



Sponsored by



## THIS WEEK

- Flutter Q2 update
- Great British GGR shows marginal decline
- Intralot launches mobile sports betting in DC
- Macau and Nevada revenues continue to fall

### GUEST COLUMNIST:

- Mark Taffler, CCO, Green Jade Games

# WEEK 23

## FRIDAY 05 JUN 2020

### SPORTS BETTING BOOST: ENGLISH SPORT RETURNS, WITH PREMIER LEAGUE RESUMPTION DATE SET



Professional sport in England returned on 1 June after the UK Government approved the resumption of domestic competitions behind closed doors.

The announcement by the Department for Digital, Culture, Media and Sport on Saturday meant the first horseracing meeting since 17 March took place at Newcastle from 1pm on Monday afternoon.



Lead Partner

BETCONSTRUCT

# SAVE THE DATE

OCTOBER 5 / SANDS EXPO CENTER LAS VEGAS





# THIS WEEK IN NUMBERS

## £3.5m



Penalty fee Playtech is to match what its defunct subsidiary PT Entertainment Services (PTES) would have faced by the Gambling Commission, after it showed serious social responsibly failings between 2015 and 2017

## \$2.6bn

Amount an online gambling ring in Hanoi is estimated to have made in revenue, after Vietnamese police made 16 arrests in relation to its illegal website



## 8%



Year-on-year increase Monte Carlo casino operator Societe de Bains de Mer reported in gaming revenue between 1 April 2019 and 31 March 2020, to €239.8m (\$268.9m)

## \$81m

Amount one court case Bloomberry Resorts is facing that relates to money stolen by Korean hackers from the Central Bank of Bangladesh being funnelled through its Manila casino



Each of the 10 races at Newcastle were limited to 12 runners, in the first meeting of a busy schedule, with the British Horseracing Authority (BHA) previously proposing 18 flat-race meetings in the first eight days. Royal Ascot is scheduled from June 16 to 20.

Snooker also resumed on 1 June with the Championship League in Milton Keynes.

Last week it was announced the Premier League is set to restart on 17 June after being suspended on 13 March due to the coronavirus pandemic.

Matches are set to take place on a home-and-away basis, with neutral venues for several high-profile games. All matches will be played behind closed doors.

On Saturday, it was confirmed no Premier League players or staff tested positive for COVID-19 in the fourth batch of tests, with 12 positive cases out of nearly 4,000 tests to date. A fifth round has since added one more case.

Key protocols must be carried out across all returning sport, including individual travel, coronavirus screening prior to entry, strict social distancing measures, limited dressing room usage and all competitions appointing a COVID-19 officer.

Digital, Culture, Media and Sport secretary of state, Oliver Dowden, said: "This guidance provides the safe framework for sports to resume competitions behind closed doors.

"It is now up to individual sports to confirm they can meet these protocols and decide when it's right for them to restart.

"Football, tennis, horseracing, Formula 1, cricket, golf, rugby, snooker and others are all set to return to our screens shortly."

The first matches to take place when the Premier League resumes will be Aston Villa vs Sheffield United and Manchester City vs Arsenal, before the first full programme of games the following weekend.

The Championship is also set to return from 20 June, according to the English Football League.

Leagues around the world are starting to resume action, with the German Bundesliga the first to return on 16 May, enjoying record-breaking television ratings for Sky Germany.

At the time of its return, operators Betway, Kindred Group and Interwetten spoke to *Gambling Insider* of an understandable increase in turnover.

Early reports suggest operator turnover levels for day one of racing's return were higher than expected for a typical Monday, though they will only see the full benefits once betting shops reopen.

Betting shops in England are on course to reopen from 15 June after UK Prime Minister Boris Johnson gave the go ahead for all non-essential retailers to resume operations, coinciding with the Premier League's return.

**GI Verdict:** Sport, and in particular the Premier League, returning is exactly what fans and operators all over the country, and indeed the world, have been waiting for since being halted nearly three months ago.

It's been a tough period for the industry, with many operators and affiliates finding new verticals to fill the void, and punters either pausing their betting or finding alternatives.

Although it'll be a gradual return, the fact betting shops will reopen in less than two weeks suggests we're not too far away from a sense of 'normality' in the industry.

Despite racing's positive return, shops reopening will be the real test of the damage the pandemic has caused for operators.

We can all agree the resumption of live sport in England is just the boost the gambling industry needs.

