MGM Growth Properties LLC
Form 424B5
January 28, 2019
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-218090

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell the Class A shares and are not a solicitation of an offer to buy the Class A shares in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated January 28, 2019

Prospectus supplement

(To prospectus dated May 18, 2017)

14,500,000 Shares

MGM Growth Properties LLC

Class A shares

This is an offering by MGM Growth Properties LLC (MGP). We are offering 14,500,000 Class A common shares representing limited liability company interests (the Class A shares) of MGP. The Class A shares are listed on The New York Stock Exchange under the symbol MGP. The last reported sale price of Class A shares on The New York Stock Exchange on January 25, 2019 was $30.16 per share.

An investment in MGP s Class A shares involves risks. See Risk Factors beginning on page S-16 of this prospectus supplement and the risks set forth under the caption Item 1A. Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2017 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018 which are incorporated by reference herein.

	Per share	Total
Public Offering Price	$	$
Underwriting Discount(1)	$	$
Proceeds, before expenses, to us	$	$

(1) We refer to you to Underwriting beginning on page S-40 of this prospectus supplement for additional information regarding underwriting compensation.

The underwriters may also exercise their overallotment option to purchase an additional 2,175,000 Class A shares from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus supplement.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (THE COMMISSION) NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES DESCRIBED HEREIN OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NO GAMING OR REGULATORY AGENCY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

We expect to deliver the Class A shares against payment in New York, New York on or about , 2019 through the facilities of The Depository Trust Company.

Joint book-running managers

J.P. Morgan Barclays BofA Merrill Lynch Citigroup

Prospectus Supplement dated January , 2019

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Prospectus supplement

Prospectus

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About this prospectus supplement

This prospectus supplement is a supplement to the accompanying base prospectus that is also a part of this document. This prospectus supplement and the accompanying base prospectus are part of a shelf registration statement that we filed with the Commission. The shelf registration statement was deemed effective by the Commission upon filing on May 18, 2017. By using a shelf registration statement, we may sell any combination of the securities described in the base prospectus from time to time in one or more offerings. In this prospectus supplement, we provide you with specific information about the terms of this offering.

You should rely only on the information or representations incorporated by reference or provided in this prospectus supplement and the accompanying prospectus or in any free writing prospectus filed by us with the Commission. We have not and the underwriters have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in or incorporated by reference in this prospectus supplement. You may obtain copies of the shelf registration statement, or any document which we have filed as an exhibit to the shelf registration statement or to any other Commission filing, either from the Commission or from the Secretary of MGP as described under Where You Can Find More Information in the accompanying prospectus. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus is accurate as of any date other than the date on the front cover of this prospectus supplement or the date of the accompanying prospectus, free writing prospectus or any such document incorporated by reference, as applicable. Our business, financial condition, results of operations and prospects may have changed since that date.

Basis of presentation

Except as otherwise stated, or unless the context otherwise requires, all references in this prospectus supplement to (i) we, us, our, our company, the Company or MGP refer to MGM Growth Properties LLC and its consolidated subsidiaries, including MGM Growth Properties Operating Partnership LP (the Operating Partnership), a Delaware limited partnership, so long as MGP, or a subsidiary of MGP, is the general partner of the Operating Partnership. and (ii) MGM are to MGM Resorts International, a Delaware corporation, and, unless the context requires otherwise, its consolidated subsidiaries, including MGP.

References in this prospectus supplement to (i) the Revolving Credit Facility are to the Operating Partnership s $1.35 billion senior secured revolving credit facility, (ii) the Term Loan A Facility are to the Operating Partnership s $470.0 million senior secured term loan A facility and (iii) the Term Loan B Facility are to the Operating Partnership s $1.80 billion senior secured term loan B facility, in each case as the same may be amended, supplemented or restated from time to time and, unless otherwise expressly stated or the context otherwise requires, including any successor credit facilities.

Unless otherwise indicated, the information in this prospectus supplement assumes no exercise by the underwriters of their overallotment option to purchase additional Class A shares.

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Certain operational and non-U.S. GAAP financial measures of MGM and MGP

