

BetMGM

Business Update 2023

4th December 2023



BETMGM

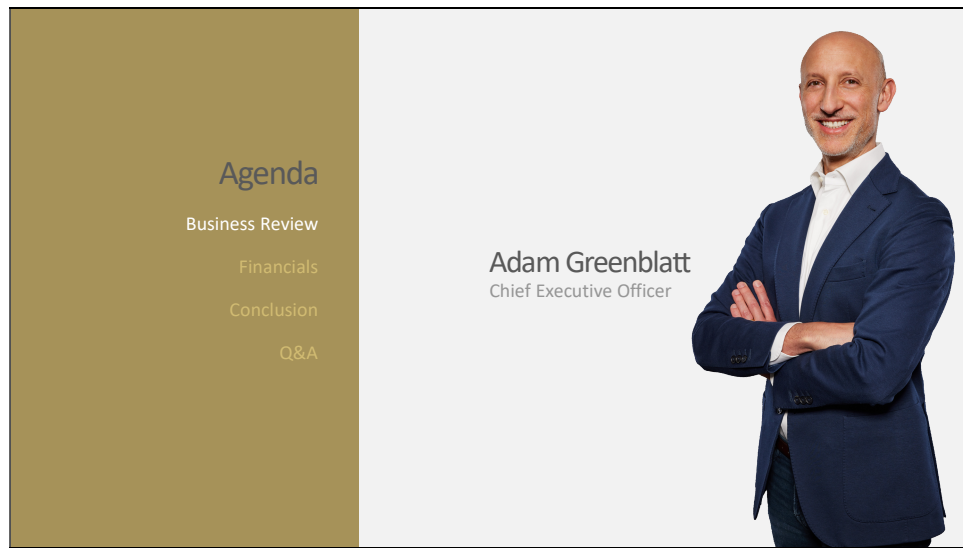
Transcript

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Every possible effort has been made to transcribe this event accurately; however, neither Entain nor STORMIR shall be liable for any inaccuracies, errors or omissions.

Slide 1



Adam Greenblatt, Chief Executive Officer

Good morning, everyone. Thank you for joining today's call.

It's a real pleasure to be here with you as we reflect on our accomplishments of 2023 and discuss how executing against our strategic plan is delivering an exciting future for BetMGM.

Our performance in '23 is another example of our commitment to delivering on our promises.

Slide 4

BetMGM firmly established as a top-tier operator in North America



National Footprint

- 28 Active markets
- 23 Online markets¹
- 38 Retail sportsbooks



Favorable Market Position

- Firmly established top 3 operator
- 17% combined OSB and iGaming share²



Leading Industry Recognition

- Digital Operator of the Year by the Global Gaming Awards
- Casino Operator of the Year by EGR North America and Online Casino of the Year by American Gambling Awards





¹ Including Washington, D.C.
² Active market share by OSB and iGaming including only jurisdictions in North America where BetMGM is currently active.

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Adam Greenblatt, Chief Executive Officer

In the four short years, since we launched BetMGM, we've established ourselves as one of the leaders in this fast-growing, highly competitive industry.

Our products are now available in 28 markets and at 38 retail sports books. In 2023, we launched online sports betting in four new markets, expanding our footprint into Ohio, Massachusetts, Puerto Rico, and Kentucky. The next new market launch is likely to be online sports betting in North Carolina expected sometime before June next year.

We continue to be a market leader with a combined market share in the third quarter of 17% in online sports betting and iGaming across the U.S. and Ontario.

This puts us firmly in the top tier of the industry, with all smaller competitors garnering low- to mid-single-digit shares. Our U.S. only share is more than double that of the fourth ranked operator. This is likely to be even more pronounced if we take Ontario into account, where we command 22% share across OSB and iGaming.

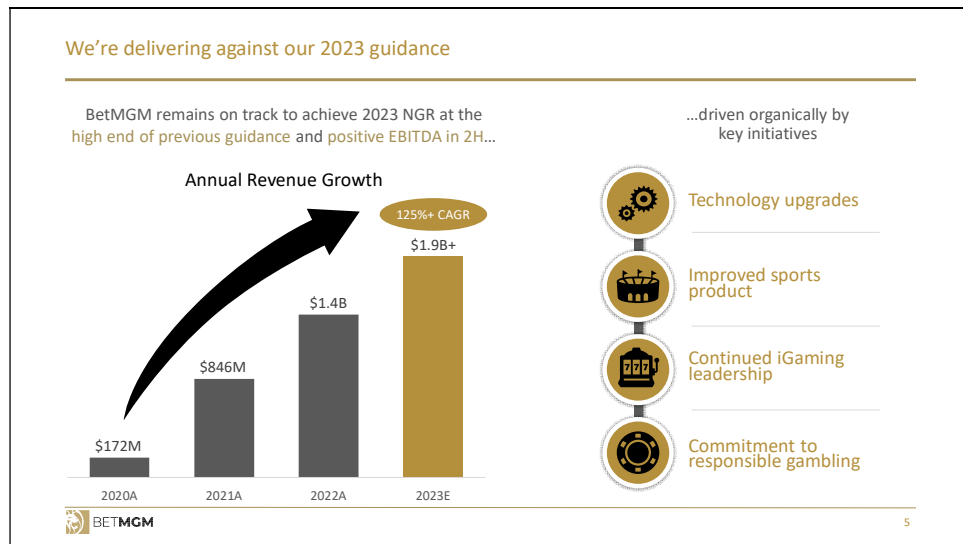
We are particularly pleased with proving we can win there as Ontario is an extremely competitive market, with over 70 brands present, including those from the leading American operators.

While we focus more on internal KPIs, we are grateful that our successes have been recognized externally too. We won several awards again this year, including Digital Operator of the Year by Global Gaming Awards, and for the second year in a row, both the Online Casino of the Year by American Gambling Awards, and Casino Operator of the Year by EGR North America.

It is worth reiterating that we've been able to achieve these results with unparalleled capital efficiency, as mentioned by Entain during their earnings call last month.

The market is still growing quickly and evolving, and we are confident that we will be able to advance our competitive position as our business and products continue to develop. I'll spend the next few minutes setting out the basis for this confidence.

Slide 5



Adam Greenblatt, Chief Executive Officer

I'm pleased to say that we are on track to achieve our 2023 guidance, expecting to reach the top end of the \$1.8 to \$2 billion net revenue range. This means we have delivered around half a billion dollars of topline growth in each of the past three years with strong organic growth in the current year, particularly in iGaming given no new markets were added in '23.

Also this year, we have significantly improved our financial position; growing EBITDA by well over \$300 million and achieving EBITDA profitability in the second half, putting us in a position to be self-funded from here on.

We've been able to achieve these results through relentless focus on improving our business... 2023 has seen ongoing delivery of critical accomplishments that have set the stage for 2024 and beyond. These delivered enhancements, combined with our near-term and strategic product and technology development pipeline, underpin our confidence in our ability to build on, and strengthen, our current market position.

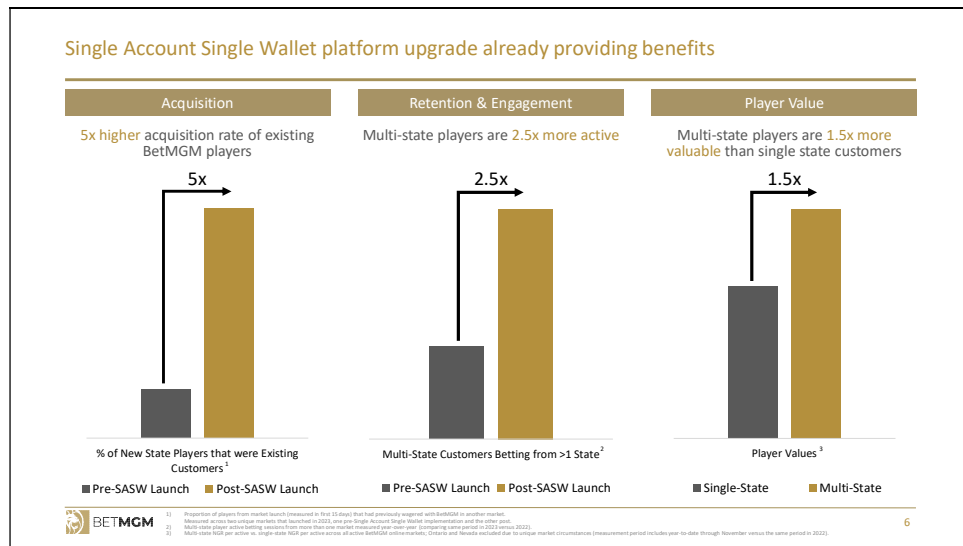
Before I go deeper into tech and product, I'd like to spend a moment on our progress in the critical area of responsible gambling... Over the course of 2023, we invested significant organizational resources in moving our RG agenda forward.

In addition to our in-product tools and dedicated, pro-active Responsible Gambling Team, we partnered with 9 NFL teams to promote responsible gambling in stadiums during games. We have started to use our proprietary technology algorithms more widely to monitor for the emergence of concerning player behavior. We continue to build on our award-winning program with GameSense and we have also proudly supported industry stakeholders including the International Center for Responsible Gambling.

New this year too, was our pioneering relationship with Kindbridge Health... Together, we are piloting a first of its kind program in Colorado to evaluate the effectiveness of offering self-excluded individuals direct referrals for problem gambling treatments.

In summary, we're very pleased with the progress we've made in this area. Now, onto the tech and product accomplishments in 2023.

Slide 6



Adam Greenblatt, Chief Executive Officer

Before the football season kicked off, we released a significant upgrade to our platform allowing players in almost all of our U.S. markets, excluding Nevada for now, to seamlessly travel across state lines with their account credentials and wallets, thereby significantly reducing user friction.

While it's early days, we are encouraged by the signs of positive impact on player engagement, player retention and operational efficiency.

Now that our players don't need to go through the process of re-registering new accounts in each state, we are seeing a 5-times increase in new state bettors that previously played with BetMGM in a different state.

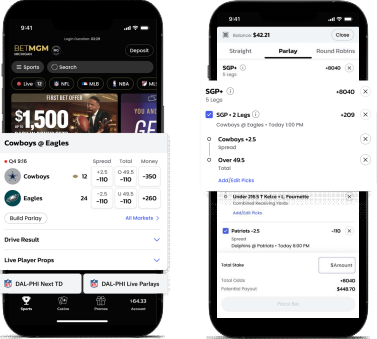
We are also excited to see early data that multi-state players have significantly higher retention rates and are already 1.5 times more valuable when compared to single-state players.

So, looking at our player cohorts' development, we are optimistic that we will capture additional value as more players enjoy a more seamless cross-state experience.

