

Innovation Capital

Investment Bankers



Gaming Newsweekly
For the week ended March 4th, 2018

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Gaming Industry Public Company & High Yield Data:

[Public Company Trading Comparables](#)

[High Yield Bond Trading Levels](#)

Featured Article:

Churchill Downs Inc. to buy Presque Isle Downs

March 1, 2018

PENNSYLVANIA- (Matt Hegarty, Daily Racing Forum) - Churchill Downs Inc. has reached a deal to buy Presque Isle Downs and Casino in Erie, Pa., the company announced on Wednesday after releasing its 2017 financial results. Churchill will pay \$178.9 million in cash to buy Presque Isle from El Dorado Resorts, according to a release sent out by El Dorado. In addition, Churchill is buying a casino in Vicksburg, Miss., from El Dorado, with that acquisition costing \$50.6 million in cash, for a total of \$229.5 million. Presque Isle, which opened in 2007 and is one of only a handful of tracks that still use an artificial main-track surface, races approximately 100 days a year, but its main business is casino gambling, with 1,600 slots and 32 tables games. Churchill said that it expects the transaction to close in the fourth quarter of 2018.

[Click here to read the full article in Daily Racing Forum](#)

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Ladbrokes, Paddy Power, bet365, and CrownBet Bid for William Hill's Australian Gambling Business

March 4, 2018

AUSTRALIA- (Casino News Daily) - William Hill has received four offers from fellow gambling operators for its Australian business, the Australian Financial Review reported on Monday. The winning bidder is set to undergo due diligence before the end of the week and is expected to assume control over the Sportingbet brand next month. William Hill acquired the Australian and Spanish operations of Sportingbet as well as the Centrebet and Tom Waterhouse online wagering brands in 2013

for the total amount of £485 million. Last month, the British bookmaker announced that it was reviewing its Australian business and that its sale was under consideration.

[Click here to read the full article in Casino News Daily](#)

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Is San Diego's casino industry over-saturated?

March 3, 2018

SAN DIEGO- (Michele Parente, The San Diego Union Tribune) - Though the sun was shining Friday morning, officials from the Pechanga Resort & Casino had to move a press conference about today's grand opening of the resort's \$300 million expansion indoors. Recent rains had left the grounds of the Temecula casino's new 4½ acre pool complex over-saturated, preventing the installation of fresh sod. Over-saturated could also describe the fiercely competitive and dizzyingly dynamic San Diego-area casino industry, where the region's 10 Indian gaming properties are locked in a \$1 billion expansion battle for customers. This one-upping of pricey luxury amenities - from plush hotels and spas to swanky pools - appears to be putting a financial squeeze on several casinos.

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

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This Chinese investor wants to dump Hilton hotels

March 2, 2018

CHINA- (Rishi Iyengar, CNN Money) - HNA Group said in a filing Thursday that it plans to sell "some or all" of its 25% stake in Park Hotels & Resorts (PK), which owns more than 50 Hilton properties across the US, Europe and South America. Park Hotels was spun off from Hilton Worldwide Holdings in January 2017. HNA's stake is currently worth around \$1.4 billion. The Chinese firm started as a regional airline more than 20 years ago but in recent years went on an overseas spending binge, racking up an estimated \$100 billion in debt in the process. Now it's selling assets to ease its financial pressures and as Chinese authorities crack down on heavy overseas spending by big companies.

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

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AG: Lose the 'Wynn' name on Everett casino

March 1, 2018

BOSTON- (Jordan Graham, Boston Herald) - Attorney General Maura Healey is questioning whether Wynn Resorts should be allowed to keep its Boston-area casino license in the wake of new rape and sexual harassment allegations against gaming mogul Steve Wynn. At a minimum, Healey and Gov. Charlie Baker said yesterday, state gaming officials should demand the \$2.4 billion casino now under construction in Everett not use the Wynn name. The gambling palace - set to open its doors in June 2019 - is called Wynn Boston Harbor. "It's clear to me, if what's being alleged is true, that the casino cannot bear Wynn's name," Healey said in a statement. "I'm not convinced the company should have a license at all." Baker said of a name change, "I certainly think that's one of the things that should be on the table. Obviously, the allegations from the beginning, all of them, have been horrifying and

incredibly

disturbing."

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

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Macau bets on luring Chinese mass market punters

March 1, 2018

MACAU - (Ben Bland, Financial Times) - Las Vegas Sands and Wynn Resorts are stalwarts of the US gambling industry but their profits - and their prospects - depend on tempting new Chinese punters like Li Yunlong into their glitzy, multibillion dollar Macau venues. The 28-year-old project manager, who works at a baby milk company in China's northernmost Heilongjiang province, has travelled 3,000 kilometres south to try his luck in the only part of China where casinos are legal. "I want to experience gambling," says the novice, who is planning to bet \$100-\$200 at the casino tables. "But I don't know how to play any of the games." A jump in mass-market visitors like Mr Li helped push gross gaming revenue to \$6.3bn in the first two months of the year, up 20 per cent on the same period in 2017, according to official data released this week.

