

Online Gaming Market in India

-AN INDUSTRY REPORT

The report presents an outlook on the growing online gaming industry in India. We capture the favorable macroeconomic & demographic evolution of India; which has led to the rapid growth of gaming as an accepted form of entertainment, for which people are willing-to-pay. Real-money games are further dove into and a holistic view on the industry, and its developments are presented for everyone to consume.

About RedSeer

RedSeer is a research and consulting firm founded in 2009. We are headquartered out of Bengaluru and have presence in Delhi, Mumbai, Dubai, and Singapore additionally. Though we are focused on the consumer internet space in India, Southeast Asia, and the Middle East, we have deep experience in overall retail as well. Our primary business activities include providing research inputs (on market, consumers, other stakeholders) to corporations and funds, conducting due diligence for potential investments, publishing thought leadership pieces, and helping corporate clients solve strategic problems.

Disclaimer

The market information in this Report is arrived at by employing an integrated research methodology which includes secondary and primary research. Our primary research work includes surveys and in-depth interviews of consumers, relevant ecosystem participants, and consultations with market participants and experts. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications. Therefore, the information is subject to the limitations of, among others, secondary statistics, and primary research, and accordingly the findings do not purport to be exhaustive. RedSeer's estimates and assumptions are based on varying levels of quantitative and qualitative analyses from various sources, including industry journals, company reports and information in the public domain. RedSeer's research has been conducted with a broad perspective on the industry and will not necessarily reflect the performance of individual companies in the industry. RedSeer shall not be liable for any loss suffered by any person on account of reliance on the information contained in this Report.

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1. Macro-economic Attractiveness of India

Overview Of Indian Economy

With a gross domestic product (“**GDP**”) of approximately INR 221 trillion (~US\$2.9 trillion) in CY2021, India is the sixth-largest economy according to the World Economic Outlook (“**WEO**”) database. India witnessed an annualized GDP growth of more than 7% from CY2015 to CY2019 and has consistently been one of the fastest-growing economies.

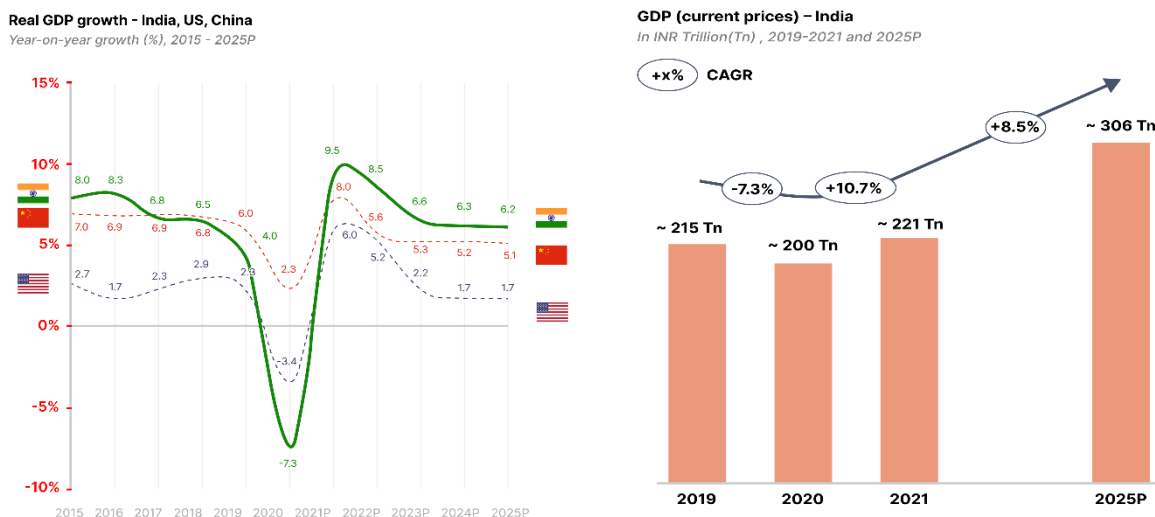


Figure 1: Real GDP and GDP at Current Prices

Note(s): 1. We have avoided showing FY data for all interim years to ensure readability
Source(s): IMF, WEO Oct 21', CEBR

The period of sustained economic growth was interrupted by the COVID-19 pandemic. The first wave of the COVID-19 pandemic severely impacted economic activities in CY2020. India witnessed one of the most stringent nationwide lockdowns globally, resulting in its GDP contraction by 7.3% in CY2020. However, India recovered strongly in CY2021 and grew by approximately 10.7% due to a resurgence in the services sector, complete recovery in manufacturing, and continued expansion in the agriculture sector. The Indian economy has since been on a sustained recovery path. India's GDP is projected to grow at ~8.5% from CY2021 making it an INR 306 trillion economy by CY2025. As per 'The Centre for Economics and Business Research', India is projected to become the third-largest economy in the world by CY2031.

Multiple government initiatives have been driving the growth of GDP

The key Government policies and reforms that have been driving the growth are mentioned in detail below:

Digital India Initiative

- The government has enrolled more than 1.2 billion Indians in its biometric digital identity program, Aadhaar, and brought more than 10 million businesses onto a common digital platform through a goods and services tax.
- Competitive offerings by telecommunication firms have turbocharged internet subscriptions and data consumption, which has helped bridge a digital divide

Ease of Doing Business

- India's rank as per World Bank's Ease of Doing Business (EoDB) report improved from 142 in CY2014 to 63 in CY2020 due to consistent, focused efforts of the government of India.
- India improved on ease of doing business after implementing regulatory reforms with efforts focused primarily on the areas of starting a business, dealing with construction permits, and cross-border trading
- Key initiatives like the state and district reform action plan, in which government identifies key reforms for improving EoDB and formulates an action plan for the states to follow, have contributed to rising Improvement in EoDB.

Start-Up India Program

- Launched in 2016, initiative is intended to build to a stronger ecosystem for nurturing India's start-up culture that would further drive our economic growth, support entrepreneurship, and enable large scale employment opportunities.

Foreign Direct Investment

- FDI policy provisions have been progressively liberalized and simplified across various sectors in the recent past to make India an attractive investment destination.
- FDI Policy reforms have resulted in increased FDI inflows in the country, which year after year is setting up new records

India's GDP per capita has shown sustained growth and crossed the widely regarded inflection point of US\$ 2000 (INR 1,50,000) in 2019

Per Capita GDP– India

Per Capita GDP in Current Prices, In '000 INR; CY2015-2025

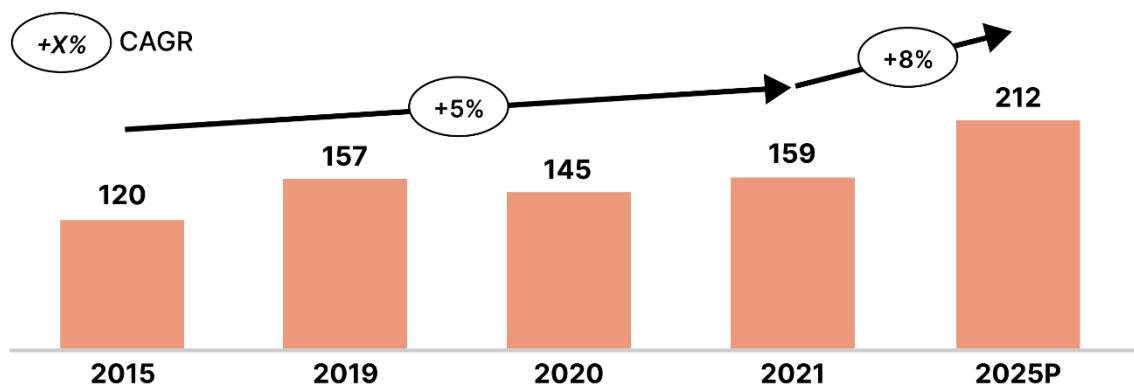


Figure 2: Per Capita GDP Consumption in India at Current Prices

Source(s): IMF, World bank

GDP per capita has consistently grown during pre-COVID years at a constant growth rate of 5%. COVID-19 induced lockdowns resulted in a reduction on Indian economy, leading to a drop in GDP per capita in 2020. However, Indian economy is expected to show exponential growth in consumer expenditure after surpassing the US\$ 2000 (INR 1,50,000) GDP/capita,

traditionally seen as an inflection point for any economy- e.g., China's exponential growth since 2006; According to World Bank, Households and NPISH's¹ Final consumption expenditure for China nearly doubled from 2007 to 2014.

The rising consumption shall grow due to India's favorable demographic dividend

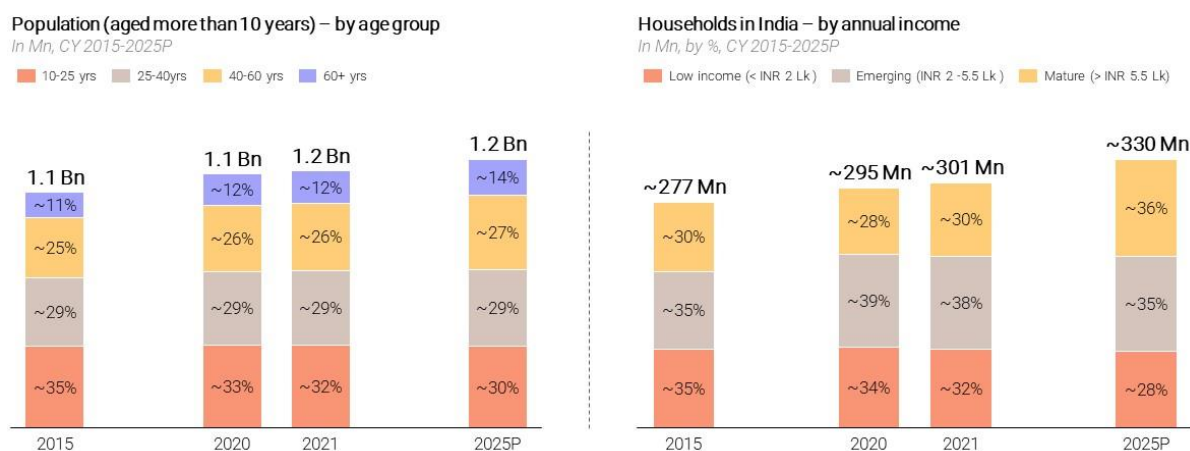


Figure 3: India's Population Split by Age and India's Household split by Annual Income

Note(s): 1. Reference date- 1st July of respective years; 2. % total might not add to 100% due to rounding-off error.
Source(s): World Bank Databases, RedSeer Analysis

India is amongst the youngest nations in the world, with an average age of ~29 years, as of 2021, resulting in a young and tech-savvy population with a higher propensity to adopt new trends. Population aged 0-12 years account for ~22% of the India's population making India home to largest child population in the world. Millennials (population born between 1981 and 1996) and Generation Z (population born between 1997 and 2012) are driving the digital adoption and consumption growth in India as they spend significant time online and exhibit higher consumerism behavior.

