusted EBITDA of US\$9 million

Studio City Adjusted EBITDA and Adjusted EBITDA margin<sup>(1) (2)</sup>



Studio City Key Operating Metrics

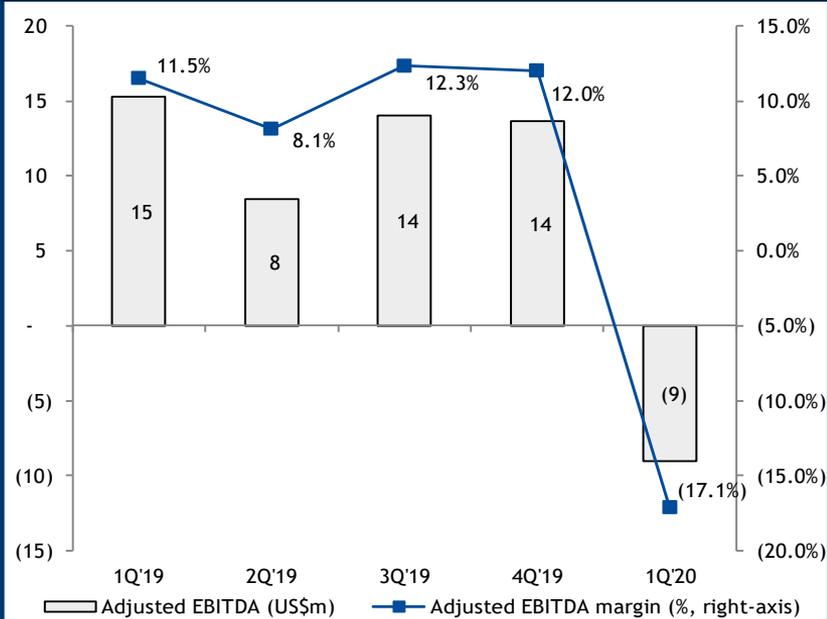
(US\$m, unless otherwise stated)	1Q 2020	Vs. 4Q 2019	Vs. 1Q 2019
VIP Rolling Chip	1,376	-44%	-48%
VIP win rate (%)	3.31%	-30bps	-3bps
Mass Table Drop	353	-60%	-59%
Mass Table Hold %	25.9%	-438bps	-253bps
VIP GGR	45	-49%	-49%
Mass GGR	91	-66%	-62%
Slots GGR	10	-52%	-46%
Total GGR	147	-61%	-58%
Total Operating Revenues	137	-62%	-59%
Adjusted EBITDA	(9)	n.a.	n.a.

- Note:
1. "Adjusted EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation and other non-operating income and expenses
  2. "Adjusted EBITDA margin" is Adjusted EBITDA divided by total operating revenues

# Altira 1Q 2020

Altira recorded negative Adjusted EBITDA of US\$9 million

Altira Macau Adjusted EBITDA and Adjusted EBITDA margin<sup>(1) (2)</sup>



Altira Key Operating Metrics

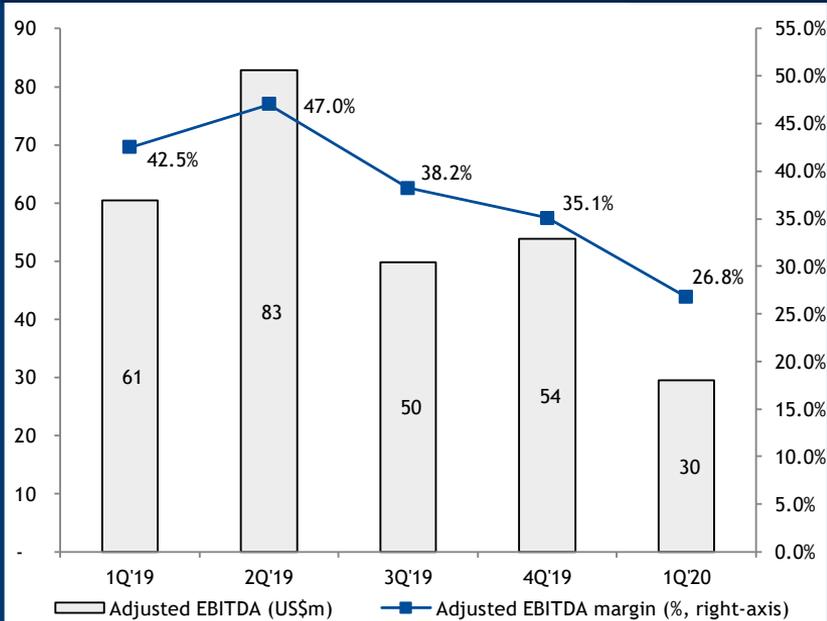
(US\$m, unless otherwise stated)	1Q 2020	Vs. 4Q 2019	Vs. 1Q 2019
VIP Rolling Chip	1,381	-67%	-72%
VIP win rate (%)	4.48%	+109bps	+67bps
Mass Table Drop	64	-62%	-54%
Mass Table Hold %	30.4%	+1009bps	+796bps
VIP GGR	62	-57%	-67%
Mass GGR	20	-42%	-37%
Slots GGR	1	-62%	-68%
Total GGR	82	-54%	-63%
Total Operating Revenues	53	-54%	-60%
Adjusted EBITDA	(9)	n.a.	n.a.

