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Wynn Macau, Limited
永利澳門有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1128 and Debt Stock Codes: 5279, 5280, 40102, 40259, 40357)

INSIDE INFORMATION

UNAUDITED RESULTS FOR THE THIRD QUARTER AND THE FIRST THREE QUARTERS OF FISCAL 2020 ENDED 30 SEPTEMBER 2020 OF OUR CONTROLLING SHAREHOLDER, WYNN RESORTS, LIMITED

This announcement is issued pursuant to Rules 13.09 and 37.47B of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited and under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

Our controlling shareholder, Wynn Resorts, Limited has, on or about 9 November 2020 (3:00 a.m., Las Vegas time), released its unaudited results for the third quarter and the first three quarters of fiscal 2020 ended 30 September 2020.

This announcement is issued by Wynn Macau, Limited (“we” or our “**Company**”) pursuant to Rules 13.09 and 37.47B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

Our Company’s controlling shareholder, Wynn Resorts, Limited, is a company listed on the National Association of Securities Dealers Automatic Quotation System (“**NASDAQ**”) Global Select Market in the United States. As at the date of this announcement, Wynn Resorts, Limited beneficially owns approximately 72% of the issued share capital of our Company.

* For identification purposes only.

Reference is made to our announcement on 6 November 2020 (the “**WRL Earnings Release Announcement**”) in respect of the release by our controlling shareholder, Wynn Resorts, Limited, of its unaudited financial results for the third quarter and the first three quarters of fiscal 2020 ended 30 September 2020. Unless otherwise defined in this announcement, terms defined in the WRL Earnings Release Announcement have the same meaning when used in this announcement.

Further to the WRL Earnings Release Announcement, Wynn Resorts, Limited has, on or about 9 November 2020, 3:00 a.m., Las Vegas time, released its quarterly report with unaudited financial results for the third quarter and the first three quarters of fiscal 2020 ended 30 September 2020 (“**WRL Quarterly Report**”). If you wish to review the WRL Quarterly Report prepared by Wynn Resorts, Limited and as filed with the U.S. Securities and Exchange Commission, please visit <https://www.sec.gov/Archives/edgar/data/1174922/000117492220000199/0001174922-20-000199-index.htm>. The WRL Quarterly Report contains segment financial information about Wynn Resorts, Limited’s Macau operations, which are owned by our Company. The WRL Quarterly Report is also available in the public domain.

The financial results of Wynn Resorts, Limited, including those contained in the WRL Quarterly Report, have been prepared in accordance with the Generally Accepted Accounting Principles of the United States (“**U.S. GAAP**”), which are different from the International Financial Reporting Standards (“**IFRS**”) that we use to prepare and present our financial information. As such, the financial information in the WRL Quarterly Report is not directly comparable to the financial results our Company discloses. Consequently, we offer no indication or assurance that the financial results of our Group for the third quarter and the first three quarters of fiscal 2020 ended 30 September 2020 will be the same as that presented in the WRL Quarterly Report. In the WRL Earnings Release Announcement, we announced our unaudited financial results for the third quarter ended 30 September 2020 prepared in accordance with IFRS.

To ensure that all shareholders and potential investors of our Company have equal and timely access to the information pertaining to our Company, set forth below are the key highlights of financial information and other information published by Wynn Resorts, Limited in the WRL Quarterly Report that relate to our Company and our operations in Macau (unless otherwise provided, all dollar amounts in the WRL Quarterly Report are denominated in United States dollars), some of which may constitute material inside information of the Company:

**“QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2020

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

**WYNN RESORTS, LIMITED AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)**

Note 1 — Organization

Organization

In the Macau Special Administrative Region of the People’s Republic of China (“Macau”), the Company owns approximately 72% of Wynn Macau, Limited (“WML”), which includes the operations of the Wynn Palace and Wynn Macau resorts. The Company refers to Wynn Palace and Wynn Macau as its Macau Operations.

Recent Developments Related to COVID-19

As previously disclosed, in January 2020, an outbreak of a new strain of coronavirus, COVID-19 (“COVID-19”), was identified. Since then, COVID-19 has spread around the world, and steps have been taken by various countries, including those in which the Company operates, to advise citizens to avoid non-essential travel, to restrict inbound international travel, to implement closures of non-essential operations, and to implement quarantines and lockdowns to contain the spread of the virus. Currently, no fully effective treatments or vaccines have been developed, and there can be no assurance as to if or when an effective treatment or vaccine will be discovered.

Macau Operations

In response to the COVID-19 pandemic, the Macau government announced on February 4, 2020 the closure of all casino operations in Macau, including those at Wynn Palace and Wynn Macau, for a period of 15 days. On February 20, 2020, casino operations at Wynn Palace and Wynn Macau reopened on a reduced basis and have since been fully restored; however, certain COVID-19 specific protective measures, such as traveler quarantines and requirements for negative COVID-19 tests before entering Macau, limiting the number of seats per table game, slot machine spacing, temperature checks, mask protection, COVID-19 negative test results requirements for entry to gaming areas, and health declarations remain in effect at the present time.

Visitation to Macau has fallen significantly since the outbreak of COVID-19, driven by the pandemic's strong deterrent effect on travel and social activities, the suspension in late January 2020 of the Chinese government's visa and group tour schemes that allow mainland Chinese residents to travel to Macau, quarantine and testing measures in Macau and elsewhere, travel and entry requirements, restrictions, and bans in Macau, Hong Kong, Taiwan, and certain cities and regions in mainland China, and the suspension of ferry services to Macau from Hong Kong and mainland China and other modes of transportation within Macau. Regionally, bans on entry or enhanced quarantine requirements, depending on the person's residency and their recent travel history, for any Macau residents, PRC citizens, Hong Kong residents and Taiwan residents attempting to enter Macau are drastically impacting visitation. Persons who are not residents of the Greater China area are barred from entry to Macau at this time, and quarantine requirements for those traveling between Hong Kong and Macau have been announced to remain effective until at least December 31, 2020, at which time they may be lifted.

While most of the foregoing travel restrictions and quarantine requirements continue to weigh on visitation to Macau, beginning in June 2020 certain of these restrictions have eased as certain regions gradually recover from the COVID-19 pandemic. In July 2020, Guangdong Province, a Chinese province adjacent to Macau, eased certain quarantine requirements for those traveling between Guangdong Province and Macau, subject to certain testing requirements and health declarations. On September 23, 2020, mainland China authorities fully resumed the Individual Visit Scheme exit visa program, which, prior to its suspension by the PRC government due to COVID-19 travel restrictions, permitted individual PRC citizens from nearly 50 PRC cities to travel to Macau for tourism purposes. Stringent health declarations, testing and other procedures remain in place, and all visitors seeking entry to Macau need to test negative for COVID-19 before entering Macau.

Summary

The COVID-19 pandemic has had and will continue to have an adverse effect on the Company's results of operations. The Company is currently unable to determine when protective measures in effect at our Macau Operations, Las Vegas Operations, and Encore Boston Harbor will be lifted. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to the Company's future results of operations, cash flows, or financial condition.

Note 3 — Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash consisted of the following (in thousands):

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Restricted cash ⁽³⁾	4,849	6,388

(3) Restricted cash consists of cash collateral associated with obligations and cash held in a trust in accordance with WML's share award plan.

Note 6 — Long-Term Debt

Long-term debt consisted of the following (in thousands):

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Macau Related:		
Wynn Macau Credit Facilities ⁽¹⁾:		
Wynn Macau Term Loan, due 2022 ⁽²⁾	\$1,306,974	\$2,302,540
Wynn Macau Revolver, due 2022 ⁽³⁾	751,073	350,232
WML 4 7/8% Senior Notes, due 2024	600,000	600,000
WML 5 1/2% Senior Notes, due 2026	1,000,000	—
WML 5 1/2% Senior Notes, due 2027	750,000	750,000
WML 5 1/8% Senior Notes, due 2029	1,000,000	1,000,000
WML 5 5/8% Senior Notes, due 2028	600,000	—

(1) The borrowings under the Wynn Macau Credit Facilities bear interest at LIBOR or HIBOR plus a margin of 1.50% to 2.25% per annum based on Wynn Resorts Macau S.A.'s leverage ratio.

