

23 July 2025

Online Betting

A winning boost or betting the house?

#themes: betting, social impact, regulation, fiscal windfall, R15bn consumption drag due to losses

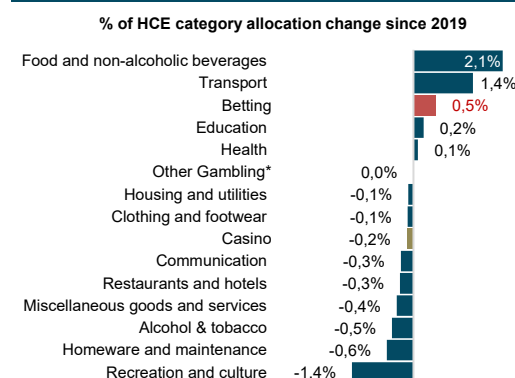
- The SA betting market (a sub-segment of gambling) has experienced rapid growth since the pandemic, classified as one of Africa's fastest growing and most dynamic markets. In our view, the popularity of betting has been supported by improved ease of access facilitated by increasing smartphone penetration. The result is flourishing online operators, at the likely expense of both other forms of gambling and other categories within consumer wallets, in our view. The rapid growth has drawn caution regarding consumers ability to fund these activities, with some suggestion of missed fiscal revenue as well. Our note therefore aims to provide a brief overview of the SA betting and the estimated impact on consumers.,
- Betting, a sub segment of gambling, has experienced a c. 86% CAGR in the amount wagered over the past 3-years, but that doesn't tell the full story. The sub-segment reflects the rapid adoption within the online channel which contributes c. 81% to betting in SA. While the total wagered of R761bn in betting (Mar'24) appears large, it tends to include recycled seed capital, winnings and bonuses. We therefore believe a better gage is: i) the seed capital/deposits, which tends to be c. 15% of total wagers, at an estimated R115bn (equivalent to c. 3% of household disposable income) and; ii) betting gross gaming revenue (GGR, represents player losses) at R36bn (R29bn from online betting) equivalent to c. 1% of household disposable income and c. 5% of total wagered. Betting GGR is expected to grow by a further 20-40% over the near term. While the GGR reflects losses over the past 12-month, likely of more interest is the y/y incremental loss for bettors, which to Mar'24 was c. R12bn, and we estimate is likely to be c. R15bn to Mar'25 (equivalent to c. 0.3% of household disposable income).
- 30 licensed operators contest for a share in the SA betting arena, with 10% of adults placing an average of 10-11 bets per month. Hollywoodbets and Betway dominate the market, accounting for 75% of deposits among c. 30 licensed online operators across five provinces (Western Cape, Mpumalanga, Limpopo, Northwest and Northern Cape). We believe SunBet, YesPlay, and Lottostar round out the top five. Frequenting these sites monthly are c. 4.1 million people (c. 10% of adults, up from 2.2% in Mar-23), as per the recent MAPS survey, placing an average of 10-11 bets per month (as per InfoQuest). Interestingly 70% indicate they bet to supplement their income with just over 60% utilising funds not considered surplus. The typical bettor is a low-income male aged 18-34 with at least secondary education.
- The social aspect, finding the balance in problem gambling vs. additional fiscal revenues from potential sin taxes vs. illegal gambling. The increased prevalence in online betting has raised concerns around problem gambling, particularly among low-income households. Data suggest that c.15% of gamblers struggle with control, and c. 33% of SASSA grant recipients visit betting sites, reinforcing concerns over grant misuse. Additionally, c. 16% of gamblers borrow funds to gamble. These trends are fuelling calls for tighter regulation and potential sin taxes, with debate over whether to further tax operators or individual winnings.
- A tax on player winnings could be more meaningful (deterrence and tax generation), though we think a tax on deposits presents a more balanced and efficient approach. The current tax structure for betting includes VAT on net winnings (c. R4.7bn) and a 6.5% provincial gambling levy on GGR (c. R2.1bn), resulting in a blended revenue tax rate of c. 20%, which is within the optimal 15%-20% range identified by Copenhagen Economics for balancing tax revenue and promoting legal betting vs illegal. Should regulators pursue a sin tax, we recommend a model similar to Kenya's 5% excise duty on deposits. A 5% deposit tax could generate c. R5bn, well above the estimated R1.7bn proposed by BOSA's 6% sin tax on GGR. Worth noting, BOSA's proposal could raise the blended revenue tax levied on operators to 26%, exceeding the optimal range. However, we note that critics caution that any form of sin tax could risk pushing more activity into the illegal market, which is already estimated at 30% -40% the size of the legal sector in South Africa.
- How to access growth in the sector? The betting ecosystem finds support for issuers of vouchers (e.g. Pepkor and Capitec), the use of which has doubled over the past 2-years (worth c. R49bn equating to c. 10% of total Value-Added Service market in SA). While direct access is facilitated through listed peers, Sun International (FVVR R52-R60, owner of Sunbet), Tsogo Sun (not covered, owner of Playtogo) and Super Group (not covered, NYSE listed, owners of Betway and Jackpot City in SA). Further indirect access could be facilitated through offshore listed online gaming third-party providers (e.g. Kambi, Evolution and Playtech).

Disclaimer: Consumer survey data in this report may not fully reflect the actual scale or nature of gambling trends in South Africa.

Sector insight

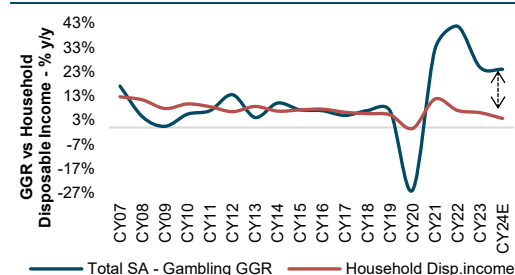
Equity Research | SA Consumer

Figure 1: Betting expenditure increased relative to 2019



Source: SARB and SBG Securities analysis, *LPM + Bingo

Figure 2: Gambling GGR in SA is tracking ahead of household disposable income post-COVID



Source: SBG Securities analysis

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Unpacking betting – ‘R761bn’ industry

Total amount staked in betting was c. 761bn. Note: *Total amount wagered is the full value of all bets placed including recycled winnings + bonus points.*

We estimate the intrinsic size of betting in South Africa at c. R110bn – R160bn, with online betting accounting for c. over 80%.

Online betting now dominates South Africa's gambling industry, surpassing casinos in wagers and gross gaming revenue (GGR). Between March 2023 and March 2024, total wagers were R1.14 trillion, with betting contributing R761bn (66%), over 80% of which was online. However, this turnover overstates true consumer spend. We estimate actual “seed capital” (i.e., deposits) represents c. 15% of total wagers, implying an intrinsic market size of R115bn, equivalent to c. 3% of household disposable income. The remainder reflects recycled winnings (*winning gains bet repeatedly*) and bonuses.

SA's total GGR for the period was R59.3bn, with betting contributing R35.9bn (of which R29bn, or 81%, was online). While GGR is operator revenue, it also reflects player losses. We estimate that gamblers lost R35bn, equivalent to c. 30% of deposits and 1% of disposable income. For the 12-months to Mar'24, we note incremental losses was c. R12bn and we estimate is likely to be c. R15bn to Mar'25 (equivalent to c. 0.3% of household disposable income).

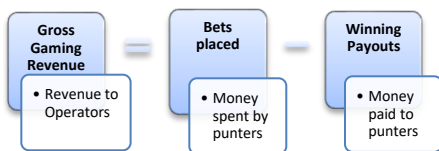
Betting turnover (wagers) is up 64% CAGR over the past 5-years, in our view, driven by:

- **Digital Penetration:** High *smartphone adoption* (73% in CY23, Kenya: 62%, Nigeria: 59% and Tanzania: 47%) and increasing mobile internet penetration (c. 75% in 2025, up from 68% in 2023) have made online betting universally accessible.
- **E-commerce Trust:** Growing consumer confidence in online transactions has facilitated greater engagement with betting platforms.

By contrast, GGR grew at a slower 38% CAGR, reflecting excluded bonus credits and an increase in return-to-player ratio (see figure 10). Industry experts expect online betting GGR to grow 20%–40% annually over the near term, supported by wider availability of gambling products.

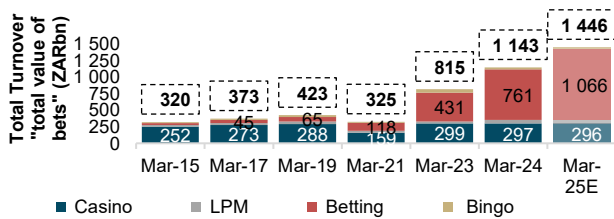
Notably, South Africa's GGR-to-GDP ratio rose from 0.6% pre-COVID to 0.8% in CY23, driven by online betting growth, while land-based casinos remain c. mid to high single digit below pre-pandemic levels. This ratio is elevated relative to developed markets (see figure 9).

Figure 3: The gambling ‘equation’



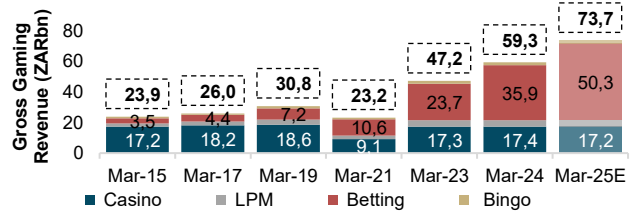
Source: SBG Securities analysis

Figure 4: Betting total value of bets in SA is c. R761bn



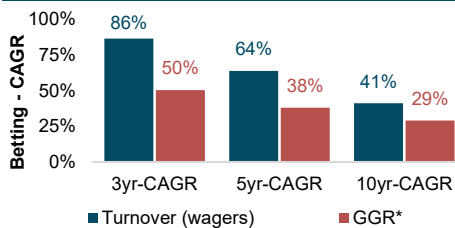
Source: National Gambling Board and SBG Securities analysis and estimates

Figure 5: Betting GGR in SA is c. R36bn



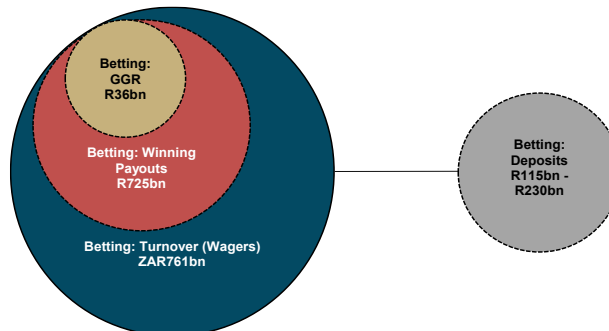
Source: National Gambling Board and SBG Securities analysis, *Gross Gaming Revenue

Figure 6: Betting boom powers growth



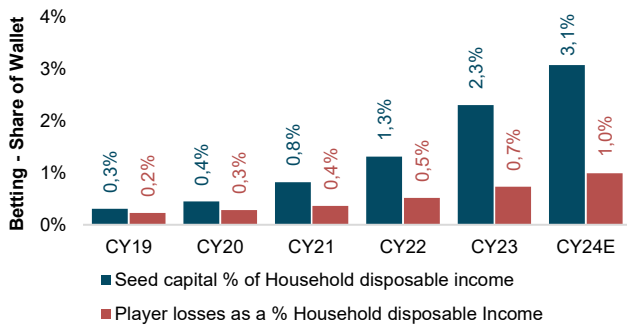
Source: National Gambling Board and SBG Securities analysis

Figure 7: We estimate bettors seed capital at c. R115bn – 230bn, with only online accounting for



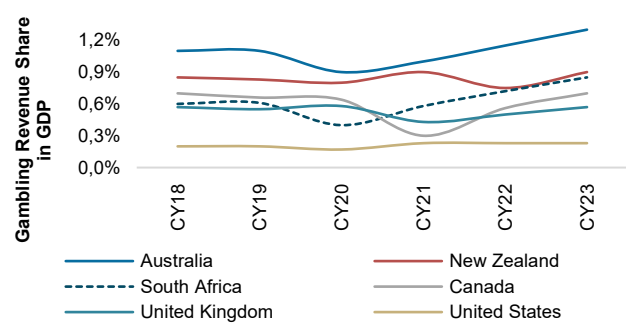
Source: National Gambling Board and SBG Securities analysis and estimates

Figure 8: In CY24, bettors spent c.3% and lost c. 1% of disp. Income.



Source: National Gambling Board, SARB and SBG Securities analysis and estimates

Figure 9: SA's GGR-to-GDP is high relative to developed countries.

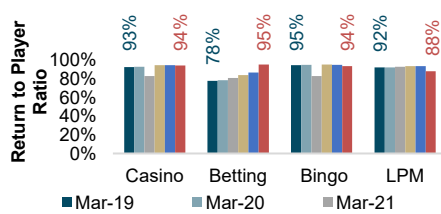


Source: Codera and SBG Securities analysis

Betting offers highest returns in SA gambling

The National Gambling Board's Mar'23/24 report reveals betting boasts South Africa's highest average Return-to-Player (RTP) at c. 95%. This translates to an estimated R725bn in payouts, with online betting responsible for c. R600bn.

