

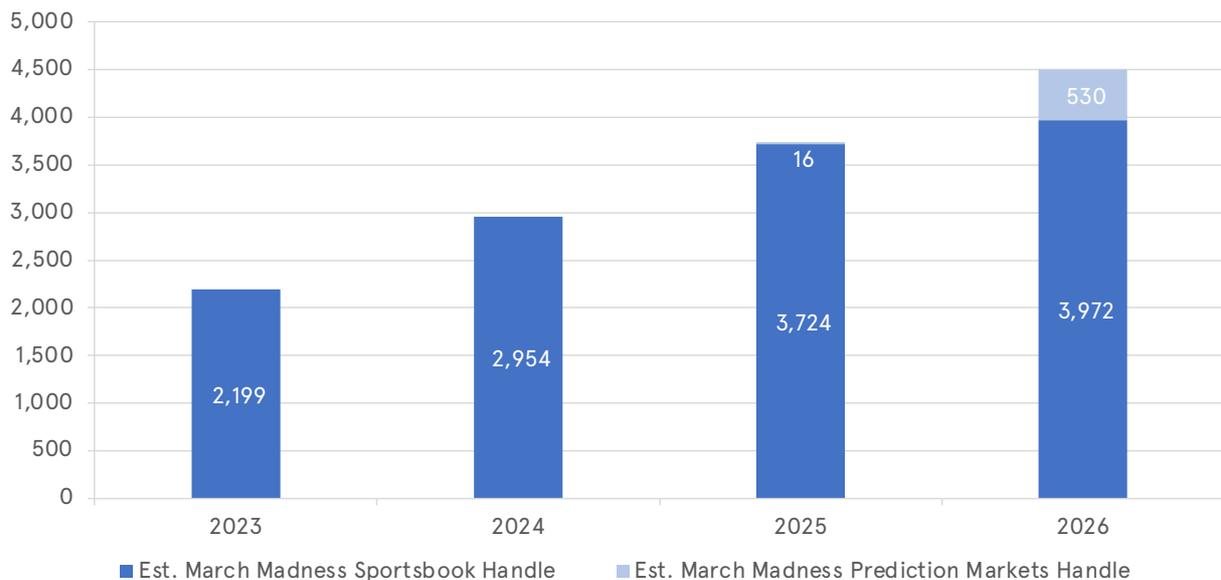
## H2GC Predicts Record March Madness Wagering

06 March 2026

This seasons 'March Madness' NCAA men's and women's basketball finals start on Tuesday, March 17, with round one beginning on Thursday, March 19. This signals the start of the most bet on event in the US sporting calendar (The Super Bowl remains the most bet on one-off game in US Sports with an estimated \$1.4bn bet on Super Bowl LX in February). This tournament typically presents operators with a great opportunity to grow their customer base and give handle a welcome boost for the 3-week period.

H2 Gambling Capital is estimating March Madness sportsbook handle this year to reach \$4.0 billion. This implies an increase of 6.7% from the prior year's tournament, continuing the consistent growth. H2 estimates 2026's event to grow on the record levels seen in the prior tournament as a result of continued handle growth across U.S. states, coupled with the launch of Missouri betting market in December.

