



# Flutter Entertainment plc

## Investor Presentation

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## **Currency**

Unless otherwise noted, all references to “£” and “GBP” are to the Great British pound sterling and “\$”, “US\$” and “USD” are to the U.S. dollar.

# Transaction overview

<b>Key Terms</b>	<ul style="list-style-type: none"><li>• Acquisition of 37.2% of FanDuel Group from Fastball for \$4.175bn<ul style="list-style-type: none"><li>- Increases ownership in FanDuel from 57.8% to 95%<sup>1</sup></li><li>- Secures stake at a discount reflecting a number of factors; (i) Fastball's minority position, (ii) the provision of price certainty and liquidity to Fastball (iii) the expedition of payment for the full stake</li></ul></li><li>• Fastball expected to receive \$2,088m in cash and 11.7 million Flutter shares. Following completion of the acquisition and placing, Fastball will own approximately 7% of Flutter</li><li>• Fastball will be subject to a customary lock-up, with 20% released on 31 March 2021, 30% released on 1 July 2021 and the remaining 50% released on 31 December 2021</li></ul>
<b>Cash Consideration Funding Structure</b>	<ul style="list-style-type: none"><li>• £500m funded through cash on balance sheet, resulting in expected pro forma leverage of &lt;3x Net Debt to Adjusted EBITDA at year-end 2020</li><li>• Placing of approximately £1.1bn</li></ul>
<b>Approvals and Timetable</b>	<ul style="list-style-type: none"><li>• Acquisition conditional on Flutter shareholder approval as a related party transaction</li><li>• Placing not conditional on acquisition</li><li>• Expected completion in December 2020</li></ul>
<b>Other</b>	<ul style="list-style-type: none"><li>• Flutter intends to offer to FOX the option to purchase 18.5% of FanDuel at fair market value in July 2021, with substantively the same terms and valuation mechanism that the parties previously agreed would have applied to the Fastball put/call options<sup>2</sup></li><li>• Fastball waives all existing rights in relation to its future economic interests in FOXBet</li></ul>



# Compelling rationale for Transaction and timing

## Significant upside for Flutter and Fastball...

- ✓ Accelerates buy-out of US market leader; bringing Flutter ownership to 95%
- ✓ Secures a discount to our estimate of fair market value under the buyout option in the existing agreements
  - Reflects potentially valuable opportunity in light of Flutter’s estimate of the intrinsic value of the business as well as a discount to closest peer<sup>1</sup>
- ✓ Reduces shareholding complexity in the US, increasing flexibility to optimise US structure over time
- ✓ Provides Fastball with opportunity to achieve certainty today: Accelerates liquidity event while providing continued exposure to material upside via new stake in Flutter

