



Mohegan  
Gaming &  
Entertainment

# Q1 FY20 Supplemental Deck

February 6, 2020



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This presentation includes Adjusted EBITDA and other non-GAAP financial measures. The non-GAAP measures provided herein may not be directly comparable to similar measures used by other companies in MGE's industry, as other companies may define such measures differently. The non-GAAP measures presented herein are not measurements of financial performance under GAAP, and should not be considered as alternatives to, and should only be considered together with, MGE's financial results in accordance with GAAP. The Authority does not consider these non-GAAP financial measures to be a substitute for, or superior to, the information provided by GAAP financial results.

# Quarterly Highlights



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# MGE Q1 FY20 Financial Performance

## Mohegan Sun

- YOY results reflect impact of Encore Boston Harbor's second quarter of operations

## Mohegan Sun Pocono

- Sportsbook & iGaming generated \$1.1M of new gaming revenue
- Sportsbook driving additional table games and F&B revenue

## MGE Niagara Resorts

- Gaming volumes slightly lower than anticipated
- Results negatively impacted by Niagara Falls Entertainment Center delay
- *Table games hold lower than anticipated, a \$6.0M EBITDA reduction*

## Management, Development and Other

- Cowlitz management fees \$8.1M
- Resorts management fees \$0.4M
- MGE Niagara management fees \$0.2M

## Corporate

- Net revenue decrease driven by lower Play 4 Fun revenue

## Total MGE

- YOY increases attributed to addition of MGE Niagara Resorts

## Q1 Financial Performance

(\$ in thousands)	Quarter Ended 12/31/2019	Quarter Ended 12/31/2018	Year/Year Change
<b>Mohegan Sun</b>			
Net Revenues	\$ 243,335	\$ 252,679	(3.7%)
Adjusted EBITDA	65,098	68,549	(5.0%)
EBITDA Margin	26.8%	27.1%	(0.4%)
<b>Mohegan Sun Pocono</b>			
Net Revenues	\$ 61,954	\$ 60,791	1.9%
Adjusted EBITDA	11,209	10,608	5.7%
EBITDA Margin	18.1%	17.4%	0.6%
<b>MGE Niagara Resorts</b>			
Net Revenues	\$ 84,974	\$ -	100.0%
Adjusted EBITDA	3,811	-	100.0%
EBITDA Margin	4.5%	-	100.0%
<b>Management, Development and Other</b>			
Net Revenues	\$ 9,012	\$ 5,712	57.8%
Adjusted EBITDA	2,130	159	1239.6%
EBITDA Margin	23.6%	2.8%	20.9%
<b>Corporate</b>			
Net Revenues	\$ 108	\$ 378	(71.4%)
Adjusted EBITDA	(7,147)	(7,450)	4.1%
EBITDA Margin	N.M.	N.M.	N.M.
<b>Total MGE <sup>1</sup></b>			
Net Revenues	\$ 399,052	\$ 319,500	24.9%
Adjusted EBITDA	75,082	71,866	4.5%
EBITDA Margin	18.8%	22.5%	(3.7%)

<sup>1</sup> Includes inter-segment results

# Quarterly Highlights – Management, Development and Other

*Core management businesses continue to grow*

	For the Three Months Ended				
<i>(in thousands)</i>	December 31, 2019	December 31, 2018	Variance	Percentage Variance	
Net Revenues	\$ 9,012	\$ 5,712	\$ 3,300	57.8%	
Income from Operations	\$ (918)	\$ (413)	\$ (505)	122.3%	
Adjusted EBITDA	\$ 2,130	\$ 159	\$ 1,971	N.M.	

## **Net Revenues for the quarter ended December 31, 2019, reflects:**

- The increase is primarily driven by higher management fees from ilani, as a result of continued revenue and EBITDA growth at the property
- MGE recognized \$8.1M of ilani management fees in the quarter compared to \$4.9M the prior year

## **Adjusted EBITDA for the quarter ended December 31, 2019 reflects:**

- An increase of \$2.0M over prior year, primarily related to higher management fees from ilani
- EBITDA performance also reflects higher expenses associated with ongoing domestic and international development efforts

# Quarterly Highlights – MGE Corporate

*Improved EBITDA driven by cost initiatives*

	For the Three Months Ended				
<i>(in thousands)</i>	December 31, 2019	December 31, 2018	Variance	Percentage Variance	
Net Revenues	\$ 108	\$ 378	\$ (270)	(71.4%)	
Loss from Operations	\$ (7,164)	\$ (7,472)	\$ 308	4.1%	
Adjusted EBITDA	\$ (7,147)	\$ (7,450)	\$ 303	4.1%	

**Net Revenues for the quarter ended December 31, 2019, reflects:**

- The decrease in revenues is attributed to a decline in Play 4 Fun revenue

**Adjusted EBITDA for the quarter ended December 31, 2019 reflects:**

- Improvements within Adjusted EBITDA were driven by better overall labor expense control along with lower consulting fees

# Quarterly Highlights – MGE Consolidated

*Committed to capital reinvestment in the face of competitive pressure*

<b>Capital Expenditures</b>				
<i>(in millions)</i>	<b>Fiscal Quarter Ended December 31, 2019</b>		<b>Remaining Forecasted Fiscal Year 2020</b>	
<b>Mohegan Sun</b>				
Maintenance	\$	1.9	\$	19.5
Development		1.0		14.3
Subtotal		2.9		33.8
<b>Mohegan Sun Pocono</b>				
Maintenance		0.7		4.6
Development		0.3		0.7
Subtotal		1.0		5.3
<b>Other</b>				
MGE Niagara Resorts		7.5		18.3
Project Inspire		22.9		295.7
Corporate		-		1.9
Subtotal		30.4		315.9
Total	\$	34.3	\$	355.0



