

FANDUELGROUP

TVG and FanDuel Racing for Gen Z

Today's Chat

- Who are FanDuel, Flutter, TVG in USA?
- A Few Caveats
- Gen Z and FanDuel Racing
 - Cross-sell Opportunity “More Ways to Win”
 - Attracting and Engaging Gen Z
 - Building a Product for Gen Z

Flutter, FanDuel, TVG, FanDuel Racing?

US



CEO
Matt King

FanDuel Group is the US Subsidiary majority owned by Flutter PLC

- Operating in the US it's the combination of multiple brands
- Formed 2018 with Flutter Acquisition of FanDuel

Key Racing Focus

- TVG est. 1999
- #1 ADW/online horse racing betting platform in US
- Operate in 33 states
- FanDuel Racing Launched Jan 2020

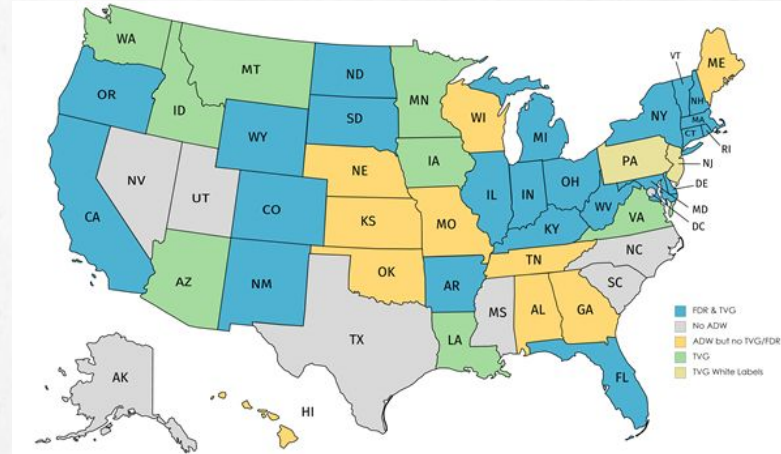
FANDUEL

TVG

POKERSTARS
POKER | CASINO | SPORTS

FOX BET













Online Horse Racing in nearly all US States



Video and Television Key for our #1 Position

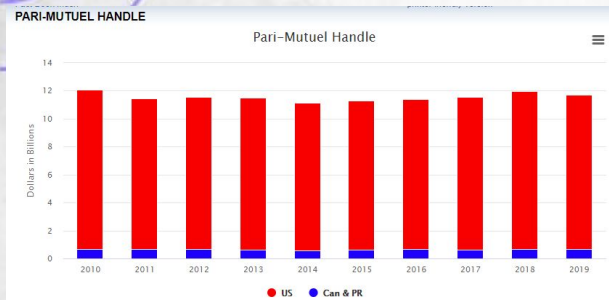
Video & Vision key to racing's success as a gambling product and TVG

- We operate two dedicated horse racing channels under TVG brand
- Historically a key acquisition and brand driver
- TVG carried by major cable satellite network
- OTT launch in 2017 on Apple TV, FireStick and Roku
- Recently being added to streaming only services: YouTube TV & FuboTV

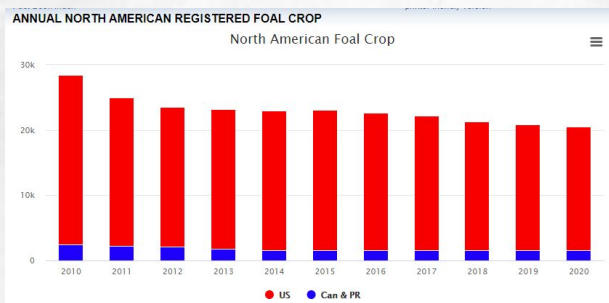
| | | |
|---|-----------------------|---|
|  | HOMES PASSED | 45 MILLION |
| | CONTENT | TOP TIER RACING & PROGRAMMING |
| | LIVE BROADCAST | AVERAGE 16+ HOURS X 7 DAYS A WEEK |
| | KEY TRACKS |      |
|  | HOMES PASSED | 15 MILLION |
| | CONTENT | CHURCHILL DOWNS, 2ND & 3RD TIER RACING |
| | LIVE BROADCAST | AVERAGE 8+ HOURS X 5 DAYS A WEEK |
| | KEY TRACKS |      |



