

BUY

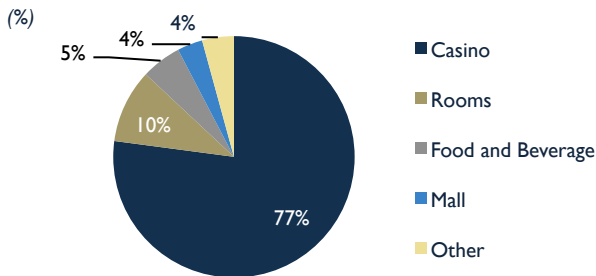
Las Vegas Sands Corp.

<u>Ticker</u>	<u>Price</u>	<u>Target</u>	<u>52-Wk Range</u>	<u>Market Cap</u>	<u>Beta</u>	<u>P / E</u>	<u>Div. Yield</u>
LVS	\$61.23	\$97.63	\$57.94 – \$88.28	\$49.1B	2.08	18.45	3.20%
<u>Industry</u>	<u>Sub-Sector</u>		<u>Revenue</u>	<u>EBITDA</u>			
Consumer Cyclical	Resorts & Casinos		\$14.8B	\$4.29B			

Business Description

- Las Vegas Sands Corp. is a developer of destination properties that feature accommodations, gaming, entertainment, retail, convention and exhibition facilities, celebrity chef restaurants and other amenities.
- The Company's principal operating and developmental activities occur in three geographic areas: Macau, Singapore, and the United States, which account for 52%, 36% and 12% of revenue respectively.
- LVS properties are positioned as upscale, full-service resorts. Flagship properties include: The Marina Bay Sands, Singapore; The Venetian and Four Seasons, Macao; and The Palazzo and Venetian, Las Vegas.

Revenue Breakdown by Segment



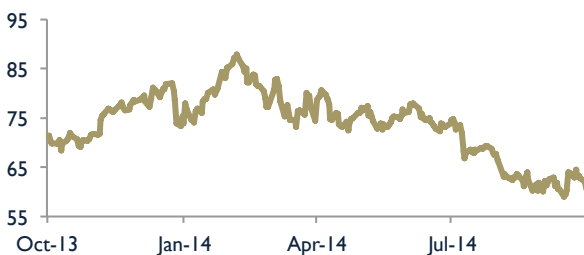
Comparable Companies Analysis

<u>Company</u>	<u>Revenue</u>	<u>P / E</u>
Caesars Entertainment	\$8.5B	N/A
Galaxy Entertainment	\$9.5B	18.89
Melco Crown Entertainment	\$5.2B	18.55
MGM Resorts International	\$10.1B	77.88
Wynn Resorts	\$5.8B	22.94

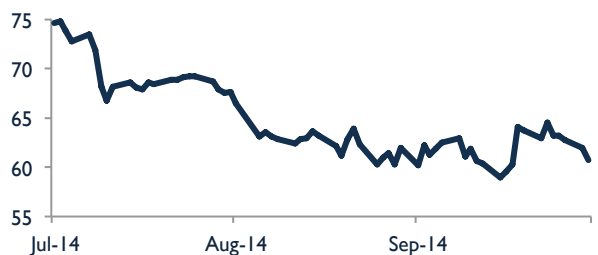
Recommendation Summary

- 13% decline in YOY Macau gaming revenues has led to an excessive decrease in the value of Las Vegas Sands given that LVS Macau gaming revenues only decreased 1% over the same period.
- Declining revenue was largely attributable to Chinese crackdown on corrupt VIP gamblers. LVS derives more of their revenue from the mass market than competitors, but has also has capacity to cater to VIP's.
- LVS maintains a wide economic moat in Macau and Singapore, given their large holdings of scarce land and exclusive gaming licenses. They maintain a de-facto monopoly in Singapore until 2018.
- Construction of Hong Kong-Macau-Zhuhai bridge (scheduled to open in late 2015) presents a significant opportunity for LVS to reach a greater share of the mass market. It will decrease travel time from Hong Kong to Macau from nearly 5 hours to 40 minutes, making Macau casinos significantly more accessible to millions.
- LVS is also well positioned to capture domestic growth as states liberalize their attitudes towards gaming.

1-Year Stock Price Performance



3-Month Stock Price Performance



Source: Morningstar, Yahoo Finance, Company public filings

Note: Market data as of close on October 28, 2014. Metrics are trailing 12-month unless otherwise stated.