



RED
CIRCLE

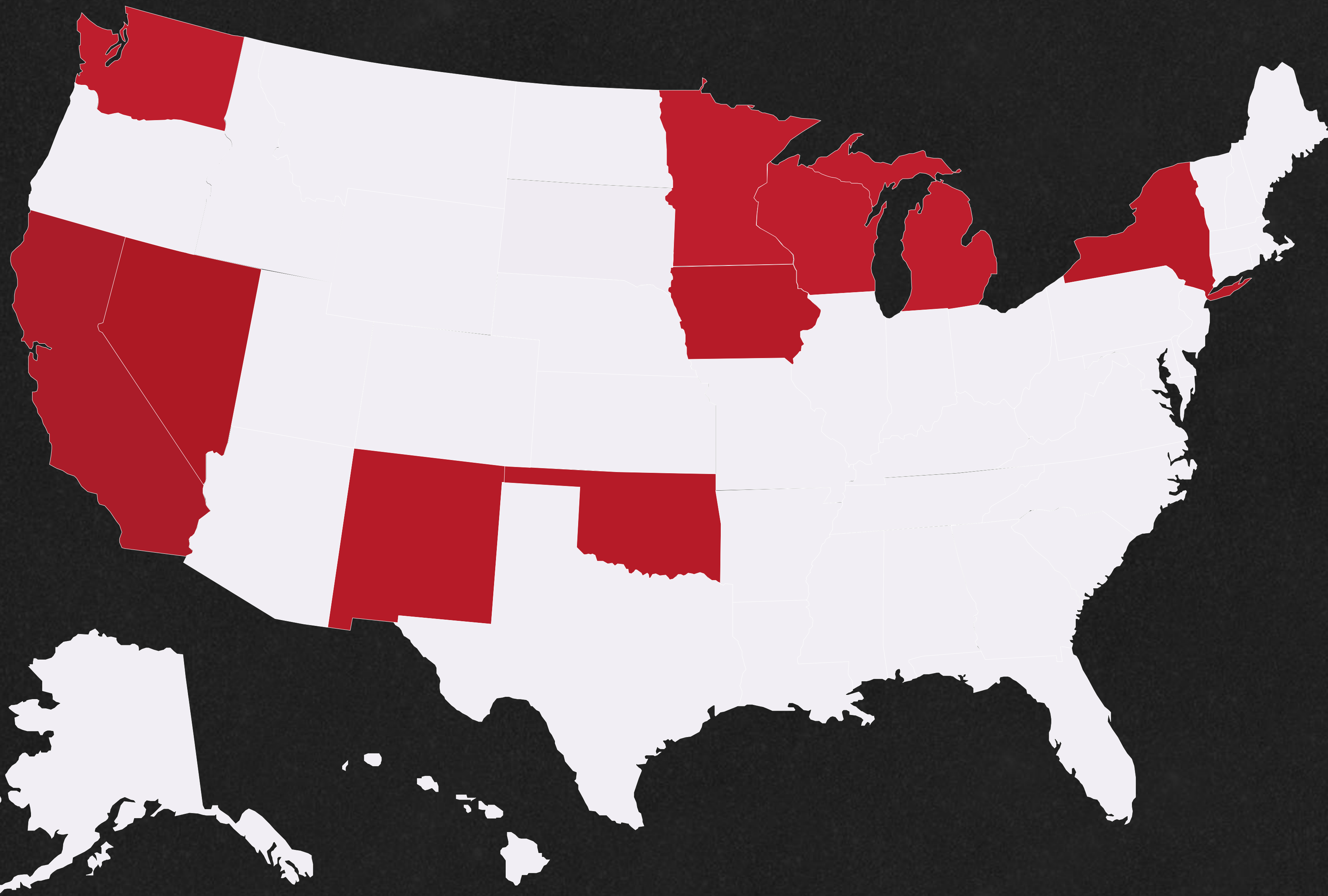
CV-19 Casino Player Behavior Study

Data Sample: July 1 - 31, 2021

Minneapolis, MN



Mission: To provide a source of continually updated, player behavior information and trending in the light of CV-19's ongoing industry impact. Made possible by Red Circle's **RECON** casino intelligence software system.



Data Sample Set:

- ▶ 10 States
- ▶ 19 Casinos
- ▶ 310,400 Players
- ▶ 828,200 Visits
- ▶ \$92,200,000 Theo Win



Definitions:

Baseline 1 : July 1 - 31, 2019

Baseline 2: *Average performance of April - June, 2021*

Rate of Return: *Players who played in July and the month/year of their previous play date*



Executive Summary

—

Over the past several months we have been comparing year over year data in this report. In May of 2020 all properties were closed for some portion of the month, and we have turned to two different baselines to chart progress.

Using the 2021 over 2019 baseline, when we compare **July of 2021** to **July of 2019**, we saw a **loss of 22.8% in players** and an **increase of 5.6% in theo win**.

