

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number: 1-12882

BOYD GAMING
BOYD GAMING CORPORATION
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

88-0242733
(I.R.S. Employer
Identification No.)

6465 South Rainbow Boulevard, Las Vegas, NV 89118
(Address of principal executive offices) (Zip Code)
(702) 792-7200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------|-------------------|---|
| Common stock, \$0.01 par value | BYD | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "non-accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| | | Emerging growth company | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

The number of shares outstanding of the registrant's common stock as of July 29, 2024 was 91,762,642.

BOYD GAMING CORPORATION
QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED JUNE 30, 2024
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PART I. Financial Information**Item 1. Financial Statements (Unaudited)****BOYD GAMING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)**

| <i>(In thousands, except share data)</i> | June 30, 2024 | December 31, 2023 |
|---|--------------------------|------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 280,783 | \$ 304,271 |
| Restricted cash | 3,946 | 3,659 |
| Accounts receivable, net | 109,740 | 137,892 |
| Inventories | 21,177 | 20,692 |
| Prepaid expenses and other current assets | 52,045 | 59,293 |
| Income taxes receivable | 19,367 | 3,508 |
| Total current assets | 487,058 | 529,315 |
| Property and equipment, net | 2,626,127 | 2,542,512 |
| Operating lease right-of-use assets | 760,077 | 793,335 |
| Other assets, net | 65,333 | 67,779 |
| Intangible assets, net | 1,375,544 | 1,392,844 |
| Goodwill, net | 947,281 | 947,341 |
| Total assets | \$ 6,261,420 | \$ 6,273,126 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 128,398 | \$ 124,668 |
| Current maturities of long-term debt | 44,416 | 44,275 |
| Accrued liabilities | 416,281 | 427,379 |
| Total current liabilities | 589,095 | 596,322 |
| Long-term debt, net of current maturities and debt issuance costs | 2,916,096 | 2,871,223 |
| Operating lease liabilities, net of current portion | 679,955 | 711,387 |
| Deferred income taxes | 305,299 | 288,826 |
| Other liabilities | 59,262 | 61,266 |
| Commitments and contingencies (Note 6) | | |
| Stockholders' equity | | |
| Preferred stock, \$0.01 par value, 5,000,000 shares authorized | — | — |
| Common stock, \$0.01 par value, 200,000,000 shares authorized; 92,309,009 and 96,832,453 shares outstanding | 923 | 968 |
| Additional paid-in capital | — | — |
| Retained earnings | 1,712,488 | 1,744,232 |
| Accumulated other comprehensive loss | (1,698) | (1,098) |
| Total stockholders' equity | 1,711,713 | 1,744,102 |
| Total liabilities and stockholders' equity | \$ 6,261,420 | \$ 6,273,126 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BOYD GAMING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|-------------------|------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| <i>(In thousands, except per share data)</i> | | | | |
| Revenues | | | | |
| Gaming | \$ 650,827 | \$ 660,729 | \$ 1,284,958 | \$ 1,325,037 |
| Food & beverage | 76,994 | 70,366 | 149,633 | 141,950 |
| Room | 52,595 | 49,761 | 101,542 | 99,826 |
| Online | 129,930 | 85,002 | 276,100 | 207,865 |
| Management fee | 21,252 | 17,446 | 43,497 | 37,476 |
| Other | 35,914 | 33,646 | 72,303 | 68,762 |
| Total revenues | 967,512 | 916,950 | 1,928,033 | 1,880,916 |
| Operating costs and expenses | | | | |
| Gaming | 252,067 | 249,999 | 497,753 | 499,794 |
| Food & beverage | 63,182 | 58,622 | 125,139 | 117,951 |
| Room | 19,342 | 18,580 | 38,054 | 35,700 |
| Online | 112,675 | 71,393 | 238,150 | 173,398 |
| Other | 13,248 | 11,003 | 26,161 | 22,570 |
| Selling, general and administrative | 105,134 | 99,070 | 213,318 | 199,389 |
| Master lease rent expense | 27,852 | 27,099 | 55,087 | 53,927 |
| Maintenance and utilities | 36,946 | 37,591 | 71,690 | 73,617 |
| Depreciation and amortization | 65,677 | 62,220 | 128,590 | 123,780 |
| Corporate expense | 31,255 | 31,705 | 60,640 | 60,360 |
| Project development, preopening and writedowns | 7,586 | 5,201 | 10,607 | (13,673) |
| Impairment of assets | — | — | 10,500 | 4,537 |
| Other operating items, net | 5,442 | 438 | 5,853 | 658 |
| Total operating costs and expenses | 740,406 | 672,921 | 1,481,542 | 1,352,008 |
| Operating income | 227,106 | 244,029 | 446,491 | 528,908 |
| Other expense (income) | | | | |
| Interest income | (403) | (2,715) | (849) | (20,860) |
| Interest expense, net of amounts capitalized | 42,949 | 42,715 | 85,258 | 86,581 |
| Other, net | 50 | 522 | 100 | 626 |
| Total other expense, net | 42,596 | 40,522 | 84,509 | 66,347 |
| Income before income taxes | 184,510 | 203,507 | 361,982 | 462,561 |
| Income tax provision | (44,665) | (11,053) | (85,664) | (70,376) |
| Net income | \$ 139,845 | \$ 192,454 | \$ 276,318 | \$ 392,185 |
| Basic net income per common share | \$ 1.47 | \$ 1.89 | \$ 2.87 | \$ 3.81 |
| Weighted average basic shares outstanding | 95,042 | 102,025 | 96,238 | 102,818 |
| Diluted net income per common share | \$ 1.47 | \$ 1.89 | \$ 2.87 | \$ 3.81 |
| Weighted average diluted shares outstanding | 95,080 | 102,071 | 96,280 | 102,867 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BOYD GAMING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

| <i>(In thousands)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--|-------------------|--------------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net income | \$ 139,845 | \$ 192,454 | \$ 276,318 | \$ 392,185 |
| Other comprehensive income (loss), net of tax: | | | | |
| Fair value adjustments to available-for-sale securities | (394) | 112 | (144) | 586 |
| Foreign currency translation adjustments | (138) | 196 | (456) | 200 |
| Comprehensive income | <u>\$ 139,313</u> | <u>\$ 192,762</u> | <u>\$ 275,718</u> | <u>\$ 392,971</u> |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BOYD GAMING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (Unaudited)

| | <u>Common Stock</u> | | <u>Additional Paid-in Capital</u> | <u>Retained Earnings</u> | <u>Accumulated Other Comprehensive Loss</u> | <u>Total</u> |
|--|---------------------|---------------|---|------------------------------|---|--------------|
| | <u>Shares</u> | <u>Amount</u> | | | | |
| <i>(In thousands, except share data)</i> | | | | | | |
| Balances, January 1, 2024 | 96,832,453 | \$ 968 | \$ — | \$ 1,744,232 | \$ (1,098) | \$ 1,744,102 |
| Net income | — | — | — | 136,473 | — | 136,473 |
| Comprehensive income, net of tax | — | — | — | — | 250 | 250 |
| Foreign currency translation adjustments | — | — | — | — | (318) | (318) |
| Release of restricted stock units, net of tax | 85,597 | 1 | (1,586) | (2,049) | — | (3,634) |
| Release of performance stock units, net of tax | 150,063 | 2 | (119) | (6,091) | — | (6,208) |
| Shares repurchased and retired | (1,658,377) | (17) | (5,155) | (101,133) | — | (106,305) |
| Dividends declared (\$0.17 per share) | — | — | — | (16,264) | — | (16,264) |
| Share-based compensation costs | — | — | 6,860 | — | — | 6,860 |
| Balances, March 31, 2024 | 95,409,736 | 954 | — | 1,755,168 | (1,166) | 1,754,956 |
| Net income | — | — | — | 139,845 | — | 139,845 |
| Comprehensive loss, net of tax | — | — | — | — | (394) | (394) |
| Foreign currency translation adjustments | — | — | — | — | (138) | (138) |
| Stock options exercised | 23,431 | — | 271 | — | — | 271 |
| Release of restricted stock units, net of tax | 19,837 | — | (1) | (33) | — | (34) |
| Shares repurchased and retired | (3,143,995) | (31) | (10,635) | (166,756) | — | (177,422) |
| Dividends declared (\$0.17 per share) | — | — | — | (15,736) | — | (15,736) |
| Share-based compensation costs | — | — | 10,365 | — | — | 10,365 |
| Balances, June 30, 2024 | 92,309,009 | \$ 923 | \$ — | \$ 1,712,488 | \$ (1,698) | \$ 1,711,713 |

| | <u>Common Stock</u> | | <u>Additional Paid-in Capital</u> | <u>Retained Earnings</u> | <u>Accumulated Other Comprehensive Loss</u> | <u>Total</u> |
|--|---------------------|---------------|---|------------------------------|---|--------------|
| | <u>Shares</u> | <u>Amount</u> | | | | |
| <i>(In thousands, except share data)</i> | | | | | | |
| Balances, January 1, 2023 | 102,816,110 | \$ 1,028 | \$ 305,152 | \$ 1,285,827 | \$ (1,382) | \$ 1,590,625 |
| Net income | — | — | — | 199,731 | — | 199,731 |
| Comprehensive income, net of tax | — | — | — | — | 474 | 474 |
| Foreign currency translation adjustments | — | — | — | — | 4 | 4 |
| Stock options exercised | 32,000 | — | 315 | — | — | 315 |
| Release of restricted stock units, net of tax | 45,942 | 1 | (1,926) | — | — | (1,925) |
| Release of performance stock units, net of tax | 318,878 | 3 | (12,777) | — | — | (12,774) |
| Shares repurchased and retired | (1,726,308) | (17) | (106,994) | — | — | (107,011) |
| Dividends declared (\$0.16 per share) | — | — | — | (16,289) | — | (16,289) |
| Share-based compensation costs | — | — | 7,819 | — | — | 7,819 |
| Balances, March 31, 2023 | 101,486,622 | 1,015 | 191,589 | 1,469,269 | (904) | 1,660,969 |
| Net income | — | — | — | 192,454 | — | 192,454 |
| Comprehensive income, net of tax | — | — | — | — | 112 | 112 |
| Foreign currency translation adjustments | — | — | — | — | 196 | 196 |
| Release of restricted stock units, net of tax | 17,871 | — | (63) | — | — | (63) |
| Shares repurchased and retired | (1,492,451) | (15) | (101,001) | — | — | (101,016) |
| Dividends declared (\$0.16 per share) | — | — | — | (16,041) | — | (16,041) |
| Share-based compensation costs | — | — | 12,198 | — | — | 12,198 |
| Balances, June 30, 2023 | 100,012,042 | \$ 1,000 | \$ 102,723 | \$ 1,645,682 | \$ (596) | \$ 1,748,809 |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BOYD GAMING CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

| <i>(In thousands)</i> | Six Months Ended June 30, | |
|--|------------------------------|------------|
| | 2024 | 2023 |
| Cash Flows from Operating Activities | | |
| Net income | \$ 276,318 | \$ 392,185 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 128,590 | 123,780 |
| Amortization of debt financing costs and discounts on debt | 3,803 | 3,944 |
| Non-cash operating lease expense | 44,482 | 40,256 |
| Non-cash expected credit loss (income) on note receivable | — | (34,371) |
| Share-based compensation expense | 17,225 | 20,017 |
| Deferred income taxes | 16,497 | (10,015) |
| Non-cash impairment of assets | 10,500 | 4,537 |
| Other operating activities | 2,328 | 205 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | 28,107 | 4,739 |
| Inventories | (485) | 765 |
| Prepaid expenses and other current assets | 7,884 | (2,220) |
| Income taxes receivable, net | (15,859) | (6,266) |
| Other assets, net | 2,059 | 223 |
| Accounts payable and accrued liabilities | (13,686) | (38,185) |
| Operating lease liabilities | (44,482) | (40,256) |
| Other liabilities | 531 | 3,937 |
| Net cash provided by operating activities | 463,812 | 463,275 |
| Cash Flows from Investing Activities | | |
| Capital expenditures | (204,031) | (171,386) |
| Payments received on note receivable | 208 | 49,720 |
| Other investing activities | (1,702) | (2,255) |
| Net cash used in investing activities | (205,525) | (123,921) |
| Cash Flows from Financing Activities | | |
| Borrowings under credit facility | 820,900 | 753,200 |
| Payments under credit facility | (779,600) | (862,500) |
| Share-based compensation activities | (9,605) | (14,447) |
| Shares repurchased and retired | (281,186) | (206,356) |
| Dividends paid | (31,774) | (31,764) |
| Other financing activities | (89) | (87) |
| Net cash used in financing activities | (281,354) | (361,954) |
| Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash | (134) | (63) |
| Change in cash, cash equivalents and restricted cash | (23,201) | (22,663) |
| Cash, cash equivalents and restricted cash, beginning of period | 307,930 | 295,065 |
| Cash, cash equivalents and restricted cash, end of period | \$ 284,729 | \$ 272,402 |
| Supplemental Disclosure of Cash Flow Information | | |
| Cash paid for interest, net of amounts capitalized | \$ 84,300 | \$ 84,121 |
| Cash received for interest | 213 | 8,513 |
| Cash paid for income taxes | 85,830 | 86,208 |
| Supplemental Schedule of Non-cash Investing and Financing Activities | | |
| Payables incurred for capital expenditures | \$ 23,541 | \$ 7,693 |
| Dividends declared not yet paid | 15,736 | 16,041 |
| Expected credit loss (income) on note receivable | — | (34,371) |

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BOYD GAMING CORPORATION AND SUBSIDIARIES**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Organization**

Boyd Gaming Corporation (and together with its subsidiaries, the "Company," "Boyd," "Boyd Gaming," "we" or "us") was incorporated in the state of Nevada in 1988 and has been operating since 1975. The Company's common stock is traded on the New York Stock Exchange under the symbol "BYD".

We are a geographically diversified operator of 28 wholly owned brick-and-mortar gaming entertainment properties ("gaming entertainment properties"). Headquartered in Las Vegas, Nevada, we have gaming entertainment properties in Nevada, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Ohio and Pennsylvania. In addition, we own and operate Boyd Interactive, a business-to-business ("B2B") and business-to-consumer ("B2C") online gaming business. We also manage the Sky River Casino located in California under a management agreement with Wilton Rancheria.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with the instructions to the Quarterly Report on Form 10-Q and Article 10 of Regulation S-X and, therefore, do not include all information and footnote disclosures necessary for complete financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes for the year ended December 31, 2023, as filed with the U.S. Securities and Exchange Commission ("SEC") on February 26, 2024.

The results for the periods indicated are unaudited but reflect all adjustments, consisting only of normal recurring adjustments, that management considers necessary for a fair presentation of financial position, results of operations and cash flows. Results of operations and cash flows for the interim periods presented herein are not necessarily indicative of the results that would be achieved during a full year of operations or in future periods.

The accompanying condensed consolidated financial statements include the accounts of the Company and its subsidiaries. Investments in unconsolidated affiliates, which are 50% or less owned and where we have significant influence and do not meet the controlling financial interest consolidation criteria of the authoritative accounting guidance for voting interest or variable interest entities, are accounted for under the equity method. All intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments, which include cash on hand and in banks, interest-bearing deposits and money market funds with maturities of three months or less at their date of purchase. The instruments are not restricted as to withdrawal or use and are on deposit with high credit quality financial institutions. Although these balances may at times exceed the federal insured deposit limit, we believe such risk is mitigated by the quality of the institution holding such deposit. The carrying values of these instruments approximate their fair values as such balances are generally available on demand.

Restricted Cash

Restricted cash consists primarily of: (i) amounts restricted by regulation for gaming and racing purposes; (ii) amounts restricted by regulation for the value in players' online casino gaming accounts; and (iii) advance payments received for future bookings with our Hawaiian travel agency. These restricted cash balances are invested in highly liquid instruments with a maturity of 90 days or less. These restricted cash balances are held by high credit quality financial institutions. The carrying values of these instruments approximate their fair values due to their short maturities.

