

Presentation

Fantasy Sports and Sports Betting Market Study:

FSGA Summer Conference 2022



June 2022





BACKGROUND AND METHODOLOGY

The objective of today's presentation is to answer the following questions...



What is the current incidence of Fantasy Sports and Sports Betting participation in the U.S., and how has this changed since last year?



Among those who participate, what does their play/betting look like (e.g., what leagues, operators, contest/bet types, etc.)?



How big is the unregulated sports betting market, and are players aware that they play on unregulated sites?



To what extent has the spread of sports betting cannibalized the fantasy market?



How do players' perceptions of sports betting compare to their perceptions of fantasy?



What are the key market demographics of a Fantasy Player and Sports Bettor, and how do these compare to the general population?

To answer these questions, we conducted a research study with the following methodology:



WHERE

United States



TARGET

- 1) General Population (18+)*
- 2) Sports Bettors or Fantasy Players



SAMPLE SIZE

- 1) n=2,000 Among the Gen Pop
- 2) Boost to n=1,507 Fantasy Players or Sports Bettors



HOW

Online Survey



FIELD DATES

May 10 – 25, 2022

*Gen. Pop. Sample was used to find the incidence of Sports Bettors and Fantasy Players.

Most recent CENSUS data was used when extrapolating total number of players/bettors within the U.S. adult population (253,272,570 total). Minor discrepancies in total number vs. percentages reported due to rounding of percentages.

To Set The Stage:



Sports Bettors *if...*

Bet on any of the following in the past 12 months:

✓ NHL	✓ NCAA Football
✓ NFL	✓ NCAA Basketball
✓ NBA	✓ Boxing
✓ MLB	✓ MMA
✓ CFL	✓ Tennis
✓ Soccer- Int'l or Pro. League	✓ Motor Racing
✓ Golf	✓ eSports



Fantasy Players *if...*

Participated in Fantasy for any of the following in the past 12 months:

✓ NHL	✓ NCAA Football
✓ NFL	✓ NCAA Basketball
✓ NBA	✓ USFL
✓ MLB	✓ MMA
✓ CFL	✓ NASCAR
✓ Soccer	✓ eSports
✓ Golf	✓ Bachelor



Crossover Players *if...*

They are both Sports Bettor AND a Fantasy Player



Unregulated Sports Bettors *if...*

They bet on Sports through an online sportsbook/app that is not regulated in their state.

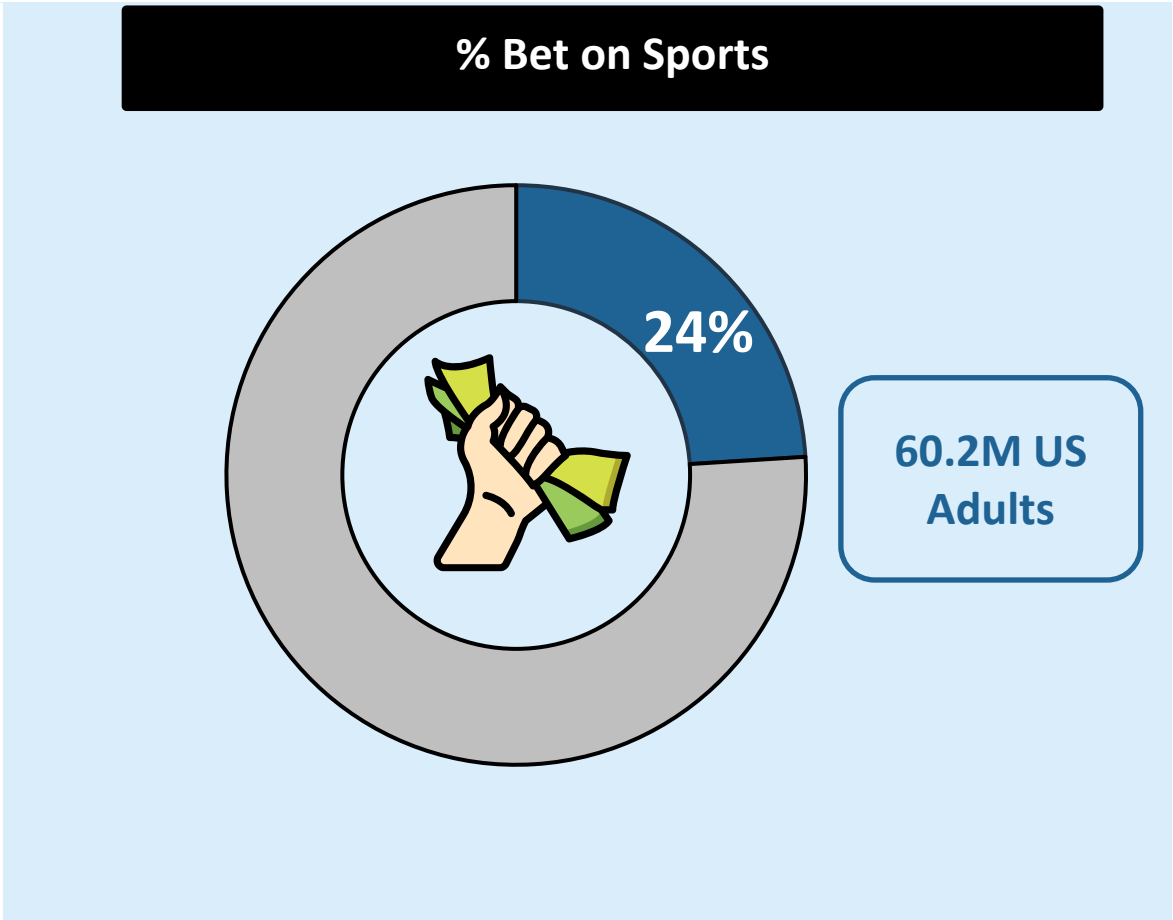
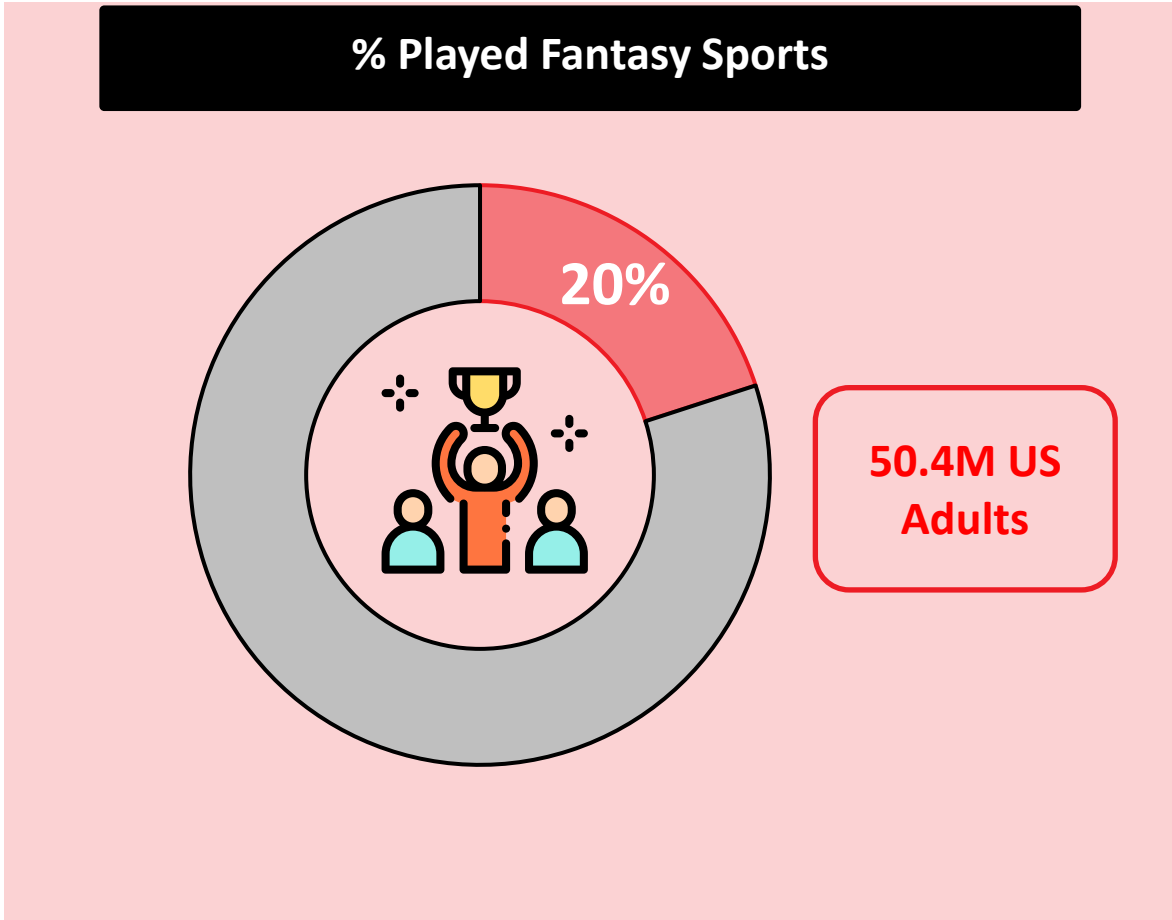


Regulated Sports Bettors *if...*

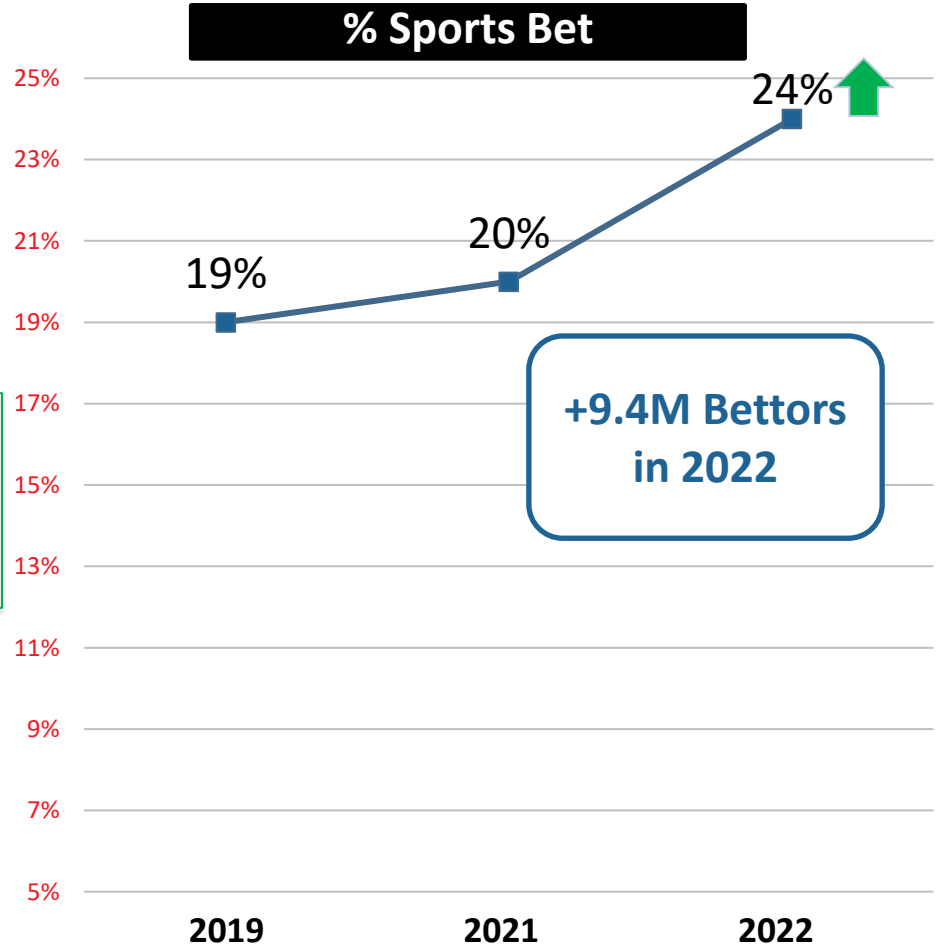
They bet on sports through an online sportsbook/app that is regulated in their state.