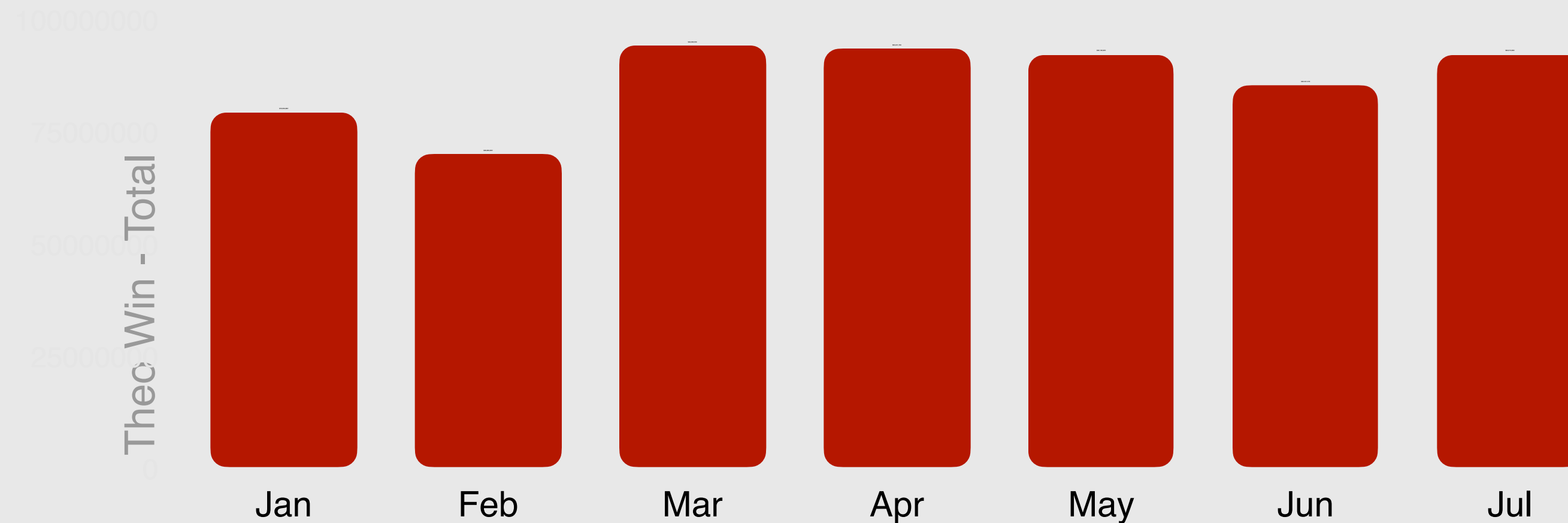
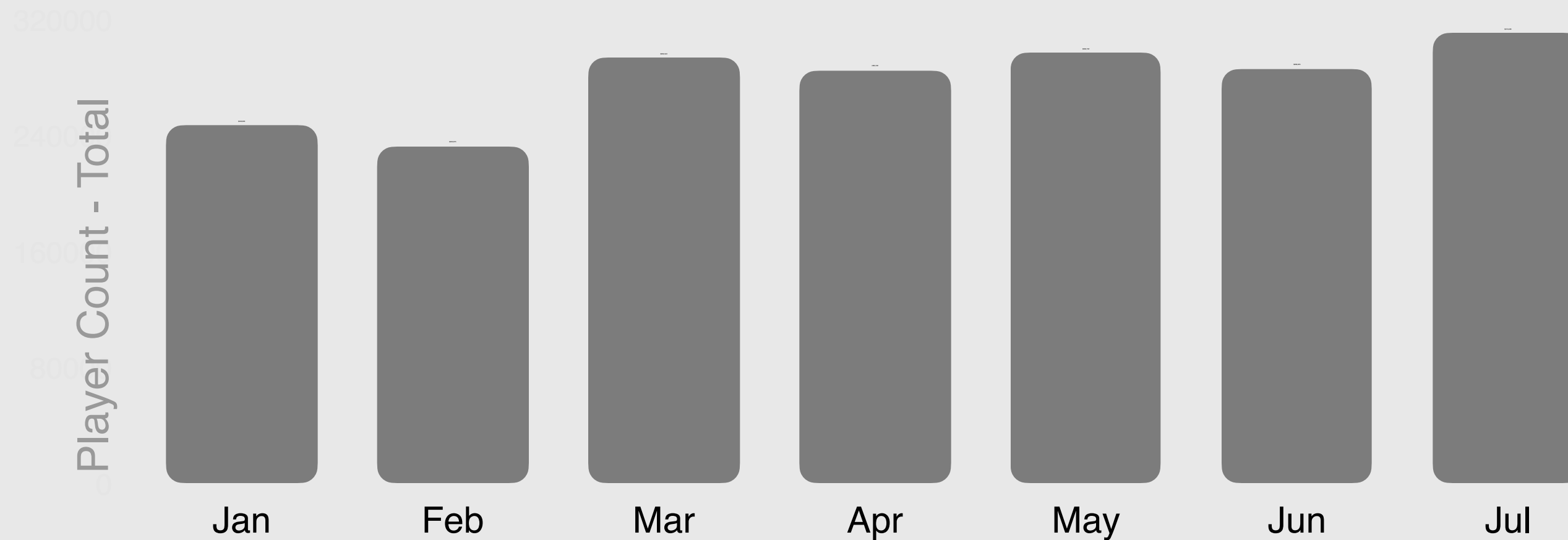
We also created a baseline using the average of the last three operating months, and based on that comparison we see a **7.3% increase in players** and **2.1% increase in theo win**.



Player analysis, demographics and revenue impact



2021 Totals Trend



Looking at the total player count and the win from the first seven months of 2021.

