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## THIS WEEK

- **Portugal nears the end with shared liquidity agreement**
- **CVC Capital launches Sky Betting & Gaming IPO**
- **Scientific Games shuffles its financial deck**
- **Japan set to authorise online lottery ticket sales**
- **Guest Columnist: Ran Fodor, CEO, Delasport**

# WEEK 05

## FRIDAY 02 FEB 2018

### NBA LAYS OUT ITS SPORTS BETTING BLUEPRINT

*New York State would serve as model for 50 state solution*



Senior officials from the National Basketball Association (NBA) have testified in hearings before the New York State Senate Standing Committee on Racing, Gaming and Wagering, setting out their ideal legalised sports betting environment in The Empire State.

Submitting written testimony for the NBA was its Senior Vice President and Assistant General Counsel Daniel Spillane who said: "We support the passage of a comprehensive sports betting bill that would serve as a model for a 50-state solution - whether that happens in Congress or on a state-by-state basis."

The NBA have stated that there is a requirement for the inclusion of mandatory alerts, "to facilitate monitoring of bets across operators and jurisdictions" to be submitted by gaming operators of unusual betting activity and the centralisation of betting data.

In turn, any operator wanting to offer sports betting would be required to pay each sporting league 1% of the total amount bet on each of its games, with the money being invested in: enforcement, monitoring, compliance, investigations and education.

Any legislation should include the authorisation of sports betting state-wide and on mobile platforms as a way of dissuading individuals from making illegal bets via offshore websites. ▶



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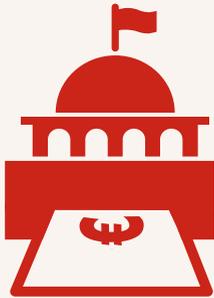
# THIS WEEK IN NUMBERS



The number of jobs Betsson has cut in a new corporate restructuring and streamlining process

## €186M

The amount in a tax bill levied by the Greek Government against GVC, who have announced they will be filing an appeal against the proposed bill



The amount Gambling.com paid in the acquisition of a mobile performance marketing company, although the name of the company was undisclosed



The amount Crown Resorts has sold a parcel of land in Las Vegas for

Spillane added: "Our conclusion is that the time has come for a different approach that gives sports fans a safe and legal way to wager on sporting events while protecting the integrity of the underlying competitions."

Speaking about this latest development to *GI*, GBGC Director, Lorien Pilling said: "In some respects the decision on sports betting is no longer in the hands of the leagues, depending on the Supreme Court's decision in the *Christie v NCAA* case. If the NBA had had its change of heart some years ago, maybe the need for the Supreme Court case could have been avoided.

"But the NBA's proposals still show that it wants to retain control of any betting if it is permitted. The 1% fee on turnover payable to each league for the right to bet is not practical, especially if the states get greedy in the betting tax rates they set.

"The combination of the right to bet fee and a high tax rate would just help the offshore sports books offer more competitive prices than the licensed operators."

Adding fuel to the sports betting fire was the American Gaming Association, which has estimated that Americans will wager approximately \$4.76bn on the Super Bowl.

However, 97% of all bets will be wagered on the sporting events through illegal bookmakers, with only 3% of the total Super Bowl bets expected to be legally wagered through licensed sports books in Nevada.

The staggering figures were released at a pivotal point for New Jersey's case repealing PASPA, as there's a clear need for an adjustment in the legal framework that exists for sports betting in the US.

### KEY POINTS

- New York State to serve as model for 50 states
- Operators would pay 1% to offer sports betting
- \$4.6bn set to be wagered on the Super Bowl illegally

## PORTUGAL NEARING FINAL FURLONG OF SHARED POKER LIQUIDITY AGREEMENT

**Portuguese gamblers set to join their French & Spanish counterparts**  
The President of the French online

gambling regulator, ARJEL, has told local media that Portugal is now very close to joining France and Spain in signing the shared liquidity poker agreement.

Charles Coppolani explained to *RMC Sport TV* that Portuguese regulators have entered the final stages of preparation to enter the shared liquidity project. The news follows PokerStars launching its French-Spanish site with combined player pools from both countries in January.

