



DraftKings (DKNG)

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Head of Public Investments



DraftKings (DKNG)

Overview



Company: DraftKings
Ticker: "DKNG"
Stock Price: \$21.42
YTD Performance: (37.8%)



- Founded in 2012, originally focused on daily fantasy sports
- Immediately began focusing on online sports betting after legalization in 2018
- 2nd largest online sports betting platform with >30% market share
- Largely duopolistic market, controlled by FanDuel and DraftKings
- \$6.05bn in 2025 revenues, with a 6-year CAGR of 63.0%
- 41% gross margin and operating income breakeven
- Operating cash flow of \$663mm
- Market Cap of \$10.6bn



DraftKings (DKNG)

Overview – Company Description

- DraftKings is one of two dominant operators in the duopolistic online sports betting market
 - DraftKings has an estimated 30-34% market share of the U.S. online sports betting market, while FanDuel commands ~44%. Together, the two make up >70% of overall market share¹
- ~11mm active customers placed a total of \$53.5bn worth of online sports wagers in 2025²
 - This is up 11% YoY and is 2.3x higher than in 2022
- The online sports betting market is a \$16.4bn annual revenue market, which grew 22.0% in 2025
- In addition to the Sportsbook, DraftKings runs an iGaming casino-style platform that generated \$1.8bn in 2025 revenue across 5 states and Ontario
- The iGaming market is relatively nascent, with just 7 states having opted for legalization. Despite this, it is already a \$10.7bn annual revenue market, growing 27.6% YoY

1. Source: "U.S. Sports Betting Duo's Growth Wager is Paying Off" Reuters

2. Source: DraftKings Q4 2025 Earnings Presentation



DraftKings (DKNG)

Overview – Company History

- DraftKings was founded in 2012 as a daily fantasy sports platform. The founding team remains involved in the day-to-day operations:
 - Jason Robins, CEO
 - Matt Kalish, President DraftKings N. America
 - Paul Liberman, President of Operations
- In 2018, following the repeal of the Professional and Amateur Sports Protection Act by the Supreme Court, DraftKings rapidly moved into legalized online sports betting
- In April 2020, the company went public via a merger with a SPAC (Diamond Eagle Acquisition Company)
- In May 2020, DraftKings launched its first online casino offering in Pennsylvania in partnership with Hollywood Casino

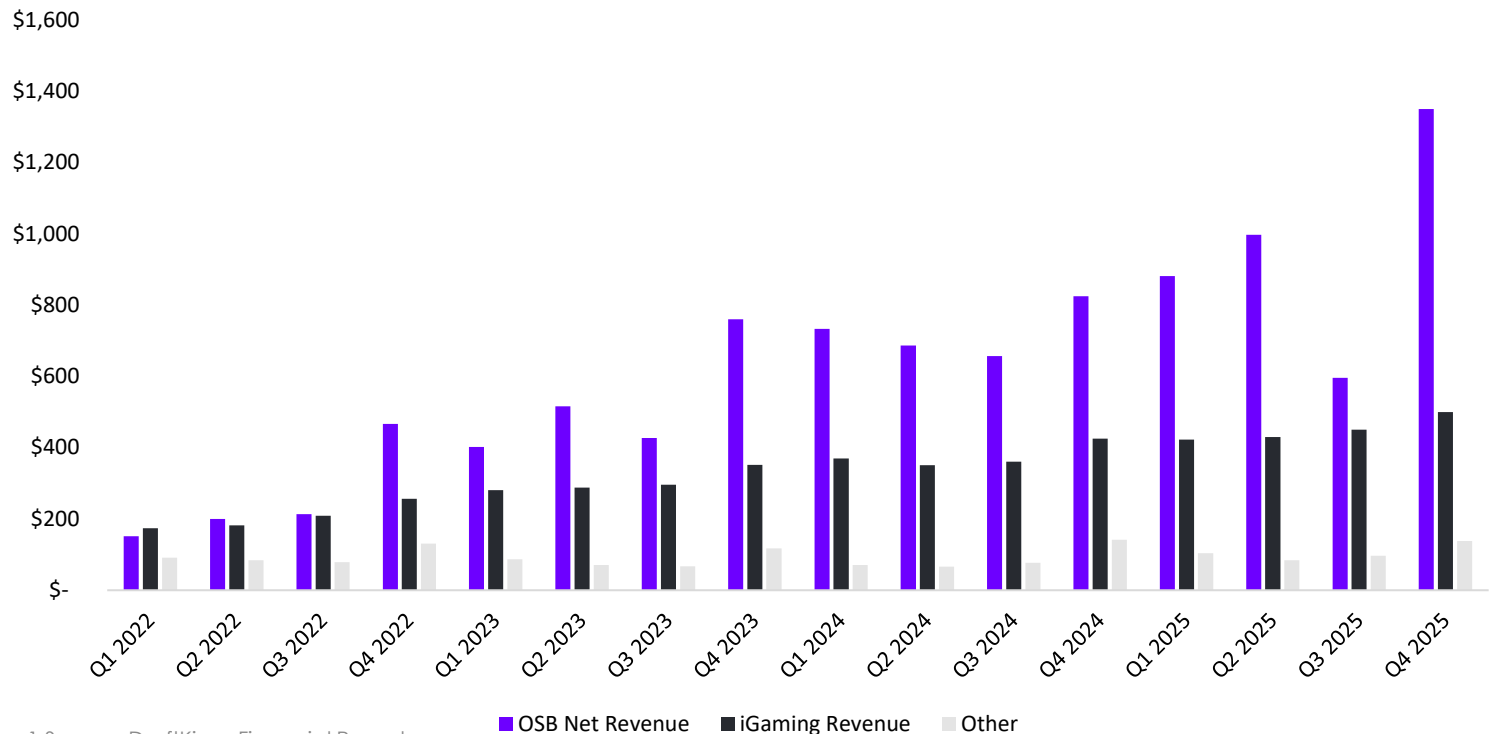


DraftKings (DKNG)

Overview – Revenue by Business Line

- DraftKings' revenue primarily comes from online sports betting (63.2% of 2025 revenue) and from lottery iGaming (29.8% of 2025 revenue)

DraftKings Revenue by Segment
(\$mm)



1 Source: DraftKings Financial Reports

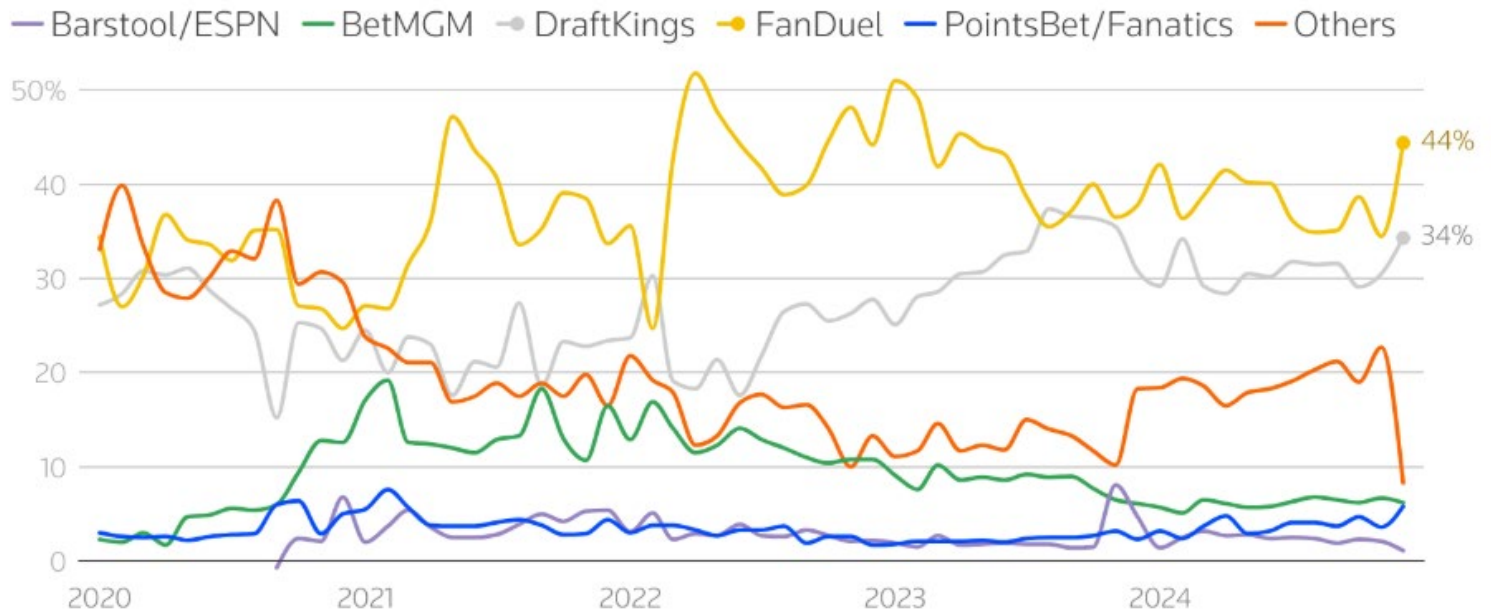


DraftKings (DKNG)

Overview – Online Sports Betting

- DraftKings is the #2 player in an oligopolistic online sports betting market

FanDuel and DraftKings are US market leaders



1 Source: "U.S. Sports Betting Duo's Growth Wager is Paying Off" Reuters

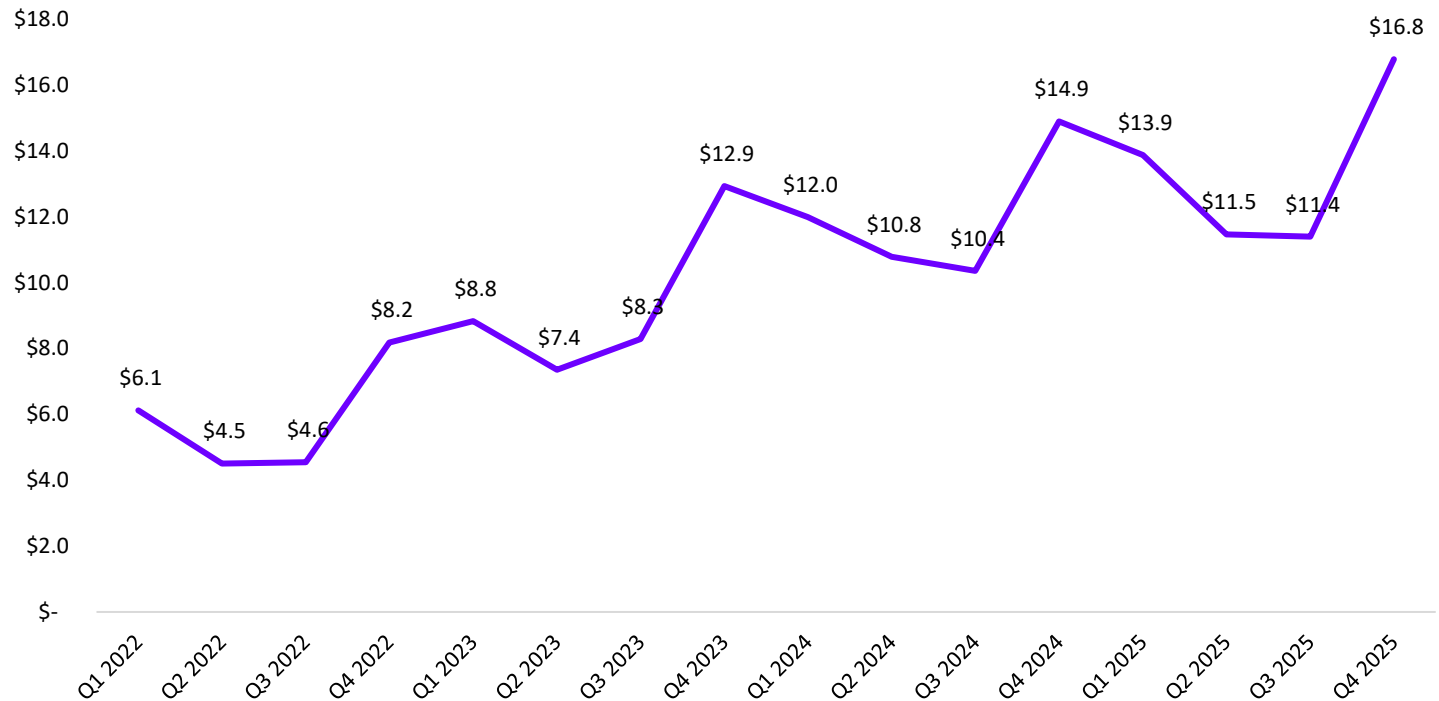


DraftKings (DKNG)

Overview – Online Sports Betting

- DraftKings' core Sportsbook offering has seen handle grow 2.3x from 2022 to 2025, a 31.8% annual growth rate

DraftKings Online Sports Betting Handle (\$bn)



1 DraftKings Quarterly Financial Reports.

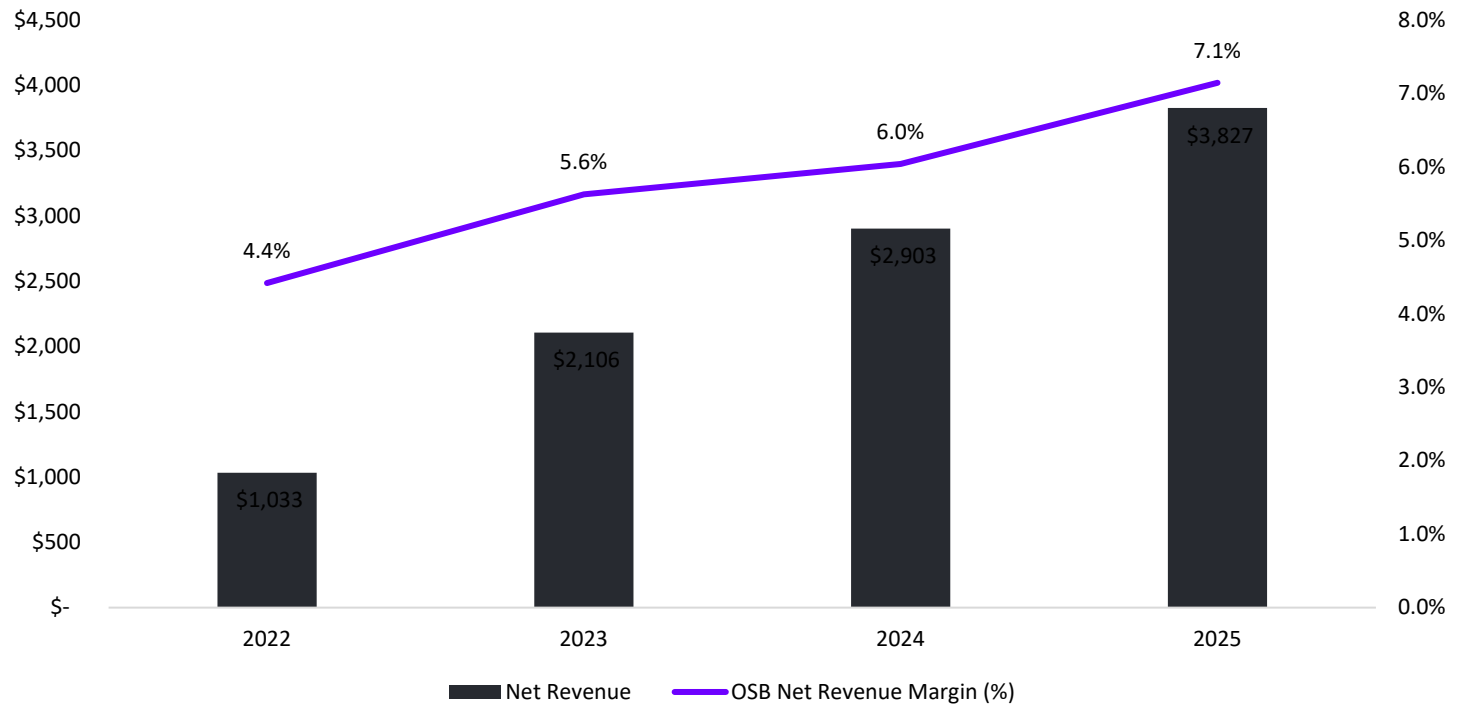


DraftKings (DKNG)

Overview – Online Sports Betting

- Revenue has grown faster than handle given a higher net revenue margin (win rate less promotional activity) over time. OSB revenue has grown at a 54.7% 3-year CAGR

DraftKings Online Sports Betting Revenue



1 DraftKings Quarterly Financial Reports.

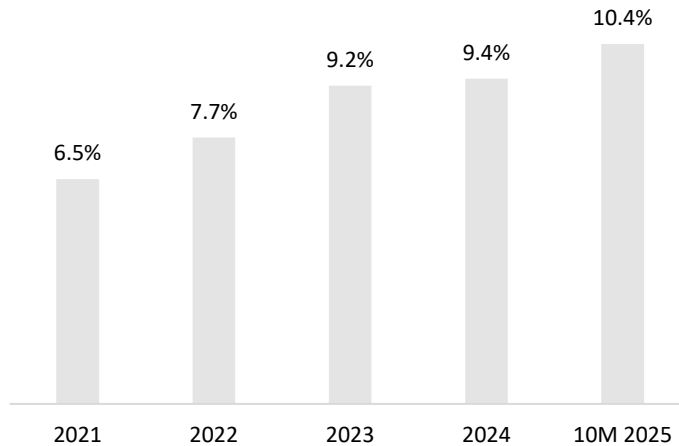


DraftKings (DKNG)

