

# CAPITAL MARKETS DAY

16 November 2022

Flutter

# AGENDA

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- 1 Introduction
- 2 Market Opportunity
- 3 FanDuel Advantage
- 4 Flutter Edge
- 5 iGaming Opportunity
- 6 FanDuel Financial Trajectory

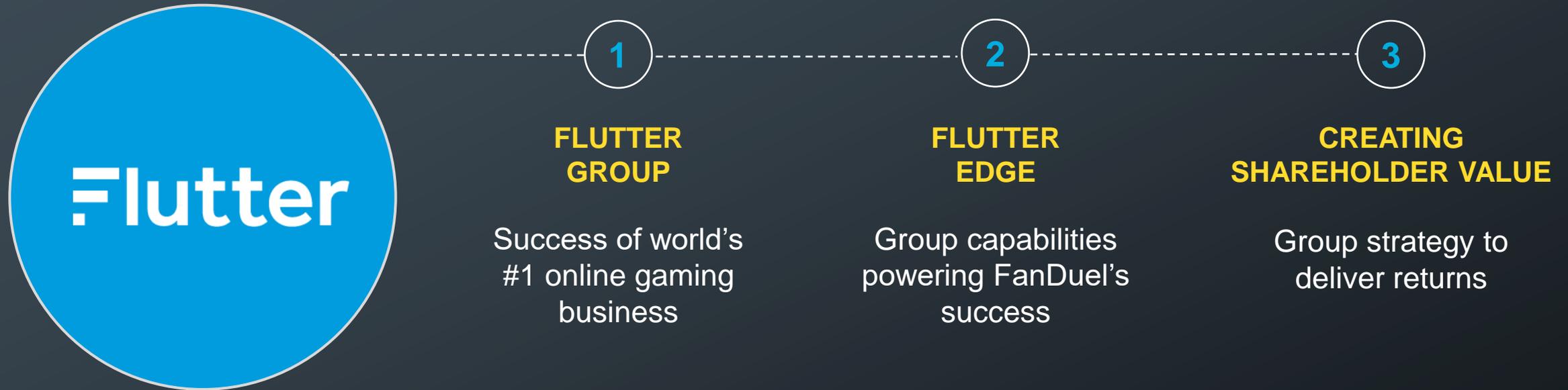
# INTRODUCTION

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Peter Jackson

**FLUTTER CHIEF EXECUTIVE OFFICER**





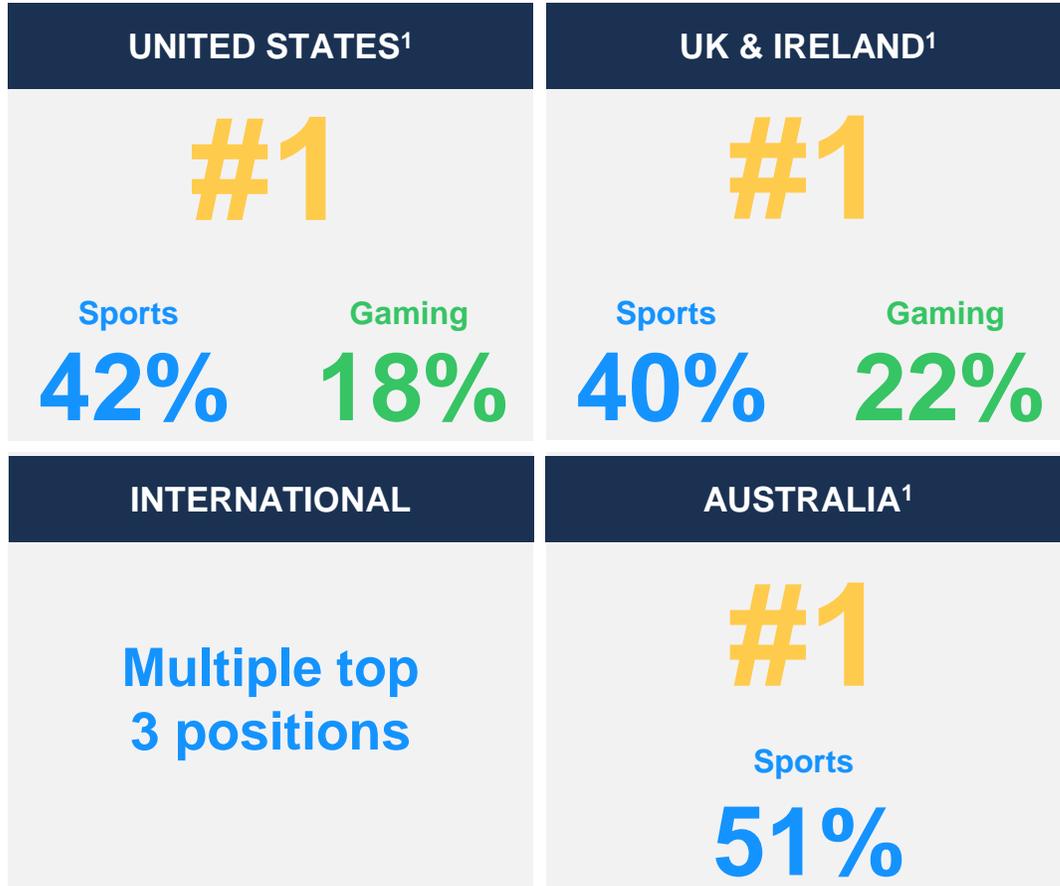
Unparalleled scale and success of world's #1 online gaming business ...



**Scale and diversification of the Group excluding the US**  
provides resilient and robust model for growth

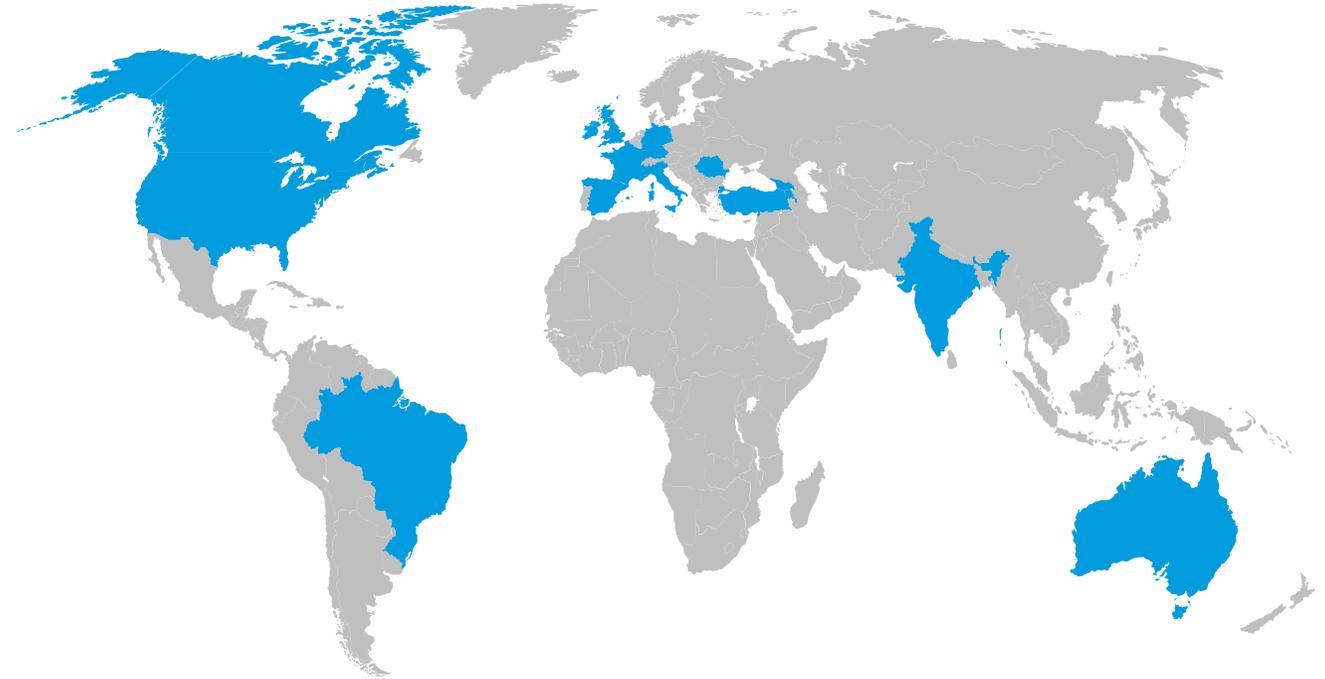
1. Players refer to pro forma Group ex-US Q3 2022 average monthly players  
2. LTM pro forma revenue and EBITDA Group ex-US

## ... extending scale and #1 position in the largest regulated markets



Online **sportsbook** market share %

Online **gaming** market share %

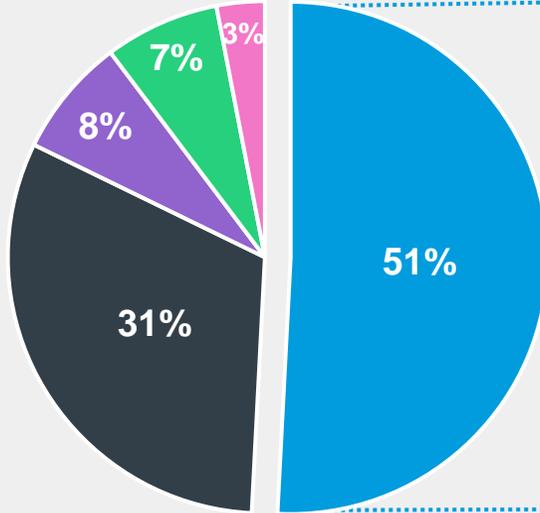


■ Flutter's largest 15 markets by revenue

1. UK&I net revenue market share for FY 2021, Australia GGR market share for H1 2022, US GGR market share for Q3 2022 based on available data in states where FanDuel was live

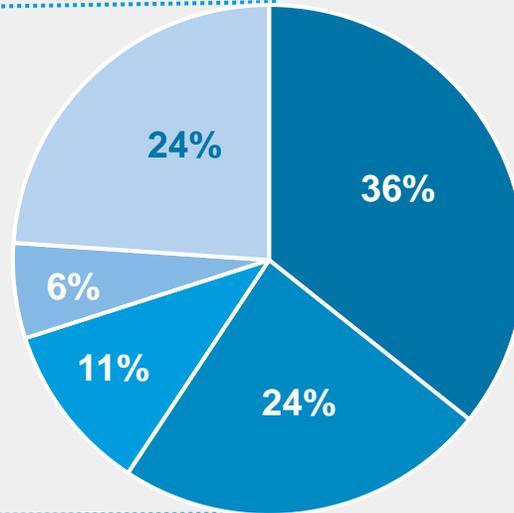
# A diverse portfolio of products with a history of innovation

## REVENUE BY PRODUCT<sup>1</sup>



- Sportsbook
- Casino
- Poker
- Peer to peer sports
- Lottery

## SPORTSBOOK REVENUE BY SPORT



- Racing
- Soccer
- Basketball
- American football
- Other

**SAME GAME  
PARLAY+**

**betfair**  
EXCHANGE

**SPIN & GO**

**SAME GAME  
MULTI**

**betfair**  
**CASH OUT**

**POKERSTARS  
VR**

**BET WITH  
MATES**

**SUPER6**

1. FY 2021 pro forma revenue

FanDuel was the premium US asset when PASPA was repealed in 2018

- Strong brand with **nationwide footprint**
- **> \$400m invested** in the brand
- **7m** registered players
- **40% DFS** market share
- **~84% of customers betting on sports**<sup>1</sup>
- **Cultural alignment**

**£4.3bn**

Flutter capital  
invested in  
FanDuel to date<sup>2</sup>

**Created the #1 US online gaming business**

1. FanDuel internal research

2. Includes cost to acquire 95% of FanDuel and accumulated EBITDA losses and capex spend post acquisition to June 2022; equates to \$5.8bn

## Strengths and expectations from 2019 CMD have played out

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- ✔ **Success to date demonstrates power of our positioning**
- ✔ **Large market opportunity at 10x size of New Jersey**
- ✔ **FanDuel uniquely positioned**
  - Scale, brand, people, and product
  - Access to Flutter balance sheet and expertise
- ✔ **Significant opportunity to turn FanDuel into a meaningful part of Flutter**

# FanDuel's success is underpinned by Flutter's deep expertise and capabilities

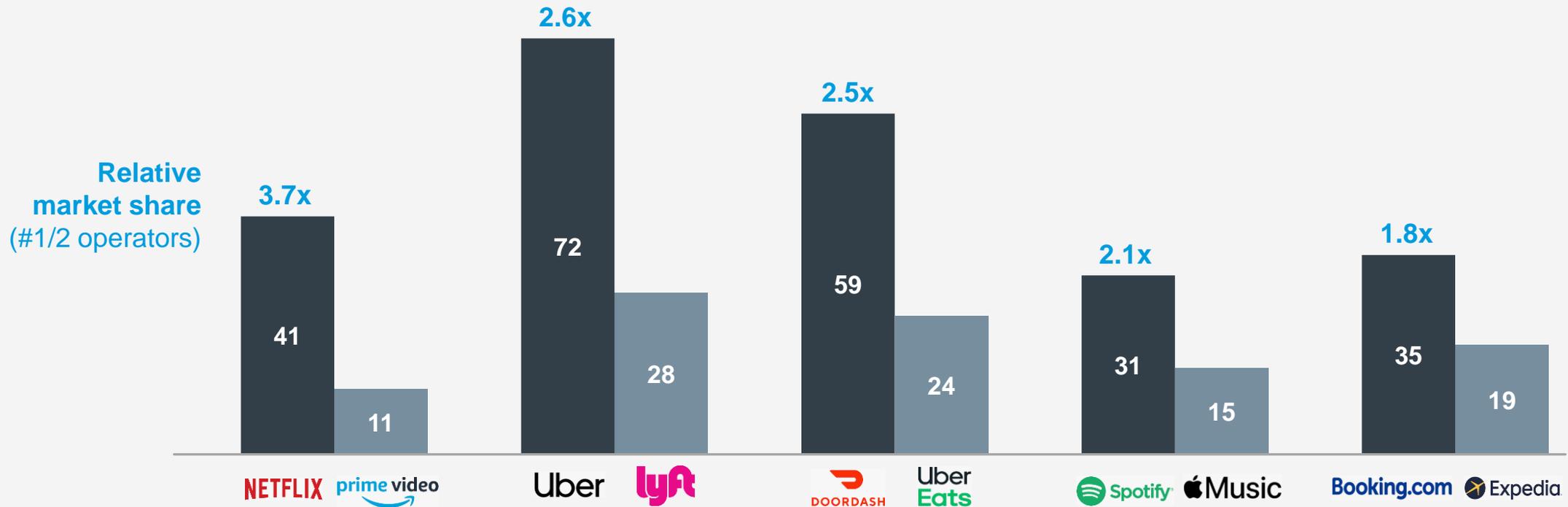


**20+ years of online sports betting and gaming experience**

# In digital markets, being the leader matters

## DIGITAL MARKET LEADERS FREQUENTLY ACHIEVE >2X RELATIVE MARKET SHARE

Market share of #1 and #2 operators in digital markets (%)



Market leaders typically take an outsized share of the profit pool

## Optimal group strategy to deliver long term shareholder value



- Huge market opportunity
- Sustainable leadership position
- Strong unit economics
- Profitable in 2023

- Diversified, scaled business
- Historic revenue growth 5-10% net of regulation
- High EBITDA margin in mature businesses
- High cash conversion

**Combination makes Flutter a compelling investment proposition**

# INTRODUCTION TO FANDUEL

Amy Howe

**FANDUEL CHIEF EXECUTIVE OFFICER**



**Flutter**

**FANDUEL GROUP**

# Our management team



**AMY HOWE**

Chief Executive Officer



**CHRISTIAN GENETSKI**

President



**MIKE RAFFENSPERGER**

Chief Commercial Officer



**ANDREW SHEH**

Chief Technology Officer



**DAVID JENNINGS**

Chief Financial Officer



**SARAH BUTTERFASS**

Chief Product Officer



**ANDY GIANCAMILLI**

Chief Operating Officer



**CAROLYN RENZIN**

Chief Legal & Compliance Officer



**TRICIA ALCAMO**

Chief People Officer

Driving FanDuel's **unique culture and focus on sustainability**

# Diverse product suite available in 48 states

## CORE PRODUCTS

**#1** SPORTSBOOK



in 19 States<sup>1</sup>

**#3** ONLINE CASINO



in 5 States<sup>2</sup>



**GAMES OF SKILL**  
in 44 states



**#2** FANTASY SPORTS

**RACING & CONTENT**  
in 33 states & 45m homes

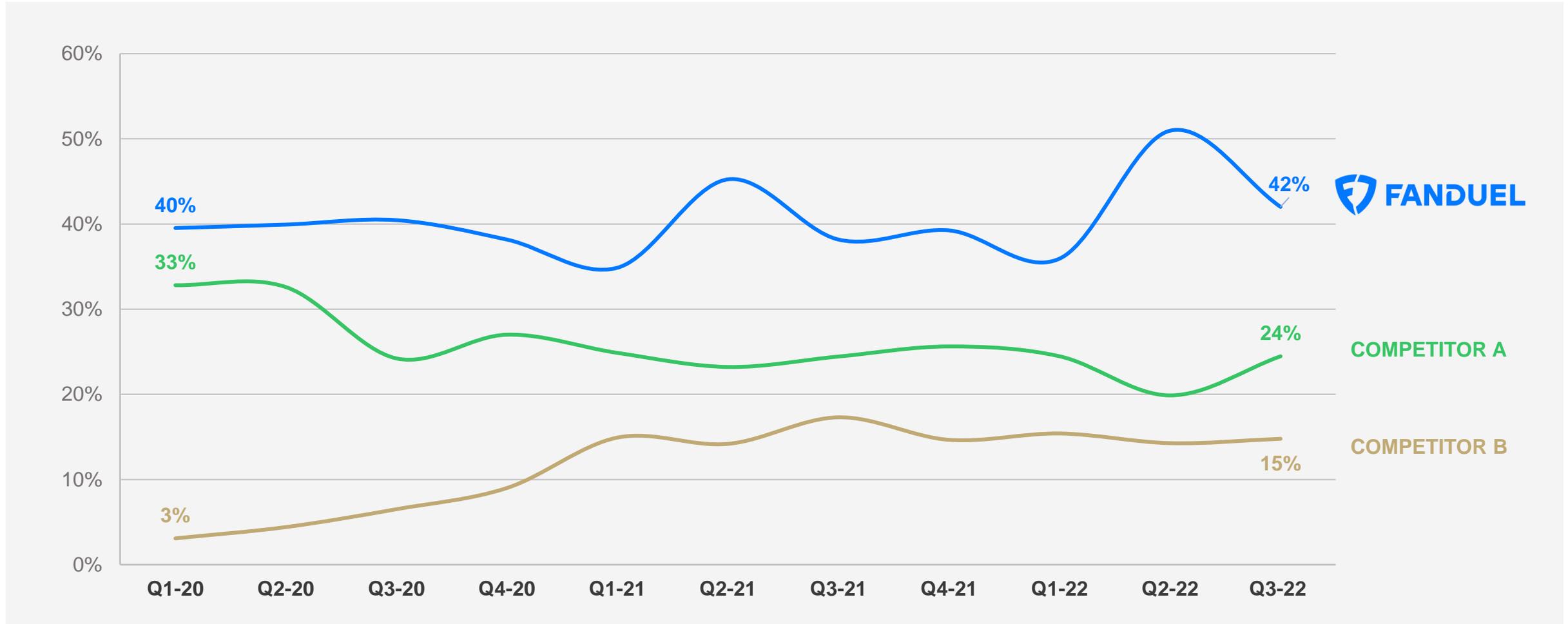


**#1** IN RACING

1. Includes FanDuel online sportsbook states (AZ, CO, CT, IA, IL, IN, KS, LA, MI, NJ, NY, PA, TN, VA, WV, WY) and FanDuel retail only sportsbook states (MD, MS, WA, DC)  
2. Includes FanDuel iGaming states (CT, MI, NJ, PA, WV)

# We have built a clear leadership position in online sportsbook ...

## ONLINE MARKET SHARE (GROSS GAMING REVENUE<sup>1</sup>)<sup>2</sup>

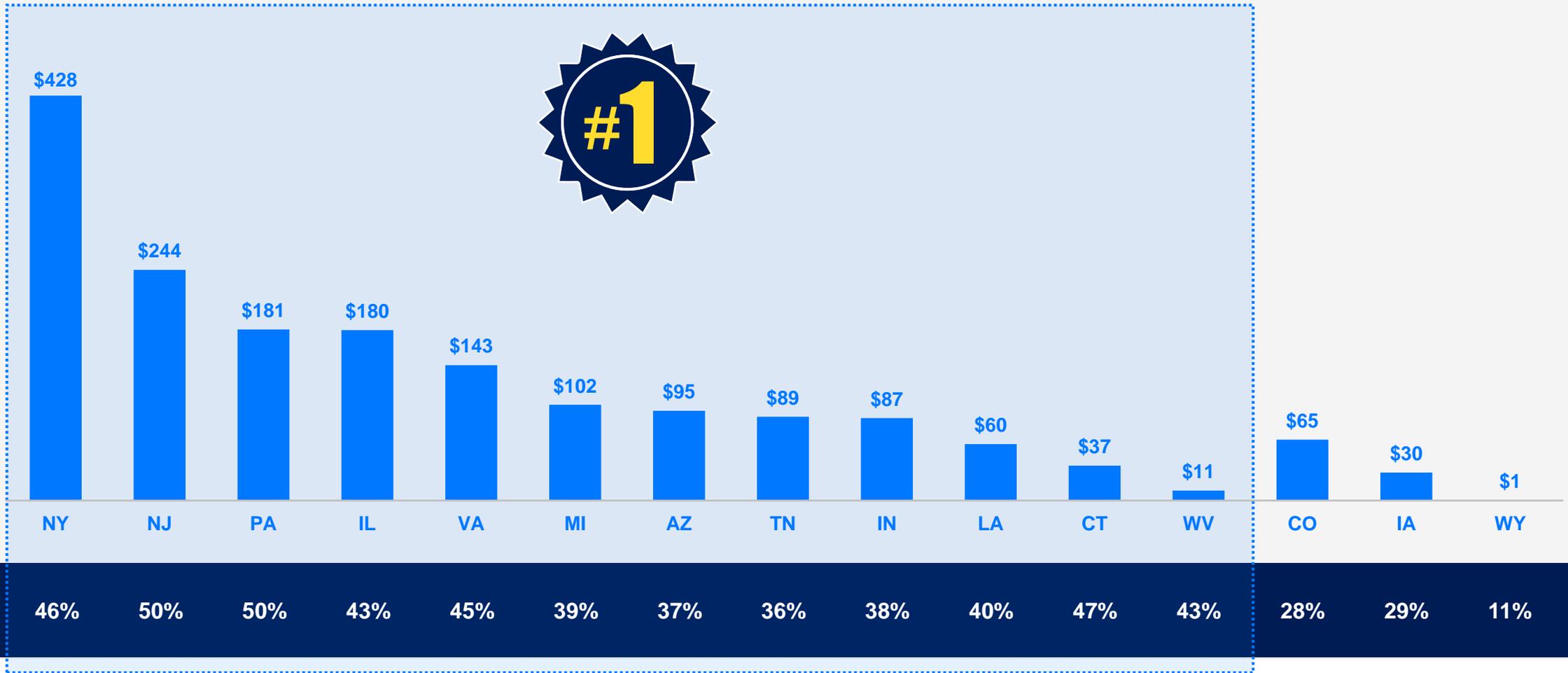


1. Gross Gaming Revenue (GGR) refers to revenue before deduction of promotional generosity

2. Sportsbook market share throughout this presentation unless otherwise stated refers to FanDuel Q3 2022 GGR market share in FanDuel live states based on published gaming regulator reports (AZ and IL yet to report for September 2022). Competitor estimates based on third party regulator and Eilers and Krejcik reports

... and we are #1 in almost every state in which we operate

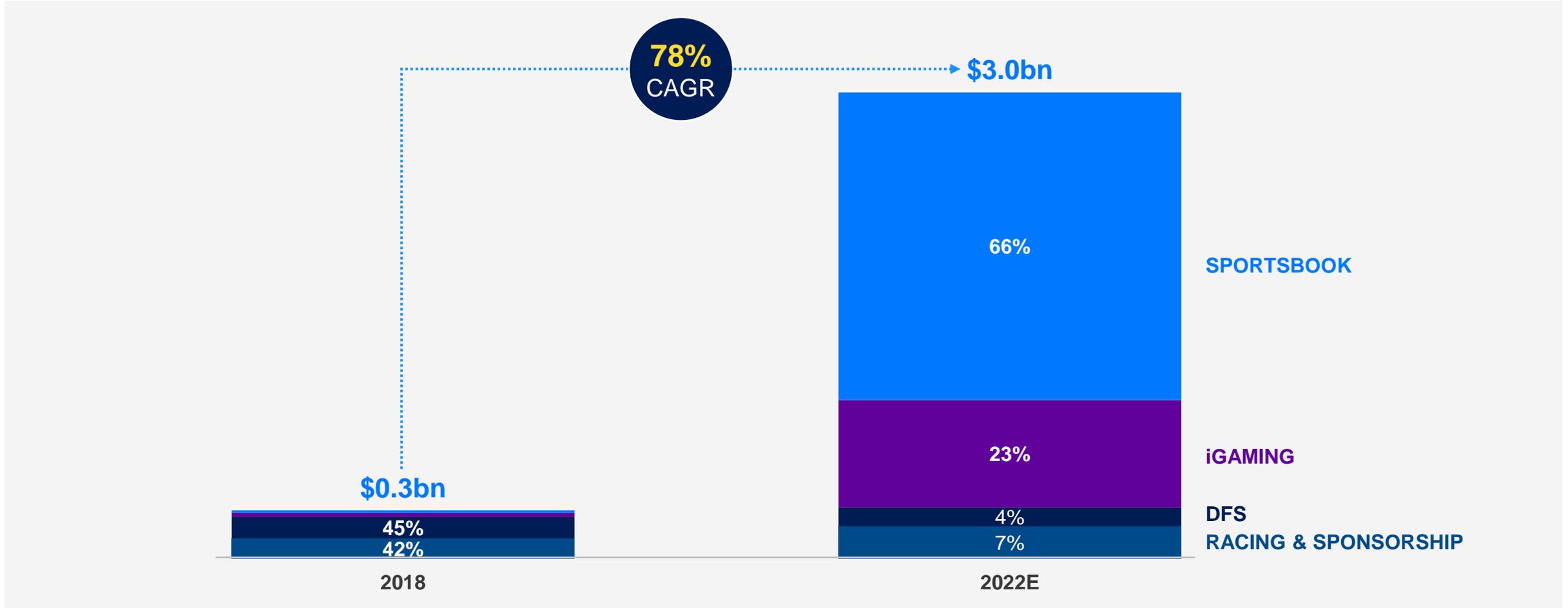
FANDUEL 2022 ONLINE SPORTSBOOK YTD GGR<sup>1</sup> (\$m)



1. 2022 YTD GGR share; YTD represents 1 Jan – 30 Sep 2022

# We are now a \$3bn revenue business ...

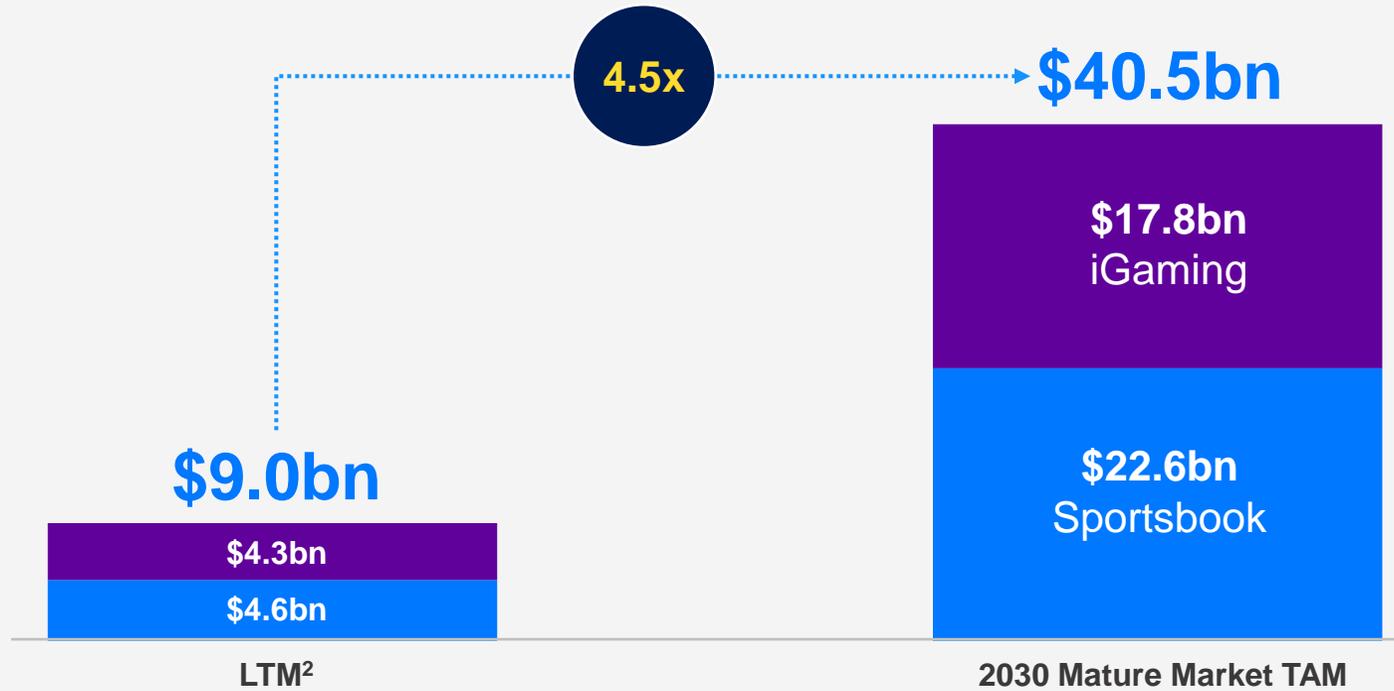
## FANDUEL NET GAMING REVENUE<sup>1</sup>



1. Net Gaming Revenue (NGR) refers to revenue after deduction of promotional generosity. Reported financials, excludes FoxBet. 2022 estimate represents FanDuel estimated revenue per midpoint of US guidance provided by Flutter on 9 November.

