



MOHEGAN ANNOUNCES FOURTH QUARTER FISCAL 2023 OPERATING RESULTS

Uncasville, Connecticut, December 14, 2023 – Mohegan Tribal Gaming Authority (“Mohegan,” “we” or “our”) today announced operating results for its fourth fiscal quarter ended September 30, 2023.

“Our Adjusted EBITDA for fiscal 2023 of \$399.9 million was the second highest in our 27-year history, compared with Adjusted EBITDA for fiscal 2022 of \$403.9 million, which was the highest to date,” said Raymond Pineault, Chief Executive Officer of Mohegan. “We continue to see growth in our Digital gaming segment and with the recent soft opening of Mohegan INSPIRE on November 30th, our diversification efforts will further enable Mohegan to achieve strong results.”

Mohegan Operating Results

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	September 30, 2023	September 30, 2022	\$	%
Net revenues	\$ 444,319	\$ 412,994	\$ 31,325	7.6 %
Income from operations	48,093	63,463	(15,370)	(24.2)%
Net income (loss) attributable to Mohegan	(19,900)	29,750	(49,650)	N.M.
Adjusted EBITDA ¹	88,049	99,759	(11,710)	(11.7)%

Quarterly net revenues increased \$31.3 million compared with the prior-year period, primarily due to continued growth in Mohegan Digital that was partially offset by lower than expected table hold at Mohegan Sun. Adjusted EBITDA of \$88.0 million decreased \$11.7 million compared with the prior-year period also due to table hold at Mohegan Sun and the non-controlling interest impact of the Niagara Resorts debenture conversion and related transactions. Our Adjusted EBITDA margin of 19.8% for the quarter was 178 basis points unfavorable compared with our pre-COVID-19 fourth quarter of fiscal 2019 and 434 basis points unfavorable compared with the prior-year period. Adjusting for normalized table hold at Mohegan Sun and a \$4.7 million non-controlling interest impact of the Niagara Resorts debenture conversion, Adjusted EBITDA would have been \$108.9 million and Adjusted EBITDA margin would have been 24.5%, up \$6.4 million and down 30 basis points compared with the prior-year period, respectively.

Mohegan Sun

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	September 30, 2023	September 30, 2022	\$	%
Net revenues	\$ 224,234	\$ 236,761	\$ (12,527)	(5.3)%
Income from operations	39,804	48,566	(8,762)	(18.0)%
Net income attributable to Mohegan Sun	40,030	49,263	(9,233)	(18.7)%
Adjusted EBITDA	56,262	65,160	(8,898)	(13.7)%

Net revenues decreased \$12.5 million compared with the prior-year period primarily due to lower gaming volumes and table hold for the quarter. Strong non-gaming growth driven by food, beverage and entertainment revenues partially offset the decline in gaming revenues. Adjusted EBITDA of \$56.3 million was 13.7% unfavorable compared with the prior-year period. The Adjusted EBITDA margin of 25.1% was 84 basis points unfavorable compared with our pre-COVID-19 fourth quarter of

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

fiscal 2019 and 243 basis points unfavorable compared with the prior-year period. Adjusting for normalized table hold, Adjusted EBITDA would have been \$72.4 million and Adjusted EBITDA margin would have been 30.1%, up \$4.4 million and 175 basis points, respectively, from the prior-year period.

Mohegan Pennsylvania

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	September 30, 2023	September 30, 2022	\$	%
Net revenues	\$ 62,787	\$ 64,678	\$ (1,891)	(2.9)%
Income from operations	10,715	10,315	400	3.9 %
Net income attributable to Mohegan Pennsylvania	10,735	10,318	417	4.0 %
Adjusted EBITDA	13,775	13,218	557	4.2 %

Net revenues decreased \$1.9 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 \$13.8 million was 4.2% favorable compared with the prior-year period. The Adjusted EBITDA margin of 21.9% was 346 basis points favorable compared with our pre-COVID-19 fourth quarter of fiscal 2019 and 150 basis points favorable compared with the prior-year period.

Niagara Resorts

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	September 30, 2023	September 30, 2022	\$	%
Net revenues	\$ 88,680	\$ 84,544	\$ 4,136	4.9 %
Income from operations	14,552	14,326	226	1.6 %
Net income attributable to Niagara Resorts	4,985	12,037	(7,052)	(58.6)%
Adjusted EBITDA	14,087	17,891	(3,804)	(21.3)%

Net revenues increased \$4.1 million compared with the prior-year period driven by the continued ramp of the OLG Stage entertainment venue which opened in October 2022. During the same period, the gaming revenue component decreased \$7.2 million due to lower volumes. Adjusted EBITDA of \$14.1 million and Adjusted EBITDA margin of 15.9%, were unfavorable 21.3% and 527 basis points.

