



Quarterly Financial Report

For the six months ended September 30, 2024

For further information:

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Consolidated Statement of Financial Position

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

	2024	2023
ASSETS		
Current assets		
Cash	\$ 40,839	\$ 36,940
Trade and other receivables	53,928	59,006
Inventories	63,501	67,667
Prepayments	10,412	8,135
Assets held for sale, net	-	274
	<hr/> 168,680	<hr/> 172,022
Non-current assets		
Other receivable	8,631	8,631
Property and equipment, net	354,031	339,753
Right-of-use assets, net	59,225	60,325
Intangible assets, net	7,901	3,473
	<hr/> 429,788	<hr/> 412,182
	<hr/> \$ 598,468	<hr/> \$ 584,204
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	\$ 139,865	\$ 145,400
Contract liabilities	13,288	14,526
Payable to the Province of Manitoba	77,600	54,945
Current portion of long-term debt	51,884	56,242
Current portion of lease liabilities	8,716	8,000
	<hr/> 291,353	<hr/> 279,113
Non-current liabilities		
Long-term debt	241,355	238,494
Lease liabilities	60,760	61,597
	<hr/> 302,115	<hr/> 300,091
Equity		
Retained earnings	5,000	5,000
	<hr/> \$ 598,468	<hr/> \$ 584,204

Consolidated Statement of Cash Flows

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

	2024	2023
Operating activities		
Net income and comprehensive income	\$ 391,600	\$ 379,945
Add (deduct):		
Depreciation related to property and equipment	17,190	16,339
Depreciation on assets related to Conduct and Management agreements	374	359
Depreciation related to right-of-use assets	4,691	4,523
Amortization related to intangible assets	1,126	1,265
Interest on financing activities	6,948	6,636
Gain on disposal of property and equipment	(134)	(243)
	<u>421,795</u>	<u>408,824</u>
Changes in non-cash working capital items:		
Increase in trade and other receivables	(1,386)	(8,615)
Increase in inventories	(4,491)	(3,279)
Increase in prepayments	(4,156)	(3,352)
Increase (decrease) in trade and other payables	(1,169)	11,749
Increase (decrease) in contract liabilities	(295)	533
Cash provided by operating activities	<u>410,298</u>	<u>405,860</u>
Investing activities		
Purchase of property and equipment	(19,509)	(23,209)
Purchase of intangible assets	(465)	(51)
Proceeds from disposal of property and equipment	183	358
Cash used in investing activities	<u>(19,791)</u>	<u>(22,902)</u>
Financing activities		
Cash distributions to the Province of Manitoba:		
Current year	(339,000)	(350,000)
Prior year	(39,466)	(11,907)
Proceeds from long-term debt	17,406	15,900
Payment of principal and interest on long-term debt	(33,856)	(36,577)
Payment of principal and interest on lease liabilities	(5,666)	(5,223)
Cash used in financing activities	<u>(400,582)</u>	<u>(387,807)</u>
Net decrease in cash during the period	(10,075)	(4,849)
Cash, beginning of the period	<u>50,914</u>	<u>41,789</u>
Cash, end of the period	<u><u>\$ 40,839</u></u>	<u><u>\$ 36,940</u></u>



Operational Highlights

Consolidated net income and comprehensive income for the six months ended September 30, 2024 was \$391.6 million, an increase of \$11.7 million from the same period last year. There were increases of \$5.6 million in Liquor Operations, \$5.0 million in Cannabis Operations, and \$4.0 million in Casinos; offset by decreases of \$1.9 million in Video Lotto, \$0.6 million in Lottery, and \$0.4 million in Online Gaming.

Revenue, net of cost of sales, increased \$29.2 million from the same period last year, while the share of profit of Western Canada Lottery Corporation decreased \$0.2 million. On the expenditure side, operating expenses increased \$16.1 million; depreciation and amortization, GST expense and interest expense net of interest income increased \$1.6 million; and allocations and payments decreased by \$0.4 million.



Consolidated Statement of Operations

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



	2024							2023
	Cannabis Operations	Casinos	Liquor Operations	Lottery	Online Gaming	Video Lotto	Total	Total
Revenue	\$ 84,196	\$ 131,189	\$ 469,513	\$ 773	\$ 38,421	\$ 175,771	\$ 899,863	\$ 856,256
Cost of sales	59,361	6,987	222,788	576	10,707	60,106	360,525	346,069
	24,835	124,202	246,725	197	27,714	115,665	539,338	510,187
Expenses								
Operating	1,065	55,389	62,321	3,768	8,591	7,588	138,722	122,629
Depreciation and amortization	-	9,124	8,310	-	30	5,543	23,007	22,127
Goods and Services Tax	-	1,540	-	128	1,281	1,390	4,339	3,812
	1,065	66,053	70,631	3,896	9,902	14,521	166,068	148,568
Operating Income	23,770	58,149	176,094	(3,699)	17,812	101,144	373,270	361,619
Share of profit of Western Canada Lottery Corporation	-	-	-	29,320	5,101	-	34,421	34,573
Interest expense	-	(3,195)	(1,892)	(28)	(14)	(1,819)	(6,948)	(6,636)
Interest income	39	271	416	51	56	434	1,267	1,189
Income before Allocations and Payments	23,809	55,225	174,618	25,644	22,955	99,759	402,010	390,745
Allocations and payments	632	1,232	4,991	666	721	2,168	10,410	10,800
Net Income and Total Comprehensive Income	\$ 23,177	\$ 53,993	\$ 169,627	\$ 24,978	\$ 22,234	\$ 97,591	\$ 391,600	\$ 379,945

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.