Spillemyndigheden

The Gambling Market in Numbers 2020

The Danish Gambling Authority's review of the developments in the Danish gambling market 2020

June 2021

Content

Foreword

Since 2019, the Danish Gambling Authority have published statistics on our website in the programme Power BI. This programme enables users to sort and view statistics in any way they want. Nevertheless, when we have met our stakeholders and collaborators at committee meetings and conferences, they have asked for more. That is, a total overview of the development in the Danish gambling market year by year. Therefore, we are happy to now present to you “the Gambling Market in Numbers 2020”.

This publication gathers the quarterly statistics from 2020. Here you can read about the year that has passed on the Danish gambling market, both on the individual gambling sectors and across sectors. It is our intention to release such a publication once annually in the beginning of the second quarter to provide an easily accessible overview of the development in the Danish gambling market.

I hope you will find “the Gambling market in Numbers 2020” useful.

On behalf of the Danish Gambling Authority,

Anders Dorph
Director

Introduction

One of the Danish Gambling Authority's main tasks is to monitor and analyse the developments in the Danish gambling market. *The Gambling Market in Numbers 2020* presents the total overview in statistics of the gambling market in 2020. With 40 tables and charts, it describes the five gambling sectors, lotteries, online casino, betting, gaming machines and land-based casinos both individually and across sectors. The publication describes both the gambling market in 2020, but it also looks into the development since 2012, when the Danish gambling market was partially liberalised.

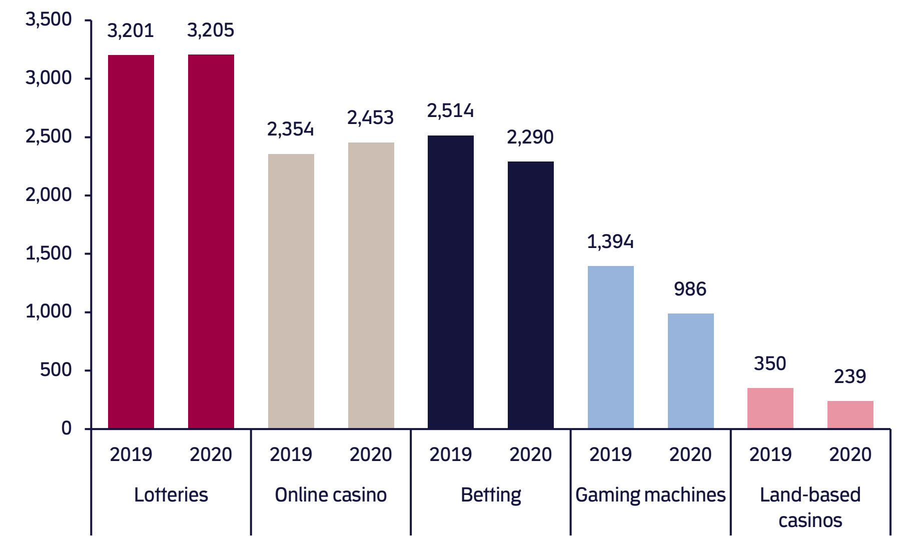
Covid-19 caused great fall in gambling spend

In 2020, the gambling market, like the rest of society, was greatly affected by covid-19. To prevent the spread of the virus, gambling arcades and casinos were closed both in spring and December 2020 Additionally, sports events were cancelled or postponed to the autumn, which meant that there were fewer matches to bet on. This caused a massive fall in the GGR for especially gaming machines and land-based casinos in 2020 compared to 2019, but also betting saw a significant decrease, *cf. figure 1.* For all gambling sectors in total, the GGR amounted to DKK 9.2 billion in 2020. This is a fall of more than DKK 600 million compared to 2019, which equals 6.5 percent.

9.2 billion DKK

Total GGR for the total gambling market in 2020

Figure 1. GGR for lotteries, online casino, betting, gaming machines and land-based casino, 2019-2020, million DKK



Source: Data on gambling duties reported by licnce holders to the Danish Tax Agency, Danske Spil A7S and the class lotteires[1]
Note: 2020 prices

On the Danish gambling market, Danes can choose to gamble with several different gambling operators. In 2020, 771 licences to offer gambling activities in Denmark has been issued. In addition to this, the Danish Gambling Authority was notified of 360 charity lotteries, *cf. table 1.*

771

Licences to offer gambling activities in Denmark in 2020

[1] The class lotteries include Det Danske Klasselotteri A/S, Varelotteriet and Landbrugslotteriet

Table 1. Licences/notifications to offer gambling activities in Denmark in 2020

Gambling sector	Number of licences
Betting	19
Betting – revenue-restricted licence	4
Online casino	32
Online casino – revenue-restricted licence	3
Gaming machines	325
Land-based casinos	9
Monopoly lotteries	4
Charity lotteries – Licences	375
Charity lotteries - Notifications	360

Source :The Danish Gambling Authority
*For gambling operators offering both betting and online casino, their licences appear from the table under betting and under online casino
**A licence for gaming machines may cover licence to install gaming machines at several gambling premises (gambling arcades and/or restaurants)

Use of the term gross gaming revenue
In *the Gambling Market in Numbers 2020*, gross gaming revenue (GGR) is consistently used as a key metric for measuring the size of the gambling market. GGR is the players' stakes in the game minus winnings plus the commission that players may pay to participate in a game, *cf. figure 2*. Thus, GGR is an expression for how much the players lose to the gambling operators. Therefore, GGR is often described as the gambling spend. However, it should be noted that the GGR is higher than what players actually lose as the bonuses, which the players gamble away, also count as stakes.

Figure 2. Calculation of gross gaming revenue (GGR)

GGR is used internationally among other countries' gambling regulators to measure the size of the gambling markets. In addition, GGR is used as a basis of calculation for the gambling duty that licence holders offering betting, online casino, gaming machines and land-based casino must pay to the Danish state.

Data used in the report
The Gambling Market in Numbers 2020 is based on several different data sources. This especially includes data on gambling duties from licence holders to the Danish Tax Agency and data sent to the Danish Gambling Authority's gambling control system. Statistics for monopoly lotteries comes from the licence holders' direct reports to the Danish Gambling Authority. ROFUS and StopSpillet data originates from intern systems in the Danish Gambling Authority. Statistics for charity lotteries is based on the accounts submitted by licence holders after the lottery is held. Finally, data on gambling markets in Europe and channeling rates come from international market research institute H2 Gambling Capital.

The data used in the report may change. The most recently updated numbers for the gambling market are always available in the quarterly statistics on Spillemyndigheden.dk.

Key figures from the gambling market in 2020

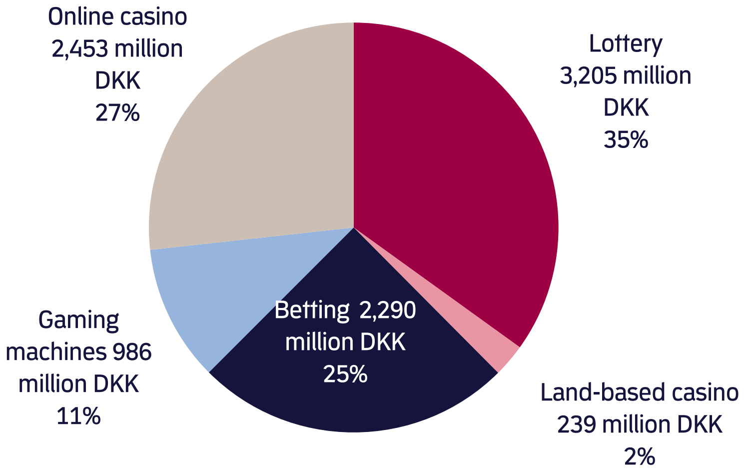
1

1.1 The gambling market's development in 2020

In 2020, lottery was the biggest gambling sector in Denmark with a GGR of DKK 3,205 million, *cf. figure 3.* Thereby, it constituted just over a third of the total gambling market. The second largest gambling sector was online casino with a GGR of DKK 2,453 million and a market share of 27 percent. 2020 was the first year since the partial liberalisation, when the GGR of online casino surpassed the betting market's. The GGR for betting constituted 25 percent of the total gambling market.

The two smallest gambling sectors in 2020 were gaming machines and land-based casino. Their market shares constituted 11 and 2 percent, respectively.

Figure 3. GGR (million DKK) and market shares for the five gambling sectors in 2020



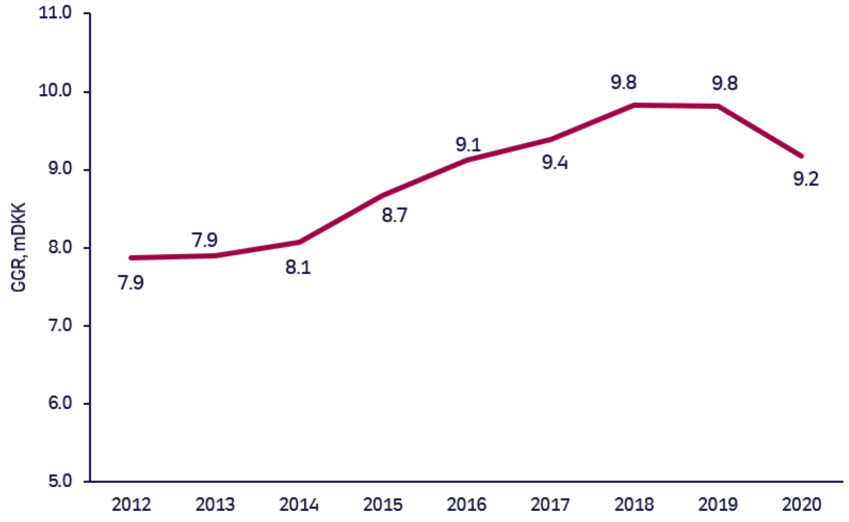
Source: Data on gambling duties submitted by licence holders to the Danish Tax Agency, Danske Spil A/S and the class lotteires

In total, the GGR for the Danish gambling market made up DKK 9.2 billion in 2020, which is a fall of more than DKK 600 million compared to 2019. This equals 6.5 percent. Since the partial liberalisation of the gambling market in 2012, there has been a significant increase in the total GGR. From 2012 to 2019, the GGR grew with just under DKK 2 billion equalling almost 25 percent, which meant that it was almost DKK 10 billion. However, 2020 was affected by covid-19, which caused a lockdown of gambling arcades and land-based casinos and cancelled sports events so that there were fewer sports matches to bet on.

-6.5%

Development in GGR for the Danish gambling market from 2019 to 2020

Figure 4. GGR for all gambling sectors, 2012-2020, DKK billion.



