



Eilers & Krejci
Gaming

in association with



Canada Online Gambling Tracker

Special Report



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About Eilers & Krejcik Gaming

Eilers & Krejcik Gaming LLC is an independent research and consulting firm with branches in Orange County, California and Las Vegas, Nevada. The firm's focus is on product, market, and policy analysis related to the global regulated gambling market, with special focus on the U.S. and Canadian markets. Clients include operators, suppliers, private equity and venture capital firms, institutional investors, and state and provincial governments.

About Parleh Media Group

Parleh Media Group was launched in 2021 to demystify sports betting and make it more approachable for fans who are interested in gambling. PMG is the publisher of The Parleh, Canada's only weekly newsletter on the sports betting industry.

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I. News & Notes (1/2)

Newly Enacted Federal Law Paves Way For Nationwide Sports Betting Expansion

News: The Canadian federal government on August 27 enacted [the Safe and Regulated Sports Betting Act](#), which effectively makes single-event retail and online sports betting legal in every province and territory. Earlier this summer, the Act was widely approved by the federal House of Commons (303-15) and then the Senate (57-20).

Upshot: Under the Act, each province is responsible for regulating single-event sports betting. Nearly all provinces have signaled that single-event sports betting will be offered only via their lotteries; populous Ontario, by contrast, intends to usher in a competitive market in which its lottery corporation will offer single-event betting alongside commercial operators like theScore and DraftKings.



All Eyes On Ontario As Regulator Set To Open Licensing Process

News: The Alcohol and Gaming Commission of Ontario (AGCO) in late August published [an application guide](#) for commercial operators interested in entering the Ontario online sports betting and online casino and poker market. It has since created an application guide for [online gambling suppliers](#).

Upshot: The application process opens a path for commercial operators—including current grey market operators like bet365 and Super Group Holdings—to enter the regulated Ontario online sports betting and online casino and poker market, which we estimate will be worth CAD\$2.2bn at maturity (more on slides 10-13 of this report). Per the AGCO's iGaming Ontario division, approved commercial online gambling operators [will be able to begin offering online gambling in December 2021](#).



Will Bet365 Go For An Ontario License?

News: Whether bet365 will apply to enter the Ontario online gambling market remains an interesting unanswered question. Indeed, the company—which, per Google Trends, is likely among the largest online sports betting operators in the province (more on slide 5 of this report)—has not said anything publicly about its Ontario plans.

Upshot: Bet365 is privately held, well heeled, and globally diversified, giving it an uncommonly high level of strategic leverage. It could submit to Ontario regulation, which may come with not-insignificant risks (e.g., having to shutter or limit its presumably lucrative, Canada-facing offshore operations). Or it could continue serving the 31mm adult Canadian market—including Ontario—in an offshore capacity and risk enforcement action in a country [where offshore operators have historically not been targeted for enforcement](#).



I. News & Notes (2/2)

What's Next In Québec And British Columbia?

News: Loto-Québec and the British Columbia Lottery Corporation, which manage and conduct gambling for Canada's second- and third-largest provinces by adult population respectively, went live with single-event online sports betting on August 27, when the Safe and Regulated Sports Betting Act took effect.

Upshot: It does not appear, at least for now, that Québec and British Columbia will follow Ontario in opening their online gambling markets to commercial operators. That could change, however. If Ontario is successful in on-shoring the offshore online gambling industry, generating significant tax revenue, and achieving a balance between revenue maximization and problem gambling prevalence, Québec and British Columbia will surely take notice.



Supplier Opportunities Already Narrowing In Canadian Online Sports Betting Market

News: The operator-supplier picture in Canada's nascent online sports betting market is beginning to come into focus. The Ontario Lottery and Gaming Corporation went live with a single-event sports betting product [powered by La Française Des Jeux](#), while Loto-Québec, the British Columbia Lottery Corporation, and the Atlantic Lottery Corporation have launched single-event sports betting via Scientific Games' [potentially outgoing OpenSports platform](#). The Alberta Liquor and Gaming Commission, for its part, launched via [Neopollard technology](#).

Upshot: The largest provincial lottery online sports betting supply contracts have been sewn up. And while Ontario will present suppliers with opportunities to ink deals with commercial operators, many of the operators we expect to capture material share run on in-house technology. That dynamic, we believe, will act as a significant limiter on the Canada online sports betting supplier TAM.



