



## MOHEGAN ANNOUNCES SECOND QUARTER FISCAL 2023 OPERATING RESULTS

Uncasville, Connecticut, May 11, 2023 – Mohegan Tribal Gaming Authority (“Mohegan,” “we” or “our”) today announced operating results for its second fiscal quarter ended March 31, 2023.

### Mohegan Operating Results

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	March 31, 2023	March 31, 2022	\$	%
Net revenues	\$ 405,847	\$ 358,476	\$ 47,371	13.2 %
Income from operations	63,817	57,450	6,367	11.1 %
Net loss attributable to Mohegan	(9,634)	(2,783)	(6,851)	(246.2)%
Adjusted EBITDA <sup>1</sup>	102,145	86,693	15,452	17.8 %

“Our consolidated Adjusted EBITDA of \$102.1 million reflects the positive results from our properties and digital operations,” said Raymond Pineault, Chief Executive Officer of Mohegan. “We are encouraged by the strong results from our digital segment and look forward to continued growth in that line of business.”

Carol Anderson, Chief Financial Officer of Mohegan, also noted, “Our Adjusted EBITDA margin of 25.2% was 337 basis points favorable compared with our pre-COVID-19 second quarter of fiscal 2019 and 99 basis points favorable compared with the prior-year period.”

The growth in net revenues compared with the prior-year period was primarily driven by a full period of operations and a return to relatively normal operating conditions at the Niagara Resorts, combined with the continued growth in our online casino gaming and sports wagering operations in Connecticut.

### Mohegan Sun

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	March 31, 2023	March 31, 2022	\$	%
Net revenues	\$ 225,923	\$ 215,484	\$ 10,439	4.8 %
Income from operations	45,493	44,650	843	1.9 %
Net income attributable to Mohegan Sun	45,429	44,244	1,185	2.7 %
Adjusted EBITDA	65,629	62,920	2,709	4.3 %

Net revenues increased \$10.4 million compared with the prior-year period primarily due to increases in slot and sportsbook revenues, along with strong non-gaming growth driven by food, beverage and hotel revenues. Adjusted EBITDA of \$65.6 million was 4.3% favorable compared with the prior-year period. The Adjusted EBITDA margin of 29.0% was 415 basis points favorable compared with our pre-COVID-19 second quarter of fiscal 2019 and 15 basis points unfavorable compared with the prior-year period.

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

## Mohegan Pennsylvania

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	March 31, 2023	March 31, 2022	\$	%
Net revenues	\$ 63,248	\$ 62,164	\$ 1,084	1.7 %
Income from operations	10,368	10,235	133	1.3 %
Net income attributable to Mohegan Pennsylvania	10,369	8,325	2,044	24.6 %
Adjusted EBITDA	13,210	13,229	(19)	(0.1)%

Net revenues increased \$1.1 million compared with the prior-year period as a result of increased food, beverage and hotel revenues. Adjusted EBITDA was flat compared with the prior-year period, as increased labor costs offset the increase in net revenues. The Adjusted EBITDA margin of 20.9% was 199 basis points favorable compared with our pre-COVID-19 second quarter of fiscal 2019 and 39 basis points unfavorable compared with the prior-year period.

## Niagara Resorts

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	March 31, 2023	March 31, 2022	\$	%
Net revenues	\$ 70,750	\$ 52,260	\$ 18,490	35.4 %
Income (loss) from operations	(131)	2,735	(2,866)	N.M.
Net loss attributable to Niagara Resorts	(1,183)	(126)	(1,057)	N.M.
Adjusted EBITDA	4,788	7,120	(2,332)	(32.8)%

N.M. = Not meaningful

Net revenues increased \$18.5 million compared with the prior-year period due to higher gaming volumes and increased non-gaming revenues. Prior year results were impacted by a government mandated closure from January 5, 2022 through January 30, 2022, due to a rise in COVID-19 cases in Ontario at that time. Non-gaming revenues benefited from the recent opening of the 5,000-seat OLG Stage entertainment venue which held its grand opening in February 2023. Adjusted EBITDA decreased \$2.3 million or 32.8%, and the Adjusted EBITDA margin of 6.8% was 685 basis points unfavorable compared with the prior-year period. The decreases in Adjusted EBITDA and Adjusted EBITDA margin are primarily due to an approximately \$3.7 million non-cash adjustment related to the Casino Operating and Services Agreement contract asset, which negatively impacted gaming revenues, and the continued reintroduction of certain lower margin non-gaming amenities.

## Mohegan Digital

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	March 31, 2023	March 31, 2022	\$	%
Net revenues	\$ 22,710	\$ 5,916	\$ 16,794	283.9 %
Income from operations	17,810	1,544	16,266	N.M.
Net income attributable to Mohegan Digital	18,150	1,544	16,606	N.M.
Adjusted EBITDA	18,133	1,544	16,589	N.M.

