

Opening

Hello! Today's episode #18 of the Professor Slots podcast performs a second company profile. This time, it's for Scientific Games Corporation, a leading developer of new technologies, products, services, and game content in the gaming, lottery, and interactive gaming industries. Plus, Indiana slot machine casino gambling.

Thank you for joining me for the Professor Slots podcast show. I'm Jon Friedl and this is the podcast about slot machine casino gambling. It is where I provide slots enthusiasts with knowledge, insights, and tools for helping you improve your slot machine gambling performance.

Show notes are available within most podcast Apps or at professorslots.com/e18.

“Jon Friedl from The Professor Slots Blog reveals all of his tips and tricks for thriving in the casino environment. Discover how to assess casinos to pick the best near you, choose winning slot machines, and identify your gambling goals: being entertained, earning comps, winning take-home cash, or combine them. Jon has won 90 taxable jackpots and a luxury car in 9 months of slots play - and made a profit at slots gambling since 2013.”

Call To Action #1

Remember to visit professorslots.com/subscribe to get my Free Report Revealing ... The top 7 online resources for improving your gambling performance, including the one I've used as a top-tier slot machine casino gambler.

Let's get started with the first segment of the show: Scientific Games Corporation.

Introduction to Scientific Games Corporation

In this episode segment, I'll again profile a slot machine manufacturer from the point of view of what I expect slot enthusiasts would most likely find interesting. As with last week's talk on International Game Technology PLC, this review of Scientific Games Corporation will be dipping into gaming technology and corporate financial performance terminology and jargon. Hopefully, doing so once again won't be too bad. We'll get through this together, okay?

In any case, these are the only two slot machine manufacturers that really need to be covered to understand their side of the gaming industry. After a while, I'll have a better idea if you've liked these episodes. If there is enough interest, I'll likely also cover a casino operator, possibly Caesars Entertainment or MGM Resorts International.

So, we'll just have to see how it goes. If you have an opinion on whether or not these episodes are of interest, let me know on Twitter, where my account is @ProfessorSlots, or by commenting in this episode's show notes at professorslots.com/e18.

My review of Scientific Games Corporation is broken down into the following sub-sections, including

1. an Introduction;
2. Gaming Industry Risk Factors
3. the Gaming Business;
4. the Lottery Business;
5. the Interactive Business;
6. Third Quarter Earnings for 2017;
7. What Scientific Games has been up to so far in 2018; and
8. a Summary.

So, once again, hold on tight. And... here we go!

Scientific Games Corporation, which has NASDAQ stock ticker symbol SGMS, was incorporated in 1984. They are a leading developer of technology-based products and services and associated content for the world-wide gaming, lottery, and interactive gaming industries. Their portfolio includes:

- Gaming machines and game content;
- Casino management systems;
- Table game products and services;
- Instant and draw-based lottery games;
- Lottery systems;
- Lottery content and services;
- Interactive gaming; and
- Social gaming solutions.

Through strategic acquisitions and equity investments, Scientific Games gains access to technologies and pursues global expansion. As two examples of this approach, they've completed acquisitions of both DEQ Systems Corporation and Spicerack Media, Incorporated. Spicerack was a privately held mobile and social game company which now allows Scientific Games to incorporate *Bingo Showdown*, a successful social bingo mobile gaming app, into their portfolio of games.

The three distinct business segments Scientific Games operates in are:

- Gaming;
- Lottery; and

- Interactive.

To evaluate the financial performance of Scientific Games, the total revenue for each of these business segments over the first three months of 2017 can be compared to the first three months of 2016. Over these three months only, total revenue increased from \$682.0 million dollars in 2016 to \$725.4 million dollars in 2017, a \$43.4 million dollar increase in revenue. By individual business segment, revenue changes over the same time were

