



# WEEK 47

FRIDAY 23 NOV 2018

Sponsored by



KAMBI US DIRECTOR:  
ONLINE IS THE NEXT STEP  
FOR PENN OPERATIONS



ACCEPTING U.S. PLAYERS  
SINCE 2001

INTRODUCING A POKER TOURNEY  
THAT TAKES THE STING OUT OF CONVERTING SIGN-UPS

THE SUNDAY  
**VENOM**

**\$1,000,000 GTD**

EVERY SUNDAY AT 2PM ET

With the chance to get the \$2,650 buy-in for free via daily Step Tourneys,  
this is a huge player conversion opportunity. Spread the word.



[WWW.WPNAFFILIATES.COM](http://WWW.WPNAFFILIATES.COM)



Sponsored by



## THIS WEEK

- **NetEnt CEO calls for improvement**
- **Betfred facing potential 18-month court battle**
- **Bet365 annual gross profit up to £2.45bn**
- **Brazil moves nearer to legal sports betting**

### GUEST COLUMNISTS:

- **Alex Czajkowski, CMO, RTG Asia**
- **Neale Deeley, VP - Sales, Gaming, Sportradar**

# WEEK 47

## FRIDAY 23 NOV 2018

### KAMBI US: ONLINE IS THE NEXT STEP FOR PENN OPERATIONS



Max Bichsel discusses Kambi's deal with Greenwood Gaming & Entertainment to supply Parx Casino's sportsbook, and the supplier's future US plans, with *Gambling Insider*.

*What makes Greenwood Gaming the ideal operator for you to work with?* There are a few influential components to this. First of all is the scale that Parx brings to the table. It's the largest casino operator in a very large and important state from a number of perspectives. From that element, ►



# NOTHING CONVERTS LIKE CRYPTO WPN MAKES MAKING MONEY EASIER

[WWW.WPNAFFILIATES.COM](http://WWW.WPNAFFILIATES.COM)

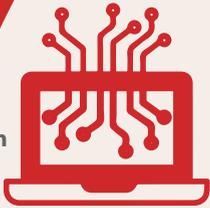
[SUPPORT@WPNAFFILIATES.COM](mailto:SUPPORT@WPNAFFILIATES.COM)

**FIND OUT MORE**

# THIS WEEK IN NUMBERS

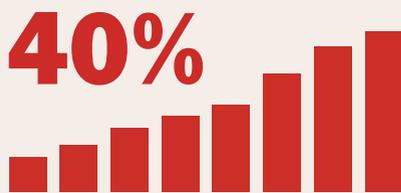
## 237

Law-breaking sites which have been taken down by authorities in Macau



## 2023

The year when the UK National Lottery contract is up for grabs



Percentage GAN has grown its Q3 revenue year-on-year, to \$26.7m

## \$239m

New Jersey's total gaming revenue for October in Q3, up 16% year-on-year



they are very strategically located outside of Philadelphia, close to the New Jersey market.

Their market access is significant to us, but more importantly, I would say they are very attractive, given how they view the marketplace, and how their executive team and ownership view sports betting. It is a significant part of their plans for the next few years; they have commitment from the board as well as their executive team to really make this as successful as possible. They'll be preparing to open what we expect to be one of the top sportsbooks in the country from a retail and land-based perspective in the next few months.

We are excited for Parx, but Rush Street is our other top-tier partner in Pennsylvania, and is currently performing well in New Jersey.

***The announcement of the deal details a "thorough selection process." Could you tell me how this works?***

I would say this is a testament to the diligence the Parx team and its executive team displayed. They saw everything in the market, the different suppliers, a number of different vendors, and they evaluated a number of different paths to the market from a retail and online perspective that we hope to be imminent in Pennsylvania.

The selection process is a cumbersome one for the operator, but it is very necessary when you are entering into a multi-year agreement. You need to find a partner that is really going to enable and empower you to be successful.

Parx has a distinct plan of how they see the market unfolding in retail and online, and that's something that is going to be our job; to help them and give them those tools to be successful.

