

February 2021 Las Vegas Strip Gaming Revenue Analysis

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Baccarat

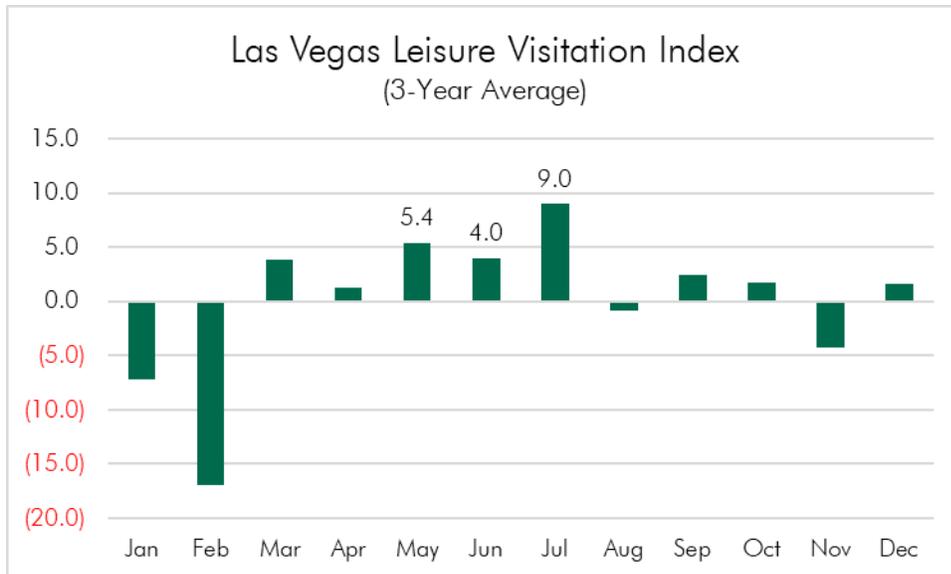
We advocate analyzing January and February on a combined basis because calendar issues with New Years Day and Chinese New Year can significantly impact the numbers. For instance, Chinese New Year was in February this year (starting the 12th) compared to starting on January 25th last year. The Super Bowl was February 2nd last year and February 7th this year. Sometimes, when Chinese New Year and the Super Bowl are close to each other, the two events run the risk of displacing some high-end play.

As a quick recap, even though the casinos were still operating fairly normally January-February last year, international travel was already down. The baccarat comp was not particularly strong, but this month still needed \$203.9 million to break even with 2020's January-February total, which it did not reach. Baccarat YTD is down 64.9%.

Seasonality and Recovery

On the bright side, the pace of vaccinations is picking up. According to CDC data, about two million doses of the vaccine are administered a day, which means about 70% ("herd immunity level") of Americans could be fully vaccinated by the end of July and 85% by mid-September. To the extent the pace improves to the targeted three million per day, we could be looking at a better timeline that coincides with an uptick in leisure visitation to Las Vegas.

Traditionally speaking, May, June, and July are our best months of leisure visitation (total less convention).



According to the LVCVA’s annual Visitor Profile surveys, approximately 25% of our visitors to Las Vegas are over the age of 60. This group is among the first to be vaccinated. Another 35% or so are aged 40-59, which should be much of the next/ongoing round of vaccinations.

Year-to-date, our mass market win per visitor is \$207, a 52.8% increase over 2020. If pent-up demand, strong gaming spend, and the vaccination schedule improves, we could be looking at a particularly strong summer. March’s numbers will give us a better idea of how the recovery is progressing.

February 2021 Las Vegas Strip Analysis

February 2021 had one fewer weekend days and one fewer day overall compared to last February but may have benefitted from January slot collections.

