CORPORATE PARTICIPANTS

- **Scott Levin** *Accel Entertainment, Inc. - Chief Legal Officer, Company Secretary*
- **Mark Phelan** *Accel Entertainment, Inc. - President, Chief Executive Officer, Director*
- **Brett Summerer** *Accel Entertainment, Inc. - Chief Financial Officer*

CONFERENCE CALL PARTICIPANTS

- **Operator**
- **Jeremy Jacoby** *Truist Securities - Analyst*
- **Zachary Silverberg** *Wells Fargo Securities LLC - Analyst*
- **David Bain** *Texas Capital Bank - Analyst*
- **Chad Beynon** *Macquarie Group Ltd - Analyst*
- **Greg Gibas** *Northland Securities Inc - Equity Analyst*
- **Max Marsh** *CBRE Securities - Analyst*

PRESENTATION

Operator

Hello, everyone.

Thank you for joining us, and welcome to Accel Entertainment's Q3 2026 earnings call.

(Operator Instructions)

I will now hand the conference over to Scott Levin, Excel's Chief Legal Officer.

Scott Levin *Accel Entertainment, Inc. - Chief Legal Officer, Company Secretary*

Thank you, operator. Welcome to Accel Entertainment's third quarter 2026 earnings call.

Participating on the call today are Chief Executive Officer Mark Phelan and Brett Summerer, Excel's Chief Financial Officer.

Please refer to our website for the press release and supplemental information that will be discussed on this call.

Today's call is being recorded and will be available on our website under Events and Presentations within the Investor Relations section of our website.

Some of the comments in today's call may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are subject to risks and uncertainties.

Actual results may differ materially from those discussed today, and the company undertakes no obligation to update these statements unless required by law.

For a more detailed discussion of these and other risk factors, investors should review the forward-looking statements section of the earnings press release available on our website as well as other risk factor disclosures in our filings with the SEC.

Any projected financial information presented in this call is for illustrative purposes only and should not be relied upon as being predictive of future results.

The inclusion of any financial forecast information in this call should not be regarded as a representation by any person that the results reflected in such forecasts will be achieved.

During the call, we may discuss certain non-GAAP financial measures. For reconciliations of the non-GAAP measures, as well as other information regarding these measures, please refer to our earnings release and other materials in the investor relations section of our website.

Following management's prepared remarks, we will open the call for a question-and-answer session. With that, I would now like to introduce Mark. Please go ahead.

Mark Phelan *Accel Entertainment, Inc. - President, Chief Executive Officer, Director*

Thank you, Scott, and good afternoon, everyone. Let me start with a quick overview of the third quarter results.

Third quarter revenue increased 10% year over year to $364 million, while adjusted EBITDA increased 12% to $57 million.

This marks another quarter of delivering adjusted EBITDA ahead of consensus expectations.

Adjusted EBITDA once again grew faster than revenue, reflecting the quality of our portfolio, the impact of our disciplined capital deployment, and the operating leverage inherent in our model as we increased our earnings contribution across our markets.

I want to focus on three key points about what this quarter tells us about our business and where we are going.

First, our core business continues to get stronger. In our largest market, Illinois, excluding Fairmont Park, revenue increased approximately 7% year over year, while a hold per day increased 9%. We achieved that strong growth while operating fewer locations and terminals than a year ago, which reflects the benefits of the route optimization strategy we've discussed for several quarters.

We're improving location quality, deploying better content, and putting capital behind these opportunities leading to stronger returns as evidence to both the revenue and hold per day metrics.

More broadly, through the first nine months of 2026, we have not observed the material impact on our business from the macroeconomic factors affecting other areas of consumer spending.

In fact, we have always believed that the hyperlocal and convenient nature of our offering is an important differentiator. It helps insulate us for many of the macro headwinds.

Second, our growth is becoming broader and more diversified, providing a higher quality of earnings. While Georgia, Nebraska, and Louisiana continue to scale, Nevada gives us a substantial platform with significant opportunity for operational improvement and Fairmount Park continues to validate the thesis behind our investment in that asset.

Importantly, we are increasingly focused not simply on adding revenue but on converting our growth into meaningful earnings and cash flow.

