



DRAFTKINGS REPORT

Cutting-Edge Business Development

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COMPANY OVERVIEW

DraftKings is a one of the leading digital sports betting and gaming companies that has been dominating the industry throughout the last 14 years. The app launched back in 2012 under three founders, Jason Robins, Matt Kalish and Paul Liberman. Throughout its operations, DraftKings has been a comprehensive technology platform that helps differentiate itself against key competitors including FanDuel and BetMGM. The integrated platform has advanced data processing capabilities as well as artificial intelligence elements that serve to be key elements that serve to help gain a stronger competitive advantage. The online sports betting market has consolidated into an effective duopoly between DraftKings and FanDuel. Currently, DraftKings holds the #2 position. Because these two companies have been dominating the industry for quite some time, they have effectively established a strong parity with each other in terms of product offering, therefore they are far ahead of the competition.

The platform has evolved from its daily fantasy sports into an integrated sports betting driver. Currently, the online sportsbook platform operates across 28 states as well as in Washington D.C. and Ontario, Canada. Their iGaming platform (online casino) operates in five states and Ontario under the DraftKings brand. Finally, the company's original daily fantasy sports remain active. The company generates revenue by taking a percentage of the bets that are placed as well as offering gaming services through their user-friendly platform.

Despite its strong market position, DraftKings operates in an extremely competitive market defined by high customer acquisition costs, heavy regulatory insights and intense competition from other companies. As the legalization of sports betting due to the Murphy v. NCAA decision continues, DraftKing's long term success will be heavily dependent on the ability to differentiate, increase customer retention, and leverage its platform to generate a strong competitive advantage.

AFI Framework

DraftKings evaluates both the internal and external environment to execute its competitive strategy. In terms of an external environment, the U.S. Sportsbetting industry has grown extremely fast with nearly \$600 billion in bets at legal sportsbook platforms since 2018. Sportsbetting is now legal in 38 states and will continue to grow as further legalization takes place. Developments in new markets could have a positive or negative impact on the company, therefore it is important to gain a competitive advantage to dominate these markets. The market is heavily concentrated, with DraftKings holding roughly 32% of the market as compared to FanDuel's 34%. These percentage shares represent a strong duopoly between both DraftKings and FanDuel, making barriers to enter quite difficult. DraftKings was most recently reported to have a total revenue of \$6.055 billion since December 31, 2025. This total revenue represents a 26.99% increase year over year. As of 2024, DraftKings Reported 4.8 million MUPs (monthly unique paying customers).

In the formulation stage, DraftKings focuses on a differentiation strategy that will make their platform the "go-to platform" for online sportsbetting. Especially because DraftKings operates in a competitive market, their differentiation strategy focuses on user experience, better technology and platform integration. After DraftKings acquired SBTech (which is a global technology company that provides the engine for sportsbetting), the company moved toward bringing their technology in-house. By relying on a third party engine for technology, DraftKings is able to develop specialized algorithms or math codes for live betting. By building these themselves, they are able to develop a unique advantage that no outside company could simply sell them. Prior to the merger in 2020, DraftKings was buying their technology from third-party providers including Kambi and Simplebet. These companies provided the platform, managed the odds and controlled the risk management. But using the same engine as their competitors made it difficult for DraftKings to gain a competitive advantage, therefore turning to SBTech, allowed them to have full visibility into the software and enabled control over developers to build different features into their platform. DraftKings also emphasizes geographic expansion to increase user engagement.

In order to execute its competitive strategy, DraftKings focuses on heavy investment in technology, partnerships and marketing. DraftKings' marketing tactics combine out of home advertising, paid media through national TV buys and Programmatic Digital displays, as well as influencer led content through multi-year partnerships. In Q4 of 2025, the company reported a 43% increased in revenue growth showing strong execution of its strategic growth strategy.

THE DRAFTKINGS AFI STRATEGY FRAMEWORK: A CASE STUDY

AFI MODEL CASE STUDY

 **DATE:** Current Date, e.g., Sept 2024





The chart above depicts the mission, vision and values of DraftKings and their commitment to deliver a platform that helps users play responsibly.

The mission, vision and values framework is used to help define the strategic direction of DraftKings. The company's Vision focuses on becoming a strong leader in the digital sports betting and entertainment industry through delivering a trusted and customer-focused interactive platform. Their goal is to expand beyond just their betting platform, but also to continue to dominate in the market. The firm's mission centers on delivering a safe, fun experience through innovating technology. DraftKing's user base averages around 4.8 million users, which is why the company prioritizes the customers, accessibility and personalization. Their goal is to retain customers by focusing on user experience. Finally, the overarching values of the firm is to emphasize responsible gaming and customer trust. Promoting ethical gambling practices is essential when it comes to sustaining long-term growth.

