

27 February 2026

Genting Malaysia

Good FY25 But Even Better Days Ahead

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GENM FY25 core net profit (CNP) came in 8% below Kenanga, and 12% short of consensus, estimate. Geographically, RW Genting (RWG) saw soft 4Q earnings and so did US while UK had a robust quarter. More importantly, RWG's mass gaming market is making a comeback. Coupled with the new full-service casino license in New York City (NYC), stronger FY26-27F earnings can be expected. Maintain FY26F core EPS (CEPS) of 12.1 sen and introduced FY27F CEPS of 14.5 sen. Also left unchanged is our TP of RM3.00 and OUTPERFORM recommendation.

FY25. Excluding non-operating expenses (RM161m), FY25 CNP after FX of RM575m rose 11% YoY but still came in below Kenanga and consensus estimates. RWG saw stable footfall with early returns of mass gaming crowd but has yet translate into higher gaming volume. US EBITDA rose from the consolidation of Empire Resorts Inc effective May 2025. UK, however, saw stronger earnings following the acquisition of Stratford Casino but also the addition of more gaming machines following regulatory relaxation in July 2025.

4QFY25. GENM's final quarter saw CNP after FX of RM114m versus losses in 3Q and 4Q of last year, thanks largely to a reversal of over paid taxes (RM82m) in 4QFY25. Otherwise, RWG's earnings fell 38% QoQ and down 21% YoY due to an estimated RM70m in lumpy back-payment of salaries following a new collective agreement and fire station upgrade.

Net debt rose from RM11.2b in 3QFY25 to RM11.3b (97% net gearing) due to capex for the new RWNYC casino which should commence in mid-FY26. A 4QFY25 dividend of 7.0 sen was declared which exceeded our expectation of 5.0 sen.

Overseas gaming to grow over FY26-27. In Dec 2025, GENM won one of three casino licences allowing live table games in in NY City (some NY State casinos do offer live games but only video lottery terminals (VLTs) are permitted by NY City thus far). As the other winners are new with 3-5 years needed to open their facilities, RW New York City (RWNYC) will essentially be a temporary monopoly when it rolls out 200 live tables come mid-2026, another 200 in early 2027 with all 800 tables and 6,000 slots by 2029. Based on historic gaming data from NY State and Nevada, table games can gross 6-12 times more than VLTs; hence, RWNYC's gross gaming revenue is expected to grow from USD1b to USD3b.

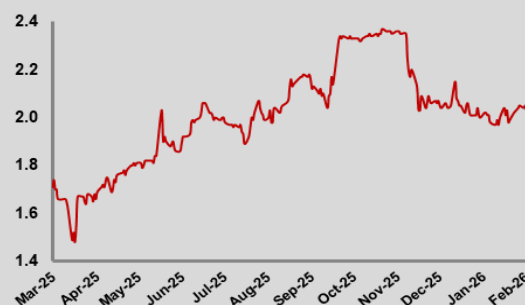
Meanwhile since July 2025, more gaming machines is allowed in smaller UK casinos, online gaming tax will increase significantly (from 21% to 40%) come 1 Apr 2026 and the development of a 3-storey casino in the heart of London's Picadilly Circus should increase earnings over the coming 2-3 years.

But, RWG set to stay the main contributor. Stronger FY26-27 earnings are expected, underpinned by the improving domestic economy and growing footfall to the hilltop. Visit Malaysia 2026 (VM26) should help as Malaysia targets to draw 36m in tourist arrival from the campaign (vs. 27m in 2025).

OUTPERFORM ↔

Price : **RM2.03**
Target Price : **RM3.00** ↔

Share Price Performance



KLCI	1,740.94
YTD KLCI chg	3.6%
YTD stock price chg	-0.5%

Stock Information

Shariah Compliant	No
Bloomberg Ticker	GENM MK EQUITY
Market Cap (RM m)	11,505.5
Shares Outstanding	5,667.7
52-week range (H)	2.39
52-week range (L)	1.46
3-mth avg daily vol:	6,989,994
Free Float	26%
Beta	0.6

Major Shareholders

Genting Bhd	73.8%
Vanguard Group Inc	1.8%
AIA Bhd	1.3%

Summary Earnings Table

FYE Dec (RM m)	2025A	2026F	2027F
Turnover	11,884	12,829	14,327
EBIT	1,983	2,007	2,528
PBT	985	969	1,093
Net Profit (NP)	755	718	856
Core Net profit	575	718	856
Consensus (NP)	652	749	916
Earnings Revision (%)	-	-	NEW
EPS (sen)	9.7	12.1	14.5
EPS Growth (%)	-9.0	24.9	19.1
NDPS (sen)	7.0	7.0	7.0
BV/Share (RM)	2.13	2.19	2.27
NTA/Share (RM)	1.40	1.53	1.68
PER (x)	20.9	16.7	14.0
PBV (x)	0.95	0.93	0.89
Price/NTA (x)	1.45	1.33	1.21
Net Gearing (x)	0.84	0.83	0.82
Net Yield (%)	3.4	3.4	3.4

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Estimated capex of USD4-5b at RWNYC. The plan is to spend USD1b on about 400 live tables and 4,000 machines (vs. 1,200 in FY25) by end FY26 with the intention of expanding EBITDA from around USD120m to USD200-300m by FY27 so as to allow RWNYC to fund the project by itself as much as possible. Our assessment suggest it is tight but doable, with a lot hinging on RWNYC succeeding in retaining NY customers who currently frequent casinos in neighbouring states with live games. As such, the risk of dilution or a cash call may be lower than earlier perceived. In any case, GENM owns 15 acres in Miami which was nearly sold for USD1.2b. Genting Berhad which now owns 73% in GENM can also afford to be diluted down a little which gives GENM the flexibility to places out treasury shares (USD100-200m depending on price) or issue up to 10% of new shares (USD100-200m) without triggering a rights issue.

