



Gaming Market Update

FALL 2020

Houlihan Lokey Gaming Industry Market Update

Dear Clients and Friends,

We are pleased to present our gaming industry update for fall 2020. We hope that you and your families remain safe and healthy. We have continued adapting to this fluid market and are busy helping our clients navigate financing, M&A, and other strategic alternatives. Please reach out to any of us if you would like to connect or brainstorm regarding any current needs or sector topics.

We have included industry insights, select recent transaction announcements, and a public markets overview to help you stay ahead in our dynamic industry. We hope you find this update to be informative and that it serves as a valuable resource to you in staying abreast of the market. We look forward to staying in touch.

Kind regards,



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Gaming Subsectors Covered

Land-Based Casino Gaming	Online Casino Gaming	Sports Betting	Distributed Gaming
Gaming Equipment Suppliers	Gaming Technology Suppliers	Cash Management and Fintech	Leisure and Entertainment

Market Insights and Observations

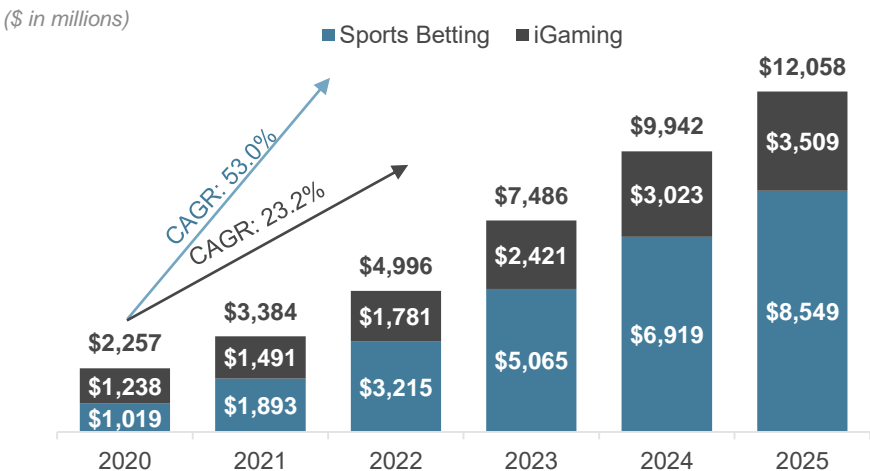
Despite continued uncertainty around the impact of COVID-19 on the economy and global travel, casino gaming is once again proving its resilience and finding new avenues for growth.

Despite capacity restrictions and other limitations related to COVID-19, U.S. commercial and tribal casinos have reopened to strong initial demand after being effectively shut down since mid-March. At the same time, iGaming and sports betting have seen an acceleration in revenue growth and adoption across the country. Below are a number of trends we have identified that are driving the current environment.

- 1 **Regional and local gaming is bouncing back strongly:** Since reopening, regional and local casinos are seeing a strong increase in cash flow on a year-over-year basis as a result of increased spend per visit and improved margins. The demand is largely driven by younger customers with limited entertainment alternatives and an increase in disposable income from government stimulus payments. Operators have reduced amenities and right-sized their labor force to address reduced volumes, which has significantly improved operating cost structure. Although labor and marketing costs are expected to rise as volumes and competition return, much of the margin expansion is expected to remain permanent, fueling cash flow growth as a vaccine gets closer to reality. Gaming markets dependent on air travel and the convention business, such as the Las Vegas Strip, will likely take longer to recover, though operators are reopening Strip casinos at a faster-than-expected pace.
- 2 **Sports betting and iGaming growth is accelerating:** Changing consumer behavior as more people game from home, as well the impact of COVID-19 on state budgets, is accelerating the growth of iGaming and sports betting in the United States. iGaming, which is now legal in six states, is expected to grow more than 100% to \$1.2 billion by 2020 and to \$3.5 billion by 2025. Sports betting is now legal in 24 states, and volume is rapidly picking up with the restart of the NFL and NBA. Sports betting is expected to generate \$1.0 billion in revenue this year, growing to \$8.5 billion by 2025.