The emerging and mature income households in India accounted for ~68% of households in India in CY2021 and are projected to become ~72% of total households in India by 2027. These household segments are expected to drive the consumption in the future

COVID-19 lockdown led Consumer Internet market to dip due to restriction on movement of goods, but quickly bounced back and led to a 53% YOY growth to reach ~ INR 10,125 Bn in 2021

India's consumer internet¹ market experienced a 'V-shaped' recovery in gross transaction value ("GTV") terms through the course of CY2020. The consumer internet market dropped 90% from pre-COVID GTV in April 2020. The drop was due to both supply-side (vehicle unavailability for transporting shipments) and demand-side (Govt. enforced decline in demand constraints. Demand for non-essential category were impacted to due COVID-19 lockdowns as only essential products were allowed to be delivered online) constraints. However, it recovered steadily month on month and completely recovered to pre COVID levels by December 2020.

The India consumer internet GTV was ~INR 10,125 billion in CY2021 and crossed triple digits GTV for the first time. It is eventually projected to reach INR 40,000-45,000 billion by CY2027, growing at a CAGR of 26-28%.

¹ Consumer internet refers to online retail of mobile, electronics, fashion, grocery and other sectors like Food Tech, Fintech (ex-payments), eHealth, Bill Payments and Recharges, Stay, mobility, EdTech, Classifieds etc

Owing to the large scale and population coupled with the high growth rate of the economy Indian market is on track to its strong recovery from the shocks of COVID-19 led lockdown. With the growth of income levels across various strata of the society, spending on non-essential leisure categories such as entertainment and gaming is also rising. These sectors are expected to grow rapidly as India matures as an entertainment consumption market compared to global peers.

2.India Digital Acceleration and Potential

India's digital landscape is changing rapidly with several enabling factors driving growth of Internet economy

Increasing access to internet

- The Indian internet user base has shown sustained growth in the last 5 years, from ~370 Mn users in 2016 to 700-750 Mn users in FY 2022
- The rise in Internet adoption has been majorly driven by growing access to fast internet at low cost. The average cost of data in India was INR 52/GB against a global average of INR 307/GB in 2021
- Development of optical-fiber infrastructure, primarily driven by rise in investment, is supporting the exponential growth in data demand

Increasing smartphone affordability

- Around 41% of India's population owned a smartphone in FY2022 and the penetration is expected to increase to 60% in near future
- Decline in average selling price of smart phones and increased adoption in rural and vernacular users has boosted the smartphone penetration
- OEMs are now targeting sub-INR 7,500 users, and the average cost of smartphones is reducing, which has led to the increased penetration

Favorable government policies & initiatives

- Digital India Initiative has brought millions of Indians under the digital ecosystem which has helped bridge a digital divide
- Other government initiatives such as Start-up India Program, Aadhar has enabled the growth of internet economy

Increasing focus on 5G infrastructure

- India is expected to be one of the early adopters of 5G connectivity with mobile operators expected to conduct 5G trials in India in the coming months across both rural and semi-urban settings in addition to urban areas
- The Government of India is planning to chalk out a roadmap towards a 5G India

Furthermore, the disruptive digital infrastructure and growing smartphone penetration is driving exponential growth in digital payments in India

Digital payments volume in India is currently at 66 Mn and is expected grow at a CAGR of 29-31% to reach 185-190 Mn by FY2026. The growth in volume is expected to be driven by improvements in mobile payments infrastructure which increases consumer trust and adoption, increase in smartphone penetration due to greater affordability, increasing penetration of digital banking products such as UPI, payment wallets, BNPL, etc. especially in underpenetrated rural India where 16% of users access the internet for digital transactions as compared to nearly 45% of urban users.

Despite the growth in volume, the UPI transactions are expected to contribute only 10% of total digital payments by value as majority of the transactions through UPI are expected to be low value.

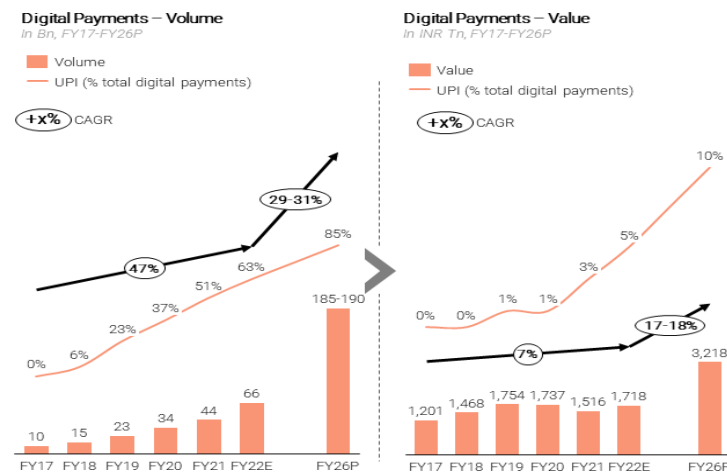


Figure 4: India's Digital Payments by Volume and Value

Note(s): Digital payments here include all categories classified by RBI including ECS, PPI, Card Payments, NACH, IMPS, UPI, NEFT and RTGS Source(s): Reserve Bank of India, RedSeer Analysis, IAMAI

Time spent on digital media spiked amid COVID-19 lockdown as users stayed home during lockdown

Time Spent per DAU – Digital Media Channels

In Mins, Jan '20- Jul '21

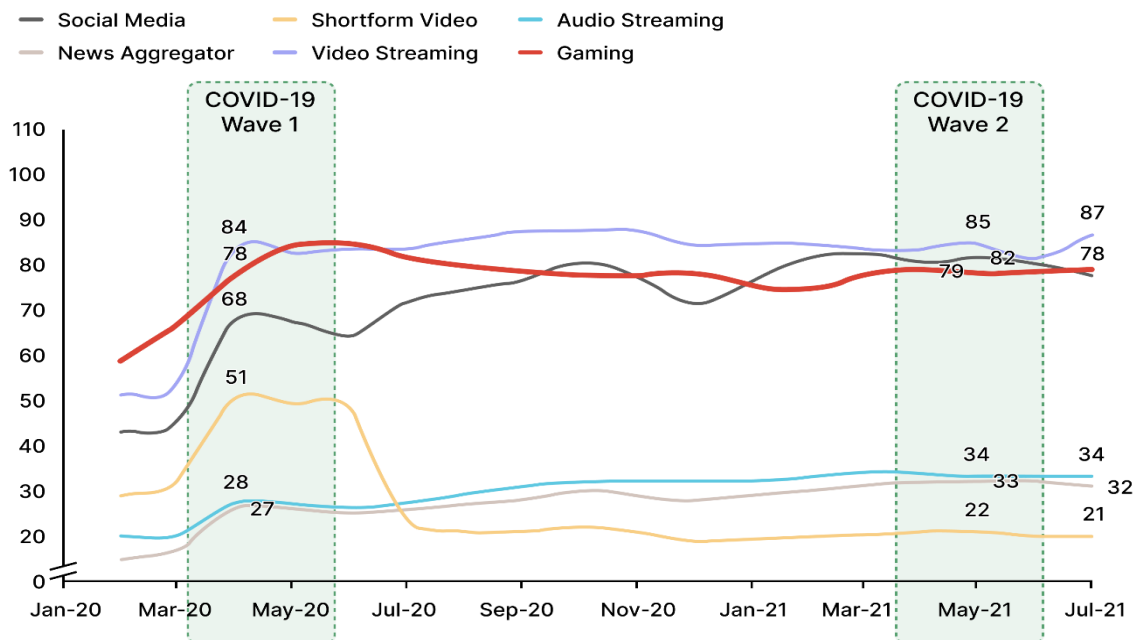


Figure 5: Time Spent per Daily Active Users on Digital Media Channels in India

Note(s): Time spent indicates total time/day/DAU across all Digital Media channels viz; Social Media, Audio Streaming, Video Streaming, ShortForm Video, and News Aggregators Source(s): RedSeer Analysis

- COVID-19 lockdowns & social distancing encouraged the growth of users exploring social & multiplayer games. Time spent on gaming increased significantly during the first wave and active users spent around 78 mins per day on an average.
- Time spent on gaming remained high beyond the first wave as users developed a habit and saw gaming as alternate source of entertainment.
- Gaming has become an integral part as users are spending as much time gaming as they are on social media or video streaming platforms.

COVID-19 lockdowns led to a strong new-user growth across digital categories - Lockdown catapulted the digital penetration of India by several years in all categories of internet businesses

Users have been rapidly adopted various forms of ecommerce and digital services at an unprecedented rate during the COVID-19 lockdowns. Almost all sectors on consumer internet have witnessed multi-fold growth in userbase and user engagements.

This maybe visualized in the form that while in the pre-COVID lockdown era, a typical user or persona interacted with 2-4 sectors of consumer internet services or players, while post-COVID this would be 4-6 sectors per persona.

Overall, this has manifested by the growth of long tail segments in eCommerce where customers are comfortable buying products and services across electronics, fashion, gaming etc.; increasing customer adoption of online channels across categories especially long tail segments like gaming, media & entertainment etc.; and rise in time spent on online channels across sectors, especially in Gaming, Media & Entertainment etc.

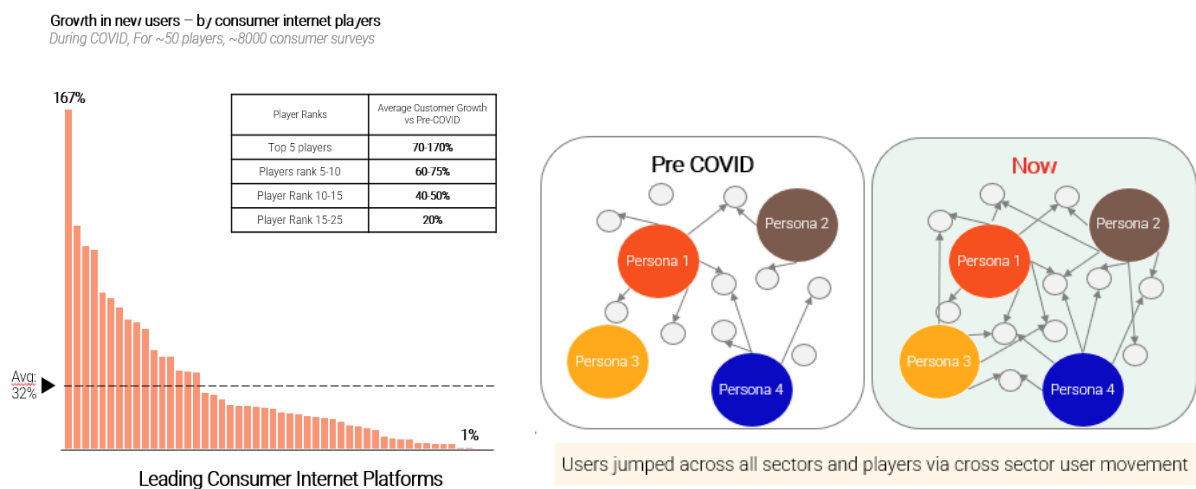


Figure 6: Growth in users of consumer internet players

Source(s): RedSeer Research

Overall, the rising smartphone userbase has created a massive pool of internet users in India...

