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Industry Report

Gambling and betting activities 2016 ROMANIA

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I. KEY INDICATORS

- The Gambling and betting activities industry in Romania was represented by 826 companies at the end of 2016, compared to 817 in the previous year and 797 in 2014.
- The industry's net profit amounted to RON 479,155,696 in 2016.
- The industry's total revenue was RON 7,449,625,560 in 2016, up by 17.76% compared to the previous year.
- The combined costs of the companies in the Gambling and betting activities industry reached RON 6,849,611,837 in 2016, up by 16.43% year-on-year.
- The industry's total revenue makes up 0.8% to the country's Gross domestic product (GDP) in 2016, compared to 0.73% for 2015 and 0.67% in 2014.
- A total of 26,117 people were employed in the Gambling and betting activities industry in 2016, compared to 24,300 in 2015 and 23,011 in 2014.
- Most of the companies in the industry are based in Bucharest, followed by Ilfov and Constanta.

II. INTRODUCTION

In 2016 the companies in the Gambling and betting activities industry numbered 826.

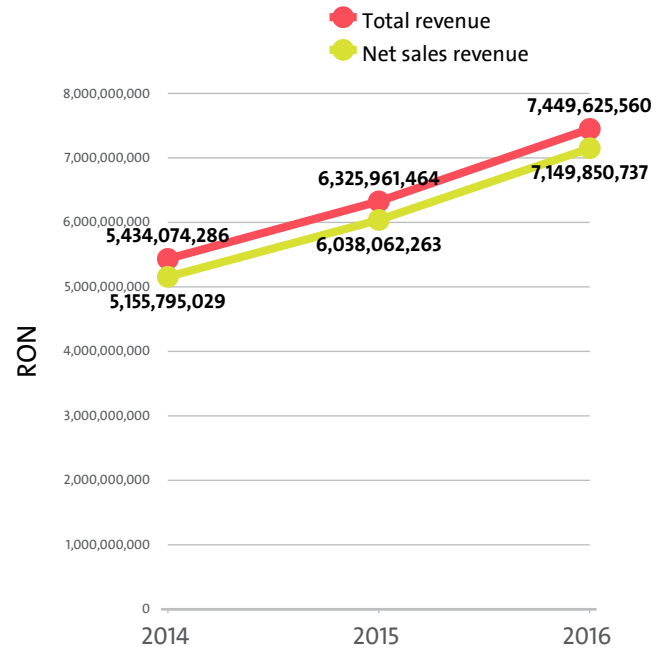
In 2015 there were a total of 817 companies operating in the industry. In 2014 their number totalled 797.

NUMBER OF COMPANIES IN GAMBLING AND BETTING ACTIVITIES INDUSTRY BY SECTORS

SECTOR	2016	2015	2014
GAMBLING AND BETTING ACTIVITIES	826	817	797

III. REVENUES

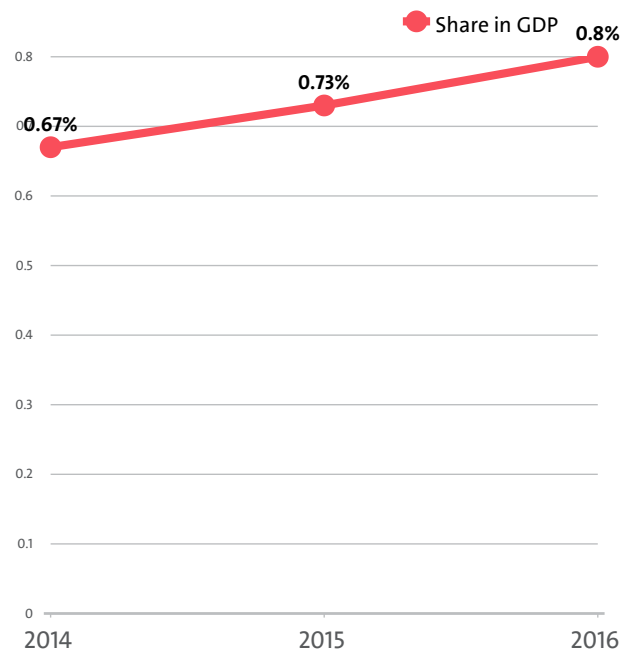
The total revenue in the industry was RON 7,449,625,560 in 2016, RON 6,325,961,464 in 2015 and 5,434,074,286 in 2014.



