

LIGHT Comments on Second-Quarter 2024 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 second quarter 2024 numbers released Thursday by the state Division of Gaming Enforcement:

The second-quarter data released by the DGE today is less encouraging than Atlantic City's operators may have hoped.

Overall, the key metrics of gross operating profit (GOP), net revenue and occupancy appear to be more or less flat in comparison to the last three post-pandemic second quarters.

Despite respectable performance in the first and second quarters, net revenue gains did not translate into GOP growth. GOP is down nearly 5% for the first half of the year despite a 1.5% increase in total net-revenue for the same period.

Hardly comparable, given changes in market conditions such as inflation and increased labor costs, second quarter 2024 did exceed pre-pandemic, second quarter 2019 for both net revenue and GOP.

Continuing a trend in the growing importance of nongaming sources to Atlantic City operators' revenue mix, nongaming contributions in second quarter 2024, at \$416.1 million, compared favorably to the same period in 2023 (\$399.7 million) and 2022 (\$374.2 million). Nongaming operations contributed 50.1% of total net revenue in second quarter 2024, 47% in 2023 and 44% in 2022. This may be an encouraging sign that the city is expanding its tourism offerings in a way that may help it keep pace with regional competitors in the future.

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