VICI Properties Inc. Announces Second Quarter 2023 Results

July 26, 2023

- Reports 35.5% Year-over-Year Revenue Growth -

- Expands International Footprint in Canada with Century Casinos -

- Completed Acquisition of Rocky Gap Casino Resort -

- Announced Expansion of Partnership with Canyon Ranch -

- Updates Guidance for Full Year 2023 -

NEW YORK--(BUSINESS WIRE)-- VICI Properties Inc. (NYSE: VICI) ("VICI Properties" or the "Company"), an experiential real estate investment trust, today reported results for the quarter ended June 30, 2023. All per share amounts included herein are on a per diluted common share basis unless otherwise stated.

Second Quarter 2023 Financial and Operating Highlights

- Total revenues increased 35.5% year-over-year to $898.2 million
- Net income attributable to common stockholders increased year-over-year to $690.7 million from $(57.7) million and, on a per share basis, increased year-over-year to $0.69 from $(0.06)
- AFFO attributable to common stockholders increased 25.7% year-over-year to $540.4 million and, on a per share basis, increased 11.9% year-over-year to $0.54
- Weighted average shares outstanding increased 12.4% year-over-year
- Announced the acquisition of the real estate of Century Casinos' four gaming properties in Alberta, Canada
- Ended the quarter with $738.8 million in cash and cash equivalents and $867.9 million of estimated forward sale equity proceeds
- Updated AFFO guidance for full year 2023 to between $2,130 million and $2,160 million, or between $2.11 and $2.14 per diluted share
- Subsequent to quarter end, completed the previously announced Rocky Gap Casino Resort acquisition with Century Casinos
- Subsequent to quarter end, expanded our partnership with Canyon Ranch through a preferred equity investment and call rights to acquire Canyon Ranch Tucson and Canyon Ranch Lenox

CEO Comments

Edward Pitoniak, Chief Executive Officer of VICI Properties, said, "VICI's strong second quarter financial performance, exemplified by approximately 36% revenue growth and nearly 12% growth in AFFO per share year-over-year, reflects the impact of our consistent commitment to accretive acquisitions and strategic financings. We also ended the quarter with ample liquidity, including $739 million in cash and cash equivalents, $868 million of estimated equity proceeds available upon settlement of forward sale agreements, and $2.4 billion of availability under the Revolving Credit Facility. The quarter's results and current liquidity enable VICI to continue in our pursuit of attractive domestic and international growth opportunities across the experiential landscape.

"In the second quarter, we continued to expand our international presence through the announced acquisition of four casino properties in Alberta, Canada with our existing tenant and partner, Century Casinos. Subsequent to quarter end, we also closed the previously announced acquisition with Century of Rocky Gap, proving the value of our enduring partnerships with growth-minded operators. Finally, we are excited to announce that subsequent to quarter end, we broadened and deepened our relationship with Canyon Ranch through the establishment of our VICI-Canyon Ranch Growth Partnership, a multi-faceted investment relationship. This initiative (fully described in a separate VICI release and VICI transaction deck at www.viciproperties.com) includes VICI investing preferred equity into the Canyon Ranch operating platform, an investment that will contribute to enabling the Canyon Ranch operating platform to resource the growth of the Canyon Ranch resort network and other brand extensions. Through this investment, we have also further enhanced our embedded growth pipeline with call rights on Canyon Ranch Tucson and Canyon Ranch Lenox as well as solidified the partnership as the capital partner for Canyon Ranch as they look to expand their wellness resort ecosystem."

Second Quarter 2023 Financial Results

Total Revenues

Total revenues were $898.2 million for the quarter, an increase of 35.5% compared to $662.6 million for the quarter ended June 30, 2022. Total revenues for the quarter included $129.5 million of non-cash leasing and financing adjustments and $18.5 million of other income.

Net Income (Loss) Attributable to Common Stockholders

Net income (loss) attributable to common stockholders was $690.7 million for the quarter, or $0.69 per share, compared to $(57.7) million, or $(0.06) per share, for the quarter ended June 30, 2022. The net loss and net loss per share in Q2 2022 was primarily related, on an absolute basis, to the $551.9 million increase in the CECL allowance for the quarter ended June 30, 2022. Approximately 80% of the total allowance increase in Q2 2022 was driven by the CECL charge in relation to our entry into the MGM Master Lease in connection with the acquisition of MGM Growth Properties LLC, which closed on April 29, 2022.

