Spillemyndigheden

The Gambling Market in Numbers 2021

The Danish Gambling Authority's review of the developments in the Danish gambling market in 2021

May 2022

Contents

Foreword

At the Danish Gambling Authority, it is a high priority for us to keep our stakeholders updated on the most recent developments in the Danish gambling market. This is why we released "The Gambling Market in Numbers" for the first time last year as a supplement to our quarterly statistics in Power BI. Since then, we have also published the Power BI report "The monthly overview", where the latest GGR figures are made available every month.

Now, we repeat "The Gambling Market in Numbers" to provide a complete overview of the Danish gambling market in 2021. Here, we have compiled several statistics, both concerning the individual gambling sectors and across sectors, which all describe the development in the Danes' gambling spend and behaviour. In this publication, you can read about when the Danes' gambling spend peaked during European Football Championship, how big a share of online gambling takes place on sites with a Danish licence and how many Danes use the Danish Gambling Authority's self-exclusion register ROFUS, among other things

I hope you will find "The Gambling Market in Numbers 2021" useful.

On behalf of the Danish Gambling Authority,

Anders Dorph
Director

Introduction

One of the Danish Gambling Authority's main tasks is to collect and analyse data, illuminating the development in the Danish gambling market. With 41 tables and figures, "The Gambling Market in Numbers 2021" provides the total statistical overview of the gambling market in 2021. The publication includes both statistics on the individual gambling sectors (lotteries, online casino, betting, gaming machines and land-based casino) as well as statistics across gambling sectors. The publication describes the development in 2021, but also the development since 2012, when the Danish gambling market was partially liberalised.

Yet another year affected by Covid-19

As was the case in 2020, Denmark in 2021 was impacted by Covid-19. In great parts of the year, the gambling market was directly affected by the pandemic, when gambling arcades, restaurants, bars and casinos for periods of time were closed to prevent the spread of Covid-19. In 2021 they were closed for even longer periods of time than in 2020, which can be read in a fall in the gross gaming revenue (GGR) for gaming machines and land-based casinos from 2020 to 2021, *cf. figure 1.*

The total GGR for the Danish gambling market amounted to DKK 9.6 billion in 2021, which is a year-on-year growth of DKK 250 million. This equals 2.8 percent. The total growth in the gambling market was driven by increases in lotteries, online casino and betting.

Figure 1. GGR for the Danish gambling market, 2020-2021, million DKK

Source: Data on duties reported by licence holders to the Danish Tax Agency, Danske Spil A/S, and the Danish class lotteries[1].

Wide selection of gambling operators in the Danish market

In the Danish gambling market, the players have a wide selection of gambling products and gambling operators to choose between. In 2021, we had issued 799 licences to offer

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

gambling in Denmark. In addition to this, the Danish Gambling Authority was notified of 507 charity lotteries by associations, *cf. table 1.*

Table 1. Licences/notifications to offer gambling in Denmark in 2021

Gambling sector	Number of licences / notifications
Betting	21
Betting – revenue-restricted licence	3
Online casino	35
Online casino – revenue-restricted licence	4
Gaming machines	311
Land-based casinos	9
Monopoly lotteries	4
Charity lotteries – licences	412
Charity lotteries - notifications	507

Use of the term gross gaming revenue

In "The Gambling Market in Numbers 2021", gross gaming revenue (GGR) is consistently used as a measure of 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 2021" 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 internal systems in the Danish Gambling Authority. Statistics for charity lotteries is based on the accounts submitted by licence holders after the lottery is run. Finally, data on gambling markets in Europe and channelling rates come from the international market research institute H2 Gambling Capital.

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 2021

1

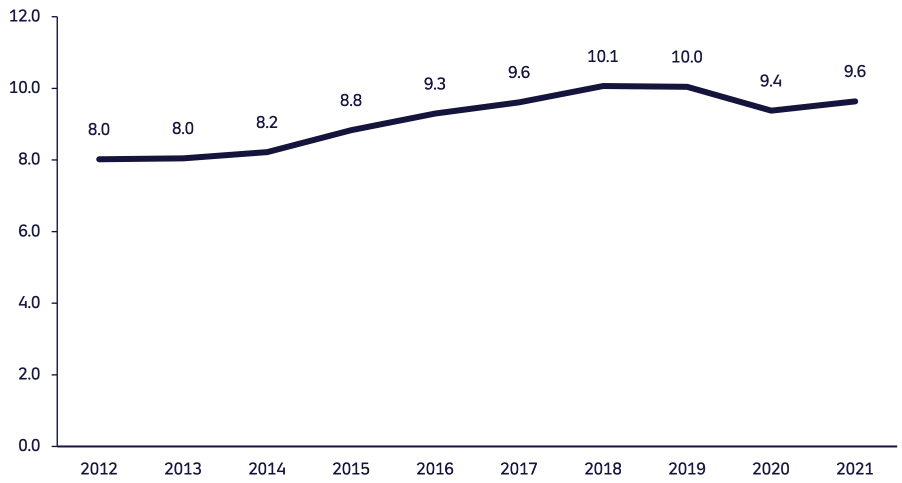
1.1 The development in the gambling market in 2021

The total gambling market in Denmark constituted DKK 9.6 billion in GGR in 2021. This is a year-on-year increase of DKK 250 million, equalling 2.8 percent. Since 2012, when betting and online casino were liberalised, the GGR is grown by DKK 1.6 billion, equalling 20.2 percent. Before Covid-19 measures influenced the gambling market in 2020 and 2021, the GGR had increased by just over DKK 2 billion from 2012 to 2019.

DKK 9.6 billion

GGR for the total Danish gambling market in 2021

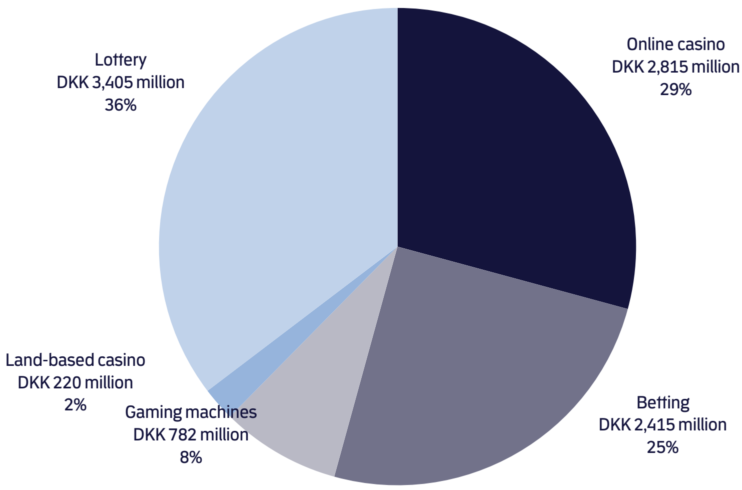
Figure 3. GGR for the total gambling market, 2012-2021, billion DKK



Source: Data on duties reported by licence holders to the Danish Tax Agency, Danske Spil A/S, and the Danish class lotteries.

The largest gambling sector in Denmark in 2021 measured in GGR was lotteries with DKK 3,405 million, which was 36 percent of the total gambling market. Online casino and betting accounted for 29 percent and 25 percent of the gambling market, respectively. The remaining 10 percent of the gambling market was gaming machines and land-based casinos, which made up 8 percent and 2 percent, respectively.

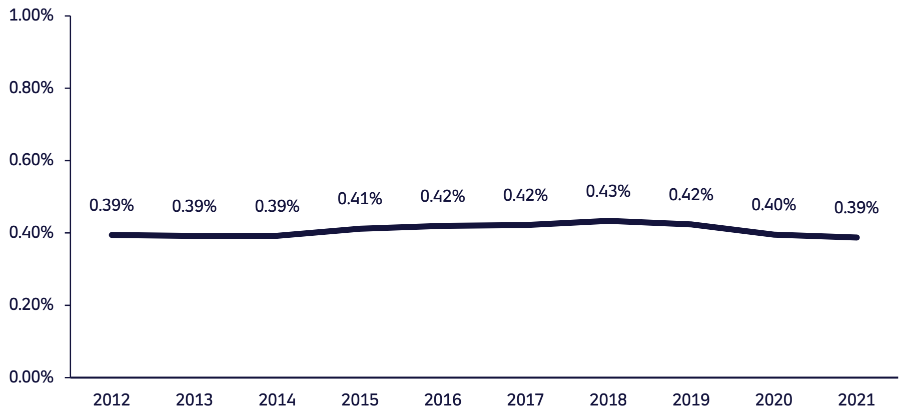
Figure 4. Market shares for gambling sectors in 2021



Source: Data on duties reported by licence holders to the Danish Tax Agency, Danske Spil A/S, and the Danish class lotteries.

The growth in GGR must be viewed in the context of the development of the total Danish economy in the same period. In 20221, the total GGR comprised 0.39 percent of the Danish Gross Domestic Product (GDP). It is the same share as in 2012. GDP is an economic indicator of the value of a state's total production of goods and services. This means that the GGR has accounted for the same share of the Danish economy in the two years. Between the two years, the share has swung between 0.39 percent and 0.43 percent.

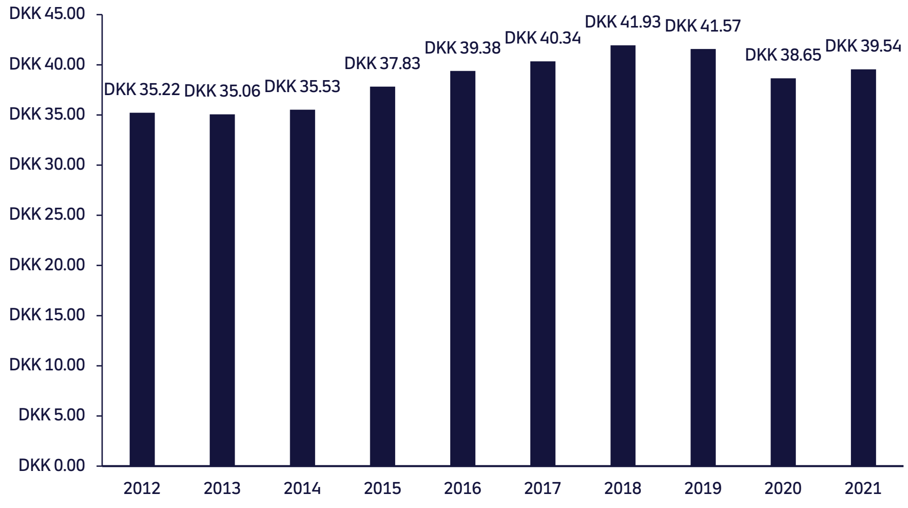
Figure 5. GGR for the total gambling market as share of GNP, 2012-2021



Source: Data on duties reported by licence holders to the Danish Tax Agency, Danske Spil A/S, and the Danish class lotteries and Statistics Denmark.