INCIDENCE OF FANTASY SPORTS AND SPORTS BETTING

One fifth of US Adults 18+ now play Fantasy, and nearly a quarter bet on sports.



This represents a growth in player-ship for both activities compared to last year.



“But didn’t you tell me back in 2017 that there were 59.3M players?”

*“Yes, I did. Great Memory.
And thanks for listening to
the research guy”*

“So why then are you telling me that the numbers are going north. What’s happened?”

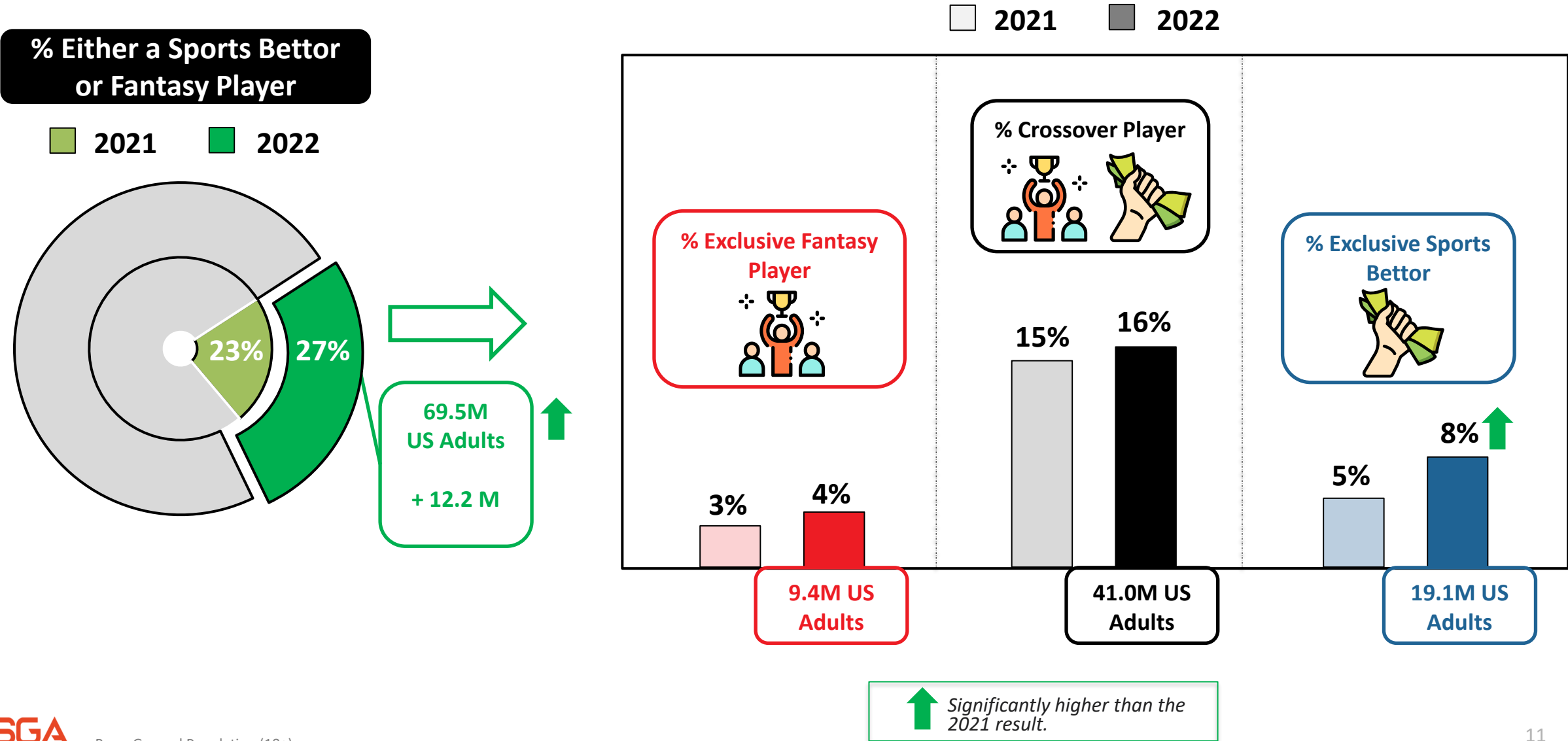
*“In 2017, there were 2 additional
factors. We included those aged
12-17. And we included
Canadians in the mix”*

So Whats the Apples to Apples Comparison?

	2017	2022	
Total	53.5 M	62.5 M*	
Adults 18+	43.2 M	50.4 M	+7.4M +17%
12-17	10.3 M	12.1 M*	

**These are projected numbers assuming that the growth in adults is mirrored among those 12-17*

The Overall Fantasy/Betting Population is growing, which is largely driven by the growth of exclusive sports bettors.



The significant growth of Exclusive Sports Bettors in 2022 has in turn increased its relative share in the Fantasy/Betting market, with all categories experiencing increases in players.

% of Fantasy Sports or Sports Bettors who are...

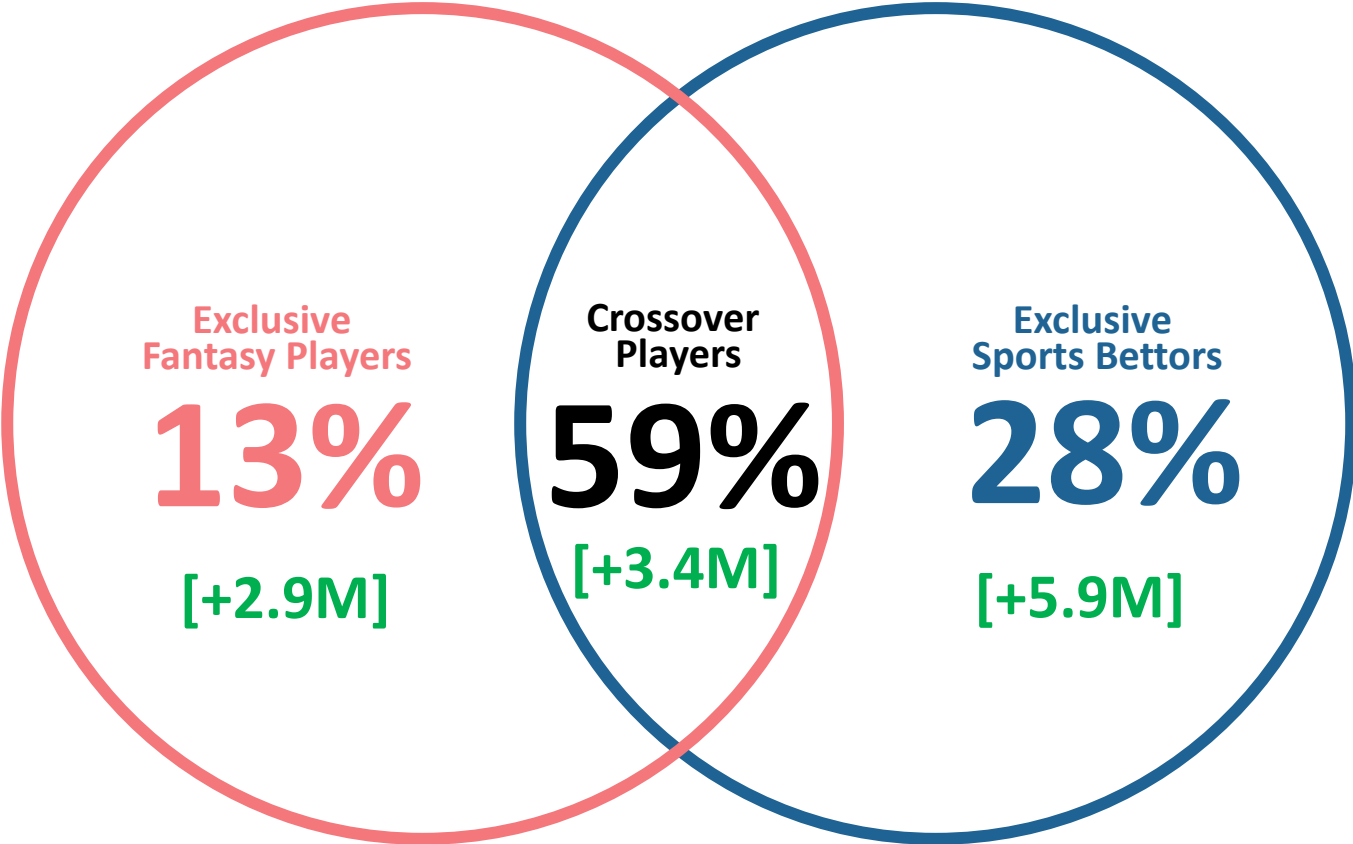


Fantasy Players

72%

% Fantasy Players who sports bet

81%





Sports Bettors

87%

% Sports Bettors who play fantasy

68%

[] =Growth vs. 2021

DFS has grown in the past few years, leading to a larger share among the Fantasy Market for both the Exclusive and Crossover groups.

% of Fantasy Sports Players who play...