Funds From Operations (FFO) and pro forma FFO are financial measures that are not prepared in conformity with accounting principles generally accepted in the United States (U.S. GAAP) and are considered a supplement to U.S. GAAP measures for the real estate industry. We define FFO as net income (computed in accordance with U.S. GAAP), excluding gains and losses from sales or disposals of property (presented as property transactions, net), plus real estate depreciation, as defined by the National Association of Real Estate Investment Trusts (NAREIT). We prepare pro forma FFO by adjusting FFO to give effect to the net income associated with recent acquisitions, dispositions and related financing transactions as if those acquisitions, dispositions and related financing transactions had occurred on January 1, 2017 (and only to the extent not reflected in historical financial results), including: the MGM National Harbor Transaction (as defined below), the MGM National Harbor Financing Transactions (as defined below), the Northfield Acquisition (as defined below), the Northfield OpCo Disposition (as defined below), the Empire City Transaction (as defined below) and the Park MGM Lease Transaction (as defined below) (collectively, the Pro Forma Transactions). For a reconciliation of FFO and pro forma FFO to the most directly comparable U.S. GAAP measure, see Summary Summary Historical Condensed Consolidated and Pro Forma Financial Data Reconciliation of Net Income to FFO, AFFO and Adjusted EBITDA and of Pro Forma Net Income to Pro Forma FFO, Pro Forma AFFO and Pro Forma Adjusted EBITDA. Additional information with respect to the calculation of pro forma FFO is presented under Unaudited Pro Forma Condensed Consolidated Financial Data.

We define Adjusted Funds From Operations (AFFO) as FFO as adjusted for amortization of financing costs and cash flow hedges, amortization of the above market lease, net, non-cash compensation expense, acquisition-related expenses, other non-operating expenses, provision for income taxes related to the real estate investment trust (REIT), other depreciation and amortization, and the net effect of straight-line rent and amortization of deferred revenue and lease incentives. We prepare pro forma AFFO by adjusting AFFO to give effect to the amortization of certain costs and expenses associated with the Pro Forma Transactions as if the Pro Forma Transactions had occurred on January 1, 2017 (and only to the extent not reflected in historical financial results). For a reconciliation of AFFO and pro forma AFFO to the most directly comparable U.S. GAAP measure, see Summary Summary Historical Condensed Consolidated and Pro Forma Financial Data Reconciliation of Net Income to FFO, AFFO and Adjusted EBITDA and of Pro Forma Net Income to Pro Forma FFO, Pro Forma AFFO and Pro Forma Adjusted EBITDA. Additional information with respect to the calculation of pro forma AFFO is presented under Unaudited Pro Forma Condensed Consolidated Financial Data.

We define Adjusted EBITDA as net income (computed in accordance with U.S. GAAP) as adjusted for gains and losses from sales or disposals of property (presented as property transactions, net), real estate depreciation, other depreciation and amortization, interest income, interest expense (including amortization of financing costs and cash flow hedges), amortization of the above market lease, net, non-cash compensation expense, acquisition-related expenses, other non-operating expenses, provision for income taxes and the net effect of straight-line rent and amortization of deferred revenue and lease incentives. We prepare pro forma Adjusted EBITDA by adjusting Adjusted EBITDA to give effect to the Pro Forma Transactions as if the Pro Forma Transactions had occurred on January 1, 2017 (and only to the extent not reflected in historical financial results). For a reconciliation of Adjusted EBITDA and pro forma Adjusted EBITDA to the most directly comparable U.S. GAAP measure, see Summary Summary Historical Condensed Consolidated and Pro Forma Financial Data Reconciliation of Net Income to FFO, AFFO and Adjusted EBITDA and of Pro Forma Net Income to Pro Forma FFO, Pro Forma AFFO and Pro Forma Adjusted EBITDA. Additional information with respect to the calculation of pro forma Adjusted EBITDA is presented under Unaudited Pro Forma Condensed Consolidated Financial Data.

FFO, AFFO, Adjusted EBITDA, pro forma FFO, pro forma AFFO and pro forma Adjusted EBITDA are supplemental performance measures that have not been prepared in conformity with U.S. GAAP that management believes are useful to investors in comparing operating and financial results between periods. Management believes that this is especially true since these measures exclude real estate depreciation and amortization expense and management believes that real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. The Company believes such a presentation also provides investors with a meaningful measure of the Company s operating results in comparison to the operating results of other REITs. Adjusted EBITDA and pro forma Adjusted EBITDA are useful to investors to further supplement FFO, AFFO, pro forma FFO, pro forma AFFO and to provide investors a performance metric which excludes interest expense. In addition to non-cash items, the Company adjusts AFFO, Adjusted EBITDA, pro forma AFFO and pro forma Adjusted EBITDA for acquisition-related expenses. While we do not label these expenses as non-recurring, infrequent or unusual, management believes that it is helpful to adjust for these expenses when they do occur to allow for comparability of results between periods because each acquisition is (and will be) of varying size and complexity and may involve different types of expenses depending on the type of property being acquired and from whom.

FFO, AFFO, Adjusted EBITDA, pro forma FFO, pro forma AFFO and pro forma Adjusted EBITDA do not represent cash flow from operations as defined by U.S. GAAP, should not be considered as an alternative to net income as defined by U.S. GAAP and are not indicative of cash available to fund all cash flow needs. Investors are also cautioned that FFO, AFFO, Adjusted EBITDA, pro forma FFO, pro forma AFFO and pro forma Adjusted EBITDA as presented may not be comparable to similarly titled measures reported by other REITs due to the fact that not all real estate companies use the same definitions.