State budgets are expected to remain under pressure due to COVID-19 restrictions, with budget shortfalls expected to be more than \$125 billion over the next 12 months. This will leave states looking for additional revenue, which should accelerate further legalization of iGaming and sports betting. Casino operators and online gaming companies continue to move aggressively to gain share in the rapidly growing market, with the early first movers—including DraftKings, FanDuel, BetMGM, Caesars, and Rush Street Gaming—soon to be challenged by newer entrants such as Penn/Barstool.

Growing Sports Betting and iGaming TAM



Market Insights and Observations (cont.)

③ **Hyperlocal gaming is proving attractiveness of business model:** Slot route operators that manage video gaming terminals (VGTs) at bars, restaurants, convenience stores, and truck stops have been the strongest performers post reopening, due to convenience and customers with flush pocketbooks. VGT operators have shown their ability to adapt quickly to local ordinances, and concerns about local establishments being unable to survive the pandemic appear overblown. The largest distributed gaming markets—including Nevada, Montana, and Illinois—are seeing strong revenue growth, with Illinois reporting a 24% year-over-year increase in revenue in July and Louisiana reporting a 26% year-over-year increase at truck stops. Access to high-frequency local visitors, combined with a lower cost structure, should drive higher margins and faster recovery than casino operators. In addition, the VGT market is expected to grow as more states explore legalizing VGTs as an additional avenue for tax revenue.

④ **Credit and equity markets are open and available to gaming companies:** The gaming credit markets have improved lockstep with the overall credit market as borrowing rates—driven by tightening credit spreads—have dropped to near or below pre-pandemic levels for the largest and best capitalized issuers. Record issuance in the HY market has made it attractive to large issuers while the syndicated loan market continues to improve. Smaller and less well-capitalized issuers have shifted their attention to private lenders who are open for business but seeking higher yields. Meanwhile, gaming equities have strongly recovered from the steep March drop, though many companies are still well off their 52-week highs. Large-cap and regional operators have strongly bounced back, with Caesars and Penn up more than tenfold from their pandemic lows, driven by the improved operating environment as well as expectations around the iGaming and sports betting opportunity.

⑤ **M&A activity is expected to continue for online gaming and sports, with more SPAC deals anticipated:** Companies are increasingly turning to SPACs as an alternative to a traditional IPO or sale. iGaming and sports betting companies are attractive targets for SPACs, given the massive U.S. market opportunity as well as compelling economics for both B2C and B2B providers. The successful acquisition of DraftKings by Double Eagle, which has traded up more than fourfold since closing, was followed by the announced acquisition of Golden Nugget Online Gaming by Landcadia Holdings II and the announced acquisition of Rush Street Interactive by dMY Technology, both at approximately 6x forward revenue multiples. More acquisitions of iGaming and sports betting companies by SPACs are expected. In addition, the successful acquisition of Accel Entertainment by TPG PACE could spur additional SPAC transactions in distributed gaming.

⑥ **Casino operator and supplier M&A activity is expected to pick up as uncertainty around timing and recovery of cash flow subsides:** M&A activity for operators and suppliers is expected to pick up as a result of the strength of the financial markets and continued reduced uncertainty around COVID-19's impact on financial performance. Land-based operator and supplier transactions have been limited since COVID-19 and driven primarily by liquidity needs and/or regulatory requirements from the Eldorado/Caesars transaction, which closed in June following a successful \$7+ billion capital raise and FTC approval. Caesars is required as part of the approval to divest three Indiana casinos (Tropicana Evansville, Caesars Southern Indiana, and Horseshoe Hammond), which should generate strong buyer interest. Caesars is also expected to sell one or two additional Strip casinos later this year or early next year.

