

WYNN RESORTS LTD
Form 10-Q
November 07, 2018
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2018

OR

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

For the transition period from _____ to _____

Commission File No. 000-50028

WYNN RESORTS, LIMITED

(Exact name of registrant as specified in its charter)

NEVADA 46-0484987

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

3131 Las Vegas Boulevard South - Las Vegas, Nevada 89109

(Address of principal executive offices) (Zip Code)

(702) 770-7555

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 31, 2018
Common stock, \$0.01 par value	108,738,518

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES
FORM 10-Q
INDEX

Part I.	Financial Information	
<u>Item 1.</u>	<u>Financial Statements</u>	
	<u>Condensed Consolidated Balance Sheets – September 30, 2018 (unaudited) and December 31, 2017</u>	<u>3</u>
	<u>Condensed Consolidated Statements of Income (unaudited) – Three and Nine Months Ended September 30, 2018 and 2017</u>	<u>4</u>
	<u>Condensed Consolidated Statements of Comprehensive Income (unaudited) – Three and Nine Months Ended September 30, 2018 and 2017</u>	<u>5</u>
	<u>Condensed Consolidated Statement of Stockholders' Equity (unaudited) – Nine Months Ended September 30, 2018</u>	<u>6</u>
	<u>Condensed Consolidated Statements of Cash Flows (unaudited) – Nine Months Ended September 30, 2018 and 2017</u>	<u>7</u>
	<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	<u>8</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>33</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>52</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>53</u>
Part II.	Other Information	
<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>54</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>54</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>54</u>
<u>Item 5.</u>	<u>Other Information</u>	<u>55</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>56</u>
	<u>Signature</u>	<u>57</u>

Table of Contents

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	September 30, 2018	December 31, 2017
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,949,253	\$2,804,474
Investment securities	—	166,773
Receivables, net	232,672	224,128
Inventories	63,076	71,636
Prepaid expenses and other	91,319	156,773
Total current assets	2,336,320	3,423,784
Property and equipment, net	9,221,028	8,498,756
Restricted cash	3,747	2,160
Investment securities	—	160,682
Intangible assets, net	223,382	123,705
Deferred income taxes, net	361,314	240,533
Other assets	231,700	232,119
Total assets	\$12,377,491	\$12,681,739
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts and construction payables	\$315,959	\$285,437
Customer deposits	836,700	1,049,629
Gaming taxes payable	210,451	211,600
Accrued compensation and benefits	141,734	140,450
Accrued interest	73,598	94,695
Current portion of long-term debt	236,835	62,690
Dividends payable to noncontrolling interests	138,816	—
Other accrued liabilities	93,312	85,789
Total current liabilities	2,047,405	1,930,290
Long-term debt	8,695,335	9,565,936
Other long-term liabilities	94,468	107,163
Total liabilities	10,837,208	11,603,389
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, par value \$0.01; 40,000,000 shares authorized; zero shares issued and outstanding	—	—
Common stock, par value \$0.01; 400,000,000 shares authorized; 122,135,459 and 116,391,753 shares issued; 108,731,082 and 103,005,866 shares outstanding, respectively	1,221	1,164
Treasury stock, at cost; 13,404,377 and 13,385,887 shares, respectively	(1,187,273)	(1,184,468)
Additional paid-in capital	2,455,357	1,497,928
Accumulated other comprehensive loss	(2,083)	(1,845)
Retained earnings	537,771	635,067
Total Wynn Resorts, Limited stockholders' equity	1,804,993	947,846

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Noncontrolling interests	(264,710) 130,504
Total stockholders' equity	1,540,283	1,078,350
Total liabilities and stockholders' equity	\$12,377,491	\$12,681,739

The accompanying notes are an integral part of these condensed consolidated financial statements.

3

Table of ContentsWYNN RESORTS, LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017 (as adjusted)	2018	2017 (as adjusted)
Operating revenues:				
Casino	\$ 1,222,029	\$ 1,075,577	\$ 3,564,195	\$ 3,067,145
Rooms	183,044	170,371	559,405	504,135
Food and beverage	193,874	200,051	580,963	568,878
Entertainment, retail and other	110,125	105,348	325,511	307,838
Total operating revenues	1,709,072	1,551,347	5,030,074	4,447,996
Operating expenses:				
Casino	783,171	678,495	2,254,766	1,956,907
Rooms	62,965	61,390	189,837	184,178
Food and beverage	162,311	151,796	468,265	438,308
Entertainment, retail and other	44,028	48,996	138,647	142,988
General and administrative	192,327	178,504	545,543	502,635
Litigation settlement	—	—	463,557	—
Provision (benefit) for doubtful accounts	3,285	1,656	2,586	(4,593)
Pre-opening	13,714	6,908	35,255	19,445
Depreciation and amortization	137,458	137,982	411,685	415,488
Property charges and other	18,830	28,293	30,672	38,494
Total operating expenses	1,418,089	1,294,020	4,540,813	3,693,850
Operating income	290,983	257,327	489,261	754,146
Other income (expense):				
Interest income	6,948	8,447	21,029	21,998
Interest expense, net of amounts capitalized	(93,007)	(95,874)	(281,132)	(291,875)
Change in derivatives fair value	(54)	(2)	(54)	(1,056)
Change in Redemption Note fair value	—	(41,718)	(69,331)	(69,982)
(Loss) gain on extinguishment of debt	(198)	(20,774)	2,131	(43,061)
Other	11,216	(1,894)	1,039	(19,840)
Other income (expense), net	(75,095)	(151,815)	(326,318)	(403,816)
Income before income taxes	215,888	105,512	162,943	350,330
Benefit (provision) for income taxes	3,884	457	124,631	(5,040)
Net income	219,772	105,969	287,574	345,290
Less: net income attributable to noncontrolling interests	(63,657)	(26,202)	(180,010)	(89,791)
Net income attributable to Wynn Resorts, Limited	\$ 156,115	\$ 79,767	\$ 107,564	\$ 255,499
Basic and diluted net income per common share:				
Net income attributable to Wynn Resorts, Limited:				
Basic	\$ 1.44	\$ 0.78	\$ 1.01	\$ 2.51
Diluted	\$ 1.44	\$ 0.78	\$ 1.01	\$ 2.49
Weighted average common shares outstanding:				
Basic	108,064	102,173	106,162	101,960
Diluted	108,533	102,794	106,721	102,460
Dividends declared per common share	\$ 0.75	\$ 0.50	\$ 2.00	\$ 1.50

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of ContentsWYNN RESORTS, LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Net income	\$219,772	\$105,969	\$287,574	\$345,290
Other comprehensive income (loss):				
Foreign currency translation adjustments, before and after tax	(175)	259	(2,121)	(3,495)
Change in net unrealized (gain) loss on investment securities, before and after tax	(19)	208	1,292	366
Redemption Note credit risk adjustment, net of tax of \$2,735	—	—	9,211	—
Total comprehensive income	219,578	106,436	295,956	342,161
Less: comprehensive income attributable to noncontrolling interests	(63,608)	(26,274)	(179,419)	(88,819)
Comprehensive income attributable to Wynn Resorts, Limited	\$155,970	\$80,162	\$116,537	\$253,342

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in thousands, except share data)
(unaudited)

	Common stock			Additional paid-in capital	Accumulated other comprehensive loss	Retained earnings	Total Wynn Resorts, Ltd. stockholders' equity	Noncontrolling interests	Total stockholders' equity
	Shares outstanding	Par value	Treasury stock						
Balances, January 1, 2018	103,005,866	\$ 1,164	\$(1,184,468)	\$ 1,497,928	\$(1,845)	\$ 635,067	\$ 947,846	\$ 130,504	\$ 1,078,350
Cumulative credit risk adjustment	—	—	—	—	(9,211)	9,211	—	—	—
Net income	—	—	—	—	—	107,564	107,564	180,010	287,574
Currency translation adjustment	—	—	—	—	(1,530)	—	(1,530)	(591)	(2,121)
Change in net unrealized loss on investment securities	—	—	—	—	1,292	—	1,292	—	1,292
Redemption Note settlement	—	—	—	—	9,211	—	9,211	—	9,211
Issuance of common stock	5,300,000	53	—	915,187	—	—	915,240	—	915,240
Issuance of restricted stock	280,834	3	—	1,295	—	—	1,298	501	1,799
Cancellation of restricted stock	(75,908)	(1)	—	1	—	—	—	—	—
Exercise of stock options	238,780	2	—	19,805	—	—	19,807	506	20,313
Shares repurchased by the Company and held as treasury shares	(18,490)	—	(2,805)	—	—	—	(2,805)	—	(2,805)
Cash dividends declared	—	—	—	—	—	(214,071)	(214,071)	(276,583)	(490,654)
Distribution to noncontrolling interest	—	—	—	—	—	—	—	(301,113)	(301,113)
Stock-based compensation	—	—	—	21,141	—	—	21,141	2,056	23,197
	108,731,082	\$ 1,221	\$(1,187,273)	\$ 2,455,357	\$(2,083)	\$ 537,771	\$ 1,804,993	\$(264,710)	\$ 1,540,283

Balances,
September 30,
2018

The accompanying notes are an integral part of these condensed consolidated financial statements.

6

Table of ContentsWYNN RESORTS, LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(unaudited)

	Nine Months Ended September 30,	
	2018	2017 (as adjusted)
Cash flows from operating activities:		
Net income	\$287,574	\$345,290
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	411,685	415,488
Deferred income taxes	(123,516)	20,830
Stock-based compensation expense	28,762	29,290
Amortization of debt issuance costs	25,241	18,542
Loss on extinguishment of debt	2,364	43,061
Provision (benefit) for doubtful accounts	2,586	(4,593)
Change in derivatives fair value	54	1,056
Change in Redemption Note fair value	69,331	69,982
Property charges and other	30,464	52,683
Increase (decrease) in cash from changes in:		
Receivables, net	(11,038)	(1,198)
Inventories and prepaid expenses and other	1,145	(19,587)
Customer deposits	(212,459)	288,906
Accounts payable and accrued expenses	(14,304)	17,755
Net cash provided by operating activities	497,889	1,277,505
Cash flows from investing activities:		
Capital expenditures, net of construction payables and retention	(1,154,255)	(650,282)
Purchase of investment securities	(34,098)	(191,147)
Proceeds from sale or maturity of investment securities	359,461	171,375
Purchase of intangible assets and other assets	(102,388)	(13,408)
Proceeds from sale of assets	2,387	20,303
Net cash used in investing activities	(928,893)	(663,159)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	2,288,605	2,429,988
Repayments of long-term debt	(3,030,526)	(2,416,319)
Distribution to noncontrolling interest	(301,113)	(6,201)
Proceeds from note receivable from sale of ownership interest in subsidiary	75,000	—
Income taxes paid from sale of ownership interest of subsidiary	—	(25,176)
Proceeds from issuance of common stock, net of issuance costs	915,187	—
Repurchase of common stock	(2,805)	(8,489)
Proceeds from exercise of stock options	20,313	48,653
Dividends paid	(350,694)	(270,091)
Payments to acquire derivatives	(3,900)	—
Payments for financing costs	(33,787)	(70,496)
Net cash used in financing activities	(423,720)	(318,131)
Effect of exchange rate on cash, cash equivalents and restricted cash	1,090	(3,460)
Cash, cash equivalents and restricted cash:		
(Decrease) increase in cash, cash equivalents and restricted cash	(853,634)	292,755

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Balance, beginning of period	2,806,634	2,645,945
Balance, end of period	\$1,953,000	\$2,938,700
Supplemental cash flow disclosures:		
Cash paid for interest, net of amounts capitalized	\$276,989	\$301,800
Property and equipment acquired under capital lease	\$—	\$16,593
Stock-based compensation capitalized into construction	\$6	\$56
Liability settled with shares of common stock	\$1,800	\$19,225
Change in accounts and construction payables related to property and equipment	\$7,718	\$(35,375)
Change in dividends payable on unvested restricted stock included in other accrued liabilities	\$1,144	\$(427)
Dividends payable to noncontrolling interests	\$138,816	\$—

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 - Organization and Basis of Presentation

Organization

Wynn Resorts, Limited, a Nevada corporation (together with its subsidiaries, "Wynn Resorts" or the "Company") is a developer, owner and operator of destination casino resorts (integrated resorts). 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 (collectively, the "Macau Operations"). In Las Vegas, Nevada, the Company operates and, with the exception of the retail space described below, owns 100% of Wynn Las Vegas, which it also refers to as its Las Vegas Operations.

Macau Operations

Wynn Palace features a luxury hotel tower with 1,706 guest rooms, suites and villas, approximately 424,000 square feet of casino space, 13 food and beverage outlets, approximately 37,000 square feet of meeting and convention space, approximately 106,000 square feet of retail space, public attractions including a performance lake and floral art displays and recreation and leisure facilities.

Wynn Macau features two luxury hotel towers with a total of 1,008 guest rooms and suites, approximately 273,000 square feet of casino space, 12 food and beverage outlets, approximately 31,000 square feet of meeting and convention space, approximately 59,000 square feet of retail space, a rotunda show and recreation and leisure facilities.

Las Vegas Operations

Wynn Las Vegas features two luxury hotel towers with a total of 4,748 guest rooms, suites and villas, approximately 192,000 square feet of casino space, 32 food and beverage outlets, approximately 290,000 square feet of meeting and convention space, approximately 106,000 square feet of retail space (the majority of which is owned and operated under a joint venture of which the Company owns 50.1%), as well as two theaters, three nightclubs and a beach club and recreation and leisure facilities.

In December 2016, the Company entered into a joint venture arrangement (the "Retail Joint Venture") with Crown Acquisitions Inc. ("Crown") to own and operate approximately 88,000 square feet of existing retail space. In November 2017, the Company contributed approximately 74,000 square feet of additional retail space to the Retail Joint Venture, the majority of which is currently under construction at Wynn Las Vegas. The Company expects to open the additional retail space in the fourth quarter of 2018. For more information on the Retail Joint Venture, see Note 12, "Retail Joint Venture."

