

Q1 2023 Trading Update

Strong performance in US and Group ex-US driving revenue growth of 46%

Flutter Entertainment plc (the “Group”) announces a trading update for three months ended 31 March 2023.

Unaudited £m	Q1 2023	Q1 2022	YoY %	YoY % CC ¹
Average monthly players² ('000s)	12,349	9,522	+30%	
Sports revenue	1,495	930	+61%	+53%
Gaming revenue	916	636	+44%	+35%
Total revenue	2,411	1,566	+54%	+46%

All commentary within this trading update refers to constant currency¹ growth rates. Pro forma references include Sisal for a full 3-month period in both 2022 and 2023. Any differences due to rounding.

- **Group:** Strong recreational customer growth across all divisions continued in Q1
 - Average monthly players (“AMPs”) of 12.3m, up 30%, driving revenue growth of 46% to £2.4bn
 - Pro forma AMPs +20%, revenue +29%
- **US:** Very strong performance with revenue +92% including sportsbook revenue +147%; Q1 sports market share of 50%, 14pp higher year-on-year; iGaming revenue growth of 43% and Q1 market share 2pp higher than Q4 at 23%; remain firmly on track for full year profitability in 2023
- **Group ex-US:** Delivered good pro forma revenue growth of 8%, driven by continued positive momentum in UK & Ireland (+17%) and good growth in International (+6%), while performance in Australia (-4%) remained resilient against challenging comparatives with good customer growth
- **Sustainability:** *Positive Impact Plan* continues to deliver for customers, colleagues and communities. Welcome publication of UK Government’s Gambling Act Review. Proactive steps taken through *Play Well* strategy are positioning Flutter well for future change
- **US listing:** Shareholder approval received at AGM; expect additional US listing in late Q4

Peter Jackson, Chief Executive, commented:

“The Group delivered a very strong Q1 performance with pro forma revenue growth of 29% achieved through continued execution against the Group’s strategic priorities.

In the US, the combination of the FanDuel Advantage and the Flutter Edge drove further market share gains. We added over 1.5m customers in the quarter and we remain the clear market leader. Our US sports betting handle of \$10.9bn represented almost 60% of the Group’s total sportsbook stakes.

Outside of the US, pro forma revenue growth of 8% demonstrated the benefits of diversification of our portfolio. We continued to take share across our UK & Ireland and International businesses while in Australia we did an excellent job defending our leadership position. We remain delighted with the progress of Sisal since the acquisition in August 2022.

In the UK, the publication of the White Paper has vindicated the proactive actions we have taken to further embed safer gambling across our organisation through our Play Well strategy. The changes will bring consistency to safer gambling protections for customers and make responsible play a priority across all operators, which we strongly support.

We were also very pleased to receive overwhelming support among our shareholders for the addition of a Flutter US listing. The strategic and capital markets benefits this will bring to Flutter will position the Group well for its next phase of growth.”

Divisional analysis

Unaudited revenue £m	Total				Sports ⁵	Gaming	Average monthly players ²	
	Q1 2023	Q1 2022	YoY %	YoY % CC	YoY % CC	YoY % CC	Q1 2023 (000s)	YoY %
US	908	429	+112%	+92%	+116%	+43%	3,449	+46%
UK & Ireland	608	519	+17%	+17%	+17%	+16%	4,024	+11%
- UK & Ireland Online	532	453	+17%	+17%	+16%	+17%	4,024	+11%
- UK & Ireland Retail	77	65	+17%	+15%	+18%	+10%		
Australia	289	291	-1%	-4%	-4%		993	+9%
International	605	327	+85%	+69%	+187%	+46%	3,884	+48%
Group	2,411	1,566	+54%	+46%	+53%	+35%	12,349	+30%

Sisal, acquired in August 2022 has been included on a reported basis within International. The pro forma references within the commentary below include Sisal for a full 3-month period in both 2022 and 2023.

US

As outlined at our November 2022 Capital Markets Day, the *FanDuel Advantage* of (i) efficient player acquisition, (ii) strong retention and, (iii) growth in customer value, which when combined with the *Flutter Edge*, delivered another strong quarter with revenue growth of 92%.

- (i) Successful state launches in Ohio and Massachusetts drove a 20% increase in total new players, delivering number one positions in both markets
- (ii) Continued innovation of our market leading *Same Game Parlay* products, including a broader offering on March Madness and in-play NBA betting, supported strong retention with AMPs 46% higher
- (iii) This product innovation contributed to a 240 basis point increase in expected sportsbook net revenue margin in the quarter, driving greater customer lifetime value

These sustainable advantages delivered sportsbook market share gains of 14 percentage points versus the prior year to 50%³.