***Does your approach to different states change or do you use the same principles?***

Every region is different. The Philadelphia and New Jersey markets are significantly different than the greater New York City market. What you see in northern New Jersey is going to be different to what you see in central and western Pennsylvania, so I think there are some regional influences which could change, but that's ultimately up to the operators, and they may need to function differently.

We hope to have the same levels of success across all markets, but the way we define success may slightly differ from market to market. In Pennsylvania, we'll be moving into retail first, with online to hopefully follow imminently, but we'll be waiting to see what the regulations will permit.

***Kambi CEO Kristian Nylen mentioned Pennsylvania and New York as two potential future states for Kambi involvement; can we expect any New York news soon?***

I can't comment directly on what we'll see in New York, but I will say both of those markets are significant and are priorities to Kambi. With that said, we are working diligently with operators, but I can't say, at this point who those operators are, and what the timeframe may be for them.

New York is certainly an important market to us; the demographic, the population, and its proximity to major cities makes it a very attractive market.



# 21

France is set to become the 21st regulated market for SBTech as of 2019

# \$2m

Fine handed down to CG Technology by the Nevada Gaming Commission for violations related to problems with its sports betting technology



Several Irish politicians are backing an alternative betting tax to the one proposed in the country's Budget for next year



# 12%

of 11-16-year-olds follow gambling companies on social media, according to a report produced by the Gambling Commission

## NETENT CEO: "WE HAVE TO REALISE IT'S 2018"

NetEnt CEO Therese Hillman has said the supplier needs to start looking forward to improve performance.

Hillman took over as group CEO in May, having previously served as Chief Financial Officer and Acting CEO.

Former CEO Per Eriksson left the company in March as part of a move to "increase focus on long-term growth for the company."

NetEnt reported small increases in revenue and EBITDA for Q3, to SEK 449m (\$49.4m) (+11%) and SEK 227m (+16%) respectively.

Speaking exclusively to *Gambling Insider*, Hillman said: "Our ambition has always been to outgrow the market, which we're not doing right now, so we're not happy with the current revenue growth.

"I looked at where we are, our position in the market, what the customers say about us, and I've been reaching out as much as I have been able to. I had a view of where we were, but some of my assumptions were wrong. It has been very useful to hear the truth.

"We have to realise it's 2018. We need to look forward, rather than keep thinking about what we have done in the past. We have been doing lots of great things, but the competition is really tough right now. We need to look forward."

Hillman also stressed the importance of improving NetEnt's live casino offering and increasing the speed of production.

Hillman said: "I think the numbers speak for themselves. I've been focusing on what we can do differently and where we can improve.

"Coming in as CEO, it was always about the pace and how we could get more games out the drawer, as well as how we could improve live casino. I was thinking about how we could be more diverse."

Hillman was speaking to *Gambling Insider* for the 2019 CEO Special, which will appear in the January/February magazine.

Register here for free access to the full feature when it is published.



## EXCLUSIVE: LAWYER SPEAKS ABOUT CLIENT'S £1.7M BETFRED DISPUTE

Betfred could be the subject of an 18-month battle in court, with a customer suing the operator over its refusal to pay a £1.7m (\$2.2m) jackpot.

Andy Green won the jackpot playing Frankie Dettori's Magic Seven Blackjack, but was notified four days after his victory Betfred would not be paying out, due to a malfunction in the game.

Peter Coyle, Green's lawyer, has told *Gambling Insider* the malfunction came from Playtech software and Betfred has "no contractual entitlement" to ask the supplier to disclose evidence of the error.

Coyle said: "Effectively, on the basis of the sworn evidence they submitted this week, they basically say they haven't got any. The evidence belongs to the game developer, Playtech. They say they've got no contractual entitlement to ask Playtech to disclose the evidence.

"We've asked Playtech and they are refusing to disclose it because it's terribly confidential. We've got two huge companies now just conspiring with each other to prevent any disclosure of this malfunction."

Coyle confirmed his client's intention is to sue for the full £1.7m plus interest and legal costs, although he still hopes the operator will "do the honourable thing" and agree a settlement.

"It was frustrating today but, in the long term, it's actually very helpful," he explained. "If they have no evidence, it's difficult to see how they can defend themselves when we're suing them for £1.7m. They say 'we've got no evidence but you've just got to believe us' – that could lead to a very short trial.