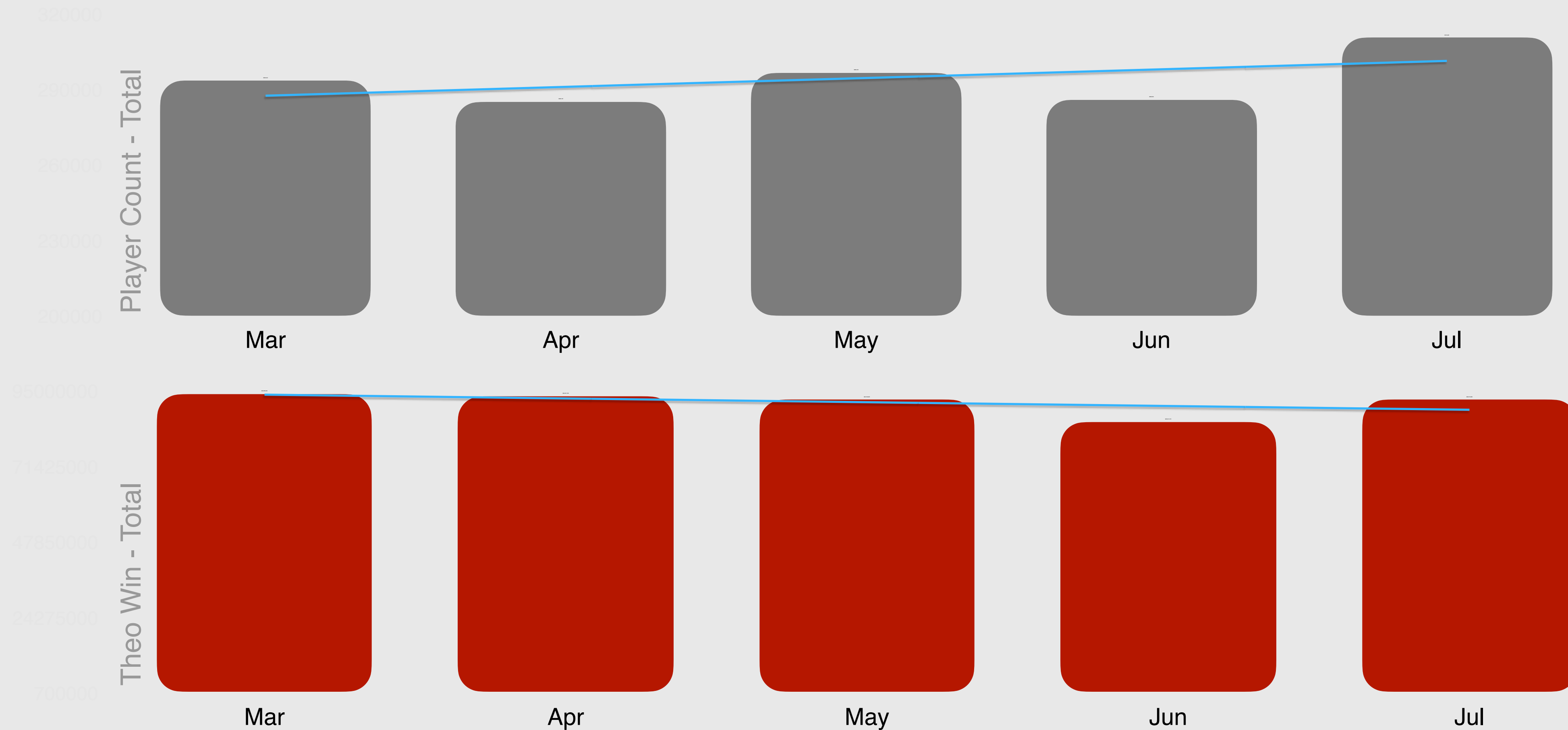
Both indicators show a positive trend starting in March and then a bit of a plateau.

July broke that plateau with increases in both players and the win.

July has the highest number of players in all of 2021. In terms of the win, July just out placed May - which was a fantastic month for many properties.

