

THE STARS GROUP

Q3 2017 EARNINGS PRESENTATION

November 9, 2017



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CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS



This presentation contains forward-looking statements and information within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable securities laws, including, without limitation, certain financial and operational expectations and projections, such as full year 2017 financial guidance, and certain future operational and growth plans and strategies. Forward-looking statements and information can, but may not always, be identified by the use of words such as “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “would”, “should”, “believe”, “objective”, “ongoing”, “imply” and similar references to future periods or the negatives of these words and expressions. These statements and information, other than statements of historical fact, are based on management’s current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, technological developments, anticipated events and trends and regulatory changes that affect us, our subsidiaries, and our and their customers and industries. Although The Stars Group and management believe the expectations reflected in such forward-looking statements and information are reasonable and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements and information are inherently subject to significant business, regulatory, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements. Specific risks and uncertainties include, but are not limited to: the heavily regulated industry in which The Stars Group carries on business; interactive entertainment and online and mobile gaming generally; current and future laws or regulations and new interpretations of existing laws or regulations with respect to interactive entertainment or online and mobile gaming; potential changes to the gaming regulatory framework; legal and regulatory requirements; ability to obtain, maintain and comply with all applicable and required licenses, permits and certifications to distribute and market its products and services, including difficulties or delays in the same; significant barriers to entry; competition and the competitive environment within The Stars Group’s addressable markets and industries; impact of inability to complete future acquisitions or to integrate businesses successfully; risks associated with advancements in technology, including artificial intelligence; ability to develop and enhance existing products and services and new commercially viable products and services; ability to mitigate foreign exchange and currency risks; ability to mitigate tax risks and adverse tax consequences, including, without limitation, the imposition of new or additional taxes, such as value-added and point of consumption taxes, and gaming duties; risks of foreign operations generally; protection of proprietary technology and intellectual property rights; ability to recruit and retain management and other qualified personnel, including key technical, sales and marketing personnel; defects in The Stars Group’s products or services; losses due to fraudulent activities; management of growth; contract awards; potential financial opportunities in addressable markets and with respect to individual contracts; ability of technology infrastructure to meet applicable demand; systems, networks, telecommunications or service disruptions or failures or cyber-attacks; regulations and laws that may be adopted with respect to the Internet and electronic commerce or that may otherwise impact The Stars Group in the jurisdictions where it is currently doing business or intends to do business; ability to obtain additional financing on reasonable terms or at all; refinancing risks; customer and operator preferences and changes in the economy; dependency on customers’ acceptance of its products and services; consolidation within the gaming industry; litigation costs and outcomes; expansion within existing and into new markets; relationships with vendors and distributors; and natural events. Other applicable risks and uncertainties include, but are not limited to, those identified in The Stars Group’s Annual Information Form for the year ended December 31, 2016, including under the heading “Risk Factors and Uncertainties”, and in The Stars Group’s management’s discussion and analysis for the three and nine months ended September 30, 2017 (the “Q3 2017 MD&A”), including under the headings “Risk Factors and Uncertainties”, “Limitations of Key Metrics and Other Data” and “Key Metrics”, each available on SEDAR at www.sedar.com, EDGAR at www.sec.gov and The Stars Group’s website at www.starsgroup.com, and in other filings that The Stars Group has made and may make with applicable securities authorities in the future. Investors are cautioned not to put undue reliance on forward-looking statements or information. Any forward-looking statement or information speaks only as of the date hereof, and The Stars Group undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

NON-IFRS AND NON-U.S. GAAP MEASURES



This presentation references non-IFRS and non-U.S. GAAP financial measures, including Quarterly Net Yield (“QNY”), Adjusted EBITDA, Adjusted Cash Flow from Operations, Unlevered Free Cash Flow, Free Cash Flow, Adjusted Net Earnings, Adjusted Net Earnings per Diluted Share, and the foreign exchange impact on revenues (i.e., constant currency). The Stars Group believes these non-IFRS and non-U.S. GAAP financial measures will provide investors with useful supplemental information about the financial performance of its business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating its business. Although management believes these financial measures are important in evaluating The Stars Group, they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS or U.S. GAAP. They are not recognized measures under IFRS or U.S. GAAP and do not have standardized meanings prescribed by IFRS or U.S. GAAP. These measures may be different from non-IFRS and non-U.S. GAAP financial measures used by other companies, limiting its usefulness for comparison purposes. Moreover, presentation of certain of these measures is provided for year-over-year comparison purposes, and investors should be cautioned that the effect of the adjustments thereto provided herein have an actual effect on The Stars Group’s operating results. In addition to QNY, which is defined below under “Key Metrics and Other Data”, The Stars Group uses the following non-IFRS and non-U.S. GAAP measures in this presentation:

Adjusted EBITDA means net earnings (loss) before interest and financing costs, income taxes, depreciation and amortization, stock-based compensation, restructuring and certain other items.