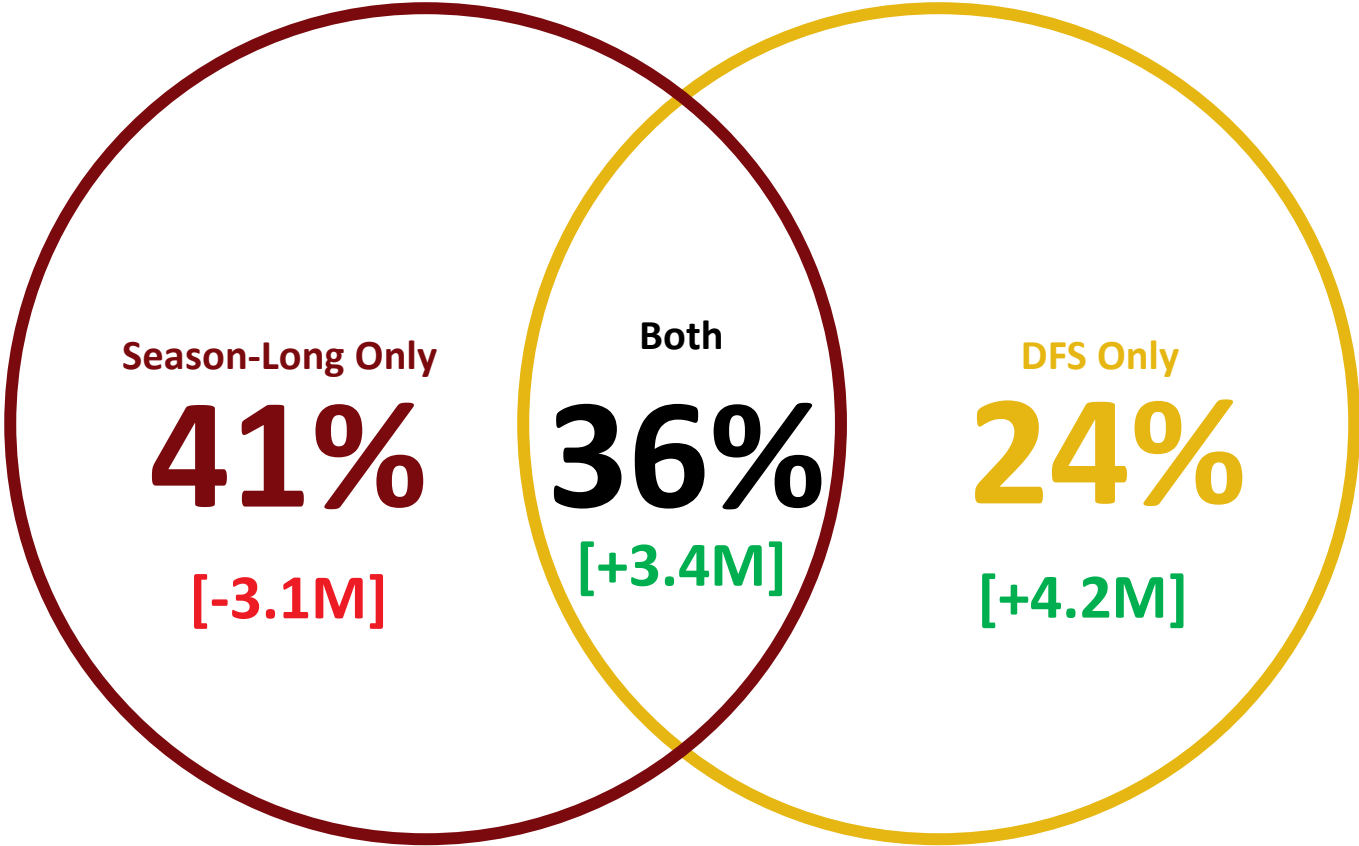
Season-Long Players-
% OF GEN. POP

15%, 38.5M

[+0.3M]

% Season-Long who
play DFS

47%, 18.1M



DFS Players- % OF
GEN. POP

12%, 30.2M

[+7.6M]

% DFS who play
Season-Long

60%, 18.1M

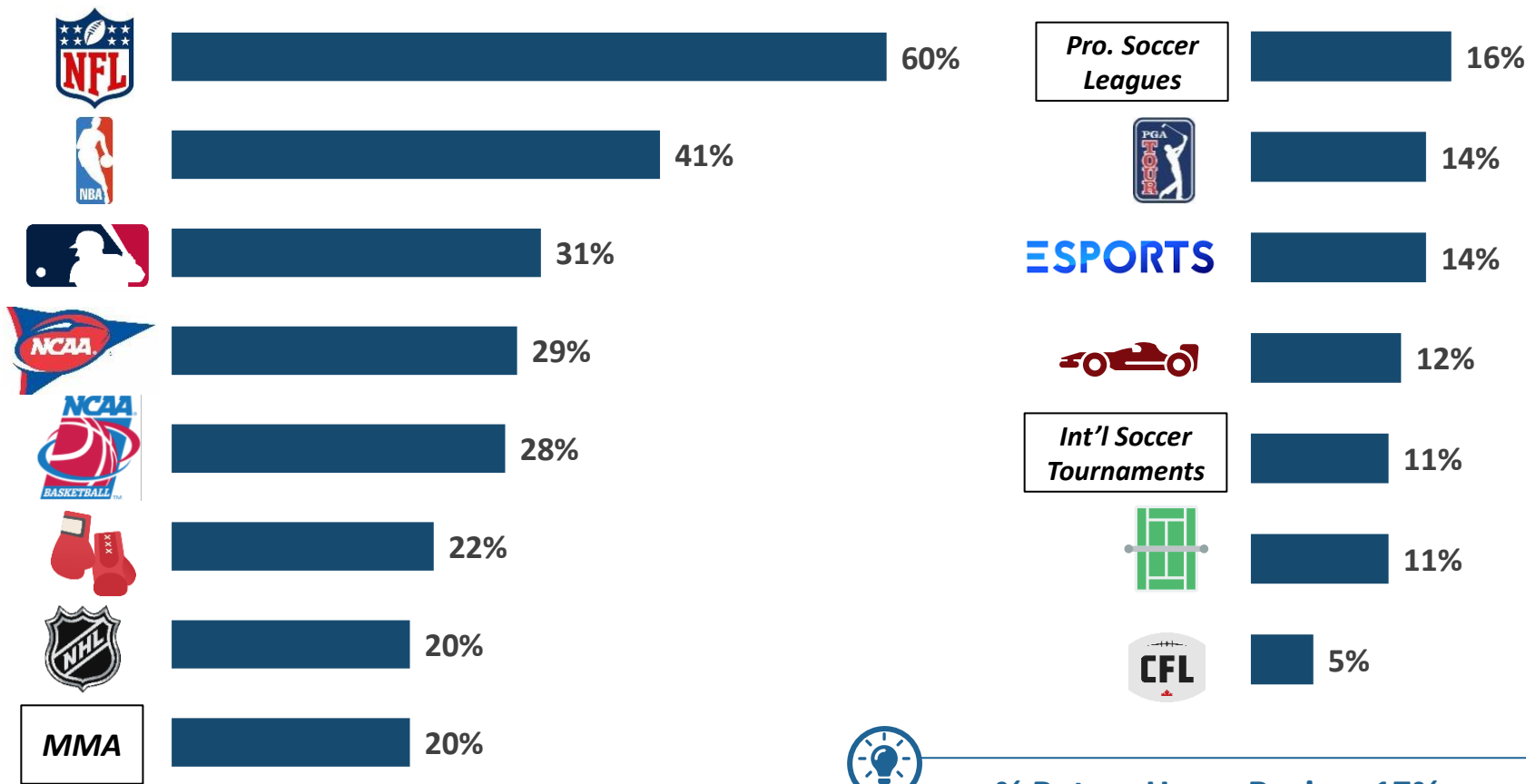
[] =Growth vs. 2019

A photograph of four men sitting on a couch in a modern living room. The man on the far left, wearing a light blue shirt and glasses, has his mouth open in a shout and his right arm raised. The man next to him, in a purple shirt, holds an orange basketball high above his head with both hands. The third man, in a grey t-shirt, wears a black face mask and holds a blue bowl with a wooden spatula. The man on the far right, with a beard and an orange t-shirt, is eating from a bowl. The background shows a kitchen area with white shelves and a spiral staircase.

PLAYER BEHAVIOUR: SPORTS BETTING AND FANTASY

NFL remains the most popular game to bet on, followed by NBA, MLB, and College Sports.

% Of Sports Bettors who bet on...



% Bet on Big 4
Overall: 82%
Exclusively: 26%

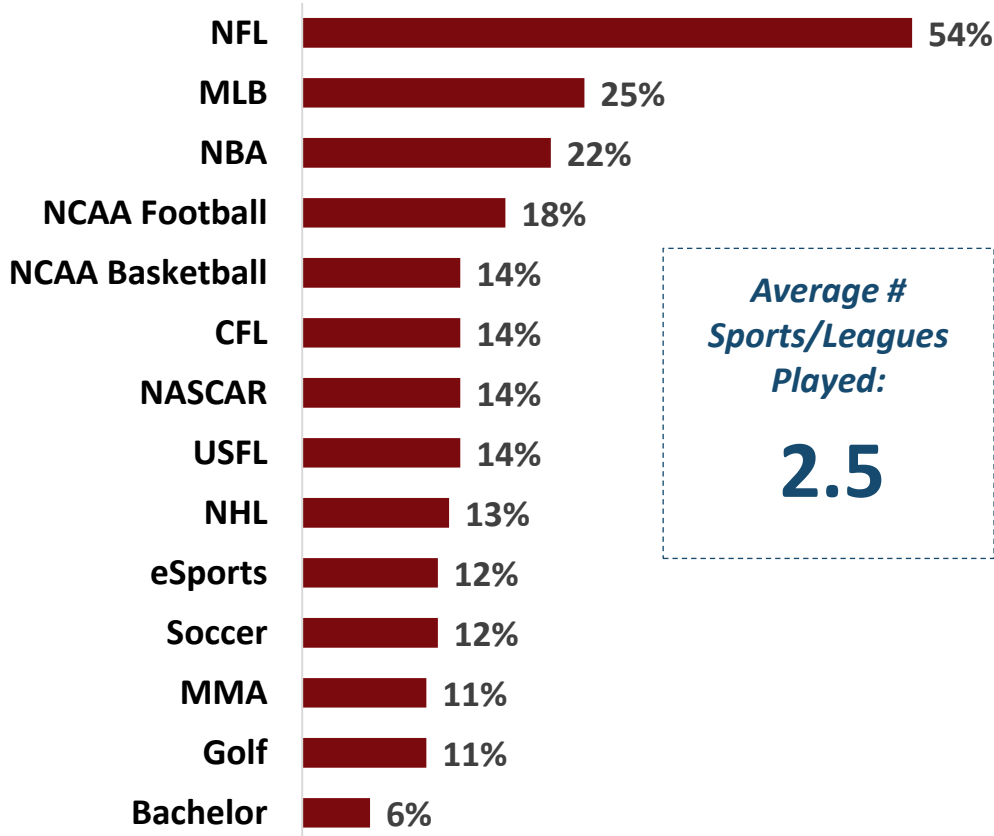
% Bet on Non-Big 4
Overall: 74%
Exclusively: 18%

