



# Mohegan Gaming & Entertainment



# 4Q18 Supplemental Deck

December 6, 2018

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Mohegan  
Gaming &  
Entertainment

# Today's Agenda

1. Quarterly Highlights
2. Financial Updates
3. Development Updates



# Quarterly Highlights



## Quarterly Highlights

## MGE Q4 FY18 Financial Performance

## Mohegan Sun:

- Net Revenues -3.2%
- EBITDA -13.9%

## Mohegan Sun Pocono:

- Net Revenues -8%
- EBITDA +25.2%

## Management &amp; Development Fees:

- Cowlitz Management Fees \$3.8M<sup>1</sup>
- Resorts Management Fees \$915k
- Paragon Consulting Fees \$675k
- Play 4 Fun Revenue \$434k

## Total MGE:

- Net Revenues -4.1%
- EBITDA -7.3%

<sup>1</sup> Represents MVNW's % of Management Fee

## Q4 Financial Performance

<i>(in thousands)</i>	Qtr Ended 9/30/2018	Qtr Ended 9/30/2017	y/y chg
<b><u>Mohegan Sun</u></b>			
Net Revenues	\$275,167	\$284,145	-3.2%
Adjusted EBITDA	75,171	87,306	-13.9%
EBITDA Margin	27.3%	30.7%	-3.4%
<b><u>Mohegan Sun Pocono</u></b>			
Net Revenues	\$65,467	\$71,186	-8.0%
Adjusted EBITDA	14,265	11,391	25.2%
EBITDA Margin	21.8%	16.0%	5.8%
<b><u>Corporate</u></b>			
Net Revenues	\$6,594	\$6,701	-1.6%
Adjusted EBITDA	5,086	3,312	53.6%
EBITDA Margin	NM	NM	NM
<b><u>Total MGE</u></b>			
Net Revenues	\$347,228	\$362,032	-4.1%
Adjusted EBITDA	94,522	102,009	-7.3%
EBITDA Margin	27.2%	28.2%	-1.0%



## Quarterly Highlights

# Segment Performance Summary

(in thousands)	Net Revenues For the Three Months Ended		Income (Loss) from Operations For the Three Months Ended		Adjusted EBITDA For the Three Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Mohegan Sun	\$275,167	\$284,145	\$54,940	\$70,939	\$75,171	\$87,306
Mohegan Sun Pocono	65,467	71,186	10,778	3,268	14,265	11,391
Corporate	6,654	6,761	3,840	4,220	5,086	3,312
<u>Inter-segment revenues</u>	(60)	(60)	-	-	-	-
Total	\$347,228	\$362,032	\$69,558	\$78,427	\$94,522	\$102,009

	Net Revenues For the Fiscal Year Ended		Income (Loss) from Operations For the Fiscal Year Ended		Adjusted EBITDA For the Fiscal Year Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Mohegan Sun	\$1,068,892	\$1,079,920	\$230,890	\$249,403	\$308,233	\$313,277
Mohegan Sun Pocono	265,691	278,938	37,541	33,145	51,495	50,418
Corporate	21,289	21,385	(23,897)	(25,313)	(21,127)	(18,019)
<u>Inter-segment revenues</u>	(240)	(240)	-	-	-	-
Total	\$1,355,632	\$1,380,003	\$244,534	\$257,235	\$338,601	\$345,676





# Mohegan Sun - CT





## Quarterly Highlights / Mohegan Sun



(in thousands)

### For the Three Months Ended

#### Revenues

	September 30, 2018	September 30, 2017	Variance	Percentage Variance
Gaming	\$231,052	\$240,775	\$(9,723)	(4.0%)
Food and beverage	17,075	16,699	376	2.3%
Hotel	15,192	15,630	(438)	(2.8%)
Retail, entertainment and other	36,824	35,961	863	2.4%
Gross revenues	300,143	309,065	(8,922)	(2.9%)
Less-Promotional allowances	24,976	24,920	56	0.2%
Net revenues	\$275,167	\$284,145	\$(8,978)	(3.2%)

### For the Three Months Ended

#### Expenses

	September 30, 2018	September 30, 2017	Variance	Percentage Variance
Gaming	\$124,689	\$125,539	(850)	(0.7%)
Food and beverage	8,547	8,348	199	2.4%
Hotel	6,606	6,305	301	4.8%
Retail, entertainment and other	16,446	15,413	1,033	6.7%
Advertising, general and administrative	43,969	41,507	2,462	5.9%
Depreciation and amortization	17,566	15,856	1,710	10.8%
Other, net	2,404	238	2,166	910.1%
Total Expenses	\$220,227	\$213,206	\$7,021	3.3%



## Quarterly Highlights / Mohegan Sun



### For the Three Months Ended

(in thousands)

#### Slots:

	September 30, 2018	September 30, 2017	Variance	Percentage Variance
Handle	\$1,885,009	\$1,957,605	\$(72,596)	(3.7%)
Gross revenues	\$155,563	\$161,497	\$(5,934)	(3.7%)
Net revenues	\$149,211	\$154,548	\$(5,337)	(3.5%)
Free promotional slot plays (1)	\$14,866	\$16,681	\$(1,815)	(10.9%)
Weighted average number of machines (in units)	4,590	4,924	(334)	(6.8%)
Hold percentage (gross)	8.3%	8.2%	0.1%	1.2%
Win per unit per day (gross) (in dollars)	\$368	\$357	\$11	3.1%

#### Table games:

Drop	\$478,059	\$512,067	\$(34,008)	(6.6%)
Revenues	\$79,065	\$83,292	\$(4,227)	(5.1%)
Weighted average number of machines (in units)	289	278	11	4.0%
Hold percentage (2)	16.5%	16.3%	0.2%	1.2%
Win per unit per day (in dollars)	\$2,970	\$3,257	\$(287)	(8.8%)

#### Poker:

Revenues	\$1,954	\$2,176	\$(222)	(10.2%)
Weighted average number of machines (in units)	42	42	-	0.0%
Revenue per unit per day (in dollars)	\$506	\$563	\$(57)	(10.1%)

(1) Free promotional slot plays are included in slot handle but not reflected in slot revenues.

(2) Table game hold percentage is relatively predictable over longer periods of time but can significantly fluctuate over shorter periods.



