



WEEK 01

FRIDAY 5 JAN 2024

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THIS WEEK

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- GUEST INTERVIEW
Veikkaus exclusive

MEASURING MACAU'S 2023



OLÉ TO BRAZILIAN SPORTS BETTING



HAPPY NEW YEAR

Macau this week released its December 2023 figures, with gross monthly revenue up 433% and yearly cumulative gross income of MOP\$183.1bn. Still, these numbers fall behind those seen pre-Covid

▶ The Gaming Inspection and Coordination Bureau of Macau has released the region's gross monthly gaming revenue for December, as well as total gaming revenue generated throughout 2023.

Yearly cumulative gross income for Macau in 2023 was MOP\$183.1bn (US\$22.7bn), up a total of 334% from the same period last year. In 2022, the year's cumulative gross income was MOP\$42.2bn.

Dividing this total by the 12 months of the year, we can find a monthly average gross income of MOP\$15.3bn.

GAMING REVENUE IN 2023

December's gross monthly income was MOP\$18.6bn, up 433% year-on-year. This annual growth is similar to that seen in November, which was up 435% year-on-year for a gross monthly income of MOP\$16bn.

Over the last six months, growth of around 400% year-on-year has become the standard rate. While August's year-on-year growth was above average at 686%, September was up 404% and October 400%.

The most substantial year-on-year growth for Macau in 2023 was recorded in July. This month saw an income of MOP\$16.7bn, up 4,083% from July 2022.

Throughout the second half of 2023, monthly income for Macau has remained steady, with an average of MOP\$17.2bn across the last six months. The region has attributed this growth in gaming income to increased tourism, which was up 28,177% in 2023 compared to last year. This is understandable, with Covid-19 entry restrictions for foreign visitors being lifted on 8 January 2023.

Moreover, growth can also be attributed to a market that has been forced to change and evolve following the impact of the pandemic. Globalisation and sustainability efforts have been made to better prepare the market for long-term survival, with President and COO of MGM China, Hubert Wang, telling the *GI Huddle* earlier in 2023:

"I think the industry structure nowadays without the heavy reliance on junket business is also healthier and more sustainable. Right now, I think we're looking at a mass segment, a dominant mass segment market. There is a lot of non-gaming activities and programs to drive visitation and everybody is also working on trying to reel more overseas business to Macau, particularly from Southeast Asian countries."

COVID-19 RECOVERY

While this growth is significant and points towards a market in Macau that is growing steadily, these numbers still fall behind those seen pre-Covid. In 2019, Macau generated a yearly cumulative gross income of MOP\$292.5bn, down 3.4% from the MOP\$302.8bn made in 2018. Between 2018 and 2023, this is a decrease of 40%.

Furthermore, when comparing the last six months of 2019 to the last six months of 2023, the disparity between the pre and post-pandemic market is clear.

Recovery to pre-pandemic revenue levels has been seen by some businesses in the region but does not reflect the state of the market as a whole.

MGM China, for example, reported Q3 net revenue of \$813m. This tally reflected growth of 829% from the same period last year. However, this also reflected growth of 10% from Q3 2019, showing that market conditions now make it possible for such a recovery to occur, although MGM China is more of an outlier in this regard, as other companies had greater past tallies to compete with.

GI VERDICT

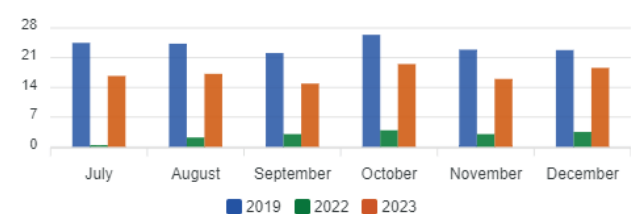
The revenue generated in December 2023 in Macau aligns well with the growth seen across the year and the last six months in particular. Every month in 2023 has made significantly more than what was reported in 2022, yet despite this the region has yet to recapture the income it saw pre-Covid. In 2024, the question everyone will undoubtedly be asking is whether pre-pandemic levels can be achieved before 2025 – and, if so, when?

A change in market operations and practices will naturally change how much revenue Macau can generate, especially as we come into 2024. The move away from junkets and towards globalisation may provide a more long-term solution to revenue generation, but whether it will provide quick returns and revenue generation levels this year like those seen in 2018 and 2019 is uncertain.