The GGR in 2021 corresponded to a weekly average gambling spend of DKK 39.54 per Dane over 18. It was an increase of just under DKK 1 compared to 2020, which equals 2.3 percent. Out of the weekly average spending, about DKK 14 was spent on lotteries, DKK 11.50 on online casino, DKK 10 on betting, DKK 3 on gaming machines and DKK 1 on land-based casino.

Figure 6. Average weekly gambling spend per Dane over 18, 2012-2021



Source: Data on duties reported by licence holders to the Danish Tax Agency, Danske Spil A/S, and the Danish class lotteries and Statistics Denmark.

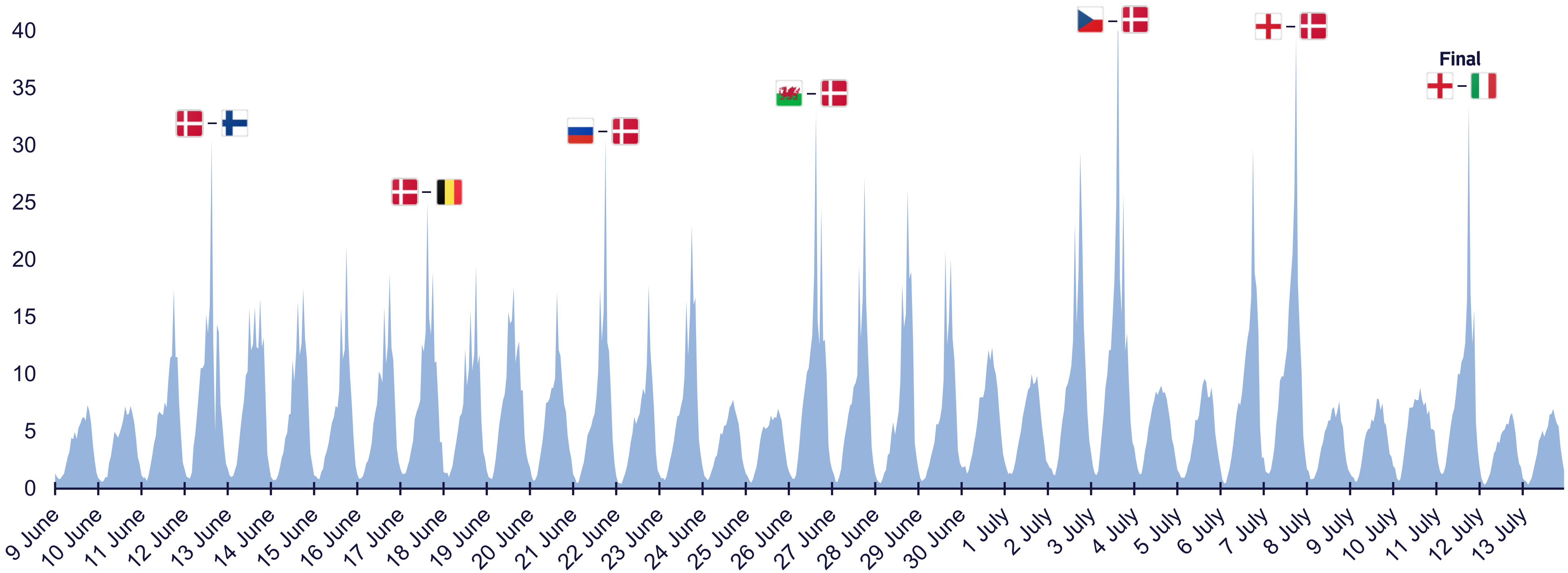
1.2 European Football Championship

Denmark's matches clearly affected the betting market during the European Football Championship in the summer of 2021. The days when Denmark played matches, the stakes on betting were higher than many other days during the finals, *cf. figure 7*.
The finals took place from 11 June to 11 July. The day in the period, when the Danes' stakes on betting was highest was 3 July, when Denmark played the quarterfinal against the Czech Republic. The day with the second highest stakes was 7 July, when Denmark played the semi-final against England. The third highest stake was 26 June, when the last 16 between Denmark and Wales took place.

On 11 June, when Italy and England played the final, the Danes' stakes were also high. On this day, the stakes on betting were even higher than on 12 June, 17 June and 21 June, when Denmark played group stage matches.

On a few days during the finals, no matches took place, that is between group stage matches, rounds of 16, quarter finals, semi-finals and the final. On these days, the stakes were lower than on the days, when matches took place.

Figure 7. Scaled value of stakes on betting on an hourly basis, 9 June – 13 July 2021



Source: The Danish Gambling Authority's gambling control system.

Note: Data in the figure describes the total betting market in the period. The Danish Gambling Authority does not have data for individual sports or tournaments.

1.3 Development in land-based and online gambling

In Denmark, you can gamble both online and land-based. This means that you can gamble both on the internet or on-site at different locations such as the local gambling arcade, restaurant, bar or kiosk.

65 %

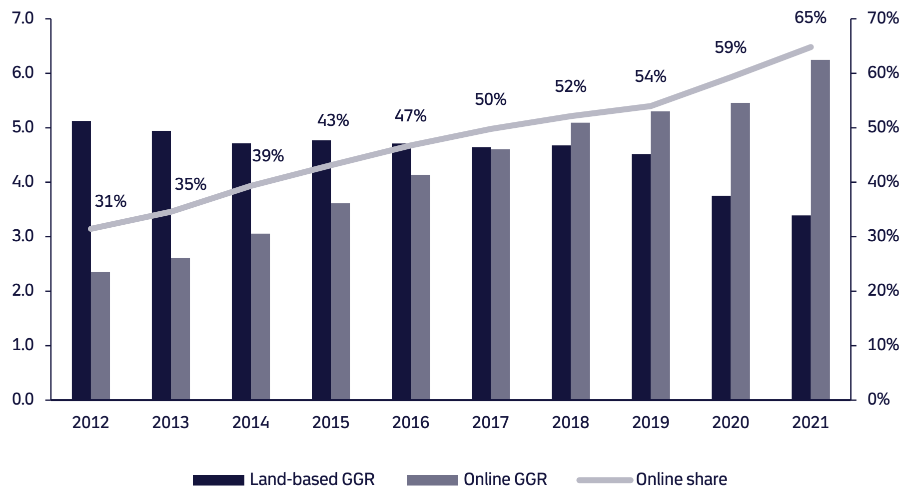
Share of GGR coming from online gambling

In 2021, 65 percent of the GGR on the Danish gambling market came from online gambling, *cf. figure 8*. This is an increase of six percentage points compared to 59 percent in 2020. Since 2012, the share of GGR coming from online gambling has increased every year, and 2018 became the first year, when more than half of the Danish gambling market was online gambling. Compared to 2012, the share of online gambling has grown by 22 percentage points in 2021.

In 2021, the land-based casinos and gambling arcades were affected by longer Covid-19 lockdowns compared to 2020. This was a contributing factor to making online gambling comprise a larger share of the total gambling market in 2021.

The total land-based GGR was already falling before Covid-19 measures affected the gambling market. From 2012 to 2021, the GGR decreased by DKK 1.7 million. The increase in the GGR which has characterised the development in the gambling market the last 10 years can thus be ascribed to an increase in online gambling.

Figure 8. GGR of gambling market by sales channels, DKK in billion, 2012-2021



Source: The Danish Gambling Authority's gambling control system, Source: Data on duties reported by licence holders to the Danish Tax Agency, Danske Spil A/S, and the Danish class lotteries.

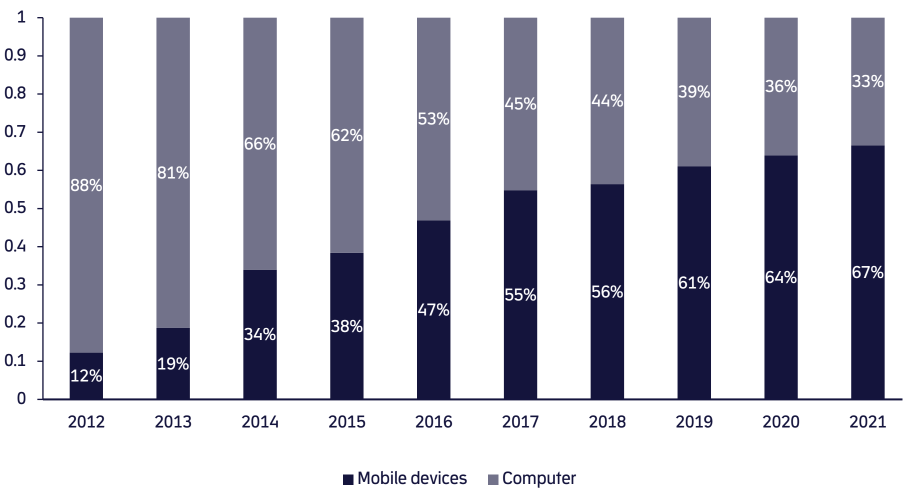
To a still greater extent, Danes prefer to gamble on mobile devices. When betting and online casino were liberalised in 2012, 12 percent of the GGR came from online casino and online betting on mobile devices. However, this share has increased every year since then, *cf. figure 9*. In 2021, the share was 67 percent.

67 %

Share of GGR for online casino and online betting coming from mobile devices

The development must be viewed in relation to the general technological development in Denmark, where it continuously becomes easier to buy and sell goods and services via mobile devices.

