

CHURCHILL DOWNS
INCORPORATED



PRESQUE ISLE DOWNS
CASINO

**LICENSE RENEWAL
HEARING**

May 21, 2025

- ❑ **License History**
- ❑ **Overview of Churchill Downs Incorporated**
- ❑ **Commitment to Diversity**
- ❑ **Operating Environment & Competitive Landscape**
- ❑ **Economic Impact**
- ❑ **Community Outreach**
- ❑ **Participants:**
 - *Gary Hendricks*, Vice President & General Manager – Presque Isle Downs
 - *Michael Meagher*, Vice President of Gaming Operations – Churchill Downs, Inc.
 - *Lou Frascogna*, Vice President, Corporate Compliance Officer, Senior Counsel – Churchill Downs, Inc.
 - *Jon Rauch*, Vice President and Chief Accounting Officer – Churchill Downs Inc.
 - *Oz Shariff*, Corporate Counsel – Churchill Downs, Inc.
 - *Jill Snyder*, Director of Human Resources – Presque Isle Downs
 - *Kevin Hayes*, Outside Counsel

History of Presque Isle Downs & Casino

July 8, 2010:
Table Games Certificate Approved

January 9, 2019:
Interactive Gaming Certificate Issued

January 11, 2019:
Churchill Downs Incorporated Completes purchase of PID

February 6, 2019:
Sports Wagering Certificate Issued

2022
Casino Floor Upgrades and Reconfig.

November 19, 2002:
PID Racing License Issued

October 25, 2006:
Conditional Category 1 Slot Machine License Granted

February 28, 2007:
PID Grand Opening

February 28, 2008:
Category 1 Slot Machine License Fully Approved



Featuring over **60,000** square feet of excitement – including:

- **1,525** slots
- **31** table games
- Sportsbook
- 1 Mile Synthetic Tapeta Surface Racetrack
- Live Thoroughbred Racing & simulcast center



Dining with Presque Isle Downs & Casino

3 restaurant options catering to every taste

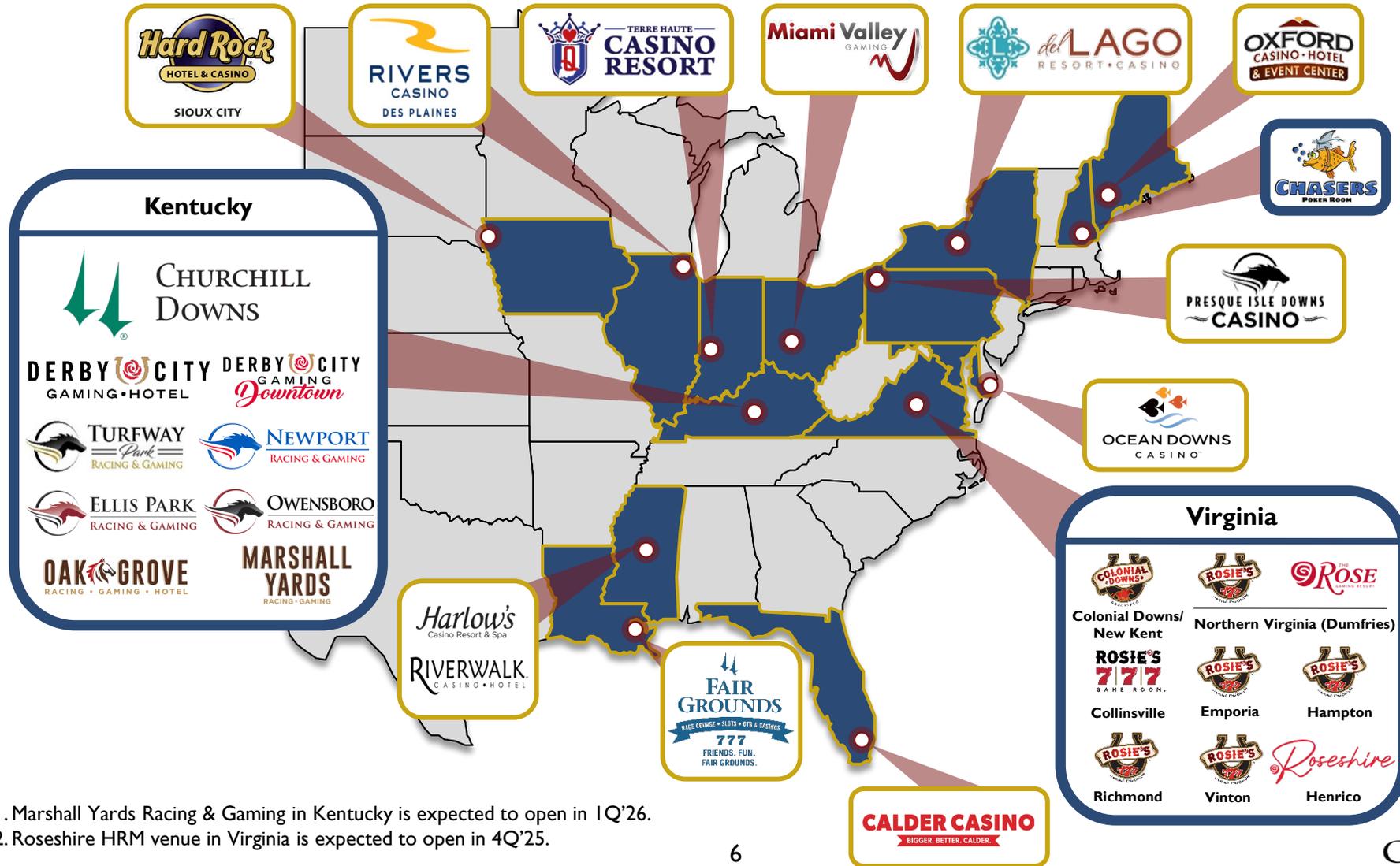
La Bonne Vie where patrons can enjoy a high-end steak and seafood menu

Churchill's Bourbon & Brew if you're craving freshly smoked BBQ, burgers, and other offerings.

