



RED
CIRCLE

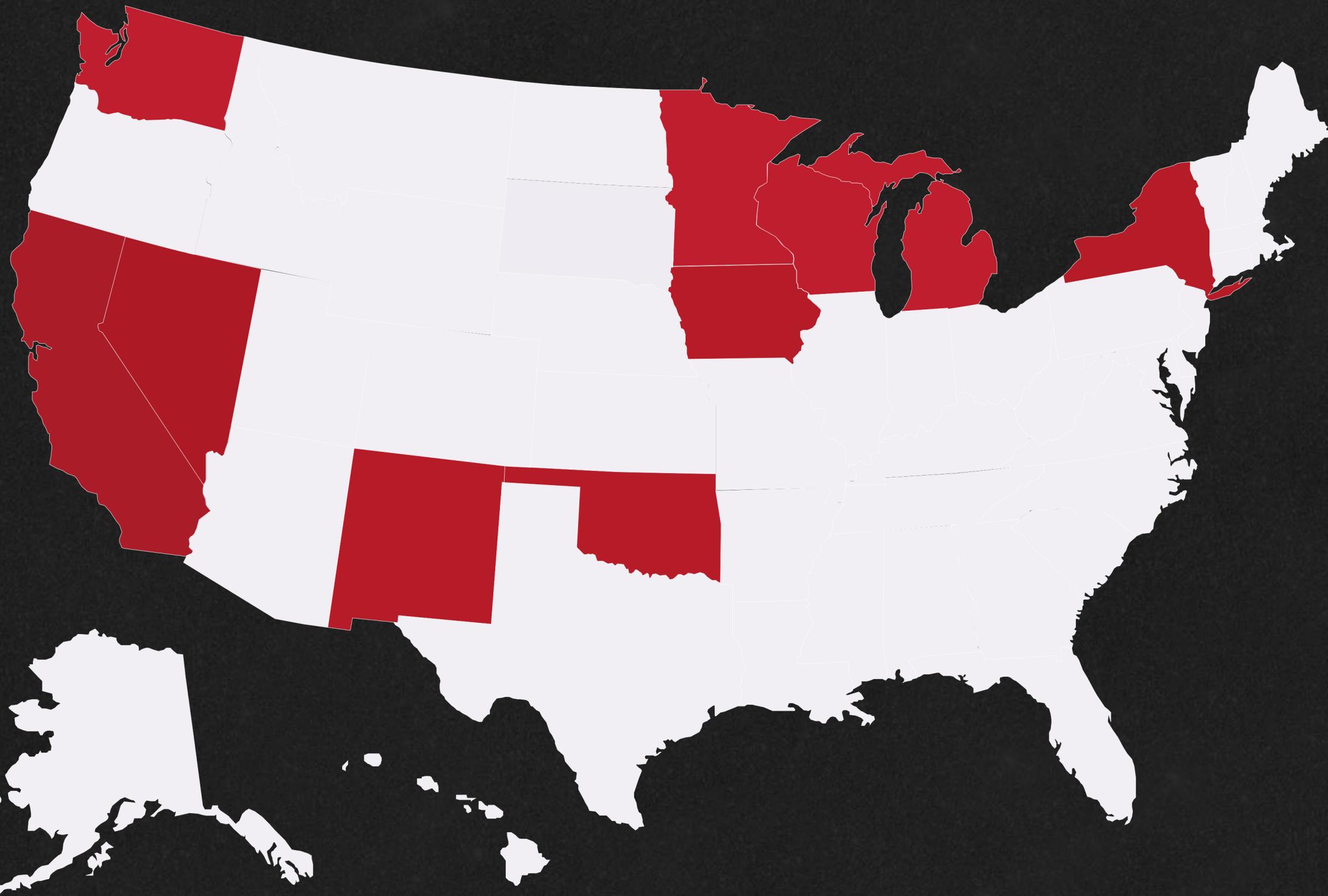
CV-19 Casino Player Behavior Study

Data Sample: September 1 - 30, 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
- ▶ 287,300 Players
- ▶ 757,000 Visits
- ▶ \$84,100,000 Theo Win



Definitions:

Baseline 1: September 1 - 30, 2019

Baseline 2: Average performance of June - August, 2021



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 **September of 2021** to **September of 2019**, we saw a **loss of 26.0% in players** and a **decrease of 4.4% 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 **2.3% decrease in players** and **4.1% decrease in theo win**.