- Note:
- "Adjusted EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation and other non-operating income and expenses
  - "Adjusted EBITDA margin" is Adjusted EBITDA divided by total operating revenues

# City of Dreams Manila 1Q 2020

Adjusted EBITDA declined 51% y-y

City of Dreams Manila Adjusted EBITDA and Adjusted EBITDA margin<sup>(1) (2)</sup>



City of Dreams Manila Key Operating Metrics

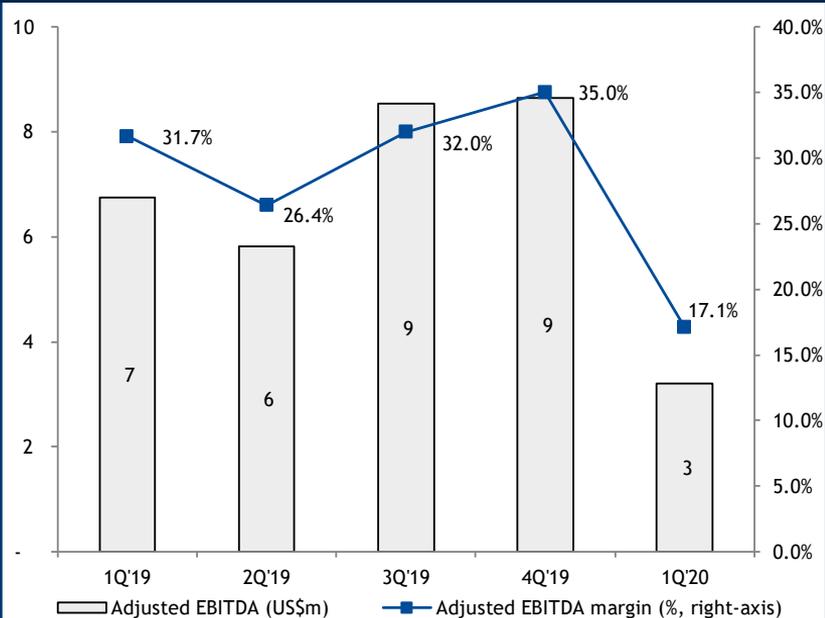
(US\$m, unless otherwise stated)	1Q 2020	Vs. 4Q 2019	Vs. 1Q 2019
VIP Rolling Chip	1,157	-43%	-49%
VIP win rate (%)	3.72%	+71bps	+54bps
Mass Table Drop	157	-27%	-15%
Mass Table Hold %	33.5%	+166bps	+289bps
VIP GGR	43	-29%	-41%
Mass GGR	52	-24%	-7%
Slots GGR	36	-36%	-32%
Total GGR	131	-29%	-28%
Total Operating Revenues	110	-28%	-23%
Adjusted EBITDA	30	-45%	-51%

- Note:
1. "Adjusted EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine parties under the cooperative arrangement (the "Philippine Parties"), land rent to Belle Corporation and other non-operating income and expenses
  2. "Adjusted EBITDA margin" is Adjusted EBITDA divided by total operating revenues

# Cyprus Operations 1Q 2020

Adjusted EBITDA declined 53% y-y

Cyprus Operations Adjusted EBITDA and Adjusted EBITDA margin<sup>(1) (2)</sup>



Cyprus Operations Key Operating Metrics

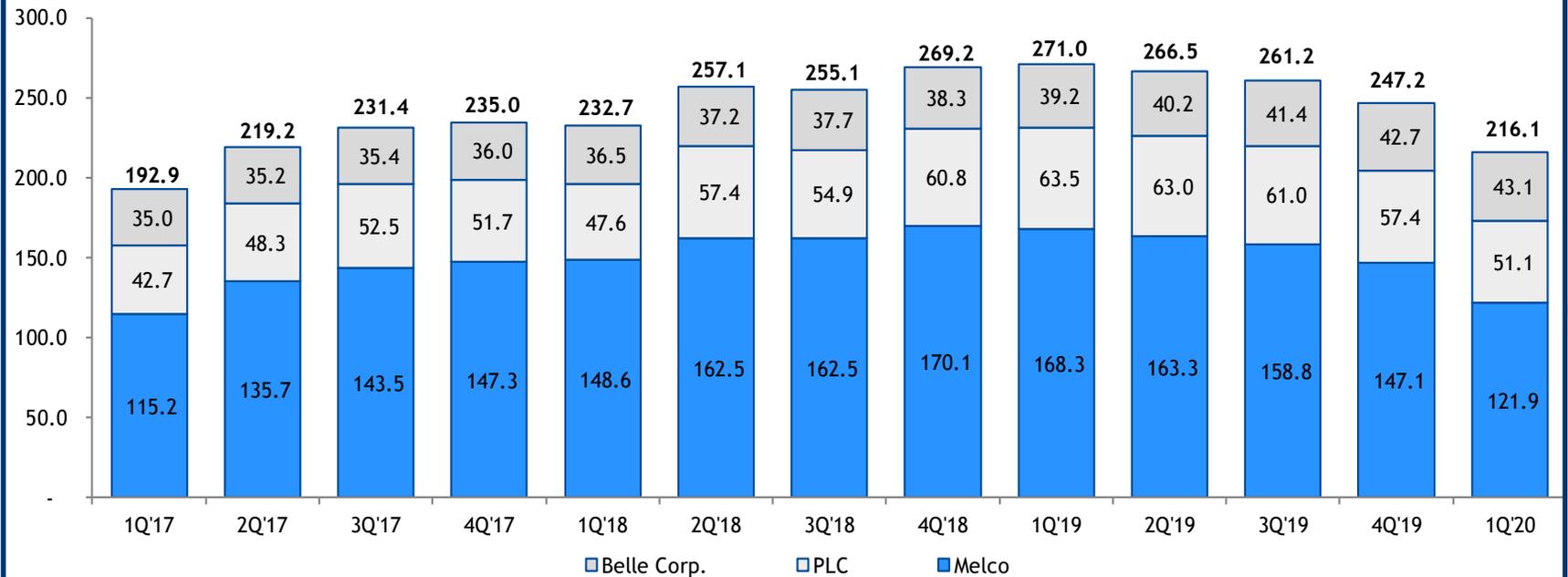
(US\$m, unless otherwise stated)	1Q 2020	Vs. 4Q 2019	Vs. 1Q 2019
VIP Rolling Chip	-	n.a.	n.a.
VIP win rate (%)	n.a.	n.a.	n.a.
Mass Table Drop	25	-27%	-35%
Mass Table Hold %	21.5%	+171bps	+105bps
VIP GGR	-	n.a.	n.a.
Mass GGR	5	-20%	-32%
Slots GGR	13	-22%	0%
Total GGR	19	-24%	-12%
Total Operating Revenues	19	-24%	-12%
Adjusted EBITDA	3	-63%	-53%

