



## MOHEGAN ANNOUNCES THIRD QUARTER FISCAL 2023 OPERATING RESULTS

Uncasville, Connecticut, August 10, 2023 – Mohegan Tribal Gaming Authority (“Mohegan,” “we” or “our” ) today announced operating results for its third fiscal quarter ended June 30, 2023.

### Mohegan Operating Results

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	June 30, 2023	June 30, 2022	\$	%
Net revenues	\$ 415,394	\$ 417,078	\$ (1,684)	(0.4)%
Income from operations	82,393	90,126	(7,733)	(8.6)%
Net income attributable to Mohegan	50,557	59,364	(8,807)	(14.8)%
Adjusted EBITDA <sup>1</sup>	108,670	120,018	(11,348)	(9.5)%

“Our consolidated Adjusted EBITDA of \$108.7 million was the third highest quarterly total in our 26-year history, while the prior-year comparable quarter was the highest to date,” said Raymond Pineault, Chief Executive Officer of Mohegan. “We continue to see strong results from our digital segment and are focused on growing that line of business.”

Carol Anderson, Chief Financial Officer of Mohegan, also noted, “Our Adjusted EBITDA margin of 26.2% was 268 basis points favorable compared with our pre-COVID-19 third quarter of fiscal 2019 and 262 basis points unfavorable compared with the prior-year period.”

### Mohegan Sun

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	June 30, 2023	June 30, 2022	\$	%
Net revenues	\$ 230,668	\$ 236,465	\$ (5,797)	(2.5)%
Income from operations	52,070	58,744	(6,674)	(11.4)%
Net income attributable to Mohegan Sun	52,010	58,688	(6,678)	(11.4)%
Adjusted EBITDA	68,497	75,712	(7,215)	(9.5)%

Net revenues decreased \$5.8 million compared with the prior-year period primarily due to lower slot and table games volumes. Strong non-gaming growth driven by food, beverage, entertainment and hotel revenues partially offset the decline in gaming revenues. Adjusted EBITDA of \$68.5 million was 9.5% unfavorable compared with the prior-year period. The Adjusted EBITDA margin of 29.7% was 289 basis points favorable compared with our pre-COVID-19 third quarter of fiscal 2019 and 232 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

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	June 30, 2023	June 30, 2022	\$	%
Net revenues	\$ 65,248	\$ 66,783	\$ (1,535)	(2.3)%
Income from operations	11,028	11,917	(889)	(7.5)%
Net income attributable to Mohegan Pennsylvania	11,077	10,180	897	8.8 %
Adjusted EBITDA	14,089	14,958	(869)	(5.8)%

Net revenues decreased \$1.5 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 \$14.1 million was 5.8% unfavorable compared with the prior-year period. The Adjusted EBITDA margin of 21.6% was 26 basis points unfavorable compared with our pre-COVID-19 third quarter of fiscal 2019 and 81 basis points unfavorable compared with the prior-year period.

## Niagara Resorts

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	June 30, 2023	June 30, 2022	\$	%
Net revenues	\$ 81,086	\$ 79,627	\$ 1,459	1.8 %
Income from operations	9,672	14,962	(5,290)	(35.4)%
Net income attributable to Niagara	5,332	9,438	(4,106)	(43.5)%
Adjusted EBITDA	13,997	19,576	(5,579)	(28.5)%

Net revenues increased \$1.5 million compared with the prior-year period primarily driven by the continued ramp of non-gaming amenities, including as a result of the recently opened OLG Stage entertainment venue. Gaming revenues decreased \$5.2 million compared with the prior-year period due to lower slot volumes. The prior-year period also benefited from favorable table games hold percentage. The Adjusted EBITDA of \$14.0 million was 28.5% unfavorable compared with the prior-year period. The Adjusted EBITDA margin of 17.3% was 175 basis points favorable compared with our pre-COVID-19 third quarter of fiscal 2019 and 732 basis points unfavorable compared with the prior-year period. The decrease in Adjusted EBITDA is primarily due to higher costs associated with the reintroduction of certain non-gaming amenities that operate at a lower margin.

