

Full DraftKings Inc Fiscal Year 2023 Overview

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Goals and Objectives of the Research

Research Objective: To study DraftKings Inc publicly available financial information, determine the company's development strategy, and compile an overview of its Annual Financial Reports.

Research Tasks:

- Find the company's comprehensive financial and corporate information;
- Analyze the gathered information;
- Draw conclusions based on the analyzed data.

Disclaimers

The information collected in this report reflects data from the company's public reports and is not questioned or verified via other sources. In other words, information from the company's public reports is taken and used as is.

If additional information from other sources is used or if the data used is reflective of the researcher's personal opinion, this will be labeled accordingly.

Document Markup

- FY - Financial Year;
- This report uses the American number format: a period is used as the decimal separator, while commas separate thousands;
- Year-over-year (YoY) calculations of relative values were not performed in cases where last year's profit changed to a loss in the current year and vice versa within the scope of the current report;
- The specified financial year coincides with the calendar year;
- DraftKings Inc report period is from January 1 to December 31, 2023;
 - The specified financial year coincides with the calendar year.

Conclusions

General Information

Parameter	DraftKings Inc
Website	draftkings.com
Country (location)	USA
Country (issuer)	USA
Year of foundation	2011 ¹
Founder	Jason Robins, Paul Liberman, and Matt Kalish
Sector	Consumer Discretionary
Type	Public
Year of IPO	2020
Stock market	NASDAQ
Ticker	DKNG
Previous Annual Report from Data40	-
Previous Quarterly Report from Data40	DraftKings Inc Q4FY23 Report Overview

¹ [Was organised in 2011 and registered in 2012](#)

Members of the Board and Managers

Board of Directors ²		
Name	Title	Since
Jason D. Robins	Co-Founder, Chief Executive Officer and Chairman	2012
Harry Evans Sloan	Vice Chairman of the Board	2020
Matthew Kalish	Co-Founder, President, DraftKings North America & Director	2020
Paul Liberman	Co-Founder, President, Global Technology and Product & Director	2020
Woodrow H. Levin	Director	2020
Jocelyn Moore	Director	2020
Ryan R. Moore	Director	2012
Valerie Mosley	Director	2020
Steven J. Murray	Director	2020
Marni M. Walden	Director	2020
Michael Jordan	Special Advisor to the Board of Directors	2020
Cal Ripken Jr.	Special Advisor to the Board of Directors	2021
Richard Rosenblatt	Special Advisor to the Board of Directors	2018

² [DraftKings Inc web, Board Of Directors](#)

Executive Team ³		
Name	Title	Since
Jason D. Robins	Chief Executive Officer, Co-Founder	2012
Matt Kalish	President, DraftKings North America, Co-Founder	2020
Paul Liberman	President, Global Technology and Product, Co-Founder	2020
Jennifer Aguiar	Chief Compliance Officer	2021
Jason Park	Chief Financial Officer	2019
Travis Dunn	Senior Advisor	2024
Graham Walters	Chief People Officer	2019
David Lebow	Chief of Staff	2017
Shay Berka	Chief International Officer	2020
Stephanie Sherman	Chief Marketing Officer	2013
R. Stanton Dodge	Chief Legal Officer	2017
Corey Gottlieb	Chief Product Officer	2021
Shawn Henley	Chief Customer Officer	2023
Greg Karamitis	Chief Revenue Officer	2023

³ [DraftKings Inc web, Who We Are](#)

Employees

Parameter	Number of Employees
Number of Employees as of 2021	≈ 3,400 ⁴
Number of Employees as of 2022	≈ 4,200 ⁵
Number of Employees as of 2023	≈ 4,400 ⁶

Shareholders

Shareholders Structure

Ownership Breakdown as of Feb 23, 2024 ⁷		
Owner Type	Number of Shares	Ownership Percentage, %
Institutions	319,642,376	67.62
General Public	140,923,030	29.81
Individual Insiders	11,941,769	2.53
State or Government	187,106	0.0396
Private Companies	2,719	0.000575
Total Shares	472,697,000	100

Total Shares Outstanding (Class A) - 472,697,000 (as of December 31, 2023).⁸

Total Shares Outstanding (Class B) - 393,014,000 (as of December 31, 2023).