Slide 7

We made significant strides in improving our sports product this year

- Speed:** Meaningful improvements in loading speeds
>25% increase in loading speed times¹
- Ease of use:** Upgraded UI/UX across registration and market discovery pages with improved payments functionality
70%+ of withdrawals coming from fast channels²
- Product Range:** Expanded market coverage with greater availability and combinability
91% increase in SGP bets³
- Margin:** All while increasing margins supported by Angstrom's pricing and risk specialists



¹ Source: Largest Content First (LCF) US metrics from Google Core Web Vitals. Measurement period: August and October November 2023.
² Measurement period: September and October of 2023 versus September and October of 2022.
³ Measurement period: September and October of 2023 versus September and October of 2022.

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Adam Greenblatt, Chief Executive Officer

Our digital sports product has also improved significantly over the course of the year. We have invested in both our core product's front-end experiences, its back-end functionality, and many of the associated tools in-between to drive greater customer engagement with a particular focus on speed, ease of use and product range.

We made tremendous strides in improving the speed of our product, particularly our sports app, which has been acknowledged by the analyst community and in our internal Voice of Customer feedback. The loading speed of the app has improved for the typical user by over 25% during the last 6 months. This is based on Google's performance testing data.

Creating a smooth first-time experience for new players is crucial. It's now easier than ever for players to register an account, log in, deposit funds and place their first bets.

We continue to invest in making our app more intuitive and discovery easier, including a redesign of the Event Pages that now feature more markets, while simultaneously elevating the most popular, logical groups of content to simplify navigation and creation of Same Game Parlays.

We've also added new payment methods, making it easier and faster for users to deposit and place a bet or withdraw their winnings with greater than 70% of our withdrawals coming from fast channels, such as Visa, Venmo, and Apple Pay.

In terms of product range, we have expanded our market coverage, introducing innovative, differentiated bet types. For example, we now offer Signature Bets, such as 3/3/3 meaning 3 or more three-pointers will be made in the first 3 minutes of a game or Double Bang! meaning a player like Steph Curry will make 2 consecutive three-pointers or 6 consecutive game points. These are powered by Angstrom, which we will get to shortly.

We have delivered record levels of in-game markets uptime and bet availability, most recently during the early parts of the NFL and college football seasons. In fact, our market uptime rates have improved by approximately 15 percentage points when comparing this football season to last.

One further point on availability. We would normally expect there to be margin trade-offs as markets are available at times in events when price confidence is lower. I'm very pleased to confirm that the opposite has been achieved this year with the delivery of improved margins at the same time as improving availability.

This demonstrates the capabilities we have in the complex triumvirate of pricing, trading and liability management, while delivering an ever-better customer experience.

Which leads me to Angstrom...


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Angstrom integration will transform our sports product


Specialized U.S.-focused pricing and technology solutions...

ANGSTROM


Player-Level, Simulation-Based Modeling



Market Depth & Breadth

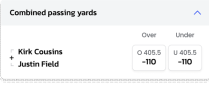
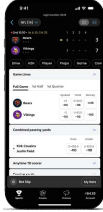


Full Integration in 2024



Providing differentiated capabilities...

- Unique and proven player-level, simulation-based modeling
- Enables BetMGM to expand range of product and market options
- Currently live across select major US sports



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Adam Greenblatt, Chief Executive Officer

Angstrom is a specialist, U.S.-sports-focused pricing and technology business that was acquired by Entain shortly before the current football season. Their player-level, simulation-based forecasting approach to modeling is unique. They build their models, taking player level inputs and a range of other event, environmental- and meta- data to simulate every possible outcome in a game in a fraction of a second.

Why is this important? Because every potential play, outcome and related events in a game are simulated and their likelihood assessed. This allows us to expand our betting options, enable almost infinite combinability of bets, and improve market availability even further.

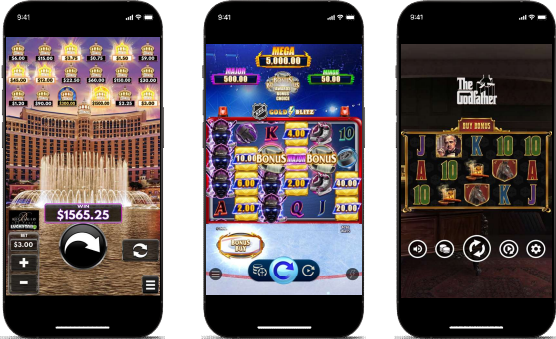
When fully integrated in 2024, Angstrom will greatly enhance the depth and breadth of our sports offering, including improved Same Game Parlay, SGP+, as well as new live Same Game Parlay product. These products are very popular with players, including recreational customers, while also delivering higher margins.

The benefits we get from Angstrom are currently nascent. We began implementing new and unique pre-match and in-play markets ahead of this NFL season, including correct score, drive, and player markets. I'm pleased to see that our players have gravitated to these offerings, but the real impact will manifest in '24 when Angstrom's full capabilities become available to us.

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Market-leading gaming offering with differentiated content and omnichannel experiences

- Unparalleled content library with 3,600+ games¹
- Unique gameplay experiences, including the **exclusive launch** of Aristocrat's Buffalo and new Wheel of Fortune gaming brand
- Differentiated omnichannel gaming experiences such as Dual Play Roulette, which generates 75%+ higher win per unit vs. retail only tables²
- Largest progressive jackpots, with \$125M+ in awarded prizes so far in 2023³



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1. Represents total unique games across hourly internet markets.
2. Measurement period: New Jersey (July 2022).
3. Measurement period: year-to-date through October 2023.

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Adam Greenblatt, Chief Executive Officer

As we look at our iGaming product and business, our offering has gone from strength to strength.

Our players enjoy the widest and deepest collection of online casino games at BetMGM. Our platform boasts between 2,200 and almost 3,700 unique games, depending on the market, headlined by industry-leading exclusives and our in-house content.

We were the first online casino in the world to offer Aristocrat's Buffalo slot game. We launched in New Jersey in September, and it has been a Top 10 grossing slot game ever since. This hit retail slot title is now also live with BetMGM in Michigan and Pennsylvania.

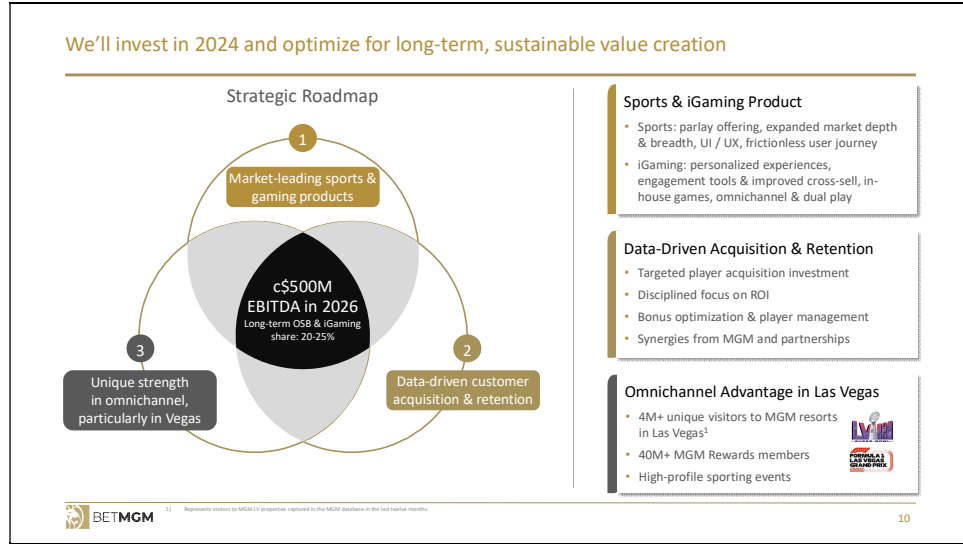
Another example of a premier partnership is Wheel of Fortune. Following a successful launch of Wheel of Fortune Casino in New Jersey with top tier gaming content partners, we are seeing early evidence that it expands our reach. Nearly 50% of the players are female, which is higher than our average. Also, CPAs are trending nearly 40% lower since our launch in March.

In 2024, we plan to launch the brand in Ontario and Pennsylvania, and closely mirror the show's own promotional calendar to create a truly differentiated iGaming experience and drive further engagement.

We also launched Dual Play Roulette on BetMGM and Borgata Online Casino in New Jersey... the first Evolution Dual play game at an MGM property. Dual Play Roulette allows players at both the casino's physical Roulette table and online players to participate in the same game at the same time. Located in a prime position on the gaming floor, it has become one of the most popular roulette tables at the Borgata casino, generating greater than 75% higher win per unit than the average... it is also a strong performer online.

When it comes to casino jackpots, we are the place to play. We have awarded \$125 million to players in progressive jackpots in the first 10 months of this year, shattering last year's \$100 million full-year amount. These levels clearly show how scale in iGaming is one of our advantages. We are excited to grow our jackpots even more by linking with MGM Resorts land-based operations next year.

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Adam Greenblatt, Chief Executive Officer

So, now on to the future.

There are no singular silver bullets in our industry. All these accomplishments and milestones combined have resulted in BetMGM being in a position to compete and invest for growth at the highest levels next year and beyond.

We, Entain and MGM, are laser-focused on building long-term, sustainable value for shareholders and we expect to achieve approximately \$500 million of EBITDA in 2026 on a strong trajectory of profit growth.


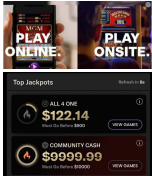
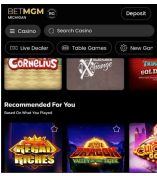

While we continue to see upside potential in our TAM forecasts, that is not our focus today.


Today, we wanted to share our priorities and focus areas for 2024. These are: delivering the best product, accelerating customer acquisition, improving retention, and unlocking our unique omnichannel advantage.

These strategic foundations underpin the achievement of our long-term aggregate market share target of approximately 20% to 25% of the online sports betting and iGaming market in North America, hitting our EBITDA targets, and delivering superior shareholder value.

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We have a proven strategy to make our gaming product even stronger

In-House & Exclusive Games	Omnichannel Offering
 <ul style="list-style-type: none">Increasing in-house development velocity will further enhance proprietary game libraryExpanding exclusive content library, sourced from MGM and exclusive IP partnerships, will improve BetMGM's differentiated customer experience	 <ul style="list-style-type: none">Offering includes dual play roulette, live remote slots, and physical slots from top online titlesOmnichannel titles account for 5 of Top 10 grossing slots¹Finalizing approach for global jackpots, enhanced by BetMGM's scale, and poker shared liquidity launch imminent
 <ul style="list-style-type: none">Personalizing lobbies to provide unique product experience, including game recommendations and lobby re-orderingOffering player progression and accomplishment journeys, enhanced with rewards and unique experiences	 <ul style="list-style-type: none">Driving increased engagement via best-in-class promotion mechanicsContinuing to leverage sports content to drive cross-sell into iGaming

 1. Measurement period is year-to-date through 12/31/2023.

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Adam Greenblatt, Chief Executive Officer

Firstly, we continue to develop new and exciting products for our players.

