



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: We welcome all news and developments that companies and investors want to submit for this report. Send to Editor@FantiniResearch.com. In addition, you may reach Editor Blake Weishaar at BWeishaar@FantiniResearch.com or by phone at +1 302 730 3793.

CASINOS STILL LEFT OUT

The federal government has loosened its definition of who can participate in the Paycheck Protection Program, but it still leaves out casino companies.

The program now includes companies under \$1 million in revenue that get less than 50 percent of that from gaming.

The previous limit was 30 percent of revenues.

American Gaming Association CEO Bill Miller called the change progress but said criteria still “falls woefully short of fully addressing antiquated, discriminatory policies that have, to date, restricted small gaming companies from accessing critical loan support made available through the CARES Act.”.

“As a result of this half-measure, small gaming businesses that have closed to comply with government orders will continue to be denied access to this critical lifeline to support their employees,” he added.

That casinos would continue to be left out was telegraphed by Treasury Secretary Steve Mnuchin on Monday when he said aid would be aimed at businesses such as taverns that offer gaming.

Program amendment: <https://home.treasury.gov/system/files/136/Interim-Final-Rule-Additional-Eligibility-Criteria-and-Requirements-for-Certain-Pledges-of-Loans.pdf>.

SGMS: STRONG LIQUIDITY

Scientific Games says it and 82 percent-owned social gamer SciPlay have strong liquidity.

The \$480 million SGMS drew on its credit facilities and \$200 million cash as of March 31 allow “maximum flexibility during these difficult times” and the ability to “take advantage of opportunities to strengthen the business as the industry begins to recover,” CEO Barry Cottle said.

SGMS cut costs in the second quarter by more than \$100 million through pay cuts, furloughs and lower capital expenditures.

Capital spending this year will be \$210 million to \$240 million rather than the earlier planned \$300 million to \$330 million.

SCPL had \$130 million in cash as of March 31, no debt and \$150 million capacity on its revolver.

MACAU TO EASE TRAVEL?

Analysts think Macau gaming revenues will start upward as early as May as they expect travel restrictions to be eased then or shortly thereafter.

One reason for relaxing the rules: Macau has reported no new COVID-19 cases since April 7 and has been steady at 45 cases.

Edward Engel of Macquarie expects April gaming revenue to be down 91 to 93 percent after it dropped 92 percent in the first 13 days of the month.

Vitaly Umansky of Bernstein expects April revenue to decline 93 to 95 percent.

Harry Curtis of Nomura sees third quarter revenue dropping 65 percent and the fourth quarter 60 percent.

Macau’s Easter weekend visitation was under 1,000 compared to 556,200 last year, Lee reported.

COMPANIES, TRIBAL: FOUR WINDS

- FOUR WINDS is furloughing 1,400 employees at its Pokagon Indian-owned casinos in Indiana and Michigan.

US: MA

- MASSACHUSETTS lottery sales fell 33 percent last week compared to last year as 1,800 of 7,500 lottery retailers have been closed, AP reported.

Keno sales dropped 53 percent so far in April and instant game sales are down 29 percent.

Scientific Games is Massachusetts' primary lottery contractor.

INTERNATIONAL: LITHUANIA, PHILIPPINES, UK

- LITHUANIA iGaming operators are implementing a gambling advertising ban during COVID-19 following a spike in iGaming activity as land-based gambling options are closed, Gaming Intelligence reported.

- PHILIPPINES. The Senate called for PAGCOR to sell its 47 casinos for additional funding to fight COVID-19, Inside Asia Gaming reported.

Senate Minority Leader Franklin Drilon said the government could collect \$5.9 billion in annual revenue through sales.

The sales were put on hold last year because PAGCOR's revenues were growing.

- UNITED KINGDOM. The British Horseracing Authority will seek financial aid packaging saying revenue will decline by 13 percent or £193 million if racing is shut down until July, the Racing Post reported.

Races were canceled last month and are expected to be shut down through April.

CLOSURES: CT

- CONNECTICUT. Foxwoods and Mohegan Sun will now remain closed through April 30.

DOING GOOD: AESE

- ALLIED ESPORTS will partner with California-based youth sports non-profit Club 42 to host a Fortnite tournament to raise money for the Jackie Robinson Foundation to support distance learning needs.

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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