Genting Singapore (GENS SP)

3Q26: Dragged By Weaker Gaming Operations

Highlights

- **3Q26 results came in below expectations,** with earnings declining steeply due to lower gaming statistics and higher operating expenses.
- **We remain neutral on GENS' short- to medium-term outlook,** but expect support from a commendable dividend yield (6.6%). Maintain HOLD with a lower target price of S$0.65 (from S$0.70) as we reduce our 2026-27 EBITDA forecasts.

3Q26 Results

Year to 31 Dec (S$m)	3Q26	qoq % chg	yoy % chg	9M26	yoy % chg
Revenue	**566.1**	**(5.0)**	**(12.9)**	**1,769.3**	**(5.1)**
-Singapore	565.9	(3.3)	(12.9)	1,758.9	(5.6)
- Gaming	315.0	(21.4)	(21.7)	1,119.4	(9.9)
- Non-gaming	250.9	36.0	1.5	639.5	2.8
Core adjusted EBITDA	**161.8**	**(23.3)**	**(27.4)**	**551.5**	**(14.7)**
Core Net profit	**58.8**	**(36.7)**	**(48.0)**	**221.4**	**(38.8)**
Margins		**+/- ppt**	**+/- ppt**		**+/- ppt**
Adjusted EBITDA (%)	28.6	-6.8	-5.7	31.2	(3.5)

Source: Genting Singapore, UOB Kay Hian

Analysis

- **3Q26: Below expectations.** Resort World Sentosa's (RWS) 3Q26 revenue (-5% qoq, -13% yoy) and EBITDA (-23% qoq; -27% yoy) declined meaningfully yoy. Earnings were weaker yoy, mainly due to softer VIP volume and a lower win rate. 9M26 EBITDA represented only 68% of our and consensus full-year forecasts respectively.
- **Gaming statistics dropped on weaker volume and VIP luck factor.** 3Q26 gaming revenue declined significantly (-22% yoy). This mainly reflects a weaker VIP rolling chip volume (-32% yoy) and win percentage of 2.74% (3Q25: 3.1%), which have dragged down VIP's gross gaming revenue (GGR) by 40% yoy. Meanwhile, mass GGR is estimated to have also fallen modestly by 5% yoy as overall RWS footfall was impacted by a lower number of hotel rooms available due to the ongoing renovation and modernisation efforts.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	2,530.0	2,452.0	2,269.6	2,408.5	2,517.3
EBITDA	960.1	815.8	755.8	814.4	856.5
Operating profit	604.2	457.9	394.1	421.1	433.6
Net profit (rep./act.)	578.9	390.4	365.8	386.4	396.7
Net profit (adj.)	594.2	423.3	365.8	386.4	396.7
EPS	4.9	3.5	3.0	3.2	3.3
PE (x)	12.7	17.4	20.1	19.0	18.6
P/B (x)	0.9	0.9	0.9	0.9	0.9
EV/EBITDA (x)	24.4	29.2	32.1	30.5	29.6
Dividend yield (%)	6.4	6.6	6.6	6.6	6.6
Net margin (%)	22.9	15.9	16.1	16.0	15.8
Net debt/(cash) to equity(%)	(43.1)	(39.0)	(34.2)	(27.7)	(21.6)
ROE (%)	7.2	4.9	4.6	4.9	5.0
Consensus net profit	n.a	n.a	373.7	429.2	422.6
UOBKH/Consensus (x)	n.a	n.a	1.0	0.9	0.9

Source: Genting Singapore PLC, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	S$0.61
Target Price	S$0.65
Upside	6.56%
Previous TP	S$0.70

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	GENS SP
Shares issued (m)	12,063.6
Market cap (S$m)	7,358.8
Market cap (US$m)	5,728.0
3-mth avg daily t'over (US$m)	14.0

Price Performance (%)

52-week high/low				S$0.8/S$0.6
1mth	**3mth**	**6mth**	**1yr**	**YTD**
0.0	(4.7)	(11.6)	(23.3)	(15.9)

Balance Sheet Metrics

FY26 NAV/Share (S$)	0.7
FY26 Net Debt/Share (S$)	(0.2)

Price Chart



Source: Bloomberg

Company Description

Genting Singapore is a Singapore-based regional leisure, hospitality and integrated resorts development specialist.