Development Projects

The Company is currently constructing Encore Boston Harbor, an integrated resort in Everett, Massachusetts, adjacent to Boston along the Mystic River. The resort will contain a hotel, a waterfront boardwalk, meeting and convention space, casino space, a spa, retail offerings and food and beverage outlets. The Company expects to open Encore Boston Harbor in mid-2019.

The Company is currently constructing approximately 430,000 square feet of additional meeting and convention space at Wynn Las Vegas and has begun design and site preparation for the reconfiguration of the Wynn Las Vegas golf course, which the Company closed in the fourth quarter of 2017. The Company expects to reopen the golf course in the fourth quarter of 2019 and open the additional meeting and convention space in the first quarter of 2020.

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures herein are adequate to make the information presented not misleading. In the opinion of management, all adjustments (which, except as otherwise described in Note 2 below, include only normal recurring adjustments) necessary for a fair presentation of the results for the interim periods have been made. The results for the three and nine months ended September 30, 2018 are not

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

necessarily indicative of results to be expected for the full fiscal year. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

Note 2 - Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company, its majority-owned subsidiaries and entities the Company identifies as a variable interest entity ("VIE") for which the Company is determined to be the primary beneficiary. For information on the Company's VIEs, see Note 12, "Retail Joint Venture." All intercompany accounts and transactions have been eliminated. Certain prior period amounts have been reclassified to be consistent with current year presentation. Such reclassifications relate to the adoption of new accounting guidance as further described below in "Recently Adopted Accounting Standards" and had no effect on the previously reported net income.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and include both U.S. dollar-denominated and foreign-currency denominated securities. Cash equivalents are carried at cost, which approximates fair value.

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

	September 30, 2018	December 31, 2017
Cash and cash equivalents:		
Cash (1)	\$ 1,521,691	\$ 2,354,244
Cash equivalents (2)	427,562	450,230
	1,949,253	2,804,474
Restricted cash (3)	3,747	2,160
Total cash, cash equivalents and restricted cash	\$ 1,953,000	\$ 2,806,634

(1) Cash consists of cash on hand and bank deposits.

(2) Cash equivalents consist of bank time deposits and money market funds.

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

Investment Securities

Investment securities consist of domestic and foreign short-term and long-term investments in corporate bonds reported at fair value, with unrealized gains and losses, net of tax, reported in other comprehensive income (loss). Short-term investments have a maturity date of less than one year and long-term investments are those with a maturity date greater than one year. The Company limits the amount of exposure to any one issuer with the objective of minimizing the potential risk of principal loss. Management determines the appropriate classification of its securities at the time of purchase and reevaluates such designation as of each balance sheet date. Adjustments are made for

amortization of premiums and accretion of discounts to maturity computed under the effective interest method. Such amortization is included in interest income together with realized gains and losses and the stated interest on such securities.

The Company obtains pricing information in determining the fair value of its available-for-sale securities from independent pricing vendors. Based on management's inquiries, the pricing vendors use various pricing models consistent with what other market participants would use. The assumptions and inputs used by the pricing vendors are derived from market observable sources including: reported trades, broker/dealer quotes, issuer spreads, benchmark curves, bids, offers and other market-related data. The Company has not made adjustments to such prices. Each quarter, the Company validates the fair value pricing methodology to determine if the fair value is consistent with applicable accounting guidance and to confirm that the securities are classified properly in the fair value hierarchy. The Company compares the pricing received from its vendors to independent sources for the same or similar securities.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Accounts Receivable and Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of casino accounts receivable. The Company issues credit in the form of "markers" to approved casino customers following investigations of creditworthiness. As of September 30, 2018 and December 31, 2017, approximately 84.3% and 81.7%, respectively, of the Company's markers were due from customers residing outside the United States, primarily in Asia. Business or economic conditions or other significant events in these countries could affect the collectability of such receivables.

Accounts receivable, including casino and hotel receivables, are typically non-interest bearing and are initially recorded at cost. An estimated allowance for doubtful accounts is maintained to reduce the Company's receivables to their carrying amount, which approximates fair value. The allowance estimate reflects specific review of customer accounts and outstanding gaming promoter accounts as well as management's experience with historical and current collection trends and current economic and business conditions. Accounts are written off when management deems them to be uncollectible. Recoveries of accounts previously written off are recorded when received.

Receivables, net consisted of the following (in thousands):

	September 30, December 31,	
	2018	2017
Casino	\$ 192,646	\$ 173,664
Hotel	14,629	22,487
Other	55,782	58,577
	263,057	254,728
Less: allowance for doubtful accounts	(30,385)	(30,600)
	\$ 232,672	\$ 224,128

Derivative Financial Instruments

The Company uses derivative financial instruments to manage interest rate exposure. The fair value of derivative financial instruments is recognized as an asset or liability at each balance sheet date, with changes in fair value recorded in earnings as the Company's derivative financial instruments do not qualify for hedge accounting.

In accordance with the terms of the Retail Term Loan Agreement (as defined in Note 6, "Long-Term Debt"), the Retail Borrowers (as defined in Note 6, "Long-Term Debt") entered into a five-year interest rate collar with a notional value of \$615 million for a cash payment of \$3.9 million in July 2018. The interest rate collar establishes a range whereby the Retail Borrowers will pay the counterparty if one-month LIBOR falls below the established floor rate of 1.00%, and the counterparty will pay the Retail Borrowers if one-month LIBOR exceeds the ceiling rate of 3.75%. The interest rate collar settles monthly commencing in August 2019 through the termination date in August 2024. No payments or receipts are exchanged on interest rate collar contracts unless interest rates rise above or fall below the pre-determined ceiling or floor rate, respectively. The Company measures the fair value of the interest rate collar at each balance sheet date based on a Black-Scholes option pricing model, which incorporates observable market inputs such as market volatility and interest rates, with changes in fair value recorded in earnings. As of September 30, 2018, the fair value of the interest rate collar was \$3.8 million and was recorded in other assets in the accompanying Condensed Consolidated Balance Sheet.

Redemption Note

On February 18, 2012, pursuant to its articles of incorporation, the Company redeemed and canceled all Aruze USA, Inc.'s ("Aruze") 24,549,222 shares of Wynn Resorts' common stock. In connection with the redemption of the shares, the Company issued a promissory note (the "Redemption Note") with a principal amount of \$1.94 billion, a maturity date of February 18, 2022 and an interest rate of 2% per annum, payable annually in arrears on each anniversary of the date of the Redemption Note. The Redemption Note was recorded at fair value in accordance with applicable accounting guidance. The Company repaid the principal amount in full on March 30, 2018. As of December 31, 2017, the fair value of the Redemption Note was \$1.88 billion.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

In determining this fair value, the Company estimated the Redemption Note's present value using discounted cash flows with a probability weighted expected return for redemption assumptions and a discount rate, which included time value and non-performance risk adjustments commensurate with the risk of the Redemption Note.

Considerations for the redemption assumptions included the stated maturity of the Redemption Note, uncertainty of the related cash flows, as well as potential effects of the following: uncertainties surrounding the potential outcome and timing of litigation with Aruze, Universal Entertainment Corporation and Mr. Kazuo Okada (collectively, the "Okada Parties") (see Note 13, "Commitments and Contingencies"); the outcome of ongoing investigations of Aruze by the U.S. Attorney's Office, the U.S. Department of Justice and the Nevada Gaming Control Board; and other potential legal and regulatory actions. In addition, in the furtherance of various future business objectives, the Company considered its ability, at its sole option, to prepay the Redemption Note at any time in accordance with its terms without penalty. Accordingly, the Company reasonably determined that the estimated life of the Redemption Note could be less than its contractual life.

In determining the appropriate discount rate to be used to calculate the estimated present value, the Company considered the Redemption Note's subordinated position and credit risk relative to all other debt in the Company's capital structure and credit ratings associated with the Company's traded debt. Observable inputs for the risk free rate were based on Federal Reserve rates for U.S. Treasury securities and the credit risk spread was based on a yield curve index of similarly rated debt.

Revenue Recognition

The Company's revenue contracts with customers consist of casino wagers and sales of rooms, food and beverage, entertainment, retail and other goods and services.

Gross casino revenues are measured by the aggregate net difference between gaming wins and losses. The Company applies a practical expedient by accounting for its casino wagering transactions on a portfolio basis versus an individual basis as all wagers have similar characteristics. Commissions rebated to customers either directly or indirectly through games promoters and cash discounts and other cash incentives earned by customers are recorded as a reduction of casino revenues. In addition to the wager, casino transactions typically include performance obligations related to complimentary goods or services provided to incentivize future gaming or in exchange for points earned under the Company's loyalty programs.

For casino transactions that include complimentary goods or services provided by the Company to incentivize future gaming, the Company allocates the standalone selling price of each good or service to the appropriate revenue type based on the good or service provided. Complimentary goods or services that are provided under the Company's control and discretion and supplied by third parties are recorded as an operating expense.

The Company offers loyalty programs at both its Macau Operations and its Las Vegas Operations. Under the program at its Macau Operations, customers earn points based on their level of table games and slots play, which can be redeemed for free play, gifts and complimentary goods or services provided by the Company. Under the program at its Las Vegas Operations, customers earn points based on their level of slots play, which can be redeemed for free play. For casino transactions that include points earned under the Company's loyalty programs, the Company defers a portion of the revenue by recording the estimated standalone selling price of the earned points that are expected to be redeemed as a liability. Upon redemption of the points for Company-owned goods or services, the standalone selling price of each good or service is allocated to the appropriate revenue type based on the good or service provided. Upon the redemption of the points with third parties, the redemption amount is deducted from the liability and paid directly to the third party.

After allocating amounts to the complimentary goods or services provided and to the points earned under the Company's loyalty programs, the residual amount is recorded as casino revenue when the wager is settled. The transaction price for rooms, food and beverage, entertainment, retail and other transactions is the net amount collected from the customer for such goods and services and is recorded as revenue when the goods are provided, services are performed or events are held. Sales tax and other applicable taxes collected by the Company are excluded from revenues. Advance deposits on rooms and advance ticket sales are performance obligations that are recorded as customer deposits until services are provided to the customer. Revenues from contracts with multiple goods or services are allocated to each good or service based on its relative standalone selling price. Entertainment, retail and other revenue also includes lease revenue, which is recognized on a time proportion basis over the lease term. Contingent lease revenue is recognized when the right to receive such revenue is established according to the lease agreements.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Gaming Taxes

The Company is subject to taxes based on gross gaming revenues in the jurisdictions in which it operates, subject to applicable jurisdictional adjustments, which taxes are recorded as casino expenses in the accompanying Condensed Consolidated Statements of Income. These taxes totaled \$638.4 million and \$544.7 million for the three months ended September 30, 2018 and 2017, respectively, and \$1.81 billion and \$1.56 billion for the nine months ended September 30, 2018 and 2017, respectively.

Comprehensive Income and Accumulated Other Comprehensive Loss

Comprehensive income includes net income and all other non-stockholder changes in equity, or other comprehensive income (loss). Components of the Company's comprehensive income are reported in the accompanying Condensed Consolidated Statements of Stockholders' Equity and Condensed Consolidated Statements of Comprehensive Income.

The following table presents the changes by component, net of tax and noncontrolling interests, in accumulated other comprehensive loss of the Company (in thousands):

	Foreign currency translation	Unrealized loss on investment securities	Redemption Note	Accumulated other comprehensive loss
January 1, 2018	\$ (553)	\$ (1,292)	\$ —	\$ (1,845)
Cumulative credit risk adjustment (1)	—	—	(9,211)	(9,211)
Change in net unrealized gain (loss)	(1,530)	(1,510)	7,690	4,650
Amounts reclassified to net income (2)	—	2,802	1,521	4,323
Other comprehensive income (loss)	(1,530)	1,292	9,211	8,973
September 30, 2018	\$ (2,083)	\$ —	\$ —	\$ (2,083)

(1) On January 1, 2018, the Company adopted Accounting Standards Update ("ASU") No. 2016-01, Financial Instruments. The adjustment to the beginning balance represents the cumulative effect of the change in instrument-specific credit risk on the Redemption Note. See "Recently Adopted Accounting Standards—Financial Instruments" below for additional information.

(2) The amounts reclassified to net income include \$1.8 million for other-than-temporary impairment losses and \$1.0 million in realized losses, both related to investment securities, and a \$1.5 million realized gain related to the repayment of the Redemption Note.

Fair Value Measurements

The Company measures certain of its financial assets and liabilities at fair value on a recurring basis pursuant to accounting standards for fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These accounting standards establish a three-tier fair value hierarchy, which prioritizes the inputs used to measure fair value. These tiers include:

Level 1 - Observable inputs such as quoted prices in active markets.

Level 2 - Inputs other than quoted prices in active markets that are either directly or indirectly observable.

Level 3 - Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

12

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

The following tables present assets and liabilities carried at fair value (in thousands):

	September 30, 2018	Fair Value Measurements Using:		
		Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	\$ 427,562	\$—	\$427,562	—
Restricted cash	\$ 3,747	\$2,007	\$1,740	—
Interest rate collar	\$ 3,845	—	\$3,845	—

	December 31, 2017	Fair Value Measurements Using:		
		Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	\$ 450,230	\$11,200	\$439,030	—
Available-for-sale securities	\$ 327,455	—	\$327,455	—
Restricted cash	\$ 2,160	—	\$2,160	—
Liabilities:				
Redemption Note	\$ 1,879,058	—	\$1,879,058	—

Recently Adopted Accounting Standards

Revenue Recognition Standard

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which amends the existing revenue recognition guidance and creates a new topic for Revenue from Contracts with Customers. The guidance provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This guidance also substantially revises required interim and annual disclosures. The Company adopted the guidance on January 1, 2018, which resulted in the following significant impacts on its Condensed Consolidated Financial Statements:

The promotional allowances line item was eliminated from the Condensed Consolidated Statements of Income with the majority of the amount being netted against casino revenues.

