



Sponsored by



THIS WEEK

- **Mobile agreement reached in New York**
- **Ilitch family to buy half of Ocean Casino**
 - **New arrival on Crown Resorts board**
- **Another acquisition for DraftKings**

GUEST INTERVIEW:

- **Guy Phillips, co-founder, LEBOM**

WEEK 14

FRIDAY 9 APR 2021

MORGAN STANLEY RESEARCH CHALLENGES LAS VEGAS CONSENSUS



Research from Morgan Stanley exploring the Las Vegas gaming market shows it might be underestimated by consensus, and is actually doing better than how many feel.

Based on channel checks, the group said occupancy rebound wasn't as high as it should be. Morgan Stanley feels March has likely already surpassed consensus' second-quarter estimate of a 60% rebound.

MARKET FEASIBILITY
MARKETING ANALYTICS
SPORTS BETTING
IGAMING
FINANCIAL ANALYSIS



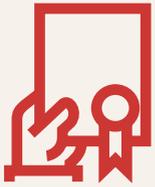
THE INNOVATION GROUP

[Learn More](#)

THIS WEEK IN NUMBERS

£1.7m

Andy Green, a Betfred blackjack player, has won a High Court battle over the operator's refusal to pay out a \$2.3m jackpot, which it claimed was the result of an operating error



95%

Flutter Entertainment's stake in FanDuel, although Fox Corp has now filed an arbitration claim over the value of its stake in the operator. Flutter has said it will vigorously defend against the lawsuit

\$169.2m

The record amount of revenue brought in by six casino operators in Maryland for March, according to figures released by Maryland Lottery and Gaming



16

Alleged administrators of a major online gambling network, with a monthly circulation of THB50m (US\$1.6m), arrested by Thai police

3

Years the Gambling Commission hopes its strategy will take to create a well-regulated market in which players can feel confident and protected



The report continues to show that in Morgan Stanley's view, data from consensus was also undervaluing Vegas' revenue by 14% in 2021 and 2% in 2022.

This was similar to the estimated EBITDA for the market, with Morgan Stanley estimating 28% higher for 2021 and 9% for 2022.

Morgan Stanley visited Las Vegas last week and saw how the area was performing on the ground; its report also includes images to defend its claim and shows high footfall in certain areas.

In its experience, it saw the South Strip was busier than the North Strip, as the market still lacks convention visitors. Visitors who did attend were "lower-quality leisure customers" but still demonstrated demand in Vegas.

According to the report, the market is running at 95% occupancy on weekends, while midweek occupancy has increased to 50-60% compared to February's 30%. Operators, meanwhile, are able to push room rates higher, while some companies have been able to increase restaurant menu prices, further contributing to profitability.

Airlines have also been busy, sequentially increasing supply to the market each month as they prepare for more shows and entertainment this summer. Morgan Stanley concluded, however, that certain shows will never be able to make a return due to the impact of the pandemic.

The group forecasts that May and summer should see further improvement, as the market expects Covid-19 restrictions to ease. And with big events being planned for 2022, the market can expect strong performance next year too.

"We visited Vegas last week and found the market is in the midst of a fast, strong recovery, with especially positive booking trends," a statement from Morgan Stanley read.

"The market was busy, even midweek. While we thought it was because of spring break and March Madness, numerous market participants told us their bookings were stronger than current occupancy, and booking windows were extending and continued to build."

Morgan Stanley pointed to "The World of Concrete" conference on 7-10 June as the "true litmus test" of the market's capabilities to host large-scale conferences, while also noting the significant amount of new, high-quality convention space that will be able to help push the market above 2019 levels in the near future.

One worry within the research, however, involved the increase of virtual or hybrid meetings, which could result in fewer people showing up to conferences in the years to come. But organisers are continuously planning ways to maximise attendees amid such a concern.

GI Verdict: The research can only come as great news for the Las Vegas gaming market, which has had to be patient throughout the pandemic like everywhere else. This could be the shining light that the industry so badly needs.

While a busier South Strip may not signal a full return to normality, the fact that customers there are spending more per visitor than they have in the past is a promising sign. It is clear, therefore, that customers are eager to get back to the hub and participate in gaming once more.

Another important consideration, even though the world lives in hope of returning to pre-Covid life soon enough, is maintaining safety to ensure there are no more coronavirus waves in Las Vegas. As our *Gaming America* reporters on the ground have observed, though visitors are asked to wear masks at all times, few seem to follow those rules once they are outdoors.

Although the US has seen a gradual decline in cases since January and millions of Americans are vaccinated each day, the country is far from out of the woods with this pandemic. One only needs to look at what's happening in Europe to understand America's control on the disease is tenuous.

