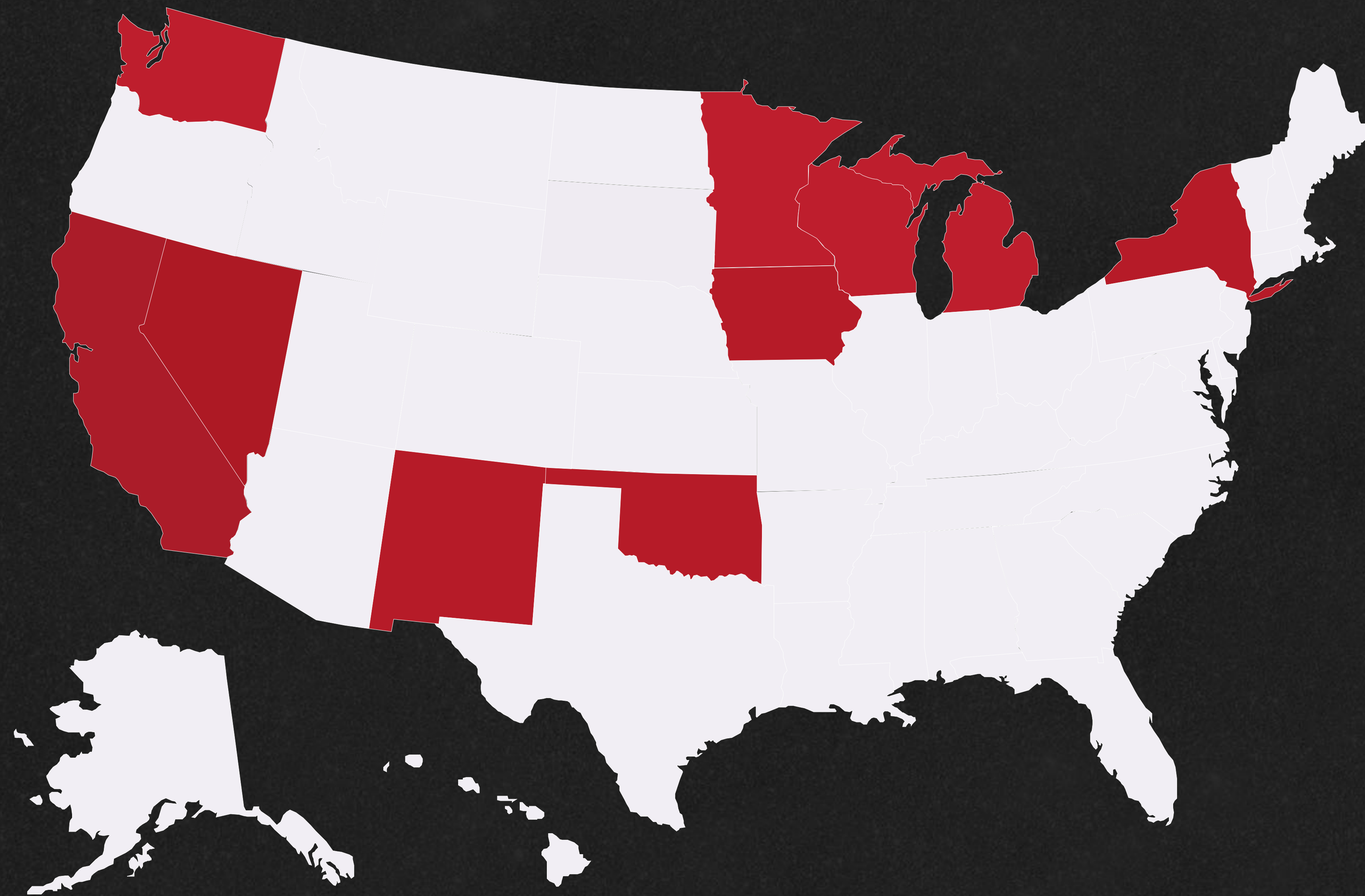RED
CIRCLE

CV-19 Casino Player Behavior Study

Data Sample: October 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

‣286,400 Players

‣760,000 Visits

‣$85,400,000 Theo Win

Definitions:

Baseline 1: October 1 - 31, 2019

Baseline 2: Average performance of July - September, 2021

Executive Summary

Over the past several months we have been comparing year over year data. 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 **October of 2021** to **October of 2019**, we saw a **loss of 23.4% in players** and an **increase of 1.3% in theo win.**
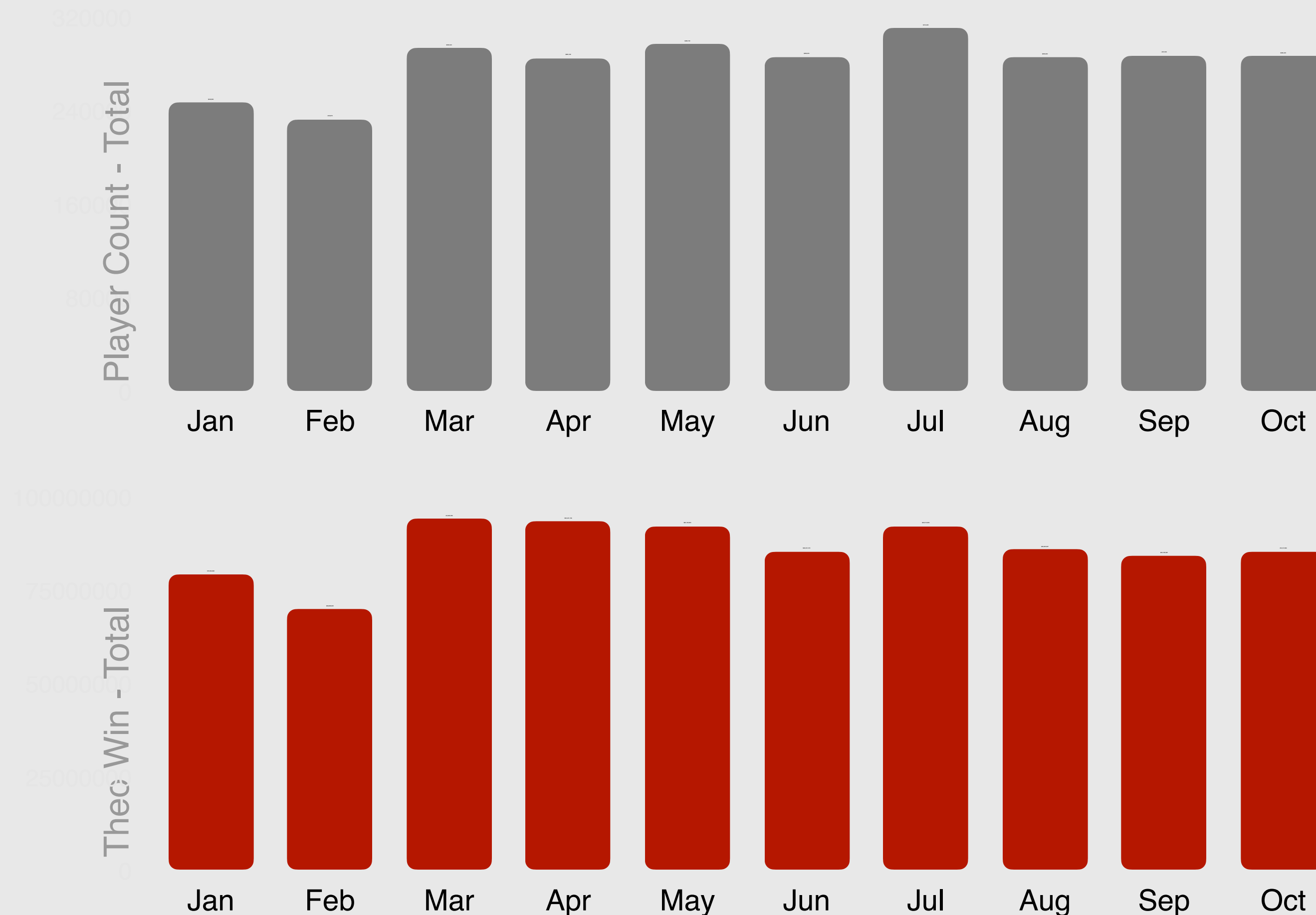
We also created a baseline using the average of the last three operating months, and based on that comparison we see a **2.7% decrease in players** and **2.3% decrease in theo win.**

