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MGM RESORTS INTERNATIONAL



2018

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Speed is the
new currency of
business

Marc R. Benioff
Chairman and CEO, Salesforce



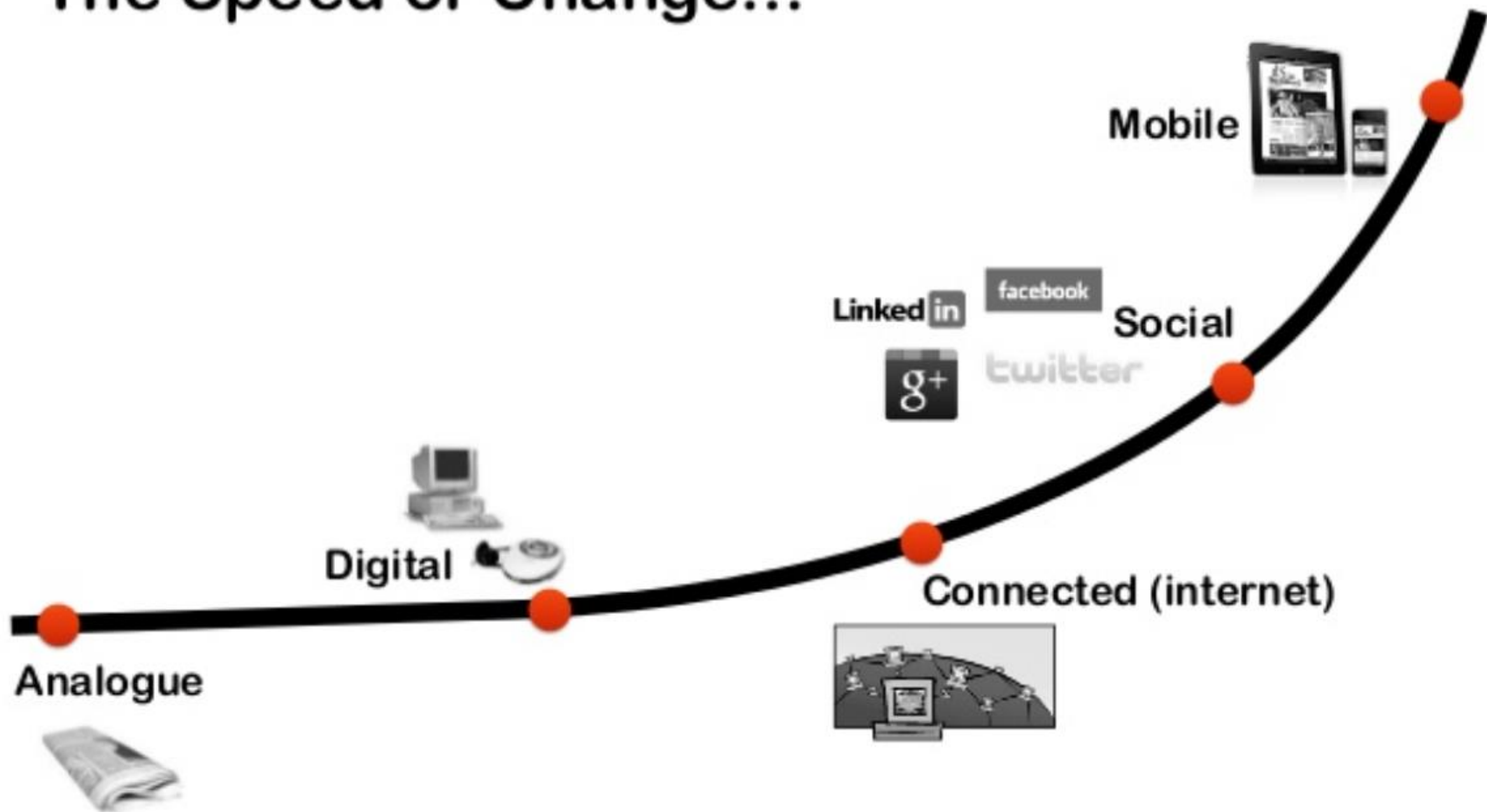
Thank You for Being Late

AN OPTIMIST'S GUIDE TO THRIVING
IN THE AGE OF ACCELERATIONS

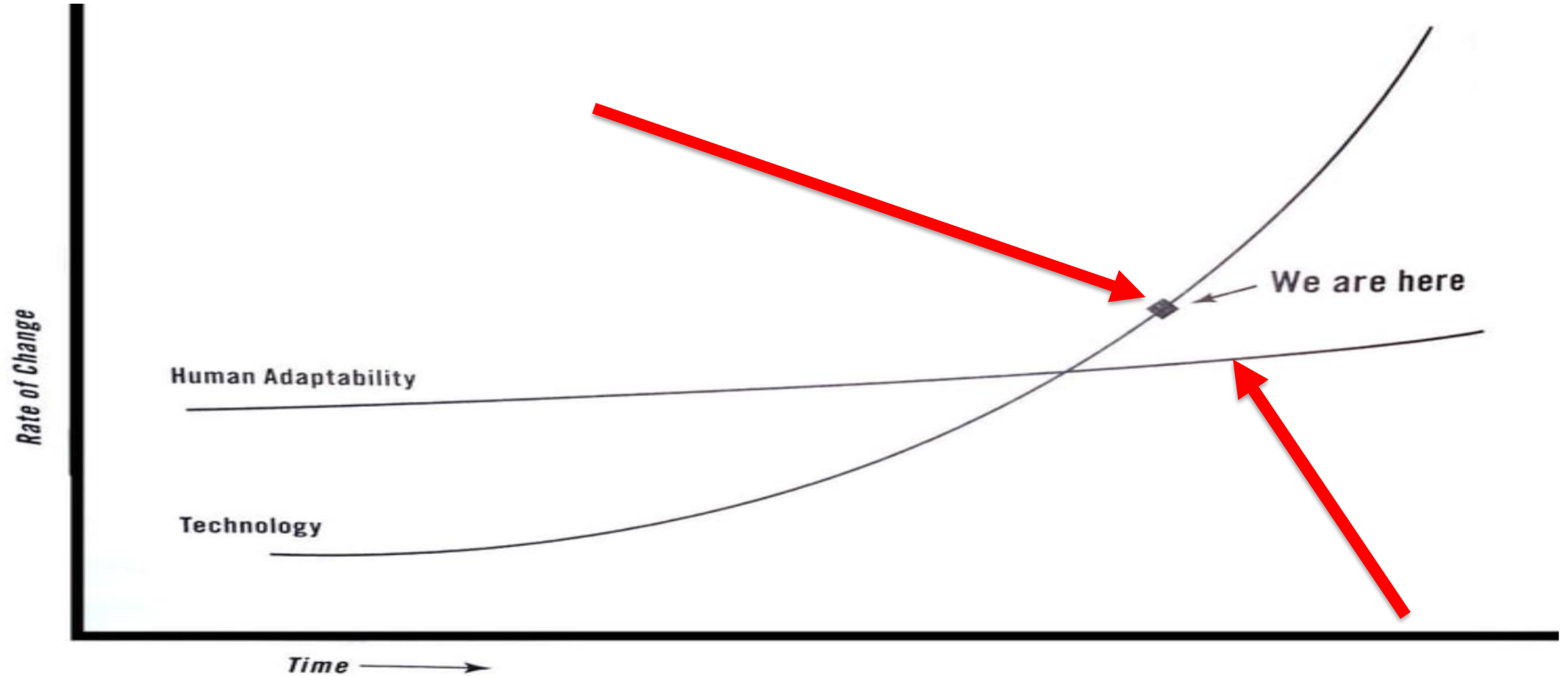
THOMAS L.
FRIEDMAN

AUTHOR OF THE WORLD IS FLAT

The Speed of Change...



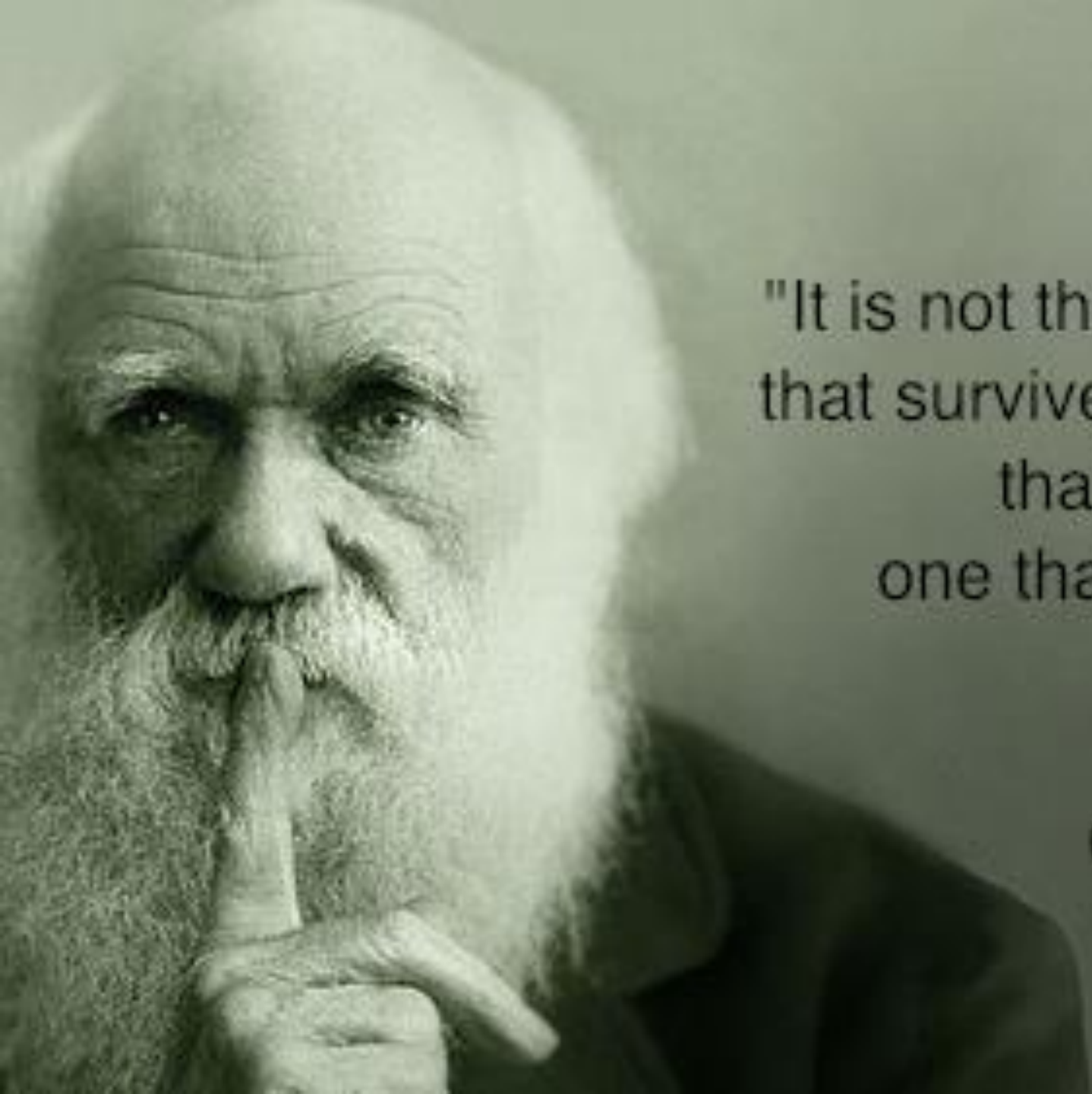
Rate Of Change





Woolworth





"It is not the strongest of the species
that survives, nor the most intelligent
that survives. It is the
one that is most adaptable to
change".

Charles Darwin

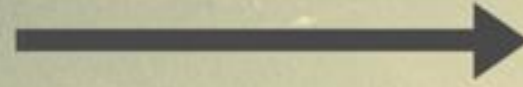


WARNING

**YOU ARE
ABOUT
TO BE
DISTRACTED**

2018 *This Is What Happens In An Internet Minute*



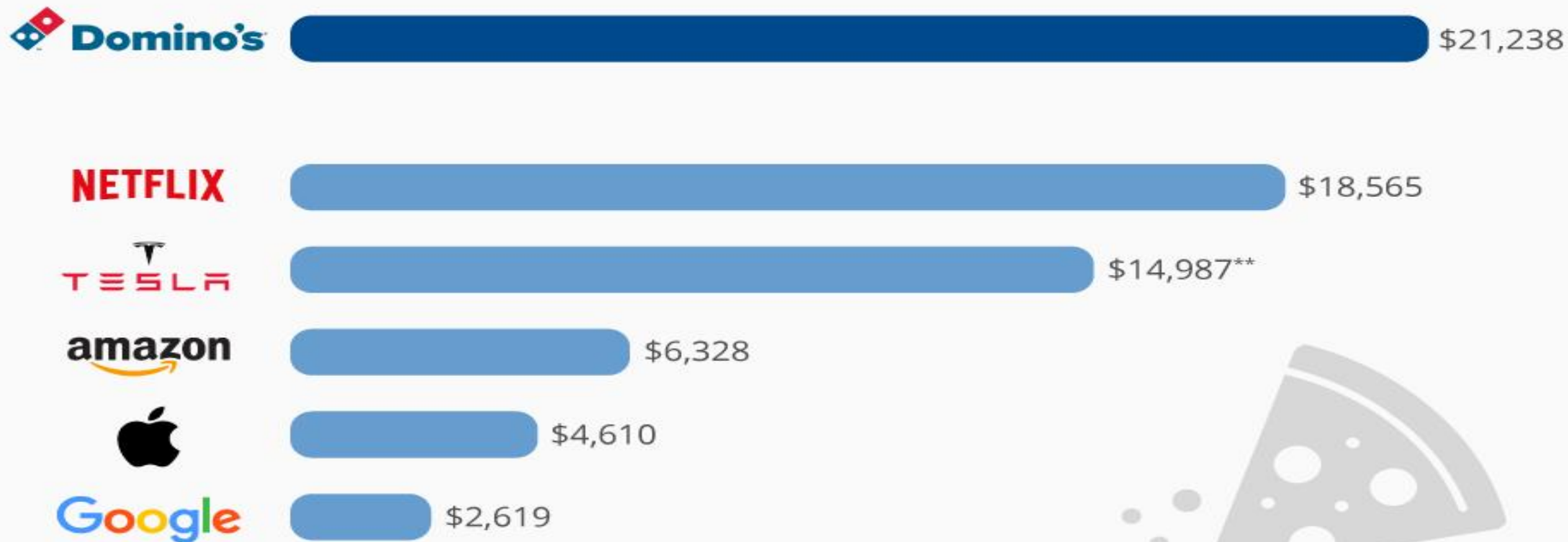


AUTHENTICITY

STARTS HERE

Put Your Money Where Your Mouth Is

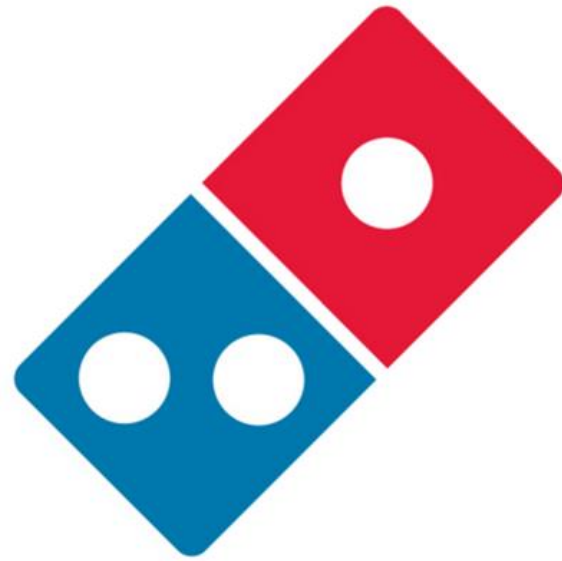
Present value of \$1,000 invested in the following U.S. stocks in January 2010*



* as of March 23, 2017; adjusted for splits and dividends

** Tesla went public on June 29, 2010.

Number based on \$1,000 investment in the company's IPO.