The InCafe featuring quick grab & go options.



Churchill Downs Incorporated Geographic Footprint



1. Marshall Yards Racing & Gaming in Kentucky is expected to open in 1Q'26.
2. Roseshire HRM venue in Virginia is expected to open in 4Q'25.

Churchill Downs Incorporated (“CDI”) Overview

Churchill Downs Racetrack (“CDRT”)

Hosts the longest continuously held annual sporting event in the U.S., the Kentucky Derby

KENTUCKY  DERBY



Historical Racing Machines (“HRMs”) ¹

Kentucky

Seven entertainment venues with ~5,130 HRMs and one new HRM venue under construction

Virginia

Eight entertainment venues ~4,400 HRMs and two new HRM venues under construction

New Hampshire

Chasers Poker Room in Salem with significant HRM and table game expansion opportunity

Wagering Services and Solutions

One of the largest, online pari-mutuel wagering platforms for horse racing

Expanding pari-mutuel content and technology services to B2C sports betting platforms

Exacta provides HRM technology in our Virginia & Kentucky venues and to third parties in the U.S. and globally



Gaming

Twelve gaming properties with ~14,360 slot machines and video lottery terminals and ~360 table games in eleven states

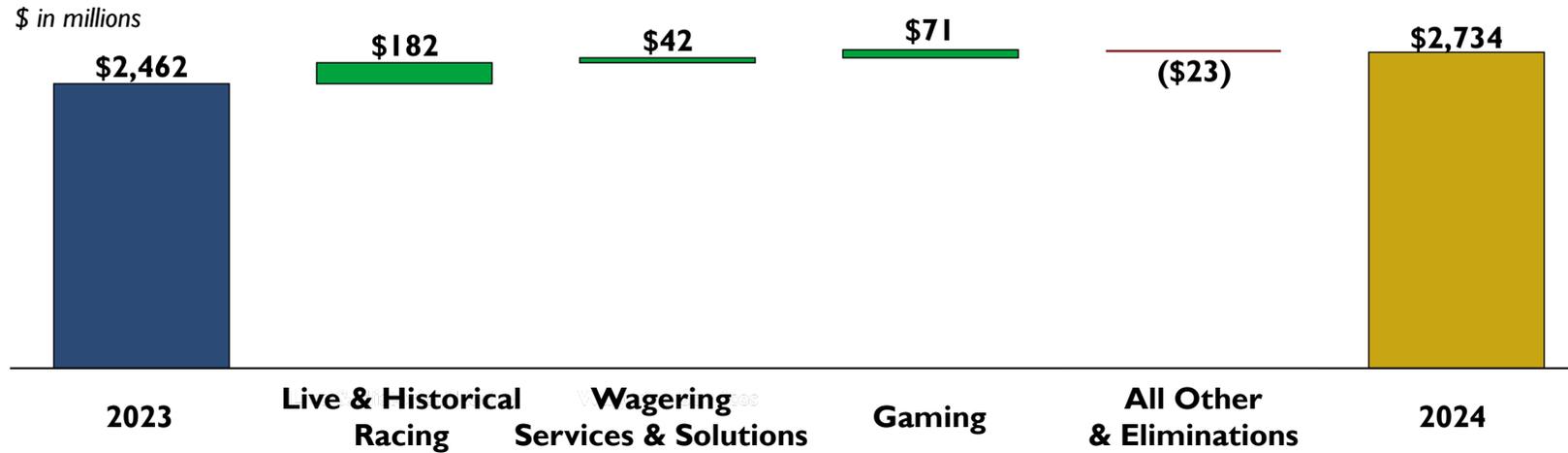


1. CDI subsidiary, Fair Grounds Racetrack Casino & OTB (“Fair Grounds”) was licensed by the Louisiana State Racing Commission to offer HRMs at its OTB locations pursuant to Louisiana Act No. 437 (“HHR Act”). Earlier this year, the Louisiana Supreme Court found the HHR Act to be unconstitutional. Following an unsuccessful Motion for Rehearing, the decision became final on May 8, 2025. As a result, Fair Grounds deactivated all HRM devices in Louisiana.

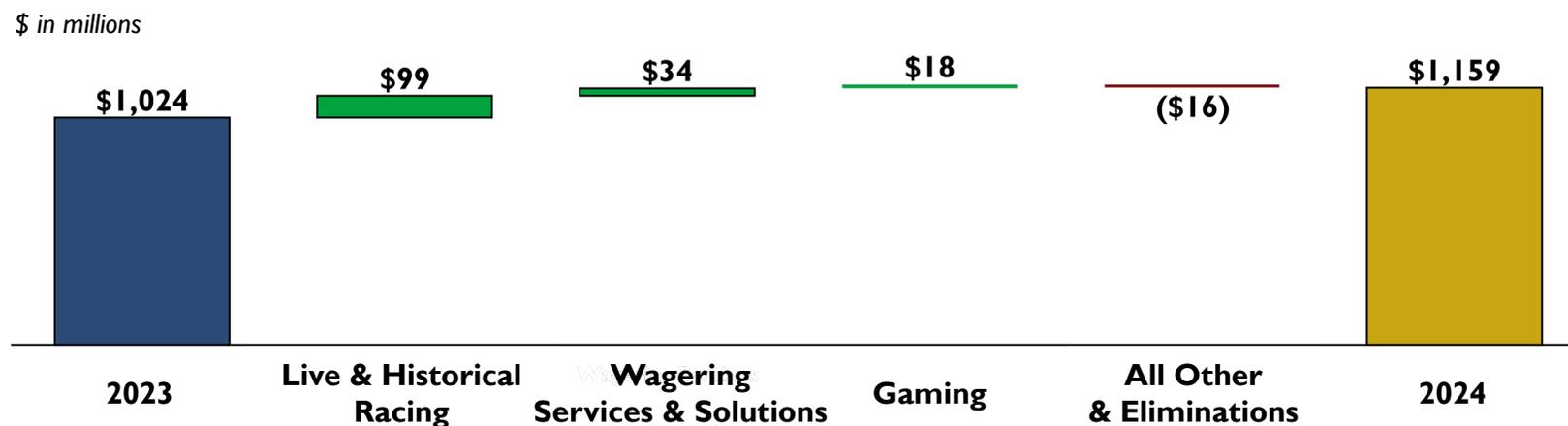
Churchill Downs Incorporated Growth: 2024 vs. 2023