(2) As of September 30, 2020, approximately \$739.2 million and \$567.8 million of the Wynn Macau Term Loan bore interest at a rate of LIBOR plus 2.125% per year and HIBOR plus 2.125% per year, respectively. As of September 30, 2020, the weighted average interest rate was approximately 2.42%.

(3) As of September 30, 2020, approximately \$427.0 million and \$324.1 million of the Wynn Macau Revolver bore interest at a rate of LIBOR plus 2.125% per year and HIBOR plus 2.125% per year, respectively. As of September 30, 2020, the weighted average interest rate was approximately 2.39%. As of September 30, 2020, the Company had no available borrowing capacity under the Wynn Macau Revolver.

WML Senior Notes Offering

On June 19, 2020, WML issued \$750.0 million aggregate principal amount of 5 1/2% Senior Notes due 2026 (the “Existing 2026 WML Notes”) pursuant to an indenture (the “2026 Indenture”).

On August 26, 2020, WML issued additional \$250.0 million aggregate principal amount of 5 1/2% Senior Notes due 2026 (the “Additional 2026 Notes,” together with the Existing 2026 WML Notes, “2026 WML Notes”) pursuant to the 2026 Indenture, and \$600.0 million aggregate principal amount of 5 5/8% Senior Notes due 2028 (the “2028 WML Notes,” together with the 2026 WML Notes, the “2026 and 2028 WML Notes”) pursuant to an indenture (the “2028 Indenture,” together with the 2026 Indenture, the “2026 and 2028 Indentures”). The Additional 2026 Notes have identical terms, other than the issue date and the issue price, to, rank equally with and form a part of a single class of securities with the Existing 2026 WML Notes.

The 2026 WML Notes will mature on January 15, 2026 and bear interest at the rate of 5 1/2% per annum payable in arrears semi-annually on January 15 and July 15 of each year, beginning on January 15, 2021. At any time prior to June 15, 2022, WML may use the net cash proceeds from certain equity offerings to redeem up to 35% of the aggregate principal amount of the 2026 WML Notes at a redemption price equal to 105.500% of the aggregate principal amount of the 2026 WML Notes, plus accrued and unpaid interest, if any. At any time prior to June 15, 2022, WML may redeem the 2026 WML Notes in whole or in part at a redemption price equal to the greater of (a) 100% of the aggregate principal amount of the 2026 WML Notes to be redeemed, or (b) a make-whole amount as determined by an independent investment banker in accordance with the terms of the 2026 Indenture, in either case, plus accrued and unpaid interest.

In addition, on or after June 15, 2022, WML may redeem the 2026 WML Notes in whole or in part at a premium decreasing annually from 104.125% of the applicable principal amount to 100.000%, plus accrued and unpaid interest. If WML undergoes a Change of Control (as defined in the 2026 Indenture), it must offer to repurchase the 2026 WML Notes at a price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest. In addition, WML may redeem the 2026 WML Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest, in response to any change in or amendment to certain tax laws or tax positions. Further, if a holder or beneficial owner of the 2026 WML Notes fails to meet certain requirements imposed by any Gaming Authority (as defined in the 2026 Indenture), WML may require the holder or beneficial owner to dispose of or redeem its 2026 WML Notes.

The 2028 WML Notes will mature on August 26, 2028 and bear interest at the rate of 5 5/8% per annum payable in arrears semi-annually on February 26 and August 26 of each year, beginning on February 26, 2021. At any time prior to August 26, 2023, WML may use the net cash proceeds from certain equity offerings to redeem up to 35% of the aggregate principal amount of the 2028 WML Notes at a redemption price equal to 105.625% of the aggregate principal amount of the 2028 WML Notes, plus accrued and unpaid interest, if any. At any time prior to August 26, 2023, WML may redeem the 2028 WML Notes in whole or in part at a redemption price equal to the greater of (a) 100% of the aggregate principal amount of the 2028 WML Notes to be redeemed, or (b) a make-whole amount as determined by an independent investment banker in accordance with the terms of the 2028 Indenture, in either case, plus accrued and unpaid interest.

In addition, on or after August 26, 2023, WML may redeem the 2028 WML Notes in whole or in part at a premium decreasing annually from 102.813% of the applicable principal amount to 100.000%, plus accrued and unpaid interest. If WML undergoes a Change of Control (as defined in the 2028 Indenture), it must offer to repurchase the 2028 WML Notes at a price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest. In addition, WML may redeem the 2028 WML Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest, in response to any change in or amendment to certain tax laws or tax positions. Further, if a holder or beneficial owner of the 2028 WML Notes fails to meet certain requirements imposed by any Gaming Authority (as defined in the 2028 Indenture), WML may require the holder or beneficial owner to dispose of or redeem its 2028 WML Notes.

Upon the occurrence of (a) any event after which none of WML or any subsidiary of WML has the applicable gaming concessions or authorizations in Macau in substantially the same manner and scope as WML and its subsidiaries are entitled to at the date on which the 2026 and 2028 WML Notes are issued, for a period of 10 consecutive days or more, and such event has a material adverse effect on WML and its subsidiaries, taken as a whole; or (b) the termination or modification of any such concessions or authorizations which has a material adverse effect on WML and its subsidiaries, taken as a whole, each holder of the 2026 and 2028 WML Notes will have the right to require WML to repurchase all or any part of such holder's 2026 and 2028 WML Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest.

The 2026 and 2028 WML Notes are WML's general unsecured obligations and rank pari passu in right of payment with all of WML's existing and future senior unsecured indebtedness; will rank senior to all of WML's future subordinated indebtedness, if any; will be effectively subordinated to all of WML's future secured indebtedness to the extent of the value of the assets securing such debt; and will be structurally subordinated to all existing and future obligations of WML's subsidiaries, including WML's existing credit facilities. The 2026 and 2028 WML Notes are not registered under the Securities Act of 1933, as amended (the "Securities Act"), and the 2026 and 2028 WML Notes are subject to restrictions on transferability and resale.

The 2026 and 2028 Indentures contain covenants limiting WML's (and certain of its subsidiaries') ability to, among other things: merge or consolidate with another company; transfer or sell all or substantially all of its properties or assets; and lease all or substantially all of its properties or assets. The terms of the 2026 and 2028 Indentures contain customary events of default, including, but not limited to: default for 30 days in the payment when due of interest on the 2026 and 2028 WML Notes; default in the payment when due of the principal of, or premium, if any, on the 2026 and 2028 WML Notes; failure to comply with any payment obligations relating to the repurchase by WML of the 2026 and 2028 WML Notes upon a change of control; failure to comply with certain covenants in the 2026 and 2028 Indentures; certain defaults on certain other indebtedness; failure to pay judgments against WML or certain subsidiaries that, in the aggregate, exceed \$50 million; and certain events of bankruptcy or insolvency. In the case of an event of default arising from certain events of bankruptcy or insolvency, all 2026 and 2028 WML Notes then outstanding will become due and payable immediately without further action or notice.

WML intends to use the net proceeds from the Existing 2026 WML Notes for general corporate purposes until WML's business recovers from the effects of the COVID-19 pandemic, and then to facilitate the repayment of a portion of the amounts outstanding under the Wynn Macau Credit Facilities. WML used the net proceeds from the Additional 2026 and 2028 WML Notes to facilitate the prepayment of term loans outstanding under the Wynn Macau Credit Facilities in September 2020. WML used a portion of the proceeds from the 2026 and 2028 WML Notes to pay related fees and expenses totaling \$14.2 million, which was recorded as debt issuance costs within the Condensed Consolidated Balance Sheet.

