



Q1 2025 EARNINGS PRESENTATION

May 8, 2025

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," "believe," "confident," "contemplate," "continue," "could," "estimate," "expect," "forecast," "going to," "intend," "may," "plan," "poised," "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 "Risk Factors" in our filings with the Securities and Exchange Commission (the "SEC"), which are available on the SEC's website at www.sec.gov. Additional information will be made available in other filings that we make from time to time with the SEC.

In addition, the forward-looking statements contained in this presentation are based on management's current expectations and beliefs and speak only as of the date hereof. We undertake no obligation to update or publicly release any revisions to 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.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted Operating Expenses and Adjusted Earnings (Loss) Per Share, 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. For more information on these non-GAAP measures, including reconciliations to most directly comparable GAAP measure, as applicable, see "Non-GAAP Financial Measures" below and the Appendix of this presentation.

Current business highlights

1

Our core value drivers are outperforming our expectations; structural Sportsbook hold percentage and promotional efficiency improved YoY in Q1 2025

2

If not for customer-friendly outcomes in March, we would be raising our FY 2025 revenue and Adj. EBITDA⁽¹⁾ guidance⁽²⁾

3

We are well positioned for the evolving macroeconomic environment as online gaming was resilient in more mature jurisdictions globally during the Global Financial Crisis

4

We are embracing an “AI-first” mindset to unlock greater speed, efficiency, and scale across the business

5

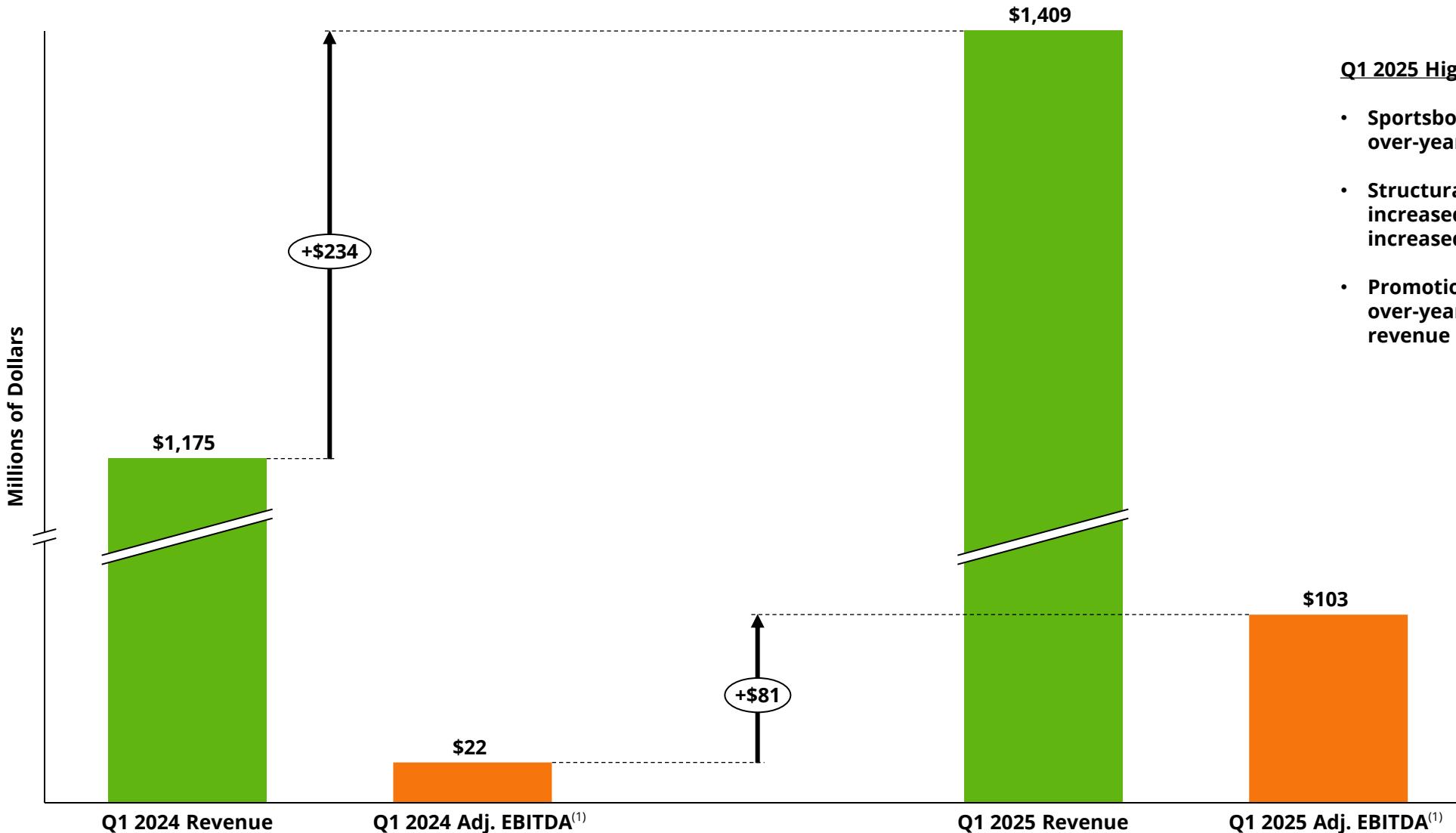
We have a healthy balance sheet with \$1.1 billion of cash after repurchasing 3.7 million shares in Q1 2025 under our existing stock repurchase program

(1) Non-GAAP financial measure. Please refer to the end of this document for the definition of such non-GAAP financial measure and, if applicable, a reconciliation of such non-GAAP financial measure to its most directly comparable GAAP measure.

