



Quarterly Financial Report

For the three months ended June 30, 2022

For further information:

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Consolidated Statement of Financial Position

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

	2022	2021
ASSETS		
Current assets		
Cash	\$ 46,207	\$ 39,344
Trade and other receivables	67,371	70,450
Inventories	66,338	70,167
Prepayments	8,197	8,297
Assets held for sale, net	13,957	-
	<hr/> 202,070	<hr/> 188,258
Non-current assets		
Property and equipment, net	309,378	331,434
Right-of-use assets, net	60,789	66,786
Intangible assets, net	6,863	8,653
	<hr/> 377,030	<hr/> 406,873
	<hr/> \$ 579,100	<hr/> \$ 595,131
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	\$ 142,057	\$ 131,445
Contract liabilities	13,139	11,343
Payable to the Province of Manitoba	58,584	53,777
Current portion of long-term debt	57,284	54,466
Current portion of lease liabilities	7,728	8,162
	<hr/> 278,792	<hr/> 259,193
Non-current liabilities		
Long-term debt	237,617	268,685
Lease liabilities	57,691	62,253
	<hr/> 295,308	<hr/> 330,938
Equity		
Retained earnings	5,000	5,000
	<hr/> \$ 579,100	<hr/> \$ 595,131

Consolidated Statement of Cash Flows

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

	2022	2021
Operating Activities		
Net income and comprehensive income	\$ 188,756	\$ 119,176
Add:		
Depreciation related to property and equipment	7,761	8,389
Depreciation on assets related to		
Conduct and Management agreements	156	277
Depreciation related to right-of-use assets	2,163	2,301
Amortization related to intangible assets	710	781
Interest on financing activities	2,871	3,120
Loss on disposal of property and equipment	55	20
	202,472	134,064
Changes in non-cash working capital items:		
Increase in trade and other receivables	(7,804)	(15,306)
Increase in inventories	(9,175)	(5,832)
Increase in prepayments	(3,705)	(3,823)
Increase in trade and other payables	13,887	10,105
Increase (decrease) in contract liabilities	11	(1,348)
Cash provided by operating activities	195,686	117,860
Investing Activities		
Purchase of property and equipment	(2,440)	(2,744)
Purchase of intangible assets	(488)	(74)
Proceeds from disposal of property and equipment	20	-
Cash used in investing activities	(2,908)	(2,818)
Financing Activities		
Cash distributions to the Province of Manitoba:		
Current year	(177,000)	(108,000)
Payment of principal and interest on long-term debt	(16,687)	(16,281)
Payment of principal and interest on lease liabilities	(2,435)	(2,539)
Cash used in financing activities	(196,122)	(126,820)
Net decrease in cash during the period	(3,344)	(11,778)
Cash, beginning of the period	49,551	51,122
Cash, end of the period	\$ 46,207	\$ 39,344



Operational Highlights

Consolidated net income and comprehensive income for the three months ended June 30, 2022 was \$188.8 million, an increase of \$69.6 million from the same period last year. There were increases of \$44.2 million in Casinos, \$32.5 million in Video Lotto, \$1.7 million in Cannabis Operations, and \$1.3 million in Liquor Operations; offset by decreases of \$5.3 million in Lottery and \$4.8 million in Online Gaming. In the prior year, the COVID-19 pandemic directives from Manitoba Health for individuals to stay home and the closure of certain businesses in the province which included the casinos until July 27, 2021 and all VLT site locations between May 9, 2021 and July 16, 2021 had a substantial negative impact on the financial results.

Revenue, net of cost of sales, increased \$86.6 million from the same period last year, while the share of profit of Western Canada Lottery Corporation decreased \$6.4 million. On the expenditure side, operating expenses increased \$11.4 million; depreciation and amortization, GST expense and interest expense net of interest income decreased \$0.7 million; and allocations and payments decreased by \$0.2 million.



Consolidated Statement of Operations

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



	2022						2021	
	Cannabis Operations	Casinos	Liquor Operations	Lottery	Online Gaming	Video Lotto	Total	Total
Revenue	\$ 28,398	\$ 56,907	\$ 226,966	\$ 409	\$ 19,928	\$ 80,780	\$ 413,388	\$ 304,649
Cost of sales	21,350	3,154	111,426	167	5,637	25,760	167,494	145,321
	7,048	53,753	115,540	242	14,291	55,020	245,894	159,328
Expenses								
Operating	468	22,815	27,469	1,589	2,059	2,572	56,972	45,540
Depreciation and amortization	-	5,148	4,302	-	13	1,171	10,634	11,471
Goods and Services Tax	-	597	-	54	488	539	1,678	1,176
	468	28,560	31,771	1,643	2,560	4,282	69,284	58,187
Operating Income	6,580	25,193	83,769	(1,401)	11,731	50,738	176,610	101,141
Share of profit of Western Canada Lottery Corporation	-	-	-	15,859	3,099	-	18,958	25,393
Interest expense	-	(1,439)	(926)	(19)	(3)	(484)	(2,871)	(3,120)
Interest income	5	67	85	11	11	110	289	148
Income before Allocations and Payments	6,585	23,821	82,928	14,450	14,838	50,364	192,986	123,562
Allocations and payments	109	466	2,009	323	308	1,015	4,230	4,386
Net Income and Total Comprehensive Income	\$ 6,476	\$ 23,355	\$ 80,919	\$ 14,127	\$ 14,530	\$ 49,349	\$ 188,756	\$ 119,176

Notes to the Consolidated Financial Statements

1. These interim consolidated financial statements should be read in conjunction with the Manitoba Liquor and Lotteries Corporation 2021-22 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 operational information has been reclassified to conform to the presentation of the current year consolidated financial results.