An important part of what differentiates Accel's the strength of the platform we provide our location partners. We manage virtually every aspect of the gaming operation, from compliance, equipment, content, payments, location security, machine maintenance, cash management, promotions, and analytics.

That integrated approach strengthens our relationships with our partners.

Allows us to continuously optimize location performance and creates meaningful operating leverage as we scale.

Third, several of our largest growth opportunities are still ahead of us, and we believe we are extremely well positioned to capitalize on them.

Chicago remains a significant multi-year organic opportunity, and importantly, we have now received our first licenses from the city of Chicago, representing a meaningful step forward in the launch of this market, with our first locations expected to go live in the next several weeks.

Because we are already operating at significant scale across Illinois, we expect to support Chicago largely through our existing infrastructure, allowing us to enter the market with relatively modest incremental overhead and attractive economics.

We are prepared to move quickly as additional licenses are issued and locations become operational.

Based on our current plans, we expect to deploy approximately four and a half machines per location and add approximately 100 to 200 locations annually as the market develops. Over time, as the market matures, we believe we will capture approximately one-third of the Chicago market, broadly consistent with our share across the rest of Illinois.

Fairmont has continued to validate our initial investment thesis and represents another meaningful long-term opportunity.

As anyone who looks at the monthly Illinois casino gross gaming revenue data knows, the property is performing extremely well with strong growth in gaming following the introduction of table games earlier this year.

We believe this performance reinforces the opportunity to further develop the property for meaningful growth over time.

I am happy to report that we have also now completed the build-out of our senior leadership team. Over the past several months, Stan Guidros was appointed Chief Operating Officer, John Houshill joined as Chief Commercial Officer, Irina Feldman joined as Chief People Officer, and Steve Arnson was promoted to Chief Strategy Officer.

With these appointments, we believe we have assembled one of the most talented and experienced senior leadership teams in local gaming with the capabilities in place to execute against the growth plan and strategic priorities ahead of us.

Finally, I want to touch on capital allocation.

We have one of the industry's strongest balance sheets, low leverage, substantial liquidity, and a business that generates meaningful cash flow.

We are continuing to invest organically where we see attractive returns. While remaining disciplined around acquisitions. As we continue to grow, we also expect our financial flexibility and capacity to deploy capital to increase.

At the same time, we believe there is a meaningful disconnect between Excel's financial performance and the growth prospects of this business and how it is currently valued.

We are growing earnings, generating significant cash flow, and operating with relatively low leverage, while continuing to execute on multiple avenues for current and future growth.

Against that backdrop, we remain focused on disciplined capital allocation and creating long-term shareholder value.

During the third quarter, we repurchased approximately 624,000 shares, bringing our repurchases through the first nine months of 2026 to approximately 2.2 million shares.

We will continue to evaluate share repurchases alongside the other attractive uses of capital available to us, including organic investment, acquisitions, and debt reduction.

Brett will discuss our capital allocation approach in more detail shortly.

In summary, with the opening of Chicago, we believe Accelis entering its next phase of growth from a position of strength.

With a resilient core business, multiple avenues for expansion, growing cash generation, a strong balance sheet, an experienced senior leadership team, and increased flexibility to deploy capital in ways that are focused on creating long-term shareholder value.

We look forward to keeping you updated as we execute on the growth opportunities ahead of us. With that, I'll turn it over to Brett.

Brett Summerer ***Accel Entertainment, Inc. - Chief Financial Officer***

Thanks, Mark, and good afternoon, everyone. I'll start with a consolidated results, then walk through our markets, cash flow, balance sheet, and capital allocation.

Third quarter revenue was $364 million, an increase of 10% year over year. Adjusted EBITDA increased 12% to $57 million.

Net income was $21 million compared to $13 million in the prior year period, an increase of approximately 55%. Net income included a $6 million non-cash gain related to the change in fair value of our contingent earn-out shares, as well as approximately $1 million of losses associated with the sale of fixed assets.

Illinois, excluding Fairmount, grew revenue approximately 7% year over year, with location hold per day increasing 9%. As Mark noted and consistent with our optimization strategies, we achieved that with 2% fewer locations and 1% fewer machines than a year ago.