(2) As of May 8, 2025 we are revising our revenue guidance to \$6.2 billion to \$6.4 billion and our Adjusted EBITDA guidance to \$800 million to \$900 million. On February 13, 2025, we provided revenue guidance of \$6.3 billion to \$6.6 billion and Adjusted EBITDA guidance of \$900 million to \$1 billion.



We achieved strong Q1 2025 results across our core value drivers



(1) Non-GAAP financial measure. Please refer to the end of this document for the definition of such non-GAAP financial measure and, if applicable, a reconciliation of such non-GAAP financial measure to its most directly comparable GAAP measure.



We are revising our FY 2025 revenue guidance midpoint to \$6.3B and Adj. EBITDA⁽¹⁾ guidance midpoint to \$850M

FY 2025 Guidance vs. Prior FY 2025 Guidance

\$ Millions

	FY 2025 Guidance Provided 2/13/2025 ⁽²⁾	Core Value Drivers ⁽³⁾	Customer-friendly Sport Outcomes in YTD 2025	Tax and Regulatory Updates ⁽⁴⁾	FY 2025 Guidance Provided 5/8/2025 ⁽⁵⁾
Revenue	\$6,450	\$50	(\$170)	(\$30)	\$6,300
Adj. EBITDA⁽¹⁾	\$950	\$37	(\$111)	(\$26)	\$850

(1) Non-GAAP financial measure. Please refer to the end of this document for the definition of such non-GAAP financial measure and, if applicable, a reconciliation of such non-GAAP financial measure to its most directly comparable GAAP measure.

(2) Refers to the midpoints of FY 2025 revenue and Adjusted EBITDA guidance that DraftKings provided on February 13, 2025.

(3) Reflects higher structural Sportsbook hold percentage, more efficient deployment of promotions, and consistent Sportsbook handle relative to the guidance that DraftKings provided on February 13, 2025.

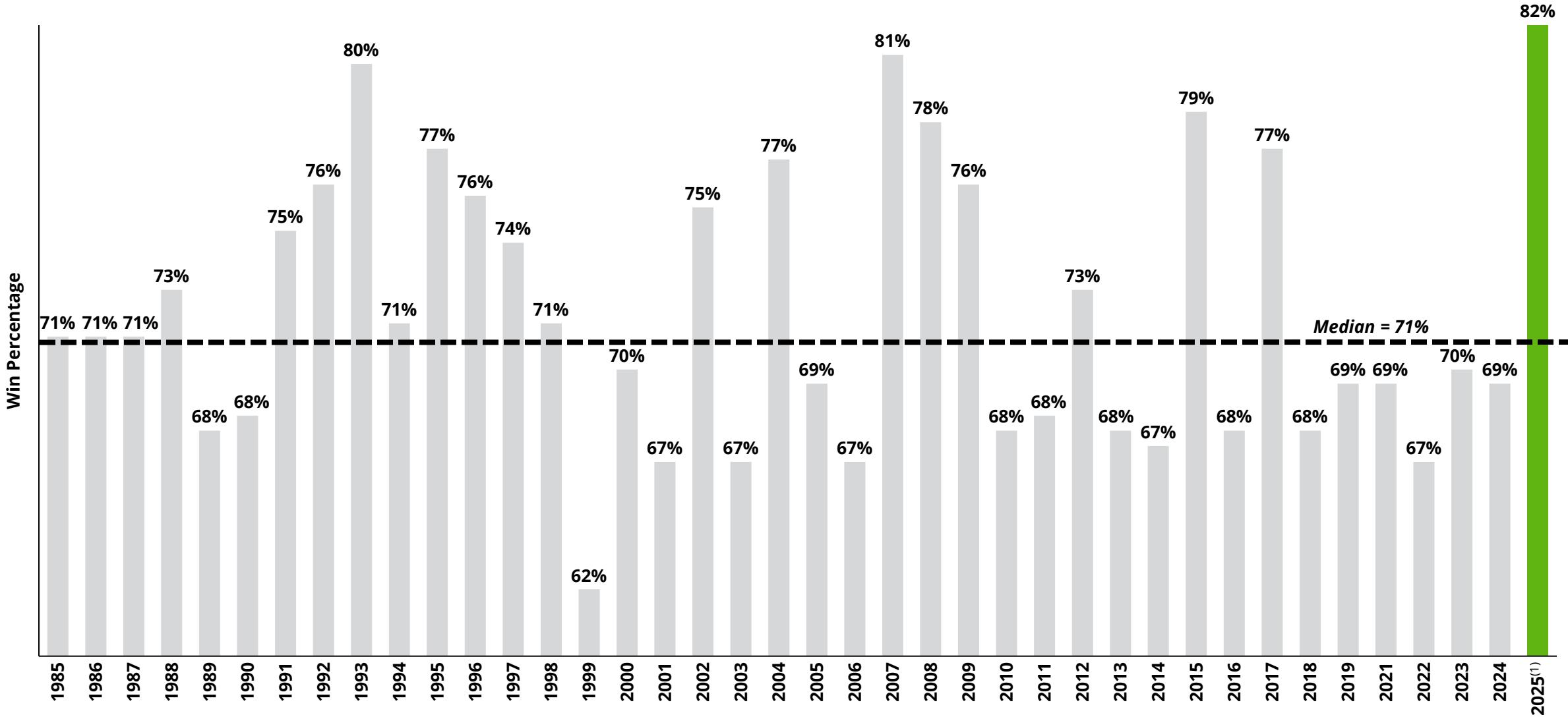
(4) Reflects Maryland increasing its tax rate on sports betting and Jackpocket shutting down digital lottery courier operations in Texas and New Mexico.

(5) Refers to the midpoints of FY 2025 revenue and Adjusted EBITDA guidance that DraftKings provided on May 8, 2025. The Company's guidance does not include the impact of mobile sports betting launching in Missouri.



