



# Sportsbet Investor Day

22 September 2021

# Introduction

Barni Evans



work at  
**sportsbet**

Over 20 years experience in commercial, marketing and general management roles, predominantly in media, ecommerce and sports betting.

○  
**2018** Sportsbet - Chief Executive Officer

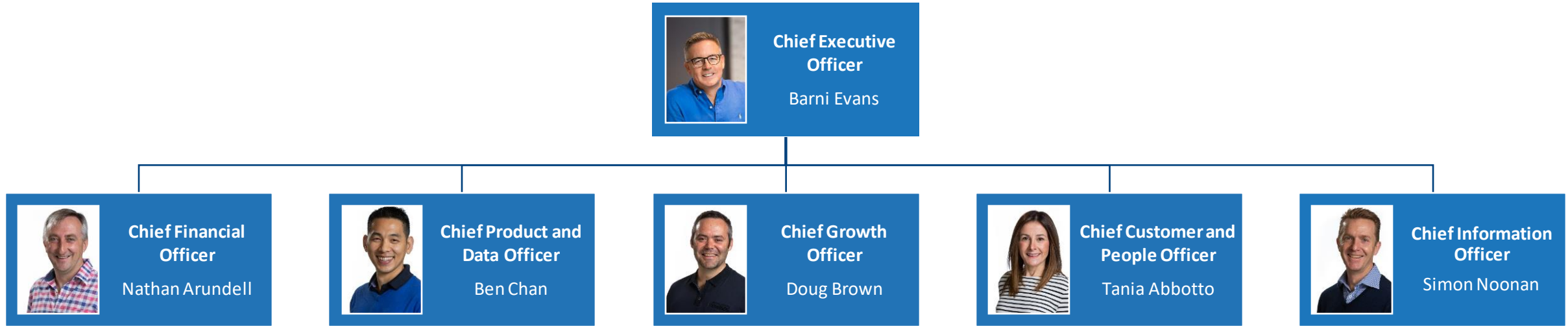
○  
**2016** Sportsbet - Chief Commercial Officer

○  
**2011** Sportsbet - Chief Marketing Officer

○  
**2001** Paddy Power - Director of Marketing

○  
**2000** PremiumTV (now StatsPerform) - Marketing Director





## 14 years with the Group

- Finance
- Commercial analytics
- Internal audit and controls
- Commercial and legal
- Strategy
- External affairs

## 1 year with the Group

- Product
- Pricing and risk management
- Data Science
- Special Projects

## 6 years with the Group

- Value
- Marketing
- Premium
- Customer engagement

## 9 years with the Group

- People and culture
- Safer gambling
- Customer operations
- Customer sustainability

## 8 years with the Group

- Technology platforms
- Data platforms
- Global trading platform
- Cyber security
- Customer experience delivery
- Planning and architecture

# Agenda

1

Market context

2

Strategic pillars

- > Product
- > Value
- > Marketing

3

Strategic pillars: customer results

4

Enablers

- > People and culture
- > Safer Gambling
- > Technology

5

Financial performance

6

Q&A

## Growing market

- 1 Total sports betting CAGR >10% over last 5 years; online CAGR of 21%
- 2 Sports betting still only 17% of Australian gambling market
- 3 Competitive market drives customer choice and growth
- 4 Structural change in shape of market has accelerated over last 18 months



## Strong Sportsbet position

- 1 Market leadership drives superior economics
- 2 Recreational customer base with growing disposable income
- 3 Optimal global / local capabilities
- 4 Established and hungry team continuing to innovate

## Strategic pillars

Incredible **products**  
that punters love

Personalised **value**

A true entertainment **brand**

## Enabled by

People and culture



Safer gambling



Technology



## Underpinned by

Symbiotic relationship with Flutter Group

Flutter brings together the worlds' premier talent and expertise in sports betting and gaming across a global portfolio of market leading brands



Global pricing and risk management capabilities leveraging local experience

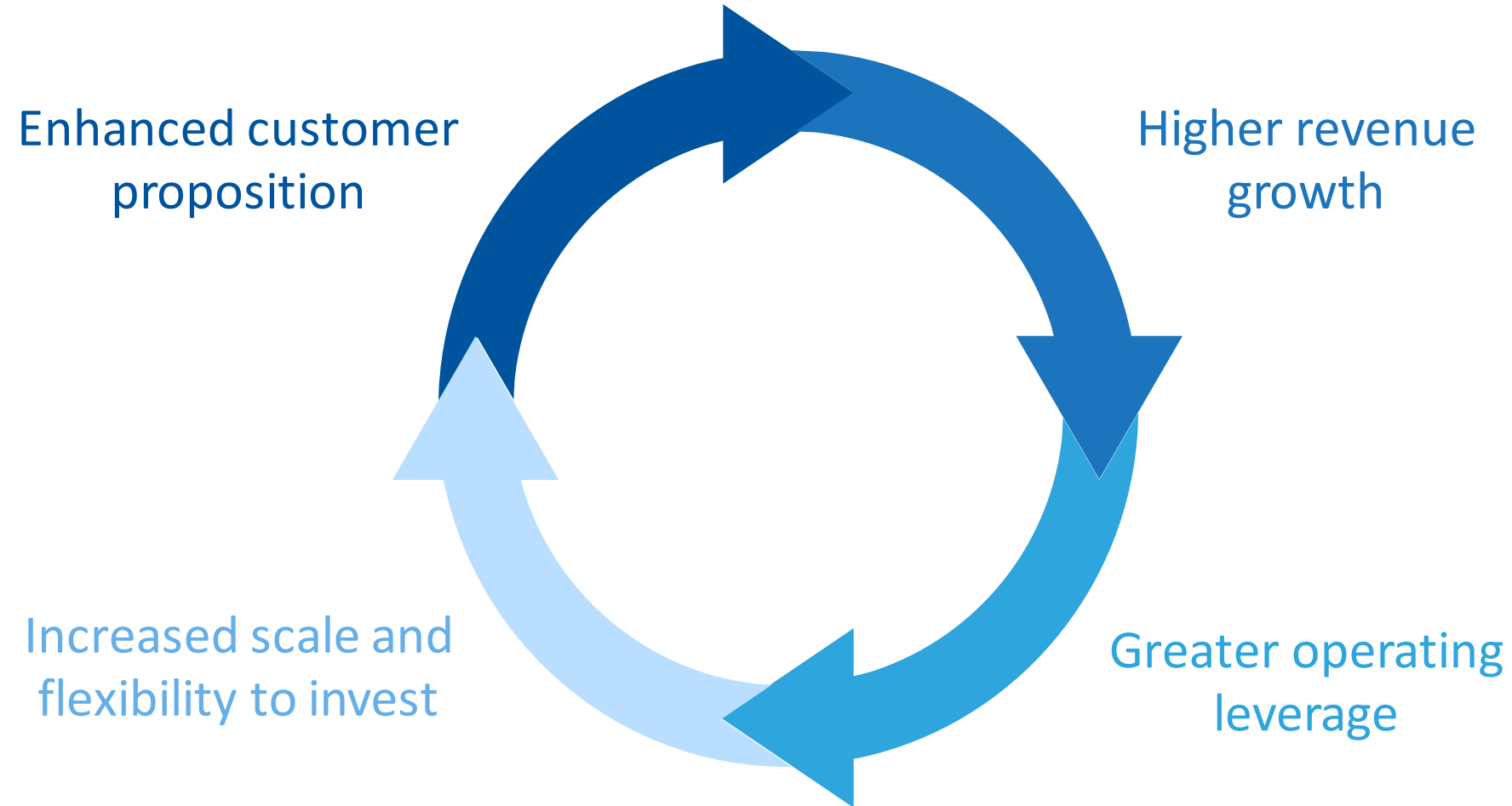


Shared innovation building local competitive advantages



Unparalleled customer insight with 7.6m customers globally





# Market context

Nathan Arundell



work at  
**sportsbet**

Over 20 years experience in finance including commercial development, analytics, compliance, procurement, legal and external affairs.

**2018** Sportsbet - Chief Financial Officer

**2014** Sportsbet - General Manager Finance

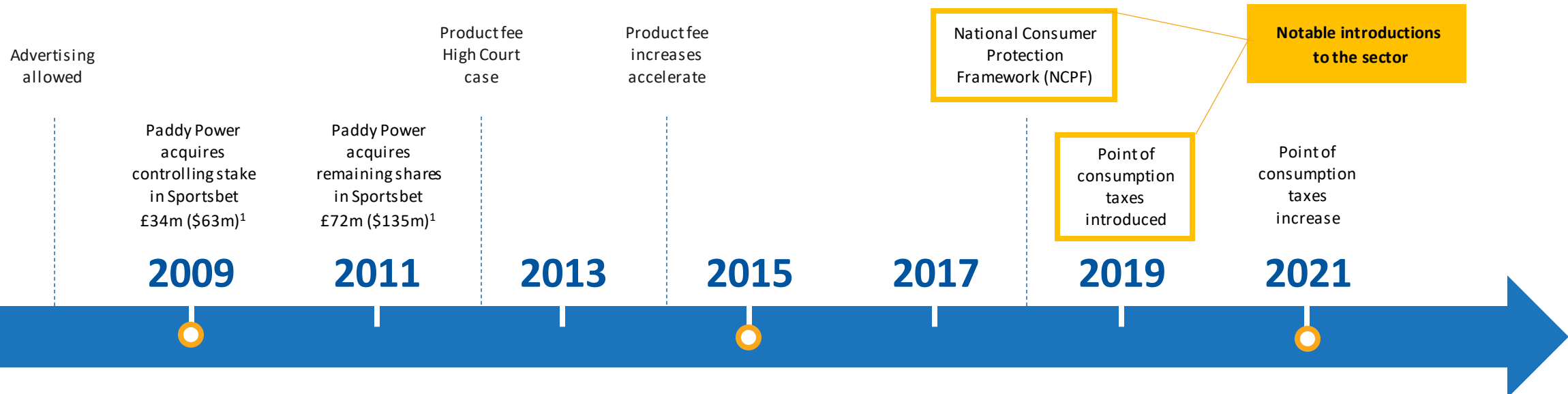
**2009** Sportsbet - Group Financial Controller

**2007** International All Sports (part of Sportsbet Group) - Finance Manager

**2003** Hertz - Financial Accountant



# Environment for sports betting has evolved significantly in recent years



10 key operators<sup>2</sup>



6 new entrants



6 remaining today

**Regulatory and tax hurdles in the period from 2009 to date have led to significant industry consolidation**

<sup>1</sup> Any "\$" sign within this presentation denotes figures expressed in Australian Dollars. Acquisition costs include post-tax benefit of GST refund of \$25m awarded to Sportsbet in August 2011 relating to pre-acquisition trading.

<sup>2</sup> Key operator defined as material competitors live in market.

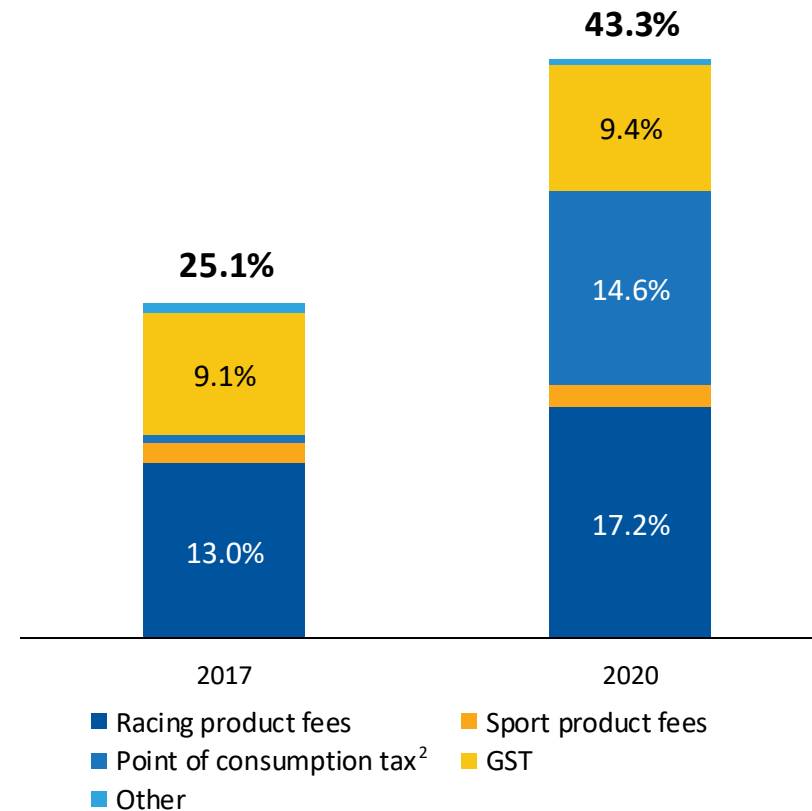
## Federal and state regulations create complexity...



...plus 28 individual racing and sporting bodies with integrity agreements to comply with

## High taxes favour scale operators

Fees and taxes as a % of net revenue<sup>1</sup>



<sup>1</sup> 2017 presented on a reported basis, 2020 presented on a pro forma<sup>3</sup> basis.

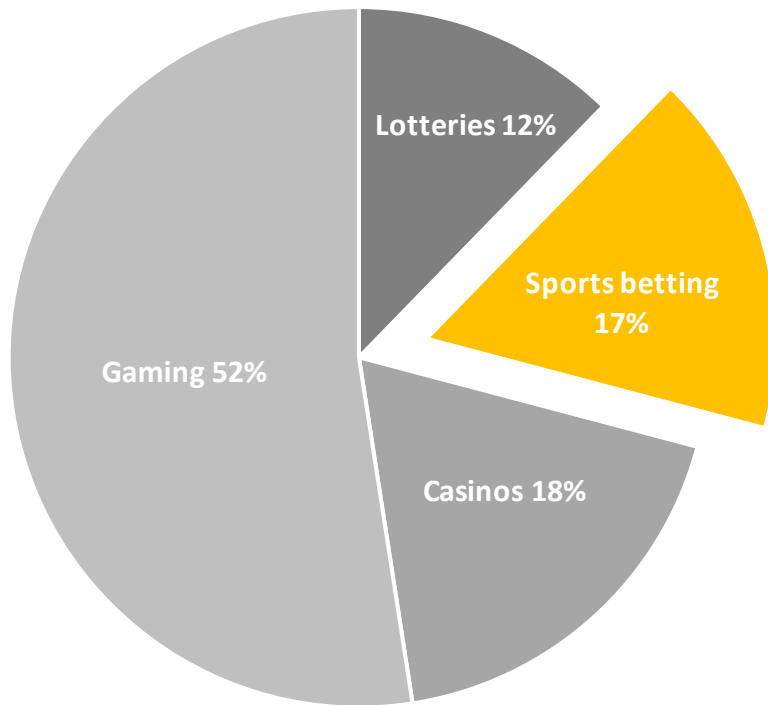
<sup>2</sup> Effective rate of point of consumption tax was 10.5% of GGR<sup>4</sup> in 2020.

<sup>3</sup> Flutter's combination with The Stars Group completed on 5 May 2020. Throughout this presentation, pro forma figures include BetEasy as if it was part of Sportsbet from the beginning of the relevant period.

<sup>4</sup> GGR refers to gross gaming revenue, being the total of customer staking less winnings paid out to customers. GGR does not include any deduction for free bets or other promotional activity.