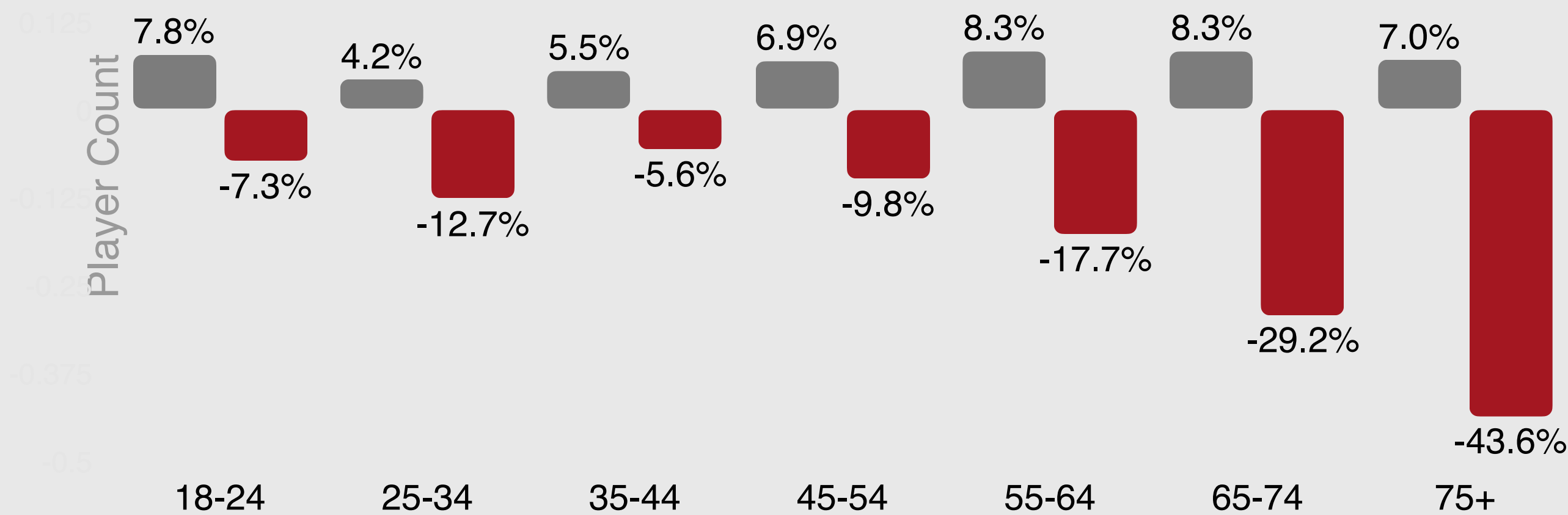


2021 Totals Trend - A Closer Look

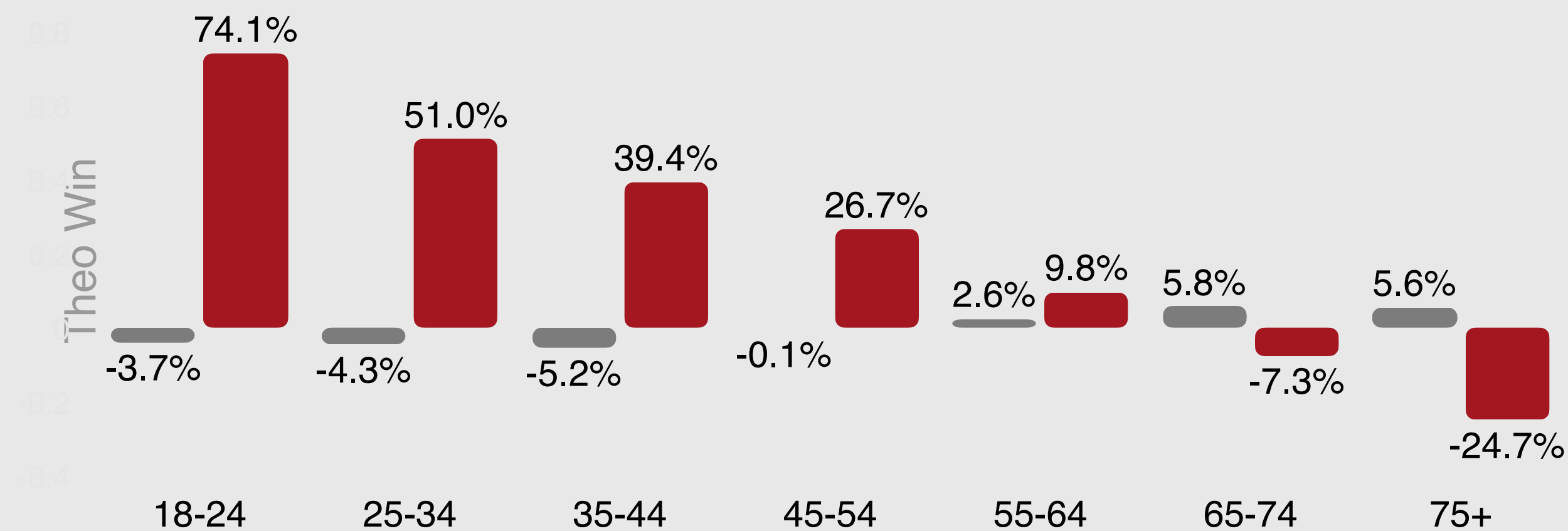




Age



■ vs 3 Month Baseline ■ vs 2019



As **players 55+** represent a significant amount of play, we have watched these group closely.

In May of 2021 players 55+ have increased to 61% of players and 66% of theo win.

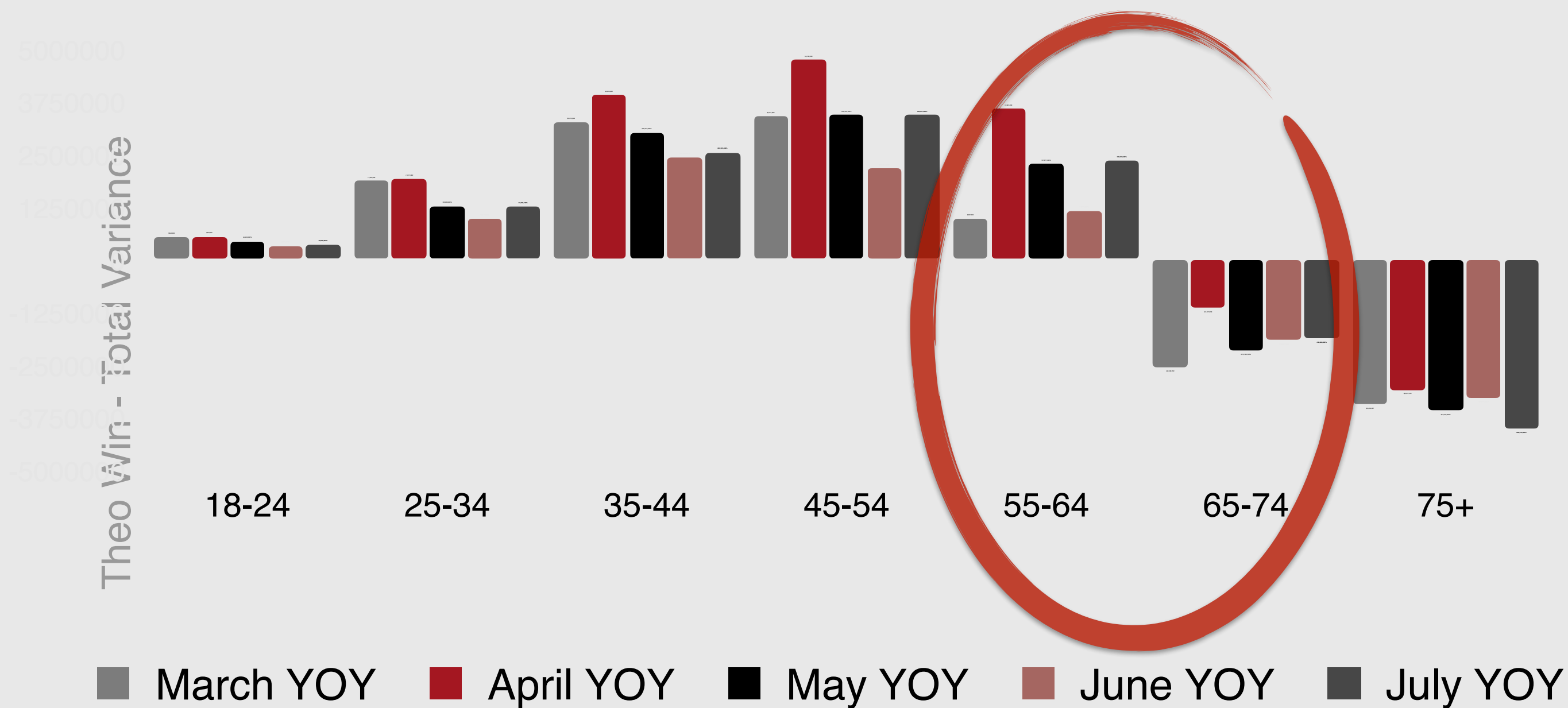
In June of 2021 players 55+ have increased to 64% of players and 68% of theo win.

Now In July of 2021 players 55+ have held steady 64% of players and remained at 68% of theo win.

As we look at **July of 2021** compared to June of 2019, players **55+** are **down \$3,500,000**. Players **under age 55** are up **\$7,600,000**.



