

# **IndustryData** Online

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*business improvement*

## **Licensed Club Industry Quarterly Benchmarks**

### **Sample Report**

Financial and Gaming Reports

December Quarter 2004

Source:  ClubData  
Online

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*"It is important not to act in isolation. I need to know what is possible. I need to know what is industry best and strive to exceed these benchmarks.*

*Club Data Online allows for informed debate with real facts, not subjective feelings. Independent numbers give sanity to the debate. For example: Can you make money from Catering, or what is the real impact of smoking bans? I can find the answers to these questions by using Club Data Online."*

***Tim McAleer, Chief Executive Officer, Sutherland Tradesman's Union Club***

## **Introduction**

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## **Methodology**

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## **Ranking Explanation**

- Financial - EBITDARD as a % of Total Revenue
- Gaming - Average Net per Machine per day
- Top 25% - The average of the top 25% of clubs for the selected region and period.
- Mid 50% - The average of the middle clubs (not in top 25% or low 25%) for a selected region and period.
- Low 25% - The average of the bottom 25% of clubs for a selected region and period.
- Ave% - The average of the clubs for a selected region and period.

## **Participating Clubs**

Removed from sample.

## **Index**

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## **KPI Definitions**

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## **Financial Reports**

## **Whole Business Comparisons**

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## Bar Indicators

**Purpose of report:** This report provides a snapshot of Bar performance, for the main KPIs, for each month in the quarter.

- Revenue is represented as % of Total Club Revenue.
- Other KPIs are represented as % of Total Bar Revenue.

### Period: October 2004

| KPI         | Average | Low 25% | Mid 50% | Top 25% |
|-------------|---------|---------|---------|---------|
| Revenue     | 12.43   | 16.84   | 12.19   | 10.22   |
| COGS        | 38.20   | 34.69   | 40.22   | 38.38   |
| Wages       | 31.05   | 26.09   | 35.82   | 28.27   |
| Other Costs | 4.13    | 4.99    | 4.70    | 2.43    |
| Net Cont.   | 26.62   | 34.23   | 19.27   | 30.92   |

### Period: November 2004

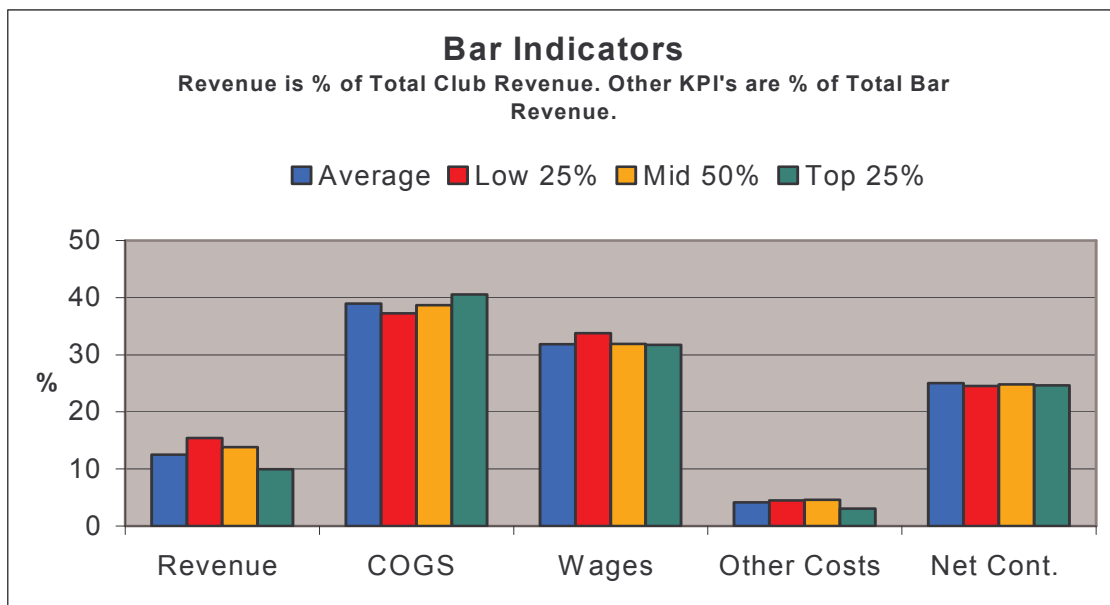
| KPI         | Average | Low 25% | Mid 50% | Top 25% |
|-------------|---------|---------|---------|---------|
| Revenue     | 12.30   | 13.52   | 15.47   | 8.85    |
| COGS        | 37.96   | 36.67   | 37.53   | 39.28   |
| Wages       | 31.76   | 37.95   | 29.35   | 33.11   |
| Other Costs | 4.20    | 4.69    | 4.71    | 3.09    |
| Net Cont.   | 26.08   | 20.69   | 28.40   | 24.52   |