Funds from Operations ("FFO")

FFO attributable to common stockholders was $690.7 million for the quarter, or $0.69 per share, compared to $(50.4) million, or $(0.06) per share, for the quarter ended June 30, 2022. The FFO and FFO per share loss in Q2 2022 was primarily related to, on an absolute basis, the increase in the CECL allowance for the quarter ended June 30, 2022, as described above.

Adjusted Funds from Operations ("AFFO")

AFFO attributable to common stockholders was $540.4 million for the quarter, an increase of 25.7% compared to $430.1 million for the quarter ended June 30, 2022. AFFO per share was $0.54 for the quarter, an increase of 11.9% compared to $0.48 for the quarter ended June 30, 2022.

Second Quarter 2023 Acquisitions and Portfolio Activity

Acquisitions and Investments

On May 16, 2023, the Company entered into definitive agreements to acquire four real estate assets from Century Casinos, Inc. (NASDAQ: CNTY) ("Century") in Alberta, Canada: Century Casino & Hotel Edmonton, Century Casino St. Albert and Century Mile Racetrack and Casino, each in Edmonton, Alberta and Century Downs Racetrack and Casino in Calgary, Alberta, (collectively the "Century Canadian Portfolio") for an aggregate purchase price of approximately C$221.7 million (approximately US$164.7 million based on the exchange rate at the time of the announcement) in cash. Simultaneous with the acquisition, the Century Canadian Portfolio will be added to the existing triple-net master lease agreement between the Company and Century (the "Century Master Lease") and annual rent will increase by C$17.3 million (approximately US$12.8 million based on the exchange rate at the time of the announcement) representing an implied acquisition capitalization rate of 7.8%. The Century Canadian Portfolio acquisition remains subject to customary closing conditions, including regulatory approvals, and is expected to close in the second half of 2023.

Subsequent to quarter-end, on July 25, 2023, the Company completed the previously announced transaction to acquire the leasehold interest in the land and buildings associated with Rocky Gap Casino Resort ("Rocky Gap") in Flintstone, Maryland for $203.9 million in cash, with Century acquiring the operating assets of Rocky Gap for $56.1 million. Simultaneous with the close of the acquisition, Rocky Gap was added to the Century Master Lease and annual rent increased by $15.5 million. The transaction was funded through a combination of cash on hand and proceeds from the partial settlement of forward equity sale agreements discussed below.

Subsequent to quarter-end, on July 26, 2023, the Company committed to an up to $150.0 million preferred equity investment into the controlling entity of Canyon Ranch, a leading provider of holistic, integrative health and wellness guest experiences ("Canyon Ranch"). The preferred equity has a term of 10 years and may be redeemed by Canyon Ranch at any time, subject to a redemption premium in the first three years. In connection with this investment, the Company entered into (i) a call right agreement whereby the Company will have the option to call the real estate assets of each of the Canyon Ranch facility in Tucson, Arizona ("Canyon Ranch Tucson") and the Canyon Ranch facility in Lenox, Massachusetts ("Canyon Ranch Lenox") subject to certain conditions, and (ii) a right of first financing agreement pursuant to which the Company will have the first right, but not the obligation, to serve as the real estate capital financing partner for Canyon Ranch with respect to the acquisition, build-out and/or redevelopment of future wellness resorts. If the call right(s) are exercised, Canyon Ranch would continue to operate the applicable wellness resort(s) subject to a long-term triple net master lease with the Company.

In addition, the Company intends to provide approximately $150.0 million of mortgage financing to a subsidiary of Canyon Ranch secured by Canyon Ranch Tucson and Canyon Ranch Lenox. Proceeds of the mortgage financing would be used to refinance Canyon Ranch's existing CMBS debt secured by these two assets. The mortgage financing will have an initial term of two years with three one-year extensions, exercisable at Canyon Ranch's option, subject to satisfying certain customary extension conditions. The Company expects the mortgage financing to close in Q3 2023.

Second Quarter 2023 Capital Markets Activity

On April 4, 2023, and subsequent to quarter end, on July 20, 2023, the Company physically settled 3,200,000 and 6,000,000 shares, respectively, under the January 2023 forward sale agreements in exchange for aggregate net proceeds of approximately $291.8 million.