We have a clear roadmap to further strengthen and differentiate our already market-leading gaming product. We are particularly focused on four themes:

The first is in-house & exclusive games delivered via Entain's best-in-class, in-house game studios, and key strategic relationships with 3rd party studios. Also leveraging the unrivaled collection of MGM's and our sports partners' IP, we are able to create truly unique iGaming experiences in the slot, table and non-traditional realms. MGM Grand Millions is a great showcase of the power of in-house content and unique MGM IP. This game is our best performing slot game by GGR in the U.S., year to date.

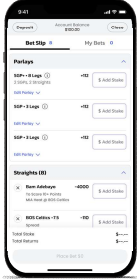

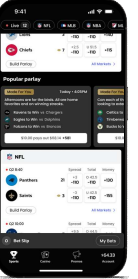
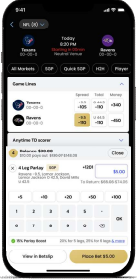
The next key theme is omnichannel and dual play games. We've only just begun to leverage the strength and reach of MGM Resorts. As I mentioned before, Dual Play Roulette live from the Borgata in Atlantic City has quickly become a floor favorite. Players love being able to continue their casino experience when they go home. In fact, 5 out of our Top 10 highest grossing slot games year-to-date are omnichannel titles with strong land-based heritage. Our focus remains on leveraging this fantastic working relationship to create new products, game types and offerings that can only be realized in partnership with MGM.

Thirdly, we continue to personalize experiences with more dynamic game lobbies to get players to the content they want faster while recommending the most relevant games that increase player activity, engagement and retention. Speaking of activity, after A-B testing a new personalization feature, we saw a 13% increase in total game launches. We will continue to test and refine our product to ensure that the lobby presents our differentiated game library in the most effective way possible.

The fourth prioritized theme is engagement tools and enhanced cross-sell. Spin The Wheel, Rewards Grabber, Pick A Box are a few examples that gamify the player experience, delivering bonuses and rewards via popular minigames that keep our players regularly engaged and active within our ecosystem.

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A clear roadmap for establishing sports product leadership

Parlay Products	Market Depth & Breadth	Discovery & Personalization	Improved Betting Journeys
			
<ul style="list-style-type: none"> One-of-a-kind modeling capabilities will improve parlay product, offering heightened flexibility and combinability 	<ul style="list-style-type: none"> Player level simulation-based modeling will provide expansive pre- and live-betting market opportunities 	<ul style="list-style-type: none"> Enhancing player experience with data-driven, high personalized bet recommendations 	<ul style="list-style-type: none"> Reducing friction and accelerating speed with "quick bet" and improved wagering functionality embedded directly into bet slip

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Adam Greenblatt, Chief Executive Officer

In digital sports product, we expect to make progress across four key areas in 2024: parlay products, market depth & breadth, discovery & personalization, and improved betting journeys.

We see significant opportunity to invest and grow our sports betting share, but we also know there are benefits of having leadership positions in both online sports betting and iGaming. Examples of these benefits include cross-sell from sports into iGaming, and the absolute scale needed to invest competitively in brand.

As I mentioned before in reference to Angstrom, we are in-housing the Same Game Parlay product, and enhancing our SGP+ and advanced parlay offerings. We will leverage the power of Angstrom's sophisticated modeling and differentiated markets starting with pre-live SGPs then expanding into Live.

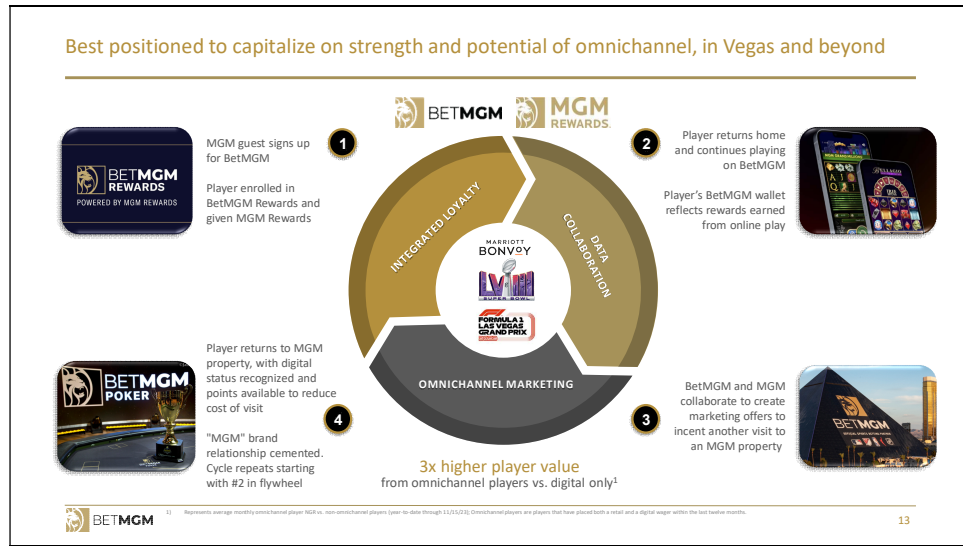
We are further expanding our market range and live betting offering by focusing on differentiated markets centered on player props and key moments throughout a game. We are improving our players' ability to seamlessly find these new, unique Angstrom-powered markets and preferred bet types via data-driven, highly personalized bet recommendations. And we are focused on minimizing friction and improving the speed of completing bets through new quick bet experiences and enhanced bet slip capabilities that are optimized for building parlays and advanced bet types.

Secondly, as our sports product and player retention continue to improve, we will increasingly invest in player acquisition. We remain very confident in our data-driven, flexible approach to marketing investment and predictive value models... as well as our ability to create successful marketing partnerships that drive our business forward.

The most recent of which is our partnership with Marriott, which is exclusive in our category. Thanks to MGM's strategic relationship, BetMGM entered into a loyalty marketing agreement that we are extremely excited about. Marriott is the world's largest hotel company with a loyalty database of over 190 million members so I think you can understand our excitement. We will offer our players opportunities to earn Marriott Bonvoy points while playing with us, and to convert BetMGM Rewards

points into Marriott Bonvoy points. We are also creating exclusive games and experiences with Marriott. From a timing perspective, we currently expect the deal to be live in the first half of 2024.

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Adam Greenblatt, Chief Executive Officer

And finally, we will focus on fully leveraging our unique strength and advantage in omnichannel, particularly in Las Vegas.

2024 is the year that Nevada comes to life for BetMGM. Subject to regulatory approval, we will finally be able to offer our flagship sports app to the millions of visitors who enjoy MGM's Vegas properties every year. Then, once we're able to merge Nevada into our U.S. single wallet platform, every BetMGM player returning from Vegas to one of our other markets will be able to seamlessly continue playing with their available balance, as well as earn reward points, which can be applied to their next trip to an MGM Resorts property.

To give you a sense of the scale, MGM's Vegas properties have around 13 million room nights available a year with over 4 million unique Vegas visitors captured in MGM's customer database, and millions more anonymous players are flowing through its floors. This population represents a deep and replenishing pool for new player acquisition, as well as potent retention and reactivation mechanism, as players who might play with a different app at home, rediscover BetMGM in Vegas.

We are especially excited about this because of what we know about our omnichannel players... these players are nearly 3 times more valuable than single-channel players, meaning they are contributing outsized net revenue to our business.

More broadly, Vegas is also getting stronger and more relevant to our sports business as time goes on. You've heard from Bill Hornbuckle about the Golden Triangle of Sports in Las Vegas. The triangle made by sports venues along the strip - Allegiant, T-Mobile and the soon to be A's stadium. We can see a path to every major U.S. professional sport being represented in Vegas.

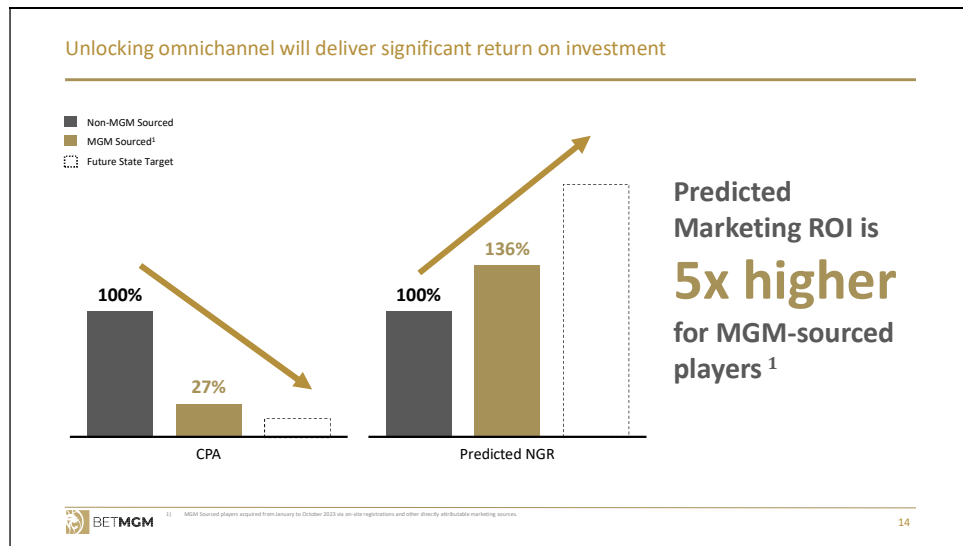
To illustrate the excitement around sports in Vegas, the recent Grand Prix was attended by over 300k fans and was the most bet F1 event in BetMGM's history. We took 3x the number of bets on this race than any previous F1 contest. It was also the highest grossing weekend for MGM Resorts in hotel revenue in the company's history.

We are looking forward to other tentpole events on the virtual doorstep of MGM Resorts properties, including the Super Bowl in February, which will showcase the power behind our brand and what we

can offer to our players. We will have a whole host of activations for customers of all levels, including “money can’t buy experiences” and events across the portfolio of MGM Resorts, in BetMGM sportsbooks, and near the stadium itself.

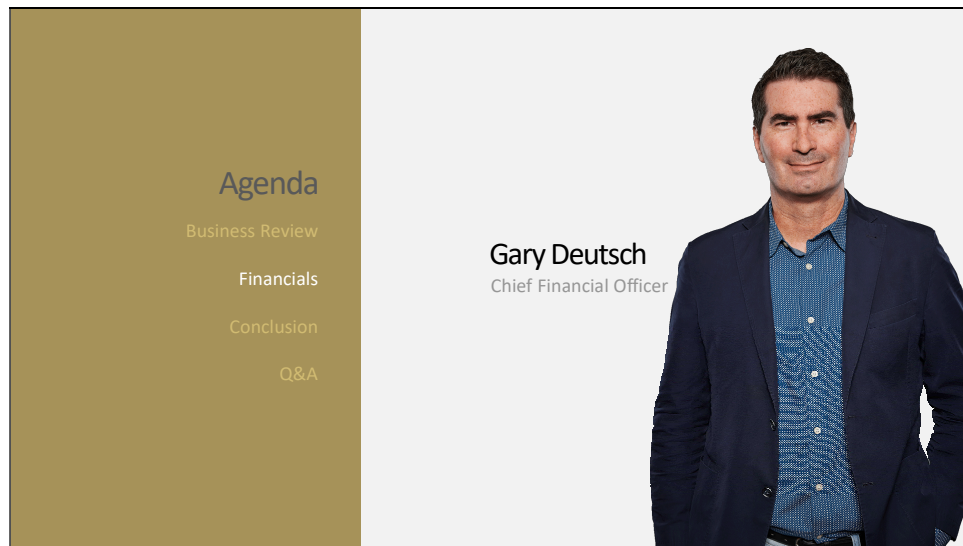
So, as we look to the future, BetMGM is positioned better than any other operator to take maximum advantage of Vegas becoming THE sports destination in America.