India's digital growth story is expected to remain robust due to key factors such as low-cost smart phones provided by local as well as global brands, and low-cost reliable broadband internet (4G and 5G connections), along with key government initiatives like Jan Dhan, Aadhar, UPI, etc., These growth factors are expected to drive the rise in total internet users from 700-750 Mn in FY 2022 to 970-1,000 Mn in FY 2026. Majority of the internet users are from tier 2+ cities and are below 24 years old. These user cohorts are expected to dominate the digital ecosystem and drive the growth in the future.

Digital Services Adoption in India
Mn, % of total population; FY 2022-26P

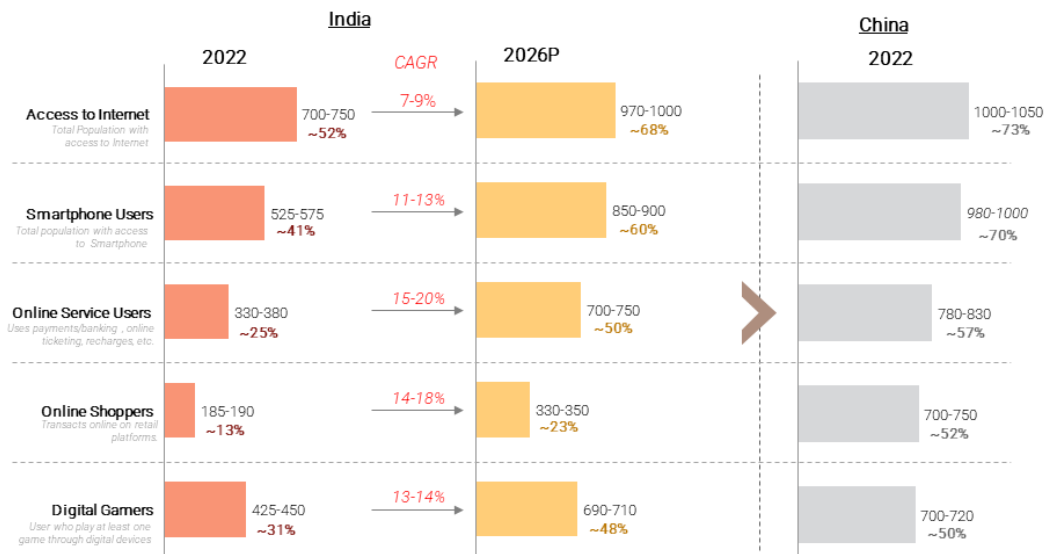


Figure 7: Digital Service Adoption in India

Note(s): Users here indicate an estimated number of unique individuals; and estimated based on various public sources and databases

Source(s): RedSeer Analysis

COVID-19 induced wave of digital adoption, supported by the development of digital payment infrastructure, will drive the growth in online service users and online shoppers in the next few years.

Rising access to internet and smartphone, increasing familiarity with online platforms and digital payment methods, and COVID-19 induced rise in adoption of gaming platforms are expected to drive the growth of digital gamers from 425-450 Mn in FY2022 to 690-710 Mn in FY2026.

3.India's Gaming Landscape and Opportunities

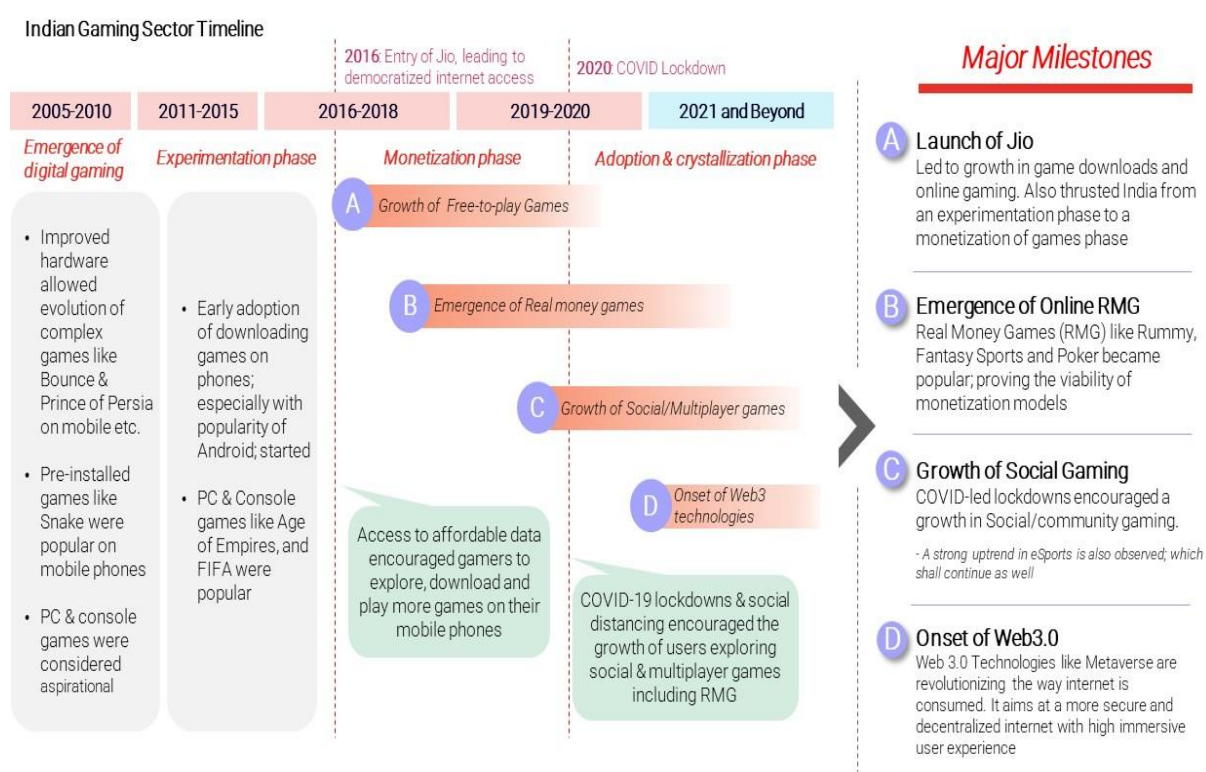
Digital gaming in India has witnessed several inflection points triggering growth in new users, user spending and ecosystem development

Emergence of Digital Gaming (Early 2000's): India witnessed the emergence of digital gaming market during 2005-2010 as improved hardware allowed evolution of complex games on mobile like Bounce & Prince of Persia. Through the next five years, early adoption of downloading games on phones, especially with popularity of Android, started.

Experimentation & Monetization: Entry of Jio (2016), increased the access to affordable data and encouraged gamers to explore, download and play more games on their phone, leading to growth in game downloads and online gaming. This also boosted the monetization through games as development of digital payment infrastructure, like UPI, increased the propensity of users to pay and usage of real money on online game platforms.

With the advent of COVID in 2020, users started viewing online gaming as an alternative form of entertainment, leading to development of new formats of gaming such as social/community gaming.

Digital Immersive Era (Post 2020): In the coming years, Web3.0 technologies like metaverse will revolutionize the way internet and online gaming is consumed as it aims at a more secure and decentralized internet with high immersive user experience. India's evolving gaming market is driven by an entrepreneurial ecosystem; characterized by aggressive, young companies with rapid growth.



Source(s): RedSeer Research

Indian Gaming Market has emerged into a structure of two major categories: Real Money Games and Non-Real Money Games. These categories constitute several segments based on the game characteristics

India online gaming market is broadly divided into Real Money Games (RMG) and Non-Real Money Games (Non-RMG). RMG refers to games based on skill with an option to play with real money. Non-RMG includes games where there are no real money involved.

Real Money Games (RMG):

Rummy was the first game offered as Real-money-game; when it was first launched in India. The exponential growth in popularity of these games among Indian consumers led to the expansion of the business, as well as the emergence of new online card games like Poker. RMG gaming has undergone continuous evolution as a result of the introduction of new offerings; the most recent addition to the genre is fantasy sport (especially Daily Fantasy Sports (DFS)). The RMG industry continues to be well-liked and growing as a prominent gaming area.

Currently, Rummy, Poker and Fantasy are the leading games in the RMG category. RMGs are offered to users through SGP and MGP. SGP are single player games offering only one game on their platform whereas MGP means multi-player games which offer a bouquet of games to the users on a single platform. RMG platforms majorly earn through commission & rake rates while other revenue streams such as In-app purchasing, virtual tipping and merchandising have a minimal contribution.

Non-Real Money Games (Non-RMG):

Non-RMG is divided into hyper casual & casual, and mid & hard-core games based on learning curve and difficulty level. Hyper casual & casual games have simple mechanics which are very easy to pick up and have multiple, very-short session times while Mid- & Hard-core games are complex, detailed and offer multi-player experiences with high difficulty levels to master. Non-RMG games majorly earn through advertising on platforms while In-App purchases, to get additional skill, gameplay sessions, hints, and often to remove ads, is on the rise.

