



FANTINI'S GAMING REPORT®

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Special Reporting Service

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

NEVADA REOPENING RULES RELEASED

With Gov. Steve Sisolak announcing a plan to reopen businesses in Nevada, state regulators have released proposed reopening rules for casinos.

Among them:

- Limiting blackjack tables to two players, craps tables to six, and roulette and poker tables to four.
- Limiting visitation to 50 percent occupancy of the gaming floor.

- Maintaining social distancing at conventions and limiting attendance to 250 persons.

- Nightclubs and day clubs to remain closed.

Sisolak is allowing the Nevada Gaming Control Board to decide when casinos reopen.

They are not in Phase One of his business reopening plan that is set to begin on or before May 15 and last two or three weeks.

Two major Las Vegas Strip operators are preparing to reopen.

Wynn Resorts CEO Matt Maddox previously issued a 23-page plan for operations for reopening and has said he would like that to be by Memorial Day Weekend.

MGM Resorts Acting CEO Bill Hornbuckle has said his company probably would first open New York New York as a value property and Bellagio on the high end.

Las Vegas Sands, meanwhile, has canceled all hotel reservations at Venetian and Palazzo through May 31, though it also has released a detailed operating plan for when it reopens.

The Gaming Control Board's requirements for both unrestricted and restricted licensees are at

<https://gaming.nv.gov/modules/showdocument.aspx?documentid=16733>.

RE-OPENINGS: CA, ID, KS, MI, MS, OK, RI, WV

- CALIFORNIA. Stronach Group's Santa Anita Park plans to resume racing May 15 without spectators if regulators approve it.

- IDAHO. Kootenai River Inn casino plans to reopen on May 16.

- KANSAS casinos could reopen May 18 under a four-phase plan released by Gov. Laura Kelly.

Phase One starts Monday with some businesses allowed to reopen. Phase II, which includes casinos, could kick-in May 18 if Phase I is considered successful.

The final phase, which would include all mass gatherings, could start June 15.

- MICHIGAN. Island casino in Harris near the Wisconsin border will reopen in phases beginning Wednesday.

The gaming floor, bingo and food and beverage operations will open first. The golf course will open Friday and the hotel on May 13.

- MISSISSIPPI. Casinos are working to reopen by Memorial Day by coming up with plans for social distancing to ensure slots and table games are cleaned.

Each casino in Tunica County will make its own plan to present to the state gaming commission.

- OKLAHOMA. While most Oklahoma casinos are closed through May 15, some are opening.

Tonkawa near the Kansas border reopened Friday with a limit of 300 customers who are required to wear masks. The casino closes midnight weekdays and 2 a.m. Thursday through Saturday.

At present, gambling is limited to just slots.

First Council casino in Newkirk, also near the Kansas border, opened with a VIP-only event and is expected to take a couple of weeks to phase in a full opening.

- RHODE ISLAND. Twin River casinos plan to operate 39 percent of their slots and no table games when they reopen.

Twin River Lincoln will operate 1,600 of its 4,107 slots and Twin River Tiverton will operate 380 of its 1,000 slots, state Lottery Director Gerald Aubin told the Providence Journal.

The plan requires Gov. Gina Raimondo's approval.

- WEST VIRGINIA's casinos could reopen during the week of May 18 under Gov. Jim Justice's six-week reopening plan.

Week one of his business reopening plans starts Monday. Casinos are in weeks three to six of the plan.

CLOSINGS, POSTPONEMENTS, LAYOFFS: AQS, DETROIT, IL, MA, NJ, RRR, WA

- AQUIS ENTERTAINMENT's properties will remain closed until the government lifts restrictions.

First quarter expenses totaled \$4 million with \$2.5 million in payroll expenses, \$690,000 in gaming taxes and \$869,000 in operating expenses.

AQS furloughed 95 percent of its employees in March and reduced management salaries by 25 to 50 percent.

- DETROIT. Casinos will remain closed until May 28.
- ILLINOIS. Casinos and slot routes will remain closed until further notice.
- MASSACHUSETTS' casinos will remain closed until May 18.
- NEW JERSEY suspended lottery sales and drawings of the Five Card Cash.

- RED ROCK RESORTS said it wanted to keep all of its employees on the payroll but will have to start layoffs May 16, though they will retain medical benefits through September, the Las Vegas Review-Journal reported.

