



# Second Quarter 2019

Earnings Presentation

August 12, 2019



# CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS



This presentation contains forward-looking statements and information within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable securities laws, including, without limitation, certain financial and operational expectations and projections, such as certain future operational and growth plans and strategies, and certain financial items relating to the updated full year 2019 results, and the expected addressable U.S. sports betting market. Forward-looking statements and information can, but may not always, be identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “would”, “should”, “believe”, “objective”, “ongoing”, “imply”, “assumes”, “goal”, “likely”, and similar references to future periods or the negatives of these words or variations or synonyms of these words or comparable terminology and similar expressions. These statements and information, other than statements of historical fact, are based on management’s current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, technological developments, anticipated events and trends and regulatory changes that affect The Stars Group Inc. and its subsidiaries (collectively, “The Stars Group” or “TSG”), and its and their respective customers and industries. Although The Stars Group and management believe the expectations reflected in such forward-looking statements and information are reasonable and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, regulatory, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements. Specific risks and uncertainties include, but are not limited to: customer and operator preferences and changes in the economy; reputation and brand growth; competition and the competitive environment within addressable markets and industries; macroeconomic conditions and trends in the gaming and betting industry; ability to predict fluctuations in financial results from quarter to quarter; ability to mitigate tax risks and adverse tax consequences, including, without limitation, changes in tax laws or administrative policies relating to tax and the imposition of new or additional taxes, such as value-added and point of consumption taxes, and gaming duties; The Stars Group’s substantial indebtedness requires that it use a significant portion of its cash flow to make debt service payments; impact of inability to complete future or announced acquisitions or to integrate businesses successfully, including, without limitation, Sky Betting & Gaming (“SBG”) and BetEasy; contractual relationships of The Stars Group or any of its subsidiaries with FOX Corporation (“FOX”) and Sky plc and/or their respective subsidiaries; an ability to realize all or any of The Stars Group’s estimated synergies and cost savings in connection with acquisitions, including, without limitation, the acquisition of SBG and the Australian acquisitions; ability to mitigate foreign exchange and currency risks; legal and regulatory requirements; potential changes to the gaming regulatory framework; the heavily regulated industry in which The Stars Group carries on its business; ability to obtain, maintain and comply with all applicable and required licenses, permits and certifications to offer, operate and market its product offerings, including difficulties or delays in the same; social responsibility concerns and public opinion; protection of proprietary technology and intellectual property rights; intellectual property infringement or invalidity claims; and systems, networks, telecommunications or service disruptions or failures or cyber-attacks and failure to protect customer data, including personal and financial information. These factors are not intended to represent a complete list of factors that could affect The Stars Group; however, these factors as well as other applicable risks and uncertainties include, but are not limited to, those identified in its most recently filed annual information form, including under the heading “Risk Factors and Uncertainties”, and in its most recently filed management’s discussion and analysis, including under the headings “Caution Regarding Forward-Looking Statements”, “Risk Factors and Uncertainties” and “Non-IFRS Measures, Key Metrics and Other Data”, each available on SEDAR at [www.sedar.com](http://www.sedar.com), EDGAR at [www.sec.gov](http://www.sec.gov) and The Stars Group’s website at [www.starsgroup.com](http://www.starsgroup.com), and in other filings that The Stars Group has made and may make in the future with applicable securities authorities in the future, should be considered carefully. Investors are cautioned not to put undue reliance on forward-looking statements or information. Any forward-looking statement or information in this presentation expressly qualified by this cautionary statement. Any forward-looking statement or information speaks only as of the date hereof, and The Stars Group undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.



# OVERVIEW

**Rafi Ashkenazi**

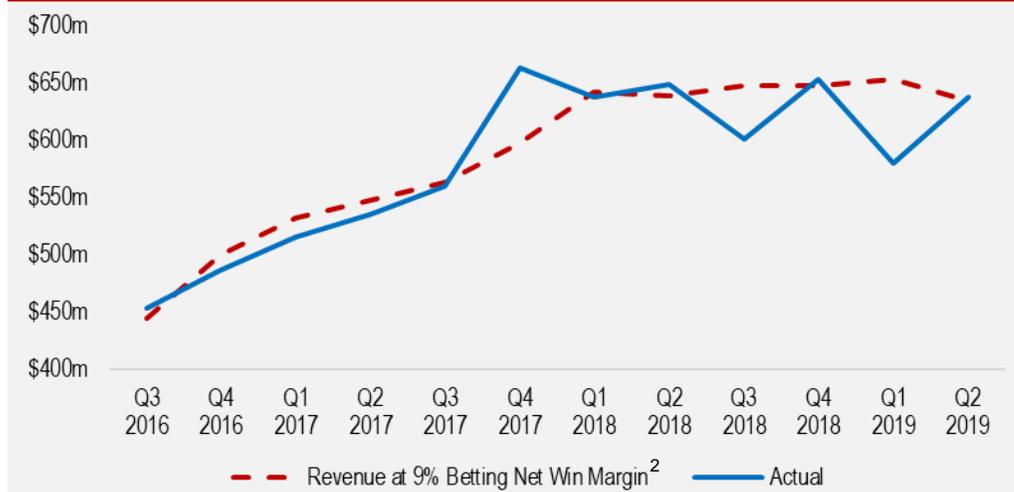
Chief Executive Officer

# Q2 2019 HIGHLIGHTS

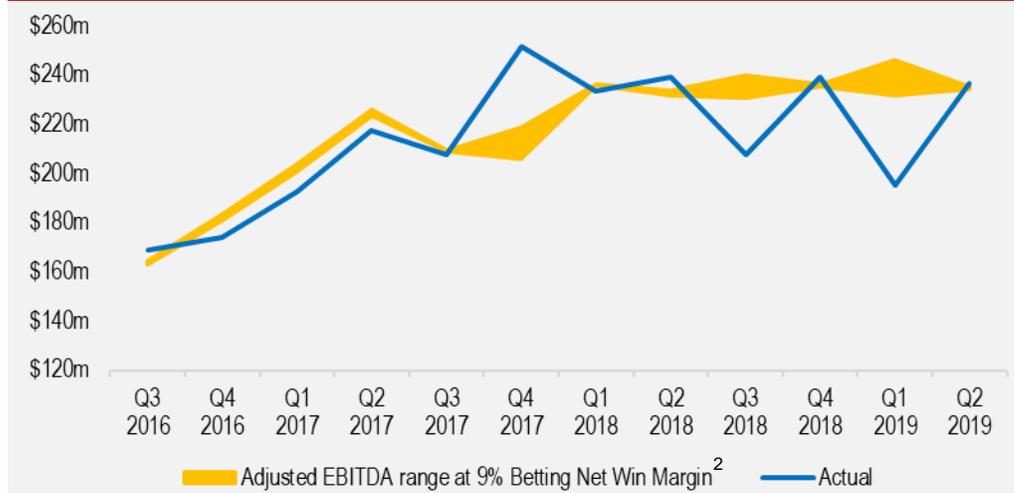
STRONG UNDERLYING FUNDAMENTALS; DELIVERING ON 2019 PRIORITIES



## Proforma<sup>1</sup> Revenue – Betting Net Win Margin In-line with Expectations



## Proforma<sup>1</sup> Adjusted EBITDA – Bouncing back with Betting Net Win Margin



## INTEGRATION

- ★ Successful launch of Sky Bet by Stars in Italy and recent launch in Germany
- ★ Continued roll-out of new betting and gaming content

## EXECUTION

- ★ FOX Bet on track for launching for NFL season in New Jersey/Pennsylvania
- ★ Potential U.S. market access expanded with New York and multi-state deal with Penn
- ★ First ever poker tournament series to pay out over \$100 million in prize money
- ★ Sky Bingo Arcade and Sky Lotto launched
- ★ BetEasy strategic partnership with Kayo Sports

## DEBT REDUCTION

- ★ Voluntary prepayment of \$350 million of first lien term loans year to date

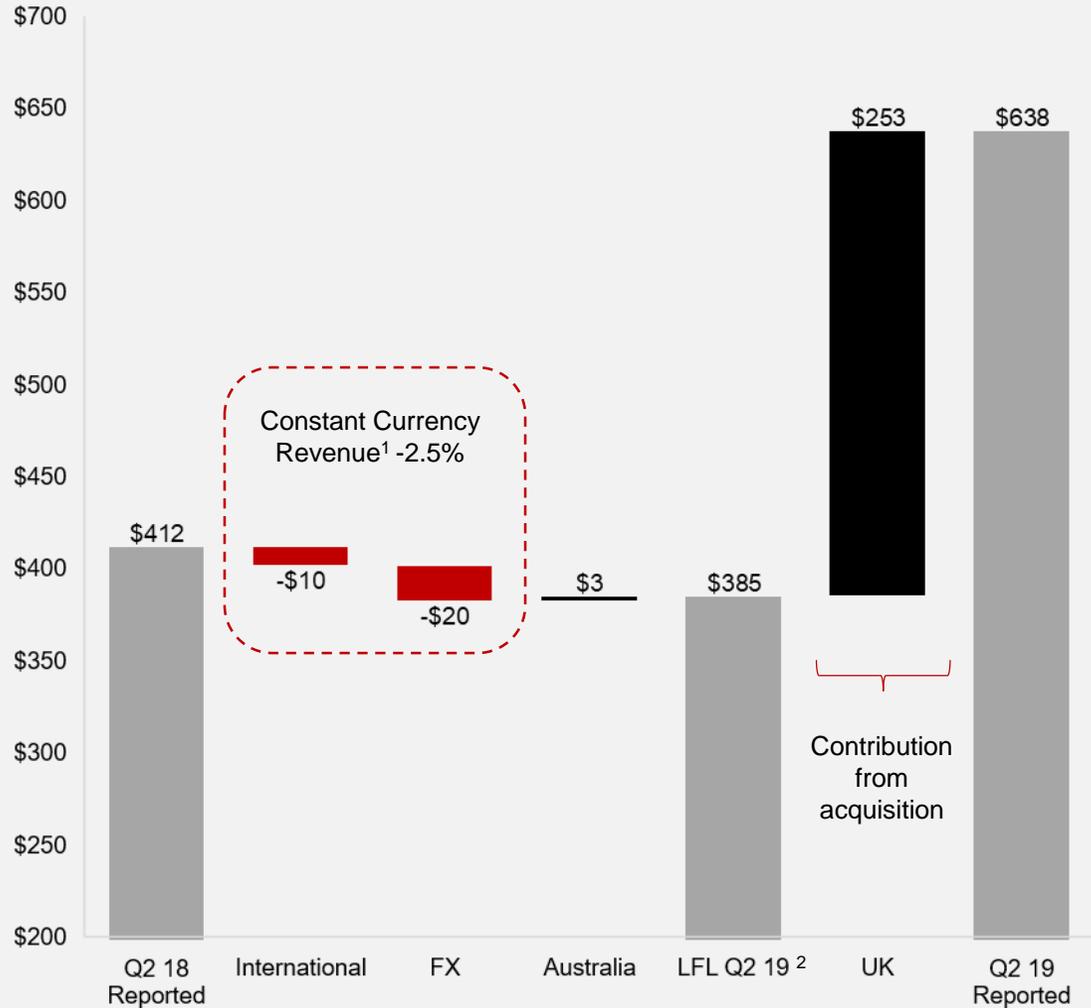
1. Proforma reflects the consolidated financial results of TSG, SBG and BetEasy as if TSG had owned SBG and BetEasy since July 1, 2016 (but excluding William Hill Australia before it was acquired in April 2018)  
 2. Revenue and Adjusted EBITDA calculated on a Betting Net Win Margin of 9%, applied to actual Stakes in the period. Adjusted EBITDA range based on 50-70% conversion from revenue. Provided for illustrative purposes only to highlight the impact of sporting results on reported performance

# CONSOLIDATED Q2 REVENUE AND ADJUSTED EBITDA

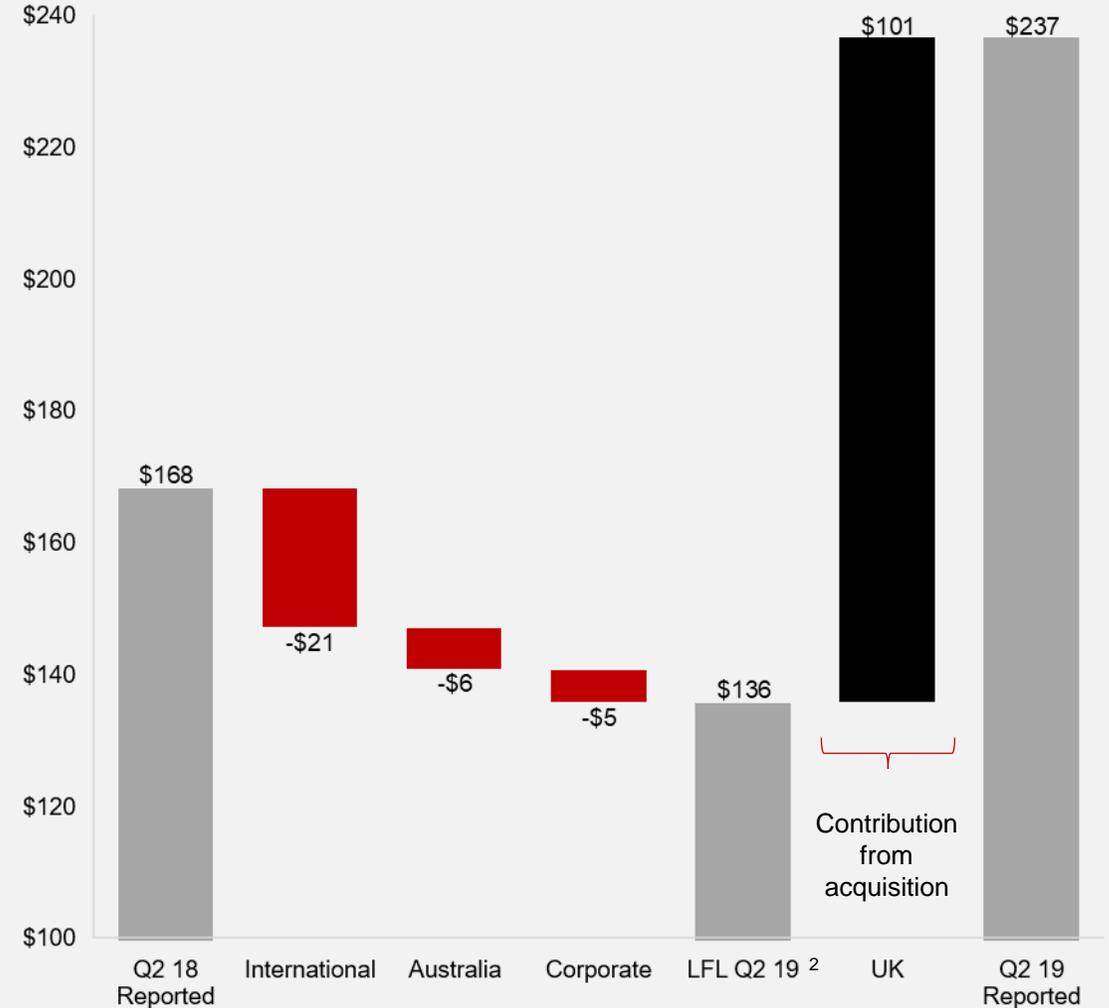
CONTRIBUTION FROM ACQUISITIONS MORE THAN OFFSET HEADWINDS IN INTERNATIONAL



## Revenue Bridge (\$ millions)



## Adjusted EBITDA<sup>1</sup> Bridge (\$ millions)



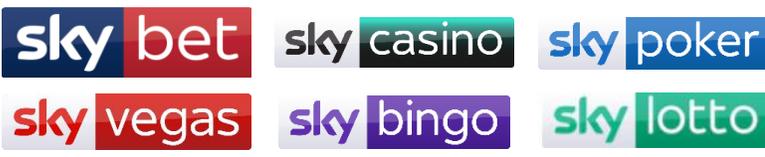
1. Non-IFRS financial measure. Please refer to the Appendix of this presentation for the applicable reconciliation and/or additional information

2. 'LFL' reflects like-for-like results for the TSG business that existed in the prior year, i.e., excluding the acquisition of SBG. William Hill Australia was acquired during Q2 2018 but the presentation of proforma results excludes the results of William Hill Australia prior to acquisition and therefore the Australia segment is comparable year-over-year on a reported basis

