GOLDMEDIA

German Gambling Market Monitor 2018

Status Quo and Market Outlook 2018

May 2018

- Sample -

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About this Report

Markets covered

- The report covers all gambling markets in Germany that are regulated and/or are subject to taxation. This includes the grey market for private sports betting operators.
- The report also provides additional information on the grey market for secondary lotteries and the online-casino business.
- Gross gambling revenue (GGR) breakdown and forecast do not include revenue generated by domestic players on platforms not registered in any form in Germany. This excludes wagers or stakes of domestic players placed on secondary lotteries, on online casino and poker platforms (i.e. unregulated markets), and on betting platforms neither awaiting a licence nor paying taxes in Germany.

Sources and Methodology

- This monitor includes official data published by gambling authorities and tax administrations and publicly available company information to represent the total German gambling market in 2017. Figures not released by March 2018 have been estimated.
- The forecast for the German gambling market in 2018 is based on business projections made by gambling companies and gambling associations as well as expert interviews conducted during March and April 2018.

Source: Goldmedia
German Gambling Market Monitor 2018

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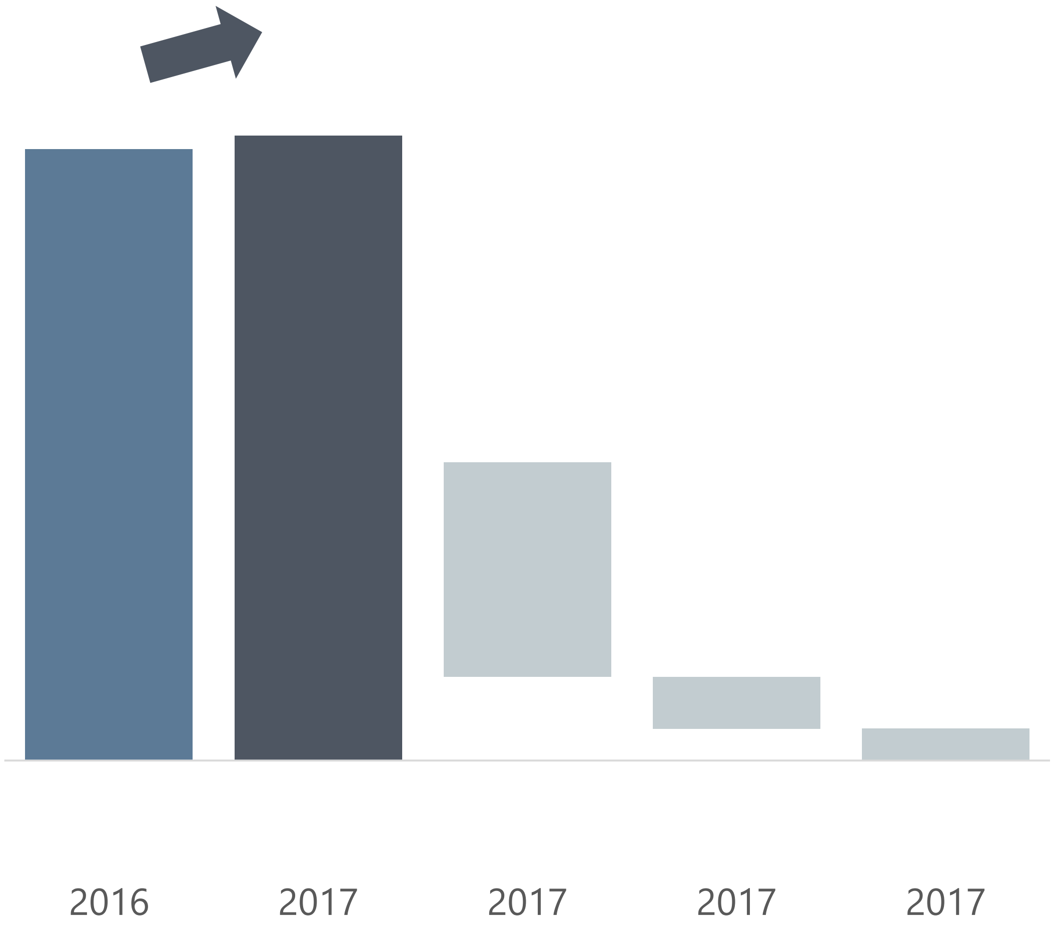
Table of Figures (Selection)