- Note:
1. "Adjusted EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine parties under the cooperative arrangement (the "Philippine Parties"), land rent to Belle Corporation and other non-operating income and expenses
  2. "Adjusted EBITDA margin" is Adjusted EBITDA divided by total operating revenues

# City of Dreams Manila - Adjusted EBITDA breakdown

## Share of Adjusted EBITDA from City of Dreams Manila

Share of Adjusted EBITDA (Trailing 12 Months, US\$ million)<sup>(1)</sup>



**Notes:**

1. Premium Leisure Corporation's (PLC) share represents payments made to the Philippine Parties while Belle Corporation's share represents cash payments made to Belle Corporation for building and land rent

MELCO

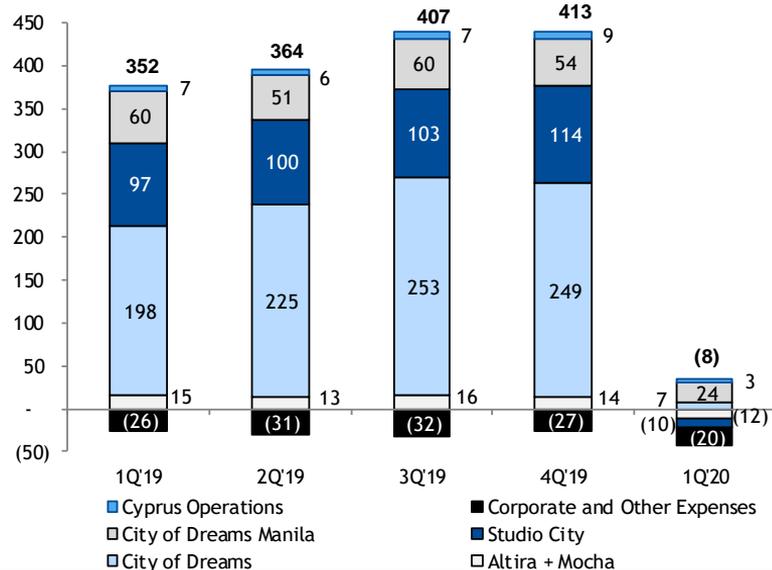
APPENDIX



# Melco Adj. EBITDA (assuming normalized VIP win rate) 1Q 2020

Negative Adjusted EBITDA (Normalized for Hold) of US\$8 million

Melco Adjusted EBITDA (Normalized for Hold) Breakdown (US\$ million)<sup>(1)(2)</sup>



Melco Adjusted EBITDA (Normalized for Hold) Growth Breakdown<sup>(1)</sup>

	Vs. 4Q 2019	Vs. 1Q 2019
Altira + Mocha	n.a.	n.a.
City of Dreams	-97%	-97%
Studio City	n.a.	n.a.
Total Macau Property EBITDA	n.a.	n.a.
City of Dreams Manila	-56%	-60%
Cyprus Operations	-62%	-53%
Corporate and Other Expenses	-23%	-21%
Total Adjusted EBITDA	n.a.	n.a.

- Note:
1. "Adjusted EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine parties under the cooperative arrangement (the "Philippine Parties"), land rent to Belle Corporation and other non-operating income and expenses
  2. For illustrative purpose only, normalized VIP win rate is assumed to be 3.00% for this chart, which represents the midpoint of our expected rolling chip win rate. Melco Adjusted EBITDA (Normalized for Hold) is an estimate, is not an actual figure, and is for illustrative purpose only

# Melco: Table Yield Analysis

Continue to optimize table allocation across our portfolio of Integrated Resorts

Average number of VIP Gaming Tables<sup>(1)</sup>

	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
Altira	67	67	65	64	52
City of Dreams	155	155	157	159	134
Studio City	46	46	45	40	33
City of Dreams Manila	129	131	135	145	116
Cyprus Operations	-	-	3	3	3

Daily Average Win Per VIP Table (US\$) <sup>(1)</sup>

	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
Altira	31,191	21,103	24,501	24,147	16,329
City of Dreams	25,193	33,288	32,042	28,922	34,335
Studio City	21,574	20,596	18,126	23,860	17,949
City of Dreams Manila	6,290	8,339	1,762	4,545	4,934
Cyprus Operations	-	-	14,386	2,983	-

Average number of Mass Gaming Tables<sup>(1)</sup>

	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
Altira	38	37	37	38	33
City of Dreams	363	363	360	352	293
Studio City	248	247	247	252	219
City of Dreams Manila	173	175	176	179	183
Cyprus Operations	38	38	35	34	34

Daily Average Win Per Mass Table (US\$) <sup>(1)</sup>

	1Q'19	2Q'19	3Q'19	4Q'19	1Q'20
Altira	9,226	9,963	9,768	9,812	8,134
City of Dreams	12,692	13,146	14,072	14,314	8,527
Studio City	10,835	11,374	11,031	11,492	5,412
City of Dreams Manila	3,612	3,679	3,909	4,174	3,824
Cyprus Operations	2,287	2,154	2,452	2,144	2,099