# Q2 2019 HIGHLIGHTS

## CONTINUED STRONG OPERATIONAL PERFORMANCE



<p>In millions of dollars (except percentages or otherwise noted)</p>	<p><b>International</b></p> 	<p><b>United Kingdom</b></p> 	<p><b>Australia</b></p> 
<p><b>Revenue<sup>1</sup></b></p>	<ul style="list-style-type: none"> <li>• \$322 – 50% of consolidated</li> </ul>	<ul style="list-style-type: none"> <li>• \$253 – 40% of consolidated</li> </ul>	<ul style="list-style-type: none"> <li>• \$64 – 10% of consolidated</li> </ul>
<p><b>Adjusted EBITDA<sup>1,2</sup></b></p>	<ul style="list-style-type: none"> <li>• \$143 (45% Adjusted EBITDA Margin<sup>2</sup>)</li> <li>• 57% of consolidated</li> </ul>	<ul style="list-style-type: none"> <li>• \$101 (40% Adjusted EBITDA Margin<sup>2</sup>)</li> <li>• 40% of consolidated</li> </ul>	<ul style="list-style-type: none"> <li>• \$7 (11% Adjusted EBITDA Margin<sup>2</sup>)</li> <li>• 3% of consolidated</li> </ul>
<p><b>Key highlights</b></p>	<ul style="list-style-type: none"> <li>• Record Spring Championship of Online Poker (SCOOP) with first ever tournament series to pay out more than \$100 million in cash prizes</li> <li>• Continued roll-out of casino game launches across multiple jurisdictions</li> <li>• Further UFC integration and promotions</li> </ul>	<ul style="list-style-type: none"> <li>• All time high QAUs, Revenue and impressive Adjusted EBITDA<sup>2</sup></li> <li>• Strong engagement from customers acquired at the Cheltenham Festival in Q1, with record Stakes at certain racing and soccer events during Q2</li> <li>• Sky Bingo Arcade and Sky Lotto launched, targeting higher-value recreational players</li> <li>• Announced enhanced safer gambling measures in collaboration with industry peers</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic partnership with Kayo Sports announced</li> <li>• Continued ramp up and refinement of My Rewards, a personalized loyalty plan</li> </ul>

1. UK Segment revenue includes \$1 million that was excluded from the Corporation's consolidated results as it related to intersegment revenue. Adjusted EBITDA for the Corporate cost center (\$15 million in Q2 2019) is not included in the calculation of the proportion of consolidated total above as it does not relate to a specific segment. Totals may not sum to 100% due to rounding

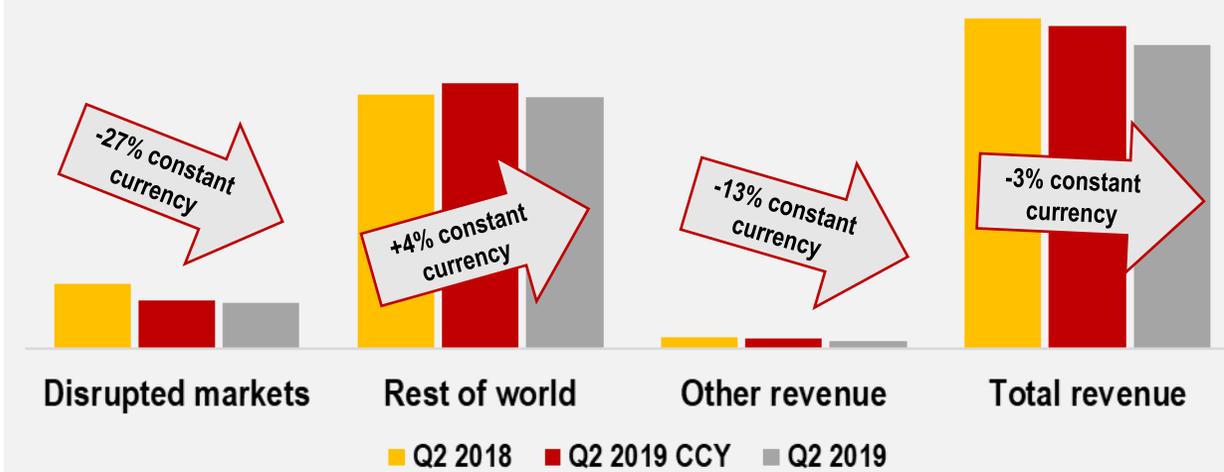
2. Non-IFRS financial measure. Please refer to the Appendix of this presentation for the applicable reconciliation and/or additional information

# INTERNATIONAL SEGMENT – DISRUPTED MARKETS UPDATE

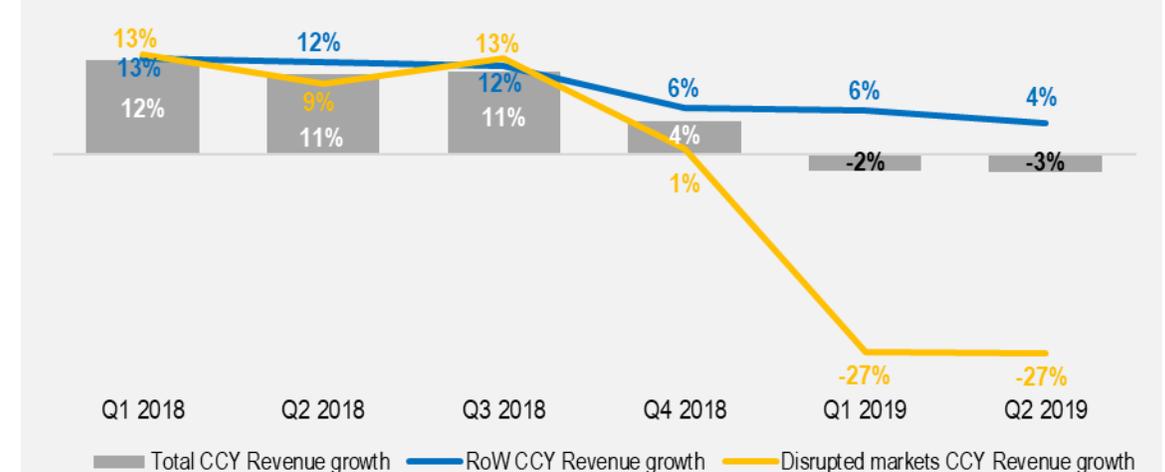
ENCOURAGING TRENDS DESPITE FX HEADWINDS AND MARKET DISRUPTION



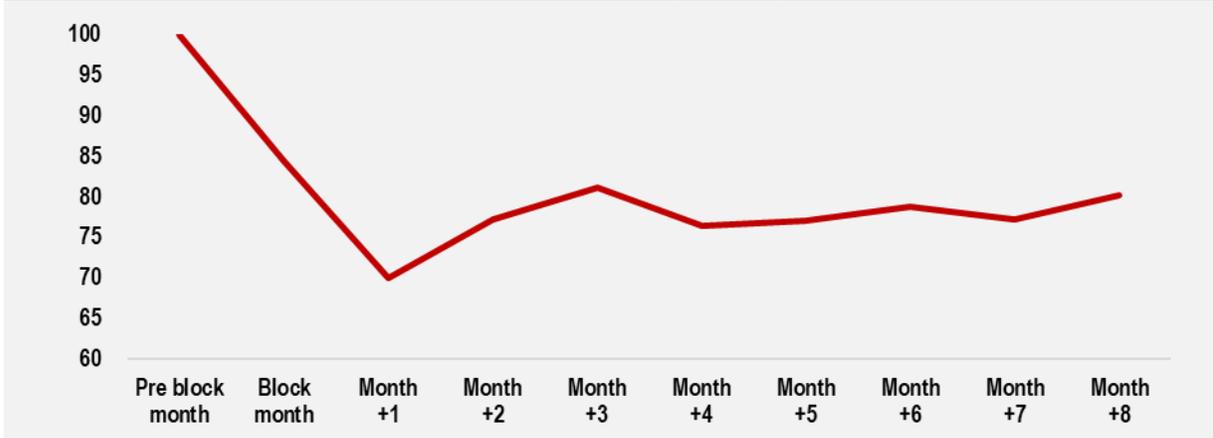
## Q2 2019 Significantly Impacted by FX and Disrupted Markets<sup>1,2,3</sup>



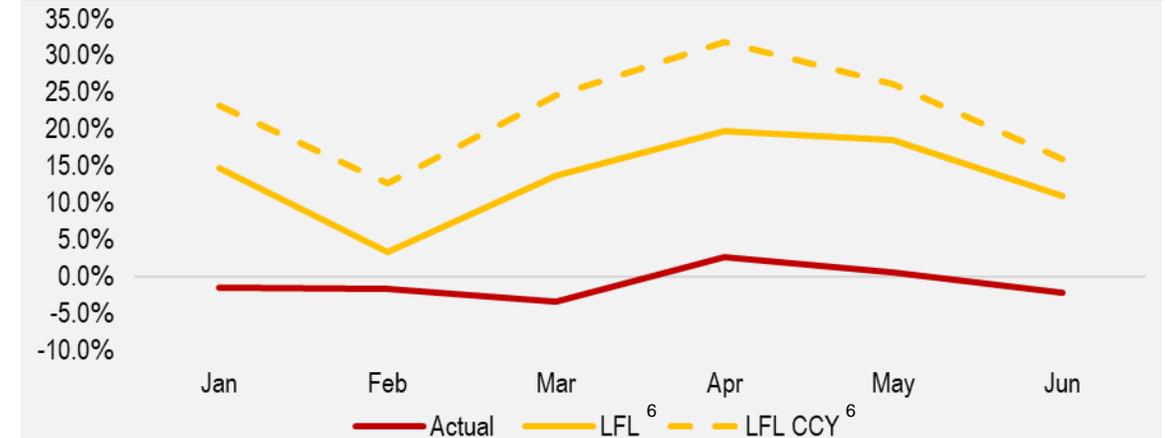
## Disrupted Markets Have Impacted Growth Since Q4 2018<sup>1,2,3</sup>



## Net Deposits Stabilized and Recovering in Payment Blocked Countries<sup>4</sup>



## Underlying Casino GGR<sup>5</sup> Growth Over 20%



1. Disrupted markets reflect those markets that have either closed or encountered operational challenges from payment processing blocking or limitations on ability to download TSG's apps  
 2. Disrupted markets and rest of world are based on country specific net gaming revenue (excluding Other revenue) and are shown for illustrative purposes to highlight the country specific impact. Other revenue shown separately  
 3. CCY reflects results in constant currency (i.e. translating current period results at prior period exchange rates for relevant countries). Constant Currency Revenue is a non-IFRS financial measure. Please refer to the Appendix of this presentation for the applicable reconciliation and/or additional information  
 4. Total Net Deposits of disrupted countries in the month prior to each individual country becoming impacted by payment processing blocking has been reset to 100 to show the subsequent affect of payment blocking. Shown for illustrative purposes only  
 5. GGR, or Gross Gaming Revenue, reflects revenue before offsets (e.g. customer loyalty program costs, bonuses and promotions) and is provided for illustrative purposes only to show the trend  
 6. LFL reflects the year-over-year growth excluding closed markets (Switzerland and Slovakia) from both the current and prior year results. LFL CCY reflects the same LFL results in constant currency (i.e. translating current period results at prior period exchange rates for relevant GGR)

# DIVERSIFIED GLOBAL LEADER

## STRATEGIC FRAMEWORK TO DRIVE GROWTH AND CREATE VALUE



<b>Large, Growing Markets</b>	★ \$46bn global online gaming market <sup>1</sup> with significant untapped potential in newly regulating markets including the U.S.
<b>Diversified Global Market Leader</b>	★ Proven track record of developing leading positions in core products across key regulated markets
<b>Sustainable Competitive Advantages</b>	★ Creating barriers to entry while driving continued market share gains
<b>Platform For Expansion</b>	★ Unmatched scale allows replication in new markets
<b>Attractive Financial Model</b>	★ High customer retention offers revenue visibility combined with significant scale to drive attractive margins Strong Free Cash Flow conversion enables rapid debt reduction

- Strong brand and marketing assets
- Network effects in poker and free-to-play games
- Leading technology and product platforms
- Large, loyal customer bases

**Becoming the world's favorite iGaming destination**

1. 2018 global gaming market gross revenues (excluding lottery). H2 Gambling Capital (March 2019)



# FOX BET

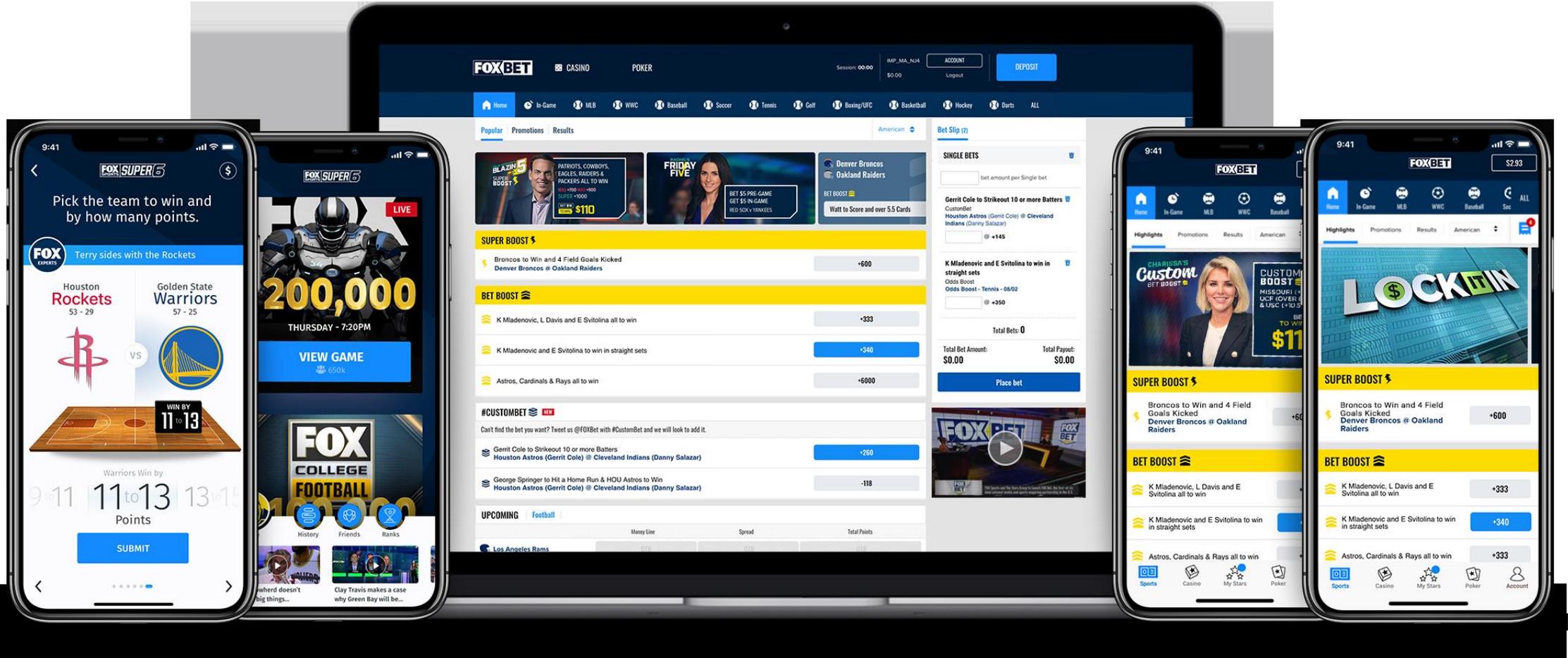
**Robin Chhabra**

CEO – FOX Bet

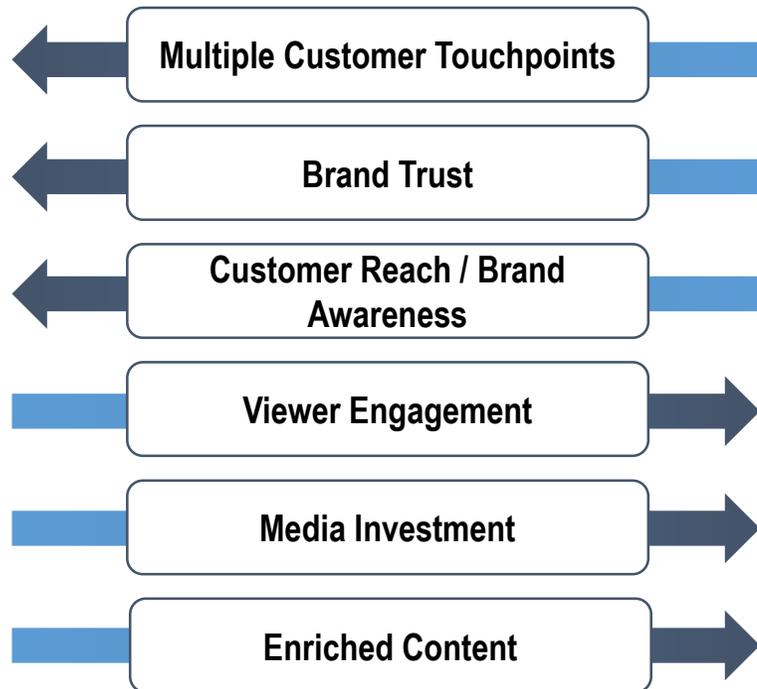
# FOX BET

# FOX BET

INNOVATIVE DESIGNS READY TO LAUNCH



### Mutually Beneficial Relationship



#### TRANSACTION STRUCTURE

- ★ Long-term commercial agreement for up to 25 years that grants exclusive use of certain FOX trademarks in the U.S. for wagering
- ★ FOX Corporation acquired approximately \$236 million of newly issued common shares in The Stars Group, becoming a 4.99% shareholder
- ★ At any time prior to year 10, Fox has the option to take a 50% equity interest in TSG's US business subject to obtaining licenses from the applicable gaming regulators
- ★ Subject to applicable state gaming regulations, after year 7, Fox has the option to take up to a 30% passive equity interest in TSG's US business

#### PRE-LAUNCH PROGRESS

- ★ Leadership team in place
- ★ U.S. market access deals signed with Mohawk and Penn, increasing potential access to up to 20 states

#### 2019 LAUNCH TARGETS

- ★ FOX Sports Super6, a nationwide free-to-play game, launching for NFL Season
- ★ FOX Bet New Jersey and Pennsylvania launch for NFL Season

