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WEEK 41

FRIDAY 14 OCT 2022

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G2E KEYNOTES AND C-LEVEL HIRES



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WEEK 41

FRIDAY 14 OCT 2022

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THIS WEEK

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Houlihan & Lokey



G2E KEYNOTE: DUELING KINGS?

APPOINTMENTS ROUND-UP: LIGHT & WONDER, MGM RESORTS AND ARISTOCRAT

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The CEOs of FanDuel and DraftKings sat down at G2E to discuss the sports betting market and their own relationship in business

▶ G2E has always thrown together some interesting combinations, and this year was no different when CEO of FanDuel, Amy Howe – who won a Global Gaming Award earlier in the week for Best American Executive – and Jason Robins, CEO of DraftKings, took to the stage to discuss sports betting in the US.

As the two CEOs of the biggest sports betting operators by market share currently operating in the US took their seats, an air of caution permeated the air – would Jason Robins continue his trend of unwavering and cutting comments to his fellow panellists? Would Amy Howe's relative inexperience show?

After getting comfortable, the conversation began with a question about what effect the current American football season is having on the industry, and what it says about where it is going.

Robins thought for a moment, before outlining his ideas, "I always refer to the NFL as our holiday season, it's the time where the most new customers are coming into the market. The numbers are up from where they were a month ago.

"Market conditions being what they are now makes it hard to get deals done"
– Jason Robins

"Now is a really important time to execute, because even though there's a lot of other sports and stuff going on, it really sets the tone for the rest of this year going into next year. If the NFL, which is the most popular sport in the country, is doing well, typically everything is doing pretty well."

Howe agreed with Robins' assessment of the market, while also highlighting her goal of getting more women involved and which areas of sports betting excite her most, saying: "Yeah, I agree with what Jason said, the NFL is by far one of the most exciting periods of the year for our organisation. We start planning as soon as the last Super Bowl is over.

"There are a few exciting things (about the market right now), if you look at our first-time bettors, more than 50% of those are moving to parlays and player props, which are the kind of things that are changing the narrative of the live sporting event. And we have been making a push to broaden the platform; for instance, by bringing more women to it."

The conversation then turned to the trend of acquisitions and mergers in the market and if there will be a pause in the trend, with Robins saying: "Certainly, in the short-term, yes. Market conditions being what they are now makes it hard to get deals done."

Howe was then asked about whether physical casinos were a part of the future for FanDuel: "It's something we have thought about, but the reality is 'how do we drive customers to our platform?' You're trading investments like brick-and-mortar casinos against other investments. For the time being, we feel we have been able to effectively do that."

Throughout the discussion, Howe and Robins showed a shared consensus on where the industry is and should go – neither played mind games. Instead, both were refreshingly open and, before bringing the discussion to an end, offered an insight into their personal relationship – with Robins commenting on the year Howe has spent in the industry, after becoming CEO of FanDuel in 2021.

"Amy has come in and done a fantastic job, it's hard enough to come into a new job, but when you're in the midst of an industry being built, everything is happening all at the same time. So, to be able to absorb it as quickly as she did, while doing the job she's done is remarkable.

"We speak a lot, and you can tell she gets it. It helps that we're very philosophically aligned, we're focused on the same objectives. That makes it easy to work together. I feel lucky, I was nervous when FanDuel was bringing in a new CEO, I was thinking, was I going to get somebody that was going to want to take things in a totally different direction? But I found from our first conversation that we think the same way."

It was a moment of humility rarely seen among two leaders of industry in direct competition, with Howe further adding to Robins' comments: "It's a very different dynamic coming in from the outside where you're competing but you're able to be friends too. That dynamic is very different from where I came from and it's actually quite refreshing."

Robins then ended the talk on the two's Kumbaya moment, stating: "You have to collaborate on things when you're helping to build an industry, it's really important, because sometimes you end up with weird gaming laws that don't make a lot of sense. You step back and think, why did they do that? It's because the stakeholders couldn't get on the same page and ended up advocating for different things, which just confused the policymakers, and then they did something that didn't make sense."

Jason Robins and Amy Howe have both featured in *Gambling Insider's* CEO Special, with Howe appearing in the most recent 2022 edition.