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While I've covered the size of this growing pool, the economics of this population, are also really exciting for BetMGM. From a cohort value perspective, these players are cheaper to acquire and more valuable, with predicted **ROI from MGM-sourced players 5-times greater than** that of players sourced in the open market. Exciting stuff.

With that, I'll hand over to Gary Deutch, Chief Financial Officer of BetMGM.



Gary Deutsch, Chief Financial Officer

Hi. I'm Gary Deutsch, CFO of BetMGM since 2019. 2023 has been an important and satisfying year for the Company. Important, because we again achieved our financial goals at a new level of scale. As Adam noted, this is the third consecutive year where BetMGM will have added hundreds and hundreds of millions of revenue to our topline. It's a satisfying year because the business is developing and developing as we have long projected giving us ever-greater confidence that we have our hands tightly on the instruments of control for our continued ascension.

As I will expand upon in a moment, we are operating in a market that's even bigger than we envisioned a few years ago ... and scale matters. The ability to both navigate and embrace complexity also matters.

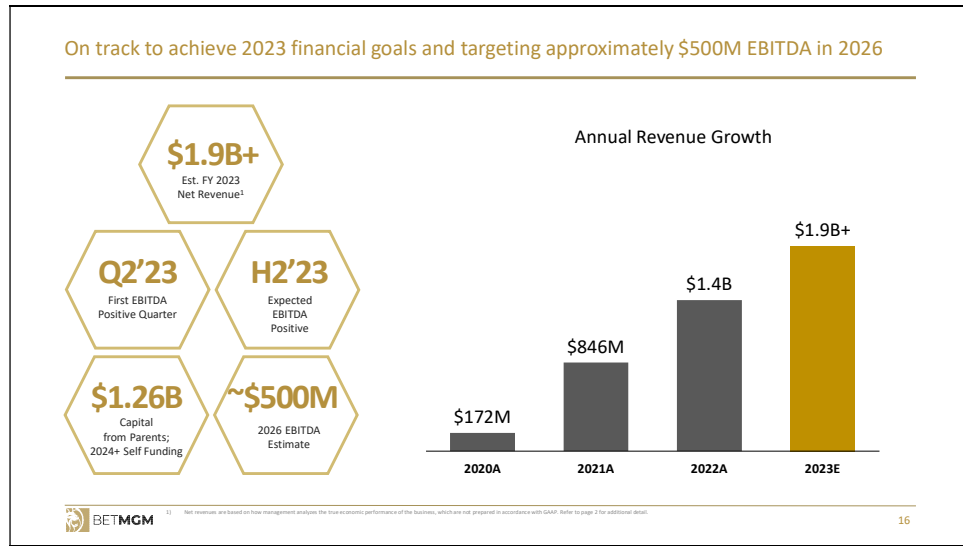
Before I continue with more commentary about BetMGM or our industry, I need to tick off a couple explanations around our financial information.

First, a comment on GAAP and my presentation today. Consistent with prior presentations, I'll be talking about net revenue and profit from operations or "EBITDA" with these figures based on how management analyzes the true economic performance of the business. These are not figures prepared in accordance with GAAP. A description on how we would calculate net revenue under GAAP can be found in the appendix of this presentation – a copy of which has been provided on the web in advance of this call.

Second, I want to make clear our definition of "contribution". When we speak of profitability by state and by product, we will use the term "contribution positive". The costs that go into the contribution calculation are essentially all of the direct costs – excluding people costs – that would be considered Cost of Revenue under a GAAP presentation of Gross Profit plus all working marketing spend. Contribution also does not include any depreciation or amortization that would be allocated to Cost of Revenue.

In "plainspeak", state-level Contribution is the profit we make that contributes to covering the central fixed cost base of the company with all our people costs being considered part of that base.

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Gary Deutsch, Chief Financial Officer

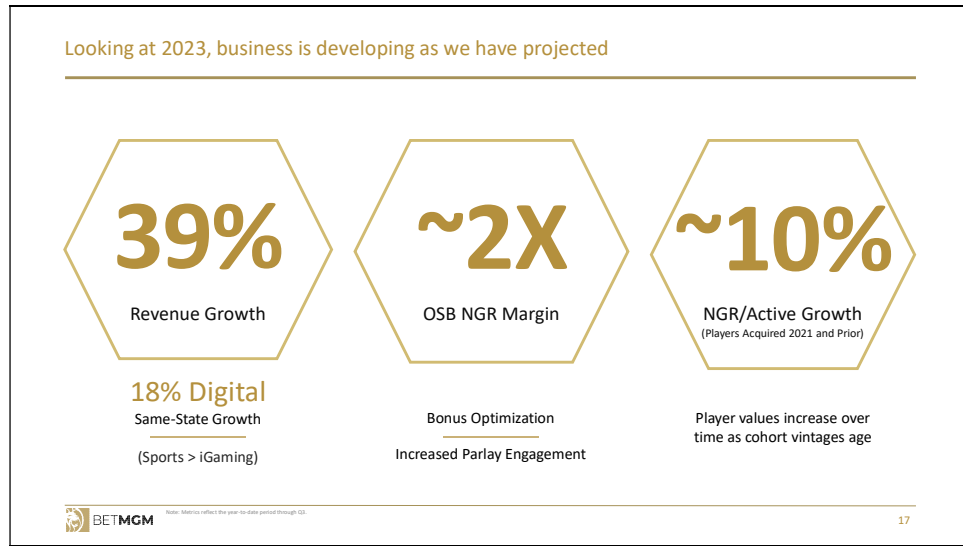
Okay. As has been previously guided, we will end 2023 with full-year revenue at the upper end of the range from \$1.8 billion to \$2.0 billion. We delivered our first EBITDA positive quarter this past Q2 and - while 2023 is obviously not over - we currently expect to be EBITDA positive for the 2nd half of 2023. As a reminder, our EBITDA loss in 2022 was a little under \$450 million ... so our bottom line performance in 2023 will show a massive year-over-year improvement driven by the maturing of our player cohorts and the overall scaling of the business over our cost base.

To facilitate BetMGM's flexibility and agility – particularly as we are excited to grow our market share by investing behind an enhanced sports product as well as the expected unlocking of new and differentiated omni-channel capabilities – I want to focus our guidance today on where we are targeting to be in 2026.

First, let's talk cash, particularly the cash investments from our parents, Entain and MGM Resorts. In June, we announced that we expected to not need any additional capital into BetMGM beyond the \$150 million that the parents had committed for the 2023 plan. That expectation stands. So with a total of \$1.26 billion of capital that has been committed by the parents, we are done taking cash. Of course, things can change, most notably if we experience an acceleration of new state launches ... or attractive new investment opportunities. That said, our current go-forward plans are based on self-funding above that \$1.26 billion already committed.

The one additional piece of guidance we are giving today is that we expect to achieve approximately \$500 million of EBITDA in 2026.

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Gary Deutsch, Chief Financial Officer

I now want to talk about the state of the business this year, both in terms of some specific results and metrics and how our business model is evolving and maturing. I will then expand into how we expect the company to evolve and grow into the future with the evolution of our player cohorts at the heart of what drives our business. So let's start with a few factoids about our revenue and our key metrics.

2023 revenue through Q3 was up 39% year-over-year with same-state digital growth of 18%. Within the 18%, sports grew faster than iGaming, as more sports-only states were at their earlier stages last year.

NGR margin for digital sports – that's the percentage of handle that truly drops to our revenue line, net of any promotions-related contra-revenue nearly doubled for the first three quarters of this year vs. last year. This is primarily driven by our bonus optimization efforts but also from players making more higher-margin parlay bets. Year-to-date through Q3, we've seen approximately 80% of our sports players place a parlay bet.

Certainly, the new and enhanced sports products rolling out from Angstrom will expand the breadth and quality of our parlay and live offerings and the parlay offerings in particular will have higher expected margins than standard six-pack markets.

In a broader sense, the enhancements from Angstrom should be viewed as us increasing the SKUs in our store for both a broader set of players and a greater range of circumstances. Some players really love the thrill of parlays as their core experience while others enjoy them as accompaniments to more traditional bets.

While discussions of hold percents and win margins often focus on sports, we've also seen expansion of our NGR margin in iGaming. This is also driven by bonus optimization across our casino players as well as an increase in recreational players we've acquired in iGaming states. Recreational players tend to prefer slots to table games. Slots are higher margin.

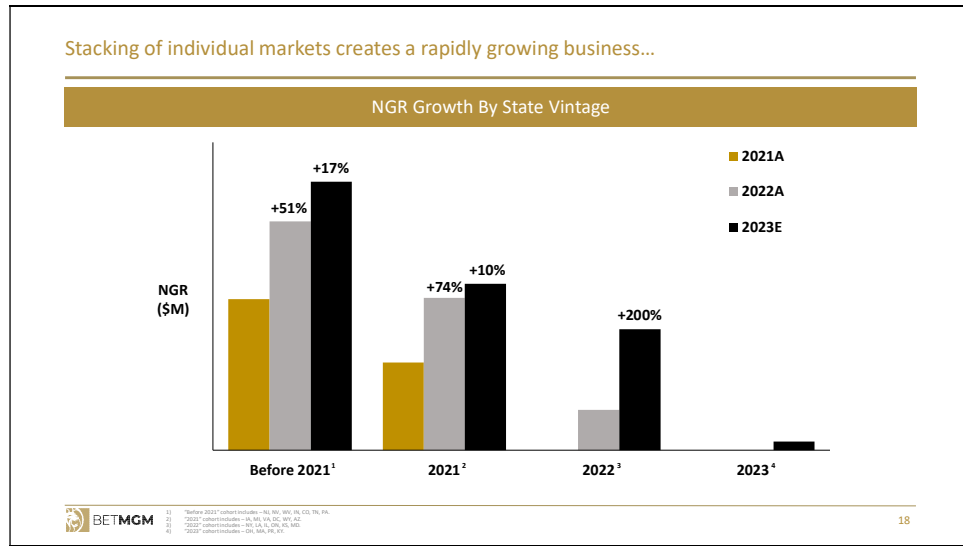
Of course, in our multi-product states and Ontario, players often engage in both sports betting and casino gaming. Cross-sell is an important driver of revenue in those markets, and in Q3 this year, around 65% of our sports players in the multi-product states engaged either with casino or poker or

both. As we've guided in the past, in the multi-product jurisdictions we have the highest absolute revenue and contribution figures, as well as the highest player values.