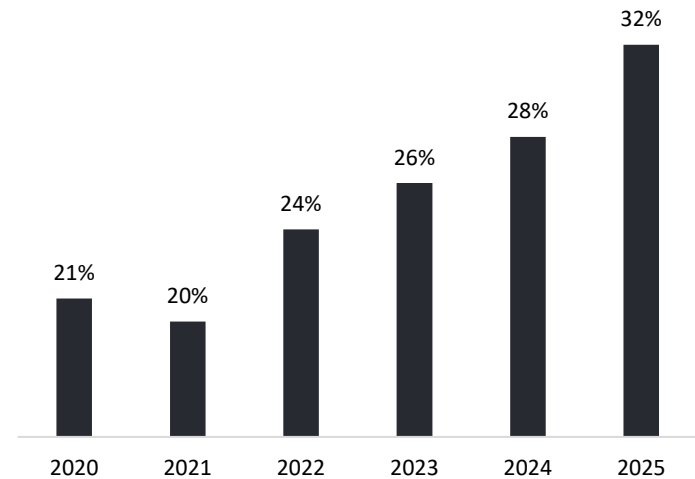
Overview – Online Sports Betting

- Hold rate has improved from 2021 to 2025 on the back of rising parlay mix, which has a higher win % for operators

DraftKings Hold Rate



DraftKings Parlay Mix



1 DraftKings Quarterly Financial Reports.

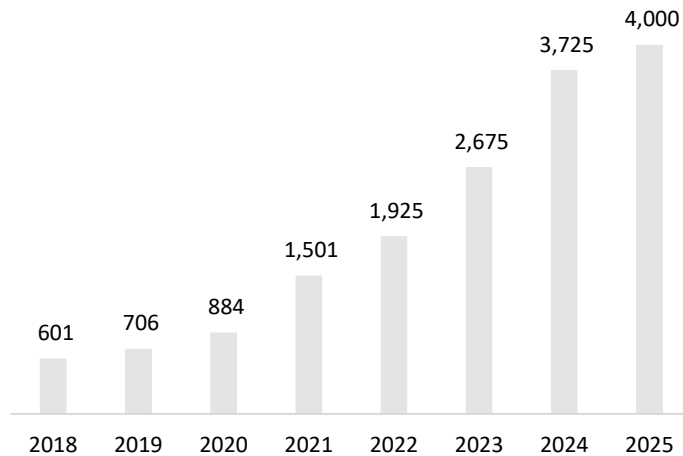


DraftKings (DKNG)

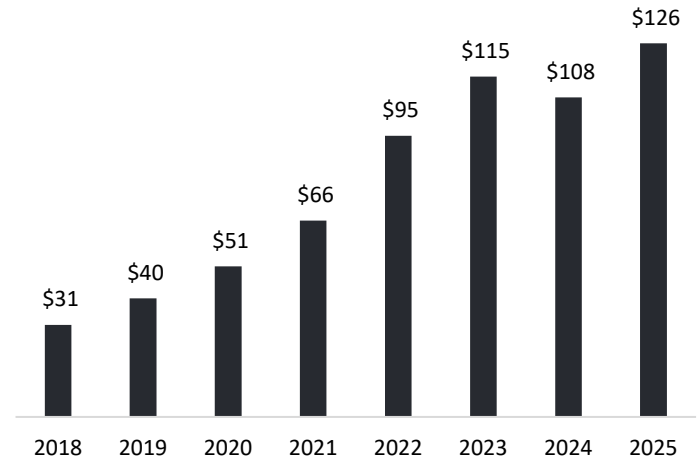
Overview – Customer Growth

- DraftKings revenue growth has been driven by both a greater number of users, which have grown at a 31.1% 7-year CAGR, and higher average revenue per MUP, which has grown 4x since 2018

Average MUP (000s)



Average ARPMUP



1 DraftKings Quarterly Financial Reports.

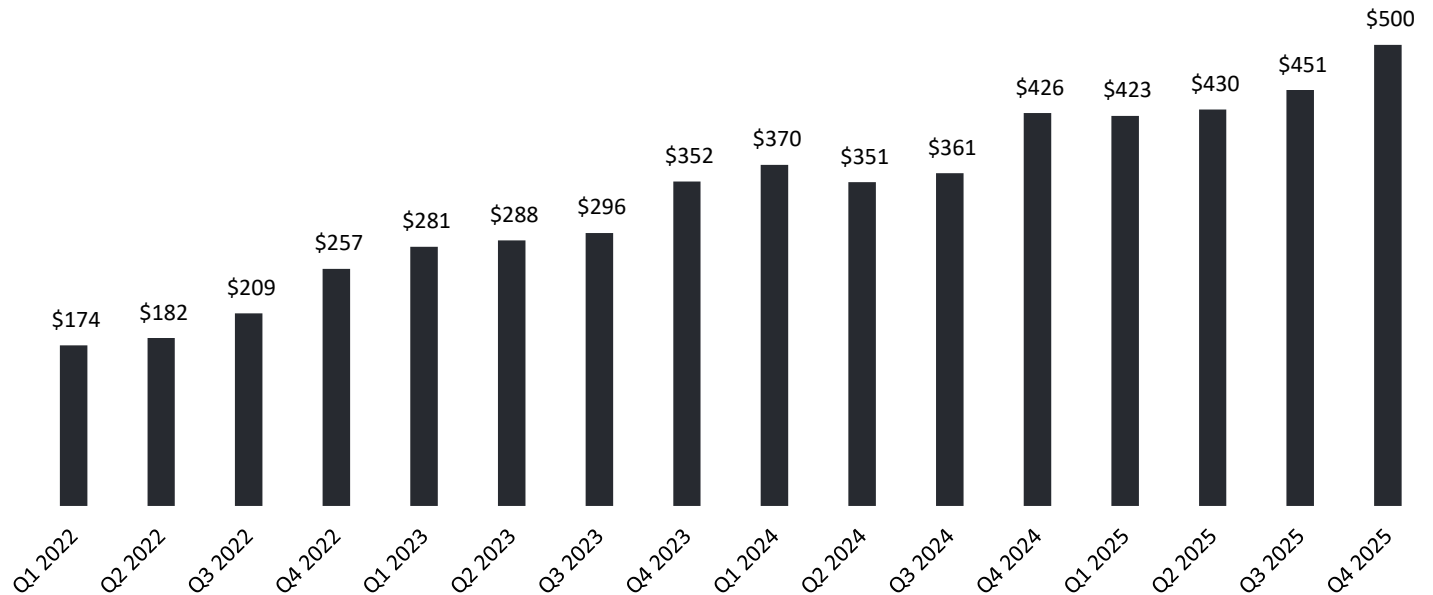


DraftKings (DKNG)

Overview – iGaming

- DraftKings iGaming revenue has grown at a 30.0% 3-year CAGR and now makes up ~30% of overall revenue

DraftKings
iGaming Revenue



1 DraftKings Quarterly Financial Reports.



DraftKings (DKNG)

Overview – Past M&A

- SBTech
 - As part of the SPAC transaction with Diamond Eagle Acquisition Corp, SBTech was acquired alongside DraftKings for \$634mm
 - Brought all technology in-house, whereas previously DraftKings was reliant on Kambi for its tech stack
- Golden Nugget
 - Acquired in May 2022
 - All-stock transaction worth ~\$1.56bn at the time of acquisition
 - Equated to ~6.7x 2022 revenue
 - Gave DraftKings a stronger offering in the iGaming casino market
 - Had an existing catalog of more than 800 games
 - Operated in New Jersey and Michigan
- Jackpocket
 - Acquired in May 2024
 - \$750mm purchase price
 - \$412.5mm in cash
 - \$337.5mm in stock
 - Leading provider of digital lottery services in the U.S.
 - Provides the ability to cross-sell OSB and iGaming into the online lottery customers
 - Expected to add \$260-340mm of revenue and \$60-100mm of aEBITDA by 2026
 - Increasing to \$350-450mm of revenue and \$100-150mm of aEBITDA by 2028
- RailBird
 - Acquired in October 2025
 - A federally licensed exchange designated by the CFTC
 - Provided the backbone for DraftKings prediction market exchange
 - Financial terms were not disclosed



DraftKings (DKNG)

Industry – Overview

- The U.S. sports betting industry is a \$16.9bn gross revenue industry that grew 22.8% YoY in 2025. Within U.S. sports betting, online accounted for 96.5% of the total and grew 22.0% YoY.
- The industry has grown by ~17x since 2019



Source: American Gaming Association

1 Source: "Commercial Gaming Revenue Tracker" American Gaming Association



DraftKings (DKNG)

Industry – Overview

- The top 5 states make up ~42% of overall sports betting revenue
- Notably, despite first legalizing in 2018, New Jersey sports betting revenue continues to increase

2025 TOP 10 SPORTS BETTING STATES BY REVENUE

RANK	STATE	2025 SPORTS BETTING REVENUE (\$M)	ANNUAL CHANGE	2024 RANK
1	New York	\$2,553.92	23.7%	1 —
2	Illinois	\$1,476.62	19.7%	2 —
3	New Jersey	\$1,177.17	3.7%	3 —
4	Ohio	\$1,040.30	15.6%	4 —
5	Arizona	\$912.14	29.0%	7 ▲
6	Pennsylvania	\$883.66	13.0%	5 ▼
7	Massachusetts	\$865.23	29.3%	8 ▲
8	Virginia	\$846.05	23.5%	7 ▼
9	Maryland	\$793.21	24.8%	8 ▼
10	North Carolina	\$734.58	25.9%	10 —

Source: American Gaming Association

1 Source: "Commercial Gaming Revenue Tracker" American Gaming Association



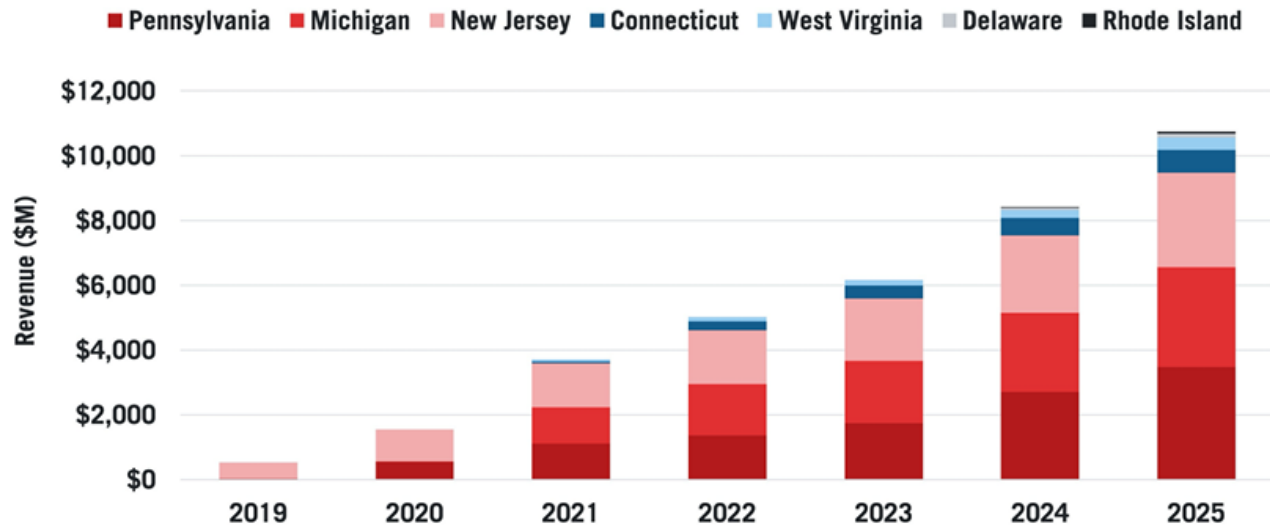
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Industry – Overview

- Despite being legal in just 7 states, the iGaming market is a \$10.7bn revenue market and grew 27.6% YoY in 2025
- Maine will become the 8th legalized state starting in 2026

2019-2025

U.S. iGaming Revenue by State



Source: American Gaming Association

1 Source: "Commercial Gaming Revenue Tracker" American Gaming Association



DraftKings (DKNG)

Industry – Overview

- Rush Street Interactive (4th largest iGaming player in the U.S.) estimates the TAM of U.S. and Canada iGaming and online sports betting to be ~\$138bn
 - While online sports betting receives much of the attention, iGaming may be the larger opportunity ahead

Total Addressable Market at Maturity



¹ Source: Rush Street Interactive Investor Presentation February 2026



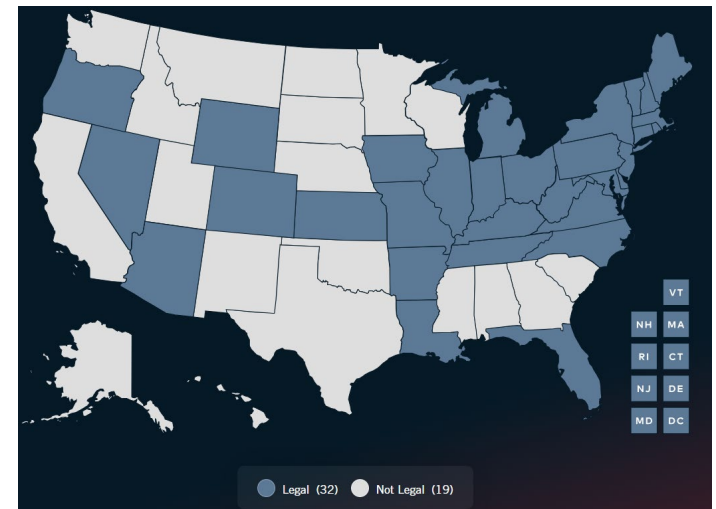
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Industry – State Legalization

- Since the U.S. Supreme Court struck down the Professional and Amateur Sports Protection Act of 1992 in May of 2018, 31 states and DC have legalized online sports betting
 - Have generated \$3.2bn in tax revenue over this time period



- There are currently 19 states in which online sports betting is not legal



1 Source: "The Cost of America's Sports Betting Habit" *Financial Times*
 2 Source: "State of Play Map" *American Gaming Association*

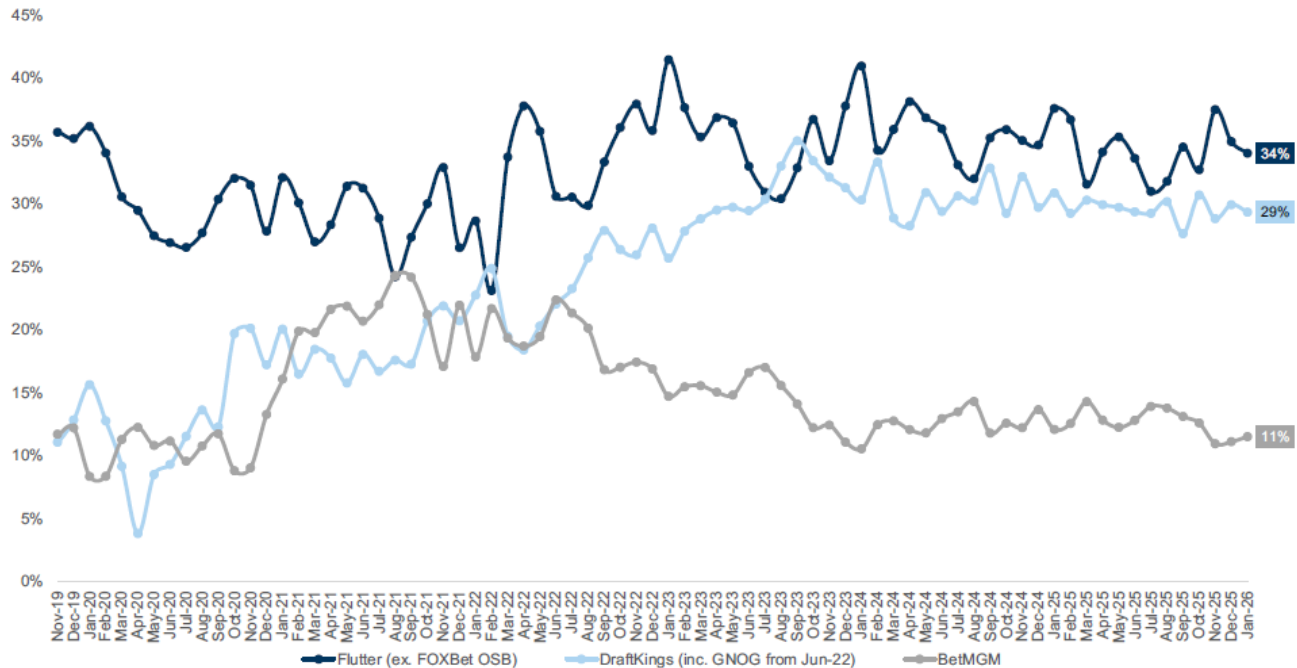


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Industry – Market Share

- DraftKings has consistently taken market share since 2019 and has closed the gap between itself and the #1 operator, FanDuel. BetMGM has consistently ceded share, along with other operators since 2021

Exhibit 12: In terms of overall online gambling market share, each of the top-3 operators had lower yoy market share in January: Flutter’s share was tracking down c.-4pp yoy against a tough comp, DKNG was down c.-2pp yoy and BetMGM c.-1pp lower yoy
 Combined OSB and iGaming GGR market shares