Please see Prospectus Supplement Summary Summary Historical Condensed Consolidated and Pro Forma Financial Data Reconciliation of Net Income to FFO, AFFO and Adjusted EBITDA and of Pro Forma Net Income to Pro Forma FFO, Pro Forma AFFO and Pro Forma Adjusted EBITDA for a reconciliation of our net income to FFO, AFFO and Adjusted EBITDA and pro forma net income to Pro Forma FFO, Pro Forma AFFO and Pro Forma Adjusted EBITDA.

A subsidiary of MGM (the Tenant) is currently the sole lessee under our master lease agreement (the Master Lease), and MGM guarantees the Tenant s performance and payments under the Master Lease. In order to evaluate the business results of casino resorts, MGM monitors their net revenues and Adjusted Property EBITDA. MGM uses Adjusted Property EBITDA as the primary performance measure for its reportable segments. Adjusted EBITDA is a measure defined as earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, preopening and start-up expenses, NV Energy exit expense and property transactions, net. Adjusted Property EBITDA is a measure defined as Adjusted EBITDA before corporate expense and stock compensation expense, which are not allocated to each property. Adjusted EBITDA or Adjusted Property EBITDA should not be construed as an alternative to operating income or net income as an indicator of MGM s performance; an alternative to cash flows from operating activities, a measure of liquidity; or as any other measure determined in accordance with U.S. GAAP. MGM has significant uses of cash flows, including capital expenditures, interest payments, taxes and debt principal repayments, which are not reflected in Adjusted EBITDA or Adjusted Property EBITDA. Also, other companies in the gaming and hospitality industries that report Adjusted EBITDA or Adjusted Property EBITDA information may calculate Adjusted EBITDA or Adjusted Property EBITDA in a different manner.

Please see Annex I of this prospectus supplement for a reconciliation of MGM s Adjusted EBITDA and Adjusted Property EBITDA to net income (loss) and MGM s operating income (loss) to Adjusted Property EBITDA and Adjusted EBITDA, all as reported by MGM.

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Trademarks and tradenames

The names of the brands of our casino resorts that are operated by MGM are registered trademarks of the respective owners of those brands, and neither they nor any of their officers, directors, agents or employees:

- have approved any disclosure in which they or the names of their brands appear; or
- are responsible or liable for any of the content in this document.

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Cautionary statement concerning forward-looking statements

This prospectus supplement and the accompanying prospectus includes or incorporates by reference forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as anticipates, intends, plans, seeks, believes, estimates, expects, may, will and similar references to future periods. In particular, our unaudited pro condensed consolidated financial data and all of our statements regarding anticipated growth in our FFO, AFFO and Adjusted EBITDA and anticipated market conditions, demographics and results of operations are forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding our ability to meet our financial and strategic goals and our ability to further grow our portfolio and drive value. The foregoing is not a complete list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Therefore, we caution you against relying on any of these forward-looking statements. The following factors that affect us and MGM, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

We are dependent on MGM (including its subsidiaries) unless and until we substantially diversify our portfolio, and an event that has a material adverse effect on MGM s business, financial position or results of operations could have a material adverse effect on our business, financial position or results of operations.

We depend on our properties leased to MGM for the substantial portion of our anticipated cash flows.

We may not be able to re-lease our properties following the expiration or termination of the Master Lease.

MGP s sole material assets are units representing limited partner interests in the Operating Partnership (Operating Partnership units) representing 26.7% of the ownership interests in the Operating Partnership as of September 30, 2018, over which MGP has operating control through its ownership of its general partner.

The Master Lease restricts our ability to sell our properties.

We will have future capital needs and may not be able to obtain additional financing on acceptable terms.

Covenants in our debt agreements may limit our operational flexibility, and a covenant breach or default could materially adversely affect our business, financial position or results of operations.

Rising expenses could reduce cash flow and funds available for future acquisitions and distributions.

We are dependent on the gaming industry and may be susceptible to the risks associated with it, which could materially adversely affect our business, financial position or results of operations.

Because a significant number of our major gaming resorts are concentrated on the Las Vegas Strip (the Strip), we are subject to greater risks than a company that is more geographically diversified.

Our pursuit of investments in, and acquisitions or development of, additional properties (including our acquisition of Northfield Park Associates, LLC (Northfield), the real property associated with Empire City Casino s race track and casino (Empire City), our rights of first offer with respect to MGM Springfield (MGM

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Springfield) and any future gaming developments by MGM in the undeveloped land adjacent to Empire City, (each as described below under Prospectus Supplement Summary Business)) may be unsuccessful or fail to meet our expectations.