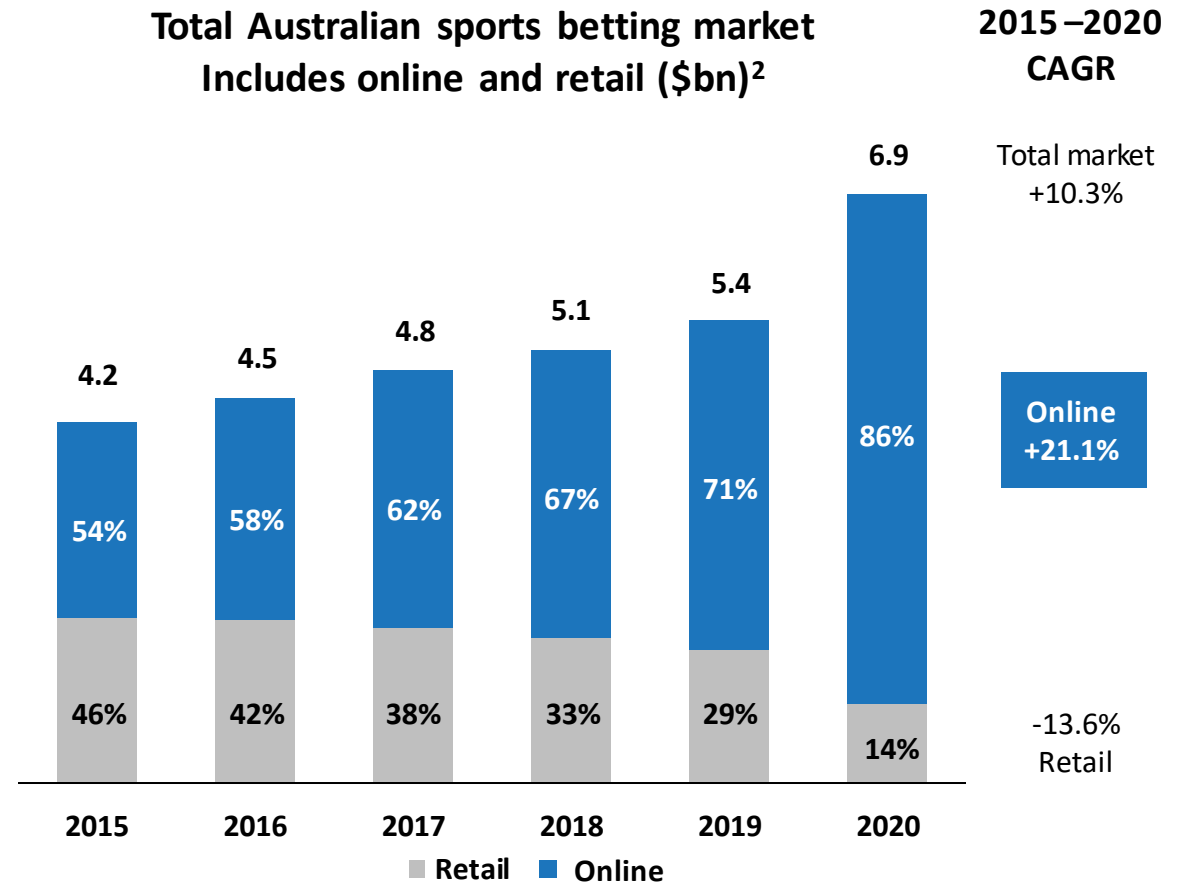
## Sports betting only 17% of the Australian gambling market

Australian gambling market share by channel<sup>1</sup>



## Online sports betting CAGR > 21% from 2015-20

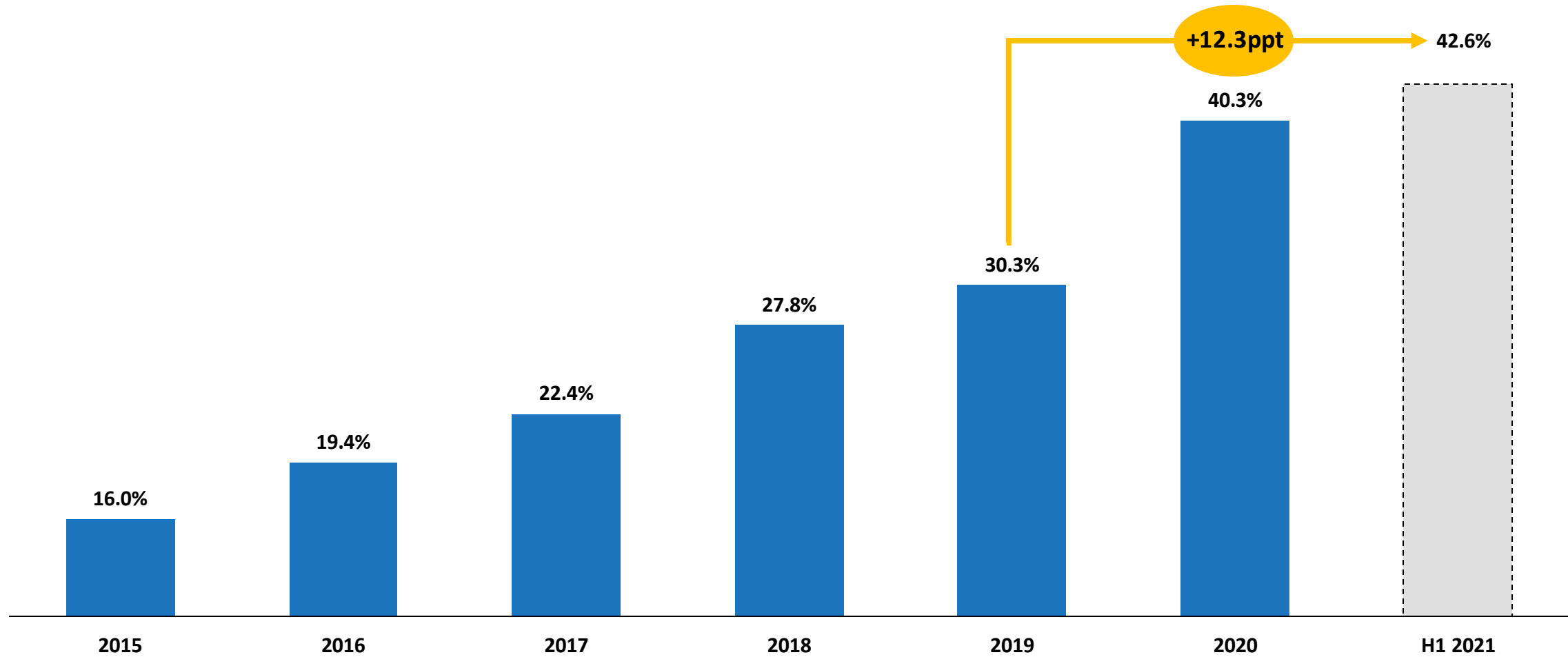
Total Australian sports betting market Includes online and retail (\$bn)<sup>2</sup>



<sup>1</sup>Total GGR by channel 2020 (year ending 30 June), source: H2 Gambling Capital's GGR data (1 September 2021 release).

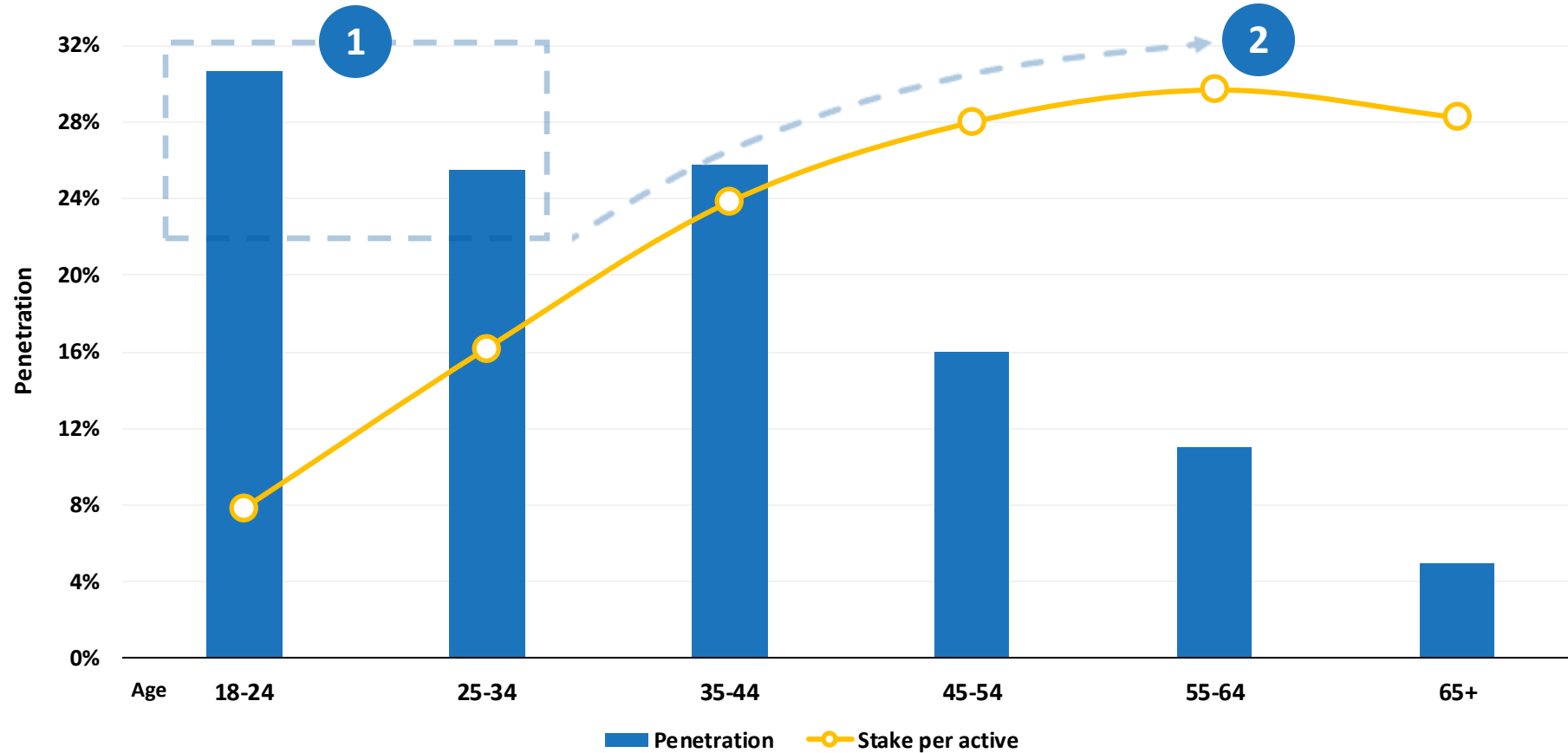
<sup>2</sup>Total online and retail sports betting GGR per competitor public filings and internal estimates.

Sportsbet pro forma share of total sports betting market<sup>1</sup>



<sup>1</sup>GGR share of total market per internal estimates and competitor public filings. 2015 to 2020 presented on a pro forma basis.

Sportsbet penetration by age and average stake per active<sup>1</sup>



- 1** More than one in four Australians aged 18-34 have a Sportsbet account
- 2** Customers aged 35 and older stake >2x customers aged 18-34

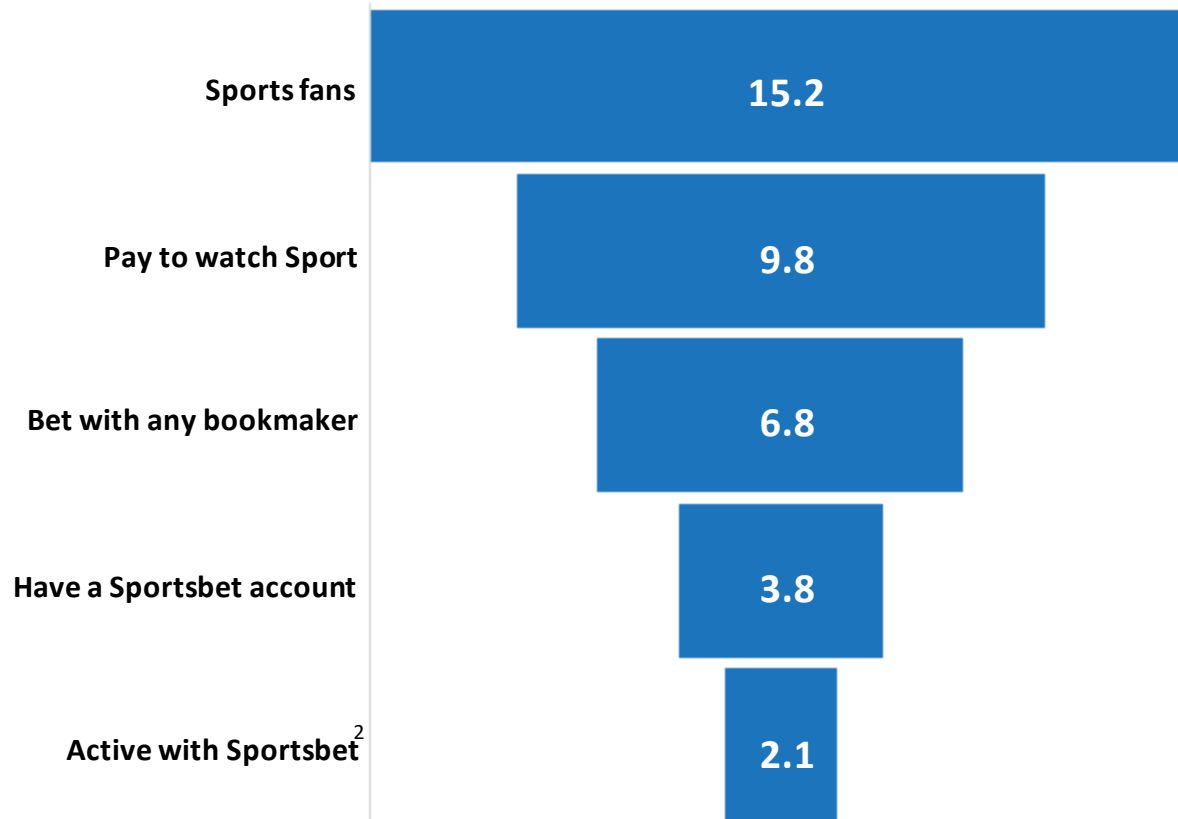
**Retaining 18-34 cohort will provide substantial long-term growth as their spending power increases**

<sup>1</sup>Penetration refers to the estimated proportion Sportsbet customers represent of the Australian population. Data compiled using gSportsbet market survey July 2021, n=1986. Active refers to any customer who placed a bet with Sportsbet during period July 2020 to June 2021. Average stake per active refers to the average annual stakes per active customer during the same period.

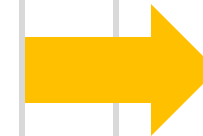


## Known betting preferences of Australian sports fans<sup>1</sup>...

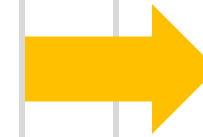
Number of Australian adults (millions)



## ...creates growth opportunities to pursue



3m highly engaged sports fans yet to convert to sports betting



3m sports betting fans to win over to Sportsbet



1.7m inactive customers to reactivate

<sup>1</sup>Number of adults who are sports fans, pay to watch sport, bet with any bookmaker and have a Sportsbet account per Sportsbet market survey July 2021, n=1986, Flutter internal estimates.

<sup>2</sup>Refers to any customer who placed a bet with Sportsbet during period July 2020 to June 2021.

# Strategic pillars: Product

Ben Chan





work at  
**sportsbet**

20 years experience in digital leadership across strategy, product, data, finance, trading, risk, go to market and operations.



**2020** Sportsbet - Chief Product and Data Officer

**2013** Envato - Chief Operating Officer and Acting CEO

**2010** McKinsey - Engagement Manager

**2007** Goldman Sachs - FX Sales Trader



## Focused on

Understanding customers

Delivering what they want



**Global pricing  
and risk  
management**

**Structural margin  
advantage**

**Core experience**

**Relentless  
improvement**

**Wrap around  
content**

**Enriched  
entertainment**

**Innovation**

**Reinventing  
betting**

## Global pricing and risk management capability

- 20 years' experience
- 700 staff across Flutter
- Local expertise leveraged globally



## Core product

- Bespoke in-house trading models (including same game and same race multis)
- Ever-expanding product range



## Operating model

- 24/7 risk management and live trading
- Frictionless end-to-end customer experience
- Leveraging global betting liquidity to improve price efficiency



**Structural margin advantage**

## Speed

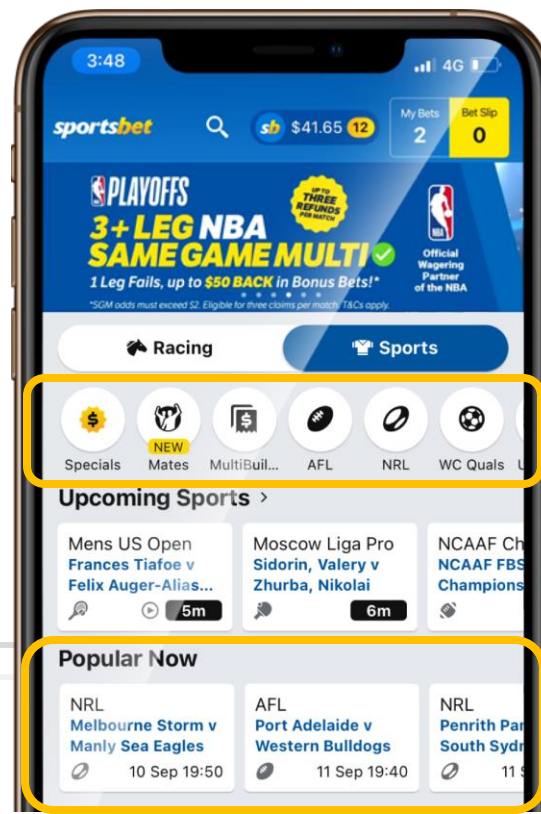
- 1 step quick bet
- Page load times of core journey under 400ms<sup>1</sup>
- Instant verification for 81% of customers<sup>2</sup>
- App crash rate reduced by 98.3%<sup>3</sup>
- Multi bet in-running: Fast Code feature
- Auto settlement for 99.7% of bets<sup>4</sup>
- Promo payout time – 92% faster<sup>5</sup>
- Withdrawals – 6 times a day, 7 days a week
- Easy login



*Promotions paid out in under 1 minute*

## Navigating limitless content

- Home page personalised based on preferences
- Quick access menu
- Customisable favourites
- Direct access to generosity
- More intuitive search engine



Personalised carousel

Model driven trends

## Beyond the bet

- Cash out
- Share-a-bet
- Event reminders
- Bet success progress tracker
- View my bets on racecard
- Re-bet from pending bets
- Safer gambling



*Pending bets is the most visited page on our app after home-screen*

<sup>1</sup>For the 6 months ending 29 August 2021.

<sup>2</sup>For the 12 months ending 31 August 2021.

<sup>3</sup>iOS crash rate H1 2021 vs H1 2019, <sup>4</sup>H1 2021.