Domino's™

Authentic = Accountability

Had a few slices of Domino's Pizza, haven't had it in a few years. It was alright but the crust seemed a bit lacking.

2:14 PM Sep 24th from web



Tonyx35

Complexity





**CORD CUTTING
ACCELERATES,
WHICH IS BAD
NEWS FOR PAY TV**



GETTY IMAGES

Disney will dump its exclusive Netflix deal in 2019, and launch its own streaming service



Nathan McAlone [✉](#) [🐦](#)

🕒 Aug. 8, 2017, 4:42 PM 🔥 12,993



Netflix will lose Star Wars and Marvel movies, Disney CEO confirms

By Parker Wilhelm [Television](#)

Iconic franchises to be Disney exclusives



Disney


COMCAST



21ST
CENTURY
FOX



21ST
CENTURY
FOX

sky



COMCAST





HOTEL

CHECK IN





U.S. Hotels 2016

Metric	No.	Status	Remarks
OCC	65.5%	▲0.1%	RECORD
ADR	\$124	▲3.1%	RECORD
REVPAR	\$81	▲3.2%	RECORD
AVAIL ROOMS	1.8B	▲1.6%	RECORD
OCC ROOMS	1.2B	▲1.7%	RECORD
ROOM REV	\$149B	▲4.8%	RECORD

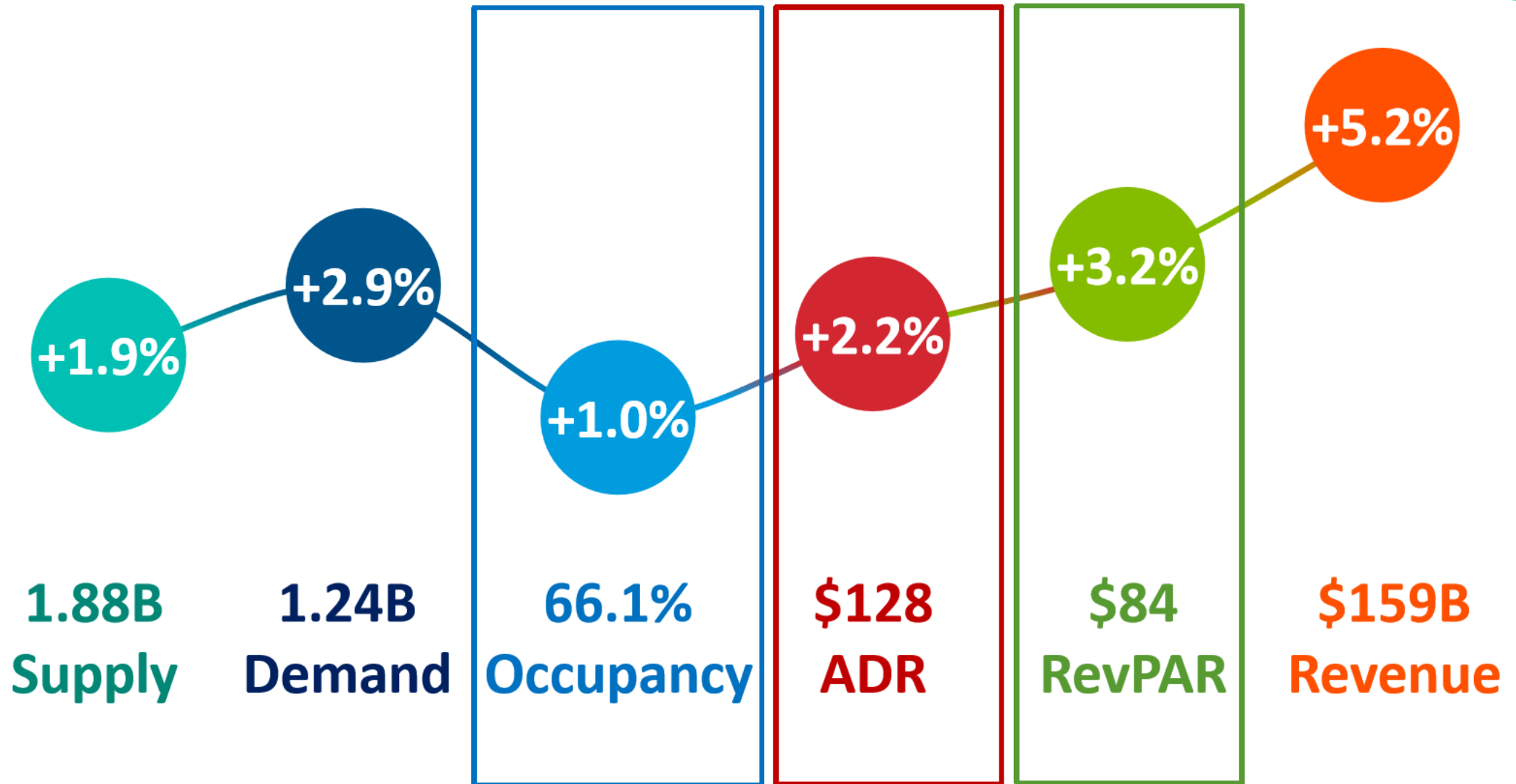
2017: A Record Year!

YTD December 2017, Total US Results



		<u>% Change</u>
Room Supply		1.8%
Room Demand		2.7%
Occupancy	 65.9%	0.9%
ADR	 \$127	2.1%
RevPAR	 \$85	3.0%
Room Revenue		4.9%

US Performance: RevPAR Growth Continues



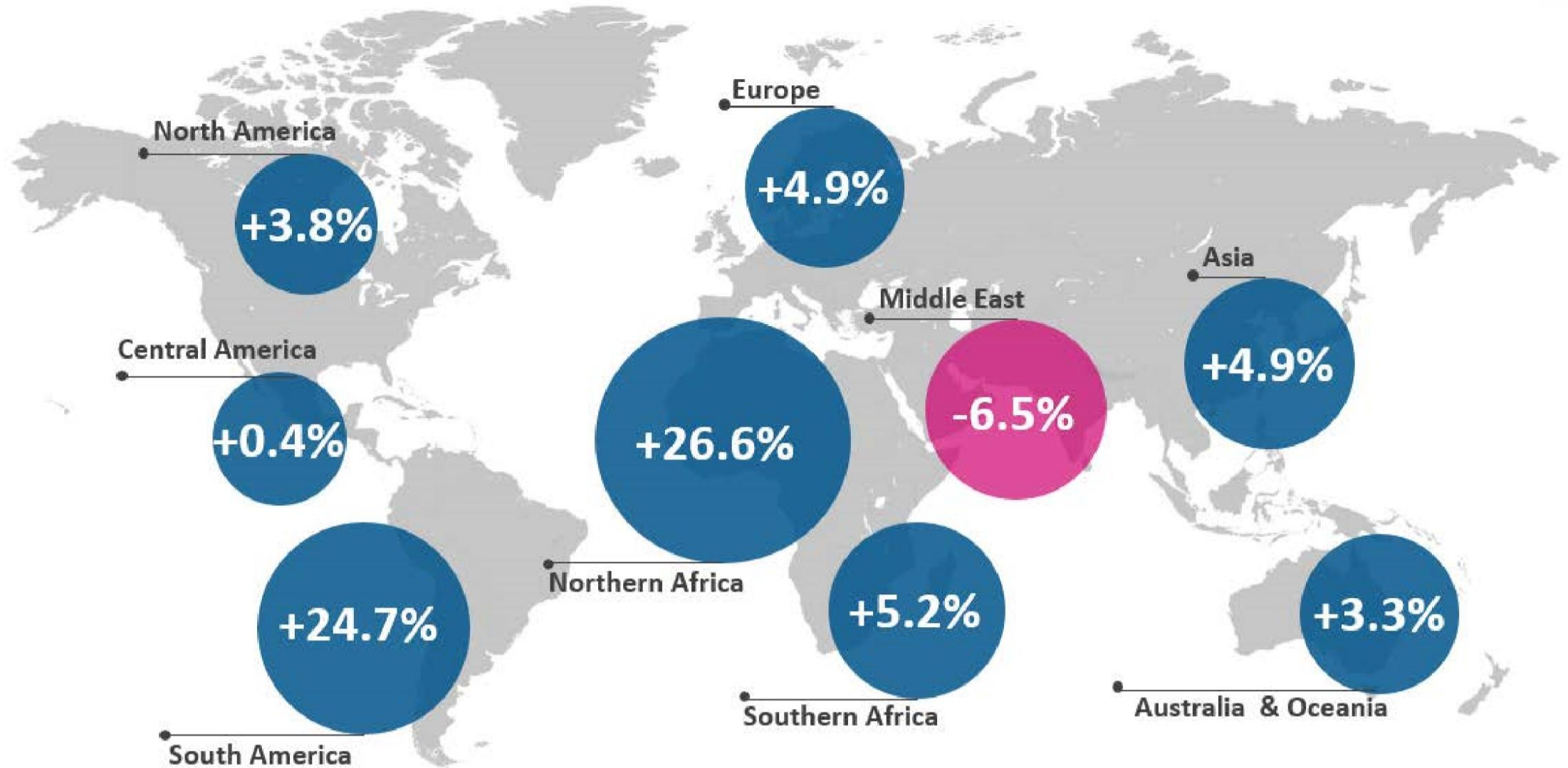
CAUTION

**HIGH NOISE
AREA**



Global RevPAR % Change

USD, Europe in EUR, Constant Currency, June 2018 YTD



Moscow

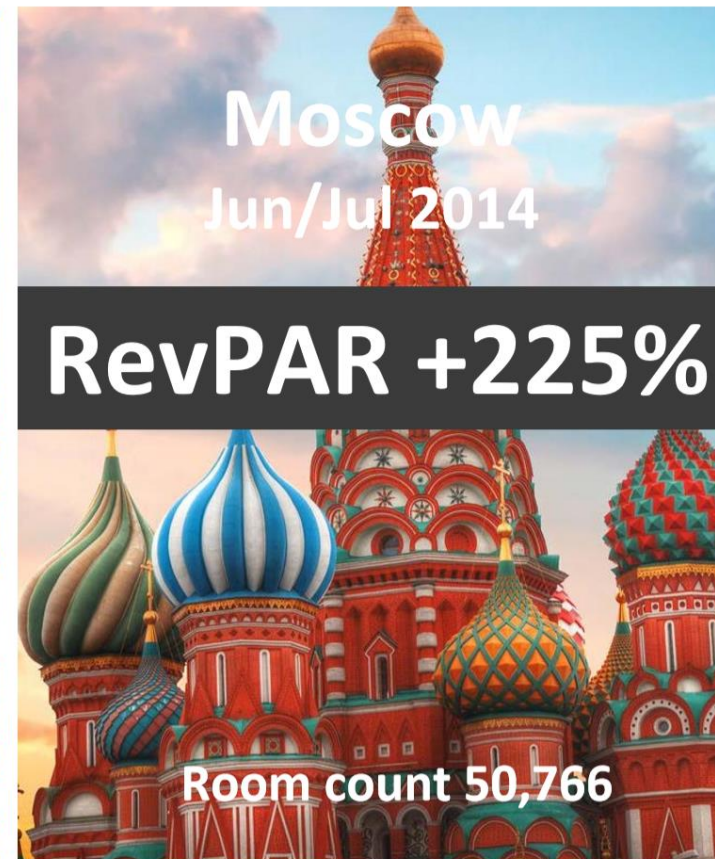
- Occupancy: +9.3% to 77.6%
- ADR: +78.9% to RUB9,731.73
- RevPAR: +95.5% to RUB7,549.57