The following table provides a reconciliation of cash, cash equivalents and restricted cash balances reported within the condensed consolidated balance sheets to the total balance shown in the condensed consolidated statements of cash flows.

| <i>(In thousands)</i> | June 30, 2024 | December 31, 2023 | June 30, 2023 | December 31, 2022 |
|---|--------------------------|------------------------------|--------------------------|------------------------------|
| Cash and cash equivalents | \$ 280,783 | \$ 304,271 | \$ 260,787 | \$ 283,472 |
| Restricted cash | 3,946 | 3,659 | 11,615 | 11,593 |
| Total cash, cash equivalents and restricted cash | \$ 284,729 | \$ 307,930 | \$ 272,402 | \$ 295,065 |

BOYD GAMING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

Leases

Management determines if a contract is or contains a lease at inception or modification of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Control over the use of the identified asset means the lessee has both (a) the right to obtain substantially all of the economic benefits from the use of the asset and (b) the right to direct the use of the asset. Operating lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the discount rate for the lease at the commencement date. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. For our operating leases for which the rate implicit in the lease is not readily determinable, we generally use an incremental borrowing rate based on information available at the commencement date to determine the present value of future lease payments. The incremental borrowing rate is determined based on the weighted average incremental borrowing rate at the lease commencement or modification date that is commensurate with the rate of interest in a similar economic environment that we would have to pay to borrow an amount equal to our future lease payments on a collateralized basis over a similar term, including reasonably certain options to extend or terminate. The determination of the incremental borrowing rate could materially impact our lease liabilities. Operating right-of-use ("ROU") assets and finance lease assets are recognized based on the amount of the initial measurement of the lease liability. Lease expense is recognized on a straight-line basis over the lease term. Lease and non-lease components are accounted for separately.

Revenue Recognition

The Company's revenue contracts with customers consist of gaming wagers (including both those made at our gaming entertainment properties and online B2C wagers), hotel room sales, food & beverage offerings and other amenity transactions. See *Collaborative Arrangements* below for further discussion of revenues earned under our online collaborative arrangements. The transaction price for a gaming wagering contract is the difference between gaming wins and losses, not the total amount wagered. Cash discounts, commissions and other cash incentives to customers related to gaming play are recorded as a reduction of gaming revenues. The transaction price for hotel, food & beverage and other contracts is the net amount collected from the customer for such goods and services. Hotel, food & beverage and other services have been determined to be separate, stand-alone performance obligations and the transaction price for such contracts is recorded as revenue as the good or service is transferred to the customer over their stay at the hotel, when the delivery is made for the food & beverage or when the service is provided for other amenity transactions.

We have established a player loyalty point program to encourage repeat business from frequent and active slot machine customers and other patrons. Members earn points based on gaming activity and such points can be redeemed for complimentary slot play, food & beverage, hotel rooms and other free goods and services.

Gaming wager contracts involve two performance obligations for those customers earning points under the Company's player loyalty program and a single performance obligation for customers who do not participate in the program. The Company applies a practical expedient by accounting for its gaming contracts on a portfolio basis as such wagers have similar characteristics and the Company reasonably expects the effects on the financial statements of applying the revenue recognition guidance to the portfolio to not differ materially from that which would result if applying the guidance to an individual wagering contract. For purposes of allocating the transaction price in a wagering contract between the wagering performance obligation and the obligation associated with the loyalty points earned, the Company allocates an amount to the player loyalty contract liability based on the stand-alone selling price of the points earned, which is determined by the value of a point that can be redeemed for a hotel room stay, food & beverage or other amenities. Sales and usage-based taxes are excluded from revenues. An amount is allocated to the gaming wager performance obligation using the residual approach as the stand-alone price for wagers is highly variable and no set established price exists for such wagers. The allocated revenue for gaming wagers, excluding race and sports wagers, is recognized when the wagers occur as all such wagers settle immediately. The allocated revenue for race and sports wagers is recognized when the specific event or game occurs. The player loyalty contract liability amount is deferred and recognized as revenue when the customer redeems the points for a hotel room stay, food & beverage or other amenities and such goods or services are delivered to the customer. See Note 4, *Accrued Liabilities*, for the balance outstanding related to the player loyalty program.

The Company collects advance deposits from hotel customers for future hotel reservations and other future events such as banquets and ticketed events. These advance deposits represent obligations of the Company until the hotel room stay is provided to the customer or the banquet or ticketed event occurs. See Note 4, *Accrued Liabilities*, for the balance outstanding related to advance deposits.

The Company's outstanding chip liability represents the amounts owed in exchange for gaming chips held by a customer. Outstanding chips are expected to be recognized as revenue or redeemed for cash within one year of being purchased. See Note 4, *Accrued Liabilities*, for the balance related to outstanding chips.

The retail value of hotel accommodations, food & beverage, and other services furnished to guests without charge is recorded as departmental revenues. Gaming revenues are net of incentives earned in our player loyalty program and the estimated retail value of complimentary goods and services provided to customers (such as complimentary rooms and food & beverage). The estimated retail values related to goods and services provided to customers without charge or upon redemption of points under our player loyalty program, included in departmental revenues, and therefore reducing our gaming revenues, are as follows:

| <i>(In thousands)</i> | Three Months Ended | | Six Months Ended | |
|-----------------------|---------------------------|-------------|-------------------------|-------------|
| | June 30, | | June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Food & beverage | \$ 31,785 | \$ 29,336 | \$ 62,453 | \$ 57,595 |
| Room | 15,668 | 15,346 | 30,340 | 30,494 |
| Other | 2,348 | 2,061 | 4,373 | 3,937 |



BOYD GAMING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

Gaming Taxes

We are subject to taxes based on gross gaming revenues in the jurisdictions in which we operate. These gaming taxes are assessed based on our gaming revenues and are recorded in the condensed consolidated statements of operations as a gaming expense for gaming entertainment properties and online expense for Boyd Interactive operations. Gaming taxes recorded as gaming expense totaled approximately \$130.2 million and \$129.7 million for the three months ended June 30, 2024 and 2023, respectively, and were \$256.9 million and \$259.8 million for the six months ended June 30, 2024 and 2023, respectively. Gaming taxes recorded as online expense, excluding taxes paid under collaborative arrangements (see *Collaborative Arrangements* below for further discussion), totaled \$3.1 million and \$1.2 million for the three months ended June 30, 2024 and 2023, respectively, and \$5.6 million and \$1.8 million for the six months ended June 30, 2024 and 2023, respectively.

Income Taxes

Income taxes are recorded under the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We reduce the carrying amounts of deferred tax assets by a valuation allowance if, based on the available evidence, it is more likely than not that such assets will not be realized. Use of the term "more likely than not" indicates the likelihood of occurrence is greater than 50%. Accordingly, the need to establish valuation allowances for deferred tax assets is continually assessed at a minimum quarterly, and as facts and circumstances change, based on a more-likely-than-not realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of profitability and taxable income, the duration of statutory carryforward periods, our experience with the utilization of operating loss and tax credit carryforwards before expiration and tax planning strategies. In making such judgments, significant weight is given to evidence that can be objectively verified.

In performing our second quarter 2023 valuation allowance analysis, we determined that the positive evidence in favor of releasing a portion of our valuation allowance for certain state jurisdictions, outweighed the negative evidence. We utilize a rolling twelve quarters of pre-tax income adjusted for permanent book to tax differences as a measure of cumulative results in recent years. We transitioned from a cumulative loss position to a cumulative income position over the rolling twelve quarters ended June 30, 2023. Other evidence considered in the analysis included, but was not limited to, a trend reflective of improvement in recent earnings, forecasts of profitability and taxable income and the reversal of existing temporary differences. The change in these conditions during the three months ended June 30, 2023 provided positive evidence that supported the release of the valuation allowance against a significant portion of our state deferred tax assets. As such, we concluded that it was more likely than not that the benefit from our deferred tax assets would be realized. As a result, during the second quarter of 2023, we released \$35.9 million of valuation allowance on our state income tax net operating loss carryforwards and other deferred tax assets.

Other Long-Term Tax Liabilities

The Company's income tax returns are subject to examination by the Internal Revenue Service ("IRS") and other tax authorities in the locations where it operates. The Company assesses potentially unfavorable outcomes of such examinations based on accounting standards for uncertain income taxes, which prescribe a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements.

Uncertain tax position accounting standards apply to all tax positions related to income taxes. These accounting standards utilize a two-step approach for evaluating tax positions. Recognition occurs when the Company concludes that a tax position, based on its technical merits, is more likely than not to be sustained upon examination. Measurement is only addressed if the position is deemed to be more likely than not to be sustained. The tax benefit is measured as the largest amount of benefit that is more likely than not to be realized upon settlement.

Tax positions failing to qualify for initial recognition are recognized in the first subsequent interim period that they meet the "more likely than not" standard. If it is subsequently determined that a previously recognized tax position no longer meets the "more likely than not" standard, it is required that the tax position is derecognized. Accounting standards for uncertain tax positions specifically prohibit the use of a valuation allowance as a substitute for derecognition of tax positions. As applicable, the Company will recognize accrued penalties and interest related to unrecognized tax benefits in the provision for income taxes. If applicable, accrued interest and penalties are included in other long-term tax liabilities on the consolidated balance sheets.

The IRS has selected our federal corporate income tax return for the tax year ended December 31, 2021, for examination. The IRS examination began in the second quarter of 2024 and is early in the process. As of June 30, 2024, and for the three and six months then ended, there were no changes to our unrecognized tax benefits to date.

Collaborative Arrangements

We hold a five percent equity ownership in and have a strategic partnership with FanDuel Group ("FanDuel"), the nation's leading sports-betting operator, to pursue sports-betting opportunities across the country, both at our gaming entertainment properties and online. Subject to state law and regulatory approvals, we have established a presence in the sports wagering industry, both at our gaming entertainment properties and online, by leveraging FanDuel's technology and related services. We offer online sports wagering under the FanDuel brand or under market access agreements with other companies in Illinois, Indiana, Iowa, Kansas, Louisiana, Ohio and Pennsylvania. We also operate sportsbooks under the FanDuel brand at one of our Downtown Las Vegas gaming entertainment properties, our gaming entertainment properties in Mississippi and all of the gaming entertainment properties in the states where we offer online sports wagering. Under our online collaborative arrangements with FanDuel and other third parties, we receive a revenue share from FanDuel or the other third-party operators based on actual wagering wins and losses. The activities under these collaborative arrangements related to online wagering, are recorded in online revenue and online expense on the condensed consolidated statements of operations. The activities under these collaborative arrangements related to sportsbooks at our gaming entertainment properties, are recorded in gaming revenue and gaming expense.

Under certain of our collaborative arrangements, we are the primary obligor and are responsible for paying gaming taxes and other license payments owed as the gaming licensee for the related online gaming activities. We are reimbursed for these taxes and other payments by the third-party operators. We report these

gaming taxes and other expenses paid as online expense and the reimbursements we receive as online revenues. These taxes and other payments totaled approximately \$103.5 million and \$63.3 million for the three months ended June 30, 2024 and 2023, respectively, and \$219.5 million and \$159.3 million for the six months ended June 30, 2024 and 2023, respectively.

Our five percent equity ownership in FanDuel is recorded at cost in accordance with the measurement alternative allowed under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 321, *Accounting for Investments in Equity Securities*. We do not have the ability to exercise significant influence over FanDuel's operating and financial policies. We evaluate the investment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We evaluate the recorded value of the investment when any observable price changes in orderly transactions for an identical or similar investment would require an adjustment of the investment to fair value.

BOYD GAMING CORPORATION AND SUBSIDIARIES**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)**

as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

Currency Translation

The Company translates the financial statements of its foreign subsidiary that are not denominated in U.S. dollars. Balance sheet accounts are translated at the exchange rate in effect at each balance sheet date. Income statement accounts are translated at the average rate of exchange prevailing during the period. If a material income statement event occurs, the transaction would be translated at the exchange rate in effect on the date of occurrence. Translation adjustments are recorded in other comprehensive income (loss). Gains or losses from foreign currency transaction remeasurements are recorded as other non-operating income (expense).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Recently Issued Accounting Pronouncements

A variety of proposed or otherwise potential accounting standards are currently being studied by standard-setting organizations and certain regulatory agencies. Because of the tentative and preliminary nature of such proposed standards, we have not yet determined the effect, if any, that the implementation of such proposed standards would have on our condensed consolidated financial statements.

NOTE 2. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following:

| <i>(In thousands)</i> | June 30, 2024 | December 31, 2023 |
|-------------------------------------|--------------------------|------------------------------|
| Land | \$ 338,469 | \$ 338,469 |
| Buildings and improvements | 3,361,145 | 3,237,863 |
| Furniture and equipment | 1,844,689 | 1,742,666 |
| Riverboats and barges | 241,825 | 241,826 |
| Construction in progress | 149,124 | 182,710 |
| Total property and equipment | 5,935,252 | 5,743,534 |
| Less accumulated depreciation | (3,309,125) | (3,201,022) |
| Property and equipment, net | \$ 2,626,127 | \$ 2,542,512 |

Depreciation expense is as follows:

| <i>(In thousands)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------|--|-------------|--------------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Depreciation expense | \$ 61,553 | \$ 58,066 | \$ 120,376 | \$ 115,465 |



BOYD GAMING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

NOTE 3. GOODWILL AND INTANGIBLE ASSETS, NET

Intangible assets, net consist of the following:

| June 30, 2024 | | | | | | |
|---|----------------------------------|----------------------|--------------------------|-------------------------------|-------------------------------------|------------------------|
| (In thousands) | Weighted | Gross Carrying Value | Accumulated Amortization | Accumulated Impairment Losses | Effect of Foreign Currency Exchange | Intangible Assets, Net |
| | Useful Life Remaining (in years) | | | | | |
| Amortizing intangibles | | | | | | |
| Customer relationships | 0.5 | \$ 3,925 | \$ (3,905) | \$ — | \$ — | \$ 20 |
| Host agreements | 8.9 | 58,000 | (23,522) | — | — | 34,478 |
| Development agreement | 5.1 | 21,373 | (5,724) | — | — | 15,649 |
| Developed technology | 7.9 | 41,684 | (6,704) | — | (22) | 34,958 |
| B2B relationships | 5.5 | 28,000 | (6,523) | — | (4) | 21,473 |
| B2C relationships | 10.3 | 13,000 | (1,806) | — | — | 11,194 |
| | | <u>165,982</u> | <u>(48,184)</u> | <u>—</u> | <u>(26)</u> | <u>117,772</u> |
| Indefinite lived intangible assets | | | | | | |
| Trademarks | Indefinite | 199,900 | — | (32,275) | — | 167,625 |
| Gaming license rights | Indefinite | 1,378,081 | (33,960) | (253,974) | — | 1,090,147 |
| | | <u>1,577,981</u> | <u>(33,960)</u> | <u>(286,249)</u> | <u>—</u> | <u>1,257,772</u> |
| Balances, June 30, 2024 | | <u>\$ 1,743,963</u> | <u>\$ (82,144)</u> | <u>\$ (286,249)</u> | <u>\$ (26)</u> | <u>\$ 1,375,544</u> |

| December 31, 2023 | | | | | | |
|---|----------------------------------|----------------------|--------------------------|-------------------------------|-------------------------------------|------------------------|
| (In thousands) | Weighted | Gross Carrying Value | Accumulated Amortization | Accumulated Impairment Losses | Effect of Foreign Currency Exchange | Intangible Assets, Net |
| | Useful Life Remaining (in years) | | | | | |
| Amortizing intangibles | | | | | | |
| Customer relationships | 0.1 | \$ 35,050 | \$ (35,010) | \$ — | \$ — | \$ 40 |
| Host agreements | 9.4 | 58,000 | (21,589) | — | — | 36,411 |
| Development agreement | 5.6 | 21,373 | (4,198) | — | — | 17,175 |
| Developed technology | 8.5 | 39,981 | (4,482) | — | 225 | 35,724 |
| B2B relationships | 6.0 | 28,000 | (4,566) | — | 52 | 23,486 |
| B2C relationships | 10.8 | 13,000 | (1,264) | — | — | 11,736 |
| | | <u>195,404</u> | <u>(71,109)</u> | <u>—</u> | <u>277</u> | <u>124,572</u> |
| Indefinite lived intangible assets | | | | | | |
| Trademarks | Indefinite | 199,900 | — | (32,275) | — | 167,625 |
| Gaming license rights | Indefinite | 1,378,081 | (33,960) | (243,474) | — | 1,100,647 |
| | | <u>1,577,981</u> | <u>(33,960)</u> | <u>(275,749)</u> | <u>—</u> | <u>1,268,272</u> |
| Balances, December 31, 2023 | | <u>\$ 1,773,385</u> | <u>\$ (105,069)</u> | <u>\$ (275,749)</u> | <u>\$ 277</u> | <u>\$ 1,392,844</u> |