"That's really a measure of the way they approach this. They just try to bludgeon Andy and say it's the Betfred way or no way.

"It's a shame, because we're hoping they still come to the table and say 'we've got it all wrong, can we please do the right thing?' But they're showing no signs at the moment of doing the honourable thing, so we could be looking at an 18-month battle."

Betfred reiterated to *Gambling Insider* there was a "software malfunction and no legitimate jackpot," while Playtech stated "there was a technical issue."

## THE WEEK IN QUOTES

*"Frankly, it is completely unacceptable that so many children are now considered to be problem gamblers. This is a stark reminder that gambling is a public health issue and we cannot ignore it."*

**Marc Etches, CEO at GambleAware, discussing the Gambling Commission report on gambling among 11-16-year-olds**

*"It's an exciting time to be joining BetVictor. The company has strong industry-leading, in-house technology capabilities that are paving the way in the highly competitive mobile sports and gaming space."*

**Luke Alvarez on his appointment as BetVictor's new Chairman**

*"The PGA Tour is an undisputed leader in golf and we feel this long-term partnership will allow us to work hand in hand to grow the game and protect the sport via the launch of a truly innovative digital experience that captures the next generation of sports betting and entertainment."*

**Jay Monahan, PGA Tour Commissioner, on the PGA's data partnership with IMG Arena**

## THIS WEEK'S WINNERS AND LOSERS

### WINNERS

*Sporting Solutions has secured World Lottery Association– Security Control Standard (WLA-SCS) certification, with the company's Head of Commercial hailing it as an "important milestone"*

*IGT announced PlayShot, its integrated sports betting solution, successfully completed its final stage of Nevada regulatory approval*

*The Remote Gambling Association (RGA) held talks to discuss a potential new advertising code*

*Bitcoin's value continued to plummet, dropping by 10% to below \$4,500 for the first time in 2018*

*Delaware sports betting revenue fell from \$3.6m in September to \$500,000 in October*

### LOSERS

## BET365 CONTINUES TO GROW PROFITS AS DENISE COATES BECOMES HIGHEST-PAID UK BOSS

Bet365 posted gross profit of £2.45bn (\$3.13bn) for the 52-week period ending 25 March 2018, rising 24% year-on-year.

Operating profit grew by more than £100m, with Bet365 reporting £660.3m for the year.

Sports and gaming turnover increased 26% year-on-year to £2.72bn, with profit before taxation in this area growing 33% to £682m.

In her strategic report, Denise Coates, joint CEO with her brother John, said the company's gaming product continued to grow, assisted by "significant investment" in the mobile channel with the launch of the Bet365 apps for Apple products.

She discussed improved player retention, which she attributes to the 332 new games on offer with the operator.

The amount wagered on sports and gaming saw a rise of 12% to £52.56bn, while the CEO said the number of active customers rose by 4%.

Coates' salary has increased as well; the accounts show she is now the UK's highest paid boss, taking home £265m

a year, including dividends.

The operator disclosed the performance of its major assets in the report.

Bet365 also reported £138.6m gross profit for Stoke City, the Championship football club owned by the group, which was a Premier League club during the financial period. Figures for the club and its facilities were included in the accounts.

Profit for the financial period totalled £582.5m, up 24%.

Since the end of the financial period, Bet365 has confirmed it will be scaling up its presence in Malta and has agreed US sports betting partnerships with Hard Rock in New Jersey and Empire Resorts, owner of Resorts World Catskills, in New York.

Bet365 noted in the company accounts that "the changing worldwide gambling and leisure industries are likely to present opportunities for enhancing the group's presence worldwide."

While Bet365 conceded Brexit may have a long-term impact on group structure, "it remains business as usual for the time being."

## BRAZILIAN SPORTS BETTING TAKES A STEP TOWARD REGULATION

Lottery legislation including plans to legalise sports betting in Brazil has been approved by the House of Deputies.

Provisional Measure (PM) 846/2018 primarily details the division of lottery revenue among public security, cultural and social programs, but also plans to authorise online and land-based sports betting.

The legislation now allows the Ministry of Finance up to two years to draft the required regulations and issue licenses.