Player analysis, demographics and revenue impact

2021 Totals Trend

Looking at the total player count and theo win from the first ten months of 2021.
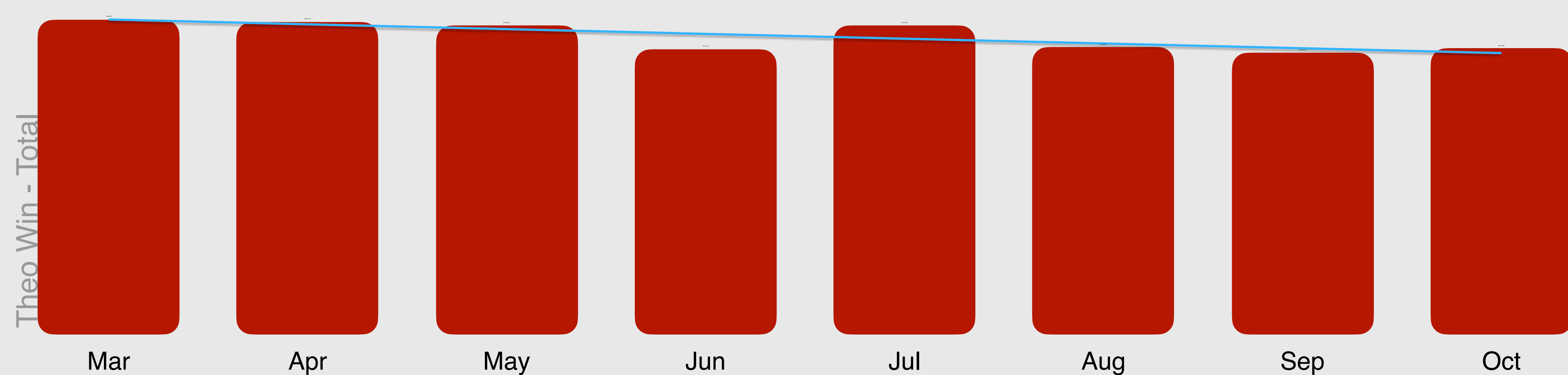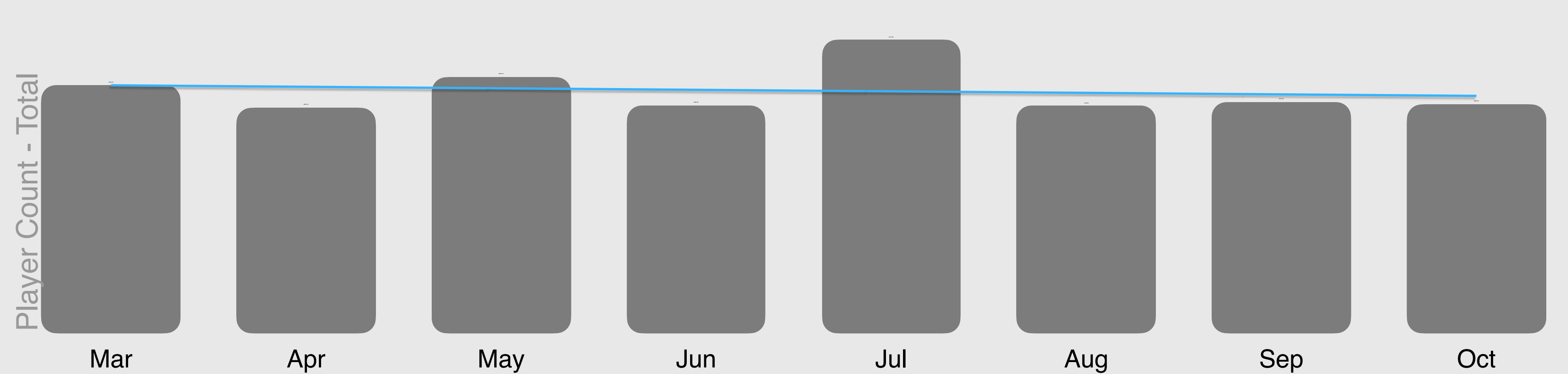
Both indicators show a positive trend starting in March and then a bit of a plateau.