Source: Goldmedia
German Gambling Market Monitor 2018

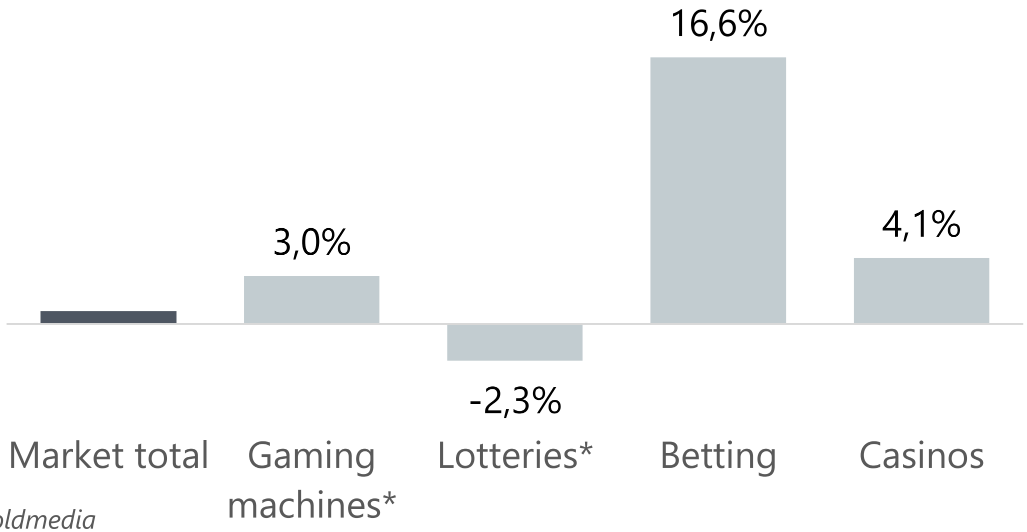
In 2017, the betting segment showed an exceptional growth dynamic (+17%); Casino-GGR recovering for three years in an row; Lottery-GGR stagnating