Average #
Sports/Leagues Bet
On:
3.4

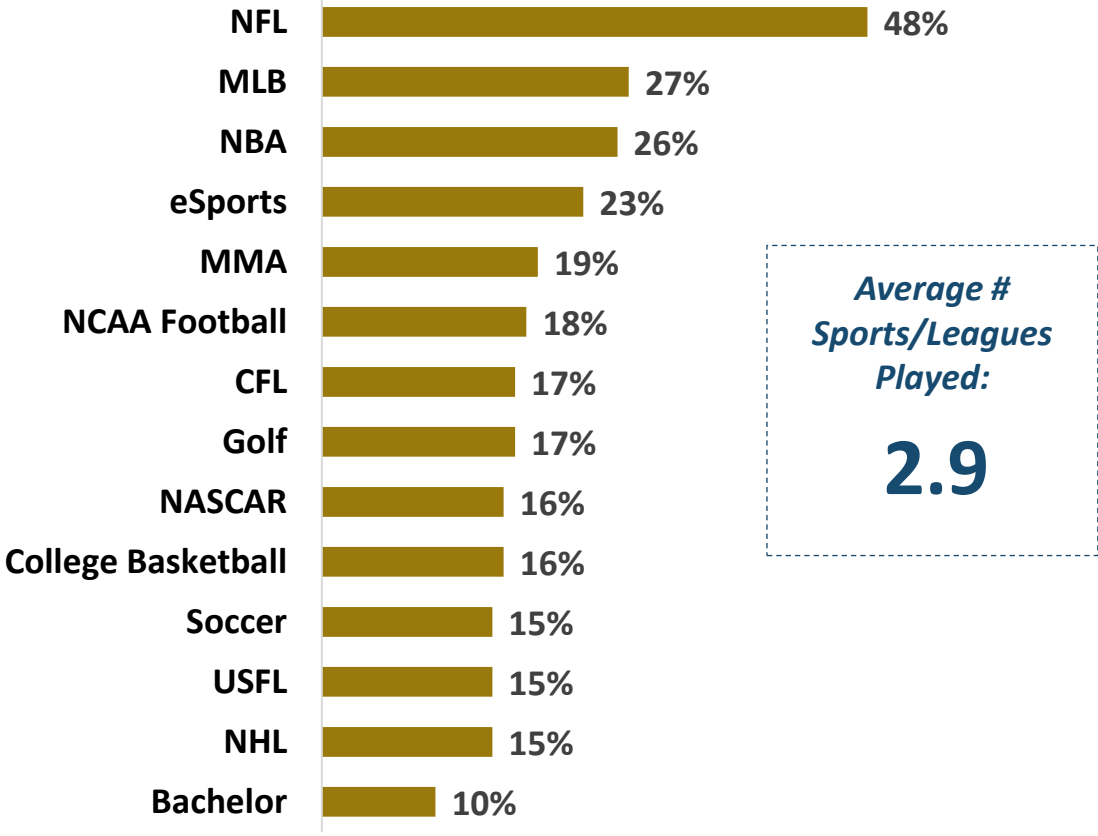
% Bet on Horse Racing: 17%

NFL, MLB and NBA are also the top leagues for Fantasy, followed by eSports and MMA for DFS.

% By League- Season-Long

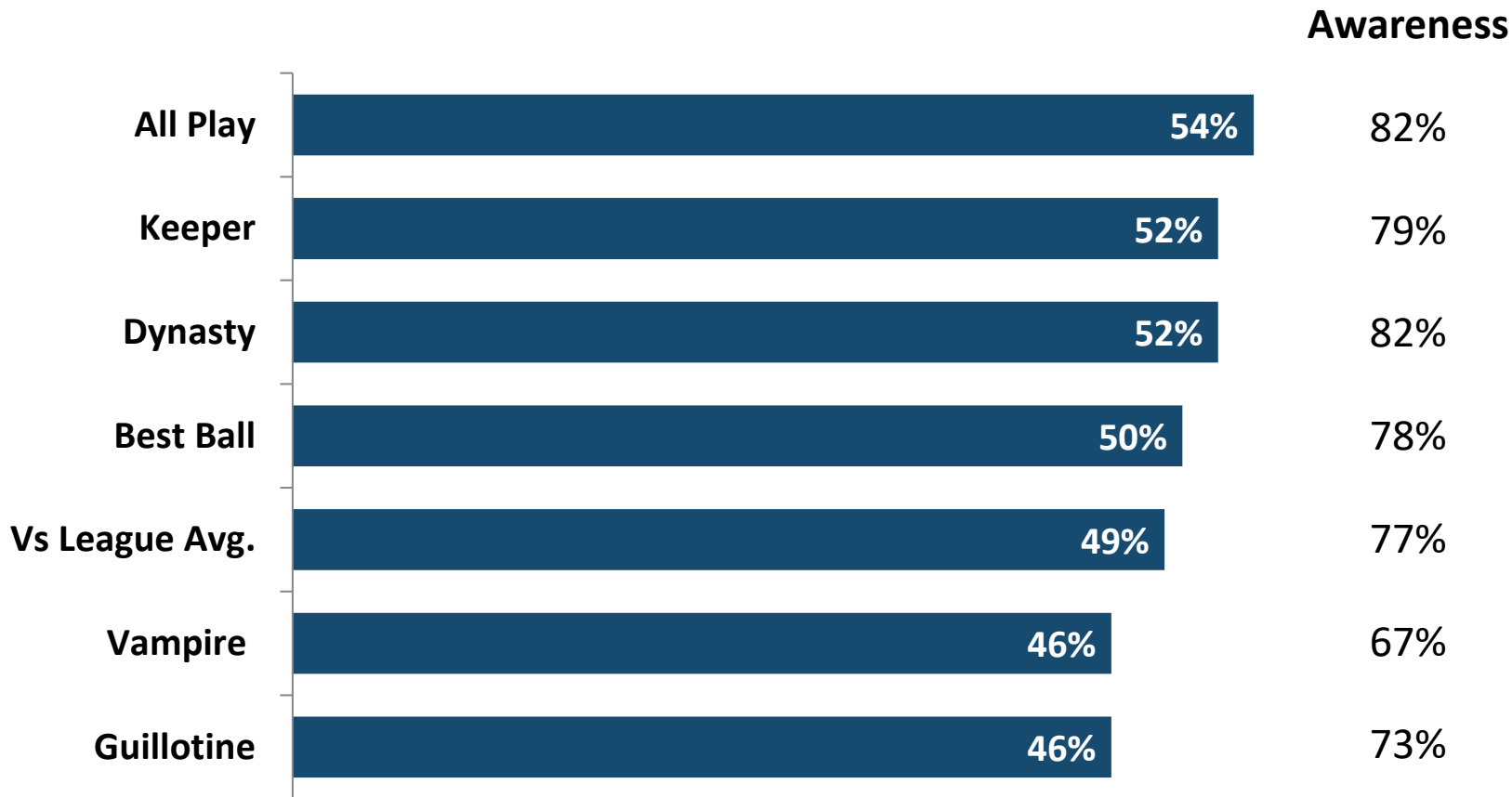


% By League- DFS



When made aware of them, Fantasy Players have high appetite to try new formats, indicating a thirst for innovation.

% Fantasy Players interested to try...



% Interested in AT LEAST ONE game:

79%

Avg. # Games Interested In:

2.9

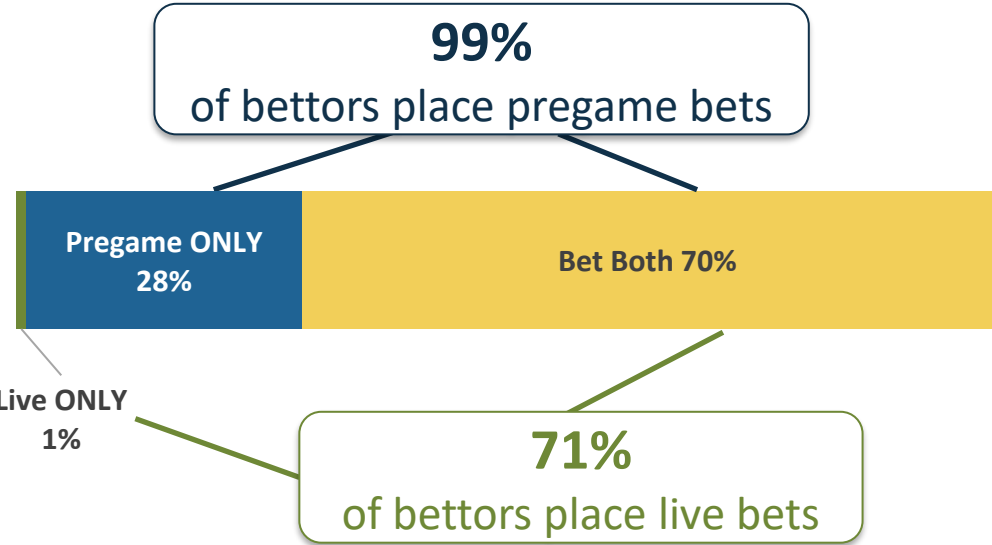
NOTE: Respondents were shown descriptions of each format before being asked to rate their interest.

Base: Fantasy Players (n=1,113)
A10. Before today, which of the following types of fantasy sports formats have you played?

