

A Strategic Playbook for Maximizing Casino Contribution Margins and Asset Utilization

An executive guide to operational metrics, player valuation, and the 7 strategic financial KPIs driving enterprise profitability.

Four core directives drive our enterprise profitability and year-one financial targets.



Floor Execution

Focus on daily tracking of Gross Gaming Revenue (GGR) and Win Per Unit (WPU) to achieve the projected

\$269 million EBITDA target.



Diversification

Aggressively pursue a Non-Gaming Revenue Mix above

> 30%

through targeted cross-selling of hotel and F&B assets.



Overhead Management

Maintain the high average revenue per gaming visit of

\$15,000

to offset significant labor costs and variable regulatory taxes.



Strategic Oversight

Tightly control Cost Per Acquisition (CPA) against a

50% marketing spend

and conduct weekly analysis of the Contribution Margin by player segment.

Segmenting player lifetime value dictates our exact acquisition and retention spending limits.



High-Rollers

- Defined by an Average Daily Theoretical (ADT) above \$1,000.
- Requires high fixed costs (dedicated hosts, luxury suites).

The CPA Timeline

Baseline Marketing Cost =
\$140k Fixed Salary + 50% Variable Spend



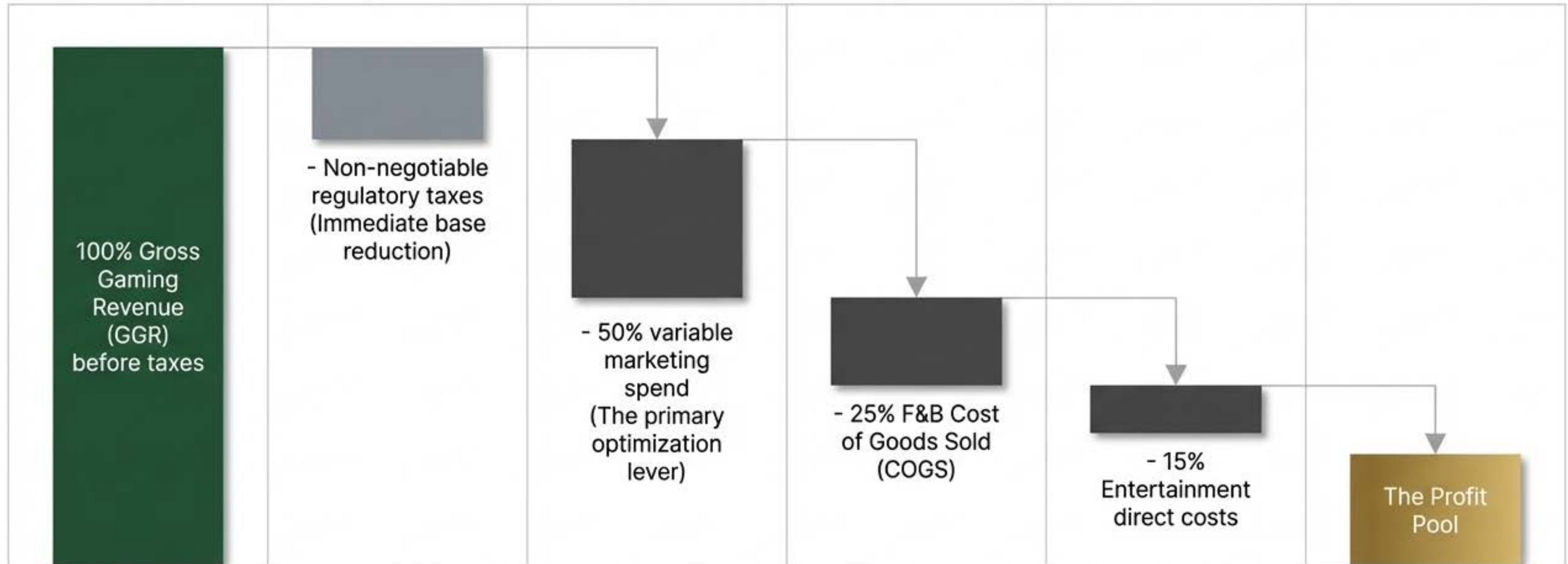
Warning: If player onboarding to first wager takes 14+ days, the actual LTV realization timeline shifts negatively and 90-day churn risk spikes.



