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**Pre Market Note**    March 27, 2018

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JPM RAISES WYNN

EARNINGS: WBAI, LOTTO24, TRAVELLERS

### JAPAN: LIMITS ON CASINO VISITS

The ruling Liberal Democratic Party and its coalition partner, the Buddhist-backed Komeito, have agreed to endorse gambling limits for Japan residents.

Under the plan backed by the parties, Japan residents will be limited to 3 casino visits per week and 10 per month, the Japan Times reported.

Still being negotiated as part of the casino implementation bill is the number of licenses that will be issued and entry fees.

The implementation bill is still likely to be submitted this Diet session, which runs through June 20.

### JPM RAISES WYNN

Joe Greff of JP Morgan raised his target on Wynn Resorts by \$18 to \$214 as he expects healthy growth in Macau to continue and as WYNN will see momentum in premium mass.

Greff gives a higher valuation for Macau and removes some risk to the stock following former CEO Steve Wynn's stock sale and Galaxy Entertainment's investment.

The valuation for the stock is compelling at 6 to 8 percent free cash flow yields through 2020.

He reaffirms his overweight rating, saying there is more than one way for the stock to grow, including WYNN's strong fundamentals and the potential consolidation with Galaxy in Macau.

Greff forecasts WYNN will earn \$7.50 a share this year and \$9.27 next.

## EARNINGS: WBAI, LOTTO24, TRAVELLERS

- 500.COM. Acquisitions helped build a revenue base for the online Chinese Sports Lottery provider despite the continued suspension of sales in China.

Net revenues grew 541.3 percent for the fourth quarter from online lottery betting and casino platforms in the Nordic countries through its majority stake in The Multi Group.

WBAI also bought a 40.65 percent stake in Loto Interactive last year, formerly known as Melcolot.

WBAI is not making any earnings forecasts until it gets a firm date for the resumption of online Sports Lottery sales.

Full report is at <http://500.investorroom.com/2018-03-27-500-com-Limited-Announces-Unaudited-Financial-Results-For-the-Fourth-Quarter-and-Full-Year-of-2017>.

Results are in Chinese yuan which trade around 6.3 to one US dollar.

### FOURTH QUARTER HIGHLIGHTS:

Diluted earnings per share: (0.32) vs. (0.02)  
Earnings per ADS: (3.18) vs. (0.22)  
Revenue: 48.066 million vs. 7.469 million  
Diluted shares: 408.112 million vs. 412.705 million

Balance sheet: Cash: 529.124 million vs. 673.102 million as of December 2016

### FULL YEAR HIGHLIGHTS:

Diluted earnings per share: (0.78) vs. (0.49)  
Earnings per ADS: (7.77) vs. (4.89)  
Revenue: 128.992 million vs. 10.928 million

- LOTTO24 achieved full-year targets in revenue and EBITDA despite stronger competition and weak jackpots in the second half.

There were three lottery jackpots of over €20 million last year, none of which occurring in the second half.

The company plans to invest heavily into marketing this year on the back of expected higher jackpots.

### Other highlights:

- Marketing efficiencies led to increased customers and low costs per customer.
- New customers were 291,000 for the year.

- The company launched social lottery German Christmas Lottery in November.
- Market share grew one percentage point to 32 percent.

Full report is at

<https://www.lotto24.de/download/companies/lotto24/Annual%20Reports/DE000LTT0243-JA-2017-EQ-E-00.pdf>.

#### FOURTH QUARTER HIGHLIGHTS:

Diluted earnings per share: 5 cents vs. (4 cents)

Revenue: €6.452 million vs. €7.145 million

EBITDA: €760,000 vs. €143,000

Diluted shares: 24.155 million vs. 24.155 million

Balance sheet: Cash: €8.271 million vs. €9.481 million

#### FULL YEAR HIGHLIGHTS:

Diluted earnings per share: 10 cents vs. (10 cents)

Revenue: €25.216 million vs. €22.759 million

EBITDA: €2.048 million vs. (€2.674 million)

• TRAVELLERS INTERNATIONAL. The operator of Resorts World Manila attributed a decline in results to the closure of the casino for 27 days following a deadly attack and fire.

The casino showed signs of improvement the further it got from the attack as drop volume grew 20 percent in the fourth quarter compared to the third quarter. Visitation averaged 27,000 a day in the fourth compared to 23,000 a day in the third.

The continued improvements in quarterly results is pleasing and is expected to continue, CEO Kingson Sian said.

Phase three of the casino's development, which includes three international luxury hotels adding 940 rooms as well as additional gaming and retail space, will begin opening in the near future, he said.

VIP win rate was 2.8 percent for the year compared to 3.0 percent.

Full report is at

[http://edge.pse.com.ph/openDiscViewer.do?edge\\_no=8b050967e9c06d0743ca035510b6ec2b#sthash.nM0dncFP.dpbs](http://edge.pse.com.ph/openDiscViewer.do?edge_no=8b050967e9c06d0743ca035510b6ec2b#sthash.nM0dncFP.dpbs).

Results are in Philippine pesos which trade around 50 to one US dollar.

#### FULL YEAR HIGHLIGHTS:

Net revenue: 19.259 billion vs. 25.095 billion

By segment:

Gaming:	17.115 billion vs.	23.649 billion
Hotel, food, beverage:	2.851	2.627
Other:	1.167	1.216
Promotional allowance:	( 1.874)	( 2.396)

Adjusted EBITDA: 4.671 billion vs. 6.421 billion

Net debt: 20.890 billion vs. 8.629 billion

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