**BRAND  
NEW**



# STAR CLUSTERS

## MEGACLUSTERS™

**38%**

Percentage that gambling companies with an Alderney license fell in 2019, down to 33 in total, with the amount of license fees received by the Control Commission falling 23% to £3.9m (\$4.9m)



**99%**

Percentage Sands China April revenue dropped year-on-year, down to \$9m, representing a \$700m fall due to the coronavirus pandemic



**£7.91bn**

Amount lottery operator Camelot generated for 2019/20, representing a year-on-year rise of 10% (\$9.95bn) from UK National Lottery sales, with £1.85bn being returned to good causes

### FLUTTER Q2 UPDATE: HUGE GROWTH FROM STARS GROUP; PPB AND SBG SUFFER FALLS

Flutter Entertainment has issued a Q2 trading update through 17 May, which shows a 10% year-on-year increase in pro forma group revenue.

However, this is mainly boosted by the performance of Stars Group, with the pro forma results showing a 92% rise in Stars Group revenue.

Paddy Power Betfair revenue was down 54% (-41% online and -100% in retail) and Sky Betting and Gaming was down 28%.

Revenue in Australia did grow 56%, with US revenue also up 61%, contributing to the overall rise of 10%.

With sports revenue "materially impacted" by the coronavirus pandemic, poker and gaming revenue have benefited from "strong customer engagement."

Peter Jackson, CEO of Flutter Entertainment, said: "Businesses around the world are navigating through extraordinary change as a result of the COVID-19 pandemic.

"As with many other sectors, in betting and gaming there have been stark impacts as much of the world has gone into lockdown, with some parts of the sector struggling and others thriving as consumers change their purchasing habits.

"Today we are starting to look more directly to the future in terms of planning for growth, while we continue to benefit from our product and geographical diversification as the unpredictable situation unfolds."

**GI Verdict:** While some may point to Flutter's Q2 rise as evidence of an increase in overall gambling during the coronavirus pandemic, the distribution of its figures tells a different story.

The significant rise in Stars Group revenue demonstrates the trends gambling companies have all become familiar with: namely a rise in poker.

By comparison, Paddy Power Betfair, reliant on sport and retail, saw its Q2 numbers fall heavily.



# 8 June

Date Twin River plans to reopen its Rhode Island properties, after its Dover Downs Hotel and Casino in Delaware resumed operations. A full resumption of its portfolio is expected by July

## THE WEEK IN QUOTES

*“The criminal justice system itself does very little work to capture the scale of the challenge and even less in terms of offering interventions like those we see for alcohol or drug problems. This has to change and our Commission can play a key role in improving the response to disordered gambling and crime.”*

**Lord Goldsmith QC, Commission on Crime and Problem Gambling chair, discusses a new research programme investigating links between crime and gambling**

## BETTING SHOP CLOSURES LEAD TO OVERALL GAMBLING REVENUE DECLINE IN GREAT BRITAIN

The closure of betting shops was a contributing factor to the 0.5% decrease in gross gambling yield (GGY) in Great Britain, between October 2018 and September 2019.

Gambling Commission statistics show GGY fell to £14.3bn (\$17.63bn) in the year ending September 2019, compared to the period between April 2018 and March 2019.

However, online gaming rose by 4%, with online casino generating GGY of £3.2bn, mostly from slot games, and betting contributing £2.1bn.

Football wagering accounted for 47% of overall betting, with horseracing betting up 11% and virtuals 8%.

National Lottery was the second-largest sector in terms of GGY, increasing 4% to £3.2bn, with contributions to good causes rising by 7% to £1.6bn.

Land-based activity fell, however, decreasing 14% to £2.8bn as off-course and pool betting declined.

A primary factor here was the regulation that came into force in April 2019, limiting the maximum stake on fixed-odds betting

terminals (FOBTs) to £2, previously £100.

As a result, GGY for FOBTs fell 46% to £624m. This also led to the total number of betting shops decreasing to 7,315 in September 2019, down 12%.

The number of licensed gambling premises also decreased in the same six-month period, falling 10% to 9,745.

**GI Verdict:** It was clear from the 2019 trading updates of traditionally land-based reliant bookmakers, such as William Hill and Ladbrokes, that the FOBT limit had been hugely detrimental to the retail industry in Britain.

Undoubtedly, enforced COVID-19 lockdowns in the region have only added fuel to this fire as high-street bookies lay dormant indefinitely.