TAKING STOCK

SHARE PRICES COVER THURSDAY 6 OCTOBER TO THURSDAY 13 OCTOBER (10:00AM GMT)

Entain
1,112.50 GBp  3%

Playtech
487.20 GBp  3%

The Rank Group
58.00 GBp  16%

La Française des Jeux
30.30 EUR  3%

Penn Entertainment
29.31 USD  8%

Bally's
20.86 USD  3%

Rush Street Interactive
3.55 USD  11%

Genius Sports
4.04 USD  8%

APPOINTMENTS ROUND-UP: LIGHT & WONDER, MGM RESORTS AND ARISTOCRAT GAMING

The air is thin at the top and likely thinner after this week's round of senior appointments. Three men have scaled the corporate mountain and now stand on its summit... or near enough.

So let us don our climbing gear and ascend this snowy peak. First up, Joe Kaminkow has been named Aristocrat Gaming's Chief Innovation Officer.

The new, expanded position will see him work to drive innovation across the group, covering areas such as new product introduction and mobile game genres.

"In this newly dedicated role, we look forward to Joe's focused efforts to help our teams take their product portfolios to the next level," said Aristocrat Gaming CEO Hector Fernandez.

The new role extends Kaminkow's lengthy association with the group, which dates back to his initial appointment as SVP of Game Development in 2013.

He previously served as Chief Creative Officer at Zynga, and holds over 130 patents spanning the fields of game design, operations and networks.

Meanwhile, over at MGM Resorts International, Gary Fritz has been named President of MGM Resorts Interactive.

In this capacity, he will oversee and work to advance the group's diversification strategy by expanding its digital platforms organically and through acquisitions.

This includes driving growth and innovation through its sports betting and iGaming platform BetMGM.

Bill Hornbuckle, MGM Resorts CEO and President, said: "Gary will play a vital role in MGM Resorts' diversification strategy and drive our investment in digital innovations."

Fritz previously served as Head of Gaming for IAC, and recently led MGM Resorts' acquisition of LeoVegas.

Finally, at the tippy top of our corporate Everest stands Matt Wilson, who has become President and CEO of Light & Wonder, effective immediately.

Wilson had served as interim CEO since August, taking over from Barry Cottle, and previously served as CEO of the company's Gaming business. He has also become a member of the group's board of directors

"Matt has demonstrated impressive leadership, strategic vision and a passion for our business," said Jamie Odell, Executive Chair of the Light & Wonder Board of Directors.

In connection with Wilson's appointment, Light & Wonder has named Siobhan Lane, SVP and Chief Commercial Officer of Gaming, as the segment's new CEO.

GI Verdict: There's a change in the air. As we transition from a long, hot summer to autumn proper, it's perhaps fitting that companies are taking this time to plant new seeds. Whether these will blossom or wither is hard to say, but all three have played it safe and opted for a familiar face. This offers certain benefits, chiefly a speedier integration, but sacrifices the insights that a total outsider could bring.

THE LATEST ISSUE OF **GAMING AMERICA**
IS OUT NOW [CLICK HERE TO VIEW](#)



BETTING & GAMING COUNCIL EXCLUSIVE: A LESSON FROM BRITAIN TO AMERICA

Betting & Gaming Council CEO Michael Dugher writes exclusively for *Gambling Insider* while attending the Global Gaming Expo (G2E) in Las Vegas, on why safer gambling must be hardwired into the expansion of regulated betting and gaming in the States.

North America is one of the fastest-growing betting regions in the world right now, bringing a wealth of opportunities for consumers and operators alike, including our world-leading UK operators. This unique investment from experienced British regulated betting and gaming is guaranteed to deliver jobs and growth across the US, just as it is doing in the UK, as well as crucially keep gambling crime-free.

These are exciting times but to future-proof long-term success, safer gambling must be hardwired into the expansion of regulated betting and gaming in the States. We know this from

our own experience in the UK, where our industry has been in the eye of a political storm and where we are facing an uncertain regulatory horizon. Rapid technological developments, especially online, mean the industry has to have a laser-like focus on safer gambling to build and sustain public, and indeed political, confidence.

We are confident in our arguments, which have been tested by experience. Sometimes we haven't always got it right in the UK; but British companies, operating in the most regulated and competitive of markets, are now genuinely at the cutting edge of safer gambling best practice and technology.

This week I spoke at G2E, in Las Vegas, hoping to share some of those experiences and insight. As conference venues go, especially after spending more than 25 years attending party political conferences in the UK, I've been to worse places!

I'm proud to say our members are



already leading the way, with Entain, Flutter (FanDuel) and Bally's (Gamesys) last month joining other large online operators in the US to agree the first industry-led responsible gaming standards. The 12-point pledge is a commitment to principles of responsible online gaming, setting an impressive industry benchmark.

GI Verdict: While at different stages of their journey, there are still similarities to be drawn between the UK and US markets, one of which is safer gambling.