Total Shares Outstanding (Class A) - 473,619,528 (as of February 14, 2024).⁹

Total Shares Outstanding (Class B) - 393,013,951 (as of February 14, 2024).

Note: There is no public market for Class B ordinary shares, and there is one registered owner of Class B ordinary shares (as of February 13, 2024).¹⁰

⁴ [DraftKings Inc Annual Report 2021, p.9](#)

⁵ [DraftKings Inc Annual Report 2022, p.9](#)

⁶ [DraftKings Inc Annual Report 2023, p.8](#)

⁷ [SimplyWall, DraftKings Inc Ownership Breakdown](#)

⁸ [DraftKings Inc Annual Report 2023, p.F-4](#)

⁹ [DraftKings Inc Annual Report 2023, p.0](#)

¹⁰ [DraftKings Inc Annual Report 2023, p.54](#)

Shareholders Equities

Top 10 Shareholders as of Feb 23, 2024 ¹¹				
Name	Number of Shares	Current Value ¹² , mill USD	Last Reported Holding Date	Ownership Percentage, %
The Vanguard Group, Inc.	39,263,911	1,600	Dec 29, 2023	8.31
BlackRock, Inc.	21,242,235	867	Dec 31, 2023	4.49
ARK Investment Management LLC	12,317,235	503	Dec 31, 2023	2.61
Wellington Management Group LLP	10,736,329	438	Dec 31, 2023	2.27
State Street Global Advisors, Inc.	8,785,979	359	Dec 31, 2023	1.86
Nikko Asset Management Co., Ltd.	8,390,942	343	Dec 31, 2023	1.78
Whale Rock Capital Management LLC	7,598,350	310	Dec 31, 2023	1.61
Capital Research and Management Company	7,161,467	292	Dec 31, 2023	1.52
Geode Capital Management, LLC	7,069,284	289	Dec 31, 2023	1.50
Accomplice Management LLC	6,555,608	268	Dec 31, 2023	1.39
Total Top 10	129,121,340	5,269	-	27.34

¹¹ [SimplyWall, DraftKings Inc Top Shareholders](#)

¹² As of February 23, 2024

Mergers, Acquisitions, and Subsidiaries^{13 14}

Mergers and acquisitions		
Name	Date	Price, mill USD
Draftstreet	Jul 15, 2014	-
StarStreet	Aug 25, 2014	-
Kountermove	Feb 11, 2016	-
Fam	Jun 1, 2018	-
Diamond Eagle Acquisition Corp.*	Apr 23, 2020	-
SBTech*	Apr 23, 2020	997.367
Vegas Sports Information Network, Inc. (VSiN)	Mar 26, 2021	69.998
Blue Ribbon Software Ltd.	Apr 1, 2021	21.6
Golden Nugget Online Gaming, Inc.	Aug 9, 2021	≈ 1,560
Jackpocket	Feb 11, 2024	750

The full list of DraftKings Inc subsidiaries is provided in [Exhibit 21.1](#) of this report.

*Note: On April 23, 2020, DEAC (Diamond Eagle Acquisition Corp.) consummated the transactions contemplated by the Business Combination Agreement dated December 22, 2019, as amended on April 7, 2020, (the “Business Combination”) and, in connection therewith:¹⁵

- DEAC acquired DraftKings Inc, a Delaware corporation (“Old DK”), by way of a merger;
- DEAC acquired the issued and outstanding share capital of SBTech;
- DEAC changed its name to DraftKings Inc.

¹³ [Crunchbase, DraftKings Inc Acquisitions](#)

¹⁴ This section may not fully represent all the company's transactions, but, within the scope of this current report, presents the maximum amount of information available via open sources.