PESTEL Analysis

Overall, the PESTEL analysis below highlights how DraftKings operates in a highly complex environment, where the external forces deeply affect the strategic decisions that the company makes. With the legalization of sports betting in more than 38 states in the U.S., the industry has grown significantly, with over \$100 billion in annual wagers. With the legalization comes significant challenges, due to varying state regulations, taxation, and compliance requirements. Economic Pressures also play a significant role, as high customer acquisition costs make profitability difficult despite the recent positive earnings. Sociocultural trends show an increased demand in live and microbetting, continuing to increase engagement. Technology remains one of DraftKing's strongest competitive advantages. Their continued investment in AI and data analytics has proved beneficial and helps create more personalization on the app. DraftKings' long-term success is highly dependent on its ability to take its already successful technology and transform it to increase customer engagement while navigating regulations in the industry.

DRAFTKINGS PESTEL ANALYSIS

Key External Factors Shaping DraftKings' Business Environment



P 	POLITICAL Government regulations are the biggest political factor that DraftKings is facing. Since the 2018 legalization of sports betting, the number of markets/states has expanded greatly. Regulation varies by states, therefore there is some complexity when it comes to adding new markets as there are different licensing requirements.	T 	TECHNOLOGY Technology is a major competitive advantage for DraftKings. Back in 2020, DraftKings acquired SBTech which is a global technology company. This partnership enabled the company to develop special algorithms for live betting to personalize user engagement.
E 	ECONOMIC Profitability in the sportsbetting industry is very challenging. Just only recently had its first positive cash flow since launching in 2013. In 2024, DraftKings generated \$181.3 million in earnings, which reversed their \$151 million loss in 2023. Economic downturns can negatively impact the discretionary spending of customers, especially since sports betting is not an essential expense.	E 	ENVIRONMENTAL There are truly limited ecological factors that have an effect on DraftKings. Because they are a digital platform, the company relies more on cloud infrastructure. One area where DraftKings may play a role in environmental factors is through energy use, therefore there may be pressure to adopt more sustainable energy practices.
S 	SOCIAL Consumer behavior in the sportsbetting industry has largely been driven by legalization. Younger demographics, specifically Gen Z and millennials are leading the adoption. Consumers are seeking more interactive experiences, such as live betting and micro-betting. DraftKings has accomplished this by positioning itself as more than just a sportsbook platform.	L 	LEGAL Legal factors have the biggest effect on DraftKings's operations. There are many laws related to licensing, advertising and taxation in place to protect consumers. These laws vary by state, meaning that each state has different regulations.

DRAFTKINGS VRIO ANALYSIS

Evaluating Key Resources and Capabilities That Drive Competitive Advantage



RESOURCE / CAPABILITY	KEY DATA / EVIDENCE	V (Valuable)	R (Rare)	I (Inimitable)	O (Organized)	RESULT
BRAND RECOGNITION	Top 2 sportsbook in the U.S. with ~25% market share ¹	✓ YES	✓ YES	✓ YES	✓ YES	SUSTAINED ADVANTAGE
TECHNOLOGY PLATFORM	SBTech acquisition + in-house technology and innovation ²	✓ YES	✓ YES	✓ YES	✓ YES	SUSTAINED ADVANTAGE
USER BASE	4.8M monthly active users (Q4 2024) ³	✓ YES	✗ NO	✗ NO	✓ YES	COMPETITIVE PARITY
MARKETING & PROMOTIONS	Billions spent on user acquisition ⁴	✓ YES	✗ NO	✗ NO	✓ YES	TEMPORARY ADVANTAGE
STRATEGIC PARTNERSHIPS	Deals with NFL, NBA, ESPN ⁵	✓ YES	○ PARTIAL	○ PARTIAL	✓ YES	TEMPORARY ADVANTAGE

The VRIO framework describes how DraftKings possesses the resources necessary to achieve a continued/sustained competitive advantage. The strongest point of DraftKing's resources falls under technology and brand recognition. According to data, DraftKings already holds 32% of the market share in the sportsbook industry, making it part of a duopoly structure. This strong brand presence in the industry is valuable, making it difficult to replicate. A main contributor as to why it has been effective is through its marketing and platform strategy.

DraftKings has consistently invested in it's technology infrastructure, especially with its acquisition of SBTech, which enables for better personalized betting experiences. There is a reflection in the benefits of these investments, as the average revenue per user reached \$139. These technologies make imitation from competitors difficult, contributing to a sustained competitive advantage.

Only a temporary advantage comes from heavy spending on marketing and promotions. Competitors can easily replicate marketing campaigns, which makes it difficult to sustain an advantage. Both DraftKings and FanDuel have large user bases, strategic partnerships are key. Overall, the VRIO framework shows DraftKing's core competitor advantage centers around its technology platform and brand strength.