When casinos are permitted to open, RRR will start with Red Rock Resort, Santa Fe Station, Boulder Station, Palace Station and Sunset Station.

RRR's other properties will open after business is assessed in a post-COVID world, the newspaper quoted CEO Frank Fertitta.

- WASHINGTON. Angel of the Wind Casino has extended its closure to a yet-to-be-decided date and will reopen in phases when that date arrives.

MACAU ESTIMATES DOWN

Gaming revenue estimates for Macau continue to remain down after revenue slumped 96.8 percent in April.

Vitaly Umansky of Bernstein expects revenue to fall 41 percent this year followed by an 87 percent rebound next year.

May should drop 90 to 95 percent depending on the status of travel restrictions.

He expects border restrictions between Macau, Hong Kong and Guangdong to be lifted in the next few weeks, with the individual visa scheme restrictions to be eased in June if the number of new COVID-19 cases continues to remain low.

Steve Wieczynski of Stifel expects revenue to fall 40 to 50 percent this year with the assumption that the virus impact lasts through the entire year with recovery starting early next year.

The fourth quarter should fall 15 percent while May should flop 70 to 80 percent, he said.

Kenneth Fong of Credit Suisse expects mass-market revenue to return to 70 to 80 percent of normal levels by the summer holidays as China may reopen the individual visa scheme.

May should decrease 85 to 90 percent, he added.

REVENUE FORECASTS DECLINE

Global gaming revenue is expected to be £381.6 billion this year down from its earlier forecast of £384.4 billion, H2 Gambling Capital says.

COMPANIES: AGS, CZR, ENJOY, GVC, SKC

- AGS closed on a \$95 million term loan due 2024 to provide additional capital. Interest rate is LIBOR plus 13 percent with a 1 percent LIBOR floor.

The company also amended its credit agreements to suspend the testing of financial covenants through December.

- CAESARS. Kelly Clarkson postponed her residency at Caesars' Planet Hollywood until next year.

- ENJOY. The Chilean casino operator is requesting a three-year extension to launch four casinos in Chile in order to recover from COVID-19, G3Newswire reported.

Launches were planned from October through next July in Coquimbo, Viña del Mar, Pucón and Puerto Varas.

Enjoy also intends to sell \$150 million in stock in advance of more borrowing.

- GVC'S executives and directors are taking a 20 percent pay cut for three months, having begun May 1. They are also foregoing bonuses for this year.

- SKYCITY says its New Zealand casinos could open on a staggered basis starting May 11, depending on the government's new alert levels scheduled to be issued then.

Meanwhile, COVID-19 delays are pushing back the completion of its Auckland convention center to January 2, 2025.

During the closings, SKC is refurbishing casino and entertainment venues and adding food and beverage outlets, primarily at Auckland.

SKC has \$261 million in cash and undrawn debt facilities. The company does not believe it will require waivers for its debt covenants due June 30.

However, SKC has significant expenditures on its projects and a monthly cash burn rate of \$7.8 million.

INTERNATIONAL: GERMANY, PHILIPPINES

- GERMANY. States will be allowed to reopen casinos and other gaming venues at the end of May.

- PHILIPPINES iGaming operators have been approved to resume operations.

Land-based casinos will remain closed through May 15.

DOING GOOD: LVS, MERUELO

- LAS VEGAS SANDS is giving away 1,000 boxed meals a day to the homeless from last Friday through Monday working with Catholic Charities of Southern Nevada, KSNV-TV reported.

- MEREULO GROUP's SAHARA continues its program of providing meals having reached more than 2,000 healthcare workers and 400 first responders in Southern Nevada.

RELIEF FUNDS: GOLDEN NUGGET, MGM, PENN, WMH

- GOLDEN NUGGET owner Tilman Fertitta launched an employee relief fund for Golden Nugget, Landry's and the Houston Rockets. Contributions can be made at <https://relief.landrysinc.com/>.

- MGM RESORTS. Contributions to the MGM Resorts Foundation Emergency Relief Fund can be made at <http://www.mgmresortsfoundation.org/>.

- PENN NATIONAL. Employee relief fund contributions can be made at www.pnggaming.com/community.

- WILLIAM HILL US. Donations to the employee relief fund can be made at <https://donorbox.org/covid-19-donations-for-impacted-william-hill-us-employees>.

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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