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WEEK 35

FRIDAY 2 SEP 2022

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IGT SETTLEMENT; COTTLE STEPS DOWN

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THIS WEEK

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- **REVENUE GROWTH FOR AINSWORTH**
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WEEK 35

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IGT MAKES \$415M SETTLEMENT, SIGNS WITH NEW YORK LOTTERY UNTIL 2026

BARRY COTTLE STEPS DOWN AS LIGHT & WONDER CEO



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The supplier aims to end the class action lawsuit, while also extending its deal with “one of the most successful lotteries in the US”

International Game Technology (IGT) will contribute to a \$415m settlement intended to end a class action lawsuit connected to DoubleDown Interactive (DDI).

The suit, *Benson v DoubleDown Interactive*, concerns DDI's social casino product, which the plaintiffs allege violated Washington State law.

IGT acquired DoubleDown in 2012 before selling it for \$825m to DoubleU Games in 2017. The supplier has also entered into a long-term agreement to offer content on DoubleDown Casino.

As a result, IGT was implicated alongside DDI in the plaintiffs' lawsuit. However, both IGT and DDI have now announced an agreement to settle the suit and associated proceedings.

A total of \$415m will be paid into a settlement fund, of which IGT subsidiaries will contribute \$269.75m while DDI will contribute \$145.25m.

In turn, “all members of the nationwide settlement class who do not exclude themselves will release all claims relating to the subject matter of the lawsuit.”

This agreement will only take effect after receiving court approval. A statement from IGT read: “The agreement in principle, entered into by certain subsidiaries of IGT and DoubleDown, remains contingent on final court approval by the US Federal District Court for the Western District of Washington.”

Subject to final court approval, IGT and DoubleDown have also “resolved all indemnification and other claims between themselves and their respective subsidiaries and affiliates relating to the Benson Matters.”

IGT also offered a forewarning to stakeholders. As a result of this settlement, it will accrue a \$119.75m non-operating expense in the third quarter.

Speaking at the time of the \$825m deal, IGT CEO Marco Sala said: “Since acquiring DoubleDown in 2012, IGT has grown it into one of the largest and most successful brands in the North American social casino market.

“After several years of strong, organic growth and increasingly attractive valuation levels, the time is right for us to maximise the value of this asset for our shareholders. We will continue participating in the growth of the social casino market through our multi-year, strategic partnership with DoubleU Games.”

In other IGT news this week, the group's subsidiary IGT Global Solutions Corporation has signed a four-year contract extension with the New York Lottery, with the deal extending the current contract to August 2026.

As part of the extension with “one of the most successful lotteries in the US,” the supplier will launch a new claims and payments system. The group will also continue to provide the New York Lottery with its lottery central system and related technology, retailer training, field services, call centre

support, instant ticket warehousing and distribution and upgrades to the infrastructure.

“IGT has built a trusted partnership with the New York Lottery since 1986,” said IGT COO, Global Lottery Jay Gendron. “For more than 35 years, we have worked collaboratively with the Lottery to deliver world-class, innovative solutions for retailers and players alike.”

The supplier currently has more than 475,000 point-of-sale terminals in customer jurisdictions worldwide. As noted by Seeking Alpha, shares of IGT ticked up 0.05% pre-market to \$18.75 vs. the 52-week trading range of \$16.46 to \$32.95.

GI Verdict: IGT will be eager to put the class action lawsuit to bed as early as possible, and its latest decision looks set to achieve exactly that. It has been an unwelcome distraction for the group in recent times.

“After several years of strong, organic growth and increasingly attractive valuation levels, the time is right for us to maximise the value of this asset for our shareholders”

With negative connotations for just about every party involved, lawsuits will only hurt the reputation of a major company, with DoubleDown Interactive seemingly equally keen to put this issue behind them.

While not coming as a surprise to shareholders, the aforementioned \$119.75m non-operating expense in the third quarter will undoubtedly still be frustrating, and will come off the back of a \$150m non-operating expense from the company's Q2 report earlier this month, arising from “ongoing legal proceedings related to Double Down Interactive LLC's social gaming business”.