1 Source: "What the Latest State Data Tells Us About US Gaming" Goldman Sachs

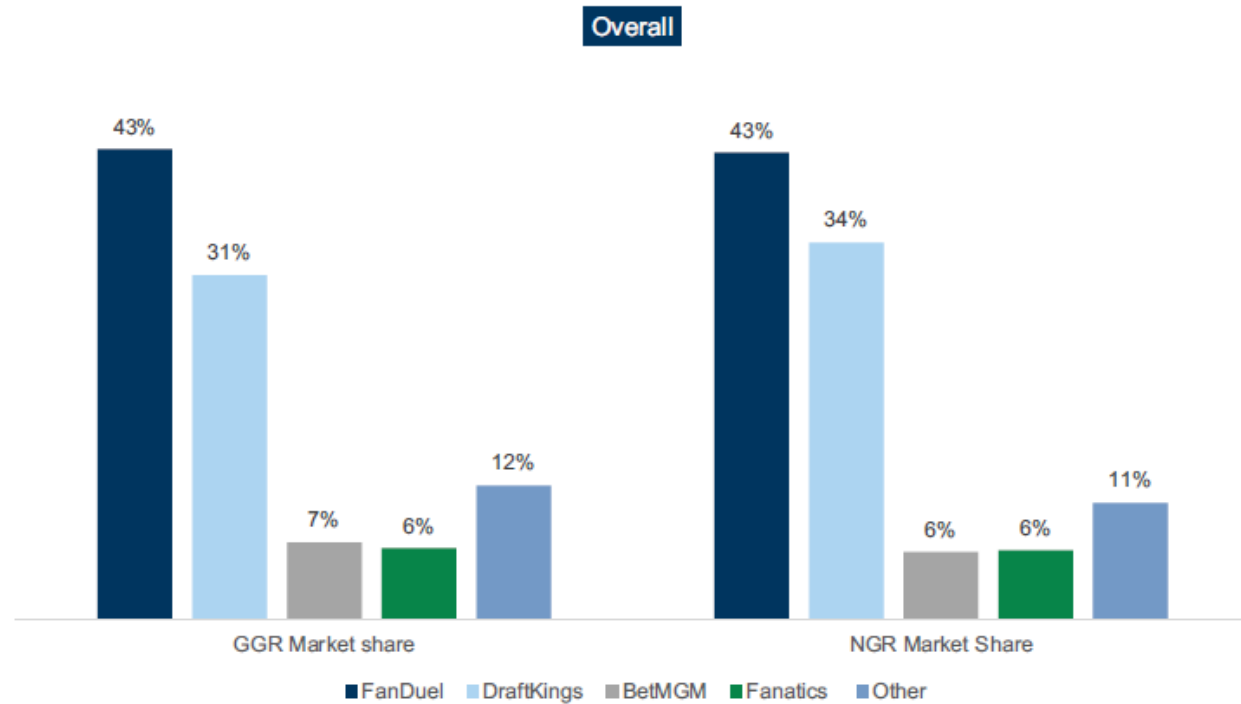


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Industry – Market Share

- Online sports betting is even more consolidated than the overall online gambling market, with FanDuel and DraftKings controlling a combined 74% of gross gaming revenue

Exhibit 22: Overall comparison of GGR and NGR market share for Nov'25 - Jan'26



1 Source: "What the Latest State Data Tells Us About US Gaming" Goldman Sachs

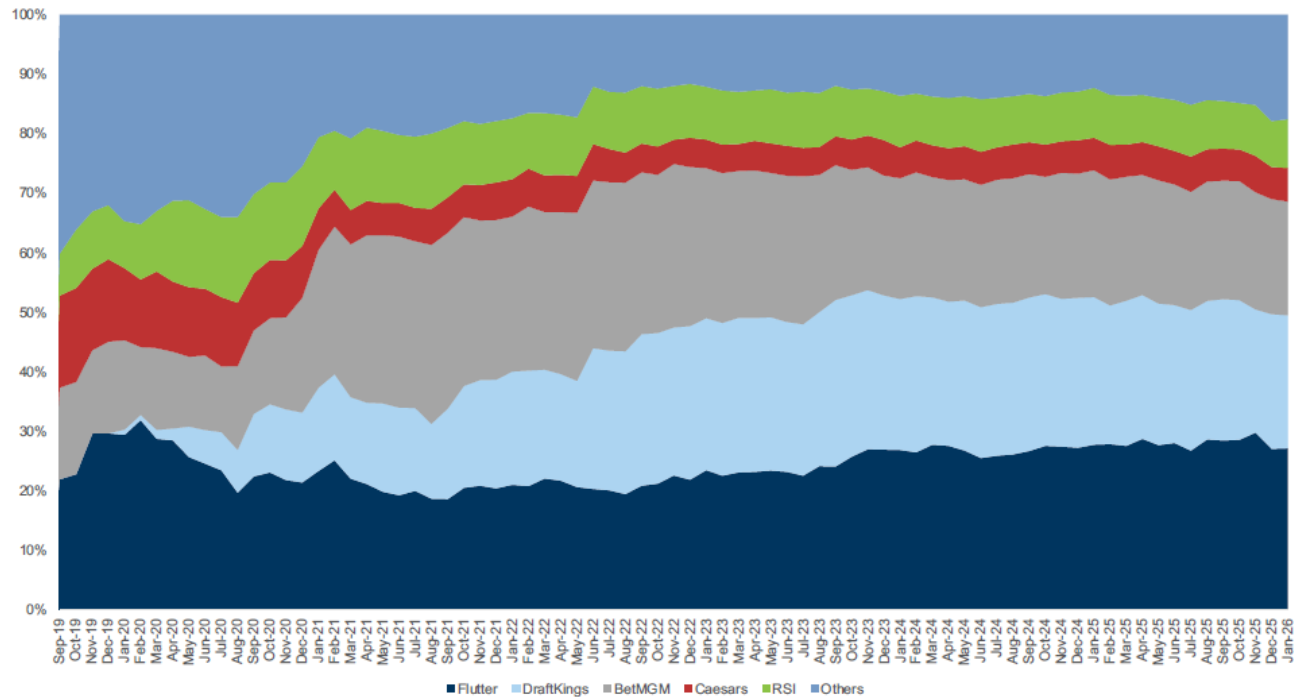


DraftKings (DKNG)

Industry – Market Share

- The iGaming industry is more fragmented than online sports betting but FanDuel and DraftKings remain the top 2 players

**Exhibit 15: In iGaming, DraftKings and BetMGM had lower market share yoy, while Flutter was more stable, and we note Fanatics has also gained market share yoy in this vertical...
iGaming GGR market share**



1 Source: "What the Latest State Data Tells Us About US Gaming" Goldman Sachs

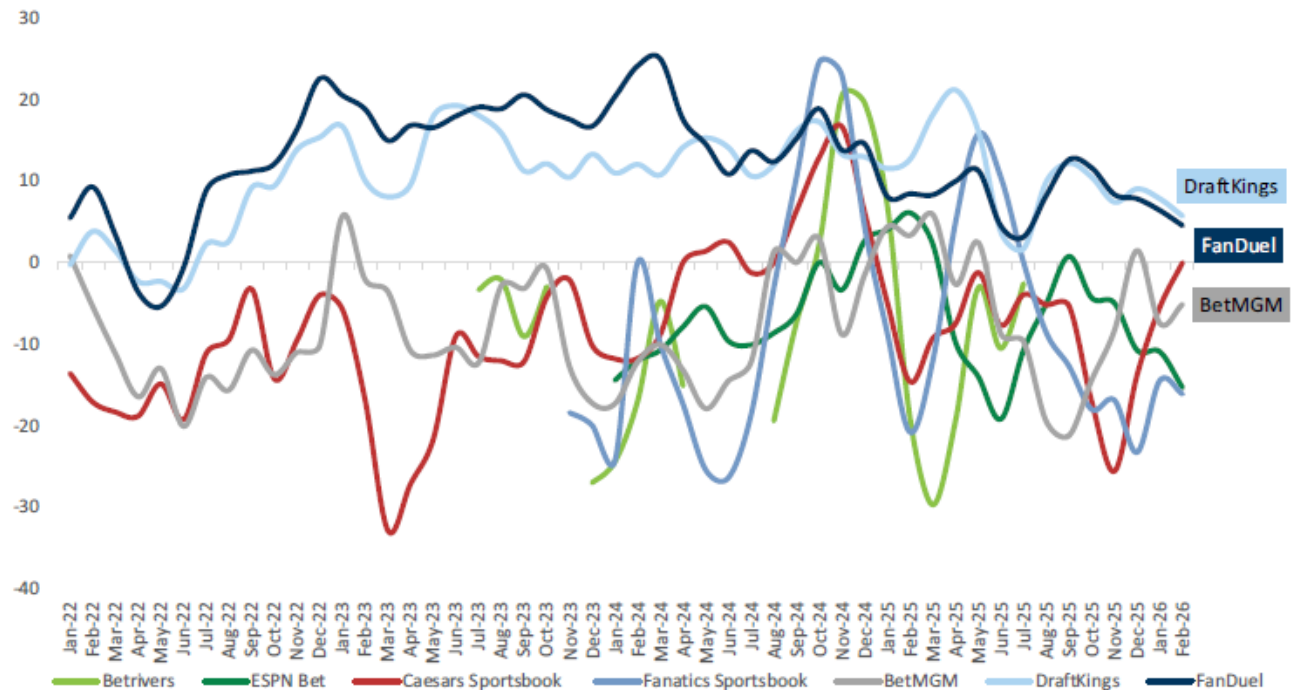


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Industry – Net Promoter Score

- One of the main reasons DraftKings and FanDuel have emerged as the dominant players is the consumer experience is much better than that of competitors

Exhibit 38: Online Gaming Net Promoter Scores (NPS) - T3M



1 Source: "What the Latest State Data Tells Us About US Gaming" Goldman Sachs



DraftKings (DKNG)

Industry – Win Rates

- Win rates for the operators have been fairly consistent since 2023, with FanDuel consistently having the highest win rate. Largely due to a higher parlay percentage.

Exhibit 3: ...FanDuel retains a strong lead vs. peers on win margins overall...

OSB gross win margin (hold) by operator

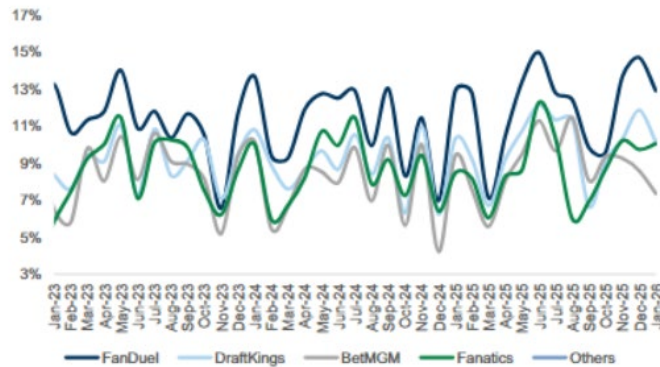
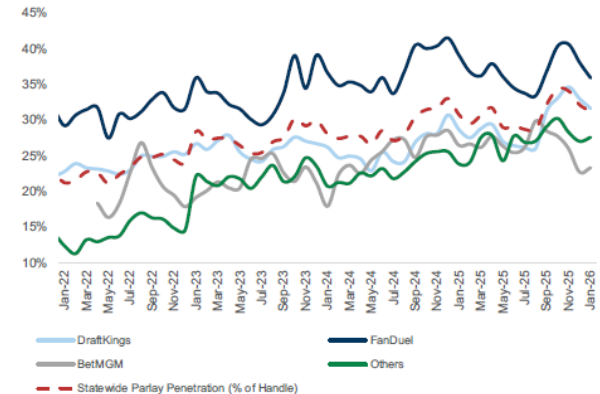


Exhibit 4: ...though we note the parlay penetration gap has narrowed: FanDuel's was down slightly yoy in Jan while other operators (e.g. DKNG) are expanding more quickly from a lower base

IL Parlay handle as a % of total OSB handle



1 Source: "What the Latest State Data Tells Us About US Gaming" Goldman Sachs

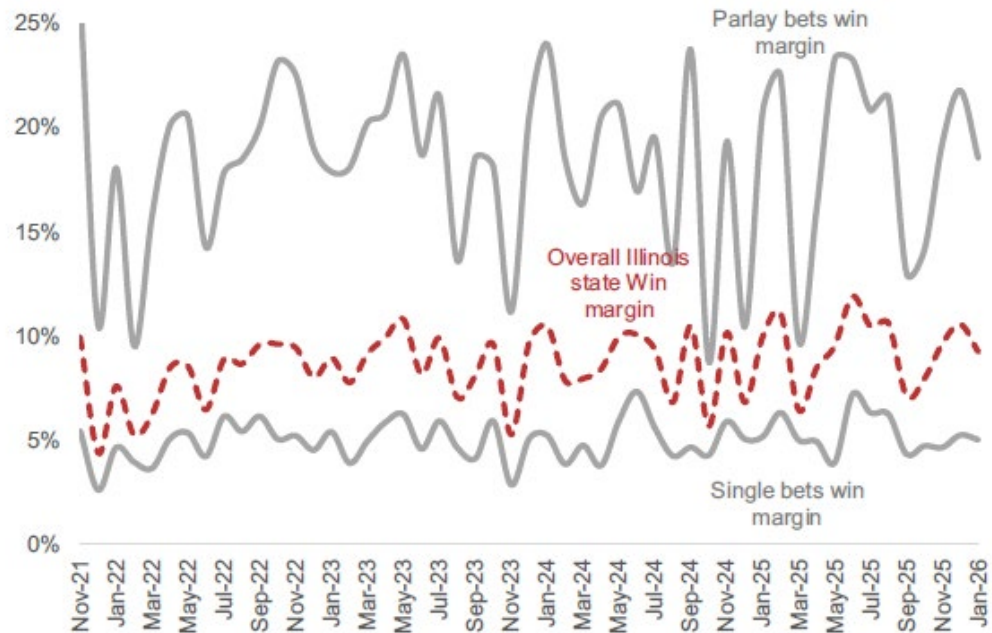


DraftKings (DKNG)

Industry – Win Rates

- Parlay bets show nearly 4x the hold rate of single bets for the operators. Increasing the percentage of parlay bets over time has been a key driver of overall hold rate

Exhibit 31: IL OSB gross win margin (%): Parlays, Single Bets and Overall



1 Source: "What the Latest State Data Tells Us About US Gaming" Goldman Sachs

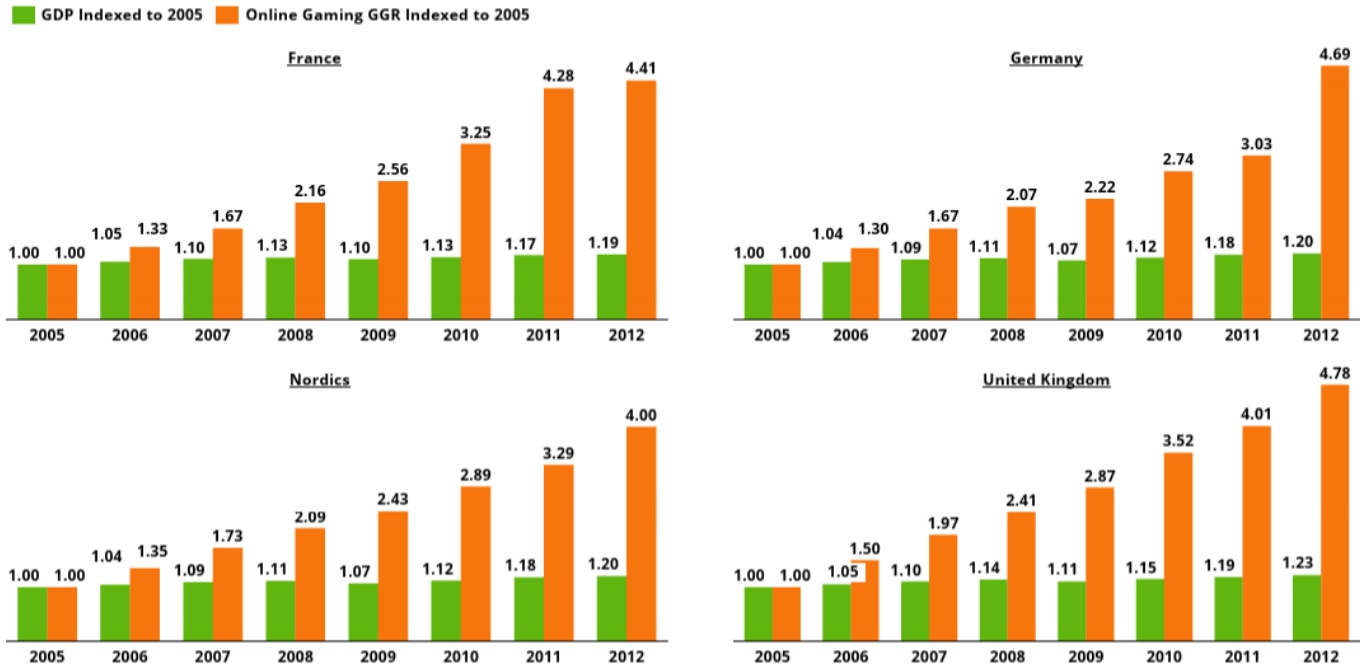


DraftKings (DKNG)

Industry – Economic Sensitivity

- Online gaming saw continued growth throughout the GFC in mature markets

Online gaming was resilient in more mature jurisdictions globally during the Global Financial Crisis



1 Source: DraftKings Q1 2025 Earnings Release

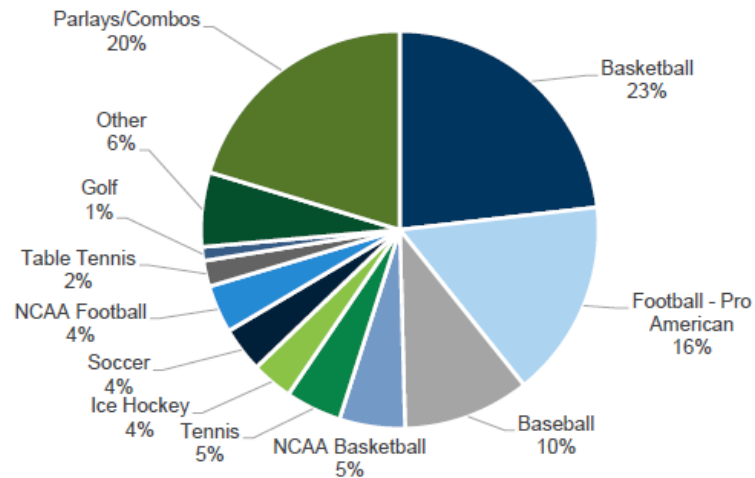


DraftKings (DKNG)

Industry – Seasonality

- Due to the NFL and NBA being the largest sports by a wide margin and both falling in the fall/winter, handle tends to be higher in Q4 and Q1

Exhibit 28: Colorado Online Sports Betting Wagers by Sport
May 2020 - February 2024



Other includes but is not limited to MMA, Boxing, NCAA Baseball, Motorsports, etc.