Leading Independent Advisory Firm

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

HLI
LISTED
NYSE

1,500+
Employees

23
Locations

~45%
Employee-Owned

~\$4 Billion
Market Cap

More Than
\$1 Billion
Annual Revenue

No
Debt

Corporate Finance

2019 M&A Advisory Rankings All U.S. Transactions

	Advisor	Deals
1	Houlihan Lokey	184
2	Goldman Sachs & Co	167
3	JP Morgan	141
4	Morgan Stanley	122
5	Evercore Partners	112

Source: Refinitiv (formerly known as Thomson Reuters)

No. 1 U.S. M&A Advisor

Top 10 Global M&A Advisor

Leading Capital Markets Advisor

Financial Restructuring

2019 Global Distressed Debt & Bankruptcy Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	76
2	PJT Partners Inc	43
3	Moelis & Co	36
4	Lazard	29
5	AlixPartners	19

Source: Refinitiv (formerly known as Thomson Reuters)

No. 1 Global Restructuring Advisor

1,000+ Transactions Completed Valued
at More Than \$2.5 Trillion Collectively

Financial and Valuation Advisory

2000 to 2019 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	1,057
2	JP Morgan	929
3	Duff & Phelps	734
4	Morgan Stanley	621
5	Bank of America Merrill Lynch	612


Refinitiv (formerly known as Thomson Reuters). Announced
or completed transactions.

No. 1 Global M&A Fairness Opinion
Advisor Over the Past 20 Years


1,000+ Annual Valuation Engagements

Select Recent Gaming Transactions


Transaction Pending

 LANDCADIA HOLDINGS


has agreed to acquire

 GOLDEN NUGGET
ONLINE GAMING


Financial Advisor

 KIRKLAND CASINO YAKIMA CASINO CARDROOM


have been acquired by

 MAVERICK
GAMING

Sellside Advisor

 Dover Downs
Gaming & Entertainment, Inc.

has agreed to merge with

 TRWH
Twin River Worldwide Holdings, Inc.

Fairness Opinion

 sportradar

has received strategic investments
from

 CPP INVESTMENT
BOARD

and

 TCV

Sellside Advisor


 GVC Holdings

has acquired

 LADBROKES CORAL
GROUP

in a £3.126m cash and shares
transaction, plus up to £827m in
Contingent Value Rights

Buyside & Financing Advisor

 CAESARS
ENTERTAINMENT


has confirmed a Chapter 11 Plan of
Reorganization, restructuring
approximately \$18 billion of
liabilities

Creditors Committee Advisor


Leading Advisor Across the Gaming and Leisure Sector

Our Gaming team has deep domain expertise and long-standing relationships, which allows us to provide superior execution for our clients.


Land-Based Casino Operators




have been acquired by



Sellside Advisor



has agreed to merge with



Twin River Worldwide Holdings, Inc.

Fairness Opinion



has acquired




in a £3,126m cash and shares transaction, plus up to £827m in Contingent Value Rights

Buyside & Financing Advisor




has confirmed a Chapter 11 Plan of Reorganization, restructuring approximately \$18 billion of liabilities

Creditors Committee Advisor



has been acquired by



Sellside Advisor




\$105,000,000
Senior Secured Credit Facilities


Financial Advisor

Online Gaming and Sports Betting

Transaction Pending



has agreed to acquire



Financial Advisor



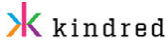
has received strategic investments from




and




Sellside Advisor




has acquired



Buyside Advisor



has acquired



Buyside & Financing Advisor




has received an investment from




EQT VI


Financial Advisor*



and



have been acquired by



Sellside Advisor


Leisure and Entertainment




has been acquired by




Company Advisor



has been acquired by




Sellside Advisor



has been acquired by



Sellside Advisor




has been acquired by




a portfolio company of


Sellside Advisor




has been acquired by




Sellside Advisor




parent company of



has received financing from



Founder of



Sellside Advisor

* Transactions completed by deal team members prior to joining Houlihan Lokey.

