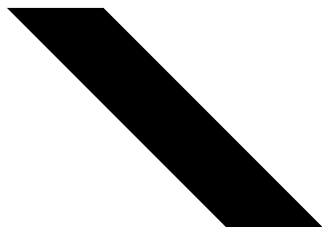
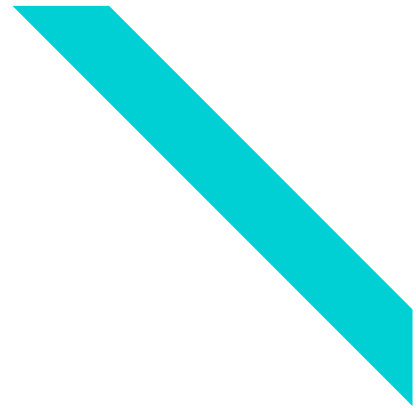


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Q2 2024 MELCO RESORTS & ENTERTAINMENT LTD EARNINGS CALL

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CORPORATE PARTICIPANTS

- **Lawrence Ho** *Melco Resorts & Entertainment Ltd - Chairman and Chief Executive Officer*
- **Evan Winkler** *Melco Resorts & Entertainment Ltd - President*
- **Geoffrey Davis** *Melco Resorts & Entertainment Ltd - Chief Financial Officer*
- **Geoff Andres** *Melco Resorts & Entertainment Ltd - Property President, City of Dreams Manila*
- **Jeanny Kim** *Melco Resorts & Entertainment Ltd - Senior Vice President, Group Treasurer*

CONFERENCE CALL PARTICIPANTS

- **Operator**
- **George Choi** *Citi - Analyst*
- **Ricardo Chinchilla** *Deutsche Bank AG - Analyst*
- **Joe Greff** *J.P. Morgan Securities LLC - Analyst*
- **John DeCree** *CBRE Securities, LLC - Analyst*
- **Praveen Choudhary** *Morgan Stanley - Analyst*

PRESENTATION

Operator

Ladies and gentlemen, thank you for participating in the second quarter 2024 earnings conference call of Melco Resorts & Entertainment Limited. (Operator Instructions) Today's conference is being recorded. I would now like to turn the call over to Ms. Jeanny Kim, Senior Vice President, Group Treasurer of Melco Resorts & Entertainment Limited. Please go ahead.

Jeanny Kim *Melco Resorts & Entertainment Ltd - Senior Vice President, Group Treasurer*

Thanks, operator, and thank you all for joining us today for our second quarter 2024 earnings call. On the call are Lawrence Ho, Geoff Davis, Evan Winkler, and our Property Presidents in Macau, Manila, and Cyprus.

Before we get started, please note that today's discussion may contain forward-looking statements made under the safe harbor provision of federal securities law and our actual results could differ from our anticipated results.

In addition, we may discuss non-GAAP measures, a definition and reconciliation of each of these measures to the most comparable GAAP financial measures are included in the earnings release. Finally, please note that our supplementary earnings slides are posted on our Investor Relations website. With that, I'll turn that turn the call over to Mr. Lawrence Ho.

Lawrence Ho *Melco Resorts & Entertainment Ltd - Chairman and Chief Executive Officer*

Thank you, Jeanny, and thank you all for joining us today. Our strategic initiatives to expand profitability and drive growth, continued to evolve in the second quarter of 2024. We are investing in people and incorporating enhancements to our properties to provide the best premium experience available in Macau to our patrons.

Our GGR has continued to grow quarter to quarter and year over year, and our teams are focused on driving continued expansion of our market position. I'd like to take this opportunity to welcome Tim Kelly. He has just joined us this month as Property President for City of Dreams Macau. We're very excited to have him onboard to lead our initiatives for COD Macau.

City of Dreams Manila had another solid quarter. We've experienced some headwinds in the market, but we remain confident that we will maintain our market position and continue generating solid results. City of Dreams Mediterranean and our satellite casinos in Cyprus, built upon the momentum seen in the first quarter, with luck-adjusted EBITDA growing more than 30% quarter to quarter.