Figure 9. GGR for online casino and online betting by sales channels



Source: The Danish Gambling Authority's gambling control system

1.4 Demographic profile of players

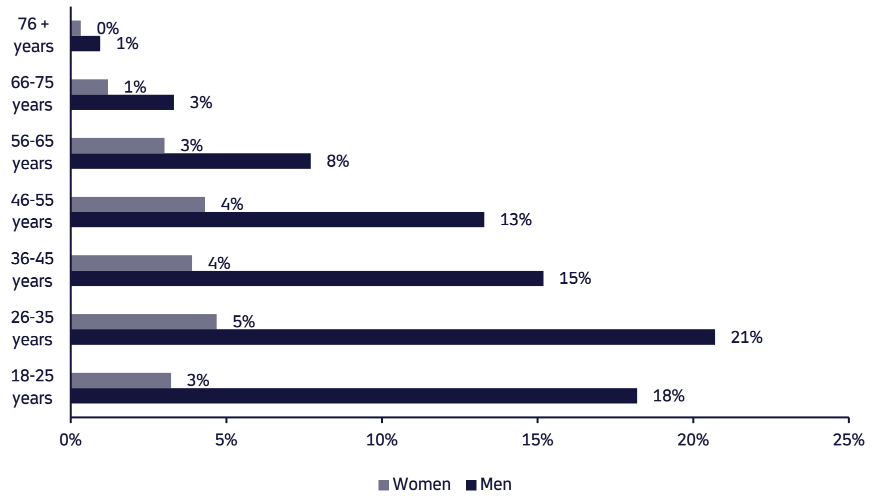
Every year, licence holders report to the Danish Gambling Authority the number of player accounts they have, as well as the age and ex of the players holding the accounts. It gives the Danish Gambling Authority a unique insight into the characteristics of the typical online casino player and online betting player.

79 %

Share of online betting accounts in 2020 belonging to men

The vast majority of the online accounts belong to men. Thus, 73 percent and 79 percent of the active online casino accounts and the active online betting accounts, respectively, have been created by men, *cf. figures 10 and 11*.

Figure 10. Online betting accounts by sex and age, 2020[2]



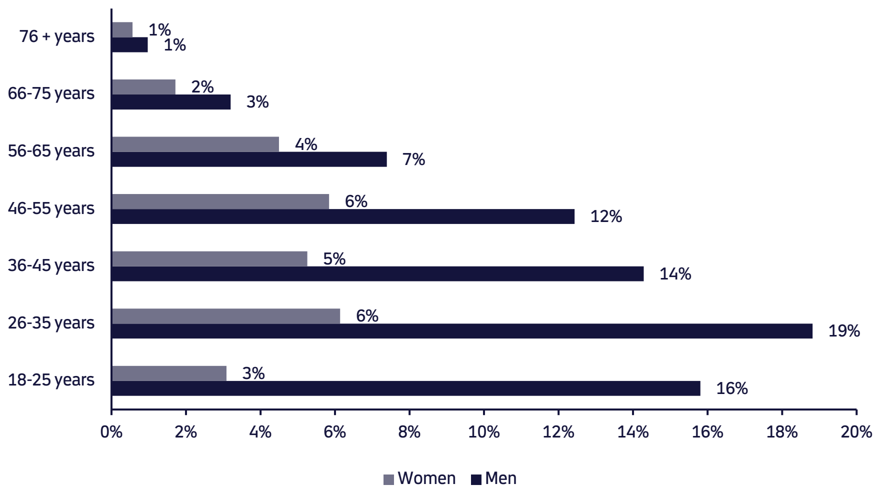
Source: Annual acocunts submitted bu licence holders to the Danish Gambling Authority.

When categorising players into age groups, it reveals the tendency that it is primarily young people who play online casino and online betting. 44 percent and 47 percent of the active online casino accounts and online betting accounts, respectively, belongs to persons under 36, *cf. figures 10 and 11*.

Thereby, what characterises a typical online account is that it belongs to a young man. In fact, 35 percent and 39 percent of the active online casino and online betting accounts, respectively, belongs to men between the ages 18 and 35, while only 9 percent and 8 percent, respectively, belongs to women between 18 and 35.

[2] The Danish Gambling Authority has not received annual accounts for 2021 at the time of publication, which is why data from 2020 is used.

Figure 11. Online casino accounts by sex and age, 2020[3]



Source: Annual acocunts submitted bu licence holders to the Danish Gambling Authority.

[3] The Danish Gambling Authority has not received annual accounts for 2021 at the time of publication, which is why data from 2020 is used.

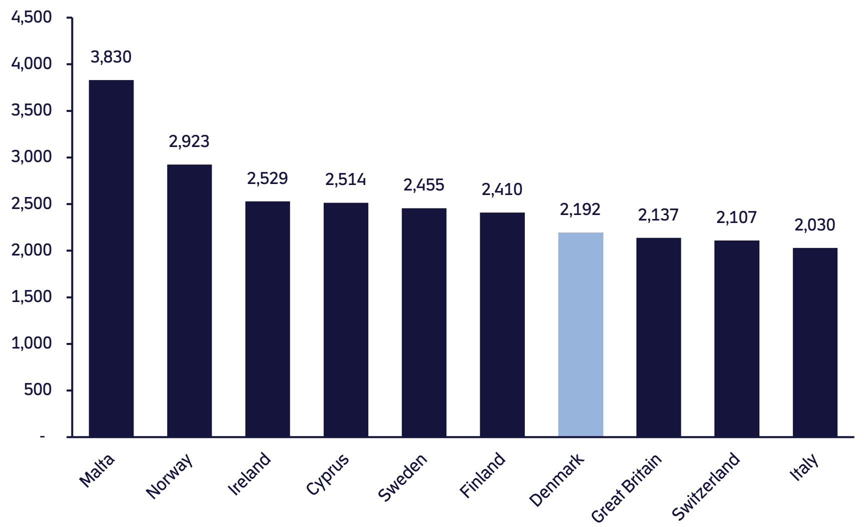
1.5 Danish gambling spend compared to the rest of Europe

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, that is the framework and requirements gambling operators must comply with. The differences are also reflected in the gambling spend per capita in European countries.

In 2021, Denmark was among the top ten countries in Europe with the highest gambling spend per adult, *cf. figure 12*. To be precise, Denmark came in on a 7th place with an average annual gambling spend of DKK 2,192. This amount includes the spending on gambling sites on the internet without a Danish licence.

Malta had the highest gambling spend per adult in Europe of DKK 3,830, which is about DKK 1,638 more per adult compared to Denmark. In addition, it should be noted that Denmark is the Scandinavian country with the lowest gambling spend. This means that Norway, Sweden, and Finland had a higher gambling spend per adult in 2021 compared to Denmark.

Figure 12. Top-10 European countries with the highest average gambling spend per adult in 2021, in DKK



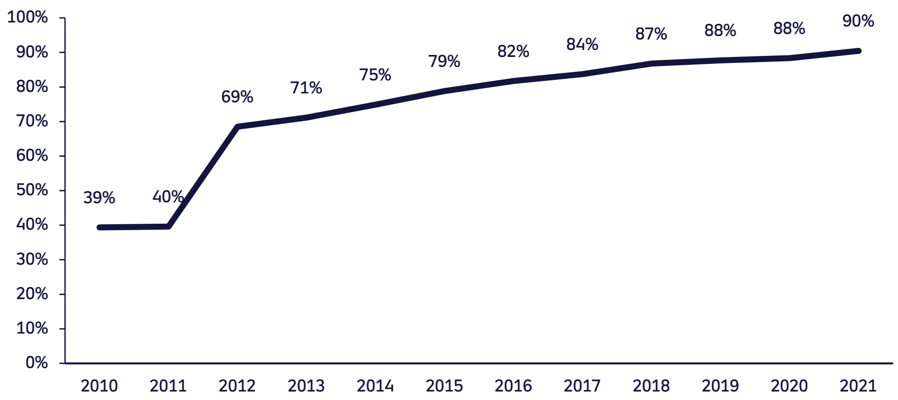
Source: H2 Gambling Capital. Data may change, which is why the figures may be updated at a later time. The data is collected on 4 May 2022. Note: The gambling spend is measured by GGR.

1.6 Development in channelling rate in Denmark

With online gambling, it is possible to measure the share of the gambling spend that comes from gambling operators with a Danish licence. This is called the channelling rate. Before the liberalisation of betting and online casino in 2012, the channelling rate was about 40 percent, *cf. figure 13*. This means that only 40 percent of the online gambling spend was spent on the then state monopoly for gambling. One of the purposes of the liberalisation was to move a larger part of the gambling spend onto websites with a Danish licence and thereby follow Danish rules on gambling provision and pay gambling duties to the Danish state.

The liberalisation meant that everyone could apply for a licence to offer betting and online casino in Denmark. In 2012, the channelling rate had already reached 69 percent and since then it has increased every year. In 2021, the channelling rate was 90 percent, which is an increase of 21 percentage points compared to 2012. This means that the majority of the gambling spend takes place on websites that must comply with the Danish Gambling Act and are monitored by the Danish Gambling Authority.

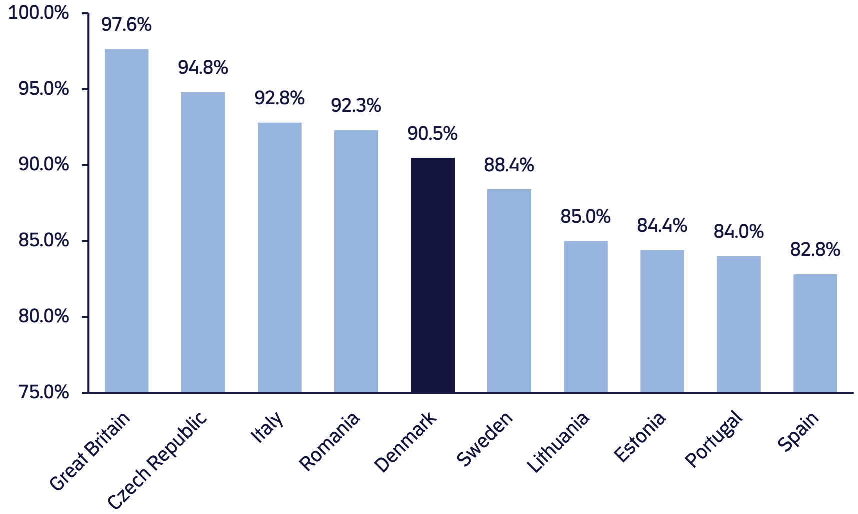
Figure 13. Online channelling rate in Denmark, 2010-2021



Source: H2 Gambling Capital. Data may change, which is why the figures may be updated at a later time. The data is collected on 4 May 2022. Note: The gambling spend is measured by GGR.