The following table presents the future amortization expense for our amortizing intangible assets as of June 30, 2024:

| (In thousands) | Customer Relationships | Host Agreements | Development Agreement | Developed Technology | B2B Relationships | B2C Relationships | Total |
|---|------------------------|------------------|-----------------------|----------------------|-------------------|-------------------|-------------------|
| For the year ending December 31, | | | | | | | |
| 2024 (excluding six months ended June 30, 2024) | \$ 20 | \$ 1,934 | \$ 1,527 | \$ 2,380 | \$ 1,953 | \$ 541 | \$ 8,355 |
| 2025 | — | 3,867 | 3,053 | 4,718 | 3,914 | 1,083 | 16,635 |
| 2026 | — | 3,867 | 3,053 | 4,623 | 3,914 | 1,083 | 16,540 |
| 2027 | — | 3,867 | 3,053 | 4,622 | 3,914 | 1,083 | 16,539 |
| 2028 | — | 3,867 | 3,053 | 4,365 | 3,914 | 1,083 | 16,282 |
| Thereafter | — | 17,076 | 1,910 | 14,250 | 3,864 | 6,321 | 43,421 |
| Total future amortization | <u>\$ 20</u> | <u>\$ 34,478</u> | <u>\$ 15,649</u> | <u>\$ 34,958</u> | <u>\$ 21,473</u> | <u>\$ 11,194</u> | <u>\$ 117,772</u> |

BOYD GAMING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

During the six months ended June 30, 2024, as a result of our first quarter 2024 impairment review, the Company recorded an impairment charge of \$10.5 million for a gaming license right related to our Midwest & South segment. This noncash impairment charge is recorded in impairment of assets on the condensed consolidated statement of operations.

Goodwill consists of the following:

| | June 30, 2024 | | | | |
|---------------------------------|-----------------------------|---------------------------------|--------------------------------------|--|----------------------|
| <i>(In thousands)</i> | Gross Carrying Value | Accumulated Amortization | Accumulated Impairment Losses | Effect of Foreign Currency Exchange | Goodwill, Net |
| Goodwill, net by Segment | | | | | |
| Las Vegas Locals | \$ 593,567 | \$ — | \$ (188,079) | \$ — | \$ 405,488 |
| Downtown Las Vegas | 6,997 | (6,134) | — | — | 863 |
| Midwest & South | 636,269 | — | (107,470) | — | 528,799 |
| Online | 94,037 | — | (82,000) | 94 | 12,131 |
| Managed & Other | 30,529 | — | (30,529) | — | — |
| Balances, June 30, 2024 | \$ 1,361,399 | \$ (6,134) | \$ (408,078) | \$ 94 | \$ 947,281 |

| | December 31, 2023 | | | | |
|------------------------------------|-----------------------------|---------------------------------|--------------------------------------|--|----------------------|
| <i>(In thousands)</i> | Gross Carrying Value | Accumulated Amortization | Accumulated Impairment Losses | Effect of Foreign Currency Exchange | Goodwill, Net |
| Goodwill, net by Segment | | | | | |
| Las Vegas Locals | \$ 593,567 | \$ — | \$ (188,079) | \$ — | \$ 405,488 |
| Downtown Las Vegas | 6,997 | (6,134) | — | — | 863 |
| Midwest & South | 636,269 | — | (107,470) | — | 528,799 |
| Online | 94,037 | — | (82,000) | 154 | 12,191 |
| Managed & Other | 30,529 | — | (30,529) | — | — |
| Balances, December 31, 2023 | \$ 1,361,399 | \$ (6,134) | \$ (408,078) | \$ 154 | \$ 947,341 |

NOTE 4. ACCRUED LIABILITIES

Accrued liabilities consist of the following:

| <i>(In thousands)</i> | June 30, 2024 | December 31, 2023 |
|----------------------------------|----------------------|--------------------------|
| Payroll and related | \$ 65,829 | \$ 82,327 |
| Interest | 17,951 | 17,841 |
| Gaming | 68,810 | 68,749 |
| Player loyalty program | 19,784 | 23,850 |
| Advance deposits | 15,969 | 15,511 |
| Outstanding chips | 6,772 | 8,164 |
| Dividends payable | 15,736 | 15,508 |
| Operating leases | 98,622 | 98,867 |
| Other | 106,808 | 96,562 |
| Total accrued liabilities | \$ 416,281 | \$ 427,379 |

BOYD GAMING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023
NOTE 5. LONG-TERM DEBT

Long-term debt, net of current maturities and debt issuance costs, consists of the following:

| | June 30, 2024 | | | |
|------------------------------|--|------------------------------|---|----------------------------|
| | Interest Rates at June 30, 2024 | Outstanding Principal | Unamortized Origination Fees and Costs | Long-Term Debt, Net |
| <i>(In thousands)</i> | | | | |
| Credit facility | 7.161% | \$ 1,087,600 | \$ (11,249) | \$ 1,076,351 |
| 4.750% senior notes due 2027 | 4.750% | 1,000,000 | (6,818) | 993,182 |
| 4.750% senior notes due 2031 | 4.750% | 900,000 | (9,437) | 890,563 |
| Other | 5.208% | 416 | — | 416 |
| Total long-term debt | | 2,988,016 | (27,504) | 2,960,512 |
| Less current maturities | | 44,416 | — | 44,416 |
| Long-term debt, net | | \$ 2,943,600 | \$ (27,504) | \$ 2,916,096 |

| | December 31, 2023 | | | |
|------------------------------|--|------------------------------|---|----------------------------|
| | Interest Rates at December 31, 2023 | Outstanding Principal | Unamortized Origination Fees and Costs | Long-Term Debt, Net |
| <i>(In thousands)</i> | | | | |
| Credit facility | 7.164% | \$ 1,046,300 | \$ (13,403) | \$ 1,032,897 |
| 4.750% senior notes due 2027 | 4.750% | 1,000,000 | (7,792) | 992,208 |
| 4.750% senior notes due 2031 | 4.750% | 900,000 | (10,111) | 889,889 |
| Other | 5.208% | 504 | — | 504 |
| Total long-term debt | | 2,946,804 | (31,306) | 2,915,498 |
| Less current maturities | | 44,275 | — | 44,275 |
| Long-term debt, net | | \$ 2,902,529 | \$ (31,306) | \$ 2,871,223 |

The outstanding principal amounts under the Credit Facility are comprised of the following:

| | June 30, 2024 | December 31, 2023 |
|--|----------------------|--------------------------|
| <i>(In thousands)</i> | | |
| Revolving Credit Facility | \$ 255,000 | \$ 180,000 |
| Term A Loan | 781,000 | 803,000 |
| Swing Loan | 51,600 | 63,300 |
| Total outstanding principal amounts | \$ 1,087,600 | \$ 1,046,300 |

With a total revolving credit commitment of \$1,450.0 million available under the Credit Facility, \$255.0 million and \$51.6 million in borrowings outstanding on the Revolving Credit Facility and the Swing Loan, respectively, and \$13.4 million allocated to support various letters of credit, there was a remaining contractual availability under the Credit Facility of \$1,130.0 million as of June 30, 2024.

Covenant Compliance

As of June 30, 2024, we were in compliance with the financial covenants of our debt instruments.

BOYD GAMING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

NOTE 6. COMMITMENTS AND CONTINGENCIES

Wilton Rancheria Agreements

In 2012, the Company entered into a development agreement and a management agreement with Wilton Rancheria. The development agreement obligated us to fund certain pre-development costs to assist Wilton Rancheria in its development and oversight of the gaming facility construction. The pre-development costs financed by us were to be repaid under the terms of a note receivable with Wilton Rancheria bearing interest at 12.5% with payment timing and the payment amount subject to an excess cash flow waterfall payment prioritization and maintenance of a certain leverage ratio, among other restrictions under Wilton Rancheria's third-party credit agreement that provided funding for the construction project. Given the significant barriers of the project, a majority of the advances made during the 10-year period prior to the Sky River Casino opening were historically reserved in full when advanced. The Sky River Casino opened on August 15, 2022 and after generating cash flows from operations, we updated our evaluation of expected losses on the note receivable which resulted in a partial release of the allowance during the fourth quarter of 2022. The Wilton Rancheria amended their third-party credit agreement in March 2023 and such amendment effectively allowed Sky River Casino to begin making previously disallowed distributions, under the excess cash flow waterfall. Given the amendment in the first quarter of 2023, the Company updated its evaluation of its expected losses on the note receivable. As the amendment allowed for quarterly payments to begin and given the sustained operating strength of the recently opened property, the Company concluded it expected to receive all payments due under the note receivable. As such, the Company removed the remaining allowance on the note receivable in the first quarter of 2023, which represented a reserve on both the development advances and interest on the note. The allowance reduction was thus allocated accordingly and \$20.1 million is recorded in project development, preopening and writedowns and \$14.3 million is recorded in interest income, both reflected in the condensed consolidated statement of operations for the six months ended June 30, 2023. The Company received \$0.2 million in principal payments and \$0.2 million in interest due under the note receivable during the six months ended June 30, 2024, and \$49.7 million in principal payments and \$8.5 million in interest due under the note receivable during the six months ended June 30, 2023. As of June 30, 2024, the principal and interest outstanding on the note receivable was fully repaid. Separately, the management agreement provides for us to manage the gaming facility upon opening for a period of seven years and receive a monthly management fee for our services based on the monthly performance of the gaming facility. The management fee of \$21.3 million and \$17.4 million for our management services for the three months ended June 30, 2024 and 2023, respectively, and \$43.5 million and \$37.5 million for the six months ended June 30, 2024 and 2023, respectively, is paid monthly and recorded in management fee revenue on the condensed consolidated statements of operations.

Commitments

As of June 30, 2024, there have been no material changes to our commitments described under Note 9, *Commitments and Contingencies*, in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 26, 2024.

Contingencies

Legal Matters

We are parties to various legal proceedings arising in the ordinary course of business. We believe that all pending claims, if adversely decided, would not have a material effect on our business, financial position, results of operations or cash flows.

NOTE 7. STOCKHOLDERS' EQUITY AND STOCK INCENTIVE PLANS

Share Repurchase Program

On October 21, 2021, our Board of Directors authorized a share repurchase program of \$300.0 million (the "Share Repurchase Program"). In addition, our Board of Directors authorized increases to the Share Repurchase Program of \$500.0 million on each of June 1, 2022, May 4, 2023 and May 9, 2024. As of June 30, 2024, \$545.1 million remains available under the Share Repurchase Program. Under the Share Repurchase Program, the Company may repurchase shares of its common stock from time to time on the open market or in privately negotiated transactions. Repurchases of common stock may also be made under Rule 10b5-1 plans, which would permit common stock to be repurchased when the Company might otherwise be precluded from doing so under insider trading laws. We are not obligated to repurchase any shares under this program. The timing, volume and nature of share repurchases will be at the sole discretion of management, dependent on market conditions, applicable securities laws and other factors, and may be suspended or discontinued at any time.

The following table provides information regarding share repurchases during the referenced periods (1).

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| <i>(In thousands, except per share data)</i> | | | | |
| Shares repurchased (2) | 3,144 | 1,492 | 4,802 | 3,219 |
| Total cost, including brokerage fees (3) | \$ 175,686 | \$ 100,028 | \$ 281,186 | \$ 206,356 |
| Average repurchase price per share (4) | \$ 55.88 | \$ 67.02 | \$ 58.55 | \$ 64.11 |

(1) Shares repurchased reflect repurchases settled during the three and six months ended June 30, 2024 and 2023. These amounts exclude repurchases, if any, traded but not yet settled on or before June 30, 2024 and 2023, respectively.

(2) All shares repurchased have been retired and constitute authorized but unissued shares.

(3) Costs exclude 1% excise tax on corporate stock buybacks.

(4) Amounts in the table may not recalculate exactly due to rounding. Average repurchase price per share is calculated based on unrounded numbers and excludes the 1% excise tax.



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as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023
Dividends

The dividends declared by the Board of Directors and reflected in the periods presented are:

| Declaration date | Record date | Payment date | Amount per share |
|-------------------|-------------------|------------------|------------------|
| December 8, 2022 | December 19, 2022 | January 15, 2023 | \$ 0.15 |
| February 14, 2023 | March 15, 2023 | April 15, 2023 | 0.16 |
| May 4, 2023 | June 15, 2023 | July 15, 2023 | 0.16 |
| December 7, 2023 | December 22, 2023 | January 15, 2024 | 0.16 |
| February 28, 2024 | March 15, 2024 | April 15, 2024 | 0.17 |
| May 9, 2024 | June 15, 2024 | July 15, 2024 | 0.17 |

Share-Based Compensation

We account for share-based awards exchanged for employee services in accordance with the authoritative accounting guidance for share-based payments. Under the guidance, share-based compensation expense is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense, net of estimated forfeitures, over the employee's requisite service period.

The following table provides classification detail of the total costs related to our share-based employee compensation plans reported in our condensed consolidated statements of operations.

| <i>(In thousands)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------------|------------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Gaming | \$ 289 | \$ 307 | \$ 524 | \$ 528 |
| Food & beverage | 55 | 59 | 100 | 101 |
| Room | 27 | 28 | 48 | 48 |
| Selling, general and administrative | 1,471 | 1,563 | 2,663 | 2,683 |
| Corporate expense | 8,523 | 10,241 | 13,890 | 16,657 |
| Total share-based compensation expense | \$ 10,365 | \$ 12,198 | \$ 17,225 | \$ 20,017 |

Performance Shares

Our stock incentive plan provides for the issuance of Performance Share Units ("PSU") grants which may be earned, in whole or in part, upon the passage of time and the attainment of performance criteria. We periodically review our estimates of performance against the defined criteria to assess the expected payout of each outstanding PSU grant and adjust our stock compensation expense accordingly.

The PSU grants awarded in third quarter 2021 and fourth quarter 2019 fully vested during the first quarter of 2024 and 2023, respectively. Common shares under the 2021 grant were issued based on the determination by the Compensation Committee of the Board of Directors ("Compensation Committee") of our actual achievement of Earnings Before Interest, Taxes, Depreciation and Amortization and Rent under master leases ("EBITDAR") and return on invested capital for the two-year performance period from July 2021 to June 2023. Common shares under the 2019 grant were issued based on the determination by the Compensation Committee of net revenue growth and EBITDAR growth for the three-year performance period of the grant. As provided under the provisions of our stock incentive plan, certain of the participants elected to surrender a portion of the shares to be received to pay the withholding and other payroll taxes payable on the compensation resulting from the vesting of the PSUs.

The PSU grant awarded in July 2021 resulted in a total of 241,277 shares being issued during the first quarter of 2024, representing approximately 1.94 shares per PSU. Of the 241,277 shares issued, a total of 94,862 were surrendered by the participants for payroll taxes, resulting in a net issuance of 146,415 shares due to the vesting of the 2021 grant. The actual achievement level under the award metrics approximated the estimated performance as of the year-end 2023; therefore, the vesting of the PSUs had minimal impact to compensation costs of \$0.8 million in our condensed consolidated statement of operations for the six months ended June 30, 2024.

