

Melco Resorts & Entertainment Limited (2025 Q2 Earnings)

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Corporate Speakers:

- Lawrence Ho; Chairman and CEO; Melco Resorts & Entertainment Limited
- Evan Winkler; Board Director and President; Melco Resorts & Entertainment Limited
- Geoffrey Davis; Executive Vice President, Chief Financial Officer; Melco Resorts & Entertainment Limited
- Geoff Andres; Property President; City of Dreams Manila
- Jeanny Kim; Senior Vice President, Group Treasurer; Melco Resorts & Entertainment Limited

Participants:

- George Choi; Analyst; Citi
- Ricardo Chinchilla; Analyst; Deutsche Bank
- Joe Stauff; Senior Equity Research Analyst; Susquehanna International Group
- John DeCree; Director Equity Research; CBRE Capital Advisors
- Vitaly Umansky; Senior Analyst, Global Gaming; Seaport Research Partners
- Praveen Choudhary; Managing Director, Head of Asian Gaming, HK & India Property, Conglomerates Research; Morgan Stanley

PRESENTATION

Operator: Ladies and gentlemen, thank you for participating in the Second Quarter 2025 Earnings Conference Call of Melco Resorts and Entertainment Limited. (Operator Instructions). Today's conference is being recorded. I would now like to turn the call over to Ms. Jeanny Kim, Senior Vice President, Group Treasurer of Melco Resorts and Entertainment Limited.

Jeanny Kim: Thank you, Operator. And thank you everyone for joining us today for our Second Quarter 2025 Earnings Call. On the call are Lawrence Ho, Geoff Davis, Evan Winkler and our property presidents in Macau, Manila, and Cypress.

Before we get started, please note that today's discussion may contain forward looking statements made under the safe harbor provision of federal securities laws. Our actual results could differ from our anticipated results. In addition, we may discuss non-GAAP measures.

A definition and reconciliation of each of these measures to the most comparable GAAP financial measures are included in the earnings release. Finally, please note that our supplementary earnings slides are posted on our investor relations website. With that, I'll now turn the call over to Mr. Lawrence Ho.

Lawrence Ho: Thank you, Jeanny, and thank you all for joining us today. We achieved a strong set of results for the second quarter of 2025 in Macau. Macau property EBITDA grew by 35% year over year and 13% quarter to quarter. Gaming volumes and revenues were up with mass table games revenue at both City of Dreams and Studio City reaching all time highs.

OpEx was further refined, leading to increased margins while sustaining our market share in a very competitive environment. House of Dancing Water reopened in May with a refreshed storyline and enhanced visuals incorporating a variety of new technologies. We've had great feedback with occupancy of the theater at an average of around 98% since the opening, contributing to growing nongaming revenue and visitation into Macau. Visitation to COD Macau increased 31% year on year over the second quarter. Average daily property visitation to our Macau properties has continued to grow, reaching record levels in July.

We are continuing to work on a number of additional initiatives in Macau to drive traffic and revenue. We have started the renovation of the main entrance to City of Dreams which will increase visibility and accessibility to the property. We are finalizing plans for the full renovation of the Countdown Hotel which we currently plan to open in the third quarter of 2026. The hotel will be newly branded with approximately 150 high end luxury suites and an average room size in excess of 1,000 square feet. We believe the concept we have for this hotel will bring a one of a kind experience to Macau and add to the high end luxury hotel portfolio that we have at City of Dreams.

Additionally, we continue to implement enhancements in our gaming areas across our Macau properties to broaden our service and product offerings and elevate the gaming experience for our premium mass customers.

In the Philippines, the heightened competitive environment continued to impact performance in the second quarter of 2025. In response, we have implemented various cost reduction initiatives, including rationalization of our patron reinvestment and marketing expenses. We are already seeing the results of these initiatives with higher profitability along with a recovery in gaming revenue in July. The strategic review that we had previously announced is continuing and we will provide updates when we are able to do so.