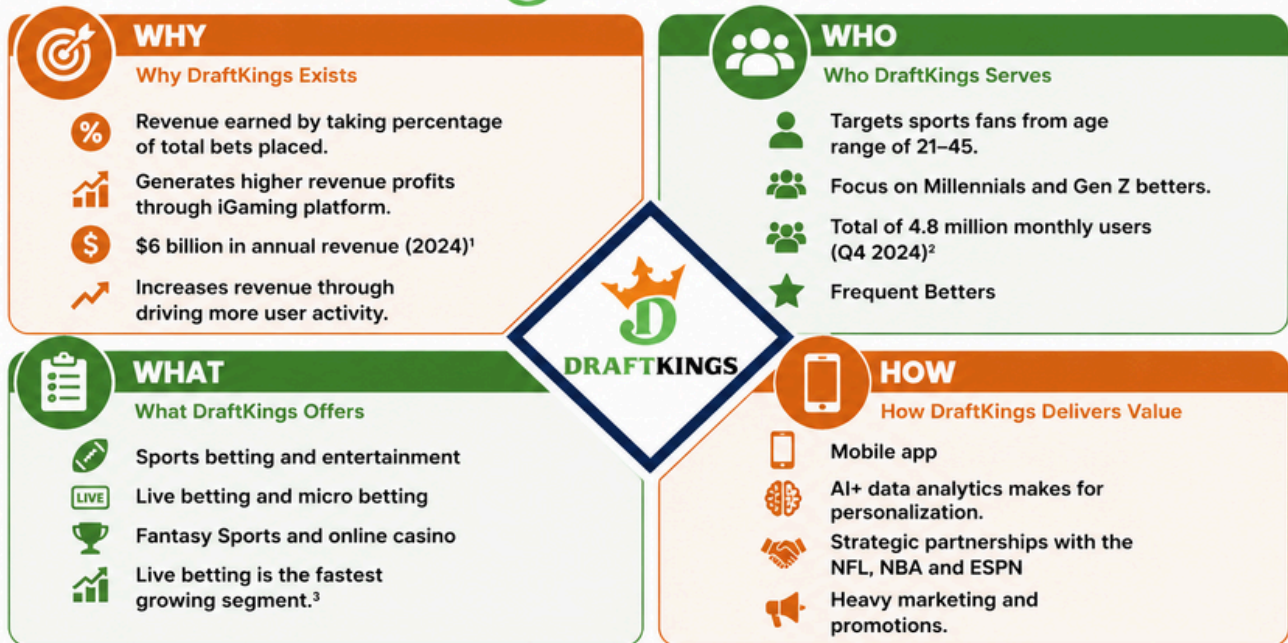
DraftKings operates in the differentiation quadrant, with some of its major competitors including FanDuel and BetMGM. These firms compete by offering superior user experience, advanced technology, and strong brand positioning rather than competing on price. DraftKings currently holds 32% market share and 4.8 million active users, making it an established premium platform within the industry.

Some of their competitors offer cost-base strategies with more simplified platforms and promotions, but DraftKings is focused on creating value through engagement, partnerships and strong technology integration. This is key to DraftKings' strategic position as a differentiation leader in the digital sports betting industry.

There are some costs that are associated with this differentiation strategy, as they spend tons of money on promotions and customer acquisitions. This in turn reduces short-term profitability. Besides these costs, the strategy is very effective in building customer loyalty and engagement. DraftKings competes with FanDuel and BetMGM by creating better perceived value, while also reducing costs and positioning itself as a premium platform.

THE WHY, WHO, WHAT, AND HOW OF DRAFTKINGS

Creating Value for Sports Fans Through Technology, Entertainment, and Innovation



The business model of DraftKings can be analyzed through the “why, who, what, and how” framework, which explains how the company creates and captures value.

DraftKing’s why is centered around revenue generation with its sportsbook margins and iGaming operations. Annual revenue totals around \$6 billion annually and holds rates averaging around 11%, showing value capture from user betting activity.

DraftKing’s target market consists of young, tech-forward sports fans, especially millennials and Gen Z. The app generates roughly 4.8 million monthly active users, which the company benefits from as it is a highly engaged customer base.

The “what” represents the value proposition offered to betters. DraftKings is more than just a betting platform, as it also delivers an entertainment experience that includes live betting, fantasy sports and iGaming. Live and micro-betting has been growing steadily, which has increased engagement levels and increased revenue per user to \$130 annually.

Finally, the “how” explains how DraftKings delivers value to betters. The use of data analytics and artificial intelligence has allowed for real-time betting and a more personalized experience. Additionally the use of strategic partnerships with the major sports leagues has increased visibility. With heavy investing in marketing and promotions, DraftKings has been able to expand its user base while maintaining its competitive position.

Overall, DraftKing’s business model is focused on increasing user engagement with its technology and using that engagement to convert into revenue. Their goal is to maintain and position itself as a leader in the digital sports betting industry.

