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# WEEK 17

*FRIDAY 26 APR 2024*

**IN THIS WEEK'S ISSUE:  
Q1S ARE BACK; SO ARE LAWSUITS...**

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**Kambi**



# WEEK 17

FRIDAY 26 APR 2024

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### THIS WEEK

- MOVERS & SHAKERS X2

- THE DEALMAKERS

- AROUND THE WORLD  
IN 3 STORIES

- NORTH AMERICA  
ROUND-UP

- DEBRIEF: CARELESS  
ADVERTISING

- GUEST INTERVIEW  
Steven Wolstenholme



## WHO HAS STARTED THE FASTEST IN Q1?

## ANOTHER WEEK, ANOTHER LAWSUIT



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# Kambi

Evolution and Kindred have continued to grow at the start of 2024, while Kambi and Svenska Spel have endured mixed beginnings

## EVOLUTION

2023 was a strong year for Evolution and this momentum has carried on into 2024, posting an all-round positive set of results across the business in the first quarter.

Operating revenue saw the largest growth across the main financial segments at 16.7% year-on-year, to a figure of €501.5m (\$536.1m). Looking closer at revenue, €431.3m came from live casino, while the remaining €70.1m came from RNG games, with both of these verticals growing when compared to the first quarter of 2023.

EBITDA rose by 15.2% in Q1 2024 to a value of €345.8m, with the EBITDA margin set at 69%. Profit also continued to grow during the quarter, going up 7.2% year-on-year to €269.2m.

The company has emphasised that there was growth across all geographical regions in which the business is present during the quarter; and despite what appears to be a good start to the year, Evolution CEO Martin Carlesund has said “much remains to be done to fully leverage our position in the market and serve the underlying demand.”

## KINDRED

Kindred Group's first quarter was also one marked by growth, though its revenue did stagnate, increasing by less than £1m (\$1.24m) to £307.7m. This was of course still up on this time last year but quite minimal when looking at other financial segments.

EBITDA was up 23.3% to £58.3m and adjusted EBITDA was up 20% to £59.3m, while profit before tax was 30.9% better off at £39.8m.

Looking at active customers, the total remained well in the millions, growing by around 44,000 to a total of about 1.67 million customers.

The group also published data looking at how much of its revenue came from high-risk players as it looks to work towards a more sustainable gambling experience. The share of Kindred's gross winnings that came from high-risk players was 3.2% of its Q1 revenue, which is up from the 3.1% figure in Q4 2023, but down when looking at the same period in 2023, when it was 3.3%. Detected customers who exhibited improved behaviour after interventions was 87.1% in the first quarter of 2024, a slight decline from the 87.4% in the last quarter, but an improvement on 83% recorded in the first quarter of last year.

## KAMBI

A slightly more disappointing, though not disastrous, quarter was experienced by Kambi Group, seeing its revenue decrease 1.8% to €43.2m, though this was in line with its expectations according to outgoing CEO and Co-Founder Kristian Nylén.

Operating profit during the quarter reached €4.4m, a slight decrease of 2.2%, which resulted in a margin of 10.2%. EBITA was a stable figure at €5.8m, with a margin of 13.3%, figures not similar to the same period last year.

Cash flow during Q1 2024, excluding working capital and M&A was €5.4m, showing growth of 68.75% year-on-year, while earnings per share remained unchanged from the figure last year.

## SVENSKA SPEL

Of the four, the more negative start to 2024 was endured by Swedish operator Svenska Spel.

While overall revenue for the group only dropped by 1% to SEK 1.96bn (\$180m) during the first quarter of the new year, key aspects of it have taken a major hit. More specifically, the Casino Cosmopol and Vegas business area was down 32% to SEK 169m, affected by a number of factors, including the restructuring of Casino Cosmopol, closures of Casino Cosmopol in Malmo and Gothenburg, and the reduced opening hours at the remaining casino in Stockholm.