2024 Growth & Performance

11% Annual Revenue Growth from 2023 to 2024



13% Annual Adj. EBITDA Growth from 2023 to 2024



Churchill Downs as an Owner and Operator

The Kentucky Derby

- Iconic and irreplaceable asset
- Consistent high margin growth and significant free cash flow over the long-term from marquee asset
- Growing international engagement through Japan and European Roads to the Derby

Diverse Organic Growth

- Expansion of HRM entertainment venues in Kentucky, Virginia, New Hampshire
- Provider of HRM technology to existing and future central determinant system businesses
- Industry-leading online wagering platform for horse racing driven by access to best-in-class racing content and linkage to the Kentucky Derby
- Diverse portfolio of wholly-owned regional gaming properties and strategic equity investments

Strong Financial Profile

- Strong free cash flow generation
- Ability to pursue strategic reinvestment in organic growth, M&A, dividends, and share repurchases to maximize shareholder returns
- Conservative balance sheet with financial flexibility and significant access to capital

With a Proven Management Team and Organizational Depth for Execution

- Proven record of disciplined capital allocation and earnings growth
- Successful track record of integrating new businesses and execution of organic growth projects
- Diverse backgrounds with multi-industry, technology, and international experience

Capital Investments by Churchill Downs, Inc.

- **Over \$19 million in capital investment since 2019**
- **Consistent annual reinvestment back into the property despite market uncertainty and continued increased competition**