Our partnership with the John Keells Group to open Sri Lanka's first integrated resort is progressing well. City of Dreams Sri Lanka is expected to open in 4Q 2024 with its hotel restaurants and banquet facilities while we target to commence operations of the casino in mid-2025. With that, I'll turn the call over to Geoff to go through some of the numbers.

Geoffrey Davis *Melco Resorts & Entertainment Ltd - Chief Financial Officer*

Thanks, Lawrence. Our Group-wide adjusted Property EBITDA for the second quarter of 2024 was approximately \$303 million. Rolling chip win rates increased to more normal levels of approximately 3% in the second quarter, and therefore, luck-adjusted group-wide property EBITDA was in line with actual.

Our OpEx in Macau increased this quarter from approximately \$2.7 million per day to \$2.9 million per day. This excludes the cost of Studio City's residency concerts. The majority of the increase was due to an increase in labor costs, which reflect the 2.5% salary increase as well as the additional hires we have made across the board in Macau.

We are investing in people to elevate the quality of our service that we provide to our patrons and to increase our productivity. In April, we significantly reduced our refinancing risk in 2025 with a series of transactions that included the extension of our \$1.9 billion revolving credit facility to 2027, a \$750 million bond issuance at Melco and a \$100 million tender offer on the Studio City bonds due 2025.

The proceeds from the \$750 million bond issue have been used to pay down the RCF. The extension of the RCF allows us to draw down again in 2025 to refinance the \$1 billion in bonds due at Melco. We now have \$300 million to refinance at Studio City by July 2025. Studio City's generating solid levels of free cash flow and we are actively reviewing our refinancing options.

Our current liquidity position is robust. As of June 30, 2024, we had around \$1.3 billion of consolidated cash on hand and over \$3billion in available liquidity.

Melco, excluding its operations at Studio City, the Philippines and Cyprus accounted for approximately \$670 million of this cash balance. Additionally, approximately \$125 million of the Macau cash was restricted as collateral required for concession related guarantees issued to the Macau government.

As we normally do, we'll give you some guidance on non-operating line items for the upcoming third quarter of 2024. Total depreciation and amortization expense is expected to be approximately \$135 million to \$140 million. Corporate expense is expected to come in at approximately \$20 million and consolidated net interest expense is expected to be approximately \$120 million to \$125 million. This includes finance liability interest of around \$7 million relating to fees payable in relation to the Macau gaming session concession and the Cyprus gaming license and finance lease interest of approximately \$6 million relating to City of Dreams Manila.

That concludes our prepared remarks. Operator, over to you for the Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) George Choi, Citi.

George Choi Citi - Analyst

Thank you very much. I guess I'll start with a topical question I guess this is for Lawrence. Would you please share with us your view on the cumulative effect of illegal cash exchange activities? And do you think it hits GGR materially?

And secondly, on our recent visit to Macau, we saw some construction works at the City of Dreams mass gaming floor. Would you please share with us any details about the upgrades you're doing to the gaming floor, please? Thank you very much.

Lawrence Ho Melco Resorts & Entertainment Ltd - Chairman and Chief Executive Officer

All right. Hey, thanks, George. I think on the money changer issue, it's not new, it's been talked about for over a year now. So -- and it's again, it's not a surprise to us. For us, of course, that has a bit of an impact in terms of liquidity to players.

But I think the bigger issue in terms of the softness in June, and we saw growth in July already, and August is off to a very good start. It's more related to the Euro Cup, which lasted from mid-June to mid-July and also this year, the Chinese school holidays started two weeks later. So it didn't really start until mid-July. So again, the Euro Cup, which happens every four years, just like the World Cup or Chinese school holidays where parents want to stay home and make sure that the kids are done with final exams before they travel, so I think there are some of the softness that we've seen in June and July on that was more of an impact rather than money changers.

And with regards to the many changes, we've seen this in Macau over the years, and I think this has been a story 10 years in the making now. More UnionPay stated terminals, less UnionPay, you know, IVS, the frequency of people being able to visit decreases.

So again, it's nothing -- I don't think is going to change the thesis into Macau dramatically. So if anything, we're very positive and optimistic about the future. I think what we've seen so far in August is a more typical summer. And so we're happy heading into the second half of the year and I believe that we will continue to see growth.

