

SECTOR

Gambling

Analysis and Synthesis - World



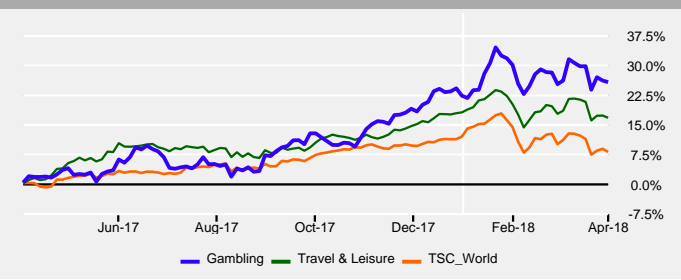
April 3, **2018**



Gambling (WO)

Closing price of April 3, 2018

Comparison [April 4, 2017 - April 3, 2018]



The sector Gambling represents approximately 20% of the market capitalization of the group Travel & Leisure and less than 1% of the World market with 36 companies being followed regularly by the analysts.

The sector Gambling is currently trading 7% below its 52 week high and 25% above its 52 week low (bi-weekly closing).

Performance since April 4, 2017: 25.4% vs. 16.5% for the group Travel & Leisure and 7.9% for the TSC_World.

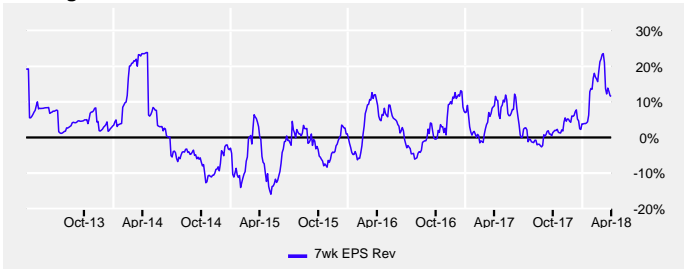
The current % of stocks over their Medium Term technical trend (MTT) is 19.4%.

	Market Value	Perf YtD	Nb of Stocks	Mkt Cap in \$bn	Stars	Sensitivity	G/PE Ratio	LT P/E	LT Growth	4wk Perf	% of Stocks in Uptrend
Gambling (WO)	598.51	1.3%	36	326.92	★★★★★	📈	1.29	15.7	16.8%	2.4%	19.4%
Travel & Leisure (WO)	375.86	-1.0%	231	1,865.07	★★★★★	📈	1.35	12.9	15.3%	1.2%	18.6%
TSC_World (WO)	285.32	-2.9%	6,014	71,789.16	★★★★★	📈	1.59	12.5	16.9%	-2.7%	18.5%

Price evaluation rating

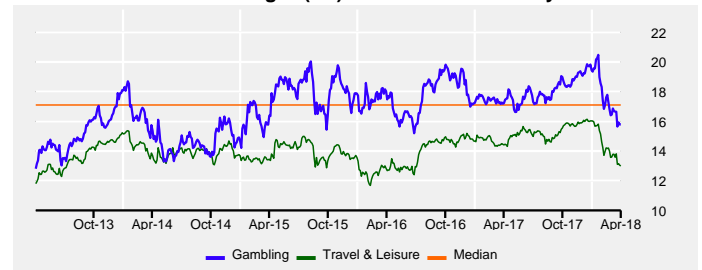
In order to assess whether an index is correctly valued, we focus on Peter Lynch's broadly accepted methodology of comparing the projected earnings growth and dividend with the estimated PE ratio. Based on this approach, we feel this sector is currently strongly undervalued. A "Forecasted Growth + Estimated Dividend Yield/ Estimated Price Earnings" ratio higher than 0.9 indicates that the index's price includes a discount to growth of -30.0%.

Earnings revision trend



Compared to seven weeks ago, the analysts have raised (11.3%) their earnings estimates. This positive trend began September 15, 2017 at a price of 521.5.