The contract extension with the New York Lottery, meanwhile, is more straightforward news in what has been a busy few days for IGT. The two parties know each other very well, having worked in close proximity for several years now, and so the extension looks set to continue to work well on both sides for the years to come. IGT certainly holds the New York Lottery in high regard, and evidently sees this particular lottery as an important part of its operations going forward.

THIS WEEK IN NUMBERS

23%

Year-on-year GGR increase reported by Allwyn for Q2



**CA\$4bn
(US\$3bn)**



Total wagers taken in Ontario from April-June

70%

Number of Australians who believe gambling ads should be banned according to a poll from The Australia Institute



\$15.9m

Second quarter revenue reported by Gambling.com Group



**£231,000
(\$270,000)**

Amount Ladbrokes reportedly allowed Simon Rose to lose, prompting him to launch a High Court action



BARRY COTTLE STEPS DOWN AS LIGHT & WONDER CEO

Long-time Light & Wonder CEO Barry Cottle has stepped down, triggering a search for his replacement. In the meantime, Matt Wilson will occupy Cottle's old job.

Light & Wonder's interim CEO is currently Group Chief Executive of Gaming, a role he will continue to perform alongside his new responsibilities.

However, this arrangement may not last for long. The company's board has already commenced the search process to identify a permanent replacement.

To this end, Light & Wonder has engaged a leading national executive search firm. This search builds on the board's well-established succession planning process, Light & Wonder noted, and will include both internal and external candidates.

Wilson commented: "I am honoured to take on the role of interim CEO during this exciting time for our company."

"With a streamlined organisation, sharpened strategic focus and strengthened balance sheet, we are now better positioned than ever to capitalise on the incredible opportunities ahead for the business."

"I look forward to working closely with the rest of the leadership team in this new capacity as we continue to accelerate our progress as a sustainable growth company."

Alongside stepping down as CEO, Cottle has bowed out as President and relinquished his seat on Light & Wonder's Board, though he will act as a consultant to support a "seamless transition."

Cottle had occupied the top job

since 2018, back when Light & Wonder was still Scientific Games. However, his tenure has now come to an end amid a wider shakeup.

In addition to the group's aforementioned name change earlier this year, Light & Wonder agreed to sell its lottery business and OpenBet brand.

Light & Wonder's Executive Chair, Jamie Odell, thanked Cottle for his service, but believed now was "the right time" to make a "leadership transition."

"As we enter the next chapter of our growth journey as the leading cross-platform global game company, we are confident that now is the right time to make this leadership transition," he said.

"Our Executive Vice Chair, Toni Korsanos, and I have worked closely with Matt for over 10 years, including most recently as he has successfully worked to turn around and reposition Light & Wonder's gaming business for long-term growth."

"We are confident that his strategic insights, deep industry knowledge, rich experience and impressive track record make him the ideal person to serve as interim CEO during this transition period."

GI Verdict: A new name needs a new face, or at least Light & Wonder seems to think so. Cottle's five-year tenure has come to an end amid a broader reorganisation. The group is committed to change – and that includes a change in leadership. However, Cottle has left on good terms and his legacy is largely a positive one.

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facility in Las Vegas
opened by Circa
Resort & Casino

\$1m

Prize won by a
Brooklyn nursing
student through
Jackpocket



SEK 2m (\$188,470)



Penalty fee
issued to ATG by
Swedish regulator
Spelinspektionen

NEVADA REPORTS \$1.31BN GAMING WIN FOR JULY

Nevada's non-restricted gaming licensees have reported a total gaming win of \$1.31bn for the month of July 2022.

As reported by the Nevada Gaming Control Board, the total represents a 3% decline from July 2021, when licensees reported a gaming win of \$1.35bn.

Clark County represented the majority of total revenue at \$1.12bn, down 3% from the prior-year period, when revenue was \$1.16bn.

Within Clark County, Las Vegas Strip revenue was down 3% year-on-year to \$773.3m, with Downtown and North Las Vegas revenue amounting to \$60m and \$24.5m respectively, year-on-year declines of 16% and 4%.