On the gaming floor changes that you saw, again, I think since our Q1 call, we've talked about the need to reinvest in our people to reinvest in what was the brand promise of City of Dreams. And of course, we've done a lot of work at Studio City as well.

City of Dreams is our flagship. I think post-COVID, I think we've admitted that there were works that needed to be done from a maintenance standpoint and at the same time to maintain -- to re-establish our former premium mass leadership position. That's why we're reinvesting into the gaming floor.

And I think by Q4, hopefully by Golden Week, we would have probably the nicest VIP slot area that will open at that time, subject to approvals and regulations. And at the same time, I think perhaps Evan can talk about more some of the exciting stuff that we're doing at City of Dreams, including reactivating the entrance that directly faces MGM Cotai.

So I think that entrance has never really been open for 15 years. And given the busyness of that corner right now, again, that is something that we're working on for Q4. I don't know, Evan, you want to add?

Evan Winkler Melco Resorts & Entertainment Ltd – President

Yeah, sure. I guess circling back specifically on Studio City, if you'd been there over the last couple of months, we had a lot of hoarding going up and it looked fairly dramatic. What we were initially doing was stripping off some of the stone flooring, preparing the raised floor and putting in carpets, so that we could do a more fulsome floor set as that property has continued to get better volumes. We've actually shifted some table inventory over there and reset the floor. So that was the primary focus of that.

In addition, if you've been there recently, we just reopened -- or I'm sorry, opened our new stadium, which looks great. There are a couple of new slot areas that are in the works that will be happening here in the near term.

We've got some enhanced food and beverage stations that you've probably seen on the floor. And then as we look forward prospectively, we're going to do a little work opening up our higher limit area that as you walk into the floor on your right there's been a wall there that sort of precluded some of the traffic. And so it's not a big tweak, but we think by opening up and giving a little better visibility there, we're going to get some better play and flow into those areas.

As Kevin would tell you, it was sort of something we should have thought about our own, but a happy coincidence when we moved our loyalty areas up to the front of the property, not surprisingly, when people saw just coming in in loyalty and redemption, it's

enhanced sign-ups. And so it's done well for our database. And so those areas that are getting sort of built out and refined are going to stay there in terms of having the customer service and promotional areas, right, as you walk in on the gaming floor. So that's primarily at the Studio City.

As Lawrence alluded to, at City of Dreams, we've got a series of short term and long-term activations. In the very short term, we felt we weren't taking advantage, have enough of the traffic that we're getting sort of at the corner that exists between us and a couple of our competitors where you get people and as they walk forward. Right now, there's construction disruption. But as that goes away making sure that we capture those people. So we're looking at creating some short term entrance into the property and activating that and then also doing some activations up on the light rail level going into the property.

In addition, we've got a new exhibition that's going to come in Q4, coinciding with on the anniversary of the handover of Macau. And that's going to be in this space, we call the white gallery, which is the part of retail right by Nüwa, which is going to be an incremental traffic driver. If you've been there on the weekend. You've already seen that we've got sports cars in the lobby and that we've got concerts on the weekend that have attracted some pretty good crowds.

So we've got a number of very near term activations that are going on now and continuing on into Q4, as Lawrence said, in terms of making sure that the City of Dreams is activated and we're getting there all that we want into that property.

George Choi Citi - Analyst

Thank you very much for the color. And by the way, those sports car, I saw a few of those and they were amazing, good looking. And I think you guys have strategically put them on at the MGM facing entrance, which I think is very smart. I'll join the queue. Thank you very much.

Operator

Ricardo Chinchilla, Deutsche Bank.

Ricardo Chinchilla Deutsche Bank AG - Analyst

Hey, guys. Thank you so much for taking the questions. I was hoping if we could start with, you know, the promotional environment. We continue to hear about you know in the second quarter it was very promotional by, you know, some of your competitors. I was hoping if you could provide us some color with regards to, you know, how those trends have evolved in July and into, you know, August? And if you are seeing any change or, you know, any sort of escalation or de-escalation of some of the premiums that are being offered to customers there.

