



Younès EL MECHRAFI

General Director, La Marocaine des Jeux et des Sports (MDJS)
General Secretary of the African Lotteries Association

The Market-Place and Profiles of Sports-Betting Players and Lottery Players

PGRI Introduction: Younès El Mechrafi holds a master's degree in Computer Science Applied to Business Management (MIAGE) and a diploma of Higher Specialized Studies (DESS) in Computer Engineering from Université de Lille in France. He began his career as a professor and researcher within a unit of the National Scientific Research Council (CNRS) at Université de Valenciennes in France.

Back in Morocco, he was appointed General Manager of SOMAV, a company operating in the agro-industry field. Then, he founded CONCIS, a computer engineering services company, based in Rabat, which counts among its customers important state prescribers such as the Ministry of Finance and the Royal Moroccan Armed Forces.

In 2003, Mr El Mechrafi was appointed Special Advisor to the Minister of Justice in charge of new technologies and modernization. The e-Justice project received the Imitiaz prize, a distinction awarded to the most performing public administrations in the e-Government program. In 2006, he held the position of General Manager of an IT services company, Archos Conseil, based in Casablanca and a subsidiary of ONA group, the first Moroccan private group.

Since 16 November 2009, Younès has been the CEO of la Marocaine des Jeux et des Sports (MDJS), a state lottery that finances the Moroccan sports. In March 2014, he was elected General Secretary of the African Lotteries Association (ALA). He was also elected member of the World Lottery Association's (WLA) executive committee in June 2014 and executive committee member and Secretary of GLMS (Global Lottery Monitoring System) in January 2015.

Paul Jason, PGRI: *Do you think there are over-laps in the player-ship of sports-betting and Instants?*

Y. El Mechrafi: Not really. The profile of the sport betting player is totally different because sport betting requires some level of skills and the passion for sport while instants are based on impulse and they require no skill at all.

Instants comprise 2% of your sales. How

aware of the margins do you think the players are? Do you think, for instance, that sports-betting players tend to avoid Instants because the prize-payout percentage is lower for Instants?

Y. El Mechrafi: Sport betting players are more aware of the payout but this is not the reason they do not prefer Instants. Moreover the regulation of our products are available on our web site.

99% of MDJS sales are from land-based retail. Do you expect online sales to increase ?

Y. El Mechrafi: The migration to online gaming is very slow, mainly due to cultural constraints as well as limited payment methods available to players. MDJS has always been the pioneer in new technologies. Nevertheless, the retail business will continue to exist and grow because it remains the key driver of the Moroccan market. In our effort to en-



hance the retail experience we are working towards the upgrade of our POS.

Do you market Instants to your sports-betting players and vice-versa? Are they sold in the same venues/POS's?

Y. El Mechrafi: Yes. All the products are available in all our POS.

Are your land-based venues required to purchase dedicated terminals to process sports-betting and Instants transactions?

Y. El Mechrafi: Our central system requires dedicated terminals to process gaming. However all the equipment is offered to the retailers free of charge.

How does the Moroccan socio-economic profile compare to the rest of Africa and to Western Europe? Do technological trends mirror Western Europe or Africa ?

Y. El Mechrafi: There are both similarities and differences that reflect the cultural background and the financial performance. Morocco stands in between the rest of Africa and the rest of Europe quickly following the trends of the latter. Technological trends mirror Western Europe. However, implementation and usages on a daily basis takes more time.

How do the trend-lines of consumer behavior in general, and play-style behaviours in particular, differ between Morocco and Africa and Western Europe?

Y. El Mechrafi: They are quite similar but there are always some differences due to culture. ■

LA MAROCAINE DES JEUX ET DES SPORTS (MDJS)

Created in 1962, the purpose of the company is the organization and operation, on a national scale, of sport betting on competitions organized both within and outside of Morocco (except horseracing and greyhound racing).

MDJS is run by a board that is headed by the Minister of Sports. The shareholders are as follows: 90% Public treasury/10% Caisse de dépôt et de Gestion.

