



Eilers & Krejcek
Gaming

Mobile Product Trends: New Social Casino Apps

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Summary

Our monthly Mobile Product Trend reports are authored by Robin Littleworth, Product Consultant for Eilers & Krejcik Gaming, and are specifically geared towards product and business intelligence managers. In this second monthly report we take a closer look at some the newest standalone social casino apps and how they are trying to differentiate in this hyper-competitive category.

OUR KEY TAKEAWAYS

- **The Flood Gates are Still Open.** While already a maturing industry, there continues to be no shortage of new entrants into the social casino space. We have selected only a few of the more notable games to feature in this month's report, but there are many more beyond them all vying for a piece of the nearly \$5 billion social casino game market.
- **Crossing Over.** Of particular interest is the trend of other gaming genre incumbents getting into the social casino space with the latest entrants being King Digital, SEGA and MobilityWare. Additionally, the trend of developers differentiating by incorporating other game genre mechanics, features and visual language into social casinos continues to be seen and enjoyed by players.
- **Little to No Innovation.** The slot game experience for players is generally the same from game to game across the industry. The newness players are experiencing is more a function of other gaming genre styles and land-based slot game mechanics and math being introduced into social casino games, but otherwise there is nothing truly novel or innovative born out of social casinos to speak of. Some of this could be borne of the fact that user acquisition costs are high and could be deterring newcomers. What is noteworthy with the recent notable new entrants is their use of intellectual property and brands as competitive advantage, such as MONOPOLY or familiar SEGA characters from years past, or just fresh artistic styles, all in hopes of acquiring new players to expand their base or carving out a niche.
- **Little to No "Social" in the Casinos.** Of the notable new entrants we have explored in this month's report, almost all provide little social elements, if any, meaning these games are still almost entirely an individual experience. However, this is not at all uncommon in the space. Although one game tries to create a community bonus, one has a scrolling ticker displaying recent big winners, and a couple have the ability to gift friends, all are simply far more slots than social.
- **Revenues still driven through IAP.** As is the case across most games in the social casino space, even the newest entrants primarily achieve revenues through in-app purchases of additional virtual coins. Although some games allow rewarded video and/or even offer subscription packages, they all target the sale of virtual coins to players through their in-app stores as their key revenue driver.

The Newest Notable Entrants in the Social Casino Space

Royal Charm Slots



Lightning Link



Monopoly Slots



Confetti Casino

Player Considerations When Choosing a Game

- Of immediate interest is how and why any of these new games may appeal to players in the first place.
- Players first seek a genre of games that they want (e.g., slots, solitaire, poker, match 3, etc.)
- Beyond that, however, there are various other factors that influence their decision to choose to download and play a particular game beginning with the artistic style or graphics to the theme to brands, etc.



Factors When Choosing a Game

The Likely Key Considerations Beyond the Game Type

Theme: Whimsical, magical world



Affiliation: Recognizability of these slot machines



Entertainment Brand: Monopoly is a recognizable brand

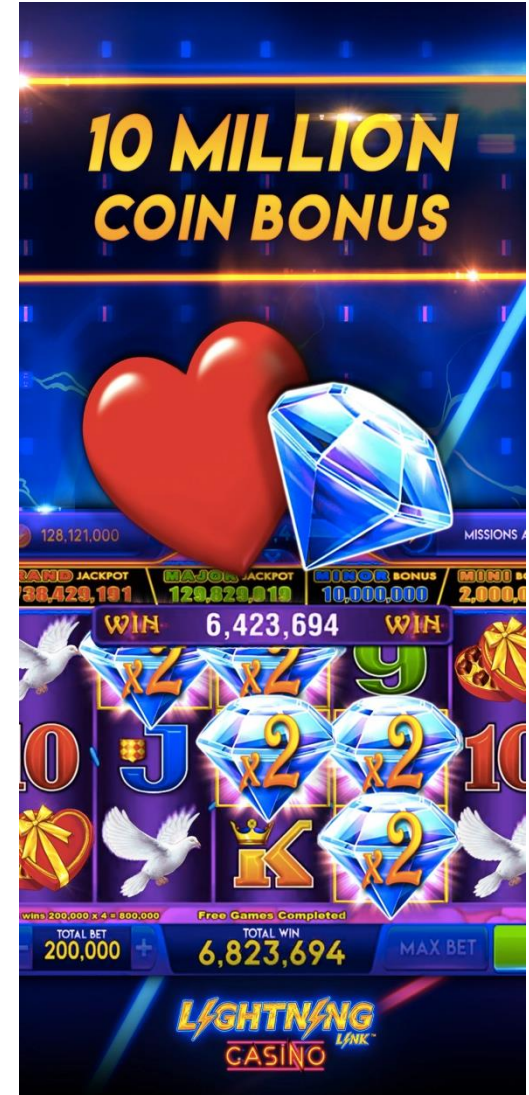


Graphics: Non-sexualized female character artwork

Lightning Link

Game Overview

- Launched on May 3, 2018 by Product Madness
- Brings the highly popular land-based casino solution to the social casino world in its own standalone game
- Includes assortment of new and classic Aristocrat slots
- Lobby bonus uses the Hold & Spin feature to award free coins
- Players complete missions to accrue Lightning that can be used to raise their player tier and collect additional awards



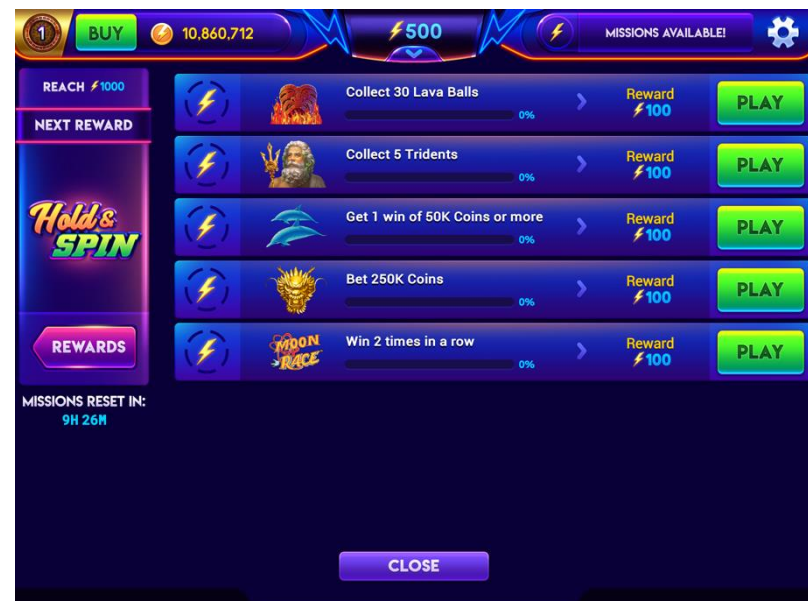
Themes & Content

- The lobby features popular titles such as Buffalo Deluxe, Heart Throb, and More Chili and the respective characters
- There are 18 different slot machines, only one of which is locked at the start, with different mechanics and other features within the entire game
- Slot machines feature the same popular mechanics as the land-based games such as Gold Stacks, Max Stacks, Lightning Storm, and Gold Class Cash Express, but likely most importantly in this case the Hold & Spin feature in several of the titles, which is used in the Lightning rounds for awarding the jackpots



