

Genting Malaysia

New York, New York

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The New York Gaming Facility Location Board has approved all three full-casino licenses, including Resorts World New York City (RWNYC). The state's Gaming Commission is now expected to formally issue the licenses by end of this month. RWNYC is expected to offer live table games in July 2026, possibly earlier. Separately, Genting Berhad's (Not Rated) holding in GENM has risen to 73% after closure of its Mandatory General Offer yesterday; thus, GENM's listing status looks set to stay intact. We had expected this win and factored in RM1.00 per share valuation from this win into our TP; hence, we are maintaining our FY25-26F forecasts, TP of RM3.00 and OUTPERFORM rating.

New York State (NYS) gaming market has room to grow. Among US states, NYS annual GDP of USD2.3t is the third highest. Yet, its gross gaming revenue (GGR) is below neighbouring Pennsylvania and New Jersey which have physical casinos just two hours from New York City (NYC) – e.g Bethlehem (Pennsylvania) and Atlantic City (New Jersey). Interestingly, the combined GDP of NYS, Pennsylvania and New Jersey is comparable (96%) to the aggregated GDP of California and Nevada but the GGR of California and Nevada is >30% higher which suggests that NYS gaming market has potential to expand further.

NYC full-service casino license. Within NYS, NYC is the economic hub, generating over half of NYS overall GDP. If NYC was a separate state, its USD1.3t annual GDP would be the 4th highest in the US. Although NYS legalised casinos in 2001, live table games were permitted only in 2013 (vs. 1978 in New Jersey and 2010 in Pennsylvania) and only seven such casinos were allowed - four in upstate NYS (eg RW Catskill) and three in downstate NYC. RWNYC just clinched one of these three NYC full-service casino licenses along with Hard Rock Metropolitan Park (HRMP) and Bally's Bronx (BB).

RWNYC to be the sole full-service NYC casino for 3-4 years. On 15 Oct, MGM Resorts (MGM), the other incumbent and a bid favourite unexpectedly pulled out. It will still offer Video Lottery Terminals (VLTs) at its Yonker's Empire City Casino but not live table games, live casino table can gross 9x-12x more than a VLT based on past NYS and Nevada gaming data. The other winners, HRMP and BB, are greenfield projects hence their casinos are expected to open only around 2030. Until then, RWNYC will be NYC only full-service casino. Already, RWNYC has already cleared space and personnels trained and licensed for table games at RW Catskill which operates one of the four full-service casinos in upstate NY.

Strategic position. Despite offering only VLTs, RWNYC ranks among the most successful commercial casinos in US outside of Nevada state. With this new license, RWNYC plans to have 200 live tables come Jul 2026 (potentially earlier, in Mar/Apr), another 200 in early 2027 with all 800 tables and 6,000 slots by 1QCY29. NYC gamers who drive or take casino buses to Philadelphia, New Jersey or Connecticut for live table games will be RWNYC early targets. Sitting on 73 acres adjacent to John F. Kennedy International Airport, travellers will be next; hence more hotel rooms (from 400 to 2,000 keys), dining options and entertainment venues will be added. RWNYC hopes to bring in 11m-15m visitors a year.

OUTPERFORM ↔

Price: RM2.35
Target Price: RM3.00 ↔

Share Price Performance



KLCI	1,624.57
YTD KLCI chg	-1.1%
YTD stock price chg	4.0%

Stock Information

Shariah Compliant	No
Bloomberg Ticker	GENM MK EQUITY
Market Cap (RM m)	13,319.2
Shares Outstanding	5,667.7
52-week range (H)	2.48
52-week range (L)	1.46
3-mth avg daily vol:	21,385,050
Free Float	35%
Beta	0.8

Major Shareholders

Genting Bhd	64.1%
Vanguard Group Inc	1.8%
AIA Bhd	1.3%

Summary Earnings Table

FYE Dec (RM m)	2024A	2025F	2026F
Turnover	10,912	12,059	13,751
EBIT	1,670	2,034	2,352
PBT	487	1,092	1,304
Net Profit (NP)	251	537	968
Core Net profit	632	626	718
Consensus (NP)	-	681	714
Earnings Revision (%)	-	-	-
EPS (sen)	10.7	10.6	12.1
EPS Growth (%)	55.9	-1.0	14.8
NDPS (sen)	10.0	5.0	5.0
BV/Share (RM)	2.10	2.16	2.28
NTA/Share (RM)	1.40	1.40	1.57
PER (x)	22.0	22.2	19.4
PBV (x)	1.12	1.09	1.03
Price/NTA (x)	1.68	1.68	1.50
Net Gearing (x)	0.82	0.84	0.83
Net Yield (%)	4.3	2.1	2.1

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Estimated capex of USD4b-USD5b. Our earlier estimated funding gap for the project was USD2-USD3b. However, following the exit of MGM Resorts from the bid, stronger earnings and cash flows from being NYC's only full-service casino until around 2030, the gap should narrow to around USD1-USD2b, or smaller. As such initial fear of substantial dilution is lowered. In any case, GENM also owns 15 acres of Miami land it nearly sold for USD1.2b, and 270m treasury shares worth USD100m-USD200m depending on the selling price. As parent, Genting Berhad, now holds 73% in GENM, GENM can also issue up to 10% of new shares without triggering a rights issue to raise another USD300m-USD400m.

No change to FY25-26 forecasts.

Maintain TP of RM3.00 and OUTPERFORM. We upgraded GENM to an OUTPERFORM and its TP from RM2.00 to RM3.00 last week (28 Nov 2025) on the back of a combination of:

- (a) Better underlying RW Genting outlook in view of Visit Malaysia Year in 2026.
- (b) More gaming machines in UK after gaming machine limits on older, smaller casinos were raised from 20 to 80 in July 2025.
- (c) Earnings boost from winning and running the only full-service casino in NYC for the coming 3-4 years.

Our TP of RM3.00 is based on: (a) 1.0x PBV which is still below the group's past 10-year PBV range of 1.1-1.2x, and (b) an estimated RM1.00 enhancement from RWNYP assuming no dilution from new GENM shares. There is also no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see Page 4).

Risks to our recommendation include: (i) non-renewal of licenses, (ii) unfavourable prize pay-out ratios, (iii) weak consumer spending amidst high inflation, and (iv) products perceived to be socially undesirable.

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Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★			
	Community Investment	★	★	★		
	Workers Safety & Wellbeing	★	★	★		
	Corporate Governance	★				
	Anti-Corruption Policy	★	★	★		
	Emissions Management	★	★	★		
SPECIFIC	Security Controls	★	★	★	★	
	Responsible Gaming	★	★			
	Digitalisation & Innovation	★	★	★		
	Cybersecurity/Data Privacy	★	★	★	★	
	Energy Efficiency	★	★	★		
	Legal & Regulatory Compliance	★	★	★		
OVERALL		★	★	★		

☆ denotes half-star
★ -10% discount to TP
★★ -5% discount to TP
★★★ TP unchanged
★★★★ +5% premium to TP
★★★★★ +10% premium to TP

Stock Ratings are defined as follows:**Stock Recommendations**

OUTPERFORM : A particular stock's Expected Total Return is MORE than 10%
MARKET PERFORM : A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
UNDERPERFORM : A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector's Expected Total Return is MORE than 10%
NEUTRAL : A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
UNDERWEIGHT : A particular sector's Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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