

Innovation Capital

Investment Bankers



Gaming Newsweekly
For the week ended April 22nd, 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: **invest** (case sensitive).

Gaming Industry Public Company & High Yield Data:

[Public Company Trading Comparables](#)

[High Yield Bond Trading Levels](#)

Featured Articles:

Eldorado Resorts to Acquire Tropicana Entertainment in Accretive Transaction Valued at \$1.85 Billion

April 16, 2018

RENO- (Business Wire) - Eldorado Resorts, Inc. (NASDAQ: ERI) announced today that it entered into a definitive agreement to acquire Tropicana Entertainment Inc. (OTCQB: TPCA) in a cash transaction that is valued at \$1.85 billion. The definitive agreement provides that Gaming and Leisure Properties (NASDAQ: GLPI) will pay \$1.21 billion, excluding taxes and expenses, for substantially all of Tropicana's real estate and enter into a master lease with Eldorado for the acquired real estate and that Eldorado will fund the remaining \$640 million of cash consideration payable in the acquisition. The transaction is expected to be immediately accretive to Eldorado's free cash flow and diluted earnings per share.

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

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Eldorado Resorts to Acquire Grand Victoria Casino for \$327.5 Million Cash in Accretive Transaction

April 16, 2018

RENO- (Business Wire) - Eldorado Resorts, Inc. (NASDAQ: ERI) announced today that it entered into a definitive agreement to acquire Grand Victoria Casino in Elgin, Illinois for \$327.5 million in cash. Total consideration for the transaction represents a purchase multiple of approximately 9.0x trailing twelve months Adjusted EBITDA (for the period ended December 31, 2017) which Eldorado expects to reduce to approximately 6.0x or less within 18 months of the transaction's closing based on expected operating synergies and cost savings. The Company intends to fund the proposed transaction using cash from previously announced asset sales, cash from ongoing operations and borrowings under its revolving

credit

facility.

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

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Interior dismissed experts' recommendations in blocking tribes' casino: report

April 22, 2018

UNITED STATES- (Max Greenwood, The Hill) - The Trump administration appeared to ignore the advice of federal experts at the Interior Department when it rejected a proposal by two American Indian tribes to build a casino in Connecticut, Politico reported Sunday. Documents disclosed under the Freedom of Information Act and cited by the news outlet show that career staffers at the department were circulating approval letters for the project just two days before political appointees rejected the casino proposal by the Mohegan and Mashantucket Pequot tribes.

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

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Pamunkey Indian Tribe associates buy New Kent land for possible resort, casino site

April 22, 2018

VIRGINIA- (David Ress, Daily Press) - A group working with the Pamunkey Indian Tribe has purchased more than 600 acres in New Kent County that the tribe is actively considering as the site of a planned-for resort and casino. But the tribe is still looking at other sites in eastern and central Virginia, chief Robert Gray said. "Now that we have made our plans public, we intend to aggressively pursue land acquisitions that make sense for us and that can help bring our larger economic plans to fruition," Gray said. "The Pamunkey people are patient, but we are ready to put this into high gear."

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

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The Stars Group to Acquire Sky Betting & Gaming for \$4.7 Billion

April 21, 2018

TORONTO- (The Stars Group) - The Stars Group Inc. (NASDAQ: TSG; TSX: TSGI) announced today that it has agreed to acquire Sky Betting & Gaming (SBG) from CVC Capital Partners and Sky plc (LSE: SKY) in a cash and stock transaction valued at \$4.7 billion. This combination will result in the world's largest publicly listed online gaming company. "The acquisition of Sky Betting & Gaming is a landmark moment in The Stars Group's history," stated Rafi Ashkenazi, the Company's Chief Executive Officer. "SBG operates one of the world's fastest growing sportsbooks and is one of the United Kingdom's leading gaming providers. SBG's premier sports betting product is the ideal complement to our industry-leading poker platform. The ability to offer two low-cost acquisition channels of this magnitude provides The Stars Group with great growth potential and will significantly increase our

ability to create winning moments for our customers."