#### FINANCIAL PLAN

- ★ Adjusted EBITDA<sup>1</sup> loss of ~\$40 million for remainder of year
- ★ Currently expect to breakeven by end of 2022<sup>2</sup>

1. Non-IFRS financial measure. Please refer to the Appendix of this presentation for the applicable reconciliation and/or additional information

2. Based on current expectations of the regulatory environment, state openings, skin availability, and expected addressable market size



# FINANCIAL SUMMARY

**Brian Kyle**

Chief Financial Officer

# SUMMARY CONSOLIDATED FINANCIALS

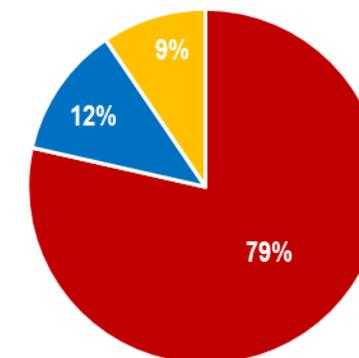
## THREE MONTHS ENDED JUNE 30, 2019



Three months ended June 30, in millions of dollars (except percentages or otherwise noted)	Reported			Proforma <sup>2</sup>			
	2019	2018	% change	2019	2018	% change	CC <sup>1,3</sup> %
Total Revenue	637.6	411.5	55%	637.6	648.9	(2%)	4%
Adjusted EBITDA <sup>1</sup>	236.7	168.3	41%	236.7	239.1	(1%)	
Operating Income	94.0	1.1	8,730%				
Adjusted Net Earnings <sup>1</sup>	137.5	131.0	5%				
Net Earnings	4.6	(154.8)	NMF				
Net cash inflows from operating activities	173.2	164.0	6%				
Capital Expenditures	37.0	24.9	49%				
	<b>2019</b>	<b>2018</b>					
Weighted average diluted number of shares (millions)	282.4	215.4					
Adjusted Diluted Net Earnings Per Share <sup>1</sup> (\$)	\$0.48	\$0.60					
Diluted Earnings Per Share (\$)	\$0.02	\$(1.01)	<u>March 31, 2019</u>				
Net Debt <sup>1</sup>	4,749.7	NMF <sup>4</sup>	5,057.2				
Leverage <sup>1</sup>	5.4x	NMF <sup>4</sup>	5.7x				

- ★ Reported growth primarily a result of SBG contribution following acquisition in July 2018
- ★ Proforma Adjusted EBITDA down 1% year-over-year largely due to organic growth being offset by FX headwinds and certain disrupted markets within the International segment

Q2 2019 Revenue by regulatory status<sup>5</sup>



■ Regulated / taxed ■ Regulatory progress under way ■ Others

1. Non-IFRS financial measure. Please refer to the Appendix of this presentation for the applicable reconciliation and/or additional information  
2. Proforma reflects the consolidated financial results of TSG, SBG and BetEasy as if TSG had owned SBG and BetEasy since April 1, 2018 (but excluding William Hill Australia before it was acquired on 24 April 2018)  
3. Constant Currency Revenue is based on translating current period proforma revenue for International, UK and Australia segments using the prior year's monthly average exchange rates for its local currencies other than the U.S. dollar. For additional information, please refer to the Appendix  
4. "NMF" means not a meaningful figure in this instance due to significant changes to the capital structure (post June 2018) as a result of the acquisition of SBG and associated financing  
5. Excludes Other revenue. Regulatory progress under way reflects jurisdictions in the process of regulating any vertical (i.e., betting, gaming, poker) or are currently contemplating or discussing potential future regulation of any vertical

# INTERNATIONAL SEGMENT FINANCIAL SUMMARY

## SHORT-TERM CHALLENGES IMPACTED PERFORMANCE



### SUMMARY FINANCIALS (\$ millions)

In millions of USD (except percentages or otherwise noted)	Three months ended June 30,			Six months ended June 30,		
	2019	2018	% change	2019	2018	% change
Stakes	249.3	248.6	0.3%	524.5	471.6	11.2%
Betting Net Win Margin	7.3%	7.9%	(0.6ppt)	7.3%	7.7%	(0.4ppt)
QAUs (millions)	1.9	2.0	(2.9%)			
Poker	191.5	217.0	(11.7%)	405.6	462.9	(12.4%)
Poker (Constant Currency Revenue) <sup>1</sup>	201.8	217.0	(7.0%)	436.7	462.9	(5.7%)
Gaming <sup>1</sup>	104.3	101.9	2.3%	203.2	208.7	(2.6%)
Betting <sup>1</sup>	18.3	19.6	(6.9%)	38.3	36.3	5.5%
Other	7.8	11.7	(33.2%)	15.3	24.2	(36.7%)
<b>Revenue</b>	<b>321.9</b>	<b>350.2</b>	<b>(8.1%)</b>	<b>662.5</b>	<b>732.0</b>	<b>(9.5%)</b>
Constant Currency Revenue <sup>1</sup>	<b>341.4</b>	<b>350.2</b>	<b>(2.5%)</b>	<b>714.5</b>	<b>732.0</b>	<b>(2.4%)</b>
Operating Income	95.5	124.0	(23.0%)	210.1	270.9	(22.4%)
Adjusted EBITDA <sup>1</sup>	143.2	164.5	(12.9%)	302.6	350.9	(13.8%)
Adjusted EBITDA Margin <sup>1</sup>	44.5%	47.0%	(2.5ppt)	45.7%	47.9%	(2.3ppt)

### REVENUE BRIDGE (\$ millions)



### COMMENTARY

- ★ **Poker:** Revenue declined 12%, or 7% in Constant Currency Revenue. The majority of markets saw modest constant currency growth, but certain larger markets saw disruption from app availability and payment processing.
- ★ **Gaming:** Revenue grew 2%, or 9% in Constant Currency Revenue. Underlying growth of around 20% was offset by disruption or cessation of operations in selected markets.
- ★ **Betting:** Revenue declined 7%, or 6% in Constant Currency Revenue, largely due to lapping the World Cup in Q2 2018, combined with market closures.
- ★ **QAUs:** Marginally lower year-over-year primarily due to the impact of certain disrupted markets and a continued focus on higher-value, recreational customers.
- ★ **Adjusted EBITDA Margin:** Decreased by 2.5 points, impacted by higher direct costs as a greater proportion of revenues were derived from regulated and taxed markets.

1. Non-IFRS financial measure. Please refer to the Appendix of this presentation for the applicable reconciliation and/or additional information.  
 2. For equivalent Constant Currency Revenues for Gaming and Betting refer to the appendix (slide 23)

# UK SEGMENT FINANCIAL SUMMARY (SBG)

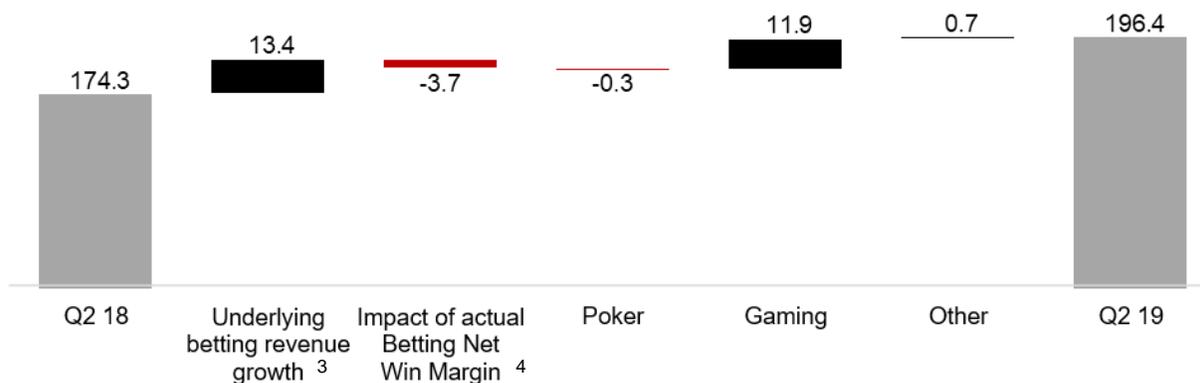
## RECORD PERFORMANCE



### SUMMARY FINANCIALS (£ millions)

In millions of GBP (except percentages or otherwise noted)	Three months ended June 30,			Six months ended June 30,		
	2019	2018 <sup>1</sup>	% change	2019	2018 <sup>1</sup>	% change
Stakes	1,171.4	1,022.1	14.6%	2,339.5	2,026.9	15.4%
Betting Net Win Margin	9.7%	10.2%	(0.5ppt)	7.3%	9.7%	(2.3ppt)
QAUs (millions)	2.2	2.0	6.8%			
Poker	2.1	2.4	(13.6%)	4.6	5.3	(12.0%)
Gaming	72.0	60.1	19.7%	141.3	116.5	21.3%
Betting	113.6	103.8	9.4%	171.5	196.1	(12.6%)
Other	8.7	7.9	9.5%	17.1	13.7	24.8%
<b>Revenue</b>	<b>196.4</b>	<b>174.3</b>	<b>12.7%</b>	<b>334.5</b>	<b>331.5</b>	<b>0.9%</b>
Operating Income / (loss)	27.5	(41.5)	NMF	7.8	(48.0)	NMF
Adjusted EBITDA <sup>2</sup>	79.1	52.0	52.2%	111.7	90.1	23.9%
Adjusted EBITDA Margin <sup>2</sup>	40.3%	29.8%	10.5ppt	33.4%	27.2%	6.2ppt

### REVENUE BRIDGE (£ millions)



### COMMENTARY

- ★ **Betting:** Continued strong double-digit Stakes growth of 15% with increased engagement from new customers acquired during the Cheltenham Festival in Q1 more than exceeding the positive impact of the World Cup in Q2 2018. Betting revenues 9% higher and a Betting Net Win Margin of 9.7%, compared to 10.2% in the prior year period.
- ★ **Gaming:** Revenue grew 20% year-over-year, primarily due to growth in QAUs and the continued rollout of innovative content driving customer engagement.
- ★ **QAUs:** Grew 7% to an all-time-high of 2.2 million, despite lapping the World Cup in Q2 2018.
- ★ **Adjusted EBITDA Margin:** 40% for the quarter, boosted by the phasing of costs and investments in Q1 2019.

1. Proforma reflects the financial results as if TSG had owned SBG since January 1, 2018
2. Non-IFRS financial measure. Please refer to the Appendix of this presentation for the applicable reconciliation and/or additional information
3. Underlying betting revenue is calculated by applying the long-term average Betting Net Win Margin of 9% to actual Stakes in the relevant periods
4. Difference between underlying Betting revenue (see note 3 above) and the actual Betting revenue in the periods

# AUSTRALIA SEGMENT FINANCIAL SUMMARY (BETEASY)

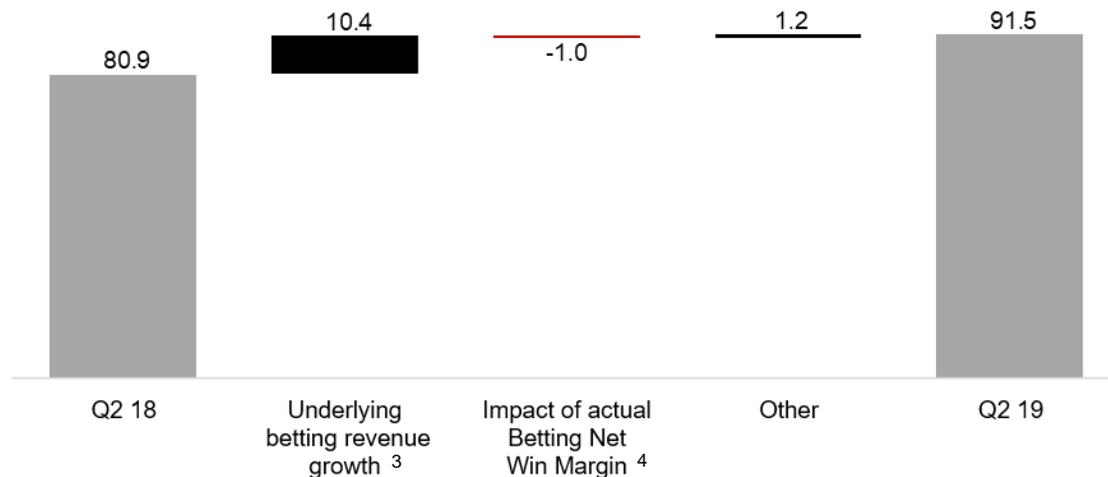
DOUBLE-DIGIT STAKES GROWTH AND PROFITABILITY IN-LINE WITH EXPECTATIONS



## SUMMARY FINANCIALS (A\$ millions)

In millions of AUD (except percentages or otherwise noted)	Three months ended June 30,			Six months ended June 30,		
	2019	2018	% change	2019	2018 <sup>1</sup>	% change
Stakes	1,059.8	938.0	13.0%	2,118.2	1,506.0	40.7%
Betting Net Win Margin	8.5%	8.6%	(0.1ppt)	8.3%	8.5%	(0.2ppt)
QAUs (thousands)	215	244	(12.0%)			
Betting	90.3	80.9	11.6%	176.1	128.0	37.6%
Other	1.2	-		2.7	-	
<b>Revenue</b>	<b>91.5</b>	<b>80.9</b>	<b>13.1%</b>	<b>178.8</b>	<b>128.0</b>	<b>39.7%</b>
Operating (loss)	(6.1)	(8.4)	(26.5%)	(7.6)	(9.2)	(17.1%)
Adjusted EBITDA <sup>2</sup>	10.3	17.8	(42.2%)	22.5	23.9	(5.8%)
Adjusted EBITDA Margin <sup>2</sup>	11.2%	22.0%	(10.8ppt)	12.6%	18.7%	(6.1ppt)

## REVENUE BRIDGE (A\$ millions)



## COMMENTARY

- ★ **Stakes:** 13% higher in Q2 2019, supported by continued reactivation of customers of the former William Hill Australia business following the successful migration of its player base to BetEasy.
- ★ **Betting:** Revenue grew 12%, marginally lagging Stakes growth due to a slightly lower Betting Net Win Margin of 8.5% compared to 8.6% in Q2 2018.
- ★ **QAUs:** Declined by 12% as a result of the focus on higher-value, recreational customers post the migration of customers of the former William Hill Australia business.
- ★ **Adjusted EBITDA Margin:** 11% for the quarter. Well positioned to be within the indicative range of 10-20% for 2019, reflecting the scale benefits in the business, offsetting additional direct costs.

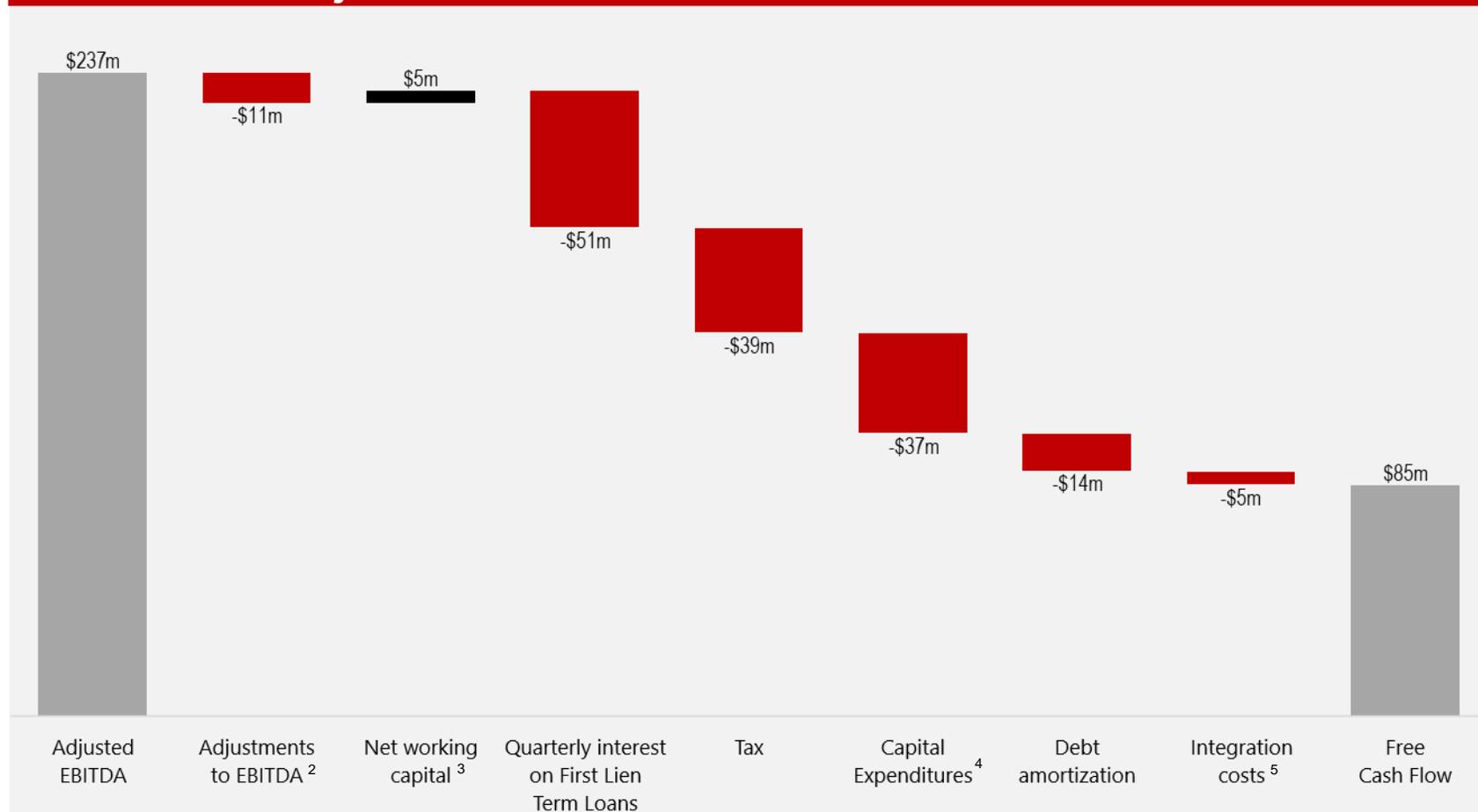
1. Proforma reflects the financial results as if TSG had owned BetEasy (but excluding William Hill Australia before it was acquired in April 2018) since January 1, 2018
2. Non-IFRS financial measure. Please refer to the Appendix of this presentation for the applicable reconciliation and/or additional information
3. Underlying Betting revenue is calculated by applying the long-term average Betting Net Win Margin of 8.5% to actual Stakes in the relevant periods
4. Difference between underlying Betting revenue (see note 3 above) and the actual Betting revenue in the periods