The companies in the Gambling and betting activities market of Romania earned combined net sales revenues of RON 7,149,850,737 in 2016.

In annual terms, sales marked a rise of 18.41% compared to 2015. In comparison to 2014 they increased by 38.68%. In 2015 sales increased by 17.11% year-on-year.

The Gambling and betting activities industry total revenue make up 0.8% to the country's GDP in 2016, compared to 0.73% for 2015 and 0.67% in 2014.



We expect, based on the trend in the last three years, the total revenue of the Gambling and betting activities industry to change at a compound annual growth rate (CAGR) of 17.09% in 2017.

The top 10 companies in terms of total revenue in Gambling and betting activities accounted for 32.56% of the industry's

total in 2016, 31.85% in 2015 and 33.09% in 2014.

TOP 10 COMPANIES BY TOTAL AND NET SALES REVENUE IN THE INDUSTRY

RANK	COMPANY	TOTAL REVENUE (RON)	NET SALE REVENUE (RON)
1	LOTERIA ROMANA SA	871,655,809	821,234,150
2	MAX BET SRL	325,742,427	321,307,707
3	FLY POINT RO SRL	238,165,102	238,057,712
4	SUPERBET BETTING & GAMING S.A.	210,512,065	207,461,789
5	JOLI GAMES ORIGINAL SRL	165,675,352	165,648,987
6	GAME WORLD ROMANIA SRL	134,625,353	132,635,712
7	BET ACTIVE CONCEPT SRL	129,605,366	128,724,294
8	INTERGAME SELECT SRL	125,099,854	123,430,576
9	BAUM SRL	113,239,287	110,525,331
10	HATRICK BET SRL	111,529,173	111,123,462

The total revenues of the top 10 companies in the Gambling and betting activities were 0.26% of GDP in 2016, compared to 0.23% for 2015 and 0.22% in 2014.

The top 10 by assets in the Gambling and betting activities industry made up RON 1,996,345,481, or 27.92% of the total net sales revenue.

TOP 10 BY TOTAL ASSETS IN THE INDUSTRY

RANK	COMPANY	RON
1	LOTERIA ROMANA SA	593,400,134
2	MAX BET SRL	126,242,567
3	METROPOLIS GRUP SRL	82,715,390
4	NOVO VLTECH SOLUTIONS SRL	80,721,987
5	SUPERBET BETTING & GAMING S.A.	72,641,859
6	MAX BET JOCURI ELECTRONICE SRL	51,186,946
7	INTERTOP SRL	47,466,105
8	GAME WORLD ROMANIA SRL	45,654,772
9	BET ACTIVE CONCEPT SRL	45,132,784
10	BAUM SRL	40,385,575

TOP 10 COMPANIES BY TOTAL REVENUE IN THE INDUSTRY WERE:

COMPANY	RON
LOTERIA ROMANA SA	871,655,809
MAX BET SRL	325,742,427
FLY POINT RO SRL	238,165,102
SUPERBET BETTING & GAMING S.A.	210,512,065
JOLI GAMES ORIGINAL SRL	165,675,352
GAME WORLD ROMANIA SRL	134,625,353
BET ACTIVE CONCEPT SRL	129,605,366
INTERGAME SELECT SRL	125,099,854
BAUM SRL	113,239,287
HATRICK BET SRL	111,529,173

The 10 largest companies in terms of total revenue in sector Gambling and betting activities earned total revenue of RON 2,425,849,788 and accounted for 32.56% of the industry's total revenue.