The PSU grant awarded in December 2019 resulted in a total of 519,782 shares being issued during the first quarter of 2023, representing approximately 2.00 shares per PSU. Of the 519,782 shares issued, a total of 200,904 were surrendered by the participants for payroll taxes, resulting in a net issuance of 318,878 shares due to the vesting of the 2019 grant. The actual achievement level under the award metrics equaled the estimated performance as of the year-end 2022; therefore, the vesting of the PSUs did not impact compensation costs in our 2023 condensed consolidated statement of operations.

Unamortized Stock Compensation Expense and Recognition Period

As of June 30, 2024, there was approximately \$15.6 million, \$5.7 million and \$1.7 million of total unrecognized share-based compensation costs related to unvested restricted stock units ("RSUs"), PSUs and career shares, respectively. As of June 30, 2024, the unrecognized share-based compensation costs related to our RSUs, PSUs and career shares are expected to be recognized over approximately 2.3 years, 2.3 years and 3.5 years, respectively.

NOTE 8. FAIR VALUE MEASUREMENTS

We have adopted the authoritative accounting guidance for fair value measurements, which does not determine or affect the circumstances under which fair

value measurements are used, but defines fair value, expands disclosure requirements around fair value and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions.

BOYD GAMING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

These inputs create the following fair value hierarchy:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

As required by the guidance for fair value measurements, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Thus, assets and liabilities categorized as Level 3 may be measured at fair value using inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

Balances Measured at Fair Value

The following tables show the fair values of certain of our financial instruments:

| <i>(In thousands)</i> | June 30, 2024 | | | |
|-------------------------------|----------------------|----------------|----------------|----------------|
| | Balance | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Cash and cash equivalents | \$ 280,783 | \$ 280,783 | \$ — | \$ — |
| Restricted cash | 3,946 | 3,946 | — | — |
| Investment available for sale | 12,495 | — | — | 12,495 |
| December 31, 2023 | | | | |
| <i>(In thousands)</i> | Balance | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Cash and cash equivalents | \$ 304,271 | \$ 304,271 | \$ — | \$ — |
| Restricted cash | 3,659 | 3,659 | — | — |
| Investment available for sale | 13,327 | — | — | 13,327 |

Cash and Cash Equivalents and Restricted Cash

The fair values of our cash and cash equivalents and restricted cash, classified in the fair value hierarchy as Level 1, are based on statements received from our banks as of June 30, 2024 and December 31, 2023.

Investment Available for Sale

We have an investment in a single municipal bond issuance of \$16.4 million aggregate principal amount of 7.5% Urban Renewal Tax Increment Revenue Bonds, Taxable Series 2007 that is classified as available for sale with a maturity date of June 1, 2037. We are the only holder of this instrument and there is no quoted market price for this instrument. As such, the fair value of this investment is classified as Level 3 in the fair value hierarchy. The estimate of the fair value of such investment was determined using a combination of current market rates and estimates of market conditions for instruments with similar terms, maturities and degrees of risk and a discounted cash flows analysis as of June 30, 2024 and December 31, 2023. The significant unobservable input used to determine fair value of the instrument in the discounted cash flows analysis at June 30, 2024 and December 31, 2023 is a discount rate of 12.8% and 12.4%, respectively. Unrealized gains and losses on this instrument resulting from changes in the fair value of the instrument are not charged to earnings, but rather are recorded as other comprehensive income (loss) in the stockholders' equity section of the condensed consolidated balance sheets and in the condensed consolidated statements of other comprehensive income. As of June 30, 2024 and December 31, 2023, \$0.8 million and \$0.7 million, respectively, of the carrying value of the investment available for sale is included as a current asset in prepaid expenses and other current assets, and at June 30, 2024 and December 31, 2023, \$11.7 million and \$12.6 million, respectively, is included in other assets, net on the condensed consolidated balance sheets. The discount associated with this investment of \$1.9 million and \$2.0 million as of June 30, 2024 and December 31, 2023, respectively, is netted with the investment balance and is being accreted over the life of the investment using the effective interest method. The accretion of such discount is included in interest income on the condensed consolidated statements of operations.

The following table summarizes the changes in fair value of the Company's Level 3 investment available for sale asset:

| <i>(In thousands)</i> | Three Months Ended | | Six Months Ended | |
|---|---------------------------|-------------|-------------------------|-------------|
| | June 30, | | June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Balance at beginning of reporting period | \$ 13,550 | \$ 14,348 | \$ 13,327 | \$ 13,670 |
| Total gains (realized or unrealized): | | | | |
| Included in interest income | 45 | 44 | 89 | 87 |
| Included in other comprehensive income (loss) | (370) | (497) | (191) | 138 |
| Purchases, sales, issuances and settlements: | | | | |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Settlements | (730) | (680) | (730) | (680) |
| Balance at end of reporting period | <u>\$ 12,495</u> | <u>\$ 13,215</u> | <u>\$ 12,495</u> | <u>\$ 13,215</u> |

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

We are exposed to valuation risk on our Level 3 financial instruments. We estimate our risk exposure using a sensitivity analysis of potential changes in the significant unobservable inputs of our fair value measurements. Our Level 3 financial instruments are most susceptible to valuation risk caused by changes in the discount rate. If the discount rate in our fair value measurements increased or decreased by 100 basis points, the change would not cause the value of our fair value measurements to change significantly.

The fair value of indefinite-lived intangible assets, classified in the fair value hierarchy as Level 3, is utilized in performing the Company's impairment analyses. The value of our gaming licenses is determined using a multi-period excess earnings method, which is a specific discounted cash flow model which utilized Level 3 inputs.

Balances Disclosed at Fair Value

The following tables provide the fair value measurement information about our obligation under assessment agreements and note receivable. As of June 30, 2024, the outstanding principal balance under the note receivable was paid in full.

| | | June 30, 2024 | | | |
|--|------------------------------------|---------------------------|---------------------------------|---------------------------------|--|
| <i>(In thousands)</i> | Outstanding Face Amount | Carrying Value | Estimated Fair Value | Fair Value Hierarchy | |
| Liabilities | | | | | |
| Obligation under assessment arrangements | \$ 19,121 | \$ 16,924 | \$ 22,101 | Level 3 | |

| | | December 31, 2023 | | | |
|--|------------------------------------|---------------------------|---------------------------------|---------------------------------|--|
| <i>(In thousands)</i> | Outstanding Face Amount | Carrying Value | Estimated Fair Value | Fair Value Hierarchy | |
| Asset | | | | | |
| Note receivable | \$ 419 | \$ 419 | \$ 419 | Level 3 | |
| Liabilities | | | | | |
| Obligation under assessment arrangements | 20,199 | 17,752 | 23,282 | Level 3 | |

The following tables provide the fair value measurement information about our long-term debt:

| | | June 30, 2024 | | | |
|------------------------------|------------------------------------|---------------------------|---------------------------------|---------------------------------|--|
| <i>(In thousands)</i> | Outstanding Face Amount | Carrying Value | Estimated Fair Value | Fair Value Hierarchy | |
| Credit facility | \$ 1,087,600 | \$ 1,076,351 | \$ 1,066,123 | Level 2 | |
| 4.750% senior notes due 2027 | 1,000,000 | 993,182 | 957,500 | Level 1 | |
| 4.750% senior notes due 2031 | 900,000 | 890,563 | 815,625 | Level 1 | |
| Other | 416 | 416 | 416 | Level 3 | |
| Total debt | \$ 2,988,016 | \$ 2,960,512 | \$ 2,839,664 | | |

| | | December 31, 2023 | | | |
|------------------------------|------------------------------------|---------------------------|---------------------------------|---------------------------------|--|
| <i>(In thousands)</i> | Outstanding Face Amount | Carrying Value | Estimated Fair Value | Fair Value Hierarchy | |
| Credit facility | \$ 1,046,300 | \$ 1,032,897 | \$ 1,021,206 | Level 2 | |
| 4.750% senior notes due 2027 | 1,000,000 | 992,208 | 957,500 | Level 1 | |
| 4.750% senior notes due 2031 | 900,000 | 889,889 | 819,000 | Level 1 | |
| Other | 504 | 504 | 504 | Level 3 | |
| Total debt | \$ 2,946,804 | \$ 2,915,498 | \$ 2,798,210 | | |

The estimated fair value of our obligation under assessment arrangements is based on a discounted cash flows approach after giving consideration to the changes in market rates of interest, creditworthiness of both parties and credit spread. The fair value of our note receivable as of December 31, 2023, was estimated to equal its carrying value after consideration of the expected repayment timing of the remaining balance. The estimated fair value of our Credit Facility is based on a relative value analysis performed on or about June 30, 2024 and December 31, 2023. The estimated fair values of our senior notes are based on quoted market prices as of June 30, 2024 and December 31, 2023. The other debt is fixed-rate debt consisting of finance leases with various maturity dates from 2024 to 2025. The other debt is not traded and does not have an observable market input; therefore, we have estimated fair value to be equal to the carrying value for these obligations.

There were no transfers between Level 1, Level 2 and Level 3 measurements during the six months ended June 30, 2024 and 2023.

BOYD GAMING CORPORATION AND SUBSIDIARIES**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)**

as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

NOTE 9. SEGMENT INFORMATION

The Company has the following four reportable segments: (i) Las Vegas Locals; (ii) Downtown Las Vegas; (iii) Midwest & South; and (iv) Online, (collectively "Reportable Segments"). The Las Vegas Locals, Downtown Las Vegas and Midwest & South segments include the operating results of our gaming entertainment properties. The table below lists the Reportable Segment classification of each of our gaming entertainment properties, which are each also operating segments, that were aggregated based on their similar economic characteristics, types of customers, types of services and products provided, the regulatory environments in which they operate and their management and reporting structure. The Online segment includes the operating results of Boyd Interactive and our online gaming operations through collaborative arrangements with third parties throughout the United States, both of which are also operating segments. To reconcile Reportable Segments information to the condensed consolidated information, the Company has aggregated nonreportable operating segments into a Managed & Other category. The Managed & Other category includes management fees earned under our management contract with Wilton Rancheria for the management of Sky River Casino in northern California and the operating results of Lattner Entertainment Group Illinois, LLC, our Illinois distributed gaming operator.

Las Vegas Locals

| | |
|---------------------------------------|-------------------------|
| Gold Coast Hotel and Casino | Las Vegas, Nevada |
| The Orleans Hotel and Casino | Las Vegas, Nevada |
| Sam's Town Hotel and Gambling Hall | Las Vegas, Nevada |
| Suncoast Hotel and Casino | Las Vegas, Nevada |
| Eastside Cannery Casino and Hotel (1) | Las Vegas, Nevada |
| Aliante Casino + Hotel + Spa | North Las Vegas, Nevada |
| Cannery Casino Hotel | North Las Vegas, Nevada |
| Jokers Wild | Henderson, Nevada |

Downtown Las Vegas

| | |
|--------------------------------------|-------------------|
| California Hotel and Casino | Las Vegas, Nevada |
| Fremont Hotel & Casino | Las Vegas, Nevada |
| Main Street Station Hotel and Casino | Las Vegas, Nevada |

Midwest & South

| | |
|---|-------------------------------|
| Par-A-Dice Casino | East Peoria, Illinois |
| Belterra Casino Resort (2) | Florence, Indiana |
| Blue Chip Casino Hotel Spa | Michigan City, Indiana |
| Diamond Jo Casino | Dubuque, Iowa |
| Diamond Jo Worth | Northwood, Iowa |
| Kansas Star Casino | Mulvane, Kansas |
| Amelia Belle Casino | Amelia, Louisiana |
| Delta Downs Racetrack Hotel & Casino | Vinton, Louisiana |
| Evangeline Downs Racetrack & Casino | Opelousas, Louisiana |
| Sam's Town Shreveport | Shreveport, Louisiana |
| Treasure Chest Casino | Kenner, Louisiana |
| IP Casino Resort Spa | Biloxi, Mississippi |
| Sam's Town Hotel and Gambling Hall Tunica | Tunica, Mississippi |
| Ameristar Casino * Hotel Kansas City (2) | Kansas City, Missouri |
| Ameristar Casino * Resort * Spa St. Charles (2) | St. Charles, Missouri |
| Belterra Park (2) | Cincinnati, Ohio |
| Valley Forge Casino Resort | King of Prussia, Pennsylvania |

(1) Due to the current levels of demand in the market, Eastside Cannery has remained closed since March 18, 2020, when it closed in compliance with orders issued by state officials as precautionary measures intended to slow the spread of the COVID-19 virus.

(2) Property is subject to a master lease agreement with a real estate investment trust.

Results of Operations - Total Reportable Segment Revenues and Adjusted EBITDAR

We evaluate profitability based on Adjusted EBITDAR, which represents earnings before interest expense, interest income, income taxes, depreciation and amortization, deferred rent, share-based compensation expense, project development, preopening and writedown expenses, impairments of assets, other operating items, net, gain or loss on early extinguishments and modifications of debt, other items, net and master lease rent expense, as applicable. Total Reportable Segment Adjusted EBITDAR is the aggregate sum of the Adjusted EBITDAR for each of the gaming entertainment properties included in our Las Vegas Locals, Downtown Las Vegas and Midwest & South segments and Adjusted EBITDAR related to the online operations in our Online segment. Results for Downtown Las Vegas include the results of our Hawaii-based travel agency and captive insurance company as our Downtown Las Vegas properties focus their marketing efforts on gaming customers from Hawaii.

BOYD GAMING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

EBITDAR is a commonly used measure of performance in our industry that we believe, when considered with measures calculated in accordance with GAAP, facilitates comparisons between us and our competitors and provides our investors a more complete understanding of our operating results before the impact of investing transactions, financing transactions and income taxes. Management has historically adjusted EBITDAR when evaluating operating performance because we believe that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide a full understanding of our core operating results and as a means to evaluate period-to-period results.

