

Online Gambling Benchmarking – 2021/2022 edition

Comprehensive report analysing updated benchmarks, KPIs, margins, ... of the online gambling industry

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Summary

MECN is proud to present the new 2021/2022 edition of our report “Online Gambling Benchmarking Study”. The first editions of the report were received very well, and as the online gambling market changes quickly, we are now happy to publish an updated version of our report.

As before, the report offers a comprehensive analysis and benchmarking of key performance indicators (KPIs), key business figures, relevant margins, and much more to enable executives in the online gambling industry to improve both controlling and operations.

The report is a must-read for all strategists and executives in the industry who want to save the time and money of compiling their own database – we have done it for you. Readers of the first editions of the report were impressed:

“The report saved me and my team weeks of number crunching.” (CFO of online gambling operator).

Content of the report

The report offers unprecedented insights into the industry:

- **Current data and KPIs as well as historical data** – Our benchmark analyses are based on the most recent data and KPIs and also trace long-term developments.
- **Revenue growth benchmarks** are broken down by products/verticals.
- **Analyses of financial results**, such as EBITDA, EBIT, ... including the comparison of margins.
- **Expense/costs benchmarks and margins**, such as marketing, staff costs, ...
- **Player/customer-related benchmarks**, such as active player development.
- **Product-related benchmarks**, such as product/vertical split, breakdown of casino revenues by type of games, ...
- **In-play/live betting benchmarks**, such as in-play/live betting’s share of total wagers, in-play/live betting gross revenue margins, ...

- **Mobile business benchmarks**, such as mobile share of total online business,
- ...

In total, the report has **58 pages and ca. 90 graphs/exhibits**.

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Exchange rates applied
The current and future business climate of the online gambling industry – Survey results
Development of the assessment of the current industry climate – Survey results
Growth potential of the key online gaming/gambling products – Survey results
Future “winners” in the online gambling market – Survey results
Development of mobile share of total revenue
Top-ranked mobile betting apps in selected Western European countries
Top-ranked mobile casino apps in selected Western European countries
Top-ranked mobile betting apps in selected Asia-Pacific countries
Annual growth rates of total online gambling revenue – benchmarks 2020
Ranking of online gambling operators by total net revenues – 2020
Annual growth rates of online betting revenue – benchmarks 2020
Overall development of betting revenues – 2016 to 2020
Ranking of online gambling operators by betting net revenues – 2020
Annual growth rates of online casino/gaming revenue – benchmarks 2020
Overall development of casino/gaming revenues – 2015 to 2020
Ranking of online gambling operators by casino/gaming net revenues – 2020
Gross revenue/win margins in online betting – benchmarks 2016 - 2020
Development of gross revenue/win margins in online betting – 2011 to 2020
Share of European markets of total business – benchmarks 2020
Level of internationalisation – benchmarks 2020
EBITDA growth of online gambling operators – benchmarks 2020

Overall development of EBITDA – 2015 to 2020
 Ranking of online gambling operators by EBITDA – 2020
 EBITDA margins – benchmarks 2020
 Development of EBITDA margins – 2015 to 2020
 Operating profit development of online operators – benchmarks 2020
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 Overall development of operating profits – 2015 to 2020
 Ranking of online gambling operators by operating profit – 2020
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 Development of staff cost / personnel expense margins – 2015 to 2020
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 Growth of number of active players/customers – benchmarks 2020
 Overall development of number of active players/customers – 2015 to 2020
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 Development of product/segment split of total revenue – 2008 to 2020
 Share of betting segment of total revenue – benchmarks 2019 and 2020
 Development of share of betting segment – 2015 to 2020
 Share of casino segment of total revenue – benchmarks 2019 and 2020
 Development of share of casino segment – 2015 to 2020
 Overview of number of bets/markets offered for various leagues and sports