# CASH GENERATION

## STRONG CONVERSION OF ADJUSTED EBITDA TO FREE CASH FLOW



### Adjusted EBITDA to Free Cash Flow<sup>1</sup> – Q2 2019



### Commentary

- ★ **Adjustments to EBITDA** includes ~\$9 million positive impact relating to FX movements
- ★ **Net working capital** reflecting timing of accruals throughout the year
- ★ **Cash interest** hedged to protect against changes in FX and interest rates. With EURIBOR negative, debt is effectively over 90% fixed
- ★ **Tax** includes a one-time payment of ~\$18 million related to a historical Australian tax liability
- ★ **Debt amortization includes** 1% of the USD First Lien Term Loan per year and capital repayments relating to operating leases
- ★ **Integration costs** relate to the realization of synergies and will largely be completed in 2019

1. Non-IFRS financial measures. Please refer to the Appendix of this presentation for the applicable reconciliation and/or additional information

2. Adjustments to EBITDA reflects cash costs included within the 'Other costs' reconciliation on slide 40. In addition, Adjustments to EBITDA includes realized foreign exchange losses. Please refer to the Appendix of this presentation for the applicable reconciliation and/or additional information

3. Net working capital reflects the movement in net working capital

4. Represents total, consolidated capital expenditures of all segments, which includes spend on additions to intangible assets, property and equipment, and deferred development costs. The individual components of capital expenditures are set forth as individual line items in the statement of cash flows in the Q2 2019 Financial Statements, and capital expenditures by segment is set forth in Note 5 to the Q2 2019 Financial Statements

5. Integration costs reflects cash Integration costs from the 'Other costs' reconciliation on slide 40

# UPDATED 2019 FULL YEAR FINANCIAL GUIDANCE

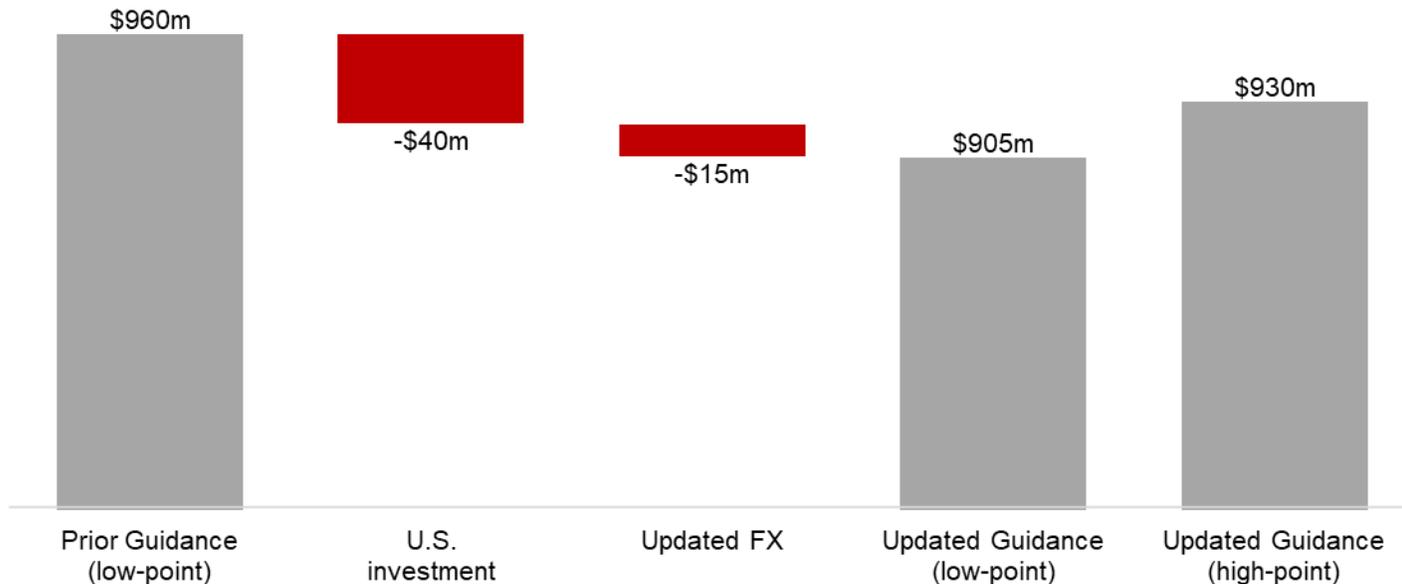
## STRONG PLATFORM FOR GROWTH



In millions of dollars (except otherwise noted)	2019 Prior Guidance	2019 Updated Guidance <sup>1</sup>
Revenue	2,640 – 2,765	2,500 – 2,575
Adjusted EBITDA <sup>2</sup>	960 – 1,010	905 – 930
Adjusted Diluted Net Earnings Per Share (\$)²	1.87 – 2.11	1.68 – 1.83

In millions of dollars (except percentages or otherwise noted)	2019 Prior Update Items <sup>1</sup>	2019 Revised Update Items <sup>1</sup>
Depreciation and Amortization	(75) – (85)	(75) – (85) <sup>3</sup>
Cash Interest Expense	(290) – (300)	(280) – (290)
Effective Tax Rate	8.0% - 10.0%	~10% <sup>4</sup>
Diluted Shares (millions)	277	~283
Capital Expenditures	(110) - (150)	~ (150)

### Adjusted EBITDA<sup>2</sup> Bridge From Prior Guidance To Updated Guidance<sup>1</sup>



- Updated supporting assumptions are detailed within the Appendix
- Non-IFRS financial measure, please refer to the Appendix of this presentation for a reconciliation of TSG's Updated 2019 financial guidance ranges for Adjusted EBITDA to its corresponding 2018 historical balance
- Excluding purchase price allocation amortization
- Effective tax rate applied to Adjusted EBITDA, less Interest, less Depreciation and Amortization (excluding purchase price allocation amortization)



## Q&A





## APPENDIX



# SUMMARY CONSOLIDATED FINANCIALS

## SIX MONTHS ENDED JUNE 30, 2019



Six months ended June 30, in millions of dollars (except percentages or otherwise noted)	Reported			Proforma <sup>2</sup>			
	2019	2018	% change	2019	2018	% change	CC <sup>1,3</sup> %
Total Revenue	1,218.0	804.4	51%	1,218.0	1,286.4	(5%)	2%
Adjusted EBITDA <sup>1</sup>	432.1	343.3	26%	432.1	472.8	(9%)	
Operating Income	155.5	114.9	35%				
Adjusted Net Earnings <sup>1</sup>	243.1	269.8	(10%)				
Net Earnings	32.3	(80.5)	NMF				
Net cash inflows from operating activities	283.6	296.1	(4%)				
Capital Expenditures	65.7	37.3	76%				
	<b>2019</b>	<b>2018</b>					
Weighted average diluted number of shares (millions)	278.2	212.4					
Adjusted Diluted Net Earnings Per Share <sup>1</sup> (\$)	\$0.87	\$1.27					
Diluted Earnings Per Share (\$)	\$0.12	\$(0.52)					

★ Reported growth primarily a result of SBG contribution following acquisition in July 2018

★ Proforma Adjusted EBITDA down 9% year-over-year largely due to organic growth being offset by FX headwinds and certain disrupted markets within the International segment, together with a record low Betting Net Win Margin in the United Kingdom segment in Q1 2019

1. Non-IFRS financial measure. Please refer to the Appendix of this presentation for the applicable reconciliation and/or additional information

2. Proforma reflects the consolidated financial results of TSG, SBG and BetEasy as if TSG had owned SBG and BetEasy since January 1, 2018 (but excluding William Hill Australia before it was acquired in April 2018)

3. Constant Currency Revenue is based on translating current period proforma revenue for International, UK and Australia segments using the prior year's monthly average exchange rates for its local currencies other than the U.S. dollar. For additional information, please refer to the Appendix

# INTERNATIONAL SEGMENT – CONSTANT CURRENCY REVENUE



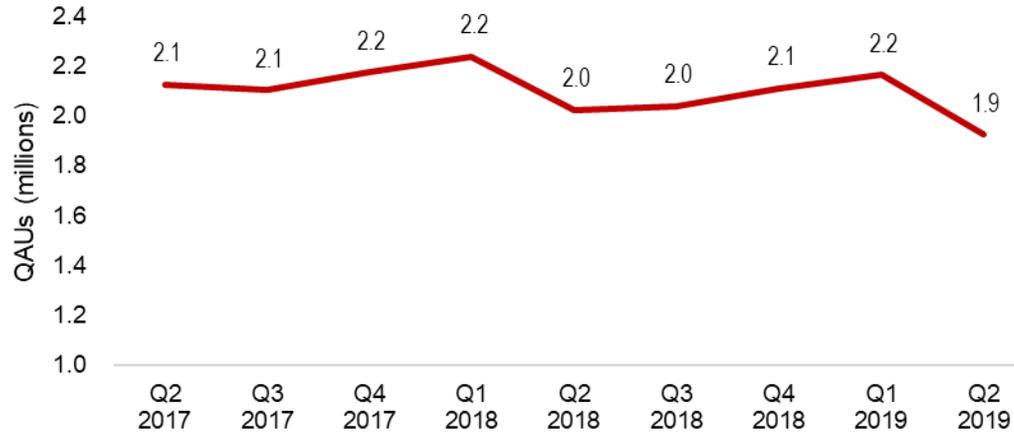
In millions of USD (except percentages or otherwise noted)	Three months ended June 30,			Six months ended June 30,		
	2019	2018	% change	2019	2018	% change
Poker	201.8	217.0	(7.0%)	436.7	462.9	(5.7%)
Gaming	111.1	101.9	8.9%	219.2	208.7	5.0%
Betting	18.4	19.6	(6.2%)	40.3	36.3	11.0%
Other	10.1	11.7	(13.2%)	18.3	24.2	(24.3%)
<b>Constant Currency Revenue<sup>1</sup></b>	<b>341.4</b>	<b>350.2</b>	<b>(2.5%)</b>	<b>714.5</b>	<b>732.0</b>	<b>(2.4%)</b>

1. Non-IFRS financial measure. Please refer to slide 44 of this Appendix for the applicable reconciliation and/or additional information

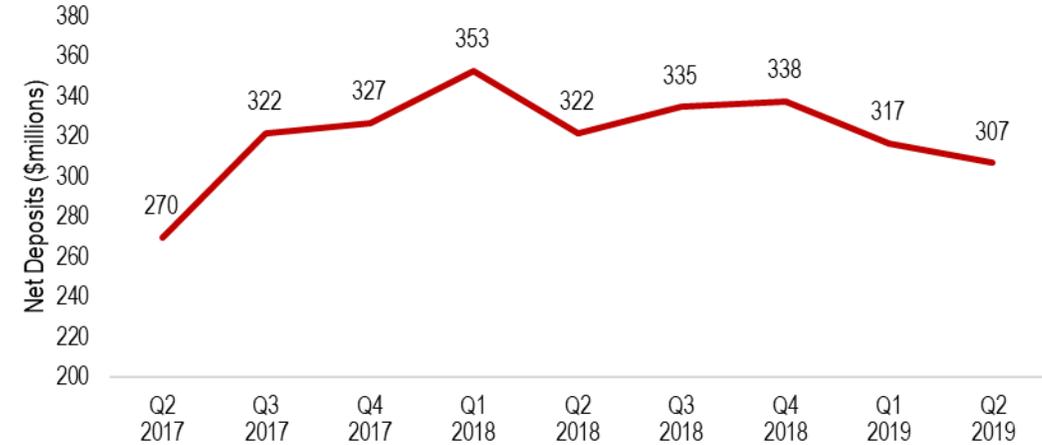
# INTERNATIONAL SEGMENT KEY METRICS



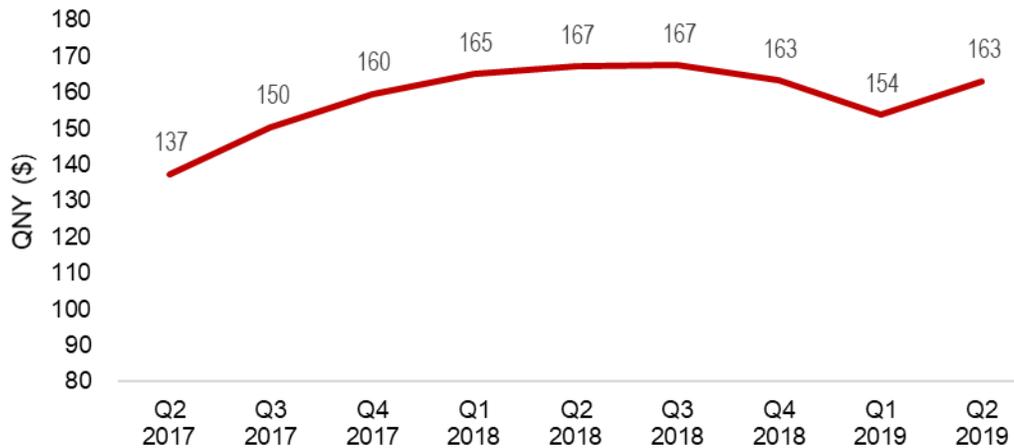
## QAUs



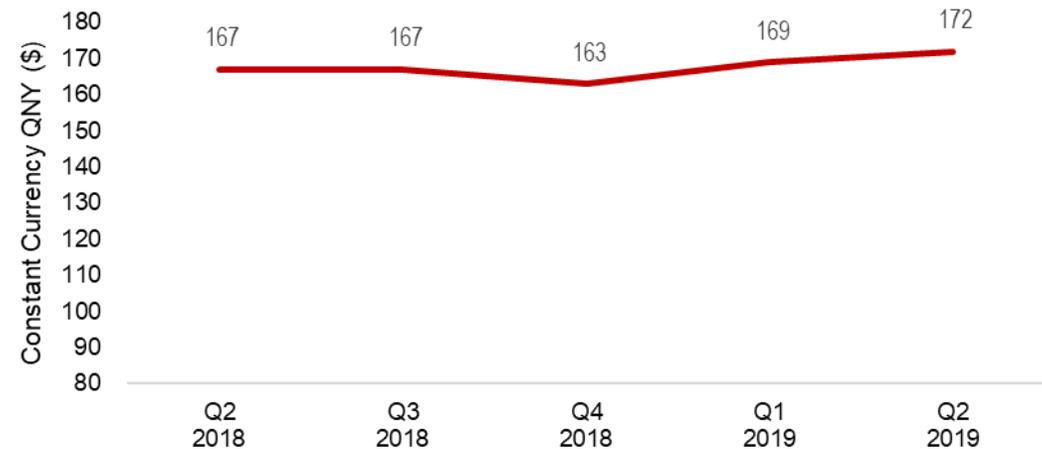
## NET DEPOSITS



## QNY<sup>1</sup>



## QNY<sup>1</sup> (Constant Currency Revenues)

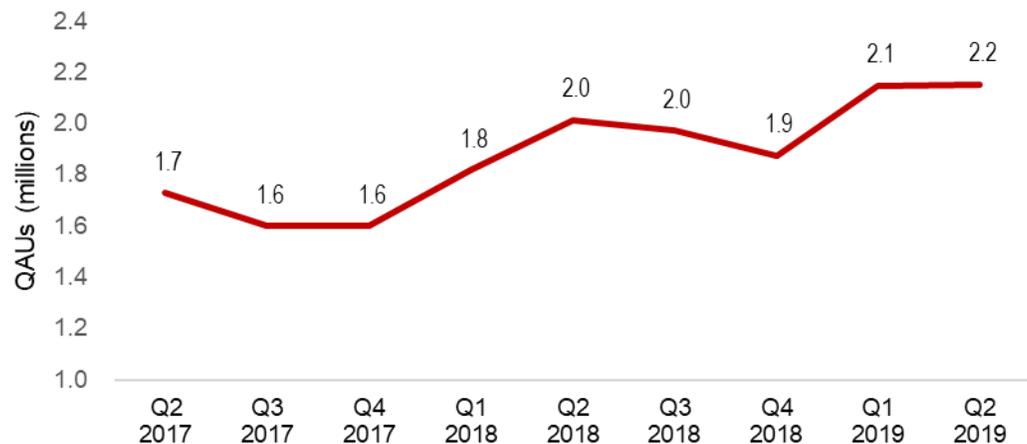


1. Non-IFRS financial measure. Please refer to slide 44 of this Appendix for the applicable reconciliation and/or additional information