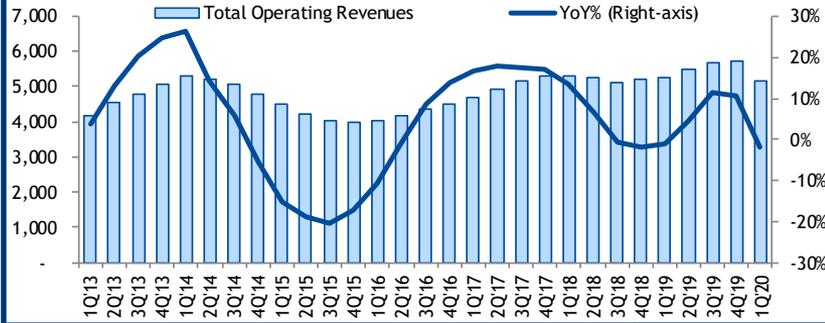
Notes:

1. Table games and gaming machines that were not in operation during the three months ended March 31, 2020 due to government-mandated closures or social distancing measures in relation to the COVID-19 outbreak have been excluded.

# Melco: Historic Revenue and Adjusted Property EBITDA

Over the past 6 years, mass as % of Total GGR increased from 30% to 54%

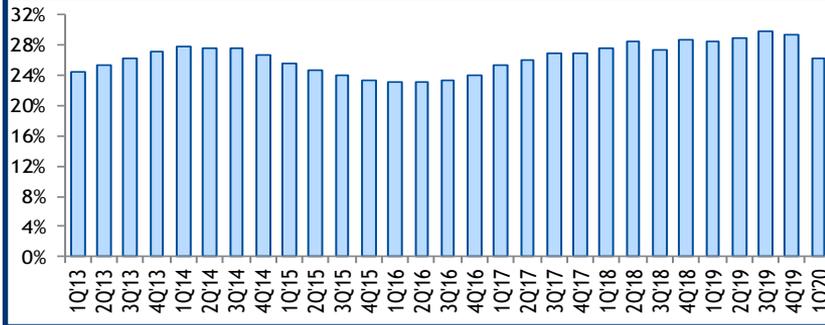
Melco: Last 12 months Total Operating Revenues (US\$ million)



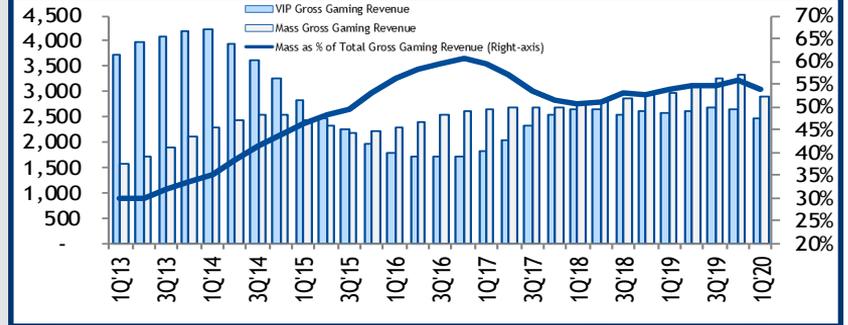
Melco: Last 12 months Total Adjusted Property EBITDA (US\$ million)



Melco: Last 12 months Total Adjusted Property EBITDA margin



Melco: Last 12 months Macau-only VIP & Mass GGR (US\$ million)



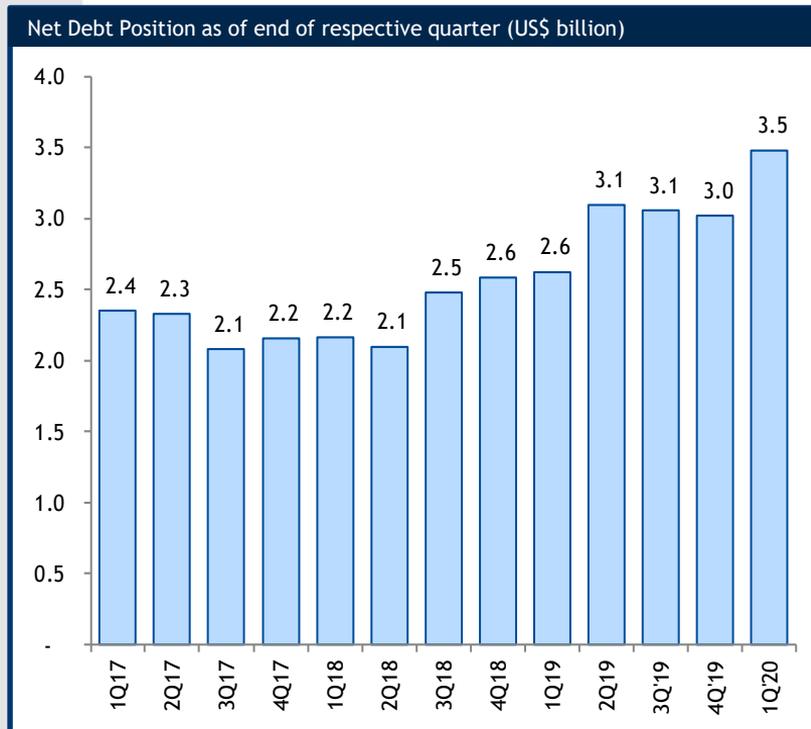
- Notes:
1. "Adjusted Property EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties, land rent to Belle Corporation, net gain on disposal of property and equipment to Belle Corporation, Corporate and Other expenses and other non-operating income and expenses.
  2. Adjusted Property EBITDA margin is Adjusted Property EBITDA divided by total operating revenues