The estimated cost of providing complimentary goods or services will no longer be allocated primarily to casino expenses from other operating departments as the new guidance requires revenues and expenses associated with providing complimentary goods or services to be classified based on the goods or services provided.

The portion of junket commissions previously recorded as a casino expense is now recorded as a reduction of casino revenue.

Mandatory service charges on food and beverage are now recorded on a gross basis with the amount received from the customer recorded as food and beverage revenue and the corresponding amount paid to employees recorded as food and beverage expense.

Certain prior period amounts have been adjusted to reflect the full retrospective adoption of the guidance. There was no impact on the Company's financial condition, operating income or net income.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

The table below provides a reconciliation of amounts previously reported and the resulting impacts from the adoption of the new revenue recognition guidance (in thousands):

	Three Months Ended September 30, 2017		
	As Previously Reported	Adoption of ASC 606	As Adjusted
Gross revenues	\$1,728,064	\$(176,717)	\$1,551,347
Promotional allowances	(115,733)	115,733	—
Operating revenues	1,612,331	(60,984)	1,551,347
Operating expenses	1,355,004	(60,984)	1,294,020
Operating income	\$257,327	\$—	\$257,327

	Nine Months Ended September 30, 2017		
	As Previously Reported	Adoption of ASC 606	As Adjusted
Gross revenues	\$4,954,060	\$(506,064)	\$4,447,996
Promotional allowances	(336,788)	336,788	—
Operating revenues	4,617,272	(169,276)	4,447,996
Operating expenses	3,863,126	(169,276)	3,693,850
Operating income	\$754,146	\$—	\$754,146

Financial Instruments

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments - Overall (Subtopic 824-10): Recognition and Measurement of Financial Assets and Financial Liabilities, which requires equity investments to be measured at fair value with changes in fair value recognized through net income (other than those accounted for under the equity method of accounting or those that result in consolidation of the investee). The update also requires an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. This update eliminates the requirement to disclose the methods and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet for public business entities. The Company adopted this guidance on January 1, 2018, which resulted in a \$9.2 million cumulative unrealized loss, net of tax, being recorded to accumulated other comprehensive loss with a corresponding increase to retained earnings. The adjustment represents the portion of the cumulative change in the Redemption Note fair value resulting from the change in the instrument-specific credit risk previously included in other income (expense) on the Condensed Consolidated Statements of Income.

Restricted Cash

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows - Restricted Cash (Topic 230), which amends the existing guidance relating to the disclosure of restricted cash and restricted cash equivalents

on the statement of cash flows. The ASU requires that amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Company adopted this guidance on January 1, 2018 on a retrospective basis and the updated disclosures are reflected for the periods presented in the Condensed Consolidated Statements of Cash Flows. For the nine months ended September 30, 2017, the change in restricted cash of \$190.1 million was previously reported within net cash used in financing activities.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Accounting Standards Issued But Not Yet Adopted

Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), and subsequent amendments to the initial guidance: ASU No. 2017-13, ASU No. 2018-10, and ASU No. 2018-11 (collectively, "Topic 842"). Topic 842 amends the existing guidance relating to the definition of a lease, recognition of lease assets and lease liabilities on the balance sheet and the disclosure of key information about leasing activities. Under the new guidance, lessees will be required to recognize a right-of-use asset and lease liability on the balance sheet, measured on a discounted basis. Operating leases are currently not recognized on the balance sheet. Lessor accounting will remain largely unchanged, other than certain targeted improvements intended to align lessor accounting with the lessee accounting model and with the updated revenue recognition guidance. Entities are required to adopt Topic 842 using a modified retrospective transition method at one of the following application dates: (1) the later of the beginning of the earliest period presented in the financial statements and the lease commencement date or (2) on the effective date. The Company will adopt Topic 842 on January 1, 2019 using the effective date transition approach, which will result in a balance sheet presentation that is not comparable to the prior period in the first year of adoption.

Topic 842 provides for transition relief by permitting the election of certain practical expedients. The Company is electing the reassessment package of practical expedients, which permits the Company not to reassess whether (1) any expired or existing contracts as of the adoption date are or contain a lease, (2) lease classification remains appropriate for any expired or existing leases as of the adoption date and (3) previously capitalized costs continue to qualify as initial direct costs on expired or existing leases as of the adoption date.

While the Company is currently assessing the quantitative impact the guidance will have on its Consolidated Financial Statements and related disclosures, the Company expects the most significant changes will be related to the recognition of right-of-use assets and lease liabilities for operating leases on the Company's Consolidated Balance Sheet, with no material impact to net income or cash flows.

Cloud Computing Arrangement Implementation Costs

In August 2018, the FASB issued ASU No. 2018-15, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract. The ASU is intended to eliminate potential diversity in practice in accounting for costs incurred to implement cloud computing arrangements that are service contracts by requiring customers in such arrangements to follow internal-use software guidance with respect to such costs, with any resulting deferred implementation costs recognized over the term of the contract in the same income statement line item as the fees associated with the hosting element of the arrangement. The ASU will be effective for the Company on January 1, 2020, with early adoption permitted. The Company is currently assessing the impact the guidance will have on its Consolidated Financial Statements and related disclosures.

Note 3 - Earnings Per Share

Basic earnings per share ("EPS") is computed by dividing net income attributable to Wynn Resorts, Limited by the weighted average number of common shares outstanding during the period. Diluted EPS is computed by dividing net income attributable to Wynn Resorts, Limited by the weighted average number of common shares outstanding during the period increased to include the number of additional shares of common stock that would have been outstanding if the potential dilutive securities had been issued. Potentially dilutive securities include outstanding stock options and

unvested restricted stock.

15

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

The weighted average number of common and common equivalent shares used in the calculation of basic and diluted EPS consisted of the following (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Numerator:				
Net income attributable to Wynn Resorts, Limited	\$156,115	\$79,767	\$107,564	\$255,499
Denominator:				
Weighted average common shares outstanding	108,064	102,173	106,162	101,960
Potential dilutive effect of stock options and restricted stock	469	621	559	500
Weighted average common and common equivalent shares outstanding	108,533	102,794	106,721	102,460
Net income attributable to Wynn Resorts, Limited per common share, basic	\$1.44	\$0.78	\$1.01	\$2.51
Net income attributable to Wynn Resorts, Limited per common share, diluted	\$1.44	\$0.78	\$1.01	\$2.49
Anti-dilutive stock options and restricted stock excluded from the calculation of diluted net income per share	234	108	109	123

Note 4 - Investment Securities

As of September 30, 2018, the Company had no investment securities. During the three and nine months ended September 30, 2018, the Company sold its investment securities for net proceeds of \$131.8 million and \$325.4 million, respectively.

As of December 31, 2017, investment securities consisted of the following (in thousands):

As of December 31, 2017	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value (net carrying amount)
Domestic and foreign corporate bonds	\$328,747	\$ 6	\$ (1,298)	\$327,455

The Company assesses for indicators of other-than-temporary impairment on a quarterly basis. The Company determines whether (i) it does not have the intent to sell any of these investments, and (ii) it will not likely be required to sell these investments prior to the recovery of the amortized cost. During the nine months ended September 30, 2018, the Company determined it had an other-than-temporary impairment and recorded a loss of \$1.8 million.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Note 5 - Property and Equipment, net

Property and equipment, net consisted of the following (in thousands):

	September 30, December 31,	
	2018	2017
Buildings and improvements	\$ 7,634,499	\$ 7,582,611
Land and improvements	1,126,522	853,738
Furniture, fixtures and equipment	2,254,734	2,211,974
Leasehold interests in land	314,053	314,068
Airplanes	134,267	158,840
Construction in progress	1,741,942	1,016,207
	13,206,017	12,137,438
Less: accumulated depreciation	(3,984,989)	(3,638,682)
	\$ 9,221,028	\$ 8,498,756

As of September 30, 2018 and December 31, 2017, construction in progress consisted primarily of costs capitalized, including interest, for the construction of Encore Boston Harbor.

Land Acquisition

During the first quarter of 2018, the Company acquired approximately 38 acres of land on the Las Vegas Strip directly across from Wynn Las Vegas for \$336.2 million, approximately 16 acres of which are subject to a ground lease that expires in 2097. The ground lease has annual payments of \$3.8 million until 2023 and total payments of \$370.7 million thereafter. The Company expects to use this land for future development.

In accordance with asset acquisition accounting standards, the Company allocated the purchase price to the identifiable assets acquired based on the relative fair value of each component. As a result, the Company recorded \$89.1 million of the purchase price as a definite-lived intangible asset, which represents the favorable terms of the assumed ground lease relative to the market. The Company will amortize this amount to rent expense on a straight-line basis over the remaining term of the ground lease.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Note 6 - Long-Term Debt

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

	September 30, 2018	December 31, 2017
Macau Related:		
Wynn Macau Credit Facilities:		
Senior Term Loan Facility, due 2021	\$ 2,298,749	\$ 2,298,798
Senior Revolving Credit Facility, due 2020	624,393	—
4 7/8% Senior Notes, due 2024	600,000	600,000
5 1/2% Senior Notes, due 2027	750,000	750,000
U.S. and Corporate Related:		
Wynn America Credit Facilities:		
Senior Term Loan Facility, due 2021	996,520	1,000,000
4 1/4% Senior Notes, due 2023	500,000	500,000
5 1/2% Senior Notes, due 2025	1,780,000	1,800,000
5 1/4% Senior Notes, due 2027	880,000	900,000
Retail Term Loan, due 2025	615,000	—
Redemption Price Promissory Note, due 2022	—	1,936,443
	9,044,662	9,785,241
Less: Unamortized debt issuance costs and original issue discounts and premium, net	(112,492) (99,231
Less: Redemption Note fair value adjustment	—	(57,384
	8,932,170	9,628,626
Current portion of long-term debt	(236,835) (62,690
Total long-term debt, net of current portion	\$ 8,695,335	\$ 9,565,936

Macau Related Debt

Wynn Macau Credit Facilities

The Company's credit facilities include a \$2.30 billion equivalent fully funded senior secured term loan facility (the "Wynn Macau Senior Term Loan Facility") and a \$750 million equivalent senior secured revolving credit facility (the "Wynn Macau Senior Revolving Credit Facility," collectively, the "Wynn Macau Credit Facilities"). The borrower is Wynn Resorts (Macau) S.A. ("Wynn Macau SA"), an indirect wholly owned subsidiary of WML. As of September 30, 2018 and December 31, 2017, the weighted average interest rate was 3.99% and 3.16%, respectively. As of September 30, 2018, the Company had \$123.9 million of available borrowing capacity under the Wynn Macau Senior Revolving Credit Facility.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

WML Finance Revolving Credit Facility

The Company's credit facilities include a HK\$3.87 billion (approximately \$495.1 million) cash-collateralized revolving credit facility ("WML Finance Credit Facility") under which WML Finance I, Limited, an indirect wholly owned subsidiary of WML, is the borrower. The WML Finance Credit Facility bore interest initially at 1.50% per annum, such rate calculated as the interest rate paid by the lender as the deposit bank for the cash collateral deposited and pledged with the lender plus a margin of 0.40%. On July 18, 2018, the WML Finance Credit Facility matured with no outstanding borrowings.

U.S. and Corporate Related Debt

Bridge Facility

On March 28, 2018, the Company entered into a credit agreement to provide for an \$800 million 364-day term loan (the "Bridge Facility"). The Company subsequently repaid all amounts borrowed under the Bridge Facility using net proceeds from the issuance of its common stock. See Note 7, "Stockholders' Equity" for additional information on the Company's issuance of common stock. The Bridge Facility bore interest at either LIBOR plus 2.75% per annum or base rate plus 1.75% per annum.

Redemption Price Promissory Note

On March 30, 2018, the Company used the net proceeds from the Bridge Facility, along with cash on hand and borrowings under its WA Senior Revolving Credit Facility (defined below) to repay the Redemption Note principal amount of \$1.94 billion pursuant to the Settlement Agreement and Mutual Release ("Settlement Agreement"). See Note 13, "Commitments and Contingencies—Litigation—Redemption Action and Counterclaim" for additional information on the Settlement Agreement.

Commitment Letter

On September 19, 2018, the Company entered into a commitment letter (as subsequently amended and restated to add additional lenders, the "Commitment Letter") to provide for a 364-day term loan facility to the Company in an aggregate principal amount of up to \$750 million, which remained fully available as of September 30, 2018.

On October 24, 2018, the Company agreed to terminate \$500 million of the lenders' commitments under the Commitment Letter, in anticipation of entering into the new Credit Agreement discussed below. Accordingly, the lenders' remaining commitments under the Commitment Letter are \$250 million and expire on December 19, 2018, with an option to extend to April 5, 2019, subject to certain conditions.

Wynn Resorts Term Loan

On October 30, 2018, the Company and certain subsidiaries of the Company entered into a credit agreement (the "Credit Agreement") to provide for a \$500 million six-year term loan facility (the "Term Loan"). The Term Loan matures on October 30, 2024 and bears interest at a rate of LIBOR plus 2.25% per year.

The Company intends to use the net proceeds of the Term Loan for general corporate purposes, including, without limitation, repurchases of the Company's common stock, investments in subsidiaries and/or capital expenditures. Wynn Group Asia, Inc. and Wynn Resorts Holdings, LLC, each a direct, wholly owned subsidiary of the Company

(collectively, the "Guarantors"), guarantee the obligations of the Company under the Credit Agreement. The Company will pledge all of the equity interests in the Guarantors to the extent permitted by applicable law. The Credit Agreement contains customary representations and warranties, events of default and negative and affirmative covenants, including, among other things, limitations on: incurrence of indebtedness; liens securing indebtedness; mergers and sales of assets; restricted payments; and transactions with affiliates.