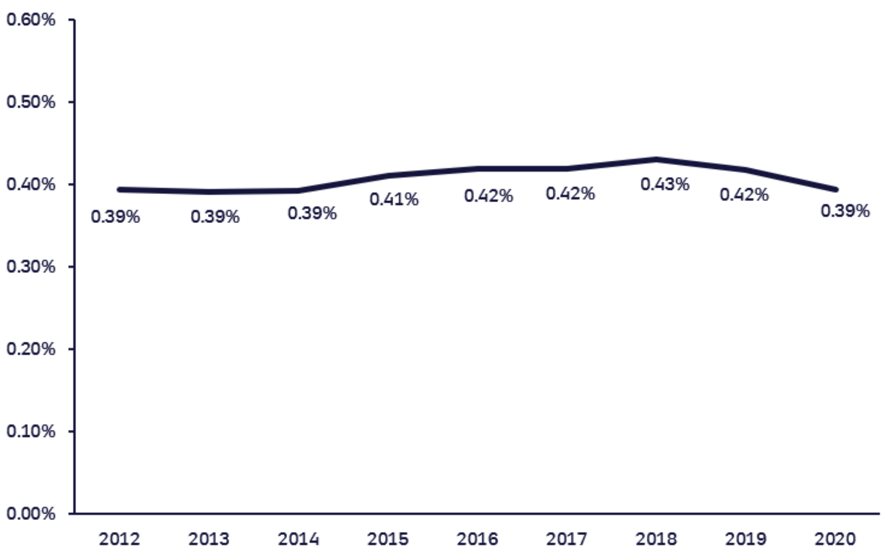
Source: Data on gamblling duties submitted by licence holders to the Danish Tax Agency, Danske Spil A/S and the class lotteires
Note: 2020 prices.

The annual growth in GGR must be viewed in relation to the total Danish economy, which has also grown over the period. In 2020, the GGR comprised 0.39 percent of the Danish Gross Domestic Product (GDP). GDP is an economic indicator of the value of a state's total production of goods and services. From 2012 to 2020, the GGR's share of GDP has been stabile between 0.39 and 0.43 percent, *cf. figure 5*. This means that the gambling spend every year from 2012 to 2020 has comprised almost the same share of the Danish economy.

37.80 DKK

Average weekly gambling spend per Dane in 2020

Figure 5. GGR for the Danish gambling market as part of the GDP 2012-2020

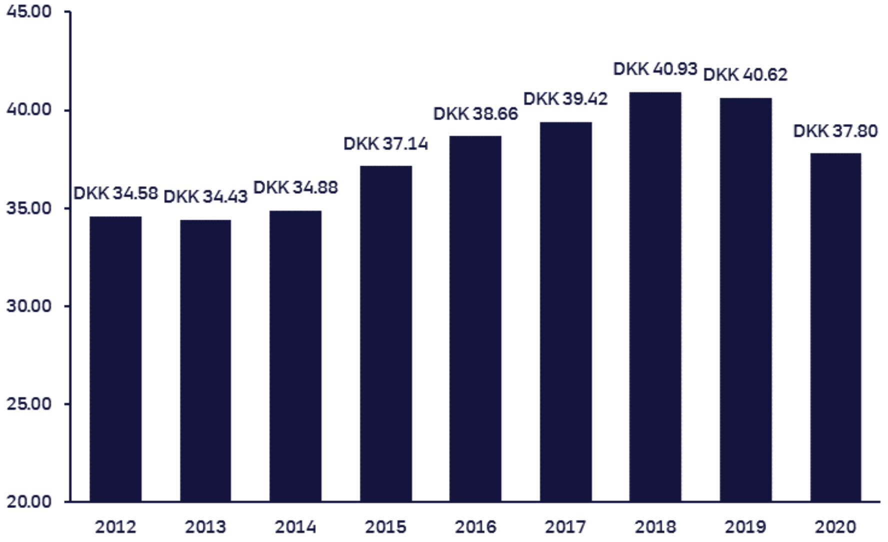


Source :: Data on gambling duties submitted to the Danish Tax Agency, Danske Spil A/S, the class lotteries and Statistics Denmark

Per person Danes spent on average just under DKK 38 a week on gambling products in 2020, *cf. figure 6*. Out of the DKK 38, DKK 13 was spent on lotteries, while DKK 1 was spent on land-based casinos. The rest was spent on online casino, betting and gaming machines.

The gambling spend per Dane has increased every year from 2014 to 2018, but slightly decreased in 2019. From 2019 to 2020, the average gambling spend per Dane fell yet again, this time with 6.9 percent.

Figure 6. Average gambling spend per Dane over 18 years old per week, 2012-2020



Source :: Data on gambling duties submitted to the Danish Tax Agency, Danske Spil A/S, the class lotteries and Statistics Denmark
Note: The gambling spend is measured in GGR in 2020 prices.

1.2 Development in land-based and online gambling

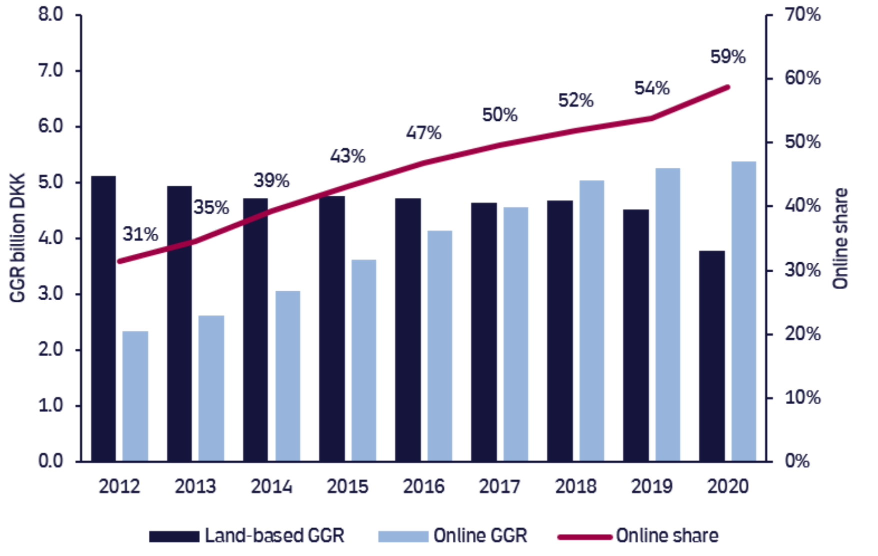
Danes have a wide selection of gambling products to choose among. They can gamble online via a website or an app, or they can choose land-based activities such as physical gaming machines at restaurants or gambling at a land-based casino. Many games are both available online and physically. For example, you can gamble on the outcome of a football match both on a website as well as at the local supermarket.

Since 2012, the share of GGR on the Danish gambling market originating from online gambling has been increasing, *cf. figure 7*. Whereas GGR from online gambling in 2012 made up 31 percent of the total gambling market, it constituted 59 percent in 2020. This is an increase of 28 percentage points.

59%

Share of GGR on the total gambling market in 2020 originating from online gambling

Figure 7. GGR for the total Danish gambling market categorised by sales channels, 2012-2020



Source: The Danish Gambling Authority's gambling control system, Danske Spil A/S and the class lotteries. 2020 prices. The categorisation of betting into land-based betting and online betting in 2020 is based on data from January to October 2020.

The rise in the online share from 54 percent in 2019 to 59 percent in 2020 is among other things due to the restrictions that were imposed in connection with covid-19. For instance, the restrictions involved that gambling arcades and casinos were closed in parts of 2020. In this way, they affected the opportunity to participate in land-based gambling activities more than they affected the opportunity to gamble online.

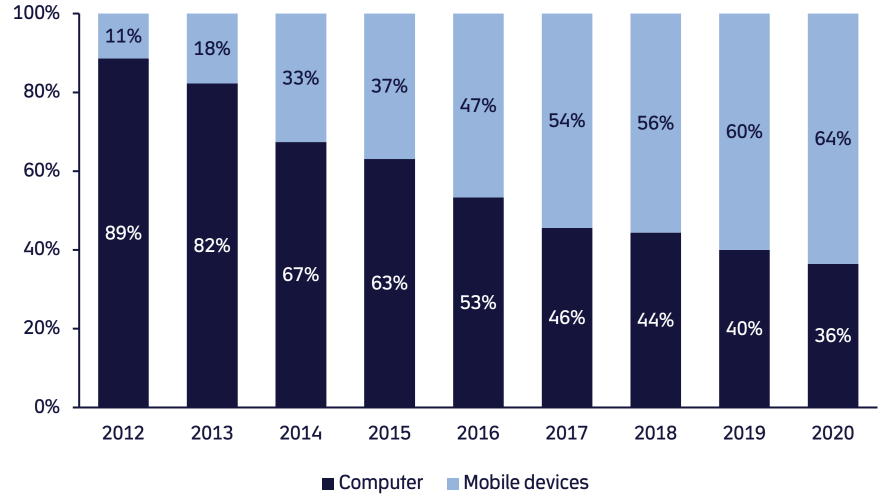
From figure 7, it appears that the total GGR in DKK from land-based gambling has been decreasing since 2012. This means that the increase in the total GGR that has characterised the Danish gambling market since the partial liberalisation in 2012 can be ascribed to the increase in online gambling.

When Danes gamble online, they can do it on their computer or o a mobile device such as a smartphone or a tablet. Here as well, the Danish Gambling Authority's data shows a clear tendency. To an increasingly greater extent, Danes prefer to gamble on mobile devices. Since 2012, when merely 11 percent of the GGR from online casino and online betting came from gambling on mobile devices, the share has increased every year and in 2020, it constituted 64 percent, *cf. figure 8*.

64 %

Share of GGR for online betting and online casino from mobile devices in 2020

Figure 8. Share of GGR for online betting and online casino from computers and mobile devices



Source: The Danish Gambling Authority's gambling control system.
Data for online betting in 2020 are based on data from January to October 2020. Based on the categorisation of stakes, data for 2012-2020 for online casino for a single gambling operator is based on an estimate.

1.3 Demographic profile of players

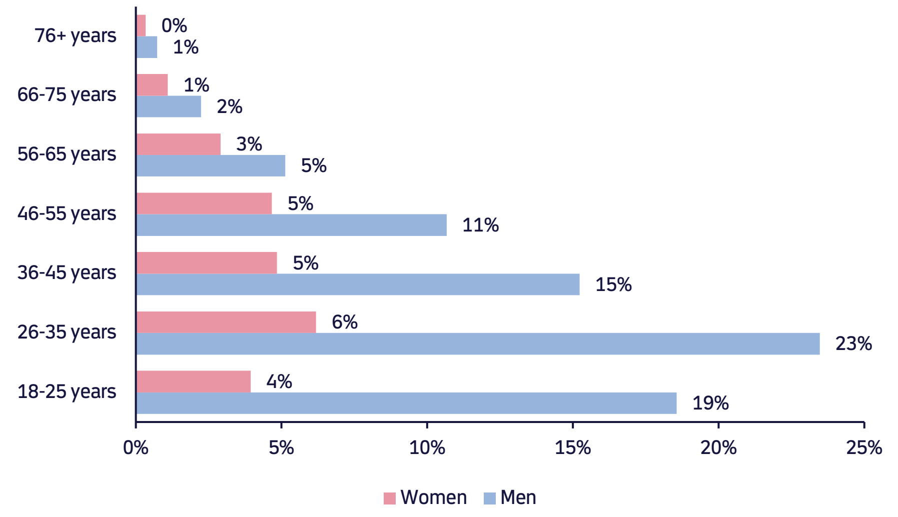
In 2020, online casino and online betting constituted DKK 4.0 billion and 44 percent of the Danish gambling market. Every year, the licence holders report to the Danish Gambling Authority the number of accounts created, as well as the age and sex of the players holding the accounts. This gives the Danish Gambling Authority a unique insight into the characteristics of the typical online casino player and online betting player.

