

MOHEGAN ANNOUNCES FIRST QUARTER FISCAL 2024 OPERATING RESULTS

NEWS PROVIDED BY

Mohegan →

08 Feb, 2024, 07:30 ET

UNCASVILLE, Conn., Feb. 8, 2024 /PRNewswire/ -- Mohegan Tribal Gaming Authority ("Mohegan," "we" or "our") today announced operating results for its first fiscal quarter ended December 31, 2023.

"We are thrilled that Mohegan INSPIRE has received its five-star hotel rating in January and opened the casino on February 3rd," said Raymond Pineault, Chief Executive Officer of Mohegan. "The five-star rating is a testament to our pursuit for excellence and commitment to providing world-class experiences. We are looking forward to more amenities coming online in the ensuing months."

Mohegan Operating Results

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2023	December 31, 2022	\$	%
Net revenues	\$ 425,232	\$ 406,621	\$ 18,611	4.6 %
Income from operations	31,970	70,229	(38,259)	(54.5) %
Net income (loss) attributable to Mohegan	(97,019)	807	(97,826)	N.M.
Adjusted EBITDA ¹	79,002	101,055	(22,053)	(21.8) %

"Quarterly net revenues increased \$18.6 million compared with the prior-year period, primarily due to continued growth in Mohegan Digital and non-gaming revenues from Mohegan INSPIRE," said Carol Anderson, Chief Financial Officer of Mohegan. "However our consolidated Adjusted EBITDA of \$79.0 million decreased \$22.1 million compared with the prior-year period due to a number of factors, primarily operating costs related to the opening of Mohegan INSPIRE, non-controlling interest adjustments at Niagara Resorts, and low table hold at a few of our properties."

Our Adjusted EBITDA margin of 18.6% was 627 basis points unfavorable compared with the prior-year period.

¹ Refer to the Reconciliation of Non-US GAAP Financial Measures for a discussion and reconciliation of Adjusted EBITDA.

Mohegan Sun

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2023	December 31, 2022	\$	%
Net revenues	\$ 228,410	\$ 239,403	\$ (10,993)	(4.6) %
Income from operations	41,514	51,339	(9,825)	(19.1) %
Net income attributable to Mohegan Sun	41,466	51,275	(9,809)	(19.1) %
Adjusted EBITDA	58,066	67,810	(9,744)	(14.4) %

Net revenues decreased \$11.0 million compared with the prior-year period primarily due to lower gaming volumes and table hold for the quarter. Non-gaming growth was primarily driven by food and tenant revenues, but partially offset by lower hotel and beverage revenues. Adjusted EBITDA of \$58.1 million and Adjusted EBITDA margin of 25.4% were 14.4% and 290 basis points unfavorable, respectively compared with the prior-year period. Adjusting for normalized table hold, Adjusted EBITDA would have been \$61.0 million and Adjusted EBITDA margin would have been 26.4%, down \$3.4 million and 93 basis points, respectively, from the prior-year period.

Mohegan Pennsylvania

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2023	December 31, 2022	\$	%
Net revenues	\$ 59,045	\$ 59,778	\$ (733)	(1.2) %
Income from operations	7,233	9,208	(1,975)	(21.4) %
Net income attributable to Mohegan Pennsylvania	7,254	9,208	(1,954)	(21.2) %
Adjusted EBITDA	10,351	12,126	(1,775)	(14.6) %

Net revenues decreased \$0.7 million compared with the prior-year period primarily due to lower gaming volumes, which were partially offset by strong food, beverage and hotel revenues. Adjusted EBITDA of \$10.4 million was 14.6% unfavorable compared with the prior-year period. The Adjusted EBITDA margin of 17.5% was 276 basis points unfavorable compared with the prior-year period.

Niagara Resorts

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2023	December 31, 2022	\$	%
Net revenues	\$ 74,155	\$ 74,020	\$ 135	0.2 %
Income from operations	3,318	7,966	(4,648)	(58.3) %
Net income attributable to Niagara Resorts	129	3,746	(3,617)	(96.6) %
Adjusted EBITDA	4,879	11,914	(7,035)	(59.0) %
Adjusted EBITDA before NCI	8,315	11,914	(3,599)	(30.2) %

Net revenues increased \$0.1 million compared with the prior-year period driven by strong food, beverage and entertainment revenues. During the same period, the gaming revenue component decreased \$5.8 million due to lower volumes and table hold in the quarter. Adjusted EBITDA of \$4.9 million and Adjusted EBITDA margin of 6.6%, were unfavorable 59.0% and 952 basis points respectively.

