The Role of Entertainment in Economic Development

Presented to the IEDC 2018 Leadership Summit

CORPORATE ENTERTAINMENT

Frank Molina – SVP, Entertainment Finance & Strategy

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Speaker Biography

Frank Molina is Senior Vice President of Finance and Strategy for Corporate Entertainment at MGM Resorts International. Frank's responsibilities include financial oversight of multiple entertainment and sports venues, including T-Mobile Arena, Grand Garden Arena and the Park Theater in Las Vegas, and venues regionally in the United States.

Previously, Frank has served in a variety of corporate and operating finance positions, including division CFO for Networking at Dell Technologies and division controller for Electronics at Air Liquide America.

Frank holds a MBA in finance and strategy from Northwestern University's Kellogg School of Management and a B.Sc. in chemical engineering from The University of Texas at Austin.

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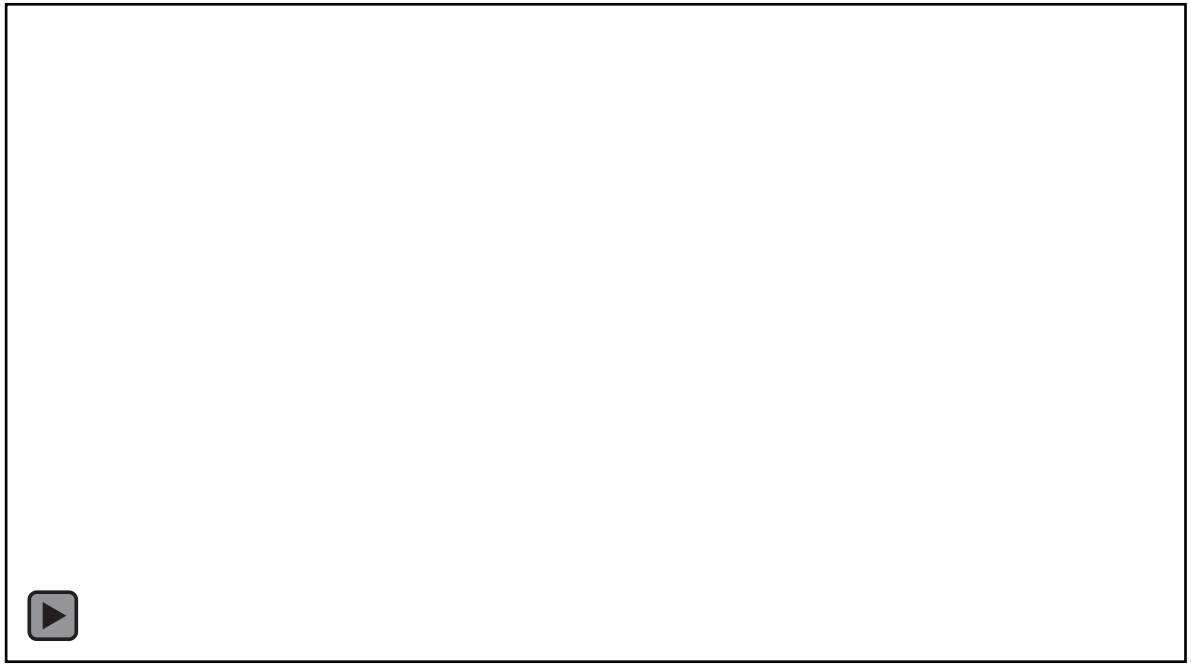
Agenda

- Why do people come to Las Vegas?
- Changing times – entertainment is a fundamental human need
- How we make sure everyone has fun?
- The economic impact of entertainment
- Questions and discussion

#VegasStrong



"Like all of you, I'm proud to call Las Vegas home. I met my wife here. Our kids were born here. I know how special this city is.

To all the brave first responders that have worked tirelessly and courageously through this whole tragedy, we thank you.

To the families and friends of the victims, we'll do everything we can to help you and our city heal.

We are Vegas Strong."

- Deryk Engelland, Vegas Golden Knights

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Why do people come to Las Vegas?

