



FANTINI'S GAMING REPORT®

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

Special Reporting Service

June 1, 2020

Frank Fantini – *Publisher*

Ashley Diem – *Associate Publisher and Executive Editor*

Blake Weishaar – *Editor*

Fantini's COVID-19 Gaming Daily

INDEX

AC COULD OPEN JULY 4

SANDS CHINA: SUFFICIENT LIQUIDITY

ONLINE, SOCIAL CASINO RECORDS COMING

MACAU REVENUE LOW BUT BEATS

COMPANIES: DREW, VICI

INTERNATIONAL: CHINA, JAPAN, SINGAPORE

FANTINI'S VIRTUAL TRADE SHOW

CONVENTIONS, TRADE SHOWS, CONFERENCES, EXPOS

NOTE: *As casinos are making plans and reopening we welcome all news and developments for these and anything COVID-19 related. Send your news releases to us at Editor@FantiniResearch.com. In addition, you may reach Editor Blake Weishaar at BWeishaar@FantiniResearch.com or by phone at +1 302 730 3793.*

NOTE 2: Note: A map of state-by-state gaming statuses and a list of major casino re-openings are at <https://www.fantiniresearch.com/gaming/fantini-s-covid-19-gaming-daily.html>.

AC COULD OPEN JULY 4

Atlantic City casinos could open July 4th, however, strict social distancing and occupancy measures will have to be implemented to ensure safety, New Jersey Gov. Phil Murphy said.

"I can't give you a specific date but we're trying like heck to get toward, I hope before, the Fourth of July or at least by the Fourth of July," Murphy said.

Elsewhere:

- AUSTRALIA. Star Entertainment reopened Star Sydney on Monday with visitation limited to 500 invited customers.

- BULGARIA began reopening casinos after issuing protocols.

Customers must wear masks and gloves and will be subjected to temperature checks. Casinos must enforce social distancing and put barriers between gaming machines and tables where possible.

- INDIANA. The Pokagon tribe is targeting June 15 to reopen Four Winds casino.

- PHILIPPINES. Manila casinos could reopen by June 15, GGRAsia quoted Union Gaming analyst John DeCree.

- UNITED KINGDOM. Professional sports were given the okay to resume behind closed doors.

SANDS CHINA: SUFFICIENT LIQUIDITY

Las Vegas Sands subsidiary Sands China expects to incur monthly operating costs of \$110 million in the current environment stemming from COVID-19.

Development and maintenance spending should be \$65 million per month while interest costs will be \$25 million per month.

Sands China has a strong balance sheet and sufficient liquidity of US\$2.41 billion to fund operations for 12 months under current conditions, the company said.

That liquidity consists of \$801 million in cash and \$1.61 billion under the revolver.

Sands China generated an EBITDA loss of \$105 million in April vs. positive \$239 million last year.

ONLINE, SOCIAL CASINO RECORDS COMING

The second quarter will likely set a record for online and social casino gaming companies, Adam Krejci of Eilers & Krejci Gaming said.

Mobile gaming revenue grew 13 percent in April from March and remained flat in May, he said.

Revenue is expected to be higher and more sustainable as new and re-engaged players continue to play.

Social casino revenues rose 20 percent at SciPlay and Aristocrat and remained flat in the first three weeks of May, Krejci said.

Krejci's nine-page Digital & Interactive Gaming Market Update is available from Alex Capitle at +1 302 730 3793 or ACapitle@FantiniResearch.com.

MACAU REVENUE LOW BUT BEATS

Estimates for Macau gaming revenue remain low after revenue for May plummeted 93 percent to just \$221 million.

However, that beat consensus estimates of 94 to 97 percent declines.

Vitaly Umansky of Bernstein expects revenue to fall 44 percent this year but rise 96 percent next year.

June revenue should be similar to May if travel restrictions are not lifted, he said.

Kenneth Fong of Credit Suisse expects VIP to lead the Macau recovery with volumes returning to normal by summer if the border with Mainland China reopens.

Mass-market could be back to 70 to 80 percent of pre-COVID-19 levels if visas are reinstated, he said.

Steve Wieczynski of Stifel expects a revenue decline of 50 to 60 percent this year with June down 60 to 70 percent.

Edward Engel of Macquarie expects the second half to decline 70 to 75 percent.

COMPANIES: DREW, VICI

- THE DREW, where construction has been halted on the northern Las Vegas Strip, is in default after suspending principal and interest payments since May 8 after seeking a payment deferral because of COVID-19, Business Korea reported.

The deferment is applied to senior investors, which are about half of US banks and South Korean investors that contributed the other half with \$487 million, Business Korea said.

- VICI PROPERTIES stock rose 4.99 percent Monday and then tacked on another 1.94 percent in after-hours trading to \$21 after it updated its liquidity position.

VICI said it expects to collect all rent for June after collecting 100 percent of it for May.

The company also settled forward sale agreements of \$1.3 billion for 65 million shares. Proceeds from the sale will fund a portion of the Eldorado and Caesars merger.

VICI's total shares outstanding will be 533.7 million as of Tuesday following the delivery of the shares.

VICI also amended lease agreements with CZR, granting relief for capital spending obligations.

CZR will receive credit that can be used to satisfy capital spending obligations now through 2022.

INTERNATIONAL: CHINA, JAPAN, SINGAPORE

- CHINA and SINGAPORE launched essential travel arrangement, Fast Lane, for business and official travel between the provinces of Shanghai, Tianjin, Chongqing, Guangdong, Jiangsu, Zhejiang and Singapore.

Fast Lane will expand to other provinces and municipalities gradually, and both countries will look to increase air traffic.

Marina Bay Sands and Resorts World Sentosa in Singapore are still closed.

- JAPAN. Selection of a preferred operator in the Wakayama casino resort bid has been delayed until next January.

Suncity and Clairvest, the only bidders in the race, have until October 19 to submit their proposals.

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 to display and advertise all your product lines and news events too. To exhibit your company, contact Dee Wild-Shyver at DWild@FantiniResearch.com.

See products, demos, and news from exhibitors at www.FantinisGamingShow.com.

Newly added to the site:

- EVERI CEO Mike Rumbolz and Fantini Research CEO Frank Fantini hosted a CEO One-on-One video interview regarding the future of gaming and EVRI's contactless transactions: <https://www.fantinisgamingshow.com/exhibitors/35-everi.html>.

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.

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.

T051720/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, public 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, office manager. CKonowitz@FantiniResearch.com

Subscription inquiries: Subscriptions@FantiniResearch.com

Analyst notes: Analysts@FantiniResearch.com

News releases: Editor@FantiniResearch.com