In Cyprus, City of Dreams Mediterranean and the satellite casinos were impacted by the Iran-Israel war in June. However, recovery has been faster than expected and GGR has now surpassed pre-war levels. Based on our forward bookings for the remainder of the summer, we're cautiously optimistic that the property can deliver strong results over the remainder of the peak season.

And finally, we're very excited to open City of Dreams Sri Lanka tomorrow, August 1. City of Dreams Sri Lanka is the first integrated resort in Sri Lanka and in South Asia, catering to the premium segment of the Indian customer base. We look forward to the new opportunities that this brings. With that, I'll turn the call over to Geoff.

Geoffrey Davis: Thanks, Lawrence. Our group wide adjusted property EBITDA for the second quarter of 2025 grew 25% year over year to approximately 378 million. Adjusted for VIP hold, our property EBITDA was approximately 354 million. Favorable win rates at COD Macau had a positive impact on our property EBITDA by approximately 31 million. While an unfavorable win rate at COD Manila had a negative impact of approximately 7 million.

In the prior quarter we had guided that our OpEx target for Macau was to exit the second quarter at 3 million per day, excluding House of Dancing Water and the residency concerts. We were able to outperform our earlier expectations and reduced OpEx down to approximately 3 million per day for the entirety of the second quarter. OpEx for House of Dancing Water was approximately 0.1 million per day, as previously mentioned.

We saw solid flow through in the quarter with an increase in revenue and a reduction in costs. Our Macau property EBITDA margin reached 29.2% in the second quarter of 2025, the second highest on record. We are focused on remaining disciplined on cost as our business continues to grow.

Turning to our balance sheet, our liquidity position remains robust. We had available liquidity of 2.3 billion with consolidated cash on hand of approximately 1.2 billion as of the end of the second quarter of 2025. Melco, excluding its operations at Studio City, the Philippines and Cyprus, accounted for approximately 644 million of the consolidated cash on hand.

We had two bond maturities over the last couple of months. 1 billion in June at Melco and 222 million in July at Studio City. Melco's bonds were refinanced with a drawdown from its RCF, while Studio City's bonds were refinanced with a combination of a drawdown from its RCF and approximately 50 million in available cash. The RCFs were drawn in Hong Kong dollars given today's low HIBOR rates. We locked in these rates with interest rate swaps, allowing us to refinance at lower interest rates than the bonds that matured. We expect to pay down more debt over the second half of 2025 with free cash flow from operations.

Over April and May, we repurchased approximately 120 million of Melco shares, taking advantage of the unique opportunity that the dislocation in the equity markets provided at the time. The average price of the repurchased shares in the second quarter was approximately \$5 per ADS.

We have always placed priority on increasing shareholder value, and although our primary objective remains debt reduction, we will continue to monitor market conditions as we balance our capital allocation objectives.

And a final note on our balance sheet for reference. As announced in June 2025, we will close Grand Dragon Casino and three Mocha clubs over the second half of this year. As a result, we recognized an impairment in goodwill of approximately 56 million in the

second quarter. We expect to continue operations of the 3 remaining Mocha clubs subject to the legal and regulatory requirements in Macau.

As we normally do, we'll give you some guidance on non operating line items for the upcoming third quarter of 2025. Total depreciation and amortization expense is expected to be approximately 135 to 140 million. Corporate expense is expected to come in at approximately 25 to 30 million and consolidated net interest expense is expected to be approximately 115 to 120 million. This includes finance liability interest of around \$6 million relating to fees payable in relation to the Macau Gaming Concession and the Cypress Gaming License and Finance Lease Interest of approximately 5 million relating to City of Dreams Manila.

That concludes our prepared remarks. Operator, over to you for the Q&A.

QUESTIONS AND ANSWERS

Operator: (Operator Instructions). Your first question comes from George Choi from Citi. Please go ahead.

