



Quarterly Financial Report

For the three months ended June 30, 2024

For further information:

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Consolidated Statement of Financial Position

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

	2024	2023
ASSETS		
Current assets		
Cash	\$ 48,330	\$ 41,184
Trade and other receivables	55,866	53,895
Inventories	59,975	71,539
Prepayments	11,816	9,261
Assets held for sale, net	-	274
	<hr/> 175,987	<hr/> 176,153
Non-current assets		
Other receivable	8,631	8,631
Property and equipment, net	346,431	328,747
Right-of-use assets, net	59,754	62,441
Intangible assets, net	8,427	4,080
	<hr/> 423,243	<hr/> 403,899
	<hr/> \$ 599,230	<hr/> \$ 580,052
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	\$ 143,811	\$ 143,685
Contract liabilities	13,273	13,048
Payable to the Province of Manitoba	77,247	52,364
Current portion of long-term debt	52,633	58,071
Current portion of lease liabilities	8,587	7,977
	<hr/> 295,551	<hr/> 275,145
Non-current liabilities		
Long-term debt	237,379	236,434
Lease liabilities	61,300	63,473
	<hr/> 298,679	<hr/> 299,907
Equity		
Retained earnings	5,000	5,000
	<hr/> \$ 599,230	<hr/> \$ 580,052

Consolidated Statement of Cash Flows

For the three months ended June 30
(\$000s, unaudited)

	2024	2023
Operating activities		
Net income and comprehensive income	\$ 194,781	\$ 189,457
Add (deduct):		
Depreciation related to property and equipment	8,398	7,854
Depreciation on assets related to Conduct and Management agreements	187	193
Depreciation related to right-of-use assets	2,361	2,260
Amortization related to intangible assets	578	632
Interest on financing activities	3,514	3,319
Gain on disposal of property and equipment	(130)	(54)
	<u>209,689</u>	<u>203,661</u>
Changes in non-cash working capital items:		
Increase in trade and other receivables	(3,324)	(3,504)
Increase in inventories	(965)	(7,151)
Increase in prepayments	(5,560)	(4,478)
Increase in trade and other payables	2,777	10,034
Decrease in contract liabilities	(310)	(945)
Cash provided by operating activities	<u>202,307</u>	<u>197,617</u>
Investing activities		
Purchase of property and equipment	(2,918)	(3,533)
Purchase of intangible assets	(443)	(25)
Proceeds from disposal of property and equipment	167	150
Cash used in investing activities	<u>(3,194)</u>	<u>(3,408)</u>
Financing activities		
Cash distributions to the Province of Manitoba:		
Current year	(182,000)	(174,000)
Payment of principal and interest on long-term debt	(16,887)	(18,209)
Payment of principal and interest on lease liabilities	(2,810)	(2,605)
Cash used in financing activities	<u>(201,697)</u>	<u>(194,814)</u>
Net decrease in cash during the period	(2,584)	(605)
Cash, beginning of the period	<u>50,914</u>	<u>41,789</u>
Cash, end of the period	<u><u>\$ 48,330</u></u>	<u><u>\$ 41,184</u></u>



Operational Highlights

Consolidated net income and comprehensive income for the three months ended June 30, 2024 was \$194.8 million, an increase of \$5.3 million from the same period last year. There were increases of \$3.9 million in Casinos, \$3.0 million in Cannabis Operations, \$0.7 million in Video Lotto, and \$0.2 million in Lottery; offset by decreases of \$1.6 million in Liquor Operations and \$0.9 million in Online Gaming.

Revenue, net of cost of sales, increased \$11.3 million from the same period last year, while the share of profit of Western Canada Lottery Corporation increased \$0.4 million. On the expenditure side, operating expenses increased \$5.9 million; depreciation and amortization, GST expense and interest expense net of interest income increased \$1.1 million; and allocations and payments decreased by \$0.5 million.



Consolidated Statement of Operations

For the three months ended June 30
(\$000s, unaudited)



	2024							2023
	Cannabis Operations	Casinos	Liquor Operations	Lottery	Online Gaming	Video Lotto	Total	Total
Revenue	\$ 40,480	\$ 66,850	\$ 229,749	\$ 400	\$ 19,201	\$ 91,190	\$ 447,870	\$ 431,343
Cost of sales	28,633	3,483	108,971	267	6,144	30,995	178,493	173,315
	11,847	63,367	120,778	133	13,057	60,195	269,377	258,028
Expenses								
Operating	499	27,945	30,962	1,902	3,686	4,211	69,205	63,335
Depreciation and amortization	-	4,453	4,084	-	16	2,784	11,337	10,746
Goods and Services Tax	-	804	-	67	668	815	2,354	1,964
	499	33,202	35,046	1,969	4,370	7,810	82,896	76,045
Operating Income	11,348	30,165	85,732	(1,836)	8,687	52,385	186,481	181,983
Share of profit of Western Canada Lottery Corporation	-	-	-	14,369	2,449	-	16,818	16,428
Interest expense	-	(1,674)	(905)	(15)	(8)	(912)	(3,514)	(3,319)
Interest income	17	125	195	23	25	212	597	475
Income before Allocations and Payments	11,365	28,616	85,022	12,541	11,153	51,685	200,382	195,567
Allocations and payments	328	659	2,682	359	389	1,184	5,601	6,110
Net Income and Total Comprehensive Income	\$ 11,037	\$ 27,957	\$ 82,340	\$ 12,182	\$ 10,764	\$ 50,501	\$ 194,781	\$ 189,457

Notes to the Consolidated Financial Statements

1. These interim consolidated financial statements should be read in conjunction with the Manitoba Liquor and Lotteries Corporation 2023-24 Annual Report.
2. These interim consolidated financial statements have been prepared following the same accounting policies that are disclosed in the Annual Report.
3. Comparative information has been reclassified to conform to the presentation of the current year consolidated financial results.