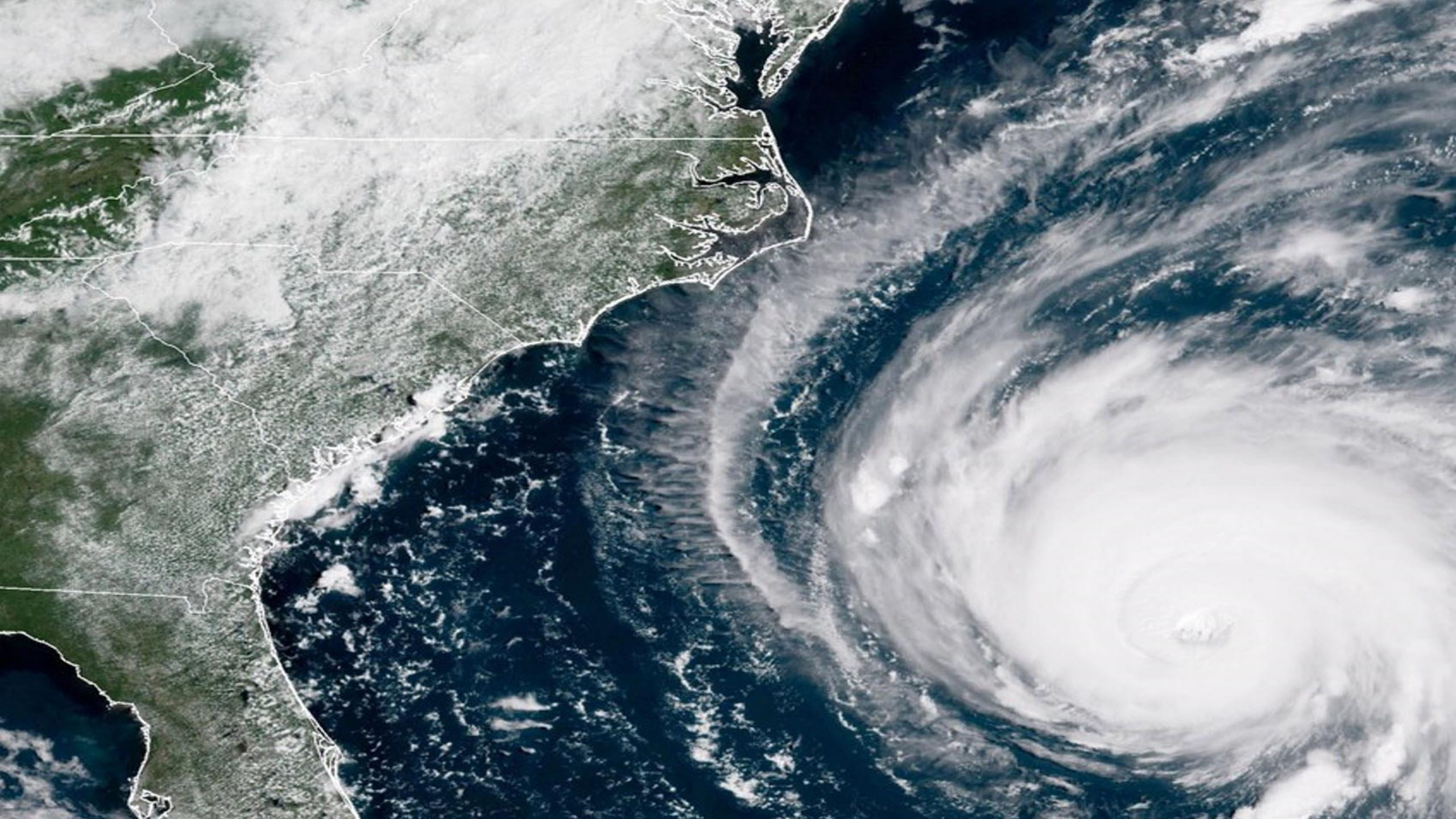


FIFA WORLD CUP
RUSSIA 2018

Russia outperforming everyone (including our) expectations

RevPAR increases for previous World Cup





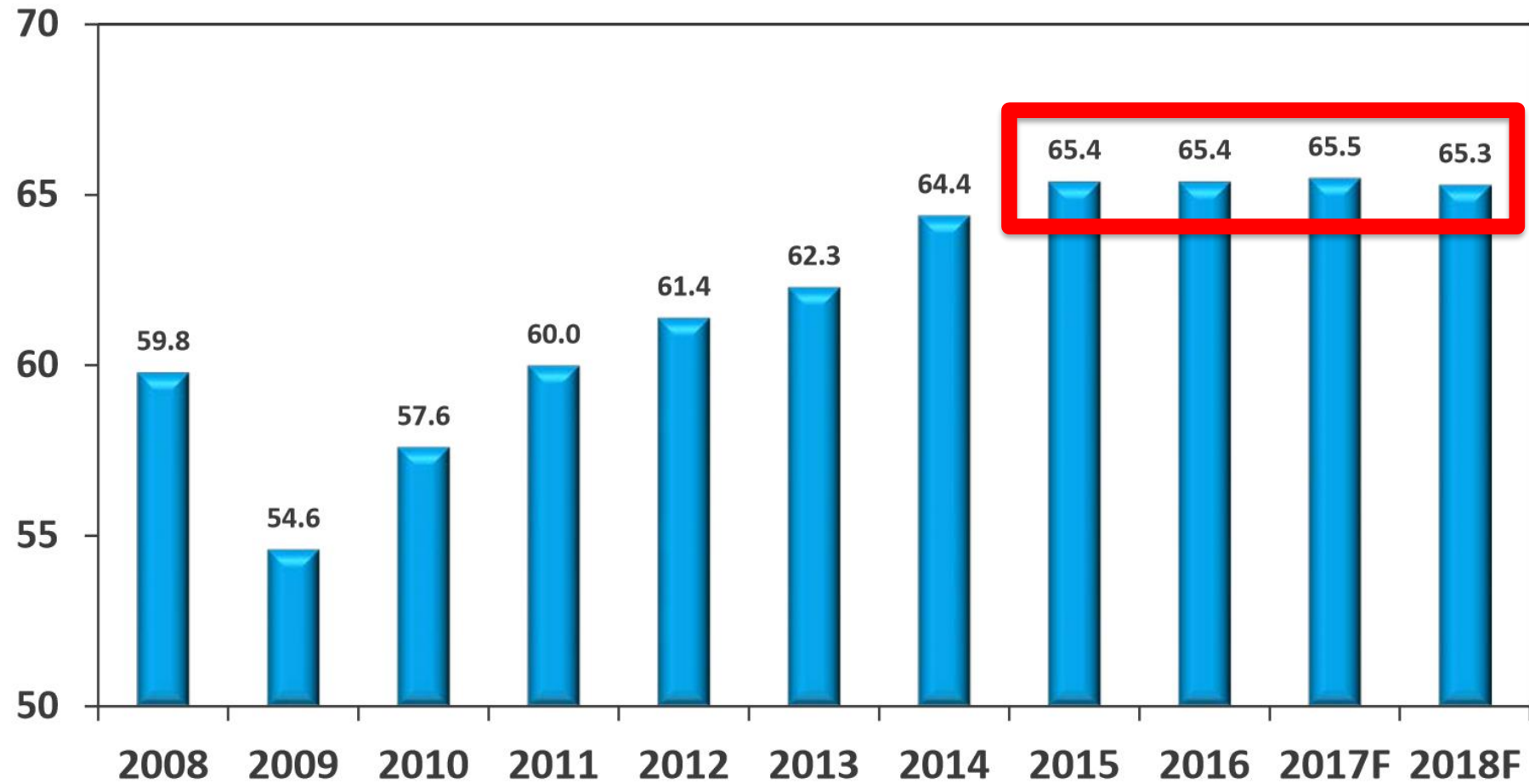
The Relationship



Total United States

Occupancy Percent

2008 – 2018F



U.S. NATIONAL FORECAST – ALL HOTELS

	Long Run Average	2015	2016	2017	2018F	2019F
Supply	1.9%	1.0%	1.5%	1.8%	2.0%	1.9%
Demand	2.0%	2.5%	1.5%	2.7%	2.1%	2.1%
Occupancy	62.2%	65.4%	65.4%	<u>65.9%</u>	<u>66.0%</u>	<u>66.2%</u>
ADR	3.1%	4.5%	3.1%	2.1%	2.7%	2.4%
RevPAR	3.3%	6.1%	3.2%	2.9%	2.8%	2.6%

Source: STR, CBRE Hotels' Americas Research, Hotel Horizons® June – August 2018

U.S. NATIONAL FORECAST – LUXURY HOTELS

	Long Run Average	2015	2016	2017	2018F	2019F
Supply	4.3%	1.4%	3.0%	1.7%	1.8%	2.0%
Demand	4.8%	1.6%	2.6%	2.0%	3.5%	2.2%
Occupancy	69.8%	74.0%	73.8%	<u>74.0%</u>	<u>75.2%</u>	<u>75.4%</u>
ADR	3.7%	4.1%	1.7%	2.1%	4.3%	2.0%
RevPAR	4.5%	4.3%	1.3%	2.4%	6.1%	2.2%

Source: STR, CBRE Hotels' Americas Research, Hotel Horizons® June – August 2018

Group Hotel Rates

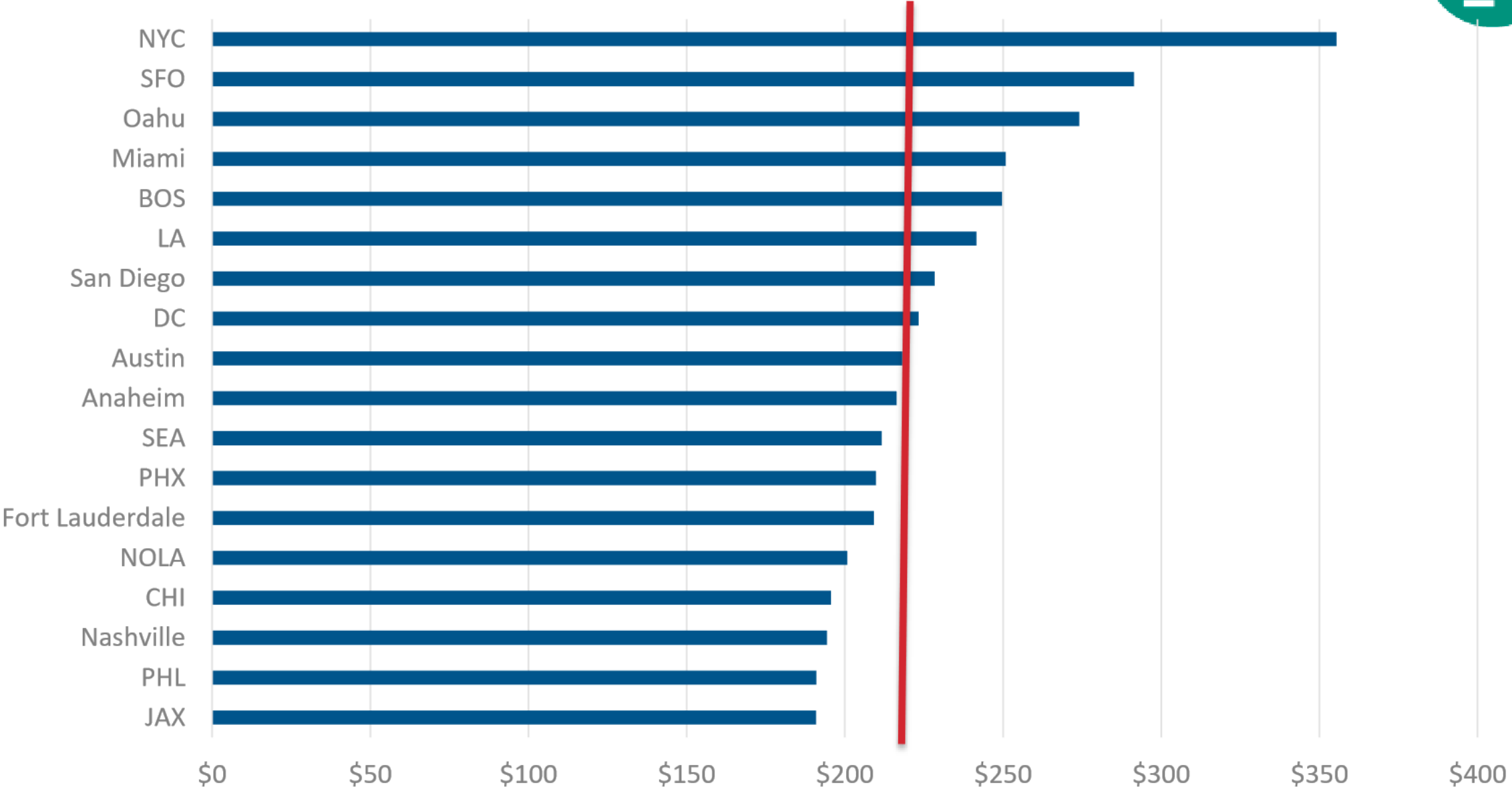
Group Hotel Rates

2018 vs. 2017

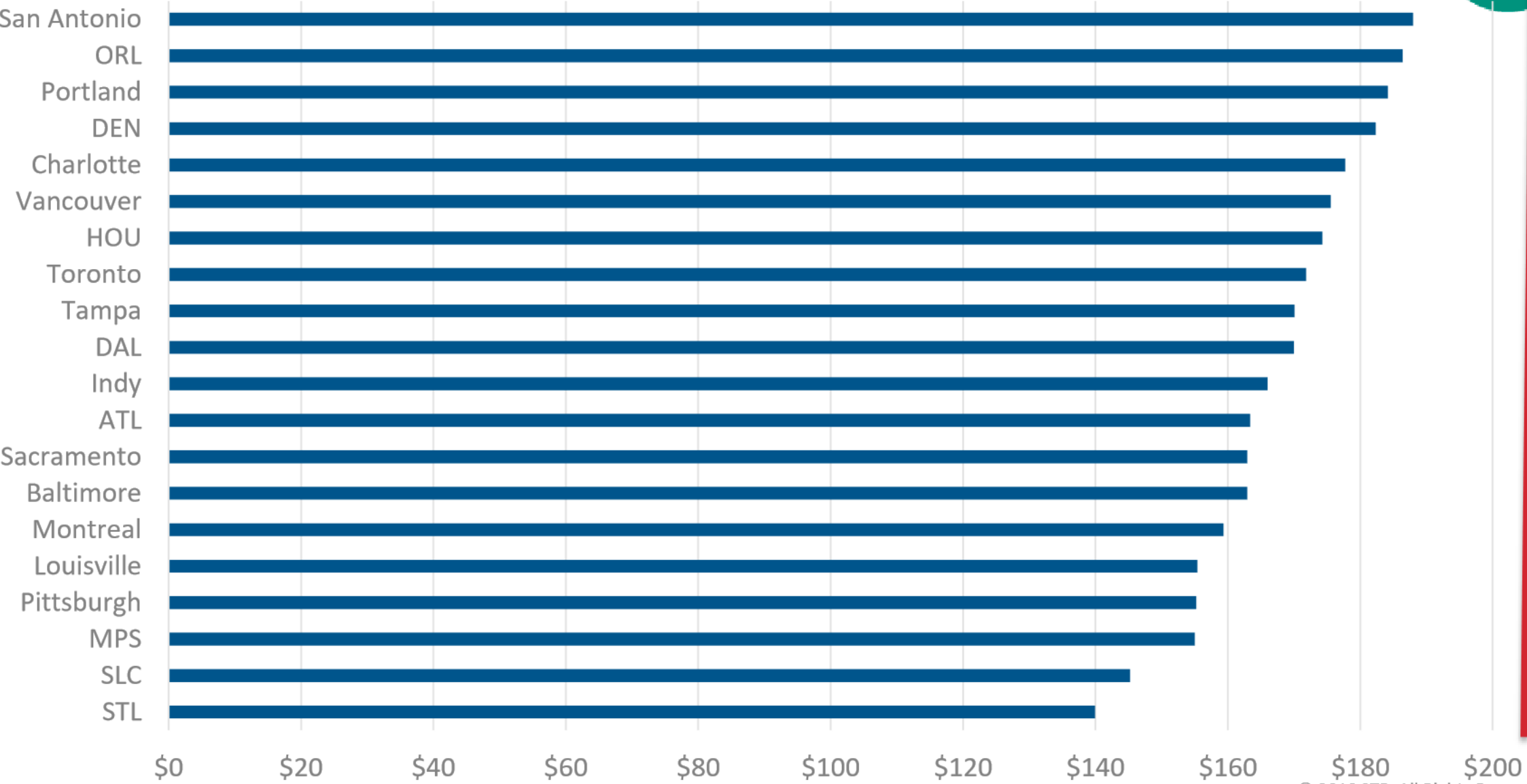


(Sources: American Express Meetings & Events North American, European, Asia Pacific, Central/South American and Key Supplier Surveys, August 2017)