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Global brands with international appeal

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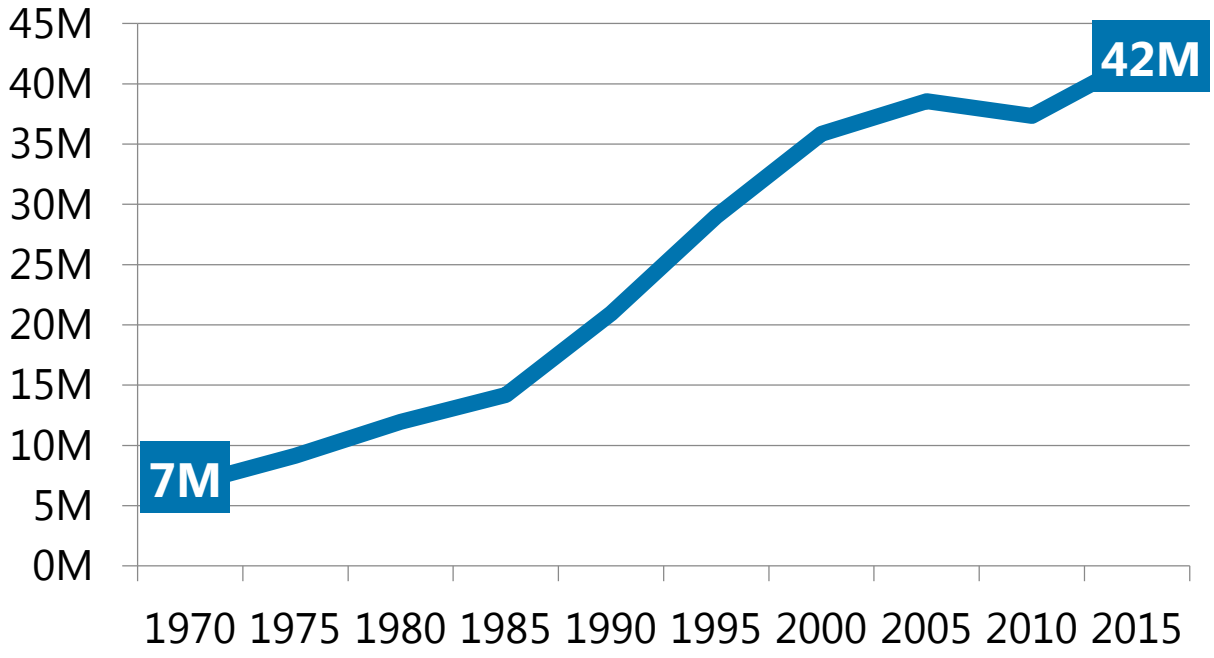
Annual visitors to Las Vegas



KEY MOMENTS IN LAS VEGAS TOURISM:

- 1966 – Caesars Palace opens
- 1969 – The International opens (Elvis!!)
- 1989 – The Mirage opens (Siegfried and Roy!!)
- 1993 – MGM Grand opens (Barbra Streisand!!)
- 1998 – CES exclusively held in Las Vegas
- 2003 – The Colosseum at Caesars Palace opens (Celine Dion!!)
- 2016 – T-Mobile Arena opens (George Strait!!)

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Las Vegas by the numbers

#1 convention destination ranking for over 20 consecutive years

Over 42 million visitors from more than 70 countries in 2016

7 of the 10 largest hotels in the world are located in Las Vegas, and five are MGM Resorts

Host to major events every year; championship boxing matches, major music awards, world-famous music festivals and sporting events

In 2016, 22,000 conventions, trade shows and conferences were held and attended by over six million people

WHERE ARE VISITORS FROM?

SOUTHERN CAL	27%
OTHER US	54%
INTERNATIONAL	19%

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Las Vegas visitor demographics

	2016
Primary Purpose Vacation	52%
Primary Purpose Gamble	4%
Primary Purpose Visit Friends / Family	13%
Primary Purpose Convention / Conference	10%
1st Time Visitor	27%
Nights stayed (average)	3.4
Gambled during stay	69%
Average Age	44.0
40+	56%
College Diploma	49%
International	19%

HOW ARE VISITORS CHANGING?

- Getting younger – the average age was in the mid-50s just a few years ago
- Gambling less
- Spending more time "doing" things (spa, adventure activities, etc.)
- More convention attendees

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Entertainment is a fundamental human need!