<i>(in thousands)</i>	For the Three Months Ended			
	September 30, 2018	September 30, 2017	Variance	Percentage Variance
<b>Food and beverage:</b>				
Revenues	\$17,075	\$16,699	\$376	2.3%
Meals served	777	846	(69)	(8.2%)
Average price per meal served	\$15.91	\$14.45	\$1.46	10.1%
<b>Hotel:</b>				
Revenues	\$15,192	\$15,630	(438)	(2.8%)
Rooms occupied	139	138	1	0.7%
Occupancy rate	97.0%	95.9%	1.1%	1.1%
Average daily room rate (in dollars)	\$105	\$108	\$(3)	(2.8%)
Revenue per available room (in dollars)	\$102	\$104	\$(2)	(1.9%)
<b>Retail, entertainment and other:</b>				
Revenues	\$36,824	\$35,961	\$863	2.4%
Arena events (in events)	43	37	6	16.2%
Arena tickets	282	242	40	16.5%
Average price per arena ticket (in dollars)	\$59.07	\$63.96	\$(4.89)	(7.6%)



# Property Performance Commentary

- ✓ Revenues were slightly down YoY, at \$275.2M vs \$284.1M LY; additionally, revenues declined modestly during the quarter, primarily driven by a challenging July 2018 with performance picking up throughout the remainder of the quarter. Overall, resulting in softer gaming revenues for 4QFY18 with the impact to gaming volumes from a recent competitive entrant into the market being inline to better than expected. Despite these improving trends, the pickup wasn't enough to offset a an 'extraordinary' performance in the month of September 2017.
- ✓ Adjusted EBITDA was \$75.2M for the quarter, down 14% from LY, mainly attributable to softer gaming revenues, YoY expense increases to medical benefits, utility rates and tribal services.
- ✓ Overall spend win per trip for tables and slots YoY was marginally up by \$2.23 at \$156.6 vs \$154.3 LY.
- ✓ Table hold impact was \$1.1M favorable to a normalized hold and \$1.3M favorable to LY hold; whereas slot hold impact was favorable YoY about \$0.4M.
- ✓ Total non-gaming revenues increased 1.2% or \$800k, including entertainment. Within this, entertainment revenues increased 8.1%, impressive, given one less headliner in the quarter, while F&B increased 2.3% in the quarter. This was slightly offset by hotel revenues, down for the quarter primarily due to promotional efforts and lower retail, as we reset some of the retail offering.



# Defined, Consistent Strategic Focus

Changes to competitive market are not new;  
our focus has always been:

## Maximize Gaming Profits

- Protection of our most profitable guests

## Enhancement of Non-Gaming Offerings

- Diversify revenue streams

## Continuous Expense Savings

- Targeted marketing efforts
- Labor efficiency



# Strategic Initiatives Already Underway

Continuing our history of success in defending  
against competition

Initiatives	Total
Gaming Initiatives	\$30 - 40M
Non-Gaming Enhancements	20 - 30M
Marketing Initiatives	20 - 25M
Labor Efficiencies	30 - 35M
Other - EBITDA Enhancements Opportunities	7 - 15M
<b>Total</b>	<b>\$107 - 145M</b>

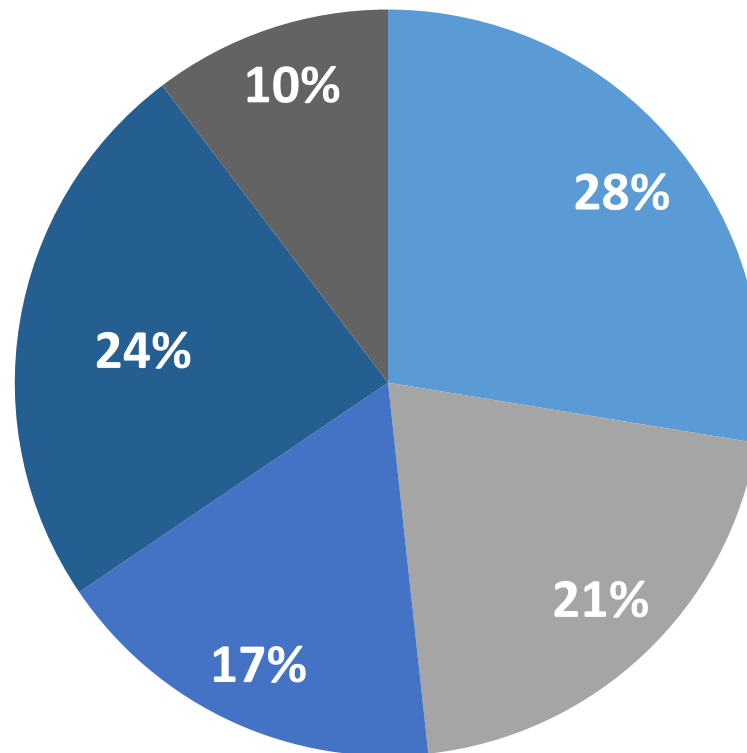
- All figures above reflect conservative discount to estimated overall benefit
- All figures above exclude volume driven reductions





