



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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CASINOS OUTPERFORM

The first revenue reports from states that reopened casinos in May are encouraging as both Louisiana and Arkansas casinos outperformed their limited capacities.

Louisiana's managed to achieve average daily revenue of 77.5 percent of last May on a same-store basis on just 25 percent capacity.

Southland Park and Oaklawn Park in Arkansas ran at 74.9 percent of last year on a daily average on just 33 percent capacity.

However, full-month revenues in Louisiana were down 65.37 percent as casinos did not reopen until May 18 and Diamond Jacks is permanently shuttered.

Arkansas dropped 64.36 percent same-store for the full month as its casinos operated just 14 days in May.

CZR EBITDA GROWS

In the first word from a casino company operating under COVID restrictions, Caesars' regional casinos grew EBITDA and margins from the first reopening on May 18 through June 10.

Regional casinos' EBITDA was up an estimated 35 to 40 percent on revenues that were flat to up 2 percent, CZR said in a trading update.

Nevada casino EBITDA tumbled 70 to 80 percent while revenue dropped 56 to 58 percent.

EBITDA margins rose 10 percentage points at regional properties and 17 points in Nevada.

AGA PUSHING CONTACTLESS

The American Gaming Association is pushing for cashless gaming – now called contactless in this COVID-19 world.

The AGA has issued Payments Modernization Policy Principles that intend to improve responsible gambling efforts while allowing for safer health payment options in casinos.

Fifty-seven percent of casino visitors say the option for digital or contactless payments is important, the AGA said.

"Advancing opportunities for digital payments has been one of our top priorities since my first day at the AGA," CEO Bill Miller said.

Everi and Scientific Games are among the gaming companies with contactless products.

Principles: https://www.americangaming.org/wp-content/uploads/2020/06/AGA_Payment_Choice.pdf.

AC CASINO RELIEF IS CLOSER

Tax relief legislation for Atlantic City's casinos has passed the Senate and is on its way to the House.

S 2400 reduces gaming revenue taxes for two years in tiers, based on monthly gaming revenues:

No tax on revenues 25 percent below the previous year; 25 percent of the normal tax on the next tier up to 49 percent, then half of the normal tax on revenues 50 to 75 percent, then 75 percent of the normal tax up to 99 percent.

The normal tax is 8 percent plus a 1.25 percent investment alternative tax.

The bill also:

- Allows a deduction of promotional gaming credit from sports betting revenues after a certain threshold,
- Defers the \$500-per-slot licensing fees for one year, parking lot fees for two years and certain hotel room fees for the remainder of this year, and
- Waives taxes and fees paid to fund the Casino Reinvestment Development Authority.

US OPENINGS: DEL PARK, MEREULO, PENN, WI

- DELAWARE PARK in Delaware resumes horse racing Wednesday with social distancing and safety protocols.
- MEREULO's Sahara Las Vegas is allowing customers to make group reservations for blackjack, roulette and baccarat as part of reopening plans.
- PENN NATIONAL will allow spectators at Hollywood Charles Town, West Virginia, horseraces starting Monday.

Racing resumed May 14 without spectators.

- WISCONSIN. Ho-Chunk Gaming will reopen its Black Falls River, Wisconsin Dells and Wittenberg casinos on June 29.

INTERNATIONAL OPENINGS: GENTING MALAY, PARADISE CO, SEGA SAMMY

- GENTING MALAYSIA will reopen Resorts World Kijal and Langkawi in Malaysia Thursday.

Resorts World Genting and Awana will remain closed until further notice.

- PARADISE CO and SEGA SAMMY's Paradise City in South Korea reopened its swimming pool.

COMPANIES: PENN, RGB, WMH

- PENN NATIONAL will lay off an unspecified number of employees at its Hollywood casinos in Dayton, Columbus and Toledo, Ohio.

The company furloughed 26,000 staff members in April.

- RGB INTERNATIONAL. The Malaysian slot manufacturer is not paying a dividend for last year due to disruptions from COVID-19.

The company is also distributing social distancing products such as slot machine partitions and cashless payment technology to help casinos reopen.

- WILLIAM HILL expects positive cash flow in the second half saying it sees a strong recovery with the easing of COVID restrictions and the resumption of sports contests.

Operations online and in the US have performed ahead of initial expectations.

The company reduced monthly spending and repaid the outstanding £203 million on this year's bond. WMH now has liquidity of more than £500 million.

WMH is offering to sell £250 million in new shares, or up to 19.99 percent of its existing shares. Proceeds will be used to pursue long-term growth strategies, strengthen its balance sheet and increase financial flexibility.

Revenue through June 9 is down 32 percent.

US: NV

- NEVADA. NV Energy plans to cut monthly energy bills for customers through next year in an effort to save costs for companies suffering from COVID-19.

Customers saw a \$105.7 million decrease in April. A \$77.2 million cut will come in July and \$30.6 million in October.

INTERNATIONAL: PHILIPPINES

- PHILIPPINES. Casinos in Entertainment City won't be opening very soon.

Lockdowns of Manila and Cebu City have been imposed again due to a rise in COVID-19 cases.

Manila casinos have been closed since March.

DOING GOOD: GVC

- GVC has donated €20,000 to support international COVID-19 relief during this week's Eastern European Tennis Championship.

In addition, the company will donate €100 for every ace served during matches.

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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