Age

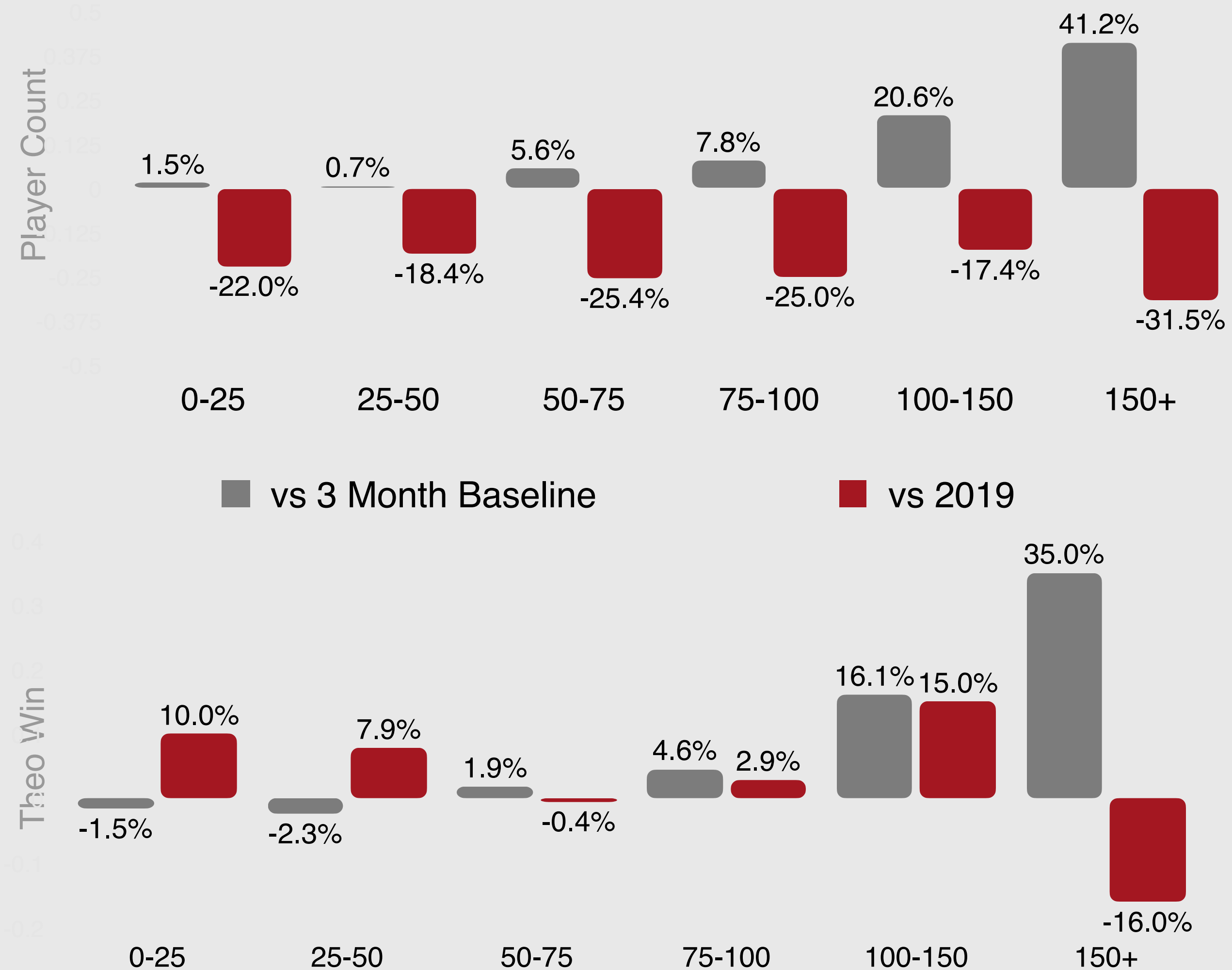


This chart graphs the variance of 2019 vs 2021 total Theo Win across the aggregated data set.

While the play from those 75+ is still lagging, July shows a stronger performance from players 55 - 64.



Distance



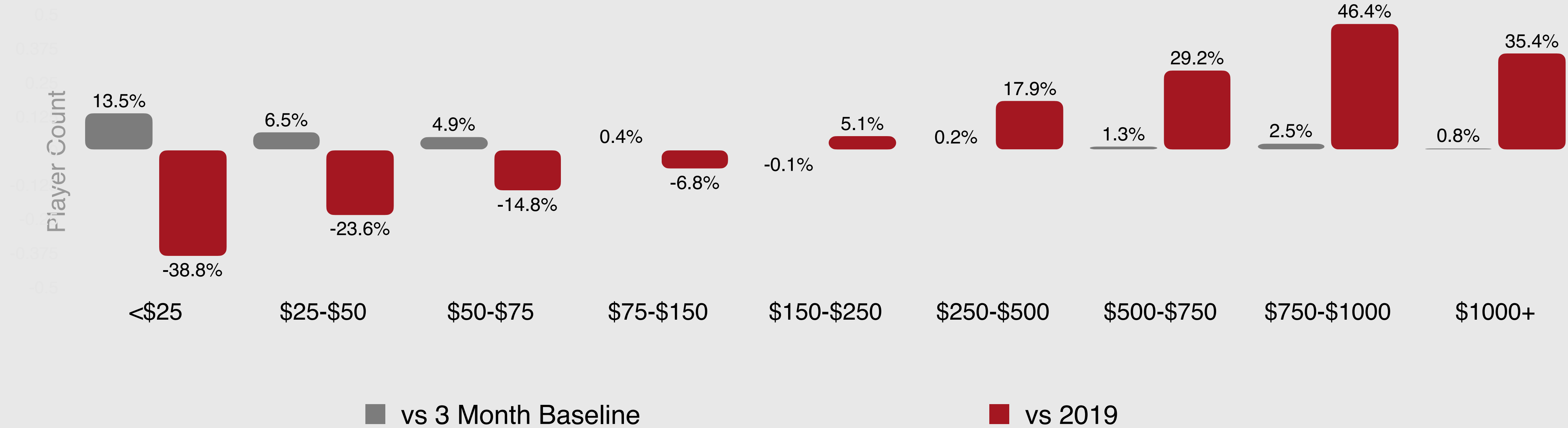
The impact to each distance range is directionally consistent within each baseline comparison.