Importantly, the profitability of Illinois grew substantially faster than revenue during the quarter, demonstrating that the operating leverage inherent in the model and the success for our initiatives to improve route quality by putting lower-performing locations, investing behind our strongest locations, and deploying better-performing content.

This remains one of the most important elements of the Accel story and something worth emphasizing.

Montana remained steady during the quarter with modest improvement in hold per day. We also benefited from the expansion of our relationship with Northern Winds, where 51 legacy terminals were upgraded with Century gaming machines during the year.

Nevada revenue increased 25.4% year-over-year, driven largely by the expansion of our footprint, including Green Valley grocery locations added earlier this year.

As we discussed previously, many of these convenience store locations operate under a space lease structure, which results in lower reported hold per day than our traditional bar and tavern business. However, the economics become attractive as we further optimize these locations because of the structure of those agreements.

We continue to see meaningful opportunities to improve the performance across our Rebel portfolio and locations in Nevada.

We are investing in the player experience, content, and other operating initiatives designed to drive play at those locations.

This is a process that began early this year when we secured those locations and we began to see encouraging improvement as we moved into October.

Georgia continues to grow and perform very well. Revenue increased 42% year over year and hold per day increased 25%.

Nebraska was another strong performer. Revenue increased 42%, while hold per day increased approximately 32% year over year, the strongest improvement across our markets. Importantly, that growth substantially outpaced the increase in our location and terminal base, reflecting the continued success of our content strategy and improving productivity across the market.

Game content continues to be a major driver of the performance improvement in Nebraska. As some of that newer content matures and competitive content enters the market, we would expect the incremental benefit to normalize, but we continue to see attractive opportunities to deploy additional content throughout the market.

Louisiana revenue increased 20% year-over-year and the earnings contribution from the market continues to scale significantly faster than revenue.

Louisiana is an attractive growth market for Excel, where we see opportunities to grow both through disciplined organic investment and accretive tuck-in acquisitions.

The market has favorable operating characteristics, and we believe there is additional opportunities to build the platform we have established there.

Fairmount was another standout during the quarter.

Looking specifically at gaining revenue at Fairmount, it increased approximately 84% year over year in the third quarter. Table games, which were introduced earlier this year, continue to gain traction and enhance the customer proposition. The continued strength at Fairmount reinforces our original investment thesis and our belief that the longer-term opportunity to further develop the property.

Turning to our plans for the permanent Fairmount Casino, as a reminder, we had previously discussed an expected investment of approximately $80 million and approximately $20 million of annualized EBITDA at the property over time.

We now expect approximately $20 to $25 million of annualized EBITDA at the property over time.

Construction costs have increased, however, and based on what we know today, we believe total project costs could be approximately 15 to 20% higher than our prior estimate of $80 million as a result, which should be no impact on timing.

We continue to work through the remaining steps necessary to move the opportunity forward in a manner that delivers returns commensurate with our allocation of capital.

I also wanted to briefly mention Iowa, which remains relatively small today, but we're increasingly encouraged by the performance we're seeing there and believe it has the potential to become a more meaningful growth market over time.

On the manufacturing side, Grand Vision Gaming continues to advance development in our new Cobra cabinet.

We currently expect to begin shipping Cobra units before the end of the year.

Turning to cash flow, operating cash flow is approximately $79 million in third quarter, and free cash flow is approximately $62 million.

Cash flow during the quarter benefited from refunds received in connection with tax credits that we purchased earlier in the year.

Because working capital and tax timing can create significant quarter-to-quarter variability, we continue to believe cash conversion is best evaluated over a multi-quarter period.

For the first nine months of 2026, operating cash flow was $142 million with a conversion ratio of 84% and free cash flow was approximately $92 million with a conversion ratio of 54%. We believe operating cash flow and free cash flow are particularly important measures of our performance because they demonstrate the underlying cash generation capability of the business and the amount of capital we have available to reinvest in growth, pursue disciplined acquisitions, reduce debt, and return capital to shareholders.

It's also important to remember that a significant portion of our capital spending is directed towards replacing and upgrading equipment in existing locations, where we generally expect payback periods of approximately two to three years. This is an important part of our capital allocation strategy and allows us to reinvest cash generated by the business into opportunities that we believe can produce attractive returns.

