



NORTHERN INDIANA

HARD ROCK CASINO NORTHERN INDIANA

Indiana Gaming Commission Property Update

December 15, 2022

Background



- Effective July 1, 2019, Indiana House Bill #1015 amended the Indiana Gaming Code allowing the Gary riverboat to transfer to an inland location
- This amendment stipulated the eventual transition from Majestic Star's two gaming licenses into separate land-based entities
 - One license was designated for Gary, IN with the other designated for Vigo County
- The Gary license was converted into Hard Rock Casino Northern Indiana
 - The other license was awarded to Churchill Downs Inc to build a land-based entity in Terre Haute, IN (Vigo County)
- Ground-breaking for the Hard Rock Casino Northern Indiana was held in January 2020

Property Overview

Opened May 14, 2021

- \$300M Facility
- 212,000 Square Feet of Space (approximately 156,000 guest-facing square feet)

Gaming Floor

- Initially opened with ~1,200 Slot Machines, now at 1,718
- Initially opened with 80 Table Games, now at 76 (but more gaming positions)
- Retail Sportsbook – Opened May 11, 2022
- Online Sportsbook – Opened September 6, 2022

Amenities

- Five Restaurants
 - Hard Rock Cafe
 - Council Oak Steakhouse
 - Fresh Harvest Buffet
 - Constant Grind
 - Youyu Asian Dining
- Hard Rock Live Entertainment Venue (capacity 2,700)
- Plum Lounge – VIP Lounge
- Rock Shop (Retail) and Unity Store (Luxury)



Financial Comparison – Hard Rock vs Majestic Star

Compared Revenue for Hard Rock Casino and Majestic over a 12-month period

- For Majestic, the period of March 2019 thru February 2020 was chosen to mitigate and exclude impacts of Covid closures
- Hard Rock revenues were compared for the time period of December 2021 thru November 2022 (last 12 reported months)
- Under this comparison, Hard Rock Casino has generated over \$270M additional gaming revenue than Majestic Star (growth rate of 184%)
- It has also led to an additional \$89.3M in taxes paid
 - Over 4x the amount paid under Majestic Star

<u>Property</u>	<u>Time Period</u>	<u>Gross Gaming Revenue</u>	<u>Total Tax</u>	<u>Tax Rate</u>
Majestic Star Casino	March 2019 thru February 2020	\$147,346,041	\$29,313,496	19.9%
Hard Rock Casino	December 2021 thru November 2022	\$418,106,138	\$118,657,591	28.4%
Growth		\$270,760,097	\$89,344,095	8.5%
Growth %		184%	305%	42.7%

- The Majestic Star vessels were sold in November 2021 and the land and buildings were sold in October 2022 - thus completing a full divestiture of remaining Majestic Star assets



Capital Improvements

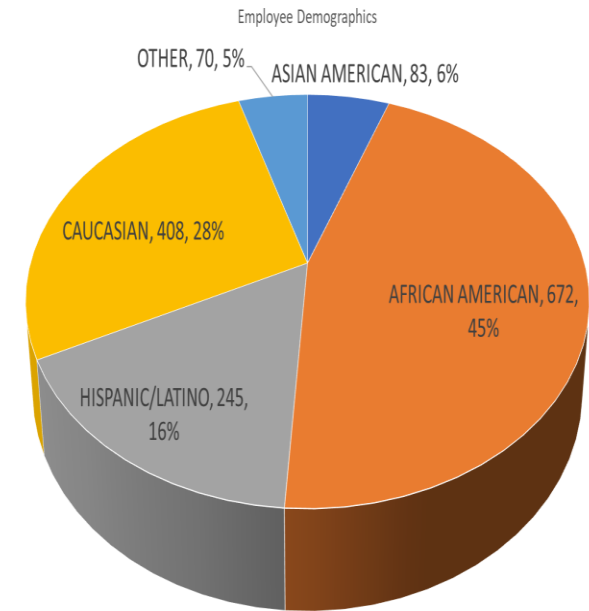
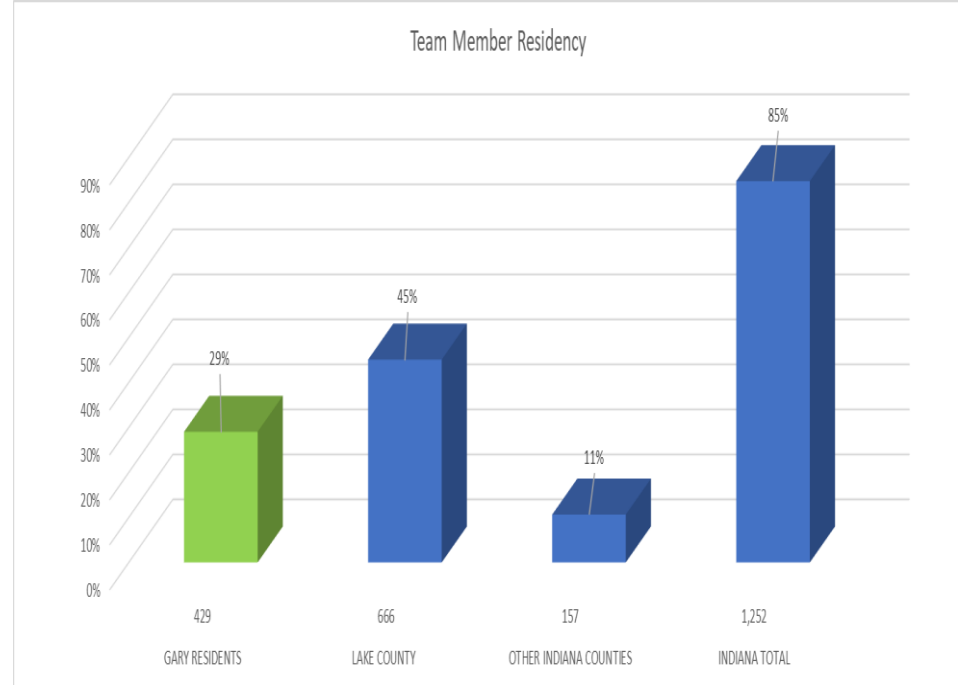
Since opening, Hard Rock Casino has spent over \$7.2M in capital improvements