We may face extensive regulation from gaming and other regulatory authorities, and our operating agreement provides that any of our shares held by investors who are found to be unsuitable by state gaming regulatory authorities are subject to redemption.

Required regulatory approvals can delay or prohibit future leases or transfers of our gaming properties, which could result in periods in which we are unable to receive rent for such properties.

Net leases may not result in fair market lease rates over time, which could negatively impact our income and reduce the amount of funds available to make distributions to shareholders.

Our dividend yield could be reduced if we were to sell any of our properties in the future.

There can be no assurance that we will be able to make distributions to our Operating Partnership unitholders and Class A shareholders or maintain our anticipated level of distributions over time.

An increase in market interest rates could increase our interest costs on existing and future debt and could adversely affect the price of our Class A shares.

We are controlled by MGM, whose interests in our business may conflict with ours or yours.

We are dependent on MGM for the provision of administration services to our operations and assets.

MGM s historical results may not be a reliable indicator of its future results.

MGM s historical corporate rent net of Operating Partnership distributions coverage ratio described in this prospectus supplement may not be a reliable indicator of its future results.

Our operating agreement contains provisions that reduce or eliminate duties (including fiduciary duties) of our directors, officers and others.

If MGM engages in the same type of business we conduct, our ability to successfully operate and expand our business may be hampered.

The Master Lease and other agreements governing our relationship with MGM were not negotiated on an arm s-length basis and the terms of those agreements may be less favorable to us than they might otherwise have been in an arm s-length transaction.

In the event of a bankruptcy of the Tenant, a bankruptcy court may determine that the Master Lease is not a single lease but rather multiple severable leases, each of which can be assumed or rejected independently, in which case underperforming leases related to properties we own that are subject to the Master Lease could be rejected by the Tenant while tenant-favorable leases are allowed to remain in place.

MGM may undergo a change of control without the consent of us or of our shareholders.

If MGP fails to remain qualified to be taxed as a REIT, it will be subject to U.S. federal income tax as a regular corporation and could face a substantial tax liability, which would have an adverse effect on our business, financial condition and results of operations.

Legislative or other actions affecting REITs could have a negative effect on us.

The anticipated benefits of our anticipated and future acquisitions may not be realized fully and may take longer to realize than expected.

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Our ownership of MGP OH, Inc., a taxable REIT subsidiary (TRS) that we formed in connection with the Northfield Acquisition (as defined below), will be subject to limitations, and a failure to comply with the limits could jeopardize our REIT qualification.

We may be unable to complete the Northfield OpCo Disposition (as defined below), the Empire City Transaction (as defined below) or the Park MGM Lease Transaction (as defined below) or may not consummate them on the terms described herein. On January 28, 2019, the Empire City Transaction was approved by the New York State Gaming Commission. Although MGM and MGP intend to consummate the Empire City Transaction on or about January 29, 2019, the transaction remains subject to the satisfaction of other closing conditions, and accordingly there can be no assurance that the transaction will be consummated on the anticipated schedule or at all.

Our substantial indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under our existing debt. While forward-looking statements reflect our good-faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the section entitled Risk Factors and the other information included or incorporated by reference in this prospectus supplement.

Any forward-looking statement made by us in this prospectus supplement and the accompanying prospectus or included or incorporated herein or therein speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law. If we update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

You should also be aware that while we from time to time communicate with securities analysts, we do not disclose to them any material non-public information, internal forecasts or other confidential business information. Therefore, you should not assume that we agree with any statement or report issued by any analyst, irrespective of the content of the statement or report. To the extent that reports issued by securities analysts contain projections, forecasts or opinions, those reports are not our responsibility and are not endorsed by us.

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Prospectus supplement summary

The following summary highlights information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before investing in the Class A shares. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference, for a more complete understanding of this offer and the Class A shares. In this prospectus supplement, except where the context indicates or unless otherwise indicated, references to pro forma or on a pro forma basis refer to giving pro forma effect to the pro forma adjustments set forth in the unaudited pro forma condensed consolidated financial data included herein under the heading Unaudited Pro Forma Condensed Consolidated Financial Data, including the MGM National Harbor Transaction (as defined below), the MGM National Harbor Financing Transactions (as defined below), the Northfield Acquisition (as defined below), the Northfield OpCo Disposition (as defined below), the Empire City Transaction (as defined below) and the Park MGM Lease Transaction (as defined below).

MGM Growth Properties LLC

MGP is a limited liability company that was formed in Delaware on October 23, 2015. MGP conducts its operations through the Operating Partnership, a Delaware limited partnership formed by MGM on January 6, 2016 which became a subsidiary of MGP on April 25, 2016. MGP is one of the leading publicly traded REITs engaged in the acquisition, ownership and leasing of large-scale destination entertainment and leisure resorts, whose tenants generally offer diverse amenities including casino gaming, hotel, convention, dining, entertainment and retail offerings.