- Gaming Business Segment
 - for the first three months of 2016, revenue was \$421.7 million dollars;
 - for the first three months of 2017, revenue was \$440.0 million dollars;
 - for a revenue increase of \$18.3 million dollars.
 - This increase was primarily due to higher unit sales of gaming machines and table products, partially offset by wide-area progressive and premium game service revenue.
 - This reminds me I should mention the different types of progressive slot games. Progressive slot machines are slot machines which have shared jackpots that can be grouped together on several machines. What's interesting is how they might be grouped, including:
 - within a casino;
 - across properties owned by the same casino operator;
 - across multiple casinos within a state; and
 - even across multiple casino operators within a country.
 - Also impacting gaming revenue was an unfavorable foreign currency impact of \$5.1 million dollars.
- Lottery Business Segment
 - for the first three months of 2016, revenue was \$187.7 million dollars;
 - for the first three months of 2017, revenue was \$189.1 million dollars;
 - for a revenue increase of \$1.4 million dollars.
 - This revenue increase was due to an increased instant products revenue partially offset by a lottery systems revenue. This loss of lottery systems revenue was due to lower retail sales of multi-state games due to the record *POWERBALL* jackpot in early 2016.
- Interactive Business Segment
 - for the first three months of 2016, revenue was \$72.6 million dollars;
 - for the first three months of 2017, revenue was \$96.3 million dollars;
 - for a revenue increase of \$23.7 million dollars.
 - Interactive revenue increased due to growth of Scientific Games social gaming business, including the popularity of such social gaming apps as:
 - *Jackpot Party® Social Casino*
 - *Quick Hit® Slots*
 - *Hot Shot® Social Casino*

Later, in each sub-section on these three business segments, I'll share more tidbits of information on where exactly these revenue increases totaling \$43.4 million dollars over the prior year's first quarter results, came from. It's good to know where the revenue, or losses, come from to best understand what the gambling public has decided are the most interesting ways to spend their money.

Scientific Games states that they are most focused on the following strategies:

- Drive innovation;
- Focus on prudent fiscal management to improve financial returns and cash flow from operations; and
- Build a corporate culture open to new ideas and opportunities that help accelerate de-leveraging.

As of December 31, 2016, SG employed ~8,400 persons world-wide with ~4,600 employed domestically and ~3,800 employed internationally.

In 2014, Bally Technologies was acquired by Scientific Games.

Gaming Industry Risk Factors

As in most annual reports, Scientific Games Corporation makes careful and honest forward-looking statements while warning readers not to rely on them as predictions of future events. In these annual reports, they are legally allowed to make statements about their upcoming plans based on using their best judgment.

However, they point out that actual results may be materially different from those best guesses due to various risk factors. I've found their list of uncertainties to actually be quite insightful. As slots enthusiasts, many of these risk factors are relevant to us.

Here is a partial list of these risk factors, taken from the Forward-Looking Statements section of the May 2017 filing of their annual report:

1. competition;
2. U.S. and international economic and industry conditions;
3. slow growth of new gaming jurisdictions, slow addition of casinos in existing jurisdictions and declines in the replacement cycle of gaming machines;
4. ownership changes and consolidation in the gaming industry;
5. opposition to legalized gaming or the expansion thereof;
6. inability to adapt to, and offer products that keep pace with, evolving technology, including any failure of our investment of significant resources in our R&D efforts;

7. inability to develop successful products and services and capitalize on trends and changes in our industries, including the expansion of internet and other forms of interactive gaming;
8. laws and government regulations, including those relating to gaming licenses and environmental laws;
9. dependence upon key providers in our social gaming business;
10. inability to retain or renew, or unfavorable revisions of, existing contracts, and the inability to enter into new contracts;
11. protection of our intellectual property, inability to license third party intellectual property and the intellectual property rights of others;
12. security and integrity of our products and systems and reliance on or failures in information technology and other systems;
13. challenges or disruptions relating to the implementation of a new global enterprise resource planning system;
14. failure to maintain adequate internal control over financial reporting;
15. natural events that disrupt our operations or those of our customers, suppliers or regulators;
16. inability to benefit from, and risks associated with, strategic equity investments and relationships;
17. failure to achieve the intended benefits of our acquisitions;
18. incurrence of restructuring costs;
19. implementation of complex revenue recognition standards or other new accounting standards;
20. changes in estimates or judgments related to our impairment analysis of goodwill or other intangible assets;
21. fluctuations in our results due to seasonality and other factors;
22. dependence on suppliers and manufacturers;
23. risks relating to foreign operations, including fluctuations in foreign currency exchange rates, restrictions on the payment of dividends from earnings, restrictions on the import of products and financial instability, including the potential impact to our business resulting from the affirmative vote in the U.K. to withdraw from the EU, and the potential impact to our instant lottery game concession or VLT lease arrangements resulting from the recent economic and political conditions in Greece;
24. changes in tax laws or tax rulings, or the examination of our tax positions;
25. dependence on key employees;
26. litigation and other liabilities relating to our business, including litigation and liabilities relating to our contracts and licenses, our products and systems, our employees (including labor disputes), intellectual property, environmental laws and our strategic relationships;
27. level of our indebtedness, higher interest rates, availability or adequacy of cash flows and liquidity to satisfy indebtedness, other obligations or future cash needs;

28. inability to reduce or refinance our indebtedness;
29. restrictions and covenants in debt agreements, including those that could result in acceleration of the maturity of our indebtedness;
30. influence of certain stockholders, including decisions that may conflict with the interests of other stockholders; and
31. stock price volatility.