Wynn America Credit Facilities

The Company's credit facilities include an \$875 million fully funded senior secured term loan facility (the "WA Senior Term Loan Facility I"), a \$125 million fully funded senior term loan facility (the "WA Senior Term Loan Facility II") and a \$375 million senior secured revolving credit facility (the "WA Senior Revolving Credit Facility," and collectively, the "Wynn America Credit Facilities"). The borrower is Wynn America, LLC, an indirect wholly owned subsidiary of the Company. In the second quarter of 2018, the Company began making quarterly repayments of \$1.7 million under the WA Senior Term Loan Facility I. As of September 30, 2018 and December 31, 2017, the interest rate was 4.00% and 3.32%, respectively. As of September 30, 2018, the

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Company had available borrowing capacity of \$357.3 million, net of \$17.7 million in outstanding letters of credit, under the WA Senior Revolving Credit Facility.

In the second quarter of 2017, the Company amended the Wynn America Credit Facilities to, among other things, extend the maturity of portions of the credit facilities. In connection with the amendment, the Company recorded a loss on extinguishment of debt of \$1.5 million.

Wynn Las Vegas Senior Notes

During the first quarter of 2018, Wynn Resorts purchased \$20 million principal amount of the 5 1/2% Senior Notes due 2025 (the "2025 Notes") and \$20 million principal amount of the 5 1/4% Senior Notes due 2027 (the "2027 Notes") through open market purchases. As of September 30, 2018, Wynn Resorts holds this debt and has not contributed it to its wholly owned subsidiary, Wynn Las Vegas, LLC.

On March 20, 2018, Wynn Las Vegas, LLC and Wynn Las Vegas Capital Corp. (the "Issuers"), wholly owned subsidiaries of the Company, executed a second supplemental indenture (the "Supplemental Indenture") to the Indenture dated May 22, 2013, as supplemented by that certain Supplemental Indenture dated as of February 18, 2015 (the "Indenture"), relating to the Issuers' 4 1/4% Senior Notes due 2023 (the "2023 Notes"). The Supplemental Indenture amended the Indenture by conforming the definition of "Change of Control" relating to ownership of equity interests in the Company in the Indenture to the terms of the indentures governing the Issuers' other outstanding notes. As part of executing the Supplemental Indenture, the Issuers paid \$25 million to consenting holders of the 2023 Notes. The Company accounted for this transaction as a modification and recorded the \$25 million as debt issuance costs on the Condensed Consolidated Balance Sheet.

In the second quarter of 2017, the Issuers issued the 2027 Notes and executed a cash tender offer and subsequent redemption for the 5 3/8% First Mortgage Notes due 2022 (the "2022 Notes"). In connection with these transactions, the Company recorded a loss on extinguishment of debt of \$20.8 million.

Retail Term Loan

On July 25, 2018, Wynn/CA Plaza Property Owner, LLC and Wynn/CA Property Owner, LLC (collectively, the "Retail Borrowers"), subsidiaries of the Retail Joint Venture, entered into a term loan agreement (the "Retail Term Loan Agreement").

The Retail Term Loan Agreement provides a term loan facility to the Retail Borrowers of \$615 million (the "Retail Term Loan"). The Retail Term Loan is secured by substantially all of the assets of the Retail Borrowers. The Retail Term Loan matures on July 24, 2025 and bears interest at a rate of LIBOR plus 1.70% per annum. As of September 30, 2018, the interest rate was 3.96%. In accordance with the Retail Term Loan Agreement, the Retail Borrowers entered into an interest rate collar agreement with a LIBOR floor of 1.00% and a ceiling of 3.75%. See Note 2, "Summary of Significant Accounting Policies", for additional information on the interest rate collar. The Retail Borrowers distributed approximately \$589 million of the net proceeds of the Retail Term Loan to their members on a proportionate basis to each member's ownership percentage.

The Retail Borrowers may prepay the Retail Term Loan, in whole but not in part, with a premium of 1.70% of the principal amount prorated for the number of days between the prepayment date and July 25, 2019. Any time subsequent to July 25, 2019, the Retail Borrowers may prepay the Retail Term Loan, in whole or in part, with no premium above the principal amount.

The Retail Term Loan Agreement contains customary representations and warranties, events of default and affirmative and negative covenants for debt facilities of this type, including, among other things, limitations on leasing matters, incurrence of indebtedness, distributions and transactions with affiliates. The Retail Term Loan Agreement also provides for customary sweeps of the Retail Borrowers' excess cash in the event of a default or in the event the Retail Borrowers fail to maintain certain financial ratios as defined in the Retail Term Loan Agreement. In addition, the Company will indemnify the lenders under the Retail Term Loan and be liable, in each case, for certain customary environmental and non-recourse carve out matters pursuant to a hazardous materials indemnity agreement and a recourse indemnity agreement, each entered into concurrently with the execution of the Retail Term Loan Agreement.

Debt Covenant Compliance

Management believes that as of September 30, 2018, the Company was in compliance with all debt covenants.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Fair Value of Long-Term Debt

The estimated fair value of the Company's long-term debt as of September 30, 2018 and December 31, 2017 was \$8.80 billion and \$7.95 billion, respectively, compared to its carrying value of \$9.04 billion and \$7.85 billion. The estimated fair value as of December 31, 2017 excludes the Redemption Note. See Note 2, "Summary of Significant Accounting Policies" for discussion of the estimated fair value of the Redemption Note. The estimated fair value of the Company's long-term debt is based on recent trades, if available, and indicative pricing from market information (Level 2 inputs).

Note 7 - Stockholders' Equity

Equity Offering

On April 3, 2018, the Company completed a registered public offering (the "Equity Offering") of 5,300,000 newly issued shares of its common stock, par value \$0.01 per share, at a price of \$175 per share for proceeds of \$915.2 million, net of \$11.7 million in underwriting discounts and \$0.6 million in offering expenses. The Company used the net proceeds from the Equity Offering to repay all amounts borrowed under the Bridge Facility, together with all interest accrued thereon, and used the remaining net proceeds to repay certain other indebtedness of the Company in April 2018.

Dividends

On February 27, 2018, the Company paid a cash dividend of \$0.50 per share and recorded \$51.4 million as a reduction of retained earnings.

On May 29, 2018, the Company paid a cash dividend of \$0.75 per share and recorded \$81.3 million as a reduction of retained earnings.

On August 28, 2018, the Company paid a cash dividend of \$0.75 per share and recorded \$81.4 million as a reduction of retained earnings.

On November 7, 2018, the Company announced a cash dividend of \$0.75 per share, payable on November 30, 2018, to stockholders of record as of November 21, 2018.

Noncontrolling Interests

On April 25, 2018, WML paid a cash dividend of HK\$0.75 per share for a total of \$497.1 million. The Company's share of this dividend was \$358.8 million with a reduction of \$138.3 million to noncontrolling interests in the accompanying Condensed Consolidated Balance Sheet.

On August 17, 2018, WML announced a cash dividend of HK\$0.75 per share, consisting of an interim dividend of HK\$0.32 per share for the six months ended June 30, 2018 and a special dividend of HK\$0.43 per share, for a total of \$496.6 million, payable on October 5, 2018 to stockholders of record as of September 24, 2018. The Company's share of this dividend will be approximately \$358.3 million, and the Company recorded a reduction to noncontrolling interests of \$138.3 million in the accompanying Condensed Consolidated Balance Sheet.

During the nine months ended September 30, 2018, the Retail Joint Venture made aggregate distributions of \$301.1 million to its non-controlling interest holder in connection with the distribution of the net proceeds of the Retail Term Loan and distributions made in the normal course of business. For more information on the Retail Term Loan and on the Retail Joint Venture, see Note 6, "Long-Term Debt," and Note 12, "Retail Joint Venture," respectively.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Note 8 - Revenue

Disaggregation of Revenues

The Company operates integrated resorts in Macau and Las Vegas and generates revenues at its properties by providing the following types of services and products: gaming, rooms, food and beverage and entertainment, retail and other. Revenues disaggregated by type of revenue and geographic location are as follows (in thousands):

Three months ended September 30, 2018	Macau Operations	Las Vegas Operations	Total
Casino	\$1,129,143	\$92,886	\$1,222,029
Rooms	72,387	110,657	183,044
Food and beverage	45,312	148,562	193,874
Entertainment, retail and other (1)	63,350	46,775	110,125
Total operating revenues	\$1,310,192	\$398,880	\$1,709,072

Three months ended September 30, 2017

Casino	\$945,891	\$129,686	\$1,075,577
Rooms	52,789	117,582	170,371
Food and beverage	39,834	160,217	200,051
Entertainment, retail and other (1)	48,564	56,784	105,348
Total operating revenues	\$1,087,078	\$464,269	\$1,551,347

Nine months ended September 30, 2018

Casino	\$3,234,931	\$329,264	\$3,564,195
Rooms	209,036	350,369	559,405
Food and beverage	135,712	445,251	580,963
Entertainment, retail and other (1)	178,470	147,041	325,511
Total operating revenues	\$3,758,149	\$1,271,925	\$5,030,074

Nine months ended September 30, 2017

Casino	\$2,712,289	\$354,856	\$3,067,145
Rooms	157,183	346,952	504,135
Food and beverage	116,144	452,734	568,878
Entertainment, retail and other (1)	141,367	166,471	307,838
Total operating revenues	\$3,126,983	\$1,321,013	\$4,447,996

(1) Includes lease revenue accounted for under lease accounting guidance. See Note 2, "Summary of Significant Accounting Policies—Revenue Recognition" for lease revenue accounting policy.

Customer Contract Liabilities

In providing goods and services to its customers, there is often a timing difference between the Company receiving cash and the Company recording revenue for providing services or holding events.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

The Company's primary liabilities associated with customer contracts are as follows (in thousands):

	September 30 2018	December 31, 2017	Increase (decrease)	September 30 2017	December 31 2016	Increase (decrease)
Casino outstanding chips and front money deposits (1)	\$ 785,988	\$ 991,957	\$(205,969)	\$ 824,863	\$ 546,487	\$ 278,376
Advance room deposits and ticket sales (2)	45,196	52,253	(7,057)	50,462	45,696	4,766
Other gaming-related liabilities (3)	13,644	12,765	879	11,264	12,033	(769)
Loyalty program and related liabilities (4)	18,756	18,421	335	14,210	7,942	6,268
	\$ 863,584	\$ 1,075,396	\$(211,812)	\$ 900,799	\$ 612,158	\$ 288,641

(1) Casino outstanding chips represent amounts owed to junkets and customers for chips in their possession, and casino front money deposits represent funds deposited by customers before gaming play occurs. These amounts are included in customer deposits on the Condensed Consolidated Balance Sheets and may be recognized as revenue or will be redeemed for cash in the future.

(2) Advance room deposits and ticket sales represent cash received in advance for goods or services to be provided in the future. These amounts are included in customer deposits on the Condensed Consolidated Balance Sheets and will be recognized as revenue when the goods or services are provided or the events are held. Decreases in this balance generally represent the recognition of revenue and increases in the balance represent additional deposits made by customers. The deposits are expected to primarily be recognized as revenue within one year.

(3) Other gaming-related liabilities generally represent unpaid wagers primarily in the form of unredeemed slot, race and sportsbook tickets or wagers for future sporting events. The amounts are included in other accrued liabilities on the Condensed Consolidated Balance Sheets.

(4) Loyalty program and related liabilities represent the deferral of revenue until the loyalty points or other complimentary are redeemed. The amounts are included in other accrued liabilities on the Condensed Consolidated Balance Sheets and are expected to be recognized as revenue within one year of being earned by customers.

Note 9 - Stock-Based Compensation

The total compensation cost for stock-based compensation plans was recorded as follows (in thousands):

	Three Months Ended September 30, 2018		Nine Months Ended September 30, 2017	
Casino	\$1,305	\$1,649	\$4,432	\$4,921
Rooms	108	152	314	479
Food and beverage	258	352	868	1,058
Entertainment, retail and other	34	38	111	106
General and administrative	9,914	8,312	22,540	22,726
Pre-opening	213	—	497	—
Total stock-based compensation expense	11,832	10,503	28,762	29,290
Total stock-based compensation capitalized	—	24	6	56

Total stock-based compensation costs \$11,832 \$10,527 \$28,768 \$29,346

For the three months ended September 30, 2018, the Company recorded an expense of approximately \$5.8 million in connection with the departure of the Company's general counsel and the related accelerated vesting of previously granted share-based awards and a \$1.8 million one-time cash payment.

Certain members of the Company's executive management team receive a portion of their annual incentive bonus in shares of the Company's stock. The number of shares is determined based on the closing stock price on the date the annual incentive bonus is settled. As the number of shares is variable, the Company records a liability for the fixed monetary amount over the service period. The Company recorded stock-based compensation expense associated with these awards of \$1.3 million and \$4.9 million, for the three months ended September 30, 2018 and 2017, respectively, and \$5.5 million and \$14.8 million for the nine months ended September 30, 2018 and 2017, respectively. The Company settled the obligation for the 2017 annual incentive bonus by issuing vested shares in December 2017 and January 2018.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Note 10 - Income Taxes

For the three months ended September 30, 2018 and 2017, the Company recorded an income tax benefit of \$3.9 million and an income tax benefit of \$0.5 million, respectively. For the nine months ended September 30, 2018 and 2017, the Company recorded an income tax benefit of \$124.6 million and an income tax expense of \$5.0 million, respectively. The 2018 income tax benefit primarily related to the settlement of the Redemption Note. The 2017 income tax expense and benefit for these periods primarily related to changes in the domestic valuation allowance for U.S. foreign tax credits ("FTCs").

The Company recorded valuation allowances on certain of its U.S. and foreign deferred tax assets. In assessing the need for a valuation allowance, the Company considered whether it is more likely than not that the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. In the assessment of the valuation allowance, appropriate consideration was given to all positive and negative evidence including recent operating profitability, forecast of future earnings and the duration of statutory carryforward periods.