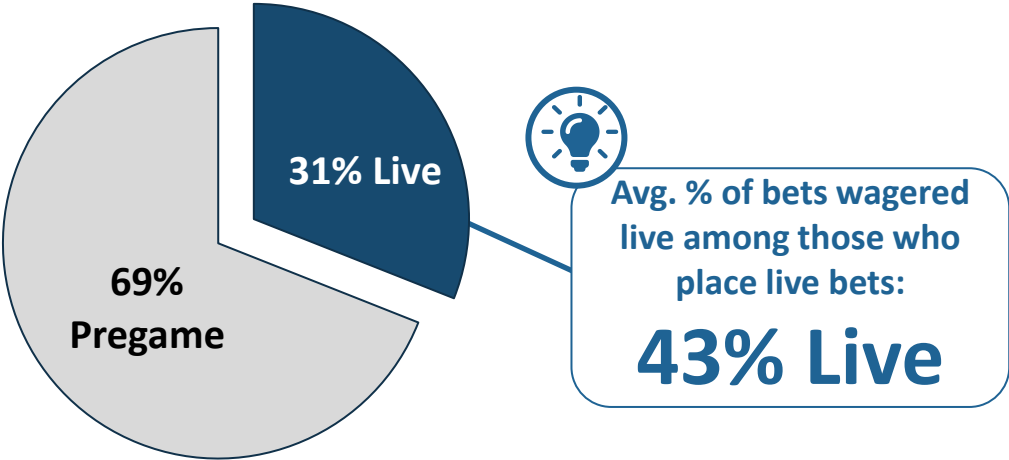
Base: Fantasy Players who have not played respective games above (n=varies)
A11. You indicated you haven't played the following types of fantasy sports game formats. How interested, on a scale of 1 to 7 would you be in trying these in the future?

Nearly every Sports Bettor makes pregame bets, but live betting also represents a large share of the wager market.

Sports Bettors by Type- Pregame vs. Live

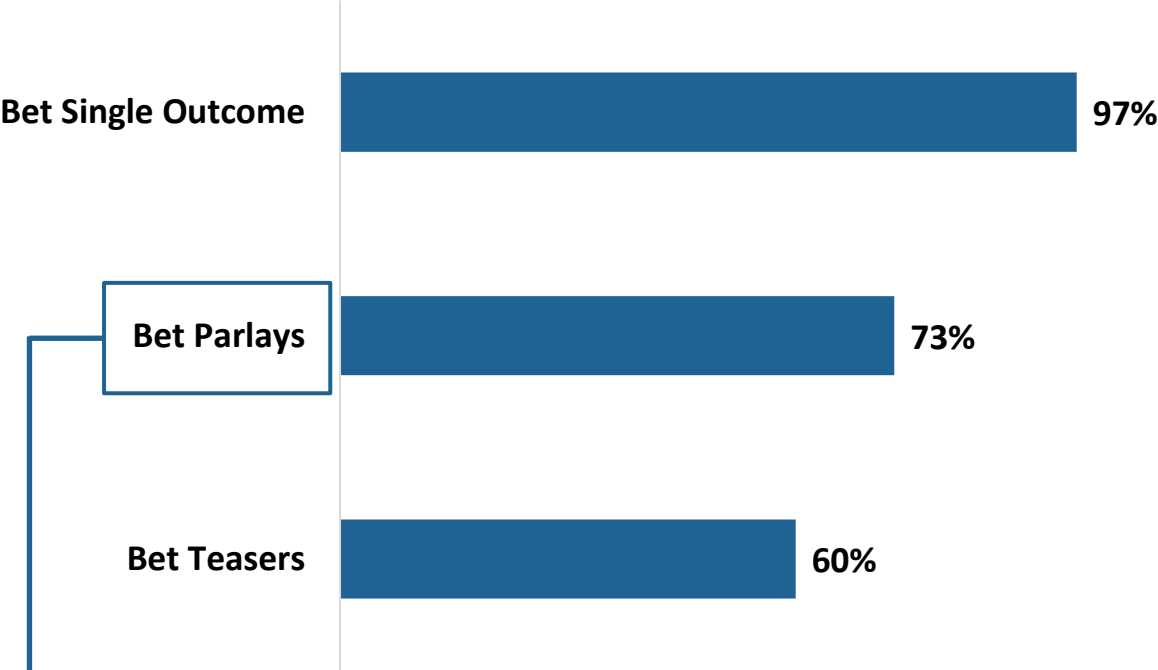


% Average wager split by bettor

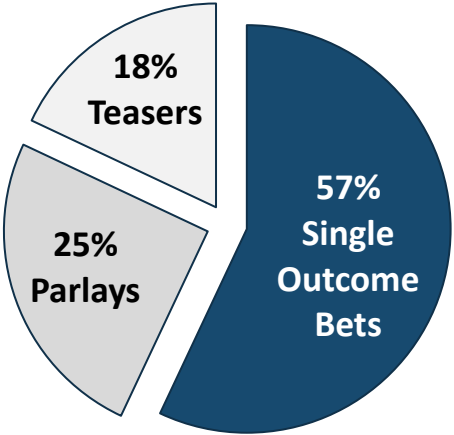


Most Sports Bettors tend to split their play between single outcome and multi-outcome bets.

Sports Bettors by Type- *Single Outcome vs. Parlays vs. Teasers*



% Average wager split by bettor



28% of Parlay Bettors make Same Game Parlays most often (72% make traditional parlays most often)

Fantasy Players and Sports Bettors are generally willing to spend money on items that could provide a “leg up” or help them follow along better.

% who spent money on... Avg. spend on...		 STATISTICAL DATA/ANALYSIS PACKAGES	 PREMIUM ADVICE PACKAGES	 LIVE GAME PACKAGES
 For Fantasy Sports Purposes		67%	58%	80%
		\$20	\$10	\$45
 For Sports Betting Purposes		58%	57%	71%
		\$17	\$20	\$49

Base: Sports Bettors (n=1,340), Fantasy Players (n=1,113)

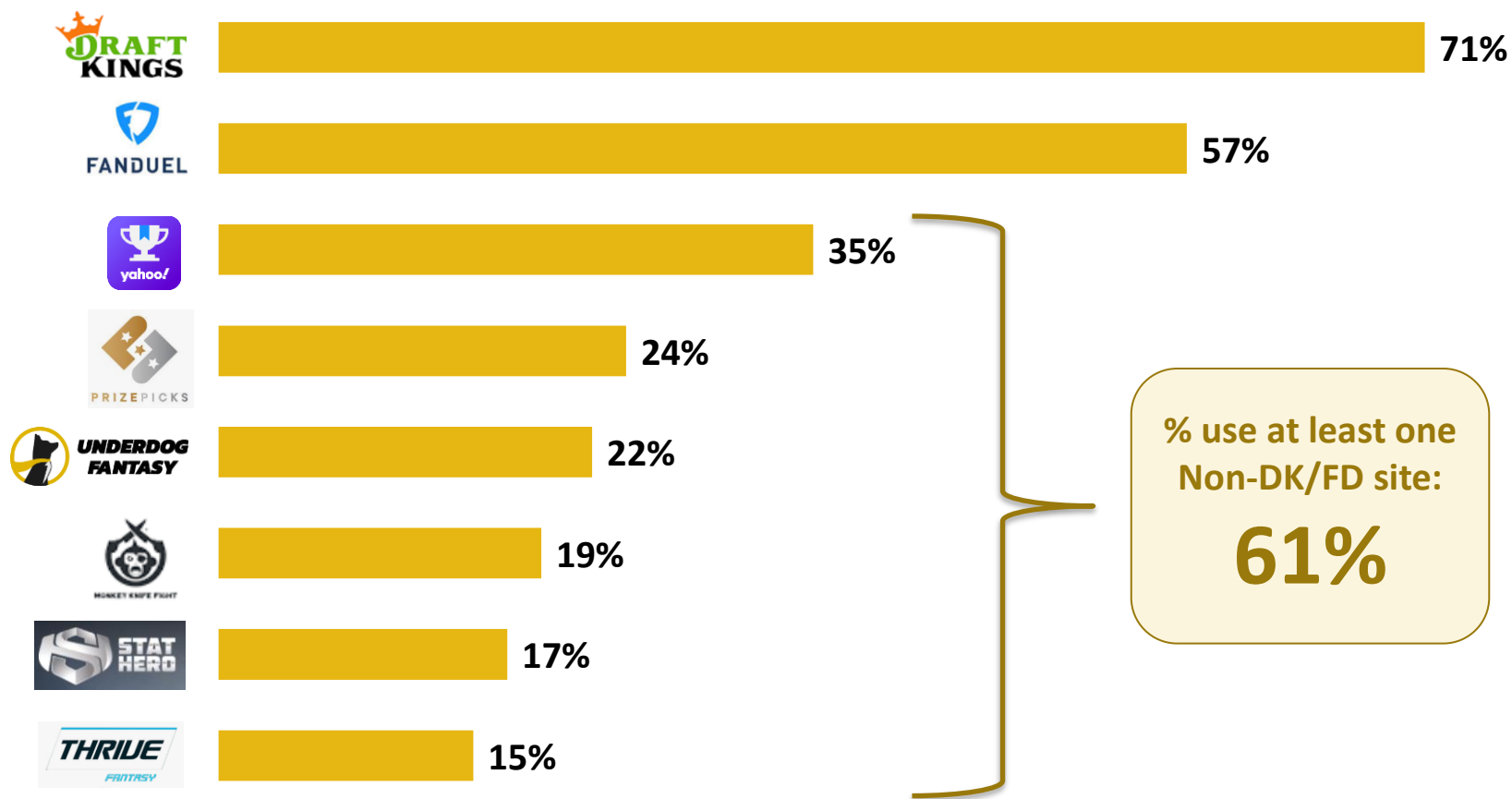
A9. In total, how much would you say you have spent on the following in the past 12 months specifically for fantasy sports related purposes? Note, if you have not spent any money on the items shown below, put “0” or leave blank.

B7. In total, how much would you say you have spent on the following in the past 12 months specifically for sports betting-related purposes? Note, if you have not spent any money on the items shown below for sports betting purposes, put “0”.

ONLINE PARTICIPATION

DraftKings and FanDuel continue to be the most popular DFS platforms, but the majority of players use at least one other site.

% of DFS Players who Use...