On July 31, 2023, our partner exercised its option to convert its debenture to a 40% non-controlling equity ownership in Niagara Resorts, which impacted Adjusted EBITDA and Adjusted EBITDA margin in the current period. Before the effect of the non-controlling interest and normalized for table hold, Adjusted EBITDA would have been \$11.0 million with an Adjusted EBITDA margin of 14.0%, which would have been \$0.7 million and 175 bps unfavorable compared with the prior-year period.

Mohegan Digital

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2023	December 31, 2022	\$	%
Net revenues	\$ 36,187	\$ 11,164	\$ 25,023	224.1 %
Income from operations	16,417	7,113	9,304	130.8 %
Net income attributable to Mohegan				
Digital	16,509	7,338	9,171	125.0 %
Adjusted EBITDA	16,490	7,331	9,159	124.9 %

Net revenues increased \$25.0 million compared with the prior-year period, partially due to an accounting adjustment which increased both net revenues and expenses by \$14.0 million due to how Connecticut requires that online casino and sports wagering payments be made to the state. Adjusted EBITDA of \$16.5 million was \$9.2 million favorable compared with the prior-year period, and Mohegan Digital continues to focus on growth and profitability.

Management, development and other

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2023	December 31, 2022	\$	%
Net revenues	\$ 24,280	\$ 14,845	\$ 9,435	63.6 %
Income (loss) from operations	(23,621)	5,124	(28,745)	N.M.
Net loss attributable to management, development and other	(101,468)	(16,590)	(84,878)	(511.6) %
Adjusted EBITDA	(1,234)	10,071	(11,305)	N.M.

Net revenues increased \$9.4 million primarily due to the opening of non-gaming amenities at Mohegan INSPIRE, as well as a \$3.6 million adjustment in inter-company revenue that was fully offset by an equal increase in inter-company expenses related to the accounting treatment for Niagara Resorts entertainment items. The Adjusted EBITDA loss of \$1.2 million was \$11.3 million unfavorable compared with the prior-year period, primarily due to operating costs associated with the opening of Mohegan INSPIRE. Net income for the period was \$84.9 million unfavorable compared with the prior-year period, primarily due to a loss on fair value adjustment driven by changes in the estimated value of the warrants and put option along with pre-opening expenses and higher interest costs related to Mohegan INSPIRE.

All other

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2023	December 31, 2022	\$	%
Net revenues	\$ 7,436	\$ 8,453	\$ (1,017)	(12.0) %
Loss from operations	(1,891)	(597)	(1,294)	(216.8) %
Net loss attributable to all other	(3,685)	(2,436)	(1,249)	(51.3) %
Adjusted EBITDA	(277)	1,046	(1,323)	(126.5) %

The Adjusted EBITDA loss of \$0.3 million was \$1.3 million unfavorable compared with the prior-year period, primarily due to decreased gaming revenues at Mohegan Casino Las Vegas, resulting from unfavorable table hold. Normalized for table hold, Mohegan Las Vegas Adjusted EBITDA would have been \$2.9 million in the current period.

Corporate

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2023	December 31, 2022	\$	%
Net revenues	\$ (3)	\$ 159	\$ (162)	N.M.
Loss from operations	(10,919)	(10,054)	(865)	(8.6) %
Net loss attributable to corporate	(57,224)	(51,864)	(5,360)	(10.3) %
Adjusted EBITDA	(9,192)	(9,373)	181	1.9 %

Adjusted EBITDA was \$0.2 million favorable compared with the prior-year period. Net loss was \$5.4 million unfavorable compared with the prior-year period, primarily due to higher interest costs.

Other Information**Liquidity**

As of December 31, 2023 and September 30, 2023, Mohegan held cash and cash equivalents of \$226.4 million and \$217.3 million, respectively. Inclusive of letters of credit, which reduce borrowing availability, Mohegan had \$124.6 million of borrowing capacity under its senior secured credit facility and line of credit as of December 31, 2023. In addition, inclusive of letters of credit, which reduce borrowing availability, the Niagara Resorts had \$37.7 million of borrowing capacity under the Niagara Resorts revolving credit facility and swingline facility as of December 31, 2023.

Conference Call

Mohegan will host a conference call regarding its first quarter fiscal 2024 operating results on February 8, 2024 at 11:00 a.m. (Eastern Time).

Those interested in participating on the call should dial as follows:

(877) 407-0890

+1(201) 389-0918 (International)

A live stream and subsequent replay of the call will also be available at: <https://www.webcast-eqs.com/mohegan20240208>

Please note that a short video presentation will be displayed in the live stream.

Call-in participants should join five minutes in advance to ensure they are connected prior to the initiation of the call. Questions and answers will be reserved for call-in analysts and investors. Interested parties also may listen to a replay of the entire conference call commencing two hours after the call's completion on Thursday, February 8, 2024. This replay will run through Thursday, February 22, 2024.