Strengths

- The machines use the same features, math, art, and sounds as in the well-known land-based titles
- The Hold & Spin feature in the lobby to award the periodic free coins is a great use of this popular mechanic
- Well-tuned reel spins, animations, music and coin meter choreography with no interruptions or in-app messaging during the actual slot machine game play
- The use of the Missions and the percent completion meter in the interface is a good technique for driving greater retention and incentivizing players to increase their wager amounts
- The game also tracks player achievements and badges



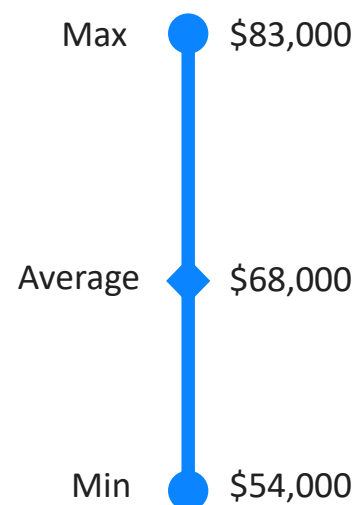
Opportunities

- Lightning Link feature is not available to players in every title within this game
- Each slot machine in the game other than Buffalo Deluxe and Golden Seas is a 5x3. Some players may appreciate future games having different array configurations
- Some player demographics might also appreciate varying of the art styles and softening of the math models to be slightly less volatile
- Finally, it is worth noting that some players are turned off by notifications of other players winning the progressive award and feel less motivated to participate when seeing those messages. Perhaps having the option to toggle those messages would benefit some



Performance

- Lightning Link monetizes via players purchasing more coins
- It does not feature the use of video ads for virtual credit/coins for players as competitor products may do
- It is the leading performer in this group of notable new social casino entrants and continues to trend upwards
- Over past 90 days this game has gone from less than \$15k in daily revenues to achieving nearly \$85k on iOS at its high
- Lightning Link currently averages \$70k in daily revenue on iOS only. For context, we estimate Cashman Casino and Heart Of Vegas average approx. \$350k and \$700k per day, respectively.

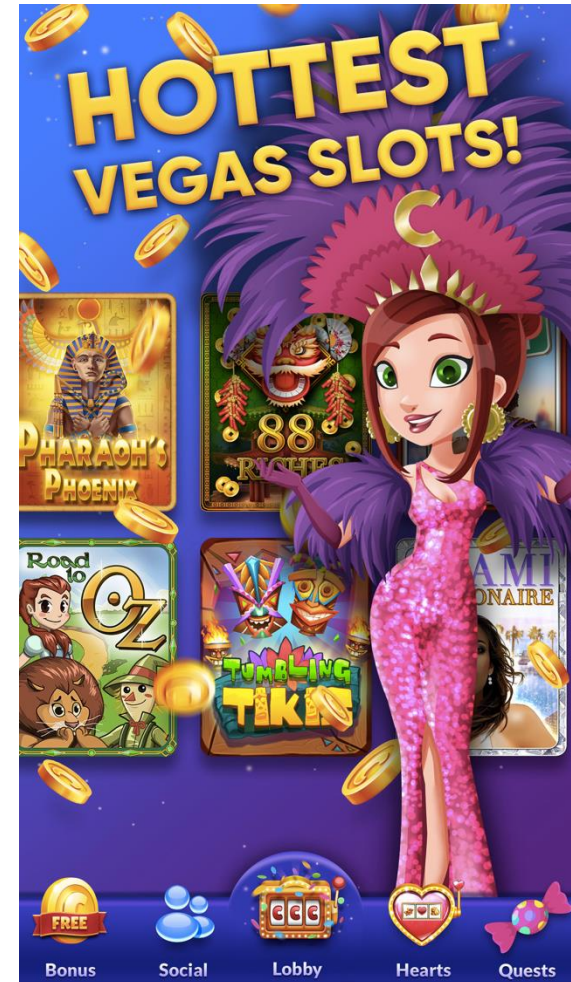


*Approximate Trailing 30-Day
Daily Gross Revenues (iOS only)*

Confetti Casino

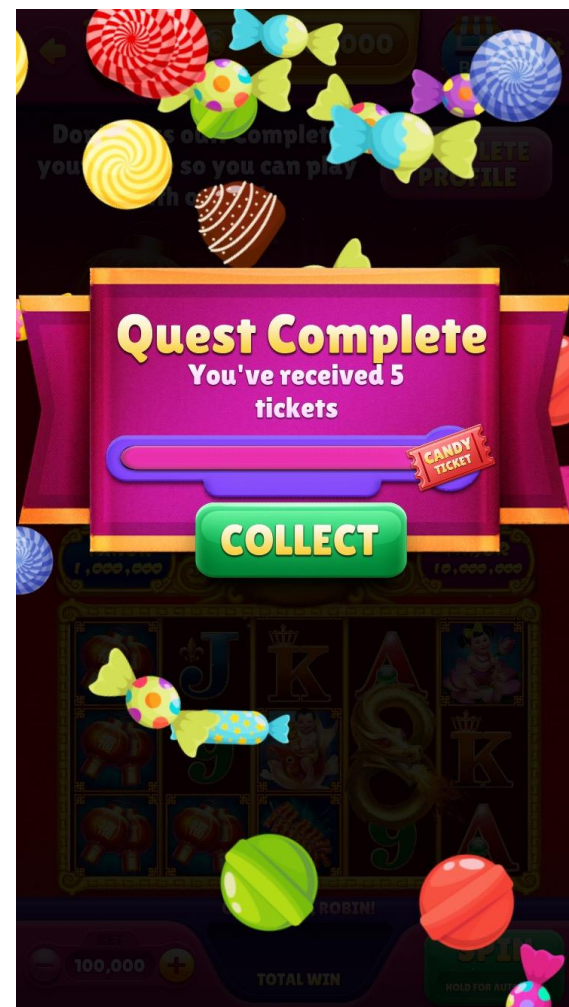
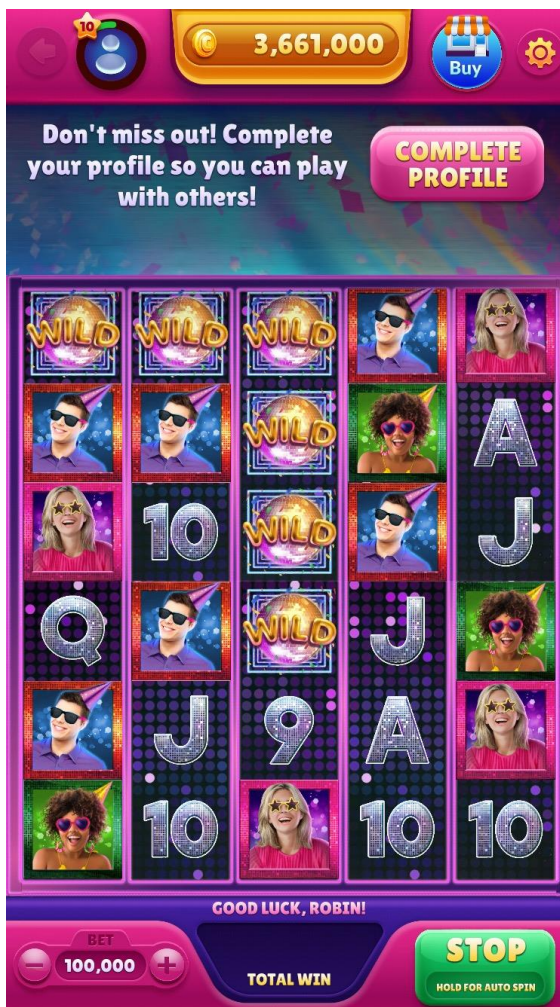
Game Overview