Denmark is among the countries with the highest channelling rate. In 2021, Denmark had the 5th highest channelling rate in Europe, *cf. figure 14*. Only Great Britain, the Czech Republic, Italy and Romania had a higher channelling rate.

Figure 14. Top-10 countries in Europe with the highest online channelling rate in 2021



Source: H2 Gambling Capital. Data may change, which is why the figures may be updated at a later time. The data is collected on 4 May 2022. Note: The gambling spend is measured by GGR.

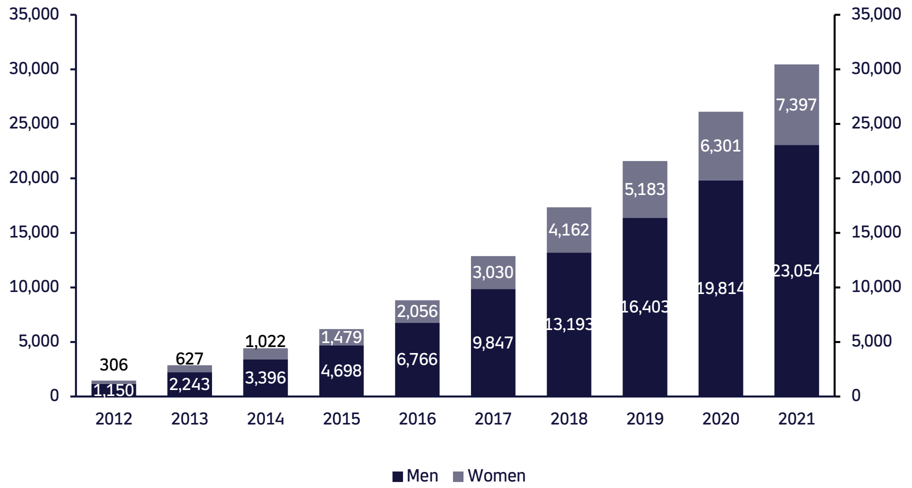
1.7 ROFUS – Register of self-excluded players

The Danish Gambling Authority is responsible for the Register of self-excluded players (ROFUS), where Danish players can self-exclude from online gambling and gambling at land-based casinos either temporarily for 24 hours, one, three or six months or permanently. A permanent self-exclusion means that you can request a deregistration after one year at the earliest.

Gambling operators licensed by the Danish Gambling Authority must always refer to ROFUS in their marketing. This helps ensure that Danish players are aware of the option to self-excluder from gambling.

By the end of 2021, 30,451 Danes were registered with ROFUS, *cf. figure 15*. This is a year-on-yar increase of just over 4,000. Since the register was established in connection with the liberalisation of betting and online casino in 2012, the number of registered persons has increased every year.

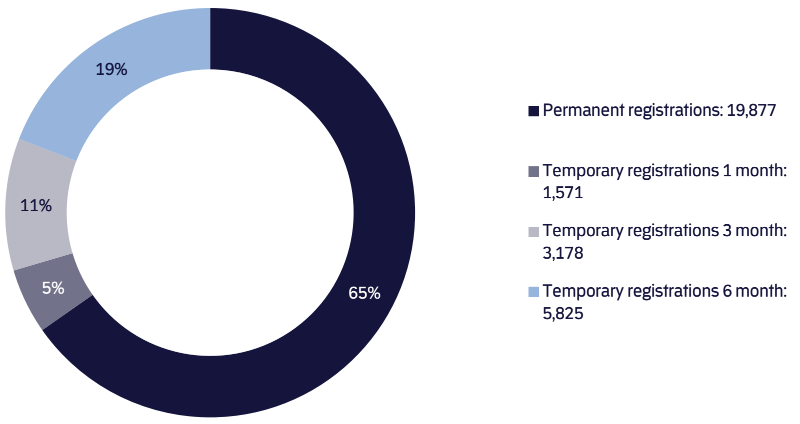
Figure 15. Players registered with ROFUS, 2012-2021



Source: The Danish Gambling Authority.
Note: The data set includes both players who are temporarily and permanently excluded. For 2012-2019, the data is collected on 1 January the following year and for 2020, and 2021, data is collected on 31 December. This means that the figure only describes how many players were registered on the day the data was collected. The category for temporary exclusion for 24 hours does not appear from the figure, since there are relatively large variations in this group from day to day.

Most of the players registered with ROFUS have self-excluded permanently. This was true for 19,877 of the registered players by the end of 2021. The most popular temporary self-exclusion option was six months, which 5,825 Danes had chosen by the end of 2021. This equals 19 percent of all self-excluded players. 3,178 and 1,571 Danes had self-excluded for three months and one month, respectively, equalling 11 and 5 percent.

Figure 16. Players registered with ROFUS by type of exclusion, 31 December 2021



Source: The Danish Gambling Authority
Note: The category for temporary exclusion for 24 hours does not appear from the figure, since there are relatively large variations in this group from day to day.

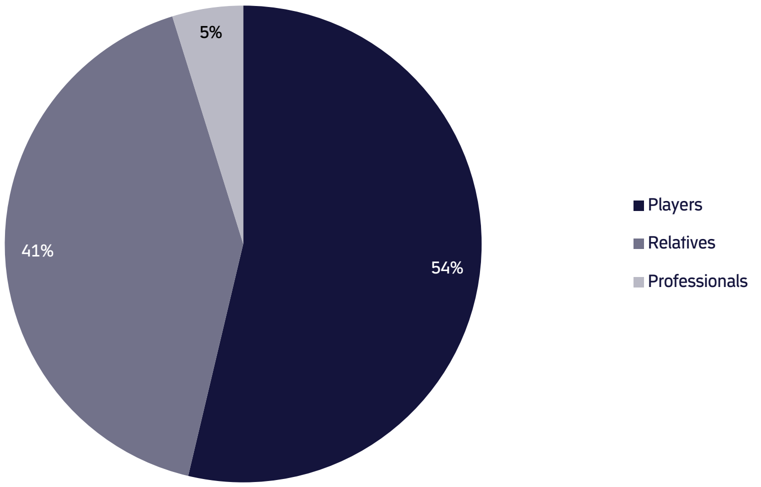
1.8 StopSpillet – National Gambling Helpline

The Danish Gambling Authority operates StopSpillet – the National Gambling Helpline, whom players, relatives and professionals can call or chat with for guidance about compulsive gambling and responsible gambling. In 2021, StopSpillet received 499 calls and chats, which is approximately the same level as in 2020, when the number of calls and chats was 512. in 2021, 54 percent of the conversations were with players, 41 percent with relatives and the remaining 5 percent were with professionals.

499

Number of persons who have contacted StopSpillet in 2021

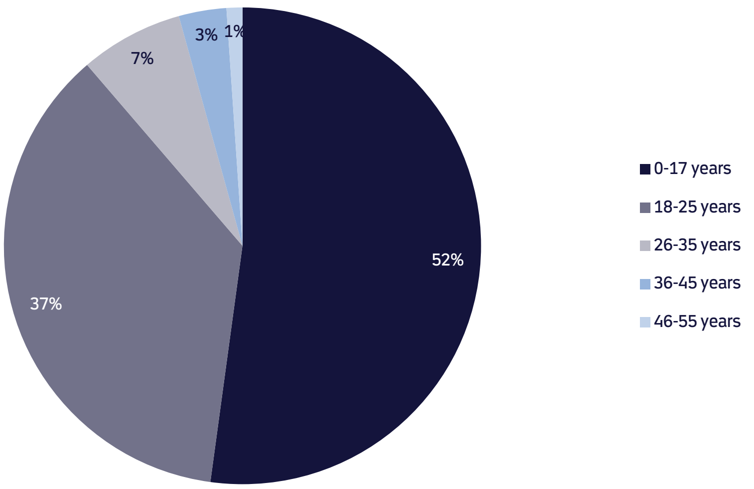
Figure 17. Categorisation of StopSpillet conversations by type of caller in 2021



Source: The Danish Gambling Authority.

Many of the players who contact StopSpillet began gambling at a young age. In 2021, 52 percent of the players who contacted StopSpillet had gambled for the first time before the age of 18, *cf. figure 18*. The average age for when men gambled for the first time was 17, while it was 28 for women.

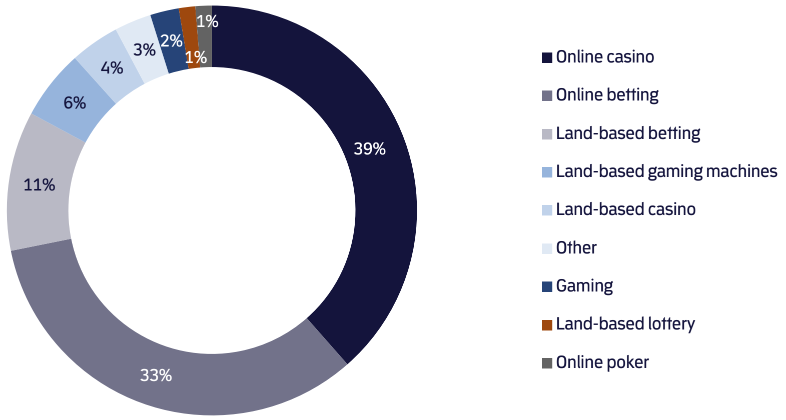
Figure 18. Players' age when they first started gambling categorised by age group, 2021 conversations



Source: The Danish Gambling Authority.

When players contact StopSpillet, they also state the games they primarily play. Most of the persons who contact StopSpillet state online gambling as their preferred games. Online casino and online betting account for 39 percent and 33 percent, respectively, of the stated types of games. After that comes land-based betting in for example kiosks and supermarkets, which account for 11 percent followed by gaming machines with 6 percent. In addition, some players also state land-based casinos, video gaming, land-based lotteries and online poker as their preferred games.