DRAFTKINGS' IN-HOUSE ADVANTAGE: SBTECH TECHNOLOGY

Why Owning the Sportsbook Engine Creates a Long-Term Competitive Edge



	FIRM (IN-HOUSE / SBTECH)	MARKETS (THIRD-PARTY VENDORS)
ADVANTAGES	Full Control of Sportsbook Engine Complete control over the platform, features, and future roadmap. Proprietary Algorithms Own trading models and risk management algorithms that drive the business. Faster Innovation Ability to build, test, and launch new features faster than competitors. Better Coordination Across App Seamless integration across sportsbook, casino, DFS, and rewards. Data Ownership Full access to customer and performance data to drive decisions and personalization.	Flexibility to Outsource Access best-in-class vendors for specific capabilities as needed. Lower Upfront Development Cost No major investment in building core technology infrastructure. Faster Initial Market Entry Leverage existing platforms to enter markets more quickly. Reduced Internal Staffing Needs Less need for specialized engineers and technical teams.
DISADVANTAGES	Higher Fixed Costs Significant ongoing investment in technology, infrastructure, and cloud. Need Engineers / Developers Require a large team of technical talent to maintain and improve the system. Operational Complexity Managing the entire tech stack increases complexity and risk. Maintenance Costs Continuous updates, security, and system maintenance add to long-term expenses.	Revenue-Share Fees Pay a percentage of revenue to vendors, reducing profitability. Less Control Over Product Limited ability to customize features and user experience. Same Tech as Competitors Vendors often serve multiple books, reducing differentiation. Slower Innovation Dependent on vendor roadmaps and development timelines.
	KEY TAKEAWAY: By owning the SBTech sportsbook engine, DraftKings gains control, speed, and data ownership—creating a powerful long-term competitive advantage.	

Before DraftKing's acquired SBTech, they relied on the market for minimizing search and information costs. Kambi, who was a third party vendor and leading global sports betting provider at the time. They first partnered in 2018, where they accepted the first legal online sports wager. Kambi provided DraftKings with the backend sportsbook technology that enabled customers to engage in the highly competitive market. Using this third party vendor created high transaction costs and opportunism risks. Additionally, key competitors of DraftKings also used the same vendor, therefore DraftKings suffered from product differentiation.

Due to the lack of differentiation, DraftKings brought the technology backing the brand in-house with the acquisition of SBTech. This eliminated the revenue-share leak and created a solution for inherent outsourcing. Internalizing the technology allowed for easier integration between daily fantasy and sports book. Because third party providers take a percentage of the revenue, DraftKings now keeps that margin/. Additionally, in house technology enables differentiation for proprietary features such as unique live-betting that competitors cannot copy.

Overall, by bringing the technology in-house instead of outsourcing from the market, DraftKings was able to transform its software into a proprietary strategic asset. In the Early startup phase, outsourcing can be beneficial during the early start-up phase, however it creates a block in the road when it comes to innovation and profitability. Internalizing technology transformed DraftKing's software into a proprietary strategic asset.

ALLIANCE MANAGEMENT CAPABILITY

How DraftKings Builds, Manages, and Maximizes Value from Strategic Alliances



DraftKing's alliance management capability is known to play an important role in their competitive advantage. Because the sportsbetting industry is highly regulated, strategic partnerships are essential for growth and market entry. DraftKings has carefully selected alliance partners that provide strategic value. Some of these partners include ESPN, professional sports leagues, casinos and others, which have helped with market entry. These alliances provide legitimacy to the brand, enabling access to new users.

In the second stage, DraftKings design agreements to ensure that both companies benefit through combining revenue, advertising and technology collaboration. Strong management is important because poorly designed partnerships could lead to inefficiency, low profits and disagreements.

Finally, in the post formation stage, DraftKings must manage these partnerships through promotions, performance measurement and integration. The ability to maintain strong alliances and relationships are key for lowering acquisition costs and expanding into new markets.

Overall, these strategic partnerships and DraftKing's alliance management capability allows for new market entry and faster growth that is more effective than relying on internal resources.

DraftKings International Strategy



DraftKings can use international expansion to lead its long-term growth strategy. Although the firm has been in a leading position in the United States and Canada, there is still significant opportunity in other international markets. According to statistics, the online gambling market is expected to grow from \$78.7 billion to \$153.6 billion in 2030.

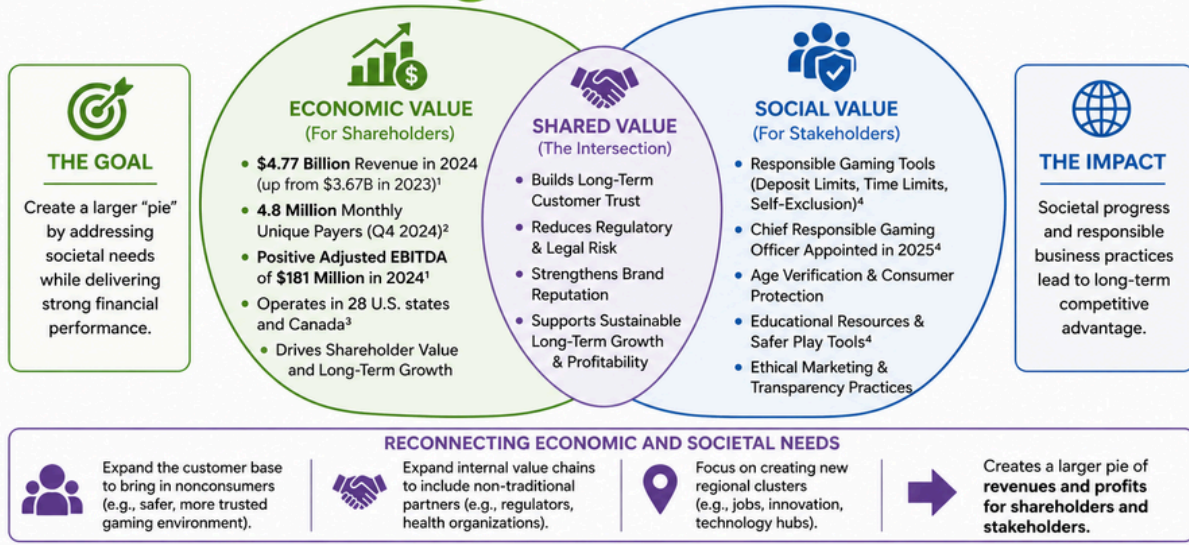
Europe already has a large online gambling market, accounting for 41% of the global market share. Because of this, Europe is an attractive region for DraftKings to enter. Brazil has emerged as another major growth market. Consumers in Brazil have been wagering up to \$5.1 billion per month, showing significant demand for sports betting platforms.

