

Las Vegas Sands: How should it pace two resort investment programs?

Internal ID: S&F-STR-355

Topic: Capital Allocation, Growth Strategy, Operations Strategy

Industry: Casinos & Gaming

Source: Strategy & Finance

Publication date: 5 October 2026

License: Not specified

Decision date: April 17, 2024

Las Vegas Sands (LVS) had a near-term planning milestone in Singapore and a longer-dated investment plan in Macao. The company had just reported a strong first quarter, but its proposed Marina Bay Sands (MBS) expansion had no final disclosed cost or project-level return forecast. Macao's concession plan also included required investment through 2032, while the group continued to reinvest in existing properties and return capital to shareholders.

The executive team must decide how to pace and govern these commitments. Should it move the MBS expansion toward construction as quickly as the agreement permits, stage or reshape discretionary commitments while meeting the required milestones, or preserve more flexibility by emphasizing existing-property reinvestment and Macao projects with clearer near-term obligations? The choice is not simply between Singapore and Macao: the projects have different currencies, subsidiaries, approval paths, deadlines and economic evidence.

Two programs, different clocks

Sands China Ltd. (SCL), through its subsidiary Venetian Macau Limited, operated under a Macao concession expiring in December 2032. LVS's 2023 Form 10-K reported a minimum investment plan of MOP30.24 billion (about US\$3.76 billion at year-end exchange rates) through 2032. Of this, MOP27.80 billion (about US\$3.45 billion) was allocated to non-gaming projects. Macao's 2023 market gross gaming revenue exceeded the MOP180 billion threshold specified in the plan, triggering another MOP5.56 billion (about US\$691 million) of non-gaming investment by 2032. The filing describes a proposed MICE facility of approximately 18,000 square meters adjoining Cotai Expo, Le Jardin redevelopment and other projects; key areas require government approval. The plan covers capital and operating projects, so its total is not a construction-capex budget. [1]

At MBS, the 2019 development agreement set a minimum project cost of SGD4.5 billion. LVS said the completed expansion would materially exceed that reference because of inflation, labor, materials and other factors. Approximately US\$1.09 billion had been incurred through December 31, 2023, including the land payment. That cumulative amount was already incurred; it should not be treated as the remaining cost or as a new spending choice. [1]

On April 3, MBS and the Singapore Tourism Board amended the agreement. MBS undertook to submit a planning application by October 15, 2024; the construction-start deadline moved to July 8, 2025, and the completion deadline to July 8, 2029. On April 5, MBS announced a proposed luxury hotel tower, 15,000-seat arena, additional premium MICE space, and food, beverage and nightlife offerings, subject to planning approval. The announcement separately described US\$1.75 billion of reinvestment in the existing property, including completed Tower 1

and 2 refurbishment and ongoing Tower 3, lobby and SkyPark work. The existing-property program is distinct from the expansion. The public disclosures do not provide a schedule reconciling possible overlap with earlier Tower 3 estimates. [2, 3]

The two programs cannot be compared by adding their headline amounts. One is denominated in Macao patacas and includes operating and capital commitments; the Singapore expansion is denominated in Singapore dollars, has a historical minimum-cost reference, and has already incurred costs that include land. The US-dollar MBS reinvestment is a separate program. The public record does not give a comparable remaining-spend schedule, approval status for every Macao project, or project-by-project economics.

Strong quarter, incomplete project evidence

For the three months ended March 31, 2024, LVS reported revenue of US\$2.96 billion and adjusted property EBITDA of US\$1.21 billion. Macao generated US\$610 million of adjusted property EBITDA and MBS US\$597 million. The comparison is affected by rolling-hold outcomes: MBS benefited by US\$77 million from high hold, while Macao was hurt by US\$31 million from low hold. These are property-level quarterly operating measures, not normalized forecasts or project returns. Adjusted property EBITDA also excludes capital expenditures, interest, principal, taxes and dividends. [4]

At March 31, LVS reported US\$4.96 billion of unrestricted cash, US\$4.43 billion of available revolver capacity, and US\$13.94 billion of debt, excluding leases and financed purchases. First-quarter capex was US\$196 million: US\$99 million at MBS and US\$90 million in Macao, with the balance at corporate, development and other locations. LVS repurchased US\$450 million of shares in the quarter and paid a quarterly dividend of US\$0.20 per share. The revolver is borrowing capacity, not cash, and consolidated liquidity does not establish that funds can be moved freely among subsidiaries or to the parent. At year-end 2023, the 10-K said non-U.S. subsidiaries held US\$2.20 billion of unrestricted cash and US\$124 million of restricted cash, with about US\$1.80 billion available for repatriation subject to stated restrictions. [1, 4]