The vast majority of the online accounts belong to men. Thus, 76 percent and 81 percent of the online casino accounts and the online betting accounts, respectively, have been created by men, *cf. figures 9 and 10.*

81 %

Percentage of online betting accounts belonging to men in 2019

Figure 9. Online casino accounts, distributed by sex and age, 2019[2]



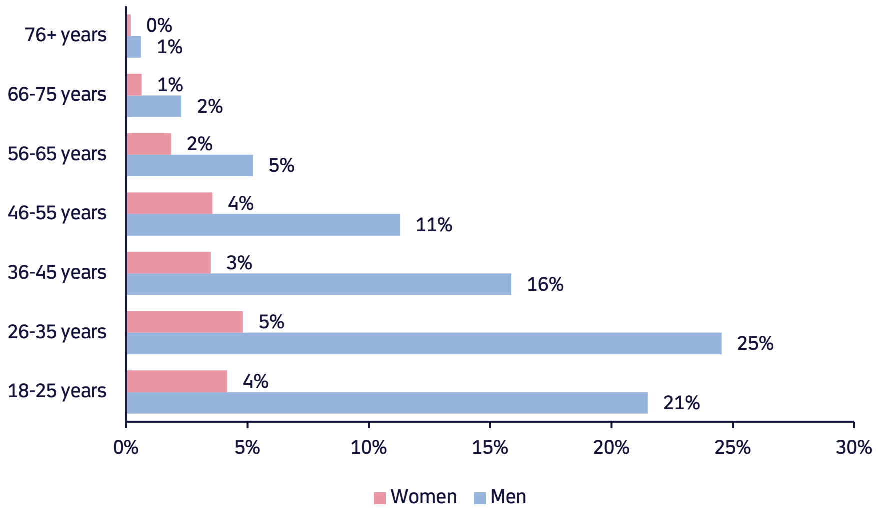
Source: Data submitted by licence holders via the annual accounts to the Danish Gambling Authority

When categorising players into age groups, it also reveals a tendency showing that primarily young people gamble on online casinos and online betting. 52 percent and 55 percent of the online casino and online betting accounts, respectively, belong to persons under 36 years old, *cf. figures 9 and 10.*

Thus, the typical online account belongs to a young man. In fact, 42 percent of the online casino accounts and 46 percent of the online betting accounts belong to men between the age of 18 and 35.

[2] The Danish Gambling Authority has not yet received annual accounts for 2020, which is why we have used numbers from 2019.

Figure 10. Online betting accounts categorised by sex and age, 2019[3]



Source: Annual accounts submitted by licence holders to the Danish Gambling Authority.

[3] The Danish Gambling Authority has not yet received annual accounts for 2020, which is why we have used numbers from 2019.

1.4 Denmark compared to Europe

The gambling markets in the European countries differ from each other in various aspects. This is for example true in relation to how the gambling markets are regulated, i.e. the framework and requirements gambling operators must comply with. The differences are also reflected in the gambling spend per capita in European countries.

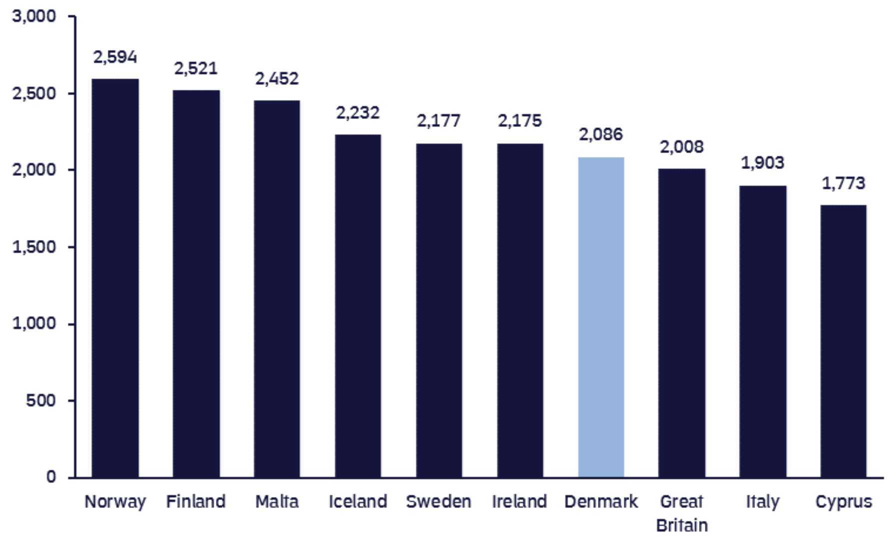
In 2020, Denmark was among the top ten countries in Europe with the biggest gambling spend per adult. To be precise, Denmark came in on a 7th place with an average annual gambling spend of DKK 2,086 per adult, *cf. figure 5*. This amount also includes the gambling spend with operators without a Danish licence.

The average gambling spend in Denmark is the smallest in the Nordic countries. Both Norway, Finland, Iceland and Sweden had a bigger gambling spend in 2020. Norway had the biggest gambling spend in 2020 across all of Europe with DKK 2,594 per adult. This is just over DKK 500 more per year than in Denmark. In the bottom of the top ten was Cyprus with an average gambling spend of DKK 1,773 per adult.

No. 7

Danes had the seventh highest average gambling spend per European adult in 2020

Figure 11. Top 10 European countries with largest average gambling spend per adult in 2020



Source: H2 Gambling Capital. The data used may change, and the numbers will be updated accordingly. The current numbers have been drawn on 26 April 2021.
Note: The gambling spend is measured by GGR.

1.5 The channelling rate in Denmark

Before the partial liberalisation of the Danish gambling market in 2012, there were still gambling operators that found their way to Danish players via the internet but did not pay duties to the state nor consider consumer protection and compulsive gambling. With the liberalisation of betting and online casino in 2012, everyone can now apply for a licence to offer these games in Denmark under the Danish Gambling Act, which purpose is to ensure a fair and responsible gambling market.

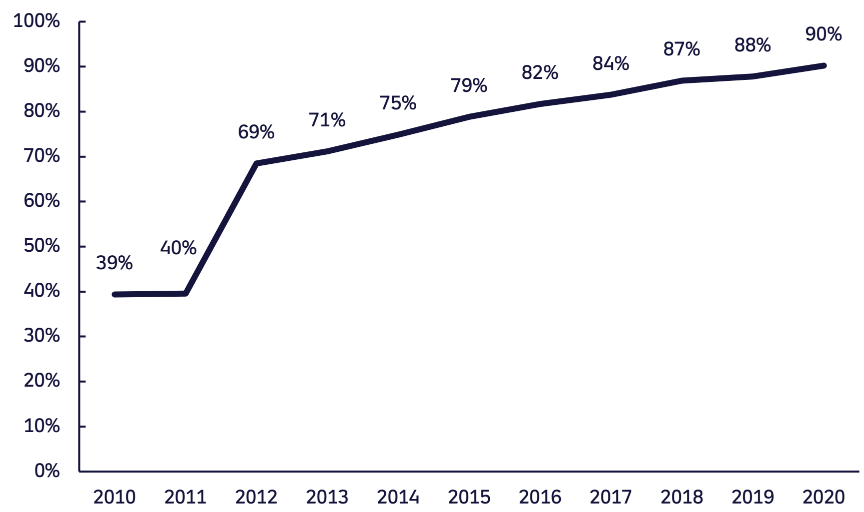
In the case of online gambling, it is possible to measure the share of gambling spend coming from gambling operators with a Danish license. This is called the channelling rate. When betting and online casino were liberalised in 2012, a large part of the Danes' gambling spend moved to operators with a Danish license and the channelling rate increased to 69 percent, compared to just 40 percent in 2011, *cf. figure 12*.

Since 2012, the channelling rate has increased every year, and in 2020 the vast majority of online gambling spend in Denmark originated from gambling operators with a licence from the Danish Gambling Authority. Thus, the channelling rate was 90 percent. in 2020. In eight years, the channelling rate has increased by 21 percentage points.

90 %

Of all online gambling in Denmark in 2020 is estimated to come from gambling operators with a licence from the Danish Gambling Authority

Figure 12. Online channelling rate in Denmark, 2010-2020

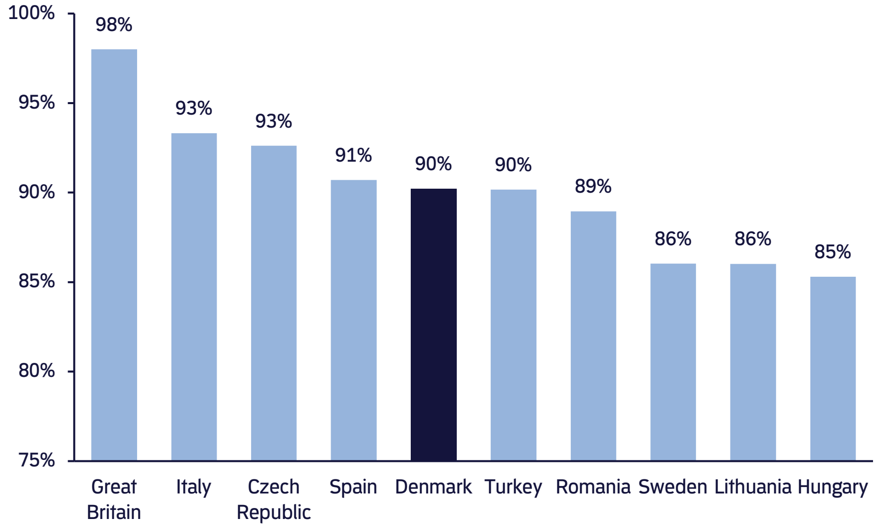


Source: H2 Gambling Capital
Note: H2 Gambling Capital's data may change, which is why the channelling rate may be updated later. The numbers for figure 12 are drawn on the 26th of April 2021.