- Created by Fort Mason Games founded by an ex-Zynga employee
- First appeared in the app store in January but only began broadly announcing the game in September 2018
- Attempting to make slot machines that are more inclusive of women whilst featuring non-sexualized characters illustrated with a female player demographic in mind
- The game contains some social features that allow players to connect to each other including the sending and receiving of HeartGrams, which provide in-game rewards



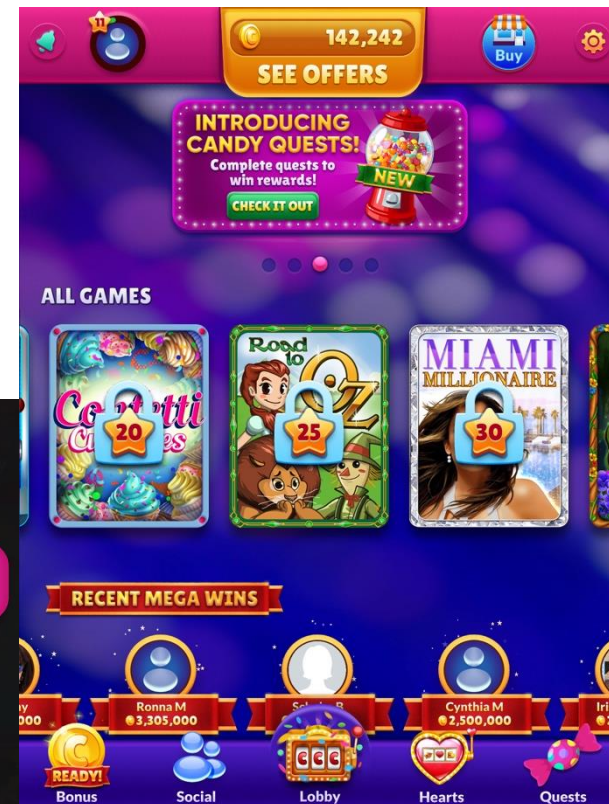
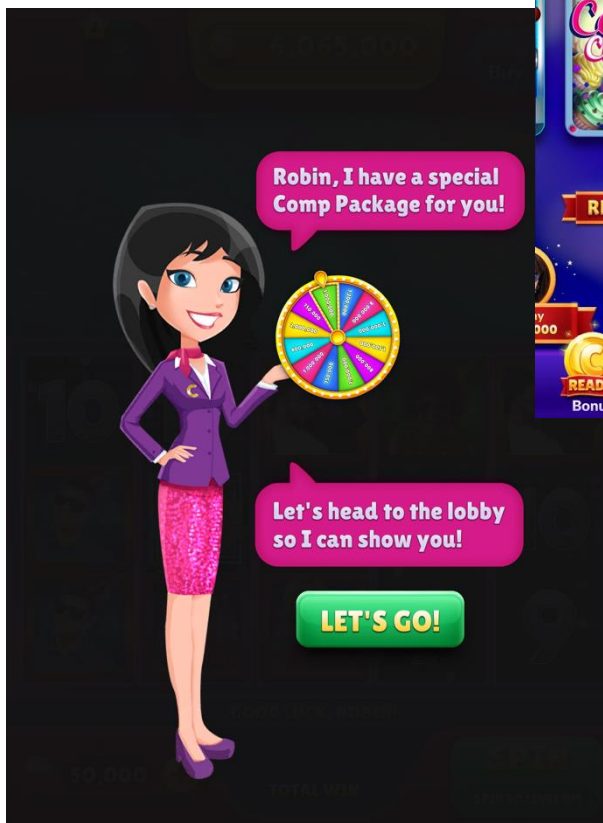
Themes & Content

- A couple different reel features and themes attempt to give the player an assortment of experiences right from the start
- The overall visual language woven throughout the game is quite colorful and varied
- Daily Quest allows players to earn tickets which are used to play the Gumball Machine which gives players candies that reveal credits, XP and other rewards



Strengths

- It's a game created by women and essentially targeting women players
- Player can play the slot machines in portrait or landscape mode and alternate between the two
- Contains a mix of free spin bonuses and pick bonuses in the slot machine portfolio. Although not full player agency, one machine allows players to pick the free spins or the pick bonus
- Also features a daily wheel bonus, bi-hourly gift, and quests intended to maintain greater player engagement
- Interesting use of a casino host to guide the player through the first time user experience