Safety & Infrastructure

Parking Lot Asphalt

Bridge Repairs

Lighting Replacements

Power Backup System

Gaming & Racing

Over 300 New Slot Machines/Conversions

Tapeta Surfacing

State of the Art Marketing Kiosk Program

Slot Chairs

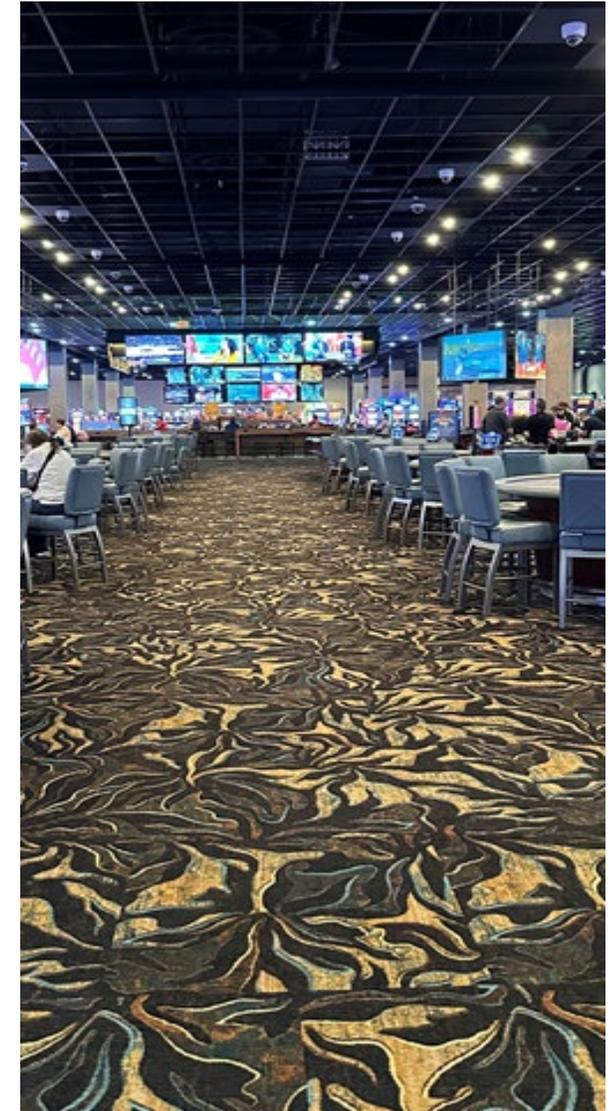
Amenities

New Carpeting

Sportsbook

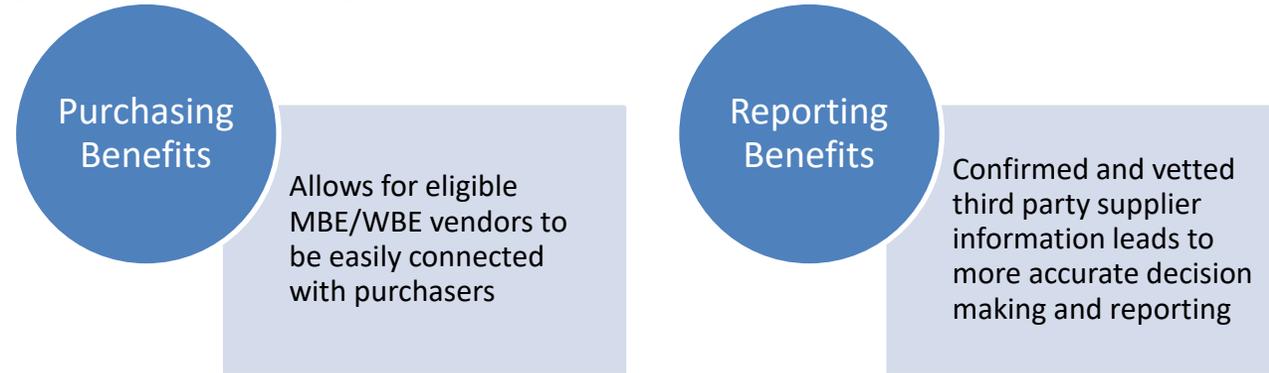
F&B Outlets

Restroom Remodels



Continuing commitment to minority & women owned businesses

- MBE/WBE spend in first 6 months of current fiscal year highest since Fiscal Year 2019/2020
- Late Q1 2024, CDI & Presque Isle partnered with Supplier.io which is a tool that allows PID management to easily find and identify diverse vendors.



PGCB Fiscal Year	MBE/WBE	Total	MBE/WBE % of Total
7/1/24 - 12/31/24	\$1,098,708	\$11,165,385	9.8%
FY 23/24	\$718,188	\$16,667,877	4.3%
FY 22/23	\$753,459	\$17,198,330	4.4%
FY 21/22	\$358,310	\$17,936,781	2.0%
FY 20/21	\$174,901	\$10,608,743	1.6%
FY 19/20	\$1,710,337	\$14,683,388	11.6%
	\$4,813,903	\$88,260,503	5.5%

PID's commitment to hiring AND promoting a diverse pool of talent



- PID conducts and participates in numerous job fairs throughout Erie County to encourage diversity throughout our ranks
- PID works with employees to generate schedules allowing for bus transportation through the Erie Metro Transit Authority
- PID Team Member base is more diverse than the surrounding Erie County area
- PID sends external job postings to a diverse set of local community partners including the Booker T. Washington Center, Veterans Administration, Multicultural Community Resource Center, and the U.S. Committee for Refugees and Immigrants
- Partnered with local NAACP representative for Spring job fair



Ethnic Group	Total	
	Caucasion	Minority
Full Time	293	92
Part Time	70	27
Total Employees	363	119
Percentage	75.3%	24.7%
Erie County	82.9%	17.1%

Gender	Total	
	Male	Female
Full Time	235	156
Part Time	71	20
Total Employees	306	176
Percentage	63.5%	36.5%
Erie County	49.7%	50.3%

Nearly \$385M Paid in Payroll, Payroll Taxes & Employee Benefits

PID Contribution since Inception PID Contribution 2019 - Current

Benefits Offered to Team Members

- Medical, Dental, Vision Insurance
- Free life & short-term disability insurance
- 401k – 100% vested day 1
- Employee Stock Purchase Plan
- Employee Assistance Plan
- Tuition Reimbursement
- Team Member Referral Plan
- Free Soup & Beverages while on shift
- Complimentary Birthday Meal

Payroll, Taxes, Benefits	\$	384,465,871	\$	112,626,754
Payroll		305,665,741		87,452,116
Payroll Taxes		36,172,546		9,333,476
Employee Benefits		42,627,584		15,841,162





Promoting a Culture of Awareness

Annual Training with CCGP

Responsible Gaming Team Member Events with drawings for gift card prizes, PTO days & team member appreciation meals.

PID RAMP Certified

Training required for 100% of serving staff

Training Paid for by PID

Responsible
Alcohol
Management
Program



PRESQUE ISLE DOWNS
CASINO

GAMBLING PROBLEM? CALL 1-800-GAMBLER.

Responsible Gaming: Engaging Staff

PID engages staff using different interactive and engaging methods to help educate our Team Members about responsible gaming, with a few examples below.



