



Flutter Entertainment Plc Interim Results 2021 & US Deep Dive

10 August 2021

Flutter



LEADERS

NAME	SCORE	PAR
1. J. HAN	71	-1
2. J. HAN	72	0
3. J. HAN	73	1
4. J. HAN	74	2
5. J. HAN	75	3
6. J. HAN	76	4
7. J. HAN	77	5
8. J. HAN	78	6
9. J. HAN	79	7
10. J. HAN	80	8
11. J. HAN	81	9
12. J. HAN	82	10
13. J. HAN	83	11
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15. J. HAN	85	13
16. J. HAN	86	14
17. J. HAN	87	15
18. J. HAN	88	16
19. J. HAN	89	17
20. J. HAN	90	18

Introduction

Peter Jackson, Group CEO

Agenda

- H1 Summary
- Financial Review
- Group ex-US Business Update
 - UK and Ireland
 - International
 - Australia
- US Deep Dive
- Conclusion

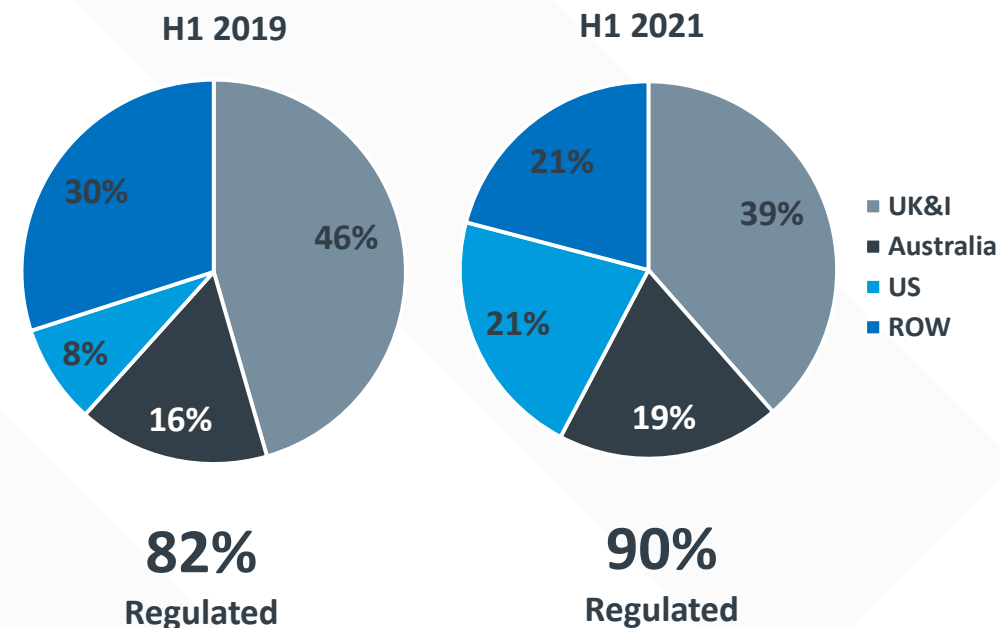
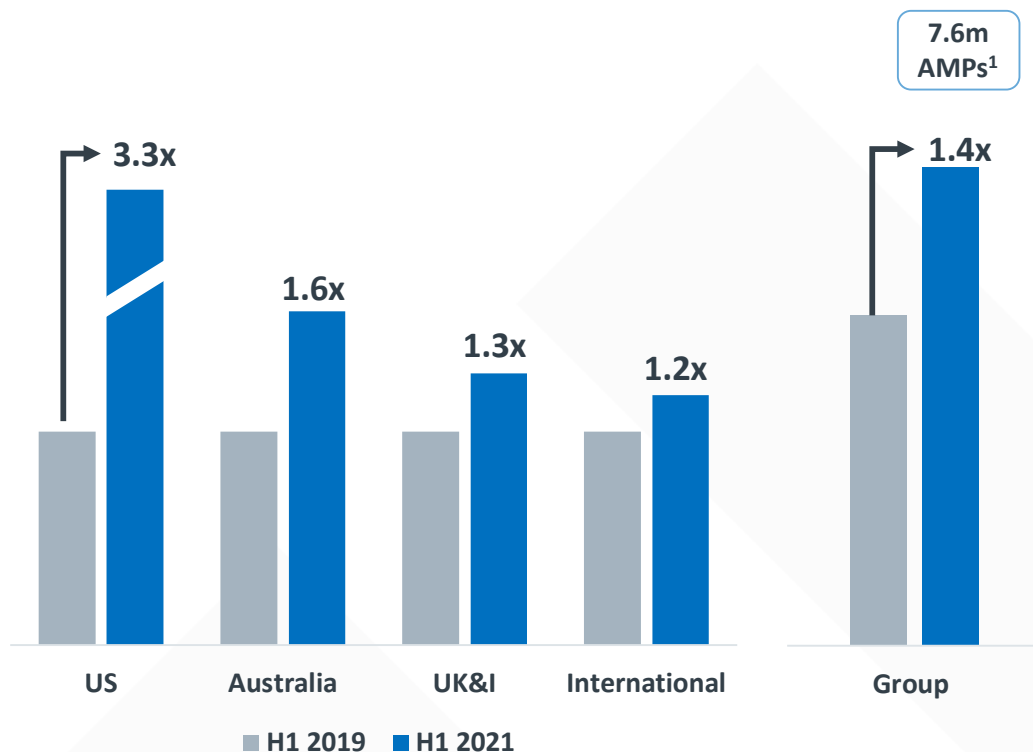
H1 Summary

- Excellent operational performance, exceeding our expectations
 - Diversification benefits clearly evident
- Strong customer momentum with material increase in global customer base
 - UK & Ireland: strong customer growth with good integration progress
 - International: revenue decline less than expected with investment programme putting business on more sustainable footing
 - Australia: sustained change in scale and profitability
 - FanDuel: US leadership position extended

Scale and quality of Flutter Group enhanced...

Significantly expanded global player base

Increasingly diversified and sustainable revenue streams

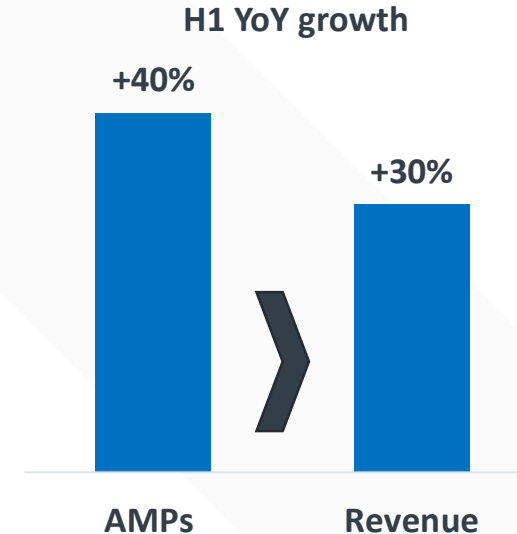


Leading on safer gambling through market specific initiatives

Optimising our framework on a market by market basis...

- Continued investment in people, resources and technology
- Improving number and quality of SG interactions
- Developing our Affordability framework in UK; further changes in H2
- Investing in SG tools awareness, e.g. 'Take a sec before you bet' Sportsbet campaign launched last month
- Major partnerships to promote safer gambling, e.g. FanDuel and American Gaming Association / Gamban
- Leading the market ahead of regulation, e.g. Irish credit card deposit ban, whistle-to-whistle ban and RET funding

...Leading to more sustainable customer base



- Customer growth > revenue growth
- Revenue per average monthly player lower across both sports and gaming with increased recreational play
- Increased SG tool usage



Financial Review
Jonathan Hill, Group CFO

Key financial highlights

Pro forma ¹		H1 2021	H1 2020	YOY CC
Revenue	Sports revenue	£1,894m	£1,199m	+57%
	Gaming revenue	£1,159m	£1,190m	+1%
	Total revenue	£3,053m	£2,389m	+30%
Profitability	Adjusted EBITDA Group	£597m	£684m	-12%
	Adjusted EBITDA Group ex-US	£684m	£703m	-2%
	Adjusted operating profit	£472m	£567m	-16%
	Adjusted EPS	171.1p	286.3p	-40%
Financial position	Free cash flow	£333m	£500m	
	Cash conversion ²	95%	114%	
	Net debt	£2,682m	£2,899m	
	Net debt / LTM EBITDA	2.3x	2.3x	

- Strong revenue performance from diversified portfolio
- Group ex-US:
 - Sports uplift in UK & Ireland and Australia with excellent operational gearing
 - Offset by lower poker revenue and investment in customer growth in International
- Significant investment in US
- EPS reduction reflects increased share count and US loss
- Turning profits into cash
- Leverage of 2.3x

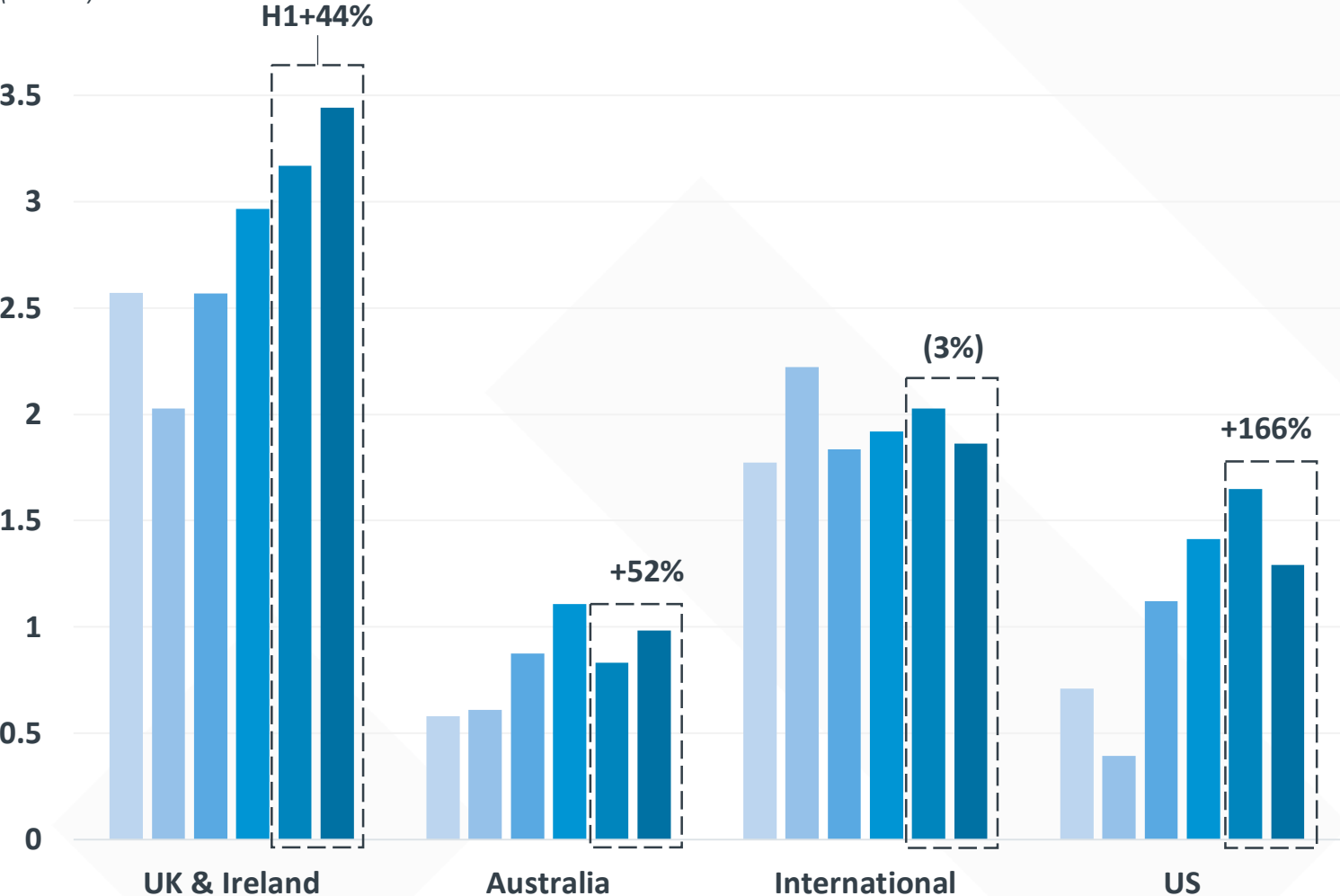
Statutory Group P&L

£m Reported	H1 2021	H1 2020	YOY
Revenue	3,053	1,522	+101%
Adjusted gross profit	1,944	1,026	+89%
Adjusted EBITDA	597	342	+75%
Depreciation & amortisation	(125)	(89)	+41%
Adjusted operating profit	472	253	+87%
Adjusted net interest expense	(74)	(35)	+115%
Separately disclosed items (SDIs)	(321)	(194)	+65%
Profit before tax	77	24	+221%
Tax	(163)	(15)	
(Loss)/profit after tax	(86)	9	
Non-controlling interest	(3)	10	
(Loss)/profit attributable to equity holders	(89)	19	
Adjusted basic EPS	171.1p	187.5p	-9%

- Six month contribution from TSG in 2021 with < 2 months in 2020¹
 - Primary driver of all increases
- SDIs² consisted of:
 - Non-cash items primarily amortisation of acquired intangibles (£276m)
 - Cash items: transaction fees, restructuring and integration costs
- Tax includes deferred tax charge of £105m due to announced UK tax rate increase to 25%
 - Adjusted H1 2021 effective tax rate 23% (Group ex-US: 18%)
- Adjusted EPS 9% lower reflecting the increased tax charge in current period and higher share count in H1 2021

Customer momentum continued into H1...

