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WEEK 16

FRIDAY 19 APR 2019

**MARCH MADNESS
BOOSTS US SPORTSBOOK
REVENUE**

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2019:

22 NEW PERFORMANCE RECORDS

(So Far!...)



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A New Gaming Era



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THIS WEEK

- **Wynn Resorts looks to Scientific Games for digital sports betting**
- **Caesars appoints new CEO - but for how long?**
- **Plans unveiled for fourth Marina Bay Sands tower**
- **Karamba the latest brand to confirm for AffiliateCon Sofia**

GUEST COLUMNIST:

- **Jeff Curley, Head of Online Digital, Radware UK**

WEEK 16

FRIDAY 19 APR 2019

MARCH MADNESS BOOSTS US SPORTSBOOK REVENUE



New Jersey, Pennsylvania and Delaware all enjoyed strong sports betting handle and revenue totals for March, helping them recover from a disappointing February.

The Super Bowl, where heavy favourites the New England Patriots were victorious, hindered sportsbooks across the US in February. The March Madness basketball tournament, however, reversed fortunes in three of the East Coast states.

Sports wagering in New Jersey enjoyed its second-most active month in March, with \$372m wagered and \$31.6m generated in revenue.

The total was close to beating January's record of \$385.2m in wagers, while the revenue total was significantly up from \$12.7m in February. Basketball handle for March was \$205m, accounting for 53% of all sports betting wagers for the month.

The NFL season concluded in February and the new MLB regular season started on 20 March. Total sports wagering gross revenue for 2019 so far amounts to \$63.1m in New Jersey.

Elsewhere, casino win for March was \$223.2m, increasing 16% year-on-year, while internet gaming win was \$39.1m, rising 53%. The state's total gaming revenue grew 35% year-on-year to \$294m.

There was similar success in Pennsylvania, where total gaming revenue reached a record \$314.6m, including \$5.5m in sports betting revenue. March Madness helped



Launch date: 2nd May

AVAILABLE ON ALL DEVICES

THIS WEEK IN NUMBERS

19



Years of executive experience in gaming for Mary Elizabeth Higgins, who succeeds Anthony Rodio as Affinity Gaming CEO

\$20,000

The amount PointsBet has been fined for posting an illegal gambling advertisement in Australia (US\$14,300)



21

Detained after police raided an illegal gambling den in Santa Ana

43



The number of arrests in Taipei for operating illegal online gambling sites

\$3.4m



The amount Imperial Pacific will have to pay the US Department of Labour for labour violations

push sports wagering revenue up from \$1.9m in February, with handle also rising to \$44.5m from \$31.5m.

Rivers Casino generated the highest revenue total of \$1.3m from \$11.9m in handle, while SugarHouse Casino made \$1.2m from \$9.2m. Parx Casino's revenue was just short of \$1m from a total handle of \$7.9m.

Gaming revenue from slot machines and table games reached an all-time record for March, totalling \$309.1m. This represented a 3% year-on-year increase and only the second month in which overall revenue surpassed \$300m, the first being March 2018.

Both sports betting handle and revenue were far greater in New Jersey, though, despite the Garden State earning less overall gaming revenue and containing roughly four million less people than Pennsylvania. This was chiefly due to a lack of online and mobile sports betting in Pennsylvania, which accounts for a significant portion of wagering in New Jersey.

Pennsylvania's 36% tax rate may be a factor in the smaller number of sports betting operators in the state (eight), although its sports betting market is relatively youthful. New Jersey currently boasts 13 different sportsbooks.

Just south of both states, Delaware's sportsbooks generated \$1.6m in revenue for March. February saw Delaware's three sports betting locations make a total of only \$22,152, with its biggest sportsbook, Delaware Park, losing \$28,750.

While American football was February's villain, basketball was March's hero. March Madness led to \$10.5m worth of sports wagers in Delaware, with all three of the state's locations seeing a month-on-month increase. Delaware Park accepted \$6.6m from 148,593 wagers and subsequently made just over \$1m in revenue.

Dover Downs made \$328,147 from around \$2m in bets and Harrington Raceway generated \$279,454 from \$1.7m in sports betting handle. For the calendar year to date, Delaware has now made \$3.1m in sports betting revenue, from a total of \$30.9m wagered. The MLB season is the next main attraction for US sportsbooks, with an abundance of fixtures offering customers multiple opportunities to wager.

There can be no understating the impact of March Madness, however, with the tournament described as one of the most significant betting events in the US calendar. The event was won by Virginia Cavaliers, as it sealed its first ever championship with an 85-77 overtime win against Texas Tech Red Raiders.