As we continue to scale our business, we expect cash generation to become an increasingly important part of the Accelinvestment story.

We ended the quarter with $294 million of cash and cash equivalents, a net debt of approximately $272 million.

We also continue to pay down our term loan during the quarter.

Our balance sheet remains a significant strategic advantage. Our philosophy remains straightforward. We look to deploy capital towards the opportunities offering the highest risk-adjusted returns.

That starts with investments in our existing business, including new locations, equipment, content, and other initiatives where we can generate attractive returns. We will also continue to evaluate acquisitions where the strategic fit and economics meet our return thresholds.

At the same time, we expect our continued cash generation and low leverage to provide us with increasing excess cash to employ against attractive opportunities.

In this regard, we repurchased approximately 624,000 shares for approximately $7 million during the third quarter. This underscores our belief that our shares represent an attractive investment opportunity.

We will continue to balance repurchases against other attractive uses of capital available to us rather than treating any one use of capital as automatic.

Stepping back, we believe Accelcombines characteristics that are unusual within gaming: recurring local demand, a diversified base of thousands of custom locations, attractive profitability, low leverage, and multiple avenues for organic and inorganic growth.

We also increasingly believe the business shares important characteristics of other scaled route business service platforms, recurring customer relationships, local density and infrastructure advantages, and substantial cash generation.

Looking ahead, we will continue executing against those advantages, growing earnings and free cash flow, and allocating that cash to the opportunities capable of generating the strongest long-term returns. With that, operator, please open the line for questions.

QUESTIONS AND ANSWERS

Operator

Thank you. (Event Instructions) Please stand by while we compile the Q&A roster.

Our first question comes from the line of Jeremy Jacoby of Truist. Your line is now open.

Jeremy Jacoby ***Truist Securities - Analyst***

Hey guys, thanks for taking the questions. The Illinois Gaming Board proposed rules allowing cashless gaming. Just curious your thoughts on the opportunity along with OpEx implications and any idea on timing for this. Thanks.

Mark Phelan ***Accel Entertainment, Inc. - President, Chief Executive Officer, Director***

Hey Jeremy, it's Mark.

It's actually a rule that includes other things like self-exclusion and it's. Going to require a lot of sort of collective industry feedback in terms of what the actual form factor looks like. And we think it's a positive step, and we're discussing it with the Illinois Gaming Board. But it will definitely have an impact on CapEx.

It also would potentially allow for a player loyalty system that's more on par with what you'd see in more developed route markets like Nevada or even in casinos.

Which will require additional investment in CapEx, but it's something that I think the industry wants in terms of cashless and a loyalty system, and the only game anymore wants to improve the self-exclusion sort of safety of the industry. So we're going to work on it with all of our partners, including the state, and work on a productive outcome, but it probably is something that will happen over time.

Jeremy Jacoby ***Truist Securities - Analyst***

Thank you.

Operator

Thank you.

Our next question comes from the line of Zachary Silverberg of Wells Fargo. Your line is now open.

Zachary Silverberg ***Wells Fargo Securities LLC - Analyst***

Good afternoon. Thanks for taking my questions.

You touched upon capital allocation and M&A needing to clear your internal hurdles in terms of returns.

Just thinking about Fairmount Park and you called out higher sort of redevelopment costs. Does this sort of change the internal, thinking about what's on the table for M&A? Like, is there another opportunity like Fairmount Park that you guys are thinking about?

Mark Phelan ***Accel Entertainment, Inc. - President, Chief Executive Officer, Director***

So, I mean, even actually sort of stand on their own and there are. As you all know, there's plenty of assets for sale now in the market.

Fairmont was kind of a unique opportunity for us for a variety of reasons.

And yeah, we're always on the lookout for those types of things.

We view our business as the U.S. Locals gaming market. We think Fairmont very much fits into that kind of paradigm.

We're not interested in regional casinos or...

Giving casinos that they attract a crowd that's farther than 30 or 40 minutes from the location.

So we, those types of opportunities can come up and we always keep a lookout for them along with all other sort of locals gaming opportunities, including routes.

Operator

Thank you.

Thank you.

Our next question comes from the line of David Bain of Texas Capital Bank. Your line is now open.

David Bain ***Texas Capital Bank - Analyst***

Awesome.