Denmark is among the top of the countries in Europe with the highest channelling rate, *cf. figure 13*. In 2020, Denmark was the country in Europe with the fifth highest channelling rate.

Only Great Britain, Italy, the Czech Republic and Spain had a higher channelling rate than Denmark in 2020. Great Britain is characterised by its rather high channelling rate of 98 percent, as they have relatively many licensed operators compared to other countries.

Figure 13. Top 10 countries in Europe with the highest channelling rate in 2020.



Source: H2 Gambling Capital

Note: For some countries, the channelling rates in 2020 are estimates.. H2 Gambling Capital's data may change, which is why the channelling rate may be updated later on. The numbers for figure 13 are drawn on the 26th of April 2021.

1.6 Responsible gambling

ROFUS – Register of self-excluded players
Since 2012, the Danish Gambling Authority has administered the register of self-excluded players, ROFUS. Via the register, Danes can exclude themselves from all online gambling and gambling at land-based casinos for a period of 24 hours, one, three or six months or permanently. It is mandatory for gambling operators with a licence from the Danish Gambling Authority to refer to ROFUS in their marketing material. This ensures that the option to self-exclude is always visible to players.

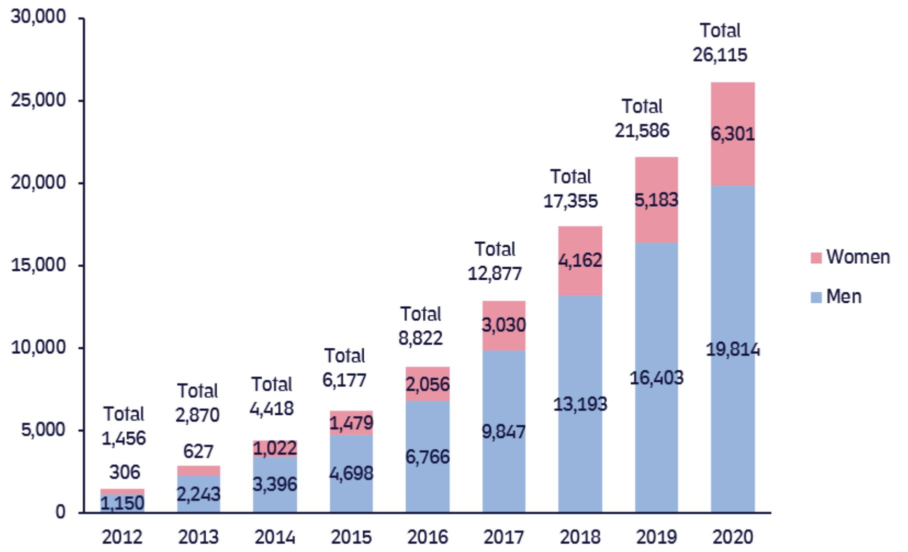
The number of registered players in ROFUS has grown every year. By the end of 2020, 26,115 players were registered, which is an increase of more than 24,000 since 2012, when there were 1,456 registered players.

26,115

Players registered with ROFUS in 2020

More men than women self-exclude from gambling. This has been the tendency since the establishment of ROFUS. In 2020, 76 percent of the registered were men, while 24 percent were women.

Figure 14. Players registered with ROFUS 2012-2020, men and women

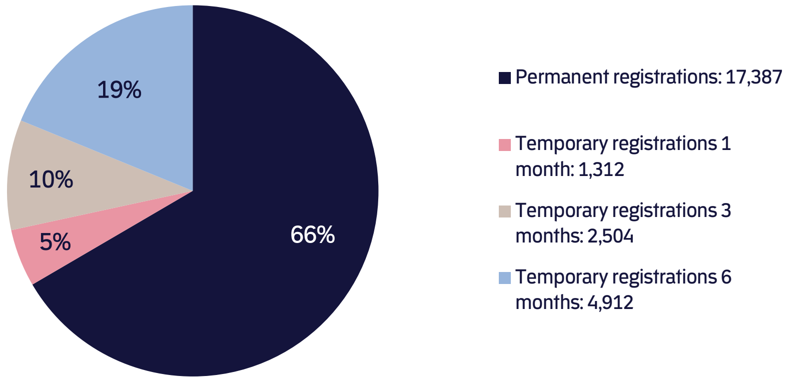


Source: The DanisihGambling Authority
Note: : Data includes both players excluded temporarily and permanently. For the years 2012 – 2019, the numbers were drawn on 1 January the followigng year. For 2020 they were drawm 31 December 2020. Thus, the figure only depicts the registrants on the day where the numbers were drawn. I

In ROFUS, players can self-exclude both temporarily and permanently. If a player chooses to self-exclude permanently, itis not possible to deregister earlier than one year before the registration.

Most of the registered players in ROFUS exclude themselves permanently. At the end of 2020, 66 percent of the registered Danes had opted to self-exclude permanently, while 34 percent had self-excluded temporarily, *cf. figure 15*. 19 percent of the registered had self-excluded for six months. 10 percent for three months while the remaining 5 percent had excluded themselves for one month.

Figure 15. ROFUS registrants self-excluded permanently and temporarily, 31 December 2020



Source: The Danish Gambling Authority
Note: The category for temporary exclusion for 24 hours is not included in the figure as the number of excluded players in this category varies relatively much from day to day.

StopSpillet (StopGambling)– helpline about compulsive gambling
In 2019, the Danish Gambling Authority acquired yet another tool for protecting players and promote responsible gambling, when StopSpillet opened. StopSpillet is a helpline for players and their relatives. StopSpillet offers advice and guidance about compulsive gambling and responsible gambling via telephone or chat.

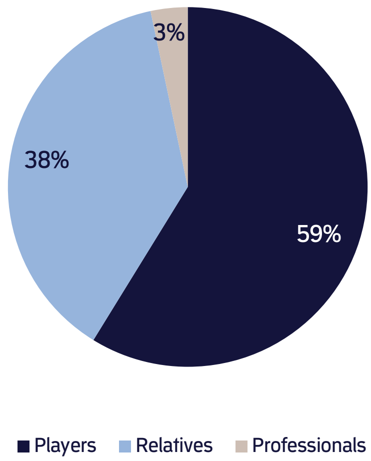
In 2020, 512 players, relatives and professionals contacted StopSpillet. This is a fall from 2019, when StopSpillet received 722 calls and chats.

512

calls and chats to StopSpillet in 2020

301 of the conversations in 2020 were with players, which equals 59 percent. 194 conversations, equalling 38 percent, were with relatives, while the remaining 17 conversations were with professionals.

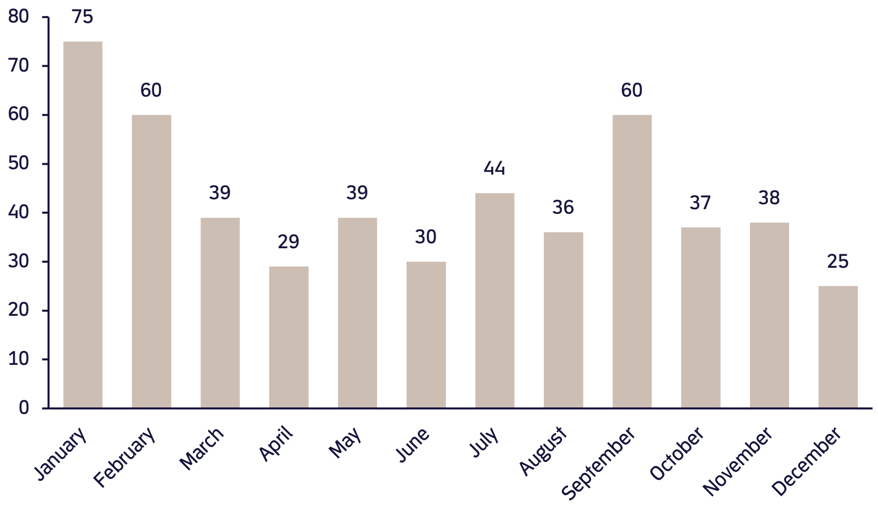
Figure 16. Categorisation of StopSpillet conversations in 2020



Source: the Danish Gambling Authority

In 2020, StopSpillet were contacted most often in January with 75 conversations, *cf. figure 17.* In the spring, the number of calls and chats fell considerably. In the rest of 2020, there were great variations in the monthly number of conversations. With its 25 conversations, December was the month with least activity at StopSpillet.

Figure 17. Development in StopSpillet conversations in 2020 on a monthly basis



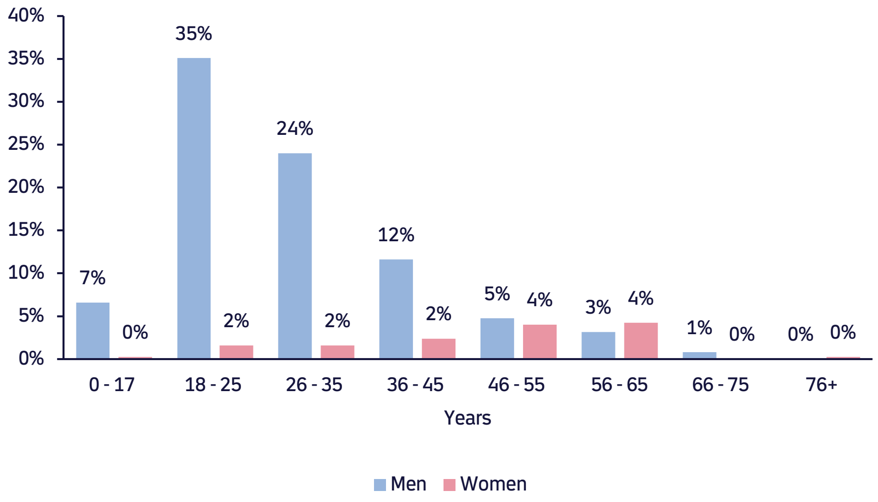
Source: Spillemyndigheden

88 percent and thereby the vast majority of both players who contact StopSpillet themselves or the players that relatives call about are men, while just 12 percent are women. The share of men versus women thereby follows the same tendency as observed among the registered players in ROFUS. At the same time, the players are often young. 71 percent of the players are under 36 years old, while a mere 9 percent are over 55 years old.