While the sport and casino business also saw a decline of 3%, the Lottery division, known as Tur, went up by 6% to SEK 1.24bn. The online business as a whole, which accounted for 56% of the group's revenue during the quarter, increased 6% to SEK 1.09bn.

However, the major story for Svenska Spel was that, during the quarter, operating profit was down 49% to SEK 310m. Costs such as the liquidation of the casinos in Malmo and Gothenburg, restructuring costs linked to the review of the group and a penalty fee, were some of the main reasons behind this drop off, according to the operator.

While it could be argued that Svenska Spel has endured difficulties at the start of this year, much of this has come owing to costs which would not normally be present and, overall, these four operators/suppliers have shown potential for the year ahead. Evolution has clearly started the quickest and looks to be setting itself on the right path early on, but market conditions can of course change the scene very quickly. Overall, it's anyone's game.

## TAKING STOCK

SHARE PRICES COVER  
THURSDAY 18 APRIL 2024 TO  
THURSDAY 25 APRIL 2024  
(10:00AM GMT)

**Kindred**  
123.40 SEK ↓ 0.3%

**Evolution**  
1,275 SEK ↓ 1.6%

**Melco Resorts**  
6.27 USD ↑ 0.6%

**Tabcorp**  
0.74 AUD ↑ 3.5%

**DraftKings**  
40.85 USD ↓ 1.9%

**BlueBet**  
0.24 AUD ← 0%

**Penn Entertainment**  
17.84 USD ↑ 10.5%

**Bragg Gaming**  
6.17 USD ↑ 0.8%

# ANOTHER WEEK, ANOTHER GAMING INDUSTRY LAWSUIT

Founded in 2021, Koin develops a product named Koin Wallet, which is a direct competitor of Everi's CashClub Wallet. And, last week, Koin filed a lawsuit alleging that Everi has been blocking platforms that offer alternative payment and funding methods for gaming activities. Filed as a Nevada federal lawsuit, plaintiff Koin Mobile has now officially sued defendant Everi for the unlawful extortion of rival casinos, forcing them to use its products in the pursuit of a complete market monopoly.

The basis of the claim is that Everi allegedly breaches US antitrust law by drawing up long-term agreements with companies, chaining them to the use of its CashClub wallet and prohibiting them from collaborating with non-Everi digital wallet solution providers. Koin believes its competing product has become a threat to Everi's market dominance, and claims Everi has begun to intrude upon Koin's business relationships.

Stated in the lawsuit, allegations say Everi "aggressively" utilises its dominant market position through lengthy contracts containing automatic renewals and rights of first refusal, culminating in antitrust accusations, including market power and anticompetitive conduct. Regarding the interference with Koin's business relationships, the lawsuit states that Everi "specifically harmed Koin by acting to block (Koin's) existing partnerships with, among others, Baldini's and Ureka, as well as Koin's opportunity to compete for partnerships with other casinos."

Everi's CashClub product has not been a stranger to legal dispute in the time since its inception. The product was subject to a patent infringement case in Texas with the company Sightline. The original motion was dismissed just under a year later; however, Everi then went on to file for a review of the claim.

The patent infringement case was put to rest by The Patent Trial and Appeals Board (PATB), which deemed the claims made by Sightline were not patentable.

In both legal disputes, the common denominator has been Everi's CashClub. The product in question is a cashless gaming solution which is used by a range of casinos all over the US. Designed as a digital wallet, Everi's CashClub is one of a range of products, developed by multiple companies, made to streamline casino services and enhance operator safety through the removal of on-premises cash exchange.

However, unlike the Koin Wallet, it is not a general-purpose wallet and as the lawsuit details: "It may be used only in casinos, is less convenient for users, more expensive and offers fewer inferior features."

Indeed, Everi is a dominant and imposing conglomerate in comparison to Koin – with its recent merger with International Game technology (IGT) set to form a \$6.2bn company. Still, Koin's claims are to be reviewed by legal professionals – and the company is awaiting Everi's response to the allegations along with the rest of us.

