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BetMGM, LLC

Fourth Quarter 2025 Update

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CORPORATE SPEAKERS:

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BetMGM, LLC; Chief Executive Officer

Gary Deutsch

BetMGM, LLC; Chief Financial Officer

PARTICIPANTS:

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Morgan Stanley; Analyst

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Bank of America; Analyst

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Truist; Analyst

PRESENTATION:

Operator^ Good day and welcome to the BetMGM Fiscal Year and Fourth Quarter 2025 Financial Update. Joining from the company today are Adam Greenblatt, Chief Executive Officer, and Gary Deutsch, Chief Financial Officer. (Operator Instructions).

I would now like to turn the call over to Adam Greenblatt and Gary Deutsch.

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Adam Greenblatt^ Good morning, everyone. Thank you for joining today's call. It's a pleasure to be here to update you on BetMGM's performance for the fourth quarter and full year 2025. BetMGM's had a pretty tremendous year, building on the foundations set in our 2024 investment year. 2025 has seen our business fully inflect to deliver significant EBITDA and cash flow as intended.

While it's Gary and me presenting today, it's important to recognize that this performance would not be possible without the dedication and hard work from each and every one of our talented BetMGM colleagues, as well as the support provided by both of our parent companies.

As a running order for this morning's presentation, I'll hit the headlines for Q4 and full year 2025 performances, as well as share our guidance for full year 2026. I'll then provide greater detail on each of our key pillars, iGaming, Omnichannel and online sports. I'll then pass to Gary, who will dive deeper into the details of our 2025 and Q4 financials, as well as the components of our forward-looking guidance. Then finally, back to me to wrap up before we turn the call over for questions.

So let's kick off. We entered 2025 planning for it to be a transformative year for BetMGM, and the success and financial impact of that transformation continued to meaningfully exceed our expectations as we progressed through 2025. Even the full year EBITDA beat to guidance we upgraded again at our Q3 update. This transformation included a number of strategic improvements across our entire business, greater marketing efficiency, player management, brand repositioning, as well as significant product and platform improvements.

2025 also reaped the benefit of being the first full year of revenue from the player cohorts acquired during our investment year of 2024. In '25, we delivered \$2.8 billion in net revenue, and that was up 33% year-on-year. We carried our strong financial performance throughout the year with Q4's net revenue of \$780 million, up 39% versus the prior year.

In fact, not only did Q4 achieve a record quarterly revenue, December was our best month ever, and the last week of the year was also our best week ever. Online sport in Q4 was especially strong with a perfect storm of positive game results, deeper player engagement, and favorable comparators from the 2024 football season.

We also benefited from our new Make It Legendary campaign launched ahead of the football season and building through the quarter as we deployed creative and advertising across both iGaming and online sports. And finally, we're delighted to have launched online sports in Missouri in Q4, marking the 30th jurisdiction of legal operations for us.

On the following slides, we will share more detail on each of our segments, of the segment's performance, but first the headlines. iGaming growth accelerated from 13% in 2024 to 24% in 2025, despite no new state launches. Our growth in online sports accelerated even faster year-on-year, up from 4% in 2024 to 63% top-line growth in 2025.

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Both online sports and iGaming generated significant contribution, over \$200 million and \$500 million respectively. At EBITDA level, our excellent performance in the last quarter of 2025 saw Q4 deliver \$71 million of EBITDA, taking full-year 2025 EBITDA to \$220 million, which is an impressive year-on-year increase of nearly \$0.5 billion. The strong performance through 2025 heralded a new chapter for BetMGM, and that is returning cash to MGM Resorts and Entain.

Moreover, our stronger-than-expected results allowed for the actual distribution to be \$270 million, compared to our guidance of at least \$200 million. We're very proud of this achievement, as it clearly demonstrates that BetMGM has sharply turned the corner into our next phase of growth. Moving on to Outlook, we remain confident in the underlying trends we're seeing in our business, and in us continuing to execute against our strategic plan to drive profitable growth.

While our strategic pillars are unchanged at the headline level, they are evolving with the business to best approach the opportunities ahead. We're incredibly excited by the opportunities in 2026, launching iGaming and OSB in Alberta, going deeper with our Borgata iGaming brand, gearing up for the World Cup, the World Cup in our backyard, and strengthening our Omnichannel advantage in Nevada, to name just a few.

So, translating all this into full-year 2026 guidance, we expect to deliver \$3.1 billion to \$3.2 billion of net revenue, with 2026 adjusted EBITDA to be in the range of \$300 million to \$350 million. We therefore expect to continue to return cash to the parents in 2026.

Before I move on, I'm looking at Gary here, before I move on, you will note our new adjusted EBITDA reporting line. 2026 is the start of what we call parent fees, becoming payable to attain an MGM resource. These fees are tied to the joint venture agreement and triggered by BetMGM becoming long-term cash flow positive. The fees are for the provisioning of the general set of licenses and services by the parents to BetMGM, and in calculating our new adjusted EBITDA, we are removing these fees.

Gary will explain more in a few minutes, but know that the fees are calculated based on revenue and are one of the two ways that we generate cash for our parents, with the other, of course, being from profits. Ultimately, the fees support structural cost benefits that maximize BetMGM's cost advantage, which BetMGM enjoys from its parent structure and will continue to enjoy.