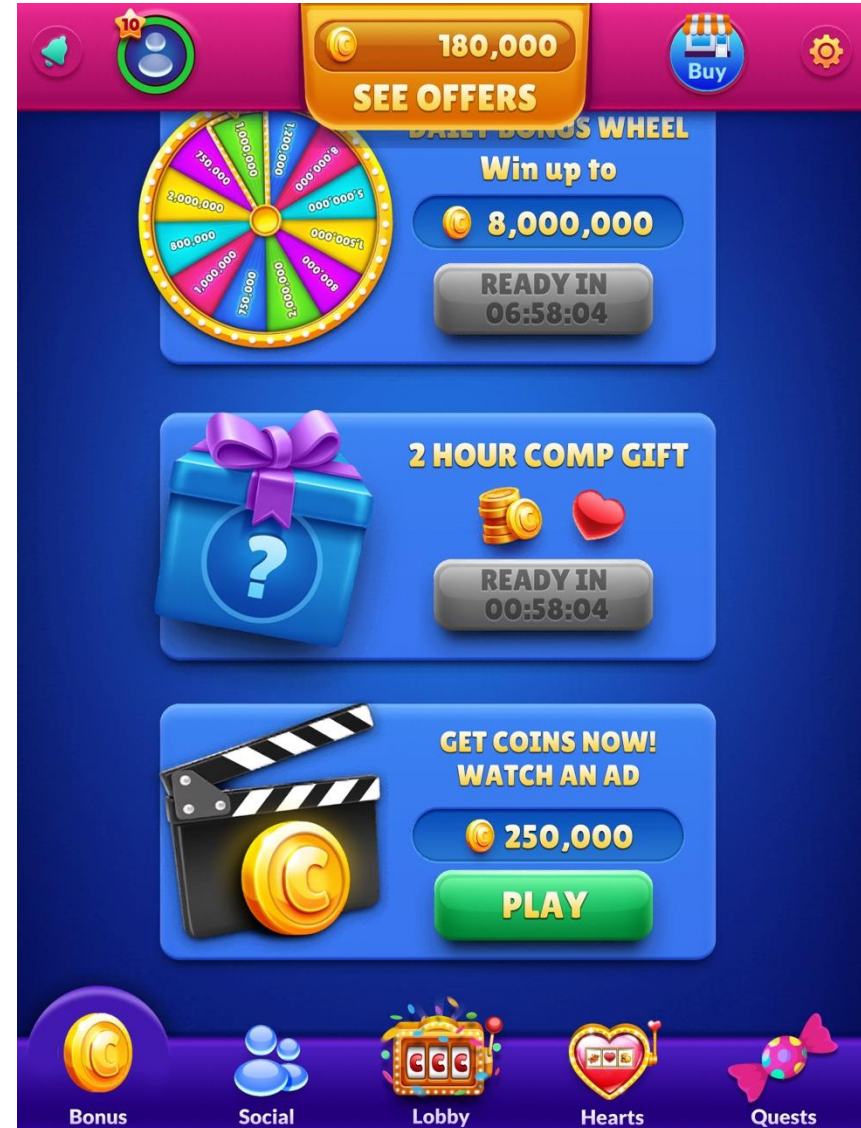
Opportunities

- The reel arrays and art styles provide variety, the math models themselves may need to be adjusted to better meet potential player expectations
- Reel spin profiles and some sound effects could be tuned in order to better appeal to all players
- Some players will appreciate a few more titles available to play at the beginning
- Likely a bug, but the lobby only appears in portrait mode on some devices
- Also likely a bug, but the Daily Quest completion meter overlaps part of the reels of in some form factors
- Adding the large incrementing progressives to some machines would likely appeal to certain player demographics, as well as provide an opportunity to improve the bet levels



Performance

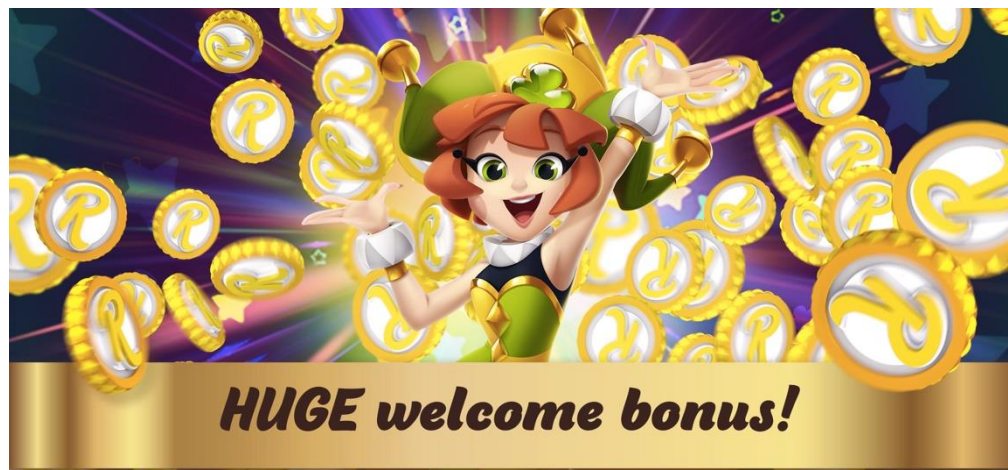
- Confetti Casino monetizes via players purchasing more virtual coins and enhancements
- But it also garners some ad revenues as it allows players to watch ads for virtual coins
- And we should note that over 70% of the players in Confetti Casino are women
- It is too early to gauge the expected performance of this game just yet, but with some adjustments this game has potential to delight players and we will look forward to seeing what it can do



Royal Charm

Game Overview

- Royal Charm Slots Launched worldwide on June 21, 2018 by King Digital Entertainment (acquired by Activision Blizzard Inc. in 2016) in partnership with PLAYSTUDIOS, Inc.
- It was initially soft-launched in Malaysia in August 2017
- King, the makers of the hit casual game Candy Crush, look to capitalize on their casual game success and compete in social casinos, this being their first social casino title
- They partnered with PLAYSTUDIOS, the industry veterans that brought us myVEGAS Slots and POP! Slots, to create this game
- This game features a royal cast of characters to guide players through a whimsical world of slots



Themes and Content

- Royal Charm slots contains 17 different slot machines, with the promise of more to come in the future
- It features both Challenges and Boosters to increase player excitement and retention
- The player completes various challenges on different themes to earn virtual coins, and in some cases different currencies, to be used to acquire Boosters
- Further, prior challenges can be replayed by selecting them from the Journey Map
- Level ups through slot machine play can also award currencies for acquiring Boosters
- The game also features a Space Rally race where players complete laps around the track and collect tires during spins to win prizes. Players may also view their friends' scores in the race



Strengths

- Imaginative and fresh look
- Mix of different reel arrays and symbol sizes, as well as a mix of free spins and pick bonuses
- Anticipation spin animations, epic win animations into the c, and stacked win lines are presented well
- Swiping the reels to spin is a fresh mechanic
- The use of Boosters is a nice mechanic. It serves as a good player engagement solution, but also provides some player agency by allowing the player to decide when to use the feature boost
- Appears to also be targeting first time slot players in particular, as evidenced by the first time user experience
- Use of a message inbox minimizes in-app messaging and the potential disruptions
- Power Saving mode option is great to reduce the battery drain