# Bridge Summary for Normalized EBITDA

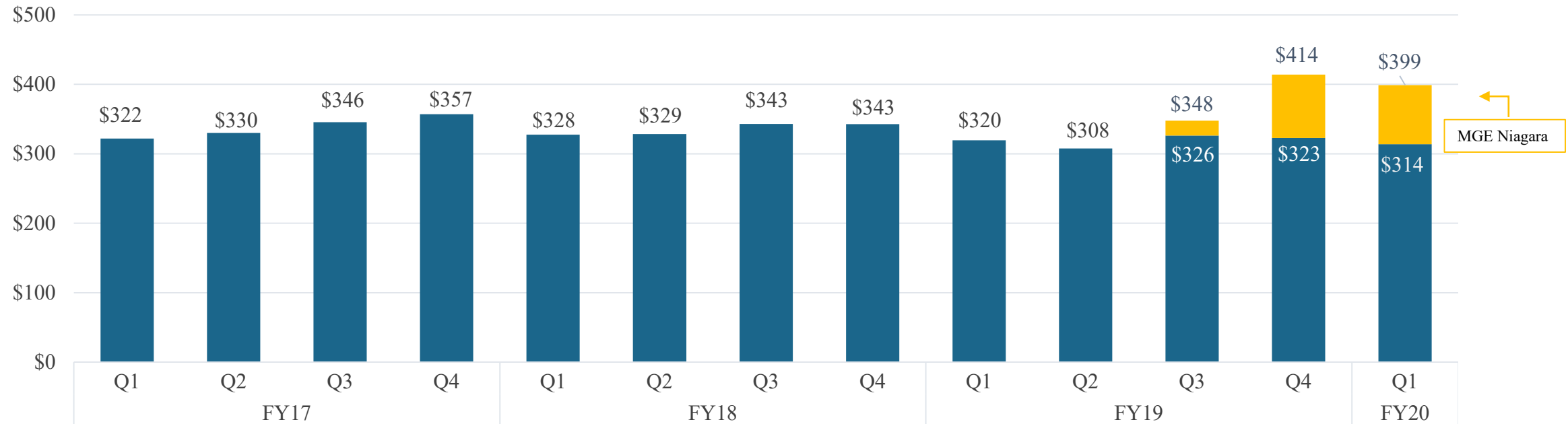
<i>(\$ in thousands)</i>		Reported Results	Adj for Normalized Table Hold	Weather Impact	Normalized Results
<b>1Q20</b>					
<b>Net Revenues</b>	Mohegan Sun	\$ 243,335	\$ 3,493	\$ 2,366	\$ 249,194
	Mohegan Sun Pocono	61,954	(198)	776	62,532
	MGE Niagara Casinos	84,974	5,974	2,054	93,002
	Management, Development & Other	9,012	-	-	9,012
	Corporate	108	-	-	108
	Inter-segment	(331)	-	-	(331)
	<b>Total</b>	<b>\$ 399,052</b>	<b>\$ 9,269</b>	<b>\$ 5,196</b>	<b>\$ 413,517</b>
<b>EBITDA</b>	Mohegan Sun	\$ 65,098	\$ 3,493	\$ 1,609	\$ 70,200
	Mohegan Sun Pocono	11,209	(166)	367	11,410
	MGE Niagara Casinos	3,811	5,974	1,100	10,885
	Management, Development & Other	2,130	-	-	2,130
	Corporate	(7,147)	-	-	(7,147)
	Inter-segment	(19)	-	-	(19)
	<b>Total</b>	<b>\$ 75,082</b>	<b>\$ 9,301</b>	<b>\$ 3,076</b>	<b>\$ 87,459</b>
	<b>Margin %</b>	<b>18.8%</b>			<b>21.2%</b>
<b>1Q19</b>					
<b>Net Revenues</b>	Mohegan Sun	\$ 252,679	\$ 76	\$ 813	\$ 253,568
	Mohegan Sun Pocono	60,791	(74)	329	61,046
	MGE Niagara Casinos	-	-	-	-
	Management, Development & Other	5,712	-	-	5,712
	Corporate	378	-	-	378
	Inter-segment	(60)	-	-	(60)
	<b>Total</b>	<b>\$ 319,500</b>	<b>\$ 2</b>	<b>\$ 1,142</b>	<b>\$ 320,644</b>
<b>EBITDA</b>	Mohegan Sun	\$ 68,549	\$ 76	\$ 619	\$ 69,244
	Mohegan Sun Pocono	10,608	(62)	166	10,712
	MGE Niagara Casinos	-	-	-	-
	Management, Development & Other	159	-	-	159
	Corporate	(7,450)	-	-	(7,450)
	Inter-segment	-	-	-	-
	<b>Total</b>	<b>\$ 71,866</b>	<b>\$ 14</b>	<b>\$ 785</b>	<b>\$ 72,665</b>
	<b>Margin %</b>	<b>22.5%</b>			<b>22.7%</b>

# Quarterly Highlights – MGE Consolidated

*Operational performance in core properties remains stable despite incremental competition*

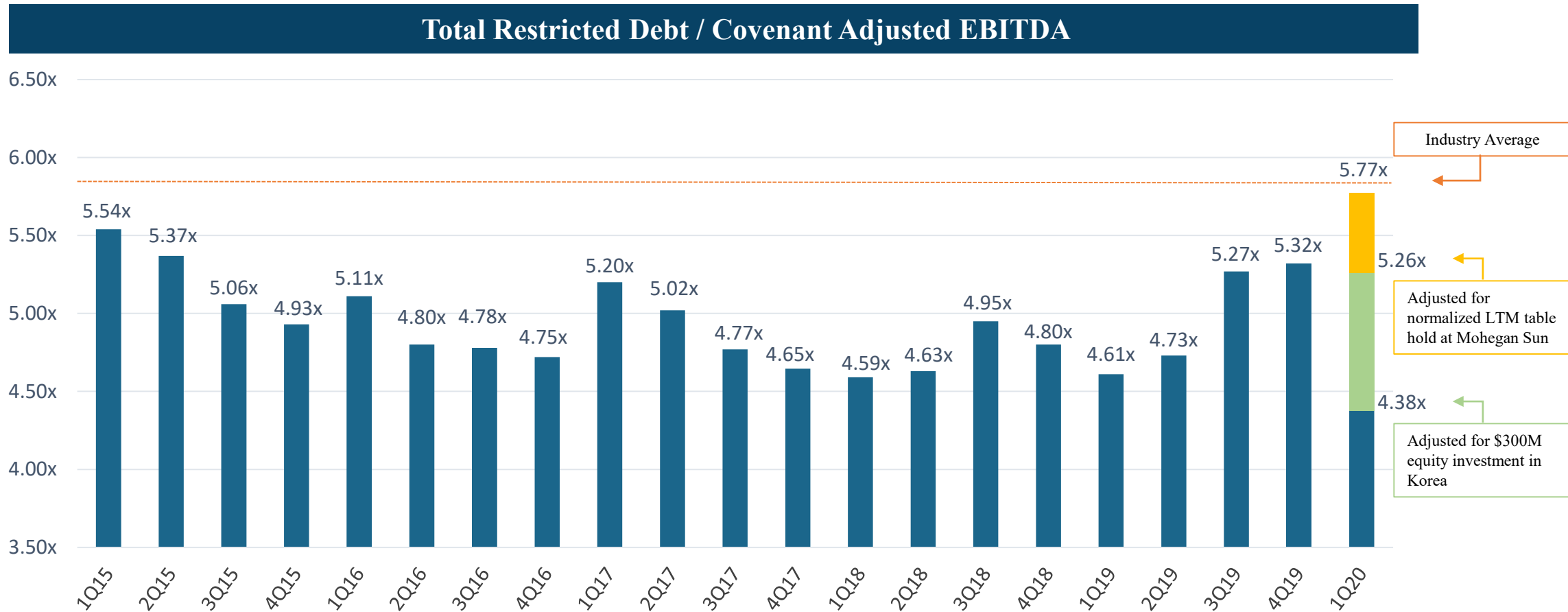
## Historical Net Revenues

(\$ in millions)



