*Italics illustrate my commentary*

**Takeaways from DraftKings Investor Day November 2023**

[**DraftKings Presentation to Investors**](https://draftkings.gcs-web.com/static-files/b6f14c7f-f4dd-4fcb-8c3c-637de5db2afb)

*Slide 36 illustrates a clear corporate initiative which LAFC absolutely helps with:*

A screenshot of a computer

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*DraftKings is EBITDA negative but their revenue is still increasing by a lot:*

For the three-month period ended Sept. 30, DraftKings generated revenue of $789.5 million, beating analysts’ estimates of $702.3 million. It represents an increase of 57% from the same quarter in 2022. As DraftKings eyes full-year profitability in 2024, the company reported quarterly Adjusted EBITDA of negative-$153.4 million, up from negative-$264.2 in the same category in the year-ago quarter.

“I’m really excited about 2023 shaping up to be an excellent year for DraftKings. I’m equally if not more excited about 2024 and beyond,” said Robins, while alluding to the company’s quest to attain full-year profitability for the first time ever.

**New States are Becoming Profitable Faster**

*Great trend to see for LAFC as sports betting in California is currently illegal*

DraftKings said it now projects new states could reach profitability in as little as five quarters. Why? Bettors in those states are primed for launch in a way that they weren’t in earlier years. That’s made DraftKings more effective at acquiring customers. CFO Jason Park said that in states where DraftKings launched in 2022 and 2023, it is adding customers 4.5 times faster than it was in states where it launched in 2018 and 2019.

“Put simply, more recent states have citizens that are geared up and ready to go when their state finally launches online sports betting,” Park said

**DraftKings and Sports Betting Legalization in California**

*Sports Betting is illegal in California, DraftKings has lobbied millions of dollars to try to legalize it through Proposition 27*

* California has the potential to be the largest legalized sports betting market in the country with an estimated $60 billion in wagers and revenue of $3 billion annually.

From <https://www.gamingtoday.com/california/>

*From DraftKings website on Prop 27*

* [About Prop 27](https://www.draftkings.com/prop27?wpsrc=Organic%20Search&wpaffn=Google&wpkw=https%3A%2F%2Fwww.draftkings.com%2Fprop27&wpcn=prop27)

Proposition 27, the California Solutions to Homelessness and Mental Health Support Act, generates hundreds of millions of dollars annually for solutions to homelessness, mental health, and addiction by taxing and regulating online sports betting for adults 21+. Strict protections for minors and mandatory audits make sure that the money is spent effectively to reduce homelessness. It’s why homeless service providers, bipartisan local leaders, and California tribes all say yes on 27. It’s a win-win.

**Increased Competition from newcomers because of prop betting**

* California and daily fantasy sports have an interesting relationship. DFS providers in California are the recipients of more contest entries and money than any other state. In a given year, they take in roughly $200 million in entry fees. At the same time, California has never legalized DFS and has essentially allowed the companies to fly under the radar in an unregulated status.
* [PrizePicks Named the Fastest-Growing Sports Company in America as Part of the 2022 Inc. 5000 List](https://www.prnewswire.com/news-releases/prizepicks-named-the-fastest-growing-sports-company-in-america-as-part-of-the-2022-inc-5000-list-301606827.html)

In Arizona, for example, PrizePicks had $28.2 million in entry fees this year through August, vastly outpacing fantasy products at DraftKings ($14.6 million) and FanDuel ($3.4 million).

A graph of a sports entry

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* [DRAFTKINGS ADDS PROP BET FUNCTION AMID FEUD WITH FANTASY RIVALS](https://www.sportico.com/business/sports-betting/2023/draftkings-parlay-product-1234746599/)

*DraftKings Daily Fantasy Services are legal in California but their new prop betting services similar to PrizePicks is not. Prize Picks is legal in California, as a result DraftKings complains to lawmakers:*

DraftKings [**claim**](https://www.egr.global/northamerica/news/draftkings-ceo-labels-pickem-lobbying-a-call-for-clarity-amid-scrutiny/) that those specific prop products are gambling, and should be regulated accordingly. They’re also [**lobbying**](https://t.co/ha6lkyp1R4) state legislators to take action. PrizePicks disagree, and have highlighted the hypocrisy they see in the public and private actions of DraftKings and FanDuel, which were once upstart fantasy operators themselves, often moving quickly into legal grey areas to the chagrin of more entrenched incumbents.

