

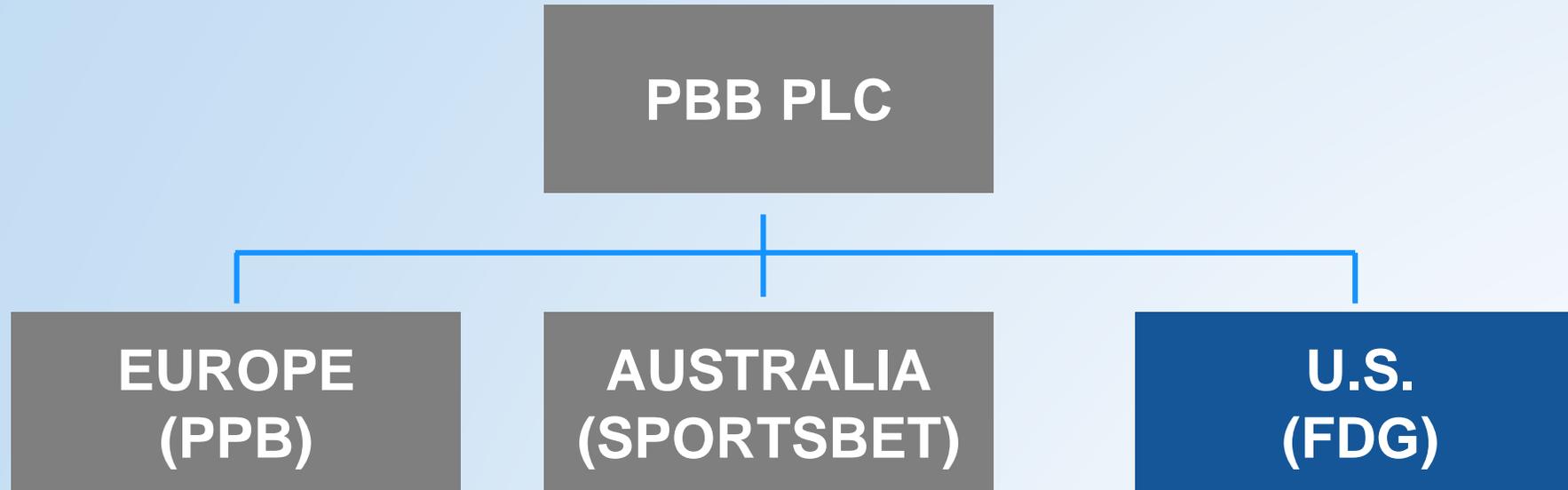
# PADDY POWER BETFAIR PLC

## FANDUEL GROUP

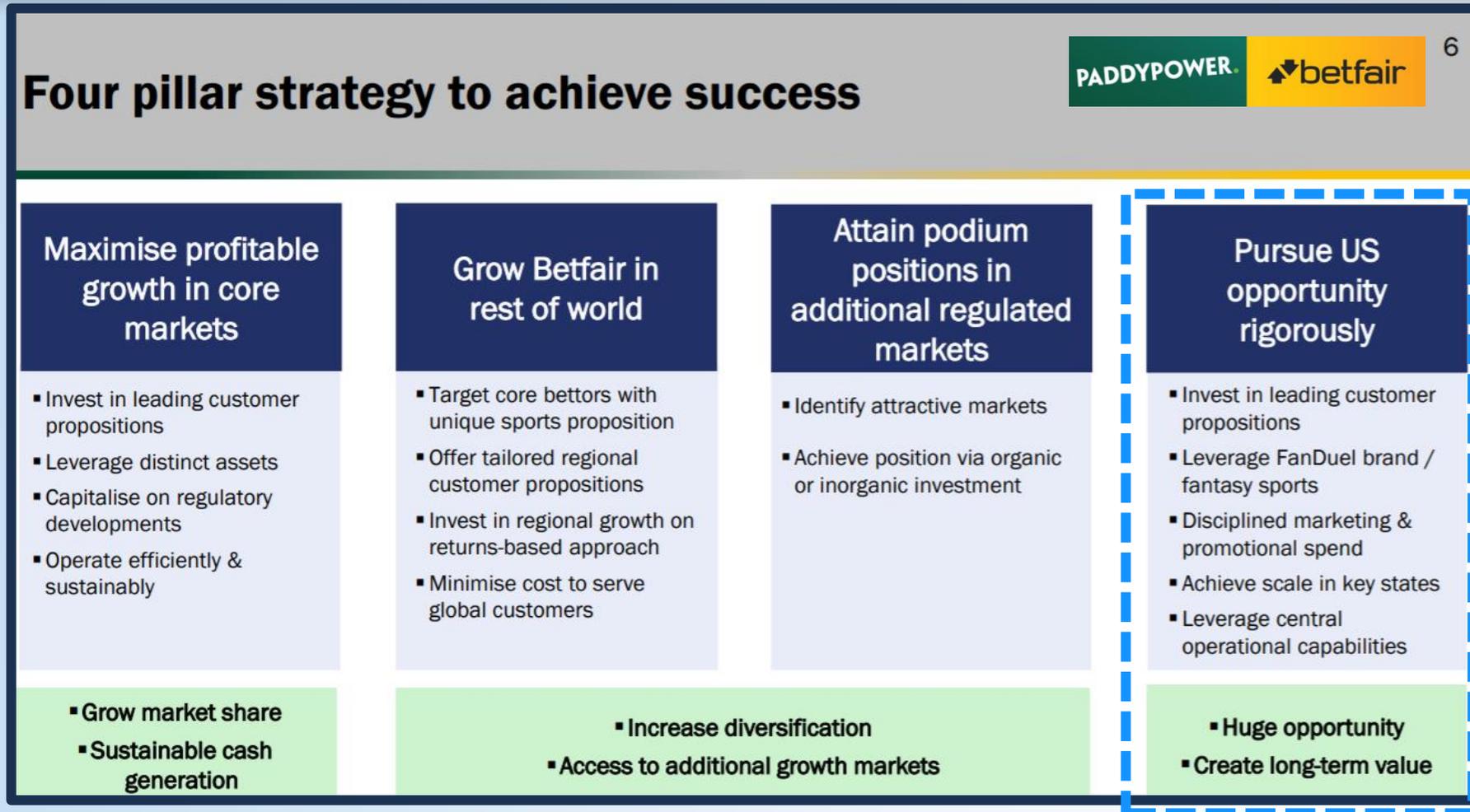


## U.S. BUSINESS OVERVIEW

*MARCH 28, 2019*



- **FDG formed in July 2018** through the merger of PPB U.S. assets with FanDuel fantasy sports business
- **PPB owns 58%** of FDG today
- PPB has **operational control** with minority shares held by key strategic partners (including KKR and Boyd Gaming)
- Call / put options to increase PPB ownership by 18% in July 2021 and 19% in July 2023:
  - at prevailing market valuations; payment via cash or equity at PPB’s discretion



- Becoming a market leader in the U.S. is the fourth pillar of our Group strategy
- PPB's focus is on creating long-term value by building a sustainable podium position in the U.S. market
- FDG management & minority shareholders are incentivized to prioritize long-term value creation

- **Established, well-positioned business in the U.S. already**
- **Our success to date in the sports betting market give us confidence in the opportunity and demonstrates the power of our positioning**
- **The market opportunity for sports (& casino) is very large indeed with a clear path to an overall market that is 10x the size of New Jersey**
- **FanDuel Group is uniquely positioned to take advantage of this opportunity**
  - Scale, Brand / Marketing, People / Resources, and Product & Technology
  - Access to wider Group balance sheet + expertise
- **Significant opportunity which will turn FanDuel into an increasingly meaningful component of PPB's global business**

1. OVERVIEW

MATT KING CHIEF EXECUTIVE OFFICER

2. REGULATORY LANDSCAPE

CHRISTIAN GENETSKI CHIEF LEGAL OFFICER

3. PRODUCT & TECHNOLOGY

ANDY GIANCAMILI MANAGING DIRECTOR

4. BRAND & MARKETING

MIKE RAFFENSPERGER CHIEF MARKETING OFFICER

*BREAK*

5. HORSE RACING

ENRICO RUSI GENERAL MANAGER OF RACING

6. FANTASY SPORTS

ANDY GIANCAMILI MANAGING DIRECTOR

7. SPORTS BETTING

NIALL CONNELL GENERAL MANAGER OF SPORTSBOOK

8. ONLINE CASINO

JESSE CHEMTOB GENERAL MANAGER OF CASINO

9. FINANCIAL SUMMARY & OUTLOOK

PAUL RUSHTON CHIEF FINANCIAL OFFICER

10. CONCLUSION

MATT KING CHIEF EXECUTIVE OFFICER

11. Q&A

THE FANDUEL TEAM

FANDUELGROUP



# OVERVIEW

**MATT KING**

CHIEF EXECUTIVE OFFICER

**HORSE RACING**



**FANTASY SPORTS**



**SPORTS BETTING**



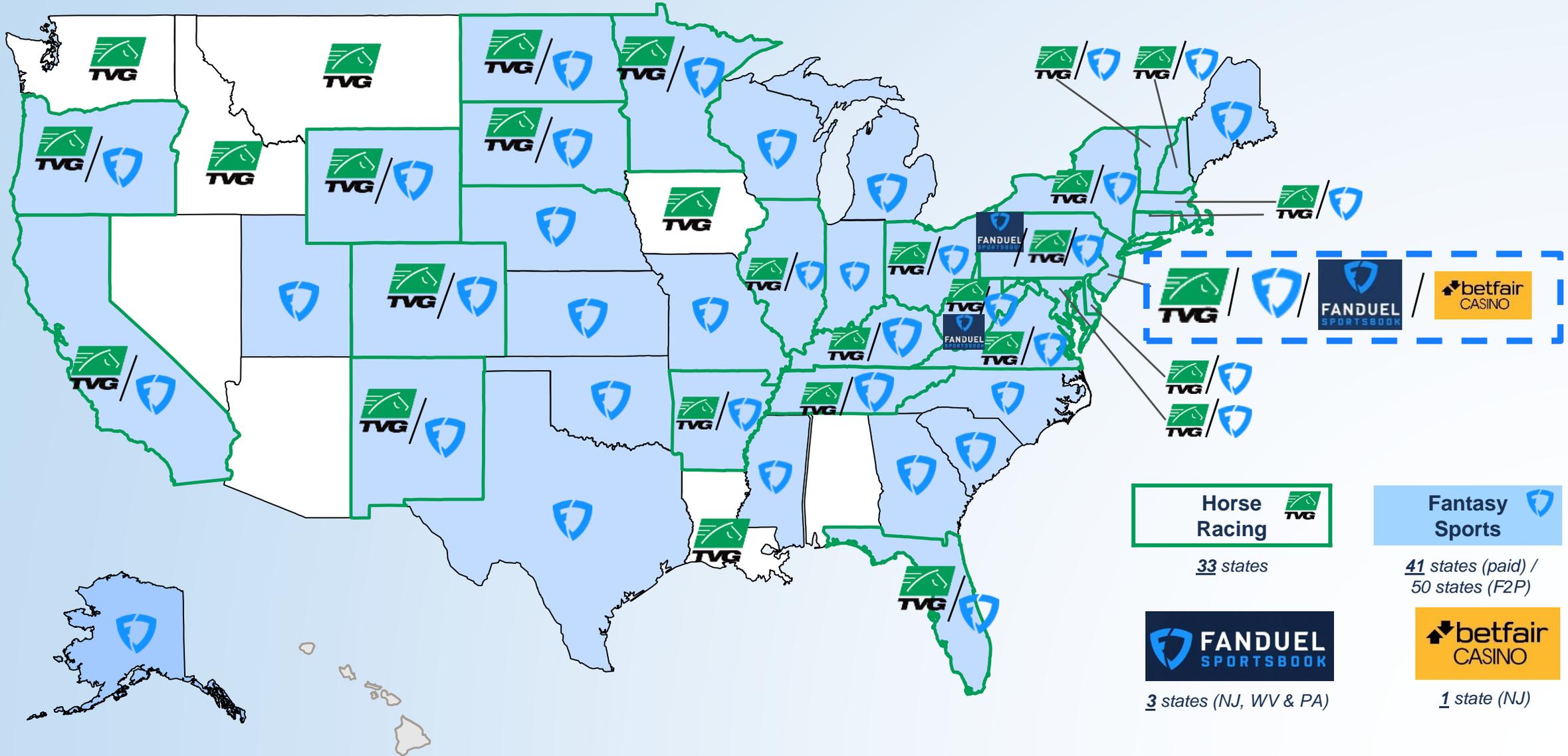
**ONLINE CASINO**



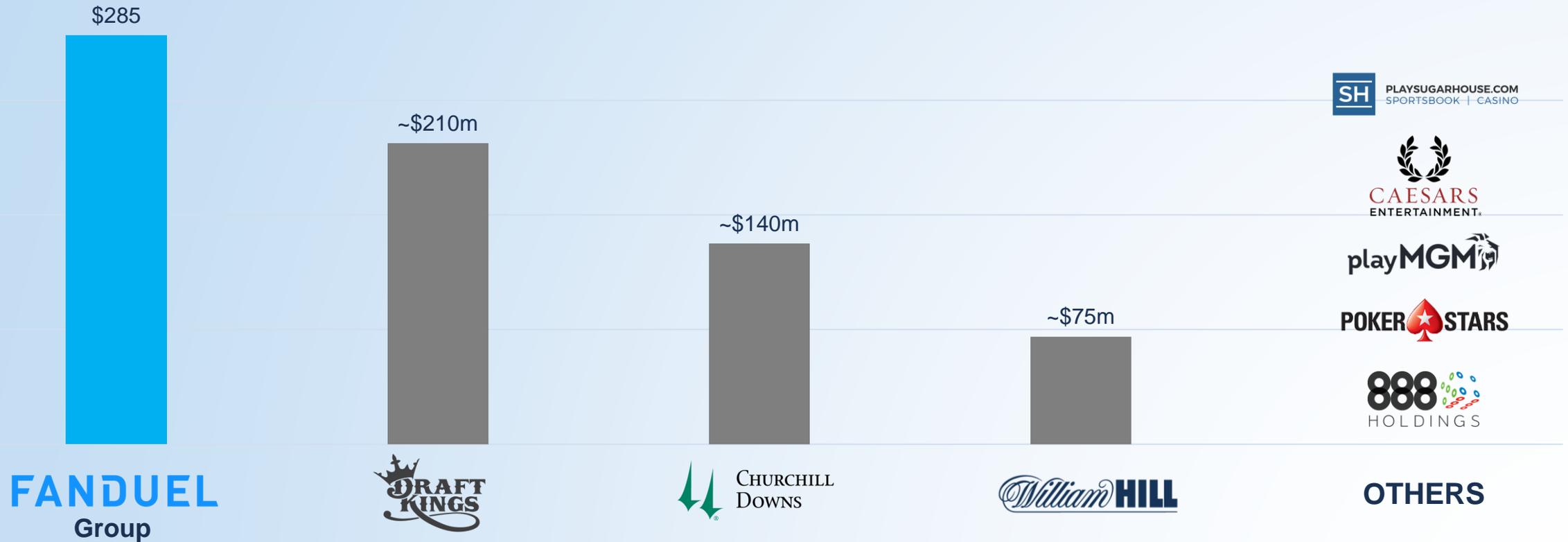
- **\$313m Net Revenue in 2018**
- **>8.5m Customers**
- **>800 Employees**



# NATIONWIDE FOOTPRINT; ONLY OPERATOR WITH 4 KEY PRODUCTS



U.S. ONLINE SPORTS / GAMING REVENUE (2018)



Note: Financials per Company filings and research estimates for 2018 NGR. FanDuel Group excludes retail sportsbook and television revenue. DraftKings fantasy revenue based on market share estimates for Fantasy Sports and Sportsbook revenue based on DGE reports. Churchill Downs based on Online Wagering segment less Content expense to be consistent with FDG reported racing revenues. William Hill is estimated online Sportsbook in Nevada (c.68% of wagers via mobile per company presentation) plus New Jersey online Sportsbook revenue per DGE report. Excludes Social Casino segment.

## U.S. sport betting is a huge market opportunity:

- **Proven consumer demand:** as evidenced by size of illegal sports betting market (estimated Handle of ~\$150bn)<sup>1</sup>
- **Early signs in New Jersey are confirming regulation will rapidly tap into this demand:** \$2bn Handle and \$122m GGR in first 8 months
- **New Jersey is an attractive online market...**
  - Recent analyst estimates of market at maturity of \$500 – 600m+ of GGR p.a.<sup>2</sup>
  - Based on early consumer trends, we believe these estimates are likely to be conservative
- **But only the first of many online states that will regulate:**
  - We will launch online in PA & WV in 2019
  - A further 20+ states have bills currently in-progress to legalize sports betting
- Even applying a modest legalization assumption (circa 25% of U.S. population addressable) implies a market of such size that **FanDuel profit contribution at maturity could match PPB's European Online business**

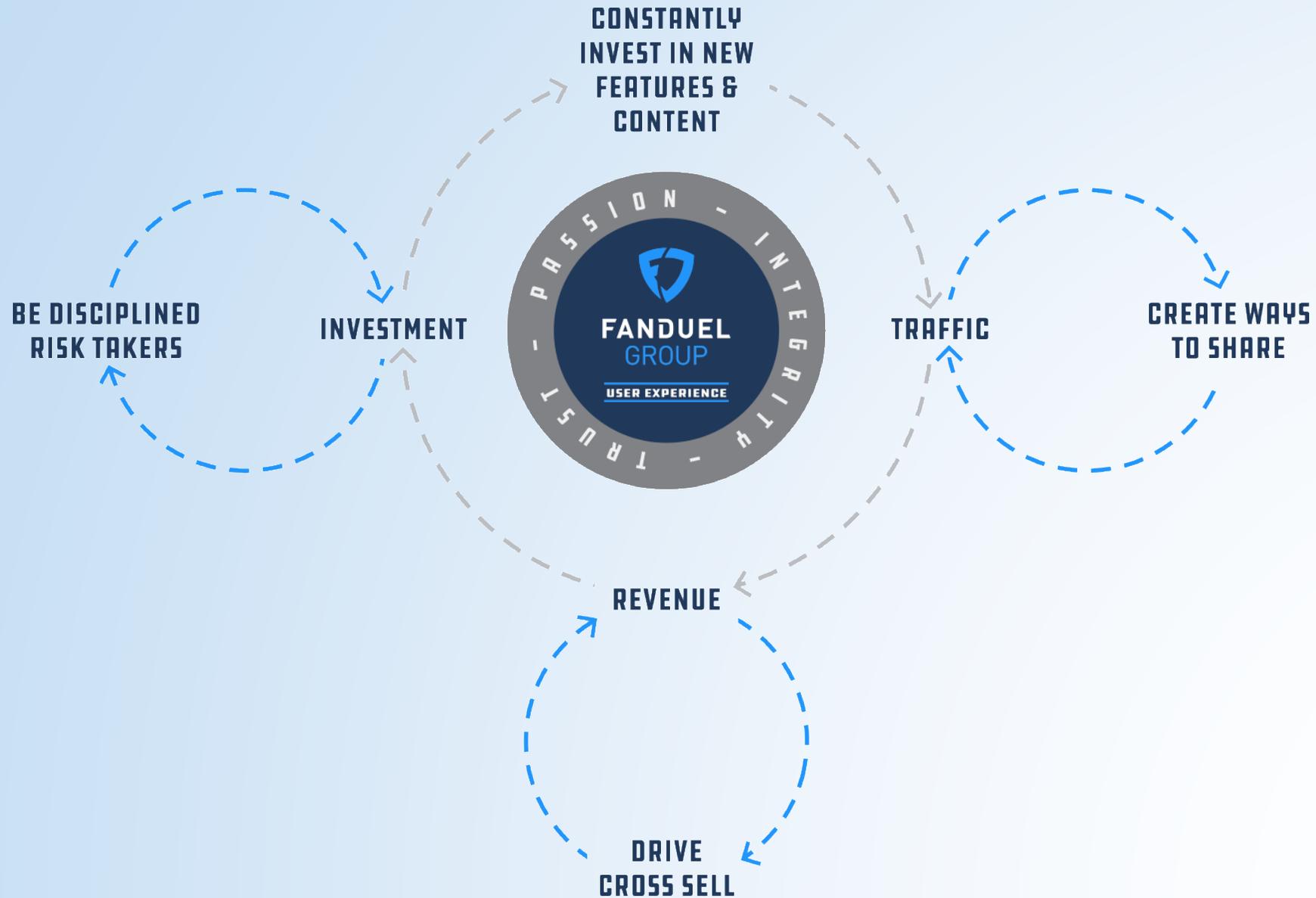
Source: Wall Street Equity research. U.S. Population data. Management estimates.