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, Adjusted EBITDA was \$18.8 million and Adjusted EBITDA margin was 21.2%, which were 5.2% favorable and flat compared with the prior-year period, respectively.

In connection with that conversion, we completed a refinancing transaction that enabled us to return CAD \$60 million (approximately USD \$45 million) to Mohegan.

Mohegan Digital

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	September 30, 2023	September 30, 2022	\$	%
Net revenues	\$ 50,040	\$ 5,803	\$ 44,237	N.M.
Income from operations	11,963	2,745	9,218	335.8 %
Net income attributable to Mohegan Digital	12,132	3,063	9,069	296.1 %
Adjusted EBITDA	12,112	3,063	9,049	295.4 %

Net revenues increased \$44.2 million compared with the prior-year period, partially due to an accounting adjustment which increased both net revenues and expenses by \$32 million due to how Connecticut requires that online casino and sports wagering payments be made to the state. These increases included adjustments for prior fiscal 2023 periods. Adjusted EBITDA of \$12.1 million was \$9.0 million favorable compared with the prior-year period as Mohegan Digital continues to focus on growth and profitability.

Management, development and other

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	September 30, 2023	September 30, 2022	\$	%
Net revenues	\$ 34,419	\$ 15,887	\$ 18,532	116.6 %
Income (loss) from operations	(12,762)	997	(13,759)	N.M.
Net income (loss) attributable to management, development and other	(24,859)	6,880	(31,739)	N.M.
Adjusted EBITDA	4,149	10,402	(6,253)	(60.1)%

Net revenues increased \$18.5 million primarily due to an \$18.3 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. Adjusted EBITDA of \$4.1 million was \$6.3 million unfavorable compared with the prior-year period, primarily due to a loss on foreign currency and increased labor, professional services and legal costs. Net income for the period was \$31.7 million unfavorable compared with the prior-year period, primarily due to pre-opening costs related to Mohegan INSPIRE.

All other

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	September 30, 2023	September 30, 2022	\$	%
Net revenues	\$ 3,836	\$ 6,585	\$ (2,749)	(41.7)%
Loss from operations	(4,673)	(2,127)	(2,546)	(119.7)%
Net loss attributable to all other	(6,478)	(3,976)	(2,502)	(62.9)%
Adjusted EBITDA	(3,061)	(573)	(2,488)	(434.2)%

Adjusted EBITDA loss of \$3.1 million was 434.2% 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 \$1.8 million in the current period.

Corporate

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	September 30, 2023	September 30, 2022	\$	%
Net revenues	\$ 89	\$ 104	\$ (15)	(14.4)%
Loss from operations	(11,506)	(11,363)	(143)	(1.3)%
Net loss attributable to corporate	(56,445)	(47,839)	(8,606)	(18.0)%
Adjusted EBITDA	(9,275)	(9,406)	131	1.4 %

Adjusted EBITDA was \$0.1 million favorable compared with the prior-year period. Net loss was \$8.6 million unfavorable compared with the prior-year period, primarily due to higher interest costs.

Other Information

Liquidity

As of September 30, 2023 and September 30, 2022, Mohegan held cash and cash equivalents of \$217.3 million and \$164.7 million, respectively. Inclusive of letters of credit, which reduce borrowing availability, Mohegan had \$182.1 million of borrowing capacity under its senior secured credit facility and line of credit as of September 30, 2023. In addition, inclusive of letters of credit, which reduce borrowing availability, the Niagara Resorts had \$36.8 million of borrowing capacity under the Niagara Resorts revolving credit facility and swingline facility as of September 30, 2023.

Conference Call

Mohegan will host a conference call regarding its fourth quarter fiscal 2023 operating results on December 14, 2023 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/mohegan20231214>

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, December 14, 2023. This replay will run through Thursday, December 28, 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.