The Gaming Business

Scientific Games' Gaming business segment designs, develops, manufactures, markets, and distributes a comprehensive portfolio of gaming products and services. These are provided to commercial casinos, American Indian tribal casinos, wide-area gaming operators such as LBOs, arcade, and bingo operators in the United Kingdom and continental Europe, and government agencies and their affiliated operators.

The gaming industry is characterized by the continuous development of new technologies, products and game content. Scientific Games' products are installed in all of the major regulated gaming jurisdictions in the U.S., and ~ 146 international gaming jurisdictions.

Gaming revenue is from both services and product sales. Services include

- wide-area progressive slot machines;
- premium and daily-fee Participation gaming machines;
- video lottery terminals and electronic table games;
- leased table products and services like card shufflers;
- casino management technology solutions and systems;
- proprietary table games licensing; and
- other service revenues.

Product sales include:

- sale of new and used gaming machines;
- electronic table games;
- video lottery terminals and video gaming terminals;
- casino management technology solutions and systems;
- table products;
- game, hardware, and operating system conversion kits; and
- spare parts.

The gaming machine sector is highly competitive, characterized by the continuous introduction of new games, gaming machines, and related technologies. Scientific Games' primary competitors are.

Scientific Games Corporation, Indiana Slot Machine Casino Gambling

- International Game Technology (IGT) <https://www.igt.com>
- Ainsworth Game Technology <http://www.agtslots.com.au>
- Aristocrat Leisure Ltd. <https://www.aristocrat.com>
- Aruze Gaming America Inc. <https://aruzegaming.com>
- Franco Gaming Ltd. <http://www.rfranco.com/en/landing>
- Inspired Gaming Group Limited <https://www.inseinc.com>
- Konami Digital Entertainment Inc. <https://us.konami.com>
- Multimedia Games Inc. (a subsidiary of EVERI Inc.) <http://www.everi.com>
- Novomatic Group of Companies <http://www.novomatic.com/en>

The casino-management systems business is also highly competitive, due to number of providers and the limited number of casinos in operation. Principal competitors are Aristocrat, IGT, and Konami. Success factors include:

- Product features and functionality
- Accuracy
- Reliability
- Service level
- Pricing

Scientific Games faces competition within the gaming segment from an increased number of small companies that have emerged in recent years. These smaller gaming companies are able to focus their resources on developing a smaller number of high-performing products.

Competition also exists to obtain space and favorable placement on casino gaming floors. Some of Scientific Games' own product lines compete against each other here. Competition also exists within the supply of products and services for new jurisdictions and new casinos. Scientific Games claims that their success depends on their ability to successfully enter these new markets.

Gaming operations revenue decreased as compared to the prior year due to 832 less units of wide-area progressive slot machines, premium, and daily-fee Participation gaming machines as well as due to a decrease in the average daily revenue in these types of gaming machine units.

Gaming machine unit sales increased compared to the prior year due to a higher new unit shipments primarily resulting from sales of slot machine cabinet models *Pro Series WAVE* and *TwinStar*[®].

Gaming systems sales slightly increased compared to the prior year period primarily due to increased hardware sales related to new casino openings.

The Lottery Business

For Scientific Games Corporation, the Lottery segment is primarily comprised of their instant games business and their systems-based services and product sales businesses. The instant games business revenue is from the manufacture and sale of instant games as well as the value-added services such as

- game design;
- sales and marketing support;
- specialty games and promotions;
- inventory management;
- warehousing;
- fulfillment services;
- full instant game category management; and
- for the lottery industry;
 - licensed games;
 - promotional entertainment; and
 - internet-based marketing services.

