Paddy Power Betfair
2018 Preliminary Results

6 March 2019

PADDYPOWER. betfair

Introduction

Peter Jackson, CEO

Today's agenda

- How PPB will deliver sustainable shareholder returns
- Overview of our strategy
- Financial review
- Operating review

Sector remains very attractive space for investment

Online CAGR 2013-18 c.11%

Each 1% migration from offline to online equates to c$4bn revenue

Large global market with key trends **benefitting scale** online **operators:**

- Online market is growing fast & has **long runway of further growth**
- **Regulation** is **creating additional online markets** for global operators to target
- **Regulatory & tax headwinds** in mature online markets **driving economics to market leaders**

[1] Source: H2GC

PPB positioned for success within the sector

Strong foundations

Substantial online scale

- £1.5bn revenue
- >£400m marketing spend
- >1,000 tech developers
- Podium positions in key regulated markets

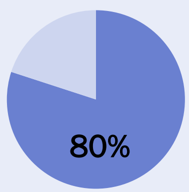
Distinctive brands

Leading sports capabilities

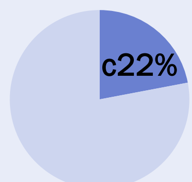
- Differentiated products
- Global risk & trading expertise
- Proprietary technology
- Digital marketing

Huge opportunity to grow outside core markets

UK, Australia & Ireland in 2018

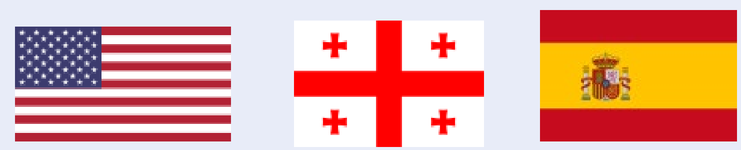


of PPB revenue



of Global online gambling revenue[1]

Regulation & investment driving access to fast-growing markets



Financial strength

Highly cash generative

Underlying free cash flow 2016-2018:

£894m

(98% of underlying profits after tax)

Financial flexibility

- Ability to utilise debt for opportunities & deleverage quickly
- Option to buyout FanDuel & Adjarabet minorities with cash or equity

[1] Source: H2GC

Four pillar strategy to achieve success

Maximise profitable growth in core markets

- Invest in leading customer propositions
- Leverage distinct assets
- Capitalise on regulatory developments
- Operate efficiently & sustainably

Grow Betfair in rest of world

- Target core bettors with unique sports proposition
- Offer tailored regional customer propositions
- Invest in regional growth on returns-based approach
- Minimise cost to serve global customers

Attain podium positions in additional regulated markets

- Identify attractive markets
- Achieve position via organic or inorganic investment

Pursue US opportunity rigorously

- Invest in leading customer propositions
- Leverage FanDuel brand / fantasy sports
- Disciplined marketing & promotional spend
- Achieve scale in key states
- Leverage central operational capabilities

Outcomes:

- Grow market share
- Sustainable cash generation

- Increase diversification
- Access to additional growth markets

- Huge opportunity
- Create long-term value

Supported by:

Key enablers	People	Product & technology
Core values	Operate responsibly	Customer-centric focus

...delivering sustainable shareholder returns

Substantial progress made in 2018

Maximise profitable growth in core markets	▪ Paddy Power back taking market share ▪ Evolving Betfair's proposition to better leverage its unique exchange-sportsbook combination ▪ Sportsbet driving increased customer activity with additional generosity
Grow Betfair in rest of world	▪ Significant technology development ongoing to enhance global customer proposition & minimise cost to serve
Attain podium positions in additional regulated markets	▪ Adjarabet acquisition secures no.1 position in fast-growing, regulated online Georgian market
Pursue US opportunity rigorously	▪ FanDuel acquisition gives us leading brand & fantasy sports advantage ▪ Key market access deals secured ▪ Leadership position established in NJ sports betting

Proposing to re-name Group, **Flutter Entertainment plc** in May (subject to shareholder approval at our AGM), reflecting increased diversity of our brands and operations

Financial review

Jonathan Hill, CFO

Key financial highlights

		2018	2017	YoY
Revenue	Revenue	£1,873m	£1,745m	+7%
Profitability	Underlying EBITDA pre-US sports betting	£475m	£473m	Flat
	Underlying EBITDA	£451m	£473m	(5%)
	Reported Profit before tax	£219m	£247m	(11%)
	Reported Earnings per share	241.7p	257.9p	(6%)
	Underlying Earnings per share	379.3p	398.0p	(5%)
Financial position	Net (debt) / cash	£(162)m	£244m	
	Net debt / LTM EBITDA	0.4x	-0.5x	
Shareholder returns	Proposed total dividend per share	200p	200p	
	Total cash returns including buybacks	£584m	£149m	

- EBITDA pre-US sports betting towards top end of guided range at Q3 trading update (£465m-£480m)
- EBITDA reduced by £24m investment in US sports betting
- Year-end leverage of 0.4x, compared to target of 1-2x
- Dividend maintained at 200p per share, at a payout ratio of 53%

Revenue highlights

£m	ONLINE		AUSTRALIA		US		RETAIL		GROUP	
	2018	YOY %	2018	YOY % CC[1]	2018	PROFORMA[2] YOY % CC[1]	2018	YOY %	2018	YOY %
Sports revenue	678	+3%	403	+6%	172	+17%	222	-3%	**1,474**	+6%
Gaming revenue	270	+13%	-	-	20	+31%	110	+3%	**399**	+11%
Total revenue	**948**	**+5%**	**403**	**+6%**	**191**	**+18%**	**331**	**-1%**	**1,873**	**+7%**