Top 20 Markets Group ADR



Next 20 Group Markets ADR

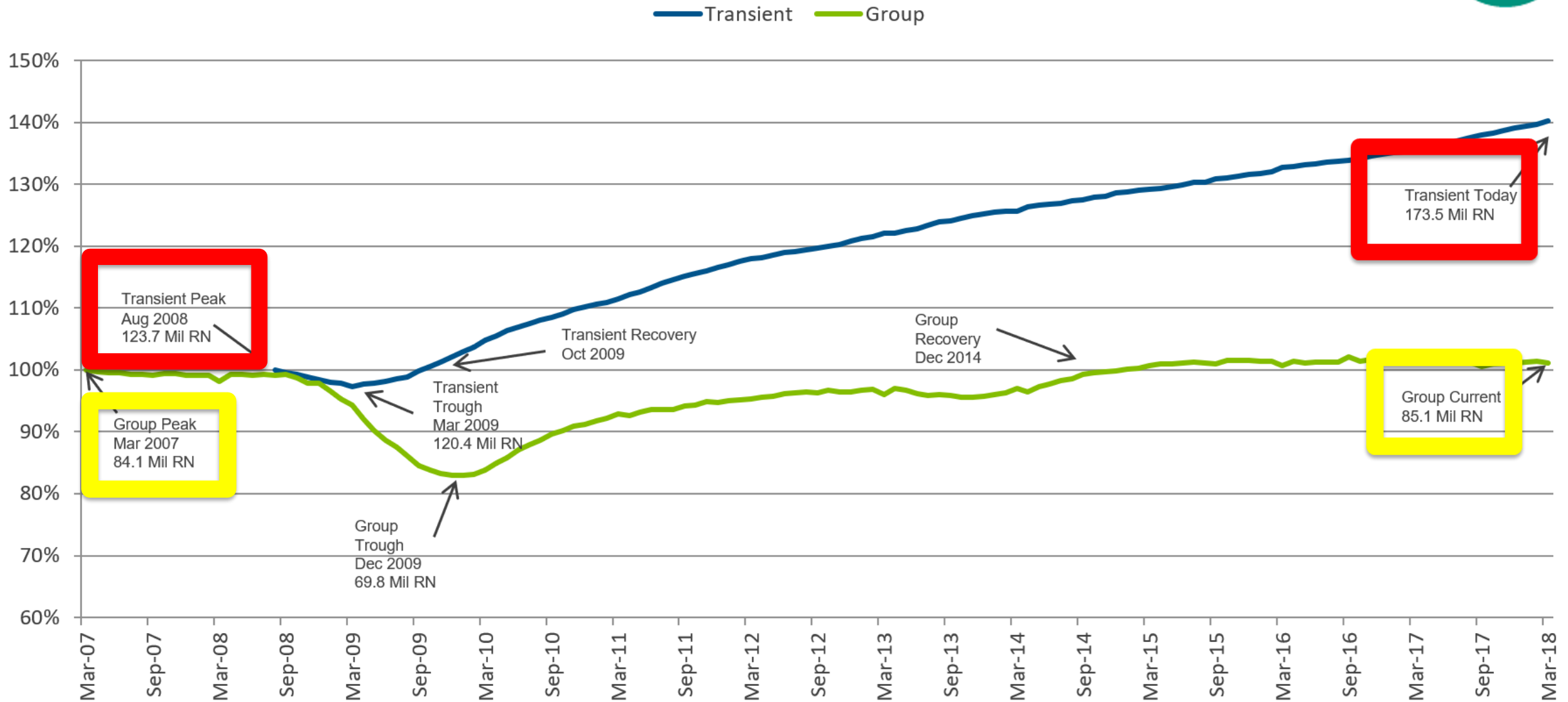


New Competition For Rooms



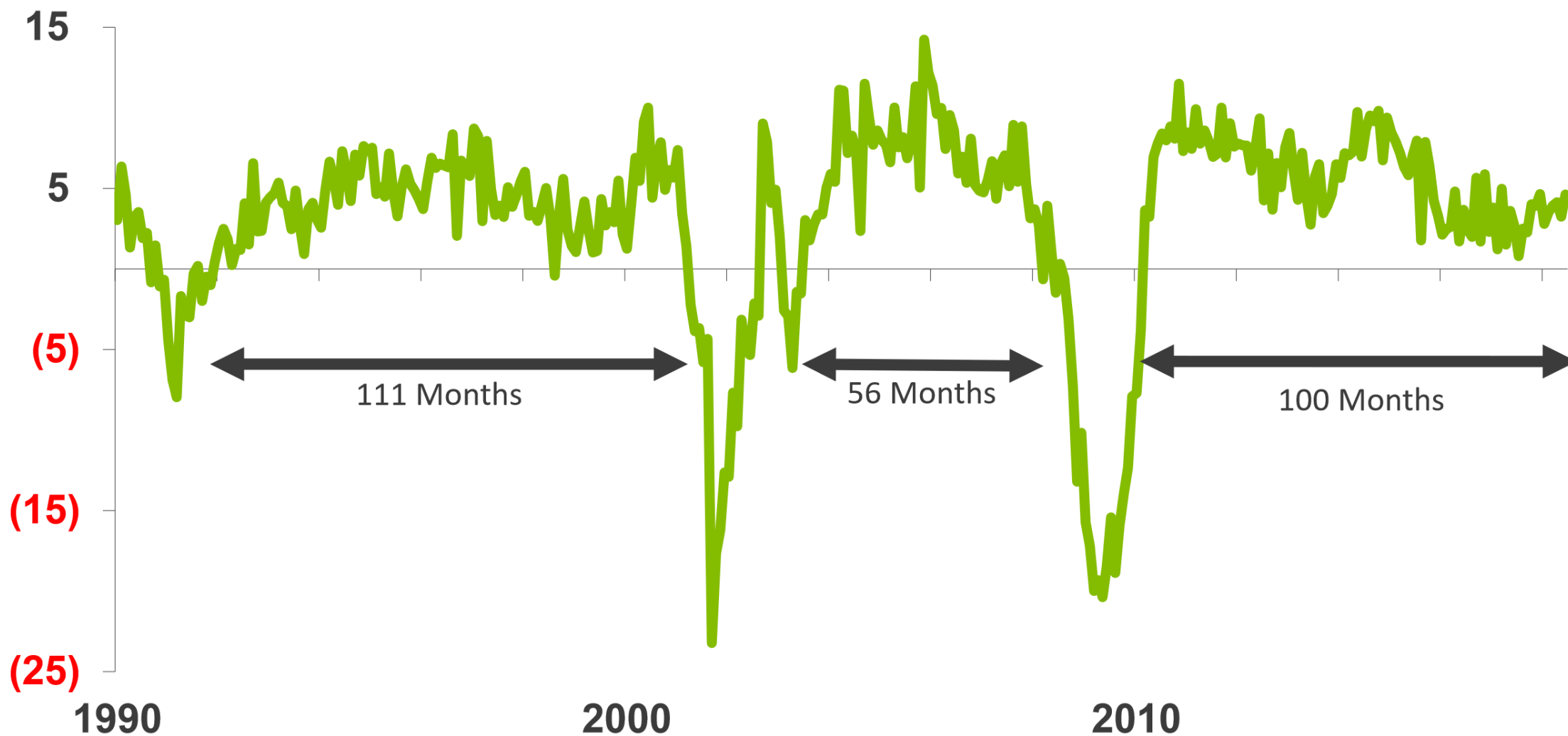


Total US 12MMA demand by segment indexed to peak month



Data for all Luxury and Upper-up Class hotels

100 Consecutive Months of RevPAR Growth!!!

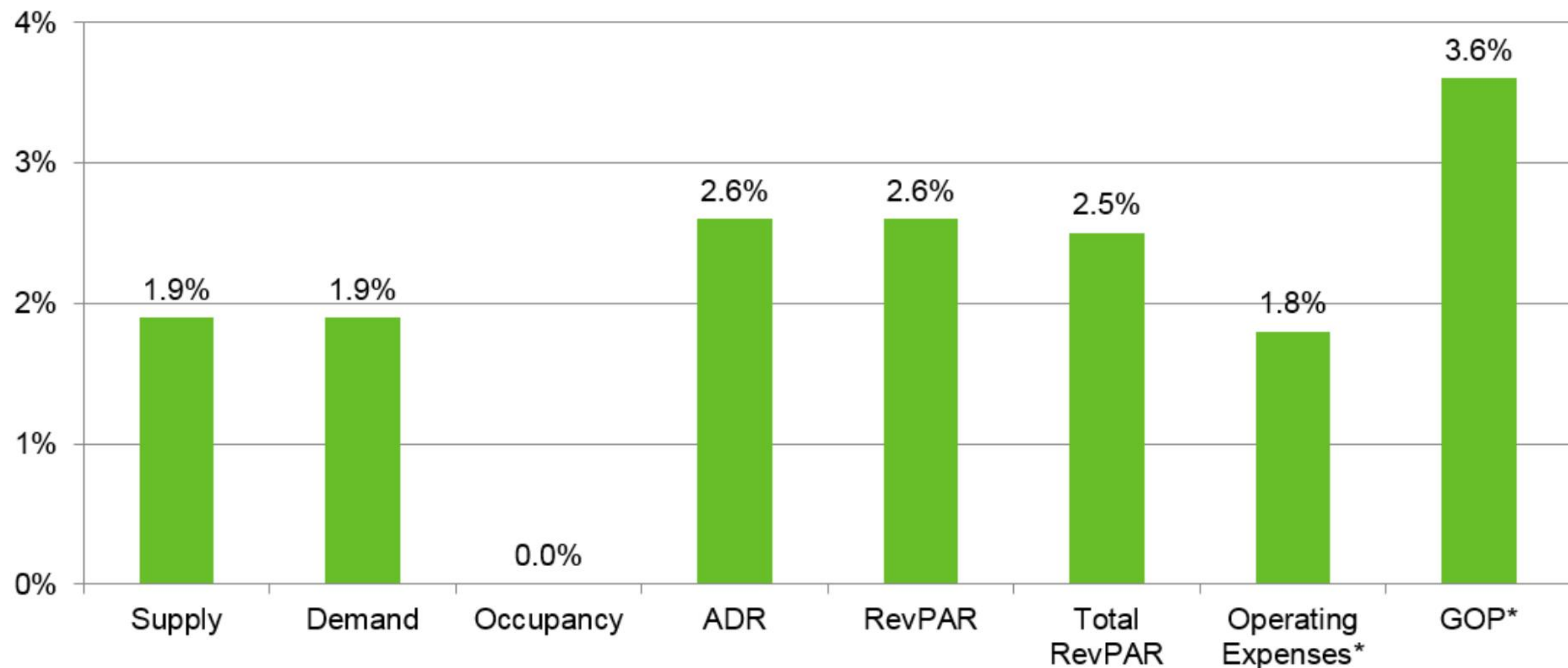


Total U.S., RevPAR % Change, 1/1990 – 06/2018



U.S. LODGING INDUSTRY PERFORMANCE

Forecast Change – 2018 to 2019



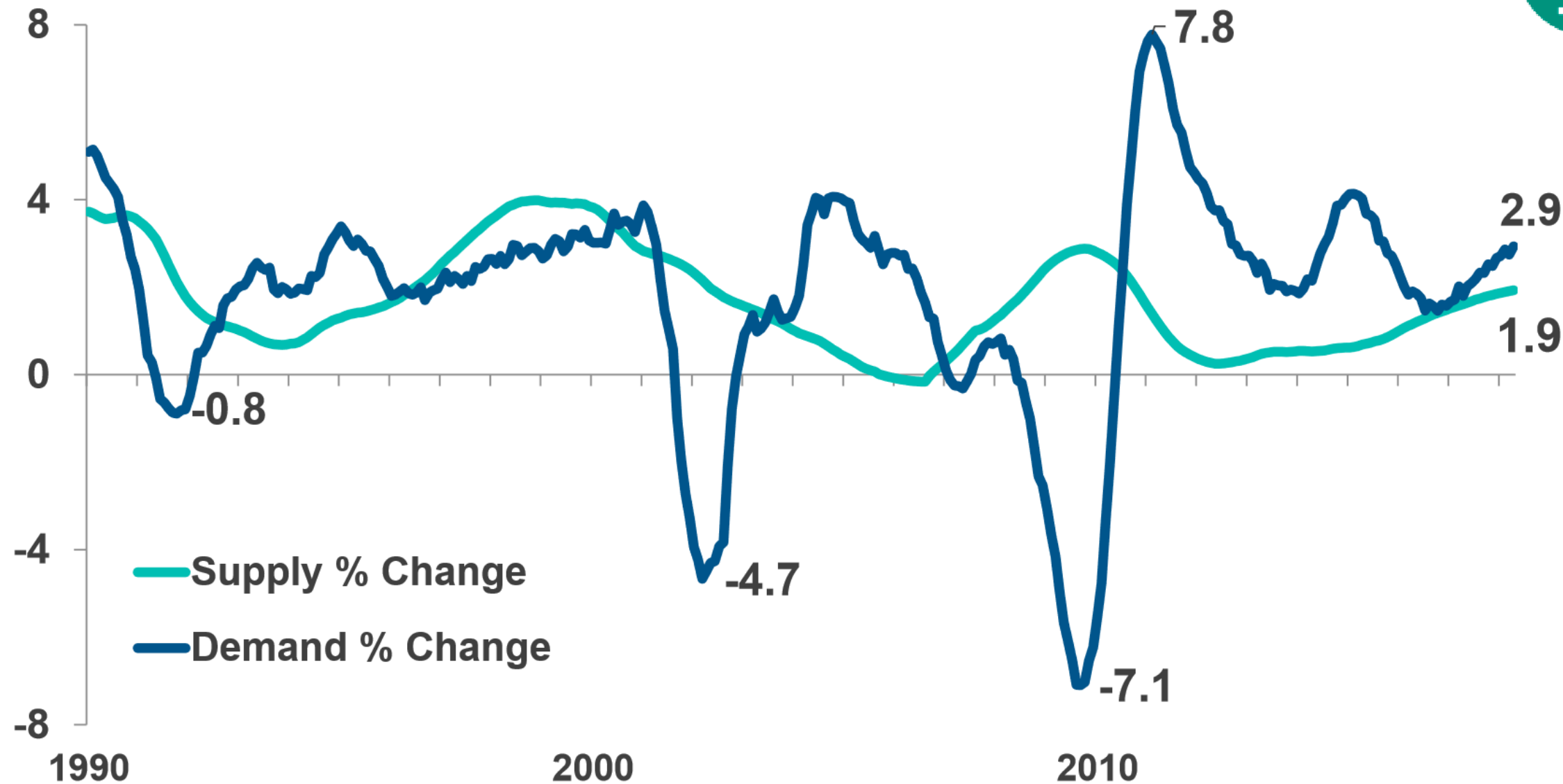
Note: * Before deductions for management fees and non-operating income and expenses

Source: CBRE Hotels' Americas Research, September 2018 – November 2018 Hotel Horizons® Forecast



