

29 April 2021

## Q1 2021 Trading Update

### Online revenue growth of 42%, driven by online player growth of 36%

Flutter Entertainment plc (the “Group”) announces a trading update for the 3 months ended 31 March 2021.

<i>Unaudited pro forma<sup>1</sup> £m</i>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>YoY %</b>	<b>YoY % cc<sup>2</sup></b>
Sports revenue	896	627	+43%	+41%
Gaming revenue	589	498	+18%	+22%
<b>Total revenue</b>	<b>1,485</b>	<b>1,126</b>	<b>+32%</b>	<b>+33%</b>
<i>Of which online was</i>	<i>1,471</i>	<i>1,047</i>	<i>+41%</i>	<i>+42%</i>
<b>Average monthly players<sup>3</sup> ('000s)</b>	<b>7,672</b>	<b>5,635</b>	<b>+36%</b>	

*All commentary within this trading update refers to pro forma, constant currency<sup>2</sup> growth rates. Any differences due to rounding.*

- Average monthly players (“AMPs”)<sup>3</sup> increased 36% globally: Double digit growth across all divisions, US up 132%
- Strong online revenue performance across all regions:
  - **UK & Ireland +35%**; ongoing market share gains as retail customers continue to migrate online
  - **Australia +59%**; customer volumes have remained elevated as the country emerges from Covid disruption
  - **International +7%**; investment in brand and promotional strategy showing early signs of benefit
  - **US +135%**; #1 position maintained following record quarter for revenue, AMPs and customer acquisition
- Pronounced Covid impact from mid-March 2020 likely to result in accelerated sports growth in Q2 2021, with gaming products facing more challenging comparatives

#### **Peter Jackson, Chief Executive, commented:**

*“2021 is off to a strong start for the Group. We continued to significantly grow our global player base which in turn drove a 42% increase in our online revenue. At the same time, safer gambling continues to be a key priority across our markets with new measures introduced including our Gamban partnership in the US and development of the planned Affordability Triple Step in the UK.*

*Our UK & Ireland brands continued the strong momentum from 2020, taking further market share with customer acquisition up 59% during the Cheltenham Festival. In Australia we have been highly focused on retaining retail customers that migrated to our platform during 2020 and while it is still early days, we have been pleased with the retention rates to date. In our International division, the investment we are making to enhance player generosity and reinvigorate the PokerStars brand has seen an encouraging early response from customers.*

*In the US, we continue to lead the market with revenue of almost \$400m in the quarter. We believe that the quality and breadth of our offering remains a key differentiator for FanDuel sports and the key driver of our leadership position. Our US business had over 1.6m average monthly players in Q1, meaning that it is now twice the size of our Australian business and is quickly closing in on our International division. We are continuing to consider our options with respect to a possible US listing of a small shareholding of FanDuel Group. No decision has been made at this time and we will update the market as appropriate.*

*As restrictions begin to ease and retail reopens across a number of markets, we remain confident that our diversified business leaves us well placed to deliver sustainable growth going forward.”*

## Divisional analysis

Unaudited revenue Pro forma £m	Total			Sports	Gaming	Average monthly players <sup>3</sup>	
	Q1 2021	Q1 2020	YoY % (CC)	YoY % (CC)	YoY % (CC)	Q1 2021 (000s)	YoY %
UK & Ireland	568	489	+16%	+12%	+24%	3,167	+23%
- UK & Ireland Online	568	419	+35%	+33%	+41%	3,167	+23%
- UK & Ireland Retail	0	71	-100%	-100%	-100%		
Australia	279	161	+59%	+59%		831	+43%
International	351	344	+7%	+22%	+4%	2,027	+14%
US	288	132	+135%	+130%	+146%	1,648	+132%
<b>Group</b>	<b>1,485</b>	<b>1,126</b>	<b>+33%</b>	<b>+41%</b>	<b>+22%</b>	<b>7,672</b>	<b>+36%</b>

### UK & Ireland

#### Online

Our recreational brands across the UK and Ireland made further market share gains as we benefitted from the ongoing migration of retail customers to online. SBG grew revenue 35% while PPB online grew revenue 36%. We estimate that Flutter brands accounted for 56% of all Cheltenham customers, with Paddy Power the Number 1 downloaded app during the week. Year on year growth rates during Q1 were consistently strong, both in the period before and after Covid comparatives applied, with revenue up 38% in the first 2 months of the year.

Sportsbook grew 37% year on year, driven by staking growth of 63%. Net revenue margin declined by 210bps versus Q1 2020 reflecting favourable sports results last year, partially offset by the benefit of a shift in bet mix to higher margin products such as same game multis. Q1 sports results were favourable at 80bps above expectations. Exchange and B2B revenue grew 5% boosted by Betfair Q1 AMP growth of 19%.

