LONG Recommendation

Current Share Price: $31.9

Target Share Price: $56.0

Upside: 75% 3-Year IRR: 29%

Date: 2024-01-11

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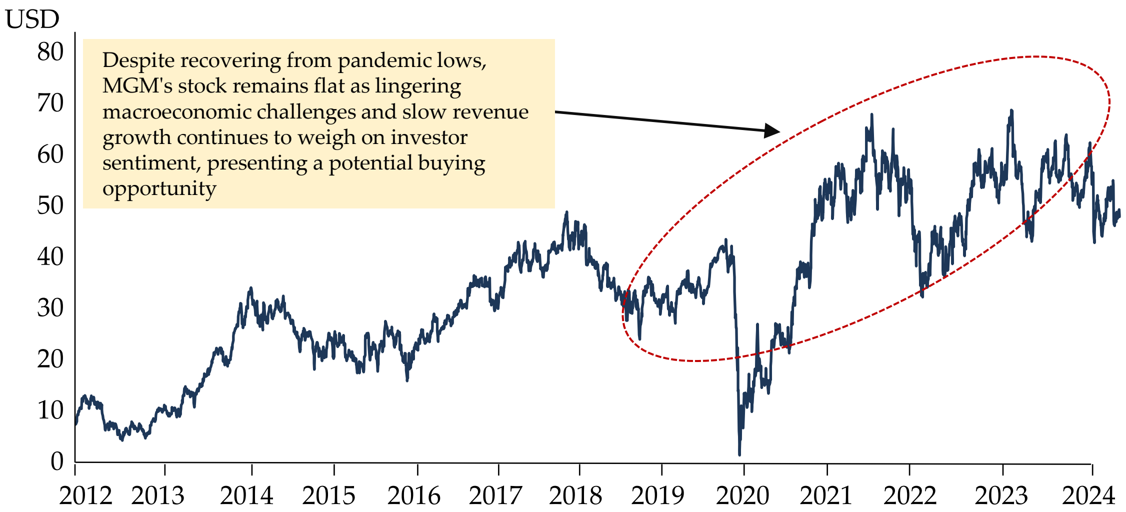
Executive Summary

Entertainment and hospitality company with FCF-yield of 11%

MGM RESORTS INTERNATIONAL™

Share Price Performance



Business Overview

- MGM Resorts International is a leading American global hospitality and **entertainment company, specializing in premium resorts and casinos**. Headquartered in Las Vegas, Nevada, MGM operates a diverse portfolio of iconic properties across the U.S., including MGM Grand, Bellagio, and Mandalay Bay, which anchor the Las Vegas Strip.
- The Company operates in three main segments including, Regionals, Las Vegas and BetMGM, its fast-growing iGaming and sports betting joint venture with Entain.

Financials

Share Price:	$37
MCAP:	$10B
EV:	$40B
LTM EV/EBITDA:	9x
LTM ROIC:	12%
LTM ROE:	26%
LTM P/E:	9x

Insider Ownership/ Main Shareholders

Insider Ownership

- Management: 4%
- Board of Directors: 23%

Main Shareholders

- IAC: 22% (Director)
- Vanguard Group: 9%

Investment Thesis

All-time low valuation

MGM trades near pre-Covid levels, despite having repurchased 40% of shares outstanding and selling assets at premium valuations to focus on the assets with the highest quality. Furthermore, the Company maintains a strong balance sheet with large cash reserves and attractively priced long-term lease contracts

1. **Contrarian view over a margin contraction**
By acquiring premium assets and selling mid-tier assets on the Las Vegas Strip, MGM has strategically shifted toward a more resilient, higher-spending customer base. Therefore, we believe occupancy rates and revenue per available room (RevPAR) have been permanently elevated, while the market still sees MGM as a mid-tier operator.

2. **Foot Traffic Rates Reaching Pre-COVID Levels**
After COVID, the convention rate dropped, impacting overall traffic to Las Vegas. Which the market in turn believes will decrease further. However, with an increased number of events such as the F1 and the Super Bowl, we believe that the overall decline won't impact MGM to the same extent and, in the long term, will increase traffic and spending on the Las Vegas Strip.

3. **Substantial Valuation Upside in iGaming through BetMGM**
BetMGM is a market leader in the U.S. iGaming sector and is projected to contribute $2 billion in EBITDA by 2027E. We believe the market undervalues BetMGM's competitive advantages and high-margin contributions in an otherwise commoditized industry.

Why does the Opportunity Exist?

Market scepticism - Concerns of reduced high-roller activity, fewer conventions and worries of a downturn has made investors bearish on the casino industry, expecting gross margin to fall by 5 percentage points in 2 years. However, we foresee that the increase of high-profile events such as F1 and Super bowl could keep visiting numbers and demand high.

MGM Margin Resilience - MGM currently has the highest occupancy rates and has historically catered to the premium mass segment, which has been hit the hardest during downturns. Investors therefore see that MGM has the highest room to fall in a downturn. However, MGM has shifted towards more premium assets, which combined with maintained high demand from an increase in events, suggests that these fears are unwarranted.

Fails to Account for BetMGM - The competitive landscape, dominated by heavy marketing spend, has led to doubts about BetMGM's profitability. Yet, with no further capital investment required and profitability within reach, the market undervalues its significance in MGM's overall valuation. Despite ongoing concerns about regulatory uncertainty and high churn rates, BetMGM's profitable operations and strong attraction to premium customers reinforce its position.

Recovery of MGM China - Following uncertainty around the gaming license renewal and COVID-related shutdowns, MGM China is now operating at full capacity. The company is well-positioned to capitalize on Macau's visitor trends, projected to grow at a CAGR of 15% as domestic flight volumes return to pre-COVID levels.

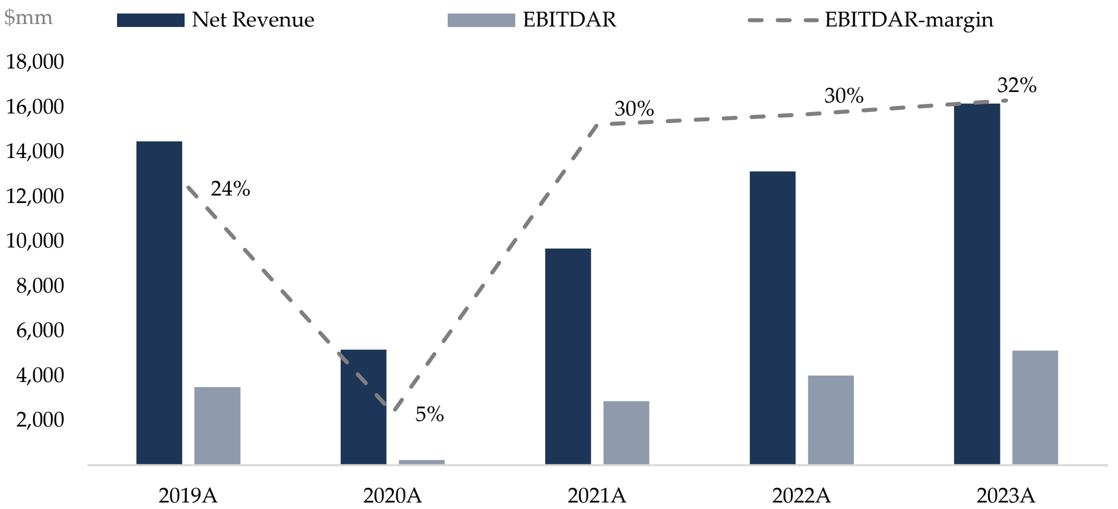
Business Overview

High quality and robust cash flowing domestic portfolio

Revenue Split across segments

Reporting segment	Properties	Sales	EBITDA
Las Vegas	14x	8.8 $B	3,190 $M
Regionals	8x	3.7 $B	1,133 $M
MGM China	2x	3.2 $B	533 $M
BetMGM	0x	1.9 $B	-67 $M