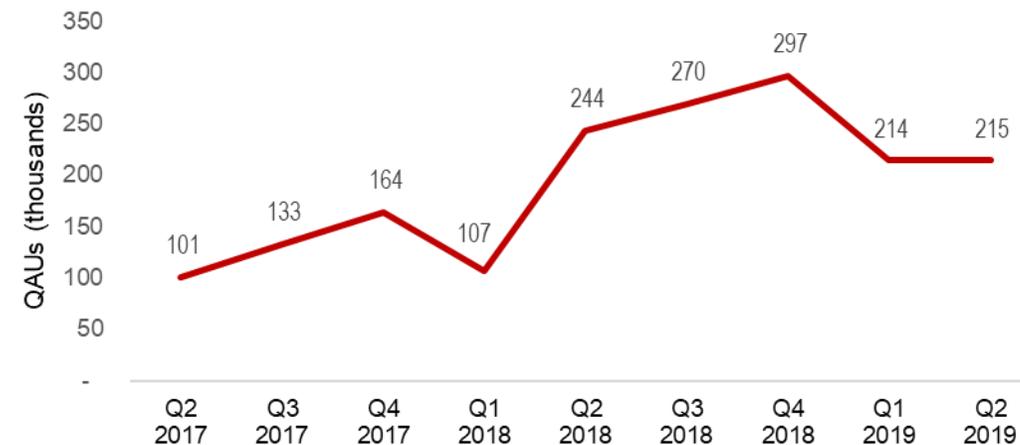
# UK AND AUSTRALIA SEGMENT KEY METRICS



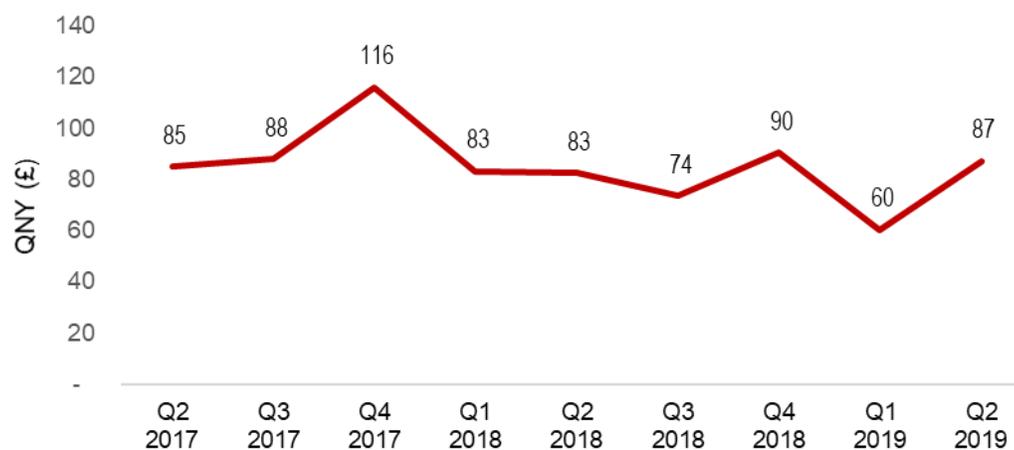
## UK QAU's



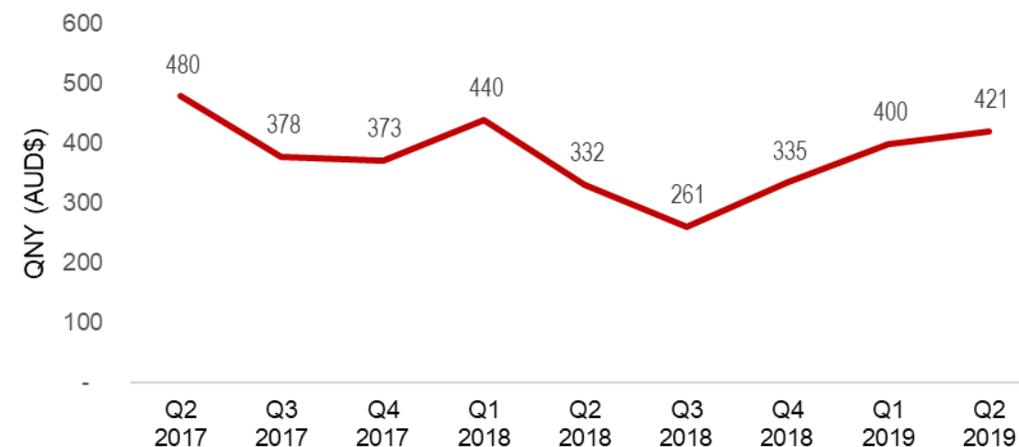
## AUSTRALIA QAU's



## UK QNY<sup>1</sup>



## AUSTRALIA QNY<sup>1</sup>



1. Non-IFRS financial measure. For additional information, see slide 44 of this Appendix

# SUMMARY CONSOLIDATED FINANCIALS

## THREE MONTHS ENDED JUNE 30, 2019



Reported three months ended June 30, \$mm (except otherwise noted)	International			UK			Australia			Corporate <sup>3</sup>			Consolidated		
	2019	2018	% change	2019	2018	% change	2019	2018	% change	2019	2018	% change	2019	2018	% change
Stakes	249.3	248.6	0.3%	1,507.4			742.3	710.3	4.5%				2,499.0	958.8	160.6%
<i>Betting Net Win Margin</i>	7.3%	7.9%	(0.6ppt)	9.7%			8.5%	8.6%	(0.1ppt)				9.1%	8.4%	0.7ppt
Poker	191.5	217.0	(11.7%)	2.7									194.2	217.0	(10.5%)
Gaming	104.3	101.9	2.3%	92.6									196.9	101.9	93.1%
Betting	18.3	19.6	(6.9%)	146.4			63.2	61.3	3.2%				228.0	80.9	181.7%
Other	7.8	11.7	(33.2%)	11.1			0.8	-		(1.2)			18.6	11.7	59.1%
<b>Revenue</b>	<b>321.9</b>	<b>350.2</b>	<b>(8.1%)</b>	<b>252.9</b>			<b>64.1</b>	<b>61.3</b>	<b>4.6%</b>	<b>(1.2)</b>			<b>637.6</b>	<b>411.5</b>	<b>54.9%</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>143.2</b>	<b>164.5</b>	<b>(12.9%)</b>	<b>101.1</b>			<b>7.2</b>	<b>13.5</b>	<b>(46.7%)</b>	<b>(14.7)</b>	<b>(9.7)</b>	<b>52.2%</b>	<b>236.7</b>	<b>168.3</b>	<b>40.7%</b>
<i>Adjusted EBITDA Margin<sup>1</sup></i>	44.5%	47.0%	(2.5ppt)	40.0%			11.2%	22.0%	(10.8ppt)				37.1%	40.9%	(3.8ppt)
Proforma <sup>2</sup> three months ended June 30, \$mm (except otherwise noted)	International			UK			Australia			Corporate <sup>3</sup>			Consolidated		
	2019	2018	% change	2019	2018	% change	2019	2018	% change	2019	2018	% change	2019	2018	% change
Stakes	249.3	248.6	0.3%	1,507.4	1,391.7	8.3%	742.3	710.3	4.5%				2,499.0	2,350.7	6.3%
<i>Betting Net Win Margin</i>	7.3%	7.9%	(0.6ppt)	9.7%	10.2%	(0.4ppt)	8.5%	8.6%	(0.1ppt)				9.1%	9.5%	(0.3ppt)
<i>QAUs (millions)</i>	1.9	2.0	(4.9%)	2.2	2.0	6.8%	0.2	0.2	(12.0%)						
Poker	191.5	217.0	(11.7%)	2.7	3.3	(18.4%)							194.2	220.4	(11.9%)
Gaming	104.3	101.9	2.3%	92.6	81.9	13.1%							196.9	183.8	7.1%
Betting	18.3	19.6	(6.9%)	146.4	141.3	3.6%	63.2	61.3	3.2%				228.0	222.2	2.6%
Other	7.8	11.7	(33.2%)	11.1	10.8	3.4%	0.8	-		(1.2)			18.6	22.5	(17.3%)
<b>Revenue</b>	<b>321.9</b>	<b>350.2</b>	<b>(8.1%)</b>	<b>252.9</b>	<b>237.3</b>	<b>6.5%</b>	<b>64.1</b>	<b>61.3</b>	<b>4.6%</b>	<b>(1.2)</b>			<b>637.6</b>	<b>648.8</b>	<b>(1.7%)</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>143.2</b>	<b>164.5</b>	<b>(12.9%)</b>	<b>101.1</b>	<b>70.8</b>	<b>42.8%</b>	<b>7.2</b>	<b>13.5</b>	<b>(46.7%)</b>	<b>(14.7)</b>	<b>(9.7)</b>	<b>52.2%</b>	<b>236.7</b>	<b>239.1</b>	<b>(1.0%)</b>
<i>Adjusted EBITDA Margin<sup>1</sup></i>	44.5%	47.0%	(2.5ppt)	40.0%	29.8%	10.2ppt	11.2%	22.0%	(10.8ppt)				37.1%	36.8%	0.3ppt

1. Non-IFRS financial measure. For additional information, see slide 44 of this Appendix

2. Proforma reflects the financial results of the consolidated company or the specified segment as if TSG had owned SBG and BetEasy since January 1, 2018 (but excluding William Hill Australia before it was acquired in April 2018)

3. Corporate includes an intercompany adjustment to Other revenue for \$1.2 million of revenue recorded within the International segment but relating to intercompany revenue

# SUMMARY CONSOLIDATED FINANCIALS

## SIX MONTHS ENDED JUNE 30, 2019



Reported six months ended June 30, \$mm (except otherwise noted)	International			UK			Australia			Corporate <sup>3</sup>			Consolidated		
	2019	2018	% change	2019	2018	% change	2019	2018	% change	2019	2018	% change	2019	2018	% change
Stakes	524.5	471.6	11.2%	3,012.4			1,496.6	867.7	72.5%				5,033.5	1,339.3	275.8%
<i>Betting Net Win Margin</i>	7.3%	7.7%	(0.4ppt)	7.3%			8.3%	8.3%	(0.0ppt)				7.6%	8.1%	(0.5ppt)
Poker	405.6	462.9	(12.4%)	6.0									411.6	462.9	(11.1%)
Gaming	203.2	208.7	(2.6%)	182.9									386.1	208.7	85.0%
Betting	38.3	36.3	5.5%	220.9			124.3	72.4	71.7%				383.6	108.7	252.8%
Other	15.3	24.2	(36.7%)	22.1			1.9	-		(2.7)	-		36.6	24.2	51.6%
<b>Revenue</b>	<b>662.5</b>	<b>732.0</b>	<b>(9.5%)</b>	<b>432.0</b>			<b>126.2</b>	<b>72.4</b>	<b>74.4%</b>	<b>(2.7)</b>	<b>-</b>		<b>1,218.0</b>	<b>804.4</b>	<b>51.4%</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>302.6</b>	<b>350.9</b>	<b>(13.8%)</b>	<b>143.3</b>			<b>15.8</b>	<b>12.6</b>	<b>25.3%</b>	<b>(29.6)</b>	<b>(20.2)</b>	<b>46.2%</b>	<b>432.1</b>	<b>343.3</b>	<b>25.9%</b>
<i>Adjusted EBITDA Margin<sup>1</sup></i>	45.7%	47.9%	(2.3ppt)	33.2%			12.5%	17.4%	(4.9ppt)				35.5%	42.7%	(7.2ppt)
Proforma <sup>2</sup> six months ended June 30, \$mm (except otherwise noted)	International			UK			Australia			Corporate <sup>3</sup>			Consolidated		
	2019	2018	% change	2019	2018	% change	2019	2018	% change	2019	2018	% change	2019	2018	% change
Stakes	524.5	471.6	11.2%	3,012.4	2,790.2	8.0%	1,496.6	1,156.8	29.4%				5,033.5	4,418.5	13.9%
<i>Betting Net Win Margin</i>	7.3%	7.7%	(0.4ppt)	7.3%	9.7%	(2.3ppt)	8.3%	8.5%	(0.2ppt)				7.6%	9.2%	(1.5ppt)
Poker	405.6	462.9	(12.4%)	6.0	7.3	(17.3%)							411.6	470.2	(12.4%)
Gaming	203.2	208.7	(2.6%)	182.9	160.3	14.1%							386.1	368.9	4.6%
Betting	38.3	36.3	5.5%	220.9	269.8	(18.1%)	124.3	98.3	26.5%				383.6	404.3	(5.1%)
Other	15.3	24.2	(36.7%)	22.1	18.8	17.7%	1.9	-		(2.7)	-		36.6	43.0	(14.8%)
<b>Revenue</b>	<b>662.5</b>	<b>732.0</b>	<b>(9.5%)</b>	<b>432.0</b>	<b>456.2</b>	<b>(5.3%)</b>	<b>126.2</b>	<b>98.3</b>	<b>28.5%</b>	<b>(2.7)</b>	<b>-</b>		<b>1,218.0</b>	<b>1,286.4</b>	<b>(5.3%)</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>302.6</b>	<b>350.9</b>	<b>(13.8%)</b>	<b>143.3</b>	<b>123.8</b>	<b>15.7%</b>	<b>15.8</b>	<b>18.3</b>	<b>(13.5%)</b>	<b>(29.6)</b>	<b>(20.2)</b>	<b>46.2%</b>	<b>432.1</b>	<b>472.8</b>	<b>(8.6%)</b>
<i>Adjusted EBITDA Margin<sup>1</sup></i>	45.7%	47.9%	(2.3ppt)	33.2%	27.2%	6.0ppt	12.5%	18.6%	(6.1ppt)				35.5%	36.8%	(1.3ppt)

1. Non-IFRS financial measure. For additional information, see slide 44 of this Appendix

2. Proforma reflects the financial results of the consolidated company or the specified segment as if TSG had owned SBG and BetEasy since January 1, 2018 (but excluding William Hill Australia before it was acquired in April 2018)

3. Corporate includes an intercompany adjustment to Other revenue for \$2.7 million of revenue recorded within the International segment but relating to intercompany revenue

# NET EARNINGS TO ADJUSTED DILUTED NET EARNINGS PER SHARE RECONCILIATION



In thousands of USD (except otherwise noted)	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
<b>Net earnings</b>	<b>4,629</b>	<b>(154,824)</b>	<b>32,287</b>	<b>(80,463)</b>
Income tax (recovery) expense	21,081	(3,404)	7,983	(2,249)
Net financing charges	68,245	160,360	115,222	198,711
Net earnings from associates	-	(1,068)	-	(1,068)
<b>Operating income</b>	<b>93,955</b>	<b>1,064</b>	<b>155,492</b>	<b>114,931</b>
Add (deduct) the impact of the following:				
Depreciation & amortization	109,081	44,585	218,375	83,843
Adjusting items	33,698	122,622	58,222	144,519
<b>Adjusted EBITDA</b>	<b>236,734</b>	<b>168,271</b>	<b>432,089</b>	<b>343,293</b>
Depreciation and amortization (excluding amortization of acquisition intangibles)	(21,292)	(13,103)	(40,631)	(20,985)
Interest	(64,276)	(22,658)	(131,474)	(48,958)
Adjust for income tax expense	(13,697)	(1,487)	(16,915)	(3,565)
<b>Adjusted Net Earnings</b>	<b>137,469</b>	<b>131,023</b>	<b>243,069</b>	<b>269,785</b>
<i>Non-controlling interest</i>	885	1,786	1,659	316
<b>Adjusted Net Earnings for EPS</b>	<b>136,584</b>	<b>129,237</b>	<b>241,410</b>	<b>269,469</b>
Diluted Shares	282,399,213	215,380,175	278,181,337	212,449,078
<b>Adjusted Diluted Net Earnings per Share (\$)</b>	<b>0.48</b>	<b>0.60</b>	<b>0.87</b>	<b>1.27</b>

# LEVERAGE RECONCILIATION



Leverage means Net Debt divided by the trailing twelve-months' Adjusted EBITDA. Net Debt and Adjusted EBITDA are both Non-IFRS measures. Set out below are the relevant reconciliations of Net Debt and Adjusted EBITDA to the nearest IFRS measures. Numbers are as reported unless otherwise noted.

