

DOW JONES 34,742.82 ▼ 34.94	S&P 500 4,188.43 ▼ 44.17	NASDAQ 13,401.86 ▼ 350.38	CRUDE OIL \$64.92 ▲ \$0.02	10-YR. NOTE 1.60% ▲ 0.03	GOLD \$1,837.50 ▲ \$6.40	SILVER \$27.48 ▲ \$0.02	COPPER \$4.73 ▼ \$0.04	EURO \$1.2145 ▼ \$0.0020
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Wynn to spin off mobile betting app

By Richard N. Velotta
Las Vegas Review-Journal

Wynn Resorts Ltd. is beefing up its sports presence with a plan to spin off its WynnBET mobile sports app and merge into a new publicly traded company with investor Bill Foley, principal owner of the Golden Knights.

Company executives announced during Monday's Wynn Resorts earnings call that the company has signed an agreement with Foley's Austerlitz Acquisition Corp. The deal

Knights owner Foley is partner in new company

will separate Wynn Interactive Ltd., a subsidiary of Wynn Resorts, into an independent public company.

Upon closing of the proposed transaction, the combined company will retain the "Wynn Interactive, Ltd." name and relist its shares on the Nasdaq Stock Exchange under the ticker symbol "WBET."

"We are confident that this transaction will unlock the tremendous potential of Wynn Interactive to fur-

ther accelerate growth and enable the business to capture the massive opportunity in North America," said Wynn CEO Matt Maddox.

"Bill Foley is the ideal partner to ensure continued success — his track record with business combinations, extensive experience growing marquee consumer brands and partnering to maximize value in businesses like ours will be invaluable as we continue scaling," Maddox said.

When the deal is completed, the combined company is expected to have an enterprise value of about \$3.2 billion — 4½ times Wynn Interactive's projected 2023 revenue.

When the deal closes, about \$640 million in cash will be available to fund the combined company's operations and support new and existing growth initiatives.

Following the closing of the transaction, Maddox will continue to serve as chairman; Craig Billings will

See **WYNN 5B**



L.E. Baskow Las Vegas Review-Journal @Left_Eye_Images

Construction by the Dapper Companies continues Monday on the property at a former U.S. Post Office in downtown Las Vegas.

Developer has lofty ambitions

J Dapper wants rooftop restaurant for \$30M downtown project

By Eli Segall
Las Vegas Review-Journal

Construction is underway on a decades-old downtown Las Vegas building that is slated to get restaurants, co-working office space and, the landlord hopes, a rooftop eatery.

Developer J Dapper said Monday that work started two weeks ago at 201 Las Vegas Blvd. South, at Carson Avenue, when he closed on

a nearly \$20 million construction loan.

Its gutted floors are visible to passersby. Dapper said he aims to finish the \$30 million project 11 months from now.

The building was perhaps best known lately for its ground-floor U.S. Post Office, which has been based in a temporary trailer on-site for the past several months and will move back in when the building is ready, according to

Dapper.

It is slated to be joined at the property by Broken Yolk Cafe, Taco Reforma, Baguette Café and Pachinko Pub, with the latter three to be on the ground floor of a planned six-story parking garage next door.

Woven, a shared-office-space venture launched by Dapper and workplace-furniture dealer

See **CARSON 5B**

Bally's sees long-term potential in the Trop

Gaming company stays busy buying

By Bailey Schulz
Las Vegas Review-Journal

Bally's Corp.'s spending spree has no end in sight.

The Providence, Rhode Island-based company, which purchased the brand name from Caesars Entertainment Inc. last year, bought nine properties between March 2019 and last month. Three more pending casino purchases have yet to close, including the company's \$150 million purchase of the Strip property Tropicana's non-land assets.

The casino purchases and various digital asset deals fall under Bally's plans to further its omnichannel strategy, which continues to ramp up as operating environments improve.

"We are encouraged by the rate and effectiveness of vaccinations as well as the loosening of capacity restrictions and other COVID-19 protocols," President and CEO George Papanier said in a Monday call with investors. "We are confident that we'll continue to benefit from a strong rebound in demand."

Opportunistic approach

The Tropicana deal is expected to close in early 2022 and was described by the company as an "economical entry" to the Strip market, with long-term potential upside.

See **BALLYS 5B**

Full House Resorts records big revenue jump in first quarter

By Mike Shoro
Las Vegas Review-Journal

Full House Resorts Inc. is off to a strong start this year, the Las Vegas-based company said Monday.

The company reported \$42.2 million in revenue during the first three months of the year, compared with \$30.9 million during the same time last year and \$40.5 million in 2019. Cuts in labor and marketing, as well as restructured operations, continue to drive down overall costs for the

company, Chief Financial Officer Lewis Fanger told investors during an earnings call Monday.