With an estimated ~400 Mn online gamers in 2020, India is the world's 2nd largest gaming market by userbase; and is expected to have 690-710 Mn gamers in next 4-5 years

Digital gamers in India are projected to grow at CAGR of 12% to reach 690-710 Mn in FY 2026 from 425-450 Mn in FY 2022. The growth is expected to be driven by mix a systemic, demand-side and supply-side growth drivers, which are mentioned below;

1)Systemic growth drivers

Improved access to internet, regulatory support coupled with recent boost due to COVID-19 lockdown has led to growth of Gaming in India

- Reducing internet & smartphone costs is improving access to internet and enabling more users to come online
- COVID-19 lockdown led to a boost in adoption of gaming & digital services and increased the usage. Game downloads has increased by 50% from January 2020 to December 2021
- Rising investors focus on gaming sector (500% Increase in funding over the past 4 years) have helped gaming company improve their products and achieve scale

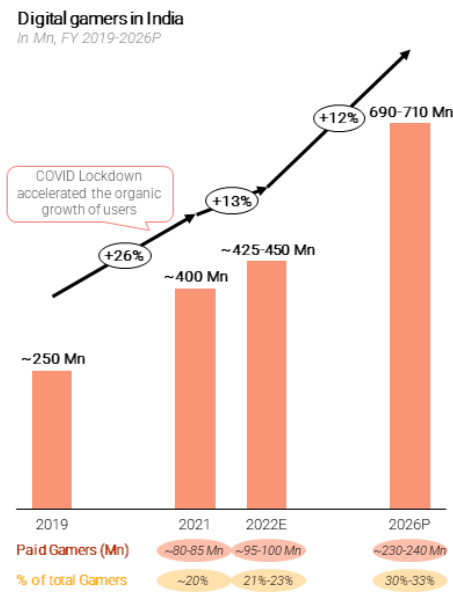


Figure 9: Number of Digital Gamers in India
Source(s): RedSeer Analysis

2) Demand side growth drivers

Evolutions in user behavior has led to increased time & money spent on games in India, as Gaming is becoming an acceptable form of entertainment

- COVID-19 induced cultural shift towards accepting games as form of entertainment and social activity, instead of pass-time has increased user base and usage of online games. This increased adoption has further boosted acceptance due to network effect
- Development of robust digital payment infrastructure and increasing familiarity of digital payment platforms have Digital transaction volumes have grown at a CAGR of 47% between FY2017-2022. The past year also saw a jump in monetization conversions in gaming, as New Paying Users in gaming grew from ~40% in FY2020 to ~50% FY2021.
- Development of games with vernacular content and of India centric games supported by rising internet and smartphone penetration have increased the user base in lower tier cities, with 32% of all gamers coming from Tier-2+ cities.
- Women gamers are on the rise, in both Metro and Tier -1 cities, due to rise in adoption of smartphones and digital services among women, especially during the pandemic, with share of women gamers form 20-30% of the overall games.

3) Supply side growth drivers

Gaming companies are developing 'better' games and deliver a greater experience to users. Entire supplier ecosystem has also evolved significantly to support this

- Development of user-friendly features, vernacular and India centric games, and new game titles have improved game quality & relevance
- Affordable smartphones and development of gaming-specific smartphones, and growth in cloud gaming are expected to drive demand
- Rise in implementation of real-time cheating and financial fraud detection algorithms have ensured a fair gameplay experience to all players and increased
- Consumer trust in the platform

Growth in time spent by online gamers in India is faster than in other countries

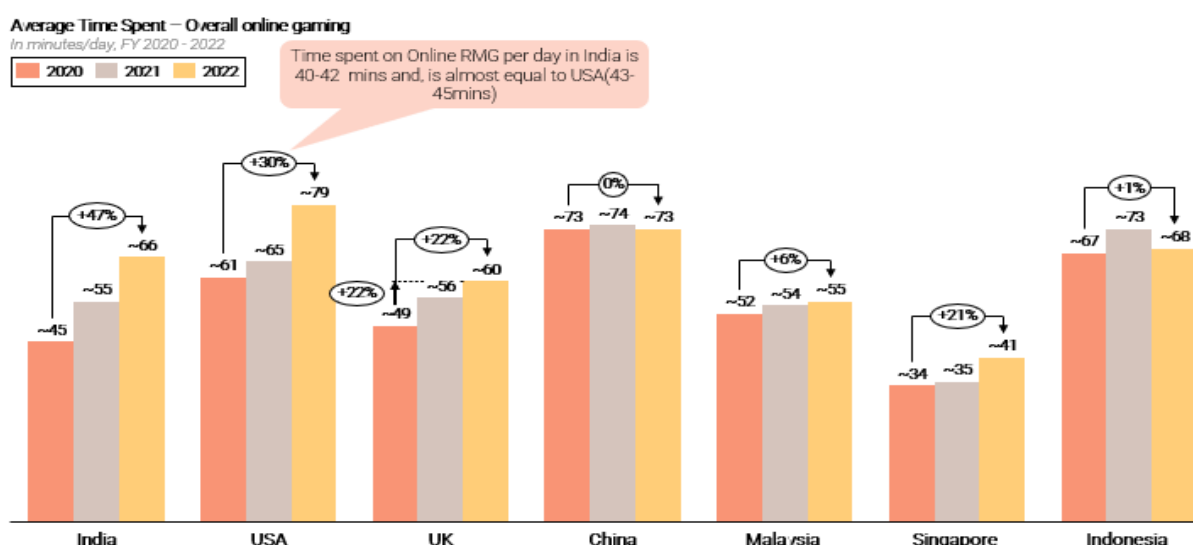


Figure 10: Average Time Spent on Online Gaming in India and Other Countries

Note(s): Time spent indicates total time/day/DAU; Time spent for USA, UK, etc includes time spent on PC/Console gaming as well. Source(s): Datareportal databases & Redseer Research

COVID-19 has played a major role in increasing the average time spent by online gamers across the countries. India witnessed a higher growth of 47% between 2020 and 2022 when compared to that of other major countries as the average time spent on internet gaming in India has gradually increased from 45 minutes per DAU in FY 2020 to 66 minutes per DAU in FY 2022.

In addition to spending more time online, India is expected to witness more new paying users and increased spending from existing users

Paying users across RMG and Non-RMG sectors are expected to increase from 95-100 Mn in FY 2022 to 230-240 Mn in FY 2026 at CAGR of 25%.

Even though APRU is less when compared with that of other countries, it is expected to grow at 20% in the next 4-5 years to reach INR 750-770 by FY2026.

Growing digital sophistication with higher adoption of digital payments and other digital services have increased the consumers' willingness to pay.

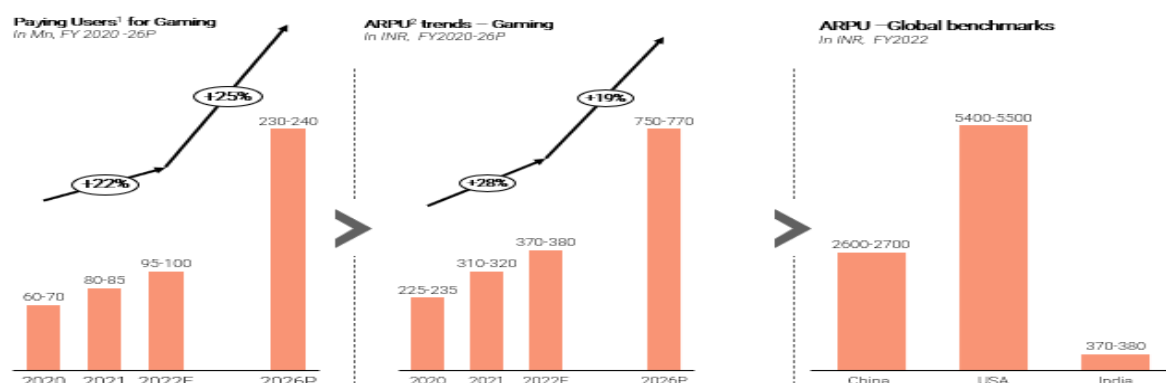


Figure 11: Number of Paying Users for Gaming in India, Average Revenue per User in India and Other Countries

Note(s): 1) Paying users includes users who use real money, perform In-App Purchases, Subscriptions etc

2) ARPU refers to average revenue per overall user, excluding Advertisement revenue

Source(s): RedSeer Research

Real-money games dominate the market by revenue and will continue to occupy majority of the market share in the next few years

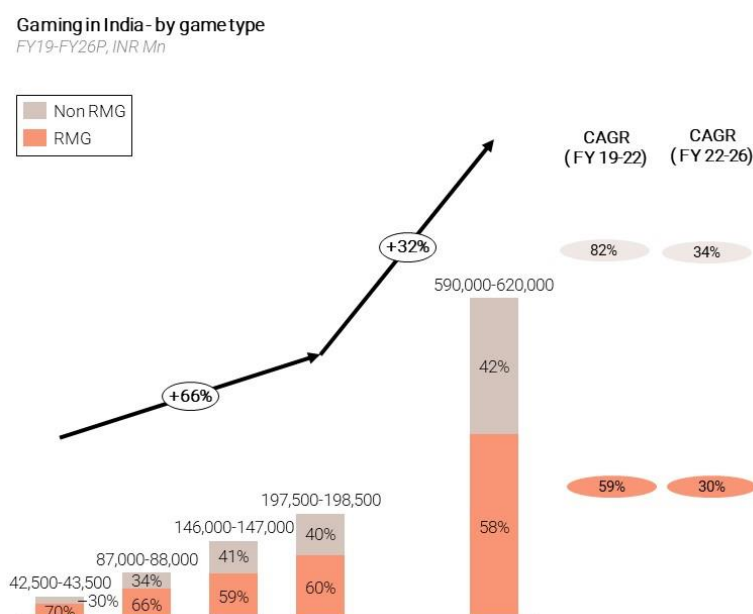


Figure 12: Gaming in India split by Type of Games

Source(s): RedSeer Analysis

Overall gaming market in India was valued between INR 149,000– 150,000 Mn in FY 2021 and between INR 201,000- 202,000 Mn in FY2022. The industry is expected to grow at a CAGR of 32% and reach INR 600,000 - 630,000 Mn at the end of FY2026.

Non-RMG gaming segments are expected to grow rapidly, driven by the recent growth in revenue streams such as In-app purchases and subscriptions etc.; majorly accelerated by the rise in the number of casual, non-RMG gamers during the COVID-19 lockdowns in India.

While casual games attract the largest number of users and have been crucial in growing the mobile gaming culture in India, while real money gaming attracts the highest paying users in mobile gaming. As a result, real money games have been the largest revenue source for India's gaming. This segment is expected to grow at 30% CAGR with growing expectation of regulatory clarity. Rise in propensity to pay among gamers and increase in ARPU will drive the growth of RMG games in the future.

This anticipated growth in the market size of the online gaming industry and real money gaming is driven by certain favorable macro-economic factors, such as the rise in the usage of smartphones, geographic penetration of internet access to an increasing number of locations across India, including remote areas, and adoption of digital payment instruments, such as the United Payments Interface, digital wallets, etc. The Indian internet user base has shown sustained growth in the last five years, from nearly 300 million users in 2016 to nearly 720 million users in 2022. Further, the decline in the average selling price of smart phones and increased adoption in rural and vernacular users has boosted smartphone penetration substantially.