"Price to Estimated Earnings" (PE) - Evolution over five years

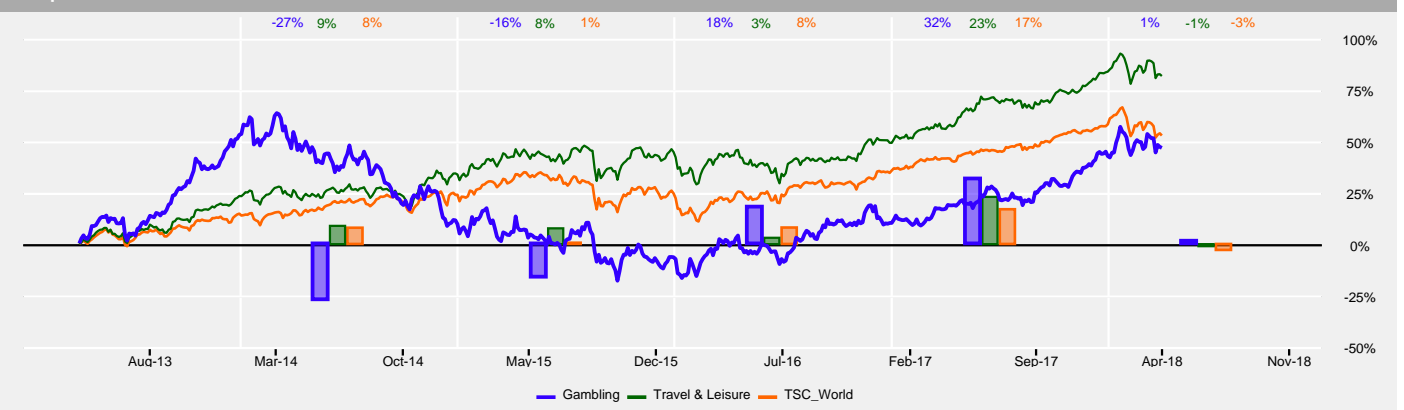


The estimated PE is calculated on the basis of the underlying stocks. While the PE of the sector Gambling is 15.7, the PE of the group to which it belongs (Travel & Leisure) is markedly lower (12.9); this indicates that the sector is trading higher than its group. Historically speaking, this sector is currently trading below its median of 17.0.

Technical trend

The index is currently at a level close to its 40-day moving average. Prior to this (since March 23, 2018), the index traded below its moving average. The confirmed Technical Reverse (Tech Reverse + 1.75%) point is currently 3% higher. Close to its average, the sector indicates a phase of indecision regarding its trend. On the other hand, with 19.4% of stocks trending positive, it would appear there is a certain weakness in the market that isn't being confirmed by the sector.

Comparison [April 5, 2013 - April 3, 2018]



Performance over 5 years

On a 5 year moving average, the performance of the sector Gambling is 46.5%, vs. 81.8% for the group Travel & Leisure and 52.8% for the TSC_World. During this period, the high of 667.7 was reached on March 2014 and the low of 334.3 in the month of September 2015.

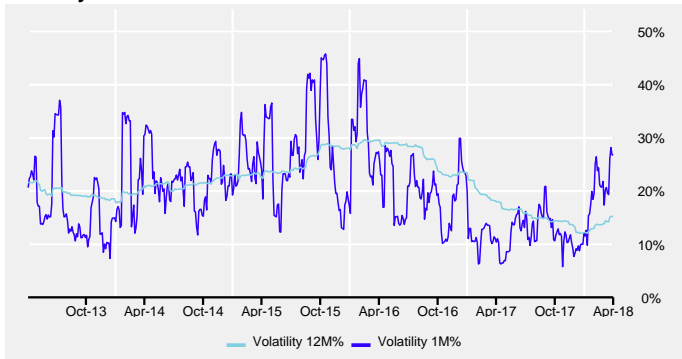


Gambling (WO)

Closing price of April 3, 2018

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Volatility



The volatility is also used as a sensitivity factor. It measures the magnitude of the upward and downward movements of a stock or index. The higher the volatility, the more sensitive a sector is considered to be.

As of the last update, the monthly volatility of (26.6%) is higher than the last few years' average of (20.2%). The high magnitude of short term price fluctuations indicates the market is very nervous.

On the other hand, long term volatility 15.1% of the sector is clearly higher than that of the group Travel & Leisure (9.9%), reflecting much higher price variations at the sector level than at the level of the group to which it belongs.

Sensitivity factor in declining markets

The "Bear Market Factor" measures the behavior of a sector in declining markets. In this context, the sector Gambling has a tendency to drop in the same proportion as the index TSC_World.

The sector shows average sensitive reactions to market corrections.

Sensitivity factor in rising markets

The "Bad News Factor" measures a sector's corrections in a rising market phase.

In this configuration, the market slightly sanctions the sector Gambling when there is specific pressure in this particular economic activity.

When the sector declines in a rising market its average deviation is -1.39%.

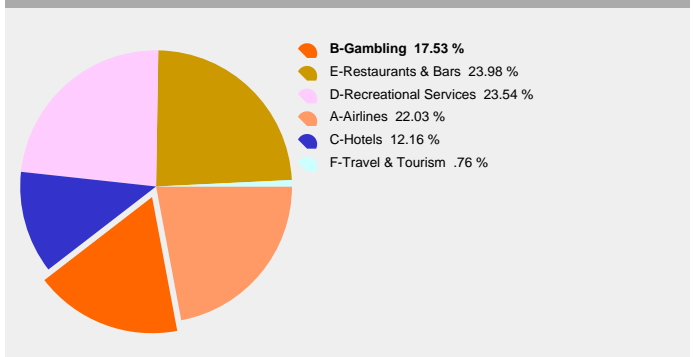
Sensitivity analysis summary

Generally speaking, the Gambling sector shows an average sensitive behaviour with an average Bear Market and a low Bad News factor.

