



Eilers&Krejcik
Gaming

Online Casino In Illinois: Market Size And Tax Revenue Forecasts

NOVEMBER 2024

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Disclosure

In November 2024, Eilers & Krejcik Gaming was retained by the Sports Betting Alliance to prepare estimates of market size and tax revenue for legal online casino in Illinois under various scenarios.

About Eilers & Krejcik Gaming



Eilers & Krejcik Gaming LLC is an independent research and consulting firm headquartered in Newport Beach, California. The firm's focus is on product, market, and policy analysis related to the global regulated gambling market. Clients include operators, suppliers, private equity and venture capital firms, institutional investors, and state governments.

The firm's work on the U.S. regulated online casino issue includes a series of 50-state projections that have become the widely accepted basis for discussion of the U.S. market's potential. Past state-governmental engagements have included West Virginia and Indiana, for which Eilers & Krejcik Gaming provided comprehensive market projections, economic impact projections, and fiscal analyses relating to sports betting and online casino.

Glossary

Online casino: Casino gaming, such as slots and table games, conducted by consumers over the internet. The term "mobile" is often used interchangeably with "online," but we note that not all online casino takes place via mobile devices (i.e., wagering through a desktop computer).

Slots, slot machines, or slot gaming: Slot machine gaming conducted over the internet.

Electronic table games: Table games, including but not limited to blackjack, roulette, and baccarat, that are conducted without human dealers over the internet. Also inclusive of video poker.

Live dealer games: Table games, including but not limited to blackjack, roulette, and baccarat, that use human dealers to conduct such games in real time over the internet. Also inclusive of TV game show-style games hosted by humans and conducted in real time over the internet.

Table games: A term used to describe the combination of electronic table games and live dealer games.

Poker / other: Peer-to-peer poker and other games (e.g., bingo) conducted over the internet.

Gross gaming revenue (or GGR): Topline revenue for online casinos. GGR is commonly understood to refer to the total amount wagered less the amount paid out in winning bets. Note that individual states may have unique definitions of GGR that are utilized to determine taxable revenue.

Ramp-up period (or ramp-up): The period of time between the launch of an online casino market and the realization of the baseline maturity value of that market (i.e., when the market exits the initial period of rapid growth and settles into more gradual growth).

CAGR: Compound annual growth rate.

Executive Summary



- **In this report we present four forecasting scenarios for the legal Illinois online casino market:** 1) All Products, 2) Slots & Live Dealer Only, 3) Table Games Only, and 4) Live Dealer Only. Note that our forecasts for Scenarios 2-4 flow from our foundational All Products forecast in Scenario 1.
- **Market size and tax revenue is largest in scenarios where product offerings are least restricted.** Scenarios 1 and 2, in which slots would be allowed, are significantly larger than Scenarios 3 and 4, in which slots would not be permitted. More in the data tables at right.
- **Slots are, by far, the highest-grossing online casino product.** Using state-reported data, alongside proprietary real-world data we are collecting each month from U.S. online casino operators, we estimate that slots account for around 70% of U.S. online casino GGR.
- **Most states have not taken a restrictive approach to online casino product authorization.** Online casino markets that we consider suitably comparable to Illinois—namely, Michigan, New Jersey, and Pennsylvania—allow operators to offer slots and table games.
- **Our forecasts are powered by data from comparable U.S. markets.** Michigan, New Jersey, and Pennsylvania, given their population size and open licensing models, provide useful lenses through which to appreciate the full GGR potential of the Illinois market.
- **Our forecasts are highly speculative.** That’s because Scenarios 2-4 are largely unprecedented and so required guesswork about how authorized products recapture demand from non-authorized products. Given that, we present our forecasts for those scenarios as ranges (i.e., base vs. high).
- **Our tax rate forecasts are illustrative.** We derived a composite GGR tax rate from the underlying comparable market data and applied it to our Illinois forecasts. We use that rate illustratively to provide an approximate sense of tax revenue capture potential in Illinois across scenarios. Tax rate recommendations were beyond the scope of this report.

Scenario 1: All Products

	Year 5
Total GGR	\$3.07bn
Total Tax Revenue	\$755mm

Scenario 2: Slots & Live Dealer Only

	Base – Year 5	High – Year 5
Total GGR	\$2.86bn	\$2.94bn
Total Tax Revenue	\$703mm	\$724mm

Scenario 3: Table Games Only

	Base – Year 5	High – Year 5
Total GGR	\$992mm	\$1.26bn
Total Tax Revenue	\$244mm	\$311mm

Scenario 4: Live Dealer Only

	Base – Year 5	High – Year 5
Total GGR	\$667mm	\$933mm
Total Tax Revenue	\$164mm	\$230mm

Source: Eilers & Krejcik Gaming Research And Estimates
 Note: All model outputs in 2024 U.S. dollars

§1. Introduction To Online Casino

In this section, we provide an overview of online casino policy and market fundamentals.



How States Have Approached Online Casino Legalization

Key Takeaway: In the status quo, eight states accounting for around 13% of the U.S. adult population have authorized online casino. Nearly every state allows a broad mix of online casino products (i.e., slots, table games, and poker). Licensing models (e.g., monopoly vs. competitive market) and tax rates, meanwhile, vary by state. We note that states of or around Illinois’ adult population size—namely, Michigan, New Jersey, and Pennsylvania, highlighted below—have authorized competitive markets with tax rates ranging from 16% to 54%, depending on the product type.

