



WEEK 06

FRIDAY 12 FEB 2021

Sponsored by



**ANALYSIS: IS UK GAMBLING
INDUSTRY GENERATING
THE WRONG HEADLINES
AT THE WRONG TIME?**



*Make it
yours!*

THE FLEXIBLE
SPORTSBOOK
YOU'VE BEEN LOOKING FOR

CONTACT US





WEEK 06

FRIDAY 12 FEB 2021

Sponsored by



ANALYSIS: IS UK GAMBLING INDUSTRY GENERATING THE WRONG HEADLINES AT THE WRONG TIME?

THIS WEEK

- Kindred reports 4% “high-risk” revenue
- Q4 round-up: Betsson, Kambi & Evolution
- Crown Resorts deemed unsuitable for licence
- Super Bowl generates high handle across US

GUEST INTERVIEW:

- Sarah Robertson, senior business development director, Kambi



The UK Gambling Act Review is now upon us, with the Gambling Commission’s consultant period having ended, so it’s an important time for the industry.

Operators and bodies like the Betting & Gaming Council (BGC) have been at pains to point out it’s an important time for lawmakers and the Gambling Commission, too. They’ve repeatedly warned that if the wrong type of regulation is introduced, the industry will be handcuffed, tax revenue (with Bet365 owners



Make it yours!



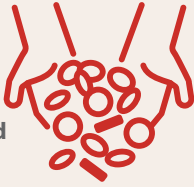
THE FLEXIBLE SPORTSBOOK YOU'VE BEEN LOOKING FOR

[CONTACT US](#)

THIS WEEK IN NUMBERS

54%

The year-on-year increase in gross winnings revenue reported by Kindred Group for Q4 2020, which was up to £363.7m (\$503.9m)



81



Arrests by police in Hong Kong across 14 illegal gambling operations in the region, which involved a five-day investigation and 100 officers

59%

The decline in operating revenue reported by Wynn Resorts for Q4, down to \$686m, a substantial drop from the \$1.65bn recorded the year prior

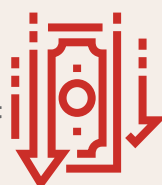


22%

Increase in problem gambling charity Gordon Moody Association's gambling therapy online chats year-on-year, to more than 6,000 for Q3 2020; applications for gambling treatment rose by 13%

KRW64.33bn

Loss South Korean operator Grand Korea Leisure reported – \$57.6m – for the full year 2020, a significant decline from 2019's profit of KRW72.4bn



being Great Britain's biggest taxpayers for the second year running) will fall and players will turn to the black market.

But it's also an equally important time for UK betting companies themselves, and the standards they are setting at such a crucial juncture for one of the world's biggest regulated betting markets.

Right now, there is perhaps an ignorance to this from some stakeholders. Indeed, in recent weeks we have seen some echoes of the fixed-odds betting terminal saga.

Instead of unity and compromise, there is simply a ploughing on as though the industry will be always right and can't be taken down a peg.

Essentially, it's the wrong time to be generating the wrong kind of headlines. And yet the industry, perhaps hubristically, is doing just that.

Last week, the Gambling Commission published its review into Aspers Stratford, where it found the London casino was guilty of player protection and anti-money laundering failures. A player had visited the casino in December 2018 and ended up committing suicide after suffering heavy losses.

Aspers Stratford was imposed with a financial penalty of £652,500 (\$894,186) and told to divest itself of the gross gambling yield it accumulated as a result of those failings – £78,233.

Aspers failed to comply with anti-money laundering processes, customer interaction rules and cash desk policy rules. In short, it did absolutely nothing by way of player protection, despite the constant claims made in our industry about how much has been done to specifically improve this very area.

Yes, this failing was in December 2018, so the casino can't be blamed for the timing of the Commission's findings being published. But gambling critics can simply point to myriad recent online cases to suggest this is still common practice.

More recently, BGC CEO Michael Dugher also made headlines that did absolutely nothing to help the industry's reputation.

Following the publication of Oxford research that suggested gambling leads to a number of health problems, Dugher found himself in a Twitter spat with Matt Zarb-Cousins, a reformed gambling addict who has done plenty of campaigning against the industry since.

Now, how accurate the research was is one matter; *Gambling Insider's* review of its flawed methodology, in fact, highlighted some of the same points Dugher did. Only deposits were measured, without accounting for win/loss or withdrawals, meaning only half the true picture was shown.

This ultimately ensured any conclusions that were reached can only be described as premature.

How Dugher went about it, however, was not helpful to the UK gambling sector's cause in any way whatsoever.

