



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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LV REOPENING CONTINUES

Las Vegas casino operators continue to announce additional openings after seeing positive customer demand in the first week since the initial re-openings.

MGM Resorts will open Luxor and The Shoppes at Mandalay Bay on June 25 followed by ARIA, Mandalay Bay and Four Seasons Las Vegas July 1.

Caesars announced it will reopen the gaming floor at The Linq on Friday.

MGM's remaining closed properties include The Mirage, Park MGM, NoMad, Delano and Vdara. Excalibur is still set to open Thursday.

CZR has Planet Hollywood, Bally's, Paris Las Vegas, The Cromwell and Rio left to open.

- Foot traffic to Las Vegas locals casinos has been stronger than that on the Strip since casinos opened June 4, Carlo Santarelli of Deutsche Bank said.

Strip room rates and offers have been lower than in January and February while occupancy at open casinos has been around 50 percent.

Most hotels are using less than 100 percent of their full room counts in order to control crowds.

Fifty-four percent of Strip rooms are open and that will grow to 74 percent or higher by July 1, Santarelli said. Eighty percent of locals hotel capacity is open.

- Hotel room rates are climbing as the calendar moves further out, Thomas Allen of Morgan Stanley says.

Average rates in June are down 45 percent from last year but that improves to 40 percent in July, 30 percent in August and 20 in September, based on current bookings.

Properties are reopening more quickly than expected, but the capacity constraints could cause second quarter EBITDA losses greater than expected, he said.

GAMING FACES REVENUE DESTRUCTION

Alex Bumazhny of Fitch expects “revenue destruction” for the leisure sector including gaming, tourism, lodging and restaurants with 40 to 60 percent declines this year.

The decline would be around \$5 trillion for the leisure industry this year if businesses continue to remain shut down, Bumazhny said.

Las Vegas revenues should plummet 50 percent by year-end while regional markets will fall 20 percent, he said.

Air capacity is the biggest issue as visitors might not want to risk the travel, so drive-in markets won't experience as much pain, he said.

Half capacity at casinos might not hurt operators much, but Detroit's 15 percent capacity will make break-even impossible, Bumazhny said.

MACAU, HK TRAVEL BUBBLE IMMINENT?

Creating a travel bubble between Hong Kong and Macau could be enacted within two months, Hong Kong Travel Industry Council Chairman Jason Wong Chun-Tat told GGRAsia.

The bubble would lift the mandatory 14-day quarantine for between the two jurisdictions.

Hong Kong recently extended the 14-day quarantine for arrivals until July 7 while Macau has had no new COVID-19 cases since April 7.

US, CANADA OPENINGS: AB, FL, IL, LA, PR

- ALBERTA casinos will reopen Friday, a week ahead of schedule.

• FLORIDA. Seminole casinos Hard Rock Hollywood, Coconut Creek and Classic reopen Friday with every other slot turned off and Plexiglas barriers at table games and customer service areas.

Hard Rock in Tampa is already open.

• ILLINOIS. Casinos are a step closer to reopening as the state gaming board has issued its safety protocols although an opening date has not been set.

Poker rooms, table game tournaments and buffets will remain closed at the initial opening.

Protocols:

<https://www.igb.illinois.gov/FilesPressReleases/Casino%20and%20Video%20Gaming%20Resumption%20Protocols.pdf>.

- LOUISIANA. Caesars' Harrah's New Orleans will open Saturday.

• PUERTO RICO horse racing resumed, with more than 850,000 bets made on Friday and Saturday generating \$21 million in handle.

INTERNATIONAL OPENINGS: ENLABS, GENTING MALAY, GERMANY, SINGAPORE

- ENLABS reopened its online and retail locations in Latvia.

• GENTING MALAYSIA's Resorts World Genting will not reopen anytime soon as Malaysian Prime Minister Muhyiddin Yassin did not include casinos in his reopening plans through August 31.

• GERMANY. Casinos in the Rhineland-Palatinate region can relaunch table games Monday, G3 Newswire reported.

Currently, only slots are allowed.

• SINGAPORE. Las Vegas Sands and Genting Singapore will have to wait a while longer to reopen. The Casino Regulatory Authority extended casino shutdowns until July 1.

COMPANIES: FLTR, GENTING MALAY, MGM CHINA

• FLUTTER. will reopen all Paddy Power betting shops in England and 150 shops in Ireland starting June 15, iGaming Business reported.

Shops will reopen when allowed in Scotland, Wales and Northern Ireland.

- GENTING MALAYSIA's Genting UK will close three retail venues in the UK in order to battle losses caused by the COVID-19, BusinessLive reported.

The company would have 29 remaining venues in the country, but Genting UK may cut some employees who are already on furlough.

- MGM CHINA. The Hong Kong-listed subsidiary of MGM Resorts is offering US\$500 million in senior unsecured notes due 2025, which it says provides enough liquidity to support 22 months or more at zero revenue.

The company estimates monthly costs of US\$65.2 million under current operating conditions.

MGM China generated \$15.8 million in revenues in April which the company said is significantly higher than revenue being generated at Macau properties.

The company had cash of \$380.9 million as of March 31 with a \$676 million revolver capacity.

INTERNATIONAL: JAPAN, SPAIN

- JAPAN's Prime Minister Shinzo Abe appears determined to stick with his plan to develop casino resorts.

He rejected calls to put plans on hold due to COVID-19 and will continue with casino resort plans as scheduled, Inside Asian Gaming reported.

Casinos will aid in the recovery post-COVID, he said.

There has been some speculation that casino development would be further delayed or even shelved because of public opposition to casinos and cooling industry appeal reflected by long-time hopeful developer Las Vegas Sands dropping its interest.

- SPAIN lifted the temporary gaming advertisement restrictions put in place because of COVID-19.

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.

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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