International growth tends to have major risks. In terms of DraftKings, they would face liability of foreignness, which is competing in unfamiliar markets against already established brands such as Bet 365. Regulation uncertainty is also likely, especially since Brazil recently increased enforcement.

Overall, international expansion is a great opportunity for DraftKings to access new users, markets and diversified revenue. If executed through partnerships, acquisitions, and localized strategies, expansion into select international markets could become one of DraftKings' most important long-term competitive advantages.

SHARED VALUE CREATION FRAMEWORK

How DraftKings Creates Economic Value and Social Value for Sustainable Competitive Advantage



The shared value creation framework outlines how companies create economic success while also addressing the impact on societal progress. DraftKings operates in a fast-growing, sensitive industry where long-term profitability is highly dependent on financial performance, public trust and regulatory compliance. To ensure long-term profitability, DraftKings creates value in both profitability and ethics at the same time.

From an economic value perspective, DraftKings has been growing steadily in recent years. Back in 2024, DraftKings generated roughly \$4.77 billion in revenue and 4.8 million monthly unique players. These stats reflect the company's ability to increase market share and monetization while creating returns for shareholders.

From a social value perspective, DraftKings operates in a risky industry, therefore they must operate responsibly. The company has been investing in responsible gaming initiatives for years. Some of these initiatives include time limits, self exclusion programs, age verification systems and educational resources. Their goal is to promote safer play. Recently, in 2025, they appointed their first Chief Responsible Gaming Officer, with the intention of focusing on consumer protection and ethical operations.

The combination of these two objectives creates shared value. By promoting responsible gaming, DraftKings is reducing legal and regulatory risk. A trusted/regulated platform is more likely to attract users and retain customers while building long-term relationships. This shows how DraftKings' commitment to social responsibility is effective in reinforcing their competitive advantage.

THE FOUR I'S: IDEA, INVENTION, INNOVATION, AND IMITATION

How DraftKings Turned an Idea into a Market-Leading Sports Betting and iGaming Company



The Four I's framework shows how competitive advantage evolves over time. DraftKings has progressed through each stage on its journey to become a leader in digital sports entertainment.



The Four I's framework is used to explain how firms are able to create a competitive advantage over time and what is needed to sustain that advantage. This model is highly relevant for DraftKings as they have successfully progressed through each stage of the framework, transforming from just a fantasy sports startup to one of the leading digital gaming and sportsbook platforms in North America.

The idea stage recognizes DraftKings as it began in 2012 as a modernized fantasy sports platform. The company introduced daily fantasy sports contests that were faster, more interactive and changed sportsbetting as it steered away from long-term commitments. This concept closed a gap in the market as it created a differentiated customer experience. The company's early entry into the market positioned it to rapidly build brand awareness and a national user base.

In the second stage, invention, DraftKings built a contesting platform. They heavily invested in mobile infrastructure, contest mechanics, and payment systems while prioritizing user experience. During this phase, DraftKings built a well known digital brand, with a strong technological backbone that allowed for easy expansion into different markets. DraftKings invested in its technology early on, which created the capabilities for future growth.

In the third stage, innovation, DraftKings began to transform into an iconic, leading sports betting company. After the 2018 legalization of sports betting in the U.S., DraftKings took its existing customer base and platform and introduced them to online sports book and iGaming markets. Then in 2020 with the acquisition of SBTech, technology was brought in-house, which improved pricing, live betting systems and product development. This acquisition was helpful in generating \$4.77 Billion in 2024 revenue indicating a 30% increase. Additionally, in the fourth quarter of 2024, MUPs grew to 4.8 million which was a 36% increase.

In the final stage, Imitation: DraftKings has attracted rivals including FanDuel, BetMGM and Caesars sportsbook. These platforms have copied many features that were once differentiating factors for DraftKings, As imitation and more competitors increase in the industry, the competitive advantages become shorter-lived. Therefore it is important that DraftKings continues to invest in new capabilities to maintain a competitive advantage.

Ultimately this model represents DraftKing's overall success from identifying new opportunities and commercializing them quicker than their competitors. Future Success is dependent on the ability of DraftKings to innovate faster than their rivals can imitate. In competitive industries such as the digital gaming industry, sustaining a competitive advantage is difficult, it must be continuously recreated.