During the three months ended June 30, 2023, the Company sold a total of 327,306 shares under its ATM program for a net value of $10.4 million, all of which were sold subject to a forward sale agreement (the "Q2 2023 ATM Forward Sale Agreement"). The Company did not receive any proceeds from the sale of shares at the time it entered into the Q2 2023 ATM Forward Sale Agreement.

Subsequent to quarter end, on July 12, 2023, the Company entered into a forward-starting interest rate swap agreement with an aggregate notional amount of $50.0 million, intended to reduce the variability in future cash flows for a forecasted issuance of long-term debt over a maximum period ended December 2024.

The following table details the issuance of outstanding shares of common stock, including restricted common stock:

	Six Months Ended June 30,	
Common Stock Outstanding	**2023**	**2022**
Beginning Balance January 1,	963,096,563	628,942,092
Issuance of common stock upon physical settlement of forward sale agreements	43,792,592	119,000,000
Issuance of common stock in connection with the MGP Transactions	—	214,552,532
Issuance of restricted and unrestricted common stock under the stock incentive program, net of forfeitures	537,355	596,361
Ending Balance June 30,	1,007,426,510	963,090,985

The following table reconciles the weighted-average shares of common stock outstanding used in the calculation of basic earnings per share to the weighted-average shares of common stock outstanding used in the calculation of diluted earnings per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Determination of shares:				
Weighted-average shares of common stock outstanding	1,006,893,810	896,545,880	1,004,189,744	791,029,664
Assumed conversion of restricted stock[(1)]	696,046	—	884,292	698,797
Assumed settlement of forward sale agreements	378,566	—	805,359	1,496,376
Diluted weighted-average shares of common stock outstanding	1,007,968,422	896,545,880	1,005,879,395	793,224,837

(1) *For the three months ended June 30, 2022, any such amounts have been excluded from the diluted weighted average number of shares of common stock as the Company was in a net loss position and the effect of inclusion would have been anti-dilutive. Assuming the Company had net income for the quarter, using the treasury stock method, the assumed conversion of our restricted stock would have been in the amount of 816,708 shares.*

Balance Sheet and Liquidity

As of June 30, 2023, the Company had approximately $17.1 billion in total debt and approximately $4.0 billion in liquidity, comprised of $738.8 million in cash and cash equivalents, $867.9 million of estimated proceeds available upon settlement of outstanding forward sale agreements, and approximately $2.4 billion of availability under the Revolving Credit Facility. In addition, the Revolving Credit Facility includes the option to increase the revolving loan commitments by up to $1.0 billion to the extent that any one or more lenders (from the syndicate or otherwise) agree to provide such additional credit extensions.

The Company's outstanding indebtedness as of June 30, 2023 was as follows:

($ in millions)	**June 30, 2023**
Revolving Credit Facility	
USD Borrowings	$ —
CAD Borrowings	105.7
5.625% Notes Due 2024	1,050.0
3.500% Notes Due 2025	750.0
4.375% Notes Due 2025	500.0
4.625% Notes Due 2025	800.0
4.500% Notes Due 2026	500.0
4.250% Notes Due 2026	1,250.0
5.750% Notes Due 2027	750.0
3.750% Notes Due 2027	750.0
4.500% Notes Due 2028	350.0
4.750% Notes Due 2028	1,250.0

3.875% Notes Due 2029		750.0
4.625% Notes Due 2029		1,000.0
4.950% Notes Due 2030		1,000.0
4.125% Notes Due 2030		1,000.0
5.125% Notes Due 2032		1,500.0
5.625% Notes Due 2052		750.0
Total Unsecured Debt Outstanding, Face Value	$	14,055.7
MGM Grand/Mandalay Bay CMBS Debt Due 2032	$	3,000.0
Total Debt Outstanding, Face Value	$	17,055.7
Cash and Cash Equivalents		738.8
Net Debt	$	16,316.9

Dividends

On June 8, 2023, the Company declared a regular quarterly cash dividend of $0.39 per share. The Q2 2023 dividend was paid on July 6, 2023 to stockholders of record as of the close of business on June 22, 2023 and totaled in aggregate approximately $392.9 million.