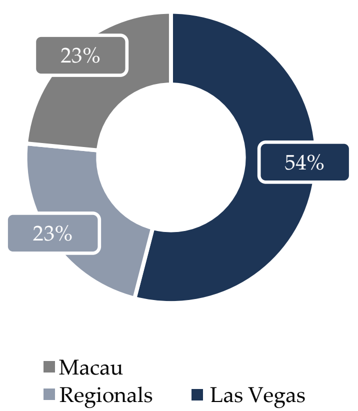
MGM Resorts Business Overview



Income Breakdown

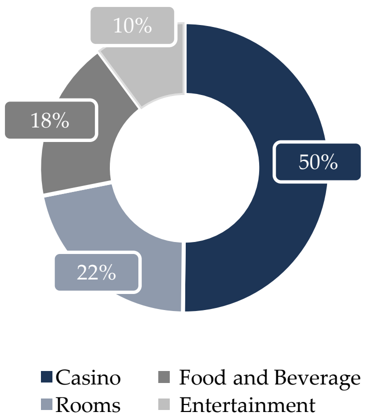
Geographically

Sales by segment



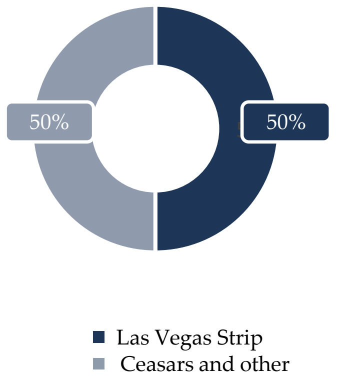
Income Split

Business Ventures



Market Share

Las Vegas Strip



MGM Resorts International in a snapshot

Key Facts

- Las Vegas Strip market share 50%
- Occupancy rate of **94%**
- Average Strip occupancy rate 87%

Strong Unit Economics:

- MGM Resorts International:
  18 resorts EBITDAR of **2.5 bn**
- Closest competitor:
  60 resorts 3.6 bn EBITDAR

Gross Margins:

- Casino:~50%
- Hotel Business: ~70%
- Food and beverage: ~25%
- Entertainment: ~40%

World class assets

BELLAGIO LAS VEGAS
Aria
MANDALAY BAY RESORT AND CASINO LAS VEGAS
PARK MGM
THE COSMOPOLITAN of LAS VEGAS
FOUR SEASONS HOTEL Las Vegas

Market / Industry Overview – Las Vegas/Regionals

Leveraging the Las Vegas Strip While Optimizing Regional Assets

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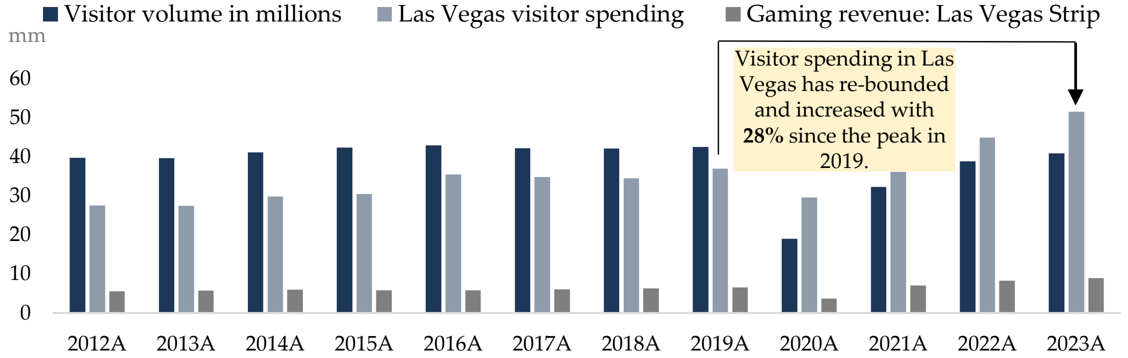
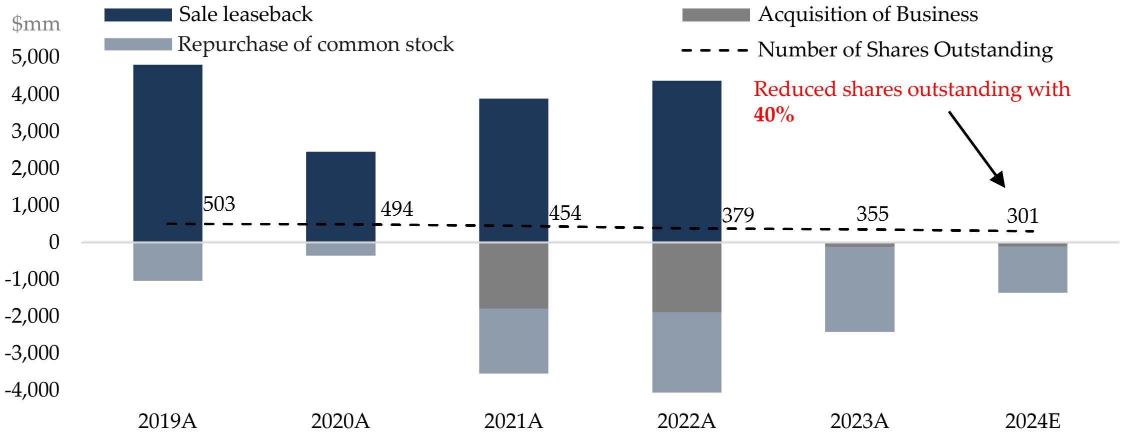
Las Vegas Visitor Numbers Rebounding to Pre-Covid Levels

- Las Vegas consistently attracts a steady influx of visitors, showcasing its enduring appeal as a top global destination
- From **2019** to **2023**, Las Vegas has seen a **28%** increase in spending and volumes, driven by the introduction of major high-spending events such as Formula 1 and the Super Bowl, which have contributed to its rebound beyond pre-COVID levels
- Gaming revenue set to reach pre-covid levels in 2025 driven by normalized customer visits