# MGE Total Leverage Ratio

*MGE's Debt to EBITDA ratio is inline with the US regional industry operators average following the addition of Niagara*



<sup>1</sup> Restricted group leverage based on 2016 credit facility definition of total recourse debt/covenant adjusted EBITDA

<sup>2</sup> US regional operators industry average includes US subsidiaries of Caesars Entertainment Corp., Boyd Gaming, Eldorado Resorts, Penn National and Red Rock Resorts as of the most recent public filings, estimated pro forma for announced acquisitions and divestitures

SOURCE: Company financials and public filings



Mohegan Sun

a world at play



# Quarterly Highlights – Mohegan Sun

*Trending better than many expected, with robust non-gaming driving performance*

## **Gaming**

- Table games hold was 19.1% vs. 19.9% in prior year
- Gaming revenues experienced a slight decline due to increased competition
- Free slot play was down 21.4% compared to prior year
- Continue to experience modest impact from Boston, as new management adapts to market. Catskills has ramped up free slot play
- Increased spend per trip from slot patrons compared to prior year

## **Non-Gaming**

- Non-gaming revenues increased by \$0.9M or 1.1% over prior year
- F&B revenue declined 2.1% compared to prior year
- Hotel revenue increased 3.9%, driven by higher ADR and an increase in facility fees
- Entertainment revenue increased 7.1%, due to an increase in arena events. Headliners in the arena included Journey and Twenty One Pilots

# Quarterly Highlights – Mohegan Sun

*Meeting and convention growth and strategic expense control improving the bottom line*

## **MICE**

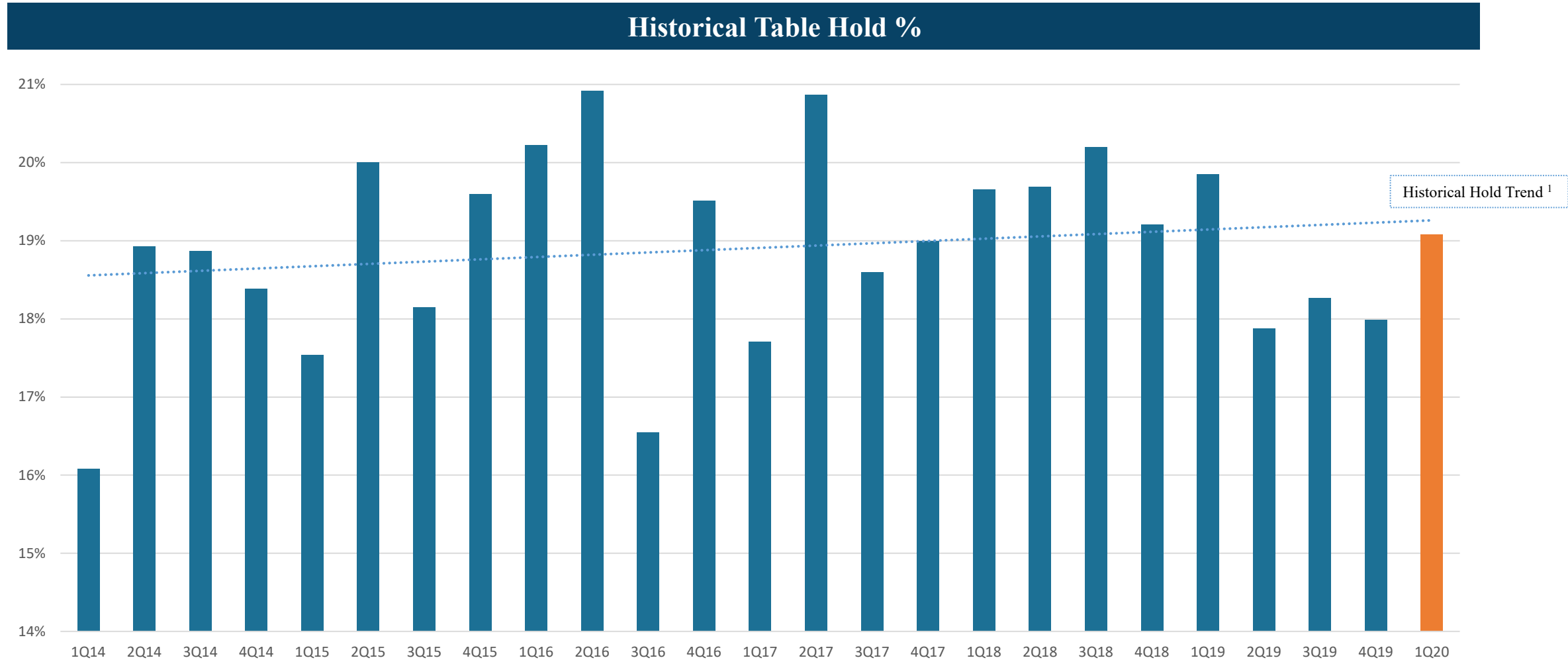
- The meeting/convention segment continues to perform well and generated guest room revenue of \$3.4M during the quarter
- Hosted the 2020 Miss America 2.0 Competition, which occurred over multiple nights in December. The event was televised on NBC and provided brand exposure to a national, prime-time audience
- Entering 2020 with 39 confirmed events in the Earth Expo Center, a 25% increase over prior year. Room nights associated with the events are projected at 33,250

## **Expenses**

- Total operating expenses for the period were \$178.2M compared to \$185.1M in the prior year, representing a favorable variance of \$6.9M or 3.7%
- Labor and benefits decreased by \$3.0M from prior year. The savings was attributed to having 210 fewer FTEs during the period and reductions in other labor costs
- FTEs are at their lowest quarterly level since fiscal year 2000
- Marketing expenses increased by \$0.2M or 0.6% as a result of costs related to hosting the 2020 Miss America 2.0 Competition. Excluding these costs, expenses were favorable \$1.2M compared to prior year