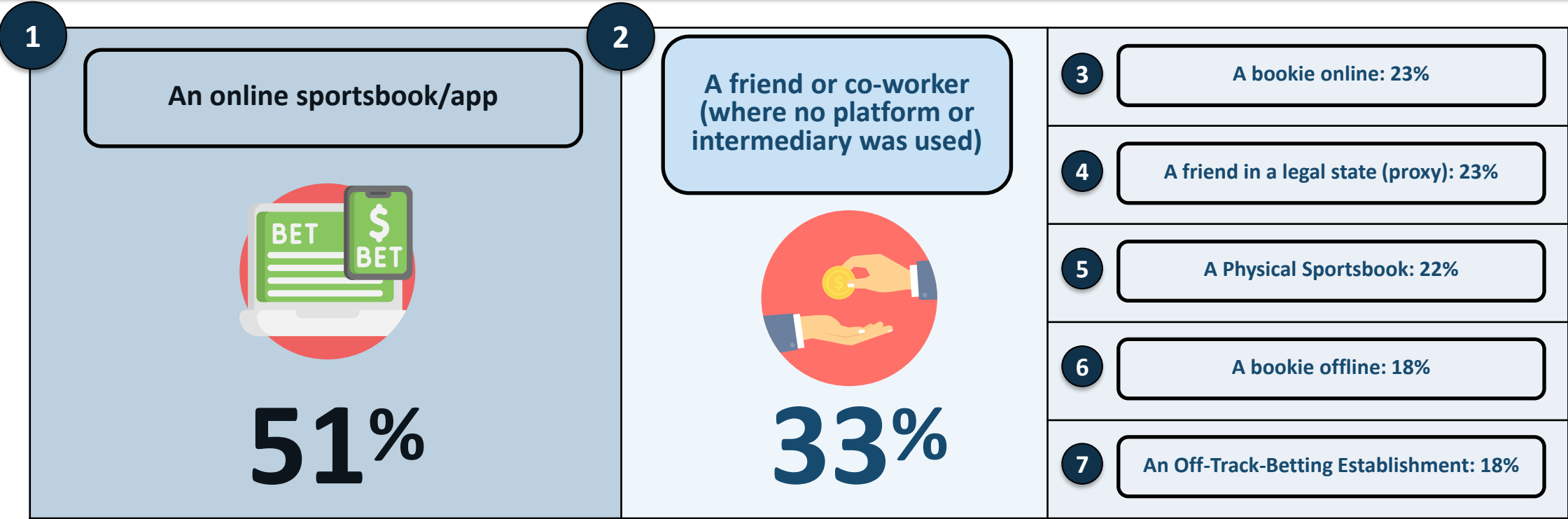


2.6
AVERAGE # OF
SITES USED

71%
USE MORE
THAN ONE

Online betting is now the most popular way to bet on sports, led primarily by online sportsbooks/apps.

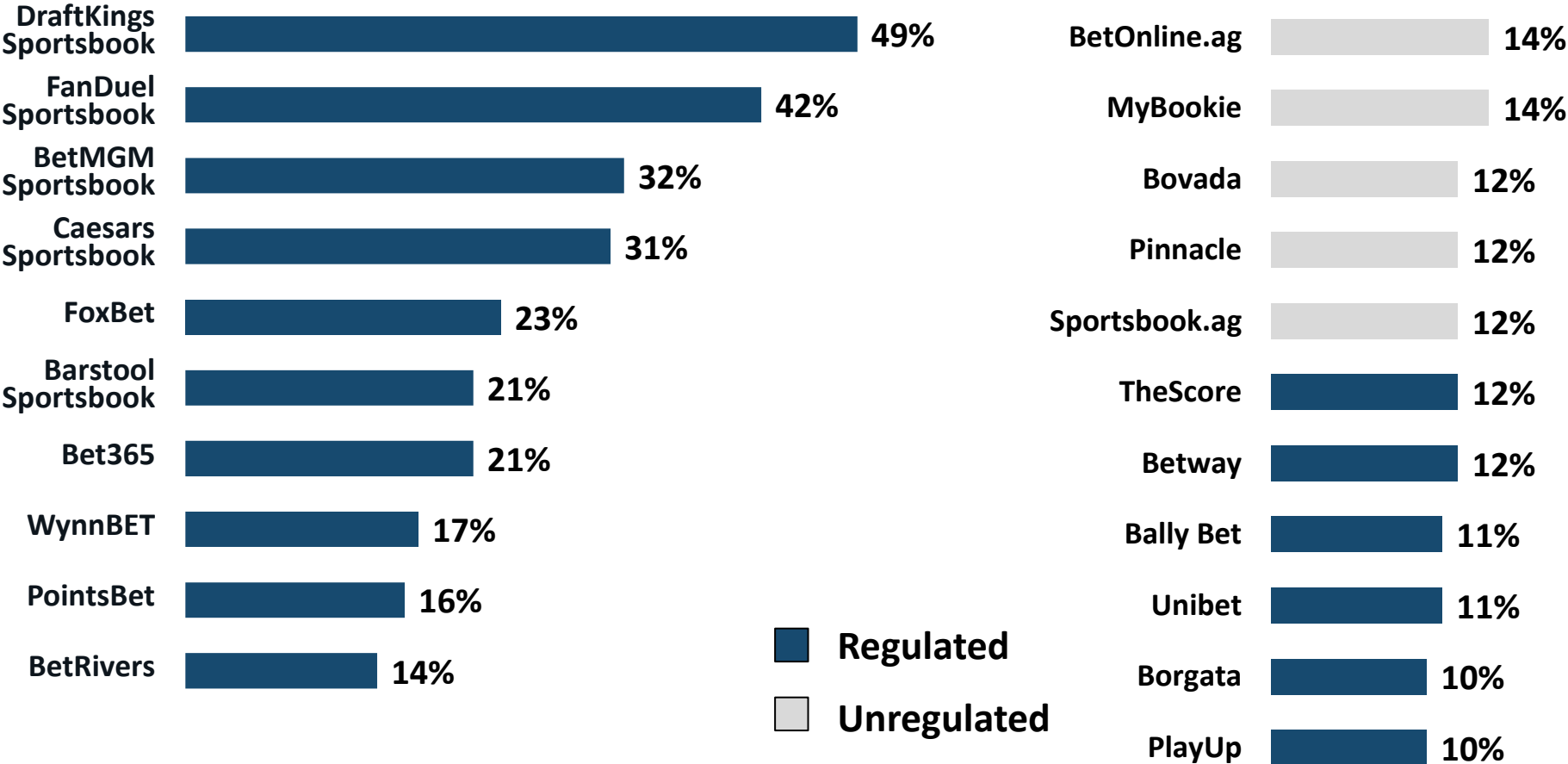
Sports Betting by Channel- % of Sports Bettors who bet via...



% of Bettors who Use Online Channel (sportsbook/app and/or online bookie): 63%

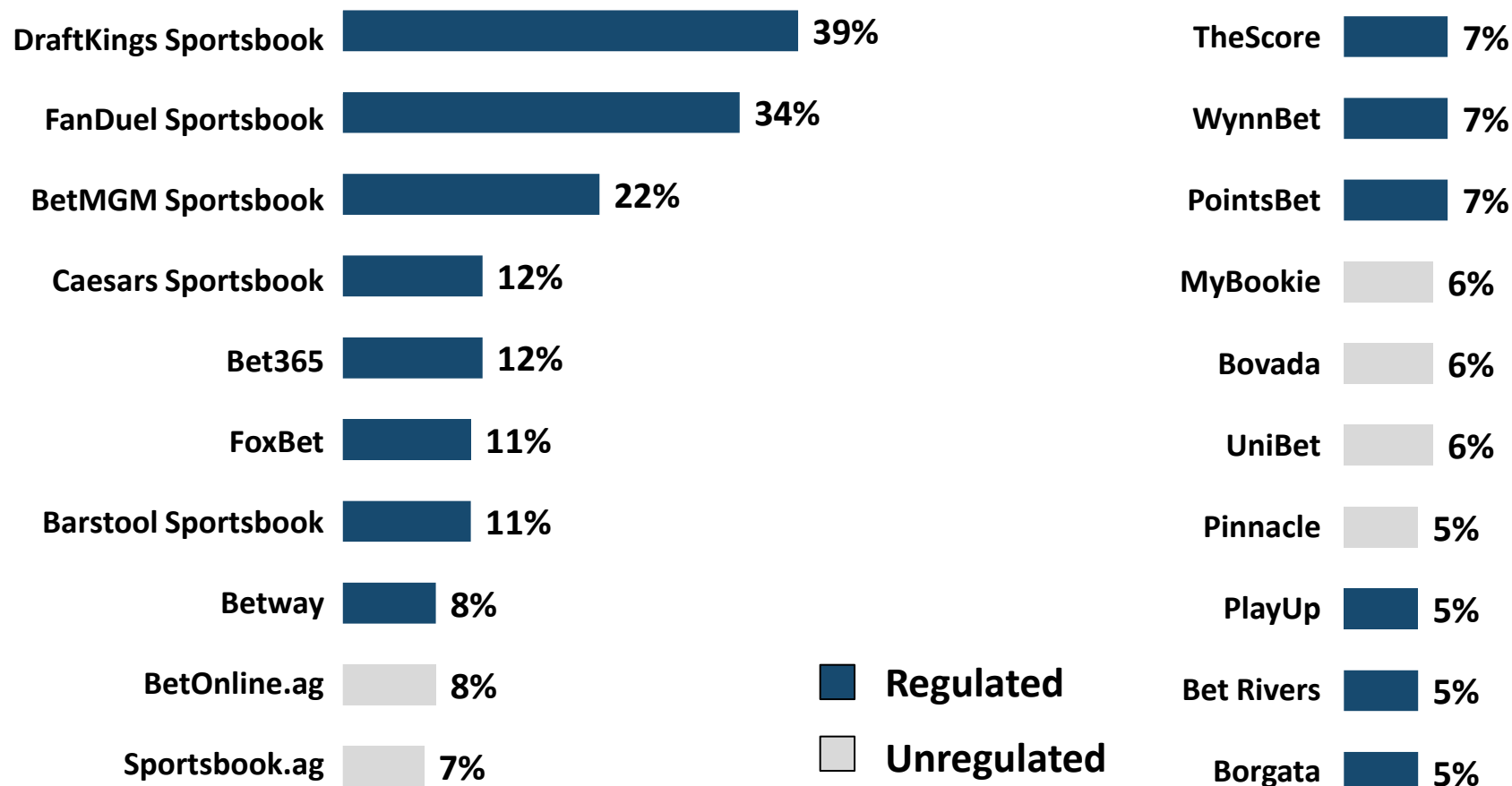
The DraftKings and FanDuel sportsbooks lead in terms of awareness, followed by BetMGM and Caesars.

% of Sports Bettors aware of...



The top online sportsbooks in terms of awareness also lead in terms of participation.

% of Online Sports Bettors who Use...



2.6

AVERAGE # OF
SITES USED

59%

USE MORE
THAN ONE

Many online sportsbook bettors now do so on Regulated Sites, but the unregulated sites still hold a large share.

% Online Sportsbook/App Bettors who are...



Unregulated Players

75%





Regulated Players

41%

However, in legalized states, regulated sites own the larger share of the market, and only half of sports bettors use an unregulated site.

% Online Sportsbook/App Bettors IN LEGALIZED STATES
who are...