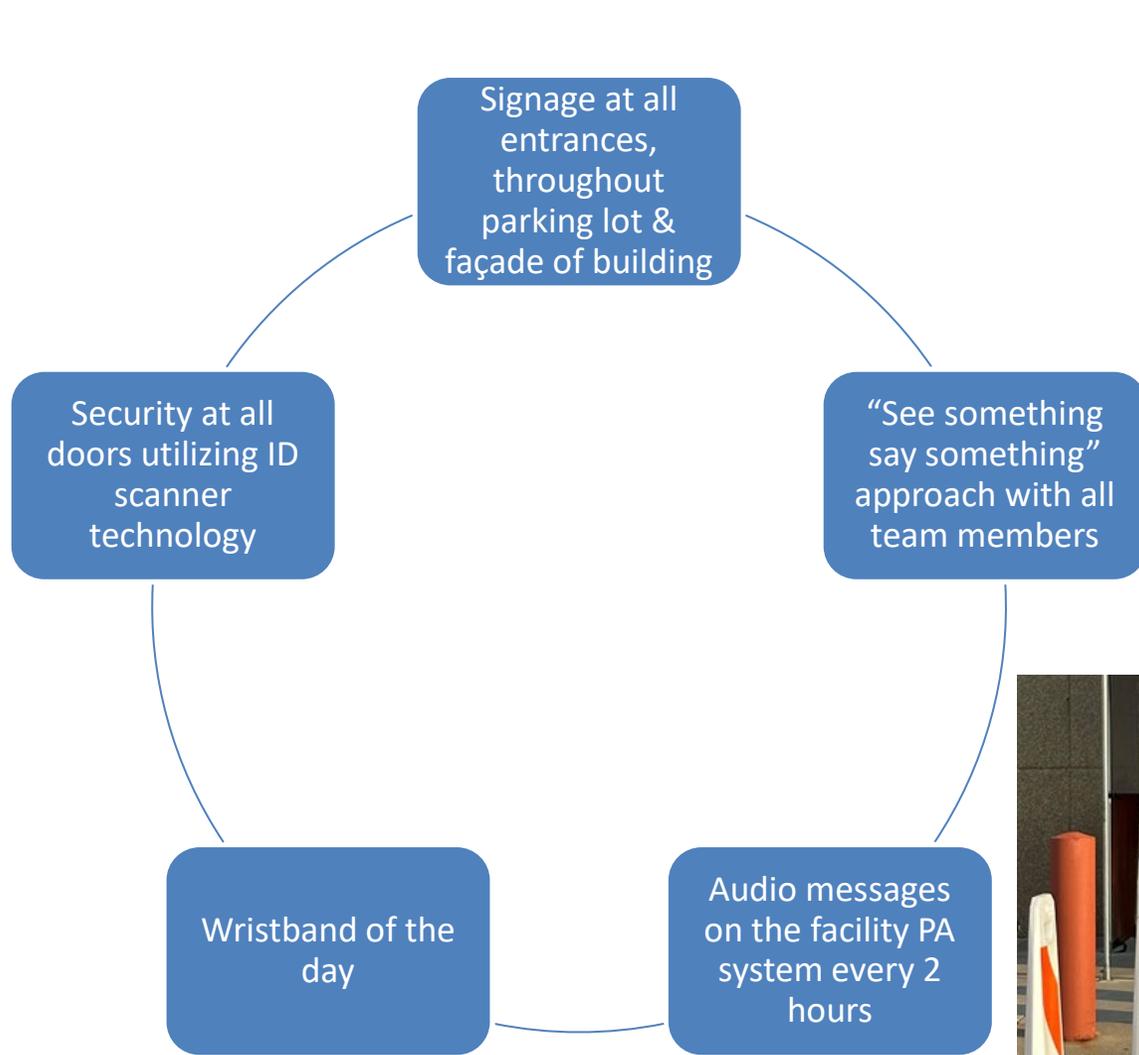
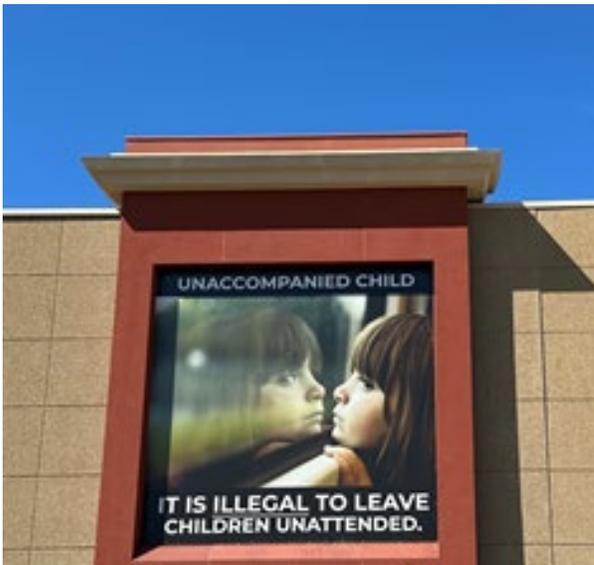
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M	E	H	Y	T	H	G	U	A	H	C	K	E	R

- PGAM is signified with a _____ ribbon.
- The national helpline for problem gambling: 1-800-_____.
- The National _____ on Problem Gambling leads the annual campaign for PGAM.
- A problem gambler can self-_____ themselves from casinos and gambling sites to deter or prevent them from playing.
- The PGAM theme for this year is *Every _____ Matters*.
- March 12, 2024, will be recognized as Gambling Disorder _____ Day.
- Gambling addiction is recognized as a _____ health diagnosis.
- An estimated two _____ U.S. adults meet the criteria for severe gambling problems in a given year.
- Chasing _____ is something problem gamblers do in an attempt to recover funds they've already wagered.
- The _____ someone gambles is not always indicative of a gambling problem but the way the gambling negatively impacts their life.



- WHAT IS THE PRIMARY GOAL OF PROBLEM GAMBLING AWARENESS MONTH?
 - To promote new gambling technologies
 - To advocate for the legalization of gambling
 - To encourage responsible gambling habits
 - To increase tax revenue from gambling
- APPROXIMATELY WHAT PERCENT OF THE US POPULATION HAS A SEVERE GAMBLING PROBLEM?
 - 3-4%
 - 1-2%
 - 9-10%
 - 5-6%
- WHAT ORGANIZATION LEADS THE ANNUAL CAMPAIGN FOR PROBLEM GAMBLING AWARENESS MONTH?
 - Gambler's Anonymous
 - National Council on Problem Gambling
 - World Health Association
 - Mayo Clinic
- WHICH OF THE FOLLOWING IS **NOT** A SIGN OF PROBLEM GAMBLING?
 - Chasing losses
 - Gambling for entertainment only
 - Constant thoughts of gambling
 - Gambling to escape anxiety, depression, or loneliness
- GAMBLING ADDICTION ONLY IMPACTS LOW-INCOME INDIVIDUALS.
 - True
 - False
- WHICH OF THE FOLLOWING IS A POTENTIAL CONSEQUENCE OF PROBLEM GAMBLING?
 - Financial problems
 - Relationship strain
 - Legal issues
 - All of the above
- WHICH OF THE FOLLOWING IS A RESPONSIBLE GAMING PRACTICE?
 - Gambling until the next big win
 - Missing work or family events to gamble
 - Setting spending limits and sticking to them
 - Asking friends or family for money to gamble
- WHAT IS THE STANDARD HELPLINE FOR SOMEONE EXPERIENCING PROBLEMS TO CONNECT TO AN EXPERT?
 - 1-800-RESOLVE
 - 1-888-GETHelp
 - 1-800-867-5309
 - 1-800-GAMBLER
- THOSE WHO EXPERIENCE GAMBLING ADDICTION TYPICALLY HAVE OTHER MENTAL HEALTH OR ADDICTION ISSUES.
 - True
 - False
- PROBLEM GAMBLING AWARENESS MONTH IS RECOGNIZED ANNUALLY IN WHAT MONTH?
 - March
 - August
 - December
 - September