Note 7 — Stockholders' Equity (Deficit)

Noncontrolling Interests

The board of directors of WML concluded not to recommend the payment of a dividend with respect to the year ended December 31, 2019 due to the financial impact of the COVID-19 pandemic.

On September 16, 2019, WML paid a cash dividend of HK\$0.45 per share for a total of \$298.0 million. The Company's share of this dividend was \$215.1 million with a reduction of \$82.9 million to noncontrolling interest in the accompanying Condensed Consolidated Balance Sheet.

On June 19, 2019, WML paid a cash dividend of HK\$0.45 per share for a total of \$298.0 million. The Company's share of this dividend was \$215.0 million with a reduction of \$83.0 million to noncontrolling interest in the accompanying Condensed Consolidated Balance Sheet.

Note 11 — Income Taxes

Wynn Macau SA received a five year exemption from Macau's 12% Complementary Tax on casino gaming profits through December 31, 2020. Accordingly, for the three months ended September 30, 2019, the Company was exempt from the payment of such taxes totaling \$13.4 million. For the nine months ended September 30, 2019, the Company was exempt from the payment of such taxes totaling \$56.0 million. For the three and nine months ended September 30, 2020, the Company did not have any casino gaming profits exempt from the Macau Complementary Tax. The Company's non-gaming profits remain subject to the Macau Complementary Tax and its casino winnings remain subject to the Macau special gaming tax and other levies in accordance with its concession agreement.

In April 2020, Wynn Macau SA received an extension of the exemption from Macau's 12% Complementary Tax on casino gaming profits earned from January 1, 2021 to June 26, 2022, the expiration date of the gaming concession agreement.

Note 16 — Segment Information

The Company reviews the results of operations for each of its operating segments, and identifies reportable segments based upon factors such as geography, regulatory environment, and the Company's organizational and management reporting structure. Wynn Macau and Encore, an expansion at Wynn Macau, are managed as a single integrated resort and have been aggregated as one reportable segment ("Wynn Macau"). Wynn Palace is presented as a separate reportable segment and is combined with Wynn Macau for geographical presentation. Other Macau primarily represents the assets for the Company's Macau holding company.

The following tables present the Company's segment information (in thousands):

	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Operating revenues				
<i>Macau Operations:</i>				
<i>Wynn Palace</i>				
<i>Casino</i>	\$12,301	\$497,657	\$208,449	\$1,649,377
<i>Rooms</i>	4,506	44,884	26,647	131,382
<i>Food and beverage</i>	6,856	30,256	24,385	87,691
<i>Entertainment, retail and other⁽¹⁾</i>	(7,962)	25,374	24,451	85,259
	<u>15,701</u>	<u>598,171</u>	<u>283,932</u>	<u>1,953,709</u>
<i>Wynn Macau</i>				
<i>Casino</i>	27,154	408,820	213,758	1,340,266
<i>Rooms</i>	4,938	26,740	23,480	82,071
<i>Food and beverage</i>	5,606	19,584	18,821	60,688
<i>Entertainment, retail and other⁽¹⁾</i>	13,670	19,137	36,686	61,621
	<u>51,368</u>	<u>474,281</u>	<u>292,745</u>	<u>1,544,646</u>
Total Macau Operations	<u>67,069</u>	<u>1,072,452</u>	<u>576,677</u>	<u>3,498,355</u>
	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Adjusted Property EBITDA⁽²⁾				
<i>Macau Operations:</i>				
<i>Wynn Palace</i>	\$(77,647)	\$162,167	\$(178,379)	\$ 551,918
<i>Wynn Macau</i>	(34,457)	138,989	(97,895)	478,751
Total Macau Operations	<u>(112,104)</u>	<u>301,156</u>	<u>(276,274)</u>	<u>1,030,669</u>

- (1) *Includes lease revenue accounted for under lease accounting guidance.*
- (2) *“Adjusted Property EBITDA” is net income (loss) before interest, income taxes, depreciation and amortization, pre-opening expenses, property charges and other, management and license fees, corporate expenses and other (including intercompany golf course and water rights leases), stock-based compensation, change in derivatives fair value, loss on extinguishment of debt, and other non-operating income and expenses. Adjusted Property EBITDA is presented exclusively as a supplemental disclosure because management believes that it is widely used to measure the performance, and as a basis for valuation, of gaming companies. Management uses Adjusted Property EBITDA as a measure of the operating performance of its segments and to compare the operating performance of its properties with those of its competitors, as well as a basis for determining certain incentive compensation. We also present Adjusted Property EBITDA because it is used by some investors to measure a company’s ability to incur and service debt, make capital expenditures and meet working capital requirements. Gaming companies have historically reported EBITDA as a supplement to GAAP. In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including us, have historically excluded from their EBITDA calculations preopening expenses, property charges, corporate expenses and stock-based compensation, that do not relate to the management of specific casino properties. However, Adjusted Property EBITDA should not be considered as an alternative to operating income as an indicator of our performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure determined in accordance with GAAP. Unlike net income, Adjusted Property EBITDA does not include depreciation or interest expense and therefore does not reflect current or future capital expenditures or the cost of capital. We have significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, income taxes and other nonrecurring charges, which are not reflected in Adjusted Property EBITDA. Also, our calculation of Adjusted Property EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited.*

	September 30, 2020	December 31, 2019
	<hr/>	<hr/>
Assets		
Macau Operations:		
Wynn Palace	\$3,472,957	\$3,734,210
Wynn Macau	1,405,084	1,656,625
Other Macau	1,657,283	1,023,411
	<hr/>	<hr/>
Total Macau Operations	6,535,324	6,414,246

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a designer, developer, and operator of integrated resorts featuring luxury hotel rooms, high-end retail space, an array of dining and entertainment options, meeting and convention facilities, and gaming, all supported by an unparalleled focus on our guests, our people, and our community. Through our approximately 72% ownership of WML, we operate two integrated resorts in the Macau Special Administrative Region of the People’s Republic of China (“Macau”), Wynn Palace and Wynn Macau (collectively, our “Macau Operations”).

Recent Developments Related to COVID-19

As previously disclosed, in January 2020, an outbreak of a new strain of coronavirus, COVID-19 (“COVID-19”), was identified. Since then, COVID-19 has spread around the world, and steps have been taken by various countries, including those in which we operate, to advise citizens to avoid non-essential travel, to restrict inbound international travel, to implement closures of non-essential operations, and to implement quarantines and lockdowns to contain the spread of the virus. Currently, no fully effective treatments or vaccines have been developed, and there can be no assurance as to if or when an effective treatment or vaccine will be discovered.

Macau Operations

In response to the COVID-19 pandemic, the Macau government announced on February 4, 2020 the closure of all casino operations in Macau, including those at Wynn Palace and Wynn Macau, for a period of 15 days. On February 20, 2020, casino operations at Wynn Palace and Wynn Macau reopened on a reduced basis and have since been fully restored; however, certain COVID-19 specific protective measures, such as traveler quarantines and requirements for negative COVID-19 tests before entering Macau, limiting the number of seats per table game, slot machine spacing, temperature checks, mask protection, COVID-19 negative test results requirements for entry to gaming areas, and health declarations remain in effect at the present time.