Kahnawà:ke Mohawk Tribe Gets No Clarity Under New Federal Law

News: The Kahnawà:ke Mohawk Tribe this summer [lost a bid](#) to have included in the Safe and Regulated Sports Betting Act provisions that would effectively allow the tribe, located on its sovereign lands in Québec, to continue operating its Sports Interaction online gambling product throughout Canada without having to submit to provincial regulation.

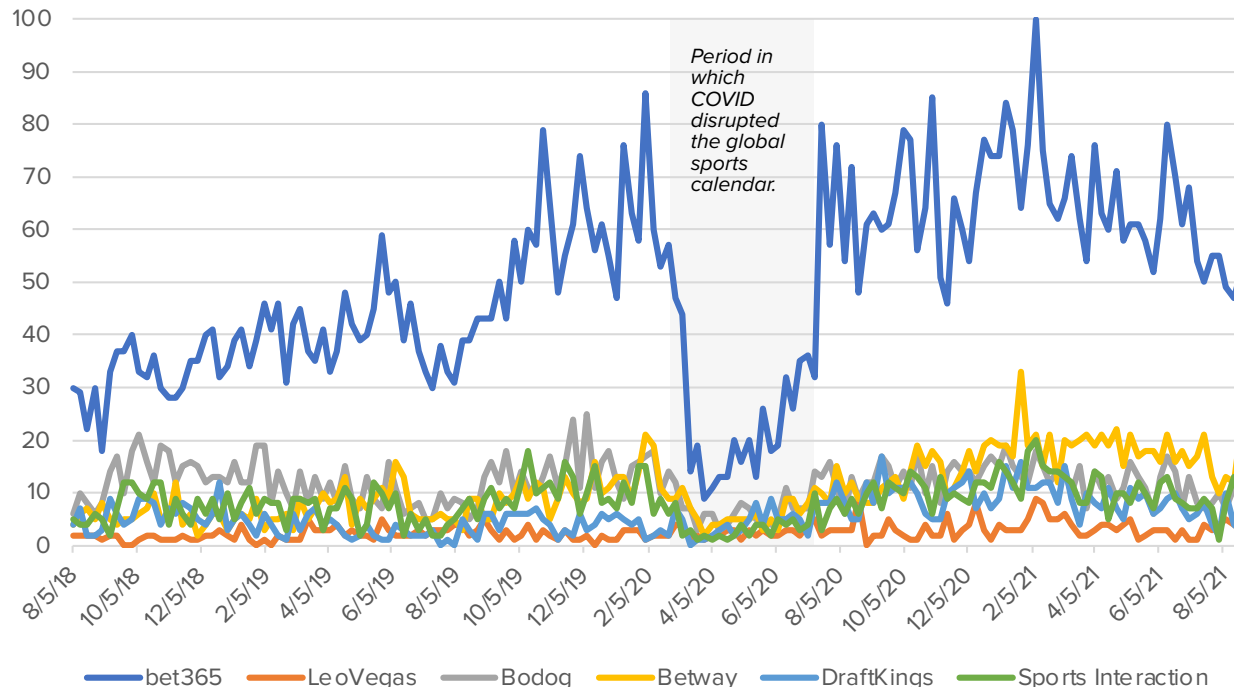
Upshot: The lobbying defeat ensures that [the legal ambiguity that has long surrounded the tribe's online gambling operations](#) continues. In addition to operating online gambling, the tribe [also regulates a number of online gambling operators](#) serving the Canadian market. In past, federal and provincial authorities have been reluctant to undertake enforcement action against the tribe. But with regulated online gambling spreading in Canada, will that change?



II. Analysis: Assessing The Ontario Online Sports Betting Competitive Landscape

The populous province of Ontario is already an uber-competitive, albeit unregulated, online sports betting marketplace. In the chart below, we show Google search—which we regard as a decent directional indicator of brand awareness and consumer interest—for select online sports betting brands that are known to have operated in Ontario over the last three years. Across that time period, a clear pecking order can be seen among the grey market brands, with bet365—one of the world’s largest online sports betting operators—consistently atop the field. Observations and takeaways follow.