In a blunder, the *Daily Telegraph* was quick to publish an immediate article where Dugher called Zarb-Cousins 'roulette boy' and poked fun at his past of gambling addiction.

Seriously?

The BGC recently warned that UK gambling is at risk of sleepwalking into a black market disaster if the upcoming gambling review gets key issues wrong. But at this point, perhaps the industry itself needs to wake up.

How can our sector expect a fair trial if player protection failings are disclosed one after the other, and its chief spokesperson insults the other side, consequently generating national headlines?

The UK gambling industry is generating the wrong headlines at the wrong time. Let's not sleepwalk into another PR disaster. The UK Government already has the ammunition to clamp down on a sector at an all-time low in popularity. Why is the industry happily giving it more?



REEL Desire



Spin the night away!

LIVE 25TH FEBRUARY



www.yggdrasilgaming.com

26%



Amount Red Rock Resorts' Q4 revenue fell by year-on-year, down to \$343.4m, as full-year 2020 net revenue fell 36% to \$1.2bn

\$13bn

Estimated amount expected to be placed in sports wagers over the next three years in Virginia, after sports betting was launched in the state last month



8%



Decline Ohio's 11 casinos and racinos saw in January as revenues fell year-on-year, down to a combined total of \$153m, though this was up \$20m from December

KINDRED REPORTS 4% OF REVENUE FROM HIGH-RISK PLAYERS

Kindred Group has become the first gambling operator to publish its share of revenue derived from harmful gambling, reporting a 4% share of gross winnings revenue from high-risk players for Q4 2020.

The announcement comes amid attempts to contribute to a fact-based dialogue about harmful gambling, with Kindred previously revealing ambitions to have zero percent of revenue from harmful gambling by 2023.

The figure was published alongside a 76% improvement effect after interventions.

Kindred said approximately 98% of players on its platforms gamble responsibly, adding that figures on harmful gambling revenue will be updated quarterly.

"Our ambition is that zero percent of our share of revenue should come from harmful gambling, which we have worked towards for several years," said Kindred Group CEO Henrik Tjärnström.

"We constantly strive to become even better at identifying players that exhibit risky gambling behaviour and guide them back to healthier gambling habits. We want gambling to be simple and enjoyable for everyone."

Kindred's plan to achieve its zero percent ambition involves increased precision when identifying harmful gambling, improved

support tools to encourage players towards healthier gambling, and clearer communication with players.

"Reducing harmful gambling in society is a long-term process which requires a fact-based, open and constructive dialogue, not least with decision-makers," added Tjärnström. "We want to contribute to that."

"The most important thing decision-makers can do right now is to reduce the flight to unlicensed gambling operators, who fail to provide players with any safety measures whatsoever. The so-called channelisation must increase."

GI Verdict: Kindred's efforts in the responsible gambling area are genuinely pioneering within the space. The work is to be commended if figures are accurate and if there is a genuinely positive culture towards safer gambling at every level of the company.

Related to our earlier story, however, the UK media still found a way to criticise this move – trying to find a non-existent link between Kindred's findings and a fear of banning shirt sponsorships in the UK.

This only further backs up the need for the gambling industry to be smart where it can and avoid creating needlessly negative headlines.

THE WEEK IN QUOTES

“We don’t even have a bill that has been filed in the Senate on the issue. When you don’t even have a sponsor, it’s not even a bill you spend much time on or think about. I don’t spend much time on it because the members are just against it. There’s so much infighting and competition amongst all the people in that [gaming]arena. That’s why it never goes anywhere. And so it’s not even an issue that’s going to see the light of day this session.”

Texas Lt. Gov. Dan Patrick shuts down the progress of sports betting legislation, a day after five Texas professional sports teams announced the creation of a coalition in favour of bringing legalised sports betting to the state

BETSSON, KAMBI & EVOLUTION ALL POST SIGNIFICANT REVENUE GROWTH FOR 2020

Three Nordic-based giants in the sports betting and online gaming market have all posted significant revenue rises for full-year 2020.

Evolution saw its year-on-year operating revenue increase by 53% for 2020, rising to €561.1m (\$680.5m) for the period.

The supplier saw its profit for the period increase 90% compared to 2019, up to €284.6m, while EBITDA improved 82% coming in at €332.2m.

For Q4, Evolution’s operating revenue saw a 68% increase to €177.7m, with profit for the period up 72% to €80.6m. EBITDA for the quarter was up 72% compared to the same period a year prior, to €96.2m.

Kambi’s revenue rose 28% for 2020 to €117.7m for the period. The supplier also saw operating profit significantly rise by 119% compared to 2019, up to €32.2m, while profit after tax saw a 130% improvement at €24.1m for 2020. For Q4, group revenue was up 76% to €46.9m, with operating profit soaring 260% to €22.2m. Profit after tax rose 275% to €17.3m and operator turnover was up 77%.