Visitation to Macau has fallen significantly since the outbreak of COVID-19, driven by the pandemic’s strong deterrent effect on travel and social activities, the suspension in late January 2020 of the Chinese government’s visa and group tour schemes that allow mainland Chinese residents to travel to Macau, quarantine and testing measures in Macau and elsewhere, travel and entry requirements, restrictions, and bans in Macau, Hong Kong, Taiwan, and certain cities and regions in mainland China, and the suspension of ferry services to Macau from Hong Kong and mainland China and other modes of transportation within Macau. Total visitation from mainland China to Macau decreased by 90.5% and 85.9% in the three and nine months ended September 30, 2020, compared with the same periods in 2019. Regionally, bans on entry or enhanced quarantine requirements, depending on the person’s residency and their recent travel history, for any Macau residents, PRC citizens, Hong Kong residents and Taiwan residents attempting to enter Macau are drastically impacting visitation. Persons who are not residents of the Greater China area are barred from entry to Macau at this time, and quarantine requirements for those traveling between Hong Kong and Macau have been announced to remain effective until at least December 31, 2020, at which time they may be lifted.

While most of the foregoing travel restrictions and quarantine requirements continue to weigh on visitation to Macau, beginning in June 2020 certain of these restrictions have eased as certain regions gradually recover from the COVID-19 pandemic. In July 2020, Guangdong Province, a Chinese province adjacent to Macau, eased certain quarantine requirements for those traveling between Guangdong Province and Macau, subject to certain testing requirements and health declarations. On September 23, 2020, mainland China authorities fully resumed the Individual Visit Scheme exit visa program, which, prior to its suspension by the PRC government due to COVID-19 travel restrictions, permitted individual PRC citizens from nearly 50 PRC cities to travel to Macau for tourism purposes. Stringent health declarations, testing and other procedures remain in place, and all visitors seeking entry to Macau need to test negative for COVID-19 before entering Macau.

Key Operating Measures

Certain key operating measures specific to the gaming industry are included in our discussion of our operational performance for the periods for which the Condensed Consolidated Statements of Operations are presented. These key operating measures are presented as supplemental disclosures because management and/or certain investors use these measures to better understand period-over-period fluctuations in our casino and hotel operating revenues. These key operating measures are defined below:

- Table drop in mass market for our Macau Operations is the amount of cash that is deposited in a gaming table's drop box plus cash chips purchased at the casino cage.*
- Rolling chips are non-negotiable identifiable chips that are used to track turnover for purposes of calculating incentives within our Macau Operations' VIP program.*
- Turnover is the sum of all losing rolling chip wagers within our Macau Operations' VIP program.*
- Table games win is the amount of table drop or turnover that is retained and recorded as casino revenues. Table games win is before discounts, commissions and the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis. Table games win does not include poker rake.*
- Slot machine win is the amount of handle (representing the total amount wagered) that is retained by us and is recorded as casino revenues. Slot machine win is after adjustment for progressive accruals and free play, but before discounts and the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis.*
- Poker rake is the portion of cash wagered by patrons in our poker rooms that is retained by the casino as a service fee, after adjustment for progressive accruals, but before the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis. Poker tables are not included in our measure of average number of table games.*

- *Average daily rate (“ADR”) is calculated by dividing total room revenues, including complimentary (less service charges, if any), by total rooms occupied.*
- *Revenue per available room (“REVPAR”) is calculated by dividing total room revenues, including complimentary (less service charges, if any), by total rooms available.*
- *Occupancy is calculated by dividing total occupied rooms, including complimentary rooms, by the total rooms available.*

Below is a discussion of the methodologies used to calculate win percentages at our resorts.

In our VIP operations in Macau, customers primarily purchase rolling chips from the casino cage and can only use them to make wagers. Winning wagers are paid in cash chips. The loss of the rolling chips in the VIP operations is recorded as turnover and provides a base for calculating VIP win percentage. It is customary in Macau to measure VIP play using this rolling chip method. We expect our win as a percentage of turnover from these operations to be within the range of 2.7% to 3.0%.

In our mass market operations in Macau, customers may purchase cash chips at either the gaming tables or at the casino cage. The measurements from our VIP and mass market operations are not comparable as the measurement method used in our mass market operations tracks the initial purchase of chips at the table and at the casino cage, while the measurement method from our VIP operations tracks the sum of all losing wagers. Accordingly, the base measurement from the VIP operations is much larger than the base measurement from the mass market operations. As a result, the expected win percentage with the same amount of gaming win is lower in the VIP operations when compared to the mass market operations.

Results of Operations

Summary of third quarter 2020 results

The decrease in operating revenues for the three months ended September 30, 2020 was driven by decreases of \$582.5 million, \$422.9 million, \$212.8 million, and \$59.1 million from Wynn Palace, Wynn Macau, our Las Vegas Operations, and Encore Boston Harbor, respectively. These declines were precipitated by the continued adverse effects of the COVID-19 pandemic, including travel restrictions and capacity limitations at our Macau Operations, our Las Vegas Operations and Encore Boston Harbor.

The decrease in Adjusted Property EBITDA for the three months ended September 30, 2020 was primarily driven by decreases of \$239.8 million, \$173.4 million, and \$67.8 million from Wynn Palace, Wynn Macau, and our Las Vegas Operations, respectively.

Financial results for the three months ended September 30, 2020 compared to the three months ended September 30, 2019.

Operating revenues

The following table presents our operating revenues (in thousands):

	<i>Three Months Ended September 30,</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>
	<i>2020</i>	<i>2019</i>		
<i>Operating revenues</i>				
<i>Macau Operations:</i>				
Wynn Palace	\$15,701	\$598,171	\$(582,470)	(97.4)
Wynn Macau	51,368	474,281	(422,913)	(89.2)
<i>Total Macau Operations</i>	<i>67,069</i>	<i>1,072,452</i>	<i>(1,005,383)</i>	<i>(93.7)</i>

Casino revenues

Casino revenues decreased primarily due to the adverse effects of the COVID-19 pandemic, including widespread travel restrictions and capacity limitations.

The table below sets forth our casino revenues and associated key operating measures (dollars in thousands, except for win per unit per day):

	Three Months Ended September 30,		Increase/ (Decrease)	Percent Change
	2020	2019		
Macau Operations:				
<i>Wynn Palace:</i>				
Total casino revenues	\$12,301	\$497,657	\$(485,356)	(97.5)
VIP:				
Average number of table games	102	108	(6)	(5.6)
VIP turnover	\$311,676	\$10,517,685	\$(10,206,009)	(97.0)
VIP table games win	\$3,244	\$335,277	\$(332,033)	(99.0)
VIP win as a % of turnover	1.04%	3.19%	(2.15)	
Table games win per unit per day	\$347	\$33,595	\$(33,248)	(99.0)
Mass market:				
Average number of table games	223	216	7	3.2
Table drop	\$86,347	\$1,298,827	\$(1,212,480)	(93.4)
Table games win	\$19,015	\$324,177	\$(305,162)	(94.1)
Table games win %	22.0%	25.0%	(3.0)	
Table games win per unit per day	\$929	\$16,346	\$(15,417)	(94.3)
Average number of slot machines	569	1,087	(518)	(47.7)
Slot machine handle	\$78,580	\$973,676	\$(895,096)	(91.9)
Slot machine win	\$3,995	\$47,289	\$(43,294)	(91.6)
Slot machine win per unit per day	\$76	\$473	\$(397)	(83.9)
<i>Wynn Macau:</i>				
Total casino revenues	\$27,154	\$408,820	\$(381,666)	(93.4)
VIP:				
Average number of table games	91	104	(13)	(12.5)
VIP turnover	\$498,519	\$8,024,990	\$(7,526,471)	(93.8)
VIP table games win	\$19,679	\$221,097	\$(201,418)	(91.1)
VIP win as a % of turnover	3.95%	2.76%	1.19	
Table games win per unit per day	\$2,351	\$23,036	\$(20,685)	(89.8)
Mass market:				
Average number of table games	240	205	35	17.1
Table drop	\$133,006	\$1,319,405	\$(1,186,399)	(89.9)
Table games win	\$24,898	\$272,511	\$(247,613)	(90.9)
Table games win %	18.7%	20.7%	(2.0)	
Table games win per unit per day	\$1,128	\$14,440	\$(13,312)	(92.2)
Average number of slot machines	472	786	(314)	(39.9)
Slot machine handle	\$87,988	\$999,985	\$(911,997)	(91.2)
Slot machine win	\$3,072	\$46,981	\$(43,909)	(93.5)
Slot machine win per unit per day	\$71	\$649	\$(578)	(89.1)
Poker rake	\$—	\$4,703	\$(4,703)	(100.0)