According to Senator Flexa Ribeiro, the author of the measure, Brazil's digital sports betting market could be worth an estimated R\$4.3bn (\$1.14bn).

Reports state the measure only received one opposing vote, which came from Social Party MP Gilberto Nascimento.

The details of the measure require land-based operators to pay a minimum of 80% betting handle to customers. Gross revenue should not exceed 14%, with the remaining 6% split among the government programs.

Online operators will pay 89% to players, with revenue capped at 8% and the government receiving the remainder.

For PM 846/2018 to become law, the Senate must now approve the measure by 28 November and Brazil's incoming Minister of Justice, Sergio Moro, has already given his support.

This progress toward regulation provides a contrasting result to news from earlier this year.

In March, Senate Bill PLS 186/2014, a bill which would have seen the legalisation of bingo, online sports betting and casino games, was dismissed by a 13-2 senate committee vote, despite a wide interest from Brazilian and international operators.

It would have given the Brazilian Federal Government final responsibility for granting concessions for the exploitation of any type of games of chance and it would have allowed the Ministry of Finance to appoint the federal agencies that would be in charge of regulation and ongoing licensing duties.

## NJ SAME STORE FALLS

New Jersey same-store gaming revenues fell 11.57% for October as newcomers Hard Rock and Ocean Resort continued to take market share from existing casinos.

Eldorado Resorts' (ERI) Tropicana was the only casino to grow year-on-year for the second consecutive month.

ERI said new casinos have hurt Tropicana less than originally anticipated, with EBITDA down only 7% versus the previously expected 20%.

ERI acquired Tropicana Entertainment last month.

| MARKET/PROPERTY              | REVENUE (M)      | CHANGE (%)    | TABLE HOLD |      |
|------------------------------|------------------|---------------|------------|------|
|                              |                  |               | 2018       | 2019 |
| Tropicana (ERI)              | \$25.160         | +2.12         | 19.6       | 10.7 |
| Resorts                      | \$13.758         | -8.07         | 12.5       | 14.3 |
| Borgata (MGM)                | \$50.732         | -8.14         | 18.9       | 14.9 |
| Golden Nugget                | \$16.311         | -9.77         | 16.0       | 20.9 |
| Bally's AC (CZR)             | \$14.355         | -14.66        | 17.4       | 19.4 |
| Caesars (CZR)                | \$20.206         | -21.45        | 17.6       | 20.9 |
| Harrah's (CZR)               | \$23.792         | +21.65        | 17.9       | 21.5 |
| Hard Rock                    | \$23.249         | N/A           | 15.4       | 0.0  |
| Ocean                        | \$13.086         | -N/A          | 12.3       | 0.0  |
| <b>AC land-based total</b>   | <b>\$200.648</b> | <b>+7.98%</b> |            |      |
| Same store                   | \$164.313        | -11.57        |            |      |
| MULTIPLE PROPERTY COMPANIES: |                  |               |            |      |
| Caesars                      | \$62.261m        | -18.32%       |            |      |

Sports betting generated \$11.686m for the month; nearly half of what was generated in September.

Results were once again led by Resorts Digital, which offers online and mobile betting via DraftKings and The Stars Group's BetStars, which launched mobile betting in late October.

Joining the sports betting fray late in the month was Tropicana, which launched on 25 October and generated \$15,314 in revenue. William Hill has a deal with ERI to operate sports betting at all ERI properties.

Golden Nugget once again led online gaming, in terms of both revenue generation and year-on-year growth.

Online gaming grew once again, despite online poker's fourth consecutive month of decline.

| MARKET/PROPERTY            | REVENUE (M)     | CHANGE (%)     | SHARE (%) | PARTNER   |
|----------------------------|-----------------|----------------|-----------|-----------|
| Golden Nugget              | \$9.675         | +57.61         | 36.2      | PPB, GAN  |
| Caesars (CZR)              | \$3.908         | +18.01         | 14.6      | 888, NYX  |
| Tropicana (ERI)            | \$3.705         | +7.05          | 13.9      | Gamesys   |
| Borgata (MGM)              | \$4.365         | +4.44          | 16.3      | GVC, Pala |
| Resorts Digital            | \$3.489         | +0.34          | 13.0      | NYX, TSG  |
| Hard Rock                  | \$1.017         | N/A            | 3.8       | Gaming    |
| Ocean                      | \$0.595         | N/A            | 2.2       | GAN       |
| <b>Online gaming total</b> | <b>\$26.754</b> | <b>+30.08%</b> |           |           |
| Same Store                 | \$25.142        | +22.24         |           |           |