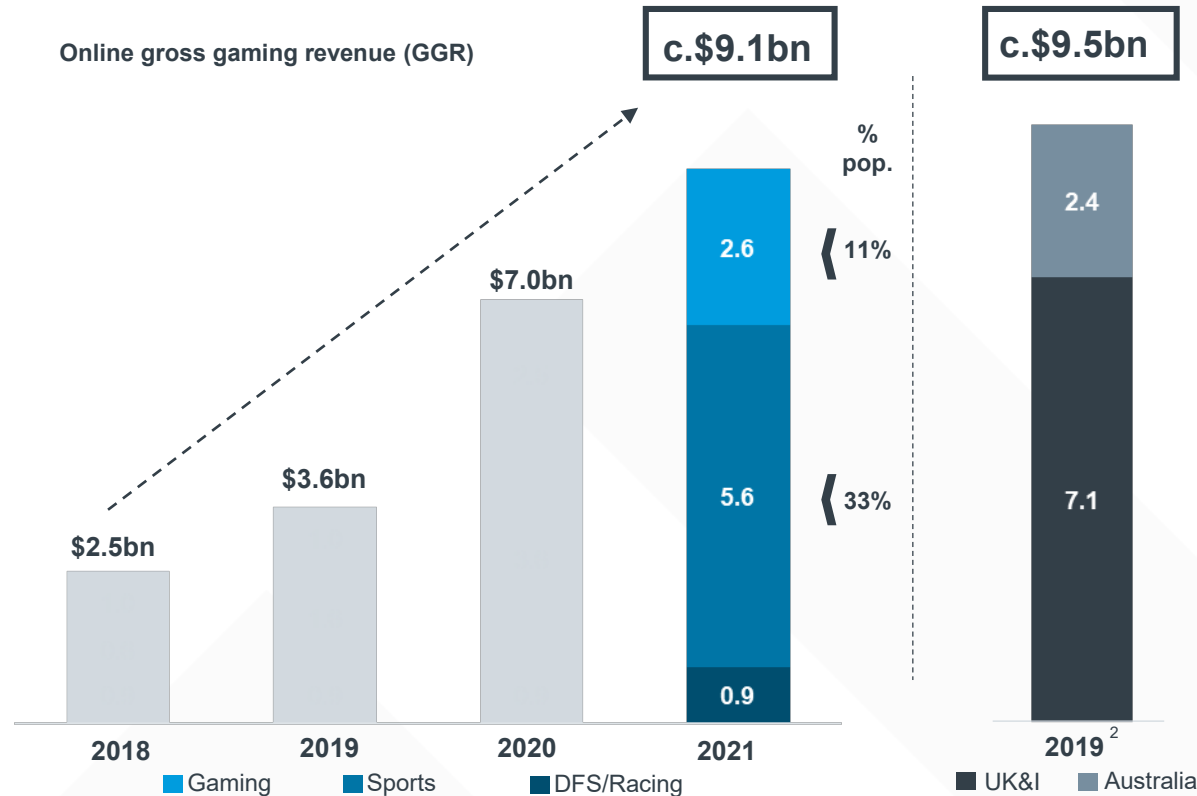
## Increasing Flutter’s exposure to most exciting market

- ✓ US most attractive opportunity in sector today
  - 2021 US states TAM at maturity almost equivalent to UK, Ireland and Australia markets combined
  - Potential for US to generate very significant profits for Flutter
- ✓ FanDuel Group is a unique asset
  - Market leading brand and customer database provides structural cost advantage
  - Ability to leverage Flutter’s proprietary technology and trading resources drives product leadership
  - Scale and national presence helping to fund investment