Scientific Games' systems-based services and product sales business provides

- customized computer software;
- software support;
- equipment and data communication systems;
- sports wagering systems;
- keno for lotteries;
- In the United States, Scientific Games provides
 - point-of-sale terminals and equipment
 - software, and
 - maintenance services under long-term contracts initially of at least 5 years;
- Internationally, Scientific Games Corporation typically provides
 - point-of-sale terminals and/or computer software to lottery authorities
 - ongoing fee-based systems maintenance; and
 - software support services.

There are ~180 lotteries throughout the world, operated by U.S. and international governmental authorities. Governments typically authorize lotteries as a means of generating revenue without imposing additional taxes.

Two principal categories of lottery products offered are draw lottery games and instant lottery games, i.e., scratch-off tickets. Currently, 44 U.S. jurisdictions offer instant game

lotteries, and 46 U.S. jurisdictions offer draw lotteries. Lottery operations in international jurisdictions can vary widely.

Draw lottery games are provided through lottery system terminals continuously connected through to a central computer. These terminals can also be used to confirm an instant lottery ticket is a winner. Both instant lottery and draw lottery systems are subject to intense price-based competition.

Scientific Games faces competition in the lottery segment, especially as the U.S. lottery industry has matured. Scientific Games believes that the number of states conducting lotteries are unlikely to significantly increase soon. Principal competitors within the lottery business has also increased and is expected to continue to increase.

Primary factors affecting total Lottery business segment revenue in early 2017 were:

1. continued strength in Participation and Price-Per-Unit contracts which increased instant games revenue by \$6.1 million dollars;
2. an unfavorable foreign currency impact on revenue, primarily in the United Kingdom, totaling \$2.0 million dollars;
3. a decrease in Lottery systems revenue primarily driven by decreases in retail sales from multi-state games of \$4.2 million dollars leading up to the record *POWERBALL*® jackpot of January 2016; and
4. increases in product sales of \$1.4 million dollars.

The Interactive Business

This business segment includes social, i.e., non-wagering, gaming and interactive real-money gaming. Scientific Games' interactive gaming segment is increasingly focused on products and services that operate on both mobile and desktop products and platforms.

Scientific Games' social gaming business competes for the leisure time and discretionary spending of consumers with other interactive gaming businesses. Primary competitors include:

- DoubleDown Interactive (a subsidiary of IGT)
- Playtika (acquired in 2016 by a group of investors)
- Big Fish Games Inc. (a subsidiary of Churchill Downs, Inc.)
- GSN/Bash Gaming
- Product Madness (a subsidiary of Aristocrat)
- Zynga Inc.

Scientific Games' interactive segment are also subject to significant competition. Their real-money-gaming business focuses on the supply of online game content, with illegal

or unregulated operators competing. Interactive social gaming depends upon continuing to create and market game content that attracts players, requiring Scientific Games to invest in new and emerging gaming technologies.

Scientific Games' Interactive gaming services generate revenue through their social gaming products including online real-money gaming and *SG Universe*® products available via desktop and mobile devices.

Revenue is generated in the social gaming business from the sale of virtual coins or chips, which players use to play slot and table games.

In their online real-money gaming business, Scientific Games provides game content in real-money online casino operations primarily in Europe. They host the play of their game content on their own centrally-located servers that are integrated with the online casino operators' websites. Scientific Games typically earns a percentage of the operator's net gaming revenue generated by the games being hosted by Scientific Games.

Third Quarter Earnings for 2017

Quarterly earnings statements are much like annual reports, except for a 3-month period rather than a full year, and are also filed at SEC.gov. but as a Form 10-Q. Scientific Games makes their filed quarterly earnings reports available on their Investor Relations webpage.

The latest quarterly earnings report is useful in that it explains what has happened to Scientific Games since the last annual report. Since their annual report is released in early March each year, the annual report from March 2017 can be a bit out of date. Quarterly earnings reports are a great way to find out what's been going on.

The latest quarterly report available was for the third quarter of 2017, which is for July thru September 2017. The next quarterly report, for October through end of December has yet to be released. So, lets find out what has been going on with Scientific Games.

First, the acquisition of DEQ Systems Corp was fully completed, and has been fully integrated into their gaming business segment to expand, as they say, the depth and breadth of their table product portfolio.

Second, the acquisition of Spicerack Media Incorporated was also completed, expanding their existing portfolio of social casino games and customer base. Spicerack was integrated into their interactive business segment.

Third, another acquisition was completed which, this time, was for Lapis Software Associates, LLC, which expands their suite of value-added retail lottery products. Lapis was integrated into their lottery business segment.