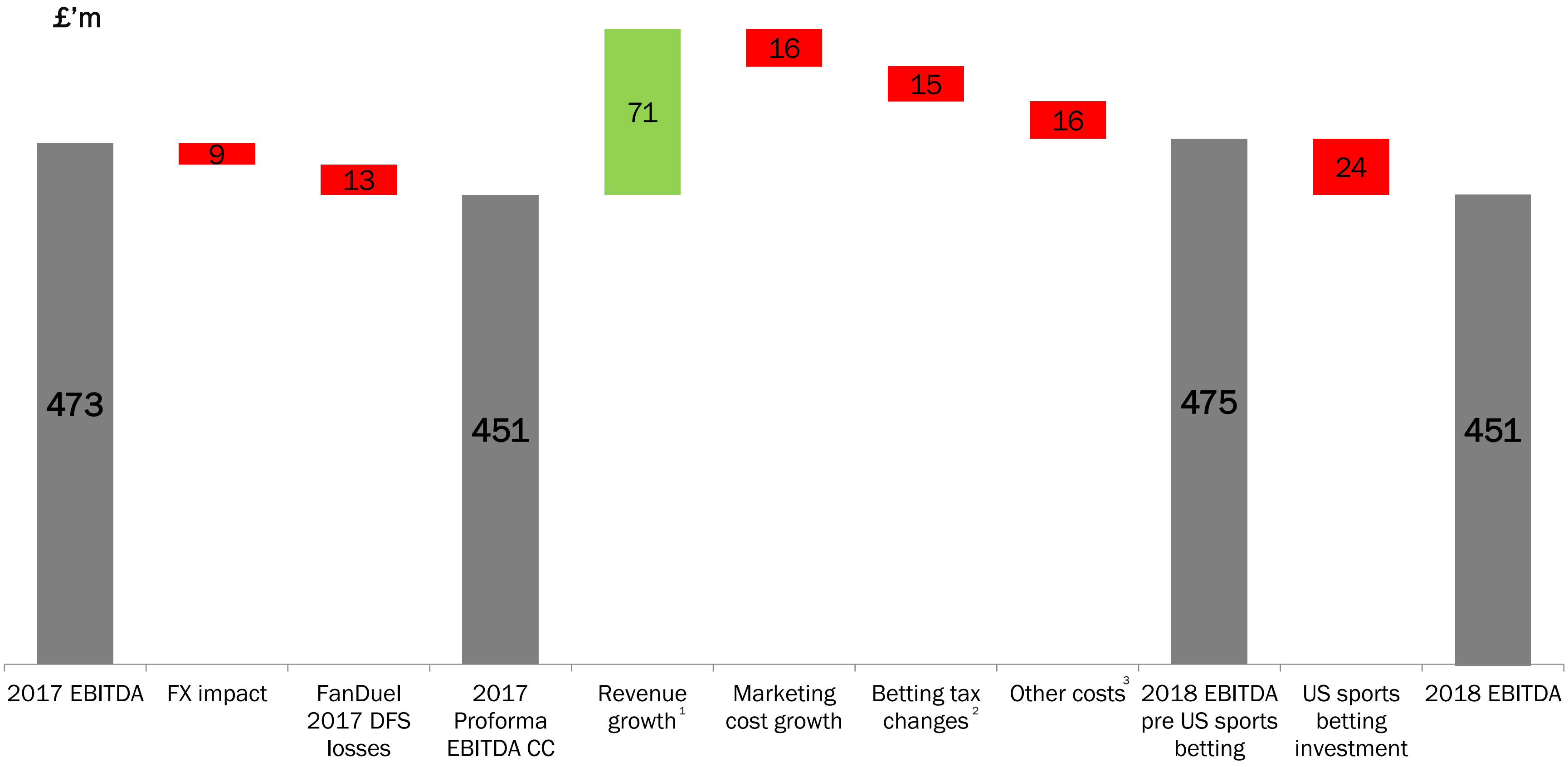
- **Online sports:** Solid growth with sportsbook +6% and Exchange -2%
- **Online gaming:** Excellent performance
- **Australia:** Strong underlying customer activity offset by adverse sports results and investment in promotions
- **US:** Good momentum in existing businesses with £11m sports betting revenue in 2018 from New Jersey
- **Retail:** Revenue decline but estate outperforming competitors

[1] Constant currency ("cc") growth is calculated by retranslating non-sterling denominated component of 2017 at 2018 exchange rates

[2] On a proforma basis as if FanDuel (acquired 10 July 2018) was always part of the Group

EBITDA bridge

Underlying growth: +£24m / +5%



[1] EBITDA impact of revenue growth estimated using average 2018 cost of sales %

[2] Includes annualised impacts of changes to UK and Australian POC tax and product fees/levies

[3] Includes increased underlying cost of sales from year-on-year revenue mix changes and decreased other operating costs

Group P&L summary

£m	2018	2017	YOY %	YOY % CC
Revenue	**1,873**	**1,745**	**+7%**	**+9%**
Gross profit	1,403	1,340	+5%	+6%
Underlying EBITDA	**451**	**473**	**-5%**	**-3%**
Depreciation & amortisation	(90)	(81)	+11%	+13%
Underlying operating profit	**360**	**392**	**-8%**	**-6%**
Underlying net interest	(4)	(3)	+4%	
Separately disclosed items	(138)	(142)	-3%	
Profit before tax	**219**	**247**	**-11%**	
Tax	(38)	(29)	+31%	
Profit after tax	**181**	**218**	**-17%**	
Non-controlling interest	21	-	n/a	
Profit attributable to equity holders of the company	**201**	**218**	**-7%**	

- Depreciation increasing with investment in platform integration and product improvements
- Net interest reflects increased interest costs on gross debt
- Separately disclosed items mainly amortisation of acquired intangibles on 2016 merger and FanDuel and write down on DRAFT
- Non-controlling interest represents US losses attributable to minority shareholders of FanDuel Group

Online

£m	2018	2017	YOY %
Sportsbook stakes	5,453	5,633	-3%
Sportsbook net revenue %	*7.7%*	*7.0%*	+0.7%
Sports revenue	678	660	+3%
Gaming revenue	270	238	+13%
Total revenue	**948**	**898**	**+5%**
Cost of sales	(231)	(199)	+16%
Gross profit	**717**	**700**	**+2%**
Gross margin %	*75.6%*	*77.9%*	*-2.3%*
Sales & marketing costs	(242)	(223)	+8%
Contribution	**475**	**476**	**Flat**
Contribution margin %	*50.1%*	*53.0%*	*-2.9%*
Other operating costs	(158)	(170)	-7%
Underlying EBITDA	**316**	**306**	**+3%**
EBITDA margin %	*33.4%*	*34.1%*	*-0.7%*

- Sports growth comprised of sportsbook +6% and Exchange -2% (Q1 -7%; Q2-Q4 flat)
- Significant turnaround in gaming performance with strong growth in Paddy Power
- Cost of sales adversely affected by c.£7m relating to tax and levy changes implemented during 2017
- 8% marketing growth partially offset by operating efficiencies in other operating costs

Australia

£m	2018	2017	YOY %	A$ YOY %
Sportsbook stakes	4,308	3,708	+16%	+23%
Sportsbook net revenue %	*9.4%*	*10.9%*	*-1.5%*	*-1.5%*
Revenue	**403**	**404**	**Flat**	**+6%**
Cost of sales	(121)	(111)	+9%	+16%
Gross profit	**282**	**292**	**-4%**	**+2%**
Gross margin %	*69.9%*	*72.4%*	*-2.5%*	*-2.5%*
Sales & marketing costs	(82)	(82)	+1%	+8%
Contribution	**199**	**211**	**-5%**	**Flat**
Contribution margin %	*49.5%*	*52.2%*	*-2.7%*	*-2.7%*
Other operating costs	(62)	(71)	-12%	-7%
Underlying EBITDA	**137**	**139**	**-2%**	**+4%**
EBITDA margin %	*34.0%*	*34.6%*	*-0.6%*	*-0.6%*

- Increased customer activity driving strong stakes growth
- Net revenue % decline reflects:
  - adverse sports results
  - decision to increase investment in promotional generosity
- Cost of sales includes impact of additional POC tax and increased product fees
- Increase in marketing investment (in local currency terms) ahead of new taxes
- Other operating costs reflect continuing operating efficiencies

Retail

£m	2018	2017	YOY %
Sportsbook stakes	1,779	1,835	-3%
Sportsbook net revenue %	*12.5%*	*12.4%*	*+0.1%*
Sports revenue	222	228	-3%
Gaming revenue	110	106	+3%
Total revenue	**331**	**334**	**-1%**
Cost of sales	(73)	(71)	+4%
Gross profit	**258**	**263**	**-2%**
Gross margin %	*77.9%*	*78.9%*	*-1.0%*
Operating costs	(187)	(182)	+3%
Underlying EBITDA	**72**	**82**	**-12%**
EBITDA margin %	*21.6%*	*24.4%*	*-2.8%*
Shops at year end	626	626	Flat