ATLANTEAN GIGARISE™

THE WATER'S GREAT! DIVE IN APRIL 22ND

Raise the reels as deep as the ocean with brand new GigaRise™ reel game mechanics



\$34.6m



Kindred Group has completed the previously announced acquisition of Casino Blankenberge from The Rank Group Plc for £25m

4



Number of bookmaker arrests the Pimpri-Chinchwad police have made following allegations of running a cricket betting operation during India's recent test match against England

\$2.96bn



The figure Deutsche Bank has predicted Macau's gross gaming revenue will reach for the second quarter

NEW YORK REACHES DEAL ON MOBILE SPORTS BETTING WITH LIMITED-OPERATOR MODEL

New York Governor Andrew Cuomo and state lawmakers have worked out an agreement to legalise mobile sports betting under a limited-operator model, announced with the state's 2022 budget.

The model, which was supported by Cuomo, will give the New York Lottery authority to issue proposal requests from two sportsbook operators. As many as four licences, otherwise known as skins, will be subcontracted to sports betting operators.

There will be no sports betting kiosks at stadiums or horse racetracks. It's unclear whether the state's three gaming tribes will be allowed to offer mobile sports betting.

Two tribes, the Oneida Nation and Akwesasne Mohawk, have already partnered with sportsbook operators (Oneida with Caesars/William Hill, Akwesasne Mohawk with Fox Bet) in anticipation of one day offering legalised sports betting.

Cuomo's embrace of mobile sports betting is a 180-degree turn from his prior stance on the activity, but the Covid-19 pandemic and its economic impacts on the state budget forced the Governor to think of new revenue streams.

"New York was ambushed early and hit hardest by Covid, devastating our economy and requiring urgent and unprecedented emergency spending to manage the pandemic," Cuomo said.

GI Verdict: Mobile sports betting in New York has long been an aim for the gaming industry and the impact of Covid-19 has in part allowed that target to materialise.

With that said, Cuomo's system will not please everyone, effectively choosing a monopoly system over an approach that would encourage competition. It remains to be seen how this will affect New York's revenue potential.

THE WEEK IN QUOTES

“I am very excited about Mr Bengtsson as the new suggested chairman of the board. With his profound knowledge, connections and experience from the global scene of igaming, combined with first-hand experience from large-scale international transactions, he is perfect for the job to further accelerate our growth.”

Tobias Persson Rosenqvist, chairman of the nomination committee, on William Hill CEO Ulrik Bengtsson's appointment as Rakotech chairman

“There are few people within the industry with Mark's digital leadership expertise, which is a critical channel of growth for BoyleSports.”

John Boyle, BoyleSports founder and chairman, on the appointment of Mark Kemp as the operator's new CEO

IIITCH FAMILY TO BUY HALF OF ATLANTIC CITY'S OCEAN CASINO

The Ilitch family owns sports teams like the Detroit Tigers and Red Wings, as well as owning Little Caesars pizza chain and Detroit's MotorCity Casino Hotel.

But now the family has applied to New Jersey regulators for an interim approval to own a portion of Ocean Casino in Atlantic City.

An agreement between the Ilitch family and officials from the Luxor Capital Group LP has been reached. Through an affiliate, the family is free to acquire half the ownership. The Luxor Group has owned the casino since 2019 and in May 2020 gained approval to operate the casino by New Jersey regulators.

The amount the family has invested has not been disclosed but it is believed the deal will close once all regulatory approvals have been met.

In a statement, a New York hedge fund spoke on its decision to sell half of its ownership in Ocean Casino. It read: “We are extremely excited about the proposed investment by the Ilitch organisation, which, if approved, will give Ocean access to growth capital and provide a

strategic partner to Luxor.”

Luxor has not yet disclosed any details of the new partnership, which would include day-to-day operations.

Last year, the casino's gambling revenue reached over \$214m which showcased a 10% drop from the year before.

Ocean Casino CEO Terry Glebocki recently spoke exclusively with *Gaming America* about Atlantic City's modern-day revival.

GI Verdict: Ocean has had a chequered history, having initially opened (ultimately unsuccessfully) on the Atlantic City Boardwalk as Revel.

Its most recent spell has been a more fruitful one under the leadership of former CFO and current CEO Glebocki, however, and this move may well be one that strengthens its financial hand in the coming years.

Naturally, though, it may also be the case that this kind of activity has been necessitated by the negative impact of the Covid-19 pandemic and property closures, followed by reopening under limited capacities.



NIGEL MORRISON GRANTED APPROVAL TO JOIN CROWN RESORTS BOARD

Crown Resorts has confirmed Nigel Morrison will join as a non-executive director, having now received all necessary regulatory approvals. The former SkyCity Entertainment Group CEO will join the board of directors effective immediately.

Morrison is the company's first high-profile appointment since its recent regulatory issues. Crown Resorts was found unsuitable to hold a state casino licence by the Bergin Inquiry in February, and as a result five directors left the group.