By July of 2017, Scientific Games had also integrated the acquisition of the U.K.-based mobile and interactive casino content developer Red7Mobile Ltd into their interactive business segment. The acquisition of Red7Mobile expands Scientific Games portfolio of mobile and interactive game titles.

Also in July 2017, Scientific Games was awarded a new, six-year contract as the primary instant games provider for the Colorado Lottery.

While there is plenty of financial and other information available in the third quarter earnings statement, these acquisitions and awarded contract seem the only pertinent details that might be of interest to us.

What Scientific Games has been up to so far in 2018

In addition to annual and quarterly reports filed with the SEC, most companies will issue press releases with the very latest information on the goings-on at a company. However, be very careful with such information. Why? Because SEC files are legally required to be factual, and press releases aren't required to be. Sometimes, they are only marketing tools, so treat their information far more carefully. I think you'll immediately hear what I mean by this as we proceed.

Scientific Games has issued 4 press releases in 2018 at the time of this recording on the evening of January 23. Their release dates, titles, and brief descriptions are:

1. On January 4th, "Scientific Games' Next Generation of Lottery Instant Games, HD Games™, Launches Successfully in U.S."
 - a. Scientific Games launched *HD Games*, a new, proprietary line of instant games in a number of U.S. states, including the Ohio Lottery, Washington's Lottery, and the Montana Lottery.
 - b. To serve today's highly visual customer, *HD Games* combine sharp, high resolution imaging with larger contemporary play symbols, premium paper stock, enhanced security, and other upgraded features that elevate the player's lottery instant game experience.
 - c. In 1974, Scientific Games developed the world's first secure lottery instant game and is the world's largest provider of instant games.
2. On January 5th, Scientific Games Completes Acquisition of NYX Gaming Group
 - a. NYX is one of the fastest growing business-to-business real-money digital gaming and sports betting platforms in the world.

- b. The acquisition created an industry-leading force across iGaming, iLottery, and Sports.
 - c. Scientific Games is now perfectly positioned to capitalize on future regulatory developments in real-money wagering and sports betting by adding NYX's OpenBet SportsBook.
 3. On January 17th, "Scientific Games Goes Live with System at First of 28 Alberta Casinos"
 - a. Scientific Games previously signed an agreement with the Alberta Gaming and Liquor Commission to install its casino management system in all 28 of the independently-operated casinos throughout the Canadian province, having over 14,000 slots and 6,000 video lottery terminals.
 - b. The Grand Villa Casino Edmonton went live with the system on November 20th.
 - c. Two systems are installed as part of a phased approach, including
 - i. SDS, an integrated system that continually monitors slot machines, other gaming devices, and player gaming activity at a casino property. For more than 35 years, SDS has set the standard as the gaming industry's most accurate, reliable, and innovative slot-accounting and player-tracking system.
 - ii. IVIEW 4, a next generation player interface, showcasing flexibility across the spectrum for enhancing player experiences and facilitating customer service and employee duties. The IVIEW 4 interface displays dynamic marketing animations and video with instant response through a state-of-the-art multi-touch display. IVIEW DM allows gaming operators to present content such as player account information, bonusing offers, and directed marketing messages right on the main game screen or top screen.
 4. On January 23rd, "Scientific Games Finalizes Acquisition of Tech Art"
 - a. Tech Art is the gaming industry's leading supplier of hole-card readers for blackjack, in use on over 11,000 tables world wide.
 - b. Acquisition of Tech Art brings with it their innovative MAXTime®4H product, a combination of a blackjack hole-card reader and a chip tray.
 - c. The MAXTime®4H product from Tech Art will help casinos across the world increase play speed and enhance the security of blackjack games.

Summary of Scientific Games Corporation

Scientific Games Corporation was incorporated in 1984. As the end of 2016, they employed ~8,400 persons worldwide with ~4,600 employed domestically and ~3,800 employed internationally.

The three business segments they are most interested in are gaming, lottery and interactive. The greatest financial risk factors facing SG are primarily competition-based:

Scientific Games Corporation, Indiana Slot Machine Casino Gambling

- Gaming Segment: Scientific Games faces competition from an increased number of small companies that have emerged in recent years developing high-performing products.
- Lottery Segment: Scientific Games faces competition in the lottery segment as the U.S. lottery industry has matured.
- Interactive Segment: Scientific Games faces competition from illegal and unregulated operators. Also, interactive social gaming depends upon continuing to create and market game content that attracts players.