On a pro forma basis, as described under Unaudited Pro Forma Condensed Consolidated Financial Data, our pro forma net income and pro forma Adjusted EBITDA would have been approximately $264.9 million and $903.4 million, respectively, for the year ended December 31, 2017, and approximately $214.9 million and $689.4 million, respectively, for the nine months ended September 30, 2018. For a reconciliation of our pro forma net income to pro forma Adjusted EBITDA, see Summary Historical Condensed Consolidated and Pro Forma Financial Data Reconciliation of Net Income to FFO, AFFO and Adjusted EBITDA and of Pro Forma Net Income to Pro Forma FFO, Pro Forma AFFO and Pro Forma Adjusted EBITDA.

Pursuant to the Master Lease, a subsidiary of the Operating Partnership (the Landlord) leases the real estate assets of The Mirage, Mandalay Bay, Luxor, New York-New York, Park MGM (which was branded as Monte Carlo prior to May 2018), Excalibur, The Park, Gold Strike Tunica, MGM Grand Detroit, Beau Rivage, Borgata and MGM National Harbor back to the Tenant, a subsidiary of MGM. MGP OH, Inc., a wholly owned TRS of the Operating Partnership, owns Northfield.

MGP is organized in an umbrella partnership REIT (commonly referred to as an UPREIT) structure in which MGP owns substantially all of its assets and conducts substantially all of its business through the Operating Partnership, which is owned by MGP and certain other subsidiaries of MGM and whose sole general partner is one of MGP s subsidiaries. MGM holds a controlling interest in MGP through its ownership of MGP s Class B share, and will continue to hold a controlling interest in MGP following the consummation of this offering by virtue of its ownership of the Class B share, but does not hold any of MGP s Class A shares. The Class B share is a non-economic interest in MGP that does not provide its holder any rights to profits or losses or any rights to receive distributions from the operations of MGP or upon liquidation or winding up of MGP but that represents a majority of the voting power of MGP s shares. The Class B share structure was put in place to align MGM s voting rights in MGP with its economic interest in the Operating Partnership. As further described under Description

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of Shares Shares Voting Rights in the accompanying prospectus, MGM will no longer be entitled to the voting rights provided by the Class B share if MGM and its controlled affiliates (excluding MGP and its subsidiaries) aggregate beneficial ownership of the combined economic interests in MGP and the Operating Partnership falls below 30%.

Business

We generate a substantial portion of our revenues by leasing our real estate properties through the Landlord, a wholly owned subsidiary of the Operating Partnership, to the Tenant, a subsidiary of MGM, in a triple-net lease arrangement, which requires the Tenant to pay substantially all costs associated with each property, including real estate taxes, insurance, utilities and routine maintenance, in addition to the base rent and the percentage rent. For the third lease year, which commenced on April 1, 2018, the annual rent payment is $770.3 million (including the effect of the first and second rent escalators described under Overview of the Master Lease). The Tenant s performance and payments under the Master Lease are guaranteed by MGM. Certain of MGM s operating and other subsidiaries also directly hold Operating Partnership units collectively comprising a majority economic interest in, and will participate in distributions made by, the Operating Partnership.

MGP has declared cash dividends each quarter since the completion of its initial public offering. On December 14, 2018, MGP announced that its board of directors declared a cash dividend for the quarter ended December 31, 2018 of $0.4475 per Class A share payable to shareholders of record as of December 31, 2018. On an annualized basis, the dividend of $1.79 represents an increase of $0.11 per share year to date, or a total increase of approximately 6.5%. The dividend was paid on January 15, 2019. As shown in the chart below, MGP has increased six out of the eleven dividends paid to date which represents a 25.2% increase in dividends paid to shareholders on an annualized basis since the quarter ended June 30, 2016.

Dividend Growth[(1)]

(1) Numbers above represent quarterly dividends per share on an annualized basis.

(2) Dividend paid for the quarter ended June 30, 2016 was $1.05 per share on an annualized basis, representing a quarterly dividend amount of $1.43 per Class A share on an annualized basis prorated for the period from April 25, 2016 (the closing date of the initial public offering) to June 30, 2016.