Mass-Market

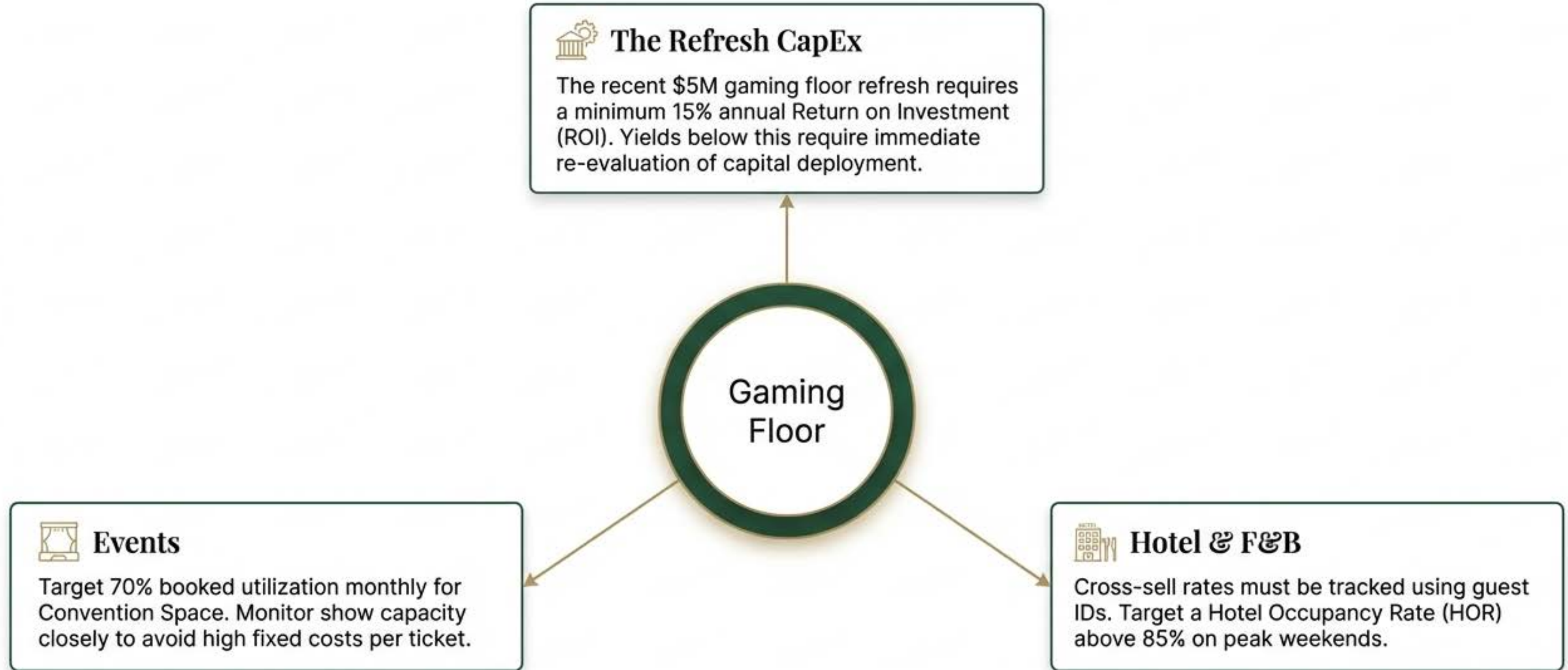
- Retention costs often exceed 25% of their gross win.
- If predicted LTV is low, reinvestment must be strictly capped at 15% of projected gross win.

Aggressive variable cost optimization is required to defend the gaming contribution margin



Key Takeaway: Every marketing dollar must be explicitly linked to measurable, high-value acquisition to protect this exceptionally narrow margin pool.

Gaming revenue must explicitly drive non-gaming asset utilization and capital returns.



The seven operational key performance indicators driving our executive dashboard.

Floor Revenue Metrics

- KPI 1: Gross Gaming Revenue (GGR)
- KPI 2: Win Per Unit (WPU)
- KPI 3: Average Daily Theoretical (ADT)

Enterprise Mix Metrics

- KPI 4: Non-Gaming Revenue Mix
- KPI 5: Hotel Occupancy Rate (HOR)

Profitability Metrics

- KPI 6: EBITDA Margin
- KPI 7: Labor Cost Percentage

Gross Gaming Revenue (GGR) establishes the daily operational health of the gaming floor.