Note: NJ market statistics based on July 2018 through February 2019 reported results from the DGE.

1. American Gaming Association.

2. Multiple Wall Street / industry research analysts estimates.

# THE FANDUEL GROUP APPROACH TO GROWTH



# DEEP MANAGEMENT TEAM WITH U.S. & INTERNATIONAL EXPERIENCE

**MATT KING**

CHIEF EXECUTIVE OFFICER



**PAUL  
RUSHTON**

CHIEF FINANCIAL  
OFFICER



**KIP  
LEVIN**

PRESIDENT & COO,  
CEO OF TVG



**ANDY  
GIANCAMILLI**

MANAGING  
DIRECTOR  
(PRODUCT & TECH)



**NIALL  
CONNELL**

GENERAL MANAGER  
OF SPORTSBOOK



**MIKE  
RAFFENSPERGER**

CHIEF MARKETING  
OFFICER



**CHRISTIAN  
GENETSKI**

CHIEF LEGAL  
OFFICER



## SCALE

- ✓ National footprint with >8.5m customers
- ✓ 4 products for cross-sell
  - Horse Racing
  - Fantasy Sports
  - Sports Betting
  - Online Casino
- ✓ Operating leverage

## BRAND / MARKETING

- ✓ \$400m+ invested in FanDuel as a sports brand
- ✓ High national awareness
- ✓ Established team with digital expertise

## PEOPLE / RESOURCES

- ✓ 800+ employees; c.300 in Product Development
- ✓ PPB global resources (people + sports betting expertise)
- ✓ Healthy balance sheet with access to capital

## PRODUCT & TECHNOLOGY

- ✓ Heritage of proprietary tech from the fantasy business
- ✓ Access to PPB global technology
- ✓ Digital + gambling DNA

- ✓ **Successful Integration**: FanDuel & Betfair U.S. / TVG teams came together
- ✓ **Launched Sportsbook**: Reached a leadership position within months of opening
- ✓ **Increased Market Share in Each Existing Business** vertical (Horse Racing, Fantasy Sports & Online Casino)
- ✓ **Secured Market Access**: Established key Sports (& Casino) partnerships in up to 15 states

**HORSE RACING**  
**#1** (ADW, U.S.)

**FANTASY SPORTS**  
**#2** (DFS, U.S.)

**SPORTS BETTING**  
**#1** (NJ)

**ONLINE CASINO**  
**#1** (NJ; Feb'19)

FANDUELGROUP



# REGULATORY LANDSCAPE

**CHRISTIAN GENETSKI**

CHIEF LEGAL OFFICER

## States have the right to regulate these verticals with Sportsbook opening after PASPA repeal

### HORSE RACING

- **Light regulation** of advanced deposit wagering (ADW), differs by state
- License / regulatory oversight in 16 states
- **FDG in 33 states**<sup>1</sup>

### FANTASY SPORTS

- **Some state regulation**, focus on DFS consumer protections
- License/regulatory/tax oversight in 17 states
- **FDG in 41 states**<sup>2</sup>

### SPORTS BETTING

- **Heavily regulated**
- **Currently legal in 8 states**<sup>3</sup>
- Need land-based casino or racetrack partner in most states
- Wire Act considerations
- **FDG in 3 states** (NJ, WV, PA)

### ONLINE CASINO

- **Heavily regulated**
- **Currently legal online in 1 state**
- Need land-based casino partner
- Wire Act considerations
- **FDG in 1 state** (NJ)

1. In 17 racing states, FDG operating lawfully with no regulation or via agreements with tracks.

2. Fantasy Sports unregulated states are open because of a mix of explicit state laws, favorable Attorney General opinions, and reliance on underlying state law.

3. Sports betting is a mix of retail only, retail/mobile, lottery exclusive in NV, NJ, DE, WV, MS, NM, PA and RI. The district of Columbia has also passed legislation.

**No two states have the exact same calendar, process, or power dynamics.**

**Each can dramatically impact both the timing and outcome of legislation.**

**Generally speaking, the stages of the process are:**

- 1. Bill Introduction:** there can be multiple bills introduced and debated relating to the same subject
- 2. Bill Passes the Legislature:** after several iterations and month(s) or year(s) of debate
- 3. Governor Signs Bill into Law:** law becomes official
- 4. Implementation of Law:** regulation defined, licensing process
- 5. Products / Services Launched:** go to market under new regulation

# VARIETY OF STAKEHOLDERS INFLUENCING LAWS IN EACH STATE

## ONLINE / RETAIL OPERATORS



## LAND-BASED CASINOS



## TRIBES



## RACETRACKS



## LEAGUES



## FANDUEL GROUP LEGISLATIVE PRIORITIES

- Our objective is pragmatic: Find a path to open markets in which we can participate on reasonable commercial terms
- Full online/mobile, no in-person signup, reasonable tax rate and regulatory burdens / costs
- Direct licensing or multiple market access points
- League fees/data must be reasonable and not inhibit business
- Ability to leverage FanDuel brand

## Pennsylvania and West Virginia are currently open for retail; both are expected to be online in 2019 with PA coming soon

| STATE   | % OF U.S. POPULATION | ACCESS                     | PRODUCTS (TODAY)  | COMMENTARY  |
|---|----------------------|----------------------------|---|---|
|    | 3.9%                 | <b>YES</b><br>(Boyd)       |       | <ul style="list-style-type: none"> <li>State expanded gambling in October 2017 to include sports betting if PASPA was repealed</li> <li>FanDuel granted conditional sports wagering operator license on March 6<sup>th</sup> 2019 and launched Retail at Valley Forge shortly thereafter</li> <li>Working through vendor, affiliate, employee licensing obligations for online sportsbook launch</li> <li>Online Casino will also be regulated</li> </ul> |
|  | 0.6%                 | <b>YES</b><br>(Greenbrier) |   | <ul style="list-style-type: none"> <li>State passed sports betting law in March 2018 before PASPA was repealed</li> <li>Received interim operating license in Sept 2018 and opened Retail at the Greenbrier subsequently</li> <li>Ongoing discussions with the West Virginia Lottery as it relates to launching online</li> </ul>   |
| <b>Total</b>  | <b>4.5%</b>          |                            |   |   |

# PROSPECTIVE, MAJOR SPORTS BETTING STATES

There are currently bills to legalize sports betting circulating in 20+ states; these four major states represent the largest near-term opportunities

| STATE   | % OF POP.    | ACCESS                       | PRODUCTS (TODAY)  | COMMENTARY   |
|---|--------------|------------------------------|---|--|
|  NY   | 6.1%         | <b>YES</b><br>(Tioga)        |       | <ul style="list-style-type: none"> <li>2013 constitutional amendment (Retail in four commercial casinos)</li> <li>Regulations for retail issued, aiming for late Spring launch</li> <li>Active efforts in legislature to pass a mobile bill (ends Jun'19)</li> </ul> |
|  IL  | 3.9%         | <b>YES</b><br>(Boyd)         |       | <ul style="list-style-type: none"> <li>Active efforts in legislature to pass omnibus gaming bill including online sports and casino</li> <li>Governor included online sports betting tax revenue in his budget</li> </ul>  |
|  MI | 3.1%         | <b>YES*</b><br>(MGM / Other) |    | <ul style="list-style-type: none"> <li>Legislature approved omnibus gaming bill (online sports betting &amp; casino, DFS and ADW) in Dec'18, but it was vetoed by outgoing governor</li> </ul>   |
|  MA | 2.1%         | <b>YES*</b><br>(MGM / Other) |   | <ul style="list-style-type: none"> <li>Legislature considering multiple online sports betting bills</li> </ul>   |
| <b>Total</b>  | <b>15.2%</b> |                              |   |  |

\* Note: Represents multi-skin market access based on Boyd / MGM reciprocal deal. Exploring other access options as well in event market has limited skins.

# OTHER POTENTIAL SPORTS BETTING STATES

| STATE   | % OF POP. | ACCESS                                     | PRODUCTS (TODAY)   |
|---|-----------|--|--|
|  FL   | 6.4%      | <b>NOT YET</b><br>(Exploring)              |   |
|  OH  | 3.6%      | <b>YES</b><br>(Boyd)                       |   |
|  TN   | 2.1%      | <b>LIKELY</b><br>(Direct license probable) |   |
|  IN | 2.0%      | <b>YES</b><br>(Boyd)                       |   |

| STATE   | % OF POP. | ACCESS                        | PRODUCTS (TODAY)  |
|---|-----------|-------------------------------|---|
|  MD  | 1.9%      | <b>YES*</b><br>(MGM / Other)  |   |
|  MO  | 1.9%      | <b>YES</b><br>(Boyd)          |    |
|  CT  | 1.1%      | <b>NOT YET</b><br>(Exploring) |   |
|  IA | 1.0%      | <b>YES</b><br>(Boyd)          |   |

**Total 19.9%**

\* Note: Represents multi-skin market access based on Boyd / MGM reciprocal deal. Exploring other access options as well in event market has limited skins.  
 Note: Rounding of %, including total to nearest tenth of a percentage.

**We are focused on building a long-term business and take compliance efforts and responsible gaming initiatives very seriously, leveraging the global practices of PPB**

## OVERVIEW OF KEY ITEMS

- Compliance with regulations on reporting, KYC, marketing, and operations
- AML compliance with Bank Secrecy Act
- Responsible Gaming (RG) protections

## FANDUEL GROUP CONTROLS

- ✓ All internal controls, advertisements and operating plans reviewed and approved by internal legal function
- ✓ Compliance management process monitors compliance on an ongoing basis, with incident reporting and communication with line stakeholders
- ✓ Appropriate levels of AML and RG training provided to each level of employee
- ✓ Internal systems for Enhanced Diligence and reporting of suspicious activities, RG issues

FANDUELGROUP



# PRODUCT & TECHNOLOGY

**ANDY GIANCAMILLI**

MANAGING DIRECTOR

## In-house development team introducing best-in-class, proprietary product features



TVG mobile app interface showing a horse race card for Miami Valley R9. The card lists 7 runners with their odds and handicappers. The interface includes navigation options like LOGIN, SIGN UP, POOLS & INFO, and WATCH LIVE. At the bottom, there are sections for TVG PICKS, TRACKMASTER, and HANDICAPPING STORE.

| # | ODDS | SELECT HANDICAPPING VIEW                          | BET ALL |
|---|------|---|---------|
| 1 | 6/5  | RACE WITH GRACE<br>Miller, Brett   George, Tyler  | +       |
| 2 | 9    | UPFRONT SUPERSONIC<br>Kauffman, Kayn   Zink, Rob  | +       |
| 3 | 11   | UBETTORBETURLIFE<br>Smith, Tyler   Stohler, Trent | +       |
| 4 | 7/2  | DILLY DALI<br>Warren, Todd   Burke, Ron           | +       |
| 5 | 3    | NAT A VIRGIN<br>Sutton, Josh   Schmucker, Mer     | +       |
| 6 | 7    | SMASH<br>Noble, Dan   Swartz, Debora              | +       |
| 7 | 25   | TARPORT BELLE<br>Brewer, Jason   Brewer, Jeff     | +       |



Fanduel mobile app interface showing promotional banners for Opening Day Rally and NHL Breakaway. The interface includes navigation options like Discover and All contests. Below the banners, there is a section for Single Game betting with odds and entry amounts.

**\$333,000 OPENING DAY RALLY**  
\$100,000 TO FIRST PLACE  
Enter now

**\$50,000 OPENING DAY FREE PLAY**  
Play FREE

**\$45K Sun NBA Shot**  
9:30PM ET (SAC @ LAL)  
1,933 of 5,362  
36% FULL  
\$9.99 Entry >

**\$500 NHL Breakaway**  
10PM ET (CLS @ VAN)  
71 of 148  
47% FULL  
\$4 Entry >



Fanduel Sportsbook mobile app interface showing a list of NBA games with odds. The interface includes navigation options like Login and Join Now. Below the list, there is a section for Popular games with odds and entry amounts.

**Get A Risk-Free Bet Up To \$500**  
Refund issued as a site-credit  
JOIN NOW

**Popular** Live Quick Parlays

| NBA              | SPREAD | MONEY | TOTAL   |
|------------------|--------|-------|---------|
| Atlanta Hawks    | +10    | +400  | O 221.5 |
| Miami Heat       | -10    | -550  | U 221.5 |
| Dallas Mavericks | +5     | +180  | O 226.5 |
| Brooklyn Nets    | -5     | -215  | U 226.5 |
| Denver Nuggets   | +1     | -102  | O 230   |



betfair CASINO mobile app interface showing live dealer games. The interface includes navigation options like Log In and Sign Up. Below the navigation, there is a section for Pro BLACKJACK and Live Dealer Roulette/Baccarat.

**Now Accepting Deposits via PayPal**  
Deposit Now  
Secure  
Convenient  
No Fees  
No Limits

**Pro BLACKJACK**

American Blackjack Table 3  
LIVE BLACKJACK  
OPEN: 2:00PM - 4:00AM

American Blackjack Table 1  
LIVE BLACKJACK  
OPEN: 10:00AM - 4:00AM

American Blackjack Table 2  
LIVE BLACKJACK  
OPEN: 10:00AM - 4:00AM

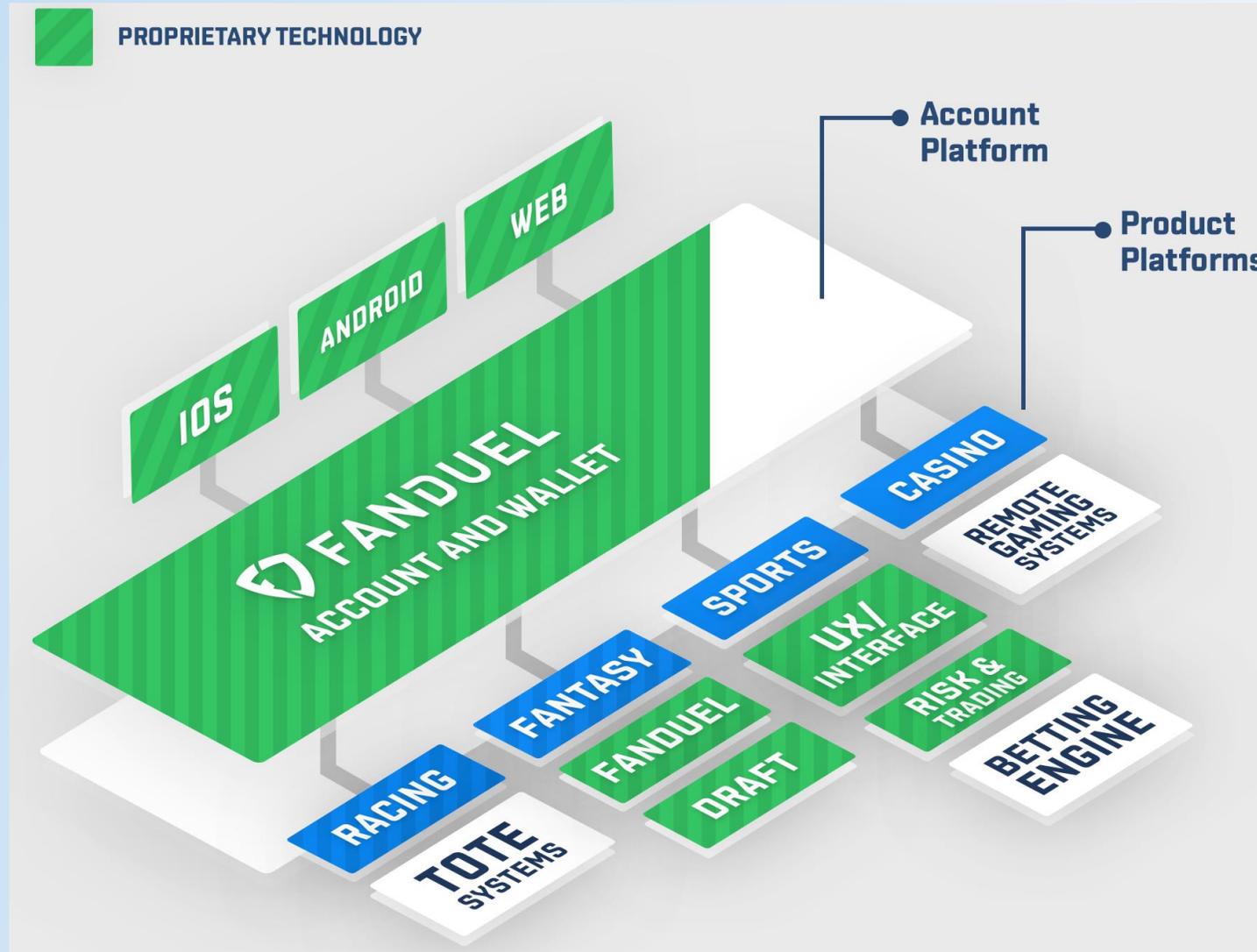
American Blackjack Table 4  
LIVE BLACKJACK  
OPEN: 10:00AM - 4:00AM

Live Dealer Roulette  
LIVE ROULETTE  
OPEN: 10:00AM - 4:00AM

Live Dealer Baccarat  
LIVE BACCARAT  
OPEN: 10:00AM - 4:00AM

# WE LEVERAGE A BLEND OF PROPRIETARY & 3RD PARTY TECHNOLOGY

FanDuel Group will continue increasing the proportion of proprietary technology in key areas



## U.S. CHALLENGES



State by state requirements / infrastructure / Wire Act



Customer preferences and knowledge of betting types



Local “biases” with favorite teams in state



Varying payment processor requirements across verticals

## HOW OUR TECHNOLOGY WILL SOLVE THIS

- One app across states, supported by one wallet per customer
- Flexibility to develop features on betting platforms with an ability to customize for the U.S.
- Plug into PPB global Risk & Trading platform to manage risk more broadly than local market
- One federated wallet that will conform to processor requirements

Strong and experienced team dedicated to the U.S. business + access to shared global resources

***c.300 People***

*(Product & Technology)*

***40% > 3 years Tenure  
at FDG***

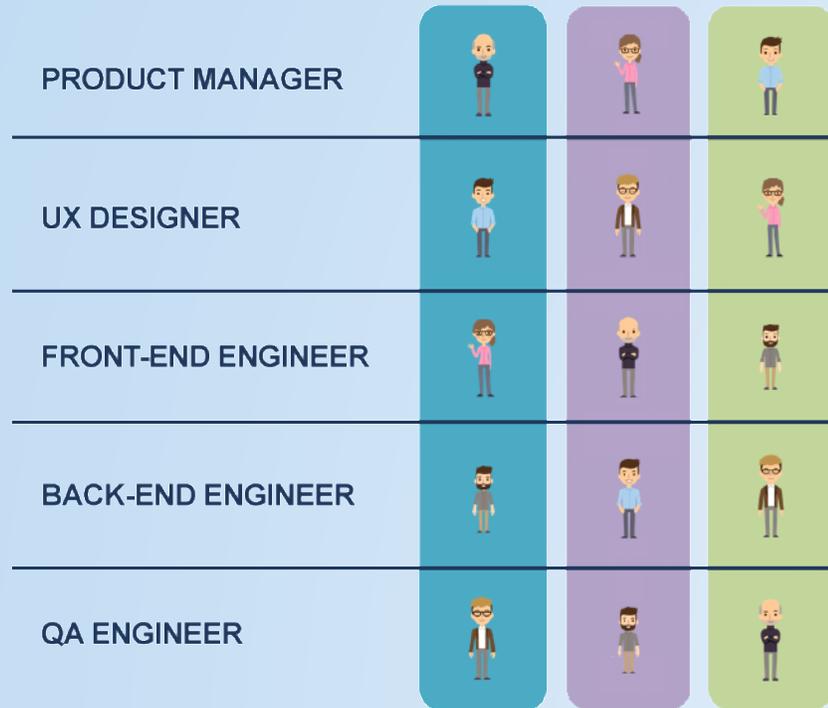
***Experienced Sports  
Product Leaders***