2023 Guidance

The Company is updating AFFO guidance for the full year 2023. In determining AFFO, the Company adjusts for certain items that are otherwise included in determining net income attributable to common stockholders, the most comparable generally accepted accounting principles in the United States ("GAAP") financial measure. In reliance on the exception provided by applicable rules, the Company does not provide guidance for GAAP net income, the most comparable GAAP financial measure, or a reconciliation of 2023 AFFO to GAAP net income because we are unable to predict with reasonable certainty the amount of the change in non-cash allowance for credit losses under ASU No. 2016-13 - Financial Instruments—Credit Losses (Topic 326) ("ASC 326") for a future period. The non-cash change in allowance for credit losses under ASC 326 with respect to a future period is dependent upon future events that are entirely outside of the Company's control and may not be reliably predicted, including its tenants' respective financial performance, fluctuations in the trading price of their common stock, credit ratings and outlook (each to the extent applicable), as well as broader macroeconomic performance. Based on past results and, as disclosed in our historical financial results, the impact of these adjustments could be material, individually or in the aggregate, to the Company's reported GAAP results. For more information, see "Non-GAAP Financial Measures."

The Company estimates AFFO for the year ending December 31, 2023 will be between $2,130 million and $2,160 million, or between $2.11 and $2.14 per diluted share. Guidance does not include the impact on operating results from any pending or possible future acquisitions or dispositions, capital markets activity, or other non-recurring transactions.

The following is a summary of the Company's full-year 2023 guidance:

	Updated Guidance		Prior Guidance	
For the Year Ending December 31, 2023 (*$ in millions*):	**Low**	**High**	**Low**	**High**
Estimated Adjusted Funds From Operations (AFFO)	$2,130	$2,160	$2,115	$2,155
Estimated Adjusted Funds From Operations (AFFO) per diluted share	$2.11	$2.14	$2.10	$2.13
Estimated Weighted Average Share Count for the Year *(in millions)*	1,011.7	1,011.7	1,009.5	1,009.5

The above per share estimates reflect the dilutive effect of the pending 21,102,500 shares related to the January 2023 Forward Sale Agreements and 327,306 shares related to the Q2 2023 ATM Forward Sale Agreement as calculated under the treasury stock method. VICI OP Units held by a third party are reflected as non-controlling interests and the income allocable to them is deducted from net income to arrive at net income attributable to common stockholders and AFFO; accordingly, guidance represents AFFO per share attributable to common stockholders based solely on outstanding shares of VICI common stock.

The estimates set forth above reflect management's view of current and future market conditions, including assumptions with respect to the earnings impact of the events referenced in this release. The estimates set forth above may be subject to fluctuations as a result of several factors and there can be no assurance that the Company's actual results will not differ materially from the estimates set forth above.

Supplemental Information

In addition to this release, the Company has furnished Supplemental Financial Information, which is available on our website in the "Investors" section, under the menu heading "Financials". This additional information is being provided as a supplement to the information in this release and our other filings with the SEC. The Company has no obligation to update any of the information provided to conform to actual results or changes in the Company's portfolio, capital structure or future expectations.

Conference Call and Webcast

The Company will host a conference call and audio webcast on Thursday, July 27, 2023 at 10:00 a.m. Eastern Time (ET). The

conference call can be accessed by dialing +1 833-470-1428 (domestic) or +1 929-526-1599 (international) and entering the conference ID 939948. An audio replay of the conference call will be available from 1:00 p.m. ET on July 27, 2023 until midnight ET on August 3, 2023 and can be accessed by dialing +1 866-813-9403 (domestic) or +44 204-525-0658 (international) and entering the passcode 307960.

A live audio webcast of the conference call will be available in listen-only mode through the “Investors” section of the Company’s website, www.viciproperties.com, on July 27, 2023, beginning at 10:00 a.m. ET. A replay of the webcast will be available shortly after the call on the Company’s website and will continue for one year.

