

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 14, 2023

DRAFTKINGS INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-41379
(Commission
File Number)

87-2764212
(IRS Employer
Identification No.)

222 Berkeley Street, 5th Floor
Boston, MA 02116

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (617) 986-6744

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	DKNG	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On November 14, 2023, DraftKings Inc. (the “Company”) will host a virtual Investor Day beginning at 10:00 a.m. EST, at which the Company will present and distribute to the investment community a slide presentation to provide updates and summaries of its business (the “Investor Day Presentation”). The Company is posting to the “Investor Relations” portion of its website at <https://draftkings.gcs-web.com/investor-relations-dkng> a copy of the Investor Day Presentation. A copy of the Investor Day Presentation is also attached to this Current Report on Form 8-K as Exhibit 99.1. The Company undertakes no obligation to update, supplement or amend the Investor Day Presentation attached hereto as Exhibit 99.1.

The information in this Item 7.01 and Exhibit 99.1 attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	DraftKings Inc. 2023 Investor Day Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 14, 2023

DRAFTKINGS INC.

By: /s/ R. Stanton Dodge
Name: R. Stanton Dodge
Title: Chief Legal Officer and Secretary



DRAFTKINGS INVESTOR DAY

November 2023

Legal disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, including statements about DraftKings Inc. ("DraftKings", the "Company", "we", "us" and "our") and its industry that involve substantial risks and uncertainties. All statements, other than statements of historical fact, contained in this presentation, including statements regarding guidance, our future results of operations or financial condition, strategic plans and focus, user growth and engagement, product initiatives, and the objectives and expectations of management for future operations (including launches in new jurisdictions and the expected timing thereof), are forward-looking statements.

In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "are," "believe," "confident," "contemplate," "continue," "could," "estimate," "expect," "forecast," "going to," "intend," "is," "may," "plan," "potential," "predict," "project," "propose," "should," "target," "will," or "would" or the negative thereof or other similar terms or expressions, or by discussions of vision, strategy or outlook. We caution you that the foregoing may not include all of the forward-looking statements made in this presentation.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this presentation primarily on our current expectations and projections about future events and trends, including the current macroeconomic environment, that we believe may affect our business, financial condition, results of operations, and prospects. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, including those described in our filings with the Securities and Exchange Commission (the "SEC"), which are available on the SEC's website at www.sec.gov.

In addition, the forward-looking statements contained in this presentation relate only to events as of the date on which the statements are made and are based on information available to us as of the date of this presentation. We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future mergers, acquisitions, dispositions or investments.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted Gross Profit, Adjusted Gross Margin, Free Cash Flow and Contribution Profit, which we use to supplement our results presented in accordance with U.S. generally accepted accounting principles ("GAAP"). These non-GAAP financial measures, which may not be comparable to other similarly titled measures of performance used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We define and calculate Adjusted EBITDA as net loss before the impact of interest income or expense (net), income tax provision or benefit, and depreciation and amortization, and further adjusted for the following items: stock-based compensation; transaction-related costs; litigation, settlement and related costs; advocacy and other related legal expenses; gain or loss on remeasurement of warrant liabilities; and other non-recurring and non-operating costs or income. We define and calculate Adjusted Gross Margin as Adjusted Gross Profit (which we define and calculate as Gross Profit before the impact of amortization of acquired intangible assets; depreciation and amortization; and stock-based compensation) divided by net revenue. We define and calculate Free Cash Flow as Adjusted EBITDA less investments into property and equipment and capitalized software, adjusted for sources or uses of cash from changes in net working capital and sources or uses of cash from net cash interest, and less corporate cash taxes paid. We define and calculate Contribution Profit as Adjusted Gross Profit less external marketing expense. Reconciliations of Adjusted EBITDA, Adjusted Gross Profit, Adjusted Gross Margin and Contribution Profit to their most directly comparable financial measures calculated in accordance with GAAP are provided in the Financial Reconciliation section of this presentation.

Legal disclaimer (continued)

No Offer or Solicitation

This presentation does not constitute a solicitation of a proxy, consent or authorization with respect to any securities of DraftKings. This presentation also does not constitute an offer to sell or the solicitation of an offer to buy securities, nor will there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities will be made except by means of a prospectus meeting the requirements of the Securities Act of 1933, as amended, or an exemption therefrom.

Industry and Share Data

This presentation includes information and statistics regarding market participants in the sectors in which DraftKings competes and other industry data which was obtained from third-party sources, including reports by market research firms and company filings.

Trademarks

This presentation may contain trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. Solely for convenience, some of the trademarks, service marks, trade names and copyrights referred to in this presentation may be listed without the TM, SM © or ® symbols, but we will assert, to the fullest extent under applicable law, the rights of the applicable owners, if any, to these trademarks, service marks, trade names and copyrights.

Projected Financial Information

This presentation contains financial forecasts, which were prepared in good faith by DraftKings on a basis believed to be reasonable. Such financial forecasts have not been prepared in conformity with GAAP. DraftKings' independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, they have not expressed an opinion nor provided any other form of assurance with respect thereto for the purpose of this presentation. These projections are for illustrative purposes only and should not be relied upon as being necessarily indicative of future results. Certain of the above-mentioned projected information has been provided for purposes of providing comparisons with historical data. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Projections are inherently uncertain due to a number of factors outside of DraftKings' control, as discussed in the Forward-Looking Statements above. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of DraftKings or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

Investor Day Takeaways

- 1** States are larger and growing faster than anticipated; we now expect the OSB and iGaming TAM to grow from ~\$20B in 2023 to ~\$30B in 2028 in *existing states alone*⁽¹⁾
- 2** Our superior product and technology, scale, and brand are driving rapid share gains across both OSB and iGaming, and we are continuing to innovate at a high velocity
- 3** Newer state vintages are inflecting to positive Contribution Profit⁽²⁾ faster and customer payback periods are improving
- 4** We expect to achieve \$1.4B of Adj. EBITDA⁽²⁾ in 2026 and reach \$2.1B (equal to prior “long-term” outlook) of Adj. EBITDA in 2028 *in existing states alone*⁽³⁾
- 5** There is potential for up to an additional \$6.2 billion of annual Adj. EBITDA from further OSB and iGaming legalization in the U.S.

(1) New Jersey, West Virginia, Indiana, Pennsylvania, New Hampshire, Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, Connecticut, Oregon, New York, Louisiana, Ontario, Kansas, Maryland, Ohio, Massachusetts, Kentucky, Maine, Puerto Rico, Vermont, and North Carolina are included. Puerto Rico and North Carolina are pending launch, subject to licensure and regulatory approvals. Vermont has authorized mobile sports betting and is in the process of soliciting bids for its RFP, and DraftKings has submitted a bid.

(2) Non-GAAP financial measure. Refer to the Financial Reconciliations section of this presentation for a reconciliation of historical results.

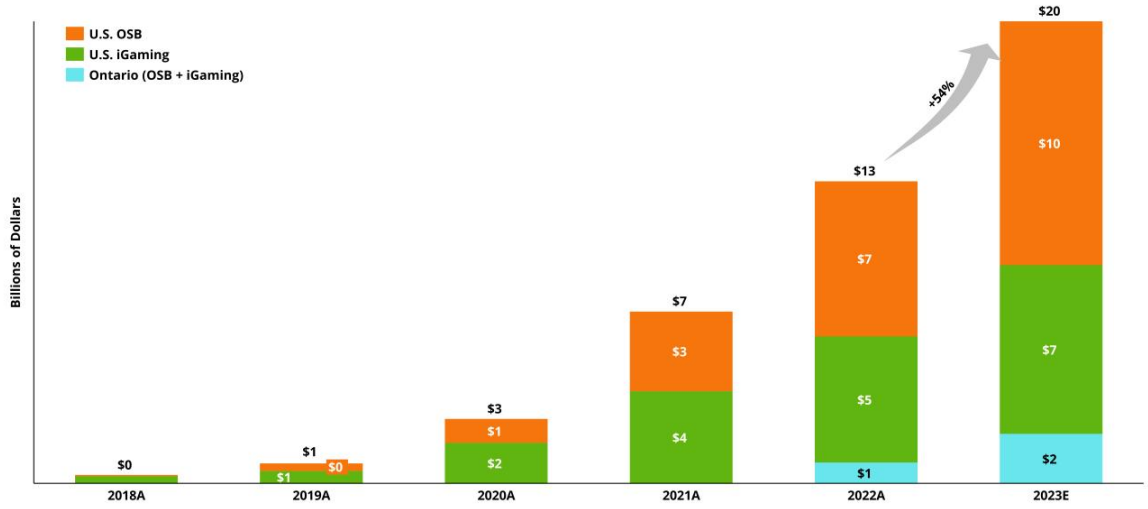
(3) 2026 and 2028 guidance includes OSB and iGaming operations in states consistent with 2024 guidance provided on November 2nd, 2023.