Sports revenue grew 116%, with sportsbook revenue 147% higher. Sportsbook stakes increased 43% while sportsbook net revenue margin increased 290 basis points year on year to 7.0%, benefitting from 80 basis points of favourable sports results in the quarter and unfavourable results in the prior comparable period. The expected sportsbook net revenue margin increase referenced above was partially offset by increased generosity levels from the launch in new states.

Our iGaming strategy is delivering results with AMPs 47% higher and revenue growth of 43%. Product improvements in the *FanDuel Casino* app engaged more direct casino customers, while the *Reward Machine* free-to-play product drove an increase in player frequency. This delivered a 200 basis point improvement in our iGaming market share to 23% in the quarter³.

UK & Ireland

Online

Our UK & Ireland division continued to significantly outperform the market with AMP growth of 11% to over 4m, and revenue up 17%. This performance reflects the reshaping of our business in recent years to focus on growing our recreational customer base.

Sports revenue grew by 16% with an enhanced product offering driving good retention of World Cup players from Q4 and strong customer acquisition. Net revenue margin of 11.1%, was in line with expectations, and 150 basis points higher than the prior year driven by the continuing increase in the penetration of our *Betbuilder* products.

Gaming revenue grew 17% continuing the strong momentum evidenced in the second half of 2022 and helped in the quarter by enhanced daily prize mechanics, with the introduction of bonus rounds and guaranteed jackpots. *Sky Vegas* also benefitted from an expansion of live casino content which boosted player engagement.

Retail

Retail revenue was up 15% as Paddy Power grew share across both retail estates in the UK and Ireland. This growth reflects lower prior year revenues as post Covid behaviour normalised, as well as good customer engagement in the quarter driven by our leading product and customer proposition.

Australia

Sportsbet delivered good player retention despite challenging Covid comparatives with AMPs growing 9% year-on-year. Revenue declined by 4% reflecting the unwind of the Covid frequency benefit from the prior year. Sportsbet has grown both revenue and players at a compound rate of 17% since 2019. Net revenue margin of 11.2% was 30 basis points lower reflecting the increased investment in promotional generosity to defend our leading position in a competitive market.

International

Unaudited revenue £m	Total				Sports ⁵	Gaming	Average monthly players ²	
	Q1 2023	Q1 2022	YoY %	YoY % CC	YoY % CC	YoY % CC	Q1 2023 (000s)	YoY %
International reported	605	327	+85%	+69%	+187%	+46%	3,884	+48%
International pro forma	605	533	+14%	+6%	+17%	+3%	3,884	+14%

International reported revenue growth of 69% reflects the acquisition of Sisal, acquired in August 2022. Pro forma revenue grew 6%, driven by strong AMP growth of 14% to 3.9m. The previously guided regulatory headwind from Russia and Ukraine had a limited impact in the period with growth excluding these items of 8%⁴.

The International division is at a growth inflection point, led by our ‘*consolidate and invest*’ markets⁴, which accounted for 77% of International revenue, and grew at 20% in Q1. Sisal is performing exceptionally well, benefitting from its inclusion into the Flutter business. Excellent conversion of retail customers to its range of online products, drove revenue in Italy +19%. Player volumes benefited from Sisal’s market leading proposition and the record *SuperEnalotto* jackpot of over €370m, which was won during February. Sisal also saw record cross sell rates, which led to good growth in average player value. We also continued to successfully scale our leading positions in high growth markets such as India and Turkey, where revenues were up 65% and 107% respectively.

¹ Constant currency (“cc”) growth is calculated by retranslating the non-sterling denominated components of Q1 2022 at Q1 2023 exchange rates. Growth rates in the commentary are in local or constant currency.

² Average Monthly Players represent the average number of players who have placed and/or wagered a stake and/or contributed to rake or tournament fees during the month in the reporting period. Average Monthly Player numbers now include Junglee players, and Q1 2022 comparative figures have been adjusted to show a like for like comparison.

³ Online sportsbook and gaming market share is the GGR market share of our sportsbook and gaming brands for Q1 2023 in the states in which FanDuel was live, based on published gaming regulator reports in those states.

⁴ Guided headwinds reflect the effects of the war in the Ukraine on our business in Russia and the Ukraine. Consolidate and Invest markets in International are Italy, Spain, Georgia, Armenia, Brazil, India and Turkey.

⁵ Sports revenue includes revenue from sportsbook, exchange, daily fantasy sports, advance deposit wagering and B2B product verticals.

Analyst briefing:

The Group will host a questions and answers call for institutional investors and analysts this morning at 9:00am (BST). To dial into the conference call, participants need to register [here](#) where they will be provided with the dial in details to access the call.

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About Flutter Entertainment plc:

Changing the Game

We are a global betting and gaming group with an ambition to drive positive and sustainable change in our industry. Through our world class brands we excite and entertain customers, while leading the way in responsible play. Our strength is the Flutter Edge, optimising the advantages of our global scale to drive business performance and positive impact for our customers, colleagues and communities.

We report as four divisions:

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