Overview Of State Approaches To Online Casino

○ State with an adult population size similar to Illinois

	Authorized Products	Authorized No. Of Operators	Tax Rates ¹		
			Slots	Table Games	Poker
Connecticut	Slots, Table Games, Poker	2	18%-20%		
Delaware	Slots, Table Games, Poker	1 (Monopoly)	49.1%-52.5%	20%	20%
Michigan	Slots, Table Games, Poker	15	20-28%		
Nevada	Poker	Unlimited			3.5%-6.75%
New Jersey	Slots, Table Games, Poker	45	17.5%		
Pennsylvania	Slots, Table Games, Poker	Unlimited	54%	16%	16%
Rhode Island	Slots, Table Games ² , Poker	1 (Monopoly)	62.45%	16.5%	16.5%
West Virginia	Slots, Table Games, Poker	15	15%		

Source: Eilers & Krejcik Gaming Research And Estimates / State Legislatures And Regulators

¹ States define taxable revenue differently; the rates shown in this table are for illustrative purposes only

² RI currently restricts table games to live dealer table games

Slots Are The Largest Online Casino Product Segment, Accounting For 70% Of GGR

Key Takeaway: U.S. online casino markets are typically comprised of four core product segments: slots, electronic table games, live dealer games, and poker / other. As shown in the table below, slots are far and away the largest segment, typically accounting for around 70% of online casino GGR in a given market, followed by electronic table games (15%), live dealer games (13%), and poker / other (2%). Note that these percentage breakdowns are illustrative, reflect current market conditions, and will vary somewhat from market to market.

Overview Of Core Online Casino Products And The Percentage Of GGR For Which They Typically Account

Product	Description	Typical Share Of GGR
Slots	Slot machine gaming conducted over the internet.	70%
Electronic Table Games	Table games, including but not limited to blackjack, roulette, and baccarat, that are conducted without human dealers over the internet. Also inclusive of video poker.	15%
Live Dealer Games	Table games, including but not limited to blackjack, roulette, and baccarat, that are conducted with human dealers in real time over the internet. Also inclusive of TV game show-style games with human hosts conducted in real time over the internet.	13%
Poker / Other	Peer-to-peer poker and other games (e.g., bingo) conducted over the internet.	2%

Source: Eilers & Krejcik Gaming Research And Estimates / Eilers-Fantini U.S. Online Casino Game Performance Database

§2. Market Size Forecasts


In this section, we set out our market size forecasts for Illinois' legal online casino market.



How We Approached Forecasting Illinois Online Casino Market Size

Key Takeaway: This report features four forecasting scenarios for Illinois online casino—1) All Products, 2) Slots & Live Dealer Only, 3) Table Games Only, and 4) Live Dealer Only—which are summarized below. Scenarios 2-4 flow from Scenario 1 and rely on our assumptions about how authorized products recapture demand from non-authorized products. Because Scenarios 2-4 are largely unprecedented in the U.S. and required a highly speculative methodological approach (more in §4), our forecasts for those scenarios are shown as ranges (i.e., base vs. high).

Summary Of Illinois Online Casino Forecasting Scenarios

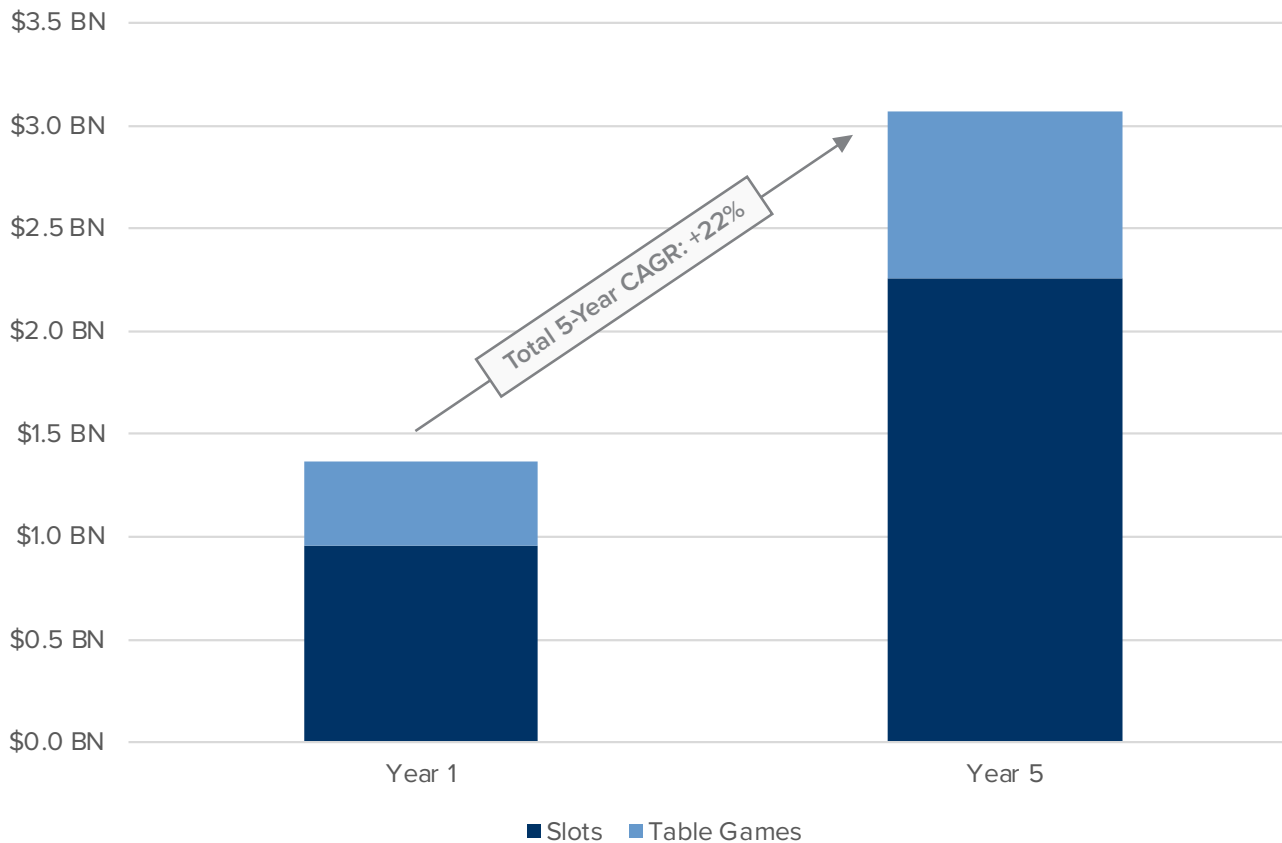
Scenario	Description	Total Year 5 GGR: Base	Total Year 5 GGR: High
	1. All Products <ul style="list-style-type: none"> All online casino products authorized Largest potential market size 	\$3.07bn	
	2. Slots & Live Dealer Only <ul style="list-style-type: none"> Slots and live dealer games authorized Electronic table games not authorized Second-largest potential market size 	\$2.86bn	\$2.94bn
	3. Table Games Only <ul style="list-style-type: none"> Electronic table games and live dealer games authorized Slots not authorized Third-largest potential market size 	\$992mm	\$1.26bn
	4. Live Dealer Only <ul style="list-style-type: none"> Live dealer games authorized Slots and electronic table games not authorized Smallest potential market size 	\$667mm	\$933mm