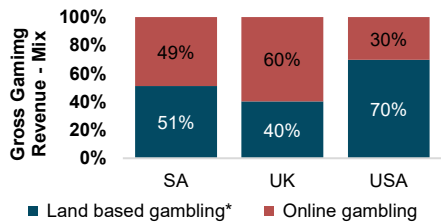
Figure 10: Betting offer the highest RTP



Source: National Gambling Board and SBG Securities analysis

Betting RTP has risen since 2018 (see figure 10), potentially reflects operators' aggressive competition for customers, leading to more generous returns. *Return to Player (RTP) Ratio is defined as the percentage of wagered money returned to players as winnings* (e.g., 95% RTP means players win back R95 for every R100 wagered on average). The inverse of RTP, the hold, is regulated by Provincial Gambling Boards, typically ranging from 6% to 15%, and requires provincial authority approval for any changes. **The return to player ratio indicates that over time 'the house always wins'.**

Figure 11: Online gambling almost 50% of GGR in SA



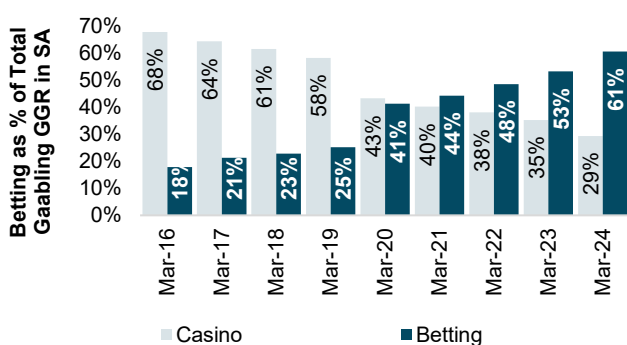
Source: UK gambling commissions, American Gaming Association and SBG Securities analysis, *includes retail betting

Online betting: the new core of SA gambling

Note: In this report we use online betting and online gambling interchangeably.

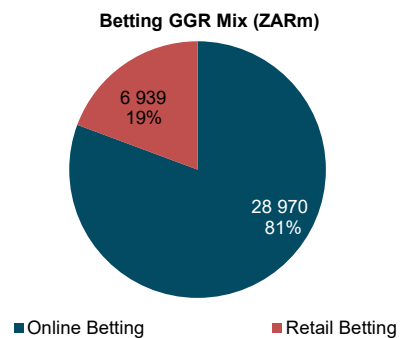
South Africa's gambling sector has seen a significant shift, with betting now dominating Gross Gaming Revenue (GGR: total wagered less payouts). Betting's GGR share jumped from 25% in 2019 to 61% in 2024, while casinos dropped from 58% to 29%. This repositioning makes online betting the core of revenue generation. In Mar'23/24, total betting GGR reached R35.91bn, with online betting contributing 81% (R28bn), mainly from Mpumalanga (43%), Western Cape (46%), Limpopo (10%), Northern Cape (1%), and Northwest (1%). Industry experts highlight that four other provinces—Gauteng, Free State, Eastern Cape, and KwaZulu-Natal—**have yet to issue online betting licenses, citing bureaucracy and regulatory red tape as the main obstacles.**

Figure 12: GGR: Betting gained traction at the expense of casinos



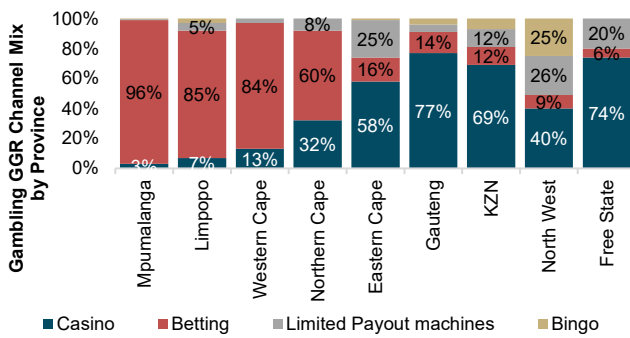
Source: National Gambling Board and SBG Securities analysis

Figure 13: Online betting GGR accounts for 87% of betting GGR in SA



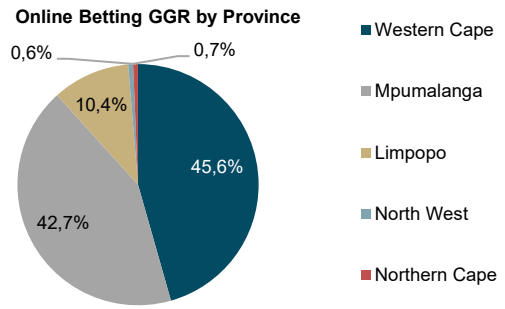
Source: National Gambling Board and SBG Securities analysis

Figure 14: Majority of betting is generated from MP, LP, WC and NC.



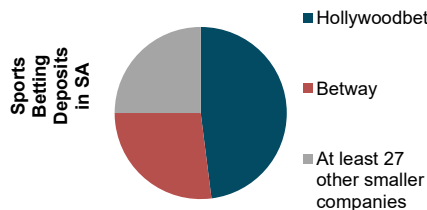
Source: National Gambling Board and SBG Securities analysis

Figure 15: Western Cape and Mpumalanga provincial gambling boards accounts for c. 88% of total online betting in SA



Source: National Gambling Board and SBG Securities analysis

Figure 16: Hollywoodbets and Betway dominate the SA betting market



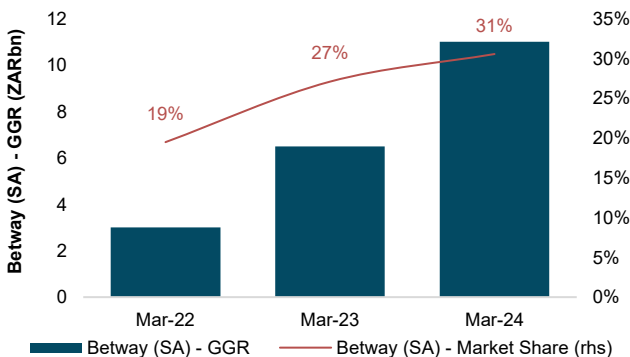
Source: Slant and SBG Securities analysis

Hollywoodbets & Betway lead SA's online betting market

Hollywoodbets and Betway control roughly 75% of total player deposits in South Africa's online sports betting market. While specific GGR data is limited, industry estimates from Slant suggest these two brands lead in overall player spending.

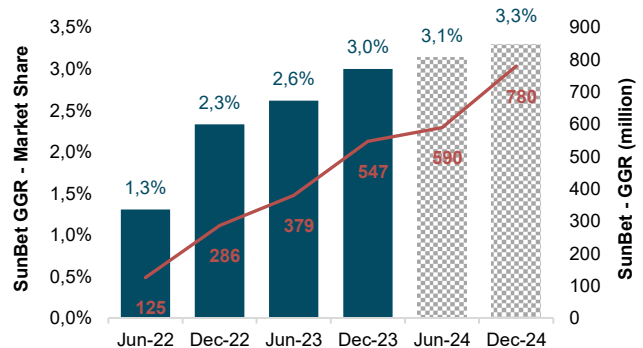
According to amaBhungane, Betway (wholly owned subsidiary of SuperGroup) recorded c. over R10bn GGR in FY24, representing a market share of at least 30%. We estimate SunBet, owned by Sun International, currently holds an estimated 3-4% GGR market share. The group aims to reach R3bn in GGR by FY28E (FY24A: c. R1.4bn), projecting an 8-10% market share. In comparison, PlayTsoGo (TsoGo Sun) has a market share of under 1%, reporting R250m in GGR for 1H25 (ending March 2025).

Figure 17: Betway holds a c. 30% of Betting GGR in SA



Source: amaBhungane and SBG Securities analysis

Figure 18: SunBet has been gaining market share



Source: Sun International, National Gambling Board, SBG Securities analysis and estimates

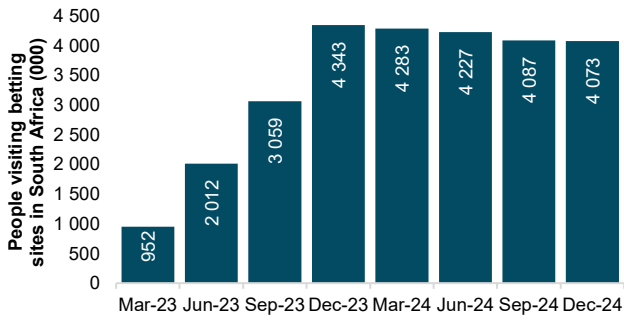
'1 in 10 adults in South Africa visit betting sites'

South Africa's online betting market is experiencing rapid user growth, with c. 4.1 million adults (9-10% of the 18+ population) now visiting betting sites, according to Eighty20. This marks a significant jump from just 2% at the beginning of 2023.

The user base for online betting largely mirrors that of land-based casinos, with 81% of online visitors earning less than R10,000 monthly (compared to 84% for casinos).

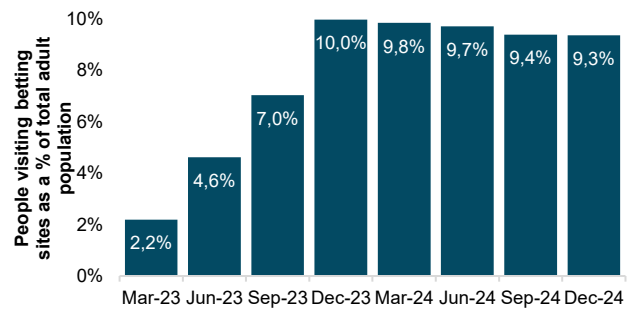
Given these demographic similarities and the established 80/20 rule in casinos (20% of players generate 80% of revenue), it's plausible that online betting revenue is similarly concentrated.

Figure 19: Eighty20 estimates c. 4.1m visits betting sites in South Africa



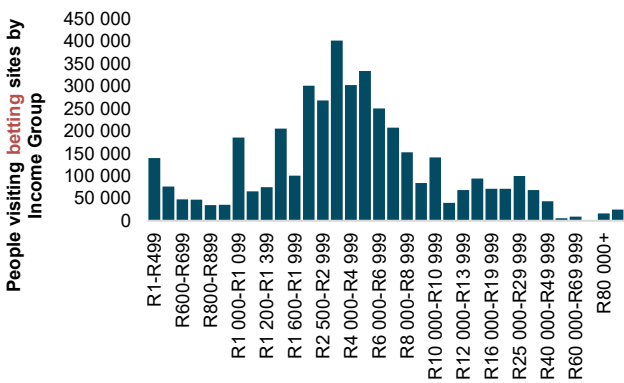
Source: Eighty20 (MAPS) and SBG Securities analysis

Figure 20: c. 9% -10% of adult population in SA visit gambling sites



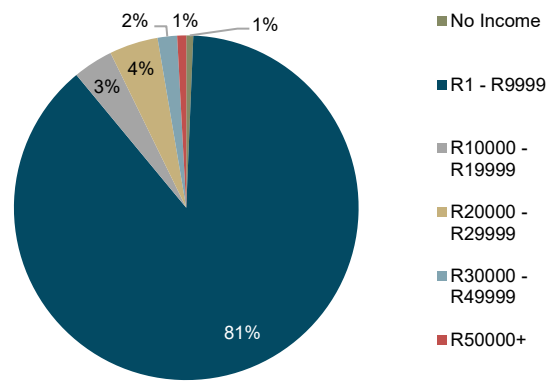
Source: Eighty20 (MAPS) and SBG Securities analysis

Figure 21: Majority of betting site visitors earn less than R10 000



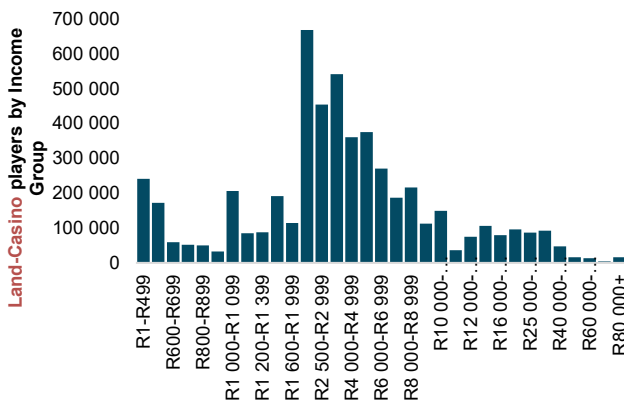
Source: Eighty20 (MAPS) and SBG Securities analysis

Figure 22: c. 81% of visitors to gambling sites earn less than R10 000



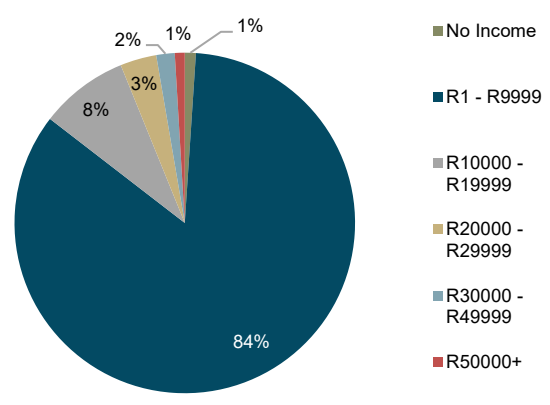
Source: Eighty20 (MAPS) and SBG Securities analysis

Figure 23: Majority of casino players earn less than R10 000



Source: Eighty20 (MAPS) and SBG Securities analysis

Figure 24: c. 84% of land-based casino players earn less than R10 000



Source: Eighty20 (MAPS) and SBG Securities analysis

'South Africans are now Africa's top bettors, unseating Kenya'

