GI FRIDAY

WEEK 46

FRIDAY 13 NOV 2020

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ANALYSIS: WHAT COULD A £100 AFFORDABILITY LIMIT MEAN FOR UK OPERATORS?

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THIS WEEK

- Apollo invests in two firms
- Caesars and BetMGM launch Evolution games
- Newgioco becomes Elys Game Technology
- 60% of Macau workers on unpaid leave
- Q3 reports: Flutter, Wynn Resorts, Kindred/Kambi, Galaxy/Melco & more

GUEST COLUMNIST & INTERVIEW:

- Richard Hogg, CCO, BetGames.TV
- Mikael Lijtenstein, CEO, AstroPay

ANALYSIS: WHAT COULD A £100 AFFORDABILITY LIMIT MEAN FOR UK OPERATORS?

Recently, the Gambling Commission launched a consultation looking for feedback into a set of new measures for online operators. The 10-week consultation will see both industry members and consumers come together to give their take on regulatory reform in the UK. As part of this consultation, participants will reportedly consider introducing a £100 ($130) per month affordability threshold for all customers of UK online operators.

THIS WEEK IN NUMBERS

$230m

Sports betting handle in the state of Indiana set a record for the second consecutive month in October

77%

Of fans are likely to engage with multi-sport gaming products that allow them to experience both the NFL and The Masters golf this week, according to DraftKings research

£70m

The amount raised by operator Rank Group, thanks to a fundraising scheme to help it through the current "challenging trading environment" ($92m)

3 December

The deadline Standard General has to make another offer to purchase Sportech, after the first one was rejected (though this deadline can be extended)

Already this year, we have seen the effect of a similar consultation into VIP betting. This saw the Commission publish a series of checks which must take place before an operator makes a customer a VIP, including funds, occupation and identity verification.

If this VIP reform is anything to go by, this most recent consultation could see some serious and permanent changes for online operators; so with that in mind, does the industry need to be worried?

According to the Commission, the current thresholds for customer protection action are too high to be effective in preventing harm to vulnerable customers. For that reason, the new requirements will dictate affordability measures with thresholds set out by the Commission. Other requirements will also be debated, such as mandatory time limits for gambling – after which customers must be contacted to question their behaviour.

While the Gambling Commission has suggested some online operators are already meeting its standards for customer protection, or have made efforts in an attempt to do so, the regulatory body has deemed new restrictions necessary to bring the whole industry into line.

According to consultation documents seen by The Daily Telegraph, the Commission has deemed thresholds of "tens of thousands of pounds" ineffective in combating gambling-related harm. The Commission is also quoted as describing a £2,000 limit as "neither realistic nor appropriate." Instead, the Commission is considering the introduction of loss limits as low as £100 per calendar month before action is necessary.

It is important to consider the Gambling Commission's reasoning for this. According to the consultation documents, this minimum threshold amount is based on the fact 50% of the UK population has a "discretionary" £250 per month of spend after all other monthly bills are paid.

The regulatory body has said any affordability threshold must take into account other spend such as travel, sport and leisure.

While it might be shocking for operators to see a potential £100 spending limit dominating newspaper headlines, it is also important to take stock of the facts. Rather than limiting all customers to £100 per week, this is the spending limit before action would be necessary to assess whether a customer was at risk. Once deemed not at risk, it is assumed a customer can be permitted to spend more in the month. This is also the lowest limit the Commission is considering, meaning it would be a worst-case-scenario for online operators; equally, it would be a loss limit not a deposit limit, so handle could still remain high if customers wagered £500 and got £450 back.

Ultimately, rather than being significantly detrimental to operator revenue, it seems these new requirements would cost more in terms of operational efforts. Operators may have to employ more staff to ensure they are meeting the customer protection standards set out by the Gambling Commission. There will undoubtedly be more frequent customer contact and this will make life more difficult for operators – particularly those who currently invest very little in responsible gambling. But if the result is genuinely greater player protection, this is no bad thing.

The only real financial cost other than this may come from customers frustrated by the greater number of account blocks and frequency of communication. This could see operators lose customers, particularly those who have considerably more than the "discretionary" £250 per month to play with. If a bettor's recreational funds are closer to £10,000 each month, they will not be best pleased if they are asked for proof of funds after losing £100 on a bet.

That said, it is also true that the Commission will only introduce any limits after the 10-week consultation. Certainly those industry minds partaking in the consultation will have a thing or two to say about such a low limit of affordability – and it is clear the Commission is willing to take all opinions into consideration. Ultimately, while a regulatory consultation may seem daunting, it doesn't seem the industry has too much to be concerned about just yet.