*(Avg. 10 years experience in Sports Betting)*

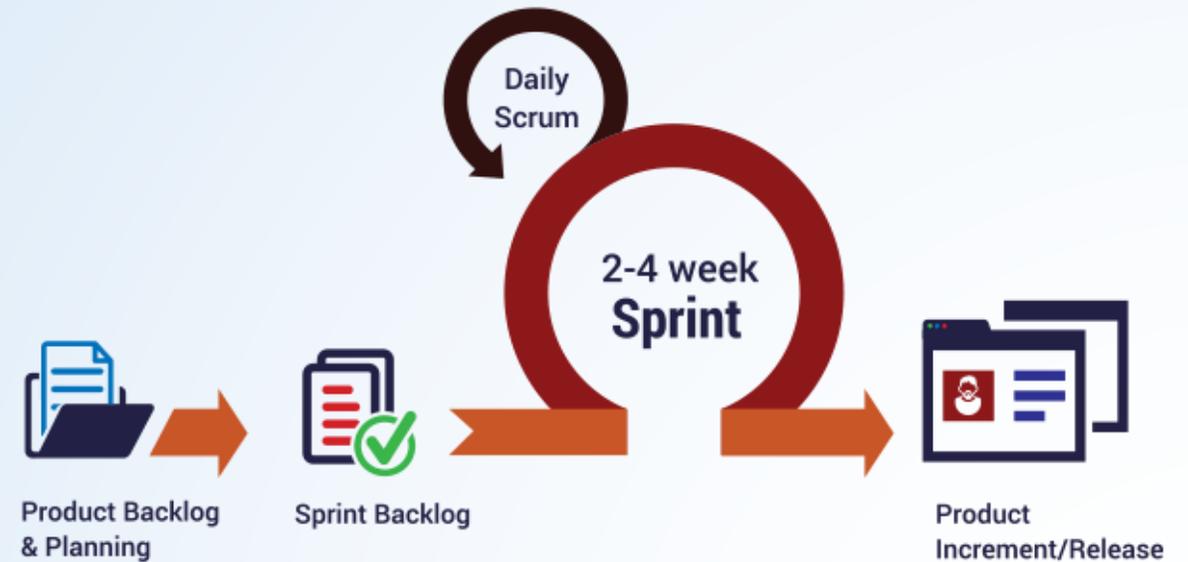
- Fantasy business built on full proprietary technology developed over many years
- Access to shared PPB global resources in Cluj / Porto to further scale technology talent
- Tech development locations by businesses:
  - Racing: Porto (35)
  - Fantasy + Sports: Edinburgh & Glasgow (145)
  - Cross product resources in New York & Los Angeles (113)

FanDuel Group develops using best-in-industry Continuous Development and Agile software engineering principles, allowing us to build what our users want, quicker

## STREAMS MODEL FOSTERS COLLABORATION...



## ...WITH AGILE DEVELOPMENT DRIVING FASTER PRODUCT RELEASES



**CURRENTLY, FDG OPERATES WITH 15 DEVELOPMENT STREAMS AND WILL CONTINUE EXPANDING**

## FDG PRODUCT DEVELOPMENT THROUGHPUT BY VERTICAL

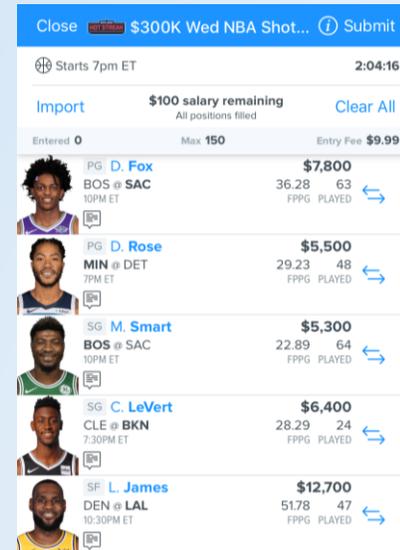
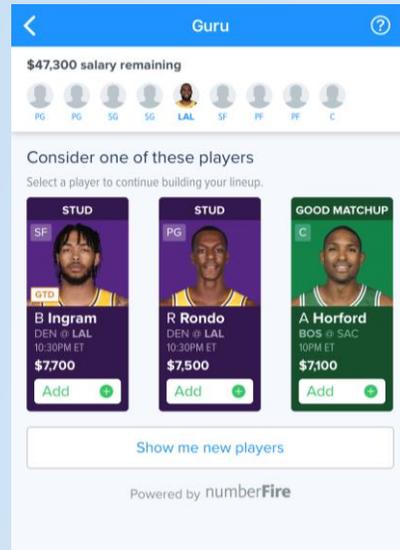
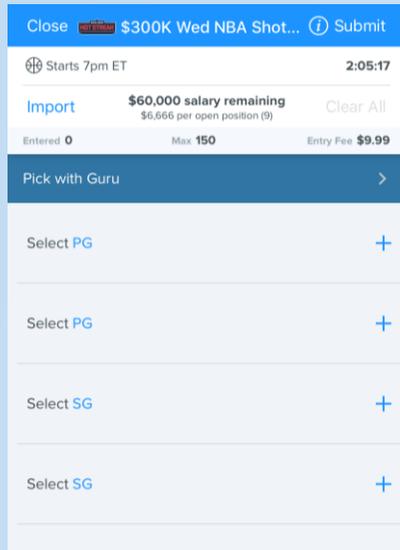
|  | Q3 '18   | Q4 '18   | Q1 '19   |
|--|--|--|--|
|  <b>Racing</b>     | New TVG OTT App<br>TVG Streaming in App<br>Promo Signage | Race Replays<br>New Racing Content                                   | Inline Form & Replays<br>Refer-a-friend<br>New F2P game                |
|  <b>Fantasy</b>    | Contest Discovery<br>Guru<br>Survivor/Pick'Em            | Short Lists<br>Partial Fixtures<br>Friend Challenges                 | Injury Notifications<br>Lobby Filtering<br>Leaders and Box Scores      |
|  <b>Sports</b>     | NJ Online  | Live Video Streaming<br>Cashout                                      | QuickSlips<br>Touch/Face ID<br>SSBTs                                   |
|  <b>Casino</b>   | 3 New Games<br>New Signup Pages                          | 14 New Games<br>Desktop Cross-Sell from SB<br>iOS Cross-Sell from SB | Android Cross-Sell from SB<br>20 New Games<br>2 New Live Dealer Tables |
|  <b>Services</b> | More Ways To Win   | The Duel<br>Alexa Pick 6   | Payments expansion<br>March Madness F2P                                |

## KEY STATS

- ✓ **50** app releases across platforms since sportsbook launch
- ✓ **12** new Sportsbook features released after online opening
- ✓ **36** significant new features during NFL season 2018 (Fantasy & Sports)

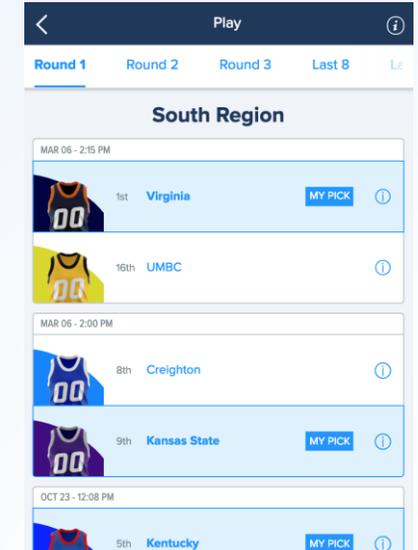
We are customer obsessed, rapidly responding to user pain points

## SIMPLIFYING THE DRAFTING PROCESS (FANTASY)



- Created Guru tool that offers an in-line visual interface to help users select players faster and reducing abandoned lineups

## FINDING ENTRY POINT FOR NOVICES (SPORTS BETTING)



- Built a simple, free-to-play bracket game for casual, new sports betting audience

# OUR COMPELLING PRODUCTS ARE RECOGNIZED THROUGHOUT THE INDUSTRY

Our process of including a product designer, UX researcher and interaction designer in the product development stream process has resulted in a differentiated product that customers love



- Integrate products with **singular, proprietary account / wallet technology**
- **Finalize development of multi-state capabilities**
- Leverage global position to **deliver best-in-class product** across verticals
- Drive engagement through **content, streaming, F2P and social**
- **Utilize PPB resources** to deliver winning features from other geographies
- **Focus on personalization** across products
- **Open U.S. Fantasy product to PPB international markets** through APIs

FANDUELGROUP



# BRAND & MARKETING

**MIKE RAFFENSPERGER**

CHIEF MARKETING OFFICER

*VIDEO*



- ✓ **Significant brand equity:** Over \$400m spent over last 5 years
- ✓ **Large, existing sports-focused customer base** of >8.5 million players
- ✓ **Proven ability to drive growth** particularly amongst millennial sports fans
- ✓ **Established marketing team** who have made material technology investments
- ✓ **Digital-first marketing DNA** with track record of digital advertising in the U.S.

# DELIVERING BILLIONS OF IMPRESSIONS ACROSS THOUSANDS OF ASSETS

**FANDUEL CLUTCH SHOT**

**\$1,000,000 OPENING NIGHT**

FANDUEL SPORTSBOOK

**FANDUEL SPORTSBOOK**

## GHOST YOUR BOOKIE.

Bet with a name you can trust. This football season, get all the action on FanDuel Sportsbook.

**SAFE · LEGAL · SECURE**

**MORE WAYS TO WIN**

Download on the App Store

Gambling Problem? 1-800-GAMBLER. 21+ Must be physically present in New Jersey.

| NFL               | SPREAD     | MONEY | TOTAL           |
|-------------------|------------|-------|-----------------|
| Denver Broncos    | -1<br>-115 | -118  | Ov 41.5<br>-120 |
| Arizona Cardinals | +1<br>-105 | +100  | Un 41.5<br>+100 |
| Atlanta Hawks     | +4<br>-110 | +134  | Ov 217<br>-110  |
| New York Knicks   | -4<br>-110 | -158  | Un 217<br>-110  |

**WITH MORE MORE**

**THANKSGIVING DAY FANTASY FEAST**

Get ready for 8 courses of contests

**FANDUEL SPORTSBOOK**

### NBA SUPER PROP

Get \$100 credit if any 3-point shots

Claim now

**FANDUEL SPORTSBOOK**

### WELCOME TO THE PARLAY

Bet moneylines, under/over, props, and much more, all on FanDuel Sportsbook.

**SAFE · LEGAL · SECURE**

**MORE WAYS TO WIN**

Download on the App Store

**SINGLE ENTRY SERIES**

PRESENTED BY **Flora-Grinders**

**PUT YOUR BEST LINEUP FORWARD**

Play 6 straight weeks of contests. Take the total of your top 4 series scores to advance.

**THANKSGIVING NFL GAMES**

PLACE A PARLAY BET. GET \$500 BONUS IF EITHER TEAM SCORES.

Claim now

**WORLD FANTASY FOOTBALL Championship**

OVER \$7,000,000 IN TOTAL PRIZES

Win a trip to New York City, December 16th-18th.

Qualify Now | Live Final | Fan Championship

**WALK AWAY**

YOUR FANTASY SEASON DESERVES A FRESH START

VONTAE DAVIS

**JUST GIVE BAMA THE TROPHY**

They're so good, we paid out early on CFB Championship bets

Don't worry if you missed out. We're offering up boosted odds on Alabama in the SEC Championship.

**Bet Now**

**THE BEST BET IN SPORTS**

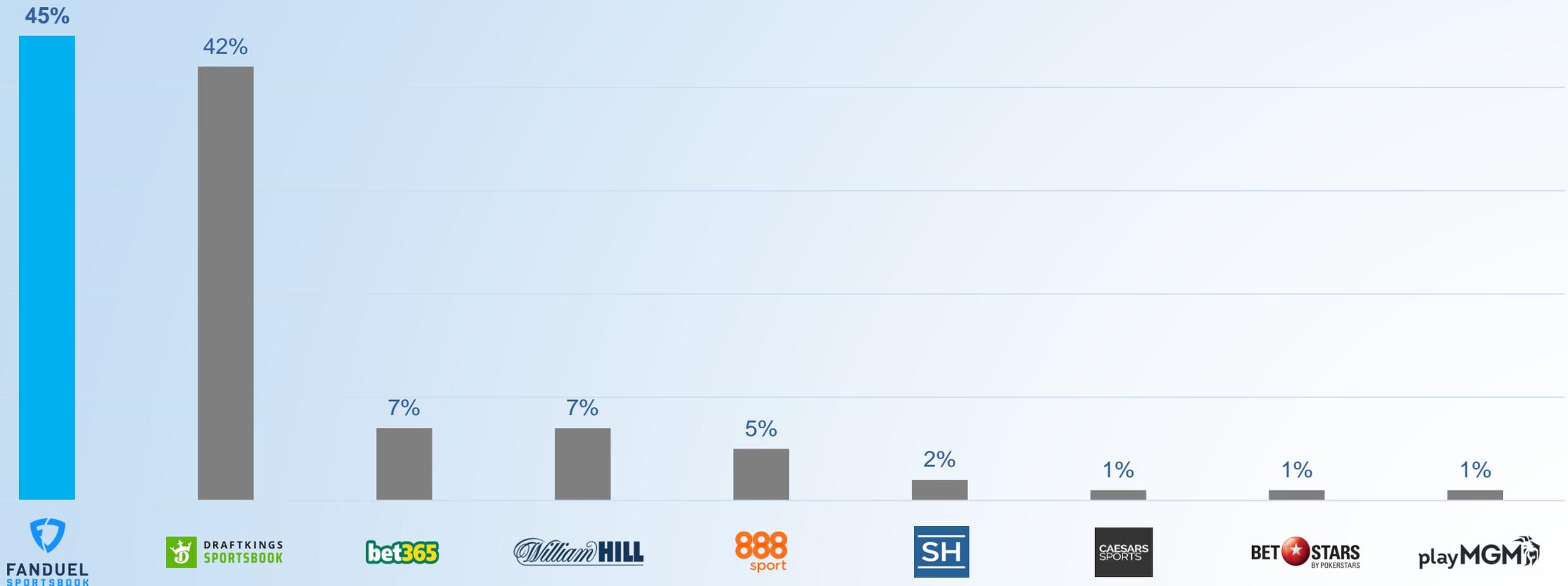
## EXISTING MARKETING ASSETS

- ✓ Established team of **80+ Marketing employees** with experience in U.S. market
- ✓ **Sizable investment in Martech** over the last year to provide modern marketing apparatus that drives incremental efficiency and efficacy
- ✓ Longstanding **partnerships with iconic sports leagues, teams and media companies** deepening consumer loyalty with FanDuel
- ✓ In-house creative and production capabilities

## AND A BRAND THAT RESONATES WITH SPORTS BETTORS NATIONWIDE

- ✓ **Daily Fantasy Sports (DFS) players 3.5x more likely to bet on Sports** with ~80% claiming to bet at least once a month
- ✓ **85% of active DFS** users surveyed said they **are likely to bet with FanDuel**
- ✓ **67% of non-DFS users** said they **were likely to bet with FanDuel**

## UNPROMPTED AWARENESS (NOV'18 – JAN'19)



Note: Data based on internal surveys. Average for Nov. 2018 – Jan. 2019). N = 1,504. Survey data is from individuals in legalized sports betting states or adjoining states (Delaware, Kentucky, Maryland, Mississippi, New Jersey, New York, Ohio, Pennsylvania, Virginia, and West Virginia).

## LEAGUES



- Exclusive, official fantasy sports partner since 2014
- Official sports betting partner



- Exclusive, official fantasy sports partner
- Official sports betting partner

## TEAMS

### SPORTS BETTING



### FANTASY SPORTS



- Teams in major markets / potential sports betting states

## MEDIA COMPANIES (& CURRENT SHAREHOLDERS)



- Advertising relationships with shareholders who have become long-term media partners

## EDITORIAL / BLOG



✓ Content has reach of 400m+ impressions

✓ Searchable inventory with Google indexed FanDuel pages up 14x YoY

✓ Top10 Google keywords up 3x YoY

✓ Top100 Google keywords up 8x YoY

✓ TVG television network has distribution in 45m+ homes

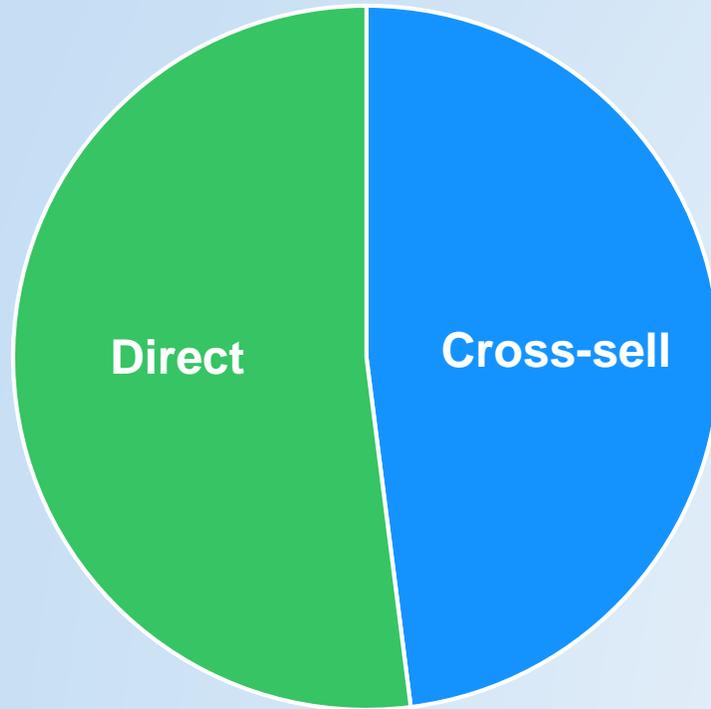
## VIDEO / PODCAST



## SOCIAL MEDIA



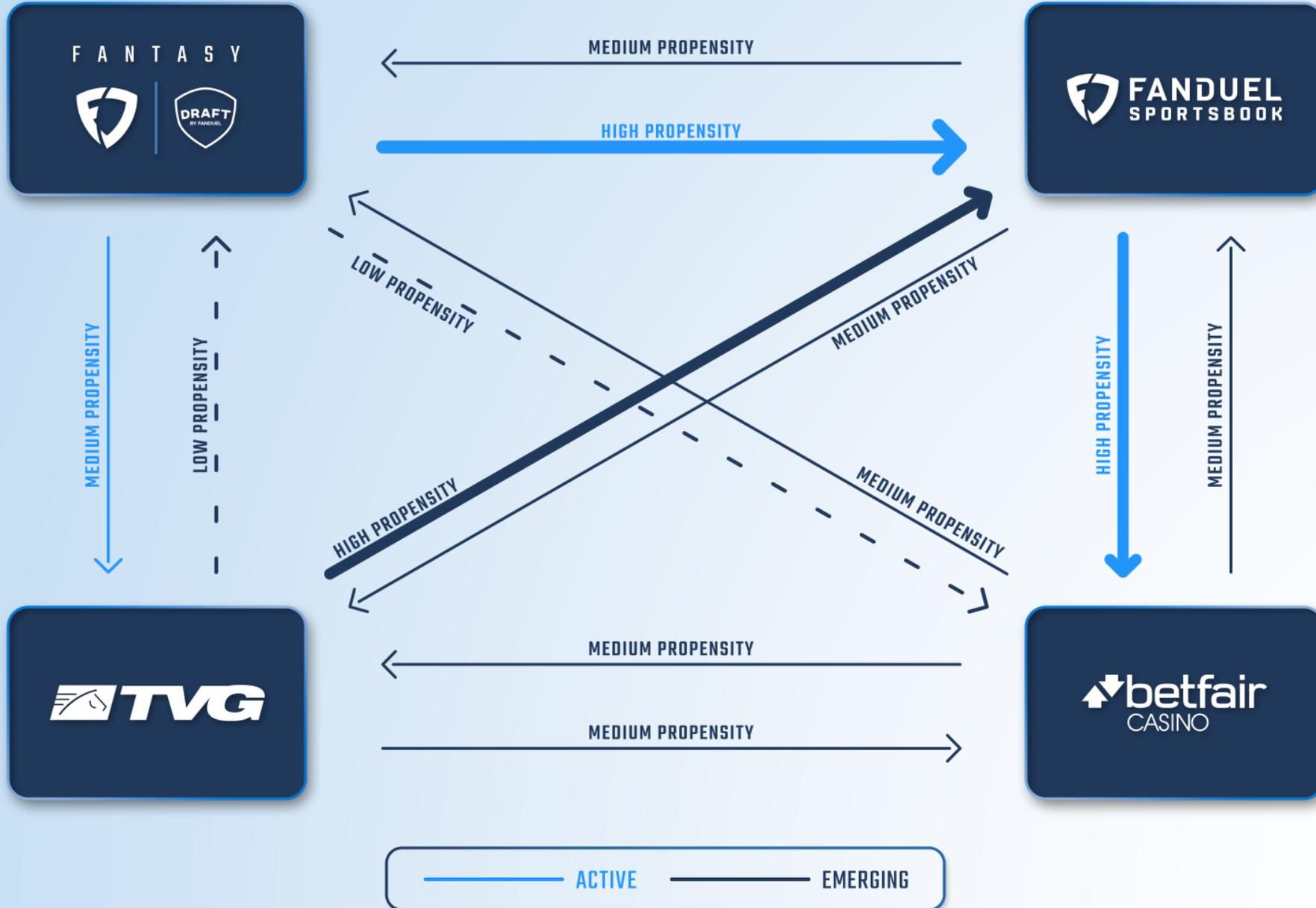
## SPORTSBOOK USER ACQUISITION BY SOURCE