George Choi: Thank you very much guys and congratulations on a very solid set of results. I have a couple questions if I may. Firstly, in your prepared remarks you said you're going to remodel the Countdown Hotel. I'm wondering if you guys are doing anything to your gaming areas at either COD or Studio City in the near term in light of new supplies by your competitors?

Lawrence Ho: Hey George, it's Lawrence. Maybe I'll start off and I'll hand it off to Evan and then also perhaps Tim to talk about COD. But over the last 18 months we've been improving our product and reinvesting in the customer experience. So that has been very -- I think it's, you know, it shows in our results.

So, you know, I think all the hard work that we put in in terms of improving that, so you know, as part of the Countdown, you know what used to be a 330 room hotel, we're really taking it down to 150 luxury suites.

And I think it's going to be a super unique product, doesn't exist anywhere in the world. So, we're very excited about that. But I think maybe I'll hand it off to, you know, there's a lot of work being done on the casino floor for us constantly. So, I think maybe I'll hand it off to Evan or Tim to elaborate.

Evan Winkler^ Sure I can, Lawrence. This is Evan, and I'll start and Tim can obviously join in. There's been a huge amount of work that's already been done this year, and a number of projects that are going to be completed here in this quarter and then throughout the end of the year. You'll probably recall we completed our new high limit slot space. We took our old high limit slots area and we've now converted that over to mass gaming.

Over the last weekend we took the last remaining section of that high limit slots gaming and we created a unique clubhouse experience for our premium players. That has three private salons in there, but it also has a golf simulator, a race simulator, ping pong, pool, darts, pinball, jukebox, some unique food and beverage offerings, and really a clubhouse environment for our players to enjoy, as part of that premium gamer experience. In the months ahead, we've got on the main gaming floor a new redemption lounge opening. We have a new F&B counter that's going to be opening before Golden Week. We have carpet being replaced throughout COD. We have new column treatments going throughout COD. If you've been by our property, you've seen that we've taken down the fountain and stairs on the south entrance. That's now going to be a new entry experience. That's going to allow much easier access into the property and much greater visibility into the property. And so we also have a number of new F&B concepts that we're going to be adding throughout the mall. So, that's just on COD.

At Studio City, we recently opened a new F&B offering for our Star Tower Gala to give customers a place not just for breakfast but to have an all day dining experience that's been well received. You probably saw prior to that that we had remodeled both lobby spaces. So now the star and celebrity lobbies have both been remodeled. We opened up a new food and beverage offering that's adjacent to our premium gaming space in the Epic Tower. And we're in the next few months going to get approval to sort of consolidate all that into a gaming space. So we're going to create more tables in a real premium customer environment in that unique casino experience that's just really geared at Epic and towards that premium mass. We've got a number of new F&B concepts. Bacha Coffee is coming in at the front of Studio City. We opened up Nickelodeon play space. We've got a unique concept on health where IRAD will be opening, which has a full hospital license. It's going to be doing imaging and medical procedures which have been requested by a number of our customers. So it's going to be something very unique within Macau. We've got a new concept coming in on the level two gourmet walk at Studio City. And then if you've been on the Studio City floor, I think you've also seen that we've really popped up the lighting almost everywhere. Along with new layouts, we've consolidated the LTG gaming space, improved the flows and improved the lighting throughout.

And then as was alluded to in the prepared remarks, we've got new electronic product and tables that are going to filter through the system here by year end. So you're going to see more product at the different IRs. So I think I probably gave the laundry list. I don't know if Kevin or Tim will start giving me the thumbs up. But I think the short answer is we are very focused on making sure we continue to offer a premium experience to our customers.

George Choi: Thank you very much. That's a very long list. I'm sure I'll have to spend a lot more, a longer time the next time I visited -- visit COD and Studio City. My second question, if I can, given the July momentum and whatever feasibility that you might have in August, do you expect your hold normalized EBITDA to improve sequentially?