Higher seeds won at a record high rate in this year's NCAA men's basketball tournament

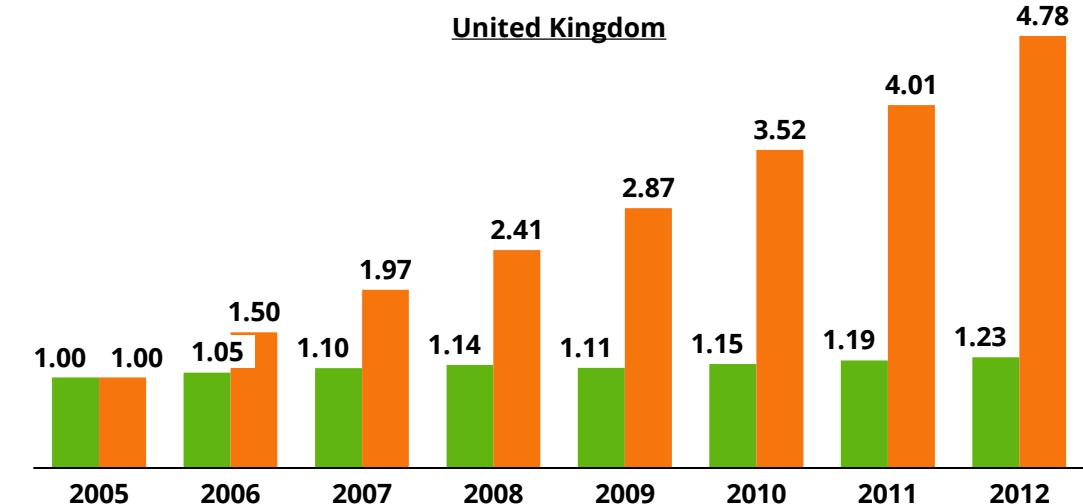
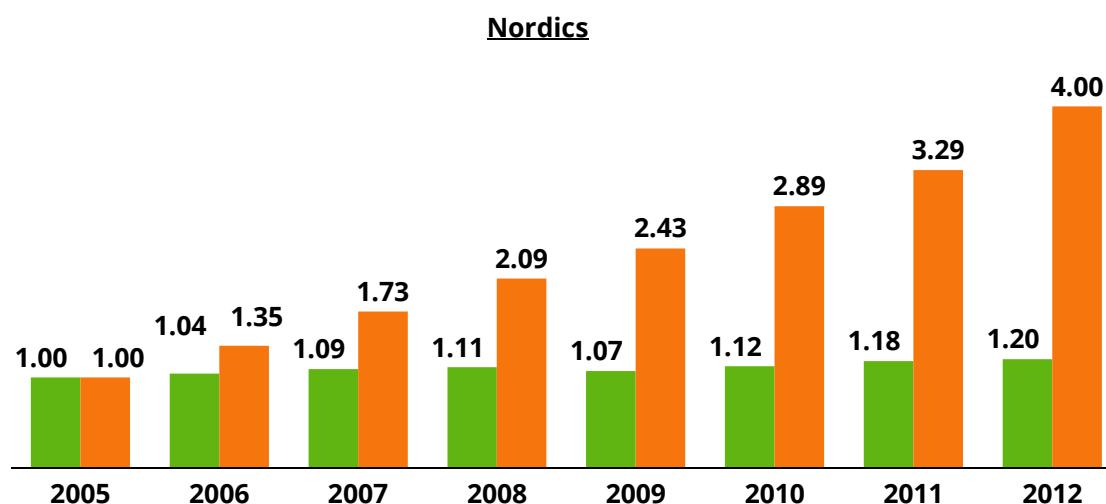
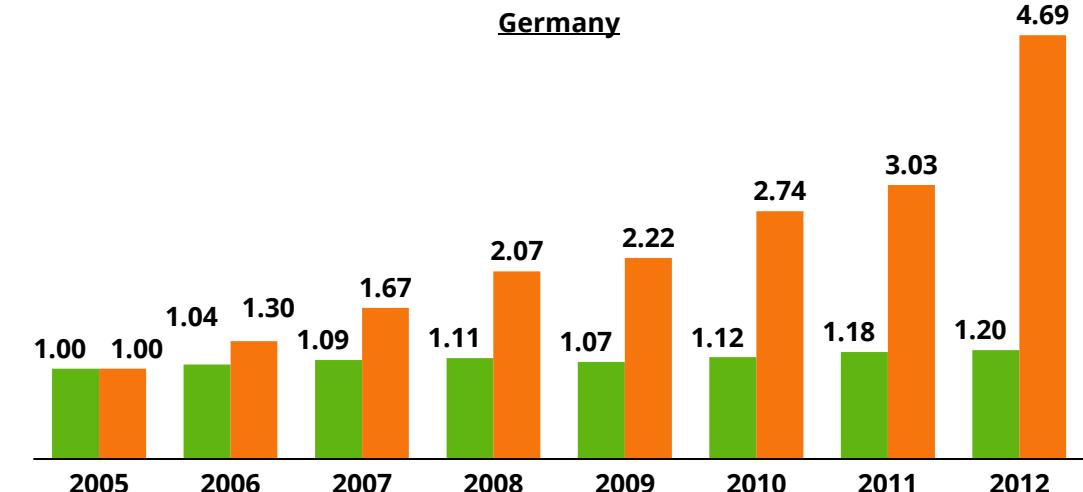
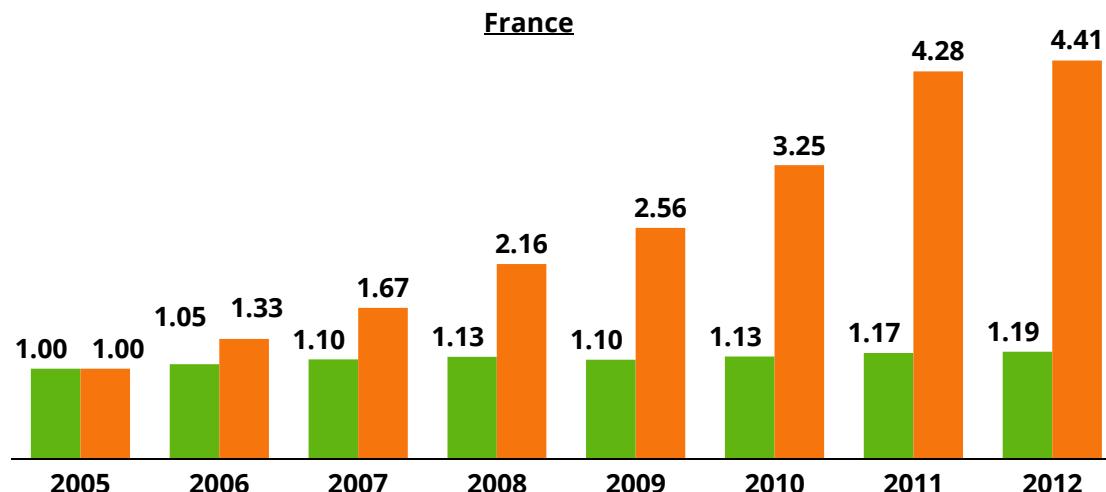
Win Percentage by Higher Seeds in the NCAA Men's Basketball Tournament