# ... with significant runway for growth

## MARKET PROJECTED GGR<sup>1</sup>



% addressable US adult population in legal states

<b>iGaming</b>	<b>12%</b>	<b>25%</b>
<b>Sportsbook</b>	<b>35%</b>	<b>80%</b>

1. See detailed footnotes on page 32

2. LTM throughout this presentation refers to the 12-month period ending 30 June 2022

# The FanDuel Advantage driving our winning position



## ACQUIRE

CUSTOMERS MORE EFFICIENTLY

#1 sports betting brand

Database of 14m+ sports fans

Best marketing assets



## RETAIN

CUSTOMERS FOR LONGER

Betting product innovation

Best app experience

Disciplined promotions



## GROW

CUSTOMER VALUE

Proprietary pricing and risk

Accurate, competitive odds

Organic win margin advantage

←..... BENEFITTING FROM THE **Flutter** EDGE .....→



**>\$1bn**

cash funding,  
enabling pursuit of all  
growth opportunities<sup>1</sup>



**30%**

of VPs and above  
come from Flutter with  
150+ years of collective  
experience



**20+ years**

of operations,  
sustainably serving  
22m customers

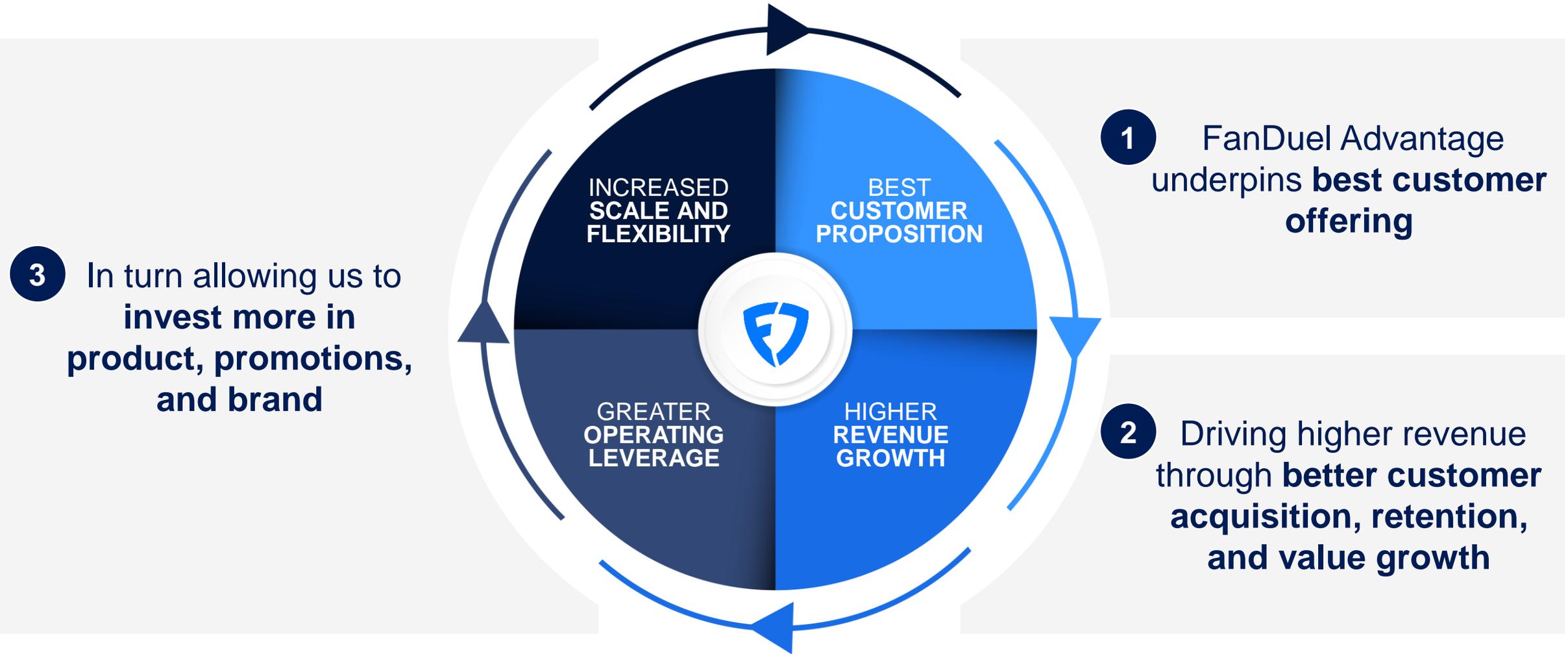


**6,000+**

technologists with global  
network of scalable and  
reliable proprietary  
platforms

1. Cumulative FanDuel Group EBITDA losses and capital expenditure from acquisition to 30 June 2022

# The FanDuel Advantage drives our flywheel, creating a larger and more profitable business ...



... with potential to deliver ~5x 2022 revenue at maturity, at margins similar to other divisions



Our scale advantage is compounding each year, driving a pathway to **4.5 – 5x 2022 revenue at maturity**



FanDuel's scale and competitive advantages can deliver **long-term EBITDA margins of 25% – 30%**, similar to other Flutter divisions

# MARKET OPPORTUNITY

Christian Genetski  
**PRESIDENT**



**Flutter**

**FANDUEL GROUP**

# Significant scope for further expansion

## THE MARKET OPPORTUNITY

1

### PROGRESS TO DATE

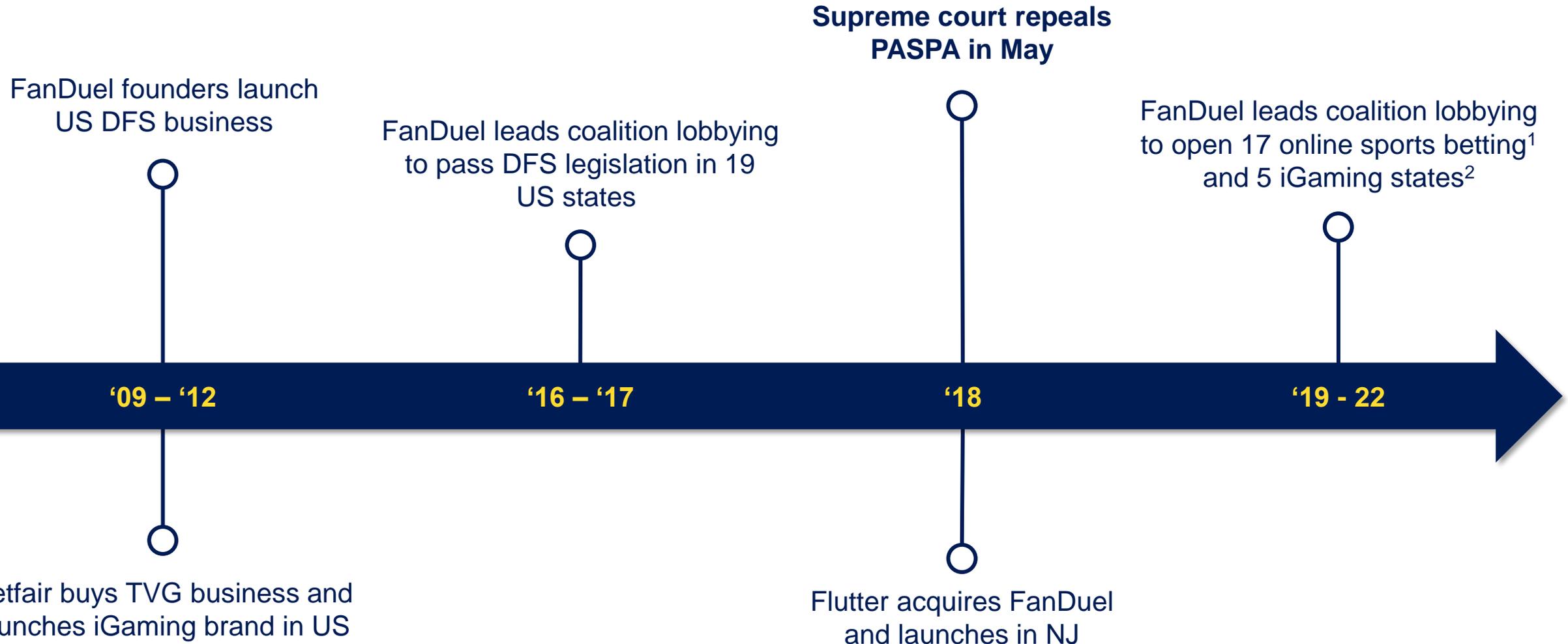
Impressive market value  
already unlocked

2

### UNLOCKING FUTURE GROWTH

Huge runway for growth with  
significant long term  
addressable market

## We have invested significantly in resource and expertise to get to where we are



1. Includes AZ, CO, CT, IA, IL, IN, KS, LA, MD, MI, NJ, NY, PA, TN, VA, WV, WY

2. Includes CT, MI, NJ, PA, WV; excludes Poker

## Our market advocacy seeks to achieve two primary goals



# 1

### UNLOCK NEW MARKETS

Open up sportsbook and iGaming states to protect consumers from illegal operators and create value for the State



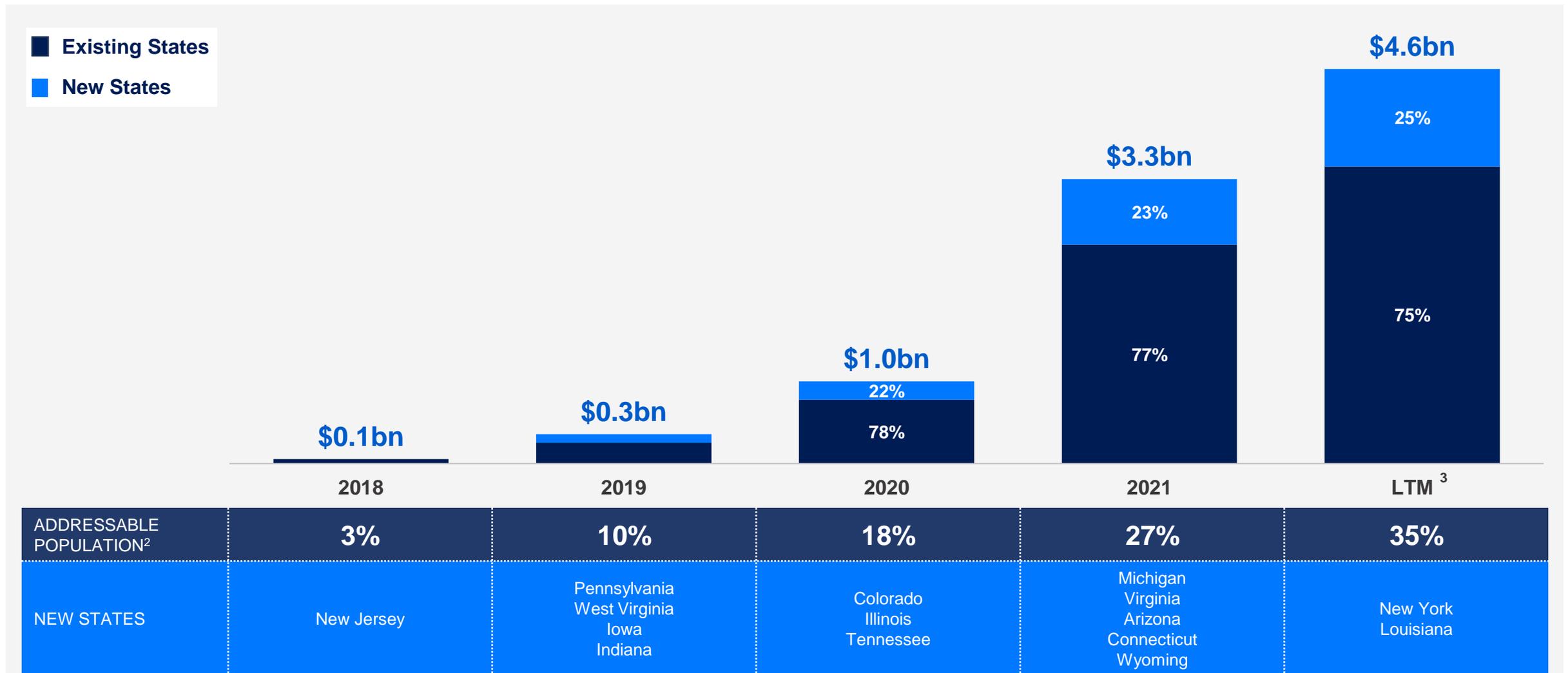
# 2

### OPTIMIZE REGULATORY ENVIRONMENT IN EXISTING STATES

Push for optimal tax structures and regulatory consistency

# Impressive market value already unlocked since PASPA repeal ...

## US ONLINE SPORTSBOOK MARKET GGR<sup>1</sup>



1. GGR of the states in which FanDuel was live based on published gaming regulator reports in those states

2. Census 2021 population estimates of individuals 21+, as of July 1 2021

3. Includes AZ, CT, and WY in new state GGR (H2 2021)

## ... in a mostly balanced regulatory environment



Mobile  
registration

Removing friction  
in customer  
acquisition



Pre-live  
registration

Enabling faster  
new state  
penetration



Direct  
licensing

Reducing cost of  
market access



State technology  
harmonization

Reducing  
technology  
complexity and cost



33.2% effective tax  
rate<sup>1</sup>

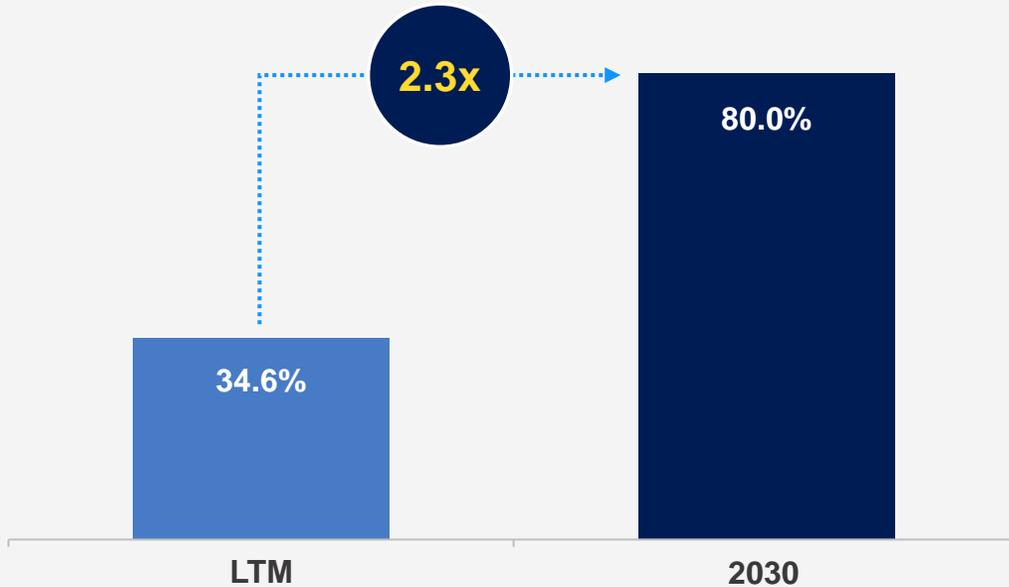
Providing  
commercially  
viable operating  
environment  
(19.8% ex. New York)

New markets are opening with **commercially reasonable regulation** for operators with scale

1. FanDuel US online sportsbook effective state tax rate (as a % of NGR) for period H1 2022

## Increased upside from greater population coverage as new states go live ...

### 2.3x INCREASE IN SPORTSBOOK<sup>1</sup>



### 2.2x INCREASE IN iGAMING<sup>1</sup>

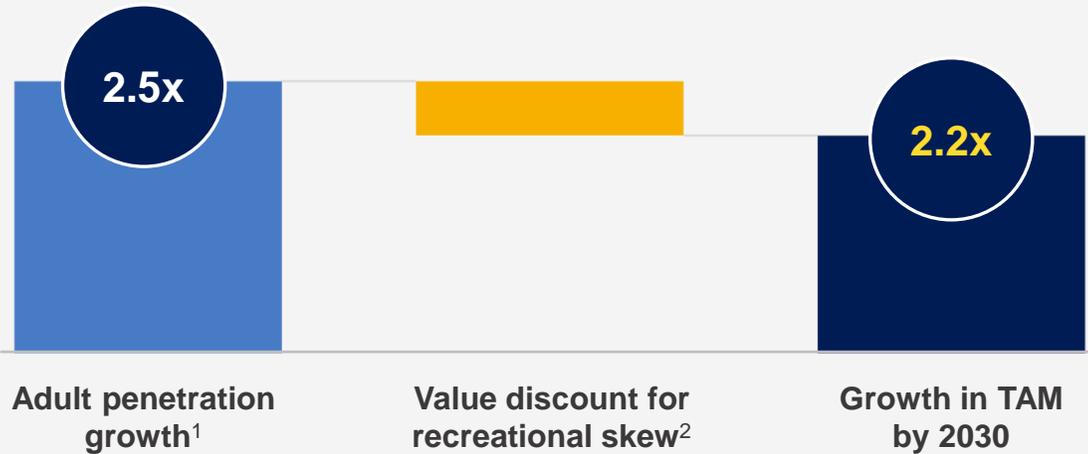
**A**

Resulting in **2.3X** increase in population coverage across both products

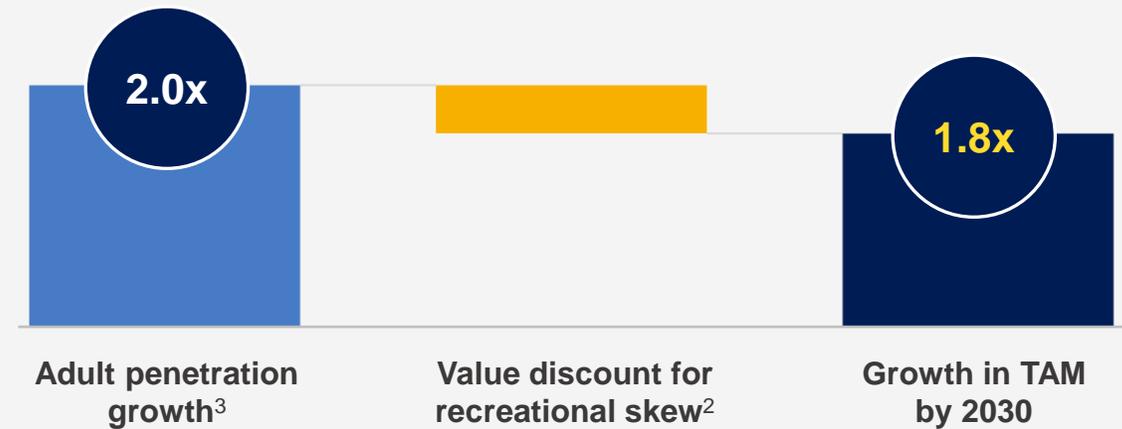
1. Population coverage multiplier for TAM has been adjusted to account for the variance in GDP per capita between existing states and potential future states

... and increased population penetration in existing states with more recreational customers ...

## 2.2x INCREASE IN SPORTSBOOK



## 1.8x INCREASE IN iGAMING



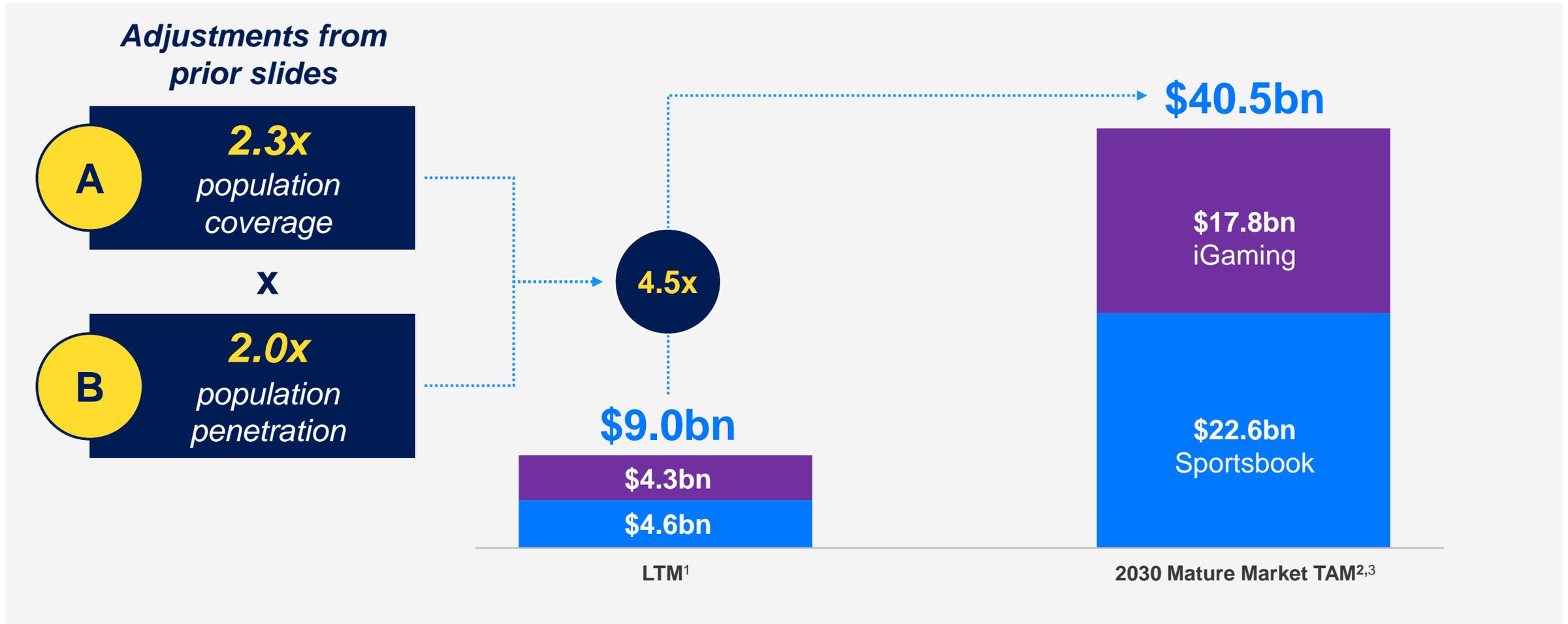
**B**

Resulting in **2.0X** increase in population penetration across products adjusted for customer value

1. Incremental adult penetration growth based on existing population penetration in mature Australian market (Sportsbet total actives 10.5% of adult population, 12-month period ending 30 Sep 2022)
2. Assumes existing customers retained at 100% of current value in future market, and value of new customers will represent 80% that of existing customers due to increasingly recreational skew
3. iGaming penetration in existing states expected to increase at the same rate as sportsbook in those states, corresponding to a multiplier of 2.0x due to a higher sportsbook penetration in existing iGaming states (e.g., NJ, PA)

## ... leading to massive long-term potential

### MARKET PROJECTED GGR



1. GGR source: published gaming regulator reports; online sportsbook states AZ, CO, CT, IA, IL, IN, KS, LA, MI, NJ, NY, PA, TN, VA, WV, WY; iGaming states CT, MI, NJ, PA, WV; note numbers may not add up due to rounding
2. Based on internal estimates, representing live states and future states at market maturity
3. Excludes Canada with an estimated mature market TAM of \$3bn

# FANDUEL ADVANTAGE

Mike Raffensperger

**CHIEF COMMERCIAL OFFICER**

Conor Farren

**SVP SPORTS PRODUCT & PRICING**



# The FanDuel Advantage driving our winning position



+



+



**24%** lower cost per  
download vs. competitor<sup>1</sup>

**77%** year-on-year  
customer retention<sup>2</sup>

**43%** more margin per \$1  
of handle vs. the market<sup>3</sup>

... combining to deliver **< 18 month** average customer payback

1. 2022 YTD per competitor filings with adjustment to remove share based payments and depreciation and amortization

2. 2021 active customers that have placed a bet in 2022

3. Analysis of FanDuel and competitor GGR margins in reported states, 2022 YTD

# How we are driving efficient customer acquisition



1

## **STRONGEST BRAND**

#1 sports betting  
brand in the US

2

## **HEAD START ADVANTAGE**

Database of 14m+  
racing and DFS fans

3

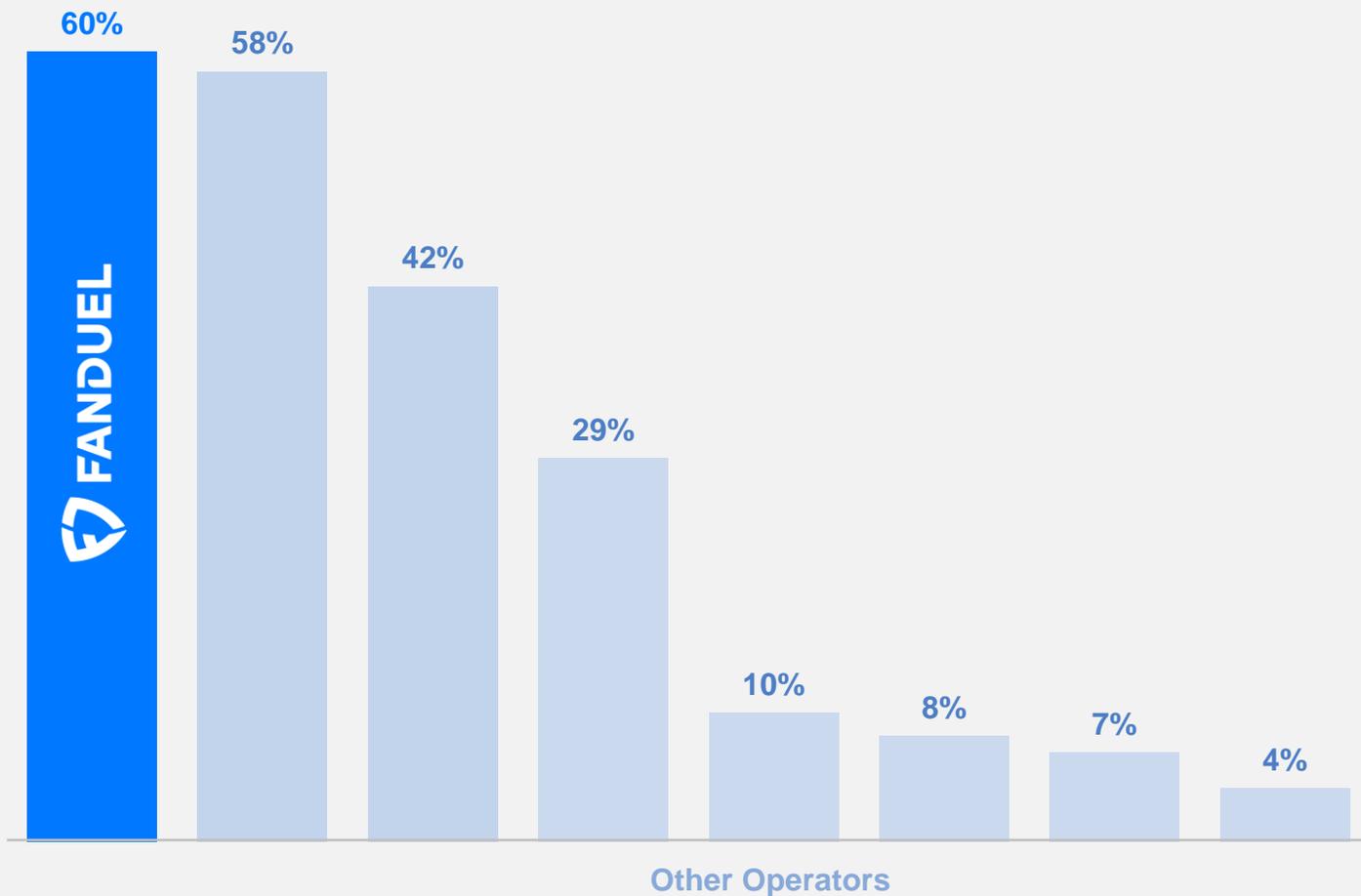
## **MARKETING NETWORK**

Portfolio of the  
best media assets

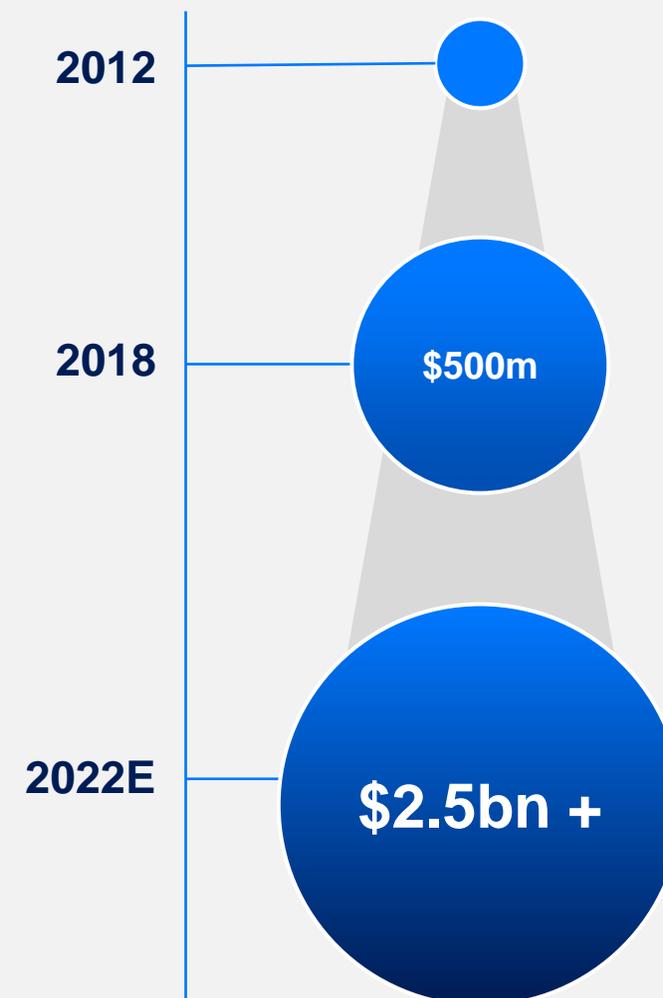
**UNDERPINNED BY A **HIGHLY DISCIPLINED** APPROACH**