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	
	September 30, 2023	September 30, 2022
Revenues:		
Gaming	\$ 297,845	\$ 281,668
Food and beverage	41,566	38,567
Hotel	30,456	30,839
Retail, entertainment and other	74,452	61,920
Net revenues	<u>444,319</u>	<u>412,994</u>
Operating costs and expenses:		
Gaming	174,889	148,774
Food and beverage	32,735	31,655
Hotel	12,066	12,897
Retail, entertainment and other	31,542	22,932
Advertising, general and administrative	79,231	82,390
Corporate	21,184	14,654
Depreciation and amortization	25,277	24,972
Impairment of tangible assets	—	5,886
Other, net	19,302	5,371
Total operating costs and expenses	<u>396,226</u>	<u>349,531</u>
Income from operations	<u>48,093</u>	<u>63,463</u>
Other income (expense):		
Interest income	1,120	(145)
Interest expense, net	(54,642)	(55,259)
Gain (loss) on modification and early extinguishment of debt	(35)	633
Gain (loss) on fair value adjustment	(8,490)	22,385
Other, net	1,439	2,863
Total other expense	<u>(60,608)</u>	<u>(29,523)</u>
Income (loss) before income tax	(12,515)	33,940
Income tax provision	(6,376)	(4,257)
Net income (loss)	<u>(18,891)</u>	<u>29,683</u>
Income (loss) attributable to non-controlling interests	(1,009)	67
Net income (loss) attributable to Mohegan	<u>\$ (19,900)</u>	<u>\$ 29,750</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 September 30, 2023

<i>(\$ in thousands)</i>	Mohegan Sun	Mohegan Pennsylvania	Niagara Resorts	Mohegan Digital	Management, development and other	All other	Corporate	Eliminations	Consolidated
Net income (loss) attributable to Mohegan	\$ 40,030	\$ 10,735	\$ 4,985	\$ 12,132	\$ (24,859)	\$ (6,478)	\$ (56,445)	\$ —	\$ (19,900)
Income (loss) attributable to non-controlling interests	—	—	1,127	(149)	31	—	—	—	1,009
Income tax provision	—	—	5,090	—	1,286	—	—	—	6,376
Interest income	(279)	(20)	(515)	(20)	(128)	—	(160)	2	(1,120)
Interest expense, net	53	—	3,886	—	4,019	1,805	44,881	(2)	54,642
Loss on modification and early extinguishment of debt	—	—	34	—	—	—	1	—	35
Loss on fair value adjustment	—	—	—	—	8,490	—	—	—	8,490
Other, net	—	—	(55)	—	(1,601)	—	217	—	(1,439)
Income (loss) from operations	39,804	10,715	14,552	11,963	(12,762)	(4,673)	(11,506)	—	48,093
Adjusted EBITDA attributable to non-controlling interests	—	—	(4,741)	149	(31)	—	—	—	(4,623)
Depreciation and amortization	16,452	3,047	4,021	—	120	1,591	46	—	25,277
Other, net	6	13	255	—	16,822	21	2,185	—	19,302
Adjusted EBITDA	\$ 56,262	\$ 13,775	\$ 14,087	\$ 12,112	\$ 4,149	\$ (3,061)	\$ (9,275)	\$ —	\$ 88,049

Three Months Ended September 30, 2022

<i>(\$ in thousands)</i>	Mohegan Sun	Mohegan Pennsylvania	Niagara Resorts	Mohegan Digital	Management, development and other	All other	Corporate	Eliminations	Consolidated
Net income (loss) attributable to Mohegan	\$ 49,263	\$ 10,318	\$ 12,037	\$ 3,063	\$ 6,880	\$ (3,976)	\$ (47,839)	\$ 4	\$ 29,750
Income (loss) attributable to non-controlling interests	—	—	—	(318)	251	—	—	—	(67)
Income tax (benefit) provision	—	—	4,468	—	(211)	—	—	—	4,257
Interest income	(46)	(3)	(58)	—	252	—	(30)	30	145
Interest expense, net	53	—	2,968	—	14,131	1,849	36,288	(30)	55,259
(Gain) loss on modification and early extinguishment of debt	(704)	—	71	—	—	—	—	—	(633)
Gain on fair value adjustment	—	—	—	—	(22,385)	—	—	—	(22,385)
Other, net	—	—	(5,160)	—	2,079	—	218	—	(2,863)
Income (loss) from operations	48,566	10,315	14,326	2,745	997	(2,127)	(11,363)	4	63,463
Adjusted EBITDA attributable to non-controlling interests	—	—	—	318	(251)	—	—	—	67
Depreciation and amortization	16,717	2,956	3,666	—	10	1,559	64	—	24,972
Impairment of tangible assets	—	—	—	—	5,886	—	—	—	5,886
Other, net	(123)	(53)	(101)	—	3,760	(5)	1,893	—	5,371
Adjusted EBITDA	<u>\$ 65,160</u>	<u>\$ 13,218</u>	<u>\$ 17,891</u>	<u>\$ 3,063</u>	<u>\$ 10,402</u>	<u>\$ (573)</u>	<u>\$ (9,406)</u>	<u>\$ 4</u>	<u>\$ 99,759</u>