$155m

The proposed settlement fund for those who played Big Fish Casino, Jackpot Magic Slots or Epic Diamond Slots prior to 31 August, following class-action lawsuits against Big Fish Games, Churchill Downs and Aristocrat

71%

The share of BetBull Wynn Resorts will own, after making an $80m investment into its new Wynn Interactive division

SAZKA GROUP TO RECEIVE €500M APOLLO INVESTMENT; APOLLO ALSO ACQUIRES GREAT CANADIAN CORP

Pan-European lottery operator Sazka Group has secured an investment of €500m ($591.7m) from investment manager Apollo Global.

According to the operator, the majority of the funds will be utilised to "capitalise on acquisition and growth opportunities in Europe and North America."

Although still subject to closing conditions and regulatory approvals, the transaction is expected to be completed next year.

Sazka Group is part of the KKCG Group, a company which also owns Aricoma Group, MND Group and US Methanol.

In October, Sazka Group announced it had entered the race to be the new UK National Lottery licensee.

The operator has completed the Gambling Commission's Selection Questionnaire in the first stage of the tender process. The company has also appointed entrepreneur Sir Keith Mills as bid chair to lead its National Lottery efforts.

Elsewhere, Apollo has acquired Great Canadian Gaming Corp. in a $2.5bn deal.

Apollo will pay $39 per share for acquisition of the company.

GCGC operates 25 casinos across Ontario, British Columbia, New Brunswick and Nova Scotia.

Ron Baker, GCGC CEO, said, "We believe Apollo's extensive experience in the gaming sector will provide additional strategic benefits to help expand our gaming and hospitality offerings and to secure our position as a long-term market leader."

GI Verdict: Apollo Global's gaming investments are particularly interesting given its recent failure to purchase William Hill. Apollo Global and Caesars Entertainment had competing bids for the operator and it was the latter William Hill went with.

Undeterred, Apollo Global is clearly determined to make its mark on the gaming sector and influence the market.

2

Year-deal signed by Hollywoodbets to become the official betting partner of Brentford Football Club

AU$10m

The amount lost by Tabcorp's customer services going offline last weekend, after system malfunctions (US$7m)

CAESARS AND BETMGM LAUNCH EVOLUTION LIVE CASINO OFFERING

Evolution has announced the launch of live casino games online for Caesars Casino & Sportsbook Pennsylvania.

Through the deal, Evolution will provide its portfolio of online live casino games and game show-style games to Caesars customers in Pennsylvania, with New Jersey expected to follow soon.

Representatives from both companies expressed their delight at the partnership and pointed to what it means going forward.

"We are very proud indeed to be working with one of the biggest and most iconic brand names in the casino world," said Johan Nordstrom, Evolution's chief commercial officer.

"We look forward to helping Caesars achieve their goals in the enormously exciting US gaming market and beyond."

Elsewhere, BetMGM, the joint venture between GVC Holdings and MGM Resorts, has announced the launch of a new live casino offering in the state of New Jersey also in partnership with Evolution.

The launch makes BetMGM the first brand to offer content from both Ezugi and Evolution – the two live casino providers available in the state.

According to GVC, Evolution generated a third of total live casino stakes in New Jersey in the first seven days of its launch in New Jersey.

Commenting on the launch, Colin Cole-Johnson, GVC director of gaming product, said: "These launches are a powerful demonstration of how GVC has helped BetMGM secure a market leading position in the US.

"Our ability to build partnerships and integrate premium content from providers such as Evolution has enable us to deliver our customers cutting-edge gaming which is without parallel anywhere in the market."

GI Verdict: This year, Evolution has made clear its intention for US expansion after signing a number of live casino agreements with the nation's operators, including Wynn, FanDuel and William Hill.

Last month, Evolution also became the first live casino provider to launch its games in the Colombian market through its partnership with Zamba.

The supplier will be hoping this momentum can continue into 2021.

THE WEEK IN QUOTES

"All actors on the gambling market, such as the Swedish Gambling Authority, we and the Government, knew this but unfortunately the Government persisted in the erroneous claim that online casino activity would increase; and that special restrictions were therefore called for regarding that form of gambling."

Gustaf Hoffstedt, secretary general of Swedish Trade Association for online gambling BranschföreningenförOnlinespel (BOS) urges the Swedish Government to reconsider plans to extend its COVID-19 gambling restrictions into next year

NEWGIOCO GROUP ANNOUNCES NAME CHANGE TO ELYS GAME TECHNOLOGY

Newgioco Group has changed its name to Elys Game Technology, with the company's trading symbol on the stock market also changing from NWGI to ELYS.

The interactive gaming and sports betting technology firm says the new name comes with a 'focused and energetic team,' one that will be revealed in the coming days.

The company is also aiming to unlock the potential of its betting and gaming software, Elys Gameboard.