Raising Cash Through Sale-Leasebacks Improving Capital Allocation Strategy

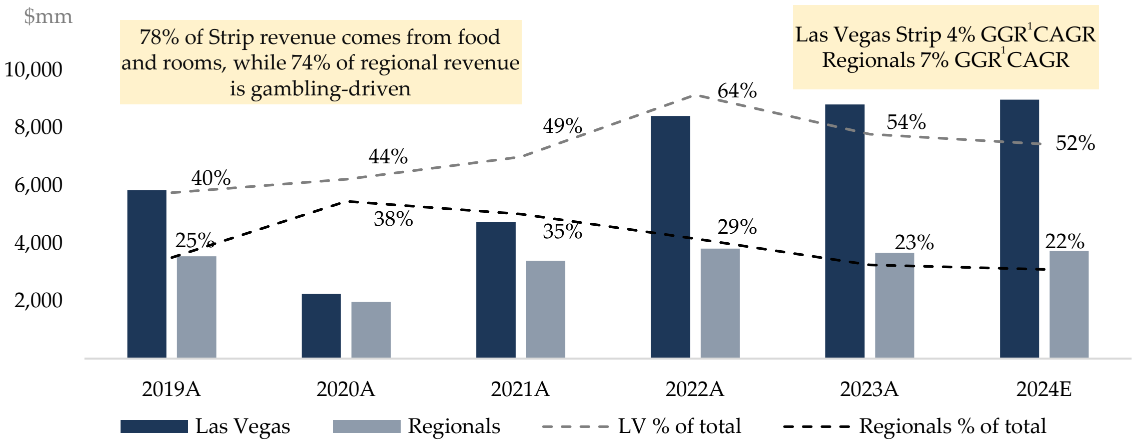


- Sale-leaseback to REITs have enabled the Company to repurchase 40% of sales outstanding since 2019
- Annual rent payment amounts to USD 1.76 bn with a 2% inflation increase containing CAPEX and maintenance requirements (triple-net leaseback)

Las Vegas and Regionals Part of MGM

- MGM Resorts International has a 50% market share and will continue to keep this through having resorts at top locations on the Las Vegas Strip and investing to maintain the premium assets. Furthermore, the strip is fully developed, hindering further competition from establishing.

[1] Gross Gaming Revenue



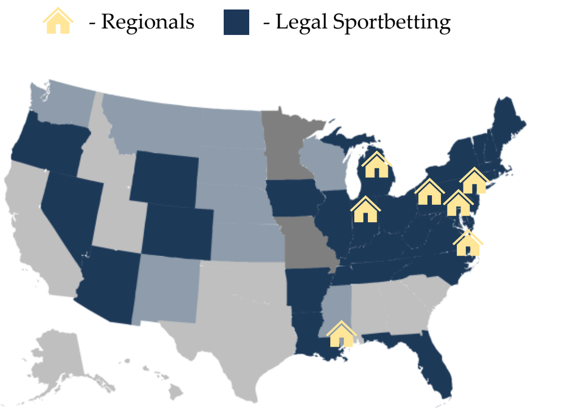
Timeline Overview

2000´s
- Acquires Mandalay Resort Group, adding five properties, including Mandalay Bay.
- Opens CityCenter, a $9 billion project, showcasing resilience during the financial crisis.

2010´s
- Introduces loyalty program which has increased recurring revenue
- Spins off MGM Growth Properties
- Establish BetMGM, positioning for sports betting growth.

2020´s
- BetMGM expansion as online gaming surges
- Sale of MGM Properties to VICI
- With the freed capital, MGM initiated a 2 bnUSD share repurchase program

Geographical Overview



Market/ Industry Overview – iGaming and OSB

Consolidating Market with Promising Long-Term Growth

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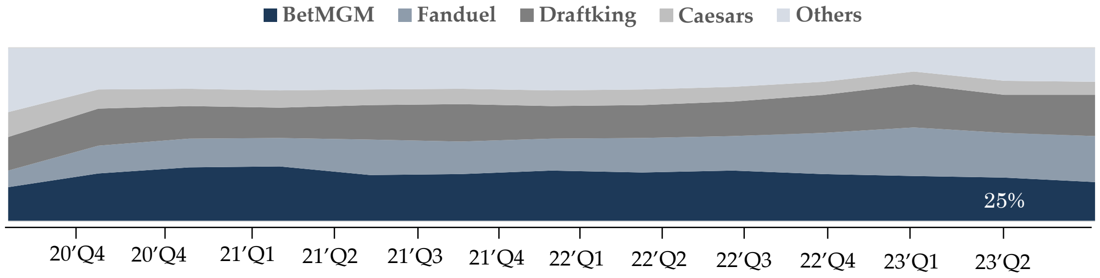
Competitive dynamics

- The four largest players dominate **75-80**% of the OSB (Online sports betting) and iGaming market
- Fanduel leades OSB with **40-45**% market share, whilst BetMGM leads iGaming with **33**% market share
- Fluctuations in market share is primarily driven by promotional spending

Market share of the four largets iGaming and OSB companies



Customer behavior

Market shares have fluctuated significantly from quarter to quarter. The primary reason for this is that companies invest heavily in promotions to attract new customers. FanDuel and DraftKings, the largest gambling companies, have each spent approximately $1 billion annually on customer acquisition, which has negatively impacted profitability. Caesars and BetMGM follow similar strategies to compete in this highly competitive market.

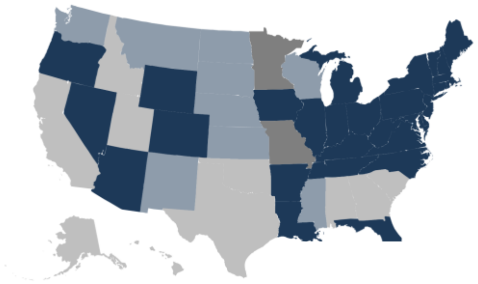
The number of customers heavily correlates with marketing spending, raising the question: Who will come out on top? FanDuel, DraftKings, and Caesars focus primarily on online sports betting (OSB) due to its higher penetration and their ability to leverage daily fantasy sports platforms to attract new users. However, the OSB segment faces a significant challenge—a churn rate of approximately 60%, driven by seasonality and less frequent engagement outside major sporting events.

Conversely, BetMGM stands out by focusing on iGaming, a segment with higher margins and lower churn rates (~30%). By leveraging the loyalty rewards program of its parent company, MGM Resorts, BetMGM has created a "stickier" platform that encourages long-term customer retention.

BetMGM and Caesars enjoy lower costs due to their physical casino presence. This eliminates access fees that online-only operators like DraftKings must pay to land-based casinos for market entry. This provides a 6-7 point margin advantage. Additionally, BetMGM develops in-house gaming content, which accounted for 25% of its GGR in 2023, delivering a 7-12% margin improvement over third-party content.