### Period: December 2004

| KPI         | Average | Low 25% | Mid 50% | Top 25% |
|-------------|---------|---------|---------|---------|
| Revenue     | 12.82   | 15.94   | 13.89   | 10.78   |
| COGS        | 40.67   | 40.36   | 38.29   | 43.98   |
| Wages       | 32.79   | 37.28   | 30.50   | 33.84   |
| Other Costs | 4.10    | 3.74    | 4.47    | 3.76    |
| Net Cont.   | 22.44   | 18.62   | 26.75   | 18.42   |

### Averages of Periods

| KPI         | Average | Low 25% | Mid 50% | Top 25% |
|-------------|---------|---------|---------|---------|
| Revenue     | 12.52   | 15.44   | 13.85   | 9.95    |
| COGS        | 38.95   | 37.24   | 38.68   | 40.54   |
| Wages       | 31.86   | 33.77   | 31.89   | 31.74   |
| Other Costs | 4.14    | 4.47    | 4.63    | 3.10    |
| Net Cont.   | 25.05   | 24.51   | 24.80   | 24.62   |



Source: Club Data Online 2005

#### December Quarter 2004:

- Revenue contribution has remained consistent, across the sample. Some normal market fluctuation is occurring across the performance groups and from month to month.
- COGS show a sharp increase in December indicating a wholesale liquor price increase that was not immediately passed on to the consumer.
- Wages show a slight increase in the month of December. This may be due to the public holidays over the Christmas period.
- Those expenses in the group headed 'Other Costs' have been remarkably consistent over the quarter.
- Net Contribution fluctuates considerably across the performance groups and from month to month. This appears to be a lack of control of "Below the Line" expenses, most notably wages.

#### December Quarter 2004 to September Quarter 2004 Comparison:

- Revenue contribution has dropped slightly over the previous quarter. The main contributor to the decrease was the Low 25% group.
- COGs are slightly better than last quarter by some 0.3% with the Low 25% group showing a 2% improvement.
- Wages, however, have shown a significant increase of almost 3%. Most of the increase is attributable to the Low 25% group meaning that all the improvements achieved above the line in reduced COGs have been paid to the employees in extra wages.

- Other costs have improved slightly over the previous quarter by some 0.4%.
- Net contribution has dropped on average by 3% on the previous quarter mostly attributable to the Low 25% and Mid 50% groups.

**December Quarter 2004 to December Quarter 2003 Comparison:**

- Revenue contribution is down 1.5% on the comparable prior year period.
- COGs improvements are apparent by 1.6% attributable to the Low 25% and Mid 50% only.
- Wage percentages have deteriorated by just less than 2%. The Low 25% group has remained consistent with the comparable prior year period.
- Other costs have shown a slight improvement by 0.7% with all groups showing expense reductions.
- Average net contribution has fallen back to similar levels to the comparable prior year period. The Low 25% group are the only group to be well ahead of last year.

**Bottleshop Indicators**

Removed from sample.

**Gaming Indicators**

Removed from sample.

## Overhead Indicators

**Purpose of report:** This report provides a snapshot of Overheads, for the main KP's, for each month in the quarter. This section provides more detail of the main Overhead costs shown in the Whole of Business Indicators.

- All KPIs are represented as % of Total Club Revenue.