## Invested \$2.5bn in marketing over the past 10 years to be #1 brand

### UNAIDED BRAND AWARENESS IN LIVE STATES (VS COMPETITORS)<sup>1</sup>



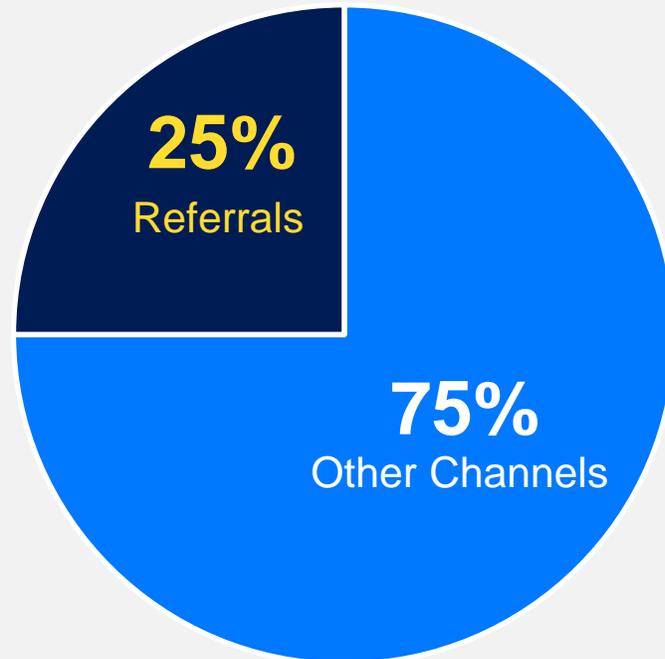
### CUMULATIVE MARKETING INVESTMENT SINCE 2012



1. Brand awareness metrics based on YouGov Custom Brand Tracking Study

## Our customers are our most efficient acquisition channel

### 2022 ACTIVATIONS BY SOURCE



Customer acquisition cost (CAC) for referrals is **60% lower than other channels**, with opportunity growing as we scale



# Leveraging customer database to drive sportsbook acquisition efficiency



+



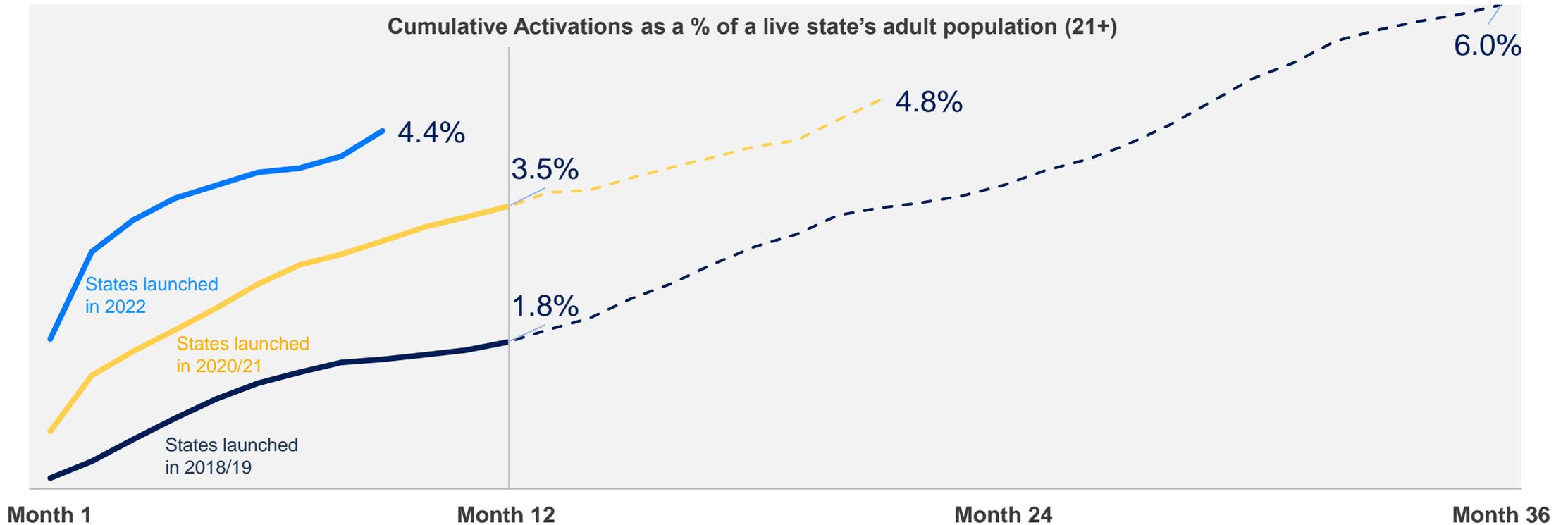
**DATABASE DELIVERS DIFFERENTIATED GROWTH OPPORTUNITIES**



**44%** of 2021 sportsbook handle from DFS-led users

# Continually improving playbook for new states

## FANDUEL'S PENETRATION RATE HAS ACCELERATED IN RECENT STATE LAUNCHES<sup>1,2</sup>



Maximizing cross-sell of DFS customers



Deploying attractive customer promotions before market opens



Leveraging local media partners to optimize spend while maximizing acquisition at launch

1. FanDuel's cumulative activations as a % of a live state's adult population (21+) through September 2022; population based on US Census 2021 estimate as of July 1st, 2021  
 2. 2018 / 2019 States: IN, NJ, PA, WV; 2020 / 2021 States: AZ, CO, CT, IA, IL, MI, TN, VA; 2022 States: KS, LA, NY, WY

# Depth and breadth of partnerships create a barrier to entry for other operators

## LEAGUE PARTNERSHIPS



## TEAM PARTNERSHIPS



WHAT THIS GIVES US ...



Sports partnerships across all major US leagues and teams

## Access to media assets drives superior return on investment

### ACCESS TO NATIONAL MEDIA ASSETS



### 40% SHARE OF VOICE ACROSS REGIONAL SPORTS NETWORKS<sup>1</sup>



WHAT THIS GIVES US ...



Powerful mix of local and national media assets

1. FanDuel portion of all RSN sports media slots across category (MediaMonitor, supported by internal analysis)

## Broad portfolio of betting influencer talent creates a hard to replicate network effect



Pat McAfee

 **2.6M**



Kay Adams

 **509K**



Rob Gronkowski

 **3.2M**



Charles Barkley (NBAonTNT)

 **5M**



Jordan Spieth

 **2M**



Boomer Esiason

 **232K**



Bill Simmons

 **5.6M**



Jon Rothstein

 **320K**



Dr. Disrespect

 **2.4M**



Amanda Serrano

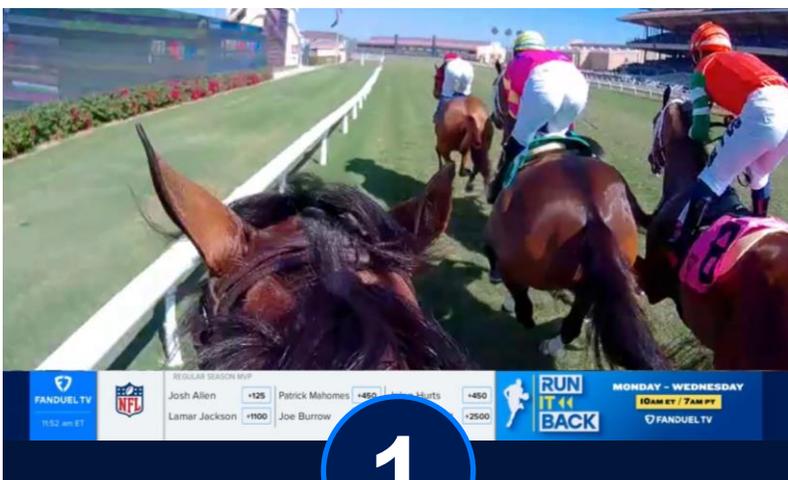
 **72K**

**WHAT THIS GIVES US ...**



Effective driver of betting activity, e.g., 200k+ bets on Pat McAfee Super Bowl SGP

# FanDuel TV is a first of its kind betting entertainment hub and second screen experience



1

## REINTRODUCE RACING

EXCLUSIVE ACCESS TO **KEY RACING ASSETS**, E.G., CHURCHILL DOWNS, STRONACH



2

## GROW THE FANDUEL BRAND

NEW SHOWS FEATURING **TALENT FROM ESPN & NFL NETWORK**



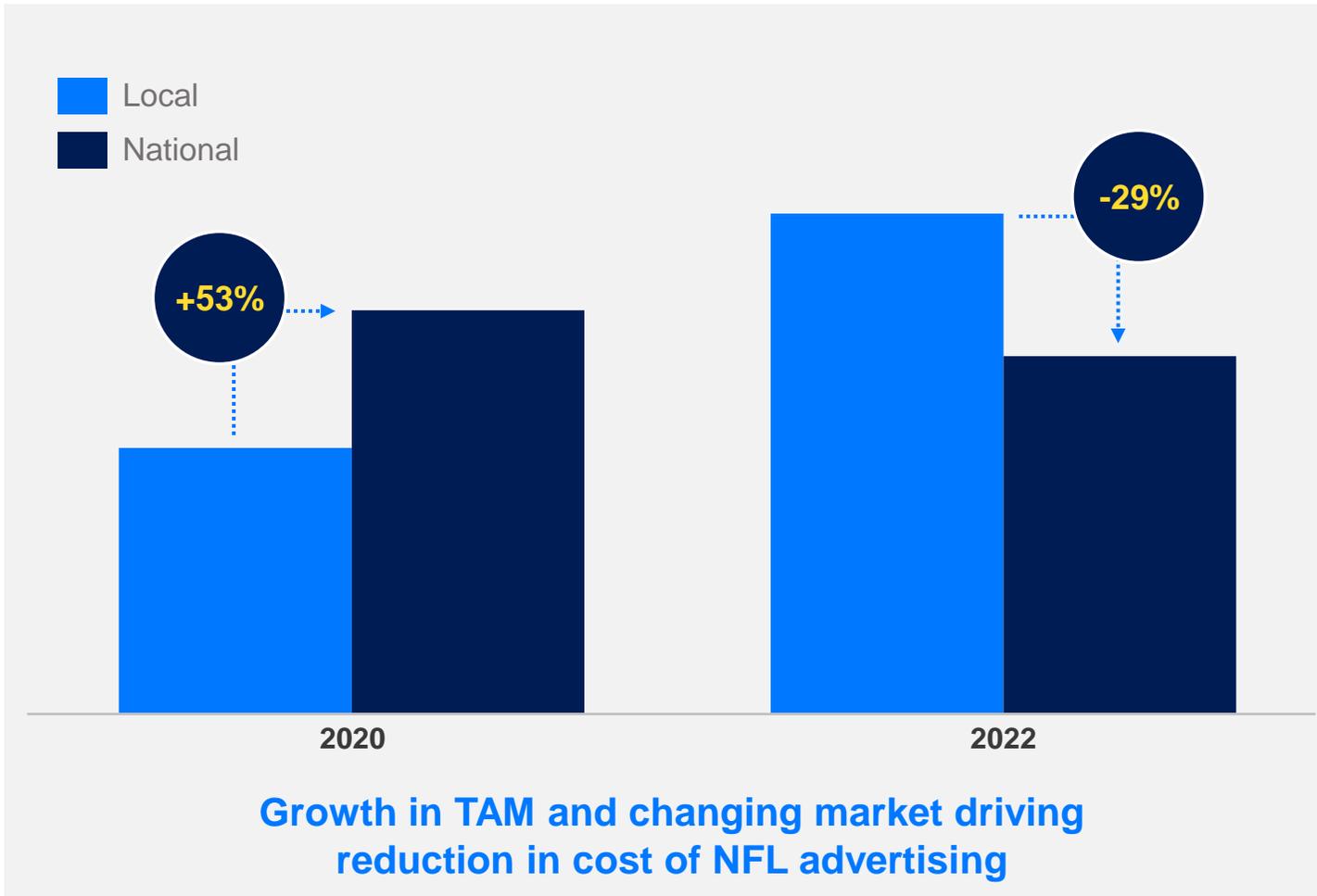
3

## EXPAND WAGERING TO NEW SPORTS

ADDED **INTERNATIONAL BASKETBALL LEAGUES**, WITH MORE SPORTS COMING SOON

# Media efficiency at national scale will drive marketing rates closer to mature markets

## COST TO BUY NFL ADVERTISING<sup>1</sup>



## NATIONAL EFFICIENCY BENEFITS

**Media savings of 27%**  
on linear TV spend in existing states<sup>2</sup>

**Activations up 23%**  
first week of NFL 2022 in existing states

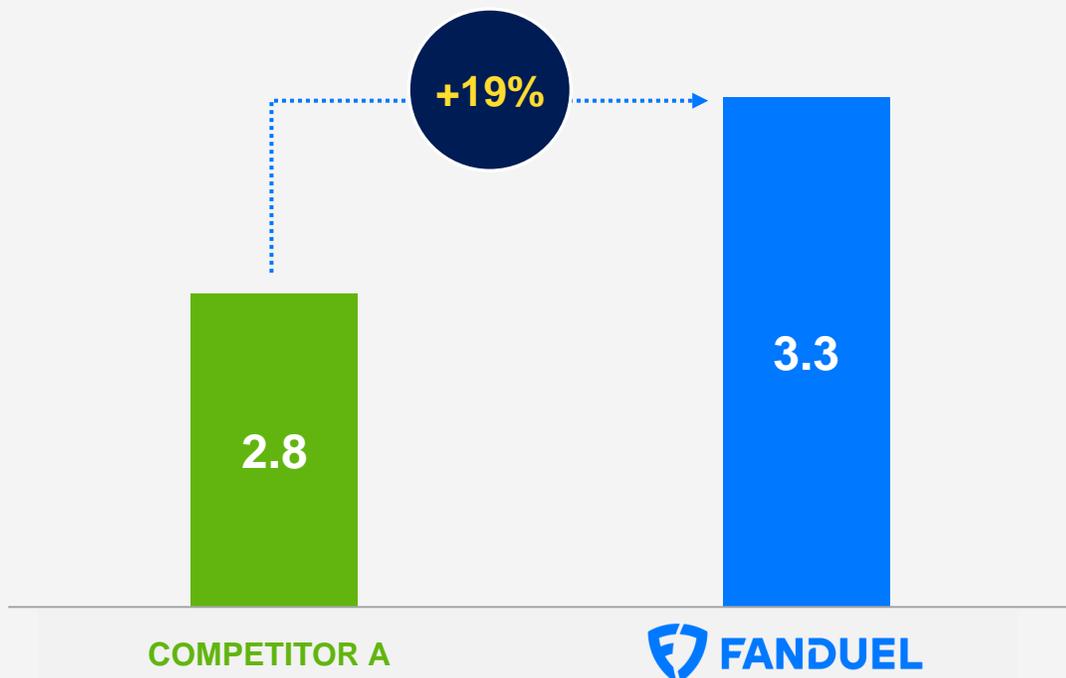
**Brand bonus**  
lifts FanDuel brand in non-sportsbook states to grow leadership before future state launches

1. Cost per rating point of in-game NFL assets for 2022 with comparable estimates for 2020  
2. Comparison of pricing for national in-game NFL inventory vs local 2022 YTD

# FanDuel is winning the customer acquisition battle

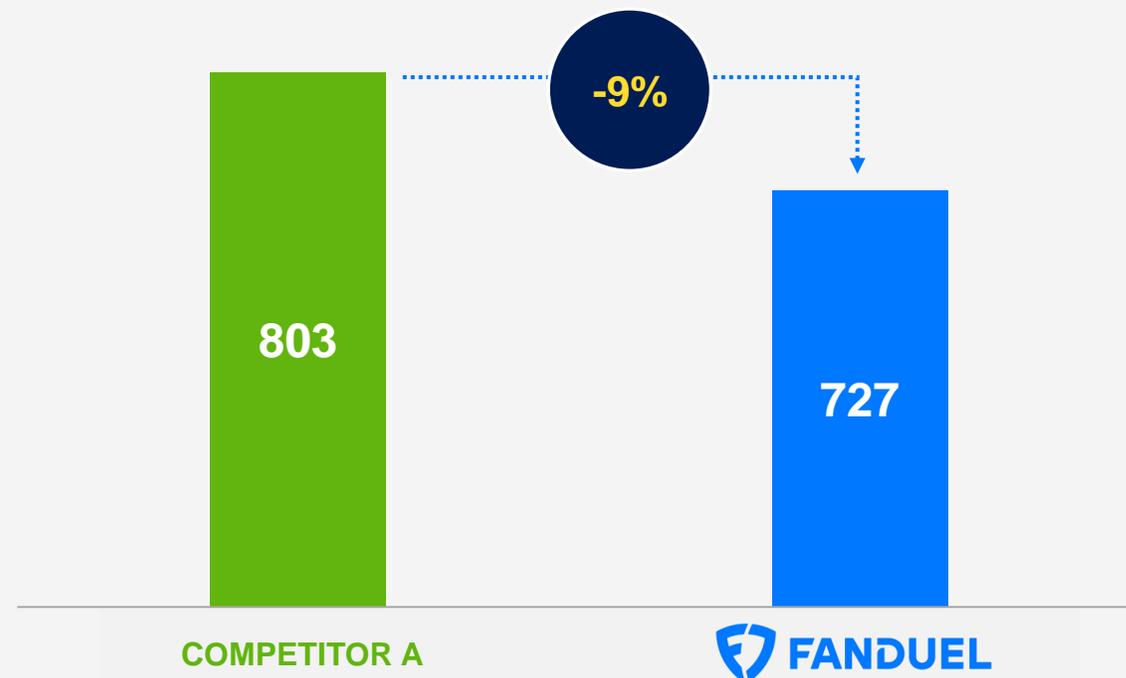
## 19% MORE APP DOWNLOADS ...

App Downloads (m, YTD)



## ... WITH 9% LESS MARKETING SPEND

Marketing Spend (\$m, YTD)<sup>1</sup>



... resulting in **< 18 months** average customer payback<sup>2</sup>

1. Marketing per competitor filings with adjustment to remove share based payments and depreciation and amortization (Q1 – Q3 2022)  
 2. Flutter Q3 2022 filing

# How we are driving efficient customer retention



1

## **BEST BETTING PRODUCT**

Greater choice and flexibility for our customers

2

## **THE BEST APP**

A single account & wallet, easy-to-use interface, and innovation pipeline elevating the customer experience

3

## **DISCIPLINED PROMOTIONS**

Delivering the right value to the right customers at the right time

## What we mean by 'betting products'

### Straight Bet

*'Buffalo Bills to Win'*



**SINGLE SELECTION ON AN EVENT, E.G., MONEYLINE, OVER/UNDER, PLAYER PROP**

### Parlay

*'Buffalo Bills & Phoenix Suns to win'*



**COMBINATION OF UNCORRELATED STRAIGHT BETS**

### Same Game Parlay (SGP)

*"Bills to win & Josh Allen 2+ touchdowns"*



**COMBINATION OF CORRELATED STRAIGHT BETS ON SAME GAME**

### Same Game Parlay+ (SGP+)

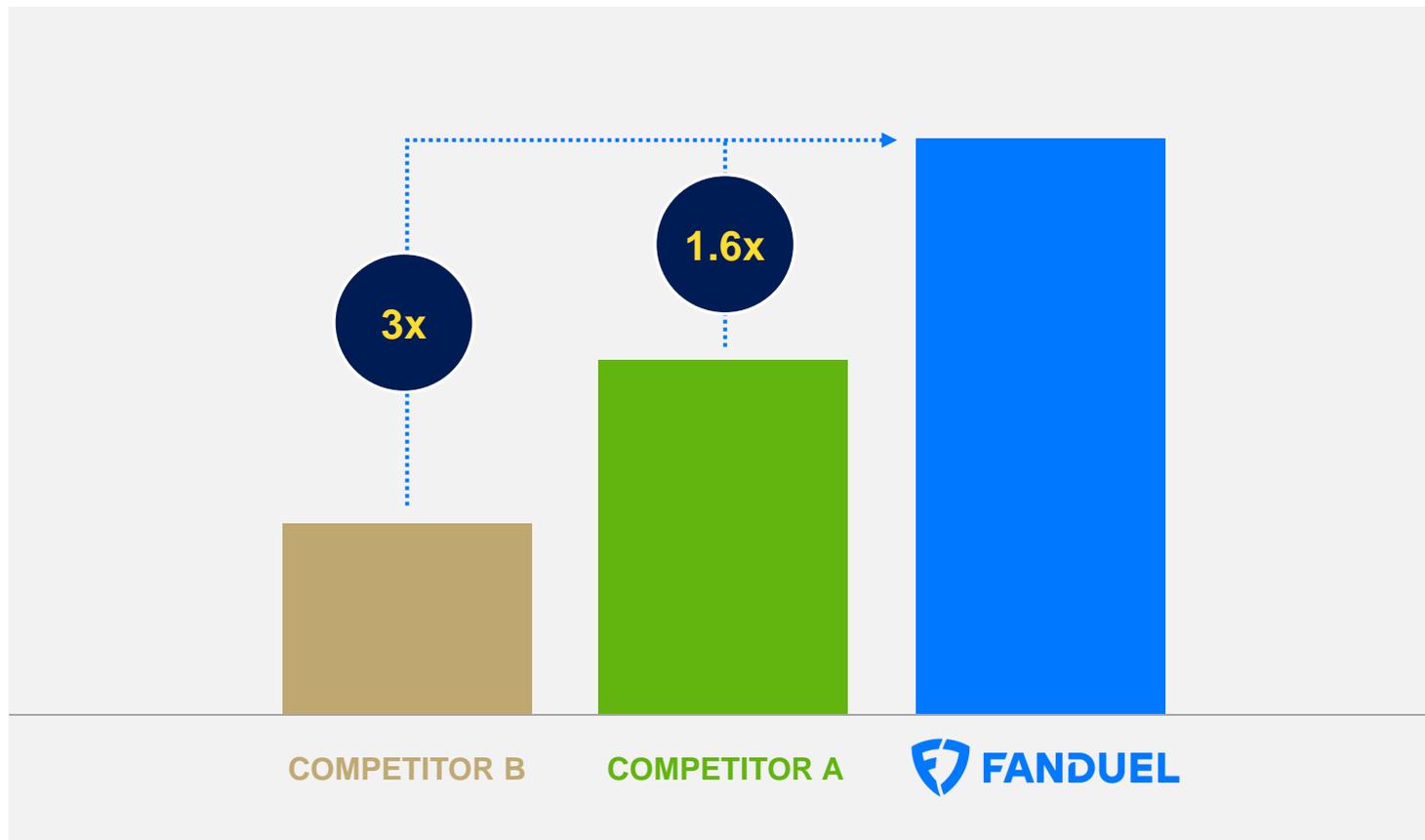
*"Bills to win, Josh Allen 2+ TDs & Suns to win"*



**COMBINATION OF ANY SGP WITH OTHER STRAIGHTS, PARLAYS & SGPS**

# Pricing and risk management capabilities allow us to deliver what customers want

## FANDUEL HAS THE MOST PRE-LIVE NBA MARKETS<sup>1</sup>



## DELIVERING ...

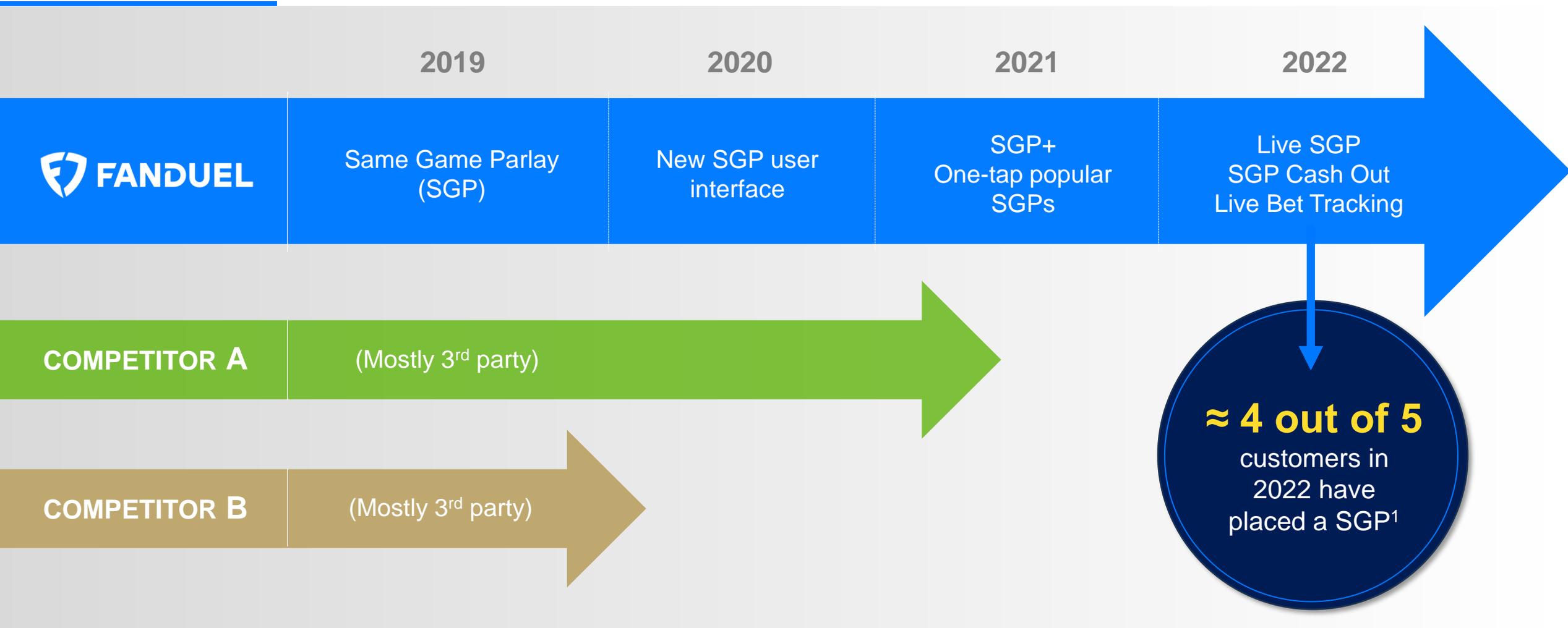
- ✓ **Choice**  
 Widest range of markets across major US sports<sup>2</sup>
- ✓ **Flexibility**  
 More bet combinations
- ✓ **Great odds**  
 Highly competitive odds
- ✓ **Low friction**  
 Reduced in-play suspension times and faster settlement

Underpinned by **Flutter**<sup>TM</sup> Edge access to world class **in-house pricing & risk management**