Adjusted Cash Flow from Operations means net cash inflows (outflows) from operating activities net of customer deposit liability movements, and which The Stars Group first introduced for the quarter ended June 30, 2017.

Unlevered Free Cash Flow means Adjusted Cash Flow from Operations less capital expenditures from continuing operations and is presented in the Appendix.

Free Cash Flow means Unlevered Free Cash Flow less interest expense and required principal repayments for the acquisition of Stars Interactive Group (formerly, Rational Group) in August 2014, and is presented in the Appendix.

Reconciliations of Adjusted EBITDA, Adjusted Cash Flow from Operations, Unlevered Free Cash Flow, Free Cash Flow, Adjusted Net Earnings, Adjusted Net Earnings per Diluted Share, and the numerator of QNY to the nearest IFRS measures are provided in the Appendix.

Adjusted Net Earnings means net earnings (loss) before interest accretion, amortization of intangible assets resulting from purchase price allocation following acquisitions, deferred income taxes, stock-based compensation, restructuring, foreign exchange, and certain other items. Adjusted Net Earnings per Diluted Share means Adjusted Net Earnings divided by Diluted Shares. Diluted Shares means the weighted average number of common shares on a fully diluted basis, including options, other equity-based awards, warrants and convertible preferred shares. The effects of anti-dilutive potential common shares are ignored in calculating Diluted Shares. See note 6 to The Stars Group’s unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2017 (the “Q3 2017 Financial Statements”). For the three and nine months ended September 30, 2017, Diluted Shares equalled 204,800,009 and 202,796,952, respectively. For the purposes of the full year 2017 financial guidance provided in this presentation, Diluted Shares now equals between 203,000,000 and 205,000,000 for the high and low ends of the Adjusted Net Earnings per Diluted Share range, respectively.

NON-IFRS AND NON-U.S. GAAP MEASURES (CONT.)



To calculate revenue on a constant currency basis, The Stars Group translated revenue for applicable period ended September 30, 2017 using the prior year's monthly average exchange rates for its local currencies other than the U.S. dollar, which The Stars Group believes is a useful metric that facilitates comparison to its historical performance.

The Stars Group has not provided a reconciliation of the non-IFRS measures to the nearest IFRS measures included in its full year 2017 financial guidance provided in this presentation, including Adjusted EBITDA, Adjusted Net Earnings and Adjusted Net Earnings per Diluted Share, because certain reconciling items necessary to accurately project such IFRS measures, particularly net earnings (loss), cannot be reasonably projected due to a number of factors, including variability from potential foreign exchange fluctuations impacting financial expenses, and the nature of other non-recurring or one-time costs (which are excluded from non-IFRS measures but included in net earnings (loss)), as well as the typical variability arising from the audit of annual financial statements, including, without limitation, certain income tax provision accounting, and related accounting matters.

For additional information on The Stars Group's non-IFRS measures, see the Q3 2017 MD&A, including under the headings "Management's Discussion and Analysis" and "Selected Financial Information—Other Financial Information".

Key Metrics and Other Data

The Stars Group defines Quarterly Real-Money Active Uniques (“QAUs”) as active unique customers (online, mobile and desktop client) who (i) made a deposit or transferred funds into their real-money account with The Stars Group at any time, and (ii) generated real-money rake or placed a real-money bet or wager on or through one of its real-money online poker, casino or sportsbook offerings during the applicable quarterly period. The Stars Group defines unique as a customer who played at least once on one of its real-money offerings during the period, and excludes duplicate counting, even if that customer is active across multiple verticals (e.g., both poker and casino). The definition of QAUs excludes customer activity from certain low-stakes, non-raked real-money poker games, but includes real-money activity by customers using funds (cash and cash equivalents) deposited by The Stars Group into such customers’ previously funded accounts as promotions to increase their lifetime value.