Let me now take you through the next few slides, providing more detail on our progress across our key strategic pillars of iGaming, online sports, and Omnichannel. iGaming continues to be the powerhouse and anchor of our business. Our continuing strong same-state growth was driven by significant player acquisition and retention at Attractive Unit Economics.

Fourth quarter iGaming revenue was up 18% over last year, with full year up 24% year-on-year, delivering \$1.8 billion of net revenue and over \$500 million in contribution. Our iGaming business continues to scale to record heights, with the underlying story consistent with our overall plan. Throughout 2025, we held market share, driven by our exclusive best-in-class

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content strategy, innovative engagement tools, and further improvements to our player management capabilities.

Player volume and engagement remain strong as we continue to attract and retain the right players for BetMGM. Average monthly actives were up 24% in 2025, despite no new iGaming states. And our players are more engaged than ever, on average staying and playing with us for 14% more days each month.

You may remember from our last update, I think it was last summer, we expected the pace of growth later in the year to moderate, and it has, but by less than our expectations. As a reminder, this reflects stronger prior year comparators as we lap a number of strategic initiatives we implemented in the fall and Q4 of 2024.

In fact, the player activity metrics and payback economics we've seen throughout 2025 reinforce our conviction in our strategy and the underlying health of our iGaming business. We continue to invest in being the gaming destination for all iGaming players. We remain committed to our content strategy, setting the standard for both range of games and differentiated exclusive content.

Our library now offers over 7,000 titles, having added over 1,500 titles since last year. In the fourth quarter, we successfully launched the latest exclusive title releases in several of our most popular and successful game franchises, including *The Price is Right*, *Friends*, as well as the latest installment of our *Wizard of Oz* Omnichannel franchise, which is available both digitally and on property in Vegas, in Detroit, and at the Borgata in Atlantic City.

Omnichannel continues to be a strategic focus for us, with these titles contributing a significant portion of our top 10 games overall. Also in Q4, we launched an extensive lineup of live casino product and engagement tools, which we supported with a fresh approach to promotions, as we further invested behind our live dealer strategy. Gratifyingly, we understand from our product partners that we continue to be the fastest growing live dealer business in the U.S.

And lastly, we continue to focus on cross-sell initiatives and sports-branded casino games, allowing us to better showcase our iGaming promotions within our sports offering, encouraging cross-product play, of course. During this past NFL season, we saw approximately 60% of our online sports players also playing in our casino.

As we begin 2026, we are very excited to keep investing behind our powerful and successful strategy. We have a number of new content opportunities, which will be unveiled in the coming weeks. And of course, we're delighted to be launching later this year in Alberta our first new iGaming jurisdiction since 2022.

Turning now to online sports, our strategy has had the desired impact, with KPIs on this page showcasing the benefits of our first full year of implementation. The fourth quarter was the best in BetMGM's history for online sports. We delivered a record \$279 million of OSB net revenue,

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which was nearly double last year. Through a combination of our strategic initiatives and sports outcomes, returning to theoretical levels after a particularly tough Q4 in 2024, for those who remember.

In total in 2025, we generated over \$900 million of online sports net revenue, and that's up 63%. Cost your minds back to our remarks at mid-year results, when we outlined that we intentionally reduced our online sports marketing spend and active player base while raising our revenue and profitability guidance. The output of this shift, the shift in strategic approach to premium mass, is now clearly visible in our player engagement and staking metrics.

Last year, active player base increased by 6%, and on average, these players placed 12% more bet. And importantly, this translated to a 26% year-on-year increase in the average handle per player. And all of that resulted in a massive 77% uptick in NGR per active. Total online handle in sports rose by 16%, and the business inflected to full year positive contribution for the full year for the first time, delivering over \$200 million.

2025 was truly a transformative year for our online sports business, which is now in a position to achieve sustainable, profitable growth over the long term. Let me remind everyone again, let me remind you of our tactical improvement and how they work in concert, and how they provide a sustainable foundation for future growth.

Throughout the year, we sought to attract higher value real money players, our premium mass wheelhouse, and we've managed them with great precision. We've sharpened our marketing allocations by acquisition channel and offer types to better target players of higher expected value, and therefore higher predicted returns.

Advancements in our analytical capabilities have helped us retain players by more accurately identifying expected value, even earlier in players' life cycles, and then optimizing reinvestment to improve payback periods, as well as rationalizing generosity for players deemed unprofitable. Together, these acquisition and player management improvements have shortened our marketing paybacks by 24% and resulted in 170 basis points expansion of our NGR margin.

Alongside these, our product is better and stronger. It continues to improve where and in the ways that matter most to our players. App speed and performance are quicker. Navigation and discoverability are smoother across bet slips and market identification, as well as rewards tracking, earning, and redemption.

This football season, we bolstered our in-game offering via live SGP and live SGP cash out. This was supported by our quick bet and bet slip improvements. These SGP upgrades created really an overall richer parlay and live betting experience.

We see this in our metrics. The proportion of football parlay bets in our bet mix in Q4 was up 5 percentage points year-on-year. This includes SGP.

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Supporting all of these improvements was our Make It Legendary brand campaign, which launched towards the end of the third quarter, and it's really resonated well with players throughout the football season, amplifying BetMGM's elevated online and in-person offerings.

So to summarize on OSB, 2025 was a really significant and transformative year. And as expected, we have fewer players in our basket overall, but they're engaging with us more often and staying with us for longer. So our unit economics have improved dramatically. The implementation of these changes began last year and are now fully embedded in our business, and so we have a more durable foundation, built on high-quality players, efficient spend, and a compelling product.