1. Internal benchmarking, number of markets offered by FanDuel and key competitors (Oct 2022)

2. NBA, NFL, MLB

## Innovating ahead of the competition e.g., Same Game Parlay



Our in-house edge allows us to **extend our lead**

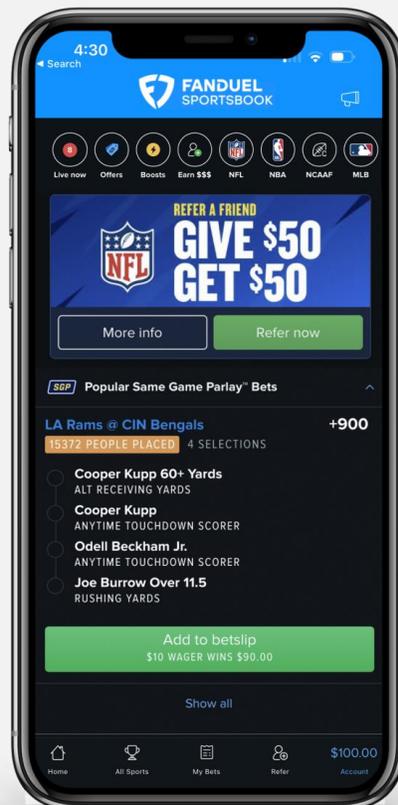
1. SGP actives proportionate to total sportsbook actives as of 24 October 2022

# We deliver a superior app experience across three pillars

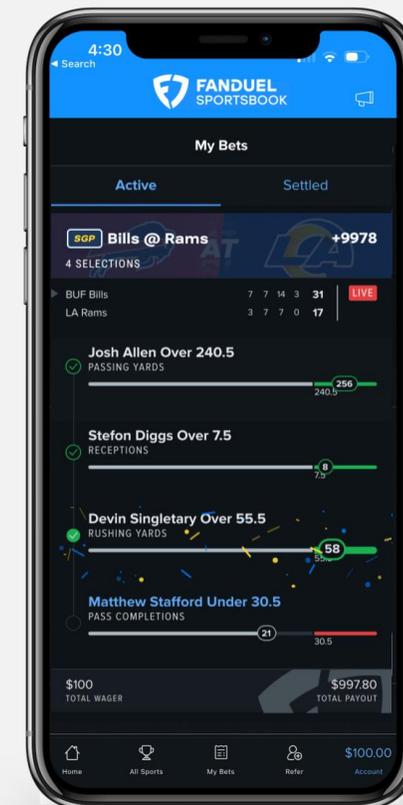
## SINGLE ACCOUNT FOR ALL FANDUEL PRODUCTS



## SIMPLE & EASY-TO-NAVIGATE APP



## CONSISTENT DELIVERY OF NEW & EXCITING FEATURES



# A single account and wallet across all FanDuel products drives cross-sell

**ONE APP:  
ALL STATES**

**1 in 4**

**Sportsbook customers**  
have been **active in 2+ States<sup>1</sup>**



**ONE ACCOUNT:  
ALL PRODUCTS**

**56%**

**FanDuel customers**  
engage with **2+ products<sup>2</sup>**

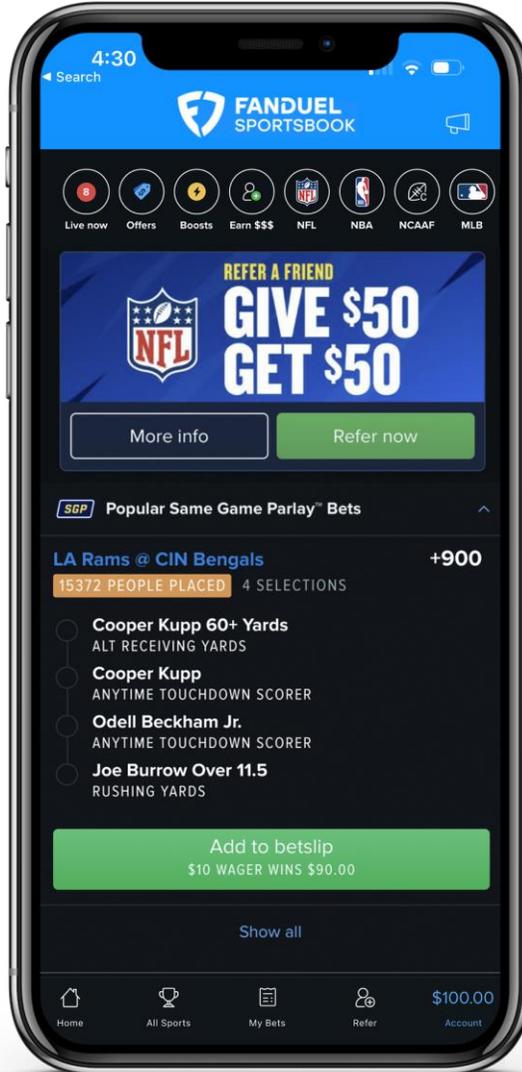
1. Jan 2018 – Oct 2022

2. Jan 2018 – Oct 2022; in iGaming states (CT, MI, NJ, PA, WV)

# Simple and easy-to-navigate app makes it easy for customers to find what they want

**EASY TO  
BUILD SGPs**

**2.8m**  
**SGP bets**  
on Super Bowl LVI



**LOCALIZED  
HOMEPAGE BY STATE**

**66%**  
**of NFL bets**  
placed from homepage<sup>1</sup>

1. Percentage of handle, Jan – Oct 2022

## Consistently adding distinctive and exciting features

### REAL-TIME BET TRACKING

Player market  
leg-by-leg  
**tracking**



### RACING INTEGRATION INTO SPORTSBOOK

**3.8m**

active sportsbook users now  
one tap away from racing<sup>1</sup>

1. Jan – Oct 2022 sportsbook actives

## Delivers the #1 rated app by users and industry experts



# #1

Rated sports betting app by **customers**

# #1

Rated sports betting app by **experts**



Download on the  
**App Store**



**RATING 4.8 / 5**

**700K Reviews**

GET IT ON  
**Google Play**



**RATING 4.7 / 5**

**120K Reviews**

“ On many apps, you’ve to look far & wide for what you want. But on FanDuel, everything is clearly & intuitively presented—the variety of options, bets, & features makes the experience an exceptional one. ”

Oct'22: “Testing, Scoring, & Ranking U.S. Sports Betting Apps Report”

# Promotional generosity is a material driver of business performance

## A SIGNIFICANT AREA OF INVESTMENT FOR THE INDUSTRY ...

### ACQUISITION

COMING SOON TO **OHIO**  
**\$100** IN FREE BETS  
 EARLY SIGN-UP BONUS

NEW CUSTOMERS  
 NO SWEAT FIRST BET  
**\$1000**  
 UP TO  
 BACK IN FREE BETS

### RETENTION

BET \$5 ON THE NBA  
**GET 3 MONTHS OF**  
**NBA League Pass**  
 ON US

PAT'S SUPER  
**BOOST**  
 WAS ~~-200~~ NOW **+100**  
 PAT MCAFEE

### ENHANCE EXCITEMENT

SPREAD THE LOVE: BILLS VS RAMS what's this?  
 Buffalo Bills **+94.5** -110  
 MAXIMUM \$50 WAGER  
 +93.5 **+94.5** 107 more customers to get to **+95.5** +96.5

**FINDERS KEEPERS**  
**ONE DAY.**  
**\$250,000.**

## Our sophisticated promotions engine drives more efficient spend

### KEY EFFICIENCY DRIVERS



#### AUTOMATED

95% of campaigns automated via proprietary Flutter Global Promotions Platform<sup>1</sup>



#### FLEXIBLE

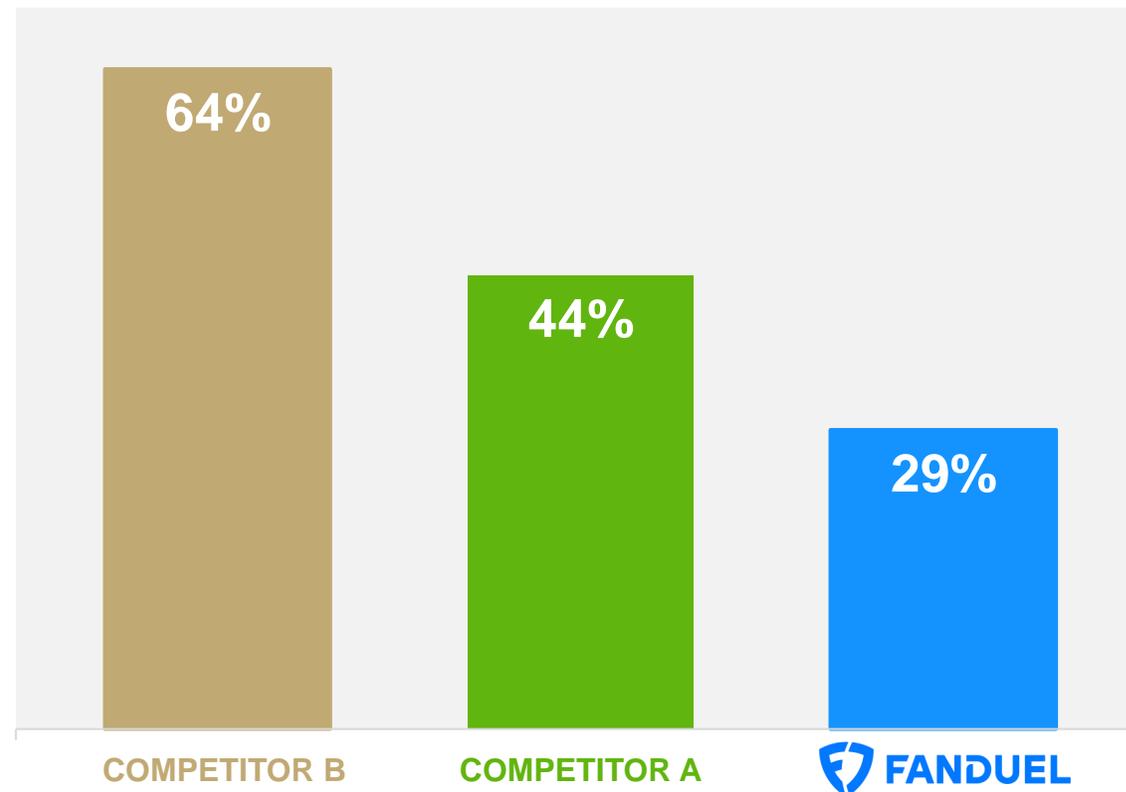
Thousands of tests run every year to refine the models and maximize each dollar of spend



#### TARGETED

80% of promotional spend is targeted to highly engaged customers to maximize ROI<sup>1</sup>

### % OF REVENUE SPENT ON PROMOTIONS (2022)<sup>2</sup>



Improved promotional efficiency driving **2.3x** return on incremental spend<sup>3</sup>

1. Jan – Jun 2022

2. GGR and NGR based on published gaming regulator reports for states that report NGR (MI, AZ, PA) YTD Sep 2022, except AZ presented as YTD August

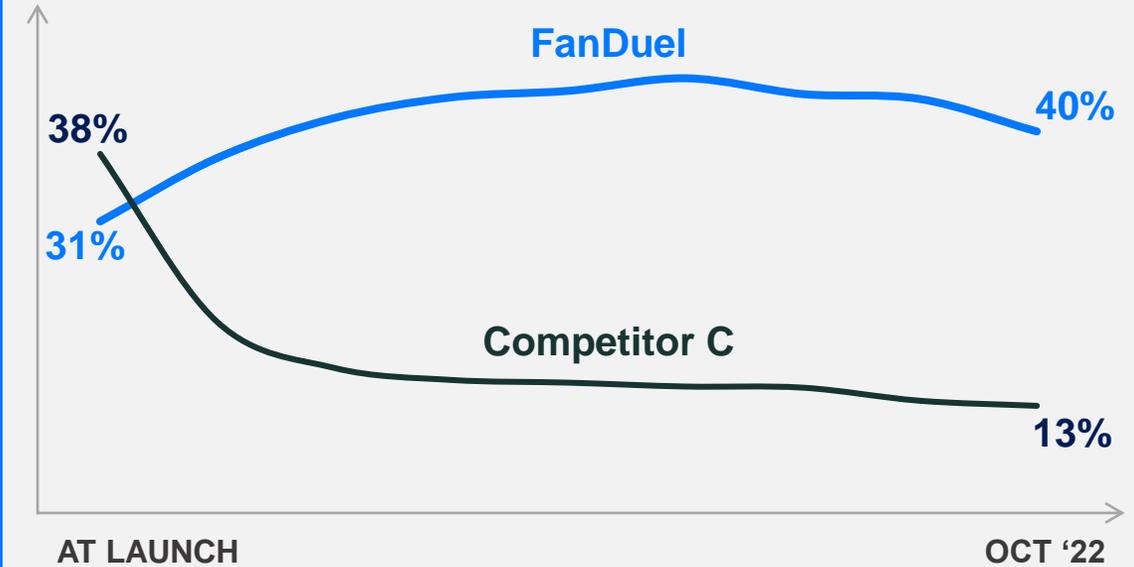
3. Incremental GGR generated between Oct 2021 and Mar 2022 vs control group

# Case study: Product focus and disciplined promotions drive our leading position

## FANDUEL VS COMPETITOR OFFERS



## NEW YORK MARKET SHARE OF HANDLE<sup>1</sup>



FanDuel national media spend **6X lower** in month of launch<sup>2</sup>

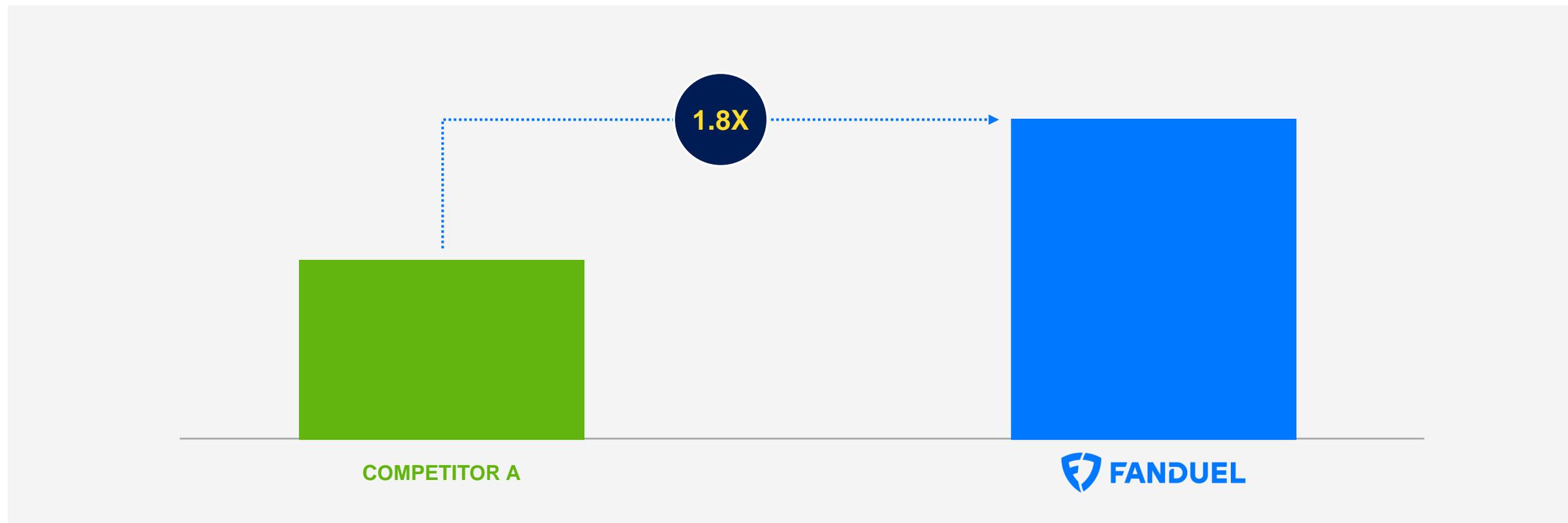
Significantly more **disciplined promotion spend**

**Product gap** delivering long-term win

1. New York regulator filings since launch  
2. Reported national media spend, January 2022

## Efficient promotional spend resulting in more revenue per dollar spent

### REVENUE PER \$1 MARKETING SPEND<sup>1</sup>



... with **77% YOY** customer retention<sup>2</sup>

1. Q3 2022. Marketing per competitor filings with adjustment to remove share based payments and depreciation and amortization

2. 2021 active customers that have placed a bet in 2022

# How we are growing customer value



**GROW**  
CUSTOMER  
VALUE

1

## **ACCURATE ODDS**

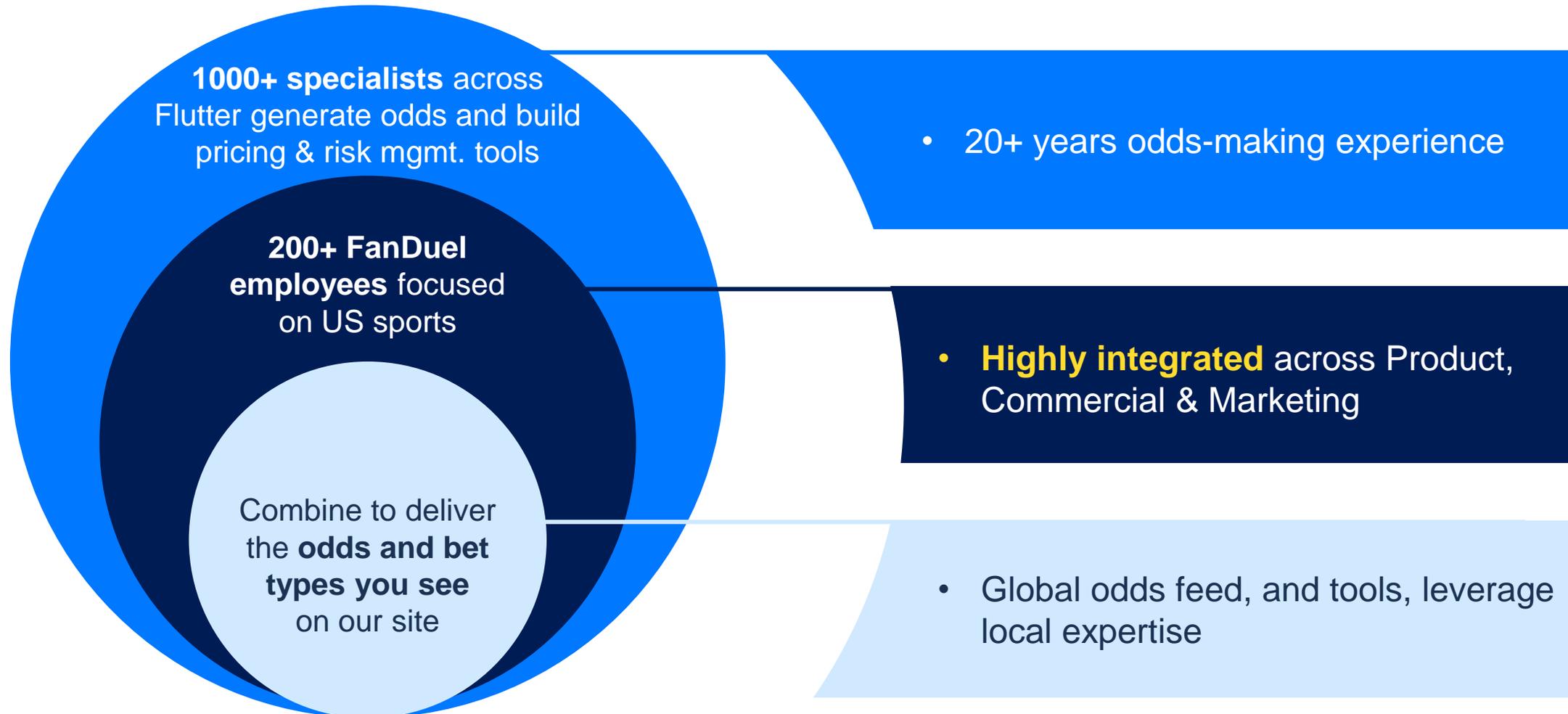
The leading operator  
in proprietary odds-making

2

## **WIN MARGIN ADVANTAGE**

Proprietary capabilities driving  
structural margin advantage

## We have a world class pricing & risk management capability



**~90% of Handle** from odds we set in-house

# What is pricing and risk management?



## SET & MANAGE THE ODDS

- Use historical data to build pricing models
- As action unfolds, combine
  - Data feeds
  - Proprietary algorithms
  - Knowledge and experience of our in-house traders



## INNOVATE BETTING PRODUCT

- Develop new betting products based on customer trends, feedback, and research
  - Market types e.g., first basket
  - Bet types e.g., SGP
  - Simplified bet placement



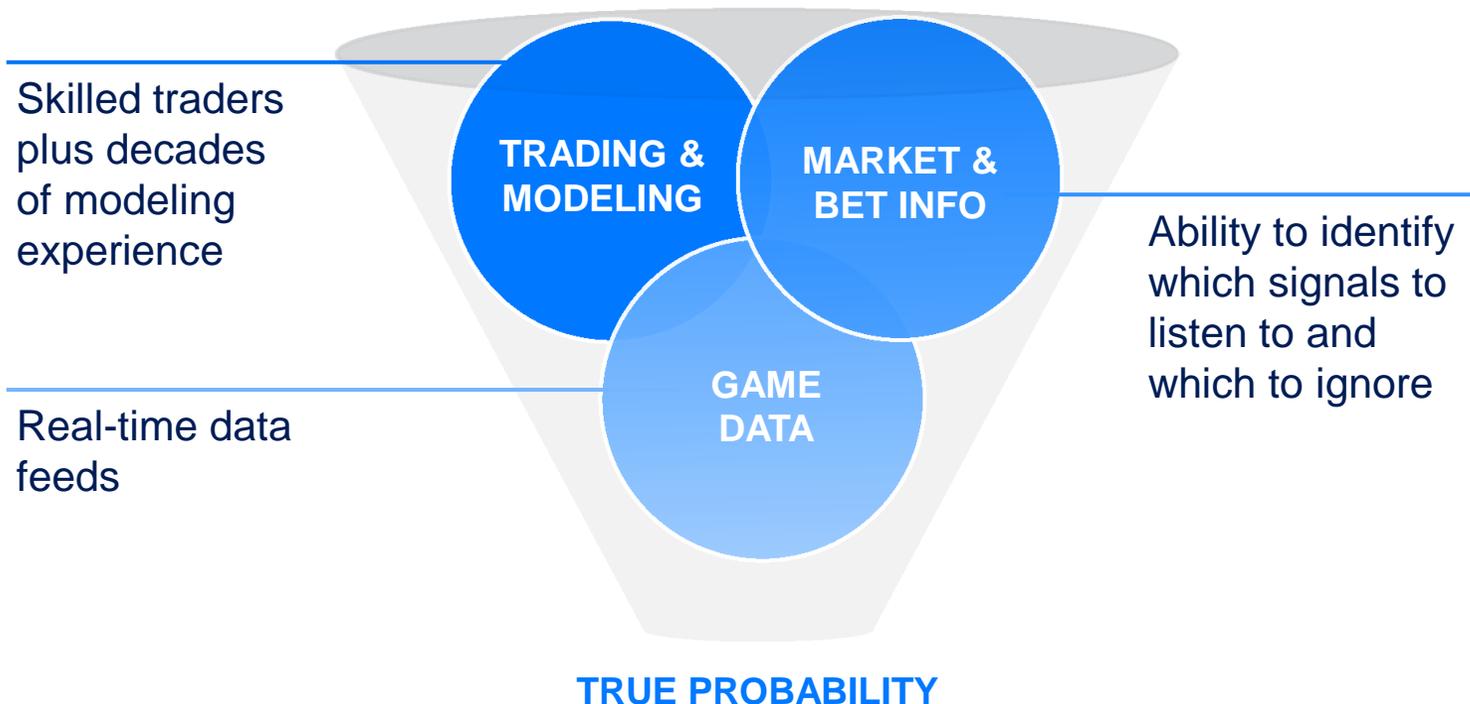
## SEGMENT CUSTOMERS

- Identify “sharp” customers to inform odds accuracy
- Quantify expected win margin per customer based on their play
- Allows us to optimize personalized promotional strategy

Delivered by world class pricing and risk management experts within FanDuel and across **Flutter**

# Specialist capabilities and complex data are used to accurately predict probabilities

## SETTING ACCURATE ODDS IS A COMPLEX TASK INVOLVING MULTIPLE CORE INPUTS...

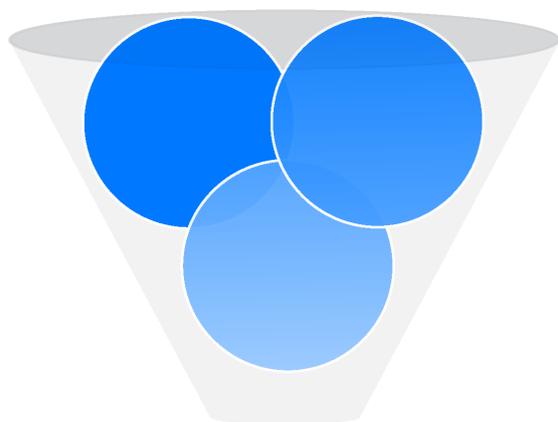


## ...THAT ENABLES A NUMBER OF BENEFITS

- ✓ Better win margins
- ✓ Confidence to derive innovative and complex bet types
- ✓ Confidence to take on large liabilities
- ✓ Confidence to set a lower 'vig'

Accurately predicting probabilities = **Accurate odds**

## Accurate probabilities and odds enable us to confidently offer highly competitive odds



TRUE PROBABILITY



“VIG”  
(OVERROUND)



ODDS YOU SEE

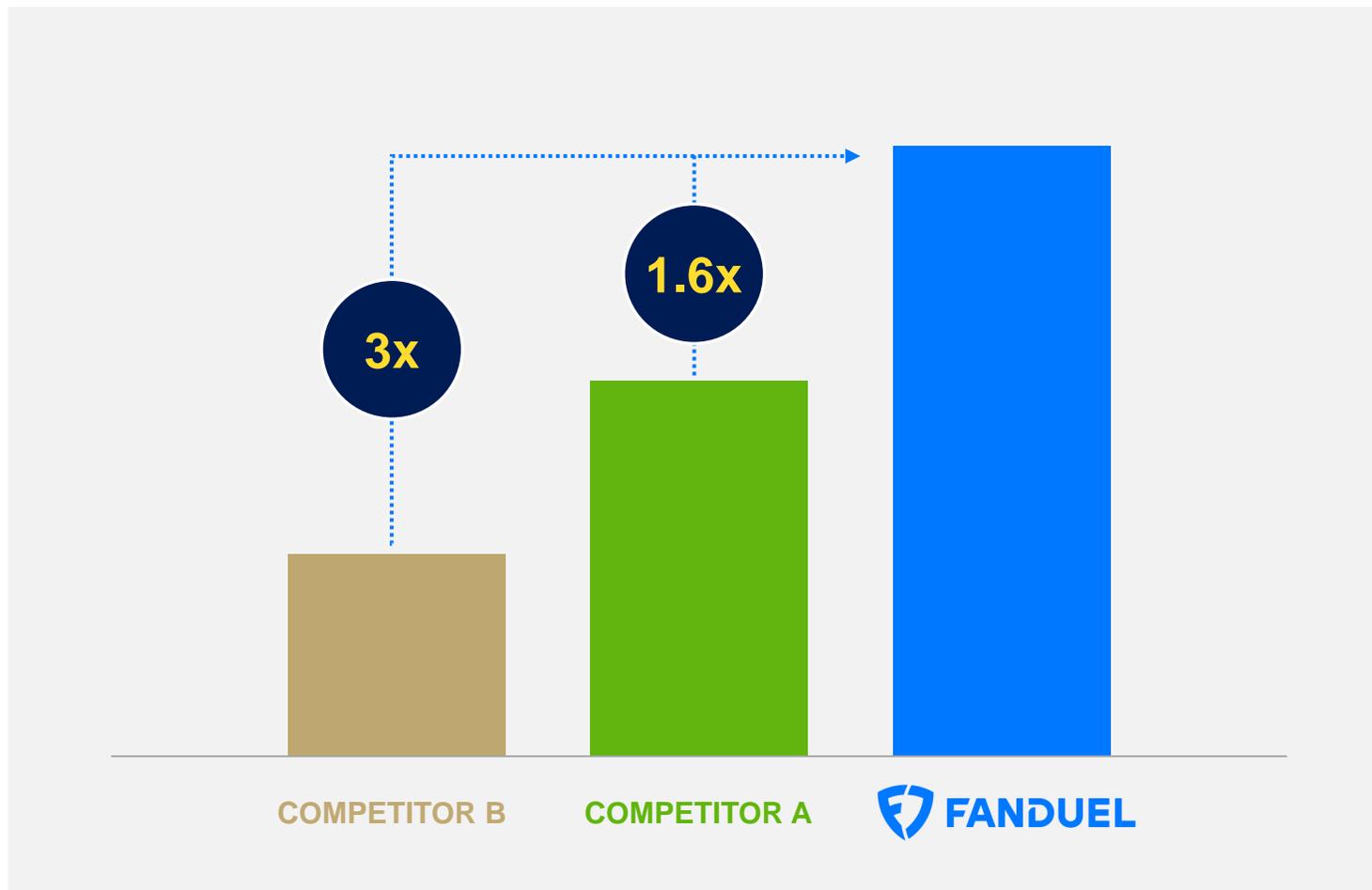
Confidence in our **true probabilities** ...