## Mohegan Digital

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	June 30, 2023	June 30, 2022	\$	%
Net revenues	\$ 16,661	\$ 10,638	\$ 6,023	56.6 %
Income from operations	11,473	7,603	3,870	50.9 %
Net income attributable to Mohegan Digital	11,580	7,603	3,977	52.3 %
Adjusted EBITDA	11,564	7,603	3,961	52.1 %

Net revenues increased \$6.0 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 \$11.6 million was \$4.0 million favorable compared with the prior-year period. In the prior-year comparable period, Mohegan Digital Connecticut benefited from a 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	
	June 30, 2023	June 30, 2022	\$	%
Net revenues	\$ 15,505	\$ 16,817	\$ (1,312)	(7.8)%
Income from operations	10,369	8,269	2,100	25.4 %
Net income attributable to management, development and other	28,502	22,105	6,397	28.9 %
Adjusted EBITDA	9,956	11,602	(1,646)	(14.2)%

N.M. = Not Meaningful

Adjusted EBITDA of \$10.0 million was \$1.6 million unfavorable compared with the prior-year period, primarily due to an increase in labor costs related to our management and development operations and loss on foreign currency. Net income for the period was \$6.4 million favorable compared with the prior-year period, primarily due to a higher gain on fair value adjustment driven by changes in the estimated value of the warrants and put option along with lower interest expense, both related to the Mohegan INSPIRE financing.

## All other

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	June 30, 2023	June 30, 2022	\$	%
Net revenues	\$ 6,813	\$ 8,138	\$ (1,325)	(16.3)%
Loss from operations	(1,214)	(805)	(409)	(50.8)%
Net loss attributable to all other	(3,010)	(2,621)	(389)	(14.8)%
Adjusted EBITDA	389	764	(375)	(49.1)%

Adjusted EBITDA of \$0.4 million was 49.1% unfavorable compared with the prior-year period, primarily due to decreased gaming revenues at Mohegan Casino Las Vegas, resulting from unfavorable table games hold percentage.

## Corporate

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	June 30, 2023	June 30, 2022	\$	%
Net revenues	\$ 9	\$ 85	\$ (76)	(89.4)%
Loss from operations	(10,492)	(10,634)	142	1.3 %
Net loss attributable to corporate	(54,421)	(46,101)	(8,320)	(18.0)%
Adjusted EBITDA	(9,309)	(10,267)	958	9.3 %

Adjusted EBITDA was \$1.0 million favorable compared with the prior-year period, primarily due to lower employee-related costs.

## **Other Information**

### ***Liquidity***

As of June 30, 2023 and September 30, 2022, Mohegan held cash and cash equivalents of \$188.2 million and \$164.7 million, respectively. Inclusive of letters of credit, which reduce borrowing availability, Mohegan had \$227.8 million of borrowing capacity under its senior secured credit facility and line of credit as of June 30, 2023. In addition, inclusive of letters of credit, which reduce borrowing availability, the Niagara Resorts had \$124.5 million of borrowing capacity under the Niagara Resorts revolving credit facility and swingline facility as of June 30, 2023.

### ***Conference Call***

Mohegan will host a conference call regarding its third quarter fiscal 2023 operating results on August 10, 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/mohegan20230810>