Lawrence Ho: I think the market is doing very well and I think the strength that we saw, and really in the first half. We've had an excellent first half. So Q1, Q2 is, we see it in Q3 as well and that momentum. And I think at the end of the day, the Chinese economy stabilizing and people consuming more again. And so I think it sets us up for a great 3Q. I don't know if Geoff or Evan want to elaborate.

Evan Winkler: No, look, I think we feel very good. I think we've carried the momentum that we saw in June into July. I think the market feels good right now. You've obviously seen some comments from some of our competitors, that some people are modulating reinvestment.

Right now, I think based on where we are with our product and service, we feel very good about where we are and very good on expense discipline. So, if we sort of continue in the way that we feel that we can, I think we feel very, very good about Q3. Obviously don't have a crystal ball, but sitting here today, I think we all feel good about where we are.

George Choi: Thank you very much for your color. I'll jump back in the queue.

Operator: Thank you. Your next question comes from Ricardo Chinchilla from Deutsche Bank. Please go ahead.

Ricardo Chinchilla: Hey guys, thank you so much for taking the questions and congrats on this strong set of results. One of your competitors were mentioning that mid quarter they significantly increased reinvestment and they will continue to monitor the market given that they experienced some market share declines. Have you guys seen anything meaningfully in terms of the competitive nature of the market or is it just business as usual?

Lawrence Ho: Hey, Ricardo. It's Lawrence. Maybe I'll just answer and hand it off to Evan. Macau is always going to be competitive and we see competitors trying to grab share here and there. But I think the most important thing, I think the competitor you're referring to has really been, have under, you know, reinvested in the market previously and it's now doing it. But at the same time, we, you know, at Melco, we want to compete on product and services.

So, you know, I think the, what we have done at City of Dreams in terms of the luxury experience with the hotels and now House of Dancing Water and the food and beverage, that stands on its own. So, you know, we don't necessarily need to match or compete on who has the best deal out there and equally at Studio City in terms of the family attractions and other fun attractions. Again, it's a differentiated product. So again we don't have to be the most aggressive or give the best deal in the market. So, I think that is an area we'll continue to lean in on. I don't know if --

Evan Winkler: No. I think Lawrence said it well. Obviously we hear the same statement you're hearing. When one of the large operators makes a statement like that, you want to

make sure you're monitoring what's going on. I think where we're sitting here today and what we've been doing over the last month is not any different than what we were doing through Q2.

We continue to titrate our programs, we continue to look at it every week, but we pretty much been business as usual. We're going to continue to look at it. If a bunch of other people followed suit, if something dramatically changed in the market, I think we would adjust. But based on what we're seeing right now, I think we're continuing with our current strategy.

Ricardo Chinchilla: Got it. That's great color. As my follow up, I know that you guys have done a fantastic job with regards to managing expenses, particularly in Macau. So, I was curious if you guys see an opportunity for further optimization of the expense base or if you guys, given that you're making some change (inaudible) in foot traffic are feeling comfortable with increasing perhaps: in the short term a little bit of dollars just to provide additional services to the consumer and then bring it close to that, you know, 3 million per day that you guys referenced before?

Geoffrey Davis: This is Geoff. So, I think simply put, the 3 million per day of OpEx I think that is a good number going into the third quarter. But you know, maybe Evan has some additional color on --

Evan Winkler: No, I think we feel good about where the expense base is. That's not to say that we don't -- Tim and Kevin are looking at me because obviously we spend all day, every day looking for ways that we can optimize and improve. But I think generally speaking, we've done a lot of that work and feel pretty good about where we are.

In terms of would we increase it going forward, I think we'd have to feel like we found an opportunity that we could really move market share and generate EBITDA. So, I don't have some plan right now where we would increase the expense load going forward.

I think three is a good number. But again, we're always watching the market. If we think there was something that we could do opportunistically, I think we'd go to Lawrence. We wouldn't be afraid to spend money in order to make money. But I think we feel pretty good about where we are right now.