Regulatory markets

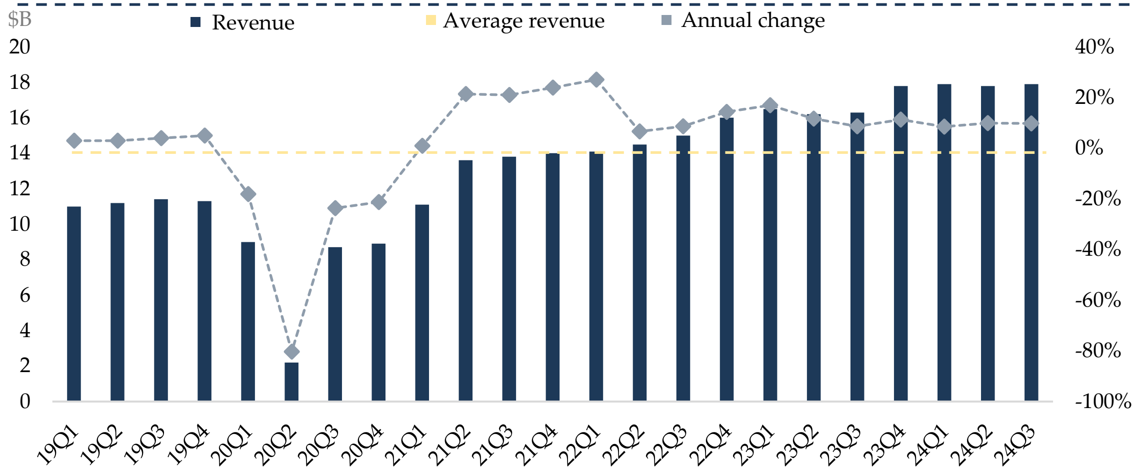
- **30** states have legalized OSB, only **6** for iGaming
- **11** states permit in-person betting
- **2** states have pending legalisation
- **10** states have not legalized betting including CA



- **2018**: Betting became legal in **7** states after the repeal of PASPA.
- **2019**: **9** additional states legalized sports betting, expanding online options.
- **2021**: New York legalized betting, becoming one of the largest markets.
- **2024**: **35+** states legalized sports betting; **6** states offered iGaming.

Tailwinds

U.S. Quarterly Commercial gaming revenue, in 2024 Q3 Igaming and OSB increased **37.9**% amounting to **5** bnUSD. Given the low market penetration, Igaming will continue to grow as well as OSB



Market / Industry Overview – Macau

Rebound In the Chinese Market and Increased Margin

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Premium Mass Split increasing

Strategic Investments in Cotai - MGM's Cotai property is designed to attract high-value premium customers, offering luxury hotels, fine dining, and entertainment that differentiates it from peers.

Operational Leverage - Post-pandemic, MGM has optimized operations to reduce costs while increasing table utilization, achieving higher margins.

Capturing Non-Gaming Revenue - MGM's integrated resort model generates additional income from retail, entertainment, and dining, growing non-gaming revenue by 10–15% annually.

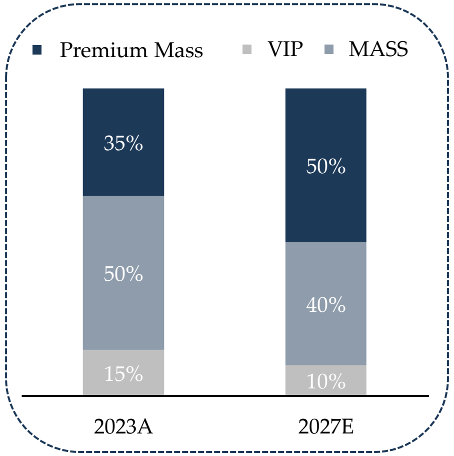
Regulatory Tailwinds - The 350bps increase in table allocation under the new gaming concessions has significantly boosted MGM's capacity to serve premium mass customers.

Unique Positioning in Mainland Visitation Recovery - MGM benefits from premium focus, attracting visitors from key cities like Beijing and Shanghai, which are already exceeding pre-pandemic travel.

Shift in Customer Concentration

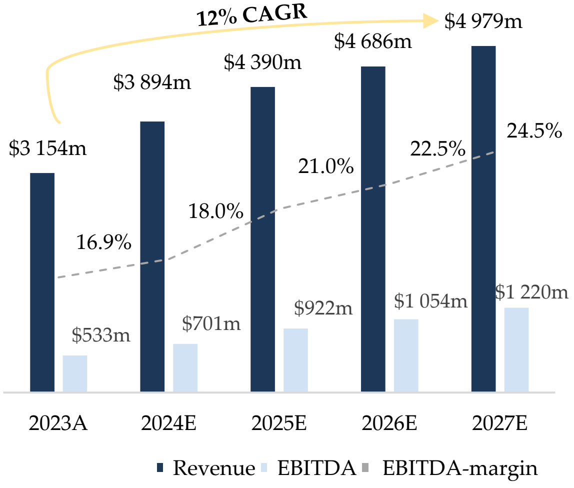
Shift Toward Premium Mass Drives Higher Margins

- Premium mass is expected to grow from **35% of MGM's casino revenue (2023)** to **50% by 2027**, overtaking mass and VIP gaming.
- VIP revenue declines from **15% (2023)** to **10% (2027)** as regulatory changes and customer preferences shift away from junket operators.
- Mass revenue will shrink slightly from **50% to 40%**, reflecting MGM's premiumization strategy.



Macau margins -> Las Vegas margin

- **Premium Mass Leadership**-Premium mass is the fastest-growing, most profitable segment, reaching **50% of revenue by 2027**, driving higher margins.
- **Operational Efficiency:** Post-pandemic efficiency and better table utilization reduce costs, boosting EBITDA margins from **16.9% to 24.5%**.
- **Non-Gaming Expansion:** Revenue from non-gaming (retail, dining, entertainment) grows **10–15% annually**, stabilizing income streams.
- **Visitation Recovery** Improved infrastructure and growing demand from Mainland China, especially lagging regions, drive incremental growth.

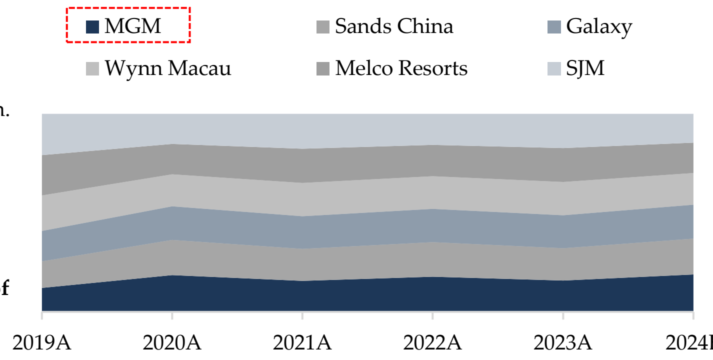


Gain in Market share

Market leaders in China

- MGM's market share has increased from **9.5% in 2019** to **15.9% in 2024**, a **67.4% increase**, supported by:
- A **350bps boost** in table allocation.
- Strategic investments in the Company's Cotai property, focused on premium mass customers.
- The Company now holds **12.5% of Macau's tables**, positioning it to capture future market growth.

MGM Strengthens Market Share Amid Industry Growth



Thesis 1.1 – Las Vegas Strip / Regionals

Quality Segment Valued Far Below Historical Average and Peers

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Key Drivers and Growth Opportunities

- Our thesis is that the Las Vegas and Regionals operations are a stable business and will continue to compound at **single digits in line with guidance**. Market fear of a recession has downgraded the whole segment but MGM the most, due to their position as affordable luxury on the strip. Our view is that Las Vegas will continue to grow due **to conventions, inbound flights, and entertainment rebounds**. MGM trades at a high **FCF – yield of 11.2%** which makes it, by far most undervalued Las Vegas Casino Operator.

