

Innovation Capital

Investment Bankers



Gaming Newsweekly
For the week ended May 20th, 2018

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For securities-related inquiries, please contact an Innovation Capital banker.

NEW FEATURE...Newsweekly Archive

You can now access Innovation Capital's Newsletter archive on the firm's website [here](#). This feature is password protected-- this month's password is: **gold** (case sensitive).

Gaming Industry Public Company & High Yield Data:

[Public Company Trading Comparables](#)

[High Yield Bond Trading Levels](#)

Featured Article:

'Good interest' reported as judge clears way for Lucky Dragon bids

May 17, 2018

LAS VEGAS- (Eli Segall, Las Vegas Review-Journal) - A judge approved bid procedures this week for the bankrupt Lucky Dragon, clearing the way for a potential sale of the off-Strip resort. Lucky Dragon developer Andrew Fonfa said in a phone interview Thursday that he just got back from Beijing, which "gives you an idea of some of the investment groups I've been talking to," and added that he expects to pick a group "to move forward with" by the end of June. The bid procedures were approved Monday in U.S. Bankruptcy Court. Fonfa's group said in court papers last month that the bankruptcy case was "a straight forward hotel and casino sale" designed to pay its largest creditor in full and preserve jobs. [Click here to read the full article in Las Vegas Review-Journal](#)

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Supreme Court Ruling Favors Sports Betting

May 14, 2018

WASHINGTON - (Adam Liptak and Kevin Draper, New York Times) - The Supreme Court struck down a 1992 federal law on Monday that effectively banned commercial sports betting in most states, opening the door to legalizing the estimated \$150 billion in illegal wagers on professional and amateur sports that Americans make every year. The decision seems certain to result in profound changes to the nation's relationship with sports wagering. Bettors will no longer be forced into the black market to use offshore wagering operations or illicit bookies. Placing bets will be done on mobile devices, fueled and endorsed by the lawmakers and sports officials who opposed it for so long. A trip to Las Vegas to wager on March Madness or the Super Bowl could soon seem quaint. [Click here to read the full article in the New York Times](#)

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CoD Manila local partner eyes stake in Melco Philippines

May 18, 2018

MANILLA- (GGRASIA) - Asian casino investor Melco Resorts and Entertainment Ltd is in "preliminary discussions" that could lead to its Philippine partner at the City of Dreams Manila casino resort (pictured) taking an equity stake in the local Melco Resorts operating unit. Melco Resorts' Manila operating unit, locally-listed Melco Resorts and Entertainment (Philippines) Corp, stated in a filing to the Philippine Stock Exchange it had been notified of the talks by its parent company. The potential deal would be between Melco Resorts, and Philippine firm Premium Leisure Corp, "whereby Premium Leisure Corp or its affiliated entities may become equity holders of Melco Resorts Philippines," said the announcement on Friday.

[Click here to read the full article in GGRASIA](#)

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Japan parties submit joint bet addiction bill

May 16, 2018

JAPAN- (GGRASIA) - The parliamentary membership of Japan's two governing parties and an opposition party jointly submitted on Wednesday a bill to the country's parliament on the vexed issue of gambling addiction counter measures, according to GGRAsia's Japan correspondent. The largest governing grouping, the Liberal Democratic Party (LDP), its smaller partner Komeito, and the Japan Restoration Party - a numerically small in terms of parliamentary seats but high-profile opposition grouping - are the parties that submitted the bill to the country's parliament, also known as the Diet. Previously several parties had submitted individual initiatives. The Japan Restoration Party has its power base in the city of Osaka, a front runner for one of Japan's three casino licences envisaged for the first phase of liberalisation of the sector.

[Click here to read the full article in GGRASIA](#)

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William Hill, Paddy Power See Sales Hit From U.K. Betting Limit

May 16, 2018

UNITED KINGDOM- (Thomas Seal, Bloomberg) - William Hill Plc and Paddy Power Betfair Plc warned that new U.K. gambling limits will slash their revenue from roulette and poker machines, raising the threat of widespread closures of the bookmaking shops that are a fixture of U.K. shopping districts. William Hill, seen by analysts as most exposed to the measure, forecast a gaming revenue hit of as much as 45 percent and said 900 of its shops, or 38 percent of the total, could become unprofitable. Paddy Power warned of a similar impact on its revenue.