Finally, to Omnichannel. So if 2024 was when the potential of Nevada was unlocked, 2025 was the year the value of Nevada was demonstrated. And frankly, we're just getting started. MGM Resort's Las Vegas presence and roots are woven into our DNA. And last year, Nevada's contribution to our total business punched well above its weight.

Its combined digital and retail sports handle grew an impressive 26% year-on-year, not to be outdone by net revenue growth of 65%. Nevada drove 5% of our overall net revenue, which is impressive, considering we are active in 30 markets and Nevada's a sports-only state. On top of this, it represented an even greater percentage of our contribution.

Just one point to note here, we view the combined digital and retail performance as the appropriate measure of the health of our Omnichannel Nevada business, given the underlying market shift towards digital. As we've said previously, Nevada is a uniquely attractive market for us, given its favorable and stable business environment, the halo effect of MGM's iconic properties, and BetMGM's digital offering that allows players to go home, really with Vegas in their pocket, and seamlessly continue to play with us in their regulated home states.

So how did we do it? Our success was driven by our best in-market digital product, improved CRM and promotional capabilities, and deeper than ever collaboration with MGM Resorts. Last fall, we introduced a fully digital verification process to make registration much smoother. Now, prospective players no longer need to sign up at the Sportsbook counter. They can simply walk into any MGM property, snap a selfie, find their account on the app, and start betting.

In the first month of operation, a full 91% of our authenticated players did just that. They did the whole thing digitally. Sticking with the digital experiences theme, our seamless wallet continues to be a unique advantage for BetMGM. In addition to our 19% year-on-year growth in monthly actives, we saw a 2x increase in the number of Nevada actives who continued their play with us after returning to their home state.

In pursuit of the broader nationwide opportunity that is born in Vegas, we've been investing in our CRM and promotional tooling, focused on our Vegas-first use cases. In 2026, we therefore expect to see even more of the customers we've acquired in Las Vegas who then go home or to another of our regulated states, continuing to play with BetMGM.

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Together with MGM Resorts, experiential events continue to be a powerful acquisition and retention engine. Both exclusive and open-to-all activations during tent-pole sports events are really valued by our players and support meaningful, long-lasting relationships. Our live dealer studio at the MGM Grand has also become a strong differentiator. It launched in April through MGM Resorts' strategic relationship with Playtech and brings an authentic Vegas experience to our Ontario players in a way that only BetMGM can.

In fact, Family Feud Live from Las Vegas led the category in audience reach in Q4. Nearly two-thirds of our active live dealer players in Ontario have enjoyed this game, which was the highest participation rate of any title in our live dealer portfolio. In short, Nevada is a true strategic engine that drives real value. It's an always-on flywheel of new players and revenue opportunities, which drives more play, loyalty and rewards, an omnichannel product and experience, and the flywheel is now turning faster than ever before.

With that, I'll hand over to Gary to go deeper into the numbers. Gary?

Gary Deutsch^ Thanks, Adam.

As always, please note that our explanation of how our figures relate to GAAP, as well as our definition of contributions, are provided in the materials accompanying this presentation. As well as 2025 being a success operationally and strategically, BetMGM also had a very strong year financially, as both revenue and EBITDA growth were amplified by the strategic improvements that Adam discussed.

Both Q4 and full-year revenue results beat expectations. Q4 growth of 39% outpaced the full-year figure of 33%, primarily driven by particularly strong OSB performance in the quarter, which was up 93% year-over-year. IDME also performed well, up 18% from the prior year fourth quarter.

As Adam mentioned, Q4 and OSB was a perfect storm. We had favorable results at last 2024 Q4, which was hurt by weak NFL results, and we enjoyed overall heightened player engagement. If you adjust sports margins to theoretical levels for both 2024 and 2025, we do, though, see the total revenue growth in Q4 would be roughly 20% rather than the 39%.

For the full year, net revenue growth was 33%. iGaming grew 24% and OSB 63%. In iGaming, we were able to grow our monthly active space by 24% while maintaining the strong player values we saw in 2024. In OSB, the combination of hold returning to the normalized CEO level and our optimization of the player base, our NGR margins expand by 170 basis points to 5.9%.

OSB handled 16% for the full year and 3% in Q4. There's a couple of important points to consider when looking at these handle growth figures, though. First, given football's waiting, Q4 is a period of high acquisition and promotion, and promotions inflate handles.

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The Q4's lower handle growth reflects 2025 acquisition efforts, which were more disciplined, with our bonusing more targeted, which was entirely consistent, of course, with our plan and strategy. Additionally, customer-friendly Q4 NFL outcomes in '24 created greater recycling in '24, which, in turn, elevated last year's handle comp.

After a slower start to the year, our retail business turned around in Q4. However, as Adam reminded you, the real barometer of success related to retail is how Nevada is performing across both digital and retail, given the systemic shift in that market.

Finally, to active. The modest year-over-year changes in the average monthly active figures are consistent with previous comments, and they're entirely aligned with our strategy of refining management of our player base. As Adam noted earlier, in OSB, our NGR per active per month jumped up a big 77% last year as a result of this work.