Laughlin and Boulder Strip reported revenue totals of \$42.8m and \$72.7m respectively. The former was equal when compared to the prior-year period, with the latter increasing by 4%. Mesquite was also equal when compared to the prior-year period at \$14.1m.

Washoe County revenue totalled \$94.7m, down 5% from the prior-year period, while South Lake Tahoe reported revenue of \$31.8m, a 1% year-on-year

decline. Carson Valley Area revenue also declined year-on-year, down 3% to \$11.7m.

Elko County was the only area to report a positive year-on-year change, with revenue climbing 5% from July 2021 to \$35.9m.

The Nevada Gaming Control Board also reported that the state collected \$90.3m in percentage fees during the month of August 2022, based upon the taxable revenues generated in July 2022.

The total represents a 7% decline compared to August 2021, when percentage fee collections were \$97.7m.

GI Verdict: Despite the minor decline, the huge total will be welcomed by interested parties, particularly given that July 2022 was up against July 2021, the latter representing the single-highest revenue month ever recorded by gaming properties across the state.

This July represents Nevada's fourth-highest all-time total, with the demand for gaming evidently remaining strong as customers continue to benefit from a busy month that included a UFC event at T-Mobile Arena and the residency by Usher at Park MGM.

THE WEEK IN QUOTES

"A continuation of the status quo is unacceptable. Local governments need the flexibility to amend their ordinances to add additional tables, as each table can generate a tremendous amount of living wage jobs and tax revenues."

Clarke Rosa, President of Communities for California Cardrooms, on a proposed extension to the Golden State's moratorium on new cardrooms

"I am confident that my experience in commenting and streaming, as well as my understanding of the esports audience and the iGaming scene, will help me in this partnership. This is an opportunity to go outside the box and find new ways to be useful – both to the esports community and Softswiss."

CS:GO commentator Kostya Sivko on becoming a Softswiss brand ambassador

PAYSAFE BRINGS SPORTRADAR'S ALEX GERSH ON BOARD AS NEW CFO

Paysafe has appointed a new CFO, Sportradar's former finance boss: Alex Gersh. He will assume his new role on 3 October, joining Paysafe from Sportradar, where he also served as CFO.

But more broadly, Gersh will bring 25 years of experience in senior finance positions to Paysafe. Among his previous roles, Gersh served as the CFO of Paddy Power Betfair – now Flutter Entertainment.

Paysafe's CEO, Bruce Lowthers, said of Gersh's appointment: "Alex is a highly talented finance executive with a proven track record of driving growth for the international companies he has helped to lead."

"I know he will be a real asset to our team as we continue our path to accelerate growth and drive long-term value for all our stakeholders."

Gersh's appointment has also put an end to industry speculation. When Sportradar published its Q2 results in mid-August, the company announced that Gersh had decided to step down as CFO to accept

another position in the US.

However, Sportradar did not disclose which company he would move to, but this has now been revealed following Paysafe's announcement.

Regarding his appointment, Gersh said: "I very much look forward to bringing my knowledge and insights to my new role at Paysafe and being part of this ambitious company's future growth story."

Gersh replaces outgoing Paysafe CFO, Izzy Dawood, who will leave the company in the coming weeks. In Gersh's hiring announcement, Lowthers praised Dawood for his contribution to the business.

GI Verdict: So now we know where Gersh has gone, but why? Given the company's recent financial results, Paysafe is probably hoping Gersh will be able to help steady the ship. His appointment also comes shortly after Rob Gatto was named Chief Revenue Officer in early August, reflecting a wider focus on financial growth.

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"We are excited to be launching on the starting line and having our outstanding sportsbook product available to the people of Kansas from day one. With NFL season kicking off on 9 September, the timing is perfect to showcase our NFL in-play betting capabilities in particular."

Sam Swanell, PointsBet Group CEO and MD, on being awarded a provisional certification for sports wagering in Kansas

"This has been a monumentally challenging journey to date, and to see it come to life is an amazing achievement for our team. That being said, this is only Prophet's first major milestone, and we will not lose sight of our north star: becoming the mainstream sports betting platform in the United States."