Its Nevada operations — Stockman's Casino in Fallon and Grand Lodge Casino at Hyatt Regency Lake Tahoe in Incline Village — are its smallest casinos and the ones hardest hit by the COVID-19 pandemic. But CEO Dan Lee is optimistic Northern Nevada is ready to rebound after "a pretty good quarter," all things considered.

"I think as people get vaccinated, when people start traveling again, the

Hyatt numbers will get better," Lee said. "Hopefully local business — that is, the other half of our business there — will stay strong. And eventually the Navy will allow their people to leave (Naval Air Station Fallon), and that'll be good for us."

The company said it generated \$4.4 million in Northern Nevada during the first quarter, up from the first quarter last year (\$3.1 million) and in 2019 (\$3.9 million). Net loss for the quarter was \$3.4 million. Net loss was \$4.4 million for the same period

in 2020 and \$1.6 million in 2019.

Restricted capacity for ski areas this winter as well as minimal meeting and convention business hampered Grand Lodge, Lee said. The Naval Air Station in Fallon has been locked down, hurting Stockman's.

Churchill County, which is home to Fallon and the naval air station, "feels like it's largely out of the woods with the pandemic," Fanger said. "And so it feels like the restrictions on that

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▶ CARSON

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Henriksen Butler, will occupy the existing building's second and third floors.

Dapper said he is in negotiations for a rooftop restaurant there as well.

Downtown already has plenty of eateries, including near his building, but Dapper believes the area can handle another batch of competitors.

He noted that one of his new tenants is a breakfast place, and that Eat, a neighborhood breakfast and lunch spot, draws plenty of customers.

"There's always a wait," he said.

Dapper, founder of Dapper Companies, purchased the property in 2018. Before the current construction started, he already gutted the second and third floors and removed hazardous materials such as asbestos, he said.

According to Dapper's firm, the building was constructed in the 1970s and was originally known as the Nevada Savings and Loan Association Building.

The architects, Walter Zick and Howard Sharp, also designed the Moulin Rouge, The Mint and Clark High School, among other projects, Dapper Companies said.

Dapper's other real estate



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Jay Madrid, right, and Leonardo Mejia work on metal support beams Monday as construction continues on the multi-use commercial property in downtown Las Vegas.

holdings include the shuttered Huntridge Theater. He closed his \$4 million purchase of the World War II-era venue March 31, in a deal facilitated by city officials, and his firm has said it will spend the

next three years renovating that property.

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▶ WYNN

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continue to serve as president and executive director; Wynn Interactive co-founder Sadok Kohen will continue to serve as chief product officer and director; and Norbert Teufelberger and Ellen Whittemore will continue to serve as directors. Additionally, Foley intends to serve as a director on the company's board.

Current shareholders of Wynn Interactive will retain about 79 percent of the combined company, including a 58 percent controlling interest to be held by Wynn Resorts.

Room makeover

The company also announced that it will spend \$200 million to remodel rooms at Wynn Las Vegas. The project will begin in July and is expected to be completed by the beginning of 2022.

Maddox told investors that rooms hadn't been remodeled at the property since 2010. He said the company had a plan to remodel rooms in 2019, but that was thwarted by the uncertainties of the COVID-19 breakout.

He offered no details on what the remodeling would include.

"What we want to do is we want to

come out of '21 and go into '22 with brand-new room product and this is not just a soft refurb or rag job. This is a full remodel of these rooms and I think it's really going to be a competitive edge for us going into 2022."

Maddox pointed out that the timing of the remodeling will be good for the company because Wynn really hasn't used its new 400,000-square-foot conference center that opened in early 2020, but was shut down by COVID-19 restrictions in March of that year. Maddox said the company recently wrapped up hosting a 600-person show in the conference center and it was completed "without a hitch."

A more intensive schedule will occur in the months ahead.

"While the back half of '21 looks good, '22 is really strong," he said.

'The best times are ahead'

Maddox said during the earnings call that while Wynn posted a 44.8 percent decline in revenue and a net loss for the quarter that ended March 31, momentum has been accelerating since the March Madness NCAA basketball tournament.

He said the acceleration is across the board for the company, from its three properties in Macao to Las Vegas and Encore Boston Harbor.

Coming off a successful Golden Week holiday in Macao, Maddox

said, "I feel like talking about what we're seeing now is more than what we experienced in the first quarter as we saw our strength continue into February and March."

Wynn generated \$43.9 million in cash flow and during Golden Week, hotels had 93 percent occupancy and \$3 million in cash flow per day.