¹ Source: "Revenue Compounder Against Growing TAM and Inflecting Profitability as Unit Economics Improve" Goldman Sachs



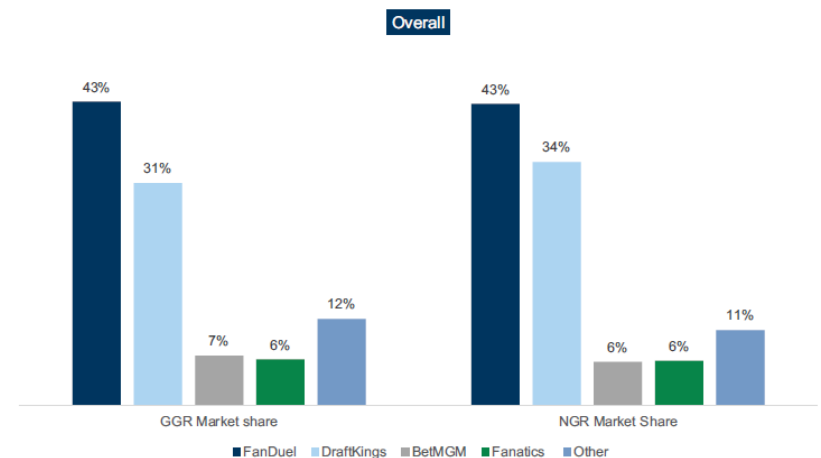
DraftKings (DKNG)

Industry – Traditional Competitors

- Traditional online sports betting and iGaming companies: FanDuel, BetMGM, Fanatics, RSI
 - “Those mid-tier like BetMGM and Caesars, technologically, user experience UI, they're just far behind. I don't think they have really anything that I see currently or from what I understand going on that's going to propel them. To me, it is Fanatics that is chipping away. I see them ending up as the number three operator with somewhere between 10%-15% long term. I could be surprised and Fanatics could somehow make their way up to 20%.”¹
 - Former Director of Casino Performance and Strategy at Fanatics
 - “I'd say between the two of them, huge, obviously market share duopoly, huge gap to competitors in terms of product offering, proposition to use them, marketing budgets, etc. I ultimately think just at the highest level, I don't see any reason why that would not continue.”²
 - “In terms of the competitor set right now, I really don't think there's much that would unseat the duopoly of FanDuel and DraftKings”²

-Former Strategy Expert at a U.S. Sports Betting company

Exhibit 22: Overall comparison of GGR and NGR market share for Nov'25 - Jan'26



1. Source: Tegus Expert Call Transcripts
2. Source: Tegus Expert Call Transcripts



DraftKings (DKNG)

Industry – Prediction Markets

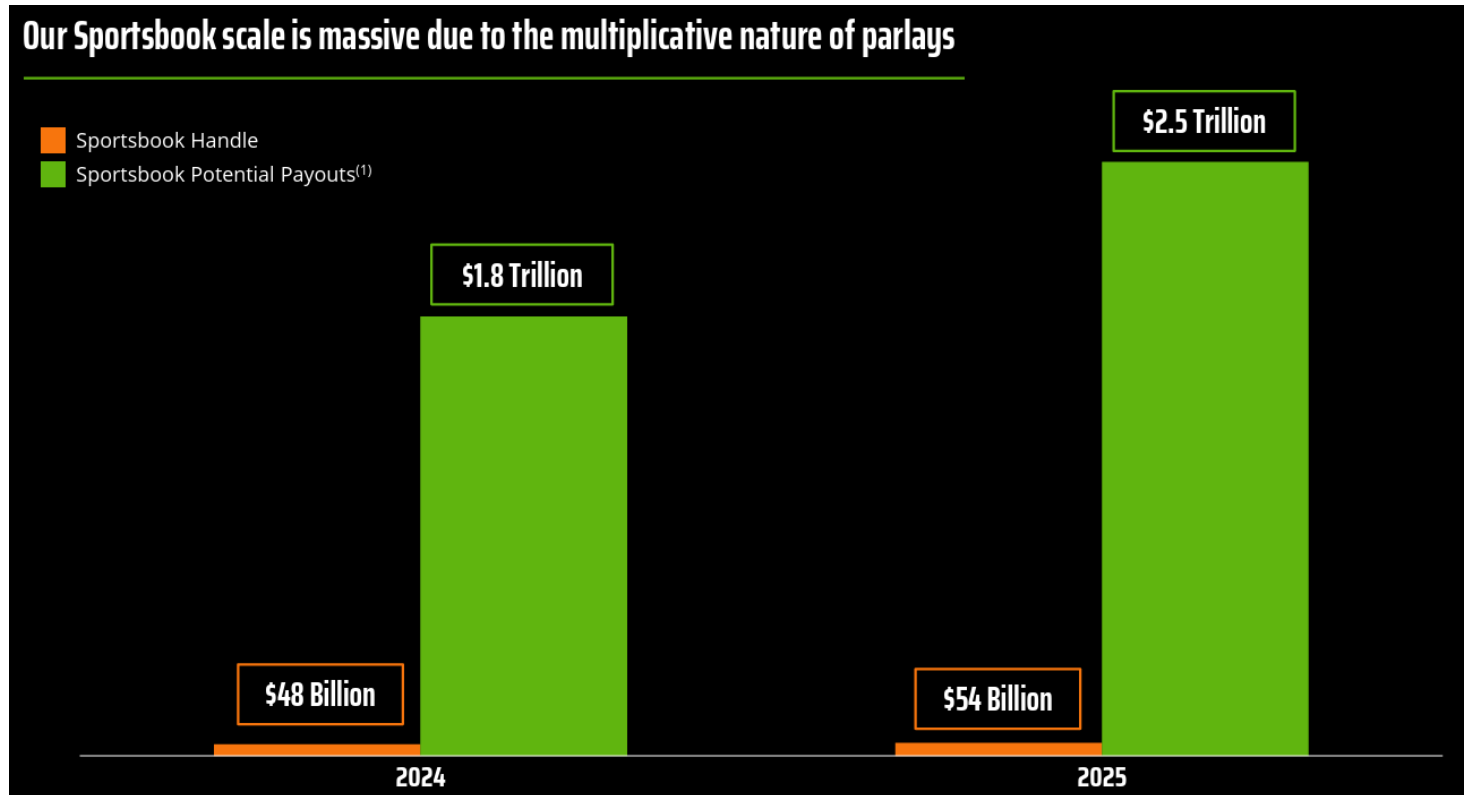
- The main prediction markets are Kalshi and Polymarket
- Because prediction markets don't have a "house edge", they can offer users potentially better prices
- Prediction markets do not have to take on any outcome risk and are purely a commission-based business
 - This can eliminate some revenue volatility that is inherent in the sportsbooks
 - Purely a volume-based revenue model



DraftKings (DKNG)

Industry – Prediction Markets

- While prediction markets show very high “volume” stats, this is equivalent to the total potential payout, not handle, for sportsbooks. DraftKings equivalent measure would be >\$2.5tn in 2025



1. Source: DraftKings 2026 Investor Day



DraftKings (DKNG)

Industry – Prediction Markets

Prediction markets are facing growing legal opposition

1. Bipartisan legislation was introduced in the Senate in March 2026 to ban sports-related contracts being listed on exchanges regulated by the CFTC¹
 - Adam Schiff (D., California) and John Curtis (R., Utah)
2. Nevada won a temporary restraining in March 2026 order against Kalshi mandating that Kalshi must obtain all required state gambling licenses and prohibit users under 21 years old from using its platform²
3. Arizona officially filed the first criminal charges against Kalshi in March 2026, accusing the company of operating an illegal gambling business without a license³
 - Arizona's gambling department had previously sent Kalshi a cease-and-desist letter in May 2025
4. There are an additional 20 civil lawsuits over Kalshi's legal status filed by different states⁴

1. Source: "Lawmakers Introduce Bipartisan Bill Banning Sports Bets on Prediction Markets" *Wall Street Journal*

2. Source: "Nevada Wins Temporary Ban on Sports Betting on Kalshi" *Wall Street Journal*

3. Source: "Arizona Files Illegal-Gambling Charges Against Predictions Platform Kalshi" *Wall Street Journal*

4. Source: "Arizona AG files criminal charges against Kalshi over 'illegal gambling'" *NPR News*



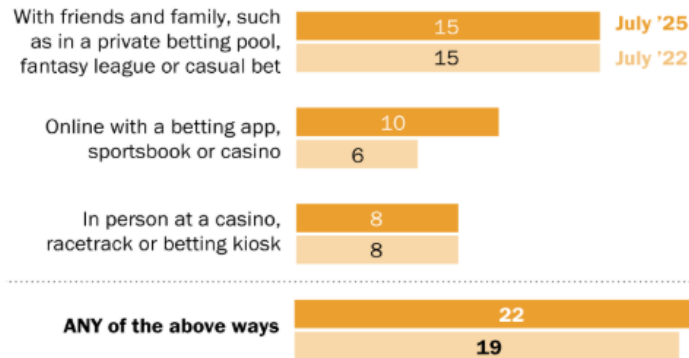
DraftKings (DKNG)

Sources of Future Growth

- Increased adult penetration
 - 10% of U.S. adults said they've bet online via an app in 2025, up from 6% in 2022¹
 - This is far below more mature markets, such as the U.K. where ~50% of the adult population gambles regularly²

1 in 10 U.S. adults now say they have placed an online sports bet in the past year

% of U.S. adults who say they have personally bet money on sports in the following ways in the last 12 months



1. Source: "Americans Increasingly See Legal Sports Betting as a Bad Thing for Society and Sports" *Pew Research Center*

2. Source: "The Cost of America's Sports Betting Habit" *Financial Times*

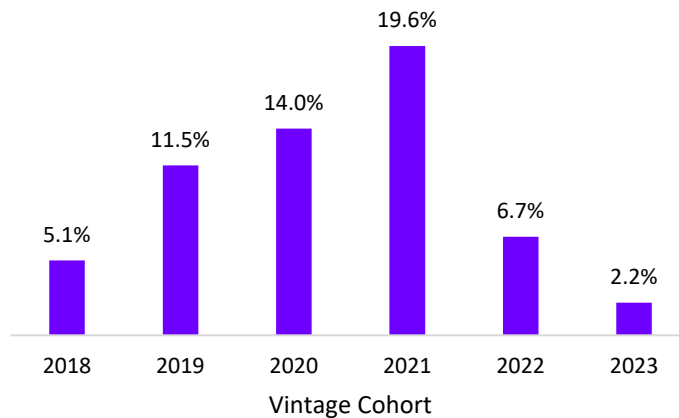


DraftKings (DKNG)

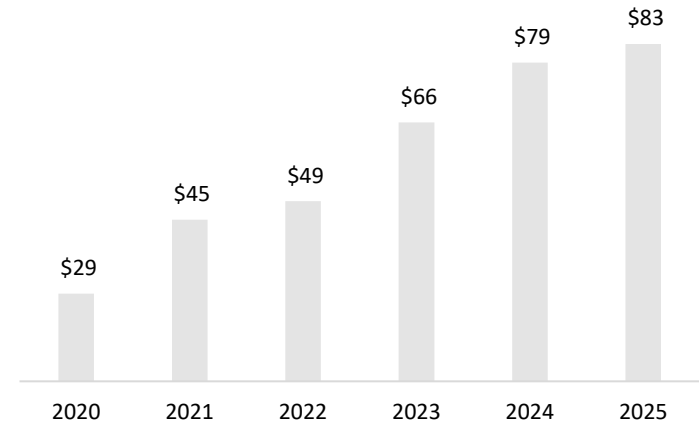
Sources of Future Growth

- DraftKings continues to see growth even in its oldest cohorts. In 2025, the 2018 cohort, which had been active for 7 years already, grew 5% YoY¹

2025 adjusted Gross Profit Growth by Cohort



DraftKings 2018 Cohort adjusted Gross Profit Dollars



1. Source DraftKings 2025 Investor Day

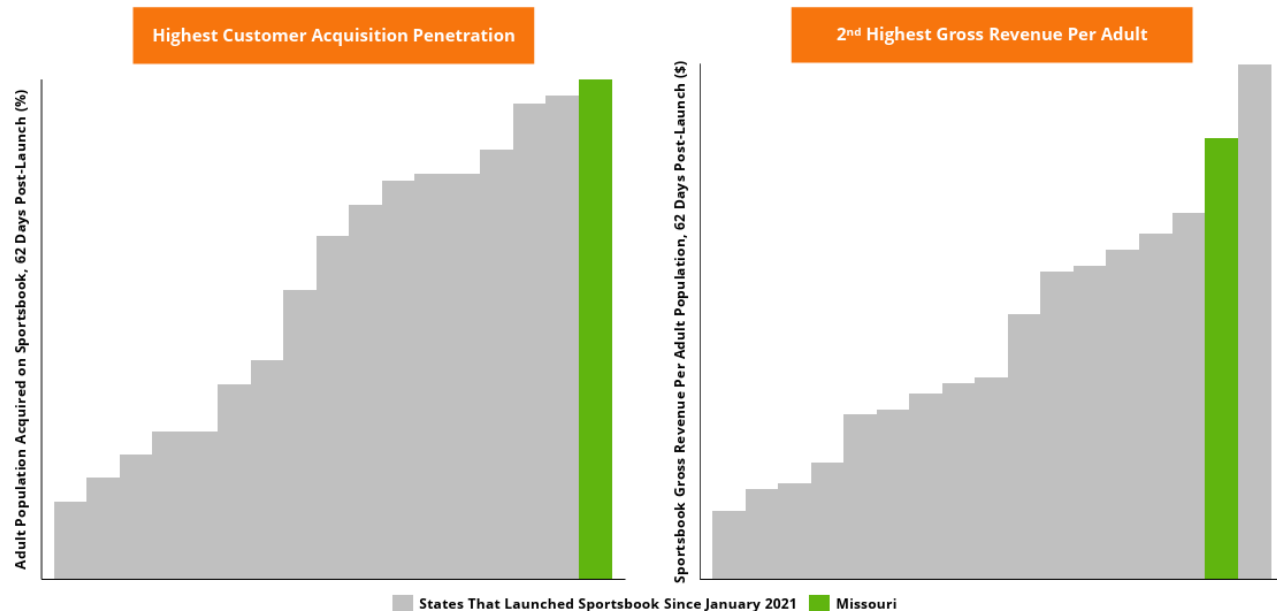


DraftKings (DKNG)

Sources of Future Growth

- Newly legalized states and jurisdictions represent a further opportunity
 - Missouri launched online sports betting on December 1, 2025
 - DraftKings launched in Puerto Rico on February 23, 2026
 - DraftKings launched in Arkansas in on March 20, 2026

Our launch of Sportsbook in Missouri was one of our most successful ever



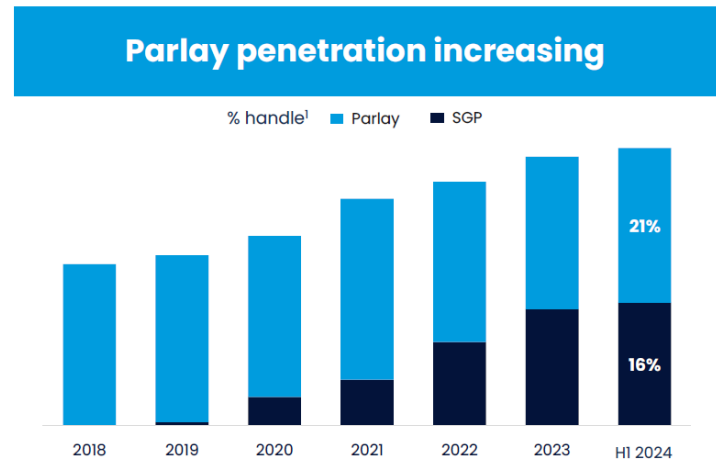
1. Source DraftKings Q4 2025 Earnings Presentation



