



WEEK 40

FRIDAY 8 OCT 2021

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SGC 2021: OPERATORS TO CONSIDER SOCIAL RESPONSIBILITIES

GI FRIDAY
WINNERS
SPECIAL

THIS WEEK

- **Moving forward: G2E hits centre stage once more at The Venetian Expo**
- **Aspiring acquisitions: Esports Technologies obtains B2C business**
- **Stepping out: Positive projections for gaming industry growth in 2022**
- **Howe exciting: FanDuel appoints full-time CEO**

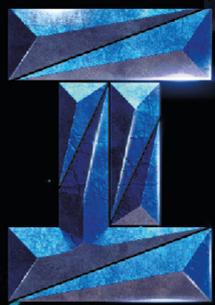
GUEST INTERVIEW:

- **Simon Westbury, Chief Business Officer, Digitain**

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Round-up, round-up:
Elsewhere in US Gaming



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Industry stakeholders tuned into Kindred Group's Sustainable Gaming Conference on 4 October to hear some of the sector's biggest names discuss problem gaming and how they're tackling this pressing topic

► Transparency, cooperation and data were the order of the day at the Sustainable Gambling Conference (SGC) 2021.

Founded and run by Kindred, this was the second conference, bringing together industry stakeholders from all walks of life, for a one-day webinar to focus on problem gambling.

Maarten Haijer, Secretary General of the European Gaming and Betting Association (EGBA), highlighted the day's key themes with his opening presentation.

In his 20-minute talk, Haijer discussed the findings of EGBA's first-ever Sustainability Report, released earlier this year, and issued several recommendations for industry stakeholders.

Chief among them was a reiteration of what many have been saying in recent months and years; operators must be a part of society — but what does this mean?

"I think we need to talk to the regulators, and the politicians, and educate them" – Pontus Lindwall

To Haijer, the answer seemed pretty clear: "I think we need to have a much bigger commitment to reduce harm and step-up monitoring and analysis of customer behaviour. Test and review your policies – are they working? And as a whole, we need to work towards more common definitions of the standards of problem gambling, but this goes well beyond operators. It goes for regulators and the research community."

The Secretary General even used a quote from famed economist Milton Friedman to outline his position.

Though Haijer rejected the logic of this statement, instead arguing for the contrary, it does raise an interesting issue.

Friedman suggested that the impetus for social change should be on the individual – employees and customers.

If people don't like what a business is doing, then they can vote with their feet, or their wallets, and undercut the business' bottom line, but what if the customer doesn't have any control over their own actions?

When you remove individual agency from the equation, the answer becomes less clear.

This gets to the core of the problem when we discuss corporate responses to gambling addiction; there is no easy ethical alternative, you can't place a Fairtrade sports bet.

Everyone on the SGC's first big panel – 'The industry's responsibility to protect the customers and provide a safe experience' – is being forced to reckon with this problem today.

Made up of some of Europe's key players, the panel was an all-star line-up, with executives from Scandinavia's biggest operators sitting down, or appearing by link, to discuss the big issues facing the industry.

Kindred Group CEO Henrik Tjärnström has been at the

forefront of the push for sustainability, with the Swedish company sponsoring this event, as well as publishing the percentage of its revenue derived from harmful gambling earlier this year.

Tjärnström introduced the conference and appeared on the panel alongside his fellow industry heads.

"How can we make sure that gambling is sustainable and responsible while still ensuring that the excitement and thrill of the experience, when it is at its best, is maintained? The short answer is, together," he said at the event's outset.

To this end, the panel formed the crux of the day's discussions, starting a dialogue about how industry stakeholders can work together to make gambling more sustainable.

Patrik Hofbauer, the CEO of state-run Svenska Spel, touched on one of the day's three core themes when he spoke about transparency, with a focus on openness among operators.