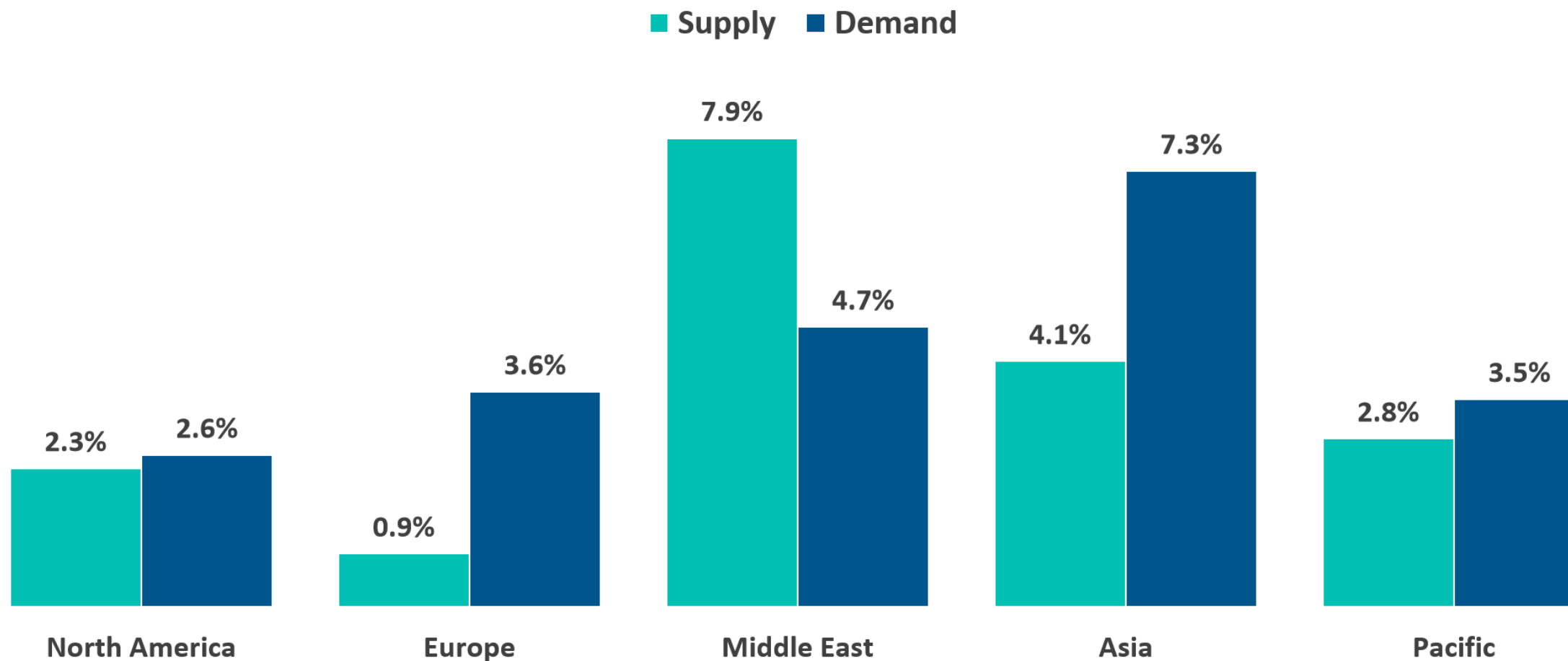


Has the Hotel Industry Skipped a Downturn?



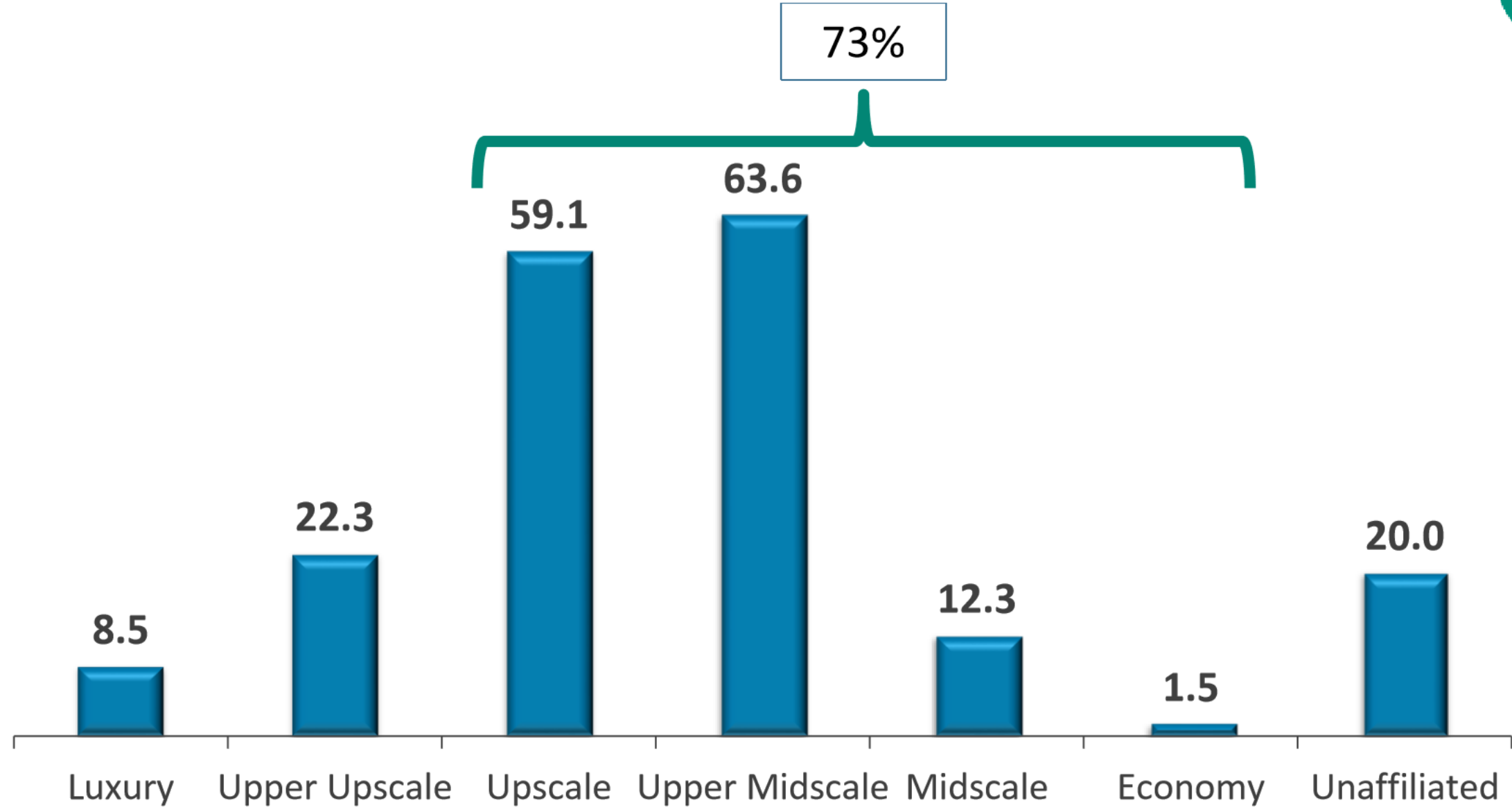
Global Hotel Performance

Luxury & Upper Upscale – Supply & Demand Growth
Full Year 2017





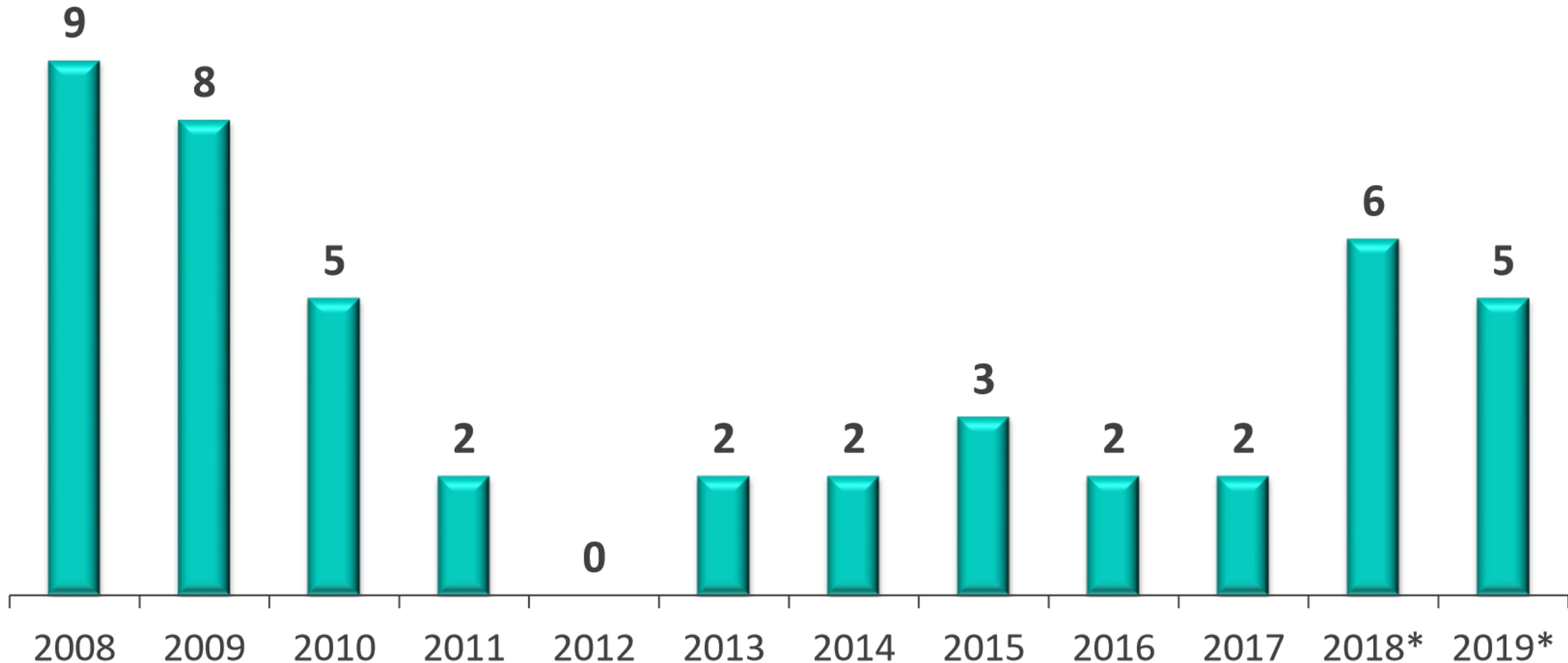
Limited Service Construction Is The Name Of The Game



*US Pipeline, Rooms In Construction , '000s Rooms, by Scale, January 2018



New Hotels w/50,000+ SF of Meeting Space

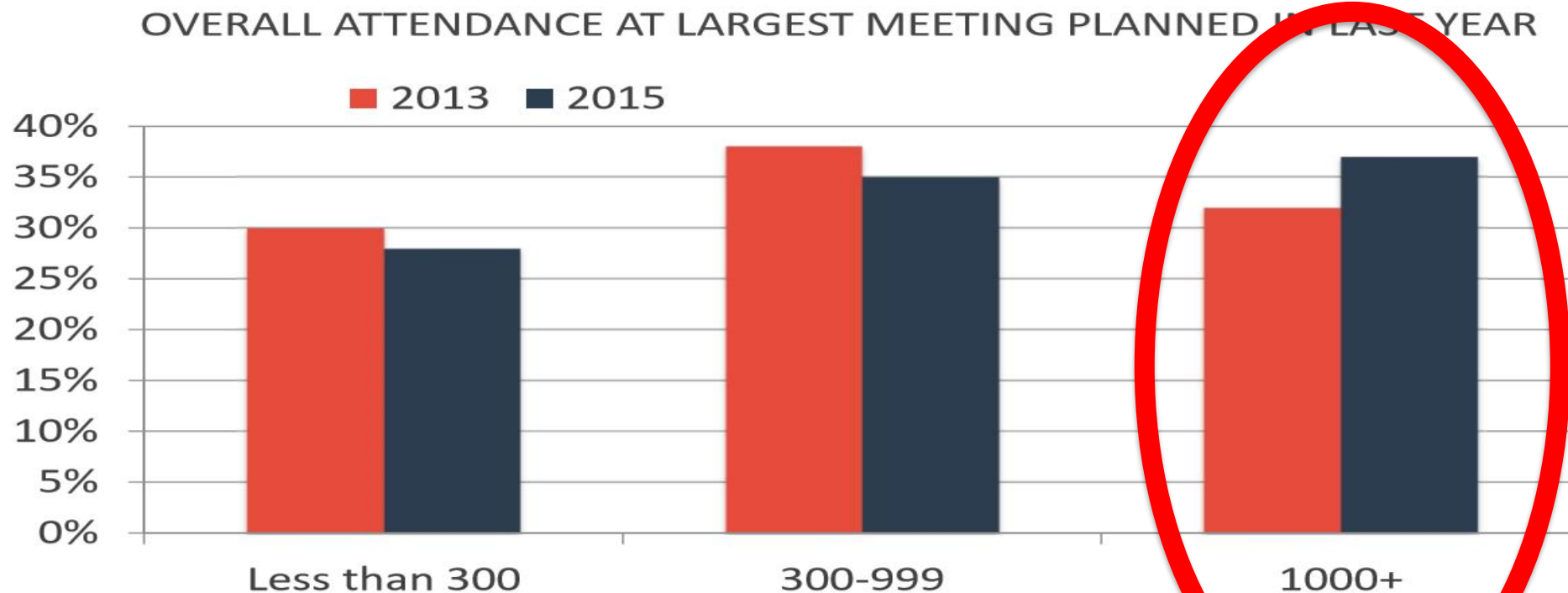


Total U.S. Count of New Hotels with 50,000+ square feet of meeting space by year, 2008- April 2018 and projected for the remainder of 2018 and 2019

MEETING SIZE



Meetings of 1000+ attendees make up the largest major meeting segment and are on the rise.



*DMAP 2015, a national survey of meeting planners

www.str.com/products/destinationmap

The image features a central graphic with the word "ECONOMY" in a bold, white, sans-serif font. The text is set against a dark blue horizontal band. Behind this band, several large, bright green 3D arrows are visible, pointing both upwards and downwards, creating a sense of fluctuation or movement. The background of the entire image is a collage of US currency, including a close-up of a dollar bill's portrait and another bill showing the serial number "FB 2476839" and a signature.