DraftKings (DKNG)

Sources of Future Growth

- Closing the gap in net revenue percentage with FanDuel
 - FanDuel had a net revenue margin of 8.9% in 2025, which is 1.8% higher than DraftKings' 7.1%¹
 - Had DraftKings earned this net revenue margin on its handle, it would have translated into \$939mm in incremental revenue or 15.5% of DraftKings total 2025 revenue base
 - In its more mature international markets, FanDuel's net revenue margin is a much higher 12.4%¹
 - Equivalent to \$2.8bn in incremental revenue should DraftKings reach this level
- Much of the net revenue margin gap is driven by FanDuel's higher mix of parlay betting (37% in 2024 vs. DKNG at 28%)²



1. Source: Flutter Fiscal 2025 Earnings Report

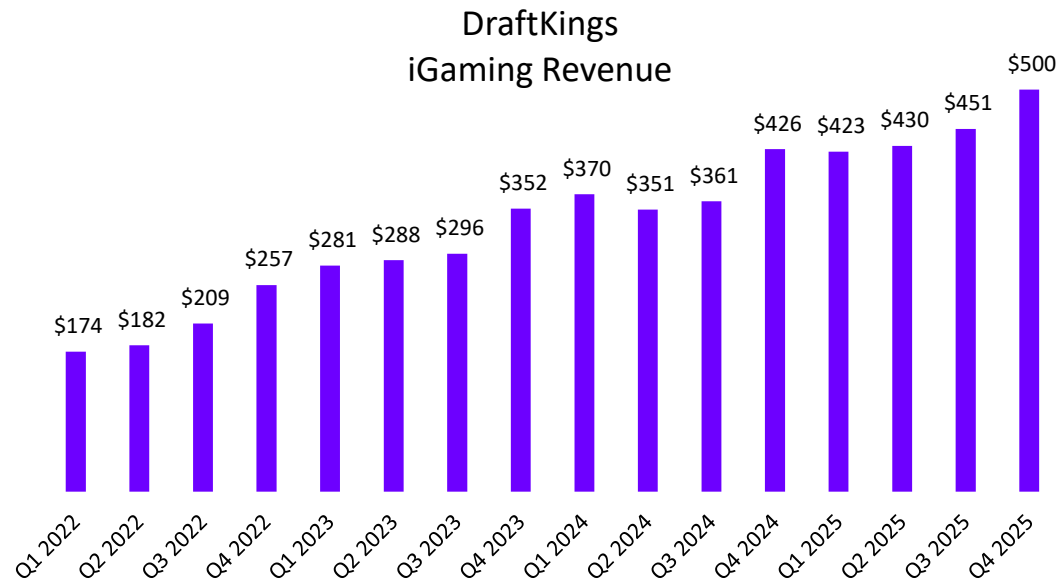
2. Source: Flutter 2024 Investor Day



DraftKings (DKNG)

Sources of Future Growth

- The iGaming industry is relatively nascent and small, with only 7 states legal
 - Despite this, DraftKings iGaming revenue has surpassed the \$2bn run rate, up 2.9x since Q1 2022¹
 - “The economics are far stronger and slot and table games just have much higher margins, require much less promotional reinvestment, they’re much less seasonal. They also can offer, between sportsbook and iGaming, really great cross-sell opportunities as well.”²
 - Former Associate Director at DraftKings



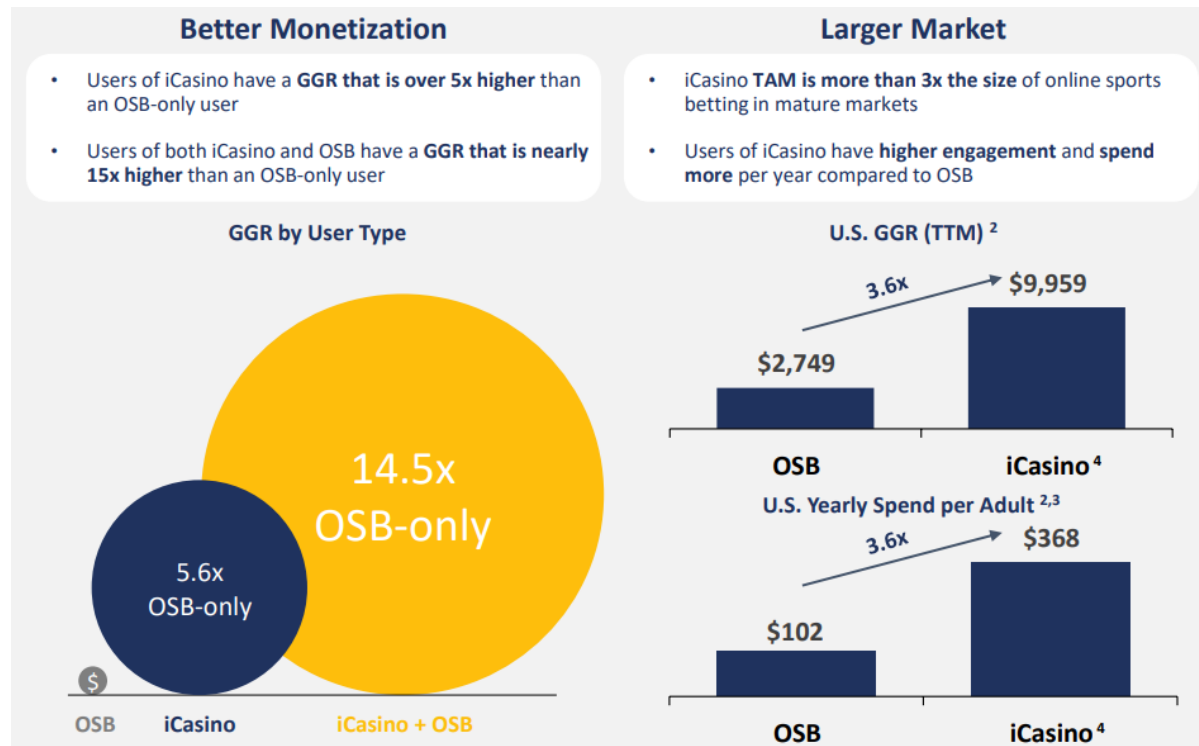
1. Source: DraftKings Q4 2025 Earnings Presentation
2. Source: Tegus Expert Call Transcripts



DraftKings (DKNG)

Sources of Future Growth

- The iGaming industry could be a larger opportunity than online sports betting
 - Players that use both online sports and iGaming show 14.5x higher spend
 - In states where both iGaming and online sports betting are legal, iGaming gross revenue is ~3.6x that of sports



1. Source: Rush Street Interactive Investor Presentation February 2026



DraftKings (DKNG)

Source of Moat

Technology Stack

- Live betting and odds setting capabilities are much better than competitors
 - >\$50mm in gross gaming revenue was generated in 2025 on bets taken while competitors were unavailable¹
 - Live betting now makes up 54% of total handle¹
 - Availability reached 84% in 2025, up from 22% in 2022 with 517 live betting options per game vs. 124 in 2022¹
- Proprietary content
 - 95% of all odds and content now comes from in-house tech, up from 72% in 2022¹
 - 36% of total iGaming handle in 2025 came from in-house studio games¹
 - >\$30bn in in-house iGaming handle in 2025 provided >\$550mm in gross gaming revenue¹

Cross-Sell

- Having casino and sports intertwined allows for cross sell capabilities
 - 62% of total iGaming handle today comes from embedded casino product in the Sportsbook app¹

1. Source: DraftKings 2026 Investor Day



DraftKings (DKNG)

Source of Moat

Brand

- DraftKings has one of, if not the, best known brands in sports betting¹

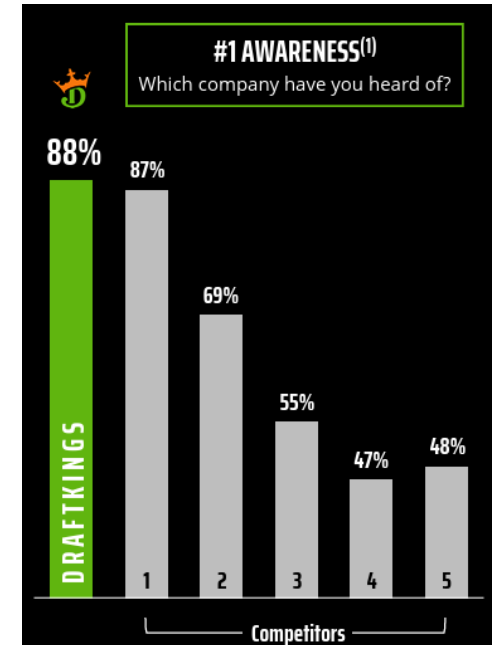
First Mover Advantage/Customer Stickiness

- “There's all kinds of evidence that shows the first operator you try that you're likely to have to hold most of your wallet with them.”²
 - Former Director of Casino Performance & Strategy at Fanatics

Potential Marketing Ban

- “You're just going to limit advertising then the companies that already have all the customers are going to benefit and then they don't have to spend money on advertising anymore.”²
 - Former Strategy Expert at a U.S. Sports Betting Company
- Would likely result in a situation similar to that of big tobacco, wherein the marketing ban solidified market shares and expanded margins given no need to invest in marketing

1. Source: DraftKings 2026 Investor Day
2. Source: Tegus Expert Network





DraftKings (DKNG)

Evidence of Moat

- 1) Multiple well-funded competitors have attempted to win significant market share and failed
 - ESPN Bet
 - Ended its partnership with Penn Entertainment just 2 years after announcing its deal
 - ESPN and Penn had agreed to a 10-year, \$2bn deal in 2023
 - ESPN received \$150mm annually and received warrants to purchase Penn stock
 - Reached just 3% market share despite access to all of ESPN's media properties and heavy investment
 - In conjunction with the dissolution, DraftKings became the exclusive online betting partner of ESPN beginning December 1, 2025¹
 - Barstool Sportsbook
 - Penn Entertainment bought 36% of Barstool Sports in February 2020 for \$163mm and the remaining 64% in February 2023 for \$388mm²
 - Barstool Sportsbook reached just ~2% market share by 2023³
 - By August 2023, Penn sold Barstool back to founder Dave Portnoy for just \$1⁴

1. Source: "Why is ESPN Bet Shuttering? What to Know About the Sportsbook's Ending" *The Athletic*

2. Source: "Penn Entertainment Completes Acquisition of Barstool Sports" *Penn Entertainment*

3. Source: "ESPN Strikes \$2 Billion Sports-Betting Deal with Penn Entertainment" *Wall Street Journal*

4. Source: "Penn Entertainment sells Barstool Sports back to founder Dave Portnoy" *CNBC*



DraftKings (DKNG)

Evidence of Moat

- 1) Multiple well-funded competitors have attempted to win significant market share and failed
 - Wynn
 - Decided against taking its online sports betting and iGaming business public in 2021
 - Generated just low single digit market share
 - Churchill Downs
 - Announced in early 2022 that it would not pursue online sports betting outside of horse racing
 - 888 Gaming
 - In late 2022 announced it would leave online sports betting only states and only participate in states that had both online sports betting and iGaming
 - FuboGaming and MaximBet
 - Both announced they were exiting online sports betting in late 2022

1. Source: "DraftKings' Leading Product and Technology Expertise Supporting its Brand Advantage" *Morningstar*



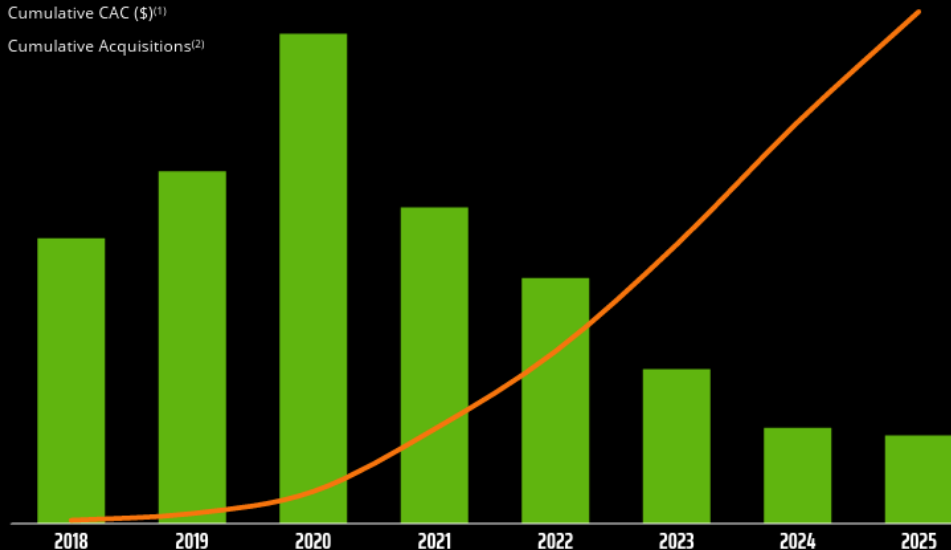
DraftKings (DKNG)

Evidence of Moat

2) Customer acquisition costs have dropped dramatically since 2020 as competition has dropped and brand and national scale has allowed for efficient spend

We continue to acquire more customers at efficient CACs

■ Cumulative CAC (\$)⁽¹⁾
— Cumulative Acquisitions⁽²⁾



CUMULATIVE CUSTOMER ACQUISITION EXCEEDED 14M IN 2025

CUMULATIVE CAC DECLINED OVER 40% FROM 2020 TO 2025



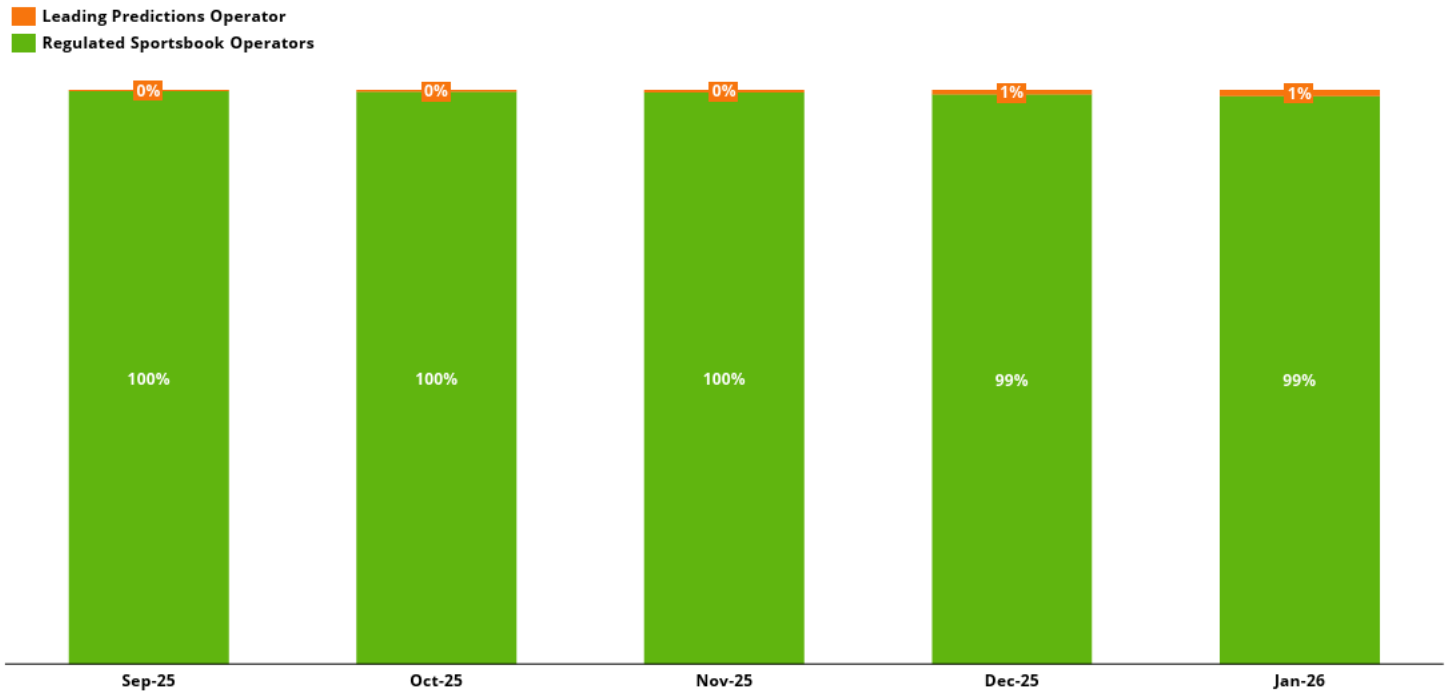
DraftKings (DKNG)

Concerns – Prediction Markets

- While prediction markets have generated a lot of buzz and press, they have not meaningfully impacted the market share of leading sportsbooks

We are not seeing a discernible impact from Predictions on our revenue

Wallet Share⁽¹⁾ of Leading Sportsbooks and Leading Predictions Operator



Source: DraftKings Q4 2025 Earnings Presentation



DraftKings (DKNG)

Concerns – Negative Public Sentiment

- There is growing backlash to the impact of legalized gambling within the U.S.
 - 43% of U.S. adults now view sports betting as bad for society

