



Sports Gambling in Puerto Rico: What the Future Holds

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- Feasibility Studies
- Economic Impact Analyses
- Database/Marketing Analysis
- Ops Analysis
- Strategic Planning
- iGaming and Sports Betting
- Market Research
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- Financial Advisory Services
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- Construction Costing
- Project Management
- Site Analysis
- Owners Rep





The PASPA Impact

- PASPA – “Professional and Amateur Sports Protection Act”
 - Struck down by SCOTUS as unconstitutional
 - Opens the door for US sports wagering on a state-by-state basis

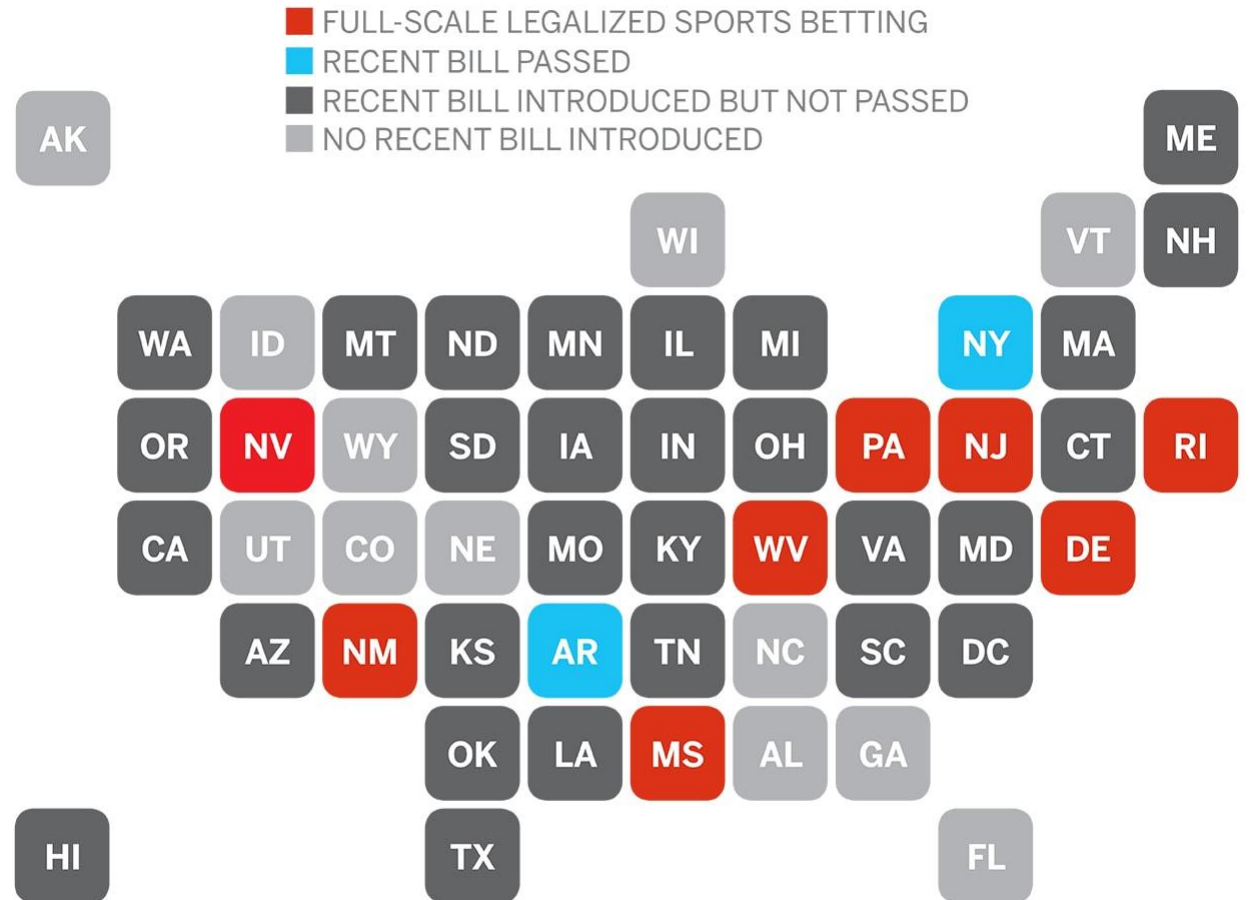
- But it’s not that easy
 - Offshore betting has many advantages
 - Credit
 - Convenience
 - Anonymity
 - Variety of Wagers, Good Prices