Portugal only regulated the provision of online gambling back in 2015, and further began distributing the first licenses in 2016. However, players had to wait until December 2016 until they were allowed to play the games on locally licensed websites.

The only licensed online poker platform currently operating in the Portuguese market at the moment is PokerStars. However, once the liquidity project goes live, it is expected that a number of other operators will enter the market.

Figures posted by Serviço de Regulação e Inspeção de Jogos showed that the regions market produced fairly discouraging figures during the quarter ending 30 June. Revenue from online gambling services totalled €25.4m during the reviewed three months, down from €31.4m in the previous quarter.

However, when PokerStars first launched its website in Portugal, it attracted a great deal of interest among local players, with a weekly average of cash game players coming in at 2,000 in the first few days of the launch.

## CVC CAPITAL LAUNCHING SKY BET IPO

**Owners hope to raise £3bn with floatation**

CVC Capital, the majority owner of the Sky Betting and Gaming Group, are reportedly considering the possibility of a stock market flotation of the online betting operator.

The London-based private equity group, which acquired an £800m majority stake in Sky Bet in 2014, have hired bankers from Rothschild to assist them with an initial public offering for Sky Betting and Gaming, in the hopes of raising up to £3bn.

CVC has previous experience of preparing gaming companies for stock market flotation, having purchased William



The approximate percentage of Super Bowl bets, according to the AGA, that will be legally placed by Americans through licensed sports books in Nevada

Hill from Nomura in 1999 for £825m, before floating the company on the stock exchange a few years later in 2002.

London-based investment bank, Rothschild, has been hired to examine a potential stock market listing for Sky Bet and has been tasked with raising interest from banks to arrange the IPO.

Apparently, those close to the proposed deal have said that the float has the potential to raise between approx £2.5-£3bn. As of yet, no public comment on the proposed IPO has been made by CVC and Sky Bet.

The company confirmed that it is refinancing this debt to "take advantage of favourable market conditions to lower its cost of debt and extend maturities".

In order to avoid potential financial ambiguity, the \$500m in 5% senior secured notes, which will be due for payment in 2025, will be included in the same series of debts as a previously issued \$350m of notes, which are also due for payment that same year.

The €325m of senior secured notes and the €250m senior unsecured notes are due for payment in 2026.

The company has confirmed its intention to use the net proceeds of the new notes offering, together with borrowings under the term loan B facility of its credit agreement to redeem a portion of its outstanding 7% senior secured notes, which are due for payment in 2022.

At the same time, the company announced selected Q4 2017 financial results, with expected company revenues to increase by 9% to between \$820-\$825m during the fourth quarter of 2017, while full year 2017 revenue is expected to rise by approximately 7%.

### SCIENTIFIC GAMES SHUFFLES ITS FINANCIAL DECK

#### Company balancing its debts following NYX Group acquisition

Scientific Games Corporation have announced that they will sell over \$1.075bn in long-term debt notes to investors in a private offering.

Debt notes included in the sale comprise over \$500m of 5% senior secured notes, €325m of senior secured notes and €250m of senior unsecured notes.



The total amount Affiliate company, Game Lounge, acquired a subsidiary of Cherry AB, Slotttracker.com which is to be paid over the next 12 months

**bet365** Affiliates

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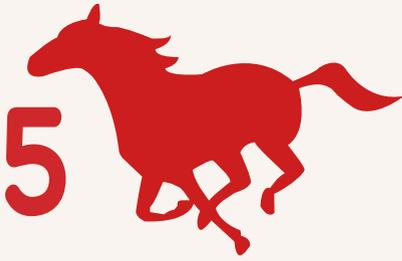
VEGAS

POKER

CASINO

BINGO





The number of years Racecourse Media Group and Sports Information Services have extended their partnership for, to commence from 1 January, 2019

# 7.38m

The number of passengers Macau's International Airport is expected to handle in 2018



## JAPAN TO AUTHORISE ONLINE LOTTERY TICKET SALES

**Move aims to increase ticket sales among millennials**

According to reports in the *Japan Times*, Japanese authorities are set to allow the sale of lottery tickets online from October.