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

As we transition to October performance, we have numbers that are very comparable to June, August, and September.
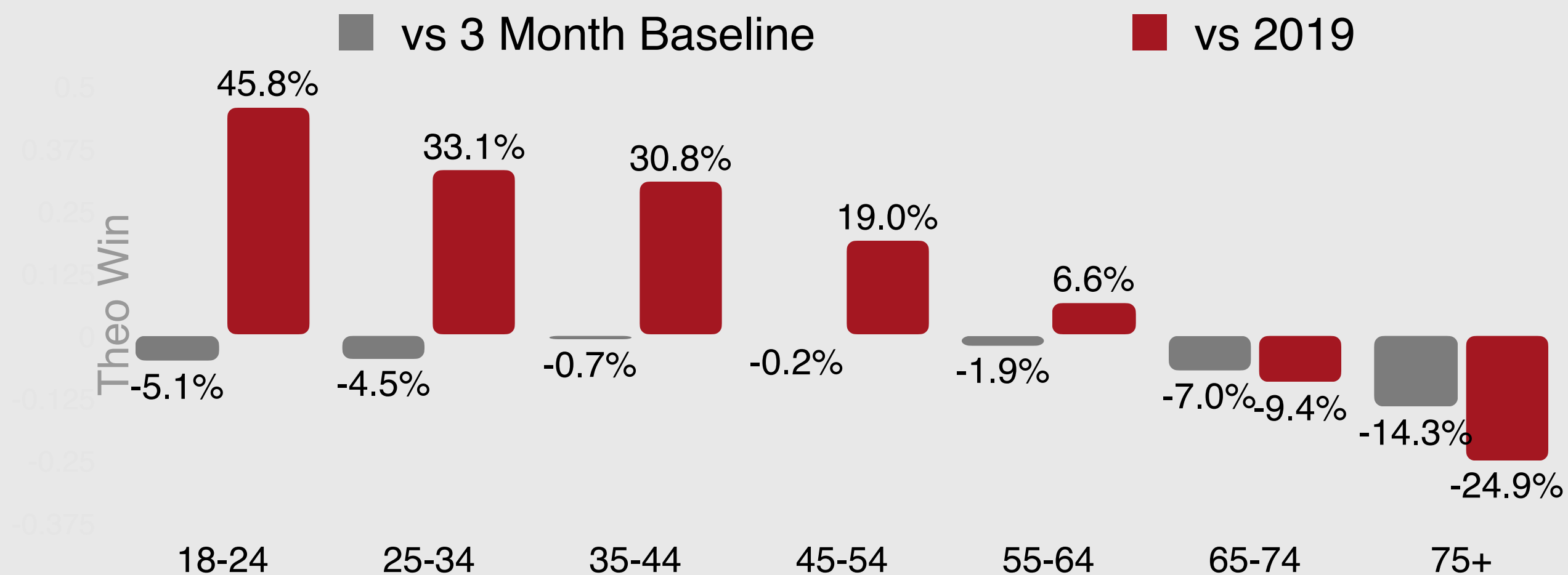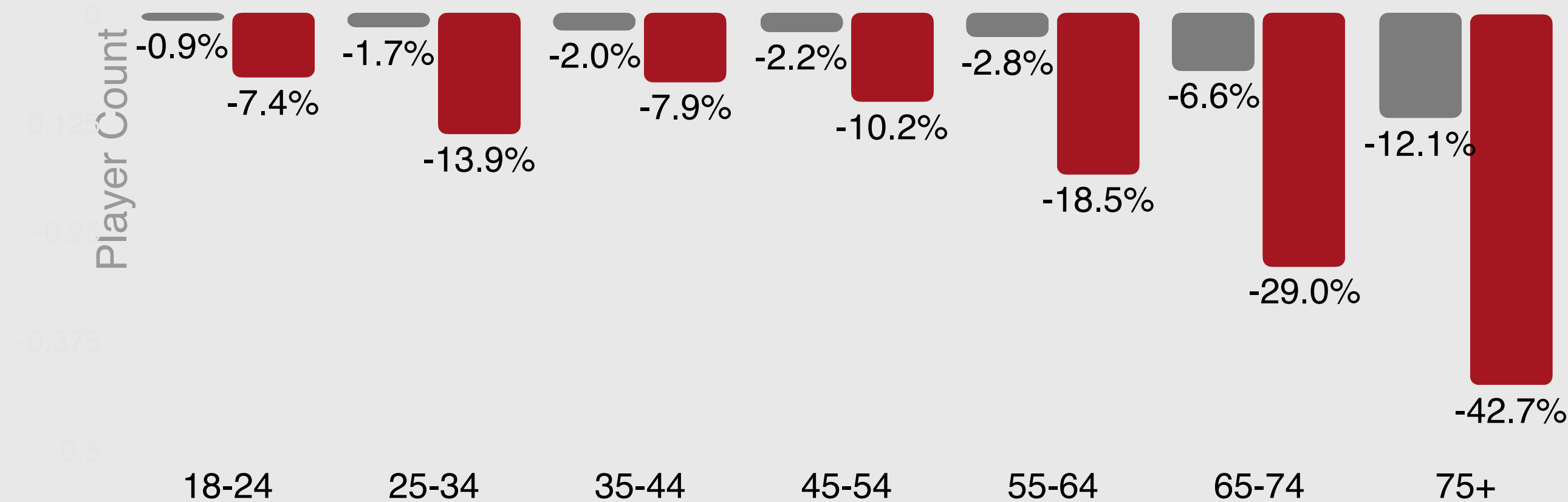
2021 Totals Trend - A Closer Look

Age

Player Count

Age	vs 3 Month Baseline	vs 2019
18-24	-0.9%	-7.4%
25-34	-1.7%	-13.9%
35-44	-2.0%	-7.9%
45-54	-2.2%	-10.2%
55-64	-2.8%	-18.5%
65-74	-6.6%	-29.0%
75+	-12.1%	-42.7%

