



WEEK 31

FRIDAY 04 AUG 2023

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**IN THIS WEEK'S ISSUE: FOX
BET CLOSSES, ICE LEAVING LONDON**



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THIS WEEK

- **MOVERS & SHAKERS**

- **THE DEALMAKERS**

- **ASIA ROUND-UP**

- **LOTS & LOTS OF Q2S**

- **THE DEBRIEF**

- **GUEST COLUMN**
Hugo Baungartner

WEEK 31

FRIDAY 04 AUG 2023

FOX BET CLOSSES; BUT CONVERGENCE MODEL STILL "VERY STRONG"



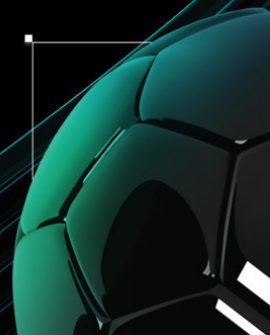
ADIOS ICE LONDON



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This week saw the closure of US sports betting brand Fox Bet by parent company Flutter Entertainment. With another media/sports betting brand falling by the wayside, we caught up with Scott Butera, currently CEO of Sports Information Group but formerly CEO of Fubo Sports – which also saw parent company Fubo TV close its sports betting division...

Hi Scott, thanks for joining us. What are your thoughts on seeing Fox Bet being closed down this week?

I'm not intimately familiar with Fox Bet but I got the idea that they're part of a group that has multiple brands and it might be a move to consolidate the brands. I know that Fox Bet, as part of that family, was a smaller player in terms of market share. So, I just thought it might have made sense – and again I'm not familiar with it – but I thought it might have just made business efficiency to consolidate their customer base into one brand; as opposed to running multiple brands.

The model of media and sports betting convergence that Fox Bet, and of course Fubo Sports, was based on has a sound theory. But is it proving more difficult in practice?

I think the theory of acquiring sports betting customers by understanding their viewing patterns is good. So if a media company were able to funnel customers to a sports betting operation and didn't have to bear the entire burden of running that operation, that's very good. I think what happens is the media business is also very competitive right now. If you look at streaming companies and things of that nature, you know, it's a very tight margin business. Right now, it's very competitive and to have to develop an entire infrastructure for one gaming vertical is very expensive.

So if you're a casino company and you have casinos, sportsbooks and other forms of revenue, you're able to bear that cost because you can spread it across multiple businesses; whereas if you're, a standalone sportsbook or a media company, it's just very costly. Media companies make really good partners for sportsbooks. If they get to the point where they have enough scale, like some of the larger media companies, that would be a different story where they could actually take that on. But I think, for a smaller media company, it's very hard to get all that infrastructure in place with a business that's very low margin.

In sports betting, margins are getting better right now – you've got hold of 8, 9, 10%, which is actually pretty good compared to historical levels. But it's a pretty tight margin business. It's got a lot of infrastructure costs. It's got a lot of acquisition and retention costs. It's very competitive with all the different offers that are being floated by the various operators. All of that is very tough to maintain if you don't have a big infrastructure. However, the fundamentals of combining viewership with betting are very strong.