Overall benchmarking and ranking of online football betting offers
 Overall number of Premier League bets/markets – benchmarking analysis
 Overall number of Bundesliga bets/markets – benchmarking analysis
 Overall number of Primera Division bets/markets – benchmarking analysis
 In-play/live betting share of total turnover/stakes – 2020
 Development of in-play betting share of total gross revenues/wins – 2008 to 2020
 In-play/live betting vs. pre-match gross revenue/win margins – 2010 to 2020
 Overall benchmarking and ranking of live/in-play all sports betting offers
 Overall benchmarking and ranking of live/in-play football betting offers
 Casino games revenue breakdown – benchmarks in 2020
 Casino games turnover breakdown – case study
 Number of Facebook Likes/Fans of online gambling operators' Facebook pages
 Number of Twitter Followers of online gambling operators' Twitter pages
 SEO benchmarking for betting-related keywords in key European markets
 SEO benchmarking for casino related keywords in key European markets
 The top advertisers (gambling websites) on affiliate websites in Western Europe
 The top advertisers (gambling websites) on betting affiliate websites in selected countries of Western Europe

List of mentioned companies

888	Groupe FDJ
Acroud / Net Gaming	Jumbo Interactive
Angler Gaming	Kambi
Bet365	Karamba
Betsson	Kindred
Better Collective	LeoVegas
Bragg	NeoGames
Catena Media	PAF Internet
Churchill Downs	Playtech B2B
DraftKings B2C	PPB Online (Paddy/Betfair)
Enlabs	SciPlay
Entain Online	Scout Gaming
Evolution Gaming	Sisal
France Pari B2C	Snaitech Online
France total (ARJEL)	Spain total (DGOJ)
Gamesys	Svenska Spel
Gaming Realms	Webis
GAN B2B	William Hill Online
GNOG	...

Sample pages of the report

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2.2 Overall trends

We also asked about the future relevance of the key trends and topics – and this provided the following insights (see exhibit 5):

- Increasing **brandable** and related aspects, such as higher taxes and stricter regulations, will continue to have the highest strategic relevance.
- The increasing **globalisation** of the U.S. market is second place on the strategic agenda.
- The formerly highly debated revenue stream coming from the **R2D** business of operators (e.g. **888-24openfun**) seems to have lost in importance and is ranked last.
- The focus on **existing customers** seems to be more relevant than acquiring new customers.

2.3 Growth potential of key products

In addition to "general" trends and topics, we also analysed the growth potential regarding three elements of the key online gaming/gambling products within the next 1-2 years (see exhibit 6):

- Mobile gaming** leads the ranking with market participants convinced that this is a "major" to "very large" growth potential within the next 1-2 years.
- Real life money gambling** is the runner-up, but it is noteworthy that the overall assessment is "very uncertain" between "great" and "challenged". This indicates that the industry as a whole is not fully convinced that social gaming will finally make a significant contribution to revenue.
- Although **live betting** has been offered for years, it seems to still have significant growth potential.

Exhibit 5: Strategic relevance of key trends/topics for the online gambling industry for the next 1-2 years – Survey results

Exhibit 6: Growth potential of key online gaming/gambling products – Survey results

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5 Revenue growth

5.1 Total revenues

In exhibit 31 we benchmark the revenue growth rates of 2021 and 2022. In most cases the figures used are not revenue after taxes. It should be noted that in a few cases net revenues were not reported, and we took gross revenues (gross volume) in place of net revenue rates. This measure also includes some (license providers) for the online gambling industry (e.g. **888.com**).

- Average growth** – On average, revenues grew by 17% in 2021.
- Median growth** – The median growth rate in 2021 was 16%.
- Top growth rate** – Best practice growth in 2021 was achieved by **Playtech** with 53%. Best operator was **bet5d5** with 44%.

Annual growth rates (development of operators)

In exhibit 32 we show several growth developments:

- Growth rate of online exchange rates** – As explained above, we report another exchange rate to indicate the overall growth trends in our view. This growth analysis is best suited for an overall picture of the industry because it reflects the development of the operator operators.
- Growth rate of online exchange rates** – We also included the growth of the same in EUR with valuable fluctuating annual exchange rates.
- Average growth rate** – The "average" growth rate per annum (see also exhibit 31) is the average growth rate of the sector in that year. In this regard, the use of the quotient has no effect on the growth rate and "weight" is in the case of the two other growth rates!