- Outperforming competitors due to market-leading, sports-led proposition
- UK estate (362 shops) revenue +1%
- Irish estate (264 shops) revenue -4% in local currency
  - due to reliance on racing with Q1 2018 performance -11%
- Cost of sales increase due to changes in revenue mix and Irish stakes tax
- Limited further cost efficiencies available in retail

US

£m, Proforma[1]	2018	2017	YOY %	US$ YOY %
Sportsbook stakes	423			
Sportsbook net revenue %	*2.6%*			
Sports revenue	216	190	+14%	+17%
Gaming revenue	20	16	+26%	+31%
Total revenue	**236**	**205**	**+15%**	**+18%**
Cost of sales	(50)	(37)	+34%	+38%
Gross profit	**186**	**168**	**+10%**	**+14%**
Gross margin %	*78.8%*	*81.9%*	*-3.1%*	*-3.0%*
Sales & marketing costs	(95)	(91)	+4%	+6%
Contribution	**91**	**78**	**+18%**	**+24%**
Contribution margin %	*38.7%*	*37.7%*	*+1.0%*	*+1.7%*
Other operating costs	(106)	(86)	+22%	+27%
Underlying EBITDA	**(15)**	**(9)**	**n/a**	**n/a**

Proforma performance:

- Revenue growth in existing businesses of 13% in local currency, combined with £11m of sports betting revenue
- Sportsbook net revenue % low due to high level of promotional spend acquiring customers
- Cost of sales disproportionately high on sports betting given low sportsbook net revenue %
- Sales and marketing costs reflect fantasy synergies more than offset by spend on sports betting in New Jersey
- Excluding sports betting, underlying EBITDA improved by £19m from a loss of £9m in 2017 to a profit of £10m

[1] All numbers & growth rates presented on a proforma basis as if FanDuel was always part of the Group.

We will report US separately from 2019

£'m	2018
Revenue	1,873
EBITDA pre US sportsbetting	475
US sports betting losses	(24)
Group EBITDA	451

	2018		
£'m	Group ex-US	US	Group
Revenue	1,682	191	1,873
EBITDA	465	(14)	451

- US is at a different stage of investment cycle
- Investment losses likely to be material in initial years
- Investment will fluctuate based on timing of state-by-state regulation
- Higher market share will equate to higher losses in early years
- Economics are shared with minority shareholders

US: 2018 EBITDA by business

Proforma £m	2018 Fantasy, TVG & Casino	Sportsbook	Total
Stakes		423	423
Net revenue %		2.6%	2.6%
Revenue	**224**	**11**	**236**
Contribution	**100**	**(9)**	**91**
Other opex	(91)	(15)	(106)
EBITDA	**10**	**(24)**	**(15)**

Revenue (net of promotions) less cost of sales (variable taxes & supplier costs) & marketing costs

Includes product, technology & operations costs which are scalable and shared across businesses

Fantasy, TVG & Casino businesses:

- £100m positive contribution underpinned by good growth (actives +14%, revenue +13%)
- Substantial resources to leverage for sports betting (including £91m of opex ex-marketing)

Sportsbook:

- Net revenue % reflects high level of online promotional spend and win-win nature of key US sports (infrequent draws)
- Cost of sales:
  - Initially high as proportion of revenue, given many costs are based on gross revenues (before promotional spend)
  - Structurally higher than other markets given market access costs, supplier revenue shares, data fees & payment processing challenges
- Sportsbook contribution from newly launched online states is negative while the proportion of new customers remains high (due to high levels of promotional and marketing spend versus revenue generated)

US: financial guidance

Total US investment will be driven by four areas:

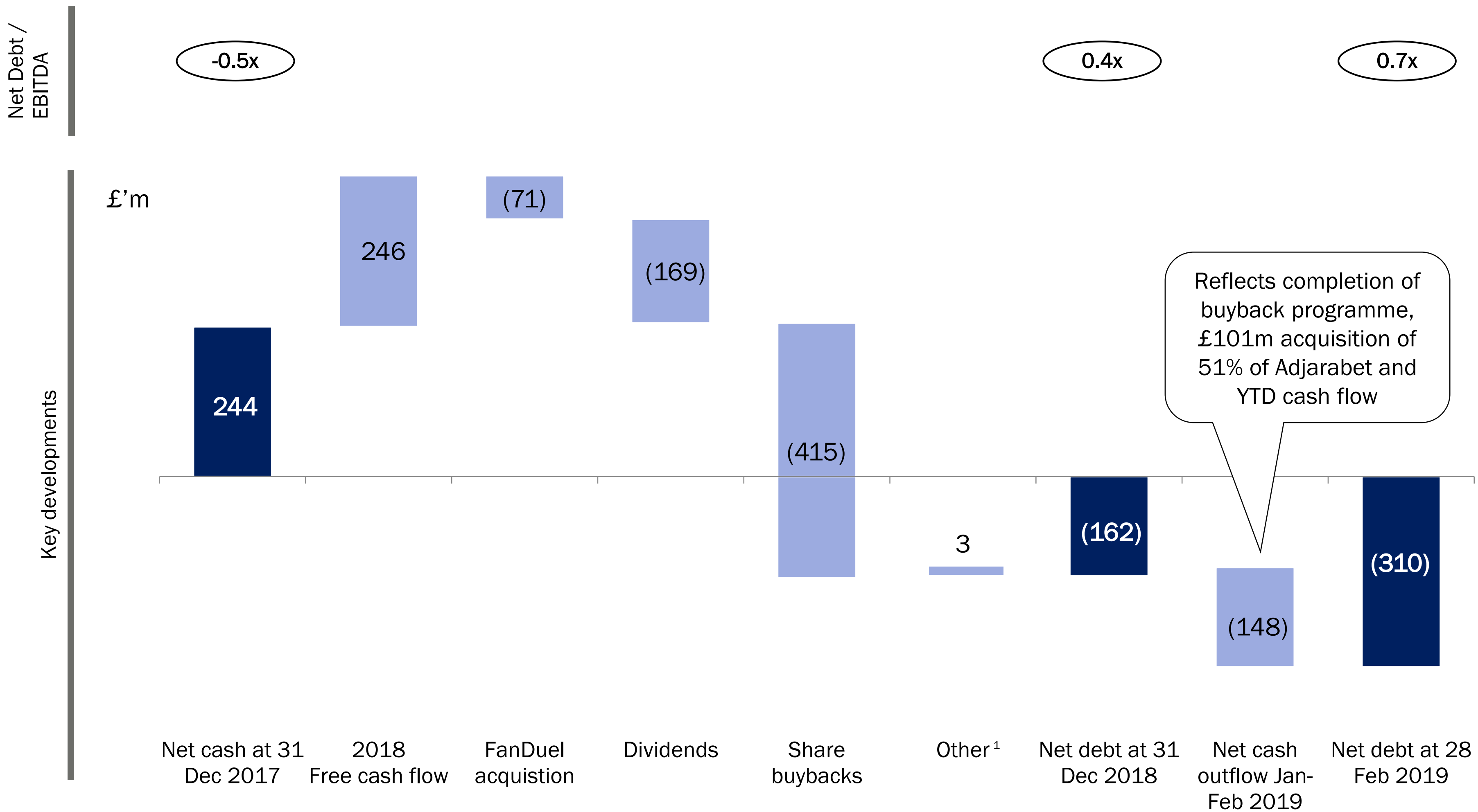
Positive contribution from Fantasy, TVG & Casino businesses	▪ **Good momentum into 2019** driven by investment in promotions, marketing and product ▪ Continuing to invest both to grow customer base and to generate positive returns
Negative contribution from New Jersey sportsbook	▪ Given strong market growth and our excellent momentum in acquiring valuable customers, we intend to continue to invest in customer acquisition ▪ **Expect contribution to remain negative throughout 2019 and to generate positive contributions 18-30 months post-launch**
Sportsbook contribution from other states	▪ **Timing of regulation/launch in each state will dictate level of investment in each year** ▪ Key factors influencing timeframe to positive contribution: potential market size, tax rates, no. of skins / competitive intensity, market-access costs, availability of casino cross-sell ▪ States currently with visibility of go-live during 2019: Pennsylvania (retail & online); West Virginia (online); New York (retail)
Other opex (excludes marketing)	▪ Additional investment to build out sports betting capabilities from H2 2018 through 2019 ▪ **Currently expect total expenditure of between £145m & £155m in 2019 (2018: £106m)** ▪ These costs support all our products and will be highly scalable