Markets within a 50 mile radius of properties contribute 60% of the total revenue and 49% of players.

The near flat performance in these markets are allowing the significant increases in the outer market to have the overall positive effect when compared to the three month baseline.

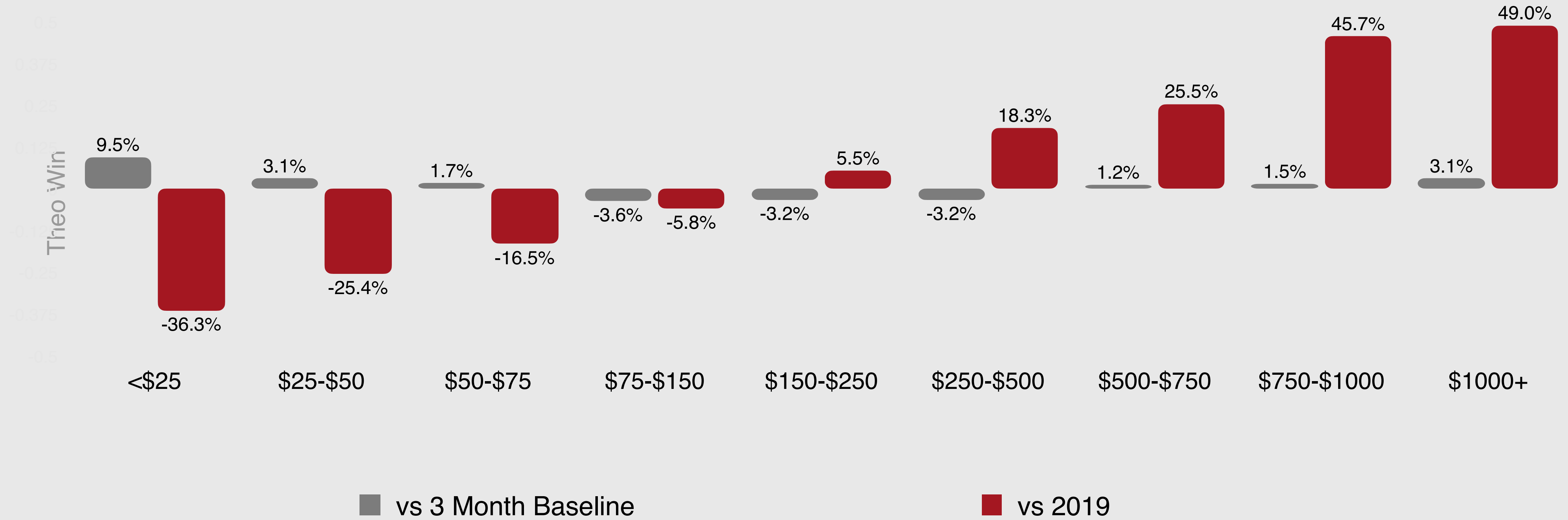


ADT



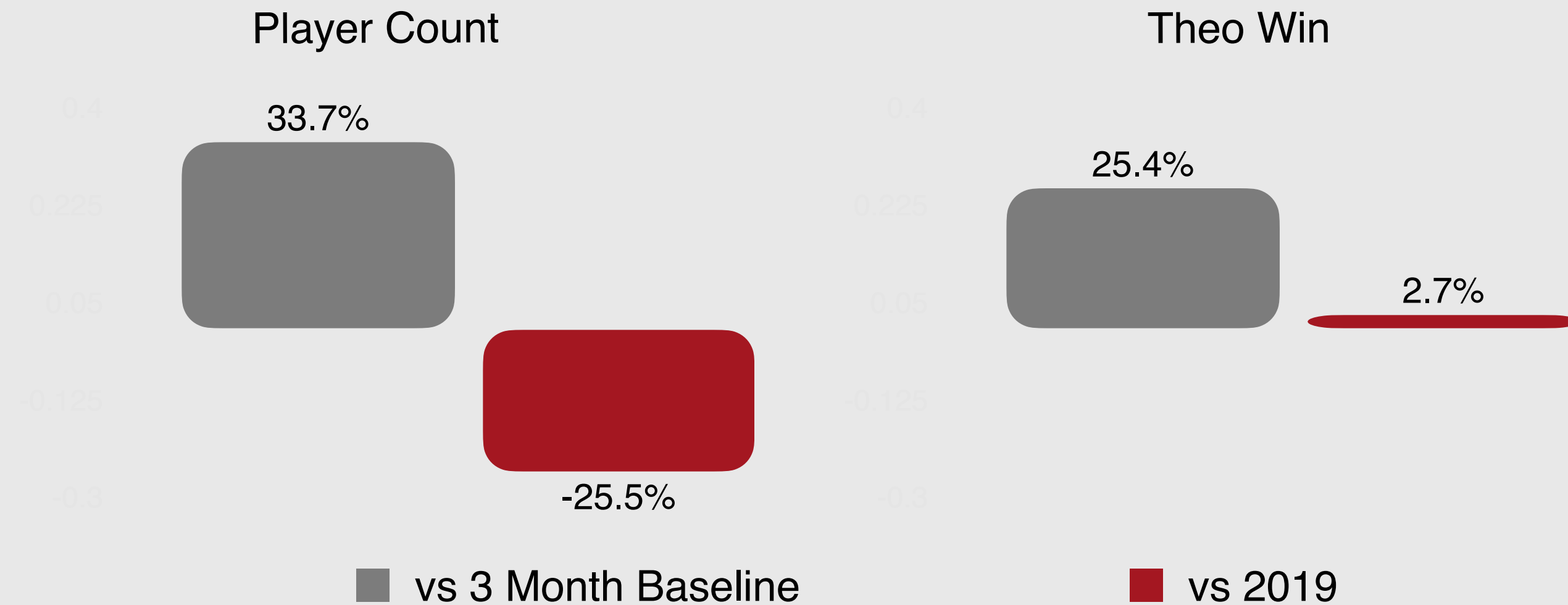


ADT





New Players



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Are new players coming into properties?