- **Non-gaming segment charted steady performance.** Following the completion of the Singapore Oceanarium and The Weave as well as the opening of The Laurus hotel, non-gaming revenue was flattish (+2% yoy) despite lower visitations. In 3Q26, daily available rooms were lower at around 1,070 rooms (3Q25: about 1,189 rooms) due to the renovation of about 230 rooms in Hotel Michael Sentosa. Hotel occupancy rate was lower yoy at about 90% (3Q25: 92%), but offset by a higher average room rate of S$518 (3Q25: S$484). Overall, visitations were stable as key attractions including Universal Studios Singapore and the Singapore Oceanarium continue to support non-gaming earnings contribution.
- **Growth trajectory may be impacted by ongoing modernisation programme and lower number of available hotel rooms.** While Singapore Tourism Board (STB) forecasts 2026 international visitor arrivals of 17m-18m (2025: 16.9m), we opine that GENS' visitations during 4Q26-2027 may be negatively impacted by temporary closure of key hotel amenities for retrofitting. Note that the scheduled refreshment of RWS' hotel assets such as the Michael Sentosa and Crockfords Sentosa will reduce GENS' available rooms to 950-1,000 rooms (from 1,300 rooms), which may temporarily result in a reduction of overall gaming volume and non-gaming revenue.
- **Profitability margins remain under pressure due to rising costs.** The ongoing modernisation programme includes infrastructure refresh and system enhancements, and may compress GENS' near-term margins due to higher recurring expenses. This includes higher staff count and maintenance expenses following the launch of various non-gaming attractions. Stiff competition from RWS' competitor Marina Bay Sands' (MBS) structurally more strategic city-centre location will also continue to weigh on promotional expenses. We are forecasting an EBITDA margin of 36-37% for 2026-28, which is below the historical average of 42-45%.
- **Full launch of RWS 1.5 remains as an important re-rating catalyst.** Note that RWS opened a new themed zone - Illumination's Minion Land - in Universal Studios Singapore in mid-Feb 25. The group also launched the Singapore Oceanarium which features 22 zones and over 40,000 marine animals, and The WEAVE which includes retail and dining precincts with over 40 international and local brands. The Laurus, a super luxury all-suite hotel developed with Marriott International was also opened in Oct 25. For the longer term, RWS is also working on a 21,243 sqm waterfront development which will eventually add 700 hotel rooms. These attractions will elevate the resort's vibrancy and be rolled out in phases (refer to RHS table).
- **Healthy balance sheet and huge cash pile, but upside for capital management limited by sizeable RWS 2.0-related capex in 2026-28.** While GENS held net cash of S$2.95b (24 S cents/share) as of end-25, we forecast only a flattish DPS of 4 S cents for 2026-28. Note that RWS 2.0 is a S$6.8b expansion which will be completed by 2030. We have pencilled in capex assumptions of S$600m-1b for GENS in 2026-28, which will result in a meaningful drawdown of GENS' cash pile.

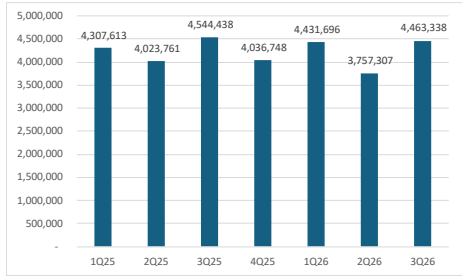
Valuation/Recommendation

- **Maintain HOLD with a lower target price of S$0.65 (from S$0.70)** as we cut earnings. Our target price implies 7x 2027F EV/EBITDA (-1SD below mean).
- **Still a commendable dividend play, despite unexciting earnings growth trajectories.** Assuming GENS largely sustains its 4 S cents dividends payout for 2026-27, backed by S$0.24 net cash/share (39% of market cap), the prospective dividend yield of 6.6% remains attractive.

Earnings Revision/Risk

- **We recalibrated our 2026-27 EBITDA forecasts downwards by 7% and 10%** respectively to account for 3Q26's exceptionally poor VIP luck factor and overall weaker-than-expected gaming volume.