Cash flow

£m	2018	2017
Underlying EBITDA	451	473
Capex	(107)	(89)
Working capital	(38)	55
Corporation tax paid	(60)	(45)
Underlying free cash flow	**247**	**395**
Cash flow from separately disclosed items	(1)	(12)
Free cash flow	**246**	**383**
Dividends paid	(169)	(149)
Share buyback	(415)	-
FanDuel acquisition (2017: DRAFT acquisition)	(71)	(14)
Interest and other borrowing costs	(4)	(0)
Issue of shares	10	3
Net (decrease)/increase in cash	**(403)**	**222**
Net cash at start of year	244	36
FX translation impact	(2)	(14)
Net (debt) / cash at year end	**(162)**	**244**
Net debt / LTM EBITDA	**0.4x**	**-0.5x**

- Capex increase reflects additional US investment
- Working capital adversely affected by:
  - Timing of some Q4’17 costs paid in Q1’18 (c.£20m)
  - Material prepayments at 31 Dec 2018, relating to European marketing assets and US sports betting assets (c.£30m)
  - Expectation that negative working capital will begin to unwind in 2019
- £584m of cash returned to shareholders in 2018 via dividends and share buybacks
- FanDuel acquisition led to net cash outflow of £71m

Evolution of capital structure



[1] Includes issue of shares; interest & other borrowing costs and FX translation impact.

Balancing investment with cash returns and leverage

Free Cash Flow

	UK, Ireland and Australia	New market opportunities
Organic investment	Invest in marketing / promotion / product to deliver growth and long term value	**Invest in product / capabilities to scale internationally**
M&A	Invest where our market leading position can be enhanced	**Achieve podium position in attractive and sustainable regulated markets**
Sustainable dividends	**c.50% pay-out ratio**	
Surplus cash returns	Potential for cash returns over time beyond ordinary dividends	

1x to 2x net debt / EBITDA leverage

Impact of regulation/taxation changes on 2019 and 2020

KEY TAX & REGULATORY HEADWINDS	ESTIMATED EBITDA IMPACT AT 2018 REVENUE LEVELS			
	Group total	Online	Australia	Retail
Australia: incremental POC tax & product fees	c£50m		c£50m	
UK retail: £2 machines stakes limit (applies from 1 Apr 19)	c£30m			c£30m
UK online: increased remote gaming duty rate (applies from 1 Apr 19)	c£16m	c£16m		
Ireland: increased betting duty	c£20m	c£9m		c£11m
Other regulated markets[1]	c£2m	c£2m		
Total impact	**c£118m**	**c£27m**	**c£50m**	**c£41m**
Of which incrementally impacts on 2019	c£107m	c£23m	c£50m	c£34m
Of which incrementally impacts on 2020	c£11m	c£4m	-	c£7m

- Significant regulatory developments across key markets in 2018
- Total estimated EBITDA headwind of £118m at 2018 revenue levels
- Regulatory developments also creating opportunities by opening new markets (e.g. US sports betting) and cementing competitive advantages enjoyed by online-led, scale operators

1. Includes increased betting taxes in Italy and Romania, reduced betting tax rates in Spain and taxes in Sweden

Current trading & financial guidance

Current trading	▪ Trading in 2019 year to date is in line with our expectations
Quarterly reporting	▪ Q1 and Q3 trading updates will continue to update on key revenue trends ▪ No longer reporting quarterly EBITDA
Adjarabet	▪ £101m acquisition cash outflow on completion (1 Feb 2019) ▪ Business is part of and will be reported within the Online division ▪ Fully consolidated subsidiary (11 months in 2019) with a 49% minority interest recognised on the income statement & balance sheet
FX	▪ 2018 EBITDA was c.70% GBP denominated (Australian & US division profits are in AUD & USD respectively) ▪ Applying current spot rates to 2018 EBITDA there is a c.£5m headwind into 2019
Capex	▪ Full-year 2019 capex currently expected to be £120m to £130m
Other financial guidance	▪ 2019 underlying net interest expense currently expected to be £8m to £10m (pre-IFRS 16 impact) ▪ Group (ex-US) full-year 2019 underlying effective tax rate expected to be between 12% and 14% ▪ Shares in issue: 78.1m shares post completion of buyback programme in Feb'19 (average share count for 2019, assuming no further share changes, of 78.6m) ▪ IFRS 16: c.£165m balance sheet impact (additional asset & liability); reported operating profit impact immaterial (c.£40m rent reduction offset by increased depreciation); additional £4m to £5m of interest expense (reduces reported EPS)

Operating review

Peter Jackson, CEO
Dan Taylor, CEO Europe

Responsible gambling is key to long-term sustainability

All key stakeholders expect us to put operating responsibly at the core of our business

Customers

We have a responsibility to keep their experience safe and fun

Shareholders

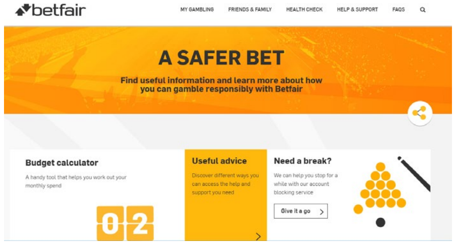
Sustainability is a key investment criteria

Employees

Key consideration for attracting and retaining talent

Engaging proactively with our customers on responsible gambling and increasing cross-industry collaboration

Site tools



We offer a leading suite of tools to help customers manage their play

Data-driven intervention

Not everyone will choose to use tools, so our job is to proactively monitor and intervene