... Allows us to set a **lower “vig”** than the competition ...

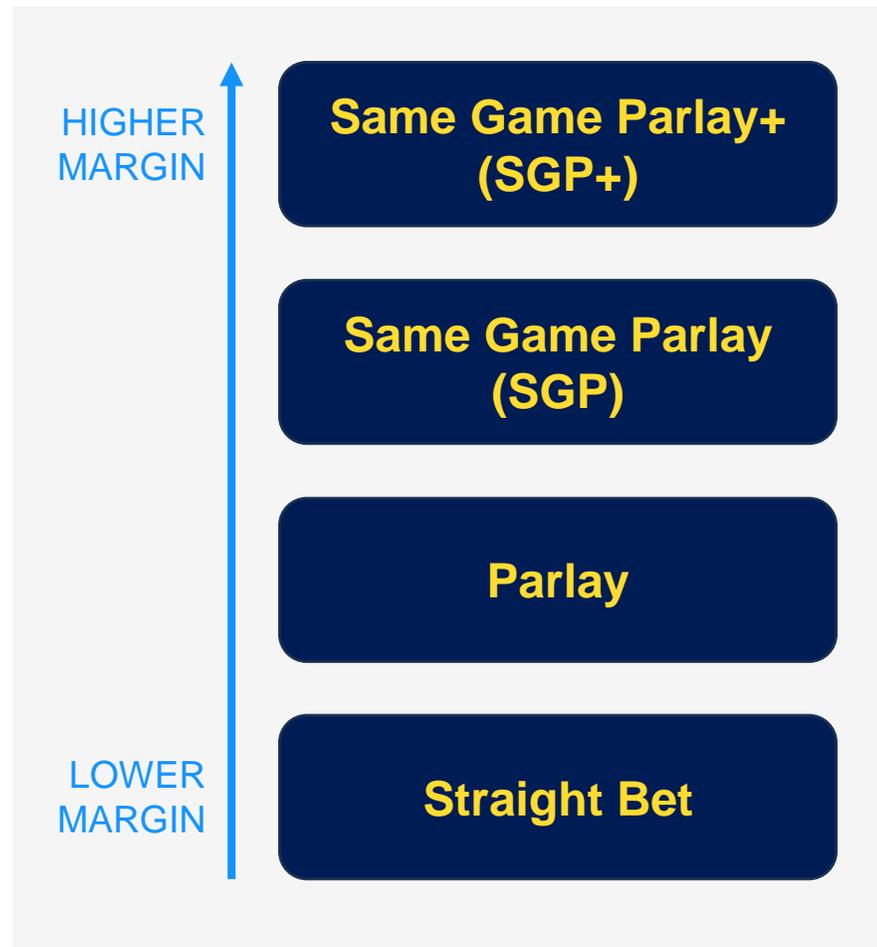
... Providing, on average, **better odds** to our customers

## Proprietary and accurate pricing also delivers more choices for customers

### FANDUEL HAS THE MOST PRE-LIVE NBA MARKETS ...<sup>1</sup>



### ... AND NEWER BETTING PRODUCTS GENERATE HIGHER MARGIN



1. Internal benchmarking, number of markets offered by FanDuel and key competitors (Oct 2022)

# Increased choice and flexibility drives higher margin for FanDuel

## MORE CHOICE

=

## MORE PARLAYS

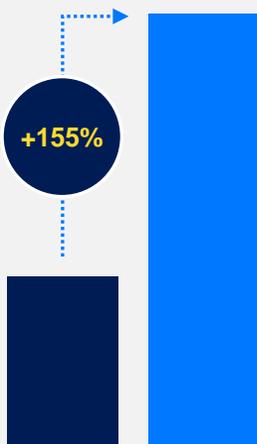
+

## WITH MORE LEGS

=

## BETS AT HIGHER ODDS

% of bets on player markets  
(NFL, NBA, MLB)



2019 2022

Considerable increase in  
player market offering

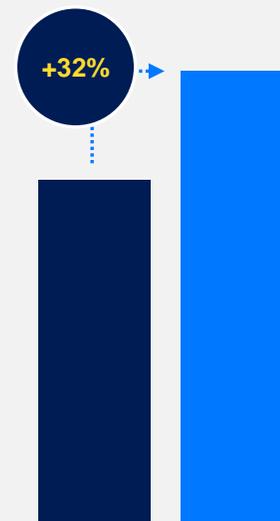
% of bets that are a parlay



2019 2022

More flexibility for customers  
leads to increase in parlays

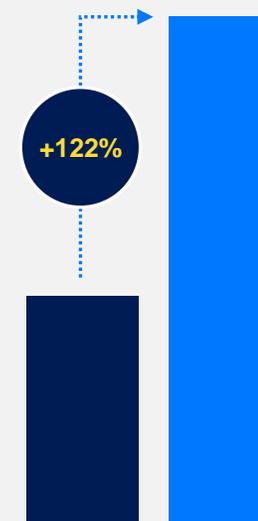
Average legs in a parlay



2019 2022

More choice leads to organic  
increase in legs per parlay

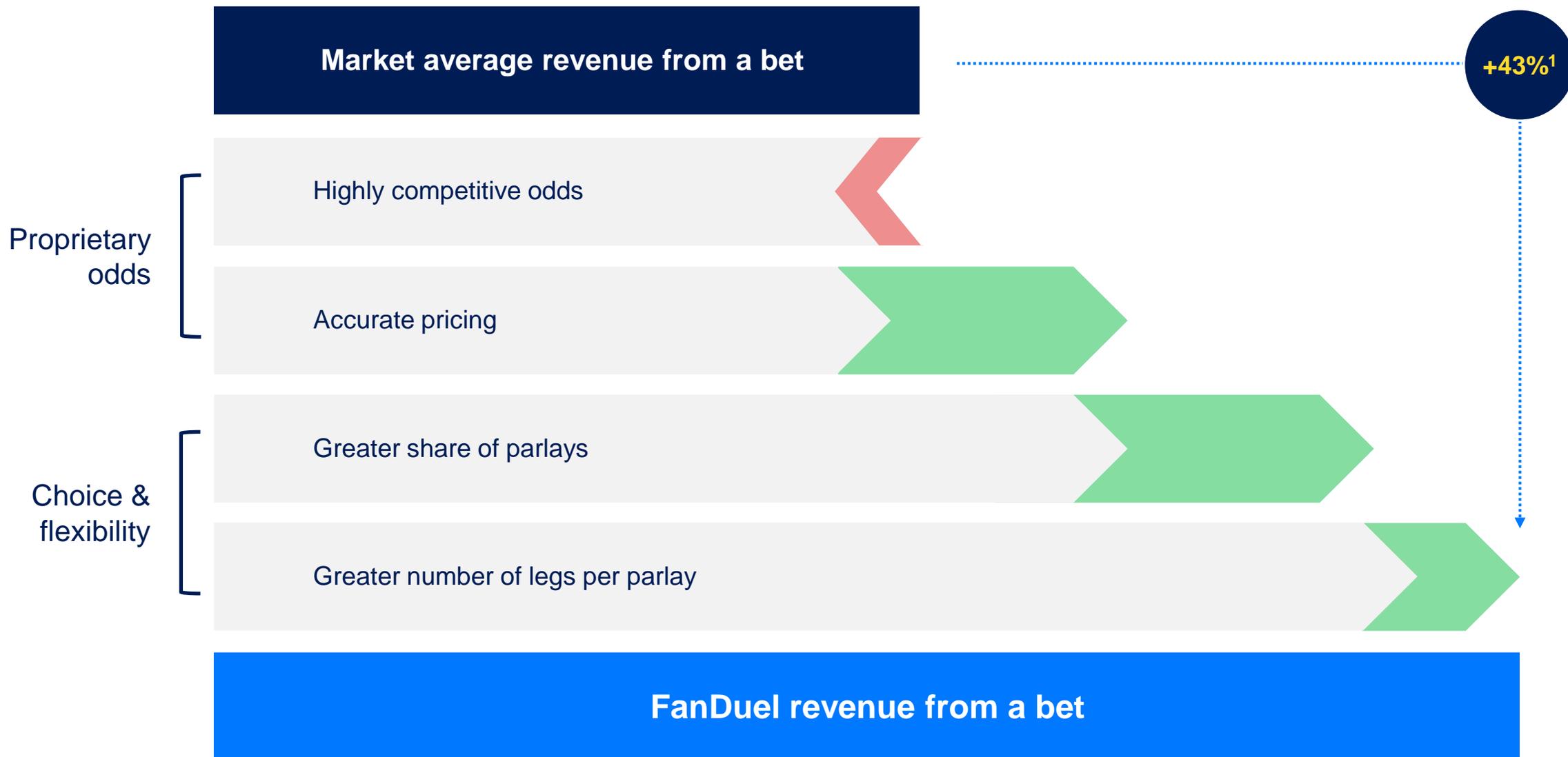
Average odds of online bets



2019 2022

Higher odds bets typically have  
higher expected margin

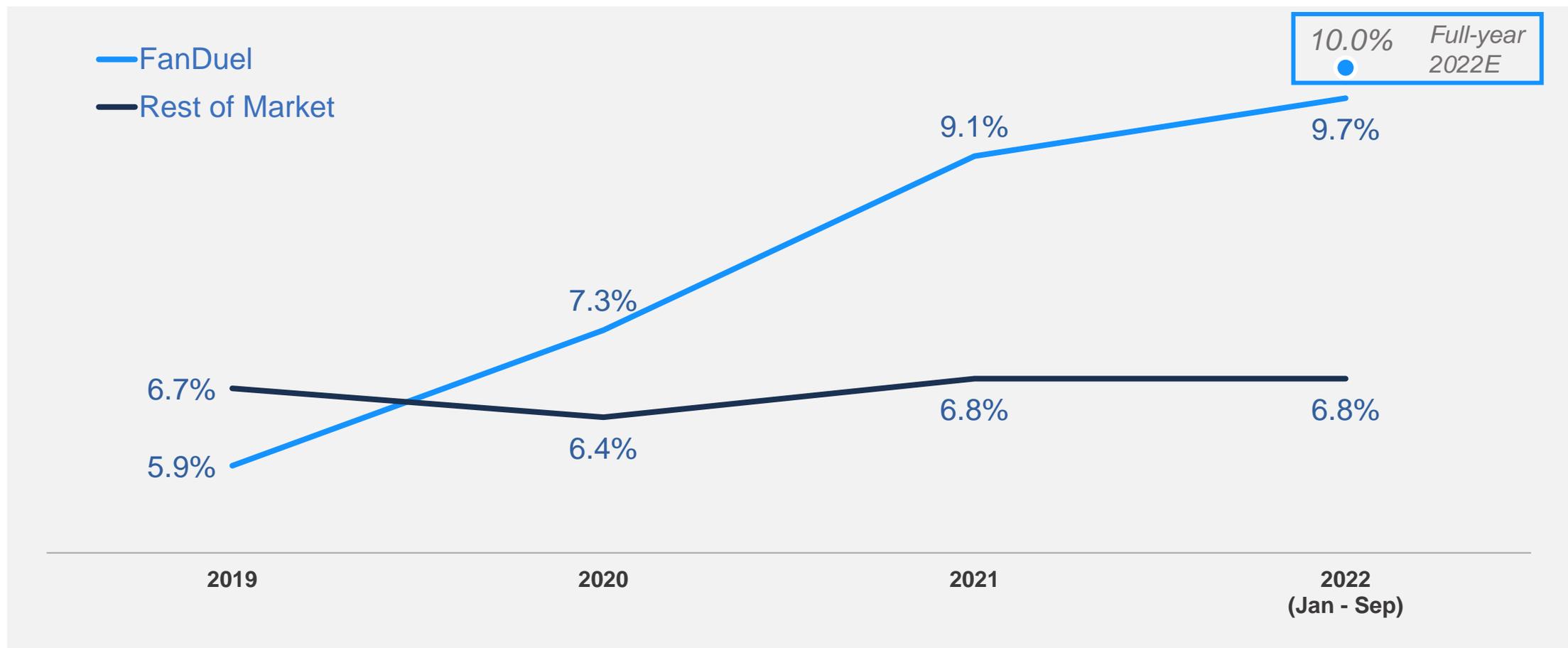
# We generate 43% more margin per dollar of handle



1. Analysis of FanDuel and competitor GGR margins in reported states, Jan – Sept 2022  
Note: Chart is an illustrative representation

## We have continued to expand our margin lead

### FANDUEL US ONLINE GROSS REVENUE MARGIN VS. REST OF MARKET<sup>1</sup>



Proprietary capabilities will continue to enable **innovation and further growth**

1. US online sportsbook only (excludes Canada); competitor GGR margins based on analysis of regulator reports in reported states; FanDuel based on internal data (varies +/- 20bps from regulator reports)

## Clear path to higher FanDuel gross win margins



1

Disciplined focus on **improving odds accuracy**

2

**Innovation in product** driving further new market and parlay adoption

3

Preserving customer value by continuing to offer **highly competitive odds**

1. US online sportsbook

# Conclusion – The FanDuel Advantage delivers < 18 month average customer payback



## ACQUIRE

### CUSTOMERS MORE EFFICIENTLY

#1 sports betting brand

Database of 14m+ sports fans

Best marketing assets

**24%**

lower cost per download  
vs. competitor



## RETAIN

### CUSTOMERS FOR LONGER

Betting product innovation

Best app experience

Disciplined promotions

**77%**

year-on-year  
customer retention



## GROW

### CUSTOMER VALUE

Proprietary pricing and risk

Accurate, competitive odds

Organic win margin advantage

**43%**

more margin per \$1 of  
handle vs. the market

← ..... BENEFITTING FROM THE

**Flutter**<sup>™</sup>

EDGE ..... →

# THE FLUTTER EDGE

Amy Howe

**CHIEF EXECUTIVE OFFICER**

Andrew Sheh

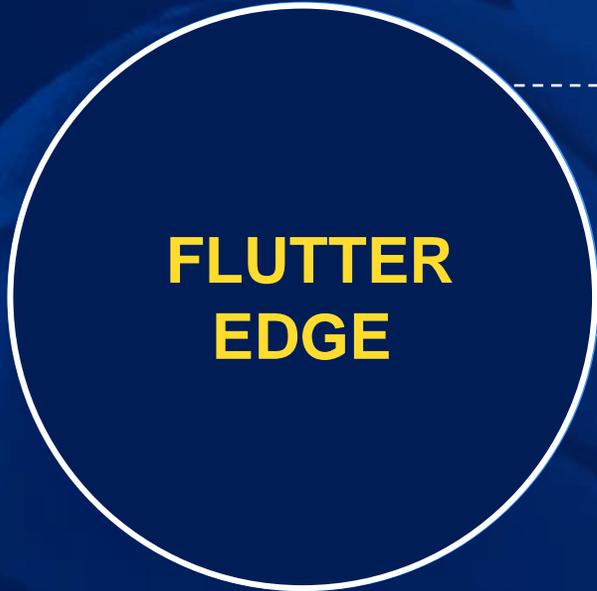
**CHIEF TECHNOLOGY OFFICER**



**Flutter**

**FANDUEL GROUP**

# Benefits we gain from Flutter Group provide unique competitive advantage



1

**CAPITAL**  
Cash funding to fuel FanDuel expansion

2

**TALENT**      **EXPERTISE**  
Key assets underpinning FanDuel Advantage and iGaming opportunity

3

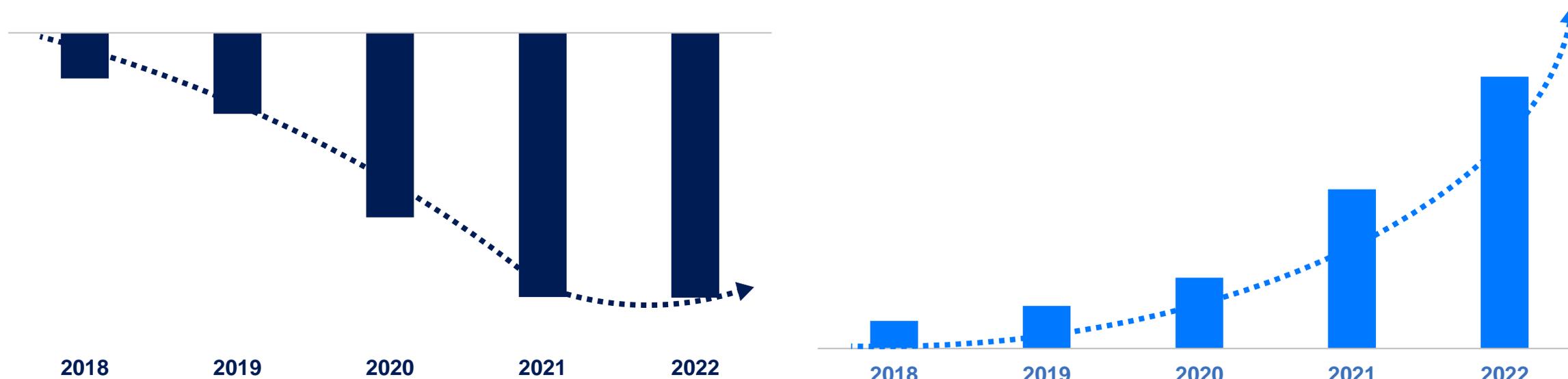
4

**TECHNOLOGY**  
Global network of scalable and reliable proprietary platforms

# Capital funded FanDuel's growth and leadership position

Cumulative cash investment of >\$1bn<sup>1</sup>

#1 market position with revenue of \$3bn in 2022



1

Provided FanDuel with **spending power of a scale player**

2

Empowered FanDuel to **pursue all meaningful growth opportunities**

3

Encourage **disciplined approach**

1. Cumulative FanDuel Group EBITDA losses and capital expenditure since acquisition to 30 June 2022

## Unique asset of 20,000+ global sports betting and iGaming specialists

Pipeline of **talent** to help seed FanDuel's rapidly expanding business

Access to deep breadth of **expertise** across key areas Group wide

>**\$3.9bn** efficiently spent by **1,500+** employees on sales and marketing and promotional generosity<sup>1</sup>

>**22m** customers across multiple online gaming products served by **3,500+** customer services operatives<sup>1</sup>

>**3.1bn** bets placed per year across over 100 different countries<sup>1</sup>

**37%** of global players interacting with Play Well tools<sup>2</sup>

Underpins the **FanDuel Advantage** and future **iGaming opportunity**

1. 2021 sales and marketing, and promotional generosity spend, 2021 active customers, bets placed and employees pro forma for Sisal and Tombola

2. % players in 12 months to 30 September using Play Well tools

# Taking insights from Flutter *Positive Impact Plan* to empower sustainability at FanDuel

## FLUTTER'S GLOBAL FRAMEWORK



### CUSTOMERS *PLAY WELL*

- Significant resource allocated to ensuring customer play is sustainable
- Developing market-leading responsible gaming tools



### COLLEAGUES *WORK BETTER*

- Only US operator with a female CEO and 45% female C-suite representation
- Global Advocacy Program (Gender, Multicultural, LGBTQIA+ and Accessibility)

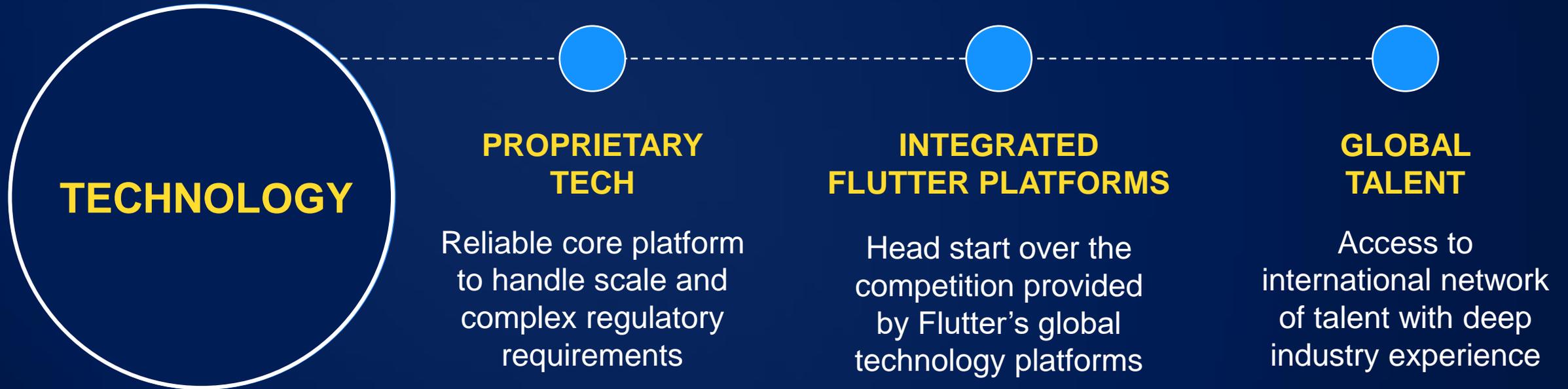


### COMMUNITIES *DO MORE*

- Supporting diversity in engineering programs
- Providing time for our employees to volunteer in their communities

Building a business with **integrity** and a **foundation of sustainability**

# Flutter Edge is driving key technology benefits



DELIVERS **SCALABLE, EFFICIENT, AND STABLE** TECHNOLOGY

## Why having the right technology is critical

### BUILDING TECHNOLOGY IN OUR INDUSTRY IS DIFFICULT

#### VOLUME

Customers, transactions, and new markets

#### COMPLEX REGULATION

Bespoke state by state requirements

#### DIFFERENTIATION

Capacity to innovate key to growth

### BUT WE ARE DELIVERING STRONG RESULTS<sup>1</sup>

**4.7bn+**

Sports and Casino bets

**9,000+**

Regulatory releases

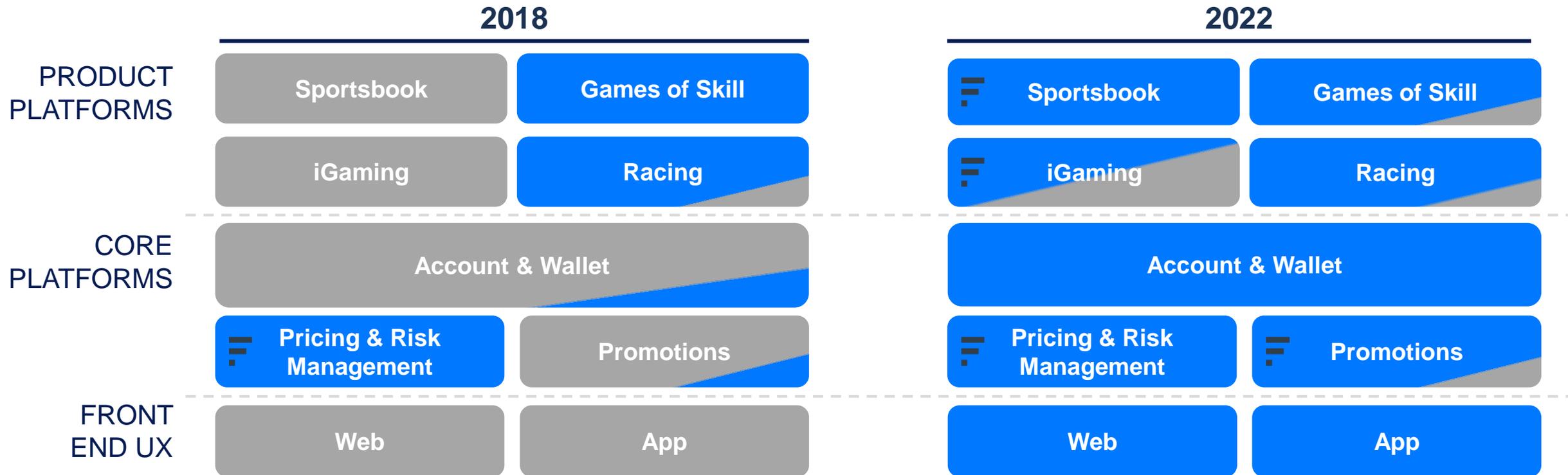
**700+**

Features delivered



# Significant progress made in building our core proprietary stack

PROPRIETARY

3<sup>RD</sup> PARTY
 FLUTTER  
PLATFORM


Most operators and new entrants are **still leveraging 3<sup>rd</sup> party systems** for core tech

Majority of our business now operates on a **proprietary tech stack**

## Leveraging integrated Flutter platforms key to our technology advantage

### PRICING & RISK MANAGEMENT PLATFORM

'09

Accurate pricing and ability to offer the best odds

### SPORTSBOOK PLATFORM

'14

Development of innovative betting features (e.g., in-play and SGP+)

### PROMOTIONS PLATFORM

'15

Personalization and targeting of promotions to improve efficiency

### iGAMING PLATFORM

'16

Faster onboarding of new games and content flexibility

Flutter proprietary platforms have been developed over **10+ years** and serve customers around the world