Strategic Proposal: DraftKings 360

Reposition DraftKings As the Ultimate Sports Entertainment Platform

DraftKings should pursue a growth and expansion strategy through turning their already popular sports book platform into a full sports entertainment platform by launching DraftKings 360. DraftKings 360 would unify all digital sports entertainment, expanding the company beyond its traditional sports betting platform. Instead of positioning itself only as a sports book, the platform would become a central destination where fans can watch sports games, bet, play fantasy sports, access iGaming and digital lottery and use responsible gaming tools. Fans would be able to see stats of teams and players through AI-powered software.

The goal behind this strategy is to solve the long-term challenge: the sports book industry is continuously growing with more and more competitors entering the industry and imitating the platforms. This is a major concern as the product is becoming easier for competitors to imitate. Most of DraftKing’s competitors offer similar features such as mobile apps, sam-game parlays, and live betting. If DraftKings were to only rely on its sports book, the company would lose its positioning as a duopoly in the industry. Creating a full sports entertainment platform would create a broader ecosystem that competitors cannot easily copy.

The opportunity for growth here is significant. In 2024 the commercial sports betting industry generated \$13.78 billion dollars in revenue showing significant growth in legalized sports wagering. DraftKings generated \$6.05 billion in revenue in 2025, indicating a 27% increase from 2024. They reached their first full year net profit of \$3.7 million with an adjusted EBITDA of \$620 million. In Q4 of 2025, DraftKings reported 1.99 billion dollars in revenue, which showed a 43% increase from Q4 of 2024. These statistics show that DraftKings has reached a stability point where strong growth and improving profits can be reinvested to support long-term expansion and competitive advantage.



Core Strategy

DraftKings 360 would combine the following seven business areas into an integrated sports entertainment platform:

Sportsbook: Continue to strengthen Sportsbook as DraftKing's core betting product with continued focus on live betting, same-game parlays, micro-betting and more in-game experiences.

Interactive Sports Media: Use the strategic partnerships outlined above, with a specific focus on ESPN to integrate odds, betting content, fantasy insights and more experiences into sports media consumption. In December of 2025, ESPN announced that DraftKings would serve as its exclusive official sportsbook and odds provider, integrating DraftKings across all ESPN's products.

Fantasy Sports: Use the original daily fantasy sports foundation as a low-risk opportunity for entry-level bettors, this will enable low-risk entry for fans who may not become immediate sportsbook customers.

iGaming: Increasing the online casino offerings in legal states would be extremely beneficial as it will increase engagement and strengthen relationships with lifetime bettors.

Digital Lottery: Taking the Jackpocket acquisition and positioning it to reach casual players who may not identify as sport-bettors. DraftKings gained access to the U.S. digital lottery vertical through its acquisition of Jackpocket after a \$750 million dollar deal.

AI Personalization: AI- integration to provide recommendations that personalizes content, promotions, fantasy insights and safe gaming tools. Personalization will increase customer engagement.

Responsible Gaming Dashboard: Make responsible gaming a key part of the product experience giving risk alerts, deposit limits, and cool down reminders.



Why This Strategy Fits DraftKings:

DraftKings 360 perfectly aligns with the firm's core strengths. The VRIO analysis above displays that DraftKings's strongest points are its brand recognition and technology platform. These two resources are extremely valuable because they increase customer engagement and acquisition. Very few companies have comparable strengths, making these rare and essential. It can be difficult for companies to imitate brand trust, technology and data capabilities, because they take years to build and rework. DraftKings is organized to capture its value through its partnerships, app, marketing and product development.

DraftKings 360 builds more upon the make-versus buy strategy. With the acquisition of SBTech, DraftKings moved their key sportsbook technology in-house, giving the company better control over its algorithms and risk management. This is key because technology ownership enables DraftKings to develop proprietary experiences that are unique, instead of relying on vendors that also serve as technology providers to competitors. In the sports betting market, imitation is constant, therefore owning the technology helps DraftKings differentiate effectively.

DraftKings 360 is also key to the company's business strategy. Because DraftKings is not a cost leader, it competes through differentiation. Their goal is to build a better user experience, strong brand and partnerships through better product innovation. DraftKings 360 strengthens this position making the user experience more valuable. Instead of competing through promotions and free bets, the 360 platform would compete through personalization, content and entertainment.

Implementation Roadmap

Phase 1: Foundation/ Platform Integration (0-6 Months)

Goal: Create internal infrastructure needed for DraftKings 360.

Integrating sports book, fantasy and Pick6 experiences into ESPN's media platforms. Begin the AI data integration across user platforms. Launch introductory version of Responsible Gaming Dashboard.

Phase 2: Public Launch (6-18 Months)

Goal: Launch DraftKings 360 to public and increase growth.

Officially launch DraftKings 360 app, introducing ESPN live odds integration, AI personalization recommendations, and launch loyalty rewards program. Focus on improving retention rates and increase average revenue per user.