The following tables set forth, for the periods indicated, departmental revenues for our Reportable Segments and our Managed & Other category to reconcile to total revenues:

| Three Months Ended June 30, 2024 | | | | | | | |
|---|-----------------------|------------------------------------|---------------------|-----------------------|-------------------------------|----------------------|----------------------|
| <i>(In thousands)</i> | Gaming Revenue | Food & Beverage Revenue | Room Revenue | Online Revenue | Management Fee Revenue | Other Revenue | Total Revenue |
| Revenues | | | | | | | |
| Las Vegas Locals | \$ 162,915 | \$ 23,373 | \$ 24,697 | \$ — | \$ — | \$ 14,069 | \$ 225,054 |
| Downtown Las Vegas | 36,725 | 11,085 | 6,893 | — | — | 2,998 | 57,701 |
| Midwest & South | 440,296 | 42,536 | 21,005 | — | — | 17,913 | 521,750 |
| Online | — | — | — | 129,930 | — | — | 129,930 |
| Managed & Other | 10,891 | — | — | — | 21,252 | 934 | 33,077 |
| Total Revenues | \$ 650,827 | \$ 76,994 | \$ 52,595 | \$ 129,930 | \$ 21,252 | \$ 35,914 | \$ 967,512 |

| Three Months Ended June 30, 2023 | | | | | | | |
|---|-----------------------|------------------------------------|---------------------|-----------------------|-------------------------------|----------------------|----------------------|
| <i>(In thousands)</i> | Gaming Revenue | Food & Beverage Revenue | Room Revenue | Online Revenue | Management Fee Revenue | Other Revenue | Total Revenue |
| Revenues | | | | | | | |
| Las Vegas Locals | \$ 171,986 | \$ 22,219 | \$ 23,295 | \$ — | \$ — | \$ 13,440 | \$ 230,940 |
| Downtown Las Vegas | 34,432 | 10,142 | 5,636 | — | — | 2,781 | 52,991 |
| Midwest & South | 443,440 | 38,005 | 20,830 | — | — | 16,571 | 518,846 |
| Online | — | — | — | 85,002 | — | — | 85,002 |
| Managed & Other | 10,871 | — | — | — | 17,446 | 854 | 29,171 |
| Total Revenues | \$ 660,729 | \$ 70,366 | \$ 49,761 | \$ 85,002 | \$ 17,446 | \$ 33,646 | \$ 916,950 |

| Six Months Ended June 30, 2024 | | | | | | | |
|---------------------------------------|-----------------------|------------------------------------|---------------------|-----------------------|-------------------------------|----------------------|----------------------|
| <i>(In thousands)</i> | Gaming Revenue | Food & Beverage Revenue | Room Revenue | Online Revenue | Management Fee Revenue | Other Revenue | Total Revenue |
| Revenues | | | | | | | |
| Las Vegas Locals | \$ 324,371 | \$ 45,795 | \$ 50,453 | \$ — | \$ — | \$ 30,057 | \$ 450,676 |
| Downtown Las Vegas | 70,446 | 21,500 | 13,461 | — | — | 5,825 | 111,232 |
| Midwest & South | 868,537 | 82,338 | 37,628 | — | — | 34,013 | 1,022,516 |
| Online | — | — | — | 276,100 | — | — | 276,100 |
| Managed & Other | 21,604 | — | — | — | 43,497 | 2,408 | 67,509 |
| Total Revenues | \$ 1,284,958 | \$ 149,633 | \$ 101,542 | \$ 276,100 | \$ 43,497 | \$ 72,303 | \$ 1,928,033 |

| Six Months Ended June 30, 2023 | | | | | | | |
|---------------------------------------|-----------------------|------------------------------------|---------------------|-----------------------|-------------------------------|----------------------|----------------------|
| <i>(In thousands)</i> | Gaming Revenue | Food & Beverage Revenue | Room Revenue | Online Revenue | Management Fee Revenue | Other Revenue | Total Revenue |
| Revenues | | | | | | | |
| Las Vegas Locals | \$ 348,307 | \$ 44,982 | \$ 48,676 | \$ — | \$ — | \$ 29,245 | \$ 471,210 |
| Downtown Las Vegas | 70,849 | 20,639 | 12,485 | — | — | 5,575 | 109,548 |
| Midwest & South | 883,525 | 76,329 | 38,665 | — | — | 32,500 | 1,031,019 |
| Online | — | — | — | 207,865 | — | — | 207,865 |
| Managed & Other | 22,356 | — | — | — | 37,476 | 1,442 | 61,274 |
| Total Revenues | \$ 1,325,037 | \$ 141,950 | \$ 99,826 | \$ 207,865 | \$ 37,476 | \$ 68,762 | \$ 1,880,916 |

BOYD GAMING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)
as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023

The following table reconciles, for the periods indicated, our Reportable Segments and our Managed & Other category Adjusted EBITDAR to net income, as reported in our accompanying condensed consolidated statements of operations:

| <i>(In thousands)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-------------------|------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Adjusted EBITDAR | | | | |
| Las Vegas Locals | \$ 109,253 | \$ 118,395 | \$ 219,691 | \$ 244,555 |
| Downtown Las Vegas | 22,018 | 19,652 | 39,833 | 42,019 |
| Midwest & South | 195,455 | 201,833 | 376,449 | 400,517 |
| Online | 17,057 | 13,400 | 37,533 | 34,023 |
| Managed & Other | 23,140 | 19,546 | 47,921 | 41,097 |
| Corporate expense | (22,732) | (21,464) | (46,750) | (43,703) |
| Adjusted EBITDAR | 344,191 | 351,362 | 674,677 | 718,508 |
| Other operating costs and expenses | | | | |
| Deferred rent | 163 | 177 | 324 | 354 |
| Master lease rent expense | 27,852 | 27,099 | 55,087 | 53,927 |
| Depreciation and amortization | 65,677 | 62,220 | 128,590 | 123,780 |
| Share-based compensation expense | 10,365 | 12,198 | 17,225 | 20,017 |
| Project development, preopening and writedowns | 7,586 | 5,201 | 10,607 | (13,673) |
| Impairment of assets | — | — | 10,500 | 4,537 |
| Other operating items, net | 5,442 | 438 | 5,853 | 658 |
| Total other operating costs and expenses | 117,085 | 107,333 | 228,186 | 189,600 |
| Operating income | 227,106 | 244,029 | 446,491 | 528,908 |
| Other expense (income) | | | | |
| Interest income | (403) | (2,715) | (849) | (20,860) |
| Interest expense, net of amounts capitalized | 42,949 | 42,715 | 85,258 | 86,581 |
| Other, net | 50 | 522 | 100 | 626 |
| Total other expense, net | 42,596 | 40,522 | 84,509 | 66,347 |
| Income before income taxes | 184,510 | 203,507 | 361,982 | 462,561 |
| Income tax provision | (44,665) | (11,053) | (85,664) | (70,376) |
| Net income | \$ 139,845 | \$ 192,454 | \$ 276,318 | \$ 392,185 |

For purposes of this presentation, corporate expense excludes its portion of share-based compensation expense. Corporate expense represents unallocated payroll, professional fees, rent, aircraft expenses and various other expenses that are not directly related to our casino, hotel and online operations.

Total Reportable Segment Assets

The Company's assets by Reportable Segment and Managed & Other category consisted of the following amounts:

| <i>(In thousands)</i> | June 30, 2024 | December 31, 2023 |
|-----------------------|---------------------|----------------------|
| Assets | | |
| Las Vegas Locals | \$ 1,625,829 | \$ 1,634,732 |
| Downtown Las Vegas | 289,557 | 295,494 |
| Midwest & South | 3,829,675 | 3,805,301 |
| Online | 135,816 | 155,356 |
| Managed & Other | 118,122 | 124,161 |
| Corporate | 262,421 | 258,082 |
| Total Assets | \$ 6,261,420 | \$ 6,273,126 |

NOTE 10. SUBSEQUENT EVENTS

We have evaluated all events or transactions that occurred after June 30, 2024. During this period, up to the filing date, we did not identify any subsequent events, the effects of which would require disclosure or adjustment to our financial position or results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**Executive Overview**

Boyd Gaming Corporation (and together with its subsidiaries, the "Company," "Boyd," "Boyd Gaming," "we" or "us") was incorporated in the state of Nevada in 1988 and has been operating since 1975. The Company's common stock is traded on the New York Stock Exchange under the symbol "BYD".

We are a geographically diversified operator of 28 gaming entertainment properties. Headquartered in Las Vegas, Nevada, we have gaming entertainment properties in Nevada, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Ohio and Pennsylvania. In addition, we own and operate Boyd Interactive, a business-to-business ("B2B") and business-to-consumer ("B2C") online gaming business. We also manage the Sky River Casino located in California under a management agreement with Wilton Rancheria. We have the following four reportable segments: (i) Las Vegas Locals; (ii) Downtown Las Vegas; (iii) Midwest & South; and (iv) Online, (collectively "Reportable Segments"). The Las Vegas Locals, Downtown Las Vegas and Midwest & South segments include the operating results of our gaming entertainment properties. The table below lists the Reportable Segment classification of each of our gaming entertainment properties, which are each also operating segments, that were aggregated based on their similar economic characteristics, types of customers, types of services and products provided, the regulatory environments in which they operate and their management and reporting structure. The Online segment includes the operating results of Boyd Interactive and our online gaming operations through collaborative arrangements with third parties throughout the United States, both of which are also operating segments. To reconcile Reportable Segments information to the condensed consolidated information, the Company has aggregated nonreportable operating segments into a Managed & Other category. The Managed & Other category includes management fees earned under our management contract with Wilton Rancheria for the management of Sky River Casino in northern California and the operating results of Lattner Entertainment Group Illinois, LLC, our Illinois distributed gaming operator ("Lattner").

Las Vegas Locals

| | |
|---------------------------------------|-------------------------|
| Gold Coast Hotel and Casino | Las Vegas, Nevada |
| The Orleans Hotel and Casino | Las Vegas, Nevada |
| Sam's Town Hotel and Gambling Hall | Las Vegas, Nevada |
| Suncoast Hotel and Casino | Las Vegas, Nevada |
| Eastside Cannery Casino and Hotel (1) | Las Vegas, Nevada |
| Aliante Casino + Hotel + Spa | North Las Vegas, Nevada |
| Cannery Casino Hotel | North Las Vegas, Nevada |
| Jokers Wild | Henderson, Nevada |

Downtown Las Vegas

| | |
|--------------------------------------|-------------------|
| California Hotel and Casino | Las Vegas, Nevada |
| Fremont Hotel & Casino | Las Vegas, Nevada |
| Main Street Station Hotel and Casino | Las Vegas, Nevada |

Midwest & South

| | |
|---|-------------------------------|
| Par-A-Dice Casino | East Peoria, Illinois |
| Belterra Casino Resort (2) | Florence, Indiana |
| Blue Chip Casino Hotel Spa | Michigan City, Indiana |
| Diamond Jo Casino | Dubuque, Iowa |
| Diamond Jo Worth | Northwood, Iowa |
| Kansas Star Casino | Mulvane, Kansas |
| Amelia Belle Casino | Amelia, Louisiana |
| Delta Downs Racetrack Hotel & Casino | Vinton, Louisiana |
| Evangeline Downs Racetrack & Casino | Opelousas, Louisiana |
| Sam's Town Shreveport | Shreveport, Louisiana |
| Treasure Chest Casino | Kenner, Louisiana |
| IP Casino Resort Spa | Biloxi, Mississippi |
| Sam's Town Hotel and Gambling Hall Tunica | Tunica, Mississippi |
| Ameristar Casino * Hotel Kansas City (2) | Kansas City, Missouri |
| Ameristar Casino * Resort * Spa St. Charles (2) | St. Charles, Missouri |
| Belterra Park (2) | Cincinnati, Ohio |
| Valley Forge Casino Resort | King of Prussia, Pennsylvania |

(1) Due to the current levels of demand in the market, Eastside Cannery has remained closed since March 18, 2020, when it closed in compliance with orders issued by state officials as precautionary measures intended to slow the spread of the COVID-19 virus.

(2) Property is subject to a master lease agreement with a real estate investment trust.

We also own a travel agency and a captive insurance company that underwrites travel-related insurance, each located in Hawaii. As our Downtown Las Vegas properties focus their marketing efforts on gaming customers from Hawaii, financial results for these operations are included in our Downtown Las Vegas segment.

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Most of our gaming entertainment properties also include hotel, dining, sportsbook, retail and other amenities. Our main business emphasis is on slot revenues, which highly depends on the number of visits and spending levels of customers at our properties.

Our gaming entertainment properties have historically generated significant operating cash flow, with the majority of our revenue being cash-based. While we do provide casino credit and the ability to transfer digital funds from a player's cashless "BoydPay" wallet, subject to certain gaming regulations and jurisdictions, most of our customers wager with cash and pay for non-gaming services with cash or by credit card.

Our industry is capital intensive, and we rely heavily on the ability of our operations to generate operating cash flow to fund maintenance capital expenditures, pay income taxes, repay debt financing and associated interest costs, repurchase our debt or equity securities, pay dividends, and provide excess cash for future development and to help fund acquisitions.

Our Strategy

Our strategy is to increase shareholder value by pursuing strategic initiatives that improve and grow our business.

Growing Revenues and Operating Efficiently

We are committed to growing revenues and building loyalty among core customers through targeted marketing investments with a focus on maximizing gaming revenues while operating as efficiently as possible.

Balance Sheet Strength

We are committed to maintaining a strong balance sheet and finding opportunities to diversify and increase our cash flow. We are also committed to a balanced capital allocation approach with our cash flows, with a current emphasis on investing in our business and returning capital to shareholders.

Evaluating Acquisition and Growth Opportunities

Our evaluations of potential investments and growth opportunities are strategic, deliberate, and disciplined. Our goal is to identify and pursue opportunities that grow our business, are available at the right price and deliver a solid return for shareholders. These investments can take the form of expanding and enhancing offerings and amenities at existing properties, developing new properties, expanding and enhancing online sports wagering and online casino offerings as they are legalized in and around the states we operate today, and asset acquisitions.

Maintaining Our Brand

The ability of our Team Members to deliver great customer service helps distinguish our Company and our brands from our competitors. Our Team Members are an important reason that our customers continue to choose our properties over the competition across the country. In addition, we have established nationwide branding through our "Boyd Rewards" loyalty program. Our players use their Boyd Rewards cards to earn and redeem points at all of our gaming entertainment properties and online casino gaming offerings. Boyd Rewards, among other benefits, rewards players for their loyalty by entitling them to qualify for promotions and monetary discounts, earn rewards toward gaming and nongaming activities and receive benefits such as vacations and luxury gifts.

Commitment to Corporate Social Responsibility ("CSR")

We fulfill our commitment to CSR through four core pillars: Environment, People, Communities and Corporate Governance. We invest in the well-being of our communities and future generations through economic contributions and endeavor to reduce our carbon footprint, strive to be an employer of choice where every Team Member is treated with dignity and respect, and promote a culture of conducting business with the highest level of integrity.

Our Key Performance Indicators

We use several key performance measures to evaluate the operations of our gaming entertainment properties. These key performance measures include the following:

- **Gaming revenue measures:** *slot handle*, which means the dollar amount wagered in slot machines, and *table game drop*, which means the total amount of cash, including digital funds transferred from the players' cashless "BoydPay" wallet, deposited in table games drop boxes, plus the sum of markers issued at all table games, are measures of volume and/or market share. *Slot win* and *table game hold*, which means the amount of wagers on slot machines and table games, respectively, retained by us and recorded as gaming revenues, and represents the difference between customer wagers and customer winnings on slot machines and table games, respectively. Slot win percentage and table game hold percentage, which are not fully controllable by us, represent the relationship between slot handle to slot win and table game drop to table game hold, respectively.
- **Food & beverage revenue measures:** *average guest check*, which means the average amount spent per customer visit and is a measure of volume and product offerings; *number of guests served* ("food covers"), which is an indicator of volume; and the *cost per guest served*, which is a measure of operating margin.
- **Room revenue measures:** *hotel occupancy rate*, which measures the utilization of our available rooms; and *average daily rate* ("ADR"), which is a price measure; and the *cost per room*, which is a measure of operating margin.

RESULTS OF OPERATIONS**Overview**

| | Three Months Ended | | Six Months Ended | |
|------------------|--------------------|----------|------------------|------------|
| | June 30, | | June 30, | |
| (In millions) | 2024 | 2023 | 2024 | 2023 |
| Total revenues | \$ 967.5 | \$ 917.0 | \$ 1,928.0 | \$ 1,880.9 |
| Operating income | 227.1 | 244.0 | 446.5 | 528.9 |
| Net income | 139.8 | 192.5 | 276.3 | 392.2 |

Total Revenues

Total revenues for the three months ended June 30, 2024 increased by \$50.6 million, or 5.5%, compared to the prior year comparable period, primarily due to an increase in online revenue of \$44.9 million, which was driven by an increase of \$40.3 million in reimbursements of gaming taxes and other expenses paid on behalf of our online partners, during the three months ended June 30, 2024, as compared to the prior year comparable period. While gaming revenues declined by \$9.9 million for the three months ended June 30, 2024, compared to the prior year comparable period, and had the second largest impact on revenues, food & beverage revenues increased by \$6.6 million over the same period and helped offset the gaming revenue decline.

