



Investor Presentation

March 2023



Forward Looking Information

This presentation contains certain forward-looking information that generally can be identified by the context of the statement or the use of forward-looking terminology, such as “believes,” “estimates,” “anticipates,” “intends,” “expects,” “plans,” “is confident that,” “should” or words of similar meaning, with reference to Monarch Casino & Resort or our management. Similarly, statements that describe our future plans, objectives, strategies, financial results or position, operational expectations, or goals are forward-looking statements. It is possible that our expectations may not be met due to various factors, many of which are beyond our control, and we therefore cannot give any assurance that such expectations will prove to be correct. For a discussion of relevant factors, risks, and uncertainties that could materially affect our future results, attention is directed to Risk Factors and Management’s Discussion and Analysis of Financial Condition and Results of Operations in our latest 10-K and other filings under the Securities and Exchange Act of 1934.



Monarch Casino & Resort, Inc. (MCRI) Highlights

Prime locations and assets

- Atlantis Casino Resort Spa is in south Reno, a more affluent area three miles south of downtown, connected by a bridge to the Reno-Sparks Convention Center
- Monarch Casino Resort Spa is the first property encountered by visitors arriving from Denver and other major population centers via Highway 119

Significant growth opportunities

- Continued ramp of Monarch Casino Resort Spa, including VIP business development and growing opportunity for in-person and online sports betting
- Ongoing capital investments at Atlantis to ensure it retains its market-leading position
- Potential for development on Atlantis' 40-acre parcel of land

Results-oriented management with a strong operations and development track record

- Monarch ranked 36th among the Top 100 on *Forbes' 2023 America's Best Small Companies* list

Attractive financial profile / balance sheet

- Net leverage of -0.2x as of 12/31/22
- 2022 Net revenue of \$478 million, Adjusted EBITDA¹ of \$167 million and Adjusted EBITDA margin of 35.0%



Company History

Reno, NV

1991

Phase I – Atlantis

- First high-rise tower opens
- 160 rooms
- 16,000 square feet of casino space
- 500 slot machines
- 21 table games
- Additional restaurant

1993

Initial Public Offering

- Monarch Casino & Resort, Inc. begins trading as a public company with ticker symbol MCRI

1994

Phase II - Atlantis

- Second high-rise tower opens, adding:
 - 283 rooms
 - 14,000 square feet of casino space
 - 450 slot machines
 - 14 table games
 - 300-seat buffet restaurant

1999

Phase III - Atlantis

- Third high-rise tower opens, adding:
 - 388 rooms
 - Over 300 slot machines
 - Several new restaurants
 - 14,500 square feet of meeting space

2008

Phase IV – Atlantis

- Expansion of the casino including:
 - Large race and sports book
 - Poker room
 - Additional restaurant (Manhattan Deli)
 - ~38,000 square feet expansion of meeting area
 - Sky Bridge connecting to convention center

2022

Atlantis

- ~61,000 square feet of casino space
- 817 guest rooms and suites
- 8 restaurants and 10 bars/lounges
- ~30,000 square foot health spa and salon
- ~52,000 square feet of meeting area

Black Hawk, CO

2012

Black Hawk

- Acquired gaming license for Riviera Black Hawk
- 32,000 square feet of casino space
- 750 slot machines
- 8 table games
- Acquired contiguous 1.5-acre land parcel

2015

Black Hawk

- Completed redesign and upgrade of existing casino

2016

Black Hawk

- Completion of new 9-story parking structure

2017

Black Hawk

- Hotel tower and casino expansion begins

2021-2022

Black Hawk

- Expansion and redesign and upgrade of the legacy building completed with the opening of Bistro Mariposa in February 2022

2022

Black Hawk

- ~60,000 square feet of casino space
- 516 guest rooms and suites
- 4 restaurants and 10 bars/lounges
- World-class spa
- Banquet and meeting room space

A clear glass with the Atlantis Casino Resort Spa logo is the central focus. The glass is placed on a roulette table, with the wheel and betting layout visible in the background. The background is filled with the vibrant, colorful lights of a casino floor, including blue and yellow neon lights. The glass has the word "Atlantis" in a large, elegant script font, with "CASINO RESORT SPA" in a smaller, sans-serif font below it.

Atlantis
CASINO RESORT SPA

Atlantis Casino Resort Spa Reno

Atlantis Overview

Award-winning facility

- **AAA:** “Four Diamond” rating
- **TripAdvisor (2023):** Rated #1 Reno resort for 9 consecutive years with 4 of our restaurants ranked in the top 10 in the city
- **Forbes (2023):** Four-Star Award for Spa Atlantis for 8 consecutive years (only four-star venue in Reno); Recommended rating for Atlantis Casino Resort Spa, Atlantis Steakhouse and Bistro Napa
- **U.S. News & World Report (2023):** #1 Resort and #1 Hotel in Reno

61,000 square-foot casino floor

- ~1,300 slot and video poker machines
- ~33 table games; 8 poker tables; 24-hour live keno lounge
- Race/sports book (self managed live and mobile app)

Amenities include:

- 817 rooms and suites
- 8 restaurants, 2 gourmet coffee bars, 10 bars/lounges and 1 snack bar
- ~52,000 square feet of banquet, convention, and meeting space



Atlantis GGR Market Share

Atlantis Casino Resort Spa has consistently outperformed the greater Reno-Sparks market for the last 26 years