Las Vegas and Boston had similar results.

Slot machine revenue of \$25 million at Wynn Las Vegas in April was a property record greater than any other month in its history.

He said hotel occupancy was in the 90 percent range on weekends and around 70 percent at midweek.

"Las Vegas' opportunity is really unique and the best times are ahead," Maddox said.

Things are also looking up in Massachusetts. On April 27, the governor there announced a phased plan for further reopening and increased capacity over the next several months. Effective Aug. 1, subject to public health and vaccination data, all industry restrictions will be lifted and capacity limits will increase to 100 percent.

Wynn shares closed down 56 cents, 0.4 percent, to \$125.73 a share in average trading on the Nasdaq exchange. After hours, shares rebounded 77 cents, 0.6 percent, to end at \$126.50 a share.

▶ BALLY'S

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"The Las Vegas Strip is the pre-eminent destination, visited by over 40 million players and guests every year," Papanier said. "We are confident that this addition to our brick-and-mortar portfolio will significantly enhance our robust customer base, which includes more than 15 million connected customers, and unlocks additional marketing opportunities for us to leverage the iconic Bally's brand."

The \$308 million transaction was made with Gaming & Leisure Properties Inc. and is Bally's second deal with the real estate investment trust. Once it has closed, five of Bally's properties will be leased from GLPI.

"Another recently announced (sale) near the Strip suggests our transaction is a good one," Chief Financial Officer and Executive Vice President Stephen Capp said, likely referring to the Palms sale announced last week. "While we do remain committed to the outright ownership of a good portion of our real estate portfolio, this transaction is another example of our continuing to execute on an opportunistic basis."

Union Gaming analyst John DeCree said Bally's has clearly benefited from recently acquired properties but also noted that same-store adjusted property earnings before interest, taxes, depreciation, and

amortization — which measures overall financial performance — increased 80 percent year over year.

"The company remains committed to the operating efficiencies found throughout (the pandemic) and reiterated that it would be thoughtful as to how it reintroduces less profitable amenities," DeCree said in a Monday note to investors.

As for future deals, Papanier said the company will continue to be opportunistic but disciplined, looking for assets that give Bally's access to sports betting and iGaming markets. The company currently owns and operates 12 casinos in eight states and has about \$402 million in total liquidity, of which \$152 million is cash on hand.

In addition to brick-and-mortar casinos, the company has acquired a handful of digital assets as part of its mission to become the first truly integrated omnichannel gaming company with a business-to-business-to-consumer business model. It recently announced plans to acquire online gaming operator Gamesys Group, the No. 1 provider of bingo and casino games in the United Kingdom.

After the acquisition, which is expected to close by the end of the year, Bally's "will be well positioned to capitalize on significant growth opportunities in the sports betting and iGaming marketplace," said Adi Dhandhana, Bally's senior vice president of strategy and interactive.

As for mobile sports betting,

management indicated that Bally's sports betting app could launch in its first state, Colorado, by the end of the month and could be live in three additional states by the end of the year.

Growing momentum

Revenue in the first quarter was \$192.3 million, up 76 percent compared with the same period the year before. Income from operations was \$29.5 million, Bally's strongest quarter since the second quarter of 2019.

Jefferies analyst David Katz said in a Monday note that the results are "solid across segments given the uneven recovery" and reflect strong margin performance across the gaming industry.

Papanier said the positive results were driven by the vaccine rollout, loosening operating restrictions and limited entertainment options. He continues to see potential upsides, knowing customer groups like those in the 65-and-older demographic have seen strong rebounds but have yet to fully return.

"As we continue to safely welcome our customers back at our facilities, we believe we can return to pre-COVID levels in short order," Papanier said.

Bally's shares closed down 5.3 percent Monday at \$55.17 on the New York Stock Exchange.

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▶ FULL HOUSE

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base are probably going to start easing sooner versus later. And what we hear from the Hyatt over at Grand Lodge is that this could very well be a very robust summer season for them."

"So while Nevada has lagged — knock on wood — there are hopefully some signs that we'll start to see that go the other way in the next month or two."

Full House has gaming operations in Mississippi, Colorado, Indiana and Nevada, and five currently operating sports betting "skins" in Colorado and

Indiana. A little more than half of Full House's first-quarter revenue derived from its Bay St. Louis, Mississippi, property, Silver Slipper Casino Hotel, the company reported.

