

FanDuel and DraftKings Agree to Strategic Merger of Equals

Merger allows for greater investment in growth opportunities and an accelerated path to profitability

NEWS PROVIDED BY
DraftKings and FanDuel →
Nov 18, 2016, 09:30 ET

BOSTON and NEW YORK, Nov. 18, 2016 /PRNewswire/ -- Fantasy sports technology companies DraftKings and FanDuel today announced they have entered into a merger agreement. The transaction is expected to close in 2017. Financial terms were not disclosed.

The merger of FanDuel and DraftKings, which offer daily, weekly and season-long sports fantasy contests, will bring together two fantasy sports innovators to better serve consumers. The operational efficiencies and cost savings that are expected to result from the merger will drive a greater focus on developing new products and features, including more variety in contest formats, loyalty programs, enhanced social functionality and ancillary sports-oriented content and experiences, all aimed at creating a more diverse, exciting and appealing experience for fantasy sports players and all sports fans. The merger will also help the combined company accelerate its path to profitability.

The combined company will be able to invest in strategic partnerships across the sports ecosystem. Media, advertising and other partners will benefit from access to more products and customers as a result of DraftKings and FanDuel's diverse user base and league relationships, as well as increased investment in advertising. Together, the combined entity can accelerate growth of the fantasy sports category, drive broader and deeper fan engagement, and more efficiently reach those players.

"We have always been passionate about providing the best possible experience for our customers and this merger will help advance our goal of building a transformational global sports entertainment platform," said DraftKings CEO Jason Robins. "Joining forces will allow us to truly realize the potential of our vision, and as a combined company we will be able to accelerate the pace of innovation and bring a richer experience to our customers than we ever could have done separately."

Both FanDuel and DraftKings are still relatively new companies and operate in a rapidly evolving and changing space. By combining and streamlining resources, DraftKings and FanDuel can accelerate work with government officials to continue to develop a standard regulatory framework. This framework will not only make it easier for the combined entity to thrive in the long-term, but will provide certainty and encourage other companies to make significant investments in the fantasy sports industry. Emerging fantasy sports categories like daily fantasy sports are just one component of a broader industry that has significant potential for sustained growth. Currently, there are 228 million fans of major sports in the U.S. and 57 million fantasy players.

"Being able to combine DraftKings and FanDuel presents a tremendous opportunity for us to further innovate and disrupt the sports industry," said FanDuel CEO Nigel Eccles. "While both companies have accomplished much already, this transaction will create a business that can offer a greater variety of offerings, appealing to new users, including the tens of millions of season-long fantasy players that haven't yet tried our products."

At closing, DraftKings CEO Jason Robins will become CEO of the newly combined company and FanDuel CEO Nigel Eccles will become Chairman of the Board. In addition to the Chairman and CEO, the Board will be composed of three directors from DraftKings, three directors from FanDuel and one independent director.

The company will be co-headquartered in New York and Boston.

The transaction is subject to customary closing conditions and regulatory approvals.

About DraftKings

DraftKings is an innovative sports-tech entertainment platform changing the way consumers engage with their favorite sports, teams and athletes worldwide. DraftKings, headquartered in Boston, MA, with offices in New York and London, offers daily and weekly fantasy sports contests across ten professional sports in the U.S., Canada and the United Kingdom. Founded in 2012 by Jason Robins, Matt Kalish and Paul Liberman, DraftKings is the exclusive daily fantasy sports partner of Major League Baseball, Major League Soccer, the National Hockey League, NASCAR and the Canadian Football League.

About FanDuel

Founded in 2009, FanDuel has redefined fantasy sports in pursuit of its mission of making sports more exciting. FanDuel offers a multitude of one-day, weekly and season-long game options for NFL, NBA, MLB, NHL, and the EPL, with new public and private leagues forming daily, ranging in size

from two to thousands of players. FanDuel is the Official Partner of the NBA and has multiple deals with NFL and NBA teams, driving fan engagement, hosting numerous live events and creating once-in-a-lifetime experiences for sports fans throughout the year. Founded by Nigel Eccles, Lesley Eccles, Tom Griffiths, Rob Jones, and Chris Stafford, FanDuel is based in New York City with offices in Los Angeles, Orlando, Edinburgh, and Glasgow. FanDuel has raised funding from KKR, Google Capital, Time Warner/Turner Sports, Shamrock Capital, NBC Sports Ventures, Comcast Ventures, Pentech Ventures, Piton Capital and Bullpen Capital.

Contacts

Brunswick Group

FantasySports@BrunswickGroup.com

Justin Dini

(212) 333-3810

Brian Baker

(415) 671-7472

SOURCE DraftKings and FanDuel