Ontario Google Search Trends For Select Online Sports Betting Brands August 2018 To August 2021



Online Sports Betting Brands Currently Serving The Ontario Market (Not Exhaustive)

10Bet	Bet99	betsafe	Betway	LeoVegas	NetBet	Sports Interaction	Bodog
22Bet	BetRegal	BetSensation	bwin	MansionBet	Pinnacle	Sport Select	TonyBet
888sport	Bethard	Betsson	Guts	Mr Green	Royal Panda	Sportingbet	Unibet
bet365	BetOnline	BetVictor	Intertops	mr.play	Spin Sports	SportsBetting.ag	William Hill

Observations And Takeaways

- Over 30 brands currently contest the Ontario online sports betting market, including 10Bet, Betway, Pinnacle, bet365, and Unibet. A selection of those brands is set out below the chart at left.
- Some of the brands we’ve identified (e.g., DraftKings) will join the regulated Ontario market, while others will likely continue to serve it from offshore or tribal locales (e.g., Sports Interaction). Either way, competition for new online sports betting brands like theScore will be stiff.
- Google Trends directionally suggests that bet365 is likely one of the largest players, if not the largest player, in terms of Ontario online sports betting market share. The privately held company has not said publicly whether it intends to apply for Ontario licensure.
- DraftKings, which indexes well against existing online sports betting brands, is included in the comp set because it offers daily fantasy sports—a close sports betting analogue—in Ontario. On its 2Q21 earnings, DraftKings said that due to competition from endemics like bet365, it expects its long-term Ontario GGR share to come in below its long-term U.S. GGR share.

Source: Google Trends / Eilers & Krejcik Gaming Research

III. Numbers To Notice

\$4.4BN

Our estimate (in 2021 Canadian dollars) of total Canadian online gambling GGR in 2026, with sports accounting for 41% of the 2026 total, and casino and poker the balance. We further project that the Ontario market—given its sizable adult population and more liberal, competitive policy structure—will account for about 50% of total GGR in 2026.

Source: EKG Research & Estimates

8

The number of Canadian provinces that have launched single-event online sports betting since the Safe and Regulated Sports Betting Act took effect on August 27. Of note, all of those provinces—bar Ontario—are currently operating via a lottery monopoly model, a trend we expect will persist in the near term.

Source: EKG Research / Provincial Lotteries

40+

The approximate number of commercial brands that we expect will contest the regulated Ontario online sports betting and online casino and poker markets by 2026. We view that estimate as conservative, as New Jersey—whose adult population is roughly half the size of Ontario’s—will soon feature that many brands.

Source: EKG Research & Estimates

11.9MM

Our estimate of Ontario’s adult (21+) population. For context, that figure makes Ontario the most populous Canadian province. It also makes Ontario the fifth-largest market by adult population in the U.S.-Canada region, trailing only California, Texas, Florida, and New York.

Source: Statistics Canada / EKG Estimates

IV. Canada Online Gambling Market Landscape Map

● Single-Event Sports Betting Operational ● Single-Event Sports Betting Authorized But Not Yet Operational



Note: We are not currently tracking or modeling Yukon, Northwest Territories, and Nunavut due to their de minimis combined adult population.

Online Gambling Product Availability Snapshot

Province	Single-Event Sports Betting	Casino	Poker
Alberta	●	●	●
British Columbia	●	●	●
Manitoba	●	●	●
New Brunswick	●	●	●
Newfoundland	●	●	●
Nova Scotia	●	●	●
Ontario	●	●	●
Prince Edward Island (PEI)	●	●	●
Québec	●	●	●
Saskatchewan	●	●	●