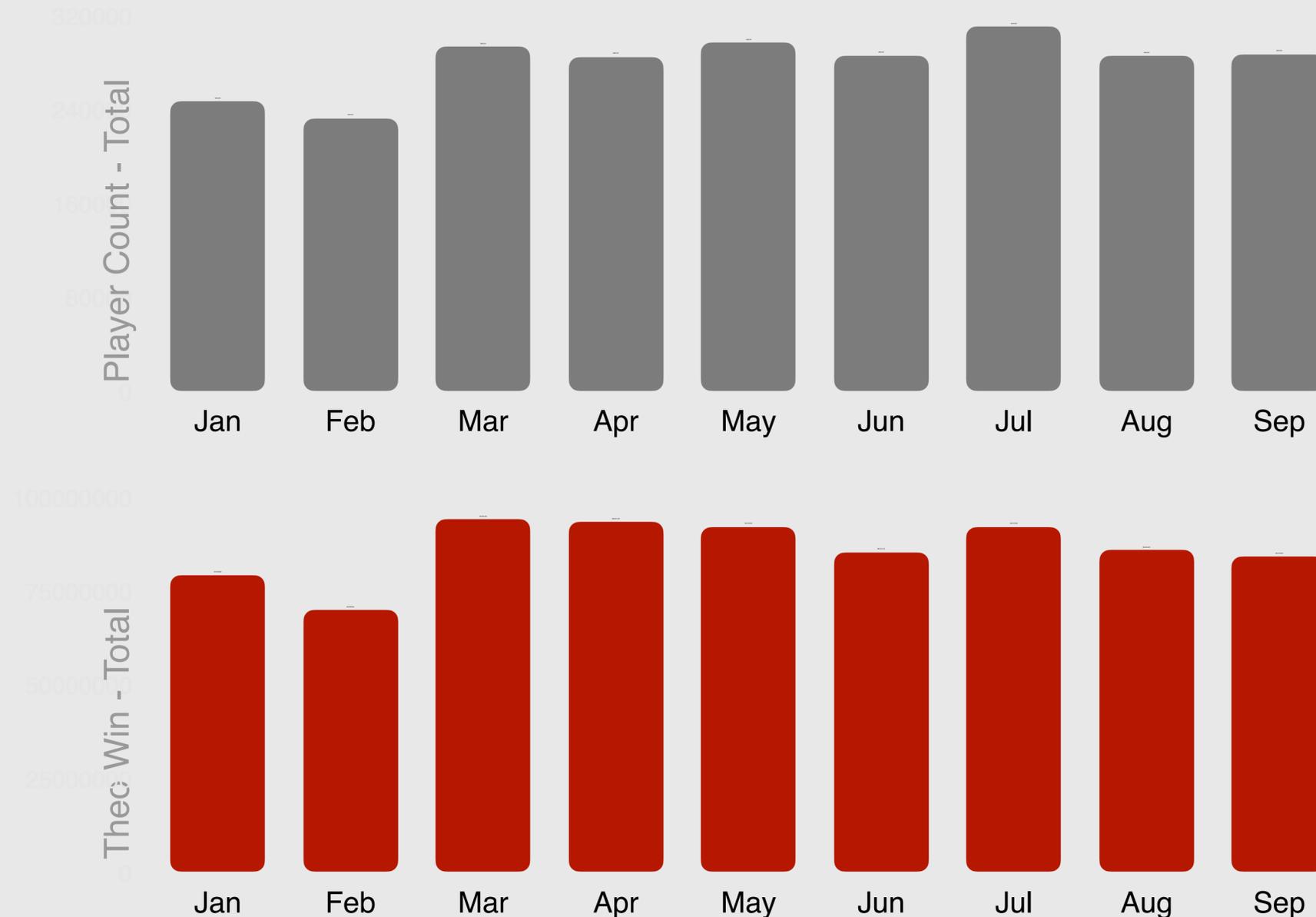
September is the first month that the players who are spending less have out paced the players who are spending more.