EXISTING STATE OPPORTUNITY

The OSB and iGaming TAM will reach ~\$20B in 2023 *in existing states alone*⁽¹⁾

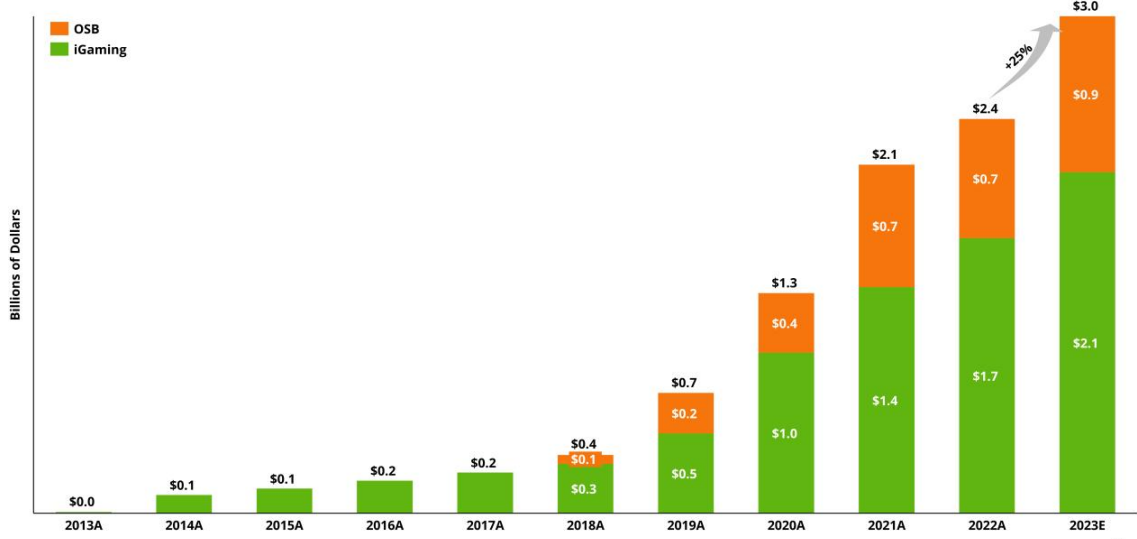
OSB and iGaming Gross Revenue (GRR) in States⁽¹⁾ DraftKings is Live



Sources: State Gaming Reports; iGaming Ontario; Eilers & Krejtek Gaming U.S. Sports Betting And Online Casino Outlook (XLS) - August 2023; Internal estimates.
 (1) New Jersey, West Virginia, Indiana, Pennsylvania, New Hampshire, Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, Connecticut, Oregon, New York, Louisiana, Ontario, Kansas, Maryland, Ohio, Massachusetts, Kentucky, and Maine are included.

10 years into iGaming and 5+ years into OSB, New Jersey GGR is continuing to grow rapidly

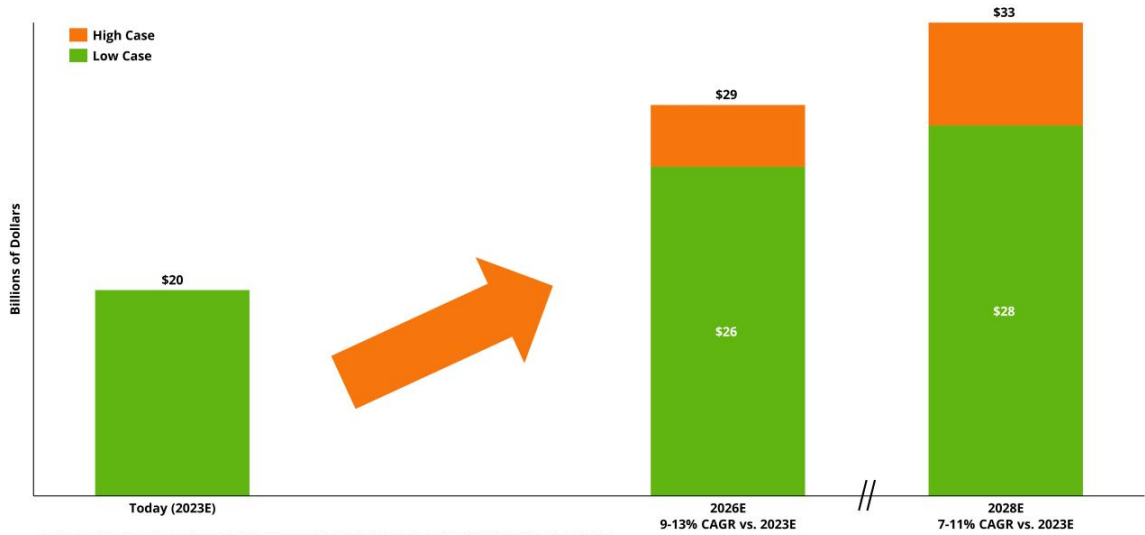
NJ OSB and iGaming Gross Gaming Revenue (GGR)



Sources: NJ Division of Gaming Enforcement; Eilers & Krejzok Gaming U.S. Sports Betting And Online Casino Outlook (OLS) - August 2023.

We expect OSB and iGaming TAM to reach ~\$30B in 2028 *in existing states alone*⁽¹⁾

Combined OSB and iGaming Gross Gaming Revenue (GGR) in States⁽¹⁾ DraftKings is Live and Pending launch



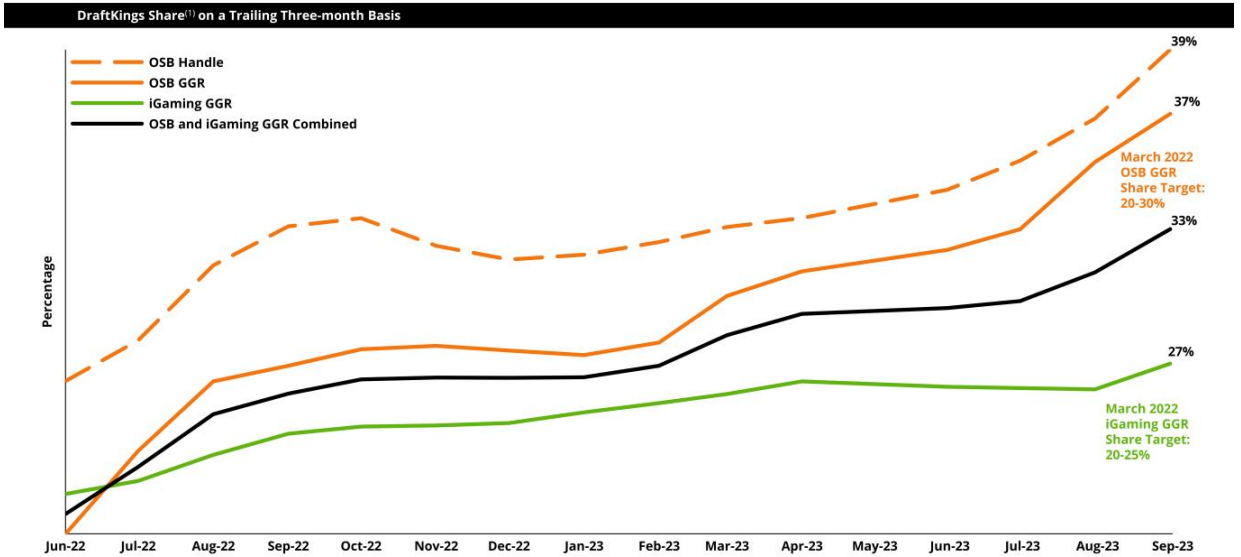
Sources: State Gaming Reports; iGaming Ontario; Eilers & Krejcie Gaming U.S. Sports Betting And Online Casino Outlook (OLC) - August 2023; Internal estimates.

(1) New Jersey, West Virginia, Indiana, Pennsylvania, New Hampshire, Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, Connecticut, Oregon, New York, Louisiana, Ontario, Kansas, Maryland, Ohio, Massachusetts, Kentucky, Maine, Puerto Rico, Vermont, and North Carolina are included. Puerto Rico and North Carolina are pending launch, subject to licensure and regulatory approvals. Vermont has authorized mobile sports betting and is in the process of soliciting bids for its RFP, and DraftKings has submitted a bid.



SHARE

Our U.S. OSB and iGaming GGR share is increasing



Sources: State Gaming Reports and DraftKings internal data.


Notes: Gross revenue as calculated pursuant to each state's definition; no adjustments were made to this state data.

(1) Share is calculated on a trailing three-month basis. Share denominator includes all U.S. states where DraftKings is live with OSB and/or iGaming, as applicable, and data was available as of November 1st, 2023. Contributions from the Golden Nugget Online Gaming brand are included. Poker gross revenue is included in the TAM denominator (DraftKings does not currently offer poker). Removing poker gross revenue from the denominator, as estimated by Eilers and Krejcie, would result in DraftKings iGaming GGR share of 38%.

We are highly differentiated due to leading product and technology, innovation at high velocity, scale, and brand

Drivers of Competitive Differentiation

LEADING PRODUCT AND TECHNOLOGY


 **Vertical Integration:** Create unique products for the U.S. sports fan, powered in-house

 **Single Wallet:** Deliver a seamless experience across states and DraftKings-branded products

 **Scalable Regulatory Platform:** Facilitate responsible gaming, data privacy, and security for all customers

 **Geographic Flexibility and Velocity:** Leverage technology to rapidly enter new OSB and iGaming states

INNOVATION AT HIGH VELOCITY


 **Data Science Powerhouse:** Drive a personalized experience through automation and user-level analytics

- Optimize bet merchandizing
- Drive sport-to-sport and vertical-to-vertical cross-sell
- Offer promotions that are unique to customers


 **Customer First:** Roll out innovative and tangential mobile products such as DK Horse


SCALE


 **Cost Leverage:** Negotiate superior rates within cost of revenue (e.g., payment processing, revenue share agreements) and achieve lower customer acquisition costs due to scale of marketing platform

 **Efficient Investments:** Drive strong returns on product investments due to our large monetization opportunity

BRAND

 **Trusted Brand:** Drive enhanced credibility through key relationships and growing national brand awareness

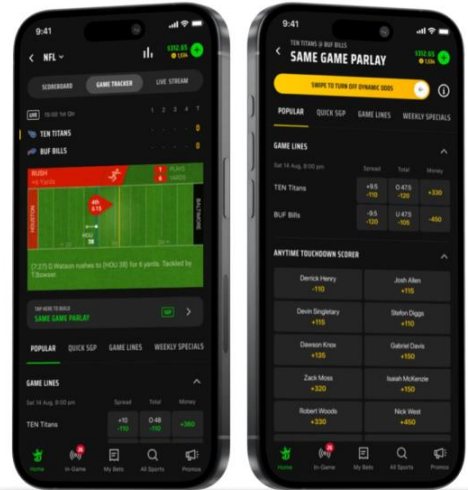
 **Large Customer Database:** Operate DFS in states representing 90%+ of the U.S. population and have valuable customer data

 **Highly Optimized Marketing Machine:** Optimize based on average LTV profile of various channels and penetrate multiple consumer segments with multi-brand approach

In two years, our Same Game Parlay (SGP) has advanced and is now in-house⁽¹⁾

Same Game Parlay Offering Progression

	FEATURE SET	NFL 2022	NFL 2023
 Core Capabilities	• Dedicated section for SGP	🏆	🏆
	• Individual leg odds	Third Party	🏆
	• Dynamic odds	X	🏆
	• Combinability logic for un-selectable markets	X	🏆
	• Odds consistent between SGPs and single OSB markets	X	🏆
	• SGP anywhere / smart bet slip	X	🏆
	• Combine SGPs (SGPx)	Third Party	🏆
	• SGP cash-out	X	In-progress
 Merchandizing	• Quick SGP (pre-packs)	🏆	🏆
	• Content cards (editorial story)	🏆	🏆
	• Trending SGP and bet count	🏆	🏆
 Content	• Pre-match core sports	Third Party	🏆
	• Pre-match long tail sports	Third Party	Third Party
	• Live SGP	🏆	🏆
	• Content breadth	Limited	Broad





(1) DraftKings prices sports representing greater than 90% of OSB handle on its Same Game Parlay offering in-house.