## DRIVING SUSTAINED GROWTH

- ✓ **Disciplined investment** of marketing dollars
- ✓ Diverse & innovative **digital portfolio**
- ✓ High levels of **user referrals**
- ✓ **Agile approach to acquisition offer** – multiple switches to cater for events, seasonality & competitive landscape
- ✓ **Engaged DFS Database**

# CROSS-SELL IS CREATING A VIRTUOUS CIRCLE OF ENGAGEMENT



FANDUELGROUP



# HORSE RACING

**ENRICO RUSI**

GENERAL MANAGER OF RACING



WIN PLACE SHOW EXACTA TRIFECTA SUPERFECT

| # | ODDS           | RUNNER, JOCKEY, TRAINER                                | BET ALL |
|---|----------------|--|---------|
| 1 | 4/5<br>M/L 12  | <b>JUSTIFY</b><br>Mike Smith   Bob Baffert             | +       |
| 2 | 30<br>M/L 5    | <b>FREE DROP BILLY</b><br>Robby Albarado   Dale Romans | +       |
| 3 | 8<br>M/L 9/2   | <b>BRAVAZO</b><br>Luis Saez   D. Wayne Lukas           | +       |
| 4 | 9/2<br>M/L 8/5 | <b>HOFBURG</b><br>Iran Ortiz   Bill Mott               | +       |
| 5 | 30<br>M/L 15   | <b>RESTORING HOPE</b><br>Florent Geroux   Bob Baffert  | +       |
| 6 | 12<br>M/L 2    | <b>GRONKOWSKI</b><br>Jose Ortiz   Chad Brown           | +       |

## BUSINESS OVERVIEW

- Advanced deposit wagering (“ADW”) across over 150 tracks in the U.S. for almost two decades
- Product offered in **33 states**; pools betting market
- Only TV Network** fully dedicated to Horse Racing with exclusive content
- ~33% online wagering market share**; top 3 players have ~85% of market
- Main competitors are Churchill Downs (TwinSpires) and Stronach Group (XpressBet) & NYRA



## EXISTING TELEVISION DISTRIBUTION & CONTENT



# of Homes

45 MILLION

Content

TOP TIER RACING & PROGRAMMING

Live Broadcast

AVERAGE 16+ HOURS X 7 DAYS A WEEK

Key Tracks



# of Homes

15 MILLION

Content

CHURCHILL DOWNS, 2<sup>ND</sup> & 3<sup>RD</sup> TIER RACING

Live Broadcast

AVERAGE 8+ HOURS X 5 DAYS A WEEK

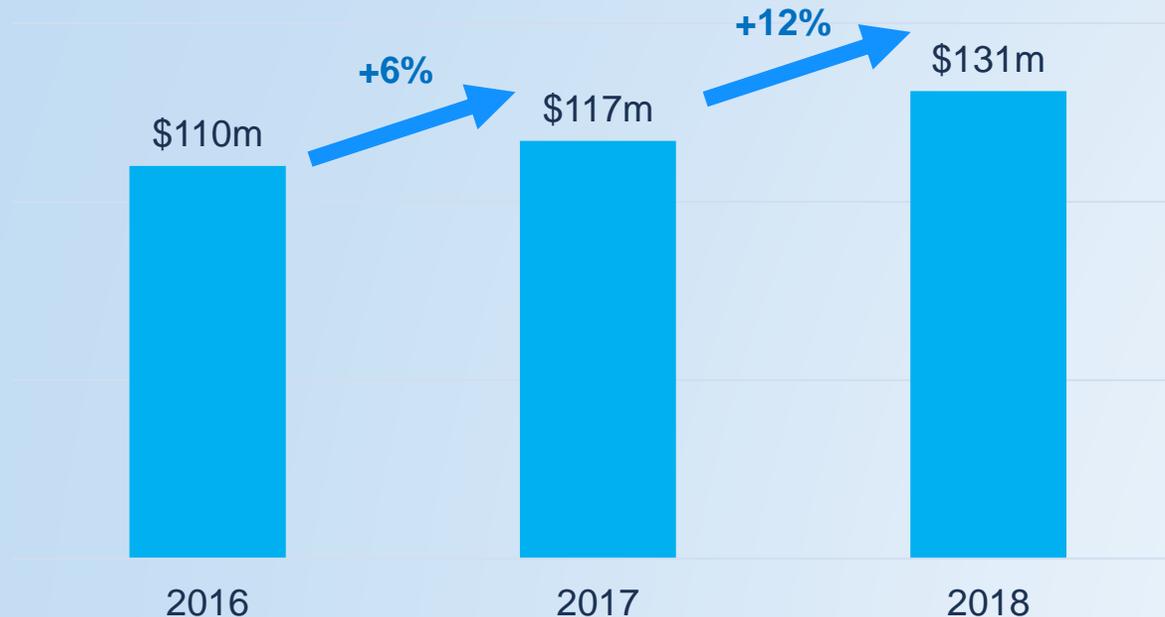
Key Tracks



- Acquire and retain bettors as the **only dedicated horse racing network** in the U.S. (plus an accompanying betting product)
- TVG is carried by DirecTV, Comcast Xfinity, Dish Networks, Verizon Fios, Spectrum and more
- Launched **over-the-top (OTT) app** (Amazon, Apple TV and Roku) to expand coverage in 2017

## RACING REVENUE & GROWTH

(GGR in \$, growth y/y %)

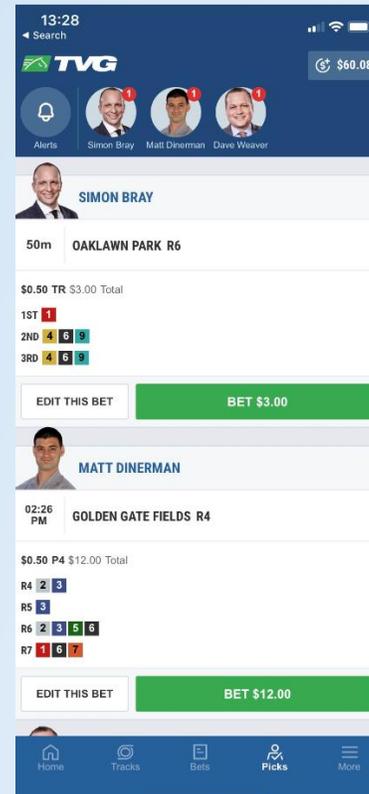


## BUSINESS HIGHLIGHTS

- ✓ **Increased market share** in last two years
- ✓ **~60% online market share in California** (home state)
- ✓ **Exclusive operator in New Jersey**
- ✓ Strong position in other large racing states (NY, FL, KY)
- ✓ Strong new customer acquisition over the last few years has **grown customer database to over 500k players**

**WE HAVE ~33% OF THE ONLINE MARKET AND ARE CONTINUING TO INVEST IN PRODUCT DEVELOPMENT AND MARKETING TO INCREASE OUR SHARE**

## LEADING MOBILE APP FOR U.S. RACING WAGERING



## KEY DIFFENTIATORS

- Leverage PPB European product resources
- Cross platform TV network streaming offering the most tracks in U.S. market
- TV talents picks & alerts
- Built for fast bet placement
- Easy, intuitive free form



## EXCLUSIVE TV CONTENT

| PL | OR  | TIME | ENTRIES |
|----|-----|------|---------|
| 1  | 8   | 2:31 |         |
| 2  | 5/2 | 1:46 |         |
| 3  | 30  | 8:15 |         |
| 4  | 45  | 7:14 |         |
| 5  | 2   | 1:18 |         |
| 6  | 8   | 2:03 |         |
| 7  | 35  | 8:45 |         |
| 8  | 25  | 7:73 |         |
| 9  | 50  | 9:97 |         |
| 10 | 12  | -    |         |
| 11 | Scr | -    |         |
| 12 | 7/2 | 1:34 |         |
| 13 | Scr | -    |         |
| 14 | Scr | -    |         |
| 15 | Scr | -    |         |
| 16 | Scr | -    |         |

0:22:55 TOTAL ENTRIES  
TO LEG 1 AQU 6 17,742

## DIFFERENTIATED PROMOS & CRM

**FREE SHOT AT \$100,000**  
PLAY AT [TVG.COM/SUPER8](http://TVG.COM/SUPER8)

## COMPELLING ACQUISITION OFFERS

**NEW PLAYERS IN FLORIDA & NEW YORK**  
**BET \$200 GET \$200**  
[TVG.COM/WELCOME](http://TVG.COM/WELCOME)

| PL | OR  | TIME | ENTRIES |
|----|-----|------|---------|
| 1  | 30  | 7:84 |         |
| 2  | 25  | 8:84 |         |
| 3  | 5/2 | 4:63 |         |
| 4  | Scr | -    |         |
| 5  | 50  | -    |         |
| 6  | 2   | 4:56 |         |
| 7  | 8   | 5:43 |         |
| 8  | 5/2 | 4:32 |         |
| 9  | 12  | 9:99 |         |
| 10 | 9   | 7:50 |         |

7 SIMON'S PICK FIVE STAR GENERAL

**MONEY BACK ON THE PREPS**  
SATURDAY - ROBERT B. LEWIS (SA), WITHERS (AQU), HOLY BULL (GP)  
FIRST WIN BET UP TO \$10 ELIGIBLE  
DETAILS AT [TVG.COM/PROMOS](http://TVG.COM/PROMOS)

**NEW PLAYERS 25/1 ODDS ON ANY HORSE + DOUBLE YOUR FIRST DEPOSIT**  
BET THE \$1M TVG PACIFIC CLASSIC  
[TVG.COM/BESTBET](http://TVG.COM/BESTBET)

# CROSS-SELL FROM FANTASY CAN EXPAND RACING AUDIENCE

The screenshot displays the Fanduel website interface. At the top, there are navigation tabs for 'FANTASY' and 'SPORTSBOOK'. Below these are links for 'FANDUEL', 'Lobby', 'Upcoming', 'Live', 'History', 'Friends', and 'Research'. Two main promotional banners are featured: 'WORLD FANTASY FOOTBALL Championship' with 'Over \$6,000,000 in total prizes' and 'Learn More >', and 'SUNDAY MILLION' with '\$1,800,000 IN PRIZES', '\$400,000 grand prize', '\$9.99 entry fee', and 'Enter now >'. A navigation bar below includes 'Discover' and sports icons for NFL, NBA, NHL, CFB, and PGA. A personalized message reads 'Welcome, Jeff' with 'Start earning rewards Learn more'. A vertical banner on the left side, highlighted with a red dashed border, features TVG branding, Britney Eurton's name and title 'TVG HOST', and a promotion: 'BET THE BREEDERS' CUP' and 'GET \$25 ON FANDUEL WITH A NEW TVG ACCOUNT'. The bottom of the page shows the start of a 'Biggest prizes' section.

- Initial cross-sell campaigns commenced in Jan'19 including home page skin and email offer
- Major push planned for Kentucky Derby / Triple Crown in Q2'19
- ✓ **>25% of new customer registrations on TVG for 1<sup>st</sup> big Racing day of 2019 (Pegasus Cup) was from Fantasy database**

- Broaden target audience for U.S. horse racing through **cross-sell**
- **Add incremental markets** (i.e. new states)
- **Expand TVG networks distribution** with more carriage (particularly of TVG2)
- **Transition more distributors from SD to HD broadcast** to improve viewing experience
- Further **product innovation** to differentiate and gain market share

FANDUELGROUP

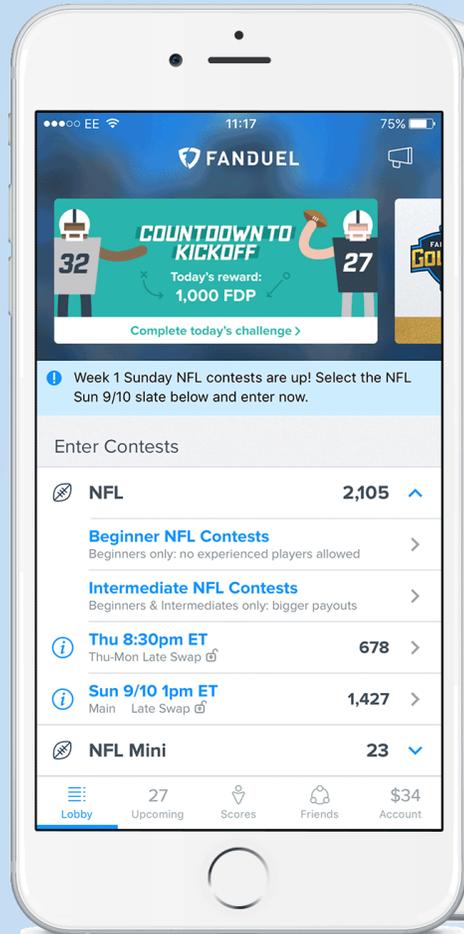


# FANTASY SPORTS

**ANDY GIANCAMILI**

MANAGING DIRECTOR

Paid, “daily” Fantasy Sports was a ~\$3.5bn entry fee market in 2018



## BUSINESS OVERVIEW

- Operating largely nationwide since 2009
- Revenue earned on a **commission basis (~11% average)** for hosting contests
- **~40+% market share** in the U.S. with major competitor being DraftKings
- Strong new product development (i.e. new game formats – single game)

**SUNDAY MILLION**  
\$3,500,000 IN PRIZES  
\$1M grand prize  
\$15 entry fee  
Enter now >

**THURSDAY MILLION**  
\$1,000,000  
\$250K to 1st - \$9 Entry Fee  
Enter Now >

| HOT STREAK   | STUD  | VALUE  |
|--|---|--|
| QB<br>C Wentz<br>PHI @ DAL<br>SUN, 8:25PM ET<br>\$9,900<br>Add + | QB<br>A Rodgers<br>NYJ @ GB<br>SUN, 1:25PM ET<br>\$9,700<br>Add + | QB<br>T Taylor<br>KC @ BUF<br>SUN, 4:25PM ET<br>\$7,600<br>Add + |

# FANTASY IS A SIMPLE, UNIQUE & CAPTIVATING EXPERIENCE

FANDUELGROUP

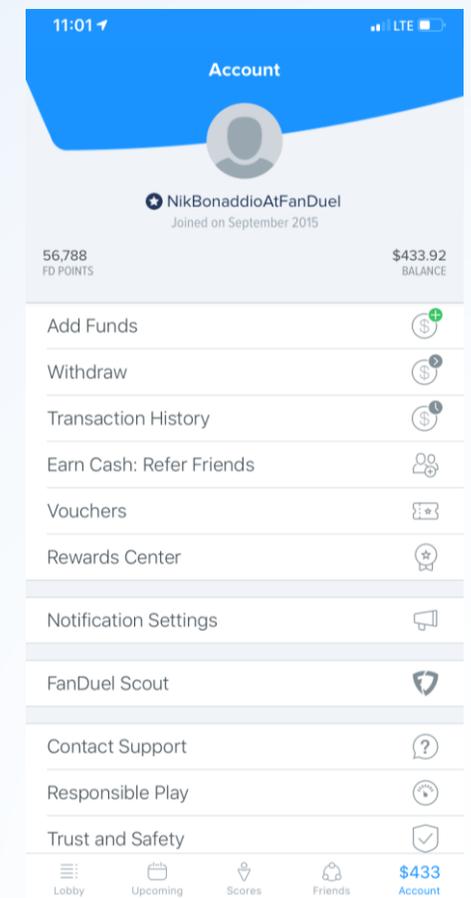
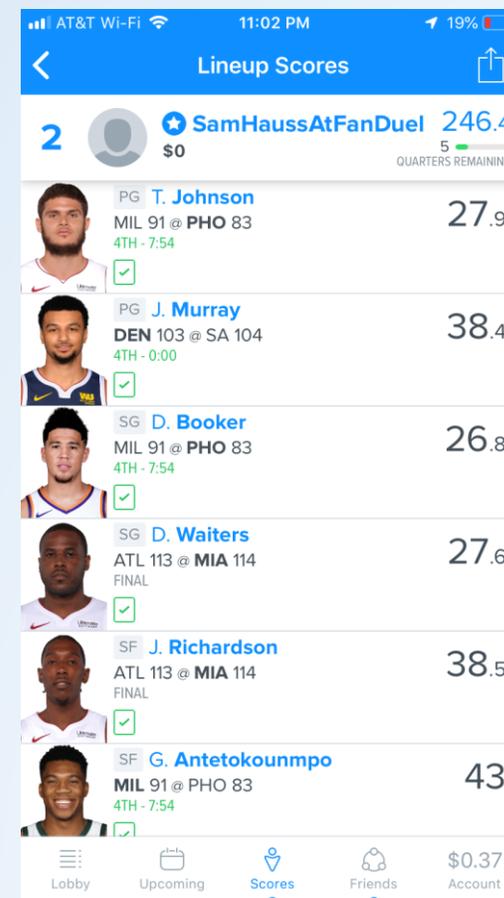
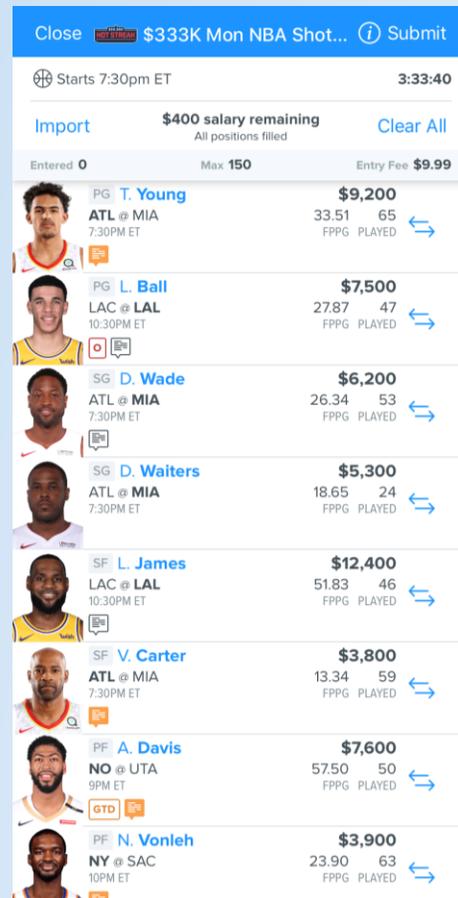
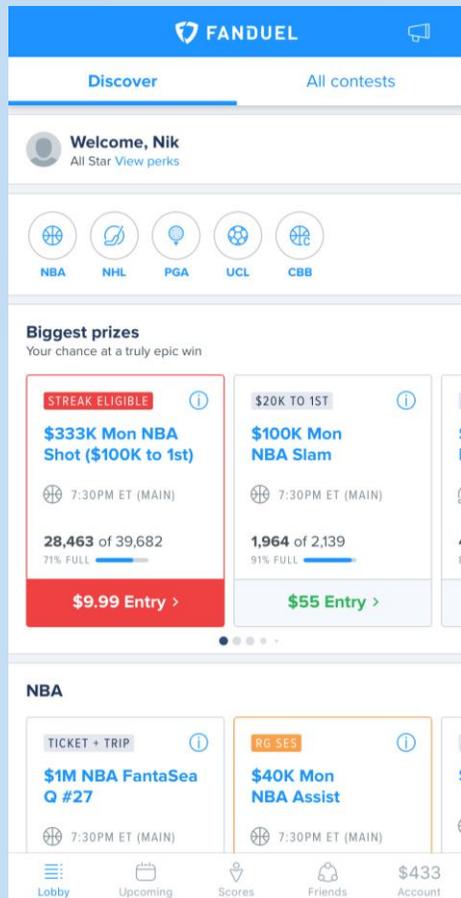
FANDUEL | betfair | UNBET | TVG