Moreover, with Mohegan's Inspire set to acquire its gaming licence in Q1 2024 and Japan's first casino beginning construction, competition for international business in Asia both this year and in the years to follow will be fierce (that's not to mention the existing behemoth that is Singapore's Marina Bay Sands). To continue its growth trajectory and to recover to pre-pandemic income levels, Macau will need to find a way to stand out against new players on the market.

Overall, the revenue generated in December 2023 and in 2023 as a whole is a positive sign as to where the market in Macau will go next. However, the path to complete Covid-19 recovery will be far from straightforward.

Macau monthly gaming revenue 2019 v 2022 v 2023 (\$MOPbn)



TAKING STOCK

TAKING STOCK SHARE PRICES
COVER THURSDAY 28 DEC 2023
TO THURSDAY 4 JAN 2024
(10:00 AM GMT)



Entain
981.60 GBp ↓ 1.5%

Flutter
13,595 GBp ↓ 1.8%

Penn Entertainment
24.61 USD ↓ 7.5%

DraftKings
32.21 USD ↓ 10.2%

Evolution
1,196.60 SEK ↓ 0.3%

Inspired Entertainment
9.64 USD ↓ 2.3%

MGM Resorts International
44.25 USD ↓ 1.8%

Churchill Downs
129.34 USD ↓ 4.6%

OLÉ TO BRAZILIAN SPORTS BETTING

Sports betting and iGaming regulation has now been written into law in Brazil after a long, some might say overdue, process of attempting to implement it.

The sports betting bill in Brazil, known as Bill 3626/23, has been written into federal law, having this week been signed off by Brazil's President, Luiz Inácio Lula da Silva.

On 30 December 2023, Lula signed the bill into law within a document called Diário Oficial da União, after months of amendments and delays in the voting process.

For a number of months, key votes within the Senate in Brazil over sports betting and iGaming were delayed, with postponements coming about owing to different factors, such as the absence of some senators during a particular session, for example. It all sounds rather prolonged, doesn't it?

There was also opposition to certain aspects of the bill, which meant further amendments had to be made on a regular basis. But the bill has finally been approved and written into law, with sports betting being first made legal in Brazil in 2018; up until now, though, a full set of regulations had failed to be brought over the line.

Just over a week before Diário Oficial da União was published, the Chamber of Deputies in Brazil had approved the bill.

The Chamber set out that companies will be taxed at 12% of income. In terms of revenue, companies will be able to retain 88% of gross revenue for costs and the other 12% will be divided between education, public safety, sport and other areas.

Prior to this approval, the Senate had voted to remove iGaming from the bill, but the Chamber of Deputies overturned this, meaning in the end it made it onto the bill.

Betting in the country will be authorised by the Ministry of Finance and companies must have a Brazilian member on their Board who holds at least 20% of the company.

To obtain a federal licence, businesses must pay BRL30m (\$6.12m), which will allow for up to three brands, with eligibility restricted to those businesses incorporated under Brazilian law with headquarters in the country.

The President did, however, impose vetos on parts of the bill, including concerning the tax exemption for betting prizes up to BRL\$2,112, which are now pending further examination.

GI VERDICT

The size of Brazil and its growth potential as a market makes it a very attractive prospect for any operator, even prior to this bill being written into law. However, regulation opens the country up even more for further investment and will be key to bringing greater revenue totals to the state, which can be used to enhance a variety of sectors.

Sports betting continues to grow on a global scale and given the sport-orientated population in Brazil, the country could become a big player in the market, now this regulation has finally been introduced. Just how big will it go?

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MOVERS &
SHAKERS

MARK STEBBINGS

Chairman of Global Advisory Board
SCCG Management

Stebbings brings over three decades of experience in leadership having served as the COO of Betfred Group in his most recent role.


RICKY SANDLER

Non-Executive Director
Entain

Sandler is the founder, Chief Executive Officer and Chief Investment Officer of Eminence Capital LP, a global investment management organisation. Eminence Capital openly criticised Entain's board in 2023.


MICHAEL CLIFFORD

left role as SVP of Casino Operations
Fontainebleau

According to a Fontainebleau official, **Clifford** who began his position in February, is no longer with the company.



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MOVERS &
SHAKERS V2

DIRK CAMILLERI

 CPO
iGP

Camilleri brings over eight years of experience in various roles within the iGaming landscape, notably as the former VP of Product at Pariplay.


JOHN REES

 SVP of Hotel Operations
Hard Rock International

Within this role, **Rees** will be responsible for all aspects of the hotels, including both franchise and corporate properties.