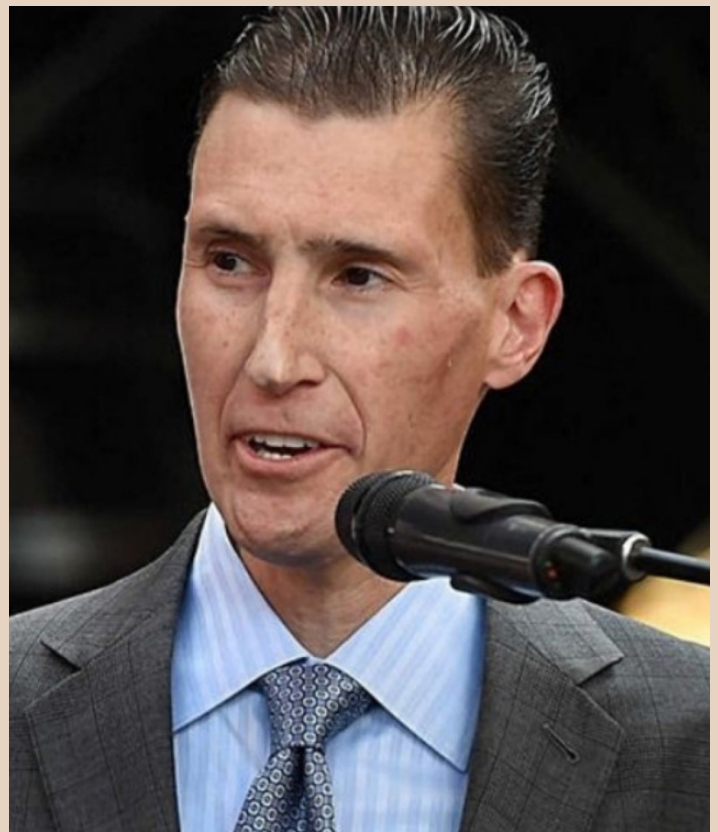
From your personal experience at Fubo, what learnings would you offer to the market to make sure someone gets this kind of process right?

Just having a really strong product that allows you to synchronise the streaming and betting experience in a way that is very attentive

to individual customer desires and wants. It's got to really allow you to understand that customer's behaviour. I think that's it. Being judicious about how you set up your platform, or working with the right partners might make sense. For somebody bigger, they could probably do it alone. But I think the basis for something very effective is there. If somebody can do it in a way that makes sense from a cost standpoint, I think they can have an incredibly competitive product.


So what's the future here? Do you think we'll see a brand that gets that balance right of producing a good enough product and keeps costs down? And do any names come to mind?


Yes – I don't have any names but somebody will be able to figure that out and the correlation is too strong for it not to happen. It's just a matter of time and it's a very competitive market right now. The media companies are in very competitive situations. The sportsbooks are in very competitive situations. I think when things settle down and people figure out and develop the strategies around things like this, I do think you'll see something like that. I think they'll figure out a way to combine those two revenue streams so that you can take two thin-margin businesses and create something that's more profitable.





TAKING STOCK


SHARE PRICES COVER THURSDAY
27 JULY TO THURSDAY 3 AUGUST
(10:30AM BST)


Rush Street Interactive  4%
3.71 USD


Galaxy Gaming  2%
2.75 USD


Caesars  4%
55.29 USD

Kindred  6%
119.00 SEK

Melco  0%
12.86 USD

NeoGames  1%
24.80 EUR

IGT  4%
32.11 USD

888  1%
109.00 GBp

ADIOS ICE LONDON

This week has seen the move of one of the gambling industry's biggest shows reveal it intends to move away from London, ICE.

Clarion Gaming, the company that operates and runs ICE, has announced that ICE will move to Barcelona from 2025 – with it taking place across the 20-22 January.

Alongside ICE, iGB Affiliate will also move alongside the event that it follows, now taking place in Barcelona (at the same venue) on the 21 & 22 January.

Speaking to Alex Pratt, Group Managing Director at Clarion Gaming, *Gambling Insider* asked the question, 'With Barcelona being significantly smaller than London, will the move drive up competition for hotels and prices overall in Barcelona for the dates ICE will take place over?'

"The overall event will push the prices up in Barcelona, but we have locked down hotel prices in the city – something we tried but struggled to do in London, where hotels can more or less charge whatever they wanted. We have secured 40,000 room night locked down for the next five years, with options for more.

"The maximum that prices will rise is in line with inflation over next five years. We now have near-total control of hotel stock. Obviously the city is much smaller; however, our relationship is now not just with the venue, it's with the city. This now means we can request far more from the city at a government level; this means that taxis and public transport can be increased for the show.

"We want to create a friendly event with a more festival feeling. Flights will naturally increase – but it is also in

January, so flights are naturally cheaper."

Furthermore, when posed the question, 'Are other shows growing to rival the influence of ICE and how do you adapt to that?' Pratt responded:

"No, that's not the case at all. Due to the size of ICE, the options for host cities were low – some of which were taken off the board because of availability."