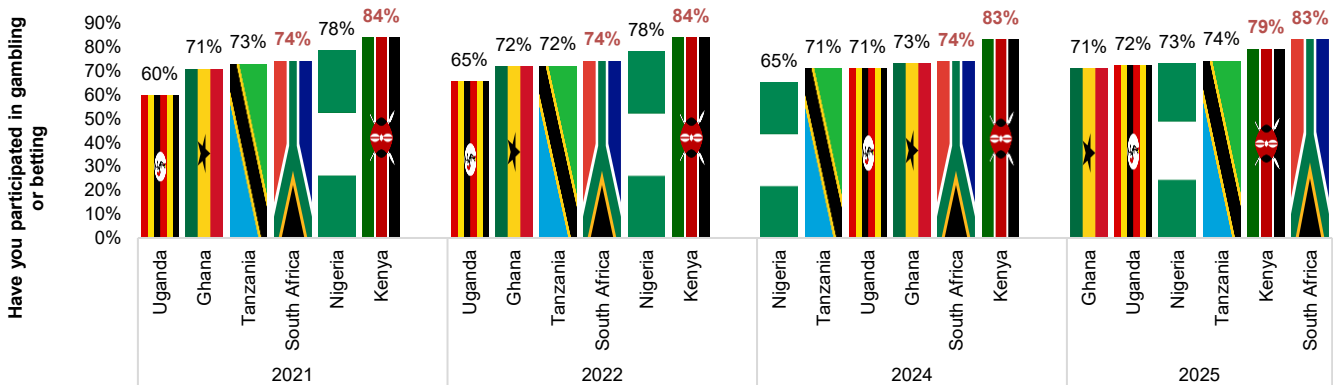
South Africa has recently overtaken Kenya as the African country with the highest proportion of youth (aged 18–34) participating in betting, according to a GeoPoll survey. Approximately 83% of South African respondents reported engaging in betting activity, compared to 79% in Kenya as of CY25. This increased engagement is further evidenced by the betting frequency in South Africa, where roughly 61% of young people bet at least once a week, representing a substantial increase of c. 620bps over the past four years.

This heightened prominence of betting in South Africa, compared to other African countries, can be attributed to several factors. These likely include:

- More developed and accessible online betting infrastructure
- Greater penetration of smartphones
- Internet access facilitating easy participation
- Furthermore, marketing and advertising efforts by betting companies may also contribute to the widespread adoption of betting among South African youth.
 - In the 12 months up to March 2025, amount spent on sports betting advertising was c. c. R2.6bn (USD140m).
 - Notably, Hollywood bets (R775m, USD41.8m), Betway (R342m, USD18.4m) and World Sports Betting (R140m, USD7.5m) spent nearly R1.3bn (USD70m), c. 50% of the total industry spend.
 - In our view, this substantial investment in marketing reflects the sector's aggressive push to capture and retain a young, digitally connected audience.

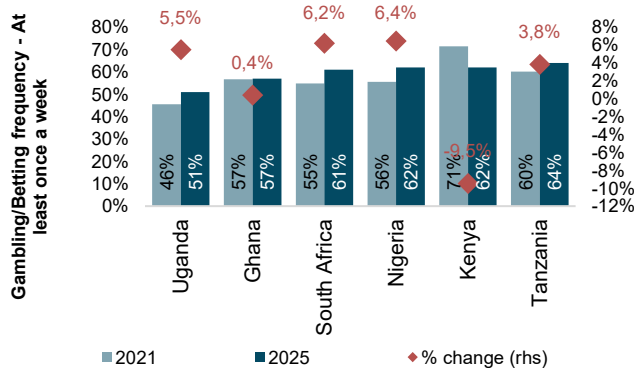
One third of online betting bookmarkers in SA accounted for c. 50% of the total advertising on sports betting c. R2.6bn

Figure 25: South Africa is now ranked number amongst African countries with the highest participants in betting



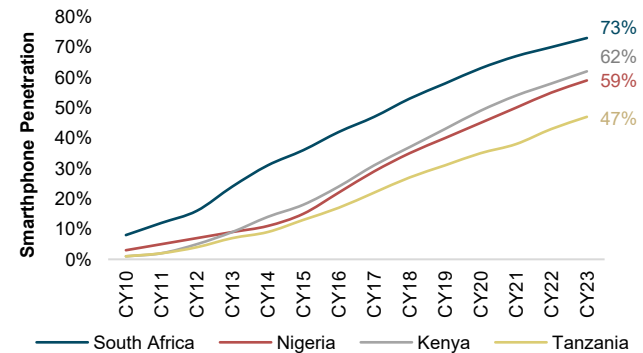
Source: Geopoll and SBG Securities analysis

Figure 26: In SA c. over 60% of bettors, play at least once a week



Source: Geopoll and SBG Securities analysis

Figure 27: SA has a relative high smartphone penetration in Sub-Saharan Africa



Source: GSMA and SBG Securities analysis

Understanding the SA online bettor: engagement, income, and lifestyle patterns

In South Africa, c. 13 online betting sites attract at least 1 million monthly visits.

Hollywoodbets and Betway dominate the South African online betting market, attracting 56 million and 37 million site visits per month, respectively. Among 28 online bookmakers analysed, 13 attract at least 1 million monthly visits, but only three of these have shown growth compared to calendar year 2024 (CY24). Notably, the two companies with growth—YesPlay and SunBet—have a stronger focus on casino-style games, while the majority of bookmakers emphasize sports betting.

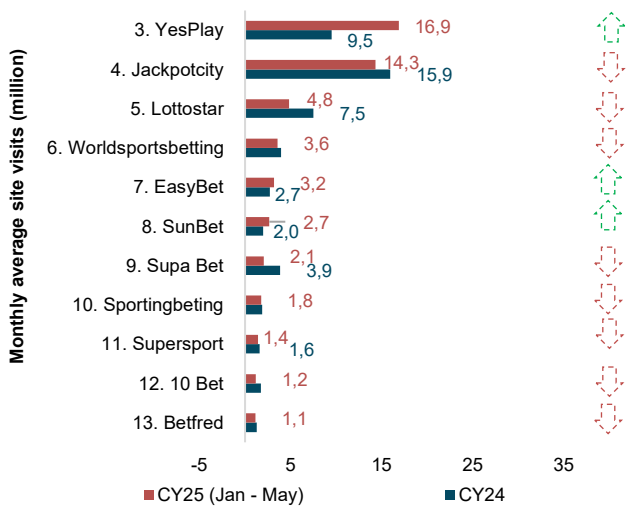
This emerging trend suggests a growing interest in online casino games, likely driven by two key factors:

- **Lower Perceived Skill Barrier:** Casino games, especially slots, rely primarily on chance and require minimal expertise, making them accessible and appealing to casual or first-time users. In contrast, sports betting demands knowledge of teams, odds, statistics, and strategies, which can be intimidating or time-consuming for less experienced players.
- **24/7 Availability:** Casino games are available around the clock, independent of time zones, sports seasons, or event schedules. This constant accessibility makes them more convenient for users seeking entertainment during late-night hours or irregular times, unlike sports betting, which depends on the timing of live events.

While the data is not yet conclusive, these insights could highlight a potential shift in user preferences within the South African online betting landscape toward casino-style gaming.

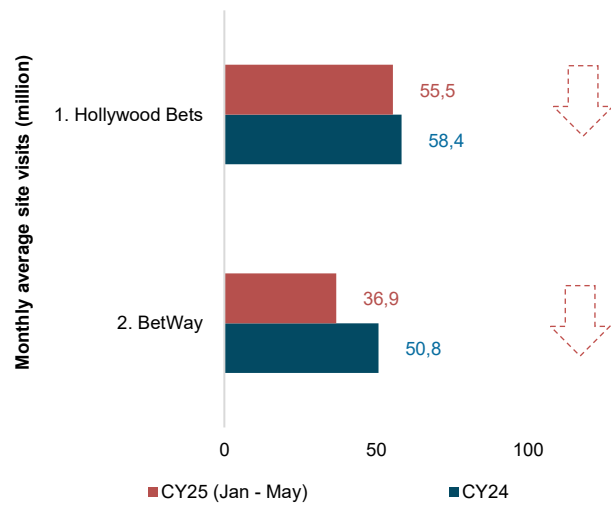
Note: Site visit statistics are not a direct proxy for GGR market share, as average bet size varies significantly across platforms.

Figure 28: c.13 online betting sites have at attract at least 1 million visits per month.



Source: Similarweb and SBG Securities analysis

Figure 29: c.13 online betting sites attract at least 1 million visits per month.

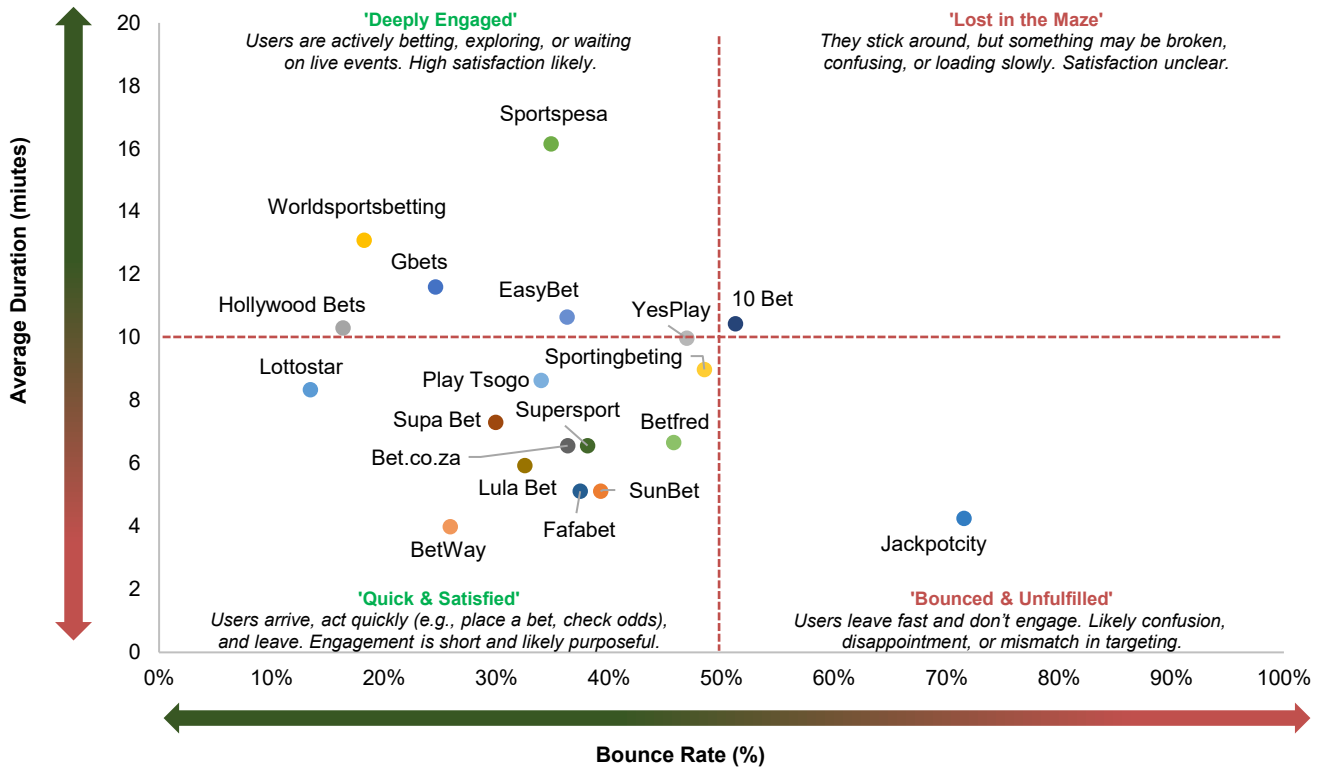


Source: Similarweb and SBG Securities analysis

South African punters concentrate their engagement on a select few betting sites, with most operators experiencing only "drive-by" traffic. Our analysis identifies a "quick and fulfilled" segment of bookmakers where initial interest doesn't translate into loyalty, given the industry's highly commoditized nature.

Conversely, "deeply engaged" customers spend significant time on a few top-tier sites, drawn by favourable return-to-player (RTP) ratios and diverse product offerings. Hollywoodbets exemplifies this deep engagement, while Betway surprisingly ranks in a second tier.