Seismic Changes in US Betting Industry an opportunity for Racing



Source: Jockey Club Factbook



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Pre-2018: Racing in a Monopoly online

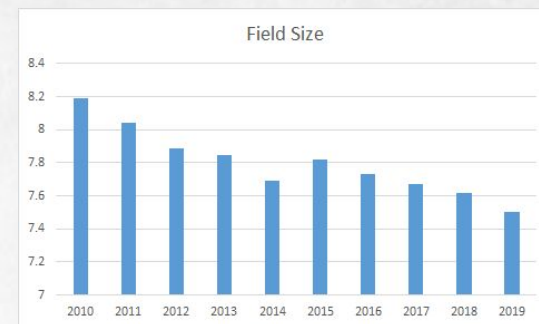
- Handle/Volume effectively stagnated
- Foal Crop Drop
- Field Sizes and betting product suffer

2018: Re-birth of Online Gaming

- Jan: Supreme Court repeal of PASPA
- June: Flutter/PaddyPowerBetfair purchases FanDuel
- Sept: 1st Sportsbet taken online outside of Nevada in state of New Jersey

2020: Inflection Point with Spend to engage new generation

- Approx 25% of the US population live in states where sports betting is legal
- Gen Z is the first generation to have opportunity to be digital gambling natives
- Racing in US has opportunity to address this generation



Source: Jockey Club Factbook

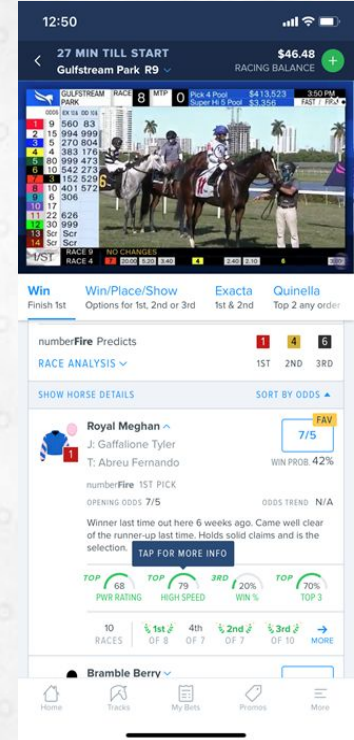
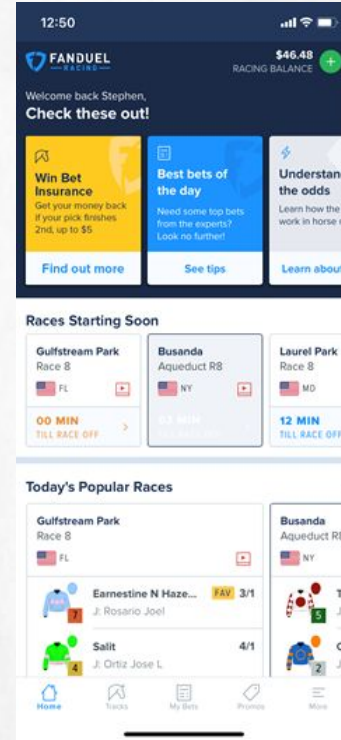
Generation Z and Racing within FanDuel Group

- 1) More Ways to Win - How we look to grow engagement across Gen Z and see the missed Generation
- 2) Attracting and Engaging Generation Z
- 3) Building Product for a Generation Z customer

Caveat: Are Racing product was not designed for Gen Z. We can only sign up 21+. Most of these thoughts at my own!