Regardless of the region, this topic should still be focused on with great attention to detail, especially given the rapid growth of the industry. The UK and US could learn plenty from working together in this regard.



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CHINESE BLACKLIST THE PHILIPPINES OVER POGOS?

The Chinese Government has officially added the Philippines to its tourist destination blacklist, or so we thought at the start of the week.

It was Juan Miguel Zubiri, Senate President of the Philippines who told a Senate hearing: "Ambassador Huang said that the Philippines now is part of a blacklist of tourist sites because they don't know if their nationals who go to the Philippines will be safe from illegal activities [related to POGOs]."

However, a more recent update has been provided by the Chinese Embassy in Manila, which says the Philippines has in fact not been blacklisted as a tourist destination for Chinese nationals. An Embassy statement read: "The report of 'tourist blacklist' is misinformation." This contradicts the claims of Zubiri, meaning it remains unclear what China's true intentions are here.

GI Verdict: The question surrounding China's potential blacklisting of travel to the Philippines is one of fault. Who



is to blame for the role POGOs have played in leading to this potential eventuality? Online gambling is illegal in China; that has always been clear. And the Philippines gaming regulator PAGCOR has said online operators reaching into China are not even to be considered POGOs – POGOs act legally. The problem lies in the number of Chinese illegal immigrants working for POGOs in the Philippines. They come in their thousands for good pay – but, as illegal immigrants, there is always a danger of long working hours and poor labour conditions. The Philippines deports these immigrants when found,

and China condemns the Philippines for failing to crack down on businesses that lure its citizens over. On balance, *Gambling Insider* can conclude that the fault does seem to lie with China.

The role of POGOs paints a picture of China as a country where well-paying jobs are few and far between, forcing people to look overseas at illegal avenues to make a living. China potentially blacklisting the Philippines is more of an indictment of its own ability to provide adequate work for its citizens, rather than the failures of the Philippines to crack down on illegal gambling operators.

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COMING 24TH OCTOBER



YGDRASIL

THIS WEEK IN NUMBERS

£672,829
(\$742,000)



Fine handed to GGPoker by the Gambling Commission

36

Gaming machines at Wests Newcastle involved in NSW cashless trial



NOK 1.2m



Daily fine faced by Kindred before Norway's regulator chose to "pause" it

KSA CHAIR: DUTCH GAMBLING IS "CLOSER TO THE DESIRED ULTIMATE GOAL"

Kansspelautoriteit Chairman Rene Jansen has issued a review on the first year of legalised online gambling in the Netherlands, where he laid out his thoughts on the industry and where it is heading.

First, Jansen spoke of the initial stages of legalisation in the country, commenting on how divisive the decision was to approve online gambling – while also citing public desire for the practice.

"As is known, it took the Netherlands a long time to legalise online gambling; political views on this were and are divided. Ultimately, a political majority was in favour of creating a safe environment for those people who gamble over the internet. Hundreds of thousands of Dutch people already did that before 1 October 2021, even if it was illegal."

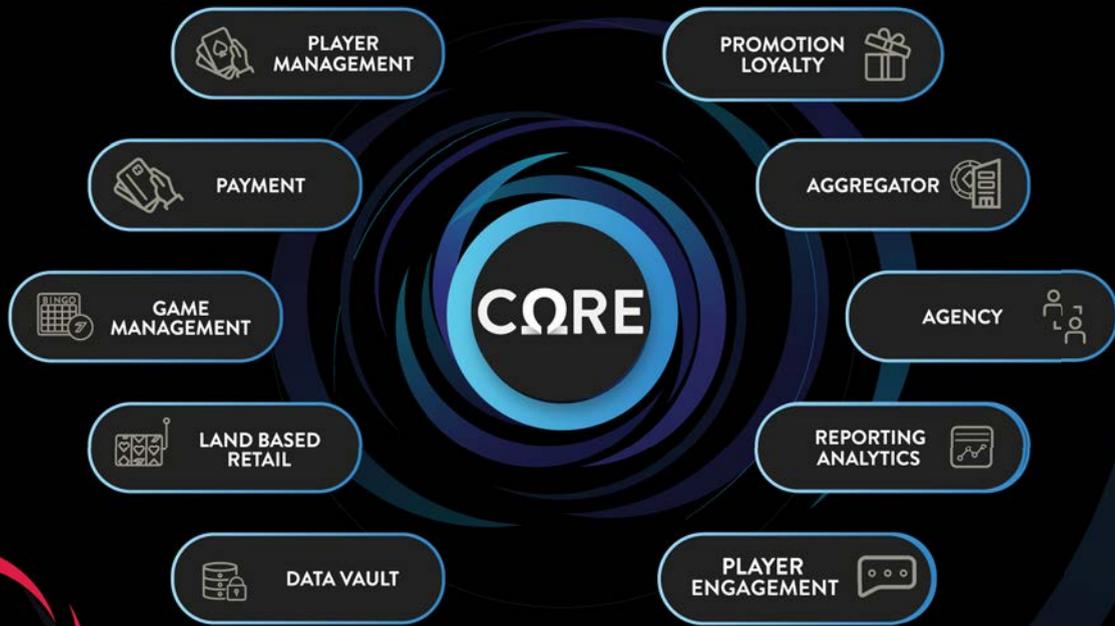
Meanwhile, Jansen also spoke of the future and the discussion around online gambling, aiming for the ideal of a completely safe gambling environment: "I very much welcome the diverse perspectives from which the results are looked at."