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PokerStars' Parent Company Expands Its Sports Betting Business With CrownBet Investment

March 1, 2018

AUSTRALIA- (Joss Wood, Legal Sports Report) - PokerStars' parent company is increasing its presence in the sports betting business. The Stars Group has bought 62 percent of CrownBet Holdings Pty Limited for approximately \$117.7 million. CrownBet is one of Australia's most popular online sports betting operators. The remaining 38 percent of the company is owned by CrownBet's founder and CEO, Matthew Tripp, who will continue to operate the business. Revenues at CrownBet have grown from AUS\$76.5 million in 2015 to AUS\$204 million (\$158.9 million) in 2017. Unaudited EBITDA for last year came in at approximately AUS\$7.9 million (\$6.15 million).

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Democrats Pursue Sports Gambling Regulations

February 28, 2018

CONNECTICUT- (Max Reiss, NBC Connecticut) - It is possible that later this summer that sports betting could be legalized in Connecticut. The United States Supreme Court is expected to issue a ruling in a New Jersey case, *Christie v. NCAA*, where the state is arguing that the federal government can't control state lawmaking, and the particular issue is sports gambling. Only four states allow for sports betting: Delaware, Oregon, Montana, and Nevada, and the case could open the floodgates, paving the way for states to regulate sports gambling. In Connecticut, lawmakers say they want the

state to have a structure in place to immediately reap the benefits, if and when the high court rules.

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Macau gambling revenue growth dips into single digits in February

February 28, 2018

HONG KONG- (Alice Woodhouse, Financial Times) - Gambling revenues in Macau - the only place in China where casino gambling is legal - rose at a slower pace than forecast in February after bumper growth at the start of 2018. Gambling revenues in the Chinese territory rose 5.7 per cent year on year in February to 24.3bn patacas (\$3bn), according to the Gaming Inspection and Coordination Bureau. That was down from 36.4 per cent growth in January, the largest year-on-year increase in almost four years. The February figure was below a median analysts' forecast compiled by Bloomberg of expecting 9 per cent growth. Casinos in the city, which neighbours Hong Kong, have seen their fortunes improve in 2017 as the impact of an anti-corruption drive started by Chinese president Xi Jinping - which frightened away high rollers - began to wane.

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

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Armed authorities enter Trump hotel in Panama amid standoff over legal dispute

February 28, 2018

PANAMA- (Cristina Alesci, CNN) - Panamanian authorities with helmets and guns entered a Trump-branded hotel in Panama City Wednesday morning, marking another escalation in a hostile, nearly week-long showdown between President Trump's business and a local partner. At the same time, Panama's Labor Minister told CNN that officials from his department were checking on a complaint from some hotel staffers who claim they aren't getting paid. Labor Minister Luis Ernesto Carles said his agency didn't have armed officials at the hotel but cited the possibility that other government agencies were inside the luxury property. CNN has not been able to confirm who the armed officials worked for, but a Labor Ministry spokeswoman says the armed personnel were on site at the hotel for a few hours and left in the afternoon.

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Blockchain-Based Casino ZeroEdge Educates Macau on Bitcoin Gambling

February 26, 2018

WORLDWIDE- (Sofiko Abeslamidze, Coinspeaker) - Recently Zero Edge has been reported to expand its business reach to the UK, opening company's headquarters and launching the first blockchain-based gambling platform in London. The innovative 0% house edge concept of Zero Edge online casino has

conquered one of the biggest gambling markets in Europe and by now it is unlikely to stop. On the way to success, Zero Edge is set to turn Asian online gambling industry on its head, introducing a revolutionary approach to the casino's profit-making process, which does not exploit the customer, but instead revolves around the increasing value of digital assets through wider adoption and utility. Fresh from successful showcase events held in Cyprus, Ukraine and the United Arab Emirates, the revolutionary gambling network Zero Edge rolls into China. The first official introduction of Zero Edge to Asian market occurred during the company's latest event in one of the top hotels in Macau.

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Arkansas Casino Measure Would Expand Gambling at Tracks

February 26, 2018

LITTLE ROCK- (US News & World Report) - A proposal to legalize casinos in Arkansas has been revised to allow expanded gambling at a greyhound track and horse track that already offer video poker and other electronic games. Driving Arkansas Forward submitted its proposed constitutional amendment to the state attorney general's office, which had rejected an earlier version of the proposal. The AG must certify the measure's wording before the group can begin gathering signatures to try and place it on the November ballot. The proposal would allow four casinos in Arkansas. Two of them would be allowed at or near the Oaklawn horse track in Hot Springs and at the Southland greyhound track in West Memphis. Both tracks have previously opposed casino ballot measures. The other casinos would be allowed in Pope and Jefferson counties.

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