Additionally, it was highlighted that the new venue space inside the Fira de Barcelona is larger than the ExCel in London, offering ICE 120 thousand-square-feet – 30 thousand more than the ExCel.

In the end, ICE's move to Barcelona represents a new beginning for an expo that draws in the entire industry; it will bid goodbye to London in 2024 and wave hello to the Catalan capital in 2025 – how successful this will be in the long run can only be measured over the course of many years.

Could the show return to London, or move to one of the two other cities considered during the last movement process? The answer to that remains to be seen, but perhaps an ICE Madrid or an ICE Paris will become a reality in the future.

"The overall event will push the prices up in Barcelona, but we have locked down hotel prices in the city"

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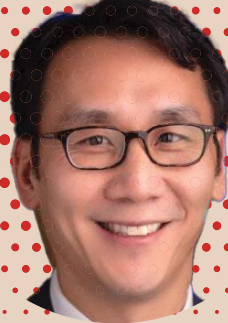
MOVERS &

SHAKERS



WALTER BOGUMIL
CFO
Genting Americas East

Bogumil's responsibilities in this role will cover Resorts World's property in NYC, along with Resorts World Catskills, Resorts World Hudson Valley, Resorts World Bimini and the Hilton Miami Downtown.



DANIEL YANG
Chief Customer &
Innovation Officer
MGM

Yang previously worked for Aristocrat as its Chief Strategy Officer, where he oversaw long-term planning, corporate development and corporate strategy.



SHELLEY HANNAH
CPO
Relax Gaming

Hannah had previously spent a decade specialising in iGaming products and five years concentrating on iGaming aggregation, making her an experienced fit for the role.

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AS Roma	678.com	Sports betting
NeoGames	LEIA	Lottery
Darwin Gaming	NetBet	iGaming
The Mill Adventure	Paysafe	Payments
NetBet Italy	Wazdan	iGaming
7777 Gaming	NetBet	Casino
Everton Football Club	Kick	Sports betting



PLAY DEMO

Release Date: 25 Jul 2023

Aladdin's
Rollover Respins

ARMADELLOSTUDIOS

18+

BeGambleAware.org

The image is a vibrant, cartoon-style illustration of an Aladdin-themed slot game. It features the Genie, Aladdin, and Jasmine in a palace setting. A large purple banner with gold text reads 'PLAY DEMO'. Below it, the release date 'Release Date: 25 Jul 2023' is displayed. The game title 'Aladdin's Rollover Respins' is prominently shown in a decorative font, with the developer's logo 'ARMADELLOSTUDIOS' nearby. An '18+' age rating icon is in the bottom left, and the 'BeGambleAware.org' logo is in the bottom right.

THE WEEK IN QUOTES

“Shay Given is a Premier League legend and as football fans we’re delighted to sign him as our first-ever brand ambassador. We look forward to working with him during what is set to be an exciting season for both CopyBet and all football fans.”

Anton Ivanov, Business Development Director of CopyBet UK, commenting on CopyBet’s deal of hiring its first ambassador, former goalkeeper Shay Given

“This licence is another testament to Soft2Bet’s commitment to expand to further markets and ensuring our continued growth. It represents a significant milestone in a series of remarkable achievements Soft2Bet has accomplished in recent months.”

David Yatom, Soft2Bet’s General Counsel, commented on the company’s recent attainment of a Greek B2C licence

ASIA ROUND-UP: MACAU, INDIA AND SINGAPORE

This week, **Macau** posted its revenue report for July 2023. The report showed that the region made MOP 16.66bn (\$2.07bn) in gross gaming revenue (GGR) during July.

This figure represents a 10% month-on-month increase compared to June 2023 and, due to Macau now being free from China’s zero-Covid policy, GGR has increased by a gigantic 4,086% compared to July 2022.

Meanwhile, in **India**, Zitro has announced the launch of Zitro India Technologies, a new technological campus, situated in Bangalore’s EPIP Industrial Area’s Centennial Business Park.

Zitro India Technologies will accommodate teams of software developers, technical designers, programmers, engineers and QA testers.