There will be no consolidation of the company's share capital, meaning shareholders will not be required to exchange their existing share certificates for separate ones bearing the new name.

Elys Game Technology CEO Michele Ciavarella said: "Since inception in 1989 as Newgioco, the company has built a robust B2B and B2C multichannel gaming business with over 130 land-based betting-shops, 1,200 webshops and thousands of online players.

"With the company shifting focus towards the large and rapidly developing US sports betting market, the company is leveraging its innovative Elys technology and extensive knowledge to deliver a world-class, end-to-end sports betting solution for gaming operators around the world."

GI Verdict: Elys Game Technology aims to become one of the world's foremost gaming companies and, since its IPO in late 2019, is well on its way to achieving that goal.

The next step in its expansion is to capture major market share in the US and its Elys platform will be crucial to that objective – hence the group's name change to reflect Elys' potential and importance.

To read more about the company's journey, be sure to read *Gambling Insider*'s upcoming Sports Betting Focus, where chairman and CEO Ciavarella is the subject of our cover feature interview.

"As a socially responsible business, Bingoal recognises that maintaining the integrity of our sportsbook product is an essential pillar of our commitment towards protecting our customers and the sporting events on which we offer markets."

Bingoal CEO Joeri Impens speaks about the Belgian-based retail and online gambling operator becoming the latest member of the International Betting Integrity Association (IBIA)

"2020 has been a better-than-average year despite COVID-19 and the initial cancellation of all sports in the USA. Overall, we have seen a steady increase in our number of users and in our handle. As far as being in a better position than this time last year, the answer is no."

Jay Rood, chief risk officer for US sports betting and online gaming supplier Bet. Works, discusses the state of US sports wagering with Gambling Insider

60% OF MACAU'S WORKERS ON UNPAID LEAVE

The Macau Gaming Enterprises Staff Association has reported that close to 60% of casino workers have been forced into unpaid leave in the gambling hub. The survey gathered answers from 611 staff members from casinos.

According to the Macau Daily Times, the worker experience is an important factor: the longer work history the employee has, the more likely they are to be placed on leave without pay. Despite the employees feeling worried, the survey says only 8% are thinking of moving to another job.

The gaming association offered several safeguards to help workers: the Macau Government could regulate the unpaid leave, measures could be implemented for an economic rebound, employees could be offered additional training, and the foreign employment quota should be adjusted to protect local workers.

Macau continues to suffer the effects of the ongoing pandemic, despite slighy recent recoviers.

Macau's gross gaming revenue dropped by 90% in September but rose by 229% month-on-month in October. The Individual Visit Scheme resumed mid-September and helped boost the economy in a small way; however, the country expects tourist arrivals for 2020 to drop by 90%.

GI Verdict: The fact that only 8% of survey participants were thinking of moving to another area of work demonstrates their faith in the recovery of Macau's gaming market.

This recovery is already evident in monthly revenue which, although down by around 90% year-on-year, is seeing significant month-on-month growth.

In August, analysts from investment bank JP Morgan predicted the easing of border restrictions between Macau and mainland China would result in a delayed recovery for the market, which has so far come to fruition.

The same analysts forecasted that Macau's GGR would recover to 85% of 2019 levels in Q1 2021; finally reaching 100% in Q3 of the same year.

If these predictions prove correct, we should see all of Macau's casino workers return to their jobs over the course of 2021.

"We are delighted to welcome Vaughan as 888's first CSO. Vaughan is a highly experienced gaming industry professional with a wealth of relevant expertise across both strategic development and investor relations. I have no doubt his skills and background will support 888 to identify and deliver further growth opportunities over the coming years."

888 Holdings CEO Itai Pazner on the appointment of Vaughan Lewis as the operator's first chief strategy officer, effective early next year

FLUTTER REPORTS £1.33BN IN REVENUE FOR Q3

Flutter Entertainment has reported £1.33bn ($1.77bn) in total revenue for Q3 2020 on a pro forma basis, a 27% increase year-on-year.

Sports revenue for the quarter was £798m, a 32% growth compared to £606m last year. Meanwhile, gaming revenue increased by 21% from £436m to £527m.

According to the statement, the revenue growth for Flutter accelerated to 30%. Group reported online revenue grew by 33% with a focus on sports. Revenue growth for Paddy Power was 32%, while revenue for Sky Betting & Gaming (SBG) increased by 26%.

In the Australian market, the BetEasy customer base was successfully migrated to the Sportsbet platform and recorded a 76% increase in revenue: up to £320 in Q3 2020.

The US market brought in £161m, an 82% increase from 2019 with more than 1.8 million real-money active customers using the platforms.