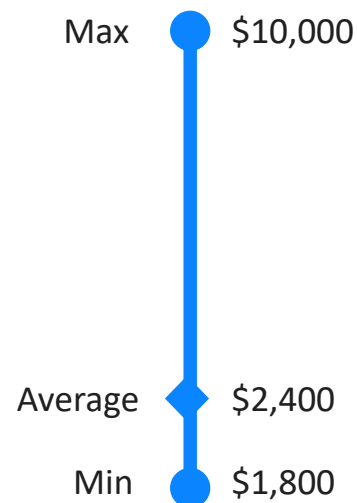
Opportunities

- Some players may appreciate varying the artistic style, sounds and volatility on given slot machines
- In fact, the art style, and perhaps even the machine titles in some cases, may be polarizing to certain players suggesting it skews too juvenile
- Certain elements and coloring thereof in the user interface may not be immediately intuitive to players, and some may appreciate the auto spin being activated/deactivated by holding down the Spin button
- Reel spin profiles could be tuned in order to better appeal to all players
- The Big Wins and Epic Wins may play too fast for some player types who truly enjoy to experience every second of those moments
- Likely a bug, but the order of operations of certain in-app messages, particularly for new players, may cause confusion



Performance

- The game earns its revenues through in-app purchases of virtual coins
- Clever marketing campaign days may also allow it to accrue sales when its competitors are not running specials
- We have to believe this is being cross-promoted to their hundreds of millions of current players of other games and graduating some of them to the social casino space, as well as continuing to use their brand only strategy and increase acquisitions
- The game so far has reached peak daily gross revenues of approx. \$10k
- Royal Charm slots has currently stabilized at about \$2-\$3k in daily revenues. For context, we estimate POP Slots generates over \$250k in daily revenues.

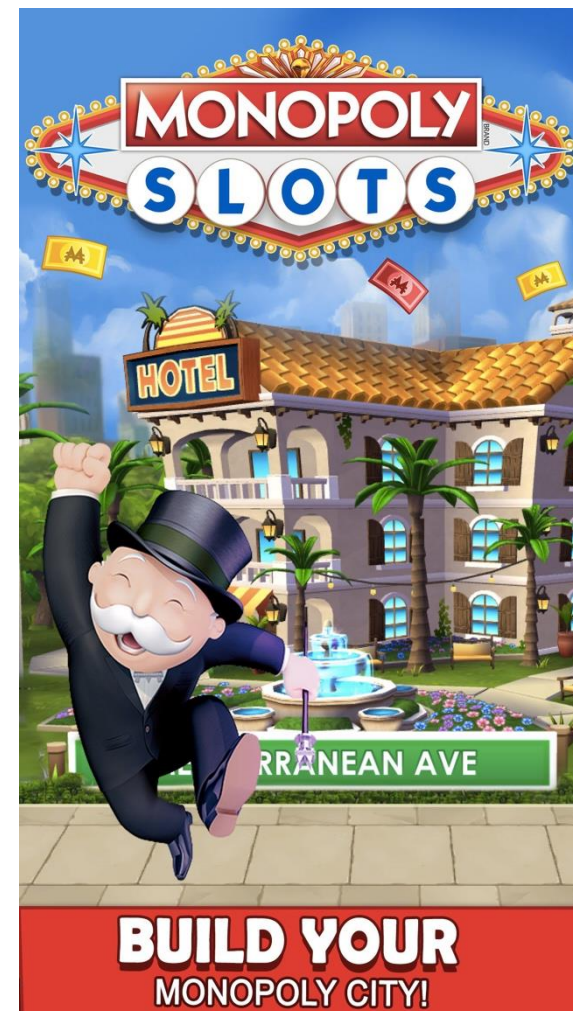


*Approximate Trailing 30-Day
Daily Revenues*

Monopoly Slots

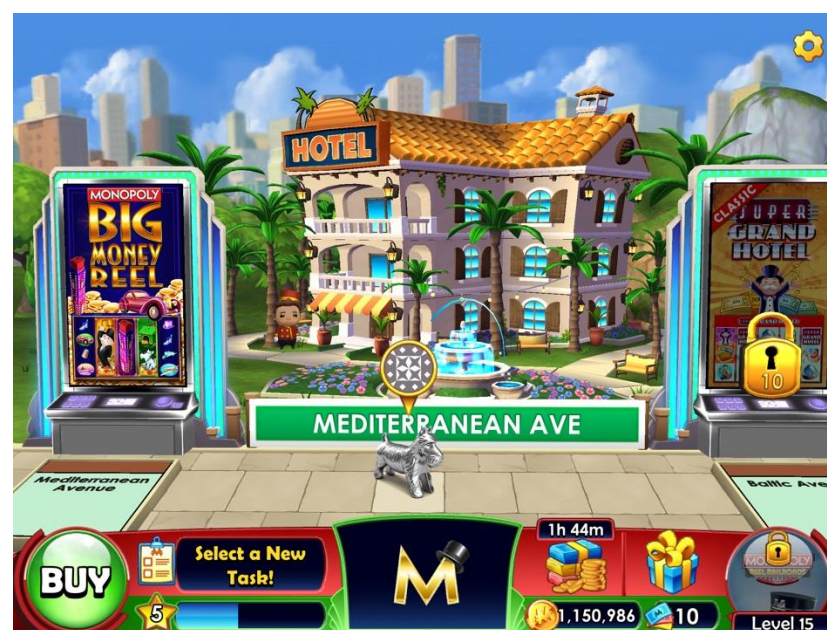
Game Overview

- Launch announced on July 11, 2018 by Phantom EFX
- Leverages a well known license for player acquisition
- MONOPOLY is a strong brand in that it is recognized by many and involves winning (fake) money, hence out of the box may appeal to many slot players
- Players use MONOPOLY Bucks to build a 3D world block by block and ultimately restore MONOPOLY city