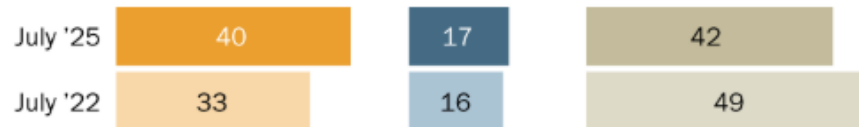
Growing shares of Americans view legal sports betting as bad for society and sports

% of U.S. adults who say the fact that betting on sports is now legal in much of the country is ___ for society/sports

For society



For sports



¹ Source: "Americans Increasingly See Legal Sports Betting as a Bad Thing for Society and Sports" Pew Research Center



DraftKings (DKNG)

Capital Allocation

- 2024 Share Repurchase Program
 - \$1bn in share repurchase authorization
- 2025 Share Repurchase Program
 - \$2bn share repurchase authorization
 - Equates to ~19% of shares outstanding/market cap
- Between the two programs, bought back \$48mm in 2024 and \$571mm in 2025
 - The bulk of the 2025 program occurred in Q4, with \$257mm at an average price of ~\$32.20
- “Expect to remain active with our repurchases as aEBITDA grows”¹

¹ Source: DraftKings Q4 2025 Earnings Call Transcript

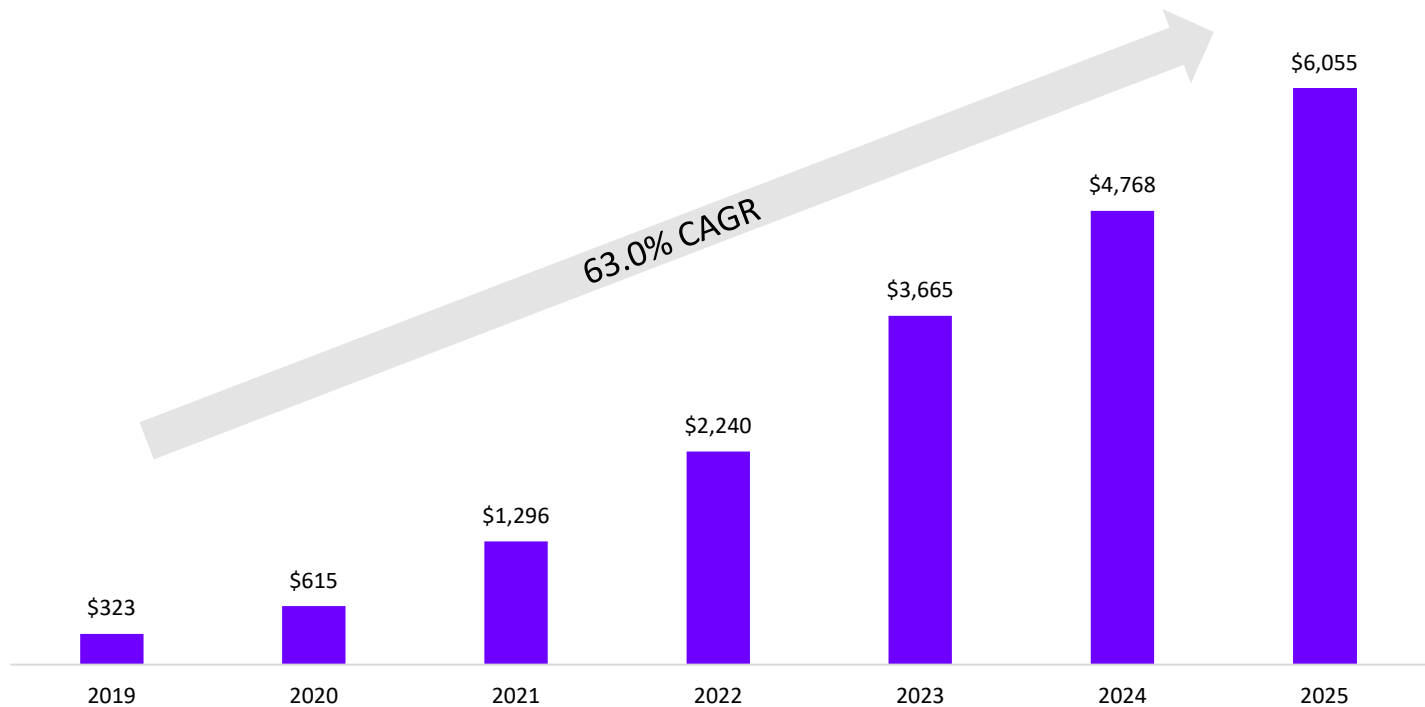


DraftKings (DKNG)

Financial Model – Revenue

- DraftKings has grown revenue at a 63.0% 6-year CAGR

DraftKings Revenue (\$mm)



1 Source: DraftKings Financial Reports

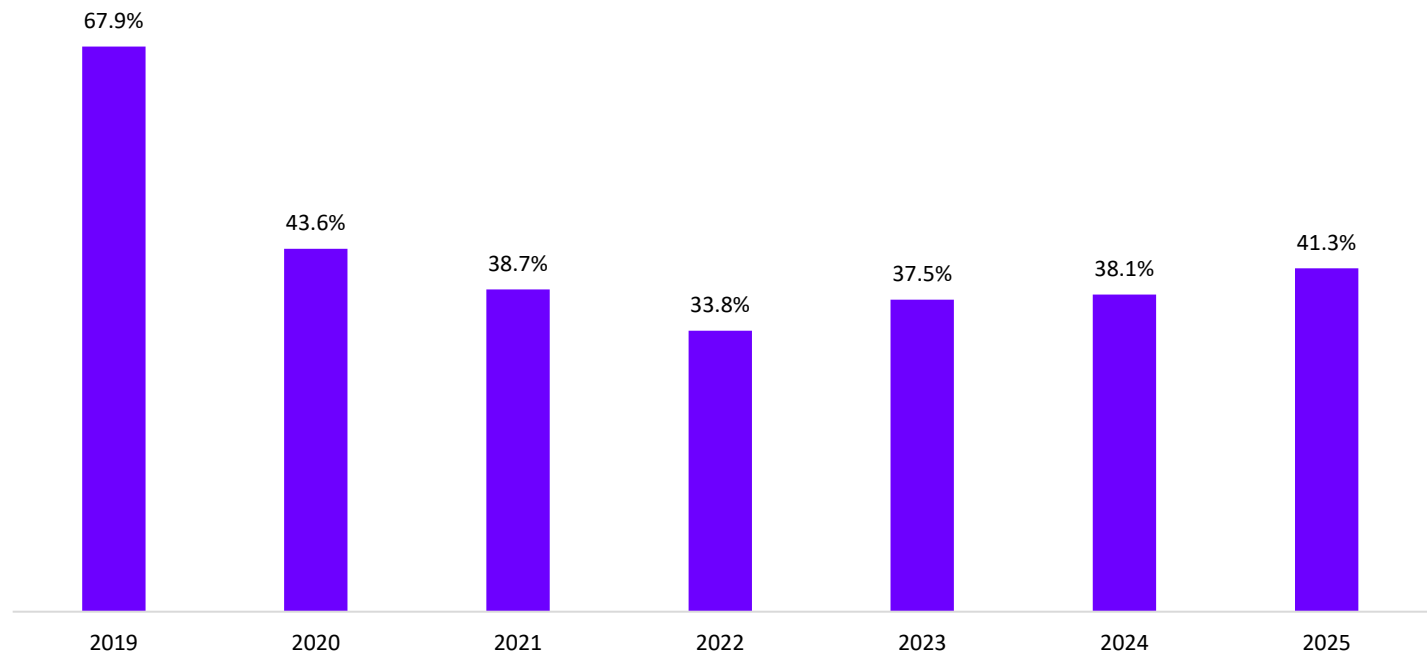


DraftKings (DKNG)

Financial Model – Gross Margin

- Gross margin has stabilized in the low 40s
 - Lower than in 2019 due to daily fantasy sports having an inherently higher gross margin than online sports betting

DraftKings Gross Margin



1 Source: DraftKings Financial Reports

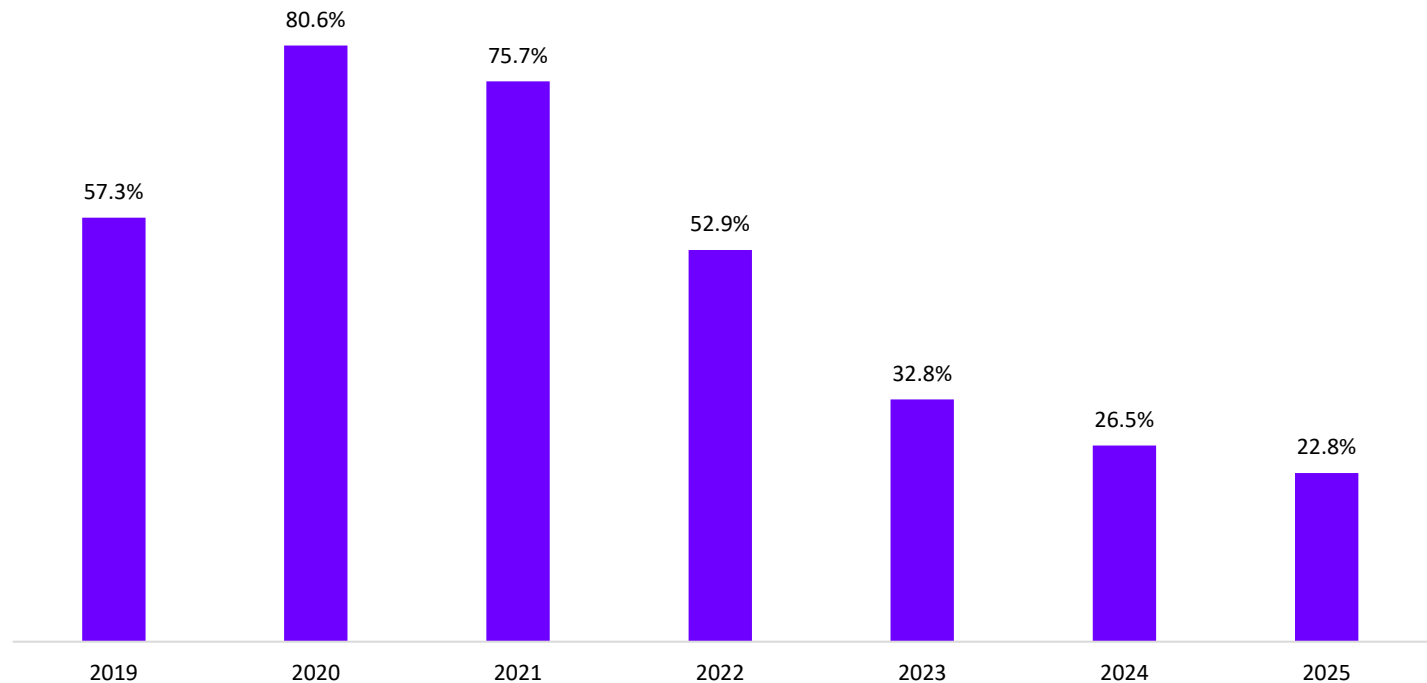


DraftKings (DKNG)

Financial Model – Sales & Marketing

- DraftKings has realized significant operating leverage as it has built its national brand and established market share

S&M % of Revenue



1 Source: DraftKings Financial Reports



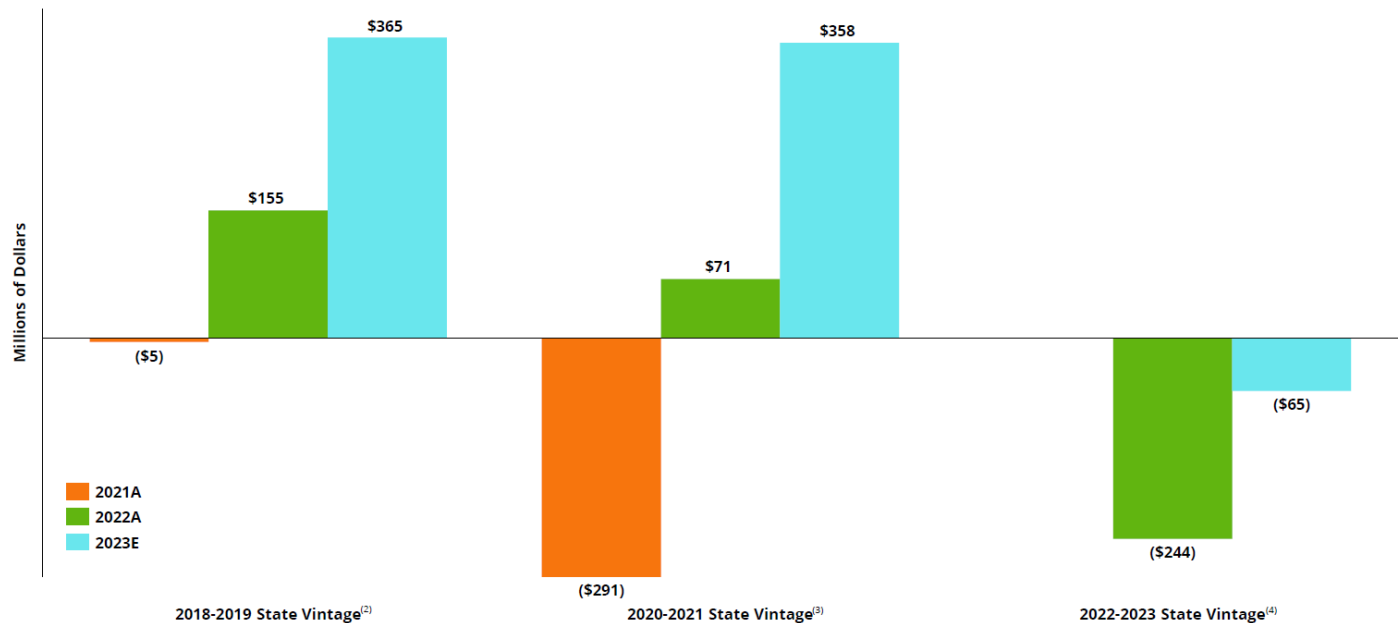
DraftKings (DKNG)

Financial Model – Marketing Investment

- DraftKings made heavy investments early on in state legalization in order to gain market share. As market shares have stabilized and solidified, states have become much more profitable

All state vintages are inflecting to positive Contribution Profit⁽¹⁾ in 2-3 years

Contribution Profit⁽¹⁾ by State Vintage



1 Source: DraftKings 2023 Investor Day

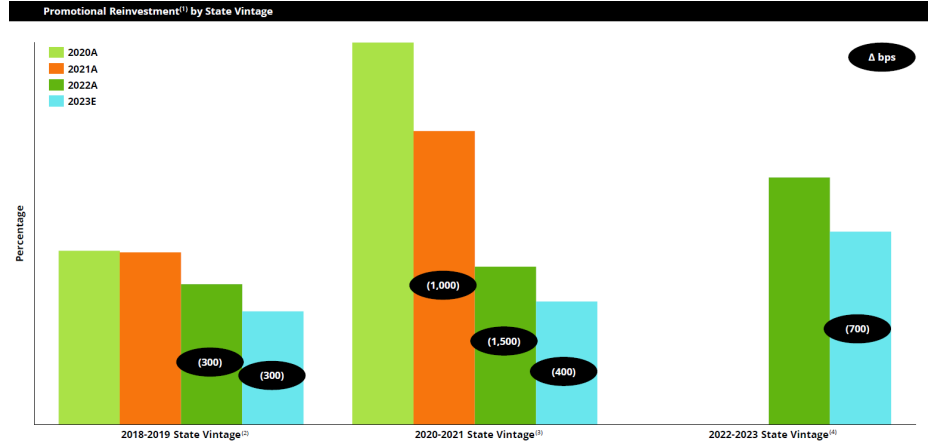


DraftKings (DKNG)

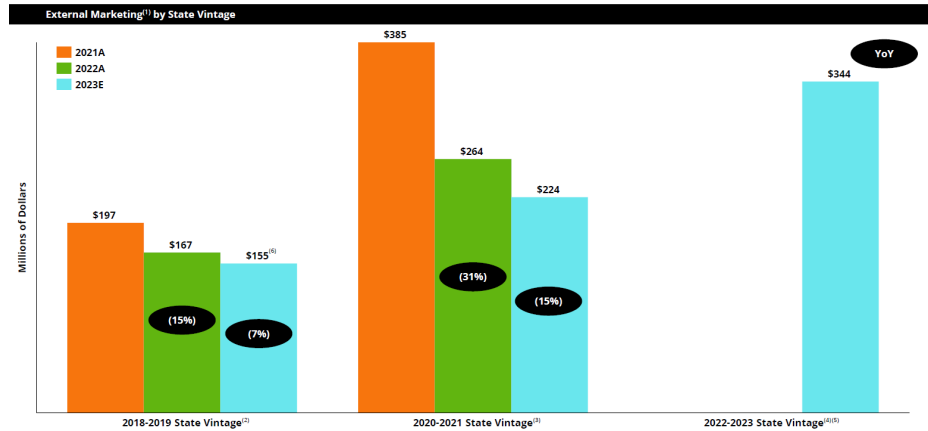
Financial Model – Marketing Investment

DraftKings made heavy investments early on in state legalization in order to gain market share. As market shares have stabilized and solidified, states have become much more profitable