The Japanese Ministry of Internal Affairs and Communications announced the move, confirming that tickets for most of the country's public-run lotteries will be made available to be purchased online.

Starting in October, individuals will be able to buy tickets online for the Jumbo Takarakuji series, which are sold five times a year and offers a prize of ¥1bn, as well as regular Takarakuji tickets and the Numbers and Loto series.

In Japan, most existing lotteries are operated by local governments and major Japanese cities, with a portion of lottery revenues being retained and used as part of their annual budgets.

Individuals wanting to buy lottery tickets online will be required to register

for membership on the lottery website, with winnings being paid electronically to their respective bank account.

Addressing the motivation behind the sale an official from the ministry said: "One reason (to push the online option) is because lottery sales have been decreasing."

Japanese lottery ticket sales have been declining from its 2005 sales revenue high of ¥1.1tn.

Revenue from ticket sales in 2016 was just over ¥845bn, with over 93% of tickets reportedly sold at retail outlets across Japan. Drilling down into those sales figures, over 60% of all lottery ticket sales in stores are to individuals of aged 50 or older.

Seiko Noda, Japanese Internal Affairs Minister said she hopes to see the new service attract 500,000 users in its first six months and is aiming to attract younger players.

Noda said: "Efforts to reach potential customers in younger generations have been weak, and that expanding sales channels to web and smartphones is needed."

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## DATA CENTRE

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### STRIP SLIPS

The Las Vegas Strip closed out the year with its third straight month of revenue declines in December. Visitor volume also continued to decline, down 2.5%.

However, Nevada grew revenues 0.44% with healthy continued growth in Reno and Downtown Las Vegas. Downtown Las Vegas has now grown revenues for 11 straight months.

On the Strip, blackjack revenue actually rose on lucky play, whilst baccarat revenue fell 29.91% on lower hold than last December.

For the full year, Nevada gaming revenues rose 2.79% over 2016 and the Strip grew 1.33%.

US STOCK UPDATE  
Below is a list of US gaming stocks that high 52-week highs this week:

Company	52-Week high as of Wednesday
Eldorado	\$34.55
Melco Resorts	\$29.78
Red Rock Resorts	\$34.73
Empire Resorts	\$29.05
AGS	\$19.57
Las Vegas Sands	\$79.03
MGM	\$38.03
IGT	\$29.15
Caesars	\$14.05

	Revenue (m\$)	Change (%)
NEVADA	\$960.384	+0.44
LAS VEGAS STRIP	\$571.504	-3.25
Clark County	\$820.394	-0.89
Downtown LV	\$46.770	+10.02
North LV	<b>\$19.717</b>	<b>+15.96</b>
Laughlin	\$31.234	+10.75
Boulder Strip	\$47.053	-0.88
Mesquite	\$10.996	+9.84
Balance of County	\$93.120	+1.35
LAS VEGAS LOCALS MARKET	\$159.890	+2.26
Washoe County	<b>\$74.527</b>	<b>+8.06</b>
Reno	\$55.397	+10.25
Sparks	\$11.241	+0.96
North Lake Tahoe	\$2.257	-9.97
Balance of County	<b>\$5.631</b>	<b>+10.97</b>
SOUTH LAKE TAHOE	\$18.490	-1.24
Elko County	<b>\$24.568</b>	<b>+23.02</b>
Wendover	\$17.042	+25.95
Balance of County	\$7.526	+16.88
CARSON VALLEY AREA	\$9.334	+9.97
OTHER AREAS	<b>\$13.072m</b>	<b>+6.79</b>

## GUEST COLUMNIST:



**RAN FODOR**  
CEO, DELASPORT

### THE BOOMING SPORTS BETTING INDUSTRY

*With the 2018 calendar is jam-packed with huge sporting events, Fodor evaluates how sports betting providers will keep up with the demand*

Sports betting enthusiasts are gearing up for an extraordinary selection of sporting events in 2018. Kicking things off is the 2018 Super Bowl, followed by the Kentucky Derby, the Rugby World Cup Sevens, the PGA Championship and the US Open. These are but a small selection of the action-packed sporting events awaiting fans all over the world. The New Year is upon us, and sports bettors are fortunate to have a star-studded line-up at their fingertips.