Lead Partner

**BETCONSTRUCT**

## SELF-NOMINATIONS ARE CLOSING SOON

SUBMIT YOUR NOMINATIONS  
[GLOBALGAMINGAWARDS.COM/LONDON](http://GLOBALGAMINGAWARDS.COM/LONDON)

Sponsored by





## GUEST COLUMNIST

**ALEX CZAJKOWSKI**  
CMO, RTG ASIA

*Czajkowski discusses  
what appeals to different  
slot players across the globe*

What do players want from their slot games? It depends on the player.

There are as many types of slots players as there are slot games. In fact, in a recent survey of Realtime Gaming players being asked what their preferred game was, virtually every single game on the platform was mentioned. Some are more favoured than others, of course, and we see regional variations in the popularity of our games as they are picked up by operators in Asia.

But they're not necessarily what you'd expect. We launched RTG Asia last year to provide new games specifically designed for the Asian market. Which games turn out to be more popular than others can be anyone's guess.

We know there are segments of players who want to play with familiar themes that resonate with the stories and histories they've heard all their lives. As such, we've designed games specifically with these historical themes in mind: Three Kingdoms War (San Guo Zheng Ba) —based on a 700-year-old book that's still read today in China; the Five Elements, which were fundamental in Chinese medicine, feng shui and even martial arts; our new Wu Zetian, which features China's first, and last, female emperor. All of these games recognise and celebrate the strength of their history, culture and beliefs. We find some players think these themes will bring them more luck.

Ancient Gods (Yuan Gu Shen Shou) remains a top favourite, as these ancient beasts do bring good fortune.

Surprisingly, we've seen Plentitude Treasures, inspired by the most popular slot in Macau casinos, do okay in Asia, but it is on fire in the west—overtaking long-standing favourites like Cash Bandits. Apparently, players like the combination of features which enable them to better control the game, choose their jackpots and play it to a winning strategy. On the other hand, in the east, fishing games are being updated with our new 3D Scuba Diver and 4D Fish Attack to provide a fresh and unique perspective on this long-popular genre.

Other players want more contemporary themes, reflecting modern times, current culture and today's values. The sudden success of I, Zombie, with its sexy zombie and even sexier zombie-killer, was a pleasant

surprise – this is not The Walking Dead with corpses dropping body parts.

But are familiar games, historical or contemporary themes the only drivers of player behaviour?

Achilles, a game nearly as old as the legend itself, remains a firm favourite on both sides of the globe. Is that because Brad Pitt played the title role? No. Is it because it's first in the list when the games are listed alphabetically? No. Achilles remains a popular choice because of its random jackpot that frequently pops up and its medium volatility that makes the game "pay-as-you-play." This gives players more time to engage in the simple, friendly graphics of an ancient western story they might not even remember or know. Homer Simpson wrote what?!

The maths are certainly important to players; serious players, your VIPs, get a feel for a game's volatility and RTP very quickly. While you can't change a game's volatility—instead, you have a range of games with low to very high volatilities—you should be in control of the games' return to player (RTP). You can adjust this for your acquisition and retention strategies. "I can never win at your casino," they complain. Let them try a game with a negative RTP (for a day... or a happy hour). They'll feel like a winner.

Feeling like a winner, or at least, not feeling like a loser—the player got fair "value for money." This is part of what drives our slot players. Familiarity does not breed contempt. While most players are often excited and happy to jump on the new release, at least for a try, (a new game with a high RTP always appeals), players do consistently go back to the games they felt most comfortable, most fortunate and most engaged with (and perhaps the most lucky). They've found a diversion that relieves their minds.

These are good games to build and deliver.