Industry collaboration

THE SENET GROUP — PROMOTING RESPONSIBLE GAMBLING STANDARDS

IGRG — INDUSTRY GROUP FOR RESPONSIBLE GAMBLING

RESPONSIBLE WAGERING AUSTRALIA

BeGambleAware.org®

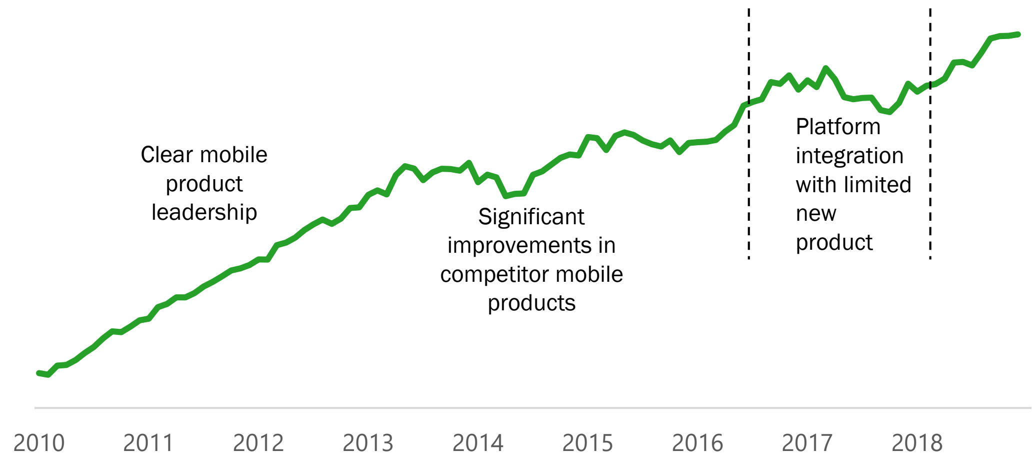
AMERICAN GAMING ASSOCIATION

No one organisation can solve this alone, so we work across the spectrum

Paddy Power: back winning market share in 2018

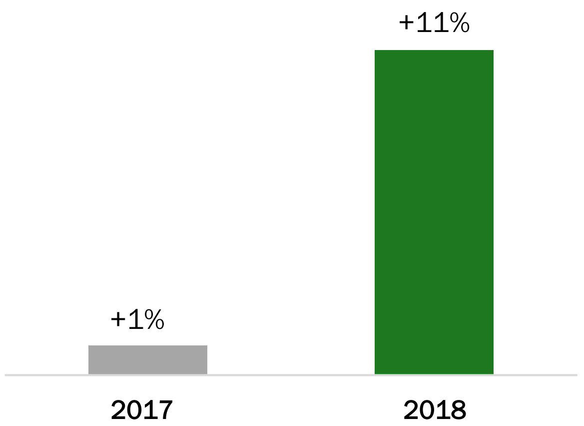
Long-term revenue trend

Paddy Power total online revenue rolling LTM[1]



Recent revenue momentum

Paddy Power online YoY revenue growth[1]



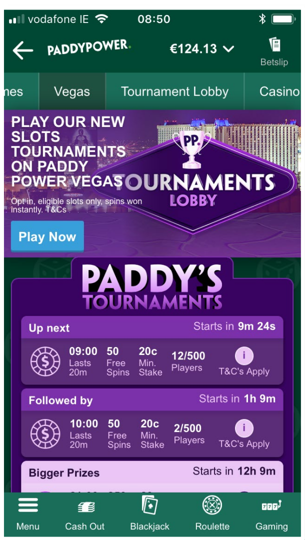
Significant turnaround in performance in 2018 due to:

- Improved product post completion of platform integration
- Gaming product driving increased cross-sell
- Improved marketing execution re-engaging recreational customers
- Targeted value promotions that reward loyalty

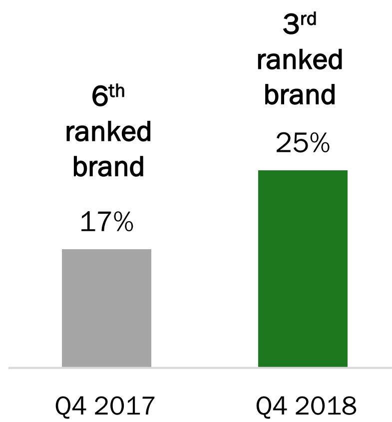
[1] Excludes revenues from Paddy Power Italy which was switched off in Q4 2017

Paddy Power: enhanced customer proposition driving momentum

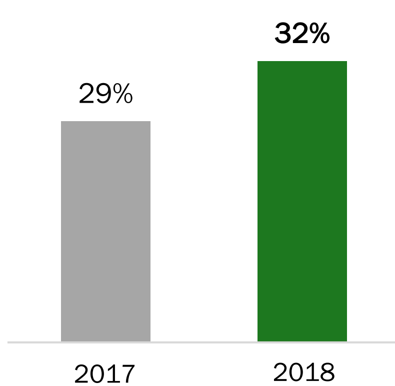
Better sports product with enhanced gaming content



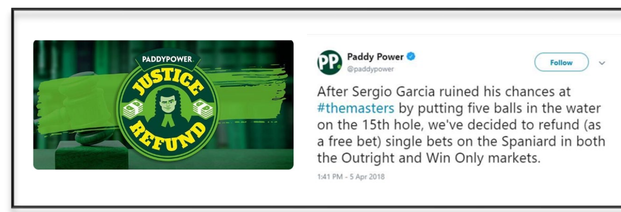
% of customers rating app as “Simplest & easiest to use”



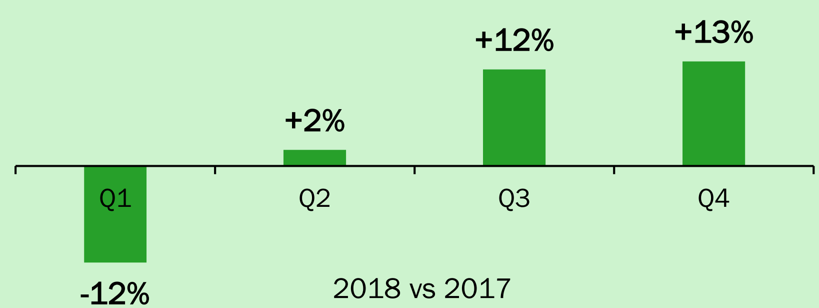
% of sports customers also playing gaming



Leveraging distinct brand & investing in promotions



YoY change in average daily active customers



Retail: regulation provides opportunity to win further market share

Key drivers of PP outperformance

Quality estate
- All shops in high footfall locations
- Best invested estate in the industry

Service & People
- Leading customer service scores

Product & Content
- More product and content to bet on

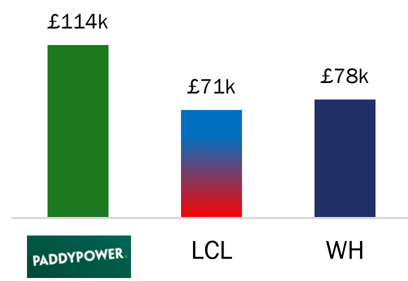
Value
- The best odds, offers & loyalty scheme in retail betting

Brand
- PP brand leveraged in shop

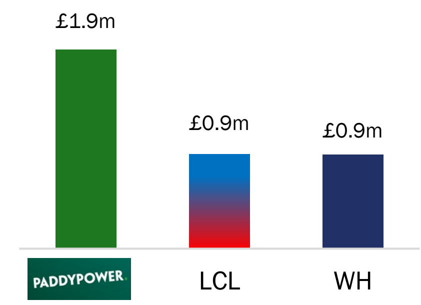
PP well positioned for regulation-driven market consolidation