Recent Market Activity

Credit Market Transactions

Issuer	Structure	Amount	Price	YTM	Rating
 ELDORADO RESORTS	Sr. Unsec. Notes 7y NC-3	\$1,800M	100.0	8.13%	CCC+
 ELDORADO RESORTS	Sr. Unsec. Notes 5y NC-2	\$3,400M	100.0	6.25%	B
 SCIENTIFIC GAMES	Senior notes 5y NC-2	\$550M	100.0	8.63%	B-
 IGT	Sr. Sec. Notes 8.5y NC-3.5	\$750M	100.0	5.25%	BB
 MGM GROWTH	Sr. Unsec. Notes NC	\$800M	100.0	4.63%	BB-
 ARISTOCRAT	Term Loan 1L due 2024	\$500M	98.0	5.37%	BB+
 BOYD GAMING	Senior Notes due 2025	\$600M	100.0	8.63%	B-
 PENN NATIONAL GAMING, INC.	Sr. Unsec. Cvt. Notes due 2026 ⁽³⁾	\$300M	100.0	2.75%	B
 TRWH <small>Terra River Worldwide Holdings, Inc.</small>	Term Loan 1L due 2026	\$275M	97.0	10.38%	B+
 MGM RESORTS	Sr. Unsec. Notes 5y NC-2	\$750M	100.0	6.75%	BB-
 AGS	Term Loan 1L due 2024	\$95M	97.0	16.12%	B
 EVERI	Term Loan 1L due 2024	\$125M	98.0	13.20%	B+
 GOLDEN NUGGET	Term Loan 1L due 2023	\$300M	96.0	15.70%	B-
 WYNN	Sr. Unsec. Notes 5y NC-2	\$600M	100.0	7.75%	BB-

Equity Market Transactions

Issuer	Offer Type	Amount ⁽¹⁾	Price ⁽²⁾	Shares
 SKY CITY ENTERTAINMENT GROUP	Follow-On Offering	\$115.8M	\$1.61	72.0M
 SKY CITY ENTERTAINMENT GROUP	Follow-On Offering	\$32.6M	\$1.55	21.0M
 DRAFT KINGS	Follow-On Offering	\$1,600.0M	\$40.00	40.0M
 WILLIAM HILL SPORTS BOOK	Follow-On Offering	\$280.3M	\$1.60	174.9M
 ELDORADO RESORTS	Follow-On Offering	\$702.0M	\$39.00	18.0M
 FLUTTER	Follow-On Offering	\$1,003.0M	\$124.66	8.0M
 PENN NATIONAL GAMING, INC.	Follow-On Offering	\$300.0M	\$18.00	16.7M
 DRAFT KINGS	Initial Public Offering	\$626.2M	\$14.00	44.7M
 GAN	Initial Public Offering	\$54.2M	\$8.50	6.4M

Sources: S&P Capital IQ, Wall Street Research, company filings, press releases.

(1) Gross transaction value in U.S. dollars.












(2) Prices are converted into U.S. dollars.

(3) Concurrently sold 16.67 million shares at \$18.00 per share for a grossing offering amount of \$300 million.

Recent Market Activity (cont.)

M&A Transactions

(\$ in millions)

	Online Gaming/Sports Betting			Gaming Operators			
Target							
Acquirer							
EBITDA	NM	NM	NM	\$1,744 ⁽¹⁾	\$37.8	\$11.9	NM
Purchase Price	\$2,700.0	\$1,780.0	\$745.0	\$1,000.0 ⁽²⁾	\$155.0	\$25.0	\$307.5
Multiple	4.5x ⁽³⁾	5.6x ⁽³⁾	6.1x ⁽³⁾	N/A	4.1x	2.1x	NM

Sources: S&P Capital IQ, Wall Street Research, company filings.

(1) Reflects EBITDAR.

(2) Reflects 12% stake.

(3) EV/2021 revenue.

(4) Houlihan Lokey is advising Landcadia transaction committee on the acquisition of Golden Nugget Online Gaming.

Public Gaming Company Trading Metrics

Las Vegas/Macau Operators

(\$ in millions)

Company	Stock Price	52-Wk High	% of 52-Wk High	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EBITDA			EV/EBITDA		
							2019	2021E	2022E	2019	2021	2022
Las Vegas Sands	\$51.91	\$74.29	69.9%	\$3,016	\$39,648	\$51,416	\$5,076	\$3,734	\$4,697	10.1x	13.8x	10.9x
MGM Resorts	22.73	34.64	65.6%	4,836	11,212	31,668	3,016	1,740	2,730	10.5	18.2	11.6
Wynn Resorts	82.11	153.41	53.5%	3,798	8,794	17,391	1,625	1,090	1,568	10.7	16.0	11.1
Top Quartile			67.8%	\$4,317	\$25,430	\$41,542	\$4,046	\$2,737	\$3,713	10.6x	17.1x	11.3x
Mean			63.0%	3,883	19,885	33,492	3,239	2,188	2,998	10.4	16.0	11.2
Median			65.6%	3,798	11,212	31,668	3,016	1,740	2,730	10.5	16.0	11.1
First Quartile			59.6%	3,407	10,003	24,529	2,321	1,415	2,149	10.3	14.9	11.0