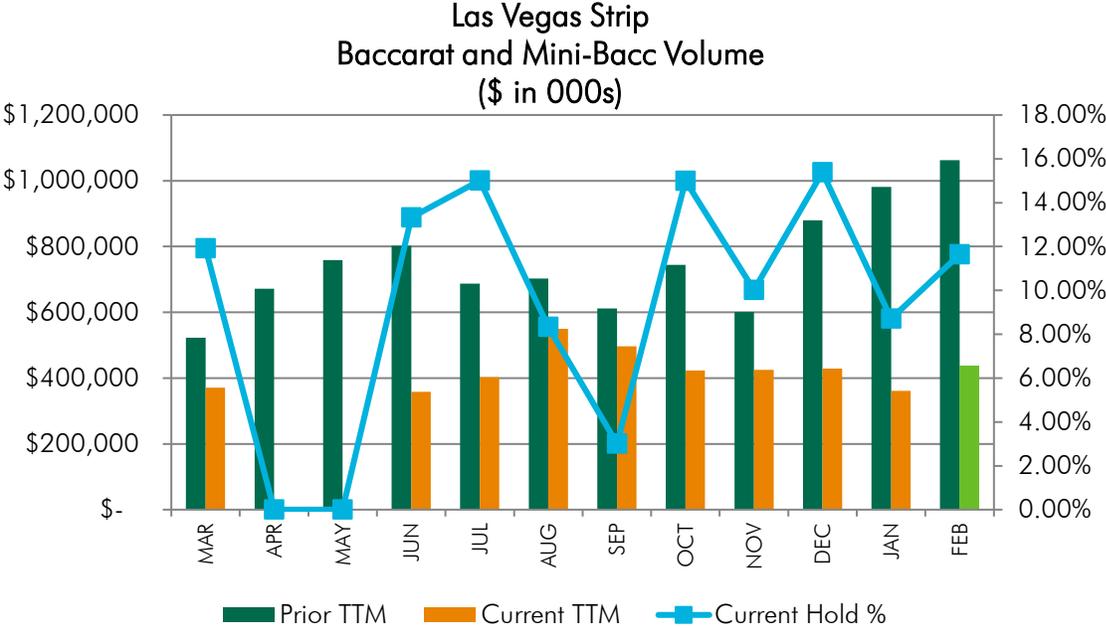
Unadjusted for luck factors and calendar issues, according to the Nevada Gaming Control Board, February 2021 revenue was as follows:

- Las Vegas Strip gaming revenue was \$348.5 million, down -41.6% for the month, and down -42.7% YTD.
- Table games revenue, excluding bacc/mini bacc, was \$91.4 million, down -43.6% for the month, and down -42.9% YTD.
- Bacc/mini bacc revenue was \$51.0 million, down -57.7% for the month, and down -64.9% YTD.
- Slot revenue was \$188.8 million, down -34.3% for the month, and down -36.0% YTD.

Mass market table games (excluding bacc/mini bacc) hold was 14.67% in February 2021, 69 bps below the hold of 15.36% in February 2020 and 77 bps below the trailing twelve-month average. Bacc/mini bacc hold was 11.65%, 29 bps above February 2020, and 65 bps above the trailing twelve-month average.

Slot volume was down -27.1% for the month, and is down -31.2% YTD. Hold was 7.33% this month, versus the 8.14% hold of last February. The variance may be tied to collection issues.