¹⁵ [DraftKings Inc Annual Report 2021, p.4](#)

Company Strategy¹⁶

Investments: DraftKings Inc invests through the equity method. As of December 31, 2023, the company owns 49.9% of DKFS, LLC shares. The company has committed to investing up to 17.5 million USD in DBDK Venture Fund I, LP, a Delaware limited partnership, and a subsidiary of DKFS LLC. As of December 31, 2023, DraftKings Inc has invested 7.6 million USD out of the total commitment, corresponding to a 28.6% ownership stake in the fund.¹⁷

Priorities: The company adheres to a strategy of investing in product offerings. The company is launching products in the sports betting and iGaming sectors and expanding its consumer product line. In 2023, DraftKings Inc launched new products: Pick6 - a fantasy sports option game, DK Horse App - a betting app for horse racing, and the round-the-clock channel DraftKings Network on Samsung TV Plus.¹⁸

Marketing and Partnerships: The company engages in marketing to attract, retain, and reactivate users, utilizing television, radio, Facebook, Instagram, X, Snapchat, and affiliate programs. DraftKings Inc collaborates with sports leagues, teams, and media partners to increase brand awareness and user retention.

Distribution and Licensing: DraftKings Inc distributes betting and iGaming products through websites and direct app downloads in the Apple App Store and Google Play Store. The company works on obtaining and maintaining licenses for operations in jurisdictions U.S.¹⁹

Human Resources Management: The company provides training and engages in employee development to enhance qualifications.

Regulation and Compliance: The company has implemented an internal compliance program to ensure adherence to legislative and regulatory requirements.

¹⁶ [DraftKings Inc Annual Report 2023, p.3-7](#)

¹⁷ [DraftKings Inc Annual Report 2023, F-12](#)

¹⁸ [DraftKings Inc web. News Media Kit](#)

¹⁹ [DraftKings Inc Annual Report 2023, p.9-11](#)

Divisions²⁰

iGambling Structure

Sportsbook - fixed-odds betting on sports events.

Daily Fantasy Sports, Pick6 - peer-to-peer gaming where participants compete against each other for prize money.

iGaming - online games, similar to those in land-based casinos: blackjack, roulette, baccarat, and slot machines.

Retail Sportsbook - retail bets for casino visitors.

Non-iGaming Structure

Media, Advertising and Sponsorship - advertising and sponsorship services. Advertising packages range from standard ad placements to integrated projects such as sponsored series of DFS contests or full site branding.

Marketplace - ecosystem for issuing and selling NFTs and trading NFTs among participants.

Gaming Software Services - DraftKings Inc. provides business-to-business services for sports betting and iGaming to gaming operators and state lotteries through SBTech (Global) Limited. Services include software development for betting and casino, trading, risk management, and support in reporting and compliance.

²⁰ [DraftKings Inc Annual Report 2023, p.4-5](#)

Technology²¹

DraftKings Inc's product offerings are built on patented account management technology. Based on this, users are provided with:

- A unified identity verification system;
- A single wallet for transactions;
- Access to account history across all DraftKings Inc products;
- Navigation from Daily Fantasy Sports (DFS) to Sportsbook and iGaming.

The technology is certified for secure storage of user payment information, reducing dependence on payment processors. The technology is designed so that configuration is done in accordance with the specific regulatory acts of individual jurisdictions.

DraftKings Inc. provides users with Daily Fantasy Sports technology that establishes DFS contests, evaluates competitions, and distributes prizes.

Products utilize data science and machine learning to optimize conversion and monetization. In DFS product offerings, data science algorithms are used to customize the participant's home screen based on previous entry history. DFS algorithms determine and recommend the types of contests, entry fee sizes, and prize structures.