The Stars Group defines QNY as combined real-money online gaming and related revenue (excluding certain other revenues, such as revenues from play-money offerings, live events and branded poker rooms) for its two business lines (i.e., real-money online poker and real-money online casino and sportsbook) as reported during the applicable quarterly period (or as adjusted to the extent any accounting reallocations are made in later periods) divided by the total QAUs during the same period. The Stars Group provides QNY on a U.S. dollar and constant currency basis. QNY is a non-IFRS measure.

The Stars Group defines Customer Registrations as the cumulative number of online real-money and play-money customer registrations on The Stars Group’s brands.

For additional information on The Stars Group’s key metrics and other data, see the Q3 2017 MD&A, including under the headings “Limitations on Key Metrics and Other Data” and “Key Metrics”.

Currency

Unless otherwise noted, all references to “\$”, “US\$” and “USD” are to the U.S. dollar.

OVERVIEW OF 2017 HIGHLIGHTS



- ★ Successfully rolled out Stars Rewards loyalty program in July. To date:
 - 85% of active users have joined
 - Awarded almost \$45 million in prizes
- ★ Celebrated another record-breaking World Championship of Online Poker (WCOOP) on PokerStars, which delivered \$90 million in prize money to our customers
- ★ Launched Power Up
- ★ Have integrated 143 new slot games to our casino
- ★ Launched Stars Mega Spin, our second in house progressive jackpot
- ★ Continued improvement to our BetStars product
- ★ Prepaid \$115 million of our second lien term loan, reducing the balance to \$95 million

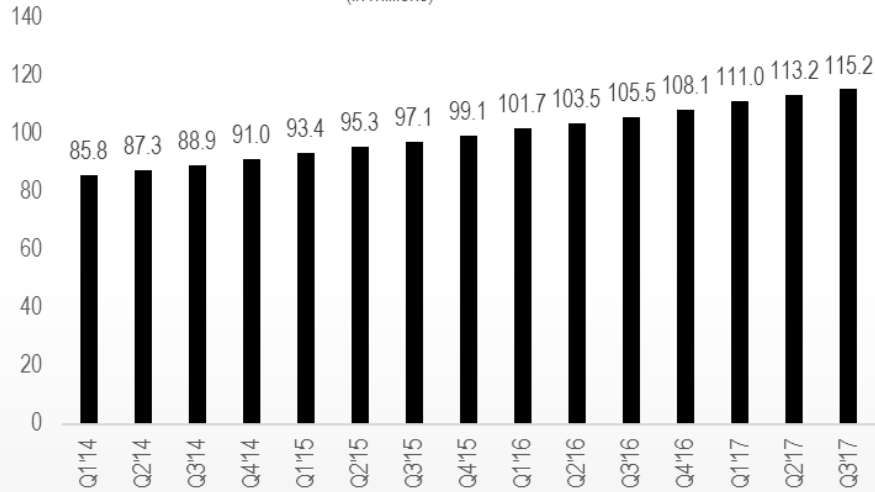


KEY METRICS



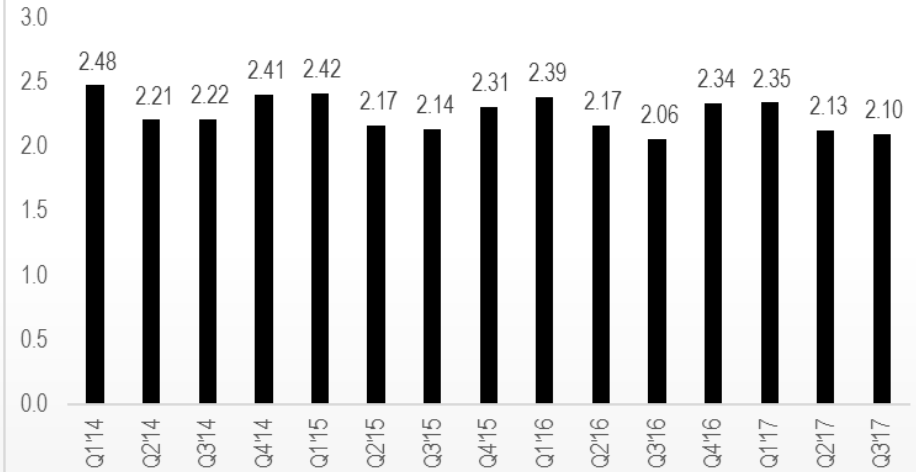
Customer Registrations

(in millions)