As per Zitro, the new campus serves as “a crucial milestone” in the company’s journey towards global expansion, and plays an important role in its efforts to increase its production capacity and strengthen its investment in R&D.

Zoom! In **Singapore**, Marina Bay Sands and Scuderia Ferrari have agreed on an F1 partnership. The multi-year deal comes weeks ahead of the Singapore Grand Prix on 17 September.

As part of the deal, the face of the building will be lit up in Ferrari red throughout the race weekend in September and a replica of the SF90 Ferrari F1 car, which raced in the F1 World Championship in 2019, will also be on display in the lobby of Hotel Tower 1, from 11 to 18 September.

“The multi-year deal comes weeks ahead of the Singapore Grand Prix on 17 September”

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“The collaboration with Snapscreen Inc. represents a pioneering moment in the sports betting industry. This is an exciting step towards our commitment to drive innovation and expand opportunities in the world of gaming.”

Stephen Crystal, Founder & CEO of SCCG Management, said on SCCG’s strategic partnership with Snapscreen

“This acquisition is a critical step as we aim to create truly unique betting and gaming experiences to players across Africa. The talent and technology at BetLion is perfectly suited to our growth model and ambitions and will help to further strengthen our offering as we look to build market-leading positions across Africa.”

Christopher Coyne, CEO of 888Africa, commented on the acquisition of BetLion by 888Africa

‘INCOMING’ Q2 RESULTS: CAESARS ENTERTAINMENT AND MELCO RESORTS

Melco Resorts has reported a significant 220% rise year-on-year in Q2 revenue to \$948m, with an operating income of \$64.29m, also showing a 130.7% increase.

The resort operator saw each of its divisions increase, with its casino revenue increasing from \$231.9 in Q2 of 2022 to \$768.5m this quarter, as well as with increases of: 200% in room revenue to \$80.1m, 133% in food and beverage revenue to \$46.5m and 202% increase in retail revenue to \$52.9m as well.

Net loss is also the lowest the company has reported since before the Covid-19 pandemic, at \$51.1m. Perhaps Melco Resorts will soon be profitable in quarters to come. However, operating costs have also risen from \$505.3m in Q2 of 2022 to \$883.7m this quarter.

Caesars Entertainment also reported a rise in both revenue and income, rising steadily by 2.1% to \$2.88bn in GAAP net revenue and more dramatically from a loss of \$123m to a net income of \$920m.

In the first half of 2022, Caesars made

11.7% less revenue and also reported a net loss of \$803m, but for H1 2023, the company has reached \$5.71bn in net revenue in the same period, and has made a net income of \$784m.

Caesars Digital was the operator’s least successful division, as a net loss of \$22m was reported for Q2, while a net loss of \$54m was reported as part of the H1 figures this year.

Though Las Vegas properties generated \$1.13bn for Caesars this quarter, the regional properties surpassed the city, making up \$1.46bn of the \$2.88bn total revenue.

“Caesars Digital was the operator’s least successful division, as a net loss of \$22m was reported for Q2”



GET DOWN TO THE CLUB!

COMING SOON

8 AUGUST

THE WEEK IN NUMBERS



2
New gambling sites added to Twitch's prohibited list (Blaze and Gamdom)

\$455m

Is the amount donated to British Horseracing by the Betting and Gaming Council this year (\$582m)



30%
Is the increase in the use of Gamstop between 16-24 year olds during the first six months of 2023

Q2 ROUND-UP: MGM, BALLY'S AND RSI

This week, MGM, Bally's and Rush Street Interactive (RSI) all posted their Q2 reports, which – in some cases – threw up a few surprises.

Starting with **MGM**, the casino giant recorded a five-year consolidated revenue high of \$3.9bn, of which the highlight was the return to pre-pandemic form of MGM China.

The Chinese arm of MGM's company recorded \$741m in net revenue, higher than its Q2 2019 result, which posted \$709m – months before the Covid-19 pandemic struck. The only downside for MGM was seen in its regional operations, which fell by 4% to \$926m – with Las Vegas totalling \$2.15bn, slightly up on Q2 2022's \$2.14bn.