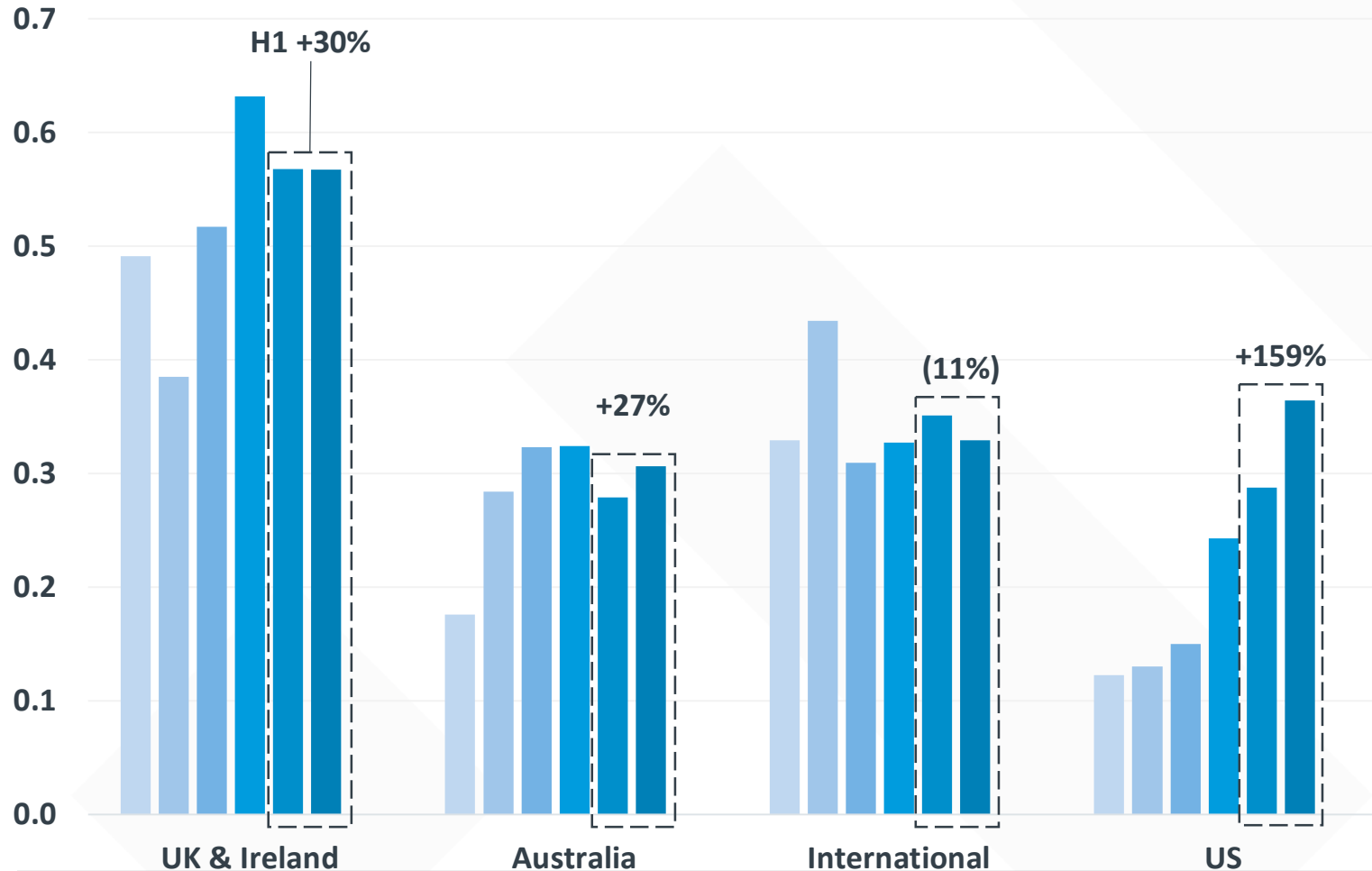
Pro forma AMPs Q1'20 – Q2'21
(millions)



- Q4 momentum carried into 2021; great execution and marquee events drove recreational play
- Group AMPs +40% YoY
- Cheltenham, Grand National and Euros in **UK & Ireland** in Q1 and Q2
- Excellent retention of **Sportsbet** customers from Spring Carnival period in Q4 into H1
- Lockdowns benefited Q1 **International** AMPs vs challenging gaming comparatives
- SuperBowl in **US** exceeded expectations in Q1

...Driving excellent revenue performance...

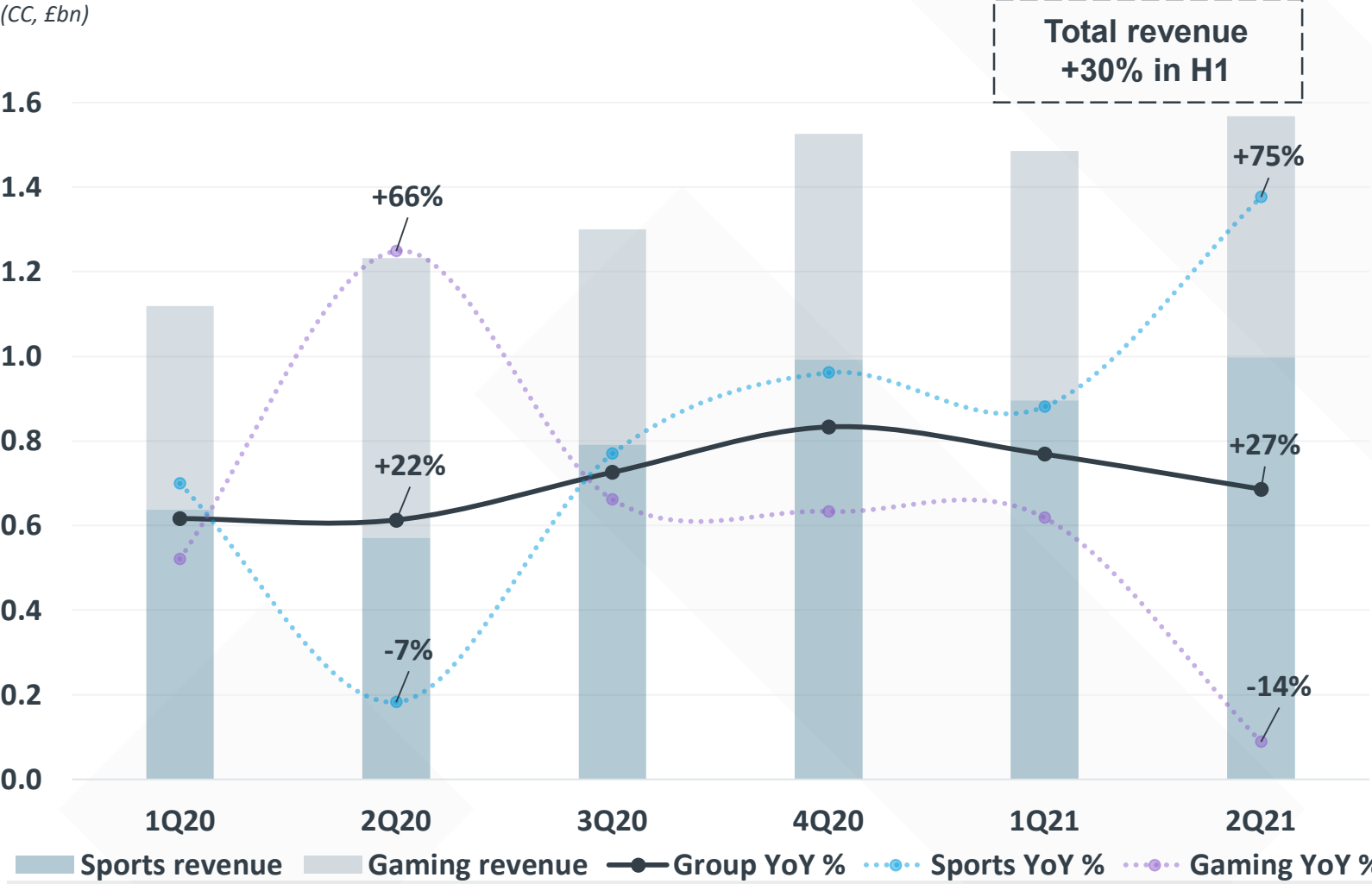
Pro forma revenue Q1'20 – Q2'21
(CC, £bn)



- Group revenue +30% YoY
- Net revenue margins 160 bps lower YoY driven by:
 - Increased investment in generosity
 - H1 sports results beneficial but less so than in H1 2020
- UK & Ireland online revenue +37% with retail shut for most of H1
- Excellent execution in Australia delivering 27% growth
- International reflects tough Q2 2020 comparatives and impact of German regulatory headwinds
- US +159% fuelled by more states and SuperBowl acquisition in H1

...with benefits of diversified product portfolio evident

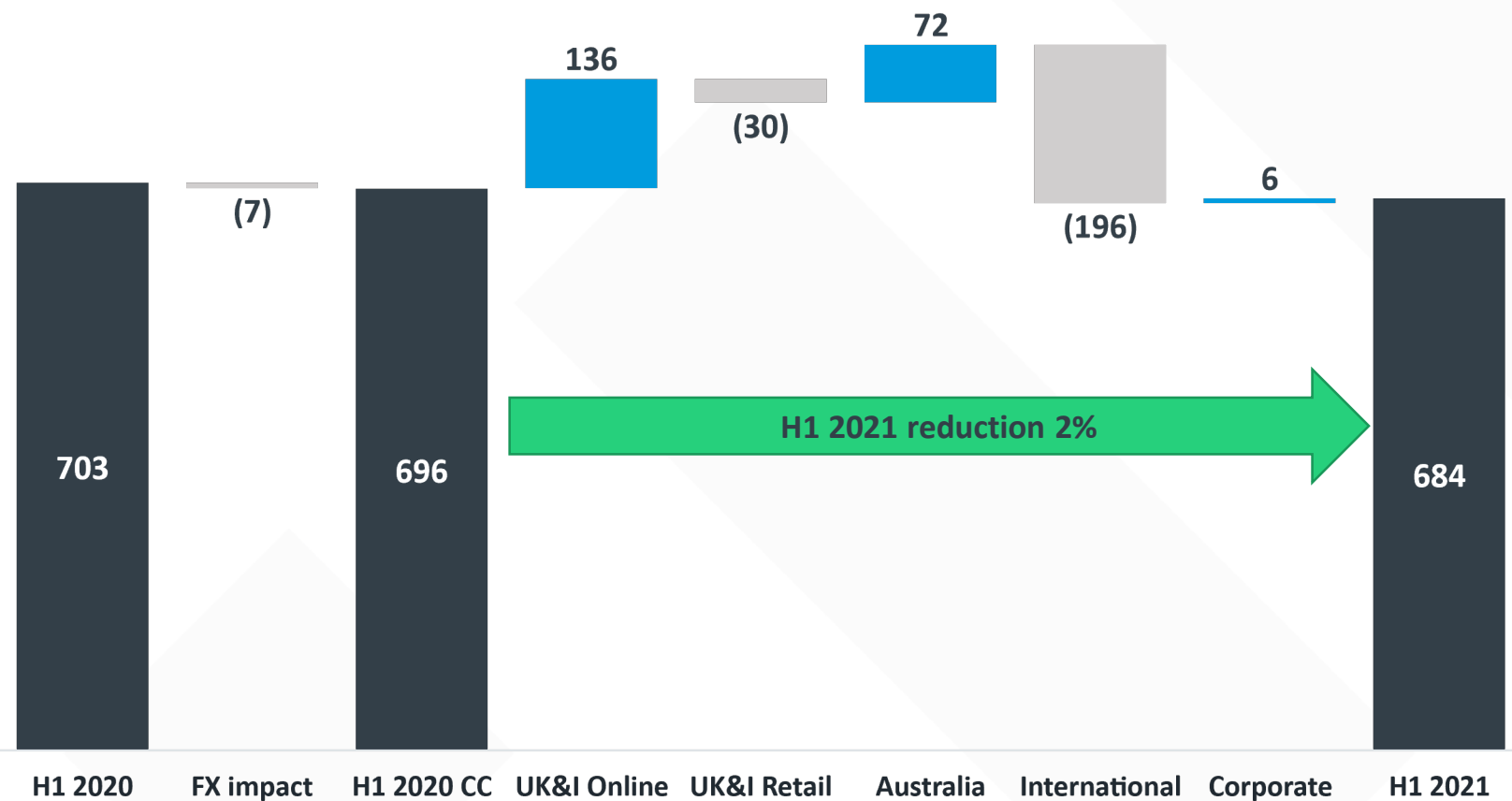
Pro forma revenue
(CC, £bn)



- Prior year revenue mix different due to Covid lockdowns and disruption to sporting calendar
- Sports uplift offsetting gaming reductions
- Group revenue +30% in H1 (sports +57%, gaming +1%)
- Q2 impacts more pronounced with particularly challenging comparatives for gaming in UK & Ireland and International
- US expansion also boosted revenue growth