MDJS' mission is to distribute 100% of its profits to the National Fund of Sports Development (FNDS). These funds are intended to finance sports federations activities and to support the top athletes in their preparation for international competitions. These resources also finance many sports infrastructure projects, including grassroots infrastructures, such as Sports Social Centers, directed by public authorities.

In 2015, MDJS achieved a turnover of 1.847 billion dirhams (167 947 045 euros), up 12.5% from 2014, of which 1.1 billion dirhams were distributed to the players. The contribution to the FNDS in respect of 2015 amounted to 302.9 million dirhams (27 606 306 euros), up 18% compared to 2014.

On top of all the taxes paid to the state budget, MDJS' funding represents more than 20% of the Ministry of Youth and Sports' overall budget.

MDJS is a pioneer in terms of sports betting and governance:

- The 1st African lottery to obtain the highest level of the WLA's Responsible Gaming Certificate (2013).
- The 1st African lottery to obtain the WLA Security Control Standard Certificate (2013).
- Member of the WLA's CSR and Security Committees.
- Obtained the Corporate Social Responsibility certification from the Confederation of Moroccan Companies (2014).
- First lottery in Africa to launch:
 - Fixed odds sports betting (2005)
 - Online sports betting (2011)
- First lottery in Morocco to conform to the personal data protection law (2011)
- MDJS has an inclusive sports sponsoring strategy, with actions in favor of:
 - Rural and poor neighborhoods
 - Women, disabled people, and people of all generations

TOTAL REVENUES IN EURO's
(1 Euro = 11 dirhams)

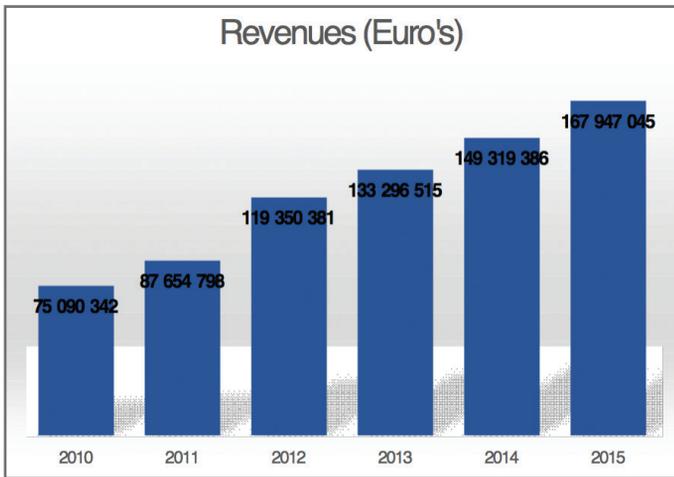
	2010	2011	2012	2013	2014	2015
Revenues (Euro's)	75 090 342	87 654 798	119 350 381	133 296 515	149 319 386	167 947 045
Variations		17%	36%	12%	12%	12%

DESCRIPTION OF THE AFRICAN LOTTERIES ASSOCIATION (ALA)

Created on December 3rd, 1983 in Dakar, the ALA counts 21 members, with the following objectives:

- Encourage mutual assistance on a technical and educational level
- Participate in the integration of the African economy through the institution of pan-African games
- Participate in the socioeconomic achievements in priority sectors such as education, se-

TOTAL REVENUES IN EURO's
(1 Euro = 11 dirhams)



curity, disaster and emergency services, health, culture and sport, fight against unemployment and poverty by the creation of income-generating jobs and activities

- Organize seminars, congresses, conferences, general assemblies and frames of dialogue for capacity building
- 4 technical committees: Security, Corporate Social Responsibility, PMU, Sports Betting
- The committees will be the drivers that will help all the ALA members get certification and operate according to the highest international standards and best practices