Our jackpot offering is a unique differentiator

Jackpot Offering Progression

Largest jackpot to-date⁽¹⁾ is \$3.3 Million
14 jackpots to-date⁽¹⁾ over \$1 Million

2021		<ul style="list-style-type: none"> Acquired Blue Ribbon <ul style="list-style-type: none"> Validated and enhanced core capabilities
		<ul style="list-style-type: none"> Launched DraftKings-funded single-level jackpots⁽²⁾ in all live jurisdictions
2022		<ul style="list-style-type: none"> Developed jackpot game overlay <ul style="list-style-type: none"> Enables most casino games to be jackpot-eligible
		<ul style="list-style-type: none"> Developed multi-level jackpot⁽³⁾ functionality
2023		<ul style="list-style-type: none"> Launched player-contributed single-level jackpots in NJ
		<ul style="list-style-type: none"> Launched player-contributed single-level jackpots in other jurisdictions⁽⁴⁾
		<ul style="list-style-type: none"> Launched player-contributed multi-level jackpots in NJ

1. To-date refers to results as of November 13, 2023.
 2. Single-level jackpots allow customers to be eligible for a single jackpot due to their jackpot-eligible wager.
 3. Multi-level jackpots allow customers to be eligible for multiple jackpots due to their jackpot-eligible wager.
 4. Other jurisdictions are Ontario, West Virginia, and Michigan. Single-level jackpot rollouts to Connecticut and Pennsylvania are pending regulatory approval.

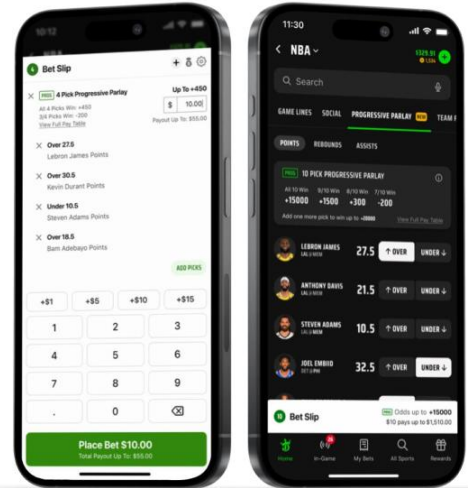


Progressive Parlay will be DraftKings Sportsbook's newest offering, coming soon!

Progressive Parlay Offering Description

Parlays that can win even if one or more legs miss!

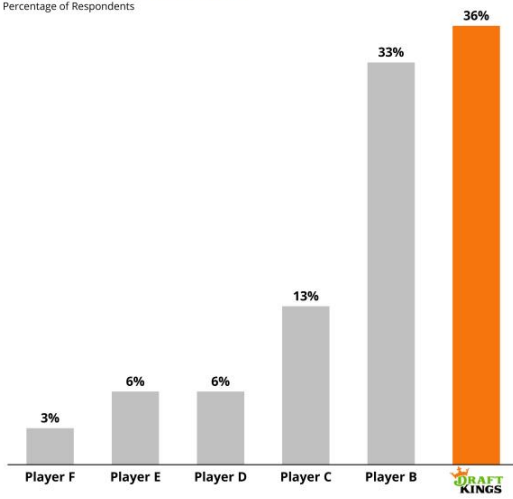
- Customers wager against the house
- "Over / under" on 3 to 12 legs
- More picks = more potential ways to win
- More picks = larger potential payout
- Seamlessly integrated into our existing OSB app
- Powered by in-house content engine
- Regulated as sports betting
- Coming soon – stay tuned for launch date!



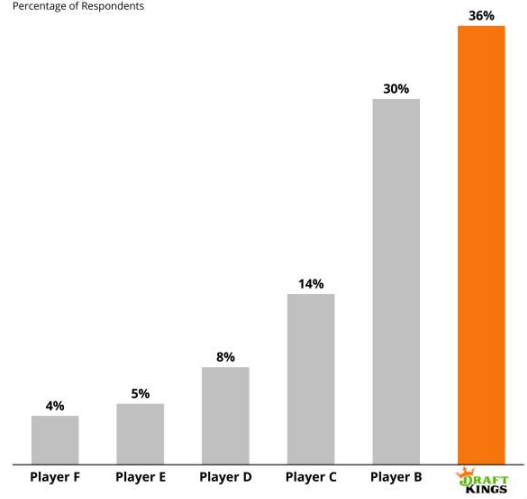
Consumers are recognizing that DraftKings has the leading product in the industry

Consumer Survey Results

Which platform do you view as having the most intuitive interface/best user experience?
Percentage of Respondents



Which platform do you view as offering the most wagering options?
Percentage of Respondents

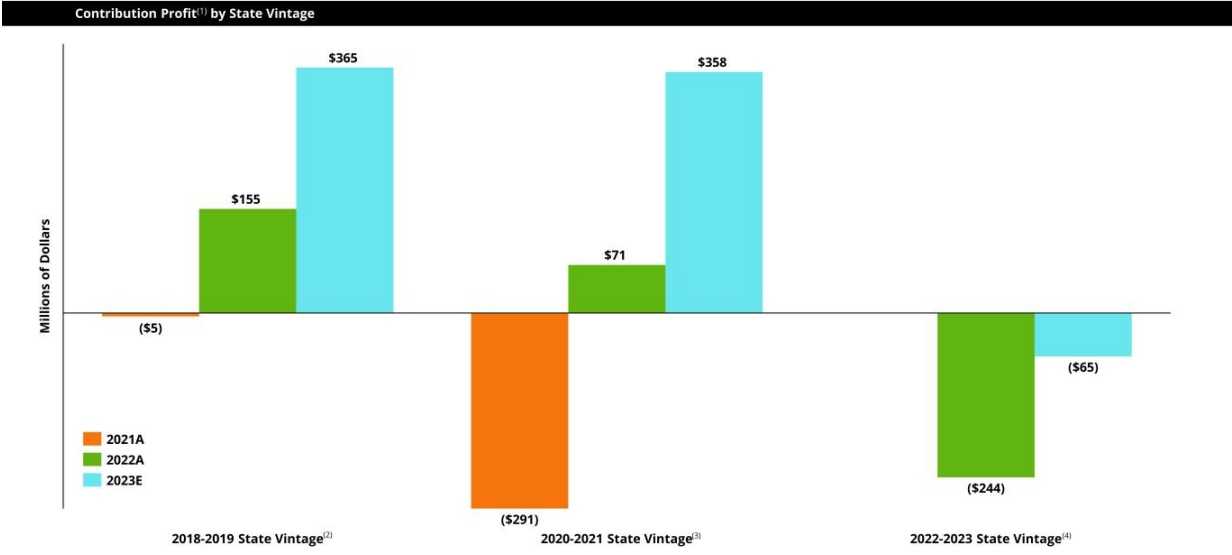


Source: J.P. Morgan U.S. Online Sports Betting and iGaming Survey (9/26/2023); survey includes 1,104 responses across 11 states from September 15th, 2023 through September 25th, 2023.



STATE ECONOMICS

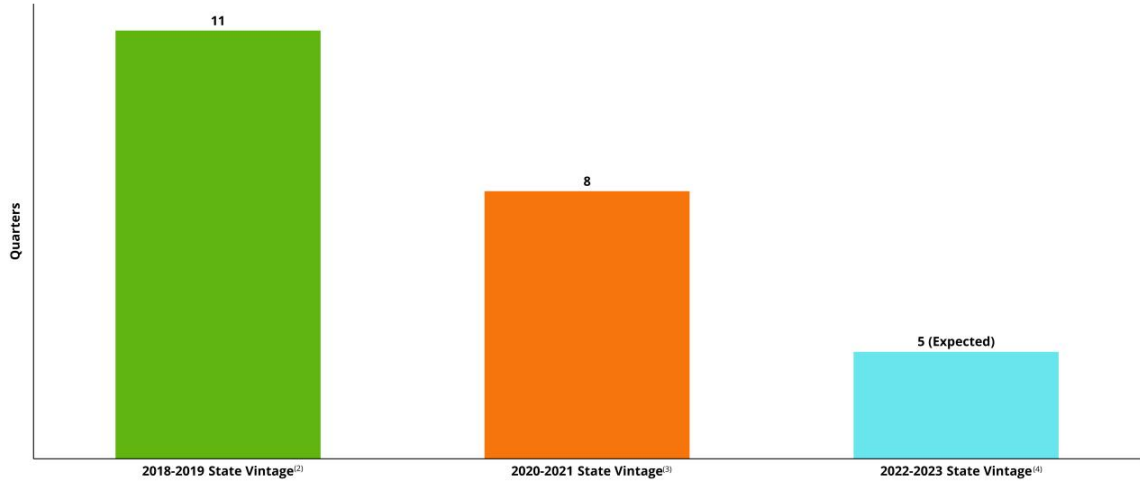
All state vintages are inflecting to positive Contribution Profit⁽¹⁾ in 2-3 years



(1) Non-GAAP financial measure. Refer to the Financial Reconciliations section of this presentation for a reconciliation of historical results. National marketing is allocated based on new customers acquired. Golden Nugget Online Gaming is included from acquisition date (May 5, 2022).
 (2) Includes O5B and iGaming operations in New Jersey, West Virginia, Indiana, Pennsylvania, and New Hampshire. These 5 states represent 10% of the U.S. population.
 (3) Includes O5B and iGaming operations in Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, and Connecticut. These 9 states represent 18% of the U.S. population.
 (4) Includes O5B and iGaming operations in Oregon, New York, Louisiana, Ontario, Kansas, Maryland, Ohio, Massachusetts, Kentucky, and Maine. These 9 states (excluding Ontario) represent 19% of the U.S. population.