Flutter Entertainment CEO Peter Jackson said: "Our strong trading continued as we grew market share in key regions while retaining our commitment to safer gambling practices. During the quarter we continued to expand our recreational customer base while bringing our businesses together.

"We are now a truly global business with significant scale. As such we are in a unique position to respond to the many opportunities we see across our growing markets.

"Looking ahead, whilst the outlook with respect to COVID-19 remains uncertain, we are confident that our business is well positioned to capture further growth in a sustainable and responsible way."

GI Verdict: After its merger with the Stars Group, Flutter's significant growth despite the impact of the COVID-19 pandemic demonstrates the versatility of operting withsuch a large company.

Having such a diverse range of revenue streams has allowed the operator to successfully mitigate any losses imposed by COVID disruption, while capitalising on increased online activity.

Achieving year-on-year growth despite having a retail presence in these times is testament to Flutter's online strength.

TAKING STOCK

SHARE PRICES COVER THURSDAY 5 NOVEMBER TO THURSDAY 12 NOVEMBER (1:00PM GMT)

Table Trac 2.75 USD	↔	0%
Kindred Group 67.78 SEK	↓	7%
Kambi 310.20 SEK	↓	3%
Wynn Resorts 91.71 USD	↑	14%
Elys Game Technology 1.60 USD	↑	3%

WYNN RESORTS POSTS 78% Q3 REVENUE DECLINE

Wynn Resorts has reported $370.5m in revenue for the third quarter of 2020, a 78% decrease from $1.65bn for the third quarter of 2019.

The casino operator witnessed huge declines across both its Las Vegas and Macau venues as a direct result of closures due to the ongoing COVID-19 pandemic, with the latter particularly impacted.

The company revealed Q3 2020 revenue of $51.4m for its Wynn Macau branch, which represents an 89% decline from the $474.3m reported for the same period last year.

And operations at Wynn Palace saw an even bigger decline, falling by a huge 97% from $598.2m for Q3 2019 to just $15.7m for Q3 2020.

It was much of the same for Wynn Las Vegas, where the latest revenue figures stand at $186.7m, a 53% decrease from the $399.5m reported for the third quarter of 2019.

Despite the fall in revenue, Wynn Resorts CEO Matt Maddox said he saw many encouraging signs for the company.

"We are encouraged by the progress we have made in each of our properties over the past several months, despite the ongoing impact of the virus and related operating limitations," he said.

"Encore Boston Harbor delivered record quarterly EBITDA during the third quarter, while Wynn Las Vegas continued to experience strong leisure demand on weekends with solid hotel occupancy and casino play."

GI Verdict: Although Wynn's continued year-on-year decline is certainly not ideal, there are some signs of encouragement for the casino operator.

Wynn's Q2 results saw revenue fall 95% in comparison with 2019 to $85.7m. Revenue has increased 332% between the two quarters, thanks to the reopening of properties.

Growth is currently being stunted by capacity limitations, but these should gradually ease over the coming months – especially if this week's news of a COVID vaccine comes to fruition.

Then casino operators such as Wynn Resorts will be able to return to some semblance of normality.

KINDRED AND KAMBI BOTH POST HEALTHY REVENUE RISES FOR Q3

Nasdaq Stockholm-listed Kambi and Kindred Group both posted significant revenue rises for Q3 2020.

Kindred Group saw its Q3 revenue increase 24% year-on-year, helped by a continued programme of live sport across Europe.

Gross gaming revenue (GGR) for the period ending 30 September was up to £280.7m ($368.8m), while operating profit rose from £22.7m in 2019 to £61.4m for Q3. Profit after tax increased by 190%, up to £52.5m and EBITDA for Q3 doubled to £74.6m.

The increase in GGR, which was up 4% for Q2, was aided by a near full compliment of live sport, which saw the 2019/20 football season across Europe finish, and the 2020/21 begin during the period.

As a result, sports betting GGR came in at £120.9m, 11% higher than 2019, and a significant rise from £67.5m in Q2. The vertical's total share of GGR was 43%, up from 29% in Q2, with casino and games accounting for 52% at GGR of £145m.

In terms of year-to-date, GGR was £765.5m, up 13% from 2019, while profit after tax was up from £45.7m last year, to £80.3m.

Meanwhile, Kambi Group reported a 22% increase in revenue compared to 2019, up to €28.1m ($33.3m) for Q3 2020.

Operating profit was €6.5m against €3.4m last year. Profit after tax for the quarter was €5.1m, a 55% drop from 2019.

For the first nine months of the year, revenue for the period was €70.8m while profit after tax was €6.8m.