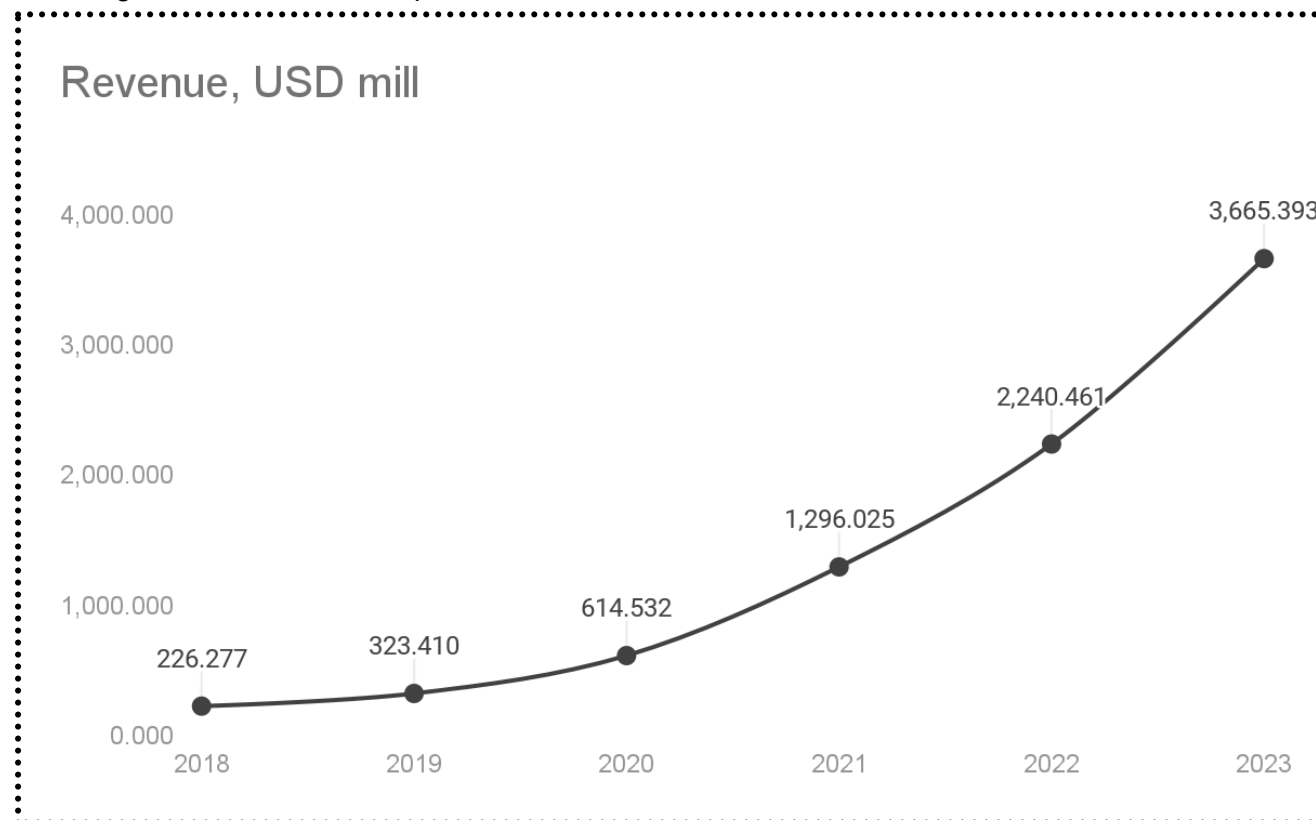
In the sportsbook product offerings, recommendation mechanisms are used to present users with betting markets based on their past gaming history and location. These services are utilized for server infrastructure and manage elements of fraud prevention and regulatory compliance programs.

²¹ [DraftKings Inc Annual Report 2023, p.5-6](#)

Financial Statements for 2023 Fiscal Year Revenue Retrospective

Revenue Retrospective

DraftKings Inc Revenue Retrospective for 2018-2023^{22 23}



²² [DraftKings Inc Annual Report 2023, F-2](#)

²³ [DraftKings Inc Annual Report 2020, F-3](#)

Sales per Business

Net Revenue Structure²⁴

(In million, except Percentages)

Parameter	2023, USD	YoY, %	2022, USD	YoY, %	2021, USD
Online gaming	3,557.191	68.85	2,106.708	83.91	1,145.539
Gaming software	29.980	-30.28	43.000	-55.86	97.415
Other	78.222	-13.81	90.753	71.00	53.071
Total Consolidated Revenue	3,665.393	63.60	2,240.461	72.87	1,296.025

Net Revenue Structure 2023 Percentages

Parameter	Percentage, %
Online gaming	97.05
Other	2.13
Gaming software	0.82

Online gaming includes online Sportsbook, iGaming, and DFS, which have certain similar attributes and patterns of recognition. Other revenue primarily includes media, retail sportsbooks and other consumer product offerings.