Ricardo Chinchilla: Thank you so much for all the color.

Operator: Thank you. Your next question comes from Joe Stauff from Susquehanna. Please go ahead.

Joe Stauff: Thank you very much. Maybe just to build on that question about your Macau daily OpEx per day. I hear you on core, you did better in the quarter in terms of the all-in number, including House of Dancing Water and residencies. Is there any expectation, maybe in the third quarter, to bend or to reduce the two other components,

whether it be House of Dancing Water or residencies within, say, the all-in number above and beyond core?

And then the second question on that is you gave a very long list of all the new projects that you're working on, certainly makes sense in terms of your defense of on product, but wondering if that's going to create any construction disruption over the second half of the year.

Evan Winkler: Sure. Let me, I guess, on the first one, in terms of the overall expense number, and I'm assuming you're pointing towards residencies and House of Dancing Water. In terms of the residency program, that's trailed off. So, Aaron had his last show on Monday. So, for that component going forward, we do expect a reduction as that program has run off. We obviously will continue to have entertainment and concerts next year, but at a reduced level to what we've seen.

In terms of House of Dancing Water, that number is probably about the right run rate. So, we're starting to get things stabilized. We have very good take-up at occupancy. So, again, it should be an EBITDA contributor. But in terms of its portion in the expense base, that's probably not a bad number going forward.

In terms of all of the projects that we're doing on each of the properties, I probably gave you a list of ones that have already happened this year and ones that are going to be happening. Studio City, I would say, we're essentially behind all of that. In terms of COD, we've actually been pretty successful, I think, if you go to the property, on being able to hoard zone by zone to minimize any customer disruption.

Even the front entrance it's its own separate zone. It's not within the casino property. So, I do think we're able to do it with fairly limited impact in terms of a customer experience as we're getting all these things done. The team spent a lot of time looking at the pace in these projects. And so, again, I'm not concerned about any disruption that would come from construction over the next three to six months.

Joe Stauff: I appreciate that. And is there anything you can share with us, maybe at this point, on the advanced look of August activity in Macau?

Evan Winkler: I mean, I -- it's probably a little early to tell, again, we're -- that starts tomorrow. So, I think we're hoping that we're going to continue the momentum through, but a little bit early for us to be making a call on that.

Joe Stauff: Okay, fair enough. Thanks a lot. Nice quarter.

Evan Winkler: Thank you.

Operator: Thank you. Your next question comes from John DeCree from CBRE Capital Advisors. Please go ahead.

John DeCree: Hi, everyone. Maybe ask one question on Sri Lanka, which is opening tomorrow. Congratulations on that. Maybe Lawrence, can you give us a little bit of how you're thinking about performance there, the ramp, the time to ramp, expected returns? Obviously, it's a very new product in a new market, so a little bit tougher to hone in on. But any initial thoughts on what you're hoping or expecting would be helpful.

Lawrence Ho: Hey, John. We're very excited about Sri Lanka. We have looked at it for a number of years. And it is the first integrated resort in South Asia and also in Sri Lanka. I think there is going to be definitely a teething period because it's -- we're effectively creating a whole new industry. I think the current players there are really third-world type operators. So, I think it's a whole new paradigm shift. So, we're very excited about that.

For us it's really opening a new market in India as well. And so, I think we're similar to what we did with Cyprus, where it's grown into a very nice market in itself. It will take a little bit of time, but I think we're very excited about it. I don't know if Evan has any more color -- additional color, or Geoff?

Evan Winkler: Sure. I -- look, I think in this market, part of what attracted Lawrence to the market was the ability to bring really the IR model into a market where if you go there and look at what's there, it's not just standalone casino product, but it's a pretty antiquated standalone casino product with very limited offerings.