WYNN RESORTS, SCIENTIFIC GAMES FORM US PARTNERSHIP

Wynn Resorts will partner with Scientific Games to launch digital sports betting and online gaming applications in the US.

This is the first major sports wagering-related announcement Wynn Resorts has made since the PASPA repeal and it will look to launch its digital sports betting platform in New Jersey initially.

Scientific Games currently provides its OGS content and OpenBet sportsbook to Resorts Digital, Golden Nugget and Caesars Entertainment in New Jersey.

For Wynn Resorts to launch its digital sports betting and online gaming applications, however, the operator needs to have agreed a partnership with a land-based casino within the state.

No new deal has been announced from either Wynn Resorts or Scientific Games on this front, while Wynn's US presence is currently limited to Nevada, with its Boston project close to launch.

Gambling Insider reached out to Wynn Resorts but the operator declined to add further comment. *Gambling Insider* also reached out to Scientific Games.

The official press release of the announcement offered few details, with the timeline of the launch yet to be disclosed.

In October, Wynn Resorts struck a partnership with US-facing operator BetBull, with that deal seeing Wynn Resorts take a 22.5% stake in the company. Meanwhile, in 2014, Wynn Resorts launched its Interactive division, which then applied for a New Jersey online gaming license.

Wynn Interactive planned to operate under a Caesars Interactive Entertainment New Jersey permit, and partnered with 888 Holdings as part of the project.

Scientific Games saw an 8% rise in share price after the announcement and was trading at \$22.38 on Thursday. Wynn Resorts saw an increase of 2%; on Thursday, share value was \$143.46.

AffiliateCon ^{SOFIA '19}

15 - 16 May 2019, Sofia Event Center, Bulgaria

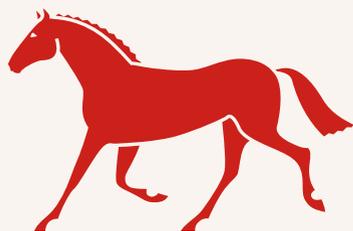
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The value of the gift accepted by MP Ian Paisley from William Hill (\$1,300), despite heavily criticising the gambling industry in the UK



32

Arrested in Singapore for illegal horseracing betting

CAESARS APPOINTS NEW CEO AS M & A PLANS ADVANCE

Caesars Entertainment has appointed Affinity Gaming's Anthony Rodio as Mark Frissora's successor in the role of CEO.

The current Affinity Gaming CEO had been linked with the Caesars role since Carl Icahn began investing in the casino operator earlier this year, a topic covered in-depth during previous *GI Fridays*.

Billionaire investor Icahn is now Caesars' largest individual shareholder and previously worked with Rodio at Tropicana Entertainment. That operator was transformed from bankruptcy to being sold to Eldorado Resorts for \$1.85bn by Icahn in April 2018, with Rodio playing an instrumental role as the company's CEO.

Frissora's departure as Caesars President and CEO was announced in November but his initially scheduled exit was delayed until April. Rodio only joined Affinity Gaming in October but will transition into his new role within 30 days.

Rodio said: "I have long admired Caesars and am optimistic about the company's future prospects. Our industry

is going through a time of transition and opportunity and I look forward to leading Caesars' exceptional team through the company's next phase of growth, innovation and value creation."

In the same announcement, the Caesars board confirmed the creation of a transaction committee, which will look to enhance shareholder value.

This corroborates previous reports that Caesars is officially pursuing a form of M & A, as Icahn looks to steer the company towards a sale.

What is unclear is how long Rodio will remain in charge of Caesars. With over 37 years' experience in the casino industry, the veteran has also worked at Harrah's Entertainment, Trump Marina Hotel Casino, the Atlantic City Hilton Casino Resort and Penn National Gaming.

But Rodio has never led a company of Caesars' size before, leading commentators to question whether he is simply in the hot seat until a sale takes place, rather than as the company's long-term figurehead.

THE WEEK IN QUOTES

“Our numbers show many countries enjoying almost the same volume and traffic on virtual sports as real sports. We can argue virtual sports has enormous potential when it comes to exceeding sports betting revenue.”

Golden Race CEO, Martin Wachter, speaks exclusively to *Gambling Insider* about virtual sports

“I want to emphasise that, despite this decision, Penn National remains committed to the Tunica market and continues to focus on the ongoing successful operations at our two remaining Tunica properties.”

Al Britton, Penn National Senior Vice President of Regional Operations, on the closure of Resorts Casino Tunica

“Albeit the fact the industry is based on entertainment, one shouldn’t forget how sensitive it is, especially by taking in full control of the gambling age according to each jurisdiction and providing the full support to players to reduce the potential impact of gambling addiction.”