He added: "It helps to have the right and penetrating conversation and to walk the right paths that ultimately lead to an – ideally – completely safe online gambling environment, which intervenes in time if people lose control."

"Step by step, we are getting even closer to the desired ultimate goal: a completely safe environment for people who want to gamble online, without any place for illegal providers."

GI Verdict: Jansen's observations of the Dutch market appear well considered and fully measured. The Dutch market has employed an approach of making adjustments based on current events. For example, the Netherlands has already developed strict measures on gambling advertisements after the market became flooded upon legalisation. It could be argued there was a slight overreaction to limit gambling advertisement, hinting that the danger for the Netherlands moving forward is that too firm a response is taken to counter any issues that arise.

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Investment in
Dabble Sports
agreed to
by Tabcorp

810 AM

Radio frequency
occupied by new
Bay Area betting
-focused station
The Spread



32

American football
teams in SimWin
Sports' debut
virtual league

MONA GARLAND JOINS SCIENTIFIC GAMES AS CHIEF HUMAN RESOURCES OFFICER

Scientific Games has appointed Mona Garland as its new Chief Human Resources Officer.

As part of Garland's new role, she will sit on the Scientific Games' Executive Team, be head of talent acquisition, retention and development, lead people strategy and oversee diversity, equity and inclusion, as well as employee-focused programmes.

Garland brings 25 years of experience, working for US giants such as General Electric and Brambles, and she will now oversee over 3,000 employees.

Pat McHugh, CEO of Scientific Games, said: "Our people are our greatest asset in serving our customers. Mona is a dynamic leader with a passion for coaching and developing talent to evolve organisations.

"We look forward to the tremendous impact she and our human resources team will have on our current employees, as well as expanding and further diversifying our workforce for the continued growth of our global business."

Most recently, Garland served as Chief Inclusion and Diversity Officer at a global

building materials business, where she worked with the executive team.

Meanwhile, Light & Wonder, which used to own Scientific Games, recently appointed Roxane Lukas as its Chief People Capability Officer.

In her new role, Lukas will lead Light & Wonder's global people strategy, as well as oversee the supplier's people functions across the entire organisation.

Barry Cottle, former Light & Wonder CEO, said of the appointment: "It's an exciting time for Light & Wonder, and we are thrilled to have Roxane join the company as we continue on our journey to becoming the cross-platform global game leader."

GI Verdict: It's been a busy week for appointments, and Scientific Games looks to have brought in one of the most experienced bodies in the area of human resources in Garland.

In times of expansion, talent acquisition, retention and development are key, while diversity is perhaps currently equally important; so she evidently has her hands full in this exciting but challenging role.

THE WEEK IN QUOTES

“SB22’s Apple Watch app is the first of its kind in the sports betting industry and showcases the company’s commitment to delivering innovative technology that enhances the betting experience. The ability to quickly place a bet while on the go, or while watching a game without needing to dive through complex menus on a phone is a game changer.”

SB22 COO Vladimir Jovanovic on a new wagering application for Apple Watches

“As we continue to work toward and reflect on our goals, the materiality assessment that was conducted this year was extremely helpful for us to engage in insightful conversations and review the importance of CSR-related issues.”

Heather Rapp, SVP of Corporate Social Responsibility (CSR) for Caesars Entertainment, on the company’s latest annual CSR report

GERMAN REGULATOR ASKS MORE ISPS TO BLOCK LOTTOLAND GROUP WEBSITES

Germany’s federal gambling regulator Gemeinsame Glücksspielbehörde der Länder (GGL) has ordered more internet service providers (ISPs) to block Lottoland Group websites.

