



FANTINI'S GAMING REPORT®

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Special Reporting Service

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Fantini's COVID-19 Gaming Daily

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NOTE: *As states are beginning to lessen restrictions and casinos are planning re-openings, we welcome all news and developments for these and anything COVID-19 related. Send your news releases to Editor@FantiniResearch.com. In addition, you may reach Editor Blake Weishaar at BWeishaar@FantiniResearch.com or by phone at +1 302 730 3793.*

NEW JERSEY iGAMING BOOMS

iGaming in New Jersey boomed in April with revenue more than double last year to a record \$79.960 million.

However, that pales next to the \$207.583 million in casino revenue last year that was brought to zero this year as all casinos were closed.

iGaming was led by long-time leader Golden Nugget while Ocean Casino more than tripled last year.

Online poker, which has long been stagnant, tripled last year to a record \$5.148 million.

Sports betting fell off hard due to a lack of sporting events.

IGT AMENDS FINANCIAL AGREEMENTS

IGT obtained waivers on net debt-to-EBITDA covenants from the third quarter through next year's second quarter.

The company will be required to maintain liquidity of at least \$500 million through the second quarter next year and interest rates will rise on all loans under the revolver to 2.475 percent and on all loans under the term loan to 2.5 percent.

Dividends and share buybacks will be prohibited through June 30 next year. IGT had previously spent \$160 million on dividend payments annually.

BYD OFFERING NOTES

Boyd Gaming has joined the liquidity-growing trend in offering an upsized \$600 million in senior notes due 2025 with interest of 8.625 percent.

The initial offering was for \$500 million.

BYD had \$831.2 million in cash as of March 31 and expects to burn \$45 million a month this year.

SURVEY: MOST GAMBLERS WILL RETURN

A slight majority of gamblers say they will return to casinos once reopened, according to a survey conducted by skill-game provider Synergy Blue.

Fifty-one percent say they will return to casinos, with 34 percent saying they will return once stay-at-home orders and social distancing measures are lifted.

Others had separate criteria for returning, including 26 percent intending to return when the number of COVID-19 cases drastically reduces, 21 percent when stay-at-home orders are lifted and 19 percent when a vaccine becomes available.

Fifty-six percent say they plan to return due to the excitement that casinos bring while 45 percent say it's because gambling was something that they did before the virus.

Slots are expected to draw the majority of gamblers at 60 percent while 43 percent are being attracted by restaurants and bars, 38 percent to casino entertainment and 35 percent to table games.

Full report: https://synergyblue.us/wp-content/uploads/2020/05/SynergyBlue_Post-COVID-report.FINAL_.pdf.

OPENINGS: AZ, HARD ROCK, OK, SPAIN, VIETNAM

- ARIZONA. Gila River casinos will reopen Friday and their hotels will reopen June 15.

- HARD ROCK INTERNATIONAL may reopen its Florida casinos this month, though there is no definitive timeline, Fox Business reported.

- OKLAHOMA. Buffalo Run casino will reopen Friday with limited capacity and strict disinfectant protocols.

- SPAIN. National lottery operator Loterías y Auestas del Estado will resume operations next week.

- VIETNAM. Donaco resumed operations at Aristo International Hotel on a limited basis. The hotel is near the border with China.

Suncity also resumed VIP gaming club operations at Crowne Plaza.

COMPANIES: RRR, RUFFIN, VIKINGS

- RED ROCK RESORTS began testing employees for COVID-19 at six properties, the Las Vegas Review-Journal reported.

There is no opening date yet for RRR's casinos.

- RUFFIN ACQUISITION. Treasure Island released new health and safety policies in preparation to reopen including using plexiglass shields, temperature screenings and protective equipment for all staff.

The property has started accepting hotel reservations beginning May 22 after postponing its earlier planned opening of the 15th.

Customers will be asked to maintain six feet of distance and masks will be available to them and required of employees.

- VIKINGS CASINOS. The French casino operator postponed the €14 million to €17 million renovation of Hotel des Thermes in Vittel near Germany to the start of summer, G3 Newswire reported.

The renovation will add a 100-slot casino.

US: AR, CT, GA, NJ

- ARKANSAS lottery sales increased 13 percent to a record \$43.9 million in April as gamblers turned to lottery amid casino closures.

Instant games were up 17 percent to \$43.6 million while draw-based sales fell 10.6 percent to \$5.9 million.

Intralot has Arkansas' lottery contract.

- CONNECTICUT. Mohegan Sun and Foxwoods will remain closed through May 26.
- GEORGIA lottery sales continue to be high in May after setting a monthly record in April, Lottery VP of Government Relations Brad Bohannon told AP.

Bohannon credited the increase to a 50 percent jump in the use of the lottery's online options.

IGT is the primary lottery contractor for Georgia.

- NEW JERSEY. Legislation was introduced to require the state Department of Health to establish sanitization and social distancing standards for casinos.

LVS DROPS JAPAN BID

Las Vegas Sands dropped out of the race for a casino resort in Yokohama, Japan.

"While my positive feelings for Japan are undiminished, and I believe the country would benefit from the business and leisure tourism generated by an integrated resort, the framework around the development of an IR has made our goals there unreachable," CEO Sheldon Adelson said.

LVS is still investing in Macau and Singapore to create meaningful growth opportunities for the company's existing portfolio, he added.

COO Rob Goldstein had previously indicated that the investment required for a Japanese casino may not generate adequate returns.

MGM is now the sole US company vying for a Japanese casino as it pursues an Osaka project.

Galaxy Entertainment, Genting Singapore and Melco Resorts are still pursuing a Yokohama casino.

The decision to pull out of the Yokohama bid likely stems more from issues arising from Japan's casino bill than the revenue opportunity, Carlo Santarelli of Deutsche Bank noted.

The withdrawal was not likely due to COVID-19 and does not make LVS any more or less likely to pursue acquisitions, he added.

LVS' withdrawal is not a good sign for the remaining companies still interested in a Japanese casino as LVS' management is the best in the business, Steve Wieczynski of Stifel said.

FANTINI'S VIRTUAL TRADE SHOW

As COVID-19 has caused the cancellation of many trade shows, now is the time to turn to a virtual show to display and advertise all your product lines and news events too. To exhibit your company, contact Dee Wild-Shyver at DWild@FantiniResearch.com.

See products, demos, and news from exhibitors at www.FantinisGamingShow.com.

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CONVENTIONS, TRADE SHOWS, CONFERENCES, EXPOS

Shows and conferences have been canceled or postponed due to the coronavirus outbreak. As new dates become available or for those that transition to webinars, they will be listed in our online calendar at <https://www.fantiniresearch.com/conventions.html>.

ABOUT THIS REPORT:

In Fantini's COVID-19 Gaming Daily report we consolidate all developments about the virus that have business and investment implications for the gaming industry. We will post them on our website until further notice. Fantini's COVID-19 Gaming Daily is a Special Report that is included with all levels of Fantini's Gaming Report subscriptions.

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