Lawrence Ho Melco Resorts & Entertainment Ltd - Chairman and Chief Executive Officer

Hey, Ricardo, you know, we're incredibly disciplined in our reinvestment. For player investment, we're laser-focused on the best incremental margin per reinvestment dollar. Naturally, Macau is a very competitive environment and I think we have chosen to focus on competing on service, on the quality of the resorts, and the amenities that we offer. But with regards to more details, maybe, Evan, you can provide a bit more update.

Evan Winkler Melco Resorts & Entertainment Ltd - President

Sure. I think with respect to what we're doing, we're not elevating our aggregate level of spend. I think we continue to believe that for the long term, we're probably at an elevated period in the history of the market and then it will eventually unwind and come down. But it remained. I don't think that it accelerated, but it remained high through Q2.

In terms of specific things you've probably seen for us, we started out by flooding the floor for everybody with food and beverage. I think there was probably a period at the beginning of Q2 that everyone in Macau was at risk of diabetes, given the amount of snacks that were being given out on the mass floor and we pulled that back and we've now refined our offerings to where we have sort of

fewer things on the mass floor and targeting more of our premium players with premium food and beverage offerings and higher quality to sort of drive higher level play into those areas.

And so we've been refining things across the board in terms of where we're putting those promotional dollars. So if I were to characterize what we've done, I don't know that we have been able to reduce significantly the aggregate spend in Q2. But I will say that we have refined it and I think we're getting a better sense on where we get better return on those dollars and we're going to continue to do that into Q3. I don't necessarily, in the near term, see it coming down significantly, but I don't see it going up.

Ricardo Chinchilla *Deutsche Bank AG - Analyst*

Got it. That's very helpful. If I may follow up on, you know, your OpEx, you guys are obviously adding a lot of very exciting things to City of Dreams to fulfill, you know, the best service to your guests. So I was hoping you could comment on your OpEx expectations. Have we seen the peak of OpEx or should we, you know, consider that there's additional investment that you're going to do in OpEx, you know, as these new amenities are opening? And if you could also comment on, you know, the cost of the SC residencies and you know, how long does that going to extend into the second half of the year? Thank you.

Evan Winkler *Melco Resorts & Entertainment Ltd - President*

So let me start with the overall costs. When we look at both SC and City of Dreams over the last several months, we've done a pretty significant ratchet up in terms of our product and service. And I would say that the lion's share of that has been done.

I wouldn't say that there's nothing left, but I think we're into the late innings in terms of doing that. And now it is refining, training, making sure that all of our new colleagues and new members of the Melco family are delivering the kind of service that guests have come to expect from Melco, and that is leading in the market. And so well, I could see them continuing to trickle up a little bit. I think the vast majority of that is behind us.

There are some distinct items there though, so for example, House of Dancing Water at City of Dreams will be its own cost line item. That's obviously going to raise costs as we go into next year when the show reopens. I will say, I think we're less worried about that because obviously the show in and of itself has always been an EBITDA positive element for the company, so not just a significant traffic driver into the property, but also profit making in its own right, and so not as concerned there.

And on the residencies, in terms of when they will -- they extend for one more year. In terms of from a financial standpoint, when they're being stop being booked in this year, I might defer over to Geoff. I don't know off the top of my head on how the accounting of that is going to play out for the next couple of quarters. I don't know, Geoff, if that's one you can comment on.

Geoffrey Davis *Melco Resorts & Entertainment Ltd - Chief Financial Officer*

Yeah, happy to take that. So if we think about the cost of the residency shows in the second quarter, that was about 0.2. So with the 2.9 that we talked about, the gross number, I suppose is more like 3.1. We're looking for the residency daily OpEx impact in the third quarter to be more like 0.15 and then zero in the fourth quarter.

So on an apples to apples basis with the 2.9 that we referenced in the second quarter of 2024, we think over the second half of 2024, we might see that drift up to something more like 3.0 by year-end. So as Evan said, we saw the stair-step that we telegraphed for the second quarter and then fairly modest incremental expense going into the second half of the year.