Source: Provincial Lotteries / Eilers & Krejcik Gaming Research

V. Canada Single-Event Online Sports Betting Launch Tracker (1/2)

Province	Adult Population	Single-Event Online Sports Betting Market Access Model	Single-Event Online Sports Betting: Notes And Color
Ontario	11.9mm	Open to commercial operators	The AGCO and iGaming Ontario continue working toward having an open and regulated online sports betting market, with the AGCO set to begin accepting license applications from commercial operators “in the near future.” Meanwhile, the Ontario Lottery and Gaming Corporation, which had been offering parlay betting through its Pro Line sports lottery program, launched Pro Line+—its single-event sports betting product—when the Safe and Regulated Sports Betting Act took effect on August 27.
Québec	6.9mm	Lottery monopoly	Loto-Québec is a provincial crown corporation that operates the only regulated sports lotteries (Mise-o-Jeu and Mise-o-Jeu+) in Québec. It launched single-event online sports betting via Mise-o-Jeu+ on August 27.
British Columbia	4.2mm	Lottery monopoly	The British Columbia Lottery Corporation (BCLC) conducts and manages gambling on behalf of Canada’s third-largest province. BCLC launched single-event online sports betting through its PlayNow.com portal when the Safe and Regulated Sports Betting Act took effect on August 27.
Alberta	3.4mm	Lottery monopoly	The Alberta Gaming and Liquor Commission (AGLC) oversees the gaming, alcohol, and cannabis industries across the province. AGLC launched single-event online sports betting through its PlayAlberta.ca platform on September 1.
Manitoba	1.0mm	Lottery monopoly	Manitoba Liquor and Lotteries (MLL) regulates the gaming and alcohol industries in the province. MLL launched single-event online sports betting on August 27 via its PlayNow.com portal, which is provided by BCLC.

Source: Provincial Lotteries / Statistics Canada / Eilers & Krejcik Gaming Research And Estimates

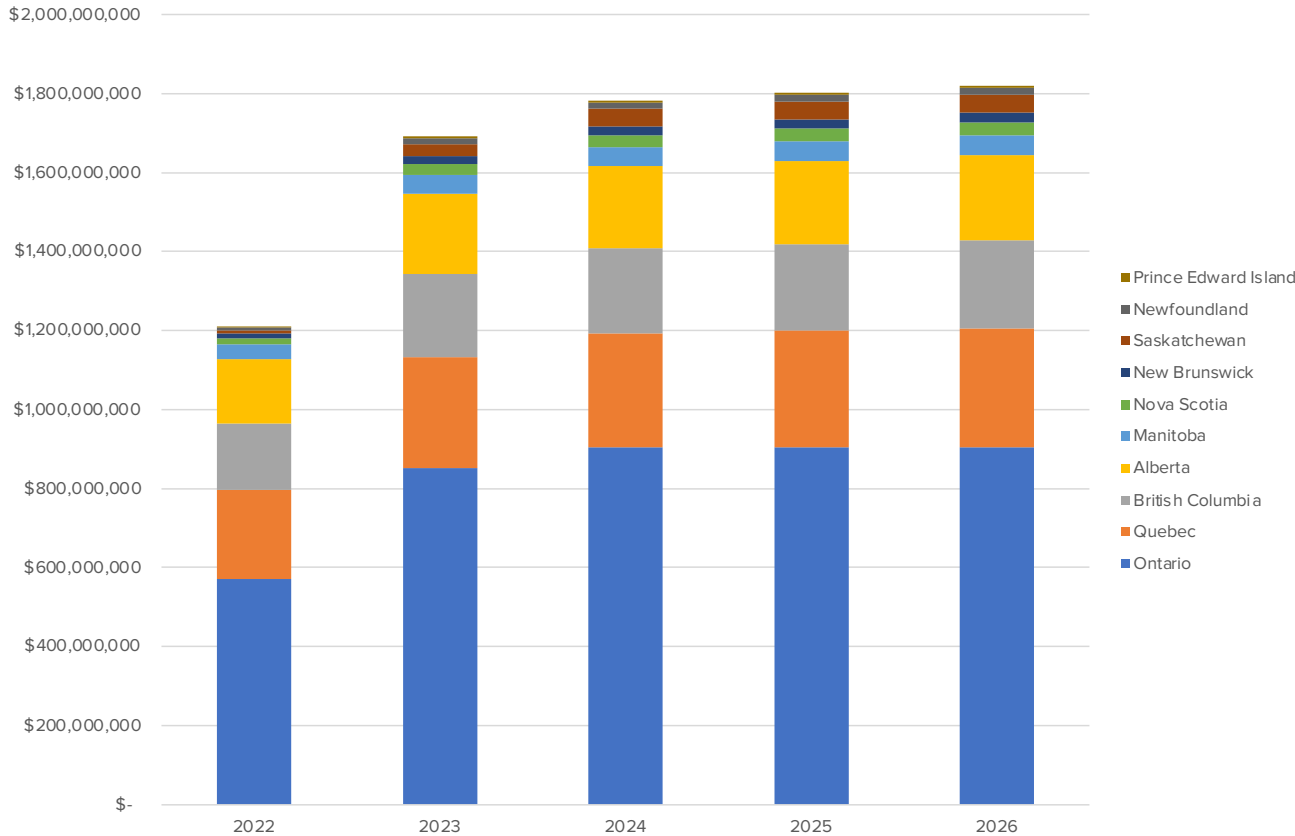
V. Canada Single-Event Online Sports Betting Launch Tracker (2/2)