Player analysis, demographics and revenue impact



2021 Totals Trend



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

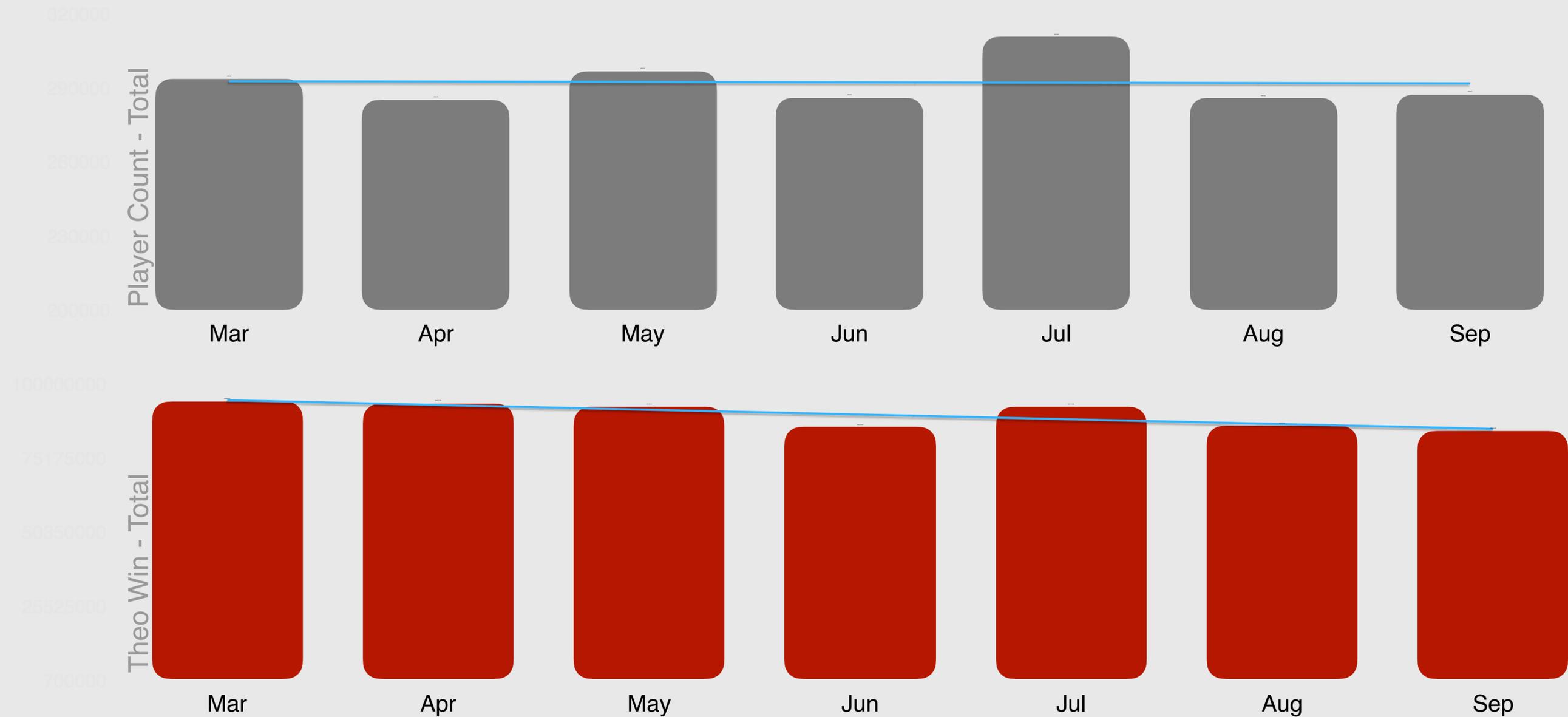
Both indicators show a positive trend starting in March and then a bit of a plateau.