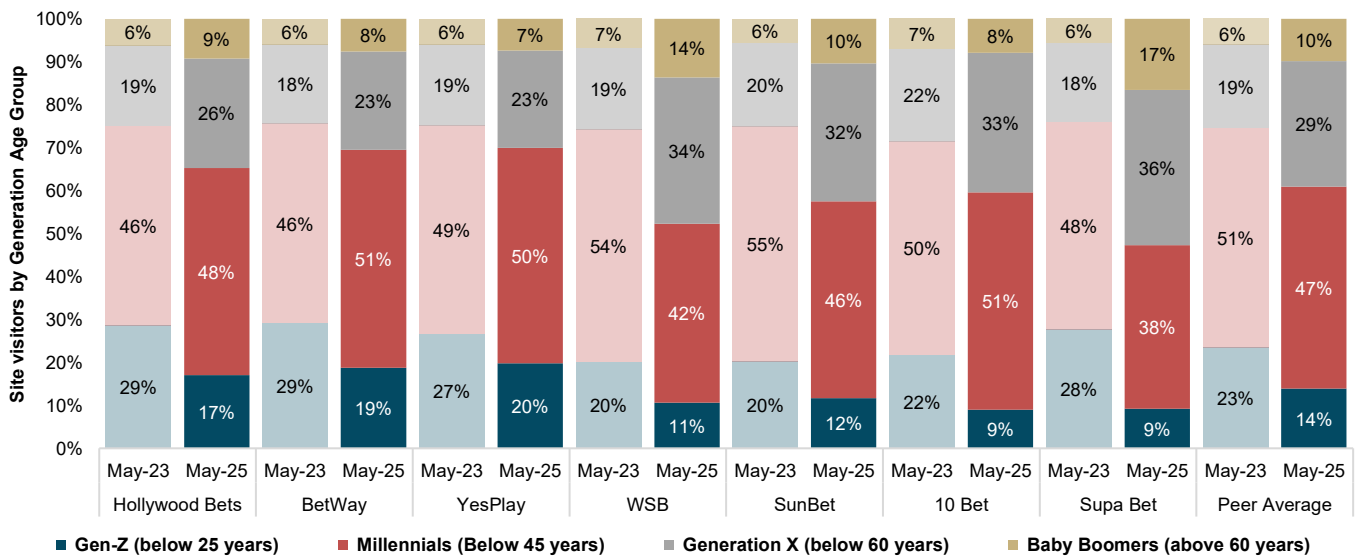
Figure 30: Evaluating customer engagement and satisfaction on betting sites in SA



Source: Similarweb and SBG Securities analysis

Millennials (c. 40–50%) and Generation X (c. 20–36%) make up the majority of online betting participants in South Africa. Baby Boomers, while still a smaller segment, have shown increased engagement compared to May 2023, with their share rising across most operators. In contrast, the proportion of Gen Z bettors has declined over the same period. This may reflect a shift in younger user preferences toward Esports betting, which is gaining traction. According to a SoftSwiss report, Esports in South Africa is driven by popular global titles such as Counter-Strike 2, League of Legends, and Dota 2, which strongly appeal to Gen Z audiences.

Figure 31: Majority of online bettors are millennials and generation X. Gen-Zs are showing less interest in online betting



Source: Similarweb and SBG Securities analysis

any findings, interpretations, or conclusions are SBGS' own, independent of Reveal

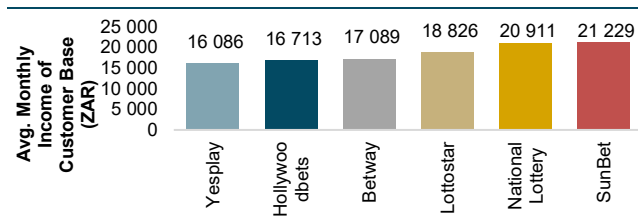
Betting appears to shift disposable income towards immediate consumption, contrasting with non-bettors' preference for larger, future-oriented spending like travel.

Betting behaviour in South Africa cuts across income levels, with distinct spending patterns between platforms. SunBet caters to premium users, while Hollywoodbets shows mass-market dominance with surprisingly high spend per user.

Based on Reveal's market research ([Breaking Down a R1.14 Trillion Gambling Industry](#), 19 March 2025) we deduce SunBet attracts high-income users with the highest average customer spend, aligning with Sun International's premium strategy. Conversely, Hollywoodbets, despite a lower-income user base, achieves exceptionally high monthly spend per customer even with its focus on typically lower-bet-size sports betting. In our view, this highlights Hollywoodbets' remarkable brand strength and engagement across all income levels.

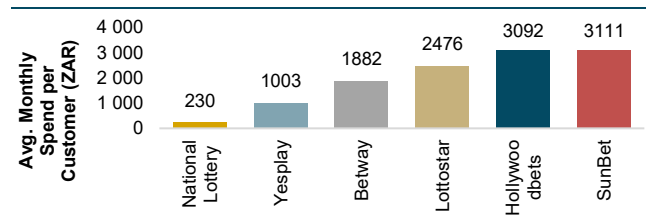
Our assessment of Reveal's data also reflects broader lifestyle patterns: bettors spend more on alcohol, dining out, and mobile costs than non-bettors, suggesting a preference for immediate consumption. Conversely, non-bettors allocate more to holidays and travel, implying that for many, betting may serve as a form of everyday leisure or entertainment.

Figure 32: Avg. Monthly Income of Customer Base (ZAR)



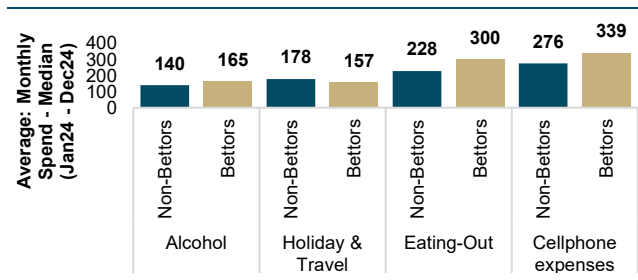
Source: Reveal data, chart recreated by SBG Securities

Figure 33: Avg. Monthly Spend per Customer (ZAR)



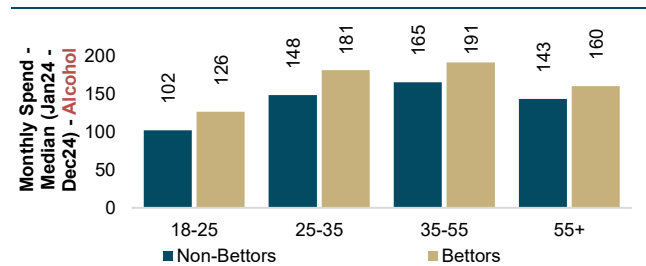
Source: Reveal data, chart recreated by SBG Securities

Figure 34: Average: Monthly Spend - Median (Jan24 - Dec24)



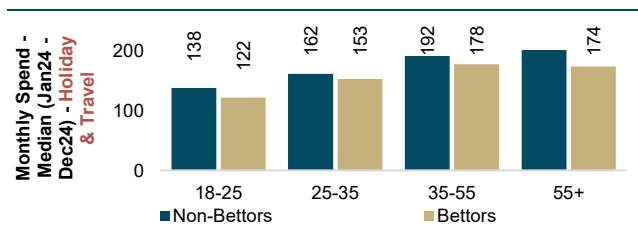
Source: Reveal data, chart recreated by SBG Securities

Figure 35: Monthly Spend - Median (Jan24 - Dec24) - Alcohol



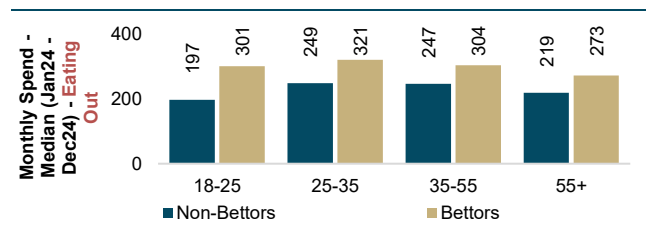
Source: Reveal data, chart recreated by SBG Securities

Figure 36: Monthly Spend - Median (Jan24 - Dec24) - Holiday & Travel



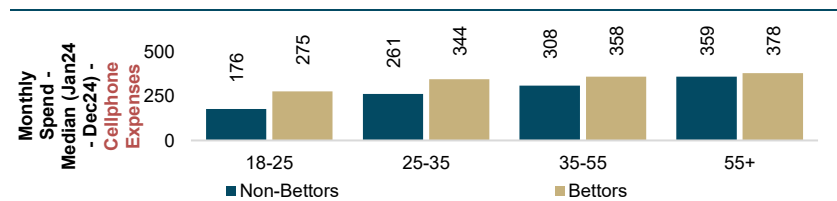
Source: Reveal data, chart recreated by SBG Securities

Figure 37: Monthly Spend - Median (Jan24 - Dec24) - Eating Out



Source: Reveal data, chart recreated by SBG Securities

Figure 38: Monthly Spend - Median (Jan24 - Dec24) - Cellphone Expenses

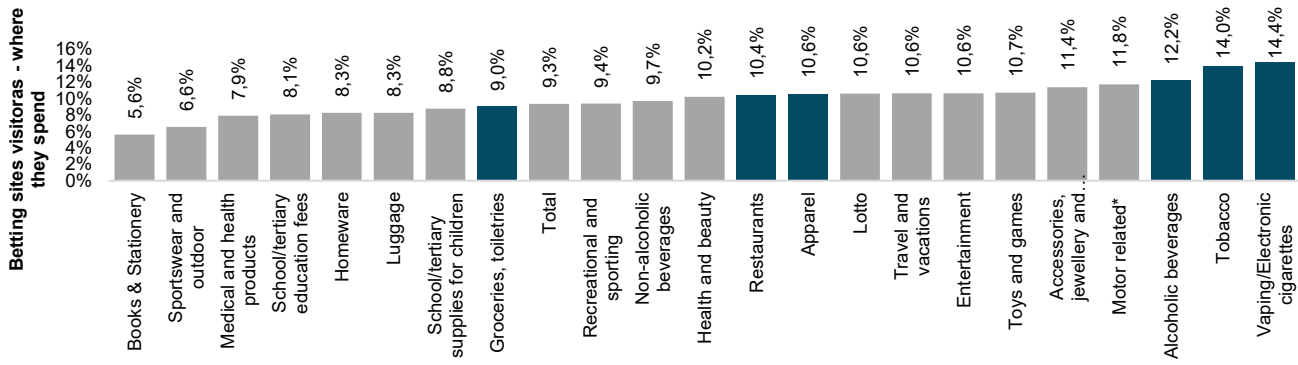


Source: Reveal data, chart recreated by SBG Securities

Betting MAPS survey – consumer insights

Consumers that spend money on Alcohol and tobacco related products exhibit the highest interest in visiting betting sites, which is unsurprising as both products have some of addiction nature. Additionally, we highlight that consumers that spend on discretionary products have the highest in visiting betting sites. 10.6% of apparel consumers visit betting sites, 10.4% for restaurants consumers and 9% for groceries consumers.

Figure 39: Consumers of alcohol and tobacco related products show highest interest in visiting betting sites



Source: Eighty20 (MAPS) and SBG Securities analysis

This segment presents findings from a consumer survey across apparel, grocers, and restaurants, highlighting the notable overlap with online betting site visitors. The analysis offers *two distinct perspectives*: **first** (figures on left) - the proportion of online betting site visitors who also patronize these retail and food service brands; and **second** (figures on right) - the proportion of apparel, grocer, or restaurant shoppers who engage with online betting sites.

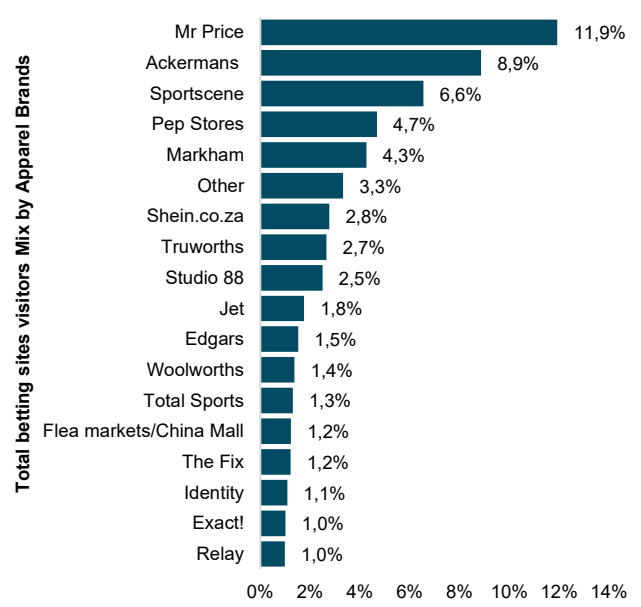
The Intersection of Apparel Shopping and Online Betting: A survey of apparel shoppers reveals a significant overlap with online betting site visitors, with two distinct perspectives: how many betting site visitors also shop at apparel brands, and conversely, how many apparel shoppers visit betting sites.

Looking at apparel brands through the lens of betting site visitors (figure: 40), Mr Price (11.9%) stands out with the highest proportion of shoppers who also frequent betting sites. This is followed by Ackermans (8.9%), Sportscene (6.6%), Pepstores (4.7%), and Markham (4.3%), completing the top five. Notably, three of these top five brands lean towards a value offering, which aligns with the finding that c. 80% of South African betting site visitors earn less than R10,000 per month.

Conversely, when examining apparel shoppers who visit betting sites (figure: 41), online apparel shops exhibit a higher conversion, likely due to the convenience they offer, allowing quick access for shoppers to spend their winnings. Among brick-and-mortar stores, Contempo (44.7%), Relay (32.2%), and Studio 88 (28.4%) show the highest proportion of their shoppers visiting betting sites. Notably, 15.7% of Truworths shoppers visit online betting sites, followed by Mr Price (14.7%), Edgars (14.2%), Ackermans (13%), Jet and Foschini (both 12%), Pep Stores and Woolworths (both 11.8%), and finally, PnP Clothing at 11.3%.