"Transparency, on top of what we do with the product and the services we provide, is really an important key. To get more transparent on the issues that we have, to talk about them and show what we are doing, is progress. This is an important part and it's not so complicated," said the Swedish executive.

However, Pontus Lindwall, the CEO of Betsson, while agreeing that more collaboration between companies was essential, was also most critical of top-down regulation, arguing that policymakers are pushing players away from safer markets.

"I think we need to talk to the regulators, and the politicians, and educate them, because we've been doing this for many, many years and this industry is quite new to the regulators," said Lindwall.

"I think it's a lot easier for us to collaborate than it is to collaborate with the politicians. A big part of what we see today, as an example, is Swedish gaming customers playing with other operators abroad, where there is no transparency. I think we could get a really good advancement if we could talk to the regulators and advise them on how to bring those players back."

When the panel's moderator, Lydia Capolicchio, replied that she would ask them about this later, Lindwall hit back: "You should ask them whether they sleep well at night when they have sent away the customers that need the most protection from unregulated operators."

Towards the end of the discussion, the panel turned their attention to the future of the industry, with most members sharing an optimistic outlook.

"In the next five years, when we sit here, I think we'll be talking about the entertainment part of the sector, rather than the harm that is the other side of the coin for our industry," concluded Hofbauer.

"I think it starts with us."

THIS WEEK IN NUMBERS

43,000 square-feet



Footprint of Churchill Downs' new entertainment venue in Louisville, Kentucky

16%



Decrease in daily buy-ins reported by NagaCorp for the nine months ended 30 September 2021

3%



Share of Cyprus' GDP from gambling revenues in 2020

\$3.2bn



Cost of the Integrated Resort in Nagasaki proposed by Casinos Austria International Japan

166%



Year-on-year increase of Macau's gross gaming revenue for September

ROUND-UP, ROUND-UP: ELSEWHERE IN US GAMING

► **WynnBET** announced the appointment of Ian Williams as the operator's new chief operating officer. Williams has 20 years of experience in the gaming industry and will work to oversee WynnBET's trading, marketing, customer service, payments, and data science teams.

Betfred Sports partnered with Paragon Casino Resort to bring sports betting to Louisiana, marking the operator's fourth market entry in the US. Sports betting launched at Paragon's The Draft Room at 3:00 pm CST on Wednesday 6 October. Paragon is located in Marksville, Louisiana and offers a 64,000-foot gaming floor, 1,000 Las Vegas-style slot machines and 500 hotel rooms.

Virginia sports betting handle in August rose to \$182m, a 12.7% increase from July, according to figures released by the state lottery. Handle was still significantly down compared to February through June, when Virginia easily surpassed to \$200m in wagers per month. Gross gaming revenue for August was \$18m, a 10% decrease from July due to a lower hold percentage.

DraftKings announced its plans to develop a Las Vegas office at the UnCommons communal space. This new building, which is set to cost over \$400m to develop, will employ over 1,000 people and be 90,000-square-foot. It will feature 130 sports trading desks, a 7,500-square-foot cafeteria and event space, a custom casino training pit, a space to play golf, and a mothers' room.

Scientific Games has been awarded a 10-year long contract from the Pennsylvania Lottery to provide its full instant games services and SG Enhanced Partnership to the state's lottery providers. A second contract will see the supplier provide the state's 10,000 lottery retailers with its suite of lottery games services.

Hard Rock Digital and **Genius Sports** announced the formation of a fan engagement and sports data partnership. The agreement will give the operator's sportsbook full access to Genius Sports' betting solutions including official sports data from over 10,000 events

per-year, customer acquisition tools, and fan engagement technology.

BetMGM agreed a partnership with the Puyallup Tribe of Indians to operate a retail sportsbook at the Emerald Queen Casino in Washington State. Emerald Queen Casino operates two properties in Tacoma and Fife. This new BetMGM sportsbook will be located at the Tacoma property and feature 30 sports betting kiosks, six ticket windows, a dozen 85" TVs and a 500 square foot LED wall.