# Strategic Initiatives Remain Diverse

Well defined value drivers across diverse revenue and cost line items

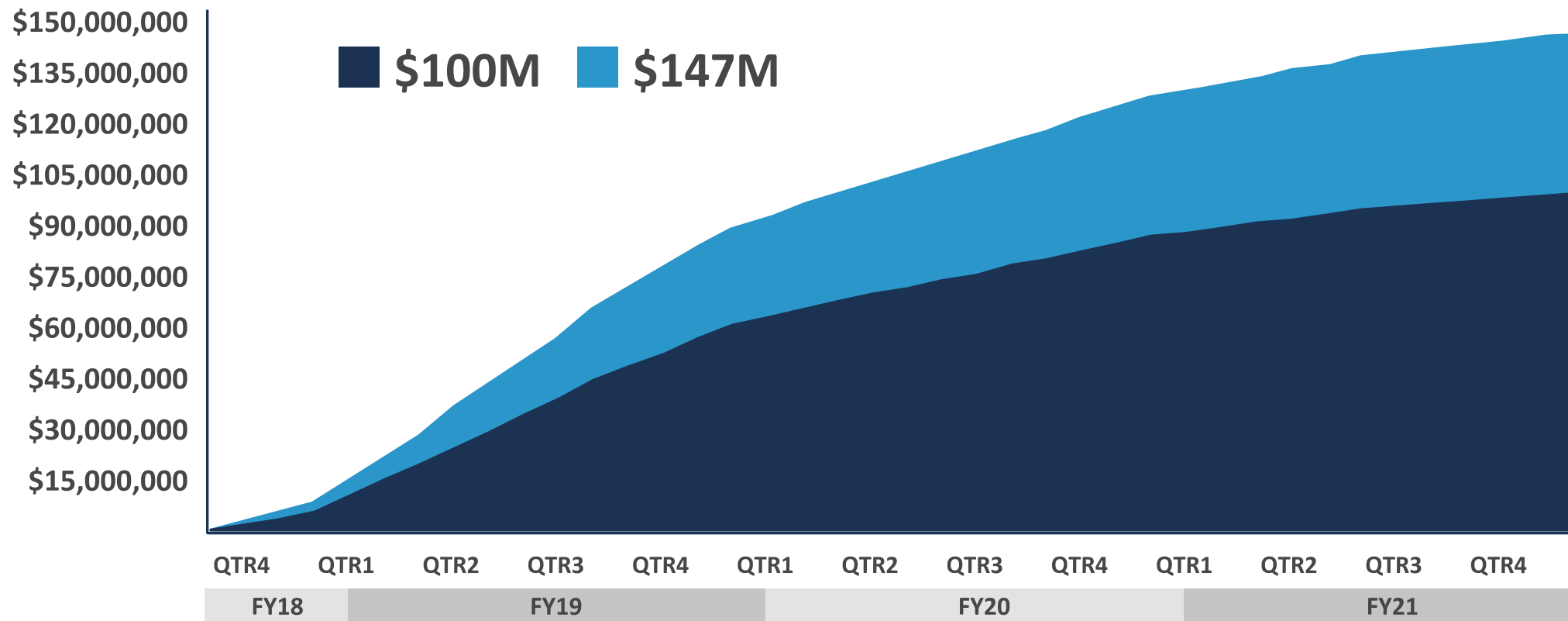


- Gaming Initiatives
- Non-Gaming Enhancements
- Marketing Initiatives
- Labor Efficiencies
- Other - EBITDA Enhancements Opportunities



# Strategic Initiatives Initiative Ramp Up

\$107M in opportunity with upside





# Expo Center's Current Booking Trends

- ✓ Current Expo booking trends are positive and growing as meeting planners have been impressed with the quality of the venue, relative to what their options are in the surrounding markets today. The column-less structure and the natural/bright light have been a major selling point thus far. Currently, there is a total of 26K definite room nights and an additional 5K prospective for FY19. Overall, the interest and demand is stronger than expected, though lead times are greater, given the size of the facility but we are increasingly confident in the product for FY19.
- ✓ Current Group booking trends are pacing ahead of LY in room nights and revenues are at 69% of the annualized room revenue goal which represents a \$2.3M increase in YoY revenue vs. STLY and we are confident we will exceed the budgeted revenue goal for FY19.
- ✓ GAME ON! – 23,000 sq. ft. entertainment facility to open in early 2019, in partnership with Boston based Lyon's group.



# Mohegan Sun - Pocono





**For the Three Months Ended**

*(in thousands)*

**Revenues**

	<b>September 30, 2018</b>	<b>September 30, 2017</b>	<b>Variance</b>	<b>Percentage Variance</b>
Gaming	\$60,090	\$66,324	\$(6,234)	(9.4%)
Food and beverage	5,796	5,815	(19)	(0.3%)
Hotel	1,611	1,370	241	17.6%
Retail, entertainment and other	1,791	2,308	(571)	(22.4%)
Gross revenues	69,288	75,817	(6,529)	(8.6%)
Less-Promotional allowances	3,821	4,631	(810)	(17.5%)
Net revenues	\$65,467	\$71,186	\$(5,719)	(8.0%)

**For the Three Months Ended**

**Expenses**

	<b>September 30, 2018</b>	<b>September 30, 2017</b>	<b>Variance</b>	<b>Percentage Variance</b>
Gaming	\$41,043	\$50,499	\$(9,456)	(18.7%)
Food and beverage	1,634	1,469	165	11.2%
Hotel	553	548	5	0.9%
Retail, entertainment and other	220	139	81	58.3%
Advertising, general and administrative	7,752	12,066	(4,314)	(35.8%)
Depreciation and amortization	3,486	3,196	290	9.1%
Other, net	1	1	-	0.0%
Total Expenses	\$54,689	\$67,918	\$(13,229)	(19.5%)





## Quarterly Highlights / Mohegan Sun Pocono



### For the Three Months Ended

(in thousands)

#### Slots:

	September 30, 2018	September 30, 2017	Variance	Percentage Variance
Handle	\$601,685	\$653,806	\$(52,121)	(8.0%)
Gross revenues	\$49,482	\$52,166	\$(2,684)	(5.1%)
Net revenues	\$49,452	\$52,053	\$(2,601)	(5.0%)
Free promotional slot plays (1)	\$11,097	\$12,527	\$(1,430)	(11.4%)
Weighted average number of machines (in units)	2,315	2,330	(15)	(0.6%)
Hold percentage (gross)	8.2%	8.0%	0.2%	2.5%
Win per unit per day (gross) (in dollars)	\$232	\$243	\$(11)	(4.5%)

#### Table games:

Drop	\$45,354	\$54,687	\$(9,333)	(17.1%)
Revenues	\$7,861	\$11,057	\$(3,196)	(28.9%)
Weighted average number of machines (in units)	71	73	(2)	(2.7%)
Hold percentage (2)	17.3%	20.2%	(2.9%)	(14.4%)
Win per unit per day (in dollars)	\$1,203	\$1,646	\$(443)	(26.9%)

#### Poker:

Revenues	\$520	\$578	\$(58)	(10.0%)
Weighted average number of machines (in units)	18	18	-	0.0%
Revenue per unit per day (in dollars)	\$314	\$349	\$(35)	(10.0%)

(1) Free promotional slot plays are included in slot handle but not reflected in slot revenues.

(2) Table game hold percentage is relatively predictable over longer periods of time but can significantly fluctuate over shorter periods.