Total revenues for the six months ended June 30, 2024 increased by \$47.1 million, or 2.5%, compared to the prior year comparable period, primarily due to the following: (i) an increase in online revenue of \$68.2 million, which was driven by an increase of \$60.3 million in reimbursements of gaming taxes and other expenses paid on behalf of our online partners, during the six months ended June 30, 2024, as compared to the prior year comparable period; (ii) an increase in food & beverage revenue of \$7.7 million primarily due to an increase in average guest check of 6.1%; (iii) an increase of \$6.0 million related to the Sky River Casino management fee; and (iv) offset by a decrease in gaming revenue of \$40.1 million. The gaming revenue decline was primarily driven by the first quarter, which contributed to \$30.2 million of the gaming revenue decline for the first six months of the year. Further, more than half of the \$40.1 million gaming revenue decline through the first six months of the year, or \$23.0 million, was related to January as severe winter storms impacted the Midwest & South segment in January. In addition, gaming revenues were down from the prior year due to decreased visitation in the current year in our Las Vegas segments as the first quarter of 2023, and January in particular, was strengthened by increased visitation to Las Vegas. We also saw the competitive pressures from the first quarter driven by a new competitor that opened in our Las Vegas Locals market continue into the second quarter and contribute to the year over year gaming revenue declines. Excluding impacts in January and competitive pressures in the Las Vegas Locals market, for the remainder of the six months ended June 30, 2024, we saw growth in play from our core customer while the retail customer was relatively flat over the prior year.

Operating Income

Operating income decreased by \$16.9 million, or 6.9%, for the three months ended June 30, 2024, compared to the prior year comparable period, primarily due to the gaming revenue decline of \$9.9 million. While food & beverage revenue growth over the same period helped offset the gaming revenue decline, the significantly lower margin on food & beverage was not able to offset the gaming operating income decline. In addition, while online revenues grew \$44.9 million, \$40.3 million of the online revenue growth is due to reimbursements of gaming taxes and other expenses paid on behalf of our online partners that results in zero operating income as an equal amount is recorded as an expense. Operating income was also unfavorably impacted by \$3.9 million in project development expenses related to the opening of the Treasure Chest land-based casino and \$1.1 million of demolition costs.

Operating income for the six months ended June 30, 2024 decreased by \$82.4 million, or 15.6%, compared to the prior year comparable period, primarily due to the \$40.1 million gaming revenue decline, as discussed above. In addition, while online revenues grew \$68.2 million, \$60.3 million of the online revenue growth is due to reimbursements of gaming taxes and other expenses paid on behalf of our online partners that results in zero operating income as an equal amount is also recorded as an expense. Operating income was also unfavorably impacted by: (i) \$4.1 million in project development expenses related to the opening of the Treasure Chest land-based casino; (ii) \$3.0 million of demolition costs; and (iii) a \$6.0 million increase in impairment of assets over the prior year comparable period as the Company recorded an impairment charge of \$10.5 million during the six months ended June 30, 2024 related to a gaming license right in the Midwest & South segment, compared to a \$4.5 million impairment charge related to goodwill in the Managed & Other category during the six months ended June 30, 2023. Finally, in the prior year, operating income was favorably impacted by a \$20.1 million reduction of the allowance on a note receivable with Wilton Rancheria ("Wilton Note") for development advances over the 10 years prior to the Sky River Casino opening as we evaluated the current expected credit losses after an amendment to Wilton Rancheria's third-party construction loan in March 2023 that allowed for payments to us to begin in March 2023.

Net Income

Net income decreased \$52.6 million for the three months ended June 30, 2024, compared to the prior year comparable period, primarily due to an increase in the income tax provision of \$33.6 million due to the release of state tax valuation allowances of \$35.9 million in the prior year and the \$16.9 million decrease in operating income, as discussed above.

Net income decreased \$115.9 million for the six months ended June 30, 2024, compared to the prior year comparable period, primarily due to the \$82.4 million decrease in operating income, as discussed above. In addition, interest income decreased \$20.0 million during the six months ended June 30, 2024, due to an adjustment to the expected loss for interest on the Wilton Note that impacted interest income favorably during the six months ended June 30, 2023 and interest earned on the Wilton Note during the six months ended June 30, 2023. Finally, net income decreased due to a \$15.3 million increase in the income tax provision as the six months ended June 30, 2023 benefited from the release of state tax valuation allowances of \$35.9 million in the prior year and was offset by the operational performance decline and lower resulting taxes during the six months ended June 30, 2024.

Operating Revenues

We derive the majority of our revenues from our gaming operations, which produced approximately 67% and 72% of revenues for the three months ended June 30, 2024 and 2023, respectively, and 67% and 70% of revenues for the six months ended June 30, 2024 and 2023, respectively. Online revenues, including reimbursements received from our third-party operators for gaming taxes and other expenses we pay under collaborative arrangements, represent our next most significant revenue source, generating 13% and 9% of revenues for the three months ended June 30, 2024 and 2023, respectively, and 14% and 11% of revenues for the six months ended June 30, 2024 and 2023, respectively. Food & beverage revenues, room revenues, management fee revenues and other revenues separately contributed 8% or less of revenues during these periods.

| (In millions) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|-----------------|------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| REVENUES | | | | |
| Gaming | \$ 650.8 | \$ 660.7 | \$ 1,285.0 | \$ 1,325.0 |
| Food & beverage | 77.0 | 70.4 | 149.6 | 141.9 |
| Room | 52.6 | 49.8 | 101.5 | 99.8 |
| Online | 129.9 | 85.0 | 276.1 | 207.9 |
| Management fee | 21.3 | 17.4 | 43.5 | 37.5 |
| Other | 35.9 | 33.7 | 72.3 | 68.8 |
| Total revenues | \$ 967.5 | \$ 917.0 | \$ 1,928.0 | \$ 1,880.9 |
| DEPARTMENTAL OPERATING EXPENSES | | | | |
| Gaming | \$ 252.1 | \$ 250.0 | \$ 497.8 | \$ 499.8 |
| Food & beverage | 63.2 | 58.6 | 125.1 | 118.0 |
| Room | 19.3 | 18.6 | 38.1 | 35.7 |
| Online | 112.7 | 71.4 | 238.2 | 173.4 |
| Other | 13.2 | 11.0 | 26.2 | 22.6 |
| Total departmental operating expenses | \$ 460.5 | \$ 409.6 | \$ 925.4 | \$ 849.5 |
| MARGINS | | | | |
| Gaming | 61.3% | 62.2% | 61.3% | 62.3% |
| Food & beverage | 17.9% | 16.8% | 16.4% | 16.8% |
| Room | 63.3% | 62.7% | 62.5% | 64.2% |
| Online | 13.2% | 16.0% | 13.7% | 16.6% |
| Other | 63.2% | 67.4% | 63.8% | 67.2% |

Gaming

Gaming revenues are comprised primarily of the net win from our slot machine operations and to a lesser extent from table games win. The decrease in gaming revenues of \$9.9 million, or 1.5%, during the three months ended June 30, 2024, compared to the prior year comparable period, was primarily due to a decline in table game hold of 5.8%.

The decrease in gaming revenues of \$40.1 million, or 3.0%, during the six months ended June 30, 2024, compared to the prior year comparable period, was primarily due to declines in slot handle of 1.7%, slot win of 1.1% and table game hold of 5.7%. Gaming revenues were impacted by winter storms throughout the Midwest & South in January, market softness during the first quarter in our Las Vegas Locals segment, competitive pressures through the first two quarters in the Las Vegas Locals segment after a new competitor entered the market in December 2023, and increased visitation in our Las Vegas segments in the prior year, particularly in the first quarter, all as discussed above.

Food & Beverage

Food & beverage revenues increased \$6.6 million, or 9.4%, and \$7.7 million, or 5.4%, during the three and six months ended June 30, 2024, respectively, compared to the prior year comparable periods, primarily due to an increase in average guest check of 6.0% and 6.1%, respectively.

Room

Room revenues increased \$2.8 million, or 5.7%, and \$1.7 million, or 1.7%, during the three and six months ended June 30, 2024, compared to the prior year comparable periods, primarily due to an increase in hotel occupancy rate of 2.0% and 0.6%, respectively.

Online

Online revenues increased \$44.9 million and \$68.2 million during the three and six months ended June 30, 2024, respectively, compared to the prior year comparable periods, primarily driven by an increase of \$40.3 million and \$60.3 million in reimbursements of gaming taxes and other expenses paid on behalf of our online partners, during the three and six months ended June 30, 2024, respectively, as compared to the prior year comparable periods.

Management fee

Management fee revenues during the three months ended June 30, 2024 and 2023 of \$21.3 million and \$17.4 million, respectively, and during the six months ended June 30, 2024 and 2023 of \$43.5 million and \$37.5 million, respectively, relate to our management agreement with Wilton Rancheria to manage the Sky River Casino in northern California.

Other

Other revenues relate to patronage visits at the other amenities at our properties, including entertainment and nightclub revenues, retail sales, theater tickets and other venues. Other revenues increased \$2.3 million, or 6.7%, and \$3.5 million, or 5.1%, during the three and six months ended June 30, 2024, respectively, as compared to the corresponding periods of the prior year.

Revenues and Adjusted EBITDAR by Reportable Segment

We determine each property's profitability based on Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Rent ("Adjusted EBITDAR"), which represents earnings before interest expense, interest income, income taxes, depreciation and amortization, deferred rent, master lease rent expense, other operating items, net, share-based compensation expense, project development, preopening and writedown expenses, impairments of assets, loss on early extinguishments and modifications of debt and other items, net, as applicable. Reportable Segment Adjusted EBITDAR is the aggregate sum of the Adjusted EBITDAR for each of the gaming entertainment properties comprising our Las Vegas Locals, Downtown Las Vegas and Midwest & South segments and our Online segment. Results for Downtown Las Vegas include the results of our travel agency and captive insurance company in Hawaii. Results for our nonreportable operating segments, including Lattner and our Sky River Casino management fees, are aggregated in the Managed & Other category. Corporate expense represents unallocated payroll, professional fees, rent, aircraft expenses and various other expenses that are not directly related to our casino, hotel and online operations. Furthermore, for purposes of this presentation, corporate expense excludes its portion of share-based compensation expense.

EBITDAR is a commonly used measure of performance in our industry that we believe, when considered with measures calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"), facilitates comparisons between us and our competitors and provides our investors a more complete understanding of our operating results before the impact of investing transactions, financing transactions and income taxes. Management has historically adjusted EBITDAR when evaluating operating performance because we believe that the exclusion of certain recurring and non-recurring items is necessary to provide a full understanding of our core operating results and as a means to evaluate period-to-period results.

The following table presents total revenues and Adjusted EBITDAR by our Reportable Segments and our Managed & Other category to reconcile to total revenues and total Adjusted EBITDAR:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------------|--------------------------------|-----------------|------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| <i>(In millions)</i> | | | | |
| Total revenues | | | | |
| Las Vegas Locals | \$ 225.1 | \$ 230.9 | \$ 450.7 | \$ 471.2 |
| Downtown Las Vegas | 57.7 | 53.0 | 111.2 | 109.5 |
| Midwest & South | 521.7 | 518.9 | 1,022.5 | 1,031.0 |
| Online | 129.9 | 85.0 | 276.1 | 207.9 |
| Managed & Other | 33.1 | 29.2 | 67.5 | 61.3 |
| Total revenues | \$ 967.5 | \$ 917.0 | \$ 1,928.0 | \$ 1,880.9 |
| Adjusted EBITDAR (1) | | | | |
| Las Vegas Locals | \$ 109.2 | \$ 118.4 | \$ 219.7 | \$ 244.6 |
| Downtown Las Vegas | 22.0 | 19.7 | 39.8 | 42.0 |
| Midwest & South | 195.5 | 201.8 | 376.5 | 400.5 |
| Online | 17.1 | 13.4 | 37.5 | 34.0 |
| Managed & Other | 23.1 | 19.6 | 47.9 | 41.1 |
| Corporate expense | (22.7) | (21.5) | (46.7) | (43.7) |
| Adjusted EBITDAR | \$ 344.2 | \$ 351.4 | \$ 674.7 | \$ 718.5 |

(1) Refer to Note 9, *Segment Information*, in the notes to the condensed consolidated financial statements (unaudited) for a reconciliation of Adjusted EBITDAR to net income, as reported in accordance with GAAP in our accompanying condensed consolidated statements of operations.

Las Vegas Locals

Total revenues decreased by \$5.9 million, or 2.5%, during the three months ended June 30, 2024, as compared to the prior year comparable period, due primarily to a \$9.1 million decline in gaming revenues. The decrease in gaming revenues was attributable to declines in table game hold of 11.9%, table game drop of 2.1%, slot handle of 2.8% and slot win of 2.3% from the prior year comparable period. As discussed earlier, the Las Vegas Locals segment was impacted by competitive pressures with a new competitor recently entering the market. Absent these competitive pressures, the Las Vegas Locals segment performed in-line with the overall market on a same-store basis. Offsetting the decline in gaming revenues, was an increase in room revenue of \$1.4 million, which was driven by an increase in hotel occupancy rate of 2.6%, and an increase in food & beverage revenue of \$1.2 million, which was primarily due to an increase in average guest check of 7.3%.

Total revenues decreased by \$20.5 million, or 4.4%, during the six months ended June 30, 2024, compared to the prior year comparable period, due primarily to a \$23.9 million decline in gaming revenues. The decrease in gaming revenues was attributable to declines in table game hold of 11.5%, slot handle of 4.4% and slot win of 3.9% from the prior year comparable period. As discussed earlier, the Las Vegas Locals segment was impacted by competitive pressures with a new competitor recently entering the market and overall market softness in the first quarter. Offsetting the decline in gaming revenues, was an increase in room revenue of \$1.8 million, which was driven by an increase in hotel occupancy rate of 1.7%.

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Adjusted EBITDAR decreased by \$9.1 million, or 7.7%, and \$24.9 million, or 10.2%, during the three and six months ended June 30, 2024, as compared to the prior year comparable period, due primarily to the gaming revenues decline discussed above.

Downtown Las Vegas

Total revenues increased by \$4.7 million, or 8.9%, during the three months ended June 30, 2024, as compared to the prior year comparable period, reflecting revenue increases in all departmental categories. Gaming revenues increased \$2.3 million primarily due to increases in table game drop of 17.4%, slot win of 10.3% and slot handle of 7.3%. In addition, room revenue increased \$1.3 million, which was driven by a 7.6% increase in occupied rooms by the Hawaiian customer. As airfares normalized from the elevated levels that occurred in the first quarter, Hawaiian visitation recovered in the second quarter. We continue to tailor our marketing programs in the Downtown Las Vegas segment to focus on the Hawaiian market.

Total revenues increased by \$1.7 million, or 1.5%, during the six months ended June 30, 2024, compared to the prior year comparable period, reflecting revenue increases in all departmental categories, except for gaming revenues which declined by \$0.4 million. Room revenues increased \$1.0 million as the hotel occupancy rate increased 6.3% and food & beverage revenues increased \$0.9 million as average guest check increased 4.2%. These increases were primarily attributable to our recently completed renovation and expansion at the Fremont Hotel & Casino and the hotel remodel at Main Street Station Hotel and Casino.

Adjusted EBITDAR increased by \$2.4 million, or 12.0%, during the three months ended June 30, 2024, as compared to the prior year comparable period, primarily due to the revenue increase discussed above as the segment benefited from our recent property investments and Hawaiian visitation recovery, both as discussed above.

Adjusted EBITDAR decreased by \$2.2 million, or 5.2%, during the six months ended June 30, 2024, compared to the prior year comparable period, primarily due to wage increases as we completed our efforts in 2023 to increase the hourly minimum rate to \$15 per hour for all non-tipped, non-represented positions in the prior year and also property insurance cost increases.

Midwest & South

Total revenues increased by \$2.9 million, or 0.6%, during the three months ended June 30, 2024, as compared to the corresponding period of the prior year, due primarily to a \$4.5 million increase in food & beverage revenue, which was driven by a 6.3% increase in average guest check. Offsetting the increase in food & beverage revenue, is a \$3.1 million decline in gaming revenues, which was primarily due to a decline in table game hold of 3.8%.

Total revenues decreased by \$8.5 million, or 0.8%, during the six months ended June 30, 2024, compared to the prior year comparable period, primarily due to a \$15.0 million decline in gaming revenues. The gaming revenues decline is primarily driven by the severe winter storms across the segment in the first quarter of 2024, specifically January. Offsetting the gaming revenue decline, is a food & beverage revenue increase of \$6.0 million, which is driven by a 6.2% increase in average guest check.