■ vs 3 Month Baseline   ■ vs 2019

Theo Win

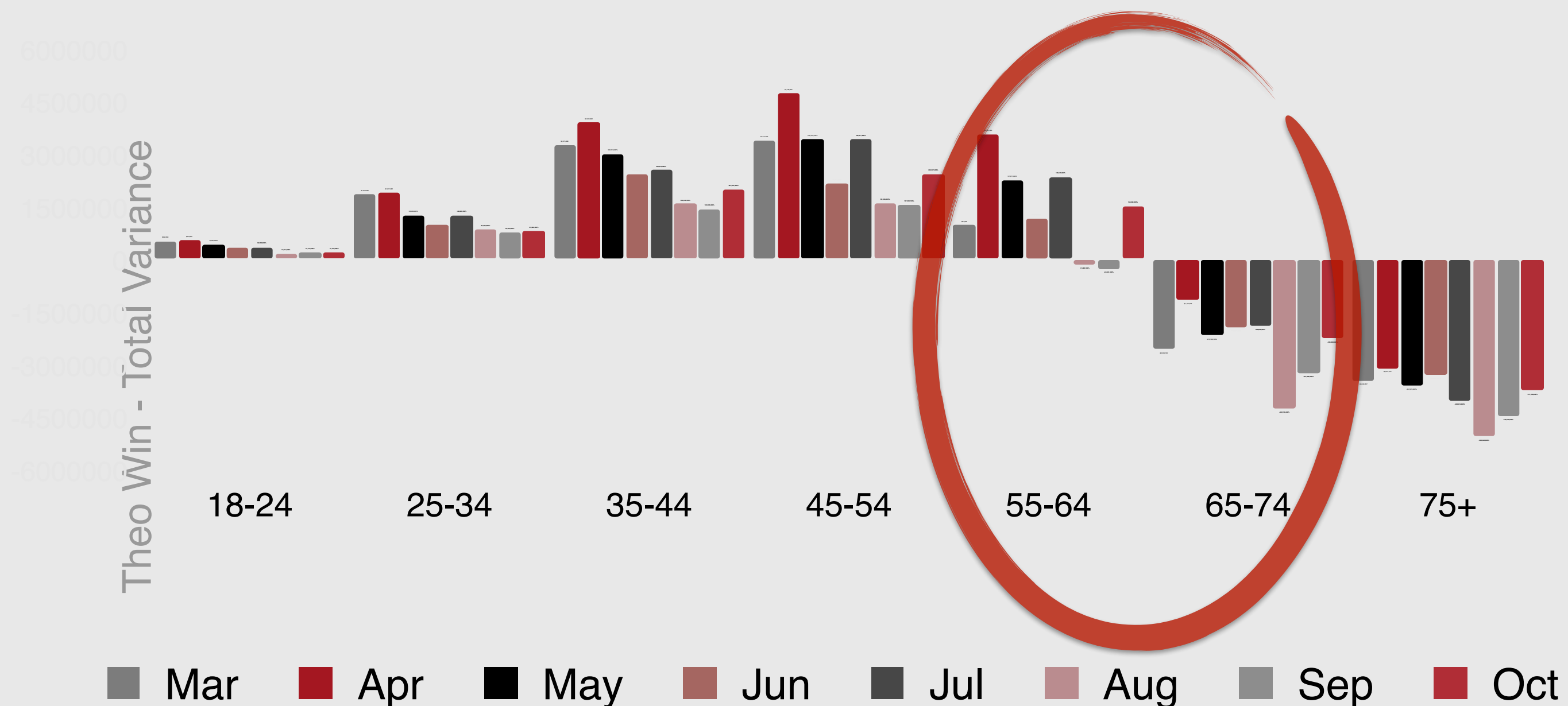| Age	vs 3 Month Baseline	vs 2019
18-24	-5.1%	45.8%
25-34	-4.5%	33.1%
35-44	-0.7%	30.8%
45-54	-0.2%	19.0%
55-64	-1.9%	6.6%
65-74	-7.0%	-9.4%
75+	-14.3%	-24.9%

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

In **September of 2021** compared to September of 2019, players **55+** are **down $7,900,000**. Players **under age 55** are up **$4,000,000**.

As we look at **October of 2021** compared to October of 2019, players 55+ are **down $4,400,000**. Players **under age 55** are **up $5,400,000**.

Age

Theo Win - Total Variance

| | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65-74 | 75+ |

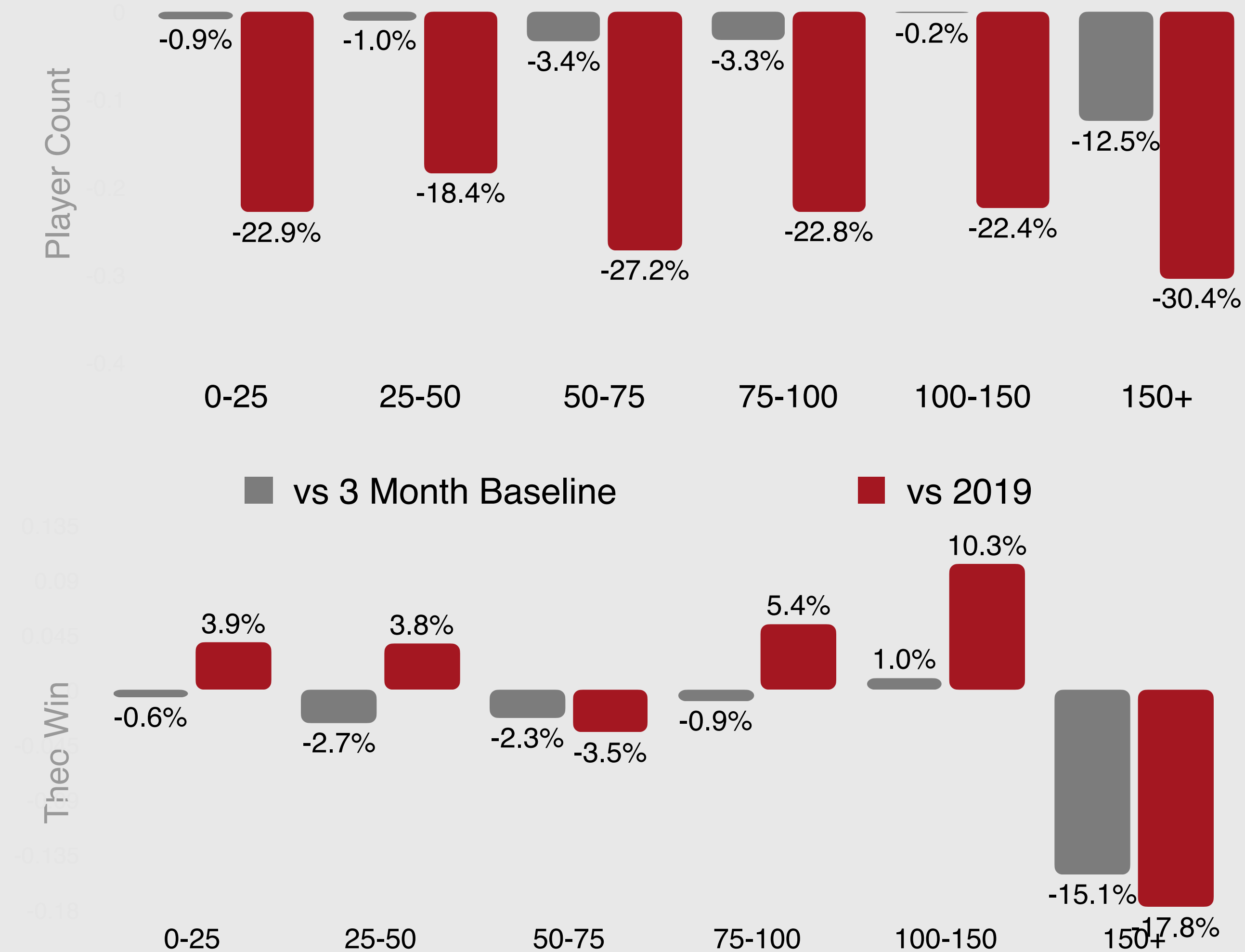Mar · Apr · May · Jun · Jul · Aug · Sep · Oct