Now, let's take a look at the P&L and the cash distributions to parents, which began in Q4, following BetMGM's inflection to profitability. Q4 net revenue was \$780 million, with \$71 million of EBITDA. Full year '25, net revenue was \$2.8 billion, with \$220 million of EBITDA. For the full year, iGaming and OSB together generated over \$700 million of contributions, with a total figure of \$607 million, including offsets for retail and central costs.

As we have guided in the past, we continue to guide to 40% to 45% as the approximate normal flow-through EBITDA from revenue growth, with normal meaning the business run rating without the impact of big growth investments like a major state launch or other one-time events such as state tax rate changes. As you can see from the figures, our 2025 flow-through was very impressive at 67%.

So the question is, what happened that varied us from the 40% to 45%? The positive spike was the result of the transformative actions we took in 2025. Our optimization work during the year benefited both revenue and EBITDA growth. Bonus-related optimizations, for instance, improved the conversion of gross gaming revenue into net gaming revenue, accelerating net revenue growth, while also lowering our effective tax rate and lifting EBITDA.

Refinement of our sports marketing spend was another major one-time benefit to 2025. Note that we believe we're now at about the right level of bonusing for the current market environment. Anyways, the 67% flow-through should be viewed as a one-timer for the reasons I've outlined. 40% to 45% remains a reasonable guide for normal years.

However, of course, 2026 will not be a normal year given the investment in the Alberta launch and the annualization of 2025 tax rate changes in various states with the biggest impact being from New Jersey. So as we've previously flagged, 2026 flow-through is therefore expected to be lower than the steady-state 40% to 45%.

Now to cash and our distributions to parents. During 2025, BetMGM inflected into delivering sustainable profitable growth, allowing us to start returning cash to our parents. In December '25,

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we distributed a total of \$270 million to the parents. This was larger than our graphics of over \$200 million due to our Q4 outperformance. And the size also benefited from BetMGM starting 2025 with excess cash.

So the total distributed in '25 is greater than the previously explained EBITDA minus CapEx formula for that reason. Looking at CapEx, please note that the \$46 million of CapEx in '25 is a fair proxy for 2026 of CapEx. BetMGM ended 2025 with slightly more than \$100 million of unrestricted cash on the balance sheet, which is consistent with our agreed approach, and it's in the range for our target minimum balance.

Our plan to send the parent's excess cash above our minimum on a quarterly basis remains unchanged. With the \$150 million credit line we have in place, we have ample liquidity to operate the business. As I previously stated, we will not use the revolver to fund distributions to the parents.

As we have confirmed today, BetMGM will be in accruing and paying parent fees in 2026 and beyond. I want to provide a little more color and outline what we believe is the best way for investors to think about the cash generated by the BetMGM business that ultimately flows to the parents. Consistent with the JV agreement that formed BetMGM, once BetMGM became long-term cash flow positive, the parent companies would then, on an ongoing basis, each receive consideration for the broad set of licenses and services they are provisioning to BetMGM.

The parent fees hit our P&L as an operating expense and are calculated as a percentage of revenue, representing payments agreed upon at formation for the provisioning of licenses and related services from which BetMGM enjoys significant competitive and economic advantage. As Adam mentioned, the parent fees are one of two ways that cash goes to our parents. The other way, of course, is what we did in 2025, which is based on profits.

We distribute excess cash generated by the business net of capital investments so long as we maintain a minimum unrestricted cash balance of about \$100 million to \$125 million this year. The distributions of excess cash do not hit the P&L. In a technical sense, what we are calling cash to parents is the total of these two components.

The parent fees payable to the parents plus excess cash that's distributable to the parents. To simplify matters, starting with our Q1 reporting, we are introducing adjusted EBITDA. This adjusted EBITDA will add back the parent fees to EBITDA.

This provides clarity on the total cash to the parents before capital investments, and it's apple to apple comparable to how we've reported EBITDA for 2025 and years prior. We will continue to report CapEx, and therefore adjusted EBITDA minus CapEx will be the best proxy for total cash to parents.

Okay. As for the cash distribution to the parents, cash will be transferred to the parents on a quarterly basis. Our cash distribution to the parents should rise, of course, as the business

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continues to grow. However, given the quarterly cadence, there may be timing and working capital fluctuations that cause the actual transfer to vary from the accounting proxy in a given quarter, but then return in line on a longer-due basis.

A couple last things on parent fees. We expect that the fees will be in the range of 15% to 20% of adjusted EBITDA put between the parents over the coming two years. Second, in addition to this BetMGM explainer slide here, please see Entain's investor relations website for details specific to how BetMGM financial results, including parent fees and exit cash distributions, impact their financial statements.

Now, let's shift to our outlook for 2026 and our journey to \$500 million in an annual adjusted EBITDA, a line we expect to cross in 2027 and continue to grow beyond thereafter. First, 2026 guidance. Net revenue of \$3.1 billion to \$3.2 billion, in line with the growth projections for both BetMGM and the wider market.

As previously flagged, we expect a lower flow-through towards approximately 30% in 2026. And therefore, our expectation for just the data is in the range of \$300 million to \$350 million. This neatly brings me on to our path to delivering \$500 million of adjusted EBITDA. The chart on the slide provides an illustrative bridge. From this year's \$220 million to the \$500 million.

Moving across the chart bars, the 2025 to 2026 pathway has two key elements. First, positive EBITDA flow through to run rate operations. And second, downward impacts that EBITDA from new state launches. Primarily, the Alberta investment and the annualization of the gaming tax rate increases. It's these 2026 specific impacts that drag the overall flow through down to around 30%.