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

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



Golden Nugget Online Gaming is included from acquisition date (May 5, 2022).

(1) Non-GAAP financial measure. Refer to the Financial Reconciliations section of this presentation for a reconciliation of historical results.

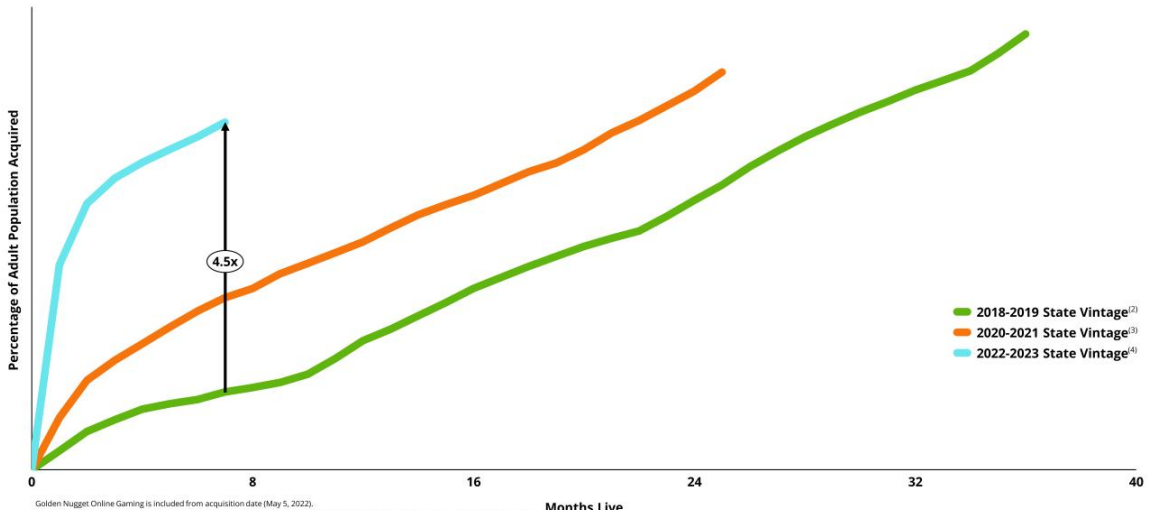
(2) Includes DSB and iGaming operations in New Jersey, West Virginia, Indiana, and Pennsylvania. We exclude New Hampshire due to unique dynamics.

(3) Includes DSB and iGaming operations in Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, and Connecticut.

(4) Includes DSB and iGaming operations in New York, Louisiana, Kansas, Maryland, Ohio, and Massachusetts. We exclude Oregon and Ontario due to unique dynamics. We exclude Kentucky and Maine due to insufficient history.

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

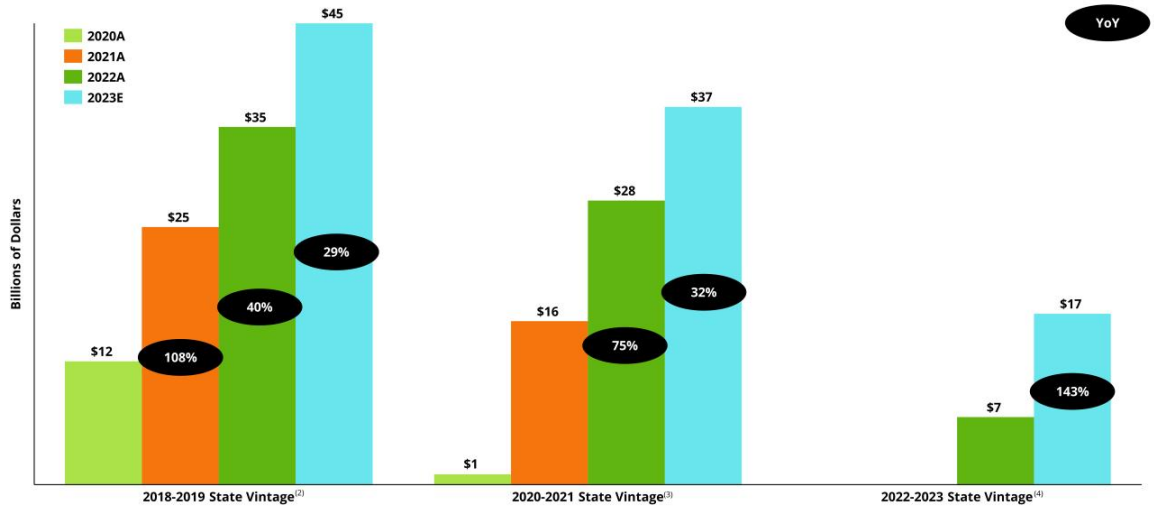
Average Pace of Customer Acquisition by State Vintage



Golden Nugget Online Gaming is included from acquisition date (May 5, 2022).
 (1) Non-GAAP financial measure. Refer to the Financial Reconciliations section of this presentation for a reconciliation of historical results.
 (2) Includes DSB and iGaming operations in New Jersey, West Virginia, Indiana, and Pennsylvania. We exclude New Hampshire due to unique dynamics.
 (3) Includes DSB and iGaming operations in Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, and Connecticut.
 (4) Includes DSB and iGaming operations in New York, Louisiana, Kansas, Maryland, Ohio, and Massachusetts. We exclude Oregon and Ontario due to unique dynamics. We exclude Kentucky and Maine due to insufficient history.

Handle continues to grow for years after states launch

OSB and iGaming Handle⁽¹⁾ by State Vintage



(1) Represents the amount wagered. Golden Nugget Online Gaming is included from acquisition date (May 5, 2022).

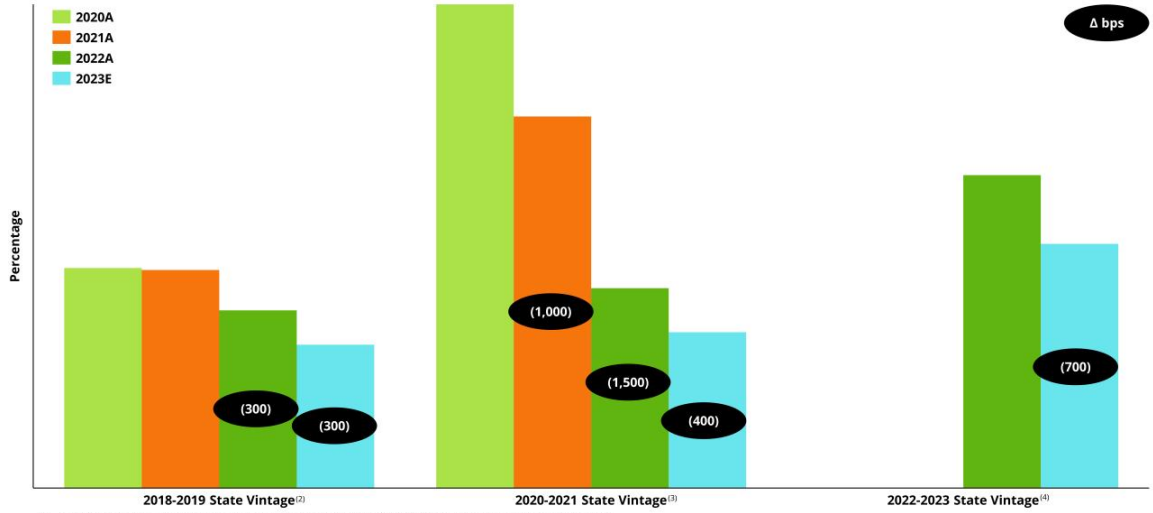
(2) Includes OSB and iGaming operations in New Jersey, West Virginia, Indiana, Pennsylvania, and New Hampshire. These 5 states represent 10% of the U.S. population.

(3) Includes OSB and iGaming operations in Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, and Connecticut. These 9 states represent 18% of the U.S. population.

(4) Includes OSB and iGaming operations in Oregon, New York, Louisiana, Ontario, Kansas, Maryland, Ohio, Massachusetts, Kentucky, and Maine. These 9 states (excluding Ontario) represent 19% of the U.S. population.