Proforma <sup>1</sup> quarter ended June 30, \$mm (except otherwise noted)	Consolidated						
	Q2 2018	Q3 2018	Q4 2018	Q1 2019	LTM Q1 19	Q2 2019	LTM Q2 2019
<b>Operating income (loss)</b>	<b>(55.3)</b>	<b>75.6</b>	<b>74.0</b>	<b>61.5</b>	<b>155.8</b>	<b>94.0</b>	<b>305.0</b>
<i>Add back or (deduct) the impact of the following:</i>							
Depreciation and amortization	105.3	104.2	100.0	109.3	418.8	109.1	422.6
<b>Adjustments</b>							
Impairment of intangible assets	1.0	3.9	1.3	0.2	6.3	2.5	7.8
Acquisition / integration related costs	162.0	1.6	3.2	-	166.8	-	4.8
Other adjustments	26.1	22.6	61.0	24.4	134.0	31.2	139.2
<b>Total adjustments</b>	<b>189.0</b>	<b>28.1</b>	<b>65.4</b>	<b>24.5</b>	<b>307.1</b>	<b>33.7</b>	<b>151.7</b>
<b>Adjusted EBITDA</b>	<b>239.1</b>	<b>207.7</b>	<b>239.4</b>	<b>195.4</b>	<b>881.6</b>	<b>236.7</b>	<b>879.3</b>
<b>Net Debt</b>					<b>5,057.2</b>		<b>4,749.7</b>
<b>Net Leverage</b>					<b>5.7x</b>		<b>5.4x</b>

## NET DEBT

In thousands of U.S. Dollars	As at March 31, 2019	As at June 30, 2019
Current portion of long-term debt	131,750	35,750
Long-term debt	5,191,955	5,053,165
Less: Cash and cash equivalents - operational <sup>2</sup>	266,513	339,239
<b>Net Debt</b>	<b>5,057,192</b>	<b>4,749,676</b>

1. Proforma reflects the financial results of the consolidated company or the specified segment as if TSG had owned SBG and BetEasy since January 1, 2018 (but excluding William Hill Australia before it was acquired in April 2018)

2. Excludes customer balances

# PROFORMA HISTORICAL FINANCIALS – CONSOLIDATED



Proforma <sup>1</sup> three months ended \$mm (except otherwise noted)	2017 <sup>1</sup>					2018					2019		
	Mar-31	Jun-30	Sep-30	Dec-31	FY17	Mar-31 <sup>1</sup>	Jun-30 <sup>1</sup>	Sep-30 <sup>1</sup>	Dec-31	FY18	Mar-31	Jun-30	YTD19
Stakes	1,675.8	1,890.5	1,808.5	1,919.1	7,293.9	2,067.9	2,350.7	2,463.8	2,427.8	9,310.3	2,534.6	2,499.0	5,033.5
<i>Betting Net Win Margin</i>	8.1%	8.4%	8.8%	12.4%	9.5%	8.8%	9.5%	7.1%	9.2%	8.6%	6.1%	9.1%	7.6%
Poker	222.3	206.3	225.0	237.9	891.5	249.8	220.4	216.0	214.0	900.2	217.4	194.2	411.6
Gaming	142.8	151.3	156.3	165.7	616.1	185.1	183.8	191.5	196.3	756.7	189.2	196.9	386.1
Betting	135.1	157.9	159.8	238.1	690.9	182.0	222.2	175.5	224.0	803.9	155.7	228.0	383.6
Other <sup>2</sup>	16.1	20.7	19.4	21.3	77.5	20.5	22.5	18.4	18.6	79.9	18.1	18.6	36.6
<b>Revenue</b>	<b>516.3</b>	<b>536.2</b>	<b>560.5</b>	<b>663.0</b>	<b>2,275.9</b>	<b>637.5</b>	<b>648.8</b>	<b>601.4</b>	<b>652.9</b>	<b>2,540.7</b>	<b>580.4</b>	<b>637.6</b>	<b>1,218.0</b>
<b>Adjusted EBITDA<sup>3</sup></b>	<b>192.9</b>	<b>217.3</b>	<b>207.6</b>	<b>251.6</b>	<b>869.4</b>	<b>233.8</b>	<b>239.1</b>	<b>207.7</b>	<b>239.4</b>	<b>919.9</b>	<b>195.4</b>	<b>236.7</b>	<b>432.1</b>
<i>Adjusted EBITDA Margin<sup>3</sup></i>	37.4%	40.5%	37.0%	37.9%	38.2%	36.7%	36.8%	34.5%	36.7%	36.2%	33.7%	37.1%	35.5%

1. Proforma reflects the financial results of the consolidated company or the specified segment as if TSG had owned SBG and BetEasy since January 1, 2017 (but excluding William Hill Australia before it was acquired in April 2018)

2. Proforma Other revenue on a consolidated basis since Q3 2018 excludes revenue in each quarter that TSG excluded from its consolidated results as it related to certain non-gaming related transactions with the United Kingdom segment (see the most recently filed MD&A for further information). TSG has not sought to identify or remove potential equivalent adjustments from all historical periods as it believes such adjustments to be immaterial. Note any corresponding cost would result in no material impact on proforma Adjusted EBITDA for all periods

3. Non-IFRS financial measure. For additional information, see slide 44 of this Appendix

# HISTORICAL FINANCIALS – INTERNATIONAL



Three months ended \$mm (except otherwise noted)	2017					2018					2019		
	Mar-31	Jun-30	Sep-30	Dec-31	FY17	Mar-31	Jun-30	Sep-30	Dec-31	FY18	Mar-31	Jun-30	YTD19
Stakes	143.5	144.4	163.8	195.7	647.4	223.0	248.6	233.7	261.1	966.3	275.3	249.3	524.5
<i>Betting Net Win Margin</i>	4.9%	6.1%	7.1%	11.1%	7.6%	7.5%	7.9%	9.0%	8.3%	8.2%	7.3%	7.3%	7.3%
Poker	218.7	202.9	221.4	234.4	877.3	245.9	217.0	212.8	210.9	886.6	214.1	191.5	405.6
Gaming	79.8	80.7	83.5	90.8	334.8	106.7	101.9	107.6	112.1	428.4	98.9	104.3	203.2
Betting	7.0	8.8	11.7	21.7	49.2	16.7	19.6	21.0	21.8	79.1	20.0	18.3	38.3
Other	11.9	12.9	12.8	13.4	51.0	12.5	11.7	11.0	10.9	46.1	7.5	7.8	15.3
<b>Revenue</b>	<b>317.3</b>	<b>305.4</b>	<b>329.4</b>	<b>360.2</b>	<b>1,312.3</b>	<b>381.8</b>	<b>350.2</b>	<b>352.4</b>	<b>355.7</b>	<b>1,440.2</b>	<b>340.6</b>	<b>321.9</b>	<b>662.5</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>169.6</b>	<b>145.8</b>	<b>162.9</b>	<b>158.1</b>	<b>636.4</b>	<b>186.4</b>	<b>164.5</b>	<b>184.3</b>	<b>168.2</b>	<b>703.3</b>	<b>159.3</b>	<b>143.2</b>	<b>302.6</b>
<i>Adjusted EBITDA Margin<sup>1</sup></i>	53.4%	47.8%	49.4%	43.9%	48.5%	48.8%	47.0%	52.3%	47.3%	48.8%	46.8%	44.5%	45.7%
QAUs (millions)	2.3	2.1	2.1	2.2		2.2	2.0	2.0	2.1		2.2	1.9	

1. Non-IFRS financial measure. For additional information, see the slide 44 of this Appendix

# PROFORMA HISTORICAL FINANCIALS – UNITED KINGDOM (SBG)



Proforma <sup>1</sup> three months ended £mm (except otherwise noted)	2017 <sup>1</sup>					2018					2019		
	Mar-31	Jun-30	Sep-30	Dec-31	FY17	Mar-31 <sup>1</sup>	Jun-30 <sup>1</sup>	Sep-30 <sup>1</sup>	Dec-31	FY18	Mar-31	Jun-30	YTD19
Stakes	932.7	1,067.7	922.7	909.8	3,832.9	1,004.8	1,022.1	1,077.6	1,002.8	4,107.3	1,168.1	1,171.4	2,339.5
<i>Betting Net Win Margin</i>	8.2%	8.3%	9.0%	14.0%	9.8%	9.2%	10.2%	7.3%	10.1%	9.2%	5.0%	9.7%	7.3%
Poker	2.9	2.6	2.8	2.7	11.0	2.8	2.4	2.5	2.4	10.1	2.5	2.1	4.6
Gaming	50.8	55.2	55.6	56.4	218.1	56.3	60.1	64.3	65.7	246.5	69.3	72.0	141.3
Betting	76.4	88.1	82.8	127.6	375.0	92.3	103.8	78.5	101.5	376.1	57.9	113.6	171.5
Other	3.3	6.1	5.1	6.0	20.5	5.8	7.9	6.4	6.1	26.2	8.4	8.7	17.1
<b>Revenue</b>	<b>133.5</b>	<b>152.1</b>	<b>146.3</b>	<b>192.6</b>	<b>624.5</b>	<b>157.2</b>	<b>174.3</b>	<b>151.7</b>	<b>175.6</b>	<b>658.9</b>	<b>138.1</b>	<b>196.4</b>	<b>334.5</b>
<b>Adjusted EBITDA<sup>2</sup></b>	<b>31.7</b>	<b>52.4</b>	<b>41.9</b>	<b>76.5</b>	<b>202.5</b>	<b>38.2</b>	<b>52.0</b>	<b>29.0</b>	<b>56.8</b>	<b>175.9</b>	<b>32.6</b>	<b>79.1</b>	<b>111.7</b>
<i>Adjusted EBITDA Margin<sup>2</sup></i>	23.7%	34.4%	28.6%	39.7%	32.4%	24.3%	29.8%	19.1%	32.3%	26.8%	23.6%	40.3%	33.4%
QAUs (millions)	1.6	1.7	1.6	1.6		1.8	2.0	2.0	1.9		2.1	2.2	

Proforma <sup>1</sup> three months ended \$mm (except otherwise noted)	2017 <sup>1</sup>					2018					2019		
	Mar-31	Jun-30	Sep-30	Dec-31	FY17	Mar-31 <sup>1</sup>	Jun-30 <sup>1</sup>	Sep-30 <sup>1</sup>	Dec-31	FY18	Mar-31	Jun-30	YTD19
Stakes	1,155.8	1,365.2	1,207.6	1,207.8	4,936.4	1,398.4	1,391.7	1,404.7	1,289.4	5,484.5	1,505.0	1,507.4	3,012.4
<i>Betting Net Win Margin</i>	8.2%	8.3%	9.0%	14.0%	9.8%	9.2%	10.2%	7.3%	10.1%	9.2%	5.0%	9.7%	7.3%
Poker	3.6	3.4	3.6	3.6	14.1	3.9	3.3	3.2	3.0	13.5	3.3	2.7	6.0
Gaming	63.0	70.6	72.8	74.9	281.3	78.4	81.9	83.9	84.2	328.3	90.3	92.6	182.9
Betting	94.7	112.7	108.4	169.4	485.2	128.4	141.3	102.3	130.7	502.8	74.5	146.4	220.9
Other	4.2	7.8	6.6	7.9	26.5	8.0	10.8	8.4	7.8	35.0	11.0	11.1	22.1
<b>Revenue</b>	<b>165.5</b>	<b>194.5</b>	<b>191.4</b>	<b>255.7</b>	<b>807.1</b>	<b>218.8</b>	<b>237.3</b>	<b>197.8</b>	<b>225.8</b>	<b>879.7</b>	<b>179.1</b>	<b>252.9</b>	<b>432.0</b>
<b>Adjusted EBITDA<sup>2</sup></b>	<b>39.3</b>	<b>67.0</b>	<b>54.7</b>	<b>101.6</b>	<b>262.6</b>	<b>53.1</b>	<b>70.8</b>	<b>37.7</b>	<b>74.0</b>	<b>235.5</b>	<b>42.2</b>	<b>101.1</b>	<b>143.3</b>
<i>Adjusted EBITDA Margin<sup>2</sup></i>	23.7%	34.4%	28.6%	39.7%	32.4%	24.3%	29.8%	19.1%	32.8%	26.8%	23.6%	40.0%	33.2%

1. Proforma reflects the financial results of the consolidated company or the specified segment as if TSG had owned SBG since January 1, 2017

2. Non-IFRS financial measure. For additional information, see slide 44 of this Appendix

# PROFORMA HISTORICAL FINANCIALS – AUSTRALIA (BETEASY)



Proforma <sup>1</sup> three months ended A\$m (except otherwise noted)	2017 <sup>1</sup>					2018					2019		
	Mar-31	Jun-30	Sep-30	Dec-31	FY17	Mar-31 <sup>1</sup>	Jun-30	Sep-30	Dec-31	FY18	Mar-31	Jun-30	YTD19
Stakes	496.8	507.4	553.9	670.4	2,228.5	568.0	938.0	1,128.4	1,220.8	3,855.2	1,058.4	1,059.8	2,118.2
Betting Net Win Margin	8.9%	9.5%	9.1%	9.1%	9.2%	8.3%	8.6%	6.3%	8.2%	7.7%	8.1%	8.5%	8.3%
Poker													
Gaming													
Betting	44.1	48.4	50.3	61.2	204.0	47.1	80.9	70.5	99.7	298.2	85.8	90.3	176.1
Other									1.2	1.2	1.5	1.2	2.7
<b>Revenue</b>	<b>44.1</b>	<b>48.4</b>	<b>50.3</b>	<b>61.2</b>	<b>204.0</b>	<b>47.1</b>	<b>80.9</b>	<b>70.5</b>	<b>100.8</b>	<b>299.3</b>	<b>87.2</b>	<b>91.5</b>	<b>178.8</b>
<b>Adjusted EBITDA<sup>2</sup></b>	<b>3.4</b>	<b>5.1</b>	<b>(3.7)</b>	<b>3.9</b>	<b>8.7</b>	<b>6.1</b>	<b>17.8</b>	<b>(6.5)</b>	<b>18.1</b>	<b>35.5</b>	<b>12.2</b>	<b>10.3</b>	<b>22.5</b>
Adjusted EBITDA Margin <sup>2</sup>	7.7%	10.5%	(7.3%)	6.4%	4.3%	13.0%	22.0%	(9.2%)	17.9%	11.9%	14.0%	11.2%	12.6%
QAUs (thousands)	101	101	133	164		107	244	270	297		214	215	
Proforma <sup>1</sup> three months ended \$mm (except otherwise noted)	2017 <sup>1</sup>					2018					2019		
	Mar-31	Jun-30	Sep-30	Dec-31	FY17	Mar-31 <sup>1</sup>	Jun-30	Sep-30	Dec-31	FY18	Mar-31	Jun-30	YTD19
Stakes	376.5	380.9	437.1	515.5	1,710.1	446.5	710.3	825.4	877.3	2,859.5	754.3	742.3	1,496.6
Betting Net Win Margin	8.9%	9.5%	9.1%	9.1%	9.2%	8.3%	8.6%	6.3%	8.2%	7.8%	8.1%	8.5%	8.3%
Poker													
Gaming													
Betting	33.4	36.4	39.7	47.0	156.5	37.0	61.3	52.2	71.5	222.0	61.1	63.2	124.3
Other									0.8	0.8	1.1	0.8	1.9
<b>Revenue</b>	<b>33.4</b>	<b>36.4</b>	<b>39.7</b>	<b>47.0</b>	<b>156.5</b>	<b>37.0</b>	<b>61.3</b>	<b>52.2</b>	<b>72.4</b>	<b>222.8</b>	<b>62.2</b>	<b>64.1</b>	<b>126.2</b>
<b>Adjusted EBITDA<sup>2</sup></b>	<b>2.6</b>	<b>3.8</b>	<b>(2.9)</b>	<b>3.0</b>	<b>6.5</b>	<b>4.8</b>	<b>13.5</b>	<b>(4.8)</b>	<b>13.7</b>	<b>27.2</b>	<b>8.6</b>	<b>7.2</b>	<b>15.8</b>
Adjusted EBITDA Margin <sup>2</sup>	7.7%	10.5%	(7.3%)	6.4%	4.3%	13.0%	22.0%	(9.1%)	18.9%	12.2%	13.9%	11.2%	12.5%

1. Proforma reflects the financial results of the consolidated company or the specified segment as if TSG had owned BetEasy since January 1, 2017 (but excluding William Hill Australia before it was acquired in April 2018)

2. Non-IFRS financial measure. For additional information, see slide 44 of this Appendix

# HISTORICAL FINANCIALS – CORPORATE



Three months ended \$mm (except otherwise noted)	2017				FY17	2018				FY18	2019		YTD19
	Mar-31	Jun-30	Sep-30	Dec-31		Mar-31	Jun-30	Sep-30	Dec-31		Mar-31	Jun-30	
Stakes													
<i>Betting Net Win Margin</i>													
Poker													
Gaming													
Betting													
Other								(1.0)	(1.0)	(2.0)	(1.5)	(1.2)	(2.7)
<b>Revenue</b>	-	-	-	-	-	-	-	<b>(1.0)</b>	<b>(1.0)</b>	<b>(2.0)</b>	<b>(1.5)</b>	<b>(1.2)</b>	<b>(2.7)</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>(18.6)</b>	<b>0.7</b>	<b>(7.1)</b>	<b>(11.1)</b>	<b>(36.1)</b>	<b>(10.5)</b>	<b>(9.7)</b>	<b>(9.4)</b>	<b>(16.4)</b>	<b>(46.1)</b>	<b>(14.8)</b>	<b>(14.7)</b>	<b>(29.6)</b>
<i>Adjusted EBITDA Margin<sup>1</sup></i>													