IV. EXPENSES

The combined costs of the companies in the Gambling and betting activities industry reached RON 6,849,611,837 in 2016.

In annual terms, total expenses went up by 16.43% compared to 2015 and rose by 34.10% in comparison to 2014.

We expect, based on the trend in the last three years, the total costs of the Gambling and betting activities industry to change at a compound annual growth rate (CAGR) of 15.80% in 2017.

Employment expenses in the Gambling and betting activities industry went up by 38.18% on the year to RON 753,308,902 in 2016.

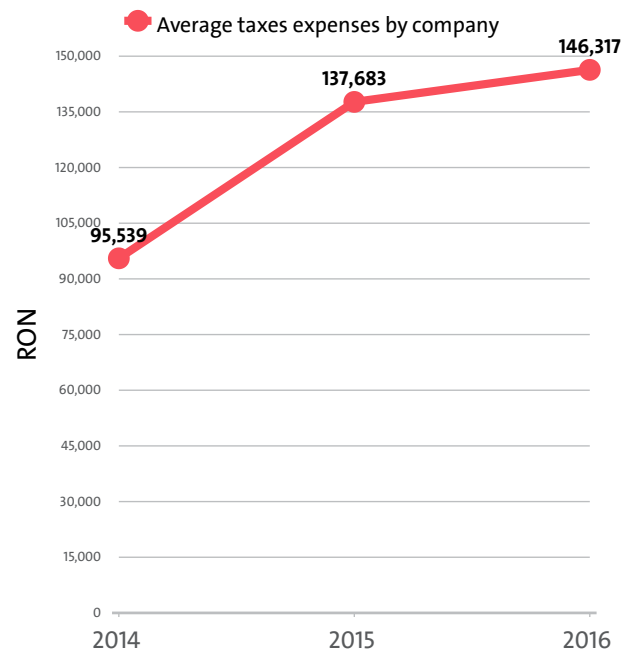
The highest growth in labour costs, of 38.18%, was registered by Gambling and betting activities.

The monthly costs per employee in the Gambling and betting activities industry averaged RON 2,404 in 2016, RON 1,870 in 2015 and RON 1,557 in 2014.

THE TOP 10 COMPANIES BY AVERAGE MONTHLY COSTS PER EMPLOYEE IN THE INDUSTRY

RANK	COMPANY	RON
1	MONTE CALM PLAY S.R.L.	30,488
2	PUBLIC SLOTS SRL	13,140
3	BET ZONE SRL	9,901
4	EURO 92 STYLE IMPEX SRL	8,408
5	STANLEYBET SRL	7,239
6	WESTGATE ROMANIA SRL	6,755
7	TOTAL RENT SRL	6,613
8	CAPITOL SA	6,188
9	GOLD CASINO SRL	6,149
10	ROYAL CASH SRL	5,629

The industry's tax expenses stood at RON 120,858,018 in 2016. In 2015 it paid taxes of RON 112,487,714. In 2014 the industry paid RON 76,144,830 in taxes.



V. PROFITABILITY

The industry's net profit amounted to RON 479,155,696 in 2016, compared to a net profit of RON 330,534,626 in 2015 and a net profit of RON 250,273,806 in 2014.