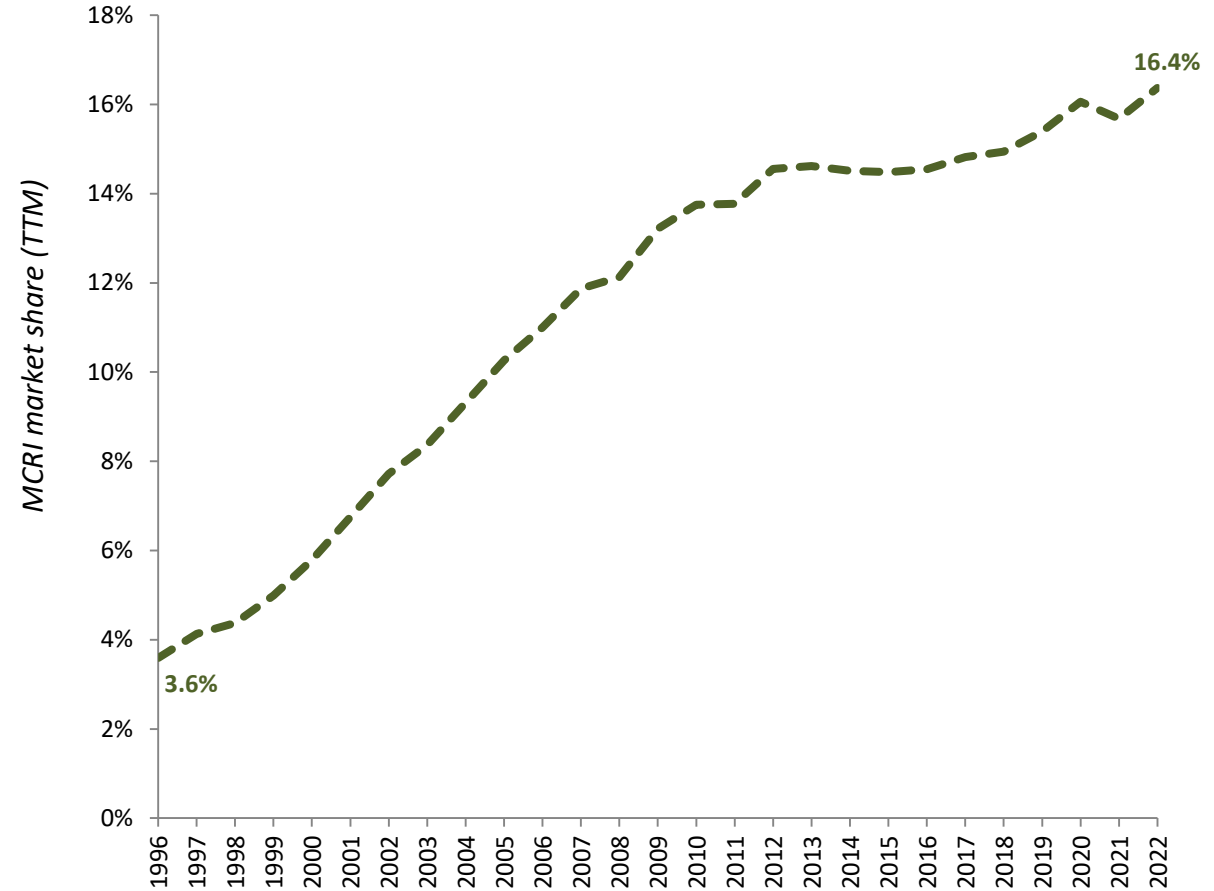
- Primary focus has always been providing best-in-class and best-in-market experiences, amenities, and service
- Atlantis has consistently grown market share in the fiercely competitive Northern Nevada market

Property enhancements

- Redesigned and upgraded all 160 rooms in tower 1 (~20% of room inventory) in Q2 2022
- Opened new upscale retail space in Q4 2022
- New casino carpet, bringing a fresh new look to the property, installed in Q1 2023
- Currently working on the redesign and upgrade of rooms in tower 2, scheduled to be complete in Q2 2023

Continuous focus on profitability

- Leveraging proprietary player segmentation tools to drive gaming revenues



Atlantis Hotel Occupancy and Cash ADR



Return of leisure and group business post-pandemic has contributed to Atlantis' rebound in both hotel occupancy and cash ADR

Fast-Growing Reno Metro Market

Population of ~500,000

- Reno's population grew 17.0% from 2010 to 2021 (national average: 7.5%)
- 2020 per capita personal income for the Reno metro area was 11% higher than the national average (\$66,075 vs. \$59,510)
- Gaming environment remains extremely competitive due to tribal gaming in major feeder markets (California, Oregon and Washington)

Reno metro area diversifying to broader base of industries

- Tesla "Gigafactory", which opened in 2016 and represents an investment of over \$6 billion, has served as spark which has driven interest in the Reno market
 - In January 2023, Tesla announced a \$3.6 billion expansion of the "Gigafactory" to produce semi-trucks and cell batteries
- Tahoe Reno Industrial Center, the largest industrial park in the U.S., has been a center of industrial investment and new job growth

Attractive Nevada tax environment drives relocation interest

- No state taxes on personal / corporate income, inventory, inheritances, capital gains



Atlantis' Prime Location

Ideally located in the heart of south Reno's restaurant, shopping and convention district

- ~3 miles south of downtown in more affluent commercial and residential area
- Close to Interstate 580, main north/south artery
- ~3 miles from Reno-Tahoe International Airport