# Balance Sheet

Maturity Profile as of Mar 31, 2020 (US\$ million) <sup>(1)</sup>					
Debt Instrument	2020	2021	2022	2023	>2023
Melco Resorts Macau Facility (1)			0.1		252
Melco Resorts Finance 4.875% Notes					1,000
Melco Resorts Finance 5.250% Notes					500
Melco Resorts Finance 5.375% Notes					900
Melco Resorts Finance 5.625% Notes					600
Studio City Credit Facility		0.1			
Studio City Company 7.250% Notes		850			
Studio City Finance 7.250% Notes					600
<b>Total</b>		<b>850</b>	<b>0</b>		<b>3,852</b>

Liquidity and Capital Resources	
Melco Group as of Mar 31, 2020 (US\$ million)	
Cash	1,218
Debt	4,703
Last 12 Months Adjusted EBITDA	1,147 <sup>(2)</sup>
Net Debt to Adjusted EBITDA	3.0x <sup>(3)</sup>

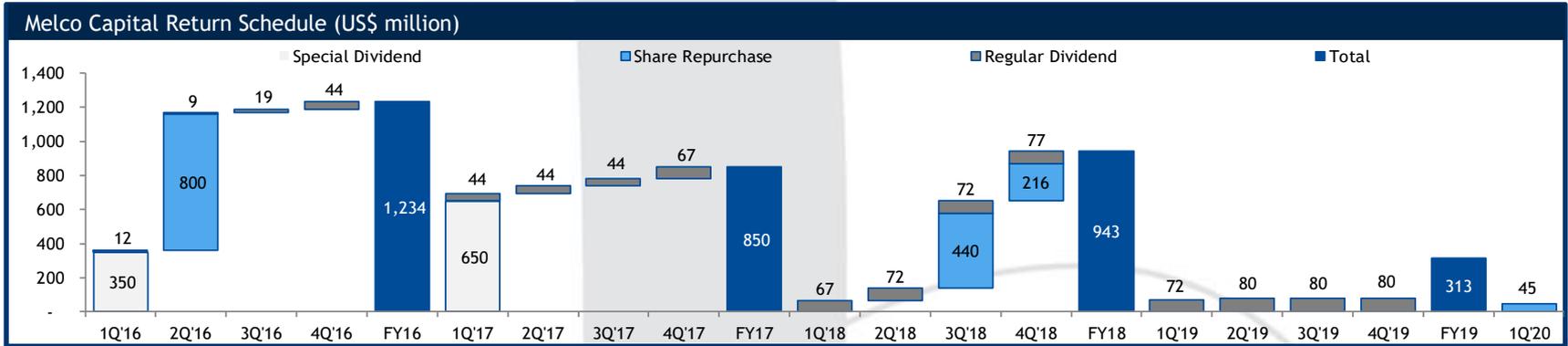


Notes:

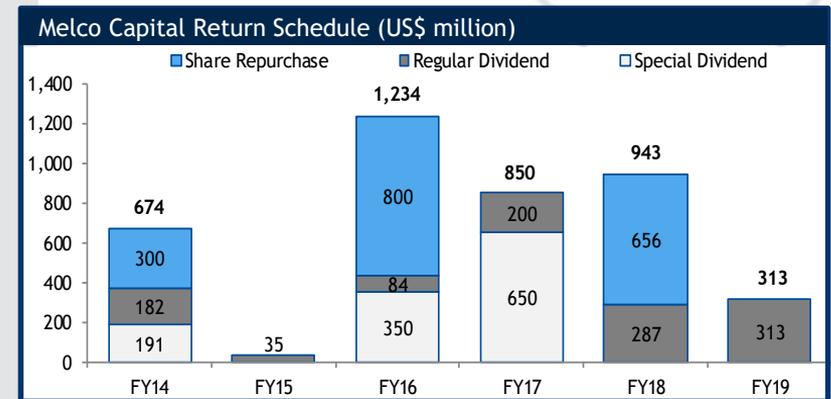
- As of March 31, 2020, approximately US\$253 million remained outstanding under the HK\$13.65 billion credit facilities ("Melco Resorts Macau Facility"). Approximately US\$252 million of such outstanding amount was repaid on May 7, 2020 from the drawdown proceeds of a new senior facilities agreement entered into by MCO Nominee One Limited on April 29, 2020 with a term of five years. This maturity profile reflects such repayment of the Melco Resorts Macau Facility by the proceeds of drawdown of the new senior facilities agreement and HK\$1 million currently outstanding on the Melco Resorts Macau Facility, the maturity date of which has been extended to June 2022.
- Adjusted EBITDA after Payments to the Philippine Parties, and building and land rent to Belle Corp.
- Net Debt is calculated by deducting cash, cash equivalents and restricted cash from total debt