Operator Betsson followed suit, posting a 24% increase in revenue for 2020.

Group revenue for 2020 was up to SEK 6.39bn (\$764.7m), which also represented an organic increase of 20%. Net income for the year came in at SEK 990.8m, with operating income increasing 30% to SEK 1.13bn. Gross profit for the operator was up 20% to SEK 4.1bn, while EBITDA increased by 21% to SEK 1.48bn.

In terms of Q4, revenue was up 37% to SEK 1.76bn, while gross profit increased 33% to SEK 1.11bn.

GI Verdict: A rise in online gaming, and the fact the sporting calendar returned to a busier schedule than ever in Q4, has helped all three of these major players report considerable boosts. The Q2 struggle during the suspension of live sport seems very much a thing of the past, and with a ‘new normal’ very much established both in the sports betting and online sphere, expect further improvements for online-focused operators and suppliers as we move through 2021.

SUZOHAPP

Simplify Your Sourcing



Your Complete Source for Gaming, Amusement and Sports Betting

“The NHL’s on-ice product provides fans with captivating, nonstop action – it is a privilege to join forces with the NHL and its forward-thinking team, complementing that action with PointsBet’s sports betting product.”

Johnny Aitken, CEO of PointsBet USA, on the Australian operator’s multi-year strategic partnership with the National Hockey League

“We hope you will understand the various attractions of an IR, the job creation, positive impact on Yokohama’s economic development and the contribution to the city’s finances. I believe this will be one of the sparks needed for economic recovery after coronavirus.”

Yokohama city Deputy Mayor Toshihide Hirahara speaking during the first of six public online briefings outlining the city’s IR plans

CROWN RESORTS DEEMED UNSUITABLE TO HOLD CASINO LICENCE

After an 18-month investigation, former Supreme Court judge Patricia Bergin has released her final report on Crown Resorts, stating it is “quite unsuitable” to hold a casino licence in New South Wales.

Bergin oversaw a public inquiry into the allegations that Crown’s Melbourne and Perth casinos were used in a money-laundering scheme, and possible ties the company had to criminal gangs through its junket operations.

The former judge had to determine if the company was fit to hold a licence for its new AUD2.2bn (\$1.7bn) casino in Sydney’s Barangaroo district. During the inquiry, she uncovered a number of problems that would have otherwise remained undetected.

“Any applicant for a casino licence with the attributes of Crown’s stark realities of facilitating money laundering, exposing staff to the risk of detention in a foreign jurisdiction and pursuing commercial relationships with individuals with connections to Triads

and organised crime groups would not be confident of a positive outcome,” said Bergin. “It is obvious that such attributes would render an applicant quite unsuitable to hold a casino licence in New South Wales.”

According to BNN Bloomberg, Bergin’s report includes a suggestion for a 10% individual shareholding limit for any casino. The regulatory authorities will hold a special meeting on 12 February to discuss the recommendations and decide if any of them will be implemented.

GI Verdict: Given Crown’s reported failings in recent years, there was perhaps only one outcome here. The endless list of misdemeanours was deemed too lengthy for Crown to be allowed to continue as normal. That said, a ‘quite unsuitable’ verdict may not signal the end for Crown just yet, with the operator given hope it may gain approval if radical reforms are made, namely in terms of personnel. Several directors have since resigned.



Discover the new
BonusEngine


EXPLORE





Reward, cross-sell, and enhance your players journey in casino and sports


TAKING STOCK

SHARE PRICES COVER WEDNESDAY
3 FEBRUARY TO WEDNESDAY
10 FEBRUARY (3:30PM GMT)

Evolution
965.80 SEK  8%

Betsson AB
72.00 SEK  10%

Kambi
474.00 SEK  4%

Kindred Group
121.30 SEK  14%

Elys Game Technology
5.50 USD  4%

NEW JERSEY, NEVADA & ILLINOIS REPORT SUPER BOWL HANDLES

Nevada sportsbooks generated \$136.1m in Super Bowl wagers, with New Jersey and Illinois reporting totals of \$117.4m and \$46m respectively.

New Jersey's total was a 116% increase from 2020. Preliminary statistics from Atlantic City casinos and horse tracks show wagers on Super Bowl LV, between Tampa Bay Buccaneers and Kansas City Chiefs, resulted in gross win of \$11.3m for the state's sportsbooks, with a projected payout of \$106.1m.