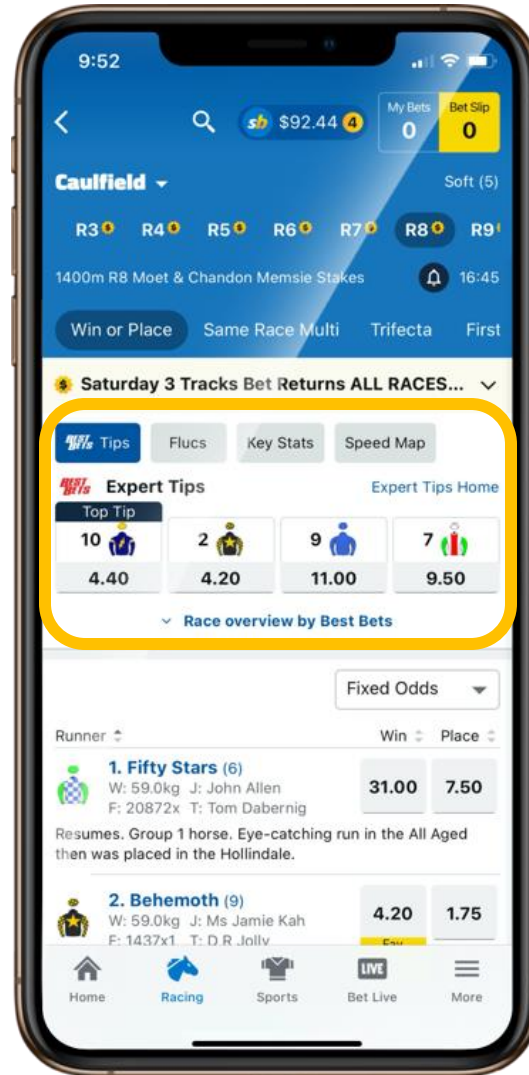
<sup>5</sup>Saturday Racing, period 21 August to 4 September vs H1 2021.

## Stats, insights and tips to help customers place a bet with ease and confidence

- Expert tips: one click bets
- Expert and novice form
- Player hub
- Sports stats and insights
- Betting from tips
- Easy multi-builder functionality



Expert tips



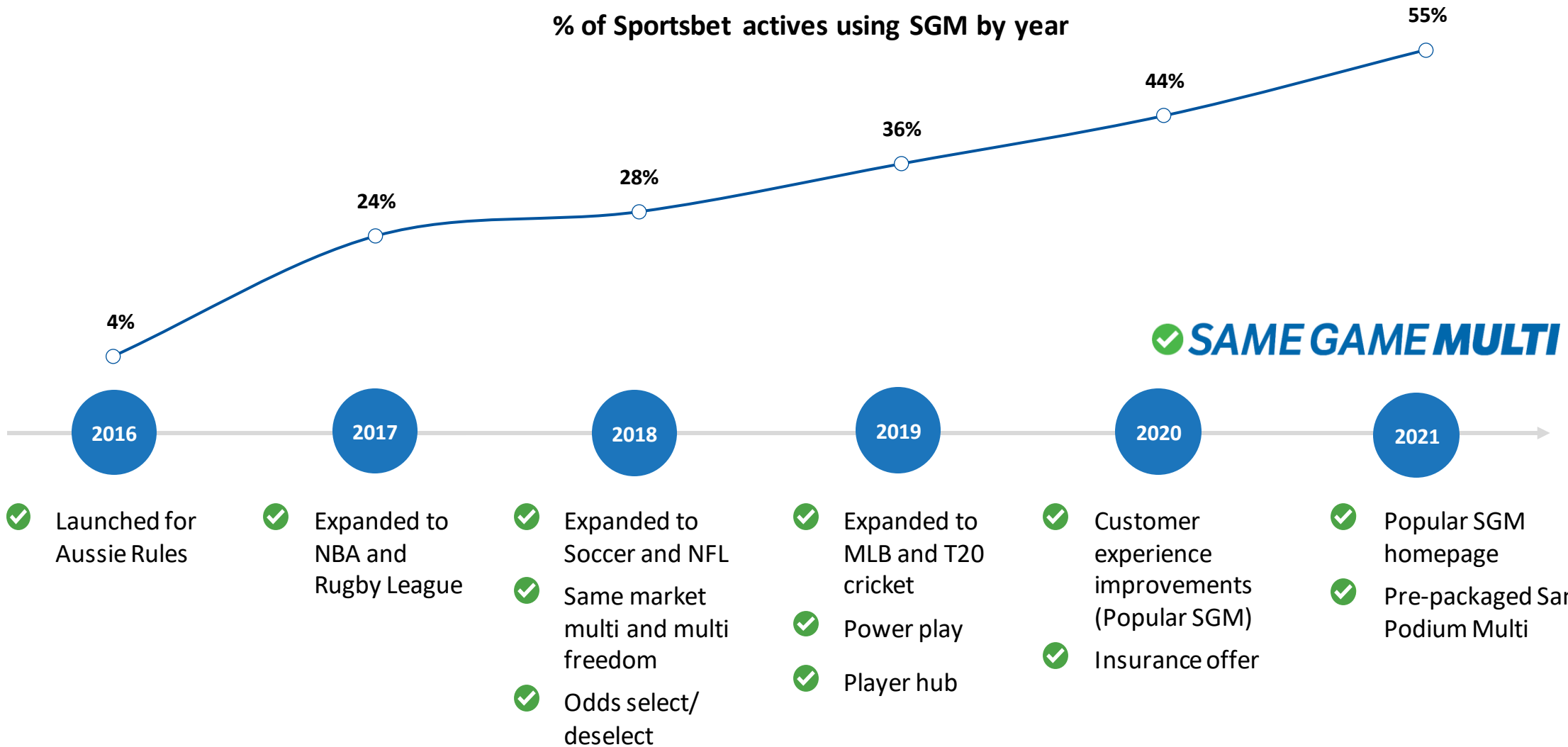
## Further entertain customers with free to play (FTP) games and novelty bets

- FTP games: Pick em' for NBA, NRL, Racing
- Million dollar tipping<sup>1</sup>
- Expanded novelty markets



<sup>1</sup>Million Dollar Tipping is a free to play tipping competition for AFL and NRL games.

% of Sportsbet actives using SGM by year





**Our SGM execution is unique...**

**Leading through experience**

- ✔ Best in class journeys and merchandising
- ✔ Pre-packaged Popular SGM

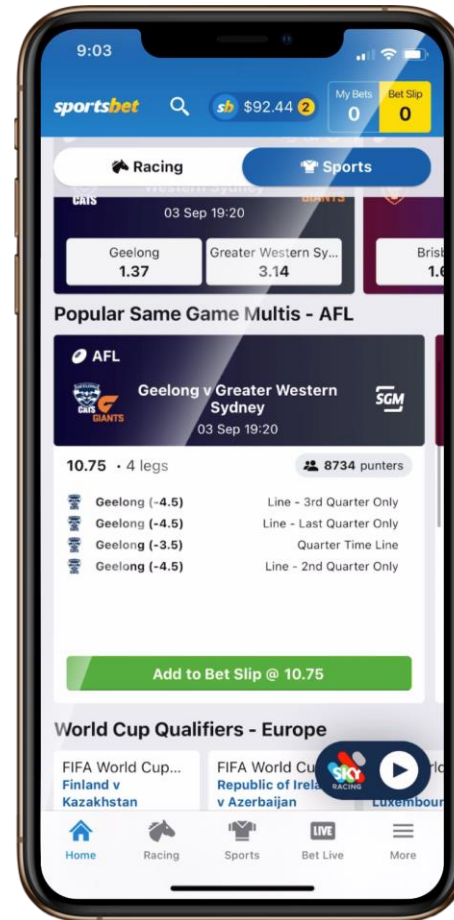
**Owned models give us an edge**

- ✔ Biggest range of markets
- ✔ Competitive pricing where it matters

**Owned infrastructure**

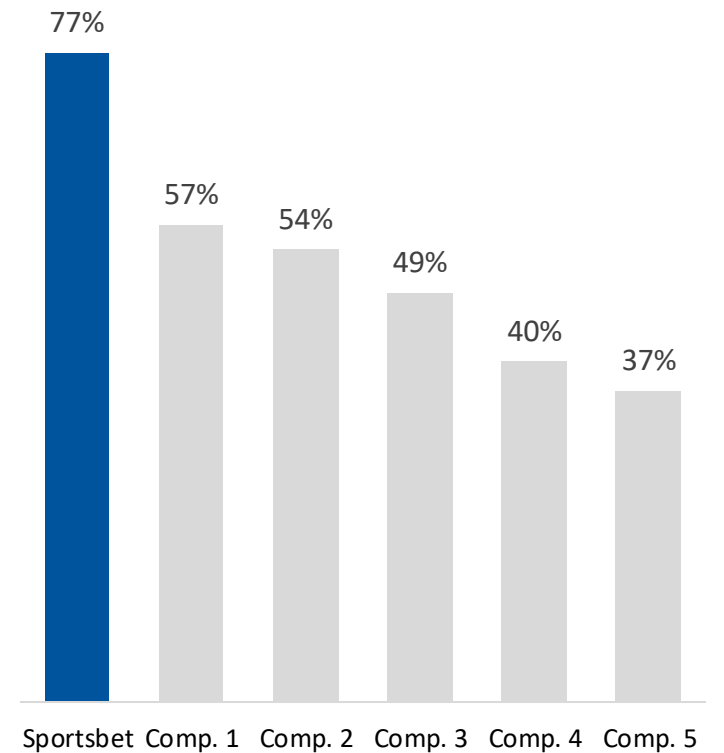
- ✔ No commissions to 3<sup>rd</sup> parties

**...creating a superior experience...**



**...that customers appreciate**

**Easy to place a multi bet<sup>1</sup>**



<sup>1</sup>Percentage of customers who selected brand in response to question “Which of these online betting companies do you think this statement applies to, [Easy to place a multibet]”  
Data compiled from Sportsbet Brand Monitor – scores from active users of each brand for May to July 2021 period (Males aged 18-54).

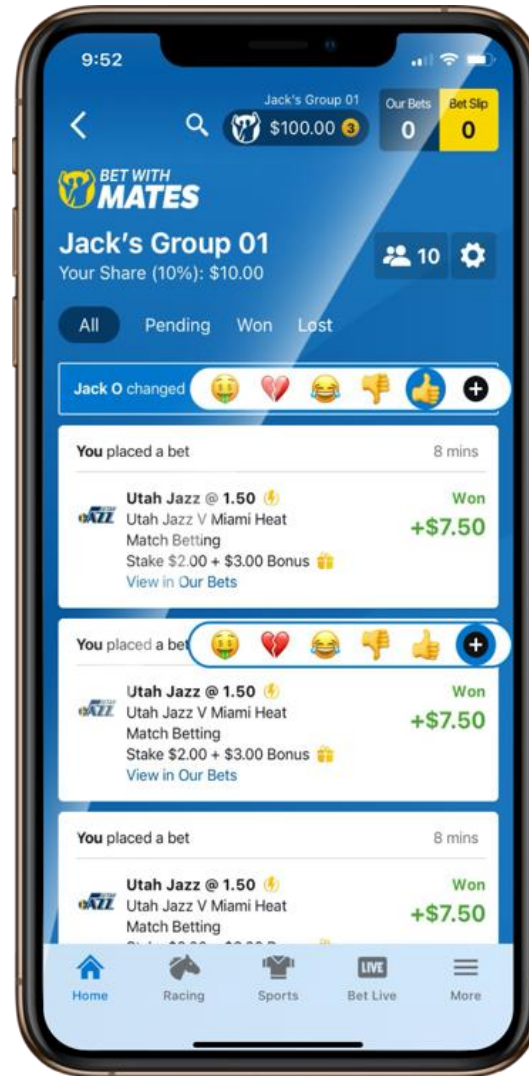
## Leveraging the social occasion

### Context

- Cultural phenomena of group betting – especially in pubs
- Historically only done using cash
- Bet With Mates creates virtual alternative

### Ground-breaking in many ways

- Ability to pool funds in an easy-to-use shared wallet
- Network effect on engagement and retention
- New and unique behaviour to analyse



## Delighting customers

*“If we weren’t already loyal Sportsbet punters, we are now”*

*“Congratulations Sportsbet. You are now my only Betting App. Bet With Mates is awesome.”*

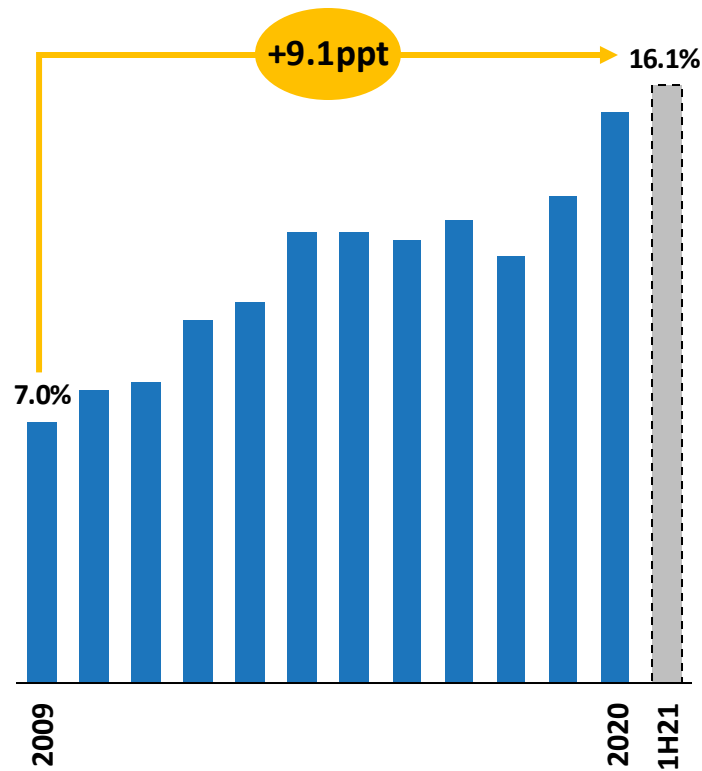
*“Loving Bet With Mates - what a great idea”*

## Mix and capability improvements...

- **Product mix** (multis)
- **Customer mix** (recreational)
- **Pricing** (improved accuracy)
- **Risk management** (sophisticated tooling)

## ...drive higher margin...

Sportsbet gross win margin % over time<sup>1</sup>



## ...enabling reinvestment



Product development



Generosity



Marketing

<sup>1</sup> Gross win margin represents GGR as a percentage of total customer staking. 2009-2014 presented on a reported basis, 2015-2020 presented on a pro forma basis.

# Strategic pillars: Value

Doug Brown



work at  
**sportsbet**

More than 20 years experience in digital leadership including strategy, marketing and product management across sports betting, financial services and advertising.

○  
**2020** Sportsbet - Chief Growth Officer

○  
**2018** Sportsbet - Chief Product Officer

○  
**2016** Sportsbet - General Manager Product

○  
**2015** Sportsbet - Head of Customer Online Marketing

○  
**2010** Medibank - General Manager Digital

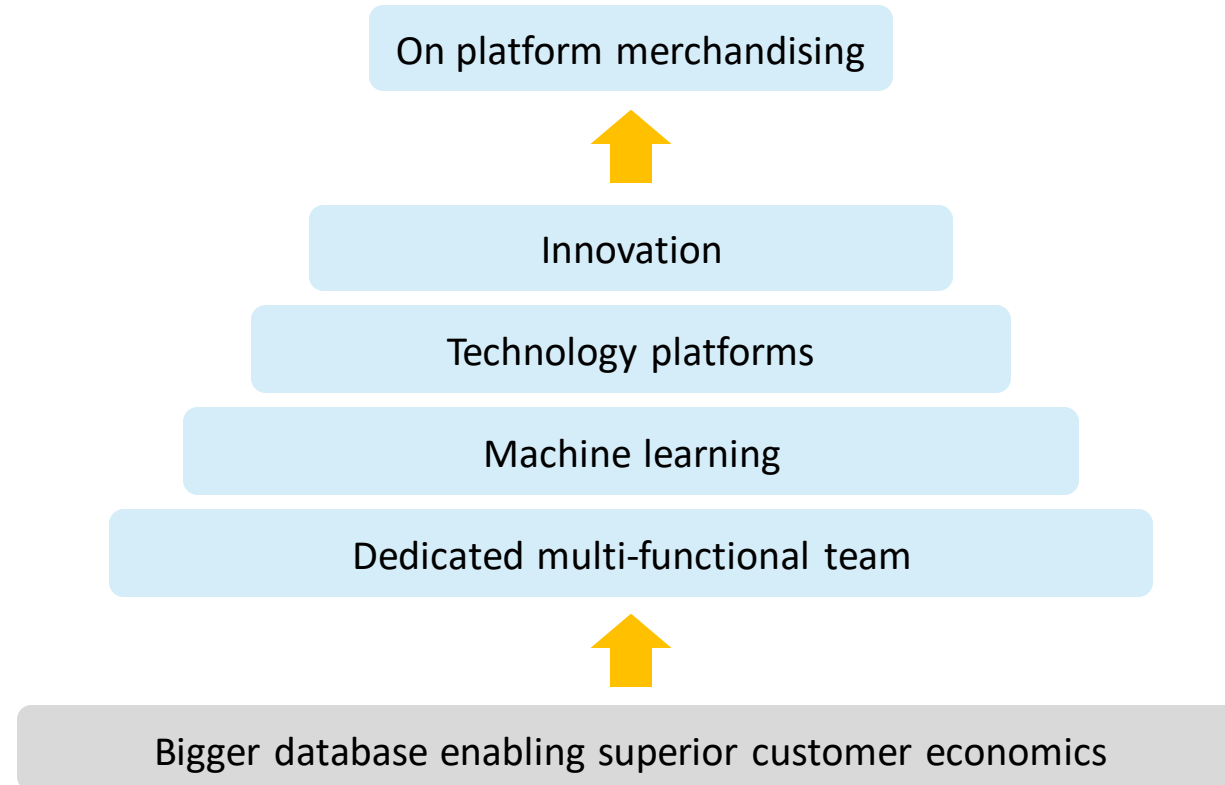


2017

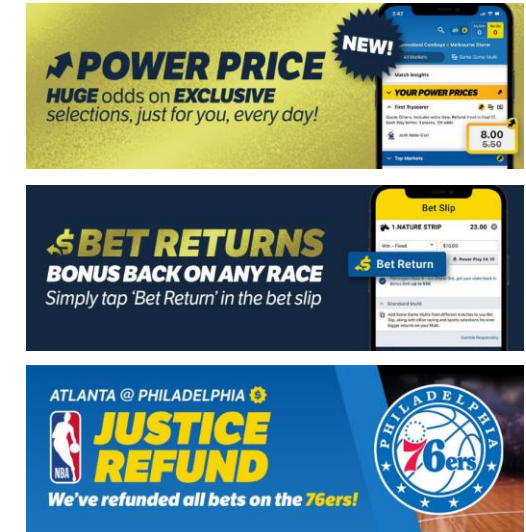


- ✗ One size fits all
- ✗ Easy to copy
- ✗ Inefficient

Leveraging fixed-cost investments



2021

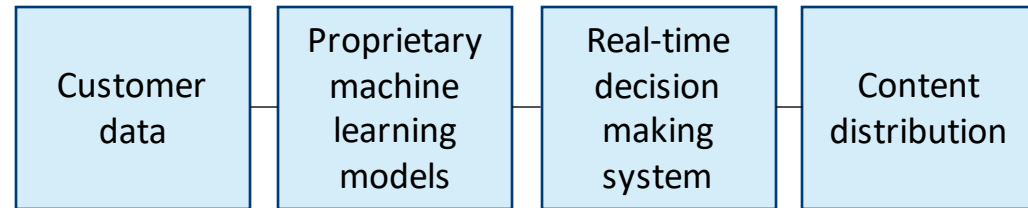


- ✓ Personalised
- ✓ Hard to copy
- ✓ Efficient

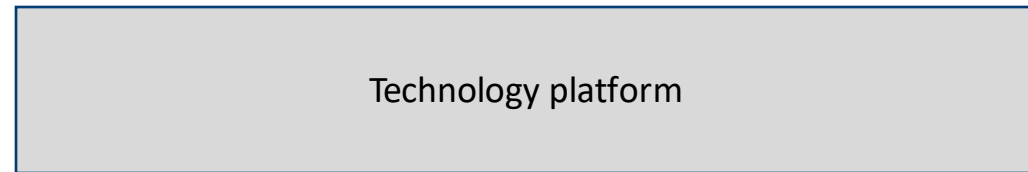
## Historical data and real-time inputs...

