



FANTINI'S GAMING REPORT[©]

*More Important Than Your Morning Coffee...
... And Now More Important Than Ever[™]*

Special Reporting Service

July 12, 2020

Frank Fantini – *Publisher*

Ashley Diem – *Associate Publisher and Executive Editor*

Blake Weishaar – *Editor*

Subscribe to Fantini's Gaming Report. Contact us at Subscriptions@FantiniResearch.com to get rates and information. Mention that you receive these COVID-19 reports and receive a 20 percent discount.

Fantini's COVID-19 Gaming Daily – Weekend Update

INDEX

NEVADA BARS CLOSED; LVS, MGM, LV

OPENINGS: CA, MGM, WYNN

STEPS BACK: AZ, CA, ID, NY, OR, TAH, WA

REVENUES: INDY ENCOURAGING, MIZZOU FALLS

BARCLAYS: UNEMPLOYMENT TO IMPACT GAMING

LV ROOM RATES TO IMPROVE

INTERNATIONAL: MACAU

COMPANIES: CPHC, COSMO, EAGLE MOUNTAIN, RRR

FANTINI'S VIRTUAL TRADE SHOW

CONVENTIONS, TRADE SHOWS, CONFERENCES, EXPOS

NEVADA BARS CLOSED; LVS, MGM, LV

Nevada's bars and taverns in counties with high levels of COVID have been closed, including those in casinos and restaurants.

Those counties include Clark County where Las Vegas, Laughlin and Mesquite are located and Washoe County, which includes Reno and Sparks.

Gov. Steve Sisolak also ordered restaurants to limit capacity seating no more than six persons at a table, saying he was taking swift action in the face of a spike in COVID-19 cases.

Shutting taverns means shutting most slot routes.

That especially affects Golden Entertainment, which owns 66 taverns and operates slot routes in numerous third-party taverns.

Sisolak's directive:

<https://gaming.nv.gov/modules/showdocument.aspx?documentid=16938>

In other significant events in Nevada:

- LAS VEGAS SANDS is closing the Palazzo hotel tower on weekdays starting next week, though most public spaces will remain open.

The reduced schedule is meant to meet summer demand, LVS said.

- MGM's Aria, Mandalay Bay and Silverton casinos are among 30 businesses in Clark County cited as noncompliant with safety protocols, the Las Vegas-Review Journal reported.

Sixteen of those cited were along the Las Vegas Strip, including two stores in the Forum Shops at Caesars Palace.

- LAS VEGAS. Some casino workers allege their employers appear to be concealing cases of COVID-19 among employees, the Las Vegas Review-Journal reported.

Among properties alleged to not be forthcoming about cases are Penn National's M Resort and Cosmopolitan.

The casinos say they are abiding by privacy laws.

Full story: <https://www.reviewjournal.com/business/casinos-gaming/nobody-knows-how-many-resort-workers-are-infected-including-employees-2071329/>.

OPENINGS: CA, MGM, WYNN

- CALIFORNIA. Del Mar has launched its summer meet, but this time, the highly popular destination will host racing without spectators.

- MGM. The hotel at MGM Springfield in Massachusetts will remain closed indefinitely when the casino reopens on Monday, MassLive reported.

Hotel business would not be viable if it is unable to serve large numbers of customers, VP of Hospitality Abe Berry said.

- WYNN's Encore Boston Harbor reopened Sunday with 1,700 employees and will bring back its remaining 1,300 as business develops, the Boston Business Journal reported.

STEPS BACK: AZ, CA, ID, NY, OR, TAH, WA

- ARIZONA. An employee at Desert Diamond casino died from COVID-19.
- CALIFORNIA. Havasu Landing casino shut down a second time due to concerns about the virus. The hotel will remain open.

Elsewhere:

- Chumash Casino announced that five employees tested positive bringing the total to six.
- Soboba removed seating and closed the Maze Stone Restaurant.
- Two Thunder Valley workers resigned alleging a lack of COVID-19 protocols.
- IDAHO. Coeur d'Alene Casino postponed all large-scale events until next year.
- NEW YORK. A Seneca Niagara employee tested positive.
- OREGON. Indian Head Casino near Warm Springs has closed for the second time as an employee tested positive. All employees are being tested and the casino may reopen in coming days if no one tests positive, KTVZ-TV reported.
- TABCORP closed 280 of its betting shops in Melbourne in the Australian state of Victoria following the recently imposed lockdown.

TAH still has 270 shops open in parts of Victoria that are not in quarantine.

- WASHINGTON. ilani Casino confirmed a second infected employee since reopening May 27. The casino has also banned smoking.

REVENUES: INDY ENCOURAGING, MIZZOU FALLS

Indiana showed encouraging June gaming revenues with average daily up 6.02 percent for the 16 days of operation this year vs. the full month last year.

Casinos began reopening June 15.

Missouri revenues fell 16.81 percent as casinos began reopening June 1 at 25 percent capacity, which was raised to 50 percent by June 29.

BARCLAYS: UNEMPLOYMENT TO IMPACT GAMING

High unemployment means regional gaming revenues may take until 2023 to recover, Felicia Hendrix of Barclays said.

US unemployment rates will likely be 8.5 percent this year and 6.5 percent next year, she said.

Penn National and Boyd face greater risks from unemployment than companies like Macau-centered Las Vegas Sands and Wynn, she said.