N.M. = Not meaningful

Net revenues increased \$16.8 million compared with the prior-year period, driven by strong growth in our Connecticut digital business and the recent addition of digital gaming in Ontario. Adjusted EBITDA of \$18.1 million was \$16.6 million favorable compared with the prior-year period. Mohegan Digital Connecticut also benefited from a one-time cumulative update to the revenue share allocation from our digital gaming partner, which impacted net revenues and Adjusted EBITDA.

## Management, development and other

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	March 31, 2023	March 31, 2022	\$	%
Net revenues	\$ 15,500	\$ 15,627	\$ (127)	(0.8)%
Income from operations	2,812	8,757	(5,945)	(67.9)%
Net loss attributable to management, development and other	(22,713)	(8,326)	(14,387)	(172.8)%
Adjusted EBITDA	10,015	10,636	(621)	(5.8)%

Adjusted EBITDA of \$10.0 million was 5.8% unfavorable compared with the prior-year period, primarily due to an increase in labor costs related to our management and development operations. Net loss for the period was \$14.4 unfavorable compared with the prior-year period, primarily due to a loss on fair value adjustment due to changes in the estimated fair value of the warrants and put option related to Mohegan INSPIRE.

## All other

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	March 31, 2023	March 31, 2022	\$	%
Net revenues	\$ 8,168	\$ 7,374	\$ 794	10.8 %
Loss from operations	(791)	(1,409)	618	43.9 %
Net loss attributable to all other	(2,567)	(3,179)	612	19.3 %
Adjusted EBITDA	814	165	649	393.3 %

Adjusted EBITDA of \$0.8 million was \$0.6 million or 393.3% favorable compared with the prior-year period, primarily due to increased gaming revenues at Mohegan Casino Las Vegas.

## Corporate

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	March 31, 2023	March 31, 2022	\$	%
Net revenues	\$ 143	\$ 241	\$ (98)	(40.7)%
Loss from operations	(12,127)	(9,039)	(3,088)	(34.2)%
Net loss attributable to corporate	(57,502)	(45,242)	(12,260)	(27.1)%
Adjusted EBITDA	(10,827)	(8,898)	(1,929)	(21.7)%

Adjusted EBITDA was \$1.9 million unfavorable compared with the prior-year period, primarily due to higher employee-related costs.

## **Other Information**

### ***Liquidity***

As of March 31, 2023 and September 30, 2022, Mohegan held cash and cash equivalents of \$188.8 million and \$164.7 million, respectively. Inclusive of letters of credit, which reduce borrowing availability, Mohegan had \$226.2 million of borrowing capacity under its senior secured credit facility and line of credit as of March 31, 2023. In addition, inclusive of letters of credit, which reduce borrowing availability, the Niagara Resorts had \$121.9 million of borrowing capacity under the Niagara Resorts revolving credit facility and swingline facility as of March 31, 2023.

### ***Conference Call***

Mohegan will host a conference call regarding its second quarter fiscal 2023 operating results on May 11, 2023 at 11:00 a.m. (Eastern Daylight 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/mohegan20230511>

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, May 11, 2023. This replay will run through Thursday, May 25, 2023.

### **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.mohegaming.com](http://www.mohegaming.com).

### **Special Note Regarding Forward-Looking Statements**

Some information included in this press release may contain forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements can sometimes be identified by the use of forward-looking words such as "may," "will," "anticipate," "estimate," "expect" or "intend" and similar expressions. Such forward-looking information may involve important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of Mohegan. Information concerning potential factors that could affect Mohegan's financial results is included in its Annual Report on Form 10-K for the fiscal year ended September 30, 2022, as well as in Mohegan's other reports and filings with the Securities and Exchange Commission or made available on its website. Any forward-looking statements included in this press release are made only as of the date of this release. Mohegan does not undertake any obligation to update or supplement any forward-looking statements to reflect subsequent events or circumstances. Mohegan cannot assure that projected results or events will be achieved or will occur.

#### **Contact:**

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**MOHEGAN TRIBAL GAMING AUTHORITY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands)  
(unaudited)