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

As we transition to September performance, we see numbers that are very comparable to June and August.

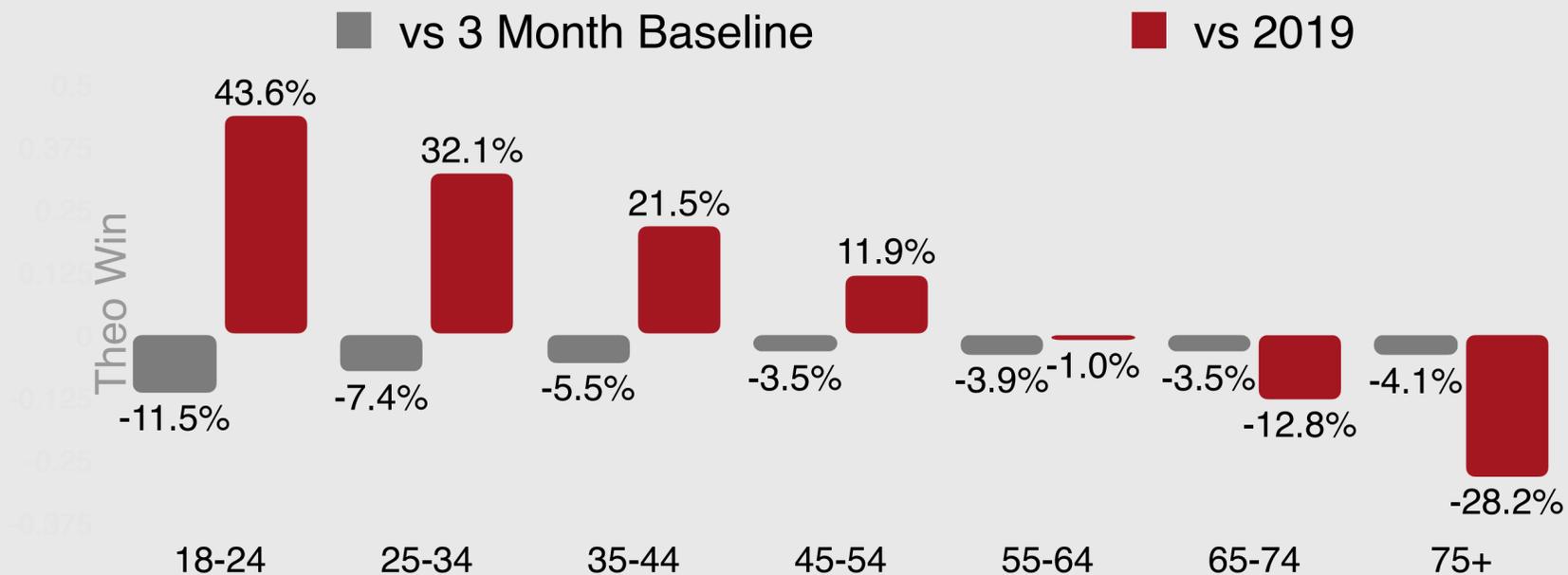
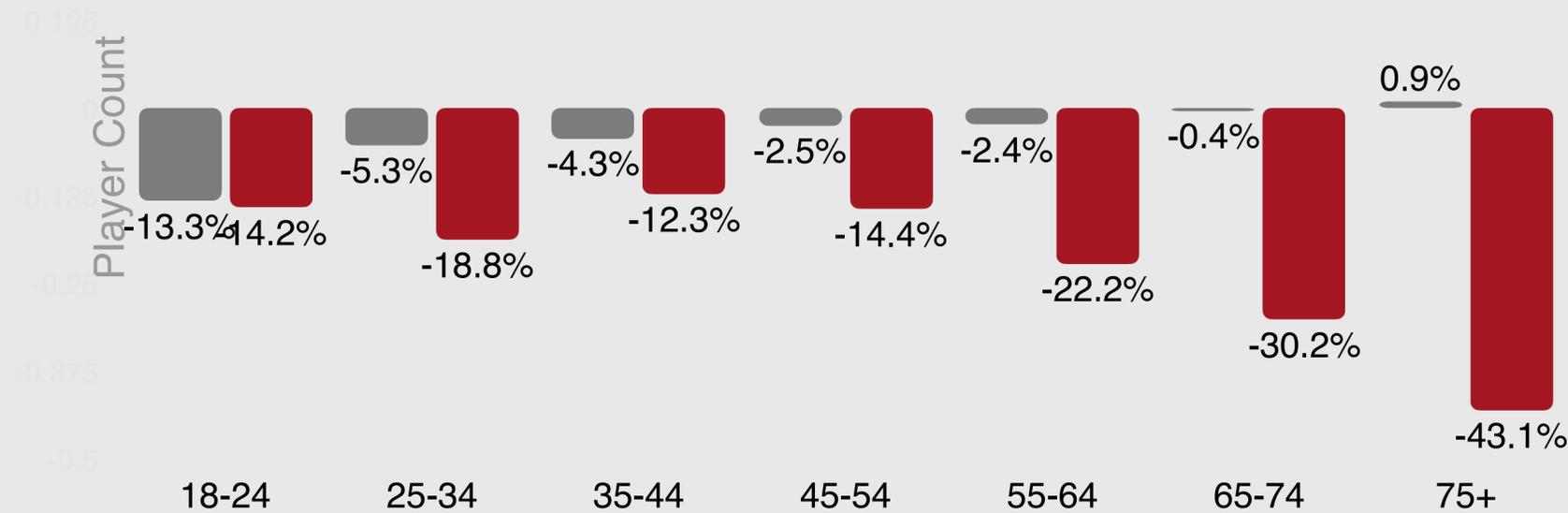