Source: Eilers & Krejcik Gaming Research And Estimates
 Note: All model outputs in 2024 U.S. dollars

Scenario 1: All Products Year 5 GGR Reaches \$3.07bn

Key Takeaway: In Scenario 1, all products (i.e., slots and table games) would be authorized. In Year 1, we estimate total GGR of \$1.36bn, rising to \$3.07bn in Year 5. Consistent with current market trends, explored in further detail in §1, we estimate that slots will account for the vast majority—or \$953mm (69.8%)—of online casino GGR in Year 1, increasing to \$2.26bn (73.6%) in Year 5.

Scenario 1: GGR By Product Years 1 And 5



Authorized Products

Slots	Authorized
Electronic Table Games	Authorized
Live Dealer Games	Authorized

Year 5 GGR

Slots	\$2.26bn
Table Games	\$811mm

5-Year CAGR

Slots	+24%
Table Games	+19%

Year 5 GGR Share

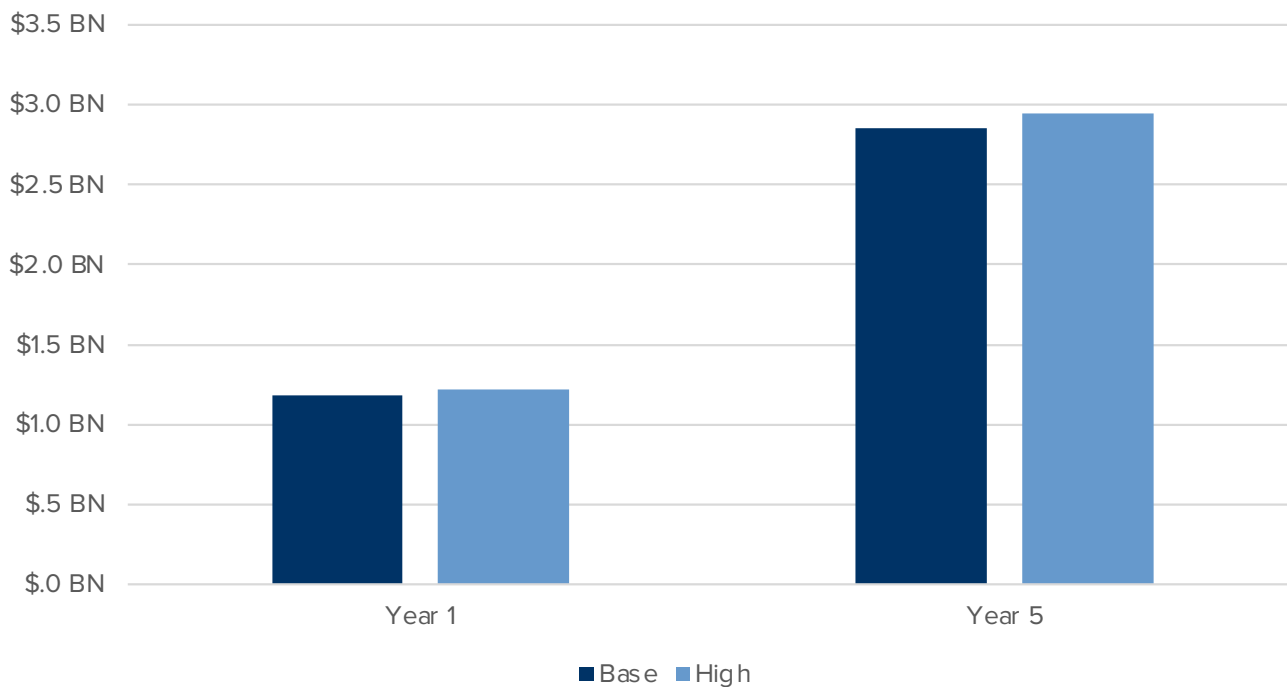
Slots	74%
Table Games	26%

Source: Eilers & Krejcik Gaming Research And Estimates
 Note: All model outputs in 2024 U.S. dollars

Scenario 2: Slots & Live Dealer Only Year 5 GGR Reaches \$2.86bn-\$2.94bn

Key Takeaway: In Scenario 2, slots and live dealer would be authorized. In Year 1, we estimate total GGR of \$1.18bn-\$1.22bn, rising to \$2.86bn-\$2.94bn in Year 5. We estimate that slots will account for \$958mm-\$963mm in Year 1, increasing to \$2.27bn-\$2.28bn in Year 5. As in Scenario 1, slots account for the vast majority—between 77.5% and 80.9%, depending on the year—of GGR in Scenario 2.