### Estimated March Madness Handle (\$m)



Source: H2 Gambling Capital, March 2026

### Prediction Markets

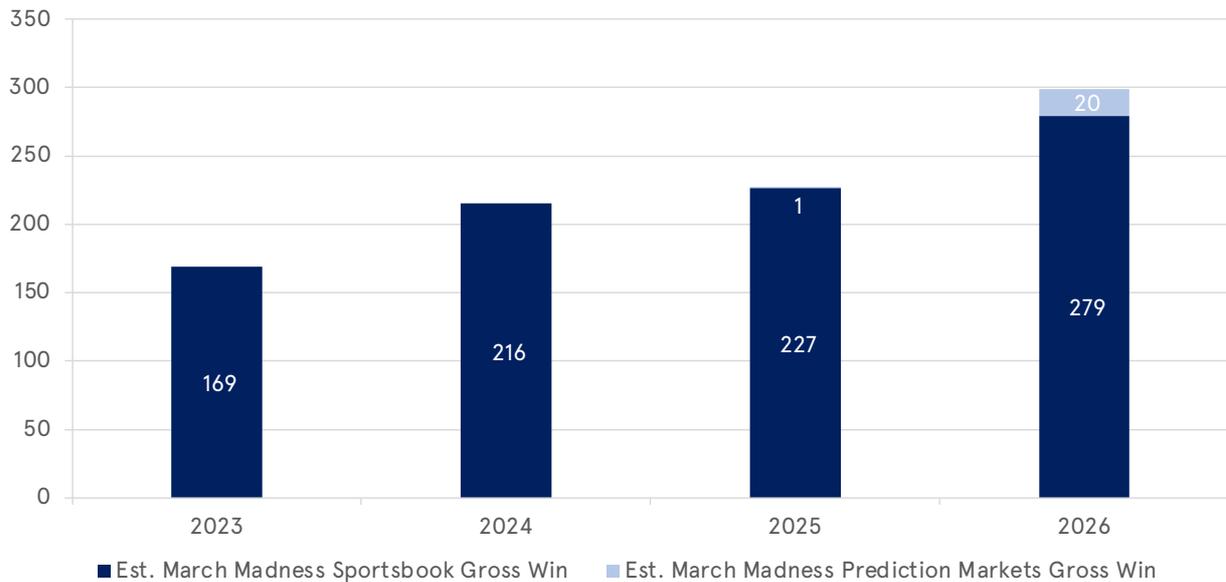
Under the assumption that prediction markets over-index in those states where there is no legal sportsbook competition, the impact of prediction markets in states where legal sportsbooks operate is much lower. On that basis, H2 estimate that prediction markets are likely to generate a 'handle equivalent' volume of c.\$135-150m in states where there is legal sports wagering. When comparing this to the legal handle of \$4bn, it equates to c.3.5% of the total market 'handle' - and less than 2% of market GGR. Therefore, if there is any softness in wagering for traditional sportsbooks, in our view it would be disingenuous to blame it on the presence of prediction markets in those states.

### Hold Margin

March Madness typically brings lower hold rates for sportsbooks than that of professional sports, in part due to a lower percentage of bets being same-game parlays as a result of individual players being less well known, making player props less popular. This means that operator performance is more heavily influenced by the performance of favourites, with underdog victories / deep tournament runs often boosting margins as multi-game parlays fall short.

H2 estimates sportsbooks' hold rate for this season's tournament to reach 7.0%, an increase from an estimated margin of 6.1% last year, which was considerably lower than previous seasons, likely affected by all four number one seeds reaching the Final Four, for only the second ever time. When considering our handle estimates, this hold rate implies GGR of \$279m, up 23.1% on the prior years estimate as the improvement to hold margin adds to the higher handle.

### Estimated March Madness GGR (\$m)



Source: H2 Gambling Capital, March 2026

Operators will be hoping hold margins continue the trend from the NFL season, which saw a marked improvement on the prior season, with many operators citing favourable outcomes boosting margins. This was reflected in Q4 hold rates across U.S. states reaching 10.8% this year compared with 8.1% in the prior year. Operators also benefitted from favourable outcomes in Super Bowl LX. Across the six states to have released wagering data for the big game, there was an aggregated hold margin of 24.1%, although handle was lower than expectations.

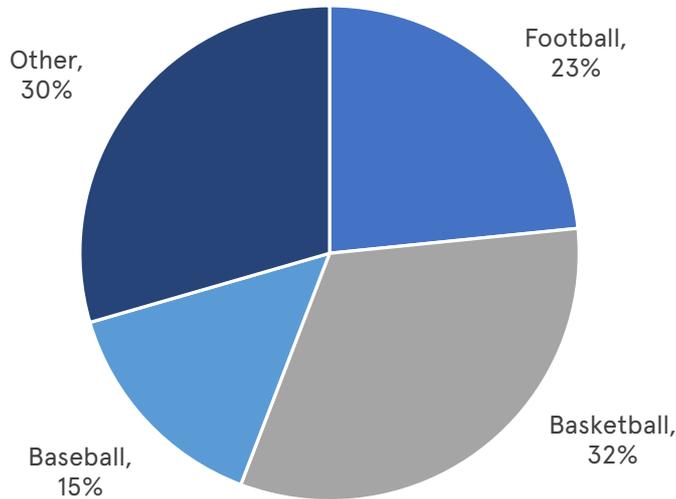
### The Tournament

This season's men's competition sees the Michigan Wolverines and Duke Blue Devils open as the pre-seeding favourites, both sides at +340. The Arizona Wildcats sit just behind at +480 as the reigning champions, the Florida Gators, make up the current four sides below +1,000, at +800. As for the women's tournament, the UConn Huskies are sizeable favourites to retain their title, currently at -320.