BetMGM announced the signing of a content partnership with comedian Bill Burr and his podcast network All Things Comedy. Per the agreement, BetMGM's sportsbook data and promotional offers will be integrated into a number of All Thing Comedy-created podcasts including 'Anything Better' hosted by Bill Burr and Paul Virzi. BetMGM content will also feature on Burr's YouTube channel, specifically his 'Monday Morning Podcast.'

Sightline Payments announced an agreement with International Game Technology (IGT) to deliver cashless gaming solutions to IGT's payment platforms. Per the agreement, Play+ has been added as a funding option to IGT's payment platforms IGTPay and Resort Wallet. This will allow players to cashlessly fund their accounts and use such funds to pay for bets, gaming, and other amenities at land-based properties.

Stephen Crystal's **SCCG Management** and the Major Arena Soccer League (MASL) have agreed a partnership to bring the sporting event to the US sports betting market. Per the agreement, SCCG will work to make the MASL a prominent player in the North American sports betting market.

Nevada's casinos broke the \$1bn for the sixth consecutive month, generating \$1.17bn in August for a 57% increase year-on-year. The Las Vegas Strip was responsible for \$628m of that revenue, almost doubling what it pulled in (\$317m) the same month a year ago. Downtown Las Vegas produced \$64.2m in revenue, up 81% year-on-year, while Clark County as a whole won \$993m for a 67% improvement from the same month a year ago.

GOLDEN FISH TANK 2

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COMING 28 OCTOBER



\$342m

Adjusted EBITDA
projection for
supplier Everi
Holdings in 2021

€21m

Revenue reported
by Codere Online
for Q2 2021
(\$24.2m)



8.5

Number of
hours when
gambling ads
could be aired
on Portuguese TV under
proposed legislation

AMY HOWE APPOINTED FANDUEL'S FULL-TIME CEO

Flutter Entertainment has announced the promotion of Amy Howe to permanent CEO of FanDuel.

Having served the role of Global COO of Ticketmaster, Howe joined FanDuel in February 2021 as President, where she has been overseeing the company's commercial strategy across all core business segments and products. While serving as COO at Ticketmaster, she managed commercial projects that led to a 400% sales increase.

Flutter Entertainment CEO Peter Jackson expressed his appreciation of Howe, who had previously been Interim CEO: "I am delighted to confirm the appointment of Amy as our new US CEO. Since joining the business at the start of this year she has done an excellent job of leading our commercial functions and ensuring that we execute well at this critical phase of growth for our business.

"The expansion of the US market represents the single most exciting opportunity for Flutter today. Amy's track record of leadership and experience

in scaling a digital business will be invaluable as we look to grow our leadership position there."

Howe added: "I am very pleased to be appointed the CEO of FanDuel at such an exciting time. Since joining the business, I have been very impressed by the quality of our team and the strategic advantages we enjoy in terms of brand reach, product quality and the broad expertise we leverage from being part of the wider Flutter Group.

"That said, we must avoid complacency and remain focused on executing on our long-term strategy to build the embedded value of the business. I look forward to working with Peter and the wider team to drive FanDuel's continued success."

GI Verdict: Howe has become CEO of FanDuel just as Flutter is preparing for its next phase of growth for its US subsidiary. Following a successful stint as Interim CEO, will her role have the same impact it had at Ticketmaster? Only time and the next FanDuel report will tell.

THE WEEK IN QUOTES

“Until proven wrong, I’m not and we’re not overreacting to what is being hyped or said. We are hoping rational minds control in the end because this is the Macau economy.”

MGM Resorts Chief Executive Bill Hornbuckle speaking on the cancellation of a public consultation meeting to discuss new gambling laws for Macau operators

“Las Vegas is my home. It’s where I bought my first home. Where I enjoy the arts and entertainment. It’s where I brag about living when I travel. Vegas is where my best friends live. It’s where I hike, run and play. No matter where you’re from, if you call Vegas home – I will hear your voice and value your input to our community.”