(1) During the 2025 NCAA men's basketball tournament, all four No. 1-seeds reached the Final Four. Additionally, three No. 2-seeds and one No. 3-seed reached the Elite Eight.

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

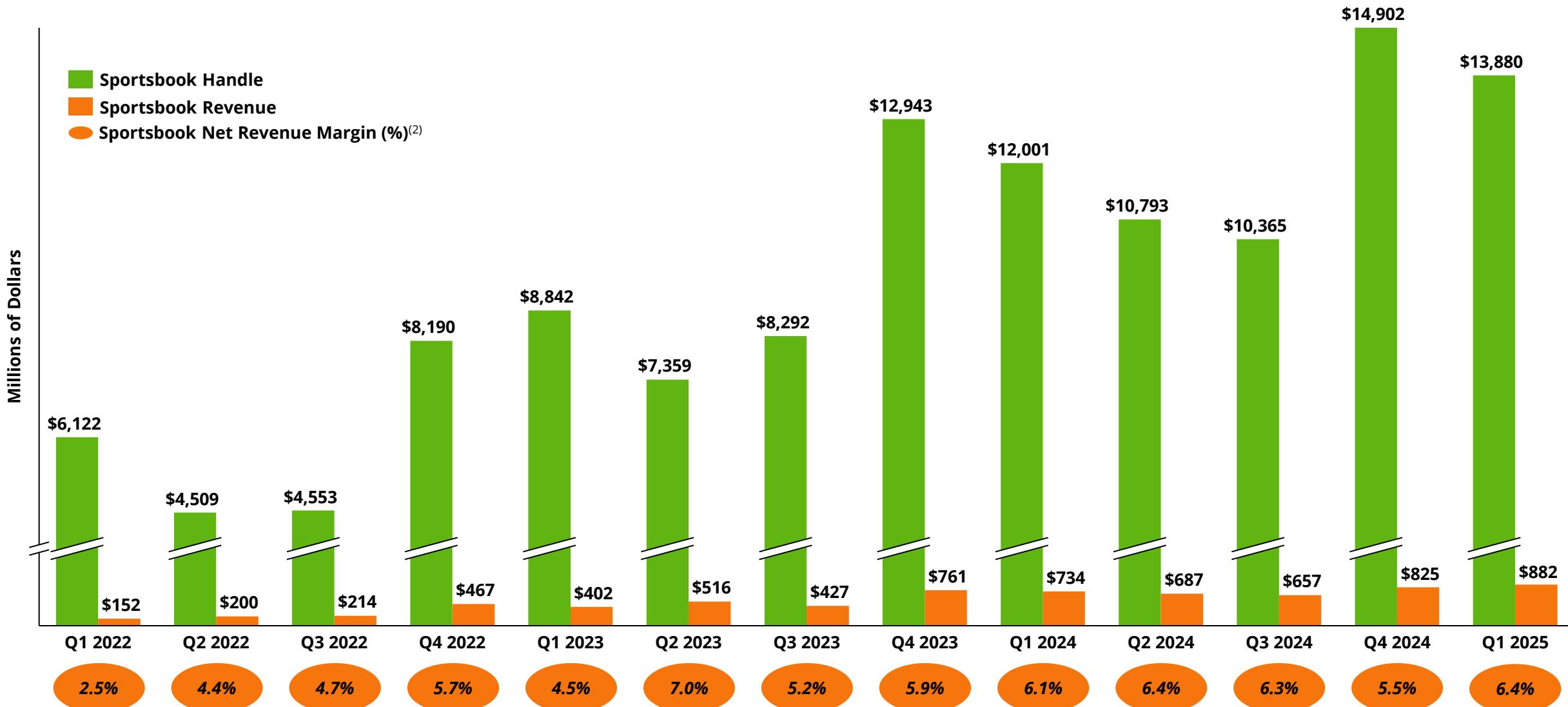
GDP Indexed to 2005 Online Gaming GGR Indexed to 2005





APPENDIX

Our Sportsbook handle⁽¹⁾ and Sportsbook revenue continue to increase on a YoY basis