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, August 10, 2023. This replay will run through Thursday, August 24, 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	
	June 30, 2023	June 30, 2022
<b>Revenues:</b>		
Gaming	\$ 281,932	\$ 293,973
Food and beverage	40,098	35,622
Hotel	30,385	30,256
Retail, entertainment and other	62,979	57,227
Net revenues	<u>415,394</u>	<u>417,078</u>
<b>Operating costs and expenses:</b>		
Gaming	140,519	139,760
Food and beverage	32,007	29,521
Hotel	12,504	12,354
Retail, entertainment and other	23,744	20,571
Advertising, general and administrative	83,264	79,377
Corporate	14,622	15,278
Depreciation and amortization	25,266	26,085
Other, net	1,075	4,006
Total operating costs and expenses	<u>333,001</u>	<u>326,952</u>
Income from operations	<u>82,393</u>	<u>90,126</u>
<b>Other income (expense):</b>		
Interest income	583	64
Interest expense, net	(59,277)	(53,969)
Loss on modification and early extinguishment of debt	(54)	(3)
Gain on fair value adjustment	29,250	26,796
Other, net	(49)	83
Total other expense	<u>(29,547)</u>	<u>(27,029)</u>
Income before income tax	<u>52,846</u>	<u>63,097</u>
Income tax provision	(2,225)	(3,534)
<b>Net income</b>	<u>50,621</u>	<u>59,563</u>
Income attributable to non-controlling interests	(64)	(199)
Net income attributable to Mohegan	<u>\$ 50,557</u>	<u>\$ 59,364</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 June 30, 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	\$ 52,010	\$ 11,077	\$ 5,332	\$ 11,580	\$ 28,502	\$ (3,010)	\$ (54,421)	\$ (513)	\$ 50,557
Income (loss) attributable to non-controlling interests	—	—	—	(91)	155	—	—	—	64
Income tax provision	—	—	1,961	—	264	—	—	—	2,225
Interest income	1	(49)	(544)	(16)	28	—	(12)	9	(583)
Interest expense, net	59	—	2,467	—	11,340	1,796	43,624	(9)	59,277
Loss on modification and early extinguishment of debt	—	—	23	—	—	—	31	—	54
Gain on fair value adjustment	—	—	—	—	(29,250)	—	—	—	(29,250)
Other, net	—	—	433	—	(670)	—	286	—	49
Income (loss) from operations	52,070	11,028	9,672	11,473	10,369	(1,214)	(10,492)	(513)	82,393
Adjusted EBITDA attributable to non-controlling interests	—	—	—	91	(155)	—	—	—	(64)
Depreciation and amortization	16,300	3,029	4,193	—	91	1,593	60	—	25,266
Other, net	127	32	132	—	(349)	10	1,123	—	1,075
Adjusted EBITDA	<u>\$ 68,497</u>	<u>\$ 14,089</u>	<u>\$ 13,997</u>	<u>\$ 11,564</u>	<u>\$ 9,956</u>	<u>\$ 389</u>	<u>\$ (9,309)</u>	<u>\$ (513)</u>	<u>\$ 108,670</u>

**Three Months Ended June 30, 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	\$ 58,688	\$ 10,180	\$ 9,438	\$ 7,603	\$ 22,105	\$ (2,621)	\$ (46,101)	\$ 72	\$ 59,364
Income attributable to non-controlling interests	—	—	—	—	199	—	—	—	199
Income tax provision	—	—	3,290	—	244	—	—	—	3,534
Interest income	1	(2)	(9)	—	(49)	—	(6)	1	(64)
Interest expense, net	55	1,739	2,983	—	12,598	1,816	34,781	(3)	53,969
Loss on modification and early extinguishment of debt	—	—	3	—	—	—	—	—	3
Gain on fair value adjustment	—	—	—	—	(26,796)	—	—	—	(26,796)
Other, net	—	—	(743)	—	(32)	—	692	—	(83)
Income (loss) from operations	58,744	11,917	14,962	7,603	8,269	(805)	(10,634)	70	90,126
Adjusted EBITDA attributable to non-controlling interests	—	—	—	—	(199)	—	—	—	(199)
Depreciation and amortization	16,953	2,988	4,520	—	10	1,549	65	—	26,085
Other, net	15	53	94	—	3,522	20	302	—	4,006
Adjusted EBITDA	<u>\$ 75,712</u>	<u>\$ 14,958</u>	<u>\$ 19,576</u>	<u>\$ 7,603</u>	<u>\$ 11,602</u>	<u>\$ 764</u>	<u>\$ (10,267)</u>	<u>\$ 70</u>	<u>\$ 120,018</u>