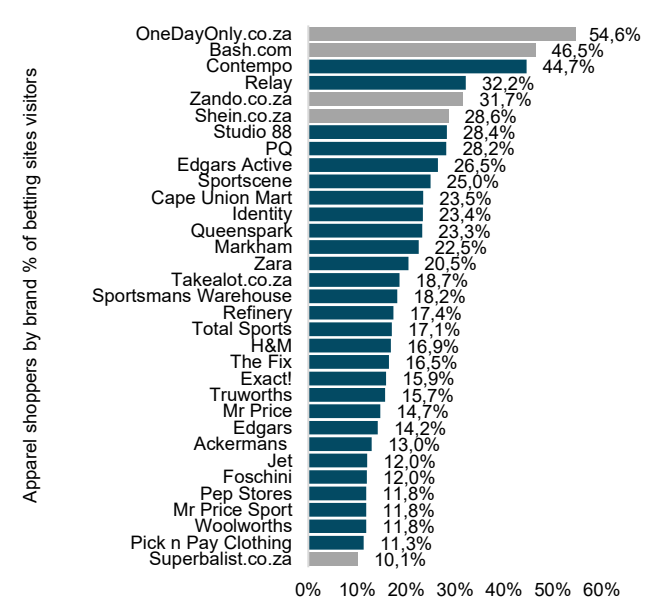
The strong overlap between value apparel brands and betting site visitors reinforces the profile of the typical South African bettor — cost-conscious, digitally active, and often shopping within tight budgets

Figure 40: Mr Price has the highest proportion of shoppers who also frequent betting sites.



Source: Eighty20 (MAPS) and SBG Securities analysis

Figure 41: Online apparel shops exhibit a higher conversion, likely due to the convenience they offer



Source: Eighty20 (MAPS) and SBG Securities analysis

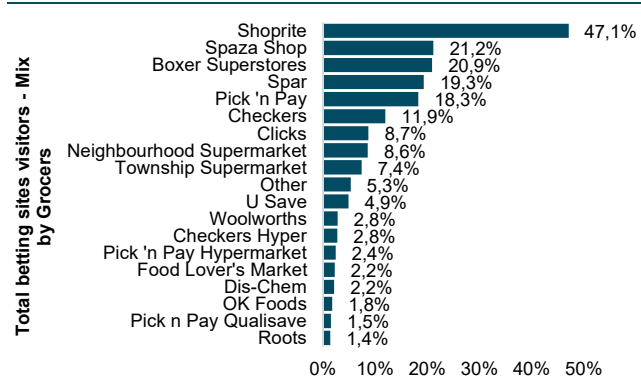
The Intersection of Grocery Shopping and Online Betting: A survey of grocery shoppers reveals a notable connection with online betting site visitors. This analysis offers two distinct viewpoints: first, the percentage of betting site visitors who also frequent various grocery brands, and second, the percentage of grocery shoppers who engage with online betting sites.

When we consider grocery brands through the lens of betting site visitors (figure: 42), **Shoprite** takes the lead with a notable 47.1% of its shoppers also frequenting betting sites. Following closely are **Spaza's** (21.2%), **Boxer Superstores** (20.9%), **Spar** (19.3%), and **PnP** (18.3%), completing the top five. It's worth highlighting that four of these top five brands primarily cater to lower-income earners. This aligns with the broader finding that around 80% of South African betting site visitors earn less than R10,000 per month.

Conversely, when examining grocery shoppers who visit betting sites (figure: 43), an interesting trend emerges: **fuel stations** show a relatively higher conversion rate compared to traditional grocery shops. Among mainstream grocery stores, **Game** (22.5%), **Food Lover's Market** (17.6%), and **PnP** (14.5%) have the highest proportion of their shoppers visiting betting sites. Notably, **Woolworths** (12.1%) also demonstrates a relatively higher conversion rate than both **Checkers** (11.7%) and **Shoprite** (10.6%).

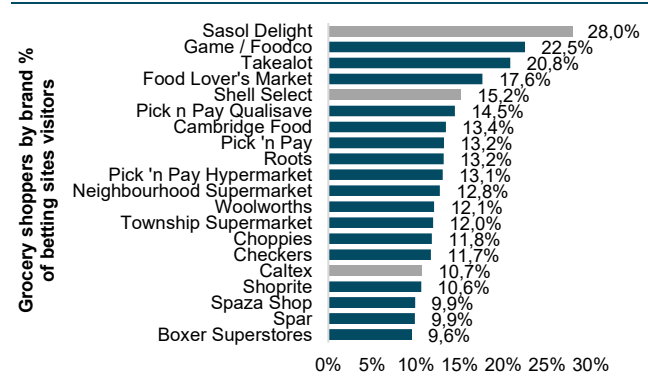
Value grocery stores and convenient fuel stations are key spending points for South African bettors.

Figure 42: Shoprite has the highest proportion of shoppers who also frequent betting sites.



Source: Eighty20 (MAPS) and SBG Securities analysis

Figure 43: Fuel stations show a relatively higher conversion rate compared to traditional grocery shops



Source: Eighty20 (MAPS) and SBG Securities analysis

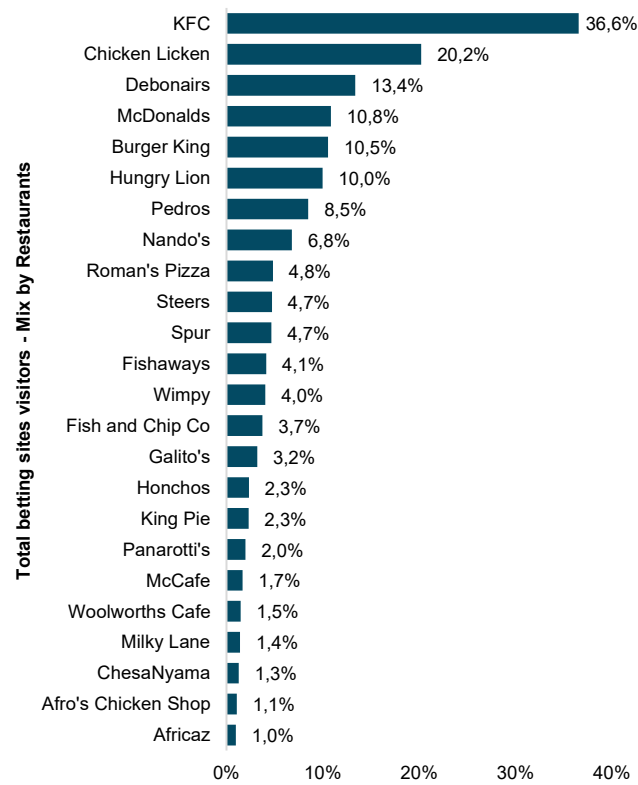
The Intersection of Restaurants consumption and Online Betting A survey of restaurant shoppers reveals a significant crossover with online betting site visitors. This analysis offers two distinct perspectives: first, the percentage of betting site visitors who also frequent various restaurant brands, and second, the percentage of restaurant patrons who visit betting sites.

Looking at restaurant brands through the lens of betting site visitors (figure: 44), KFC leads the pack with a remarkable 36.6% of its shoppers also frequenting betting sites. Following KFC are **Chicken Licken** (20.2%), **Debonairs** (13.4%), **McDonald's** (10.8%), and **Burger King** (10.5%), rounding out the top five. It's worth noting that all these leading brands are Quick Service Restaurants (QSRs), which typically have a lower average spend compared to Casual Dining Restaurants (CDRs). Within the CDR segment, **Pedros** (8.5%), **Nandos** (6.8%), and **Spur** (4.7%) have the highest proportion of betting site visitors among their shoppers.

Conversely, when we examine restaurant shoppers who visit betting sites (figure: 45), an interesting trend emerges. **Krispy Kreme** surprisingly shows the highest conversion in this category. Among QSR brands, **Burger King** (17.3%), **Kauai** (15.7%), and **Chesa Nyama** (15%) have the highest proportion of their shoppers visiting betting sites. For Casual Dining Restaurants (CDRs), **Rocomamas** (14.5%), **Simply Asia** (14.2%), and **Chesa Nyama** (15%) exhibit the highest percentages of their patrons who also frequent betting sites.

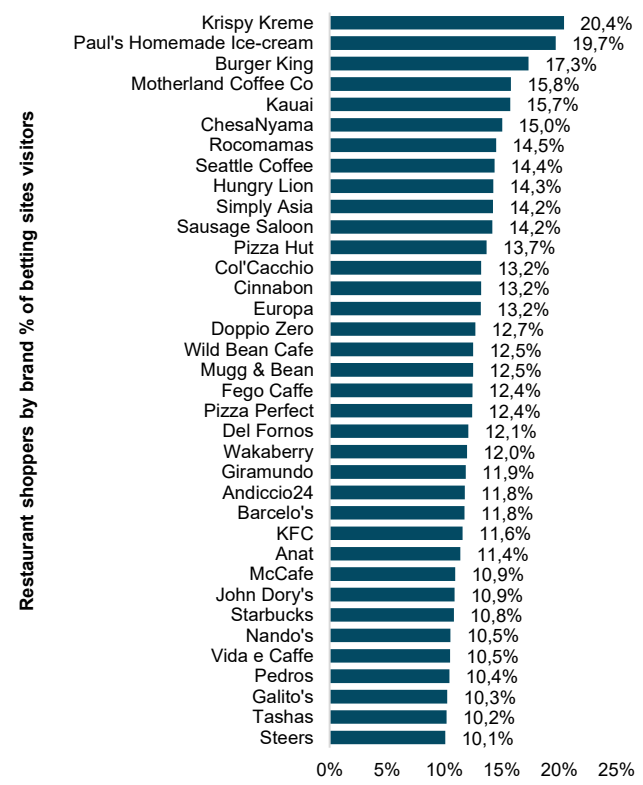
The strong presence of betting site visitors in QSRs, led by KFC, suggests a preference for affordable, quick and accessible spending of betting proceeds

Figure 44: KFC has the highest proportion of shoppers who also frequent betting sites.



Source: Eighty20 (MAPS) and SBG Securities analysis

Figure 45: Krispy Kreme surprisingly shows the highest conversion in this category



Source: Eighty20 (MAPS) and SBG Securities analysis

Online betting: a winning streak or a risky bet for South Africans?

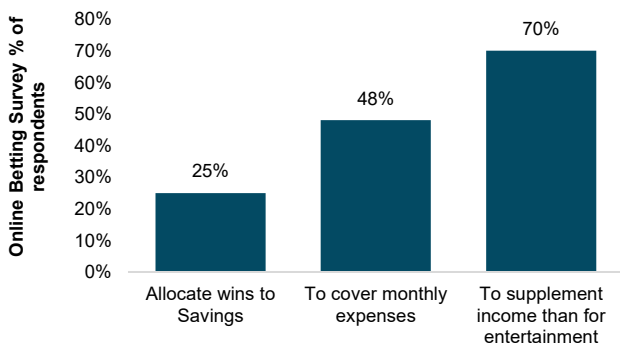
While many bet online to boost income, the 30% losing money underscores significant financial and social concerns for SA's predominantly lower-income bettors

Online betting has seen rapid adoption in South Africa, but growing concerns are emerging around its social impact—particularly among lower-income groups, who make up the majority of users (c. 81% earn less than R10 000) and are more financially vulnerable. While an InfoQuest survey found that 70% of bettors report either breaking even (44%) or making money (26%), a significant 30% admit to losing money—highlighting the potential risks to financially stretched individuals. Additionally, 70% of online bettors, bet to supplement their incomes.

Gambling frequency further highlights the intensity of usage. Sports betting leads with an average of 11 gambling sessions per month, followed closely by general online betting at 10. In contrast, casino-based games show lower engagement, with slot machines at 4 sessions and table games at 5. This trend is likely driven by the accessibility of mobile platforms, which have made it easier for users to bet frequently, anytime and anywhere. Additionally, Lottery and online gaming have the highest frequency of punters playing both on weekdays and weekends.

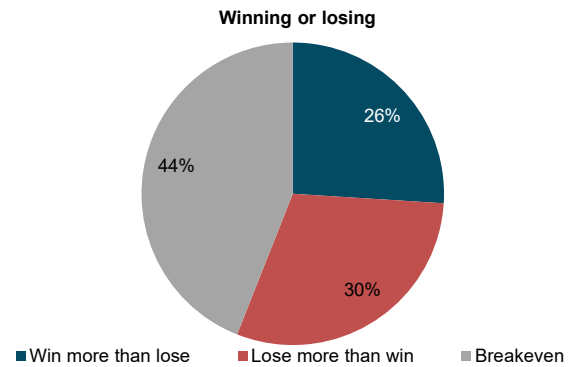
Notably, lottery and online gaming see the highest frequency of play across both weekdays and weekends, pointing to their broad appeal and habitual usage patterns.

Figure 46: 70% of online bettors, bet to supplement income



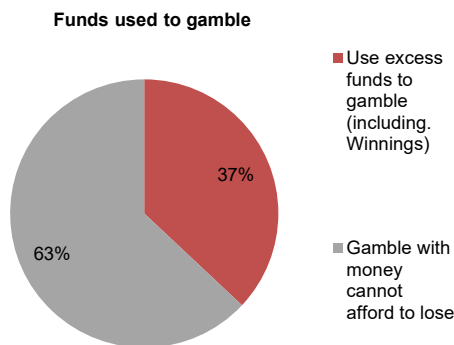
Source: Bettabets and SBG Securities analysis

Figure 47: Almost 75% of online bettors do not make money.