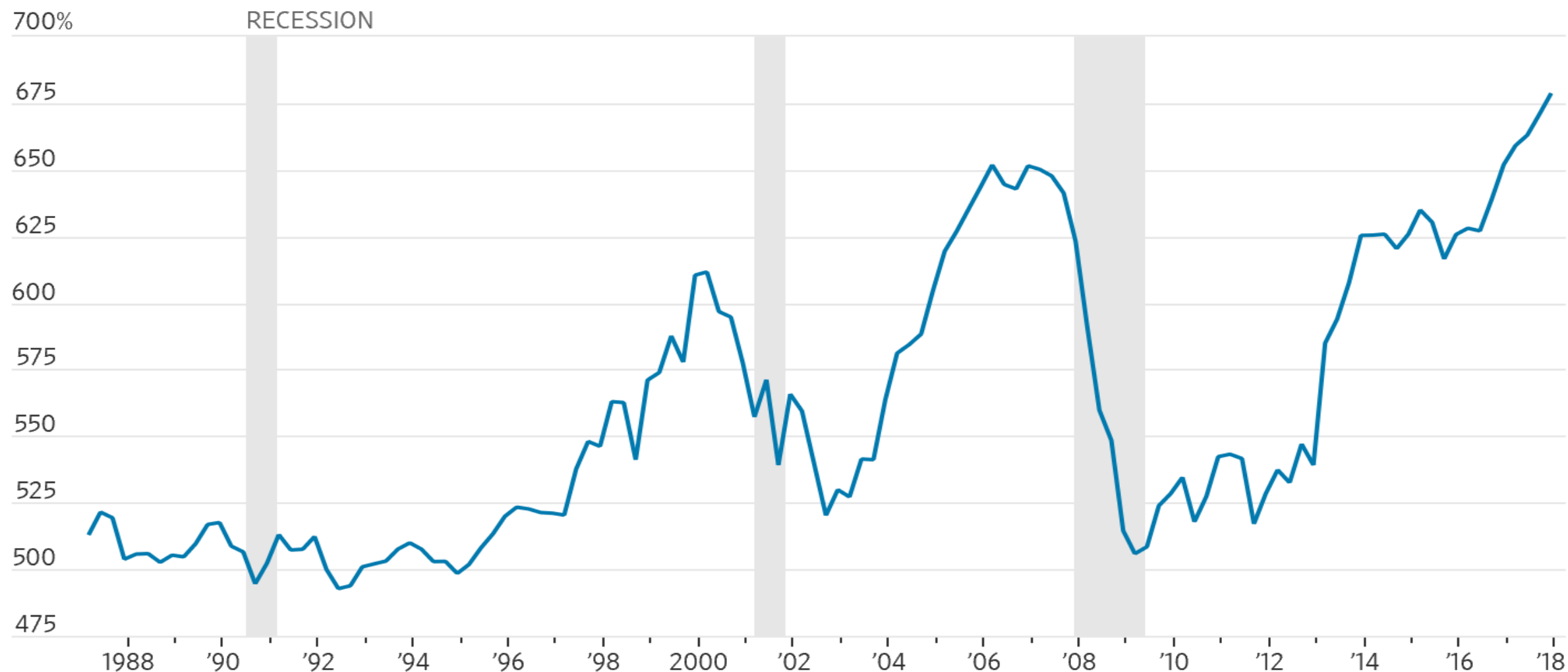
ECONOMY



Soaring Wealth Hitting Lofty Levels

Rising property and stock valuations have pushed net worth well above peaks seen before prior recessions.

Households' and nonprofit organizations' net worth as a percentage of disposable personal income



Source: Federal Reserve



FEDERAL RESERVE NOTE

FA 95944734 F

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THIS NOTE IS LEGAL TENDER
FOR ALL DEBTS, PUBLIC AND PRIVATE

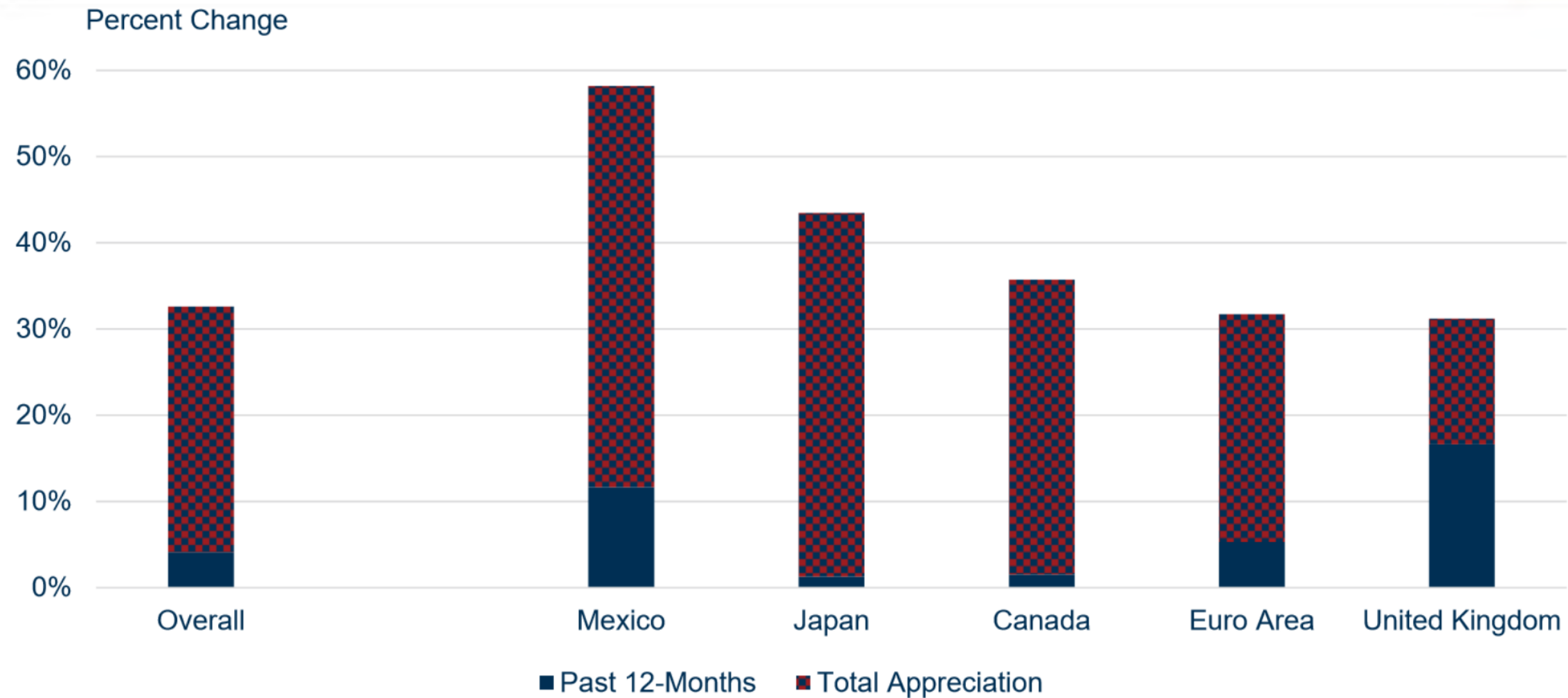
Anne Escobedo Cabral

Treasurer of the United States.

SERIES
2003



U.S. Dollar Appreciation Since Mid-2011

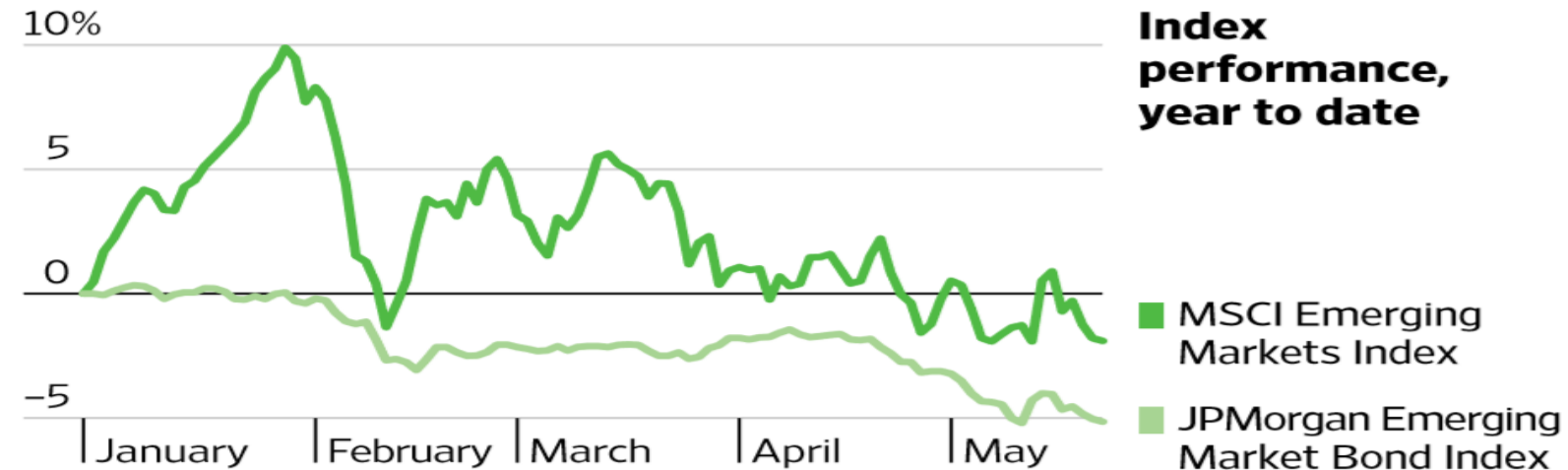
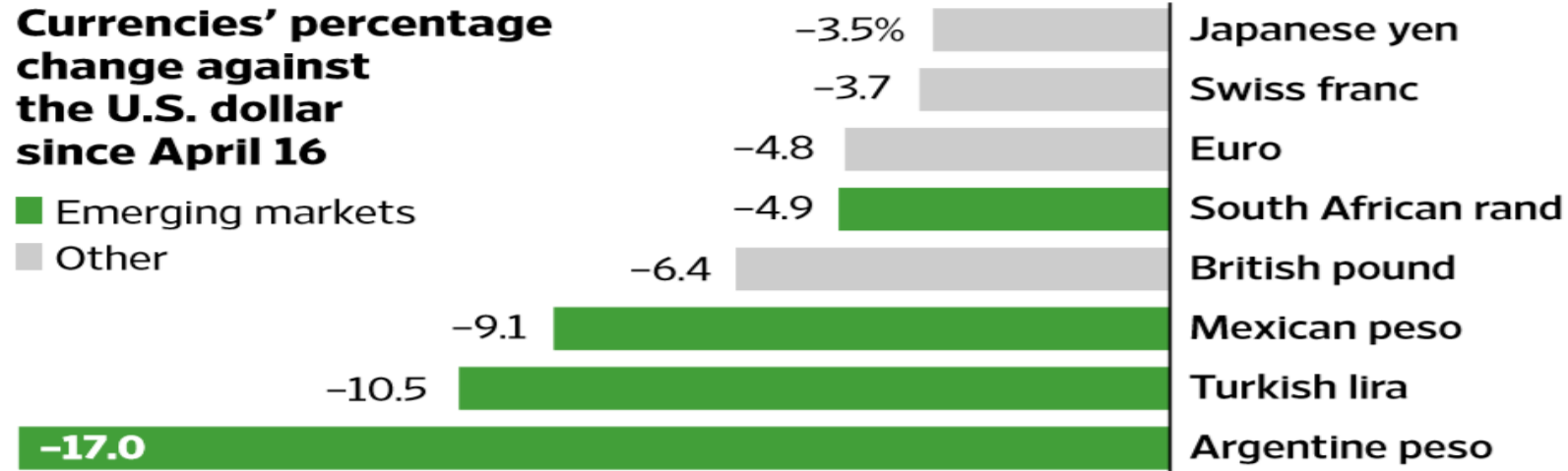


Dollar's Surge Ripples Abroad

OUT OF POCKET: A resurgent dollar is pushing investors to unwind long-held bets on emerging-market stocks, bonds and currencies. **B1**

Currencies' percentage change against the U.S. dollar since April 16

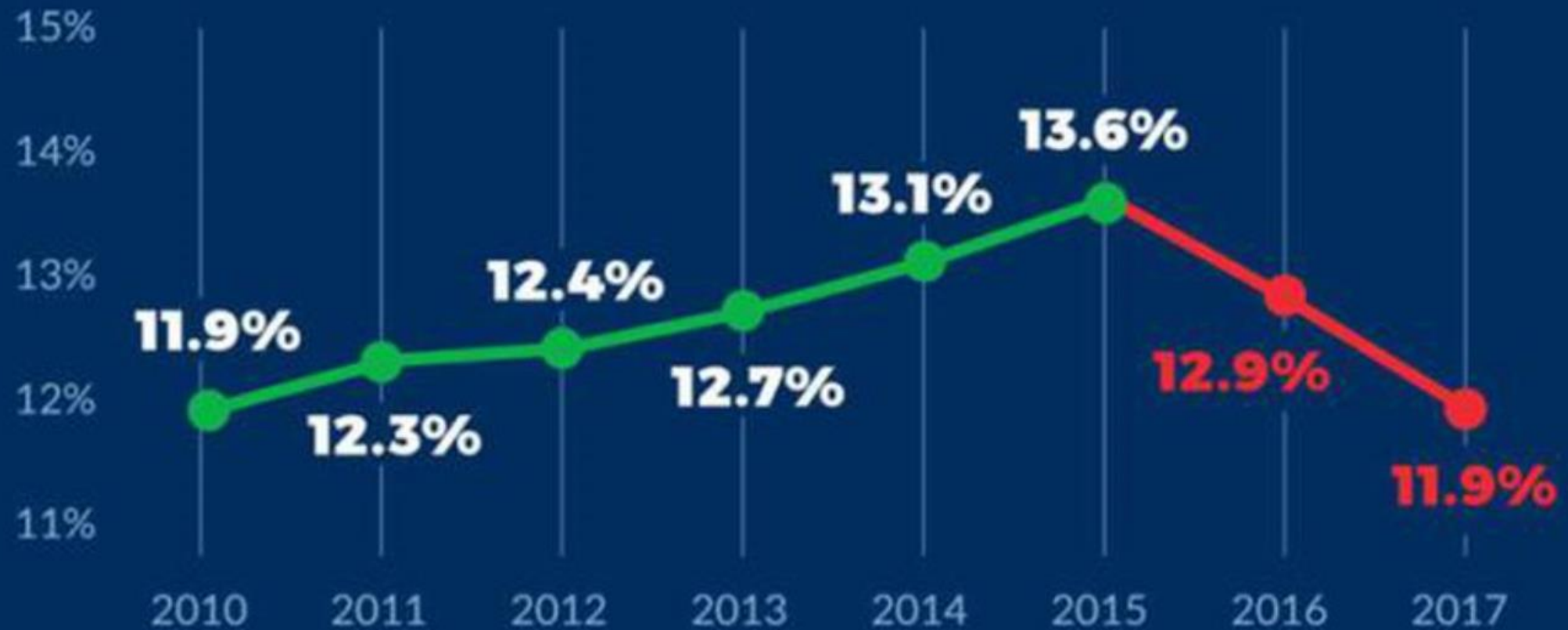
■ Emerging markets
■ Other



Sources: Tullett Prebon (currencies); FactSet (MSCI EM); JPMorgan (bond index)

THE WALL STREET JOURNAL.