About VICI Properties

VICI Properties Inc. is an S&P 500® experiential real estate investment trust that owns one of the largest portfolios of market-leading gaming, hospitality and entertainment destinations, including Caesars Palace Las Vegas, MGM Grand and the Venetian Resort Las Vegas, three of the most iconic entertainment facilities on the Las Vegas Strip. VICI Properties’ geographically diverse portfolio consists of 50 gaming facilities across the United States and Canada comprising approximately 124 million square feet and features approximately 60,300 hotel rooms and more than 450 restaurants, bars, nightclubs and sportsbooks. Its properties are occupied by industry leading gaming and hospitality operators under long-term, triple-net lease agreements. VICI Properties has a growing array of investing and financing partnerships with leading non-gaming experiential operators, including Great Wolf Resorts, Cabot, Canyon Ranch and Chelsea Piers. VICI Properties also owns four championship golf courses and 34 acres of undeveloped and underdeveloped land adjacent to the Las Vegas Strip. VICI Properties’ goal is to create the highest quality and most productive experiential real estate portfolio through a strategy of partnering with the highest quality experiential place makers and operators. For additional information, please visit www.viciproperties.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. You can identify these statements by our use of the words “anticipates,” “assumes,” “believes,” “estimates,” “expects,” “guidance,” “intends,” “plans,” “projects,” and similar expressions that do not relate to historical matters. All statements other than statements of historical fact are forward-looking statements. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties, and other factors which are, in some cases, beyond the Company’s control and could materially affect actual results, performance, or achievements. Among those risks, uncertainties and other factors are: the impact of changes in general economic conditions and market developments, including inflation, interest rate changes, foreign currency exchange rate fluctuations, supply chain disruptions, consumer confidence levels, changes in consumer spending, unemployment levels and depressed real estate prices resulting from the severity and duration of any downturn in the U.S. or global economy; the impact of recent and potential future interest rate increases on us, including our ability to successfully pursue investments in, and acquisitions of, additional properties and to obtain debt financing for such investments at attractive interest rates, or at all; risks associated with our pending and recently closed transactions, including our ability or failure to realize the anticipated benefits thereof; our dependence on our tenants at our properties, including their financial condition, results of operations, cash flows and performance, and their affiliates that serve as guarantors of the lease payments, and the negative consequences any material adverse effect on their respective businesses could have on us; our ability to obtain the financing necessary to complete any acquisitions on the terms we expect in a timely manner, or at all; the anticipated benefits of certain arrangements with certain tenants relating to our funding of "same store" capital improvements in exchange for increased rent pursuant to the terms of our agreements with such tenants, which we refer to as the Partner Property Growth Fund; our borrowers’ ability to repay their outstanding loan obligations to us; our dependence on the gaming industry; the impact of extensive regulation from gaming and other regulatory authorities; the ability of our tenants to obtain and maintain regulatory approvals in connection with the operation of our properties, or the imposition of conditions to such regulatory approvals; the possibility that our tenants may choose not to renew their lease agreements with us following the initial or subsequent terms of the leases; restrictions on our ability to sell our properties subject to our lease agreements; our tenants and any guarantors’ historical results may not be a reliable indicator of their future results; our substantial amount of indebtedness, and ability to service, refinance and otherwise fulfill our obligations under such indebtedness; our historical financial information may not be reliable indicators of our future results of operations, financial condition and cash flows; our inability to successfully pursue investments in, and acquisitions of, additional properties; the possibility that we identify significant environmental, tax, legal or other issues that materially and adversely impact the value of assets acquired or secured as collateral (or other benefits we expect to receive) in any of our pending or completed transactions; the possibility of adverse tax consequences as a result of our pending or recently completed transactions, including tax protection agreements to which we are a party; increased volatility in our stock price, including as a result of our pending or recently completed transactions; our inability to maintain our qualification for taxation as a REIT; our reliance on distributions received from our subsidiaries, including VICI OP, to make distributions to our stockholders; our ability to continue to make distributions to holders of our common stock or maintain anticipated levels of distributions over time; and competition for transaction opportunities, including from other REITs, investment companies, private equity firms and hedge funds, sovereign funds, lenders, gaming companies and other investors that may have greater resources and access to capital and a lower cost of capital or different investment parameters than us.

Although the Company believes that in making such forward-looking statements its expectations are based upon reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. The Company cannot assure you that the assumptions upon which these statements are based will prove to have been correct. Additional important factors that may affect the Company’s business, results of operations and financial position are described from time to time in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022,

Quarterly Reports on Form 10-Q and the Company's other filings with the Securities and Exchange Commission. The Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as may be required by applicable law.