Operator

Joe Greff, JPMorgan.

Joe Greff *J.P. Morgan Securities LLC - Analyst*

Hello everybody. Lawrence, how are our things in Macau, like retail sales performing? It looks at least the City of Dreams non-gaming revenues as a percentage of GGR fell sequentially. Obviously, we're seeing trends in luxury retail sales in greater China, a

little bit soft, if you can give us a sense of how things performed later in the 2Q And along those lines, how it's performing thus far in the 3Q?

Lawrence Ho *Melco Resorts & Entertainment Ltd - Chairman and Chief Executive Officer*

Hi, Joe. I think Macau is similar to Hong Kong and the rest of China. From a retail perspective, it's still quite weak. And I think fortunately, we have a retail partner in DFS at City of Dreams. And at Studio City, as part of the repositioning into a premium family friendly integrated resort, we have filled the retailers with a more affordable and high volume business.

And so I think on that front and Studio City, I think if you go to Studio City on any day now, it's just jam-packed with people, which helps with where we want to take the positioning of the property and for City of Dreams where the high end retailers, the luxury retailers are, it has been soft in line with the rest of China and Hong Kong.

And so I think naturally, everybody is hoping for the Chinese economy to recover because ultimately the long-term success of any businesses in the Greater China area depends on the health of the Chinese economy. And I think fortunately for Macau, Macau has its unique advantages compared to Hong Kong or say Hainan Island for that matter. So again, I guess that everybody is hoping for the Chinese economy to recover quickly.

Joe Greff *J.P. Morgan Securities LLC - Analyst*

Great. And just can you remind us of your CapEx for the balance of this year and disclose that by geography, that would be helpful.

Geoffrey Davis *Melco Resorts & Entertainment Ltd - Chief Financial Officer*

Yeah. So the total, Joe, for the remainder of the year is about \$255 million. That will bring us to ballpark of around \$340 million, some. By region on for Macau, I'd say we've got on the order of \$170 million left to go in Macao, fairly de minimis across the other areas, but about \$11 million for corporate, \$25 million for Manila, \$12 million for Cyprus, and then some of the remainder of that would be some of our project CapEx which would entail amounts on Studio City Phase 2, Cyprus, as well as about \$32 million for Sri Lanka.

Operator

John DeCree, CBRE.

John DeCree *CBRE Securities, LLC - Analyst*

Hi, good evening, everyone, thanks for taking my questions. Maybe first to start at a high level capital allocation, I think, Lawrence, Geoff, you've been pretty clear that deleveraging has been the key priority, but we kind of look at where valuation of the equity is quite compelling and attractive to us. I imagine the same for you. So curious if you've given much thought or if share repurchases or anything past year on these calls. We've talked a little bit about resuming the dividend at some point. So curious to get your high-level thoughts on capital allocation at this points.

Lawrence Ho *Melco Resorts & Entertainment Ltd - Chairman and Chief Executive Officer*

Yeah, hi, John, maybe I'll get Geoff to elaborate later. Obviously, our number one objective is still debt reduction and de-levering. In the prepared remarks, as you can hear, we've done a lot of work there, great work from Geoff and the team on that basis over the last 12 months, and we've extended some maturities as well.

So I think our balance sheet is in much better shape today than coming out of the pandemic. We're not quite down to the pre-COVID levels yet. Those are levels that we would be more comfortable with. But talking about our share price and valuation, yeah, it is shocking.

In terms of some of the fact that we're well beyond COVID when we were zero revenue and we're close to those levels. So I think we're looking at it very, very closely. And as extremely tempting, I'm seeing the share prices because it just makes no sense at this stage. I think on a relative basis, you know, Studio City is a lot more valuable than MLCO. You know, Melco International, the holding company is trading at a 50% premium to MLCO as well. So I think all in all, it is very interesting days, and we're really looking at it closely. I don't know, Geoff, if you have any --

Geoffrey Davis *Melco Resorts & Entertainment Ltd - Chief Financial Officer*

I suppose really just to reiterate the point that we see tremendous value in the shares, we will maintain our discipline in addressing debt reduction. But at these levels, it's very tempting. And I think you'll probably see us divert some small percentage of our free cash towards some share repurchase at these kind of severely discounted levels from a valuation perspective.

