GAMING INDUSTRY OUTLOOK: SENTIMENT IMPROVES AMIDST LINGERING ECONOMIC UNCERTAINTY

Real economic activity in the gaming industry rose for the first time this year, as executive sentiment turned positive and other indicators normalized following a volatile start to the year, according to the American Gaming Association's Gaming Industry Outlook.

AGA member executives expect increased customer activity, boosted revenues, and improved balance-sheet health over the next six to 12 months, and their business outlook has improved both near- and long-term.

Despite executive optimism, the economy remains vulnerable to unanticipated events, as reduced hiring, hesitant business investment and cautious consumers have slowed broader economic growth relative to last year. But there are indications that confidence in future conditions is building.

The Gaming Industry Outlook provides a snapshot of the industry's current and future economic health based on executive sentiment, gaming activity and economic indicators. Key highlights include the following:

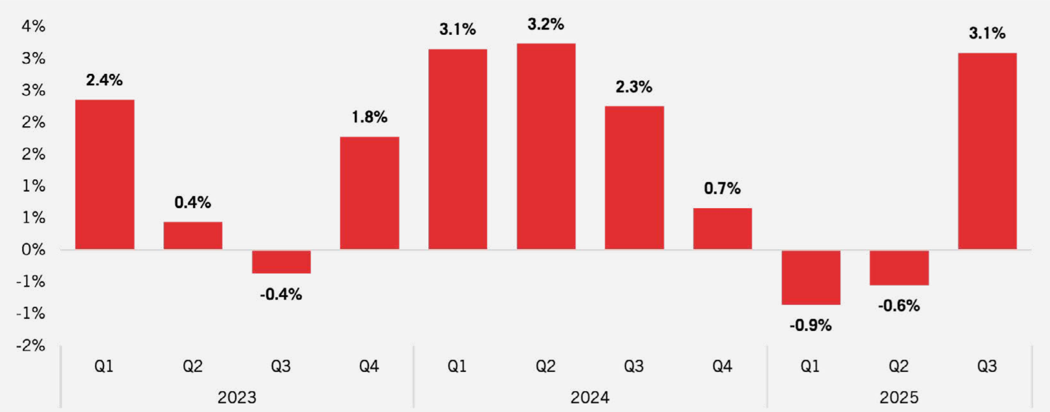
- The Gaming Conditions Index (GCI or the Index) shows real economic activity in the industry growing in Q3 relative to the prior year. The Index tracks real economic activity in the sector, measured by gaming revenue, employment, employee wages and salaries, gaming executive sentiment, and future event activity at casino hotels.
- Gaming executive sentiment reversed its downward trend, with a net positive response rate for the first time since Q1 2024. More respondents gave positive responses (e.g., "expect increase") than negative ones (e.g., "expect decrease") across a range of questions pertaining to factors such as business situation, revenue growth and customer activity.
- The economic forecast is mixed, but despite the weakening labor market, growth in personal income and consumer spending are expected to remain above inflation levels, bolstering the economy and the gaming industry.

GAMING CONDITIONS INDEX

The GCI indicates real economic activity in the industry, as measured by gaming revenue, employment, employee wages and salaries, executive sentiment and casino hotel event activity, increased 3.1% in Q3 2025 relative to the prior year. This is a reversal of the trend seen in the previous two quarters, which had contracted slightly year-over-year. The growth is due mainly to improved executive sentiment and more normal readings across other indicators compared to earlier in the year.

Industry wage growth, which was a headwind for the Index in Q1 2025, was more stable in Q3, further contributing to the Index improvement.