Non-casino revenues

The table below sets forth our room revenues and associated key operating measures:

	Three Months Ended		Increase/ (Decrease)	Percent Change
	September 30,			
	2020	2019		
Macau Operations:				
<i>Wynn Palace:</i>				
<i>Total room revenues</i>				
<i>(dollars in thousands)</i>	\$4,506	\$44,884	\$(40,378)	(90.0)
<i>Occupancy</i>	11.6%	97.2%	(85.6)	
<i>ADR</i>	\$225	\$273	\$(48)	(17.6)
<i>REVPAR</i>	\$26	\$265	\$(239)	(90.2)
<i>Wynn Macau:</i>				
<i>Total room revenues</i>				
<i>(dollars in thousands)</i>	\$4,938	\$26,740	\$(21,802)	(81.5)
<i>Occupancy</i>	16.6%	99.4%	(82.8)	
<i>ADR</i>	\$291	\$283	\$8	2.8
<i>REVPAR</i>	\$48	\$281	\$(233)	(82.9)

Room revenues decreased \$144.7 million, primarily due to lower occupancy at Wynn Palace, Wynn Macau, and our Las Vegas Operations resulting from the adverse effects of the COVID-19 pandemic.

Food and beverage revenues decreased \$151.9 million, primarily due to decreased covers at our restaurants and the reduction of nightlife offerings at our Las Vegas Operations as a result of the adverse effects of the COVID-19 pandemic.

Entertainment, retail and other revenues decreased \$74.2 million, primarily due to a decrease in visitation to our Macau Operations, our Las Vegas Operations, and Encore Boston Harbor resulting from the adverse effects of the COVID-19 pandemic. The closure of the La Reve show at our Las Vegas Operations and rent concessions provided to tenants at our Macau Operations also contributed to the decrease.

Operating expenses

Casino expenses decreased \$301.0 million, \$221.2 million, \$17.2 million, and \$22.3 million at Wynn Palace, Wynn Macau, our Las Vegas Operations, and Encore Boston Harbor, respectively. These decreases were primarily due to reductions in gaming tax expense commensurate with the declines in casino revenues at each property resulting from the effects of the COVID-19 pandemic.

Room expenses decreased \$21.6 million, \$7.8 million, \$3.4 million, and \$6.4 million at our Las Vegas Operations, Wynn Palace, Wynn Macau, and Encore Boston Harbor, respectively. The decreases were primarily a result of lower operating costs related to the declines in occupancy at our Las Vegas Operations and our Macau Operations resulting from the effects of the COVID-19 pandemic, as well as the limitation of hotel reservations to Thursday through Sunday at Encore Boston Harbor since reopening July 10, 2020, through the remainder of the third quarter of 2020.

Food and beverage expenses decreased \$71.9 million, \$17.4 million, \$9.1 million, and \$21.8 million at our Las Vegas Operations, Wynn Palace, Wynn Macau, and Encore Boston Harbor, respectively. The decreases were primarily a result of lower operating costs related to the declines in food and beverage revenues at each property resulting from the effects of the COVID-19 pandemic, as well as lower nightlife entertainment costs at our Las Vegas Operations.

Entertainment, retail and other expenses decreased \$22.5 million, \$2.7 million, \$1.7 million, and \$1.8 million at our Las Vegas Operations, Wynn Palace, Wynn Macau, and Encore Boston Harbor, respectively. The decreases were primarily a result of lower operating costs related to the declines in entertainment, retail and other revenues at each property resulting from the effects of the COVID-19 pandemic.

General and administrative expenses decreased primarily due to decreases of \$21.1 million, \$13.3 million, \$11.0 million, \$25.8 million, and \$14.4 million at Wynn Palace, Wynn Macau, our Las Vegas Operations, Encore Boston Harbor, and corporate and other, respectively. These decreases were primarily attributable to decreased payroll, operating costs, and general and administrative expenses as a result of the COVID-19 pandemic.

Provision for credit losses increased primarily due to an increase of \$8.1 million at Wynn Palace. The increase was primarily due to the impact of historical collection patterns and expectations of current and future collection trends in light of the COVID-19 pandemic, as well as the specific review of customer accounts, on our estimated credit loss for the respective periods.

Other non-operating income and expenses

We incurred a foreign currency remeasurement gain of \$0.4 million and a loss of \$8.7 million for the three months ended September 30, 2020 and 2019, respectively. The impact of the exchange rate fluctuation of the Macau pataca, in relation to the U.S. dollar, on the remeasurements of U.S. dollar denominated debt and other obligations from our Macau-related entities drove the variability between periods.

We recorded a \$3.1 million loss on extinguishment of debt for the three months ended September 30, 2020 related to the partial prepayment of the Wynn Macau Term Loan.

Net income (loss) attributable to noncontrolling interests

Net loss attributable to noncontrolling interests was \$73.4 million for the three months ended September 30, 2020, compared to net income of \$30.4 million for the same period of 2019. These amounts are primarily related to the noncontrolling interests' share of net income (loss) from WML.

Financial results for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019.

Operating revenues

The following table presents our operating revenues (in thousands):

	<i>Nine Months Ended September 30,</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>
	<u>2020</u>	<u>2019</u>		
Operating revenues				
<i>Macau Operations:</i>				
<i>Wynn Palace</i>	\$283,932	\$1,953,709	\$(1,669,777)	(85.5)
<i>Wynn Macau</i>	292,745	1,544,646	(1,251,901)	(81.0)
Total Macau Operations	<u>576,677</u>	<u>3,498,355</u>	<u>(2,921,678)</u>	<u>(83.5)</u>

Casino revenues

Casino revenues decreased primarily due to the adverse effects of the COVID-19 pandemic, including the closure of our casino operations in Macau for a 15-day period in February and their subsequent reopening on a reduced basis, and the closures of our Las Vegas Operations from March 17, 2020 until June 4, 2020, and Encore Boston Harbor from March 15, 2020 until July 10, 2020. The table below sets forth our casino revenues and associated key operating measures (dollars in thousands, except for win per unit per day):