SELECT A CONTEST

BUILD A LINEUP

FOLLOW IT LIVE

COLLECT WINNINGS



## FANTASY (FD) VOLUME AND GROWTH

(GGR in \$, growth y/y %)

*Prospective FD / DK merger in review  
from Nov'16 to Jun'17 limited results*



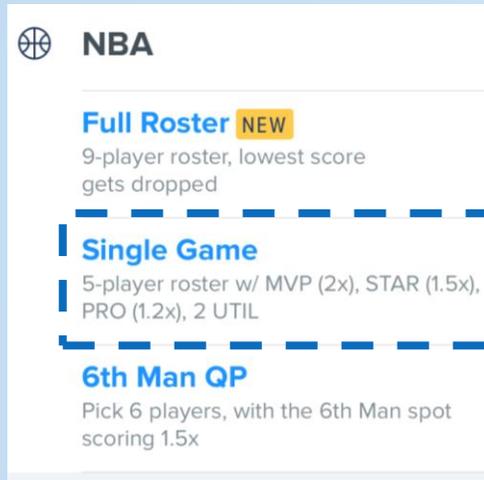
## 2018 GROWTH HIGHLIGHTS

- Introduction of single game contents
- Added **several new sports** (NASCAR, College Football and College Basketball)
- Market share gains through **improved CRM**
- **Strong increase in first-time depositors**

**FANDUEL FANTASY RETURNED TO STRONG GROWTH IN 2018 DUE TO PRODUCT INVESTMENT; PAID ACTIVE PLAYERS GREW 13% YEAR-ON-YEAR**

## CREATE NEW FORMATS / INVENTORY

- Simpler contests (i.e. single game) plus options for shorter duration (i.e. 2<sup>nd</sup> half only)

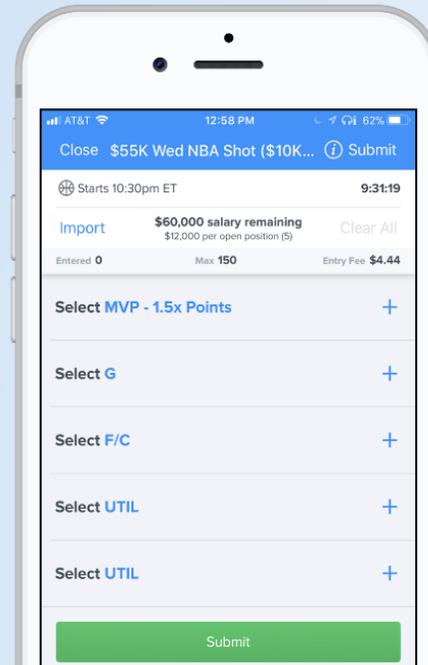


**NBA**

**Full Roster** **NEW**  
9-player roster, lowest score gets dropped

**Single Game**  
5-player roster w/ MVP (2x), STAR (1.5x), PRO (1.2x), 2 UTIL

**6th Man QP**  
Pick 6 players, with the 6th Man spot scoring 1.5x



AT&T 12:58 PM 62%

Close \$55K Wed NBA Shot (\$10K... Submit

Starts 10:30pm ET 9:31:19

Import \$60,000 salary remaining \$12,000 per open position (5) Clear All

Entered 0 Max 150 Entry Fee \$4.44

Select MVP - 1.5x Points +

Select G +

Select F/C +

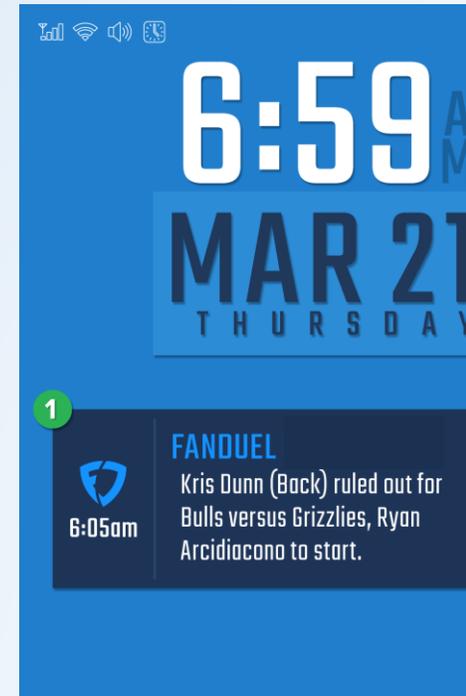
Select UTIL +

Select UTIL +

Submit

## DEVELOPED RESEARCH TOOLS

- Injury notifications & expert picks

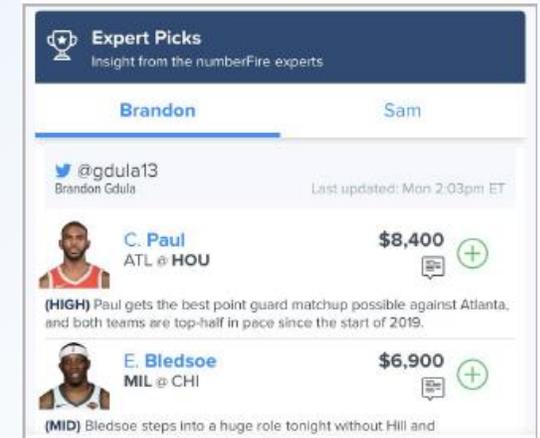


6:59 AM

**MAR 21**  
THURSDAY

1

**FANDUEL**  
6:05am  
Kris Dunn (Back) ruled out for Bulls versus Grizzlies, Ryan Arcidiacono to start.



**Expert Picks**  
Insight from the numberFire experts

Brandon Sam

@gdula13  
Brandon Gdula Last updated: Mon 2:03pm ET

**C. Paul** ATL @ HOU \$8,400 +

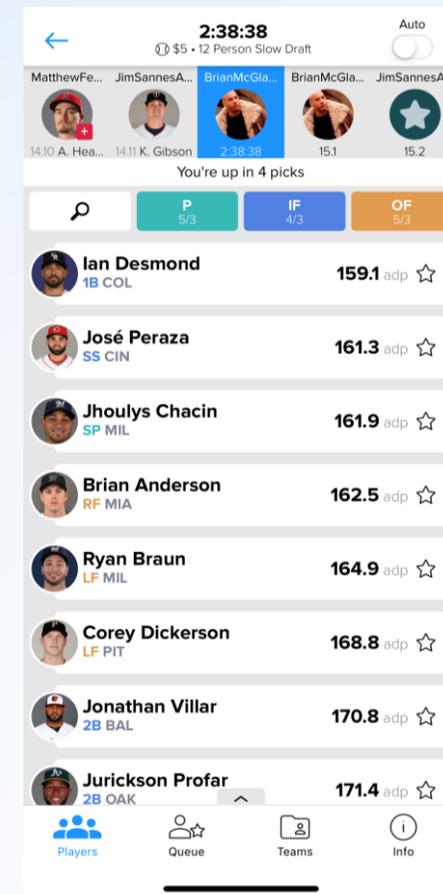
**(HIGH)** Paul gets the best point guard matchup possible against Atlanta, and both teams are top-half in pace since the start of 2019.

**E. Bledsoe** MIL @ CHI \$6,900 +

**(MID)** Bledsoe steps into a huge role tonight without Hill and

UNDERLYING PRINCIPALS OF: 1) MORE VARIETY, 2) QUICKER TO ENTER & 3) EASIER TO WIN

# ADDING MORE CASUAL & F2P GAMES EXPANDS THE TOTAL ADDRESSABLE MARKET



- Widens the acquisition funnel and promotes new user retention
- Drove registrations up materially, further expanding player database
- Creates future monetization opportunities

- Further innovate **game formats, add sports and create more F2P games**
- **Continue work on personalization** to differentiate the user experience
- **Expand Fantasy internationally** leveraging PPB's distribution
- **Open new markets** (i.e. states)
- **Add incremental content** (incl. streaming, research content and more)

FANDUELGROUP

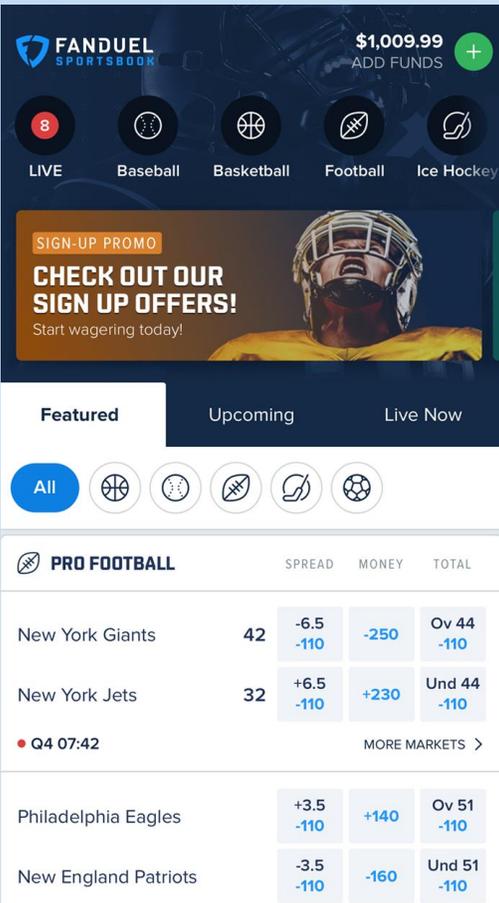


# SPORTS BETTING

**NIALL CONNELL**

GENERAL MANAGER OF SPORTSBOOK

Launch of sportsbook has been hugely successful with customer / market demand exceeding expectations



## BUSINESS OVERVIEW

- Opened flagship Retail location in NJ at the Meadowlands and WV and PA
- Launched Mobile in NJ; PA & WV expected to be online soon
- Number one market share in NJ with 48% of total Handle and 38% of Revenue to date<sup>1</sup>
- Generated >\$50m of total GGR (Retail + Online) in NJ in ~8 months (through end of March)
- >100k online customers acquired at attractive prospective ROIs

Note: FanDuel Sportsbook GGR includes actuals through February 2019 and latest estimates for March 2019.

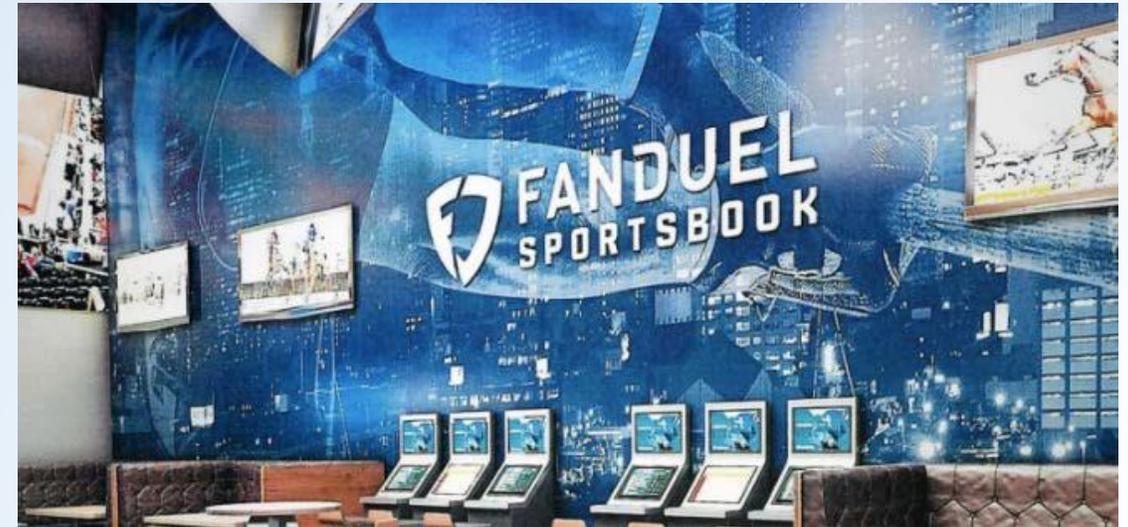
Note: NJ market statistics based on July 2018 through February 2019 reported results from the NJ Department of Gaming Enforcement.

## THE MEADOWLANDS FACILITY



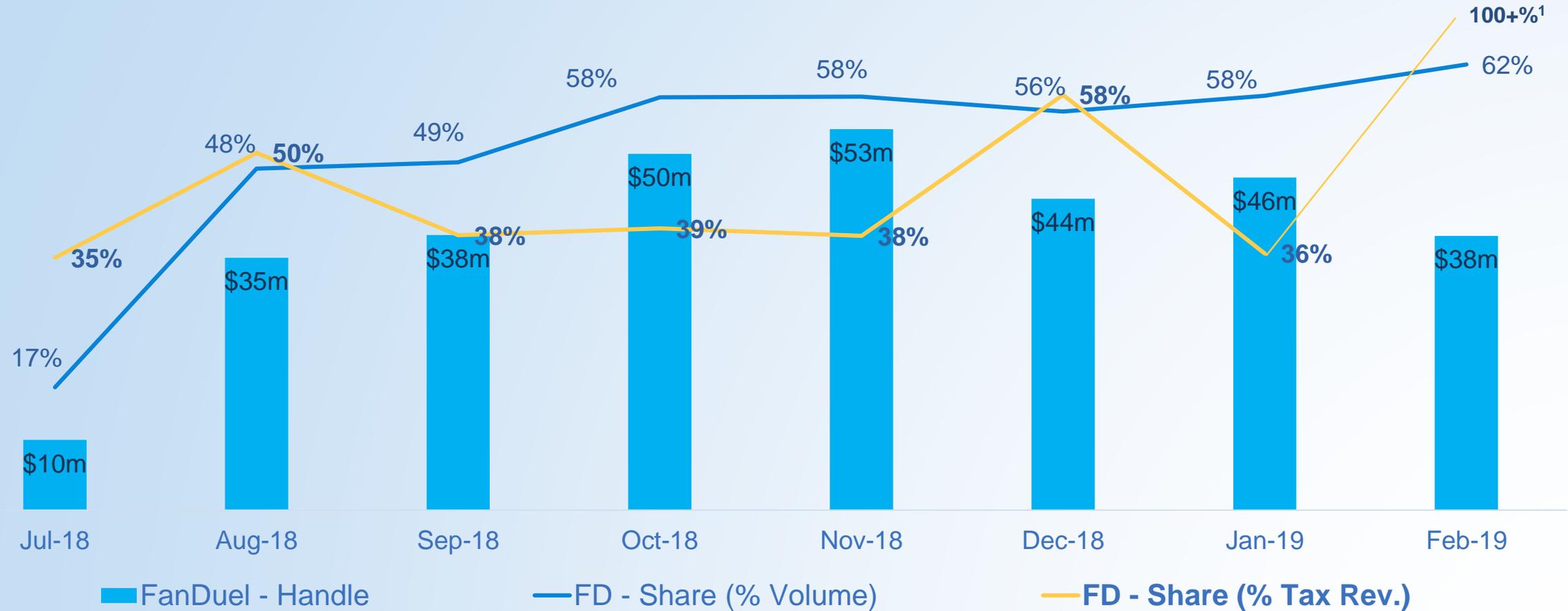
- >10,000 sq. ft. facility with 5 different rooms / areas
- 100+ employees, 30+ teller windows, 45+ SSBT's
- Located within 10 miles of NYC; next closest sportsbook is over 50 miles from NYC

## STRONG RETAIL PRODUCT OFFERING



- Cash in / out for online available; commencing multi-channel experience
- Usability improvements in odds screens and quick slips recently launched

NJ (RETAIL ONLY) – FANDUEL VOLUME & MARKET SHARE



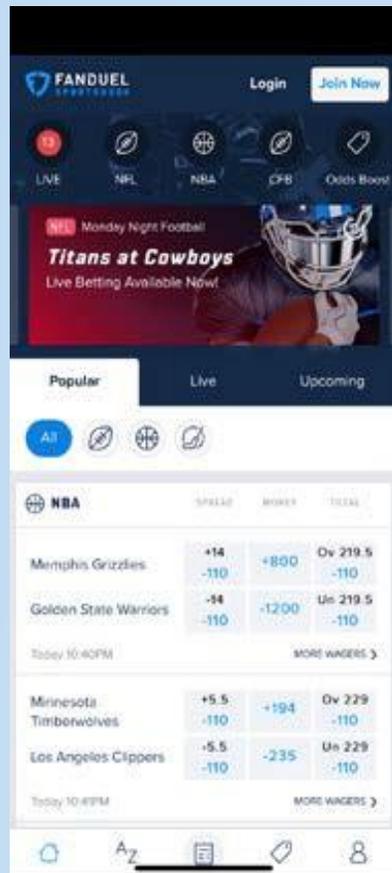
Note: Market share data shown on a volume and taxable revenue basis for Retail only as reported by the NJ Department of Gaming Enforcement.