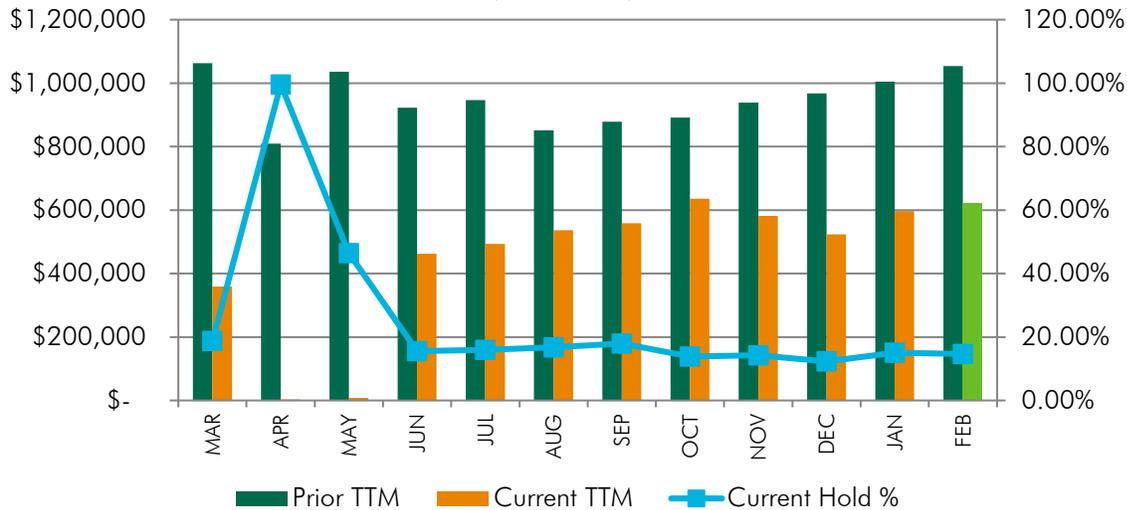
The following graphs show month over month changes for the trailing twelve months as well as the hold percentage in the current twelve months.



Source: NGCB; CBRE estimates

In the trailing twelve months ending February 2021, baccarat volume was down -52.9% over the TTM ending February 2020. Baccarat hold in the current TTM is lower (down by -118 bps) over the previous TTM, and win is down by -57.4% in the period.

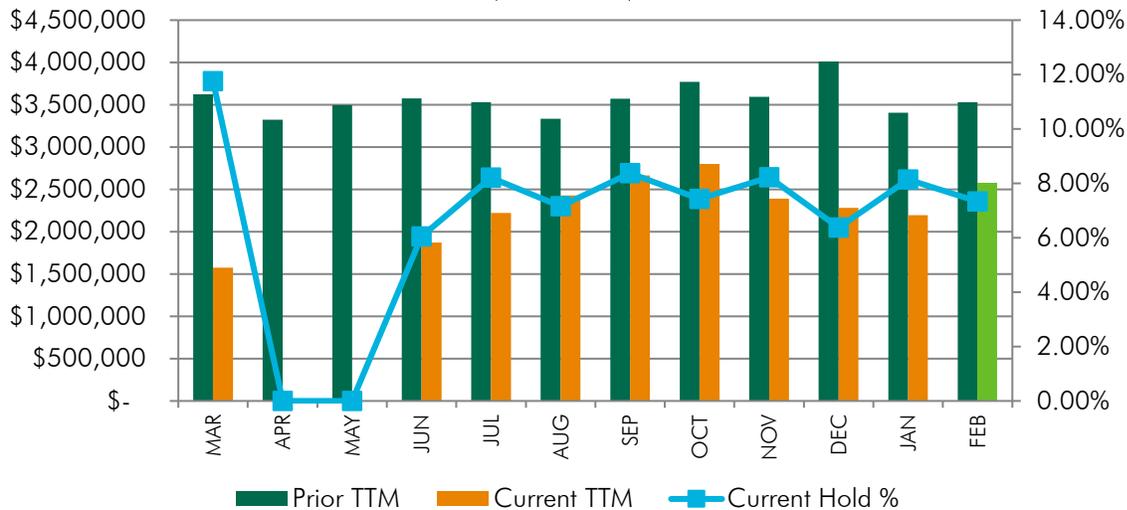
Las Vegas Strip Mass Market Table Games Volume (\$ in 000s)



Source: NGCB; CBRE estimates

Mass market table games volume was down by -52.6% in the TTM through February 2021. The hold percentage is down by -35 basis points, which pushes a TTM revenue decline to -53.7%.

Las Vegas Strip Slot Volume (\$ in 000s)



Source: NGCB; CBRE estimates

Slot volumes are down -46.2% in the TTM comparison, and win is down by -48.3% in the period, due to a 32 bps decline in hold.

Downtown Las Vegas

Downtown gaming revenue fell 7.1% this month, suggesting that Circa's gaming revenue is largely coming from competitors.