# Quarterly Highlights – Mohegan Sun

*Q1 table games hold inline with historical ranges*



<sup>1</sup> Represents trend based on actual hold results

# Quarterly Highlights – Mohegan Sun

	For the Three Months Ended			
<i>(in thousands)</i>	December 31, 2019	December 31, 2018	Variance	Percentage Variance
<b>Revenues:</b>				
Gaming	\$ 160,259	\$ 170,482	\$ (10,223)	(6.0%)
Food and beverage	28,533	29,135	(602)	(2.1%)
Hotel	22,048	21,220	828	3.9%
Retail, entertainment and other	32,495	31,842	653	2.1%
Net revenues	\$ 243,335	\$ 252,679	\$ (9,344)	(3.7%)
<b>Expenses:</b>				
Gaming	\$ 86,862	\$ 90,455	\$ (3,593)	(4.0%)
Food and beverage	21,944	22,598	(654)	(2.9%)
Hotel	9,332	9,152	180	2.0%
Retail, entertainment and other	19,652	20,517	(865)	(4.2%)
Advertising, general and administrative	40,447	41,789	(1,342)	(3.2%)
Depreciation and amortization	19,966	23,637	(3,671)	(15.5%)
Other, net	67	468	(401)	(85.7%)
Total expenses	\$ 198,270	\$ 208,616	\$ (10,346)	(5.0%)
Income from operations	\$ 45,065	\$ 44,063	\$ 1,002	2.3%
Adjusted EBITDA	\$ 65,098	\$ 68,549	\$ (3,451)	(5.0%)



# Quarterly Highlights – Mohegan Sun

For the Three Months Ended						
(in thousands)	December 31, 2019		December 31, 2018		Variance	Percentage Variance
<b>Slots:</b>						
Handle	\$	1,618,815	\$	1,735,057	\$ (116,242)	(6.7%)
Gross revenues	\$	133,396	\$	136,627	\$ (3,231)	(2.4%)
Net revenues	\$	109,573	\$	112,147	\$ (2,574)	(2.3%)
Free promotional slot plays (1)	\$	12,058	\$	15,344	\$ (3,286)	(21.4%)
Weighted average number of machines (in units)		4,124		4,420	(296)	(6.7%)
Hold percentage (gross)		9.0%		8.8%	0.2%	2.6%
Hold percentage (net)		8.2%		7.9%	0.4%	4.7%
Win per unit per day (gross) (in dollars)	\$	352	\$	336	\$ 16	4.8%
Win per unit per day (net) (in dollars)	\$	289	\$	276	\$ 13	4.7%
<b>Table Games:</b>						
Drop	\$	456,564	\$	487,825	\$ (31,261)	(6.4%)
Gross revenues	\$	87,135	\$	96,821	\$ (9,686)	(10.0%)
Net revenues	\$	49,439	\$	56,980	\$ (7,541)	(13.2%)
Weighted average number of games (in units)		275		289	(14)	(4.8%)
Hold percentage (gross) (2)		19.1%		19.9%	(0.8%)	(3.9%)
Hold percentage (net) (2)		10.8%		11.7%	(0.9%)	(7.3%)
Win per unit per day (gross) (in dollars)	\$	2,948	\$	3,125	\$ (177)	(5.7%)
Win per unit per day (net) (in dollars)	\$	1,956	\$	2,145	\$ (189)	(8.8%)
<b>Poker:</b>						
Net revenues	\$	757	\$	744	\$ 13	1.7%
Weighted average number of tables (in units)		33		42	(9)	(21.4%)
Win per unit per day (gross) (in dollars)	\$	636	\$	445	\$ 191	42.9%
Win per unit per day (net) (in dollars)	\$	249	\$	193	\$ 56	29.0%

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.

# Quarterly Highlights – Mohegan Sun

For the Three Months Ended						
<i>(in thousands)</i>	December 31, 2019		December 31, 2018		Variance	Percentage Variance
<b>Food and beverage:</b>						
Revenues	\$	28,532	\$	29,135	\$ (603)	(2.1%)
Meals served		878		956	(78)	(8.2%)
Average price per meal served (in dollars)	\$	15.30	\$	15.73	\$ (0.43)	(2.7%)
<b>Hotel:</b>						
Revenues	\$	22,048	\$	21,220	\$ 828	3.9%
Rooms occupied		137		137	-	0.0%
Occupancy rate		95.2%		95.2%	0.0%	0.0%
Average daily room rate (in dollars)	\$	141	\$	139	\$ 2	1.4%
Revenue per available room (in dollars)	\$	134	\$	132	\$ 2	1.5%
<b>Retail, entertainment and other:</b>						
Revenues	\$	32,496	\$	31,842	\$ 654	2.1%
Arena events (in events)		39		30	9	30.0%
Arena tickets		257		207	50	24.2%
Average price per arena ticket (in dollars)	\$	54.39	\$	60.58	\$ (6.19)	(10.2%)

# Miss America 2.0<sup>2020</sup>

Hosted Miss America 2.0 in December, which included a two-hour live telecast with 3.6 million viewers crowning Camille Schrier of Virginia as Miss America 2020



# Uncut Gems

Filmed in 2018, Mohegan Sun is featured in Adam Sandler's *Uncut Gems* which was released in U.S. theaters on December 13, 2019

# Uncut Gems





Michael Jordan's 23.Sportcafe is being renovated and rebranded as MJ23 Sports Bar & Grill and will reopen in mid-February



Construction commenced on the new Tao Restaurant at Mohegan Sun opening in fall 2020