Checklist (Gambling)

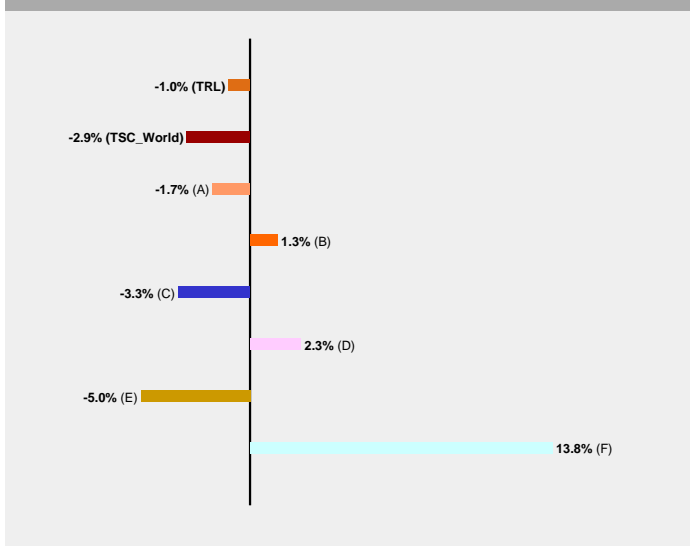
Stars	★★★★★	Strong interest since March 23, 2018.
Earnings Rev Trend	★	Analysts positive since September 15, 2017
Valuation Rating	★	Strongly undervalued
MT Tech Trend	★	Market neutral but previously negative (since March 23, 2018)
4wk Rel Perf	2.4% ★	vs. TSC_World
Sensitivity		The industry has been on the moderate-sensitivity level since July 25, 2017.
Bear Mkt Factor		Average sensitivity to market corrections
Bad News Factor		Slight market sanction in case of specific pressure

Allocation by sector, of the group Travel & Leisure



The largest sector in terms of market capitalization Restaurants & Bars represents 24.0% of the group Travel & Leisure. These sectors follow, in size order, Recreational Services with 23.5% Airlines with 22.0%.

2018 sector evolution



From the beginning of the year, the sector Gambling recorded a variation of 1.3%, while the group Travel & Leisure evolved by -1.0%. This industry group is made up of 6 sectors, in which the extreme variations were from -5.0% to 13.8%.

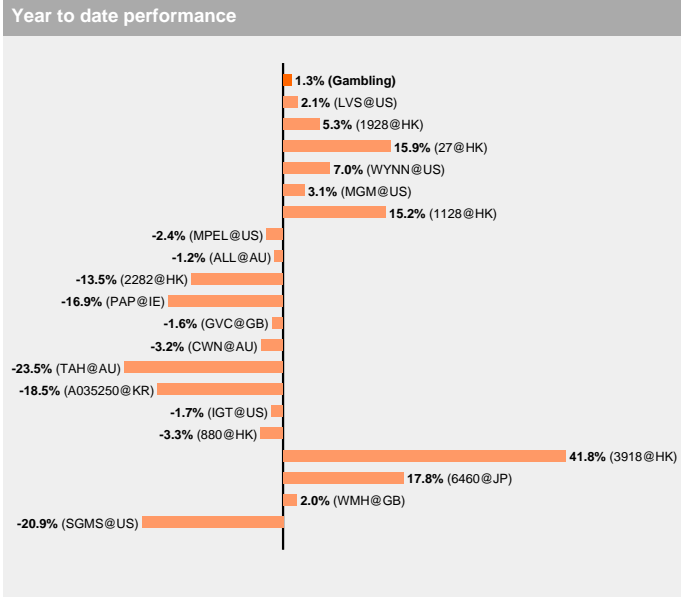


Gambling (WO)