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

While the 18-24 age group has a 45.8% increase since 2019, this graph shows that in terms of total revenue, this age group is still a minimal contribution.

After two months of decline in the 55-64 age group, October shows a significant increase. The decline in the 65+ age group continues.

Distance

Player Count

	0-25	25-50	50-75	75-100	100-150	150+
vs 3 Month Baseline	-0.9%	-1.0%	-3.4%	-3.3%	-0.2%	-12.5%
vs 2019	-22.9%	-18.4%	-27.2%	-22.8%	-22.4%	-30.4%

■ vs 3 Month Baseline   ■ vs 2019

Theo Win

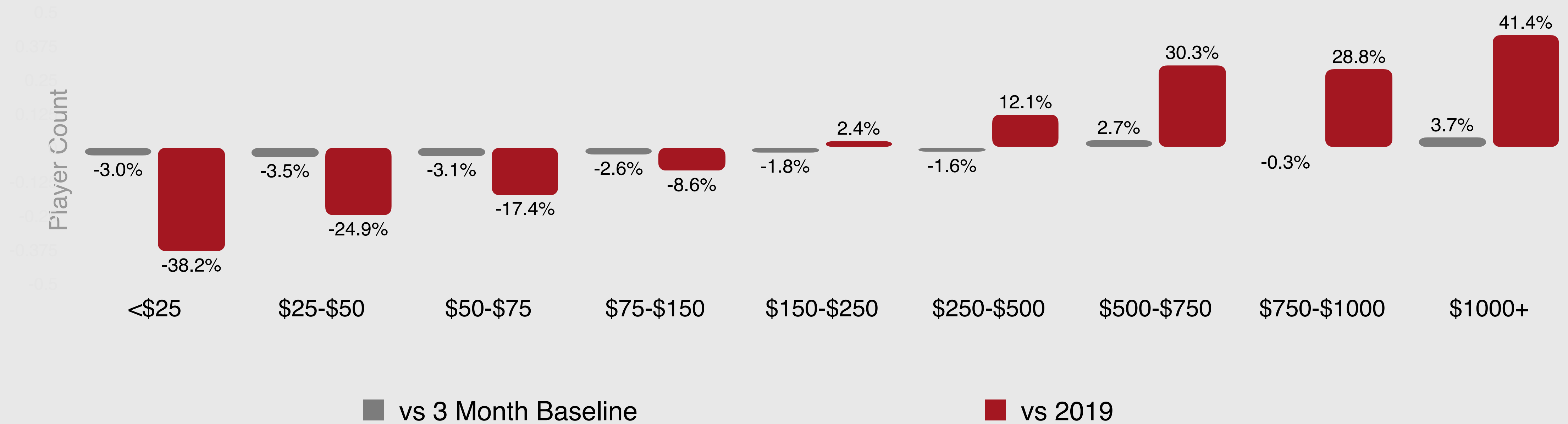|	0-25	25-50	50-75	75-100	100-150	150+
vs 3 Month Baseline	-0.6%	-2.7%	-2.3%	-0.9%	1.0%	-15.1%
vs 2019	3.9%	3.8%	-3.5%	5.4%	10.3%	-17.8%

Markets within a 50 mile radius of properties contribute 59% of the total revenue and 51% of players.