2021 Totals Trend - A Closer Look





Age



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

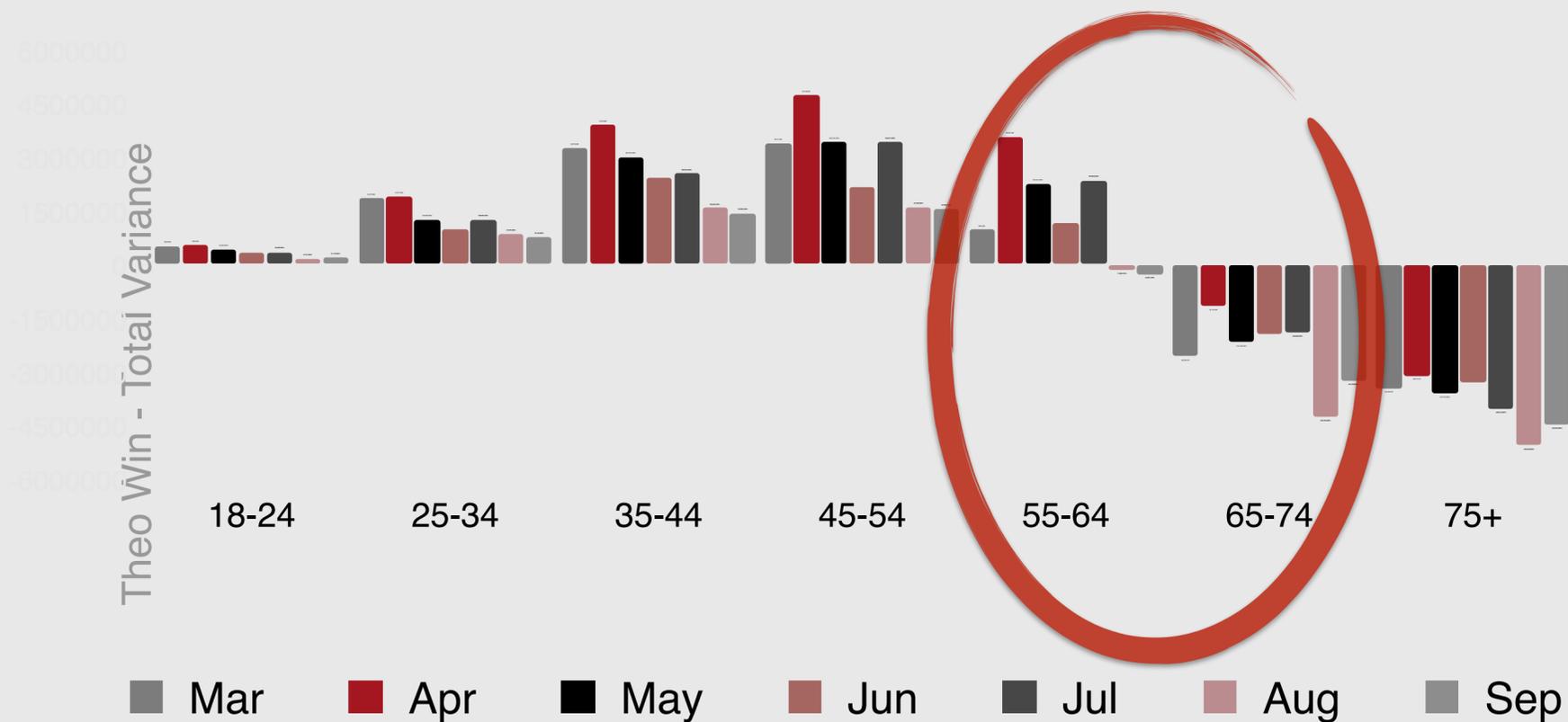
In July of 2021 players 55+ held steady 64% of players and remained at 68% of the win.