JOSH TURK

 Board of Directors
Low6

As a board member, **Turk** will continue supporting Low6's plan to create gaming platforms for its clients and optimise the company's core operations.



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ICE
LONDON

GI FRIDAY

THE DEALMAKERS

THE WEEK IN QUOTES

"I am thrilled about the depth and breadth of experience Mark brings to our advisory board and SCCG Managed Services offering. His vision and expertise are exactly what we need to drive our innovative services to new heights and continue setting the gold standard in the gaming industry."

SCCG Management CEO, Stephen Crystal, on the appointment of Mark Stebbings as the Chairman of the Advisory Board, as exclusively told to Gambling Insider and Gaming America

"I want to thank this beautiful establishment. One of the first shows in here – this place is stunning."

Rapper and singer, Post Malone, during his performance at the Fontainebleau Las Vegas at its New Year's celebrations

COMPANY	NEW PARTNER	VERTICAL
BetGames	Betano	iGaming
Altenar	Magic Bet	Sports betting
Stake	Sauber	Naming rights
Betby	Fun88	Sports betting
ISI	Spirit Lake & Casino Resort	Sports betting
Delaware Lottery	Rush Street Interactive	iGaming
Pariplay	916 Gaming	iGaming
Velvix	Max Fair Group	Land-based casino
BetMGM	PDC	Sponsorship
Resorts World New York City	Lexus	Marketing

THE FUTURE NOW

6-9
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THE YEAR STARTS HERE

LEGAL ROUND-UP: NEW RULES AND LEGAL ENFORCEMENT

“Continuity and stability are cornerstones of our corporate philosophy and will continue to be important factors for success going forward.”

Founder and Chairman of the Management Board, Paul Gauselmann, on Gauselmann Group changing its name to Merkur Group

As the new year begins, legal changes and enforcement have continued to be a big talking point in the gambling industry.

Firstly, the **Ministry of Communication and Informatics in Indonesia** has reportedly restricted access to over 800,000 forms of online gambling content since the appointment of Budi Arie Setiadi as the Minister. Setiadi leads the Ministry, which is responsible for communications, information affairs and internet censorship in Indonesia, with data from the Directorate General of Information Applications of the Ministry of Communication and Information highlighting that 805,923 forms of gambling content had been disabled. This is carried out through IP addresses, blocking websites and even restricting payments.

Elsewhere, **Veikkaus’** requirement for identification for all of its gambling games came into effect on Monday, as we entered 2024. Players will be able to identify themselves in various ways such as with a Veikkaus card, a driving, personal, Kela card or a mobile card found in the

Veikkaus application. It has been said that the aim of this identification is to prevent gaming disadvantages, facilitate age limit monitoring and generally build a safer gaming environment. This follows a similar identification requirement that was implemented earlier in 2023 for coupon games like Lotto and Eurojackpot by Veikkaus.

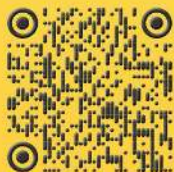
Finally, the **Advertising Standards Authority (ASA)** has ruled Buzz Bingo’s Halloween promotion to be in breach of its advertising code. The complaint related to a post on Buzz Bingo’s Facebook page raising concerns that the cartoonish Halloween imagery might appeal to children. Buzz Bingo stated that the ad was restricted to Facebook users aged 18 and over, but acknowledged the potential appeal to children and removed the ad upon receiving the complaint. The ASA upheld the complaint nonetheless considering Halloween’s strong appeal to children and the cartoonish imagery resembling children’s cartoons and storybooks.

“This achievement is equivalent to the accumulation of online gambling content blocking that has been carried out over the previous five years.”

Minster of the Ministry of Communication and Informatics in Indonesia, Budi Arie Setiadi, on the Ministry restricting access to over 800,000 forms of online gambling content since his appointment only half a year ago

FREE READ ONLINE

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THE WEEK IN NUMBERS

\$270.17



Per night was the average cost of Vegas Strip hotel rooms in November

97.9%

Of Ohio's November revenue was from online sports betting



£1m



Raised for Prostate Cancer UK by Paddy Power ahead of the World Darts Championship semi-finals (\$1.3m)

SPORTS BETTING ROUND-UP: EXPANSION IN THE AMERICAS

This week, companies in the Americas brought sports betting to new heights, expanding the sportsbook experience across new casinos and countries.