Gaming revenue grew 41% driven by player volumes, with all brands benefitting from the roll out of improved live casino content. We continued to leverage proprietary technology within the Group with the launch of a new SBG live dealer proposition "Sky Vegas Live" via the Group Gaming Network.

#### Retail

Our retail estates across the UK and Ireland remained closed due to Covid restrictions and we continued to pay all our staff throughout the period. Our UK shops reopened in line with Government guidelines on Monday, 12 April and our current expectation is that Irish shops will reopen in the second half of May.

### Australia

Sportsbet continued to benefit from strong customer momentum in the quarter with growth in AMPs of 43% driving sportsbook stakes 46% higher. The combination of this volume-led growth, and a 100 basis points expansion in net revenue margin to 11.4%, resulted in a net revenue increase of 59%. We estimate that favourable sports results contributed 70bps of margin in the quarter.

Australia operated under a more normal trading environment during the quarter with retail betting outlets open throughout and general leisure activities also widely available. It was therefore encouraging to see our player volumes remain at elevated levels, particularly on products more typically popular with retail bettors. We are actively investing to retain those customers that have migrated to our platform over the last 12 months.

### International

Our investment strategy within International is showing early signs of progress. International revenue grew 7% in the quarter despite challenging prior year comparatives from mid-March onwards. In the first two months of the year revenue was up 17%, partly driven by continued demand for stay-at-home entertainment in many parts of the world.

Poker declined 8% with casino increasing 22% in Q1 while pre-March performance was stronger, with poker and casino growth of 9% and 32% respectively. We have been pleased with both customer acquisition and retention metrics across all brands as our optimised promotional strategy, improved content and newly launched brand campaigns helped to enhance player engagement on the PokerStars brand in particular.

Exchange and B2B revenue was 18% higher year on year. Sportsbook delivered revenue growth of 24% with strong customer volumes throughout the quarter.

## **US**

Our market leading US business continues to expand rapidly, with successful state launches in Michigan and Virginia during the quarter and excellent ongoing momentum in existing states. Revenue in the quarter grew 135% to £288m (\$396m). Of this, FanDuel Group accounted for 91.6% of revenue (Full Year 2020: 89.1%), with FOX Bet (including PokerStars US) accounting for 8.4%.

Customer acquisition continues to exceed expectations with over 900,000 new customers acquired during the quarter, helped by high levels of engagement around Super Bowl and expansion into 2 new states. Our total average monthly players grew by 132% to 1.6m. We recorded a 36% share of the online sportsbook market during Q1.<sup>4</sup>

Sports revenue increased 130% in the quarter, with sportsbook 227% higher and growth across our other sports products (TVG horse racing and daily fantasy sports) of 51%.

Sportsbook stakes grew 235%, with our online sportsbook now available in 10 states compared to 4 in Q1 2020. Performance in these 4 more mature states remains very encouraging with staking growth of 93% in Q1.

Sportsbook net revenue margin was broadly flat year on year as a 100 basis point expansion in expected margin was offset by investment in customer acquisition promotional activity. The expected margin increase is derived from our leading product offering which generates more activity on higher margin parlay products, such as Same Game Parlay™, combined with ongoing refinement of our pricing capabilities.

Gaming revenue increased 146% to £99m (\$137m) aided by the successful Michigan launch in January. Existing casino states continue to perform strongly with revenue growth of 89% in the quarter. Online gaming market share for Q1 increased to 23%, from 20% in Q4 2020.

As previously disclosed Flutter is giving consideration to a potential US listing of a small part of FanDuel Group. No decision has yet been made but should we proceed with such a transaction, the assets of FOX Bet (including PokerStars US) would sit outside the perimeter of the listed vehicle. In 2020, the FanDuel assets generated revenue of £619m (\$800m) and an EBITDA loss of £113m (\$148m).

**Notes:**

- 1 Flutter's combination with TSG completed on May 5 2020. The pro forma numbers presented include TSG for a full 3-month period in 2020. Junglee, which was acquired in January 2021, has not been included on a pro forma basis.
- 2 Constant currency ("cc") growth is calculated by retranslating the non-sterling denominated component of Q1 2020 at Q1 2021 exchange rates. Growth rates in the commentary are in local or constant currency.
- 3 Average Monthly Players represent the total number of online players that have placed a sports bet/wager, staked a casino bet and/or contributed to rake or tournament fees during a month within the reporting period. The totals include only those players that have deposited real money funds with a Flutter brand on at least one occasion. The AMP numbers do not include Junglee players in 2020 or 2021 to allow for better comparability of underlying player growth in the International business and the Group.
- 4 Online sportsbook market share is the gross gaming revenue share of FanDuel and FoxBet for Q1 in the states in which FanDuel was live using published gaming regulator reports in those states. Market share calculations do not include the March data for Illinois and Virginia as the data has yet to be released. During Q1 FanDuel was live in 10 states; Colorado (CO), Indiana (IN), Iowa (IA), Illinois (IL), Michigan (MI), New Jersey (NJ), Pennsylvania (PA), Tennessee (TN), Virginia (VA) and West Virginia (WV). During Q1 FoxBet was live in 4 states; Colorado (CO), Michigan (MI), New Jersey (NJ), and Pennsylvania (PA). Online gaming market share reflects the combined MI, NJ and PA market share of our gaming brands.