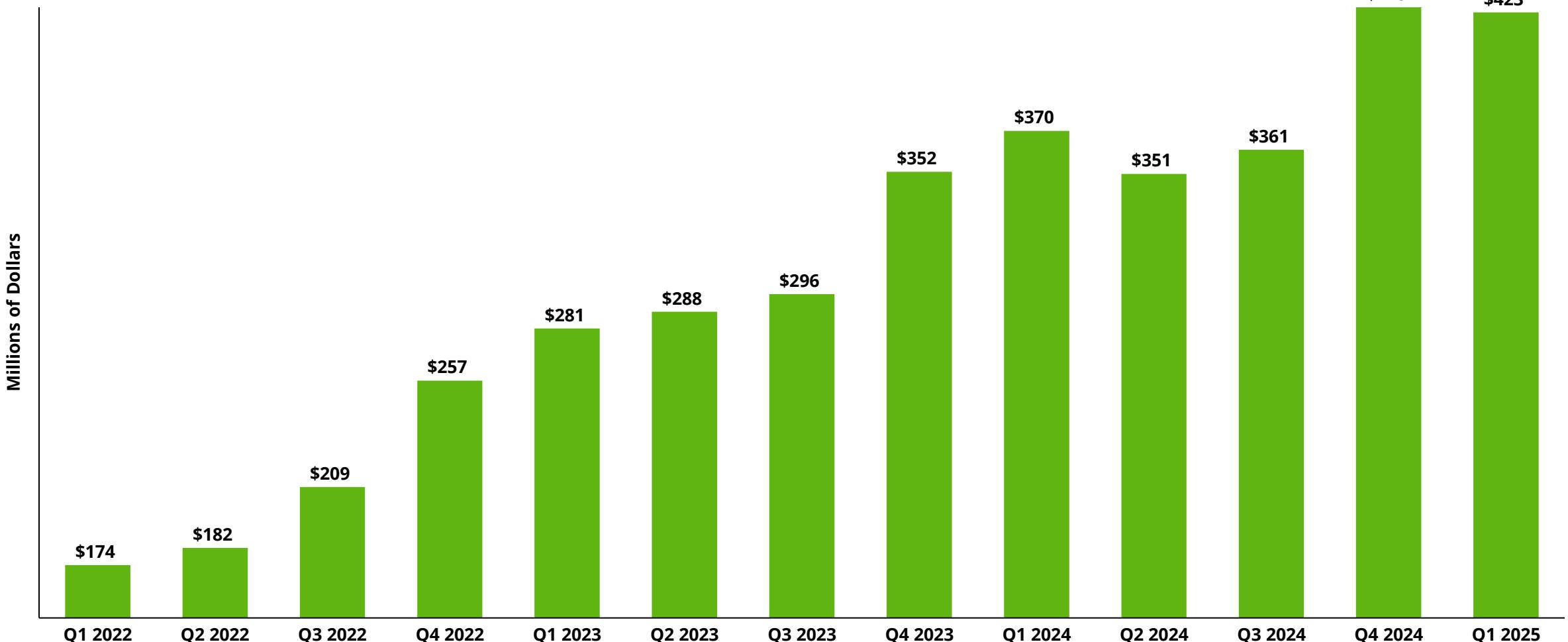


(1) We define Sportsbook handle as the total amount of settled customer wagers on our Sportsbook product offering.

(2) We define Sportsbook net revenue margin as Sportsbook revenue as a percentage of Sportsbook handle.

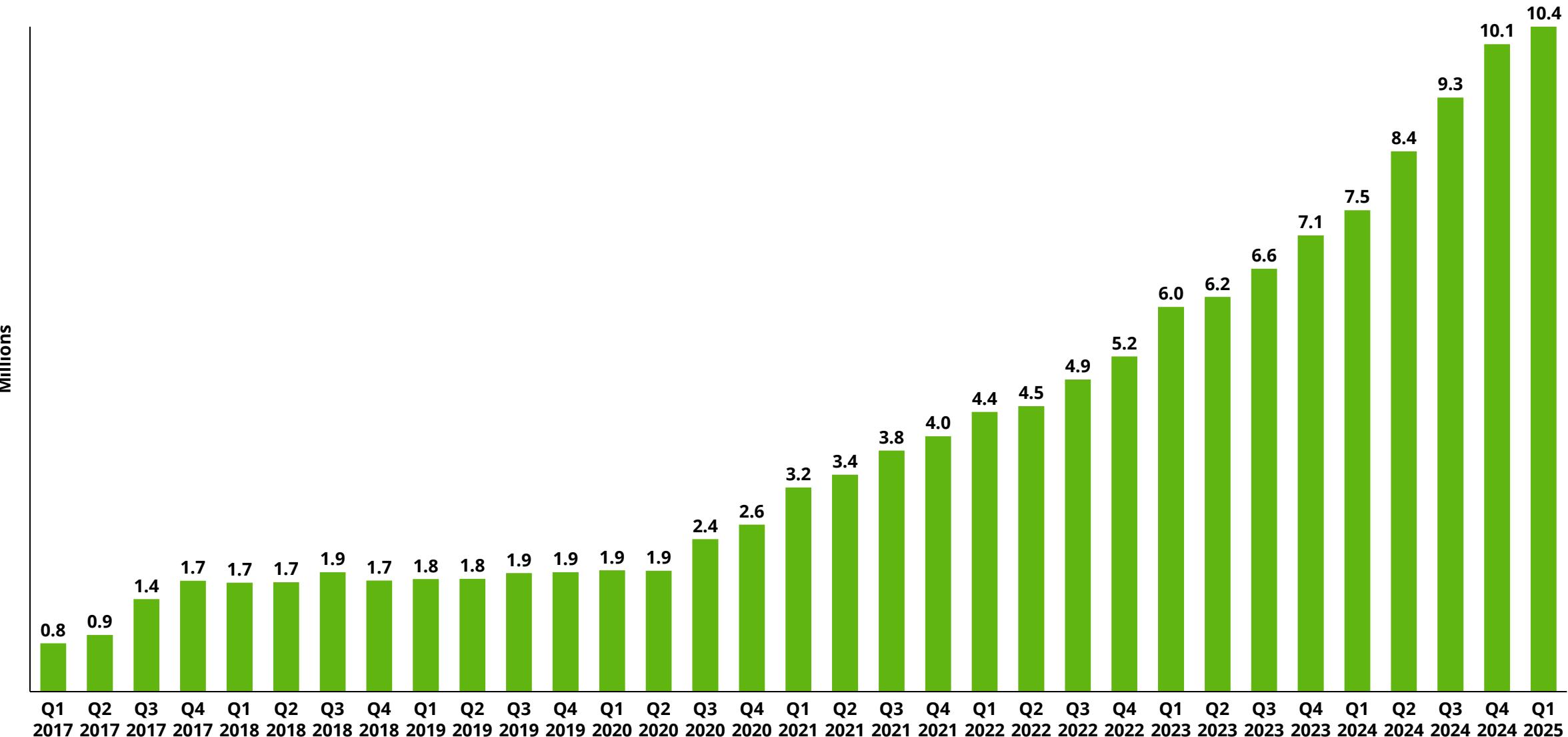
Our iGaming revenue is continuing to grow on a YoY basis