U.S. Share of Global Long-Haul Travel



Source: U.S. Travel Association

The United States' share of the global international travel and tourism market has fallen 1.7 percentage points — a significant drop — since 2015. U.S. TRAVEL ASSOCIATION

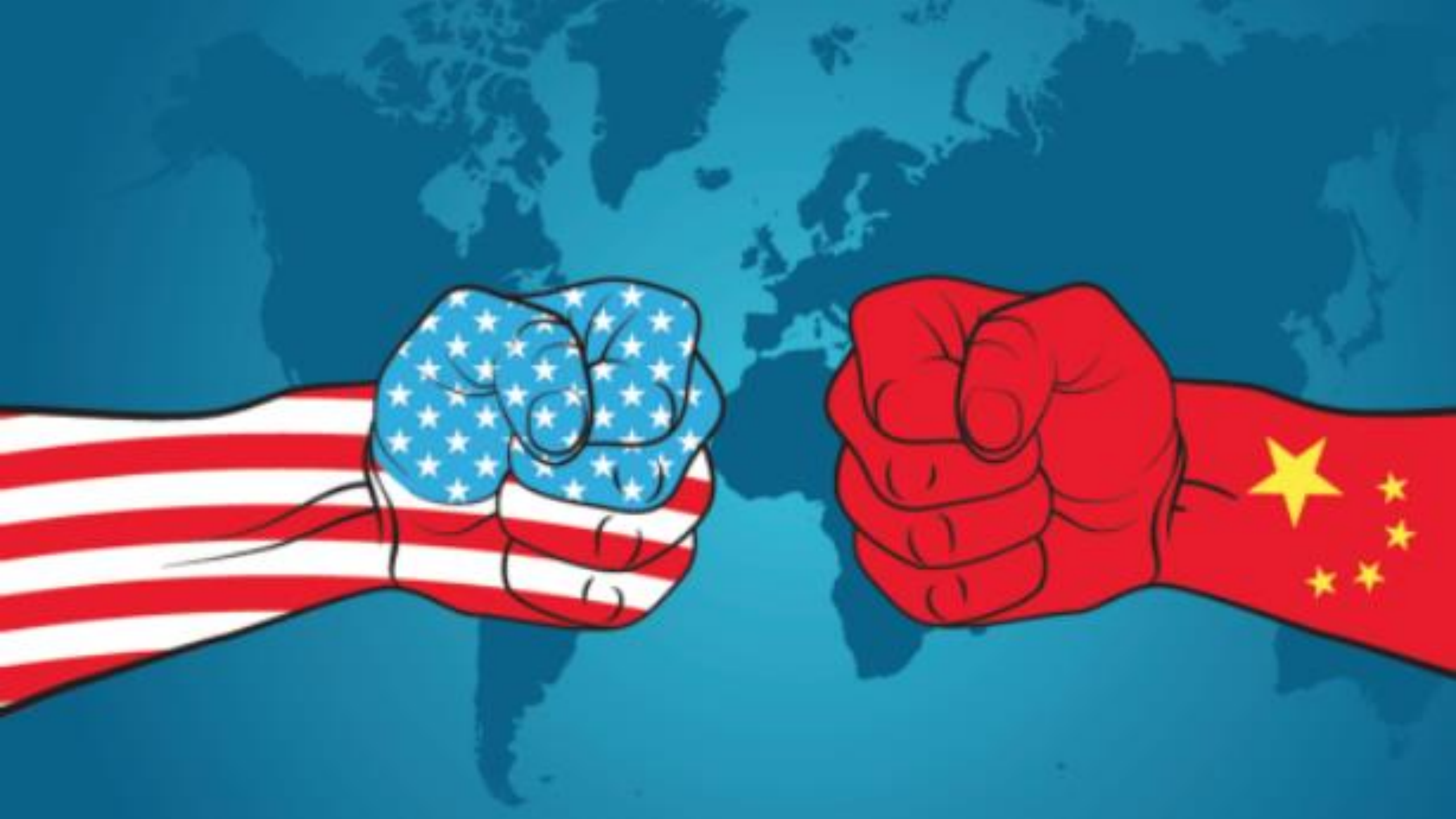
**INTEREST
RATES**

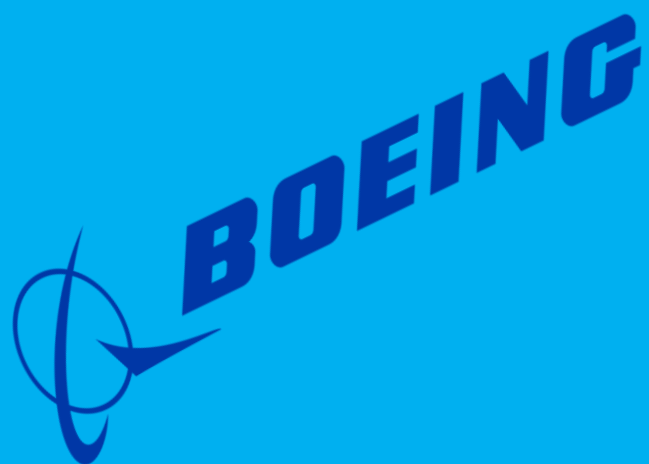
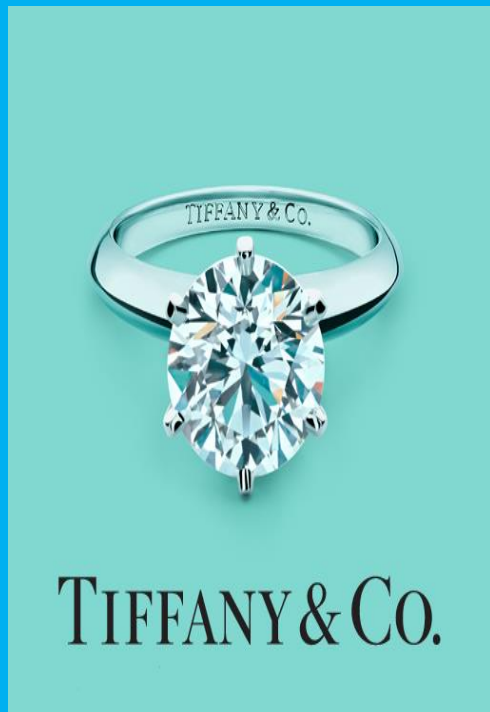




Central Banks

The logo features a dark blue triangular pediment containing the text "Central Banks" in a white serif font. Below the pediment are six vertical blue columns of varying heights, creating a classical architectural facade. The entire logo is centered within a white circle that has a rough, hand-drawn black border.





A green rectangular highway sign with a white border and four silver mounting bolts. The sign is mounted on two metal poles. The background is a bright blue sky with scattered white clouds.

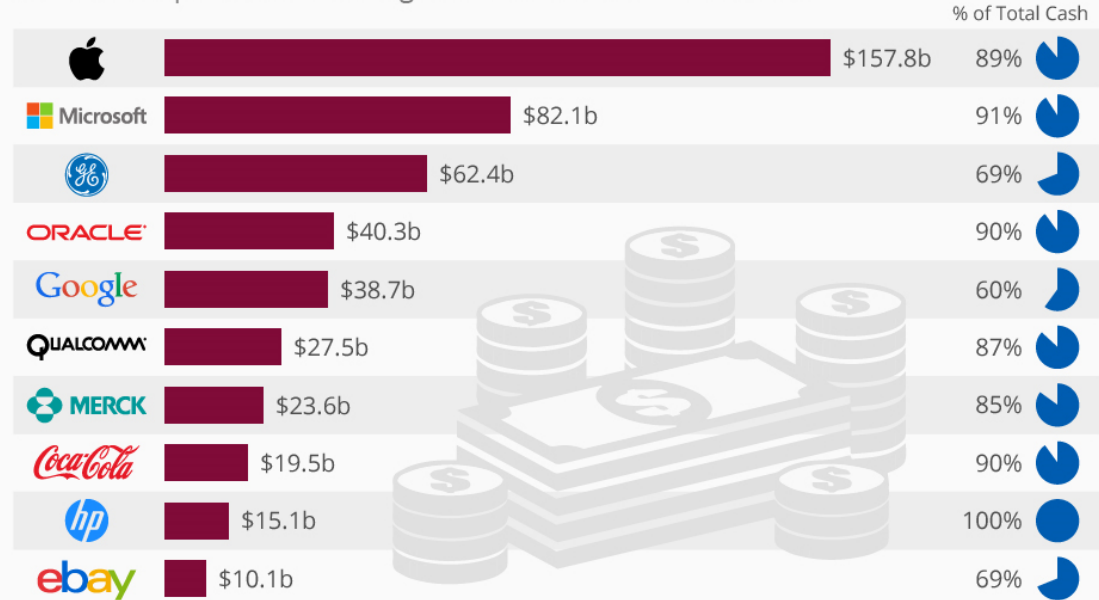
**TAX
REFORM**



REPATRIATION

These U.S. Companies Hoard Piles of Cash Abroad

S&P 500 companies with the largest amounts of cash held abroad



@StatistaCharts

* Data based on latest public disclosure of foreign totals
Sources: J.P. Morgan US Equity Strategy, Company Filings

statista

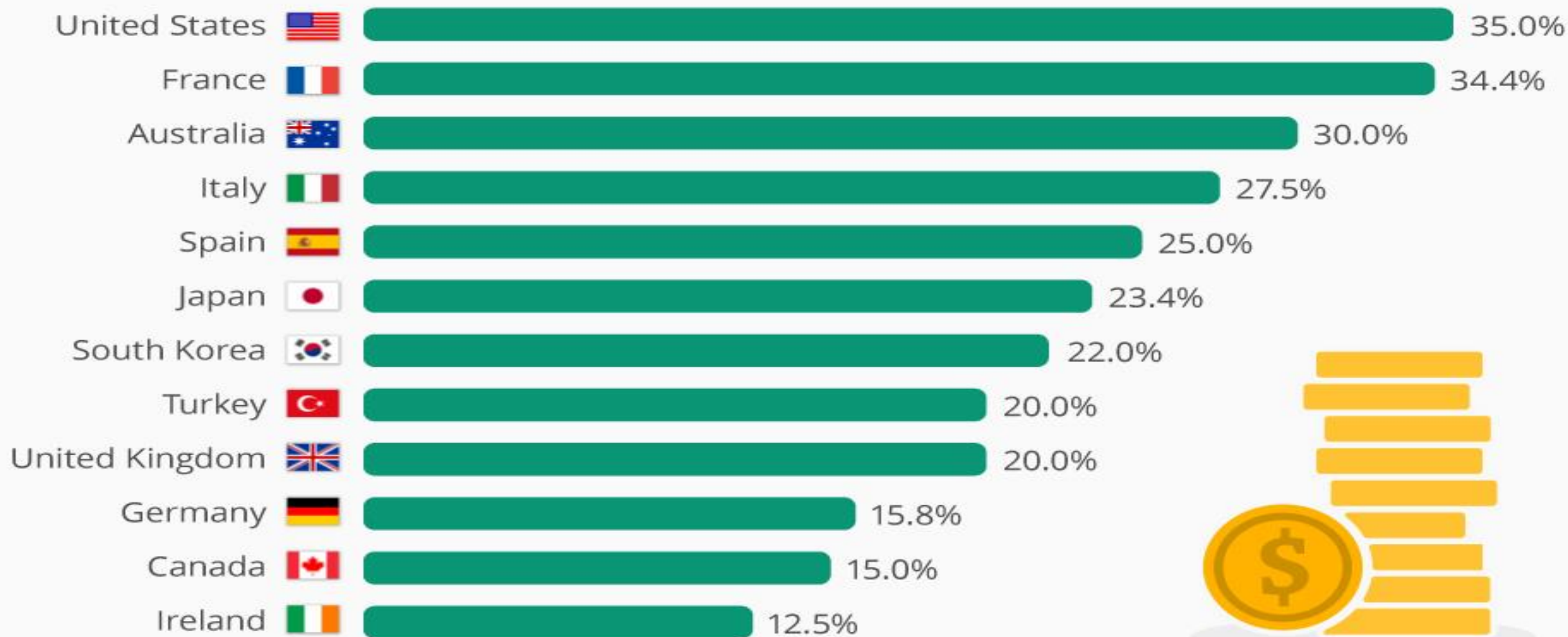
\$400B

Estimate of how much cash
U.S. companies will bring home

Lots Of Cash To Come Back

Global Corporation Tax Levels In Perspective

Corporate income tax rate in selected OECD countries in 2016



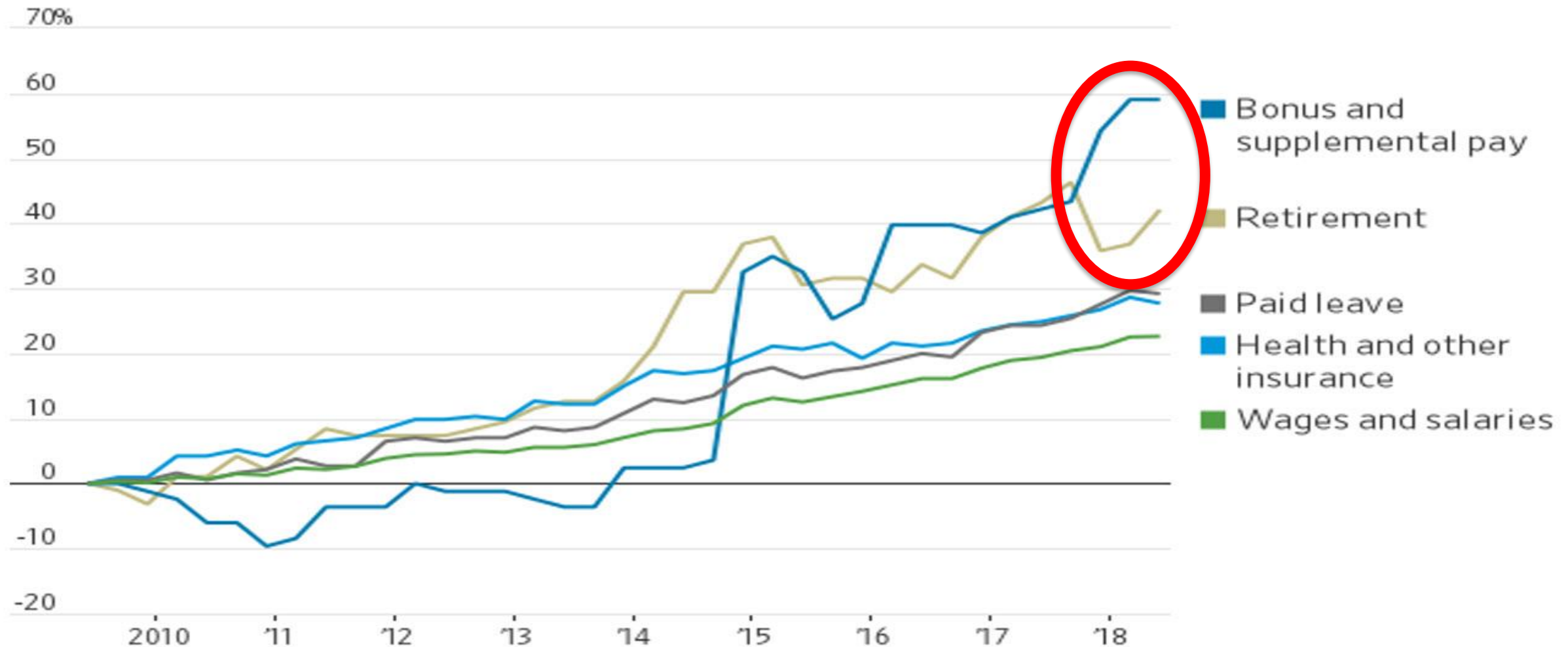
* The basic central government statutory (flat or top marginal) corporate income tax rate.

Source: OECD

Form of Payment

Benefit compensation, including bonuses and vacation time, has grown faster than wages for private-sector workers since the end of the recession.