# Strategic Initiatives

*We continue to evaluate all aspects of our operations for improvement*

## Gaming:

- Evaluating table games and slot mix to meet customer demand

## Strategic partnerships:

- Tao Restaurant
- MJ23 Sports Bar & Grill
- Yale Hew Haven Health

## New revenue generating opportunities:

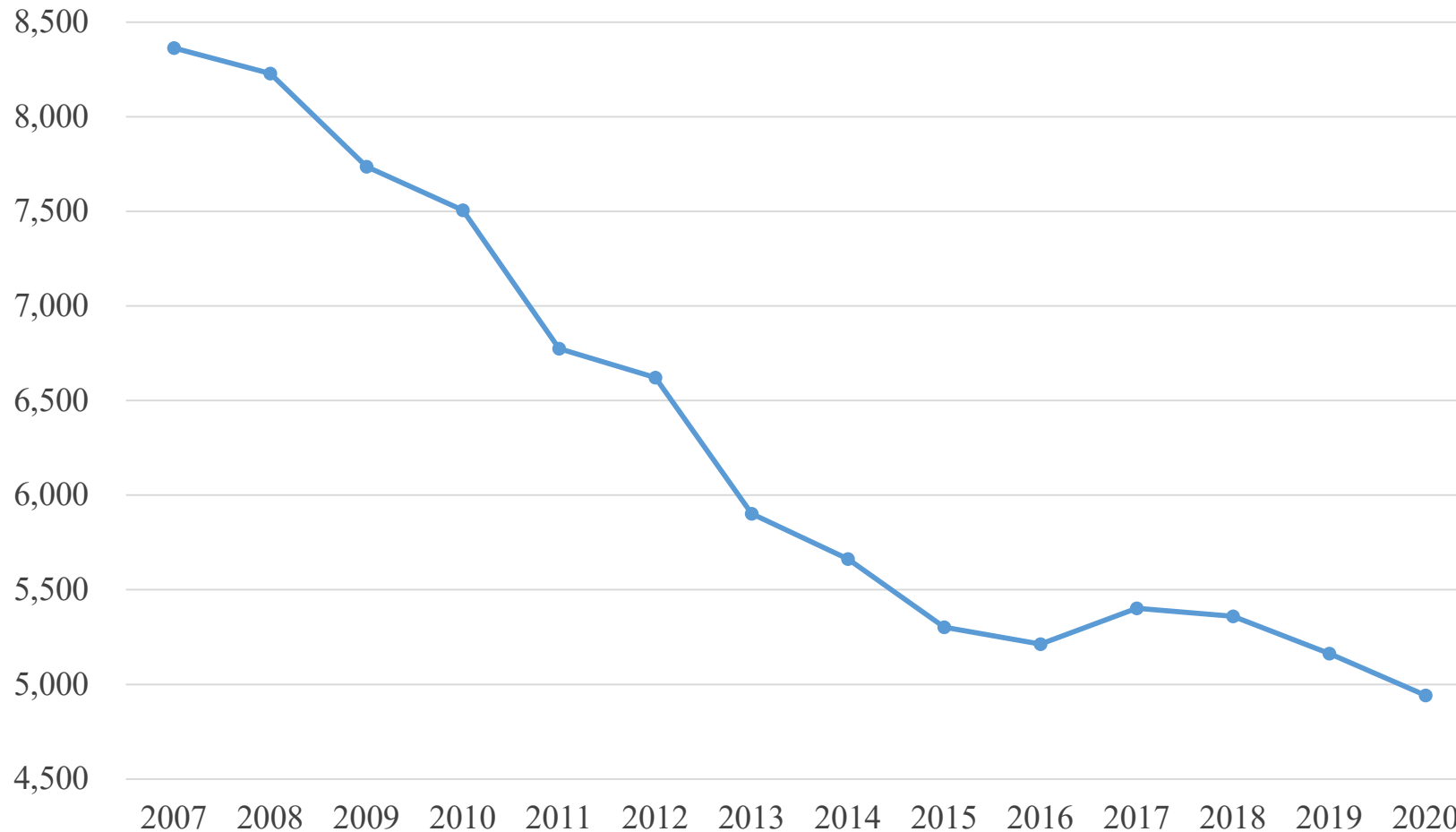
- Assessing available space for best use
- Evaluating revenue centers for better yielding opportunities

## Labor & Marketing:

- Workforce optimization
- Strategic marketing and advertising profitability initiatives

# FTEs by Fiscal Year – Since FY 2007

*Continued focus on labor efficiency, helping to drive cash flow improvement*





# Mohegan Gaming & Entertainment Properties





MOHEGAN SUN  
POCONO





# Quarterly Highlights – Mohegan Sun Pocono

*Initial results from sports wagering and interactive gaming complement current operations*

- MSP delivered strong results for the quarter
- Property EBITDA was \$11.2M, an increase of \$0.6M or 5.7% over prior year
- MSP outperformed the NEPA slot market as the region saw slot volumes increase by 0.8%, while MSP grew 1.4%
- Interactive gaming operations began on November 12th and are gaining traction
- Unibet Sportsbook completed a successful first full quarter of operations
- Non-gaming revenues increased 6.8% over prior year as a result of increased F&B and hotel revenues
- Opened Tony Luke's cheesesteak restaurant in January 2020

# Quarterly Highlights – Mohegan Sun Pocono

	For the Three Months Ended			
<i>(in thousands)</i>	December 31, 2019	December 31, 2018	Variance	Percentage Variance
<b>Revenues:</b>				
Gaming	\$ 51,978	\$ 51,453	\$ 525	1.0%
Food and beverage	6,082	5,713	369	6.5%
Hotel	1,980	1,758	222	12.6%
Retail, entertainment and other	1,914	1,867	47	2.5%
Net revenues	\$ 61,954	\$ 60,791	\$ 1,163	1.9%
<b>Expenses:</b>				
Gaming	\$ 38,162	\$ 38,209	\$ (47)	(0.1%)
Food and beverage	3,999	3,849	150	3.9%
Hotel	683	651	32	4.9%
Retail, entertainment and other	316	245	71	29.0%
Advertising, general and administrative	7,585	7,229	356	4.9%
Depreciation and amortization	3,477	3,416	61	1.8%
Other, net	(62)	-	(62)	(100.0%)
Total expenses	\$ 54,160	\$ 53,599	\$ 561	1.0%
Income from operations	\$ 7,794	\$ 7,192	\$ 602	8.4%
Adjusted EBITDA	\$ 11,209	\$ 10,608	\$ 601	5.7%

# Quarterly Highlights – Mohegan Sun Pocono

## For the Three Months Ended

<i>(in thousands)</i>	December 31, 2019		December 31, 2018		Variance	Percentage Variance	
<b>Slots:</b>							
Handle	\$	583,013	\$	574,862	\$	8,151	1.4%
Gross revenues	\$	58,698	\$	57,270	\$	1,428	2.5%
Net revenues	\$	42,767	\$	43,620	\$	(853)	(2.0%)
Free promotional slot plays (1)	\$	12,579	\$	10,435	\$	2,144	20.5%
Weighted average number of machines (in units)		1,963		2,324		(361)	(15.5%)
Hold percentage (gross)		10.1%		10.0%		0.1%	1.0%
Hold percentage (net)		7.3%		7.6%		(0.3%)	(3.9%)
Win per unit per day (gross) (in dollars)	\$	255	\$	219	\$	36	16.4%
Win per unit per day (net) (in dollars)	\$	237	\$	204	\$	33	16.2%
<b>Table Games:</b>							
Drop	\$	42,825	\$	40,982	\$	1,843	4.5%
Gross revenues	\$	9,161	\$	8,652	\$	509	5.9%
Net revenues	\$	6,223	\$	5,680	\$	543	9.6%
Weighted average number of games (in units)		56		71		(15)	(21.1%)
Hold percentage (gross) (2)		21.4%		21.1%		0.3%	1.4%
Hold percentage (net) (2)		14.5%		13.9%		0.6%	4.3%
Win per unit per day (gross) (in dollars)	\$	1,792	\$	1,325	\$	467	35.2%
Win per unit per day (net) (in dollars)	\$	1,217	\$	870	\$	347	39.9%
<b>Poker:</b>							
Net revenues	\$	462	\$	428	\$	34	7.9%
Weighted average number of tables (in units)		10		18		(8)	(44.4%)
Win per unit per day (gross) (in dollars)	\$	536	\$	279	\$	257	92.1%
Win per unit per day (net) (in dollars)	\$	498	\$	259	\$	239	92.3%

