

POKER
INDUSTRY



Casino: The Rising Star

Analyzing Amaya in 2017

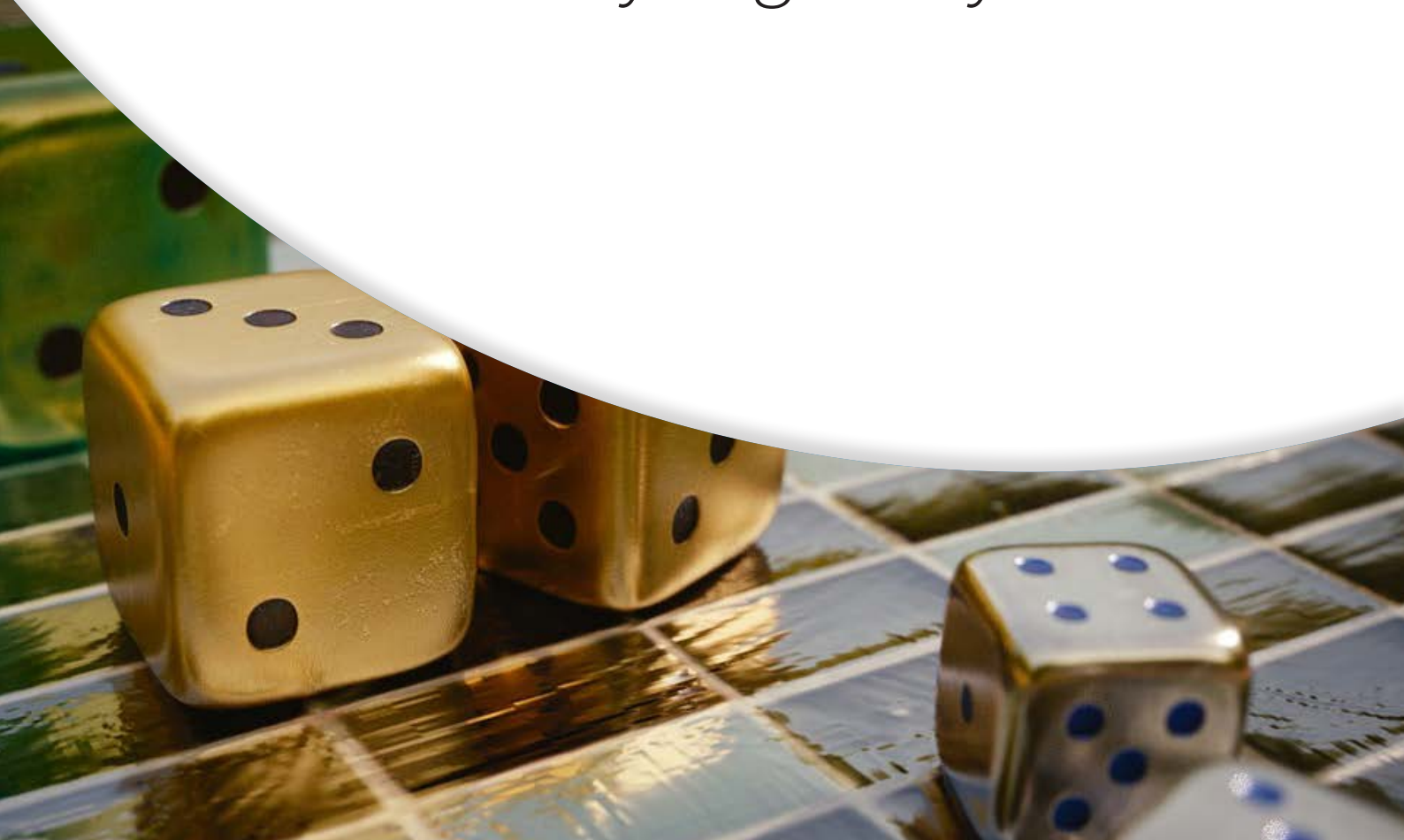


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Casino: The Rising Star

Understanding how Amaya has built one of the largest online casinos in the world—and how it plans to maintain the momentum.

In two and a half years, Amaya has utilized the global PokerStars brand and its worldwide penetration to launch an online casino that, in terms of active players, has become one of the largest in the world.

With the company generating an estimated \$79.9 million from casino in Q1 2017, it is also competing with the biggest in the industry in terms of revenue.

Almost all of this comes via cross-selling casino to its large online poker player base. We estimate that approximately 85% of the 660,000 active consumers of PokerStars Casino are poker-first customers.

The continued growth in recent quarters has come from improved yield and better cross-selling. However, our analysis shows that one of the biggest drivers of growth until now has been simply making it available to more customers—PokerStars Casino is now available to three in every four poker customers following a re-evaluation in certain markets, particularly Russia.

This aspect of organic growth will soon come to an end. There are opportunities in new markets, and better cross-sell opportunities via an upcoming loyalty program, which should help revenue in 2017 continue to grow. Beyond that, Amaya's big test remains: Attracting casino-first customers. This, in the second half of 2017 and into 2018, will take Amaya into uncharted territory.

“Despite almost no external marketing and no dedicated VIP program we have become one of the largest online casinos as measured by active uniques ... our aim continues to be one of the largest real money casinos in terms of revenues among our public competitors.”

CEO Rafi Ashkenazi in presenting Amaya's Q1 2017 financial results.