When comparing October 2019 to 2021, the 23.4% decline in players produced a **1.3% increase in theo win.** This last year has continued to reinforce the idea **that quality is greater than quantity when is comes to players on your casino floor.**
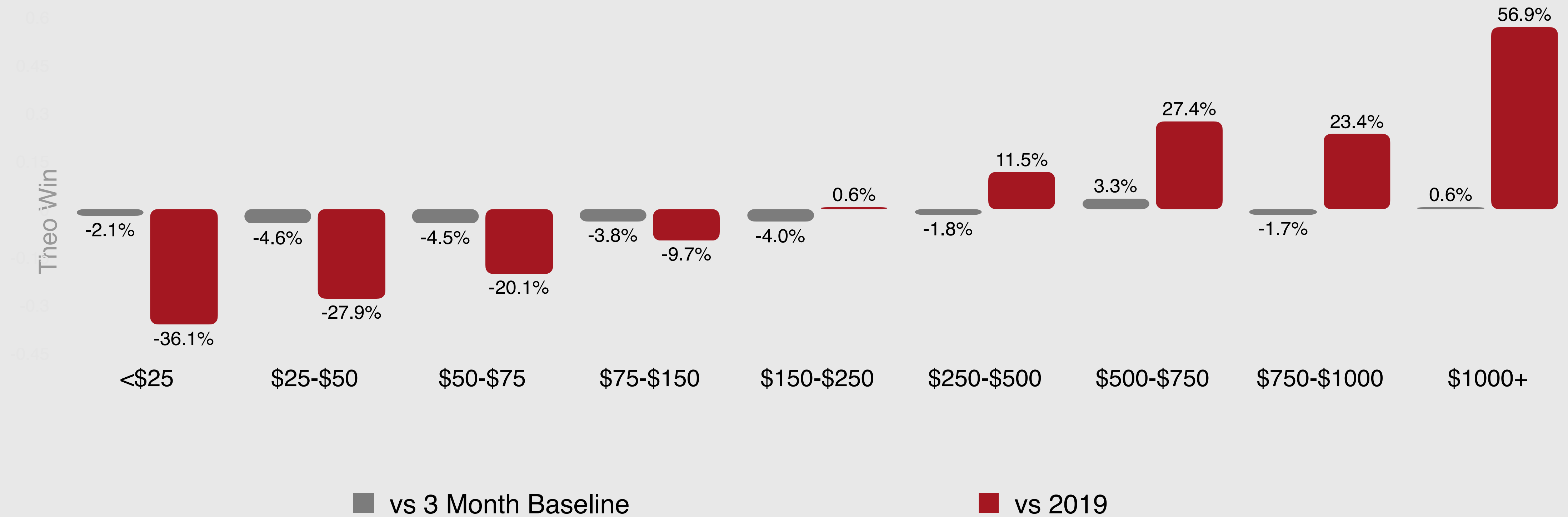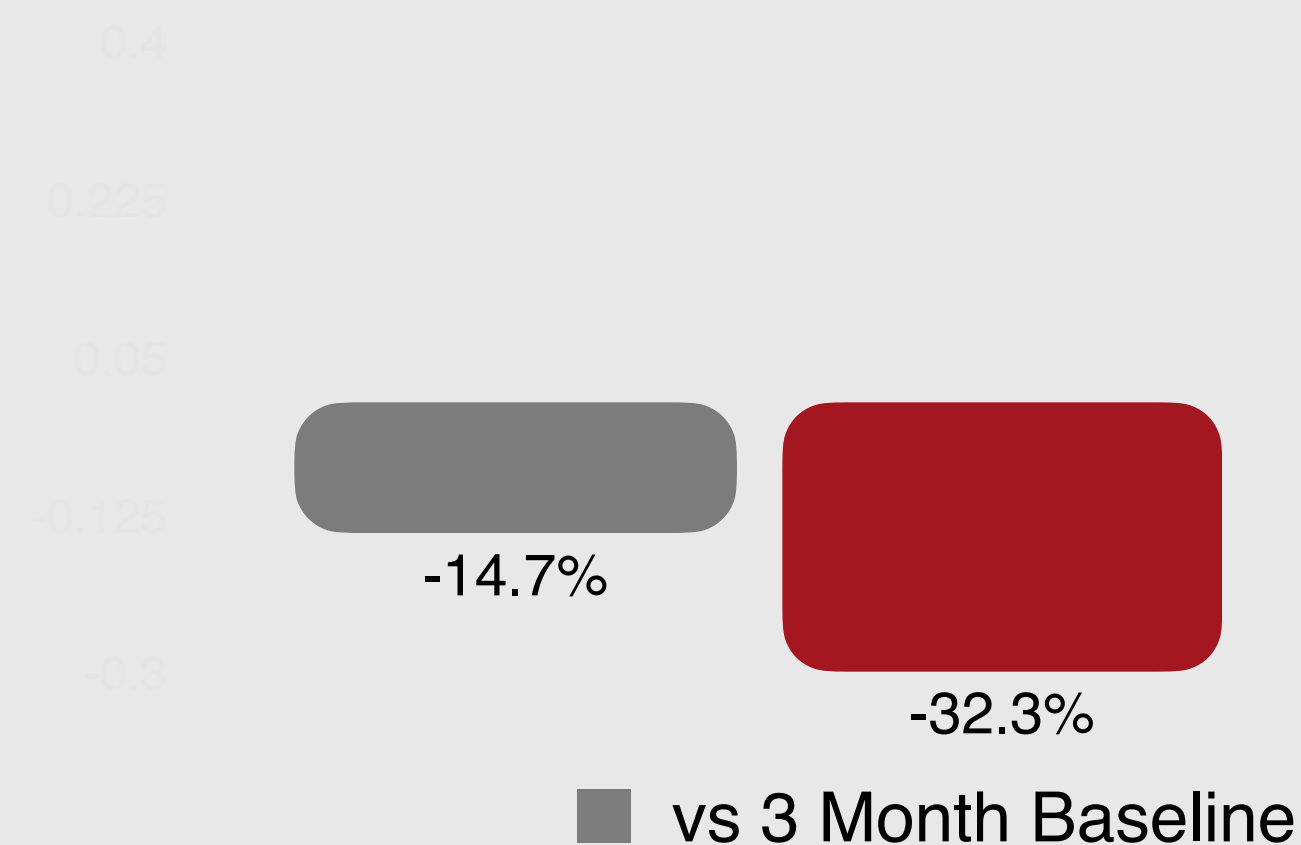
ADT

Player Count

Category	vs 3 Month Baseline	vs 2019
<$25	-3.0%	-38.2%
$25-$50	-3.5%	-24.9%
$50-$75	-3.1%	-17.4%
$75-$150	-2.6%	-8.6%
$150-$250	-1.8%	2.4%
$250-$500	-1.6%	12.1%
$500-$750	2.7%	30.3%
$750-$1000	-0.3%	28.8%
$1000+	3.7%	41.4%