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**MOVERS &**

**SHAKERS**



**AARON LABERGE**  
CTO  
*Penn Entertainment*

In a role that is effective as of 1 July, **LaBerge** steps in with experience as CTO at Disney Corporation. His responsibilities include leading the company's technologists as business leader of their Interactive department.



**ADAM NOBLE**  
CCO  
*The Unit*

Following recent expansion and company-wide innovation, **Noble** will bring experience as Co-Founder of the online casino brand PlayStar, as well as C-level experience as a former Chief Business Development Officer.



**LORI KALANI**  
Chief Responsible Gaming Officer  
*DraftKings*

**Kalani** steps in the newly incepted role at DraftKings with experience in customer protection law, and was involved in gaming as a partner at the Cozen O'Connor law firm & Co-Chair at the State Attorneys General Practice.



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**MOVERS &****SHAKERS V2**

**REGIS DUDENA**  
Secretary of SPA  
Brazil

**Dudena** has a wealth of experience in Public and Regulatory Law in multiple sectors. He will now assist the Regulatory body in key legislative decisions as Brazil advances with legalised gambling.



**RAQUEL BUARI**  
EVP  
Four Winds Casino

A member of The Pokagon of Potawatomi, which runs Four Winds, **Buari** is the first female EVP in the casino's history. She has served in multiple capacities at the casino including SVP Human Resources and Director of Legal Affairs.



**RUBENS BARRICHELLO**  
Non-Executive Director LatAm  
Softswiss

**Barrichello** made his name as a Formula 1 racing driver. Softswiss will hope to use his extensive knowledge and sports background to broaden the company's offerings in tech and sports betting.



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**THE WEEK IN QUOTES**

*“Since opening the Crown Sydney casino in August 2022, we have worked tirelessly to implement wholesale reform across our business, delivering 432 remediation activities to the NICC across key areas, including harm minimisation, financial crime, compliance, risk and culture.”*

**Crown Sydney CEO Mark McWhinnie after the resort retained its casino licence**

*“Two-up is a great Australian tradition and a way for people to come together at pubs and clubs to enjoy the Anzac spirit. While venues do not need a permit to host two-up, they are encouraged to fully understand and observe the traditional rules of the coin-tossing game.”*

**Liquor & Gaming NSW Executive Director of Regulatory Operations Jane Lin on ensuring compliance on Anzac Day**

COMPANY	NEW PARTNER	VERTICAL
888bets	NE Games	Sports betting
Beter	Superbet	Technology
Betano	Aston Villa	Sponsorship
Tabcorp	OpenBet	Technology
FBMDS, Planet Invest, EverPlay	Ronaldinho	iGaming
Bragg Gaming	Light & Wonder	Distribution
Kiron Interactive	EstrelaBet	iGaming
LeoVegas	Playtech	Technology
France Galop	1/ST	Horseracing
Kwiff	Tzeract	Sports betting

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4 June 2024

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## NEW CUSTOMER MARKETS ROUND-UP: HENGQIN, ARIZONA AND DISCORD

*"Politicians and media pay attention to online gambling, it sometimes seems as if land-based games of chance are forgotten."*

**Outgoing Chairman of the KSA René Jansen in a speech related to several recent industry concerns**

*"Gen Z consumers aren't engaging with media and sports in the same way that older generations have in the past."*

**Rivalry Global Head of Marketing Grant Flannery on the company's partnership with Basketball Forever to reach Gen Z sports fans**

Customer acquisition can be tricky, but this week three parties took steps to help get new players through the door.

In a physical sense, the **Tohono O'odham Gaming Enterprise** held a tour to showcase how far along its new Desert Diamond Casino White Tanks facility is coming along. The facility is located in Arizona, North America, and is expected to open before the end of the year. The \$450m project will feature 900 slot machines, table games, a sportsbook and a dedicated poker room. The facility will also include hospitality features such as restaurants, hotel rooms and an events centre.