Wynn Macau SA has received a five-year exemption from complementary tax on profits generated by gaming operations through December 31, 2020. For the three months ended September 30, 2018 and 2017, the Company was exempt from the payment of such taxes totaling \$26.8 million and \$15.0 million, respectively. For the nine months ended September 30, 2018 and 2017, the Company was exempt from the payment of such taxes totaling \$73.7 million and \$41.6 million, respectively.

Wynn Macau SA also entered into an agreement with the Macau government that provides for an annual payment of 12.8 million Macau patacas (approximately \$1.6 million) as complementary tax otherwise due by stockholders of Wynn Macau SA on dividend distributions through 2020.

In December 2017, the U.S. Tax Cuts and Jobs Act ("U.S. tax reform") was enacted. Also in December 2017, the SEC staff issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Cuts and Jobs Act, which allowed the Company to record provisional amounts during a measurement period not to extend beyond one year from the enactment date. For the year ended December 31, 2017, the Company recorded a provisional net tax benefit of \$339.9 million based on the Company's initial analysis of the U.S. tax reform. The Company continues to collect additional information and evaluate regulatory or other guidance that may impact the use of its FTC carryovers, including the treatment of foreign-sourced royalties and the allocation of interest expense and other expenses to foreign source income. The Company may adjust its valuation allowance for FTC carryovers and the provisional net tax benefit over the next three months. Any subsequent adjustment to this amount will be recorded to income tax expense in the period in which the amount is determined, and such adjustments may be significant. During the three and nine months ended September 30, 2018, no adjustments have been made to the provisional net tax benefit recorded for the year ended December 31, 2017.

Note 11 - Related Party Transactions

Separation Agreement

On February 6, 2018, Stephen A. Wynn, former Chairman of the Board of Directors and Chief Executive Officer ("Mr. Wynn"), resigned as Chairman of the Board of Directors and Chief Executive Officer of Wynn Resorts and on February 15, 2018, Mr. Wynn entered into a separation agreement with the Company specifying the terms of his

termination of service with the Company (the "Separation Agreement"). The Separation Agreement terminated Mr. Wynn's employment agreement with the Company and confirmed that Mr. Wynn is not entitled to any severance payment or other compensation from the Company under his employment agreement.

Under the Separation Agreement, Mr. Wynn agreed not to compete against the Company for a period of two years and to provide reasonable cooperation and assistance to the Company in connection with any private litigation or arbitration and to the Board of Directors of the Company or any committee of the Board of Directors in connection with any investigation by the Company related to his service with the Company. The Separation Agreement provided that (i) Mr. Wynn's lease of his personal residence at Wynn Las Vegas would terminate not later than June 1, 2018 and until such date Mr. Wynn would continue to pay rent at its fair market value, unless Mr. Wynn elected to terminate the lease before such date, (ii) Mr. Wynn's current healthcare coverage will terminate on December 31, 2018, and (iii) administrative support for Mr. Wynn would terminate on May 31, 2018. Additionally, in order to conduct sales of Company shares in an orderly fashion, the Company agreed to enter into a registration rights agreement with Mr. Wynn, with Mr. Wynn to reimburse the Company for its reasonable expenses.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

On March 20, 2018, the Company entered into a registration rights agreement with Mr. Wynn, the Wynn Family Limited Partnership, a Delaware limited partnership (together with Mr. Wynn, the "Selling Stockholder") and each holder from time to time a party thereto (the "Registration Rights Agreement"), pursuant to the Separation Agreement. The Selling Stockholder subsequently sold all of its holdings of the Company's common stock through open market transactions pursuant to Rule 144 under the Securities Act of 1933, as amended, and certain privately negotiated transactions. Pursuant to the Registration Rights Agreement, without the Company's prior written consent, the Selling Stockholder was not permitted to sell more than an aggregate of 4,043,903 shares of Common Stock in any quarter. The Company provided written consent permitting the Selling Stockholder to undertake the registered sales.

Cooperation Agreement

On August 3, 2018, the Company entered into a Cooperation Agreement (the "Cooperation Agreement") with Elaine P. Wynn regarding the composition of the Company's Board of Directors and certain other matters, including, among other things, the appointment of Mr. Philip G. Satre to the Company's Board of Directors, standstill restrictions, releases, non-disparagement and reimbursement of expenses. The term of the Cooperation Agreement expires on the day after the conclusion of the 2020 annual meeting of the Company's stockholders, unless earlier terminated pursuant to the circumstances described in the Cooperation Agreement.

Amounts Due to Officers

The Company periodically provides services to certain executive officers and directors of the Company, including the personal use of employees, construction work and other personal services, for which the officers and directors reimburse the Company. Certain officers and directors have deposits with the Company to prepay any such items, which are replenished on an ongoing basis as needed. As of September 30, 2018, these net deposit balances with the Company were immaterial.

Note 12 - Retail Joint Venture

In December 2016, the Company sold Crown a 49.9% ownership interest in the Retail Joint Venture for \$217.0 million in cash and a \$75.0 million interest-free note, which was paid in full on January 3, 2018. As of December 31, 2017, the note was recorded at its present value of \$75.0 million in prepaid expenses and other on the Condensed Consolidated Balance Sheet. The Company maintains a 50.1% ownership in the Retail Joint Venture and is the managing member. The Company's responsibilities with respect to the Retail Joint Venture include day-to-day business operations, property management services and a role in the leasing decisions of the retail space.

The Company assessed its ownership in the Retail Joint Venture based on consolidation accounting guidance with an evaluation being performed to determine if the Retail Joint Venture is a VIE, if the Company has a variable interest in the Retail Joint Venture and if the Company is the primary beneficiary of the Retail Joint Venture. The primary beneficiary is the party who has the power to direct the activities of a VIE that most significantly impact the entity's economic performance and who has an obligation to absorb losses of the entity or a right to receive benefits from the entity that could potentially be significant to the entity.

The Company concluded that the Retail Joint Venture is a VIE and the Company is the primary beneficiary based on its involvement in the leasing activities of the Retail Joint Venture. As a result, the Company consolidates all of the Retail Joint Venture's assets, liabilities and results of operations. The Company will evaluate its primary beneficiary designation on an ongoing basis and will assess the appropriateness of the Retail Joint Venture's VIE status when

changes occur.

As of September 30, 2018 and December 31, 2017, the Retail Joint Venture had total assets of \$93.5 million and \$59.7 million, respectively, and total liabilities of \$618.1 million and \$0.9 million, respectively. The Retail Joint Venture's total liabilities as of September 30, 2018 included long-term debt of \$610.9 million, net of debt issuance costs, related to the outstanding borrowings under the Retail Term Loan.

Note 13 - Commitments and Contingencies

Encore Boston Harbor Development

On April 28, 2017, Wynn MA, LLC ("Wynn MA"), an indirect wholly owned subsidiary of the Company, and Suffolk Construction Company, Inc. (the "Construction Manager"), entered into an agreement concerning the construction of Encore

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Boston Harbor, which, among other things, confirmed the guaranteed maximum price for the construction work undertaken by the Construction Manager. The Construction Manager is obligated to substantially complete the project by June 24, 2019, for a guaranteed maximum price of \$1.32 billion. Both the contract time and guaranteed maximum price are subject to further adjustment under certain conditions. The performance of the Construction Manager is backed by a payment and performance bond in the amount of \$350.0 million.

Litigation

In addition to the actions noted below, the Company and its affiliates are involved in litigation arising in the normal course of business. In the opinion of management, such litigation is not expected to have a material effect on the Company's financial condition, results of operations and cash flows.

Determination of Unsuitability and Redemption of Aruze and Affiliates

On February 18, 2012, Wynn Resorts' Gaming Compliance Committee received an independent report by Freeh, Sporkin & Sullivan, LLP (the "Freeh Report") detailing a pattern of misconduct by the Okada Parties. The factual record presented in the Freeh Report included evidence that the Okada Parties had provided valuable items to certain foreign gaming officials who were responsible for regulating gaming in a jurisdiction in which entities controlled by Mr. Okada were developing a gaming resort.

Based on the Freeh Report, the Board of Directors of Wynn Resorts determined that the Okada Parties were "unsuitable persons" under Article VII of the Company's articles of incorporation. On that same day, Wynn Resorts redeemed and canceled Aruze's 24,549,222 shares of Wynn Resorts' common stock, and, pursuant to its articles of incorporation, Wynn Resorts issued the Redemption Note to Aruze in redemption of the shares.

Redemption Action and Counterclaim

On February 19, 2012, Wynn Resorts filed a complaint in the Eighth Judicial District Court, Clark County, Nevada against the Okada Parties (as amended, the "Complaint"), alleging breaches of fiduciary duty and related claims (the "Redemption Action") arising from the activities addressed in the Freeh Report. The Company sought compensatory and special damages as well as a declaration that it acted lawfully and in full compliance with its articles of incorporation, bylaws and other governing documents in redeeming and canceling the shares of Aruze.

On March 12, 2012, the Okada Parties filed an answer denying the claims and a counterclaim (as amended, the "Counterclaim") purporting to assert claims against the Company, certain individuals who are or were members of the Company's Board of Directors (other than Mr. Okada) and Wynn Resorts' former General Counsel, Kimmarré Sinatra ("Ms. Sinatra"). The Counterclaim alleged, among other things: (1) that the shares of Wynn Resorts common stock owned by Aruze were exempt from the redemption-for-unsuitability provisions in the Wynn Resorts articles of incorporation (the "Articles") pursuant to certain agreements executed in 2002; (2) that the Wynn Resorts directors who authorized the redemption of Aruze's shares acted at the direction of Mr. Wynn and did not independently and objectively evaluate the Okada Parties' suitability, and by so doing, breached their fiduciary duties; (3) that the Wynn Resorts directors violated the terms of the Wynn Resorts Articles by failing to pay Aruze fair value for the redeemed shares; and (4) that the terms of the Redemption Note that Aruze received in exchange for the redeemed shares, including the Redemption Note's principal amount, duration, interest rate, and subordinated status, were unconscionable. Among other relief, the Counterclaim sought a declaration that the redemption of Aruze's shares was void, an injunction restoring Aruze's share ownership, damages in an unspecified amount and rescission of the

Amended and Restated Stockholders Agreement, dated as of January 6, 2010, by and among Aruze, Mr. Wynn, and Elaine P. Wynn (the "Stockholders Agreement").

On March 8, 2018, the Company entered into the Settlement Agreement by and between the Company, Mr. Wynn, Linda Chen, Russell Goldsmith, Ray R. Irani, Robert J. Miller, John A. Moran, Marc D. Schorr, Alvin V. Shoemaker, D. Boone Wayson, Allan Zeman, and Ms. Sinatra (collectively, the "Wynn Parties"), and Universal Entertainment Corp. and Aruze (collectively with Universal Entertainment Corp., the "Universal Parties"). The Settlement Agreement resolved legal proceedings pending in the Redemption Action as well as other claims. Pursuant to the Settlement Agreement, the Company paid the principal amount of the \$1.94 billion Redemption Note on March 30, 2018. On March 30, 2018, the Company also paid an additional \$463.6 million with respect to the Universal Parties' claims related to the allegedly below-market interest rate of the Redemption Note and stipulated to the release to Aruze of \$232.4 million in accrued interest held in escrow. The Company recorded the \$463.6 million as a litigation settlement expense on the Condensed Consolidated Statements of Income.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Under the Settlement Agreement, the Wynn Parties and the Universal Parties mutually agreed to unconditionally release all claims against each other relating to or arising out of the Redemption Action, as well as any claims which relate to or arise out of any other litigation or claims in any other jurisdiction. As a result, the Universal Parties will not claim that Aruze remains a party to the Stockholders Agreement. The Universal Parties further released any claims against the Wynn Parties and their affiliates in any other jurisdiction, including but not limited to the proceeding pending in Macau against Wynn Resorts (Macau) S.A. and certain related individuals ("Macau Litigation"). As a result of the Settlement Agreement, the parties to the agreement dismissed all litigation between the Universal Parties and the Company and its then-directors and executives with respect to the redemption, including the Redemption Action and the Macau Litigation, but the Settlement Agreement did not release claims against any parties to such litigation who are not parties to the Settlement Agreement, including but not limited to Kazuo Okada and Elaine P. Wynn.

On March 12, 2018, the Company voluntarily dismissed its claim for breach of fiduciary duty against Kazuo Okada, which was the last and only remaining claim between Wynn Resorts, Kazuo Okada, and the Universal Parties in the Redemption Action.

On June 19, 2012, Elaine P. Wynn asserted a cross claim against Mr. Wynn and Aruze seeking a declaration that (1) any and all of Elaine P. Wynn's duties under the Stockholders Agreement should be discharged; (2) the Stockholders Agreement was subject to rescission and is rescinded; (3) the Stockholders Agreement was an unreasonable restraint on alienation in violation of public policy; and/or (4) the restrictions on sale of shares should be construed as inapplicable to Elaine P. Wynn. On March 28, 2016, Elaine P. Wynn filed an amended cross claim against Mr. Wynn, as well as Wynn Resorts and Wynn Resorts' former General Counsel (together with Mr. Wynn, the "Wynn Cross Defendants") as cross defendants. The amended cross claim substantially repeated its earlier allegations and further alleged that Mr. Wynn engaged in acts of misconduct that, with the Wynn Cross Defendants, resulted in Mr. Wynn allegedly breaching the Stockholders Agreement and violating alleged duties under the Stockholders Agreement by preventing Elaine P. Wynn from being nominated and elected to serve as one of Wynn Resorts' directors. In addition to continuing to seek the declarations asserted under the original cross claim, the amended cross claim sought an order compelling Mr. Wynn to comply with the Stockholders Agreement by assuring the nomination and election of Elaine P. Wynn to the Board of Directors and sought unspecified monetary damages from Mr. Wynn and the Wynn Cross Defendants. Elaine P. Wynn's amended cross claim was later dismissed as to Wynn Resorts and Wynn Resorts' former General Counsel. On May 17, 2017, Elaine P. Wynn filed another amended cross claim against the Wynn Cross Defendants, which substantially repeated its earlier allegations and again named Wynn Resorts and Wynn Resorts' former General Counsel as cross defendants.