Non-GAAP Financial Measures

This press release presents Funds From Operations ("FFO"), FFO per share, Adjusted Funds From Operations ("AFFO"), AFFO per share and Adjusted EBITDA, which are not required by, or presented in accordance with, generally accepted accounting principles in the United States ("GAAP"). These are non-GAAP financial measures and should not be construed as alternatives to net income or as an indicator of operating performance (as determined in accordance with GAAP). We believe FFO, FFO per share, AFFO, AFFO per share and Adjusted EBITDA provide a meaningful perspective of the underlying operating performance of our business.

FFO is a non-GAAP financial measure that is considered a supplemental measure for the real estate industry and a supplement to GAAP measures. Consistent with the definition used by the National Association of Real Estate Investment Trusts (NAREIT), we define FFO as net income (or loss) attributable to common stockholders (computed in accordance with GAAP) excluding (i) gains (or losses) from sales of certain real estate assets, (ii) depreciation and amortization related to real estate, (iii) gains and losses from change in control, (iv) impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity and (v) our proportionate share of such adjustments from our investment in unconsolidated affiliate.

AFFO is a non-GAAP financial measure that we use as a supplemental operating measure to evaluate our performance. We calculate our AFFO by adding or subtracting from FFO non-cash leasing and financing adjustments, non-cash change in allowance for credit losses, non-cash stock-based compensation expense, transaction costs incurred in connection with the acquisition of real estate investments, amortization of debt issuance costs and original issue discount, other non-cash interest expense, non-real estate depreciation (which is comprised of the depreciation related to our golf course operations), capital expenditures (which are comprised of additions to property, plant and equipment related to our golf course operations), impairment charges related to non-depreciable real estate, gains (or losses) on debt extinguishment and interest rate swap settlements, other gains (losses), other non-recurring non-cash transactions, our proportionate share of non-cash adjustments from our investment in unconsolidated affiliate (including the amortization of any basis differences) with respect to certain of the foregoing and non-cash adjustments attributable to non-controlling interest with respect to certain of the foregoing.

We calculate Adjusted EBITDA by adding or subtracting from AFFO contractual interest expense (including the impact of the forward-starting interest rate swaps and treasury locks) and interest income (collectively, interest expense, net), income tax expense and our proportionate share of such adjustments from our investment in unconsolidated affiliate.

These non-GAAP financial measures: (i) do not represent cash flow from operations as defined by GAAP; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) are not alternatives to cash flow as a measure of liquidity. In addition, these measures should not be viewed as measures of liquidity, nor do they measure our ability to fund all of our cash needs, including our ability to make cash distributions to our stockholders, to fund capital improvements, or to make interest payments on our indebtedness. Investors are also cautioned that FFO, FFO per share, AFFO, AFFO per share and Adjusted EBITDA, as presented, may not be comparable to similarly titled measures reported by other real estate companies, including REITs, due to the fact that not all real estate companies use the same definitions. Our presentation of these measures does not replace the presentation of our financial results in accordance with GAAP.

Reconciliations of net income to FFO, FFO per share, AFFO, AFFO per share and Adjusted EBITDA are included in this release.

VICI Properties Inc.
Consolidated Balance Sheets
(In thousands)

	June 30, 2023	December 31, 2022
Assets		
Real estate portfolio:		
Investments in leases - sales-type, net	$ 22,655,164	$ 17,172,325
Investments in leases - financing receivables, net	17,144,528	16,740,770
Investments in loans and securities, net	627,259	685,793
Investment in unconsolidated affiliate	—	1,460,775
Land	150,727	153,560
Cash and cash equivalents	738,793	208,933
Short-term investments	—	217,342
Other assets	934,139	936,328
Total assets	$ 42,250,610	$ 37,575,826

Liabilities		
Debt, net	$ 16,624,197	$ 13,739,675
Accrued expenses and deferred revenue	210,534	213,388
Dividends and distributions payable	397,480	380,178
Other liabilities	933,824	952,472
Total liabilities	18,166,035	15,285,713
Stockholders' equity		
Common stock	10,074	9,631
Preferred stock	—	—
Additional paid-in capital	23,014,913	21,645,499
Accumulated other comprehensive income	173,670	185,353
Retained earnings	518,059	93,154
Total VICI stockholders' equity	23,716,716	21,933,637
Non-controlling interests	367,859	356,476
Total stockholders' equity	24,084,575	22,290,113
Total liabilities and stockholders' equity	$ 42,250,610	$ 37,575,826