1. Non-IFRS financial measure. For additional information, see slide 44 of this Appendix

# PROFORMA ADJUSTED EBITDA RECONCILIATIONS

## CONSOLIDATED



### CONSOLIDATED

Proforma <sup>1</sup> three months ended \$mm (except otherwise noted)	2017 <sup>1</sup>					2018					2019		
	Mar-31	Jun-30	Sep-30	Dec-31	FY17	Mar-31 <sup>1</sup>	Jun-30 <sup>1</sup>	Sep-30 <sup>1</sup>	Dec-31	FY18	Mar-31	Jun-30	YTD19
<b>Operating income (loss)</b>	<b>93.4</b>	<b>106.8</b>	<b>107.4</b>	<b>153.4</b>	<b>461.0</b>	<b>105.3</b>	<b>(55.3)</b>	<b>75.6</b>	<b>74.0</b>	<b>199.6</b>	<b>61.5</b>	<b>94.0</b>	<b>155.5</b>
<i>Add back or (deduct) the impact of the following:</i>													
Depreciation and Amortization	94.4	97.3	98.7	101.1	391.5	104.0	105.3	104.2	100.0	413.4	109.3	109.1	218.4
Impairment of intangible assets	(6.7)	7.5	(1.1)	1.6	1.3	0.1	1.0	3.9	1.3	6.2	0.2	2.5	2.7
Acquisition related costs	-	-	-	-	-	15.2	95.6	1.6	3.2	115.6	-	-	-
Transaction related costs	-	-	-	-	-	-	66.4	-	-	66.4	-	-	-
Other adjustments	11.8	5.8	2.6	(4.6)	15.6	9.1	26.1	22.6	61.0	118.8	24.4	31.2	55.6
<b>Total adjustments</b>	<b>99.4</b>	<b>110.6</b>	<b>100.2</b>	<b>98.2</b>	<b>408.4</b>	<b>128.4</b>	<b>294.3</b>	<b>132.3</b>	<b>165.4</b>	<b>720.4</b>	<b>133.8</b>	<b>142.8</b>	<b>276.6</b>
<b>Adjusted EBITDA</b>	<b>192.9</b>	<b>217.3</b>	<b>207.6</b>	<b>251.6</b>	<b>869.4</b>	<b>233.8</b>	<b>239.1</b>	<b>207.7</b>	<b>239.4</b>	<b>919.9</b>	<b>195.4</b>	<b>236.7</b>	<b>432.1</b>

1. Proforma reflects the financial results of the consolidated company or the specified segment as if TSG had owned SBG and BetEasy since January 1, 2017 (but excluding William Hill Australia before it was acquired in April 2018)

# ADJUSTED EBITDA RECONCILIATIONS

## INTERNATIONAL AND CORPORATE



### INTERNATIONAL

Three months ended \$mm (except otherwise noted)	2017					2018					2019		
	Mar-31	Jun-30	Sep-30	Dec-31	FY17	Mar-31	Jun-30	Sep-30	Dec-31	FY18	Mar-31	Jun-30	YTD19
Operating income	127.6	120.5	133.1	135.2	516.4	146.8	124.0	136.0	92.1	498.9	114.6	95.5	210.1
<i>Add back or (deduct) the impact of the following:</i>													
Depreciation and Amortization	35.7	36.5	36.6	38.2	147.0	38.0	36.0	34.4	35.9	144.3	38.0	39.4	77.4
Impairment of intangible assets	(4.4)	(0.6)	(1.1)	1.6	(4.5)	0.1	1.0	3.9	0.7	5.6	0.0	(0.0)	0.0
Other adjustments	10.7	(10.6)	(5.7)	(16.8)	(22.5)	1.5	3.5	10.1	39.5	54.5	6.8	8.3	15.1
<b>Total adjustments</b>	<b>41.9</b>	<b>25.3</b>	<b>29.8</b>	<b>23.0</b>	<b>120.0</b>	<b>39.6</b>	<b>40.4</b>	<b>48.3</b>	<b>76.1</b>	<b>204.4</b>	<b>44.8</b>	<b>47.7</b>	<b>92.5</b>
<b>Adjusted EBITDA</b>	<b>169.6</b>	<b>145.8</b>	<b>162.9</b>	<b>158.2</b>	<b>636.4</b>	<b>186.4</b>	<b>164.5</b>	<b>184.3</b>	<b>168.2</b>	<b>703.3</b>	<b>159.3</b>	<b>143.2</b>	<b>302.6</b>

### CORPORATE

Three months ended \$mm (except otherwise noted)	2017					2018					2019		
	Mar-31	Jun-30	Sep-30	Dec-31	FY17	Mar-31	Jun-30	Sep-30	Dec-31	FY18	Mar-31	Jun-30	YTD19
Operating loss	(16.8)	(15.0)	(14.3)	(22.9)	(69.0)	(31.8)	(116.5)	(10.4)	(34.5)	(193.2)	(25.9)	(32.1)	(58.0)
<i>Add back or (deduct) the impact of the following:</i>													
Depreciation and Amortization	0.1	0.1	-	-	0.1	-	-	0.0	0.1	0.1	0.2	0.2	0.4
Impairment of intangible assets	(2.3)	-	-	-	(2.3)	-	-	-	-	-	-	-	-
Acquisition related costs	-	-	-	-	-	15.2	95.6	1.6	3.2	115.6	-	-	-
Other adjustments	0.4	15.7	7.2	11.7	35.0	6.1	11.1	(0.7)	14.9	31.4	10.9	17.2	28.1
<b>Total adjustments</b>	<b>(1.8)</b>	<b>15.7</b>	<b>7.2</b>	<b>11.7</b>	<b>32.9</b>	<b>21.3</b>	<b>106.8</b>	<b>0.9</b>	<b>18.1</b>	<b>147.1</b>	<b>11.1</b>	<b>17.4</b>	<b>28.5</b>
<b>Adjusted EBITDA</b>	<b>(18.6)</b>	<b>0.7</b>	<b>(7.1)</b>	<b>(11.1)</b>	<b>(36.1)</b>	<b>(10.5)</b>	<b>(9.7)</b>	<b>(9.4)</b>	<b>(16.4)</b>	<b>(46.1)</b>	<b>(14.8)</b>	<b>(14.7)</b>	<b>(29.6)</b>

# PROFORMA ADJUSTED EBITDA RECONCILIATIONS

## UNITED KINGDOM AND AUSTRALIA



### UNITED KINGDOM

Proforma <sup>1</sup> three months ended \$mm (except otherwise noted)	2017 <sup>1</sup>					2018					2019		
	Mar-31	Jun-30	Sep-30	Dec-31	FY17	Mar-31 <sup>1</sup>	Jun-30 <sup>1</sup>	Sep-30 <sup>1</sup>	Dec-31	FY18	Mar-31	Jun-30	YTD19
<b>Operating income (loss)</b>	<b>(15.6)</b>	<b>1.9</b>	<b>(3.4)</b>	<b>42.5</b>	<b>25.5</b>	<b>(9.0)</b>	<b>(56.5)</b>	<b>(24.1)</b>	<b>16.7</b>	<b>(72.9)</b>	<b>(26.0)</b>	<b>34.9</b>	<b>8.9</b>
<i>Add back or (deduct) the impact of the following:</i>													
Depreciation and Amortization	54.8	56.9	58.2	59.1	229.0	62.1	60.9	58.9	55.2	237.1	61.7	60.1	121.8
Impairment of intangible assets	-	8.1	-	-	8.1	-	-	-	0.6	0.6	0.1	2.5	2.6
Transaction related costs	-	-	-	-	-	-	66.4	-	-	66.4	-	-	-
Other adjustments	-	-	-	-	-	-	-	2.9	1.4	4.3	6.4	3.5	9.9
<b>Total adjustments</b>	<b>54.8</b>	<b>65.0</b>	<b>58.2</b>	<b>59.1</b>	<b>237.1</b>	<b>62.1</b>	<b>127.3</b>	<b>61.8</b>	<b>57.2</b>	<b>308.4</b>	<b>68.2</b>	<b>66.2</b>	<b>134.4</b>
<b>Adjusted EBITDA</b>	<b>39.3</b>	<b>67.0</b>	<b>54.7</b>	<b>101.6</b>	<b>262.6</b>	<b>53.1</b>	<b>70.8</b>	<b>37.7</b>	<b>74.0</b>	<b>235.5</b>	<b>42.2</b>	<b>101.1</b>	<b>143.3</b>

### AUSTRALIA

Proforma <sup>1</sup> three months ended \$mm (except otherwise noted)	2017 <sup>1</sup>					2018					2019		
	Mar-31	Jun-30	Sep-30	Dec-31	FY17	Mar-31 <sup>1</sup>	Jun-30 <sup>1</sup>	Sep-30	Dec-31	FY18	Mar-31	Jun-30	YTD19
<b>Operating income (loss)</b>	<b>(1.9)</b>	<b>(0.7)</b>	<b>(8.0)</b>	<b>(1.4)</b>	<b>(11.9)</b>	<b>(0.7)</b>	<b>(6.3)</b>	<b>(26.0)</b>	<b>(0.3)</b>	<b>(33.2)</b>	<b>(1.1)</b>	<b>(4.3)</b>	<b>(5.5)</b>
<i>Add back or (deduct) the impact of the following:</i>													
Depreciation and Amortization	3.8	3.7	3.9	3.8	15.3	3.9	8.4	10.9	8.8	32.0	9.4	9.4	18.8
Other adjustments	0.7	0.8	1.1	0.5	3.1	1.5	11.4	10.3	5.2	28.5	0.3	2.1	2.4
<b>Total adjustments</b>	<b>4.5</b>	<b>4.5</b>	<b>5.0</b>	<b>4.4</b>	<b>18.4</b>	<b>5.5</b>	<b>19.8</b>	<b>21.2</b>	<b>14.0</b>	<b>60.5</b>	<b>9.8</b>	<b>11.5</b>	<b>21.3</b>
<b>Adjusted EBITDA</b>	<b>2.6</b>	<b>3.8</b>	<b>(2.9)</b>	<b>3.0</b>	<b>6.5</b>	<b>4.8</b>	<b>13.5</b>	<b>(4.8)</b>	<b>13.7</b>	<b>27.2</b>	<b>8.6</b>	<b>7.2</b>	<b>15.8</b>

1. Proforma reflects the financial results of the consolidated company or the specified segment as if TSG had owned SBG and BetEasy since January 1, 2017 (but excluding William Hill Australia before it was acquired in April 2018)

# INCOME STATEMENT



In thousands of U.S. Dollars (except per share and share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018 †	2019	2018 †
Revenue	637,618	411,512	1,218,002	804,403
Cost of revenue (excluding depreciation and amortization)	(173,910)	(83,637)	(336,546)	(163,901)
<b>Gross profit (excluding depreciation and amortization)</b>	<b>463,708</b>	<b>327,875</b>	<b>881,456</b>	<b>640,502</b>
General and administrative	(276,440)	(262,786)	(535,797)	(404,093)
Sales and marketing	(79,915)	(54,899)	(164,258)	(104,317)
Research and development	(13,398)	(9,126)	(25,909)	(17,161)
<b>Operating income</b>	<b>93,955</b>	<b>1,064</b>	<b>155,492</b>	<b>114,931</b>
Gain (loss) on re-measurement of deferred contingent payment	3,335	(3,697)	12,713	(3,697)
Gain on re-measurement of Embedded Derivative	12,200	—	34,800	—
Unrealized foreign exchange gain (loss) on financial instruments associated with financing activities	292	—	(1,340)	—
Other net financing charges	(84,072)	(156,663)	(161,395)	(195,014)
<b>Net financing charges</b>	<b>(68,245)</b>	<b>(160,360)</b>	<b>(115,222)</b>	<b>(198,711)</b>
Net earnings from associates	—	1,068	—	1,068
<b>Earnings (loss) before income taxes</b>	<b>25,710</b>	<b>(158,228)</b>	<b>40,270</b>	<b>(82,712)</b>
Income tax (expense) recovery	(21,081)	3,404	(7,983)	2,249
<b>Net earnings (loss)</b>	<b>4,629</b>	<b>(154,824)</b>	<b>32,287</b>	<b>(80,463)</b>
<b>Net earnings (loss) attributable to</b>				
Shareholders of The Stars Group Inc.	4,757	(153,645)	32,670	(78,194)
Non-controlling interest	(128)	(1,179)	(383)	(2,269)
<b>Net earnings (loss)</b>	<b>4,629</b>	<b>(154,824)</b>	<b>32,287</b>	<b>(80,463)</b>
<b>Earnings (loss) per Common Share (U.S. dollars)</b>				
Basic	\$0.02	(\$1.01)	\$0.12	(\$0.52)
Diluted	\$0.02	(\$1.01)	\$0.12	(\$0.52)
<b>Weighted average Common Shares outstanding (thousands)</b>				
Basic	281,689	152,788	277,557	150,523
Diluted	282,399	152,788	278,181	150,523

† The Corporation applied IFRS 16 from January 1, 2019. Consistent with the transition method chosen by the Corporation, comparative information has not been restated.

# STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019



In thousands of U.S. Dollars	As at June 30, 2019	As at December 31, 2018 †
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents - operational	339,239	392,853
Cash and cash equivalents - customer deposits	326,628	328,223
<b>Total cash and cash equivalents</b>	<b>665,867</b>	<b>721,076</b>
Restricted cash advances and collateral	9,239	10,819
Prepaid expenses and other current assets	45,296	43,945
Current investments - customer deposits	105,196	103,153
Accounts receivable	121,190	136,347
Income tax receivable	25,074	26,085
<b>Total current assets</b>	<b>971,862</b>	<b>1,041,425</b>
<b>Non-current assets</b>		
Restricted cash advances and collateral	10,677	10,630
Prepaid expenses and other non-current assets	31,605	32,760
Non-current accounts receivable	15,418	14,906
Property and equipment	139,532	85,169
Income tax receivable	24,686	15,611
Deferred income taxes	8,405	1,775
Derivatives	62,518	54,583
Intangible assets	4,590,758	4,742,699
Goodwill	5,256,819	5,265,980
<b>Total non-current assets</b>	<b>10,140,418</b>	<b>10,224,113</b>
<b>Total assets</b>	<b>11,112,280</b>	<b>11,265,538</b>

In thousands of U.S. Dollars	As at June 30, 2019	As at December 31, 2018 †
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and other liabilities	439,349	424,007
Customer deposits	421,084	423,739
Current provisions	29,556	39,189
Derivatives	10,051	16,493
Income tax payable	60,419	72,796
Current portion of lease liability	18,764	—
Current portion of long-term debt	35,750	35,750
<b>Total current liabilities</b>	<b>1,014,973</b>	<b>1,011,974</b>
<b>Non-current liabilities</b>		
Lease liability	44,121	—
Long-term debt	5,053,165	5,411,208
Long-term provisions	3,637	4,002
Derivatives	40,675	6,068
Other long-term liabilities	—	79,716
Income tax payable	11,659	18,473
Deferred income taxes	574,392	580,697
<b>Total non-current liabilities</b>	<b>5,727,649</b>	<b>6,100,164</b>
<b>Total liabilities</b>	<b>6,742,622</b>	<b>7,112,138</b>
<b>EQUITY</b>		
Share capital	4,355,902	4,116,287
Reserves	(525,270)	(469,629)
Retained earnings	535,431	502,761
<b>Equity attributable to the Shareholders of The Stars Group Inc.</b>	<b>4,366,063</b>	<b>4,149,419</b>
Non-controlling interest	3,595	3,981
<b>Total equity</b>	<b>4,369,658</b>	<b>4,153,400</b>
<b>Total liabilities and equity</b>	<b>11,112,280</b>	<b>11,265,538</b>

† The Corporation applied IFRS 16 from January 1, 2019. Consistent with the transition method chosen by the Corporation, comparative information has not been restated.

# OTHER COSTS AND RECONCILIATION OF ADJUSTMENTS TO EBITDA FOR FREE CASH FLOW



In thousands of U.S. Dollars	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Integration costs of acquired businesses	4,899	11,467	12,922	11,467
Financial expenses	1,083	4,330	2,113	2,049
Restructuring expenses <sup>1</sup>	2,320	1,426	6,229	2,058
AMF, foreign payments and other investigation and related professional fees <sup>2</sup>	6,511	2,875	9,220	4,659
Lobbying (US and Non-US) and other legal expenses <sup>3</sup>	3,290	2,665	6,562	5,658
Professional fees in connection with non-core activities <sup>4</sup>	8,643	102	10,463	553
Retention bonuses	—	117	—	234
(Gain) loss on disposal of assets	(393)	41	(393)	41
Other	447	13	1,385	13
<b>Other costs</b>	<b>26,800</b>	<b>23,036</b>	<b>48,501</b>	<b>26,732</b>

## In thousands of USD (except otherwise noted)

	Three months ended June 30, 2019
<b>Other costs (as above)</b>	<b>26,800</b>
Add (deduct) the impact of the following:	
Integration costs of acquired businesses (shown separately)	(4,899)
Unrealized loss on foreign exchange	(10,128)
Other	(483)
<b>Adjustments to EBITDA for Free Cash Flow bridge</b>	<b>11,290</b>

	Three months ended June 30, 2019
<b>In thousands of USD (except otherwise noted)</b>	
Unrealized loss on foreign exchange <sup>5</sup>	(10,128)
Realized loss on foreign exchange	9,153
<b>Foreign exchange loss<sup>6</sup></b>	<b>(975)</b>

1. Restructuring expenses relate to certain restructuring programs implemented following prior acquisitions, and certain of the Corporation's strategic cost savings initiatives (i.e., referred to by the Corporation as "operational excellence" or "operational efficiency" programs), all of which management does not consider to be part of core, ongoing operating activities or expenses. "Termination of employment agreements" presented in prior periods is now included in restructuring expenses.
2. AMF and other investigation and related matters and foreign payments matters professional fees relate to those matters described in the Q2 2019 MD&A and the 2018 Annual Information Form under the heading "Legal Proceedings and Regulatory Actions".
3. The Corporation excludes certain lobbying and legal expenses in jurisdictions where it is actively seeking licensure or similar approval because management believes that the Corporation's incremental cost of these lobbying and legal expenses in such jurisdictions is generally higher than its peers given liabilities and related issues primarily stemming from periods prior to the acquisition of the Stars Interactive Group in 2014 or from matters not directly involving the Corporation or its current business.
4. Professional fees in connection with non-core activities are excluded from Adjusted EBITDA as these expenses are not representative of the underlying operations including professional fees related to litigation matters, incremental accounting and audit fees incurred in connection with the integration of the acquisitions of SBG and BetEasy and BetEasy's acquisition of William Hill Australia, including as it relates to internal controls and previously announced partnership with FOX and transactions in connection with obtaining potential access to certain U.S. jurisdictions in which the Corporation currently does not operate.
5. As shown on the Q2 2019 unaudited interim condensed consolidated statements of cash flows.
6. As shown on the Q2 2019 Financial Statements note 6 – Expenses classified by nature.