GI Verdict: The Q3 results for the two sports betting-focused companies demonstrate the importance of the vertical. Live sports returned to a near full complement across Europe in June, continuing throughout the summer. The reliance of sports betting is highlighted by both Q2 results: Kambi saw its revenue fall 32% from last year, and Kindred saw a small rise of 4%, during a quarter disrupted by a suspension in all major sport.

Sports betting businesses should be seeing an upturn in fortune, particularly due to pent-up demand; and the fact live sport will continue over new lockdowns implemented across Europe, which will benefit operators considerably this time around.

ASIAN-FACING GALAXY ENTERTAINMENT AND MELCO RESORTS POST HUGE REVENUE DROPS FOR Q3

Asian-facing casino operators continue to struggle as a result of the ongoing COVID-19 pandemic, with Galaxy Entertainment Group (GEG) and Melco Resorts & Entertainment posting huge revenue decreases for Q3.

GEG posted an 88% year-on-year decline in revenue for the quarter, down to HK$1.55bn ($200m).

The figure is, however, a 34% increase from the HK$1.15bn reported in Q2.

The Macau casino operator runs its flagship property Galaxy Macau, as well as the StarWorld Hotel and Broadway Macau.

The operator's quarterly rise in revenue has been aided by eased border restrictions between Macau and mainland China, as well as the resumption of the Individual Visit Scheme (IVS) for residents of Guangdong Province in August.

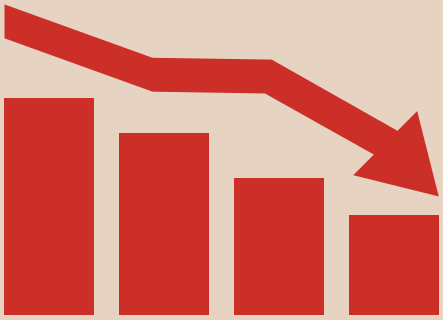
Meanwhile, Melco Resorts reported $212.9m in operating revenue for Q3, representing an 85% drop from $1.44bn for the same period in 2019. Operating loss was $275m, compared to an operating income of $175.2m for Q3 last year.

Adjusted Property EBITDA was negative $76.7m against positive $418.2m for the same period last year. Net loss was $331.6m, compared to net income of $83.2m in 2019.

Operating revenue for the City of Dreams for Q3 was $91.4m, an 88% drop from $787.3m for the same period in 2019. The property had a negative adjusted EBITDA of $49.2m. Rolling chip volume was $1.86bn, while last year it was $17.18bn. Operating revenue for City of Dreams Manila was $43.4m; and Altira Macau earned $11m in revenue.

GI Verdict: The continued fall of year-on-year revenue shows no signs of letting up across Asia, particularly among casino operators with properties in Macau. While visitors from mainland China are allowed, the restrictions of foreign travellers will continue to have a major effect on casino revenues in the region, which looks like continuing long into 2021.

Macau expects tourist arrivals for 2020 to drop by 90%, which has led to the region posting an 81% decrease in gross gaming revenue (GGR) compared to 2019 for the first ten months. The pandemic has wreaked havoc on an Asian market which relies nearly solely on land-based operations; maybe a thought towards online regulation is needed?



BETTER COLLECTIVE SEES 7% Q3 REVENUE, AS EXEC WELCOMES SPORTS BETTORS

Better Collective has posted €18.3m ($21.6m) in revenue for Q3 2020, a 7% year-on-year growth.

Net profit was €4.9m, an annual increase from €3.3m. Operational earnings (EBITA) before special items was €8m, an 18% increase.

Net financial costs for the quarter were €126,000, against €614,000 in Q3 2019. The number of new depositing customers rose 13% to 97,000.

CEO Jesper Søgaard said: "Q3 showed strong underlying performance on most KPIs measured in our revenue share accounts, as sports wagering was at a record high, as were the number of bets placed and active sports users."

On 1 October, the group completed the acquisition of Atemi Group for €44m, which was "a major strategic move for Better Collective with significant synergistic opportunities."

On 2 November, the group also acquired zagranie.com, a Polish sports betting media brand.

Revenue for the first nine months was €54.5m, a 14% increase from 2019. Net profit for the period was €13.5m against €10.1m last year.

The affiliate's revenue did suffer from the impact COVID-19 had on sporting events. The group stated revenue was negatively impacted by €2m in Q3 due to low sports win margin.

Søgaard said that if the remainder of the year and 2021 was filled with sporting events, "we believe we are well-positioned to take our part of a global market that is getting back on the growth track."

GI Verdict: With professional sports associations now in control of coronavirus restrictions, Better Collective's results demonstrate the industry-wide resurgence sports betting companies are seeing, especially within the digital sector.

Speaking exclusively to *Gambling Insider*, Better Collective MD for Greece & Romania Kyriakos Fourniadis summed the encouraging situation for the sports betting sector up well.

