

Eldorado Resorts buying Caesars in \$17 billion casino merger

Written by Administrator
Monday, 24 June 2019 08:30 -

- The new company will be called Caesars and will be based primarily in Reno, Nevada, where Eldorado is based.
 - The deal valued at \$17.3 billion will create a gambling and entertainment giant.
 - Caesars emerged from bankruptcy protection in late 2017, but it has been struggling since.
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Las Vegas - Eldorado Resorts will buy Caesars in a cash-and-stock deal valued at \$17.3 billion, creating a casino giant. The acquisition Monday puts about 60 casinos and resorts in 16 states under a single name, creating one of the biggest gambling and entertainment ventures in the U.S.

"Together, we will have an extremely powerful suite of iconic gaming and entertainment brands, as well as valuable strategic alliances with industry leaders in sports betting and online gaming," Eldorado CEO Tom Reeg said in a prepared statement.

The company, which will be called Caesars, will be led by Reeg, along with Eldorado Chairman Gary Carano. It will be based in Reno, Nevada, where Eldorado is based, with a "significant corporate presence" in Las Vegas, where Caesars is based.

Eldorado will pay \$8.40 per share in cash and 0.0899 shares of Eldorado stock for each Caesars share, or \$12.75 per share. It will also assume Caesars' debt.

Shareholders of Eldorado Resorts will hold about 51% of the company's outstanding stock, with Caesars Entertainment shareholders holding the remaining and 49%.

Earlier this year, billionaire Carl Icahn took an enormous stake in Caesars and pushed for fundamental changes at the company. Caesars, which operates more than 35 casinos in the U.S., emerged from bankruptcy protection in late 2017, but it has been struggling since.

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Eldorado said Monday it has also reached a real estate agreement with VICI Properties in which VICI will acquire the real estate associated with Harrah's Resort Atlantic City, Harrah's Laughlin Hotel & Casino and Harrah's New Orleans Hotel & Casino for approximately \$1.8 billion. In other terms of the deal, VICI gets right of first refusals for whole asset sale or sale-leaseback transactions on two Las Vegas Strip properties and the Horseshoe Casino Baltimore.

The Eldorado-Caesars deal is targeted to close in the first half of next year if approved by gaming regulators and shareholders. Caesars' stock jumped 13.2% before the market open on Monday, while shares of Eldorado fell 7.2%.

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