### Period: October 2004

| KPI           | Average | Low 25% | Mid 50% | Top 25% |
|---------------|---------|---------|---------|---------|
| Wages         | 7.48    | 9.90    | 7.39    | 5.96    |
| On-Costs      | 5.11    | 5.14    | 5.60    | 4.44    |
| R & M         | 1.55    | 1.77    | 1.43    | 1.55    |
| Promotions    | 3.01    | 3.68    | 3.27    | 2.23    |
| Advertising   | 1.29    | 2.03    | 0.99    | 1.20    |
| Entertainment | 1.88    | 3.52    | 1.23    | 1.64    |
| Energy        | 1.19    | 1.41    | 1.28    | 0.93    |
| Postage       | 0.56    | 0.35    | 0.64    | 0.60    |
| Other Costs   | 9.62    | 8.09    | 11.64   | 7.98    |

### Period: November 2004

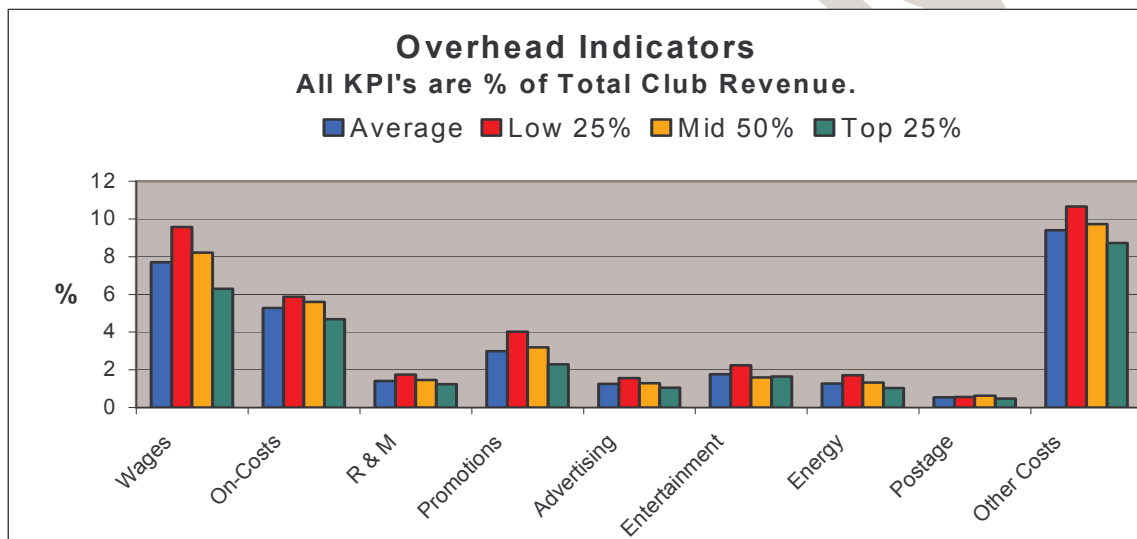
| KPI           | Average | Low 25% | Mid 50% | Top 25% |
|---------------|---------|---------|---------|---------|
| Wages         | 7.88    | 9.29    | 9.04    | 6.23    |
| On-Costs      | 5.35    | 6.16    | 5.31    | 5.09    |
| R & M         | 1.43    | 1.79    | 1.64    | 1.09    |
| Promotions    | 2.79    | 5.00    | 2.59    | 2.17    |
| Advertising   | 1.17    | 1.43    | 1.33    | 0.92    |
| Entertainment | 1.87    | 1.89    | 1.89    | 1.84    |
| Energy        | 1.30    | 1.77    | 1.40    | 1.03    |
| Postage       | 0.51    | 0.71    | 0.58    | 0.38    |
| Other Costs   | 9.26    | 11.29   | 9.87    | 7.92    |