4.Deep Dive on Gaming in India

Online Non-RMG segments revenue is majorly driven by advertisement revenues and In App Purchases

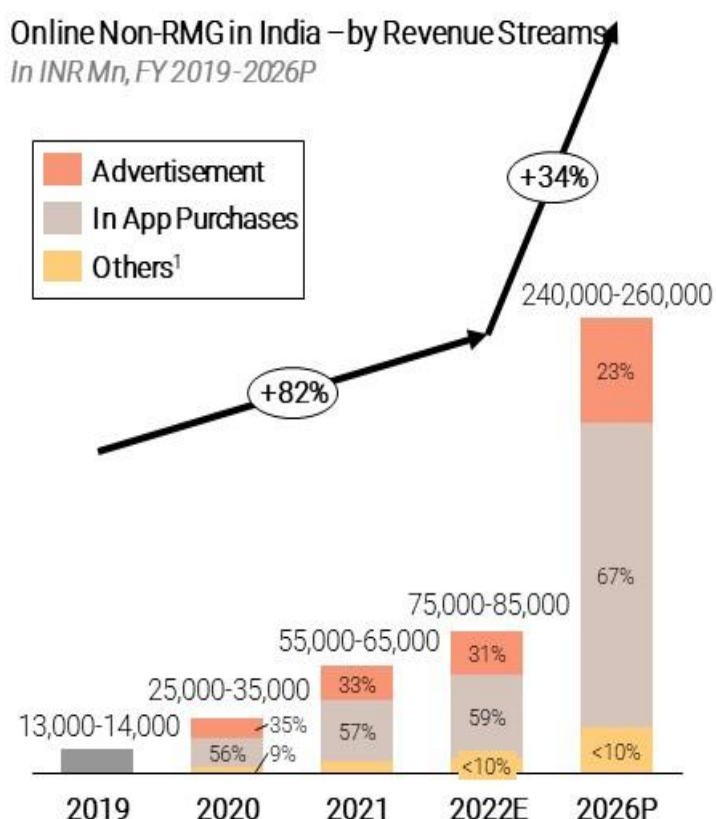


Figure 13: Online Non-RMG games in India split by Revenue Streams

Note(s): 1) Others include sponsorship, Subscription, Loot box and merchandise
Source(s): Public Industry Articles & reports, RedSeer research

The Non RMG market is projected to grow from INR 75,000-85,000 Mn in FY2022 to INR 240,000-260,000 Mn in FY2026 at a CAGR of 34%. The Non-RMG market, in terms of revenue streams, is majorly dominated by In-App Purchases and advertisement revenues. Advertisement revenues refers to the revenues from advertisements in the form of banners, reward videos, interstitial ads, etc. while In-App Purchases includes the purchases to get additional skill, gameplay sessions, hints, and often to remove ads.

Rise in In-App Purchases is expected to drive the growth of the non-RMG market in the future. Unlike other mature markets, revenues through advertisement are still significant in India as advertisers are increasingly targeting online gamers and a relatively low proportion of paying users. New innovations like rewarded advertisements, which provide an opportunity for users to watch a video or engage with a playable ad in exchange for a reward within the app, enable high clickthrough rates and will drive the growth in monetization.

Non-RMG games attract the largest number of players and have been crucial in growing the gaming culture in India, while RMG attracts the highest paying users

The Non-RMG market has two major categories in terms of game type- Casual & Hyper-casual, and core games. Casual & Hyper casual games offer a quick and easy means to pass time and have become a popular entry point for India's first-time mobile gamers. As a result, this segment has the highest number of overall users – 350-420 Mn- with very low paid user

conversion rate (8-10%). With the development of robust infrastructure & multiple new game titles, Core games have become popular in India. Currently, there are around 150-160 Mn core users with very high conversion of paid gamers (36-43%)

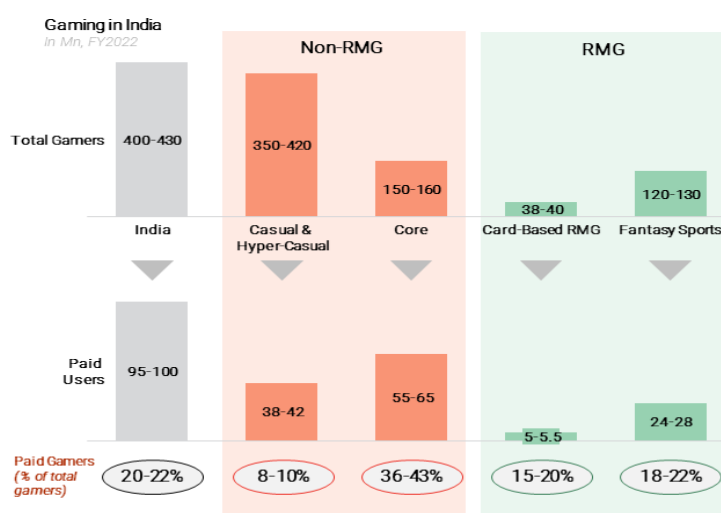


Figure 14: Overview of Users of Gaming in India
Source(s): RedSeer Analysis

Even though real money games have limited number of total gamers and paid users when compared with those of non-RMG segments, the amount spent per user is far higher, leading to higher revenue contribution.

Online Non RMG in India has been growing across various key performance indicators such as MAU, downloads and time spent – and is expected to continue growing

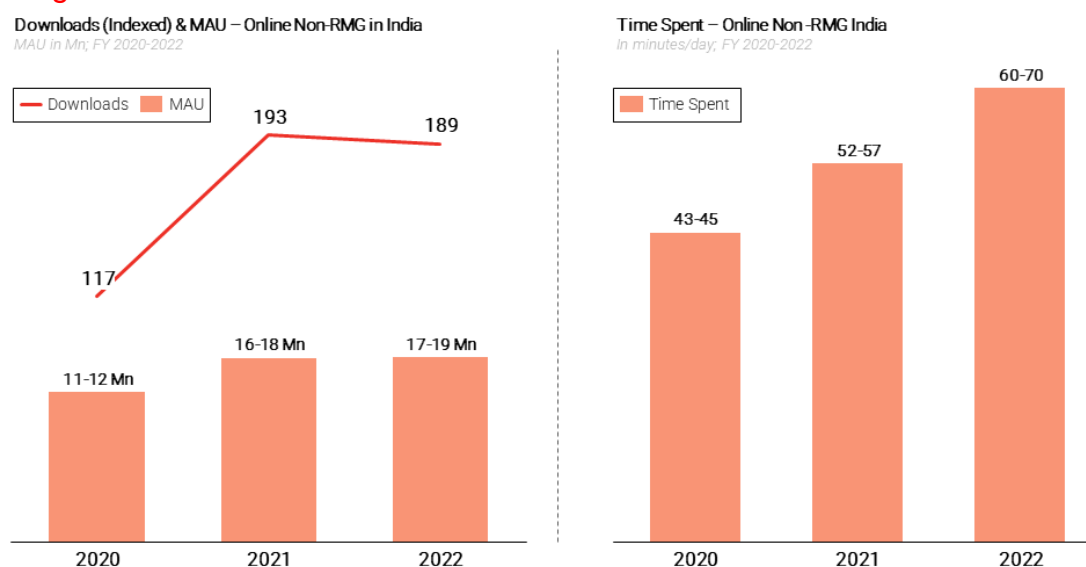


Figure 15: Downloads and Monthly Active Users and Time Spent by Users of Online Non-RMG Segment in India

Note(s): Time spent indicates total time/day/DAU; MAU are average MAUs of top 5 casual games, (Candy Crush, Subway Surfers, etc.)
Source(s): RedSeer Analysis

After COVID-19, people across demographics and social strata have begun adopting gaming as a means of entertainment and socializing as during COVID-19 people were having a lot of

free time and limited physical social interactions. Virtual social interactions replaced the physical interaction time between family and friends during COVID-19 induced lockdowns, manifesting into a strong interest in multiplayer games with a social element to them. This COVID-19 induced change in behavior has led to rise in new casual non-RMG gamers. Moreover, average time spent on gaming has increased from 43-45 mins per day in 2020 to 60-70 mins per day and number of downloads increased from 11-12 Mn in FY 2020 to 17-19 Mn in FY 2022.

These new causal users often start with exploring free, casual games. With the introduction of Hyper-casual games, a portion of already gaming users who started with Casual games moved towards simpler Hyper-casual games. As a natural progression, some gamers mature into serious core gamers and players start paying for the games including the RMG & non-RMG games.

Online RMG in India has enjoyed a strong ~61% growth and is expected to continue at ~31% for the next 4-5 years; due to several growth drivers such as ...

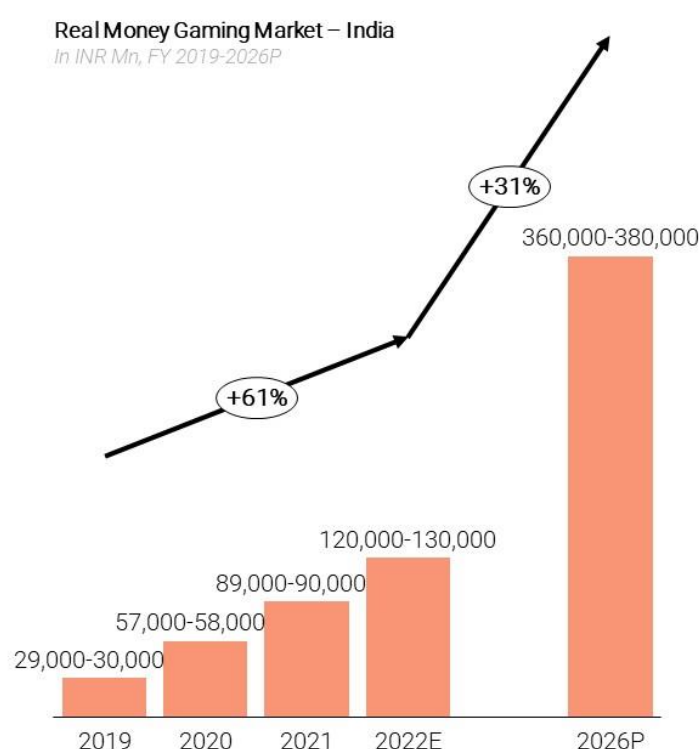


Figure 16: Real Money Gaming Market in India

Source(s): RedSeer Analysis

The RMG market is expected to increase from INR 120,000-130,000 Mn in FY2022 to INR 360,000-380,000 Mn in FY2026 at CAGR of 30%. The growth of RMG market is driven by multiple factors which are mentioned below

1) Improved digital payment infrastructure

Real money gaming platforms have benefitted from integrating the fast-evolving digital payment gateways on their platforms, by making transacting on these platforms quick and simple.