Province	Adult Population	Single-Event Online Sports Betting Market Access Model	Single-Event Online Sports Betting: Notes And Color
Saskatchewan	905.6k	To be determined by SIGA	The Saskatchewan Indian Gaming Authority (SIGA), which was given authority to operate online gambling in the province, plans to offer single-event online sports betting before the end of 2021.
Nova Scotia	813.3k	Lottery monopoly	Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island are shareholders of the Atlantic Lottery Corporation (ALC), which provides regulated gaming products across the four provinces. ALC launched single-event online sports betting in New Brunswick, Newfoundland and Labrador, and Prince Edward Island via its ALC.ca portal on or around August 28.
New Brunswick	645.2k		
Newfoundland and Labrador	436.3k		
Prince Edward Island	129.7k		

Source: Provincial Lotteries / Statistics Canada / Eilers & Krejcik Gaming Research And Estimates

VI. Canada Online Sports Betting GGR-By-Province Forecast: 2022 To 2026

We estimate that the 10 provinces of Ontario, Québec, British Columbia, Alberta, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, and Saskatchewan will generate combined online sports betting GGR of CAD\$1.2bn in 2022, rising to \$1.8bn in 2026. We further project that Ontario will generate online sports betting GGR of CAD\$570mm in 2022, rising to CAD\$904mm in 2026, which means that Ontario will account for about half of total online sports betting GGR across the 2022-2026 period. Ontario's relative outperformance reflects its large population and also its policy of allowing commercial operators to participate in its online sports betting market. Notes and caveats regarding our forecasts can be found on slide 13.



We did not generate estimates for the Northwest Territories, Yukon, and Nunavut due to their de minimis combined adult population. All projections in 2021 Canadian dollars.

\$1.8BN
Total projected online sports betting GGR in 2026.