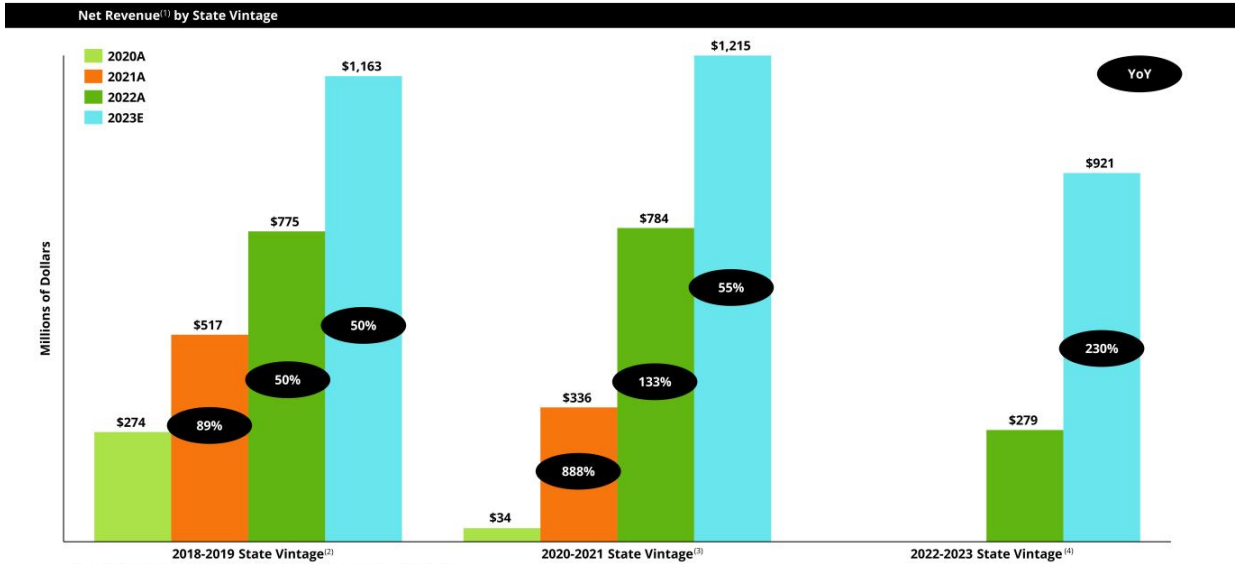
Promotional Reinvestment lessens as our states mature

Promotional Reinvestment⁽¹⁾ by State Vintage



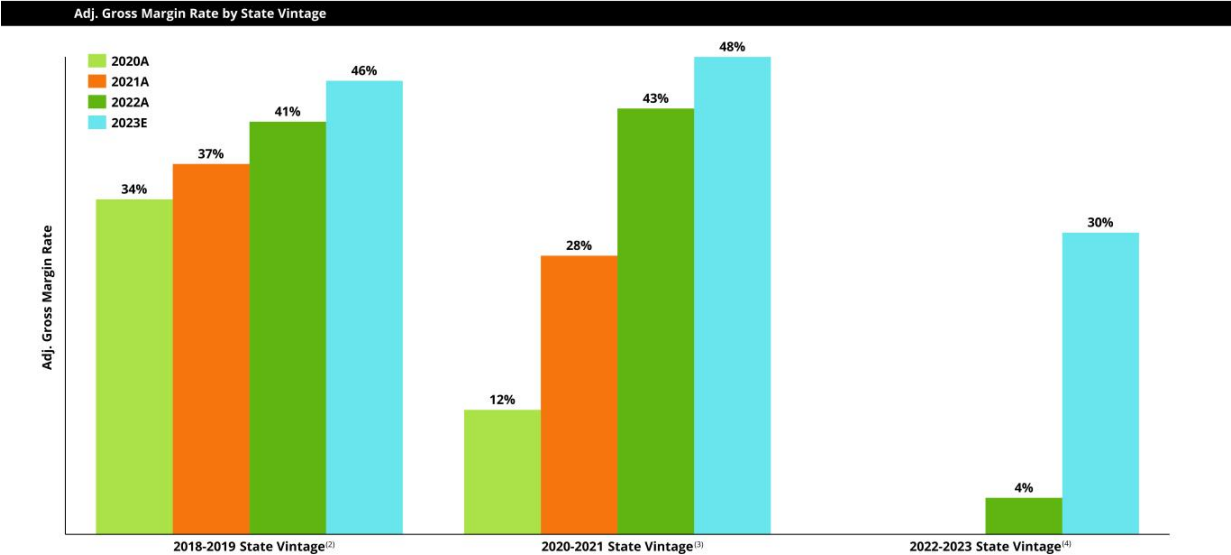
(1) Represents promotions as a percentage of OSB and iGaming gross revenue. Golden Nugget Online Gaming is included from acquisition date (May 5, 2022).
 (2) Includes OSB and iGaming operations in New Jersey, West Virginia, Indiana, Pennsylvania, and New Hampshire. These 5 states represent 10% of the U.S. population.
 (3) Includes OSB and iGaming operations in Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, and Connecticut. These 9 states represent 18% of the U.S. population.
 (4) Includes OSB and iGaming operations in Oregon, New York, Louisiana, Ontario, Kansas, Maryland, Ohio, Massachusetts, Kentucky, and Maine. These 9 states (excluding Ontario) represent 19% of the U.S. population.

As a result, we are continuing to see strong Net Revenue growth across state vintages



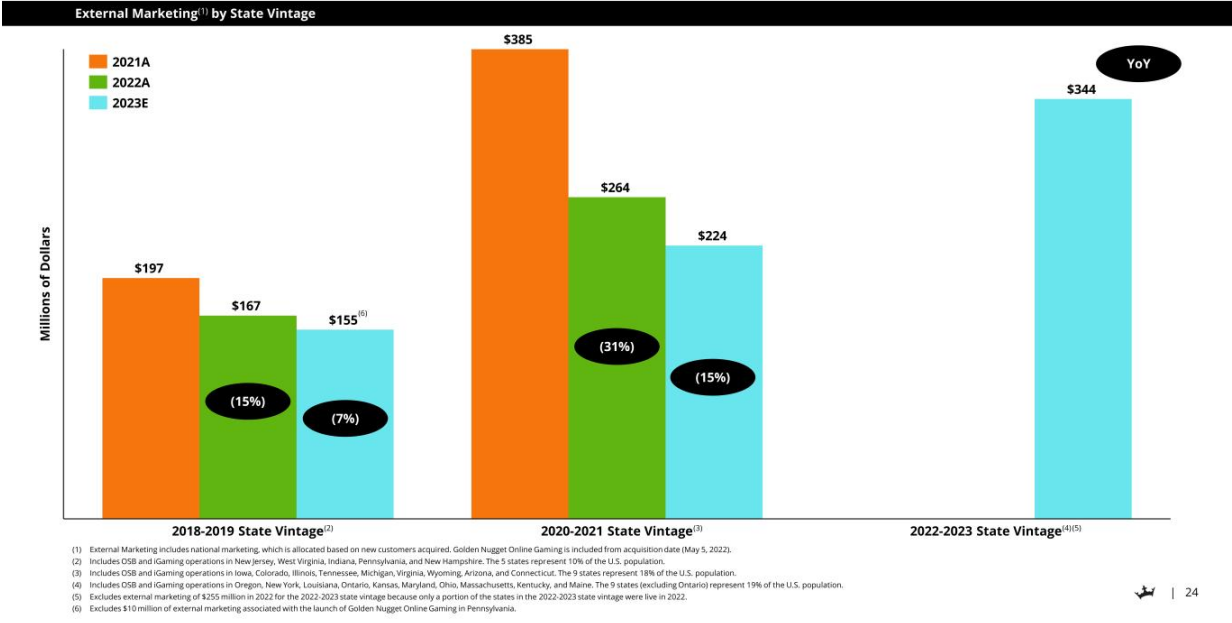
(1) Represents net revenue. Golden Nugget Online Gaming is included from acquisition date (May 5, 2022).
 (2) Includes OSB and iGaming operations in New Jersey, West Virginia, Indiana, Pennsylvania, and New Hampshire. The 5 states represent 10% of the U.S. population.
 (3) Includes OSB and iGaming operations in Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, and Connecticut. The 9 states represent 18% of the U.S. population.
 (4) Includes OSB and iGaming operations in Oregon, New York, Louisiana, Ontario, Kansas, Maryland, Ohio, Massachusetts, Kentucky, and Maine. The 9 states (excluding Ontario) represent 19% of the U.S. population.

Adj. Gross Margin Rate⁽¹⁾ increases as states mature



(1) Non-GAAP financial measure. Refer to the Financial Reconciliations section of this presentation for a reconciliation of historical results. Golden Nugget Online Gaming is included from acquisition date (May 5, 2022).
 (2) Includes OSB and iGaming operations in New Jersey, West Virginia, Indiana, Pennsylvania, and New Hampshire. The 5 states represent 10% of the U.S. population.
 (3) Includes OSB and iGaming operations in Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, and Connecticut. The 9 states represent 18% of the U.S. population.
 (4) Includes OSB and iGaming operations in Oregon, New York, Louisiana, Ontario, Kansas, Maryland, Ohio, Massachusetts, Kentucky, and Maine. The 9 states (excluding Ontario) represent 19% of the U.S. population.