Las Vegas’ first female, African American Mayoral candidate Kara Jenkins at the commencement of her campaign

ESPORTS TECHNOLOGIES ACQUIRES ASPIRE GLOBAL’S B2C BUSINESS

Esports Technologies has announced the acquisition of Aspire Global’s B2C business. The transaction was worth \$75.9m, including \$58.3m in cash, \$11.7m in a promissory note and approximately \$5.9m worth of common stock. The transaction is set to close by 30 November 2021.

The terms of the agreement mention Esports Technologies’ purchase of Aspire’s portfolio of B2C proprietary online casino and sportsbook brands, including Karamba, Hope, Griffon Casino, BetTarget, Dansk777 and GenerationVIP.

The deal also states that Aspire is set to provide four years of managed services for the acquired brands, ensuring operational continuity while Esports Technologies can scale its operations in key markets.

Aaron Speach, Esports Technologies CEO, said: “The acquisition of Aspire’s B2C business will be a transformative opportunity to accelerate growth. Our company is in a strong position to

benefit from the heightened popularity and growing interest in esports.”

Tsachi Maimon, CEO of Aspire Global, added: “Esports Technologies is a strong company with high growth ambitions and is a perfect match for our B2C brands. We are confident that Esports Technologies will take our B2C brands to the next level, and we welcome Karamba and the other B2C brands as our new partners.”

Aspire’s B2C business reported wagering of \$1.8bn and over 1.3 billion bets for the 12-month period ending June 2021; combine that with Esports Technologies’ wagering products and its online licensed gambling platform and the numbers should increase soon.

GI Verdict: This sale makes sense for Aspire since the B2C business represents only a small revenue stream for the company. For Esports Technologies, however, it represents a big deal for a faster-growing firm considered more of an industry up-and-comer. It gets a ready-made supplier in Aspire, too.



“We are delighted to have received the necessary approvals to offer our slots and table games to operators in the newly regulated Dutch market. This forms part of wider plans to secure licences in core regulated markets around the world.”

Kevin Reid, CCO at 1X2 Network, on 1X2 Network’s entry into the Netherlands’ gambling market

“Our dedication to growing in Latin America is evident and we’re very proud to expand our presence in the country by appointing a dedicated Brazilian team member. With it being only a year since the establishment of our LatAm hub, it’s another fantastic milestone for Pragmatic Play as we set our goals on even further expansion in the continent.”

Victor Arias, VP of Latin American operations at Pragmatic Play, on the provider’s entry into the Venezuelan market

GAMING CEOS SHOW OPTIMISM FOR FUTURE INDUSTRY GROWTH

The American Gaming Association (AGA) has launched its Gaming CEO Outlook. Industry growth has expanded, with over 50% of AGA-member CEOs hoping for future business conditions to show an improvement in 2022. Increased percentages of 70% in new hiring, 60% wage growth and 40% capital investment, aided participating CEO positivity.

Bill Miller, AGA president and CEO, said: “AGA’s inaugural Gaming CEO Outlook reflects the strength of our recovery and consumer demand for our world-class entertainment offerings.

“The promising outlook is built on our innovation, but like many industries, supply chain and worker shortages continue to slow our full recovery.”

With the overall result looking positive, there are still challenges that remain.

The Gaming CEO Outlook (prepared for the AGA by Oxford Economics), provides a timely measure and insight into the current and the future economic health of the gaming industry; and its recent growth expectations.

Members of the AGA CEOs and executives compiled a survey representing equipment suppliers, casinos operators and sportsbooks. Key economic factors include executive sentiment, employment, casino visitation plans and gaming revenue.

Aristocrat Technologies CEO and AGA Chairman Trevor Croker commented: “We are a more resilient industry because of the Covid-19 pandemic.