Gambling GGR in Germany, 2016-17, €bn



Source: Goldmedia
German Gambling Market Monitor 2018

Year-on-year growth, 2016-17, %

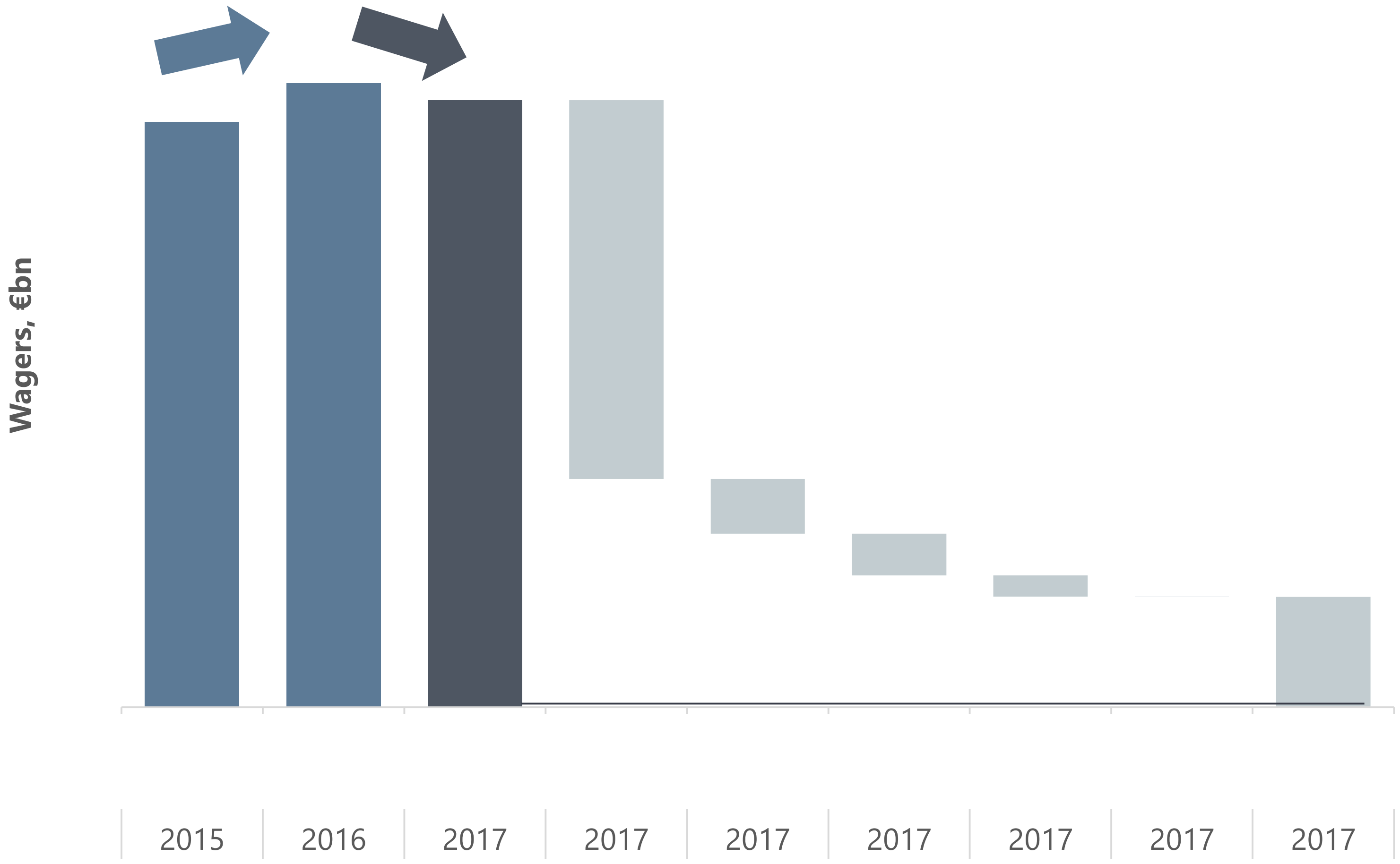


Source: Goldmedia

- The total German gambling market XXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
- Gaming machines continue XXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
- Lotteries XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
- In comparison to 2016, the betting segment showed the biggest growth (16.6%), followed by casinos (+4.1%) and gaming machines* (3.0%). The lottery segment is stagnating (-2.3%)

Wagers in the lottery sector remain stable, but online market growth is skimmed off by unregulated competitors

Total lottery wagers in Germany, 2015-17, €bn



Source: Goldmedia
German Gambling Market Monitor 2018

- The lottery sector XXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXX
- As a result, lottery revenue – especially in the state-owned monopoly (DLTB) – XXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXX
- The online revenue XXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXX
- A new, heavily promoted lottery product XXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXX
- New XXX lotteries like XXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXX

The market is expected to ...

Market outlook breakdown

Lotteries	
Casinos	
Gaming Machines	
Sports Betting	
Regulation	
Conclusion	

Source: Goldmedia
German Gambling Market Monitor 2018

Comparison of key performance indicators of the German gambling market

Key performance indicators, 2014-2018, in €

Wagers	2014	2015	2016	2017	2018*
Lottery Wagers per household	XXX	XXX	XXX	XXX	XXX
Lottery Wagers per capita	XXX	XXX	XXX	XXX	XXX
Betting Wagers per household	XXX	XXX	XXX	XXX	XXX
Betting Wagers per capita	XXX	XXX	XXX	XXX	XXX
GGR	**2014**	**2015**	**2016**	**2017**	**2018***
Lottery GGR per household	XXX	XXX	XXX	XXX	XXX
Lottery GGR per capita	XXX	XXX	XXX	XXX	XXX
Casino GGR per household	XXX	XXX	XXX	XXX	XXX
Casino GGR per capita	XXX	XXX	XXX	XXX	XXX
Gaming mach. GGR per hh	XXX	XXX	XXX	XXX	XXX
Gaming mach. GGR per capita	XXX	XXX	XXX	XXX	XXX
Betting GGR per household	XXX	XXX	XXX	XXX	XXX
Betting GGR per capita	XXX	XXX	XXX	XXX	XXX

Source: Goldmedia
German Gambling Market Monitor 2018

** Forecast (03/18)*

35 candidates for concession have proven that they fulfill the minimum requirements to offer sports betting (1/3)

Private operators designated to receive a national betting licence

Betting operator	Parent company/Major corporate shareholder	German online brands	Retail: Installed base of shops and self-serving terminals in Germany
Admiral Sportwetten GmbH	-	admiralbet.com	No (only in Austria)
Albers Wettboerse GmbH	-	Retail only	20 corporate shops
Bernd Hobiger Wettbüro Goldesel	Bernd Hobiger	Retail only	one corporate shops
Bet90 Ltd.	Veltyco Group PLC (51%)	bet90.com	Yes, number of shops N/A
Bet-at-home.com Internet Ltd.	BetClic Everest S.A.S. Group	bet-at-home.com	no franchise program
Betclic Group (operations via Mangas Gaming Malta Ltd.	-	Betclic.com/expekt.com	no franchise program
Betkick Sportwettenservice GmbH	Jointly with Stan James (Unibet) Betkick owns Trustfulgames.com Ltd. who operates under the brand Tiplix (formerly sjbet)	Tiplix.com	Yes via sjbets franchises (now Tiplix), number of affiliates N/A
Betvictor Ltd. (formerly Victor Chandler Internat. Ltd.)	-	betvictor.com	no franchise program
Betway Limited	Betway Group	Betway.com	no franchise program
Cashpoint Malta Ltd.	Gauselmann AG	XTip.de/cashpoint.de/tvm.bet/sportwetten.de	>800 X-Tip sales points; >5.000 Cashpoint sales points (across Europe, German/Austrian focus)
Deutsche Sportwetten GmbH	Deutsche Telekom AG (64%) Österreich. Sportwetten GmbH (26%)	tipp3.de (inactive)	no franchise program
Digibet Ltd.	United Game Tech plc.	digibet.com/bancobet.de (all currently inactive)	200 shops

Source: Goldmedia according to the draft of the 2. GlüÄStV as of 28/10/2016

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About Goldmedia‘s market experience

Goldmedia provides market due diligence services for mergers, acquisitions and divestitures in the European betting and gambling market

Besides our regular monitorings, Goldmedia offers individual business intelligence support for the betting and gambling market