

Q1 2022 Trading Update

Strong US momentum continues, ex-US performance in line with market expectations

Flutter Entertainment plc (the “Group”) announces a trading update for three months ended 31 March 2022.

<i>Unaudited £m</i>	Q1 2022	Q1 2021	YoY %	YoY % CC¹
Average monthly players² ('000s)	8,855	7,672	+15%	
Sports revenue	930	896	+4%	+5%
Gaming revenue	636	589	+8%	+9%
Total revenue	1,566	1,485	+5%	+6%

All commentary within this trading update refers to constant currency¹ growth rates. Any differences due to rounding.

- **Group:** Revenue growth of 6% driven by continued strong recreational player momentum with average monthly players (“AMPs”) up 15%
- **US:** excellent execution delivering revenue growth of 45% to \$574m with continued strong customer economics
- **Group ex-US:** 3% decline in revenue or 2% higher excluding known safer gambling and regulatory headwinds driven by strong performance in Australia, Canada, Brazil and India
- **Sustainability:** Positive Impact Plan progress in Q1 included roll out of mandatory deposit limits to under 25s in the UK and Ireland, and the launch of our Play Well advertising campaign with US ambassador Craig Carton

Peter Jackson, Chief Executive, commented:

“Flutter delivered a positive Q1 performance with revenue growth of 6%. The quarter saw us launch our new global sustainability strategy, the Positive Impact Plan, aligning commercial goals with our commitment to support our customers, colleagues and the communities in which we operate.

In the US we had another exciting quarter as FanDuel continued to deliver unparalleled scale, with the US accounting for over half of all stakes for the Flutter Group in Q1. We launched our FanDuel sportsbook in New York and Louisiana in January and also expanded into Ontario in April. We beat a number of FanDuel records in the quarter; Super Bowl Sunday was the single biggest day ever for new customers and we had over 1.5m active customers on the day. March Madness this year also proved our most popular season yet attracting 19m wagers across the tournament.

Outside of the US, our business performed well, adapting to the evolving regulatory and trading environment and reflecting the benefits of our global diversification. In the UK and Ireland we launched several new products in the quarter. I look forward to the imminent release of the UK Government’s White Paper on its review of the Gambling Act. In Australia, Sportsbet delivered good growth from ongoing customer driven momentum, with excellent retention of players acquired in 2021. Our International business benefitted from strong performance in focus markets and we hope to complete the Sisal acquisition in Q3.

With our enlarged recreational customer base, winning position in the US and ongoing focus on sustainable growth, our business remains well placed for the future.”

Divisional analysis

Unaudited revenue £m	Total			Sports	Gaming	Average monthly players ²	
	Q1 2022	Q1 2021	YoY % CC	YoY % CC	YoY % CC	Q1 2022 (000s)	YoY%
US	429	288	+45%	+50%	+34%	2,359	+43%
UK & Ireland	519	568	-8%	-21%	+15%	3,627	+15%
- UK & Ireland Online	453	568	-20%	-32%	+4%	3,627	+15%
- UK & Ireland Retail	65	—	+100%	+100%	+100%		
Australia	291	279	+8%	+8%		915	+10%
International	327	351	-5%	-3%	-5%	1,954	-4%
Group	1,566	1,485	+6%	+5%	+9%	8,855	+15%

US

In the US, FanDuel delivered another excellent performance with 2.4m customers and revenue of £429m (\$574m). We remained the number 1 US sportsbook with a 37% online sports betting share. We acquired over 1.3m new customers in the quarter and similar to the trends seen in Q1 2021, some of our key promotional mechanics led to reduced market share particularly around the SuperBowl. Our iGaming share was 20% in Q1³.

Revenue grew by 45% driven by a 43% growth in AMPs, with a number of factors driving performance:

- Excellent execution delivered record customer acquisition and engagement with:
 - Compelling customer economics as cumulative CPAs remain at c.\$290 and average paybacks within 12-18 month range⁴
 - Strong SuperBowl/March Madness campaigns with FanDuel the most downloaded sportsbook app across the events
 - Successful launches in New York and Louisiana, with New York exceeding expectations representing the fastest penetration of our daily fantasy sports player base to date
- This strong player momentum more than doubled stakes to £5.7bn (\$7.7bn). Sportsbook revenue was up 89% with net revenue margin 30 basis points lower at 4.1%. Customer friendly results cost £98m (\$132m)⁵ or 175 basis points versus expected margin in Q1, however, structural margin gains delivered by our leading product proposition drove additional revenue firepower to offset most of this year-on-year results impact
- iGaming growth reflects the launch of Connecticut in Q4 and good cross-sell to SuperBowl and March Madness players. We continued to improve our customer proposition with FanDuel rated the number 1 casino app in Q1