Moving towards 2027, the chart shows run rate growth flowing through at our expected 40 percentage to 45 percentage levels. This enables us if we continue on our current pathway to achieve \$500 million adjusted EBITDA in 2027.

Of course, caveat warning. As we know, in our space, events move fast. With new dynamics creating both headwinds and or tailwinds. However, from our purchase today, we feel confident on achieving \$500 million of adjusted EBITDA in 2027.

With that, back to Adam.

Adam Greenblatt^ Thank you, Gary.

Before I close, I want to take a moment really to reaffirm what I said during our previous earnings call on the topic of prediction markets. We remain steadfast in support of state regulators, attorneys generals, and Indian gaming entities that have really expressed serious concerns about prediction markets and how they circumvent the robust regulatory frameworks, responsible gambling requirements, and information sharing protocols built collaboratively and over many years by our industry partners.

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They've been built to ensure three things. The longevity of our business, the safety of our players, and the integrity of our sports. The sentiment we share is growing. It's growing. And this is evidenced by the continuous flow of state litigation, the written support of now 40 attorneys general, the formally voiced opposition from the NFL, the NCAA, and many others.

Our view is that state led frameworks reflect carefully crafted local policy choices and that the current regulatory framework is proven and effective with more than 8,400, 8,400 state and tribal regulators overseeing licensed operators. The availability of nationwide sports event contracts undermines the system in several ways and as follows.

State taxes, consumer protection, and underage play, all under the responsible gaming umbrella, self-exclusion, integrity, and by which I mean active monitoring of betting patterns and whistleblowing and information sharing obligations, anti-money laundering protections, the Wire Act, the list goes on. As far as the impact of prediction markets on our business today, we're not seeing a material adverse impact that could be specifically attributed to prediction markets.

Market research estimates a low to mid-single digit percent impact on online sports betting handle and that meaningful trading volume comes from unregulated states, shop and professional players, as well as 18 to 20-year-old customers. So in the real world, while the effect cannot be zero, our financial results today speak for themselves.

So to sum up, BetMGM's focus is to build upon our record year. 2025 marked an important chapter in BetMGM's journey. It was our best year yet with evidence of us now delivering strong, sustainable, and profitable growth. Our business is the healthiest it's ever been and we are successfully executing our strategy.

Our 2025 performance beat expectations at both revenue and particularly EBITDA, which was up by nearly \$500 million year-on-year. Our business has secured its ability to deliver strong, profitable growth and positive long-term cash flow. Therefore, BetMGM has commenced its return of capital to our parents.

We distributed \$270 million in 2025 with further cash delivery inclusive of parent fees in 2026 and onwards. As we look through 2026 and into 2027, we expect to see strong operating leverage benefits returning with our path to \$500 million of adjusted EBITDA clearly visible, assuming continued execution and a benign macro environment.

And of course, our ambitions don't just stop there. We remain confident in passing the \$500 million threshold and continuing to grow strongly as we capture the many exciting opportunities of our future.

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

QUESTION & ANSWER:

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Operator^ (Operator Instructions). Please stand by while we compile the Q&A roster. Our first question will come from the line of Ed Young with Morgan Stanley. Please go ahead.

Ed Young^ Hello, thanks for taking my question. I wonder if you could talk a little bit more about Nevada. You said in your comments there that you were just getting started and you've given some metrics of the growth. But it's clearly one of the areas you can be most differentiated versus your peers.

I wonder if you could help us sort of dream the dream about where you think that business can realistically head in the next year or two, potentially in terms of the amount of revenue or contribution you can generate from players who visit Nevada within a year or deposit in both there and in home state. Thanks very much.

Adam Greenblatt^ Yes, hi Ed. We're very excited about the progress we've made this year in Nevada. We've actually spent some of -- a lot of 2025 building deeper plumbing. And so the things that we are focused on are creating that seamless experience from home state into Nevada and from Nevada back out. That's the fly-in market, the drive-in market. And that includes how the product works, how our marketing capabilities work, our marketing tools work.

So, for example, the -- I'll paint a picture for you. I'm a player in one of BetMGM's regulated states. I book a trip. That's an -- we now know something about you, right? That's an opportunity for us to communicate with you. That's an opportunity for us to incent downloading of the product, incent something that's available for you when you arrive in Nevada.

Our communication tools were previously fragmented to states. So we'd talk to you in your home state, and then we would talk to you again in your destination state. We're connecting those things. So your communication journey becomes seamless. Your incentive journey becomes seamless. We think that's going to have a big impact.

So then there's also the operational aspects of working with MGM Resorts, the handoffs in the real world. This is where Omnichannel really comes to life, where our host population, our player host population, how they work with MGM's host population. And now we actually have BetMGM employees who are based in the physical properties of MGM Resorts to ensure that those handoffs are, again, progressively smoother, progressively more seamless.

So those are a couple of the examples of how on the ground we're improving. We're amplifying the potential of Nevada for that flying population and that in and out population. The other area where we think we have a great opportunity is in the locals market. Historically, one of our competitors really stole the mark on the -- certainly the digital market in Nevada.

We've made great strides in 2025 in that area. We believe that that represents an untapped opportunity. I think we could probably double the size of our digital business in Nevada. It's also helped by the structural dynamics we referred to in our opening remarks, which are -- there's a move from retail to digital in the state, and we want to capitalize on that.