By contrast, the increase in online gaming demonstrates a rise in digital migration, which has only been perpetuated by the pandemic, as traditional land-based bettors are forced online for their bets.

In the coming years, it can be expected Britain's GGY ratio will shift evermore away from retail and towards online as a result.



# Struggling with Identity Verification & KYC?

## We got you covered.

**CHECK OUT OUR AUTOIDENT DEMO**



**MASSIVE  
WINS ARE HERE**  
LAUNCHING 24 JUNE

Find out what the BIG deal  
is on [yggdrasilgaming.com](http://yggdrasilgaming.com)

**LUCKY  
NEKO**   
**GIGABLOX**

 **YGGDRASIL**

*“Our members are determined to raise standards and as part of this year’s campaign can point to significant changes we have introduced, including new cooling-off periods on gaming machines; substantially increased funding for research; education and treatment; a ‘whistle to whistle’ ban on advertising during sport; new ID and age-verification checks; and a ban on betting with credit cards.”*

**Betting and Gaming Council CEO Michael Dugher, speaking after the announcement Safer Gambling Week 2020 will take place from 19 to 25 November**

*“It was a total surprise to me. After the Senate had adjourned, I got a call from a staffer with the Senate and Governmental Affairs Committee. He said, ‘I have to tell you that you were not confirmed.’ I said, ‘Excuse me?’ He said it again and I said, ‘wow.’”*

**Former Louisiana Gambling Control Board chairman Ronnie Jones, after being removed from a position he has held since 2013 by state Senators who refused to confirm his appointment**

## **INTRALOT LAUNCHES MOBILE SPORTS BETTING IN WASHINGTON DC**

Intralot has announced the launch of its digital sports betting operation in Washington DC, as part of its contract with the DC Lottery.

GambetDC went live in the region with a soft launch of its sports betting platform last week, though the mobile app was not yet operational.

As part of its contract with the DC Lottery, Intralot has now enabled the GambetDC mobile sports betting offering through its Orion platform, with mobile wagering now available to the general public.

Chris Dimitriadis, Intralot Group CEO, said: “We would like to thank the DC Lottery for their trust on our partnership.

“Our state-of-the-art digital sports betting platform, Intralot Orion, will allow players in the District of Columbia to enjoy the convenience of easily wagering anytime, anywhere allowed.

“We look forward to continuing our partnership with the DC Lottery and providing them with our next-generation portfolio and advanced services to drive its performance and accelerate its growth.”

The operator was awarded exclusive rights for mobile sports betting in Washington DC with the District of Columbia Council’s majority vote in February 2019, despite three Council members expressing concern over the deal.

Since then, the progress of sports betting has experienced a number of delays in the region, including a lawsuit over the no-bid sports betting contract offered to Intralot.

In December, the lawsuit was dismissed by a Superior Court judge, permitting Intralot to continue with its plans.

**GI Verdict:** Sports betting has been a long time coming for bettors in Washington DC after the state’s Council approved legislation in December 2018.


In fact, in the time it has taken for the region to overcome opposition to Intralot’s controversial contract, the majority of its neighbouring states have launched profitable sports betting markets, including West Virginia, Pennsylvania, Rhode Island and Delaware.


Although it may be late to the party, expectations for Washington DC’s sports betting market remain high.





## TAKING STOCK


SHARE PRICES COVER THURSDAY  
28 MAY TO THURSDAY 04 JUNE  
(10AM BST)

**Flutter Entertainment**  8%  
11,424 GBP

**Las Vegas Sands**  7%  
51.79 USD

**SBM (Monaco)**  12%  
57.40 EUR

**Playtech**  17%  
310.59 GBP

**888 Holdings**  -2%  
154.49 GBP

## MACAU AND NEVADA REVENUES CONTINUE TO DECLINE

Nevada and Macau have reported further drops in gross gaming revenue (GGR) as a result of the COVID-19 pandemic.

According to data released by the Gaming Inspection and Coordination Bureau, Macau's May GGR experienced a massive drop of 93% year-on-year.

May is the second consecutive month when Macau's GGR fell below 90%, with April's revenue dropping by almost 97%.

Exports of gaming services fell by almost 62% in total, with Macau's gross domestic product dropping nearly 49%. The first five months of 2020 earned Macau MOP 33bn, a 74% drop year-on-year.