Exhibit 31: Annual growth rates of total online gambling revenue – benchmark 2021 and 2022

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12 Active players/customers

Growth and development in 2018 and 2021

In exhibit 18 we benchmark the increase in the number of active players in 2018 and 2021. In most cases the active player figures refer to the entire year, but **bet365** and **bet365c** figures refer to the last quarter of the reporting year.

- Average growth** – On average, the number of active players grew by 17% in 2021. This increase is more than double the 2018 growth rate of 8%.
- Median growth** – The median growth rate in 2021 was 16%.
- Highest growth rate** – **Cherry** had the biggest growth in active players in 2021 with 21%.

Cherry and 888.com – Best practice for growth in number of active players

For a better understanding of the two best practice growth examples, we offer the following additional insights:

- Cherry** (acquired in 2018) is mainly due to the acquisition of Germany (see exhibit 19).
- In the case of **888.com**, the strong increase is a further indication that also market leader **bet365** is that the company is currently on a growth path. In addition, the number of acquiring customers increased by 15% compared to 2018. Nevertheless, the growth in the number of customers remains low with relatively low sales (see exhibit 17).
- In case of neither the "rising year-on-year" growth supported by acquisitions has accelerated the growth.

Exhibit 18: Overall development of number of active players/customers – 2018 to 2021

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19 Overview, comparison, and growth development

19.1 Overall product/segment split

As most of the companies analysed are active in all verticals, it makes sense to have a closer look at the breakdown by key product segments/verticals. In exhibit 120 we benchmark the product/segment split of total revenue in 2021 (for most cases the refer to net revenue):

- Average product/segment split** – On average, the companies analysed made 42% of their revenue in the leading segment, 29% in other, 19% in casino games, and 11% in other games, such as bingo and skill games.
- The most balanced portfolio** – Since the merger of **betm** (focus on betting) and **betandwin** (focus on poker and casino games), **betandwin** has one of the most balanced product portfolios.
- Change in product portfolio** – Compared to the product portfolio in 2020 (see exhibit 121), we have found that the structure of the online game segment in the average product portfolio has declined significantly.

ERTDA segment (vertical split)

Operators rarely publish segment information regarding ERTDA (or similar figures after coin **betandwin** off this for 2021 and 2022 and defined its regional "Open ERTDA" as "Open the conversion rate associated with the operator's Non-Transaction Agreement, registration expenses, acquisition fees and associated charges, cost of cost of goods sold for the operator and acquisition expenses, exchange expenses and before commission charges relating to the online payment").

While the public/legal discussion has been focusing on betting and poker, it is noteworthy that operators in 120 reveal that nearly 50% of their total product-related ERTDA, the casino segment is by far the largest profit driver and contributes nearly twice more (2022) to the total ERTDA than sports betting.

Exhibit 120: Product/segment split of total revenue – 2021

Exhibit 121: Development of product/segment split of total revenue – 2020 to 2022

Exhibit 122: Product/segment split of total ERTDA – case study 2021 and 2022

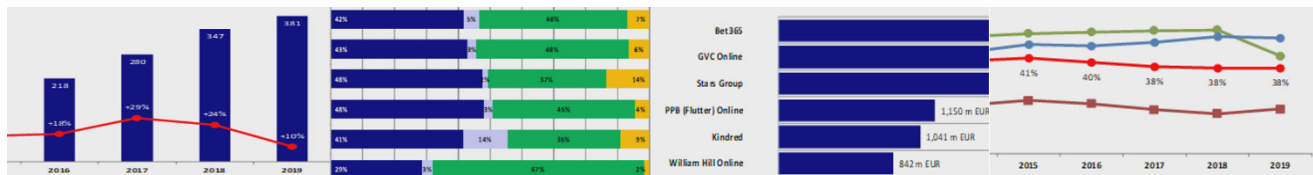
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MECN is a network of experts on issues concerning the media and entertainment industry. Together we provide in-depth knowledge, analysis, and advice to global clients. For the gambling industry, we provide market insights and strategic support to various clients ranging from bookmakers to state/public operators.

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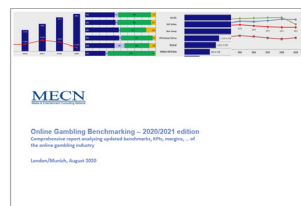
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