## We are supported by a global talent network of Flutter technologists

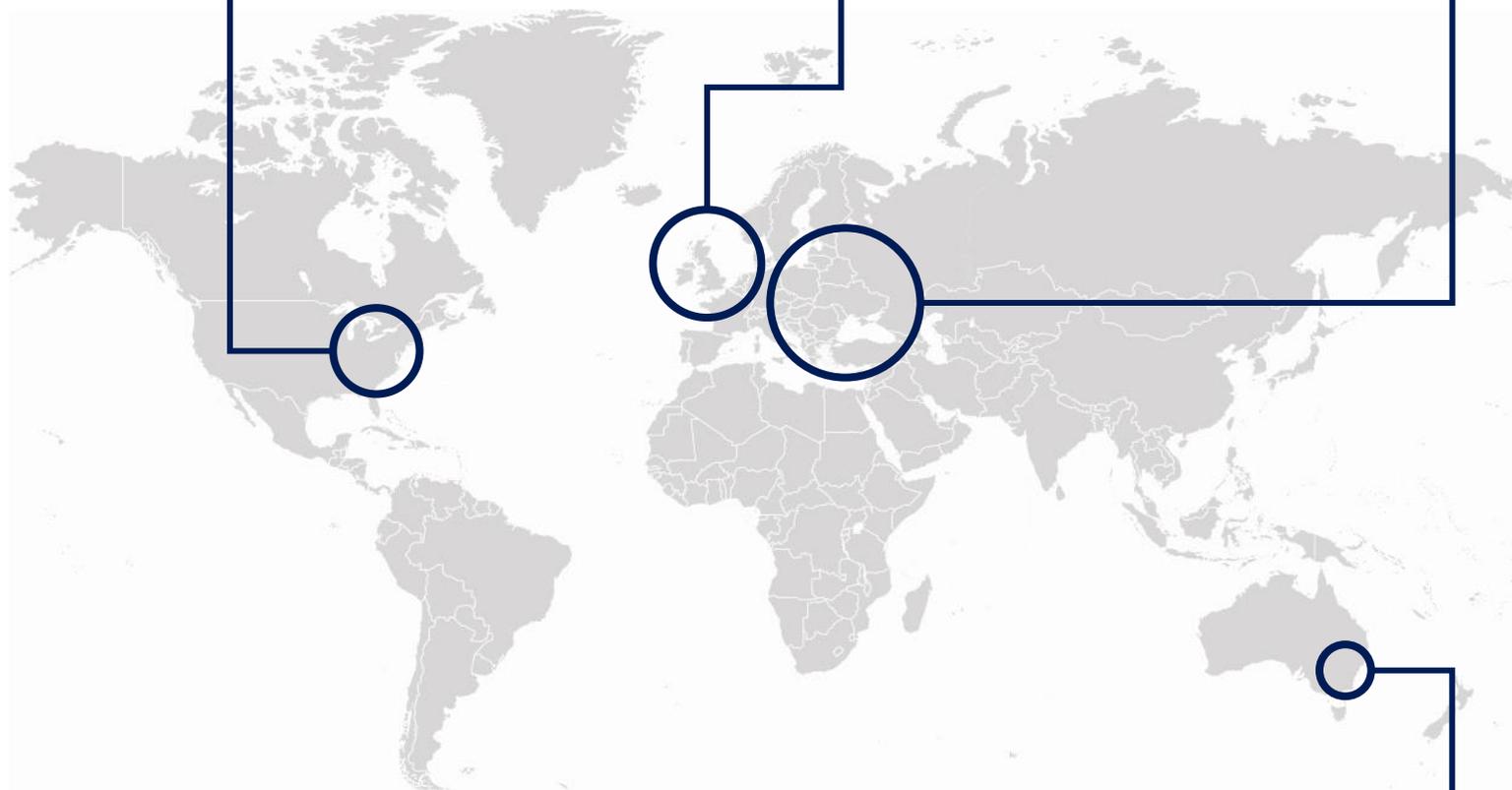
**~ 6,000**  
technologists  
Globally

**~ 1,000**  
focused solely  
on FanDuel  
Group

**~ 1,000** in North America

**~ 2,000** in UK&I

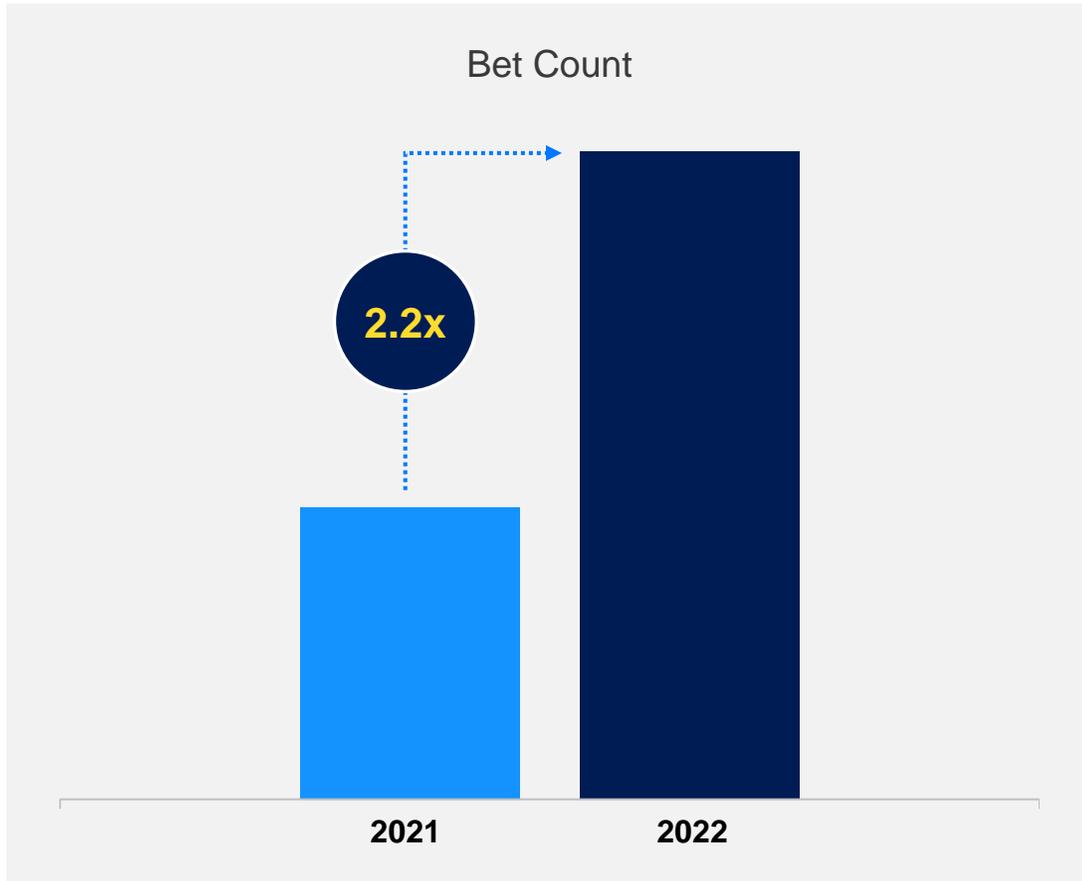
**~ 2,500** in Rest of Europe



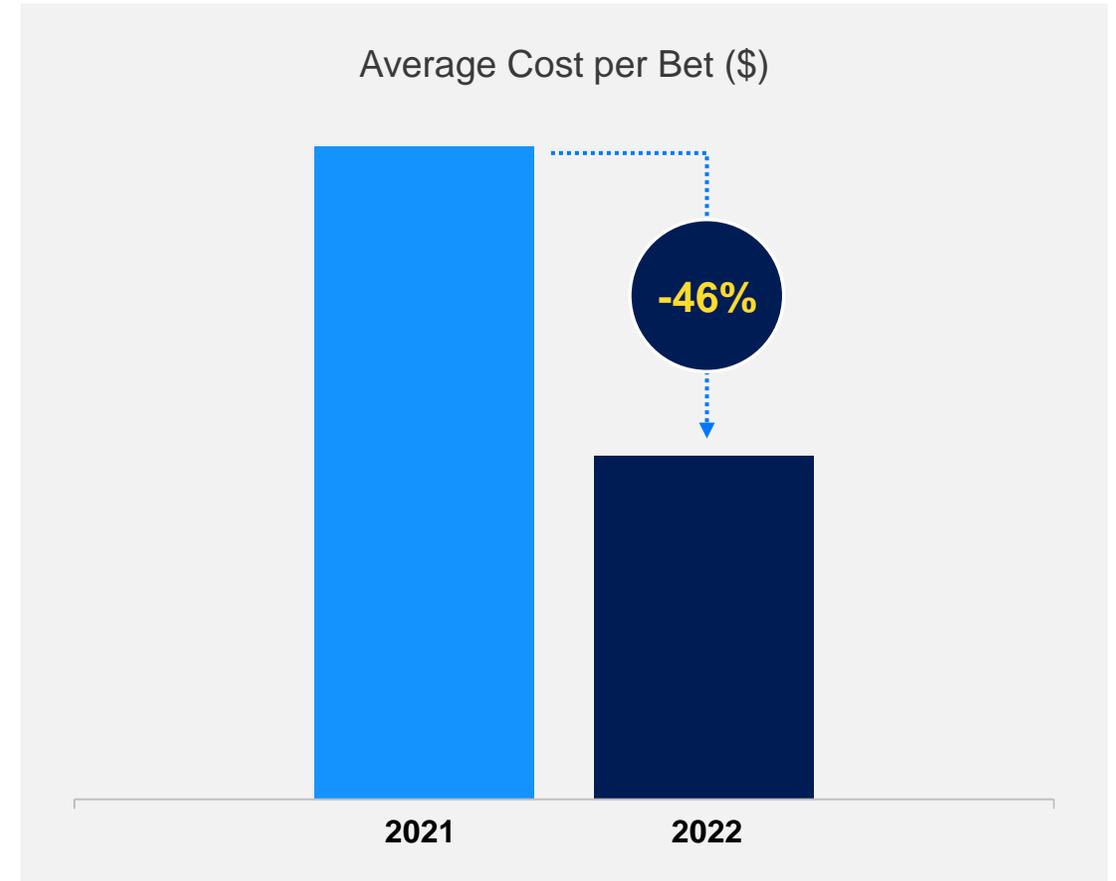
**~ 500** in Asia Pacific

# This edge allows us to build scalable, efficient and stable technology platforms

## HIGHLY SCALABLE TECH STACK SUPPORTS GROWING BET COUNT ...<sup>1</sup>



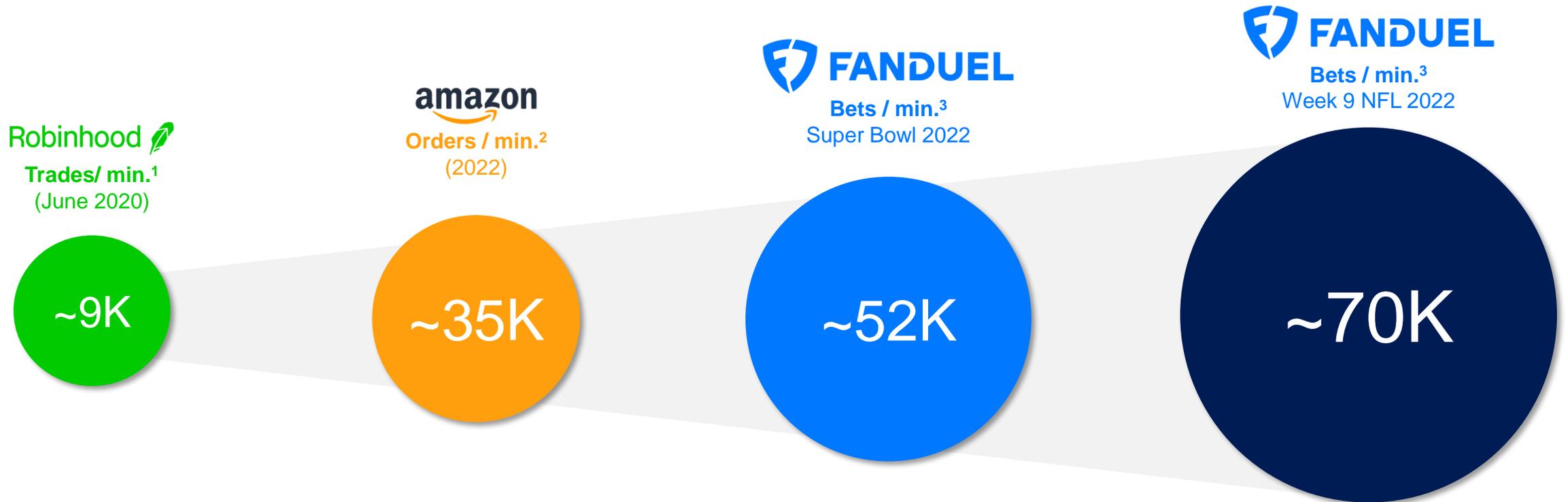
## ... WITH DECLINING COST PER BET<sup>2</sup>



... and uptime maintained over **99.8%** for the same period

1. Jan – Sep 2021 vs Jan – Sep 2022  
2. FY 2021 vs Jan – Sep 2022

# Maintaining performance as we grow



1. Assumes 8 hours of trading/day; straight-line average of daily average to calculate trades / minute
2. Average retail sales day; Business Insider (Oct 11, 2022)
3. Peak bets per minute across all FanDuel products



**>\$1bn**  
cash funding,  
enabling pursuit of all  
growth opportunities<sup>1</sup>



**30%**  
of VPs and above  
come from Flutter with  
150+ years of collective  
experience



**20+ years**  
of operations,  
sustainably serving  
22m customers



**6,000+**  
technologists with global  
network of scalable and  
reliable proprietary  
platforms

1. Cumulative FanDuel Group EBITDA losses and capital expenditure from acquisition to 30 June 2022

# iGAMING OPPORTUNITY

---

**Flutter**

**FANDUEL GROUP**

# iGaming provides attractive additional growth opportunity to sportsbook

## THE iGAMING OPPORTUNITY

1

### FANDUEL CASINO TODAY

Success driven by cross-sell from US largest sportsbook

2

### iGAMING STRATEGY

Focus on improving proposition for iGaming direct customer

3

### EARLY INDICATIONS

Initial results are positive, and there is more to come

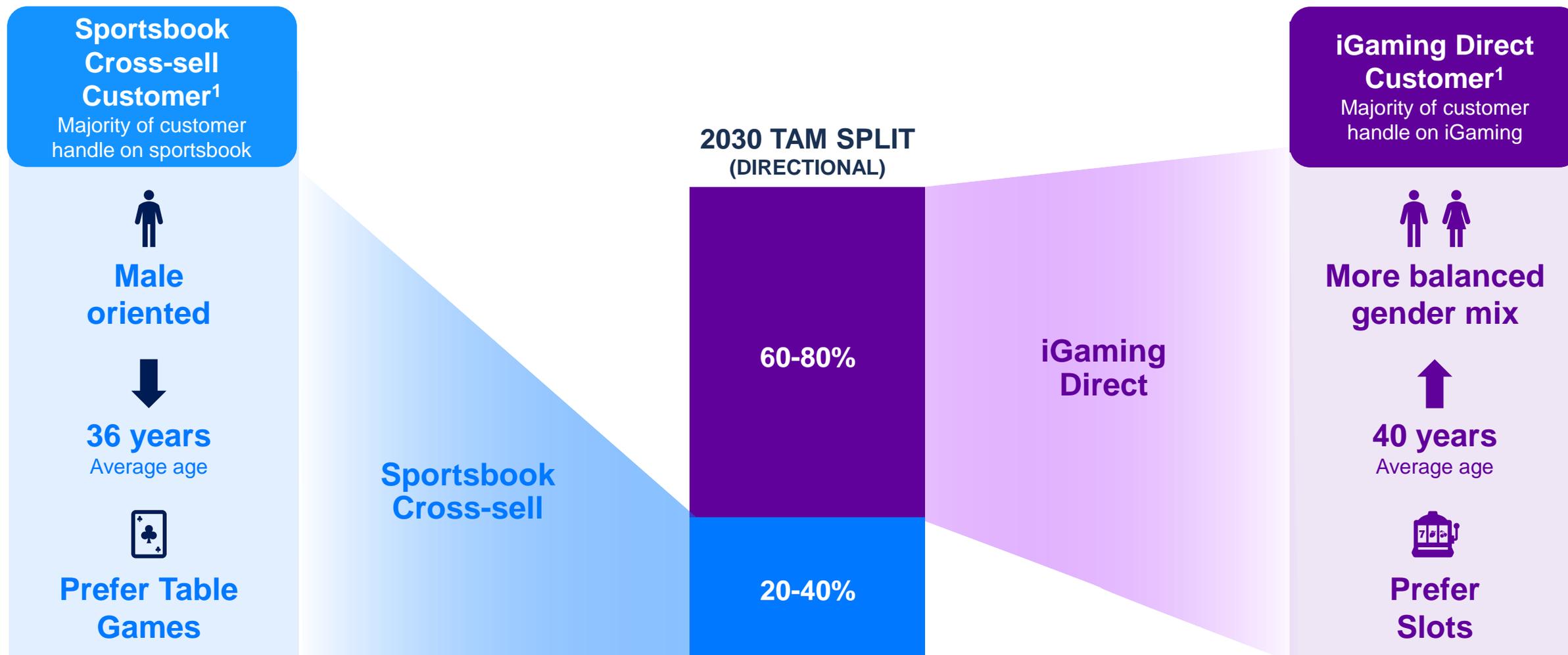
## To date, we have been very successful at cross-selling sportsbook players to iGaming



Driven by prioritization of our **sportsbook strategy**

1. Sportsbook monthly cross-sell rate to Casino in first 30 days post acquisition for the 12-months ending June 2022  
2. Share of GGR in live states (NJ, PA, MI, WV, CT) in Q3 2022

# We are now increasing focus on iGaming direct customers



1. Based on internal analysis; Handle Oct 2021 – Sep 2022

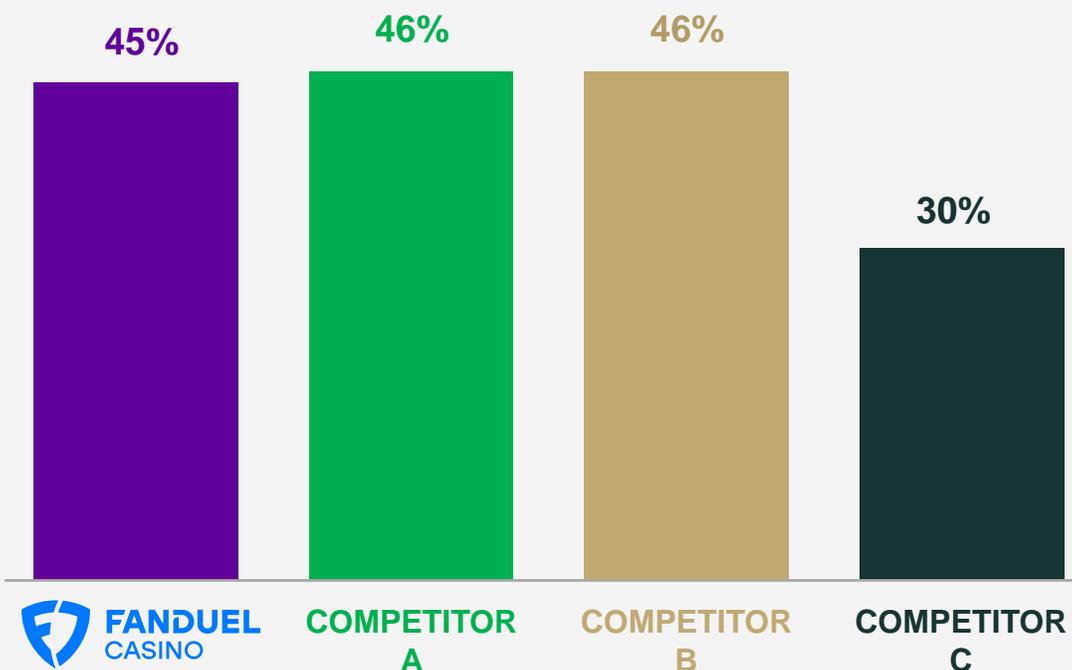
## Clear iGaming strategy which we have begun to execute



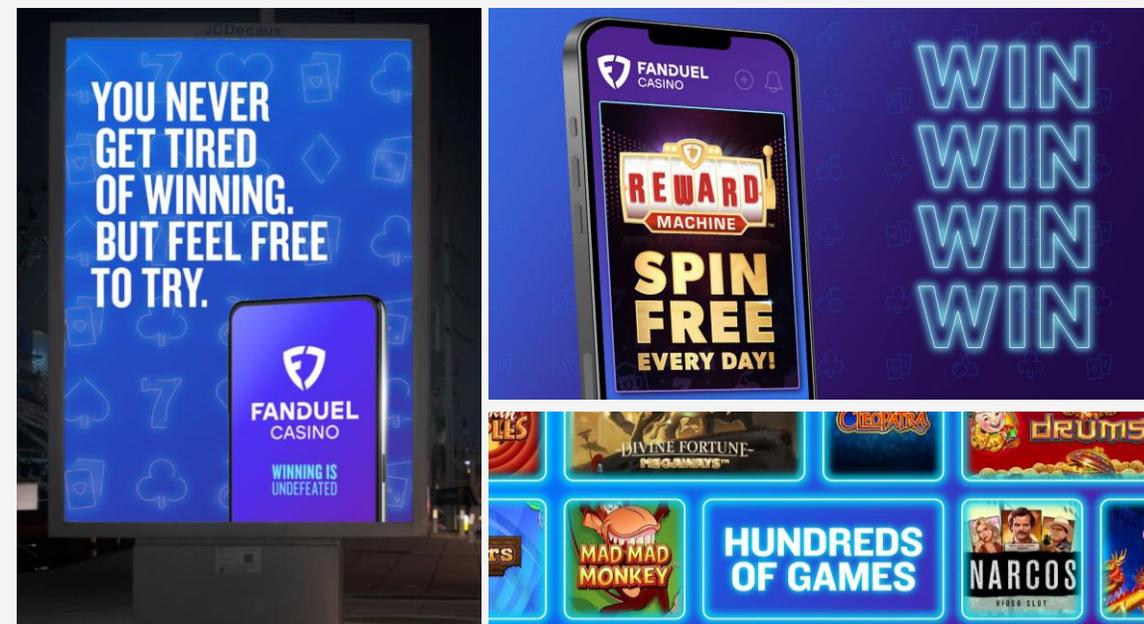
# FanDuel well positioned to grow differentiated iGaming brand

**FANDUEL CASINO BRAND ALREADY  
RESONATES WITH iGAMING CUSTOMERS ...**

Intent to use iGaming app<sup>1</sup>



**... AND NEW BRANDING, WITH MORE TO  
COME, WILL FURTHER IMPROVE POSITIONING**

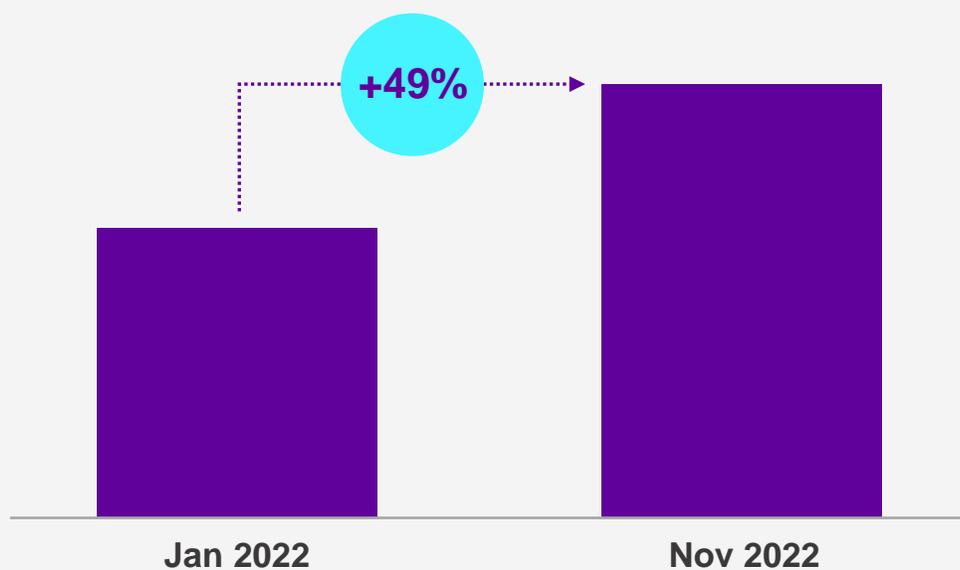


**FanDuel Casino Brand Proposition:  
EVERY MOMENT COULD BE A VICTORY**

1. YouGov/FanDuel Custom Brand Tracker of Casino Intenders and Users in MI, NJ, PA, WV, Question: How likely are you to use the following casino sites/apps in the next 3 months? [Somewhat or very likely]

# Product improvements to match the preferences of iGaming direct customers

**SIGNIFICANTLY INCREASED  
NUMBER OF GAMES OFFERED ...**



**... INCLUDING MAJORITY OF THE GAMES  
THAT MATTER TO CUSTOMERS<sup>1</sup>**



1. Eilers & Krejcik Online Game Performance Report Oct 2022

# We are focused on building innovative and engaging promotion tools

## INNOVATIVE MECHANICS



+

## FLUTTER + FANDUEL PROMOTIONAL ENGINE



Rewards delivered and ready  
to use in real time



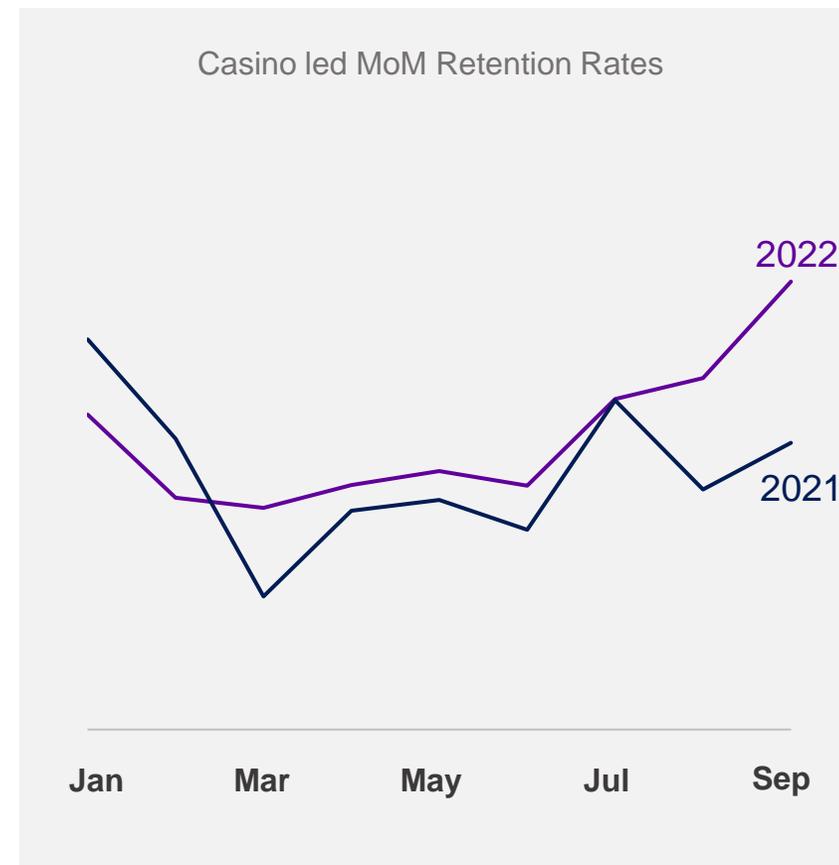
Value targeted at a  
customer level



Execution fully  
automated

=

## DELIVERING IMPROVED RETENTION RATES



## We have built the right team to deliver this strategy, leveraging the Flutter edge

WE HAVE TRANSFERRED TALENT FROM FLUTTER  
TO BUILD OUR LEADERSHIP TEAM ...

# 100%

of SVPs & VPs in  
FanDuel Casino have  
previously worked in  
other Flutter divisions<sup>1</sup>

... AND WE WILL CONTINUE TO LEVERAGE  
CAPABILITIES FROM ACROSS THE GROUP



Shared insight of  
**#1** iGaming brands





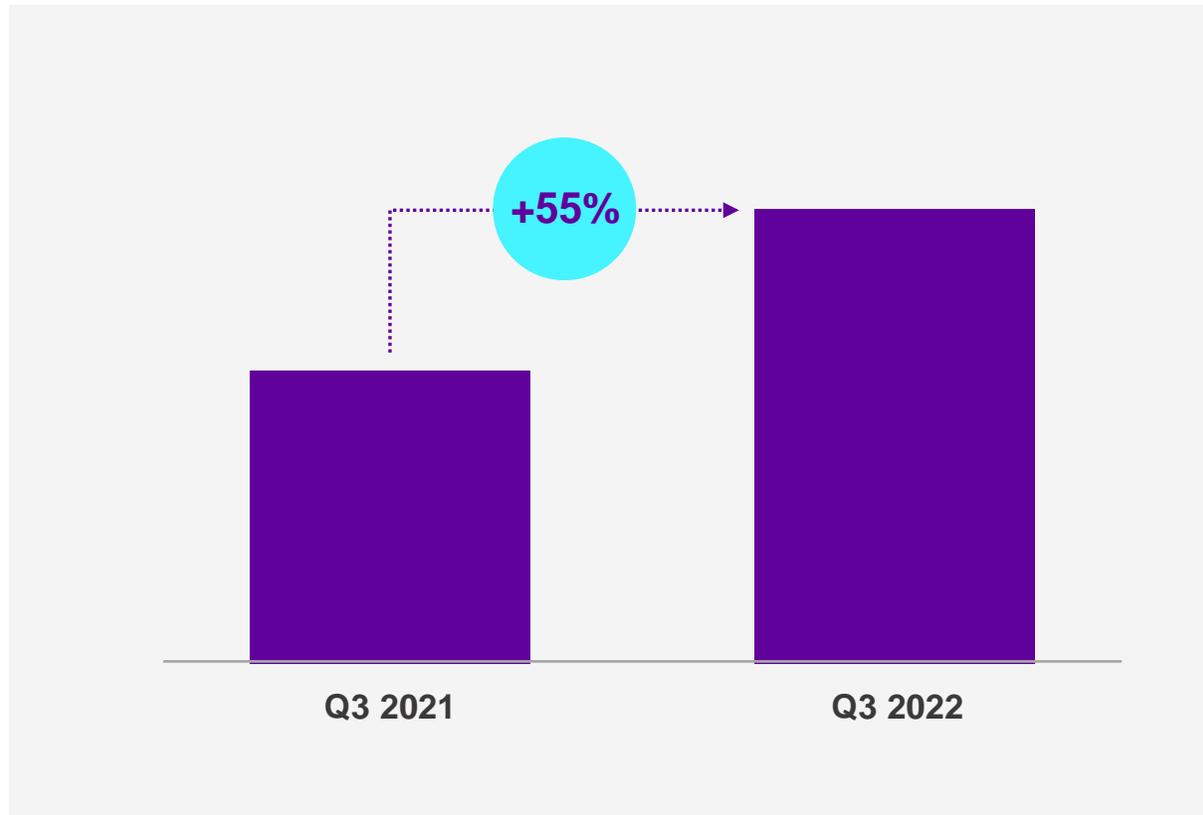
Innovative power of **3**  
in-house iGaming  
studios