In a digital sense, **Slotsjudge** this week launched on two new platforms, Kick and Discord. The affiliate plans to use these casual spaces to encourage community interaction, discussions and polls. The affiliate plans to launch a channel on Kick, where Slotsjudge streamers can interact with viewers; while the Discord server will provide a space where

people can hang out in text and voice channels. Both of these platforms are widely used by Millennial and Gen Z audiences, which are both age brackets gambling companies are beginning to focus on, especially affiliates just like Slotsjudge.

In a geographical sense, **Melco Resorts & Entertainment** has spoken out in support of a proposed Visa scheme between Macau and Hengqin, an island in the Guangdong Province of the People's Republic of China. The new scheme would allow multiple trips in a particular timeframe between Macau and Hengqin, rather than a single trip, which would benefit tour group visitors who are staying at hotels in one of the regions. Lawrence Ho, Chairman and CEO of Melco Resorts, emphasised that hotel accommodation in Hengqin is often cheaper than in Macau; and this scheme could support the long-term growth of the gaming industry.







# THE WEEK IN NUMBERS



## 65%

Increase in suspicious betting alerts reported by IBIA from last quarter

## 4



Up-and-coming MMA fighters now being sponsored by Leon



## -105

Betting lines being offered by Rebet during the NBA playoffs

## NORTH AMERICA ROUND-UP: CDI, PENN & MORE...

Gaming in North America has been far from quiet this week. Here are just a few of the highlights.

Firstly, ESPN Bet opened its first land-based sportsbook at Hollywood Casino at Greektown. The downtown Detroit location will offer a 4,500 ft betting and dining space with wagering kiosks, a 30' video wall and is located less than a mile from the location of this year's NFL Draft. VP of ESPN Bet and ESPN Fantasy Mike Morrison said the company was "thrilled to open the first ESPN Net retail location" in the city.

Second, Churchill Downs reported its Q1 2024 results, which saw net income fall almost 50% despite hitting record-high revenue levels. Net revenue totaled \$590.9m, while net income came to \$80.4m. Live and historical racing outperformed gaming in the quarter,

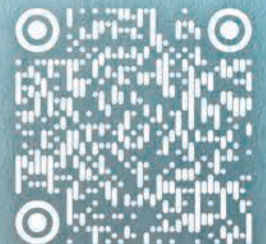
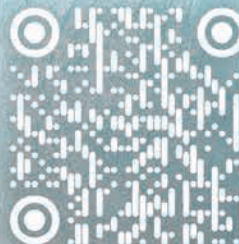
beating the segment by less than \$6m. Looking towards individuals, PrizePicks hired Renee White and Phil Sherwood as its new Chief People Officer and Senior Director of Responsible Gaming respectively. White comes to the role with experience including Head of People & Culture at Turner Sports among other roles. While Sherwood's previous roles include Chief Communications Officer for the Massachusetts Council on Gaming and Health (MACGH).

Affinity Interactive also hired new staff this week, in particular a new CEO and President in Scott Butera. Butera has over 30 years of industry experience, with previous roles including President of Interactive Gaming at MGM Resorts International and President of Fubo Gaming. Butera described himself as "eager" to begin working with the company.



## ALL OF GAMBLINGINSIDER,

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**71%**

Of 25 to 44-year-old bettors prefer to livestream sporting events according to YouGov US data

**\$7m**

Guaranteed prize pool at WPT Global's Spring Festival



**42**

Million active player base for EvenBet in Q1 2024

# GI THE DEBRIEF FRIDAY

## 'This carriage is now a casino'

Picture the scene: London, the hub of the UK gambling market (a saturated market, where most players interested in gambling will know exactly who they want to bet with already: bet365, Ladbrokes, Coral, 888, Paddy Power, William Hill and dozens more reputable choices). You're on the tube heading to work, or perhaps with your children on a day out. You look up and see an advert saying 'this carriage is a casino.'

Now, if ever there was a better embodiment of careless advertising, *Gambling Insider* would love to see it. We won't name the operator who came up with the ad, but we have to question the motives behind this particular branding.