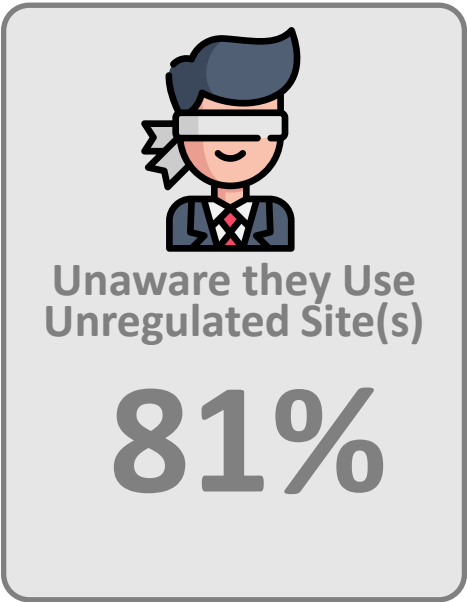
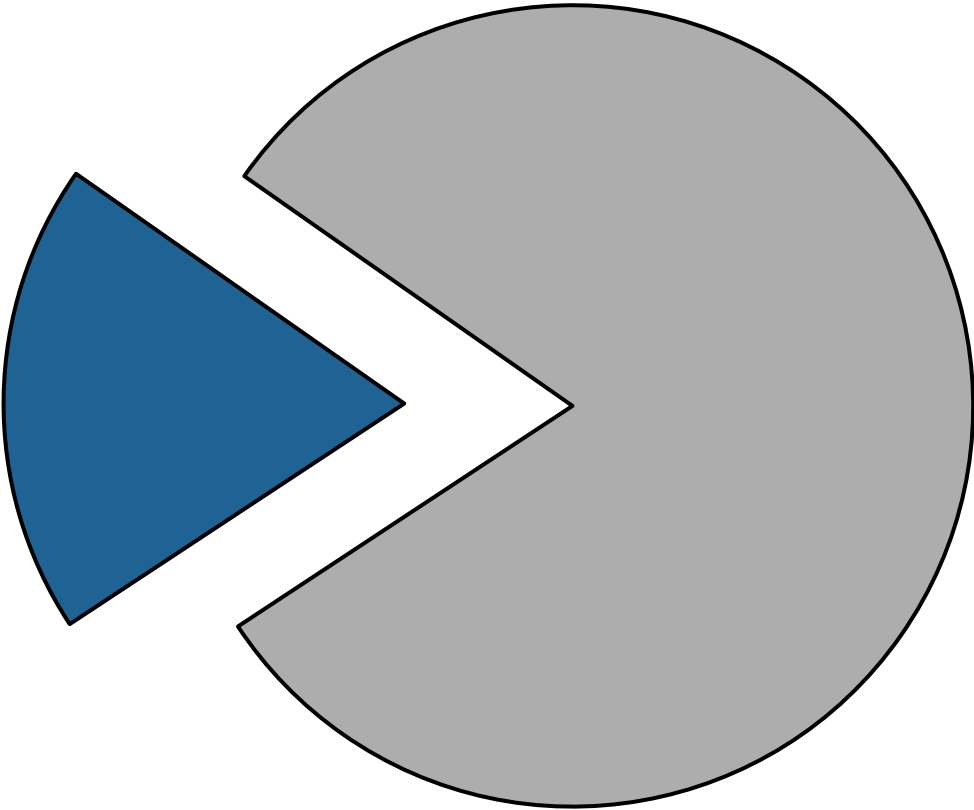
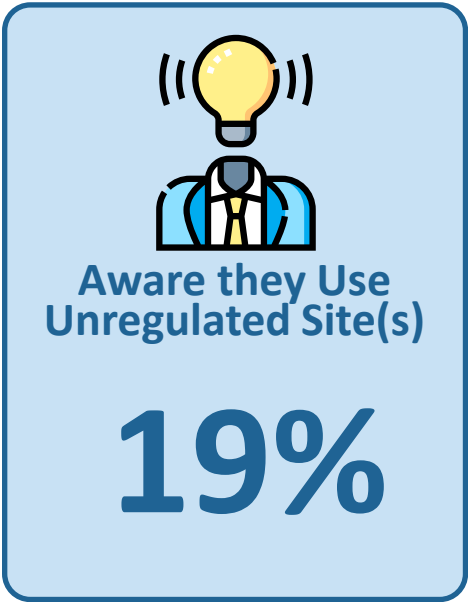
Unregulated Players
55%




Regulated Players
76%

The vast majority of unregulated bettors are not aware that the site(s) they use for betting is not technically legal within their state.

Among Unregulated Bettors...

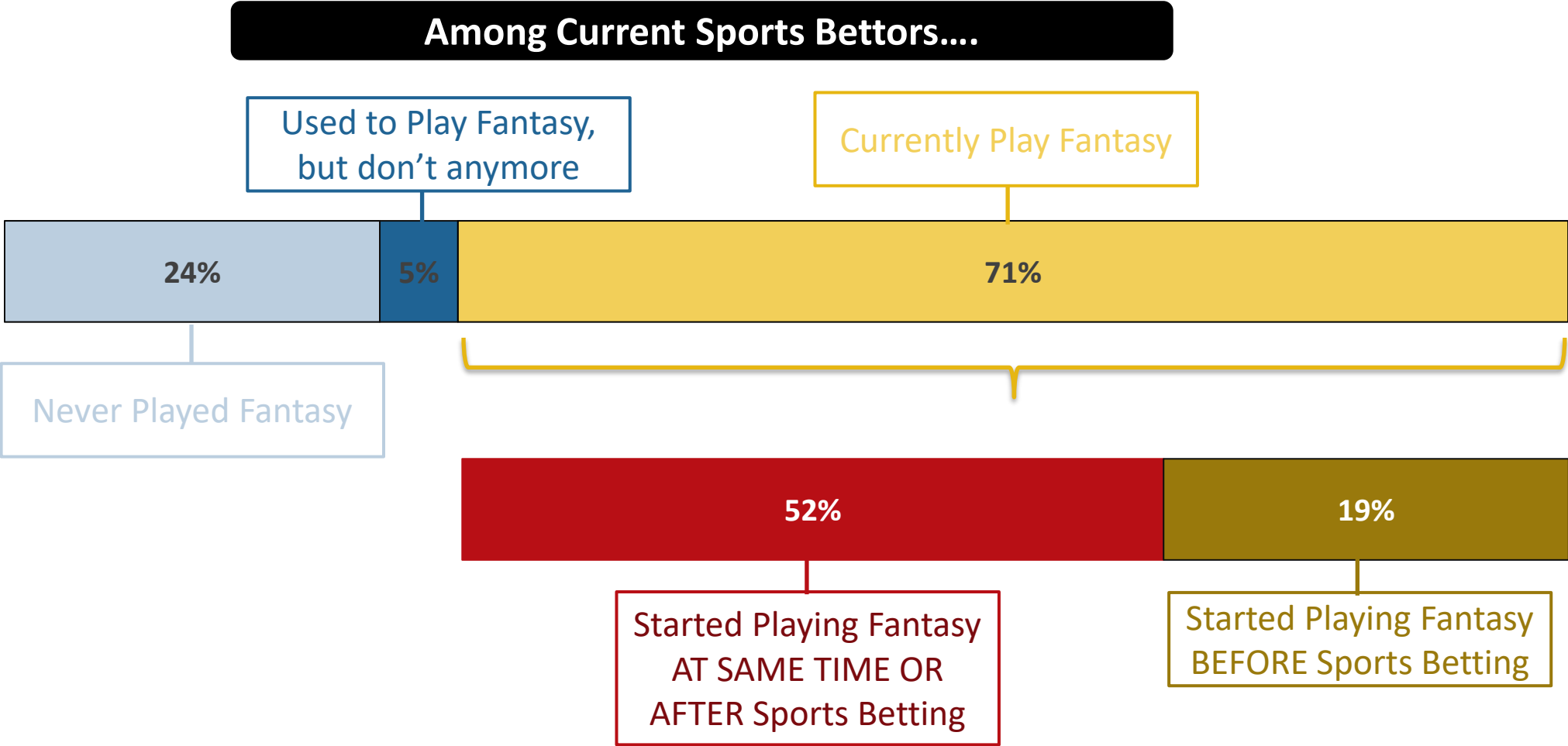


Aware vs. Unaware split in legalized states: 20%/80%



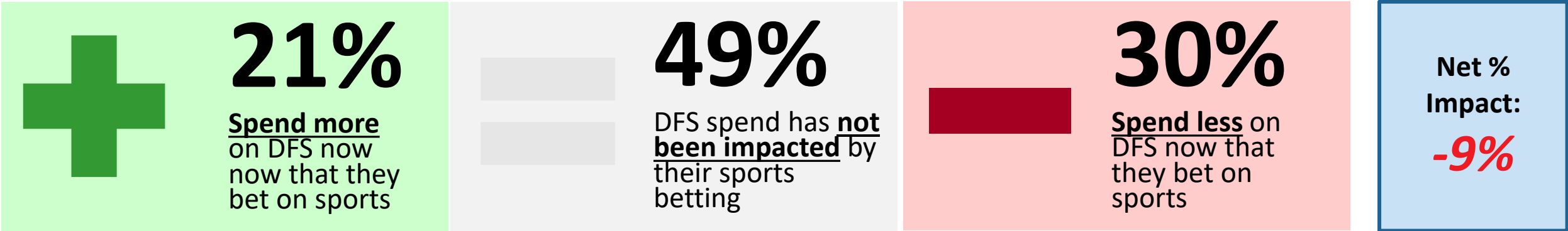
IMPACT OF SPORTS BETTING GROWTH ON THE FANTASY MARKET

While the crossover between Fantasy and Sports Betting is high, the proportion of bettors who used to play fantasy or started playing fantasy before sports betting is relatively small.

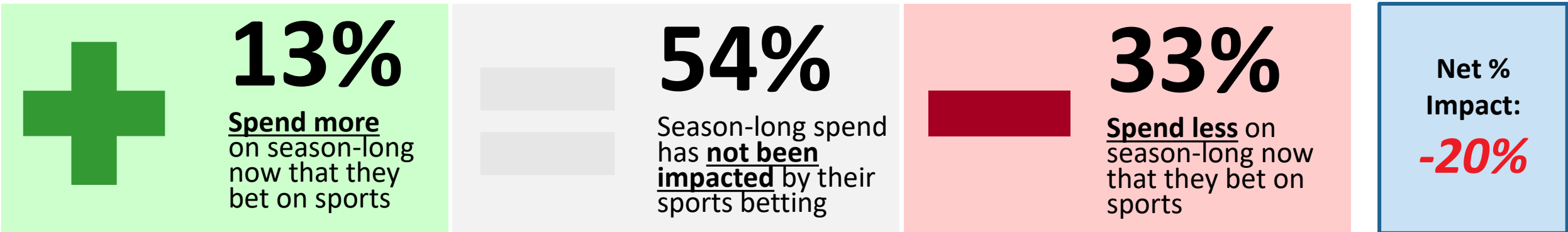


Among the small group of Crossover players that did play Fantasy first, more claim to have decreased their fantasy spend (than increased) due to their starting to sports bet.