~40 acres on both sides of South Virginia Street

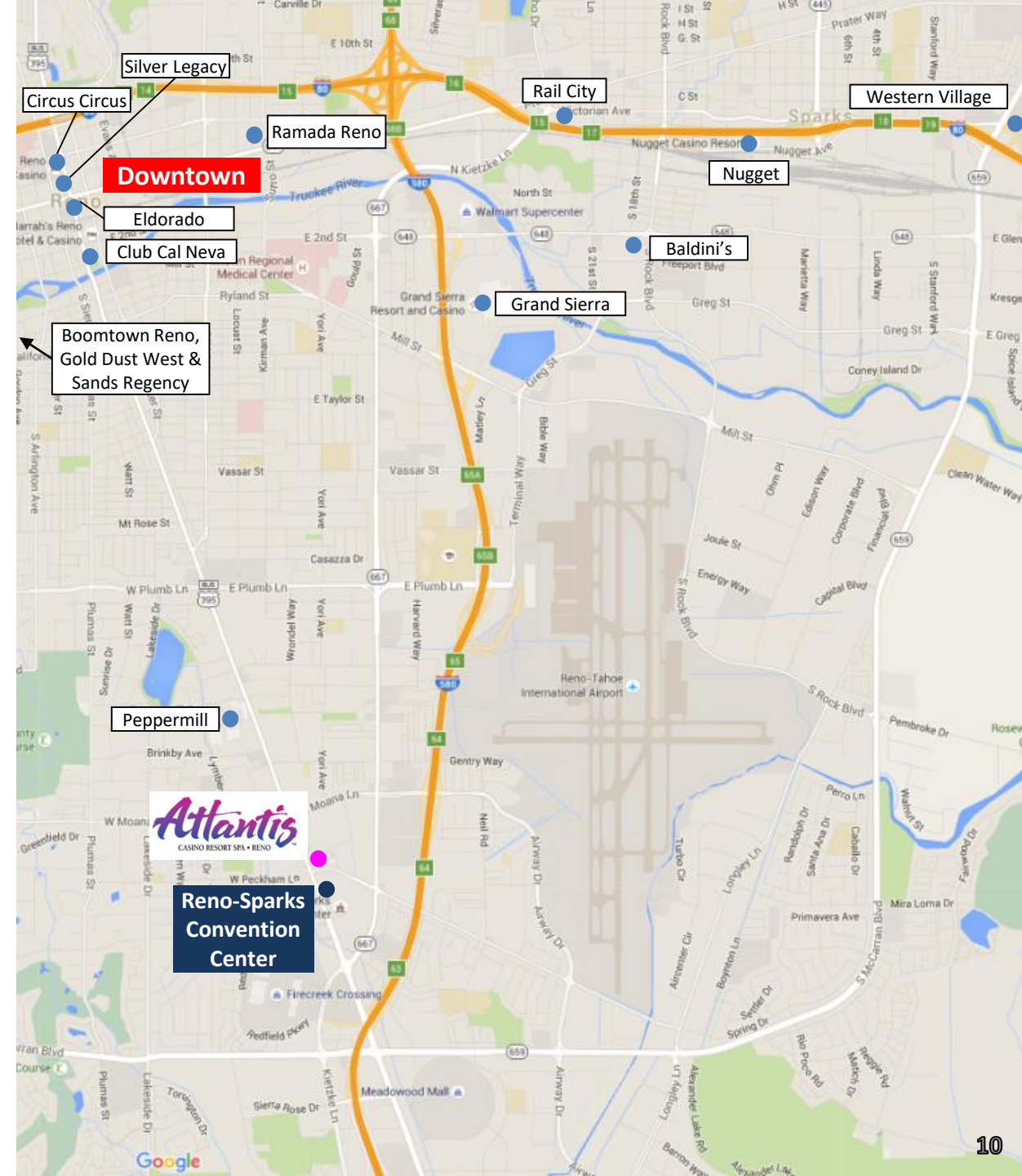
- Glass-enclosed bridge with restaurants connects both sides of South Virginia street
- Opportunity for future development

Only property connected to the Reno-Sparks Convention Center

- 600,000 square-foot facility located across the street is connected to Atlantis

35 miles from Lake Tahoe

- ~30 golf courses and ~10 ski resorts within an hour drive from Reno





Monarch Casino Resort Spa Black Hawk

Monarch Black Hawk Overview

Amenities include:

- 23-story luxurious tower with 516 hotel rooms (20% suites)
- ~60,000 square foot casino
 - ~1,100 slot machines
 - ~43 table games
 - 14 poker tables
 - Keno
 - Company managed sports book, lounge and bar
- World-class spa and pool facility on the top floor of hotel tower
- 4 restaurants, gourmet coffee bar and 10 bars/lounges
- 9-story parking garage with ~1,350 spaces plus additional existing valet space in the legacy building for a total of ~1,500 spaces