Gaming Conditions Index
Year-over-year Change

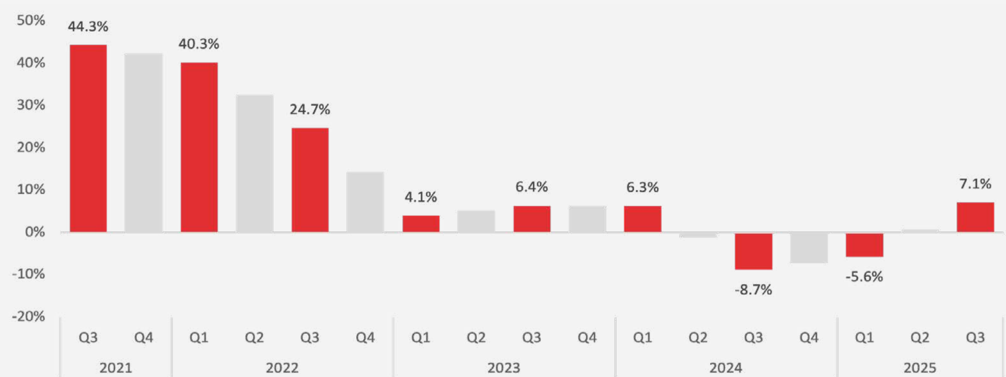


EXECUTIVE SENTIMENT

Gaming executive sentiment rebounded to 7.1% net positive in Q3 2025, positive for the first time since Q1 2024 and the highest since late 2022. Respondents' outlook improved across a range of questions relating to the current and future business situation, revenue growth and customer activity. Aggregate sentiment measure is greater than zero means that there was a higher number of positive responses compared to negative responses.

Sentiment was particularly strong around revenue growth, customer activity, and overall business situation.

Gaming Executive Panel Aggregate Sentiment
Net positive responses



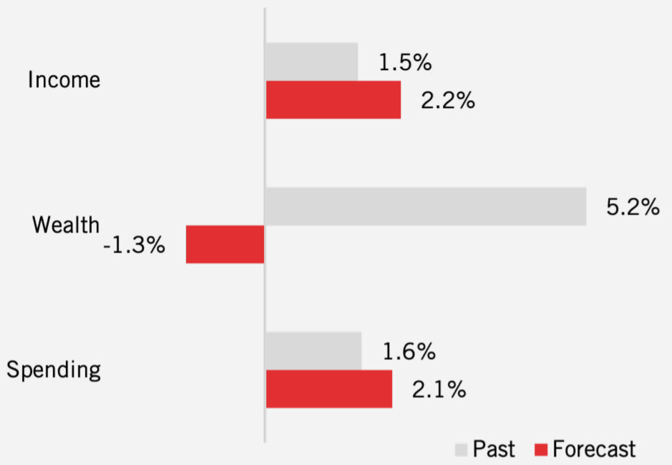
Note: Gaming executive sentiment is measured through a survey every other quarter, as shown by the red columns. The grey columns show smoothed estimates for non-survey quarters.

ECONOMIC OUTLOOK

As it continues to adjust to tariffs and a surge in related policy uncertainty, the U.S. economy is expected to slow further in the second half but avoid a recession. Oxford Economics' August forecast anticipates soft labor markets and pressures on lower-income households, but continued growth in real disposable income (1.5% in Q3 2025; 2.2% in Q3 2026) and real spending on services (1.6% in Q3 2025; 2.1% in Q3 2026). After recent gains (5.2% growth in Q3 2025), household wealth is expected to be more stable, declining slightly when adjusted for inflation (-1.3% in Q3 2026).

Economic Forecast

Year-over-year change



Source: Oxford Economics' August 2025 baseline forecast for real disposable income, real household networth, and real consumer spending on services. Growth measured year-over-year through Q3 2025 (past) and Q3 2026 (forecast).

CASINO HOTEL EVENT ACTIVITY

Casino hotels continue to receive RFPs for events, such as business meetings and social events, at a pace that's above pre-pandemic levels. Relative to a year ago, the number of RFPs received has increased by 13%, a substantial year-over-year increase, indicating a growing appetite for booking events at casino hotels.