And so, what we've been able to create there, drafting off this amazing property that was built by our partner, John Keells, is really a true IR experience. And I think we believe over the medium term to long term, it's going to attract an entirely different customer base to come and experience that market.

We've got a big jump. We're looking at a good opening for this weekend. But in terms of the ramp going up, there is going to be an education process into that consumer base for them to understand the quality of what's there and why they want to make that trip. So, I do think it's going to be a ramp period before we really see the full potential.

John DeCree: Got it. That's exciting. Thanks, Lawrence and Evan. Maybe if I can ask one, I know there hasn't been too much discussion on this, and I appreciate satellite casino is a relatively small piece of the overall business in Macau. But with closures, ones you've announced and some others, how do you think about the market evolving to those customers find a new home? Any thoughts you have on that change that's coming this year?

Lawrence Ho: Okay. I think for us in Macau, we're quite excited about some of the satellite closures because I think gives -- it's an opportunity for Altira because other than the Cotai mega integrated resorts and some of the casinos on Macau Peninsula, Altira will be effectively the only game in Taipa. And we're closing three Mocha units as well. And so, we're equally enthusiastic about what we can do to optimize our gaming units by moving some of those gaming machines to City of Dreams and Studio City.

So, I think all in all, it will consolidate the business at the remaining casinos and integrated resorts. I think some of the satellites on the peninsula side, we'll see if we could try to draw some of them over to Taipa and Altira.

John DeCree: Great. Thanks, Lawrence. I really appreciate the color, guys.

Operator: Thank you. Your next question comes from Vitaly Umansky from Seaport Research Partners. Please go ahead.

Vitaly Umansky: Hey, guys, I wanted to follow up on the player reinvestment discussion we had a bit earlier. Just looking at the numbers, it seems like Studio City player reinvestment was relatively flat if we factor in volume changes, etc. But CoD, the numbers actually improved. They came down. I think the expectation would be that as the high end is driving growth in Q2 and now Q3, that that player reinvestment percentage of mass would fill up. That seems to have been the case for most of the Cotai properties at Sands and for MGM Cotai. You guys are an outlier, and I'm assuming once we see the other results, they'll be outliers as well.

I know Evan, you talked a little bit about what you guys are doing and how you're trying to differentiate, but it seems like a very divergent trend that you're seeing at CoD. Could you maybe elaborate as to what you're doing on player reinvestment that may be different? Is there a different methodology you're incorporating? Is it a different set of player investment initiatives that you have that's leading to this? Because that's a big part of the (inaudible) that you've seen this quarter.

Evan Winkler: Well, again, it's a little hard for us to comment on how we're doing it relative to others, because obviously, I'm not sitting with their teams. What I would say is we're trying to utilize our -- as we're getting better and better data out of Walker and better and better insight into the player, we're trying to be more strategic in terms of where we're putting those dollars to get the best bang for our buck. And so, we're trying to titrate it more carefully.

I think, again, we were able to bring it down pretty successfully. The market's dynamic. We're constantly titrating it. So, again, it'll bump up and down a little bit from where it is. But I think, again, we're trying to make sure we're rewarding the right folks who we think are really bringing in the contribution. And it's hard for me to comment on what we're doing different than the others, because I just -- I don't know exactly how they're portioning their spend.

Vitaly Umansky: Yes, that's fair. And maybe a second question, just broadly speaking, and we touched a little bit on this. But broadly speaking, the strength that we're seeing in June and July, it's largely been coming from a higher-end customer base. What do you think has changed in that player behavior? And correct me if I'm wrong on that. Maybe you're seeing something different.

Evan Winkler: Again, I don't know. But it depends on where you're cutting to the high end. But we are seeing, again, certainly at that middle but affluent tier, good volumes. I think what Lawrence said probably is a big part of the answer, which is a lot of the overhang in concern in China around global economy seems to have dissipated. And so, people who potentially were worrying about their own business or worrying about the global economic environment are both feeling a little more confident and a little more excited about traveling and spending again. And we're seeing the benefit of that.

