



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.

EVERI SHORES UP BALANCE SHEET

Everi has amended covenants and added a \$125 million first lien term loan as it acts to gain financial flexibility during the COVID-19 crisis.

The loan is at LIBOR plus 1.050 percent with a 1 percent LIBOR floor.

Credit agreement amendments eliminate debt-to-EBITDA covenants for senior secured debt-to-EBITDA for each quarter this year.

EVRI now has \$1.06 billion in loans comprised of \$735.5 million in the first lien term loan due 2024, \$35 million in the revolver due 2022 and \$285.4 million in the 7.50 percent senior unsecured notes due 2025.

ANALYSTS: ARISTOCRAT, IGT, LVS, SANDS CHINA, SCPL

- ARISTOCRAT, SCIPLAY. Chad Beynon and David Fabris of Macquarie raised estimates for ALL and SCPL on a strong outlook for social casino following stay at home orders in US states that should lead to higher mobile use.

The two expect ALL's RAID: Shadow Legends game will generate \$300 million in revenue this year.

SCPL expects revenue growth of 7 percent this year with most of that in the second half.

Beynon and Fabris set ALL with an outperform rating and a target price of A\$32. Their earnings per share estimates are \$1.08, \$1.38 and \$1.96 for this year through 2022, with EBITDA estimates of \$1.036 billion, \$1.251 billion and \$1.707 billion.

For SCPL, they have raised the price target a dollar to \$14 with earnings per share of 99 cents for this year, \$1.11 for 2021 and \$1.20 for 2022. Their EBITDA estimates are \$146 million, \$162 million and \$175 million.

- IGT. Carlo Santarelli of Deutsche Bank lowered his target to \$9 on challenges to gaming and lottery by COVID-19.

However, he believes lottery will mitigate soft results in gaming in the second half as it rebounds stronger than gaming equipment.

US and international lottery will likely ramp up quickly once the virus is contained while capital spending on slots will likely be curbed through next year due to financial and health concerns by gamblers, Santarelli said.

His EBITDA estimates fall to \$945 million this year and \$1.345 billion next year with a loss per share of 54 cents this year and earnings per share of 6 cents next year.

- LAS VEGAS SANDS, SANDS CHINA. Vitaly Umansky of Bernstein lowered targets on LVS to \$63 and Sands China to HK\$41.75 while keeping his outperform ratings.

He estimates LVS can go 15 months in Macau, 37 months in Singapore and 27 months in Las Vegas with zero revenue after fully drawing down on its revolver.

LVS is well positioned to weather COVID-19 as it has no debt maturing until 2024 and its bonds are investment grade with no financial maintenance tests, Santarelli said.

His lowered EBITDA estimates for LVS are \$1.870 billion this year, \$5.303 billion next year and \$5.822 billion in 2022 with a loss per share of 4 cents this year followed by earnings of \$3.24 and \$3.69 a share.

FRANÇAISE DES JEUX DECLINES

French gaming operator Française dex Jeux blamed COVID-19 on a 1 percent quarter revenue decline to €500.7 million.

Handle slipped 5 percent to €4.108 billion as strong momentum to start the year was halted March 16 when European gaming shut down.

Each month of quarantine has cost the company €100 million in revenue and €50 million in EBITDA, though Française dex Jeux is cutting expenses by more than €80 million this year.

The company expects to burn €10 million in cash in May and June.

Cost cuts will come in marketing, administration and sales.

The company still plans to pay its dividend on June 30 but it will be cut 30 percent to 45 cents.

Française dex Jeux had more than €800 million in cash as of April 20.

US: MS

- MISSISSIPPI. COVID-19 is cutting into sales for Mississippi's new lottery.

Sales declined 14.66 percent in March from February to \$9.942 million.

Revenue had risen every month until February.

IGT is the state's primary lottery contractor.

INTERNATIONAL: CHINA

• CHINA. The number of airline passengers in China was up 81 percent in March from February but that was still 70 percent below last year, Vitaly Umansky of Bernstein said. reported.

OPENING CONSIDERATIONS: NZ, PHILIPPINES

• NEW ZEALAND will ease its lockdown next Tuesday, though casinos are among the businesses that will remain closed.

Horse and greyhound racing should return in May following an industry consultation by the country's racing regulator.

- PHILIPPINES President Rodrigo Duterte is considering loosening the lockdown in Luzon where the country's major casinos are located in Manila's Entertainment City.

Luzon has been in lockdown since mid-March.

CLOSURES: SINGAPORE, VIETNAM

- SINGAPORE extended the closure of non-essential businesses until June 1.
- VIETNAM. Donaco extended the closure of Aristo to the end of this week.

The casino has been closed since April 1.

DOING GOOD: CASINO DEL SOL, GVC

- CASINO DEL SOL in Arizona is preparing and delivering lunches to 2,000 healthcare workers.

- GVC's Sportingbet donated 16,000 food baskets to families in Rio de Janeiro, Brazil.

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>.

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 of all your product lines, and news events too. See current e-Booth vendors at <http://www.FantinisGamingShow.com>.

To exhibit your company, contact Dee Wild-Shyver at DWild@FantiniResearch.com.

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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