Overall, we are pleased to see, as expected, that as cohort vintages age our player values are increasing over time. Year-to-date through Q3, for players acquired before the end of 2021, their average NGR per player grew about 10% vs. the same period in 2022.

Before going deeper on cohort development, please remember that no one metric in isolation tells a story. To understand a complete story, it's critical to monitor the interplay of a number of KPIs including hold percents, staking volumes, and incremental player volumes.

Slide 18



Gary Deutsch, Chief Financial Officer

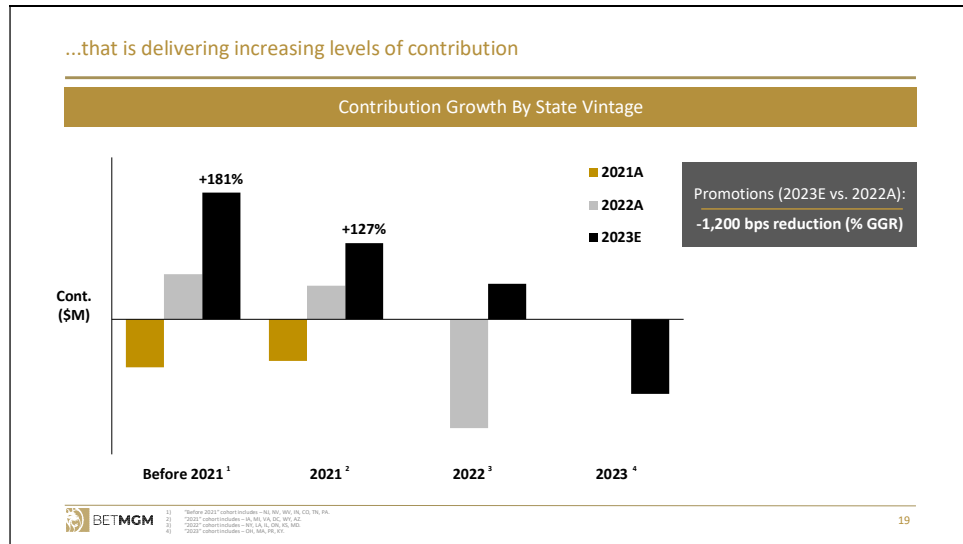
Back to the subject of cohort evolution. As you know, in each state and for each product, we continue to acquire new players in monthly cohorts. As cohorts age, they stabilize, then with new incremental cohorts stacking on each month, those stabilized older cohorts offset the cost of the newer ones. Over time, the contribution from mature cohorts outweighs the costs of the newer cohorts and the P&L for that state or product will become long-term contribution positive.

That's the business model. It's this evolution of our cohorts that underpins our EBITDA positive guidance for the second half of 2023. These next two charts demonstrate the fundamental efficacy of our model in real life.

This first chart focuses on absolute NGR growth from state P&Ls of states grouped by their year of launch. We continue to see strong NGR growth across all vintages, with our oldest groups, the 2021 launches and prior, expected to generate at least double-digit same-state growth this year. Last year's group, the 2022 launches, is expected to triple in scale this year benefiting from a full year of operations as well as particularly notable performance in Ontario.

For the late '22 and early '23 sports states of Maryland, Ohio, and Massachusetts, while we have not achieved our revenue and market share goals to-date, we remain focused on revenue growth specifically driven by: Angstrom-fueled product enhancements, local MGM properties, the fresh benefits of single wallet capabilities and key local partnerships.

Slide 19



Gary Deutsch, Chief Financial Officer

This second chart focuses on absolute contribution growth from state P&Ls based on the same groupings as the prior slide. As the black bars illustrate, we expect the annual groups of states launched in 2022 and prior all to be contribution positive for 2023. This affirms that our expected timeline to contribution breakeven remains on track - 12 to 24 months for digital sports and 10 to 14 months for iGaming.

Contributing to the positive progression seen on both of the charts is our data-driven bonus optimization. This is our work to target retention-related promotions to our most valuable customers. When the 2023 state P&Ls finalize, we expect to see a meaningful 1200 basis point reduction in promotions as a percentage of GGR vs. last year.

Stepping back, I now want to discuss the importance to our business of having reached this scale ... where we generate profit while also holding a material market share ... and the strategic choices this enables.

The size of the digital sports betting and iGaming market is bigger than everyone expected. The increase in TAM has supported our financial targets but we are keenly aware that we have to rebuild and grow market share and – also – that as we approach new markets, we will need to invest more to achieve our market share goals.

With greater investment, within this larger market, we expect to improve our share. We continue to target 30%-plus EBITDA margins over the long term. Given that a single point of market share could approach \$100 million of annual run-rate EBITDA in the long-term mature market, the case for investment is strong.

Slide 20

Long-term EBITDA margin of 30%+ supported by cost advantages from MGM and Entain

	Structural Cost Advantages	Resulting Benefits
People / G&A	Fixed infrastructure established – beginning to gain leverage	Benefitting from parent capabilities – technology, customer management, compliance
Gaming Taxes	Material reduction in the effective tax rate with bonus optimization + cohort maturity	YTD through Q3 effective tax rate 520 bps lower than prior year ¹
Payments / Direct Costs ²	Leveraging increased scale (often alongside Entain scale) in vendor negotiations	Lower effective rates with suppliers
Marketing	MGM Brand and omnichannel relationships	National advertising and differentiated partnerships

1. Measurement period is year-to-date through Q3 vs. the same period in 2021.
2. Direct costs include market access, generation, APL, royalties, and distribution costs (excluding people).

BETMGM 20

Gary Deutsch, Chief Financial Officer

I'm now going to take you quickly down the P&L. I'm going to describe how we're achieving cost advantages related to our scale and I'll remind you of BetMGM's unique advantages from our relationships with Entain and MGM Resorts.

In short, I'm going to explain that we've built a machine that's generating the velocity required to exit into the high orbit associated with a strong industry leader.

As shown on the slide, our "Big 4" costs in the business are marketing spend, gaming taxes, people costs and payment processing. Before I go further on each, I want to first refresh again on the single wallet subject ... as this touches the P&L in a few places, including revenue.

First and foremost, as Adam mentioned, multi-state players are more valuable and because we can now better meet their needs, we have more of them and we will attract and retain more of them in the future. There's also an efficiency in acquiring them, in terms of marketing and promotions, and there's an efficiency in serving them, across the teams that manage relationships and provide customer support and for payment processing too.

To the cost categories, let's start with people costs or more accurately, in my view, people "infrastructure." Ours is an industry with high complexity. We have regulations and regulatory relationships that must be managed and mastered across dozens of independent jurisdictions. Our investment in compliance people and compliance training is very significant.

We have also constructed an intricate network of customer touchpoints. Our CRM teams have built customer relationships with hundreds of thousands of players. Our Product and Promotions teams have mastered the details of small product differences and unique promotions for every market. I could go on, but there are two main points here.

First, there is a significant fixed cost base of people and people resources needed to operate across our numerous markets. Having them in place, we are beginning to see the benefits of operating leverage from our fixed base. Second, there's a significant learning curve in this industry.

Our relationships with Entain and MGM have been very important for accelerating both our scaling and our development of expertise, particularly in areas like technology, customer support and compliance.

Of course, the most significant BetMGM cost benefit is our utilization of Entain's technology – which saves people costs, both in terms of opex and capex. Entain tech remains our signature advantage but, looking ahead, our planning around tech costs has evolved slightly.

Going forward, BetMGM will benefit from even more dedicated resources from Entain ... to deliver projects specific to BetMGM's product needs. Some of these incremental costs will hit our financial statements. We are excited to have created a structure with Entain that enables us to adapt our product to local market needs with greater alacrity.

Moving on to the interplay between promotions or “bonusing” and gaming taxes. One of the big positive financial impacts from our success with bonus optimization as well as from building a stable base of real-money bettors has been a material reduction in the effective tax rate we pay. For year-to-date through Q3, our effective gaming tax rate was 520 basis points lower than what we paid in the same period during 2022. We expect to continue into the future with this trend.

Similarly, but to a lesser extent, “rate deflation” is also a benefit we're experiencing across all our third-party vendor relationships. In cases where we can leverage the scale of Entain volumes alongside our own volumes, we further amplify our purchasing power with vendors.

Marketing intensity remains high even though the rate of annual growth in spend has reduced. Of course, to our benefit, we continue to have distinct advantages from our MGM Resorts relationship: including brand, customer relationships, and a multitude of omnichannel touchpoints at the properties.

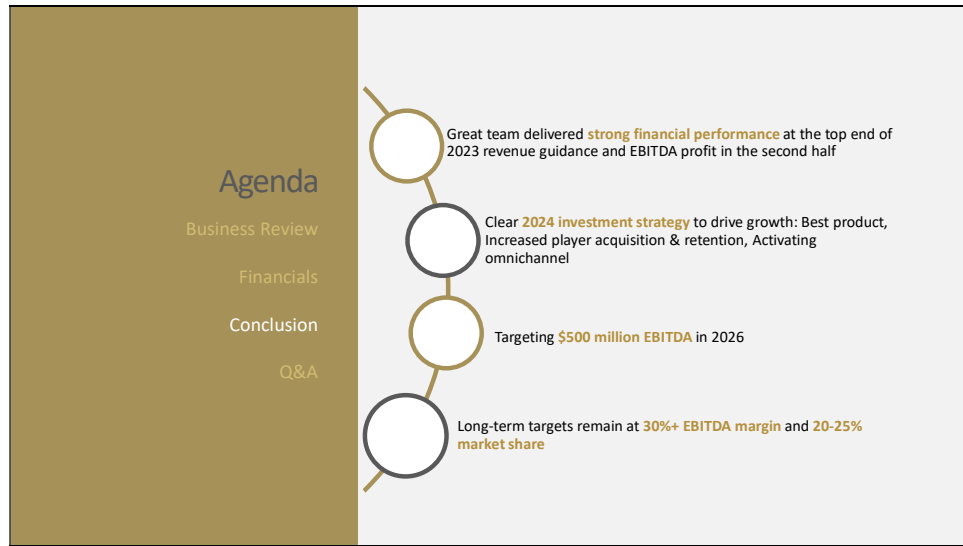
With significant improvements in our product and capabilities having been achieved during 2023, now is the right time to invest our EBITDA into growing profitable market share. Compared to our prior projections, our ratio of marketing to revenue will increase during this investment window.

Of course, our existing local partnerships combined with our national advertising footprint plus brand awareness and the fact that many sought players already have our app on their phone, means we can be very efficient in communicating with current and inactive players as well as new players. And communicating, we will be as we have lots of exciting additional new capabilities on the way.

So to wrap up, I want to conclude by re-emphasizing my “exit velocity” point. The BetMGM team is proud of the control with which we've been able to guide our rocket ship on this journey so far. From the big bang of industry creation, through explosive growth that's now generated billions of dollars of revenue and millions of customer relationships. Having achieved our breakeven milestone, we will continue to climb higher powered by a business model that bears both the scale and precision required to generate long-term profits at the highest end of the industry.