- Shops are more profitable & outperform on sports betting
- Shops are located in markets with a large number of competitors

Average EBITDA per shop[1]



Average sportsbook stakes per UK shop[1]



Regulation impact

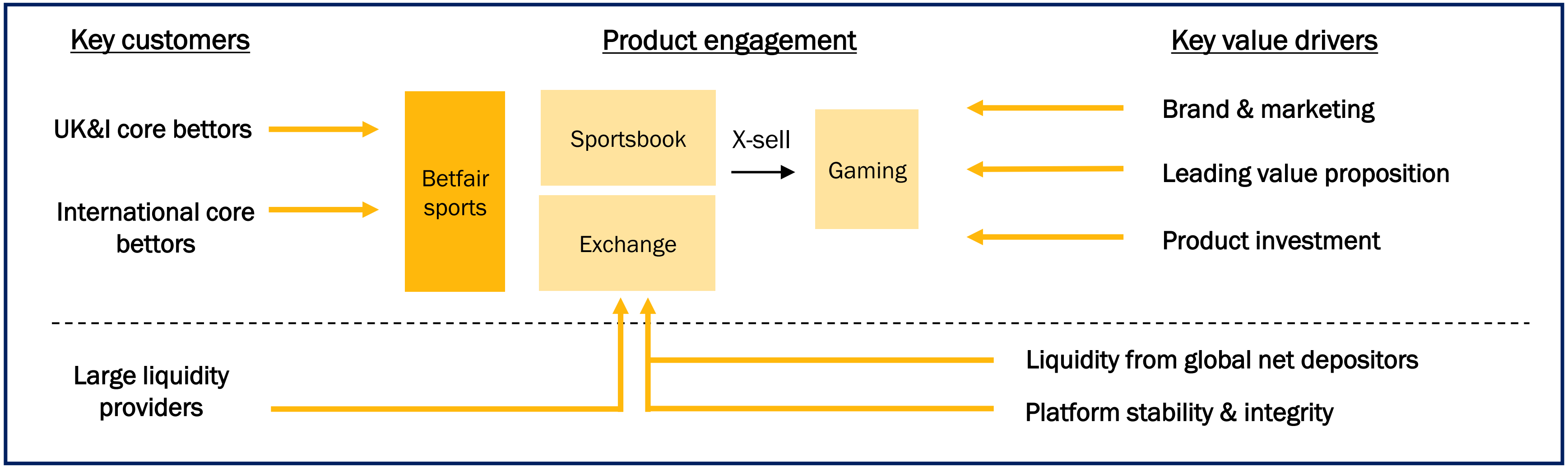
UK machines £2 stakes limit
- 33% to 43% decrease in total machine revenues
- Equates to c£30m in EBITDA

Increased Irish betting tax
- c£11m EBITDA impact

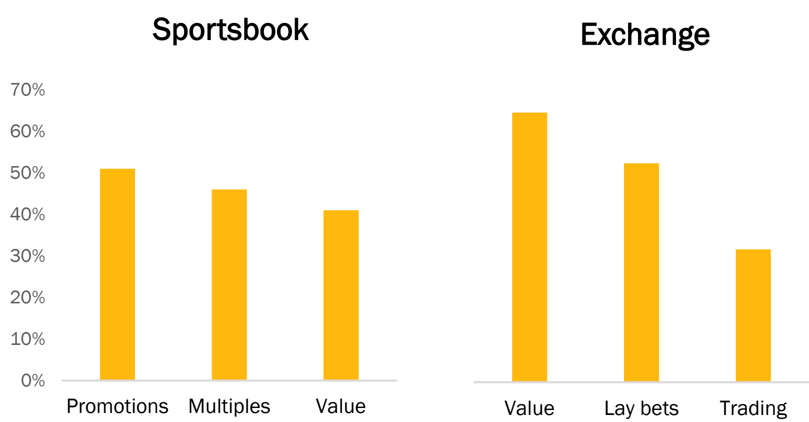
Potential mitigation factors
- Product innovations
- Substitution
- Market consolidation

[1] 2018; source: competitor published accounts

Betfair: business model can offer unparalleled sports-betting



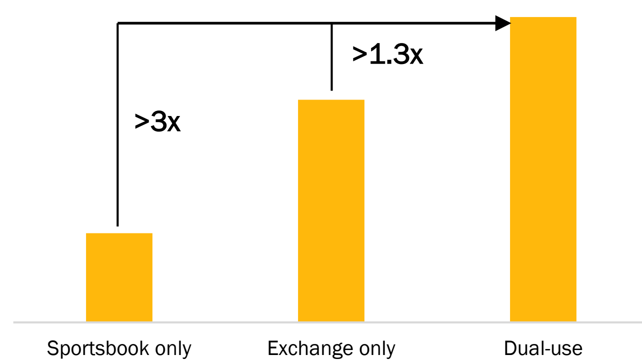
Sportsbook & Exchange have complementary traits



Top 3 reasons customers use each product

Opportunity to bring proposition closer together

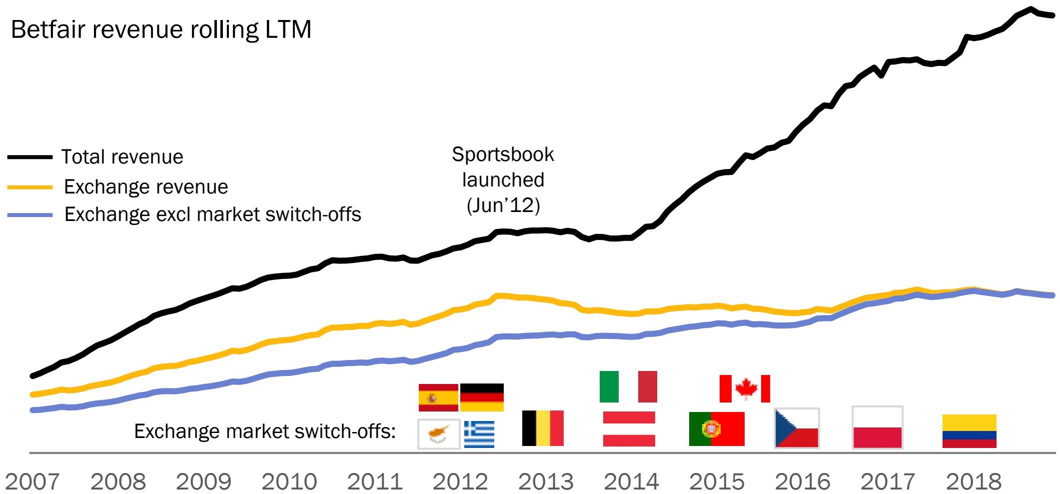
Dual-use customers are more valuable



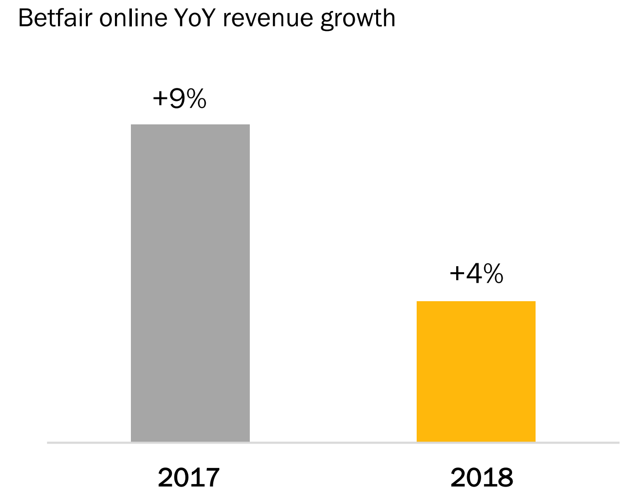
Average revenue per Betfair user

Betfair: growth should be considered in totality

Long-term revenue trend



Recent revenue momentum



- Revenue growth since 2013 driven by sportsbook, which has matured back towards market growth
- Exchange performance (flat Q2-Q4 2018) consistent with previous 5 years
- Medium term pressures on business:
  - Market 'switch offs' for the exchange (continued growth in other markets)
  - Sportsbook competitive intensity in horseracing reduced exchange price advantage
  - Focus on sustainability with more proactive responsible gambling measures
- **Significant opportunity to grow global Betfair brand through product improvements**