Boss Gaming’s new CEO, Jeff Letlat, on tackling gambling addiction

THIS WEEK’S WINNERS AND LOSERS

WINNERS

Perform Group – has been appointed as an MLB data distributor for US sports betting operators

Sports and horse wagering – at two Eastern Band of Cherokee Indian casinos has been approved by the North Carolina Senate

Indiana – The state’s House of Representatives has voted 78-15 in favour of a gambling package which would legalise sports betting

Mansion Group’s Casino.com – has been fined \$506,000 by the Dutch regulator for offering games of chance in the Netherlands without a permit

LOSERS

FOURTH TOWER PLANNED FOR MARINA BAY SANDS SINGAPORE

Safdie Architects has announced plans to add a fourth tower to the Marina Bay Sands resort in Singapore.

Unlike the other three towers, which were completed in 2011, the new tower will stand alone but will take cues from the existing glass buildings.

The fourth tower will contain around 1,000 suites, a sky roof and swimming pool, meeting rooms, ballrooms and a 15,000-seat music arena. Plans are in place for the work to start imminently, but there is no expected completion date as of yet.

The Marina Bay Sands is a luxury resort with three 57-storey towers which are connected by a sky garden. Within the resort, there is a museum, two theatres, a casino, shops and restaurants.

President and CEO of the Marina Bay Sands, George Tanasijevich, announced the new tower will not

be offering gambling operations. Building the tower will cost around SGD4.5bn (US\$3.3bn).

Sheldon Adelson, Chairman of the casino’s owner, Las Vegas Sands, said: “Marina Bay Sands is an iconic tourism destination that has exceeded all of our hopes in growing leisure and business tourism in Singapore.”

Safdie Architects revealed the news in an Instagram post, stating: “Building on a long-term partnership with Las Vegas Sands Corporation, we are delighted to embark upon a design for a major new addition to the iconic Marina Bay Sands in Singapore.”

The Marina Bay Sands is widely regarded as one of the finest gambling resorts in Asia – even when including the continent’s gambling hub in Macau. It may well be viewed as a shining example in Japan when the country’s first integrated resorts are built.

KARAMBA RETURNING TO AFFILIATECON SOFIA

Karamba is the latest brand to join the AffiliateCon Sofia line-up on Wednesday 15 and Thursday 16 May, returning to exhibit after last year’s successful show.

Founded in 2005, Karamba provides first-class slot, instant win games, live casino and sportsbook to customers, with an emphasis on entertainment combined with a commitment to safety and responsible gaming.

Karamba joins the likes of Parimatch, Kindred Group, Lapalingo, NetoPartners, ActiveWins and many more on the AffiliateCon Sofia floor plan.

Arnaud Serour, Karamba Managing Director, said: “AffiliateCon Sofia 2018 was a great event for us and we are delighted to be returning in 2019.”

AffiliateCon Founder Julian Perry said: “It’s fantastic to secure Karamba as an exhibitor once again. Adding its renowned brand further enhances our brilliant AffiliateCon Sofia line-up this summer.”

Along with first-class brands, AffiliateCon Sofia boasts an impressive list of speakers; Google Industry Manager Yiannis Kranitis, Mustard Digital Founder Allan Turner and James Scicluna, Co-managing Partner at WH Partners, are among those confirmed to speak.

Discussion panels will also cover hot topics such as esports, as the likes of UltraPlay and SickOdds utilise their specialised sector knowledge. For SEO, four experts have signed up to talk through the most-pressing issues currently facing affiliates.

When you work hard at AffiliateCon Sofia, you undoubtedly play hard – as two full days of educational speeches will be intertwined with lively entertainment. On that front, Mixology will return for the event’s main party on Wednesday 15 May.

Click here to book your tickets and network with the best affiliates Europe has to offer this summer. AffiliateCon Sofia is now less than a month away – so don’t miss out.



PA RISES

Pennsylvania gaming revenue rose 2.86 percent for March as both slots and tables grew year-on-year.

Every market saw revenue growth, led by Northeastern Pennsylvania casinos that were on an easy comparison with last year, having been hurt by the newly opened Empire Resorts' Resorts World Catskills in New York.

Boyd Gaming's Valley Forge led individual property growth with 13.64 percent, with double-digit growth for slots and tables.