On March 14, 2018, Mr. Wynn and Elaine P. Wynn entered into a stipulation declaring the Stockholders Agreement invalid and unenforceable, and on April 16, 2018, the Company entered into a Settlement Agreement and Mutual Release by and between the Company, Mr. Wynn, Elaine P. Wynn, and the Company's former General Counsel, which, among other things, resolved and unconditionally released the parties from all claims and cross claims asserted among the parties in a legal proceeding involving the Stockholders Agreement. Neither the Company nor the Company's former General Counsel made any payment under the terms of such settlement agreement.

Litigation Commenced by Kazuo Okada

On July 3, 2015, WML announced that the Okada Parties filed a complaint in the Court of First Instance of Macau ("Macau Court") against Wynn Macau SA and certain individuals who are or were directors of Wynn Macau SA and or WML (collectively, the "Wynn Macau Parties"). The principal allegations in the lawsuit are that the redemption of

the Okada Parties' shares in Wynn Resorts was improper and undervalued, that the previously disclosed payment by Wynn Macau SA to an unrelated third party in consideration of relinquishment by that party of certain rights in and to any future development on the land in Cotai where Wynn Palace is located was unlawful and that the previously disclosed donation by Wynn Resorts to the University of Macau Development Foundation was unlawful. The plaintiffs seek dissolution of Wynn Macau SA and compensatory damages. On July 11, 2017, the Macau Court dismissed all claims by the Okada Parties as unfounded, fined the Okada Parties, and ordered the Okada Parties to pay for court costs and the Wynn Macau Parties' attorney's fees. On or about October 16, 2017, the Okada Parties filed formal appeal papers in Macau, which Wynn Macau SA received on November 21, 2017. Wynn Macau SA filed its response on December 21, 2017. In March 2018, pursuant to the Settlement Agreement, the Universal Parties voluntarily withdrew from the Macau Litigation, leaving Mr. Okada as the sole claimant.

The Company believes this action is without merit and will vigorously defend itself against the claims pleaded against it by Mr. Okada. Management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this action or the range of reasonably possible loss, if any.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Derivative Litigation Related to Redemption Action

Two state derivative actions were commenced against the Company and all members of its Board of Directors in the Eighth Judicial District Court of Clark County, Nevada. These state court actions brought by the following plaintiffs have been consolidated: (1) IBEW Local 98 Pension Fund and (2) Danny Hinson (collectively, the "Derivative Plaintiffs"). The Derivative Plaintiffs filed a consolidated complaint on July 20, 2012 asserting claims for (1) breach of fiduciary duty; (2) abuse of control; (3) gross mismanagement; and (4) unjust enrichment. The claims are against the Company and all Company directors during the applicable period, including Mr. Okada, as well as the Company's Chief Financial Officer who signed financial disclosures filed with the SEC during the applicable periods. The Derivative Plaintiffs claim that the individual defendants failed to disclose to the Company's stockholders the investigation into, and the dispute with director Okada as well as the alleged potential violations of the FCPA related to, the University of Macau Development Foundation donation. The Derivative Plaintiffs seek unspecified monetary damages (compensatory and punitive), disgorgement, reformation of corporate governance procedures, an order directing the Company to internally investigate the donation, as well as attorney's fees and costs. On June 18, 2014, the court entered a stipulation between the parties that provides for a stay of the action and directs the parties, within 45 days of the conclusion of the Redemption Action, to discuss how the derivative action should proceed and to file a joint report with the court. In May 2018, the parties (except Elaine P. Wynn) filed a joint report given the conclusion of the Redemption Action. On May 14, 2018, the court stayed the case due to plaintiff Danny Hinson's claim that he intended to send a demand letter to the Company. On May 30, 2018, plaintiff Danny Hinson sent a demand letter to the Company requesting the Board to investigate the University of Macau Development Foundation donation, the removal of Mr. Okada from the Board and the terms of the Redemption Note. The Company is reviewing the letter.

Management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of these actions or the range of reasonably possible loss, if any.

Massachusetts Gaming License Related Actions

On September 17, 2014, the Massachusetts Gaming Commission ("MGC") designated Wynn MA the award winner of the Greater Boston (Region A) gaming license. On November 7, 2014, the gaming license became effective.

Suffolk Action:

On September 17, 2018, Sterling Suffolk Racecourse, LLC, owner of the property proposed for location of a casino by an unsuccessful bidder for the Greater Boston (Region A) gaming license filed a complaint in the United States District Court, District of Massachusetts, against Wynn Resorts, Wynn MA, certain current and former officers of Wynn Resorts, FBT Everett Realty, LLC, former owner of the land on which Encore Boston Harbor is located ("FBT") and Paul Lohnes, a member of FBT. The complaint alleges, among other things, the defendants engaged in conduct in violation of Racketeer Influenced Corrupt Organization Act ("RICO"), conspired to circumvent the application process for the Greater Boston (Region A) gaming license and violated Massachusetts' law with respect to unfair methods of competition. The plaintiff seeks \$1 billion in compensatory damages and treble damages pursuant to applicable law.

The Company will vigorously defend against the claims asserted. This action is in preliminary stages and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this action or the range of reasonably possible loss, if any.

Revere Action:

On October 16, 2014, the City of Revere, the host community to the unsuccessful bidder for the same license, and the International Brotherhood of Electrical Workers, Local 103 ("IBEW") filed a complaint against the MGC and each of the five gaming commissioners in Suffolk Superior Court in Boston, Massachusetts (the "Revere Action"). The complaint challenges the MGC's decision and alleges that the MGC failed to follow statutory requirements outlined in the Gaming Act. The complaint (1) seeks to appeal the administrative decision, (2) asserts that certiorari provides a remedy to correct errors in proceedings by an agency such as the MGC, (3) challenges the constitutionality of that section of the gaming law which bars judicial review of the MGC's decision to deny an applicant a gaming license, and (4) alleges violations of the open meeting law requirements. The court allowed Mohegan Sun ("Mohegan"), the other applicant for the Greater Boston (Region A) gaming license, to intervene in the Revere Action, and on February 23, 2015, Mohegan filed its complaint. The Mohegan complaint challenges the license award to Wynn MA, seeks judicial review of the MGC's decision, and seeks to vacate the MGC's license award to Wynn MA.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

On July 1, 2015, the MGC filed motions to dismiss Mohegan's and the City of Revere's complaints. On December 3, 2015, the court granted the motion to dismiss the claims asserted in the Revere Action. Also on December 3, 2015, the court granted the motion to dismiss three of the four counts asserted by Mohegan but denied the motion as to Mohegan's certiorari claim. The City of Revere and IBEW sought immediate appellate review of the dismissal of their claims and the MGC requested immediate appellate review of the court's denial of the MGC's motion to dismiss Mohegan's certiorari claim. All three petitions for interlocutory review were denied. The parties then appealed to the Massachusetts Supreme Judicial Court ("SJC"). On March 10, 2017, the SJC affirmed the trial court's dismissal of the City of Revere's claims and IBEW's claims. The SJC affirmed the court's dismissal of Mohegan's claims except for the certiorari claim, which the SJC remanded to the Suffolk Superior Court. Mohegan filed a motion for judgment on the pleadings on November 3, 2017, and oral argument is being re-scheduled from its originally scheduled date of April 5, 2018.

The SJC reversed the trial court's dismissal of the individual plaintiffs' open meeting law claim and remanded that claim to the Suffolk Superior Court. The parties are currently in the discovery phase.

Wynn MA was not named in the Revere Action. The MGC retained private legal representation at its own nontaxpayer-funded expense.

Actions Related to Mr. Wynn

Investigations:

On January 26, 2018, the Company's Board of Directors formed a Special Committee comprised solely of independent directors to investigate allegations of inappropriate personal conduct by Mr. Wynn in the workplace. On February 12, 2018, the Special Committee amended and restated its charter to provide for a review of various governance issues regarding knowledge of the allegations and a comprehensive review of the Company's internal policies and procedures with the goal of employing best practices to maintain a safe and respectful workplace for all employees. On August 3, 2018, the Board received the final presentation from the Special Committee. The Special Committee provided the presentation to the Company's gaming regulators in Massachusetts and Nevada, which are reviewing these matters, including suitability with respect to the Company and its related licensees, and the Company is cooperating with these regulatory reviews. The gaming regulator in Macau is monitoring and reviewing the situation, and the Company is cooperating. In deference to the ongoing regulatory investigations, the Board and the Company intends to not make any further public statement on the results of the Special Committee presentation until the regulatory investigations are completed.

Derivative Litigation:

A number of stockholder derivative actions have been filed purportedly on behalf of the Company in state and federal court located in Clark County, Nevada against certain current and former members of the Company's Board of Directors and, in some cases, the Company's current and former officers. Each of the complaints alleges, among other things, breach of fiduciary duties in failing to detect, prevent and remedy alleged inappropriate personal conduct by Mr. Wynn in the workplace. On September 19, 2018, the Board established a Special Litigation Committee (the "SLC") to investigate the allegations in the State Derivative Case (as defined below).

The actions filed in the Eighth Judicial District Court of Clark County, Nevada have been consolidated as In re Wynn Resorts, Ltd. Derivative Litigation (“State Derivative Case”). In September 2018, the court denied the Company’s motion to dismiss, and the Company filed a writ petition appealing the denial to the Nevada Supreme Court. In October 2018, the Nevada Supreme Court denied the Company’s writ petition. The SLC has filed a motion to intervene and stay the case.

The actions filed in the United States District Court, District of Nevada have been consolidated as In re Wynn Resorts, Ltd. Derivative Litigation (“Federal Derivative Case”), which also claim corporate waste and violation of Section 14(a) of the Exchange Act. In June 2018, the Company filed a motion to dismiss and a motion to stay pending resolution of the Securities Action. The motions are fully-briefed and awaiting a decision from the court.

Each of the actions seeks to recover for the Company unspecified damages, including restitution and disgorgement of profits, and also seeks to recover attorneys’ fees, costs and related expenses for the plaintiff. Additional demands have been made to the Company that it commence similar actions and additional lawsuits may be filed in the future.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

Securities Action:

On February 20, 2018, a securities class action was filed against the Company and certain current and former officers of the Company in the United States District Court, Southern District of New York (which was subsequently transferred to the United States District Court, District of Nevada) by John V. Ferris and Joann M. Ferris on behalf of all persons who purchased the Company's common stock between February 28, 2014 and January 25, 2018. The complaint alleges, among other things, certain violations of federal securities laws and seeks to recover unspecified damages as well as attorneys' fees, costs and related expenses for the plaintiffs. The parties are awaiting an order from the court appointing a lead plaintiff's counsel.

The defendants in these actions will vigorously defend against the claims pleaded against them. These actions are in preliminary stages and management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of these actions or the range of reasonably possible loss, if any.

Note 14 - Segment Information

The Company reviews the results of operations for each of its operating segments. 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. Wynn Las Vegas, Encore, an expansion at Wynn Las Vegas, and the Retail Joint Venture are managed as a single integrated resort and have been aggregated as one reportable segment ("Las Vegas Operations"). The Company identifies each resort as a reportable segment considering operations within each resort have similar economic characteristics, type of customers, types of services and products, the regulatory environment of the operations and the Company's organizational and management reporting structure.

The Company also reviews construction and development activities for each of its projects under development, in addition to its reportable segments. The Company separately identifies assets for its Encore Boston Harbor development project. Other Macau primarily represents the Company's Macau holding company.

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

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

	Three Months Ended		Nine Months	
	September 30,		Ended September 30,	
	2018	2017	2018	2017
		(as adjusted)		(as adjusted)
Operating revenues				
Macau Operations:				
Wynn Palace	\$730,572	\$525,029	\$2,017,004	\$1,373,742
Wynn Macau	579,620	562,049	1,741,145	1,753,241
Total Macau Operations	1,310,192	1,087,078	3,758,149	3,126,983
Las Vegas Operations	398,880	464,269	1,271,925	1,321,013
Total	\$1,709,072	\$1,551,347	\$5,030,074	\$4,447,996
Adjusted Property EBITDA (1)				
Macau Operations:				
Wynn Palace	\$226,141	\$138,228	\$617,317	\$337,487
Wynn Macau	182,928	183,219	565,677	574,723
Total Macau Operations	409,069	321,447	1,182,994	912,210
Las Vegas Operations	95,298	151,509	362,051	418,296
Total	504,367	472,956	1,545,045	1,330,506
Other operating expenses				
Litigation settlement	—	—	463,557	—
Pre-opening	13,714	6,908	35,255	19,445
Depreciation and amortization	137,458	137,982	411,685	415,488
Property charges and other	18,830	28,293	30,672	38,494
Corporate expenses and other	31,763	31,943	86,350	73,643
Stock-based compensation	11,619	10,503	28,265	29,290
Total other operating expenses	213,384	215,629	1,055,784	576,360
Operating income	290,983	257,327	489,261	754,146
Other non-operating income and expenses				
Interest income	6,948	8,447	21,029	21,998
Interest expense, net of amounts capitalized	(93,007)	(95,874)	(281,132)	(291,875)
Change in derivatives fair value	(54)	(2)	(54)	(1,056)
Change in Redemption Note fair value	—	(41,718)	(69,331)	(69,982)
(Loss) gain on extinguishment of debt	(198)	(20,774)	2,131	(43,061)
Other	11,216	(1,894)	1,039	(19,840)
Total other non-operating income and expenses	(75,095)	(151,815)	(326,318)	(403,816)
Income before income taxes	215,888	105,512	162,943	350,330
Benefit (provision) for income taxes	3,884	457	124,631	(5,040)
Net income	219,772	105,969	287,574	345,290
Net income attributable to noncontrolling interests	(63,657)	(26,202)	(180,010)	(89,791)
Net income attributable to Wynn Resorts, Limited	\$156,115	\$79,767	\$107,564	\$255,499

(1) "Adjusted Property EBITDA" is net income before interest, income taxes, depreciation and amortization, litigation settlement expense, 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, (loss) gain on extinguishment of debt, change in derivatives fair value, change in Redemption Note fair value 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 as a way to measure a company's ability

Table of Contents

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

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 pre-opening 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 non-recurring 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, 2018	December 31, 2017
Assets		
Macau Operations:		
Wynn Palace	\$ 3,890,829	\$ 4,017,494
Wynn Macau	1,932,745	1,271,544
Other Macau	189,752	174,769
Total Macau Operations	6,013,326	5,463,807
Las Vegas Operations	2,806,381	3,266,390
Encore Boston Harbor	1,700,307	1,060,530
Corporate and other	1,857,477	2,891,012
Total	\$ 12,377,491	\$ 12,681,739

Table of Contents

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Form 10-Q and our consolidated financial statements appearing in our annual report on Form 10-K for the year ended December 31, 2017. Unless the context otherwise requires, all references herein to the "Company," "we," "us," or "our," or similar terms, refer to Wynn Resorts, Limited, a Nevada corporation, and its consolidated subsidiaries. This discussion and analysis contains forward-looking statements. Please refer to the section below entitled "Special Note Regarding Forward-Looking Statements."