Thank you. Nice execution again. I guess first, just to clarify the immediate runway for Chicago, that doesn't seem to be any more regulatory, legal, or kind of local hurdles left.

You mentioned, Mark, in the next few weeks we should see that go live and that same sort of.

Commentary, you talked about the 100 to 200 locations per year. I know, we're looking at 2,500 plus location market. I was hoping maybe you could share, how we should think about conservatism of that range, maybe some bottlenecks for the logistical, licensing, onboarding, that kind of thing that would kind of limit you from ramping, past that 200 location ceiling.

Mark Phelan ***Accel Entertainment, Inc. - President, Chief Executive Officer, Director***

Hey, David, so I would look at like what was the historical licensing of the one I gave me for VGT locations since the market opened.

Yeah, I'll save you the time. It's like roughly 700, I think 13 or 1,400 locations, depending on, and so a lot of it, a lot of the things will depend on that and how quickly.

They can bring locations live they be known I gave you board in the city of Chicago.

It's a little more complicated than probably what we've done in the past, given certain rules within the city, but I think that's a reasonable what you just repeated is a reasonable estimate for at least the first 12 months of operations for Accelin the city.

David Bain ***Texas Capital Bank - Analyst***

Okay.

And we're all clear there for Chicago, I guess. And I guess my second one would be on Pennsylvania then.

I know that General Assembly didn't pass any regulatory framework by that October 13th deadline. I know there's some bills, but I'm heading, it looks like, to a January debate when a new session convenes. If you have any insight into, whether we're looking at skill base or VGT or maybe just big picture thoughts for Accel in Pennsylvania would be great.

Mark Phelan ***Accel Entertainment, Inc. - President, Chief Executive Officer, Director***

Yeah, I unfortunately don't really have great insight for you other than there's a large amount of demand from retail owners, particularly ones who are affiliated with fraternals and veterans organizations, which have a pretty powerful political voice in that state to bring back that revenue, whether the state not that I couldn't tell you whether it's skill or.

Video gaming terminals, I would guess the latter is easier because it already exists. They already have the rules and that's a gaming control board already operates and regulates it.

It would be a great opportunity for Excel. We're excited if it actually occurs, but I do not really have, unfortunately, a lot of insight into what it might look like.

David Bain ***Texas Capital Bank - Analyst***

Okay, optionality.

Thank you.

Operator

Thank you.

Our next question comes from the line of Chad Beynon of Macquarie Capital. Your line is now up.

Chad Beynon ***Macquarie Group Ltd - Analyst***

Afternoon, Mark, Brett. Thanks for taking my question.

Wanted to go back to Illinois. I know we belabor this frequently on calls when you guys continue to post, as you mentioned, two times inflation type of growth.

But in the third quarter, was there any it looks like there wasn't any weakness given the macro environment, you guys kind of plowed through that, but anything else just in terms of how you're thinking about the hyperlocal business there and what could maybe.

Kind of throw this off course because that's been several quarters in a row that you've grown above market GGR, above inflation, and we just want to make sure our expectations are reasonable here. Thanks.

Mark Phelan ***Accel Entertainment, Inc. - President, Chief Executive Officer, Director***

I'll answer a little bit, Chad, and I'll hand it off to Brett.

I think of all of our markets, we're really not seeing much of an impact from. Potential macroeconomic issues, except for I'll just call out Las Vegas. We're definitely seeing a decline in demand there. But all other markets are not. As you point out, Illinois seems very robust.

In my view, that really reinforces our investment thesis as a very diversified local gaming provider to small businesses across eight different states and markets. 4,800 different locations. So we're really the last stop for, and the last mile for someone who wants to gamble or participate in gaming. And so it tends to get the last dollar, I think, of their wallet.

And I think that's a real strength for our investment thesis and our business model.

Brett Summerer ***Accel Entertainment, Inc. - Chief Financial Officer***

Yeah, just to add that again, to the kind of same old in terms of what's driving it, relative to prior quarters. We had a significant transition in terms of customer mix. So it went from a mix of an average location hold per day customer that was just less favorable than where we are today, and that's a lot of it. But to your other question, which I think is more important, is what can you do? How do you keep this sustained, et cetera?