Prophet Exchange Co-Founder and CEO Dean Sisun after the platform launched in New Jersey, becoming the first sports betting exchange to legally establish itself in the US

AINSWORTH TARGETS NEW MARKETS AMID REVENUE GROWTH

Earlier this week, Ainsworth Game Technology (AGT) posted its financial results for the year, which showed a robust 38% annual increase.

The total revenue for the year amounted to AU\$220.2m (US\$152.6m), which helped the gaming company return a profit of AU\$11.8m for 2022 – rising from a yearly loss of AU\$53.4m in 2021. Furthermore, Ainsworth's EBITDA grew to AU\$37.1m, a huge improvement after 2021's total loss of AU\$26.6m.

The strong recovery was driven by a 185% increase in the LatAm region for AGT, which also saw a 30% increase in the North American region; a factor CEO Harald Neumann highlighted after the results were posted, saying: "I am pleased to report much improved earnings from Ainsworth this year. AGT's performance continued to improve through the year driven by re-openings and recovery in many of our major international markets."

The report also revealed that international revenue now comprises

82% of AGT's business, which climbed by a hefty 50% annually.

GI Verdict: Ainsworth has had a rough couple of years, with the Covid-19 pandemic ravaging its business initially; however, the market has shown a bounce for AGT, which has seen a 50% increase in international revenue. The 2022 recovery process saw the Australian company's Queensland revenue increase by 36%, attributed to the significant easing of lockdowns on the continent – but the business has chosen to focus on new markets to diversify its income stream, and is now reaping the rewards for doing so.

It's a move Neumann noted in his remarks: "While our domestic performance does not yet reflect our potential, I am encouraged with the investments we have made to fundamentally upgrade and further improve game performance; which we expect to deliver further improvement in our results."



STEPHEN A. CRYSTAL

Founder and CEO, SCCG Management

Email stephen.crystal@sccgmanagement.com
Mobile / WhatsApp +1 (702) 427-9354

On the Web at sccgmanagement.com
igaminglaw.online
stephenacrystalesq.com

On LinkedIn at [linkedin.com/company/sccg-management](https://www.linkedin.com/company/sccg-management)
[linkedin.com/in/stephenacrystalesq](https://www.linkedin.com/in/stephenacrystalesq)



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28%

B90 Holdings
3.50 GBp



7%

Elys Game Technology
0.56 USD



14%

Las Vegas Sands
37.63 USD



4%

Penn National
31.23 USD



9%

INTRALOT'S H1 2022 RESULTS SHOW SIGNS OF RELIEF – AND CAUSES FOR CONCERN

This week, Intralot announced its H1 2022 results, which revealed the Greek gambling company had seen annual revenue growth of 3%.

Breaking down the report, Intralot made total gross revenue of €168.5m (\$168.8m) during H1 2022, with its EBITDA increasing by 1% to €55.1m during the same time. While, the company's Q2 results showed a 4% annual growth in revenue, with €88.7m.

The business was primarily driven by its lottery games and sports betting arms, which accounted for 79.8% of its total income throughout the year so far.

That said, there are some significant drawbacks to the report, too; as Intralot also revealed its net debt sat at €508.7m, and its operating cash flow had reduced by 19.2% to €41.4m.

Commenting on the stable yet mixed financial results, Intralot Chairman & CEO Sokratis P. Kokkalis said: "Intralot has recently completed a series of

strategic transactions that included a share capital increase of €129m with the participation of a new cornerstone investor, the gaining of control of 100% of Intralot Inc. in the US, and the refinancing of \$254m of notes issued by Intralot Inc. via a new term loan and RCF."

GI Verdict: The financial report has come with positives and negatives for Intralot, which will be pleased at the 3% revenue growth – but will have wary thoughts about the decline of its US performance, as its stateside revenue dropped 7% according to the H1 report.

When compared to previous years – especially 2020, which saw Intralot post a 56% revenue loss of €168.2m – Intralot can still be said to be in recovery from the phenomenal losses inflicted by the pandemic.

However, as its net debt continues to fall annually, the company will consider its 2022 performance so far as a solid set of results.



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SCOTT LAKE APPOINTED JAMUL CASINO CHIEF MARKETING OFFICER

Jamul Casino has appointed Scott Lake as its new Chief Marketing Officer.