* [DraftKings CEO Statement on PrizePA close up of text

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* [PrizePicks Becomes First-Ever Fantasy Sports Partner of Atlanta United](https://www.prnewswire.com/news-releases/prizepicks-becomes-first-ever-fantasy-sports-partner-of-atlanta-united-301778544.html)

**Draft Kings’ Place in Sports Gambling Market**

[DraftKings and FanDuel Rivalry](https://sportshandle.com/draftkings-fanduel-sportsbook-wars/)

December 19, 2023

* ***DraftKings*** and ***FanDuel*** combine for over 70% of the market share
* The two companies account for 61% of all gross gaming revenue in the online space
* Newcomers ***Fanatics*** and ***ESPN BET*** are looking to vie for market share
* CEO Robins told investors Friday that **DraftKings is prepared for the increased competition and plans to reduce promotions in 2024.**

[DraftKings revenue gains as rivals vie for market share](https://www.cnbc.com/2023/11/03/draftkings-earnings-sports-betting-online-casino-fuel-revenue-growth.html)

November 3, 2023

* Overall revenue from online sports betting is **projected to reach $7.6 billion by the end of 2023** in the U.S., largely driven by its introduction in more states over the past year
* **Revenue is expected to grow yearly by 17.3%** to reach a projected market volume of $14.4 billion by 2027.

[**DRAFTKINGS SIGNS MULTI-YEAR PARTNERSHIPS WITH THREE NBA FRANCHISES**](https://draftkings.gcs-web.com/news-releases/news-release-details/draftkings-signs-multi-year-partnerships-three-nba-franchises)

*How DraftKings partnerships bring value to their customers:*

76ers: As part of the partnership, along with traditional marketing and promotional opportunities, DraftKings will offer VIPs a “Court of Dreams” excursion allowing them an all-access, inside look at the 76ers’ training complex, in addition to season tickets and suites for hospitality and promotional use.

Celtics: DraftKings will continue to bolster its presence in its hometown market, gaining access to specific marketing promotions and impactful customer experiences like VIP watch parties, a “Play on the Parquet Event” and sweepstakes.

Pacers: As part of the sponsorship, DraftKings will offer unique experiences for customers, including a VIP “Fantasy Camp” opportunity and “Honorary Team Captain Presentations”. This diverse suite of experiences, comprised of practice court scrimmages, game tickets, and alumni meet and greets, will provide unparalleled access for fans and users alike.

[Example Marketing Promo](https://www.bettingusa.com/draftkings-partners-76ers-hosts-special-promotion/) with 76ers

* Immediately after the announcement of their partnership, the 76ers issued a press release announcing a collaborative promotion that will award the winner a trip for four to see the 76ers play the Pelicans in New Orleans. Here’s how you can get in on the action.
  + Post a 15 second video to Instagram naming your all-time 76ers starting five
  + All five players must be retired
  + Include the hashtag #PhillyDraftKings when you post your video
  + That’s all you have to do to participate in the contest and take a shot at winning. DraftKings and the 76ers will choose the three best video submissions and the three winners will compete in a halftime shooting contest during the Sixers-Grizzlies game on December 13th.
* The winner of the shooting contest will win free travel, accommodation, and tickets for four to watch the Sixers play the Pelicans on January 26th in New Orleans. The deadline for submissions is Wednesday, December 10th at 8:00 PM. Get busy, make your video memorable, and don’t forget to brush up on your free throws.

**Executive Statements on Decreasing Partnerships with Sports Teams:**

* [**DraftKings**](https://www.sportico.com/t/draftkings/) will continue to scale back on its partnerships with sports teams and leagues, CEO [**Jason Robins**](https://www.sportico.com/t/jason-robins/) said Friday, calling it an inefficient part of the company’s business
* “It’s really part of an overall effort that we have to be more efficient as a company,” Robins said on the call. “And I think that there is an opportunity in this category to get even better.”
* Chris Krejcik, executive director at Eilers & Krejcik, said it remains to be seen whether DraftKings can hold onto its lead: “FanDuel remains close behind, after all, and the competitive landscape — through the imminent introduction of ESPN Bet and the ramping up of Fanatics — is about to get a lot tougher,” he said.

[Matt Kalish, Co-Founder and President of DraftKings North America, tweets](https://twitter.com/mattkalish/status/1714782984769884648):

A screenshot of a social media post

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