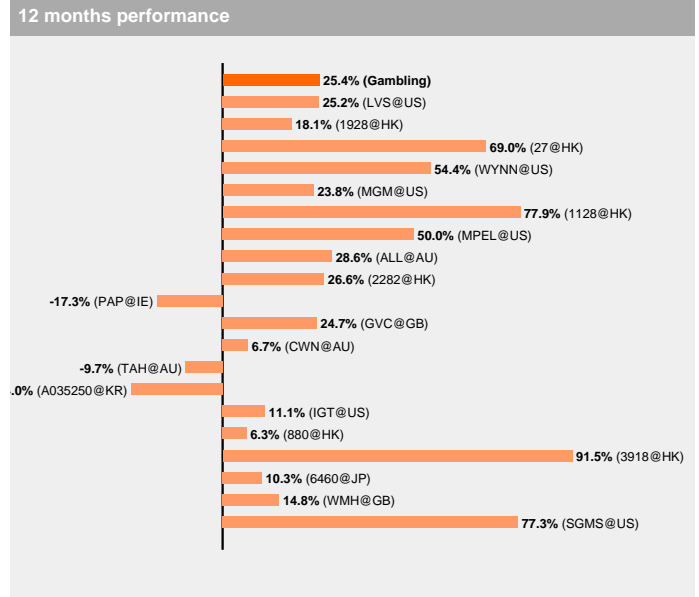
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Gambling (WO)	598.51	1.3%	36	326.92	★★★★☆		1.29	15.7	16.8%	2.4%	19.4%

The performance of the 20 largest stocks of the sector is presented below.

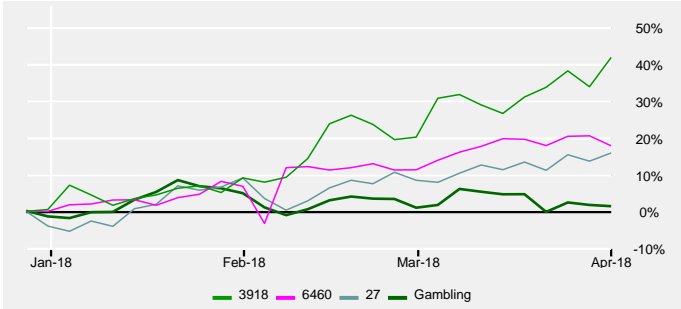


The analysis and details of the above stock can be found on page 6



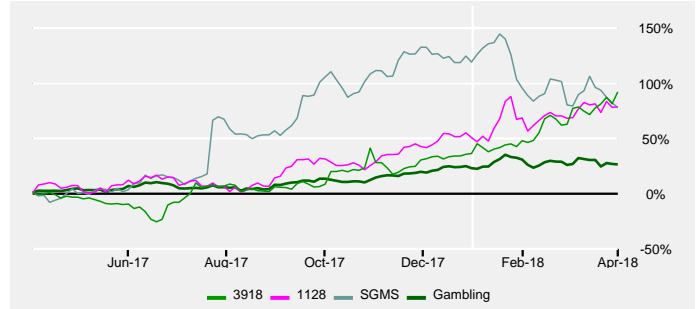
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Top Stocks 2018



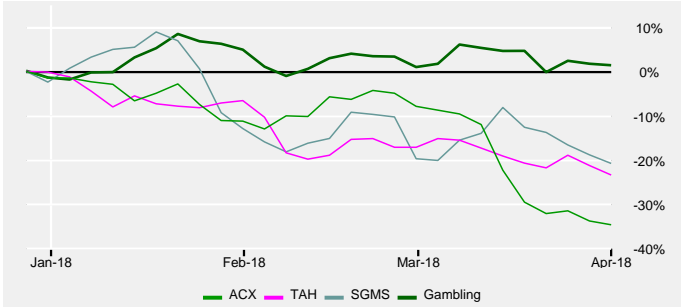
From the beginning of the year, the performance of the sector was 1.3%; as for the three best stocks, (NAGACORP LTD. (3918), SEGA SAMMY HDG. (6460) and GALAXY ENTM.GP.LTD. (27)), their performance was 41.8%, 17.8% and 15.9% respectively.

Top Stocks 12 months



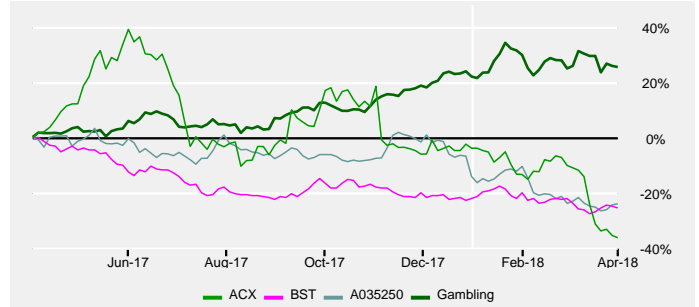
Since 12 months ago, the performance of the sector has been 25.4%; the three best stocks, (NAGACORP LTD. (3918), WYNN MACAU LTD. (1128) and SCIEN.GMS.CORP. (SGMS)) recorded a performances of 91.5%, 77.9% and 77.3% respectively.

Flop Stocks 2018



BET-AT-HOME.COM AG (ACX), TABCORP HOLDINGS LTD. (TAH) and SCIEN.GMS.CORP. (SGMS) with -34.8%, -23.5% and -20.9% recorded the three worst performances from the beginning of the year. For the sector Gambling, the variation was 1.3%.