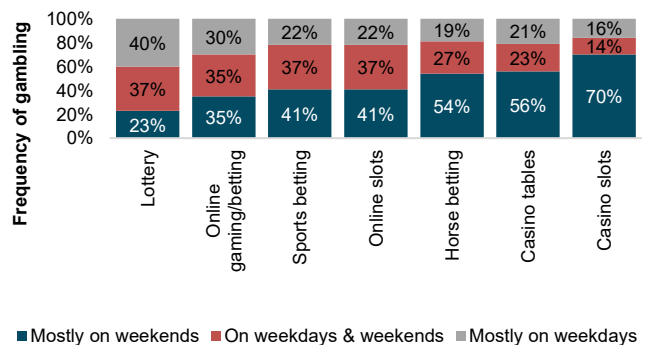
Source: InfoQuest and SBG Securities analysis

Figure 48: c. 63% of online bettors use money they cannot afford to lose



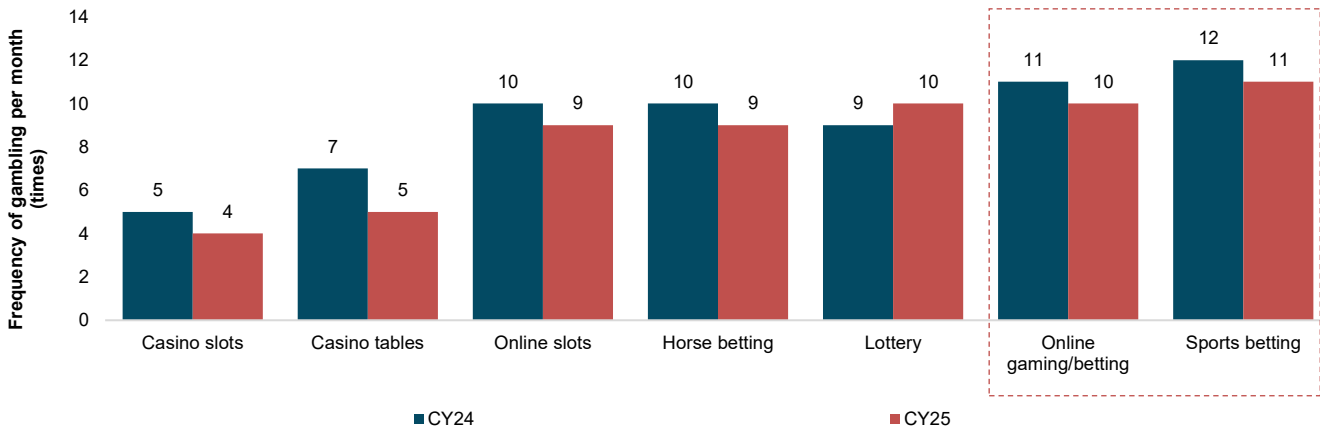
Source: InfoQuest and SBG Securities analysis

Figure 49: Lottery and online gaming see the highest frequency of play across both weekdays and weekends.



Source: InfoQuest and SBG Securities analysis

Figure 50: Online betting and sports betting have the highest frequency per month in SA



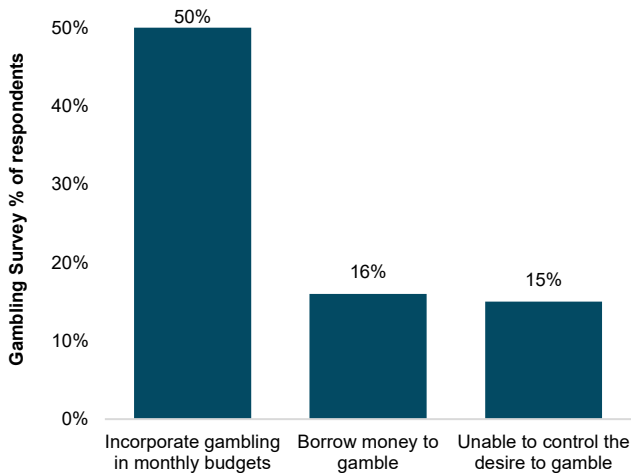
Source: InfoQuest and SBG Securities analysis

Growing signs of gambling addiction are emerging in South Africa, marked by financial distress, inability to control urges, and negative impacts on personal and family wellbeing.

Gambling addiction is an emerging concern in South Africa, with growing signs of financial strain and negative social impact among bettors. According to an InfoQuest survey, 16% of gamblers admit to borrowing money to gamble, while 15% report being unable to control their urge to gamble—indicating potential addiction behaviour. However, the actual prevalence may be understated due to stigma and social sensitivities around addiction.

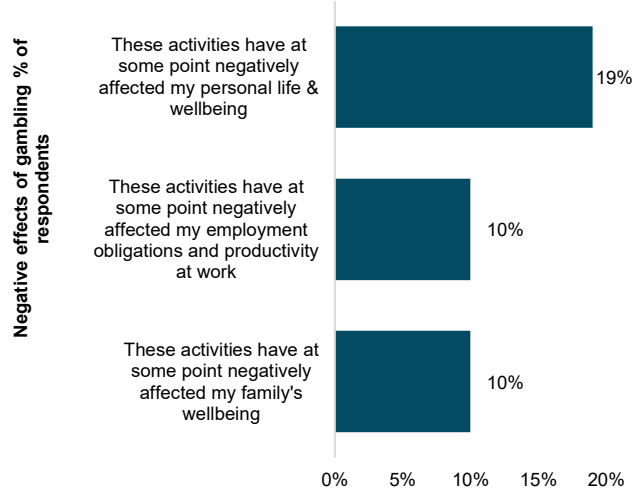
The impact extends beyond finances. Around 19% of gamblers say their wellbeing has been negatively affected, and 10% report that gambling has harmed their work productivity and family’s wellbeing. While 50% of gamblers include gambling in their monthly budgets, a significant portion experiences distress. **Notably, 1 in 5 gamblers have either sought help in the past (12%) or are currently seeking help (7%) for gambling-related issues.**

Figure 51: 15% of gamblers are struggling to control the desire to gamble



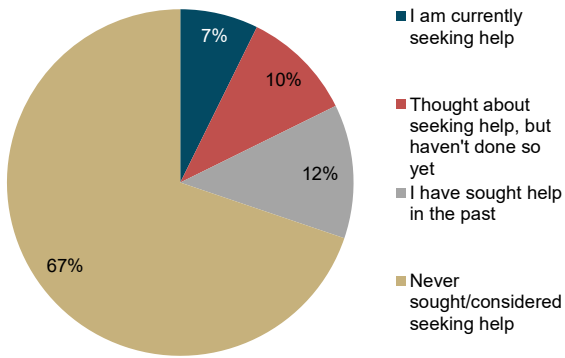
Source: InfoQuest and SBG Securities analysis

Figure 52: Gambling mostly affects personal wellbeing.



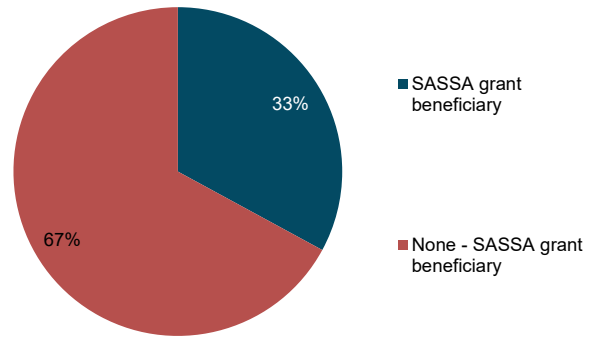
Source: InfoQuest and SBG Securities analysis

Figure 53: 1 in 5 gamblers have either sought help in the past or are currently seeking help



Source: InfoQuest and SBG Securities analysis

Figure 54: 33% of people that visit betting sites are beneficiaries of the SASSA grant



Source: Eighty20 and SBG Securities analysis

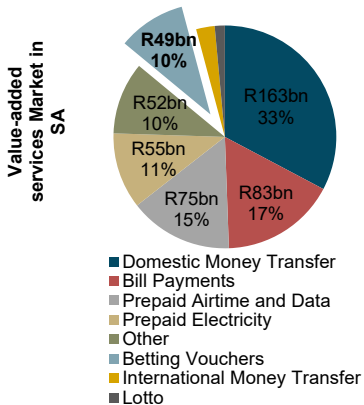
In CY23, the National Gambling Board noted that an estimated 60% of SASSA recipients engage in gambling

Easy access to betting turning social grants into gambling chips?

The growing overlap between social grant recipients and online gambling is raising red flags among policymakers, revealing a critical social issue in South Africa. In CY24, Rise Mzansi MP Makashule Gana specifically highlighted the concerning link between SASSA social grants and gambling addiction, a concern increasingly supported by empirical evidence.

The MAPS survey indicates that c. 33% of individuals visiting betting websites are SASSA beneficiaries, while the National Gambling Board (NGB) reported an even more alarming figure in 2023: an estimated 60% of SASSA recipients engage in gambling.

Figure 55: Betting vouchers are worth c. R49bn in SA

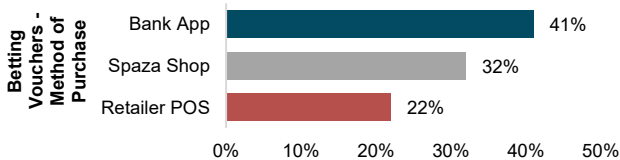


Source: Electrum and SBG Securities analysis

OTT vouchers: fuelling frictionless access?

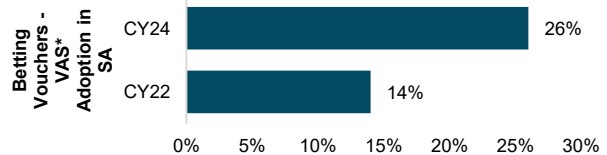
- The widespread rise of Over-The-Top (OTT) vouchers could be one of the key enablers of this trend, serving as the primary cash-to-digital on-ramp for South Africa's online betting market. Accepted at over 200,000 retail outlets including spaza shops, petrol stations, and large retail chains, OTT vouchers offer near-universal access, even in rural and low-income areas.
- Today, more than 3 million South Africans use OTT vouchers, drawn by their affordability (usable from as little as R5), zero transaction fees, and instant, anonymous deposits across virtually all licensed betting platforms. This frictionless, unregulated access has made it easier than ever for vulnerable groups, including grant recipients, to gamble frequently and with minimal oversight.
- According to Electrum, the market for betting vouchers is worth c. R49bn, representing about 10% of the total value-added services (VAS) market in South Africa. Of users, 59% buy vouchers at retail outlets (with spaza shops the most popular), while 41% purchase through banks. The adoption rate has nearly doubled, from 14% to 26%, reflecting growing usage.

Figure 56: Betting vouchers are mostly purchased through banks in SA



Source: Electrum and SBG Securities analysis

Figure 57: Usage of betting vouchers almost doubled in two years.



Source: Electrum and SBG Securities analysis, *VAS – Value-Added Services.

These observations suggest an increase in social challenges. The number of people seeking help for gambling addiction has surged nearly eight-fold, from 375 in 2020/21 to 2,977 in 2023/24. In our view, this spike could be partly attributed to the explosive growth of mobile and voucher-funded betting, particularly in cash-strapped communities with limited financial literacy and high dependence on social grants.

South Africa grapples with gambling taxation reform amidst industry growth and social harm

South Africa's booming betting industry presents a policy dilemma: rapid consumer growth is clashing with rising public health concerns, triggering calls for stricter regulation, enhanced consumer protection, and tax reform. At the heart of this debate is whether the current tax framework—focused primarily on operators—remains fit for purpose amid mounting social costs.

Current tax structure and growing scrutiny

- Operators pay VAT and provincial gaming tax/levy:**
 Betting operators in South Africa pay output VAT on all bets received and may claim input VAT on winnings paid, resulting in a net VAT liability effectively based on Gross Gaming Revenue (GGR). For the 12-months to Mar'24, we estimate net VAT paid by betting operators at c. R4.7bn. We also note that South African is one of the few countries that levies VAT on betting.
 In addition, gambling operators **pay a provincial gaming tax - separate from VAT, based on Gross Gaming Revenue (GGR)**. This tax contributes over R4bn annually to provincial government funds, with online betting accounting for 39%. **Online betting operators currently have the lowest tax rate (6.5%) in the sector** (Retail-betting: 7.6%, Bingo: 8.6%, Casino: 10.2% and Limited Pay-out machines: 11.9%).
VAT flows to the national treasury, while gaming tax supports the provincial fiscus. Based on both VAT and provincial gaming tax, we estimate the effective tax rate for online betting operators is around 20%. For context, a 2016 study by Copenhagen Economics found the optimal GGR-based tax rate **for balancing tax revenue and high channelisation (promoting legal betting vs illegal)** falls between 15% and 20%. The study further noted that tax-rates below 15% may lead to incremental increases in an already high level of channelisation, but at the expense of substantially lower tax-revenues.
- Personal income tax:**
Casual gamblers are largely exempt from income tax: Winnings from purely recreational gambling are not taxed.
Professional gamblers pay income tax: Winnings are fully taxable if gambling is a consistent income source, with SARS evaluating frequency and scale to determine taxability.

We estimate that online betting operators in SA face an effective tax rate of c. 20%, which falls within the optimal range of 15% to 20% identified by Copenhagen Economics.