	Nine Months Ended September 30,		Increase/ (Decrease)	Percent Change
	2020	2019		
Macau Operations:				
<i>Wynn Palace:</i>				
Total casino revenues	\$208,449	\$1,649,377	\$(1,440,928)	(87.4)
VIP:				
Average number of table games	97	111	(14)	(12.6)
VIP turnover	\$6,823,955	\$36,533,594	\$(29,709,639)	(81.3)
VIP table games win	\$113,007	\$1,232,870	\$(1,119,863)	(90.8)
VIP win as a % of turnover	1.66%	3.37%	(1.71)	
Table games win per unit per day	\$4,458	\$40,868	\$(36,410)	(89.1)
Mass market:				
Average number of table games	209	213	(4)	(1.9)
Table drop	\$583,599	\$3,869,904	\$(3,286,305)	(84.9)
Table games win	\$156,897	\$936,497	\$(779,600)	(83.2)
Table games win %	26.9%	24.2%	2.7	
Table games win per unit per day	\$2,889	\$16,071	\$(13,182)	(82.0)
Average number of slot machines	586	1,092	(506)	(46.3)
Slot machine handle	\$542,708	\$2,886,566	\$(2,343,858)	(81.2)
Slot machine win	\$24,796	\$142,257	\$(117,461)	(82.6)
Slot machine win per unit per day	\$163	\$477	\$(314)	(65.8)
<i>Wynn Macau:</i>				
Total casino revenues	\$213,758	\$1,340,266	\$(1,126,508)	(84.1)
VIP:				
Average number of table games	88	109	(21)	(19.3)
VIP turnover	\$4,069,809	\$27,494,650	\$(23,424,841)	(85.2)
VIP table games win	\$130,143	\$822,204	\$(692,061)	(84.2)
VIP win as a % of turnover	3.20%	2.99%	0.21	
Table games win per unit per day	\$5,692	\$27,634	\$(21,942)	(79.4)
Mass market:				
Average number of table games	219	205	14	6.8
Table drop	\$752,058	\$4,018,533	\$(3,266,475)	(81.3)
Table games win	\$146,231	\$816,180	\$(669,949)	(82.1)
Table games win %	19.4%	20.3%	(0.9)	
Table games win per unit per day	\$2,564	\$14,551	\$(11,987)	(82.4)
Average number of slot machines	509	813	(304)	(37.4)
Slot machine handle	\$516,537	\$2,720,137	\$(2,203,600)	(81.0)
Slot machine win	\$18,993	\$127,690	\$(108,697)	(85.1)
Slot machine win per unit per day	\$144	\$575	\$(431)	(75.0)
Poker rake	\$2,083	\$15,130	\$(13,047)	(86.2)

Non-casino revenues

The table below sets forth our room revenues and associated key operating measures:

	<i>Nine Months Ended</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>
	<i>September 30,</i>			
	<i>2020</i>	<i>2019</i>		
Macau Operations:				
<i>Wynn Palace:</i>				
<i>Total room revenues</i>				
<i>(dollars in thousands)</i>	\$26,647	\$131,382	\$(104,735)	(79.7)
<i>Occupancy</i>	19.3%	97.3%	(78.0)	
<i>ADR</i>	\$283	\$270	\$13	4.8
<i>REVPAR</i>	\$54	\$262	\$(208)	(79.4)
<i>Wynn Macau:</i>				
<i>Total room revenues</i>				
<i>(dollars in thousands)</i>	\$23,480	\$82,071	\$(58,591)	(71.4)
<i>Occupancy</i>	24.4%	99.2%	(74.8)	
<i>ADR</i>	\$316	\$285	\$31	10.9
<i>REVPAR</i>	\$77	\$282	\$(205)	(72.7)

Room revenues decreased \$364.7 million, primarily due to lower occupancy and the closure of our Las Vegas Operations resulting from the adverse effects of the COVID-19 pandemic.

Food and beverage revenues decreased \$369.7 million, primarily due to decreased covers at our restaurants and the reduction of nightlife offerings at our Las Vegas Operations as a result of the adverse effects of the COVID-19 pandemic.

Entertainment, retail and other revenues decreased \$159.4 million, primarily due to a decrease in visitation to our Macau Operations and temporary closures of our Las Vegas Operations and Encore Boston Harbor resulting from the adverse effects of the COVID-19 pandemic. The closure of the La Reve show at our Las Vegas Operations and rent concessions provided to tenants at our Macau Operations also contributed to the decrease.

Operating expenses

Casino expenses decreased \$848.5 million, \$628.9 million, and \$36.4 million at Wynn Palace, Wynn Macau, and our Las Vegas Operations, respectively. These decreases were primarily due to reductions in gaming tax expense commensurate with the declines in casino revenues at each property resulting from the effects of the COVID-19 pandemic, and were partially offset by increased casino expenses of \$50.7 million from Encore Boston Harbor.

Room expenses decreased \$46.9 million, \$17.3 million, and \$6.0 million at our Las Vegas Operations, Wynn Palace, and Wynn Macau, respectively. The decreases were primarily a result of lower operating costs related to the declines in occupancy at our Las Vegas Operations and our Macau Operations resulting from the effects of the COVID-19 pandemic as well as the closure of our Las Vegas Operations, and were partially offset by increased room expenses of \$4.9 million from Encore Boston Harbor.

Food and beverage expenses decreased \$159.4 million, \$41.8 million, and \$19.3 million at our Las Vegas Operations, Wynn Palace, and Wynn Macau, respectively. The decreases were primarily a result of lower operating costs related to the declines in food and beverage revenues at each property resulting from the effects of the COVID-19 pandemic, as well as lower nightlife entertainment costs at our Las Vegas Operations, and were partially offset by increased food and beverage expenses of \$7.3 million at Encore Boston Harbor.

Entertainment, retail and other expenses decreased primarily due to decreases of \$39.7 million, \$12.6 million and \$6.3 million at our Las Vegas Operations, Wynn Palace, and Wynn Macau, respectively. The decreases were primarily a result of lower operating costs related to the declines in entertainment, retail and other revenues at each property resulting from the effects of the COVID-19 pandemic, and were partially offset by increased entertainment, retail and other expenses of \$4.8 million at Encore Boston Harbor.

General and administrative expenses decreased primarily due to decreases of \$40.0 million, \$20.9 million, and \$12.5 million at Wynn Palace, Wynn Macau, and our Las Vegas Operations, respectively. These decreases were primarily attributable to the effects of the COVID-19 pandemic.

The provision for credit losses increased \$17.4 million, \$21.9 million, and \$6.8 million at our Las Vegas Operations, Wynn Palace, and Wynn Macau, respectively. The increases were primarily due to the impact of historical collection patterns and expectations of current and future collection trends in light of the COVID-19 pandemic, as well as the specific review of customer accounts, on our estimated credit loss for the respective periods.

Our property charges and other expenses for the nine months ended September 30, 2020 consisted primarily of asset disposals and abandonments of \$23.4 million and \$9.7 million at Wynn Palace and Encore Boston Harbor, respectively.

Other non-operating income and expenses

We incurred a foreign currency remeasurement gain of \$13.0 million and a loss of \$3.3 million for the nine months ended September 30, 2020 and 2019, respectively. The impact of the exchange rate fluctuation of the Macau pataca, in relation to the U.S. dollar, on the remeasurements of U.S. dollar denominated debt and other obligations from our Macau-related entities drove the variability between periods.

We recorded a \$4.6 million loss on extinguishment of debt for the nine months ended September 30, 2020 primarily related to the partial prepayment of the Wynn Macau Term Loan.

Net income (loss) attributable to noncontrolling interests

Net loss attributable to noncontrolling interests was \$218.9 million for the nine months ended September 30, 2020, compared to net income of \$132.9 million for the same period of 2019. These amounts are primarily related to the noncontrolling interests' share of net income (loss) from WML.

Adjusted Property EBITDA

We use Adjusted Property EBITDA to manage the operating results of our segments.

The following table summarizes Adjusted Property EBITDA (in thousands) for Wynn Palace, Wynn Macau, Las Vegas Operations, and Encore Boston Harbor as reviewed by management and summarized in Item 1 — “Notes to Condensed Consolidated Financial Statements,” Note 16, “Segment Information.”

	<i>Three Months Ended</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>	<i>Nine Months Ended</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>
	<i>September 30,</i>	<i>September 30,</i>			<i>September 30,</i>	<i>September 30,</i>		
	<i>2020</i>	<i>2019</i>			<i>2020</i>	<i>2019</i>		
<i>Wynn Palace</i>	<i>\$(77,647)</i>	<i>\$162,167</i>	<i>\$(239,814)</i>	<i>(147.9)</i>	<i>\$(178,379)</i>	<i>\$551,918</i>	<i>\$(730,297)</i>	<i>(132.3)</i>
<i>Wynn Macau</i>	<i>(34,457)</i>	<i>138,989</i>	<i>(173,446)</i>	<i>(124.8)</i>	<i>(97,895)</i>	<i>478,751</i>	<i>(576,646)</i>	<i>(120.4)</i>

Adjusted Property EBITDA at Wynn Palace decreased \$239.8 million and \$730.3 million for the three and nine months ended September 30, 2020, respectively, primarily due to a decline in operating revenues precipitated by the adverse effects of the COVID-19 pandemic during the three and nine months ended September 30, 2020, which include the closure of our casino operations in Macau for a 15-day period and their subsequent reopening on a reduced basis.