1. Market had negative Revenue in Feb'19 so FanDuel had all of the positive revenue.

- **Maximize cross-sell from Fantasy**
- **Invest in new customer acquisition and retention**
- **Create a product gap**
- **Customer-first approach to pricing and promotions**
- **Leverage Meadowlands as unique retail location**
- **Maximize customer value through cross-sell to Casino**

# MOST COMPELLING MOBILE BETTING PRODUCT IN THE MARKET

## HOME SCREEN



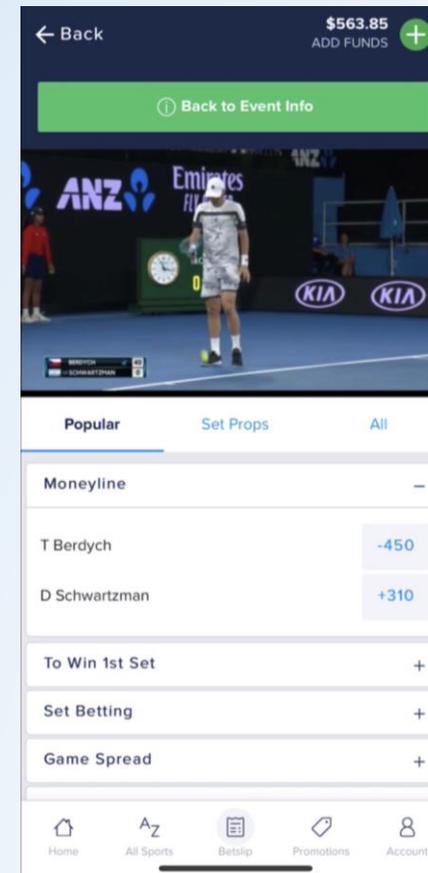
## IN-PLAY



## VISUALS

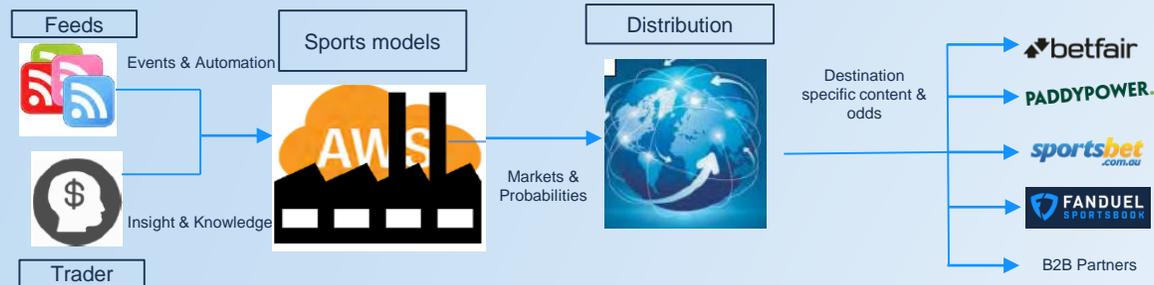


## STREAMING



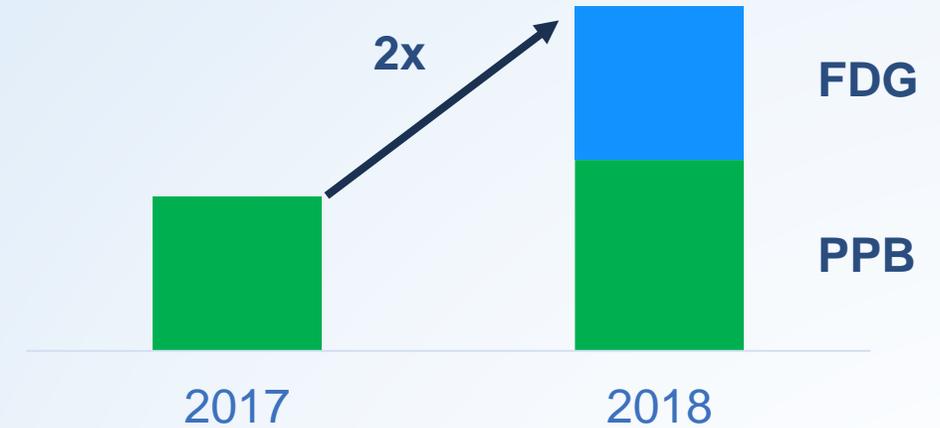
- Extensive market research informed UI and UX of mobile app
- Presenting in U.S. format with focus on domestic sports
- Most comprehensive payment options
- Leading parlay (multiple) builder tools
- Best-in-class cash out option
- First to market with live streaming (Aussie Open tennis)

## LEVERAGING PPB GLOBAL RISK & TRADING PLATFORM



- ~450 professionals; Trading teams in Dublin, Melbourne and New Jersey
- Substantial investment in proprietary algorithms & automation (cover pricing, trading & risk management)

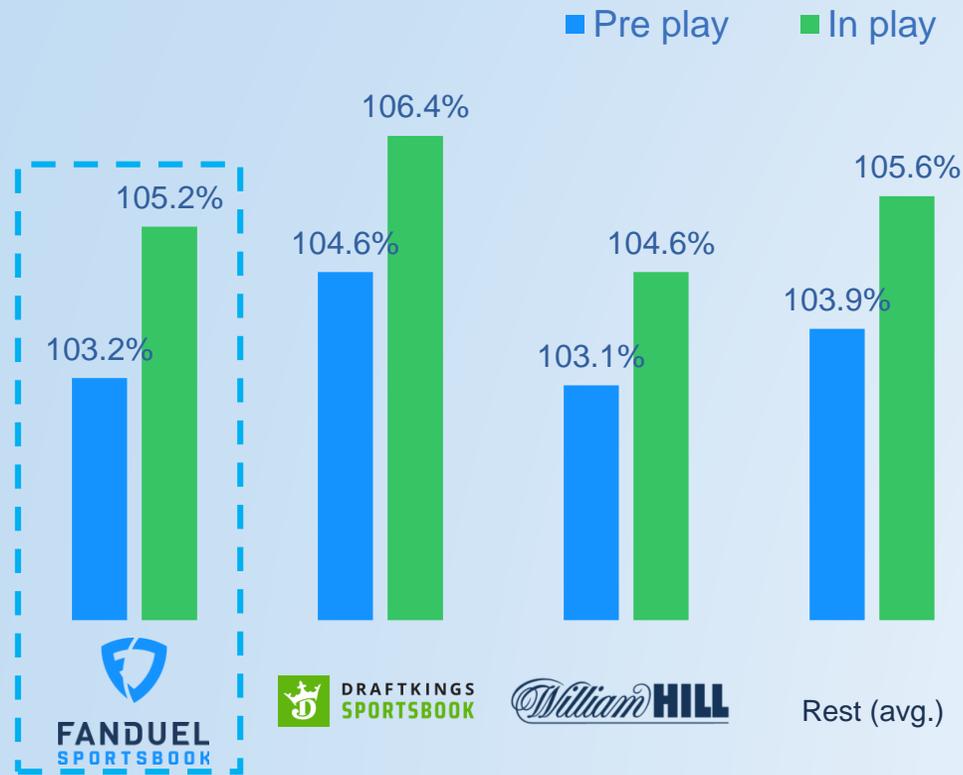
## GLOBAL HANDLE ON U.S. SPORTS



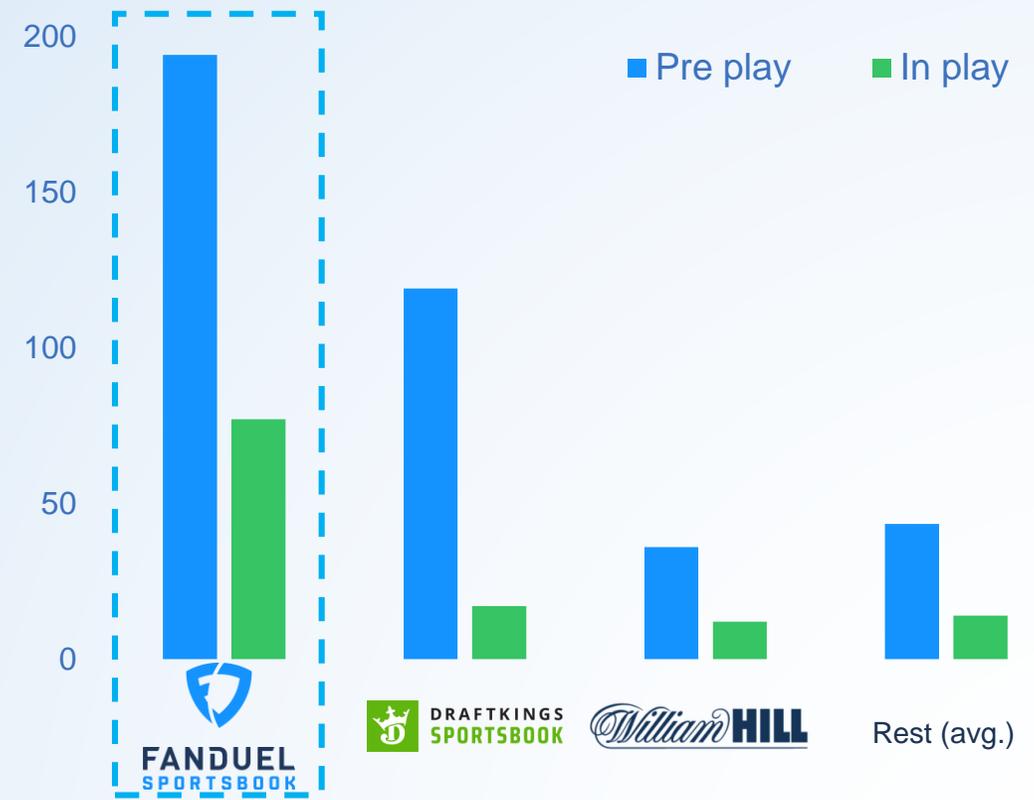
## U.S. TRADING CAPABILITIES

- Managing risk internally through PPB global risk & trading platform
- **20+ professionals dedicated to managing U.S. turnover; US-based trading team led by former Sportsbet exec**
- Relatively mature offering in NFL & NBA product, room to invest in other, very-specific American sports

## PRICING – OVERROUNDS MONEYLINE



## DEPTH – NUMBER OF BETTING MARKETS



COMPETITIVE PRICING + BROADEST MARKET DEPTH = UNIQUE MARKET POSITION

100k+ paid player activations for NJ Online (Sept'18 – Feb'19) with ~50% cross-sold from Fantasy, including some lapsed Fantasy customers

## SIGNIFICANT INVESTMENTS AND STRONG EXECUTION



Cross sell from large database



Brand with high awareness and strong responsiveness



Compelling promos and offers

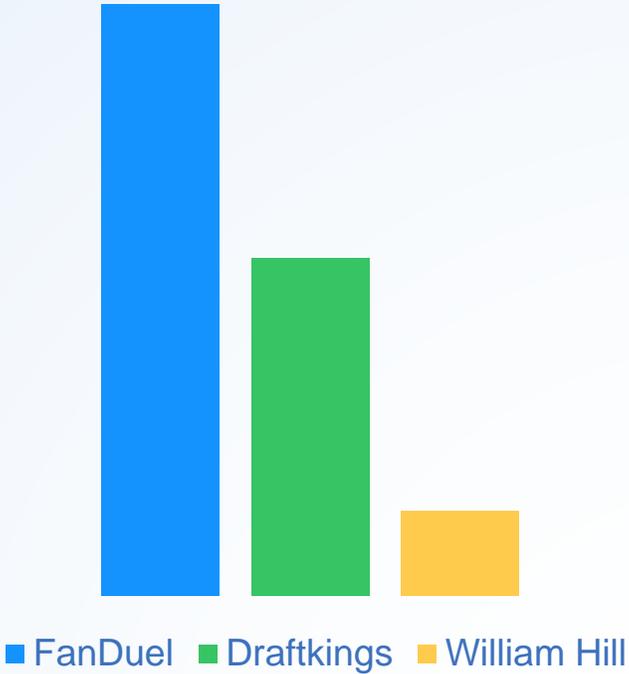


Advanced marketing capabilities



High digital and traditional media share of voice

## SHARE OF VOICE PROVEN IN GOOGLE SEARCH TRENDS

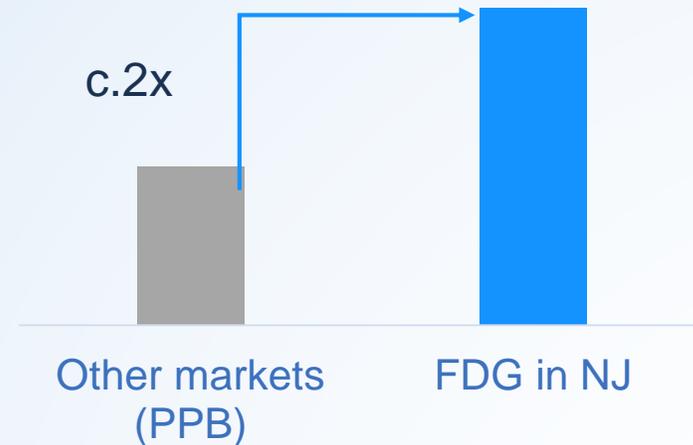


Source: Google trends. Average "Interest over time" for past 90 days.



## DRIVING STRONG RETENTION

% customers active 3 months post-acquisition



**FanDuel Sportsbook Gifts Chicago Bears Moneyline Bettors With Bad Beat Relief**

FairwayJay January 8, 2019 287 Reads

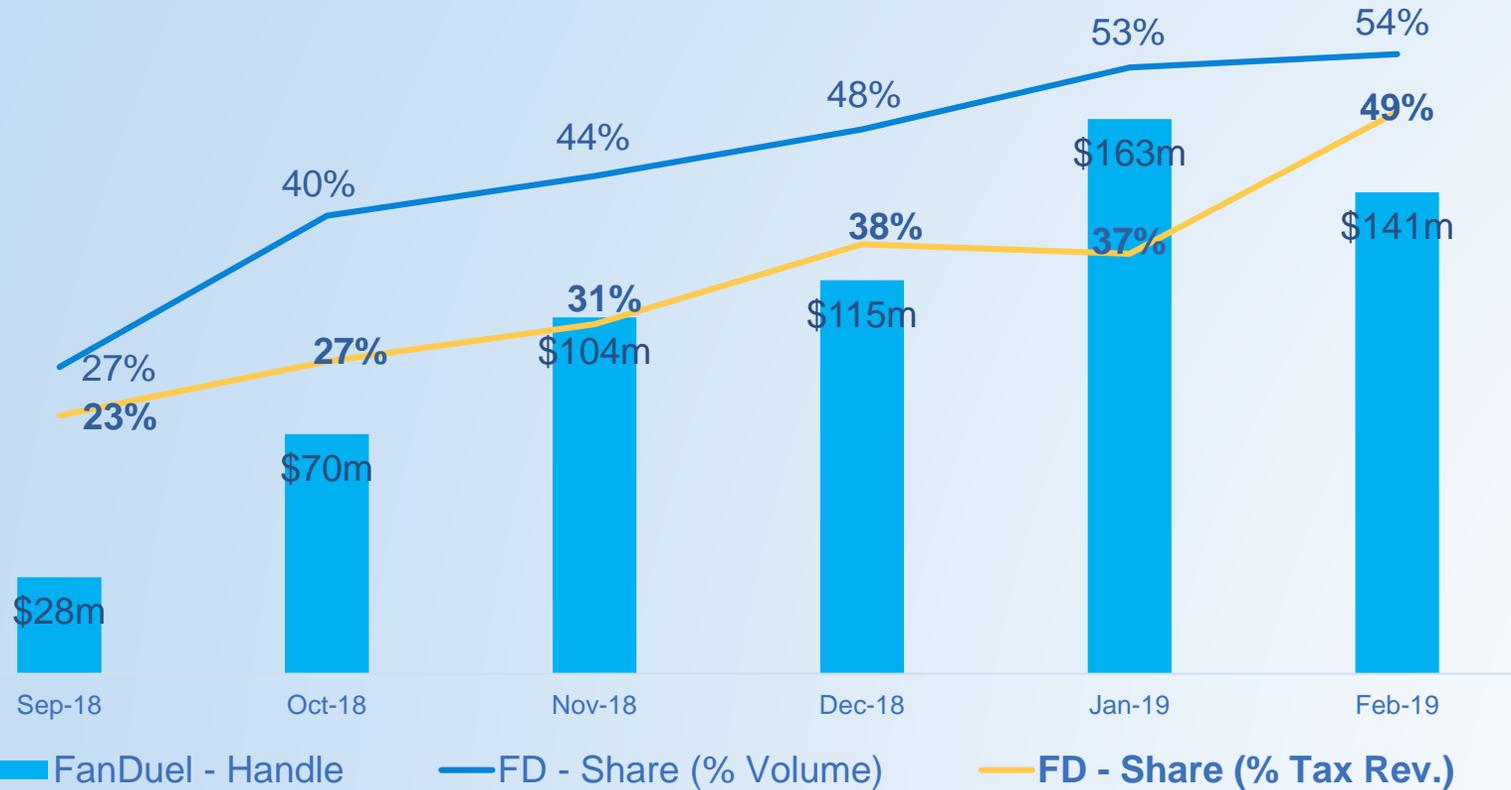
**FanDuel already paying out Alabama national championship bets as reward for early bettors**

The sportsbook is showing a lot of faith in Bama winning the national title

by Pete Blackburn @PeteBlackburn Dec 1, 2018 • 1 min read

# OUR APPROACH HAS RESULTED IN A CLEAR LEADERSHIP POSITION ONLINE

## NJ (ONLINE) – FANDUEL VOLUME & MARKET SHARE



## OTHER NJ PARTICIPANTS



Note: Market share data shown on a volume and taxable revenue basis for Online only as reported by the NJ Department of Gaming Enforcement.

- **Continue to invest** in new customer acquisition
- Drive customer **retention & engagement** via product differentiation and “always on” promotions
- **Improve key cross-sell journeys**
- **Release new features** to build on product leadership
- **Continue to enhance U.S. risk & trading** capabilities
- **Launch online early in PA and WV**, plus other key states that regulate

FANDUELGROUP



# ONLINE CASINO

**JESSE CHEMTOB**

GENERAL MANAGER OF CASINO

OVER **400 GAMES**



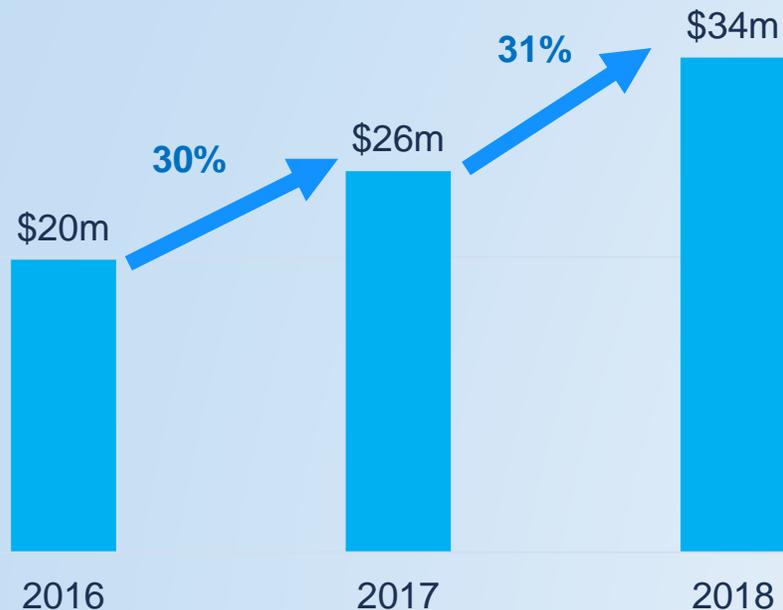
HOME OF NJ'S LARGEST  
ONLINE CASINO PAYOUT  
**\$1,522,000**

## BUSINESS OVERVIEW

- Launched Betfair Casino in 2013 when NJ online gaming market opened; currently only operating in NJ
- Achieved consistent top 5 online market share (>10%) with clear #1 position among non-land based brands
- #1 overall market share in Feb. 2019 (~15%)
- Offering 400+ games from key content providers, live dealer offering featuring Blackjack, Roulette, Baccarat, and Casino Hold'Em
- Market access through Golden Nugget in NJ and Boyd Gaming for future states including Pennsylvania (PA)

## CASINO REVENUE & GROWTH

(GGR in \$, growth y/y %)



## KEY HIGHLIGHTS

- Strong, direct growth over last 3 years
- **Accelerated growth since launching sportsbook cross-sell in Dec'18**
- Anticipating strong cross-sell in upcoming new states like PA given existing Fantasy + Sports business