Note: As of June 30, 2023 and December 31, 2022, our Investments in leases - sales-type, Investments in leases - financing receivables, Investments in loans and securities and Other assets (sales-type sub-leases) are net of allowance for credit losses of $711.2 million, $670.0 million, $13.5 million and $16.3 million, respectively, and $570.4 million, $726.7 million, $6.9 million and $19.8 million, respectively.

VICI Properties Inc.
Consolidated Statement of Operations
(In thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Revenues				
Income from sales-type leases	$ 495,355	$ 375,169	$ 973,749	$ 701,904
Income from lease financing receivables, loans and securities	373,132	261,721	744,201	334,599
Other income	18,525	15,563	36,864	23,949
Golf revenues	11,146	10,170	20,991	18,796
Total revenues	898,158	662,623	1,775,805	1,079,248
Operating expenses				
General and administrative	14,920	11,782	29,925	21,248
Depreciation	887	779	1,701	1,555
Other expenses	18,525	15,563	36,864	23,949
Golf expenses	6,590	5,859	12,542	11,144
Change in allowance for credit losses	(41,355)	551,876	70,122	632,696
Transaction and acquisition expenses	777	16,664	(181)	17,419
Total operating expenses	344	602,523	150,973	708,011
Income from unconsolidated affiliate	—	15,134	1,280	15,134
Interest expense	(203,594)	(133,128)	(407,954)	(201,270)
Interest income	5,806	780	8,853	873
Other gains (losses)	3,454	—	5,417	—
Income before income taxes	703,480	(57,114)	1,232,428	185,974
Income tax expense	(1,899)	(1,027)	(2,986)	(1,427)
Net income (loss)	701,581	(58,141)	1,229,442	184,547
Less: Net (income) loss attributable to non-controlling interests	(10,879)	435	(20,000)	(1,870)
Net income (loss) attributable to common stockholders	$ 690,702	$ (57,706)	$ 1,209,442	$ 182,677

Net income (loss) per common share				
Basic	$ 0.69	$ (0.06)	$ 1.20	$ 0.23
Diluted	$ 0.69	$ (0.06)	$ 1.20	$ 0.23
Weighted average number of common shares outstanding				
Basic	1,006,893,810	896,545,880	1,004,189,744	791,029,664
Diluted	1,007,968,422	896,545,880	1,005,879,395	793,224,837

VICI Properties Inc.
Reconciliation of Net Income to FFO, FFO per Share, AFFO, AFFO per Share and Adjusted EBITDA
(In thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Net income (loss) attributable to common stockholders	$ 690,702	$ (57,706)	$ 1,209,442	$ 182,677
Real estate depreciation	—	—	—	—
Joint venture depreciation and non-controlling interest adjustments	—	7,310	1,426	7,310
FFO attributable to common stockholders	**690,702**	**(50,396)**	**1,210,868**	**189,987**
Non-cash leasing and financing adjustments	(129,510)	(86,405)	(252,344)	(121,969)
Non-cash change in allowance for credit losses	(41,355)	551,876	70,122	632,696
Non-cash stock-based compensation	4,031	3,236	7,498	5,866
Transaction and acquisition expenses	777	16,664	(181)	17,419
Amortization of debt issuance costs and original issue discount	16,680	11,991	36,362	27,968
Other depreciation	826	749	1,609	1,495
Capital expenditures	(330)	(202)	(1,318)	(656)
(Gain) loss on extinguishment of debt and interest rate swap settlements	—	(5,405)	—	(5,405)
Other (gains) losses [1]	(3,454)	—	(5,417)	—
Joint venture non-cash adjustments and non-controlling interest adjustments	2,040	(12,058)	1,813	(11,856)
AFFO attributable to common stockholders	**540,407**	**430,050**	**1,069,012**	**735,545**
Interest expense, net	181,108	125,762	362,739	177,834
Income tax expense	1,899	1,027	2,986	1,427
Joint venture adjustments and non-controlling interest adjustments	—	7,651	(1,021)	7,651
Adjusted EBITDA attributable to common stockholders	**$ 723,414**	**$ 564,490**	**$ 1,433,716**	**$ 922,457**
Net income (loss) per common share				
Basic	$ 0.69	$ (0.06)	$ 1.20	$ 0.23
Diluted	$ 0.69	$ (0.06)	$ 1.20	$ 0.23
FFO per common share				
Basic	$ 0.69	$ (0.06)	$ 1.21	$ 0.24
Diluted	$ 0.69	$ (0.06)	$ 1.20	$ 0.24
Weighted average number of shares of common stock outstanding - Net Income (Loss) and FFO				
Basic	1,006,893,810	896,545,880	1,004,189,744	791,029,664
Diluted	1,007,968,422	896,545,880	1,005,879,395	793,224,837
AFFO per common share				
Basic	$ 0.54	$ 0.48	$ 1.06	$ 0.93
Diluted	$ 0.54	$ 0.48	$ 1.06	$ 0.93
Weighted average number of shares of common stock outstanding - AFFO				
Basic	1,006,893,810	896,545,880	1,004,189,744	791,029,664
Diluted [2]	1,007,968,422	897,362,588	1,005,879,395	793,224,837