Adjusted EBITDAR decreased by \$6.4 million, or 3.2%, during the three months ended June 30, 2024, as compared to the corresponding prior year period, due primarily to continued cost pressures and specifically an increase in property insurance and wages, as we completed our efforts in 2023 to increase the hourly minimum rate to \$15 per hour for all non-tipped, non-represented positions throughout the prior year.

Adjusted EBITDAR decreased by \$24.1 million, or 6.0%, during the six months ended June 30, 2024, compared to the prior year comparable period, primarily due to the gaming revenues decline, as discussed above, as well as property insurance and wage increases as we increased the minimum wage in the prior year, as discussed above.

Online

Online revenues increased \$44.9 million and \$68.2 million during the three and six months ended June 30, 2024, respectively, as compared to the prior year comparable periods, primarily driven by an increase of \$40.3 million and \$60.3 million in reimbursements of gaming taxes and other expenses paid on behalf of our online partners, during the three and six months ended June 30, 2024, respectively, as compared to the prior year comparable periods.

Adjusted EBITDAR increased \$3.7 million and \$3.5 million during the three and six months ended June 30, 2024, respectively, as compared to the corresponding periods of the prior year, due primarily to continued growth in revenues under our market access agreements, particularly in Pennsylvania. As discussed earlier, there is an equal amount of expense recorded for the revenue recorded related to the reimbursement of gaming taxes and other expenses, thus resulting in no impact to EBITDAR.

Managed & Other

During the three and six months ended June 30, 2024, total revenues increased by \$3.9 million and \$6.2 million, respectively, and Adjusted EBITDAR increased by \$3.6 million and \$6.8 million, respectively, as compared to the corresponding period of the prior year, primarily due to a \$3.8 million and \$6.0 million increase in Sky River Casino management fees for the three and six months ended June 30, 2024, respectively, compared to the prior year comparable periods.

Other Operating Costs and Expenses

The following costs and expenses, as presented in our condensed consolidated statements of operations, are further discussed below:

| (In millions) | Three Months Ended | | Six Months Ended | |
|--|--------------------|---------|------------------|----------|
| | June 30, | | June 30, | |
| | 2024 | 2023 | 2024 | 2023 |
| Selling, general and administrative | \$ 105.1 | \$ 99.1 | \$ 213.3 | \$ 199.4 |
| Master lease rent expense | 27.9 | 27.1 | 55.1 | 53.9 |
| Maintenance and utilities | 36.9 | 37.6 | 71.7 | 73.6 |
| Depreciation and amortization | 65.7 | 62.2 | 128.6 | 123.8 |
| Corporate expense | 31.3 | 31.7 | 60.6 | 60.4 |
| Project development, preopening and writedowns | 7.6 | 5.2 | 10.6 | (13.7) |
| Impairment of assets | — | — | 10.5 | 4.5 |
| Other operating items, net | 5.4 | 0.4 | 5.9 | 0.7 |

Selling, General and Administrative

Selling, general and administrative expenses, as a percentage of revenues, were 10.9% and 10.8% during the three months ended June 30, 2024 and 2023, respectively, and 11.1% and 10.6% during the six months ended June 30, 2024 and 2023, respectively. While we continue to focus on our disciplined operating model and targeted marketing approach, selling, general and administrative expenses were impacted by increased wages and property insurance costs during the three and six months ended June 30, 2024.

Master Lease Rent Expense

Master lease rent expense represents rent expense incurred by four of our properties which are subject to two master lease agreements with a real estate investment trust. Master lease rent expense remained generally flat period over period at \$27.9 million and \$27.1 million during the three months ended June 30, 2024 and 2023, respectively, and \$55.1 million and \$53.9 million during the six months ended June 30, 2024 and 2023, respectively.

Maintenance and Utilities

Maintenance and utilities expenses, as a percentage of revenues, remained generally consistent at 3.8% and 4.1% during the three months ended June 30, 2024 and 2023, respectively, and 3.7% and 3.9% during the six months ended June 30, 2024 and 2023, respectively.

Depreciation and Amortization

Depreciation and amortization expenses, as a percentage of revenues, remained generally consistent at 6.8% during both the three months ended June 30, 2024 and 2023, and 6.7% and 6.6% during the six months ended June 30, 2024 and 2023, respectively.

Corporate Expense

Corporate expense represents unallocated payroll, professional fees, rent, aircraft expenses and various other expenses that are not directly related to our casino, hotel and online operations, in addition to the corporate portion of share-based compensation expense. Corporate expense was generally consistent and represented 3.2% and 3.5% of revenues during the three months ended June 30, 2024 and 2023, respectively, and 3.1% and 3.2% of revenues during the six months ended June 30, 2024 and 2023, respectively.

Project Development, Preopening and Writedowns

Project development, preopening and writedowns represent: (i) certain costs incurred and recoveries realized related to the activities associated with various acquisition opportunities, strategic initiatives, dispositions and other business development activities in the ordinary course of business; (ii) certain costs of start-up activities that are expensed as incurred in our ongoing efforts to develop gaming activities in new jurisdictions and expenses related to other new business development activities that do not qualify as capital costs; (iii) asset writedowns; and (iv) realized gains arising from asset dispositions. Such costs are generally nonrecurring in nature and vary from period to period as the volume of underlying activities fluctuates. During the three months ended June 30, 2024, the Company incurred \$5.9 million in project development and preopening cost, primarily related to the opening of the Treasure Chest land-based casino, and \$1.1 million in demolition costs. During the three months ended June 30, 2023, the Company incurred \$4.1 million related to preopening costs. During the six months ended June 30, 2024, the Company incurred \$6.9 million in project development and preopening costs, primarily related to the opening of the Treasure Chest land-based casino, and \$3.0 million in demolition costs. During the six months ended June 30, 2023, the Company benefited from a \$20.1 million reduction of the allowance on the Wilton Note for development advances over the 10 years prior to Sky River Casino opening offset by preopening costs of \$5.0 million.

Impairment of Assets

During the six months ended June 30, 2024, as a result of our first quarter impairment review, the Company recorded an impairment charge of \$10.5 million for a gaming license right related to our Midwest & South segment. During the six months ended June 30, 2023, as a result of our first quarter impairment review, the Company recorded an impairment charge of \$4.5 million for goodwill related to our Managed & Other category.

Other Operating Items, net

Other operating items, net, is generally comprised of miscellaneous non-recurring operating charges, including severance payments to separated employees, certain non-recurring litigation charges, natural disasters and severe weather impact, including hurricane and flood expenses, and subsequent recoveries of such costs, as applicable.

Other Expenses

Interest Expense, net

The following table summarizes information with respect to our interest expense on outstanding indebtedness:

| (In millions) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|---------|------------------------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Interest expense, net of capitalized interest and interest income | \$ 42.5 | \$ 40.0 | \$ 84.4 | \$ 65.7 |
| Average long-term debt balance (1) | 2,917.0 | 2,966.0 | 2,906.0 | 3,000.6 |
| Weighted average interest rates | 5.6% | 5.4% | 5.6% | 5.4% |

(1) Average debt balance calculation does not include the related discounts or deferred finance charges.

Interest expense, net of capitalized interest and interest income, for the three months ended June 30, 2024, increased \$2.5 million, or 6.4%, from the prior year comparable period primarily due to a \$2.3 million interest income decline due to a reduction in interest earned on the Wilton Note during the three months ended June 30, 2024, as the principal outstanding under the Wilton Note was fully repaid in the first quarter of 2024. Interest expense, net of capitalized interest and interest income for the six months ended June 30, 2024, increased \$18.7 million, or 28.4%, from the prior year comparable period primarily due to a \$20.0 million interest income decline driven by a reduction of the allowance for the expected loss for interest on the Wilton Note and interest earned on such note during the six months ended June 30, 2023. With the full repayment of outstanding principal under the Wilton Note during the first quarter of 2024, interest earnings related to the Wilton Note were minimal in the current year.

Income Taxes

The effective tax rates during the six months ended June 30, 2024 and 2023 were 23.7% and 15.2%, respectively. Our tax rate for the six months ended June 30, 2024, was unfavorably impacted by state taxes, nondeductible expenses, including nondeductible compensation and employee benefit expenses, which were partially offset by excess tax benefits and tax credits. Our tax rate for the six months ended June 30, 2023, was favorably impacted by a \$35.9 million release of state valuation allowances, the inclusion of excess tax benefits which were partially offset by the unfavorable impact of state taxes and certain nondeductible expenses, as a component of the provision for income taxes.

The Internal Revenue Service ("IRS") has selected our federal corporate income tax return for the tax year ended December 31, 2021, for examination. The IRS examination began in the second quarter of 2024 and is early in the process. As of June 30, 2024, and for the three and six months then ended, there were no changes to our unrecognized tax benefits to date.

LIQUIDITY AND CAPITAL RESOURCES

Financial Position

We generally operate with minimal or negative levels of working capital in order to minimize borrowings and related interest costs. At June 30, 2024 and December 31, 2023, we had balances of cash and cash equivalents of \$280.8 million and \$304.3 million, respectively. In addition, we held restricted cash balances of \$3.9 million and \$3.7 million at June 30, 2024 and December 31, 2023, respectively. Our working capital deficit at June 30, 2024 and December 31, 2023, was \$102.0 million and \$67.0 million, respectively.

We believe that current cash balances together with the available borrowing capacity under our Revolving Credit Facility (as defined in "Indebtedness" below) and cash flows from operating activities will be sufficient to meet our liquidity and capital resource needs for the next twelve months, including our projected operating requirements and maintenance capital expenditures. See "Indebtedness", below, for further detail regarding funds available through our Credit Facility.

The Company may also seek to secure additional working capital, repay respective current debt maturities, or fund respective maintenance capital or development projects, in whole or in part, through incremental bank financing and additional debt or equity offerings, to the extent such offerings are allowed under our debt agreements.

Cash Flows Summary

| <i>(In millions)</i> | Six Months Ended June 30, | |
|---|------------------------------|------------------|
| | 2024 | 2023 |
| Net cash provided by operating activities | \$ 463.8 | \$ 463.3 |
| Cash flows from investing activities | | |
| Capital expenditures | (204.0) | (171.4) |
| Payments received on note receivable | 0.2 | 49.7 |
| Other investing activities | (1.7) | (2.3) |
| Net cash used in investing activities | (205.5) | (124.0) |
| Cash flows from financing activities | | |
| Net borrowings (payments) under credit facility | 41.3 | (109.3) |
| Share-based compensation activities | (9.6) | (14.4) |
| Shares repurchased and retired | (281.2) | (206.4) |
| Dividends paid | (31.8) | (31.8) |
| Other financing activities | (0.1) | (0.1) |
| Net cash used in financing activities | (281.4) | (362.0) |
| Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash | (0.1) | — |
| Decrease in cash, cash equivalents and restricted cash | \$ (23.2) | \$ (22.7) |

Cash Flows from Operating Activities

During the six months ended June 30, 2024 and 2023, we generated consistent operating cash flows of \$463.8 million and \$463.3 million, respectively.

Cash Flows from Investing Activities

Our industry is capital intensive and we use cash flows for acquisitions, facility expansions, investments in future development or business opportunities and maintenance capital expenditures.

During the six months ended June 30, 2024, we incurred net cash outflows for investing activities of \$205.5 million comprised of capital expenditures of \$204.0 million, primarily related to our Treasure Chest land-based casino project, various guest room remodels, slot machines, IT equipment and building projects at various properties. During the six months ended June 30, 2023, we incurred net cash outflows for investing activities of \$124.0 million comprised of capital expenditures of \$171.4 million, primarily related to our Treasure Chest land-based casino project, Fremont food hall, slot floor expansion and renovation, various guest room remodels, slot machines, IT equipment and building projects at various properties, offset by \$49.7 million in payments received related to the outstanding principal on the Wilton Note.

Cash Flows from Financing Activities

We rely on our financing cash flows to provide funding for investment opportunities, repayments of obligations, returning capital to shareholders and ongoing operations.

The net cash outflows from financing activities during the six months ended June 30, 2024 and 2023, primarily reflect share repurchases, net payments on the outstanding principal under our Credit Facility or incremental borrowings under our Credit Facility, share-based compensation and dividends paid. During the second quarter of 2024, we increased borrowings under the Credit Facility as we increased our share repurchase activity during the same period, resulting in net borrowings under the Credit Facility for the six months ended June 30, 2024.

Indebtedness

The outstanding principal balances of long-term debt, before unamortized discounts and fees, and the changes in those balances are as follows:

| <i>(In millions)</i> | June 30, 2024 | December 31, 2023 | Increase / (Decrease) |
|------------------------------|-------------------|-------------------|--------------------------|
| Credit facility | \$ 1,087.6 | \$ 1,046.3 | \$ 41.3 |
| 4.750% senior notes due 2027 | 1,000.0 | 1,000.0 | — |
| 4.750% senior notes due 2031 | 900.0 | 900.0 | — |
| Other | 0.4 | 0.5 | (0.1) |
| Total long-term debt | 2,988.0 | 2,946.8 | 41.2 |
| Less current maturities | 44.4 | 44.3 | 0.1 |
| Long-term debt, net | \$ 2,943.6 | \$ 2,902.5 | \$ 41.1 |

Amounts Outstanding

The outstanding principal amounts under the Credit Facility are comprised of the following:

| <i>(In millions)</i> | June 30, 2024 | December 31, 2023 |
|--|--------------------------|------------------------------|
| Revolving Credit Facility | \$ 255.0 | \$ 180.0 |
| Term A Loan | 781.0 | 803.0 |
| Swing Loan | 51.6 | 63.3 |
| Total outstanding principal amounts | \$ 1,087.6 | \$ 1,046.3 |

With a total revolving credit commitment of \$1,450.0 million available under the Credit Facility, \$255.0 million and \$51.6 million in borrowings outstanding on the Revolving Credit Facility and the Swing Loan, respectively, and \$13.4 million allocated to support various letters of credit, there was a remaining contractual availability under the Credit Facility of \$1,130.0 million as of June 30, 2024.

The blended interest rate for outstanding borrowings under the Credit Facility was 7.2% at both June 30, 2024 and December 31, 2023, respectively.

Debt Service Requirements

Debt service requirements for the Term A Loan include amortization in an annual amount equal to 5.00% of the original principal amount thereof, payable on a quarterly basis. Additionally, under the Credit Facility we have monthly to quarterly interest payment obligations, depending on the rates we lock in, for the Term A Loan, unused line interest payments and any outstanding borrowings under the Revolving Credit Facility, including the Swing Loan. Debt service requirements under our current outstanding senior notes consist of semi-annual interest payments (based upon a fixed annual interest rate of 4.750%) and principal repayments of our \$1.0 billion aggregate principal amount of 4.750% Senior Notes due 2027 ("4.750% Senior Notes due 2027") and our \$0.9 billion aggregate principal amount of 4.750% Senior Notes due 2031 ("4.750% Senior Notes due 2031").

Covenant Compliance

As of June 30, 2024, we were in compliance with the financial covenants of our debt instruments.

The indentures governing the senior notes contain provisions that allow for the incurrence of additional indebtedness, if after giving effect to such incurrence, the fixed charge coverage ratio (as defined in the respective indentures, which is a ratio of our consolidated EBITDA to fixed charges, including interest) for the trailing four quarter period on a pro forma basis would be at least 2.0 to 1.0. Should this provision prohibit the incurrence of additional debt, we may still borrow under our existing Credit Facility to the extent that borrowing capacity remains under that agreement, as well as from other funding sources as provided under our debt agreements.