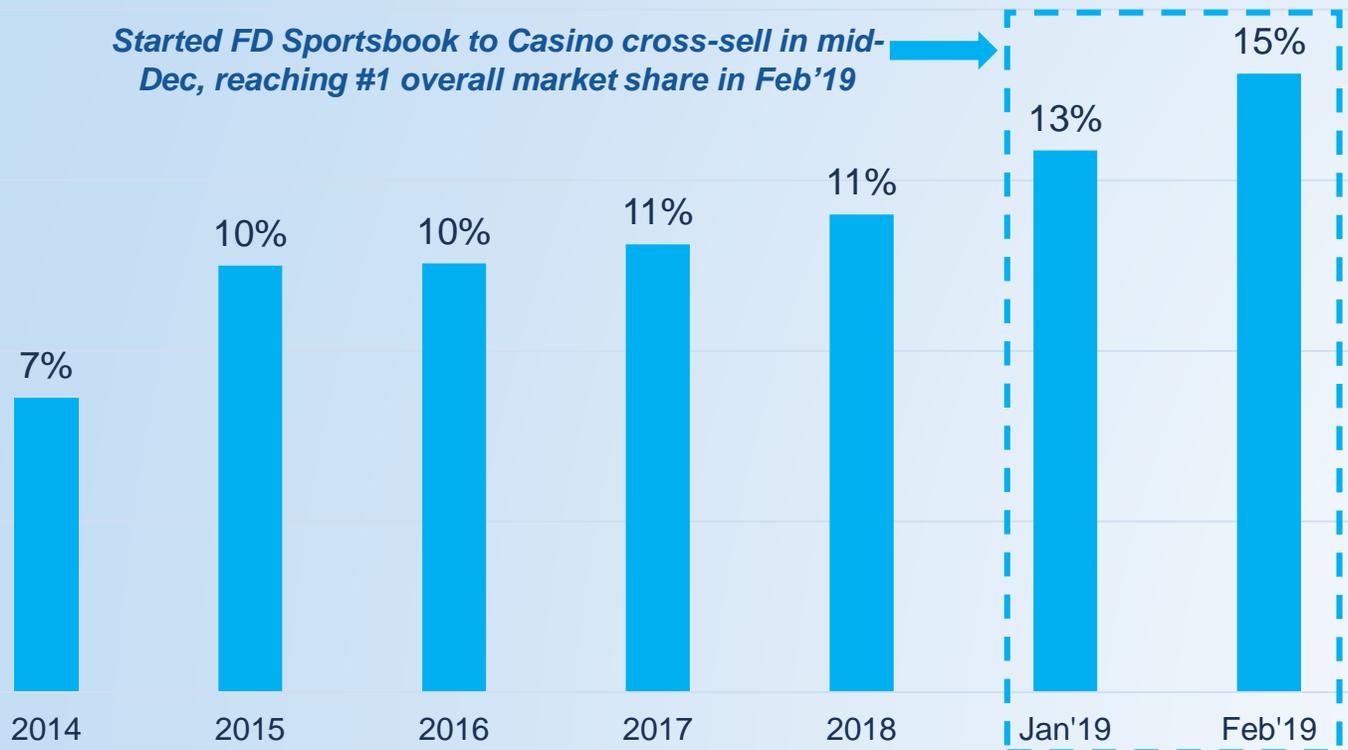
**THE ONLINE CASINO MARKET HAS GROWN WELL IN ITS FIRST 5+ YEARS AS A STANDALONE BUSINESS; WITH SPORTS, THIS GROWTH IS ACCELERATING SIGNIFICANTLY**

Strong execution garnered the Betfair Casino the top spot amongst non-land based casino brands in NJ; market share gains now being propelled by cross-sell from FanDuel Sportsbook

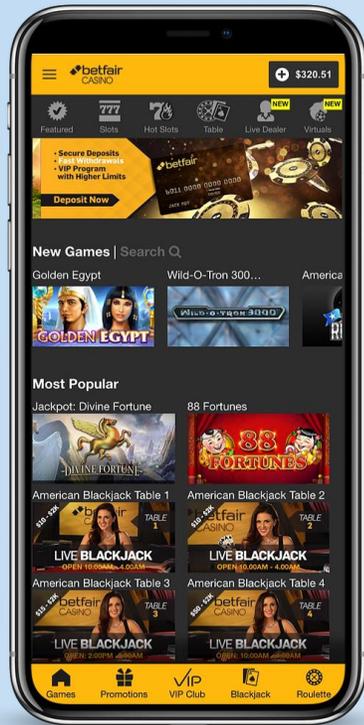
## BETFAIR CASINO – NJ ONLINE MARKET SHARE

## COMPETITORS

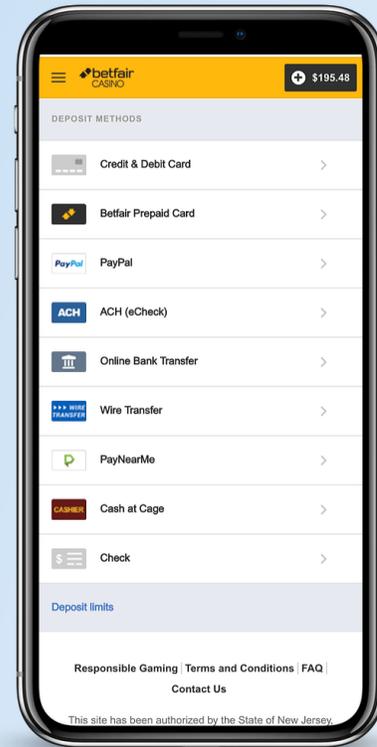
Started FD Sportsbook to Casino cross-sell in mid-Dec, reaching #1 overall market share in Feb'19



## STRONG PRODUCT OFFERING



- 400+ games
- Broad variety within live dealer offering
- Progressive jackpots

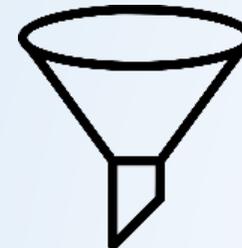


- 9 Payment methods
- Desktop, iOS, Android support

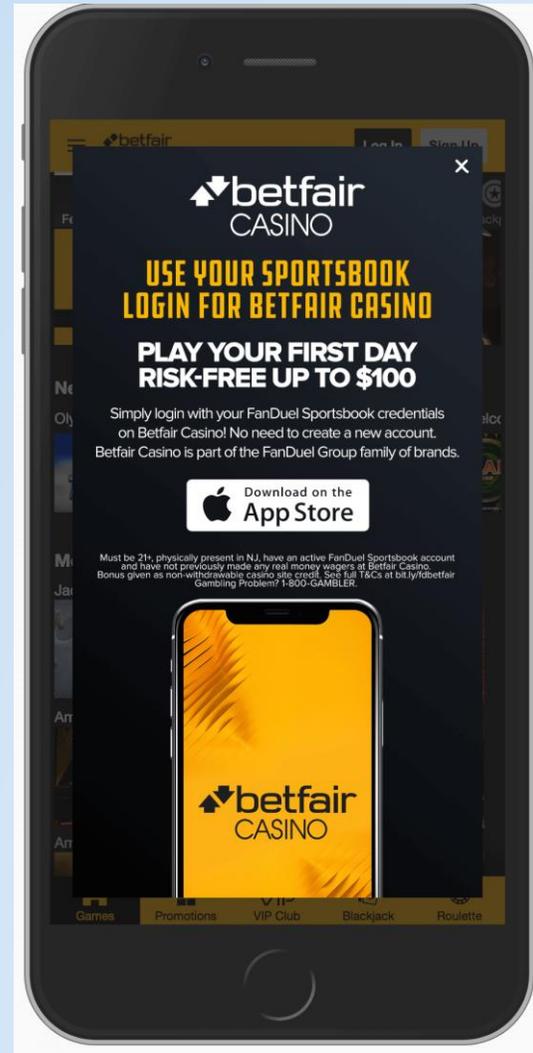
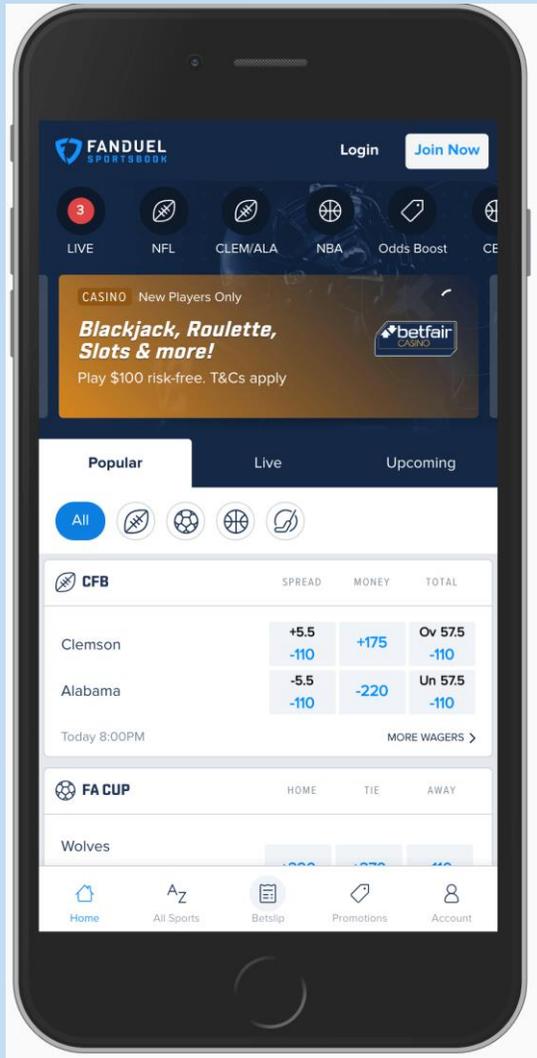
## UNIQUE MARKETING & OPERATIONAL CAPABILITIES



- Leveraged in-house **TV production** capabilities to efficiently produce high quality TV ads
- Smart media buying and iteration on attribution model delivered increasingly **efficient spend** (with CPA going significantly down over time)



- Strong above-the-line strategy was supported by best-in-class digital efforts to **convert customers**
- Innovative **payment methods** and obsession with optimizing our customer conversion funnel

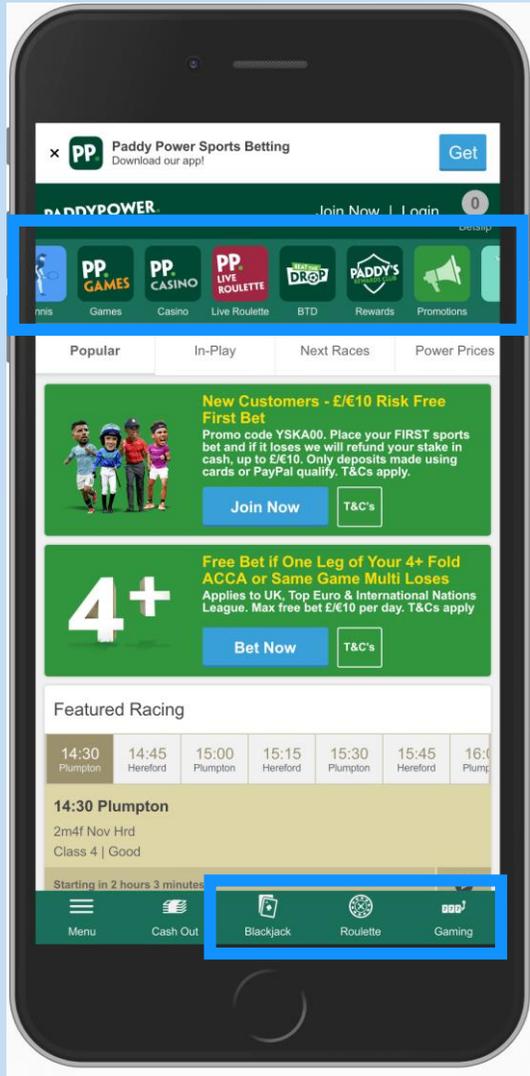


- Leveraging shared account/wallet between FanDuel Sportsbook, cross-sell activity began in December 2018

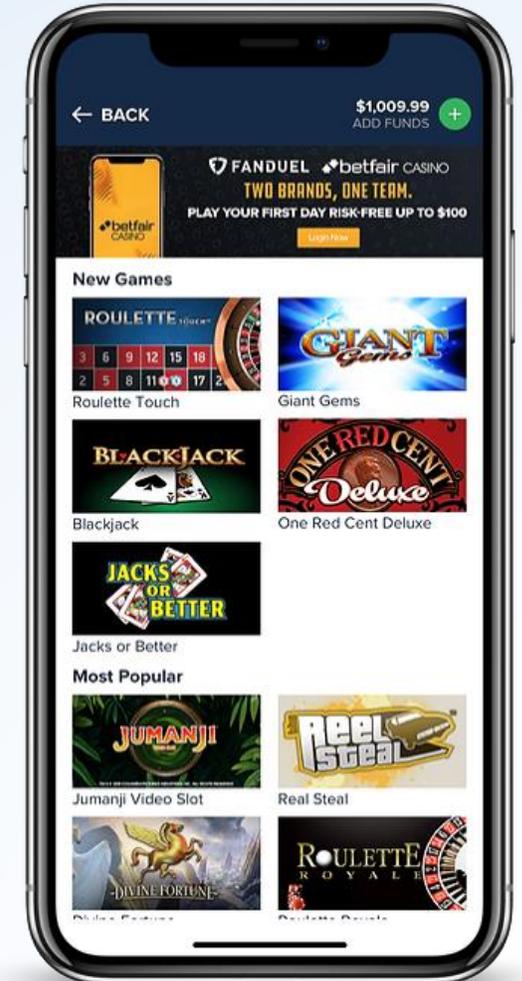
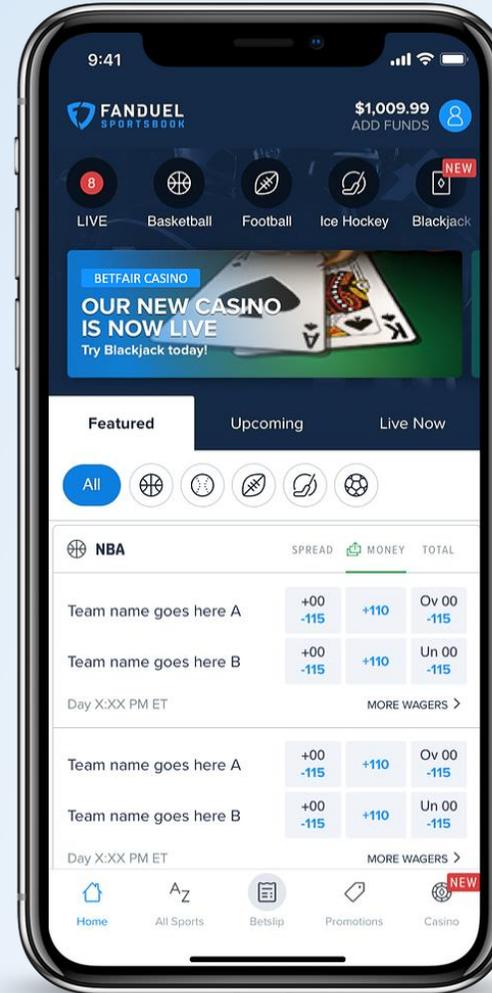
## Sportsbook contribution to Casino in 2019:

- ✓ **28%** of casino revenue in 2019 YTD has come from Sportsbook customers
- ✓ Just **7%** of sportsbook customers have cross-sold to Casino thus far, suggesting that there is a long runway of growth left for casino cross-sell (Paddy Power, Betfair cross-sell rates over 30%)

# ...WITH EMBEDDED GAMING CONTENT IN SPORTSBOOK TO COME



*Embedded content has driven accelerated growth in Europe and we expect the same in the U.S.*



- **Expand and enhance cross-sell**
- **Leverage dual-brand strategy** in NJ protecting/growing Betfair market share and adding incremental growth with a FanDuel Casino branded product
- **Launch in Pennsylvania** with cross-sell led strategy given experience in NJ
- **Add incremental states as they regulate** (such as Illinois and/or Michigan)
- **Fully maximize operational leverage** from PPB (commercials, content, product)

FANDUELGROUP



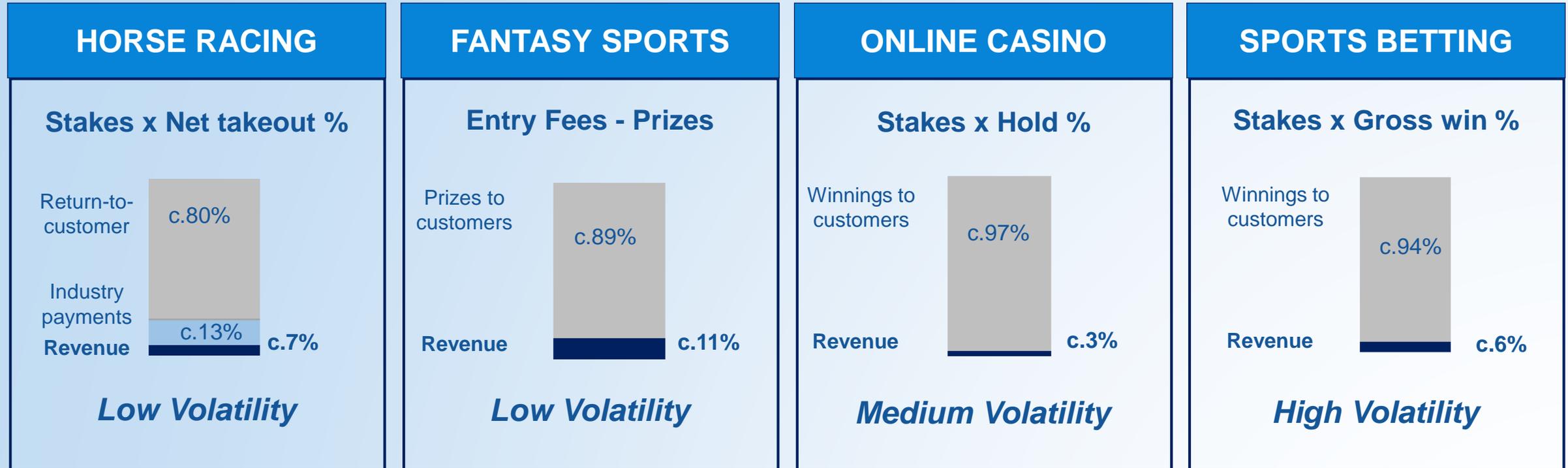
# FINANCIAL SUMMARY & OUTLOOK

PAUL RUSHTON

CHIEF FINANCIAL OFFICER

- **Revenue models: How we generate revenue**
- **Existing businesses contribution and operating cost base**
- **Economics of sports betting**
- **Long-term sports betting opportunity**

Revenue margin and volatility depends on the product vertical



Deduct Customer Bonuses (Acquisition & Retention)

= **Net Revenue**

Deduct Cost of Sales & Marketing

= **Contribution**

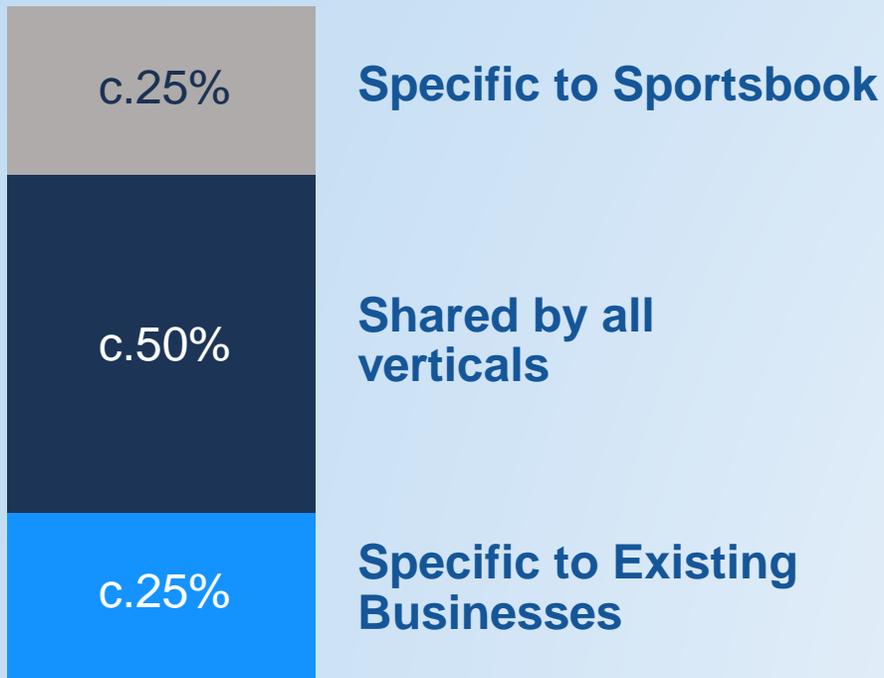
## P&L SUMMARY (EXISTING BUSINESSES)

| \$m                   | 2018       | 2017       | YoY%       |
|-----------------------|------------|------------|------------|
| Gross revenue         | 334        | 290        | 15%        |
| Bonuses               | -35        | -25        |            |
| <b>Net revenue</b>    | <b>299</b> | <b>265</b> | <b>13%</b> |
| Cost of sales         | -57        | -48        |            |
| <b>Gross profit</b>   | <b>242</b> | <b>217</b> | <b>12%</b> |
| Marketing             | -108       | -118       |            |
| <b>Contribution</b>   | <b>134</b> | <b>99</b>  | <b>35%</b> |
| <i>Contribution %</i> | <i>45%</i> | <i>37%</i> |            |