(1) Represents non-cash foreign currency remeasurement adjustments and gain on sale of land.
(2) For the three months ended June 30, 2022, the diluted weighted average number of shares of common stock outstanding in relation to AFFO is adjusted to include the dilutive effect, using the treasury stock method, of the assumed conversion of our restricted stock in the amount of 816,708 shares. For the three months ended June 30, 2022, such amounts have been excluded from the diluted weighted average number of shares of common stock in relation to net (loss) income and FFO as these were in loss positions and the effect of inclusion would have been anti-dilutive.

VICI Properties Inc.
Revenue Breakdown
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Contractual revenue from sales-type leases				
Caesars Regional Master Lease (excluding Harrah's NOLA, AC, and Laughlin) & Joliet Lease	$ 132,952	$ 122,729	$ 265,904	$ 245,458
Caesars Las Vegas Master Lease	113,619	105,556	227,238	211,112
MGM Grand/Mandalay Bay Lease	77,468	—	147,390	—
The Venetian Resort Las Vegas Lease	64,375	62,500	127,500	87,798
Greektown Lease	12,957	12,830	25,787	25,660
Hard Rock Cincinnati Lease	11,176	11,010	22,352	22,020
Southern Indiana Lease	8,247	8,125	16,494	16,250
Century Master Lease	6,865	6,376	13,730	12,752
Margaritaville Lease	6,615	5,954	13,009	11,878
Income from sales-type leases non-cash adjustment (1)	61,081	40,089	114,345	68,976
Income from sales-type leases	495,355	375,169	973,749	701,904
Contractual income from lease financing receivables				
MGM Master Lease	184,933	148,112	372,433	148,112
Harrah's NOLA, AC, and Laughlin	42,966	39,663	85,932	79,326
JACK Entertainment Master Lease	17,511	17,251	34,934	33,941
Mirage Lease	22,500	—	45,000	—
Gold Strike Lease	10,000	—	15,000	—
Foundation Gaming Master Lease	6,063	—	12,126	—
PURE Canadian Master Lease	4,050	—	7,859	—
Income from lease financing receivables non-cash adjustment (1)	68,462	46,319	138,039	52,985
Income from lease financing receivables	356,485	251,345	711,323	314,364
Contractual interest income				
Senior Secured Notes	2,395	—	2,503	—
Senior Secured Loans	5,566	9,185	15,830	18,215
Mezzanine Loans	8,719	1,194	14,585	2,012
Income from loans non-cash adjustment (1)	(33)	(3)	(40)	8
Income from loans	16,647	10,376	32,878	20,235
Income from lease financing receivables and loans	373,132	261,721	744,201	334,599
Other income	18,525	15,563	36,864	23,949
Golf revenues	11,146	10,170	20,991	18,796
Total revenues	$ 898,158	$ 662,623	$ 1,775,805	$ 1,079,248

(1) Amounts represent non-cash adjustments to recognize revenue on an effective interest basis in accordance with GAAP.

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Source: VICI Properties Inc.