Event Space RFP Activity

RFP activity at casino hotels, index (2019=100)

GAMING EXECUTIVE PANEL HIGHLIGHTS

Even as economic concerns persisted, executive sentiment improved relative to Q1 2025. The near-term outlook improved significantly, to 11% net positive in Q3 2025 (22% positive, 67% neutral, 11% negative) from -18% net positive earlier this year.

The outlook over the coming 6-12 months is even more positive, with 26% of respondents indicating an improved future business situation and no respondents indicating a deteriorating future business situation. The 26% net positive score is the highest since Q3 2022. This is driven largely by an expected increase in revenue growth (54% positive) and balance sheet health (39% positive), as well as easing concerns around inflation and interest rates (43% of executives indicated this concern in Q3 2025 compared to 68% in Q1 2025).

Capital investment is expected to remain steady despite the limited access to credit, as 32% of respondents indicated that capital investment would increase over the next year. Much of this will be concentrated on improving food and beverage services and offerings on the casino floor.

When focusing on gaming equipment suppliers, the outlook around capital investment is neutral, with a 0% net positive outlook for the pace of capital investment (29% positive, 52% neutral, 29% negative). There is also an expectation among many supplier executives that there will be a decrease in the sale of gaming units for replacement use (29% negative) and new or expansion use (57% negative).

Economic caution is also reflected in the survey responses around employment. When asked about additional expense pressures, 50% of executives selected employee benefits (32% in Q1 2025) and 46% selected employee wages (39% in Q1 2025). Possibly as a result, 36% of respondents expect the number of employees hired to decrease in the next year, and 21% of respondents expect employee wage increases to slow.

State regulatory concerns also emerged significant factor limiting operations, cited by half of executive respondents, potentially reflecting the impact of recent gaming tax increases and widespread availability of sweepstakes or sports event contracts from unlicensed operators.

Sentiment around the current and future business situation has improved, alongside modestly improved access to credit.

Business Situation

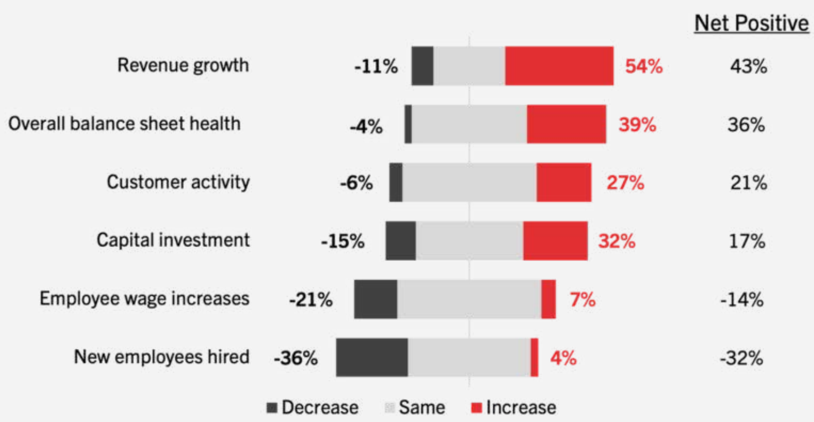
Net positive calculated as share of respondents that assess present conditions as "good" minus share assessing conditions as "bad"

Response base: Gaming executive panel overall. Net positive calculated as share assessing present conditions for their company as "good" or future conditions as "expected to be better over the next three to six months" or access to credit as "easy," minus share assessing each measure as "bad" or "expected to be worse" or access to credit as "tight."

Expected revenue growth and balance sheet health drive the positive executive outlook.