Morrison previously held roles as CEO of SkyCity Entertainment Group, CFO of Galaxy Entertainment Group and COO of Crown Melbourne Limited.

Both the Bergin Inquiry and an investigation by the NSW Independent Liquor and Gaming Authority (ILGA) considered the addition of gaming experience to Crown's board as crucial to its continued operations.

ILGA chair Philip Crawford remarked in a recent interview: "I would hope

to see people with some degree of experience in casinos, plus numerate people with board experience, and a good understanding of the Corporations Act and their obligations as directors. I think they need well-rounded people with specific experience around the concerns we have and in running businesses that are casinos."

Crown Resorts recently received a \$6bn acquisition proposal from Blackstone Group and is currently believed to be assessing future sale options. The reformatting of the operator's directorial board could prove an important first step in its new – hopefully more compliant – future.

GI Verdict: Crawford's aims of having directors with casino experience has now been met, with Morrison's previous roles in the industry aimed to help steer the company's board in the right direction. Crown still has a way to go to prove it is suitable and that any previous wrongdoings are now in the past. But the appointment of Morrison is a start.

"I have enjoyed my long association with Everi, and take great satisfaction in the company's evolution into a leading supplier of gaming and financial service solutions to the gaming industry. Everi has strong business momentum and its financial recovery from the impact of the Covid-19 pandemic is well underway with significant opportunities for growth ahead of it."

Miles Kilburn on his retirement from the Everi Holdings board, having served as chairman since 2008 and as a board member since 2005

"Given the devastating way gambling addiction can destroy lives and families, I'll instruct TFL to bring forward plans to extend the ban to harmful gambling advertisements on the network."

Mayor of London Sadiq Khan promises to ban gambling advertising on the London Tube if re-elected



Time to Change. Time to Grow.

One Sportsbook, Unlimited Performance.

DISCOVER MORE



TAKING STOCK

SHARE PRICES COVER THURSDAY
1 APRIL TO THURSDAY 8 APRIL
(11:30AM GMT)

MGM Resorts  4%
41.09 USD

Caesars  4%
92.59 USD

Bally's  5%
62.01 USD

Crown Resorts  2%
12.14 AUD

DraftKings  1%
62.09 USD

DRAFTKINGS ACQUIRES BLUE RIBBON SOFTWARE

DraftKings has acquired Tel Aviv-based BlueRibbon Software, a jackpot and gamification services company that specialises in customisable jackpot promotions.

“Integrating BlueRibbon’s proprietary and proven technology will enable DraftKings to create dynamic incentives for our users as they engage with our products,” said Paul Liberman, DraftKings co-founder and president, global technology and product. “The team at BlueRibbon brings technical and gamification expertise and broad industry experience to DraftKings, and we are excited to leverage this technology to further differentiate our product offerings and engage customers in new ways.”

DraftKings plans to introduce personalised promotions and rewards tailored to individual customers. The Boston-based sports betting and daily fantasy sports operator will fully integrate BlueRibbon’s leadership and current employee base and grow hiring in its Tel Aviv office.

BlueRibbon was founded in 2017 by gaming veterans Amir Askarov (CEO)

and Dan Fischer (CMO). BlueRibbon claims its jackpot technology can be applied to any vertical, game or content.

“We created BlueRibbon to give companies the ability to differentiate themselves within the highly competitive sports betting and igaming industries with unique and innovative marketing platform,” said Askarov. “Joining DraftKings will allow us to continue to build our platform to enhance the player experience and to strengthen our Tel Aviv-based team.”

GI Verdict: DraftKings is on a bit of a shopping spree, having just acquired sports betting broadcast company VSiN last week.

The operator’s acquisitions (having also acquired supplier SBTech when it went public), alongside that of Bally’s in recent months, demonstrate a growing trend within gaming M&A.

Indeed, gaming mergers and diversifying are big with operators now interested in offering a more rounded package, rather than just taking over a fellow operator.

PLATFORM SOFTWARE

>210 INTEGRATIONS

CRYPTO // SOCIAL

PROMOTIONAL POWER

REGULATORY COMPLIANCE

TAKE CONTROL
OMEGASYS.EU



ΩMEGA SYSTEMS
GLOBAL IGAMING PARTNER

REVENUE REPORTS: ILLINOIS, OHIO

Fantini Research looks at March revenue for the Prairie State and Buckeye State.