<i>(in thousands)</i>	For the Three Months Ended			
	September 30, 2018	September 30, 2017	Variance	Percentage Variance
<b>Food and beverage:</b>				
Revenues	\$5,796	\$5,815	\$(19)	(0.3%)
Meals served	146	99	47	47.5%
Average price per meal served	\$16.95	\$20.83	\$(3.88)	(18.6%)
<b>Hotel:</b>				
Revenues	\$1,611	\$1,370	241	17.6%
Rooms occupied	19	20	(1)	(5.0%)
Occupancy rate	89.2%	90.8%	(1.6%)	(1.8%)
Average daily room rate (in dollars)	\$77	\$64	\$13	20.3%
Revenue per available room (in dollars)	\$69	\$58	\$11	19.0%
<b>Retail, entertainment and other:</b>				
Revenues	\$1,791	\$2,308	\$(517)	(22.4%)



# Property Performance Commentary

- ✓ Revenues were down 8.0% YoY, at \$65.5M vs \$71.2M LY, while Adjusted EBITDA was materially up for the quarter at \$14.3M, an increase of 25.2% from LY due to a regulatory expense impact of \$3.2M in the prior year.
- ✓ Table drop decreased YoY by 17% and net table hold was down YoY at 17.33% compared to 20.22% LY. This was a result of lower volumes compared to LY, as well as, higher hold LY. The combination of two new entrants to the AC market and high-end table games in the Catskills was the driving force of the slowdown in the period.
- ✓ Gross slot revenue was down 5% YoY, at \$49.5M vs \$52.2M. Gross slot hold was 8.22% compared to 7.96% LY, a significant improvement related to an FY18 initiative of refreshing the assets on the slot floor but as a whole, the NEPA region experienced a slot volume decline of 3.8% for the quarter and a GTR decrease of 3.8%. Performance was impacted by the 1% slot tax, which we anniversary in December, along with continued aggressive promotional activity from the Mt. Airy region.
- ✓ The property continues to face an aggressive promotional environment that impacts volumes and as a result, marketing spend contributed was primarily to combat Mt. Airy's reinvestment marketing approach and Catskill's emergence into the region.
- ✓ Adjusting for the impact of the 1% slot tax increase and normalized table hold, EBITDA would have been \$1.25M higher.



# Strategic Initiatives

## Identified high ROI opportunities

- Currently evaluating master plan concepts with targeted cost reductions
- Reviewing existing gaming and non-gaming amenities to maximize utilization
- Sports and online wagering opportunities









# Property Performance Commentary

- ✓ The upward trend in gaming performance continues for awareness and visitation while overall average spend remains flat.
- ✓ It is projected overall average spend per trip will increase 1.5% to \$123.5 in Q4 based on the increase in spend per trip activity in September at \$126.9 from \$121.7 in overall average spend and average trips per day will increase 5% in Q4 based on the percentage increases from the previous two quarters.
- ✓ The database is currently at 259,460 and growing, up 9% from last quarter.
- ✓ Event Center Opened on April 1, 2018 and several subsequent performances have helped drive momentum at the property including PitBull, Sublime with Rome, Sister Sledge, Amy Schumer, Quarter Flash, Sir Mix-A-Lot and Alanis Morissette.
- ✓ CTGA successfully refinanced their capital structure on December 4, 2018, lowering their rate from 13% to 5%.
- ✓ Master-planning of ilani is nearly complete, with elements such as hotel, expanded casino, and structured parking, all being evaluated.



# Resorts – Atlantic City





# Property Performance Commentary

- ✓ Resorts third quarter reflects the direct impact of two new competitors, Hard Rock and Ocean Resorts, in the market, as there was a shift by consumers who gave trial to the new properties in terms of play days and share of wallet but positively, the new competition has attracted critical mass to the Resorts area of Atlantic City and with the introduction of increased, aggressive marketing, both bus and card programs, over time impact on the Atlantic City market is expected to yield positive results for Resorts.
- ✓ Resorts GGR for the quarter was \$51.1M, down \$7.1M, or 8.2%.
  - Slot handle market share at Resorts was 7.3%, down from 8.4%, in Q3 2017.
  - Table drop market share was 5.3%, down from 7.0%, in Q3 2017
- ✓ Growth in non-gaming revenues YoY was up 1.9% and can be primarily attributed to the demand derived from the larger number of customers visiting from the opening of the two new competitors near Resorts.
- ✓ Management fees earned by MGE in the quarter were approximately \$915k.
- ✓ We have continued to react to customer activity and implemented play-based programs designed to not only attract customers but keep them in play at Resorts. We are seeing customers who gave trial to the new competition, starting to return. Importantly, in November, we are seeing improved results.



# Paragon Casino Resort



# Property Performance Commentary

- ✓ The overall average trips per day were down slightly. This is due to changes in marketing strategy, to refocus on lost VIP players, while being more profit focused on lower segment consumers; however, average spend per day was up, specifically the mid-tier segment which resulted in a 6.5% increase in GGR for the quarter.
- ✓ EBITDA grew by approximately \$685K or 36.5%, while revenues were up by \$1.1M as a result of increase in slot revenue offset by an increase in marketing spend as the property continues to enhance their promotional experience in addition to the new card tier program but expect October and November softness mainly in part to significant seasonality that occurs year-over-year and the implementation of a new card tier program for table players.
- ✓ As a result of the smoking ban put into place in Baton Rouge in June, the property outperformed the LA market for the quarter as the Baton Rouge market was down significantly; whereas, New Orleans and Shreveport markets remained relatively flat.



# MGE Corporate





# Corporate Commentary

		For the Three Months Ended			
		September 30, 2018	September 30, 2017	Variance	Percentage Variance
<i>(in thousands)</i>					
	<b><u>Corporate</u></b>				
Net revenues		\$6,654	\$ 6,761	\$ (107)	(1.6%)
Adjusted EBITDA		\$5,086	\$3,312	\$1,774	53.6%

Net Revenues for the quarter ended September 30, 2018, reflects:

- A decrease was primarily driven by lower development and consulting fees, partially offset by higher management fees at ilani, given the benefit from continued improving trends at the property and the resulting higher management fees earned.

Adjusted EBITDA for the quarter ended September 30, 2018, reflects:

- A decrease in consulting costs associated with our various diversification initiatives.