[Click here to read the full article in Bloomberg](#)

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Churchill Downs Incorporated Announces Entry into Real Money Online Gaming and Sports Betting Markets

May 16, 2018

LOUISVILLE, Ky- (Globe Newswire) - Churchill Downs Incorporated ("CDI") (Nasdaq:CHDN) today announced its entry into real money online gaming ("iGaming") and sports betting markets. It also announced a strategic partnership agreement with SBTech to utilize their integrated technology platform for CDI's iGaming and sports betting operations. SBTech will provide CDI with an iGaming platform, consisting of the consumer website, mobile apps, and back office systems to manage iGaming and sports wagering, where permitted, pursuant to which CDI may offer branded products separate from TwinSpires.com to its iGaming and sports betting customers. The strategic partnership with SBTech initially is intended to enable CDI to enter New Jersey and Pennsylvania, which have already approved iGaming and sports betting. In addition, the strategic partnership will enable CDI to enter Mississippi for sports wagering. CDI and SBTech's entry into these states is subject to gaming license approvals and finalization of iGaming and sports betting regulations.

[Click here to read the full press release](#)

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Paddy Power in Talks to Combine U.S. Unit With FanDuel

May 15, 2018

WORLDWIDE- (Phil Serafino, Bloomberg) - Paddy Power Betfair Plc is in talks to merge its U.S. unit with closely held website FanDuel as the Irish bookmaker positions itself for expanded sports betting in the U.S. following a Supreme Court ruling this week. "Discussions are ongoing and there is no certainty as to whether agreement will be reached, or as to the terms or timing of any transaction," Dublin-based Paddy Power Betfair said in a statement Wednesday. The deal would "create a combined business to target the prospective U.S. sports betting market." The talks may be the start of a wave of deals involving betting companies in the U.S. The nation's highest court on Monday struck down the federal law that had barred single-game gambling in most of the country, saying it unconstitutionally forced states to maintain their prohibitions. Nevada has been the only state with legal single-game wagering.

[Click here to read the full article in Bloomberg](#)

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Scientific Games Announces Doug Albregts as New EVP and Group Chief Executive Officer of the Gaming Division

May 15, 2018

LAS VEGAS (Scientific Games Corporation, Cision PR Newswire) - Scientific Games Corporation (NASDAQ: SGMS) ("Scientific Games" or the "Company") today announced that Doug Albregts will join the company as the EVP and Group CEO of the Gaming Division. Doug Albregts joins Scientific Games from Sharp Electronics Corporation of America, where he held numerous senior executive level positions. Albregts served as President, CEO of Sharp Imaging and Information Company of America, as well as President, CEO and Chairman of Sharp Electronics America, where he was responsible for the overall leadership of the Americas \$6 billion operating unit consisting of consumer products, home appliances, display devices, energy storage and business/office products, and managing an organization of over 2,000 employees. Albregts has also held executive management roles focused on

enterprise growth in multinational digital technology companies such as American Express, NEC and Samsung.

[Click here to read the full press release](#)

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Melco Holds Exclusive Preview of Morpheus, the New Hotel at City of Dreams

May 15, 2018

MACAU- (Melco Resorts & Entertainment Limited, Globe Newswire) - Melco Resorts & Entertainment Limited (NASDAQ:MLCO) ("Melco"), a developer, owner and operator of casino gaming and entertainment casino resort facilities in Asia, held an exclusive preview today of Morpheus, the new hotel at City of Dreams. Melco is working closely with the Macau government to obtain all licenses required for the hotel opening, targeting to open its doors to the public on June 15, 2018. Designed by late Dame Zaha Hadid, the USD 1.1 billion iconic landmark is integral to the relaunch of City of Dreams, reinforcing its position as a premium global brand.

[Click here to read the full press release](#)

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Apollo Closes Secondary Public Offering Of PlayAGS Common Stock

May 14, 2018

LAS VEGAS (AGS, Cision PR Newswire) - PlayAGS, Inc. (NYSE: AGS) ("AGS" or the "Company"), a leading designer and supplier of electronic gaming machines and other products and services for the gaming industry, today announced the closing of its previously announced secondary public offering of shares of the Company's common stock by Apollo Gaming Holdings, L.P. (the "Selling Stockholder") at a price to the public of \$21.50. The offering amounted to 4,675,000 shares. The Company did not sell any shares and did not receive any proceeds from the offering. Credit Suisse, Deutsche Bank Securities, Jefferies and Macquarie Capital acted as joint book-running managers and as representatives of the underwriters for the offering.

[Click here to read the full press release](#)

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