New Jersey's figures include its 12 retail sportsbooks and 21 sports betting mobile apps, compared to its 10 sportsbooks and 19 online betting operators last year.

In Nevada, sportsbooks won \$12.6m in revenue to go with its \$136.1m in handle. They earned a 9.2 hold percentage, in large part thanks to the underdog Buccaneers easily covering the +3 spread by upsetting Kansas City 31-9.

In the last 30 years, Nevada sportsbooks have only lost money on the Super Bowl twice: in 1995 and 2008. This year's hold percentage was well above the average 7.6%.

Illinois sportsbooks, meanwhile, took in approximately \$46m of Super Bowl wagers. Online sports betting accounted for \$42.8m of wagers while brick-and-mortar generated another \$2.9m. Adjusted gross revenue was nearly \$7.7m for the state's eight sportsbooks. Illinois collected about \$1.1m in taxes from the game.

The rise in online sports wagers for Super Bowl Sunday reflects the state's temporary waiver of in-person sportsbook registration. This allows customers to sign up for online and mobile sports betting platforms from anywhere in the state.

GI Verdict: Super Bowl LV may not have been played under normal circumstances due to COVID-19, but it didn't stop sports bettors across the US from getting stuck into the action. Despite a relatively successful day for sportsbooks, many customers were affected by some technical problems from FanDuel and DraftKings, while some BetMGM Nevada customers were unable to deposit winnings immediately after the game. By ironing out such issues, next year's Super Bowl should be the biggest ever for US betting.

THE MOST PRESTIGIOUS AWARDS IN THE INDUSTRY



Lead Partner

BETCONSTRUCT

Category Sponsors

1XBET
PROFESSIONAL BETTING

ALTENAR

DIGITAIN

fast track

KALAMBA
GAMES

SINGULAR

Official Adjudicator

KPMG

Powered by

GAMBLING INSIDER



JANUARY REVENUE REPORT: OHIO

January gaming revenue dropped 8.42% to \$153.361m year-over-year but rose 15.67% from December.

TOTAL GAMING	JANUARY REVENUE (M)	ANNUAL CHANGE (%)
Hollywood Toledo (PENN)	\$18.011	+14.45
Thistledown (JACK)	\$13.311	+12.77
Hollywood Dayton (PENN)	\$10.671	+6.47
Scioto Downs (CZR)	\$15.436	-1.22
Hollywood Mahoning Valley (PENN)	\$10.756	-2.78
Belterra Park (BYD)	\$6.621	-8.91
JACK Cleveland (JACK)	\$16.525	-9.67
Hollywood Columbus (PENN)	\$17.958	-12.12
Miami Valley Gaming (CHDN/Del North)	\$13.715	-12.16
MGM Northfield Park (MGM)	\$17.987	-21.51
Hard Rock Cincinnati (Hard Rock)	\$12.372	-33.77
Total	\$153.361	-8.42

CINCINNATI	JANUARY REVENUE (M)	ANNUAL CHANGE (%)
Belterra Park (BYD)	\$6.621	-8.91
Hard Rock Cincinnati (Hard Rock)	\$12.372	-33.77
Cincinnati Total	\$18.993	-26.80

CLEVELAND	JANUARY REVENUE (M)	ANNUAL CHANGE (%)
Thistledown (JACK)	\$13.311	+12.77
JACK Cleveland (JACK)	\$16.525	-9.67
MGM Northfield Park (MGM)	\$17.987	-21.51
Cleveland Total	\$47.822	-9.79

MULTIPLE PROPERTIES	JANUARY REVENUE (M)	ANNUAL CHANGE (%)
PENN	\$57.395	+0.24
JACK	\$42.208	-0.87

AffiliateCon

JOIN THE CLUB FOR FREE

GUEST INTERVIEW



SARAH ROBERTSON,
*SENIOR BUSINESS
DEVELOPMENT
DIRECTOR, KAMBI*

Robertson speaks exclusively with Gambling Insider about Kambi's deal with JVH gaming and entertainment group. With online gaming and sports betting finally set to launch in the Netherlands this year, all eyes are on the Dutch digital market



How important was Kambi's deal with JVH gaming and entertainment group, in terms of expanding to new and emerging markets in Europe?

This is an important agreement for Kambi. We're pleased to have struck a long-term partnership that fits clearly with our strategy of partnering with high-potential local operators, who have ambitions to achieve a leadership position in regulated markets.

JVH group has a particularly strong heritage in the Netherlands, operating more than 80 casino properties

across the country, and they view Kambi's high-performance sports betting technology as a crucial component for building on that heritage with an excellent online sports betting offer.

What do you see as the partnership's biggest benefits for Kambi?