He said: "The casino games gained a lot of attention in the first months of the pandemic, but from August we see players are back to sports betting."

MORE Q3 LOSSES INCURRED BY ASIAN OPERATORS

Kangwon Land lost nearly KRW40.9bn ($36.6m) for Q3 2020, a 68% drop compared to the profit of KRW128.6bn reported in Q3 2019.

Q3 loss was still an improvement from Q2 when loss amounted to KRW45.56bn. Operating loss for the July to September period was KRW64.9bn, against a profit of KRW139.2bn reported the previous year.

The company operates Kangwon Land, the only casino catering to domestic players in Korea. The casino was closed for the second time in August and resumed operations in mid-October.

Casino sales were KRW76.6bn, an 81% drop from the same period in 2019. Gross gaming revenue (GGR) fell by 83% to KRW58.9bn.

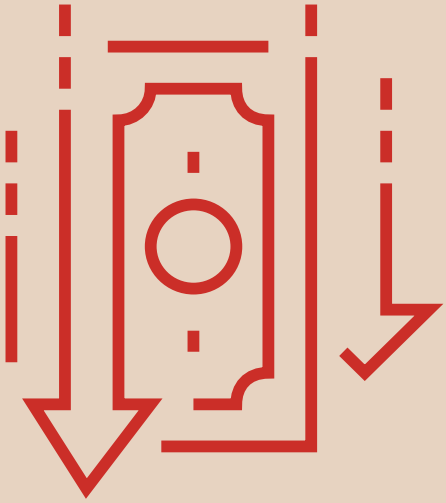
Elsewhere, Asia Pioneer Entertainment Holdings Ltd reported a 27% year-on-year decline in revenue for Q3, down to HK$39.1m ($5.04m). Listed on the Growth Enterprise Market of Hong Kong, the Electronic Gaming Equipment (EGE) supplier's interests include Asia Pioneer Entertainment Ltd, a distribution, sales and servicing business for electronic table games and casino slot machines in Macau.

Asia Pioneer has attributed the decrease in revenue to reduced EGE sales and distribution, which fell from HK$48.2m in Q3 2019 to HK$36.1m in Q3 2020, a 25% yearly decline.

Meanwhile, Bloomberry Resorts Corporation saw a loss of PHP2.5bn ($52m) for the third quarter, down from a net profit of PHP3.9bn the company recorded in the same period last year. EBITDA was a loss of PHP203.7m, against positive EBITDA of PHP6.4bn the previous year.

The company's losses were due to continuous pandemic restrictions. Philippines gaming regulator PAGCOR allowed four of the capital's casinos to resume operations at 30% capacity in August, but during the same month, Bloomberry's Solaire Resort & Casino property was briefly closed for a few weeks as regulations tightened. Jeju Sun, Bloomberry's Korean casino, has remained closed since March.

GI Verdict: These sets of results continues a trend in Asian casino operators posting losses, whether they have venues in Macau, Philippines or Korea. The continent appears to be the worst hit by the pandemic, and unfortunately industry analysts believe it could take at least a year before we see a recovery in the casino sector, though there is significantly more hope for 2021.



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FR FANTINI RESEARCH

OCTOBER: INDY RISES

Indiana gaming revenue grew 4.63% to $170.524m in October thanks to sports betting, which skyrocketed 82.85% to $21.09m.

Handle grew 152% year-over-year.

Without sports betting, Boyd's multiple property revenue dropped 17.79% and Penn National's only rose 1.71%.

NORTHERN INDIANA - CHICAGOLAND	OCTOBER REVENUE (M)	ANNUAL CHANGE (%)
Ameristar (PENN)	$25.542	+58.60
Blue Chip (BYD)	$15.542	+30.69
Majestic Star	$9.387	-11.55
Horseshoe Hammond (CZR)	$25.062	-25.79
Chicagoland Total	**$75.532**	**+4.36**

CENTRAL INDIANA - INDIANAPOLIS	OCTOBER REVENUE (M)	ANNUAL CHANGE (%)
Indiana Grand (CZR)	$20.872	+18.75
Hoosier Park (CZR)	$14.933	+30.69
Indianapolis Total	**$35.804**	**+7.86**

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FANTINI RESEARCH

OCTOBER: INDY RISES

SOUTHEAST INDIANA - CINCINNATI	OCTOBER REVENUE (M)	ANNUAL CHANGE (%)
Rising Star (FLL)	$4.057	+26.00
Belterra (BYD)	$8.564	+15.09
Hollywood (PENN)	$14.181	+6.85
Southeast Indiana Total	**$26.802**	**+11.99**