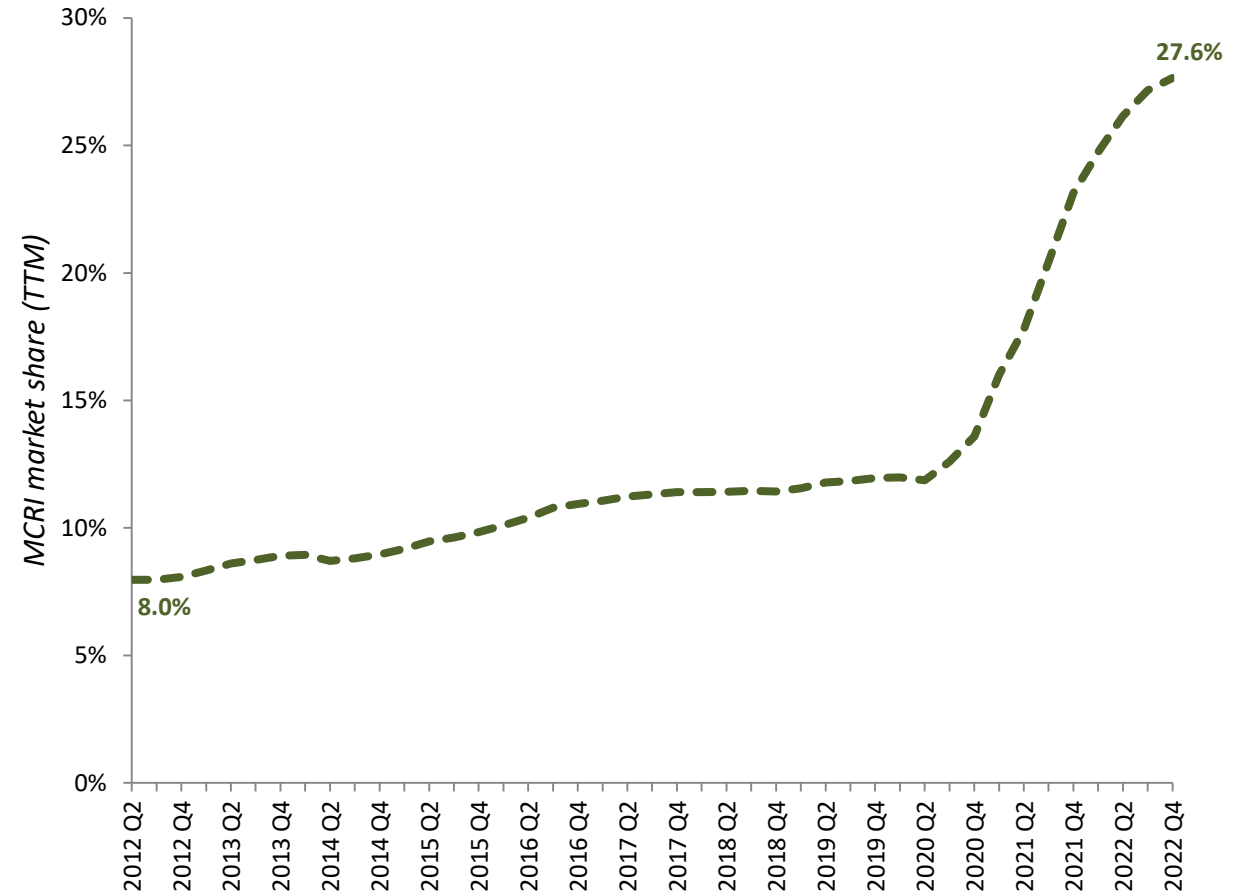
Monarch GGR Market Share¹

Monarch Casino Resort Spa has consistently grown market share over the past eight years

- 2022 market share was an all-time record at 27.6%
- Represents an increase of 1,960 basis points compared to market share of 8.0% at the time of the acquisition in 2012

Market share growth has been driven by the end-to-end transformation of the property

- Market share gains increased in 2014 when the first phase of the legacy casino masterplan redesign and upgrade was completed and continued despite ongoing construction disruption
- Market share gains accelerated in 4Q20 when the first hotel rooms and expanded casino came online