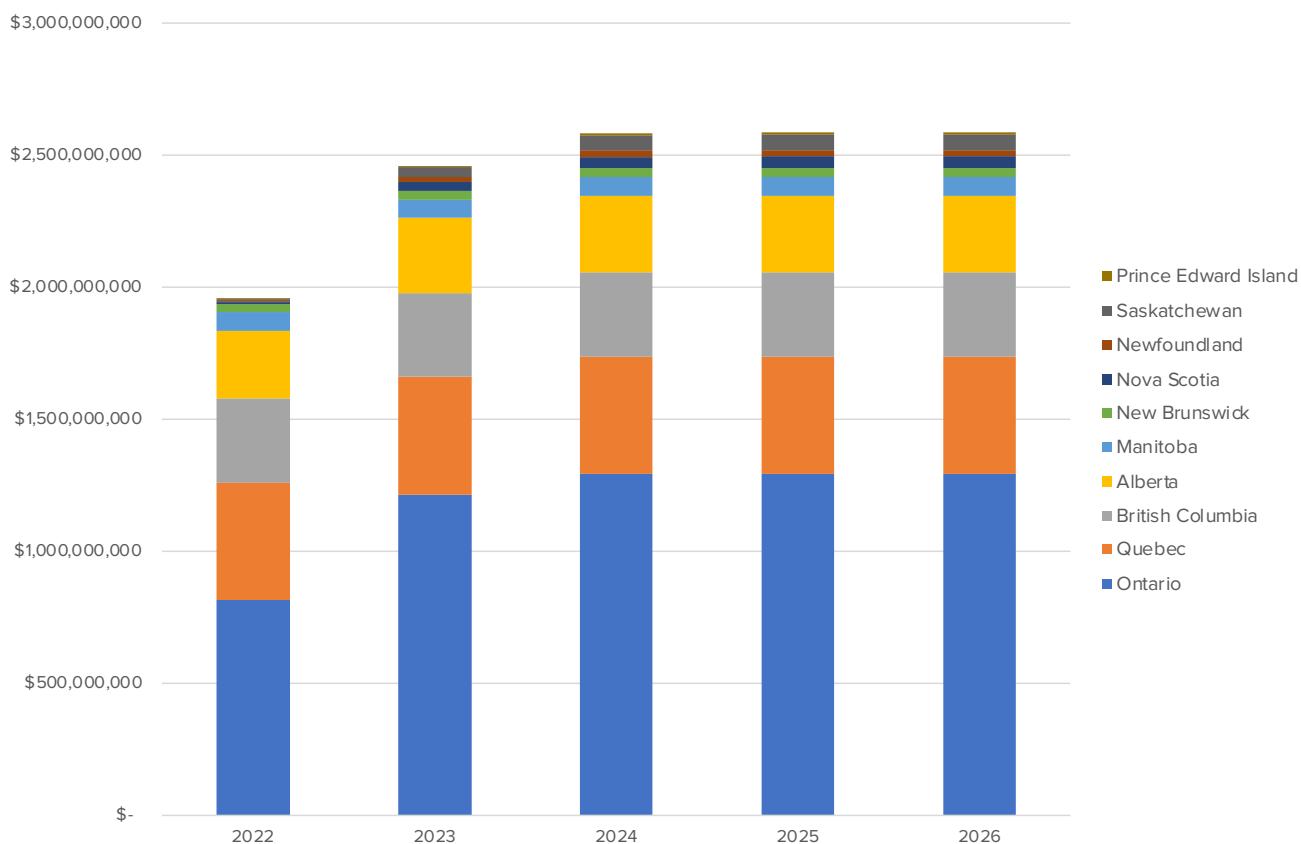
50%
Ontario's share of total projected online sports betting GGR in 2026.

20%
Our tax rate assumption for Ontario online sports betting GGR.

Source: Eilers & Krejcik Gaming Estimates

VII. Canada Online Casino And Poker GGR-By-Province Forecast: 2022 To 2026

We estimate that the 10 provinces of Ontario, Québec, British Columbia, Alberta, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, and Saskatchewan will generate combined online casino and poker GGR of CAD\$1.9bn in 2022, rising to CAD\$2.6bn in 2026. We further project that Ontario will generate online casino and poker GGR of CAD\$813mm in 2022, rising to CAD\$1.3bn in 2026, which means that Ontario will account for just under half of total online casino and poker GGR across the 2022-2026 period. Ontario's relative outperformance reflects its large population and also its policy of allowing commercial operators to participate in its online sports betting market. Notes and caveats regarding our forecasts can be found on slide 13.



We did not generate estimates for the Northwest Territories, Yukon, and Nunavut due to their de minimis combined adult population. All projections in 2021 Canadian dollars.

\$2.6BN

Total projected online casino and poker GGR in 2026.

50%

Ontario's share of total projected online casino and poker GGR in 2026.

20%

Our tax rate assumption for Ontario online casino and poker GGR.

Source: Eilers & Krejcik Gaming Estimates

VIII. Canada Online Gambling Forecasts: Model Outputs

Online Sports Betting GGR By Province

	2022	2023	2024	2025	2026
Ontario	\$570,138,591	\$850,682,977	\$904,981,890	\$904,981,890	\$904,981,890
Québec	\$226,044,089	\$282,474,795	\$288,166,804	\$293,973,509	\$299,897,222
British Columbia	\$168,110,466	\$210,078,351	\$214,311,535	\$218,630,020	\$223,035,524
Alberta	\$163,372,300	\$204,157,327	\$208,271,200	\$212,467,968	\$216,749,304
Manitoba	\$37,734,185	\$47,154,323	\$48,104,507	\$49,073,837	\$50,062,699
Nova Scotia	\$14,861,590	\$26,478,072	\$30,668,088	\$31,286,065	\$31,916,495
New Brunswick	\$11,307,212	\$20,145,434	\$23,333,343	\$23,803,522	\$24,283,175
Saskatchewan	\$8,714,366	\$30,669,061	\$42,868,322	\$44,695,747	\$45,596,389
Newfoundland	\$8,139,874	\$14,502,363	\$16,797,286	\$17,135,760	\$17,481,054
Prince Edward Island	\$2,270,499	\$4,045,222	\$4,685,357	\$4,779,770	\$4,876,085
Total	\$1,210,693,171	\$1,690,387,926	\$1,782,188,333	\$1,800,828,088	\$1,818,879,837