Group ex-US diversification supporting investment

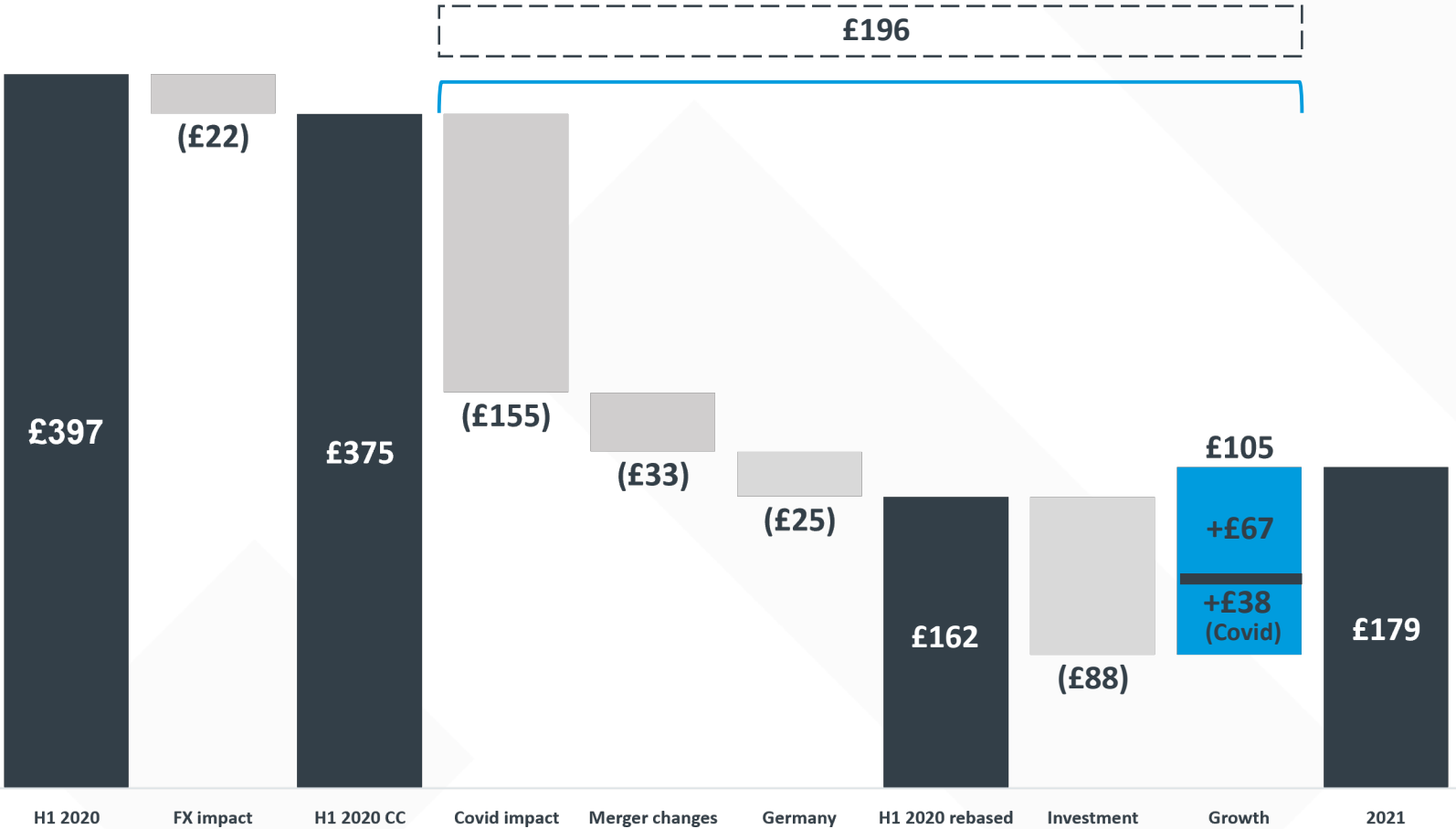
EBITDA £m, constant currency



- Growth in UK&I and Australia offset anticipated International reduction
- Excellent operating leverage in UK & Ireland online; lockdown continued to impact retail
- Australian performance reflects strong execution and delivery of merger synergies
- YoY International performance driven by “one-off” nature of poker spike in H1 2020
- Total synergies £52m, timing slightly ahead of schedule

International EBITDA reflects various significant factors

EBITDA £m, constant currency



- EBITDA 52% lower in constant currency terms (£196m)
- Influx of new and re-engaged customers in Q2 2020
- Regulatory impact of -£58m includes Germany and post merger alignment of compliance practices
- Growth driven by investment in
 - Sales and marketing (£70m)
 - Other operating costs (£18m)
- YoY growth of £105m reflects c. £38m lockdown benefit

Group ex-US EBITDA margin 28% after investment

Pro forma	Adjusted EBITDA (£m)		
	H1 2021	H1 2020	YoY CC
<i>UK & Ireland Online</i>	398	260	+52%
<i>UK & Ireland Retail</i>	(39)	(10)	+340%
UK & Ireland	359	251	+42%
Australia	201	121	+56%
International	179	397	-52%
Corporate costs	(55)	(66)	-10%
Group ex-US	684	703	-2%
US	(87)	(19)	+376%
Group	597	684	-12%
Adjusted EBITDA %			
Group ex-US	28%	33%	-5pps
Group	20%	29%	-9pps

- Group ex-US EBITDA margin of 28%
- Excellent operating leverage in UK&I online and Australia
- This helped offset:
 - Retail closures in UK&I for majority of H1
 - Significant investment in International
 - Regulatory changes which accounted for approx. half the EBITDA margin decline in International
- US loss increased to £87m reflecting online operations in 6 new states vs H1 2020 and continued customer acquisition in existing states
- Significant Group-wide investment
 - Incremental c. £300m in marketing to £728m in H1

Cash flow

Pro forma £m	H1 2021	H1 2020
Adjusted EBITDA	597	684
Capex	(138)	(118)
Working capital	18	105
Corporation tax	(92)	(63)
Lease liabilities paid	(27)	(24)
Adjusted free cash flow	358	584
Cash flow from separately disclosed items	(24)	(84)
Free cash flow	333	500
Interest cost	(70)	(101)
Other borrowing costs	(5)	(22)
Settlement of swaps	-	(28)
Settlement of Kentucky Supersedeas Bonds	(71)	-
Purchase of shares by the Employee Benefit Trust	(89)	-
Acquisitions	(51)	-
Other	(4)	5
Net increase in cash before equity raises/acquisitions	43	356
Proceeds from equity raise	-	806
Cash acquired in business combination	18	-
Net increase in cash	61	1,162
Net debt at start of year¹	(2,814)	(3,827)
Foreign currency exchange translation	26	(253)
Change in fair value of hedging derivatives	45	19
Net debt at 30 June	(2,682)	(2,899)

- Adjusted free cash flow pre-tax of £450m compares to Adjusted operating profit of £472m, converting at 95%
- Adjusted free cash flow lower due to US investment losses and lower working capital benefit
- Working capital favorably impacted by scale of Group. Lower year-on-year due to lockdown outperformance in H1 2020 combined with deferral of certain payments
- Corporation tax payments higher due to profit mix
- Interest £31m lower following debt repayment and lower financing costs
- £89m share purchase to part settle FanDuel incentive schemes
- Exceptional items during H1:
 - £71m payment of Kentucky bond (included in SDIs)
 - Acquisition of Jungle Games for £51m

H2 2021 refinancing strengthens debt position

£'m, leverage ratio	30 June 2021	Refinancing	Pro forma for refinancing
Gross debt	3,316	289	3,604
Cash (excl. customer balances)	634	250	884
Net debt	2,682	39	2,721
LTM pro forma Adjusted EBITDA	1,145		1,145
Leverage ratio	2.34x		2.38x

Borrowing ²	Principal	Interest rate	Maturity
Debt structure at 30 June			
TLA (GBP)	£950m	GBP LIBOR +175bps	2025
TLB (USD)	\$1,438m	USD LIBOR +350bps, 0% Floor	2025
TLB (EUR)	€507m	EURIBOR +375bps, 0% Floor	2025
Senior Notes ³	\$1,000m	Coupon 7%	2026
Debt structure pro forma for refinancing			
TLA (GBP)	£950m	GBP LIBOR +175bps	2025
TLB (USD)	\$2,938m	USD LIBOR +225bps, 0% Floor	2026
TLB (EUR)	€507m	EURIBOR +250bps, 0% Floor	2026
Senior Notes ³	Nil	-	-

- Leverage 2.3x at 30 June 2021
- Significant liquidity; cash available of £634m and undrawn RCF of £435m¹
- Material covenant headroom; earliest debt maturity 2025
- July refinancing upsized USD TLB by \$1.5bn to repay most expensive debt, USD and EUR TLB repriced to attractive levels
- **Weighted average cost of debt reduced from 4.2% to 2.5% with annualised interest savings of c.£50m**
- Additional cash liquidity added of c.£250m
- Credit ratings reaffirmed at Ba1/BB+/BBB-⁴ stable outlook

¹ Total balance of £450m; £15m sub-limit assigned to guarantee facility; available balance of £435m.

² USD Notes are swapped into EUR and the USD TLB is swapped into GBP and EUR.

³ Due July 2026. Repaid shortly after first call date on 21 July 2021 at a price equal to 103.5% of the principal amount of the notes.

⁴ Moody's / S&P / Fitch - all ratings at Stable outlook after Fitch outlook improvement.

2021 Outlook

Current trading	<ul style="list-style-type: none">• Positive start to H2, albeit a traditionally quiet part of the year
Ex-US guidance	<ul style="list-style-type: none">• Group ex-US EBITDA expected to be between £1,270m and £1,370m assuming:<ul style="list-style-type: none">— Normalised net revenue margins for remainder of year; no material disruption to sporting calendars— No further retail closures
US guidance	<ul style="list-style-type: none">• US net revenue expected to be between £1,285m - £1,425m (\$1.8bn and \$2.0bn) with a US EBITDA loss of £225m - £275m (\$315-\$385m) assuming:<ul style="list-style-type: none">— Normalised net revenue margins for remainder of year; no material disruption to sporting calendar— State launches in Arizona and Connecticut in H2
Tax	<ul style="list-style-type: none">• Effective Group ex-US corporate tax rate expected to be 17-19% (previously 15-17%) reflecting higher proportion of earnings coming from Australia and UK&I
Capex	<ul style="list-style-type: none">• Continue to expect capex to be c.£300m in 2021

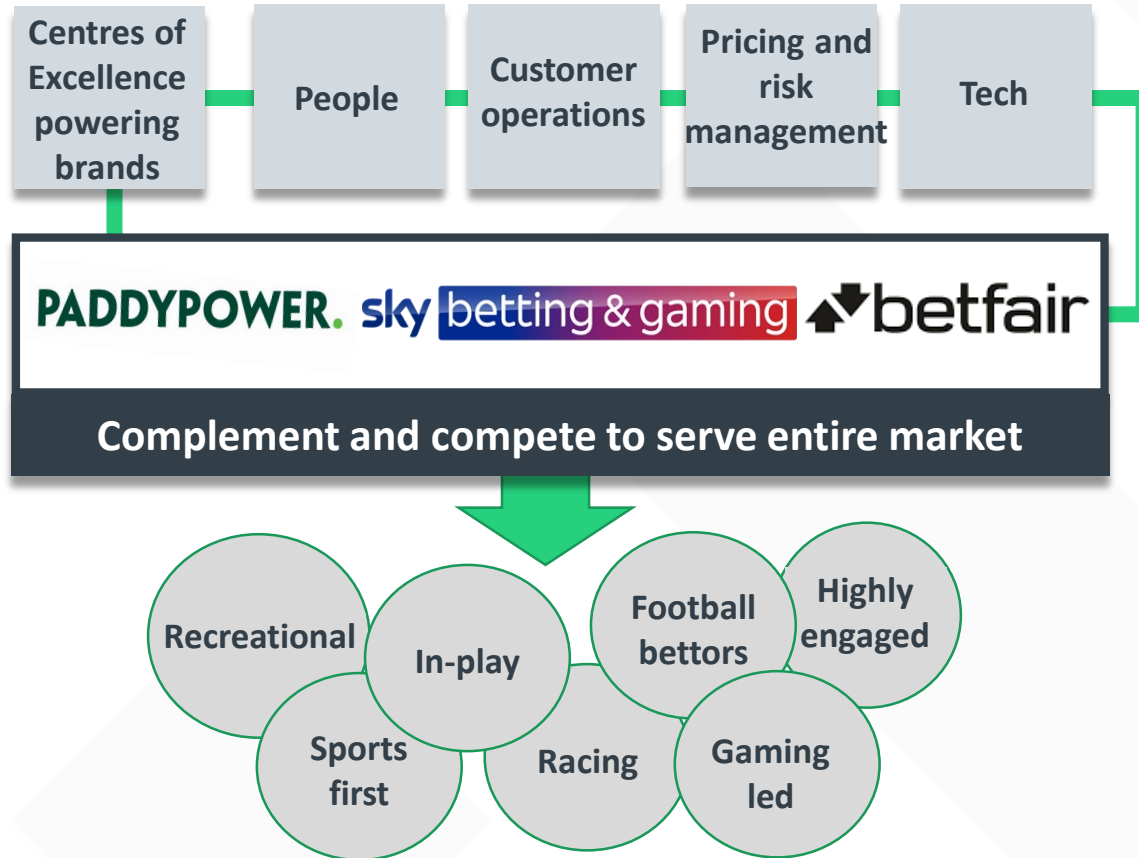


Group ex-US Business Review

Peter Jackson, Group CEO

UK & Ireland: progress on integration

Strategy serving all customers at scale



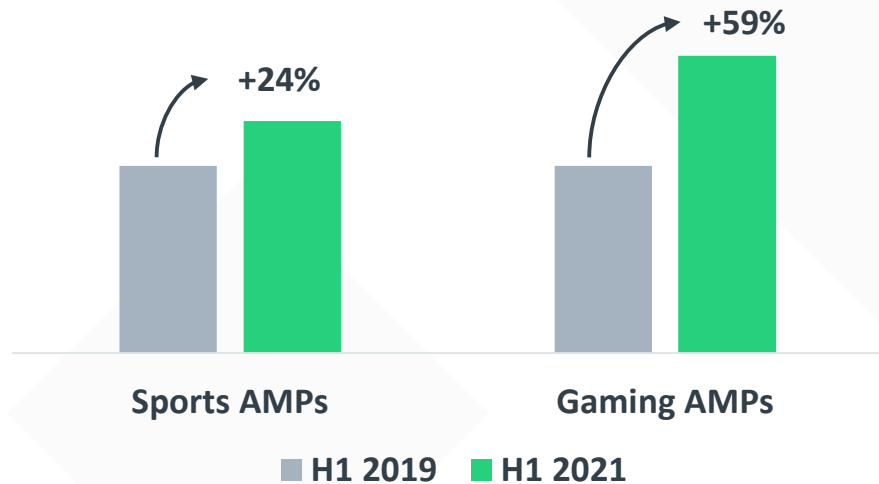
Integration while maintaining momentum

- Focus on maintaining strong performance
- Creating 'Centres of Excellence'
 - Key functions powering brands
 - Shared insights, technology and tools to optimize customer offering and further unlock scale benefits
- 'Club and Country' people model in place to sustain mix of cultures
 - Club representing brand e.g. Betfair
 - Country representing UK&I
- Strategy delivering strong growth
 - > 3.3m AMPs in H1
 - Scale benefits even before integration work complete