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

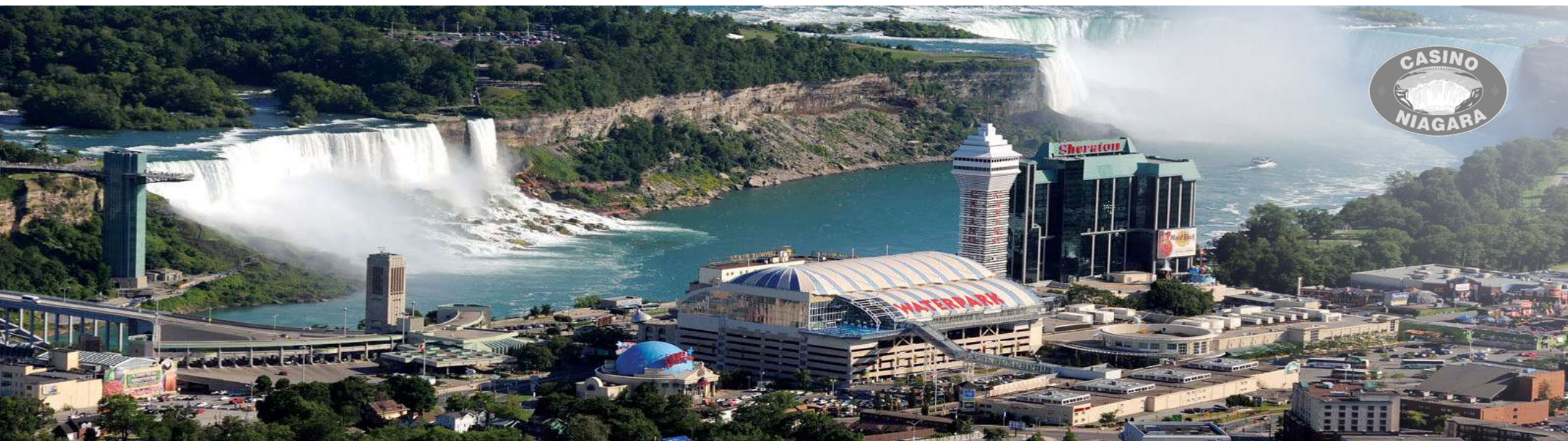
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# Quarterly Highlights – Mohegan Sun Pocono

For the Three Months Ended						
<i>(in thousands)</i>	December 31, 2019		December 31, 2018		Variance	Percentage Variance
<b>Food and beverage:</b>						
Revenues	\$	6,081	\$	5,713	\$ 368	6.4%
Meals served		153		133	20	15.0%
Average price per meal served (in dollars)	\$	18.73	\$	18.66	\$ 0.07	0.4%
<b>Hotel:</b>						
Revenues	\$	1,980	\$	1,758	\$ 222	12.6%
Rooms occupied		17		17	-	0.0%
Occupancy rate		79.0%		78.8%	0.2%	0.3%
Average daily room rate (in dollars)	\$	101	\$	98	\$ 3	3.2%
Revenue per available room (in dollars)	\$	80	\$	77	\$ 3	3.4%
<b>Retail, entertainment and other:</b>						
Revenues	\$	1,914	\$	1,867	\$ 47	2.5%



FALLSVIEW  
CASINO RESORT



# Quarterly Highlights – Casino Niagara & Fallsview Casino Resort

## *Strategic asset performing inline with expectations*

- MGE assumed control of the Niagara Bundle on June 11, 2019
- Revenue and EBITDA performance for the quarter reflect a 380 bps decline in table hold, four weather impacted days, and the continued delay of the Niagara Falls Entertainment Center (NFEC)
- Results reflect the impact of new competition offering table games in the Greater Toronto Area (GTA) and GTA West markets, which commenced in August 2018. Impact of competition was contemplated during the bidding process
- While table volumes declined, revenue per trip continues to grow across all segments
- Non-gaming revenues benefitted from improved hotel yielding strategies and a strong entertainment calendar

# Quarterly Highlights – Casino Niagara & Fallsview Casino Resort

For the Three Months Ended		
(in thousands)	December 31, 2019	
<b>Revenues:</b>		
Gaming	\$	52,032
Food and beverage		15,953
Hotel		3,563
Retail, entertainment and other		13,426
Net revenues	\$	84,974
<b>Expenses:</b>		
Gaming	\$	32,164
Food and beverage		15,750
Hotel		1,827
Retail, entertainment and other		5,018
Advertising, general and administrative		26,404
Depreciation and amortization		5,054
Other, net		90
Total	\$	86,307
Income from Operations	\$	(1,333)
Adjusted EBITDA	\$	3,811



# Niagara Falls Entertainment Centre

- 5,000 seat theater
- Pedestrian bridge/walkway connects to Fallsview Casino Resort, driving visitation
- Expected to open in 2020







 ilani

  
ilani

# Quarterly Highlights – ilani Casino Resort

## *ilani performance exceeding expectations*

- The property continues to perform above expectations and recorded its highest quarterly net revenue and EBITDAM since opening
- Net revenue and EBITDAM increased 22.0% and 17.0%, respectively, over prior year
- The database continues to grow, increasing 23.4% over prior year
- Management Fees increased to \$8.1M or \$3.2M over prior year, the highest for a quarter since opening
- Construction of the 2,700 space structured parking garage and a 17,000 sq. ft. gaming expansion is underway with completion expected in fall of 2020
- Planning for a potential hotel expansion continues





**RESORTS**  
Casino • Hotel

The Fun is Here



# Quarterly Highlights – Resorts Casino

*Property performing well despite increased competition*

- EBITDAM was down \$3.2M to a loss of \$0.5M for the quarter attributed to a 300 basis point decline in table hold and volatility in high-end play
- Gaming revenues impacted by a shift in market share to the two newer properties
- Marketing spend remains aggressive due to the maturation of newer competitors' marketing efforts
- Management fees earned by MGE in the quarter were approximately \$0.4M