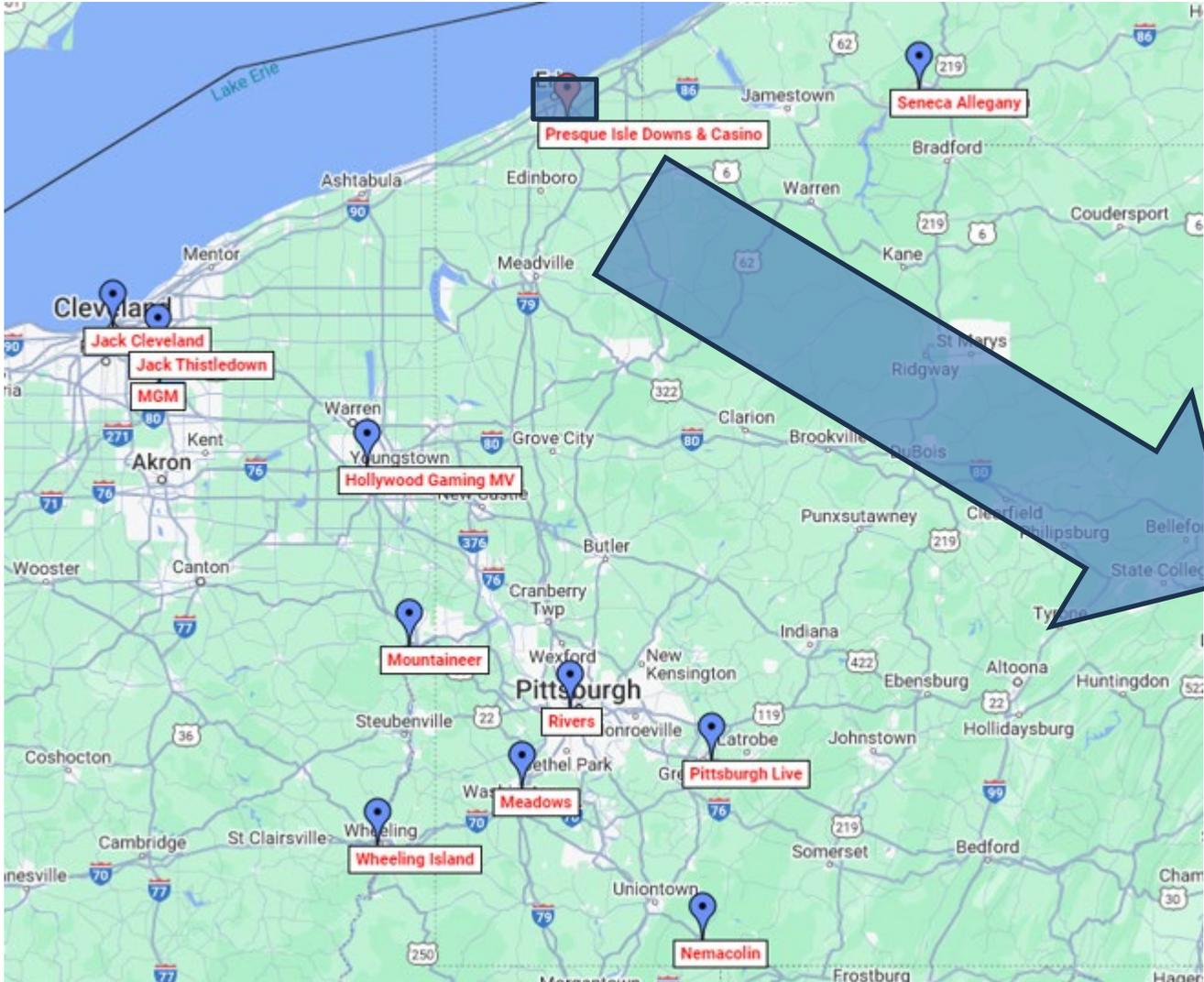
Minor Prevention/Unattended Minors



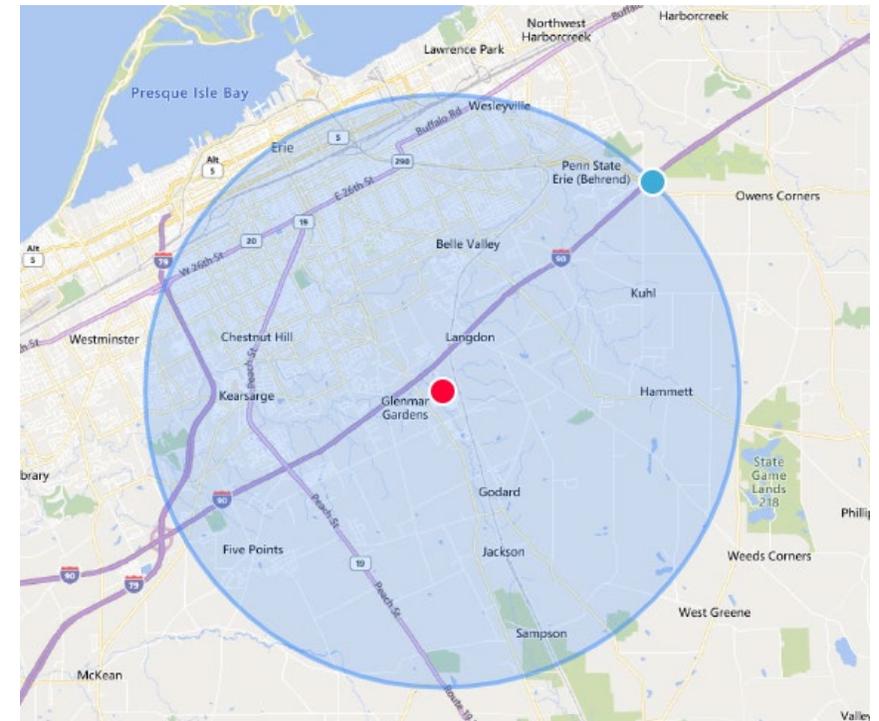
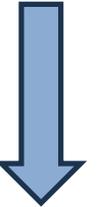
Over \$1.5 BILLION generated to support property tax relief, horse racing, Erie County and Summit Township