# Potential for US to generate significant EBITDA for Flutter

2021 US states TAM<sup>1</sup> at maturity almost equivalent to Flutter core markets today...

...2020 forecast EBITDA from these core markets >\$1bn



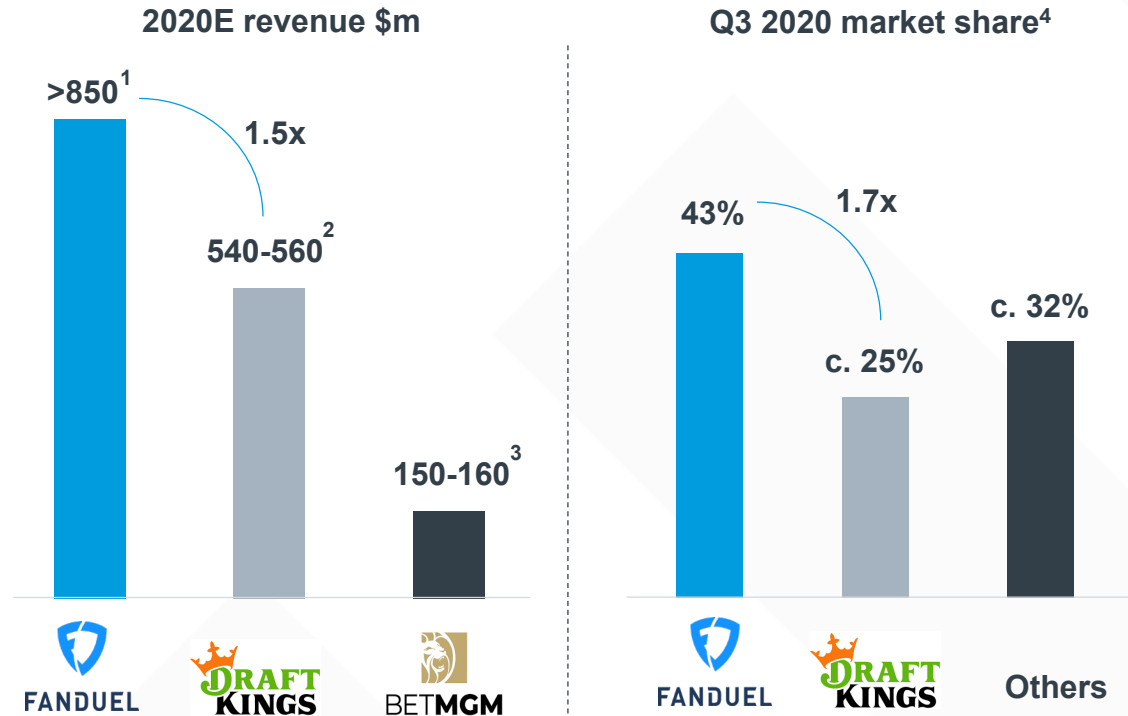
- FanDuel TAM continues to grow:
  - Sportsbook expected to be available to 33% of US population in 2021; 11% for gaming
  - Every +5% of population adds c.\$850m to sports betting TAM; c.\$1.3bn to gaming TAM
- UK&I and Australia comparison:
  - 31% online market share in core markets<sup>3</sup>
  - Expected to generate EBITDA of >\$1bn in 2020
  - US population >3x core markets

Scope for US market size to be a multiple of core markets

# Number 1 operator in the US

Consistent market leader...

...with attractive returns and robust trajectory



- First online operator to reach >\$1bn GGR, with c.\$850m expected in net revenue<sup>1</sup>
- 70%+ revenue growth in 2020 despite Covid disruption
- Average bet size, bet frequency and customer retention rates all exceeding expectations
- **Overall expected 2020 contribution in NJ of over \$40m, now funding investment in additional states<sup>5</sup>**

Compelling customer economics provide clear pathway to future growth and profitability

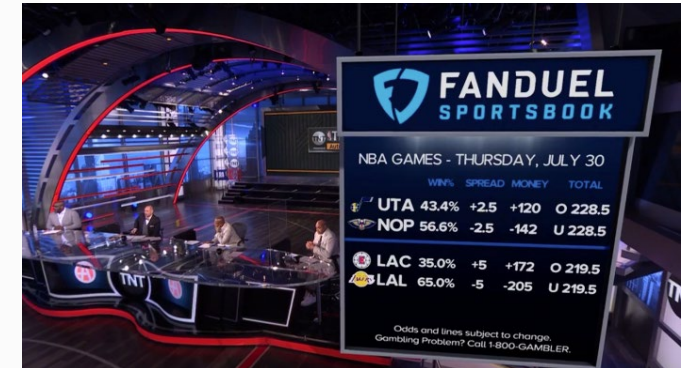
# FanDuel database and brand provide structural cost advantage

## Cross-sell and brand advantage driving market share

- Over 9.5m customers
  - Approximately 40% of all customers acquired in first two years have come directly from DFS database
  - Enables conversion of customers at low CPAs
- Strong brand built on >\$800m investment to date:
  - Synonymous with US sports
  - Resonates well with mass market customers
- Strength of brand attracts key strategic partnerships
  - Market access partner of choice
  - Long-term media assets secured

## While key media assets enhance direct acquisition

Sportsbook pre-game integration with Live FanDuel odds board on Emmy award winning “Inside the NBA” on TNT



FANDUEL SPORTSBOOK				
NBA GAMES - THURSDAY, JULY 30				
	WIN%	SPREAD	MONEY	TOTAL
UTA	43.4%	+2.5	+120	O 228.5
NOP	56.6%	-2.5	-142	U 228.5
LAC	35.0%	+5	+172	O 219.5
LAL	65.0%	-5	-205	U 219.5

Odds and lines subject to change. Gambling Problem? Call 1-800-GAMBLER.