85 %

Share of players from StopSpillet conversations that are men

Figure 18. Players categorised by sex and age in 2020



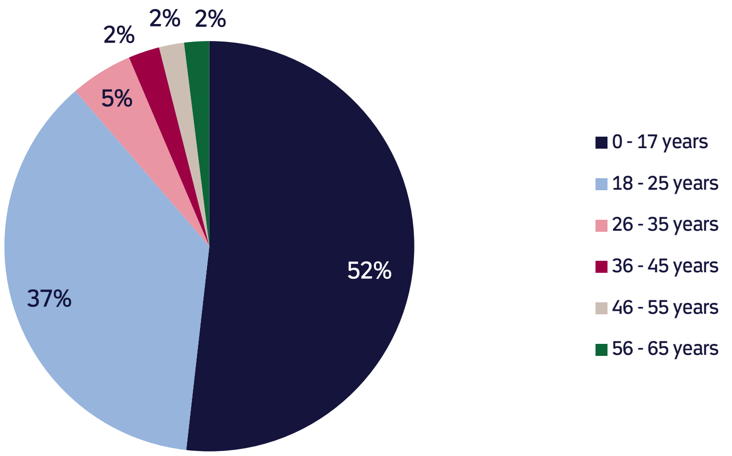
Source: the Danish Gambling Authority

Note: Includes both players who have contacted StopSpillet themselves and the players that relatives have contacted StopSpillet about.

To provide the best possible guidance, StopSpillet's advisors ask about the players' gambling problems and gambling habits. From this information we know that the players have had gambling problems for in average just over 2.5 years before they contact StopSpillet. Just over two thirds of the players gamble online, while the remaining third gambles on land-based games such as gaming machines and casinos or places bets in kiosks or supermarkets.

Research shows that the younger a player is when he starts gambling, the bigger the risk of developing an addiction to gambling. Statistics based on calls show that half of the players who call StopSpillet began gambling before they had turned 18, *cf. figure 19*.

Figure 19. Players' age when they first started gambling categorised by age group in 2020



Source: the Danish Gambling Authority

The gambling sectors' development in 2020

2

2.1 Charity lotteries

In Denmark, there is a monopoly on lotteries. However, associations may hold lotteries if the lottery has a charitable purpose. In 2020, 735 charity lotteries were held, *cf. figure 20.* This is a fall of 682 lotteries from 1,417 in 2019 equalling 48 percent. The fall from 2019 is very much due to covid-19. Thus, 312 lotteries were cancelled in 2020 and in addition to this, there are the lotteries that did not apply for a licence or notified the Danish Gambling Authority about the lottery due to the pandemic.

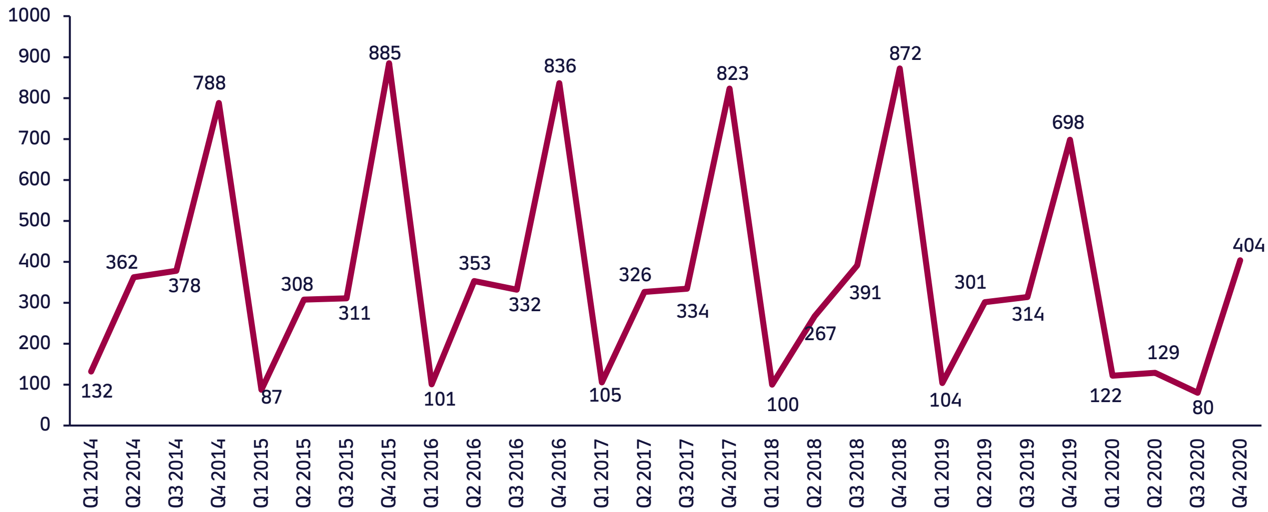
The Danish Gambling Authority were notified of 375 of the charity lotteries. These are lotteries that have a total selling price of DKK 20,000 or less. The additional 360 lotteries were held after obtaining a licence from the Danish Gambling Authority. A licence from the Danish Gambling Authority is required of the lottery has a total selling price of more than DKK 20,000.

735

Charity lotteries held in 2020

The majority of the charity lotteries are held in the fourth quarter of the year, *cf. figure 20.* In 2020, 55 percent of the lotteries were held in the fourth quarter. The reason for the seasonal variations is that many associations choose to hold charity lotteries in connection with the Christmas season.

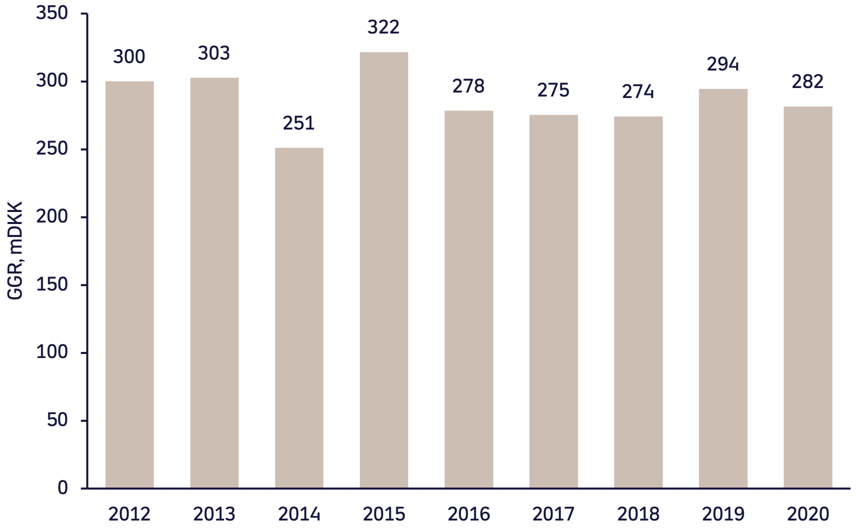
Figure 20. Charity lotteries held in 2020 (includes both notifications and licences)



Source: Notifications about charity lotteries to the Danish Gambling Authority and licences issued by the Danish Gambling Authority

The GGR for charity lotteries in 2020 was DKK 282 million, *cf. figure 21.* This is a fall of DKK 12 million from DKK 294 million in 2019, which equals 4.4 percent. Thereby, the number of lotteries has decreased more in 2020 in percent (48 percent) than the total GGR for the sector. To a large extent, this can be explained by the great differences in size of the charity lotteries, measured in GGR, and because it is mostly the small lotteries that have not been held in 2020. Between 2012 and 2020, the GGR for charity lotteries has varied between DKK 251 and 322 million.

Figure 11. GGR from charity lotteries, 2012-2020, million DKK



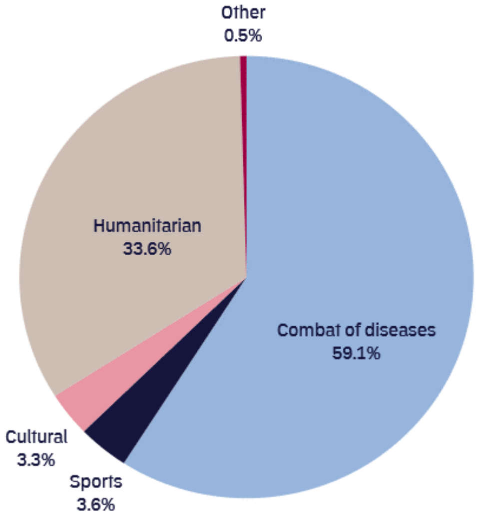
Source: Accounts from licences for charity lotteries submitted to the Danish Gambling Authority
Note: Only GGR from licences for charity lotteries is included. GGR in 2020 is a prelimenary estimate. 2020 prices.

The profit from the charity lotteries is distributed to many different charitable purposes. In 2020, 59.1 percent of the sector's GGR came from charity lotteries supporting the combat of diseases. 33.6 percent came from lotteries with humanitarian purposes. On the other hand, the smallest charity lotteries were those supporting sports and cultural purposes, measured in GGR. They constituted 3.6 and 3.3 of the total GGR in 2020, respectively.

59.1 %

Share of GGR for charity lotteries supporting the combat against diseases.

Figure 22. GGR for charity lotteries categorised by their purposes in 2020

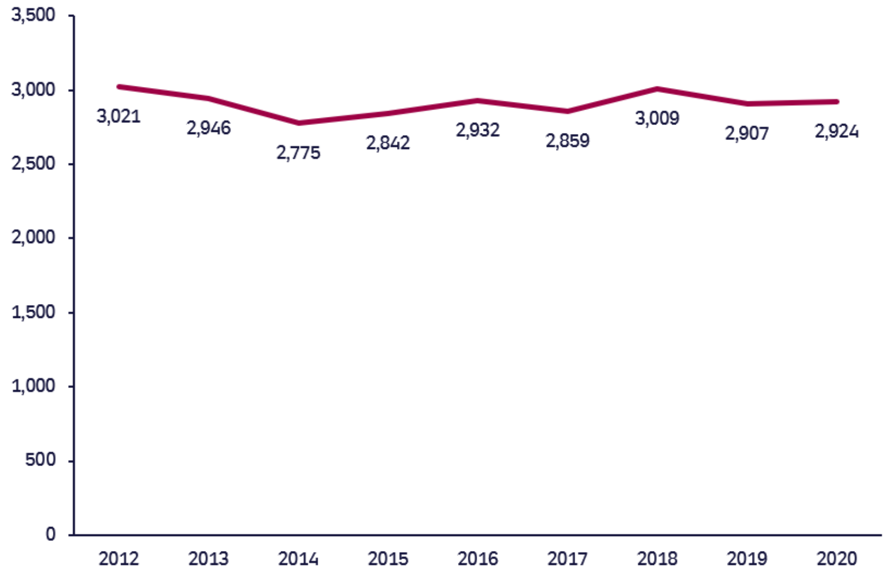


Souce: Accounts from licences for charity lotteries submitted to the Danish Gambling Authority
Note: Only GGR from licences for charity lottteries is included. The numbers are prelimenary estimates.

2.2 Monopoly lotteries

In Denmark, there is a monopoly on lotteries without a charitable purpose. This means that it is only Danske Spil A/S, Det Danske Klasselotteri A/S, Varelotteriet and Landbrugslotteriet, that have licences to offer lottery and class lotteries.