External Marketing lessens as states mature

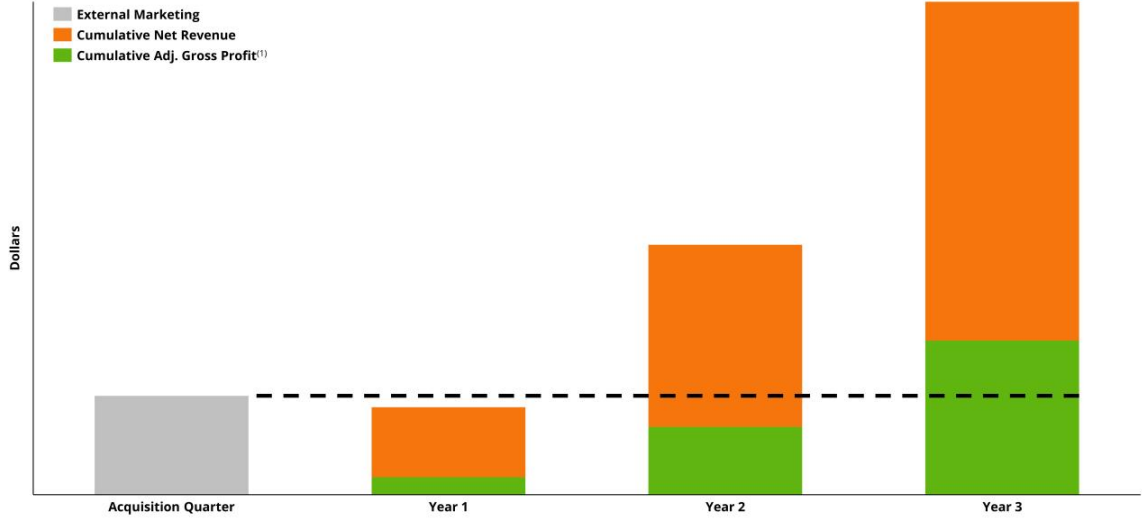




CUSTOMER ECONOMICS

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

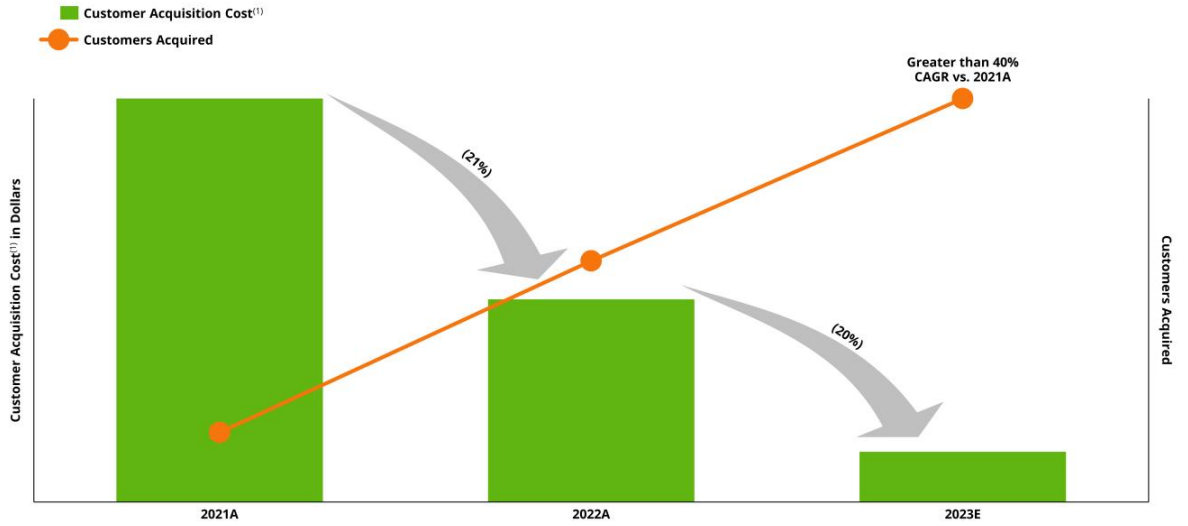
Illustrative Average Customer Economics



(1) Non-GAAP financial measure. Refer to the Financial Reconciliations section of this presentation for a reconciliation of historical results.

Over the past two years, we have dramatically increased customer acquisition while simultaneously decreasing CAC

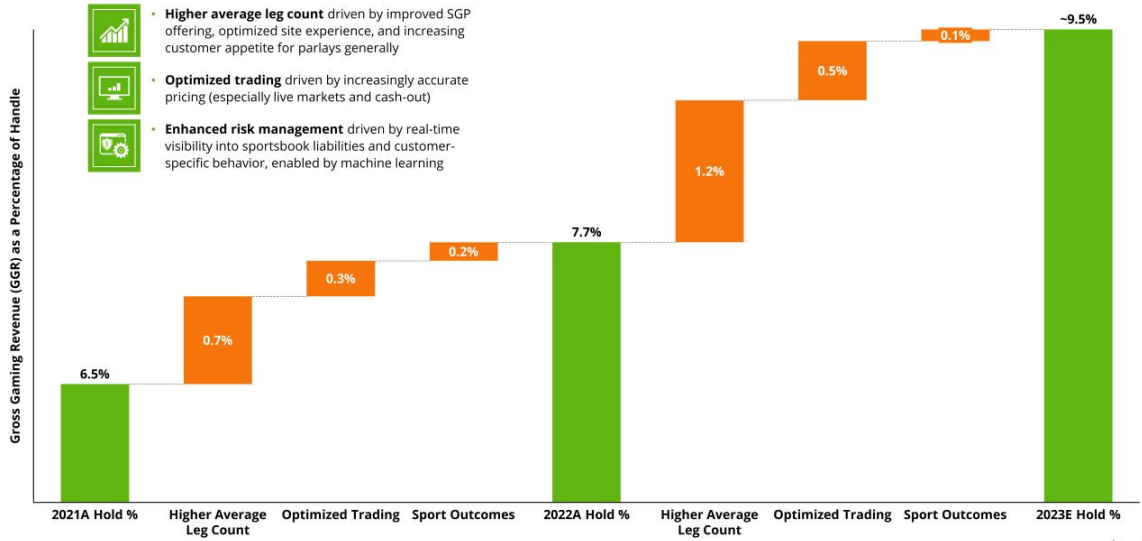
Customer Acquisition Efficiency



⁽¹⁾ Customer acquisition cost (CAC) is defined as external marketing spend divided by new customers. We include all external marketing spend allocated to OSB and iGaming, including national spending, team and league deals, and product-agnostic spending, and divide by new OSB and iGaming customers. We do not credit customer acquisition for customers who were previously acquired to DFS.

Our OSB hold percentage is increasing as we improve our bet mix and trading operations

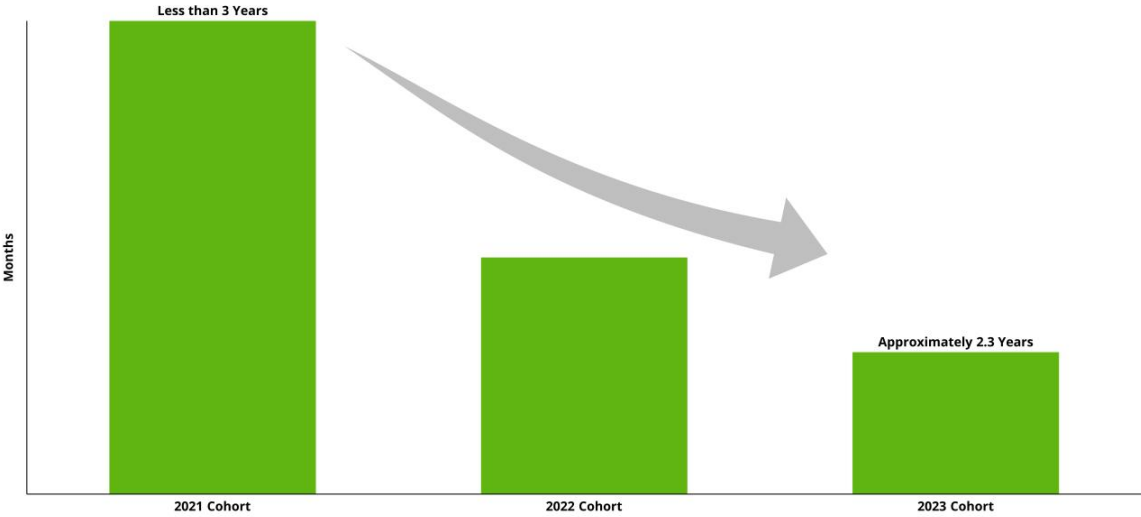
DraftKings OSB Hold Percentage



- 
Higher average leg count driven by improved SGP offering, optimized site experience, and increasing customer appetite for parlays generally
- 
Optimized trading driven by increasingly accurate pricing (especially live markets and cash-out)
- 
Enhanced risk management driven by real-time visibility into sportsbook liabilities and customer-specific behavior, enabled by machine learning

As a result, payback periods are shortening

Projected Customer Payback Periods⁽¹⁾



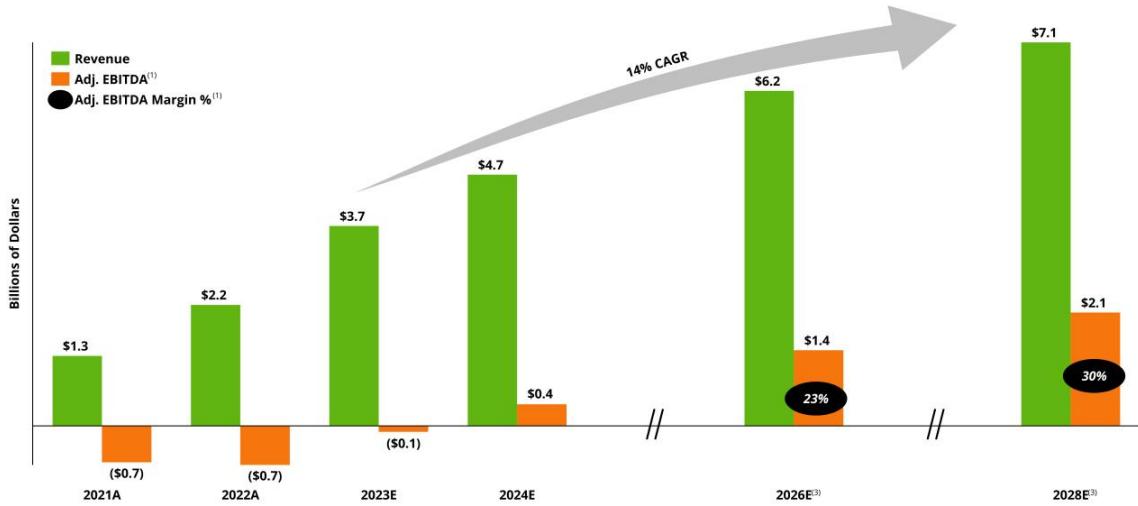
⁽¹⁾ Customer payback periods refers to the amount of time required to generate cumulative Adj. Gross Profit that is equal to the upfront external marketing spend associated with customer acquisition. For this analysis, we are only including customers who are new to OSB and iGaming and who did not previously participate with DraftKings on DFS.