**Analyst call:**

The Group will host a questions and answers call for institutional investors and analysts this morning at 9:00am (IST/BST). Participants must register at the link provided below to obtain the relevant dial in details:

<https://cossprereg.btci.com/prereg/key.process?key=PERBKEDNV>

A replay facility will also be available later today on our corporate website: <https://www.Flutter.com/investors>.

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**About Flutter Entertainment plc:**

Flutter Entertainment plc (the "Group") is a global sports-betting and gaming company reporting as four divisions:

- **UK & Ireland:** includes Sky Betting and Gaming, Paddy Power and Betfair brands offering a diverse range of sportsbook, exchange and gaming services across the UK and Ireland, along with over 600 Paddy Power betting shops in the UK and Ireland.
- **Australia:** the Sportsbet brand offers online sport betting and is the Australian market leader.
- **International:** includes PokerStars, Adjarabet, Betfair and Junglee operating in multiple jurisdictions around the world offering a diverse range of sportsbook, exchange and gaming services.
- **US:** includes FanDuel, TVG, Stardust, FOX Bet and PokerStars brands, offering regulated real money and free-to-play sports betting, online gaming, daily fantasy sports and online racing wagering products to customers across various states in the US.

## Divisional Key Performance Indicators – Q1 2021

Unaudited pro forma

	UK & Ireland			Australia			International			US			Group		
	Q1 2021 £m	Q1 2020 £m	CC Change % <sup>2</sup>	Q1 2021 £m	Q1 2020 £m	CC Change % <sup>2</sup>	Q1 2021 £m	Q1 2020 £m	CC Change % <sup>2</sup>	Q1 2021 £m	Q1 2020 £m	CC Change % <sup>2</sup>	Q1 2021 £m	Q1 2020 £m	CC Change % <sup>2</sup>
<b>Proforma<sup>1</sup></b>															
Sportsbook stakes	3,083	2,240	+37%	2,451	1,545	+46%	452	311	+47%	2,714	864	+235%	8,700	4,959	+72%
<i>Sportsbook net revenue margin</i>	10.6%	13.0%	-240bps	11.4%	10.4%	+100bps	8.6%	10.1%	-150bps	4.4%	4.6%	-20bps	8.8%	10.5%	-170bps
Sports revenue	371	331	+12%	279	161	+59%	57	47	+22%	189	88	+130%	896	627	+41%
Gaming revenue	196	158	+24%				294	297	+4%	99	43	+146%	589	498	+22%
<b>Total revenue</b>	<b>568</b>	<b>489</b>	<b>+16%</b>	<b>279</b>	<b>161</b>	<b>+59%</b>	<b>351</b>	<b>344</b>	<b>+7%</b>	<b>288</b>	<b>132</b>	<b>+135%</b>	<b>1,485</b>	<b>1,126</b>	<b>+33%</b>
<b>Average monthly players<sup>3</sup> (000's)</b>	<b>3,167</b>	<b>2,571</b>	<b>+23%</b>	<b>831</b>	<b>581</b>	<b>+43%</b>	<b>2,027</b>	<b>1,774</b>	<b>+14%</b>	<b>1,648</b>	<b>710</b>	<b>+132%</b>	<b>7,672</b>	<b>5,635</b>	<b>+36%</b>

	UK & Ireland Online			UK & Ireland Retail		
	Q1 2021 £m	Q1 2020 £m	CC Change % <sup>2</sup>	Q1 2021 £m	Q1 2020 £m	CC Change % <sup>2</sup>
<b>Proforma<sup>1</sup></b>						
Sportsbook stakes	3,081	1,883	+63%	2	356	-99%
<i>Sportsbook net revenue margin</i>	10.6%	12.7%	-210bps	-5.7%	14.6%	-2,030bps
Sports revenue	371	279	+33%	(0)	52	-100%
Gaming revenue	196	139	+41%	(0)	19	-100%
<b>Total revenue</b>	<b>568</b>	<b>419</b>	<b>+35%</b>	<b>(0)</b>	<b>71</b>	<b>-100%</b>
<b>Average monthly players<sup>3</sup> (000's)</b>	<b>3,167</b>	<b>2,571</b>	<b>+23%</b>			

<sup>1</sup> Flutter's combination with TSG completed on May 5, 2020. The pro forma numbers presented include TSG for a full 3-month period in 2020. Jungle, which was acquired in January 2021, has not been included on a pro forma basis.

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