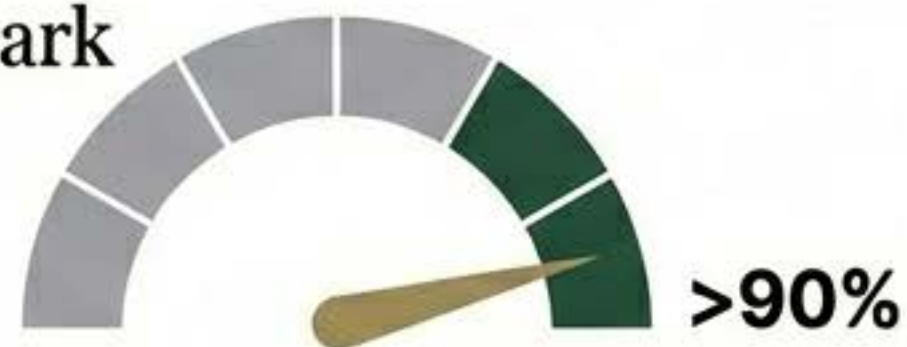


Definition

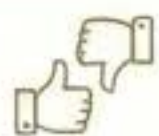
The total money kept from betting before operating costs.



Benchmark



Target consistently meeting/exceeding 90% of theoretical win potential.



Pros & Cons

- [+] Shows immediate health, flags variance quickly.
- [-] Ignores operating expenses, skewed by unpredictable jackpots.



Formula & Example

Total Wagers - Total Payouts

Example: \$100,000 wagers - \$88,000 payouts = \$12,000 GGR (profit before the \$15,000 fixed overhead).



Actionable Lever: Review daily before 9:00 AM. Ensure payouts are reconciled immediately. Adjust staffing levels based on daily variance.

Win Per Unit (WPU) identifies the exact asset efficiency of our floor layout.



Definition

The average daily revenue generated by each gaming machine or table.



Pros & Cons

- [+]** Pinpoints underperforming assets, links layout to revenue.
- [-]** Ignores player LTV and operational costs of the unit.



Actionable Lever: Review before morning shifts. Analyze GGR by machine denomination to reallocate floor space. Test new game titles in small batches.

Benchmark Split

Slots



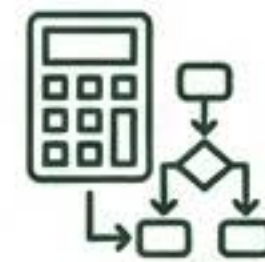
\$150–\$300 daily

Tables



\$800–\$1,500 daily

Formula & Example



GGR / Total Operating Units

Example: \$150,000 GGR / 500 active units = \$300 WPU per day.

Average Daily Theoretical (ADT) directly anchors all player complimentary budgets.



Definition

The expected loss a player generates based on volume, time, and game advantage.



Benchmarks

Premium target is \$1,200+.
Standard target is \$150-\$250.



Pros & Cons

[+] Sets precise comp budgets, identifies variance.

[-] Purely theoretical, relies entirely on player tracking accuracy.



Formula & Example

$\text{Avg Bet} \times \text{Decisions/Hr} \times \text{Hours} \times \text{House Edge \%}$

Example: $\$75 \text{ bet} \times 50 \text{ decisions/hr} \times 5 \text{ hours} \times 0.5\% \text{ edge} = \93.75 ADT .

Note: A \$50 comp equals 53% of this expected loss.



Actionable Lever: Track actual GGR to ADT ratio to spot variance. Flag players dropping below the \$100 ADT threshold. Review assumed house edges quarterly.

Non-Gaming Revenue Mix insulates the integrated resort from casino floor volatility



Definition

The percentage of total income from Hotel, F&B, and Events rather than direct wagering.



Benchmark

Target >30%

Warning: Dropping below 25% indicates dangerous over-concentration in gaming.



Pros & Cons

- [+]** Captures wallet share, lower regulatory overhead.
- [-]** Higher fixed operating costs, highly sensitive to local tourism trends.



Formula & Example

$(\text{Hotel} + \text{F\&B} + \text{Events}) / \text{Total Revenue}$

Example: \$100M Non-Gaming / \$339M Total Revenue = 29.5% Mix



Actionable Lever: Review on the first business day of the month. Implement mandatory F&B minimums for high-tier gaming comps. Tie room rates to event tickets.