In August of 2021 players 55+ held steady 63.2% of players and remained at 67.7% of the win.

As we look at **September of 2021** compared to September of 2019, players **55+** are **down \$7,900,000**. Players **under age 55** are up **\$4,000,000**.



Age

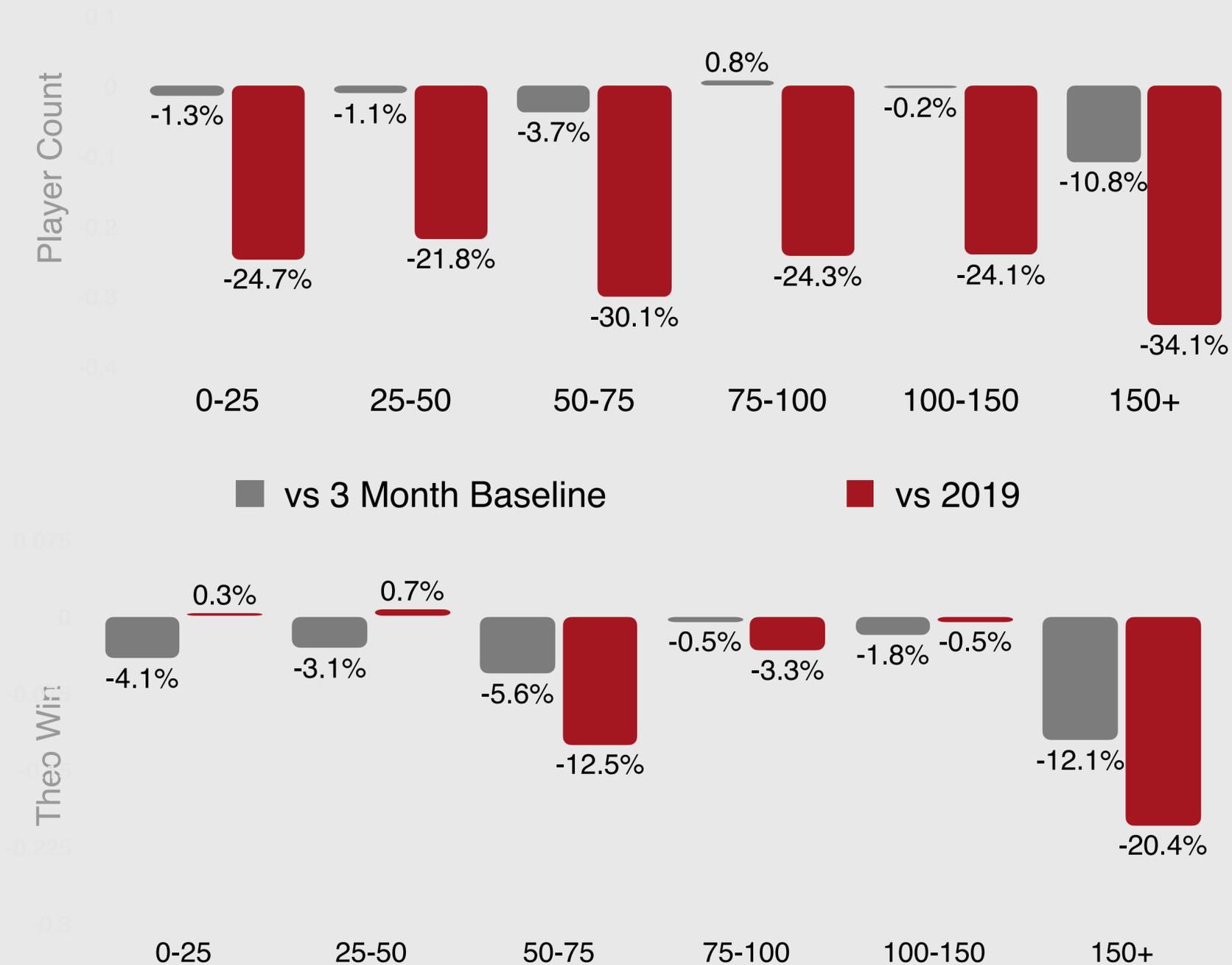


This chart graphs the variance of 2019 vs 2021 total theo win across the aggregated data set.

This is the second month that we see a decline in the 55-64 age range. In addition we see a continued significant decline in total spending from the 65+ age group.



Distance

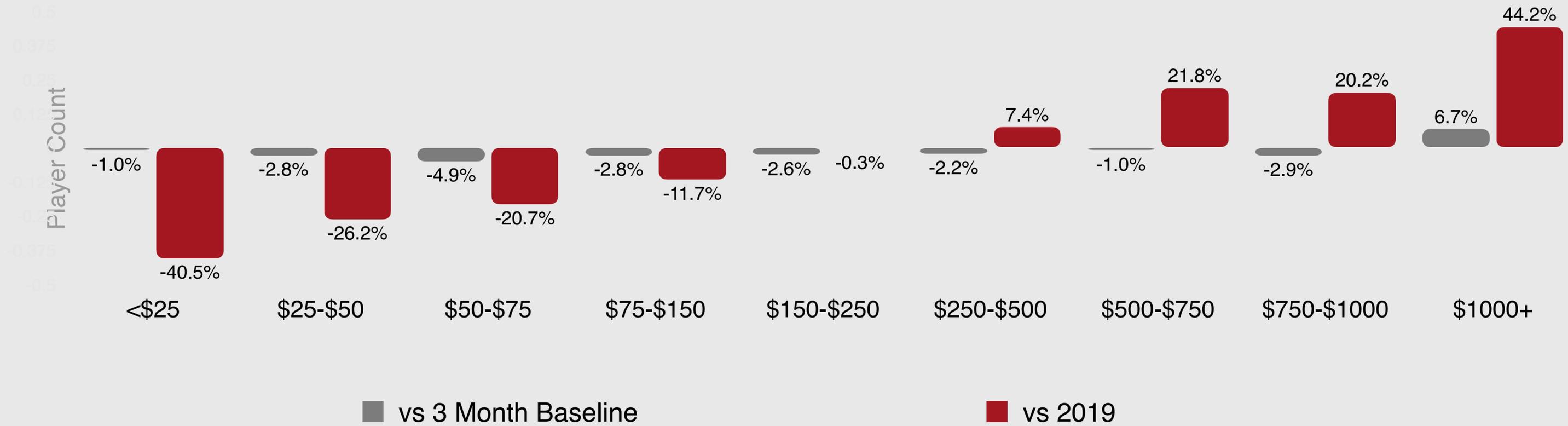


Markets within a 50 mile radius of properties contribute 58% of the total revenue and 50% of players.

When comparing September 2019 to 2021, the 26.0% decline in players only produced a 4.4% decline in the win. Please note, this does not mean that the 26% of players are only worth 4.4% of the win, that conclusion would require additional research at the property level.