OUTLOOK

We expect Adj. EBITDA⁽¹⁾ of \$1.4B in 2026 and \$2.1B in 2028 from existing states alone⁽²⁾

Expected DraftKings Revenue and Adj. EBITDA⁽¹⁾



(1) Non-GAAP financial measure. Refer to the Financial Reconciliations section of this presentation for a reconciliation of historical results.

(2) 2026 and 2028 guidance includes OSB and iGaming operations in states consistent with 2024 guidance provided on November 2nd, 2023. New Jersey, West Virginia, Indiana, Pennsylvania, New Hampshire, Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, Connecticut, Oregon, New York, Louisiana, Ontario, Kansas, Maryland, Ohio, Massachusetts, Kentucky, Maine, Puerto Rico, Vermont, and North Carolina are included. Puerto Rico and North Carolina are pending launch, subject to licensure and regulatory approvals. Vermont has authorized mobile sports betting and is in the process of soliciting bids for its RFP, and DraftKings has submitted a bid.

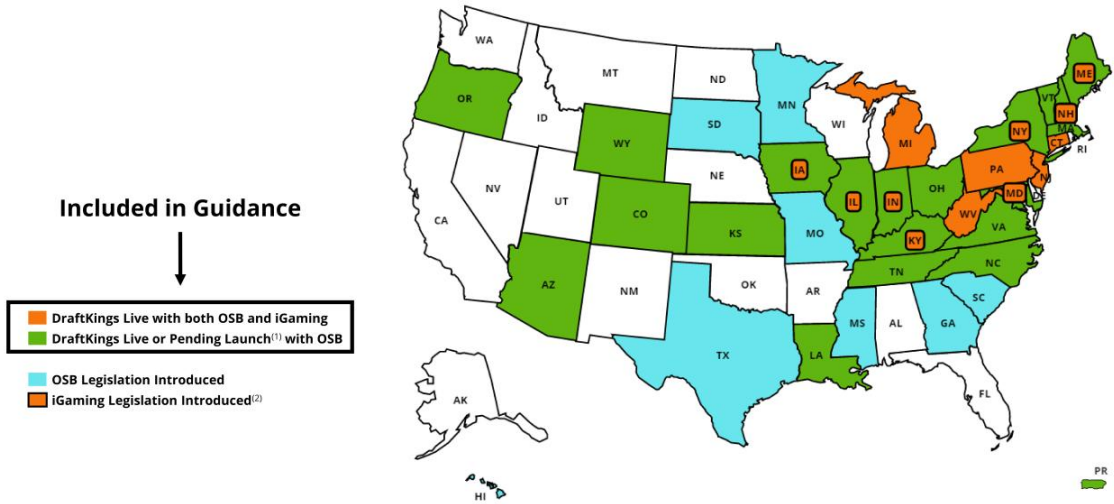
(3) We expect Free Cash Flow as a percentage of Adjusted EBITDA to be approximately 90% in 2026 and 2028 before considering the impact of corporate taxes and potential changes in capital structure. Free Cash Flow is a Non-GAAP financial measure. We define and calculate Free Cash Flow as Adjusted EBITDA less investments into property and equipment and capitalized software, adjusted for sources or uses of cash from changes in net working capital and sources or uses of cash from net cash interest, and less corporate cash taxes paid.



LEGALIZATION UPSIDE

We expect more U.S. states to legalize OSB and iGaming

OSB and iGaming Legalization Status by U.S. State

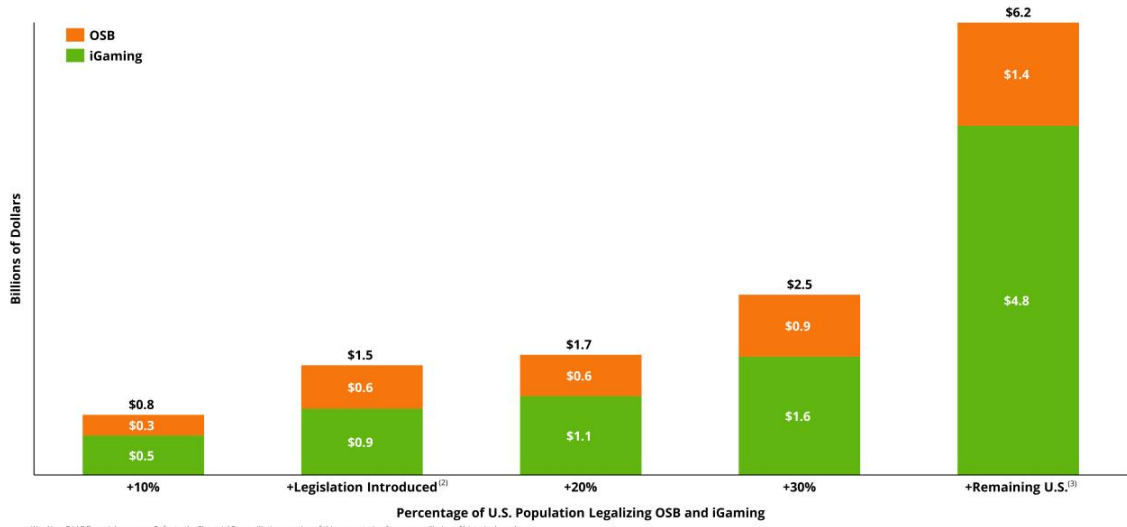


(1) Our revenue and Adjusted EBITDA guidance for fiscal years 2023 and 2024 includes all our existing jurisdictions as well as mobile sports betting in Puerto Rico, Vermont, and North Carolina. Puerto Rico and North Carolina are pending launch, subject to licensure and regulatory approvals. Vermont has authorized mobile sports betting and is in the process of soliciting bids for its RFP, and DraftKings has submitted a bid.

(2) Kentucky's proposed iGaming bill is specific to poker; Iowa's iGaming bill is a study bill that would become a bill that authorizes legislation to enact iGaming once passing through committee.

There is potential for up to an additional \$6.2B of annual Adj. EBITDA⁽¹⁾ to DraftKings from further OSB and iGaming legalization in the U.S.

Incremental Year 5 Adj. EBITDA⁽¹⁾ to DraftKings



(1) Non-GAAP financial measure. Refer to the Financial Reconciliations section of this presentation for a reconciliation of historical results.
 (2) Assumes DraftKings launches OSB in all states that have introduced OSB legislation but that are not included in guidance (representing 19% of the U.S. population) and that DraftKings launches iGaming in all states that have introduced iGaming legislation but that are not included in guidance (representing 17% of the population).
 (3) Represents all U.S. states that are not included in 2025 and 2028 guidance, representing 50% of the U.S. population for OSB and 89% of the U.S. population for iGaming.



ADDITIONAL GROWTH VECTORS

DraftKings has leverageable assets to capitalize on mega trends

Mega Trends that Create Opportunity

-  Sports viewership transitioning quickly from legacy linear to digital streaming
-  Global trend towards regulating online gaming
-  Consumers looking for more interactive experiences and deepening engagement with favorite apps

DraftKings is Positioned to Capitalize

-  Database of highly engaged young and affluent customers
-  Recognizable and trusted brand
-  World-class product for iGaming and OSB
-  Ability to navigate complex regulatory environments

APPENDIX

State vintage results reconciled to enterprise financial results

Financial Results in Millions of Dollars

	2023E	2022A	2021A
Net Revenue			
2018-2019 State Vintage ⁽²⁾	\$1,163	\$775	\$517
2020-2021 State Vintage ⁽³⁾	\$1,215	\$784	\$336
2022-2023 State Vintage ⁽⁴⁾	\$921	\$279	\$0
DFS and Other ⁽⁵⁾	\$396	\$402	\$443
Total Net Revenue	\$3,695	\$2,240	\$1,296
Adjusted Gross Profit⁽¹⁾			
2018-2019 State Vintage ⁽²⁾	\$530	\$321	\$192
2020-2021 State Vintage ⁽³⁾	\$582	\$335	\$94
2022-2023 State Vintage ⁽⁴⁾	\$279	\$10	\$0
DFS and Other ⁽⁵⁾	\$244	\$245	\$330
Total Adjusted Gross Profit⁽¹⁾	\$1,635	\$912	\$616
Contribution Profit⁽¹⁾			
2018-2019 State Vintage ⁽²⁾	\$365	\$155	(\$5)
2020-2021 State Vintage ⁽²⁾	\$358	\$71	(\$291)
2022-2023 State Vintage ⁽³⁾	(\$65)	(\$244)	\$0
DFS and Other ⁽⁵⁾	\$127	\$123	\$199
Total Contribution Profit⁽¹⁾	\$785	\$105	(\$97)

Totals may not sum due to rounding.

(1) Non-GAAP financial measure. Refer to the Financial Reconciliations section of this presentation for a reconciliation of historical results.

(2) Includes OSB and iGaming operations in New Jersey, West Virginia, Indiana, Pennsylvania, and New Hampshire.

(3) Includes OSB and iGaming operations in Iowa, Colorado, Illinois, Tennessee, Michigan, Virginia, Wyoming, Arizona, and Connecticut.

(4) Includes OSB and iGaming operations in Oregon, New York, Louisiana, Ontario, Kansas, Maryland, Ohio, Massachusetts, Kentucky, and Maine.

(5) Includes all business lines not accounted for in the three vintages, primarily DFS.

