

# Innovation Capital

*Investment Bankers*



**Gaming Newsweekly**  
For the week ended October 21st, 2018

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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:

### **Penn National Gaming completes \$2.8B acquisition of Pinnacle**

October 15, 2018

PENNSYLVANIA- (Todd Prince, Las Vegas Review-Journal) - Penn National Gaming Inc. has completed the \$2.8 billion acquisition of smaller rival Pinnacle Entertainment Inc., solidifying its position as the second-largest gaming company by properties in the U.S. The Wyomissing, Pennsylvania-based company will now oversee 40 properties across 18 states, it said in a press release issued Monday. The company will operate nearly 9,000 hotel rooms and more than 49,000 gaming machines.

[Click here to read the full article in Las Vegas Review-Journal](#)

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### **Illinois lawmakers eye sports betting, online gambling**

October 18, 2018

ILLINOIS- (Greg Bishop, Illinois News Network) - State lawmakers are looking at adding sports betting and online gambling to the state's gaming portfolio, but the lead policymaker behind draft legislation said they have to make sure taxes on such transactions don't force people elsewhere. There are a lot of moving parts involved in expanding gambling in Illinois beyond casinos, horse racing and video slots at the neighborhood bar. Previous talks have focused on new casinos or fantasy sports betting, but after the U.S. Supreme Court opened the door to legalizing real sports betting in May, state Rep. Lou Lang, D-Skokie, has been investigating how Illinois could make it happen.

[Click here to read the article in Illinois News Network](#)

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## China won't allow gambling or horse-racing in Hainan

October 17, 2018

BEIJING- (Channel News Asia) - China will not allow gambling or horse-racing in the southern province of Hainan, a newspaper controlled by the provincial government reported on Wednesday, citing comments from Hainan's communist party chief. China on Tuesday granted Hainan free trade zone status, vowing to ease restrictions on foreign investment on the island in sector from agriculture to medical services. "Some online comments about opening casinos, allowing gambling and horse-racing, or copy from capitalism and adopt overall private ownership, are divorced from China's reality and (they are) resolutely not allowed," Liu Cigui was quoted as saying by the Hainan Daily.

[Click here to read the full article in Channel News Asia](#)

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## SugarHouse Casino Gives Annual \$1 Million Contribution to Penn Treaty Special Services District

October 17, 2018

PHILADELPHIA- (Business Wire) - SugarHouse Casino presented its annual \$1 million contribution to the Penn Treaty Special Services District during the Penn Treaty SSD Community Service Awards on Tuesday, Oct. 16. This year's \$1 million check brings SugarHouse's total contribution to Penn Treaty SSD to \$6.7 million. Since 2009, Penn Treaty SSD has received a yearly contribution from SugarHouse Casino and, through grants, distributes the money to benefit residents of Olde Richmond, Fishtown, South Kensington and Northern Liberties.

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

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## French retailer Casino continues debt-cutting plan with property asset sale

October 17, 2018

PARIS- (Reuters) - French supermarket retailer Casino has agreed to sell a portfolio of real estate assets for 180 million euros (\$207 million), as it continues an asset-sale programme to cut debts which have concerned some investors. Casino signed an agreement with the firm AG2R la Mondiale on Wednesday for the disposal of 14 Monoprix real estate assets, for a net amount of 180 million euros and for an annual rent of 8.6 million euros. The proceeds from the disposal will be received no later than Jan. 2019, Casino said in a statement on Thursday.

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

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## Proposed Caesars merger is part of a larger trend in gaming industry, says analyst

October 17, 2018

LAS VEGAS- (Carmin Chappell, CNBC) - The potential merger of Caesars Entertainment and billionaire Tilman Fertitta's Golden Nugget Casinos is part of a larger trend of M&A activity in the gaming industry spurred by low valuations, according to Chad Beynon, senior analyst at Macquarie. Beynon told CNBC's "Power Lunch" on Wednesday that despite strong fundamentals, valuations in the gaming industry are "near 5-year lows," which may be the reason more companies are exploring mergers. "It's been wild times in gaming," he said. "Stocks in my space are off anywhere between 10 [percent] and 50 percent."

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

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## **MGM casino earns \$27M in 1st month**

October 16, 2018

BOSTON- (AP) - MGM has reported nearly \$27 million in revenue during the first full month of operation at its Massachusetts casino. The state Gaming Commission reported Monday that MGM Springfield generated \$18 million in gross revenues from slot machines and another \$8.8 million from table games like blackjack and roulette. That generated \$6.7 million in state taxes. Massachusetts collects 25 percent of the facility's gross gambling revenues.

[Click here to read the full article in the Daily Hampshire Gazette](#)

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## **Paddy Power Betfair fined £2.2m over gambling check failings**

October 16, 2018

WORLDWIDE- (John-Paul Ford Rojas, Sky News) - Paddy Power Betfair has been fined £2.2m over failings which included allowing a punter to gamble away large sums stolen from a charity. A Gambling Commission investigation found that the bookmaker fell short on interacting with customers who showed signs of problem gambling and on carrying out anti-money laundering checks. The case centred on the behaviour of five customers in 2016, including one using the Betfair online exchange who had stolen "a significant amount of money" from his employer, a charity.

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

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## **Bet on it: More Americans support legalizing sports gambling, ECU poll finds**

October 16, 2018

UNITED STATES- (Abbie Bennett, The News & Observer) - Place your bets - more Americans think gambling on professional sports should be legal than illegal, a poll from East Carolina University shows. The U.S. Supreme Court overturned federal law earlier this year that prevented states from allowing sports gambling. New Jersey, Delaware, Mississippi and West Virginia have already legalized gambling on professional sports. A new report using data from ECU's "Life, Liberty, and Happiness survey" shows that 47 percent of Americans polled believe professional sports gambling should be

legal, compared to 26 percent who think it should be prohibited.

[Click here to read the full article in The News & Observer](#)

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## **Spain to treat online gambling advertising the same as tobacco**

October 16, 2018

SPAIN- (Steven Stradbroke, Calvin Ayre) - Spain's online gambling operators could face significant new restrictions on their ability to advertise, following a budget deal between the current minority government and a rival party. Last Friday, Spanish media outlets reported that the minority PSOE government led by Prime Minister Pedro Sanchez had struck a deal with the Unidos Podemos party to ensure support for the government's 2019 budget plan and thereby avoid a snap election call.

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

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## **Sale Rumors Suggest Stadium Casino is Over Before it Even Began**

October 15, 2018

PENNSYLVANIA- (Jessica Welman, Play Pennsylvania) - For months we have referenced the thirteenth Pennsylvania casino. In fact, even though Stadium Casino was still in the earliest stages of construction, it was highly active in the gambling expansion process. It applied for a mini-casino. It applied for an interactive gaming license package as well. However, now, the word on the street is the project is no more. Roger Gros of Global Gaming Business was the first to Tweet about a potential demise of Stadium Casino, previously known as Philly Live!

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

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## **Macau gambling income from inward investments up 34.5% in 2017**

October 15, 2018

MACAU- (Paul How, Calvin Ayre) - Income from inward direct investments in gambling in Macau reached MOP37.9 billion (\$4.7 billion) in 2017, a year-on-year increase of 34.5%, according to the city's Statistics and Census Service (DSEC). Total income from inward investments for the special administrative region was MOP 58.6 billion (\$7.2 billion), with the gambling sector constituting 64.5%. According to the DSEC, the performance of the gambling sector was a reversal from previous years, where its income had declined 6.4% in 2016 and 47.5% in 2015.

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

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