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Why entertainment? Because we NEED it

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Welcome to the SHOW

- Multi-million dollar ad campaign
- Takeovers in key locations
- TV ads on key shows and sports
- Launches the MGM parent brand for first time

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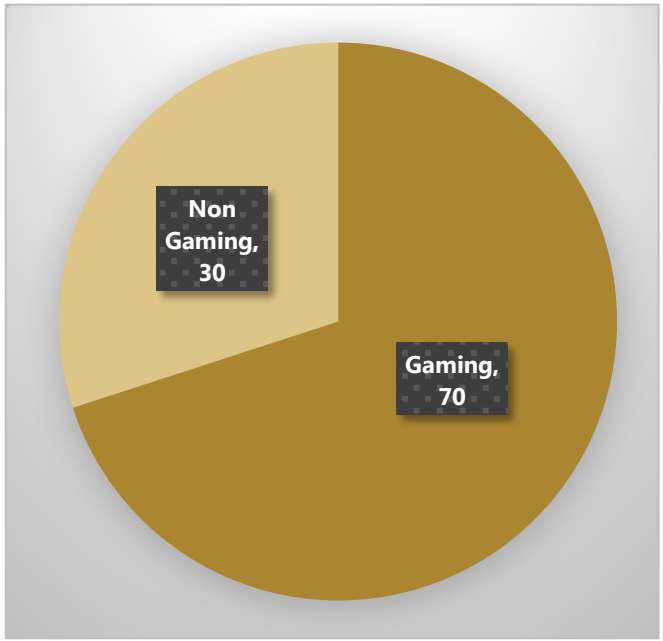
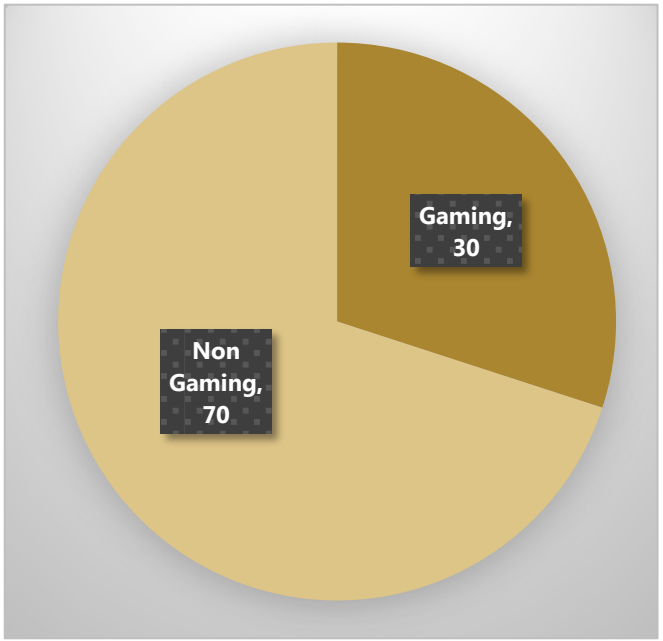
70/30 – old versus new





THE MILLENNIAL PROBLEM:

- Like many industries, resorts and gaming companies are learning how to attract millennials
- Budget conscious
- Want value
- Want to be “surprised and delighted”
- Have access to massive amounts of info
- Want interactive activities not slot machines

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How we make sure everyone has fun...

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New/Big experiences

MGM Resorts alone:

- 2,475,700+ square feet of meeting space
- 250+ Restaurants
- 350+ Retail Outlets
- 31 entertainment venues