EBITDA Margin validates operational cash flow and extreme organizational leverage



Definition

Operating profitability before interest, taxes, depreciation, and amortization.



Benchmark Context



Industry standard is 25%–35%. The 795% projection is an extreme outlier suggesting massive operational leverage that requires strict monitoring.



Pros & Cons

[+] Strips out non-cash charges, strong proxy for cash flow.

[-] Ignores heavy CapEx needed for gaming floors, not GAAP compliant.



Formula & Example

Inter: $(\text{EBITDA} / \text{Total Revenue}) \times 100$

Example Projection: \$269M EBITDA / \$339M Rev = 800.59% (Supporting the ~795% target)



Actionable Lever: Review assumptions driving the 795% target quarterly. Optimize comps based on ADT to protect the top-line GGR feeding this margin.

Labor Cost Percentage is the primary lever for managing our largest operational overhead.



Definition

The percentage of total sales directly funding staff payroll, benefits, and taxes.



Benchmarks

Threshold Warning: 38%

Must stay strictly below 35% (Top-tier targets 28%).

Note: High non-gaming mix will naturally push this higher.



Pros & Cons

[+] Flags overstaffing immediately, measures tech ROI.

[-] Hides overtime spikes, misleading if external factors drop revenue.



Formula & Example

Total Labor Costs / Total Revenue

Example: \$128,000,000 base cost / \$339,000,000 Rev
= 37.75%



Actionable Lever: Implement mandatory executive review if the metric hits 38%. Cross-train hotel staff to assist during peak gaming events.

Hotel Occupancy Rate (HOR) drives dynamic room pricing and physical asset utilization



Definition

The percentage of available hotel rooms actively generating guest nights.



Benchmarks



Sustained occupancy above 85% (including mid-week). Dropping below 70% consistently indicates poor pricing strategy.



Pros & Cons

[+] Shows physical asset efficiency immediately.

[-] Doesn't reflect room profitability (missing ADR), can lead to over-discounting.



Formula & Example

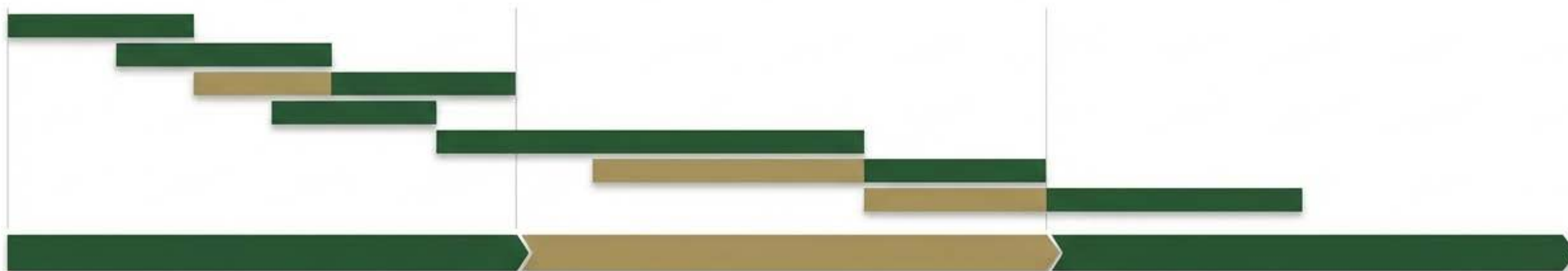
$(\text{Guest Nights} / \text{Available Room Nights}) \times 100$

Example: 150,000 Guest Nights / 180,000 Available Nights = 83.33%.



Actionable Lever: Reduce complimentary room issuance immediately when utilization dips below 90%. Tie room rates directly to gaming floor activity levels.

Strict operational cadences turn these metrics into a sustained competitive advantage.



Daily Execution

- Review GGR and WPU before 9:00 AM shift starts.
- Monitor HOR and adjust daily room pricing against local competitor moves.
- Reconcile payouts against the vault instantly.



Weekly Oversight

- Verify player comp issuance strictly aligns with tracked ADT.
- Analyze the Contribution Margin segmented by player tier.