Scenario 2, Base vs. High: Total GGR Years 1 And 5



Base forecasts reflect lower demand recapture from non-authorized products, while **High** forecasts reflect higher demand recapture from non-authorized products.

Authorized Products

Slots	Authorized
Electronic Table Games	Not Authorized
Live Dealer Games	Authorized

Year 5 GGR

Base	\$2.86bn
High	\$2.94bn

5-Year CAGR

Base	+24%
High	+24%

Year 5 GGR vs. Scenario 1

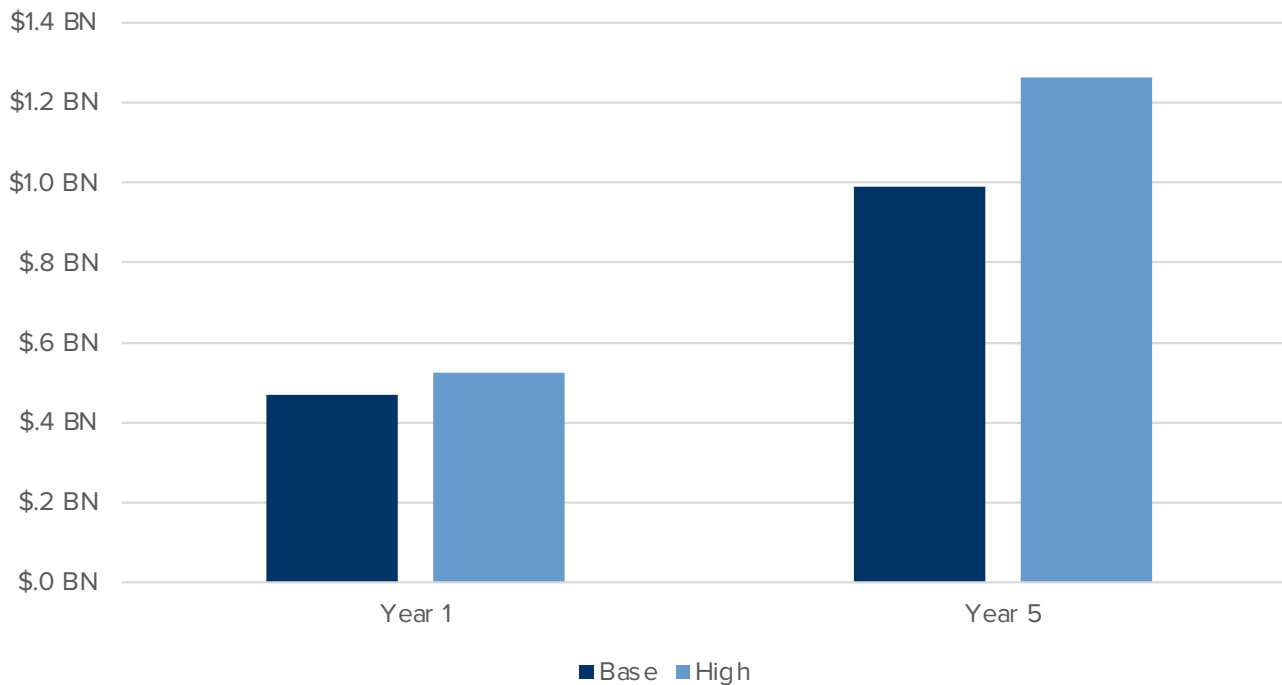
Base	-7%
High	-4%

Source: Eilers & Krejcik Gaming Research And Estimates
 Note: All model outputs in 2024 U.S. dollars

Scenario 3: Table Games Only Year 5 GGR Reaches \$992mm-\$1.26bn

Key Takeaway: In Scenario 3, only table games—that is, electronic table games and live dealer games—would be authorized. In Year 1, we estimate total GGR of \$468mm-\$525mm, rising to \$992mm-\$1.26bn in Year 5. Note that in the absence of slots, market size in Scenario 3 is considerably smaller than in Scenarios 1 and 2 (in which slots would be authorized).

Scenario 3, Base vs. High: Total GGR Years 1 And 5



Base forecasts reflect lower demand recapture from non-authorized products, while **High** forecasts reflect higher demand recapture from non-authorized products.

Authorized Products

Slots	Red (Not Authorized)
Electronic Table Games	Green (Authorized)
Live Dealer Games	Green (Authorized)