Promotional Reinvestment lessens as our states mature



External Marketing lessens as states mature



1 Source: DraftKings 2023 Investor Day



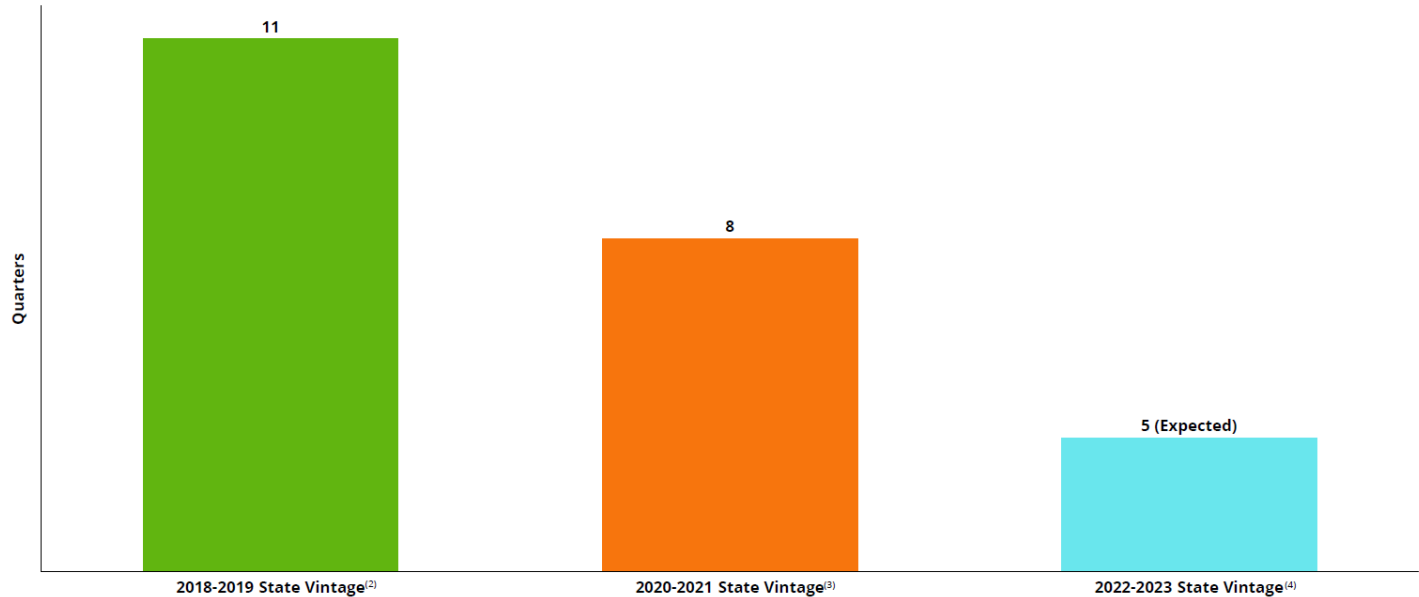
DraftKings (DKNG)

Financial Model – Marketing Investment

- States are requiring less upfront investment due to national brand and online sports betting awareness

Newer state vintages are generating positive Contribution Profit⁽¹⁾ faster

Average Quarters Since Launch to Reach Trailing 12-month Positive Contribution Profit⁽¹⁾



1 Source: DraftKings 2023 Investor Day



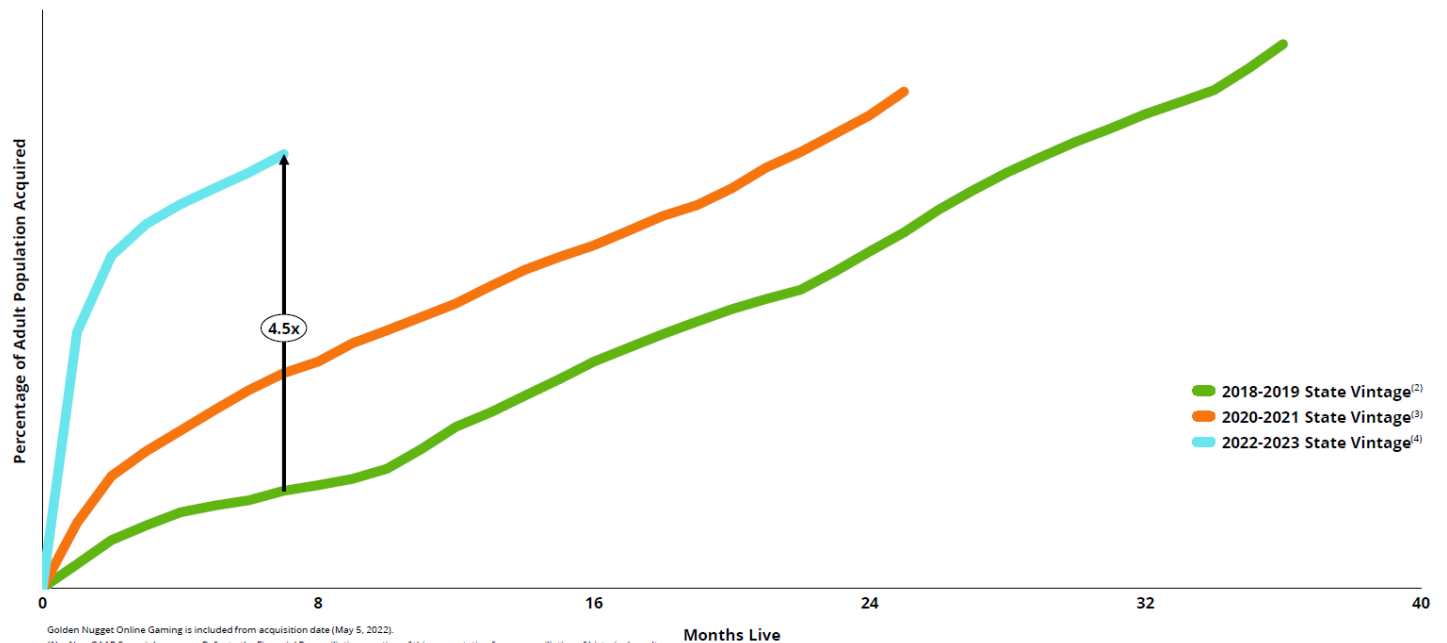
DraftKings (DKNG)

Financial Model – Marketing Investment

- States are requiring less upfront investment due to national brand and online sports betting awareness

A more rapid pace of customer acquisition is driving faster state Contribution Profit⁽¹⁾

Average Pace of Customer Acquisition by State Vintage



1 Source: DraftKings 2023 Investor Day

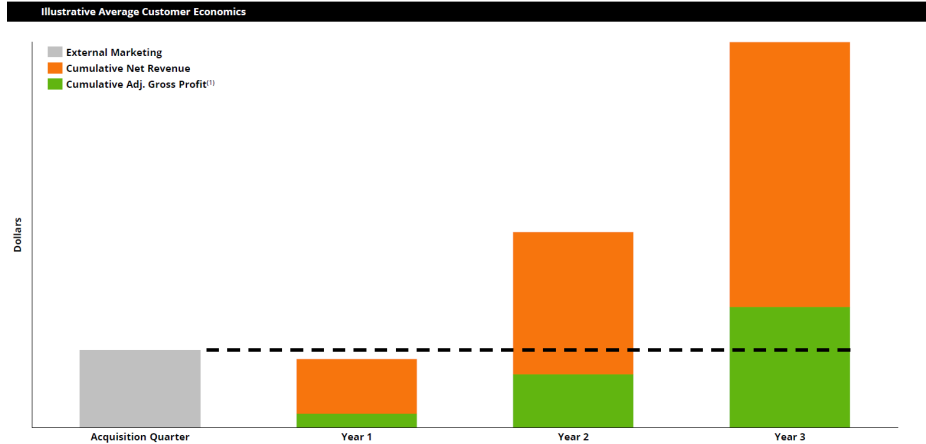


DraftKings (DKNG)

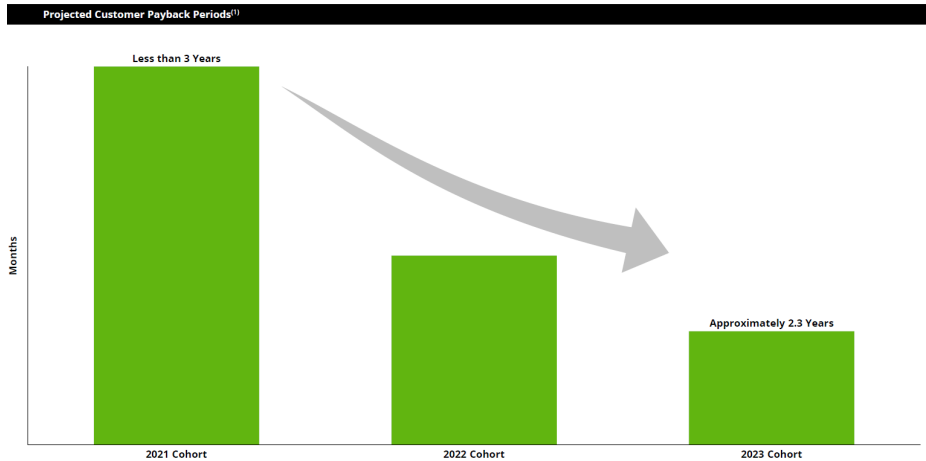
Financial Model – Customer Economics

While there is required customer acquisition costs, due to the stickiness of wallets and decreasing marketing requirements, the payback period is <3 years and declining

Historically, we have acquired new customers at less than 3-year Adj. Gross Profit paybacks



As a result, payback periods are shortening



1 Source: DraftKings 2023 Investor Day

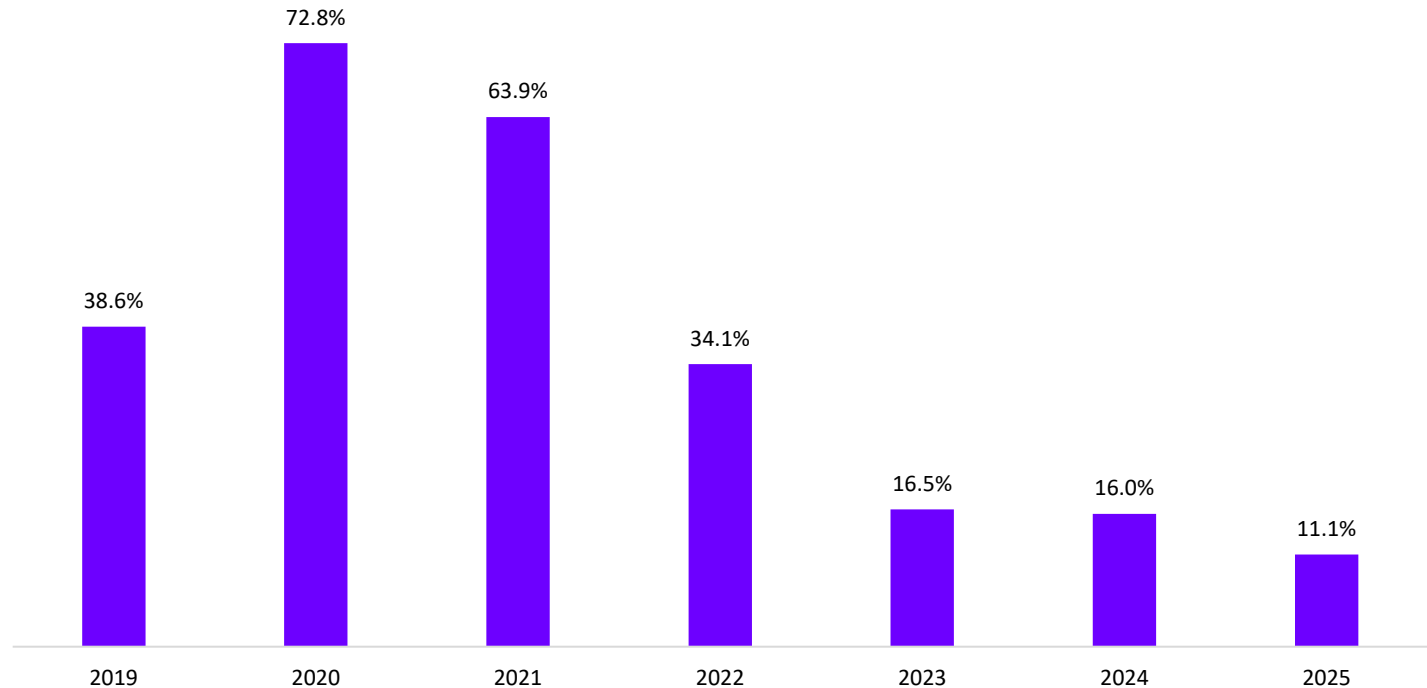


DraftKings (DKNG)

Financial Model – Research & Development

- DraftKings has realized significant operating leverage across operating expense line items as it has scaled

R&D % of Revenue



1 Source: DraftKings Financial Reports

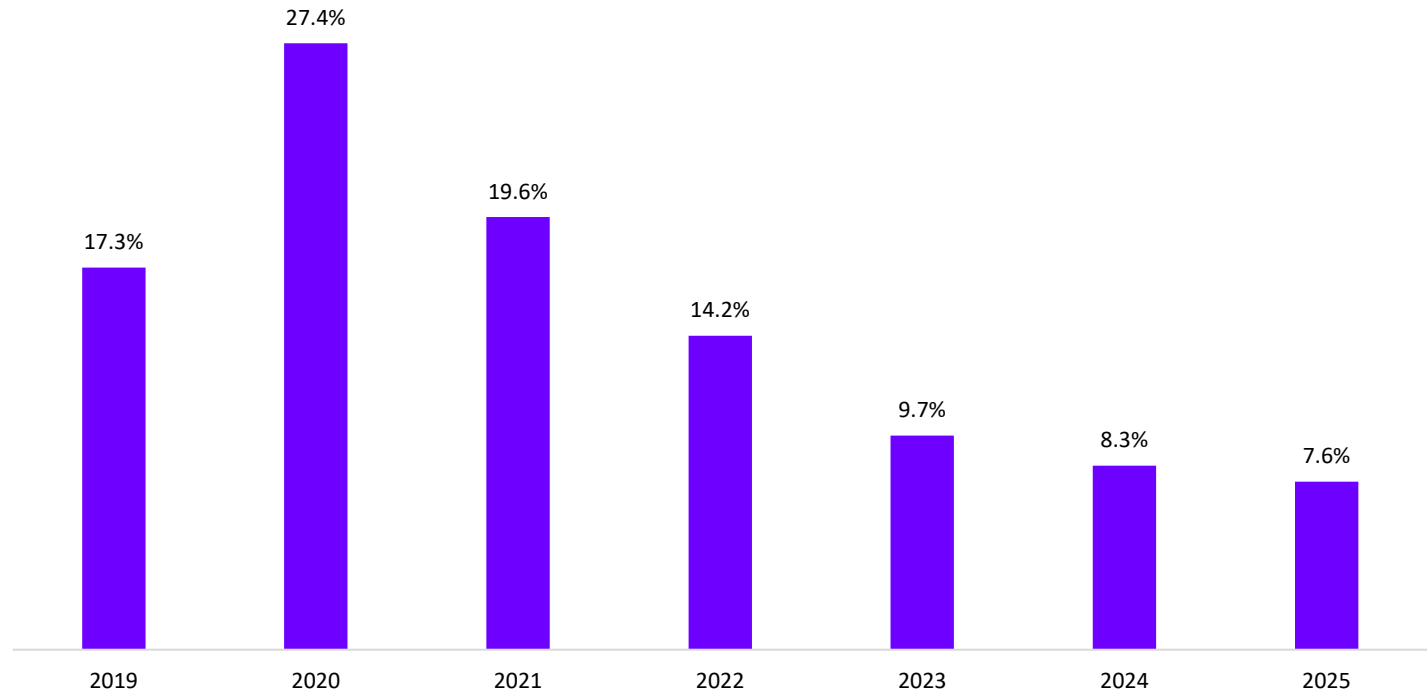


DraftKings (DKNG)

Financial Model – General & Administrative

- DraftKings has realized significant operating leverage across operating expense line items as it has scaled