Hendrix lowered her target on BYD to \$22 saying its regional properties will not reach 90 percent of last year's revenue until 2022 and Las Vegas properties will reach 85 percent by 2022.

She raised Penn National's target to \$40, which is mainly attributed to Barstool as she expects land-based casino operations to account for \$20 per share.

PENN doesn't need regional market share to add value as Barstool gives it a strategic entrance into sports betting, Hendrix said.

Hendrix's outlook:

Company	Target	Change	Rating	EPS		
				2020	2021	2022
BYD	\$22	- \$ 4	Overweight	(\$ 3.03)	(\$1.05)	\$1.99
PENN	\$40	+\$15	Overweight	(\$10.53)	(\$1.54)	\$1.10

LV ROOM RATES TO IMPROVE

Barry Jonas of SunTrust remains cautious on the Strip but says hotel room rates are improving.

He expects rates to improve each week in July and August reaching 55 percent below last year this month and 48 percent next month. Those do not account for rates paid by gamblers or conventioneers.

There will likely be elevated marketing costs near to mid-term as Las Vegas properties compete for visitors with California casinos and non-gaming entertainment attractions reopening, he said.

Jonas does not expect casinos to close again.

INTERNATIONAL: MACAU

- MACAU. Easing travel restrictions between Macau, Hong Kong and Guangdong Province appear to be facing further delays.

Hong Kong Chief Executive Carrie Lam says a system to allow free travel needs to be further reviewed as she also expressed concern over the recent spike in COVID cases in Hong Kong.

Meanwhile, COVID continues to take a bite out of Macau hotels as room rates were dropped 47.2 percent to \$87.48 in May, the Macau Hotel Association reported.

Five-star rates were down 12.4 percent in May.

Occupancy fell 81.1 percent to 9.3 percent. Three-star hotel occupancy was 12 percent, four-stars 17.6 percent and five stars 5.3 percent.

COMPANIES: CPHC, COSMO, EAGLE MOUNTAIN, RRR

- CANTERBURY PARK's card club is back to 24/7 hours of operation and has resumed poker.
- COSMOPOLITAN said that layoffs may continue and could become permanent, the Las Vegas Review-Journal reported.

So far, the company has laid off employees between March 24 to April 17.

- EAGLE MOUNTAIN Casino in California has banned smoking.
- RED ROCK RESORTS is waiving resort fees through August 31, 3 News Las Vegas reported.

FANTINI'S VIRTUAL TRADE SHOW

Don't let the cancellations 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.

CALENDAR: 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 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.

SUBSCRIBER RIGHTS AND CONDITIONS:

Copyright®: Fantini's Gaming Report® and Fantini Research are divisions of Morning Report Research, Inc. All rights reserved. Our reports and content are protected by copyright and we reserve all rights except for as granted in this paragraph, and subject to the conditions stated below. We grant each subscriber and secondary recipient the right to receive, read, and utilize the reports and report contents for their individual use only. Your Subscriber Rights and Conditions give subscribers and secondary recipients the right to receive, read, and utilize the copyrighted reports and report contents for their individual use only. This right of individual use does not authorize providing whole or partial copies to others (even in your company) in any way, such as forwarding, posting, printing, file sharing, scanning, making photocopies, circulating, selling, publishing or otherwise. The right does not authorize any use by a person before he or she becomes a subscriber or secondary recipient. Any other right must be granted in writing by Morning Report Research, Inc. You agree to inform paid subscribers and recipients of the conditions on their use, and you authorize us, in our discretion, to employ tracking services to check their compliance. Unauthorized copying or distribution violates copyright law and may carry serious consequences.

SUBSCRIPTIONS:

Subscriptions to Fantini's Gaming Report are available for \$7,099 a year for the Full Service Suite, \$1,999 for the Enhanced Service, and \$1,099 for the Basic level. Subscriptions are limited to one primary subscriber who may, with permission, add a secondary recipient at the same company and URL at no additional charge, with Morning Report Research, Inc. first giving you written permission to do so. Affordable multi-user licenses are available and can be customized for any number of designated recipients. See Subscriber Rights and Conditions above. For additional information, call +1-302-730-3793. Subscriptions can be ordered by phone or online at <http://www.FantiniResearch.com>. Credit card payments and bank transfers are available or send payment to Morning Report Research, Inc., P.O. Box 1676, Dover, DE, USA 19903-1676.

T070820/ds

STAFF/CONTACT US:

Frank Fantini, publisher. FFantini@FantiniResearch.com

Ashley Diem, associate publisher and executive editor. ADiem@FantiniResearch.com

Dee Wild-Shyver, associate editor and VP of Virtual Trade Show. DWild@FantiniResearch.com

Laura Briggs, director of policy editor. LBriggs@FantiniResearch.com

Blake Weishaar, editor. BWeishaar@FantiniResearch.com

Hannah Wilmarth, writer. HWilmarth@FantiniResearch.com

Dylan Kaplan, writer and project team member. DKaplan@FantiniResearch.com

Alex Capitle, marketing specialist. ACapitle@FantiniResearch.com

Cindy Konowitz, business manager. CKonowitz@FantiniResearch.com

Subscription inquiries: Subscriptions@FantiniResearch.com

Analyst notes: Analysts@FantiniResearch.com

News releases: Editor@FantiniResearch.com