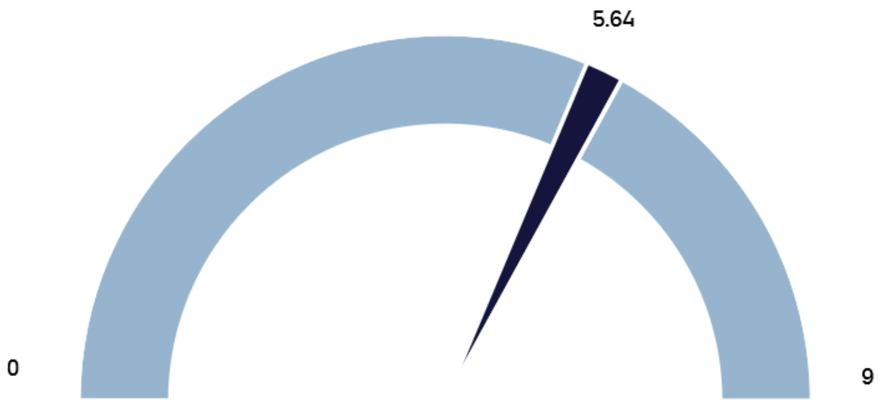
Figure 19. Preferred types of gambling, 2021 conversations



Source: The Danish Gambling Authority.
Note: Up to two types of gambling have been registered per player. Only players who have contacted StopSpillet themselves are included.

One of the things StopSpillet's advisers help with is to clarify whether a players have a problematic relation to gambling. This is examined by talking about the relation to gambling and by use of a compulsive gambling test, which consists of a number of questions about the player's gambling habits and behaviour. The test generates a score between 0 and 9. If the score is 4 or more, it indicates compulsive gambling. The average score for the players who contacted StopSpillet in 2021 was 5.64. The scores thereby suggest that the players who contact StopSpillet on average do have a problematic relation to gambling.

Figure 20. Players' average score on the test about compulsive gambling, 2021 conversations



Source: The Danish Gambling Authority.

Development in the gambling sectors in 2021

2

2.1 Charity lotteries

In Denmark, lotteries are subject to a monopoly. However, it is allowed to run lotteries if they have a charitable purpose. In 2021, 919 lotteries were run, *cf. figure 21*. The Danish Gambling Authority had been notified of 507 of the lotteries. Those were lotteries with a selling price of DKK 20,000 or less. These lotteries do not require a licence from the Danish Gambling Authority. The remaining 412 lotteries were licensed by the Danish Gambling Authority.

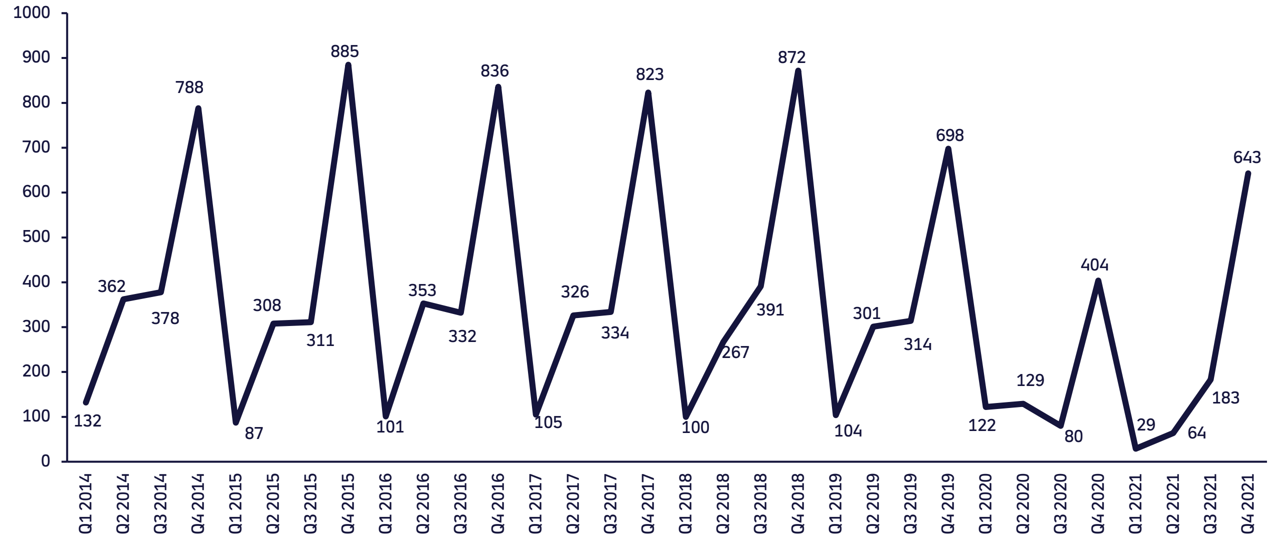
919

Charity lotteries run in 2021

The 919 lotteries in 2021 are an increase from 735 lotteries in 2020. This equals an increase of 25 percent. It is, however, still well below the 2019-level where 1,417 lotteries were run. The lower number of lotteries in 2020 and 2021 is mainly due to Covid-19, which meant that many associations chose not to run lotteries.

As for previous years, most of the lotteries in 2021 were run in the 4th quarter of the year. To be precise, 643 lotteries, equalling 70 percent were run during the last months of the year. The cause of this is that many associations want to run lotteries in connection with Christmas.

Figure 21. Charity lotteries run in 2021 (includes both notifications and licences)



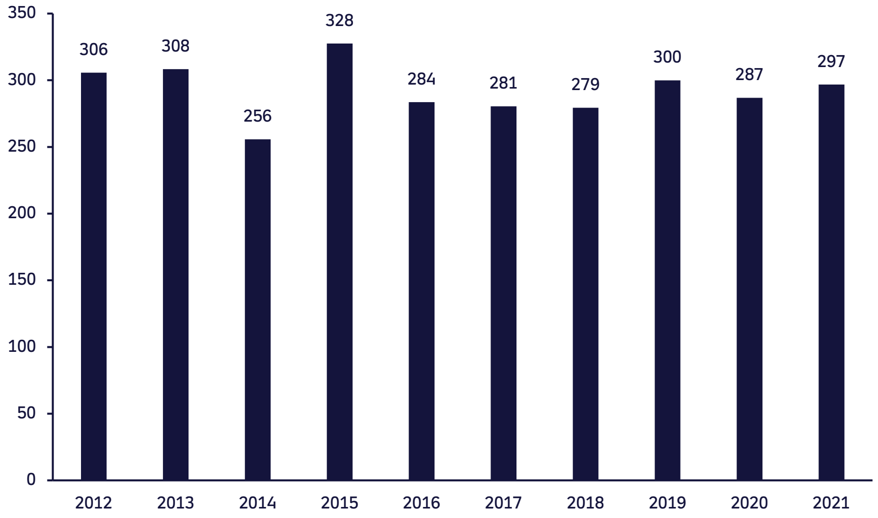
Source: The Danish Gambling Authority.

In 2021, the GGR for charity lotteries amounted to DKK 297 million, *cf. figure 22*. it is a year-on-year growth of DKK 10 million, equalling 3.5 percent. Since 2012, the annual GGR for charity lotteries have swung between DKK 256 and DKK 328 million.

3.5 %

Development in GGR for charity lotteries from 2020 to 2021

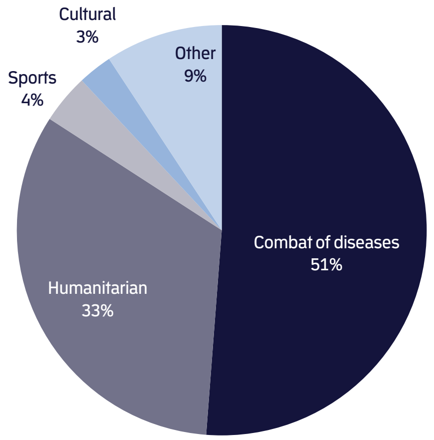
Figure 22. GGR for charity lotteries, 2012-2021, million DKK



Source: Accounts from licences for charity lotteries.
Note: 2021 prices. GGR in 2021 is a prelimenary estimate. Only GGR from licences for charity lotteries are included.

The lotteries are run for the benefit of many different causes. In 2021, 51 percent of the GGR from lotteries whose profit went to combat of diseases. 33 percent came from lotteries with humanitarian purposes. The smallest charity lotteries, measured by GGR, are those whose profit goes to sports and cultural causes. They accounted for 4 percent and 3 percent of the total GGR for charity lotteries in 2021, respectively.

Figure 23. GGR for charity lotteries categorised by charitable purposes in 2021



Source: Accounts from licences for charity lotteries submitted to the Danish Gambling Authority.
Note: Only GGR from licences for charity lotteries is included. The data is prelimenary estimates.

2.2 Monopoly lotteries

Lotteries are subject to a monopoly in Denmark if the lottery does not have a charitable purpose. This means that it is only Danske Spil A/S, Det Danske Klasselotteri A/S, Varelotteriet and Landbrugslotteriet, who can offer lottery and class lottery.

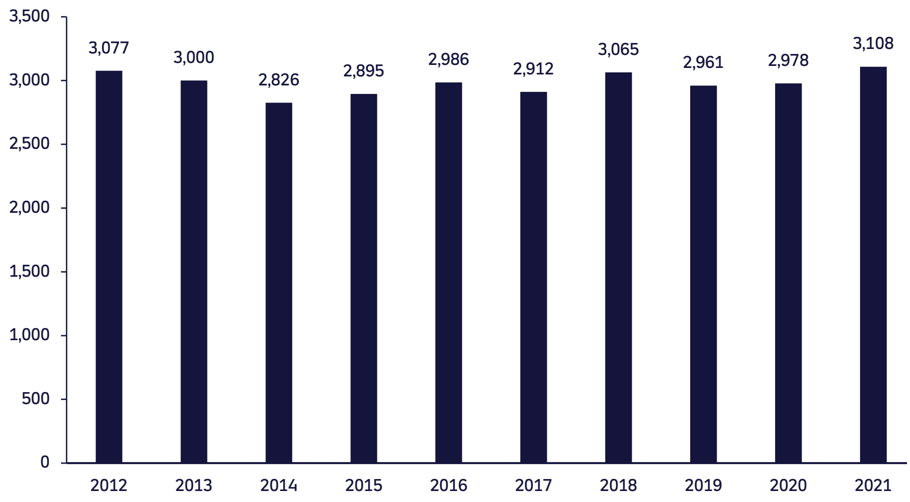
4.4%

Development in GGR for monopoly lotteries from 2020 to 2021

In 2021, the GGR for the above four licence holders amounted to DKK 3,108 million. This is a year-on-year increase of DKK 131 million which equals 4.4 percent. Thereby charity lotteries and monopoly lotteries together accounted for 36 percent of the Danish gambling market in 2021.

