



## MOHEGAN ANNOUNCES FIRST QUARTER FISCAL 2023 OPERATING RESULTS

Uncasville, Connecticut, February 9, 2023 – Mohegan Tribal Gaming Authority (“Mohegan,” “we” or “our”) today announced operating results for its first fiscal quarter ended December 31, 2022.

### Mohegan Operating Results

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2022	December 31, 2021	\$	%
Net revenues	\$ 406,621	\$ 401,963	\$ 4,658	1.2 %
Income from operations	70,229	35,195	35,034	99.5 %
Net income (loss) attributable to Mohegan	807	(11,680)	12,487	N.M.
Adjusted EBITDA <sup>1</sup>	101,055	97,384	3,671	3.8 %

“Our consolidated Adjusted EBITDA of \$101.1 million continues our trend of strong performance,” said Raymond Pineault, Chief Executive Officer of Mohegan. “Our diversification strategy and continued focus on profitability have enabled Mohegan to offset some of the inflationary and labor pressures and achieve these strong results.”

Carol Anderson, Chief Financial Officer of Mohegan, also noted, “Our Adjusted EBITDA margin of 24.9% was 605 basis points favorable compared with our pre-COVID-19 first quarter of fiscal 2020 and 62 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	
	December 31, 2022	December 31, 2021	\$	%
Net revenues	\$ 239,403	\$ 251,572	\$ (12,169)	(4.8)%
Income from operations	51,339	61,694	(10,355)	(16.8)%
Net income attributable to Mohegan Sun	51,275	61,268	(9,993)	(16.3)%
Adjusted EBITDA	67,810	78,214	(10,404)	(13.3)%

Net revenues decreased \$12.2 million compared with the prior-year period due to declines in both slot and table games revenues, reflecting lower overall volumes as the prior-year benefited from Mohegan Sun's 25th anniversary celebration. Results were also impacted by unfavorable slot and table hold and weather in the current-year period. Adjusted EBITDA of \$67.8 million was 13.3% unfavorable compared with the prior-year period, due to lower volumes and increased labor and other operating expenses in the current-year period. The Adjusted EBITDA margin of 28.3% was 150 basis points favorable compared with our pre-COVID-19 first quarter of fiscal 2020, but 277 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	
	December 31, 2022	December 31, 2021	\$	%
Net revenues	\$ 59,778	\$ 64,215	\$ (4,437)	(6.9)%
Income from operations	9,208	11,489	(2,281)	(19.9)%
Net income attributable to Mohegan Pennsylvania	9,208	9,511	(303)	(3.2)%
Adjusted EBITDA	12,126	14,562	(2,436)	(16.7)%

Net revenues decreased \$4.4 million compared with the prior-year period primarily due to lower gaming revenues as a result of lower gaming volumes that were impacted by poor weather and table games hold percentage. Adjusted EBITDA decreased \$2.4 million, or 16.7%, compared with the prior-year period, primarily due to the decrease in net revenues. Adjusted EBITDA margin of 20.3% was 220 basis points favorable compared with our pre-COVID-19 first quarter fiscal 2020, but 239 basis points unfavorable compared with the prior-year period.

## Niagara Resorts

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2022	December 31, 2021	\$	%
Net revenues	\$ 74,020	\$ 62,832	\$ 11,188	17.8 %
Income from operations	7,966	6,869	1,097	16.0 %
Net income attributable to Niagara Resorts	3,746	3,004	742	24.7 %
Adjusted EBITDA	11,914	10,959	955	8.7 %

Net revenues increased \$11.2 million compared with the prior-year period due to higher gaming volumes and a substantial increase in non-gaming revenues. These results reflect increased volumes related to the opening of the 5,000 seat OLG Stage entertainment venue and the properties operating without various COVID-19 related restrictions in the current year. Adjusted EBITDA increased \$1.0 million or 8.7%. Adjusted EBITDA margin of 16.1% was 1,160 basis points favorable compared with our pre-COVID-19 first quarter of fiscal 2020, but 134 basis points unfavorable compared with the prior-year period due to the continued reintroduction of certain lower margin non-gaming amenities, as well as increased labor, marketing and other operating costs.

