



Gambling in Pandemic Times

Online versus Land-based

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Considerations for Regulating Online Gambling

1. Channel to Market
2. Product
3. Operator
4. Environment



Channels to Market

- Two channels to market – offline and online
- Today all businesses worldwide use multiple channels to market
- Hospitality, Entertainment, Travel, Finance & **Gambling**
- Prevalent in Europe, Canada, Australia & [USA]

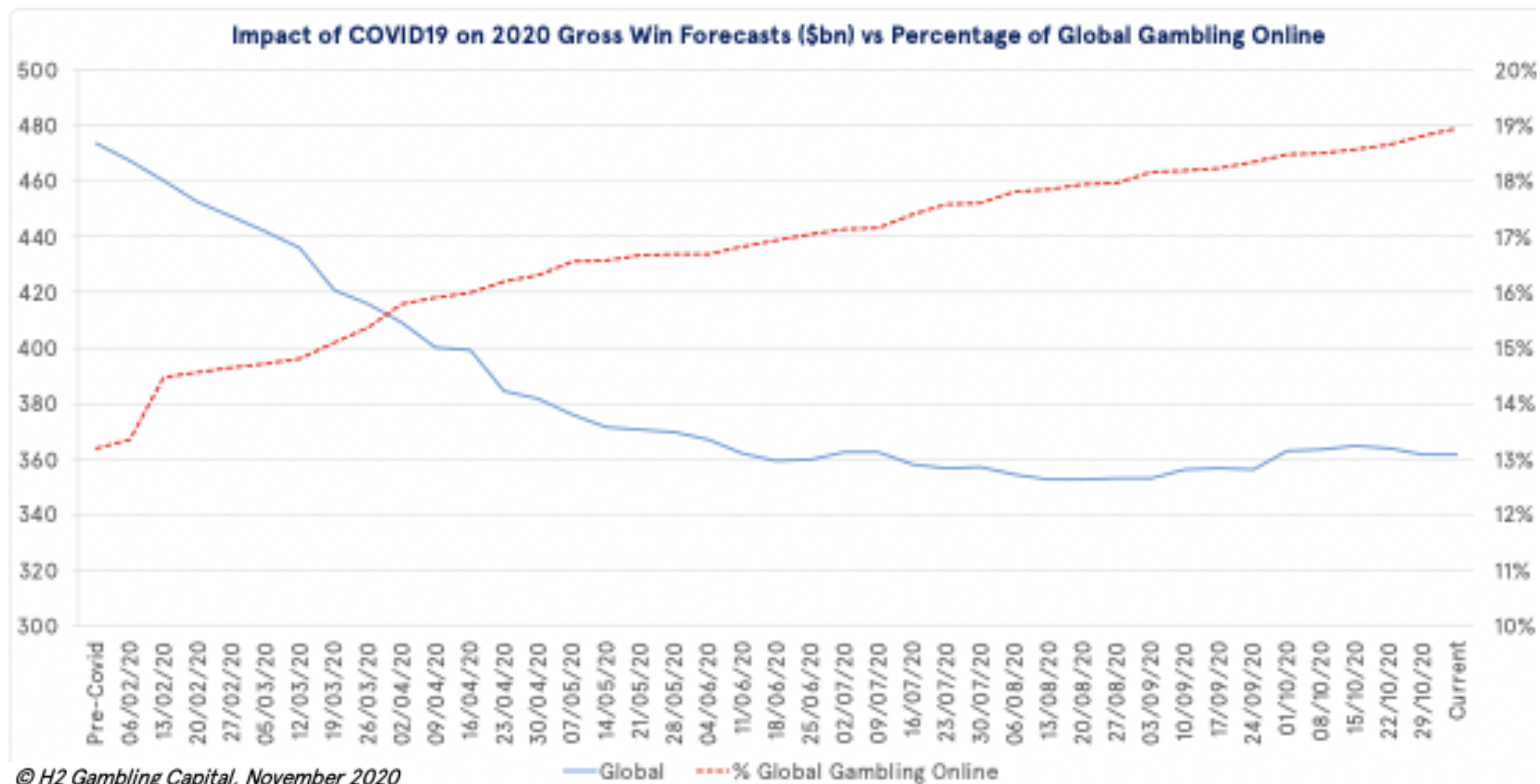


Common Arguments Against Online Gambling Channel

- It poses a threat to growth of offline gambling channel - "cannibalization effect"
- It results in high levels of problem gambling
- It is prone to facilitating money laundering
- Difficult to effectively regulate