In July, the GGL initiated two administrative proceedings to block access to Lottoland’s offer, which it has deemed illegal. Now, three more ISPs are being asked to similarly prevent access as the authority “steps up the fight.”

Any who fail to comply, said GGL Board Member Ronald Benter, could face fines. He remarked: “Raising awareness among internet service providers is extremely important.

“Providers who, despite the GGL’s order, do not prevent access to unauthorised sites are threatened with fines.”

Since 1 July, the GGL has been responsible for regulating iGaming in Germany and Lottoland has been

the target of its first enforcement campaign.

Already, the authority said it has forced several payment providers to “terminate cooperation” with Lottoland as part of an effort to take the group’s services “off the market.”

Blocking websites is another tool in the GGL’s arsenal to combat illegal gambling, which said it “consistently uses all the instruments at its disposal.”

GI Verdict: The GGL does not hold back in upholding its principles. Given Lottoland is not an official state lottery, it essentially allows players to make bets on the outcome of state lotteries using the same lottery format. This lottery “mimicry” is banned under GGL rules, and it is steadfast in upholding a law that isn’t typically implemented in other European countries such as the UK. Lottoland has condemned GGL’s actions, accusing the regulator of showing excessive state protectionism.



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SUHNER APPOINTED ACTING CROWN GAMING MÉXICO CEO

Novomatic has announced that Marcelo Suhner has resumed his role as the Managing Director of Crown Gaming México, and will now become the acting CEO.

Suhner's experience in various management positions across a wide range of industries will see him use his latest role to 'devote his in-depth business knowledge of the Mexican market, strong commitment to strategic targets and management skills to the best benefit of the company's success.'

Marcelo Suhner, CEO of Crown Gaming México, said of his new position: "I am honoured to assume this new role in the management of Novomatic in Mexico and thrilled to be supported by such a professional team of experts.

"Novomatic gaming technology products and industry solutions are renowned for their premium quality and performance, and I consider it a privilege to be able to assert my own skill set, business experience and commitment

to achieve the goals we have set."

Alongside the news of Suhner, Novomatic also revealed that Cristian Olejnik has resumed his role as a Managing Director – while also being appointed CFO.

Olejnik added: "It is a pleasure to welcome Marcelo, whom I have known for many years, in the Novomatic family and to now work with him and this strong local team to further develop the Novomatic business in Mexico."

GI Verdict: Both Suhner and Olejnik have plenty of experience in their respective fields, with the pair now eager to capitalise on this opportunity to work together and bring the company forward.

The Latin American market is growing more and more every day, as witnessed throughout the likes of Peru, Brazil and Colombia, with this growth undoubtedly sensed by Novomatic through its latest board decisions.

"Veritone's partnership with Stats Perform is truly a tipping point within the sports tech and AI industries. This is the first time synthetic voice will be deployed in sports reporting at scale. It takes storytelling in sports to a new level and dramatically transforms fan engagement."

Ryan Steelberg, Veritone President, on his company's partnership with Stats Perform to offer AI-powered voice capabilities

"Complying with Victoria's gambling laws is a bare minimum. This spring racing season, we want to see industry participants step up to both their legal and social obligations and expect gaming operators to protect the community from gambling harm."

Victorian Gambling and Casino Control Commission (VGCCC) CEO Annette Kimmitt issuing a warning to operators during the Spring Racing Carnival