That funding context creates real alternatives. Construction and reinvestment compete with debt service, dividends, repurchases and operating needs. Yet delaying can also carry costs: deadlines, concession obligations, approval lead times, destination competition and the possibility that the MBS program's components reinforce one another. The disclosures do not quantify those costs or the value of a license, visitor growth, or an additional event venue.

Competition adds context without resolving the decision. Galaxy Entertainment reported that Raffles, Galaxy International Convention Center and Galaxy Arena were operating, and that Andaz Macau was fully operational before Lunar New Year 2024. MGM China separately reported a concession investment commitment with a non-gaming component. These filings show competitors' activity, not their returns or a need for LVS to match their spending. [5, 6]

A decision under uncertainty

The academic literature offers a way to frame the trade-off, not a project forecast. Pindyck's review of irreversible investment explains why waiting can have value when investment is difficult to reverse and new information may arrive; it also discusses construction time and abandonment. But regulatory deadlines and project dependencies can reduce the value of waiting. Bloom, Bond and Van Reenen's manufacturing study offers a related uncertainty mechanism, while Sou and Siu report an association between Macao tourism demand and destination-level diversification measures. The latter two sources were reviewed at abstract and metadata level for this case. None provides an LVS return estimate, and no coefficient transfers to these resort projects. [7-9]

Assume you are advising LVS's executive team on its investment posture through the end of 2024. Consider three hypothetical approaches:

1. **Advance the MBS expansion:** prioritize the October planning submission and move the expansion toward construction, while executing Macao's commitment plan and existing-property work.
2. **Stage discretionary commitments:** meet contractual and concession milestones, but release further design, procurement and construction commitments in gates tied to approvals, updated cost estimates and demand evidence.
3. **Preserve more flexibility:** focus near-term capital on existing-property reinvestment and Macao obligations or projects with clearer approval and execution paths; defer discretionary expansion commitments where the agreements allow.

Which posture should LVS adopt? Identify what is required, already incurred, in progress or discretionary; specify what evidence would change your recommendation; and explain how you would govern cost, schedule, subsidiary funding and capital returns. Do not assume that the MBS cost reference is its final budget, that group cash is fully fungible, or that first-quarter EBITDA is a project-return proxy.

Selected sources

1. LVS, 2023 Form 10-K, filed February 16, 2024, printed pp. 12-13 (Macao and Singapore development projects); pp. 21-22 (liquidity and subsidiary cash); pp. 31-39 (property results); p. 74 and Note 12, p. 98 (debt carrying values); p. 106 (contractual maturities). [SEC filing](#).
2. LVS, Form 8-K, April 3, 2024, Item 1.01; executed development-agreement amendment, §§1-2, pp. 1-2. [8-K](#); [Exhibit 10.1](#).
3. Marina Bay Sands, April 5, 2024 announcement, pp. 1-2 and lines 40-43. [SEC exhibit](#).
4. LVS, Q1 2024 earnings release, April 17, 2024, pp. 1-3 and 6-7. [SEC exhibit](#).
5. Galaxy Entertainment Group, 2023 Annual Report, published April 10, 2024, printed pp. 5-7, 12 and 23. [HKEX report](#).
6. MGM China Holdings, 2023 Annual Report, published April 10, 2024, printed p. 31. [HKEX report](#).
7. Robert S. Pindyck (1991), "Irreversibility, Uncertainty, and Investment," *Journal of Economic Literature* 29(3), 1110-1148, especially pp. 1110-1123 and 1135-1137. [Author-hosted paper](#).

8. Nick Bloom, Stephen Bond and John Van Reenen (2007), "Uncertainty and Investment Dynamics," *Review of Economic Studies* 74(2), 391-415. Abstract and metadata only. [Publisher record](#).
9. Joey Pek-U Sou and Ricardo Chi Sen Siu (2023), "Does diversification drive tourism demand? A structural change perspective: Evidence from a casino tourism destination," *International Journal of Tourism Research* 25(3), 293-304. Abstract and metadata only. [Publisher record](#).