UK & Ireland

Online

UK&I online AMPs grew 15% while revenue declined 20% (pro forma for Tombola AMPs +2%, revenue -26%) due to the expected impact of:

- Safer gambling measures introduced over the last 12 months (incremental year-on-year impact £30m in Q1)
- Favourable sports results in the comparable period with sportsbook net revenue margin 100 basis points lower year-on-year at 9.6%
- Peak in player engagement during Q1 2021 from Covid-related restrictions

We continue to sharpen our sports product with the launch of 'Buildabet' and 'Acca Assist' in SkyBet. On the gaming side, Sky Vegas launched 'The Vault' and we continue to see good recreational player growth with gaming AMPs up 9% on a pro forma basis. We believe that our increased focus on product and efficiency will set the division up well for the future.

Retail

Our retail estate was fully open during the quarter compared to completely closed during Q1 2021. Our UK estate has returned to near pre-Covid levels with revenue just 6% lower than Q1 2019. Our Irish estate was 24% lower than Q1 2019 reflecting the higher level of societal caution with respect to Covid and is unlikely to return to pre-Covid levels in the current year.

Australia

At Sportsbet, revenue grew by 8% despite a more challenging market environment with Covid restrictions easing. Our strong performance was driven by player volumes as AMP growth accelerated to 10%. Structural improvements in margin driven by our in-house pricing capabilities and product mix funded an increase in promotional spend. This led to strong player engagement and good retention of the 2021 Covid-enlarged customer base. Staking was 7% higher as a result with net revenue margin broadly flat at 11.5%.

International

Revenue in our International division was 5% lower, reflecting the impact of guided headwinds⁶ in the quarter. Excluding these headwinds revenue grew 6% with strong growth in focus markets of Canada, Brazil, India, Georgia and Armenia.

We continue to improve the customer proposition by leveraging expertise within the Group. The Group's global betting platform has been deployed in Denmark. Jungle is bringing the concepts of PokerStars 'Spin and Go' poker product to the Indian rummy market.

¹ Constant currency (“cc”) growth is calculated by retranslating the non-sterling denominated components of Q1 2021 at Q1 2022 exchange rates. Growth rates in the commentary are in local or constant currency.

² Average Monthly Players represent the average number of players who have placed and/or wagered a stake and/or contributed to rake or tournament fees during the month in the reporting period.

³ Online sportsbook market share is the GGR market share of FanDuel and FOX Bet for Q1 2022 in the states in which FanDuel was live, based on published gaming regulator reports in those states. During Q1 2022 FanDuel was live in 15 states; Arizona (AZ), Colorado (CO), Connecticut (CT), Illinois (IL), Indiana (IN), Iowa (IA), Louisiana (LA), Michigan (MI), New Jersey (NJ), New York (NY), Pennsylvania (PA), Tennessee (TN), Virginia (VA), West Virginia (WV) and Wyoming (WY). During Q1 FOX Bet was live in 4 states; CO, NJ, MI and PA. Market share does not include AZ for February or AZ, IL, VA, WV and WY for March as the data has yet to be released. Online gaming market share reflects the combined CT, MI, NJ, PA and WV market share of our gaming brands.

⁴ CPA is cost per acquisition and represents the total media and digital marketing spend per acquired customer including those cross-sold from daily fantasy sports. The payback period represents the average number of months it takes to generate sufficient gross profit to pay back the average CPA to acquire those customers. It includes all quarterly cohorts of FanDuel sportsbook acquired between Q3 2018 through Q1 2021.

⁵ Represents the revenue impact of sports results in Q1 before adjusting for recycling.

⁶ Guided headwinds in International reflect the impact of the temporary market exit from the Netherlands, tax changes in Germany and the effects of the ongoing war in Ukraine on our business in Russia and the Ukraine.

Analyst briefing:

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

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About Flutter Entertainment plc:

Flutter Entertainment plc (the “Group”) is a global sports-betting and gaming company reporting as four divisions:

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