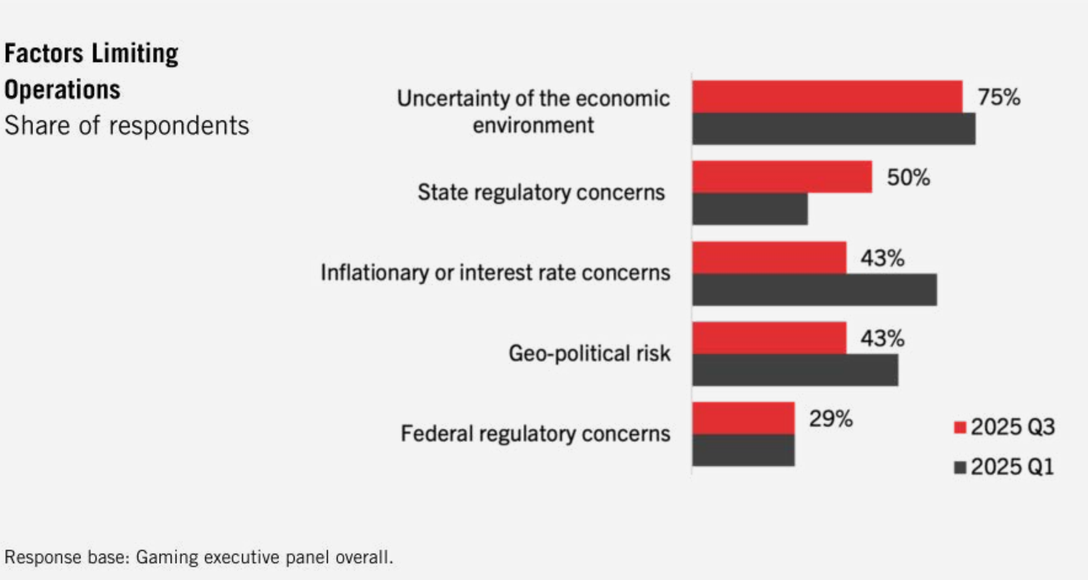
Growth Expectations

Net positive calculated as share of respondents that "expect increase" over next six to 12 months minus share that "expect decrease."



Response base: Gaming executive panel overall.

State regulatory concerns emerge as major factor limiting operations.



State and federal regulations are receiving increased management attention.

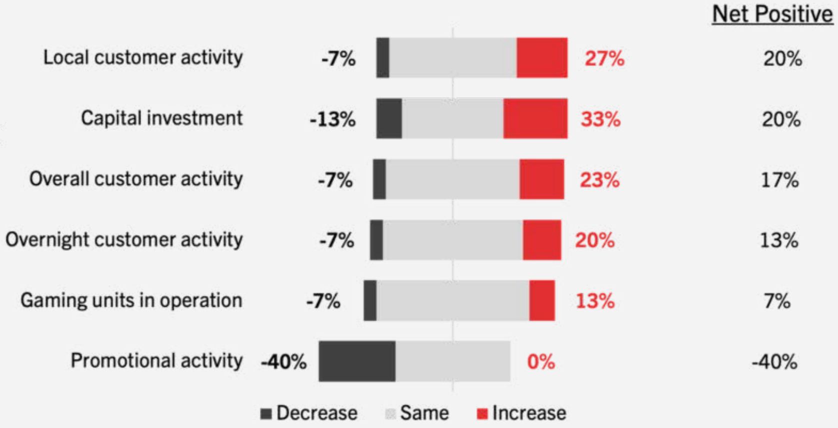
Short-answer comments by executives on aspects of operations requiring greater than normal levels of management attention included the following examples:

POLITICAL & REGULATORY	"Unregulated gaming expansion;" "Slow and uncertain regulation around iGaming;" "State legislative action;" "Tariffs impact on international sentiment;" "Federal funding cuts;" "No tax on tips."
FINANCIAL	"More detailed review of balance sheets;" "Product costs due to tariffs."
TECHNOLOGY	"Cybersecurity;" "Leveraging AI to improve efficiency."

Promotional activity widely expected to decrease as overall customer activity improves.

Growth Expectations

Share of respondents that "expect increase" over next six to 12 months minus share that "expect decrease."



