



MOHEGAN ANNOUNCES SECOND QUARTER FISCAL 2024 OPERATING RESULTS

Uncasville, Connecticut, May 9, 2024 – Mohegan Tribal Gaming Authority (“Mohegan,” “we” or “our”) today announced operating results for its second fiscal quarter ended March 31, 2024.

Second Quarter 2024 and Recent Highlights:

- Mohegan achieved its highest quarterly net revenue in our history, up 13.8% year over year.
- Mohegan INSPIRE celebrated its official grand opening on March 5 and earned a prestigious five-star hotel rating.
- Mohegan Digital launched in Pennsylvania on April 2, as we continue to expand our online gaming presence and grow brand recognition to complement our land-based operations.
- Mohegan successfully implemented a new global Enterprise Resource Planning system, on April 1, to unlock operating efficiencies which support Mohegan’s growth and transformation into a premier global integrated resort operator.

“These important milestones are vital to the foundation we’re building to ensure our continued success as we build for 13 generations to come, and beyond. As we work towards our objectives, these recent achievements demonstrate the effectiveness of our strategy to support our transformation into a world renown global resort operator.” said Raymond Pineault, Chief Executive Officer of Mohegan.

Mohegan Operating Results

	Three Months Ended		Variance	
	March 31, 2024	March 31, 2023	\$	%
<i>(\$ in thousands, unaudited)</i>				
Net revenues	\$ 461,734	\$ 405,847	\$ 55,887	13.8 %
Income from operations	31,210	63,817	(32,607)	(51.1)%
Net loss attributable to Mohegan	(46,079)	(9,634)	(36,445)	(378.3)%
Adjusted EBITDA ¹	83,959	102,145	(18,186)	(17.8)%

“Net revenues of \$461.7 million increased \$55.9 million compared with the prior-year period, primarily due to continued growth in Mohegan Digital and revenue from Mohegan INSPIRE,” said Ari Glazer, Chief Financial Officer of Mohegan. “Consolidated Adjusted EBITDA of \$84.0 million decreased \$18.2 million compared with the prior-year period, primarily due to operating costs related to the opening of Mohegan INSPIRE and non-controlling interest adjustments at Niagara Resorts.”

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

Domestic

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	March 31, 2024	March 31, 2023	\$	%
Net revenues	\$ 300,434	297,339	\$ 3,095	1.0 %
Income from operations	51,946	55,070	(3,124)	(5.7)%
Net income	50,163	53,231	(3,068)	(5.8)%
Adjusted EBITDA	79,653	79,653	—	— %

Net revenues of \$300.4 million increased \$3.1 million compared with the prior-year period, primarily due to higher non-gaming revenues. The non-gaming growth was driven by strong entertainment, food and beverage revenues in the period. Adjusted EBITDA of \$79.7 million and Adjusted EBITDA margin of 26.5% were flat compared with the prior-year period.

International

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	March 31, 2024	March 31, 2023	\$	%
Net revenues	\$ 108,071	\$ 70,750	\$ 37,321	52.8 %
Loss from operations	(39,491)	(6,868)	(32,623)	(475.0)%
Net income (loss)	(63,592)	438	(64,030)	N.M.
Adjusted EBITDA	(16,580)	4,268	(20,848)	N.M.

Net revenues of \$108.1 million increased \$37.3 million compared with the prior-year period, primarily driven by Mohegan INSPIRE. Adjusted EBITDA loss of \$16.6 million was unfavorable, primarily due to operating costs related to the opening of Mohegan INSPIRE and a \$5.0 million non-controlling interest adjustment related to Niagara Resorts. Excluding the adjustment for non-controlling interest, Adjusted EBITDA loss would have been \$11.6 million, which we believe presents a more accurate comparison with prior periods.