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

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MLB and NBA to offload fantasy sports stakes

April 20, 2018

UNITED STATES- (iGaming Business) - Major League Baseball (MLB) and the NBA basketball league have begun talks over selling their respective stakes in DraftKings and FanDuel. DraftKings first secured investor support from MLB in 2013 and the league also brokered a multi-year deal in 2015 to make DraftKings its official daily fantasy game. The NBA acquired an ownership stake in rival daily fantasy sports firm FanDuel in November 2014, but both leagues are now set to pull back from the market. Both MLB and the NBA confirmed the discussions to ESPN, but stopped short of revealing financial details or exit terms. In a statement, MLB said: "While we have initiated discussions regarding potential changes to the structure of our relationship, we look forward to continuing our valued partnership with DraftKings."

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

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Florida, Seminoles extend gambling deal

April 19, 2018

FLORIDA- (News Service of Florida) - As legislative leaders hold behind-the-scenes talks about revamping the gambling industry, Gov. Rick Scott announced a deal Wednesday that will lead to the Seminole Tribe continuing to pay more than \$300 million a year in casino money to the state. The tribe would continue making the payments, which are rooted in a 2010 gambling agreement, through the 2019 legislative session. In exchange, the tribe would continue to have exclusive rights to offer games such as blackjack at its casinos and would continue to be the state's only slot-machine operator outside of Miami-Dade and Broward counties. "Today, I am proud to announce that the state of Florida has reached an agreement with the Seminole Tribe which ensures the tribe's current commitment remains intact," Scott, who will leave office in January after eight years, said in a prepared statement.

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

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Hard Rock A.C. to open June 28

April 18, 2018

ATLANTIC CITY- (John DeRosier, Press of Atlantic City) - Executives from the Hard Rock Hotel & Casino Atlantic City officially announced the resort's June 28 grand opening date. The date and entertainment lineup were announced at three simultaneous press conferences Wednesday at the Hard Rock Cafe Philadelphia, the Hard Rock Cafe New York City and the Hard Rock Atlantic City preview center at Tanger Outlets in Atlantic City. At 11:10 a.m., Hard Rock's International Chairman Jim Allen announced that 300 acts were booked for Hard Rock in Atlantic City. Allen also announced a June 28 opening date.

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

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Japan casino bill to reach parliament on April 27: officials

April 18, 2018

TOKYO- (Ami Miyazaki and Thomas Wilson, Reuters) - Gambling proposals have been kicking around Japan for years. The country actually legalized casino gambling in 2016, but don't expect to be a high roller in the land of the rising sun any time soon. It's taking time to work out details in the national parliament, the Diet. Those details include picking locations for resort casinos, deciding who should operate them, and setting up a regulatory structure for the industry. Japan's ruling political party and its coalition partner made progress on several points over the past week-such as planning to tax casino revenue at a flat rate of 30 percent. But the Diet needs to approve the plans, and lawmakers already have a heavy agenda for a session that ends in June. Some outlines of the gambling landscape are taking shape. According to Japanese media, there are likely to be three casino resorts in different locations around the country-Osaka is one of the leading candidates.

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

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Pa. receives no bids for sixth minicasino license

April 18, 2018

HARRISBURG- (Marc Levy, Associated Press) - Pennsylvania received no bids for a sixth minicasino license on Wednesday, leaving state regulators to decide whether to open five remaining licenses to bidding by out-of-state casino operators or noncasino businesses. Pennsylvania Gaming Control Board officials said after the auction that board members will have to decide whether to hold another auction and, if they do, who is qualified to bid. Wednesday's bidding was open to owners of Pennsylvania casinos. When they approved Pennsylvania's casino gambling expansion last fall, lawmakers set minimum bids at \$7.5 million and authorized 10 new minicasino licenses to try to raise money for the state's tattered finances.

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

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Explosive Growth on Social Gaming Market Growing at CAGR of +17% by 2022: Challenges, Standardization, Competitive Market Share, Operator Case Studies and Key Players

April 16, 2018

HOUSTON- (SBWIRE) - Global Social Gaming market estimated to grow at a CAGR of +17% during forecast period. Social gaming has exploded during the last decade. Game-play and consumption patterns have dramatically changed during the last five years and we see similar big changes coming with the invasion of mobile platforms and in particular the emerging wearable platforms. While Facebook individually leads the social gaming market, collectively non-Facebook social gaming platforms collectively represent a considerable portion of the market. Non-Facebook platforms include app store, local social networks, and multiplayer social game networks.

[Click here to read the full report](#)

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