Large-Cap Regional Operators

(\$ in millions)

Company	Stock Price	52-Wk High	% of 52-Wk High	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EBITDA			EV/EBITDA		
							2019	2021E	2022E	2019	2021	2022
Caesars Entertainment	\$50.11	\$70.74	70.8%	\$2,663	\$8,059	\$28,484	\$3,087	\$2,336	\$2,974	9.2x	12.2x	9.6x
Penn National Gaming	59.19	65.79	90.0%	1,244	8,105	18,120	1,605	1,428	1,573	11.3	12.7	11.5
Boyd Gaming	27.88	36.22	77.0%	1,308	3,105	7,644	897	798	857	8.5	9.6	8.9
Churchill Downs	163.32	183.34	89.1%	649	6,346	8,013	451	602	689	17.8	13.3	11.6
Red Rock Resorts	17.15	27.91	61.4%	270	1,211	4,430	509	332	400	8.7	13.3	11.1
Top Quartile			89.1%	\$1,308	\$8,059	\$18,120	\$1,605	\$1,428	\$1,573	9.7x	12.9x	11.2x
Mean			77.7%	1,227	5,365	13,338	1,310	1,099	1,299	9.4	12.0	10.3
Median			77.0%	1,244	6,346	8,013	897	798	857	9.0	12.4	10.3
First Quartile			70.8%	649	3,105	7,644	509	602	689	8.7	11.5	9.4

REITs

(\$ in millions)

Company	Stock Price	52-Wk High	% of 52-Wk High	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EBITDA			EV/EBITDA			Dividend Yield
							2019	2021E	2022E	2019	2021	2022	
VICI	\$24.06	\$28.75	83.7%	\$1,681	\$12,840	\$16,947	\$1,144	\$1,299	\$1,310	14.8x	13.0x	12.9x	4.9%
GLPI	37.51	50.99	73.6%	74	8,171	13,755	1,040	1,022	1,025	13.2	13.5	13.4	7.1%
MGM Growth	28.23	34.37	82.1%	726	8,567	12,243	923	978	998	13.3	12.5	12.3	6.7%
Top Quartile			82.9%	\$1,203	\$10,703	\$15,351	\$1,092	\$1,161	\$1,168	14.0x	13.3x	13.2x	6.9%
Mean			79.8%	827	9,859	14,315	1,036	1,100	1,111	13.8	13.0	12.9	6.3%
Median			82.1%	726	8,567	13,755	1,040	1,022	1,025	13.3	13.0	12.9	6.7%
First Quartile			77.8%	400	8,369	12,999	982	1,000	1,012	13.2	12.8	12.6	5.8%

Sources: S&P Capital IQ, Wall Street Research, company filings.

Note: All metrics pro forma for acquisitions; Churchill Downs excluded from summary metrics calculations as an outlier. Trading multiples are based on share price, company presentations, and broker future earnings estimates as of September 11, 2020.

Public Gaming Company Trading Metrics (cont.)

Mid-Cap Operators

(\$ in millions)

Company	Stock Price	52-Wk High	% of 52-Wk High	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EBITDA			EV/EBITDA		
							2019	2021E	2022E	2019	2021	2022
Great Canadian	\$19.34	\$34.75	55.7%	\$366	\$1,064	\$2,456	\$430	\$292	\$333	5.7x	8.4x	7.4x
Twin River Worldwide	22.94	30.45	75.3%	176	699	1,792	183	185	206	9.8	9.7	8.7
Golden Entertainment	12.47	21.67	57.5%	86	351	1,578	184	160	186	8.6	9.9	8.5
Monarch Casino & Resort	44.41	57.57	77.1%	38	808	1,002	62	83	94	16.2	12.1	10.6
Top Quartile			75.8%	\$224	\$872	\$1,958	\$246	\$212	\$238	11.4x	10.4x	9.2x
Mean			66.4%	167	730	1,707	215	180	205	10.1	10.0	8.8
Median			66.4%	131	753	1,685	184	172	196	9.2	9.8	8.6
1st Quartile			57.1%	74	612	1,434	153	141	163	7.8	9.4	8.2