	PID Contribution since Inception	PID Contribution 2019 - Current
Gaming Taxes and Fees	\$ 1,524,649,825	\$ 363,553,983
State Gaming Tax	783,709,016	196,433,755
Race Horse Development Fund	238,846,565	51,701,094
Local Share Assessment - County	77,073,186	12,484,291
Local Share Assessment - Municipality	180,000,000	60,000,000
Economic Development & Tourism Fund	114,954,273	30,170,561
Slot Licensing Fee	50,000,000	-
Table Games Certificate Fee	16,500,000	-
Sports Wagering Certificate Fee	10,000,000	-
Interactive Gaming Certificate Fee	8,000,000	-
Administrative Fees	45,566,785	12,764,283

Competitive Landscape



PID estimated a minimum of 150 skill-based machines within a 5-mile radius of the facility, today we believe that this has increased dramatically in the last 6 months



Competitive Landscape: Pennsylvania skill-based games



Hose Company 27
8h · 🌐

Stop down tonight from 5-10pm
We still have tips left for the Treager package !!
\$10 a tip

#hosecompany27
#fairfieldpride26

👍👍 13 6 comments 14 shares

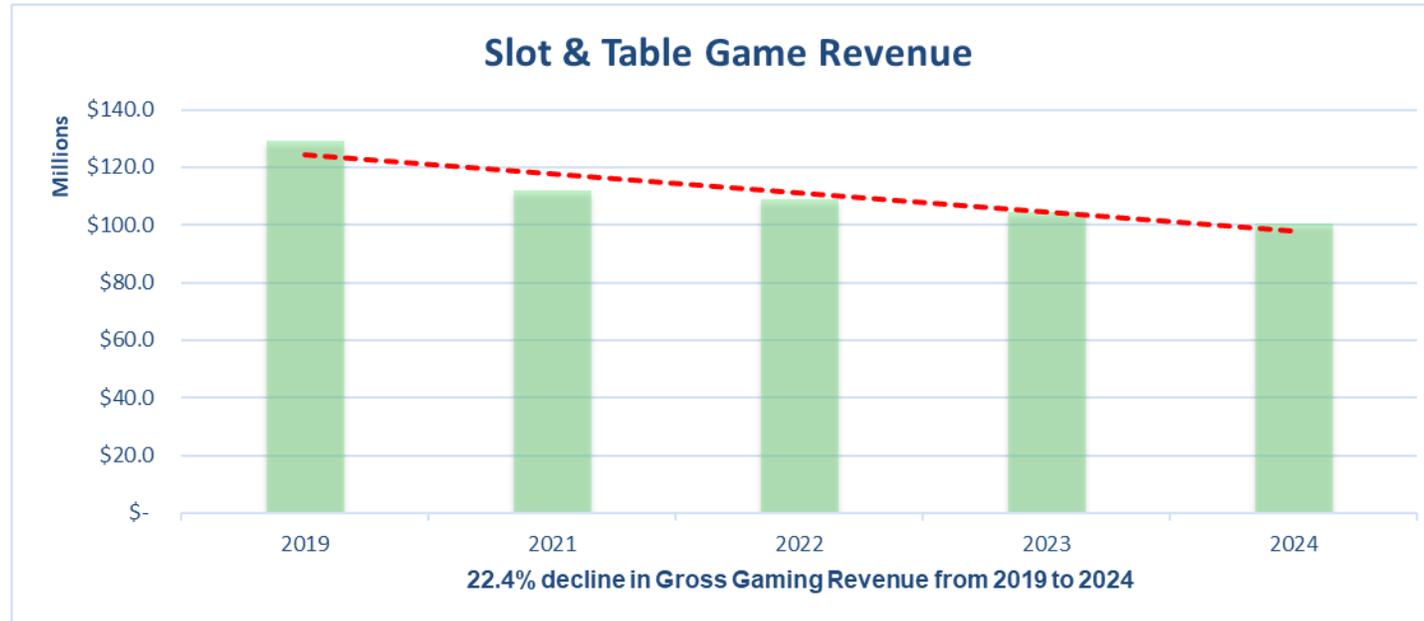
👍 Like 💬 Comment ➦ Share

1 comment

👍 Like 💬 Comment ➦ Share



Slot & Table Revenue



Change Scale
to be more
dramatic and
add data
labels

*Chart excludes 2020 COVID data

2018 - PA operators begin to accept retail sports wagers

2019 - PA operators begin to accept online sports wagers, interactive wagers

- July - Presque Isle Downs begins to accept retail sports wagers
- Dec - Presque Isle Downs begins to accept online sports wagers
- Jan (2020) Presque Isle Downs begins to accept interactive wagers