Now back to Adam to conclude. Thank you.

Slide 21



Adam Greenblatt, Chief Executive Officer

Thank you, Gary. To close, I'd like to spend a moment on the reason that BetMGM is going to succeed. And that is as a result of the talented, tenured, and tenacious group of people that identify as BetMGMers.

We have created a rare and positive culture which I believe is the reason well over 90% of our team would recommend us as a great place to work. I would like to recognize my leadership team, every BetMGM colleague and also this time, those working in MGM Resorts and Entain that devote themselves to our complex and challenging mission.

So to summarize, 2024 is about 3 things:

One, continuing our journey to best product with all strategic pieces in place in both OSB and iGaming. Product roadmap execution in 2024 is key.

Two, investing behind our improving product, driving accelerated player acquisition and aiding player retention.

And three, bringing omnichannel to life in a more concerted way through product innovation and importantly, Vegas.

We have delivered on our 2023 commitments, and are very clear on what is needed to drive enterprise value and market share. It's in this context that we are choosing to make 2024 an investment year and set out a target of \$500 million of EBITDA in 2026, with much more in the years to follow.

With that, I'd like to hand over the call to the operator for Q&A. Thank you.

Questions and Answers

Ed Young, Morgan Stanley

Hello. Thank you for taking my question and for the presentation. You've given some very useful directional information on contributions. And you've also said, Gary, that that's only one measure, hold percentage, taking volume player growth as well as a lot of other factors, but you haven't given us the absolute numbers on contribution, you haven't given us any of the extra KPIs you mentioned there.

So I wonder if you could help us bridging from where we sit now towards your 2026 number. You said '24 is an investment year, is '25 also an investment year, or do you know at this point where it sits. So can you perhaps help us with the shape of what we might look at in next year into '25 to reach your '25 point? Thanks.

Gary Deutsch, Chief Financial Officer

Thank you for the question. Good to hear from you. So when we think about '24, we do think of it as an investment year, which will be ultimately a negative year in terms of EBITDA. But when we look to '25, that's where we see us going back to cash flow positive. And we're at a point where we're very comfortable with the investment rationale there to put the extra money funded from what we're turning up from the operations, put that back in. And there's growth, there's profits to be had in the market share in the long term. And when you look at the cohorts, obviously, it's not an in-year massive benefit to revenue that you get from new players and you need to lay that — sew that grass down, and it comes in what we see when we look at our cohorts is in the second year, that's when they really foster and hit stride. So, we're going to make that investment in '24, and we expect from '25 onward, we're going to see real benefit in terms of cash flow.

Ed Young, Morgan Stanley

Okay. And just in terms of a follow-up, you spoke about multichannel. I think it's an area you guys have long been excited about and the technology there, and I guess your licensing is nearly there. Can you just talk a little bit about what you're seeing in your current multichannel and multistate customers in terms of net spend and displacement spend? I'm just really commenting on the fact that one of your parents owns 100% of land-based profit and 50% of online profit. So I wonder if you could just help us think about whether the business is positioned to really fully lead into that.

Adam Greenblatt, Chief Executive Officer

Hi, Ed. It's Adam. Thanks for the question. Can you clarify what your intent is? Because there are a few elements to it. I'd like to be as helpful as we can be. The bit that threw me off was the 100% and 50%, it seems that you're asking about incentives, but I just want to clarify.

Ed Young, Morgan Stanley

What I mean is when you have a player who's playing in multiple states, you have these more valuable online customers, are they simply spending more, i.e., you are capitalizing on a whole load of

spend that otherwise not making, or are they also displacing some of their spend, net, from retail to online?

Adam Greenblatt, Chief Executive Officer

Got it. I understand. We can speak for the BetMGM part and the partnership and relationship that we have developed and now enjoy with MGM Resorts. We are seeing an incredible halo effect of being able to look after our VIP players and MGM's VIP players and hand them off to MGM Resorts host population when there is a visit to Nevada.

So, in summary, what we are seeing is a net benefit as a result of being able to play rather than there being any concept of cannibalization. It's not something we spend any time talking about between us.

Ed Young, Morgan Stanley

Okay, Useful. Thank you.

Telephone Operator

Your next question comes from the line of Joe Greff with JPMorgan. Please go ahead.

Joe Greff, JP Morgan

Good morning guys. Thanks for doing this and taking my question. My first question is the 30% EBITDA margin target. I know that's longer term. I'm presuming margins that aren't that close to 30% in your 2026 EBITDA target. Can you talk about where do you see margins in 2026 relative to that long-term target of 30%?

Gary Deutsch, Chief Financial Officer

I mean, you do actually hope that it's not going to be 30% when we get to '26. But I'm not going to comment on specific margin at that point, but we will have, given our cost base, I think, on a like-for-like basis with some of the other comps out there, I think our margin will be better at the level of revenue we'll be at, but that's as far as I can go.

Joe Greff, JP Morgan

Okay. And then, Adam, your prior comment, you talked about incentives for the joint venture partners. It sounded like you may have wanted to add something based on that specific question to your joint venture partners. How have the incentives or workings with the partners evolved over the last two years? And maybe, how are they going to be different in '24 and beyond?

Adam Greenblatt, Chief Executive Officer

That's a really important question. Thank you for that. Our relationships with both Entain and MGM Resorts have become ever deeper. Whereas at the beginning, BetMGM was this plucky start-up with mixed views on its potential to take a meaningful position to be meaningfully valuable and contributing to our shareholders. Today, that's not the case at all. Today, BetMGM represents a strategic limb of both MGM Resorts and Entain story, and the support and engagement from each of those organizations reflects that.

So at every level of the organization, from the daily contact of our trading group, BetMGM's trading group with the Entain organization, our daily contact of our technologists with Entain's technologists, daily contact of our VIP hosts with MGM Resorts, daily contact of our marketing teams with MGM's marketing teams that we can really capitalize on that MGM Resorts' loyalty program. These are all just examples of the mutual respect which we enjoy today and the deepening, both operationally and also strategically, of our relationship.

Joe Greff, JP Morgan

Thank you very much. Appreciate the thoughts.

Telephone Operator

Your next question comes from the line of Kiranjot Grewal with Bank of America.

Kiranjot Grewal, Bank of America

Hey guys. Just a question on iGaming. We've seen iGaming become more competitive with the big OSB operators really focusing their efforts to take share there. I mean, this is a category that's typically seen as more competitive than OSB. What gives you confidence that you can maintain your market share here? And also related to that, could you perhaps comment on the cross-sell from iGaming into OSB? I think you already commented on OSB into iGaming.

Adam Greenblatt, Chief Executive Officer

Of course, I'll take those. And there are two parts. One is about maintaining our leadership in iGaming and the other was about cross-sell. So, we'll deal with those in that order.

Look, in my prepared remarks, I talked a lot about some of our differentiators in the area of iGaming product. And really, the essence of our offerings is around gaming product and content. So just to recap, we've talked about in-house and exclusive games, first to market with Buffalo slot, exclusive rights to the Wheel of Fortune, exclusive provider of online gaming for Carnival. But we also differentiate through omni. We talked about omnichannel product, omnichannel marketing. We've also talked about the largest and widest iGaming jackpots and the benefits of our scale.

The final two areas are personalization and engagement and cross-sell, I'll deal with personalization first. So we talked about the effectiveness of our personalized lobbies, the impact, the 13% increase on total game launches, these are significant needle movers. And frankly, we have a very exciting pipeline for 2024 in all of those categories. So differentiated product, inhouse and exclusive games, we're leveraging our own studios, obviously, with Entain, and then the era of personalization.

In relation to cross-sell -- sorry, and I'll put the gravy on the top at the end. In relation to cross-sell, what we see is around 40%, in the third quarter, we've seen about 40% cross-sell from iGaming to sports.

Now, the last point I'd like to make, frankly, is one of the motivating factors for 2024 being an investment year. We have very high confidence in product. We have -- we believe in our differentiators. And so '24 is pouring more fuel on that fire. Sports to gaming cross-sell is -- we talked about the KPIs, it's significant. And so having a substantial and growing vibrant, healthy online sports betting business is one of the drivers of equally vibrant gaming business. And so, we're leaning into that in 2024 and beyond.

Kiranjot Grewal, Bank of America

And on the point of mix shaping investment, I think you called out EBITDA we should expect to be negative next year. I mean, how big a negative EBITDA should we expect? Or another way to phrase that question is like, how much cash does BetMGM have on the books to invest?

Adam Greenblatt, Chief Executive Officer

Yes. Gary, do you want to take that one?

Gary Deutsch, Chief Financial Officer

Yes. So, I was looking at — we have put out the guidance that we're not going to take under the current model, barring any extraordinary or interesting investment opportunities. We're not going to take additional capital. So, at the 1.26, that sort of puts a natural floor on how low it can go, and it's not that low, but it will be negative. And we're within the capabilities of the cash commitments and the balance sheet to manage everything we're planning to do over the next investment horizon.

Telephone Operator

Thank you. Your next question comes from the line of Carlo Santarelli from Deutsche Bank. Please go ahead.

Carlo Santarelli, Deutsche Bank

Hey guys. Thank you very much for taking my questions and thanks for the comments. I just wanted to ask that the 22% share in Ontario was, I think, surprisingly strong. And I wanted to understand maybe how you've approached that market relative to some of the other U.S. markets that are comparable, obviously, where you have the opportunity like in New Jersey or Pennsylvania or Michigan to offer both products. And what's kind of worked there, relative to — or what has been the differentiator there relative to those markets?

Adam Greenblatt, Chief Executive Officer

Thanks for the question, Carlo. We weren't surprised by our performance in Ontario. We see them we see Ontario as a multiproduct jurisdiction really benefiting from the strength of our offering, of our go-to-market offering in iGaming as well as the ever improving strength of our OSB product.

As you know, we started from nothing and have grown our share into -- well, we've taken share from all of those incumbent operators, and we believe that in the third quarter, given the relative weight of iGaming versus sports, we were actually not only the leading iGaming operator, we think we were the largest operator in that Ontario market by -- the information is it's not fulsome. The provincial disclosure is not fulsome. So that is our internal estimate.

What I would say, though, is the -- our share really in Ontario represents and is pretty much in line with all of our other U.S. multiproduct states where we were able to launch alongside everybody else.

What do we have? We have — I mean the things in my prepared remarks, really a market-leading iGaming offering. And what's interesting actually that in Ontario is that our mix between iOS, Android and browser, skews more towards Android in that market. And I think that's actually representative of the U.S. market more generally. But the relative strength of our Android product also cuts through in Ontario.

The MGM brand counts for a lot. There is a high degree of awareness in Ontario. Going to Vegas is a thing. And so that's been effective for us. I'll also add that I think we have first-class marketing assets around that in the MGM brand. And I think we went to market with really headliners. The headliner ambassador was Wayne Gretzky, who is -- needs no introduction, is almost deity status in that market.

I think the last point is we got out of the gate quickly and invested in a concerted way and continue to do so. And all of those things come together to result in the position we're in today, which we're very pleased about.