Moving on to **RSI**, the operator saw its revenue grow by 15% year-on-year to \$161.1m. Furthermore, RSI's revenue was also up 2% from \$162.4m in the last quarter – though that has remained steady over its last three quarters.

Additionally, RSI's net loss fell year-on-year by 41%, totalling \$16.7m in Q2 2023, compared to a net loss of \$28.3m during Q2 2022.

Finally, **Bally's** recorded total revenue of \$606m – up 10% year-on-year – with its casinos and resorts division making over 50% of that figure at \$333m, an 11% increase in its own right.

However, its adjusted EBITDA fell by 5% annually to \$130m and it ultimately recorded a net loss of \$25.7m, which represents a significant drop on the \$59.5m it made in Q2 2022.

Despite the net loss, CEO Robeson Reeves said of the results: "Bally's made significant strides this quarter, announcing new initiatives, achieving important project milestones, and building on our strong foundation for 2023 and beyond."

"Bally's made significant strides this quarter, announcing new initiatives... and building on our strong foundation for 2023 and beyond"



SAVE THE DATE

OIGA
Twenty
23

Tulsa, Oklahoma

MONDAY 14 AUG

16 AUG WEDNESDAY

OIGA.ORG

AU\$140,000



The amount Star Entertainment were fined after pleading guilty to 11 charges (US\$92,000)

45%

Is the stake Apple iSports Australia plans to acquire in The Leg Up Australia



12



Tribes Colville Casinos renews partnership with US integrity



PARTY LIKE IT'S 2004

Ladbrokes this week partnered with the NME, The O2 and AEG Europe to develop a new hub – Ladbrokes Live. Ladbrokes Live will give new and old customers the chance to win access to thousands of tickets to incredible live music and comedy events across the UK.

Ladbrokes announced the debut of its new entertainment platform Ladbrokes Live with a surprise performance by the Sugababes at Potters Field Park and a huge ticket giveaway – which included tickets to the All Points East festival and the upcoming Sugababes headline show at The O2 next month.

The iconic Club NME was founded in 2004 and stopped in 2019, but it is now in its comeback era in 2023, thanks to a partnership with Ladbrokes Live.

Club NME offers music fans the opportunity to see their favourite artists in intimate settings – supporting local

grassroots venues along the way.

Each event will feature renowned DJs as well as a live music performance and throughout the first four events, 2,500 tickets will be up for grabs.

One of the last Club NME nights in 2019 featured Foo Fighters frontman Dave Grohl playing an intimate set at a 300-capacity London venue, Moth Club, alongside 'Never Gonna Give You Up' singer Rick Astley.

This isn't to say every Club NME event will feature a legendary rock star and 80s pop star, but the prospect of it happening again, is certainly very exciting.

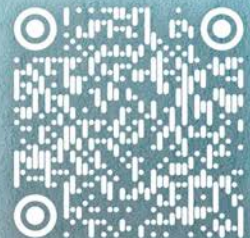
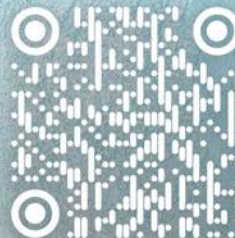
With no betting involved, fans must be over 18 to register for the digital hub and to access the exclusive offers and live performance opportunities offered by Ladbrokes Live

The NME is usually targeted at the younger music fan, so despite the tickets being free, perhaps this partnership is to encourage young people to start placing their bets? Either way, it's a beneficial opportunity for all involved.



ALL OF GAMBLINGINSIDER,

ALL IN ONE PLACE.



NEVADA JUNE REVENUE

Fantini Research partners with *Gambling Insider* to provide weekly gaming industry data. This week, we look at casino and sports betting revenue from the original US gambling hub of Nevada.

The figures show that Nevada as a whole and the Las Vegas Strip fell annually compared to June 2022.

North Lake Tahoe endured the biggest fall year-on-year, earning \$2.03m – down 28%.

Furthermore, while almost all table games suffered a fall – with baccarat down by 29% – blackjack rose 22% to \$79.1m

Meanwhile, sportsbook revenue fell by 60%, but handle was unmoved – totalling \$492.4m.

