

Insight: October Results Reflect Low Hold Percentage in NJ and DE; the Cream is Rising to the Top in NJ

The low hold percentage in October is reflective of volatility inherent in sports betting

- Since opening, both New Jersey and Delaware benefited from higher than normal hold percentages of 12% and 15% respectively, through Sept.
- However, Oct. hold percentages were significantly lower at 4.5% and 3.5% due to very low hold on football wagers
- The Oct. numbers are indicative of the inherent volatility in sports betting on a month-to-month basis
- However, on a longer-term basis, which is how operators look at the business, hold percentages should normalize to 5%-7% of handle
- As we expected, with the NFL and NBA in full swing, Oct. handle was much higher than Sept. at +42%

On the retail side in NJ, location is everything and the Meadowlands (Paddy Power/Fanduel) continues to outperform

- Meadowlands sportsbook, located in Northern NJ, continues to outperform relative to Monmouth Park, located in central NJ and its Atlantic City competitors clustered in South Jersey
- Given the enormous Northern NJ and NY population that resides in close proximity to the Meadowlands, the standout performance has been as expected

On the digital side, Resorts Digital (Draft Kings) is significantly outperforming the competition reflecting the value of the Draft Kings brand; it comes as no surprise that FanDuel is the only other standout performer

- Resorts Digital’s \$16.6M of GGR to date, represents 68% of digital GGR and 32% of total GGR
- We attribute the successful start to the overall brand awareness of DraftKings, which has been operating daily fantasy sports since 2012
- The second largest daily fantasy sports operator, FanDuel, which operates the Meadowlands digital sportsbook, is in second place with \$5.3M of digital revenue

Summary Results for Sports Betting - NJ & DE						
	June	July	Aug	Sept	Oct	YTD
New Jersey						
Retail	3.5	3.8	6.1	11.4	2.8	27.6
Mobile	0.0	0.0	3.1	12.6	8.8	24.5
Total GGR(\$M)	3.5	3.8	9.2	24.0	11.7	52.1
Handle (\$M)	16.4	40.7	95.6	183.9	260.7	597.4
Hold %	21%	9%	10%	13%	4%	9%
GGR/Adult	\$11.9	\$7.2	\$17.3	\$46.6	\$22.0	\$21.7
Delaware						
Total GGR(\$M)	1.0	0.5	0.8	3.6	0.5	6.5
Handle (\$M)	7.0	8.2	7.7	16.8	14.7	54.5
Hold %	14%	6%	10%	21%	3%	12%
GGR/Adult	\$27	\$8	\$16	\$56	\$10	\$24

Source: State Gaming/Lottery Commissions

NJ YTD Sports Betting GGR (\$M)			
Licensee	Retail	Digital	Total
Ballys	\$1.0	\$0.2	\$1.2
Borgata	4.9	0.2	5.1
Golden Nugget	0.7	0.9	1.5
Harrah's	0.7	0.0	0.7
Ocean	3.2	0.7	3.9
Resorts	0.5	0.0	0.5
Resorts Digital	0.0	16.6	16.6
Tropicana	0.0	0.0	0.0
Meadowlands	9.9	5.3	15.2
Monmouth Park	6.8	0.7	7.5
Total	\$27.6	\$24.5	\$52.1

Source: NJ Div. of Gaming Enforcement

**NOTE: To track sports betting legislation in the US please visit our website: www.spectrumgamingcapital.com/us-sports-betting
 To access gaming industry analytics please visit our website at www.spectrumgamingcapital.com/analytics
 There we provide equity and debt comparisons for global gaming companies and gaming technology companies, a list of recent debt financings and a list of recent M&A transactions, updated weekly**

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