



Light Shining Brighter – Signs of Pent-up Demand

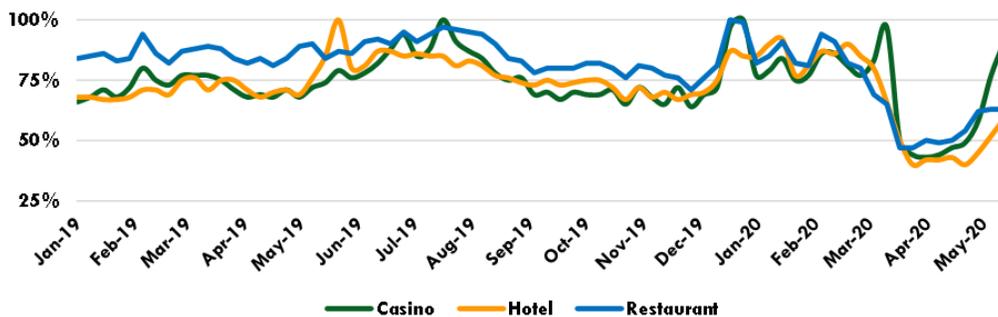
We are seeing the light at the end of the tunnel – and it seems to be getting brighter. The more we learn about markets reopening to consumers who have been cooped up for much too long, we see signs of pent-up demand.

Beyond the anecdotal evidence of the select tribal and regional gaming properties that have recently reopened with very strong customer counts, we look more broadly across the economy and can point to reinforcing data in several consumer discretionary sectors. All of this gives us hope for a stronger third quarter of 2020.

We recently learned that as far away as China, as the Shanghai Disneyland park reopened with a limitation on capacity set at 20% of prior levels – tickets are selling out online in 3 minutes from the time they have gone on sale.

Another point relevant to gaming is data from Google. Their reported searches using the word “casino” during the month of April were off 40% from prior periods. Thus far in May, use of the word in search activity is on par with prior periods. We read in to this that as the economy is looking to phase in reopenings, casinos are top of mind in customer inquiries.

Casino, Hotel, & Restaurant Interest (Based on Google Search Popularity)



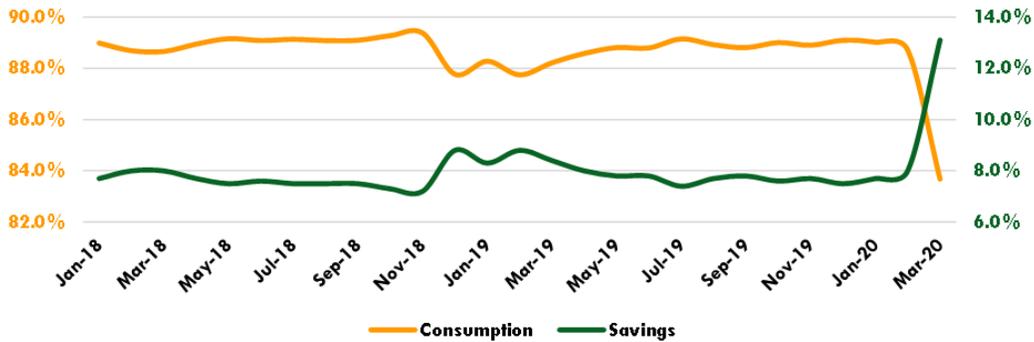
Airline flight searches of seat occupancy are starting to look a bit more “normal”. While still far from full (largely due to capacity controls and no middle seat occupancy), for flights mid-late summer, there is a return to fuller booking levels and a smaller inventory from which to choose seats. Southwest recently announced that their net new bookings have now exceeded cancellations. United Airlines recently told us that they have slowed the number of cancelled flights and are now adding them back for July... they saw a significant uptick in NEW reservations made in May for summer flights.

With consumer spending curtailed because of nationwide closures, the US personal savings rate (personal saving as a percentage of disposable personal income) increased to 13.1% in March, up from 8% in February, according to a study from the Bureau of Economic Analysis. Consumers put \$2.17 trillion into savings, marking

the highest rate since 1981. This leads us to believe that there is spending power to back up the pent-up consumer demand.

US Consumption and Savings

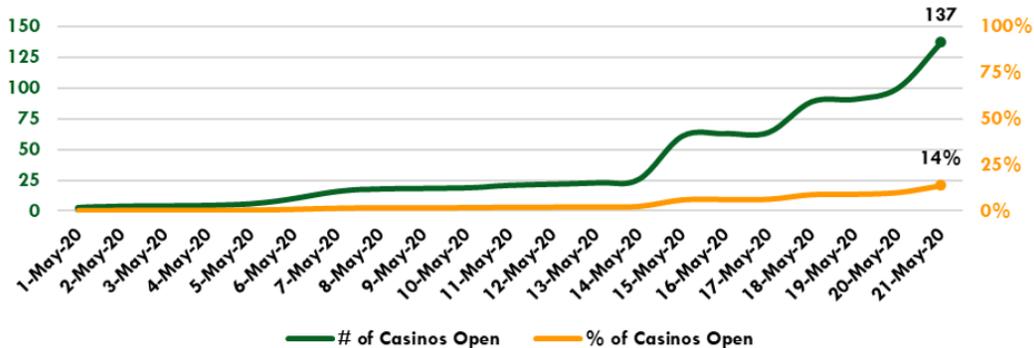
(As a % of Disposable Personal Income)



As of today, there are 137 casinos nationwide that have reopened, with 852 remaining per the [AGA COVID-19 Casino Tracker](#). The indicators we continue to learn about bode well – social distancing or not – for maintaining re-hired job positions and replenishing cash balances.

Casino Openings Since Shutdown

(Based on AGA's COVID-19 Casino Tracker)



Regards,

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