Flop Stocks 12 months



The three worst performances in 12 months were recorded by BET-AT-HOME.COM AG (ACX), BERJAYA SPORTS TOTO BHD. (BST) and KANGWON LAND INCO. (A035250) with -36.3%, -25.5% and -24.0%. As for the sector Gambling, it recorded a variation of 25.4%.

Only companies with a market capitalization exceeding \$500 million are mentioned.

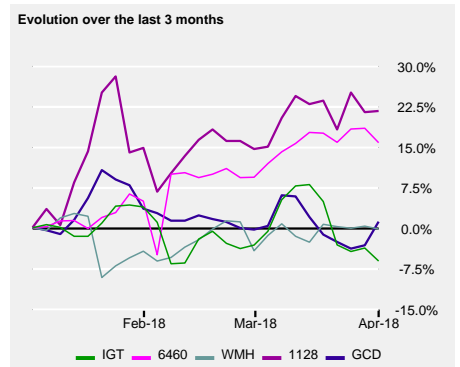


Gambling (WO)

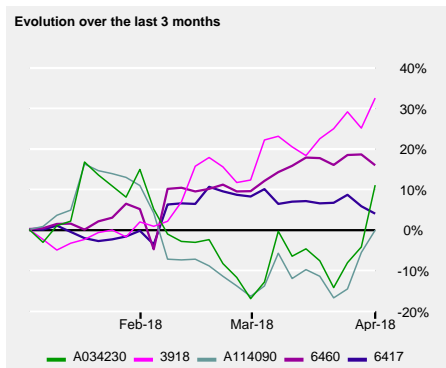
Closing price of April 3, 2018

Stocks with the best valuations

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	7wk EPS Rev	Stars	Sensitivity	Global Evaluation
IGT US	INTL.GAME TECH.PLC. Gambling	26.06 USD	5.30	26.8%	★★★★★	🟡	📈
6460 JP	SEGA SAMMY HDG. Gambling	1,647.00 JPY	4.11	21.2%	★★★★★	🟡	📈
WMH GB	WILLIAM HILL PLC. Gambling	328.50 GBp	3.97	12.1%	★★★★★	🟡	📈
1128 HK	WYNN MACAU LTD. Gambling	28.50 HKD	18.87	5.1%	★★★★★	🟡	📈
GCD CA	GREAT CDN.GAMING CORP. Gambling	34.22 CAD	1.63	21.0%	★★★★★	🟡	📈



The global rating (Global Evaluation) is a multi-criteria approach that identifies the stocks with the best valuations. This assessment is the compilation of fundamental (PE, growth, earnings revisions, dividend, etc.), technical (moving average, relative performance), and sensitivity (behaviour in declining markets and sensitivity to bad news) factors. In order to present the best selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations, are listed. Furthermore, the eligible stocks must have a minimum rating of two stars, a neutral to positive valuation, and a low to moderate sensitivity. When the global rankings are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.



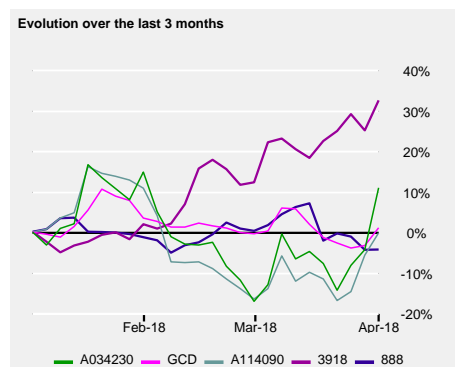
The best defensive stocks

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Bear Mkt Factor	Stars	Sensitivity	Global Evaluation
A034230 KR	PARADISE CO.LTD. Gambling	24,350.00 KRW	2.10	-188	★★★★★	🟡	📈
3918 HK	NAGACORP LTD. Gambling	8.58 HKD	4.75	-180	★★★★★	🟡	📈
A114090 KR	GRAND KOREA LEIS.CO.LTD. Gambling	27,200.00 KRW	1.60	-142	★★★★★	🟡	📈
6460 JP	SEGA SAMMY HDG. Gambling	1,647.00 JPY	4.11	-104	★★★★★	🟡	📈
6417 JP	SANKYO CO.LTD. Gambling	3,685.00 JPY	3.10	-97	★★★★★	🟡	📈

The sensitivity assessment is essentially based on two criteria: the stock's "behaviour in declining markets" (Bear Market Factor), and the stock's "sensitivity to bad news" (Bad News Factor). By positioning a stock according to the world averages, three sensitivity levels can be attributed (low, moderate, high). Combining these elements makes it possible to create a final ranking of stocks in the market. To present the most useful selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have a minimum rating of two stars, a neutral to positive valuation, and a low to moderate sensitivity. In case of a tie, the stock's "behaviour in declining markets" will act as the deciding classification element.