iGaming Revenue



The number of unique customers on our platform is rising

Unique Customers in the Prior Twelve Months⁽¹⁾



(1) Includes customers who engaged only with the Jackpocket brand (and not the DraftKings or Golden Nugget Online Gaming brands) after DraftKings closed the acquisition of Jackpocket.



Non-GAAP Financial Measures

This presentation includes Adjusted EBITDA, Adjusted Operating Expenses, and Adjusted Earnings (Loss) Per Share, which are non-GAAP financial measures that DraftKings uses to supplement its results presented in accordance with GAAP. The Company believes Adjusted EBITDA, Adjusted Operating Expenses, and Adjusted Earnings (Loss) Per Share are useful in evaluating its operating performance, similar to measures reported by its publicly-listed U.S. competitors, and regularly used by security analysts, institutional investors and other interested parties in analyzing operating performance and prospects. Adjusted EBITDA, Adjusted Operating Expenses, and Adjusted Earnings (Loss) Per Share are not intended to be substitutes for any GAAP financial measures, and, as calculated, may not be comparable to other similarly titled measures of performance of other companies in other industries or within the same industry.

We define and calculate Adjusted EBITDA as net income (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 Operating Expenses as the sum of sales and marketing expense, product and technology expense, and general and administrative expense before the impact of 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; and other non-recurring and non-operating costs or income. We define and calculate Adjusted Earnings (Loss) Per Share as basic earnings (loss) per share attributable to common stockholders before the impact of amortization of acquired intangible assets; discrete tax benefits attributed to acquisitions; 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.

DraftKings includes these non-GAAP financial measures because they are used by management to evaluate the Company's core operating performance and trends and to make strategic decisions regarding the allocation of capital and new investments. Adjusted EBITDA, Adjusted Operating Expenses, and Adjusted Earnings (Loss) Per Share exclude certain expenses that are required in accordance with GAAP because they are non-recurring items (for example, in the case of transaction-related costs and advocacy and other related legal expenses), non-cash expenditures (for example, in the case of amortization of acquired intangible assets, depreciation and amortization, remeasurement of warrant liabilities and stock-based compensation), or non-operating items which are not related to the Company's underlying business performance (for example, in the case of interest income and expense and litigation, settlement and related costs).

Information reconciling forward-looking Adjusted EBITDA guidance to its most directly comparable GAAP financial measure, as applicable, is unavailable to DraftKings without unreasonable effort due to, among other things, certain items required for such reconciliations being outside of DraftKings' control and/or not being able to be reasonably predicted. Preparation of such reconciliations would require a forward-looking balance sheet, statement of income and statement of cash flow, prepared in accordance with GAAP, and such forward-looking financial statements are unavailable to the Company without unreasonable effort. DraftKings provides a range for its Adjusted EBITDA forecasts that it believes will be achieved; however, the Company cannot provide any assurance that it can predict all of the components of these calculations. DraftKings provides forecasts for Adjusted EBITDA because it believes that this measure, when viewed with DraftKings' results calculated in accordance with GAAP, provides useful information for the reasons noted above. However, this measure is not a measure of financial performance or liquidity under GAAP and, accordingly, should not be considered alternatives to net income (loss) or cash flow from operating activities or as an indicator of operating performance or liquidity.