Year 5 GGR

Base	\$992mm
High	\$1.26bn

5-Year CAGR

Base	+21%
High	+25%

Year 5 GGR vs. Scenario 1

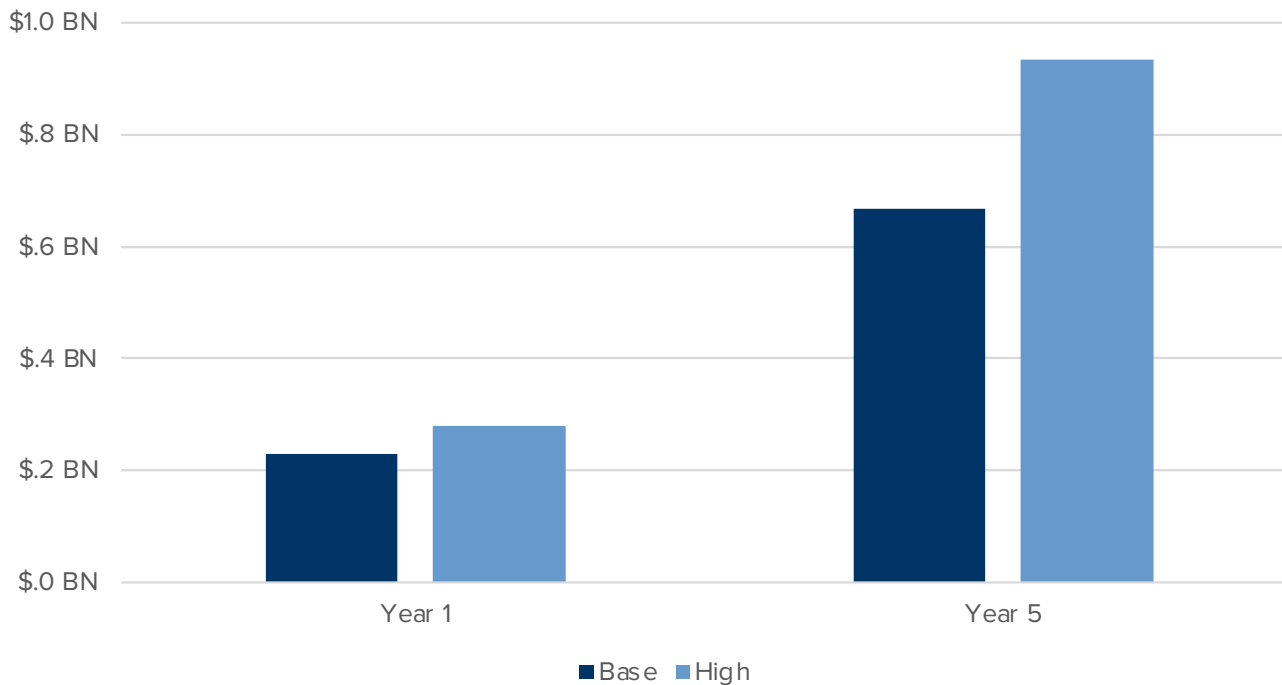
Base	-68%
High	-59%

Source: Eilers & Krejcik Gaming Research And Estimates
Note: All model outputs in 2024 U.S. dollars

Scenario 4: Live Dealer Only Year 5 GGR Reaches \$667mm-\$933mm

Key Takeaway: In Scenario 4, only live dealer games would be authorized, making it our most restrictive scenario. In Year 1, we estimate total GGR of \$229mm-\$280mm, rising to \$667mm-\$933mm in Year 5. Note that the base vs. high spread in Year 5 is the widest of all our modeling scenarios, reflecting our lower level of certainty about live dealer’s potential to recapture demand from slots and electronic table games.

Scenario 4, Base vs. High: Total GGR Years 1 And 5



Base forecasts reflect lower demand recapture from non-authorized products, while **High** forecasts reflect higher demand recapture from non-authorized products.

Authorized Products

Slots	Not Authorized
Electronic Table Games	Not Authorized
Live Dealer Games	Authorized

Year 5 GGR

Base	\$667mm
High	\$933mm

5-Year CAGR

Base	+31%
High	+35%

Year 5 GGR vs. Scenario 1

Base	-78%
High	-70%

Source: Eilers & Krejcik Gaming Research And Estimates
Note: All model outputs in 2024 U.S. dollars

§3. Tax Revenue Forecasts

In this section, we set out our tax revenue forecasts for Illinois' legal online casino market.



We Estimate Total Capturable Tax Revenue Of \$164mm-\$755mm In Year 5

Key Takeaway: Given that our Scenario 1 forecast was premised on comparable market data from Michigan, New Jersey, and Pennsylvania, we derived a composite tax rate from those states and applied it to our Illinois GGR forecasts across all scenarios (more on our methodology can be found in §4). Note that our estimates are blunt and illustrative, and are intended to provide an approximate sense—not a definitive projection—of Year 5 tax revenue capture potential in Illinois.

Illinois Online Casino Tax Revenue Estimates: Year 5

Scenario	Total Year 5 GGR: Base	Total Year 5 GGR: High	Tax Rate	Total Year 5 Tax Revenue: Base	Total Year 5 Tax Revenue: High
1. All Products	\$3.07bn		24.6%	\$755mm	
2. Slots & Live Dealer Only	\$2.86bn	\$2.94bn	24.6%	\$703mm	\$724mm
3. Table Games Only	\$991.6mm	\$1.26bn	24.6%	\$244mm	\$311mm
4. Live Dealer Only	\$666.7mm	\$932.9mm	24.6%	\$164mm	\$230mm

Source: Eilers & Krejcik Gaming Research And Estimates
Note: All model outputs in 2024 U.S. dollars

A Closer Look At Capturable Tax Revenue In Years 1 And 5

Key Takeaway: Below, we set out our full tax revenue estimates for Years 1 and 5 of each forecasting scenario. As on the previous slide, we assumed a 24.6% GGR tax rate for all scenarios in all years. We stress again that these estimates are illustrative and are intended to provide an approximate sense—not a definitive projection—of online casino tax revenue capture potential in Illinois in the market’s initial and more mature phases.