Lake brings to the role over 25 years of experience in senior marketing management positions with established hotel and casino properties around the world.

This includes eight years with Sands China, most recently as Senior Vice President of Loyalty Marketing & Strategic Analysis. Lake led five properties in Macau - The Venetian Macao, The Londoner Macao, The Parisian Macao, The Plaza and Four Seasons Hotel Macao and Sands Macao - and was responsible for executing the casino marketing calendar and events.

Lake also spent 13 years at Caesars Entertainment, where he served in different positions, including Director for VIP Marketing and Director for National Casino Marketing.

"Scott has the leadership experience, innovative thinking, and analytical skills we need to continue building



momentum in our region," said Jamul Casino President and General Manager Mary Cheeks.

"I'm excited to see what ideas Scott has to amp up our marketing efforts."

Lake earned an MBA and BS in Hotel Administration from the University of Nevada, and is a Certified Digital Marketing Professional and a Professional Certified Marketer in Digital Marketing, from the Digital Marketing Institute and the American Marketing Association respectively.

GI Verdict: Lake's move to Jamul Casino is quite the coup for the tribal gaming location. Lake's time in Macau coincided with its most profitable period pre-pandemic, so his success is clear to see. Whether his move into California is in anticipation of sports betting becoming legalised in the state remains to be seen.

Although, it is tribes who have the upper hand in the legalisation of sports betting over America's big online operators right now.



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DOINA STEFANESCU APPOINTED PARIPLAY VP OF DELIVERY

Pariplay has appointed Doina Stefanescu as its new VP of Delivery, with the appointment coming as the aggregator and content provider aims to "further define its growth strategy."

Stefanescu joins the NeoGames subsidiary from DraftKings, where she held several roles, most recently serving as Director of Gaming Operations.

Previously, she was COO of EveryMatrix before becoming Interim CEO of Casino Engine.

Stefanescu's more than 10 years of industry experience also includes a role as Head of Casino Products at SBTech.

"We are thrilled to have Doina onboard, and this appointment further underlines our commitment to evolving our product offering and to further establish ourselves in markets around the globe," said Pariplay Managing Director Adrian Bailey.

"We believe that we offer the best service in the industry, and this move further solidifies our commitment to ensuring our delivery is world-class. Doina's industry experience is second to



none and she will become an invaluable member of the team as we execute our ambitious growth plans."

Stefanescu will define Pariplay's strategy

and address market requirements, as well as being in charge of identifying customer needs and developing business plans for each of the supplier's products.

Stefanescu commented: "I am so excited about this opportunity to join a company like Pariplay that has had a fantastic journey so far and with a bold strategy for the future."

"I look forward to implementing my knowledge and experience to deliver additional growth and strengthening operations together with the committed team at Pariplay."

GI Verdict: Two appointments in two stories; and both seem to be great acquisitions. Coming from DraftKings, Stefanescu brings a wealth of experience from a leading worldwide operator.

Not only does Stefanescu's appointment represent another woman taking up a significant position in the industry, but it also shows that women are earning a wealth of experience in key roles – an undeniable positive for gaming companies.

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JULY REVENUE REPORTS: CO, ME, RI

Fantini Research partners with *Gambling Insider* to provide weekly gaming industry data. This week, we look at revenue from all sources for Colorado, Maine and Rhode Island.

Of the three states to report, it is clear Rhode Island’s casinos were the most successful, with revenue on the rise year-on-year. In fact, it’s only sports betting that seemed to slump in the Ocean State.

Colorado’s casinos saw some positive results too, although slots and table games at Cripple Creek struggled compared to its counterparts Black Hawk and Central City.

Elsewhere, Maine’s casinos have taken a slump this month, with gaming revenue down across the board.