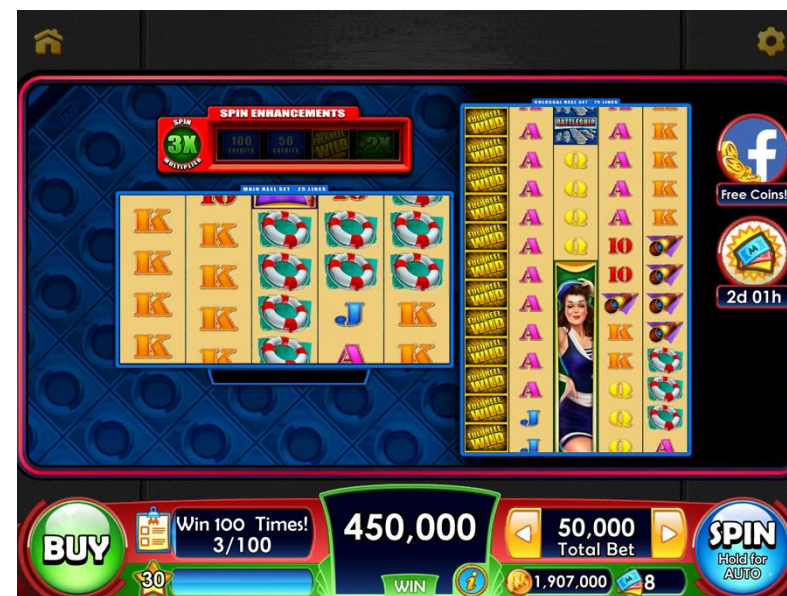
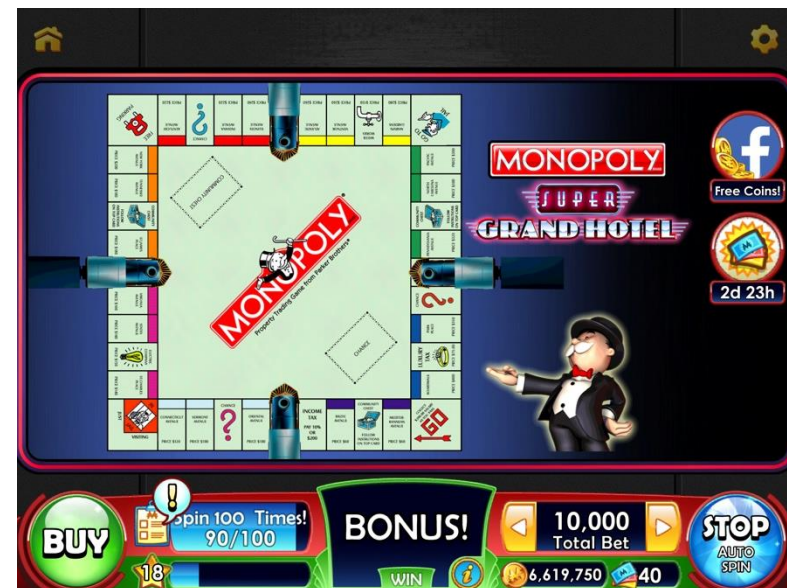
Themes & Content

- Features several of the hit Monopoly slot machines that have been on land-based casino floors
- The game includes a total of 17 slot machines, all but one of which are locked from the start, and the promise of additional titles, including some Hasbro themes and some not, to come in the future (should the player unlock all of them to that point)
- Players complete certain tasks to earn MONOPOLY Bucks which they can then use to build hotels, train stations, even put on a concert on the various properties in the game
- Players also earn income in the form of virtual coins from their establishments, which can then be used to spin more slots



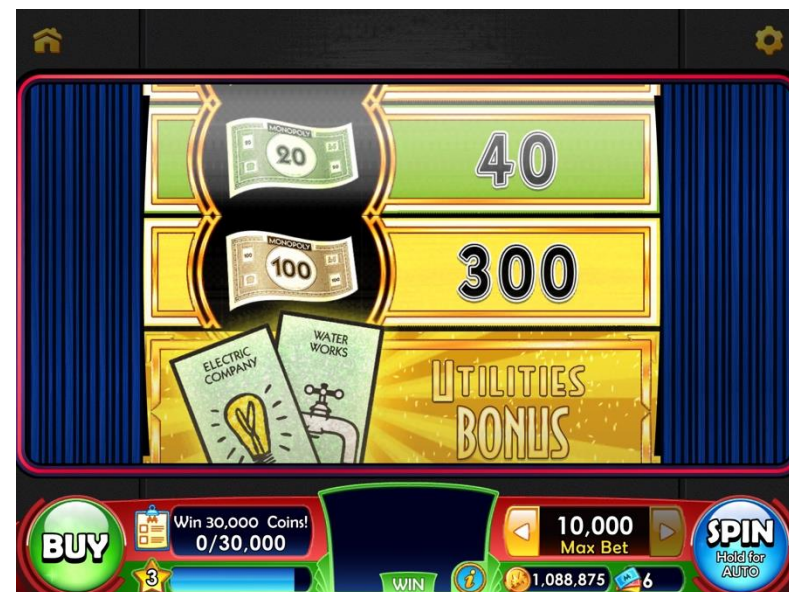
Strengths

- The slot machines contain a variety of compelling math models, reel arrays, features, as well as a mix of free spins, pick bonuses, and credit awards appeal to players of varying preferences
- Overall the game has fantastic graphics, animations transitions, and sounds with the same attention to detail that land-based players have enjoyed for years
- The user interface is well organized and even subtly allows for a featured / coming soon slot machine area
- Players have the freedom to choose which task they would like to play next from a short lists of options
- The ability to progress across the board and build the city makes for an extremely compelling metagame
- Players can even go beyond MONOPOLY themes and travel to ancient Greece, as well as play other Hasbro licensed themes like Clue and Battleship



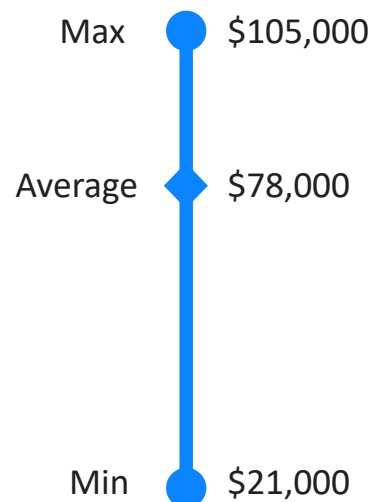
Opportunities

- The first time user experience rightfully tries to resolve this, but the tasks may feel complicated to some players
- Wheel bonus artwork and the corresponding physics could use some refining to better appeal to all players
- As is often the case in social casino games and perhaps a good thing for the developer, MONOPOLY Slots feels significantly harder to progress the greater the level especially in the Greece section of the game, thus requiring players purchase coin packages to maintain their desired level of engagement
- The time between spins in the free spin bonuses may need adjusting to better appeal to all players
- Some players may appreciate shortening the amount of time required pressing the Spin button to activate/deactivate auto spins
- Certain Quests may feel unfulfilling to some players, for example, installing a clock, fixing a plumbing leak, or hiring a train operator



Performance

- MONOPOLY Slots monetizes via players purchasing more coins
- It does not feature the use of rewarded video or other ads as some competing apps do
- We estimate it has generated more than \$3MM in gross revenue to date between iOS and Google Play
- Daily revenues have currently stabilized around \$60-\$70k.
- For context we estimate Jackpot Party Casino (SciGames largest standalone app) generates over \$500k in average daily gross revenues.