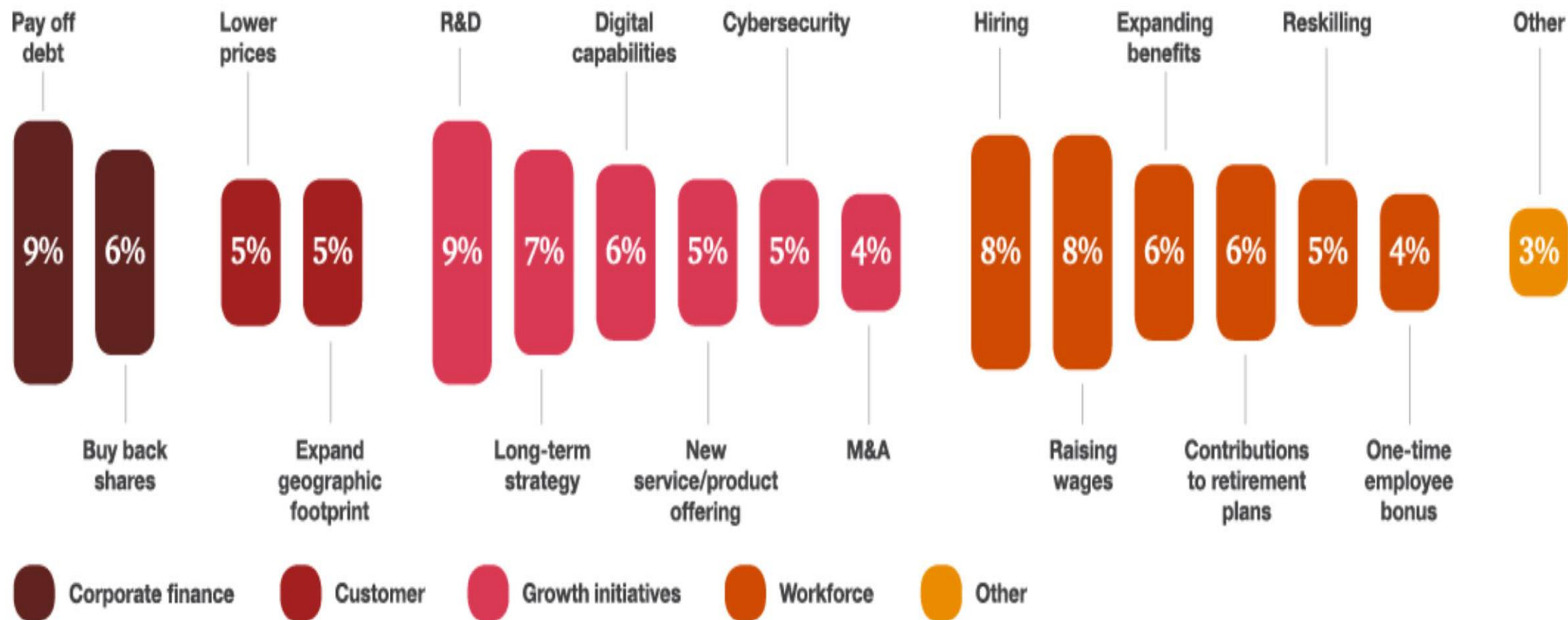
Change in compensation, by type, since June 2009



Source: Labor Department

Dollar allocations for 2019 look evenly spread

Mean allocation for each spend category, responses total 100% of cash



In the next year, what percentage of the savings resulting from the Tax Cuts and Jobs Act of 2017, if any, does your company anticipate spending on each of the following?

Base: 403 C-suite executives, domestic and foreign headquartered, with company operations in the US.

Source: PwC, How Tax Reform affects Business Strategy: 2018 Survey of the C-Suite, June 2018.

Most are poised to spend on talent



Workforce: 87% of executives plan to use tax savings to benefit their workforce in one or more ways. What's in the plan?

65%



Hiring



62%



Raising
wages



59%



Expanding
benefits



54%



Reskilling



50%



Contributions to
retirement plans



49%



One-time
employee bonus



The Global Economy







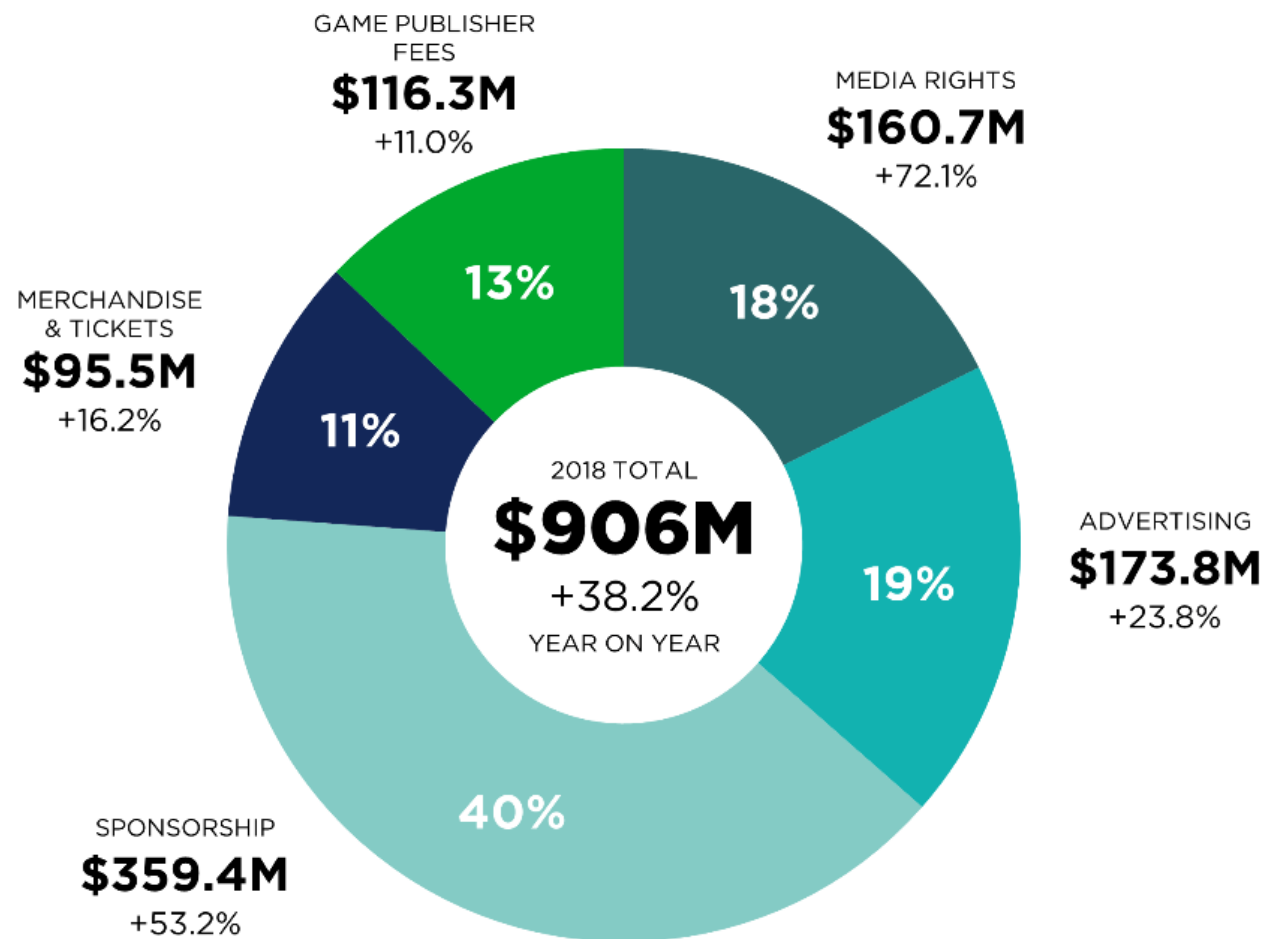
Disruption
Ahead





2018 ESPORTS REVENUE STREAMS | GLOBAL

INCLUDING YEAR-ON-YEAR GROWTH



Newzoo's esports revenue figures always exclude revenues from betting, fantasy leagues, and similar cash-payout concepts, as well as revenues generated within games.

YouTube



twitch



2017 YEAR IN REVIEW

This was the year Twitch went deeper. With more interactivity from Extensions and can't miss new content from PUBG to Power Rangers. We also formed deeper community bonds with our largest TwitchCon to date. Read on for a deep dive into the stories and milestones that the Twitch Community celebrated together in 2017.

355

BILLION

minutes watched

2+

MILLION

unique monthly
broadcasters

27+

THOUSAND

partnered streamers

124+

MILLION

total clips

15+

MILLION

unique daily visitors

30+

MILLION

dollars raised
for charity

150+

THOUSAND

affiliate streamers

223%

more creators
earning money



Disruption
Ahead



Behavior



A group of young adults are sitting on a grassy field, having a picnic. In the background, a city skyline with several tall skyscrapers is visible across a body of water. The scene is captured in a warm, golden-hour light. The text "WHO ARE MILLENIALS?" is overlaid in large, white, bold, sans-serif capital letters, centered horizontally and partially enclosed by two horizontal white lines.

WHO ARE MILLENIALS?

SORRY AIRBNB, BUT U.S. MILLENNIAL TRAVELERS PREFER HOTELS



January 11, 2018

Share:    

The demo that will spend \$200 billion in 2018 alone overwhelmingly prefers full-service hotels. It's just one of the surprises in our new ['Future of U.S. Millennial Travel' Report](#).

TRAVEL AGENT USER VS. NON TRAVEL AGENT USER DEMOGRAPHICS*

TRAVEL AGENT USER

Age: 39

Household Income: \$145,875

Married: 84%

Children in Household: 74%

Number of Vacations: 6.2

Amount Spent on Vacations: \$8,405

NON- TRAVEL AGENT USER

Age: 49

Household Income: \$112,125

Married: 71%

Children in Household: 34%

Number of Vacations: 2.9

Amount Spent on Vacations: \$4,111

FUTURE USE OF TRADITIONAL TRAVEL AGENTS BY GENERATION

Source: 2018 Portrait of American Travelers – MMGY Global

	MILLENNIALS	XERS	BOOMERS	MATURES
Vacation/Package Tour	85%	78%	77%	IRC
Accommodations	74%	78%	77%	IRC
Airline	76%	58%	62%	IRC
Cruise Line	75%	47%	40%	IRC
To Choose a Destination	70%	47%	40%	IRC
Rental Car	68%	43%	34%	IRC
LIKELY TO USE A TRADITIONAL TRAVEL AGENT TO BOOK THE FOLLOWING SERVICES*				

*Among travelers who used a traditional travel agent to plan at least one vacation during the next two years



Demographics

Age / Gender

Race

Location

Employment Status

Psychographics

Personality

Values

Attitudes

Interests

Lifestyles



Our children will never know the link
between the two



Behavioral Science
Is Now The Core



Stay Well is transcending hospitality by innovating and elevating the indoor environment to provide guests with a healthier travel experience.

SERVICES > PROGRAMS

STAY WELL™

WELL Building Standard™

Stay Well™

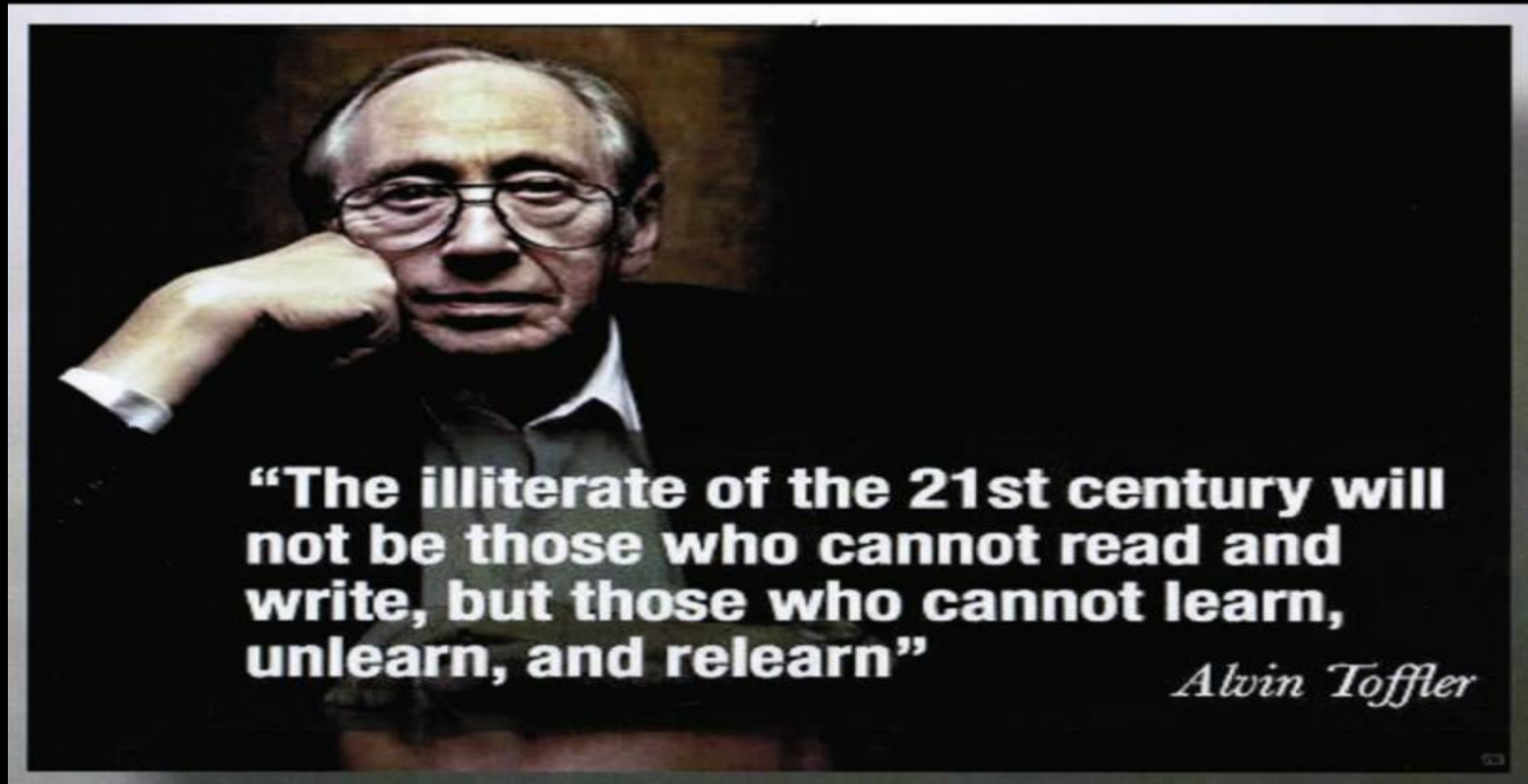
Wellness by Delos

STAY  WELL





Trend – Disrupt or be Disrupted



THANK YOU!

MDOMINGUEZ@MGMRESORTS.COM

Twitter – M_Dominguez

Facebook - /dominguezm68