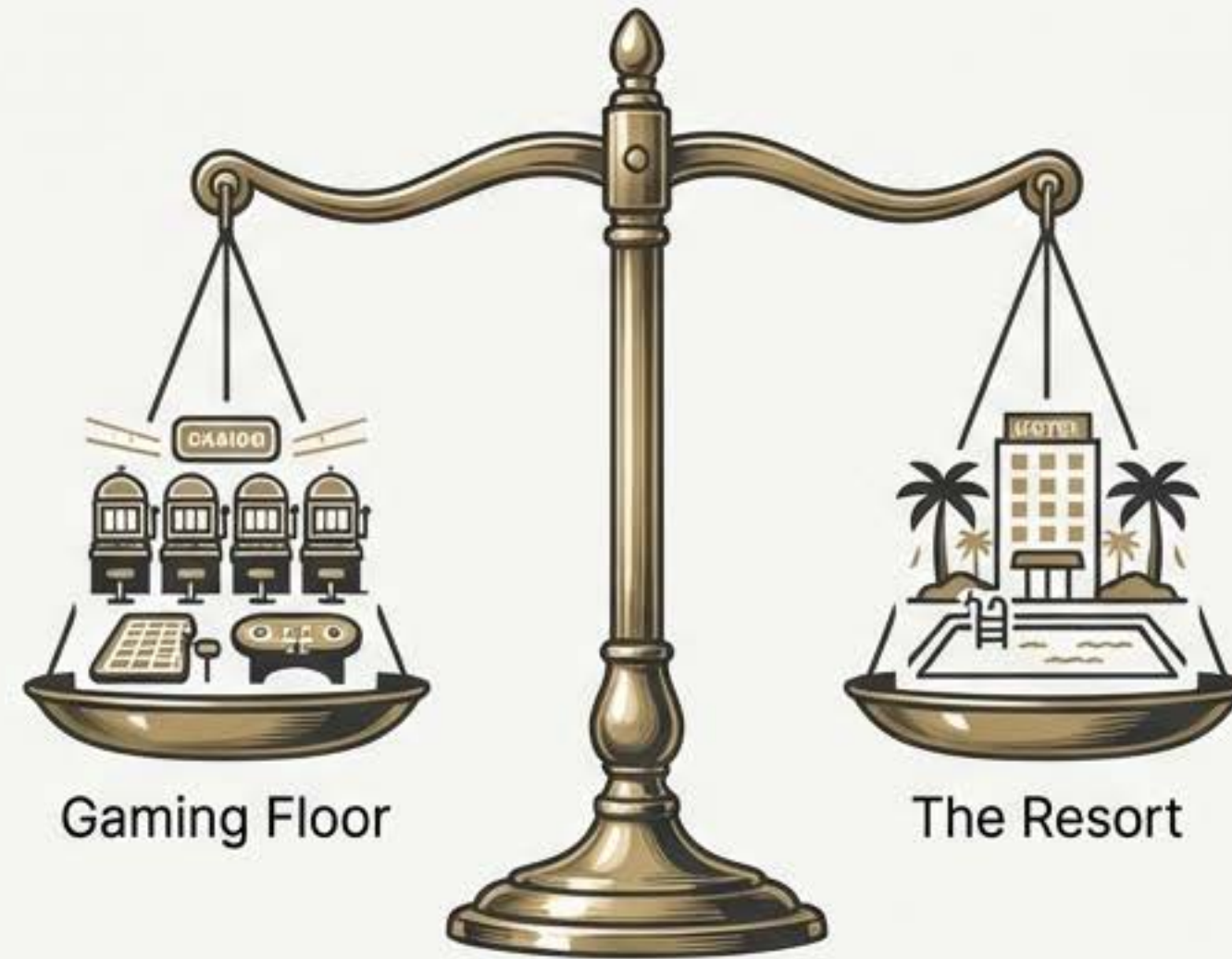
Monthly/Quarterly Strategy

- Review Non-Gaming Mix on the 1st business day of the month.
- Audit Labor Cost % against the 38% executive review threshold.
- Quarterly audit of assumed house edges and the 795% EBITDA margin assumptions.

Long-term enterprise stability requires aggressively balancing the floor and the resort.

The Defense

We must aggressively manage the 50% marketing drag and hold the line on the 38% labor cost threshold to protect our contribution margin.



The Offense

We will leverage ADT to allocate smart comps, aggressively pushing high-margin entertainment and driving profitable cross-property utilization.

By tightly integrating these 7 KPIs into our daily operational cadence, we map a direct path to the \$269 million Year-One EBITDA target.