The stocks with the lowest correlations

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	Correlation	Stars	Sensitivity	Global Evaluation
A034230 KR	PARADISE CO.LTD. Gambling	24,350.00 KRW	2.10	0.08	★★★★★	🟡	📈
GCD CA	GREAT CDN.GAMING CORP. Gambling	34.22 CAD	1.63	0.13	★★★★★	🟡	📈
A114090 KR	GRAND KOREA LEIS.CO.LTD. Gambling	27,200.00 KRW	1.60	0.15	★★★★★	🟡	📈
3918 HK	NAGACORP LTD. Gambling	8.58 HKD	4.75	0.17	★★★★★	🟡	📈
888 GB	888 HOLDINGS PLC. Gambling	270.00 GBp	1.36	0.21	★★★★★	🟡	📈

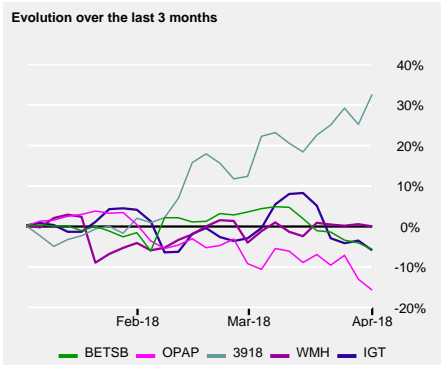


The correlation coefficient permits to identify the stocks whose dependence on the market is the weakest. If this value is very low, less than 0.5, it means that less than 50% of the movements of the stock are explained by market movements. On the contrary, a number close to 1 indicates that the value is very close to the evolutions of the market. In order to present the best selection, only companies with a market capitalization higher than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have a minimum rating of two stars, a neutral to positive valuation, a low to moderate sensitivity, and a correlation of maximum 0.66. In the case of a tie in the ranking, the stock's correlation in ascending order acts as the deciding classification element.



Gambling (WO)

Closing price of April 3, 2018



The stocks with the lowest PE

Symbol Market	Name Sector	Price Ccy	Mkt Cap in \$bn	LT P/E	Stars	Sensitivity	Global Evaluation
BETSB SE	BETSSON AB Gambling	62.06 SEK	1.03	9.6	★★★★	Neutral	Low
OPAP GR	OPAP S A Gambling	9.00 EUR	3.52	10.9	★★★★	Neutral	Low
3918 HK	NAGACORP LTD. Gambling	8.58 HKD	4.75	10.9	★★★★	Neutral	Low
WMH GB	WILLIAM HILL PLC. Gambling	328.50 GBp	3.97	11.3	★★★★	Neutral	Low
IGT US	INTL.GAME TECH.PLC. Gambling	26.06 USD	5.30	12.4	★★★★	Neutral	Low

The price to earnings ratio (PE) helps to find undervalued stocks. It is commonly accepted that if the PE of a stock is lower than the PE of its reference market, the stock may have upside potential. In order to present the best selection, only companies with a market capitalization greater than \$1bn and showing good earnings growth valuations are listed. Furthermore, the eligible stocks must have: a minimum rating of two stars, a neutral to positive valuation, and a low to moderate sensitivity. When the PE ratios are identical, the analysts' 7 week earnings per share revision (7 wk EPS rev) acts as the deciding classification element.