**Basketball Betting**

Basketball remains the most popular sport for bettors in the US, accounting for 32% of handle in the US sportsbetting market in 2025. H2 estimates that c20% of total basketball handle is generated from NCAA college basketball rather than the NBA / WNBA professional leagues.

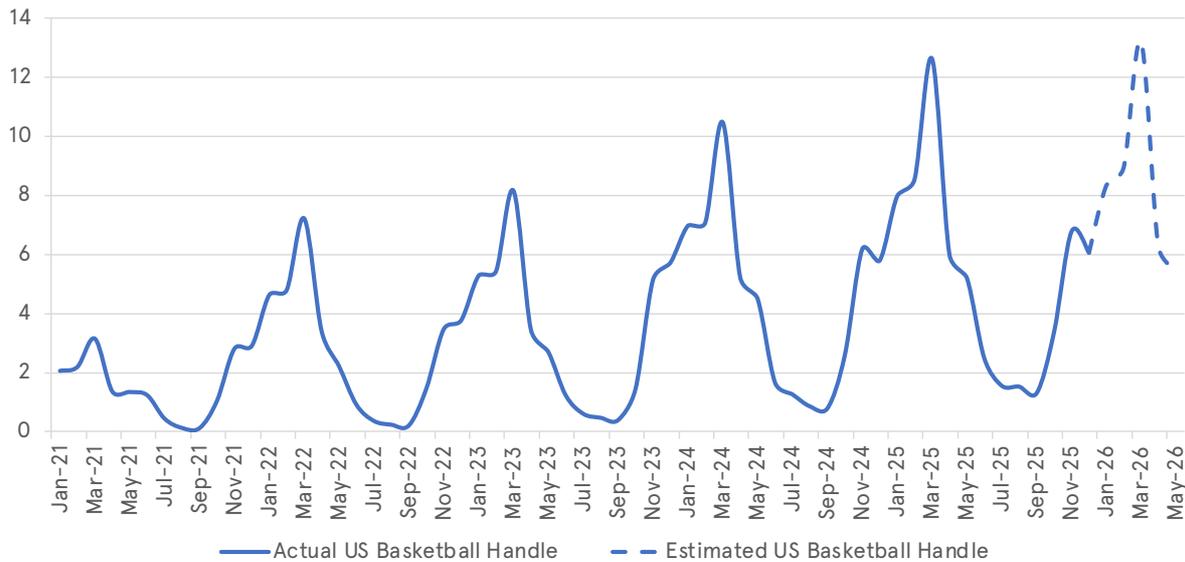
**2025 US Handle by Sport**



Source: H2 Gambling Capital March 2026

As with all sports, basketball is highly seasonal, with peak handle being generated in the first quarter of the year, peaking in March with the March Madness competition.