TOP 10 COMPANIES BY HIGHEST NET PROFIT IN GAMBLING AND BETTING ACTIVITIES

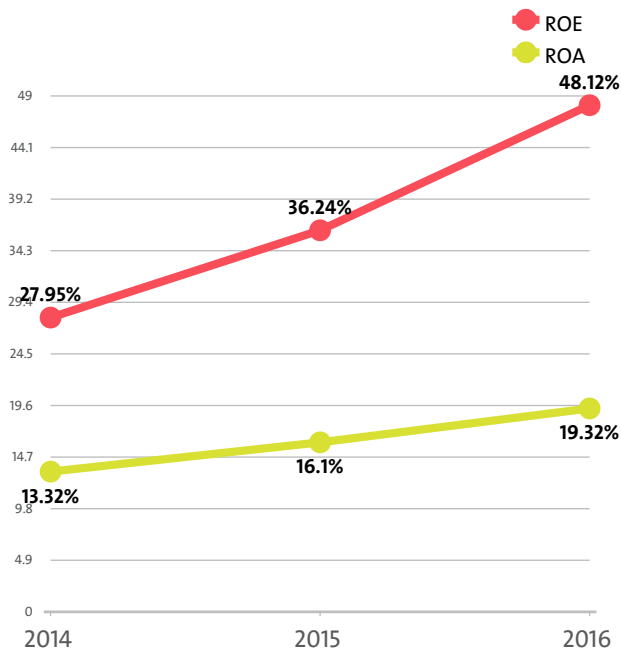
RANK	COMPANY	RON
1	LOTERIA ROMANA SA	75,165,251
2	MAX BET SRL	63,577,023
3	SUPERBET BETTING & GAMING S.A.	27,140,290
4	MAX BET JOCURI ELECTRONICE SRL	25,541,005
5	INTERGAME SELECT SRL	19,461,887
6	WESTGATE ROMANIA SRL	16,425,487
7	X GAMING S.A.	15,953,364
8	GAME WORLD ROMANIA SRL	13,591,357
9	BAUM SRL	11,771,481
10	MAGIC GAMES AB SRL	11,561,227

TOP COMPANIES BY HIGHEST NET LOSS IN GAMBLING AND BETTING ACTIVITIES

RANK	COMPANY	RON
1	MONTE CALM PLAY S.R.L.	12,058,453
2	FAVBET GAMING SRL	9,112,852
3	BET ZONE SRL	6,914,240
4	FAVBET SLOTS SRL	4,817,520
5	BET ACTIVE CONCEPT SRL	4,612,701

The Gambling and betting activities industry's return on equity (ROE) is 48.12% compared to 36.24% in 2015 and 27.95% in 2014.

The Gambling and betting activities's return on assets (ROA) was 19.32%, while in 2015 it amounted to 16.10% and 13.32% in 2014.



TOP 10 COMPANIES BY HIGHEST AVERAGE NET PROFIT PER EMPLOYEE IN GAMBLING AND BETTING ACTIVITIES

RANK	COMPANY	RON	COMPANY HEADQUARTERS (CITY)
1	BET 1128 EUROPE NETWORK S.A.	1,853,191	BUCHAREST
2	GOLDEN GATE INTERNATIONAL SRL	812,744	BUCHAREST
3	PUBLIC SLOTS SRL	523,146	BUCHAREST
4	X GAMING S.A.	398,834	ILFOV
5	JACK CASINO SRL	310,560	VASLUI
6	IOSAPET TEAM SRL	290,423	SATU MARE
7	ALFA FORTUNA SRL	243,421	SALAJ
8	PARI BET TOTAL SRL	229,330	ARGES
9	WESTGATE ROMANIA SRL	216,125	BUCHAREST
10	TRIO GAMES SRL	185,869	CLUJ

About 40.00% of the 10 leading companies in terms of net profit per employee are located in Bucharest, while 10.00% are Ilfov-based and 10.00% are headquartered in Cluj.

The average net sales revenue per employee in the Gambling and betting activities industry amounted to RON 273,762 in 2016, up by 10.17% compared to 2015 and up by 22.18% compared to 2014.

The Gambling and betting activities sector generated an average RON 285,240 in total revenue per employee. In 2015 and 2014 the figure was RON 260,328 and RON 236,151, respectively.

The average total revenue per company in the Gambling and betting activities industry rose to RON 9,018,917 in 2016 from RON 7,742,915 in 2015. The 2014 value was RON 6,818,161.

A company in the Gambling and betting activities field made on average a net sales revenue of RON 8,655,994 in 2016, compared to RON 7,390,529 in 2015 and RON 6,469,003 in 2014.

The Gambling and betting activities industry made 0.60% of the overall sales country-wide, rising its market share by 0.07 pp.