Overview

We are a developer, owner and operator of destination casino resorts (integrated resorts). In the Macau Special Administrative Region of the People's Republic of China ("Macau"), we own approximately 72% of Wynn Macau, Limited ("WML"), which includes the operations of the Wynn Palace and Wynn Macau resorts, which we refer to as our Macau Operations. In Las Vegas, Nevada, we operate and, with the exception of certain retail space, own 100% of Wynn Las Vegas, which we also refer to as our Las Vegas Operations. We are currently constructing Encore Boston Harbor, an integrated casino resort in Everett, Massachusetts.

Macau Operations

We operate our Macau Operations under a 20-year casino concession agreement granted by the Macau government in June 2002. We lease from the Macau government approximately 51 acres of land in the Cotai area of Macau where Wynn Palace is located and 16 acres of land in downtown Macau's inner harbor where Wynn Macau is located.

Wynn Palace features the following as of October 15, 2018:

- Approximately 424,000 square feet of casino space, offering 24-hour gaming and a full range of games with 323 table games and 1,095 slot machines, private gaming salons and sky casinos;
- A luxury hotel with a total of 1,706 guest rooms, suites and villas;
- 13 food and beverage outlets;
- Approximately 106,000 square feet of high-end, brand-name retail space;
- Approximately 37,000 square feet of meeting and convention space;
- Recreation and leisure facilities, including a gondola ride, health club, spa, salon and pool; and
- Public attractions including a performance lake, floral art displays and fine art displays.

Wynn Macau features the following as of October 15, 2018:

- Approximately 273,000 square feet of casino space, offering 24-hour gaming and a full range of games with 310 table games and 836 slot machines, private gaming salons, sky casinos and a poker pit;
- Two luxury hotel towers with a total of 1,008 guest rooms and suites;
- 12 food and beverage outlets;
- Approximately 59,000 square feet of high-end, brand-name retail space;
- Approximately 31,000 square feet of meeting and convention space;
- Recreation and leisure facilities, including two health clubs, spas, a salon and a pool; and
- A rotunda show featuring a Chinese zodiac-inspired ceiling along with gold "prosperity tree" and "dragon of fortune" attractions.

In response to our evaluation of our Macau Operations and our commitment to creating a unique customer experience, we have made and expect to continue to make enhancements and refinements to these resorts.

Table of Contents

Las Vegas Operations

Wynn Las Vegas is located at the intersection of the Las Vegas Strip and Sands Avenue, and occupies approximately 215 acres of land fronting the Las Vegas Strip. In addition, we own approximately 18 acres across Sands Avenue, a portion of which is improved with an employee parking garage, and approximately five acres adjacent to the golf course land upon which an office building is located.

Wynn Las Vegas features the following as of October 15, 2018:

- Approximately 192,000 square feet of casino space, offering 24-hour gaming and a full range of games with 233 table games and 1,814 slot machines, private gaming salons, a sky casino, a poker room, and a race and sports book;
- Two luxury hotel towers with a total of 4,748 guest rooms, suites and villas;
- 32 food and beverage outlets;
- Approximately 106,000 square feet of high-end, brand-name retail space (the majority of which is owned and operated under a joint venture of which we own 50.1%);
- Approximately 290,000 square feet of meeting and convention space;
- Three nightclubs and a beach club;
- Recreation and leisure facilities, including swimming pools, private cabanas, two full service spas and salons, and a wedding chapel; and
- A specially designed theater presenting "Le Rêve—The Dream," a water-based theatrical production and a theater presenting entertainment productions and various headliner entertainment acts.

In December 2016, we entered into a joint venture arrangement (the "Retail Joint Venture") with Crown Acquisitions Inc. ("Crown") to own and operate approximately 88,000 square feet of existing retail space. In November 2017, we contributed approximately 74,000 square feet of additional retail space to the Retail Joint Venture, the majority of which is currently under construction at Wynn Las Vegas. We expect to open the additional retail space in the fourth quarter of 2018.

In response to our evaluation of our Las Vegas Operations and our commitment to creating a unique customer experience, we have made and expect to continue to make enhancements and refinements to this resort.

Construction and Development Opportunities

We are currently constructing Encore Boston Harbor, an integrated resort in Everett, Massachusetts, adjacent to Boston along the Mystic River. The resort will contain a hotel, a waterfront boardwalk, meeting and convention space, casino space, a spa, retail offerings and food and beverage outlets. The total project budget, including gaming license fees, construction costs, capitalized interest, pre-opening expenses and land costs, is estimated to be approximately \$2.6 billion. As of September 30, 2018, we have incurred approximately \$1.83 billion in total project costs. We expect to open Encore Boston Harbor in mid-2019.

We are currently constructing approximately 430,000 square feet of additional meeting and convention space at Wynn Las Vegas and have begun design and site preparation for the reconfiguration of the Wynn Las Vegas golf course, which we closed in the fourth quarter of 2017. Based on current designs, we estimate the total project budget to be approximately \$415 million. We expect to reopen the golf course in the fourth quarter of 2019 and open the additional meeting and convention space in the first quarter of 2020.

We have begun a reconfiguration of the current Wynn Club gaming area at Wynn Macau. When completed, the enhanced space will consist of approximately 40 mass market table games, a refurbished high-limit slot area, two new restaurants and approximately 7,000 square feet of retail space, and will provide for improved pedestrian access from

the boardwalk. We estimate the total project budget to be approximately \$62 million. We expect to complete the high-limit slot area refurbishment in the fourth quarter of 2018. We expect to complete the mass market table game enhancements and open the new restaurants in the third quarter of 2019, and we expect to open the new retail space in the fourth quarter of 2019.

We continually seek out new opportunities for additional gaming or related businesses, in the United States, and worldwide.

Table of Contents

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 a Condensed Consolidated Statement of Income is presented. Below are definitions of these key operating measures discussed:

• 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.

• Table drop for our Las Vegas Operations is the amount of cash and net markers issued that are deposited in a gaming table's drop box.

• 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.

• 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.

• 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.

In Las Vegas, customers purchase chips at the gaming tables. The cash and net markers used to purchase chips are deposited in the gaming table's drop box. This is the base of measurement that we use for calculating win percentage in Las Vegas. Each type of table game has its own theoretical win percentage. Our expected table games win percentage in Las Vegas is 22% to 26%.

Results of Operations

Summary of third quarter 2018 results

The results reflect the Company's adoption of the new accounting guidance for revenue recognition ("ASC 606"), effective January 1, 2018. Certain prior period amounts have been adjusted to reflect the full retrospective adoption of ASC 606, with no impact to operating income, net income or Adjusted Property EBITDA.

The following table summarizes our consolidated financial results for the periods presented (dollars in thousands, except per share data):

35

Table of Contents

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2018	2017	Percent Change	2018	2017	Percent Change
Operating revenues	\$1,709,072	\$1,551,347	10.2	\$5,030,074	\$4,447,996	13.1
Net income attributable to Wynn Resorts, Limited	\$156,115	\$79,767	95.7	\$107,564	\$255,499	(57.9)
Diluted net income per share	\$1.44	\$0.78	85.4	\$1.01	\$2.49	(59.6)
Adjusted Property EBITDA	\$504,367	\$472,956	6.6	\$1,545,045	\$1,330,506	16.1
NM - not meaningful						

Net income attributable to Wynn Resorts, Limited for the three months ended September 30, 2018, was \$156.1 million, or \$1.44 per diluted share, compared to \$79.8 million, or \$0.78 per diluted share, for the same period of 2017. The increase was primarily due to an increase in operating income from Wynn Palace and Wynn Macau, offset by a decrease in our Las Vegas Operations.

Adjusted Property EBITDA was \$504.4 million for the three months ended September 30, 2018, an increase of 6.6%, or \$31.4 million, from \$473.0 million for the same period of 2017. This was driven by an increase of \$87.9 million from Wynn Palace, partially offset by a decrease of \$56.2 million from our Las Vegas Operations.

Net income attributable to Wynn Resorts, Limited for the nine months ended September 30, 2018, was \$107.6 million, or \$1.01 per diluted share, compared with \$255.5 million, or \$2.49 per diluted share, for the same period of 2017. The decrease was driven by \$463.6 million in litigation settlement expenses and a decrease at our Las Vegas Operations, partially offset by increases in our benefit for income taxes and operating income from Wynn Palace.

Adjusted Property EBITDA was \$1.55 billion for the nine months ended September 30, 2018, an increase of 16.1%, or \$214.5 million, from \$1.33 billion for the same period of 2017. This was driven by an increase of \$279.8 million from Wynn Palace, and partially offset by decreases of \$9.0 million from Wynn Macau and \$56.2 million from our Las Vegas Operations for the comparable period.

Financial results for the three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Operating revenues

The following table presents operating revenues from our Macau and Las Vegas Operations (dollars in thousands):

	Three Months Ended September 30,		
	2018	2017	Percent Change
Operating revenues			
Macau Operations:			
Wynn Palace	\$730,572	\$525,029	39.1
Wynn Macau	579,620	562,049	3.1
Total Macau Operations	1,310,192	1,087,078	20.5
Las Vegas Operations	398,880	464,269	(14.1)
	\$1,709,072	\$1,551,347	10.2

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Operating revenues increased 10.2%, or \$157.7 million, to \$1.71 billion for the three months ended September 30, 2018, from \$1.55 billion for the same period of 2017. Increases of \$205.5 million and \$17.6 million at Wynn Palace and Wynn Macau were partially offset by a decrease of \$65.4 million in our Las Vegas Operations, compared with the same period of 2017.

Non-casino revenues consist of operating revenues from rooms, food and beverage, entertainment, retail and other. The following table presents operating revenues from our casino and non-casino revenues (dollars in thousands):

36

Table of Contents

	Three Months Ended September 30,		Percent Change
	2018	2017	
Operating revenues			
Casino revenues	\$1,222,029	\$1,075,577	13.6
Non-casino revenues	487,043	475,770	2.4
	\$1,709,072	\$1,551,347	10.2

Casino revenues were 71.5% of total operating revenues for the three months ended September 30, 2018, compared to 69.3% for the same period of 2017, while non-casino revenues were 28.5% of total operating revenues, compared to 30.7% for the same period of 2017.

Casino revenues

Casino revenues increased 13.6%, or \$146.5 million, to \$1.22 billion for the three months ended September 30, 2018, from \$1.08 billion for the same period of 2017. This was primarily due to an increase of \$178.5 million from Wynn Palace, partially offset by a decrease of \$36.8 million at our Las Vegas Operations. Wynn Palace table drop and VIP turnover increased 37.3% and 13.4%, respectively. The VIP operations at Wynn Palace also benefited from an increase in VIP win as a percentage of turnover to 3.40% from 2.99%. Wynn Macau casino revenues increased \$4.7 million, driven by a 10.6% increase in table drop and a 4.4% increase in VIP turnover, mostly offset by a decrease in VIP win as a percentage of turnover to 3.01% from 3.37%. The decrease at our Las Vegas Operations was primarily due to an 18.6% decrease in table drop, a 5.1 percentage point decrease in table games win percentage and a 6.2% decrease in slot machine win.

Prior to the opening of Wynn Palace in August 2016, the Gaming Inspection and Coordination Bureau of Macau authorized 100 new table games for operation at Wynn Palace with 25 additional table games authorized for operation on January 1, 2017, and a further 25 new table games for operation on January 1, 2018, for a total of 150 new table games in the aggregate. In addition, we have shared and will continue to share table games between Wynn Palace and Wynn Macau, subject to the aggregate cap, to optimize our casino operations. As of October 15, 2018, we had a total of 323 table games at Wynn Palace and 310 at Wynn Macau.