Reconciliation of GAAP Expenses to Non-GAAP Expenses

GAAP to Non-GAAP Expense Reconciliation

\$ Millions

	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23
GAAP Expenses									
Cost of Revenue	\$844	\$835	\$742	\$663	\$710	\$717	\$543	\$510	\$522
Sales and Marketing	\$344	\$369	\$340	\$216	\$341	\$291	\$313	\$207	\$389
Product and Technology	\$103	\$112	\$104	\$93	\$89	\$88	\$89	\$90	\$88
General and Administrative	\$164	\$217	\$208	\$165	\$174	\$179	\$131	\$136	\$160
Total GAAP Operating Expenses	\$1,455	\$1,532	\$1,394	\$1,137	\$1,314	\$1,275	\$1,077	\$944	\$1,159
Non-GAAP Operating Expense Adjustments									
Cost of Revenue	(a) (\$0)	(\$0)	(\$0)	(\$0)	(\$1)	(\$1)	(\$1)	(\$0)	(\$1)
	(b) (\$43)	(\$39)	(\$56)	(\$36)	(\$29)	(\$29)	(\$29)	(\$29)	(\$30)
	(d) (\$23)	(\$23)	(\$29)	(\$20)	(\$18)	(\$20)	(\$16)	(\$14)	(\$14)
	(f) \$0	\$0	\$0	\$21	\$0	\$0	\$0	\$0	\$0
Sales and Marketing	(a) (\$10)	(\$14)	(\$10)	(\$8)	(\$5)	(\$10)	(\$8)	(\$8)	(\$11)
	(d) (\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)
Product and Technology	(a) (\$14)	(\$32)	(\$23)	(\$24)	(\$18)	(\$31)	(\$23)	(\$25)	(\$28)
	(d) (\$2)	(\$2)	(\$2)	(\$2)	(\$2)	(\$2)	(\$2)	(\$2)	(\$2)
General and Administrative	(a) (\$55)	(\$64)	(\$54)	(\$59)	(\$70)	(\$72)	(\$47)	(\$56)	(\$78)
	(c) \$0	(\$2)	(\$1)	(\$19)	(\$5)	(\$2)	(\$1)	(\$0)	\$0
	(d) (\$2)	(\$2)	(\$2)	(\$2)	(\$3)	(\$2)	(\$2)	(\$2)	(\$2)
	(e) \$0	(\$41)	(\$20)	(\$11)	(\$9)	(\$24)	(\$4)	(\$4)	(\$3)
	(f) \$0	(\$10)	(\$41)	\$0	(\$0)	(\$0)	\$0	\$0	\$0
Total Non-GAAP Operating Expense Adjustments	(\$149)	(\$229)	(\$240)	(\$160)	(\$161)	(\$195)	(\$133)	(\$142)	(\$168)
Adjusted Operating Expenses									
Cost of Revenue	\$778	\$773	\$657	\$628	\$662	\$666	\$498	\$467	\$477
Sales and Marketing	\$333	\$354	\$329	\$207	\$335	\$280	\$305	\$199	\$378
Product and Technology	\$87	\$78	\$79	\$67	\$69	\$55	\$64	\$63	\$58
General and Administrative	\$108	\$98	\$89	\$75	\$87	\$79	\$77	\$74	\$78
Total Adjusted Operating Expenses	\$1,306	\$1,303	\$1,154	\$976	\$1,153	\$1,080	\$943	\$802	\$991

Totals may not add 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 Income (Loss) before the impact of interest income and expense, 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.

	Three months ended March 31,	
	2025	2024
Revenue	\$ 1,408,806	\$ 1,174,996
Cost of revenue	843,803	710,069
Sales and marketing	343,680	340,699
Product and technology	103,260	88,815
General and administrative	164,394	174,251
Loss from operations	(46,331)	(138,838)
Other income (expense):		
Interest income	9,489	15,067
Interest expense	(5,094)	(649)
Gain (loss) on remeasurement of warrant liabilities	2,495	(18,094)
Other gain (loss), net	22	(735)
Income (loss) before income tax and equity method investments	(39,419)	(143,249)
Income tax provision (benefit)	(5,600)	(351)
(Gain) loss from equity method investment	45	(330)
Net income (loss) attributable to common stockholders	\$ (33,864)	\$ (142,568)
<i>Adjusted for:</i>		
Depreciation and amortization ⁽¹⁾	70,116	53,180
Interest income	(9,489)	(15,067)
Interest expense	5,094	649
Income tax provision (benefit)	(5,600)	(351)
Stock-based compensation ⁽²⁾	78,846	93,535
Transaction-related costs ⁽³⁾	—	4,908
Litigation, settlement, and related costs ⁽⁴⁾	—	9,320
Advocacy and other related legal expenses ⁽⁵⁾	—	285
(Gain) loss on remeasurement of warrant liabilities	(2,495)	18,094
Other non-recurring, special project and non-operating (income) costs ⁽⁶⁾	22	405
Adjusted EBITDA	\$ 102,630	\$ 22,390

(1) The amounts include the amortization of acquired intangible assets of \$42.7 million and \$29.3 million for the three months ended March 31, 2025 and 2024, 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 the evaluation, negotiation, and consummation of transactions and offerings that are under consideration, pending, or completed, as well as integration costs related to acquisitions.