Phase 3: Sports Entertainment Inclusion (18-36 Months)

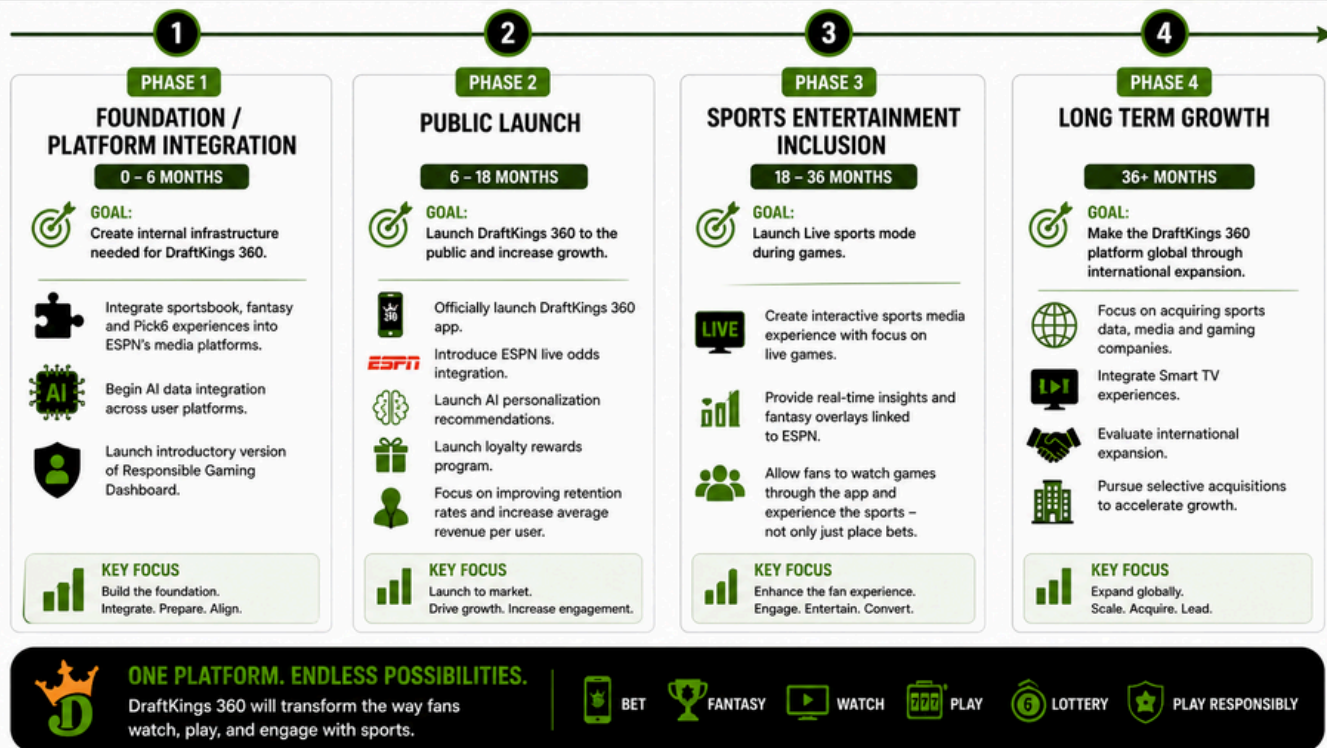
Goal: Launch Live sports mode during games.

DraftKings would create interactive sports media experience with focus on live games, real-time insights and fantasy overlays linked to ESPN. The goal is to allow fans to watch games through the app and experience the sports, not only just place bets.

Phase 4: Long term Growth (36+ Months)

Goal: Make the DraftKings 360 platform global through international expansion.

Focus on acquiring sports data, media and gaming companies, integrate Smart TV. Evaluate international expansion and selective acquisitions.



Strategic Benefits:

The first benefit that the 360 app will bring is stronger differentiation. Sportsbook has already been copied, therefore making a more cohesive sports entertainment platform will be difficult to imitate. DraftKings 360 will make the brand more than just a betting app, through connecting sports content, tv, fantasy, gaming and lottery in one platform. The second benefit that the 360 app will bring is higher engagement rates and retention. The current user base is calculated at roughly 4.8 million monthly unique players. The goal behind the 360 app would be to increase the number of reasons that users would want to return to the app, even if they are not placing a bet. Making the app have more daily touchpoints such as fantasy, content and lottery will increase engagement. The third benefit is an expanded customer group. Most people are hesitant to get into sports betting because not every sports fan wants to be a daily bettor. By making a more well-rounded app, new users may enter through ESPN content, free - to- play games and fantasy. Finally, another benefit of the 360 app would be better regulatory trust. Responsible gaming is key to DraftKing's success. If they can become an industry leader in consumer protection, it will reduce reputation risks and build better relations with potential bettors and regulators.

Risks and Controls:

In terms of risks during execution, it will be risky to coordinate across all platforms of sports book, fantasy, iGaming, media partnerships and AI. In order to ensure that this complex combination runs smoothly, there would need to be a dedicated DraftKings 360 team that focuses on product integration, customer experience and partnership performance. A second risk is regulation requirements. It may be a bad look and could raise concerns that the expansion is appearing to encourage excessive betting. But DraftKings will easily be able to combat this with the responsible gaming protections properly embedded directly into user dashboards. Finally, a third risk is overextension. DraftKings must take this slow, as expanding into entertainment categories too quickly may damage their betting products. They should remain a focus on sports fans and their current digital entertainment products.