2) Increased propensity to pay

Real money gaming market has seen an increase in paying users. This trend will continue as income levels rise in India.

3) COVID-19 Impact

Government imposed lockdown forced people indoors. As a result, people started playing real money games, which were an important part of their social lives, online.

4) Adoption of blockchain technology

As blockchain technology develops, real money gaming can benefit from increased level of trust these technologies provide. Additionally, these technologies are now opening up new revenue streams in terms of NFTs.

5) Development of a favourable regulatory environment

Regulatory challenges for the sector are improving as states remove blanket bans on RMG. (e.g. Madras High Court struck down the Tamil Nadu Gaming and Police Laws (Amendment) Act of 2021, which bans playing of online betting games like rummy and poker with stakes)

Online RMG market is segmented into 3 game types (Online Rummy, Poker & Fantasy Sports) and by platforms into Single game (>91%) & Multi game (~9%) - collectively growing at a CAGR of ~61% for the last 3 years

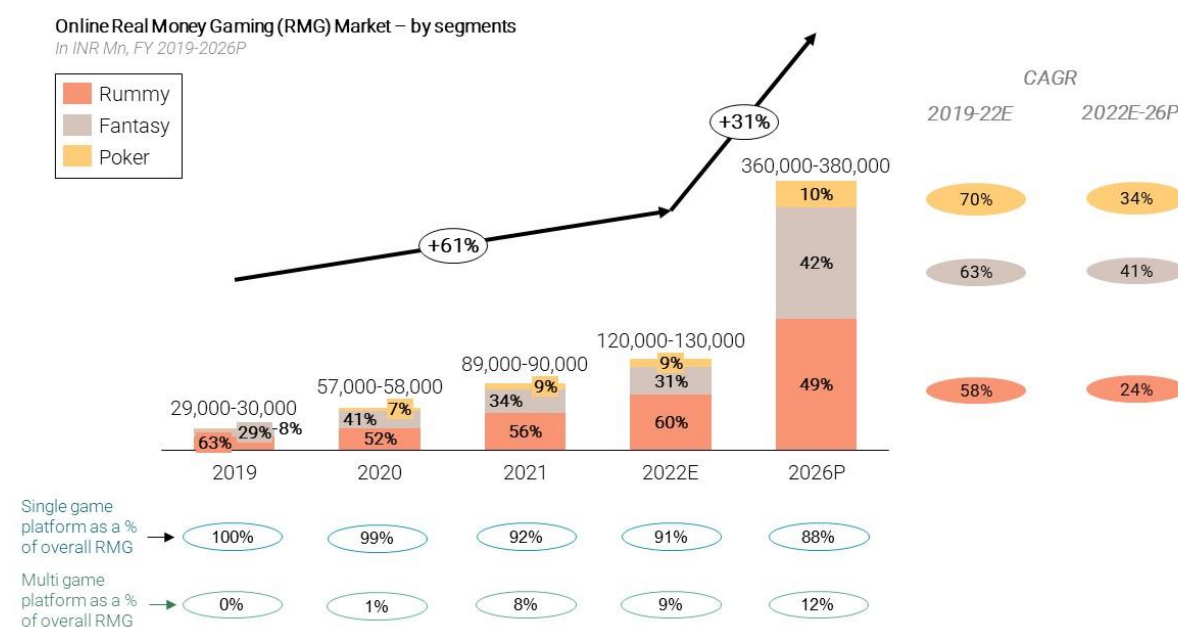


Figure 17: Online Real Money Gaming Market split by Segments

Note(s): Only major categories under RMG are included
Source(s): RedSeer Research

Rummy, Fantasy and Poker are the major games under RMG sector. Rummy is currently the largest segment and is expected to dominate the RMG market in the future due to rising number of new rummy users from north India and increasing propensity to pay of existing users. Rummy market is expected to increase from INR 74,000-75,000 Mn in FY2022 to INR 177,000-178,000 Mn in FY2026 at CAGR of 24%

Poker has the least penetration when compared to rummy and fantasy, indicating a very high potential for growth in the coming years. Poker has the highest user retention rate and highest revenue per user among the three games considered here. Poker market is expected to grow from INR 11,000-12,000 Mn in FY2022 to INR 35,000-38,000 Mn in FY2026.

Fantasy segment is heavily driven by cricket with limited contribution from other games. Online Fantasy games were heavily affected by COVID-19 induced lockdowns as no games were played during that period. However, Fantasy games are expected to recover and grow from INR 38,000-39,000 Mn in FY2022 to INR 150,000-160,000 Mn in FY2026. Increasing popularity of other sports leagues and rising user willingness to pay cash will drive the growth of the market in the future.

Industry Evolution Towards MGP Platform: Advantages and Potential Growth Drivers for MGP

While Single Game Platforms (SGP) currently dominate the market with (~90%) market share; the upcoming format of Multigame platforms (MGP) may get popular in the future. MGPs offer a wider variety of games to users; and is therefore able to attract gamers from a wider set of interests and abilities. It should conceptually also be able to retain them more by keeping them entertained and engaged for a longer time due to the wide array of game offerings. Furthermore, with the addition of a large number of new casual gamers, and rising popularity of social & multiplayer games, an organic growth of platforms with broader offering may be expected, as well. Gradually as these casual gamers evolve and mature, their spending is also expected to increase; which shall benefit the earning capability of gaming platforms, especially Multigaming platforms (MGP); due to their nature of design.

The expansion of MGP can also be attributed to the following factors, which are promoting various gaming companies towards expanding in the space, ;

- 1) **Greater Variety of Game Types:** MGPs provide a vast selection of games on their platforms; across game genres and types. This provides the companies to offer and trial with a large selection or assortment, thereby increasing the chances of a successful gaming title.
- 2) **Greater Audience Reach:** Another core benefit of MGP platforms, is its potential to attract a larger and more diverse user base. The large variety of options available to users on MGP systems attracts users from varying ages, geographies, and preferences to join the same platform to play games, as there is something for everyone.
- 3) **Increased User Stickiness:** Apart from more users joining the platform, users also tend to play longer when compared with SGPs, due to the variety of options available. It is observed that on an SGP, users often churn out due to boredom or as new game types gain popularity, but on an MGP, the user can transition to another game on the same platform, allowing him or her to remain on the platform for a longer period of time.
- 4) **Options for Developers:** Independent developers are also increasingly choosing to host their games on MGP platforms, due to its advantages in terms of user base and user retention. This is an intriguing and a rewarding idea for the majority of game creators who host their games on app stores directly.
- 5) **Distributed Costs:** From a financial standpoint, MGPs may be able to reduce their marketing and advertisement costs per user compared to SGPs. In the case of MGPs, marketing and advertising expenditures are incurred at the platform level, whereas in the case of SGPs, they are incurred at the game level, following the principle of economies of scope. This further helps gaming businesses.
- 6) **Synergies on the MGP Platform:** MGP platform has a double advantage compared to SGPs. They are able to attract users through offering diverse casual gamers and are able to convert them into paying users by also offering them games from RMG category on the same platform. This allows MGPs to leverage advantages of all game genres, while simultaneously reducing costs; and thus is gaining popularity amongst Indian & global gaming companies.

In its current state, MGP is growing at ~40%; which is the highest across various segments of RMG; and is expected to be ~12% of the market by 2026. While, the relative share appears low, in absolute terms this translates to nearly INR 43,000 Mn (viz. ~4x in 5 years) by 2026. This explains the observed interest amongst Gaming companies to explore and grow as Multigaming Platforms.

Overall, there is a positive outlook for real-money games both for the present & future scenarios; with expected growth rates of 25-40% across different formats and platforms.

Online Poker draws the highest ARPU across RMG ecosystem; despite having a lower familiarity compared to Rummy and Fantasy Sports in India

Real Money Gaming Market in India – Key Characteristics & Performance Indicators
Descriptive, FY2022




Type of Platform	Online Rummy		Online Poker		Fantasy Sports	
	Single Game	Multi game	Single Game	Multi game	Single Game	Multi game
Description	Players try to form sets and sequences of card		2 or more people bet on the value of the hands dealt to them		Create an online team of real sportsmen & win based on their actual performance	
Familiarity ¹ (within India)						
Govt. Regulations ¹	High		Medium		Low	
ARPU (post rake/month, INR)	3000-4500	2625-4125	9750-11,250	1275-1425	150-300	52.5-67.5
Rake rate(%)	8%-15%	8%-15%	3%-5%	3%-5%	15%-20%	15-17%
MACU (Mn)	~1.5-1.8 Mn	0.07-0.1Mn	~0.05-0.06 Mn	0.1-0.2 Mn	~11-13 Mn	1-1.2 Mn
Examples	RummyCulture, RummyCircle	MPL, WinZo	Adda52, Poker Baazi	MPL, WinZo	Dream11, Ballebaazi	MPL, WinZo

Figure 18: Key Characteristics and Performance Indicators of Real Money Gaming Market in India

Note(s): Player & game examples are for reference and not in any order or preference

Benchmarks are based on empirical observations and may not be a true representation of actual data.

Source(s): RedSeer Research, Public Media articles

Even though Single game poker platforms have the lowest MACU, these platforms have the highest ARPU indicating the prevalence of mature players with high willingness to spend a large amount of money.

Fantasy Game platforms have the highest number of users with the lowest ARPU as it is dominated by casual users who follow cricket.

Rummy is very popular in southern part of India with very high government scrutiny. It has a balanced mix of MACU, ARPU and retention rate when compared with other segments.

Across the games, Multi Game Platforms (MGP) have lower ARPU when compared with Single Game Platforms (SGP) as generally Casual gamers, comprising of beginners and amateurs, typically prefer MGP while mature professional players prefer SGP platforms.