Carlo Santarelli, Deutsche Bank

Thank you very much. That was helpful. Gary, if I could just ask one follow-up. What is the cash on the balance sheet as it stands now?

Gary Deutsch, Chief Financial Officer

We're not going to disclose the cash on the balance sheet, but we have plenty of cash. And we, given that I'm guiding that we can invest next year, we're in a good place.

Telephone Operator

Thank you. Your next question comes from the line of Shaun Kelley with Bank of America. Please go ahead.

Shaun Kelley, Bank of America

Hi everyone. Thank you for taking my questions. So obviously, the reinvestment and the push in sports to reaccelerate share here, I think, is the critical message. Just kind of wondering, what channels should we look for on the outside looking in to kind of measure or gauge some of the things

you're going to do here? Should we expect increasing promotions? Will it be more targeted existing or new customers? Just maybe some of the channels you guys are going to lean on. Is there going to be a big national marketing push? What should we kind of think of in terms of scope and scale as we see you reengage some of these some of this customer set?

Adam Greenblatt, Chief Executive Officer

The answer is unfortunately multilayered, long and complex, which reflects the way we — our media mix modeling and our both strategic philosophical approach to marketing and our tactical go-to-market manifestation of that. So what does all of that mean? It means, as we've said before, philosophically, stay short duration on marketing commitments, stay flexible. We measure everything, lean into what works. That's the big concept.

Now you quite rightly touched on this interplay between national and -- national and local. As a guiding theme, given that now we're in 28 jurisdictions, 28 markets, we are moving some of our spend from local to national. Just because of the measured ROI, it's more challenging in some of the national advertising to get really precise handle measurement -- a precise measurement on the effectiveness of national spend, excuse me. But within that, our approach is you measure everything, you lean into what works. And our marketing mix modeling is guiding the answer to that. So all of that comes together to say it's state by state, it's channel by channel, it's segment by segment. We've got to a point of sophistication with some of in our data science group in terms of understanding our player base.

We now subsegment our segments, our player segments into those who are more or less sensitive to promotions. i.e. promotion elasticity with a subsegment view.

So, what we do in a particular state, for a specific segment of customers, if those customers that subsegment of customers is less sensitive to promotional investment, the answer is, don't do it. And so, that is not a static analysis, by the way. So, the analysis keeps on refreshing itself and guiding our day-to-day investment decisions, both in terms of geography, channel, local, national.

Sorry, that was a long answer, but that's how we think about it.

Shaun Kelley, Bank of America

Thank you for the clarity and the detail. And just as my follow-up, Adam, you had a really interesting comment about the evolution of your relationship with Entain on some of the structuring around your technology resources there, and maybe the ability to adapt a little faster. I was just wondering if you could elaborate on that a little bit.

Adam Greenblatt, Chief Executive Officer

I think on one of our previous calls, I was asked, are you happy with what you're getting and the pace of what you're getting. And my rather tongue in cheek, but also true answer was I'm never happy. And so what we've been on this journey with Entain to answer the specific question, which is how do we accelerate the velocity of development and compress the time to market.

And so, what we've done now is we have -- working hand-in-hand, arm-in-arm with Entain, established more dedicated resources, high-speed scrum teams, shortened our release cycles, taken

on — we, BetMGM, have committed to take on some of the costs that will directly benefit BetMGM, and I think rightly so. But it's all within this framework of getting more to market more quickly.

Telephone Operator

Thank you. Your next question is from the line of Stephen Grambling with Morgan Stanley. Please go ahead.

Stephen Grambling, Morgan Stanley

I just want to clarify a couple of things. First, I think you mentioned earlier, 40% of your cross-sell is from iGaming into sports.

To clarify that's, again, iGaming first into OSB, and then how would you characterize that the other way, OSB into iGaming? And perhaps, what's the split of customers who start in either iGaming or OSB?

Adam Greenblatt, Chief Executive Officer

So to confirm the first part of your question, in the third quarter, 40% of our iGaming players, so players that started in iGaming were cross sold to OSB, and it's just north of 60% in the reverse direction.

Stephen Grambling, Morgan Stanley

Helpful. And I guess, you can't provide maybe who -- what the mix is of each or even maybe what the number of unique customers are on the platform at this point?

Gary Deutsch, Chief Financial Officer

No, we don't disclose that. But I mean, bear in mind that just to this point, no single metric tells the story. There's quality active that we look at and there's less quality active. So a lot of the work that Adam referred to on BI, when we think about targeting from a marketing standpoint and a promotion standpoint is looking at quality players versus lower value players.

So again, you got to look at the mixture player values with their volumes.

Stephen Grambling, Morgan Stanley

One other one I'll sneak in is just, as you're referencing the reinvestment, I guess, how are you thinking about where customer acquisition costs should shake out now versus maybe a few years ago when you first were investing in new states versus now, kind of reinvesting in sports betting? Thanks.

Gary Deutsch, Chief Financial Officer

So, as I alluded to earlier, we do think that there's what I would call a deeper dig, when you get into new states. The benefit we've seen is that the markets are generally larger, and we've had more

customers to acquire. So, the matriculation of the players once we get them is following along the lines that we expected in terms of their path to breakeven. But there's more players. It has been a higher marketing intensity through a longer window than we had originally expected a couple of years ago.

That said, from a marketing efficiency standpoint, I think we're kind of leveling out this year. And I think we're going to see leverage gains on the marketing spend going into the out years beyond this. But the overall progression of the CPAs that we're seeing, we still expect to descend over time, and they have been coming down, but it's been a little bit more gradual of a defense than we would have thought a couple of years ago.

Having said that, our long-term target, which we've previously communicated, remains the target we're aiming for.

Telephone Operator

Thank you. Our next question is from Dan Politzer with Wells Fargo. Please go ahead.

Dan Politzer, Wells Fargo

So I just want to follow up. Right now, you guys are at 17% share, active share. And you're bridging, your long-term goal is at 20% to 25%. Can you maybe bridge us to how you get there? Is it a different mix of states or more iGaming states that are coming on? And in that guidance, are you assuming any incremental states outside of just that North Carolina that's set to launch next month?

Gary Deutsch, Chief Financial Officer

From a modeling standpoint, we look at different states in the out years, but we haven't -- we're not going to say which ones in which timing, but certainly, we have North Carolina as a signature launch for this coming year.

Adam Greenblatt, Chief Executive Officer

And if I may add, look, as we look to potential for new iGaming states, we expect there to be some movement on the legislative front in probably three states. And these are all highly caveated, by the way, because we've been both surprised and disappointed in the past in this regard, recent disappointing news in Indiana.

On the iGaming side, the three states that we are eagerly anticipating, some movement on the legislative front on New York, Maryland and Illinois in '24. On the OSB front, we think we North Carolina, as we talked about, we expect to be live in that, it will be probably the first half of the year. And in addition to that, we see good progress in Georgia, Minnesota and Missouri. Minnesota is a complex situation, but some progress there being made that we see.

Dan Politzer, Wells Fargo

Got it. And just for my follow-up, I think you mentioned earlier in the call that there was a \$300 million EBITDA improvement year-over-year, which I think would put you around 140 for 2023.

So, as we think about 2024, I mean, I guess, how does that -- how should we think about that comparing to your loss in 2023? And similarly, I think you guys also mentioned that there was a higher allocation of Entain costs, if there's any way to quantify that impact in terms of your losses in 2024?

Adam Greenblatt, Chief Executive Officer

Okay. The first part about the EBITDA progression and then triangulating to EBITDA this year. First thing I just want to say is I absolutely love Green Bay for holding on last night because given the number of favorites that one in the afternoon slate had the KC prevailed, it would have been a dark day in the world of sports betting today.

Nonetheless, our EBITDA progression year-on-year is actually closer to — will be closer to \$350 million. So that gives you a little bit of help with your triangulation. To this year, obviously, we've got all of this most of December ahead and there's outcome risk in the next four weeks.

In terms of 2024 and beyond, I don't think we're giving guidance, Gary?

Gary Deutsch, Chief Financial Officer

Yes, we're not giving guidance. But I mean, I guess, if I were to say one broad stroke thing, if '21 and '22 were cousins, '23 and '24 are cousins.

Dan Politzer, Wells Fargo

Thank you for that. Appreciate the detail.

Telephone Operator

Thank you. Your next question is from Brandt Montour with Barclays. Please go ahead.

Brandt Montour, Barclays

Good morning everybody. Thank you for doing this and thank you for taking my question. If I was to just follow up on Shaun's question on the promo and the investment strategy for '24. I guess as it relates to the rollout of Angstrom capabilities that you plan on taking on, if that all goes to plan, maybe give us a sense for the NFL capabilities from Angstrom if that can kind of hit in the first half of the year or if we're waiting for next football season? And does the timing of that rollout dictate the flow of your promo reinvestment around sports?

Adam Greenblatt, Chief Executive Officer

Interesting, So, to answer that one first, no. Clearly we are very conscious of marketing efficiency, promo efficiency and want to invest in line with an improving product, which frankly is one of the reasons why 2023, we've been somewhat more cautious as the product has been improving.

What we've been doing since Angstrom was, since the deal was closed in September this year, we've been integrating some of their NFL markets on a more tactical basis. So, if you get onto our product today, you will be able to enjoy many of the signature bets and Angstrom powered markets that I referred to.

Where we will be for next football season is that the Angstrom powered U.S. sports will be all on the same effectively data footing within our platform, which means the way we're able to merchandise those products, the way we're able to combine all of those products, users, of course, we're able to combine all those products will be greatly enhanced. That readiness -- that combined ability vision won't be available for this NFL season, but the bets themselves will be. Does that make sense?

Brandt Montour, Barclays

Yes. That's really helpful. And you gave some stats on CPAs coming down. I think it was on the iGaming side. And maybe, you could just talk about the philosophy around bringing CPAs down and your LTV to CAC structure or strategy. And if you think that that will -- if you might need to reverse in this -- in '24 calendar year on either of those philosophies to get what you want in terms of market share?

Adam Greenblatt, Chief Executive Officer

We haven't made any heroic assumptions on 2024 in the model. In terms of CPAs in iGaming, the — let me step back. The implicit assumption is that in your question, just to confirm, is that CPA -- there will be upward pressure on CPAs and/or downward pressure on player value, putting pressure on the relationship between LTV and CAC.

So, we think we have tremendous headroom in acquiring more players at or around the CAC that we currently achieve. We think the activation of Vegas will have a very, very positive downward impact on our customer acquisition cost. I think you saw the chart. It's sub-30%. The CAC of Vegas sourced players is sub-30% of the CAC in the open market. So the bigger that number gets, the bigger that pool gets, the more its beneficial downward impact on the weighted average, if that makes sense. Moreover, from a player value perspective, that's also a good news story.

Back to the summary, we're not assuming that we will enjoy massive benefits in CAC in iGaming in '24 at all, in fact, not through the plan for some time. And player values are holding up very nicely. So yes, we're not seeing that as a particular risk.