About Mohegan

Mohegan is the owner, developer, and manager of premier entertainment resorts in the United States, Canada, and Northern Asia. Mohegan's U.S. operations include resorts in Connecticut, Washington, Pennsylvania, New Jersey, and Nevada; Canadian operations are based in Niagara Falls, Ontario; and Mohegan INSPIRE is located in Incheon, South

Korea. The brand's iGaming division, Mohegan Digital, provides cutting-edge online gaming solutions to Mohegan's loyal fan base and meets the digital needs of customers on a global scale. Mohegan is owner and operator of Connecticut Sun, a professional basketball team in the WNBA. For more information on Mohegan and its properties, please visit www.mohegangaming.com.

Cautionary Statements Regarding Forward-Looking Information

Some information included within this press release contains forward-looking statements. Such statements may include information relating to business development activities, as well as capital spending, financing sources, the effects of regulation, including gaming and tax regulation, and increased competition. These statements can sometimes be identified by our use of forward-looking words such as "may," "will," "anticipate," "estimate," "expect" or "intend" and similar expressions. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated future results and, accordingly, such results may differ materially from those expressed in any forward-looking statements made by us or on our behalf. The forward-looking statements included within this press release are made only as of the date of this press release. We do not undertake any obligation to update or supplement any forward-looking statements to reflect subsequent events or circumstances. We cannot assure you that projected results or events will be achieved or will occur.

Contact:

Joffre Wells

Vice President of Capital Markets, Investor Relations & Corporate Treasurer

Mohegan

(860) 862-9135

MOHEGAN TRIBAL GAMING AUTHORITY
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands)
(unaudited)

	Three Months Ended	
	December 31, 2023	December 31, 2022
Revenues:		
Gaming	\$ 285,683	\$ 280,889
Food and beverage	43,707	38,413
Hotel	31,563	29,553
Retail, entertainment and other	64,279	57,766
Net revenues	<u>425,232</u>	<u>406,621</u>
Operating costs and expenses:		
Gaming	159,088	143,317
Food and beverage	36,885	32,490
Hotel	11,695	12,678
Retail, entertainment and other	25,030	23,005
Advertising, general and administrative	95,726	80,078
Corporate	14,437	13,998
Depreciation and amortization	28,301	25,020
Other, net	22,100	5,806
Total operating costs and expenses	<u>393,262</u>	<u>336,392</u>
Income from operations	<u>31,970</u>	<u>70,229</u>
Other income (expense):		
Interest income	701	392
Interest expense, net	(66,272)	(56,404)
Loss on modification and early extinguishment of debt	(116)	(2,633)
Loss on fair value adjustment	(62,580)	(8,800)
Other, net	(548)	(605)
Total other expense	<u>(128,815)</u>	<u>(68,050)</u>
Income (loss) before income tax	(96,845)	2,179
Income tax provision	(122)	(1,372)
Net income (loss)	<u>(96,967)</u>	<u>807</u>
Income attributable to non-controlling interests	(52)	—
Net income (loss) attributable to Mohegan	<u>\$ (97,019)</u>	<u>\$ 807</u>

MOHEGAN TRIBAL GAMING AUTHORITY
RECONCILIATION OF NON-US GAAP FINANCIAL MEASURES

Adjusted EBITDA Explanation:

Net income before interest, income taxes, depreciation and amortization, or EBITDA, is a commonly used measure of performance in the casino and hospitality industry. EBITDA is not a measure of performance calculated in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Mohegan historically has evaluated its operating performance with the non-GAAP measure, Adjusted EBITDA, which as used in this press release, primarily represents EBITDA further adjusted to exclude certain non-cash and other items as exhibited in the following reconciliation.

Adjusted EBITDA provides an additional way to evaluate Mohegan's operations and, when viewed with both Mohegan's GAAP results and the reconciliation provided, Mohegan believes that Adjusted EBITDA provides a more complete understanding of its financial performance than could be otherwise obtained absent this disclosure. Adjusted EBITDA is presented solely as a supplemental disclosure because: (1) Mohegan believes it enhances an overall understanding of Mohegan's past and current financial performance; (2) Mohegan believes it is a useful tool for investors to assess the operating performance of the business in comparison to other operators within the casino and hospitality industry because Adjusted EBITDA excludes certain items that may not be indicative of Mohegan's operating results; (3)

measures that are comparable to Adjusted EBITDA are often used as an important basis for the valuation of casino and hospitality companies; and (4) Mohegan uses Adjusted EBITDA internally to evaluate the performance of its operating personnel and management and as a benchmark to evaluate its operating performance in comparison to its competitors.