UK & Ireland: benefits of shared expertise evident

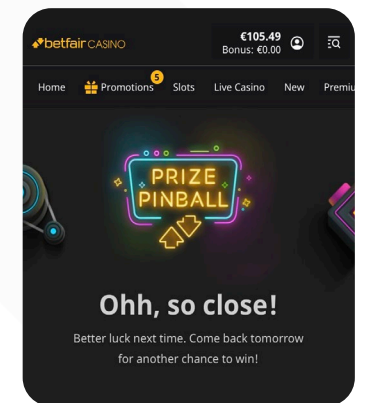
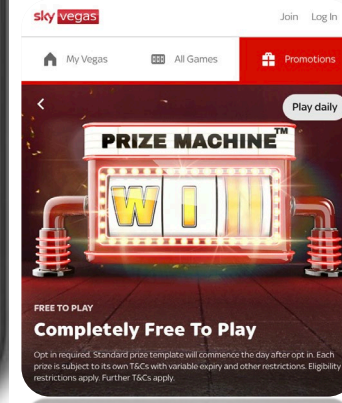
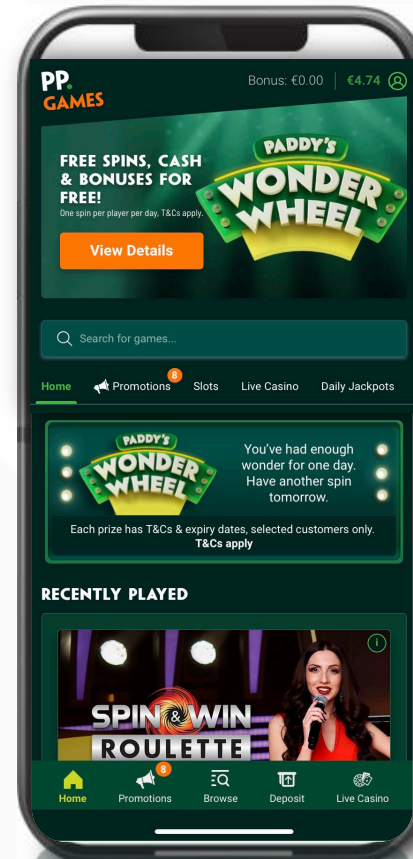
Early collaboration on sports products driving growth

- Improved 'Bet Builder' on Paddy Power and Betfair
 - Higher margin product
 - Popular with recreational customers
 - Over double the volume on created bet types in 2021 vs 2020
- Enhanced SBG in-play with 86% of football markets now traded in-house; 100% target by end 2021



Improved gaming offering also driving engagement

- Learnings from Sky Vegas 'Prize Machine' improved Paddy Power and Betfair gaming content
 - 50% increase in multi-product monthly players
 - 77% daily customers played Paddy's Wonder Wheel in March



International: building the foundations for future growth

Continuing to put business on more stable footing...

1

Revitalising
PokerStars
brand,
stabilising
poker base

2

Scaling casino
through cross-
sell and direct
acquisition

3

Building a lead
in sports with
multi-brand
portfolio

Underpinned by:

Local focus

Buying local capabilities
like Jungle and Singular

Sustainable growth

Increased focus on
regulated markets

Enabled by: investment to address legacy underspend in
brand, product and technology

...through actions we are taking

1

- PokerStars Neymar “I’m In” campaign
- Increased live-streamed poker content
- Improved promotions and value

2

- ‘EPIC downtime’ PokerStars direct casino campaign
- Market leading casino promotions e.g. Million Dollar Race
- More proprietary content; designed for greater cross-sell

3

- Betfair LATAM investment
- Locally focussed marketing investment with Adjarasport
- Prepare GBP for country by country launch beginning in 2022



International: our changes are having an impact

1

Poker

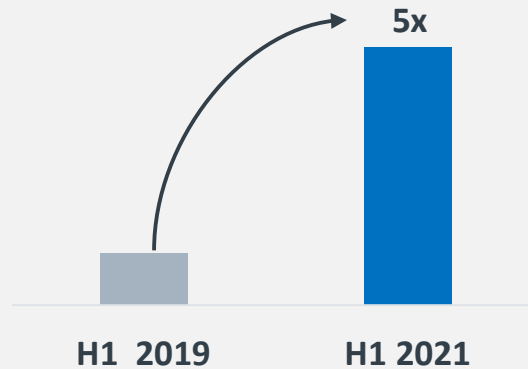
- Positive brand metrics following Neymar “I’m In” brand campaign
- Sunday Millions 15 year anniversary tournament second largest ever, key retention content
- Dominated share of viewers of live-streamed H1 poker content; driving engagement



2

Casino

Direct casino AMPs

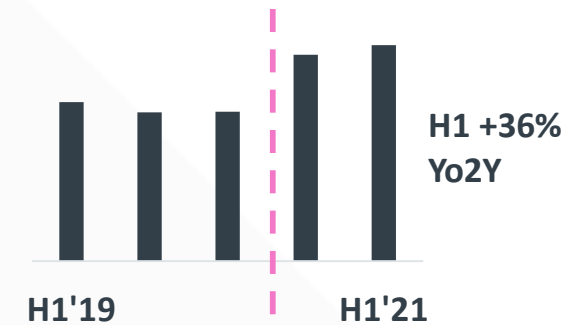


- Largest product vertical
- 19% of PokerStars gaming GGR now from proprietary games
- PokerStars direct casino business accelerated, AMPs 5x H1 2019
- Adjarabet #1 operator¹

3

Sports

PokerStars Sports cross-sell AMPs; sustained step change from Q3'20



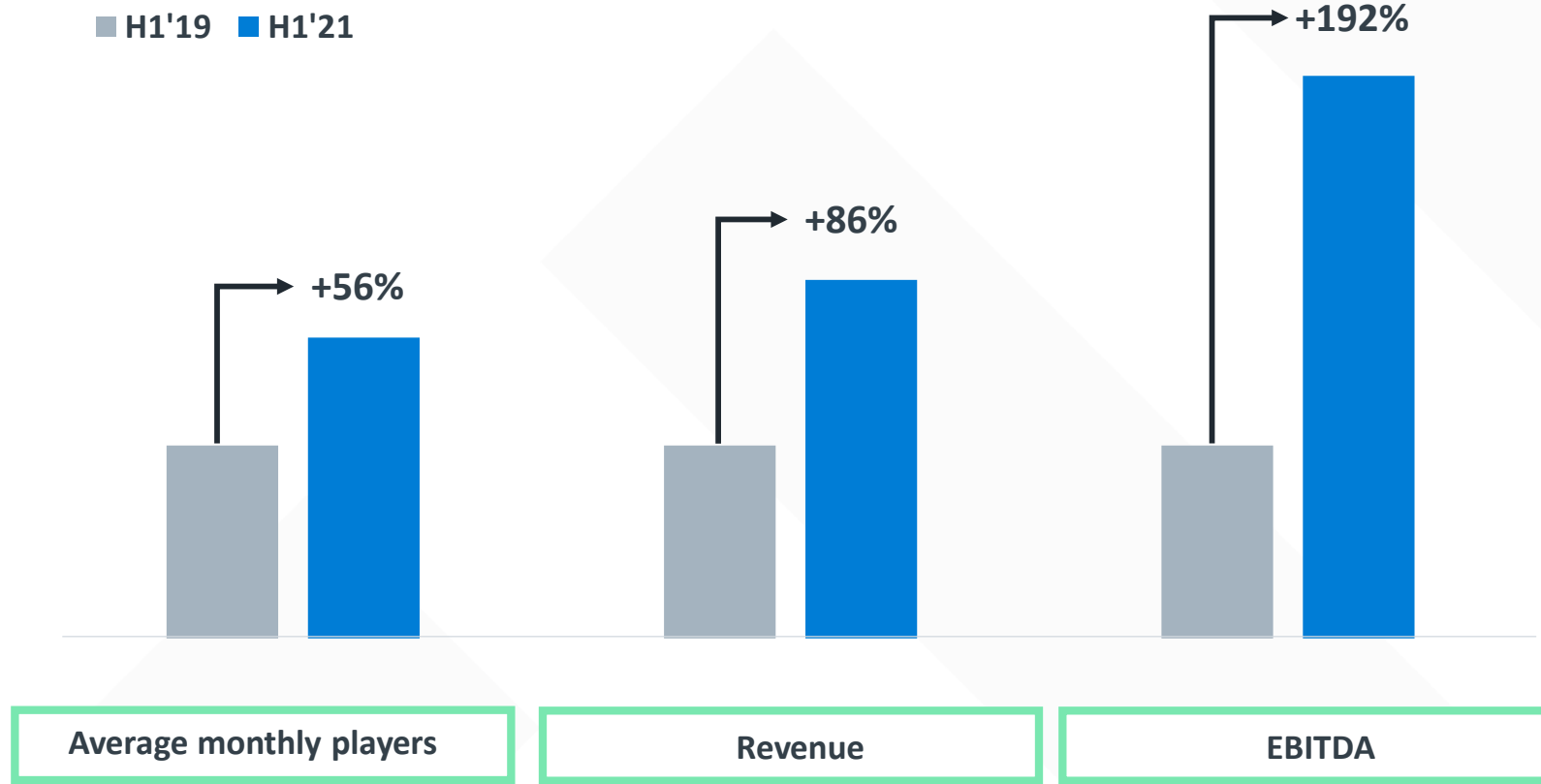
- All time high PokerStars cross-sell driving sports revenues
- Betfair Spain Q1 market share 3x to 9%²
- Betfair sportsbook AMPs +53% versus H1 2019 with LATAM significant driver

¹ Combined market share for Georgia and Armenia in June 2021 based on third party data and company estimates

² Based on published regulator data for Q1 2021

Australia: Step change in scale of Sportsbet business

Significant year-over-two-year growth in key metrics



- Retail competitors open throughout most of H1
- Customer retention rates exceeding our expectations
- Staking remains elevated from traditional retail players
- Increasingly confident that this represents a permanent step change in customer behaviour
- **Sportsbet investor day September 22nd**



US Deep Dive

Peter Jackson, Group CEO

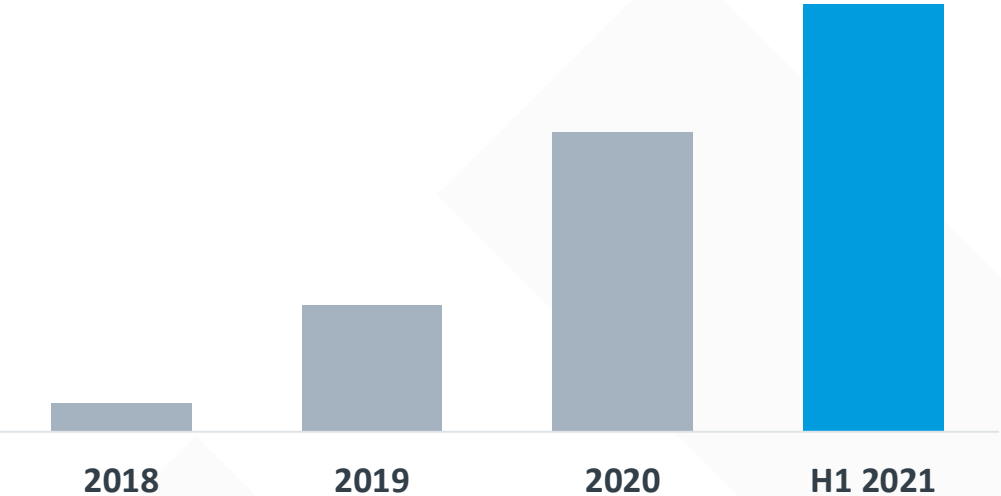
US Deep Dive: Introduction

- Compelling customer economics
- Path to 2023 profitability
- Scale advantage generating ‘flywheel effect’
- Our structural competitive advantages:
 - Product (including pricing and risk management)
 - Brand reach
- Q2 market share performance
- What’s next...

FanDuel scaling rapidly with attractive CPAs...