### Period: December 2004

| KPI           | Average | Low 25% | Mid 50% | Top 25% |
|---------------|---------|---------|---------|---------|
| Wages         | 7.74    | 9.50    | 8.19    | 6.70    |
| On-Costs      | 5.38    | 6.31    | 5.89    | 4.54    |
| R & M         | 1.27    | 1.67    | 1.32    | 1.09    |
| Promotions    | 3.17    | 3.38    | 3.72    | 2.48    |
| Advertising   | 1.30    | 1.23    | 1.57    | 1.01    |
| Entertainment | 1.53    | 1.31    | 1.63    | 1.48    |
| Energy        | 1.34    | 1.99    | 1.31    | 1.18    |
| Postage       | 0.58    | 0.61    | 0.68    | 0.45    |
| Other Costs   | 9.36    | 12.61   | 7.65    | 10.28   |

## Averages of Periods

| KPI           | Average | Low 25% | Mid 50% | Top 25% |
|---------------|---------|---------|---------|---------|
| Wages         | 7.70    | 9.57    | 8.21    | 6.30    |
| On-Costs      | 5.28    | 5.87    | 5.60    | 4.69    |
| R & M         | 1.41    | 1.75    | 1.46    | 1.24    |
| Promotions    | 2.99    | 4.02    | 3.19    | 2.29    |
| Advertising   | 1.25    | 1.56    | 1.29    | 1.05    |
| Entertainment | 1.76    | 2.24    | 1.59    | 1.65    |
| Energy        | 1.28    | 1.72    | 1.33    | 1.04    |
| Postage       | 0.55    | 0.56    | 0.63    | 0.48    |
| Other Costs   | 9.41    | 10.66   | 9.72    | 8.73    |



Source: Club Data Online 2005

### December Quarter 2004:

- Overheads have remained consistent throughout the quarter.
- The Low 25% group has higher and more volatile levels of expenditure on AEMP.
- R&M appears to be controlled consistently across all groups.
- None of the performance groups have consistent expenditure under "Other Costs". Variations of up to 4% are occurring.

### December Quarter 2004 to September Quarter 2004 Comparison:

- Wages, On-Costs and R&M are all consistent with the previous period.
- Promotional expenditure has increased by some 0.8%. This may be attributable to the Christmas period.

- All other overhead expenses have remained, on average, consistent with the previous period.

**December Quarter 2004 to December Quarter 2003 Comparison:**

- Both wages and on costs are some 0.5% better than the comparable prior year period.
- Promotional spend has decreased by 0.6%, on average, over the comparable prior year period.
- Advertising and Entertainment have also seen a decrease in expenditure to the tune of 0.4%.
- Expenditure on Energy and Postage are almost identical to last year.
- Other Costs have increased slightly more than 0.5% over the comparable prior year period.

## Gaming Reports

### Average Turnover per Machine per Day - by Manufacturer

**Purpose of report:** This report provides a snapshot of average EGM performance by Manufacturer, giving an indication of the popularity of the various manufacturers' machines.

#### Period: October 2004

| KPI        | Average  | Low 25% | Mid 50% | Top 25%  |
|------------|----------|---------|---------|----------|
| Ainsworth  | 1673.12  | 1030.87 | 1619.51 | 1873.96  |
| Aristocrat | 2216.91  | 1050.06 | 1914.79 | 3020.86  |
| Global     | 13390.43 |         | 6969.41 | 15316.73 |
| IGT        | 1825.97  | 1003.20 | 1531.00 | 2552.89  |
| Konami     | 1402.16  | 698.49  | 1415.76 | 1982.37  |
| Olympic    | 1314.37  | 543.28  | 1699.91 |          |
| Pacific    | 1326.27  | 705.72  | 1288.53 | 1820.73  |
| Stargames  | 4013.45  | 870.01  | 3608.08 | 5457.37  |