Singapore's Tourist Arrival



Source: Singapore Tourism Analytics Network, UOB Kay Hian

Timeline Development For RWS 2.0 Non-Gaming Attractions

Attraction	Timeline
Van Gogh: The Immersive Experience in new theatre	Mar-Oct 2023
Hotel Ora (Renovated Festive Hotel)	May 2023
Gourmet Park at The Bull Ring	June 2024
Enhancement of convention centre	End 2024
Minion park (replace Madagascar zone)	Feb 2025
Singapore Oceanarium	July 2025
The Laurus luxury hotel	Oct 2025
Waterfront development	2030

Source: GENS, UOB Kay Hian

Key Assumptions

Year	2025	2026F	2027F
Revenue (S$m)	2,452	2,270	2,409
EBITDA (S$m)	816	756	814
Hotel Occupancy (%)	77%	78%	80%

Source: GENS, UOB Kay Hian

Earnings Trend Of GENS And MBS

Genting Singapore (GENS)					
(S$m)	2Q25	3Q25	4Q25	1Q26	2Q26
Revenue	588.3	649.8	587.8	607.6	595.5
EBITDA	187.9	222.7	169.4	179.0	210.8
Gaming Revenue	401.9	402.3	361.9	403.4	401.0
Marina Bay Sands (MBS)					
(S$m)	1Q25	2Q25	3Q25	4Q25	2Q26
Revenue	1,570.4	1,846.9	1,838.5	2,070.9	1,598.5
EBITDA	816.9	1,021.9	951.3	1,043.2	849.1
Gaming Revenue	1,157.2	1,421.1	1,378.9	1,553.2	1,201.4

Source: Respective companies, UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	**2,452**	**2,270**	**2,409**	**2,517**
EBITDA	816	756	814	857
Deprec. & amort.	358	362	393	423
EBIT	458	394	421	434
Associate contributions	6	6	6	6
Net interest income/(expense)	81	79	79	80
Pre-tax profit	**511**	**479**	**506**	**520**
Tax	(121)	(113)	(120)	(123)
Minorities	0	0	0	0
Preferred dividends	0	0	0	0
Net profit	**390**	**366**	**386**	**397**
Net profit (adj.)	423	366	386	397

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	5,387	5,813	6,320	6,797
Other LT assets	298	298	298	298
Cash/ST investment	3,200	2,766	2,219	1,709
Other current assets	301	185	196	204
Total assets	**9,186**	**9,062**	**9,032**	**9,008**
ST debt	2	2	2	2
Other current liabilities	781	647	675	698
LT debt	0	0	0	0
Other LT liabilities	197	325	365	404
Shareholders' equity	8,205	8,087	7,990	7,904
Minority interest	0	0	0	0
Total liabilities & equity	**9,186**	**9,062**	**9,032**	**9,008**

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	**790**	**749**	**837**	**874**
Pre-tax profit	511	479	506	520
Tax	(179)	(113)	(120)	(123)
Deprec. & amort.	321	362	393	423
Associates	0	0	0	0
Working capital changes	(101)	(18)	17	15
Other operating cashflows	237	40	40	40
Investing	**(676)**	**(700)**	**(900)**	**(900)**
Capex (growth)	(579)	(700)	(900)	(900)
Investments	0	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	(98)	0	0	0
Financing	**(486)**	**(484)**	**(484)**	**(484)**
Dividend payments	(483)	(484)	(484)	(484)
Issue of shares	0	0	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	(2)	0	0	0
Others/interest paid	0	0	0	0
Net cash inflow (outflow)	**(372)**	**(434)**	**(547)**	**(510)**
Beginning cash & cash equivalent	**3,583**	**3,200**	**2,766**	**2,219**
Changes due to forex impact	(11)	0	0	0
Ending cash & cash equivalent	**3,200**	**2,766**	**2,219**	**1,709**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	33.3	33.3	33.8	34.0
Pre-tax margin	20.8	21.1	21.0	20.6
Net margin	15.9	16.1	16.0	15.8
ROA	4.3	4.1	4.3	4.5
ROE	4.9	4.6	4.9	5.0
Growth				
Turnover	(3.1)	(7.4)	6.1	4.5
EBITDA	(15.0)	(7.3)	7.7	5.2
Pre-tax profit	(24.2)	(13.9)	6.9	3.0
Net profit	(27.1)	(12.0)	5.6	2.7
Net profit (adj.)	(28.8)	(13.6)	5.6	2.9
EPS	(3.1)	(7.4)	6.1	4.5
Leverage				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(39.0)	(34.2)	(27.7)	(21.6)

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