>2.2m sportsbook and gaming customers acquired to date

Low cost per acquisition (CPA) contributing to compelling customer economics



# of online states ¹	2018	2019	2020	H1 2021
	1	4	8	10

CPA²: \$291

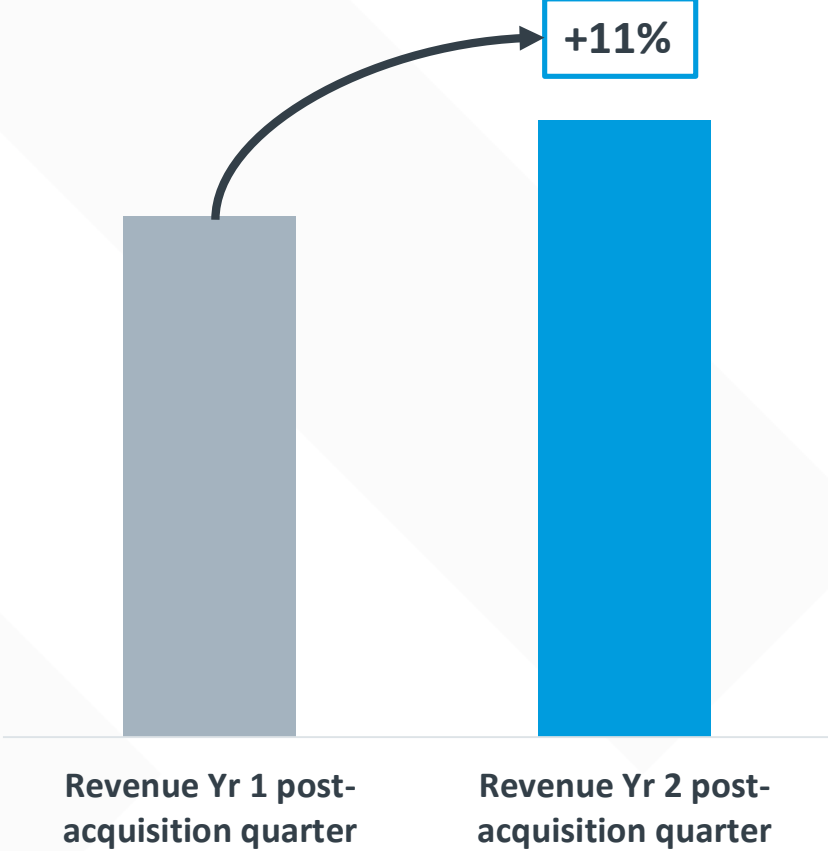
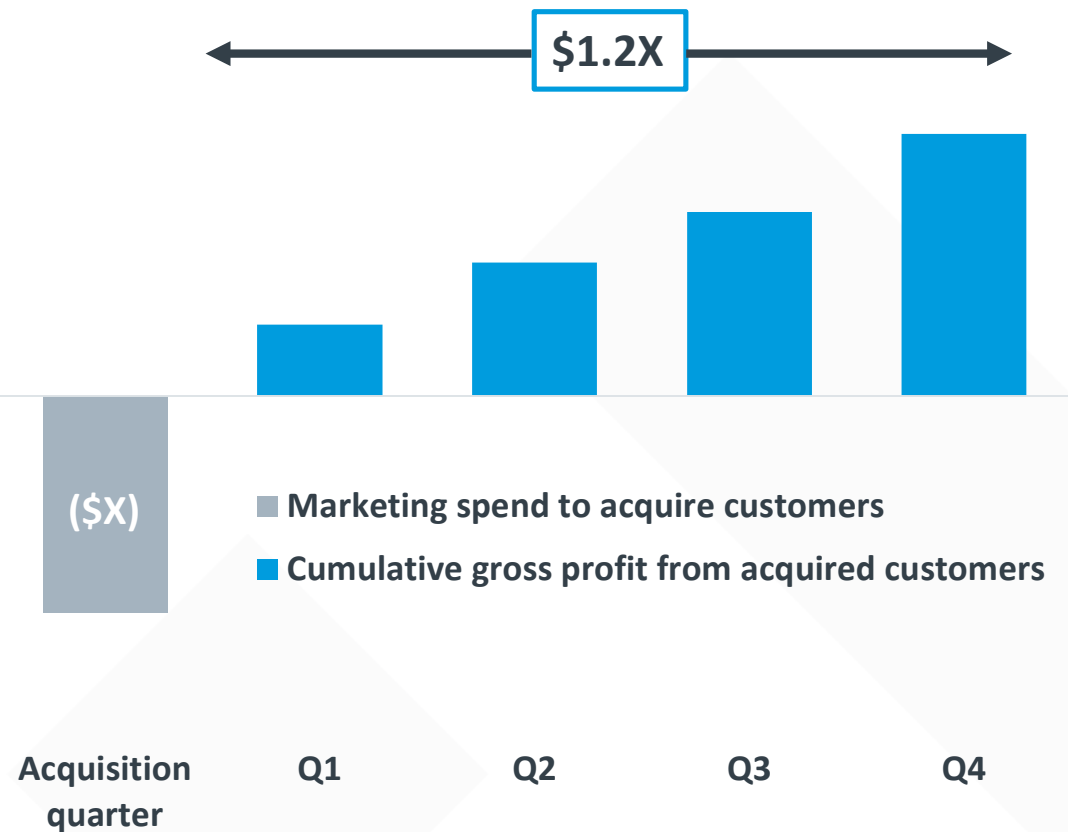
- Gap between CPA and expected lifetime value of customers is key
- Our expectations on lifetime values have increased due to:
 - Better overall customer retention
 - Product advantages driving higher sports margins
 - Greater cross-sell to gaming

¹ Number of states live at the end of each period.
² CPA is FanDuel's cost per acquisition and represents total media and digital marketing spend per acquired customer.

...and excellent customer values from strong retention...

Average return on CPA investment (ROI)¹ of 1.2x by end of year 1...

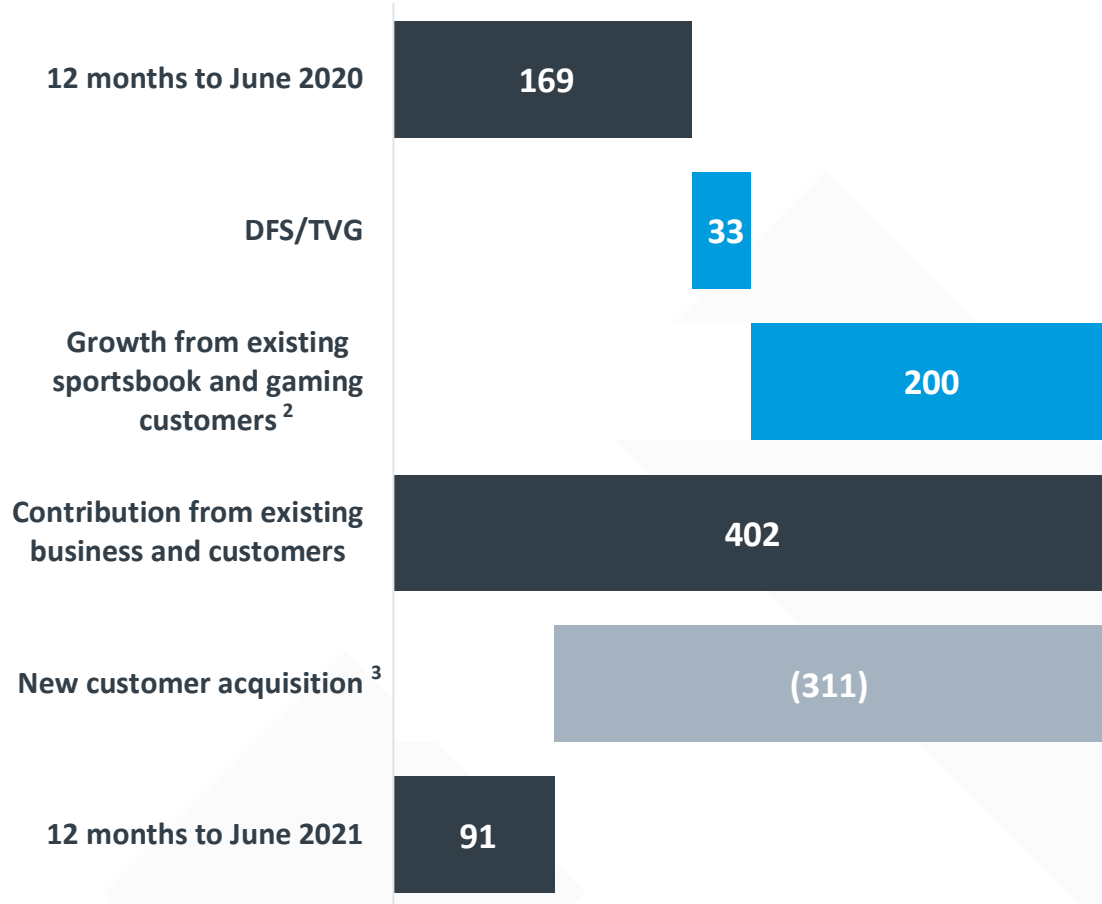
...while strong customer retention is driving revenue growth in year 2²



¹ Return on investment (ROI) is the average gross profit generated from customers divided by their average CPA. Analysis of 1 year returns is based on the spending patterns of all FanDuel sportsbook/gaming customers acquired pre June 30 2020.
² Analysis of 2 year returns is based on the spending patterns of all FanDuel sportsbook/gaming customers acquired pre June 30 2019.

...leading to a clear pathway for future profitability...

FanDuel contribution \$m

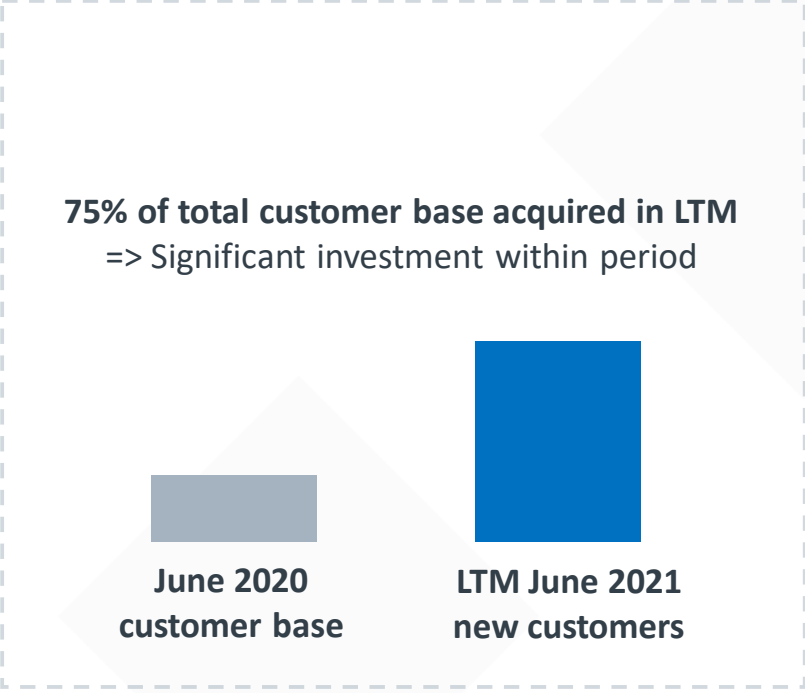
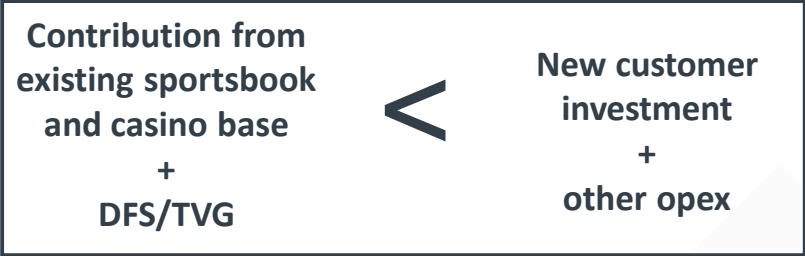


- FanDuel contribution¹ \$402m pre investment in new customer acquisition generated by:
 - ~550k customer acquired by June 2020
 - Existing TVG and DFS businesses
- More than covers \$320m in other operating costs (excluding sales and marketing)
- This implies that FanDuel would have been profitable pre-customer acquisition in the last 12 months

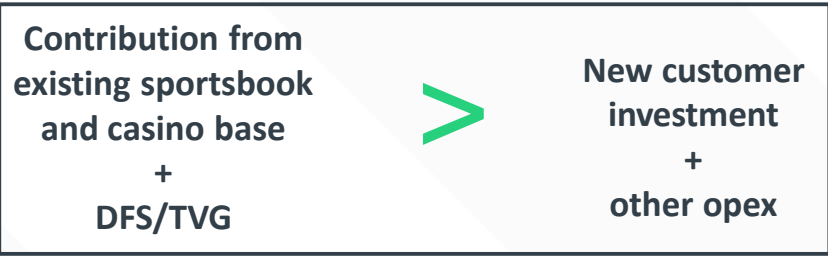
Over 1.7m customer acquired in the last 12 months,
3x total acquired in previous period to date

...with Flutter US expected to be profitable in 2023¹

Loss making in the US today



Pathway to profitability in 2023



- Anticipate significant further customer acquisition over next 18 months
- 9 states expected to go live in that time
- Customer base by end of 2022 will therefore be considerably bigger again
- Relative scale of Dec 2022 base will likely dwarf new player acquisition in 2023
- **This should result in US business turning EBITDA positive**

¹ 2023 profit projection is based on current expectations of timing of future state openings. Should California, Florida or Texas launch online sports betting or gaming before 2024, the level of investment in new player acquisition will be higher and profitability could therefore be delayed. Also assumes no major one-off costs in 2023.