More Ways To Win - Growing Engagement in Gen Z

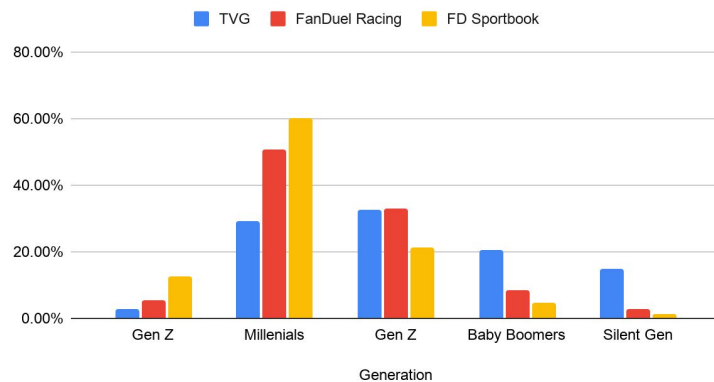
- **More Ways To Win**
 - Primarily we invest heavily in Sportsbook to acquire customers
 - Racing sits as X-sell product and a great one
- **FanDuel Racing Launched Early 2020**
 - Sportsbook Style Interface betting into Pools
 - Explaining make no assumptions
 - Rich immersive video
 - Research validated tipping and racing data
 - Opportunity as a product manager to try new things



More Ways To Win - Growing Engagement in Gen Z

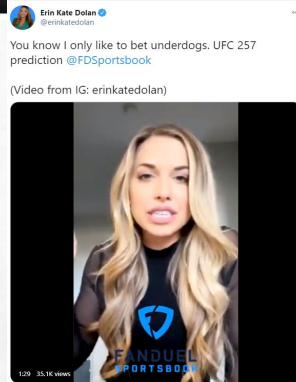
- **Bringing Back Racing in from the cold**, putting in the shop with and where the new breed of Sports bettor
 - US Racing has lost a generation (millennials)
 - At launch 50% of our initial FanDuel Racing base didn't know racing was legal online in their states
- **Massive opportunity**
 - Online Sportsbook in 2 years now almost 3X the volume of US TB racing
 - FanDuel Sportsbook acquiring Gen Z at good rate

Missed Generations for Traditional Racing Brands



Attracting and Engaging Gen Z

Cross Platform Influencers



Greater Investing in New Channels:

- Heavy Influencer and spokesperson
 - YouTube and Twitch Focus
- Partnering Sports Content Producers
- Not frightened of being complex in language

Stand out Sportsbetting Retail Experiences

- Destination Gaming Locations
- Traditional Vegas SBK is RIP

For FanDuel Racing:

- Leverage the assets and influencers
- We're placing Racing in the right place at the right time
- Using Tent-pole events to cross-sell to Racing with the right product



Attracting and Engaging GenZ - Warning Opinion!

Price: A Marketing Fundamental

- Gen Z are price conscious
 - Seen from HKJC & other Research
 - Willing to research, will see other gaming options
- Racing Needs to put itself forward in terms of price
 - ATG reducing takeout should be applauded
 - Focus on Revenue Models and forgetting Handle
 - US at a crossroads with SBK expansion
 - Prohibitie Tote Takeout alongside SBK lines
 - Jackpot Wagers churn killers
 - Rebating vs Lower Takeout for all

Top Carryovers & Payouts

| Top Carryovers | | Top Payouts | |
|--------------------------|-------------------------|-------------|--------------|
| Track Name | Bet Type | Date | Pool |
| Santa Anita | Pick 6 Jackpot | 01/23/2021 | \$662,532.00 |
| Gulfstream Park | Pick 6 Jackpot | 01/23/2021 | \$266,567.00 |
| Penn National | Super High Five Jackpot | 01/22/2021 | \$82,601.00 |
| Mahoning Valley Race ... | Pick 6 Jackpot | 01/23/2021 | \$47,008.00 |
| Charles Town | Pick 6 Jackpot | 01/23/2021 | \$46,459.00 |

[View All](#)

Marketing focused on effective 60%+ takeout that take hours to build a ticket wagers