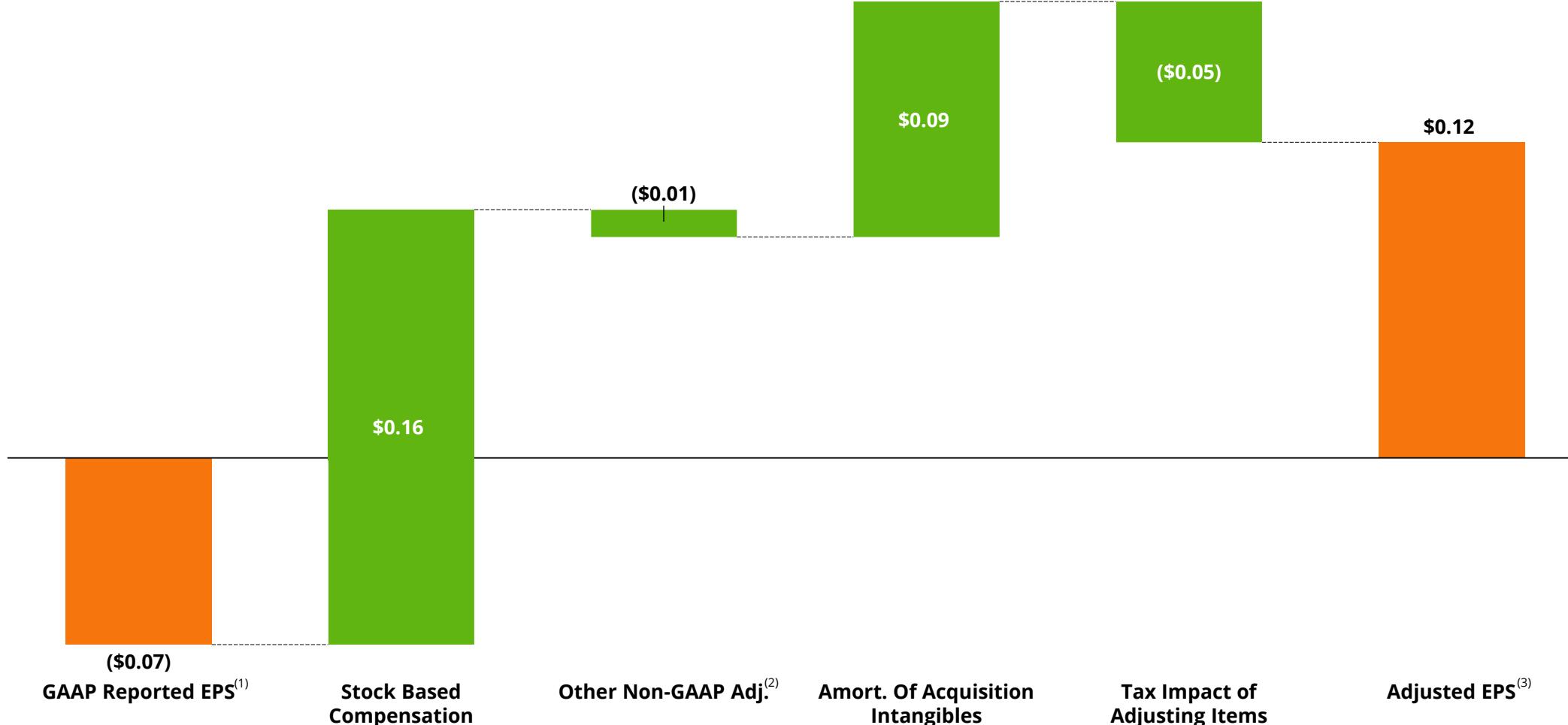
(4) Primarily includes external legal costs related to litigation and litigation settlement costs deemed unrelated to our core business operations.

(5) Reflects 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. This adjustment excludes (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.

Non-GAAP Adjusted Basic Earnings (Loss) Per Share Reconciliation

Adjusted Basic Earnings (Loss) Per Share Reconciliation: Three Months Ended March 31, 2025 Dollars



Note: Weighted average number of shares used to calculate adjusted basic earnings (loss) per share for Q1 2025 was 493 million; totals may not add due to rounding.

(1) Refers to DraftKings' basic earnings (loss) per share attributable to common stockholders calculated and reported in accordance with GAAP.

(2) Includes adjustments for transaction-related costs, litigation, settlement, and related costs, advocacy and other related legal expenses, (gain) loss on remeasurement of warrant liabilities, and other non-recurring and non-operating costs (income).

(3) Adjusted basic earnings (loss) per share is a non-GAAP financial measure.



DraftKings Share Count Detail

Share Count as of March 31, 2025 Thousands

Common Shares Outstanding (31-March-25)	496,339
Vested Stock Options @ TSM ⁽¹⁾	15,300
<i>Memo: Vested Stock Options</i>	19,060
Diluted Shares Outstanding (With Vested Stock Options @ TSM)	511,639
DEAC Private Placement Warrants ⁽²⁾	82
GNOG Private Placement Warrants ⁽³⁾	98
Fully Diluted Shares Outstanding	511,819

Table is not reflective of GAAP diluted share count given GAAP diluted share count includes unvested restricted stock units and out-of-the-money shares underlying DraftKings' convertible notes.
Table does not include shares of Class B common stock, which have no economic or participating rights.

(1) Based on Treasury Stock Method ("TSM"); assumes DraftKings Class A share price as of 7-May-2025 and a weighted average strike price of \$9.11 per stock option.

(2) Based on TSM; assumes DraftKings Class A share price as of 7-May-2025 and strike price of \$11.50 per warrant.

(3) Based on TSM; assumes DraftKings Class A share price as of 7-May-2025 and strike price of \$31.50 per warrant.



Comparison of Monthly Unique Payers and Average Revenue per MUP

Key Performance Indicators

Millions; Dollars

■ Monthly Unique Payers ("MUPs")

- We define MUPs as the number of unique paid users per month who had one or more real-money, paid engagements across one or more of our Sportsbook, iGaming, DFS, or other consumer product offerings via our technology. For reported periods longer than one month, we average the MUPs for the months in the reported period.
- MUPs is a key indicator of the scale of our online gaming user base and awareness of our brand.
- We believe that year-over-year growth in MUPs is generally indicative of the long-term revenue growth potential of our online gaming product offerings, although MUPs in individual periods may be less indicative of our longer-term expectations.

■ Average Revenue per MUP ("ARPMUP")

- We define and calculate ARPMUP as the average monthly revenue, excluding revenue from gaming software services, for a reporting period, divided by the average number of MUPs for the same period.
- ARPMUP represents our ability to drive usage and monetization of our product offerings.
- We use ARPMUP to analyze comparative revenue growth and measure customer monetization and engagement trends.

Three months ended March 31,

2025⁽¹⁾ 2024

Average Monthly Unique Payers
("MUPs")
(in millions)

4.3 3.4

Average Revenue per MUP ("ARPMUP")
(in whole dollars)

\$108 \$114

(1) Excluding the impact of DraftKings' acquisition of Jackpocket, average monthly unique payers ("MUPs") increased 11% year-over-year to 3.8 million and average revenue per MUP ("ARPMUP") increased 7% year-over-year to \$122 in the first quarter of 2025.