From Kambi's perspective, this partnership with JVH puts us in an excellent position to capitalise on the forthcoming regulation of sports betting in the Netherlands with a partner

**SBC | DIGITAL
ITALY**

**17 FEB 2021
#SBCDIGITALITALY**

THE PREMIER ONLINE EVENT FOR BETTING AND GAMING IN ITALY



750
DELEGATES



25
SPEAKERS



10
EXHIBITORS



SPEAKER PREVIEW



CARLO DI MAIO
Managing Director
Gamenet Group



PIETRO LECHIARA
MD Italy
Betsson Group



FABIO SCHIAVOLIN
CEO
SNAITECH S.p.A



DANIELA LANZOLLA
Director of Gaming
SKS365



LUDOVICO GALVI
President
GLMS



MARCO CASTALDO
CEO
Microgame



ALEXANDER MARTIN
CEO
SKS365



QUIRINO MANCINI
Partner
Tonucci & Partners



ALESSANDRO ALLARA
Chief Digital Officer
Gamenet Group



NATALIE BERENATO
Head of Online Marketing
OlyBet



ALESSANDRO GRAZIOSI
Digital Director
SNAITECH S.p.A



SHAUN SIMMONDS
Managing Director
Superstar Digital

who has the ambition and vision to be at the forefront of the market. JVH group is the country's largest private casino operator, welcoming more than four million guest visits annually, and Kambi's digital capabilities can springboard the operator to capture extensive online market share.

JVH group will benefit from our deep sports betting offer, and the extensive differentiation capabilities we provide across crucial player-facing elements, including front-end and odds. Our powerful suite of open APIs gives our partners the opportunity to build their own IP on top of our technology. To illustrate this differentiation capability, only recently a Kambi partner released its front-end containing not one piece of Kambi code, enabling it to offer a truly unique experience.

The partnership also significantly strengthens Kambi's premium sports betting network. We harness the extensive real-time data generated across our network of 30-plus partners to continually enhance our algorithmic trading models, leveraging this analysis to deliver actionable insights from which all our partners can benefit.

How big of an opportunity does the Netherlands in general present for Kambi?

We want to launch as soon as regulation allows. Our track record in Sweden, where we launched in 2,000 retail stores with ATG on day one of the market opening in 2019, underlines the quality of our regulatory team and our ability to efficiently pivot our technology to satisfy any compliance framework. We are excited about the potential of our partnership with JVH group and look forward to working closely with them to unlock the opportunities it affords.

Do you see the Netherlands thriving once it launches in the second half of 2021, given how overdue the regulation is?

Kambi is always evaluating opportunities in regulating markets and was very pleased to see regulation of sports betting in the Netherlands take a big step closer through the Remote Gambling Act. We fully expect the Dutch regulated market to thrive, with the Netherlands being a major European nation with a strong sporting heritage. That heritage, combined with top local and international operators displaying an appetite to invest, should mean the market is a significant one from the off.

I would also say that from a Kambi perspective, regulation is only overdue in the sense that we would like to see all markets adopt a locally regulated model. However, for any market it must be a priority that this regulation is well thought out and that the implementations are not rushed.

Are there serious fears or doubts that the market could be too restrictive, as we've seen in Sweden and with the proposed launch in Germany? How would you rate the regulations compared with other big-name markets in Europe?

The early signs are that the regulation will follow the trends seen in other European countries you have mentioned. That is no surprise, and it's absolutely right that operators and providers in the betting and gaming industry are held to a high standard in any locally regulated market.

Kambi puts the highest standard of corporate probity at the forefront of our business, and our unblemished compliance record is a testament to this. Kambi is a provider that never views regulation, and the intricacies thereof, as anything other than something to be embraced.

It's important that regulation strikes the right balance, and there are certainly questions that certain sections of the regulation, such as those that govern in-play betting, are not as even-handed as they could be.

The right balance must be struck between protecting consumers and allowing the regulated operators to offer them an attractive proposition, lest black market operators view this as an opportunity to achieve market share.

After entering the Dutch market, what other new markets are next on the horizon for Kambi?

We continually assess opportunities in newly regulated markets and those that are in the process of enacting regulatory frameworks. We will continue to expand in the US, where we are live in 13 states and have a number of ambitious partners.

Looking to Europe, there are promising steps forward being taken in markets such as Germany. Furthermore, we are closely monitoring opportunities in Canada, as well as Latin America, having recently put pen to paper on a partnership with Casino Magic in Argentina.

LATEST ISSUE OUT NOW
Click [HERE](#) to view





THE FLEXIBLE SPORTSBOOK
YOU'VE BEEN LOOKING FOR

CONTACT US