Combined expertise of **1,200+** iGaming experts

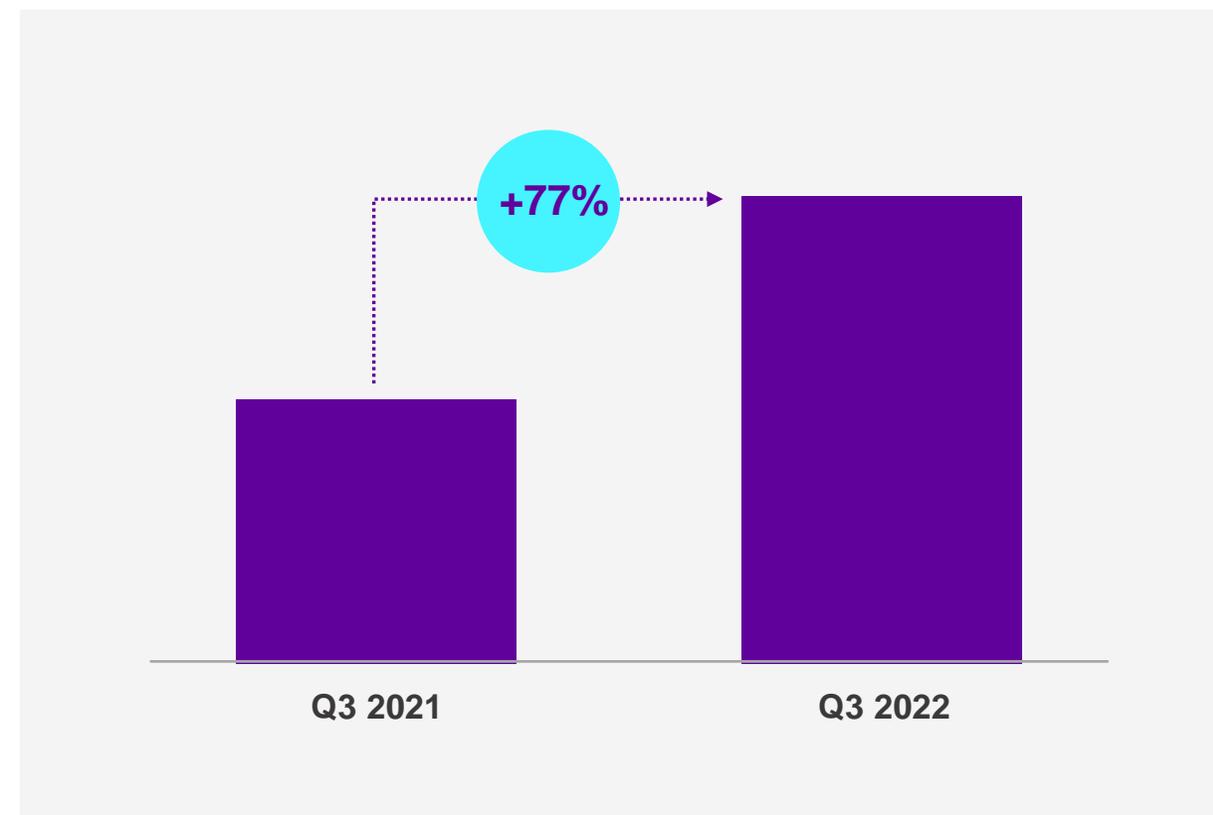
1. Internal analysis, Oct 2022

## Initial results from our strategy are encouraging ...

### ACQUISITION OF DIRECT IGAMING CUSTOMERS IS INCREASING<sup>1</sup> ...



### ... AND PLAYER ENGAGEMENT & RETENTION IS IMPROVING<sup>2</sup>



1. Like-for-like states activation of direct iGaming customers  
2. Total player days in Q3 2021 vs Q3 2022

... and there is much more to come over the next 12 months



## BRAND

Further establish the  
**FanDuel Casino brand**

Create **iGaming tentpole moments** throughout the year



## PRODUCT

Deliver **100% coverage**  
of games that matter

Continue **user experience optimization**



## PROMOTIONS

Launch **new innovative forms**  
of promotions

Increase usage of **real-time capabilities** in targeting



# FANDUEL FINANCIAL TRAJECTORY

David Jennings

**CHIEF FINANCIAL OFFICER**



**Flutter**

**FANDUEL GROUP**

# Overview of our financial trajectory

## FINANCIAL TRAJECTORY

1

### REVENUE GROWTH POTENTIAL

A path for FanDuel to  
increase revenues  
4.5 – 5x

2

### SHAPE OF THE MARKET

Creating barriers to entry  
with high market share  
concentration

3

### LEVERAGING OUR FLYWHEEL

Focus on near-term  
profitability and longer-  
term returns

## Reminder: The shape of the P&L for an online operator ...



**FanDuel Advantage** and **Flutter Edge** drive economics through FanDuel's P&L

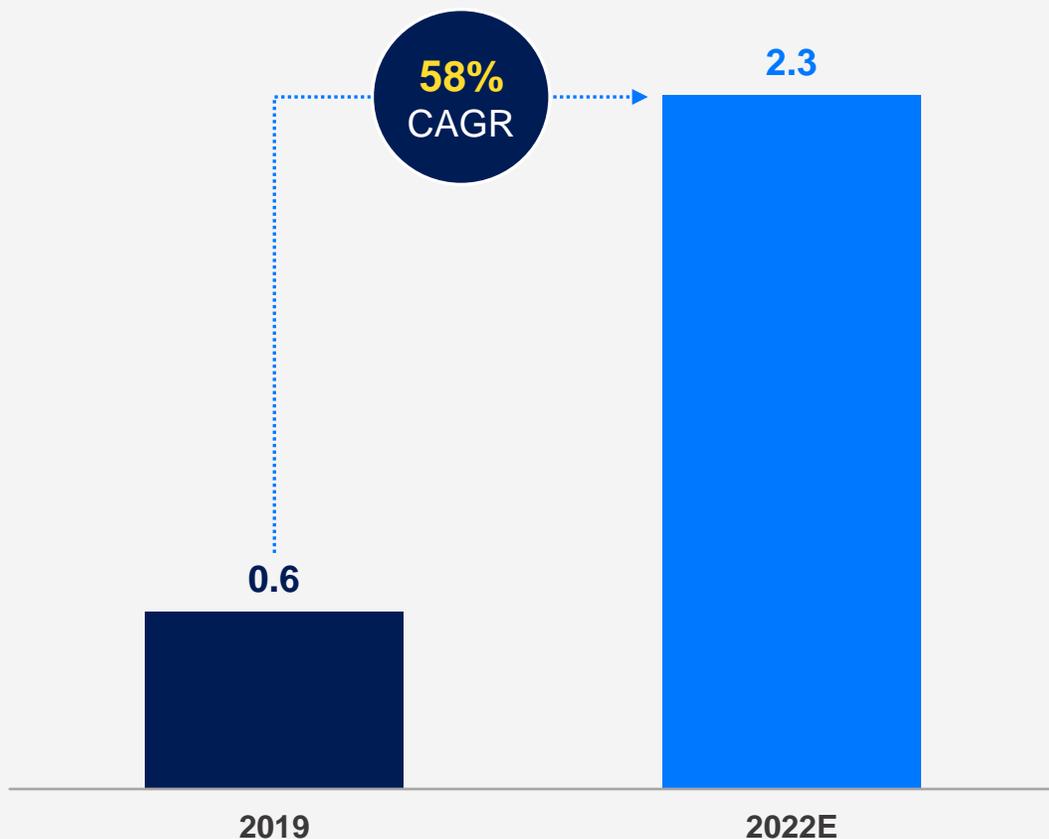
1. SBP = Share Based Payments  
Financials throughout this section exclude FoxBet

# The FanDuel Advantage has helped build a \$3bn net revenue business today

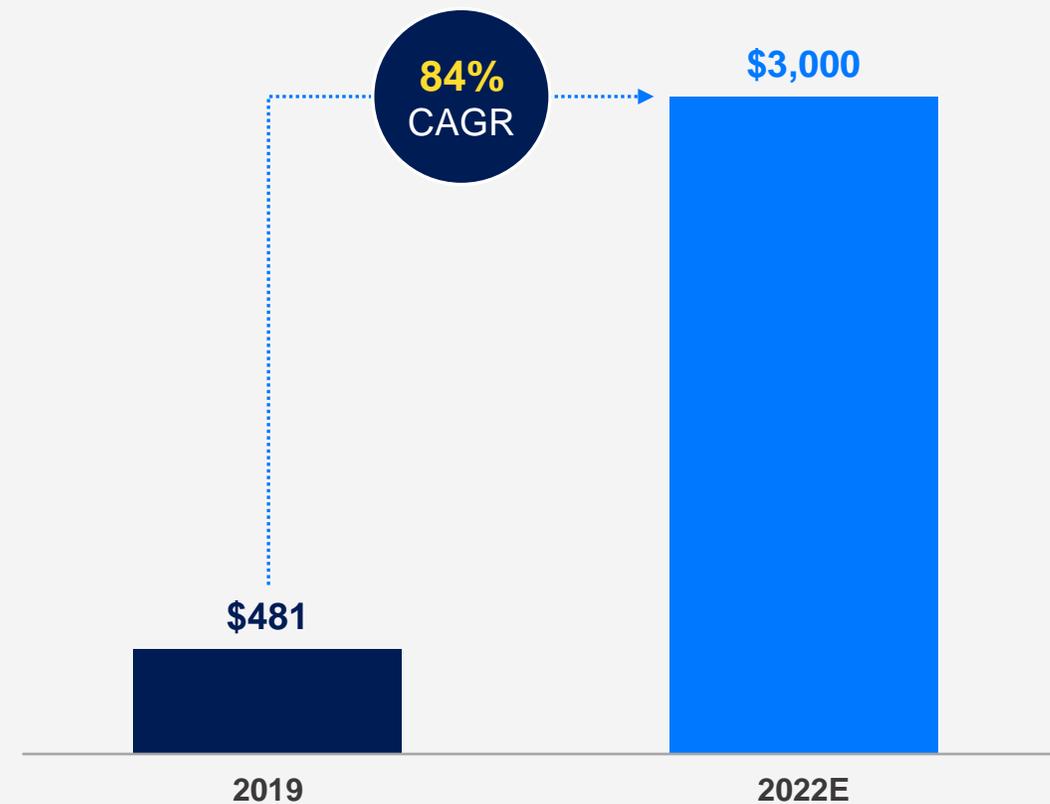
FANDUEL HAS >2M MONTHLY ACTIVE CUSTOMERS ...

... AND IS EXPECTED TO DELIVER  
~\$3BN NET REVENUE IN 2022

FanDuel AMPs (m)

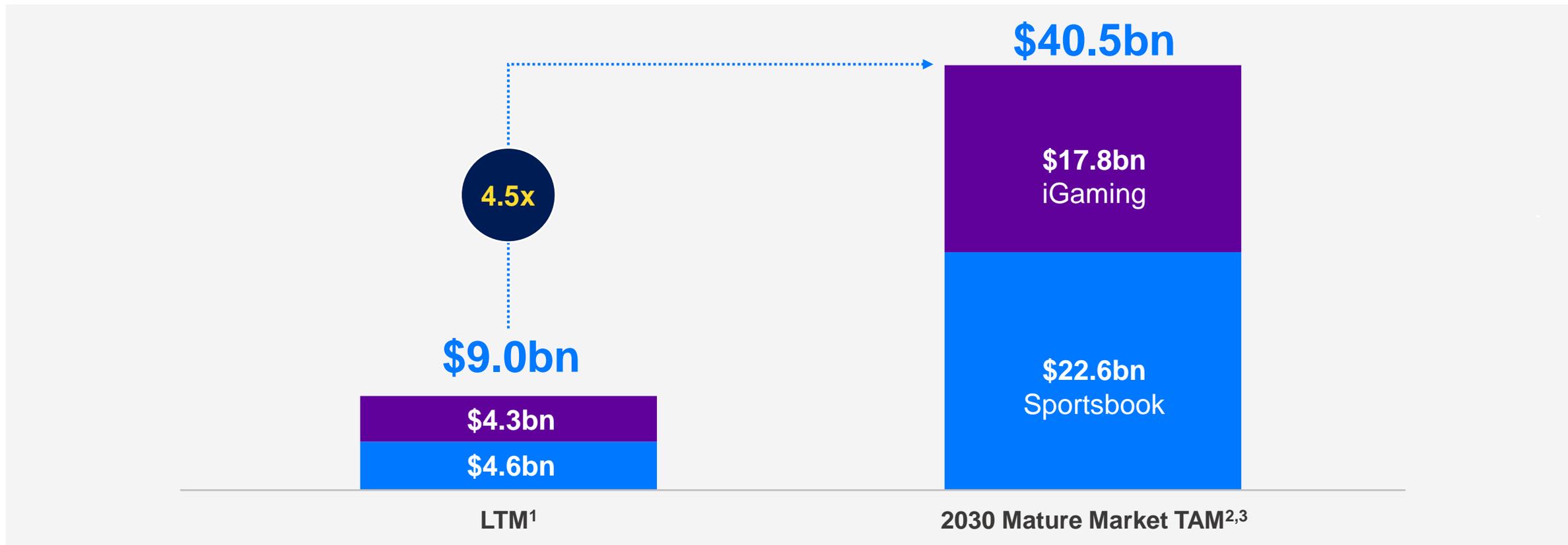


FanDuel NGR (\$m)



## Potential size of market: Over \$40bn TAM by 2030

### MARKET PROJECTED GGR

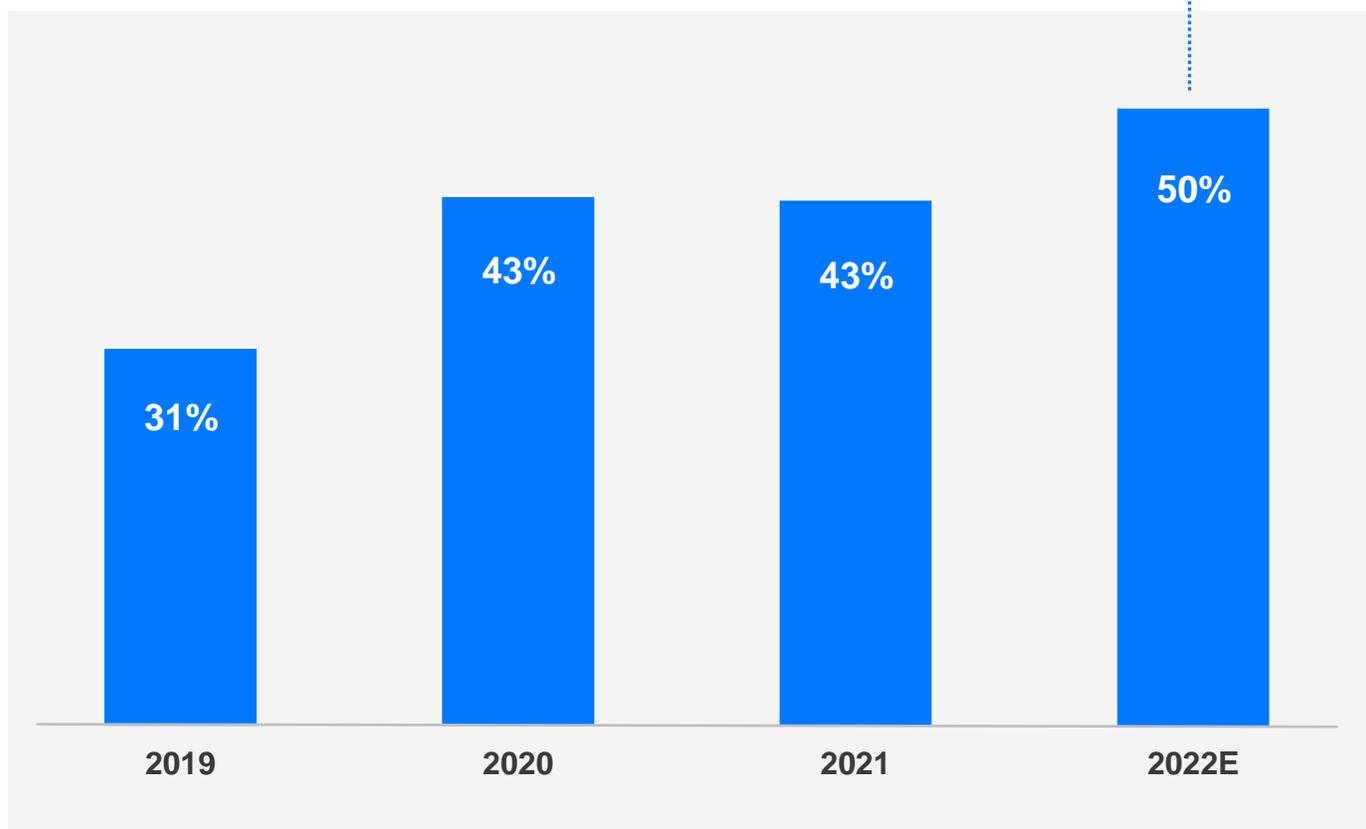


FanDuel Group net revenue **\$3bn** today<sup>3</sup>, significant growth potential

1. GGR source: published gaming regulator reports; online sportsbook states AZ, CO, CT, IA, IL, IN, KS, LA, MI, NJ, NY, PA, TN, VA, WV, WY; iGaming states CT, MI, NJ, PA, WV; note numbers may not add up due to rounding
2. Based on internal estimates, representing live states and future states at market maturity
3. Excludes Canada with an estimated mature market TAM of \$3bn

## Evolving shape of US market underlines importance of scale

FANDUEL COST OF SALES AS A % OF NGR



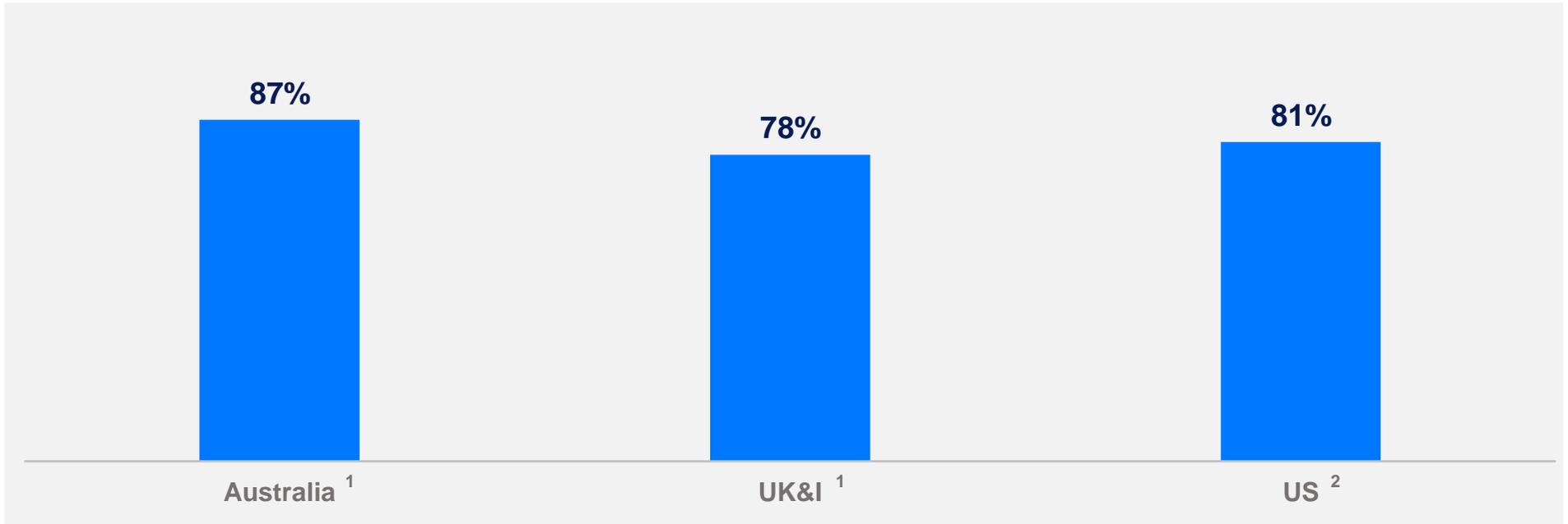
NY launch at 51%  
tax rate

- Cost of sales in US account for half of revenues
- Remaining 50% of revenue must cover all other costs, leaving sufficient headroom to generate strong profit margins
- Implication: **Scale is critical**
- Very few operators likely to reach sufficient scale

## Higher market share concentration likely

- In Australia, top 3 players account for 87% share
- US is already at these levels in online sportsbook
- Significant gap between number 1 and 2 player

### TOP 3 OPERATOR MARKET SHARE CONCENTRATION



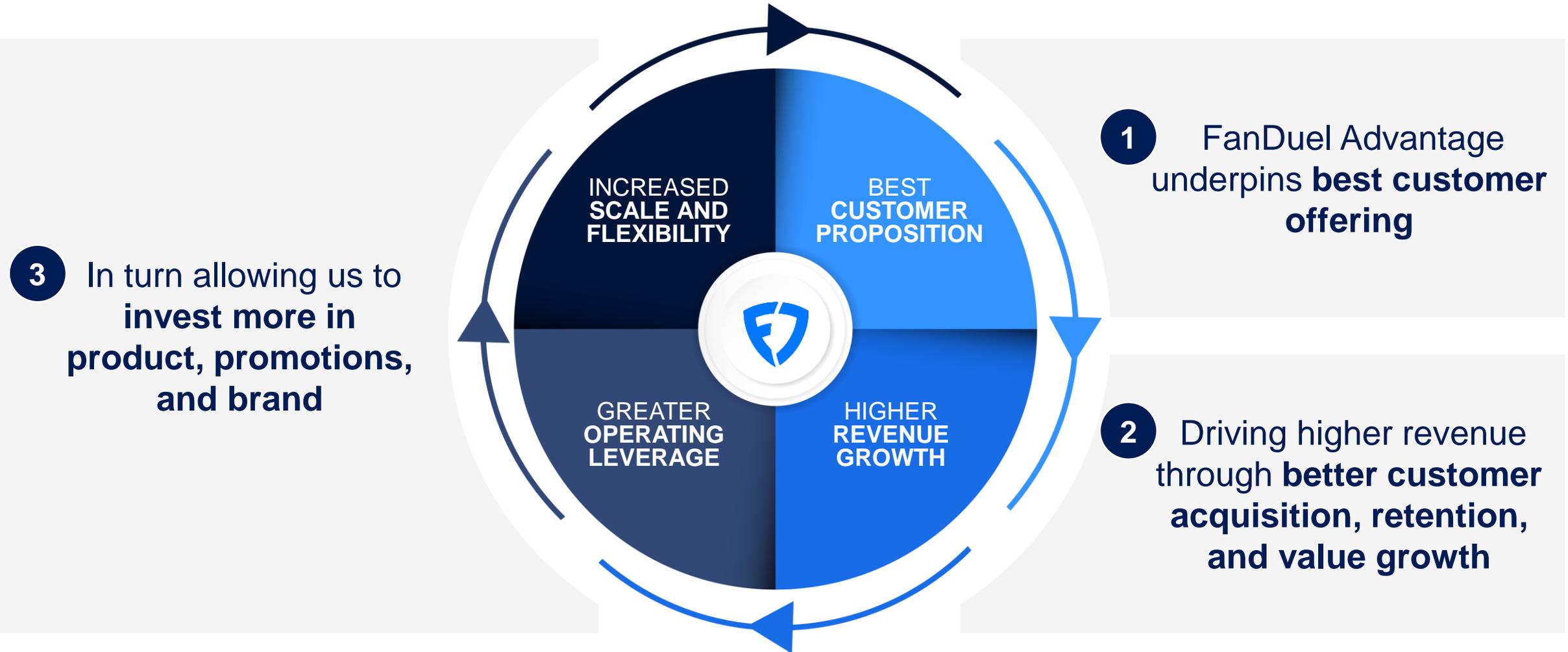
CoS as a % of NGR <sup>3</sup>	47%	31%	51%
Gap from #1 operator to #2 operator	32pp <sup>1</sup>	16pp <sup>1</sup>	18pp <sup>2</sup>

1. Based on internal analysis, Australia H1 2022 and UK&I FY 2021

2. Q3 2022 market share. Competitor estimates based on third party regulator reporting and Eilers & Krejcie reports

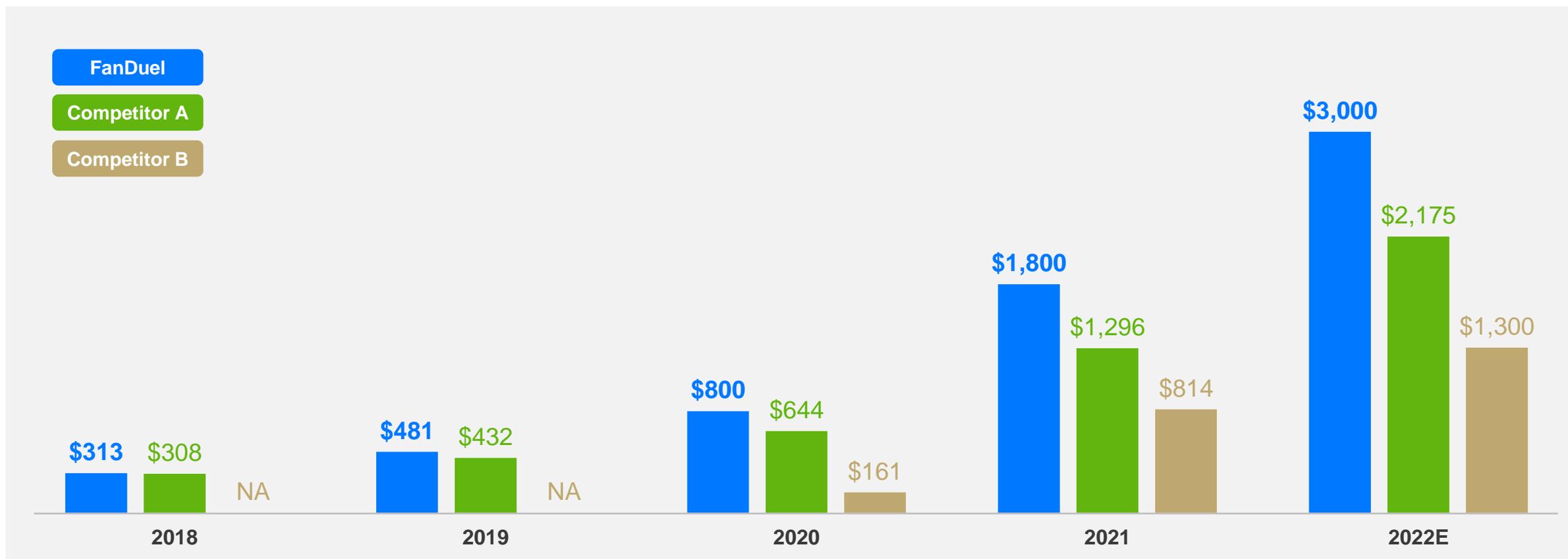
3. CoS as a % of NGR for Flutter brands based on H1 2022 reported financials. Flutter UK&I divisional data includes online and retail

## We will leverage our flywheel to compound our leadership position



# What does our relative scale advantage look like today?

## FANDUEL NET REVENUE VS. COMPETITORS

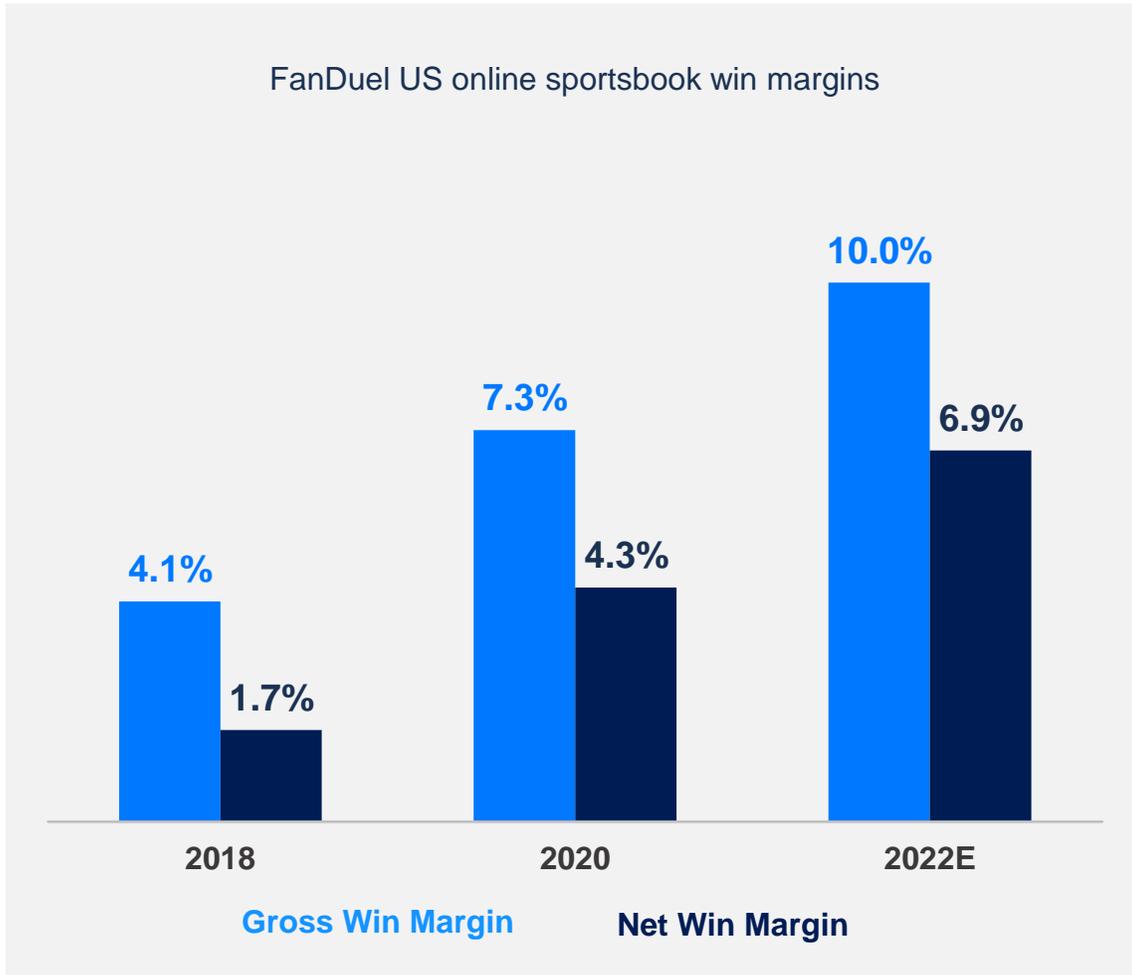


Our scale advantage is compounding each year; set to generate over **\$800m** more revenue than nearest competitor in 2022