## KEY HIGHLIGHTS

- Double digit revenue growth across all verticals
- Revenue growth and synergies led to a \$35m improvement in contribution
- Continuing to invest to grow customer base
- Substantial operating cost base now also supporting sports betting
- **Expect double-digit contribution growth in 2019**

## OPEX BREAKDOWN



**2019 OpEx (\$180-200m\*)**  
(excluding Marketing)

## KEY HIGHLIGHTS

- Sportsbook specific costs includes risk & trading, retail staff, customer support
- c.50% of OpEx is leveraged across all verticals, including:
  - Product & technology
  - Legal, regulatory & lobbying
  - G&A (management, finance, facilities, HR)
- Costs specific to existing businesses include operations, customer support, TVG studio costs
- Cost base should be highly scalable

Returns are a function of CPA relative to Customer Value, which will be determined by both state specific and operator specific factors

## STATE SPECIFIC FACTORS

- Size of market (i.e. population, disposable income level and/or gambling propensity)
- Tax rate applied
- Cross-sell potential (i.e. number of product verticals permitted)
- Regulatory complexity
- Number of licenses / skins issued

## OPERATOR SPECIFIC FACTORS

- Scale
- Brand strength
- Cross-sell potential / existing customer base
- Operational capability
- Proprietary or outsourced (e.g. product, risk & trading)
- Market access costs

We have important CPA advantages which are allowing us to invest more efficiently at scale

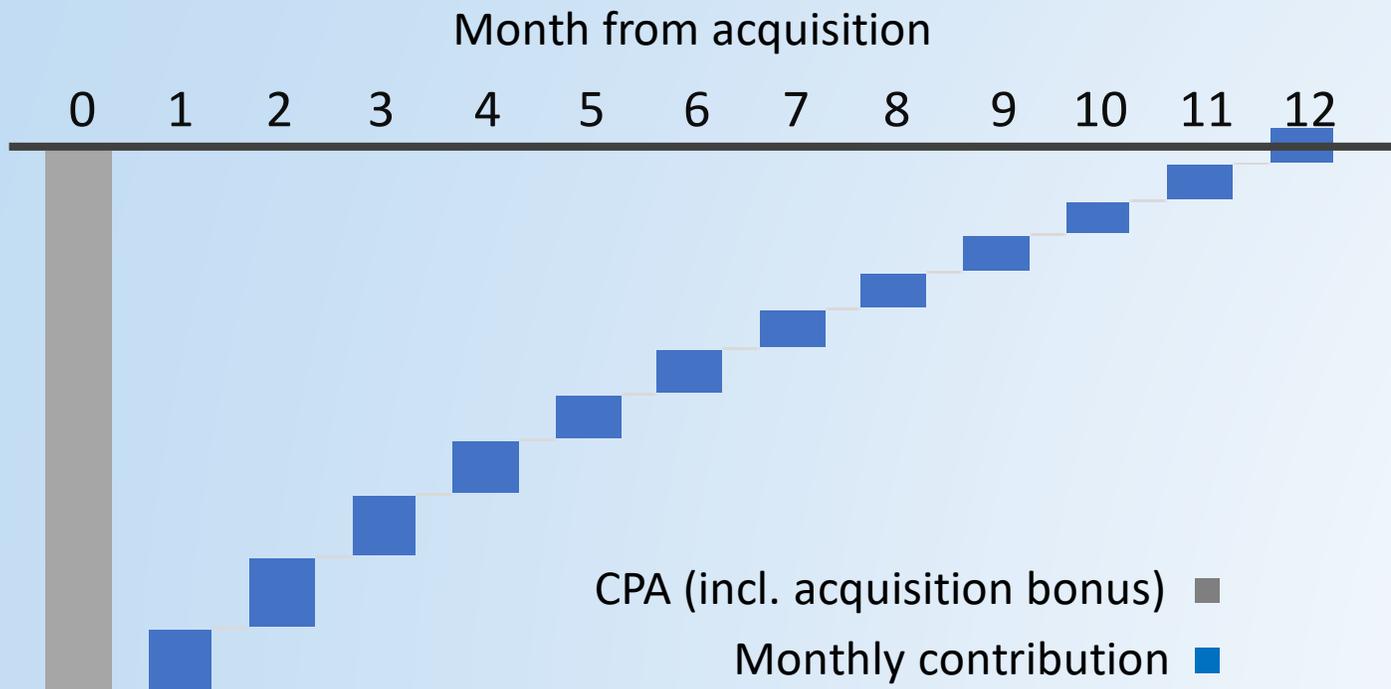
| CPA DRIVERS                                   | OUR DISTINCT ADVANTAGES   |
|---|---|
| <b>Brand</b>                                  | <ul style="list-style-type: none"> <li>▪ &gt;\$400m invested over last 5 years</li> <li>▪ Highest unprompted brand recognition</li> </ul>                               |
| <b>Cross-sell</b> (particularly from fantasy) | <ul style="list-style-type: none"> <li>▪ c.50% of customers from existing base to date</li> <li>▪ &gt;8.5 million customers nationwide</li> </ul>                       |
| <b>Marketing Capabilities</b>                 | <ul style="list-style-type: none"> <li>▪ Existing US-based team with strong digital experience</li> <li>▪ Substantial content &amp; distribution platform</li> </ul>    |
| <b>Scale Efficiency</b>                       | <ul style="list-style-type: none"> <li>▪ National brand spend leveraged across multiple products</li> <li>▪ Fixed marketing costs spread over more customers</li> </ul> |
| <b>Retail Presence</b>                        | <ul style="list-style-type: none"> <li>▪ Number one retail operation in NJ</li> <li>▪ Boyd relationship provides multi-state retail opportunity</li> </ul>              |

We have important advantages that will increase customer value and profitability

| VALUE DRIVERS                        | OUR DISTINCT ADVANTAGES   |
|--------------------------------------|---|
| <b>Product Quality</b>               | <ul style="list-style-type: none"> <li>▪ History of product excellence</li> <li>▪ Substantial in-house development supported by global resources</li> </ul>                       |
| <b>Risk &amp; Trading Capability</b> | <ul style="list-style-type: none"> <li>▪ Access to ~450 risk &amp; trading professionals globally</li> <li>▪ Proprietary models for NFL, NBA, MLB, NHL + global sports</li> </ul> |
| <b>Cross-sell</b>                    | <ul style="list-style-type: none"> <li>▪ Four product verticals increase share of wallet</li> <li>▪ Already materially increasing casino market share</li> </ul>                  |
| <b>Market Access Costs</b>           | <ul style="list-style-type: none"> <li>▪ Highly attractive to partners due to our strategic advantages and performance to date</li> </ul>   |
| <b>Scale Efficiency</b>              | <ul style="list-style-type: none"> <li>▪ Retention marketing efficiency</li> <li>▪ Reduces cost to serve</li> </ul>   |

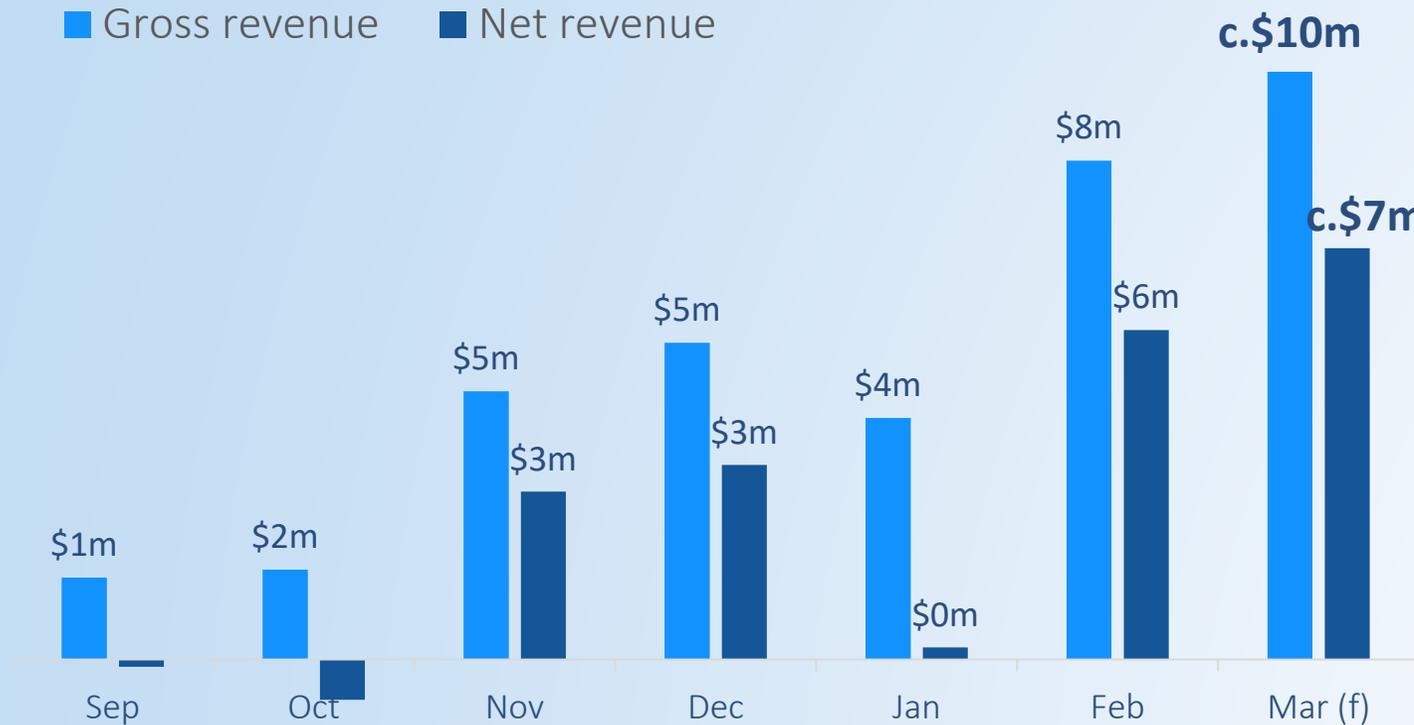
We are acquiring customers at scale with highly attractive payback periods

## ILLUSTRATIVE CUSTOMER CONTRIBUTION PROFILE



- Algorithms used to predict customer value (based on global models adjusted for observed U.S. behavior)
- Recent cohorts predicted to payback within 12 months on average (after all direct costs / marketing)
- X-sell transforms economics:
  - without x-sell, expected payback period almost doubles
- Already established a sizeable & valuable customer base

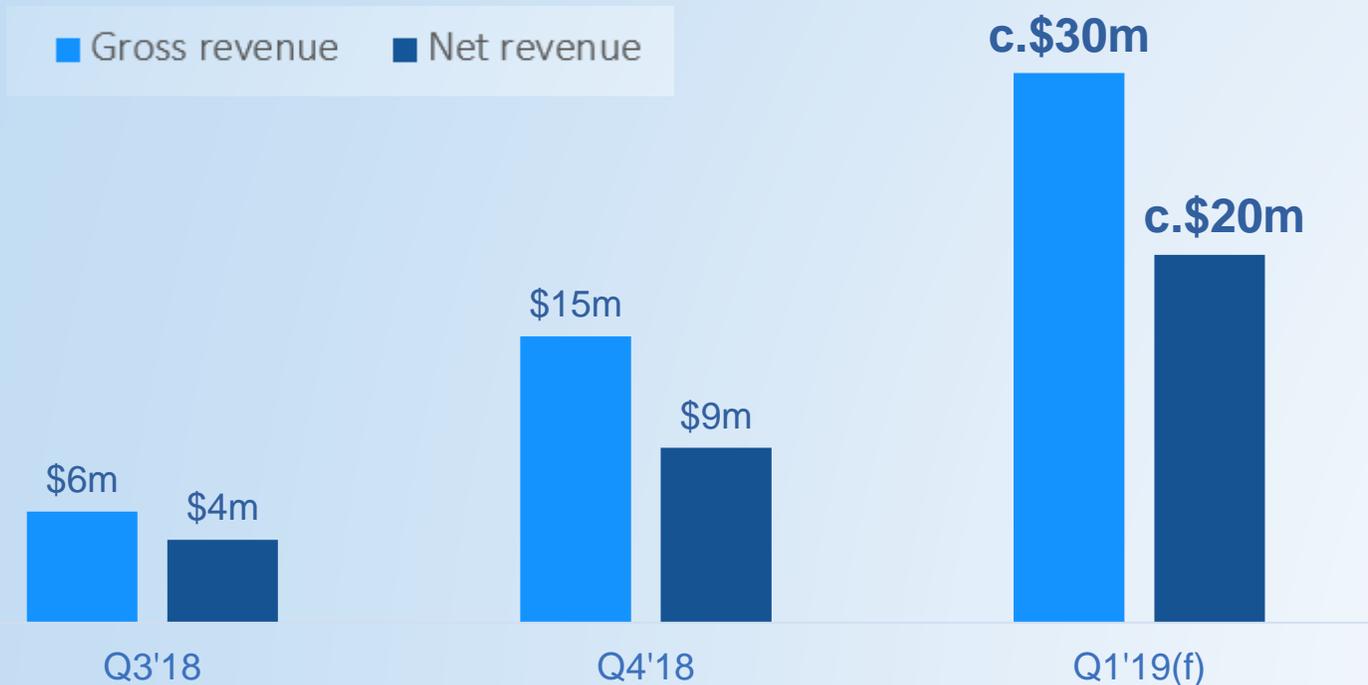
## FANDUEL NJ ONLINE – MONTHLY REVENUE



\* Sports Betting only

- Reported net revenue was diluted by acquisition bonuses in early months
- Bonus % of gross revenue reduces as customer base is established
  - Reduced from over 100% of GGR initially to c.30% in last two months
  - Expected long-term is 15% to 20%

## FANDUEL SPORTSBOOK (ONLINE + RETAIL) – QUARTERLY REVENUE



\* Sports Betting only

- Revenue is significantly ahead of plan
  - Market size larger than initial expectations
  - Market share of 47% in 2019 YTD<sup>1</sup>
- Strong growth trajectory
  - Q1 2019 revenue expected to be approximately double Q4 2018
- **For context, YTD handle in NJ exceeds entire Betfair UK&I Sportsbook**

# SPORTSBOOK OPPORTUNITY AT MATURITY: POTENTIAL FROM ADDITIONAL STATES

| Group             | States                                | % U.S. Pop'n | Pop'n (vs NJ) | Implied market size <sup>1</sup> | # of Existing FDG Customers |
|-------------------|---------------------------------------|--------------|---------------|----------------------------------|-----------------------------|
| Today             | 1<br>(NJ)                             | 2.8%         | 1.0x          | \$0.6bn                          | 0.4m <sup>2</sup>           |
| Upcoming          | 2<br>(PA + WV)                        | 4.5%         | 1.6x          | \$0.9bn                          | 0.4m                        |
| Prospective Major | 4<br>(IL, MA, MI, NY)                 | 15.1%        | 5.4x          | \$3.0bn                          | 1.6m                        |
| Other Potential   | 8<br>(CT, FL, IA, IN, MD, MO, OH, TN) | 19.9%        | 7.1x          | \$3.9bn                          | 1.8m                        |
| <b>Total</b>      | <b>15</b>                             | <b>42.3%</b> | <b>15.1x</b>  | <b>\$8.3bn</b>                   | <b>4.1m</b>                 |

*Rest of the US*

35

57.7%

20.6x

Note: Population based on public data. Any difference in totals is due to rounding to nearest tenth of a percentage.

1. Based on applying population multiple to New Jersey market size estimate.

2. Excluding sports betting and Racing customers (given B2B business in NJ). Existing Fantasy and Casino customers only.

## ILLUSTRATIVE MARKET EVOLUTION – PATH TO 10X NJ

| Group             | # of states | Probability | Weighted # of states | Weighted Multiple of NJ | Weighted market size <sup>1</sup> |
|-------------------|-------------|-------------|----------------------|-------------------------|-----------------------------------|
| Today             | 1           | 100%        | 1                    | 1.0x                    | \$0.6bn                           |
| Upcoming          | 2           | 100%        | 2                    | 1.6x                    | \$1.0bn                           |
| Prospective Major | 4           | 50%         | 2                    | 2.7x                    | \$1.6bn                           |
| Other Potential   | 8           | 35%         | 3                    | 2.5x                    | \$1.5bn                           |
| Rest of the US    | 35          | 10%         | 2-3                  | 2.1x                    | \$1.3bn                           |
| <b>Total</b>      |             |             | <b>10-11</b>         | <b>10x</b>              | <b>\$6.0bn</b>                    |

**REALISTIC PATH TO CREATING A MARKET SIZE OF 10X NEW JERSEY WITH UPSIDE FROM MORE STATES LEGALIZING AND ADDITIONAL MONETIZATION IN CASINO**

Note: Population based on public data. Management estimates for sensitivity.

1. Based on applying population multiple to New Jersey market size estimate.

## PATH TO DELIVERING CONTRIBUTION SIMILAR TO PPB ONLINE

|                                       | <u>\$bn</u> | <u>Comment</u>   |
|---------------------------------------|-------------|--|
| Sports Market GGR at 10x New Jersey   | ~6.0        | Illustrative size at maturity with further upside <sup>1</sup> |
| Potential Market Share                | 20%         | Currently 47% in NJ  |
| Gross Revenue                         | 1.2         |  |
| Bonuses at 20%                        | (0.2)       | Expected range 15% to 20%                                      |
| Net Revenue                           | 1.0         |  |
| Contribution at 40% Margin            | 0.4         | Expected range 30% to 50%                                      |
| Contribution from Existing Businesses | 0.2         |  |
| <b>Total Contribution</b>             | <b>0.6</b>  | <b>Equivalent to PPB Online Contribution of \$625m in 2018</b> |

<sup>1</sup> Based on probability assumptions for Prospective Major, Other Potential and Rest of the U.S. states per management assumptions on prior page.

- Strong profit improvement in existing businesses in 2018, with more to come
- Substantial resources in place for sports betting to leverage, leading to favorable operational gearing
- Business has distinct strategic advantages leading to favorable customer economics in sports betting
- Desire and balance sheet to invest to achieve scale quickly
- Maintaining flexibility to react to market changes

FANDUELGROUP



# CONCLUSION

**MATT KING**

CHIEF EXECUTIVE OFFICER

- **Established, well-positioned business in the U.S. already**
- **Our success to date in the sports betting market give us confidence in the opportunity and demonstrates the power of our positioning**
- **The market opportunity for sports (& casino) is very large indeed with a clear path to an overall market that is 10x the size of New Jersey**
- **FanDuel Group is uniquely positioned to take advantage of this opportunity**
  - Scale, Brand / Marketing, People / Resources, and Product & Technology
  - Access to wider Group balance sheet + expertise
- **Significant opportunity which will turn FanDuel into an increasingly meaningful component of PPB's global business**

FANDUELGROUP



# APPENDIX

## MATT KING

CHIEF EXECUTIVE OFFICER



KKR

McKinsey&Company

## PAUL RUSHTON

CHIEF FINANCIAL OFFICER



betfair

## MIKE RAFFENSPERGER

CHIEF MARKETING OFFICER



amazon DIRECTV

## CHRISTIAN GENETSKI

CHIEF LEGAL OFFICER



## ANDY GIANCAMILI

MANAGING DIRECTOR  
(PRODUCT & TECH)



McKinsey&Company

## NIALL CONNELL

GENERAL MANAGER OF  
SPORTSBOOK



PADDYPOWER

## ENRICO RUSI

GENERAL MANAGER  
OF RACING



PADDYPOWER

Head of Sportsbook, PP.it

SNAITECH

## JESSE CHEMTOB

GENERAL MANAGER OF  
CASINO