### Power prices system

#### Four connected foundations

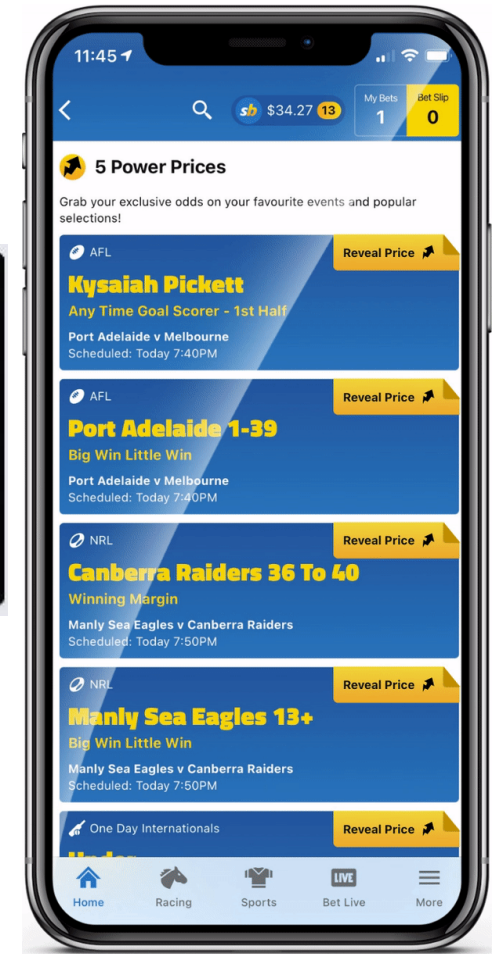


#### Enabled by



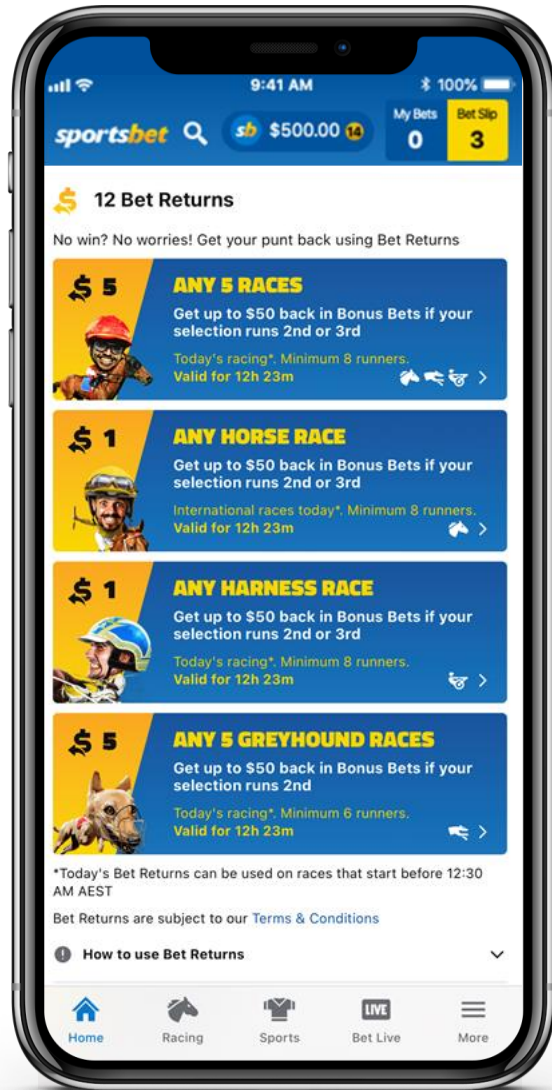
- 5-10 personalised daily offers delivered to customers from total available selections of c.500k<sup>1</sup>
- 180 million personalised enhanced odds yearly<sup>2</sup>

## ...create huge odds, just for you



<sup>1</sup> Using sample of 5 consecutive Saturdays from 7-Aug-21 to 4-Sep-21.

<sup>2</sup> Assumed based on daily run rate from 25-Aug-21 to 31-Aug-21.



## Tangible customer benefits...

- Customer gets more of what they like
- Customer feels more in control
- Better value perception
- More excitement

**Only 3 seconds**  
for bonus bets to reach customers<sup>1</sup>

## ...coupled with improved efficiency

- More targeted allocation
- Improved efficiency
- Enables further reinvestment

**Over 22 million**  
tokens allocated in a month<sup>2</sup>

<sup>1</sup> Post event settlement, payout time in August 2021.

<sup>2</sup> August 2021.



## Empathy that is uniquely Sportsbet

**NEW QUADDIE SAVER** ✓  
**SATURDAY MOONEE VALLEY**  
If your Quaddie doesn't win,  
get up to **\$100 back** in Bonus Bets.  
**MORE INFO**

PERFECT FOR  
**BET WITH MATES**

1st Quaddie placed only. Early Quaddie excluded. Refunds processed after last race. T&Cs apply.

**AFL - ROUND 21** \$  
**JUSTICE REFUND** ✓  
**WE'VE REFUNDED ALL BETS ON PATRICK DANGERFIELD**  
**AFTER HE WAS RULED OUT EARLY THROUGH INJURY**

\*Refund in Cash. Same Game Multis and Singles bets included. T&Cs apply.

## Leveraging our strengths

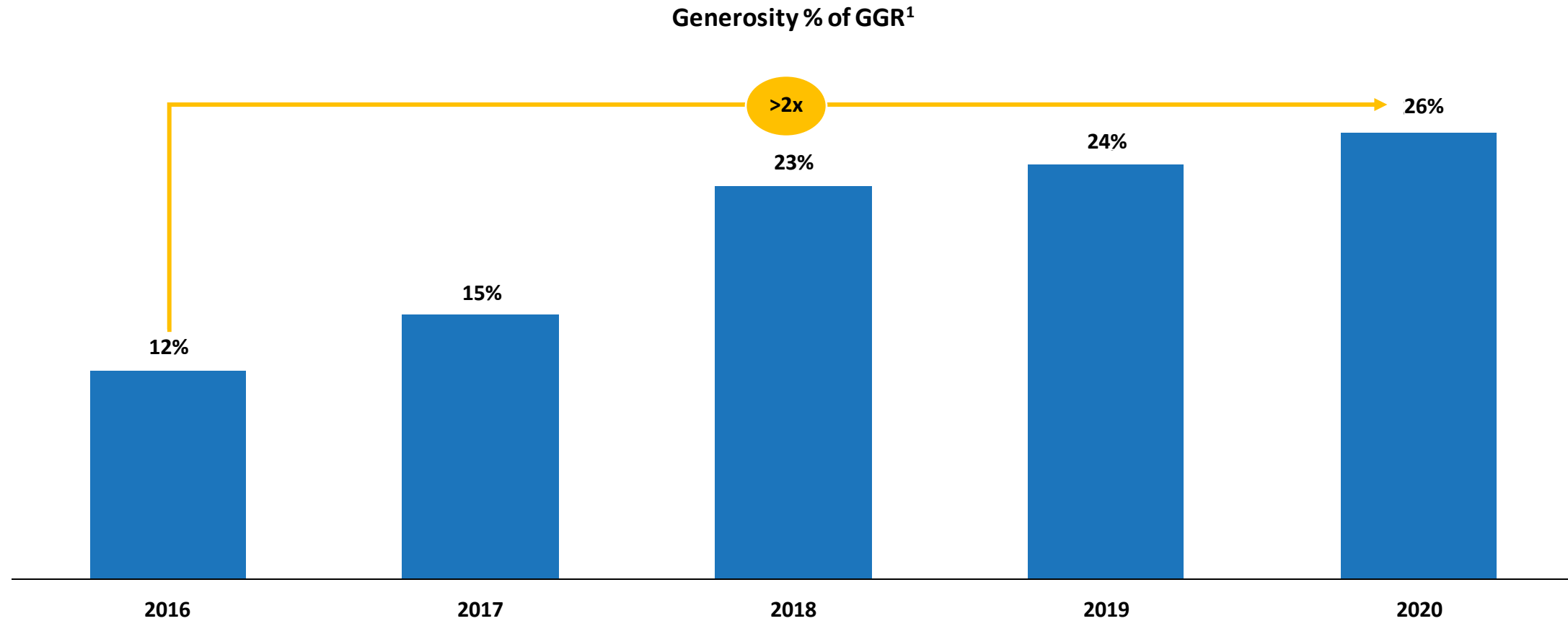
- Continually seeking new ways to empathise
- Delivering at speed through empowered teams
- Being part of the social conversation in sport
- Leveraging 2.1 million customers as advocates

## Driving loyalty

*"You guys are to be congratulated. What an honest & fair gesture that in all honesty you did not have to do"*

*"@sportsbetcomau - The people's betting agency."*

*"This is an outstanding gesture by SB showing some compassion to what was an absolute farce of a result. By far the best sports betting agency"*



**Customer generosity as a % of GGR has more than doubled since 2016**

<sup>1</sup> 2016-2018 presented on a reported basis, 2019-2020 presented on a pro forma basis.

# Strategic pillars: Marketing

Doug Brown



AN ICONIC AUSSIE BRAND THAT'LL **BRING EXCITEMENT TO LIFE** FOR GENERATIONS TO COME

### Elite Average Games

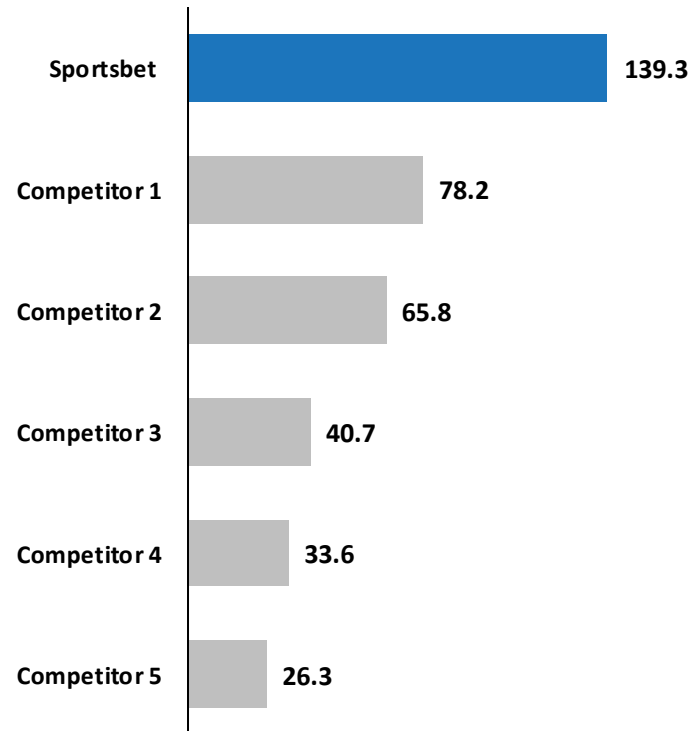


### Grubs Local Cricket (Think vs Say)



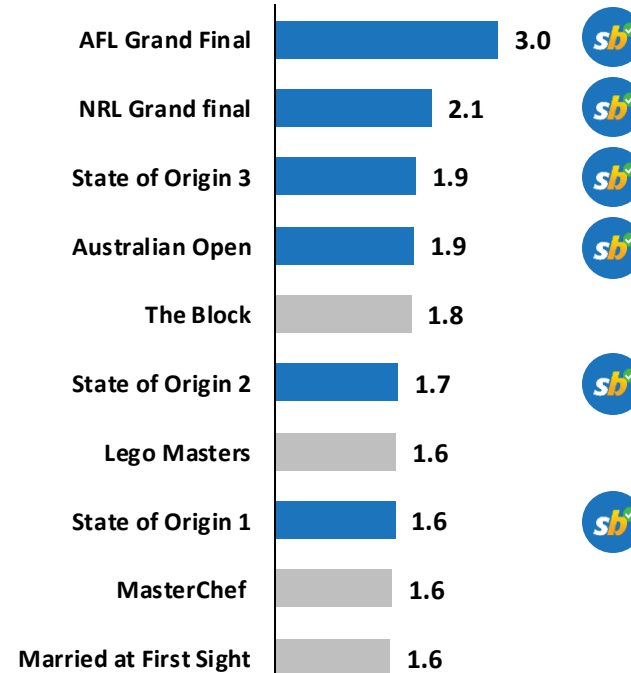
## Our significant marketing spend...

2020 media spend estimates<sup>1</sup> (\$m)



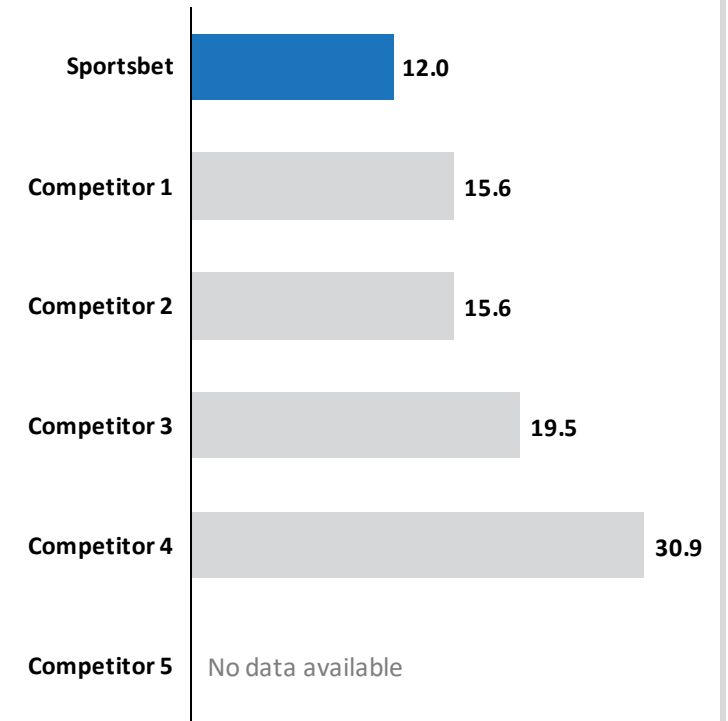
## ...allows us to engage mainstream audiences...

Top 10 TV programs in 2020<sup>2</sup>  
Audience (millions)



## ...and still be more efficient than competitors

Marketing as % of net revenue<sup>3</sup>



<sup>1</sup> Source: ADEX, Nielsen Sport and internal estimates (includes above the line media, digital and sponsorships spend). Includes media spend for Sportsbet brand only.

<sup>2</sup> Sportsbet was the TV broadcast sponsor for 6 of the top 10 TV programs in 2020. Source: Nielsen Metro TV (AQX).

<sup>3</sup> Sportsbet pro forma 2020 marketing spend, competitor spend based on most recent annual public filings and internal estimates.

## Bringing SGM to life with deeply integrated content

### AFL.com social fantasy integration

**AFL Fantasy** @AFLFantasy · Aug 19  
 The boys want to add to the \$521.50 they've already donated to Frooze MND using @sportsbetcomau's Bot With Mates.

Wannie thinks he can finish the season in a positive way. A couple of Port boys and a couple of his Dons are his hot tips.