The monopoly lotteries are charaterised by a steady development since the partial liberalisation of the gambling market in 2012, *cf. figure 24*. The GGR has swung between DKK 2,826 million in 2014 and DKK 2,108 million in 2021.

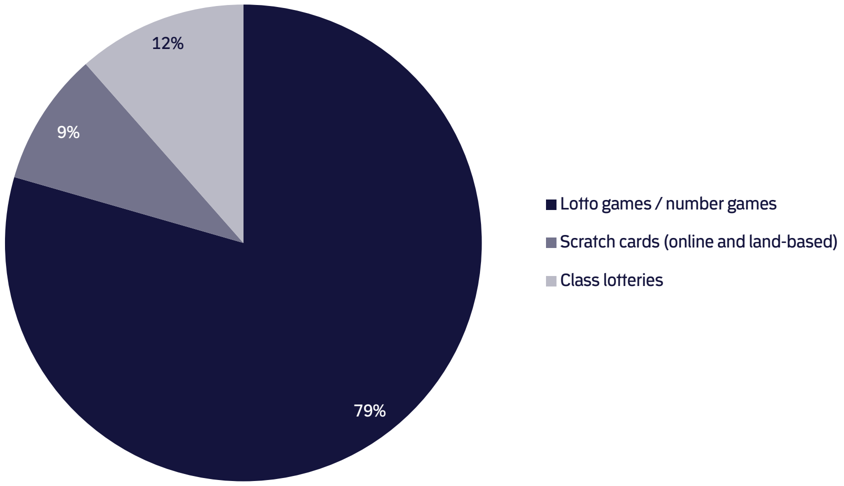
Figure 24. GGR for monopoly lotteries 2012-2021, million DKK



Source: Danske Spil A/S, and the class lotteries: Det Danske Klasselotteri A/S, Varelotteriet and Landbrugslotteriet.
Note: 2021 prices.

In 2021, lottery games/number games were without doubt the biggest game category as they accounted for DKK 2,470 million in GGR equalling 79 percent of the monopoly lotteries. These games include Lotto, Vikinglotto, Joker, Eurojackpot, Alt eller Intet and Keno. The three class lotteries' games amounted to DKK 357 in GGR equalling 12 percent, while scratch games (both online and land-based) amounted to DKK 281 million, which equals 9 percent.

Figure 35. Share of GGR for monopoly lotteries categorised by type of game in 2021



Source: Danske Spil A/S, and the class lotteries: Det Danske Klasselotteri A/S, Varelotteriet and Landbrugslotteriet.

2.3 Land-based casinos

In 2021 nine land-based casinos had a licence to offer gambling in Denmark. The total GGR for the land-based casinos amounted to DKK 220 million in 2021, which is a fall of DKK 20 million compared to 2020. This equals a fall of 8.5 percent and thereby, land-based casinos accounted for 2 percent of the total gambling market in 2021.

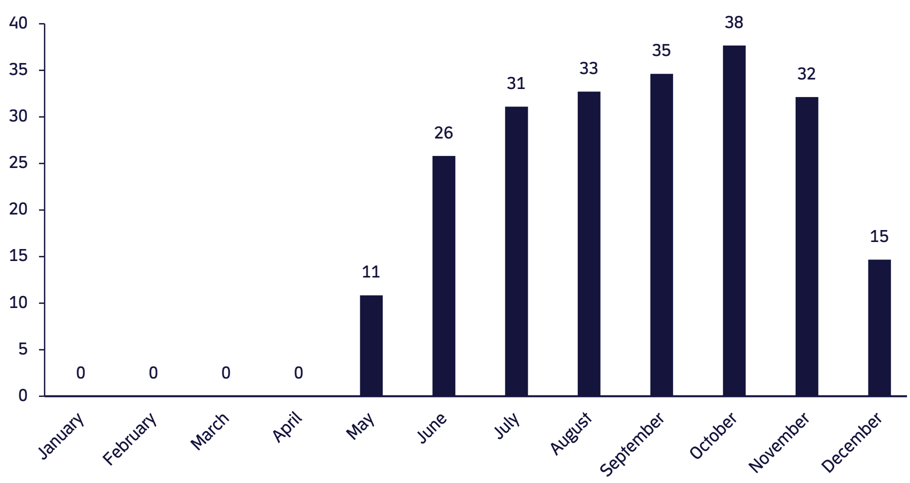
- 8.5 %

Development in GGR for land-based casinos from 2020 to 2021

As in 2020, the land-based casinos were closed for periods of time during 2021 as a part of the covid-19 measures. This meant that the casinos were affected in January, February, March, April, May and December, *cf. figure 26*. The casinos were closed for more days than in 2020, which explains the fall in GGR in 2021. With DKK 38 million, October was the month when the land-based casinos reached the highest GGR.

Comparing 2021 to 2019, which was not affected by lockdowns, the GGR has fallen by 38.4 percent.

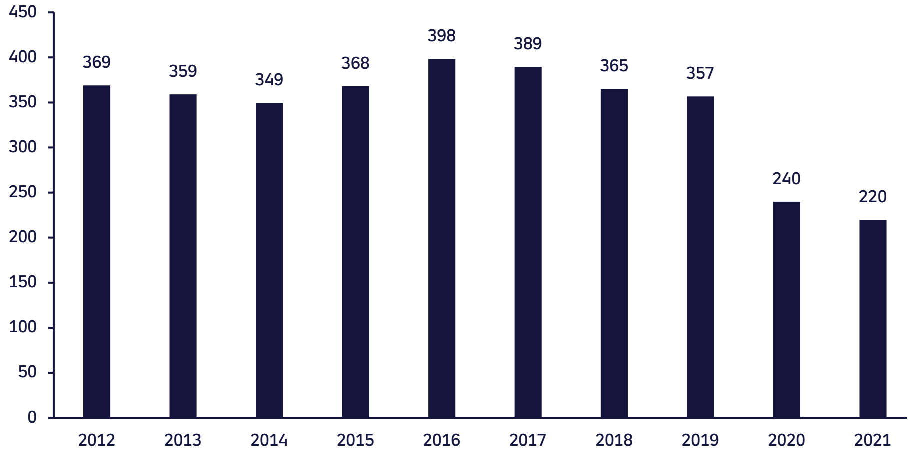
Figure 26. GGR for land-based casinos in 2021, million DKK



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

From 2012 to 2019, the land-based casinos were characterised by an even development in GGR, *cf. figure 27*. The GGR peaked in 2016 with DKK 398 million, but since then there has been a slight annual decrease, which was enhanced in 2020 and 2021. From 2012 to 2019, the GGR fell by 3.3 percent.

Figure 47. GGR for land-based casinos 2012-2021, million DKK



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

Note: 2021 prices.

2.4 Gaming machines

In 2021, the GGR for gaming machines was DKK 782 million. Thereby, the gambling spend on gaming machines accounted for 8 percent of the total gambling market in 2021. This is a fall of DKK 222 million equalling 22.1 percent compared to DKK 1.005 million in 2020. The DKK 782 million equals a daily GGR of DKK 2.1 million.

-22.1%

Development in GGR for gaming machines from 2020 to 2021

Figure 28. GGR for gaming machines in 2021 categorised by restaurants and bars, and gambling arcades, million DKK

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

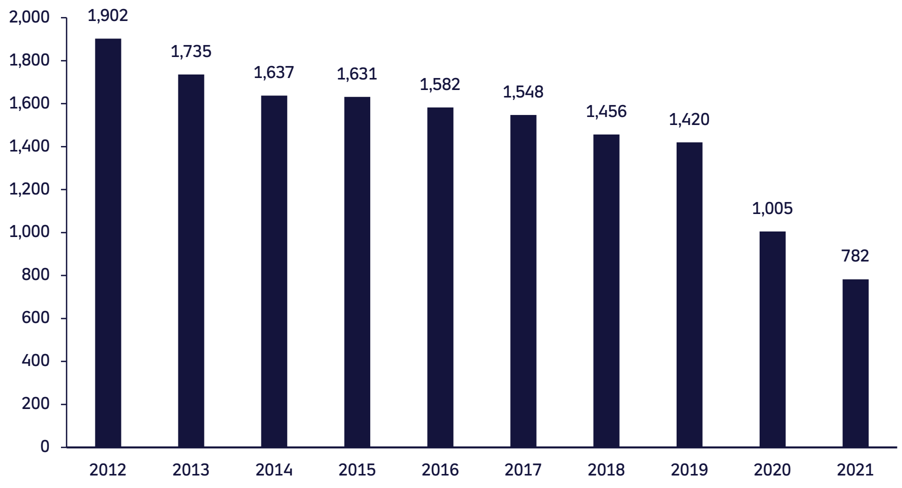
In 2021, restaurants and gambling arcades were closed for periods of time as part of the Covid-19 measures. Thereby, the gaming machine market was affected by lockdowns in January, February, March, April, May and December. The lockdown in 2021 lasted longer than in 2020, which explains the fall in GGR between the two years.

In 2021, DKK 181 million of the GGR, equalling 23 percent, from gaming machines installed in restaurants and bars, while the remaining DKK 601 million, equalling 77 percent, came from gaming machines in gambling arcades. The gaming machines were installed in 1277 restaurants and bars and 983 gambling arcades in 2021[4].

Since 2012, the gaming machine market in Denmark has been characterised by a fall of the GGR, *cf. figure 29*. From 2012 to 2019, the GGR had decreased by 25 percent and in 2020 and 2021, the fall since 2012 was even greater as a consequence of the Covid-19 lock-downs.

[4] Data from 31 December 2021.

