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## Genting Malaysia

### New York City's First Live Casino Opens

By Khoo Teng Chuan | [khootc@kenanga.com.my](mailto:khootc@kenanga.com.my)

Resorts World New York City (RWNYC) has opened New York State's first full-service casino two months ahead of official target. It will allow RWNYC to serve local gamers who have been travelling to neighbouring jurisdictions in search of live games. Nevertheless, the President of RWNYC had already hinted of possibly hosting live games as early as Mar/Apr. Maintain FY26F-FY27F earnings, TP of RM3.00 and our OUTPERFORM call.

**New York State (NYS) gaming market.** Despite being among the three richest states in the US, NYS's gross gaming revenue (GGR) trails neighbouring states at half its GDP. A reason is NYS gamers are prepared to travel an hour or two to visit casinos with live games in Pennsylvania, New Jersey and Connecticut. NYC also has a larger Asian community than San Francisco and Los Angeles.

**NYC's only full-service casino.** Though three NYC full-service casino licenses were awarded, RWNYC is the only one with existing gaming operations in NYC. Hence, as the other two projects have to seek planning approvals, raise funds, construct the premises, recruit and train personnels, RWNYC has started with 242 live tables and 2,507 slots and plans to double its live tables and slots by end of this year. RWNYC hopes to draw 11m-15m visitors annually by: (a) retaining NYS gamers who frequent live casinos in neighbouring states, (b) travellers using John F. Kennedy International Airport which is adjacent to RWNYC, and (c) targeting new local and foreign patrons.

**USD4.5b capex.** RWNYC aims to double its existing gaming area to 0.5m sf, expand hotel rooms from 400 to nearly 2,000 and almost 2m sf of entertainment, dining, retail and convention space by 2029. By FY27, RWNYC should be able to double its annual EBITDA to USD200m-USD250m and to reach USD300m-USD400m over FY29-30. Hence RWNYC's cashflows should be able to support USD1-USD2b of debts.

**GENM can raise another USD1b-USD2b.** Meanwhile, GENM can raise USD1-USD2b as well from: (a) 15 acres in Miami which was almost sold for USD1-1.5b, (b) 270m of treasury shares which can be raised about USD135m if sold, and (c) issue of up to 10% of new shares without triggering a rights issue to raise another USD300m. As such, our earlier estimated funding gap of USD2-USD3b for the project should fall to USD1b-USD2b.

**GENM's operations in Malaysia and UK should improve.** Resorts World Genting, GENM's main profit driver, which has seen earnings recovering should fare better over FY26-27. Despite drops in Middle Eastern visitors, overall visitor arrivals to Malaysia in 1QCY26 is still up 5% YoY, thanks in part to Visit Malaysia 2026. The group's UK casino is also set to grow over FY26-FY27 after older, smaller casinos were allowed to raise casino machines from 20 to 80 since July 2025.

**Maintain FY26-27 forecasts, TP of RM3.00 and OUTPERFORM.** Our TP of RM3.00 is based on: (a) 1.0x PBV which remains below past 10-year range of 1.1-1.2x, and (b) a RM1.00 enhancement from RWNYC assuming no dilution from new share issuance by GENM. No TP adjustment for its 3-star ESG rating as appraised by us (see page 2).

**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.

**OUTPERFORM** ↔

Price: **RM1.98**  
Target Price: **RM3.00** ↔

#### Share Price Performance



KLCI 1,722.02  
YTD KLCI chg 2.5%  
YTD stock price chg -2.9%

#### Stock Information

Shariah Compliant	No
Bloomberg Ticker	GENM MK EQUITY
Market Cap (RM m)	11,222.1
Shares Outstanding	5,667.7
52-week range (H)	2.39
52-week range (L)	1.65
3-mth avg daily vol:	2,961,045
Free Float	26%
Beta	0.6

#### Major Shareholders

Genting Bhd	73.9%
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
<b>Net Profit (NP)</b>	<b>755</b>	<b>718</b>	<b>856</b>
<b>Core Net profit</b>	<b>575</b>	<b>718</b>	<b>856</b>
Consensus (NP)	-	676	844
Earnings Revision (%)	-	-	-
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)	20.4	16.3	13.7
PBV (x)	0.93	0.90	0.87
Price/NTA (x)	1.41	1.30	1.18
Net Gearing (x)	0.84	0.83	0.82
Net Yield (%)	3.5	3.5	3.5

**Stock ESG Ratings:**

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

☆ 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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**KENANGA INVESTMENT BANK BERHAD (15678-H)**  
 Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia  
 Telephone: (603) 2172 0880 Website: [www.kenanga.com.my](http://www.kenanga.com.my) E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)