NEVADA COUNTIES	JUNE REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Nevada	\$1.25bn	-2
Las Vegas Strip	\$727.3	-1
Clark County	\$1.1bn	-4
Downtown LV	\$62.5	-10
North LV	\$23.2	+3
Laughlin	\$37.9	+4
Boulder Strip	\$71.6	-17
Mesquite	\$13.4	-1
Las Vegas Locals Market	\$229.0	-10
Washoe County	\$94.3	+10
Reno	\$69.1	+13
Sparks	\$15.4	+21
North Lake Tahoe	\$2.03	-28
South Lake Tahoe	\$22.1	-1
Elko County	\$31.0	+1
Wendover	\$20.7	+2
Carson Valley Area	\$11.5	+2
Other Areas	\$17.0	-6

MAJOR STRIP SEGMENTS	JUNE REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Blackjack	\$79.1	+22
Baccarat	\$100.0	-29
Total Games	\$332.1	-6
Total Slots	\$395.2	+4

RACE BOOK & SPORTS POOL	JUNE REVENUE (M)	CHANGE (%) YEAR-ON-YEAR
Race Book	\$2.6	-7
Total Sports Book	\$9.5	-60
Sports Book Handle	\$492.4	+0



GI
FRIDAY **GUEST**
COLUMN



HUGO BAUNGARTNER,
*APOSTA GANHA, VP
OF GLOBAL MARKETS*

Baungartner reflects on Brazil's recent steps towards sports betting regulation

Last week, Brazil made headlines in the global gaming industry with the signing of a Provisional Measure (MP nº 1.182/2023), a significant stride towards full regulation of the online sports betting market. This key development has been met with mixed reactions from numerous corners of the industry. We at Grupo Aposta Ganha are among those on the more positive side of this progressive move.

While this legislation represents a monumental step, it is crucial to remember that it is just that: a first step. The text in its current iteration is not flawless. Gaps and ambiguities persist and there are areas that demand further specification. However, even amid these shortcomings, the MP's forward momentum cannot be underestimated.

The new law, though still embryonic, will undoubtedly evolve, with subsequent adaptations giving it further substance as discussions continue. Our hope is that the industry, integral to the success of this initiative, will be given a seat at the table to contribute constructively.

One of the pivotal points in this ongoing discussion is taxation. Let me be clear: we, in the industry, fully acknowledge

“The Government needs to recognise the wider economic benefits a fully regulated betting market can bring”

and accept that taxes are a business reality – furthermore, we are not opposed to bearing our fair share.

The proposed 18% gross gaming revenue (GGR) taxation rate, however, combined with other tax impositions, would effectively push the final tax burden to approximately 31%. This proposed rate requires serious attention to ensure a

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mutually beneficial scenario for both the industry and the Government.

Perhaps most importantly, the focus on regulation should not be limited to tax revenue alone. The Government needs to recognise the wider economic benefits a fully regulated betting market can bring. The creation of new jobs, business opportunities, marketing prospects and a potential boost to B2B deals – these are all major upsides. The goal should be to establish an environment that encourages growth and innovation, not merely a tax collection scheme.

As we look to the future, it would be wise for us to learn from other nations that have gone before Brazil with regulation. Countries like Colombia and Peru, which had to refine their initial regulations to make their markets more attractive to investors, offer valuable lessons in adaptability and foresight.

We, as industry insiders, stand ready for the evolving landscape. We eagerly await the details of the multiple impending ordinance laws that will further define the practicalities. These ordinances will guide the industry's trajectory and influence the actions we need to take.

Ultimately, this Provisional Measure symbolises the kick-off of a new era for online sports betting in Brazil. No doubt there will be challenges ahead, but we are prepared to navigate these. As we celebrate this first step, we also look forward to contributing to a system that is transparent, fair and beneficial to all stakeholders – the Government, the industry and the sports bettors themselves who are the catalyst for this vibrant market.

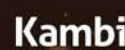
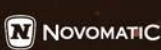
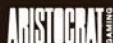
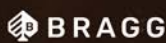


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