Quarterly Active Uniques

(in millions)



Quarterly Active Uniques by Segment

(in millions)



Quarterly Active Uniques by Segment

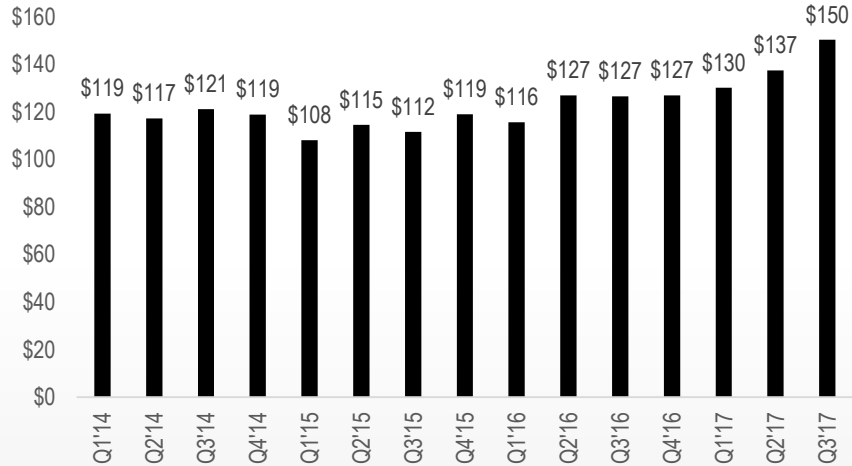
(in millions)



KEY METRICS (CONTINUED)



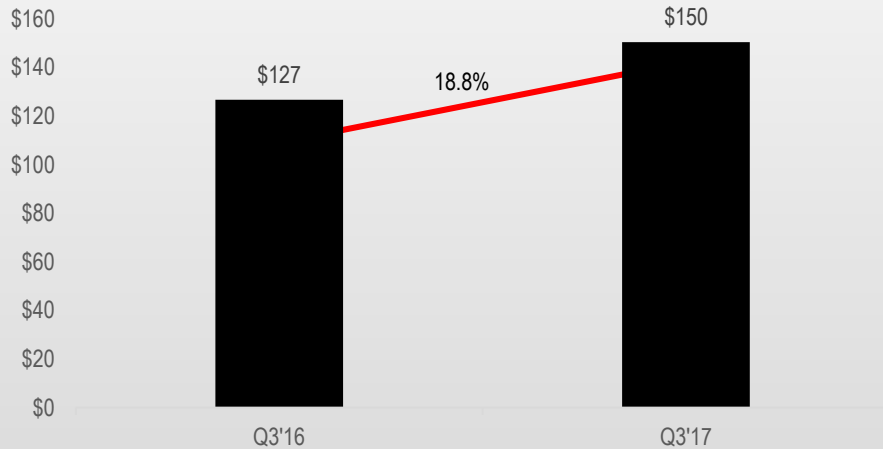
Quarterly Net Yield (USD)



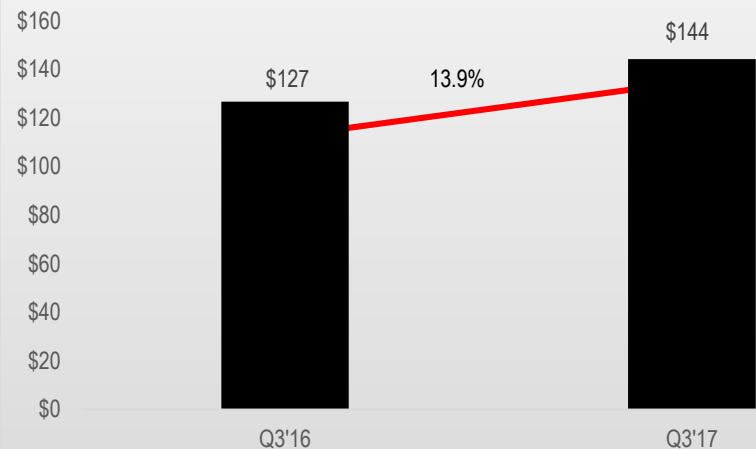
Quarterly Net Yield - Constant Currency (USD)