Illinois Online Casino Tax Revenue Estimates: Years 1 And 5

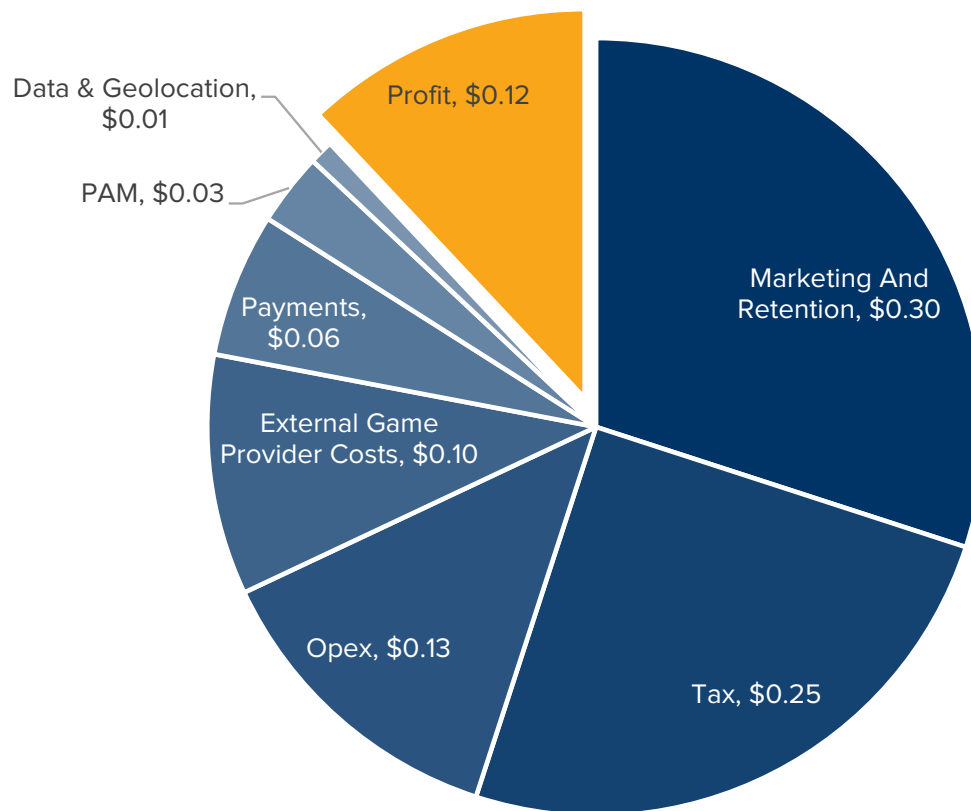
Scenario	Year 1: Base	Year 1: High	Year 5: Base	Year 5: High
1. All Products	\$336mm		\$775mm	
2. Slots & Live Dealer Only	\$291mm	\$301mm	\$703mm	\$724mm
3. Table Games Only	\$115mm	\$129mm	\$244mm	\$311mm
4. Live Dealer Only	\$56mm	\$69mm	\$164mm	\$230mm

Source: Eilers & Krejcik Gaming Research And Estimates
 Note: All model outputs in 2024 U.S. dollars

The Relationship Between Tax Rates And Marketing Spending

Key Takeaway: Online casino is a product with few sustainable differentiators, which means that significant marketing spending is required to acquire and retain customers. Generally speaking, the higher the tax rate imposed on operators, the less able they are to spend on marketing and promotions. And the less able operators are to spend on marketing and promotions, the less able they are to generate revenue.

Breakdown Of \$1 Of Online Casino GGR (Mature Market Setting)*



* Note: These are generic estimates that represent a market midpoint

- In the chart at left, we break down how a typical dollar of GGR is allocated by an online casino operator. For purposes of this analysis, we assume a 25% tax on online casino GGR—which aligns with the average tax rate across Michigan, New Jersey, and Pennsylvania.

- Of particular note is how much of a dollar in revenue is reinvested into marketing and retention. Marketing is necessary to educate consumers and to ensure a steady flow of new customers in order to offset attrition. Retention is similarly necessary to offset natural attrition and to defend against competitors from the illegal market.

- It is important to note that the cost concentration around marketing and retention is not limited to newer markets (in which operators tend to spend aggressively to educate early waves of consumers and build brand equity). The online casino product has genuinely few sustainable differentiators, so even in mature markets, significant investment in marketing and retention is required to generate revenue growth.

Source: Eilers & Krejcik Gaming Research And Estimates

§4. Methodology

In this section, we discuss the major assumptions that drove our forecasts for Illinois' legal online casino market.



How We Modeled Our Foundational All Products Scenario

For this report, we built a simple model for Illinois online casino market size in our All Products scenario (Scenario 1)—the scenario from which all other modeling scenarios flow.

The All Products scenario model is premised on trailing 12-month online casino GGR per adult data from Michigan, New Jersey, and Pennsylvania (through September 2024). Those states were chosen because they feature all products (i.e., slots and table games), have adult populations comparable to Illinois, and are highly competitive. In sum, those states are useful, albeit imperfect and noisy lenses through which to appreciate the full potential of the Illinois online casino market.

To develop a baseline online casino GGR-per-adult value for Illinois, we weighted the underlying Michigan, New Jersey, and Pennsylvania online casino data according to adult population size, then adjusted for personal disposable income differences between those states and Illinois.

We then used ramp-up trends from the Michigan online casino market to model how the Illinois market would grow in its opening years. Michigan is the most recently opened highly competitive market (January 2021 vs. May 2019 for Pennsylvania and November 2013 for New Jersey) and so offers what we consider to be the most relevant case study for how a contemporary competitive U.S. online casino market evolves. We also note that due to differences between market opening dates, Michigan’s growth over time has been less distorted by the COVID-19 pandemic than in Pennsylvania and New Jersey—another reason we leaned on Michigan in our model.

Illinois All Products Scenario: Total GGR – Year 1 To Year 5 (Shown Alongside Michigan Data On Which Ramp-Up Is Premised)

	IL Year 1 (2021 MI Actual)	IL Year 2 (2022 MI Actual)	IL Year 3 (2023 MI Actual)	IL Year 4 (2024 MI Est.)	IL Year 5 (2025 MI Est.)
MI GGR Per Adult	\$145	\$207	\$252	\$315	\$343
MI GGR	\$1.09bn	\$1.55bn	\$1.89bn	\$2.36bn	\$2.58bn
IL Est. GGR Per Adult	\$146	\$208	\$254	\$301	\$328
Est. IL GGR	\$1.36bn	\$1.95bn	\$2.37bn	\$2.81bn	\$3.07bn

Source: Eilers & Krejcik Gaming Research And Estimates
 Note: All model outputs in 2024 U.S. dollars

How We Modeled Product-Specific GGR Share In Our All Products Scenario

In the U.S. online casino sector, there is very little publicly reported data on how the core product segments (i.e., slots and table games) perform on a statewide or operator-specific basis. More granular publicly reported data on the performance of electronic table games vs. live dealer games, meanwhile, is non-existent.