# FY18 Capital Expenditure Summary

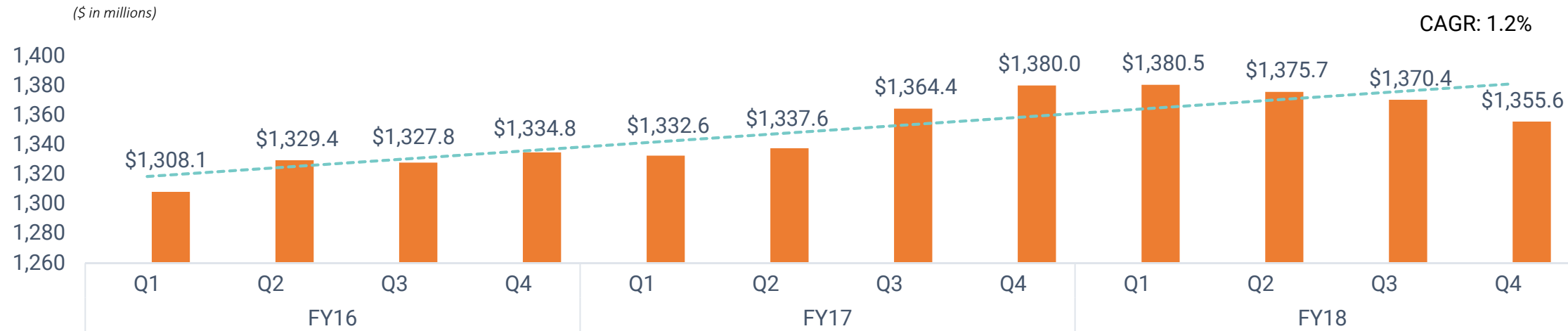
<i>(in millions)</i>	Capital Expenditures	
	Fiscal Year Ended	Forecasted
	September 30, 2018	Fiscal Year 2019
Mohegan Sun:		
Maintenance	\$25.9	\$25.5
Development	15.1	10.6
Expansion - Earth Expo & Convention Center	52.1	-
<b>Subtotal</b>	<b>93.1</b>	<b>36.1</b>
Mohegan Sun Pocono:		
Maintenance	10.0	5.4
Development	-	1.2
<b>Subtotal</b>	<b>10.0</b>	<b>6.6</b>
Corporate:		
Maintenance	-	8.6
Other - Project Inspire	19.7	111.8
<b>Subtotal</b>	<b>19.7</b>	<b>120.4</b>
<b>Total</b>	<b>\$122.8</b>	<b>\$163.1</b>





# Operational Performance Remains Stable

Historical Rolling LTM Net Revenue



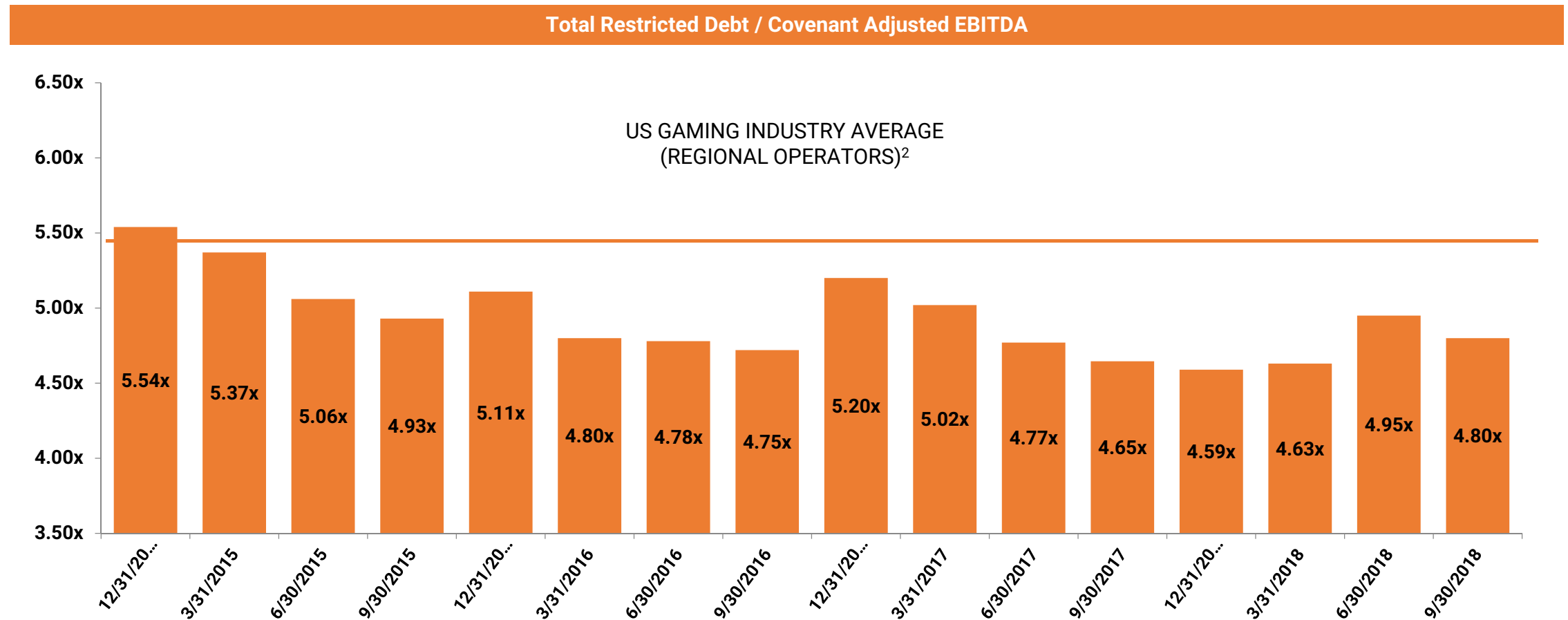
Historical Rolling LTM Adjusted EBITDA





# Total Leverage Ratio

- MGE's ratio of debt to EBITDA was 4.80x<sup>1</sup> on 9/30/18, which is much lower than the US Regional Operator industry average of 5.46x<sup>2</sup>



(1) Restricted Group leverage, based on 2016 Credit Facility definition of Total Restricted Debt / Covenant Adjusted EBITDA

(2) US Regional Operators Industry Average includes US subsidiaries of Caesars Entertainment Corp., Boyd Gaming, Eldorado, and Red Rock Resorts as of most recent public filings, estimated pro forma for announced acquisitions and divestitures.

Source: Company financials and public filings.



# Corporate Commentary

## Balance Sheet Update

- Interest expense increased by \$6.4M, or 22.9%, to \$34.4M for the quarter ended September 30, 2018 compared to \$28.0M in the fourth quarter of fiscal 2017 as a result of higher weighted average interest rate and weighted average outstanding debt.
- Weighted average interest rate was 7.3% for the quarter ended September 30, 2018 compared to 6.6% in the fourth quarter of fiscal 2017, primarily due to a rise in market variable interest rates.
- As a result, weighted average outstanding debt was \$1.90B for the quarter ended September 30, 2018, compared to \$1.71B in the fourth quarter of fiscal 2017.
- Our Total Leverage Ratio, calculated on a gross basis, was 4.80x, with Total Debt, as defined under the Bank Credit Facility, of \$1.77B, increasing by \$83M from the prior year quarter – this increase was driven by the impact of the 100% purchase of Inspire.
- Elsewhere, \$66M was drawn on our \$250M revolver as of September 30, 2018. After factoring in outstanding Letters of Credit, we had approximately \$181.7M available for borrowing, while Cash and Cash Equivalents totaled \$103.9M.
- Overall, liquidity totaled approximately \$220.1M, net of Bankroll and Restricted Cash at the end of the quarter.
- Finally, distributions to the Tribe from MGE totaled \$21M, while Capital Expenditures totaled \$18.2M for the quarter, comprised of maintenance capital expenditures of \$7.3M and \$10.9M of expansion and development cap ex, generally related to our Expo and Inspire projects.