If you think about the way, I've talked before about capital allocation, et cetera, but the top of our funnel is new growth capital, but our number two is. A mix of M&A and replacement capital, which is swapping machines out, new content in existing locations and that sort of thing.

That is what drives our improvements, as well as our sales team being motivated and getting out there and making sure we don't lose our good customers and making sure we acquire additional good customers.

As we naturally exit some of the lower performers.

But in terms of how we keep that sustainable, it's continued capital investment, and it's also making sure our sales team is not letting any good customers go and making sure we're adding them over time. But is that sustainable indefinitely? It should be based on our internal math and what we've seen in our experience.

Chad Beynon ***Macquarie Group Ltd - Analyst***

Perfect. Thanks, guys. And then on the expense side of things.

With some of that inflation that we might be seeing just on the cost of fuel and in similar types of commodities, is there anything near term that could hurt margins or if you guys are continuing to grow, you should see continued margin expansion like you saw in the third quarter?

Brett Summerer ***Accel Entertainment, Inc. - Chief Financial Officer***

Most of our business, I mean, it depends on the market, obviously, but most of our business, the largest pieces of our business are in stable markets where you're not seeing a lot of movement in the infrastructure side. Again, Chicago would be an example where that's not true.

But when you look at that, our cost structure is actually pretty well controlled. It is going up by inflation or so, but just the way that we manage ourselves internally.

We don't let costs go above a certain rate of our sales, right? So we try to keep those two things in last step. To your question on inflation and different movements, like we generally aren't seeing much of that.

We have very little fuel cost overall, the total cost of our business. Most of our cost is in our headcount.

And we just didn't, again, see, significant increases in that. We did see some increases across the line in smaller areas, but again, they are relatively insignificant compared again to our. Our overall cost of that account, which is where those other inflationary increases don't really flow through. It's more about like, wage inflation.

Mark Phelan ***Accel Entertainment, Inc. - President, Chief Executive Officer, Director***

Chad, I just point out too, on the flip side of the benefit of inflation, our prices don't change as a product, but certainly the funds of the flow of funds into the product will change if there's more money to flow into it.

That's just something to remember about our business.

Chad Beynon ***Macquarie Group Ltd - Analyst***

Makes sense.

Thank you both. Appreciate it.

Operator

Thank you.

Thank you.

Our next question comes from the line of Greg Gibas of Northland Securities. Your line is now open.

Greg Gibas ***Northland Securities Inc - Equity Analyst***

Greg, good afternoon, Mark, Brett. Thanks for taking the question.

Maybe upon stabilization or after it ramps up, what do you believe the Chicago opportunity represents in terms of locations, and how long do you kind of estimate that time frame to fully ramp or a more stable number of locations?

Brett Summerer ***Accel Entertainment, Inc. - Chief Financial Officer***

That's the multi-million dollar question.

So if you look at the study that the city put out there, they said about 3,500 locations are possible, but if you take into account how many can actually get licensed. For video games or didn't want to, it's probably more like 2,500. So it's about 2,500 locations for all the players in the market to split up.

We mentioned before we get about a third of those. So like for us, our numbers probably in the 7, 8, 900 sort of location area at the long-term.

And we said before earlier that, adding 1 to 200 per year is our current planning.

But as Mark mentioned on the phone, that's heavily dependent upon the IGB. We have seen times in the past, although they're infrequent. Where the IGB will ramp up or use temporary labor or shift labor so they can approve a significantly higher number if there's a big backlog. It's entirely possible that happens with Chicago. If that does happen with Chicago, then we would expect our ramp to be faster than 1 to 200 per year.

But overall, we're trying to plan towards that.

If you assume IGB does nothing different, it's going to take us somewhere between four and eight years to kind of get to our number, but just practically speaking, I think the writing's on the wall to see some activity there, but again, it's not in our control at all.

Mark Phelan ***Accel Entertainment, Inc. - President, Chief Executive Officer, Director***

Greg, also, the city of Chicago awards foreign licenses, which you need to have a gaming license in the state of Illinois differently than most municipalities, and that could be...

Some uncertainty, alder men and alder women have the option to sort of select those within their wards. So it's not going to be like linear line. It would not model that way.