Vitaly Umansky: Okay, thanks.

Operator: Thank you. The next question comes from Praveen Choudhary from Morgan Stanley. Please go ahead.

Praveen Choudhary: Thank you. Congratulations for a very good set of results. A couple of questions from me. Of course, the focus is on OpEx and competitive dynamics, where you've already answered all the questions. I have two questions, one on Philippines, and another on House of Dancing Water. Both are, for me, catalysts to take it to the next level from your stock price perspective and profitability. So, would you be able to quantify or at least subjectively explain if House of Dancing Water is actually contributing positively to gaming business? I understand you mentioned that it might be a bit neutral on a non-gaming side. And is that helping or helped Q2 number in the City of Dreams? So, that's the first question.

The second question on Philippines, the weakness is all across Philippines, it's not just yours. So, just want to understand when does it stop getting worse? And then related to that was a transaction that you were working on. Any update, if you can give us, that will be awesome. Thank you so much.

Lawrence Ho: Okay, Praveen, maybe I'll answer the first one on House of Dancing Water, and then I'll hand it off to Geoff Andres on Philippines, and Geoff Davis can talk about their transaction. So, I think House of Dancing Water, and maybe Evan and Tim can add, it's done wonders for us ever since the opening on May 7th, because the House of Dancing Water IP is so closely aligned with City of Dreams.

So, if anything, the grand relaunch of House of Dancing Water was really relaunching City of Dreams as well. And I think since then, we have seen record visitation across the board. I think now, consistently, we're getting over 40,000 property visitation in City of Dreams. So, it certainly has contributed to the success that we saw in Q2 and part of that momentum into Q3.

Evan Winkler: So, look, on the days that it's running, it brings in 1,900 people twice. So, it's 3,800 people coming into the property. It helps a lot on F&B covers. It helps a lot on the retail environment. It helps in the overall environment. It provides a halo to the property. It was a positive EBITDA contributor in Q2. I would say that I think that there is still an opportunity for us to do an improved job on converting those customers into gaming customers.

So, we get a lot of mass tourists in general. We also know, because we have the data, that we are getting people who are coming from other properties who are likely to be gamers. I'm not as happy with our conversion rate. I think we have opportunities. So, I don't think it necessarily did a huge amount of gaming revenue in Q2. And I think that's something that we're looking to try and optimize here in the quarters ahead.

Geoffrey Davis: So, on the strategic review, as we said in the prepared remarks, we are still continuing to work through the process with our advisors on a short list of potential buyers. Nothing to announce at the moment, but when there is, we'll make the appropriate disclosures and remain cautiously optimistic on this opportunistic exploration that there will be something to do in Manila.

Praveen Choudhary: Thanks, Geoff. (Multiple Speakers). There is also another question on Philippines' business. Yes, thank you.

Geoff Andres: Yes, this is Geoff Andres, Praveen. Hey, on the Manila market, you're right. There was some softness that we all experienced in the first half of the year. As a result of that, we've really been taking thoughtful and measured expense initiatives over the last five months that we're starting to see some of that bear fruit in July. And we've also seen stabilization in the market in July. And as well, there's been a transition, I think, in the -- from the second quarter going into the third quarter on the VIP part of the business. Some junkets are transitioning out of the market. And we've had signing up some new junkets that we think will be performing at a higher level. And so, we're feeling better going into the second half of the year.

Praveen Choudhary: Lovely. Thank you so much. And again, hopefully this uptick continues. And once again, congratulations.

Lawrence Ho: Thanks, Praveen.

Operator: Thank you. There are no further questions at this time. I'll now hand back to Jeanny for closing remarks.

Jeanny Kim: Thank you for participating in our call today. We look forward to speaking with you again next quarter. Thank you.

Operator: Thank you. That does conclude our conference for today. Thank you for participating. You may now disconnect.