John DeCree *CBRE Securities, LLC - Analyst*

Thanks, Lawrence and Geoff. So certainly appreciate those comments and your prudence in deleveraging. And we agree entirely. Maybe a fundamental follow-up quickly on about some headwinds there. Obviously, a lot of stuff going on in that market. I was wondering if you could maybe help synthesize kind of what you're facing, POGOs are closing and it cures the economic picture. Maybe your just outlook or high-level view on Manila would be helpful. That's all for me. I appreciate it, everyone.

Lawrence Ho *Melco Resorts & Entertainment Ltd - Chairman and Chief Executive Officer*

Hey, John, I think I'll hand it off to Geoff Andres because I don't want to steal his thunder, but Manila has been a fantastic cash cow for us over the years. I think next year is going to be our 10th year. But hey, Geoff, you want to talk about the highlights of Manila?

Geoff Andres *Melco Resorts & Entertainment Ltd - Property President, City of Dreams Manila*

Thank you, Lawrence, and thank you, John, for the question. Manila is a pretty interesting market right now. You mentioned the POGO has been fairly controversial and with the government in the Philippines and the president recently announced that that POGOs need to be phased out and they will be phased out by the end of this year.

And there's been a little also bit from a headwind standpoint there's some increased supply in the market. And so that, especially, if you're familiar with the geography of Manila up north, that takes good hours' drive down and so some of that increased supply being up there that we're seeing a small diversion of some of the trips from guests.

But overall, I still remain very optimistic about Manila and the Philippines, strong mass business and of course, increase international capacity and increase commitment to tourism from the government, I think will benefit us well into the future.

Operator

Praveen Choudhary, Morgan Stanley.

Praveen Choudhary *Morgan Stanley - Analyst*

Thank you. Thanks for taking my question and congratulations on getting general on GGR up in a quarter, which is seasonally weak. I hope that continues for the next couple of quarters as well as yours.

All my questions are simpler. Three questions. The first one is the timing of House of Dancing Water. Personally, I want to go and check it out. The second question is you had mentioned theoretical property EBITDA was 89% in first quarter. I'm just trying to see should we see that improving over time and what was this in Q2?

And final question is on employee cost. You mentioned your OpEx went from [2.7 to 2.9]. You mentioned labor cost has gone up by 2.5% up. We did not see this OpEx increase in others and Macau, I'm sure everybody had to give 2.5% increase. So staff cost

seems to be more than just this one-time increase. Can you talk about what is different? And how should we find that back in your returns or EBITDA growth or market share growth in the near future? Thank you so much.

Lawrence Ho *Melco Resorts & Entertainment Ltd - Chairman and Chief Executive Officer*

Hey, Praveen, this is Lawrence. So maybe I'll take the House of Dancing Water question and then I think Evan can elaborate on the employee cost question because he talked about it. He talked about on the previous call in Q1.

So for House of Dancing Water, it's not just a return of the old show. I think we are adding some new elements into it and by next year will be close to 15 years since we first opened it. So there has been some advancement in technology. So if anything, House of Dancing Water or the grand reopening, we want it to be a real spectacle.

And so we're still targeting or hoping for end of the year. But given how let's say technologically heavy show with a lot of machinery, I think we are having some difficulties with some of the machinery. So I think potentially, it will probably open in Q1.

And at the same time, I don't want to because it's a grand reopening, I don't want to eliminate like certain acts from it at the beginning. So I want to make sure that everything is available from day one. So we're very excited about it. House of Dancing Water traditionally has given us thousands of people traffic, additional traffic to City of Dreams Macau, and it's always been an icon of the tourism office of Macau. So we're excited about that.

Geoffrey Davis *Melco Resorts & Entertainment Ltd - Chief Financial Officer*

I think and maybe just to supplement and to reiterate from prior calls, the impact to OpEx per day will be about [0.1]. As that show comes online, it becomes part of our recurring fixed cost.