1:2K views 0:32 / 1:51

### AFL.com

2021 Toyota AFL Premiership

Thursday, 18 March 2021

7:23 pm AEST

RICHMOND vs CARLTON

\$1.25 vs \$3.14

3 LEGS \$4.50



### TV broadcast

**SAME GAME MULTI**

- MORE MARKETS
- MORE OFFERS
- BIGGER ODDS

sportsbet AFL

### TV Front Bar integration

**MICK'S MULTI**

- LIONS TO WIN BY 25+ PTS v FROOZ \$1.57
- GWS v BOMBERS TO BE 171.5+ TOTAL PTS \$1.88
- LIGHTS ON TO WIN IN ASCOT R1 \$3.75
- ROOS TO LEAD AT HALF TIME v PIES \$2.87

TOTAL ODDS \$31

THE FRONT BAR sportsbet

### TV broadcast match integration

**SAME GAME MULTI**

MELBOMBS vs BRISBANE LIONS

BRISBANE (+5.5) LINE

CLAYTON OLIVER 30+ DISPOSALS

CHRISTIAN PETRACCA 25+ DISPOSALS

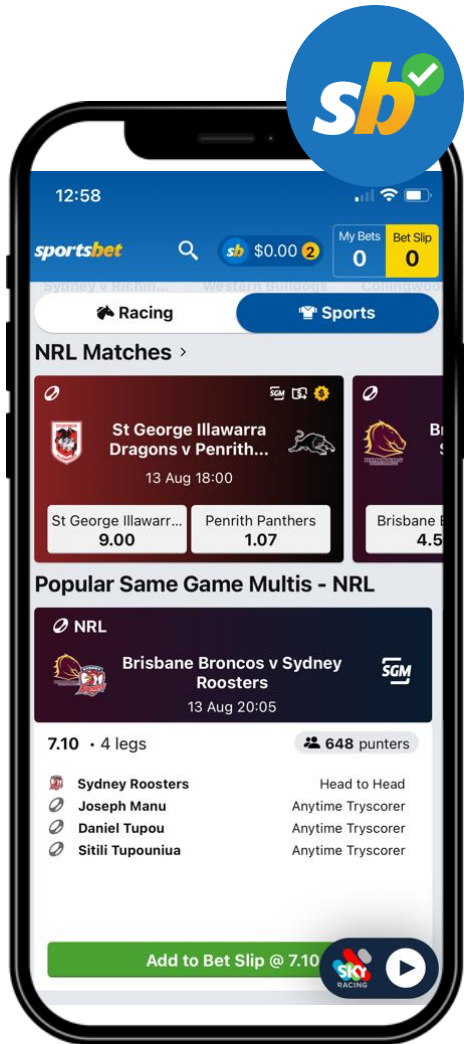
3 LEGS \$4.50

sportsbet

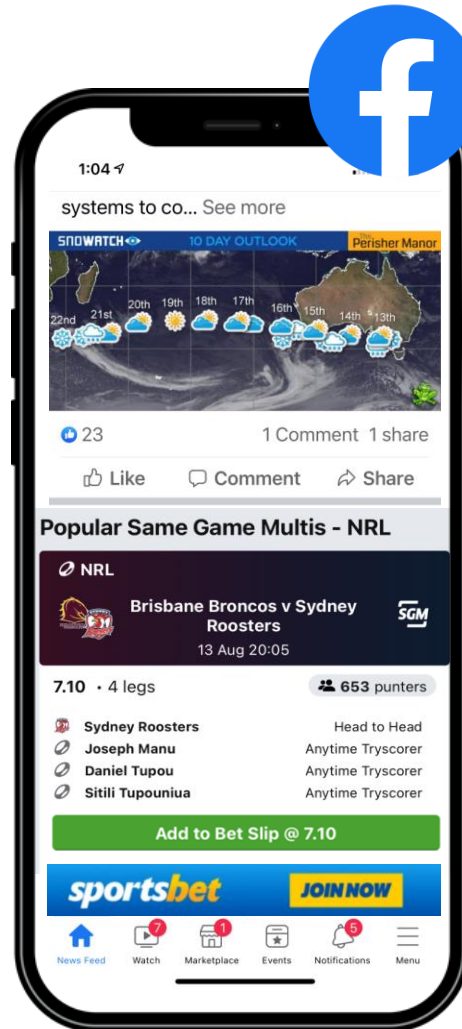
## Amplified across Tier 1 partners

**RACING.COM**





Sportsbet platform



Facebook feed

## Driving advantage through marketing technology

- ✓ Popular SGM extended across Snapchat and Facebook
- ✓ Broadens Sportsbet's reach
- ✓ In-house technology publishes in real-time
- ✓ Drives competitive advantage

# Strategic pillars: customer results

Barni





## A proven model

Relentless product improvement



Targeted value delivered to customers



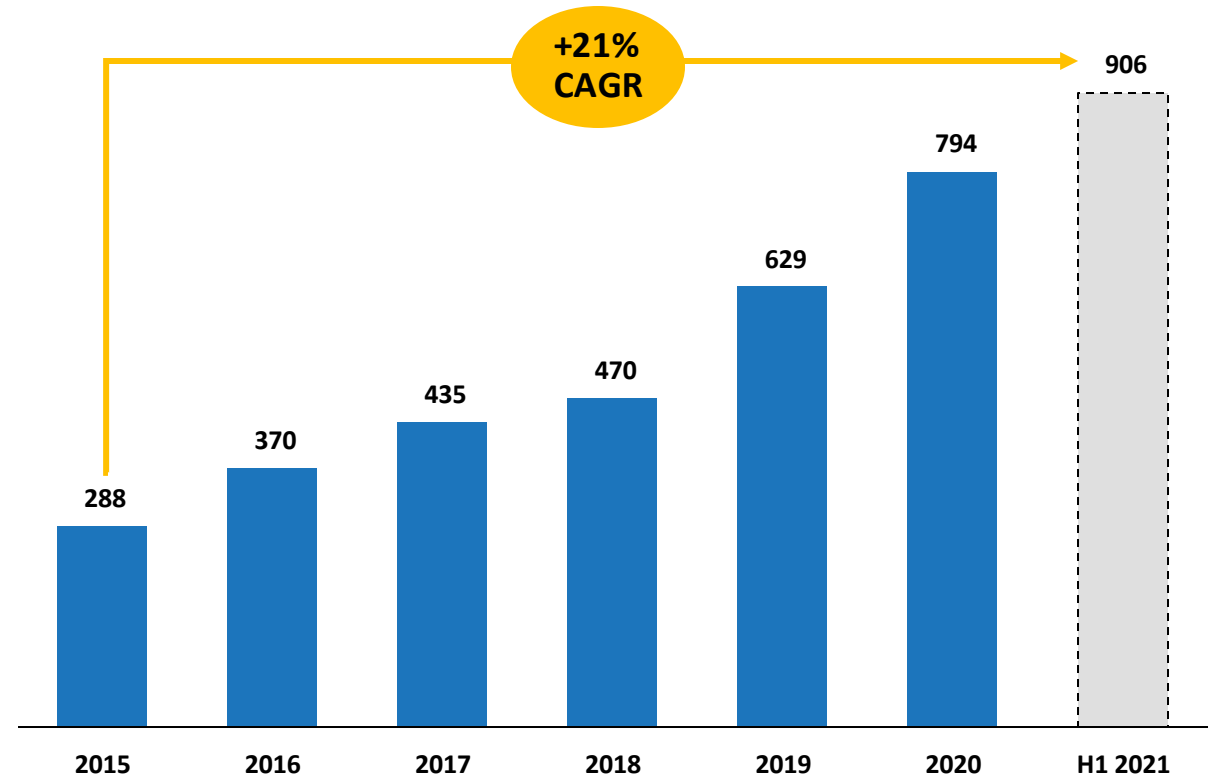
Entertainment-led, mass-reach brand



Ever-increasing, recreational customer base

## Driving consistent customer growth

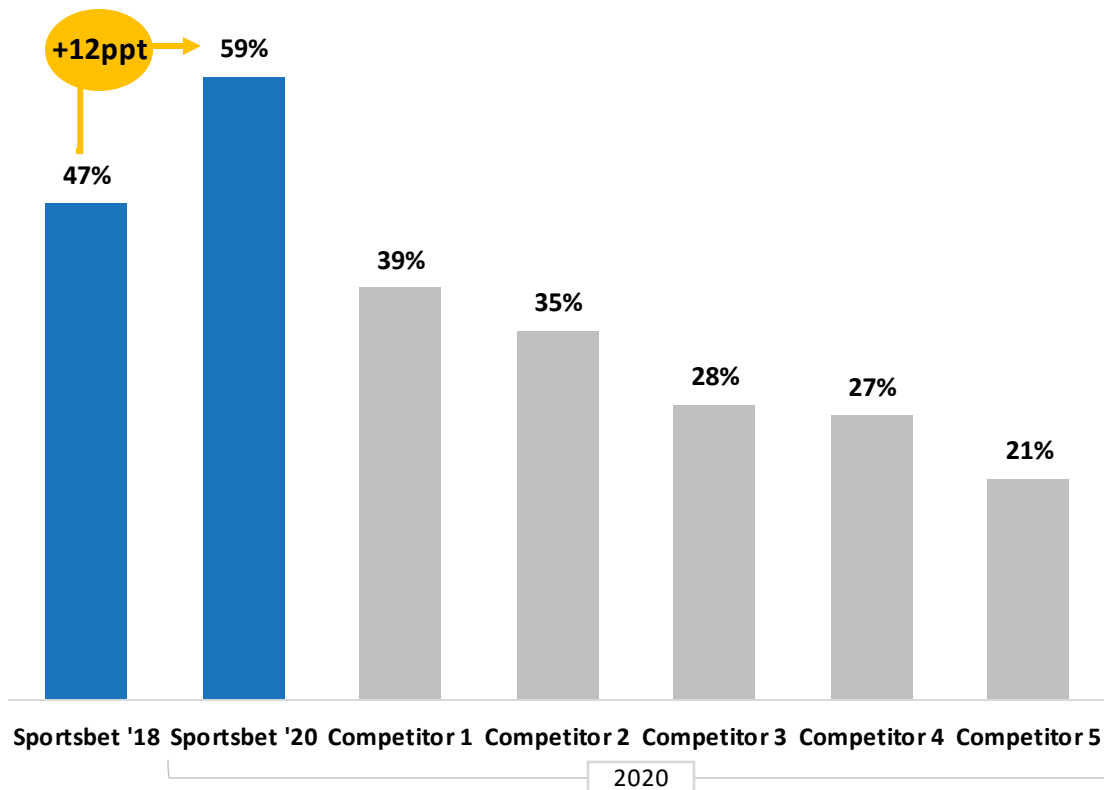
Average monthly players ('000s)<sup>1</sup>



<sup>1</sup> 2015-2018 presented on a reported basis, 2019-2020 presented on a pro forma basis.

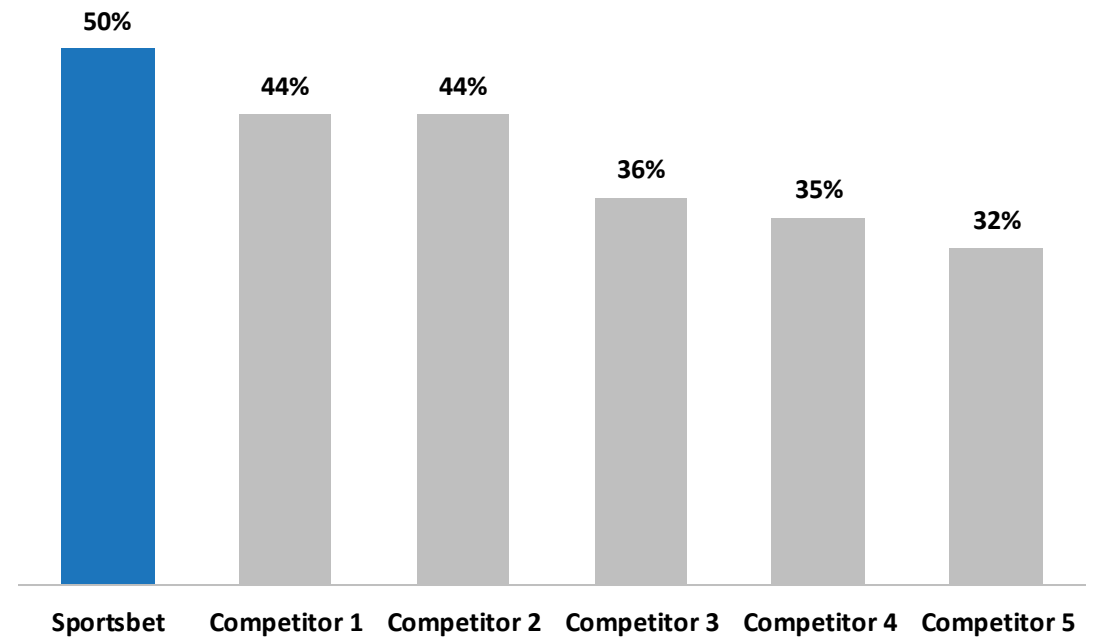
## Superior customer loyalty

% of customers that only bet with one brand<sup>1</sup>



## Highest customer advocacy

% customers likely to recommend brand to mates<sup>2</sup>



<sup>1</sup> Online sports betting only, source: Sportsbet market tracking survey, December 2020 n = 1666, December 2018 n=1877.

<sup>2</sup> Percentage of customers who responded 9 or 10 out of 10 when asked "how likely are you to recommend [BRAND] to your mates?" Data compiled from Sportsbet Brand Monitor – scores from active users of each brand for May to July 2021 period (Males aged 18-54).

## Strategic pillars

Incredible **products** that punters love

Personalised **value**

A true entertainment **brand**

## Enabled by

**People and culture**



**Safer gambling**



**Technology**



## Underpinned by

Symbiotic relationship with Flutter Group

# Enablers: People and culture

Tania Abbotto



work at  
**sportsbet**

In a career distinguished by clarity of ambition and delivery of transformational change, Tania brings 20 years experience leading customer, strategy and people teams.

○  
**2020** Sportsbet - Chief Customer, Sustainability and People Officer

○  
**2019** Sportsbet - Chief Strategy Officer (Integration Director)

○  
**2016** Sportsbet - Chief Customer and People Officer

○  
**2012** Sportsbet - Director, People and Culture

○  
**2010** Coles Group - National Supply Chain Human Resources Manager to General Manager HR, Liquor



## Highly aligned, exceptionally capable people

- Purpose-led and aligned to strategy
- Leadership depth<sup>1</sup>, diversity and industry expertise
- Leveraging Flutter talent pool
- Technology and data capacity and specialisation



## Architected and irreplicable culture

- Actively designed, future-fit culture
- Customer first
- Ambition propelled by curiosity
- Proven resilience and flexibility

## Team member advocacy

- 92% feel ambitious and driven to succeed<sup>2</sup>
- 87% recommend Sportsbet as a great place to work<sup>2</sup>
- 95% approve of executive leadership<sup>3</sup>



## Unparalleled delivery

- BetEasy migration in 89 days
- Integrated two businesses
- Grew core business
- Attracted retail customers

<sup>1</sup> Including >6 years experience of top 50 leaders.

<sup>2</sup> Sportsbet MySay survey: Culture Amp (July 2021).

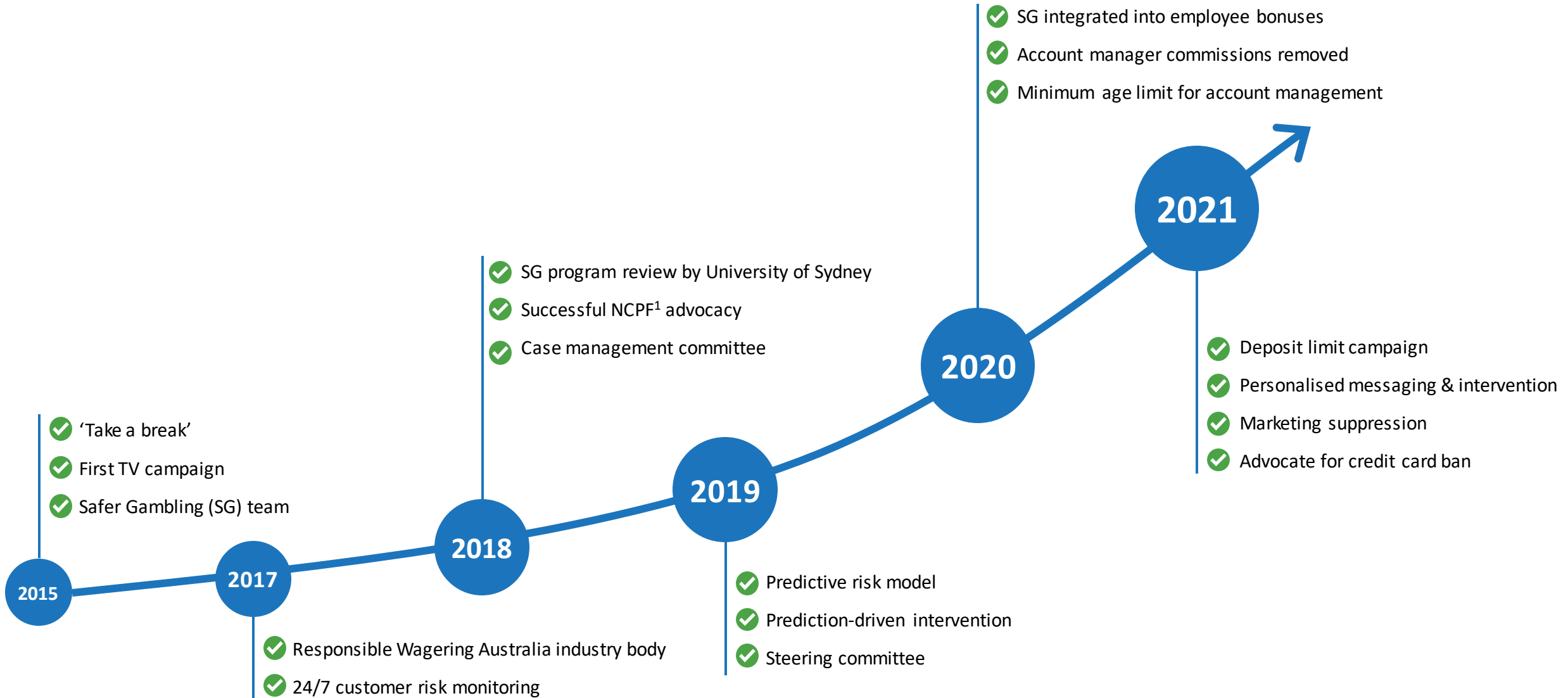
<sup>3</sup> Glassdoor (September 2021).