## Management, development and other

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2022	December 31, 2021	\$	%
Net revenues	\$ 14,845	\$ 13,890	\$ 955	6.9 %
Income (loss) from operations	5,124	(33,971)	39,095	N.M.
Net loss attributable to management, development and other	(16,590)	(37,886)	21,296	56.2 %
Adjusted EBITDA	10,071	2,932	7,139	243.5 %

Adjusted EBITDA of \$10.1 million was 243.5% favorable compared with the prior-year period, primarily due to certain debt issuance costs that were expensed in connection with Mohegan INSPIRE in the prior year. Net loss for the period was \$21.3 million favorable compared with the prior-year period primarily resulting from \$30.5 million in non-recurring impairment charges related to Mohegan INSPIRE in the prior-year period.

## All other

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2022	December 31, 2021	\$	%
Net revenues	\$ 19,617	\$ 10,165	\$ 9,452	93.0 %
Income (loss) from operations	6,516	(393)	6,909	N.M.
Net income (loss) attributable to all other	4,902	(2,159)	7,061	N.M.
Adjusted EBITDA	8,377	1,170	7,207	616.0 %

N.M. = Not meaningful

Adjusted EBITDA of \$8.4 million was \$7.2 million or 616.0% favorable compared with the prior-year period, primarily due to the continued growth in our online casino gaming and sports wagering operations in Connecticut which commenced in October of last year.

## Corporate

(\$ in thousands, unaudited)	Three Months Ended		Variance	
	December 31, 2022	December 31, 2021	\$	%
Net revenues	\$ 159	\$ 145	\$ 14	9.7 %
Loss from operations	(10,054)	(10,502)	448	4.3 %
Net loss attributable to corporate	(51,864)	(45,427)	(6,437)	(14.2)%
Adjusted EBITDA	(9,373)	(10,462)	1,089	10.4 %

Adjusted EBITDA was \$1.1 million favorable compared with the prior-year period, primarily due to lower payroll expense and other operating costs.

## **Other Information**

### ***Liquidity***

As of December 31, 2022 and September 30, 2022, Mohegan held cash and cash equivalents of \$179.6 million and \$164.7 million, respectively. Inclusive of letters of credit, which reduce borrowing availability, Mohegan had \$228.9 million of borrowing capacity under its senior secured credit facility and line of credit as of December 31, 2022. In addition, inclusive of letters of credit, which reduce borrowing availability, the Niagara Resorts had \$121.8 million of borrowing capacity under the Niagara Resorts revolving credit facility and swingline facility as of December 31, 2022.

### ***Conference Call***

Mohegan will host a conference call regarding its first quarter fiscal 2023 operating results on February 9, 2023 at 11:00 a.m. (Eastern Standard 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/Mohegan20230209>

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, February 9, 2023. This replay will run through Thursday, February 23, 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.mohegangaming.com](http://www.mohegangaming.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.

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

	<b>Three Months Ended</b>	
	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Revenues:</b>		
Gaming	\$ 280,889	\$ 285,729
Food and beverage	38,413	31,619
Hotel	29,553	29,873
Retail, entertainment and other	57,766	54,742
Net revenues	406,621	401,963
<b>Operating costs and expenses:</b>		
Gaming	143,317	147,783
Food and beverage	32,490	26,335
Hotel	12,678	11,189
Retail, entertainment and other	23,005	22,008
Advertising, general and administrative	80,078	75,789
Corporate	13,998	21,404
Depreciation and amortization	25,020	25,423
Impairment of tangible assets	—	17,679
Impairment of intangible assets	—	12,869
Other, net	5,806	6,289
Total operating costs and expenses	336,392	366,768
Income from operations	70,229	35,195
<b>Other income (expense):</b>		
Interest income	392	113
Interest expense, net	(56,404)	(44,831)
Loss on modification and early extinguishment of debt	(2,633)	—
Loss on fair value adjustment	(8,800)	—
Other, net	(605)	(791)
Total other expense	(68,050)	(45,509)
Income (loss) before income tax	2,179	(10,314)
Income tax provision	(1,372)	(1,295)
<b>Net income (loss)</b>	807	(11,609)
Income attributable to non-controlling interests	—	(71)
Income (loss) attributable to Mohegan	\$ 807	\$ (11,680)