The use of Adjusted EBITDA has certain limitations. Adjusted EBITDA should be considered in addition to, not as a substitute for or superior to, any US GAAP financial measure including net income (as an indicator of Mohegan's performance) or cash flows provided by operating activities (as an indicator of Mohegan's liquidity), nor should it be considered as an indicator of Mohegan's overall financial performance. Mohegan's calculation of Adjusted EBITDA is likely to be different from the calculation of Adjusted EBITDA or other similarly titled measurements used by other casino and hospitality companies, and therefore, comparability may be limited. Adjusted EBITDA eliminates certain items from net income, such as interest and depreciation and amortization, that are items that have been incurred in the past and will continue to be incurred in the future; and therefore, should be considered in the overall evaluation of Mohegan's results. Mohegan compensates for these limitations by providing relevant disclosures of items excluded in the calculation of Adjusted EBITDA, both in its reconciliation to the US GAAP financial measure of net income and in its consolidated financial statements, all of which should be considered when evaluating its results. Mohegan strongly encourages investors to review its financial information in its entirety and not to rely on a single financial measure.

	Three Months Ended December 31, 2023								
	Mohegan Sun	Mohegan Pennsylvania	Niagara Resorts	Mohegan Digital	Management, development			Eliminations	Consolidated
					and other	All other	Corporate		
<i>(\$ in thousands)</i>									
Net income (loss) attributable to Mohegan	\$ 41,466	\$ 7,254	\$ 129	\$ 16,509	\$ (101,468)	\$ (3,685)	\$ (57,224)	\$ —	\$ (97,000)
Income (loss) attributable to non-controlling interests	—	—	119	(73)	6	—	—	—	—
Income tax provision	—	—	94	—	28	—	—	—	—
Interest income	—	(21)	(597)	(19)	(64)	—	—	—	(701)
Interest expense, net	48	—	3,573	—	14,856	1,794	46,001	—	66,072
Loss on modification and early extinguishment of debt	—	—	—	—	—	—	116	—	—
Loss on fair value adjustment	—	—	—	—	62,580	—	—	—	62,580
Other, net	—	—	—	—	441	—	188	(81)	—
Income (loss) from operations	41,514	7,233	3,318	16,417	(23,621)	(1,891)	(10,919)	(81)	31,241
Adjusted EBITDA attributable to non-controlling interests	—	—	(3,436)	73	(6)	—	—	—	(3,369)
Depreciation and amortization	16,326	3,124	4,393	—	2,811	1,600	47	—	28,257
Other, net	226	(6)	604	—	19,582	14	1,680	—	22,106
Adjusted EBITDA	\$ 58,066	\$ 10,351	\$ 4,879	\$ 16,490	\$ (1,234)	\$ (277)	\$ (9,192)	\$ (81)	\$ 79,122

	Three Months Ended December 31, 2022								
	Mohegan Sun	Mohegan Pennsylvania	Niagara Resorts	Mohegan Digital	Management, development			Eliminations	Consolidated
					and other	All other	Corporate		
<i>(\$ in thousands)</i>									
Net income (loss) attributable to Mohegan	\$ 51,275	\$ 9,208	\$ 3,746	\$ 7,338	\$ (16,590)	\$ (2,436)	\$ (51,864)	\$ 130	\$ (10,727)
Income (loss) attributable to non-controlling interests	—	—	—	(218)	218	—	—	—	—
Income tax (benefit) provision	—	—	1,473	—	(101)	—	—	—	1,372
Interest income	1	—	(151)	(7)	(235)	—	4	(4)	(396)
Interest expense, net	63	—	2,982	—	12,529	1,839	38,987	4	56,305
Loss on modification and early extinguishment of debt	—	—	—	—	—	—	2,633	—	2,633
Loss on fair value adjustment	—	—	—	—	8,800	—	—	—	8,800
Other, net	—	—	(84)	—	503	—	186	—	—
Income (loss) from operations	51,339	9,208	7,966	7,113	5,124	(597)	(10,054)	130	70,109
Adjusted EBITDA attributable to non-controlling interests	—	—	—	218	(218)	—	—	—	—
Depreciation and amortization	16,496	2,883	3,903	—	70	1,606	62	—	25,918
Other, net	(25)	35	45	—	5,095	37	619	—	5,561
Adjusted EBITDA	\$ 67,810	\$ 12,126	\$ 11,914	\$ 7,331	\$ 10,071	\$ 1,046	\$ (9,373)	\$ 130	\$ 101,125

SOURCE Mohegan

Sign up for Top Stories & curated News delivered to your inbox

Enter Your Email	Select Country	SUBMIT
------------------	----------------	--------

By signing up you agree to receive content from us.
Our newsletters contain tracking pixels to help us deliver unique content based on each subscriber's engagement and interests. For more information on how we will use your data to ensure we send you relevant content please visit our PRN Consumer Newsletter Privacy Notice. You can withdraw your consent at any time in the footer of every email you'll receive.