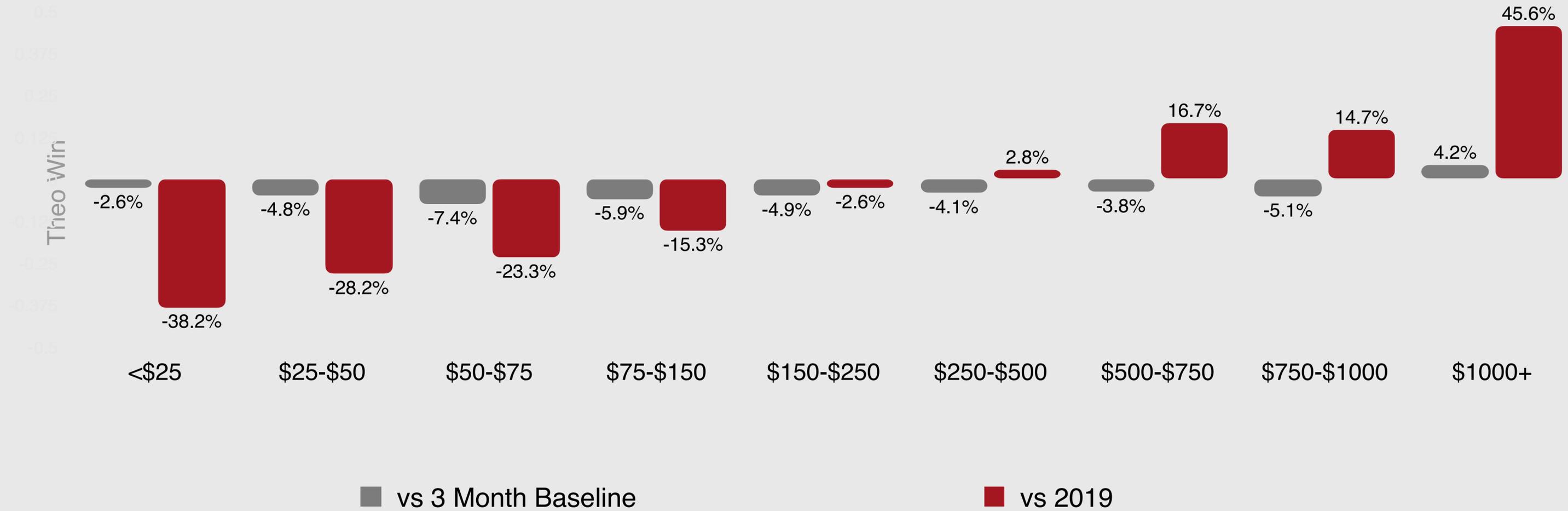


ADT





ADT





New Players



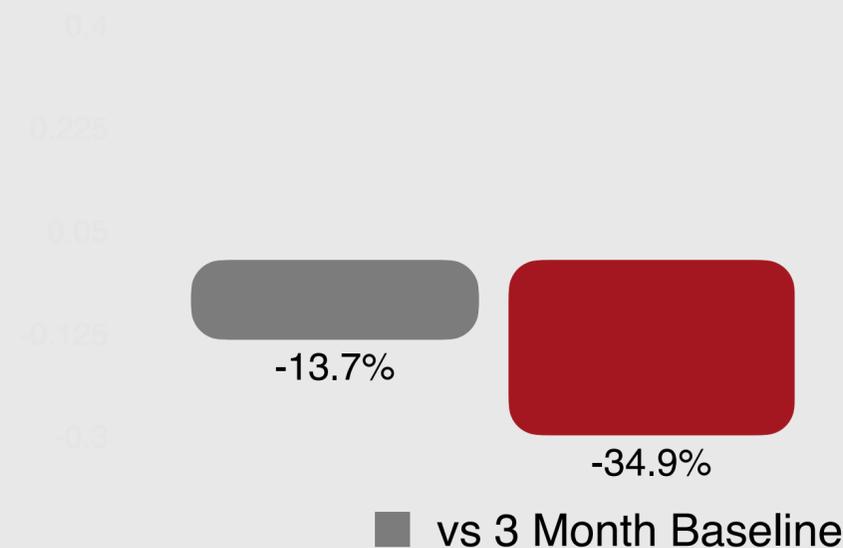
Are new players coming into properties?

Compared to the previous few months, **new members are down.** The last 3 months represent summer travel season of June, July, August and the decline is reflective of natural seasonality. Compared to 2019, by volume, we are still down substantially.

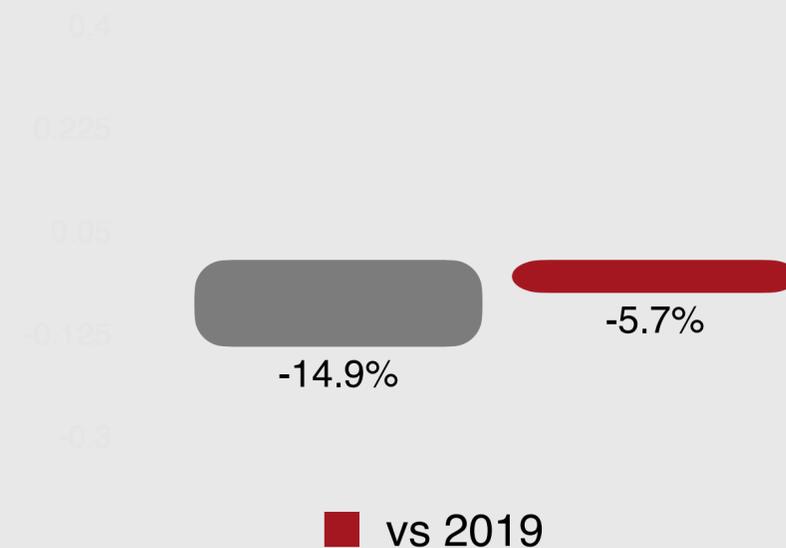
In September new players had the same ADT as the average of the last three months, \$58.

When we compare the ADT to new members in August of 2019 we still see a \$18 increase in ADT.

Player Count



Theo Win





**With a variance range of a 40.0%
loss to a 57.0% gain in theo win,
who is doing well right now?**



< or >

1,000 Machines

—

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 September 2019 as the baseline for comparison.