To establish a baseline of how U.S. online casino products perform, therefore, required estimation. To develop estimates, we used a combination of data from the [Eilers-Fantini U.S. Online Casino Game Performance Database](#) (OCGPD) and channel checking with industry operators.

The OCGPD captures and aggregates data from U.S. online casino operators to generate estimates of everything from individual game performance (e.g., the performance of Wheel of Fortune-branded slots) to product-specific GGR (e.g., GGR attributable to electronic table games). The OCGPD, given its estimates are premised on real-world operator data, is one of the most trusted, highly regarded data sources on the U.S. online casino market.

Because the OCGPD is currently capturing data from operators that account for approximately 65% of U.S. online casino GGR, additional channel checking and diligence with industry operators was conducted to firm up our estimates.

This methodology yielded the below assumptions regarding product-specific GGR share in our All Products (Scenario 1) model. Note that the percentages shown may not sum exactly to 100.0% due to rounding.

Illinois All Products Scenario: GGR Share By Product – Year 1 To Year 5

	Year 1 GGR Share	Year 2 GGR Share	Year 3 GGR Share	Year 4 GGR Share	Year 5 GGR Share
Slots	69.9%	71.2%	72.3%	73.1%	73.6%
Electronic Table Games	15.9%	13.9%	12.2%	10.7%	9.6%
Live Dealer Games	14.2%	14.9%	15.6%	16.2%	16.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

How We Approached GGR Recapture Across Products In Scenarios 2-4

This report features four forecasting scenarios for the Illinois online casino market: 1) All Products, 2) Slots & Live Dealer Only, 3) Table Games Only, and 4) Live Dealer Only. Scenarios 2-4 flow from Scenario 1 (i.e., Scenario 1 is the ceiling) and rely on our assumptions about how authorized products recapture demand from non-authorized products.

The recapture logic in each scenario is as follows:

- **Scenario 2:** Slots and live dealer games (authorized) recapture demand from electronic table games (non-authorized)
- **Scenario 3:** Table games (authorized) recapture demand from slots (non-authorized)
- **Scenario 4:** Live dealer games (authorized) recapture demand from slots and electronic table games (non-authorized)

Because Scenarios 2-4 are largely unprecedented,¹ modeling demand recapture among and between products involved deeply subjective decisions that were grounded in a combination of professional judgment and input from industry channel checks. Given the high level of uncertainty inherent in that approach, we present our forecasts for Scenarios 2-4 as ranges (i.e., base vs. high). Importantly, we regard those forecasts as a starting point for appreciating the potential size of the Illinois online casino market across different conditions—not as an end point or definitive treatment.

In the table below, we show our Year 5 base vs. high GGR forecasts for Scenarios 2-4, alongside a ratio for each scenario. The base:high ratio is a blunt way of expressing our relative level of confidence about the GGR recapture bounds of each scenario. That is, the higher the ratio, the higher our relative level of confidence.

Illinois Online Casino GGR Across Scenarios 2-4: Year 5 (Base vs. High)

	Scenario 2 Slots & Live Dealer Only	Scenario 3 Table Games Only	Scenario 4 Live Dealer Games Only
Year 5 GGR – Base	\$2.86bn	\$992mm	\$667mm
Year 5 GGR – High	\$2.94bn	\$1.26bn	\$933mm
Base:High Ratio	97%	79%	71%

Source: Eilers & Krejcik Gaming Research And Estimates / Eilers-Fantini U.S. Online Casino Game Performance Database

¹ RI allows slots but limits table games to live dealer; in our view, however, RI's nascence (opened in 1Q24), population size, and monopoly licensing model make it a poor comp for modeling IL

How We Derived The Tax Rate We Applied To Our Forecasts

The 24.6% GGR tax rate we used in §3 represents a blend of the Michigan, New Jersey, and Pennsylvania markets, whose data we used to power our Illinois online casino market size forecasts.

Because each of those states defines taxable revenue differently, some adjustments were necessary to normalize differences between their tax structures. We then used the normalized tax rates for those states to generate an average GGR tax rate, weighted by states' adult populations, that we applied to our Illinois forecasts.

We stress that 24.6% GGR is merely a mathematically derived tax rate, and that our work on this portion of the model does not constitute a recommendation—express or implied—regarding how Illinois should approach questions of online casino taxation.

Illinois Online Casino Tax Rate Derivation

State	Adult Population	Adult Population Share	Effective GGR Tax Rate	Population-Weighted Effective GGR Tax Rate
Michigan ¹	7.5mm	30.9%	18.5%	24.6%
New Jersey	6.9mm	28.6%	17.5%	
Pennsylvania ¹	9.8mm	40.5%	34.2%	

Source: Eilers & Krejcik Gaming Research And Estimates / State Legislatures / U.S. Census Bureau

¹ Effective GGR tax rates (i.e., statewide tax revenue / statewide GGR) correspond to the 12 months through September 2024

Discussion Of Model Caveats And Limitations

While every effort has been made to create a robust and defensible model, we readily acknowledge that these forecasts are a highly speculative exercise. In an attempt to reduce the inherent uncertainty involved in the modeling process, we made certain assumptions and eliminated certain considerations that others might judge to be material. Those decisions are based on our professional expertise.