---

*“Achilles remains a popular choice because of its random jackpot that frequently pops up and its medium volatility that makes the game ‘pay as you play’”*

---

## GUEST COLUMNIST



### NEALE DEELEY

VP – SALES,  
GAMING, SPORTRADAR

*Ahead of this year's ICE Sports Betting USA, Deeley explains what Sportradar sees as the key to success in the US sports betting market*

It has been a year since the first ICE Sports Betting Conference took place in New York, and it doesn't take an expert to point out a lot has changed in the intervening 12 months.

Since the striking down of the Professional and Amateur Sports Protection Act (PASPA) in May, some very big sports betting plays have been made, whether that is William Hill signing a long-term partnership with Eldorado Resorts, MGM Resorts International and GVC signing up to a joint venture or Paddy Power Betfair buying out a majority stake in FanDuel.

These are all headline-grabbing deals and they give an indication of the excitement being generated by the opening up of huge potential markets in the US. Yet last November - when all we knew was that the Supreme Court justices would be giving the New Jersey case a hearing - it was already abundantly clear many of the major players were positioned to benefit from any positive outcome.

In fact, many of the foundations for what has happened since May had already been laid. William Hill has been a major sports betting player in Nevada - the only significant pre-PASPA sports betting market - since acquiring three existing Nevada sportsbook operations in 2011. Similarly, GVC had a foothold in the Nevada market via Ladbrokes' acquisition of a majority stake in Las Vegas-based sports-betting backend supplier Stadium in 2012.

From our point of view, of course, Sportradar's commitment to the US was similarly already clear. We have had long-standing and significant relationships with major US sports leagues and we have a well-established hub in Minneapolis, which has over 300 full-time employees from our SportsData acquisition in 2013. Like the aforementioned major operators, we have leveraged this position to ramp up our investment in US sports betting with a growing scouting network. We have enhanced our approach to technology using AI and machine learning to drive up margins.

All of the above helps explain the speed with which New Jersey and others have been able to open up to sports betting. As a William Hill presentation to analysts said in early November, five post-PASPA states are already up and running and two more are pending in the final weeks of this year. These states alone could be generating over \$1.4bn in gross gaming revenue within three years.

Clearly, the companies which already have a gameplan in place will be the ones to benefit from these new revenue streams.

*“As a William Hill presentation to analysts said in early November, five post-PASPA states are already up and running and two more are pending in the final weeks of this year. These states alone could be generating over \$1.4bn in gross gaming revenue within three years”*

From Sportradar's point of view, that commitment is already paying off. Many of the major US players to date are entrusting vital aspects of their operations to us including a majority of the early market leaders in New Jersey. We very much hope to grow our business in line with the new opportunities that will be opening up in the next year or more.

Being involved in the US market is about more than racking up the air miles and making an appearance at events like G2E Las Vegas or ICE Sports Betting in New York. Having a good-looking PowerPoint presentation on the US opportunity isn't the same as putting down long-lasting roots.

The ramping up of the US market to date has been impressive and more of the same is likely in the years ahead, as those with the early momentum seek to exploit the opportunity to the full. That will take effort and staying power.

## NOV/DEC ISSUE OUT NOW

Click **HERE** to view





ACCEPTING U.S. PLAYERS  
SINCE 2001

# WPN

## WINNING POKER NETWORK AFFILIATES

# WE'RE **ALL IN** FOR MALTA

## WE'RE HEADED TO **SIGMA** iGaming Malta

WE'RE SPENDING OUR TIME CELEBRATING THE IGAMING INDUSTRY  
WITH DRINKS, FOOD, AND FUN. **JOIN US.**

**PRE-REGISTRATION DRINKS** – TUESDAY, NOVEMBER 27<sup>TH</sup> AT 7PM

**NETWORKING POKER TOURNAMENT** – TUESDAY, NOVEMBER 27<sup>TH</sup> AT 9PM

**AFFILIATES DINNER** – THURSDAY, NOVEMBER 29<sup>TH</sup> AT 7PM



SKYPE OR EMAIL US TO SET UP AN INDIVIDUAL APPOINTMENT



1-877-314-4195



WPN AFFILIATES



WPN AFFILIATES



SUPPORT\_WPN\_AFFILIATES



SUPPORT@WPN AFFILIATES.COM

# WWW.WPNAFFILIATES.COM