#### Period: November 2004

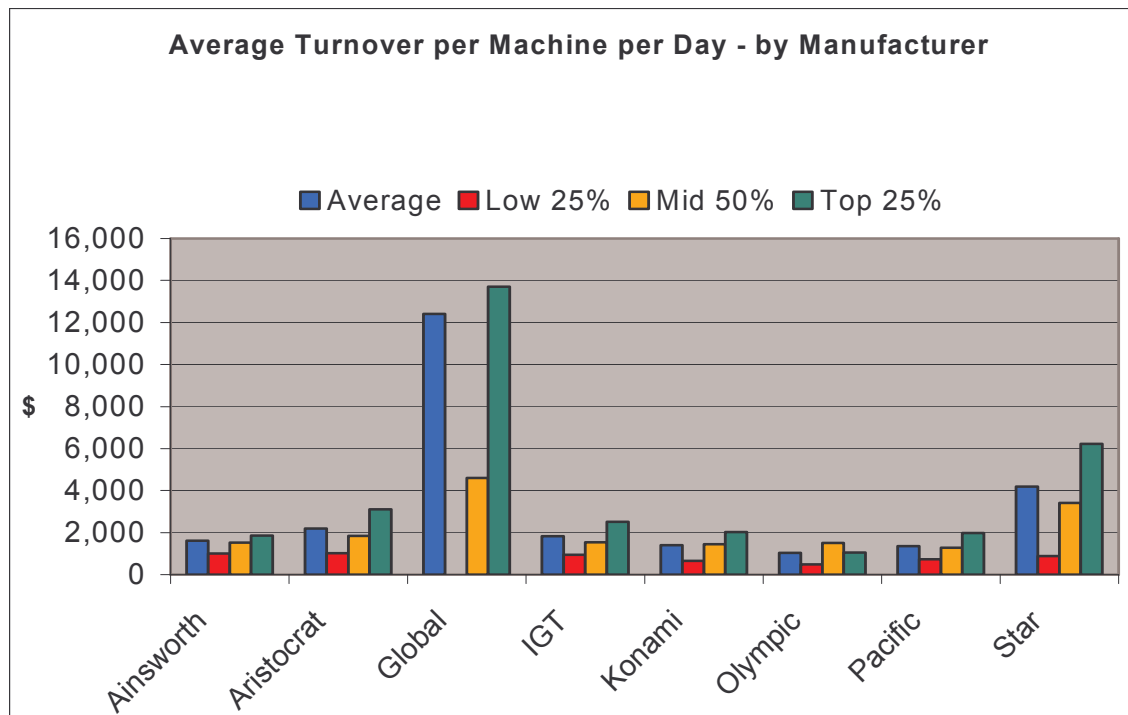
| KPI        | Average  | Low 25% | Mid 50% | Top 25%  |
|------------|----------|---------|---------|----------|
| Ainsworth  | 1577.96  | 1029.94 | 1461.66 | 1845.61  |
| Aristocrat | 2156.60  | 1016.00 | 1838.10 | 3110.62  |
| Global     | 11990.30 |         | 1558.93 | 12338.01 |
| IGT        | 1800.95  | 956.97  | 1517.30 | 2463.35  |
| Konami     | 1341.95  | 648.33  | 1386.32 | 1945.67  |
| Olympic    | 1010.42  | 430.06  | 1300.60 |          |
| Pacific    | 1331.99  | 741.07  | 1261.24 | 1994.03  |
| Stargames  | 4202.30  | 955.69  | 3644.66 | 6016.31  |

#### Period: December 2004

| KPI        | Average  | Low 25% | Mid 50% | Top 25%  |
|------------|----------|---------|---------|----------|
| Ainsworth  | 1584.42  | 941.91  | 1485.36 | 1866.06  |
| Aristocrat | 2187.45  | 983.05  | 1760.52 | 3167.04  |
| Global     | 11854.72 |         | 5279.53 | 13432.76 |
| IGT        | 1841.44  | 879.28  | 1556.04 | 2522.00  |
| Konami     | 1465.59  | 622.67  | 1531.41 | 2152.22  |
| Olympic    | 794.74   | 492.61  |         | 1047.88  |
| Pacific    | 1409.27  | 753.22  | 1295.88 | 2105.63  |
| Stargames  | 4356.53  | 829.14  | 2998.05 | 7208.90  |