'Flywheel effect': Investing to retain gold medal

- Revenue \$906m, +159%
- Q2 revenue >\$0.5bn
- AMPs +166% to 1.5m

Higher
revenue
growth

Greater
operating
leverage

- Other operating costs as a % of revenue reduced 970bps
- Fixed cost base now supporting 10 online states

- #1 ranked sports app
- Proprietary sports technology
- Broadest range of betting products for customers
- Improving gaming proposition

Enhanced
customer
proposition

Increased
scale and
flexibility

- Product and technology investment doubled
- Marketing >\$400m (+262%) in H1

Product and brand foundations for success to date

Proprietary technology drives sustainable product leadership

FanDuel sportsbook app

Betting platform

- Proprietary platform now live in all states
- Significantly improved speed, scalability and reliability
- iOS log-in time one-third faster, improving customer experience
- Significant increase in peak capacity

Account & wallet

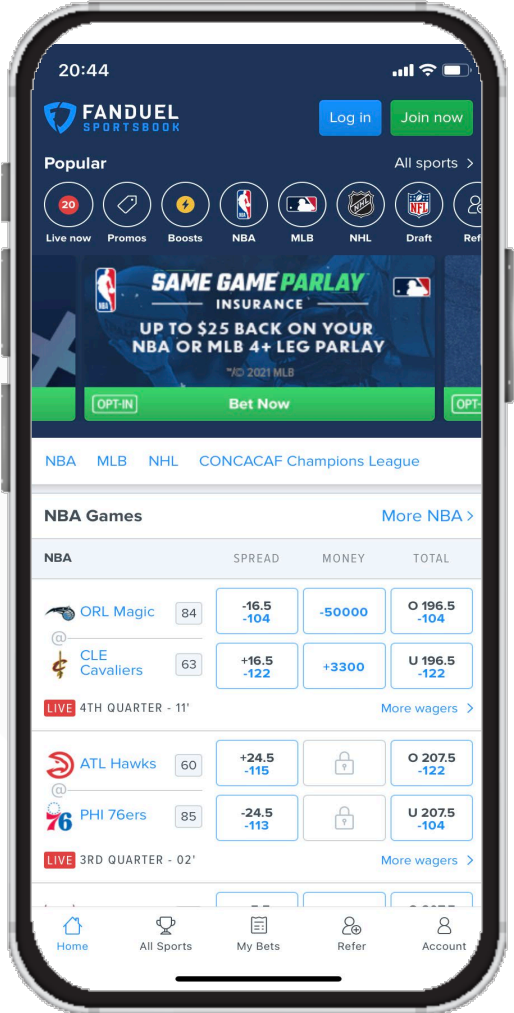
- In-house DFS solution expanded to combine sports and gaming
- Cross-sell experience significantly improved
- DFS to sportsbook cross-sell doubled when FanDuel A&W available on state launch

Pricing & risk management

- Global solution live with FanDuel since launch
- Integrated with global pricing and risk management functions
- Platform delivers over 1 billion price updates every week





Platforms supported by Flutter technology team of 4,800

Shared codebase provides access to Flutter's latest products e.g. Same Game Parlay™



Same Game Parlay™: Leveraging global scale and resources

- Same Game Parlay™ (SGP) is selection of multiple correlated events within single game
- Very popular product with customers. **>50% of customers placed a SGP during 2020/21 NFL season**
- Structurally higher margin than single bet
- Difficult product to deliver due to:
 - Complexity of mathematics on correlated events
 - Delivery of integrated, intuitive in-app experience for customers
- **FanDuel SGP delivered by Flutter, product quality materially ahead of competitive offering**
- Investing to add more sports

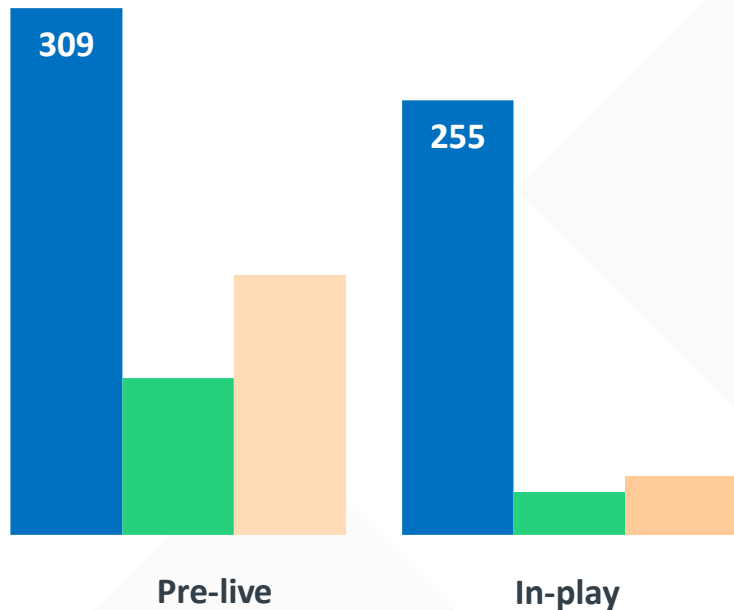
		H1 2021	 FANDUEL	 BETMGM	 DRAFT KINGS	 BARSTOOL SPORTS
	SGP available		✓	✓	✗	✗
	Widest range of SGP markets		✓	✗	✗	✗
	SGP available		✓	✓	✗	✗
	Widest range of SGP markets		✓	✗	✗	✗
	SGP available		✓	✗	✗	✗
	Widest range of SGP markets		✓	✗	✗	✗

Proprietary models delivering #1 player experience...

Flutter pricing and risk management unlocks greater depth of markets...

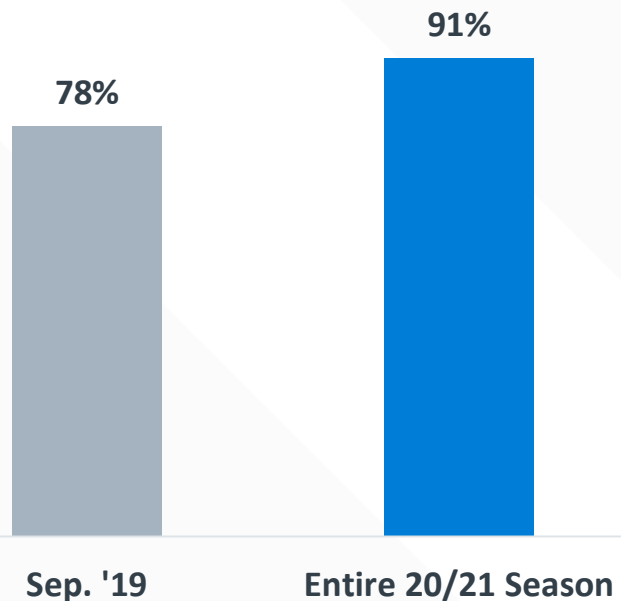
...and enables the best in-play experiences

Number of  betting markets¹



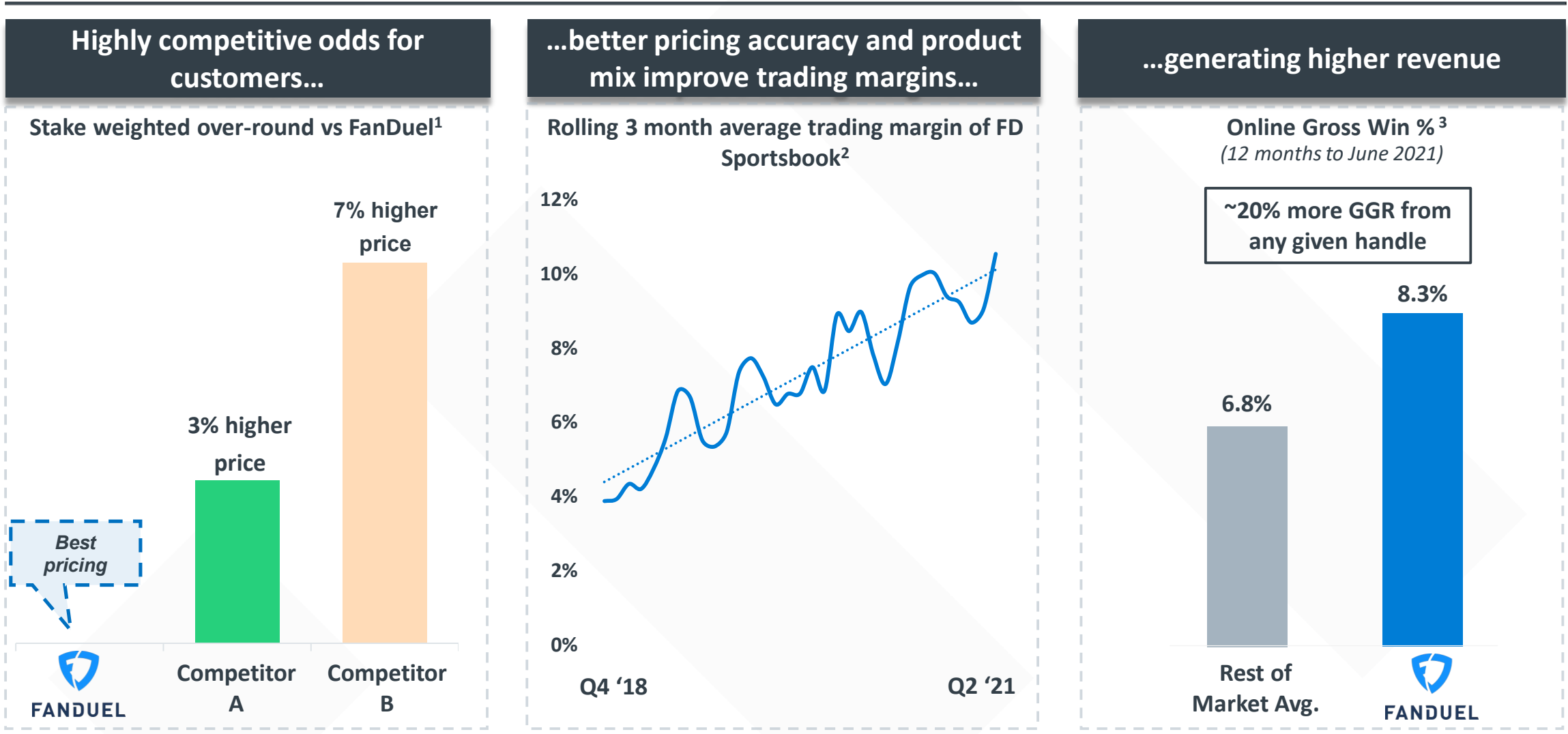
 FANDUEL  Competitor A  Competitor B

 % uptime²



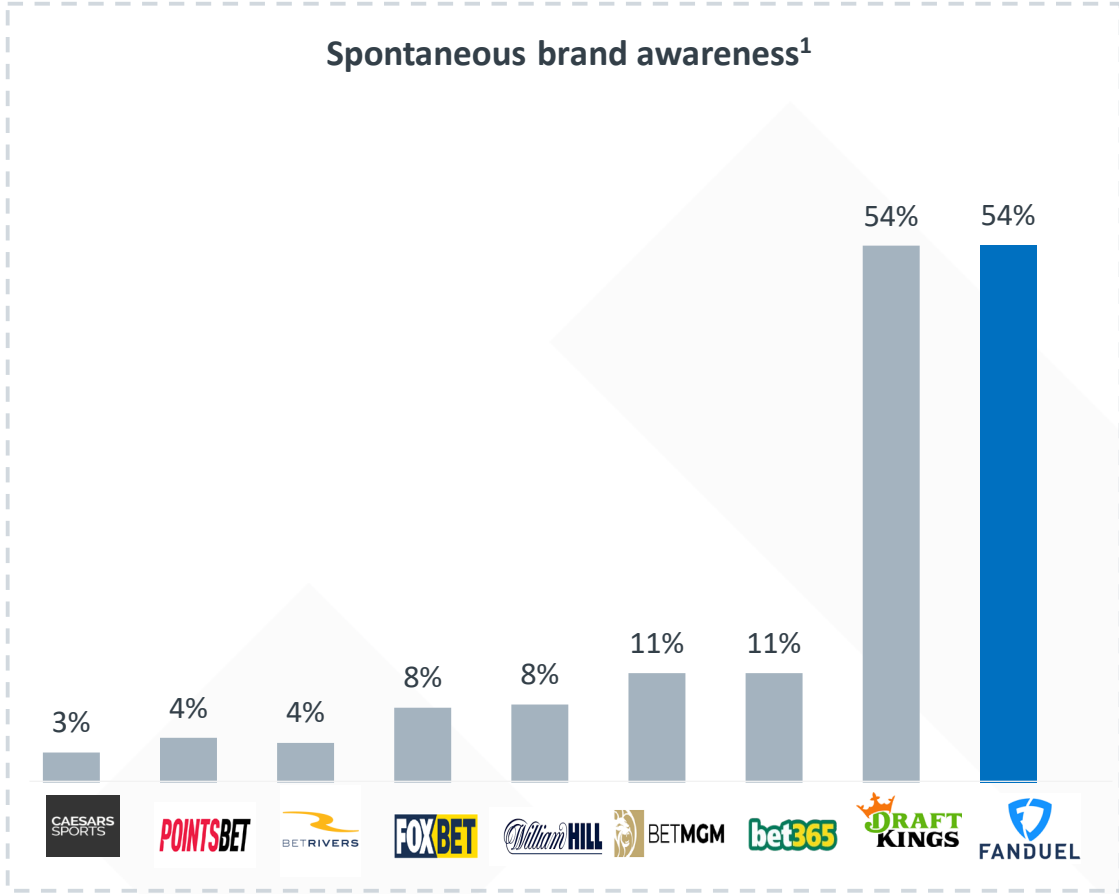
- Currently 75% of handle priced using in-house models; target of ~95% by end of 2023
- Margin on in-house traded live sports ~2x third-party solution
- Continued investment to iterate existing models
- Building out local expertise within the US team
- Focus on reducing friction on in-play bet placement
- In-play bet delay 1 second during 2021 Super Bowl vs 7 seconds in 2019

...while generating structural margin advantages

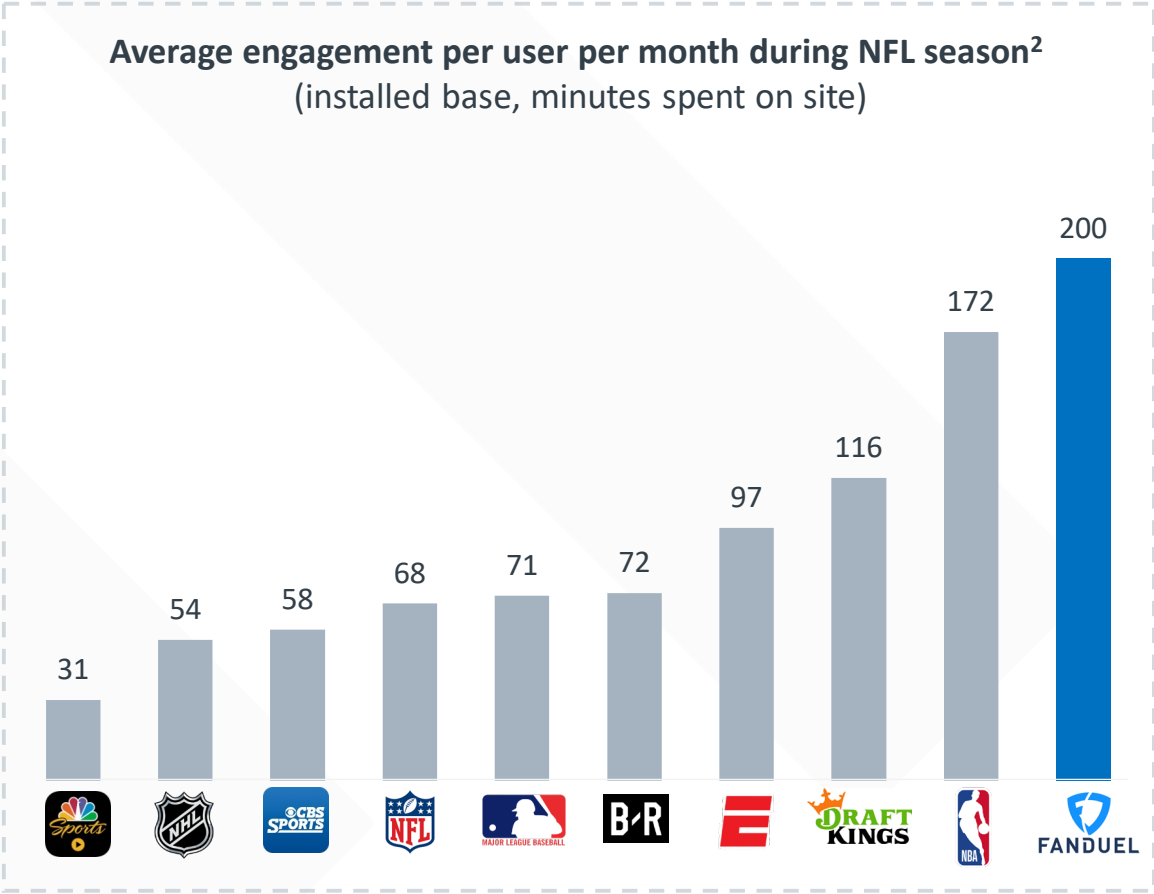


Brand synonymous with the US sports experience

Leading brand in sports gaming...