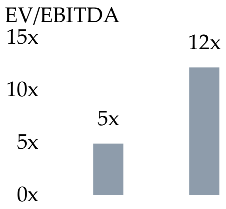
Increasing Revenue from the Las Vegas Strip	Increasing convention attendance and the addition of pro sports teams, the Las Vegas Strip revenue has exceeded the 2019 levels
Large Foothold and High Occupancy Rates	Casino resort occupancy rates are rising, and the company maintains a strong foothold over the Las Vegas Strip's most premium assets.
Pursuit of an Asset Light Strategy Since 2016	MGM has adopted an asset-light strategy by selling and leasing back its casino resorts through Real Estate Investment Trusts. (REIT)
Significant Cash Flows Through Sale-Leaseback	MGM has used the cash gained from REIT transactions to redeem long-term outstanding debt and repurchase 40% of their own shares back

Current Valuation Domestic Casino Resorts vs. M&A Comps

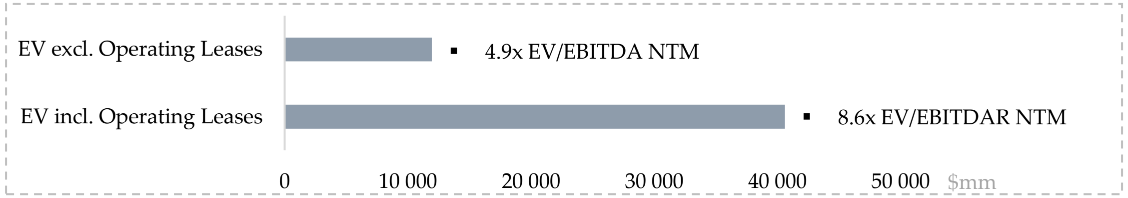
- Domestic portfolio fundamentally undervalued at 4.9x EV/EBITDA.
- By using a truer valuation form by treating the rent as an expense and deducting operational leases from enterprise value we see a significant upside in a relative valuation and comparing precedent transactions.

MGM Resort's Divestments

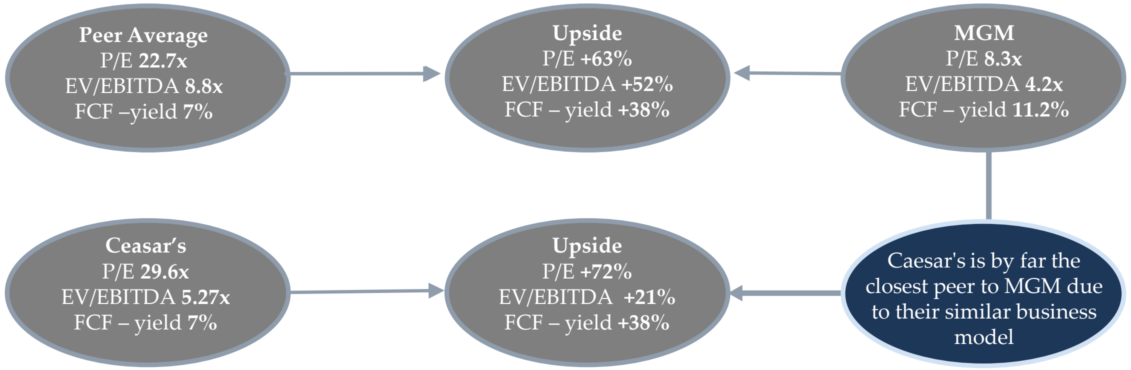
	Valuation	7.5x EBITDA
	Value	450 mm USD
	Place	Memphis
	Year	2022
	Type	Regional
Mirage	**Valuation**	16.8x EBITDA
	Value	1075 mm USD
	Place	Las Vegas
	Year	2022
	Type	Las Vegas Strip



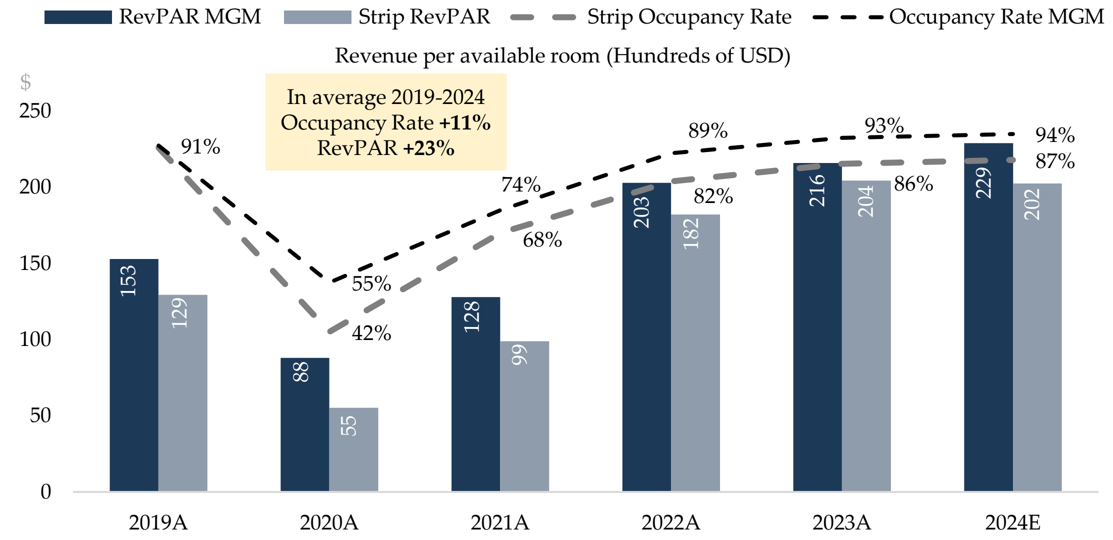
Current valuation vs. average multiple of MGM's divestments



Current Valuation Suggests a 63% P/E Discount to Peers



MGM Resorts' shift toward luxury resorts at more attractive locations has enabled them to maintain a higher occupancy rate and higher revenue per available room ("RevPAR") than the strip average. Since the new CEO and Chairman, the Company has transformed and is now a quality business with premium assets with a depressed valuation.

