



WEEK 37

FRIDAY 13 SEPT 2019

GGA LAS VEGAS 2019 SHORTLIST NOW AVAILABLE

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THIS WEEK

- **SG Digital CEO exclusive**
- **NetEnt shares up after Red Tiger deal**
- **Revenue up, profit down for 888**
- **Management changes at William Hill and GiG**

GUEST COLUMNIST:

Tom Wood, Chief Creative Officer, SG Digital



The full Shortlist for the 2019 Global Gaming Awards Las Vegas is now available to view, with just over one month to go until this year's presentation ceremony.

Receiving a nomination is an outstanding achievement for any gaming industry company and is clear proof the company is rated among the world's very best.

The winners in all 12 categories will be confirmed at a luncheon ceremony at the Sands Expo Convention Center on Monday 14 October; the perfect way to kick off the G2E show.

Gambling Insider COO Julian Perry said: "It's a pleasure for us to bring you the official Shortlist for the Global Gaming Awards Las Vegas 2019. We wish the very best to all nominated companies and there is no doubt competition for all 12 Awards has been very fierce.

"This is in fact my favourite part of the process. The excitement about the ceremony is building, all nominees are aware of their place on the Shortlist, and now everyone can ponder what is about to happen in October."

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IN 2
CATEGORIES**

Digital Product
Digital Supplier

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THIS WEEK IN NUMBERS



Percent of Macau's gaming market driven by VIP players, according to data from Bernstein Research

€844.3m

The Q2 gross gaming revenue of state-run, Finnish operator Veikkaus, down 4% year-on-year (\$933.3m)



September - the date GVC Holdings and MGM Resorts International's joint venture, Roar Digital, launched its BetMGM app in New Jersey

September - the date Scientific Games and Caesars Entertainment launched their sports betting venture in Indiana



143.3

hectares - the area of Yumeshima, the artificial island in Osaka approved for commercial use and potentially the development of an integrated resort



The Shortlist has been compiled at the end of a rigorous process, which began with a period of self-nominations put forward by hopefuls, and recommendations made by the Nominations Panel.

The final Shortlist was then deliberated on and decided by members of the *Gambling Insider* editorial team.

All nominated companies were then asked to provide a supporting statement to the Judging Panel, outlining why they should be chosen to take home the Award.

This year's Judging Panel has reached a record number of 100 Judges, providing proof of the Awards' growth in popularity since the inaugural ceremony in 2014.

The panel is made up of esteemed executives from across the industry, ensuring the Awards are decided by people with only expert knowledge. The Judges then placed their first- and second-choice votes in all categories.

Scientific Games and Aristocrat were the standout winners at last year's ceremony, taking home five Awards between them.

Both companies are shortlisted again in several categories this year, while MGM Resorts International will be hoping to reclaim its Customer Loyalty Program Award, which was taken by Caesars Entertainment last year, after four straight wins for MGM.

The Digital Supplier category has shown the depth of competition in the market, as it has been won by five different suppliers across the previous five years. SG Digital was crowned the winner last year.

This year is the first full year of fully-regulated sports betting in the US outside Nevada. Since PASPA was overturned last year, opportunities have opened up for several new companies to enter the market. This includes the likes of Kambi, nominated in the Digital Supplier and Digital Product categories, and it will be interesting to see how the likes of DraftKings and FanDuel fare in the Digital Operator category.

Meanwhile, IGT is nominated in four categories and Caesars is nominated in three categories.

Last year saw four new categories introduced to the ceremony: Product Innovation, Slot, Property and American Executive. All four categories will return this year, along with last year's winners: Evolution Gaming, Aristocrat, Borgata Hotel Casino & Spa and Joe Asher, CEO, William Hill US.

The voting process was independently adjudicated by KMPG Isle of Man to ensure full fairness and transparency.

The Global Gaming Awards Las Vegas are powered by *Gambling Insider* in association with G2E. BetConstruct is the Lead Partner.

All nominations in all categories are explained in-depth in the Global Gaming Awards Las Vegas 2019 Shortlist magazine. The magazine will be available in print and distributed at G2E, is available to read on GamblingInsider.com and via the *Gambling Insider* app on iOS and Android devices.

All winners will be confirmed on GamblingInsider.com shortly after the presentation ceremony and will be available to view on GlobalGamingAwards.com/Vegas. The winners will also be listed in that week's GI Friday.