The adrenaline-infused entertainment on the field of play is matched with equal passion in the betting arena. In 2017, the value of the international sports market topped out at \$90.9bn, and sports bettors are eager to cash in on this frenetic activity. Major changes are underway in the United States where the Supreme Court is currently reviewing a petition by New Jersey lawmakers to rescind PASPA, and allow sports betting throughout the US.

### ON THE MONEY TRAIL – BETTING ON WINNERS

For sports betting enthusiasts around the world, there is plenty to look forward to. From the Commonwealth Games in Australia to the IIHF World Championship Ice Hockey in Copenhagen Denmark, 2018 promises to be a firecracker for fans. The highlight of the year is the FIFA World Cup taking place in Russia. It begins on 14 June and runs through 15 July. Billions of football fans will be watching, and millions will be betting on their favourite teams. Every four years, the FIFA World Cup generates explosive excitement among fans. It is the world's biggest sporting series of events, generating unprecedented volumes of sports betting activity.

### RISING DEMAND FUELS THE NEED FOR IMPROVED SPORTS BETTING SOLUTIONS

With such high demand for betting excellence, punters are turning to the leading providers of sports betting platforms, such as Delasport's Plug & Play Sportsbook Solutions. In game betting is all the rage, and with split-second decisions capable of changing the outcome of high-intensity matches, punters require cutting-edge technology to meet these needs. Plenty of money is riding on these international sporting contests, and highly responsive betting platforms are needed to facilitate, capture and initiate action as bettors see fit.

Beyond football, ice hockey fans are looking forward to the Stanley Cup Finals in June, and boxing fans anticipate plenty of jabs and uppercuts when New Delhi India hosts the AIBA World Championships for women. The Baseball World Series takes place in October, and the IWF World Championships in November caps off an amazing year of sporting activities. Each sporting contest or tournament is comprised of real-time actions that can instantly turn a winning bet into a losing bet, or vice versa. Full mobile functionality, uninterrupted connectivity, real-time odds, and instant bet capturing are essential to guarantee the best possible outcome for punters.

### FEATURES OF WORLD CLASS SPORTSBOOK SOLUTIONS

Many of the sports books currently operating have a rather limited capacity. Their coverage is restricted to specific geographic locations, or sporting events, and many bets are unavailable to punters. Fortunately, the Delasport Solution offers premium coverage and it can be incorporated into existing sports betting platforms or as a standalone solution. Clients have access to thousands of world-class sporting events, across scores of different sporting categories. As the markets evolve, they need to incorporate as many changes and additions as possible. The mark of a successful sports betting solution is one which offers seamless betting opportunities and an enhanced customer experience.

Bettors are always in search of the most attractive betting odds, and to do this, a sportsbook solution requires a sophisticated algorithm that makes it enticing to punters. The perfect example of a seamless sports betting solution can be found in the Asian Handicap with Delasport. Other features include live betting with in-play betting functionality across an ever evolving range of markets. Real-time updates are no longer a nicety, they are expected by punters. Top sports betting solutions also offer live in-game statistics to help players make the most informed bet selections on their athletes and teams.

All across Europe, Asia and elsewhere, mobile adoption is growing. The leading sports betting providers have embraced mobile technology, as a future-oriented solution to customer satisfaction, and increased ROI. Full mobile functionality on iOS and Android is a prerequisite for the most successful sports books, making this a desired means of profit maximisation and higher conversion rates. With so much betting activity on the cards, punters, sports books and the industry as a whole cannot afford to rest on its laurels. The world's greatest sporting event – the FIFA World Cup – is upon us, and Delasport is going all-in to provide the most attractive, intuitive, and engaging sports book solutions for the industry.

# JAN/FEB ISSUE OUT NOW

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