Success Metrics

DraftKings should measure this strategy using both financial and nonfinancial metrics:

- Revenue growth
- Monthly Unique Payers
- Average revenue per Monthly Unique Payer
- Customer retention rate
- Responsible gaming dashboard usage
- ESPN referral conversion
- Customer lifetime value

Final Recommendation:

Overall, DraftKings should launch DraftKings 360 as a related platform in their sports hub expansion strategy. The company would be able to define itself as a sports technology, gaming and entertainment company instead of just gambling. The app takes everything that DraftKings already is excelling in including brand, technology and data partnerships and addresses threats of imitation and competitive parity.

The future winner in this industry will not simply be the company with the biggest sportsbook. It will be the company that owns the fan relationship before, during, and after the game. DraftKings 360 positions DraftKings to become that company.



TRANSFORMING DRAFTKINGS INTO A FULL SPORTS ENTERTAINMENT ECOSYSTEM

gaming, fantasy, and responsible play through innovative technology and trusted partnerships.

OUR VISION

To build the best, most trusted, and most customer-centric destination for fans; to develop the most entertaining real money products and offers; to forever transform the manner in which people experience sports; and to be fully vertically integrated sports betting operator.

OUR MISSION

To deliver a safe, fun, and engaging sports entertainment and gaming experience through innovative technology.

OUR VALUES

- Trusted
- Customer-Centric
- Innovative
- Passionate
- Accountable

THE DRAFTKINGS 360 ECOSYSTEM



MARKET OPPORTUNITY

The U.S. sports betting market continues to grow rapidly.

\$13.78B
U.S. Sports Betting Revenue in 2024

\$149.90B
Legally Wagered in 2024

38 STATES
+ Washington, D.C. with Legal Sports Betting

KEY BENEFITS

- ✓ Stronger differentiation beyond promotions
- ✓ Higher user engagement & retention
- ✓ Broader customer base across verticals
- ✓ Increased customer lifetime value
- ✓ Stronger brand trust & responsible gaming
- ✓ Sustainable long-term growth

OUR STRATEGIC PILLARS



1. INTERACTIVE SPORTS MEDIA

Leverage the ESPN partnership to create integrated experiences with live odds, expert insights, and interactive content that engage fans before, during, and after every game.

Action: Embed DraftKings experiences across ESPN platforms and build second-screen innovations.



2. AI-POWERED PERSONALIZATION

Use proprietary data and AI to deliver personalized recommendations, safer play tools, smarter promotions, and custom content that make every user experience unique and engaging.

Action: Build an AI engine that drives personalization, responsible gaming alerts, and smarter engagement.



3. EXPAND BEYOND SPORTS BETTING

Grow into digital lottery, iGaming, and casual gaming to reach more fans and create multiple entry points into the DraftKings ecosystem.

Action: Scale Jackpocket, expand iGaming, and launch free-to-play & prediction games.



4. RESPONSIBLE GAMING ADVANTAGE

Make responsible gaming a core part of the product experience to build trust, enhance player protection, and reduce regulatory risk.

Action: Launch a Responsible Play Dashboard with real-time insights, limits, alerts, and education.



5. EXPERIENCE OVER PROMOTIONS

Compete on experience, technology, and trust—not just promotions—creating reasons for users to stay, not just sign up.

Action: Invest in features and content that increase lifetime value and reduce reliance on expensive promotions.

HOW DRAFTKINGS 360 CONNECTS TO OUR STRATEGIC FRAMEWORKS



AFI FRAMEWORK

Analyze the environment, formulate winning strategies, and implement with discipline to sustain competitive advantage.



VRIO RESOURCES

Leverage valuable, rare, inimitable, and organized resources—brand, tech platform, data, and partnerships.



BUSINESS MODEL

Expand our "Who" and "What" to include sports fans, fantasy players, casino users, and lottery players.



GENERIC STRATEGY

Strengthen differentiation by offering a unique, integrated ecosystem that competitors cannot easily replicate.



FOUR I'S

Continue to Innovate before competitors Imitate—ensuring first-mover advantage in new growth areas.



ALLIANCE MANAGEMENT

Maximize the ESPN partnership and other alliances to drive customer acquisition, engagement, and value.



SHARED VALUE

Create economic value through growth while delivering social value by promoting safer gaming and trust.

IMPLEMENTATION ROADMAP



PHASE 1 (0–6 Months)

- Deepen ESPN integration
- Launch Responsible Play Dashboard
- Build AI personalization foundation



PHASE 2 (6–18 Months)

- Expand iGaming & digital lottery offerings
- Launch free-to-play & prediction games
- Roll out AI-driven user personalization



PHASE 3 (18–36 Months)

- Scale interactive sports media platform
- Expand into new states & markets
- Enhance ecosystem with new partners

SUCCESS METRICS



4.8M
Monthly Unique Payers (Q4 2024)



\$4.77B
Revenue in 2024



26.99%
YoY Revenue Increase (Dec 31, 2025)



Higher
Engagement



Stronger
Brand Trust



Sustainable
Long-Term Growth

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