The 20 top stocks classified by market capitalization

Symbol Market	Name Sector	Price Ccy	Perf YtD	Mkt Cap in \$bn	G/PE Ratio	LT P/E	LT Growth	4wk Rel Perf	Div	Volatility 1M	Stars	Sensitivity	Global Evaluation
LVS US	LAS VEGAS SANDS CORP. Gambling	70.95 USD	2.1%	55.97	1.10	16.7	13.8%	2.1%	4.7%	42.0%	★★★★	Neutral	Low
1928 HK	SANDS CHINA LTD. Gambling	42.50 HKD	5.3%	43.73	1.55	14.0	16.1%	0.2%	5.6%	33.0%	★★★★	Neutral	Low
27 HK	GALAXY ENTM.GP.LTD. Gambling	72.65 HKD	15.9%	39.93	1.06	18.9	18.8%	8.2%	1.3%	21.6%	★★★★	Neutral	Low
WYNN US	WYNN RESORTS LTD. Gambling	180.30 USD	6.9%	19.55	1.56	14.1	20.1%	13.4%	1.8%	51.9%	★★★★	Neutral	Low
MGM US	MGM RESORTS INTL. Gambling	34.44 USD	3.1%	19.52	1.31	15.1	18.2%	5.0%	1.5%	50.0%	★★★★	Neutral	Low
1128 HK	WYNN MACAU LTD. Gambling	28.50 HKD	15.2%	18.87	1.96	16.8	28.6%	7.5%	4.5%	36.4%	★★★★	Neutral	Low
MPEL US	MELCO RSTS.& ENTM.LTD. Gambling	28.34 USD	-2.4%	13.97	1.69	13.5	20.6%	9.8%	2.2%	34.4%	★★★★	Neutral	Low
ALL AU	ARISTOCRAT LEISURE LTD. Gambling	23.41 AUD	-1.2%	11.47	1.18	15.9	16.5%	0.8%	2.3%	26.7%	★★★★	Neutral	Low
2282 HK	MGM CHINA HOLDINGS LTD. Gambling	20.45 HKD	-13.5%	9.90	1.78	15.9	26.0%	-11.1%	2.4%	32.6%	★★★★	Neutral	Low
PAP IE	PADDY POWER BETFAIR PLC. Gambling	82.40 EUR	-16.9%	8.56	0.97	14.3	10.8%	-14.1%	3.1%	18.0%	★★★★	Neutral	Low
GVC GB	GVC HOLDINGS PLC. Gambling	910.00 GBp	-1.6%	7.36	1.08	13.1	10.3%	3.8%	3.8%	35.3%	★★★★	Neutral	Low
CWN AU	CROWN RESORTS LTD. Gambling	12.60 AUD	-3.2%	6.66	1.15	17.1	14.6%	-2.8%	5.2%	22.5%	★★★★	Neutral	Low
TAH AU	TABCORP HOLDINGS LTD. Gambling	4.27 AUD	-23.5%	6.60	1.21	18.3	17.5%	-4.5%	4.7%	21.7%	★★★★	Neutral	Low
A035250 KR	KANGWON LAND INCO. Gambling	28,350.00 KRW	-18.5%	5.75	0.93	13.1	8.6%	-1.6%	3.5%	17.7%	★★★★	Neutral	Low
IGT US	INTL.GAME TECH.PLC. Gambling	26.06 USD	-1.7%	5.30	1.56	12.4	15.9%	-0.2%	3.4%	41.3%	★★★★	Neutral	Low
880 HK	SJM HOLDINGS LIMITED Gambling	6.77 HKD	-3.3%	4.88	0.55	22.5	9.7%	-5.2%	2.7%	19.2%	★★★★	Neutral	Low
3918 HK	NAGACORP LTD. Gambling	8.58 HKD	41.8%	4.75	1.74	10.9	14.7%	19.3%	4.3%	32.3%	★★★★	Neutral	Low
6460 JP	SEGA SAMMY HDG. Gambling	1,647.00 JPY	17.8%	4.11	1.35	24.0	29.9%	5.3%	2.6%	16.8%	★★★★	Neutral	Low
WMH GB	WILLIAM HILL PLC. Gambling	328.50 GBp	2.0%	3.97	1.03	11.3	7.3%	3.6%	4.3%	18.5%	★★★★	Neutral	Low
SGMS US	SCIEN.GMS.CORP. Gambling	40.60 USD	-20.9%	3.65	2.86	70.4	201.2%	1.5%	0.0%	43.8%	★★★★	Neutral	Low

Number of Stocks

This is the number of stocks in the index that can be analyzed.

Mkt Cap in \$bn

This number represents the Market Capitalization in USD bn. It is calculated by multiplying a firm's share price by the number of outstanding shares. For reasons of comparison, all results are in USD.

Valuation Rating

Our Valuation Rating indicates if a stock is "expensive" or "cheap" relative to its growth potential. This is used to determine whether or not the investor is paying a premium for anticipated growth.

To estimate a stock's value relative to its current price, our Valuation Rating combines:

- stock price
- projected earnings
- projected earnings growth
- dividends

We establish our rating by combining these elements.

There are five ratings, ranging from strongly undervalued 🟢🟢 to strongly overvalued 🟡🔴.

Stars

theScreener.com's star rating system is designed to enable you to identify high-quality stocks quickly and easily.

In this easy-to-use rating system, stars are earned for each element specified below:

- Earnings Rev Trend 🟢 = ★★★★★
- Valuation Rating 🟢, 🟢🟢, 🟢🟢🟢 = ★★★★★
- MT Tech Trend 🟢 = ★★★★★
- 4 week Relative Performance > 1% = ★★★★★

Therefore, a stock can earn a maximum of four stars.

The lowest rating a stock can have is no stars.

Once a stock has earned a star, it will keep it until:

- Earnings Rev Trend becomes negative 🟡
- Valuation Rating becomes negative 🟡, 🟡🔴, 🟡🔴🔴
- MT Tech Trend becomes negative 🟡
- 4 week Relative Performance drops below -1% (<-1%)

Div

This is the dividend in % for the next 12 months.