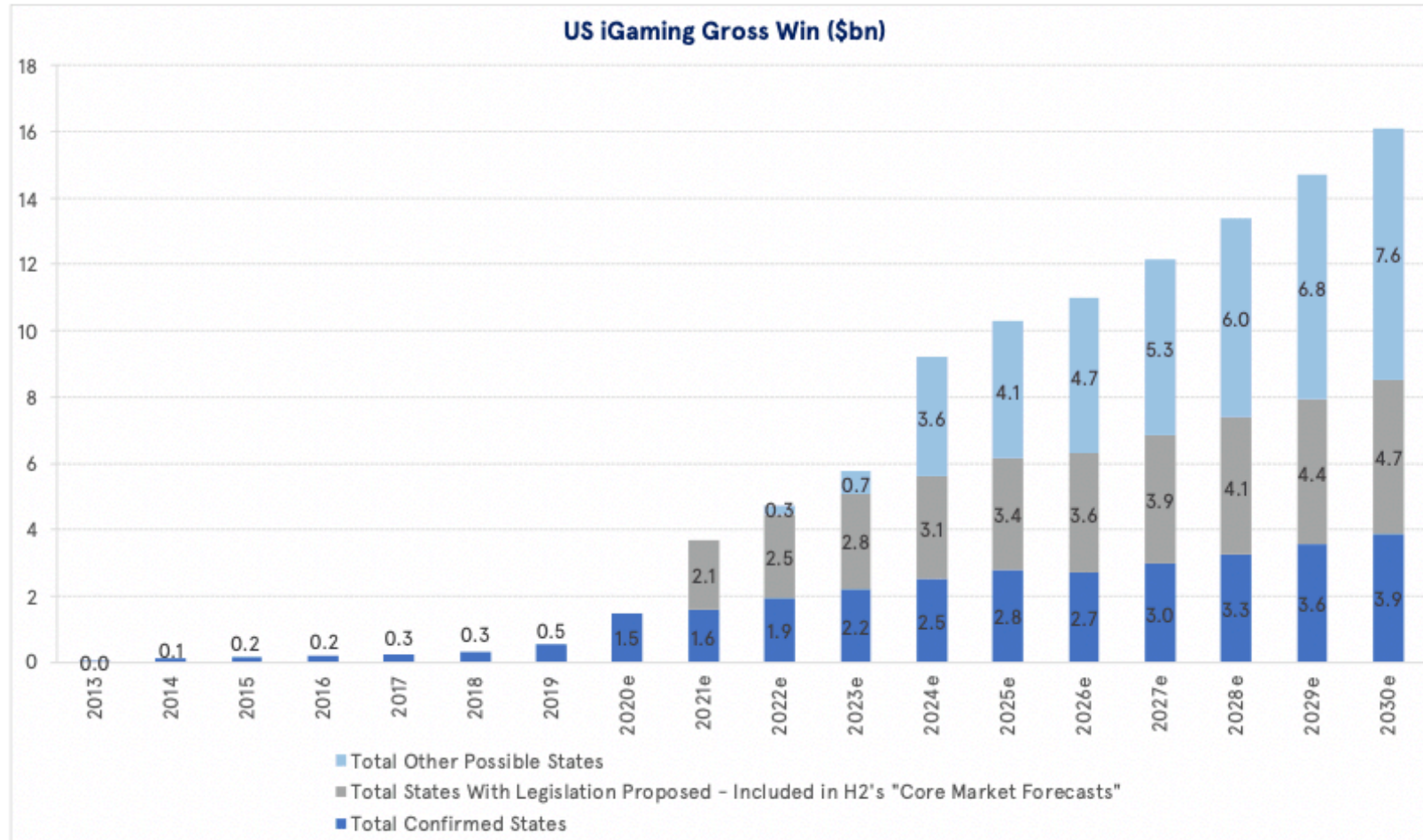




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...with iGaming Still To Come

*Currently a Forecast \$8.6bn Market across 12 States
Potentially an Optimal \$16.2bn Market across 20 States*