²⁴ [DraftKings Inc Annual Report 2023, F-28](#)

Sales per Region

Sales by Region²⁵

(In million, except Percentages)

Parameter	2023, USD	YoY, %	2022, USD	YoY, %	2021, USD
United States	3,595.622	63.68	2,196.803	83.26	1,198.748
International	69.771	59.81	43.658	-55.12	97.277
Total consolidated Revenue	3,665.393	63.60	2,240.461	72.87	1,296.025

Sales by Region 2023 Percentages

Parameter	Percentage, %
United States	98.10
International	1.90

Dividend Information²⁶

DraftKings Inc states: “We have not paid any cash dividends on our Class A common stock to date. The payment of cash dividends is subject to the discretion of our board of directors and may be affected by various factors, including our future earnings, financial condition, capital requirements, share repurchase activity, current and future planned strategic growth initiatives, levels of indebtedness, and other considerations our board of directors deem relevant”.

²⁵ [DraftKings Inc Annual Report 2023, F-28](#)

²⁶ In this chapter, quotes are used from the [DraftKings Inc Annual Report 2023, p.54](#)

Balance Sheet^{27 28}

(In million, except Percentages)

Parameter	at Dec 31, 2023, USD	YoY, %	at Dec 31, 2022, USD	YoY, %	at Dec 31, 2021, USD
Assets					
Total Current Assets	2,071.367	-0.65	2,084.841	-24.28	2,753.330
Total Non-Current Assets	1,873.499	-4.18	1,955.311	48.61	1,315.724
Total Assets	3,944.866	-2.36	4,040.152	-0.71	4,069.054
Liabilities					
Total Current Liabilities	1,549.620	24.32	1,246.457	34.11	929.425
Total Non-Current Liabilities	1,554.940	5.71	1,471.002	0.68	1,461.101
Total Liabilities	3,104.560	14.24	2,717.459	13.68	2,390.526
Total Equity	840.306	-36.47	1,322.693	-21.20	1,678.528

Income Statement²⁹

(In million, except EPS data and Percentages)

Parameter	2023, USD	YoY, %	2022, USD	YoY, %	2021, USD
Revenue	3,665.393	63.60	2,240.461	72.87	1,296.025
Operating Income	(789.225)	-47.79	(1,511.756)	-3.19	(1,561.617)
Net Income	(802.142)	-41.79	(1,377.987)	-9.53	(1,523.195)
EPS Basic	(1.73) USD	-45.25	(3.16) USD	-16.40	(3.78) USD
EPS Diluted	(1.73) USD	-45.25	(3.16) USD	-16.40	(3.78) USD

²⁷ [DraftKings Inc Annual Report 2023, F-1](#)

²⁸ [DraftKings Inc Annual Report 2022, F-1-F-2](#)

²⁹ [DraftKings Inc Annual Report 2023, F-2](#)

Cashflow Statement³⁰

(In million, except Percentages)

Parameter	2023, USD	YoY, %	2022, USD	YoY, %	2021, USD
Cash flows from operating activities	(1.751)	-99.72	(625.519)	49.11	(419.508)
Cash flows from investing activities	(90.360)	-56.72	(208.766)	7.05	(195.022)
Cash flows from financing activities	(63.221)	277.84	(16.732)	-	1,138.813

Criticism

The full list of ongoing legal proceedings is provided in [Item 3](#) of DraftKings Annual Report 2023.

In October 2015, DraftKings Inc employee Ethan Haskell won 0.35 million USD on the FanDuel platform, allegedly using insider information. Following the incident's disclosure, DraftKings Inc. and FanDuel released a joint statement defending their practices and emphasizing strict policies to prevent employees from abusing internal information. After conducting an investigation, it was confirmed that Haskell could not have used insider information to secure the victory as he received it after the lineups were closed.³¹

On October 8, 2015, a class-action lawsuit was filed in the federal court of Manhattan, accusing DraftKings Inc and FanDuel of negligence, fraud, and false advertising. Adam Johnson, a resident of Kentucky, filed the initial lawsuit after discovering that both companies allowed their employees to participate in contests on the other company's platform for cash prizes. According to Johnson, DraftKings Inc employees won "at least 6,000,000 dollars" by playing on the FanDuel platform.³²

ESPN removed sponsored content for DraftKings Inc from its programs following allegations of insider trading in October 2015. "This is standard procedure – to decline such sponsorship and integration when we cover significant news to avoid any appearance of influence on our coverage," said ESPN in a statement.³³