Forecasts. No change to forecasts.

Valuation: 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 1.1-1.2 times and (b) an estimated RM1.00 enhancement from RWNYC 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).

Maintain **OUTPERFORM** as we find the risk-reward is now much more attractive following MGM Resorts' exit from NYC casino contest thus paving way for RWNYC to win and operate the sole full-service casino in NYC for 3-4 years.

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.

Income Statement								
FYE Dec (RM m)	4Q25	3Q25	QoQ %	4Q24	YoY %	FY25	FY24	YoY %
Turnover	3,012.8	3,357.8	-10%	2,728.3	+10%	11,884	10,912	+9%
EBITDA	692.7	838.1	-17%	180.6	+284%	3,297.6	2,910.4	+13%
Depreciation	(366.8)	(338.5)	+8%	(309.5)	+19%	(1,315)	(1,240)	+6%
EBIT	325.9	499.6	-35%	(128.9)	-353%	1,983.0	1,670.0	+19%
Interest & other incomes	16.0	17.8	-10%	24.5	-35%	102.2	120.8	-15%
Interest expense	(228.1)	(219.9)	+4%	(164.6)	+39%	(828.2)	(691.0)	+20%
Associates	(0.7)	(0.7)	+1%	(60.8)	-99%	(111.3)	(232.4)	-52%
Exceptional items	(72.4)	(39.9)	+81%	(38.6)	+88%	(160.8)	(380.8)	-58%
Pretax profit	40.7	256.9	-84%	(368.1)	-111%	984.8	486.7	+102%
Taxation	82.2	(159.2)	-152%	(117.4)	-170%	(314.2)	(324.6)	-3%
Profit after tax	122.9	97.6	+26%	(485.6)	-125%	670.6	162.1	+314%
Minority interest	22.7	22.1	+3%	27.7	-18%	84.1	89.1	-6%
Net profit	145.6	119.7	+22%	(457.9)	-132%	754.6	251.3	+200%
Core net profit (CNP)	218.0	159.6	+37%	(419.3)	-152%	915.4	632.1	+45%
Unrealised FX	(104.3)	(350.6)	-70%	357.6	-129%	(340.2)	(113.1)	+201%
CNP less unrealised FX	113.7	(191.0)	-160%	(61.7)	-284%	575.2	518.9	+11%
EPS (sen)	2.6	2.1	+22%	(8.1)	-132%	13.3	4.4	+200%
Core EPS (sen)	3.8	2.8	+37%	(7.4)	-152%	16.2	11.2	+45%
DPS (sen)	7.0	-	N.A.	4.0	+75%	7.0	10	-30%
NTA/share (RM)	1.27	1.19	+7%	7%	+1820%	1.27	27%	+376%
EBITDA margin	23%	25%		7%		28%	27%	
EBIT margin	11%	15%		-32%		17%	67%	
Pretax margin	1%	8%		-13%		8%	4%	
Effective tax rate	-202%	62%		-32%		32%	67%	

Source: Company

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Segmental Breakdown								
Segmental Breakdown	4Q25	3Q25	QoQ %	4Q24	YoY %	FY25	FY24	YoY %
LH - Malaysia	1,733.8	1,995.7	-13%	1,778.3	-3%	7,133.5	6,823.0	+5%
UK & Egypt	523.0	546.6	-4%	446.4	+17%	1,994.2	1,895.6	+5%
USA & Bahamas	714.4	774.3	-8%	461.7	+55%	2,566.0	1,980.1	+30%
Properties	25.1	22.3	+13%	23.4	+7%	94.1	93.6	+1%
Investment & others	16.5	18.9	-13%	18.5	-11%	96.5	119.5	-19%
Group revenue	3,012.8	3,357.8	-10%	2,728.3	+10%	11,884	10,912	+9%
Segment result:								
LH - Malaysia	386.8	627.4	-38%	490.4	-21%	2,138.7	2,092.2	+2%
UK & Egypt	110.1	86.3	+28%	55.2	+99%	322.1	297.9	+8%
USA & Bahamas	83.8	151.2	-45%	75.9	+10%	472.4	530.2	-11%
Properties	2.5	1.8	+39%	(6.4)	-139%	15.7	8.2	+91%
Investment & others	109.5	(28.6)	-483%	(434.5)	+>100%	348.7	(18.1)	-2027%
Group Adjusted EBITDA	692.7	838.1	-17%	180.6	+284%	3,297.6	2,910.4	+13%
Adjusted EBITDA margin:								
LH - Malaysia	22%	31%		28%		30%	31%	
UK & Egypt	21%	16%		12%		16%	16%	
USA & Bahamas	12%	20%		16%		18%	27%	
Properties	10%	8%		-27%		17%	9%	
Investment & others	664%	-151%		-2349%		361%	-15%	
Group EBITDA margin	23%	25%		7%		28%	27%	

Source: Company

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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