Sports Betting Landscape in the US

- 8 states with legal sportsbetting
- 2 recently passed
- 12 with no action
- 29 with recent bills (incl. DC)

This map is constantly moving, but legal sports betting will be widespread in 5 years.



Source:ESPN



Sports Betting Landscape – Tax Rates

Passed State Sports Betting Bills

State	Tax Rate	Additional Features
Mississippi	12%	Most jurisdictions have additional 3.2% local tax
New Jersey	Land Based: 9.75% Mobile: 13%	
Pennsylvania	36%	Includes 1% muni and 1% county
West Virginia	10%	-
Nevada	6.75%	
Rhode Island	51%	
Arkansas	13%-20%	Progressive tax



Sports Betting Landscape – Tax Rates (Int'l)

International Sports Betting Tax Rates

Country	Tax Rate	Additional Features
Australia	15%	League-Operator Negotiated Integrity Fees
Belgium	15% Land Based 11% Online	
Denmark	20%	
France	8.5% Handle	1% of Handle Integrity Fee
Germany	5% Handle	
Greece	35%	
Italy	18% Land Based 22% Online	
Netherlands	29%	
Poland	12% Handle	
Portugal	8-16% Handle	
Spain	10% Land Based 25% Online	
United Kingdom	15%	

Source: International Comparative Legal Guides, The Innovation Group

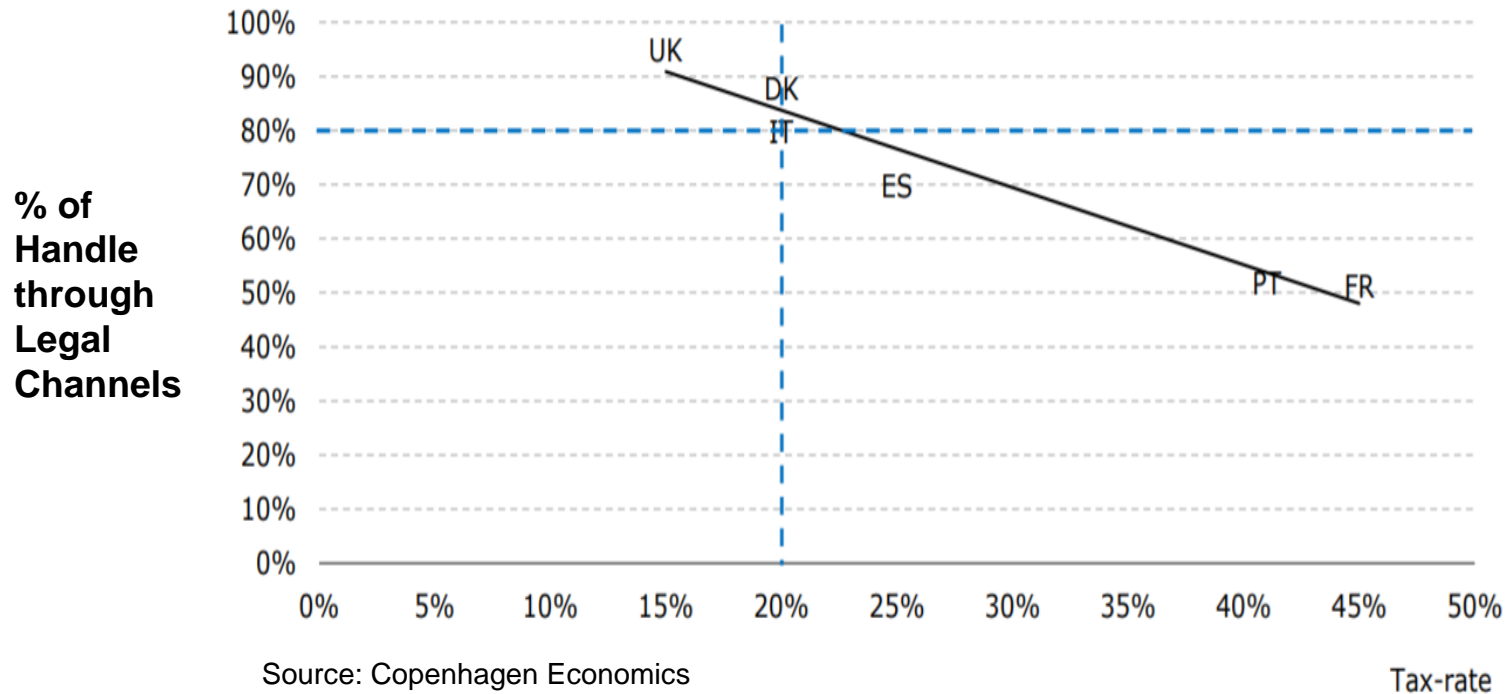


Sports Betting Landscape – Tax Rates (Int'l)

Large Black Markets:

- Germany
- France
- Portugal
- Poland (operators closed)

Channeling Rates



The Importance of Reasonable Tax Rates

- Direct Reinvestment to Players
- Reinvestment into Products
- Reinvestment into Platform
- Community Partnerships
- Responsible Gaming
- Need to Compete with Offshore Market



Sports Betting Survey Results

We surveyed over 7,500 prospective sports bettors throughout the US and found...

- **Not your average slot player:** Avg sports bettor is 30s-40s male. This means NEW players on casino floors.
- **Upside with women:** Nearly 40% of women said they'd bet
- **Men generate the volume:** Estimated over 80% of the handle