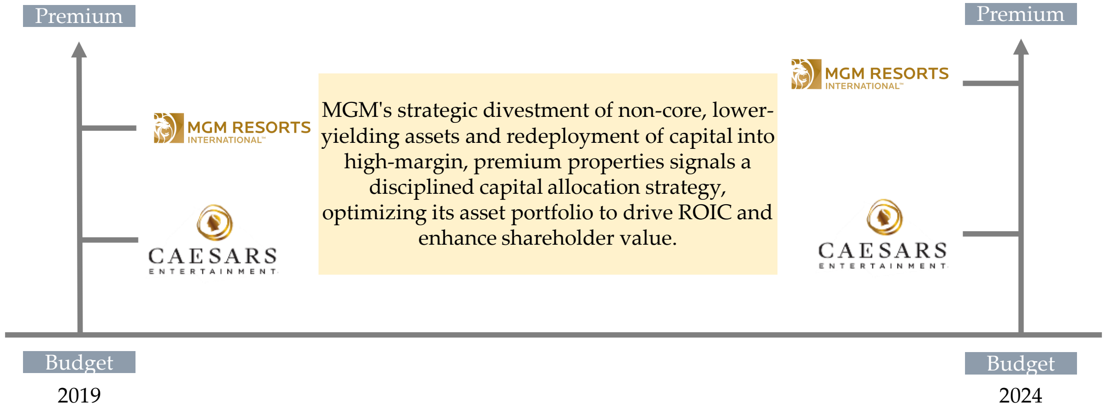


Thesis 1.2 – Las Vegas Strip / Regionals

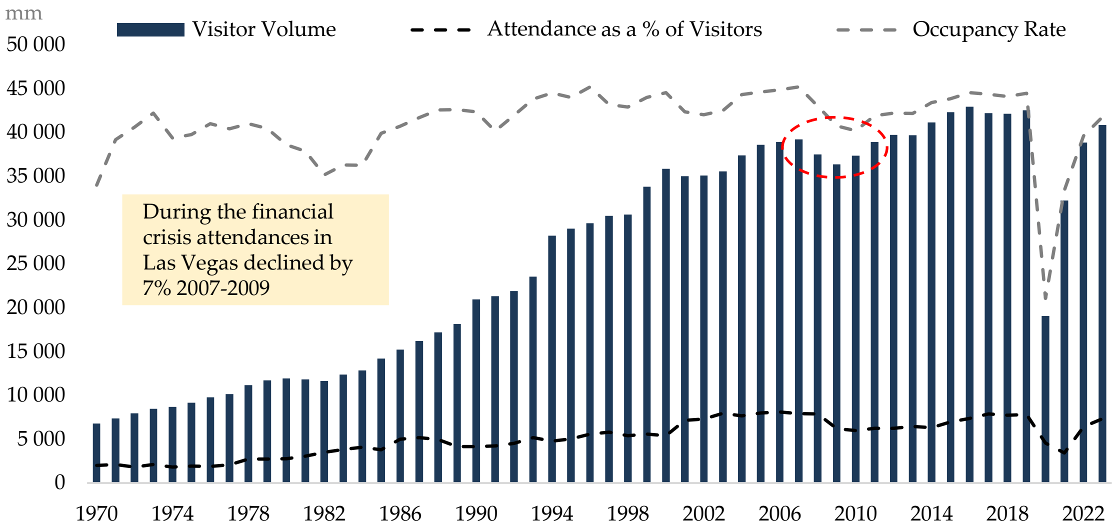
Quality Segment Valued Far Below Historical Average and Peers

Shift Towards More Premium Assets

MGM's focus on premium assets boosts resilience during downturns, catering to customers, stabilizing revenues, improving margins, and solidifying its position as a leader in luxury hospitality, justifying a valuation premium



Attendance in Case of a Recession

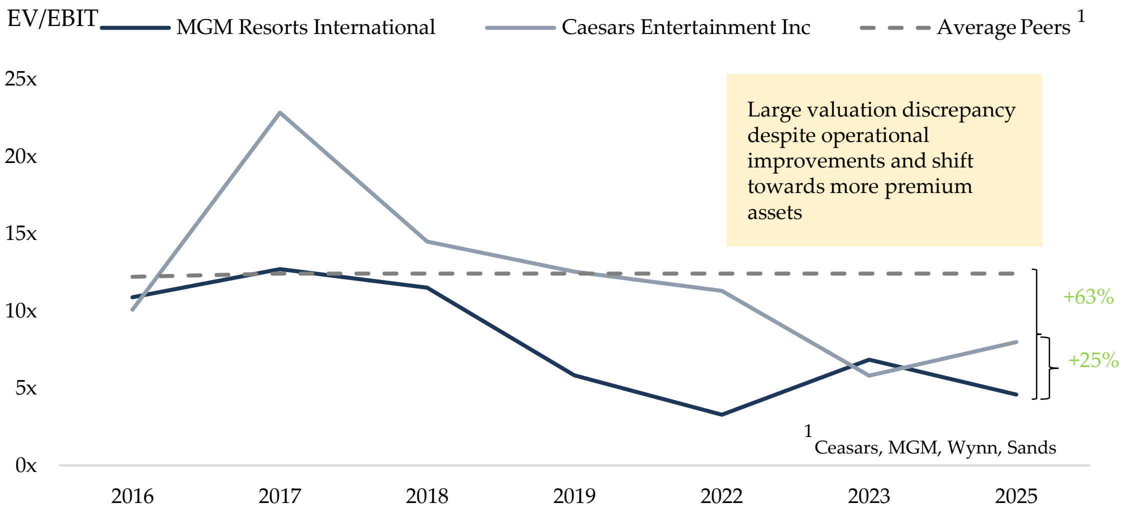


Valuation Depressed due to Recent Drop in Table Games

MGM Resorts' latest earnings report showed a 5.8% decline in Las Vegas casino revenue and a 18.9% drop in table game winnings, but these results reflect temporary headwinds rather than structural issues, offering long-term investors an opportunity to capitalize on the company's strong underlying fundamentals.

	3Q24 Slot GGR	3Q24 Table GGR	3Q24 GGR	3Q23 Slot GGR	3Q23 Table GGR	3Q23 GGR
CZR	$274	$167	$440	$285	$207	$493
y/y % chg.	*-4.1%*	*-19.7%*	*-10.7%*			
MGM	$554	$328	$882	$531	$405	$936
y/y % chg.	*4.2%*	*-18.9%*	*-5.8%*			
LV Strip	$1,213	$868	$2,081	$1,172	$1,071	$2,243
y/y % chg.	*3.5%*	*-18.9%*	*-7.2%*			
MGM + CZR Share	68.2%	57.0%	63.5%	69.6%	57.2%	63.7%
Remaining Share	*31.8%*	*43.0%*	*36.5%*	*30.4%*	*42.8%*	*36.3%*

Trailing EV/EBIT Excluding Pandemic Years



Thesis 2 – BETMGM world-class asset

Overlooked Asset in a Fast Growing Market

BETMGM Overview

2018 – Entain and MGM through a joint venture started BetMGM. Since then the platform has become one of the top **4** iGaming and OSB platforms with ~**25**% market share

2022 – The Company acquired LeoVegas, a European online gaming company, at approximately **12x** EV/EBITDA, turning it into MGM's digital gaming operations internationally.

2024 – MGM has completed all major capital investments in BetMGM and plans to shift its focus to profitability in 2025.

Today
Revenue ~2Bn dollars
EBITDA margin -3%

2026E
Revenue ~3.5Bn dollars
EBITDA margin ~13%

2027E
Adding ~ **1.2Bn** dollars in EBITDA to MGM

Omni-channel Strategy

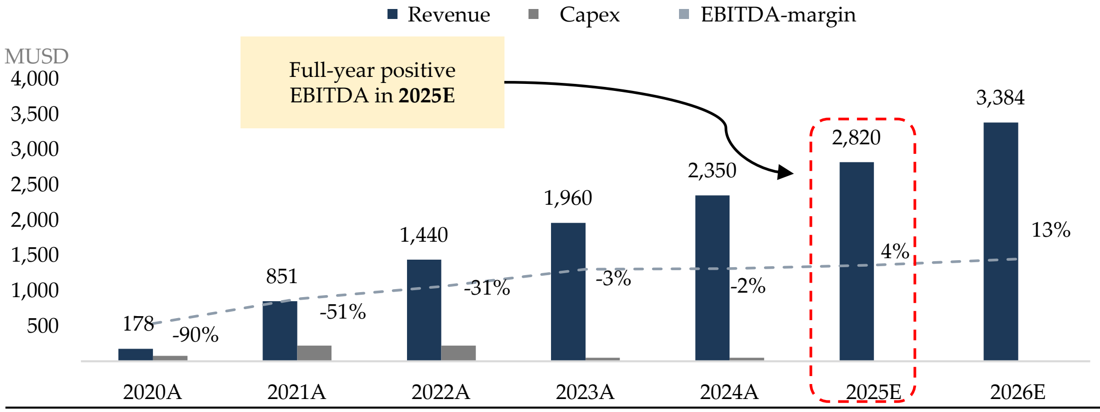
Leverages MGM's physical assets – BetMGM utilizes MGM Resorts' **30+** physical properties and its **40 million-member** MGM Rewards program to integrate online and offline experiences. This synergy attracts users familiar with MGM's iconic venues, driving **trust and retention**. The ability to convert physical traffic into online users boosts both acquisition efficiency and cross-platform engagement.