Lawrence Ho *Melco Resorts & Entertainment Ltd - Chairman and Chief Executive Officer*

On the OpEx, I think, Evan, you talked about it on the Q1 call.

Evan Winkler *Melco Resorts & Entertainment Ltd - President*

So I apologize for the confusion here. The OpEx number or the drift up is not just 2.5%, which we agree is consistent with raises that were given by other operators throughout the market. We were just trying to make sure that people understood what's inclusive of the raises that we gave. But the bulk of that is really incremental FTEs. And those are FTEs across the board, meaning we've added a huge number of people in on hotel and F&B.

On the service side, we've added servers and people to service gaming guests. We've added more dealers to get more opening hours to drive what will hopefully be increased incremental revenues on the gaming floor to make sure that we have the right parts of the floor open throughout the day, so we can drive customer traffic against the new floor set.

And so it really is the ramp-up that we talked about in Q1 in terms of product and service and getting to where we want to reach. I think our hope and expectation is that we'd start seeing dividends in that in the near term as we're getting our service and our product exactly where we want it to be that it's going to be felt by our guests and we're going to get higher return rates, better quality of guest, driving incremental revenues, all the things that you we'd hope to do by improving product and service.

Praveen Choudhary *Morgan Stanley - Analyst*

Excellent. Thank you so much. I have one more question for Lawrence if you're okay with that, it's related to Thailand. It sounds like it's moving very, very fast, but you have businesses in a lot of geographies. Should we assume that you will continue to still go into Thailand and, you know, make your headway there as well? And if that's the case, how do you fund these things, et cetera? Thank you.

Lawrence Ho Melco Resorts & Entertainment Ltd - Chairman and Chief Executive Officer

Hey, Praveen. So Thailand is a generational opportunity. And based on our experience with Japan and some of the other jurisdictions, these things take time. And yes, it's progressed very quickly at the at the high level.

But again, I'm sure over time with all the bidding, it will still be a year or so away. So I don't think it counteracts our debt reduction priority. So I think we'll continue to, of course, anybody would be interested in such an amazing opportunity and we are looking at it. But I honestly don't think there is going to be any meaningful amount of money spent on that in the foreseeable future.

Operator

George Choi, Citi.

George Choi Citi - Analyst

Thanks, guys. I just want to add a follow-up. On my last visit to Studio City, I saw some smart tables having been rolled out at the gaming floor, but I didn't see any smart gaming tables at City of Dreams. Would you please remind us your smart table roll out schedule? Thank you very much.

Lawrence Ho Melco Resorts & Entertainment Ltd - Chairman and Chief Executive Officer

Sure, George. I think we have 30 tables on the floor at Studio City, which is kind of in line with two of our other competitors in terms of the pace of rollout of the tables. I think contractually we will get all the tables at Studio City, 215 of them by the end of October. And I think contractually by the end of March, we'll get all the tables at City of Dreams as well. So I think that's the current rollout schedule.

Evan Winkler Melco Resorts & Entertainment Ltd - President

And the only thing I'd add is again, we sort of wanted to see how these are. So they've been on the floor for a number of weeks. If you guys have been following sort of the rollout of smart cables, there obviously have been some fits and starts by different people doing their adoption. So we wanted to be a little bit prudent as we were rolling it out. At least so far, knock on wood, things have been going very, very well. So I think we feel very good about where we are in being able to continue our rollout. And given what we're seeing from a system standpoint and the initial (inaudible), all of which have continued to be open since the day we turned to one.

Geoffrey Davis Melco Resorts & Entertainment Ltd - Chief Financial Officer

Yeah, this is Geoff. The only thing I'd add to that is the gap between delivery and becoming operational about one month. So roughly November timeframe to have those 215 tables live on the site.

Operator

We have no further questions at this time. I will now hand back to Ms. Jeanny Kim for closing remarks.

Jeanny Kim Melco Resorts & Entertainment Ltd - Senior Vice President, Group Treasurer

Thank you for participating in the call today, and we look forward to speaking with you again next quarter. Thank you.

Operator

This concludes today's conference call. Thank you all for participating. You may now disconnect your lines. Thank you.

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