



RENO 411

Gary Carano, *Chairman and CEO, Eldorado Resorts*

It's been an adrenaline-fueled two years for Gary Carano, chairman and CEO of Eldorado Resorts.

In that time, he has taken his company public, increased its property holdings sixfold and transformed it from a small, Reno-based family casino outfit into one of the largest regional gaming empires in the United States.

First founded in 1973 as a single Reno hotel by Gary's father, Don, Eldorado operated for four decades as a mom-and-pop company with a pair of properties in Reno and eventually a riverboat casino in Louisiana.

But starting in 2014, Carano has led the company through an audacious growth-by-acquisition strategy that began with the purchase of MTR Gaming and culminated in September 2016 with a deal to buy Isle of Capri for \$1.7 billion.

Once the deal closes in mid-2017, the new and improved Eldorado Resorts will feature 20 properties across 10 states, which combined would have generated upwards of \$2 billion in annual revenue for fiscal year 2016. The company also will have doubled its annual net revenue and adjusted EBITDA draws, and doubled its slot machines, table games and hotel rooms while tripling its property holdings.

In the process, the company has leapfrogged competitors like Pinnacle Entertainment, Penn National Gaming, Full House Resorts and others in the battle for what's seen as a still-profitable yet tightening regional gaming market.

Once the transactional dust settles, Carano's task will be to integrate the new properties under the Eldorado brand while discerning where the company fits among the other big-hitter gaming operators.

"The niche that we think Eldorado has in the public gaming sector is a little bit different than the other corporate giants that are larger than us," he explains, adding that the company culture is based on the Jack Binion model of customer engagement and hospitality.

"That's allowing our managers to operate their properties without overly intrusive corporate guidance, and also the culture of the team members and management to be on the floor with the players versus in their offices reviewing spreadsheets," he continues. "That's how we grew up."

Carano asserts that he is proud of how the company his father started now spans the country. Personally, even though he's taken an enormous jump from heading a family-owned casino business to the boardroom of a publicly traded company, he insists that because of his upbringing he still feels more at home on the casino floor.

"I'm a more hands-on CEO because I came up through operations," he says. "I'm not a Wall Street finance guy, I'm an operations guy."

One of the key selling points of the Isle of Capri deal for Carano was the cultural similarities between the two companies—particularly their family-owned, sweat-equity backgrounds—that figure to help smoothen out the transition.

"We're very excited, because Isle is a very well-run company with a great culture for players and team members," he says. "Our plate is going to be pretty full this next year molding these two great companies into one efficient team." —*Aaron Stanley*