# Enablers: Safer Gambling

Tania Abbotto



# Our Safer Gambling commitment is long-term and goes beyond 2021



<sup>1</sup> National Consumer Protection Framework.



## Our four-pillar SG approach:



### People-centric

- Dedicated expertise
- Measured and rewarded in remuneration
- **Driving SG aware decisions**



### Data-led

- Proprietary group technology
- Machine learning
- **Enabling proactive intervention**



### Elevated awareness

- Consistent communication
- **Enhancing customer, community, and stakeholder awareness**



### Systematic experience design

- All customer approach
- **Delivering safer products, messaging and promotions**

Ensure consistent, high quality safer gambling measures across operators



## Elevated awareness key for entire industry

### Sportsbet awareness strategy

- Improve stakeholder engagement
- Communicate consistently with customers and the community
- Collaborate with academic researchers

### 2021 'Take a sec before you bet' SG campaign

- **Rationale:** Prevention is key to customer experience irrespective of operator
- **Purpose:** Raise awareness to drive behavioural change
- **Intended impact:** Normalise positive behaviour
- **Call to action:** 'Set a deposit limit, whoever you bet with'
- **Investment:** \$15m in Marketing in 2021



## Data-led approach allows pro-active identification

### Predictive models

- Flutter proprietary models
- Machine learning determined risk scores

### Real-time alerts

- Pre-determined thresholds e.g. large first deposit
- Real-time response



Email



Push notification



SMS



Call

Digital scale

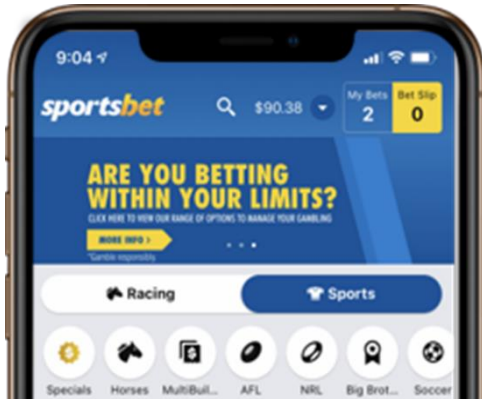
Progressive intervention

Human impact



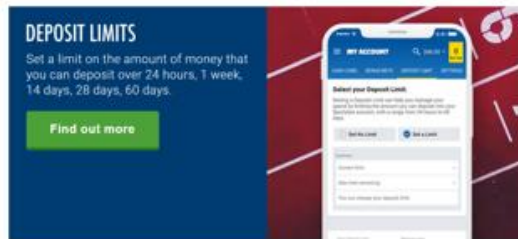
## SG messaging

Communicating safer gambling to our customer base



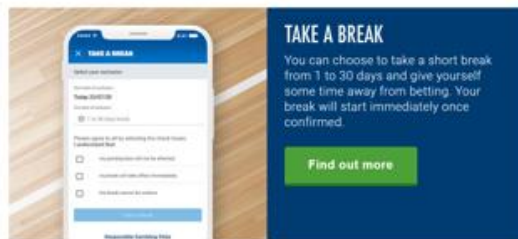
### On channel notifications

- On platform
- In app pop-up notifications
- Personalised Push



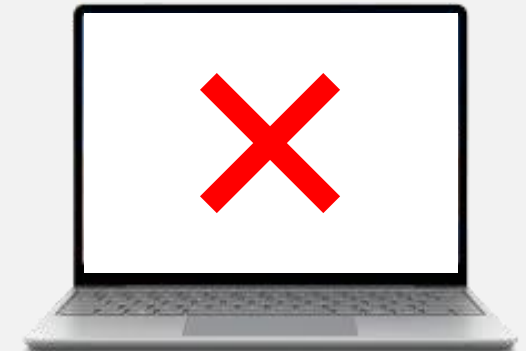
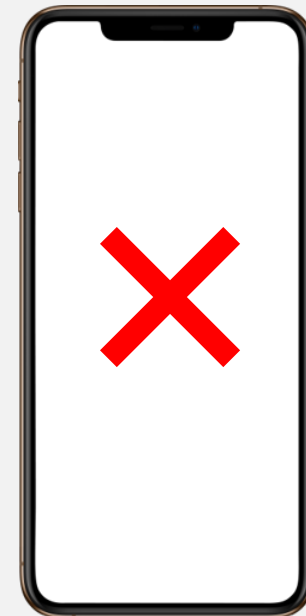
### Direct correspondence

- SG email campaign
- Promotional emails



## Messaging suppression

Customers predicted to be at-risk are excluded from all targeted marketing



Reducing communication for customers who are potentially at-risk

# Enablers: Technology

Simon Noonan



work at  
**sportsbet**

Over 20 years in senior technology roles with international experience in a wide range of industries including banking, wealth management, e-commerce, gaming and consulting.

**2013** Sportsbet - Chief Information Officer

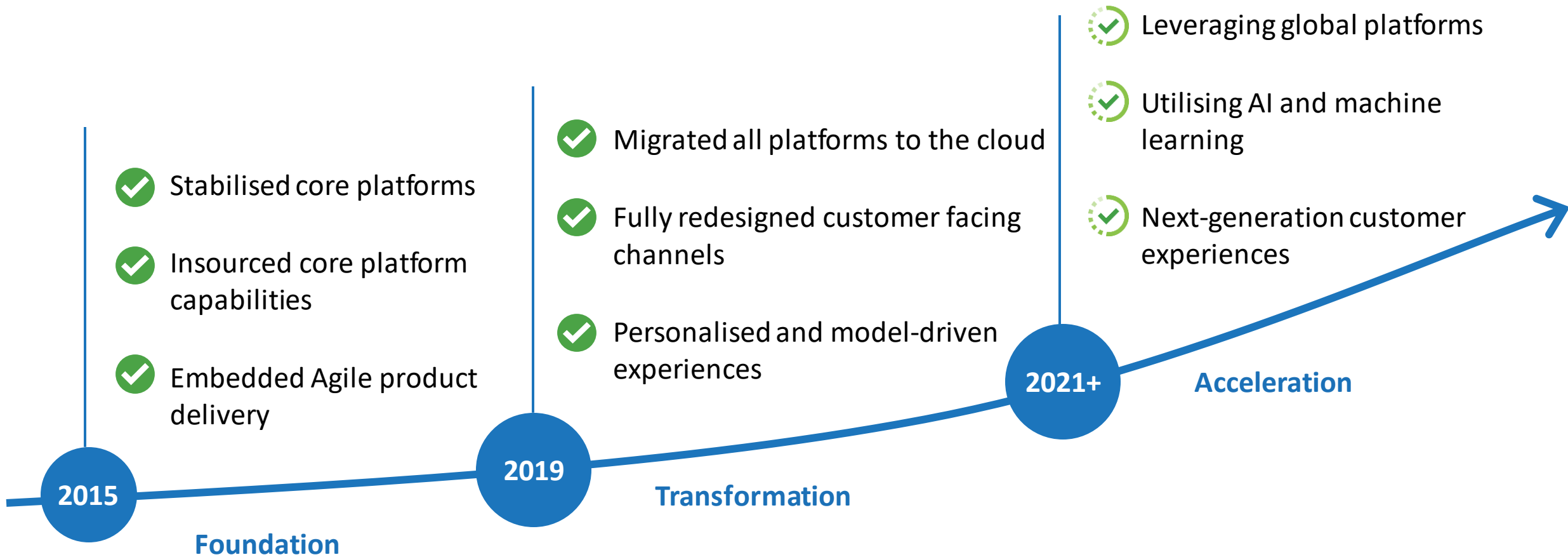
**2010** ANZ - Head of Technology, Digital and Unassisted Channels

**2008** ANZ - Head of Technology, Wealth Aust/NZ

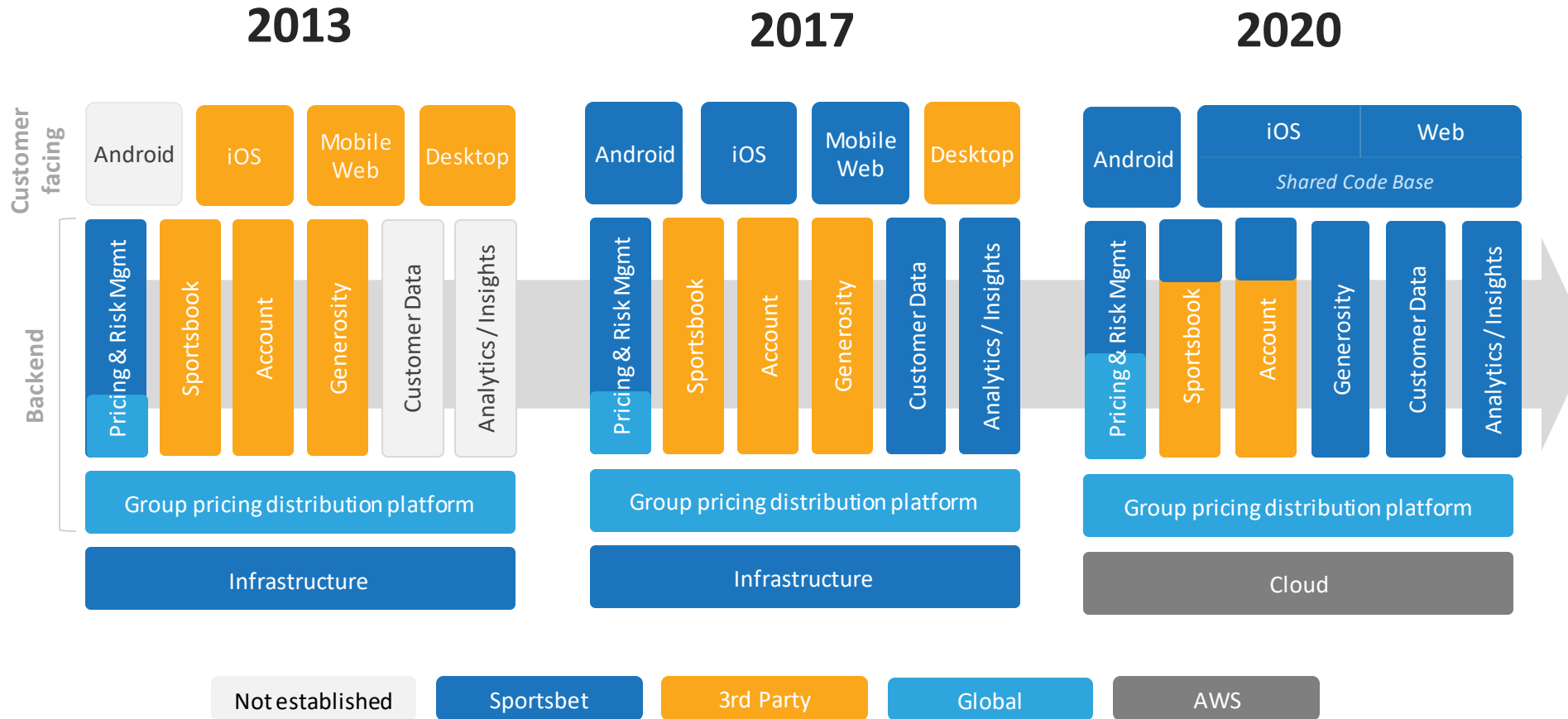
**2005** ANZ - Head of Business Services and Project Delivery

**2002** Aviva - Senior Manager, Advisor Online Portal





Scalable technology designed to enable innovation, speed to market and differentiated customer experiences



### Owning our technology stack enables

- ~40% increase in delivery speed<sup>1</sup>
- Greater flexibility to develop new products and features
- 10x dynamic scaling<sup>2</sup>
- BetEasy migration in 89 days

<sup>1</sup> H2 2019 vs H1 2018. Time periods selected considering the significant technology development completed during the intervening period.

<sup>2</sup>Refers to bets per minute capacity: scaled to 10k for non-peak period weekdays, certified to 100k for peak periods in 2020.

## Sports model development

- Proprietary in-house model development
- Automated pricing capabilities (auto-trader)
- Global pool of specialist engineers



## Global capabilities

- Global shared code repository for all brands
- Standardised model development framework
- Global engineering practices and tools



## Flexible and scaled platforms

- Re-usable, flexible, cloud-enabled platforms
- Globally aligned architecture
- Global interdivisional network

- Faster model delivery to all brands
- Iterative innovation & co-creation of global platforms
- Global 24x7 support
- Optimised model speed and performance
- Reduced pricing errors for the Group
- Real-time global interdivisional connectivity

LOCAL  
PRODUCERS FOR  
GLOBAL  
CONSUMERS





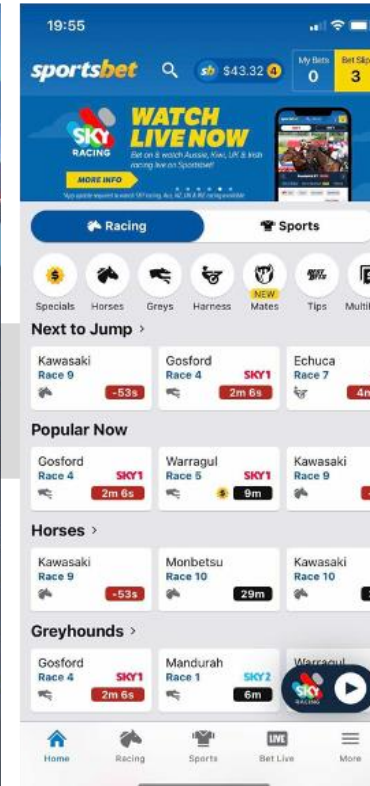
## Re-engineered customer facing platforms...

- Customer experience redesigned
- Dynamic scaling
- Fault tolerant engineering
- Re-usable code
- Full stack automation
- Optimised code base
- Data and services integration

### Before



### After



## ...driving market leading customer experiences

- 100% re-use of core services architecture<sup>1</sup>
- Reduced platform operating costs
- 400% more content on homepage<sup>1</sup>
- Core journeys c.60% faster<sup>2</sup>
- Improved platform resilience and scalability
- “Ease of use” rated 25% higher by customers<sup>3</sup>

<sup>1</sup>H2 2019 vs H1 2018.

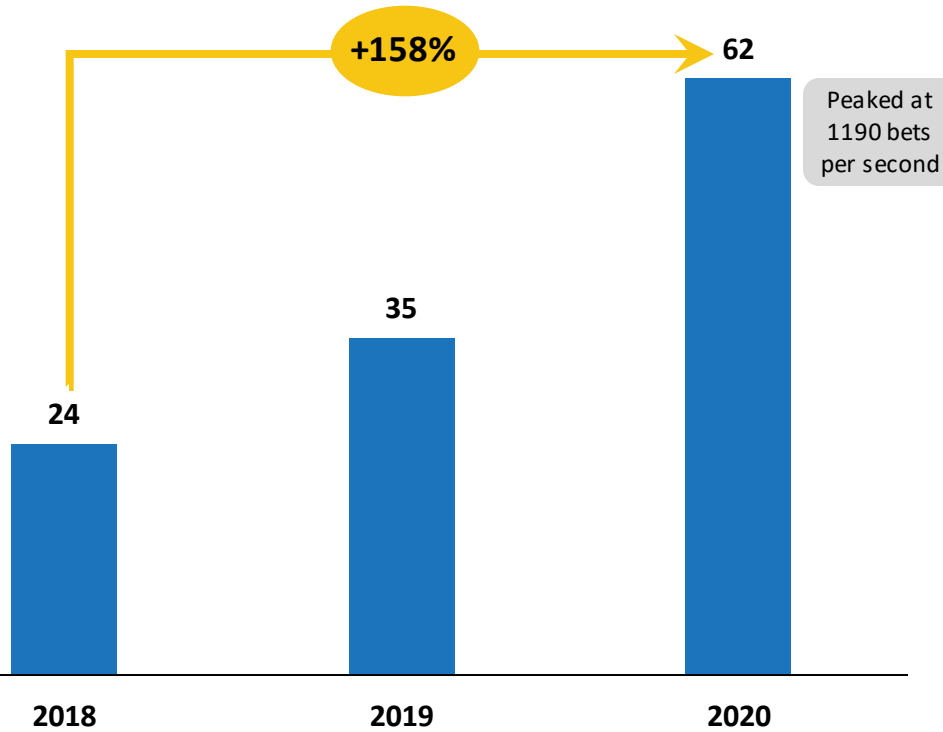
<sup>2</sup>August 2021 vs February 2019.

<sup>3</sup>Percentage of customers selecting [Sportsbet] when asked “Which of these online betting companies do you think this statement applies to [Have an easy to use app]”

Data compiled from Sportsbet Brand Monitor— July 2021 vs March 2019 (Males aged 18-54).