Small-Cap Operators

(\$ in millions)

Company	Stock Price	52-Wk High	% of 52-Wk High	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EBITDA			EV/EBITDA		
							2019	2021E	2022E	2019	2021	2022
Century Casinos	\$6.02	\$8.97	67.1%	\$52	\$178	\$637	\$79	\$88	\$93	8.1x	7.2x	6.8x
Full House Resorts	1.96	3.99	49.1%	21	53	143	16	20	24	9.0	7.2	5.9
Top Quartile			62.6%	\$44	\$147	\$514	\$63	\$71	\$76	8.8x	7.2x	6.6x
Mean			58.1%	37	116	390	47	54	59	8.5	7.2	6.4
Median			58.1%	37	116	390	47	54	59	8.5	7.2	6.4
First Quartile			53.6%	29	84	267	32	37	42	8.3	7.2	6.1

Route Operators

(\$ in millions)

Company	Stock Price	52-Wk High	% of 52-Wk High	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EBITDA			EV/EBITDA		
							2019	2021E	2022E	2019	2021	2022
Accel Entertainment	\$12.77	\$13.85	92.2%	\$149	\$1,134	\$1,384	\$80	\$94	\$114	17.4x	14.7x	12.2x
Top Quartile			92.2%	\$149	\$1,134	\$1,384	\$80	\$94	\$114	17.4x	14.7x	12.2x
Mean			92.2%	149	1,134	1,384	80	94	114	17.4	14.7	12.2
Median			92.2%	149	1,134	1,384	80	94	114	17.4	14.7	12.2
First Quartile			92.2%	149	1,134	1,384	80	94	114	17.4	14.7	12.2

Sources: S&P Capital IQ, Wall Street Research, company filings.

Note: All metrics pro forma for acquisitions. Trading multiples are based on share price, company presentations, and broker future earnings estimates as of September 11, 2020.

Public Gaming Company Trading Metrics (cont.)

Large-Cap Equipment and Technology

(\$ in millions)

Company	Stock Price	52-Wk High	% of 52-Wk High	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EBITDA			EV/EBITDA		
							2019	2021E	2022E	2019	2021	2022
Aristocrat Leisure	\$20.73	\$27.82	74.5%	\$539	\$13,237	\$14,866	\$1,075	\$1,429	\$1,699	13.8x	10.4x	8.7x
Scientific Games	18.97	31.63	60.0%	790	1,797	10,270	1,334	1,154	1,334	7.7	8.9	7.7
IGT	11.48	16.25	70.6%	1,530	2,352	10,199	1,713	1,444	1,578	6.0	7.1	6.5
Top Quartile			72.6%	\$1,160	\$7,795	\$12,568	\$1,524	\$1,437	\$1,639	10.8x	9.7x	8.2x
Mean			68.4%	953	5,795	11,778	1,374	1,342	1,537	9.2	8.8	7.6
Median			70.6%	790	2,352	10,270	1,334	1,429	1,578	7.7	8.9	7.7
First Quartile			65.3%	664	2,074	10,234	1,204	1,291	1,456	6.8	8.0	7.1

Small-Cap Equipment and Technology

(\$ in millions)