BODEX UNIVERSAL ESPORTS ODDS

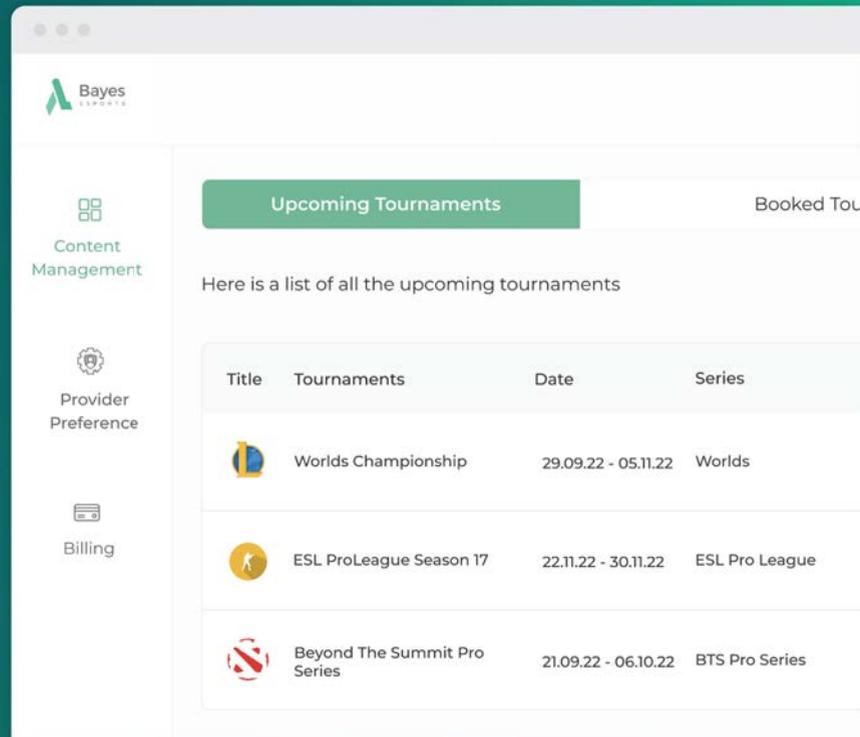
ONE SINGLE INTEGRATION

10+ 100% 45%

TITLES*

OF BAYES EVENTS**

MARKETS*



The screenshot shows the Bayes Esports dashboard. On the left is a navigation menu with icons for Content Management, Provider Preference, and Billing. The main area is titled 'Upcoming Tournaments' and contains a table of events.

Title	Tournaments	Date	Series
	Worlds Championship	29.09.22 - 05.11.22	Worlds
	ESL ProLeague Season 17	22.11.22 - 30.11.22	ESL Pro League
	Beyond The Summit Pro Series	21.09.22 - 06.10.22	BTS Pro Series

BAYES ESPORTS PARTNERS



IOWA – SEPTEMBER REVENUE

Fantini Research partners with *Gambling Insider* to provide weekly gaming industry data. This week, we look at total gaming revenue in Iowa for September.

Wild Rose – Emmetsburg was the location with the greatest year-on-year growth in Iowa, rising 55%. At the other end of the scale, Terrible’s Lakeside saw the worst yearly results, down 9% on September 2021. All in all, all-source revenue rose 14% in Iowa this September.

In terms of sports betting, Isle Waterloo saw the greatest rise on September 2021 by 563%. But on the flip side, Casino Queen Marquette dropped 845% year-on-year. The overall sports betting picture for Iowa saw revenue rise 128% in Iowa this September.

ALL-SOURCES REVENUE	SEPTEMBER REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Wild Rose - Emmetsburg	\$4.842	+55.07
Wild Rose - Jefferson	\$5.720	+50.81
Diamond Jo Dubuque (BYD)	\$12.572	+50.72
Wild Rose - Clinton	\$5.261	+49.65
Diamond Jo Worth (BYD)	\$12.334	+21.82
Prairie Meadows	\$21.690	+14.49
Isle Waterloo (CZR)	\$9.163	+14.38
Isle Bettendorf (CZR)	\$6.963	+13.45
Grand Falls (Elite)	\$8.612	+11.35
Hard Rock	\$8.204	+10.40
Horseshoe (CZR)	\$18.786	+8.79
Harrah's (CZR)	\$6.435	+7.83
Ameristar (PENN)	\$16.707	+7.22
Rhythm City (Elite)	\$9.928	+4.94
Casino Queen Marquette	\$1.910	-0.42
Q casino	\$4.461	-0.43
Riverside (Elite)	\$10.394	-1.04
Catfish Bend	\$4.002	-1.06
Terrible's Lakeside (Affinity)	\$4.088	-8.95
Total	\$172.069	+14.05
Total, excluding sports betting	\$146.652	+4.95

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MULTIPLE PROPERTIES	SEPTEMBER REVENUE(M)	CHANGE (%) YEAR-ON-YEAR
Caesars	\$41.347	+10.60
Boyd	\$24.906	+34.88
Wild Rose	\$15.822	+51.69
Elite	\$28.933	+4.46