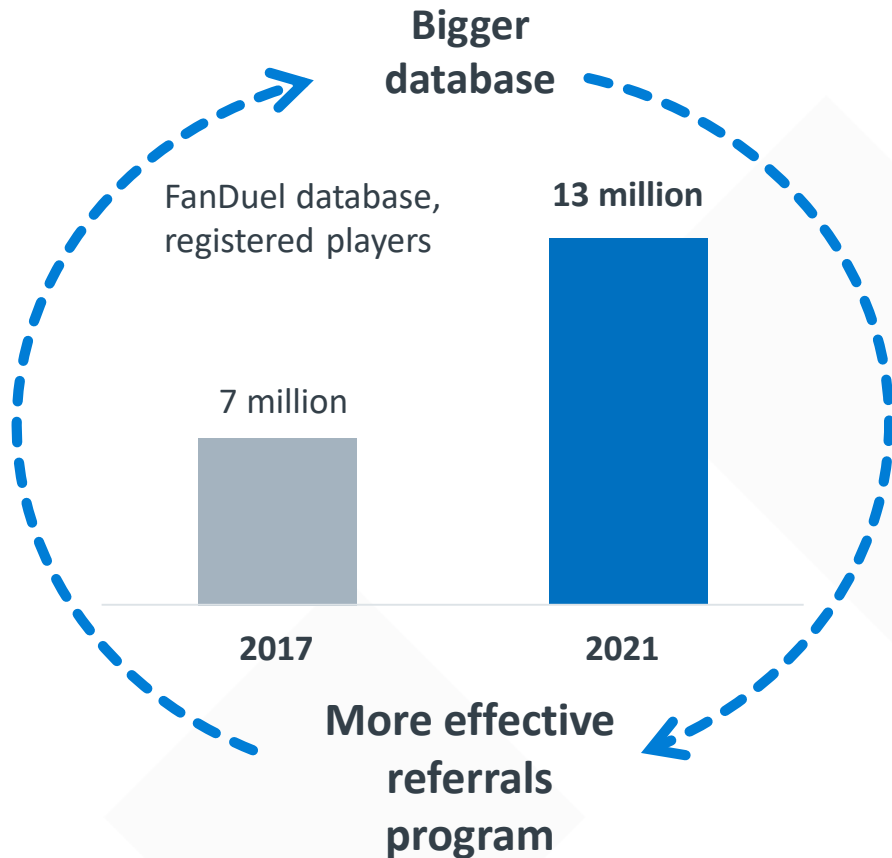
...with unmatched user engagement



¹ Full year 2020 including all states where FanDuel was live during the period. Source: Beall research.
² Source: ComScore data, conducted for 2019-20 NFL season.

Expanding customer database is driving growth

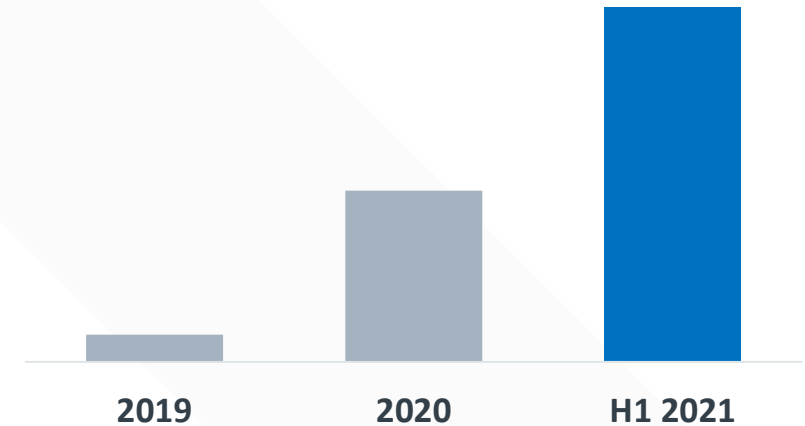
Continued strong growth in DFS database



- Large, relevant national customer base drives cross-sell
- **FanDuel database provided >40% of sportsbook customers to June 2021**
- ~33% of customers placed first bet following friend referral or viral marketing campaign
- Word-of-mouth as source of FanDuel awareness >2x next biggest source (TV)

Investing in direct casino players

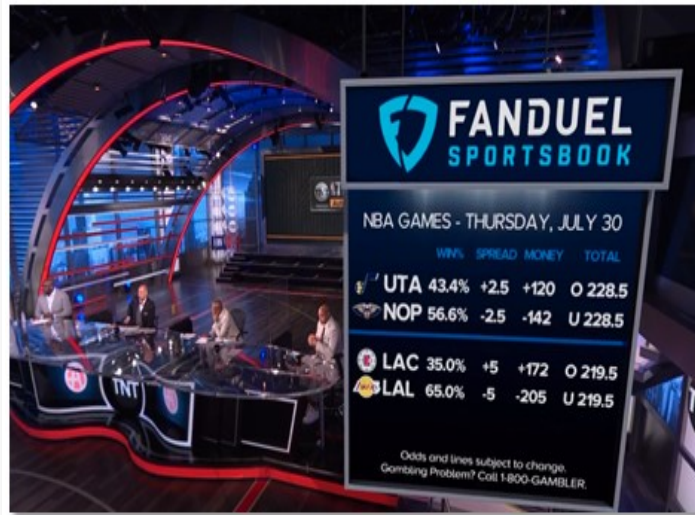
FanDuel new customers first playing casino



- Broader range of content for casino players with over 100 titles added in H1
- Upgraded customer interface leveraging Group resources in Romania

Extensive, flexible media strategy, H1 investment >\$300m

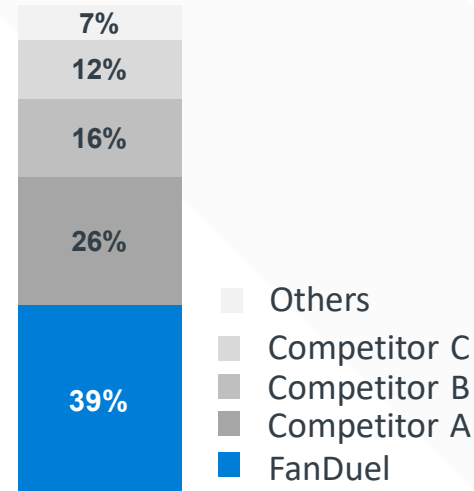
National



- Strong relationships with national sporting bodies, premium NFL partnership signed in 2021
- National integrations (NBA on TNT, CBS) to reach large sports audience

Local

Share of voice on regional sports networks

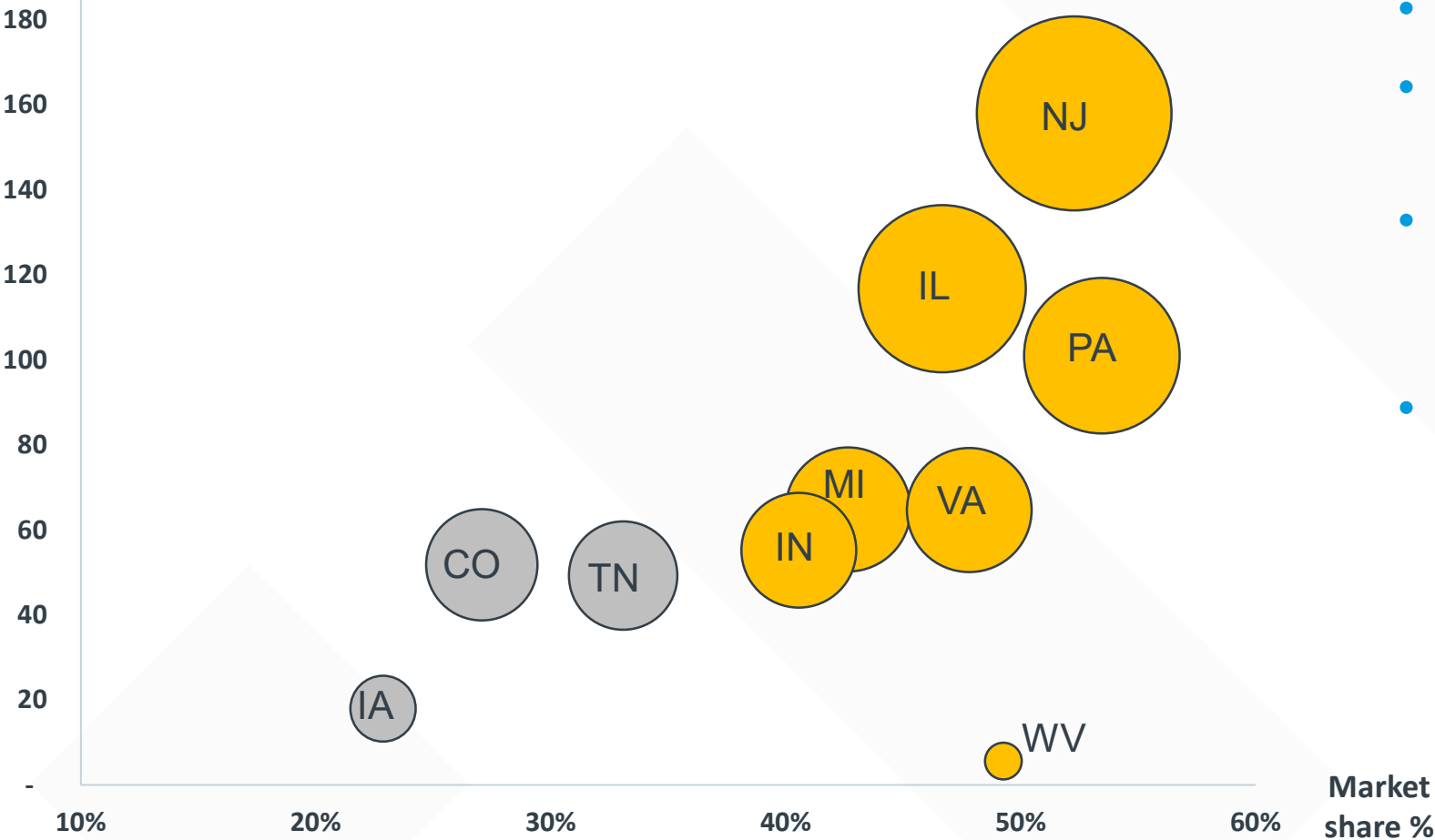


- Highest share of voice on regional sports networks where consumers watch local teams' NBA, MLB and NHL games
- Partnerships with at least one major league team in every sportsbook state

Majority of marketing spend is variable; Continually optimised using data analytics

Gold medals in six largest states

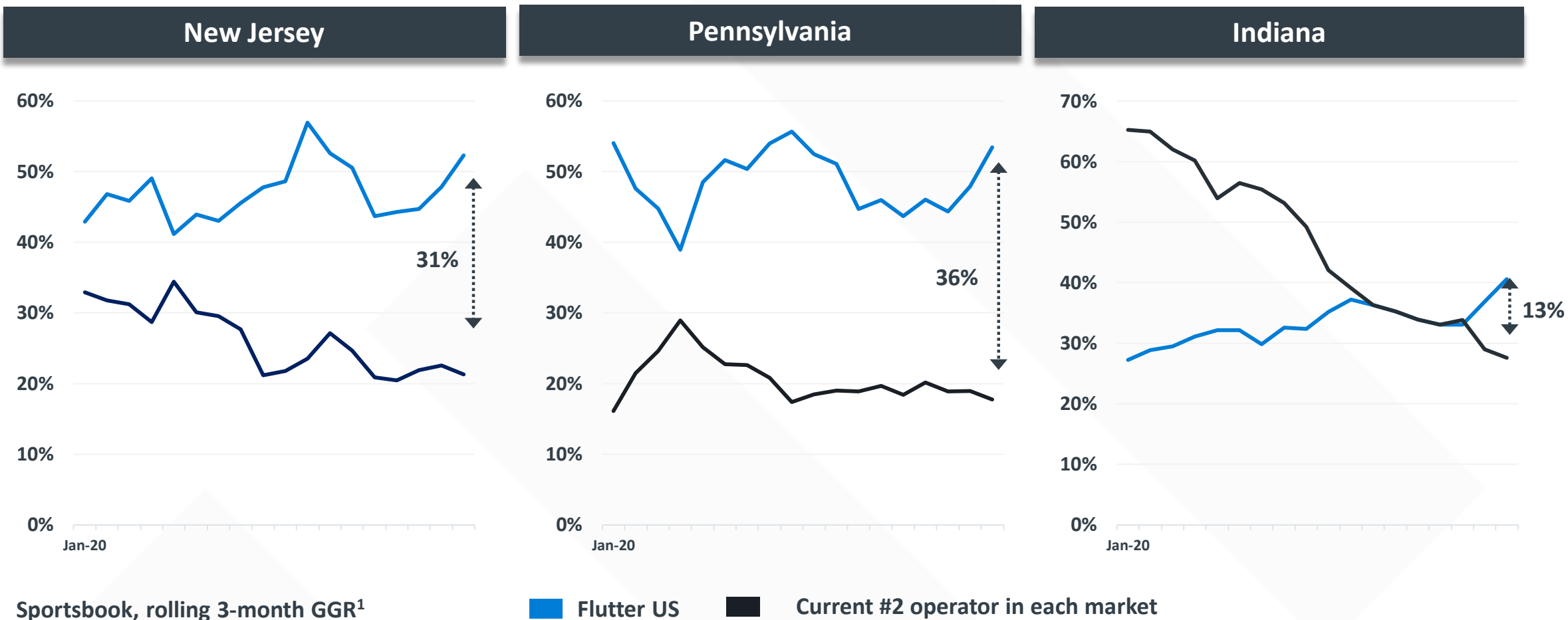
Q2 GGR \$'m Q2 online sportsbook GGR¹ and market share, Bubble size proportionate to size of state market



- Q2 sports market share of 45%
- Top 6 markets account for over 80% of market in Q2
- Lead extended in Q2 due to our pricing, risk management and product advantages
- Leading in various different types of states

¹ Online sportsbook market share is the GGR market share of FanDuel and FOX Bet for Q2 in the states in which FanDuel was live based on published gaming regulator reports in those states.