On the London Underground, where families and children will be present, non-gamblers, very possibly religious people who morally object to gambling, who thought it was a good idea to

announce all of those passengers are now in a 'casino?'

What is the upside of an advert in a tube where, as stated, those looking to gamble are probably well aware of the app in question anyway?

The downside, meanwhile, is potentially inflaming gambling critics – and exposing minors to ideas about gambling. This kind of carelessness fuels the desire to ban gambling advertising outright – something becoming more and more of a theme both in the UK and internationally.

The advert, of course, includes the responsible gambling phrase 'take time to think.' But there's a double irony here: most people we speak to in the industry aren't actually aware 'take time to think' has replaced 'when the fun stops stop' – underlining how much less memorable the new slogan is.

Secondly, and most importantly, did anyone take time to think when making this advert?



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## NEW YORK GAMING REVENUE

New York has reported its gaming revenue for March 2024. Total gaming revenue came to \$431m, down 0.3%, with racinos contributing just over half of this revenue at \$217.4m, up 4.2%. Online sports betting generated \$151.7m, down 6.9%, while casinos made \$61.9m, up 2%.

Of the Empire State's 14 land-based operators, the largest gaming revenue recorded was from Resorts World, making \$61.1m, up 3.7%. This was followed by Empire City Yonkers and Jake's 58, making \$55.1m (up 1.9%) and \$26m (up 9.2%) respectively.

Only two operators saw a year-on-year revenue decline in March, these being Hamburg Fairgrounds Buffalo and Rivers Schenectady. Schenectady fell 5.6% for total revenue of \$18.5m, while Hamburg was down 1.4%, making \$7.2m.

Despite this, only three operators reported annual growth in double digits. The largest year-on-year growth was reported by Resorts World Hudson Valley, which made \$7.7m with growth of 24.2%. This was followed by Vernon Downs and del Lago, up 10.9% and 10.2% respectively.

On the online sports betting side, FanDuel made the most significant financial contribution to March's total sports betting revenue, making \$73.1m. This was followed by DraftKings at \$48.8m and Caesars at \$13.6m. However, all three of these operators reported annual declines, down 8.3%, 6.2% and 10.2% respectively.

Unlike land-based operators, only three online sports betting operators saw growth in March. However, the growth noted was significant. The smallest year-on-year growth was reported by Ballys, up 28.6% with \$0.3m. This was followed by Resorts World Bet, up 110% with \$0.7m, with the most significant growth reported, unsurprisingly, by Fanatics, at 133.7%. The sportsbook, which went live in the Empire State at the end of February, made \$3.8m in March, outperforming BetRivers, Resorts World Bet and others despite its infancy in the New York sports betting market.

## NEW YORK GAMING REVENUE FOR MARCH

ALL-SOURCES REVENUE	REVENUE (M)	CHANGE (%) YEAR-OVER-YEAR
Resorts World Hudson Valley	\$7.70	+24.2
Vernon Downs	\$3.20	+10.9
del Lago	\$15.90	+10.2
Jake's 58	\$26	+29.2
Tioga Downs	\$10.10	+5.2
Finger Lakes	\$11.60	+4.1
Resorts World	\$61.10	+3.7
Nassau OTB at Resorts World	\$24.70	+2.8
Saratoga	\$12.90	+2.7
Batavia	\$7.90	+1.9
Empire City Yonkers	\$55.10	+1.9
Resorts World Catskills	\$17.50	+1.9
Hamburg Fairgrounds Buffalo	\$7.20	-1.4
Rivers Schenectady	\$18.50	-5.6
<b>Total</b>	<b>\$431</b>	<b>-0.3</b>
<b>Total racino</b>	<b>\$217.40</b>	<b>+4.2</b>
<b>Total casino</b>	<b>\$61.90</b>	<b>+2</b>