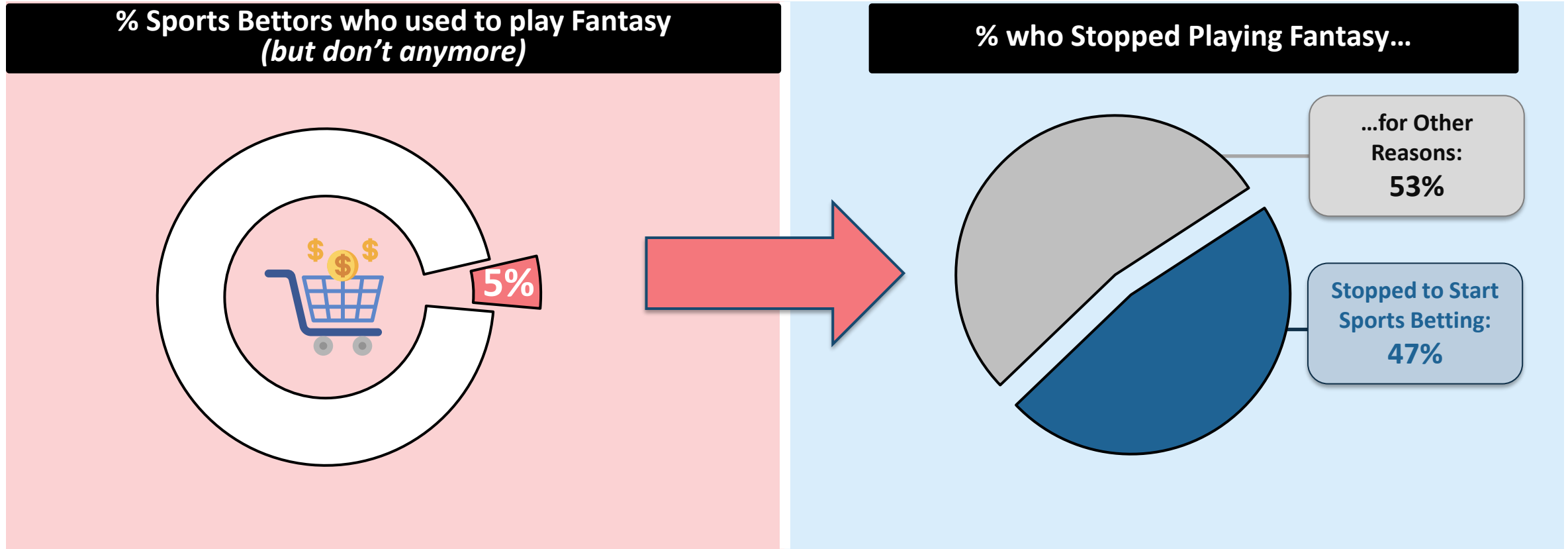
Among Sports Bettors who started playing DFS first....



Among Sports Bettors who started playing Season-long first....



Very few sports bettors have halted their Fantasy participation, but among them only about half have done so because of their sports betting.





PLAYERS' PERCEPTIONS OF FANTASY AND SPORTS BETTING

Players commonly equate fantasy to sports betting, but with a different opponent.

% of Fantasy Players/Sports Bettors who Agree...

Fantasy is a way to win money from your peers, but sports betting is against the house



Season long fantasy is a form of sports betting



DFS is a form of sports betting



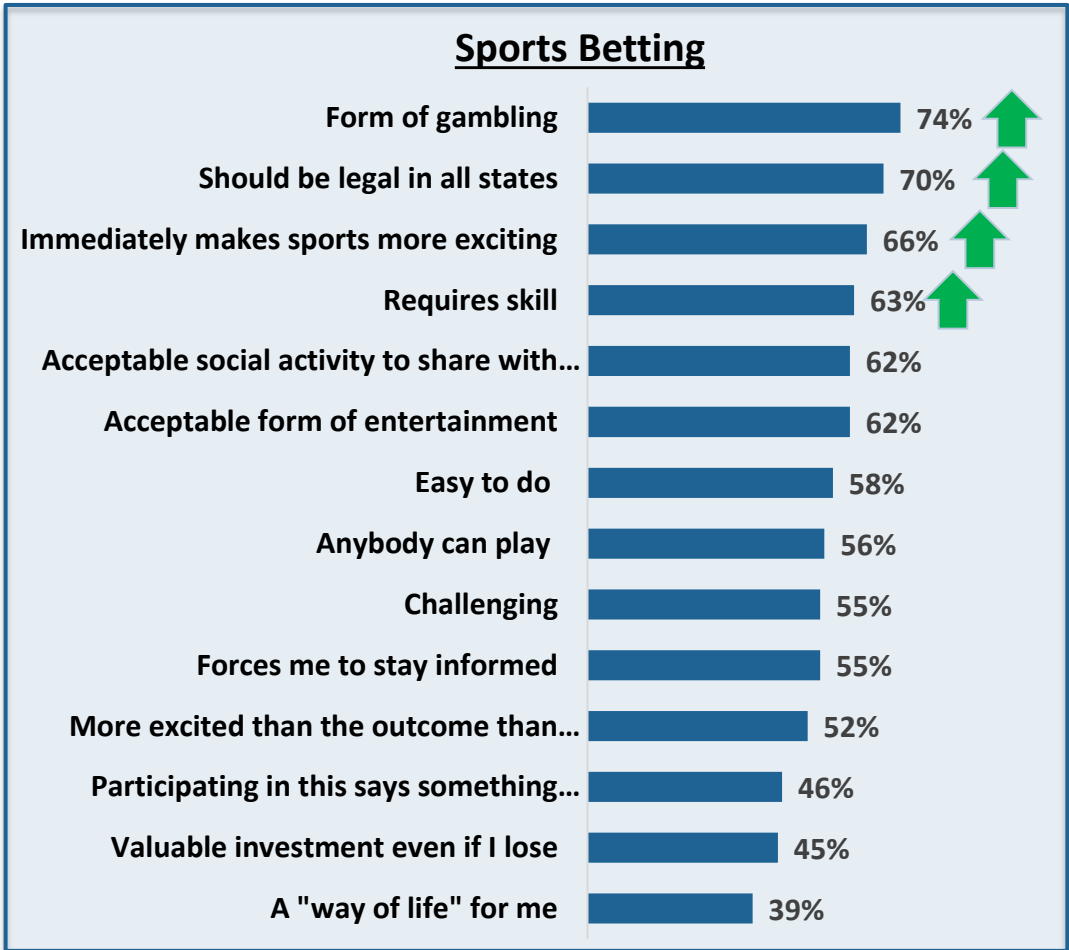
Strongly Agree
 Agree Somewhat
 Agree (Net)

% Agree Among...

Crossover Player	Exclusive Bettor	Exclusive Fantasy
75% 	55%	54%
79% 	51%	44%
79% 	41%	37%

Top associations with Sports Betting are that it's a form of gambling that immediately makes sports more exciting and requires skill, whereas fantasy sports is viewed foremost as an acceptable form of entertainment that anybody can play.

Top Associations with...



Each activity has its own unique draws, but more than anything players participate in Fantasy and Sports betting for the same reasons- to win money and make the games exciting.

Top Reasons (% Top 3 Rank) why Players Participate in...

Season-Long Fantasy

1 st	To win money	44%
2 nd	To make games more exciting	37%
3 rd	Many of my friends/peers do it	26%
4 th	Chance to win money off my peers	24%
5 th	Chance to escape for a while	23%

DFS

1 st	To win money	33%
2 nd	To make games more exciting	26%
3 rd	Entering contests is entertaining	18%
4 th	Chance to win money from random people	18%
5 th	For the social aspect	18%

Sports Betting

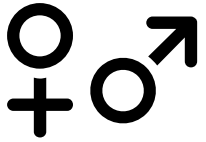
1 st	To win money	50%
2 nd	To make games more exciting	38%
3 rd	Thrill of predicting an event correctly	28%
4 th	Placing bets is entertaining	25%
5 th	Chance to escape for a while	21%



KEY PLAYER DEMOGRAPHICS

Fantasy Players and Sports Bettors continue to skew younger, male, higher income, higher employment, and higher education. However, the gender and education skews have decreased for both verticals since 2019.

GENDER

		Gen Pop	Sports Bettors	Fantasy Players
	Male	49%	66%	67%
	Female	51%	34%	33%

AGE

		Gen Pop	Sports Bettors	Fantasy Players
	Average age	46.7	39.1	37.5
	18 to 34	30%	45%	48%
	35 to 54	32%	40%	41%
	55+	38%	16%	11%

EDUCATION

		Gen Pop	Sports Bettors	Fantasy Players
	HS or less	38%	31%	28%
	College +	61%	68%	71%

HH INCOME

		Gen Pop	Sports Bettors	Fantasy Players
	<\$40K	39%	30%	28%
	\$40K to <\$100K	41%	46%	45%
	\$100K+	15%	23%	24%

EMPLOYMENT

		Gen Pop	Sports Bettors	Fantasy Players
	Full-time	42%	62%	66%
	Part-time	12%	10%	10%
	Retired/ homemaker	22%	11%	9%
	Student	3%	2%	3%
	Unemployed	20%	7%	6%



Significantly higher/lower than the general population.



Significantly higher/lower than in 2019

KEY TAKEAWAYS



Both Fantasy Sports and Sports Betting have experienced growth in participation in 2022, the latter driven primarily by exclusive sports bettors.



The DFS market has grown since 2018/2019, and Fantasy players demonstrate an eagerness to try new formats they've never played, but awareness will be the key.



The majority of online sportsbook bettors (now the most popular way to bet) still do so on unregulated sites, but are not aware of it. However, as the number of legalized states continue to grow, the proportion of unregulated bettors will likely continue to shrink.



The “cannibalization effect” of sports betting on the fantasy market has been relatively low to this point; The proportion of players who have decreased or stopped their fantasy play as a result of sports betting is quite low.



Fantasy Players and Sports Bettors continue to skew male and high-education (and younger, high-income, high-employment), but the gender and education skews have started to diminish when compared to three years ago.

QUESTIONS?





JASON ALLSOPP

Vice-President

jallsopp@leger360.com

604.335.7242