G&A % of Revenue



1 Source: DraftKings Financial Reports

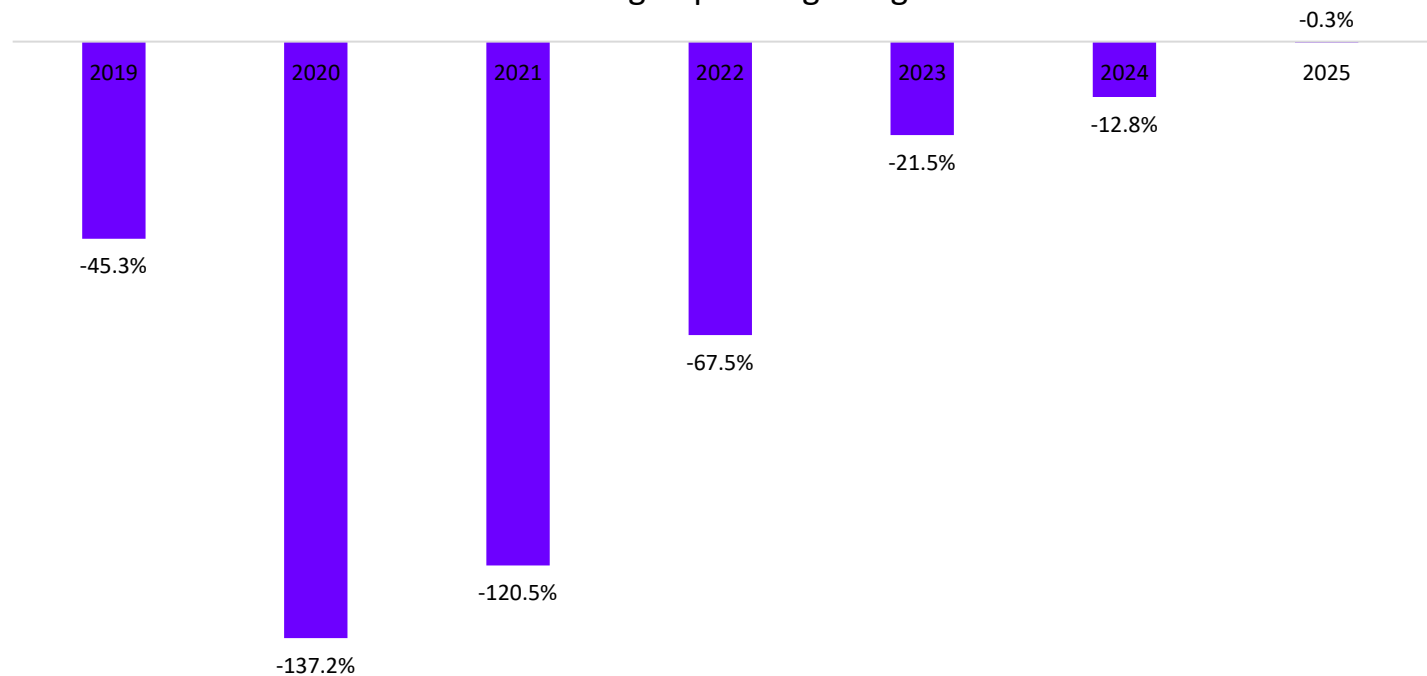


DraftKings (DKNG)

Financial Model – Operating Income

- Operating leverage in conjunction with rapid revenue growth has led to operating margins improving from (137%) in 2020 to operating breakeven in 2025

DraftKings Operating Margin



1 Source: DraftKings Financial Reports



DraftKings (DKNG)

Financial Model – Net Income

- GAAP net income is inflecting positive after years of heavy investment

DraftKings Net Income (\$mm)



1 Source: DraftKings Financial Reports

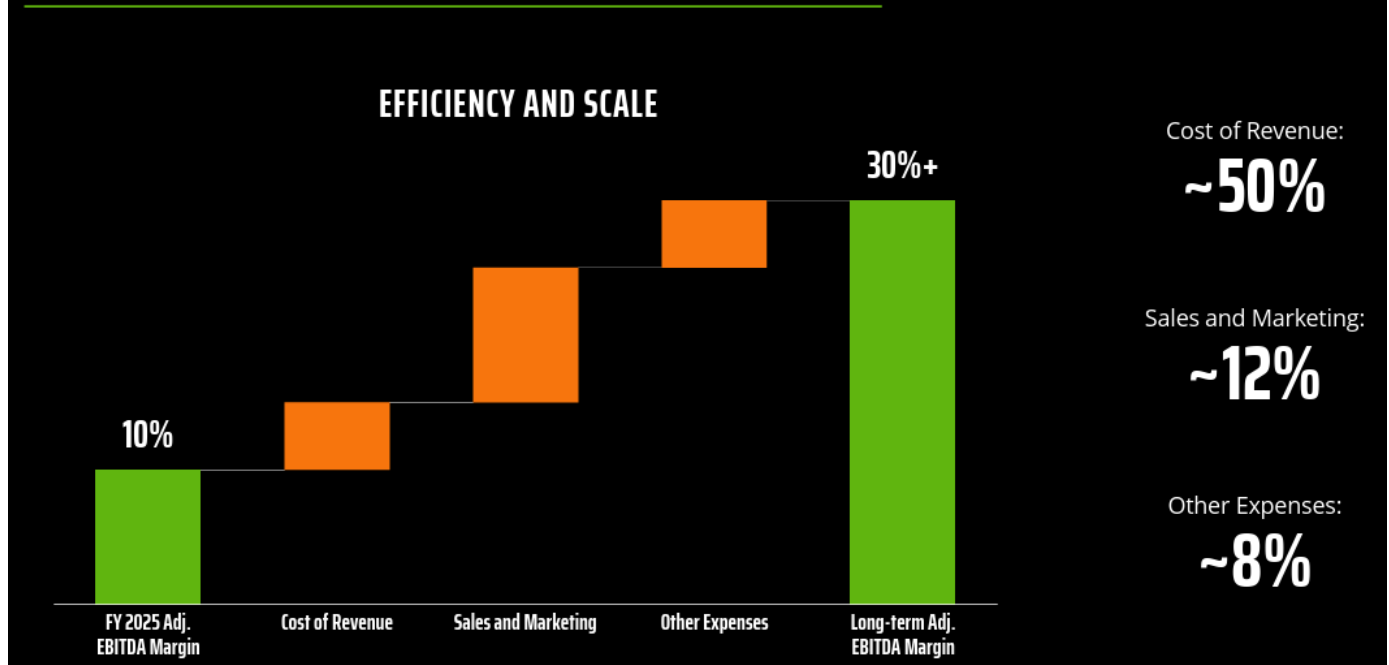


DraftKings (DKNG)

Financial Model – Long-term Targets

- In the long-term, DraftKings sees the potential for 20% margin expansion to reach 30% aEBITDA margins¹
- Flutter's international markets aEBITDA margin was 22.7% in 2025²

We expect to achieve at least a 30% long-term Adjusted EBITDA Margin⁽¹⁾



1 Source: DraftKings 2026 Investor Day
2 Source: Flutter Fiscal 2025 Earnings Report



DraftKings (DKNG)

Valuation

Metric	Value	Metric	Value
P/2026E	29.8x	EV/2026 Sales	1.6x
P/2027E	14.9x	Dividend Yield	0.0%
EV/2026 EBITDA	13.0x	2026 Growth Rate	13.4%



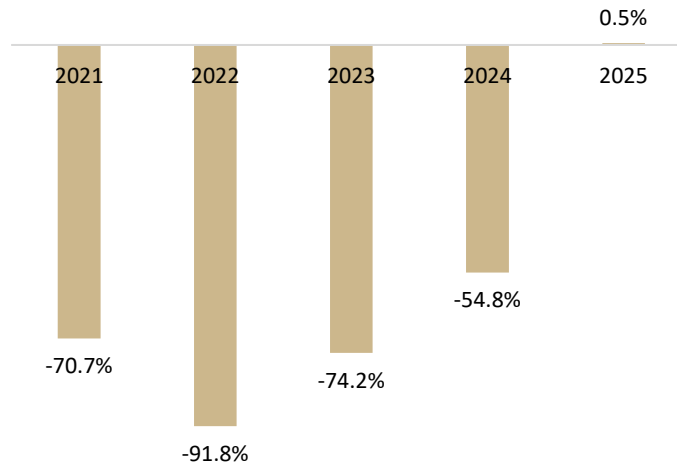


DraftKings (DKNG)

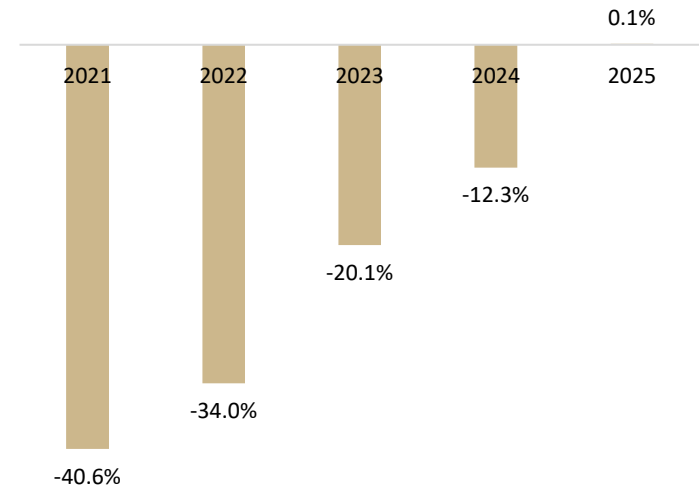
Valuation – Return on Capital

- DraftKings has yet to turn GAAP profitable, thus ROICs are still negative. In the longer-term, this should be a highly capital efficient company due to limited CapEx needs

DraftKings
Return on Common Equity (%)



DraftKings
Return on Assets (%)

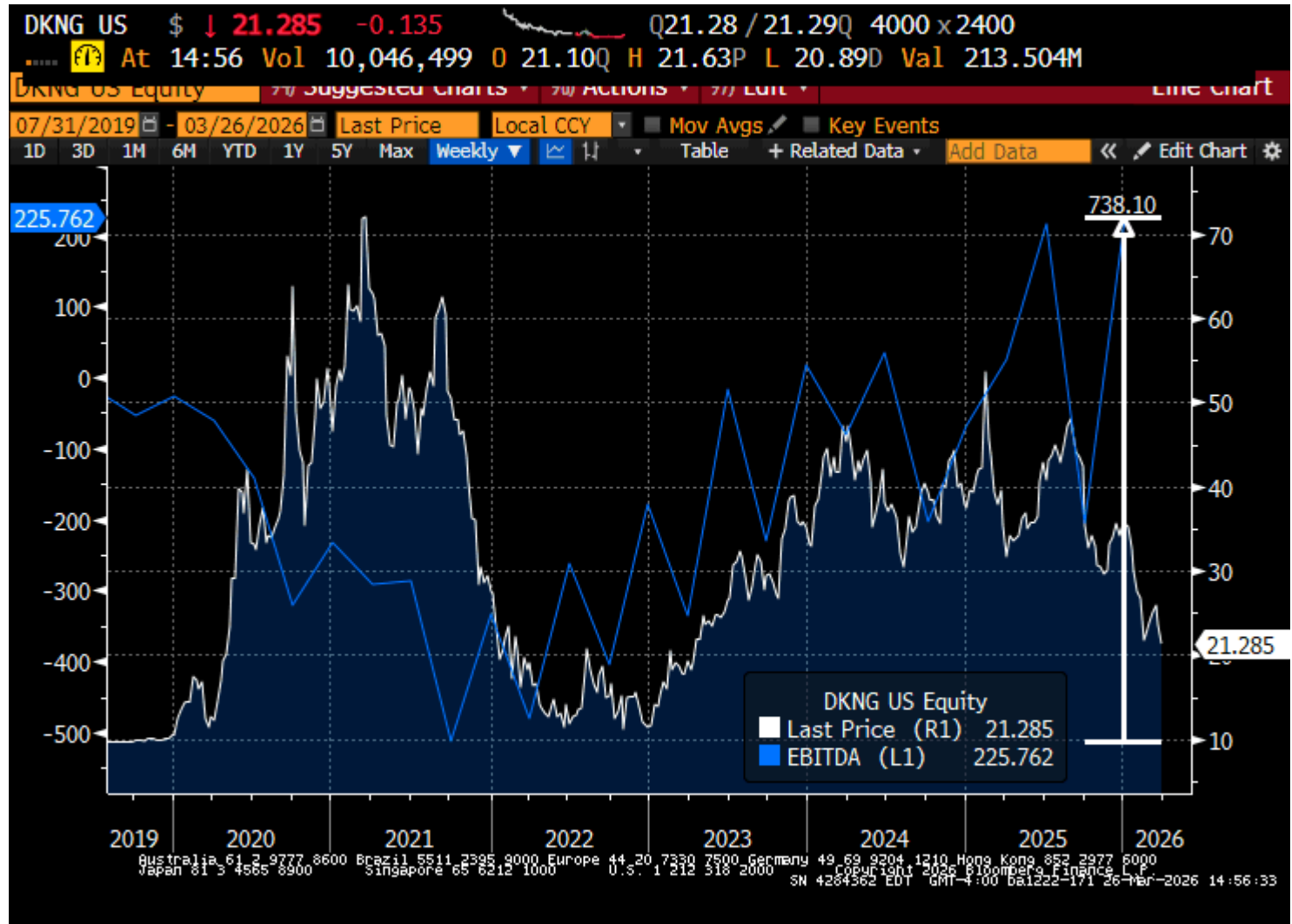


1 As of December 31, 2025. Source: Internal calculations.



DraftKings (DKNG)

Valuation





DraftKings (DKNG)

Valuation





DraftKings (DKNG)

Valuation – Relative

- Despite being the #4 player in iGaming and having no meaningful online sports betting presence, Rush Street commands nearly half the market cap of DraftKings
 - This, despite having just 19% of DraftKings' 2025 revenue base

Name	Ticker	Mkt Cap (USD)	BEst P/E:1BF	BEst Curr EV / BEst Sl:1BF	Rev - 1 Yr Gr:Q	Rev - 5 Yr Avg Gr:Q	EBITDA to Net Sales:Y	BEst Curr EV/BEst EBITDA:...	GM:Y
Median		4.86B	10.88	1.60	16.57%	18.78%	10.41%	7.13	49.77%
DRAFTKINGS INC-CL A	DKNG US	10.49B	18.16	1.50	42.82%	45.49%	4.56%	11.58	41.25%
FLUTTER ENTERTAINMENT PLC-DI	FLUT US	18.16B	13.51	1.46	24.92%	22.41%	9.48%	8.42	45.19%
BOYD GAMING CORP	BYD US	6.25B	10.88	2.07	2.03%	11.55%	29.58%	6.16	49.54%
CAESARS ENTERTAINMENT INC	CZR US	5.47B	1.26k	2.56	4.18%	15.15%	29.27%	7.89	50.00%
RUSH STREET INTERACTIVE INC	RSI US	4.99B	36.24	3.31	27.83%	26.67%	11.34%	20.35	34.62%
ENTAIN PLC	ENT LN	4.72B	8.61	1.32	--	--	6.67%	6.36	60.85%
PENN ENTERTAINMENT INC	PENN US	1.95B	9.25	1.71	8.22%	13.94%	-3.01%	4.78	33.79%
BETSSON AB-B	BETSB SS	1.47B	7.90	0.89	-0.95%	13.12%	26.20%	3.90	63.12%
BALLY'S CORP	BALY US	548.94M	--	2.67	28.58%	79.72%	9.30%	8.94	54.84%
EVOKE PLC	EVOK LN	217.05M	4.11	0.93	--	--	13.14%	4.91	65.58%



DraftKings (DKNG)

Ownership

DKNG US Equity					2) Export	Settings	Security Ownership
DRAFTKINGS INC-CL A					CUSIP 26142V10		
1) Current					2) Historical		3) Matrix
4) Ownership Summary					5) Insider Transactions		6) Options
7) Issuer Debt							
Search Name					Default - No Search Selected		2) Save Search
2) Delete Search					2) Refine Search		
Text Search					Holder Group		All Holders
Investment Manager View							
2) Color Legend					Shrs Out 493.0M		% Out 98.43
Float/Shrs Out 97.10					SI % Out 7.61		Edit Columns
Holder Name	Latest Chg	Position	% Out	Portfolio Name	Source		
					All		
1. Vanguard Group Inc/The	1,354,457	44,758,204	9.08	ULT-AGG	ULT-AGG		
2. FMR LLC	2,413,189	26,597,639	5.40	ULT-AGG	ULT-AGG		
3. Janus Henderson Group PLC	0	25,313,909	5.13	13G	13G		
4. Capital Group Cos Inc/The	14,380,877	25,242,150	5.12	Multiple Portfol...	13F		
5. Blackrock Inc	1,713,773	24,834,364	5.04	13G	13G		
6. JPMorgan Chase & Co	-3,826,948	22,801,938	4.63	13G	13G		
7. Viking Global Investors LP	4,116,561	19,119,912	3.88	Viking Global I...	13F		
8. AQR Capital Management LLC	4,788,337	16,474,009	3.34	AQR Capital Ma...	13F		
9. T Rowe Price Group Inc	-8,040,382	12,565,686	2.55	ULT-AGG	ULT-AGG		
10. Citadel Advisors LLC	9,295,010	10,372,434	2.10	Citadel Advisor...	13F		
11. State Street Corp	96,766	10,027,870	2.03	ULT-AGG	ULT-AGG		
12. Geode Capital Management LLC	192,160	9,494,860	1.93	Geode Capital ...	13F		
13. Eminence Capital LP	2,151,892	8,426,755	1.71	Eminence Capit...	13F		
14. NORGES BANK	-198,145	8,254,956	1.67	Norges Bank	13F		
15. Morgan Stanley	3,050,925	8,223,301	1.67	ULT-AGG	ULT-AGG		
16. Baillie Gifford & Co	-232,893	7,454,948	1.51	Baillie Gifford ...	13F		
17. Massachusetts Financial Services Co	-67,993	7,405,106	1.50	Massachusetts ...	13F		
18. Kalish Matt	273,488	6,315,517	1.28	Form 4	Form 4		
19. Cadian Capital Management LP	4,135,461	5,524,221	1.12	Cadian Capital ...	13F		

Viking Global owns 3.9%, worth \$407mm

Other Notable Shareholders (Management):

18.	Kalish Matt	273,488	6,315,517	1.28	Form 4
28.	Robins Jason D	35,076	3,608,829	0.73	Form 4
36.	Lieberman Paul	0	2,452,871	0.50	Form 4



DraftKings (DKNG)

Ownership

Index Representation

- Not a member in the S&P 500, Nasdaq Composite, S&P 400, or Russell 2000
- Future index inclusion, likely determined by consistent GAAP profitability, could be a stock performance catalyst



DraftKings (DKNG)

Short Interest





DraftKings (DKNG)

Important Disclosures

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