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In terms of quantification, Ed, we're not going to put that out today, but we think that the contribution we're making from Nevada has easily opportunity to double.

Ed Young^ Okay, thank you.

Operator^ Our next question will come from the line of Brandt Montour with Barclays. Please go ahead.

Brandt Montour^ Hi, everyone. Good morning. Thanks for taking my question.

So I just wanted to maybe ask some qualitative questions around the guidance in '26. If you could help us with some of the top line assumptions, it looks like low teens, all in, but if you could help us with sort of iGaming versus sports relative growth, and then within sports, if there's some level of breakup between magnitude of handle growth versus mixed tailwinds. And then lastly, if there's a year-over-year adjustment for sport outcomes that helps you next year, that would all be helpful. Thank you.

Adam Greenblatt^ Thanks for the question. Lots of parts to that. I'll start with the easy one, which is the very, very top level, which is what we put in place is really a market driven plan. We aim to hold serve in 2026. And really by holding serve, we mean we expect to grow in line with the market at an NGR level.

Bear in mind -- I'm sure Gary will get into this later in the Q&A, but the distortion of the promotional environment on GGR means that for us, the thing that we really focus on is NGR. But some of the level two elements of your question, I'll hand over to Gary.

Gary Deutsch^ Sure. Thanks, Adam.

So we have a little bit higher growth expectation in gaming than in sports, but they're fairly similar. Gaming is helped by the launch of Alberta, our first iGaming market for a long time then. When we look at the sports and the questions you had, so in 2024, we delivered for the full year, a margin that was below our CEO.

We reverted to the CEO in 2025, which gave us uplift, obviously. And then we are modeling going forward, roughly the same field going forward, a few, maybe 10, 20, 18 points improvement. But as you know, we have a sort of larger staking player base with lower margin six-pack tendencies.

So we looked across and we see growth opportunities related to emphasizing more investment in VIP. We have some activities going around World Cup that will help. Obviously, Alberta is also launching in sports. And there's some, in general, by the way you were setting it up, it's really a volume-driven growth plan versus a structural dynamic to the whole that's going to change anything.

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So we have the growth driven by more players. And we've seen -- really seen an increasing handle per active per player during the year last year. And we expect more of that this year.

Brandt Montour^ Excellent. Thanks, everyone.

Operator^ Our next question will come from the line of Joe Stauff with Susquehanna. Please go ahead.

Joe Stauff^ Thank you. Good morning.

Adam, you had mentioned, I believe it was in the fourth quarter call last year, early first half of last year about the efforts and the initiatives that you had to better integrate into MGM's rewards program. Wondering what you accomplish, what the update on that is would be helpful.

Adam Greenblatt^ Yeah, for sure, Joe. Good memory. We have excited me at the back end of 2025. We have now a real-time integration with new players between our loyalty programs. So if you open the BetMGM app now, you will see a live read on your both BRPs, which are BetMGM reward points, as well as your tier credit status, which is a status that you share with -- that we share with MGM Resorts, which drives how you are looked after by MGM Resorts.

And actually, it's -- your play with BetMGM now accounts -- has a real-time sync with that -- with the MGM system. So that's one example of how we have integrated those programs. That really is the bedrock of improved management of players through that real-time syncing. So both we and MGM Resorts have the same view of customer, all customers that we share.

So this is -- your question has been a helpful one, because it speaks to the work we've done on the plumbing between BetMGM and MGM Resorts in 2025.

Joe Stauff^ And just a quick one to clarify. You had commented that the Nevada revenue within BetMGM's net revenue is about 5%. Was that for the full year, or what was that in the fourth quarter?

Adam Greenblatt^ I don't know -- Gary, I think that was a full year number.

Gary Deutsch^ I think for the fourth quarter, we were more. I think we were about 10% on Nevada in the fourth quarter.

Joe Stauff^ Thank you, guys.

Operator^ Our next question will come from the line of Daniel Politzer with JP Morgan. Please go ahead.

Daniel Politzer^ Good morning, everyone. Thanks for taking my question.

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I wanted to touch on the 13% underlying revenue growth I think you played out for 2026. Is there any way to maybe unpack what's kind of embedded in there for handle and promotions? I think that you said structural hold is pretty much at its right place. And I get promos and handle are iterative and related to each other. But just high level, how are you thinking about that as it relates to your guidance?

Adam Greenblatt^ Gary, do you want to take this?

Gary Deutsch^ I mean, similar to what I was saying before. So we have structural hold about the same as last year, a little bit more. We continue to work with the higher end player base. I think I said in the prepared remarks that we were about at the level we expect to be at for ongoing promos. So that's going to be fairly stable.

So it really comes down to its increased handle from the players that we have. And in that culling of what we did last year, each player now is far more valuable than the player we had on average last year. So we stimulate play, as I said, with World Cup. We stimulate play with different aspects of the season at different times and promoting big in the football season.

But there's not some massive difference in how we're viewing our player base this year. And other than the assumptions for the activity levels per player growing and adding more players, there's not a lot of other science to it.

Adam Greenblatt^ I mean, if I could just add on -- our strategies working. '26 represent -- and why we're excited about 2026, one of the reasons is that it's a continuation and it's an extrapolation of the thing that is now proven. Our market positioning, our focus on premium players, our telemetry and how we spend money and how we reinvest in players, that whole management framework is now both proven and working. And we believe sustainable, notwithstanding some of the broader wins that are blowing in our sector.