- **Not just sports:** Opportunity to capture bettor and companion slot/table play, F&B

Key driver of participation is proximity



Favorable Conditions in Puerto Rico

- Current casinos fit all customer segments
 - ✓ [Tourist/Upscale] Resorts that can be outfitted with luxurious sports books, and that have a variety of F&B which can include sports bars
 - ✓ [Local] Smaller casinos that are dispersed among high-population areas of the island
 - ✓ [Convenience] Easy-to-access network of OTBs and galleras
- Mobile usage similar to that in mainland US
- Baseball, Basketball, PGA Golf, Boxing, ...



A Case for Mobile

- William Hill US CEO: “64% of our business is mobile”
- Las Vegas: 61% growth in sports betting when mobile came online
- SportRadar: 70% of global customers use in-play betting
- New Jersey: Jan/Feb 2019 – 80% of handle mobile
- Denmark: 2/3 of revenue is mobile
- Convenience, but also safety, integrity, and KYC



The Partnership Landscape

- Vendor deals like DraftKings with Caesars and others
- League deals – Selling data, branding, access
- Team deals – Suites, team events, VIP experiences
- Media deals – Turner Media, VSiN
- Food and Beverage/Experience Deals – TopGolf, Buffalo Wild Wings
- Mark Cuban (flippantly) estimated that team franchise values doubled
- Affiliate Marketing



Technology and Media

- Gambling-oriented broadcasts
- Wagering on Smart TVs
- E-Sports
- Nielsen estimated that the NFL would benefit \$2.6 BILLION from increased viewership



Responsible Gaming and Integrity

- Increased visibility from regulators
- Access to data
- Better age verification
- Use of AI to detect problem gaming and intervene
- Preservation of integrity through data
- Advertising standards



Economic Benefit to Puerto Rico

- Direct Taxes
- Increased (non-sports) Gaming Revenue
- Investment through partnerships
- New types of jobs
- Sports Tourism