



FANTINI'S GAMING REPORT®

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Special Reporting Service

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Fantini's COVID-19 Gaming Daily

NOTE: Fantini's COVID-19 Gaming Daily reports are being released free of charge during the pandemic outbreak. We hope you are finding them of value as we help to keep you informed of this specific news that is happening during these trying times.

To follow along with more news within the industry, consider purchasing a subscription to Fantini's Gaming Report. These daily reports will be sent via email directly to you each night with a synopsis of the day's events.

For rates and information email Subscriptions@FantiniResearch.com or call +1 302 730 3793. Mention that you are receiving these special COVID-19 reports and receive a discount of 20 percent off the yearly rate. New or returning subscriptions only.

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NEW JERSEY iGAMING BOOMS

New Jersey iGaming revenue soared again in June in the absence of land-based gaming, up 123.11 percent to \$84.913 million.

That fell just short of May's record \$85.940 million.

All but two iGaming operators more than doubled last year's revenue. However, Caesars Atlantic City and Eldorado Resorts' Tropicana still leaped over 60 percent.

Sports betting grew 30.28 percent vs. last year and 27 percent over May despite a lack of major sports events.

However, iGaming and sports betting pale in comparison to last year's \$283.765 million, when casinos were open.

ANALYSTS UPDATE MACAU OUTLOOK

Edward Engel of Macquarie expects Macau gaming revenue to recover to 25 percent of last year's levels near-term now that Guangdong Province has eliminated the mandatory 14-day quarantine for visitors from Macau.

That is up from the 5 percent of last year's revenues that were generated in April through June but still below the 35 to 45 percent revenue recovery required for industry EBITDA to break even, he said.

There is potential pent up demand from VIP and premium mass-market customers, which are expected to lead Macau's recovery more so than mass-market customers, Engel said.

Though cautious on Macau, Engel thinks stocks will likely rally as investors chase the expectations of pent-up demand and additional travel restriction easing.

Engel's outlook in Hong Kong dollars unless noted:

Company	Target	Rating	EPS		
			2020	2021	2022
Galaxy Ent	\$63	Outperform	(\$0.50)	\$2.28	\$3.29
Melco Resorts	US\$21	Outperform	(\$2.27)	\$0.93	\$1.36
MGM China	\$10	Neutral	(\$1.23)	\$0.23	\$0.45
Sands China	\$34	Neutral	(\$0.12)	\$0.17	\$0.23
SJM	\$10	Outperform	(\$0.29)	\$0.28	\$0.62
Wynn Macau	\$12	Underperform	(\$1.09)	\$0.53	\$0.81

Company	EBITDA		
	2020	2021	2022
Galaxy Ent	\$910 million	\$13.852 billion	\$18.851 billion
Melco Resorts	US\$37 million	\$1.464 billion	\$1.773 billion
MGM China	(\$867 million)	\$4.731 billion	\$5.626 billion
Sands China	\$25 million	\$2.503 billion	\$3.055 billion
SJM	(\$621 million)	\$4.293 billion	\$6.247 billion
Wynn Macau	(\$622 million)	\$7.655 billion	\$9.029 billion

- Kenneth Fong of Credit Suisse said he expects additional positive news on easing Macau travel restrictions in the next few months.

However, he lowered revenue forecasts based on the extended border closure due to a recent spike in COVID-19 cases in Hong Kong.

Fong now expects revenue to fall 72 percent this year and rebound 190 percent next year. VIP should fall 68 percent this year then rebound 153 percent while mass-market should fall 74 percent and then rebound 220 percent.

Fong expects Macau to recover to last year's revenue levels by the third quarter of next year.

Macau's second quarter market-wide EBITDA should fall 146 percent, Fong said.

Fong's second quarter EBITDA estimates in Hong Kong dollars unless otherwise noted:

Company	EBITDA	Year-Over-Year Change
Galaxy Ent	(\$1.459 billion)	-134 percent
MLCO	(US\$234 million)	-154
MGM China	(US\$118 million)	-165
Sands China	(\$306 million)	-140
SJM	(\$554 million)	-155
Wynn Macau	(\$180 million)	-153

Fong's outlook, figures in Hong Kong dollars unless otherwise noted:

Company	Target	Change	Rating	----- EPS -----	
				2020	2021
Galaxy Ent	\$62.6	-\$3.7	Outperform	(\$0.70)	\$2.24
MLCO	US\$24.6	-\$2	Outperform	(\$2.18)	\$0.47
MGM China	\$12.2	-\$0.7	Outperform	(\$1.25)	\$0.11
Sands China	\$41.3	-\$2.7	Outperform	(\$0.17)	\$0.18
SJM	\$9.1	-\$0.4	Neutral	(\$0.46)	\$0.32
Wynn Macau	\$16.9	-\$1.1	Outperform	(\$1.04)	\$0.41

US OPENINGS: MGM

- MGM RESORTS will reopen Borgata in Atlantic City on July 26 with outdoor dining and takeout options from other restaurants.

The casino had planned to open July 2 but opted out after New Jersey Gov. Phil Murphy ordered indoor food and beverage shut down.

All other Atlantic City casinos have opened.

STEPS BACK: MI

- MICHIGAN. A third employee at Soaring Eagle Casino tested positive for COVID-19.

COMPANIES: AMERICAN RACING, BYD, KANGWON, PENN, RUSH ST

- AMERICAN RACING & ENTERTAINMENT Chairman Jeff Gural is urging New York Gov. Andrew Cuomo to reopen casinos so furloughed employees can return to work, the Rome Sentinel reported.

American Racing operates Tioga Downs and Vernon Downs racinos.

New York casinos will remain closed until the state deems it safe to reopen.

- BOYD laid off 25 percent of its employees nationwide on Monday, including 2,500 in Nevada, the Las Vegas Review-Journal reported.

- KANGWON LAND is losing \$3.1 million in daily revenue, or \$460 million so far, as its casino in South Korea remains closed, Asia Gaming Brief reported.

The casino, which has repeatedly delayed reopening, now intends to open Monday.

- PENN NATIONAL. Pop band Maroon 5 rescheduled its show at Hollywood Casino from this August to next.

- RUSH STREET. Salaried employees at Rivers Philadelphia face a 15 percent pay cut when the casino reopens, the Philadelphia Inquirer reported.

The casino has not set a reopening date yet.

US: NY

- NEW YORK. Four commercial casinos and two racinos will lay off up to 5,000 employees in September, some of whom are already on furlough: 1,100 at Del Lago, 900 at American Racing and Gaming's Vernon Downs, 1,256 at Empire Resorts' Resorts World Catskills and 1,000 at Rush Street's Rivers Schenectady.

FANTINI'S VIRTUAL TRADE SHOW

Don't let the cancellation of G2E stop you from getting your products seen. Now is the time to turn to our virtual show where you can display and advertise all your products, video demos and news events too.

Become an exhibitor today by contacting Dee Wild-Shyver at DWild@FantiniResearch.com.

Visit the trade show at www.FantinisGamingShow.com.

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Shows and conferences have been canceled or postponed, due to the coronavirus outbreak. As new dates become available or for those that transition to online, they will be listed in our 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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