Guarantor Financial Information

In connection with the issuance of our 4.750% Senior Notes due 2027 and our 4.750% Senior Notes due 2031 (collectively, the "Guaranteed Notes" or "Senior Notes"), certain of the Company's wholly owned subsidiaries (the "Guarantors") provide guarantees of those indentures. These Guaranteed Notes are fully and unconditionally guaranteed, on a joint and several basis, by certain of our current and future domestic restricted subsidiaries, all of which are 100% owned by us.

Summarized combined balance sheet information for the parent company and the Guarantors is as follows:

| <i>(In millions)</i> | June 30, 2024 | December 31, 2023 |
|------------------------|--------------------------|------------------------------|
| Current assets | \$ 437.5 | \$ 496.0 |
| Noncurrent assets | 10,043.8 | 9,588.6 |
| Current liabilities | 526.8 | 550.6 |
| Noncurrent liabilities | 3,973.1 | 3,944.6 |

Summarized combined results of operations for the parent company and the Guarantors is as follows:

| <i>(In millions)</i> | Six Months Ended June 30, 2024 |
|----------------------------|---|
| Revenues | \$ 1,937.6 |
| Operating income | 826.4 |
| Income before income taxes | 741.8 |
| Net income | 655.3 |

Share Repurchase Program

On October 21, 2021, our Board of Directors authorized a share repurchase program of \$300.0 million (the "Share Repurchase Program"). In addition, our Board of Directors authorized increases to the Share Repurchase Program of \$500.0 million on each of June 1, 2022, May 4, 2023 and May 9, 2024. As of June 30, 2024, we were authorized to repurchase up to an additional \$545.1 million in shares of our common stock under the Share Repurchase Program. We repurchased 3.1 million and 1.5 million shares during the three months ended June 30, 2024 and 2023, respectively, and 4.8 million and 3.2 million shares during the six months ended June 30, 2024 and 2023, respectively.

Subject to applicable laws, repurchases under the Share Repurchase Program may be made at such times and in such amounts as we deem appropriate. We are subject to certain limitations regarding the repurchase of common stock, such as restricted payment limitations related to our outstanding Senior Notes and our

Credit Facility. We are not obligated to repurchase any shares under this program, and purchases under the Share Repurchase Program can be discontinued at any time at our sole discretion. We intend to fund the repurchases under the Share Repurchase Program with existing cash resources, cash generated from operations and availability under our Credit Facility.

We have in the past, and may in the future, acquire our debt or equity securities, through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as we may determine.

Quarterly Dividend Program

Dividends are declared at the discretion of our Board of Directors. We are subject to certain limitations regarding payment of dividends, such as restricted payment limitations related to our outstanding Senior Notes and our Credit Facility.

The dividends declared by the Board of Directors under this program are:

| Declaration date | Record date | Payment date | Amount per share |
|-------------------|-------------------|------------------|------------------|
| December 8, 2022 | December 19, 2022 | January 15, 2023 | \$ 0.15 |
| February 14, 2023 | March 15, 2023 | April 15, 2023 | 0.16 |
| May 4, 2023 | June 15, 2023 | July 15, 2023 | 0.16 |
| December 7, 2023 | December 22, 2023 | January 15, 2024 | 0.16 |
| February 28, 2024 | March 15, 2024 | April 15, 2024 | 0.17 |
| May 9, 2024 | June 15, 2024 | July 15, 2024 | 0.17 |

Other Items Affecting Liquidity

We anticipate funding our capital requirements using cash on hand, cash being generated from our operations and availability under our Credit Facility, to the extent borrowing capacity exists after we meet our working capital needs for the next twelve months. Any additional financing that is needed may not be available to us or, if available, may not be on terms favorable to us. The outcome of the specific matters discussed herein, including our commitments and contingencies, may also affect our liquidity.

Commitments

Capital Spending and Development

We currently estimate that our annual cash capital requirements to perform ongoing refurbishment and maintenance at our properties is approximately \$200 million to \$250 million. In addition, we expect to spend an additional \$100 million in 2024 for hotel renovation projects at six of our gaming entertainment properties. We intend to fund our capital expenditures through cash on hand, operating cash flows and availability under our Credit Facility.

In addition to the maintenance capital spending discussed above, we continue to pursue other potential development projects that may require us to invest significant amounts of capital as well as capital spend required for identified growth projects. We expect to spend an additional \$100 million in 2024 on such growth projects, which includes the completion of the new land-based facility at Treasure Chest, which opened in June 2024, the expansion of meeting and convention space at Ameristar St. Charles and the start of construction of a new casino, Cadence Crossing. This new 10,000 square foot casino will be built on the site that currently holds our Jokers Wild Casino and will feature 450 slots and several dining options.

During the six months ended June 30, 2024, the company spent approximately \$204 million of the total estimated \$400 million to \$450 million of capital spend expected in 2024.

Other Opportunities

We regularly investigate and pursue additional expansion opportunities in markets where casino gaming, including online gaming, is currently permitted. We also pursue expansion opportunities in jurisdictions where casino and online gaming is not currently permitted in order to be prepared to develop projects upon approval of casino or online gaming. Such expansions will be affected and determined by several key factors, which may include the following:

- the outcome or anticipated outcome of gaming license selection processes;
- the approval of gaming in jurisdictions where we have been active but where casino or online gaming is not currently permitted;
- identification of additional suitable investment opportunities in current gaming jurisdictions; and
- availability of acceptable financing.

Additional projects may require us to make substantial investments or may cause us to incur substantial costs related to the investigation and pursuit of such opportunities, which we may fund through cash on hand, cash flow from operations or availability under our Credit Facility. To the extent such sources of funds are not sufficient, we may also seek to raise additional funds through public or private equity or debt financings or from other sources to the extent such financing is available.

Contingencies

Legal Matters

We are parties to various legal proceedings arising in the ordinary course of business. We believe that all pending claims, if adversely decided, would not have a material effect on our business, financial position, results of operations or cash flows.

Off Balance Sheet Arrangements

There have been no material changes to our off balance sheet arrangements described under Part II. Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 26, 2024.

Critical Accounting Estimates

There have been no material changes to our critical accounting policies described under Part II. Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 26, 2024.

Recently Issued Accounting Pronouncements

For information with respect to recent accounting pronouncements and the impact of these pronouncements on our condensed consolidated financial statements, see Note 1, *Summary of Significant Accounting Policies - Recently Issued Accounting Pronouncements*, in the notes to the condensed consolidated

Important Information Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements contain words such as "may," "will," "might," "expect," "believe," "anticipate," "could," "would," "estimate," "pursue," "target," "project," "intend," "plan," "seek," "should," "assume," and "continue," or the negative thereof or comparable terminology. Forward-looking statements involve certain risks and uncertainties, and actual results may differ materially from those discussed in any such statement. Factors that could cause actual results to differ materially from such forward-looking statements include:

- the general effect, and expectation, of the national and global economy on our business, including but not limited to interest rates and inflationary pressures, as well as the economies where each of our properties are located;
- the factors that contribute to our ongoing success and our ability to be successful in the future;
- our business model, areas of focus and strategy for driving business results;
- our ability to maintain the integrity of our information technology systems and to protect our internal information;
- impacts caused by public health emergencies and man-made or natural disasters we may encounter;
- competition, including expansion of gaming into additional markets including online gaming, the impact of competition on our operations, our ability to respond to such competition, and our expectations regarding continued competition in the markets in which we compete;
- our expectation regarding the trends that will affect the gaming industry over the next few years and the impact of these trends on growth of the gaming industry, future development opportunities and merger and acquisition activity in general;
- our intention to pursue expansion opportunities, including acquisitions, that are a good fit for our business, deliver a solid return for stockholders, and are available at the right price;
- our compliance with government regulations, including our ability to receive and maintain necessary approvals for our projects;
- that our credit agreement and our cash flows from operating activities will be sufficient to meet our respective projected operating and maintenance capital expenditures for the next twelve months;
- indebtedness, including our ability to refinance or pay amounts outstanding under our credit agreement and our unsecured notes, when they become due and our compliance with related covenants, and our expectation that we will need to refinance all or a portion of our respective indebtedness at or before maturity;
- our belief that all pending litigation claims, if adversely decided, will not have a material effect on our business, financial position, results of operations or cash flows;
- our estimates and expectations regarding anticipated taxes, tax credits or tax refunds;
- our expectations regarding the expansion of sports betting and online wagering;
- our asset impairment analyses and our intangible asset and goodwill impairment tests;
- the likelihood of interruptions to our rights in the land we lease under long-term leases for certain of our hotels and casinos;
- that estimates and assumptions made in the preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles may differ from actual results; and
- our estimates as to the effect of any changes in our Consolidated EBITDA on our ability to remain in compliance with certain covenants in the credit agreement.

Additional factors that could cause actual results to differ are discussed in Part I. Item 1A. *Risk Factors* of our Annual Report on Form 10-K for the year ended December 31, 2023, and in other current and periodic reports filed from time to time with the SEC. All forward-looking statements in this document are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any forward-looking statement.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. We do not hold any market risk sensitive instruments for trading purposes. Our primary exposure to market risk is interest rate risk, specifically long-term U.S. treasury rates and the applicable spreads in the high-yield investment market, short-term and long-term SOFR rates, and their potential impact on our long-term debt. We are exposed to a lesser extent to foreign currency exchange risk for funds held in our Canadian operating and restricted cash accounts. While there is risk of fluctuations in the foreign exchange rate between the Canadian dollar and US dollar, our exposure is limited given the size of our Canadian operations and the minimal amount of cash held in Canadian bank accounts. A weakening or strengthening of the US dollar to the Canadian dollar by 2x the current conversion rate, would not cause the value of the funds held in the Canadian operating and restricted cash accounts to change significantly. We do not currently utilize derivative financial instruments for trading or speculative purposes.

As of June 30, 2024, our long-term variable-rate borrowings represented approximately 36.4% of total long-term debt. Based on June 30, 2024 debt levels, a 100 basis point change in the interest rate would cause our annual interest costs on variable-rate borrowings to change by approximately \$10.9 million. We believe there have been no other material changes in our exposure to market risks as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 26, 2024.

See also "Liquidity and Capital Resources" above.

Item 4. Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q (the "Report"), we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Our disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information we are required to disclose in reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on the evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer concluded that due to the identification of the material weakness in our internal control over financial reporting previously disclosed in our 2023 Annual Report on Form 10-K as filed with the SEC on February 26, 2024, and as further discussed below, our disclosure controls and procedures were not effective as of June 30, 2024. Notwithstanding the material weakness in our internal control over financial reporting, the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States of America.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

During the second quarter of 2024 evaluation, management concluded that the material weakness identified in the fourth quarter of 2023 related to the preparation and independent review of journal entries, which results in a lack of segregation of duties over the preparation, review, and recording of journal entries was not yet fully remediated. The failure to maintain appropriate segregation of duties has a pervasive impact and consequently, this deficiency impacts control activities over all financial statement account balances, classes of transactions, and disclosures.

Remediation Efforts to Address the Material Weakness

We are committed to maintaining a strong internal control environment and during the first quarter of 2024 executed on all elements of our remediation plan as defined below and in our 2023 Annual Report on Form 10-K as filed with the SEC on February 26, 2024. We continued to reinforce remediation efforts during the second quarter of 2024. With the oversight of senior management, subsequent to December 31, 2023, a plan to remediate the underlying cause of the material weakness and improve the operating effectiveness of internal control over financial reporting and our disclosure controls was developed and was implemented. Specifically, the following remediation efforts occurred and will continue to occur to ensure there are appropriate levels of independent reviews of journal entries, in order to address proper segregation of duties, including:

- Educating control owners to ensure that all design elements of the journal entry control are performed;
- Implementing additional attestations within our existing quarterly self-assessment process that address and reinforce proper segregation of duties over journal entries; and
- Enhancing our monitoring control that verifies that journal entries have a separate preparer and independent reviewer.

We believe these actions have meaningfully strengthened our internal control over financial reporting, but we will not be able to conclude whether the material weakness has been remediated until sufficient time has elapsed to provide evidence that the enhanced controls are operating effectively.

Changes in Internal Control over Financial Reporting

Except as disclosed above, there were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2024, that materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information**Item 1. Legal Proceedings**

We are parties to various legal proceedings arising in the ordinary course of business. We believe that all pending claims, if adversely decided, would not have a material adverse effect on our business, financial position, results of operations or cash flows.

Item 1A. Risk Factors

There were no material changes from the risk factors previously disclosed in Part I. Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 26, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table discloses share repurchases that we have made pursuant to our share repurchase program during the three months ended June 30, 2024.

| Period | Total Number of Shares Purchased (1) | Average Price Paid Per Share | Total Number of Shares Purchased as Part of a Publicly Announced Plan | Approximate Dollar Value That May Yet Be Purchased Under the Plan |
|--------------------------------------|--|------------------------------------|---|--|
| April 1, 2024 through April 30, 2024 | 565,187 | \$ 64.44 | 565,187 | \$ 184,387,140 |
| May 1, 2024 through May 31, 2024 | 1,996,955 | 54.08 | 1,996,955 | 576,397,320 |
| June 1, 2024 through June 30, 2024 | 581,853 | 53.76 | 581,853 | 545,119,056 |
| Total | <u>3,143,995</u> | \$ 55.88 | <u>3,143,995</u> | \$ 545,119,056 |

(1) All shares repurchased are covered by our share repurchase program as approved by our Board of Directors (the "Share Repurchase Program"). The Board of Directors approved \$300.0 million for our Share Repurchase Program on October 21, 2021, and an additional \$500.0 million to the Share Repurchase Program on each of June 1, 2022, May 4, 2023 and May 9, 2024 for a total authorization of \$1.8 billion. The Share Repurchase Program has no expiration date.

Item 5. Other Information

None of the Company's directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended June 30, 2024, as such terms are defined under Item 408(a) of Regulation S-K.

Item 6. Exhibits

| Exhibit Number | Document of Exhibit | Method of Filing |
|-----------------------|--|--|
| 22 | List of Guarantor Subsidiaries of Boyd Gaming Corporation. | Incorporated by reference to Exhibit 22 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 26, 2024 |
| 31.1 | Certification of the Chief Executive Officer of the Registrant pursuant to Exchange Act rule 13a-14(a). | Filed electronically herewith |
| 31.2 | Certification of the Chief Financial Officer of the Registrant pursuant to Exchange Act rule 13a-14(a). | Filed electronically herewith |
| 32.1 | Certification of the Chief Executive Officer of the Registrant pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. § 1350. | Furnished electronically herewith |
| 32.2 | Certification of the Chief Financial Officer of the Registrant pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. § 1350. | Furnished electronically herewith |
| 101 | The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023, (ii) Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2024 and 2023, (iii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2024 and 2023, (iv) Condensed Consolidated Statements of Changes in Stockholders' Equity for each of the quarters within the six months ended June 30, 2024 and 2023, (v) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2024 and 2023, and (vi) Notes to Condensed Consolidated Financial Statements. | Filed electronically herewith |
| 104 | Inline XBRL for cover page of the Company's Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set. | Filed electronically herewith |

BOYD GAMING CORPORATION
CERTIFICATION

I, Keith E. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Boyd Gaming Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2024

By: /s/ Keith E. Smith

Keith E. Smith

President and Chief Executive Officer

BOYD GAMING CORPORATION
CERTIFICATION

I, Josh Hirsberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Boyd Gaming Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2024

By: /s/ Josh Hirsberg

Josh Hirsberg

**Executive Vice President, Chief Financial Officer and
Treasurer**

BOYD GAMING CORPORATIONCERTIFICATION

In connection with the periodic report of Boyd Gaming Corporation (the "Company") on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, Keith E. Smith, President and Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: August 1, 2024

By: /s/ Keith E. Smith

Keith E. Smith

President and Chief Executive Officer

BOYD GAMING CORPORATIONCERTIFICATION

In connection with the periodic report of Boyd Gaming Corporation (the "Company") on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, Josh Hirsberg, Executive Vice President, Chief Financial Officer and Treasurer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: August 1, 2024

By: /s/ Josh Hirsberg

Josh Hirsberg

**Executive Vice President, Chief Financial Officer and
Treasurer**