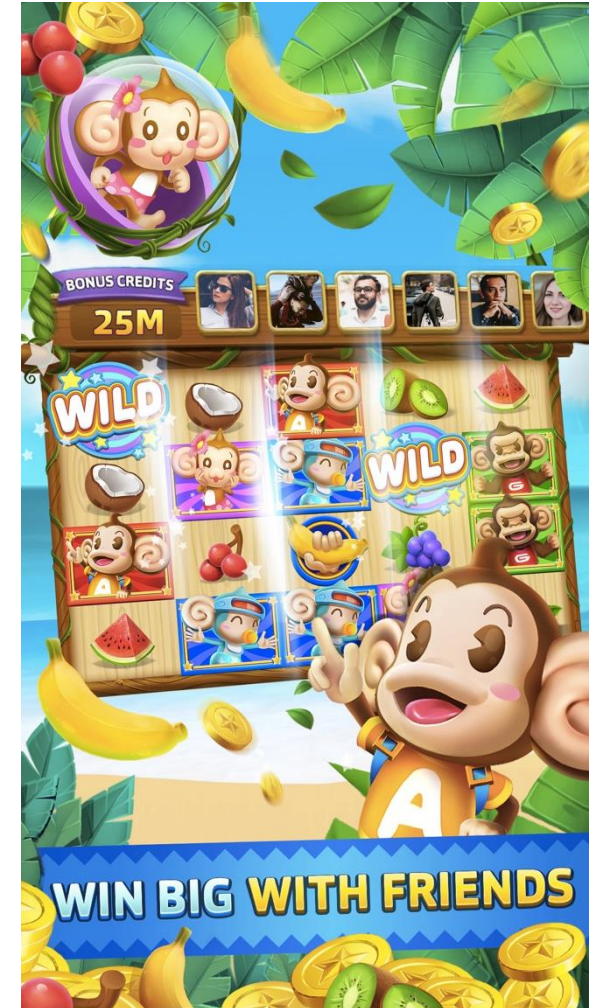
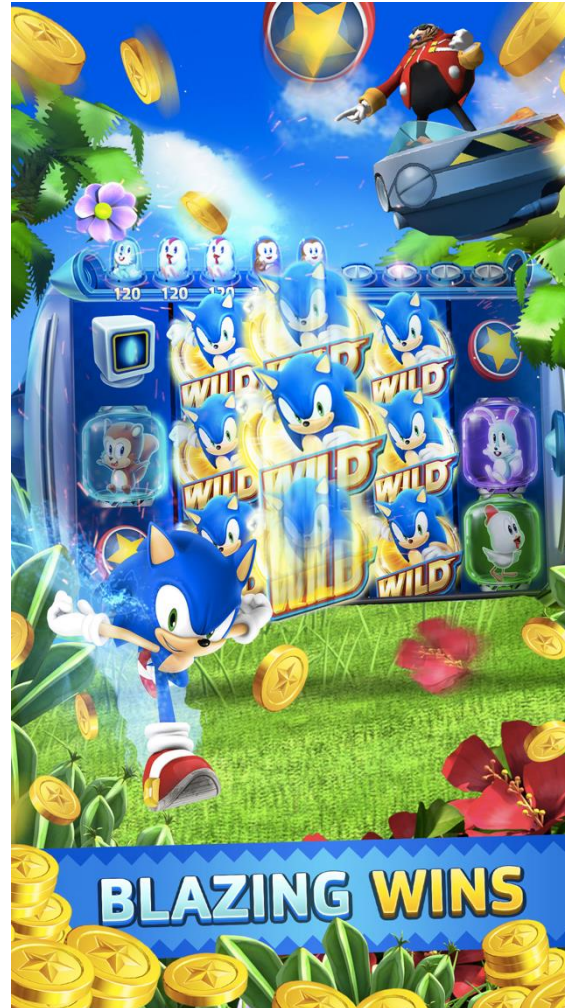


Approximate Trailing 30-Day
Daily Revenues

SEGA Slots

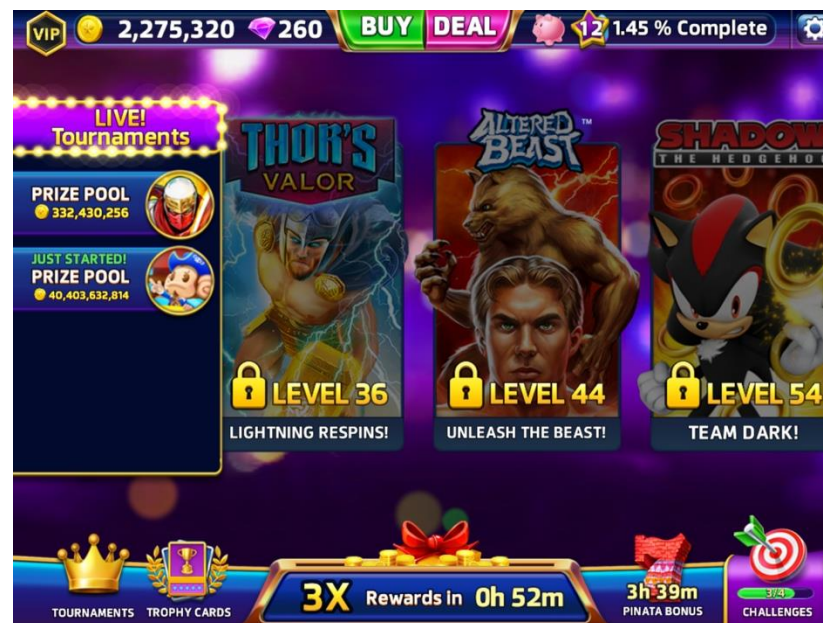
Game Overview

- SEGA announced the launch of this game in January 2018
- Features much of the familiar intellectual property from years past
- This launch harkens back to SEGA's producer of three-reel slot machines back in the 1950's



Themes & Content

- The slot machines feature recognizable SEGA characters and sounds from the popular arcade games
- Players basically progress through various slot machines to unlock and continue playing more of their favorite SEGA favorites
- SEGA slots contains 19 different machines, all but two of which are locked at the start
- VIP status provides access to the one or two exclusive machines depending on the player's level
- Features a set of daily challenges, but beyond that does not offer players a metagame
- Also features the use of collectible Trophy Cards as a player retention tool