Quarterly Net Yield (USD)



Quarterly Net Yield - Constant Currency (USD)



FINANCIAL HIGHLIGHTS – REVENUE



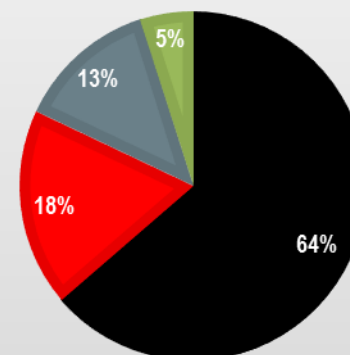
<i>(USD in millions)</i>	<u>Q3 2017</u>	<u>Q3 2016</u>	<u>% change</u>	<u>YTD 2017</u>	<u>YTD 2016</u>	<u>% change</u>
Total Revenue	\$329.4	\$270.7	22%	\$952.1	\$845.0	13%
Poker Revenue	\$221.4	\$196.8	13%	\$642.9	\$628.8	2%
<i>% of total</i>	67.2%	72.7%		67.5%	74.4%	
Casino & Sportsbook Revenue	\$95.2	\$64.2	48%	\$271.5	\$183.9	48%
<i>% of total</i>	28.9%	23.7%		28.5%	21.8%	
Other Gaming	\$12.8	\$9.7	32%	\$37.7	\$32.3	17%
<i>% of total</i>	3.9%	3.6%		4.0%	3.8%	

The Stars Group saw revenue growth in Q3 2017

- ★ Poker revenue increase primarily due to launch of Stars Rewards and re-entry into Portugal
- ★ Casino continued strong growth as the quality of the offerings continued to improve and additional jurisdictions were added
- ★ Sportsbook saw strong revenue and turnover growth but continues to be in investment mode

Q3 2017 GEOGRAPHIC REVENUE BREAKDOWN

■ European Union ■ Other Europe ■ Americas ■ Rest of World



FINANCIAL HIGHLIGHTS – CONSTANT CURRENCY



Constant Currency

<i>(USD in millions)</i>	Q3 2017	Q3 2016	% change	YTD 2017	YTD 2016	% change
Total Revenue	\$316.1	\$270.7	17%	\$941.8	\$845.0	11%
Poker Revenue	\$211.5	\$196.8	7%	\$631.9	\$628.8	0%
Casino & Sportsbook Revenue	\$92.0	\$64.2	43%	\$272.3	\$183.9	48%
Other Gaming Revenue	\$12.6	\$9.7	30%	\$37.6	\$32.3	16%

Note: To calculate revenue on a constant currency basis, The Stars Group translated revenue for the periods ended September 30, 2017 using the prior year's monthly exchange rates for its local currencies other than the U.S. dollar, which The Stars Group believes is a useful metric that facilitates comparison to its historical performance.

FINANCIAL HIGHLIGHTS – OTHER



(USD in millions except per share data)

	<u>Q3 2017</u>	<u>Q3 2016</u>	<u>% change</u>	<u>YTD 2017</u>	<u>YTD 2016</u>	<u>% change</u>
Adjusted EBITDA	\$155.8	\$123.2	26%	\$453.3	\$376.5	20%
% margin	47.3%	45.5%		47.6%	44.6%	
Net Earnings	\$75.9	\$12.5	507%	\$212.1	\$90.5	134%
Adjusted Net Earnings	\$119.6	\$85.0	41%	\$347.0	\$259.7	34%
Diluted Earnings per common share	\$0.37	\$0.06	517%	\$1.05	\$0.47	123%
Adj. Net Earnings per Diluted Share	\$0.58	\$0.42	38%	\$1.71	\$1.34	28%
Diluted Shares (m)	204.8	200.0		202.8	193.9	

2017 GUIDANCE



	Guidance
Total Revenue	\$1,285- \$1,315 million
Adjusted EBITDA	\$590 - \$610 million
Adjusted Net Earnings	\$445 - \$469 million
Adjusted Net Earnings per Diluted Share	\$2.17 - \$2.31

These estimates reflect management's view of current and future market and business conditions, including assumptions of

