

Innovation Capital

Investment Bankers



Gaming Newsweekly
For the week ended December 2nd, 2018

Innovation Capital Contacts:

Matt Sodl
Founding Partner, President &
Managing Director
(310) 335-9191
msodl@innovation-capital.com

Tadashi Wakabayashi
Managing Director - Japan Gaming Consultant
+81-80-5424-6804
twakabayashi@innovation-capital.com

Alex Wang
Vice President
(310) 335-9909
awang@innovation-capital.com

Mike Martin
Financial Analyst
(310) 335-9339
mmartin@innovation-capital.com

Melissa Blau
Strategic Advisory Partner
iGaming

Kevin Scheible
Partner &
Managing Director
(310) 335-9907
kscheible@innovation-capital.com

Ben Martinez
Director - Native American
(214) 336-3819
bmartinez@innovation-capital.com

Kevin Edler
Financial Analyst
(310) 335-9292
kedler@innovation-capital.com

Shannon Sharp
Office Manager
(310) 335-9333
ssharp@innovation-capital.com

Ben Lee
Strategic Advisory Partner
Asia Gaming

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

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: **Gamble** (case sensitive).

Gaming Industry Public Company & High Yield Data:

[Public Company Trading Comparables](#)

[High Yield Bond Trading Levels](#)

Featured Article:

Roadhouse Casino closing probably won't be Tunica's last

December 2, 2018

MEMPHIS- (Wayne Risher, Daily Memphian) - When Tunica Roadhouse Casino shuts down Jan. 31, owner Caesar's Entertainment Corp.'s will have gone from three casinos to one in the Mississippi Delta gambling haven within the space of four years. Memphis investment analyst Trip Miller thinks downsizing is a good move for Caesar's and believes more Tunica casinos face a similar fate in an era of heightened competition and changing demographics of casino patrons. "Anyone who would have multiple operations in a market like Tunica, I would be shocked over the next five years if you didn't see continued consolidation," said Miller, managing partner of Gullane Capital Partners. "I think there's too many down there still.

[Click here to read the article in the Daily Memphian](#)

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Casinos bet big on a new demographic: RV campers

December 2, 2018

SAN DIEGO- (Michael James Rocha, The San Diego Union-Tribune) - Some call it camping, others call it glamping. Whatever you call it, RV camping is on the upswing. In a report released last August, the RV Industry Association forecast that 505,900 RVs are expected to be shipped to dealers this year, "capping nine straight years of growth and resulting in the highest annual total for the RV market." And demographically speaking, with both boomers and millennials expressing an affinity for RV camping, it's no wonder casinos have found a new market to woo.

[Click here to read the full article in the San Diego Union-Tribune](#)

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Desert heats up with new casino hotels, expansions

December 2, 2018

SAN DIEGO- (Michele Parente, The San Diego Union-Tribune) - San Diego isn't the only place undergoing a casino expansion boom. Two big Palm Springs-area casinos are getting bigger, while two modest-sized ones in Riverside County are upping their game with new hotel resorts. All five of the properties are within a quick day trip from San Diego County - and the area's 10 casinos. Coupled with the \$550 million expansion San Manuel Casino in Highland is undertaking, Southern California has arguably the most dynamic - and ultra-competitive - casino economy outside Las Vegas.

[Click here to read the full article in the San Diego Union-Tribune](#)

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Hard Rock to open sports book early in 2019

November 30, 2018

ATLANTIC CITY - (Colt Shaw, The Press of Atlantic City) - Hard Rock Hotel & Casino Atlantic City is expected to open its sports book during the first quarter of 2019. "The forthcoming launch of the Hard Rock Sportsbook in New Jersey will mark another step towards becoming a significant player in the national and international sports betting and online gaming industry," said Kresimir Spajic, senior vice president of online gaming at Hard Rock International, in a statement. Gaming Innovation Group, a Malta-based gaming services company, has signed a contract with Hard Rock International, which will bring sports betting to Hard Rock's Atlantic City locale by next year, according to a joint press release.

[Click here to read the full article in Press of Atlantic City](#)

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North Bay casino slated to open in 2020

November 30, 2018

CANADA - (North Bay Nugget) - While it has yet to confirm a location, Gateway Casinos and Entertainment Limited plans to open a casino in North Bay in the first quarter of 2020. In documents filed with the U.S. Securities and Exchange Commission, Gateway Casinos says it plans to construct a 37,000-square-foot Cascades Casino in North Bay, with approximately 14,100 square feet of gaming space, including 300 slot machines and 10 table games. It also is planning plan to build a MATCH Eatery & Public House, as well as The Buffet restaurant. The combined project is expected to cost about \$31.3 million. The plan is subject to OLG and necessary government approvals, Gateway Casinos notes. Earlier this week, company spokesman Rob Mitchell said the North Bay location, rumoured to be off Pinewood Park Drive, has not been finalized.