Cost-Efficient Customer Acquisition (CAC)- BetMGM achieves a **30%** lower CAC compared to single-channel operators by targeting existing MGM Rewards members, reduces reliance on costly digital promotions and improves ROI. Additionally, omnichannel customers generate **3- 6x more revenue** and exhibit higher retention rates, translating into nearly **double the lifetime value** (LTV) compared to single-channel users.

Reward System Integration - BetMGM's MGM Rewards program enhances loyalty by allowing users to earn points from online gaming activities and redeem them at MGM properties for benefits **like hotel discounts, priority event tickets, and dining perks**. This omni-channel reward system drives engagement, with over **43% of new MGM Rewards sign-ups** originating from BetMGM, further strengthening customer loyalty and retention.

Inflection Point

- 2024 marked the final investment year for BetMGM with full-year profitability of 13% EBITDA margins expected in 2025. Both sell-side and buy-side analysts fail to account for the assets associated with MGM. CEO, **Hornbuckel** - *" we're all in. We don't anticipate any more capital in BetMGM. We don't anticipate any more acquisitions as it relates to MGM Interactive, in-house"*



Market tailwinds & opportunities

Through MGM's casinos, the company can reduce marketing expenses to just 14% of sales, compared to DraftKings, which spends nearly 50% of its revenue on marketing. Combined with lower taxes for BetMGM due to its casino establishments, the company is estimated to reach profitability by 2025E. However, the market fails to account for this due to skepticism surrounding the iGaming markets and the highly competitive landscape.

Penetration in the U.S. and Canada is still low - Significant room for expansion and growth in the relatively nascent online gambling market across North America.

Market Share Stability - The online gambling industry is beginning to see stabilization in market shares, with BetMGM maintaining a leading position among top operators.

High growth market
20% Underlying growth estimated going forward, excluding Canada

Loyalty reward
40 mn in the program, and with 5x higher ROI compared to obtaining new customers

Valuation and Scenario Analysis

75% Upside in Our Base DCF scenario

DCF – Valuation

Year	2024E	2025E	2026E
Revenue	17,885	18,007	18,726
y-o-y growth	4%	1%	4%
NOPAT	1,683	1,704	1,859
D&A	496	485	469
CAPEX	1,259	1,034	1,034
Change in NWC	449	(4)	(24)
Unlevered FCF	938	1,620	1,771

DCF Breakdown	
CoE	12%
CoD	7%
WACC	11%
TGR	2%
Implied EV	21,316
Cash	2,951
Debt	6,506
Equity Value	17,761
NOSH	317
Implied Share Price	56.0
Current Share Price	31.9
Upside/Downside	75%

EBIT - margin \ WACC	10.1%	10.6%	11.1%	11.6%	12.1%
56.0	10.1%	10.6%	11.1%	11.6%	12.1%
13.1%	45.1	51.9	53.3	54.6	56.0
13.6%	50.6	53.3	54.6	56.0	57.3
14.1%	51.9	54.0	56.0	58.7	60.0
14.6%	54.6	60.0	61.4	62.7	64.0
15.1%	58.7	65.4	66.7	68.1	69.4

Our valuation is based on a DCF – model using unlevered free cash flow generated for all the segments combined.

Currently trading at 2026 EV/EBITDA: **11.4x**
Our target 2026 EV/EBITDA: **14.1x**

Bull Case

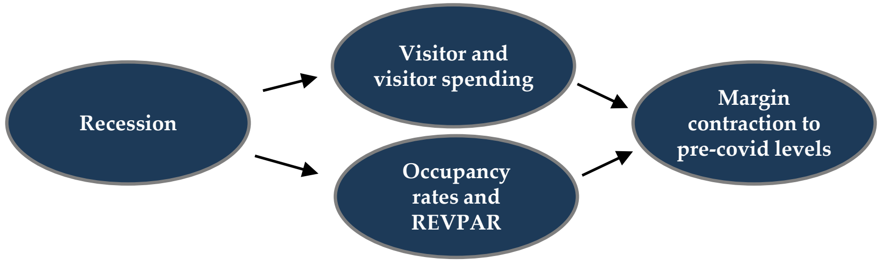
The current forecast suggests that Las Vegas is expected to experience declining visitor and attendance volumes, which is accounted for in the base case. In a scenario where events and MGM's shift toward more premium assets have a greater impact on RevPAR and occupancy rates than anticipated, MGM is positioned to see further growth on the Strip. In a bull scenario, an annual growth rate of 3% is modelled, and incorporating this into our DCF model, we estimate an 84% upside.

Year	2024E	2025E	2026E
Revenue	18,330	19,077	19,828
y-o-y growth	6%	4%	4%
NOPAT	1,781	1,938	2,101
D&A	496	485	469
CAPEX	1,259	1,034	1,034
Change in NWC	434	(25)	(25)
Unlevered FCF	1,051	1,876	2,013

Bear Case

We see significant upside potential with ample downside protection, with a downside risk of 25% in a bear case due to the already low valuation, strong fundamentals, and the free cash flow generated by MGM

The downside is realized in the case of a margin contraction in a recession, which would bring the gross margins to pre-covid levels of approximately 40% directly with an estimated 10% decline 2 years forward in revenue and a high fixed cost base.