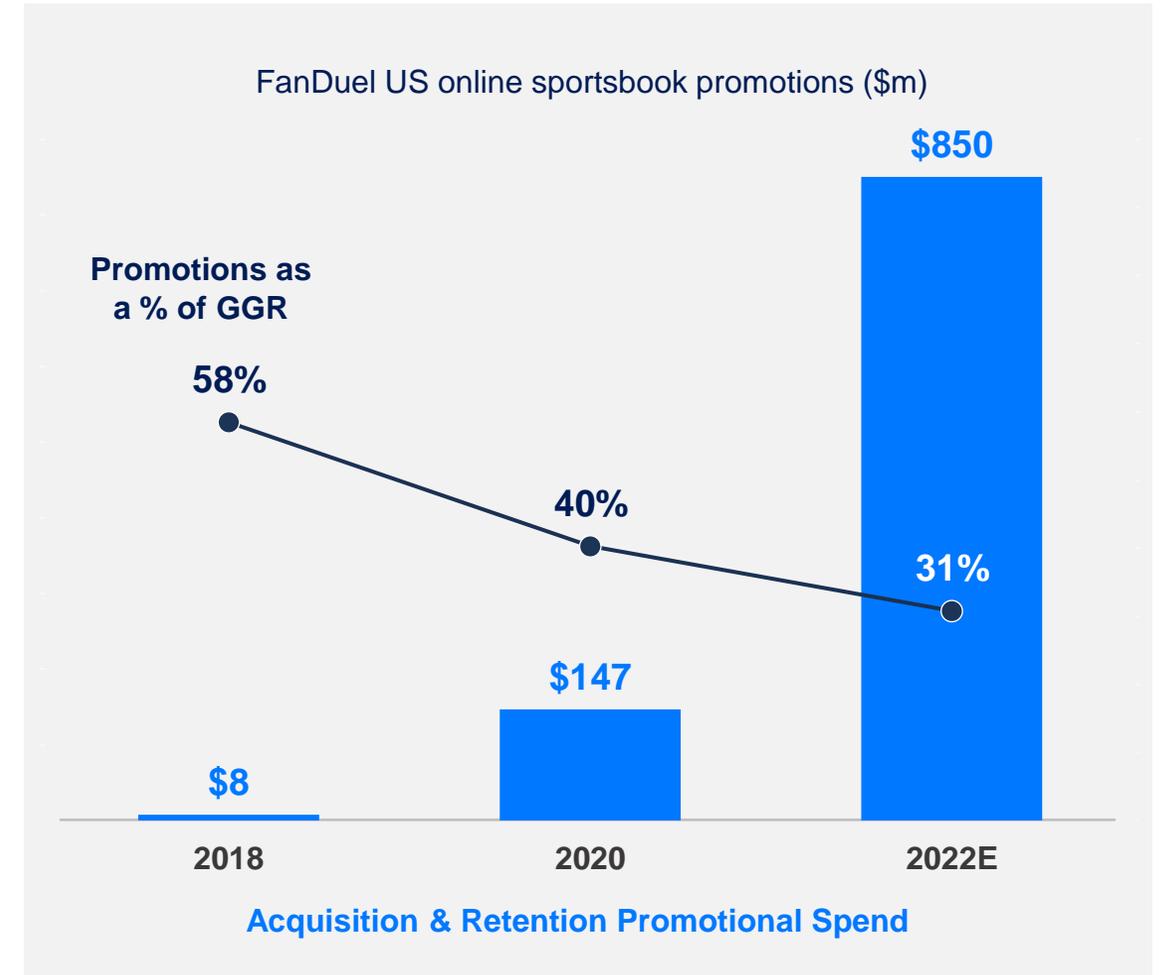
FanDuel data per reported financials and issued company guidance; competitor data per investor presentations and investor transcripts, competitor data as presented on a GAAP basis; 2022E numbers based on latest market guidance from Flutter, Competitor A and Competitor B

# Quantum and efficiency of sportsbook promotions is difficult for competitors to match

## HIGHER GROSS WIN MARGINS...

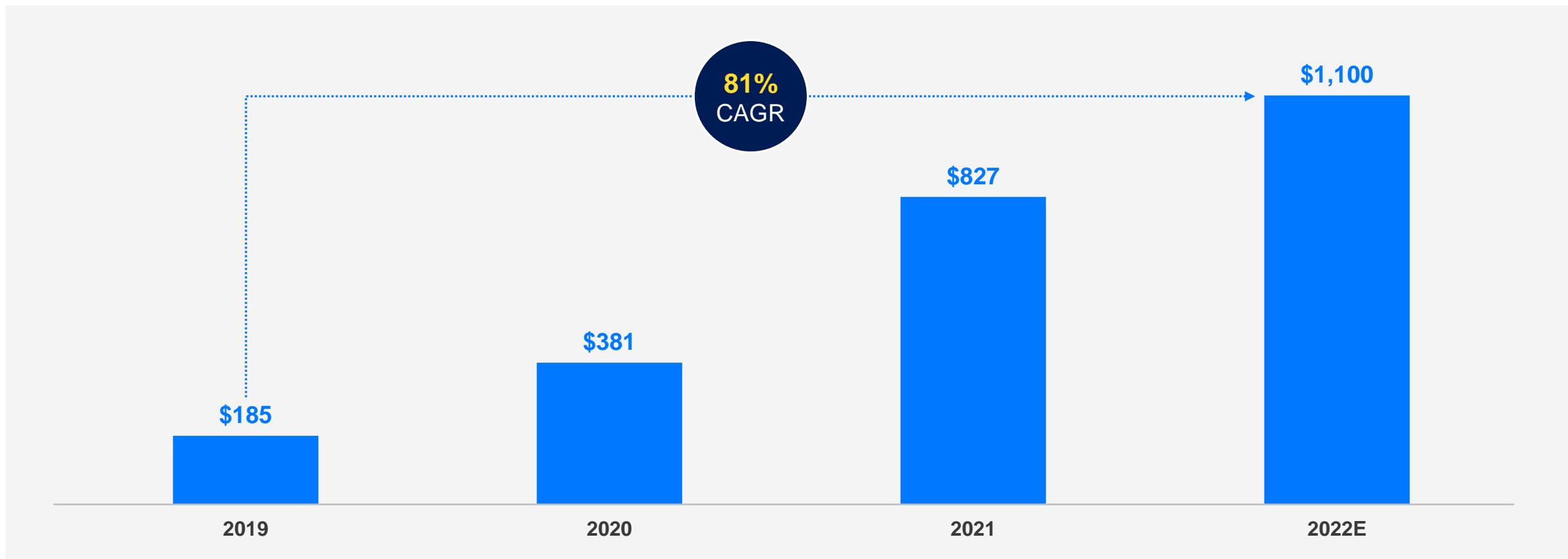


## ...ENABLING >\$850M INVESTMENT IN CUSTOMER PROMOTIONS IN 2022



## Sheer scale of marketing investment (>\$1bn) reinforces our leadership position

### FANDUEL SALES & MARKETING (\$m)



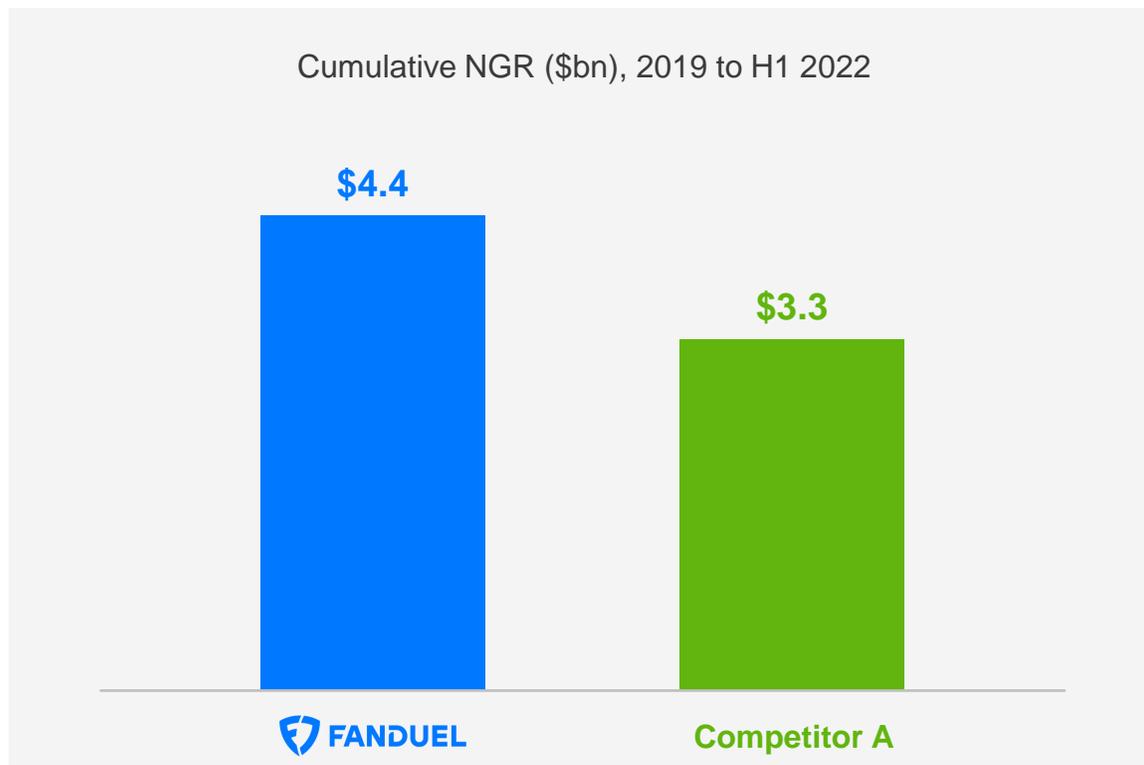
**Combined investment in promotional generosity and marketing of over \$2bn<sup>1</sup> in 2022**

FanDuel data per reported financials and issued company guidance

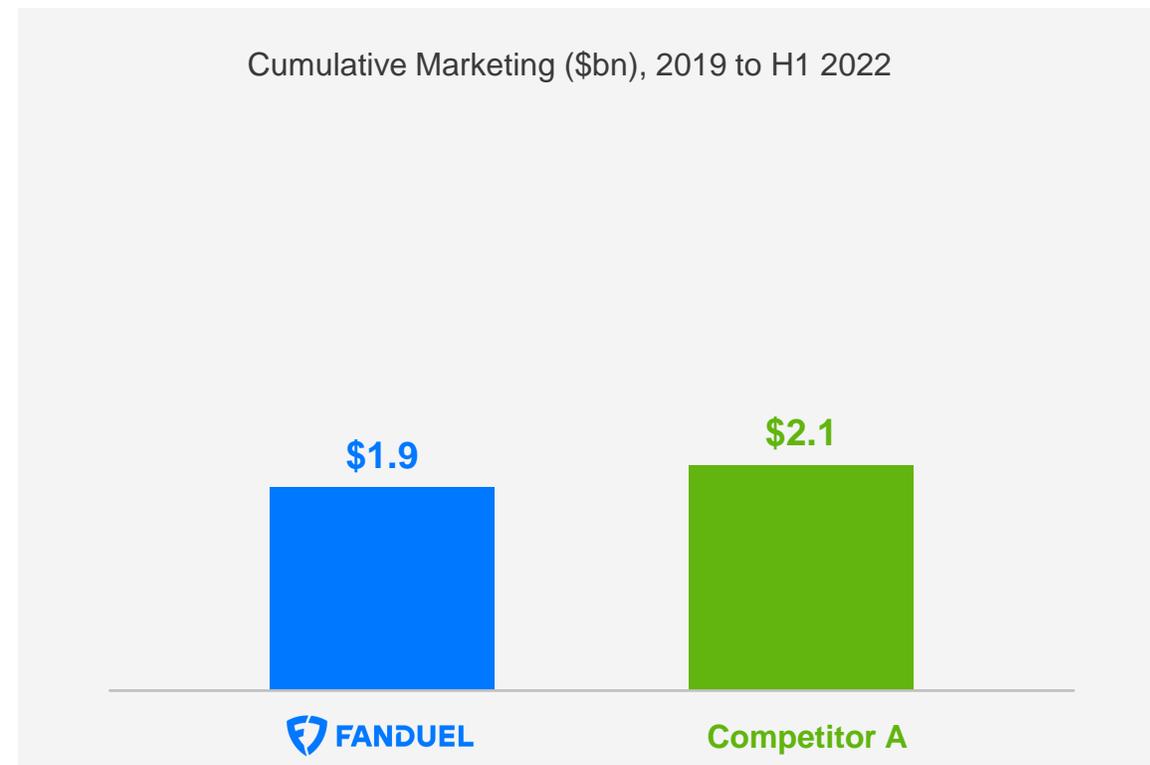
1. Combined investment in promotions and marketing of over \$2bn, includes promotions and marketing from all verticals

## Combined with highly efficient spend driving impressive returns

**FANDUEL GENERATED >\$1BN REVENUE  
VS. OUR NEAREST COMPETITOR ...**



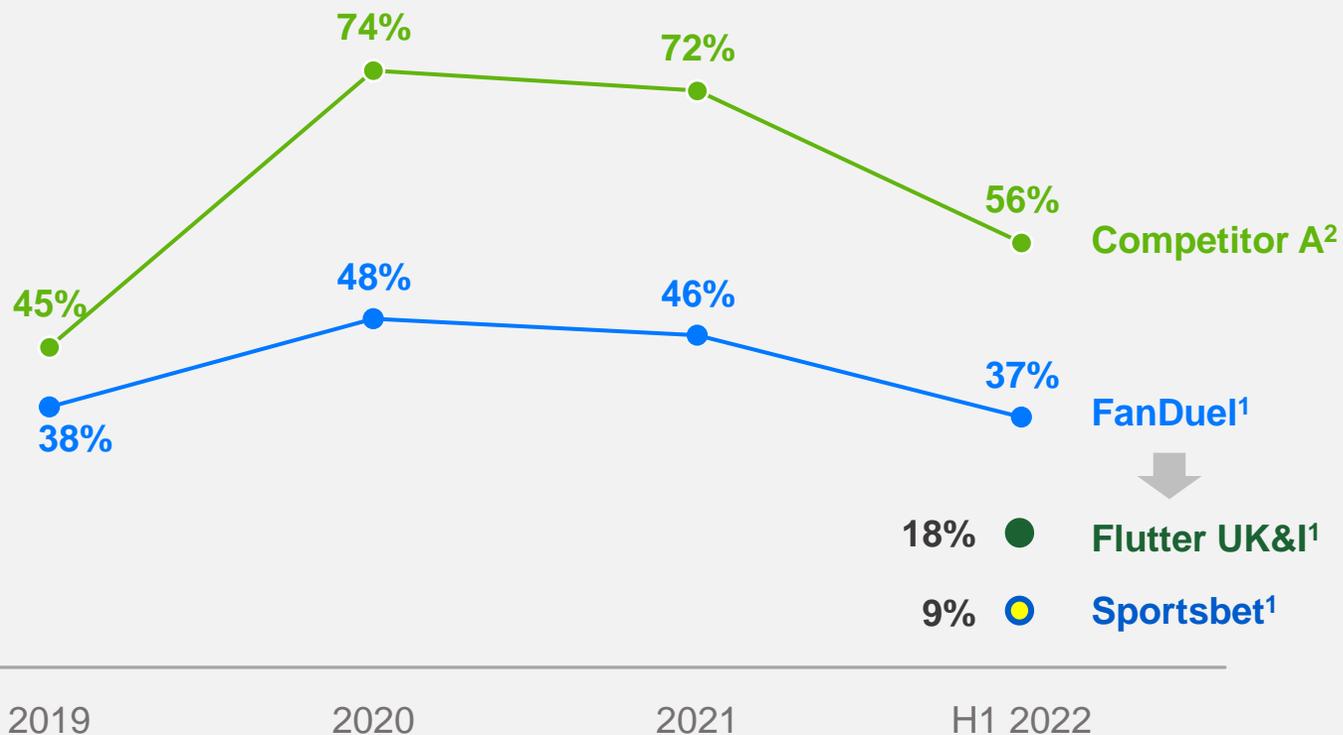
**... WHILE SPENDING \$200M LESS ON MARKETING**



**FanDuel marketing as a % of NGR 20 percentage points lower**

## Huge scope to drive further operating leverage through marketing line

### MARKETING AS A % OF NET REVENUE



### DRIVERS OF FANDUEL'S IMPROVED EFFICIENCY



Heightened brand awareness



National marketing



Spread across more regulated states

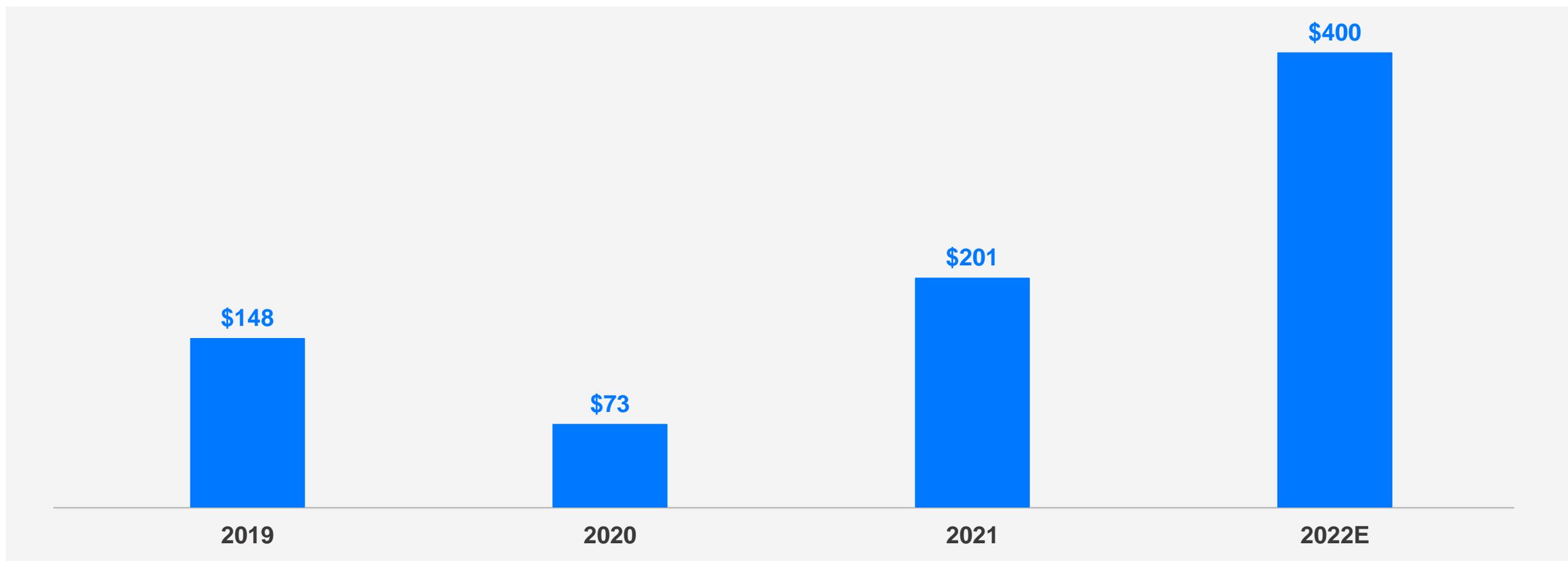
**FanDuel well positioned to reach marketing efficiency levels similar to mature Flutter businesses**

1. FanDuel, UK&I and Sportsbet data per reported financials. Flutter UK&I divisional data includes online and retail

2. Competitor data based on competitor filings. Competitor marketing presented with adjustment to remove share based payments and depreciation and amortization

## Headline contribution growth disguises true scale of embedded value being built

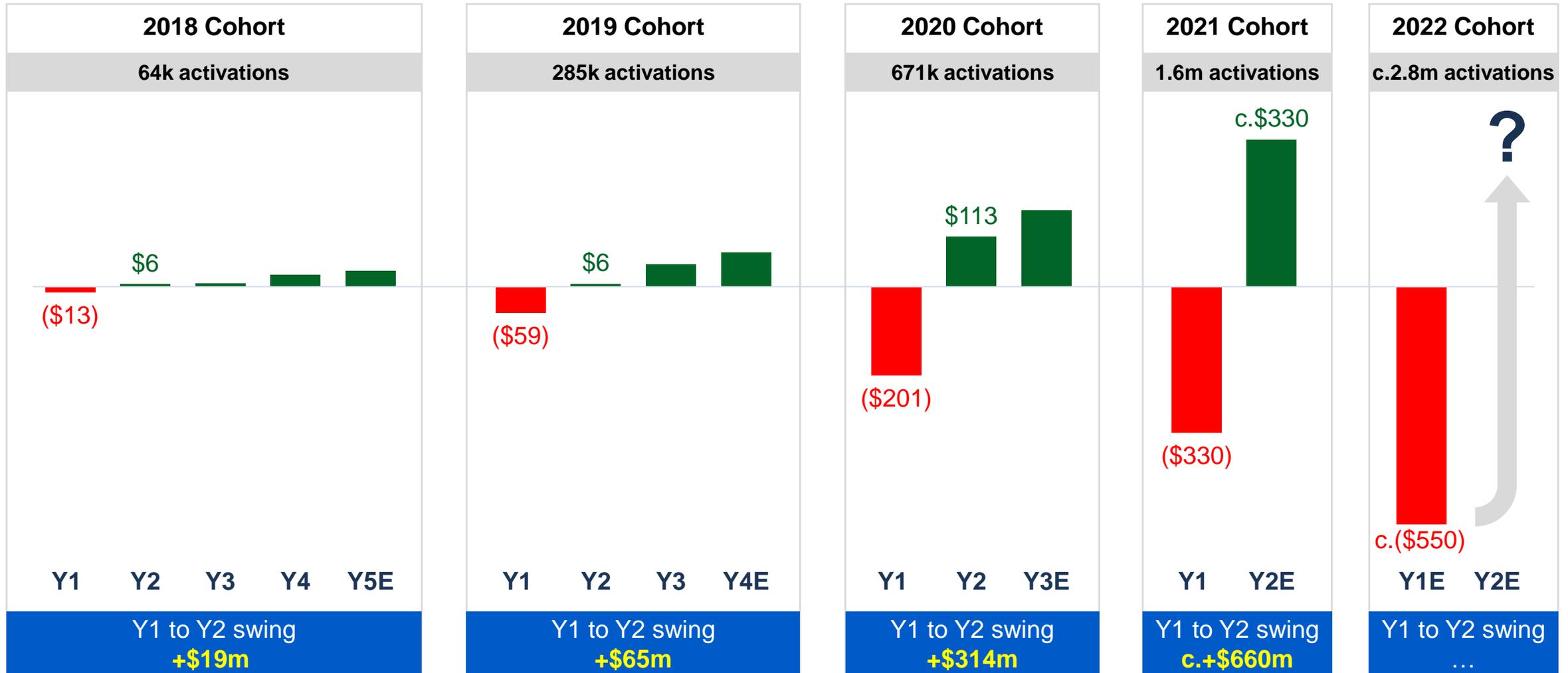
### FANDUEL CONTRIBUTION (\$m)



But to be profitable, our contribution needs to fund and exceed our investment in opex ...

# The cohort view is what gives us confidence in our path to profitability...

## CONTRIBUTION MARGIN BY CUSTOMER COHORT<sup>1,2</sup> (\$M)

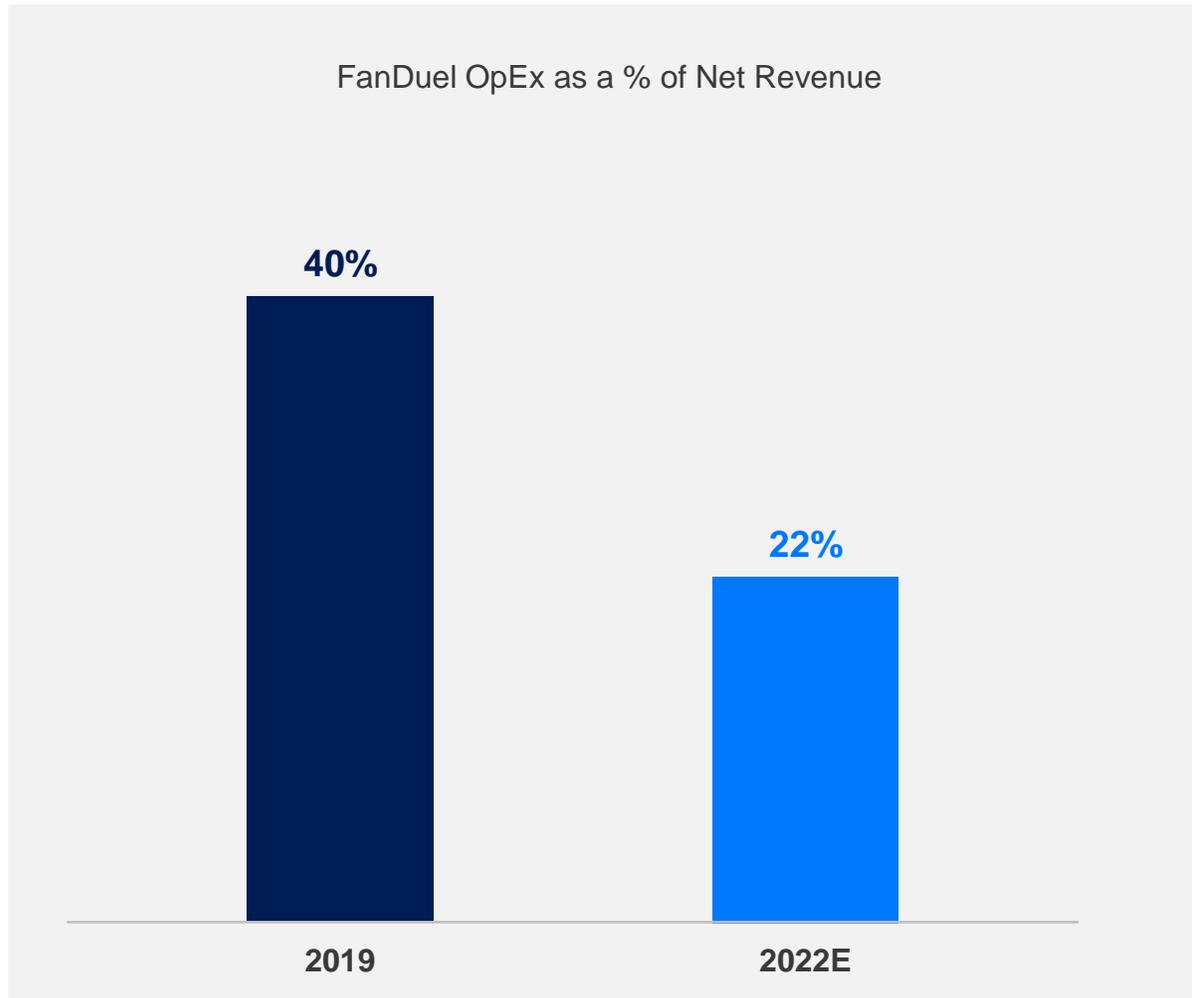


1. US online sportsbook customer cohort analysis, excludes Canada. Year # refers to calendar year

2. 80% of marketing spend in each year is allocated to new cohorts with balance allocated to existing cohorts

# Making progress on operating leverage

## OPERATING LEVERAGE AS BUSINESS HAS SCALED...



## ... ONGOING DRIVERS

- ✓ First priority: continue to invest for long-term growth
- ✓ Certain areas facilitate greater operating leverage
- ✓ Operating expenses will fall into 3 broad buckets:
  - **Increasingly fixed** (HR, Finance, TV Production, Data Analytics)
  - **Semi-variable** (Technology, Pricing & Risk Management, Product, Safer Gambling)
  - **Variable** (Customer Operations, Legal & Compliance, Retail)

## What does this mean for long-term EBITDA margins?

### CLEAR PATH FOR FANDUEL TO ACHIEVE LONG-TERM EBITDA MARGINS SIMILAR TO OTHER FLUTTER DIVISIONS



**47.5 – 52.5%**

Cost of sales % of NGR



**~ 12.5%**

Marketing % of NGR



**~ 10.0%**

OPEX % of NGR



Long-term  
EBITDA margins

**25 – 30%**

# CONCLUSION

Amy Howe

**FANDUEL CHIEF EXECUTIVE OFFICER**



## Key takeaways from today

- 1 FanDuel has **dominant leadership position** in US online sportsbook and big opportunity in iGaming
- 2 Sustainable **FanDuel Advantage**, combined with unique benefits of the **Flutter Edge**, provide great confidence in our ability to maintain clear #1 position
- 3 Our phenomenal **scale powers our flywheel**, allowing us to make meaningful investments in **product, marketing and promotions**
- 4 Combined with superior execution and disciplined cost management, there is a clear route to **significant value creation**



**THANK YOU FOR JOINING US**