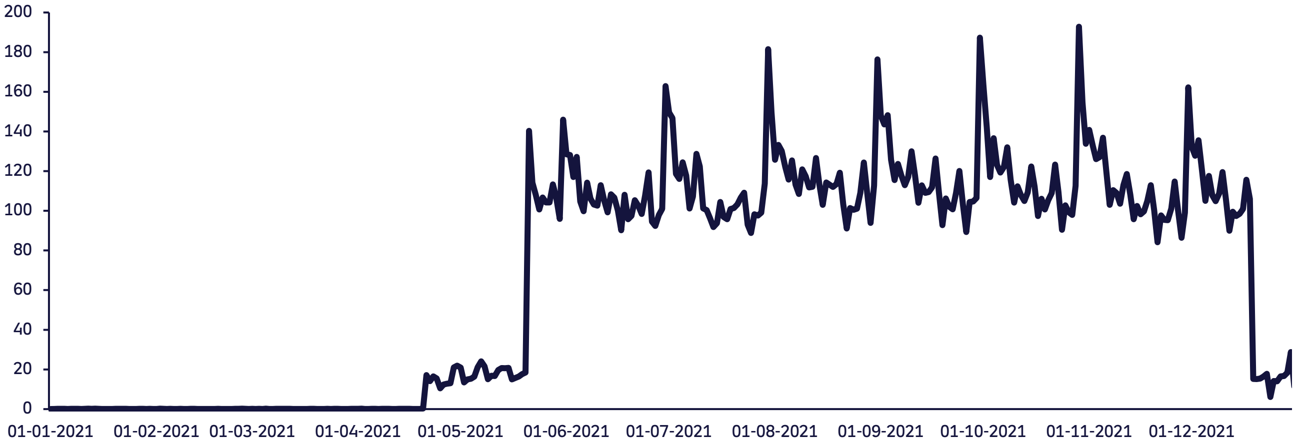
Figure 29. GGR for gaming machines 2012-2021, million DKK



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

Viewing the Danes' annual spending on gaming machines, there is a tendency to higher spending on paydays. The peaks on the graph in figure 30 appears consequently on the last working day of the month when it is payday for most Danes. Friday the 29th of October was the day in 2021 when the highest amount was gambled on gaming machines. Figure 30 also shows how the activity on the gaming machines were almost completely absent in the first months of 2021 due to Covid-19 measures. Friday is the day of the week when Danes spend the most on gaming machines.

Figure 30. Indexed daily development of amount spent on gaming machines in 2021



Source: Data on duties and control data submitted to the Danish Gambling Authority.
Note: Amount spent on gaming machines describes how much money has physically been spent on the gaming machine, but not how much there is gambled or how much is won. Amount spent is thus not an expression of the real gambling spend on gaming machines.

2.5 Betting

In 2021, 21 gambling operators had a licence to offer betting in Denmark. The variation in the operators' GGR was great, *cf. figure 31*. Two licence holders reached a GGR of more than DKK 500 million, whereas 14 licence holders had a GGR of less than DKK 50 million. The remaining five licence holders' GGR were between DKK 50 million and DKK 500 million.
There were also three "revenue-restricted" licence holders, which is a special type of licence for both betting and online casino. The licence applies for one year and the GGR cannot exceed DKK 1 million. An unrestricted licence can apply for up to five years.

Table 2. Licences for betting in Denmark in 2021

GGR (million DKK)	Number of licences
Under 5	4
5 -10	2
10 – 25	4
25 – 50	4
50 – 100	3
100- 200	1
200 – 500	1
Over 500	2

Source: The Danish Gambling Authority.
Note: Does not include revenue-restricted licences

In 2021, the GGR for betting in Denmark totalled DKK 2,415 million. This equals 25 percent of the total gambling market in 2021. This is an increase of DKK 76 million from DKK 2,339 million in 2020, which equals 3.2 percent. It should be noted that 2020 was affected by Covid-19 measures causing cancellations and postponed sports events. This naturally meant that there were fewer matches to bet on. This was not the case in 2021.

3.2 %

Development in GGR for betting from 2020 to 2021

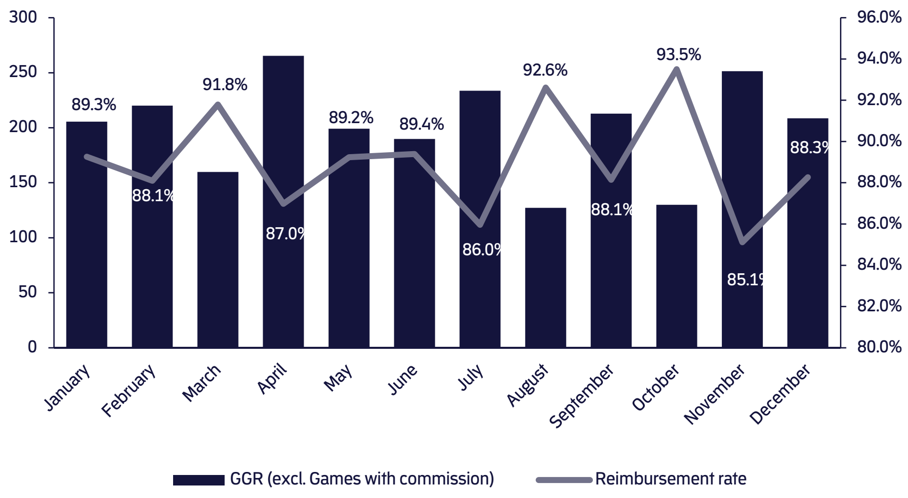
The reimbursement rate influences the size of the gambling operators' GGR. The reimbursement rate is an expression of the share that players are paid back as winnings on average when they gamble. For example, an average reimbursement rate of 90 percent means that a player on average is paid back DKK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

In 2021, the average reimbursement rate for betting was 89.1 percent. For comparison, the reimbursement rate was 87.5 percent in 2020. October was the month of 2021 with the highest reimbursement rate of 93.5 percent, *cf. figure 31*. Therefore, it is not surprising that October was among the months with the lowest GGR. July was the month with the lowest reimbursement rate of 86.0 percent.

89.1%

Reimbursement rate for betting in 2021

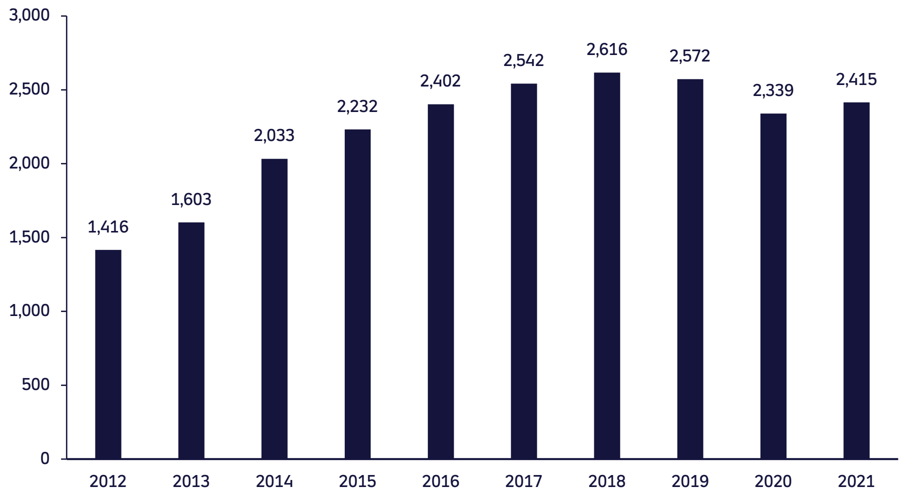
Figure 31. GGR (excl. games with commission) million DKK and reimbursement rate for betting in 2021



Source: Data on duties reported by licence holders to the Danish Tax Agency.
Note: 2021 prices.

After the liberalisation of betting in 2012, the GGR increased for a number of years until 2018 after which there was a slight fall in 2019, *cf. figure 32*. Cancelled and postponed sports event caused yet another fall in 2020. However, the increase in 2021 has not been large enough to reach the same level as in 2017, 2018 or 2019. Nevertheless, compared to 2012, the GGR has increased by about DKK 1 billion in 2021 equalling 70.6 percent.

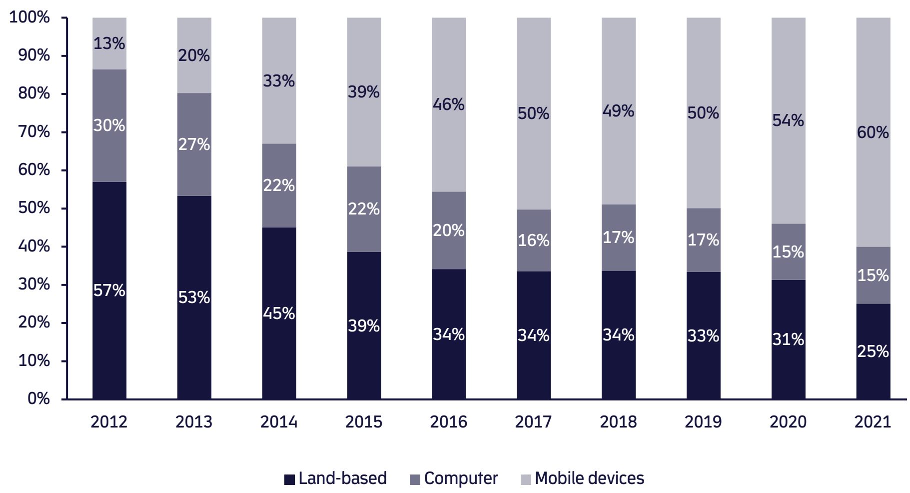
Figure 32. GGR for betting 2012-2021, million DKK



Source: Data on duties reported by licence holders to the Danish Tax Agency.
Note: 2021 prices.

In Denmark, you can bet both online and land-based. In 202, 60 percent of the online GGR came from gambling on mobile devices, *cf. figure 33.* GGR from land-based betting accounted for 25 percent, while gambling on computers accounted for 15 percent. The development since 2012 is clearly characterised by an increase in GGR from mobile devices while the share of GGR from land-based gambling and computers has fallen.