In September 2023, DraftKings Inc offered users a 9/11-themed promotion that required three New York-based teams — the Yankees, Mets and Jets — to win their games on Monday, the 22nd anniversary of the attacks. After social media backlash from offended individuals regarding the promotional campaign titled "Never Forget," DraftKings Inc removed it and issued an apology.³⁴

³⁰ [DraftKings Inc Annual Report 2023, F-6](#)

³¹ [Bleacher Report, DraftKings Employee Leaked Fantasy Info, Won \\$350K from FanDuel in Same Week](#)

³² [Bleacher Report, DraftKings, FanDuel Facing Lawsuit for Fraud, Negligence, False Advertising](#)

³³ [HollywoodReporter, ESPN Pulls DraftKings Sponsored Ads After Insider Trading Scandal](#)

³⁴ [AP News, DraftKings apologizes for sports betting offer referencing 9/11 terror attacks](#)

Analyst's Opinion

Summary³⁵

DraftKings Inc, headquartered in Boston and founded in 2011, offers products in the digital sports entertainment and gambling industry. On April 23, 2020, DEAC (Diamond Eagle Acquisition Corp.) acquired DraftKings Inc, a Delaware corporation ("Old DK"), through a merger, and DEAC changed its name to DraftKings Inc. Since April 24, 2020, the company's Class A shares have been trading on the Nasdaq Global Select Market under the ticker symbol DKNG.

DraftKings Inc is investing in expanding its portfolio and business. The company holds a 49.9% stake in DKFS, LLC. As of the end of 2023, DraftKings has invested 7.6 million USD in DBDK Venture Fund I, LP, representing a 28.6% ownership stake. The company is expanding its product offerings, and an example of this development is the launch of new products in 2023, including Pick6, DK Horse App, and DraftKings Network. In the marketing and partnership domain, DraftKings Inc utilizes television, radio, social media, and affiliate programs to attract and retain users. The company collaborates with sports leagues and media to strengthen the brand. The company is working on the distribution and licensing of betting and iGaming products through websites, direct app downloads on the Apple App Store, and Google Play Store to enhance the availability of products and services in U.S. jurisdictions.

The retrospective annual revenue shows a positive trend throughout the entire period considered. In 2018, the revenue was 226.277 million USD. In 2019, it increased to 323.410 million USD, representing a growth of 42.93% compared to 2018. In 2020, the revenue reached 614.532 million USD, marking a growth of 90.02% compared to 2019. In 2021, the revenue further increased to 1,296.025 million USD, showing a growth of 110.90% compared to 2020. In 2022, the revenue surged to 2,240.461 million USD, reflecting a growth of 72.87% compared to 2021. In 2023, the revenue reached 3,665.393 million USD, indicating a growth of 63.60% compared to 2022.

In 2023, the Revenue of the Online Gaming segment (Sportsbook, iGaming, and DFS) amounted to 3,557.191 million USD, accounting for 97.05% of the Total Revenue. The business in the United States generated 3,595.622 million USD, while the International segment contributed 69.771 million USD, representing 98.10% and 1.90% of the Total Revenue, respectively.

As of December 31, 2023, Total Assets amount to 3,944.866 million USD, exceeding Total Liabilities - 3,104.560 million USD by 840.306 million USD. Total Equity on December 31, 2023, is 840.306 million USD, compared to 1,322.693 million USD on December 31, 2022, reflecting a decrease of 36.47%.

DraftKings Annual Report for 2023 mentions 13 ongoing legal proceedings involving the company.³⁶ Throughout operational history, the company has faced accusations of employee misconduct involving the use of insider information, questionable marketing decisions, and the unauthorized use of third-party patents. Such legal proceedings have an impact on the company's reputation.

³⁵ [DraftKings Inc web. Who We Are](#)

³⁶ [DraftKings Inc Annual Report 2023, p.45-53](#)

Sources List

- [DraftKings web](#)
- [DraftKings Investor Relations](#)
- [DraftKings Inc Annual Report 2023](#)
- [DraftKings Inc Annual Report 2022](#)
- [DraftKings Inc Annual Report 2021](#)
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- [SEC](#)
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