SPORTS BETTING	SEPTEMBER REVENUE(M)	CHANGE (%) YEAR-ON-YEAR	OPERATORS
Diamond Jo Dubuque (BYD)	\$6.527	+228.52	FLTR
Diamond Jo Worth (BYD)	\$3.632	+139.16	FLTR/MGM/ENT
Wild Rose - Jefferson	\$2.970	+238.83	DKNG / RSI
Wild Rose - Clinton	\$2.618	+238.17	DKNG / RSI
Wild Rose - Emmetsburg	\$2.144	+213.47	DKNG
Prairie Meadows	\$1.698	+117.45	CZR
Ameristar (PENN)	\$1.312	+10.21	PENN
Horseshoe (CZR)	\$1.143	+33.62	CZR
Isle Waterloo (CZR)	\$0.767	+563.20	CZR
Isle Bettendorf (CZR)	\$0.550	+188.19	CZR
Grand Falls (Elite)	\$0.490	+6.96	Betfred
Harrah's (CZR)	\$0.448	+101.94	CZR
Catfish Bend	\$0.383	-20.85	PBH
Riverside	\$0.227	+18.81	Elite
Q casino	\$0.165	+25.92	
Hard Rock	\$0.153	-27.12	
Rhythm City (Elite)	\$0.148	-7.80	Elite
Terrible's Lakeside (Affinity)	\$0.054	-82.32	CZR
Casino Queen Marquette	(\$0.011)	-845.31	
Total Revenue	\$25.418	+128.26	
Total Handle	\$200.231	-7.35	



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ABOUT SCCG MANAGEMENT

SCCG Management is a consultancy that specializes in sports betting, iGaming, sports marketing, affiliate marketing, technology, intellectual property protection, product commercialization, esports, capital formation, M&A, joint ventures, casino management, and governmental and legal affairs for the casino and iGaming industry.



Celebrating 2022 as our 30th anniversary of innovation and leadership in the gaming industry!

**GUEST****INTERVIEW****JOEL SIMKINS,**
*MD, HOULIHAN LOKEY**Simkins discusses the NFL,
US sports betting and SPACs***How much growth has the NFL betting market seen in recent times?**

Obviously, people have been gambling on sports illegally in the United States for a long time. I spent 17 years of my career as a research analyst including six years at Credit Suisse through early 2016. If I had walked the trading floor and surveyed our traders pre-PASPA the vast majority of them used a bookie to place bets. We have now taken what was a grey or black market and transitioned into a legal and regulated one in all the big states, whether it's New Jersey or Illinois and places like that, which have all legalised in the last couple of years. You can only look at the NFL statistics in terms of viewership, and it has obviously had a positive rebound in the last few years – which I would say is highly correlated to sports betting. I'm a Jets fan, unfortunately, but even if you're not a die-hard fan, if you have a dog in the fight, you're more likely to be paying attention and betting on it. It's all anybody really talks about these days.

How is that going down in Europe?

We have now had two entertaining games in London this season. For a US fan here at home and a football addict it just means your day gets even longer. Watching it about nine o'clock East Coast time, you have that trifecta of having three or four games you can just binge on all day long. The stats show that it's all about content and giving folks games to bet on that fit into their schedules.

With more and more places launching sports betting, how do you see the market going forward?

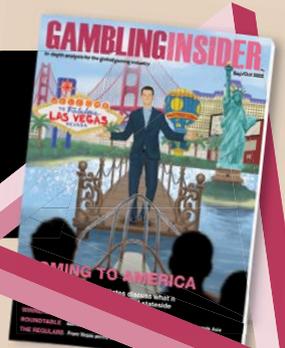
The stocks in the sector, particularly in sports betting and online gaming, have all traded off really hard. One might argue the market was wildly overvalued, like every other meme stock or crypto, or NFT-related story. So, we were likely in this kind of generational bubble in the sector from a valuation perspective. With that said, if you look at the long-term averages, valuations aren't too far off of where they should be with an industry that is only poised to grow from here whether it's sports betting or online casino. If we do go into recession here in the US, more states are going to look at sports betting, and more importantly, online casino, as an easy way to shore up state budgets to generate much faster tax revenue growth. In the old days, and I have been around the sector since 1998, the policy was always to legalise casinos – but it takes a long time to build a brick-and-mortar casino, it's expensive to finance, and online casino/sports are a much easier solution for states to adopt. Particularly when everybody accepts sports betting at this point, I mean just look at March Madness and College Basketball, I'm not even a College Basketball fan but everyone is locked onto the NCAA tournament. They've got their basketball brackets, jobs and friends – it is just a part of everyday life now and fully accepted.

The markets for sports betting in the US going forward are obviously huge, so what states are left that you guys are looking at to open up?

Right now, candidly, all eyes have turned to California, which is an absolute motherload long-term, similarly to Texas, these states are complicated but will flip eventually. Out there at the moment we have Propositions 26 and 27, which are basically dueling referendums from the tribes and the commercial industry, the consensus from everything I read is that neither is going to pass. So, we're left with a humungous market that's going to be untapped and unclear for the foreseeable future. Note that in California even if neither of these referendums pass, you still have daily fantasy sports like PrizePicks, Underdog or Monkey Knife Fight on the parlay side which gives bettors an option.