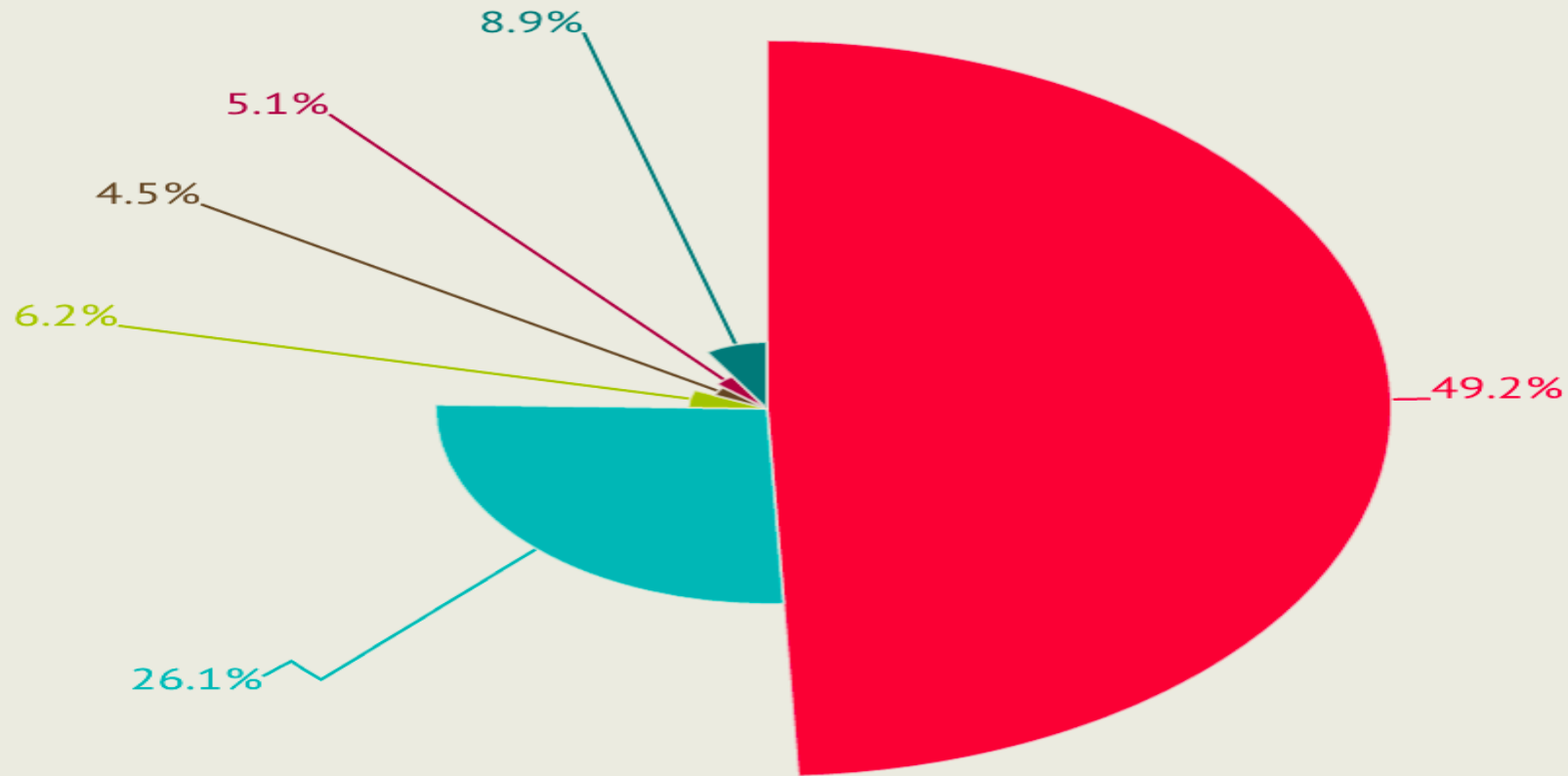
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Gambling Product

A close-up photograph of a hand placing a stack of multi-colored chips onto a roulette table. The table has a grid of numbers in red and black circles. The hand is positioned over a black circle with the number 29. The chips are stacked and have various colors like blue, green, and purple. The background is slightly blurred, showing more of the roulette table.

- Product verticals (e.g. betting, casino, poker, bingo, state lotteries)
- Policy makers often make mistake to restrict product verticals
- Aimed at protecting existing industry or limit problem gambling

Global iGaming Gross Win by Product Vertical (%)



 Betting  Casino  Poker  Bingo  Skill/Other/Com Lots  State Lotteries

Restricting Online Gambling Products

Implications of restricting Online products are:

- **It forces players to find their preferred gaming products elsewhere on the Web**
- **It leaves players unprotected**
- **It causes valuable player funds to leave the local market**

Gambling Operator

Who should be allowed to operate an online channel?

- Should it be the State or Private Sector?
- Should it be restricted to existing offline casino operators?
- Should all international online operators be allowed to access?