Casual gambling windfalls are exempt from income tax while professional gambling winnings are taxed

The resurgence of a 'sin tax'

Mounting concerns over rising online gambling activity, especially among vulnerable groups such as low-income earners and social grant recipients have reignited calls for a 'sin tax' on gambling. **At the centre of the debate is efficacy of the sin-tax and whether such a tax should target gambling operators' gross revenue or be levied directly on individual winnings.**

In 2011, Finance Minister Pravin Gordhan proposed a 15% withholding tax on gambling winnings over R25,000, set for April 2012. The plan was later scrapped due to industry opposition and administrative challenges, including difficulties in tracking individual wins in excess of R25 000 and defining taxable amounts and the likelihood of pushing more gambling activities into the formal sector, among other factors.

Political parties like Rise Mzansi and Build One South Africa (BOSA) have revived the idea, now advocating for a 6% 'sin tax' on the gross revenue of online gambling operators instead on winnings. Based on Mar'23/24 online betting revenue of R28.97bn, this could generate c. R1.74bn in additional revenue. Proponents argue that such funds could be used to support addiction treatment, public health education, and potentially offset VAT increases, acknowledging the growing social harms of gambling.

Gordhan's 2011 tax on winnings above R25 000 was shelved—will a new approach fare better?

Caveats and opposition to a ‘sin tax’

Despite the revenue potential, significant caveats and opposition exist for a sin tax on winnings:

- Risk of migration to illegal gambling channels**
While operators already pay tax, experts warn that introducing a sin tax on GGR would likely lead to costs being passed on to players through less favourable odds or higher fees—potentially driving consumers to illegal gambling platforms, as seen in several countries following similar tax measures.
Deloitte cautions that sin taxes on winnings carry similar risks. Without tackling the illicit gambling market—estimated at 30% to 40% the size of the legal market—or tracking offshore winnings, revenue targets will likely fall short. Deloitte recommends closing tax gaps and standardising excise rules across provinces.
Given the scale of illegal gambling, other critics call for streamlining provincial regulations, strengthening enforcement against unlicensed operators, and modernising data systems to better understand the industry’s true size.
- Behavioural pitfalls:** Critics argue that sin tax on winnings could allow gamblers to offset losses for tax purposes, potentially incentivizing harmful behaviour, as players may gamble more to reduce taxable winnings.
- Threat to jobs and investment:** Industry experts contend that taxing individual winnings, as opposed to increasing taxes on operators, would avert job losses (a significant concern given high unemployment in SA) and prevent reduced investment within the gambling sector.
- Effectiveness concerns:** Critics highlight the low-price elasticity of addictive products as seen on alcohol and tobacco, suggests a sin tax alone may not deter problem gambling. Further highlights that broader regulatory measures such as advertising restrictions and tackling socioeconomic drivers like unemployment may prove more impactful.

Critics argue that similar to alcohol/tobacco, a sin tax on gambling may not deter addiction; broader regulatory and social interventions are likely more impactful

Rethinking the path forward: targeting players may be more effective

While online betting operators may face a tax hike in the near term due to their relatively low current rates in the sector (see Figure 59), the effectiveness of this in curbing excessive gambling or significantly boosting SARS revenue is debatable. **In our view, taxing player winnings, despite some challenges may offer greater impact in both revenue generation and behavioural deterrence than increasing operator taxes alone. We note this method of attaining tax from betting is more prevalent on the African continent. That said, estimating the potential revenue generating opportunity for SARS under a withholding tax on net winnings regime is challenging considering the recycling of seed capital/deposits.**

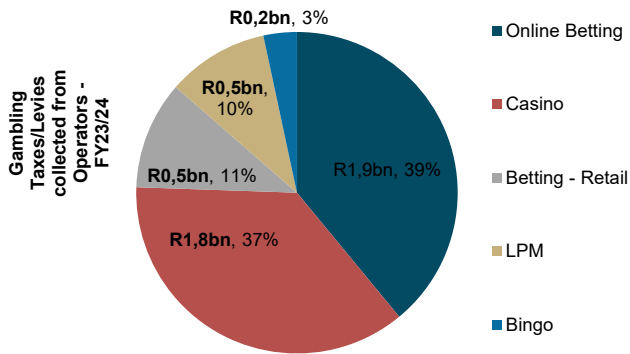
Alternatively, a model similar to **Kenya’s recent shift to a 5% excise duty on deposits** (replacing 15% of stakes) could be more effective, in our view, as it targets the player directly while keeping the effective tax burden on the operator within the optimal 15%–20% range that supports strong tax revenue and while sustaining the underpin for legal betting.

Unlike South Africa, countries that do not levy VAT on betting, tend to impose higher taxes on GGR or winnings. Interestingly, few countries levy tax on stakes. **We believe introducing excise tax on betting deposits could be a more balanced and efficient approach.** Assuming an excise tax of 5% on deposits, it could raise c. R5bn in revenue for SARS.

We contextualise the tax on deposits relative to BOSA’s suggestion of 6% sin tax on GGR, which not only would raise lower tax for the fiscus (R1.7bn vs. c. R5bn), but could also raise the blended revenue tax levied on operators to 26%, above the optimal range suggested by Copenhagen Economics.

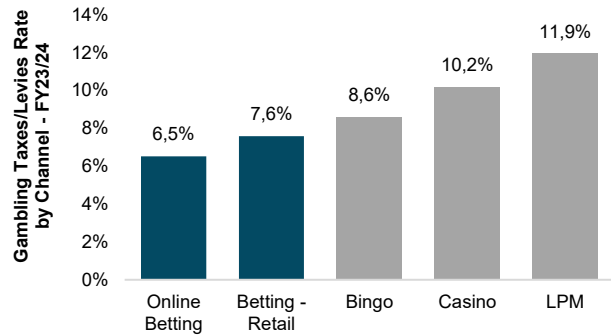
Deposit tax: A less taxing approach for operators, a more direct one for players?

Figure 58: Online betting contributes c. 39% of total taxes/levies paid by Gambling operators in South Africa



Source: National Gambling Board and SBG Securities analysis ** FY represents 12m to March

Figure 59: Betting (online and retail) have the lowest taxes/levies within the gambling industry in South Africa



Source: National Gambling Board and SBG Securities analysis ** FY represents 12m to March

Figure 60: Betting tax systems across various countries including South Africa

Country	Betting tax on GGR	Betting Tax on stakes	Bettor - Net Winnings Withholding Tax	VAT on Betting	Personal income tax
South Africa	6.5%	N/A	N/A***	Yes: 15%	Yes – Professional players
Eswatini	13%	N/A	N/A	No	Yes – Professional players
Kenya	15%	5% on deposits**	20%	No	Yes – Professional players
Ghana	20%	N/A	10%	No	Yes – Professional players
Uganda	20%	N/A	15%	No	Yes – Professional players
UK	21%	N/A	N/A	No	Yes – Professional players
Zambia	25%	N/A	15%	No	No
Tanzania	25%	N/A	15%	No	No
USA	6.75% - 51%*	NA		No	Yes- All Players
Ethiopia	N/A	15%	15%	Yes: 15%	Yes – Professional players
Ireland	N/A	2%	N/A	No	Yes – Professional players
Australia	15%	N/A	N/A	No	Yes – Professional players

Source: Regan Van Rooy, State of Revenue Office Victoria, SBC News, Esports Insider and SBG Securities analysis. *Varies per State. ** As of July 2025, Kenya reduced its *excise duty* on bets from 15% to 5% as part of the National Parliament's 2025 Finance Bill, *despite concerns over a gambling surge*. At the same time, punters will now be taxed when the money is moved from a mobile wallet to a betting account, instead of when a bet is made. ***Bettor winnings from horse racing attract a withholding tax of 6% in SA.

Gambling regulatory environment in South Africa

South Africa's gambling industry has undergone a significant transformation from near-total prohibition to a regulated market. **Prior to 1996, gambling was largely illegal except for horse racing betting. The proliferation of illegal casinos in the 1990s prompted the government to act.**

- **Wiehahn Commission (1995):** Recommended regulation of gambling and allocation of a portion of gross profits for public benefit.
- **National Gambling Act, 1996:** Established the legal framework for land-based casinos and other gambling activities.
- **Amendment in 2004:** Updated the Act to introduce more comprehensive regulation and coordination between national and provincial authorities.

Licensed sports betting is allowed, but online casinos are prohibited. Operators bypass this by offering casino-style games as bets, driving growth in a loosely regulated space.

Online gambling: the regulatory grey area in South Africa

South Africa's online gambling sector currently exists in a regulatory grey area. According to the National Gambling Act (NGA) of 2004, online sports betting and horse race betting are legal when licensed by provincial authorities. However, online casinos and interactive gambling activities—such as poker, slots, and bingo—remain illegal under Section 11 of the NGA.

Just as unregulated land-based casinos forced legislative change in the 1990s, the rapid rise of online betting workarounds is creating similar pressure today. Legalisation may be delayed but it's increasingly inevitable, in our view.

Could history repeat itself? The current situation mirrors the late 1990s, when land-based casinos were technically illegal but had become widespread. Faced with growing public participation, the government was eventually compelled to legalise and regulate the sector through the National Gambling Act of 1996. **Given this precedent, it is reasonable to expect that regulators will, sooner or later, move to formally legalise and regulate online gambling as well.**

How Operators Circumvent Restrictions: Despite these restrictions, operators have found ways to offer casino-like experiences by leveraging a legal loophole. They provide "numbers-style draw games" that mimic traditional casino games but are legally structured as betting products under sports betting laws.

- These games resemble casino games in look and feel but are based on betting outcomes of random draws (e.g., lucky numbers or virtual lotteries).
- Because these are classified as **fixed-odds bets rather than direct casino gameplay**, they fall under the legal framework for sports betting.
- For example, instead of spinning a roulette wheel, players bet on the outcome of a random number draw designed to simulate roulette. **This approach allows operators to offer casino-style entertainment while technically complying with current legislation.**

Legislative Attempts and Current Status: Efforts to formally regulate online gambling have a long history but have faced significant delays:

- The National Gambling Amendment Act of 2008 was intended to regulate interactive gambling but was never fully enacted because it was passed but not signed into law by the President.
- The Remote Gambling Bill of 2024, introduced by the Democratic Alliance (DA), represents a renewed attempt to close this regulatory gap. This Bill aims to establish a unified legal framework to regulate, license, and control all forms of remote gambling, including online casinos, sports betting, and virtual gambling games. **Key objectives of the Bill include:** (1) Promoting responsible gambling (2) Protecting minors and vulnerable players (3) Preventing illegal and criminal gambling activities (4) Generating tax revenue for the state.

South Africa’s online gambling sector faces a turning point: decades of uncertainty may end.

Current Status and Outlook: Both the National Gambling Amendment Act and the Remote Gambling Bill remain under parliamentary consideration with no fixed deadline for final passage. (1) The Amendment Act was in parliamentary mediation as recently as May 29-30, 2025. (2) The Remote Gambling Bill (B11-2024) is awaiting tabling before the Portfolio Committee of the Department of Trade, Industry and Competition.

If enacted, these laws would end a 16-year regulatory vacuum, introducing much-needed structure, consumer protection, and new revenue streams to South Africa’s online gambling market

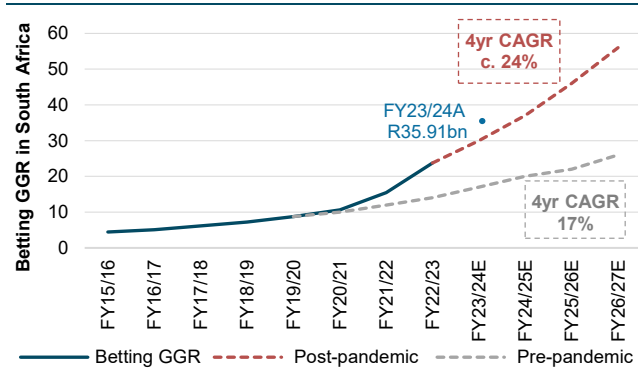
Figure 61: Key gambling regulators in South Africa

Regulator	Role	Main Responsibilities
DTIC (Department of Trade, Industry & Competition)	National policymaker	Drafts gambling laws Oversees national strategy Supervises the National Gambling Board
NGB (National Gambling Board) - Becoming National Gambling Regulator (NGR)	National standards & oversight	Sets national rules Monitors provincial compliance Manages exclusion register Publishes industry data
Provincial Licensing Authorities (9 in total)	Provincial licensing & enforcement	Issue operator licences Enforce rules locally Collect gambling taxes Monitor operator conduct

Source: iGaming Today and SBG Securities analysis

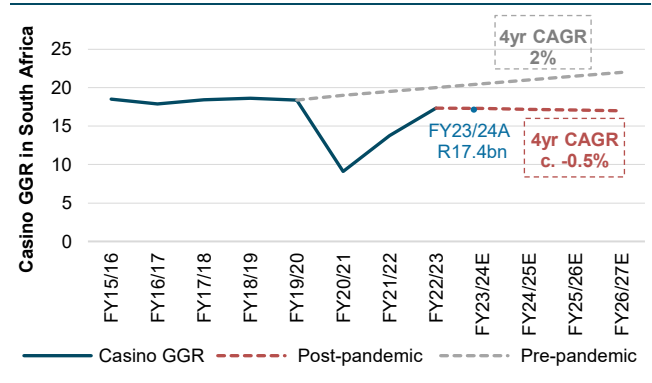
Appendix A: National gambling board forecasts