Greg Gibas ***Northland Securities Inc - Equity Analyst***

Yes, totally understand. I get that there's a lot of factors beyond your control, but I appreciate the way you're thinking about it. Thanks.

Operator

Thank you.

Our next question comes from the line of Max Marsh of CBRE. The line is now open.

Max Marsh ***CBRE Securities - Analyst***

Hi, thanks for taking my question.

I'm seeing some really good wind per day growth in Nebraska, revenue growth far up facing location and terminals.

Could you take us a little bit under the hood on what's driving the results in Nebraska?

Brett Summerer ***Accel Entertainment, Inc. - Chief Financial Officer***

Yeah, it's primarily content, so we have and also some of our sales in the way that we're approaching the market and signing up customers, but content is definitely the differentiator there. It's a market that hasn't traditionally gotten a lot of good content, and

now we're partnering with different suppliers who can provide kind of that same experience with the skill game market. That they're getting, similar experience that they could get it, going to a casino and that sort of thing, so that's primarily what's driving that. We do think there's still a lot of legs in that, but we are seeing competition, enter the space and we're seeing over days stabilize in that market.

Mark Phelan ***Accel Entertainment, Inc. - President, Chief Executive Officer, Director***

So, I also point out it's the experience we provide the owners it's a professional sort of a one-stop shop experience they're not used to, and so it's able to get us locations that.

A lot of foot traffic and do well with our type of offering.

Brett Summerer ***Accel Entertainment, Inc. - Chief Financial Officer***

Great.

Max Marsh ***CBRE Securities - Analyst***

Thank you guys for that. And just briefly, you mentioned some softness in Las Vegas. Could you help us bifurcate the performance of the same-store portfolio in Nevada versus dilution from lower wind-per-day C-store terminals?

Mark Phelan ***Accel Entertainment, Inc. - President, Chief Executive Officer, Director***

I'll give you a little answer, then I can answer, but yeah, the just remember we have two real markets there that's the bar participation bar market, where we get percent of revenue, and then there's the sort of convenience store market, where we pay a space lease and the winter days between those two markets are significantly different, being the C-store is much lower, and I think.

What we've seen is an impact on actually both markets. They're both very much local markets, and those are people probably are always affiliated with the casinos.

And as I said earlier, we're seeing definitely a change in demand in that market in particular.

Brett Summerer ***Accel Entertainment, Inc. - Chief Financial Officer***

Yeah, then just to add to that.

And you can see this in the numbers we published, but our revenue in Q3 is up 25% year over year.

The big thing that we did, as you're aware, is we added Green Valley Grocery and Revel to that mix. So if you think about our sales lift, the biggest part of the explanation of that 25% of those stores, as Mark mentioned, the hold per day is significantly lower. So when you take a look at just location hold per day or our machine hold per day, it's down about 16%, but that's. That's against this increase of about 25% of total sales, which again goes to the fact that these arrangements that we're entering into have a much lower revenue number, but they have a margin number that should be accretive overall to the business over time.

Max Marsh ***CBRE Securities - Analyst***

Thank you, guys.

Brett Summerer ***Accel Entertainment, Inc. - Chief Financial Officer***

Thank you.

Operator

Thank you.

I'm showing no further questions at this time. I would now like to turn it back to management for closing remarks.

Mark Phelan ***Accel Entertainment, Inc. - President, Chief Executive Officer, Director***

Thank you, operator, and thank you to everyone who joined us today. Third quarter demonstrated many of the qualities we believe differentiate Excel, a healthy and increasingly productive core business, strong growth prospects across several developing markets, dependable cash generation and a balance sheet that gives us significant strategic flexibility.

Same equal opportunities remain ahead of us, including Chicago.

Continue development of Fairmont Park and the broader growth of our distributed gaming platform.

We now have the senior leadership in place as well as the financial capacity to invest in multiple avenues to grow the business. We remain focused on execution, discipline, capital allocation, and creating long-term value for our shareholders.

Before I wrap up, I want to thank my teammates across the entire organization. For their continued hard work and commitment.

They are truly the reason behind the progress we are making across the business, and their contributions are greatly appreciated.

Thank you again for joining us today.

Operator

Thank you for your participation in today's conference. This does conclude the program. You may now disconnect.