Pro-Tip #1

This is where I have another pro-tip for you. Not to repeat myself too much, but this pro-tip is very similar to the pro-tip I provided in my last podcast episode: At least once, take a look at an annual report for Scientific Games Corporation.

This isn't quite the same recommendation as last week, as gaming industry leader IGT PLC isn't based in the U.S., while Scientific Games Corporation is a U.S. company. This makes for a subtle but important difference when reading their annual reports.

You can find Scientific Games' annual report, which for a U.S.-based company is called a Form 10-K, on their SEC Files site within their Investors area at ScientificGames.com. Again, the actual address is a bit complicated, but using [professorslots.com/sgsec](https://www.professorslots.com/sgsec) will take you right there. Again, that's [professorslots.com/sgsec](https://www.professorslots.com/sgsec). You can find the latest 10-K annual report by using the fairly straight forward search options available on that page.

Call To Action #2

Remember to visit [professorslots.com/subscribe](https://www.professorslots.com/subscribe) to get my Free Report Revealing ... The top 7 online resources for improving your gambling performance, including the one I've used as a top-tier slot machine casino gambler.

Show notes for this episode are now available within most podcast Apps, but are also available on my website at [professorslots.com/e18](https://www.professorslots.com/e18).

Up next is the second segment of the show: Indiana Slot Machine Casino Gambling.

Introduction

In this episode segment, I provide a brief overview of the current state of gambling in a U.S. state, U.S. territory, or U.S. federal district emphasizing, by far, anything of interest to slot machine casino gamblers.

Each state-by-state episode segment can be expected to include:

- An Introduction
- Relevant Legal Statutes on Gambling, if any
- Slot Machine Private Ownership
- State Gaming Commission, if any
- Gambling Establishments, if any, and
- A Summary

Here goes.

Indiana slot machine casino gambling primarily consists of riverboat casinos and pari-mutuel betting. In 1993, Indiana was the sixth state to legalize riverboat casino gambling. In 2007, Indiana allowed its two horse tracks to have up to 2,000 electronic gaming machines.

Indiana currently has 13 gambling establishments and one planned casino that was under construction but, as a few days ago, has opened. That brings the total number of gambling establishments in Indiana up to a total of 14 facilities.

These facilities include 10 permanently-docked riverboat casinos, two pari-mutuel facilities Hoosier Park and Indiana Grand Racing, as well as, now, two land-based casinos called French Lick and Four Winds South Bend. French Lick is spelled just like it sounds, by the way. Also, Four Winds South Bend is a American Indian tribal casino, run by the Pokagon Band of Potawatomi Indians.

In total, there are currently approximately 19,696 slots and gaming machines as well as 4,302 table games available at Indiana casinos. The largest casino is the Horseshoe Casino Hammond. The second largest is the Indiana Grand Racing & Casino, one of the aforementioned pari-mutuel wagering facilities.

Four Winds South Bend Casino in South Bend, Indiana opened on Tuesday, January 16, 2018.

Relevant Legal Statutes on Gambling

The minimum gambling age at casinos is 21. The minimum age for pari-mutuel betting is 18. All casinos, including both pari-mutuels, are open 24 hours.

Indiana gaming regulations do not allow free alcoholic beverages to be provided by casinos.

Slot Machine Private Ownership

Next up is a usually short statement about slot machine private ownership, which I have included in case you live in this U.S. state and are considering owning a slot machine.

Here it is:

It is legal to privately own a slot machine in Indiana if it is 40 years old or older.

State Gaming Commission

The Indiana Gaming Commission (<https://www.in.gov/igc/index.htm>) has as its mission

“To license and regulate riverboat gambling in Indiana and ensure compliance with applicable statutes, laws, and regulations in a manner that promotes the integrity of gaming, and the best interest of the State of Indiana and its citizens.”

The Indiana Gaming Commission’s Fiscal Year 2017 annual report mentions three interesting developments underway for Indiana slot machine gambling. These are:

1. Paid fantasy sports is expected to grow, with at least two new applications anticipated for 2018. DraftKings, FantasyDraft, and FanDuel were found to meet all standards established by the Indiana Gaming Commission and were granted licenses in June 2017;
2. American Indian tribal gaming is expected to be a topic of discussion. Specifically, the Pokagon Band tribe has gained approval from the federal government to move land located in the City of South Bend into trust, allowing the tribe to construct tribal housing, government facilities, and a gaming facility. This is the first tribal trust land located within Indiana.
3. By taking advantage of the 2015 Indiana state legislation allowing land-based casinos, Tropicana Evansville continues construction of a new casino adjacent to its existing hotels, food and entertainment venues, and parking garage.