“As the gaming industry looks to 2022 and beyond, our impressive recovery will continue to create jobs, support communities, and generate needed taxes.”

GI Verdict: A positive recovery has been shown, following the global pandemic and it is said to be well underway to a strong start to 2022, with industry tradeshow and events back on track and many scheduled for the future. The evolution of gaming can re-commence in a way it once did, networking can continue which drives the sector’s recovery forward, adhering to what is hopefully a business-as-usual format.

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Evolution
1,298.60 SEK ↓ 3%

Aristocrat
45.25 AUD ↓ 4%

Wynn Resorts
84.25 USD ↓ 1%

Kindred Group
114.95 SEK ↓ 13%

888 Holdings
400.80 GBp ↓ 7%

G2E RETURNS; GLOBAL GAMING AWARDS TAKE CENTRE STAGE

This week, the Global Gaming Awards (GGA) 2021 took place on 4 October in Las Vegas, celebrating the successes of industry players from the past year.

A panel of over 100 Judges made up of many of the sector's best and brightest decided who went home with the prizes. The event was live-streamed and available to watch from the *Gambling Insider* and *Gaming America* websites, as well as YouTube.

Fourteen prizes were up for grabs, but like the Oscars, everyone had their eyes on the big five: Land-based Operator of the Year, Digital Operator of the Year, Land-Based Product of the Year, Digital Product of the Year and American Executive of the Year.

In the running were major players like BetConstruct, which alongside sponsoring the event had been Shortlisted for the Digital Product and Digital Supplier Awards, while the best land-based category is a who's-who of brick-and-mortar operators from around the world, including the likes of MGM Resorts, the Genting Group and Caesars Entertainment.

The category's digital counterpart was no less stacked, featuring big brands in the online space such as WynnBET, FanDuel and 888, while IGT, the tech multinational, was Shortlisted in no fewer than seven categories.

The American Executive Award, which was the only one to go to an individual, is a much anticipated and highly competitive category, with many founders, CEOs and other gaming heads looking to join the ranks of former winners.

Additional Awards categories included Land-Based Industry Supplier, Digital Industry Supplier, Customer Loyalty Program, Property — North America, Property — Latin America, Product Innovation, Slot of the Year, Payment Solution and Responsible Business.

GI Verdict: Also taking place on 4 October in Vegas at the Venetian Expo was the annual Global Gaming Expo (G2E), which brought a multitude of businesses and industry insiders together to show off what they have been working on.

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AUGUST REVENUE REPORTS: RI, VA, DC

Rhode Island and Virginia gaming revenues rose over last year when properties operated under Covid-caused capacity limits. Washington DC, meanwhile, was down on July.

VIRGINIA	AUGUST REVENUE (M)	% CHANGE VS 2019	% CHANGE VS 2020
Richmond	\$9.740	+98.65	+74.80
Vinton	\$2.633	+43.47	+50.66
New Kent	\$4.036	+3.51	+40.49
Hampton	\$8.395		+70.14
Dumfries	\$2.197		
Collinsville	\$0.822		
HHR Total	\$ 27.822	+161.59	+83.94
Same Store*	\$24.803	+133.18	+63.97

*SAME STORE EXCLUDES DUMFRIES AND COLLINSVILLE, WHICH WERE NOT YET OPERATING

RHODE ISLAND ALL-SOURCES REVENUE	AUGUST REVENUE (M)	% CHANGE VS 2019	% CHANGE VS 2020
Tiverton (BALY)	\$11.574	+4.36	+64.33
Twin River (BALY)	\$36.091	-7.77	+64.96
Total	\$47.665	-5.10	+64.81

SLOTS	AUGUST REVENUE (M)	% CHANGE VS 2019	% CHANGE VS 2020
Tiverton	\$9.913	+8.72	+65.15
Twin River	\$29.810	-8.87	+61.03
Total Slots	\$39.723	-5.03	+62.04