PROPERTY	REVENUE (\$M)	CHANGE (%)
PHILADELPHIA:		
Valley Forge (BYD)	\$13.154	+13.64
Parx (Greenwood)	\$56.799	+3.96
Harrah's (CZR)	\$25.056	+1.17
SugarHouse (Rush Street)	\$27.524	-4.12
Philadelphia total	\$122.534	+2.38
NORTHEAST PA:		
Sands Bethlehem (LVS)	\$50.935	+8.90

PROPERTY	REVENUE (\$M)	CHANGE (%)
Mt. Airy	\$16.348	+5.48
Mohegan Sun	\$21.515	-5.43
Northeast PA total	\$88.798	+4.45
PITTSBURGH:		
Rivers (Rush Street)	\$35.758	+6.59
The Meadows (PENN)	\$22.897	-2.33
Pittsburgh total	\$58.655	+2.92
ELSEWHERE:		
Presque Isle (CHDN)	\$12.346	+3.81
Hollywood (Penn)	\$24.039	+1.44
Lady Luck Nemacolin (CHDN)	\$2.755	-14.90
State total	\$309.125	+2.86
MULTIPLE PROPERTIES:		
Rush Street	\$63.282	+1.65
Churchill Downs	\$15.100	-0.19
Penn National	\$46.936	-0.43



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Mark P. Frissora,
President & CEO Caesars
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GUEST COLUMNIST



JEFF CURLEY

HEAD OF ONLINE DIGITAL,
RADWARE UK

Curley encourages operators to gamble with the Cloud; but only once they've considered the security risks

News of Ladbrokes closing stores and William Hill's 2018 losses is perhaps not unexpected. The UK gaming industry warned regulatory pressure, including the introduction of £2 (\$2.61) maximum stakes on fixed-odds betting terminals from April, would take their toll.

At the same time, however, the opportunities for digital operators are massive, becoming more expansive by the day due to modern society's obsession with smart devices.

Speaking to a number of gambling companies, online is where they now place their bets. But the main challenges are the speed with which they can bring applications online, successfully test market conditions, stay ahead of competitors through overall experience and maintain customer privacy.

The Gambling Commission's approval for online wagering to take place on shared service environments has been a huge enabler to meet these challenges and, over the past year, I have seen many gaming companies embrace Public Cloud Environments such as AWS; organisations that less than a year ago I could have culturally classified as extremely Cloud averse.

It really is a massive breakthrough for the industry. For the first time, they are harnessing the agility and flexibility of the Cloud to launch new products and services, with possibilities related to live streaming and in-game betting opening up even further.

But I think the most exciting thing about adopting the Cloud is betting houses experimenting without large upfront investment or compromising service quality. Namely, without building highly expensive geographically diverse data centres, gaming companies are able to position services in close proximity to users.

This is an incredibly important consideration as online gaming is extremely latency sensitive, plus it cannot be accelerated by a Content Delivery Network in most situations. Once concepts are proven, local strategy can very quickly become global. Applications and products will be far easier to develop and companies will be able to roll them out elsewhere cheaply and quickly. These are particularly critical factors for gaming companies breaking into new markets, such as North America.

The opportunity is therefore considerable, especially when combined with all the benefits of data management and business intelligence the Cloud affords. In an instant, operators can gather consumer insight and act on it like never before. Companies like Netflix have been doing this for years.

As so many companies know, though, data and applications hosted on the Cloud are honeypots for the unscrupulous. From professional criminals and disgruntled customers to hackers wanting to make a point about ethics, any company with a network risks a breach. In fact, this year we expect to see a Cloud breach so considerable people's confidence may be significantly rocked.

Despite all the advantages the Cloud brings, the gaming sector would do well not to rush the opportunity without considering the security concerns. It is, after all, the industry most targeted after government and finance.

It's not just money at stake: it's customers, too. In some areas of the world, hostile hacking activity is rife between competitors as they find ways to prise players away from the competition. There are numerous examples of competitors stealing customers by intercepting traffic and diverting people to lookalike sites without them even realising. Some will also run highly focused and sustained Distributed Denial of Service (DDoS) campaigns using bots, designed to take competitors out of business for days at a time – very often by overloading login portals.

The bottom line is: the more of your operations you move to the Cloud, the greater the risk of attack. Cyber-security strategies must thereby cover early detection, mitigation and defence.

Businesses are now turning to artificial intelligence (AI) to analyse traffic patterns and look for anomalies indicating potential attacks. AI can multitask and ensure you don't take your eye off the ball and allow one attack to unfold while taking care of another. As brilliant as it is, however, AI can't yet make strategic decisions about what technology to employ and when.

Human skill is essential in building defences, not just to review technology and implement it, but to initially research threats. The dark net is becoming such a dangerous breeding ground for hacking; having someone on your side who can infiltrate it, spot the signs and respond is a boon.

Of course, no strategy will work without senior buy-in. You can forgive your board for wanting to rush Cloud adoption and all it brings. But there must be caution; otherwise, consumers will vote with their feet if they believe their data, anonymity and finances are at undue risk.

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::: 1% lifetime rev share on proven productions: Roulette and Blackjack