ILLINOIS

Average daily revenue for the 31 days casinos operated last March vs. 16 days last year:

CASINO	REVENUE	ANNUAL CHANGE (%)
Joliet Harrah's (CZR)	\$443,847	+31.49
Rivers-Des Plaines (CHDN/Rush Street)	\$1.408M	+21.59
Grand Victoria Elgin (CZR)	\$405,893	+18.20
Metropolis (CZR)	\$180,779	+16.83
Par-a-dice East Peoria (BYD)	\$194,835	+9.16
DraftKings at Casino Queen	\$226,835	+8.56
Aurora Hollywood (PENN)	\$261,991	+4.88
Joliet Hollywood (PENN)	\$243,320	+0.42
Alton Belle (PENN)	\$95,649	-4.22
Jumer's Rock Island (Del North)	\$120,553	-14.30
Total	\$3.408M	+14.71

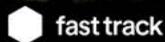
THE MOST PRESTIGIOUS AWARDS IN THE INDUSTRY



Lead Partner

BETCONSTRUCT

Category Sponsors



Official Adjudicator

Powered by



OHIO

Average daily revenue for the 31 days this year vs. 14 days last year:

CASINO	REVENUE	ANNUAL CHANGE (%)
Hollywood Dayton (PENN)	\$512,329	+65.91
Scioto Downs (CZR)	\$722,432	+46.01
Thistledown (JACK)	\$577,519	+43.54
Hollywood Mahoning Valley (PENN)	\$491,784	+42.95
Hollywood Toledo (PENN)	\$771,976	+40.76
Hollywood Columbus (PENN)	\$800,632	+32.97
JACK Cleveland (JACK)	\$716,634	+32.34
Miami Valley Gaming (CHDN/Del North)	\$623,174	+32.10
Hard Rock Cincinnati (Hard Rock)	\$666,854	+30.61
Belterra Park (BYD)	\$262,682	+20.18
MGM Northfield Park (MGM)	\$817,104	+19.03
Total	\$6.963M	+35.75



INDUSTRY LEADING PODCAST & INTERVIEWS



[Click here to join the Huddle](#)



GUEST INTERVIEW



GUY PHILLIPS
CO-FOUNDER, LEBOM

Phillips tells Gambling Insider about a new business model looking to challenge traditional sports betting operators. With LEBOM, players set up groups and make predictions based on the weekend's football matches (mainly the English Premier League). The model is based on social interaction, where players compete with each other rather than the house

Tell us about your business idea.

I've always been an avid runner of sweepstakes and games focused on sport and largely football. The best part of 20 years ago I was working with a team at the *Evening Standard*. As a little bit of fun, we started a weekly competition, put some money in and the winner took some money at the end of the weekend. We predicted home wins, away wins and draws. But after a couple of years, 20 people were playing and it built up because of inclusivity – you don't have to be into football, anyone can have a guess at Premier League predictions. The reason it built up was the social element that went with the game. I always remember on a Monday morning the noise and excitement around my desk as I was manually looking at my forms. It was more about the camaraderie around the game; Monday morning was always a fun time.

But for me, the organiser, it was a huge amount of admin. With 20 people, back in the day I had to distribute 20 forms, chase 20 forms, chase the money again and again, go through all the forms manually and dish out the money. I was prepared to do that but it was a huge amount of admin that went with that. When I left the *Standard* back in 2008, I passed it to a friend of mine and, within a season, he'd stopped running it because it was just too much. So over the years I always thought about the game and remember

the inclusivity and simplicity of how the game drove mass participation. I thought how can we recreate that and innovate it?

We've now created something in LEBOM which recreates that on a technical platform. But it's elevated because it's got a live leaderboard, which allows you to see how you're doing at any given point. The build-up of the social bit is facilitated by the leaderboard and in-house chat. And that's really the very ethos of LEBOM, taking a very enjoyable sweepstake-type game but taking all the admin away, adding more excitement than in its original, analogue form. The thought came around two years ago and now there are three co-founders. We've built a team of different skill sets to bring this to life.

What are the main features?

What really fuels the in-game banter and interaction is the scoring system. Over the course of the weekend, there are more often than not nine games. You predict the score, not just the result. You're given six points for a correct result – home win, away win or draw – and a bonus 20 points for getting the score right. But we have a live leaderboard: if you had Tottenham to beat Aston Villa 0-1, for example, you'd start with 0 points but if Tottenham went 1-0 up you'd move to 26 points. When they went 2-0 up, you'd go back to six points. So that kind of fluctuation in the table throughout the weekend fuels the interaction and engagement.

What is the business model – do you collect a commission, do players pay a fixed fee?

It's a scrape/commission – the app is free to download. We take a 10% scrape off the backend. The captain will invite players to play, you can have 2-20 and we recommend 4+. It's all group-based, with no public leagues or games. It's purely your private group and the stake is set by the captain. Everyone puts in a fiver, for example, and the winner on Sunday night would get £18 (\$24.74) and we would take the 10% (£2) off the backend.

LATEST ISSUE OUT NOW

Click **HERE** to view