TABLE GAMES	AUGUST REVENUE (M)	% CHANGE VS 2019	% CHANGE VS 2020
Tiverton	\$6.281	-2.21	+86.61
Twin River	\$1.661	-15.81	+59.58
Total Table Games	\$7.942	-5.41	+80.23



WASHINGTON, DC. SPORTS BETTING REVENUE	AUGUST REVENUE (M)	% CHANGE VS JULY
Caesars	\$1.128	- 7.53
Gambet (Intralot)	\$0.307	- 29.14
BetMGM	\$0.058	- 61.06
Total Revenue	\$1.493	- 17.14
Total Handle	\$12.445	- 2.83

SPORTS BETTING	AUGUST REVENUE (M)	% CHANGE VS 2019	% CHANGE VS 2020	OPERATORS
Tiverton	\$0.262	+7.60	-10.61	CZR
Twin River	\$0.144	- 76.32	-77.48	CZR
Online	\$0.723		+47.46	IGT/CZR
Total Revenue	\$1.130	+32.65	-20.62	
Total Handle	\$24.043	+138.99	+4.01	

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GUEST INTERVIEW



SIMON WESTBURY,
CHIEF BUSINESS
OFFICER, DIGITAIN

*Westbury catches up with
Gambling Insider at IGB Live!*

What's it like being back at physical shows?

It's great, I've done a few interviews about this and it's actually quite funny. I've had one last week in Barcelona and I've come straight here. I've been living behind the computer screen for over a year now; I realised it in a meeting when I wasn't looking at the person I was talking to, I didn't even put my camera on. I always try to avoid putting on my camera only because I was in a tracksuit rather than dressed correctly; so it's stupid things like learning meeting etiquette again to actually listen, and pay attention, so outside of that it's been great to make new contacts as always especially here in Amsterdam. It's been great to see people I haven't seen in two years to check if they're still around.

"It seems we've been getting some good feedback about some new contacts, our existing contacts have come to see us. So, pleasantly surprising is how I'd describe this show"

How busy would you say this show has been? And were you here for both days?

We've been surprised, there have been over 6,000 visits yesterday, it's been busy constantly, but it's not just about being busy, because busy can be bad busy. It seems we've been getting some good feedback about some new contacts, our existing contacts have come to see us. So, pleasantly surprising is how I'd describe this show.

So, what do you feel Digitain has got out of it?

We say the proof is in the pudding, not when the contract is not signed, but afterwards. I think we've got some new businesses out of it, but, as I said, until the agreements are signed we don't know. We've had the ability to show our Fast Games and actually announce them to the industry,

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which is something new for us to go into. We've had great interest in Fast Games and, you know, from the account managers' side, to meet our partners and meeting all our providers, I'm making sure we are doing the best that we can to serve our purpose.

"I've been living behind the computer screen for over a year now; I realised it in a meeting when I wasn't looking at the person I was talking to, I didn't even put my camera on"

And in terms of the calendar, are you guys going to as many shows as you can the next few months, or will you be choosing the best ones?

To be honest, we chose the best ones that we attend and sponsor, I think we had a team in Belgrade last week,

a couple a weeks before we had a team in Ukraine. We've certainly got SIGMA; I've got to try and get to Armenia at the same time; it's a very packed schedule to the end of the year, but it's good, it's part of the job. It's something we enjoy and it's good to see the guys actually out from their desks, to be honest.

Final question, what are your goals for the end of the year and looking ahead to 2022?

This is a hard end of the year, the guys have got to adapt to not being on their desks the whole time, working while they're on the road. To the end of the year, we've got plenty to do with Fast Games; we'll make sure we can develop our products as much as we want in 2022. In terms of 2022 I can't comment right now and I'm not just trying to be cagey because I'm talking to the media! I think in January 2022 my role in Digitain will become very clear and I can't say more than that now. I think it will be an exciting year, it will be a challenging year; but it's one that we're looking forward to.

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