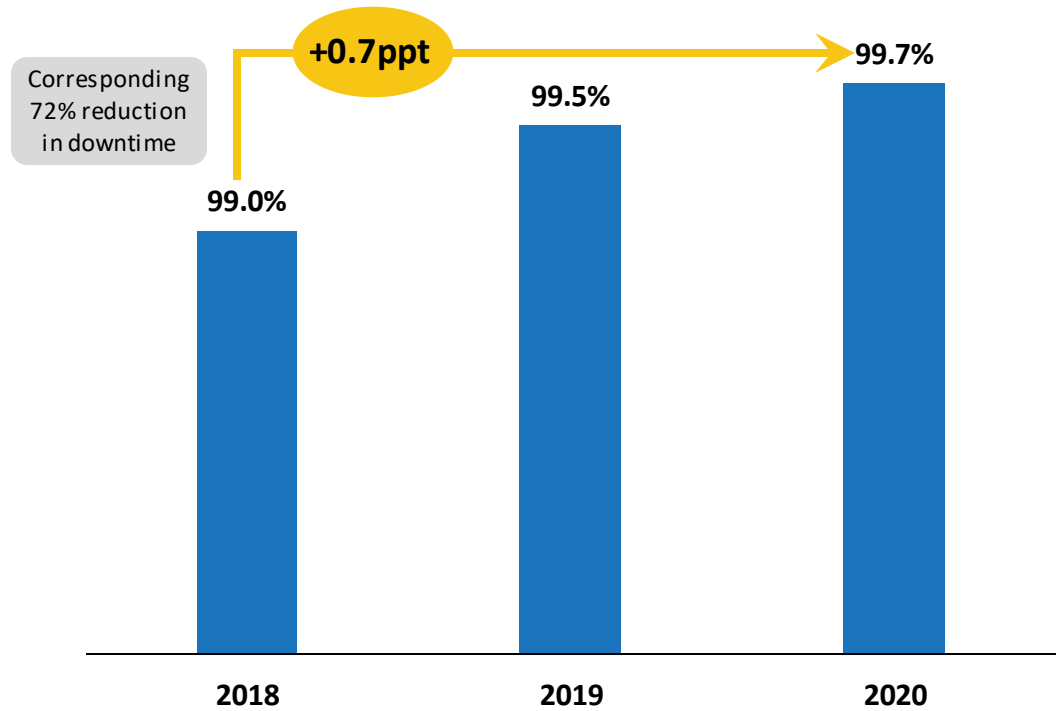
## Enabling significant volume growth...

Peak volume, bets per minute ('000s)<sup>1</sup>



## ...while increasing platform stability

Platform stability (uptime %)<sup>2</sup>



<sup>1</sup> Refers to bet placement.

<sup>2</sup> Excludes scheduled BetEasy customer migration downtime in 2020.

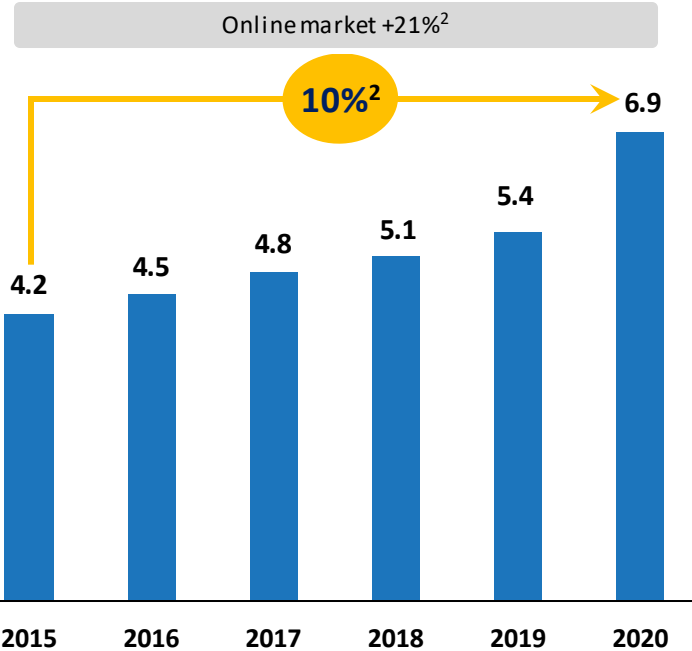
# Financial performance

Nathan Arundell



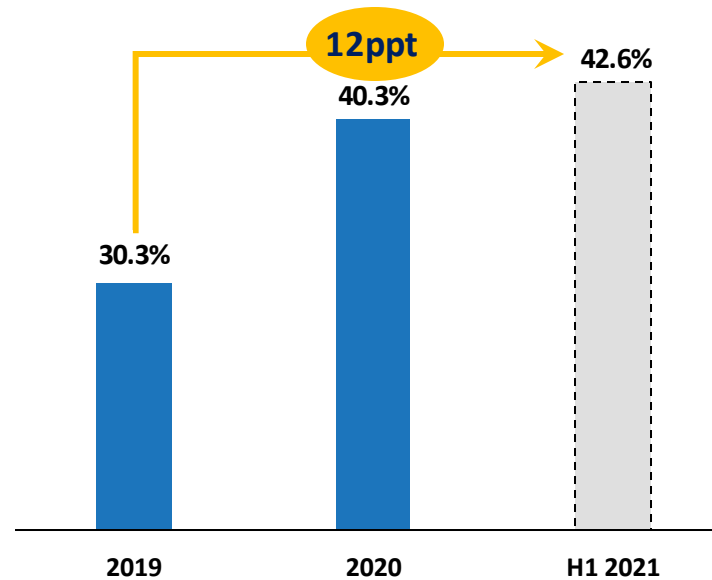
## Underlying market growth

Australian total sports betting market (\$bn)<sup>1</sup>



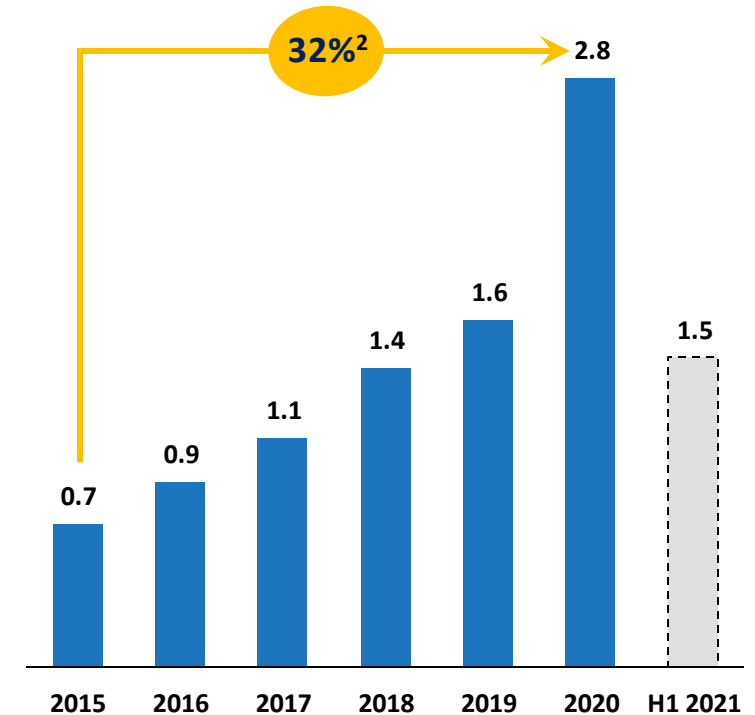
## Plus increased market share

Sportsbet market share<sup>3</sup>



## Resulted in a step change for Sportsbet

Sportsbet revenue (\$bn)<sup>3</sup>



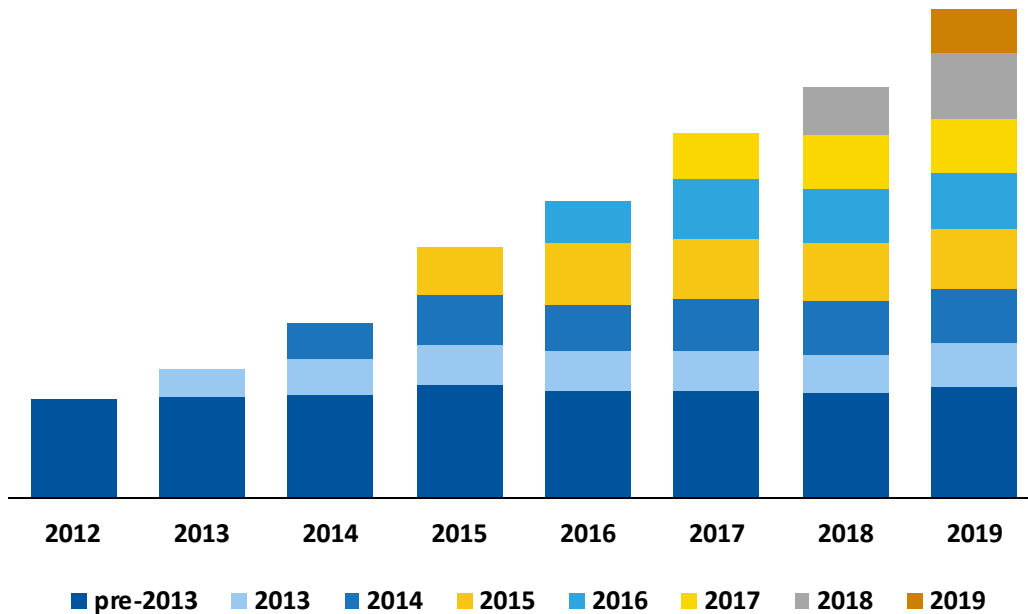
<sup>1</sup> Total online and retail sports betting GGR per competitor public filings and internal estimates.

<sup>2</sup> Compounded annual growth rate.

<sup>3</sup> GGR, 2015 to 2020 presented on a pro forma basis.

## Established track record of sustainable growth

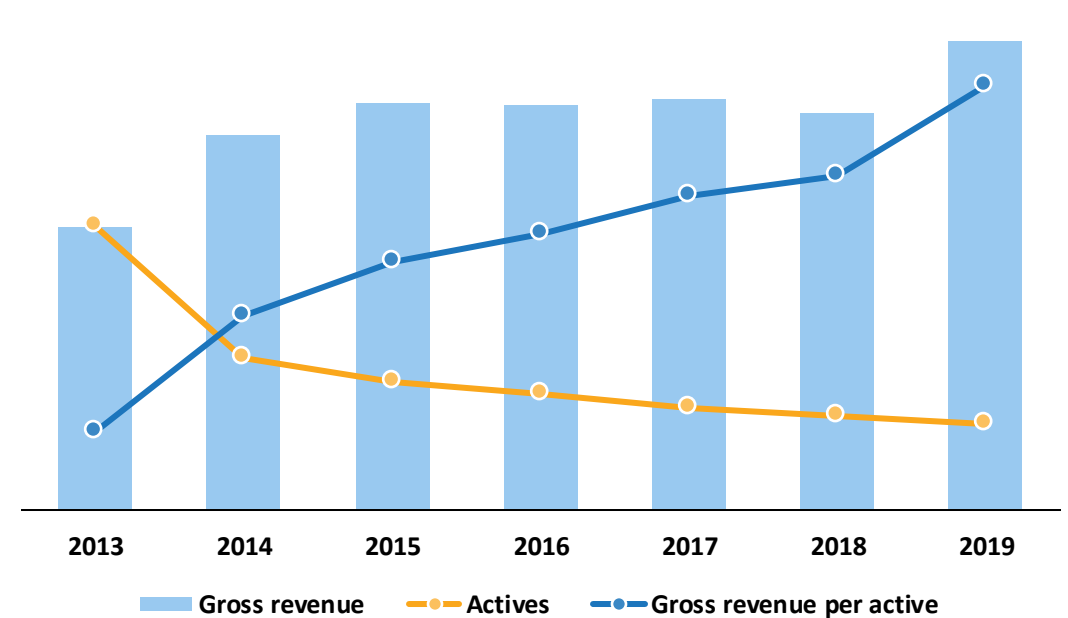
Revenue by year of acquisition<sup>1</sup>



- Driven by high customer retention and loyalty
- Growing yield through higher margin products

## Strong retention and revenue growth per customer

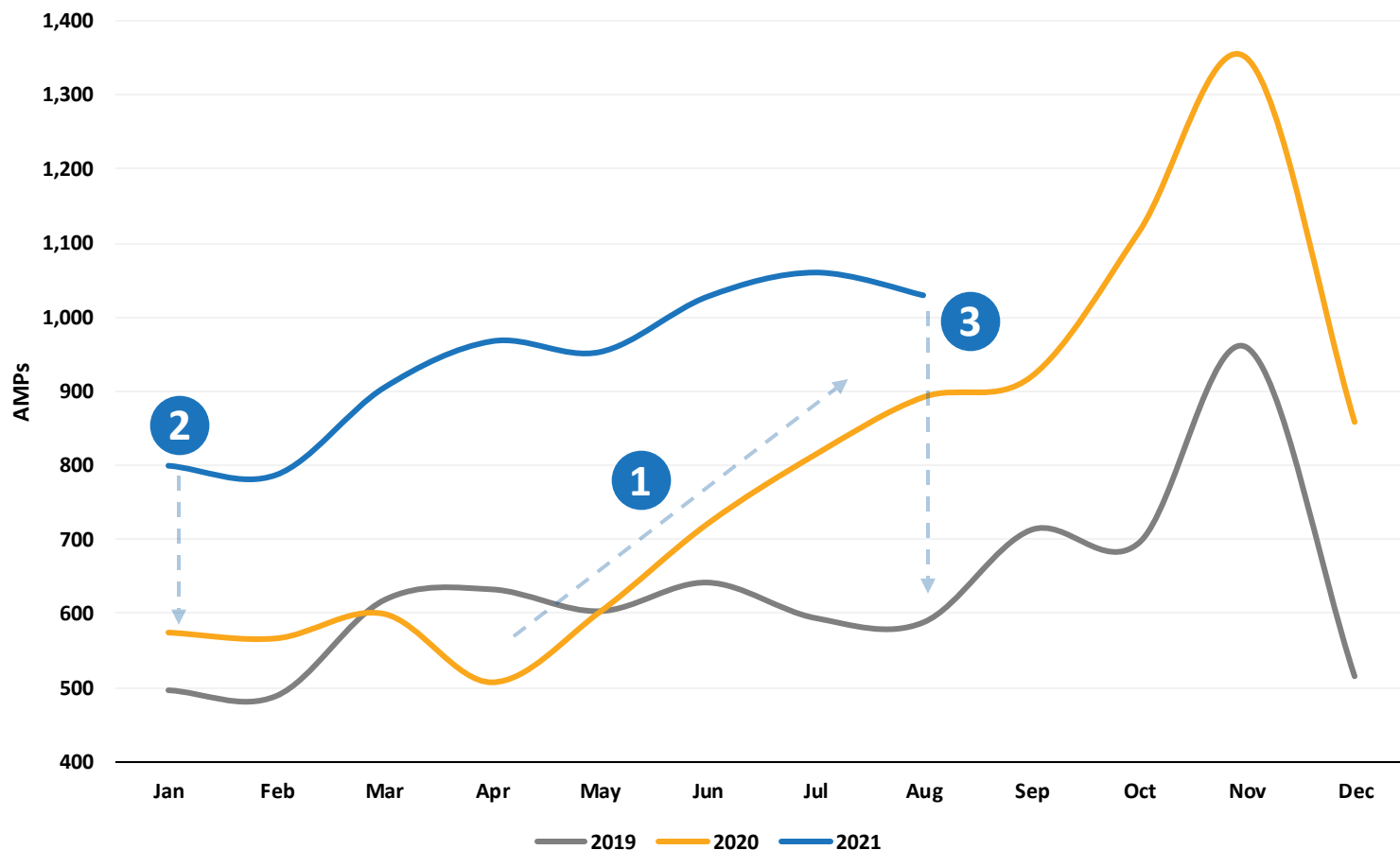
Gross revenue of 2013 cohort<sup>1</sup>



- Increase in revenue as customers become more engaged
- Strong retention in actives following initial year 1 churn

<sup>1</sup> Sportsbet GGR only. Excludes BetEasy customers in all periods.