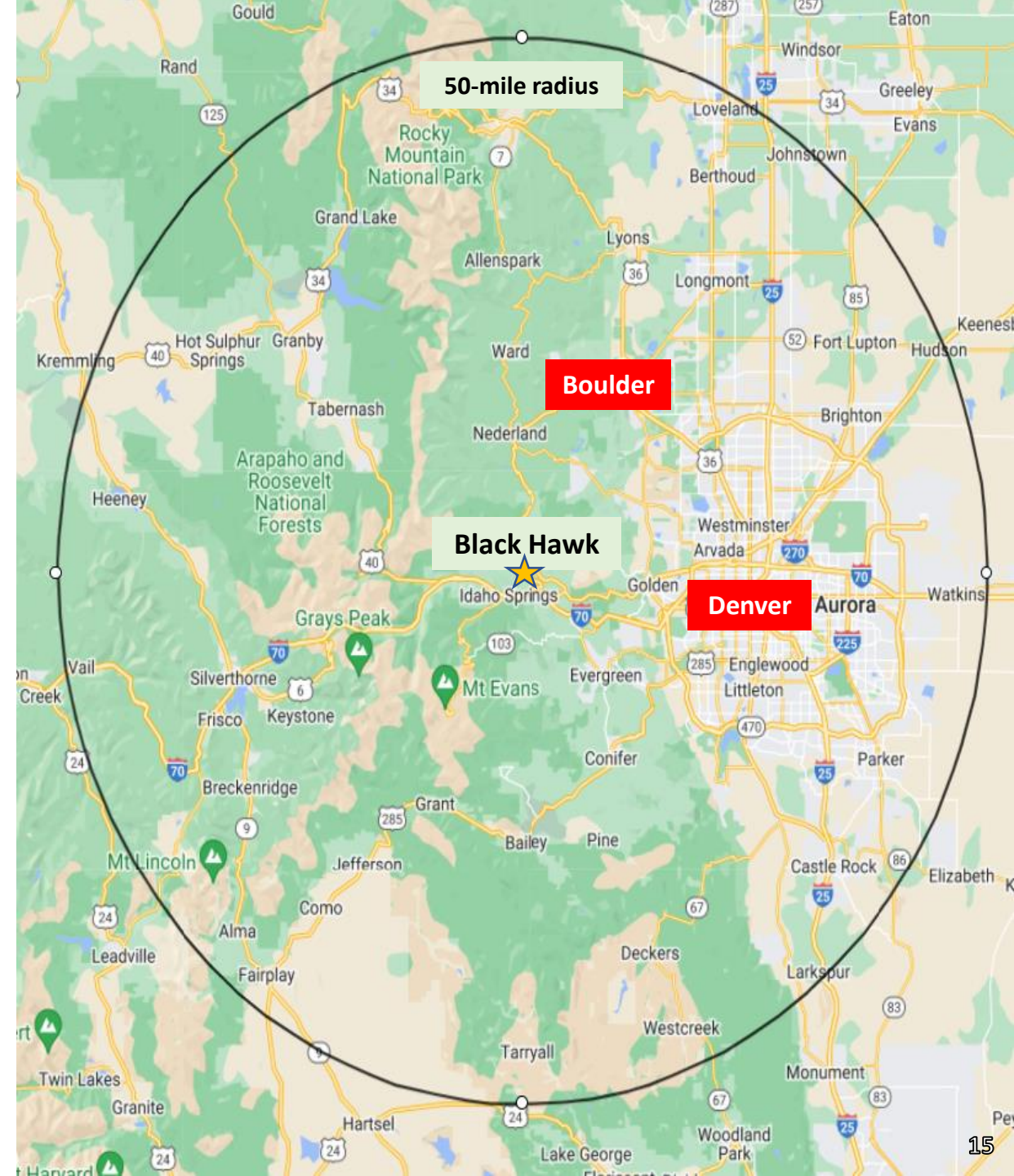
Black Hawk-Central City Market

Market consists of:

- 21 casinos
- 7,885 slot machines
- 168 table games
- 49 poker tables
- 1,651 hotel rooms spread across seven gaming facilities

Population of ~3 million within a 50-mile radius of Black Hawk

- The Denver metro economy is one of the nation's strongest, with healthy population growth of 16.9% from 2010 to 2021 (national average: 7.5%)
- 2020 per capita personal income for the Denver metro area was 17% higher than the national average (\$69,822 vs. \$59,510)



Prime Property Location

First property encountered by visitors arriving from Denver and other major population centers via Highway 119

- Given constitutional zoning limitations, no property can be built closer to Denver
- Scarcity of available and developable casino-zoned land in Black Hawk
- Commercial gaming in Colorado is restricted to Black Hawk, Central City and Cripple Creek
 - Black Hawk / Central City collectively represent over 80% of total Colorado gaming revenue

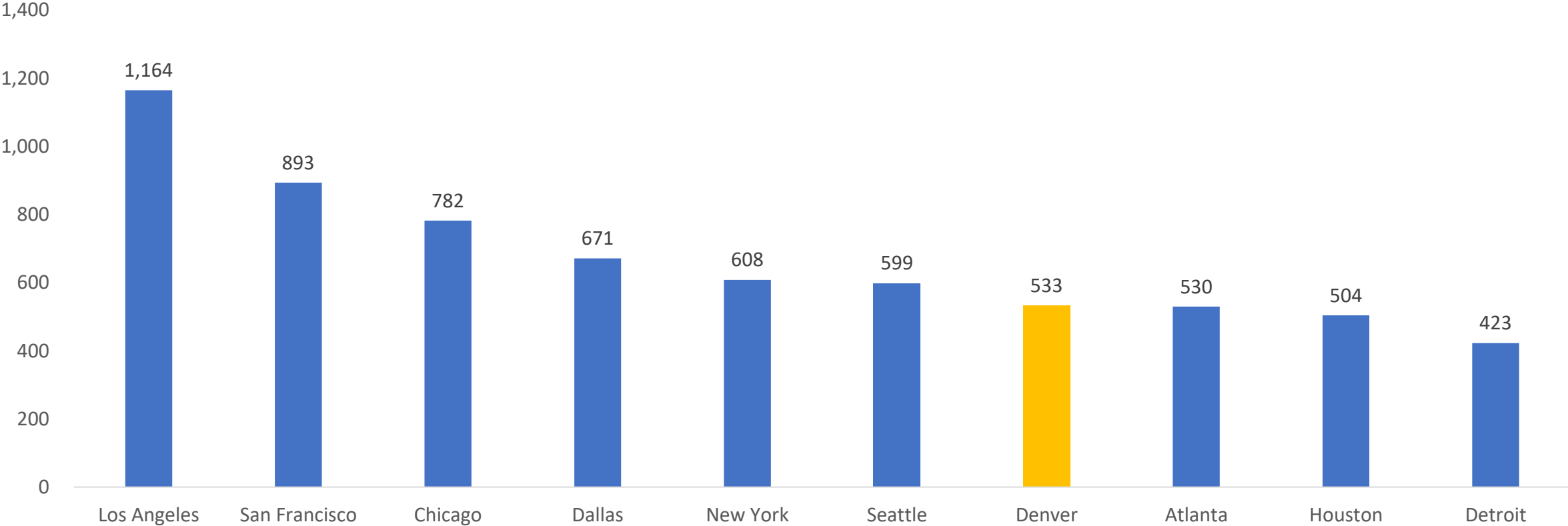
Convenient access from Front Range population centers and heavily-trafficked I-70

- ~35 miles west of Denver
- ~35 miles southwest of Boulder
- ~20 miles west of Golden
- ~77 miles east of Vail



Denver Metro Area Provides Significant Air Traffic to Las Vegas

Top Las Vegas Feeder Markets (2021 Originating Passengers in Thousands)



Denver air traffic to Las Vegas was up 70.4% Y/Y in 2021 in post-pandemic recovery; well-appointed Black Hawk resort remains strong attraction