Valuation and Scenario Analysis

Peer Valuation shows a significant discrepancy

Peer – Valuation

mm USD		Market Data			Financial Data				Valuation		
Company Name	Ticker	Market Capitalization	Net debt	Enterprise Value	LTM Total Revenue	LTM EBITDA	LTM EBITDA Margin	LTM ROE	EV/EBITDA NTM	EV/EBITDA 2026E	EV/EBITDA 2027E
1P Comps											
Caesars Entertainment	CZR	7,027	26,279	32,710	11,520	4,116	34%	(6%)	9.0x	8.0x	8.0x
Las Vegas Sands	LVS	37,179	4,208	47,204	10,372	5,411	41%	45%	10.0x	9.0x	9.0x
Wynn Resorts	WYNN	9,611	2,407	19,827	6,531	2,456	33%	(5%)	10.0x	8.0x	8.0x
2P Comps											
PENN Entertainment	PENN	2,719	834	13,198	6,393	1,962	27%	(16%)	8.0x	7.0x	6.0x
Red Rock Resorts	RRR	2,683	118	6,087	1,906	856	42%	110%	8.0x	7.0x	7.0x
3P Comps											
DraftKing	DKNG	19,213	878	19,678	14,289	1,481	20%	(44%)	32.0x	21.0x	13.0x
Flutter Entertainment	FLUT	46,528	3,510	52,369	13,569	4,139	23%	(7%)	18.0x	16.0x	10.0x
Average		**17,851**	**5,462**	**27,296**	**9,226**	**2,917**	**31%**	**11%**	**13.6x**	**10.9x**	**8.7x**
Median		**9,611**	**2,407**	**19,827**	**10,372**	**2,456**	**33%**	**(6%)**	**10.0x**	**8.0x**	**8.0x**
MGM resorts international	MGM	9,956	6,600	13,656	17,624	5,047	29%	29%	3.8x	3.5x	3.3x

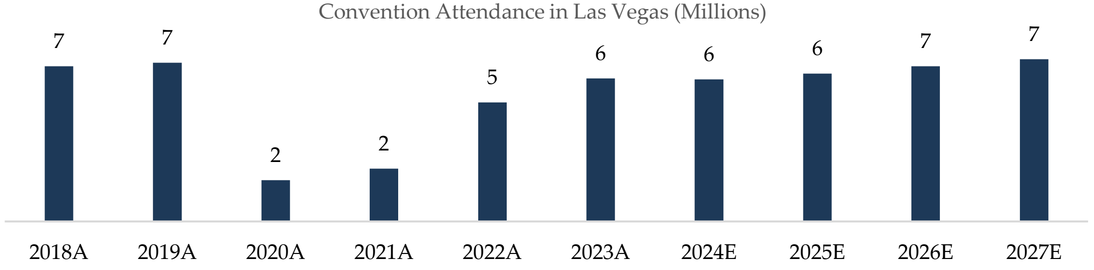
Key Risks and Catalyst

Largest risks are concentrated in international business.

Risk: Las Vegas

The biggest risks regarding Las Vegas is a decline in visitors, declining convention attendance and declining room occupancy.

- **Mitigant 1**: With entertainment rebounding and the megaevent Superbowl taking place in Las Vegas in 2025 showcases further support that the risk of a recession and declining visitations is largely overstated.
- **Mitigant 2**: The shift towards more luxurious resorts has permanently elevated the room occupancy rate.



Risk: Uncertainty in BetMGM

- **Regulatory Uncertainty:** Delays in the legalization of online betting in key states (California, Texas, Florida) reduce the immediate addressable market size, pushing revenue growth opportunities further into the future.
- **Intense Competition:** Aggressive market entrants like DraftKings and FanDuel are driving up customer acquisition costs, requiring BetMGM to sustain elevated promotional spending to maintain market share.

Mitigation: BetMGM's lower CAC through its MGM Rewards integration and focus on long-term customer lifetime value provides a buffer against margin pressures, ensuring profitability even in a competitive landscape.

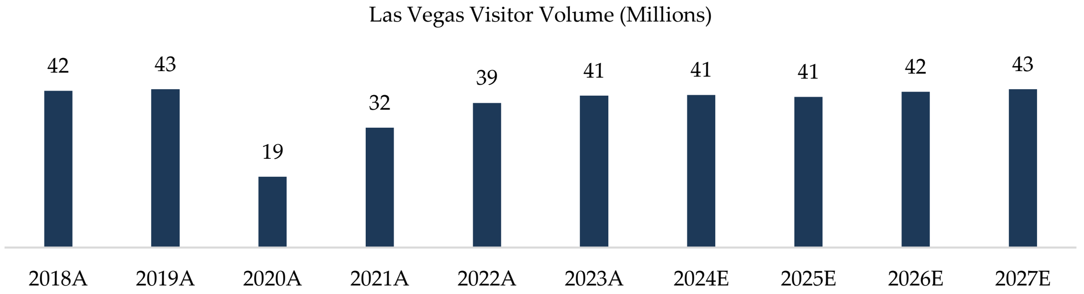
Risk: Regulatory and Policy Risks in MGMChina

"The future of Macau's gaming industry hinges on regulatory reforms and diversification efforts mandated by the government, requiring operators to align with non-gaming investment strategies."
– Macau Business Journal

- **Leveraging Cotai Development:** MGM China's expanded presence in the Cotai district emphasizes integrated resorts with non-gaming features like luxury hotels, dining, and events, directly addressing government diversification objectives and attracting a broader customer base.
- **Mass Market Focus:** A strategic pivot to premium mass market segments reduces dependence on the more volatile VIP sector.
- **Collaboration with Regulators:** Proactive engagement with local authorities ensures compliance and positions MGM as a key contributor to Macau's long-term development goals.

Catalyst: Las Vegas resilience

- Our estimates indicate a slight decline in top-line performance, primarily driven by a temporary decrease in table GGR, likely due to transient market factors. However, we view this as a short-term setback, with recovery expected as gaming activity stabilizes and visitation trends improve.
- At the same time, a strong catalyst emerges with margins remaining resilient, supported by higher-than-expected occupancy rates and robust demand for premium experiences.



Management

Experienced and heavily incentivized management

MGM resorts international key executives

William J. Hornbuckle
CEO & President

Years at MGM: 26
Industry Experience: 40 years
Shares: 675,299

Steven J. Zanella
President MGM resorts

Years at MGM: 30
Industry Experience: 30 years
Shares:N/A

Corey Sanders
COO

Years at MGM: 29
Industry Experience: 30
Shares: 321,595

Bary Diller
Director

Years at MGM: 4
Industry Experience: 30

Jonathan Halkyard
CFO

Years at MGM: 3
Industry Experience: 20
Shares: 57,948

Paul Salem
Chairman of the Board

Years at MGM: 6
Industry Experience:
Shares: 1,702,500

Management Overview

- Management Maintains a **Long-Term Focus, Leveraging Opportunities** When Necessary Without Focusing on Short-Term Gains
- Shareholder-Focused **with Strong Insider Ownership**, **Aggressive Stock Buybacks**, and High Insider Transactions
- Sell High, Buy Low – Recent Acquisitions and Dispositions **Reflect a Strategy of Selling Properties at High Valuations and Acquiring at Low Valuations**

Disciplined Capital Allocation to Maximize Sharehodler Value

- Paul Salem and William Hornbuckle were appointed 2020 as Chairman respectively CEO in 2020 and have since then bought back 40% of the shares outstanding
- " While we continue to be focused on improving our financial position and returning capital to shareholders, we are also dedicated to capitalizing on strategic development or initiatives."

- William J. Hornbuckle

Shareholder Alignment

- Executive ownership guidelines improved in 2021 to:
- 6x for the CEO
- 3x for Executive Officers

Core focus

*"**This year, through today, we also returned capital to shareholders by purchasing over 28 million shares for $1.2 billion.** We're currently* trading at 30% higher *than our average weighted cost of shares since the program resumed in early 2021, yet our valuation remains very attractive. In our earnings presentation posted this afternoon, I revisited our adjusted EBITDA multiple at current trading levels. Using consensus valuation estimates for our share of BetMGM and the current market value of MGM China, we're trading at five times trailing adjusted EBITDA."*

*- **William J. Hornbuckle***

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