Company	Stock Price	52-Wk High	% of 52-Wk High	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EBITDA			EV/EBITDA		
							2019	2021E	2022E	2019	2021	2022
Playtech	\$4.84	\$5.65	85.6%	\$754	\$1,439	\$1,884	\$304	\$408	\$445	6.2x	4.6x	4.2x
Everi Holdings	7.49	14.88	50.3%	257	640	1,543	253	237	262	6.1	6.5	5.9
Intralot	0.16	0.58	27.3%	155	23	714	138	129	152	5.2	5.6	4.7
PlayAGS	3.76	12.99	28.9%	113	134	671	146	98	115	4.6	6.9	5.8
Inspired Entertainment	3.19	7.86	40.6%	75	73	293	49	72	78	6.0	4.1	3.8
Ainsworth	0.26	0.61	42.0%	18	87	110	23	28	39	4.8	3.9	2.9
Top Quartile			48.3%	\$232	\$514	\$1,336	\$226	\$210	\$234	6.1x	6.3x	5.5x
Mean			45.8%	229	400	869	152	162	182	5.5	5.3	4.5
Median			41.3%	134	110	693	142	113	134	5.6	5.1	4.5
First Quartile			31.8%	84	77	388	71	78	87	4.9	4.2	3.9

Sources: S&P Capital IQ, Wall Street Research, company filings.

Note: All metrics pro forma for acquisitions. Trading multiples are based on share price, company presentations, and broker future earnings estimates as of September 11, 2020.

Public Gaming Company Trading Metrics (cont.)

European Online Gaming and Sports Betting

(\$ in millions)

Company	Stock Price	52-Wk High	% of 52-Wk High	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	EBITDA			EV/EBITDA		
							2019	2021E	2022E	2019	2021	2022
Flutter	\$150.19	\$165.02	91.0%	\$974	\$23,231	\$25,801	\$501	\$1,598	\$1,929	NM	16.1x	13.4x
GVC Holdings	11.17	12.23	91.3%	581	6,535	9,125	1,008	1,148	1,248	9.1	7.9	7.3
William Hill	2.50	2.64	94.6%	858	2,625	2,708	355	336	359	7.6	8.1	7.5
Kindred Group	7.12	8.20	86.8%	214	1,615	1,692	169	226 ⁽¹⁾	224 ⁽¹⁾	10.0	7.5	7.6
Betsson	7.81	9.11	85.7%	105	1,068	1,113	140	167	173	7.9	6.7	6.4
888 Holdings	2.47	2.61	94.4%	100	909	864	92	102	110	9.4	8.5	7.9
Top Quartile			93.6%	\$789	\$5,558	\$7,521	\$464	\$945	\$1,026	9.4x	8.1x	7.6x
Mean			90.7%	472	5,997	6,884	377	596	674	8.8	7.7	7.3
Median			91.2%	398	2,120	2,200	262	281	292	9.1	7.9	7.5
First Quartile			87.9%	133	1,205	1,258	147	182	186	7.9	7.5	7.3

U.S.-Focused Online Gaming and Sports Betting

(\$ in millions)

Company	Stock Price	52-Wk High	% of 52-Wk High	Cash and ST Inv	Equity Mkt Cap	Enterprise Value	Revenue			EV/Revenue		
							2019	2021E	2022E	2019	2021	2022
DraftKings	\$41.46	\$44.79	92.6%	\$136	\$13,105	\$13,106	\$432	\$700	\$978	30.3x	18.7x	13.4x
PointsBet	7.95	11.93	66.6%	158	1,238	1,087	29	87	143	38.1	12.6	7.6
Landcadia	17.74	19.28	92.0%	90	1,212	1,272	55	122	172	23.0	10.4	7.4
GAN	18.95	28.95	65.5%	64	593	530	30	52	68	17.7	10.1	7.8
Top Quartile			92.2%	\$141	\$4,205	\$4,230	\$150	\$267	\$374	21.6x	11.5x	7.7x
Mean			79.2%	112	4,037	3,998	136	240	340	20.3	11.0	7.6
Median			79.3%	113	1,225	1,179	43	104	158	20.3	10.4	7.6
First Quartile			66.3%	83	1,057	948	30	78	125	19.0	10.3	7.5

Sources: S&P Capital IQ, Wall Street Research, company filings.

Note: All metrics pro forma for acquisitions. Flutter and DraftKings excluded from summary metrics calculations as an outlier.

PointsBet 2019 excluded from summary metrics as an outlier. Trading multiples are based on share price, company presentations, and broker future earnings estimates as of September 11, 2020.

(1) No new post-COVID-19 estimates published; assumes 20% discount to 2021E pre-COVID-19 estimates and 10% discount to 2022E pre-COVID-19 estimates.

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