[Click here to read the Global Gaming Awards Las Vegas 2019 Shortlist in full](#)

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40 million

The number of Americans planning to bet on the NFL this year, according to AGA research



£50,000

The fine issued by the Football Association to Huddersfield Town after its Paddy Power sponsorship broke advertising rules (\$61,787)



SG DIGITAL CEO: SPORTS BETTING PERFORMING EVEN BETTER THAN I THOUGHT

SG Digital CEO Jordan Levin spoke to *Gambling Insider* to discuss the supplier's movements across Europe and the US.

There appears to be a focus on your US adventure at present. Is there anything new you are in the process of?

The entire buzz in the US is sports betting and we are doing well there. We are continuing to launch additional themes, features and customers – the most recent example being Bet365, which we just launched in New Jersey two weeks ago.

We will be launching DraftKings very soon once we get through regulatory approval and then we will look west of New Jersey, towards Pennsylvania.

People always forget about the sleeping giant which is lottery.

The heritage of Scientific Games is lottery systems and scratch tickets, and we are very active with proposals and new business opportunities around digital lottery, content and platforms.

The per capita performance of Pennsylvania at this stage, being live for just over a year,

makes it the fastest-growing lottery in history for us, for the pieces which have gone online.

Sports betting is really leading the charge though, even more than I thought it would.

It should be legal in almost 20 states before the end of 2019, which is impressive.

Away from the US, can you tell me about any projects you are currently working on?

Europe is our most mature market.

Within casino, the business continues to grow, albeit at a slower rate as there are headwinds at present, especially on the regulatory side of the industry in places such as the UK and Sweden.

Beyond content, within our casino world, it is very much about building features, such as missions, tournaments and jackpots. One of our biggest focuses from a market perspective is Italy on the casino side.

[Read the full interview here](#)

THE WEEK IN QUOTES

“Robin has played a crucial part in building a unique one-stop global technology provider and we all owe him our sincere gratitude for this. However, the company now enters into the next phase of its development and the board has reached the conclusion GiG therefore also needs different leadership.”

Peter Nylander, Gaming Innovation Group Chairman, on CEO Robin Reed's departure

“We have been preparing very thoroughly for this moment for a long time and are ready and excited to become a part of what most likely will become the largest betting market in the world.”

Manuel Stan, SVP Kindred US, on the operator's entry into the US market through New Jersey

NETENT SHARE PRICE SOARS AFTER £220M RED TIGER ACQUISITION

Market confidence in Swedish supplier NetEnt has risen considerably following its £220m (\$272.1m) acquisition of Red Tiger Gaming.

Last week, NetEnt announced the acquisition of the slot provider in an all-cash deal with an initial value of £197m.

The transaction is expected to be completed imminently, although an additional £23m could be included in 2022, subject to Red Tiger's performance in the next two years.

Investors have so far reacted well to the deal, with the company's share price up from SEK 25.60 (\$2.63) at the close of trading last Wednesday to around SEK 34.00 this week.

A financial analyst told *Gambling Insider*: “As you can see from the share price, it's been quite well received. It's up 30% in one week. It was on a five-year low before that. It's come from a quite depressed share price level.”

Investors have so far recognised the strategic benefits of the merger, with Red Tiger boasting market share in both Asia and the UK, suiting NetEnt's current aims.

At the same time, the acquiring company provides Red Tiger with a strong presence in the Nordic countries, as well as a bridge into the US.

Top-line synergies are expected and the market can equally see the need for consolidation in the slot supplier industry, where smaller firms face steep costs and tight regulation.

A financial analyst explained: “NetEnt has had negative organic growth for two quarters and, with the inclusion of Red Tiger, which I think is growing 50% plus, the mix of those two will return NetEnt to organic growth.

“Perhaps not Q3 but from Q4 onwards and definitely from 2020, it's going to look a whole lot better for NetEnt.

“All in all, it should definitely return to pretty good growth next year. It could be a turning point for NetEnt.”



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We are thrilled with this David versus Goliath outcome. I believe VGT and its parent company, Aristocrat, wanted to put us out of business because they saw us as a competitive threat. But we have survived, thrived and are entering new markets like historical horseracing."

Castle Hill Gaming CEO Arthur Watson on the conclusion of the trademark lawsuit issued by Aristocrat

"I'm seeing cultural change when it comes to safer gambling. I'm seeing more leadership from the top of companies promoting a culture of responsible gambling through their organisations, affecting day-to-day decisions made by executives."

