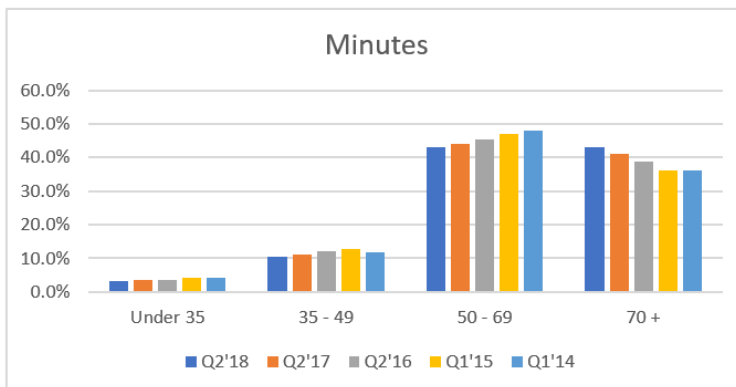


The NSW Clubs market is facing challenges on a number of fronts. Social pressures in the media, improved Pub performance and an aging active Membership base that is living longer and must make retirement funds last longer.

Life expectancy in 2016 for NSW residents was 84.6 years for females and 80.4 years for males. This is an improvement of 1.1 and 1.7 years respectively for each gender over the last 10 years, and improvements of 5.1 and 5.3 years since 1986. For NSW Clubs, whose membership is generally older than the average age of the surrounding population, this is a good thing for their active membership base. On the flip side, funding for retirement becomes a harder proposition the longer retirement goes, meaning an aging membership base will have less disposable income as the years go past the traditional average.

Methodology: AstuteBI records total minutes played for each player in the database and will record this against the player's age at that time. By focusing on the distribution of time spent on machines (carded play only), we can draw some conclusions on trends of contribution for each age bracket.

NSW	Minutes Played				
Age Range	Q2'18	Q2'17	Q2'16	Q1'15	Q1'14
Under 35	3.2%	3.7%	3.7%	4.3%	4.2%
35 - 49	10.4%	11.0%	12.0%	12.8%	11.6%
50 - 69	43.2%	44.1%	45.4%	46.9%	48.0%
70 +	43.2%	41.2%	38.9%	36.0%	36.2%



To identify the direction engaged membership is heading, we looked at the amount of gaming machine time (Minutes) age groups undertook in five Q2 periods. This is not a measure of financial contribution but is an indication of contribution through attendance.

It shows the key 50-69 age group progressing into the 70+ bracket but not being replaced. This is the most important demographic for Clubs as they have more freedom (no kids at home) and a lower cost base than previous years.

Conclusion: while total NSW gaming revenue is growing, Club revenue has been largely stagnant so far in 2018. Our numbers on age bracket engagement demonstrate an additional dimension of some forthcoming headwinds. We will have a detailed report ready at AGE 2018 for you to understand the larger implications.

JUNE 2018 GAME PERFORMANCE – games released in last 12 months, sample of 5+ units

NSW			
Game Name	Manufacturer	Avg. vs Floor	Sample
GOLDEN CENTURY DC	Aristocrat	2.20	254
HAPPY & PROSPEROUS DC	Aristocrat	2.11	241
GOLDEN CENTURY DL	Aristocrat	2.02	115
AUTUMN MOON DC	Aristocrat	1.94	207
PANDA MAGIC DL	Aristocrat	1.90	109
HAPPY & PROSPEROUS DL	Aristocrat	1.90	106
AUTUMN MOON DL	Aristocrat	1.79	47
PC OPAL EDITION	Aristocrat	1.47	113
DEEP SEA LAL	SciGames	1.38	21
INGOTCHA	SciGames	1.15	39

QUEENSLAND			
Game Name	Manufacturer	Avg. vs Floor	Sample
SPRING FESTIVAL DL	Aristocrat	2.20	254
PEACOCK PRINCESS DL	Aristocrat	2.11	241
SPRING FESTIVAL DC	Aristocrat	2.02	115
PEACOCK PRINCESS DC	Aristocrat	1.94	207
5 DRAGONS EMPIRE	Aristocrat	1.90	109
DEEP SEA LAL	SciGames	1.90	106
PROSPERITY PRINCESS	Aristocrat	1.79	47
GOLDEN TIGER GOLDEN \$	Ainsworth	1.47	113
GOLDEN OX	Ainsworth	1.38	21
WILD FURY	IGT	1.15	39

If Loyalty costs and RTP retention are an issue at your venue, a review for less than \$2,500 could be the solution to getting things back on track. Contact Terry O'Halloran on 0426 468 738 or terry.ohalloran@russellcorporate.com.au to discuss your options.



Its **SHOW TIME** – the Gaming Expo is nigh, and Russell Corporate Advisory will have an extensive report on the NSW Clubs market Gaming demographics for venues to review at our stand (#516 – near the front entrance). Expanding further on the numbers in this month's 'Inflection Point', we will add Gender into the mix, look at the trends across 'Metro', 'Country' and 'Coastal' as well as the distribution across 'spend brackets'.

This is an important transition currently underway in our industry, and Russell Corporate Advisory is looking at ways to ensure Clubs adapt to these changes and are prepared with relative data and information.



Kicking off September 19 at Norths in Cammeray, RCA in conjunction with the CMA present GAMING GOLD, a one-day Gaming course that is designed to bring a Finance focus to Gaming, Marketing and Loyalty, as well as Insights and trends across a range of markets.



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“An intensive one-day masterclass focused on the business of Gaming. Understand the finance of running a Gaming floor, how to identify the competitive pressure points and the contributing factors that determine success”

With 5 dates and locations already set, and more regional dates to come, this course will seek to elevate the knowledge of Gaming and Management alike. For further details on this, email terry.ohalloran@russellcorporate.com.au

Wednesday, September 19 Norths [Cammeray, Sydney]	Wednesday, September 26 Warilla Bowls [Warilla, Illawarra]	Thursday, October 18 Diggers @ the Entrance [Entrance, Hunter/Central Coast]
Tuesday, October 23 Armidale Ex Services [Armidale, New England]	Thursday, November 8 Wenty Leagues [Wentworthville, Sydney]	Coming soon: New England and Central West

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