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As of the date of this prospectus supplement, our portfolio consists of eleven premier destination resorts, which include properties that we believe are among the world s finest casino resorts, as well as The Park in Las Vegas and Northfield, in Northfield, Ohio. Our properties include six large-scale entertainment and gaming-related properties located on the Strip: Mandalay Bay, The Mirage, Park MGM, New York-New York, Luxor and Excalibur, and The Park, a dining and entertainment complex located between New York-New York and Park MGM which opened in April 2016. Outside of Las Vegas, we also own five market-leading casino resort properties: MGM Grand Detroit in Detroit, Michigan, Beau Rivage and Gold Strike Tunica, both of which are located in Mississippi, Borgata in Atlantic City, New Jersey which was acquired in August 2016 (the Borgata Transaction) and MGM National Harbor in Prince George s County, Maryland which was acquired in October 2017 (the MGM National Harbor Transaction). We also own the Northfield casino property in Northfield, Ohio. In the future, we plan to explore opportunities to expand by acquiring similar properties as well as strategically targeting a broader universe of real estate assets within the entertainment, hospitality and leisure industries.

As of December 31, 2017, our properties collectively comprised approximately 27,500 hotel rooms and 2.7 million square feet of convention space, over 150 retail outlets, over 300 food and beverage outlets and over 20 entertainment venues.

Sale of Northfield Park Operations to MGM

On July 6, 2018, the TRS completed its previously announced acquisition of the membership interests of Northfield Park Associates LLC, an Ohio limited liability company that owns the real estate assets and operations of the Hard Rock Rocksino Northfield Park (the Northfield Acquisition) from Milstein Entertainment LLC. The property consists of a 65,000-square-foot gaming facility with more than 2,300 video lottery terminals and includes an approximately 1,900-seat music venue, 300-seat event space and five food and beverage offerings. As of July 2018, the property held 52.8% share of the Cleveland area video lottery terminal and slot machine market. Simultaneously with the close of the transaction, Northfield entered into a new agreement with an affiliate of Hard Rock Café International (STP), Inc., to continue to serve as the manager of the property.

On September 18, 2018, MGP entered into an agreement to sell the operations of Northfield (the Northfield OpCo) to a subsidiary of MGM for approximately $275.0 million, subject to customary purchase price adjustments. The TRS will concurrently liquidate and the real estate assets of Northfield will be transferred to the Landlord. Northfield will be added to the existing Master Lease between the Landlord and Tenant (the Northfield OpCo Disposition). As a result, the annual rent payment to MGP will increase by $60.0 million, prorated for the remainder of the lease year. Consistent with the Master Lease terms, 90% of this rent will be fixed and contractually grow at 2% per year until 2022. The transaction is expected to close in the first half of 2019, subject to regulatory approvals and other customary closing conditions. This offering is not conditioned upon the completion of the Northfield OpCo Disposition or any other transaction.

Park MGM Lease Transaction

On December 20, 2018, MGP entered into a definitive agreement with MGM whereby MGP will pay MGM consideration of $637.5 million for renovations undertaken by MGM regarding the Park MGM and NoMad Las Vegas property (the Park MGM Lease Transaction). Additionally, at closing of the Park MGM Lease Transaction, the Master Lease will be amended to provide that the annual rent payment to MGP will increase by $50.0 million, prorated for the remainder of the lease year. Consistent with the Master Lease terms, 90% of this rent will be fixed and contractually grow at 2% per year until 2022. Park MGM features approximately 2,605 guest rooms and suites, and the NoMad Las Vegas hotel features 293 guest rooms and suites. The

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property also includes the Park Theater, a 5,200-seat venue. The property contains over 15 new restaurants, bars and lounges. The transaction is expected to close in the first quarter of 2019 and is subject to customary closing conditions. This offering is not conditioned upon the completion of the Park MGM Lease Transaction or any other transaction.

Empire City Transaction

On May 28, 2018, MGP entered into a definitive agreement to acquire the real property associated with Empire City from MGM upon its acquisition of Empire City for total consideration of $625.0 million, which includes the assumption of approximately $245 million of debt by the Operating Partnership with the balance paid through the issuance of Operating Partnership units to MGM (the Empire City Transaction). Empire City will be added to the existing Master Lease between the Landlord and Tenant. As a result, the annual rent payment to MGP will increase by $50.0 million, prorated for the remainder of the lease year. Consistent with the Master Lease terms, 90% of this rent will be fixed and contractually grow at 2% per year until 2022. In addition, pursuant to the Master Lease, MGP will have a right of first offer with respect to certain undeveloped land adjacent to the property to the extent MGM develops additional gaming facilities and chooses to sell or transfer the property in the future. On January 28, 2019, the Empire City Transaction was approved by the New York State Gaming Commission. Although MGM and MGP intend to consummate the Empire City Transaction on or about January 29, 2019, the transaction remains subject to the satisfaction of other closing conditions, and accordingly there can be no assurance that the transaction will be consummated on the anticipated schedule or at all. This offering is not conditioned upon the completion of the Empire City Transaction or any other transaction.