Adjusted Property EBITDA at Wynn Macau decreased \$173.4 million and \$576.6 million for the three and nine months ended September 30, 2020, respectively, primarily due to a decline in operating revenues precipitated by the adverse effects of the COVID-19 pandemic during the three and nine months ended September 30, 2020, which include the closure of our casino operations in Macau for a 15-day period and their subsequent reopening on a reduced basis.

Liquidity and Capital Resources

Operating Activities

During the nine months ended September 30, 2020, the decrease in net cash provided by operations was primarily due to the adverse effects of the COVID-19 pandemic on the results of our operations. During the nine months ended September 30, 2019, the increase in net cash provided by operations was primarily driven by changes in our working capital accounts and an increase in deferred tax assets related to the settlement of the Redemption Note during the nine months ended September 30, 2018.

Investing Activities

In light of the unprecedented COVID-19 pandemic and our focus on safeguarding the Company's operations and the well-being of our employees, we expect to temporarily postpone major project capital expenditures for the remainder of fiscal year 2020. We will be continuously monitoring the situation and conditions in the markets in which we operate, and will resume such project capital expenditures when conditions have stabilized.

During the nine months ended September 30, 2020, we incurred capital expenditures of \$56.2 million at Encore Boston Harbor primarily for the payment of construction retention and other payables related to its construction, \$81.5 million at our Las Vegas Operations for restaurant remodels and maintenance capital expenditures, \$41.3 million for the construction of the additional meeting and convention space at Wynn Las Vegas, and \$38.5 million and \$42.1 million at Wynn Palace and Wynn Macau, respectively, primarily related to maintenance capital expenditures.

During the nine months ended September 30, 2019, we incurred capital expenditures of \$421.4 million related to the construction of Encore Boston Harbor, \$104.1 million at Wynn Macau primarily related to the room remodel and Lakeside Casino renovation, \$47.2 million and \$71.9 million at Wynn Palace and our Las Vegas Operations, respectively, primarily related to maintenance capital expenditures, and \$166.4 million primarily related to the construction of the additional meeting and convention space at Wynn Las Vegas and the reconfiguration of the Wynn Las Vegas golf course.

Financing Activities

During the nine months ended September 30, 2020, we issued \$1.0 billion aggregate principal amount of WML 5 1/2% Senior Notes due 2026, issued \$600.0 million aggregate principal amount of WML 5 5/8% Senior Notes due 2028, issued \$600.0 million aggregate principal amount of WRF 7 3/4% Senior Notes due 2025, borrowed \$400.0 million, net of amounts repaid, under the Wynn Macau Revolver, borrowed \$816.0 million under the WRF Revolver, paid \$1.0 billion of outstanding principal owed under the Wynn Macau Term Loan, and made quarterly amortization payments under the WRF Term Loan totaling \$37.5 million. In addition, we used cash of \$108.3 million for the payment of dividends.

During the nine months ended September 30, 2019, we borrowed an additional \$250.0 million term loan under the Wynn Resorts Credit Agreement and repaid \$991.3 million of outstanding principal under the Wynn America Credit Facilities and \$746.3 million of outstanding principal under the Wynn Resorts Term Loan using proceeds from the borrowing of \$1.03 billion under the WRF Credit Facilities and issuance of \$750.0 million of WRF 2029 notes. We also repaid \$174.7 million, net of amounts borrowed, on the Wynn Macau Senior Revolving Credit Facility. In addition, we used cash of \$460.1 million for the payment of dividends.

Capital Resources

The following table summarizes our unrestricted cash and cash equivalents and available revolver borrowing capacity under the Company as of September 30, 2020 (in thousands):

	Total Cash and Cash Equivalents	Revolver Borrowing Capacity
Wynn Resorts (Macau) S.A. and subsidiaries	\$633,388	\$—
Wynn Macau, Limited and subsidiaries ⁽¹⁾	1,647,826	—

(1) Excluding Wynn Resorts (Macau) S.A. and subsidiaries.

Wynn Resorts (Macau) S.A. and subsidiaries. Wynn Resorts (Macau) S.A. (“Wynn Macau SA”) generates cash from our Macau Operations and utilizes its revolver to fund short term working capital requirements as needed. We expect to use this cash to service our existing Wynn Macau Credit Facilities, make distributions to WML, and fund working capital and capital expenditure requirements at our Macau Operations.

The Wynn Macau Credit Facilities contain customary negative and financial covenants, including, but not limited to, leverage ratio and interest coverage ratio tests (as defined in the Wynn Macau Credit Facilities) that could restrict its ability to make distributions to WML and incur additional indebtedness. Wynn Macau SA is required to maintain a leverage ratio of not greater than 4.00 to 1 and an interest coverage ratio of not less than 2.00 to 1. Wynn Macau SA complied with these ratios for the three months ended September 30, 2020.

Wynn Macau, Limited and subsidiaries. Wynn Macau, Limited (“WML”) primarily generates cash through distributions from Wynn Macau SA. We expect to use WML’s cash to service our existing WML Notes, pay dividends to shareholders of WML (of which we own approximately 72%), and fund working capital requirements at WML.

The board of directors of WML concluded not to recommend the payment of a dividend with respect to the year ended December 31, 2019, in light of the unprecedented COVID-19 pandemic and our focus on safeguarding the Company’s Macau Operations and the well-being of our employees. The WML board of directors will be continuously monitoring the situation and market conditions in Macau and Greater China and may consider a special dividend in the future when such conditions have stabilized.

On June 19, 2020, WML issued \$750.0 million aggregate principal amount of 5 1/2% Senior Notes due 2026 (the “2026 WML Notes”) pursuant to an indenture (the “2026 Indenture”). The 2026 WML Notes were issued at par. On August 26, 2020, WML issued \$250.0 million aggregate principal amount of 5 1/2% Senior Notes due 2026 and \$600.0 million aggregate principal amount of 5 5/8% Senior Notes due 2028. WML intends to use the net proceeds from the Existing 2026 WML Notes for general corporate purposes until WML’s business recovers from the effects of the COVID-19 pandemic, and then to facilitate the repayment of a portion of the amounts outstanding under the Wynn Macau Credit Facilities. WML used the net proceeds from the Additional 2026 and 2028 WML Notes to facilitate the prepayment of term loans outstanding under the Wynn Macau Credit Facilities in September 2020.

If our portion of our cash and cash equivalents were repatriated to the U.S. on September 30, 2020, it would be subject to minimal U.S. taxes in the year of repatriation.

Other Factors Affecting Liquidity

We may refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of the indebtedness on acceptable terms or at all.

Legal proceedings in which we are involved also may impact our liquidity. No assurance can be provided as to the outcome of such proceedings.

New business developments or other unforeseen events may occur, resulting in the need to raise additional funds. We continue to explore opportunities to develop additional gaming or related businesses in domestic and international markets. There can be no assurances regarding the business prospects with respect to any other opportunity. Any new development may require us to obtain additional financing. We may decide to conduct any such development through Wynn Resorts, Limited or through subsidiaries separate from the Las Vegas, Boston or Macau-related entities.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Risks

We expect most of the revenues and expenses for any casino that we operate in Macau will be denominated in Hong Kong dollars or Macau patacas; however, a significant portion of our Wynn Macau, Limited debt is denominated in U.S. dollars. Fluctuations in the exchange rates resulting in weakening of the Macau pataca or the Hong Kong dollar in relation to the U.S. dollar could have materially adverse effects on our results, financial condition and ability to service debt. Based on our balances as of September 30, 2020, an assumed 1% change in the U.S. dollar/Hong Kong dollar exchange rate would cause a foreign currency transaction gain/loss of \$31.0 million.