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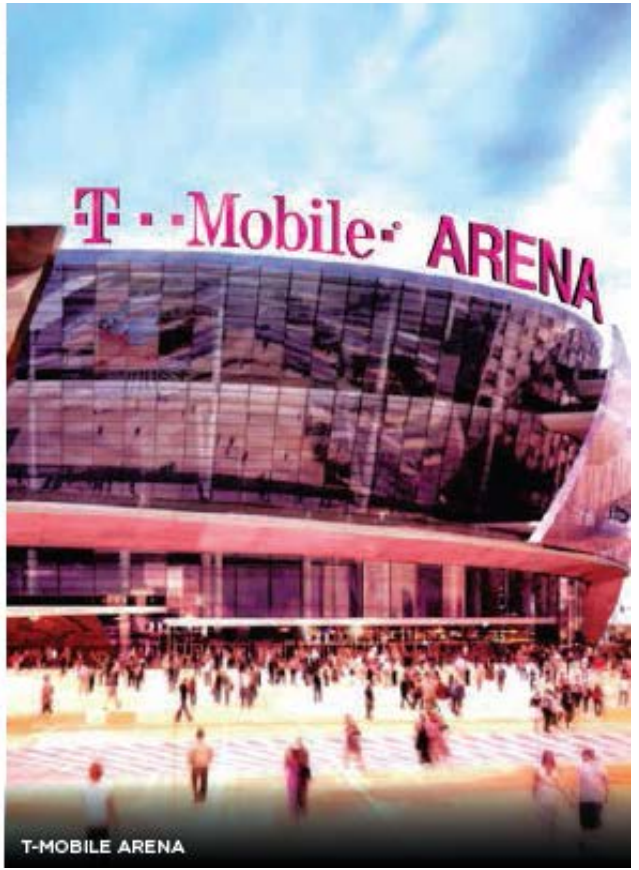
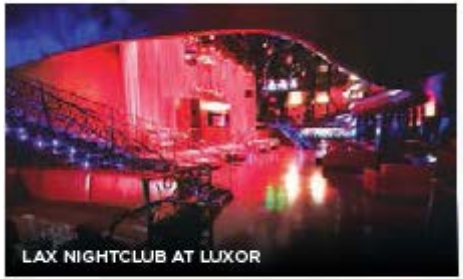
Entertainment – arena events



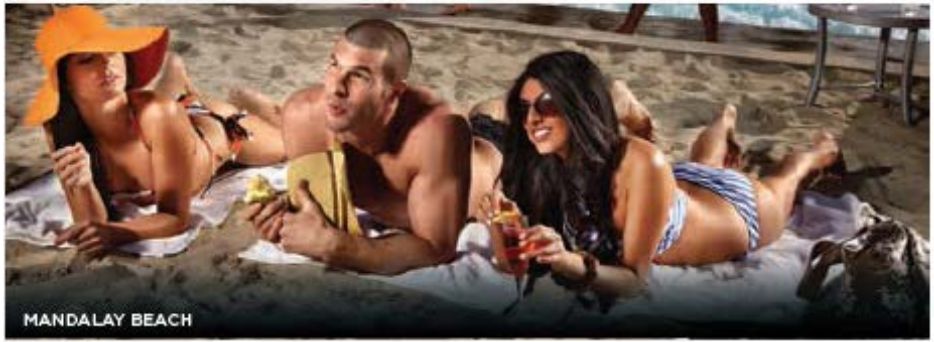
Entertainment – nightlife

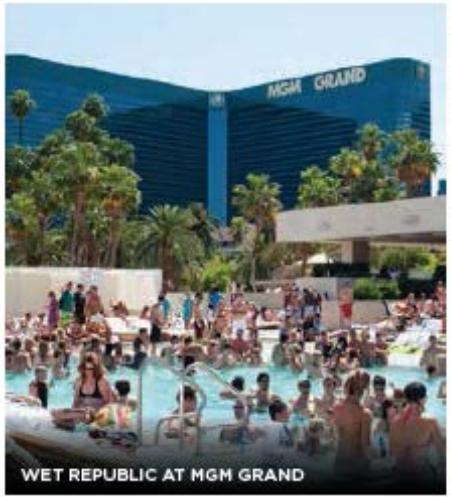


Entertainment – daylife

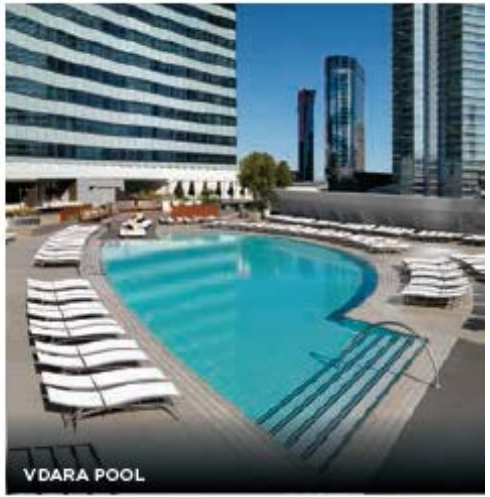
BARE POOL AT THE MIRAGE

LIQUID POOL & LOUNGE AT ARIA


MANDALAY BEACH



WET REPUBLIC AT MGM GRAND


VDARA POOL

Entertainment – outdoor venues

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The economic impact of entertainment