Strengths

- The game gets players right into playing and begins with the player immediately spinning the reels on the Sonic the Hedgehog machine
- Features live tournaments
- SEGA slots prompts the player the first time they load the game for their age range (likely to ensure players are of appropriate age to play), which could prove valuable to SEGA as they produce further content and better target players
- Challenges are automatically initiated
- Use accrues chaos emeralds to smash a piñata for additional coins
- Break the bank in-app purchase feature is a good promotional tactic and helps create player attachment
- Bi-hourly reward amounts are attractive to players



Opportunities

- The characters are a good differentiator, but players may likely expect to see other IP from their arcade playing days, even those titles not directly developed by Sega
- A first time user experience may help to ensure all players are quickly acclimated
- Allow players to turn off the high resolution graphics in order to improve performance
- The math models themselves may need to be adjusted to better meet player expectations
- Likely a bug, but the win meter always shows the previous win amount until a new amount greater than zero is won
- Might help to increase the minimum bets a little more subtly between sessions
- Removing the collect button after each winning spin in the free spins, and reducing the number of in-app messages in between games, may help keep players more engaged



Monetization

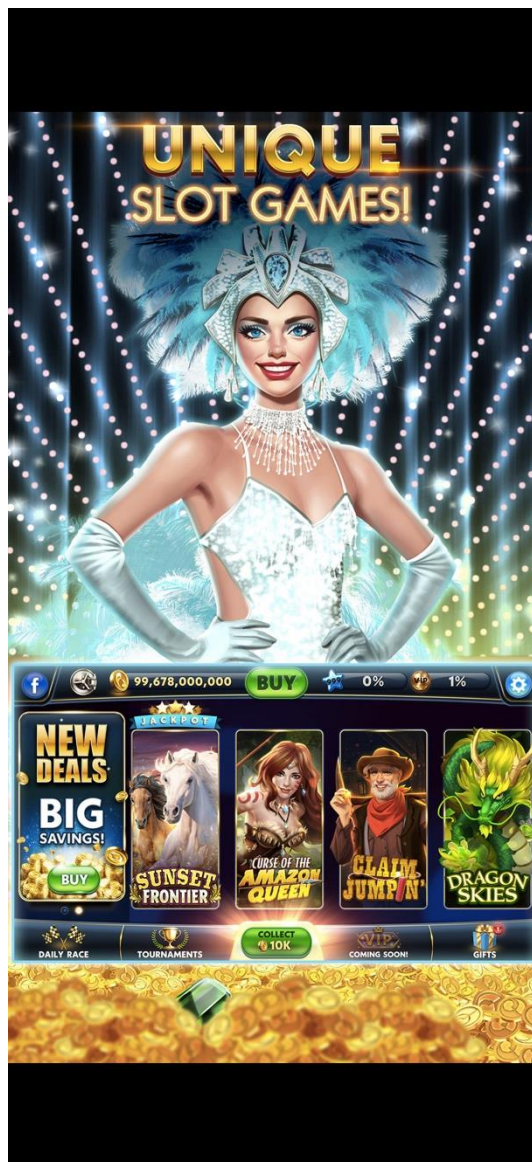
- SEGA Slots monetizes via players purchasing more virtual coins
- But unlock many competitor games, SEGA also offers monthly subscriptions beginning at \$4.99 up to \$19.99



Preview of Coming Attractions

Vegas Blvd Slots

- This game is being brought to players by MobilityWare, the leader in solitaire
- While still in soft launch, but available everywhere on iOS
- The game features a variety of engagement solutions such as a daily wheel bonus, daily race, coin vault, gifts and VIP and more features coming soon
- It contains stunning graphics, various reel arrays, features and slot game mechanics designed to give the player a broad variety of experiences with additional machines released regularly
- It monetizes both through rewarded video ads and virtual coin purchases



Steampunk Palace

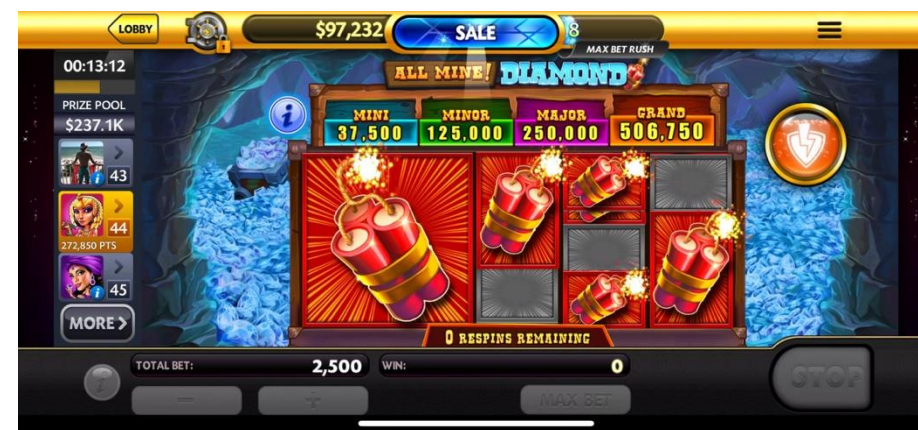
- Steampunk Palace is being developed by Imperial Play, a new company with a studio having decades of slot development experience
- In soft launch in the Google Play store and not available in most countries yet
- Appears to be a subscription-based social casino game, and perhaps with the ability to pivot to RMG
- Style might be risky if “Steam Dream” and “Steam Tower” have anything to say, but otherwise features a fresh look coupled with the ability for players to choose their primary symbols, build their own environments, and unlock content through tournament play



Outlook

Is it Still a Copycat Industry?

- Aside from the artwork, social slots continue to exhibit a lot of similarities from game to game
- New and incumbent developers alike leverage popular artwork, mechanics, and features of other vendor's games in order to pave their own ways to success. One could argue in some cases this is necessary to meet player expectations
- SEGA slots, for example, includes its own version of the ever-popular Buffalo slot machine
- And the two newest games featured in Caesars Casino are quite similar in look and feel to a couple admired "Lock It Link" titles from the land-based industry



Outlook

- Social casino games are evergreen. Old and new game titles alike continue to produce new content, deliver new features, adjust economies and more, in efforts to retain existing players and better appeal to new ones. It is worth noting that there are titles over 5-years old that continue to improve and feel fresh to players.
- The competition grows increasingly fierce as more and more games enter the marketplace and we only expect this trend to continue. However, continually increasing user acquisition costs will eventually create a high enough barrier to entry to curtail many newcomers.
- Localized intellectual property and recognized brands (e.g., locally produced music and television) and the incorporation of other cultural elements may increase as developers target specific emerging markets and potential new users.
- Ultimately it is likely that increased monetization rates and focus by developers on those rates will drive growth for the industry as a whole, particularly as more games still enter the market.



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