# Shareholder return

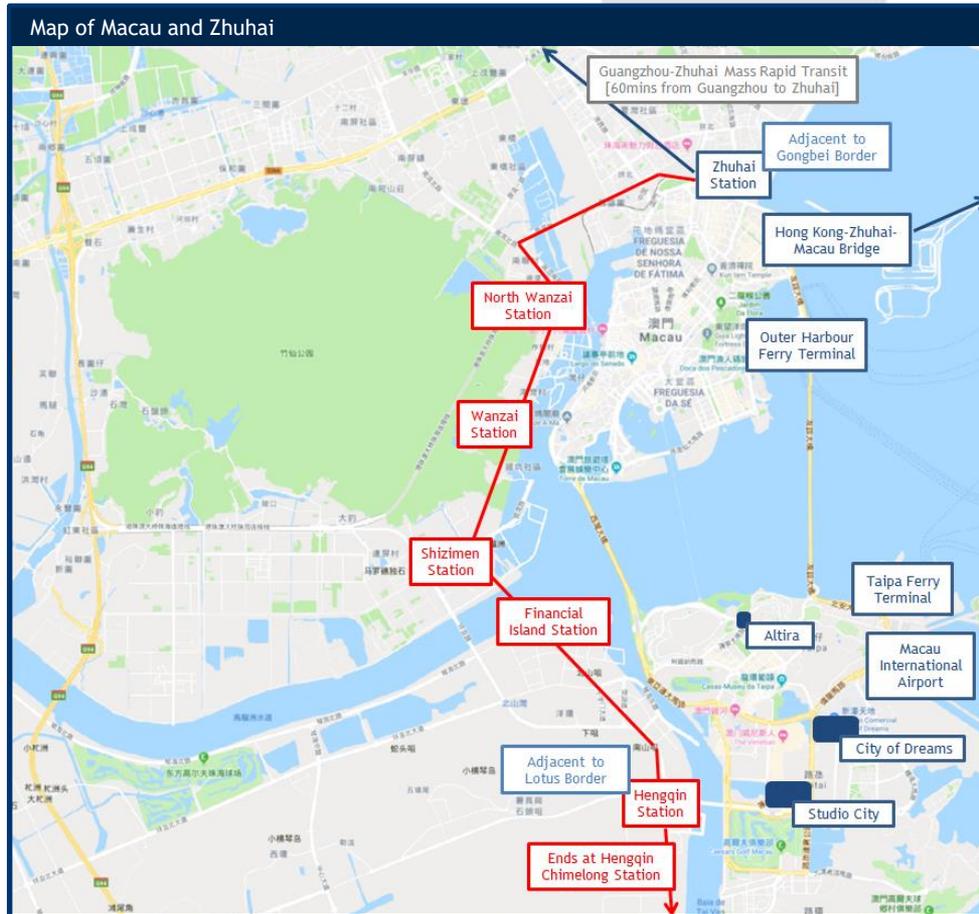
Returned approximately US\$3.4bn to shareholders from 2016 to 1Q'20



- From 2016 to 1Q'20, approximately US\$3.4 billion has been returned to shareholders in the form of dividends and share repurchases.
- To preserve liquidity in light of the COVID-19 pandemic and to continue investing in our business, the board has decided to suspend the quarterly dividend program. This is a prudent course of action given the current conditions. Melco remains committed to returning capital to shareholders with a regular quarterly dividend and will evaluate the resumption of its quarterly dividend as the operating environment evolves.
- Year to date, the Company has repurchased approximately 3 million ADSs, worth approximately US\$45 million, under the US\$500 million share repurchase program the Company announced in November 2018.



# Map of Macau and Zhuhai



## New Taipa Ferry Terminal

- Opened on 1<sup>st</sup> June 2017
- Has annual capacity of 30 million visitors
- 16 berths for passenger ferries, 3 berths for larger ferries and cruise ships
- Heliport with space for 5 helicopters

## Hong Kong-Zhuhai-Macau Bridge

- Opened on 24<sup>th</sup> October 2018
- The 55-km Hong Kong-Zhuhai-Macao Bridge (HZMB), comprising the 12km Hong Kong Link Road, 29.6km Main Bridge and 13.4km Zhuhai Link Road, is the longest bridge-cum-tunnel sea crossing in the world
- Take only 40 minutes to travel the distance of approximately 42km from Hong Kong Port to Zhuhai Port and Macao Port

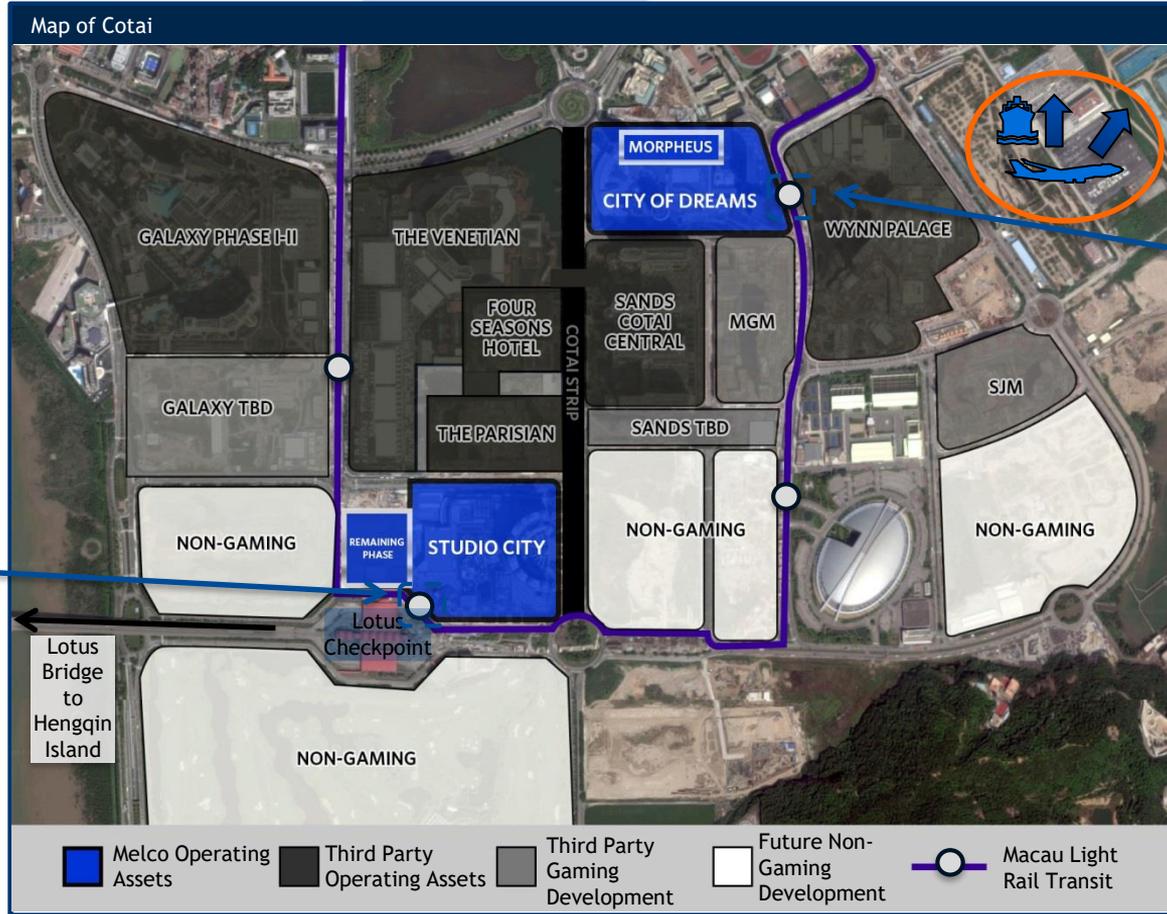
## Macau Light Rapid Transit (LRT) Taipa Line