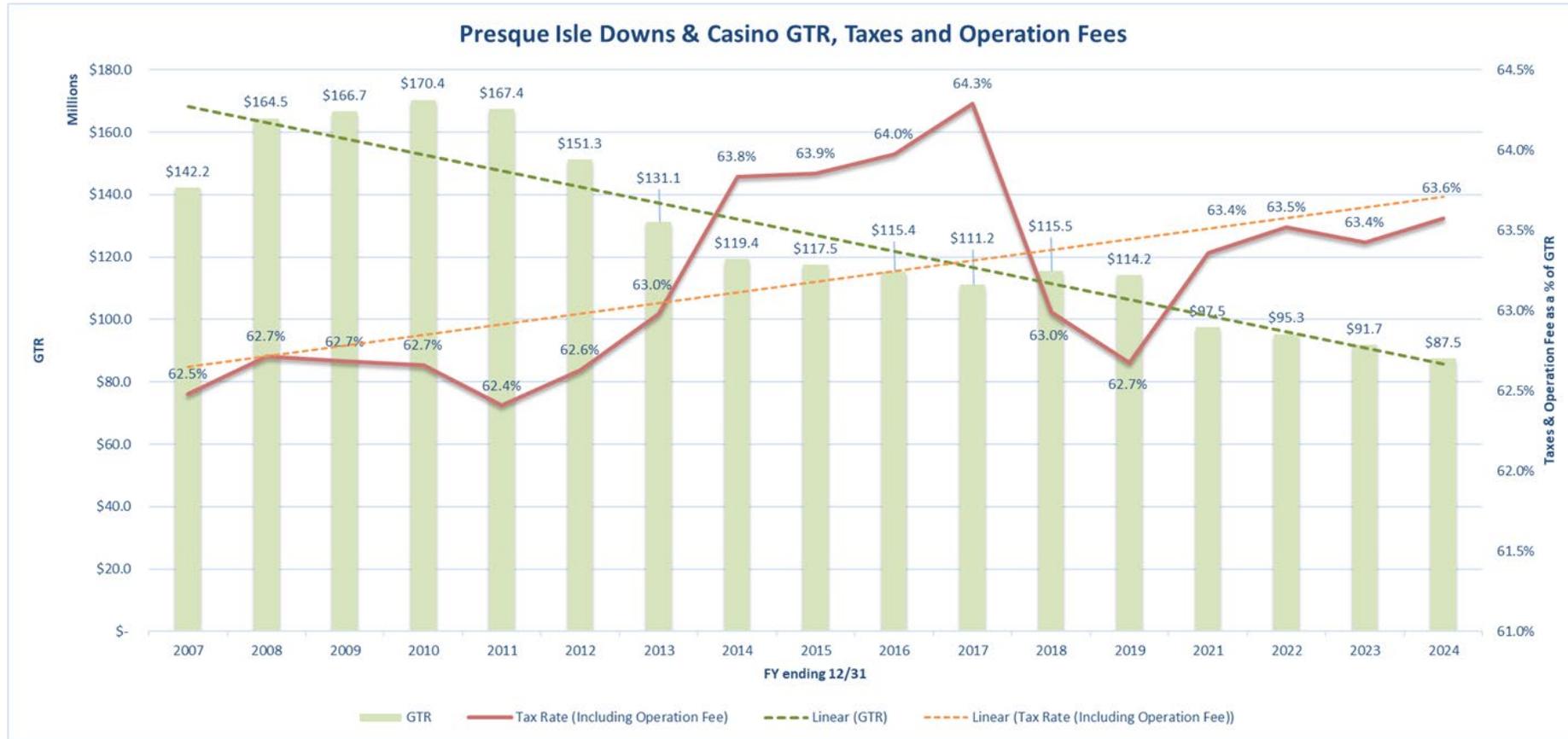
2022 - New York operators begin to accept retail & online sports wagers

2023 - Ohio operators begin to accept retail & online sports wagers

2023 - Expansive growth of skill-based games in Pennsylvania

2024 - Continued growth of skill-based games in Pennsylvania

Effective Tax Rate outpacing Revenue trends



*Chart excludes 2020 COVID data

Effective tax rate continues to climb, currently at 63.6%, as revenue trends continue to decline.

Presque Isle Downs & Casino: Commitment to Horse Racing

\$38.9M

Original construction

\$2.8M

Four barn expansion to accommodate additional horse population

\$4.7M

Incremental backside improvement

Calendar Year	Purses Paid (Thousands)	Live Race Days	Average Purse Per Race Day (Thousands)
2024	\$13,973	76	\$184
2023	\$14,371	79	\$182
2022	\$17,760	88	\$202
2021	\$10,463	60	\$174
2020	\$9,206	50	\$184
2019	\$16,947	100	\$169
	\$82,720	453	\$183

Community Outreach

- PID works with the Charter School of Excellence in attending mock interviews to help prepare high school students for future employment
- PID employees participate on multiple local non-profit organizations Board of Directors
- The entire PID community participates in our Give \$5 Get \$10 promotion
- Combined donations from 2019 to present total nearly \$1.1M



GIVE \$5 GET \$10

**DONATE \$5 CASH TO
WARRIORS TO WASHINGTON
& RECEIVE \$10 FREE PLAY**

Free Play expires the same day at Midnight.

**WARRIORS
TO
WASHINGTON**

GAMBLING PROBLEM? CALL 1-800-GAMBLER.



GIVE \$5 GET \$10

**DONATE \$5 CASH TO
THE BOYS & GIRLS CLUB OF ERIE
& RECEIVE \$10 FREE PLAY!**

 **Boys & Girls Club
of Erie**

GAMBLING PROBLEM? CALL 1-800-GAMBLER.

Community Outreach



Presque Isle Downs & Casino
Published by Jennifer See
June 26

Your back-to-back reigning pig kissing champion of the Kiss a Pig Contest, 🐷 Gary Hendricks 🐷, helped raise enough money to kiss Pery the Pig for the 2nd year in a row. The real winners? The Boys & Girls Club of Erie.

Thanks to everyone who donated during our fundraiser. \$122,612.09 was raised by our players, community and our team members to support this local organization.

GAMBLING PROBLEM? CALL 1-800-GAMBLER.



Questions?