MAINE		
ALL-SOURCES GAMING	JULY REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Oxford (CHDN)	\$10.176	-3.50
Hollywood Bangor (PENN)	\$5.411	-4.60
Total	\$15.587	-3.89

SLOTS	JULY REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Oxford (CHDN)	\$8.970	-0.62
Hollywood Bangor (PENN)	\$4.820	-1.63
Total Slots	\$13.790	-0.97

TABLE GAMES	JULY REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Oxford (CHDN)	\$1.206	-20.65
Hollywood Bangor (PENN)	\$0.591	-23.43
Total Table Games	\$1.797	-21.58

COLORADO		
ALL-SOURCES REVENUE	JULY REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Black Hawk	\$78.012	+11.02
Central City	\$7.823	+1.54
Cripple Creek	\$15.660	-7.62
Total	\$101.495	+6.92

SLOTS	JULY REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Black Hawk	\$64.416	+8.42
Central City	\$7.562	+0.74
Cripple Creek	\$14.800	-6.70
Total Slots	\$86.778	+4.83

TABLE GAMES	JULY REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Central City	\$0.261	+31.76
Black Hawk	\$13.596	+25.22
Cripple Creek	\$0.860	-21.03
Total Table Games	\$14.717	+21.18

RHODE ISLAND

ALL-SOURCES GAMING	JULY REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Twin River (BALY)	\$42.159	+4.11
Tiverton (BALY)	\$12.298	+2.22
Total	\$54.457	+3.68

TABLE GAMES	JULY REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Tiverton	\$1.974	+5.71
Twin River	\$6.706	+0.80
Total Table Games	\$8.680	+1.87

SLOTS	JULY REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Twin River	\$35.454	+4.76
Tiverton	\$10.324	+1.58
Total Slots	\$45.777	+4.03

SPORTS BETTING	JULY REVENUE (M)	CHANGE (%) YEAR-ON-YEAR	OPERATORS
Online	\$1.727	+0.86	IGT / CZR
Tiverton	\$0.451	-19.76	CZR
Twin River	\$0.695	-29.80	CZR
Total Revenue	\$2.872	-11.99	
Total Handle	\$25.209	+14.09	

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GUEST
INTERVIEW

DECLAN RAINES,
 HEAD OF US GAMING,
 TRANSUNION

Citing a report from TransUnion, Raines discusses the cost-of-living crisis and how it will impact the gambling industry, as well as how consumer behaviour is anticipated to change

Can you give us an outline of your report? What were its aims and what were the findings?

We engaged in a complete report looking at consumers across their financial health, their debt and various other indicators of liquidity overall. We also included some questions around consumer engagement with online sports betting, and follow up questions regarding a player's spending behaviour with an operator.

This means we were able to look at the survey results and cut the data up, looking at those who engage in online sports betting vs the wider population and those who don't. Then we started to look at key differences and insights between online sports bettors and the wider population, as it relates to the different categories that we observed in either consumer financial health or debt.

The world is entering into a cost-of-living crisis. Do you anticipate sportsbooks and the industry at large to take a hit as a result of wider economic issues, particularly regarding consumer interaction with operators?

This is definitely a possibility. The backdrop to the report is the wider macroeconomic environment we currently find

ourselves in. Everybody's aware of current inflation rates, and there's an acceptance that economic headwinds are inbound. So we definitely wanted to look at the impact of inflation in the industry, while also looking into how consumers are responding to these concerns. Then, we would once again look at the data in terms of sports bettors vs the wider population. This way we were able to look at how consumers are changing their spending behaviour, and we did find that there are currently high levels of concern around inflation. The threat of inflation looks set to impact discretionary spending and other spending, which will of course have an impact on the industry.

At the beginning of the report, we do set the stage of drawing the relationship between consumer liquidity at the macro level and the industry's wider performance. Obviously, over the last two years in the Covid-19 environment here in the US, we've seen rapid expansion and growth in the online sports betting market – more so as states continue to come online. Over this time, more consumers have chosen to engage with regulated sports betting, but now we see the impact of inflation start to hold; as the relationship between liquidity and the industry's performance starts to take a downturn, with consumers starting to alter their spending behaviour.

The report notes that 54% of frequent bettors are high earners in the US; why do you think that is?