Grow Betfair in rest of world

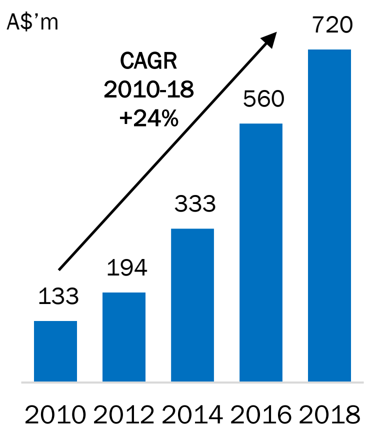
Approach	
Approach	▪ Target core bettors globally with unique sports proposition ▪ Build an efficient global product, offering relevant customer propositions ▪ Invest in regional promotional & marketing spend on a returns-based approach ▪ Leverage scale & platform to minimise cost to serve global customers
2019 focus is on building platform capabilities	**Key platform enhancements to be completed on a phased basis throughout 2019** ▪ Languages ▪ Currencies ▪ Payment options ▪ Content localisation ▪ Localised sportsbook pricing ▪ Automated digital marketing & customer operations

- **Promotional and marketing investment expected to drive increased growth from 2020**
- **Growing global exchange liquidity will benefit UK&I exchange revenues**

Sportsbet: scale & leading proposition has driven long-term success

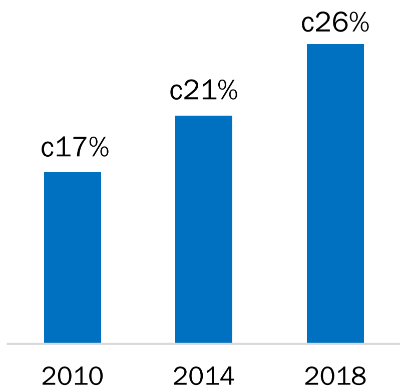
Strong revenue growth & market share gains

Sportsbet Revenue



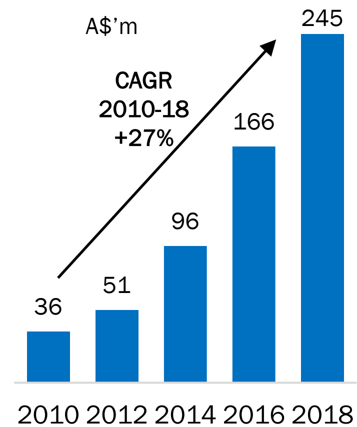
Sportsbet market share

(non-retail revenue[1])

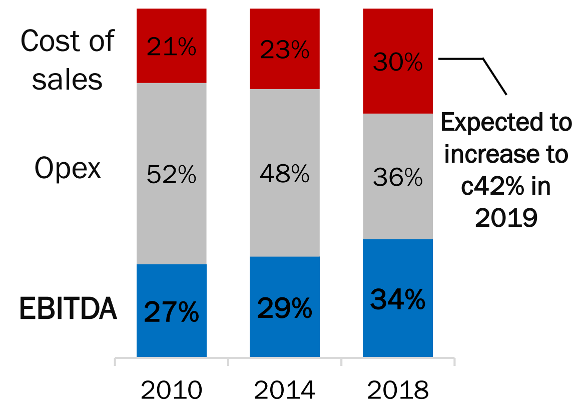


Strong profit growth despite increased taxes

Sportsbet EBITDA



Sportsbet P&L breakdown (% of revenue)



- Consistent success driven by investment in brand & customer proposition
- Combined with scale this has driven profit & margin growth
- Sportsbet relatively well positioned for tax & regulatory headwinds
- Competitive intensity increased over 2018 but Sportsbet still offers market leading proposition
- Continuing to invest in leading proposition to drive continued market share gains

[1] Based on competitor public filings and internal management estimates

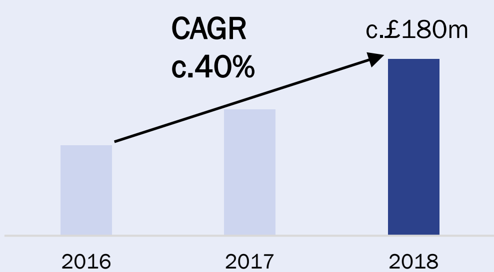
Adjarabet acquisition

Transaction overview

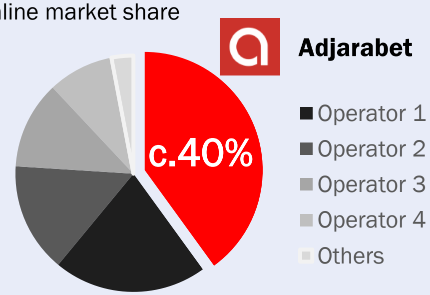
- £101m initial acquisition for 51% of business
- Call / put option to acquire remainder in 3 years at 7x 2021 EBITDA
- Adjarabet 2018 financials: Revenue £64m, EBITDA £20m
- Access to PPB sports capabilities & proprietary gaming content can enhance proposition

Secures No.1 position in attractive market

Georgian online gross revenue



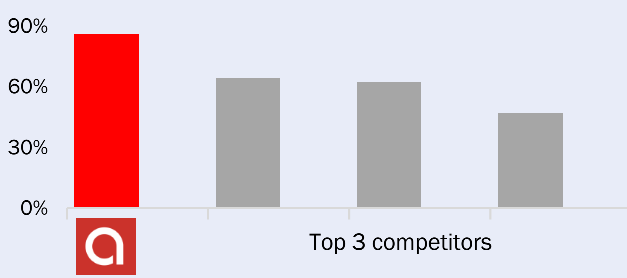
Georgian online market share

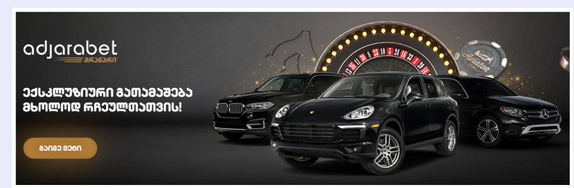


Additional exposure to regulated Armenian market (c.10% market share)

Dominant brand with unique marketing asset

Spontaneous brand awareness





15 year (extendable) exclusive agreement with Adjaranet (leading Georgian website)