Nevertheless, we believe that the Downtown recovery could outpace the Strip in 2021. Downtown benefits from a locals base (which has outpaced the Strip recovery) and recent capital improvements all over Downtown, in addition to Circa, will provide some support to revenue.

The market is down 34.7% in the TTM comparison.

Please see the attachment for more detail on the Downtown market.

Las Vegas Locals Market

The locals gaming market is down just 0.2% this month and down 3.5% YTD. The local market's recovery is still reasonably good. Stimulus spending, tax refunds, strong housing prices and a moratorium on evictions are likely providing support. Employment continues to improve as well, but we expect the recovery to be choppy as stimulus support declines and we have a better picture of rent/mortgage pressure.

Both table games and slot volumes are down in the YTD comparison (-11.8% and -6.9%, respectively).

Please see the attachment for more details on the local market.

Las Vegas Locals Gaming Revenue		
<u>Period</u>	<u>Revenue (\$000)</u>	<u>% Change</u>
TTM Ending FEB 2019	\$2,377,265	4.1%
TTM Ending FEB 2020	\$2,429,539	2.2%
TTM Ending FEB 2021	\$1,853,755	-23.7%

Source: NGCB; CBRE estimates

Nevada Statewide

Nevada managed a sequential 1.4% increase over January.

Excluding the Strip, Nevada is down 25.4% in the TTM comparison.

Area	Trailing Twelve Months			% of State
	2020 FEB	2021 FEB	TTM % Change	
Statewide	\$12,116,118,763	\$7,327,184,462	(39.5%)	100.0%
Clark County	\$10,403,591,730	\$5,988,053,597	(42.4%)	81.7%
LV Strip	\$6,631,926,903	\$3,234,955,283	(51.2%)	44.2%
Downtown	\$689,548,333	\$450,009,518	(34.7%)	6.1%
North Las Vegas	\$297,573,196	\$196,238,652	(34.1%)	2.7%
Laughlin	\$510,593,590	\$339,310,398	(33.5%)	4.6%
Boulder Strip	\$851,428,277	\$648,383,623	(23.8%)	8.8%
Mesquite	\$137,991,251	\$110,023,959	(20.3%)	1.5%
Balance of County	\$1,280,530,182	\$1,009,132,165	(21.2%)	13.8%
Washoe County	\$878,353,194	\$672,602,559	(23.4%)	9.2%
Reno	\$643,498,116	\$478,412,801	(25.7%)	6.5%
Sparks	\$141,120,376	\$111,267,384	(21.2%)	1.5%
North Lake Tahoe	\$25,835,798	\$19,041,368	(26.3%)	0.3%
Balance of County	\$67,898,904	\$63,881,006	(5.9%)	0.9%
South Lake Tahoe	\$231,771,788	\$182,642,568	(21.2%)	2.5%
Elko County	\$318,654,377	\$245,116,462	(23.1%)	3.3%
Wendover	\$217,297,687	\$163,534,467	(24.7%)	2.2%
Balance of County	\$101,356,692	\$81,582,000	(19.5%)	1.1%
Carson Valley Area*	\$112,463,254	\$91,271,993	(18.8%)	1.2%
Other	\$171,284,421	\$147,497,282	(13.9%)	2.0%

* Carson Valley Area includes Carson City, Gardnerville, Minden and all other areas of Douglas County except South Lake Tahoe.

Source: NGCB; CBRE estimates

Mobile Gaming

Mobile sports betting was \$10.2 million for the month, totaling \$127.5 million in the TTM. Mobile betting represents about 57% of the total volume, YTD.

Sports - Mobile Revenue	2021	
	FEB	TTM
(\$ millions)		
Statewide	\$10.22	\$127.54
Strip	(\$0.63)	\$12.65
Downtown	\$8.04	\$78.97
LV Locals	\$2.38	\$29.89
Other	\$0.43	\$6.03

Source: NGCB; CBRE estimates

Please feel free to contact me if you have questions at 702.369.4803 or brent.pirosch@cbre.com.