# Development Updates





# INSPIRE

ENTERTAINMENT RESORT





# Project Inspire Overview



Location	Incheon Airport Development Zone IBC-III
Operator	Mohegan Gaming & Entertainment LLC (U.S.)
Shareholder	MGE through its wholly-owned subsidiary, Mohegan Gaming Advisors LLC
Site Area	<ul style="list-style-type: none"><li>• Phase 1 Parcel Area: 507,320m<sup>2</sup></li><li>• Gross Floor Area (excl. parking): 340,858m<sup>2</sup></li></ul>
Land Lease	<ul style="list-style-type: none"><li>• Total Site Area: 2,674,000m<sup>2</sup> total (excl. 1,500,000m<sup>2</sup> reservoir)</li><li>• Owner: Incheon International Airport Corp.</li><li>• Lease Period: 99 years</li></ul>
Phase I Features	<ul style="list-style-type: none"><li>• 15,000+ seat indoor entertainment arena</li><li>• Three 5-star hotel towers with 1,256 total keys</li><li>• 19,000m<sup>2</sup> of meeting &amp; convention space</li><li>• Over 63,000m<sup>2</sup> of luxury, retail, entertainment offerings and world-class F&amp;B</li><li>• 150 table casino with 700 slots/electronic games</li></ul>
Future Phase Offerings	<ul style="list-style-type: none"><li>• Phase 2 (already committed) : 100 acre+ branded theme park and connecting entertainment/retail village</li><li>• Future Development Phases: To be determined</li></ul>
Expected Opening	4Q 2021–1Q 2022