Recent Developments

Senior Notes Offering

On January 25, 2019 MGM Growth Properties Operating Partnership LP and MGP Finance Co-Issuer, Inc., each a consolidated subsidiary of MGP (together, the Notes Issuers), issued $750.0 million in aggregate principal amount of 5.750% senior notes due 2027 (such offering, the Notes Offering) in a private transaction with registration rights that was not registered under the Securities Act. The Notes Issuers intend to use the proceeds of the Notes Offering (i) to repay $625.0 million of drawings under the Revolving Credit Facility, which drawings were primarily related to payments for acquisitions completed in 2018 or expected to be completed in early 2019, (ii) for working capital and general corporate purposes, which may include additional acquisitions, and (iii) to pay fees and expenses related to the Notes Offering.

Preliminary Financial Information for the Three Months and Year Ended December 31, 2018

Based on currently available information, we estimate that our total revenues for the three months and year ended December 31, 2018 were between $275 million and $285 million and between $995 million and $1.01 billion, respectively, of which approximately 24% and 13%, respectively, were attributable to Northfield. We estimate that our income before income taxes for the three months and year ended December 31, 2018 were between $68 million and $73 million and between $253 million and $258 million, respectively.

The preliminary estimates presented above are the responsibility of management and have been prepared in good faith on a consistent basis with prior periods. However, we have not completed our financial closing procedures for the three months and year ended December 31, 2018 and our actual results could be materially different from our estimates. In addition, Deloitte & Touche LLP, our independent registered public accounting

firm, has not audited, reviewed, compiled, or performed any procedures with respect to these preliminary estimates and does not express an opinion or any other form of assurance with respect to these preliminary estimates or their achievability. During the course of the preparation of our consolidated financial statements and related notes as of and for the year ended December 31, 2018, we and our auditors may identify items that would require us to make material adjustments to the preliminary estimates presented above. As a result, prospective investors should exercise caution in relying on this information and should not draw any inferences from this information regarding financial or operating data not provided. These preliminary estimates should not be viewed as a substitute for full financial statements prepared in accordance with U.S. GAAP. In addition, these preliminary estimates are not necessarily indicative of the results to be achieved in any future period.

MGM Announces Special Real Estate Committee

On January 24, 2019, MGM announced that its Board of Directors had formed a special committee to evaluate MGM s real estate portfolio. The special committee will be composed of three independent directors, John B. Kilroy Jr., Keith A. Meister and Paul Salem, each of whom has extensive real estate and financial markets experience. MGM stated that the committee will focus on exploring strategies that maximize the value of MGM s owned real estate and equity holdings while enabling MGM to respond to market opportunities.

Overview of MGM

The Tenant is a wholly owned subsidiary of MGM, and MGM guarantees the Tenant s performance and payments under the Master Lease. MGM formed MGP in order to optimize MGM s real estate holdings and establish a growth-oriented public real estate entity that will benefit from its relationship with MGM and is expected to generate reliable and growing quarterly cash distributions on a tax-efficient basis. MGM is a premier operator of a portfolio of well-known destination resort brands.

MGM has significant holdings in gaming, hospitality and entertainment with current ownership or operating interests in a high quality portfolio of casino resorts with approximately 50,000 hotel rooms, 27,000 slot machines and 1,900 table games on a combined basis as of December 31, 2017, including our properties, Bellagio, MGM Grand, MGM Macau and MGM s unconsolidated affiliates. MGM owns an approximately 56% interest in MGM China Holdings Limited, a publicly traded company listed on the Hong Kong Stock Exchange, which owns MGM Grand Paradise, the Macau company that owns and operates the Macau resort and casino and MGM Cotai, an integrated casino, hotel, and entertainment resort on the Cotai Strip in Macau that opened on February 13, 2018. MGM Springfield in Massachusetts recently opened in August 2018. MGM files annual, quarterly and current reports, proxy statements and other information with the Commission. The public can obtain any documents that MGM files electronically with the Commission, including the financial statements included in its annual and quarterly reports, at http://www.sec.gov. Unless otherwise expressly stated herein, such information filed by MGM electronically with the Commission does not form a part of and is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

MGM s corporate rent net of Operating Partnership distributions coverage ratio under the Master Lease was approximately 5.4x for the twelve months ended September 30, 2018. Please see Annex II of this prospectus supplement for a calculation of MGM s corporate rent net of Operating Partnership distributions coverage ratio (see also Risk Factors Risks Related to Our Business and Operations MGM s corporate rent net of Operating Partnership distributions coverage ratio described in this prospectus supplement may not be a reliable indicator of its future results).