Note: For additional information on Other Costs, see the 2019 Second Quarter MD&A, in particular under the heading "Reconciliations"

# FREE CASH FLOW RECONCILIATION



In thousands of U.S. Dollars	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net cash inflows from operating activities	173,208	164,011	283,593	296,080
Customer deposit liability movement	12,995	(14,090)	(2,346)	(13,901)
	186,203	149,921	281,247	282,179
Capital expenditure:				
Additions to deferred development costs	(18,887)	(9,759)	(39,033)	(16,190)
Additions to property and equipment	(4,131)	(5,676)	(8,178)	(9,261)
Additions to intangible assets	(13,971)	(9,415)	(18,505)	(11,842)
Interest paid	(50,524)	(34,790)	(142,285)	(66,278)
Debt servicing cash flows (excluding voluntary prepayments)	(13,870)	(5,425)	(25,939)	(11,493)
<b>Free Cash Flow</b>	<b>84,820</b>	<b>84,856</b>	<b>47,307</b>	<b>167,115</b>

# UPDATED 2019 FULL YEAR FINANCIAL GUIDANCE AND UPDATE

## ITEMS ASSUMPTIONS



The unaudited expected results and other information on slide 19 reflect management's view of current and future market and business conditions, including certain accounting assumptions and assumptions of

- (i) expected Betting Net Win Margin of approximately 8.5% (with the remainder of the year and the medium-term targets unchanged from the previous estimates of approximately 9%)
- (ii) no further material changes in the current challenging operating conditions in certain markets from prior regulatory changes, including constraints on payment processing and accessing certain products, and no material changes to current expectations with respect to certain macroeconomic or political events, including Brexit
- (iii) no other material regulatory events or material changes in applicable taxes or duty rates
- (iv) no other material investments associated with the entry into new markets and no material change in The Stars Group's current estimate of its aggregate addressable U.S. market size of approximately 23 states and \$9.3 billion by 2025
- (v) other than as updated below, no further material foreign currency exchange rate fluctuations, particularly against the Euro, Great Britain pound sterling and Australian dollar
- (vi) no material impairment or write-down of the assets to which depreciation and amortization relates
- (vii) no material change in the prevailing EURIBOR or LIBOR rates as at June 30, 2019 (previously December 31, 2018) and no material adverse impact on applicable hedging counterparties
- (viii) no material change in the mix of taxable income by jurisdiction, rate of corporate tax or tax regimes in the jurisdictions in which The Stars Group currently operates
- (ix) no material change in the geographies where The Stars Group currently offers its products, and
- (x) no material change in The Stars Group's Diluted Shares.

Such guidance, targets and information are also now based on an updated Euro to U.S. dollar exchange rate of 1.12 to 1.00 (previously 1.135 to 1.00), a Great Britain pound sterling to U.S. dollar exchange rate of 1.22 to 1.00 (previously 1.31 to 1.00) and an Australian dollar to U.S. dollar exchange rate of 0.69 to 1.00 (previously 0.712 to 1.00), for the second half of 2019.

# UPDATED 2019 FULL YEAR FINANCIAL GUIDANCE RECONCILIATION



In millions of U.S. Dollars (except per share amounts)

	2018 Actual	2019 Full Year Guidance	2019 Full Year Guidance
		Low <sup>1</sup>	High <sup>1</sup>
<b>Operating Income (loss)</b>	253	330	355
Depreciation and amortization	283	450	430
Add (deduct) the impact of the following:			
Adjusting items <sup>2</sup>	136	10	20
Other costs <sup>3</sup>	109	115	125
<b>Total Adjustments</b>	<b>245</b>	<b>125</b>	<b>145</b>
<b>Adjusted EBITDA</b>	<b>781</b>	<b>905</b>	<b>930</b>
Depreciation and amortization <sup>4</sup>	41	85	75
Interest <sup>5</sup>	184	290	280
Taxes <sup>6</sup>	22	50	53
<b>Adjusted Net Earnings</b>	<b>534</b>	<b>480</b>	<b>522</b>
Adjusted Net Earnings attributable to			
Shareholders of Stars Group Inc.	531	475	518
Non-controlling Interest	3	5	4
Diluted Shares	243	283	283
<b>Adjusted Diluted Net Earnings per Share</b>	<b>2.19</b>	<b>1.68</b>	<b>1.83</b>

- For relevant assumptions, see above under “2019 Updated Financial Guidance”. Note that certain reconciling or adjusting items and costs for 2019 cannot be projected or predicted with reasonable certainty without unreasonable effort due to a number of factors, including variability from potential foreign exchange fluctuations impacting financial expenses, the nature and timing of other non-recurring or one-time costs (such as impairment of intangibles assets and certain professional fees), which could vary materially based on actual events or transactions or unknown or unpredictable variables, as well as the typical variability arising from the preparation and completion of annual financial statements, including, without limitation, certain income tax provision accounting, annual impairment testing and other accounting matters. Other adjusting items and costs (such as stock-based compensation, acquisition and integration-related costs, operational efficiency-related costs and other strategy-related expenses) may otherwise reveal commercially or competitively sensitive information. The Stars Group has also not provided a reconciliation of the non-IFRS measures to the nearest IFRS measures included in its updated full year 2019 guidance provided in this news release because of these reasons.
- With respect to the relevant adjusting items for 2018, see the Adjusted EBITDA reconciliation in the news release issued by The Stars Group on March 6, 2019, under the heading “Reconciliation of Non-IFRS Measures to Nearest IFRS Measures”. With respect to 2019, The Stars Group currently expects to incur and adjust for substantially similar items as it did in 2018 except for “acquisition-related costs and deal contingent forwards”, which related to the acquisitions of Sky Betting & Gaming and BetEasy and comprised the majority of such adjusting items in that year.
- With respect to the Other costs for 2018, see the “Other costs” reconciliation in the news release issued by The Stars Group on March 6, 2019, under the heading “Reconciliation of Non-IFRS Measures to Nearest IFRS Measures”. With respect to 2019, The Stars Group currently expects to incur and adjust for substantially similar costs as it did in 2018.
- “Depreciation and amortization” means total depreciation and amortization, excluding amortization of acquisition intangibles, which is not adjusted for in this measure.
- “Interest” means total net financing charges, including interest on long term debt and other interest (income) expense but excluding interest accretion, ineffectiveness on cash flow hedges, re-measurement of deferred contingent consideration, and re-measurement of embedded derivatives, each of which is not adjusted for in this measure.
- “Taxes” means total income tax expense, excluding the impact of tax on “Adjusting items” and “Other costs” included in the calculation of Adjusted EBITDA for each period.

# NON-IFRS MEASURES



This presentation references non-IFRS financial measures, including Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Earnings, Adjusted Diluted Net Earnings per Share, Free Cash Flow, Net Debt, Leverage, the numerator of QNY, and Constant Currency Revenue. The Stars Group believes these non-IFRS financial measures will provide investors with useful supplemental information about the financial and operational performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business, identifying and evaluating trends, and making decisions. Although management believes these financial measures are important in evaluating The Stars Group, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. They are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS. These measures may be different from non-IFRS financial measures used by other companies, limiting its usefulness for comparison purposes. Moreover, presentation of certain of these measures is provided for year-over-year comparison purposes, and investors should be cautioned that the effect of the adjustments thereto provided herein have an actual effect on The Stars Group's operating results. In addition to QNY, which is defined below under "Key Metrics and Other Data", The Stars Group uses the following non-IFRS measures in this presentation:

Adjusted EBITDA means net earnings before financial expenses, income tax expense (recovery), depreciation and amortization, stock-based compensation, restructuring, net earnings (loss) on associate and certain other items as set out in the preceding reconciliation tables.

Adjusted EBITDA Margin means Adjusted EBITDA as a proportion of total revenue.

Adjusted Net Earnings means net earnings before interest accretion, amortization of intangible assets resulting from purchase price allocations following acquisitions, stock-based compensation, restructuring, net earnings (loss) on associate, and certain other items. In addition, as previously disclosed, The Stars Group makes adjustments for (i) the re-measurement of contingent consideration, which was previously included in, and adjusted for through, interest accretion, but starting with The Stars Group's interim condensed consolidated financial statements and related notes for the three and nine months ended September 30, 2018 (the "Q3 2018 Financial Statements"), it is a separate line item, (ii) the re-measurement of embedded derivatives and ineffectiveness on cash flow hedges, each of which were new line items in the Q3 2018 Financial Statements, and (iii) certain non-recurring tax adjustments and settlements. Each adjustment to net earnings is then adjusted for the tax impact, where applicable, in the respective jurisdiction to which the adjustment relates. Adjusted Net Earnings and any other non-IFRS measures used by The Stars Group that relies on or otherwise incorporates Adjusted Net Earnings that was reported for previous periods have not been restated under the updated definition on the basis that The Stars Group believes that the impact of the change to those periods would not be material.

Adjusted Diluted Net Earnings per Share means Adjusted Net Earnings attributable to the Shareholders of The Stars Group Inc. divided by Diluted Shares. Diluted Shares means the weighted average number of Common Shares on a fully diluted basis, including options, other equity-based awards such as warrants and any convertible preferred shares of the Corporation then outstanding. The effects of anti-dilutive potential Common Shares are ignored in calculating Diluted Shares. Diluted Shares used in the calculation of diluted earnings per share may differ from diluted shares used in the calculation of Adjusted Diluted Net Earnings per Share where the dilutive effects of the potential Common Shares differ. See note 8 in the Q2 2019 Financial Statements. For the three and six months ended June 30, 2019, Diluted Shares used for the calculation of Adjusted Diluted Net Earnings per Share equaled 282,399,213 and 278,181,337, respectively, compared with 215,380,175 and 212,449,078 for the prior year periods, respectively.

# NON-IFRS MEASURES (CONT.)



Free Cash Flow means net cash flows from operating activities after adding back customer deposit liability movements, and after capital expenditures and debt servicing cash flows (excluding voluntary prepayments).

Net Debt means total long-term debt less operational cash.

Leverage means Net Debt divided by the trailing twelve-months' Adjusted EBITDA. Reconciliations of the individual components of Leverage are included in this Appendix.

Constant Currency Revenue means IFRS reported revenue for the relevant period calculated using the applicable prior year period's monthly average exchange rates for its local currencies other than the U.S. dollar. Currently, the Corporation provides Constant Currency Revenue for the International segment and its applicable lines of operations. The Corporation believes providing Constant Currency Revenue for the International segment is useful because it helps show the foreign exchange impact due to currency translation and customer purchasing power, and it facilitates comparison to its historical performance mainly because the U.S. dollar is the primary currency of gameplay on the International segment's product offerings and the majority of the segment's customers are from European Union jurisdictions and primarily make deposits in Euros.

The Corporation is also exposed to foreign exchange risk as a result of the Acquisitions, primarily when translating the functional currencies of the United Kingdom segment (i.e., GBP) and Australia segment (i.e., AUD) into U.S. dollars for financial reporting purposes. However, it does not currently provide Constant Currency Revenue for the United Kingdom and Australia segments because the Corporation does not yet have full reported comparative periods for these segments as a result of the respective acquisition dates of Sky Betting & Gaming and BetEasy, and with respect to BetEasy, as of June 30, 2018, the Corporation had not yet completed the previously announced migration of the customers of what was formerly the William Hill Australia business onto the BetEasy platform. The Corporation intends to provide information on the impact of foreign exchange rates for these segments either individually or on a consolidated basis when applicable reported comparative period information is available that the Corporation believes would be reasonably comparable to the current periods as noted above.

Reconciliations of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Earnings, and Adjusted Diluted Net Earnings per Share, to the nearest IFRS measures are provided in this Appendix. The Corporation does not provide a reconciliation for the numerator of QNY as the revenue components thereof (i.e., Poker, Gaming and Betting) and Other revenues are set forth in the Q2 2019 MD&A and the Q2 2019 Financial Statements.

The Stars Group has not provided a reconciliation of the non-IFRS measures to the nearest IFRS measures included in its full year 2019 financial guidance provided in this presentation because certain reconciling or adjusting items and costs for 2019 cannot be projected or predicted with reasonable certainty without unreasonable effort due to a number of factors, including variability from potential foreign exchange fluctuations impacting financial expenses, the nature and timing of other non-recurring or one-time costs (such as impairment of intangibles assets and certain professional fees), which could vary materially based on actual events or transactions or unknown or unpredictable variables, as well as the typical variability arising from the preparation and completion of annual financial statements, including, without limitation, certain income tax provision accounting, annual impairment testing and other accounting matters. Other adjusting items and costs (such as stock-based compensation, acquisition and integration-related costs, operational efficiency-related costs and other strategy-related expenses) may otherwise reveal commercially or competitively sensitive information.

For additional information on certain of The Stars Group's non-IFRS measures and the reasons why it believes such measures are useful, see the Q2 2019 MD&A, including under the headings "Management's Discussion and Analysis", "Non-IFRS Measures, Key Metrics and Other Data", "Segment Results of Operations" and "Reconciliations".

## Key Metrics and Other Data

The Stars Group defines Stakes as betting amounts wagered on the Corporation's applicable online betting product offerings, and is also an industry term that represents the aggregate amount of funds wagered by customers within the Betting line of operation for the period specified.

Betting Net Win Margin is calculated as Betting revenue as a proportion of Stakes.

The Stars Group defines QAUs for the International and Australia reporting segments as active unique customers (online, mobile and desktop client) who (i) made a deposit or transferred funds into their real-money account with the Corporation at any time, and (ii) generated real-money online rake or placed a real-money online bet or wager on during the applicable quarterly period. The Corporation defines "active unique customer" and "active unique" as a customer who played or used one of its real-money offerings at least once during the applicable period, and excludes duplicate counting, even if that customer is active across multiple lines of operation (Poker, Gaming and/or Betting, as applicable) within the applicable reporting segment. The definition of QAUs excludes customer activity from certain low-stakes, non-raked real-money poker games, but includes real-money activity by customers using funds (cash and cash equivalents) deposited by the Corporation into such customers' previously funded accounts as promotions to increase their lifetime value.

The Stars Group currently defines QAUs for the United Kingdom reporting segment (which currently includes the SBG business operations only) as active unique customers (online and mobile) who have settled a Stake or made a wager on any betting or gaming product within the applicable quarterly period. The Corporation defines "active unique customers" and "active unique" for the United Kingdom reporting segment as a customer who played at least once on one of its real-money offerings during the applicable period, and excludes duplicate counting, even if that customer is active across more than one line of operation.

The Stars Group defines QNY as combined revenue for its lines of operation (i.e., Poker, Gaming and/or Betting, as applicable), for each reporting segment, excluding Other revenues, as reported during the applicable quarterly period (or as adjusted to the extent any accounting reallocations are made in later periods) divided by the total QAUs during the same period. The numerator of QNY is a non-IFRS measure.

The Stars Group defines Net Deposits for the International segment as the aggregate of gross deposits or transfer of funds made by customers into their real-money online accounts less withdrawals or transfer of funds by such customers from such accounts, in each case during the applicable quarterly period. Gross deposits exclude (i) any deposits, transfers or other payments made by such customers into the Corporation's play-money and social gaming offerings, and (ii) any real-money funds (cash and cash equivalents) deposited by the Corporation into such customers' previously funded accounts as promotions to increase their lifetime value.

The Stars Group is also continuing the process of integrating its recent acquisitions, as applicable, and implementing its recently changed operating and reporting segments, and once complete, The Stars Group may revise or remove currently presented key metrics or report certain additional or other measures in the future.

For additional information on The Stars Group's key metrics and other data, see the Q2 2019 MD&A, including under the heading "Non-IFRS measures, Key Metrics and Other Data".

## Currency and rounding

Unless otherwise noted, all references to "\$", "US\$" and "USD" are to the U.S. dollar, "£" and "GBP" are to the Great British pound sterling, "A\$" and "AUD" are to Australian dollar and "C\$" are to the Canadian dollar.

Sub-totals, totals and percentage changes shown within tables included in this presentation may contain certain rounding differences as a result of being calculated using unrounded numbers



# Second Quarter 2019

Earnings Presentation

August 12, 2019