So BetMGM has found its stride. And so 2026 represents an extrapolation of that. And as Gary said, the 13% growth is a combination of volume and value.

Gary Deutsch^ And maybe I was a little bit heavy towards the sports side, but on the casino side, one of the big surprises of last year is just the way we've been added, adding players without lowering our average value per player. So that is being held, we believe, into this year. And then we're obviously adding more players in casino.

Daniel Politzer^ Got it. Thank you so much for all the detail.

Operator^ Our next question comes from the line of Ben Shelley with UBS. Please go ahead.

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Ben Shelley^ Thanks very much for taking my questions. I guess after four successive upgrades in 2025, a fair question is, what are the key sources of upside to the guidance you've presented today?

Adam Greenblatt^ The thing that moves the dial for BetMGM, given our business, given how we over-index in gaming, the biggest single dial mover is more iGaming states. And that's the mic drop moment. That's the big bold and underlined with a full stop at the end. It's more iGaming states, expanding our iGaming 10. That's the thing that fundamentally changes our outlook.

And it's in that vein that we're -- we are positive about the potential to see some movement in Virginia. Anticipating the question -- regardless of how -- in Maine, regardless of how the people's veto plays out, given the specifics of the market, that's not going to move the dial for us one way or the other, frankly, for the sector one way or the other. So really, it's Virginia and new iGaming states that are the primary upsides.

Ben Shelley^ Thanks very much.

Operator^ Our next question comes from the line of Chad Beynon with Macquarie Capital. Please go ahead.

Chad Beynon^ Good morning. Thanks for taking my question.

I just want to focus on iGaming penetration. Obviously, your strategy is more on the premium mass side, but wondering how you're seeing full state penetration at this point. And one of the things you mentioned was live dealer. We hear a lot about crash games. Are there other types of maybe newer products that could grow that penetration, maybe even above what we've seen in mature markets like the U.K.? Thank you.

Adam Greenblatt^ Yeah. So in terms of penetration, of course, the launch of Alberta later on this year will be, as we mentioned, will be the first iGaming state or iGaming market that we've had in since 2022. And so the question, the natural question is, well, what is the potential for these markets that have been active and focused on marketed to for a number of years now?

I keep saying that we remain surprised by the depths of New Jersey, which, as you know, has been active for more than 10 years. So I believe in our existing states, we still have some ways to go. Stimulating that from just a BetMGM perspective, we have a number of jackpot products coming, should be coming in the next few weeks, actually. It's a side bet jackpot to be precise.

The other area which we mentioned is our investment in live and the both market leading growth we're achieving, but also the advantage that we have with MGM Resorts to create differentiated live offerings, which our players are enjoying.

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Apart from that, one of the advantages that we have also is being part of the Entain ecosystem. So anything that is -- shows early signals of having traction with players that is integrated with the Entain platform is also available to us. So really, it's a question of where is the player demand? What's winning traction, gaining traction and bringing it to market?

The other thing I would say, again, back to our strategy, I think we got our strategy right. We have the widest range of games. We have exclusive games. We are the home of entertainment titles. We've got bespoke games that we build for our team partners supporting cross-sell. So I think you put all that together, and I think we have a fairly compelling differentiated iGaming offering.

Chad Beynon^ Thank you.

Operator^ Our next question will come from the line of Monique Pollard with Citi. Please go ahead.

Monique Pollard^ Hi, good morning, everyone. Thank you for taking my question.

I just had a question on the actives growth, if I can. So I see that the actives growth in the fourth quarter was down 3%, even with Missouri launching. Now, I imagine it's to do with the mix of OSB and iGaming in the quarter, but just wondered whether you could give us any color on how the active growth in OSB and iGaming varied through the year and whether the fourth quarter, the OSB actives were again down about eight versus the iGaming up double digit, or if there's anything to call out.

Adam Greenblatt^ Yeah. Really, this is a product of our strategy. What we're very actively doing is managing out the bottom end of our player base, the non-profitable elements of our player base. And so the OSB actives reflect our strategy, first and foremost. Now, whether there are other factors is really very difficult to parse out.

But it's, as I said earlier, it's an expected outcome. Gary, you said it.

Gary Deutsch^ So, yeah, just on the basics of the mix. I mean, gaming actives were up and sports actives were down.

Adam Greenblatt^ Yeah.

Monique Pollard^ And by about a similar magnitude to the full year.

Gary Deutsch^ I would say that gaming was up more in the first part of the year as we came against the harder comps in the second half of the year, but gaming has been up all year and significantly up. So during the earlier part of the year.

Monique Pollard^ Understood. Thank you.

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Operator^ Our next question will come from the line of David Katz with Jefferies. Please go ahead.

David Katz^ Hi, morning all. Thanks for taking my question.

Just with respect to the guidance that you laid out, if we were to get to a point where some new markets for iGaming were to go live, would or could that impact the trajectory of earnings guidance this year and the target for '27, right? Good news, bad news, or would that likely remain intact? Thank you.

Adam Greenblatt^ As we're seeing with Alberta, the process of regulating a new market, David, is not trivial. There are lots of considerations and it takes probably -- I mean, so I think there's been some analysis on this on average from low passing to first bet taken is about nine months. So I think good news this year would probably only impact -- have a financial impact in the real world '27.