Attracting and Interesting GenZ - Free to Play

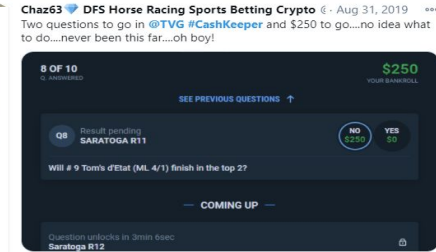


Try before you Buy

- Free to Play a key pillar to our Horse Racing & Sportsbook
- Sportsbook being topical and Fresh

For Racing and Gen Z

- Opportunity to offer different formats, bite sized, faster
- Cashkeeper Successes
- Super X Games

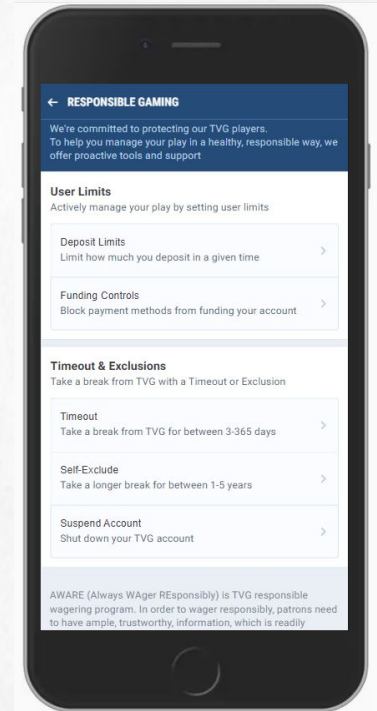


Building a Racing Product for Gen Z

Being Truthful, Sustainable and Ultimately Responsible

- Responsible Gaming needs to be at the forefront of the product
- Above and Below the Line controls
- 2020 Saw TVG & FanDuel Racing the first US ADWs
 - Setting User deposit & funding method limits
 - Timeouts, Marketing Exclusions or Shut Downs
- Continuing Protection in 2021

TVG and FanDuel Racing RG Controls



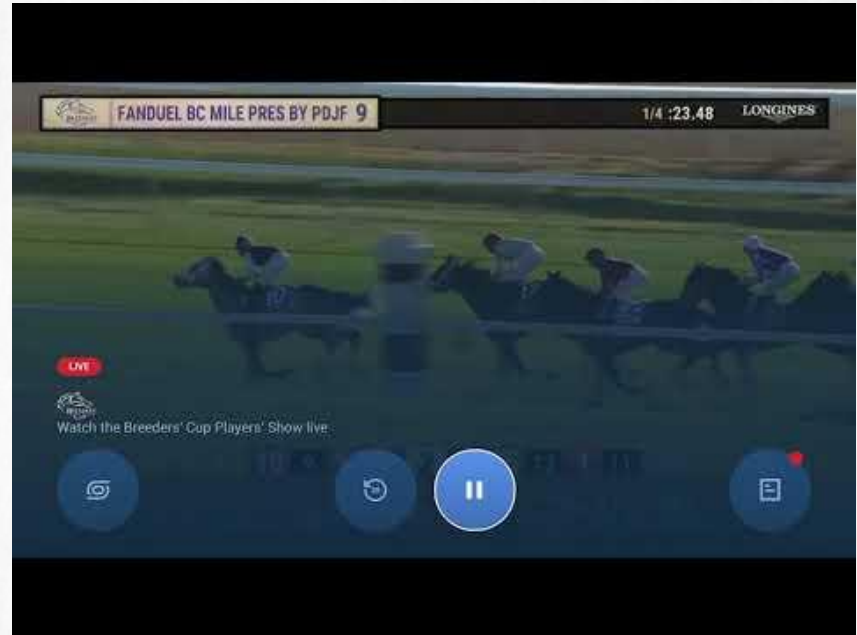
Building a Product for Generation Z: Technology Choices

- **Ownership of Tech Stack vital as we've to adapt fast**
 - Buy or Build:
 - Agility and scalability: 6 month roll out
 - Lean UX:
 - Collective Team unity for an MVP
 - Listen and Respond
 - A North Star vision
 - Placing the right infrastructural bets
 - Challenge with AppStore and PlayStore requirements
 - “Ease of Use” - speed, speed and more speed
 - Cycles of odds
 - Video Latency