Sportsbook integration with FanDuel promotion during a live NBA game on TNT

Efficient customer acquisition at scale creates attractive path to contribution



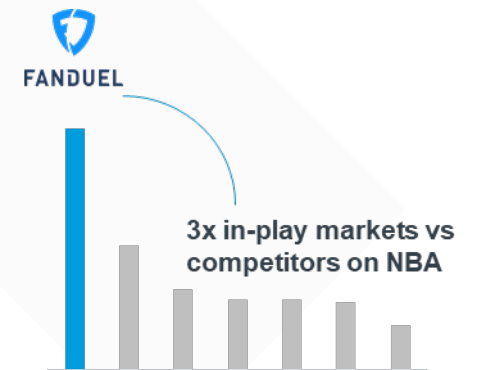
# Best-in-class product drives customer engagement and retention

Number 1 sports betting app<sup>1</sup>



Proprietary technology drives product leadership

- Integrated account and wallet creates seamless cross-sell experience
- Global risk and trading team of over 650 driving product innovation:
  - Only operator with Same Game Parlay™ on NBA, NFL and MLB
  - Broadest selection of betting markets
  - Best in-play product with c.90% availability
- Proprietary sports betting platform live in West Virginia; remaining states to roll-out in 2021
  - Improving reliability, scalability and access to Flutter “feature factory”, supported by over 3,600 technologists group-wide



Customer economics improved by high retention rates

# Diversification and scale funding investment

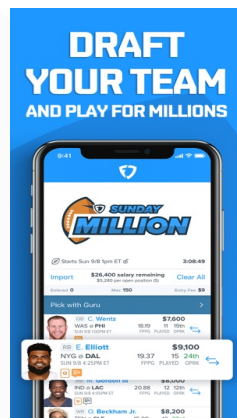
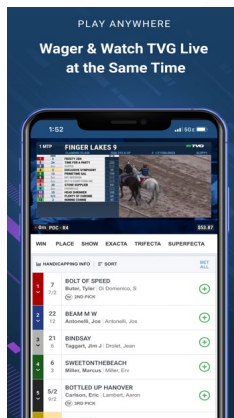
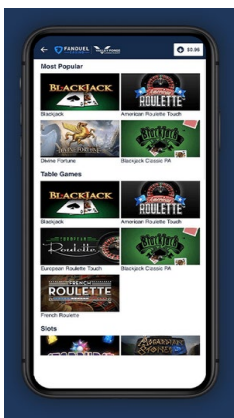
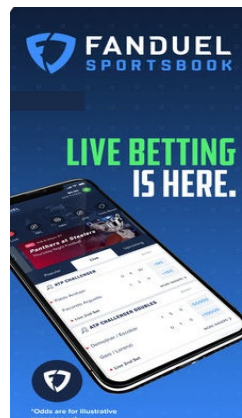
Only operator offering four verticals and free-to-play<sup>1</sup>

Sportsbook  
14 states

Gaming  
4 states

TVG  
33 states

DFS  
41 states



Super 6  
free-to-play  
49 states



Portfolio of significant scale

- FanDuel benefits from:
  - Ability to engage customers across 50 states ahead of sports betting and gaming regulation
  - Multi-state operational expertise
  - Over 1,000 employees
- These enablers drive:
  - Enhanced customer economics from multi-product users within the FanDuel eco-system
  - Positive contribution from existing businesses helps fund sportsbook investment
  - Acquisition at scale with more than 800k customers<sup>2</sup> acquired year to date across all verticals