[Click here to read the full article in the North Bay Nugget](#)

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Mohegan Sun ready to make major play for Everett casino if Wynn Resorts loses license

November 30, 2018

BOSTON- (Jordan Graham, Boston Herald) - Mohegan Sun says it is willing to buy the \$2.5 billion Encore Boston Harbor casino if Wynn Resorts is found unsuitable by state regulators - a move apparently aimed at giving the Gaming Commission an easy out from its high-stakes dilemma. "If that determination finds Wynn Resorts unsuitable to hold a gaming license in Massachusetts, Mohegan Sun is prepared to participate in a process that would assign that license to another operator - and enter into negotiations with the appropriate parties to acquire the facility under construction in Everett," the

company told the Herald in a statement. "Mohegan Sun has always believed it is the best choice as gaming operator and license holder for a Region A resort casino, and will be committed to opening the Everett facility in a timely manner should it get the opportunity."

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

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Online casinos fined £14m in watchdog crackdown

November 29, 2018

UNITED KINGDOM - (Rob Davies, The Guardian) - Three online casino firms have been fined £14m after the largest enforcement action by the Gambling Commission uncovered failings in systems designed to prevent money-laundering and protect problem gamblers. The industry regulator ordered Casumo to pay a penalty package of £5.85m, while Videoslots will pay £1m in lieu of a financial penalty. Daub Alderney was hit with a fine of £7.1m, previously announced. A fourth company, CZ Holdings, surrendered its right to provide gambling services in the UK after the regulator opened a review of its licence. A further six firms remain under investigation.

[Click here to read the article in The Guardian](#)

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MGM Resorts Hits Trifecta With MLB Gaming Partnership, Not Close On Potential NFL Betting Deal

November 29, 2018

LAS VEGAS- (Matt Rybaltowski, Forbes) - In reaching a comprehensive gaming deal with Major League Baseball earlier this week, MGM Resorts International reverted back to a playbook that has dictated the company's sports betting strategy in the brief Post-PASPA era. The partnership, which designates MGM Resorts as the first-ever official gaming partner of the league, follows similar deals with the NBA and the NHL over the last four months. MGM Resorts, one of the world's largest gaming operators, owns the distinction of being the only company in the casino industry to form partnerships with all three leagues.

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

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Habanero Partners with Nektan to provide its full suite of premium games on its casino platforms

November 28, 2018

EUROPE - (Calvin Ayre) - Habanero's full portfolio of premium slots and table games will be made available to the UK market for the first time, in 2019, following a deal with Nektan, the fast-growing international gaming technology platform and services provider. Through this partnership, Nektan's white label platform, Evolve, will have more than 150 premium slot and table games made available from Habanero. Nektan's diverse network of more than 145 global casino brands will have access to all this content along with Nektan's growing list of B2B operator partners via its content distribution platform, E-Lite.

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

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Examining how online casinos match their land-based competitors

November 28, 2018

UNITED STATES- (Alex Carlson, Insider Financial) - The gambling industry has long been associated with fun and decadent abandon, but one of the themes most synonymous with the gambling industry is competition. Not the type that goes on at the tables between Russian oligarchs and American tycoons but the competition that goes on behind the scenes between companies. In the early days of gambling and particularly in its prohibition era that competition was often meted out with ruthless violence and intimidation. Now it's meted out with ruthless pragmatism and innovations from the gambling companies. In this article we dissect the biggest showdown in the gambling industry at present, online casinos versus their land-based counterparts.

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

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Eldorado Resorts Announces Market Access Partnership with the Stars Group

November 26, 2018

RENO, Nev- (Business Wire) - Eldorado Resorts, Inc. (NASDAQ: ERI) ("Eldorado" or the "Company") announced today that it has entered into a 20-year definitive agreement with The Stars Group Inc. (NASDAQ: TSG)(TSX: TSGI) ("TSG") pursuant to which the Company will provide TSG with options to obtain access to Eldorado's second skins for online sports wagering. In addition, TSG will have an option to access its third skin to operate real money online gaming and poker operations in the United States. Under the terms of the agreement, Eldorado will receive a revenue share from the operation of the applicable verticals by TSG under Eldorado's licenses. Eldorado will also receive an upfront equity interest in TSG of \$25 million, and Eldorado may receive an additional \$5 million in TSG equity upon the exercise of the first option by TSG.

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

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