Build a Product for Gen Z: Investing in the Viewing Experience

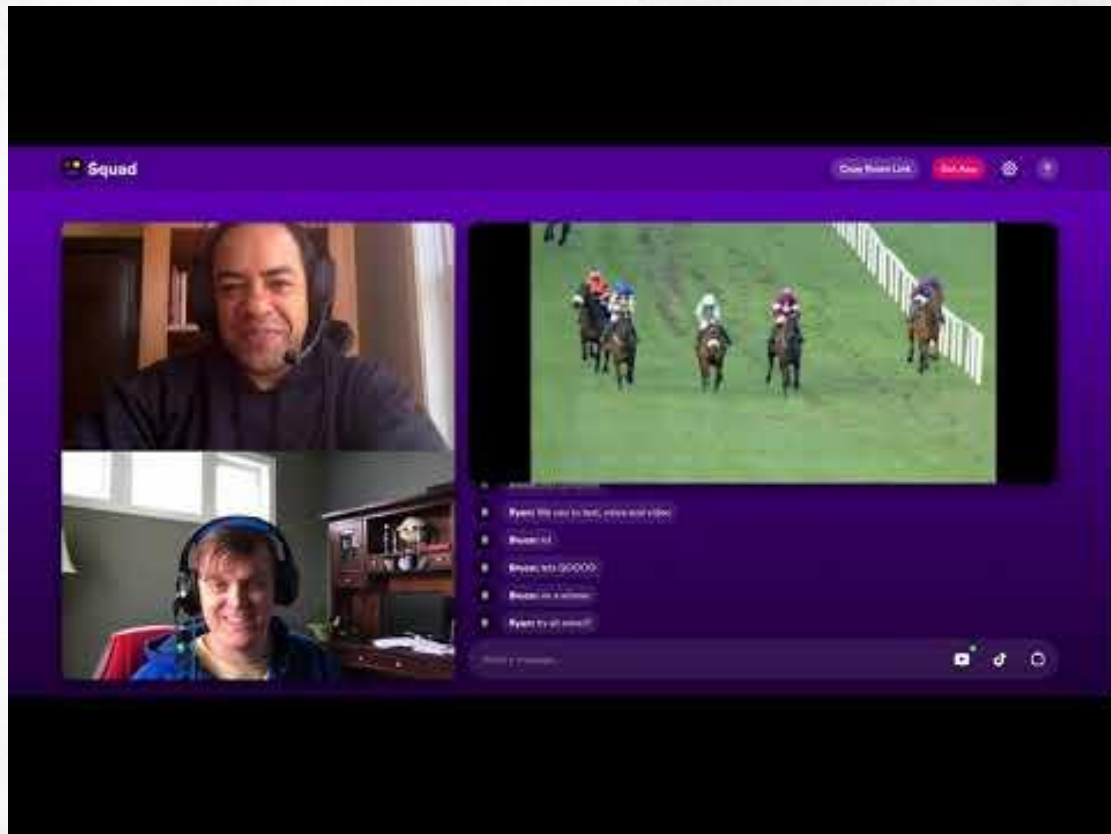
Watch TVG OTT a good infrastructural bet for us

- Gets horse racing outside of traditional TV formats
- 'Future proof' for growing and successful platforms
- Ability to Evolve
 - Integration with personal bet
 - Disposable channels
 - Test & learn
- Testing new Tech with Breeders Cup
- Customization for viewer



Build a Product for Gen Z: Flutter Emerging

- Dedicated Team
- Search and learning



Racing as Product For Gen Z: Opinion/Thoughts

Core Fundamentals Strong

- Speed of payout and Frequency of Races
- Rich Immersive Video
- Video Rights by in-large accessible vs major sports leagues
- Accessibility of athletes & trainers strong
- Richness of Data to harvest - need to cut red tape

Future Of Pools

- Priced right, powerful
- Reducing Risk: Partnership, Cashout, Fractional

Opportunity of Advancing Interest

- Being an owner too elusive in the past
- Micro-ownerships an interesting gateway