	Three Months Ended	
	March 31, 2023	March 31, 2022
<b>Revenues:</b>		
Gaming	\$ 285,458	\$ 261,494
Food and beverage	37,492	28,916
Hotel	27,817	24,860
Retail, entertainment and other	55,080	43,206
Net revenues	<u>405,847</u>	<u>358,476</u>
<b>Operating costs and expenses:</b>		
Gaming	143,009	137,244
Food and beverage	32,098	23,868
Hotel	12,521	11,249
Retail, entertainment and other	20,459	13,778
Advertising, general and administrative	79,573	71,604
Corporate	16,050	13,698
Depreciation and amortization	25,483	26,145
Other, net	12,837	3,440
Total operating costs and expenses	<u>342,030</u>	<u>301,026</u>
Income from operations	<u>63,817</u>	<u>57,450</u>
<b>Other income (expense):</b>		
Interest income	574	136
Interest expense, net	(60,043)	(52,255)
Loss on modification and early extinguishment of debt	(730)	—
Loss on fair value adjustment	(13,450)	(6,161)
Other, net	(86)	(1,887)
Total other expense	<u>(73,735)</u>	<u>(60,167)</u>
Loss before income tax	<u>(9,918)</u>	<u>(2,717)</u>
Income tax provision	276	276
<b>Net loss</b>	<u>(9,642)</u>	<u>(2,441)</u>
(Income) loss attributable to non-controlling interests	8	(342)
Net loss attributable to Mohegan	<u>\$ (9,634)</u>	<u>\$ (2,783)</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 March 31, 2023**

<i>(\$ in thousands)</i>	<b>Mohegan Sun</b>	<b>Mohegan Pennsylvania</b>	<b>Niagara Resorts</b>	<b>Mohegan Digital</b>	<b>Management, development and other</b>	<b>All other</b>	<b>Corporate</b>	<b>Eliminations</b>	<b>Consolidated</b>
Net income (loss) attributable to Mohegan	\$ 45,429	\$ 10,369	\$ (1,183)	\$ 18,150	\$ (22,713)	\$ (2,567)	\$ (57,502)	\$ 383	\$ (9,634)
Adjusted EBITDA attributable to non-controlling interests	—	—	—	(323)	315	—	—	—	(8)
Income tax (provision) benefit	—	—	(375)	—	99	—	—	—	(276)
Interest income	—	(1)	(342)	(17)	(235)	—	19	2	(574)
Interest expense, net	64	—	1,541	—	12,283	1,776	44,381	(2)	60,043
(Gain) loss on modification and early extinguishment of debt	—	—	(49)	—	—	—	779	—	730
Loss on fair value adjustment	—	—	—	—	13,450	—	—	—	13,450
Other, net	—	—	277	—	(387)	—	196	—	86
Income (loss) from operations	45,493	10,368	(131)	17,810	2,812	(791)	(12,127)	383	63,817
Adjusted EBITDA attributable to non-controlling interests	—	—	—	323	(315)	—	—	—	8
Depreciation and amortization	16,280	2,851	4,604	—	95	1,592	61	—	25,483
Other, net	3,856	(9)	315	—	7,423	13	1,239	—	12,837
Adjusted EBITDA	<u>\$ 65,629</u>	<u>\$ 13,210</u>	<u>\$ 4,788</u>	<u>\$ 18,133</u>	<u>\$ 10,015</u>	<u>\$ 814</u>	<u>\$ (10,827)</u>	<u>\$ 383</u>	<u>\$ 102,145</u>

**Three Months Ended March 31, 2022**

<i>(\$ in thousands)</i>	<b>Mohegan Sun</b>	<b>Mohegan Pennsylvania</b>	<b>Niagara Resorts</b>	<b>Mohegan Digital</b>	<b>Management, development and other</b>	<b>All other</b>	<b>Corporate</b>	<b>Eliminations</b>	<b>Consolidated</b>
Net income (loss) attributable to Mohegan	\$ 44,244	\$ 8,325	\$ (126)	\$ 1,544	\$ (8,326)	\$ (3,179)	\$ (45,242)	\$ (23)	\$ (2,783)
Adjusted EBITDA attributable to non-controlling interests	—	—	—	—	342	—	—	—	342
Income tax (provision) benefit	—	—	130	—	(406)	—	—	—	(276)
Interest income	1	—	(22)	—	(118)	—	(12)	15	(136)
Interest expense, net	405	1,910	2,742	—	10,807	1,770	34,636	(15)	52,255
Loss on fair value adjustment	—	—	—	—	6,161	—	—	—	6,161
Other, net	—	—	11	—	297	—	1,579	—	1,887
Income (loss) from operations	44,650	10,235	2,735	1,544	8,757	(1,409)	(9,039)	(23)	57,450
Adjusted EBITDA attributable to non-controlling interests	—	—	—	—	(342)	—	—	—	(342)
Depreciation and amortization	17,028	3,039	4,378	—	5	1,554	141	—	26,145
Other, net	1,242	(45)	7	—	2,216	20	—	—	3,440
Adjusted EBITDA	<u>\$ 62,920</u>	<u>\$ 13,229</u>	<u>\$ 7,120</u>	<u>\$ 1,544</u>	<u>\$ 10,636</u>	<u>\$ 165</u>	<u>\$ (8,898)</u>	<u>\$ (23)</u>	<u>\$ 86,693</u>