Table of Contents

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

	Three Months Ended September 30,		Increase/ (Decrease)	Percent Change
	2018	2017		
Macau Operations:				
Wynn Palace:				
Total casino revenues	\$625,586	\$447,066	\$178,520	39.9
VIP:				
Average number of table games	112	106	6	5.7
VIP turnover	\$15,525,637	\$13,694,250	\$1,831,387	13.4
VIP table games win	\$528,219	\$409,648	\$118,571	28.9
VIP win as a % of turnover	3.40	% 2.99	% 0.41	
Table games win per unit per day	\$51,463	\$42,015	\$9,448	22.5
Mass market:				
Average number of table games	206	201	5	2.5
Table drop	\$1,189,895	\$866,637	\$323,258	37.3
Table games win	\$308,149	\$194,294	\$113,855	58.6
Table games win %	25.9	% 22.4	% 3.5	
Table games win per unit per day	\$16,291	\$10,491	\$5,800	55.3
Average number of slot machines	1,056	1,100	(44)	(4.0)
Slot machine handle	\$922,514	\$817,543	\$104,971	12.8
Slot machine win	\$46,044	\$41,965	\$4,079	9.7
Slot machine win per unit per day	\$474	\$415	\$59	14.2
Wynn Macau:				
Total casino revenues	\$503,557	\$498,825	\$4,732	0.9
VIP:				
Average number of table games	109	96	13	13.5
VIP turnover	\$13,966,931	\$13,373,060	\$593,871	4.4
VIP table games win	\$420,864	\$451,136	\$(30,272)	(6.7)
VIP win as a % of turnover	3.01	% 3.37	% (0.36)	
Table games win per unit per day	\$42,061	\$51,324	\$(9,263)	(18.0)
Mass market:				
Average number of table games	200	206	(6)	(2.9)
Table drop	\$1,183,667	\$1,070,119	\$113,548	10.6
Table games win	\$250,229	\$216,439	\$33,790	15.6
Table games win %	21.1	% 20.2	% 0.9	
Table games win per unit per day	\$13,625	\$11,408	\$2,217	19.4
Average number of slot machines	845	918	(73)	(8.0)
Slot machine handle	\$895,249	\$864,553	\$30,696	3.6
Slot machine win	\$34,769	\$35,522	\$(753)	(2.1)
Slot machine win per unit per day	\$447	\$421	\$26	6.2

Table of Contents

	Three Months Ended September 30,		Increase/ (Decrease)	Percent Change
	2018	2017		
Las Vegas Operations:				
Total casino revenues	\$92,886	\$129,686	\$(36,800)	(28.4)
Average number of table games	235	237	(2)	(0.8)
Table drop	\$404,033	\$496,233	\$(92,200)	(18.6)
Table games win	\$86,709	\$132,227	\$(45,518)	(34.4)
Table games win %	21.5	% 26.6	% (5.1)	
Table games win per unit per day	\$4,003	\$6,065	\$(2,062)	(34.0)
Average number of slot machines	1,823	1,849	(26)	(1.4)
Slot machine handle	\$810,120	\$819,462	\$(9,342)	(1.1)
Slot machine win	\$55,937	\$59,605	\$(3,668)	(6.2)
Slot machine win per unit per day	\$334	\$350	\$(16)	(4.6)

Non-casino revenues

Non-casino revenues increased 2.4%, or \$11.3 million, to \$487.0 million for the three months ended September 30, 2018, from \$475.8 million for the same period of 2017. Increases of \$27.0 million and \$12.8 million from Wynn Palace and Wynn Macau, respectively, were partially offset by a decrease of \$28.6 million in our Las Vegas Operations.

Room revenues increased 7.4%, or \$12.7 million, to \$183.0 million for the three months ended September 30, 2018, from \$170.4 million during the same period of 2017, primarily driven by higher ADR at our Macau Operations, and partially offset by decreases in ADR and occupancy at our Las Vegas Operations. Increases of \$14.8 million and \$4.8 million from Wynn Palace and Wynn Macau, respectively, were partially offset by a decrease of \$6.9 million in our Las Vegas Operations.

The table below sets forth our room revenues and associated key operating measures for our Macau and Las Vegas Operations:

	Three Months Ended September 30,		Percent Change (1)
	2018	2017	
Macau Operations:			
Wynn Palace:			
Total room revenues (dollars in thousands)	\$44,296	\$29,510	50.1
Occupancy	96.0	% 96.1	% (0.1)
ADR	\$275	\$199	38.2
REVPAR	\$264	\$192	37.5
Wynn Macau:			
Total room revenues (dollars in thousands)	\$28,091	\$23,279	20.7
Occupancy	99.0	% 97.3	% 1.7
ADR	\$276	\$238	16.0
REVPAR	\$273	\$231	18.2
Las Vegas Operations:			
Total room revenues (dollars in thousands)	\$110,657	\$117,582	(5.9)

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Occupancy	89.6	% 91.4	% (1.8)
ADR	\$289	\$298	(3.0)
REVPAR	\$259	\$272	(4.8)

(1) Except occupancy, which is presented as a percentage point change.

Table of Contents

Food and beverage revenues decreased 3.1%, or \$6.2 million, to \$193.9 million for the three months ended September 30, 2018, from \$200.1 million for the same period of 2017. Food and beverage revenues at our Las Vegas Operations decreased \$11.7 million, which was primarily due to a decrease in nightclub revenue. The decrease at our Las Vegas Operations was partially offset by increases of \$3.6 million and \$1.9 million from Wynn Palace and Wynn Macau, respectively, which were primarily driven by increased covers at our food and beverage outlets.

Entertainment, retail and other revenues increased 4.5%, or \$4.8 million, to \$110.1 million for the three months ended September 30, 2018, from \$105.3 million for the same period of 2017. During the third quarter of 2018, Wynn Palace and Wynn Macau recorded business interruption insurance proceeds of \$5.4 million and \$5.3 million, respectively, related to the full settlement of claims from Typhoon Hato in 2017. Entertainment, retail and other revenues decreased 17.6%, or \$10.0 million, at our Las Vegas Operations, primarily due to a conversion of wholly owned retail outlets to leased retail outlets in December 2017, the closure of the golf course in December 2017, and a decrease in entertainment revenue.

Operating expenses

Operating expenses increased 9.6%, or \$124.1 million, to \$1.42 billion for the three months ended September 30, 2018, from \$1.29 billion for the same period of 2017, primarily due to increased casino expenses at Wynn Palace.

Casino expenses increased 15.4%, or \$104.7 million, to \$783.2 million for the three months ended September 30, 2018, from \$678.5 million for the same period of 2017, primarily due to increased gaming taxes at Wynn Palace commensurate with the increase in casino revenues.

Room expenses increased 2.6%, or \$1.6 million, to \$63.0 million for the three months ended September 30, 2018, from \$61.4 million for the same period of 2017, primarily related to repairs and maintenance expenses at our Las Vegas Operations.

Food and beverage expenses increased 6.9%, or \$10.5 million, to \$162.3 million for the three months ended September 30, 2018, from \$151.8 million for the same period of 2017, primarily due to increases of \$6.5 million and \$2.5 million from Wynn Palace and Wynn Macau, respectively, commensurate with increased sales at our restaurants. The increase from our Las Vegas Operations was primarily driven by higher payroll costs.

Entertainment, retail and other expenses decreased 10.1%, or \$5.0 million, to \$44.0 million for the three months ended September 30, 2018, from \$49.0 million for the same period of 2017. The change was driven by a decrease of \$7.0 million at our Las Vegas Operations, primarily due to a conversion of wholly owned retail outlets to leased retail outlets and the closure of the golf course in December 2017.

General and administrative expenses increased 7.7%, or \$13.8 million, to \$192.3 million for the three months ended September 30, 2018, from \$178.5 million for the same period of 2017, primarily due to increases at Wynn Palace and Wynn Macau of \$5.5 million and \$5.3 million, respectively. These increases were primarily driven by increased payroll and other general and administrative costs.

Pre-opening expenses were \$13.7 million for the three months ended September 30, 2018, compared to \$6.9 million for the same period of 2017. During the three months ended September 30, 2018 and 2017, we incurred pre-opening expenses of \$13.5 million and \$6.5 million, respectively, related to Encore Boston Harbor.

Depreciation and amortization was relatively flat at \$137.5 million for the three months ended September 30, 2018 compared to the same period of 2017.

Table of Contents

Interest expense, net of amounts capitalized

The following table summarizes information related to interest expense (dollars in thousands):

	Three Months Ended September 30,		Percent Change
	2018	2017	
Interest expense			
Interest expense, including amortization of debt issuance costs and original issue discount and premium	\$109,176	\$101,402	7.7
Capitalized interest	(16,169)	(5,528)	192.5
	\$93,007	\$95,874	(3.0)
Weighted average total debt balance	\$8,875,084	\$9,959,989	
Weighted average interest rate	4.92	% 4.07	%

Interest expense increased \$7.8 million for the three months ended September 30, 2018, compared to the same period of 2017, primarily due to an increase in our weighted average interest rate, partially offset by a decrease in our weighted average total debt balance. Capitalized interest increased \$10.6 million for the three months ended September 30, 2018, compared to the same period of 2017, due to Encore Boston Harbor construction activities.

Other non-operating income and expenses

During the first quarter of 2018, we repaid the \$1.94 billion principal amount of the Redemption Note, and therefore did not record a change in the fair value of the Redemption Note for the three months ended September 30, 2018. For the three months ended September 30, 2017, we recorded a loss of \$41.7 million from the change in the fair value of the Redemption Note. For more information on the methodology and assumptions used in determining the fair value of the Redemption Note, see Item 1—"Notes to Condensed Consolidated Financial Statements," Note 2, "Summary of Significant Accounting Policies."

Interest income was \$6.9 million for the three months ended September 30, 2018, compared to \$8.4 million for the three months ended September 30, 2017. During 2018 and 2017, our short-term investment strategy has been to preserve capital while retaining sufficient liquidity. The majority of our short-term investment amounts were in time deposits, fixed deposits and money market accounts with a maturity of three months or less. We sold our investment securities during the third quarter of 2018.

We recorded a gain of \$11.2 million and a loss of \$1.9 million for the three months ended September 30, 2018 and 2017, respectively, from foreign currency remeasurements. 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.

Income taxes

We recorded an income tax benefit of \$3.9 million and \$0.5 million for the three months ended September 30, 2018 and 2017. The 2018 income tax benefit primarily related to an increase in deferred tax assets. The 2017 income tax benefit primarily related to changes in the domestic valuation allowance for U.S. foreign tax credits.

Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests was \$63.7 million for the three months ended September 30, 2018, compared to \$26.2 million for the same period of 2017. These amounts were primarily related to the noncontrolling

interests' share of net income from WML.

41

Table of Contents

Financial results for the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Operating revenues

The following table presents operating revenues from our Macau and Las Vegas Operations (dollars in thousands):

	Nine Months Ended September 30,		Percent Change
	2018	2017	
Operating revenues			
Macau Operations:			
Wynn Palace	\$2,017,004	\$1,373,742	46.8
Wynn Macau	1,741,145	1,753,241	(0.7)
Total Macau Operations	3,758,149	3,126,983	20.2
Las Vegas Operations	1,271,925	1,321,013	(3.7)
	\$5,030,074	\$4,447,996	13.1

Operating revenues increased 13.1%, or \$582.1 million, to \$5.03 billion for the nine months ended September 30, 2018, from \$4.45 billion for the same period of 2017. The increase of \$643.3 million at Wynn Palace was the primary driver. Operating revenues at Wynn Macau and our Las Vegas Operations decreased \$12.1 million and \$49.1 million, respectively, compared with the same period of 2017.

The following table presents operating revenues from our casino and non-casino revenues (dollars in thousands):

	Nine Months Ended September 30,		Percent Change
	2018	2017	
Operating revenues			
Casino revenues	\$3,564,195	\$3,067,145	16.2
Non-casino revenues	1,465,879	1,380,851	6.2
	\$5,030,074	\$4,447,996	13.1

Casino revenues were 70.9% of total operating revenues for the nine months ended September 30, 2018, compared to 69.0% for the same period of 2017, while non-casino revenues were 29.1% of total operating revenues, compared to 31.0% for the same period of 2017.

Casino revenues

Casino revenues increased 16.2%, or \$497.1 million, to \$3.56 billion for the nine months ended September 30, 2018, from \$3.07 billion for the same period of 2017. This was primarily due to an increase of \$571.6 million from Wynn Palace, partially offset by decreases of \$49.0 million and \$25.6 million at Wynn Macau and our Las Vegas Operations, respectively. Wynn Palace table drop and VIP turnover increased 53.3% and 23.7%, respectively. The VIP operations at Wynn Palace also benefited from an increase in VIP win as a percentage of turnover to 3.00% from 2.74%. The decrease at Wynn Macau was primarily driven by a decrease in VIP win as a percentage of turnover to 2.72% from 3.41%, offset by a 16.6% increase in table games win. The decrease at our Las Vegas Operations was primarily due to a 2.2% decrease in table drop and a 1.1 percentage point decrease in table games win percentage.

Table of Contents

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

	Nine Months Ended September 30,		Increase/(Decrease)	Percent Change
	2018	2017		
Macau Operations:				
Wynn Palace:				
Total casino revenues	\$1,719,072	\$1,147,429	\$ 571,643	49.8
VIP:				
Average number of table games	114	101	13	12.9
VIP turnover	\$44,940,535	\$36,340,603	\$ 8,599,932	23.7
VIP table games win	\$1,348,291	\$997,031	\$ 351,260	35.2
VIP win as a % of turnover	3.00	% 2.74	% 0.26	
Table games win per unit per day	\$43,302	\$36,290	\$ 7,012	19.3
Mass market:				
Average number of table games	209	205	4	2.0
Table drop	\$3,625,959	\$2,365,661	\$ 1,260,298	53.3
Table games win	\$898,876	\$530,668	\$ 368,208	69.4
Table games win %	24.8	% 22.4	% 2.4	
Table games win per unit per day	\$15,750	\$9,507	\$ 6,243	65.7
Average number of slot machines	1,062	1,041	21	2.0
Slot machine handle	\$2,921,582	\$2,132,973	\$ 788,609	37.0
Slot machine win	\$145,993	\$110,712	\$ 35,281	31.9
Slot machine win per unit per day	\$503	\$390	\$ 113	29.0
Wynn Macau:				
Total casino revenues	\$1,515,859	\$1,564,860	\$ (49,001) (3.1)
VIP:				
Average number of table games	111	93	18	19.4
VIP turnover	\$44,982,849	\$42,680,904	\$ 2,301,945	5.4
VIP table games win	\$1,223,219	\$1,456,139	\$ (232,920) (16.0)
VIP win as a % of turnover	2.72	% 3.41	% (0.69)
Table games win per unit per day	\$40,204	\$57,095	\$ (16,891) (29.6)
Mass market:				
Average number of table games	202	205	(3) (1.5)
Table drop	\$3,799,636			