Compared the the previous few months, **New Members are Back!** Compared to 2019, by volume, we are still down substantially.

In July new players had the same ADT as the average of the last three months, \$56.

When we compare the ADT to new members in July of 2019 we still see a \$26 increase in ADT.



**With a variance range of a 24.4%
loss to a 76.3% gain in the win,
who is doing well right now?**



< or >

1,000 Machines

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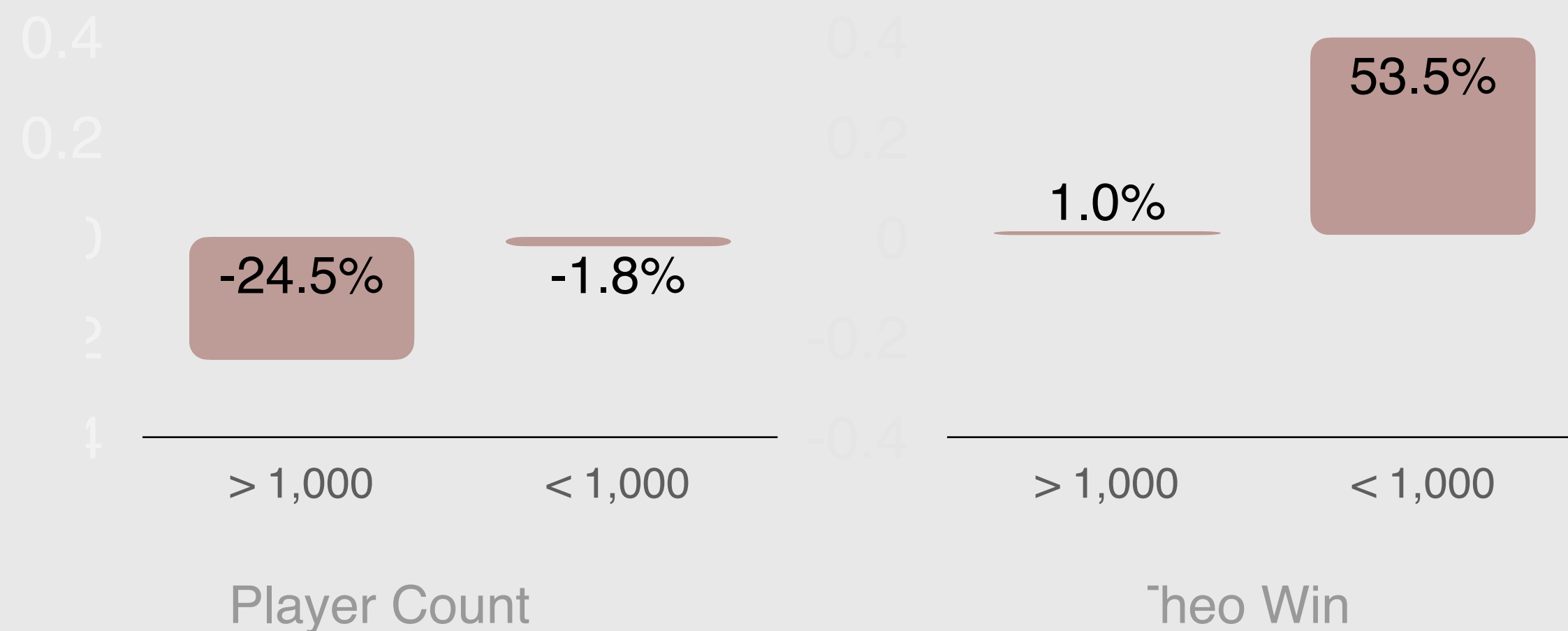
As with all casino data, there are many ways segment the information. One of the trends we discovered lead us to organizing the properties into two categories; **those with more and less than 1,000 machines.**

Machine count provides an indication or overall size and offering of a property.

Let's look at the results.



< or > 1,000 Machines



For this analysis we are using the July 2019 as the baseline for comparison.

In July 2021 properties with less than 1,000 machines continued to outperform the baseline with the **strongest gain this month of 53.5%**.

Over the last eight months properties with more than 1,000 machines have **shown volatile performance**.

