

Brazil FIFA World Cup – one-time revenue boost or sustainable industry turnaround? New Q3 2014 online gambling data report revealed.

Comprehensive quarterly report analysing updated benchmarks, KPIs, trends, ... covering all sectors of the online gambling industry

London/Munich, 08. October 2014 – The first half of 2014 was marked above all by the FIFA World Cup and some events, such as the PokerStars acquisition, that shook up the industry. Therefore, it's again time for MECN's researchers to publish their new Q3 2014 Online Gambling Quarterly report. This report covers online gambling industry benchmarks, KPIs, and related topics and comes to mixed conclusions in its analysis of the overall state of the industry.

FIFA World Cup boosted revenue growth

The analyses of the financial results of a large number of online gambling operators show that the growth rates of many KPIs and financial figures (e.g., total revenue, ...) rose in Q2 2014 and H1 2014 mostly due to the FIFA World Cup.

* The Q2 2014 average total revenue growth rate (compared to the year before, across all verticals/segments) was at 19%, up from 5% in Q1 2014.

* In H2 2014 the average total revenue growth (compared to the year before, across all verticals/segments) was 9%, up from 5% in H1 2014.

* The next quarters will tell whether the FIFA World Cup had

only a one-time effect or served perhaps as the starting signal for the market's recovery.

Industry climate only „satisfactory“ with no improvements likely in the future

Despite the recent revenue growth, most of the experts surveyed in MECN's panel assess the current business climate as only „satisfactory“ (on a scale ranging from „poor“ to „satisfactory“ to „good“). Martin Oelbermann, co-author of the study, explains further: „It seems that since fall 2013 the business climate assessment has stayed at „satisfactory“ without any major changes -neither for the worse nor for the better“. Additionally, the market insiders surveyed also do not expect the business climate to change over the next 12 months (the survey includes about 35 executives of the online gambling industry, among them many CEOs of key operators).

Mobile makes currently averages 29% of total revenue

For more than three years now the online gambling industry has declared the mobile channel its key growth driver. However, although the mobile business is becoming more and more important, operators do not (yet) have consistent reporting standards (KPIs) regarding their mobile revenues. In regard to comparable benchmarks two KPIs are currently usable:

* Mobile total revenue in % of total revenue – On average, the operators analysed generate 29% of their total online revenue via mobile channels (Q2 / H1 2014 figures).

* Mobile betting stakes/revenues in % of total betting stakes/revenues – On average, the operators analysed generate 43% of their total online betting stakes/revenue via mobile channels (Q2 / H1 2014 figures).

Winners and losers in the future – Ladbrokes and Betfair seem to be on a good track again

The online gambling industry is no longer a sure-fire success with every market player getting a fair share of the market. As mentioned above, times continue to be tough, and the market

will see „winners“ and „losers“. According to the experts MECN surveyed, Bet365 and Paddy Power will likely be among the „winners“ and will be able to grow their market shares the most in the next 12 months.

Among the companies with the largest improvements in regard to the experts' expectations of the future market shares were Ladbrokes and Betfair („see exhibit 1 – comparison of March and September data“:<http://www.mecn.net/downloads/press-releases/winners-and-losers.jpg>). Both companies are currently undergoing major restructuring but on the whole, industry experts seem to believe in the success of these improvements and expect market shares to grow in the next 12 months.

Online Gambling Quarterly – Q3 2014 – Comprehensive quarterly report analysing updated benchmarks, KPIs, trends, ... covering all sectors of the online gambling industry

This quarterly report covers a wide range of topics from key company sectors, such as finance, marketing, strategy, Due to this extensive coverage, the report is a must-read for executives and departments of all companies active in the online gambling market.

This regular report offers unprecedented insights into the industry, including:

- * Strategic issues – Strategic topics, such as overall industry climate, trends, forecasts, stock development, ...
- * Financial benchmarks – Quarterly and half-year revenue benchmarks, EBIT, and cost benchmarks, ...
- * Marketing benchmarks – Social benchmarks, SEO benchmarks, affiliate marketing benchmarks, ...
- * Product-related topics and benchmarking – Growth potential for selected products, benchmarking of product offers, ...
- * Analyses of regions and regulated markets – Regional analyses, such as the level of internationalization and in-depth coverage of regulated markets, ...
- * In total, the report has 105 pages and 154 graphs/exhibits.

The study can be obtained at
„www.mecn.net“: <http://www.mecn.net> or the report website.