Brandt Montour, Barclays

Perfect. Thank you.

Telephone Operator

Thank you. Your next question comes from the line of Joe Thomas with HSBC. Please go ahead.

Joe Thomas, HSBC

Good morning and thank you for taking my question. So the first thing, if you wouldn't mind just elaborating a little bit, please, is the journey that you've been on from obviously targeting EBITDA positive this year or the second half of this year, and then going into negative territory next year and that requiring that year of investment. You referenced, Adam, that it's maybe because of product is better, but I don't recall you saying it was poor before, or has Angstrom changed the thinking around that? Just perhaps you could just give some thought processes around or perhaps you just relatedly think that you weren't marketing enough to start off with. Any thoughts around that would be appreciated.

Adam Greenblatt, Chief Executive Officer

Yes. 2023, first thing I want to say is that we feel very, very good about how we are currently positioned. 17% national share in our active markets in North America across both primary verticals is something we are very proud of. And we -- it's certainly something we can build on.

Stating it again, we improved EBITDA and -- revenue and EBITDA on '23 by approximately \$0.5 billion, and almost \$350 million, respectively. There aren't many businesses that have done that in 2023.

So from how we see it, BetMGM is a very healthy and thriving business. But '23 was about putting the strategic pieces in place for the next cycle of growth in terms of product and operations. In 2023, we delivered a very complex, very significant project that we've talked about, the single account, single wallet project. We've improved both, the offering the breadth and depth of our sports offering. We made our product much, much faster, OSB product much, much faster, right?

These are things where -- frankly, our product has never been bad. Our product is great. We have millions of customer relationships we have on a daily basis, hundreds of thousands of players telling us through their actions that they love what we offer. But, this is about opportunity for leadership because that is our aspiration. What we've done in '23 was demonstrated the achievability or profitability at our current scale. We did that. And so, when you combine the progress that we've made in terms of product and operations with credentializing our ability to deliver on our promises, it's in that context that I look to 2024. And the question changes to become what is the boundary of our potential in terms of delivering shareholder value to MGM and Entain and ultimately their shareholders.

And so that's what it's about. There's never as I said, feel very good about where we are, and it's only about maximization now. It's belief in our cohorts, belief in our operational support, belief in an ever-improving product that's only going to get better. So now, it's time for let's go.

Joe Thomas, HSBC

Understood. That's clear. Thank you. And just a follow-up here is in terms of the investment that you're putting in, it's understandable what you're saying. How do we measure, as the year goes on, how successful or otherwise that is? Is it the market share data that we see coming out on a monthly basis, or is it something else?

Adam Greenblatt, Chief Executive Officer

Market share will be one indicator. Market share will be one indicator. But really, it's in our internal KPIs. As Gary said, the benefit of accelerated customer acquisition really manifests in year two and

beyond, right? The contribution from in your acquired players is generally fairly muted. As you — I mean, you saw the cohort build in the earlier slides. That's just a function of acquire player, incent player to join, player relationship is established but — and contributes for only a part year. So you have a full year of cost of acquiring the player and incentives to retain the player and only a part year of contribution. But it's in that second year where those initial onboarding costs are behind you, and you have a full year of -- to enjoy that player relationship.

Gary Deutsch, Chief Financial Officer

The one thing I would add to that is we do look at it, it's not just in isolation, that there is a rollover impact on existing players as well. And as we monitor our own performance internally, we will expect to see some benefits rolling through the existing base as we intensify the marketing.

Telephone Operator

Your next question will come from the line of Robin Farley with UBS. Please go ahead.

Robin Farley

Great. Thank you. Two questions. One is, when you talk about your market share growth in states where you were operational on day one versus states where you started later, are the factors that led to those later launches sort of fully eliminated, like should we see that MGM operational in day one going forward in new markets? And then also, I just wanted to clarify your comment that you'd be kind of self-funding going forward. It sounded like at least one, if not both of your JV partners mentioned something like they were going to be making additional investments. And so, I guess, how do we square that with what you were saying, with being able to self-fund? Thanks.

Adam Greenblatt, Chief Executive Officer

Yes. I'll take the first part. We absolutely expect to be live on the first day of every market that we participate in. So just for --and we're organized around that, by the way. So there's no possibility of a market taking us by surprise and us not having enough lead time to get our proverbial ducks in a row to put our best foot forward on the day of launch.

In terms of further capital required, Gary, do you want to deal with that?

Gary Deutsch, Chief Financial Officer

Yes. I think we've always been consistent when we've talked about the cash plan each time, we've talked to the markets that there's a base plan that we have gotten approval for a certain amount of capital. And then there's always circumstances that can change. One of them is being new state launches and another could be any sort of interesting investment opportunity that comes along.

So this is part for the course of what we've always said, which is that we're on a base plan, and the base plan that we've gotten to the point of scale in the business where the base plan doesn't require any additional capital and we can fund it all from our operations. But the same caveats still exist.

We're not closed down to new opportunities that we would want to evaluate. We've got a very open board. And I think that may be some of the commentary you've alluded to from the parent side.

So, it's the same as always. We've got a base plan and then we'll always evaluate interesting things.

Robin Farley, UBS

Can we conclude that it sounds like you maybe are actively looking at additional things outside of the base plan that in terms of additional investment. I don't know if that would be M&A, but it sounds like that's what the JV partners are expecting?

Adam Greenblatt, Chief Executive Officer

Look, it is incumbent upon us to maximize the opportunity for our shareholders at all times. But to be clear, we are not actively evaluating M&A at the moment in any meaningful way. We are always talking to everybody because we wouldn't be doing our jobs if we didn't. Knowing what's around, understanding what might advance our mission is an everyday job. But there is nothing currently in contemplation that would require new capital from shareholders.

Robin Farley, UBS

Great. That's super clear. Thank you very much. Just one minor thing, could you say what month you expect Nevada to be on the single wallet? And then that's truly it for me.

Adam Greenblatt, Chief Executive Officer

Oh, my goodness. I wish I could answer that question with certainty. There is a regulatory process. We're working constructively with the regulators in Nevada. But really, that's that is our dependency. So rather than try and put anybody into a box, ourselves or them, rather just to take it day by day, I expect first half -- generously, first half, we will be live with Entain in Nevada.

Telephone Operator

Your next question comes from the line of Chad Beynon with Macquarie. Please go ahead.

Chad Beynon, Macquarie

Good morning. Thank you for everything so far and thank you for taking my question. Just in terms of the in-house and exclusive slot content, you talked about that as a big driver of your success and upcoming success as well. Is there a magic recipe in terms of your view, kind of using third-party games versus in-house?

And then secondarily, you mentioned success that you've had with Buffalo and Aristocrat game, they've obviously made a pretty sizable acquisition. It sounds like Aristocrat will become a bigger player in terms of iGaming content. How does that roll out kind of portend growth for you guys? Thanks.

Adam Greenblatt, Chief Executive Officer

Yes. Thank you for the question. So I think there isn't a magic formula in relation to in-house and third-party games. What we've managed to secure is a very rich pipeline of exclusives that will be hitting all the way through 2024. Really, it's partly a credit to the team that we have that spent every day thinking about this, that are steeped in years and years of experience, anyhow. Anyhow, these are end conditions. Really, the objective is to offer our players just the best games and fresh content that is regularly updated. And so, what we're -- in terms of bringing -- getting maximum benefit from this, from our in-house and exclusive games, we are actively thinking about merchandising, changes to the way we merchandise the things that are different about BetMGM to amplify their impact in 2024. So, that's something that you can expect.

In relation to the Buffalo games and Aristo's lean into the digital market. I spoke with their Board some months ago. And my view like yours, and obviously, because the omnichannel is such an important feature of BetMGM strategy, it kind of makes sense for me to say this to them. But I said to them, look, we are absolutely convinced by the power of omnichannel as a leading title producer, game producer in the retail world. My message to them was, I think that one of the biggest opportunities is to port their very, very popular titles into a digital world. It's a whole new frontier. It's where the future is. And frankly, as I think it was in the set-piece remarks, 5 of our 10 most popular slot games have the origins in retail.

So, that's game recognition, brand recognition does travel, we are going to lean into that. We have a great relationship with Aristocrat. We were first to market with the Buffalo games on it. So we had a period of exclusivity. We'd hope to try and recreate that. But clearly, their interest is to serve a home market rather than prefer any single operator.

Chad Beynon, Macquarie

Thank you very much, Adam. I appreciate it.

Telephone Operator

Your final question will come from the line of Joe Stauff with Susquehanna.

Joe Stauff, Susquehanna

Thank you. Good afternoon. Adam, Gary, I wanted to ask about just kind of the 30% EBITDA margin goal. And I think the slide said it includes structural margin advantages, I assume from your partners. Historically, you had stated that was around 600 to 700 basis points. I guess, the question is, is that still accurate? And is that the right way to interpret that slide that you presented?

Gary Deutsch, Chief Financial Officer

Yes. That's still what we're looking at. I think what I alluded to is that in the near term, because of the engine we've created, to allow us to channel more resources directly against our projects, we'll probably spend more in the near term helping to fund that. But when we look at the comparative -- there's two ways to look at the benefit that we get. One is if we were to license third-party

technology to run the platform, and those platforms can run sort of north of 10% of NCR, or if you were to build it yourself. And when we look at the OpEx and the CapEx, depending on what's capitalized, we still think that that range you described is what's going to hold for the long term and it definitely gives us the advantage, that signature to BetMGM.

Joe Stauff, Susquehanna

Got you. And then, just regarding, say, the fixed expenses that you have relative to the contribution margin structure, when is it fair to say that that's going to reach a level at where it's largely sort of scaled up and would grow at a more normalized level from there? Is that implied in your '26 guidance? Is that going to be earlier? What's the right way to think about that timing?

Gary Deutsch, Chief Financial Officer

It's definitely implied in the '26 guidance. The question is, as we go from '23 to '24, we're very happy that there's a number of parts of the organization that have been scaled out. But yes, there's continuing to be some areas where we were investing. The compliance infrastructure, which I refer to in terms of the people and the training, that's significant and that we're getting to more jurisdictions that we're learning more and more what needs to be there.

And certainly, just as we build out the company on this girth, there's a couple of areas that we're seeing and learning about the long-term cost structure of the business. But definitely, as we get to the backside of '24 is when I start to see the -- there's leverage benefits this year, don't get me wrong, but the real benefits of leverage and scale will roll into us on the backside of

Joe Stauff, Susquehanna

Got you. Thanks guys.

Telephone Operator

And I'll now hand the call back to Adam Greenblatt for any closing remarks.

Adam Greenblatt, Chief Executive Officer

Thank you, operator. Just a thanks, thanks for the time, thanks for the engagement. I hope you feel our enthusiasm and excitement for the future. Delighted that BetMGM continues to enjoy full and committed support from our shareholders, as evidenced by 2024 being an investment year.

We believe in our prospects. We believe in the uniqueness and specialness of BetMGM. And we hope to surprise and delight in the years to come. Thanks again for joining. And that's it for me.

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