

LIGHT Comments on December DGE Report

For immediate release

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Comments from Jane Bokunewicz, faculty director of the Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT), Stockton University School of Business, on the December 2022 numbers released today by the state Division of Gaming Enforcement:

Even up against strong seasonal and economic headwinds, brick-and-mortar gaming revenues for December 2022 outperformed both December 2021 (\$211.82 million) and December 2019 (\$208.55 million) to deliver the strongest December brick-and-mortar revenue returns in 10 years. Despite lower returns in recent months, strong performance early in the year along with a strong December showing set up 2022 year-end, total brick-and-mortar revenues to exceed both year-end 2021 (\$2.55 billion) and year-end 2019 (\$2.69 billion) totals.

This may be an indicator that the industry has recovered to pre-pandemic levels of brick-and-mortar gaming activity — an encouraging sign for the industry as a whole.

With observed increases in operating expenses in 2022 compared to previous years, we will need to wait for the year-end quarterly reports to see if the 9% increase (2022 over 2021) in brick-and-mortar, year-end total gross gaming revenue translates to an increase in gross operating profit for the industry.

Online gaming, 35% of total gross gaming revenue for the year, continues to be a game changer, driving the Atlantic City casino industry to a new near-term record for both December monthly and year-end, total gross gaming revenue. The diversification of gaming products to include both online gaming and sports betting has pushed the industry statewide (including racetracks) to totals not seen since 2006.

While the rate of online gaming growth may be slowing, relative to pandemic-boostered acceleration seen at the start of 2020, the maturing online gaming market is fast becoming a staple of the industry's consumer offerings.

Looking forward to 2023, Atlantic City's operators are expected to continue diversifying and evolving both their gaming and nongaming offerings to deliver a competitive customer experience in an increasingly crowded regional gaming market.

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