Even if the same number is shown, the dividend value can appear in one of four colors, depending on the earnings coverage:

- 0%, no dividend
- 4%, the dividends are covered (between 0% and 40% of earnings)
- 4%, the dividends represent between 40% and 70% of earnings
- 4%, the dividends are higher than 70% of earnings, which implies that the dividend coverage is not guaranteed.

Earnings Rev. Trend

The symbol 🟢 shows that compared with their earnings revisions of seven weeks ago, the analysts have now raised their estimates (7wk EPS Rev; > 1%); the symbol 🟡 indicates that compared with their earnings revisions of seven weeks ago, the analysts have now lowered their estimates (7wk EPS Rev < -1%).

When the earnings revisions (7wk EPS Rev) fall between +1% and -1%, the trend is considered to be neutral 🟢.

The symbol 🟢 indicates that the last significant revisions have been trending positive.

The symbol 🟡 indicates that the last significant revisions have been negative.

7wk EPS Rev

This is an abbreviation for 7 week Earnings Per Share Revision. This column indicates the value of these revised earnings. A figure of 2.8 signifies that compared with seven weeks ago, the analysts have now revised and raised their estimates by 2.8%. On the contrary, a negative number means that the earnings would have been revised lower.

G/PE Ratio

In order to establish our Valuation Rating, we calculate the estimated growth of future earnings (LT Growth) plus dividend in %, divided by the estimated future PE ratio (Long Term P/E).

LT PE

This is the relationship between the price (P) and the estimated long-term future earnings (E LT).

LT Growth

This is the estimated annual growth rate of future earnings, normally projected over the next two to three years.

MT Tech Trend

The MT Tech Trend indicates the current trend, positive 🟢 or negative 🟡, and the Tech Reverse indicates up to which price this trend will remain valid.

When a price falls to 1.75% above or below the Tech Reverse, the MT Tech Trend is considered neutral 🟢.

Once the price breaks out of the +1.75% neutral zone, the MT Tech Trend will change to positive.

The symbol 🟢 indicates that the previous MT Tech Trend was positive.

The symbol 🟡 indicates that the previous MT Tech Trend was negative.

4wk (Rel) Perf.

This figure measures the performance of a stock relative to its national or regional index (compared to four weeks ago). As for an Index, it measures the net performance over 4 weeks.

Bad News Factor

To determine the "Bad News Factor" we analyze a stock's declines in rising markets. In this purely objective analysis, the actual reasons for a stock's behavior are not important. If a stock price falls while its relative index goes up, it can be assumed that the stock's performance has been affected by bad news - hence the name, "Bad News Factor".

Here a stock's movements are measured on a bi-weekly basis, during a sliding 52 week period. Every time a stock drops while its reference index rises, the difference is calculated in %, integrated into a yearly average and expressed in basis points.

The higher the "Bad News Factor," the more a stock has proven to be sensitive to bad news. The lower the "Bad News Factor," the less the stock has proven to be sensitive to bad news.

Bear Market Factor

To determine the "Bear Market Factor" we analyze a stock's price movements in declining markets.

This is the analysis of the movements, in a bi-weekly intervals, during a sliding 52 week period.

The higher the "Bear Market Factor," the greater the probability a stock would drop when its relative index drops.

A "Bear Market Factor" that is strongly negative means the stock has been more resistant to losses in declining markets.

Sensitivity

Stock price developments are generally volatile and contain high risks that can result in a total loss. Based on a their historical behaviour, stocks are classified by sensitivity level. These sensitivity levels have to be considered solely in relative historical comparison to other stocks. Please note that even "Low Sensitivity" stocks are equities and therefore high risk investments that can lose up to all of their value, and that past performance is no indication of current or future performance.

"Sensitivity" is determined by measuring the "Bear Market Factor" and the "Bad News Factor" against its benchmark.

There are three grades of sensitivity levels:

- Low Sensitivity: The sensitivity indicators fall below the world reference average.
- Moderate Sensitivity: The sensitivity indicators are situated higher than the world reference average, but lower than standard deviation.
- High Sensitivity: The sensitivity indicators are at levels higher than standard deviation.

Volatility 12 M

Volatility measures the magnitude of upwards and downwards movements of a stock or index. The volatility 12 M shows the average volatility over the last 12 months.

% of Stocks in Uptrend

This is the percentage of stocks in a given list that have a positive Medium Term Technical Trend. If, for example, the aggregate of Technology / World, (which is made up of 458 stocks) has 8% "of stocks in Uptrend," it means that 38 of the stocks within that aggregate have a positive Medium Term Technical Trend.

Beta

Beta is often used as a measure of sensitivity. Where a Beta is greater than 100, the stock is more volatile than its reference index.

Correlation

Correlation is the degree of similarity (in %) in which a stock fluctuates in relation to its reference index.

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