Part II. OTHER INFORMATION

Item 1A. Risk Factors

The outbreak of the novel coronavirus COVID-19 (“COVID-19”) has had and will likely continue to have an adverse effect on our business, operations, financial condition and operating results, and the ability of our subsidiaries to pay dividends and distributions.

In January 2020, an outbreak of a new strain of coronavirus, COVID-19, was identified and it has since spread around the world including the United States. Currently, there are no fully effective vaccines or treatments and there can be no assurance that an effective vaccine or treatment will be developed. The spread of COVID-19 and the recent developments surrounding the global pandemic are currently having negative impacts on all aspects of our business.

The current, and uncertain future, impact of the COVID-19 pandemic, including its effect on the ability or desire of people to travel (including to and from our properties), is expected to continue to affect our results, operations, outlooks, plans, goals, growth, reputation, cash flows and liquidity.

Our casino operations in Macau were closed for a 15-day period in February 2020 and resumed operations on a reduced basis on February 20, 2020. On March 20, 2020, our casinos’ operations were fully restored; however certain COVID-19 specific protective measures, such as various traveler quarantines and requirements for negative COVID-19 tests before entering Macau, limiting the number of seats per table game, slot machine spacing, temperature checks, mask protection, COVID-19 negative test results requirements for entry to gaming areas, and health declarations remain in effect at the present time. Visitation to Macau has significantly decreased since the outbreak of COVID-19, driven by the pandemic’s strong deterrent effect on travel and social activities, the Chinese government’s suspension in late January 2020 of many of its visa and group tour schemes that allow mainland Chinese residents to travel to Macau, various quarantine measures in Macau and elsewhere, travel and entry restrictions and conditions in Macau, Hong Kong, Taiwan, and mainland China, and the suspension of ferry services to Macau from Hong Kong and mainland China and other modes of transportation within Macau. Regionally, bans on entry or enhanced quarantine requirements, depending on the person’s residency and their recent travel history, for any Macau residents, PRC citizens, Hong Kong residents and Taiwan residents attempting to enter Macau are drastically impacting visitation. Persons who are not residents of the Greater China area are barred from entry to Macau at this time, and quarantine requirements for those traveling between Hong Kong and Macau have been announced to remain effective until at least December 31, 2020, at which time they may be lifted.

While most of the foregoing travel restrictions and quarantine and testing requirements continue to weigh on visitation to Macau, beginning in June 2020 certain of these restrictions have eased as certain regions gradually recover from the COVID-19 pandemic. In July 2020, Guangdong Province, a Chinese province adjacent to Macau, eased certain quarantine requirements for those traveling between Guangdong Province and Macau, subject to certain testing requirements and health declarations. On September 23, 2020, mainland China authorities fully resumed the Individual Visit Scheme (“IVS”) exit visa program, which, prior to its suspension by the PRC government due to COVID-19 travel restrictions, permitted individual PRC citizens from nearly 50 PRC cities to travel to Macau for tourism purposes. Stringent health declarations, testing and other procedures remain in place, and all visitors seeking entry to Macau need to test negative for COVID-19 before entering Macau. We are currently unable to determine when remaining restrictions and requirements will be further eased, and lifted or eased measures may be reintroduced if there are adverse developments in the COVID-19 situation in Macau and other regions with access to Macau.

Although all our properties are currently open, we cannot predict whether future closures would be appropriate or could be mandated. For instance, a confirmed COVID-19 case being found in the casinos in the future could result in all casino operations in Macau, including those of Wynn Palace and Wynn Macau, being suspended by the Macau government.

We cannot predict the effects of the conditions upon which we have been permitted by governmental authorities to reopen our operations. Moreover, even once travel advisories and restrictions are lifted, demand for casino resorts may remain weak for a significant length of time and we cannot predict if and when our properties will return to pre-outbreak demand or pricing. In particular, consumer behavior related to discretionary spending and traveling, including demand for casino resorts, may be negatively impacted by the adverse changes in the perceived or actual economic climate, including higher unemployment rates, declines in income levels and loss of personal wealth resulting from the impact of the COVID-19 pandemic. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our partners, such as tenants, travel agencies, suppliers and other vendors. We may be adversely impacted as a result of the adverse impact that our partners suffer.

As a result of all of the foregoing, we may be required to raise additional capital in the future and our access to and cost of financing will depend on, among other things, global economic conditions, conditions in the global financing markets, the availability of sufficient amounts of financing, our prospects and our credit ratings. If our credit ratings were to be downgraded, or general market conditions were to ascribe higher risk to our rating levels, our industry, or us, our access to capital and the cost of any debt financing will be further negatively impacted. In addition, the terms of future debt agreements could include more restrictive covenants, or require incremental collateral, which may further restrict our business operations or be unavailable due to our covenant restrictions then in effect. There is no guarantee that debt financings will be available in the future to fund our obligations, or that they will be available on terms consistent with our expectations.

In addition, the COVID-19 pandemic has significantly increased economic and demand uncertainty. The current outbreak and continued spread of COVID-19 could cause a global recession or depression, which would have a further adverse impact on our financial condition and operations. Current economic forecasts for significant increases in unemployment in the U.S. and other regions due to the adoption of social distancing and other policies to slow the spread of the virus is likely to have a negative impact on demand for casino resorts, and these impacts could exist for an extensive period of time.

The extent of the effects of the outbreak on our business and the casino resort industry at large is highly uncertain and will ultimately depend on future developments, including, but not limited to, the duration and severity of the pandemic, the length of time it takes for demand and pricing to return and normal economic and operating conditions to resume.

The COVID-19 pandemic has had and will continue to have an adverse effect on our results of operations and the ability of our subsidiaries to pay dividends and distributions. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, the impact on our results of operations, cash flows, and financial condition in 2020 and potentially thereafter will be material, but cannot be reasonably estimated at this time as it is unknown when the COVID-19 pandemic will end, when or if our properties will return to prepandemic demand and pricing, when or how quickly the current travel restrictions will be eased and the resulting impact on our business and operations.

To the extent the COVID-19 pandemic adversely affects our business, operations, financial condition and operating results, it may also have the effect of heightening many of the other risks related to our business, including, but not limited to, those relating to our high level of indebtedness, our need to generate sufficient cash flows to service our indebtedness, and our ability to comply with the covenants contained in the agreements that govern our indebtedness.”

This announcement contains forward-looking statements. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by us. The risks and uncertainties include, but are not limited to, competition in the casino/hotel and resorts industries, our Company’s dependence on existing management, levels of travel, leisure and casino spending, general economic conditions, and changes in gaming laws or regulations. Additional information concerning potential factors that could affect our Company’s financial results are included in our published interim and annual reports. We are under no obligation to (and expressly disclaim any such obligation to) update the forward-looking statements as a result of new information, future events or otherwise.

Our shareholders and potential investors are advised not to place undue reliance on the WRL Quarterly Report and to exercise caution in dealing in securities in our Company.

By order of the Board
Wynn Macau, Limited
Dr. Allan Zeman
Chairman

Hong Kong, 9 November 2020

As at the date of this announcement, the Board comprises Matthew O. Maddox and Ian Michael Coughlan (as Executive Directors); Linda Chen (as Executive Director and Vice Chairman); Craig S. Billings (as Non-Executive Director); Allan Zeman (as Independent Non-Executive Director and Chairman); and Jeffrey Kin-fung Lam, Bruce Rockowitz, Nicholas Sallnow-Smith and Leah Dawn Xiaowei Ye (as Independent Non-Executive Directors).