

MGM Resorts International
Form 10-Q
November 06, 2015

UNITED STATES

SECURITIES & 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 September 30, 2015

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 No. 001-10362

MGM Resorts International

(Exact name of registrant as specified in its charter)

Delaware 88-0215232
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

3600 Las Vegas Boulevard South, Las Vegas, Nevada 89109

(Address of principal executive offices)

(702) 693-7120

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(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files): Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

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:

Class	Outstanding at November 2, 2015
Common Stock, \$.01 par value	563,465,386 shares

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

(Unaudited)

	September 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,807,795	\$ 1,713,715
Cash deposits - original maturities longer than 90 days	—	570,000
Accounts receivable, net	470,842	473,345
Inventories	100,533	104,011
Income tax receivable	16,054	14,675
Prepaid expenses and other	187,050	151,414
Total current assets	2,582,274	3,027,160
Property and equipment, net	15,014,642	14,441,542
Other assets		
Investments in and advances to unconsolidated affiliates	1,536,531	1,559,034
Goodwill	2,898,996	2,897,110
Other intangible assets, net	4,212,660	4,364,856
Other long-term assets, net	435,163	412,809
Total other assets	9,083,350	9,233,809
	\$ 26,680,266	\$ 26,702,511
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 168,651	\$ 164,252
Construction payable	188,246	170,439
Deferred income taxes, net	89,834	62,142
Current portion of long-term debt	—	1,245,320
Accrued interest on long-term debt	143,361	191,155
Other accrued liabilities	1,362,763	1,574,617
Total current liabilities	1,952,855	3,407,925

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Deferred income taxes, net	2,496,294	2,621,860
Long-term debt	12,821,037	12,913,882
Other long-term obligations	165,358	130,570
Commitments and contingencies (Note 6)		
Redeemable noncontrolling interest	5,000	—
Stockholders' equity		
Common stock, \$.01 par value: authorized 1,000,000,000 shares, issued and outstanding 563,212,549 and 491,292,117 shares	5,632	4,913
Capital in excess of par value	5,655,340	4,180,922
Retained earnings (accumulated deficit)	225,825	(107,909)
Accumulated other comprehensive income	14,447	12,991
Total MGM Resorts International stockholders' equity	5,901,244	4,090,917
Noncontrolling interests	3,338,478	3,537,357
Total stockholders' equity	9,239,722	7,628,274
	\$26,680,266	\$26,702,511

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

MGM RESORTS INTERNATIONAL AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Revenues				
Casino	\$ 1,181,593	\$ 1,420,538	\$ 3,696,071	\$ 4,479,135
Rooms	466,032	433,005	1,415,955	1,348,542
Food and beverage	397,332	396,470	1,204,616	1,192,585
Entertainment	141,085	146,315	402,025	418,827
Retail	53,272	50,720	153,791	146,147
Other	126,585	132,126	390,954	391,621
Reimbursed costs	98,292	98,317	302,900	289,037
	2,464,191	2,677,491	7,566,312	8,265,894
Less: Promotional allowances	(183,375)	(192,484)	(568,117)	(569,456)
	2,280,816	2,485,007	6,998,195	7,696,438
Expenses				
Casino	699,569	884,177	2,220,804	2,791,828
Rooms	140,806	143,993	424,184	420,644
Food and beverage	236,988	234,307	701,636	695,489
Entertainment	107,478	109,757	308,874	313,455
Retail	26,767	26,183	79,261	75,714
Other	88,000	96,324	268,158	275,978
Reimbursed costs	98,292	98,317	302,900	289,037
General and administrative	340,495	347,487	1,002,376	994,217
Corporate expense	74,019	61,563	183,977	169,353
Preopening and start-up expenses	16,510	10,233	50,270	25,628
Property transactions, net	7,123	6,794	12,665	40,522
Depreciation and amortization	204,742	202,386	619,719	613,111
	2,040,789	2,221,521	6,174,824	6,704,976
Income from unconsolidated affiliates	57,350	23,003	217,631	65,963
Operating income	297,377	286,489	1,041,002	1,057,425
Non-operating income (expense)				
Interest expense, net of amounts capitalized	(191,781)	(202,835)	(611,288)	(616,158)
Non-operating items from unconsolidated affiliates	(22,968)	(22,810)	(59,745)	(69,021)
Other, net	(4,386)	(254)	(12,691)	