Mohegan Digital

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	March 31, 2024	March 31, 2023	\$	%
Net revenues	\$ 38,778	\$ 22,710	\$ 16,068	70.8 %
Income from operations	19,949	17,810	2,139	12.0 %
Net income	20,258	18,150	2,108	11.6 %
Adjusted EBITDA	20,239	18,133	2,106	11.6 %

Net revenues of \$38.8 million increased \$16.1 million compared with the prior-year period, partially due to \$8.8 million in iGaming tax reimbursements from our iGaming partners being included as an increase to both net revenues and expenses in the current year. Adjusted EBITDA of \$20.2 million was \$2.1 million favorable compared with the prior-year period, as Mohegan Digital continues to experience strong growth.

In addition, Mohegan Digital's prior-year results include a favorable one-time adjustment related to the revenue share allocation from our digital gaming partner.

Management, development and other

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	March 31, 2024	March 31, 2023	\$	%
Net revenues	\$ 18,369	\$ 17,503	\$ 866	4.9 %
Income from operations	9,807	11,909	(2,102)	(17.7)%
Net loss	(9,859)	(9,253)	(606)	(6.5)%
Adjusted EBITDA	10,003	11,594	(1,591)	(13.7)%

Net revenues of \$18.4 million increased \$0.9 million compared with the prior-year period, primarily due to inter-company entertainment revenue of \$3.1 million, which was partially offset by Mohegan INSPIRE development fees earned in the prior-year period. Adjusted EBITDA of \$10.0 million was \$1.6 million unfavorable compared with the prior-year period.

Corporate and other

<i>(\$ in thousands, unaudited)</i>	Three Months Ended		Variance	
	March 31, 2024	March 31, 2023	\$	%
Net revenues	\$ 22	\$ 142	\$ (120)	(84.5)%
Loss from operations	(11,086)	(13,210)	2,124	16.1 %
Net loss	(43,052)	(71,306)	28,254	39.6 %
Adjusted EBITDA	(9,441)	(10,609)	1,168	11.0 %

Adjusted EBITDA was \$1.2 million favorable compared with the prior-year period, primarily due to Corporate labor savings. Net loss was \$28.3 million favorable compared with the prior-year period, primarily due to a gain on fair value adjustment driven by changes in the estimated value of the warrants and put option related to our Korea Term Loan.

Other Information

Liquidity

As of March 31, 2024 and September 30, 2023, Mohegan held cash and cash equivalents of \$197.8 million and \$217.3 million, respectively. Inclusive of letters of credit, which reduce borrowing availability, Mohegan had \$145.6 million of borrowing capacity under its senior secured credit facility and line of credit as of March 31, 2024. In addition, inclusive of letters of credit, which reduce borrowing availability, Niagara Resorts had \$36.9 million of borrowing capacity under its revolving credit and swingline facility as of March 31, 2024.

Conference Call

Mohegan will host a conference call regarding its second quarter fiscal 2024 operating results on May 9, 2024, 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/mohegan20240509>

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 9, 2024. This replay will run through Thursday, May 23, 2024.

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.

Cautionary Statements Regarding Forward-Looking Information

Some information included within this press release contains forward-looking statements. Such statements may include information relating to business development activities, as well as capital spending, financing sources, the effects of regulation, including gaming and tax regulation, and increased competition. These statements can sometimes be identified by our use of forward-looking words such as "may," "will," "anticipate," "estimate," "expect" or "intend" and similar expressions. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated future results and, accordingly, such results may differ materially from those expressed in any forward-looking statements made by us or on our behalf. The forward-looking statements included within this press release are made only as of the date of this press release. We do not undertake any obligation to update or supplement any forward-looking statements to reflect subsequent events or circumstances. We cannot assure you that projected results or events will be achieved or will occur.