National presence today creates long term acquisition advantage

# Summary of offering – key placing terms

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<b>Placing Size</b>	<ul style="list-style-type: none"><li>• Approximately £1.1bn</li></ul>
<b>Placing Structure</b>	<ul style="list-style-type: none"><li>• Undocumented cash placing executed by way of an accelerated bookbuild offering (ABO)</li><li>• Securities Act exempt offering to limited number of QIBs within the meaning of Rule 144A and under Regulation S</li></ul>
<b>Flutter Entertainment plc Lock-Up</b>	<ul style="list-style-type: none"><li>• 180 days, subject to customary exceptions</li></ul>
<b>Bookrunners</b>	<ul style="list-style-type: none"><li>• Goldman Sachs International</li><li>• J&amp;E Davy</li></ul>
<b>Timing</b>	<ul style="list-style-type: none"><li>• Transaction launch: Afternoon (UK), Thursday, 3 December 2020</li></ul>

# Conclusion

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- **US most attractive opportunity in sector today**
- **Transaction increases ownership in FanDuel; market leader with long runway of potential future growth**
- **Taking action now removes uncertainty and increases flexibility to optimise US structure**
- **Compelling valuation securing opportunity for significant potential upside for shareholders**







# Number 1 global sports betting and gaming business

4 divisions with market leading brands...

Broad geographic exposure...

... and a diversified product mix

US



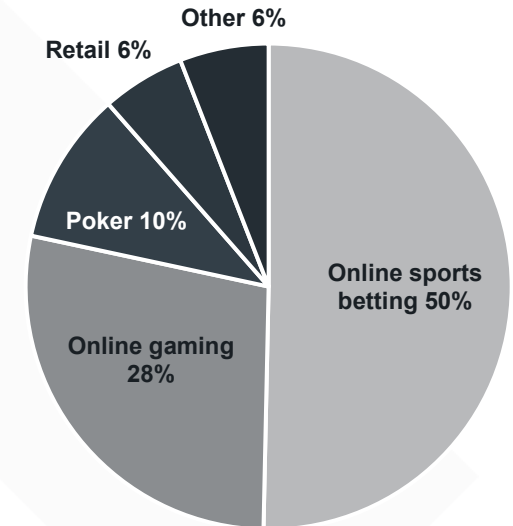
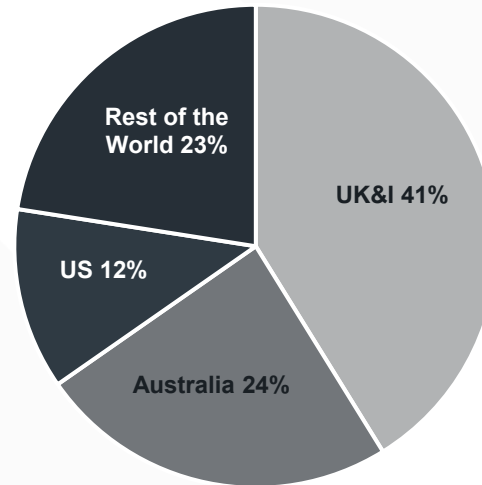
UK&I



Australia



International



# Revenue growth accelerated during Q3

Pro forma revenue £'m	Q3 2020	Q3 2019	YOY CC
PPB	351	322	+10%
<i>Online</i>	278	247	+14%
<i>Retail</i>	74	75	-2%
SBG	231	183	+26%
Australia	320	182	+76%
PokerStars	262	263	+5%
US	161	93	+82%
<b>Group</b>	<b>1,325</b>	<b>1,042</b>	<b>+30%</b>

- Performance driven by strong customer engagement;
  - Group revenue growth of 30% compared to 22% growth in H1
  - Global average daily customers +41%
  - Double digit customer growth across all divisions
- Divisional highlights included:
  - UK & Ireland; Paddy Power and SBG brands took share with revenue growth of +32% and +26% respectively
  - Australia; delivered standout performance; revenue +76%; continuing to benefit from retail to online migration
  - PokerStars; revenue growth normalised to +5% following Q2 boost due to Covid lockdowns
  - US; revenue growth accelerated +82% with return of sports; significantly ahead of other online peers

The Flutter logo, featuring the word "Flutter" in a white, sans-serif font. The letter "F" is stylized with a horizontal bar extending to the left. Below the text is a thin purple horizontal line.

Flutter

[www.flutter.com](http://www.flutter.com)