- The 9.3km Taipa Line will serve 11 stations
- Commenced service in December 2019

## Guangzhou-Zhuhai Intercity Mass Rapid Transit (Hengqin extension)

- A 16.9km rail connecting Gongbei and the Hengqin New Area
- There will be six stations including North Wanzai, Wanzai, Shizimen, Financial Island, Hengqin and Hengqin Chimelong
- Hengqin Station will be the second largest underground train station in China, after Futian station in Shenzhen
- The Hengqin station will be connected to the Lotus Border and Macau LRT

# Map of Cotai



The Lotus Checkpoint Light Rail Station offers direct access to Studio City.

Lotus Bridge to Hengqin Island

The Cotai East Light Rail Station is located in front of the Grand Hyatt Macau at City of Dreams.

Source: MTR Corporation

# City of Dreams Mediterranean

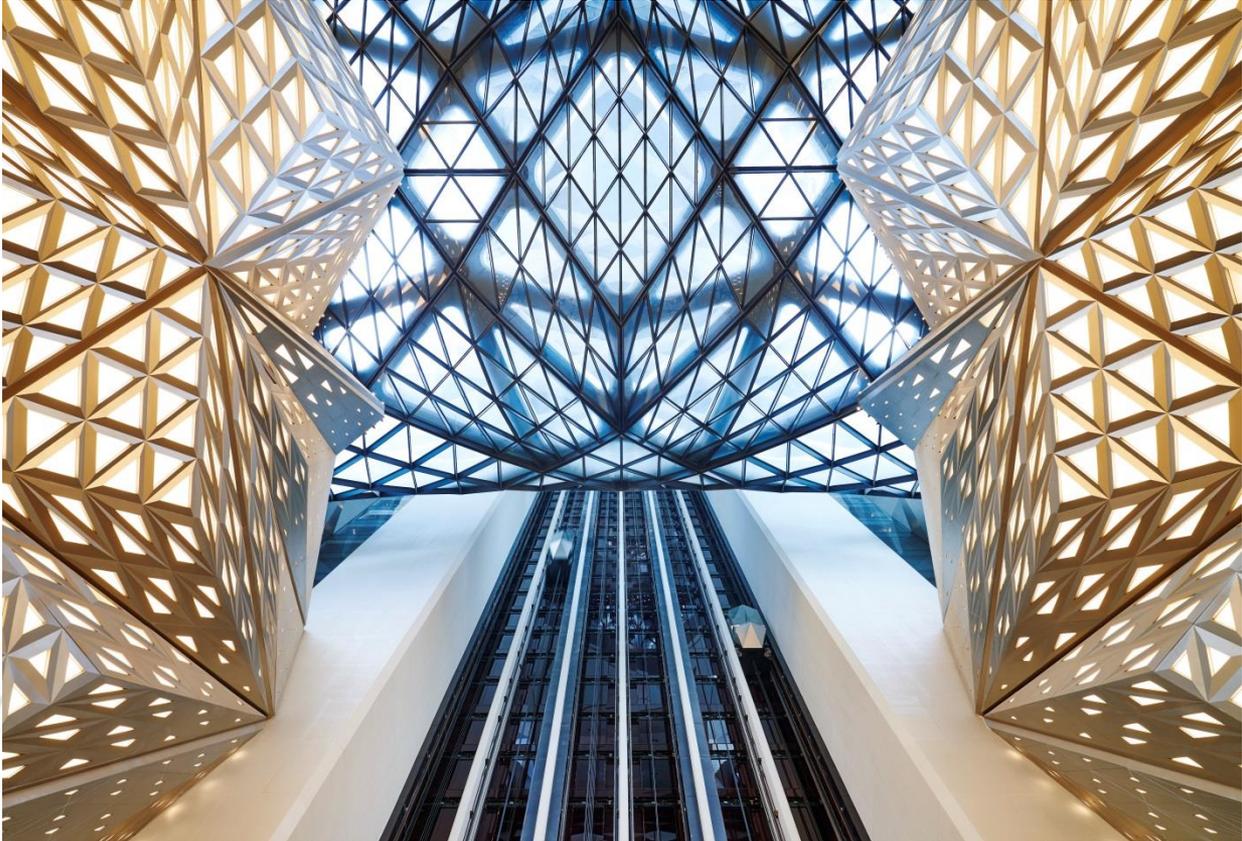
- City of Dreams Mediterranean, upon completion, will become Europe's largest premier integrated resort.
- The integrated resort comprises over 100 gaming tables, over 1,000 slot machines, a five-star 500-room hotel, large recreation and wellness facilities, high-end luxury retail, a 1,500-seat outdoor amphitheatre, 9,600 square meters of MICE facilities and Expo Center.



