

## Bwin.Party Revenues Fall Further In Second Quarter

10 Jul, 2013

[Daniel Macadam, GamblingCompliance](#) [1]

Bwin.Party saw revenues sag further in the second quarter ahead of the planned launch of a new poker product and regulated online gambling in New Jersey in the second half of the year.

The London-listed online gambling operator said in a pre-close trading update today that revenue was “softer than expected” since the start of April, with analysts predicting a 20 percent year-on-year fall.

A lower gross win margin in sports betting during April and June came on top of tough trading for bingo and continued [decline in poker and casino sales](#) [2].

“While the revenue performance was down on last year, we remain on course to deliver the targeted €70m of cost savings in 2013 with more to follow in 2014,” chief executive Norbert Teufelberger said in the statement this morning.

“During the second half we expect to roll out our new real money and social gaming products as well as, regulations permitting, the launch of our poker and casino games in New Jersey,” he added.

A next generation poker product is slated to launch in August along with a new social sports-betting application and contactless mobile payments at the company’s [Kalixa business](#) [3].

Analysts at Panmure Gordon said the second quarter should mark the “nadir” of Bwin.Party’s revenue decline — down 20 percent year-on-year to leave net gaming revenue down 18 percent in the first half of 2013.

The company’s [reduced marketing in unregulated dot.com markets](#) [4] will bring higher quality cash flow, the analysts wrote ahead of this morning’s statement.

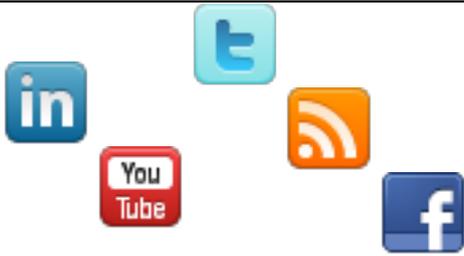
“We believe the group holds recovery potential within the existing business, in addition to growth potential from the US, in particular New Jersey and California,” they added.

Jan Jones, head of government relations at US casino giant Caesars, likely to be one of Bwin.Party’s main competitors in New Jersey’s online market, yesterday rated the chance of licences being issued in the Garden State by November at “50-50”.

But assuming that Bwin.Party does launch consumer and business-facing businesses there at the start of 2014, the company could make \$20m in earnings before interest, tax, depreciation and amortisation next year, according to Roberta Ciaccia, analyst at Exane BNP Paribas.

In Europe, the company is still feeling the effects of the closure of online slots in Spain and the introduction last July of a 5 percent stakes tax on German sports betting.

German operators have paid more than €200m in the tax’s first year — a burden made heavier by there being no double taxation relief, German lawyer Claus Hambach, partner at Hambach & Hambach, said yesterday at the World Gaming Executive Summit.



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