The situation is likely impacted by the mandatory 14-day quarantine nearby Guangdong Province has implemented for its citizens. All arrivals from Macau need to be quarantined for two weeks, which halts free travel between locations.

Analysts from Credit Suisse said VIP revenue fell by 90%, adding that once the border reopens, VIP business should see "pent-up demand lead the recovery back to 50% pre-virus level and likely to reach close to 100% level in summer time."

Meanwhile, the Nevada Gaming Control Board (NGCB) reported a 99.6% decline in April gaming revenue as casinos remained closed due to coronavirus.

Nevada casinos generated \$3.6m through online poker and sports betting, although the NGCB redacted sports betting totals.

Caesars is the only operator which provides online poker in Nevada.

Las Vegas Strip casinos accounted for \$3.4m of April's gaming win. A dozen sections of the state saw revenue drop by 100%.

**GI Verdict:** Macau's casino operators have experienced a turbulent 2020 so far, though they can take encouragement from the estimations of Credit Suisse analysts.

Although Macau's VIP gambling decreased in 2019 – so much that the segment lost its status as Macau's most valuable – the potential for "pent-up demand" could certainly nurture a swift recovery once measures are eased.

Las Vegas, on the other hand, is looking to reopen its doors this month, although a focus on customer safety is the only thing to ensure its doors remain open.



ALDERNEY – YOUR ACCESS TO WORLD MARKETS

Access  
new  
markets.  
Reach  
your  
potential.

Where do you want to grow?

Globally recognised, Alderney provides a refreshingly flexible, risk-based approach to licensing, supporting licensees to access worldwide markets.

We can help you reach your potential.

[alderneygambling.com](http://alderneygambling.com)



## STRIP, NV: NOT MUCH TO SEE

With everything shut down, there wasn't much to show for April's revenue report. Revenue decreased nearly 100% but there was still some generated.

The fiscal year-to-date revenue for Nevada fell 11.43% to \$8.755bn while the Strip fell 11.86% to \$.76bn; the fiscal year starts in July.

Facebook and sports pool information was redacted from the report and nothing was reported for baccarat or blackjack.

MARKET/PROPERTY	REVENUE	% CHANGE
South Lake Tahoe	(\$1,480)	-100.01
Elko County	\$6,104	-99.98
Wendover	\$5,278	-99.97
BALANCE OF COUNTY	\$376	-100.00
Carson Valley Area	\$2,169	-99.98
Other areas	(\$138)	-100.00

MARKET/PROPERTY	REVENUE	% CHANGE
Nevada	\$3.647	-99.61
Las Vegas Strip	\$3.397	-99.30
Clark County	\$3.397	-99.54
Downtown LV	\$436,207	-99.29
North LV	\$2,617	-99.99
Laughlin	(\$14,243)	-100.03
Boulder Strip	(\$51,314)	-100.07
Mesquite	(\$5,277)	-100.04
BALANCE OF COUNTY	(\$46,274)	-100.05
Las Vegas locals market	(\$94,971)	-100.05
Washoe County	(\$78,633)	-100.12
Reno	(\$64,397)	-100.13
Sparks	(\$4,473)	-100.04
North Lake Tahoe	(\$3,681)	-100.28
BALANCE OF COUNTY	(\$6,082)	-100.12

# SAVE THE DATE

OCTOBER 5 / SANDS EXPO CENTER LAS VEGAS

[globalgamingawards.com/vegas](http://globalgamingawards.com/vegas)



Lead Partner

**BETCONSTRUCT**



Official Adjudicator



In Association with



Powered by



Category Sponsor



Beyond Tomorrow

Digital



8-10 June, 2020

Your Laptop

# The Road Ahead for Gaming in Asia

#ICEAsia

Sign up for FREE, visit [ice-asia.com](http://ice-asia.com)

## DATA CENTRE

Provided by [fantiniresearch.com](http://fantiniresearch.com)



### COMPONENTS OF STRIP PERFORMANCE:

#### MAJOR STRIP SEGMENTS:

MARKET/PROPERTY	REVENUE	% CHANGE	WIN PERCENTAGE	
			2020	2019
Blackjack	nil	+7.06	nil	13.47
Baccarat	nil	+16.25	nil	10.74
Total games	\$3.326m	-98.39%	69.4	12.74
Slots	\$70,000	-99.97%	101,037	8.27