**US Basketball Handle (\$bn)**

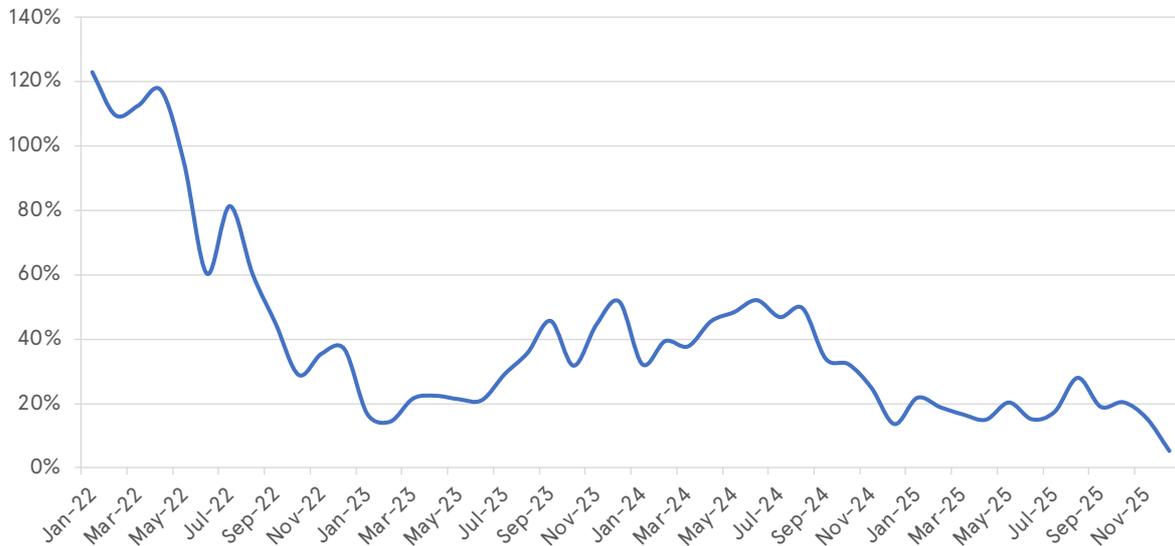


Source: H2 Gambling Capital March 2026

**Total Market**

As demonstrated below, whilst handle continues to grow, the rate in which this has been happening is declining, with just 5% year-over-year growth seen in December which was even boosted by the launch of Missouri, life-for-like growth was just 2%. For Q4 as a whole, year-over-year growth was 14%.

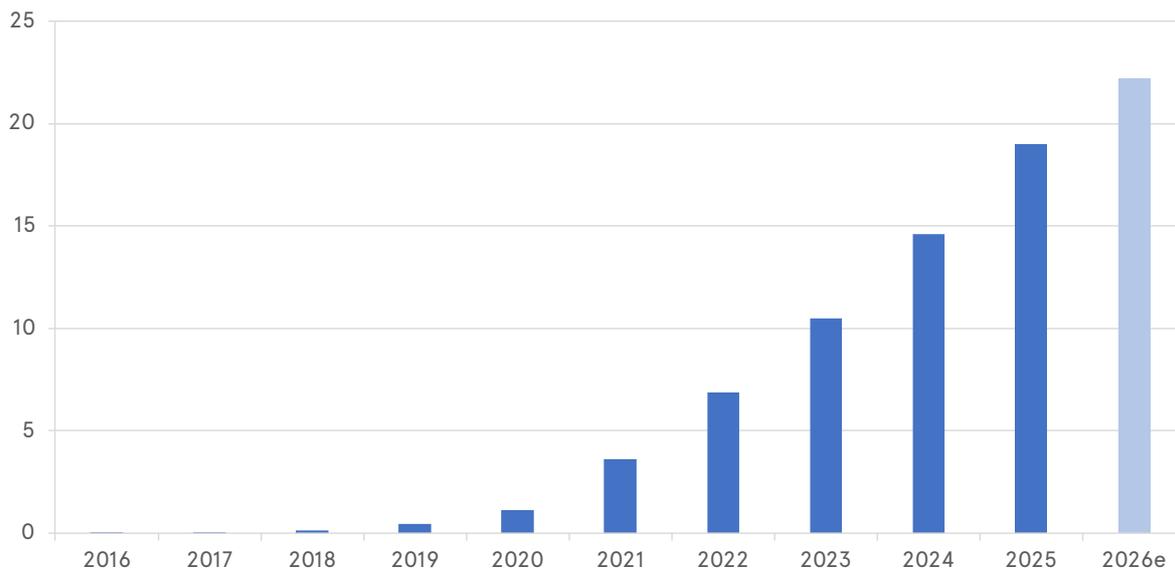
**Total US Online Sportsbetting Handle Growth (YoY)**



Source: H2 Gambling Capital March 2026

Total regulated US sportsbetting handle increased by 30% year-over-year to \$19.0bn. H2 forecasts continued growth in 2026, albeit at a lower rate, with 2026 handle forecast to grow at c17% year-over-year to c.\$22.2bn, in part driven by a full year of the Missouri betting market.

**Total US Online Sportsbetting Handle (\$bn)**



Source: H2 Gambling Capital March 2026

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It should be noted that as an updated version of the original Report all of the summary statistics contained within this report have been updated in order to take account of H2 Gambling Capital's revised forecasts for the industry. Although every effort has been taken in order to ensure that all figures outlined within the report have been updated H2 Gambling Capital take no responsibility for any that might have been missed during the re-editing process.

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