Gambling Establishments

In this section, I’ll discuss Indiana gambling establishments.

The payback percentages above are annual statistics for all electronic gaming machines from mid-2015 through mid-2016 as provided by each casino to the state-run Indiana Gaming Commission.

1. Ameristar East Chicago (<http://www.ameristarcasinos.com>)

Scientific Games Corporation, Indiana Slot Machine Casino Gambling

- Location: 777 Ameristar Boulevard, East Chicago, IN 46312
 - Telephone: 877-496-1777
 - Payback: 90.38%
 - Well over 53 thousand square feet of gaming space, 1,729 electronic gaming devices, 507 table games, 7 restaurants, and 288 hotel rooms
2. Belterra Casino Resort and Spa (<http://www.belterracasino.com>)
 - Location: 777 Belterra Drive, Florence, IN 47020
 - Telephone: 888-235-8377
 - Payback: 90.91%
 - Over 47 thousand square feet of gaming space, 1,165 electronic gaming devices, 334 table games, 6 restaurants, and 608 hotel rooms
 3. Blue Chip Casino & Hotel (<http://www.bluechip-casino.com>)
 - Location: 2 Easy Street, Michigan City, IN 46360
 - Telephone: 888-879-7711
 - Payback: 91.48%
 - 65 thousand square feet of gaming space, 1,700 electronic gaming devices, 406 table games, 3 restaurants, and 486 hotel rooms
 4. Four Winds South Bend (<https://www.fourwindscasino.com/southbend/>)
 - Location: 3000 Prairie Ave., South Bend, IN 46614
 - Telephone: 866-494-6371
 - Payback: Not Yet reported
 - 55 thousand square feet of gaming space, 1,800 electronic gaming devices, zero table games, 5 restaurants, and zero hotel rooms
 5. French Lick Springs Resort & Casino (<https://www.frenchlick.com>)
 - Location: 8670 West State Road 56, French Lick, IN 47432
 - Telephone: 888-936-9360
 - Payback: 91.38%
 - Nearly 50 thousand square feet of gaming space, 952 electronic gaming devices, 274 table games, 7 restaurants, and 686 hotel rooms
 6. Hollywood Casino & Hotel - Lawrenceberg (<https://www.hollywoodindiana.com>)
 - Location: 777 Hollywood Boulevard, Lawrenceberg, IN 47025
 - Telephone: 888-274-6797
 - Payback: 90.38%
 - 175 thousand square feet of gaming space, 1,758 electronic gaming devices, 616 table games, 6 restaurants, and 300 hotel rooms
 7. Hoosier Park (<http://www.hoosierpark.com>)
 - Location: 4500 Dan Patch Circle, Anderson, IN 46013
 - Telephone: 800-526-7223
 - Payback: 91.59%
 - 54 thousand square feet of gaming space, 2,000 electronic gaming devices, zero table games, 7 restaurants, and zero hotel rooms
 8. Horseshoe Casino Hammond (<http://www.chicagohorseshoe.com>)