Figure 23. GGR for monopoly lotteries, 2012-2020, million DKK



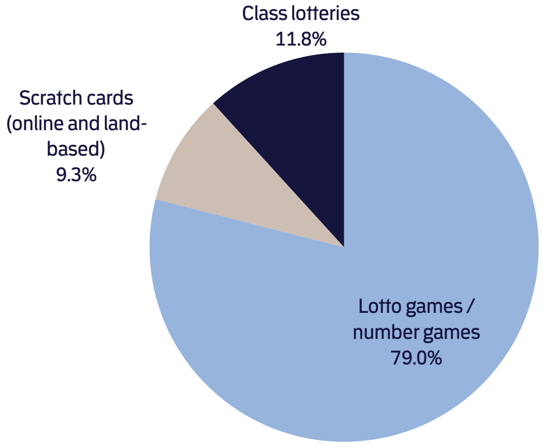
Source: Danske Spil A/S and the class lotteries[4]
Note: 2020 prices.

In 2020, the GGR for the monopoly lotteries amounted to DKK 2,924 million. This is a slight increase of DKK 17 million compared to 2019, equalling an increase of 0.6 percent. The total lottery sector (charity lotteries and monopoly lotteries) constituted the largest gambling sector in Denmark in 2020 with a market share of 35 percent.

0.6 %

Increase in GGR for monopoly lotteries from 2019 to 2020

Figure 24. Share of GGR for monopoly lotteries categorised by type of game in 2020



Source: Danske Spil A/S and the class lotteries

[4] The class lotteries are Det Danske Klasselotteri A/S, Varelotteriet and Landbrugslotteriet

Since 2012, the annual GGR for monopoly lotteries has varied between DKK 2.8 and 3.0 billion, *cf. figure 23.* Therefore, it is not the monopoly lotteries that have created the growth in the total gambling market in Denmark since 2012, which is instead caused by growth in the betting and online casino markets.

In 2020, the lotto games / number games[5] made up the largest part of the various monopoly lottery games with DKK 2,309 million in GGR, equalling 79 percent of the total GGR for the monopoly sector, *cf. figure 24.* The class lotteries constituted the second largest type of game with a market share of 11.8 percent and was thereby slightly bigger than scratch cards (online and land-based), which constituted 9.3 percent.

[5] The Lotto games /number games are Lotto, Vikinglotto, Joker, Eurojackpot, Alt eller Intet and Keno.

2.3 Land-based casinos

In 2020, it was possible to gamble at nine different land-based casinos in Denmark. These casinos generated a GGR of DKK 239 million. This means that the GGR from land-based casinos constituted 2 percent of the total Danish gambling market in 2020. In 2019, the GGR was DKK 350 million. Thereby the GGR fell by DKK 111 million in 2020, which equals a significant fall of 31.8 percent.

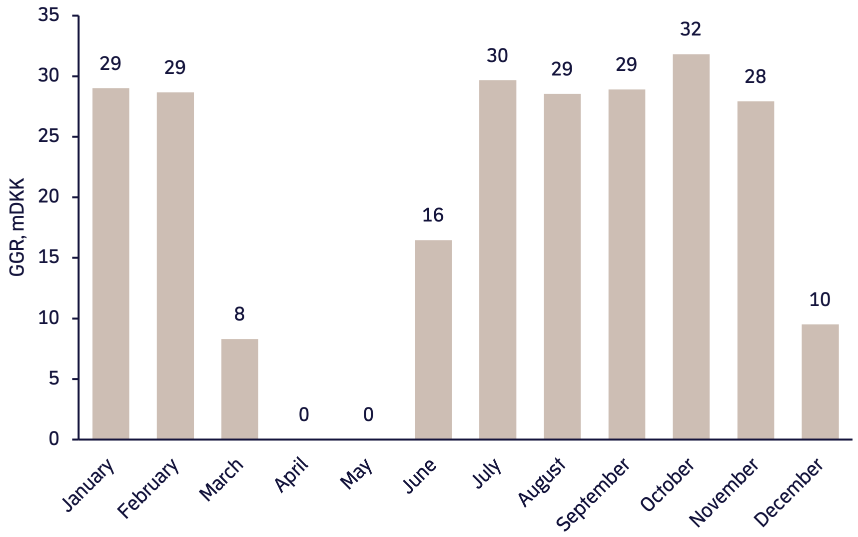
-31.8 %

Development in GGR for land-based casinos from 2019 to 2020

The most important explanation of the fall is that the land-based casinos were also affected by lockdowns of society in the spring and in December 2020. Therefore, 2020 was clearly characterised by a monthly variation in the casinos' GGR, *cf. figure 25.*

In April and May, the casinos had no revenue from gambling, but the lockdown also affected the GGR in March, June, and December. Thereby, just over half of the months in 2020 were not affected by lockdowns. October was the month with the biggest GGR, which amounted to DKK 32 million.

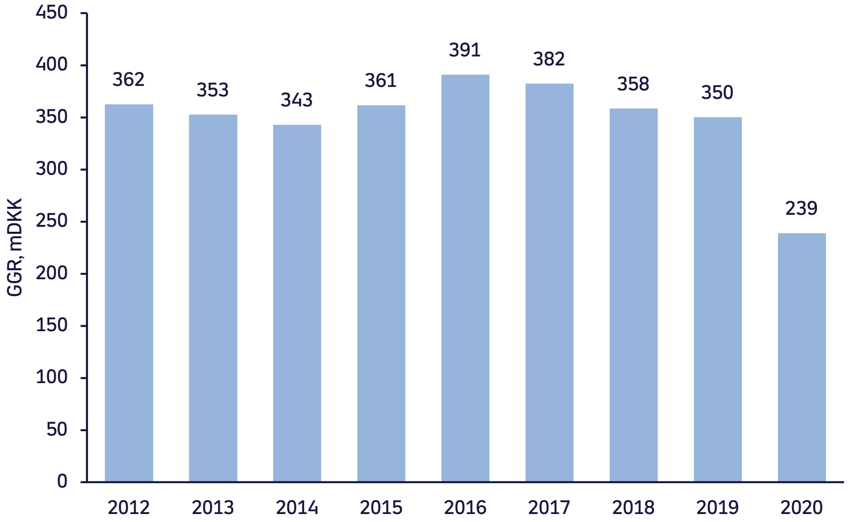
Figure 25. GGR for the land-based casinos in 2020



Source: Data on gambling duties submitted to by licence holders to the Danish Tax Agency

The GGR for the land-based casinos have been characterised by a steady development from 2012 to 2019, *cf. figure 26.* The GGR peaked in 2016 with DKK 391 million, but since then, there has been a slight annual decrease, which was reinforced in 2020 due to the covid-19 lockdown.

Figure 36. GGR for the land-based casinos 2012-2020



Source: Data on gambling duties submitted to by licence holders to the Danish Tax Agency
Note: 2020 prices

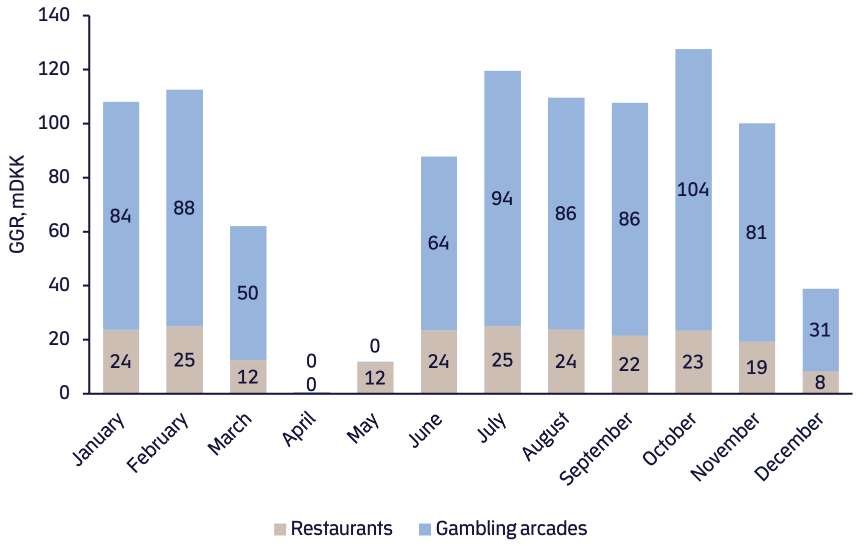
2.4 Gaming machines

In 2020, the GGR for gaming machines amounted to DKK 986 million, which means that gambling on gaming machines constituted 11 percent of the total gambling market. This is DKK 402 million less than in 2019, when the GGR was DKK 1,388 million, and this equals a fall of 29 percent. The 986 million in GGR equals a daily GGR of DKK 2.7 million.

-29 %

Development in GGR for gaming machines from 2019 to 2020

Figure 27. GGR for gaming machines in 2020 categorised by restaurants and gambling arcades, million DKK



Source: Data on gambling duties submitted to by licence holders to the Danish Tax Agency.

The fall is not least due to the closing of restaurants and gambling arcades in the spring and December 2020 to prevent the spread of covid-19. In these periods, it was not possible for Danes to gamble at the land-based gaming machines. The gross gaming revenue was therefore strongly affected by covid-19 in March, April, May, June and December, *cf. figure 27*.

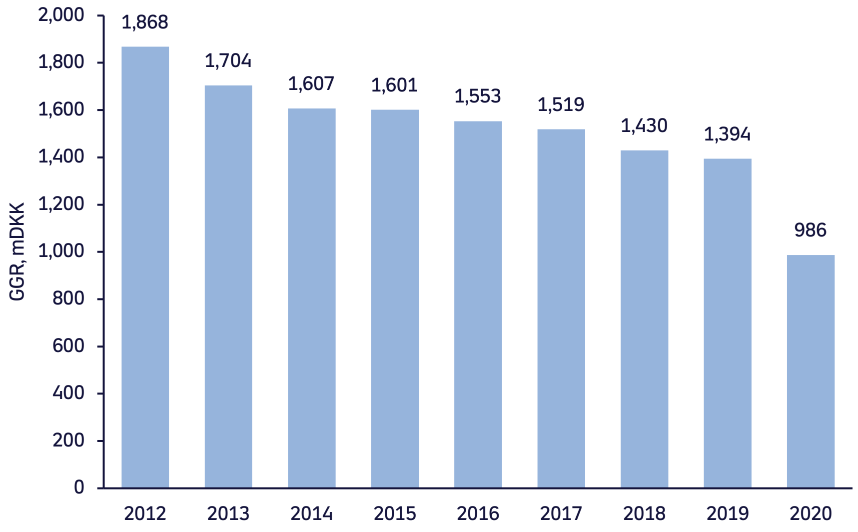
In 2020, DKK 768 million of the GGR came from gaming machines in gambling arcades, which equals 78 percent. The remaining DKK 218 million, equalling 22 percent, came from gaming machines in restaurants.

In 2020, there were 29,000 active gaming machines in Denmark. On average, each active gaming machine generated about DKK 34,000 in GGR. The gaming machines were installed in 1,032 different gambling arcades and 1,348 restaurants in 2020[6].