SPORTS BETTING REVENUE	REVENUE (M)	CHANGE (%) YEAR-OVER-YEAR
FanDuel	\$73.10	-8.3
DraftKings	\$48.80	-6.2
Caesars	\$13.60	-10.2
BetMGM	\$7.80	-18.8
Fanatics	\$3.80	+133.7
BetRivers	\$3.40	-6.4
Resorts World Bet	\$0.70	+100
WynnBet	\$0.30	-55.4
Ballys	\$0.30	+28.6
<b>Total online sports betting</b>	<b>\$151.70</b>	<b>-6.9</b>
<b>Total handle</b>	<b>\$1,849</b>	<b>+3.5</b>

GI  
FRIDAY

GUEST

INTERVIEW

**STEVE WOLSTENHOLME,**  
PRESIDENT & CEO,  
HOIANA RESORT

**Wolstenholme discusses Vietnamese gaming with Gambling Insider. The full, in-depth interview will feature in our upcoming Asia Focus magazine**

**Thanks for joining us again, Steve. What are your main focuses at Hoiana right now – and for the rest of the year? How big is the focus on golf, too?**

The golf course is spectacular. It's one of the top 100 golf courses recognised globally. So that accolade has certainly encouraged a lot of people to come and experience that links-style golf course. So that's definitely a major amenity that drives a lot of business. In our future phases, we're looking to put at least one more golf course and that will come up in the next few years as well. Central Vietnam as a golf destination is very prevalent. If we look at the integrated resorts and casino business, it's shifting. We've experienced shifts before and currently, Korea is our most preferred market because there are great flights coming into Korea. If you come to Korea, you've got a short-term stay. You don't have to have a Visa, it's Visa-free travel, as there are tourists from other countries, the UK being one of them as well. So that's definitely a market we focus on.

When we look at the diversity of integrated resorts in general, I think the characteristics of integrated resorts are not just integrated. In other words, it's not just about experiencing the result internally, but sometimes, and particularly here in Vietnam, it's about getting out of the resort and experiencing the charm and culture of Vietnam. That's something we promote very, very much. Sometimes, it's not just about the culture,

but the culture comes with the food experience as well and we have some magical restaurants here.

Often people want to try the street food. Here in Vietnam, we encourage people to do that because I think, again, when people look back at their experience in Vietnam, it's not just about five-star resorts. It's not just about the beach or the Gulf. It's about what does Vietnam really have to offer? And sometimes that's really about the charm and the hospitality that comes with the country. I think you know people around the world like Chinese food; People around the world like Thai food; and I think Vietnamese food is very close to that level, where people want to experience Vietnamese food in their home country, but they also want to experience the real thing. So the place you're going to do that is in Vietnam!

**We've actually had Vietnamese food at Gambling Insider more recently than Chinese food, so we know how nice it is! As we are discussing, land-based gaming is very strong in Vietnam. In terms of online gaming, what is the exact current legal status?**

Vietnam is not a grey market. Online gaming is not permitted by law. Both online gaming, or its proxy, being anything that requires a server or a camera that is streamed off-site, is completely against the law. It's absolutely black and white. Of course, we honour the requirements in that we operate under the knowledge that online gaming is something that may happen at some point. But certainly, we're not going to push that business segment. We're very comfortable in our space and are focusing on local gaming first. We're completely understanding of the social dilemmas that sometimes put certain restrictions on local gaming.

**So, local gaming is higher on the agenda for Vietnam than online gaming?**

I don't know for sure but there's a pilot programme for local gaming. There's no pilot programme for online gaming.

*Check out our upcoming Asia Focus magazine in May for the rest of the conversation, including discussion on South Korea, Macau, the UAE and much more.*

THE LATEST ISSUE OF **GAMING AMERICA**  
IS OUT NOW **CLICK HERE TO VIEW**



Together  
we are limitless

The background features a dark blue gradient with abstract digital elements. In the center, there are several overlapping, semi-transparent waveforms or mesh-like structures. Scattered throughout these structures and the background are numerous small, glowing particles in shades of light blue, cyan, green, and purple, creating a sense of depth and movement.

**Kambi**