Online Casino And Poker GGR By Province

	2022	2023	2024	2025	2026
Ontario	\$813,157,282	\$1,213,282,294	\$1,290,725,844	\$1,290,725,844	\$1,290,725,844
Québec	\$446,963,671	\$446,963,671	\$446,963,671	\$446,963,671	\$446,963,671
British Columbia	\$317,239,881	\$317,239,881	\$317,239,881	\$317,239,881	\$317,239,881
Alberta	\$258,178,105	\$284,512,353	\$291,091,470	\$291,091,470	\$291,091,470
Manitoba	\$69,349,324	\$69,349,324	\$69,349,324	\$69,349,324	\$69,349,324
Nova Scotia	\$31,418,348	\$34,103,702	\$35,423,659	\$35,423,659	\$35,423,659
New Brunswick	\$7,913,980	\$32,648,140	\$42,851,088	\$43,813,917	\$43,813,917
Saskatchewan	\$4,499,036	\$18,560,212	\$24,360,508	\$24,907,869	\$24,907,869
Newfoundland	\$3,869,149	\$36,207,011	\$57,124,774	\$58,445,738	\$58,445,738
Prince Edward Island	\$1,293,576	\$5,336,485	\$7,004,203	\$7,161,582	\$7,161,582
Total	\$1,953,882,350	\$2,458,203,074	\$2,582,134,422	\$2,585,122,955	\$2,585,122,955

We did not generate estimates for the Northwest Territories, Yukon, and Nunavut due to their de minimis combined adult population.
All projections in 2021 Canadian dollars.

Source: Eilers & Krejcik Gaming Estimates

IX. Canada Online Gambling Forecasts: Key Assumptions, Notes, And Caveats

- **The proprietary Eilers & Krejcik model forecasts the Canadian online gambling market on a province-by-province basis.** The model was primarily built using figures from comparable regulated markets, calculated based on average GGR from legal-aged adults residing in the markets.
- **As part of the comparisons, several adjustments were made to account for differences in key variables that differ between Canadian provinces and comparison jurisdictions.** Those variables include tax rates, competition levels, income, demographics, internet access, sports fandom, and exchange rates.
- **All projections are in 2021 Canadian dollars.** Our model does not attempt to account for the impact of inflation in 2022 and beyond.
- **Our estimates currently assume that Ontario will be the only province to allow commercial operators to offer online gambling, and that commercial operators launch in Ontario in 1Q22.** We assume that all other provinces will continue to offer regulated online gambling exclusively through their lotteries or a monopoly-style model.
- **We assume that all provinces reach maturity quickly, reflecting the relative maturity of regulated online gambling products in those provinces.** Regarding Ontario specifically, we expect the province's rapid ramp-up will be driven by commercial operators that have previously served the market offshore, and that will be able to leverage their existing brands and customer databases.
- **Canada's retail sports betting market will generally provide more competition for online sports betting than we've observed in most comparable U.S. state markets.** That's because retail sports betting will be easily accessible and widely available via Canadian lottery retailers.
- **Our projections are fluid.** Our underlying model is dynamic and adjusts for factors including tax rates and competition levels; as those factors change, so will our forecasts.
- **Our model relies on trailing GGR-per-adult data from comparable jurisdictions and so primarily looks backward, not forward.** The upshot: If we were to run this same analysis next year, the market numbers would likely be higher due to growth in the underlying comparable markets.
- **Our model does not specifically consider the impact of out-of-province players on a given provincial market.** Our forecasts only consider in-province GGR (i.e., the "locals" market), as directly including out-of-province bettors would inject an incredible amount of complexity into the model.



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