In March 2014, Mr Younès El Mechrafi was elected General Sec-

PORTFOLIO MIX

Fast Draw: CHRONO / Instant Tickets: GRATTEZ GAGNEZ / Sport Betting: COTE & SPORT, TOTO FOOT

Euros	2010	2011	2012	2013	2014	2015
COTE SPORT	18 422 544	30 183 787	53 342 165	65 963 073	82 744 332	104 807 064,91
ToToFoot	13 213 079	10 541 713	12 022 001	12 462 800	13 262 721	13 016 259,55
Total sports bettings	31 635 623	40 725 501	65 364 166	78 425 873	96 007 054	117 823 324
Instant	3 193 400	2 711 318	4 061 223	3 413 523	2 947 715	2 874 488,05
Chrono	40 260 849	44 217 979	49 924 992	51 457 120	50 364 617	47 249 232,95
Total revenue's	75 089 872	87 654 798	119 350 381	133 296 515	149 319 386	167 947 045

(Sales are increasingly driven by Sports Betting.

In 2015, Sport Betting represented 70% of the product portfolio.)

Percentage	2010	2011	2012	2013	2014	2015
COTE SPORT	25%	34%	45%	49%	55%	62%
ToToFoot	18%	12%	10%	9%	9%	8%
Sports bettings	42%	46%	55%	59%	64%	70%
Instantanés	4%	3%	3%	3%	2%	2%
Chrono	54%	50%	42%	39%	34%	28%
Total revenue's	100%	100%	100%	100%	100%	100%

retary of the African Lotteries Association. Since his election, the ALA organized many seminars as the CSR/Responsible Gaming Seminar in Abidjan, Ivory Coast, in March 2016 and the sports betting seminar that took place in Dakar, Senegal in November 2015. Both seminars gathered more than 80 participants with high quality speakers coming from different countries of the world.

MDJS also signed many partnership agreements with African Lotteries such as: Ivorian National Lottery (LONACI), Senegalese National Lottery (LONASE), Burkinabe National Lottery (LONAB), PMU Mali.

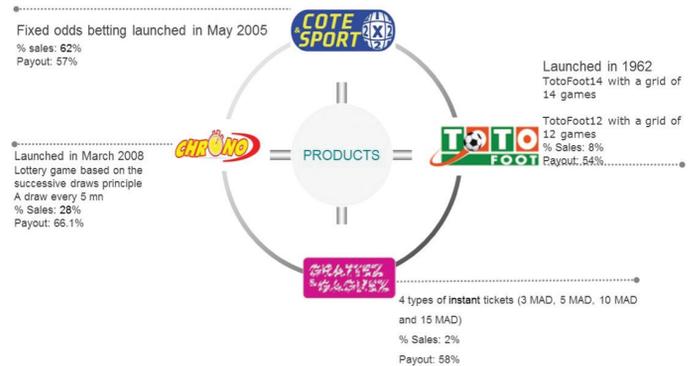
These partnerships enable those lotteries to benefit from the support of MDJS and its proven experience in responsible gaming and governance. MDJS also brings its expertise in sports betting.

In this context, MDJS has been rewarded in April of this year, during the Africa Hub, an African investors and entrepreneurship fair. The 2016 edition, under the theme "Entrepreneurship as an accelerator of economic emergence of the continent" aims to encourage African leaders and entrepreneurs to develop their business in order to promote the economic emergence of the continent, and to emphasize the South-South cooperation.

MDJS was thus awarded the prize of South-South cooperation, rewarding its cooperation strategy and its African focus.



Sports betting represents 70% of sales



DISTRIBUTION & ONLINE

- 1500 Point of Sales all over Morocco. All the products are spread over the distribution network (lottery stores, cafés, bookstores, stationery stores, phone shops, tobacconists, newsstands, grocery stores).
- Number of POS that sell instants : 600
- No Sport Betting Shops
- Online games : www.mdjsjeux.ma, launched in October 2011 : Chrono, Instant Tickets, Cote&Sport
- Online represents only 1% of the turnover. ■