■ vs 3 Month Baseline   ■ vs 2019

ADT

New Players

Player Count

-14.7%

-32.3%

■ vs 3 Month Baseline

Theo Win

-17%

-7.8%

■ vs 2019

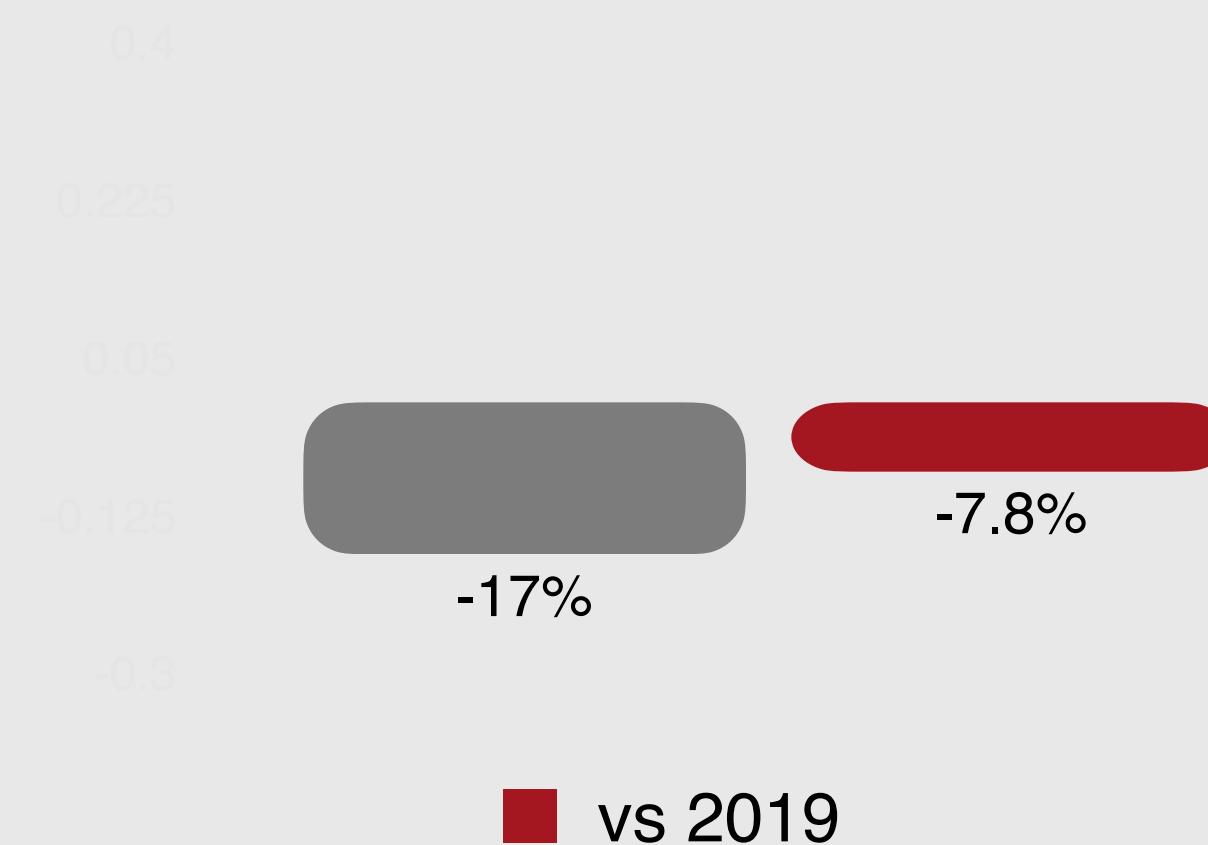**Are new players coming into properties?**

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

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

When we compare the ADT to new members in October of 2019 we see a $16 increase in ADT.

With a variance range of a 26.4% loss to a 69.0% gain in theo win, who is doing well right now?
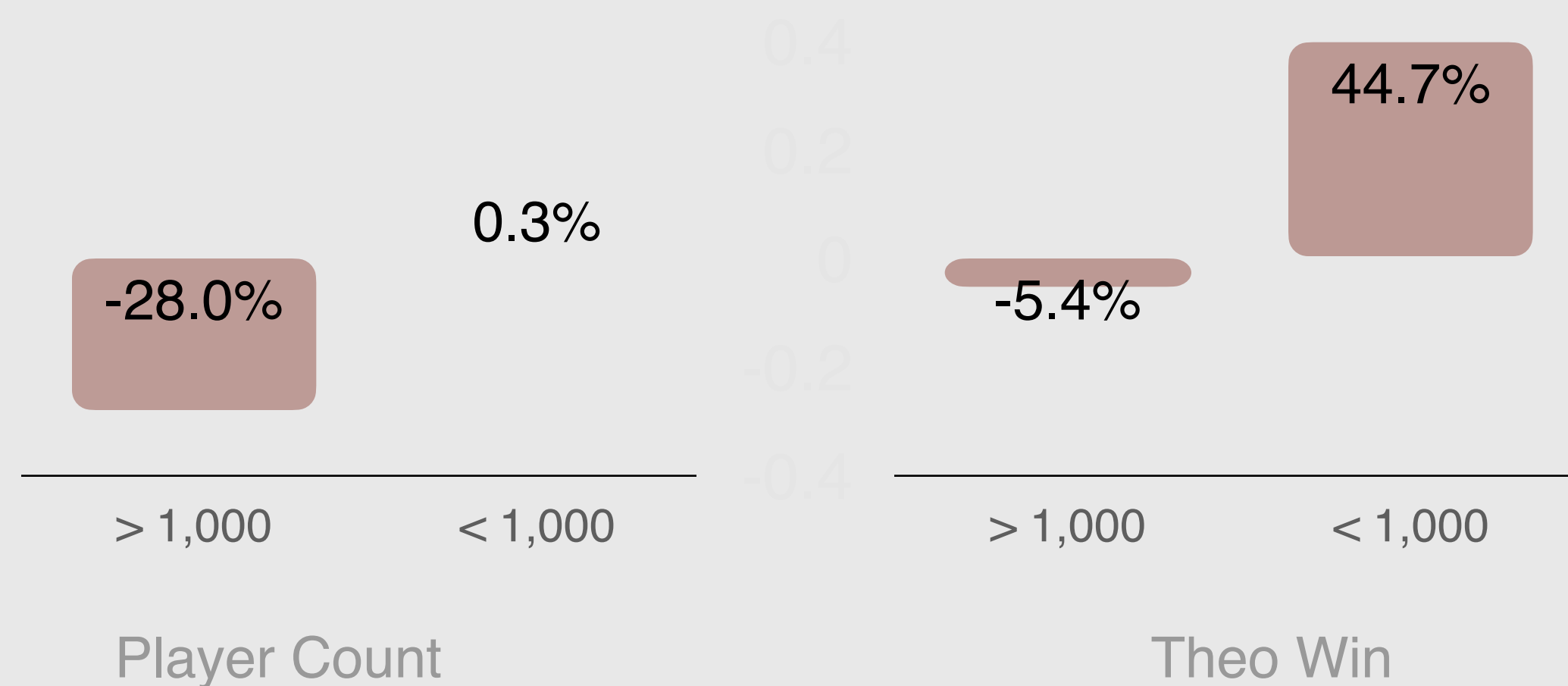
< or >
1,000 Machines

—

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

Player Count

-28.0%   0.3%

> 1,000   < 1,000

Theo Win

-5.4%   44.7%

> 1,000   < 1,000

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

In October 2021 properties with less than 1,000 machines continued to outperform the baseline with a **gain this month of 44.7% in theo win.**

