



Quarterly Financial Report

For the six months ended September 30, 2023

For further information:

Corporate Communications

Manitoba Liquor & Lotteries
Unit A - 1555 Buffalo Place
Winnipeg, MB R3T 1L9

(204) 957-2500
1-800-782-0363

mbl.ca

THIS PUBLICATION IS AVAILABLE IN
ALTERNATE FORMATS, UPON REQUEST



Consolidated Statement of Financial Position

As at September 30
(\$000s, unaudited)

	2023	2022
ASSETS		
Current assets		
Cash	\$ 36,940	\$ 34,842
Trade and other receivables	67,637	58,963
Inventories	67,667	75,546
Prepayments	8,135	6,620
Assets held for sale, net	274	13,957
	<hr/> 180,653	<hr/> 189,928
Non-current assets		
Property and equipment, net	339,753	307,572
Right-of-use assets, net	60,325	58,641
Intangible assets, net	3,473	6,203
	<hr/> 403,551	<hr/> 372,416
	<hr/><hr/>\$ 584,204	<hr/><hr/>\$ 562,344
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	\$ 145,400	\$ 134,800
Contract liabilities	14,526	14,739
Payable to the Province of Manitoba	54,945	53,743
Current portion of long-term debt	56,242	57,256
Current portion of lease liabilities	8,000	7,708
	<hr/> 279,113	<hr/> 268,246
Non-current liabilities		
Long-term debt	238,494	233,318
Lease liabilities	61,597	55,780
	<hr/> 300,091	<hr/> 289,098
Equity		
Retained earnings	5,000	5,000
	<hr/> \$ 584,204	<hr/> \$ 562,344

Consolidated Statement of Cash Flows

For the six months ended September 30
(\$'000s, unaudited)

	2023	2022
Operating activities		
Net income and comprehensive income	\$ 379,945	\$ 380,743
Add (deduct):		
Depreciation related to property and equipment	16,339	15,402
Depreciation on assets related to Conduct and Management agreements	359	313
Depreciation related to right-of-use assets	4,523	4,319
Amortization related to intangible assets	1,265	1,397
Interest on financing activities	6,636	5,754
Gain on disposal of property and equipment	(243)	(193)
	408,824	407,735
Changes in non-cash working capital items:		
Decrease (increase) in trade and other receivables	(8,615)	604
Increase in inventories	(3,279)	(18,383)
Increase in prepayments	(3,352)	(2,128)
Increase in trade and other payables	11,749	6,630
Increase in contract liabilities	533	1,611
Cash provided by operating activities	405,860	396,069
Investing activities		
Purchase of property and equipment	(23,209)	(8,463)
Purchase of intangible assets	(51)	(515)
Proceeds from disposal of property and equipment	358	299
Cash used in investing activities	(22,902)	(8,679)
Financing activities		
Cash distributions to the Province of Manitoba:		
Current year	(350,000)	(357,000)
Prior Year	(11,907)	(16,828)
Proceeds from long-term debt	15,900	10,000
Payment of principal and interest on long-term debt	(36,577)	(33,398)
Payment of principal and interest on lease liabilities	(5,223)	(4,873)
Cash used in financing activities	(387,807)	(402,099)
Net decrease in cash during the period	(4,849)	(14,709)
Cash, beginning of the period	41,789	49,551
Cash, end of the period	\$ 36,940	\$ 34,842

Operational Highlights

Consolidated net income and comprehensive income for the six months ended September 30, 2023 was \$379.9 million, a decrease of \$0.8 million from the same period last year. There were increases of \$3.7 million in Cannabis Operations, \$3.6 million in Video Lotto, \$0.6 million in Casinos, and \$0.5 million in Lottery; offset by decreases of \$5.4 million in Liquor Operations and \$3.8 million in Online Gaming.

Revenue, net of cost of sales, increased \$13.5 million from the same period last year, while the share of profit of Western Canada Lottery Corporation increased \$0.2 million. On the expenditure side, operating expenses increased \$9.7 million; depreciation and amortization, GST expense and interest expense net of interest income increased \$2.1 million; and allocations and payments increased by \$2.7 million.



Consolidated Statement of Operations

For the six months ended September 30
(\$000s, unaudited)



	2023							2022
	Cannabis Operations	Casinos	Liquor Operations	Lottery	Online Gaming	Video Lotto	Total	Total
Revenue	\$ 74,535	\$ 123,140	\$ 452,653	\$ 877	\$ 36,075	\$ 168,976	\$ 856,256	\$ 836,850
Cost of sales	53,844	6,160	218,793	495	10,058	56,719	346,069	340,129
	20,691	116,980	233,860	382	26,017	112,257	510,187	496,721
Expenses								
Operating	869	51,740	54,761	3,651	6,417	5,191	122,629	112,931
Depreciation and amortization	-	10,088	8,776	-	23	3,240	22,127	21,118
Goods and Services Tax	-	1,408	-	116	1,130	1,158	3,812	3,157
	869	63,236	63,537	3,767	7,570	9,589	148,568	137,206
Operating Income	19,822	53,744	170,323	(3,385)	18,447	102,668	361,619	359,515
Share of profit of Western Canada Lottery Corporation	-	-	-	29,556	5,017	-	34,573	34,374
Interest expense	-	(2,979)	(2,171)	(33)	(8)	(1,445)	(6,636)	(5,754)
Interest income	32	255	389	51	59	403	1,189	730
Income before Allocations and Payments	19,854	51,020	168,541	26,189	23,515	101,626	390,745	388,865
Allocations and payments	1,673	991	4,555	621	855	2,105	10,800	8,122
Net Income and Total Comprehensive Income	\$ 18,181	\$ 50,029	\$ 163,986	\$ 25,568	\$ 22,660	\$ 99,521	\$ 379,945	\$ 380,743

Notes to the Consolidated Financial Statements

1. These interim consolidated financial statements should be read in conjunction with the Manitoba Liquor and Lotteries Corporation 2022-23 Annual Report.
2. These interim consolidated financial statements have been prepared following the same accounting policies that are disclosed in the Annual Report.