Growth Initiatives

Sports Betting

Company owns and operates its sports book

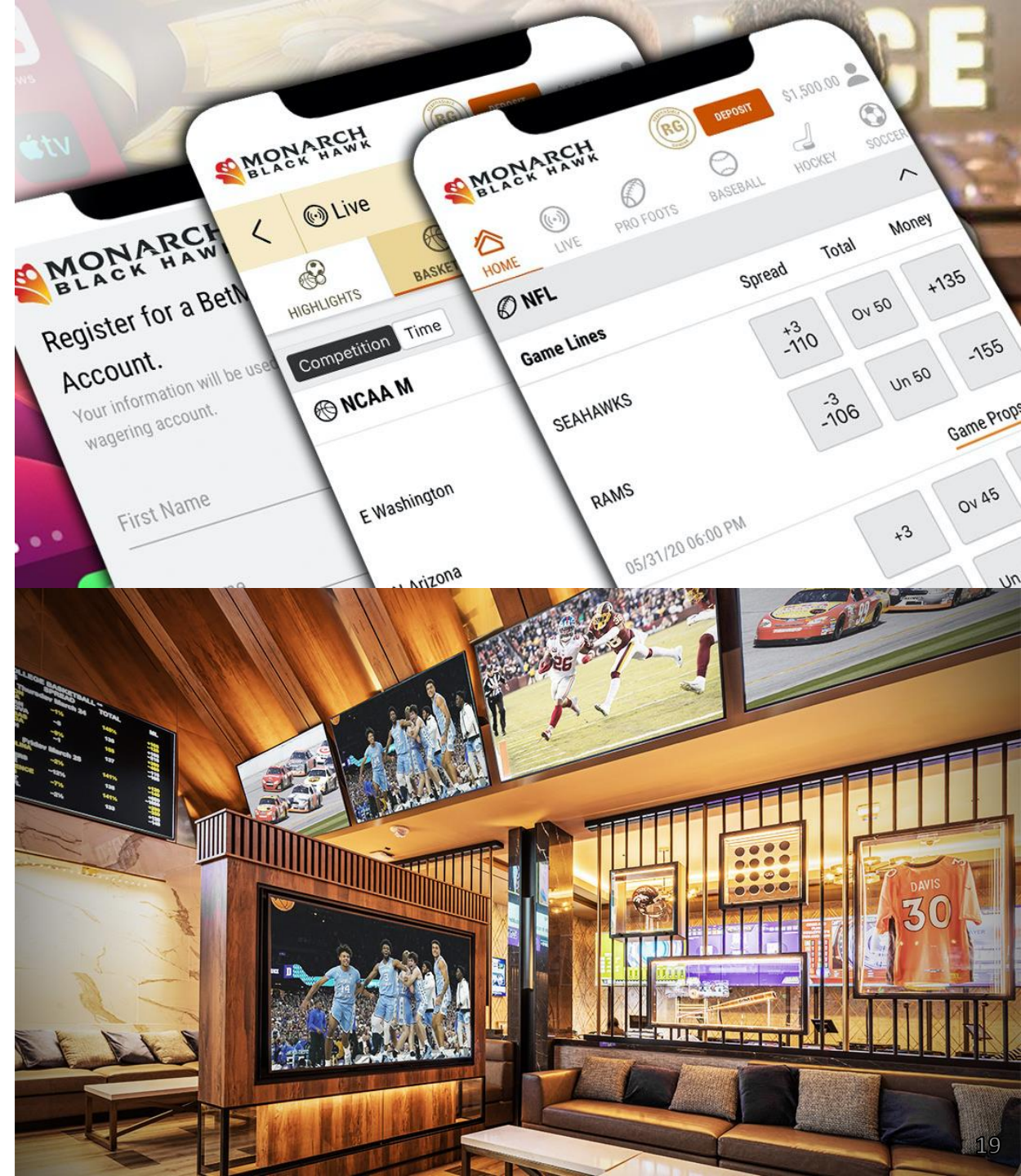
- Atlantis Race and Sports mobile app launched in Nevada in 2015
- BetMonarch mobile app launched in Colorado in May 2020
 - Low operating cost structure and existing player database allowed BetMonarch to achieve growth and profitability in its first year

Effective customer acquisition tool

- Drives traffic to the Company's properties as well as brand loyalty
- Both betting apps are tied into the Monarch Rewards loyalty program, allowing guests to earn comp points while betting from anywhere in their respective states

Software updates driving enhanced performance

- Recently updated the software platform underlying both the Company's retail and online sports wagering offerings
- Additional updates expected ahead of the next NFL season to enable in-game and other real-time wagers



Organic Growth Opportunities

Monarch Casino Resort Spa

- Table games ramp continues following Colorado's elimination of betting limits, and the addition of new table game types in mid-2021
- Ongoing penetration of the VIP market in the Front Range

Atlantis Casino Resort Spa

- Ongoing capital investments at the property to maintain market-leading position

Strong economic tailwinds in both Reno and Denver

- Significant population growth in both markets



Inorganic Growth Opportunities

Substantial free cash flow generation following the completion of the Black Hawk development

Company continually evaluates potential M&A with a focus on:

- Leveraging development expertise and operational excellence to maximize ROI
- Key criteria for target markets is regulatory stability, competitive set, growth opportunities, and strong economic trends

In February 2023, the Board of Directors authorized:

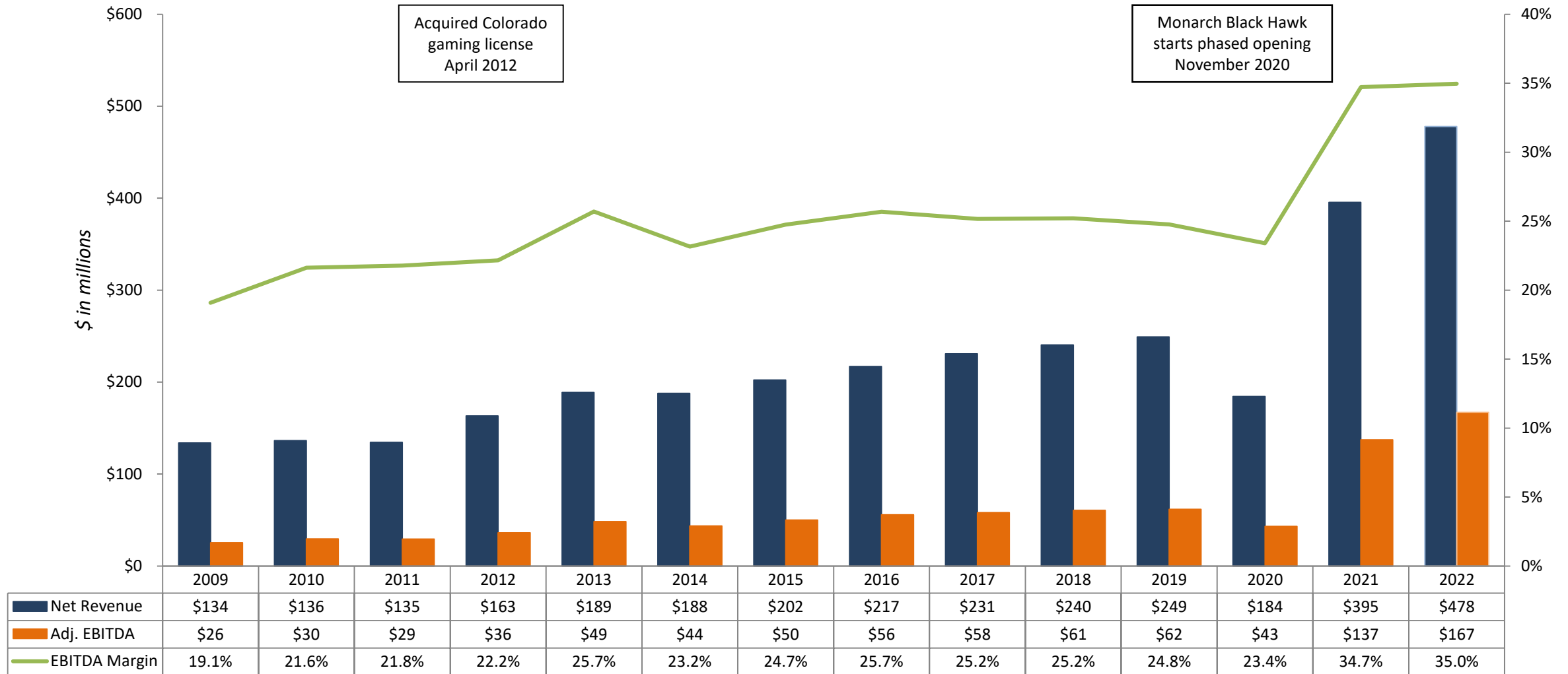
- One-time cash dividend of \$5.00 per share of its outstanding common stock, payable on March 15, 2023, to stockholders of record on March 1, 2023
- Annual dividend of \$1.20 per outstanding share of common stock beginning with the second quarter of 2023; payable on a quarterly basis
- In 2023, the Company expects to pay total cash dividends of \$5.90 per share