## **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 December 31, 2022								
(\$ in thousands)	Management, development and other							
	Mohegan Sun	Mohegan Pennsylvania	Niagara Resorts	Management, development and other	All other	Corporate	Eliminations	Consolidated
Net income (loss) attributable to Mohegan	\$ 51,275	\$ 9,208	\$ 3,746	\$ (16,590)	\$ 4,902	\$ (51,864)	\$ 130	\$ 807
Income (loss) attributable to non-controlling interests	—	—	—	218	(218)	—	—	—
Income tax (benefit) provision	—	—	1,473	(101)	—	—	—	1,372
Interest income	1	—	(151)	(235)	(7)	4	(4)	(392)
Interest expense, net	63	—	2,982	12,529	1,839	38,987	4	56,404
Loss on modification and early extinguishment of debt	—	—	—	—	—	2,633	—	2,633
Loss on fair value adjustment	—	—	—	8,800	—	—	—	8,800
Other, net	—	—	(84)	503	—	186	—	605
Income (loss) from operations	51,339	9,208	7,966	5,124	6,516	(10,054)	130	70,229
Adjusted EBITDA attributable to non-controlling interests	—	—	—	(218)	218	—	—	—
Depreciation and amortization	16,496	2,883	3,903	70	1,606	62	—	25,020
Other, net	(25)	35	45	5,095	37	619	—	5,806
Adjusted EBITDA	<u>\$ 67,810</u>	<u>\$ 12,126</u>	<u>\$ 11,914</u>	<u>\$ 10,071</u>	<u>\$ 8,377</u>	<u>\$ (9,373)</u>	<u>\$ 130</u>	<u>\$ 101,055</u>

Three Months Ended December 31, 2021								
(\$ in thousands)	Management, development and other							
	Mohegan Sun	Mohegan Pennsylvania	Niagara Resorts	Management, development and other	All other	Corporate	Eliminations	Consolidated
Net income (loss) attributable to Mohegan	\$ 61,268	\$ 9,511	\$ 3,004	\$ (37,886)	\$ (2,159)	\$ (45,427)	\$ 9	\$ (11,680)
Income attributable to non-controlling interests	—	—	—	71	—	—	—	71
Income tax provision	—	—	1,214	81	—	—	—	1,295
Interest income	—	—	(4)	(100)	—	(9)	—	(113)
Interest expense, net	426	1,978	2,978	3,125	1,766	34,558	—	44,831
Other, net	—	—	(323)	738	—	376	—	791
Income (loss) from operations	61,694	11,489	6,869	(33,971)	(393)	(10,502)	9	35,195
Adjusted EBITDA attributable to non-controlling interests	—	—	—	(71)	—	—	—	(71)
Depreciation and amortization	16,663	3,071	4,090	6	1,553	40	—	25,423
Impairment of tangible assets	—	—	—	17,679	—	—	—	17,679
Impairment of intangible assets	—	—	—	12,869	—	—	—	12,869
Other, net	(143)	2	—	6,420	10	—	—	6,289
Adjusted EBITDA	<u>\$ 78,214</u>	<u>\$ 14,562</u>	<u>\$ 10,959</u>	<u>\$ 2,932</u>	<u>\$ 1,170</u>	<u>\$ (10,462)</u>	<u>\$ 9</u>	<u>\$ 97,384</u>