#### RACEBOOK AND SPORTS POOL

NEVADA	WIN PERCENTAGE 2019
Race Book	+15.36
Football	-1,104.56
Basketball	+6.03
Baseball	+7.38
Sports Book Total	+6.60

#### TABLE DROP

MARKET/PROPERTY	2020	2019	% CHANGE
Total Games	\$4.793m	\$1,624.545	-99.70
Slots	nil	\$3,323.930	-100.00

CLARK COUNTY	WIN PERCENTAGE 2019
Race Book	15.40
Sports Book Total	6.68



## GUEST COLUMNIST



**MARK TAFFLER**  
CHIEF COMMERCIAL  
OFFICER, GREEN  
JADE GAMES

*Taffler says digital operators need to stock their game lobbies with content that takes entertainment, and value for money, to the next level*

It's never been more important for online gambling operators to deliver value to their players, both in terms of entertainment value and value for money.

There are so many entertainment options available to consumers that online casinos are now competing against video games, mobile games, streaming services and more.

Consumers still have money to spend – even in these uncertain times – but value is very much a driver when it comes to what they choose to spend their money on.

To ensure they enjoy a share of this spend, online operators must reassess their content offering and determine whether it competes with other options when it comes to value.

### MASS MARKET APPEAL

For most, I believe they will come to the conclusion that, while their current offering appeals to a certain demographic (traditional casino players), it falls short of attracting a broader audience.

Why? Because when you look at a standard slot game and the value it delivers – for both entertainment and money – it simply can't compete with video games, mobile games, etc.

Take a casual player, for example. They may have a monthly entertainment budget of £20 (\$24.79) – this could be spent on a Netflix subscription or purchasing add-ons for their favourite mobile game.

Used wisely, the £20 could be spread across the entire month, delivering tremendous value both in terms of entertainment received and money spent.

With a standard slot game, on the other hand, a £20 real money wagering balance could be eroded in a matter of minutes even if the player is placing small stakes.

**SBC | DIGITAL SUMMIT**  
LATINOAMÉRICA



**JUNE 16-17 2020**

**LATIN  
AMERICA'S  
LARGEST  
VIRTUAL BETTING  
AND GAMING EVENT**

**#SBCDSLATAM**



**2,000+**  
DELEGATES



**60**  
SPEAKERS



**20**  
EXHIBITORS

## GUEST COLUMNIST

---

So, what can online gambling operators do to ensure they offer the entertainment and value consumers are seeking, especially those that do not currently gamble online?

### ENGAGE AND ENTERTAIN

They should look to strengthen their content offering with games that combine the skill element of mobile and video games with the option to gamble and win real money.

These games, known as arcade skill games, deliver much higher levels of entertainment than traditional slots and over an extended period of time.

For example, our data shows that playing sessions on arcade skill games are 400% longer than traditional slot games, while the average bet per round is £2.11 – 50% higher than a standard slot.

But how do these arcade skill games deliver such incredible session times and bet values?

It all comes down to the ability to learn the game, improve skills, compete with others to climb the leaderboard and, of course, win cash prizes.

Take our Candy Prize game, for example. Players place their wager and are then given a set number of moves to clear the level for that game round.

The player is not going to leave the game until they have cleared the level or made all the moves available to them. They also want to score highly and rank well on the leaderboard.

Standard slot games simply don't offer this, but other entertainment options such as video games and mobile games most certainly do.

Of course, these games don't offer players the chance to win real money, and that's where arcade skill games provide something unique to both casino players and other consumers.

### THE NEXT LEVEL OF PLAYER LOYALTY

Arcade skill games not only appeal to a much broader audience, they also drive player loyalty.

Our data shows we have 100% more players on our arcade skill games three weeks after they first launch with an operator than with an average slot game.

Online operators can use arcade skill games to tap into the psyche of new player demographics and claim a bigger share of their entertainment budgets.

But they can also use these games to provide existing players with a new category of game, which meets their desire to win money yet in a more engaging format than a standard slot.

At a time when online gambling brands are struggling to stand out from their rivals, offering an entirely new category of game is a powerful way to differentiate.

Those that do will be able to capture new player demographics, deliver unprecedented entertainment and value to both new and existing players – and ultimately boost revenues.

---

*“For most, I believe consumers will come to the conclusion that, while an operator’s offering appeals to a certain demographic, it falls short of attracting a broader audience. Why? Because a standard slot game simply can’t compete with video and mobile”*

---

LATEST ISSUE OUT NOW

Click **HERE** to view