# Paragon

CASINO | RESORT



# Quarterly Highlights – Paragon Casino Resort

*Performance is improving despite intense competition*

- The property experienced strong year over year EBITDA growth of 182.9%
- EBITDA margin grew from 4.7% in prior year to 13.5% this quarter
- Strategic labor and marketing initiatives are improving the bottom line
- Guest and employee survey results remain very positive, despite focus on expense reduction



# Development Updates



# INSPIRE

ENTERTAINMENT RESORT





# Inspire construction progress on time and on budget

Pile Driving in zone F  
F구역 파일항타



Excavation in zone C4-P1  
C4-P1구역 터파기



Cutting Pile head in H2-P2  
H2-P2구역 파일두부정리



Placing foundation Steel bar in H3-P3a  
H3-P3a구역 기초 철근 배근

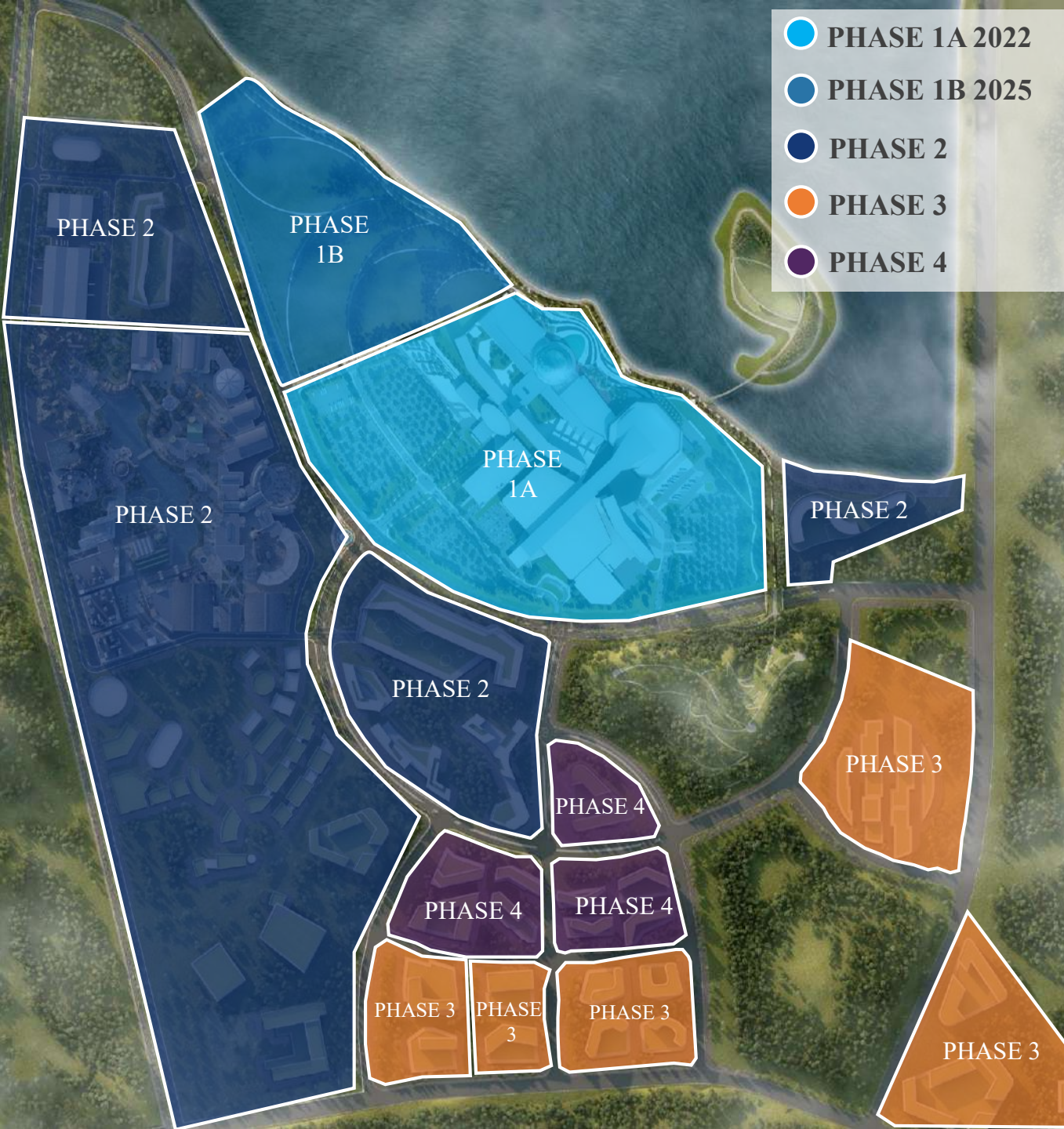


Placing foundation Steel bar in H3-P3b  
H3-P3b구역 기초 철근 배근



Concrete Pouring in H3-P3a  
H3-P3a구역 기초 콘크리트 타설





## A Multi-Phased Project with Vast Site Area for Scalability

- Phase 1A includes a foreigner-only casino, 5-star resort with over 1,248 rooms, suites, and villas, large-scale and unique F&B, retail and entertainment offerings, a 15,000-seat indoor arena, and large meeting/convention facility
- A true destination resort, with a comprehensive set of family-based entertainment offerings to attract and offer an unparalleled experience to both foreign and domestic Korean visitors