Note: Response base consists of casino operators and owners. Net balance calculated as share expecting an increase in each measure over next six to 12 months, minus share expecting a decrease.

Supplier sales expectations and expected pace of capital investment decline.

Growth Expectations

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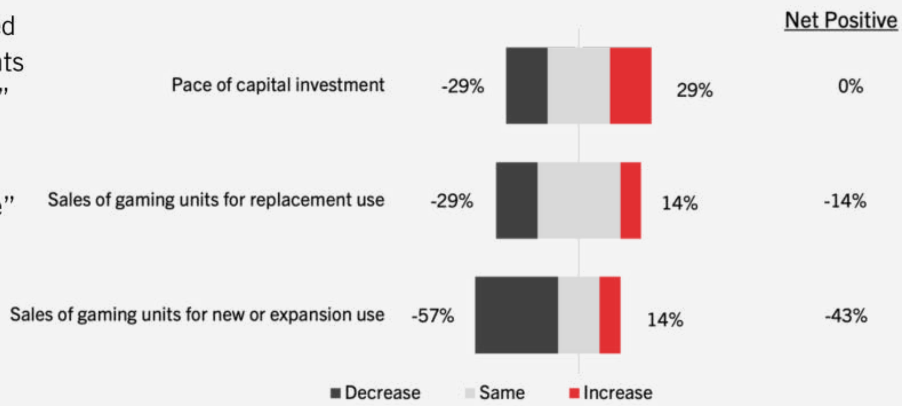

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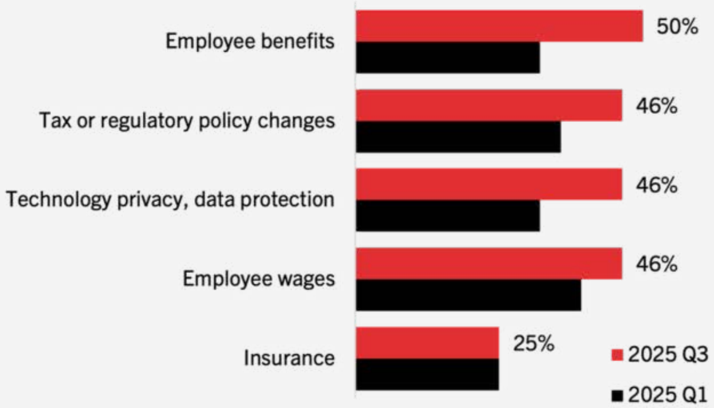
Employee benefits, taxes and reguatlory changes pressure margins.

Additional Expense Pressures
Share of respondents



Response base: Gaming executive panel overall.

BACKGROUND & METHODOLOGY

The Gaming Industry Outlook is prepared on the behalf of the American Gaming Association by Oxford Economics. It provides a timely measure of recent growth and future expectations. This is the ninth release of the index.

Gaming Conditions Index:

- The Gaming Conditions Index measures activity in the U.S. casino gaming industry during the most recent quarter relative to a year ago. It is based on five components: gaming revenue, employment, wages and salaries, sentiment, and casino hotel RFP activity. Each component is adjusted to control for seasonal patterns, and monetary measures are adjusted for inflation. Data is estimated through the most recent quarter for each index component based on available monthly data as of the point of index calculation.

Gaming Executive Panel

- The Gaming Executive Panel consists of senior-level AGA member executives that represent the breadth of the casino gaming sector. Respondents were segmented across three primary categories: casinos operators and owners, gaming equipment suppliers and iGaming and/or sportsbook operators.
- The Q3 2025 survey was conducted between August 26 and September 8, 2025. A total of 28 executives responded, including executives at the major international and domestic gaming companies, tribal gaming operators, single unit casino operators, major gaming equipment suppliers and major iGaming and/or sports betting operators.
- Aggregate Sentiment is calculated on gaming executive responses to multiple questions about current and future industry expectations.