In a strategic partnership with Asia-facing operator **Fun88**, supplier **Betby** has expanded its reach in Latin America. This move hopes to fuel Betby's expansion through the creation of distinctive sports betting experiences tailored for the LatAm market.

Chris Nikolopoulos, Betby COO, said: "Fun88 has established itself as a leading brand in the Asian market. With an experienced leadership team and an ambitious growth strategy, Fun88 has all the ingredients Betby looks for in an operator."

In North America, sports betting has continued to venture into land-based casinos. In North Dakota, **Internet Sports International (ISI)** has collaborated with

Spirit Lake Casino & Resort to introduce its software to the casino floor, promising real-time odds, a comprehensive array of sports propositions and compliance tools, all accessible through the kiosks.

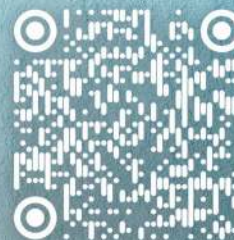
Speaking of the partnership, Bill Stearns, ISI CEO, commented: "As retail operations move toward a digital-first experience, ISI's additional technology and solutions need to be incorporated to enhance the consumer experience for gaming venues of all sizes."

Similarly, **Circa Sports** has officially launched at the Silverton Casino Lodge in Las Vegas. This marks the fifth satellite location in southern Nevada for the brand, acting as a temporary sportsbook. The collaboration aligns with recent renovations at Silverton Casino Lodge and offers a preview of ahead of the opening of the permanent sportsbook in March.



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January 2024 The first day from which all Veikkaus gambling games required identification

1,600

Square-foot Circa Sports permanent sportsbook set to be opened in March at the Silverton Casino Lodge



\$1.37bn



Gambling Revenue for Nevada in November

GI THE FRIDAY DEBRIEF

After a hectic few weeks for Entain including legal battles, resignations and board reshuffles, things now appear to be reaching some sort of normality.

Since mid-December, there has been a continuous growth pattern for the company's stock price, reaching a peak of £10.19 (\$12.87) on December 20, sitting just shy of £10.00 at £9.99 at the time of writing.

This week, the latest from Entain sees Ricky Sandler appointed as a Non-Executive Director. Sandler is the Founder, CEO and CIO of Eminence Capital LP and will join Entain's People & Governance and Capital Allocation committees.

Sandler founded Eminence Capital in 1999, which today manages a \$6.5bn investment portfolio across global financial markets.

Relating to its stock price, this news was a further positive for the industry

giant, as it went up 3% after this news was announced.

However, what is interesting about the appointment is that Eminence Capital holds approximately 2% of Entain's total outstanding shares and openly disapproving the Entain Board in an open letter last year, regarding its proposed acquisition of STS Holdings, labelling the move as 'destructive to shareholders'.

The letter was quite a strong public attack on the Entain Board which covered a number of points, including criticising them for purchasing a company while roundly rejecting takeover bids from other companies, such as MGM, at 'materially higher prices.'

On the other hand, this does follow a similar pattern where hedge funds are looking to take action in order to enhance shareholder value, as seen previously when HG Vora Capital Management made a formal request to appoint directors to Penn Entertainment's board.

This move then could be considered as key in rejuvenating Entain to get it back on track after recent setbacks. A penny for Jette Nygaard-Andersen's thoughts.



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OHIO SPORTS BETTING REVENUE IN NOVEMBER

Sports betting revenue in Ohio was down 15.5% month-on-month for November, reaching \$67.8m. While total revenue came to \$67.8m, total taxable revenue was \$68.2m. Despite revenue being down, handle was on the rise, up 19.3% from October for a total sports betting handle of \$864.2m.

Of the month's total revenue, the most significant contributor was online sports betting, which generated \$66.6m. Retail sports betting contributed the remaining 1.8%, making \$1.2m in November.

When breaking down all-sources revenue of online and land-based operators in Ohio, the biggest contributor to the Buckeye States revenue was DraftKings, which generated \$22.5m. This was the first time in 2023 that DraftKings was able to outperform FanDuel within Ohio, which came in as the second-highest revenue generator at \$21m.

The next-highest revenue makers in November were Penn (ESPN Bet), bet365 and MGM, earning \$12.3m, \$3.7m and \$3.5m respectively. ESPN Bet is a recent entrant to the Ohio sports betting ecosystem, having only formed in the US in August. As such, it has seen substantial growth, having also reported the highest change in revenue from October; however, much of its figures were generated from promotional play and free bets.