The fall in the annual GGR from gaming machines is not unusual. Since 2012, the GGR for gaming machines has decreased, *cf. figure 28*. In fact, every year since 2012, there has been a fall in the annual GGR from gaming machines, but the tendency in 2020 was strengthened by covid-19, which especially affected the second and fourth quarter of 2020.

[6] Numbers from 1 January 2020

Figure 48. GGR for gaming machines 2012-2020, million DKK

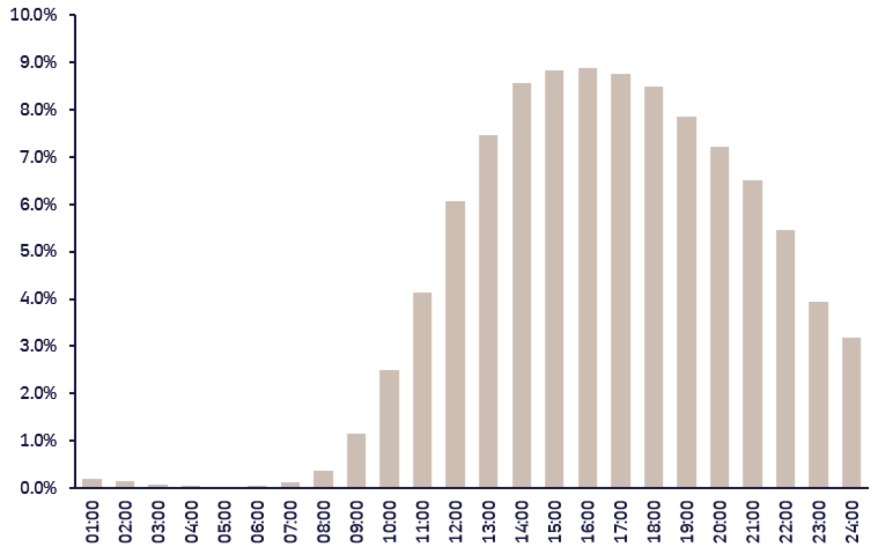


Source: Data on gambling duties submitted to by licence holders to the Danish Tax Agency.
Note: 2020 prices

It is possible to gamble on gaming machines on all days of the week and at all times of the day. However, it is not possible to gamble at gaming machines in gambling arcades between 12 AM and 7 AM as the gambling arcades are not allowed to be open during this period of the day.

Danes spend more on gaming machines in the middle of the afternoon and early evening, *cf. figure 29*. The figures show that gambling peaks around 4 PM and least during nighttime and the morning. It also shows that Danes gamble more on Fridays than any other day of the week.

Figure 29. Money spend on gaming machines every hour of the day in 2020



Source: Data on duties and control data submitted to the Danish Gambling Authority

2.5 Betting

In 2020, there were 19 licences to offer betting in Denmark. The licences varied greatly in their GGR, *cf. table 2*. In addition to this, there were four revenue-restricted licence. A revenue-restricted licence only applies for one year and the gambling operators GGR cannot exceed DKK 1 million.

Table 2. Licence for betting in 2020 categorised by GGR

GGR (million DKK)	Number of licences
Under 5	2
5 - 10	2
10 - 25	6
25 - 50	3
50 - 100	2
100 - 200	2
200 - 500	0
Over 500	2

Source: the Danish Gambling Authority
Note: Does not include revenue-restricted licences for betting.

In 2020, the total GGR fir betting was DKK 2,290 million and constituted a fourth of the Danish gambling market. It is a fall of just over DKK 200 million equalling 8.9 percent compared to 2019, when the GGR was DKK 2,514 million. To a great extent, the fall can be ascribed to covid-19, which caused sports events to be cancelled or postponed in the spring. This meant that Danes had fewer matches to bet on for a while. Thus, the GGR was markedly lower in March, April and May than in the additional months in 2020. When sports were resumed in the summer and autumn, the GGR increased again. In fact, October, with a GGR of DKK 303 million, was the month with the highest GGR ever in Denmark.

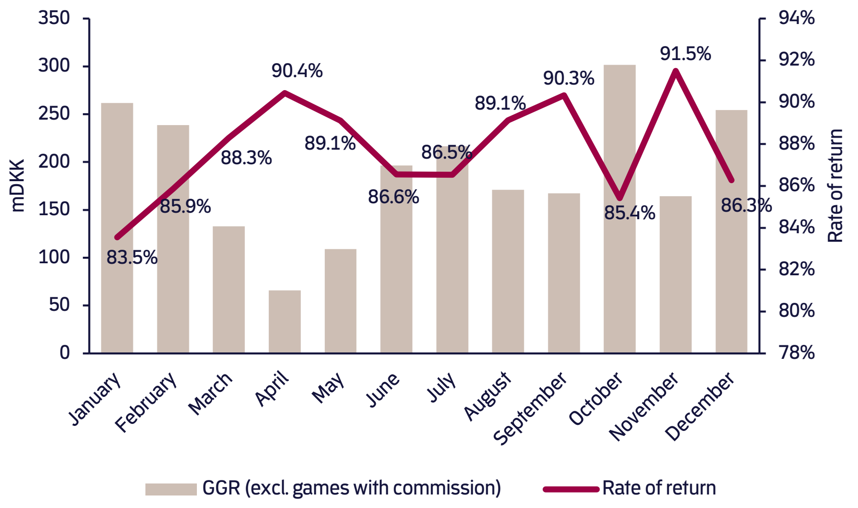
Reimbursement rate affects GGR
The reimbursement rate has an influence on the size of the gambling operators' GGR. It is an expression of the share that the players on average are paid back as winnings when they gamble. For example, an average reimbursement rate of 90 percent means that a player on average is paid back DKK 90 when he has gambled DKK 100 on a bet.

-8.9 %

Development in GGR for betting from 2019 to 2020

In 2020, the average reimbursement rate was 87.6 percent. November was with its 91.5 percent the month with the biggest reimbursement rate, *cf. figure 30*. January and October, which were the months with the lowest reimbursement rates (83.5 and 85.4 percent, respectively), were, to no surprise, also the months with the biggest GGR.

Figure 30. GGR (excluding games with commission) and reimbursement rates for betting in 2020

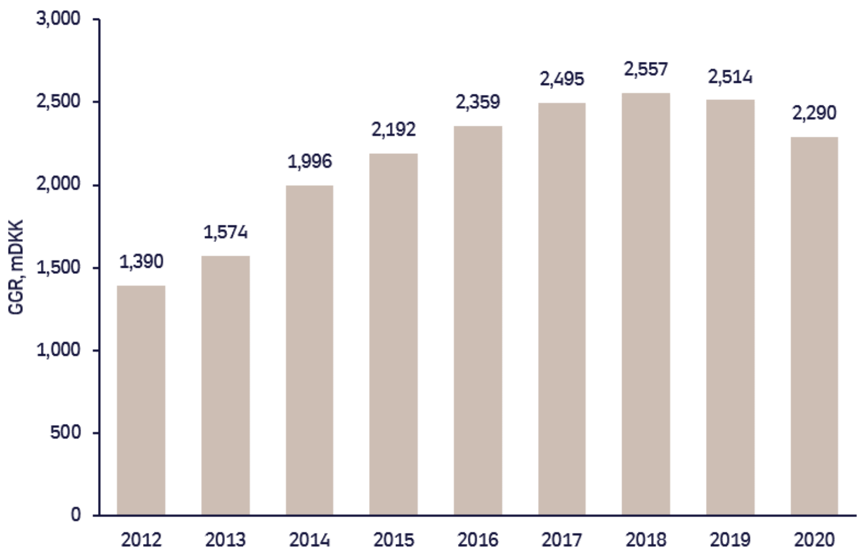


Sourse: Data on gambling dties submitted by licence holders to the Danish Tax Agency

Covid-19 caused a fall in GGR

Since the liberalisation of the sector in 2012, the betting market has been characterised by growth. The GGR rose every year from 2013 to 2018, but saw a slight fall in 2019, *cf. figure 31*. The decrease continued in 2020, which can, to a large extent, be attributed to covid-19. Despite the fall, the GGR in 2020 is still markedly bigger in 2020 than in 2012. From 2012 to 2020, the annual GGR for betting has increased by DKK 900 million.

Figure 31. GGR for betting, 2012-2020, million DKK

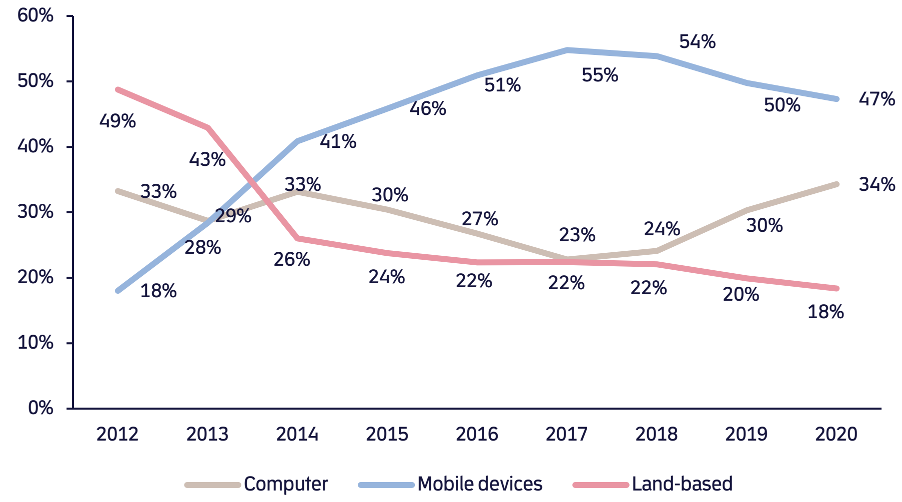


Source:: Data on gambling duties submitted by licence holders to the Danisg Tax Agency.
Note:: 2020 prices.

Danes gamble most online

Betting is possible from several types of devices and physical premises in Denmark. 47 percent of the stakes on betting in 2020 came from gambling on mobile devices, while 18 percent came from land-based gambling, for example in the local kiosk or supermarket. 34 percent came from gambling on computers. Since 2012, the share of stakes from mobile devices has increased, *cf. figure 32*. On the other hand, a smaller share of the stakes now comes from land-based gambling.