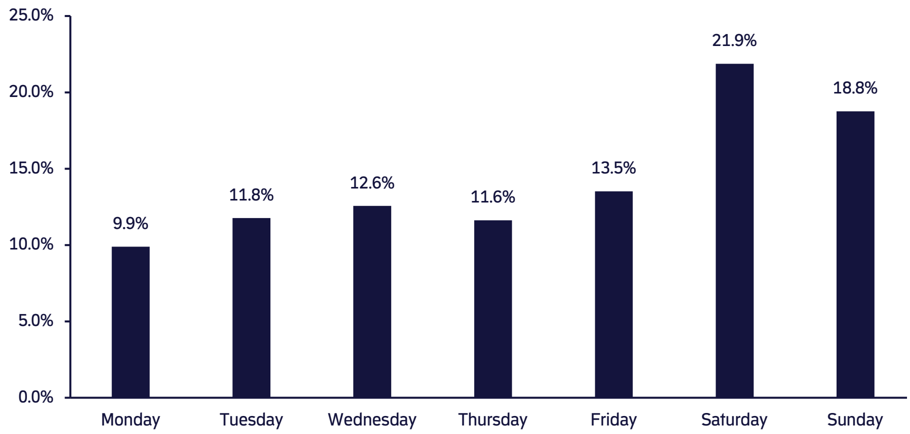
Figure 33. GGR for betting categorised by sales channels



Source: The Danish Gambling Authority's gambling control system.

Every day of the year, it is possible to bet on sports matches and other events. The spending on betting per day in a week reveals a tendency to a higher spending in the weekend. In 2021, 40.6 percent of all stakes on betting were placed on Saturdays and Sundays, *cf. figure 34.* This should be viewed in the context that many Europeans football matches are often played on these two weekdays.

Figure 34. Number of stakes on betting categorised by weekday



Source: The Danish Gambling Authority's gambling control system.

2.6 Online casino

11.2 %

Development in GGR for online casino from 2020 to 2021

In 2021, 35 gambling operators has a licence to offer online casino in Denmark, *cf. table 3*. Most of the licence holders are relatively small measured by their gross gaming revenue. 19 of the licence holders has a GGR of less than DKK 25 million, out of which 12 has a GGR of less than DKK 5 million. A single licence holder has a GGR of more than DKK 500 million in 2021. In addition, there were four “revenue-restricted” licence holders in 2021.

Table 3. Licences for online casino in Denmark in 2021

GGR (million DKK)	Number of licences
Under 5	12
5 -10	2
10 – 25	5
25 – 50	4
50 – 100	6
100- 200	2
200 – 500	3
Over 500	1

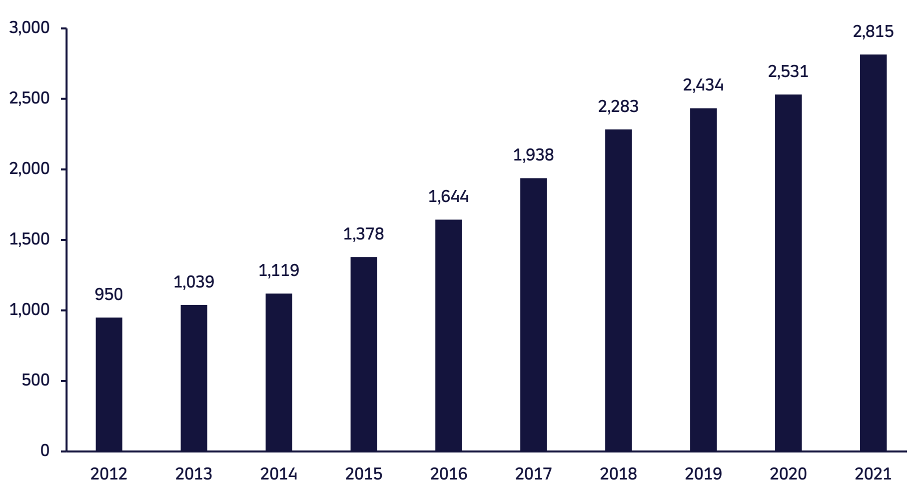
Source: The Danish Gambling Authority.
Note: Does not include revenue-restricted licences.

The GGR for online casino totalled DKK 2,815 million in 2021, *cf. figure 35*. This equals 29 percent of the total gambling market in Denmark. It is an increase of DKK 284 million from DKK 2,531 million in 2020, equalling 11.2 percent.

Since 2012, the annual GGR has grown by just under DKK 2 billion and online casino is thereby the gambling sector in Denmark which has increased the most since 2012. the total increase in GGR, which has characterised the gambling market the last 10 years is thus especially driven by the increase in online casino.

It has been speculated whether the increase in online casino is caused by the lockdowns affecting the land-based gambling market in 2020 and 2021. It cannot be dismissed that the increase in online casino is also driven by the closing of land-based gambling. Nevertheless, the increase does not compensate for the loss in GGR for gaming machines and land-based casinos from 2019 (before Covid-19) to 2021. Thereby, there has not been a one-to-one shift from land-based gambling to online casino in the period.

Figure 35. GGR for online casino, 2012-2021, million DKK



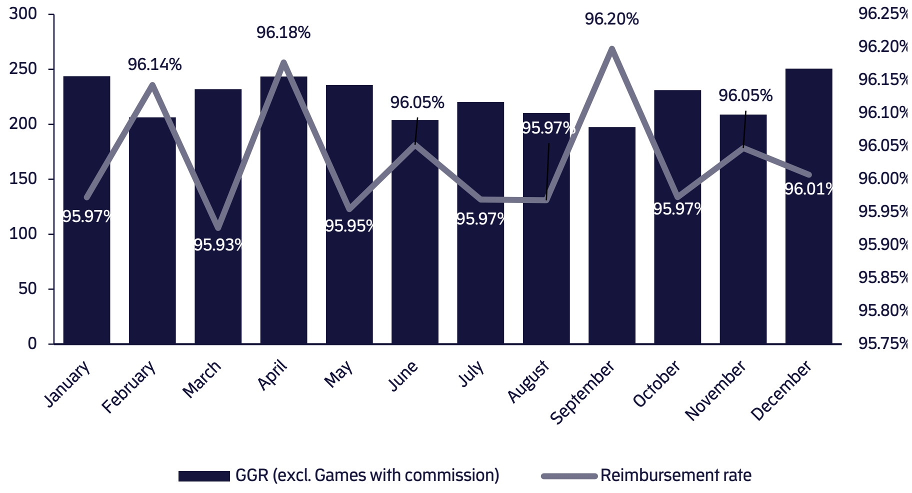
Source: Data on duties reported by licence holders to the Danish Tax Agency.
Note: 2021 prices.

The average reimbursement rate for online casino in 2021 was 96.03 percent, *cf. figure 36,* which is slightly less than in 2020, when it was 96.14 percent. The average monthly reimbursement rate in 2021 has swung between 95.93 percent in March to 96.20 percent in September.

96.03 %

Reimbursement rate for online casino in 2021

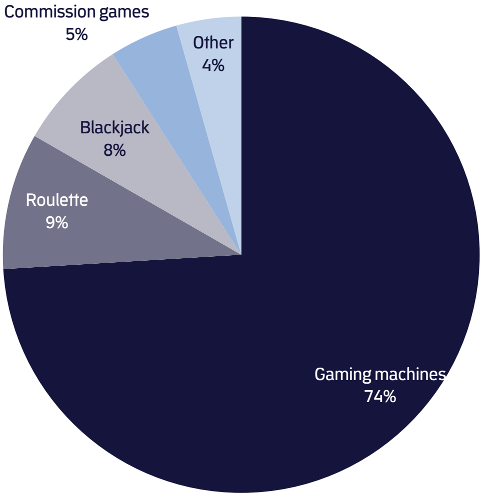
Figure 365. GGR (excl. games with commission), million DKK and reimbursement rate for online casino in 2021



Source: Data on duties reported by licence holders to the Danish Tax Agency.
Note: 2021 prices.

Most of the GGR from online casino comes from gambling on online gaming machines. To be precise, it amounted to DKK 2,084 million, equalling 74 percent of the total market for online casino in Denmark in 2021, *cf. figure 37*. Roulette and blackjack amounted to DKK 261 and DKK 215 million, respectively, equalling 9 and 8 percent, respectively. The GGR for commission games amounted to DKK 132 million, which equals 5 percent.[5]

Figure 37. GGR for online casino in 2021 categorised by types of games

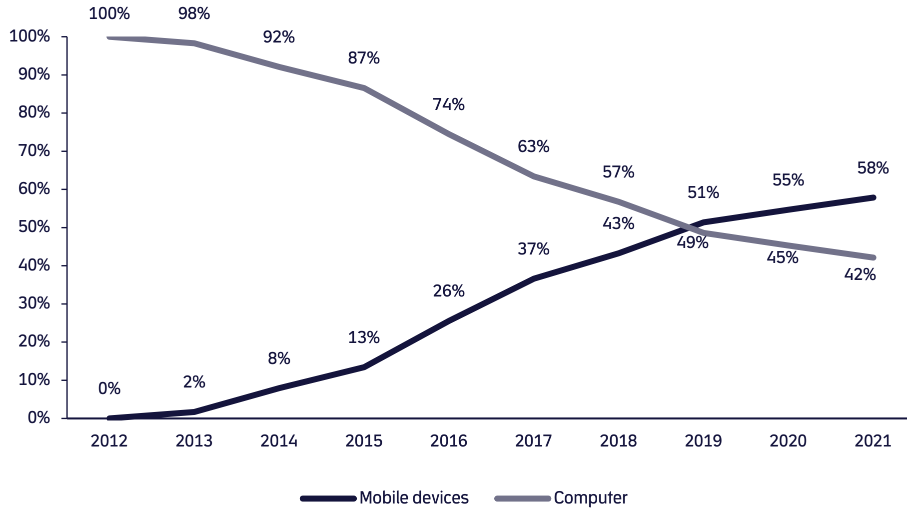


Source: The Danish Gambling Authority's gambling control system.

[5] Commission games are games, where players play against other players and pay a commission to the gambling operator to participate. It includes, for example, multiplayer poker and multiplayer bingo.

Online casino is available on both computers and mobile devices such as smartphones and tablets. When online casino was liberalised in 2012, almost all of the GGR came from computers, *cf. figure 38*. Since then, the share of GGR coming from mobile devices has increased every year, and 2019 was the first year when gambling from mobile devices accounted for more than half of the GGR. In 2021, the share increased to 58 percent.

Figure 38. GGR for online casino categorised by sales channels, 2012-2021



Source: The Danish Gambling Authority's gambling control system.