Overview of the Master Lease

The Master Lease has an initial lease term of ten years beginning on April 25, 2016, with the potential to extend the term for four additional five-year terms thereafter at the option of the Tenant, subject to certain exceptions with respect to individual properties. The Master Lease provides that any extension of its term must apply to all of the properties under the Master Lease at the time of the extension. The Master Lease has a triple-net structure, which requires the Tenant to pay substantially all costs associated with each property, including real estate taxes, insurance, utilities and routine maintenance, in addition to the base rent, ensuring that the cash flows associated with our Master Lease will remain relatively predictable for the duration of its term.

Rent under the Master Lease consists of a base rent component and a percentage rent component. The base rent includes a fixed annual rent escalator of 2.0% for the second through the sixth lease years (as defined in the Master Lease). Thereafter, the annual escalator of 2.0% will be subject to the Tenant and, without duplication, the MGM operating subsidiary sublessees of our Tenant (such sublessees, collectively, the Operating Subtenants), collectively meeting an adjusted net revenue to rent ratio of 6.25:1.00 based on their adjusted net revenue from the leased properties subject to the Master Lease (excluding net revenue attributable to certain scheduled subleases and, at the Tenant s option, certain reimbursed costs).

The percentage rent is a fixed amount for approximately the first six lease years and will then be adjusted every five years based on the average annual adjusted net revenues of our Tenant and, without duplication, the Operating Subtenants from the leased properties subject to the Master Lease at such time for the trailing five-calendar-year period (calculated by multiplying the average annual adjusted net revenues, excluding net revenue attributable to certain scheduled subleases and, at the Tenant s option, certain reimbursed costs for the trailing five-calendar-year period by 1.4%). The Master Lease includes covenants that impose ongoing reporting obligations on the Tenant relating to MGM s financial statements which, in conjunction with MGM s public disclosures to the Commission, gives us insight into MGM s financial condition on an ongoing basis. The Master Lease also requires MGM, on a consolidated basis with the Tenant, to maintain an EBITDAR to rent ratio (as described in the Master Lease) of 1.10:1.00.

For the third lease year, which commenced on April 1, 2018, the annual rent payment is $770.3 million (including the effect of the first and second rent escalators described in this section). Upon consummation of the Empire City Transaction, which is expected to close in the first quarter of 2019, Empire City will be added to the Master Lease, and we expect the annual rent payment to MGP to increase by $50.0 million, prorated for the remainder of the third lease year. See Business Empire City Transaction. Upon consummation of the Park MGM Lease Transaction, which is expected to close in the first quarter of 2019, we expect the annual rent under the Master Lease to increase by an additional $50.0 million, prorated for the remainder of the third lease year. See Business Park MGM Lease Transaction. Further, upon consummation of the Northfield OpCo Disposition, which is expected to close in the first half of 2019, Northfield will be added to the Master Lease and we expect the annual rent under the Master Lease to increase by an additional $60.0 million, prorated for the remainder of the third lease year. See Business Sale of Northfield Park Operations to MGM. This offering is not conditioned upon the completion of the Northfield OpCo Disposition, the Empire City Transaction, the Park MGM Lease Transaction or any other transaction.

The Master Lease includes a right of first offer with respect to MGM s development property located in Springfield, Massachusetts, which we may exercise should MGM elect to sell the property in the future. The property, located on 14 acres of land in downtown Springfield, Massachusetts, opened August 24, 2018 and includes a casino with approximately 2,550 slots and 120 table games and a 252-room hotel.

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Upon consummation of the Empire City Transaction, MGP will also have a right of first offer with respect to certain undeveloped land adjacent to Empire City to the extent MGM develops additional gaming facilities on such property and chooses to sell or transfer the property in the future.

Our properties[(1)]

The following table summarizes certain features of our properties, all as of or for the year ended December 31, 2017. Our properties are diversified across a range of primary uses, including gaming, hotel, convention, dining, entertainment, retail and other resort amenities and activities.

	Location	Net revenues(2) (in thousands)	Adjusted property EBITDA(3) (in thousands)	Hotel rooms	Approximate acres	Approximate casino square footage(4)	Approximate convention square footage
Las Vegas							
Mandalay Bay	Las Vegas, NV	$ 982,280	$ 258,471	4,752(5)	124	155,000	2,121,000(6)
The Mirage	Las Vegas, NV	629,497	176,996	3,044	77	93,000	170,000
New York-New York(7)	Las Vegas, NV	362,964	135,036	2,024	20	81,000	31,000
Luxor	Las Vegas, NV	405,057	126,650	4,397	58	101,000	20,000
Park MGM(8)	Las Vegas, NV	241,578	49,191	2,992	21	90,000	77,000
Excalibur	Las Vegas, NV	325,654	113,561	3,981	51	93,000	25,000
The Park(7)	Las Vegas, NV				3		
Subtotal		$ 2,947,030	$ 859,905	21,190			