But certainly you'd see the -- if you -- yeah, you'd see the financial impact. So stock price impact anticipating that run up. I don't think 2026 is at risk one way or the other from new states. I think one of the factors that might move 2026 would be the timing of Alberta launch.

Gary Deutsch^ I mean, in a miracle scenario where something else legalized as quickly in iGaming, the expectation would be that would be an EBITDA downward pressure this year, it would be an investment made in whatever the sub period of this year is, and it would have a positive impact next year.

David Katz^ Understood. Thank you very much.

Operator^ Our next question comes from the line of Richard Stuber with Deutsche Bank. Please go ahead.

Richard Stuber^ Hi, morning. Thanks for taking my question.

Just one, please. I think in your opening remarks, you mentioned that 60% of online sports bettors also play casino. Do you have sort of an upper estimate of what that could get to? Thank you.

Adam Greenblatt^ We're not sure yet. Look, part of it depends on the balance of where we acquire players and how we acquire players. Part of it depends on -- we're doing a lot of work to encourage cross-sell within our products. So smoother integrations, more interesting calls to action.

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So we're certainly not sitting on 60% and accepting that being the threshold, whether it can get to 65% or 70% remains to be achieved. But certainly I don't imagine it could get significantly more than that, but I'd love to be wrong on this point.

Richard Stuber^ Great. Thank you.

Operator^ Our next question will come from the line of Shaun Kelly with Bank of America. Please go ahead.

Shaun Kelly^ Hi, good morning, Adam, Gary. Thanks for taking my questions.

Just one, I wanted to ask about was the promotional landscape. So if we kind of retrace, especially on the sports side, we retraced to Q4, there was a bit of a flare-up there that was kind of called out by some of your competitors. And then it seems like we've seen that ebb and flow both throughout September and October, and then again, flare-up again in November.

And I'm just kind of curious where do you sit on that? What are you seeing in the market today? And Gary, is it fair to assume that your guidance or your bridge assumes a pretty stable promotional outlook? And is that the right environment as we see new entrants? I mean, we saw in Missouri, for instance, that 365 do particularly well and take some share there. So just kind of trying to put those pieces together and what you're seeing on the competitive landscape. Thanks.

Adam Greenblatt^ Yeah. Look, on the OSB side, there are upward pressures and downward pressures at the moment. What we're seeing is that the largest OSB players in the sector are actually moderating their promotional investment. And that's in the public domain, you've seen that. Some who are trying to expand their share are being more aggressive.

The other factor that we're seeing is that we have in recent weeks seen a slight uptick in CPAs. And really, I feel like that's driven by more competition for media assets. And one change that you should be aware of is that some of the media platforms, some of the -- Google, Google has opened its search term environment to prediction market operators. This is a search terms in our category to prediction market operators.

So we expect cost per impression to rise as a result. That would have obviously knock on impact on CPAs. And so that's a factor in the whole equation.

Gary Deutsch^ Yeah. So we've seen months in the past few months where we see year-over-year declines in what the competitors are doing. To your question about our go forward, yeah, we think it's fairly stable. It's going to be similar to last year. We think the competition is more succumbing towards us in the long term.

In a one unrelated point, I just want to clarify a little earlier, I made the point that Nevada was higher than 10% in Q4. Sorry, I was reading the sports-only results. So Adam was right at the 5% for the total.

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And, of course, in the greater landscape, we should always remember that our business is much more weighted to iGaming revenue than to sports. And that has benefits to diminishing the volatility in the business and other benefits on the competitive front.

Adam Greenblatt^ But let's zoom up. Speaking to BetMGM again, this is -- our strategy is working. We've hit our stride. We're investing in player reinvestment in a way which is sustaining and growing our business. So in terms of our promotional strategy, it's right-sized.

And I'm certainly on the OSB side, I'm encouraged by the fact that the market is -- the main volume in the market is coming towards us, which will only strengthen our relative position.

Shaun Kelly^ Thank you.

Operator^ We are approaching the full hour. We have time for one final question. That question comes from the line of Barry Jonas with Truist. Please go ahead.

Barry Jonas^ Hey guys, thanks. How should we be thinking about tax increased risks this year? Do you think the threat of prediction markets factor at all to help maybe reduce those risks? Thank you.

Adam Greenblatt^ The recent news flow in some states hasn't been positive, but we've been extremely effective through the SBA, the Sports Betting Alliance, in explaining why a reasonable tax rate is good for the regulated market. Alongside that, as you rightly referenced, having the prediction markets alongside the regulated sports betting market is helpful. It's helpful.

So we think that actually the landscape has improved in our regulated market making arguments for at least status quo in the world of tax. But every state is different and there are some oftentimes political motivations for changes in tax. We factored all of -- best information is factored into our guidance, put it that way.

Barry Jonas^ Perfect. Thank you.

Operator^ Thank you. And that concludes the Q&A session. I will now turn the call back over to Adam for his closing remarks. Adam, please go ahead.

Adam Greenblatt^ Yeah, thank you all. Thank you all very much for attending. And of course, we all continued interest in BetMGM. We are very proud, very proud of our performance in 2025. And we look forward to building on that success in 2026 and beyond. We feel more confident than ever that our transformational year of '25 will continue.

And with that, I'll now hand you over to the operator.

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Operator^ Ladies and gentlemen, this concludes today's business update. Thank you for participating. You may now disconnect.