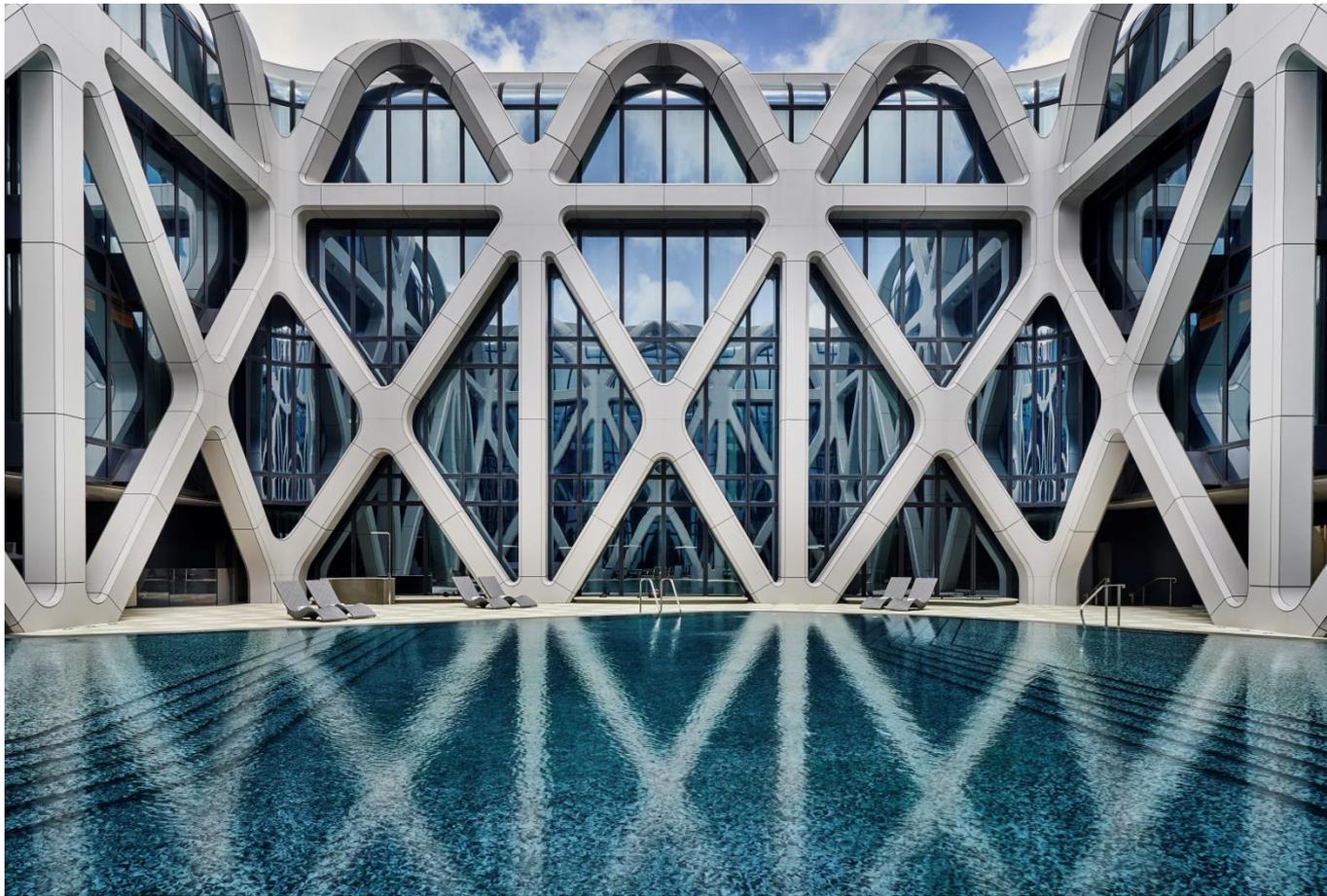
# Morpheus: Exterior



# Morpheus: Lobby



# Morpheus: Sky Pool



# Morpheus: Alain Ducasse at Morpheus



# Morpheus: Other restaurants



Voyages by Alain Ducasse

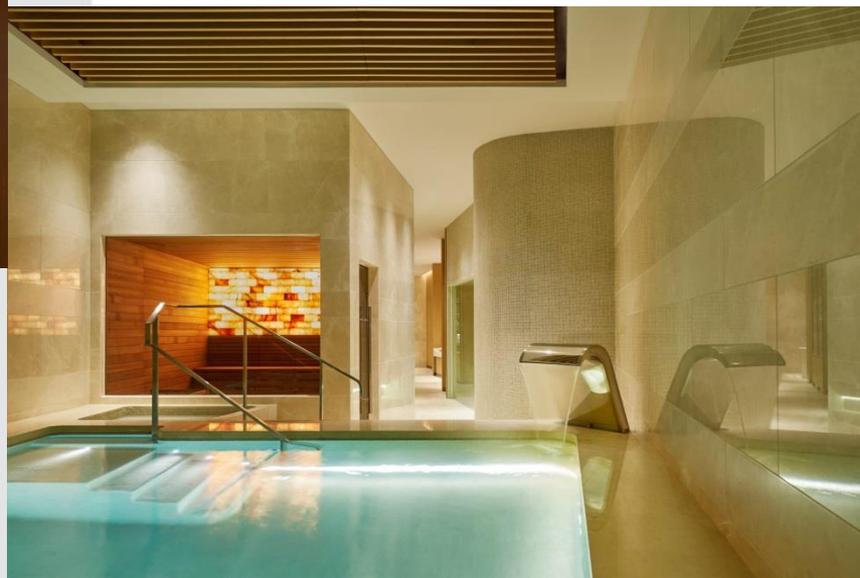


Club Lounge



Yi

# Morpheus: Spa



## Morpheus: Art on 23



Source: KAWS

## Morpheus: Standard room (58 square meters)



## Morpheus: Prestige Suite (106 square meters)



# Morpheus: Villas (510 to 582 square meters)



Duplex Villa



Pool Villa

*A* MELCO

THANK YOU