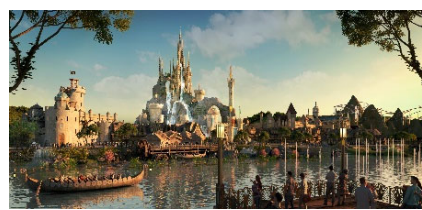


## INSPIRE Offerings

### Retail / F&B/ Entertainment



### Future Phase



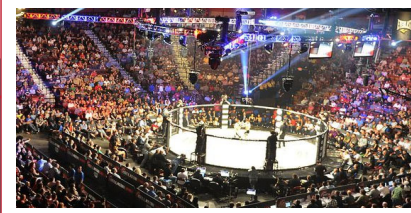
### Hotel



### Splash Bay



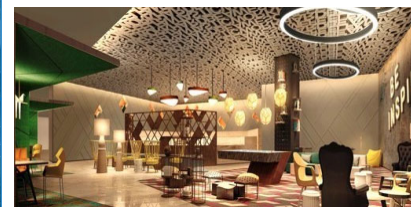
### Arena



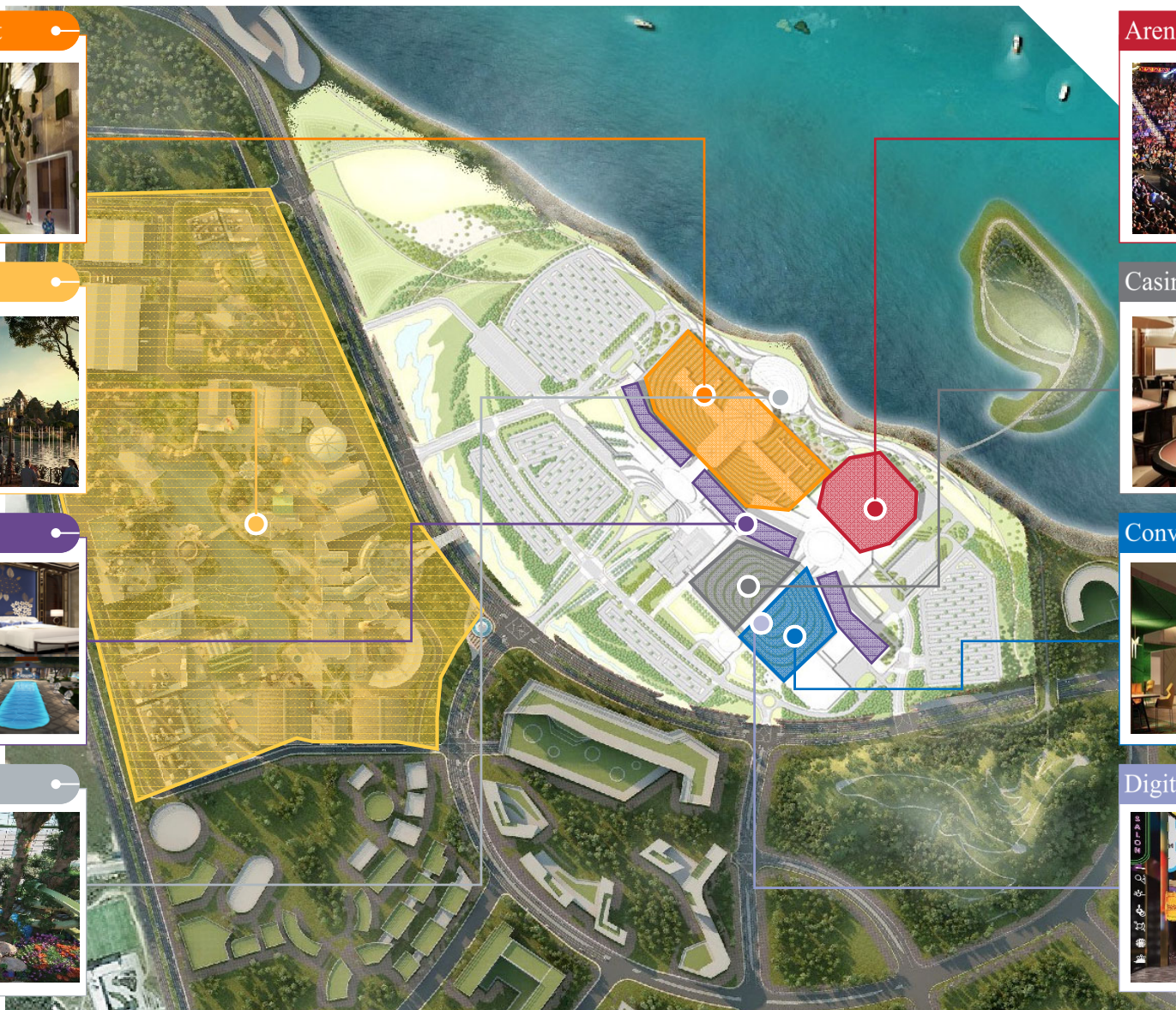
### Casino



### Convention



### Digital Street

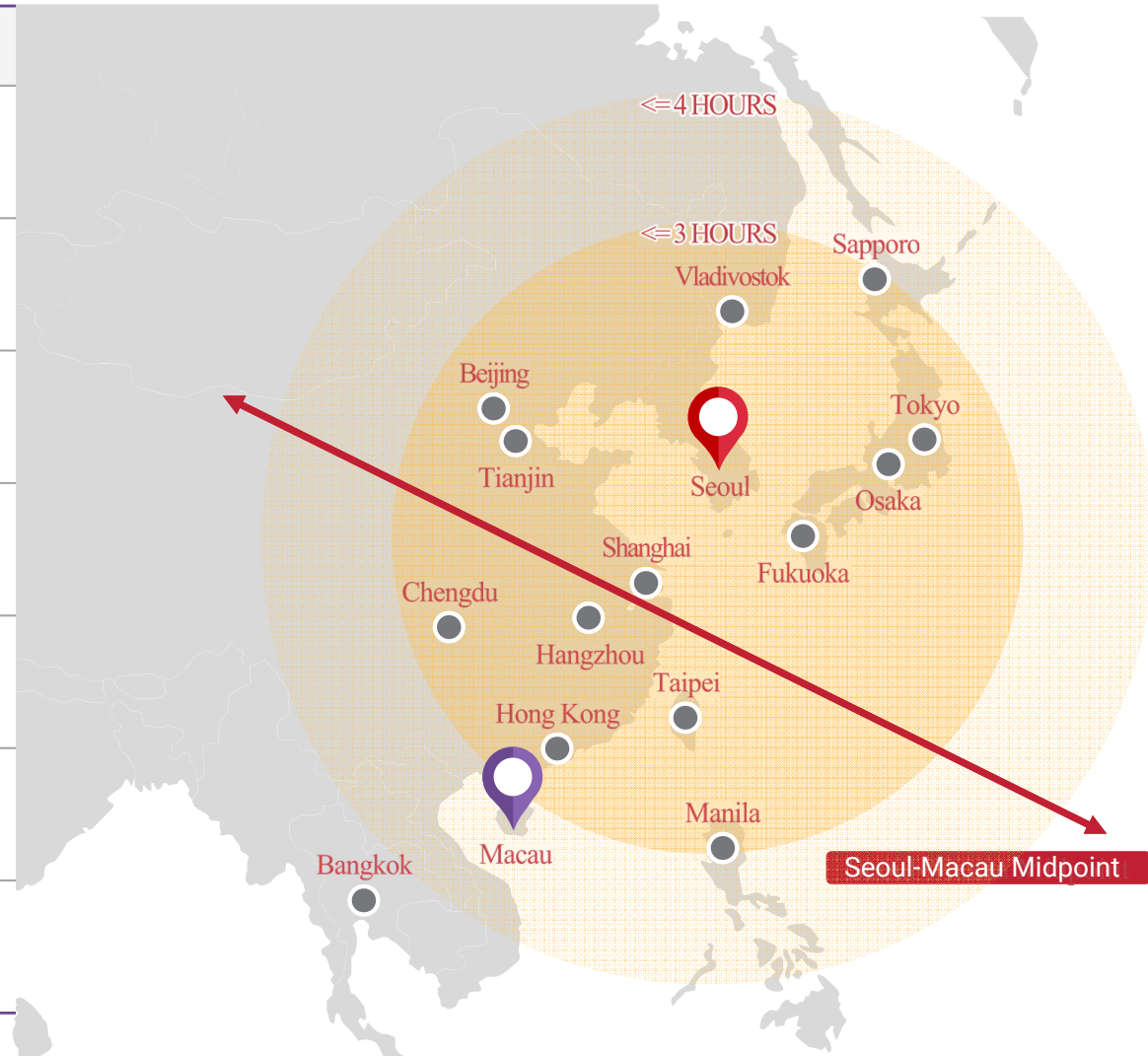






Geographical Location

Destination from Seoul	Flight Time
Beijing	2 hrs
Shanghai	2 hrs
Chengdu	4 hrs
Hong Kong	3 hrs 50 min
Taipei	2 hrs 30 min
Tokyo	2 hrs 30 min
Osaka	1 hr 50 min



Source: Incheon International Airport Authority



## Site Location



# INSPIRE

ENTERTAINMENT RESORT

### To / From Seoul



- ICN Expressway to Incheon and Western Seoul
- Within 1 hour to/from Seoul



- Airport railroad station located adjacent to Airport Terminal
- Within 1.5 hours to/from Seoul

### To / From Incheon Airport



- 5 Minutes from IIAC Terminal 2
- 10 Minutes from IIAC Terminal 1



# World Leading Live Entertainment Partnership

On October 10, 2018, Mohegan Gaming & Entertainment (MGE) and Live Nation Entertainment, the world's leading live entertainment company, announced a multi-year partnership to acquire talent for Project Inspire.

"Mohegan Gaming & Entertainment and Live Nation have been long-time partners in creating one of the most successful arena venues in the world for its size, the Mohegan Sun Arena in Uncasville, CT," said Mario Kontomerkos, Chief Executive Officer, Mohegan Gaming & Entertainment. "Now, we are partnering again to do the same, only this time it will be at the Inspire Super Arena at the Incheon International Airport, right in the heart of the burgeoning Asia entertainment market. The move further solidifies MGE's position as the premier global gaming and entertainment resort developer and operator."

"We have been thrilled by the success of what Live Nation and Mohegan Gaming & Entertainment have built together through the Mohegan Sun Arena in Uncasville and are excited to continue this partnership through Project Inspire," said Alan Ridgeway, Live Nation's President, International and Emerging Markets. "Touring throughout Northern Asia has grown significantly over the last few years, and the addition of the Inspire Super Arena can only continue to enhance that growth," concluded Ridgeway.











# Other MGE Global Development Opportunities



MGE to assume full operation of Fallsview Resort and Casino Niagara as of July 1, 2019

Hokkaido remains our primary focus market.