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Guests are satisfied with their trips

	2012	2013	2014	2015	2016
Very Satisfied	94%	89%	96%	89%	89%
Somewhat Satisfied	5%	10%	4%	11%	11%

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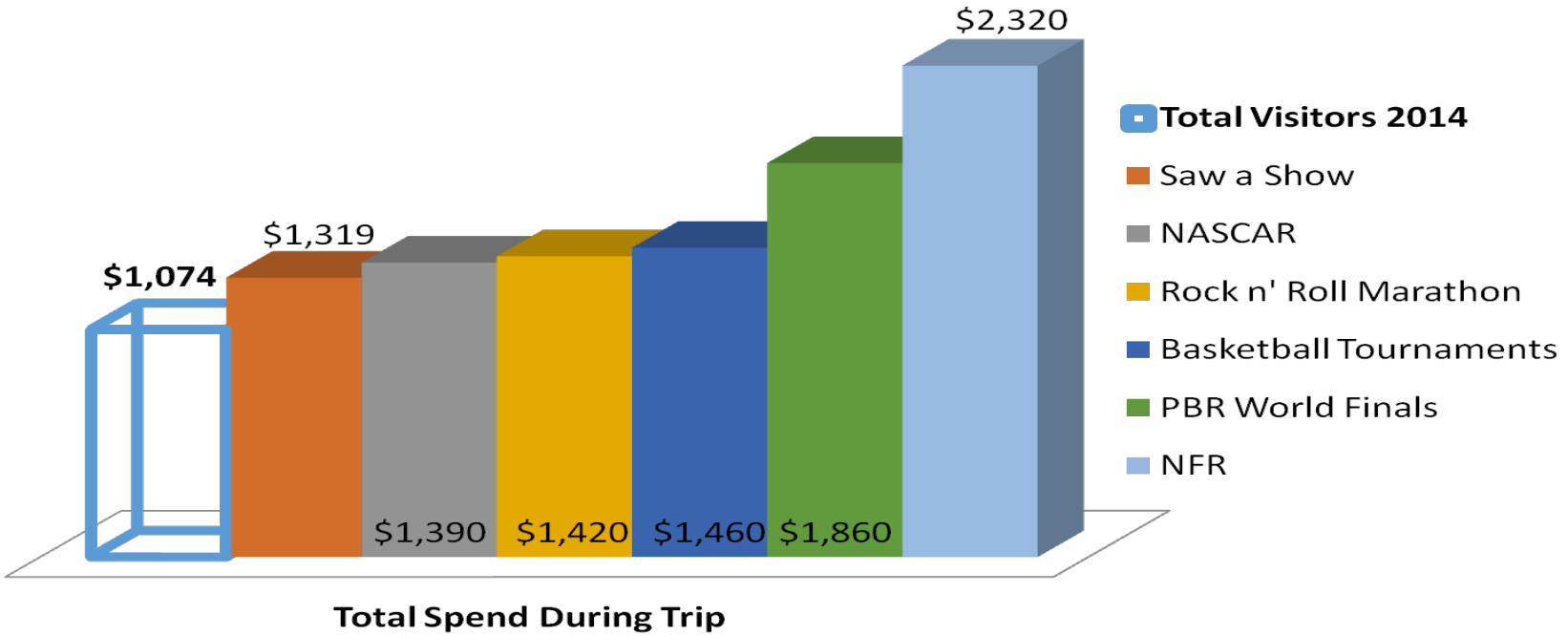
Visitation and Economic Impact



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Source: 2014 LVCVA Visitor Profile Data and Las Vegas Events

Impact of the T-Mobile Arena

Creating Temporary and Permanent Jobs

- Over 1,500 direct construction jobs for two years generating over $340 million in direct, indirect and induced wages
- Over 640 direct arena jobs and 1,035 total jobs (including direct and indirect) increasing personal incomes by $34.7 million

Increasing Economic Impact

- Over $850 million of recurring annual economic impact
- Over $50 million of annual public revenue impact (taxes)
- Over 1 million attendees annually and an incremental increase of over 500,000 visitors

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Questions & Discussion

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Thank YOU!

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