#### Averages of Periods

| KPI        | Average  | Low 25% | Mid 50% | Top 25%  |
|------------|----------|---------|---------|----------|
| Ainsworth  | 1611.83  | 1000.90 | 1522.17 | 1861.88  |
| Aristocrat | 2186.99  | 1016.37 | 1837.80 | 3099.50  |
| Global     | 12411.82 |         | 4602.62 | 13695.84 |
| IGT        | 1822.79  | 946.48  | 1534.78 | 2512.75  |
| Konami     | 1403.23  | 656.50  | 1444.50 | 2026.75  |
| Olympic    | 1039.84  | 488.65  | 1500.26 | 1047.88  |
| Pacific    | 1355.85  | 733.34  | 1281.88 | 1973.46  |
| Stargames  | 4190.76  | 884.95  | 3416.93 | 6227.53  |



Source: Club Data Online 2005

#### December Quarter 2004:

- Ainsworth have seen a slight drop from a high of \$1,673/machine/day in October to settle around the \$1,580/machine/day mark. This fluctuation was driven by the Mid 50% performance group.
- Those Olympic machines that are still in the market took a significant decrease in turnover during the quarter.
- Star Games showed good incremental increases in turnover throughout the quarter.

#### December Quarter 2004 to September Quarter 2004 Comparison:

- Aristocrat and StarGames have increased Turnover on the previous period.
- Both IGT and Konami have remained consistent with the previous quarter.
- Ainsworth, Global, Pacific and Olympic have all seen decreases in average turnover on the previous quarter.

#### December Quarter 2004 to December Quarter 2003 Comparison:

- All manufacturers with the exception of Global and Olympic have had turnover increases over the comparable prior year period.
- Considering their market share, Aristocrat's turnover increase of \$350/machine/day over last year is an excellent result.

- Stargames have doubled their turnover per machine per day over the comparable prior year period. Whilst this is an excellent result also it needs to be tempered with an understanding of the effect of the Vegas Star MTGM range.

**Average Turnover per Machine per Day - by Denomination**

Removed from sample.

**Average Profit per Machine per Day - By Denomination**

Removed from sample.

**Machine Distribution - by Manufacturer**

Removed from sample.

Sample Only

## Machine Distribution - by Denomination

**Purpose of report:** This report provides a snapshot of the makeup of the EGM plant by Denomination. This can be used (in conjunction with Turnover data) to give an indication of whether the Denomination distribution is appropriate

**Period: October 2004**

| KPI         | Average | Low 25% | Mid 50% | Top 25% |
|-------------|---------|---------|---------|---------|
| 0.1cMachine | 0.16    | 0.00    | 0.00    | 0.44    |
| 1cMachine   | 78.82   | 86.42   | 84.03   | 69.24   |
| 2cMachine   | 3.27    | 2.39    | 3.68    | 3.11    |
| 5cMachine   | 3.16    | 3.00    | 2.60    | 3.92    |
| 10cMachine  | 1.14    | 0.89    | 1.02    | 1.39    |
| 20cMachine  | 0.01    | 0.00    | 0.02    | 0.00    |
| 50cMachine  | 0.24    | 0.07    | 0.11    | 0.46    |
| \$1Machine  | 10.61   | 7.17    | 8.39    | 14.77   |
| \$2Machine  | 0.10    | 0.07    | 0.15    | 0.05    |