Market share of 51% in early states

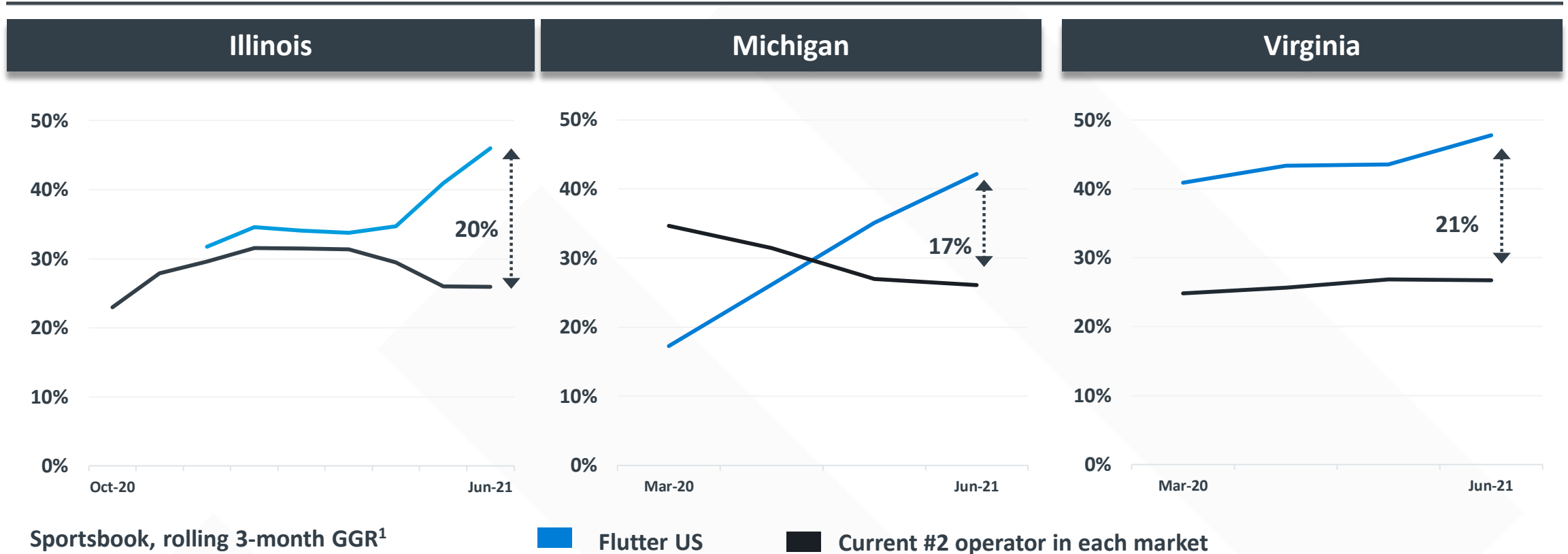


Clear market leader in each state despite slightly late entry



¹ Online sportsbook market share is the GGR market share of FanDuel and FOX Bet for Q2 based on published gaming regulator reports in those states.

New large states generating similar results



- Launched 3 weeks behind competitors
- State has reverted to remote sign-up since April
- Jan-21 launch in line with competitors
- Early GGR numbers impacted by promotional spend
- Jan-21 launch 2 days ahead of competitors
- Consistent leader since launch

¹ Online sportsbook market share is the GGR market share of FanDuel and FOX Bet for Q2 based on published gaming regulator reports in those states.

More to come...

- Maintaining challenger mindset despite our market leadership
- Continuing to invest to:
 - Extend our sportsbook product advantage
 - Improve our gaming proposition by leveraging Group capabilities
 - Keep the flywheel turning
- In addition, part-funding referendum efforts in Florida to support the regulation of mobile sports betting
- Pipeline of new state regulation is sports-betting rather than gaming focused
- **Of ~9 state openings expected in next 18 months, 8 likely to be sports betting only initially. Only 1 expected to regulate gaming**
- Positions FanDuel exceptionally well



Conclusion

Peter Jackson, Group CEO

Conclusion

- Excellent performance delivered in H1 2021
- Scale and diversification clearly evident
- High performing brand portfolio in the UK&I
- Well positioned to rebuild foundations of International for future growth
- Sportsbet #1 in Australian market; sustained scale due to excellent execution
- FanDuel; leveraging competitive advantages to compound leadership position
- Looking forward to the future with confidence

Appendix

KPI: Average monthly players

Average Monthly Players ("AMP") ^{1,2} Pro forma ('000s) 2021	Q1	Q2	H1
Group	7,672	7,578	7,625
UK & Ireland	3,167	3,440	3,303
Australia	831	982	906
International	2,027	1,863	1,945
US	1,648	1,292	1,470
2020	Q1	Q2	H1
Group	5,635	5,256	5,445
UK & Ireland	2,571	2,027	2,299
Australia	581	611	596
International	1,774	2,223	1,999
US	710	395	552
YoY %	Q1	Q2	H1
Group	+36%	+44%	+40%
UK & Ireland	+23%	+70%	+44%
Australia	+43%	+61%	+52%
International	+14%	-16%	-3%
US	+132%	+227%	+166%

UK & Ireland

Pro forma £m	ONLINE			RETAIL		
	H1 2021	H1 2020	YOY	H1 2021	H1 2020	YOY
<i>Average monthly players ('000s)</i>	3,303	2,299	+44%			
Sportsbook stakes	5,885	3,231	+82%	207	383	-46%
<i>Sportsbook net revenue margin</i>	10.6%	12.6%	-200bps	12.5%	14.6%	-210bps
Sports revenue	712	470	+52%	26	56	-54%
Gaming revenue	382	327	+17%	16	23	-33%
Total revenue	1,094	796	+37%	41	79	-47%
Cost of sales	(332)	(224)	+48%	(10)	(17)	-43%
<i>Cost of sales as a % of net revenue</i>	30.4%	28.2%	+220bps	23.4%	21.6%	+180bps
Gross profit	762	572	+33%	32	62	-49%
Sales & marketing costs	(204)	(166)	+23%	(3)	(3)	-
Contribution	558	406	+37%	29	59	-51%
Other operating costs	(160)	(146)	+9%	(68)	(69)	-2%
Adjusted EBITDA	398	260	+53%	(39)	(10)	+296%
<i>Adjusted EBITDA margin</i>	36.4%	32.7%	+370bps	(93.6%)	(12.4%)	-8,120bps
Depreciation and amortisation	(42)	(36)	+15%	(21)	(21)	-3%
Adjusted operating profit	356	224	+59%	(59)	(31)	+91%

Online

- Sportsbook revenue +53%:
 - Staking +82% given prior year calendar
 - 110bps of H1 favourable sports results
 - Prior year favourable results lead to margin decline year on year
- Exchange and B2B revenue +40%
- Gaming +17% despite tough comparatives
- Cost of sales % higher due to data feeds
- Marketing year on year increased due to normalised sporting calendar
- **EBITDA up 53% year on year with 370 basis point improvement in margin**

Retail

- Revenue decline due to shops remaining shut for majority of H1
- No government support claimed with EBITDA loss of £39m in H1

Australia

Pro forma £m	H1 2021	H1 2020	YOY	YOY CC
<i>Average monthly players ('000s)</i>	906	596	+52%	
Sportsbook stakes	5,000	3,723	+34%	+27%
<i>Sportsbook net revenue margin</i>	11.7%	11.7%	-	-
Revenue	585	435	+35%	+27%
Cost of sales	(275)	(200)	+38%	+30%
<i>Cost of sales as a % of net revenue</i>	47.0%	45.9%	+110bps	+100bps
Gross profit	310	235	+32%	+25%
Sales & marketing costs	(59)	(59)	-1%	-6%
Contribution	252	176	+43%	+35%
Other operating costs	(51)	(55)	-7%	-11%
Adjusted EBITDA	201	121	+66%	+56%
<i>Adjusted EBITDA margin</i>	34.3%	27.9%	+640bps	+630bps
Depreciation and amortisation	(13)	(14)	-9%	-15%
Adjusted operating profit	188	107	+76%	+66%

- Customer volumes 52% higher drove revenue growth
- Staking +27% at £5bn
- Net revenue margin remained in line with prior year; favourable sports results reinvested in incremental generosity
- Marketing % declined 360 bps benefitting from merger synergies
- **Cost efficiencies delivered excellent operating leverage with EBITDA +56% to £201m; a 630bps expansion in margin**

International

Pro forma £m	H1 2021	H1 2020	YOY	YOY CC
Average monthly players ('000s)	1,945	1,999	-3%	
Sportsbook stakes	871	555	+57%	+61%
<i>Sportsbook net revenue margin</i>	<i>9.1%</i>	<i>8.7%</i>	<i>+40bps</i>	<i>+40bps</i>
Sports revenue	118	74	+59%	+62%
Gaming revenue	562	727	-23%	-19%
Total revenue	680	801	-15%	-11%
Cost of sales	(199)	(181)	+10%	+14%
<i>Cost of sales as a % of net revenue</i>	<i>29.3%</i>	<i>22.6%</i>	<i>+670bps</i>	<i>+640bps</i>
Gross profit	481	620	-22%	-18%
Sales & marketing costs	(171)	(110)	+55%	+71%
Contribution	310	510	-39%	-37%
Other operating costs	(131)	(113)	+16%	+16%
Adjusted EBITDA	179	397	-55%	-52%
<i>Adjusted EBITDA margin</i>	<i>26.3%</i>	<i>49.5%</i>	<i>-2,330bps</i>	<i>-2,280bps</i>
Depreciation and amortisation	(25)	(24)	+4%	+7%
Adjusted operating profit	154	373	-59%	-56%

- Revenue -11% primarily due to Covid related benefit in prior year
- Regulatory headwinds previously guided also had impact
- Cost of sales % increase reflects change in regulated mix and increased casino
- Investment in brand and product driving cost growth including
 - Increased brand spend on Betfair LATAM marketing campaigns and PokerStars “EPIC downtime”
 - Headcount investment and operational capabilities

Pro forma £m	H1 2021	H1 2020	YOY	YOY CC
<i>Average monthly players ('000s)</i>	1,470	552	+166%	
Sportsbook stakes	5,072	1,090	+365%	+402%
<i>Sportsbook net revenue margin</i>	6.2%	4.9%	+130bps	+130bps
Sports revenue	452	164	+175%	+202%
Gaming revenue	200	113	+76%	+95%
Total revenue	652	278	+135%	+159%
Cost of sales	(293)	(116)	+152%	+177%
<i>Cost of sales as a % of net revenue</i>	44.9%	41.9%	+300bps	+300bps
Gross profit	359	162	+122%	+145%
Sales & marketing costs	(292)	(88)	+230%	+262%
Contribution	67	73	-8%	+2%
Other operating costs	(154)	(93)	+66%	+83%
Adjusted EBITDA	(87)	(19)	+348%	+376%
<i>Adjusted EBITDA margin</i>	(13.3%)	(6.9%)	-630bps	-610bps
Depreciation and amortisation	(22)	(18)	+20%	+33%
Adjusted operating profit	(108)	(38)	+189%	+213%

- Revenue +159% reflecting:
 - AMPs +166% to 1.5m
 - Continued strong growth in existing states
 - Successful launches in Michigan and Virginia
 - An uninterrupted sports calendar
- Sports revenue trebled; sportsbook +540% and DFS/TVG racing +36%
- Gaming growth reflects launch in Michigan
- COS % increase from change in revenue mix to higher cost sportsbook and gaming
- Marketing trebled with new launches and investment in existing states
- Scale efficiencies in operating costs which grew well below revenue
- **EBITDA loss of £87m reflecting significant investment in Michigan and Virginia**

Separately disclosed items

£m	H1 2021	H1 2020
Amortisation of acquisition related intangible assets	(276)	(128)
Combination fees and associated costs	-	(26)
Restructuring and integration costs	(22)	(41)
Greece tax expense	(13)	-
VAT refund	-	10
Operating profit impact of separately disclosed items	(310)	(185)
Financial Income	-	49
Financial Expense	(11)	(59)
Profit before tax impact of separately disclosed items	(321)	(194)
Tax credit on separately disclosed items	(72)	14
Total separately disclosed items	(392)	(180)

- Amortisation and restructuring and integration costs due to combination with TSG
- Greek tax expense relates to historic tax case which Paddy Power continues to appeal
- Tax charge primarily driven by charge of £105m relating to increase in deferred tax liabilities due to future UK tax increase to 25% from 1 April 2023

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

Flutter

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