Figure 62: NGB forecasts annual growth of c. 24% on betting in SA



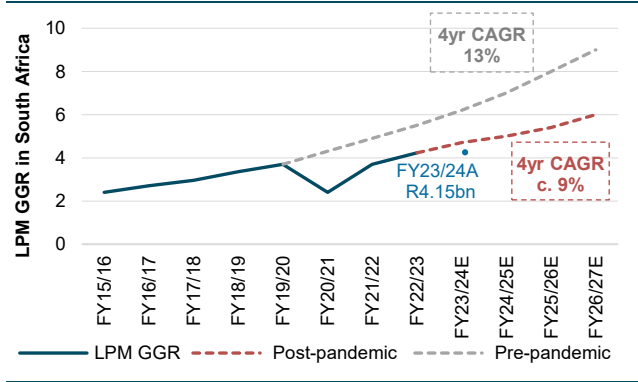
Source: National Gambling Board and SBG Securities analysis ** FY represents 12m to March

Figure 63: NGB forecast casino GGR could be relatively flat over the MT*



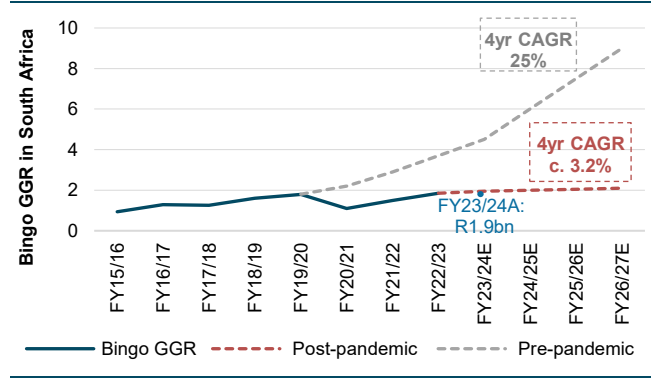
Source: National Gambling Board and SBG Securities analysis ** FY represents 12m to March

Figure 64: NGB forecast annual growth of c. 9% on LPMs in SA



Source: National Gambling Board and SBG Securities analysis ** FY represents 12m to March

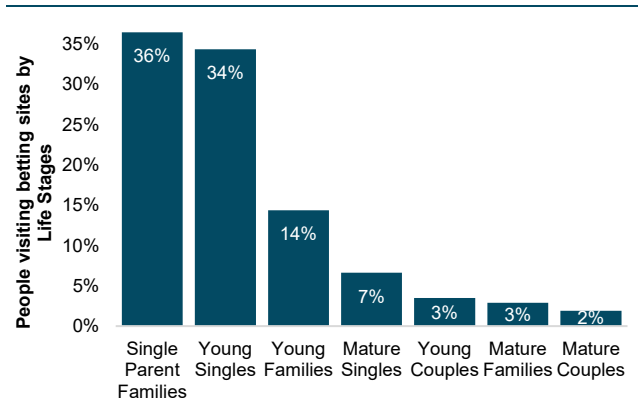
Figure 65: NGB forecast annual growth of c. 3% on Bingo in SA



Source: National Gambling Board and SBG Securities analysis ** FY represents 12m to March

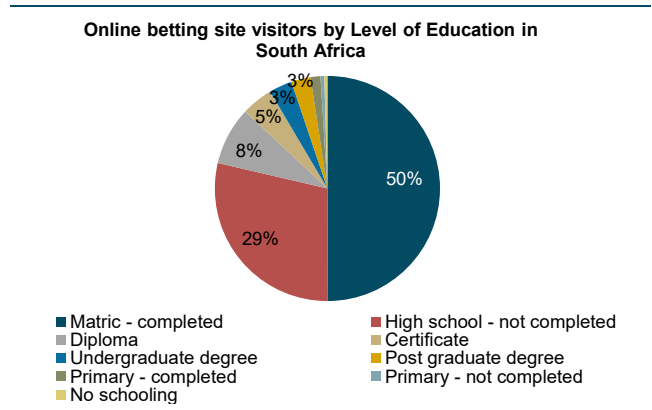
Appendix B: Other

Figure 66: Eighty20 estimates c. 4.1m visits betting sites in South Africa



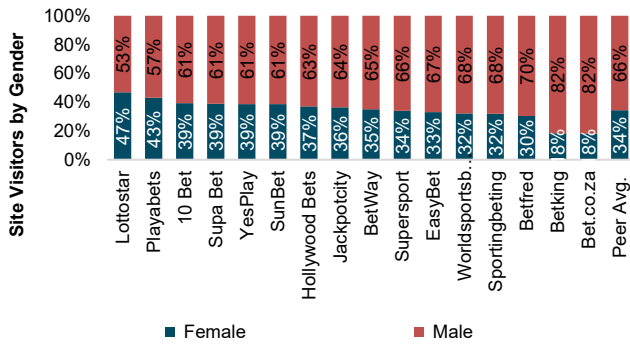
Source: Eighty20 (MAPS) and SBG Securities analysis

Figure 67: Online betting player has at least secondary education in SA



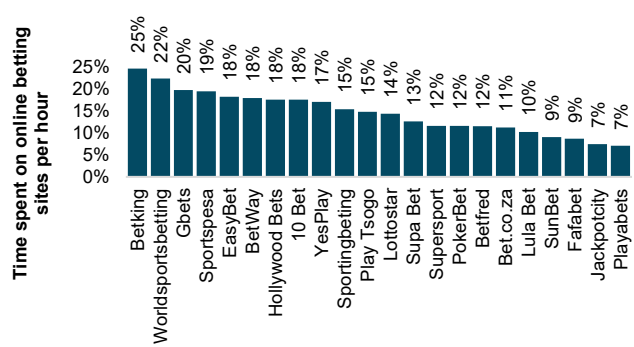
Source: Eighty20 (MAPS) and SBG Securities analysis

Figure 68: Males are the majority visitors on online betting sites



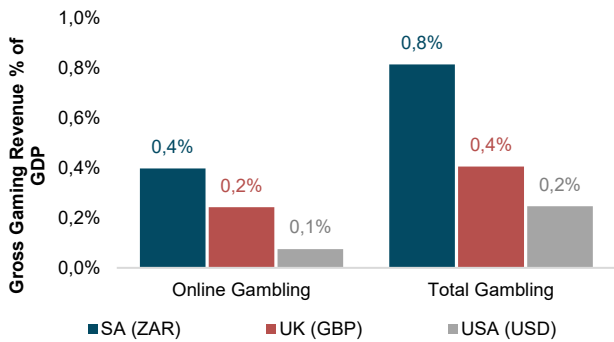
Source: Similarweb and SBG Securities analysis

Figure 69: Time spent on online betting sites per hour



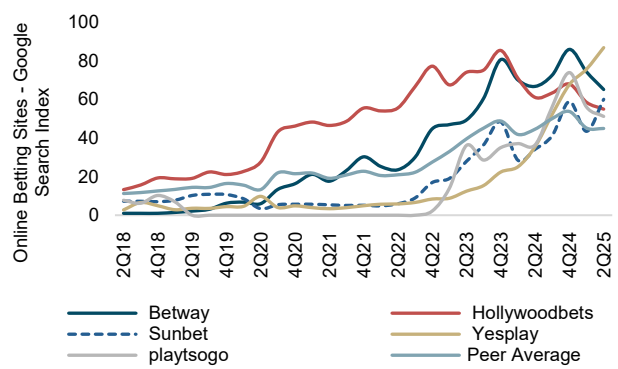
Source: Similarweb and SBG Securities analysis

Figure 70: SA's GGR share of GDP is high relative to developed countries



Source: NBG, UK gambling commission, American Gaming Association, Google and SBG Securities analysis *online gambling includes sports betting and casino style games.

Figure 71: YesPlay has the highest interest in SA based Google search index



Source: Google search and SBG Securities analysis

Figure 72: Summary of online betting operators in South Africa

Operator	Origin	Key Products	Notes
Hollywoobets	South Africa	Sports betting, Lucky Numbers, Spina Zonke	Market leader; strong retail + online presence; extensive sports coverage
Betway South Africa	Foreign (UK/Kenya)	Sports betting, Live Games, Slots	Aggressive marketing; global brand
Supabets	South Africa	Sports betting, Live Games, Numbers	Local player with a growing digital presence
Sportingbet SA	Foreign (UK – Entain Group)	Sports betting, Live Casino, Games	Strong brand recognition
SunBet	South Africa	Sports betting, Live Games	Owned by Sun International, leveraging casino brand
World Sports Betting	South Africa	Sports betting, Lucky Numbers, Casino	Long-standing in SA market
Lulabet	South Africa	Sports betting, Live Games	Newer local entrant with strong digital-first strategy
Gbets	South Africa	Sports betting, Casino Games	Focused on sports; part of a broader retail gaming group
Bet.co.za	South Africa	Sports betting, Casino	Backed by JSE-listed TSG; rebranding and tech upgrades in progress
Playabets	South Africa	Sports betting, Live Casino	Smaller operator; focused on sports fans
WSB (World Sports Betting)	South Africa	Sports betting, Lotto, Casino	Competitive odds; loyal customer base
10Bet SA	Foreign (UK/EU)	Sports betting, Games	Global brand with African expansion strategy
Betfred SA	Foreign (UK)	Sports betting, Retail, Games	Acquired Betting World and Sepels; expanding online footprint
TopBet	South Africa	Sports betting, Casino	Lower-tier local brand with strong retail roots
YesPlay	South Africa	Live Games, Lucky Numbers	Focus on lotto, keno, roulette-like games
PalaceBet	South Africa	Sports betting, Live Games	Integrated with Emperors Palace brand
PlayTSOGO	South Africa (Tsogo Sun)	Sports betting, Casino Games	Licensed in Western Cape; part of Tsogo Sun's digital strategy

Source: iGaming Afrika and SBG Securities analysis

Figure 73: Online Betting Ecosystem – Key Segments, Representative Firms, and Compensation Models

Segment	Primary Role in Ecosystem	Examples of Firms	Typical Compensation Model
1. Operators (Bookmakers and Totalisators)	Customer-facing brands offering sports betting, lucky numbers, live games, etc.	Hollywoodbets (market leader) Betway SA (global, locally licensed), SunBet, YesPlay etc.	Generate Gross Gaming Revenue (GGR) from bettors through wagers. Pay ecosystem partners (platforms, developers, aggregators) via revenue share or fees.
2. Platform & B2B Providers	Provide sportsbook engine, player account management, KYC, CRM, risk tools	BetConstruct, Pronet Gaming SBTech (DraftKings), Kambi	Typically compensated via licensing fees, revenue share on GGR, and integration/setup fees for platform deployment.
3. Game Developers / Producers	Develop games such as slots, virtual sports, live tables, and lucky draws	Evolution, Pragmatic Play, Kiron Interactive (SA-based), Inspired Entertainment, Play'n GO, Red Tiger	Paid via revenue share on game-specific GGR, sometimes supplemented by licensing fees or hybrid models with operators or aggregators.
4. Aggregators	Provide multi-studio game access via a unified integration layer	Iforium, EveryMatrix, SoftSwiss, Pariplay, BetConstruct (dual role)	Earn revenue share on aggregated game GGR, share fees with game developers, and may charge subscription or platform access fees to operators.
5. Payment Providers	Facilitate real-time deposits and withdrawals via cash vouchers, EFT, and mobile money	Ozow (EFT), 1Voucher / OTT Voucher, Kazang, Zapper, FNB eWallet, Flash	Typically charge transaction fees per deposit/withdrawal, which can be a flat fee, or a percentage of the amount processed.
6. Regulators	Oversee licensing, compliance, AML/KYC, and taxation	National Gambling Board (NGB) and Provincial Gambling Boards	Funded through licensing fees, regulatory levies on operator GGR, and penalties/fines to enforce compliance and governance.

Source: iGamingbusiness, TechCentral, SoftSwiss and SBG Securities analysis

Companies Mentioned (Price as of 2025/07/22)

Boxer (BOXJ.J, R68.49, HOLD, TP R73.00)
Capitec (CPIJ.J, R3,460, BUY, TP R4,000)
Clicks (CLSJ.J, R364.76, BUY, TP R450.00)
Dis-Chem Pharmacies (DCPJ.J, R31.54, BUY, TP R43.00)
Evolution (EVO-SK, 838.6 (SEK), Not Covered)
Kambi Group (KMBIF.PK, 14.33 (USD), Not Covered)
Mr Price (MRPJ.J, R215.00, BUY, TP R293.00)
Pepkor (PPHJ.J, R26.95, BUY, TP R35.00)
Pick n Pay (PIKJ.J, R26.63, SELL, TP R30.00)
Playtech (PTEC-LN, 389.5 (GBX), Not Covered)
Shoprite (SHPJ.J, R274.40, BUY, TP R336.00)
Sun International (SUIJ.J, R47.47, BUY, TP R57.06)
Super Group (SPGJ.J, R17.44, Not Covered)
The Foschini Group (TFGJ.J, R127.76, BUY, TP R160.00)
Truworths (TRUJ.J, R69.80, BUY, TP R103.00)
Tsogo Sun Holdings Ltd (TSHJ.J, R20.22, Not Covered)
Woolworths (WHLJ.J, R48.34, BUY, TP R70.00)

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