Significant projects include

- Partial conversion of Fresh Harvest buffet into additional slot gaming area
 - Added over 1,200 square feet of gaming and 65 slot machines
- Improvements to Hard Rock Live infrastructure
 - Includes addition of 36' x 19' Video Wall
- Addition of a satellite cage window in our Baccarat room



Team Member Demographics



Total Team Members: 1,478

- Local population drives our workforce
 - 29% of our team members reside in Gary
 - 85% of our team members reside in Indiana
- Focus on Retention
 - Over 600 team members initially transferred over from Majestic Star
 - Over 71% are currently a part of the Hard Rock Team



2022 Wage Adjustments

In 2022, Hard Rock increased wages for the majority of hourly team members across several positions including the following

Wage/Salary Adjustments	# Team Members
Salaried Team Members	70
Non-Tipped	244
Tipped	7
Dealers	318
Total	639

In many cases, increases of over 25% were provided with most positions starting at \$18/hr.

Position	Avg Wage January	Avg Wage October	Increase	Increase %
OBSERVER I - SURVEILLANCE	\$15.87	\$20.00	\$4.13	26%
CLERK - ROCK SHOP	\$12.00	\$16.00	\$4.00	33%
CLERK I - BOX OFFICE	\$12.00	\$18.00	\$6.00	50%
CASHIER - CAGE I	\$14.60	\$19.00	\$4.40	30%
COUNT TEAM MEMBER I	\$14.62	\$18.00	\$3.38	23%
SPECIALTY BANKER	\$16.52	\$20.60	\$4.08	25%
SECURITY OFFICER I	\$14.36	\$18.00	\$3.64	25%

Currently negotiating a new collective bargaining agreement that will positively impact an additional 450+ team members



Team Member Engagement

Recognition

- Team Members are celebrated and recognized for top achievement each quarter via our Rocker (Hourly) and Producer (Salaried) recognition program
 - Celebrates and Recognizes achievements
 - Emphasizes Hard Rock core tenets and mottos

Rocker & Producer OF THE QUARTER

Nominate fellow Team Members for Rocker and Producer of the Quarter for Quarter 3 of 2022!

This program is designed to recognize achievements, contributions, and superior performance made by Team Members based on the Hard Rock mottos:

- Love All, Serve All (exceptional guest service)
- All Is One (exceptional internal guest service)
- Take Time To Be Kind (community outreach and service)
- Save The Planet (property/company safety, innovative business idea, environmental initiative)

Team Building

- Several activities are held throughout the year that bring team members together in a fun and entertaining environment
 - Anniversary Carnival
 - Golf Outing
 - Team Member Appreciation Days
 - Bowling Night



Procurement



2022			
Construction			
Certification	Actual	% of Total	Goal
Non MBE/WBE	\$2,856,044	90.0%	
MBE	\$315,691	10.0%	10.7%
WBE	\$0	0.0%	9.7%
MBE/WBE Total	\$315,691	10.0%	
Total	\$3,171,735		
Non-Professional			
Certification	Actual	% of Total	Goal
Non MBE/WBE	\$8,140,933	84.6%	
MBE	\$231,225	2.4%	2.2%
WBE	\$1,252,213	13.0%	6.4%
MBE/WBE Total	\$1,483,439	15.4%	
Total	\$9,624,371		
Procurement			
Certification	Actual	% of Total	Goal
Non MBE/WBE	\$27,491,013	80.5%	
MBE	\$1,132,631	3.3%	1.7%
WBE	\$5,525,555	16.2%	3.7%
MBE/WBE Total	\$6,658,186	19.5%	
Total	\$34,149,199		
Professional			
Certification	Actual	% of Total	Goal
Non MBE/WBE	\$14,453,793	85.5%	
MBE	\$1,242,357	7.4%	3.5%
WBE	\$1,202,099	7.1%	6.5%
MBE/WBE Total	\$2,444,456	14.5%	
Total	\$16,898,249		
Grand Total			
Certification	Actual	% of Total	
Non MBE/WBE	\$52,941,783	82.9%	
MBE	\$2,921,905	4.6%	
WBE	\$7,979,867	12.5%	
MBE/WBE Total	\$10,901,771	17.1%	
Grand Total	\$63,843,555		

2022 saw an improvement over 2021 as goals were reached in MBE for Non-Professional and Professional categories

For 2022, both MBE and WBE Goals have been exceeded in

- Non-Professional
- Procurement
- Professional

17% of overall spend in 2022 was in MBE/WBE certification groups compared to 10.8% in 2021

Community Engagement



Over \$1,400,000 in Donations and Sponsorships since opening



Entertainment

- Scheduled to have over 30 shows in 2022 at our world-class Hard Rock Live Entertainment venue
- Constantly looking to book a variety of acts that speak to our diverse clientele
- Have experienced high demand and growth in sales and catering business
- We are planning to hold 40+ entertainment events in 2023