Actively looking for additional bolt-on acquisition opportunities

FanDuel: stealing a march in nascent US market

Huge market opportunity

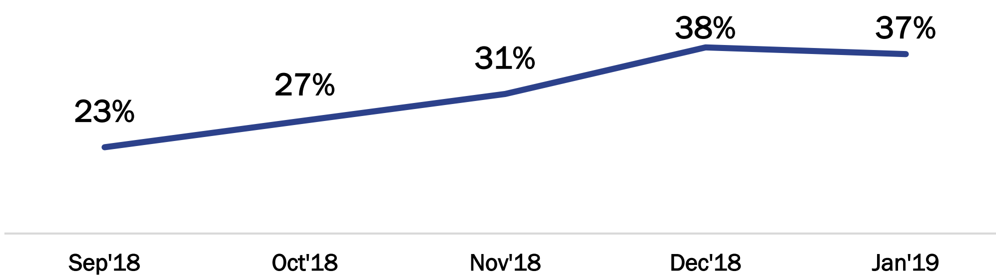
- Proven consumer demand: illegal sports betting market handle estimated at $150bn (per AGA)
- Evolving New Jersey market already generating >$240m of annual sports revenue (based on last 3 months)
- Combined NJ, NY & PA states alone have 1.7x the Australian population

FanDuel well positioned for success

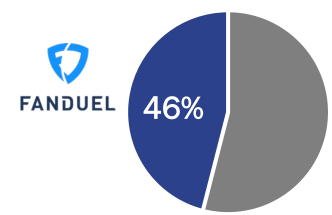
Leading Brand	Market-access	Extensive customer base	Unique cross-sell opportunities	Operational expertise
FANDUEL	15 states	>8m nationally across all products	Sports betting Fantasy Racing Casino	10 years multi-state wagering experience

Early podium positioned secured

FanDuel New Jersey sports betting online market share



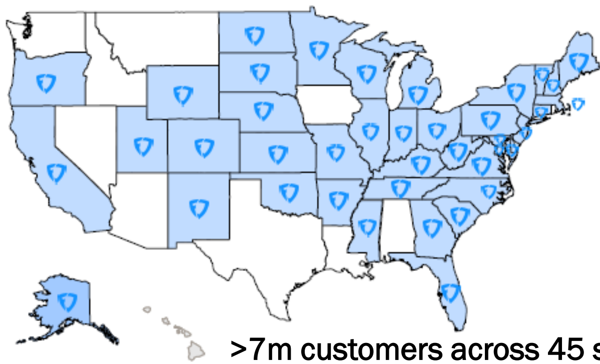
New Jersey sports betting total market handle (Jul 18 – Jan 19)



Source: New Jersey Division of Gaming Enforcement industry reports; total market handle includes retail and online

FanDuel: key drivers of our initial success

Leveraging Fantasy Sports Advantage

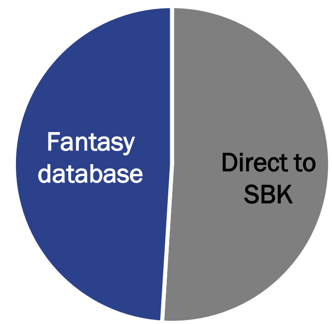


>7m customers across 45 states

300k additional sign-ups over NFL season

Fantasy actives +13% in 2018

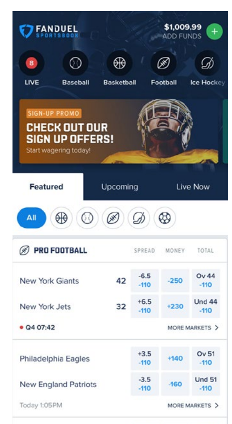
NJ sportsbook customer activations by source (Sep-Jan)



Cost per acquisition for fantasy customers substantially lower

Leading customer proposition in New Jersey

- Leading app / site
- Generous & distinctive promotions
- Competitive pricing
- Significantly more betting markets
- Unique retail position
- Cross-selling to Betfair Casino driving additional growth



Summary

- Sector has a very long runway of online growth
- Global regulation favours scale operators & creates new opportunities
- PPB well positioned to capitalise:
  - Good momentum in our core markets
  - Increasing international diversification
  - Early podium position secured in US online market
- Focused on delivering strong & sustainable shareholder returns

Q & A

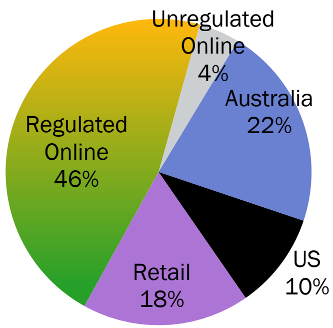

LOYALTY'S DEAD.
LIVE FOR REWARDS.
JUST ASK RHODRI GIGGS
PADDY'S REWARDS CLUB AMBASSADOR
CITY
PADDYPOWER
REWARDS CLUB
BeGambleAware.org
MAX
SPIELMANN
The Photo
Expert

Appendix

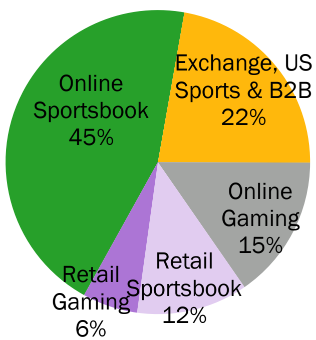
Divisional overview

£m, Underlying	ONLINE		AUSTRALIA		RETAIL		US		GROUP [1]	
	FY'18	YOY %	FY'18	YOY %	FY'18	YOY %	FY'18	YOY %	FY'18	YOY %
Sports revenue	678	+3%	403	Flat	222	-3%	172	+83%	**1,474**	+6%
Gaming revenue	270	+13%	-	-	110	+3%	20	+26%	**399**	+11%
Total revenue	**948**	**+5%**	**403**	**Flat**	**331**	**-1%**	**191**	**+75%**	**1,873**	**+7%**
EBITDA	**316**	**+3%**	**137**	**-2%**	**72**	**-12%**	**-14**	**n/a**	**451**	**-5%**
Operating profit	**275**	**+3%**	**119**	**-4%**	**51**	**-19%**	**-25**	**n/a**	**360**	**-8%**

FY 2018 revenue

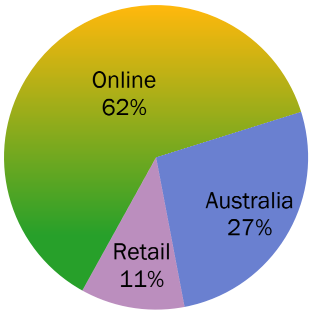


By Market



By Product

FY 2018 operating profit



By division[2]

[1] Group EBITDA and operating profit includes unallocated central costs

[2] Before US losses of £25m and unallocated central costs of £59m

Separately disclosed items

£m	2018	2017
Non-cash acquisition related items:		
Amortisation on acquired intangible assets	(101)	(135)
Fair value adjustment for share-based payments	-	(7)
Non-cash items relating to the DRAFT business:		
Impairment of goodwill & intangible assets	(27)	-
Gain on contingent consideration	11	-
Restructuring and strategic initiatives	(28)	-
Profit on sale of investment	7	-
Total separately disclosed items	**(138)**	**(142)**