- (i) negative operating conditions in Poland primarily related to constraints on processing payments in that jurisdiction, the cessation of real-money online poker in Australia on September 11, 2017 and the cessation of real-money online gaming in Colombia on July 17, 2017
- (ii) the introduction of Stars Rewards
- (iii) no other material adverse regulatory events
- (iv) no material foreign currency exchange rate fluctuations, particularly against the Euro which is the primary depositing currency of The Stars Group's customers, that could impact customer purchasing power as it relates to The Stars Group's U.S. dollar denominated product offerings
- (v) a Euro to U.S. dollar exchange rate of 1.18 to 1.00 and all other currencies at their average exchange rate for the month of August, in each case for the remainder of 2017
- (vi) unaudited expected results and certain accounting assumptions
- (vii) Diluted Shares equals between 203,000,000 and 205,000,000 for the high and low ends of the Adjusted Net Earnings per Diluted Share range, respectively

OUTLOOK FOR THE REMAINDER OF 2017 & 2018



- ★ Continue to invest in organic growth and explore inorganic growth opportunities
- ★ Build on the successful launch of Stars Rewards and continue to improve the VIP management program
- ★ Focus on optimizing the customer journey and experience
- ★ Innovate in poker with new variants and concepts
- ★ Add more tier 1 casino content
- ★ Continue to improve the user experience and user interface in sportsbook and prepare for the World Cup in 2018
- ★ Increase marketing to drive growth in 2018 and beyond, initially focusing primarily on poker and sportsbook marketing



APPENDIX



INCOME STATEMENT



(\$000's)	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Revenues	\$329,443	\$270,681	\$952,065	\$844,961
Expenses				
Selling	\$42,587	\$35,502	\$125,458	\$117,280
General and administrative	\$140,815	\$136,133	\$408,398	\$433,571
Financial	\$41,040	\$49,458	\$123,326	\$101,734
Gaming duty	\$33,396	\$26,829	\$93,583	\$83,682
Acquisition-related costs	\$0	\$0	\$0	\$199
Total expenses	\$257,838	\$247,922	\$750,765	\$736,466
Gain (loss) from investments	\$9,024	(\$10,589)	\$14,235	(\$14,550)
Net (loss) earnings from associates	(\$2,569)	(\$47)	(\$2,569)	\$644
Net earnings before income taxes	\$78,060	\$12,123	\$212,966	\$94,589
Income taxes expense (recovery)	\$2,186	(\$400)	\$856	\$4,078
Net earnings	\$75,874	\$12,523	\$212,110	\$90,511
Basic earnings per Common Share	\$0.52	\$0.09	\$1.45	\$0.65
Diluted earnings per Common Share	\$0.37	\$0.06	\$1.05	\$0.47

NON-IFRS RECONCILIATIONS



<i>(\$000's except per share figures)</i>	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Net earnings	\$75,874	\$12,523	\$212,110	\$90,511
Financial expenses	\$41,040	\$49,458	\$123,326	\$101,734
Income taxes expense (recovery)	\$2,186	(\$400)	\$856	\$4,078
Depreciation of property and equipment	\$2,178	\$2,119	\$6,555	\$6,109
Amortization of intangible and deferred development costs	\$34,453	\$33,326	\$102,411	\$96,919
EBITDA	\$155,731	\$97,026	\$445,258	\$299,351
Stock-based compensation	\$3,298	\$1,978	\$7,914	\$8,396
Termination of employment agreements	\$1,357	\$3,047	\$4,165	\$11,365
Termination of affiliate agreements	\$0	\$1,053	\$407	\$3,386
Loss on disposal of assets	\$338	\$246	\$599	\$562
(Gain) Loss from investments	(\$9,024)	\$10,589	(\$14,236)	\$14,550
Acquisition-related costs	\$0	\$0	\$0	\$199
Net loss (earnings) from associates and (reversal of) impairment of assets held for sale, associates and intangible assets	\$1,451	\$574	(\$5,861)	\$6,641
Other costs	\$2,616	\$8,651	\$15,059	\$32,039
Adjusted EBITDA	\$155,767	\$123,164	\$453,305	\$376,489
Current income tax expense	(\$3,288)	(\$342)	(\$6,690)	(\$5,814)
Depreciation and amortization (excluding amortization of purchase price allocation intangibles)	(\$5,556)	(\$4,369)	(\$15,740)	(\$12,359)
Interest (excluding interest accretion and non-refundable late payment fees related to the unpaid balance of the deferred purchase price)	(\$27,328)	(\$33,474)	(\$83,885)	(\$98,630)
Adjusted Net Earnings	\$119,595	\$84,979	\$346,990	\$259,686
Diluted Shares	204,800,009	200,016,913	202,796,952	193,866,395
Adjusted Net Earnings per Diluted Share	\$0.58	\$0.42	\$1.71	\$1.34