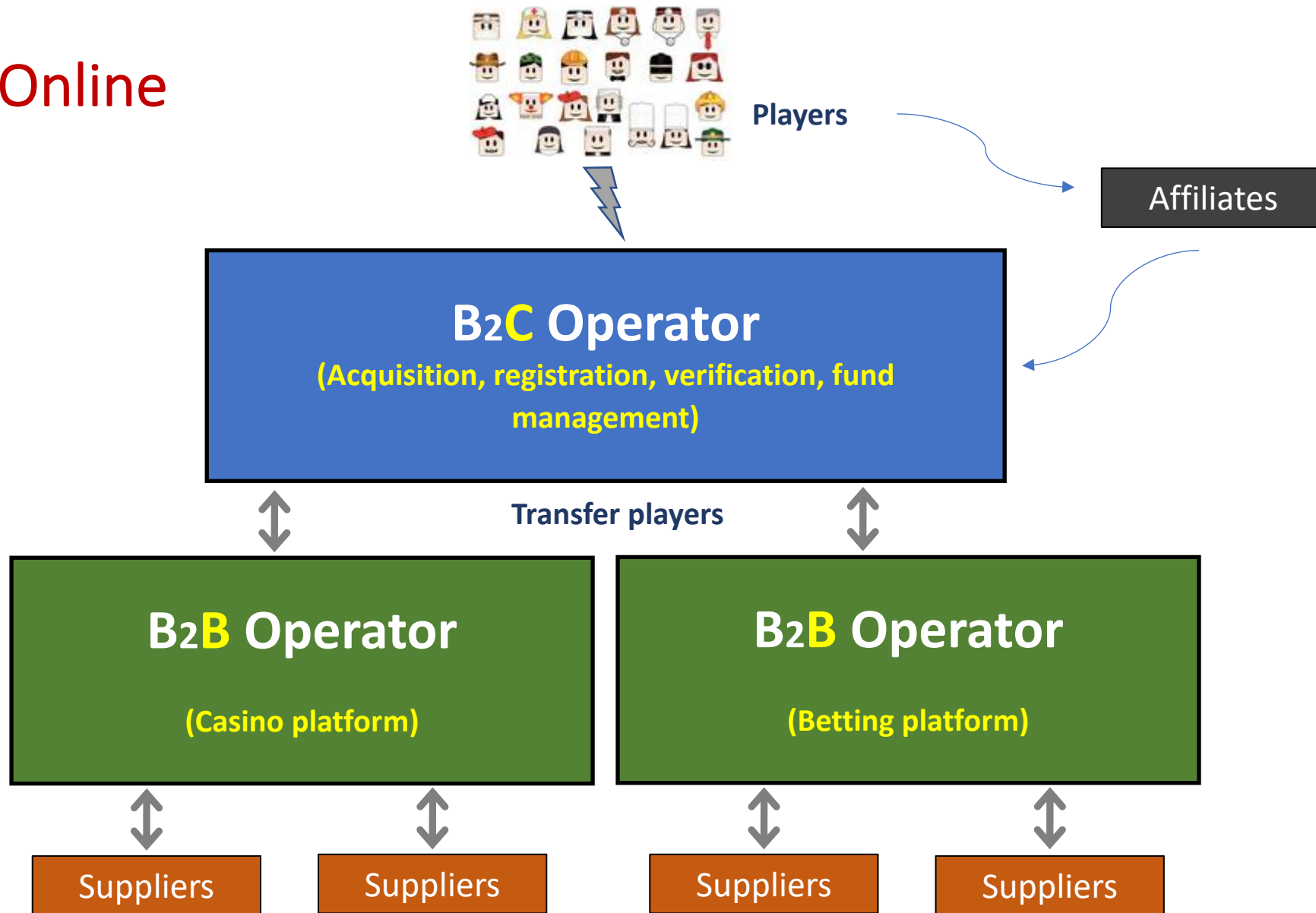


The New Jersey Experience

Allowing existing casino operators to offer gaming on the online channel to market resulted in the following:

- In April 2020 NJ's casinos saw online revenue of US\$80 compared to US\$39.6 in 2019.
- New customers who have never gambled before joined
- Existing customers who gambled only offline registered to play online
- The average spending of existing customers who registered to play online increased
- New customers who registered online started to visit the land-based casino
- Illegal online gambling were reduced

Regulating Online Gaming





united states

canada

mexico

peru

argentina

poland

spain

italy

austria

romania

macau

singapore

south africa

australia

400+ EMPLOYEES