Detailed financial elements

Financial Elements

Capex and Capitalized SW⁽¹⁾

Expect annual investment between \$100M and \$150M

Change in Net Working Capital

Expect change in net working capital to be neutral or a modest source of cash

Stock-based Compensation

Expect approximately 3% annual dilution due to stock-based compensation

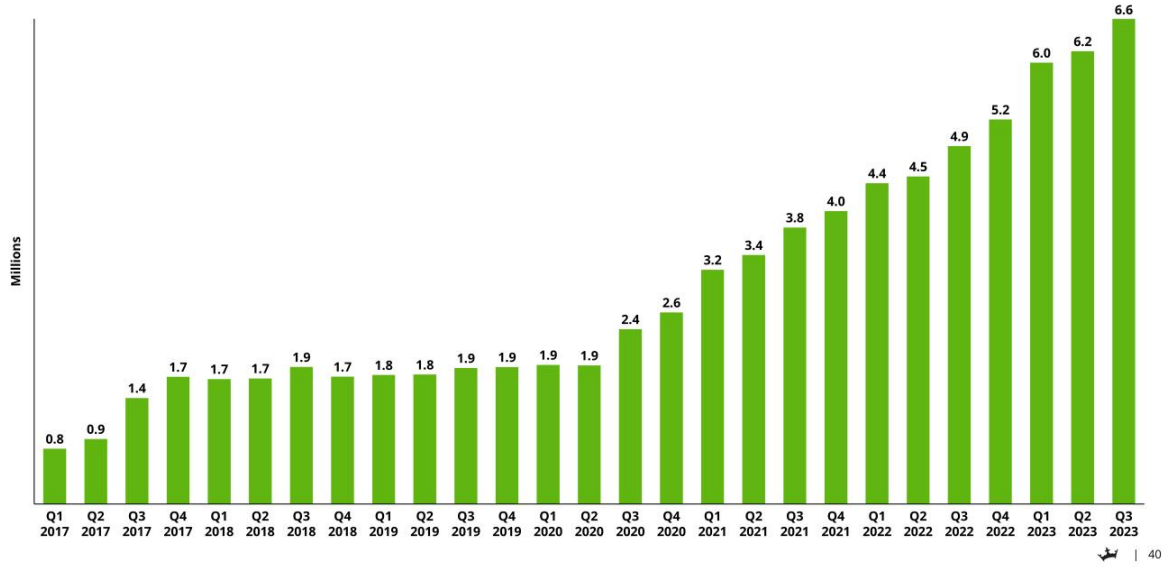
Net Operating Losses

Expect a tax shield of approximately \$1.2B based on cumulative net operating losses of \$4.1B at the end of FY 2023

⁽¹⁾ Includes capital expenditures (purchases of property and equipment) and capitalized software development costs.

The number of unique customers on our platform is rising

Unique Customers in the Prior Twelve Months





FINANCIAL RECONCILIATIONS

Reconciliation of GAAP Gross Profit to Adj. Gross Profit, Adj. Gross Margin, and Contribution Profit

Financial Reconciliation in Millions of Dollars

	2023E	2022A	2021A
Net Revenue	\$3,695	\$2,240	\$1,296
GAAP Gross Profit	NA	\$756	\$502
Depreciation and Amortization	NA	\$45	\$30
Acquisition Amortization	NA	\$106	\$80
Stock-based Compensation	NA	\$4	\$5
Adj. Gross Profit	\$1,635	\$912	\$616
Adj. Gross Margin	44%	41%	48%
External Marketing	(\$850)	(\$807)	(\$713)
Contribution Profit	\$785	\$105	(\$97)

Totals may not sum due to rounding.

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Net Income (Loss) to Non-GAAP Adjusted EBITDA Reconciliation \$ Thousands

Adjusted EBITDA

- We define and calculate Adjusted EBITDA as net loss before the impact of interest income or expense (net), income tax provision or benefit, and depreciation and amortization, and further adjusted for the following items: stock-based compensation, transaction-related costs, litigation, settlement and related costs, advocacy and other related legal expenses, gain or loss on remeasurement of warrant liabilities and other non-recurring and non-operating costs or income, as described in the reconciliation.

	Year ended December 31,	
	2022	2021
Revenue	\$ 2,240,461	\$ 1,296,025
Cost of revenue	1,484,273	794,162
Sales and marketing	1,185,977	981,500
Product and technology	318,247	253,055
General and administrative	763,720	628,228
Loss from operations	(1,511,756)	(1,561,617)
Other income (expense):		
Interest income (expense), net	18,702	1,957
Gain (loss) on remeasurement of warrant liabilities	29,396	30,065
Other income (expense), net	20,700	11,951
Loss before income tax provision (benefit) and loss from equity method investment	(1,442,958)	(1,517,644)
Income tax provision (benefit)	(67,866)	8,269
(Gain) loss from equity method investment	2,895	(2,718)
Net loss attributable to common stockholders	\$ (1,377,987)	\$ (1,523,195)
Adjusted for:		
Depreciation and amortization ⁽¹⁾	169,252	121,138
Interest expense (income), net	(18,702)	(1,957)
Income tax provision (benefit)	(67,866)	8,269
Stock-based compensation ⁽²⁾	578,799	683,293
Transaction-related costs ⁽³⁾	17,315	25,316
Litigation, settlement and related costs ⁽⁴⁾	7,010	10,392
Advocacy and other related legal expenses ⁽⁵⁾	16,558	40,415
(Gain) loss on remeasurement of warrant liabilities	(29,396)	(30,065)
Other non-recurring and non-operating (income) costs ⁽⁶⁾	(16,764)	(9,739)
Adjusted EBITDA	(721,781)	(676,133)

(1) The amounts include the amortization of acquired intangible assets of \$106.1 million and \$80.1 million for 2022 and 2021, respectively.

(2) Reflects stock-based compensation expenses resulting from the issuance of awards under incentive plans.

(3) Includes capital markets advisory, consulting, accounting and legal expenses related to evaluation, negotiation and integration costs incurred in connection with pending or completed transactions and offerings, including costs include those relating to the GNOG acquisition in 2022 and 2021.

(4) Primarily includes external legal costs related to litigation and litigation settlement costs deemed unrelated to our core business operations.

(5) Includes certain non-recurring and non-ordinary course costs relating to advocacy efforts and other legal expenses in jurisdictions where we do not operate certain product offerings and are actively seeking licensure, or similar approval, for those product offerings. For 2022, those costs primarily related to our support of Proposition 27 in California. For 2021, those costs primarily related to our support of Proposition 27 in California and our support of the sports betting ballot initiative in Florida. The amounts presented exclude (i) costs relating to advocacy efforts and other legal expenses in jurisdictions where we do not operate that are incurred in the ordinary course of business and (ii) costs relating to advocacy efforts and other legal expenses incurred in jurisdictions where related legislation has been passed and we currently operate.

(6) Primarily includes the change in fair value of certain financial assets, as well as our equity method share of investee's losses and other costs relating to non-recurring and non-operating items.

Due to the timing of the consummation of the GNOG acquisition, the above periods, to the extent applicable, exclude GNOG's operations prior to May 5, 2022.

Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses

Expense Reconciliation in Millions of Dollars

GAAP to Non-GAAP Expense Reconciliation \$ Millions

	31-Dec-22	30-Sep-22	30-Jun-22	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	
GAAP Operating Expenses									
Cost of Revenue	\$485	\$373	\$313	\$313	\$253	\$171	\$187	\$183	
Sales and Marketing	\$345	\$322	\$198	\$321	\$278	\$304	\$171	\$229	
General and Administrative	\$173	\$186	\$188	\$217	\$241	\$220	\$199	\$169	
Product and Technology	\$83	\$76	\$77	\$81	\$70	\$65	\$63	\$56	
Total GAAP Operating Expenses	\$1,087	\$957	\$775	\$933	\$842	\$759	\$619	\$637	
Non-GAAP Operating Expense Adjustments									
Cost of Revenue	(a) (\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$2)	(\$1)	(\$1)	
	(b) (\$30)	(\$30)	(\$27)	(\$19)	(\$20)	(\$20)	(\$21)	(\$19)	(a) Stock-based compensation expense
	(d) (\$14)	(\$12)	(\$10)	(\$9)	(\$9)	(\$7)	(\$7)	(\$7)	
Sales and Marketing	(a) (\$17)	(\$10)	(\$12)	(\$14)	(\$15)	(\$14)	(\$14)	(\$9)	
	(d) (\$1)	(\$1)	(\$1)	(\$1)	(\$0)	(\$0)	(\$0)	(\$0)	
General and Administrative	(a) (\$92)	(\$92)	(\$98)	(\$144)	(\$142)	(\$134)	(\$132)	(\$122)	(b) Amortization of acquired intangible assets
	(c) (\$2)	(\$1)	(\$11)	(\$4)	(\$10)	(\$4)	(\$8)	(\$3)	(c) Transaction expenses
	(d) (\$2)	(\$2)	(\$2)	(\$2)	(\$1)	(\$1)	(\$1)	(\$1)	(c) Transaction expenses
	(e) (\$1)	(\$1)	(\$2)	(\$2)	(\$1)	(\$5)	(\$4)	(\$1)	
	(f) (\$17)	(\$17)	(\$1)	(\$1)	(\$13)	(\$18)	(\$13)	(\$2)	(d) Depreciation & amortization
Product and Technology	(a) (\$20)	(\$23)	(\$24)	(\$28)	(\$26)	(\$26)	(\$25)	(\$20)	
	(d) (\$2)	(\$1)	(\$3)	(\$2)	(\$1)	(\$1)	(\$1)	(\$1)	(e) Litigation
Total Adjustments	(\$182)	(\$191)	(\$191)	(\$226)	(\$241)	(\$233)	(\$226)	(\$186)	(f) Other
Adjusted Operating Expenses									
Cost of Revenue	\$440	\$330	\$275	\$284	\$223	\$142	\$159	\$157	
Sales and Marketing	\$327	\$311	\$185	\$307	\$263	\$289	\$157	\$220	
General and Administrative	\$77	\$74	\$75	\$64	\$74	\$58	\$41	\$41	
Product and Technology	\$61	\$52	\$50	\$52	\$42	\$38	\$36	\$34	
Total Adjusted Operating Expenses	\$905	\$766	\$584	\$707	\$601	\$526	\$393	\$452	

Totals may not sum due to rounding.