RFP expected within the next year.



# Financial Updates



# MGE Financial Priorities

Primary objectives include deleveraging & other credit enhancements through:

- Revenue enhancements and cost reductions at existing properties
- Revenue and cash flow diversification through the acquisition of operating properties and management agreements at attractive valuations and through “capital-light” structures
- Execute on ‘actionable’, high return development opportunities
- Strategically reduce blended cost of debt through refinancing's, including the use of Tribal and other Native American structures
- Balance corporate expense with growth opportunities



# MGE Financial Outlook



## Remain confident with forecast, 'conservatism' levels & covenant implications

- Appropriate level of conservatism in forecast with sufficient 'dry powder'
- Implied comfortable covenant cushions through FY19:
  - Total leverage
  - Senior secured leverage
  - Fixed charge coverage
- Ample liquidity in FY19; potential for additional liquidity enhancement



# MGE Q4 FY18 Current Debt Structure

Debt structure remains inline with industry peers and manageable

(in thousands)

	September 30, 2018	Coupon/Spread	Maturity	Rating <sup>1</sup>
Credit Facility - Revolving	\$ 66,000	L + 3.75%	10/13/21	-
Credit Facility - Term Loan A	318,127	L + 3.75%	10/13/21	B1/B-
Credit Facility - Term Loan B	831,001	L + 4.00%	10/13/23	B1/B-
Mohegan Expo Credit Facility	33,299	L + 4.50%	4/1/22	-
Other	1,419	-	-	-
<b>Total Senior Secured Debt</b>	<b>1,249,846</b>			
2016 7 7/8% Senior Unsecured Notes	500,000	7.875%	10/15/24	B3/CCC+
BIA Loan	23,665	L + 2.75%	10/1/23	-
<b>Total Restricted Debt</b>	<b>1,773,512</b>			
Redemption Note Payable	114,800	-	4/14/2024	-
Other	325	-	11/3/2019	-
<b>Total Debt</b>	<b>\$ 1,888,637</b>			

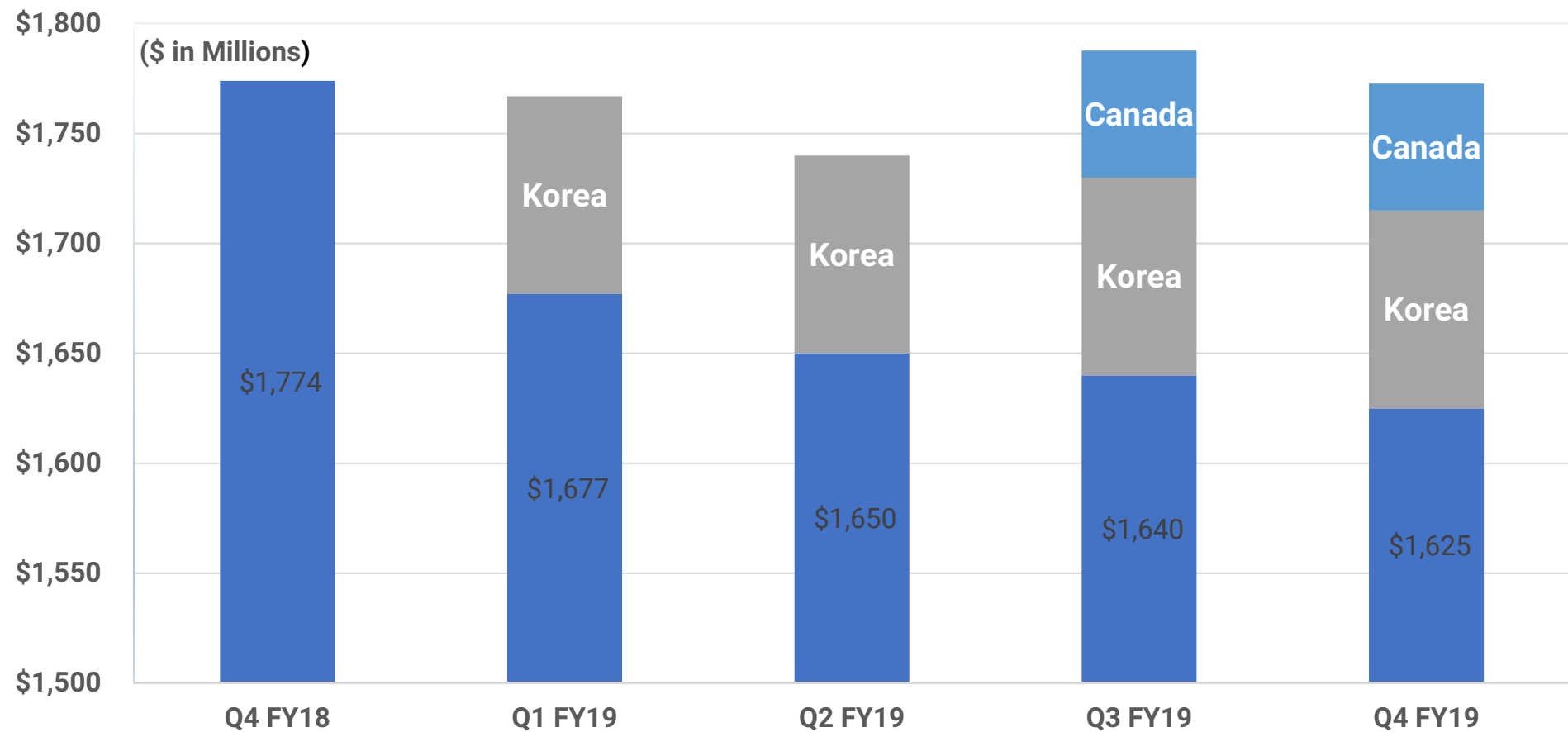
<sup>1</sup> Corporate Rating: B2/B-





# Illustrative MGE Restricted Group Debt

Expect debt & leverage to remain essentially flat despite investment & competition





# ilani Refinancing Update

## Successfully refinanced existing indebtedness in December 2018

- Recapitalization of existing ~\$475M of debt, including approximately \$107M of developer debt (MGE subsidiary)
- Facilitate up to \$200M of additional financing to fund contemplated projects over the next several years, including: a gas station and convenience store, a hotel, covered parking, and an expanded entertainment venue
- Refinancing will result in significant interest savings and increased free cash flow → positive implications for MGE management fee
- MGE notes receivables totaling approximately \$107M was repaid back on December 4, 2018 and used to repay debt