Chairman of the Industry Group for Responsible Gambling (IGRG) John Hagan speaks with *Gambling Insider* about the progress the UK gambling industry has made in recent years

888 SHARE PRICE DROPS, AS H1 REVENUE GROWS BUT PROFIT DECLINES

The share value of 888 fell after its H1 report, which showed group revenue rose 2% year-on-year, to \$277.3m, but profit before tax fell 63%, to \$22.2m.

When its financial results were first published, the operator's share price dropped considerably, from £1.67 (\$2.06) to £1.53, although it later recovered marginally to around £1.57. The following day, this valuation dropped further to £1.50, rising slightly thereafter.

However, the operator did see revenue growth, especially in the UK.

Like-for-like revenue was up 7%, with B2C revenue growing 6% to \$262.5m and casino revenue up 9% to \$175.4m.

Sportsbook revenue also increased 19% to \$44.5m, while bingo revenue was up 10% to \$19.5m.

But poker revenue fell 24% for the period, to \$23.1m, and B2B revenue decreased 44% to \$14.8m.

While UK revenue increased 13% to \$97.6m, the migration of Cashcade

Bingo and the acquisitions of Costa bingo brands and AAPN impacted 888's profit.

The operator's acquisition of BetBright for £15m in March equally impacted profit levels, although the company is confident the proprietary technology purchased as part of this deal will yield long-term benefits.

Adjusted EBITDA fell 20% to \$41.8m and adjusted profit before tax decreased 36% to \$27.1m. The aforementioned fall in profit was even more considerable.

CEO Itai Pazner said: "888 has delivered solid performance in the first half of 2019.

"The group's business in the UK has continued its recovery, which was underpinned by exciting product innovation, as well as 888's successful casual customer focus, and further expanded across several regulated European markets, including launching its offering in Sweden and Portugal."

THIS WEEK'S WINNERS AND LOSERS

WINNERS

FanDuel and Boyd Gaming – Partnered to launch their sports betting solution in Indiana on 10 September

Buffalo Wild Wings and Roar Digital – Signed a multi-year sports betting partnership, with new Buffalo sports bars expected to open at Mandalay Bay in 2020

Betfred – Signed up for Gaming Innovation Group's compliance solution

Republican activist Daniel Harrop – Saw his lawsuit against Rhode Island for legalising sports betting dismissed by a state judge

EveryMatrix – Had its British license suspended following a review from the Gambling Commission

LOSERS

WILLIAM HILL AND GiG CEOs DEPART

Like London buses, two CEO changes arrived at once in the gaming industry last week.

Both William Hill and Gaming Innovation Group (GiG) announced the departure of their CEOs, the latter replacing Robin Reed with COO Richard Brown as Acting CEO and the former confirming Philip Bowcock's exit.

Ulrik Bengtsson, former President and CEO of Betsson AB, will succeed Bowcock and his experience within the digital sector is a perfect fit for where William Hill is now headed. Considering the operator's focus on online and the US, moving its Chief Digital Officer into the role of CEO makes perfect sense.

Bowcock will stay on as CEO until 30 September and as an employee of William Hill until 31 December.

He may well feel he could have achieved more in the role, as his legacy will no doubt now be associated with fixed-odds betting terminals (FOBT), mainstream media pressure and dwindling financial results.

William Hill was always going to feel the pinch of the UK Government's maximum FOBT stake cut from £100 (\$123) to £2. But, of the UK's largest operators, Bowcock's firm suffered the biggest hit in its Q2 financials, perhaps demonstrating too much of a focus on retail for too long.

In the last year, William Hill's share price has declined from a peak of £2.60 last September to a low of £1.30 in June. While it has risen since, it sat at £1.80 before Bowcock's departure.

In Reed's case at GiG, the change was conducted all the more suddenly. GiG's share price has tumbled since March (NOK 19.96, \$2.22) and currently sits at NOK 8.50.

Perhaps more importantly however, a bad financial report is never far away when a CEO leaves. For Q2, the supplier's revenue fell 16% year-on-year to €31m (\$34.6m), with a net loss of €9m, up 152%.

GiG blamed this drop on a "tougher Swedish market" and it's Reed who has ultimately paid the price in the short term.



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INDY RISES, IL FALLS

Indiana gaming revenue rose 0.55% year-on-year for August.

Caesars' two Central Indiana casinos, Harrah's Hoosier Park and Indiana Grand, had a positive month of 3.73% growth.