**Period: November 2004**

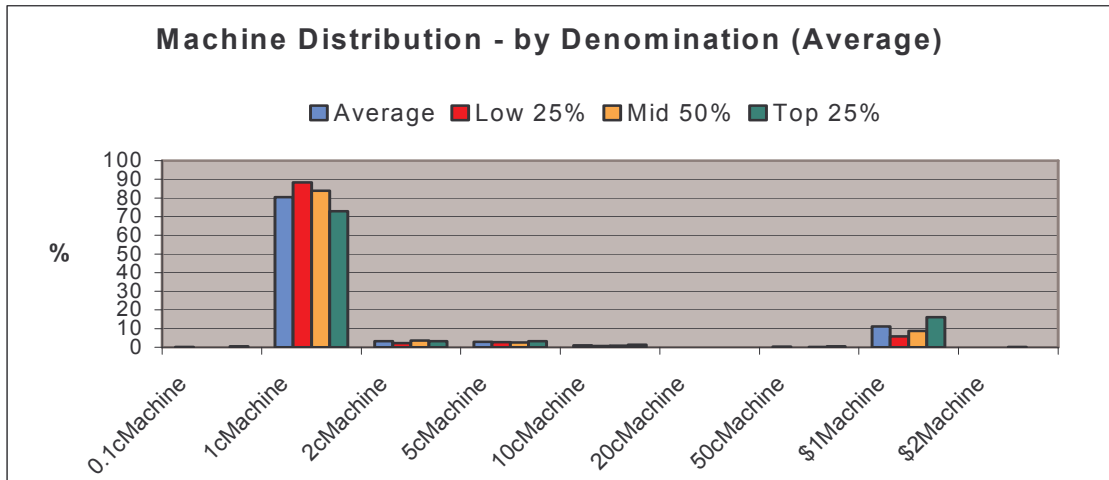
| KPI        | Average | Low 25% | Mid 50% | Top 25% |
|------------|---------|---------|---------|---------|
| 1cMachine  | 81.43   | 89.05   | 83.72   | 74.99   |
| 2cMachine  | 3.34    | 2.32    | 3.72    | 3.32    |
| 5cMachine  | 2.85    | 2.72    | 2.74    | 3.05    |
| 10cMachine | 0.93    | 0.53    | 0.84    | 1.24    |
| 20cMachine | 0.01    | 0.00    | 0.02    | 0.00    |
| 50cMachine | 0.31    | 0.07    | 0.09    | 0.69    |
| \$1Machine | 11.08   | 5.31    | 8.82    | 16.65   |
| \$2Machine | 0.04    | 0.00    | 0.05    | 0.06    |

**Period: December 2004**

| KPI        | Average | Low 25% | Mid 50% | Top 25% |
|------------|---------|---------|---------|---------|
| 1cMachine  | 81.19   | 89.54   | 84.10   | 74.44   |
| 2cMachine  | 3.22    | 1.87    | 3.38    | 3.57    |
| 5cMachine  | 2.66    | 2.70    | 2.58    | 2.74    |
| 10cMachine | 1.07    | 0.55    | 0.83    | 1.55    |
| 20cMachine | 0.01    | 0.00    | 0.02    | 0.00    |
| 50cMachine | 0.27    | 0.07    | 0.12    | 0.53    |
| \$1Machine | 11.54   | 5.27    | 8.88    | 17.17   |
| \$2Machine | 0.04    | 0.00    | 0.09    | 0.00    |

### Averages of Periods

| KPI         | Average | Low 25% | Mid 50% | Top 25% |
|-------------|---------|---------|---------|---------|
| 0.1cMachine | 0.16    | 0.00    | 0.00    | 0.44    |
| 1cMachine   | 80.48   | 88.33   | 83.95   | 72.89   |
| 2cMachine   | 3.28    | 2.19    | 3.59    | 3.33    |
| 5cMachine   | 2.89    | 2.81    | 2.64    | 3.24    |
| 10cMachine  | 1.05    | 0.66    | 0.89    | 1.39    |
| 20cMachine  | 0.01    | 0.00    | 0.02    | 0.00    |
| 50cMachine  | 0.27    | 0.07    | 0.11    | 0.56    |
| \$1Machine  | 11.08   | 5.91    | 8.70    | 16.20   |
| \$2Machine  | 0.06    | 0.02    | 0.10    | 0.04    |



Source: Club Data Online 2005

#### December Quarter 2004:

- The 0.1c denomination disappeared from the sample during the month of November.
- The 1c and \$1 denominations have increased their share over the quarter.

#### December Quarter 2004 to September Quarter 2003 Comparison:

- Share decreases can be seen for 1c, 2c and 5c denominations over the previous quarter.
- Share increases can be seen for the 10c and \$1 denominations over the previous period.

#### December Quarter 2004 to December Quarter 2003:

- Denomination share is very consistent with the comparable prior year period.
- The 5c denomination showed a decrease of 1% over the comparable prior year period.
- The \$1 denomination picked up almost 1% of the share.

**References / Sources**

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**Graphical Representation of Quarterly Averages**

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