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THE BOTTOM LINE

Stocks of local interest

Name	Ticker	Last	Chg	YTD %Chg
Allegiant Travel	ALGT	219.49	-5.25	+16.0
Barrick Gold	GOLD	23.93	+0.1	+5.0
Boyd Gaming	BYD	64.20	-3.49	+4.96
CaesarsEnt	CZR	104.68	-1.07	+4.09
Everi Holdings	EVRI	18.05	-30	+30.7
Full House Resorts	FLL	9.45	-5.3	+140.5
Golden Entertain	GDEN	43.28	+1.37	+117.6
Howard Hughes	HHC	109.78	-95	+3.91
Las Vegas Sands	LVS	57.14	-5.6	-4.1
MGM Growth Prop.	MGP	34.67	-5.7	+10.8
MGM Resorts	MGM	39.46	-4.6	+25.2
Penn National	PENN	81.07	-5.55	-6.1
PlayAGS	AGS	9.21	+0.2	+2.79
Red Rock Resorts	RRR	39.39	+7.7	+5.73
Scientific Games	SGMS	52.13	-3.89	+25.6
Southwest Airlines	LUV	61.35	-3.1	+31.6
Southwest Gas	SWX	71.90	+1.53	+18.4
Spirit Airlines	SAVE	34.43	-70	+40.8
Switch	SWCH	18.11	-0.2	+10.6
Wynn Resorts	WYNN	125.73	-5.6	+11.4

GBC THRESHOLD MET

The Strat gets approval for full casino capacity

The Strat has received Nevada Gaming Control Board approval to operate its casino floor at 100 percent capacity for the first time since reopening last summer, according to The Strat's ownership group, Golden Entertainment Inc. The restrictions lift immediately.

"Our team worked diligently to meet the Nevada Gaming Control Board's requirements, which not only advance us to the next step in safely reopening Las Vegas, but also enhance our guest experience," The Strat's vice president and general manager, Stephen Thayer, said in a Monday release. "We will continue to support additional measures, including mask mandates, to provide a safe and healthy environment for team members and guests."

Golden Entertainment held vaccine clinics for its employees and their families in recent weeks at multiple of its Southern Nevada properties. Nearly 6,000 Nevadans work at the company's casinos, gaming route operations and PT's Tavern locations.

The Cosmopolitan of Las Vegas, Wynn Las Vegas and Encore got the go-ahead to return to full capacity on casino floors this month.

STOPPING COUNTERFEIT

Amazon says it blocked 10B phony posts in 2020

Amazon, which has been under pressure from shoppers, brands and lawmakers to crack down on counterfeits on its site, said Monday that it blocked more than 10 billion suspected phony listings last year before any of their offerings could be sold.

The numbers were released in Amazon's first report on its anti-counterfeiting efforts since it announced new tools and technologies in 2019. The number of suspected bad listings that it blocked last year was up about 67 percent from the year before.

The Seattle-based e-commerce behemoth said the number of counterfeiters attempting to sell on the site rose as scammers tried to take advantage of shoppers who were buying more online during the pandemic.

The company's efforts come as lawmakers are looking at ways to reduce counterfeits online. Republican Sen. Bill Cassidy of Louisiana and Democratic Sen. Dick Durbin of Illinois re-introduced the INFORM Consumers Act this year. It would require third-party sellers to be verified and to disclose their name and address to shoppers. The bill was introduced last year, but wasn't voted on.

PROJECTIONS EXCEEDED

Switch reports \$11.6M first-quarter net income

Switch Inc. on Monday reported first-quarter net income of \$11.6 million, after reporting a loss in the same period a year earlier.

On a per-share basis, the Las Vegas-based company said it had profit of 9 cents. Earnings, adjusted for non-recurring gains, were 8 cents per share.

The results surpassed Wall Street expectations. The average estimate of five analysts surveyed by Zacks Investment Research was for earnings of 5 cents per share.

The data center operator posted revenue of \$130.9 million in the period, also topping Street forecasts. Six analysts surveyed by Zacks expected \$129.2 million.

Switch expects full-year revenue in the range of \$543 million to \$555 million. Its shares have increased 11 percent since the beginning of the year.

SHARE PRICE CLIMBING

Callaway Golf reports Q1 income of \$272.5M

Callaway Golf Co. on Monday reported first-quarter net income of \$272.5 million.

The Carlsbad, California-based company said it had profit of \$2.19 per share. Earnings, adjusted for gains related to mergers and acquisitions, came to 62 cents per share.

The results exceeded Wall Street expectations. The average estimate of six analysts surveyed by Zacks Investment Research was for earnings of 12 cents per share.

The maker of golf equipment and accessories posted revenue of \$651.6 million in the period, also beating Street forecasts. Six analysts surveyed by Zacks expected \$571.7 million.

Callaway shares have increased 25 percent since the beginning of the year.