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- Location: 777 Casino Center Drive, Hammond, IN 46320
 - Telephone: 866-711-7463
 - Payback: 89.82%
 - 108 thousand square feet of gaming space, 1,165 electronic gaming devices, 334 table games, 6 restaurants, and 608 hotel rooms
9. Horseshoe Casino Hotel Southern Indiana (<http://www.horseshoe-indiana.com>)
- Location: 11999 Casino Center Drive SE, Elizabeth, IN 47117
 - Telephone: 866-676-7463
 - Payback: 89.92%
 - Well over 86 thousand square feet of gaming space, 1,639 electronic gaming devices, 738 table games, 9 restaurants, and 503 hotel rooms
10. Indiana Grand Racing & Casino (<https://www.indianagrand.com>)
- Location: 4200 N. Michigan Road, Shelbyville, IN 46176
 - Telephone: 877-386-4463
 - Payback: 91.53%
 - Nearly 84 thousand square feet of gaming space, 2,104 electronic gaming devices, zero table games, 3 restaurants, and zero hotel rooms
11. Majestic Star Casino & Hotel (<https://www.majesticstarcasino.com>)
- Location: 1 Buffington Harbor Drive, Gary, IN 46406
 - Telephone: 888-225-8259
 - Payback: 90.42%
 - 43 thousand square feet of gaming space, 874 electronic gaming devices, 366 table games, 5 restaurants, and 300 hotel rooms
12. Majestic Star II Casino & Hotel (<https://www.majesticstarcasino.com/>)
- Location: 1 Buffington Harbor Drive, Gary, IN 46406
 - Telephone: 888-225-8259
 - Payback: 89.83%
 - Well over 36 thousand square feet of gaming space, 831 electronic gaming devices, 242 table games, 7 restaurants, and 300 hotel rooms
13. Rising Star Casino Resort (<https://www.risingstarcasino.com>)
- Location: 777 Rising Star Drive, Rising Sun, IN 47040
 - Telephone: 800-472-6311
 - Payback: 91.55%
 - 40 thousand square feet of gaming space, 939 electronic gaming devices, 181 table games, 5 restaurants, and 294 hotel rooms
14. Tropicana Evansville (<https://www.tropevansville.com>)
- Location: 421 N. W. Riverside Drive, Evansville, IN 47708
 - Telephone: 800-342-5386
 - Payback: 90.11%
 - Currently over 38 thousand square feet of gaming space, 1,040 electronic gaming devices, 304 table games, 8 restaurants, and 339 hotel rooms

Summary

In summary, Indiana slot machine casino gambling currently consists of fourteen gambling establishments, including the very recently opened Four Winds South Bend Casino. Current casinos include ten riverboat casinos, two pari-mutuel facilities, and two land-based casinos.

For all the Indiana casinos, there are currently a total of 19,696 slots and gaming machines as well as 4,302 table games.

Call To Action #3

Remember to visit professorslots.com/subscribe to get my Free Report Revealing ... The top 7 online resources for improving your gambling performance, including the one I've used as a top-tier slot machine casino gambler.

Pro-Tip #2

My second pro-tip for you this episode is so valuable that I'm hesitant to just give it away for free. I've placed it near the end of this episode so only dedicated listeners like yourself have stuck around long enough to hear it. This is my pro-tip: Newly opened casinos are the best casinos to win at. If you play craps, blackjack or other table games, you'll likely already know this. It's commonly known that new casinos have a lot of new employees, and these new employees make mistakes. Visiting a newly opened casino is a known advantage play for table game players. So much so, that they rush to these new casinos when they open.

But, this pro-tip is not about that. Why? Because we're slots enthusiasts, and we want to know how to win at slots, not table games. My valuable pro-tip for slots players is to play at newly opened casinos. Frankly, it's your number one selection when picking which casino to visit: Always go to a new casino during its first year of operation. The reason is simple – new casinos need a good reputation in their first year to be successful for many years afterwards. This is simply known in advance, so that means casinos budget for it.

The problem with this pro-tip is that it comes with a strong warning which is, frankly, just as important as the pro-tip itself. The problem is this: Slots players win so much during the first year of operation of a new casino that they don't stop spending during the second and third years of operation. The second year of operation is tougher to win, but the casino still has a budget for letting slots players win, but the real budget cuts come during the third year of operation. This is when the casino gets back a lot of the money they gave away the first two years. So, to be clear, the warning to this pro-tip is to not forget that it's for the first year open, and possibly for the second year although it's not as easy to win. But if you can't give up the good times of winning huge at slots by the start of the third year, if you don't realize the casino has turned off the tap, then that's going to be a real hard problem for you.

Podcast Reviews

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On the Next Episode of Professor Slots

Part I of the next episode of the Professor Slots podcast is “How I Won a Car”. In this episode, I'll go over what it is like to win a luxury automobile at a casinos, including the questions to ask beforehand, assessment of risk, as well as what can be done about those pesky income taxes.

Part II of the next episode of the Professor Slots podcast is another brief overview of the current state of gambling in a U.S. State, Territory, or Federal District. This time, I'll be talking to you about the U.S. State of Iowa.

Closing

That's the end of another great episode of the Professor Slots podcast. Thanks so much for listening! Show notes for this episode can be found within most podcast Apps or at professorslots.com/e18.

I plan to have the next episode come out very soon for you, where I'll have more amazing content for the show.

Until the next episode: Have fun, be safe, and make good choices! Bye.