Figure 32. Stakes on betting categorised by sales channels, 2012-2020

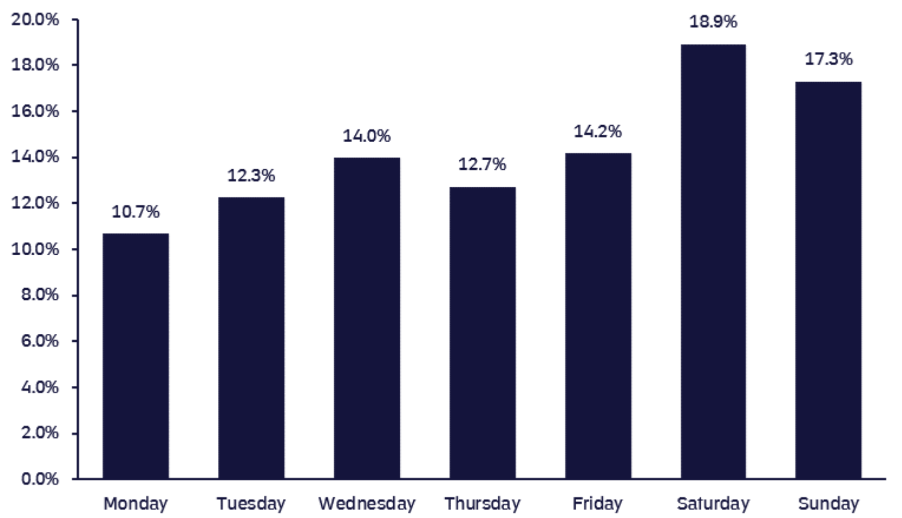


Source: the Danish Gambling Authority's gambling control system. Numbers for 2020 are from January up t and includng October

Danes prefer gambling in the weekend

Every day all year, Danes can gamble on sports matches and other events. Looking into how Danes' stakes on betting is spread across the weekdays, it is however, a tendency that gambling is at it highest in the weekends, *cf. figure 33*. In 2020 36.2 percent of the value of the stakes were placed on Saturdays and Sundays. Many matches in European football are held on these days, which can explain the higher stakes.

Figure 33. Stakes on betting in 2020 categorised by weekdays



Source: the Danish Gambling Authority's gambling control system. Numbers for 2020 are from January up t and includng October.

2.6 Online casino

In 2020, there were 32 licences to offer online casino in Denmark, *cf. table 3*. Most of the gambling operators are relatively small measured by their gross gaming revenue. In 2020, 17 of the operators had a GGR of less than DKK 25 million while three operators has a GGR of more than DKK 200 million. In addition to this, there were three revenue-restricted licences. Revenue-restricted licences apply for one year and the gambling operator's GGR cannot exceed DKK 1 million.

Table 3. Licences for online casino in 2020 by GGR

GGR (million DKK)	Number of licences
Under 5	9
5 - 10	2
10 - 25	6
25 - 50	4
50 - 100	4
100 - 200	4
200 - 500	2
Over 500	1

Source: the Danish Gambling Authority
Note: Does not include revenue-restricted licences for online casino

Online casino was the second largest gambling sector with a GGR of DKK 2,453 million and constituted 27 percent of the total gambling market. Thereby, the GGR for online casino increased by DKK 100 million from 2019, when the GGR constituted DKK 2,354 million equalling an increase of 4.2 percent.

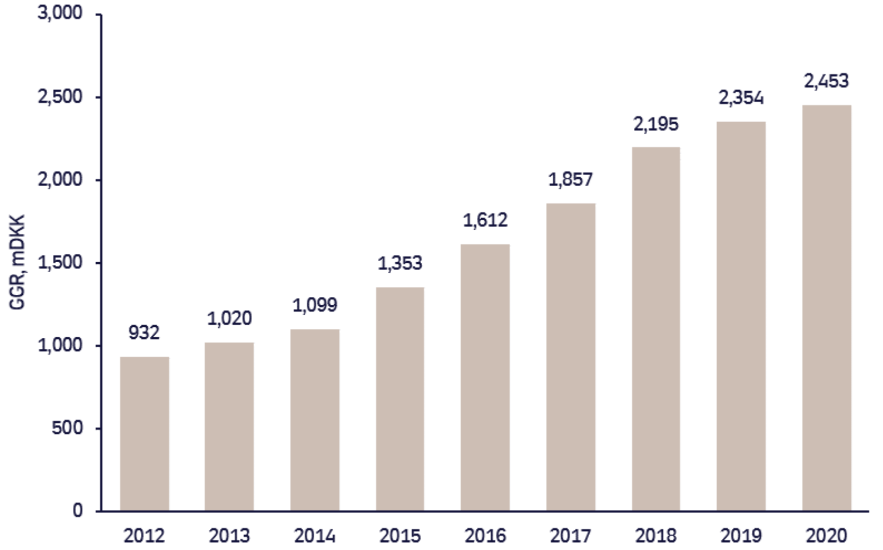
When covid-19 came to Denmark in the spring 2020, it was speculated whether the closed land-based gambling markets would cause the spending on online casino to rise. However, there is nothing immediate that supports such a conclusion. The GGR did increase in 2020 compared to 2019, but the GGR has increased every year since the liberalisation of the sector in 2012, *cf. figure 34*. Online casino is the sector that has increased the most since 2012. From 2012 to 2020m the annual GGR for online casino has increased about DKK 1.5 billion equalling an increase of 163 percent. In this way, the increase of 4.2 percent is the smallest increase in percentages in one year since the liberalisation.

4.2 %

The increase in GGR for online casino from 2019 to 2020

The increase in 2020, of about DKK 100 million does not outweigh the total loss that betting, gaming machines and land-based casinos experienced in 2020 of about DKK 740 million. Thus, it cannot be concluded that there has been a one to one change in Danes' gambling spend from the land-based games and betting to online casino.

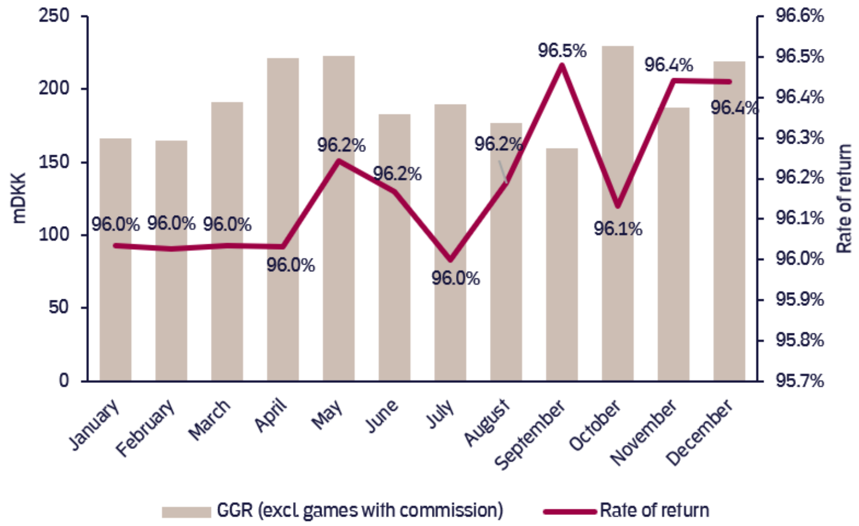
Figure 34. GGR for online casino, 2012-2020, million DKK



Source: Data on gambling duties submitted y licence holders to the Danish Tax Agency.
Note:: 2020 prices.

The average reimbursement rate on online casino in 2020 was 96.2 percent. During 2020, the reimbursement rate varied from 96.0 percent in January, February, March, April and July to 96.5 percent in September, *cf. figure 35*. September was the month in 2020 with the lowest GGR. Online casino is the gambling sector with the highest reimbursement rate.

Figure 35. GGR (excluding games with commission) and reimbursement rate for online casino in 2020



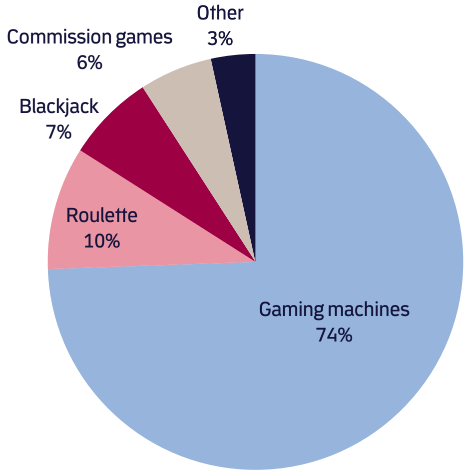
Source: Data on gambling duties submitted y licence holders to the Danish Tax Agency.

Danes prefer online gaming machines

Online casino offers many different types of games to gamble on. Most Danes prefer to gamble on gaming machines. In 2020, DKK 1,826 million of the GGR from online casino came from gambling on online gaming machines, *cf. figure 36*. This equals 74 percent. 10 percent and 7 percent of the GGR came from roulette and blackjack, respectively. Finally, 6 percent of the GGR came from commission games. Commission games are games where you play against other players and pay a commission to the gambling operator to participate. These are for example multi-player poker and multi-player bingo.

Share of GGR for online casino in 2020 coming from gaming machines

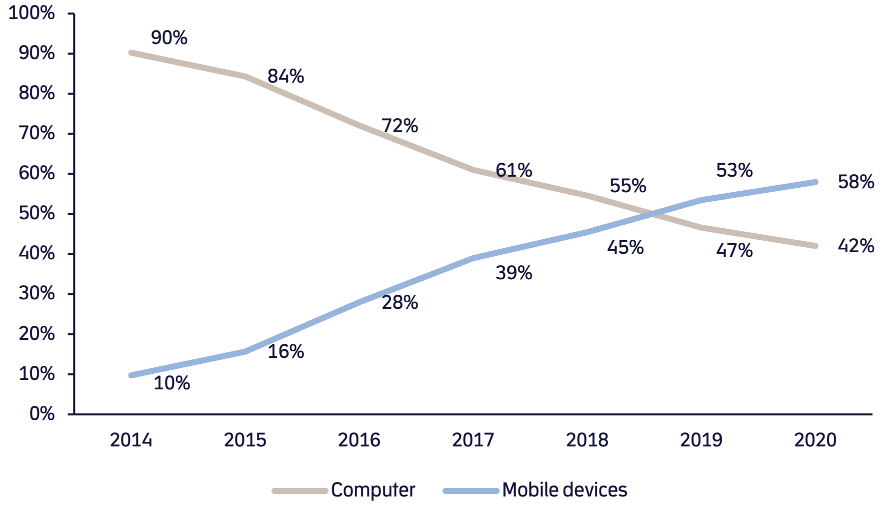
Figure 36. GGR for online casino in 2020 categorised by types of games



Source: The Danish Gambling Authority's gambling control system

You can both gamble on online casino on a computer or a mobile device, for example a mobile phone or a tablet. As online casino was liberalised in 2012, most of the stakes came from gambling via a computer, *cf. figure 37*. Since then, it has changed so that stakes from gambling on mobile devices accounted for more and more of the stakes. 2019 was the first year when the stakes from mobile devices constituted more than half of the total stakes on online casino. In 2020, the share rose to 58 percent.

Figure 37. Stakes on online casino categorised by sales channels, 2014-2020



Source: the Danish Gambling Authority's gambling control system