The easy answer is to say that if you're earning a high income, you have more discretionary spending available to you. Choosing to engage in regulated sports betting is one way to go about spending that high income. We've also seen incomes generally increase over the last few years and inflation impacting on salaries, causing them to rise. Employers are having to offer cost of living increases, so you're seeing income being stretched. Whereas, a couple of years ago, earning over \$100,000 meant you had a higher level of spending power.

I would also say that looking at high income is a broad term; it lacks the nuances found in our everyday lives. You can see that even though sports bettors have higher incomes and are choosing to engage in online sports betting, you're starting to see higher levels of concern around their ability to pay bills and loans as well.

Betting on sports and paying bills are not mutually exclusive. You can earn a higher salary but still be worried about the

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future, and your ability to keep on top of things like your mortgage or credit card payments. These issues can and do all exist independent of each other.

As the cost-of-living crisis deepens, what are the changes you anticipate from sports bettors?

We've observed that the relationship between consumer liquidity and industry performance is statistically significant to the point where we're confident in publicly describing the nature of that relationship. Extending that forward, we're comfortable in saying the industry cannot expect to be immune to these economic headwinds. Generally, you're seeing behavioural changes from consumers not only within sports betting; consumers are moving away from online subscription services to free online streaming services. So there are other ways that people are altering their behaviour, and we absolutely anticipate that the gaming industry is not going to be immune to people cutting back on spending.

As the economic climate worsens, how much more important will it be to protect gamers, given operators may feel inclined to improve their offerings if player numbers dwindle?

Absolutely. The one takeaway from the report is how important it is to identify signals of distress, but also

resilience. Having a better understanding of your players beyond first party data, and having a knowledge of their overall identity and a picture of that player, helps operators to make more informed choices. Having more data and more insights at their disposal means operators will be able to make more responsible decisions, protect players while supporting sustainable play – if we do find that these economic conditions continue to deteriorate.

Michael Dugher from the Betting and Gaming Council believes the economic effects on sportsbooks will be significant, saying the UK Government needs to take "urgent action" to support the UK industry as the economic climate worsens. Is this view supported in the US?

I think it's fair to say that if economic conditions deteriorate here in the US, and consumer finances continue to be hit, then we're absolutely going to see a significant impact to the industry. Of course, there will be impacts on other industries too. I think a hit to the gaming industry is definitely something you can expect to see; it's just to what degree it gets to. People are going to alter their discretionary spending; they're likely to alter their spending on online sports betting services in response to inflation, as people across the country start tightening their budgets.

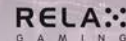
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A DIVERSIFICATION OF JOB TITLES

Much is – rightly – made of the need for greater diversity within the gaming industry. Sometimes, it might be for the wrong reasons i.e. platitudes and filling quotas, rather than appointing or promoting someone on merit. But we need greater gender and ethnic diversity within gaming boardrooms: there is a clear business case for it.

The industry is slowly doing something about it, as evidenced by recent appointments (such as some of the ones we've reported on in this week's *GI Friday*). But the gambling sector has actually been far more creative in a different area of late: the diversification of some of its C-level positions.

This week, for instance, PointsBet hired a Group Chief Strategy Officer and Konami hired a Chief Games

Product Officer. And the most interesting recent example came from Light & Wonder, which hired Roxane Lucas as its new Chief People Capability Officer, a move that really stood out to *Gambling Insider* at the time.

Now, given the fact Elon Musk changed his job title to 'Technoking,' we may ultimately take all job titles with a pinch of salt. But perhaps the balance within our sector is shifting? While everyone will be familiar with the most common C-level titles – CEO, COO, CFO and even CTO (given this is, after all, a very tech-heavy industry) – there has definitely been a movement towards more 'CPOs' in gaming.

And that's in both senses of the title: Chief People Officer and Chief Product Officer. Product is, naturally, essential in an industry like gaming, where so many casino games and sports betting platforms will be extremely similar – almost like DNA, where 99% of genes will be the same across multiple species.

But more noticeable is the trend towards people. For example, XLMedia just this week hired a Chief People and Operations Officer. Multiple interviewees have told *Gambling Insider* that people can be both the best and worst aspect of their business! It is, then, undeniable that people – not numbers or software – are the core of a company, from the very first employee to the last.

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