## Sportsbet customer growth demonstrates continued momentum<sup>1</sup>



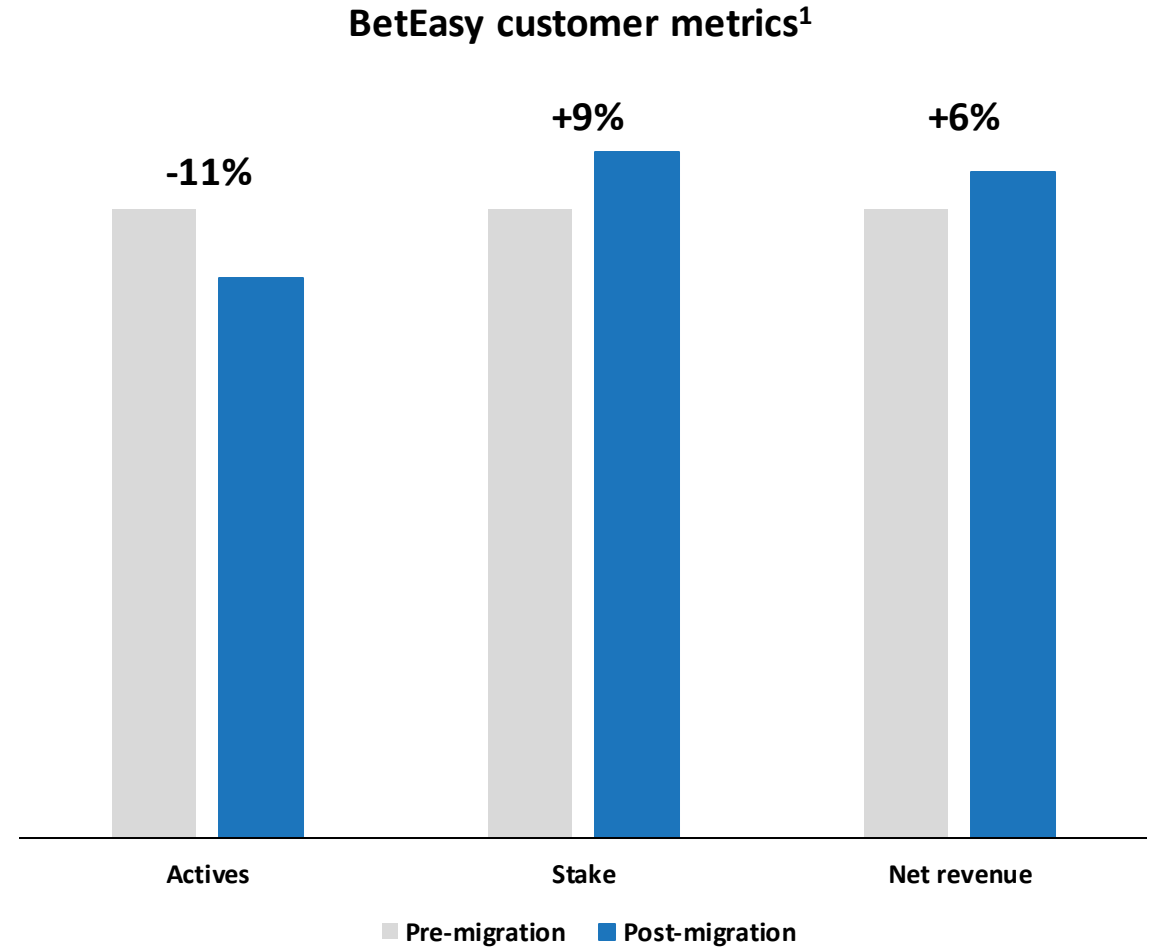
## In a rapidly changing environment

- 1 Stay at home restrictions drove exceptional growth, especially via retail customer acquisition
- 2 Significant proportion of migrated customers retained into Q1
- 3 Larger player base maintained and grown through relatively normal 2021 period, significantly ahead of prior years

<sup>1</sup> Pro forma AMPs for each of the years 2019-2021. AMPS refers to Average Monthly Players and represent the average number of players who have placed a bet during the month in a reporting period.



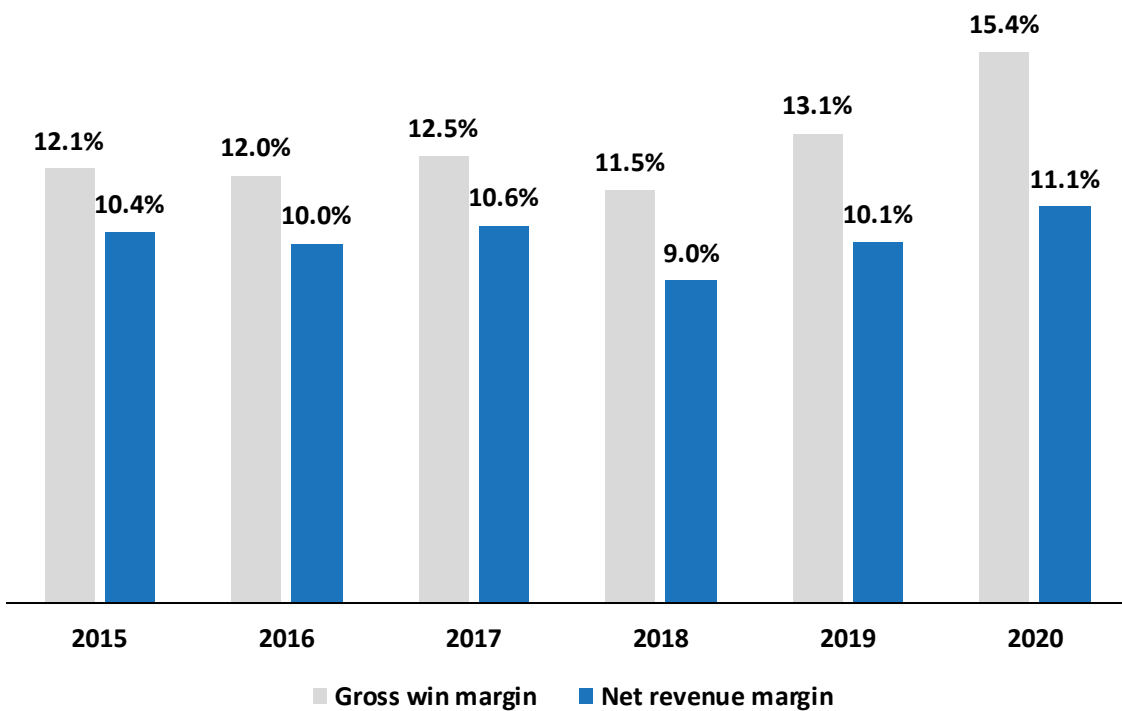
- 89% of active customers retained 12 months post-migration
- Increased revenue by 6% from migrated customers
- >\$100m in cost synergies
- Value and product innovation acquired
- Key partnerships and capabilities acquired



<sup>1</sup> All metrics shown compare the performance of BetEasy customers in the 365 days prior to migration to Sportsbet (9-Sep-19 to 7-Sep-20) to the corresponding period post-migration (8-Sep-20 to 7-Sep-21).

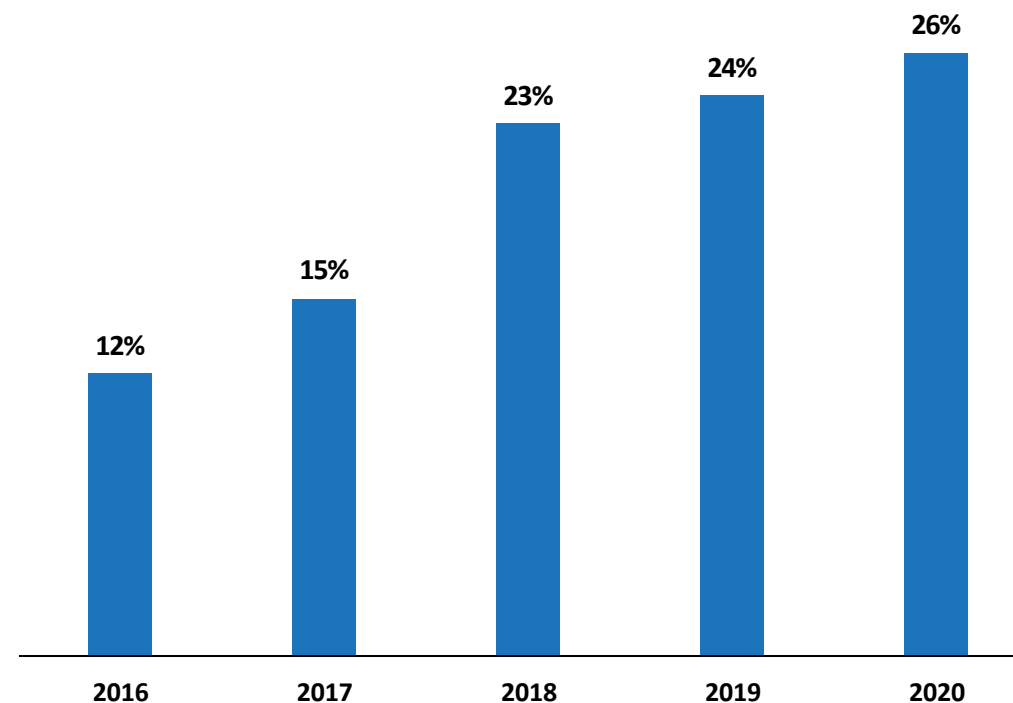
## Investment has created a stable, sustainable net revenue margin

Gross win margin vs net revenue margin<sup>1</sup>



## While customer generosity has more than doubled since 2016

Generosity % of GGR<sup>2</sup>



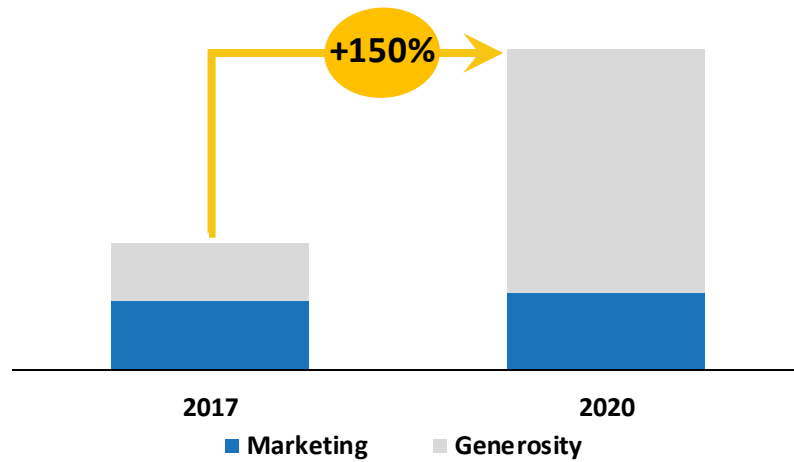
<sup>1</sup> 2015-2020 presented on a pro forma basis.

<sup>2</sup> 2016-2018 presented on a reported basis, 2019-2020 presented on a pro forma basis.



### Generosity and marketing investment doubled in 4 years

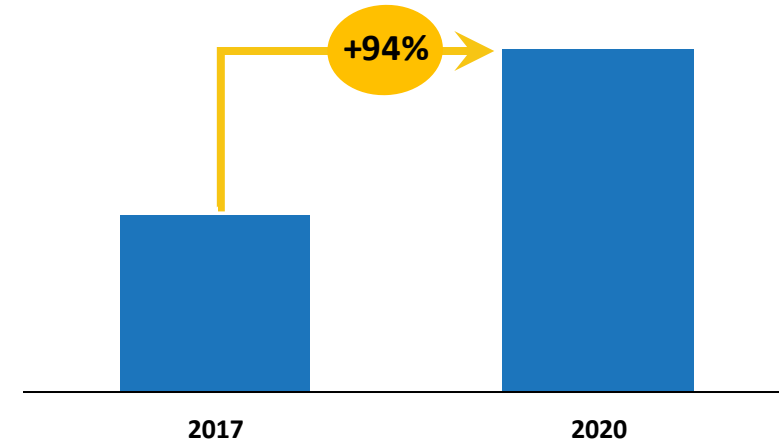
Generosity and marketing spend (\$m)



- Significant increase in targeted generosity investment as marketing spend is redirected
- Focused on tier 1 marketing assets

### Significant technology investment to build scalable platforms

Technology spend (\$m)



- Absorbing growing peak volumes
- Enabling product innovation
- Infrastructure investments enhancing data analytics

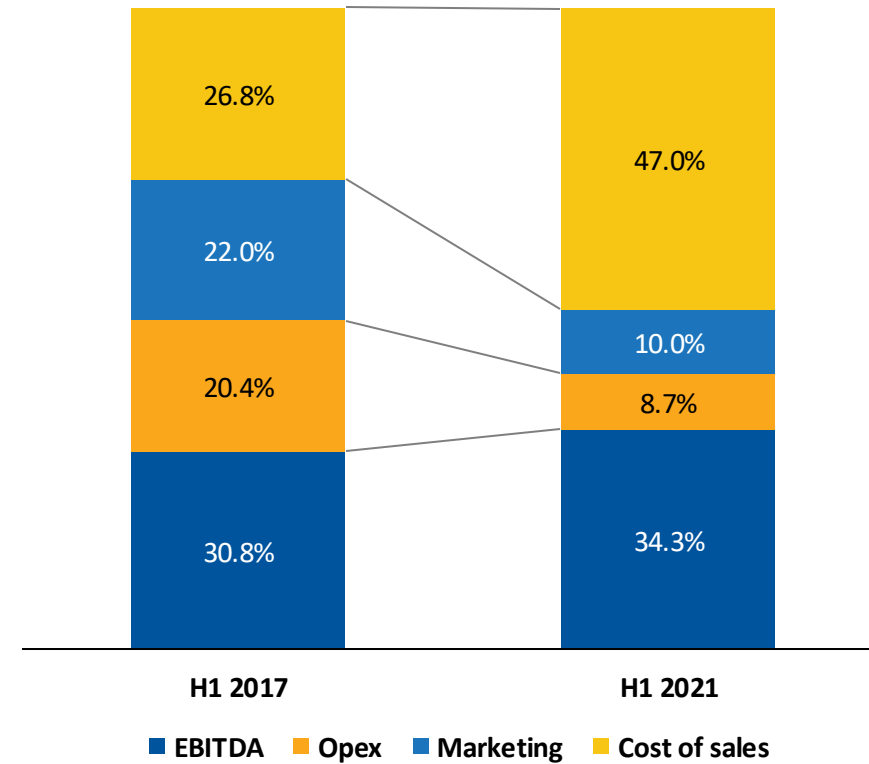
<sup>1</sup> 2017-2020 calculated on a pro forma basis.

### Scale enables greater operating leverage

- Cost base restructured to absorb increased taxes
- Marketing reallocated into targeted generosity
- Increased efficiency of marketing spend
- Operating cost base continues to scale
- Ongoing benefits of leveraging Flutter resources
- All without compromising top line growth

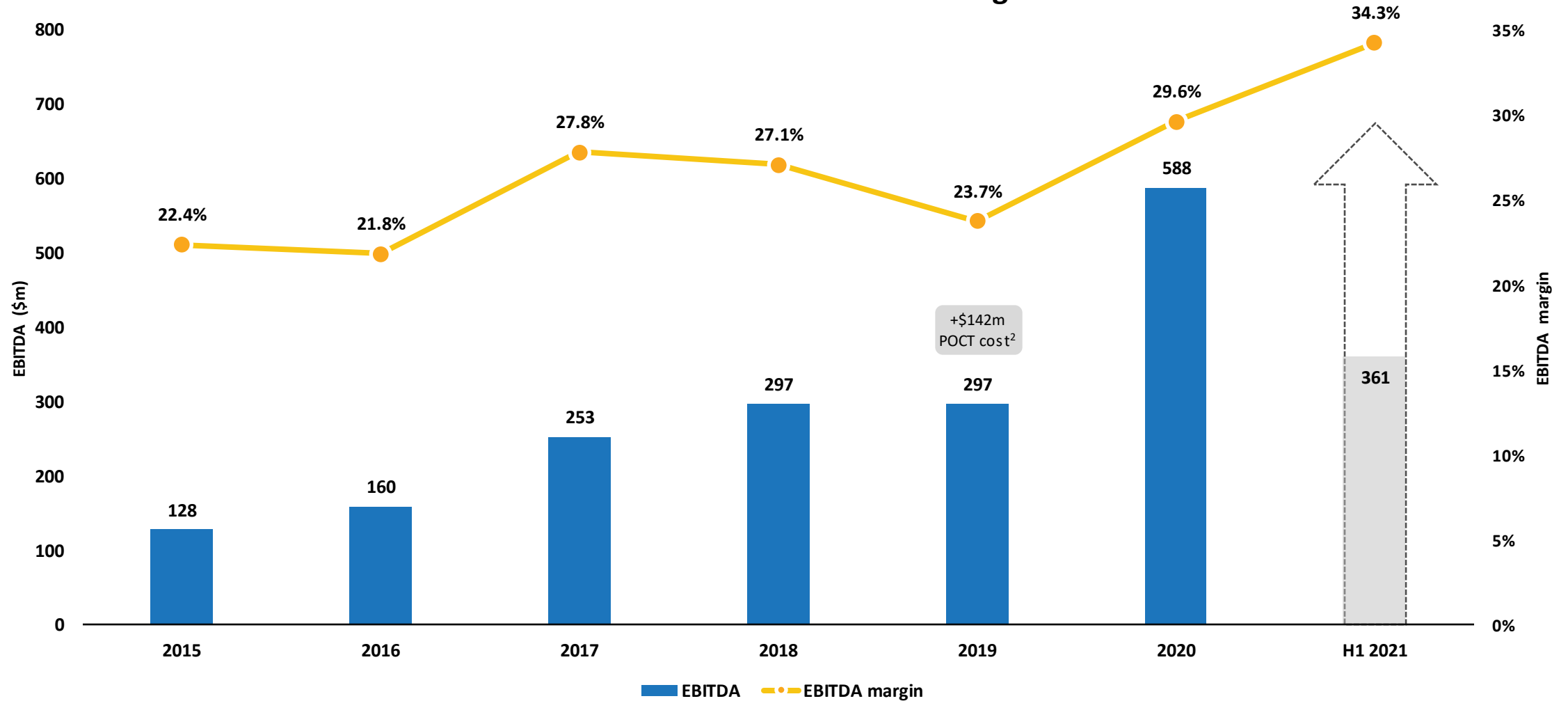
### Demonstrated by increased EBITDA margins

Distribution of net revenue<sup>1</sup>



<sup>1</sup> 2017 calculated on a reported basis.

## Pro forma EBITDA and EBITDA margin<sup>1</sup>



<sup>1</sup>2015-2020 presented on a pro forma basis.

<sup>2</sup>POCT = point of consumption tax.

# Recap

Barni Evans



## Key points



Winning in key battlegrounds: product, value and marketing



Attractive customer profile



Local customer focus while leveraging Flutter resources and IP



Topline growth *and* improved efficiency

## Positive outlook



Headroom for growth (market *and* share)



Enviably market position driving scale economics



Focus on sustainable growth



Capable and hungry team

**All combine to make Sportsbet the largest and fastest growing operator in Australia**