

## FINANCIAL PERFORMANCE ANALYSIS WITHIN SLOVENE GAMBLING INDUSTRY

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### **Abstract**

Slovene gambling industry has received major attention in last few years due to numerous financial problems of state owned companies (i.e. regular casinos). Only three out of seven state owned companies did not have major financial problems. On the other hand new establishments of casinos in the private ownership were evidenced (in 2004 27 companies were registered, while in 2010 the number arose to 33). The paper aims to find out if there is a significant difference in their financial performance in the latest five-year period (2005-2009). Despite the fact that the imposition of taxes is more favorable for state owned casinos, the comparative analysis of the main financial ratios provides evidence that gaming saloons outperformed regular casinos. The differences mainly descend from the amount of assets that is employed for generating the given state of revenues, labor costs and the funding structure. In the analyzed period state owned companies evidenced even a decrease of total revenues, while private companies recorded an increase. In 2010 a new strategy for the gambling industry was approved as a basis for a new gambling act. Despite the fact that it will provide some favorable solutions, state owned companies have to change radically their cost structure and take actions that will ensure more revenues with the present extent of assets.

**Keywords** Gambling industry, Regular casinos, Gaming saloons, Financial performance, Comparative analysis