OTHER COSTS RECONCILIATION



<i>(\$000's)</i>	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Non-U.S. lobbying and legal expenses	\$797	\$476	\$2,622	\$2,300
U.S. lobbying and legal expenses	\$2,119	\$2,336	\$9,612	\$9,163
Strategic review professional fees	\$0	\$2,237	\$125	\$7,372
Retention bonuses	\$41	\$437	\$1,271	\$2,657
Non recurring professional fees	\$664	\$413	\$2,168	\$4,833
AMF and other investigation professional fees (net of insurance proceeds)	(\$1,265)	\$2,587	\$3,888	\$4,492
Austria gaming duty	\$0	\$0	(\$5,000)	\$0
Office restructuring and legacy business unit shutdown costs	\$260	\$165	\$373	\$1,222
Other costs	\$2,616	\$8,651	\$15,059	\$32,039

CASH FLOWS



Adjusted Cash Flow from Operations

<i>(\$000's)</i>	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Net cash inflows from operating activities	\$144,870	\$86,693	\$370,843	\$201,641
Customer Deposit Liability Movement	(\$2,884)	(\$1,717)	\$22,398	\$76,481
Adjusted Cash Flow from Operations	\$141,986	\$84,976	\$393,241	\$278,122

Free Cash Flow

<i>(\$000's)</i>	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Net cash inflows from operating activities	\$144,870	\$86,693	\$370,843	\$201,641
Customer Deposit Liability Movement	\$2,884	\$1,717	(\$22,398)	(\$76,481)
Adjusted Cash Flow from Operations	\$141,986	\$84,976	\$393,241	\$278,122
Capex				
Additions in deferred development costs	(\$6,275)	(\$4,546)	(\$16,701)	(\$14,916)
Purchase of property and equipment	(\$3,253)	(\$2,467)	(\$5,507)	(\$5,265)
Acquired intangible assets	(\$565)	(\$574)	(\$1,484)	(\$6,623)
Total capex	(\$10,093)	(\$7,587)	(\$23,692)	(\$26,804)
Unlevered Free Cash Flow	\$131,893	\$77,389	\$369,549	\$251,318
Interest paid	(\$30,556)	(\$33,393)	(\$95,620)	(\$99,938)
Principal repayments	(\$6,031)	(\$6,013)	(\$18,901)	(\$40,455)
Free Cash Flow	\$95,306	\$37,983	\$255,028	\$110,925

QNY NUMERATOR RECONCILIATION



<i>(\$ in millions)</i>	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017
Total Revenue	\$247	\$293	\$289	\$286	\$271	\$310	\$317	\$305	\$329
Corporate	(0)	(0)	(0)	(0)	0	(0)	(0)	(0)	(0)
Other Gaming	(10)	(13)	(12)	(10)	(10)	(13)	(12)	(13)	(13)
Poker and Casino & Sportsbook	\$237	\$280	\$277	\$276	\$261	\$297	\$305	\$292	\$316

DILUTED SHARES OUTSTANDING



	Common Shares/ Common Shares Equivalent
Basic Common Shares Outstanding	147,511,467
<u>Securities Convertible into Common Shares</u>	
Common Share Purchase Warrants - weighted average exercise price of C\$19.17	4,000,000
Convertible Preferred shares*	56,680,120
Stock Options** – weighted average exercise price of C\$24.88	7,318,348
Restricted Share Units	146,034
Deferred Share Units	155,555
Performance Share Units	437,954
Fully Diluted Shares Outstanding	216,249,478

* There were 1,139,249 convertible preferred shares outstanding, each with an initial principal price per preferred share of C\$1,000 and convertible, at the holder's option, initially into approximately 41.67 common shares of the Corporation based on the conversion price of C\$24 per common share, in each case, subject to dilution adjustments and including a 6% annual accretion to the conversion ratio, compounded semi-annually. Calculation included herein is based on a conversion ratio of 49.75 as of November 7, 2017.

** 4,475,150 options are exercisable with weighted average exercise price of C\$25.10