RMG witnesses a MACU of 12-13 Mn of the total 26-30 Mn real money gamers and it expected to reach 60-80 Mn real money gamers in the upcoming years

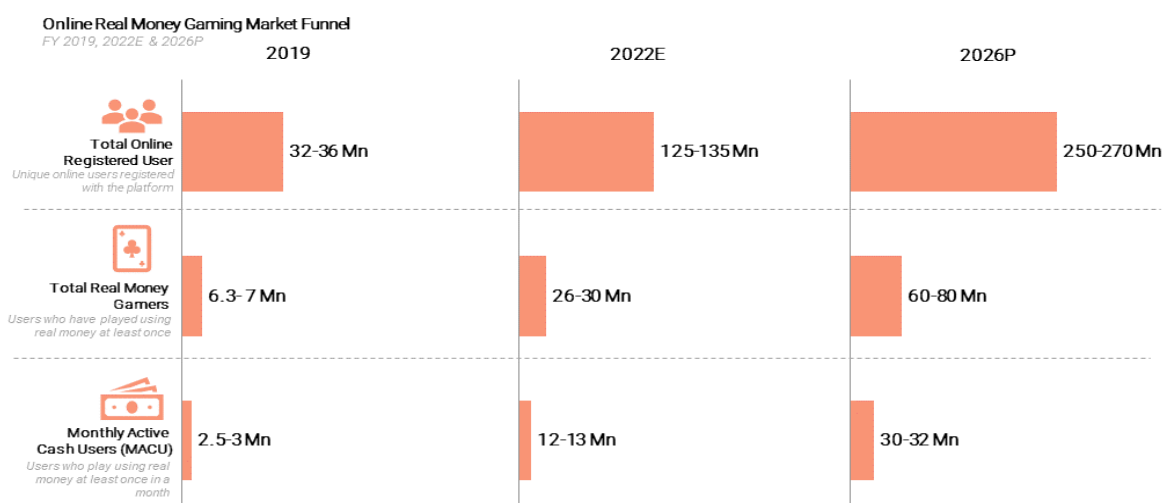


Figure 19: Online Real Money Gaming Market Funnel

Note(s): Player & game examples are for reference and not in any order or preference

Benchmarks are based on empirical observations and may not be a true representation of actual data.

Source(s): RedSeer Analysis

In the next few years, the number of Real money gamers and Monthly Active Cash Users is expected increase exponentially due to increasing propensity to pay, and development of seamless payment process through robust digital payment infrastructure.

RMG market in India follows a consolidation pattern allowing market leaders to capture the growing GMV

Online RMG Market in India - Competition Intensity
Market share in %, FY 2020 -2022E

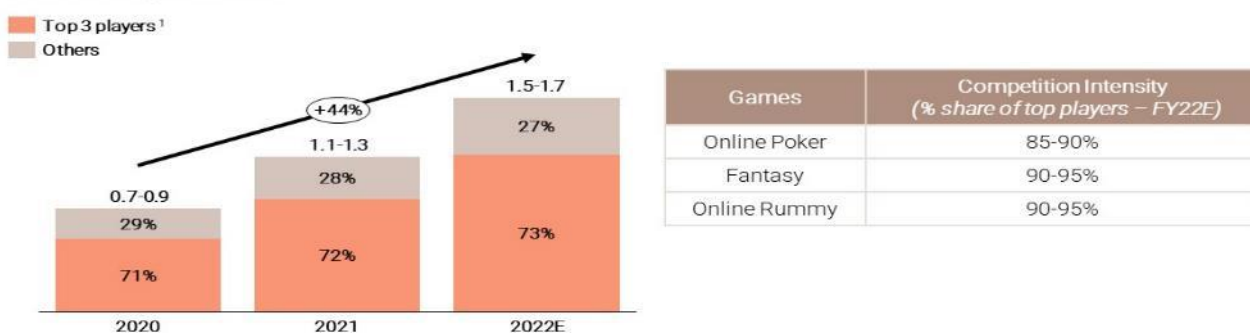


Figure 20: Competition Intensity in Online Real Money Gaming Market in India

Note(s): Top 3 players include Rummy culture, Dream 11 and Rummy circle.

Source(s): RedSeer Analysis

Largest 3 players of the Indian RMG segment (by revenue) occupy roughly 73% of the total market indicating a strong consolidation in the Indian RMG market. Furthermore, sub-segments such as online poker, online rummy and online fantasy also showcase strong presence of incumbents with almost 85-90% (varying) occupied by the leaders of the respective sub-segments.

Globally, this segment has witnessed high rate of mergers and acquisitions amongst players with an intention to further consolidate the market, grow the user base and often leverage cross-game activity. (Cross-game activity refers to leaders in a subsegment acquiring players across other games/subsegments to increase the engagement and the number of active users on their platforms.)

5.Policies and Regulatory Framework for Gaming in India

Regulatory Market Environment Overview

From a regulatory standpoint, online games are broadly divided into 'Games-Of-Skill' and 'Games-Of-Chance'. Games-of-skill includes those games in which success substantially depends upon the superior knowledge, training, experience of the player while in games-of-chance, the outcomes are completely uncertain and based on luck.

As of April 2022, different states maintain separate and multiple state gambling laws (Example- The Telangana Gaming Act 1974, Assam Game and Betting Act 1970 etc.) and have their own understanding on gambling which has led to multiple inconsistencies.

Games are considered as skill-based when there is preponderance of skill over chance even though they may include stakes and real money. High Courts use this dominant factor test laid out by the Supreme Court to distinguish between games-of-skill and games-of-chance.

While multiple states have considered Rummy, Poker and Fantasy games to be games-of-skill various states have legislations which do not exempt games of skill. Please see a list below:

1)Telangana

Telangana has a blanket ban on games-of-skill which have part- elements of chance and does not consider them as 'skill-games'. It has banned these games in both offline and online channels. However, as of April 2022, the state is in the process of drafting a new regulation to regulate games-of-skill.

2) Andhra Pradesh

Andhra Pradesh's government has taken a stance similar to that of its neighboring state, Telangana, in that it has banned any forms of games that involve real money and made the play of such games as illegal.

3) Assam

Assam stand is very clear on real money games. It says all the games which include money's worth on the happening or determination of an unascertained event are banned- both offline and online.

4) Odisha

The Odisha Act does not permit any play or game for money with the reason stating that mostly poor people will suffer financially. It has banned these games in both offline and online channels.

5) Tamil Nadu

Tamil Nadu banned online gaming with stakes in November 2020 but the provision was struck down by the Madras high court in August 2021, which held that the amendment to the Tamil Nadu Gaming Act was in violation of the Constitution. As of June 2022, the government has set up a committee to give recommendations for the promulgation of an ordinance to regulate online gaming.

The states which have regulated online gaming are listed below

1)Sikkim

Sikkim is one of the states where offline and online gaming is legal. Casinos and online games & sports games are under the administrative control of the Directorate of Sikkim State Lotteries and is governed by the Sikkim Online Gaming (Regulation) Act, 2008 and the Sikkim Online Gaming (Regulation) Amendments Act, 2009.

2) Nagaland

Though Nagaland has formed a law which legalizes online skill gaming but due to enormous annual fees, no online player has showed interest in serving this region.

3) Meghalaya

Through the Meghalaya Regulation of Gaming Act, 2021, the state of Meghalaya has decided to implement a license-based system for regulating gaming and gambling inside its borders. The Act seeks to regulate both "games of skill" and "games of chance" involving the betting or wagering of money or the value of money.

Gaming companies have taken self-regulatory steps to promote responsible gaming in India. Some of the steps are mentioned below.

1) Self-Regulatory bodies

All India Gaming Federation (AIGF) is a not-for-profit organisation, the oldest and only apex self-regulatory body whose self-regulatory charter includes all online skill gaming in India. AIGF's objectives include creating awareness, about the socio-economic benefits of the online skill gaming industry through reports, research, surveys, events and seminars

2) Restrictions to Avoid Misuse of Platform

These restrictions are aimed to avoid money laundering, minors playing in the industry, single user having multiple accounts, and gamers playing in these states. All India Gaming Federation (AIGF) has formulated a chart to regulate all online RMG games-of-skill like poker, rummy, fantasy, among other games.

3) Features Given to Limit Money Spend

Self-Exclusion – Player can lock their account for 48 hrs to 6 months, or even permanently.

Set Deposit Limits – Daily and monthly deposit limits can be placed on the players.

4) Precautionary Measures

Companies do not advertise in the banned states. Also not prefer to advertise on regional platforms or in small tier cities to discourage social and economic weaker sections. Some rummy players even call users if they exceeded their daily spend limits.

Gaming market in India is expected to develop strongly with clearer regulatory framework, better policies around gaming & more recognized industry associations. Exclusion of 'games-of-skills' as gambling from all state laws, introduction of a central unified policy to reduce the uncertainty, recognition of an industry association to help the gaming industry and ensure companies follow best practices, identifying scientific mechanism to identify games-of-skill, among others are some of the key market expectations regarding the regulatory market.

6.Competitive Landscape

Competitive Landscape – Overview

The Pure-play poker industry is a nascent sector in India and is alone estimated to be valued over INR 5,600 Mn at the end of FY 2022. It has several players such as Adda52, Pokerbaazi, SpartanPoker etc. There are also players like MPL & WinZO which offer Online poker on their multi-game platforms.

Deltatech Gaming Limited, which operates Adda52, is one of the earliest companies in the RMG segment in India. Adda52 is India's first online poker platform offering multiple poker variants with a super-gaming experience for its users by combining simple and attractive designs and engaging features. Deltatech Gaming Limited has consistently retained over 34.5% market in Online Poker for over 7 years. Since its debut, Deltatech Gaming Limited has outperformed its direct competitors in terms of operating revenue and as of 31st March 2021. Adda52 is India's number 1 pure-play poker platform in terms of revenue. The company's ability to remain a market leader in its field of operations despite new entries in the same category and competition from peers in other segments is indicative of the high brand loyalty of its customers.

As Adda52 is a purely pure-play poker platform, it only accepts poker enthusiasts, making it a niche participant in the RMG market. This feature allows them to attract customers who are not true beginners in the game. On their site, professionals and experts have a similar experience to playing in an actual casino. They have assured minimal pain points for clients by providing a high-quality user experience, several poker variations that appeal to diverse users, nearly all payment methods for the smooth processing of transactions, and an RNG-certified gaming ecosystem that ensures fair play.

Global Benchmarking and Advantage to Indian Companies

Poker is significantly more popular in international markets; although very few multinational online poker companies are currently operating in India in the real-money gaming sector. This may be mostly due to regulatory uncertainties in the past, which discouraged large foreign businesses from entering the nascent; but highly lucrative Indian market. This has allowed Indian companies to seize the market despite the uncertainties. Indian companies, like Deltatech Gaming Limited, hold a significant advantage as the regulations become clearer and recent rulings stress the distinctions between games-of-skill and games-of-chance.