- **The absence of relevant precedents means our forecasts for Scenarios 2-4 should be treated as highly speculative.** For starters, modeling demand recapture among and between products involved subjective calls that were rooted mainly in professional judgment. We also acknowledge that restricted-product conditions, like in Scenarios 2-4, could cause some—or, in a worst-case scenario, most—operators to not enter the Illinois online casino market, a potentially significant negative effect for which we did not attempt to account. Overall, we regard our forecasts for Scenarios 2-4 as a starting point for discussion of the potential size of the Illinois online casino market across different conditions, not as an end point.
- **Our model primarily looks backward, not forward.** Our foundational forecast for the Illinois online casino market, in Scenario 1, is based on trailing 12-month GGR from comparable markets—namely, Michigan, New Jersey, and Pennsylvania—which all remain in various stages of growth. We did not account for, e.g., the passage of time before Illinois’ hypothetical launch, and therefore regard this foundational forecast as conservative. The upshot: If we were to run this same analysis next year, our Scenario 1 forecasts (and our forecasts for Scenarios 2-4, which flow from Scenario 1) would likely be higher due to growth in those comparable markets.
- **Our forecasts are in a vacuum.** That is, we did not take into account theoretical interplay between Illinois’ potential online casino market and its existing land-based casino and gaming markets.
- **Our assumptions about online casino ramp-up are derived from very limited data.** We used actual and estimated ramp-up trends in the Michigan market to model Illinois’ ramp-up trajectory in Scenario 1. Although we regard Michigan’s ramp-up as a good lens through which to appreciate ramp-up in Illinois, we acknowledge the data set from which we are drawing inferences is very small.
- **Our model does not specifically consider the impact of out-of-state players on a given state market.** Our forecasts only consider in-state revenue (i.e., the "locals" market). We note, however, that data from comparable markets used in our model is inextricably impacted by out-of-state players.
- **Our model does not account for the impact of inflation over time.** All model outputs are presented in 2024 U.S. dollars.

Appendix: Data Tables



Illinois Online Casino Market Size Forecasts: By Scenario

Note: Totals may not sum due to rounding

Scenario 1 GGR	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
All Products						
Slots	\$953mm	\$1.39bn	\$1.71bn	\$2.06bn	\$2.26bn	\$8.36bn
Table Games	\$411mm	\$561mm	\$657mm	\$758mm	\$811mm	\$3.20bn
Total	\$1.36bn	\$1.95bn	\$2.37bn	\$2.81bn	\$3.07bn	\$11.56bn

Scenario 2 GGR	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
Slots & Live Dealer: Base						
Slots	\$958mm	\$1.39bn	\$1.72bn	\$2.07bn	\$2.27bn	\$8.41bn
Live Dealer	\$226mm	\$344mm	\$441mm	\$532mm	\$589mm	\$2.13bn
Total	\$1.18bn	\$1.74bn	\$2.17bn	\$2.59bn	\$2.86bn	\$10.5bn
Slots & Live Dealer: High						
Slots	\$963mm	\$1.40bn	\$1.73bn	\$2.08bn	\$2.28bn	\$8.46bn
Live Dealer	\$259mm	\$398mm	\$513mm	\$607mm	\$663mm	\$2.44bn
Total	\$1.22bn	\$1.80bn	\$2.25bn	\$2.69bn	\$2.94bn	\$10.9bn

Scenario 3 GGR	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
Table Games: Base						
Total	\$468mm	\$699mm	\$811mm	\$922mm	\$992mm	\$3.89bn
Table Games: High						
Total	\$525mm	\$838mm	\$1.04bn	\$1.16bn	\$1.26bn	\$4.84bn

Scenario 4 GGR	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
Live Dealer: Base						
Total	\$229mm	\$340mm	\$487mm	\$595mm	\$667mm	\$2.37bn
Live Dealer: High						
Total	\$279mm	\$523mm	\$703mm	\$837mm	\$933mm	\$3.28bn

Source: Eilers & Krejcik Gaming Research And Estimates
 Note: All model outputs in 2024 U.S. dollars

Illinois Online Casino Tax Revenue Forecasts: By Scenario

Note: Totals may not sum due to rounding

Scenario 1 Tax Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
All Products						
Slots	\$234mm	\$341mm	\$421mm	\$506mm	\$555mm	\$2.06bn
Table Games	\$101mm	\$138mm	\$162mm	\$186mm	\$200mm	\$787mm
Total	\$336mm	\$479mm	\$583mm	\$692mm	\$755mm	\$2.84bn

Scenario 2 Tax Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
Slots & Live Dealer: Base						
Slots	\$236mm	\$343mm	\$424mm	\$508mm	\$558mm	\$2.07bn
Live Dealer	\$56mm	\$85mm	\$109mm	\$131mm	\$145mm	\$525mm
Total	\$291mm	\$428mm	\$533mm	\$639mm	\$703mm	\$2.59bn
Slots & Live Dealer: High						
Slots	\$237mm	\$345mm	\$427mm	\$511mm	\$561mm	\$2.08bn
Live Dealer	\$64mm	\$98mm	\$126mm	\$149mm	\$163mm	\$601mm
Total	\$301mm	\$443mm	\$553mm	\$661mm	\$724mm	\$2.68bn

Scenario 3 Tax Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
Table Games: Base						
Total	\$115mm	\$172mm	\$200mm	\$227mm	\$244mm	\$958mm
Table Games: High						
Total	\$129mm	\$206mm	\$257mm	\$288mm	\$311mm	\$1.19bn

Scenario 4 Tax Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5
Live Dealer: Base						
Total	\$56mm	\$96mm	\$120mm	\$146mm	\$164mm	\$583mm
Live Dealer: High						
Total	\$69mm	\$129mm	\$173mm	\$206mm	\$230mm	\$806mm

Source: Eilers & Krejcik Gaming Research And Estimates
Note: All model outputs in 2024 U.S. dollars



Eilers & Krejcik
Gaming

2908 1/2 LAFAYETTE AVE | NEWPORT BEACH, CA 92663 | WWW.EKGAMINGLLC.COM

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