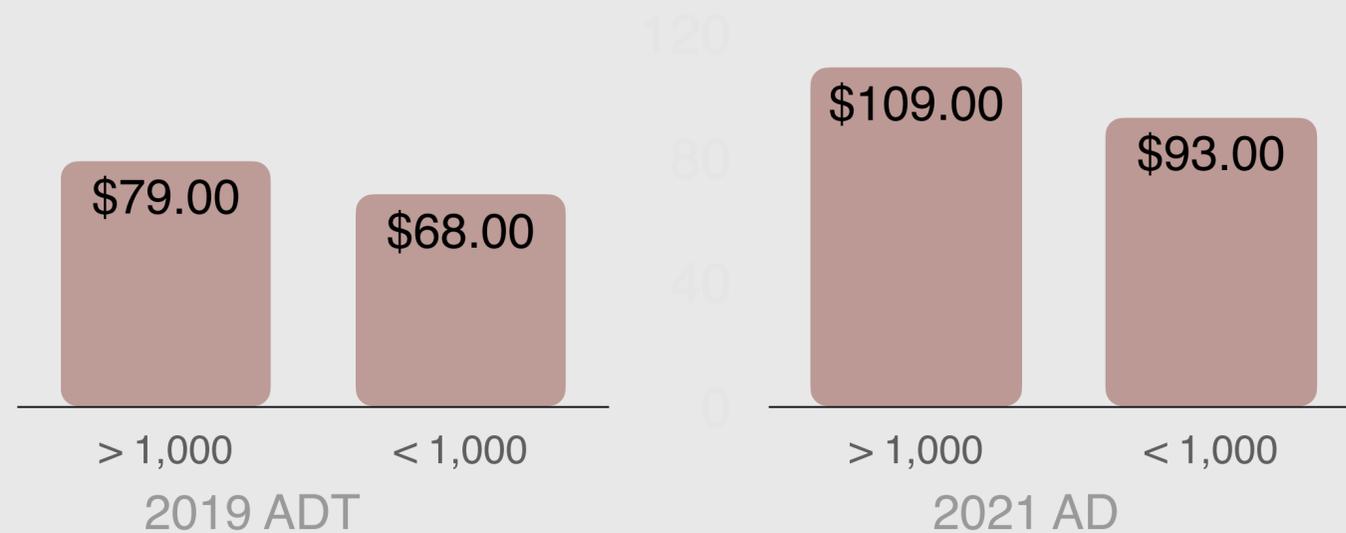
In September 2021 properties with less than 1,000 machines continued to outperform the baseline with a gain this month of 34.6% in theo win.

Over the last ten months properties with more than 1,000 machines have shown volatile performance in theo win.

- December 24.7% decline in revenue YoY
- January 1% decline
- February 21.9% decline
- March .8% decline
- April 5.4% gain
- May 4.1% gain
- June 2% decline
- July 1% gain
- August 10.1% decline
- September 10.4% decline



< or > 1,000 Machines ADT Spend



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

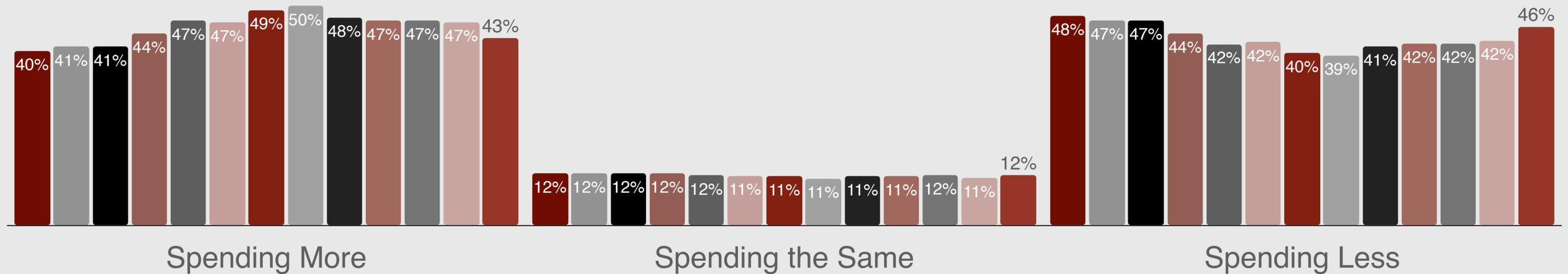
The ADT for properties with over 1,000 machines grew 38.4% while those properties with less than 1,000 machines are up 36.7%.



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



Spending Patterns



■ Sep ■ Oct ■ Nov ■ Dec ■ Jan ■ Feb ■ Mar ■ Apr ■ May ■ Jun ■ Jul ■ Aug ■ Sep



Some Players Are Spending More

—

42.9% of players are spending more than they were in the 3-months before the shutdown. These players are currently contributing **67.2% of casino revenue**. September is the first month we see a decline in players spending more and an increase in players spending less.

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 shown a decrease in spending since this report started.**

We also recognize the impact that the stimulus may have on peoples 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

—
11.5% of players are spending the same as they were in the 3-months before the shutdown.

These players are currently contributing **11.6% 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 **11.5% of players** are currently exhibiting their typical behavior.



Some Players Are Spending Less

—

45.5% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **21.1% 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, players 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

—

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