As a category pioneer in India, Deltatech Gaming Limited has a large user base in India and controls more than 34.5% of the market share for over 7 years. (A category pioneer can be understood as an organization which innovates in the form of a new product or a service to the marketplace or which develops a new space within a particular market). Deltatech Gaming Limited's EBITDA has also increased at a CAGR of 6.4% from FY2019 to FY2021 to reach INR 280 Mn and is the highest amongst the peers in the pure play poker segment of the gaming industry in absolute terms. Due to the recent judgements which resolved some uncertainties of the real money gaming industry's regulatory environment, the company can gain a major advantage in terms of recruiting players and users to its platform. Observing organizations that operate in more stable marketplaces and determining how they have developed over the past several years is one method for determining how a business can expand in the future. Benchmarking is one of the techniques which can be used to gauge Adda52's potential for future growth.

	2022	2021	2020	2019	2018
Deltatech Gaming Ltd. (Adda52)	62%	58%	45%	51%	28%
Nazara Technologies Ltd. (Nodwin, Sportskeeda)	32%	50%	54%	15%	24%
Galactus Funware Technology Pvt Ltd. (Rummyculture)	N/A	86%	953%	N/A	N/A
Tictok Skill Games Pvt. Ltd. (WinZO)	N/A	42%	29%	N/A	N/A
Sporta Technologies Pvt. Ltd. (Dream11)	N/A	49%	45%	171%	349%
Super Group (SGHC) Limited (Betway)	N/A	27%	27%	41%	N/A
Entain Plc. (PartyCasino)	N/A	15%	15%	14%	14%

Figure 21: Competitor Benchmarking - Cash Spend Analysis

Note(s): 1) The financial year ending for Super Group (SGHC) Limited and Entain Plc is 31st December whereas for others are 31st March.

2) Information for the players have been sourced from the MCA and annual reports as available.

3) Ratios for Nazara Technologies Ltd, Super Group (SGHC) Limited and Entain Plc are calculated at consolidated level whereas others at standalone level

4) Brand names included beside the company name are for ease of reference and are not exhaustive

Source(s): Annual Report, MCA filings, RedSeer Analysis

Currently Deltatech Gaming Limited spends around 58% of its operating revenue towards advertisement. This is higher when we compare it with other global players who have been in the industry for around 8-10 years more. The company currently focuses on customer acquisition which is one of the reasons for the increased ratio on comparison with global peers. As more and more users join the platform, the company is likely to reduce its dependency on marketing expenses for customer acquisition which would eventually reduce the cost-factors of the company.

Deltatech Gaming Limited is one of the companies that followed the global trend of declining operating cash flow from FY 20 to FY 21. This is due to the fact that greater advertising and other marketing expenditures boost client acquisition. With the shift in user behavior from offline to online activities, online real-money gaming companies were given with an opportunity to capture new clients seeking enjoyment within the confines of their homes. This decline is transient, as seen by the increase in cash flow in the years preceding COVID-19.

India is a very young market compared to other regions where these multinational corporations operate. Consequently, there are a great number of prospective clients who can join RMG platforms. Although the scale at which Indian enterprises operate is minor in comparison to global giants, there is room for growth and potential for companies such as Deltatech Gaming Limited, which has defined pure-play poker in India, in the domestic market.

7.Appendix

Competitor Benchmarking: Revenue from Operations

Competitor benchmarking – Revenue from Operations

In INR Mn, FY2018-2022, Revenue from Operations

	2022	2021	2020	2019	2018
Deltatech Gaming Limited (Adda52)	1,372	1,554	1,316	1,095	820
Nazara Technologies Ltd. (Nodwin, Sportskeeda)	6,217	4,542	2,475	1,672	1,705
Junglee Games India Pvt Ltd (Junglee Rummy)	N/A	5,915	3,347	1,863	887
Gameskraft Technologies Pvt. Ltd (Rummyculture)	N/A	N/A	4,281	568	14
Quadrific Media Pvt Ltd (Spartan Poker)	N/A	691	614	482	532
Baazi Networks Pvt Ltd (Pokerbaazi)	N/A	445	441	280	143
Sporta Technologies Pvt Ltd (Dream11)	N/A	25,516	20,704	7,754	2,250
Halaplay Technologies Pvt Ltd	N/A	124	397	223	25
Tictok Skill Games Pvt Ltd (WinZO)	N/A	1,035	267	39	8
Myteam11 Fantasy Sports Pvt Ltd (My Team 11)	N/A	544	253	85	11
Galactus Funware Technology Pvt Ltd. (MPL)	N/A	3,786	182	0	
Flutter Entertainment Plc (SportsBet, Pokerstars)	N/A	613,499	419,888	192,445	170,631
Super Group (SGHC) Limited (Betway)	N/A	1,153,822	768,783	375,399	N/A
Entain Plc (PartyCasino)	N/A	389,269	338,810	321,770	267,340
Evolution AB (publ) (Netent)	N/A	933,760	475,089	288,427	197,885

Figure 22: Competitor Benchmarking – Revenue from Operations

Note(s): 1) The financial year ending for Flutter Entertainment Plc, Super Group (SGHC) Limited, Entain Plc and Evolution AB (publ) are 31st December whereas for others are 31st March.

2) Information for the players have been sourced from the MCA and annual reports as available.

3) The amounts have been converted into INR Mn at average RBI reference exchange rates from January to December for the respective years for necessary players for comparison purposes only.

4) Amounts for Nazara Technologies Ltd, Flutter Entertainment Plc, Super Group (SGHC) Ltd, Entain Plc and Evolution AB (publ) are at consolidated level whereas others are at standalone level

5) Brand names included beside the company name are for ease of reference and are not exhaustive

Source(s): Annual Report, MCA filings, Investor Presentations

The table exhibits the revenue from operations of Deltatech Gaming Limited and other companies from the online RMG industry.

Competitor Benchmarking: Operating Expenses

Competitor benchmarking –Operating Expenses

In INR Mn, FY2018-2022, Operating Expenses

	2022	2021	2020	2019	2018
Deltatech Gaming Limited (Adda52)	1,422	1,343	919	873	520
Nazara Technologies Ltd. (Nodwin, Sportskeeda)	5,748	4,485	2,856	1,724	1,302
Jungle Games India Pvt Ltd (Jungle Rummy)	N/A	5,421	2,468	1,665	859
Gameskraft Technologies Pvt. Ltd (Rummyculture)	N/A	N/A	1,281	259	10
Quadrific Media Pvt Ltd (Spartan Poker)	N/A	666	592	489	432
Baazi Networks Pvt Ltd (Pokerbaazi)	N/A	430	418	264	139
Sporta Technologies Pvt Ltd (Dream11)	N/A	22,022	18,658	9,335	N/A
Halaplay Technologies Pvt Ltd	N/A	135	751	511	N/A
Tictok Skill Games Pvt Ltd (WinZO)	N/A	1,565	540	89	36
Myteam11 Fantasy Sports Pvt Ltd (My Team 11)	N/A	616	308	105	11
Galactus Funware Technology Pvt Ltd. (MPL)	N/A	6,282	3,177	868	
Flutter Entertainment Plc (SportsBet, Pokerstars)	N/A	619,852	410,042	178,965	151,996
Super Group (SGHC) Limited (Betway)	N/A	980,147	662,624	331,734	N/A
Entain Plc (PartyCasino)	N/A	353,106	304,668	337,588	261,211
Evolution AB (publ) (Netent)	N/A	362,375	221,345	164,247	125,733

Figure 23: Competitor Benchmarking – Operating Expenses

Note(s): 1) The financial year ending for Flutter Entertainment Plc, Super Group (SGHC) Limited, Entain Plc and Evolution AB (publ) are 31st December whereas for others are 31st March.

2) Information for the players have been sourced from the MCA and annual reports as available.

3) The amounts have been converted into INR Mn at average RBI reference exchange rates from January to December for the respective years for necessary players for comparison purposes only.

4) Amounts for Nazara Technologies Ltd, Flutter Entertainment Plc, Super Group (SGHC) Ltd, Entain Plc and Evolution AB (publ) are at consolidated level whereas others are at standalone level

5) Brand names included beside the company name are for ease of reference and are not exhaustive

Source(s): Annual Report, MCA filings, Investor Presentations

The table exhibits the operating expenses for Deltatech Gaming Limited and other companies from the online RMG industry.

Competitor Benchmarking: Operating Expenses as a percentage of Revenue from Operations

Competitor benchmarking – Operating Expenses Analysis
FY2018-2022, Operating Expenses as a % of Revenue from Operations

	2022	2021	2020	2019	2018
Deltatech Gaming Limited (Adda52)	104%	86%	70%	80%	63%
Nazara Technologies Ltd. (Nodwin, Sportskeeda)	92%	99%	115%	103%	76%
Jungle Games India Pvt Ltd (Jungle Rummy)	N/A	92%	74%	89%	97%
Gameskraft Technologies Pvt. Ltd (Rummyculture)	N/A	N/A	30%	46%	71%
Quadrifc Media Pvt Ltd (Spartan Poker)	N/A	96%	96%	101%	81%
Baazi Networks Pvt Ltd (Pokerbaazi)	N/A	97%	95%	94%	97%
Sporta Technologies Pvt Ltd (Dream11)	N/A	86%	90%	120%	N/A
Halaplay Technologies Pvt Ltd	N/A	109%	189%	229%	N/A
Tictok Skill Games Pvt Ltd (WinZO)	N/A	151%	202%	228%	450%
Myteam11 Fantasy Sports Pvt Ltd (My Team 11)	N/A	113%	122%	124%	100%
Galactus Funware Technology Pvt Ltd. (MPL)	N/A	166%	1746%	N/A	N/A
Flutter Entertainment Plc (SportsBet, Pokerstars)	N/A	101%	98%	93%	89%
Super Group (SGHC) Limited (Betway)	N/A	85%	86%	88%	N/A
Entain Plc (PartyCasino)	N/A	91%	90%	105%	98%
Evolution AB (publ) (Netent)	N/A	39%	47%	57%	64%

Figure 24: Competitor Benchmarking – Operating Expenses Analysis

Note(s): 1) The financial year ending for Flutter Entertainment Plc, Super Group (SGHC) Limited, Entain Plc and Evolution AB (publ) are 31st December whereas for others are 31st March.

2) Information for the players have been sourced from the MCA and annual reports as available.

3) Percentages for Nazara Technologies Ltd, Flutter Entertainment Plc, Super Group (SGHC) Ltd, Entain Plc and Evolution AB (publ) are at consolidated level whereas others are at standalone level

4) Brand names included beside the company name are for ease of reference and are not exhaustive

Source(s): Annual Report, MCA filings, Investor Presentations

The table exhibits the operating expenses as a percentage of revenue from operations for Deltatech Gaming Limited and other companies from the online RMG industry.