OHIO PROPERTIES	OCTOBER REVENUE (M)	ANNUAL CHANGE (%)
JACK Cincinnati (Hard Rock)	$17.116	+1.36
Belterra Park (BYD)	$6.863	-0.13
Ohio Total	$23.979	+0.93
*** Cincinnati Total**	**$50.781**	**+3.73**

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OCTOBER: INDY RISES

LOUISVILLE - SOUTHWEST INDIANA	OCTOBER REVENUE (M)	ANNUAL CHANGE (%)
Derby City Gaming (CHDN)	$9.521	+7.38
Caesars Southern Indiana (CZR)	$16.846	+5.38
Tropicana (CZR)	$9.946	-6.29
French Lick	$5.593	-18.61
**** Louisville - Southwest Total**	**$32.385**	**-3.25**
State Total	**$170.524**	**+4.63**

MULTIPLE PROPERTIES	OCTOBER REVENUE (M)	ANNUAL CHANGE (%)
Boyd (BYD)	$24.106	+18.22
Penn National (PENN)	$39.723	+11.87
Caesars (CZR)	$87.393	-9.90

SPORTS BETTING	OCTOBER REVENUE (M)	ANNUAL CHANGE (%)
Belterra (BYD)	$1.890	+1,126.30
Blue Chip (BYD)	$6.322	+599.85
Caesars Southern Indiana	$362,809	+140.52
Hollywood (PENN)	$1.947	+75.85
Ameristar (PENN)	$7.896	+57.12
Indiana Grand (CZR)	$630,929	+24.75
French Lick	670,308	+20.85
Tropicana (CZR)	$265,607	-27.78
Hoosier Park (CZR)(BYD)	$476,954	-54.73
Horseshoe Hammond (CZR)	$614,501	-64.19
Rising Star (FLL)	$22,658	N/A
Total Sports Betting	**$21.098**	**+82.85**

CASINOS	OCTOBER REVENUE (M)	ANNUAL CHANGE (%)
Rising Star (FLL)	$4.034	+25.30
Indiana Grand (CZR)	$20.241	+15.16
Ameristar (PENN)	$17.646	+9.57
Caesars Southern Indiana	$16.484	+3.11
Majestic Star	$5.870	-3.65
Hoosier Park (CZR)	$14.456	-7.45
Hollywood (PENN)	$12.234	-7.81
Tropicana (CZR)	$9.680	-8.80
Belterra (BYD)	$6.674	-10.31
Majestic Star II	$3.516	-22.21
Blue Chip (BYD)	$9.220	-22.47
Horseshoe Hammond (CZR)	$24.447	-27.61
French Lick	$4.922	-28.37
Total Casino	**$149.425**	**-8.32**

GUEST COLUMNIST

RICHARD HOGG
CCO, BETGAMES.TV

Hogg argues that sports bettors have found a new home in the live dealer vertical

Across every vertical and every market, operators have had to face up to the challenges of this seemingly never-ending pandemic. Retail estates have been locked down and sportsbooks have had the content rugs pulled from beneath their feet. All the while, punters have arguably found more spare time to invest in entertainment, whether by choice or by situation.

We, as an industry, have had time to recover and in many ways, we've rebounded impressively. Sportsbooks have demonstrated flexibility and adapted their offerings quickly, while suppliers have gone out of their way to assist partner operators in supplying the most appropriate content for their relevant markets.

Unfortunately, it seems we're now well and truly inside that once-dreaded second wave. What does this mean for the industry? Well, the sports betting calendar may be slightly friendlier to sportsbooks this time around, but they're certainly not out the woods. Across Europe, many sports and leagues are under threat, and when they do shut down, where are sports bettors going to look this time around?

From our experience, live dealer betting games have proven themselves as the next port of call. Slots remain alien to punters and the logical step to virtual sports didn't quite hold true in the first lockdown. Sports bettors tend to shun RNG-based gambling experiences, and although the vertical has seen impressive leaps forward in terms of graphics and realism, that live action they desire never quite comes through.

Live dealer games offer this real-time excitement in droves. A punt on a football match, pre-match or in-play, is always a calculation based on real-time factors. It takes nous, knowledge and an element of faith. Live dealer games may not exactly replicate this, but they do tick two checkboxes of live action and fixed-odds betting that exist across the two verticals. Combined with first-rate production values and an engaging human element, live dealer games have proven their worth in driving cross-sell opportunities to those sports bettors who have been forced to become inactive.

So, if 'Lockdown 2.0' does live up to the worst-case scenario some have predicted, it seems an opportune time for sportsbooks to take a fresh look at this form of content and pandemic-proof their portfolios. Live dealer games are no longer an extension of the casino vertical and are steadily crafting out a niche of their own – as a key source of entertainment to under-served sports bettors.