Over the last eleven 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
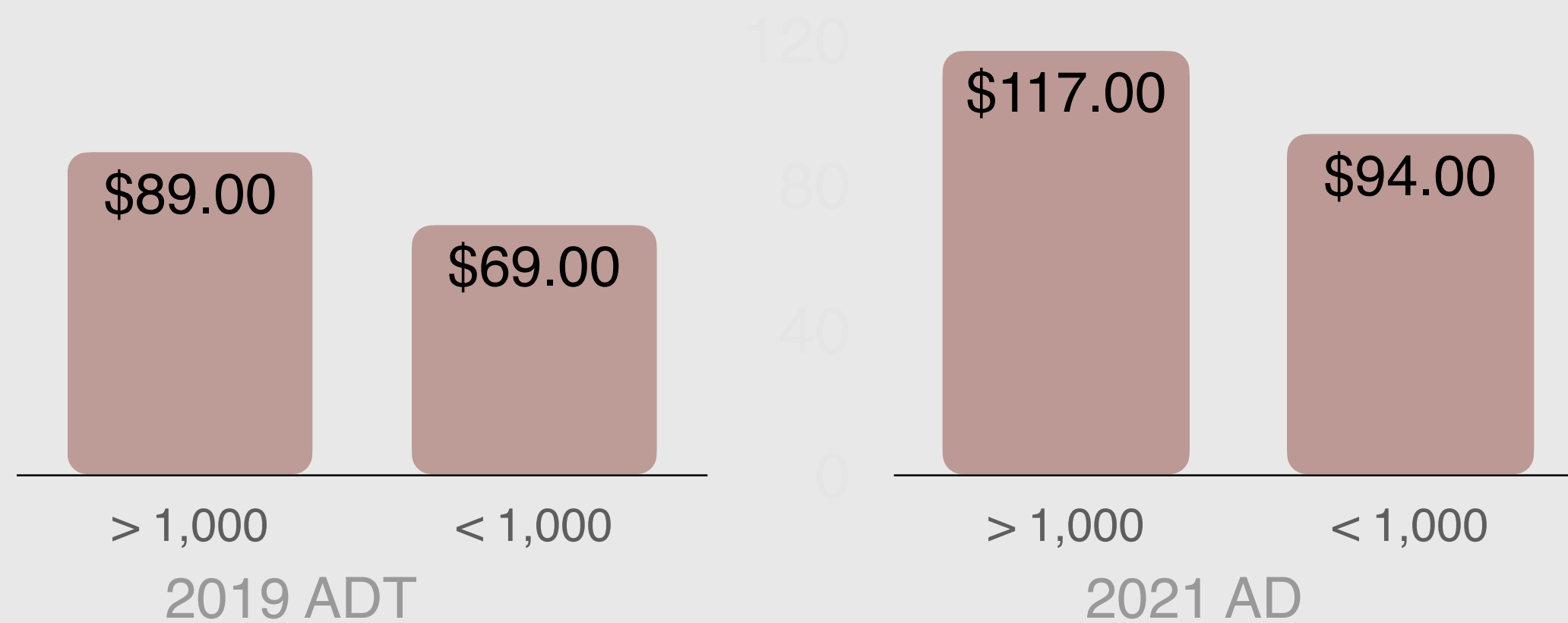**October** 5.4% decline

< or >
1,000 Machines
ADT Spend

-

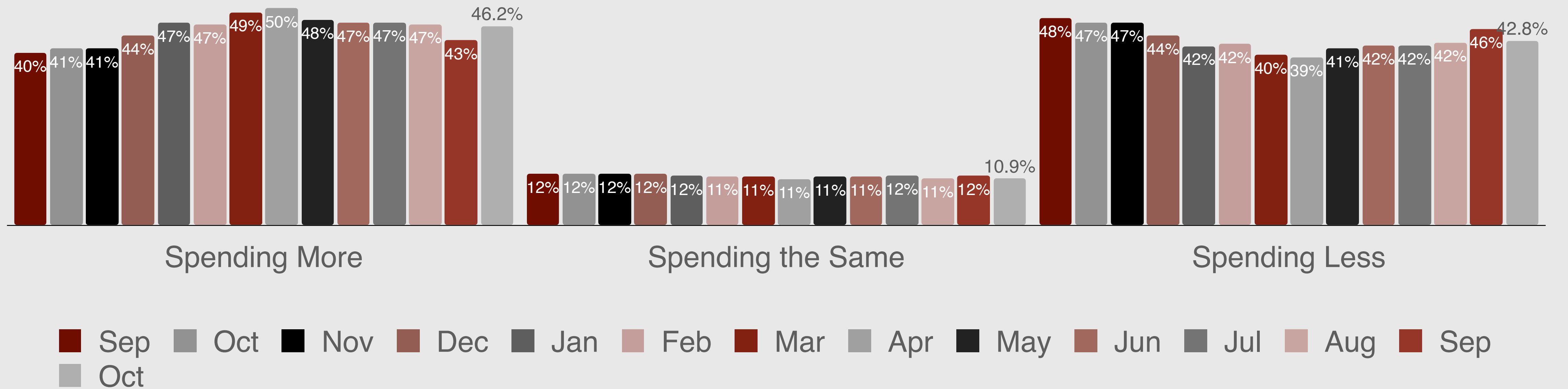While the overall performance looks different for those over and under 1,000 machines, the average spend has a similar trend.

The ADT for properties with over 1,000 machines grew 31.8% while those properties with less than 1,000 machines is up 35.6%.

$89.00 | $69.00

> 1,000 | < 1,000

2019 ADT

120

$117.00 | $94.00

80

40

0

> 1,000 | < 1,000

2021 AD

Player Behavior, Less, more or the same?

Spending Patterns

Spending More — Spending the Same — Spending Less

Legend: Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct

Spending More: 40% 41% 41% 44% 47% 47% 49% 50% 48% 47% 47% 47% 43% 46.2%

Spending the Same: 12% 12% 12% 12% 12% 11% 11% 11% 11% 11% 12% 11% 12% 10.9%

Spending Less: 48% 47% 47% 44% 42% 42% 40% 39% 41% 42% 42% 42% 46% 42.8%

Some Players Are Spending **More**

46.2% of players are spending more than they were in the 3-months before the shutdown.These players are currently contributing **67.3% of casino revenue.**

Short-term programs should be utilized to capitalize on this opportunity, as their behavior will likely change.

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**

10.9% of players are spending the same as they were in the 3-months before the shutdown.

These players are currently contributing **11.2% 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 **10.9% of players** are currently exhibiting their typical behavior.

Some Players Are Spending **Less**

42.8% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **21.3% 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 players future worth. In addition, having a gap in year over year data complicates analysis.

The most recent months of 2021 have show many significant trends. While uncertainty still exists, the player 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

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