Caesars Southern Indiana fell for the sixth straight month due to the added competition from Churchill Downs' Derby City Gaming in Louisville, Kentucky.

Penn National added another state of multi-property growth in the Midwest, with a combined 3.27% growth.

Illinois casino revenue fell in August for the eighth straight month by 0.41%.

Penn National's Alton Belle saw an increase in revenue for the first time since January as it recovers from Mississippi River flooding during the first two weeks of July.

Total visitation was up 1.64% from July.

ILLINOIS:

MARKET/PROPERTY	REVENUE M	% CHANGE
CHICAGOLAND		
Elgin (ERI)	\$14.484	+3.18
Joliet Hollywood (Penn)	\$10.216	+2.22
Aurora Hollywood (Penn)	\$10.267	+2.12
Rivers (CHDN/Rush Street))	\$37.598	-0.15
*Joliet Harrah's (CZR)	\$14.9983	-4.84
Chicagoland total	\$87.563	+0.07
ST. LOUIS		
Casino Queen, E. St. Louis	\$8.369	+2.88
Alton Belle (Penn)	\$3.907	+0.79
St. Louis total	\$12.276	+2.20
ELSEWHERE		
Metropolis (CZR)	\$6.333	-1.27
Rock Island (Del North)	\$5.680	-2.82
East Peoria (BYD)	\$6.044	-8.62
State total	\$117.895	-0.41
MULTIPLE PROPERTY COMPANIES		
Penn National	\$24.390	+1.95
Caesars	\$21.331	-3.80

INDIANA:

MARKET/PROPERTY	REVENUE M	% CHANGE
NORTHERN INDIANA - CHICAGOLAND		
Majestic Star	\$10.665	+6.89
Horseshoe (CZR)	\$32.241	+3.48
Blue Chip (BYD)	\$12.517	+3.03
Ameristar (Penn)	\$18.436	-0.73
Chicagoland Total	\$73.859	+2.79
CENTRAL INDIANA - INDIANAPOLIS		
Harrah's Hoosier Park (CZR)	\$16.633	+6.40
Indiana Grand (CZR)	\$19.617	+1.57
Indianapolis Total	\$36.250	+3.73
SOUTHEAST INDIANA - CINCINNATI		
Hollywood (Penn)	\$14.460	+8.87
Rising Star (FLL)	\$3.637	-4.50
Belterra (BYD)	\$9.184	-15.68
Southeast Indiana Total	\$27.281	-2.51
OHIO PROPERTIES		
Belterra Park (BYD)	\$7.518	+4.11
Jack Cincinnati (JACK)	\$17.143	-3.29
Ohio Property Total	\$24.662	-1.15
*Cincinnati total	\$51.943	-1.87
LOUISVILLE - SOUTHWEST INDIANA		
French Lick	\$7.907	+8.34
Tropicana (ERI)	\$11.732	+1.04
Caesars Southern Indiana (CZR)	\$16.914	-12.36
Derby City Gaming (CHDN)	\$8.989	N/A
**Louisville - Southwest total	\$36.553	-4.34
Indiana Total	\$173.943	+0.55
MULTIPLE PROPERTIES		
Penn National (Penn)	\$32.896	+3.27
Caesars (CZR)	\$85.405	flat
Boyd (BYD)	\$21.701	-5.81

* Cincinnati total includes Jack Cincinnati and Belterra Park in Ohio.

** Louisville - Southwest Indiana total includes Churchill Downs' Derby City Gaming in Kentucky.



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THE AWARDS UP FOR GRABS THIS YEAR

HERE IS A FULL BREAKDOWN OF ALL 12 GLOBAL GAMING AWARDS LAS VEGAS 2019 CATEGORIES



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LAND-BASED OPERATOR

This Award will recognise the leading performers across all forms of land-based gaming, with the very best casino and racetrack operators making the Shortlist. Last year, Hard Rock International took the title.

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DIGITAL OPERATOR

The Digital Operator category covers the entirety of the online sector, recognising those companies which are driving forward the dynamic and rapidly-evolving online gaming industry.

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LAND-BASED PRODUCT

The Land-Based Product of the Year category is one of the ceremony's most varied. Any product can be nominated if it improves the experience of the player. Last year's winner was Aristocrat's Lightning Link.

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DIGITAL PRODUCT

This Award covers any feature or innovation that has improved its particular sector in the previous 12 months. SG Digital's OpenBet sports betting platform was voted in first place in 2018.