## Hotel

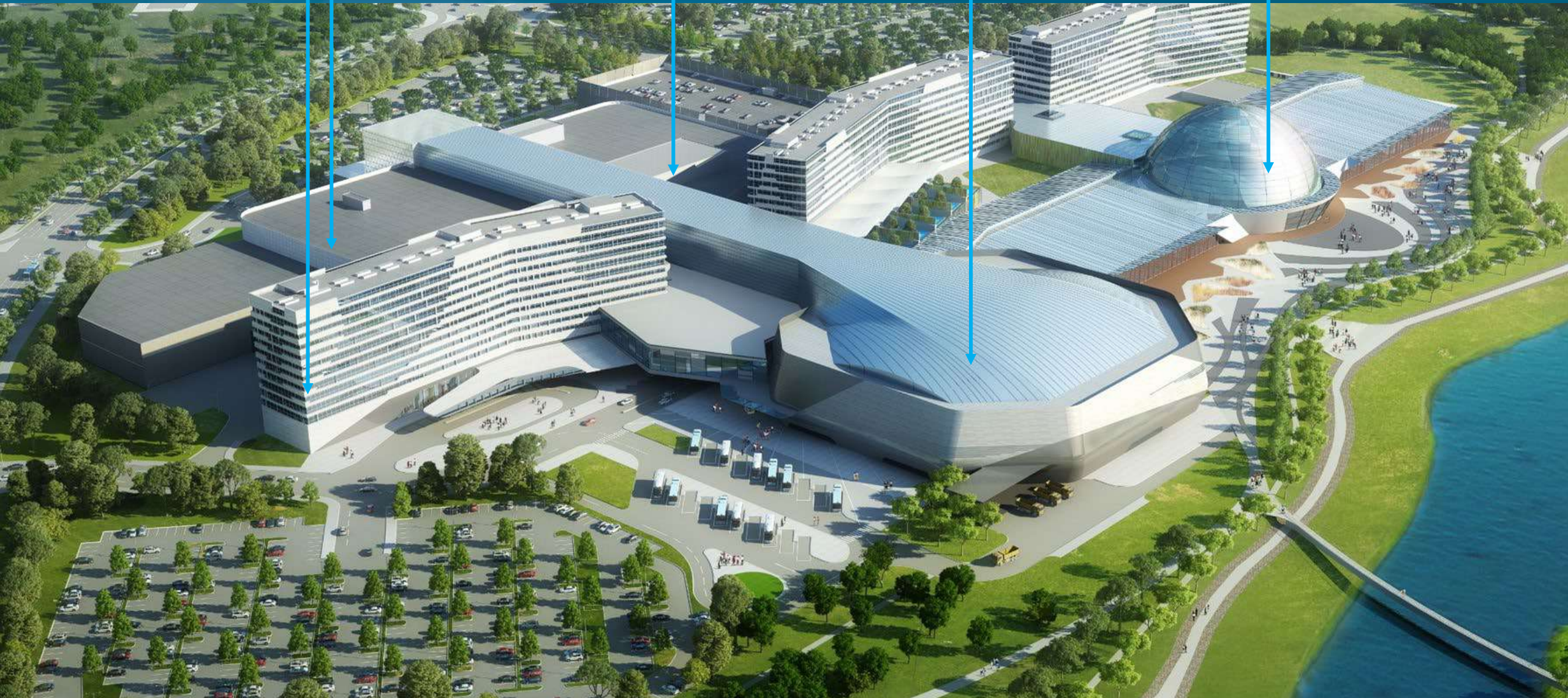
5-star hotel towers with 1,248 rooms

**MICE**  
Meeting & conference facilities with Seoul's largest ballroom

**Casino**  
150 tables, 700 slots and electronic games

**Arena**  
15,000+ seat entertainment arena

**Retail . F&B . Entertainment**  
Luxury shopping mall



# Phase 1B: Paramount Theme Park 2025

- Phase 1B involves the construction of a theme park utilizing intellectual property of Paramount on over 404,659m<sup>2</sup> of land area
- Tremendous local demand for theme park-type offerings – Korea's Everland and Lotte World ranked #47 and #49, respectively, as the most visited attractions globally, and the #6 and #7 most visited theme parks in Asia
- Introduce 40+ branded attractions, integrated retail, dining and entertainment to Korean consumers





- Globally recognized motion picture library
- Given 25M+ Seoul local population, will transform the Incheon area of South Korea into Asia's next major entertainment destination
- Paramount, Live Nation, and others represent both the convergence and evolution of a new kind of global integrated resort, the integrated entertainment resort

**STAR  
TREK**

**TOMB  
RAIDER**



**MISSION: IMPOSSIBLE**

**The  
Godfather**

## Market Highlights

- INSPIRE to be Korea and Northeast Asia's first true Integrated Entertainment Resort
- Ideally positioned within Korea and Northeast Asia to capture growing tourism flows
- Broad appeal to both domestic and foreign visitors
- Partnership with Incheon Airport provides unique support and competitiveness with 70M annual visitors

## Project Timeline

- 2022 Integrated Resort slated to open
- 2025 Paramount Theme Park slated to open





Virgin  
HOTELS

Virgin  
HOTELS  
LAS VEGAS



- Property closed for rebranding on February 3rd
- Casino resort to open in fall of 2020
- 60,000 square-foot casino leased by MGE
- Momentum rewards & loyalty program

Additional property features include:

- 1,504 Chamber, Grand Chamber and Penthouse suites by Hilton's Elite Curio Collection
- New world-class restaurants, lounges and bars
- Over five acres of luxe outdoor spaces and pools
- The Joint: Existing 4,255-capacity venue
- 130,000 square feet of meeting and convention space





# INSPIRE *Athens*





# INSPIRE *Athens*

- Bids were submitted by MGE and Hard Rock in October 2019
- In January 2020, MGE was selected to advance after meeting part 1 of the 3 part tender process
- MGE remains the only qualified bidder, though disqualified bidder has submitted an appeal of the recent tender decision



# INSPIRE *Athens*

- MGE has partnered with GEK TERNA, 35% equity partner
- Construction could begin in 2021 with potential opening in 2024



# Capitalization Summary

# Q1 FY20 Current Debt Summary

*MGE and Mohegan Tribe remain committed to deleveraging while strategically diversifying*

<i>(in thousands)</i>	12/31/2019	Coupon/Spread	Maturity	Rating <sup>1</sup>
Credit Facility - Revolving	\$ 137,000	L + 3.75%	10/13/21	-
Credit Facility - Term Loan A	256,940	L + 3.75%	10/13/21	B1/B-
Credit Facility - Term Loan B	820,149	L + 4.00%	10/13/23	B1/B-
Mohegan Expo Credit Facility	29,657	L + 4.50%	4/1/22	-
Other	4,781	-	-	-
<b>Total Restricted Senior Secured Debt</b>	<b>1,248,527</b>			
2016 7 7/8% Senior Unsecured Notes	500,000	7.875%	10/15/24	B3/CCC+
BIA Loans	32,375	L + 2.75%	10/1/23	-
Line of Credit	75	L + 3.25%	10/13/21	-
<b>Total Restricted Debt</b>	<b>1,780,977</b>			
Redemption Note Payable	100,106	-	4/1/2024	-
Niagara Credit Facility <sup>2</sup>	105,628	BA +2.75%	-	-
Niagara Convertible Debenture <sup>2</sup>	30,728	3.50%	4/30/2040	-
Niagara Capital Leases <sup>2</sup>	28,210	-	-	-
<b>Total Debt</b>	<b>\$ 2,045,649</b>			

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

<sup>2</sup> Niagara Debt in USD; USD/CAD = 1.3016