December - 24.7% decline in revenue YoY

January - 1% decline

February - 21.9% decline

March - .8% decline

April - 5.4% gain for properties > 1,000 machines

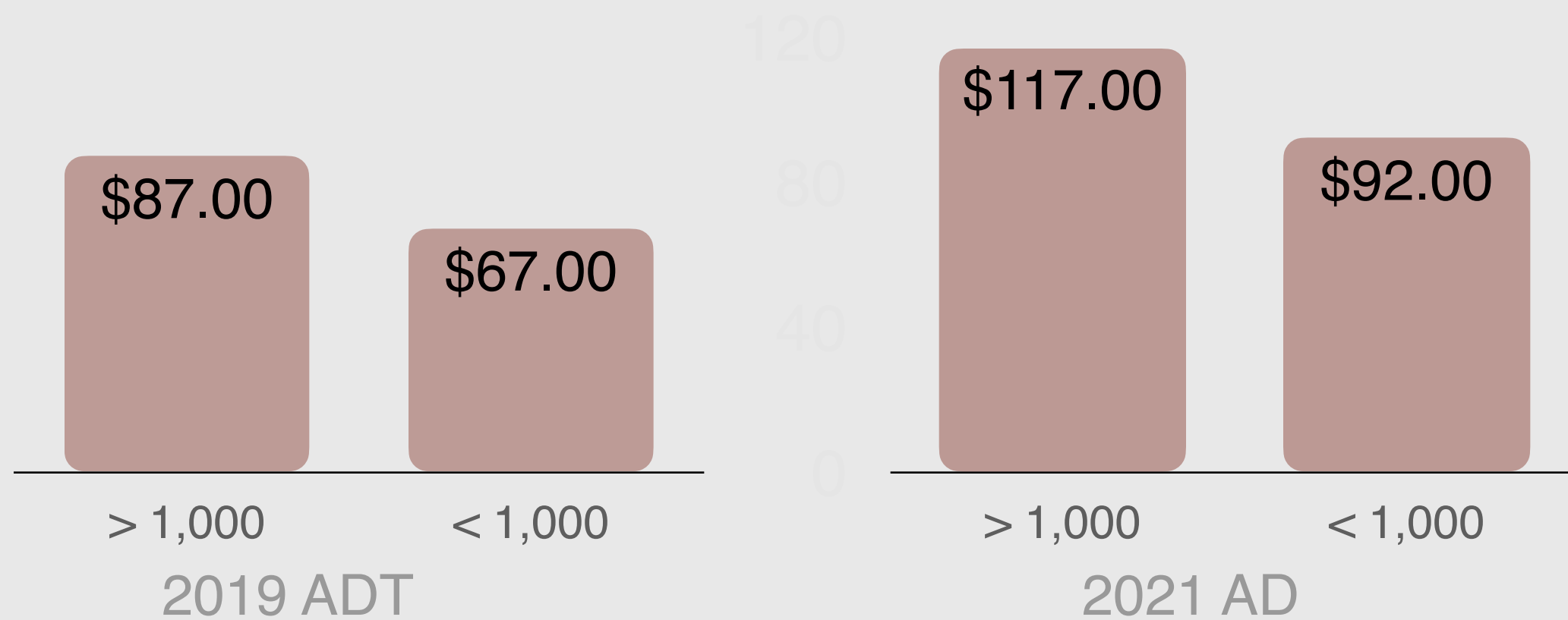
May - these properties had a 4.1% gain

June - 2% decline.

July - 1% increase



< or > 1,000 Machines ADT Spend



-

While the overall performance looks different for those over and under 1,000 machines, the average spend has a similar trend.

The ADT for properties with over 1,000 machines grew 34.4% while those properties with less than 1,000 machines are up 37.3%.

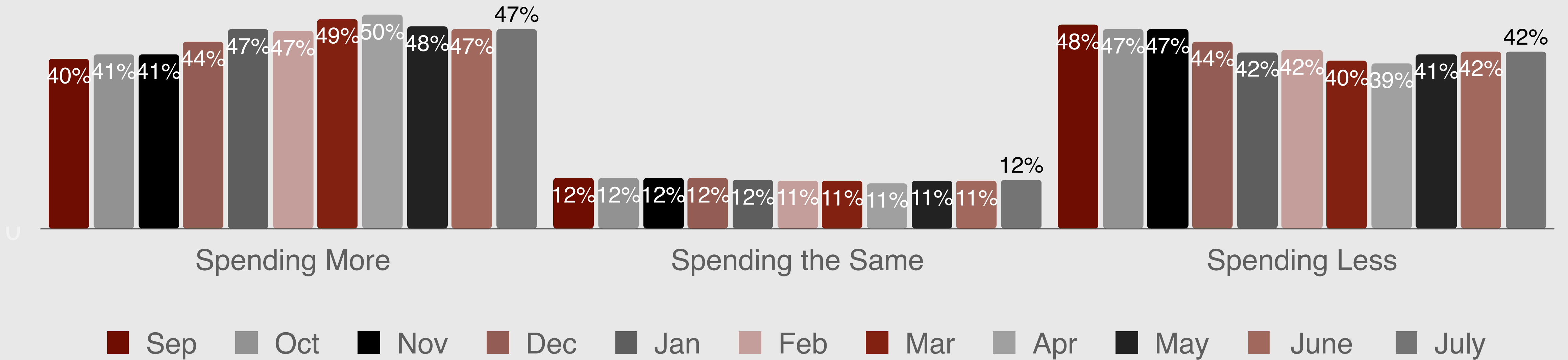


**Player Behavior, Less, more
or the same?**



Spending Patterns

1





Some Players Are Spending More

—

47.09% of players are spending more than they were in the 3-months before the shutdown. These players are currently contributing **66.83% of casino revenue.**

Short-term programs should be utilized to capitalize on this opportunity, as their behavior will likely change. **This is the largest percentage of players to have displayed an increase in spending since this report started.**

We also recognize the impact that the stimulus may have on people's behavior. If this level of play is an outlier, then it should be excluded from future analysis as it doesn't represent predictable future revenue.



Some Players Are Spending The Same

—

11.16% of players are spending the same as they were in the 3-months before the shutdown.

These players are currently contributing **12.10% of casino revenue**. The contribution from these players has remained consistent for the last 12-months.

Direct mail reinvestment levels should be closely monitored as this suggests that only **11.16% of players** are currently exhibiting their typical behavior.



Some Players Are Spending Less

—

41.76% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **21.07% of casino revenue.**


A return to pre-COVID normal will take time. Continuing to monitor and adjust will be key to maximizing revenue.



What Next?

For the first time in recent memory historical player data may **not be the best predictor** of a player's future worth. In addition, having a gap in year over year data complicates analysis.

The most recent months of 2021 have shown many significant trends. While uncertainty still exists, the players are indicating that they are returning and we should be prepared with promotions and making sure we are top of mind. We hope that the trends we are starting to see building in this report assist with planning for the future.





**Now more than ever, nothing
should be “Set it and forget it.”**



Look for this Red Circle player behavior study each month. Adjust your business practices as each report reveals new trends.



Red Circle's Mission & Purpose

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We want to advantage our clients in the marketplace, to help them make **data-driven decisions that are more efficient, more effective.**

- ▶ Casino-experienced staff
- ▶ Proprietary casino marketing software systems



Red Circle, Built To Deliver Value

—
Casino-only, full-service creative + media specialists, 9 former in-casino marketing staff in full-time positions

Unique value-driving casino marketing technology

Celebrating our 20th Anniversary

50 people, offices in Minneapolis, MN,

125+ casinos

Native-owned

CHAD GERMANN

**FOUNDER
OWNER / CEO**

—

MILLE LACS
BAND OF
OJIBWE

—

CASINO
MARKETING
DIRECTOR
4 YRS

—

CASINO
MARKETING
25 YRS

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Thank You