The other one I'd say is more likely than not in the next couple of years is Texas, but that's complicated right now. You've got tribal interests in that state, you've got anti-gamers in other states that don't want to see Texas legalised, like

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Oklahoma. Oklahoma has a big gaming industry, and they don't want any competition coming from Texas. So that's the oppositional view, but I look at Texas – which is a huge sports hub – you have the Dallas Cowboys, Jerry Jones, Mark Cuban and Tilman Fertitta, who is a big casino operator. There are a lot of people that want it. The challenge is when you have a lot of hands in the cookie jar, there is never a consensus to get these things passed. But, I think, where there is a will there is a way, and it is more likely than not that something happens.

Same thing in Georgia, that's the other one that's pretty much on the front burner and has been close to getting approved.

Florida looks like it is going to be a monopoly situation for the Seminole Tribe, which everybody in the commercial industry doesn't want to see, they want to see competition. Competition and choice will ultimately be best in the long-term for the industry, and the consumer.

I mean, look at New Jersey, they recently launched Prophet Exchange and Sporttrade. You look at what happened in the UK with Betfair, I think the industry here is going to transition to that type of product as more mainstream in the next couple of years. Now, you're still very much in the honeymoon phase, people are trying it out for the first time – ultimately, it's going to really come down to pricing and getting the best deal.

The other challenging part over here is the iGaming piece. In some states you have sports only. To be economically viable long-term you need to have product, and to be able to transition to winning \$100 on a football match and feeling great to saying, "let's go and play some blackjack or online roulette."

With places like Texas, is it a case of dominoes falling? If Texas goes, will the rest follow?

Yeah, that's happened in the Midwest. Kansas has now legalised and gone live; but once Illinois approved it, then Ohio wanted it. When riverboat gambling came out in the 90s, there was a domino effect. It's where people were in their home state and the state next to them has it, they don't want to have to drive across the border just to have a good time. So, it is a trend that has been seen before.

There's even a question about fantasy sports betting longer term, do they move into regular real-money sports betting, does their ice cube melt quickly or slowly? How do they transition as businesses, and I think that is going to be an interesting thing to follow.

With the NFL, people talk about Europe a lot, but what about other markets in North America?

Well, in North America, Ontario has recently legalised sports betting, which had a large black market beforehand that they haven't fully turned off yet. I hate to use the cannabis analogy but states like California that legalised cannabis, the revenues haven't lived up to what people expected because there is still this illegal market that's cheaper. So, Ontario hasn't been quite as fruitful as folks expected. There were some pretty big bets made in the industry that Ontario would tip the dominoes for the rest of Canada; however, keep in mind the population is still fairly modest and each jurisdiction takes a very different approach to rules, regulations and taxes.

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AN IGAMING I-GAP IN THE MARKET?

Entain's Q3 2022 results showed just a 2% increase in net gaming revenue for the industry giant this week. There was a 10% rise in retail net gaming revenue, while full-year predictions of FY2022 EBITDA are expected to be in line with previous guidance of £925m – £975m (approx \$1bn). Overall, however, Entain's Q3 trading update provided a steady-not-spectacular set of results, with a lot more anticipated for Q4's World Cup.

All except for the US iGaming sector.

Here, market share of over 30% for BetMGM – Entain's joint venture with MGM Resorts International – presents a genuine opportunity for growth. Entain, with its legacy experience of online casino through Ladbrokes, Coral and more, may well have spotted a gap in the market, given DraftKings and

FanDuel's dominance of the US sports betting sector.

CEO Jette Nygaard-Andersen said: "In the US, BetMGM continues to be the clear leader in the iGaming market and the successful start to the NFL season also highlights the strength of our growing US sports betting offer.

"We have healthy momentum across the business and look forward to a strong finish to the year which includes the World Cup. Looking ahead, we remain vigilant of the economic backdrop. However, our diversified revenue base and robust business model enable us to remain confident in our ability to deliver on our growth and sustainability strategy."

So, while Entain's scattergun M&A approach has left it open to plenty of criticism, there does appear to be at least one clear and identifiable strategy.

At the Global Gaming Awards Las Vegas this week, FanDuel won the Digital Operator of the year Award, while CEO Amy Howe was victorious in the American Executive category. But this was mainly due to FanDuel's success in the sports wagering sector.

In her *Gambling Insider* CEO Special interview earlier this year, Howe openly admitted FanDuel is aiming to obtain more of the iGaming and online casino market. It is in this department, for a change, the top dogs of online can actually envy Entain a little.

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