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LAND-BASED INDUSTRY SUPPLIER

This category seeks to recognise the dedicated efforts of those who drive the brick-and-mortar casino and retail betting development. Scientific Games is the reigning champion.

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DIGITAL INDUSTRY SUPPLIER

This category rewards the providers the industry is relying on most to take digital gaming forward. SG Digital added this Award to its Digital Product prize at last year's ceremony.

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CUSTOMER LOYALTY PROGRAM

The customer loyalty program has one of the biggest impacts on the player's relationship with the operator. Caesars Entertainment's Total Rewards managed to knock MGM Resorts' M life off its perch last year.

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PROPERTY

This category is back again, recognising properties which continue to evolve and adapt to the needs of an ever-changing consumer base. Borgata Hotel Casino & Spa was this Award's first winner in 2018.

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PRODUCT INNOVATION

This Award was another new addition in 2018, and is one of the few categories that combines both the land-based and digital sectors. Evolution Gaming's Evolution Lightning Roulette was the 2018 winner.

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SLOT

This is a category for slot games which have set themselves apart from other games on the casino floor. This category was another debutant in 2018, where Aristocrat's Game of Thrones topped the chart.

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RESPONSIBLE BUSINESS

The principle quality of any great gaming firm beyond producing the best products for its customers should be to have a commitment to responsibility. Last year's winner was GeoComply.

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AMERICAN EXECUTIVE

This is the only category in the Awards that recognizes the individual instead of the company. Joe Asher, William Hill US CEO, came out on top last year.

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GUEST COLUMNIST



TOM WOOD

CHIEF CREATIVE OFFICER,
SG DIGITAL

Wood discusses the syndicated gaming proposition

In a gaming landscape so focused on the player experience, the need for community games and connective play rings throughout the industry. After all, winning is more fun together.

Syndicated gaming kicks the idea of community gameplay up a notch by allowing players to enjoy slot gaming with others. The concept of collaborative play has the opportunity to redefine the sector in the coming years, becoming one of the major backbones of the gaming ecosystem and a foundation on which future innovations are built.

In a syndicated game, players play together to pursue a jackpot as a group, giving them a much higher collective chance of winning. The value is everyone can share in the enjoyment of winning a jackpot instead of only one player hitting it alone.

WORKING AS A TEAM: SOMETHING OVER NOTHING

Five percent of something is better than 0% of everything. That's the driving principle of syndicated gaming. When a player is part of a group, regardless of how much they contribute to a jackpot, their chances are considerably higher than if they approached it alone.

Rather than chasing a seemingly unachievable goal (aka a hard-to-hit jackpot) alone, syndicated gaming empowers players to join others in search of that big win. It combines the camaraderie of working towards a shared goal with the anticipation of playing to win a jackpot. That combo really packs a punch and makes for a unique experience.

Simply put, syndicated gaming brings players together.

THE IMPACT OF SYNDICATED GAMING

Social gamification elements are naturally finding their way into online gaming. There are only so many players each operator can acquire as a customer base. Therefore, it is hyper-important for industry operators to focus on player retention by creating unique and entertaining user experiences that go beyond the games themselves; experiences that will ultimately have players feeling invested and keep them returning to the community.

The "social experience" is already quite vibrant within the online gaming community. Through venues like Twitch and more specialised communities such as CasinoGrounds, we see streamers attracting many thousands of followers. Through these active communities and this form of collective entertainment, we're going to see more and more acceptance and less stigma surrounding online gaming.

GIVING VALUE TO PLAYERS

Value drives player engagement, plain and simple. If a player chooses to invest in an operator's website and content and loses money, the operator needs to create a value proposition that goes beyond a big win; something to make the player feel like the money invested gave them a worthwhile experience.

Syndicated gaming is a key value add that keeps players engaged and interested. It's a memorable feature that forms communities of players around it, giving them ample reason to return to a specific operator site in search of that same fun, collective experience.

On top of the syndicated gaming element itself, operators can up the ante with more player personalisation. Avatars, community forums, badges and other small social elements can make a powerful impact.

LOOKING FORWARD

The industry should take notice – embracing syndicated gaming can inject a fresh, community-centric feel into the gaming industry.

From our end of things at Scientific Games, we're already hard at work on our first big syndicated gaming innovation.

"If a player chooses to invest in an operator's website and content and loses money, the operator needs to create a value proposition that goes beyond a big win; something to make the player feel like the money invested gave them a worthwhile experience"

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