Revenue for Penn (ESPN Bet) was up 454% from October. It was one of only three operators that saw growth in November, with the other two being Belterra Park Digital and Tipico, which saw revenue increases of 14% and 2% respectively.

As an Ohio-based operator, it is interesting to see it as one of the only three operators to grow in the last month.

OHIO SPORTS BETTING REVENUE FOR NOVEMBER

ALL-SOURCES REVENUE	REVENUE (M)	CHANGE (%) LAST MONTH
Hollywood Columbus PENN	\$12.30	+454
Belterra Park Digital Gaming	\$0.07	+14
Columbus Crew Tipico	\$0.50	+2
Cleveland Guardians Bet365	\$3.70	-3
Cincinnati Reds ENT, MGM	\$0.01	-17
Hollywood Toledo DKNG	\$22.50	-21
Hollywood Mahoning Valley PBH	\$0.30	-23
Hollywood Mahoning Valley PENN	\$0.09	-27
Hard Rock Cincinnati Seminole	\$0.60	-28
JACK Cleveland BetJack	\$0.50	-31
Belterra Park FanDuel (FLTR)	\$21	-32
MGM Northfield Park ENT, MGM	\$3.50	-41
Scioto Downs CZR	\$1.40	-43
Columbus Blue Jackets Fanatics	\$1.30	-46
Muirfield Golf Club Parx	\$0.03	-52
Cincinnati Bengals Betfred	\$0.07	-59
Hollywood Dayton RSI	\$0.10	-63
Geneva Sports Prime Sports	\$0.01	-81
JACK Thistledown BetJack	\$0.04	-82
Hollywood Toledo PENN	(\$0.07)	-123
Hollywood Dayton PENN	(\$0.05)	-134
Cleveland Browns BALY	(\$0.10)	-295
Miami Valley Gaming GameWise	(\$0.10)	-296
Cleveland Cavaliers CZR	\$0.08	NA
FC Cincinnati Superbook	(\$0.03)	NA
Hall of Fame Village Betr	\$0.07	NA
Total Revenue	\$67.80	-16
Total Handle	\$864.20	+19

GI
FRIDAY

GUEST

INTERVIEW

VILLE VENOJÄRVI,
VICE PRESIDENT,
LOTTERY PRODUCTS AT VEIKKAUS

Venojärvi speaks to Gambling Insider about Veikkaus' new identification process for its gambling games and the importance of its implementation

Could you explain how identification for games works? Is it the same as showing a driving licence as someone would for age verification?

First, players must register to be Veikkaus customers with appropriate KYC procedures. Players can register either online or at our gaming arcades and Casino. Once the registration is completed, players can identify at POS using different methods, e.g., our customer card, driver's license, or mobile application.

What was it that motivated Veikkaus to bring in identification as a requirement?

As of 1.1.2024, the law in Finland requires Veikkaus to identify players in all games, including scratch cards. Identification is also an essential part of our responsible gaming ecosystem.

Would identification have been implemented if Veikkaus was a privately-owned company?

In Finland, the public expectation is that gaming-related problems should be prevented and reduced. Identification is an essential enabler to reach this target and, hence, is not related to the ownership of Veikkaus.

Have any concerns risen with regards to customer privacy because of the identification process?

Not really. Following all compliance and privacy-related

requirements is a top priority for Veikkaus, and we have gained the trust of our players in this regard.

How important is the identification process for protecting players, particularly problem gamblers and those who are under-age?

Identification is an essential part of our responsible gaming ecosystem. It enables us to prevent underage gaming and use targeted responsibility measures for players who might be at risk of developing problematic playing behavior. Identification also enables players to keep up with their playing and use our various responsibility tools like self-exclusion and loss limits.

How have customers found the identification process since it was first introduced for coupon games? Has there been any feedback?

In general, players have adopted the identification well. Many players identified in coupon games before it became mandatory, which helped a smooth transition. We continuously receive feedback from players and retailers, which we use to improve our player- and retailer experience further.

Since its implementation, has there been a change in the number of players? Will this latest implementation affect the number of players even further?

Identification for coupon games did not have a major impact on wagering. Identification for scratch cards has started well, and our players and retailers are now getting used to the new practices.

Do you think globally many other companies will follow with their own identification processes?

It seems that the stakeholder expectations and regulatory requirements for safer gaming are growing within the industry. Our journey towards a responsible gaming ecosystem with full identification is an achievement we can be proud of. If our example should inspire other companies to start a similar transition, we of course hope that our experiences and knowledge can help them to achieve similar success we have had.

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