AVERAGE REVENUES PER EMPLOYEE IN GAMBLING AND BETTING ACTIVITIES IN 2016

SECTOR	AVERAGE NET SALES REVENUE (RON)	AVERAGE TOTAL REVENUE (RON)	NUMBER OF EMPLOYEES
GAMBLING AND BETTING ACTIVITIES	273,762	285,240	26,117

AVERAGE REVENUE PER COMPANY IN GAMBLING AND BETTING ACTIVITIES IN 2016

SECTOR	AVERAGE NET SALES REVENUE (RON)	AVERAGE TOTAL REVENUE (RON)	NUMBER OF COMPANIES
GAMBLING AND BETTING ACTIVITIES	8,655,994	9,018,917	826

The total indebtedness of the companies in the Gambling and betting activities industry was RON 1,440,829,567 versus RON 1,004,012,600 a year ago. In 2014 the industry's indebtedness totalled RON 968,847,535.

Debt-to-assets ratio of the companies in the industry is 0.58 in 2016. It was 0.49 in 2015 and 0.52 in 2014.

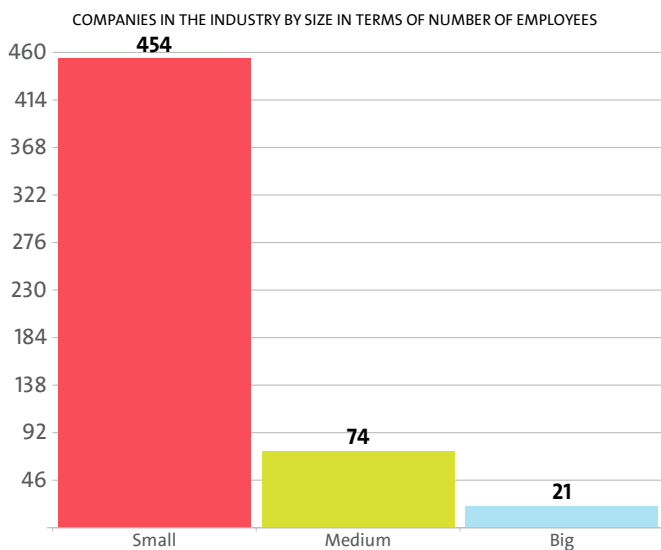
industry to change at a compound annual growth rate (CAGR) of 6.54% in 2017.

VI. EMPLOYMENT

A total of 26,117 people were employed in the Gambling and betting activities industry at the end of 2016, compared to 24,300 in 2015 and 23,011 in 2014.

The analysis on companies' sizes by the number of employees, shows that 454 firms have less than 50 employees*, 74 have between 50 and 250 employees* and 21 companies employ more than 250*.

* Companies without data in the number of employees at end of the year are not taken into consideration.



The employees of the leading 10 companies when it comes to numbers make up 38.95% of the workforce in the industry in 2016.

TOP 10 FIRMS BY SHARE IN INDUSTRY'S TOTAL NUMBER OF EMPLOYEES

RANK	COMPANY	NUMBER OF EMPLOYEES	SHARE
1	LOTERIA ROMANA SA	2,478	9.49%
2	SUPERBET BETTING & GAMING S.A.	1,709	6.54%
3	HATRICK BET SRL	1,304	4.99%
4	MAX BET SRL	1,131	4.33%
5	BET ACTIVE CONCEPT SRL	1,119	4.28%
6	INTERTOP SRL	543	2.08%
7	INTERGAME SELECT SRL	525	2.01%
8	METROPOLIS BETS SRL	505	1.93%
9	GET'S BET SRL	444	1.70%
10	BET MASTER SRL	414	1.59%

The Gambling and betting activities industry is the 43rd largest employer in the country with 26,117 employees with the largest employer being Retail trade, except of motor vehicles and motorcycles with 437,697 and Activities of extraterritorial organisations and bodies at the bottom with 1 employees.

We expect, based on the trend in the last three years, the number of employees of the Gambling and betting activities

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