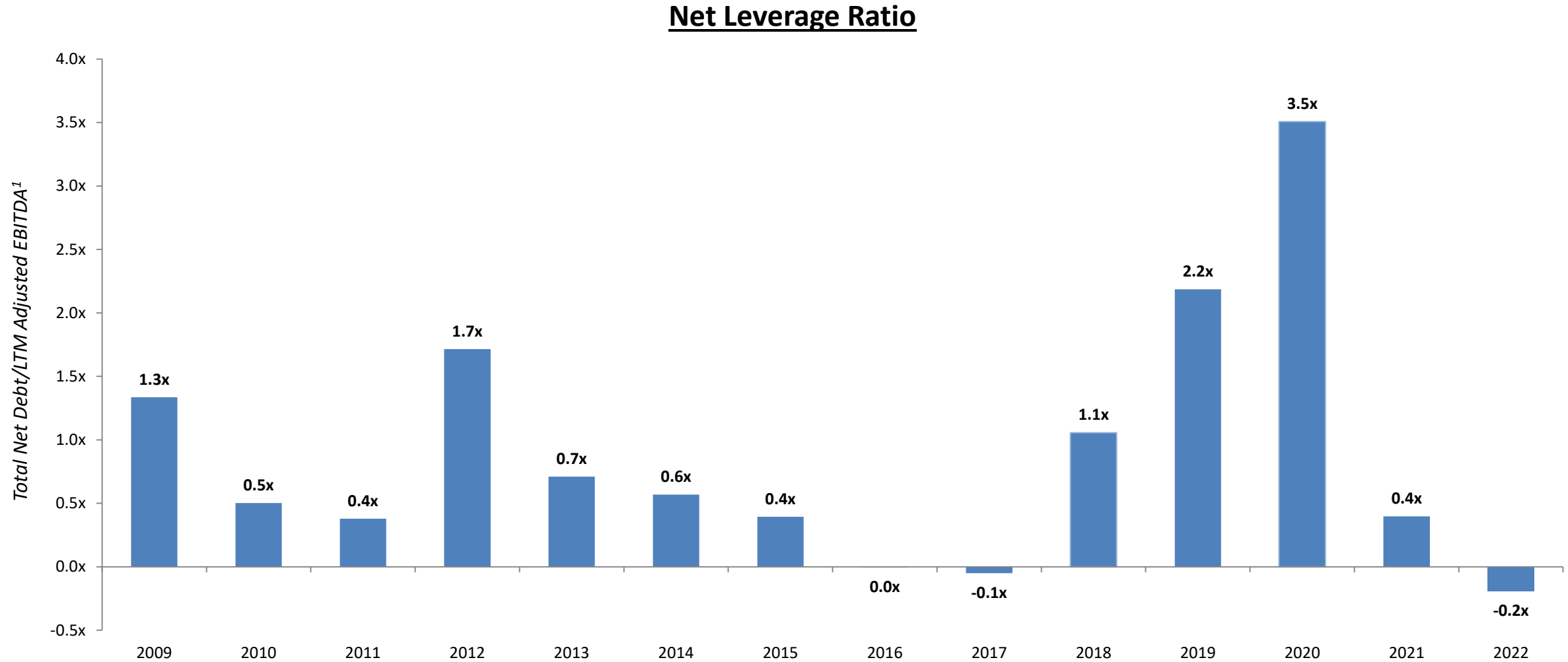
Financial Results



Historical Financial Performance



Historical Net Leverage Ratio



Income Statement Overview

<i>\$ in 000s, except per share data and percentages</i>	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2022	2021	Increase	2022	2021	Increase
Net revenue	\$120,536	\$111,068	8.5%	\$477,870	\$395,377	20.9%
Net income ⁽¹⁾	\$22,433	\$19,871	12.9%	\$87,479	\$68,488	27.7%
Adjusted EBITDA ⁽³⁾	\$41,588	\$39,015	6.6%	\$167,085	\$137,294	21.7%
Basic EPS	\$1.17	\$1.06	10.4%	\$4.60	\$3.68	25.0%
Diluted EPS ⁽²⁾	\$1.14	\$1.02	11.8%	\$4.47	\$3.53	26.6%

1. Net Income was negatively impacted by legal and consulting costs, related to the ongoing litigation with the Monarch Black Hawk general contractor, PCL Construction Services, Inc. The impact during the fourth quarter of 2022 and 2021 was \$0.8 million and \$2.1 million, respectively, and the impact during the twelve months of 2022 and 2021 was \$7.3 million and \$5.1 million, respectively.
2. Diluted EPS was negatively impacted by legal and consulting costs, related to the ongoing litigation with the Monarch Black Hawk general contractor, PCL Construction Services, Inc. The impact during the fourth quarter of 2022 and 2021 was \$0.03 and \$0.09 per share, respectively, and the impact during the twelve months of 2022 and 2021 was \$0.30 and \$0.21 per share, respectively.
3. Definitions, disclosures and reconciliations of non-GAAP financial information are included later in the presentation.

Balance Sheet Overview

<i>\$ in 000s</i>	December 31, 2022	December 31, 2021
Cash and cash equivalents	\$38,779	\$33,526
Net property and equipment	578,050	580,807
Other assets	76,113	76,126
Total assets	<u>\$692,942</u>	<u>\$690,459</u>
Long-term debt (including current maturities)	\$6,693	\$88,152
Other liabilities	147,295	154,293
Total liabilities	<u>\$153,988</u>	<u>\$242,445</u>
Total stockholders' equity	<u>\$538,954</u>	<u>\$448,014</u>
Total liabilities and stockholders' equity	<u>\$692,942</u>	<u>\$690,459</u>

No borrowings outstanding under \$70 million Revolving Credit Facility

In February 2023, Company entered into Fifth Amended and Restated Credit Agreement which increases aggregate principal amount of revolving line of credit from \$70 million to \$100 million; option to increase by another \$100 million within first six months

Monarch owns substantially all of its real estate and is not subject to material rent payments

Adjusted EBITDA Reconciliation

\$ in 000s	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net income	\$22,433	\$19,871	\$87,479	\$68,488
Expenses:				
Stock based compensation	1,653	961	5,095	4,060
Depreciation and amortization	11,188	10,120	43,433	38,428
Provision for income taxes	5,443	5,213	21,543	16,883
Interest expense	200	720	2,420	4,506
Pre-opening expenses ⁽²⁾	-	-	-	2
Construction litigation expenses ⁽²⁾	783	2,132	7,261	5,117
COVID-19 expenses ⁽²⁾⁽³⁾	-	-	-	108
Litigation proceeds, net ⁽²⁾	-	-	(42)	(334)
Insurance claims proceeds ⁽²⁾	-	-	-	(100)
(Gain) loss on disposition of assets ⁽²⁾	(112)	(2)	(104)	136
Adjusted EBITDA⁽¹⁾	\$41,588	\$39,015	\$167,085	\$137,294

- Adjusted EBITDA, a non-GAAP financial measure, consists of net income plus loss on disposal of assets, provision for income taxes, stock-based compensation expense, other one-time charges, pre-opening expenses, construction litigation expenses, acquisition expenses, interest expense, depreciation and amortization less interest income, any benefit for income taxes and gain on disposal of assets. Adjusted EBITDA should not be construed as an alternative to operating income (as determined in accordance with US Generally Accepted Accounting Principles), as an indicator of the Company's operating performance, as an alternative to cash flows from operating activities (as determined in accordance with US GAAP) or as a measure of liquidity. This measure enables comparison of the Company's performance over multiple periods, as well as against the performance of other companies in our industry that report Adjusted EBITDA, although some companies do not calculate this measure in the same manner and, therefore, the measure as presented may not be comparable to similarly titled measures presented by other companies.
- Amount included in the "Other operating items, net" in the Consolidated Statement of Income.
- Includes equipment and supplies directly attributable to the pandemic for reopening of properties; such expenses are incremental to normal operations.