



FANTINI'S GAMING REPORT®

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Special Reporting Service

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CONSUMER SENTIMENT LEAPS

One of the most closely watched indicators for gaming, the University of Michigan's US Consumer Sentiment Index, has jumped 6.6 points to 78.9 percent.

That is the biggest leap since 2016.

FITCH: GAMING RECOVERY IN 2023

On a less buoyant note, Alex Bumazhny of Fitch Ratings predicts US gaming will not recover to pre-COVID-19 revenue and cash flow levels until 2023.

Revenue will decline 30 percent nationally this year and 45 percent on the Las Vegas Strip, he said.

The Strip will be slow to recover given its reliance on inbound visitation, conventions and air travel, Bumazhny said.

Elsewhere, H2 Gambling Capital forecasts global gaming revenues this year at \$362 billion, the least since 2011 and 23.5 percent below pre-COVID.

NEVADA RISKING 2ND SHUT DOWN?

Nevada casinos could face a second shut down if COVID-19 cases spike, state Gaming Control Board Chair Sandra Douglas Morgan has hinted.

She expressed disappointment in the number of casino customers who are not wearing masks.

Her comments come after numerous reports of social distancing and other safety protocols being violated or inconsistently enforced were brought to her attention.

Here's a Las Vegas Review-Journal story that adds considerable color to the matter: <https://www.reviewjournal.com/business/casinos-gaming/casinos-put-safety-first-but-many-guests-ignore-protocols-2051583/>.

RE-OPENINGS

NOTE: An interactive map and list of casino re-openings are at <https://www.fantiniresearch.com/gaming/fantini-s-covid-19-gaming-daily.html>.

US, CANADA: AL, CA, CO, CT, IN, IA, LV, MA, MN, NM, NY, OH

This will be another week with a wave of casino openings.

Colorado and Indiana's casinos open Monday, Ohio can reopen Friday and individual properties elsewhere will open throughout the week.

Colorado will have slots at half capacity or less, no table games, none of the brand-new sportsbooks, only some restaurants and with employees and customers wearing facemasks. Some color from the Colorado Springs Gazette: https://gazette.com/business/cripple-creek-casinos-prepare-to-reopen-in-pandemic-era/article_d6b62196-ab41-11ea-bb5c-73f3059ee6a1.html.

In Ohio, all casinos open Friday, except MGM Northfield Park which reopens on Saturday.

Elsewhere:

- ALBERTA casinos and bingo halls reopened Friday.
- CALIFORNIA. Augustine Casino in Coachella reopens Monday.

- CONNECTICUT. Foxwoods, which reopened June 1, is extending operations this week to the Fox Tower Casino, six more restaurants, more hotel rooms, Monza World-Class Karting and a new drive-in movie theater.

- IOWA. Wild Rose casinos in Jefferson and Clinton have reopened table games.

The casinos reopened with slots only two weeks ago.

- LAS VEGAS. Caesars will open Paris on Thursday citing customer demand.

- Downtown, live music returns to Fremont Street and the Plaza reopens Oscar's Steakhouse on Thursday with staff wearing masks and gloves.

- Mereulo is extending restaurant hours at SAHARA.

- Westgate reopens Thursday with a renovated sportsbook with brighter screens and soon a new restaurant at the former Sid's Café.

Customers must wear masks in elevators and at table games.

- MARYLAND. Golden Entertainment's Rocky Gap is the first casino in Maryland to commit to an opening date – this Thursday – at 50 percent capacity.

- MASSACHUSETTS casinos discussed reopening with the state gaming commission as Wynn's Encore Boston Harbor is targeting June 29 for reopening.

However, the commission says it needs more guidance from the state.

- MINNESOTA. Fond-du-Luth and Black Bear casinos reopen Monday.

Customer facemasks are required.

- NEW MEXICO. Isleta and Ohkay casinos have reopened but not other tribal casinos, KOB-TV reported.

- NEW YORK. Saratoga Casino will resume racing at Saratoga harness track on Thursday without spectators.

INTERNATIONAL: AUSTRALIA, KANGWON, SINGAPORE, UK

- AUSTRALIA. Racebooks in Victoria can reopen next Monday. Slots at clubs, pubs and the casino can open July 20.

- KANGWON LAND is delaying its reopening to June 22 due to COVID-19 cases in South Korea. Operations have been closed since February 23.

- SINGAPORE casinos still cannot open, but the city-state resumes sports betting on Monday and international horse racing on Wednesday.

• UNITED KINGDOM. Contrary to many anecdotal reports, a growing number of people are not rushing to gamble online during the pandemic, according to statistics from the UK Gambling Commission.

There was a rush online when casinos first closed in March, but that leveled off in April.

Here are year-over-year changes from March and April:

	March	April
Slots	+ 25 percent	- 2 percent
Casino	+13	+ 5
Poker	+53	+53
Live sports	- 11	- 55
Virtual sports	+88	+44

Full report: <http://www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Covid-19-research/Covid-19-update-June-2020/Covid-19-and-its-impact-on-gambling---what-we-know-so-far-updated-June-2020.aspx>.

MISSISSIPPI FAVORS SPORTS, iGAMING, REGIONALS

Thomas Allen of Morgan Stanley says US sports betting, iGaming and regional casino stocks are preferred in a post-COVID-19 world.

Allen expects iGaming and sports betting to generate a combined \$12 billion in revenue in 2025.

Regional casino operators should benefit due to less reliance on conventions and in being drive-to destinations, he added.

Allen's preferred stocks: Boyd, DraftKings, Eldorado and Penn National.

COMPANIES: NWGI, PENN

• NEWGIOCO grew handle 116.7 percent to \$1.3 million in May from April as major sporting events began to resume and Italy's retail operations reopening at the start of May.

• PENN NATIONAL could achieve last year's EBITDA levels on 95 percent of last year's revenue and is continuing to look at ways to improve that outlook, Felicia Hendrix of Barclays quoted PENN.

Many properties are operating at all-time high margins, the company added.

Spend-per-visit has been higher than prior to the COVID outbreak, the company said.

The company remains confident that the Barstool sports betting app should be in the top-three market share in every market of operation.

PENN is targeting debt-to-EBITDA below five times by year-end from 5.5 times prior to COVID-19.

TWO NEW COVID CASES

Two new COVID cases have been reported at reopened casinos.

A manager at Morongo casino in southern California has tested positive for COVID-19, the Riverside Press-Enterprise reported.

The manager is now at home and 11 employees with whom he interacted have been tested and are also home, the newspaper said.

In Washington, an employee of Mohegan-managed Ilani Casino is in quarantine after testing positive.

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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