Contact:

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Mohegan

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

	Three Months Ended	
	March 31, 2024	March 31, 2023
Revenues:		
Gaming	\$ 305,400	\$ 285,458
Food and beverage	48,924	37,492
Hotel	38,098	27,817
Retail, entertainment and other	69,312	55,080
Net revenues	<u>461,734</u>	<u>405,847</u>
Operating costs and expenses:		
Gaming	169,563	143,009
Food and beverage	46,464	32,098
Hotel	20,152	12,521
Retail, entertainment and other	30,949	20,459
Advertising, general and administrative	93,162	79,573
Corporate	12,737	16,050
Depreciation and amortization	35,204	25,483
Impairment of tangible assets	5,855	—
Other, net	16,438	12,837
Total operating costs and expenses	<u>430,524</u>	<u>342,030</u>
Income from operations	<u>31,210</u>	<u>63,817</u>
Other income (expense):		
Interest income	363	574
Interest expense, net	(88,256)	(60,043)
Loss on modification and early extinguishment of debt	(7)	(730)
Gain (loss) on fair value adjustment	13,940	(13,450)
Other, net	75	(86)
Total other expense	<u>(73,885)</u>	<u>(73,735)</u>
Loss before income tax	(42,675)	(9,918)
Income tax (benefit) provision	(1,784)	276
Net loss	<u>(44,459)</u>	<u>(9,642)</u>
(Income) loss attributable to non-controlling interests	(1,620)	8
Loss attributable to Mohegan Tribal Gaming Authority	<u>\$ (46,079)</u>	<u>\$ (9,634)</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, 2024

<i>(\$ in thousands, unaudited)</i>	Domestic	International	Mohegan Digital	Management, development and other	Corporate and other	Eliminations	Consolidated
Net income (loss) attributable to Mohegan	\$ 50,163	\$ (63,592)	\$ 20,258	\$ (9,859)	\$ (43,052)	\$ 3	\$ (46,079)
Income (loss) attributable to non-controlling interests	—	1,878	(291)	33	—	—	1,620
Income tax provision	—	1,740	—	44	—	—	1,784
Interest income	(20)	(292)	(18)	(28)	(5)	—	(363)
Interest expense, net	1,803	20,650	—	19,481	46,322	—	88,256
(Gain)/loss on modification and early extinguishment of debt	—	8	—	—	(1)	—	7
Gain on fair value adjustment	—	—	—	—	(13,940)	—	(13,940)
Other, net	—	117	—	136	(410)	82	(75)
Income (loss) from operations	51,946	(39,491)	19,949	9,807	(11,086)	85	31,210
Adjusted EBITDA attributable to non-controlling interests	—	(5,006)	291	(33)	—	—	(4,748)
Depreciation and amortization	21,290	13,541	—	263	110	—	35,204
Impairment of tangible assets	5,855	—	—	—	—	—	5,855
Other, net	562	14,376	(1)	(34)	1,535	—	16,438
Adjusted EBITDA	\$ 79,653	\$ (16,580)	\$ 20,239	\$ 10,003	\$ (9,441)	\$ 85	\$ 83,959

Three Months Ended March 31, 2023

<i>(\$ in thousands, unaudited)</i>	Domestic	International	Mohegan Digital	Management, development and other	Corporate and other	Eliminations	Consolidated
Net income (loss) attributable to Mohegan	\$ 53,231	\$ 438	\$ 18,150	\$ (9,253)	\$ (71,306)	\$ (894)	\$ (9,634)
Income (loss) attributable to non-controlling interests	—	—	(323)	315	—	—	(8)
Income tax (benefit) provision	—	(375)	—	99	—	—	(276)
Interest income	(1)	(558)	(17)	(19)	19	2	(574)
Interest expense, net	1,840	1,720	—	12,105	44,380	(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	—	(8,044)	—	8,662	(532)	—	86
Income (loss) from operations	55,070	(6,868)	17,810	11,909	(13,210)	(894)	63,817
Adjusted EBITDA attributable to non-controlling interests	—	—	323	(315)	—	—	8
Depreciation and amortization	20,723	4,699	—	—	61	—	25,483
Other, net	3,860	6,437	—	—	2,540	—	12,837
Adjusted EBITDA	\$ 79,653	\$ 4,268	\$ 18,133	\$ 11,594	\$ (10,609)	\$ (894)	\$ 102,145