Pre-lockdown, we'd expect to see multi-vertical operators focus roughly 70% of resources on their sportsbooks. This is clearly a dominant share that can't be replaced directly through marketing efforts towards alternate content, whatever these may be.

As partners to brands that are facing these challenging times, we can help mitigate against these inevitable falls in revenue by tailoring our products to individual operator's needs. We also need to make sure sports fans under lockdown feel right at home when exploring something new. To that end, we've developed side games that are easily positioned on the sportsbook page, in much the same way casino side games were positioned on a poker site, which is proving to be a real growth product.

In uncertain times such as these, we need to remember it's not all doom and gloom. Another setback has come, but there are so many learnings we can take from the past nine months to ensure revenue and engagement stays strong.

Live dealer games' value as a cross-sell opportunity is one of these major learnings. These titles – which focus on low-stakes, long-term engagement – have outperformed the market in recent months across digital estates in the majority of global markets. They've been proven to resonate with those who demand the land-based casino they've been locked out of; but most significantly, the vertical has emerged as a ready-made safety net for, not cannibal of, sportsbook revenues.

To ensure operators are resilient in the face of future challenges, and to serve those players who have crossed into new casino experiences in recent months, live dealer games must be seen as a must-have, not just a may as well. Those who don't take its newfound demand seriously will inevitably feel the pinch in a future that risks repeating itself.

"From our experience, live dealer betting games have proven themselves as the next port of call. Slots remain alien to punters and the logical step to virtual sports didn't quite hold true in the first lockdown"

MIKAEL LIJTENSTEIN
CEO, ASTROPAY

Lijtenstein reviews how the payments industry is developing in Africa

What are the biggest challenges facing payments companies in Africa right now?

Understanding that Africa is not a country, but a continent integrated by 54 countries, is paramount to develop operations in the region. All of them, in spite of their cultural and technological backgrounds, are ongoing a shift from traditional payments towards cashless, where regulators of the financial services industry (FSI) have a remarkable responsibility in keeping a balance between mitigating risks associated with new (none traditional) entrants and the understanding of how payments work. FSI regulators in Nigeria, Kenya, Zimbabwe, Mauritius and Sierra Leone are exploring regulatory sandbox models to properly understand new technologies and also allow the players to test regulatory waters before diving in. We believe it will be helpful to address some of the gaps created by the advancements of the fintech industry and the approach of FSI regulators.

Across the continent, payment solutions are not evenly adopted by its population as there are large informal sectors who are cash-driven and who do not trust new technologies. Payments companies need to generate brand awareness on their services as well as make these solutions as easy to use as possible. Payments in Africa still remain under the umbrella of traditional banks and service providers, which represent a great challenge for new payment providers. We may also add that weak internet connectivity affects the development of the industry in the region.

What are the biggest advantages and opportunities in this market?

One of the biggest advantages the continent offers is its growing population and GDP, which can be reflected in a new emerging middle class that offers a great deal of opportunities for international operators. With a population that rounds 1.2 billion people, which is equivalent to 16.7% of the total world population (and a median age of 19.7 years), the scale of the young population is considered a great advantage; as they are the ones who generate change and look for innovating products and services. The low financial inclusion rate makes the African payments market still an untapped region, despite the wide number of players. With the right strategy, the market holds great scalable potential at a low entry cost. We also believe the biggest opportunity relies on mobile money solutions for digital transactions, where partnerships among operators could be really profitable.

How can payments companies help gaming firms in Africa?

In our experience when speaking about emerging markets we can say the multiplicity of countries, cultures and regulations that co-exist requires a great deal of adaptability and flexibility. We have strong experience in dealing with the specificities of emerging markets; where we have learnt it is important to work hand-in-hand with local payment methods, especially in Africa where local brands are really strong. In most of these countries, the levels of financial inclusion are low – which leaves an open door to reliable payment solutions that fill the gap. Online and mobile are gaining popularity, so it is important for operators to keep pace with the new digital payment options customers want to use. African countries have significant differences among them in their technological development, which affects the availability of electronic payments continent-wide.

Payment companies can help provide operators with integrated solutions to enable cross-border collections and payouts, bulk payment management and digital wallets.

How does AstroPay aim to stand out in Africa?

The experience gained after more than 11 years working in emerging markets gives us the flexibility required to enter a diverse territory like the African one. We offer a variety of local payment methods that consumers recognise and feel familiar with, which generates user engagement and trust. As a B2C company, our focus is on end consumers, hence we work to make their payment experience as easy, quick and safe as possible. As we believe we have some responsibility in easing this transformation process and making it accessible to people, we adapt to the needs and reality of the population segment we want to reach – and provide them with the most reliable service.

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