

DraftKings Inc Q3FY24 Report Overview

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Goals and Objectives of the Research

Research Objective: To perform a comparative analysis of the Q3FY24 quarterly report and those of previous periods.

Research Tasks:

- Gather comprehensive financial and corporate information pertaining to the company for Q3FY24;
- Analyze the collected information;
- Conduct a comparative assessment of the report for the Q3FY24 with reports for previous quarters up to the Q3FY23;
- Formulate 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.

The provided public company quarterly reports are unaudited.

Document Markup

- FY - Financial Year;
- Q - Quarter;
- DK - DraftKings Inc;
- QoQ - Quarter-over-Quarter;
- 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;
- DraftKids Inc Q3FY24 Report Period is from July 1 to September 30, 2024.

Conclusions

General Information

Parameter	DraftKings Inc
Website	draftkings.com
Country (location)	USA
Country (issuer)	USA
Year of foundation	2011 *
Founder	Jason Robins, Paul Liberman, Matt Kalish
Sector	Consumer Discretionary
Type	Public
Year of IPO	2020
Stock market	NASDAQ
Ticker	DKNG
Previous Annual Report from Data40	Full DraftKings Inc Fiscal Year 2023 Overview
Previous Quarterly Report from Data40	DraftKings Inc Q2FY24 Report Overview

*Note: Was organised in 2011 and registered in 2012.

About Company¹

DK is a digital sports entertainment and gaming company. Headquartered in Boston, it was launched in 2012 by Jason Robins, Matt Kalish, and Paul Liberman. DK Sportsbook is live with mobile and retail sports betting operations pursuant to regulations in 24 states and in Ontario, Canada. The company operates iGaming pursuant to regulations in five states and in Ontario, Canada, under its DK brand, and pursuant to regulations in three states under its Golden Nugget Online Gaming brand. DKs' daily fantasy sports product is available in 44 states, certain Canadian provinces, and the United Kingdom. DK is both an official daily fantasy and sports betting partner of the NFL, NHL, PGA TOUR, and UFC, an official daily fantasy partner of NASCAR, an official sports betting partner of the NBA, and an authorised gaming operator of MLB. DK owns and operates both the DK Network and the Vegas Sports Information Network (VSiN).

¹ [DK Q3FY24 Business Update, p.15](#)

Conference Call Information²

DK hosted a [conference call and audio webcast](#) on **Friday, November 8, 2024, at 8:30 AM ET**, during which management discussed the company's results on business performance. To listen to the audio webcast, please visit DKs' investor relations website at investors.draftkings.com.

The audio webcast is available on the company's investor relations website **until 11:59 p.m. ET on December 31, 2024**.

Public Quarterly Reports Calendar FY24-25^{3 4}

Quarter	Period	Date
FY24		
Q1	Jan 1, 2024 to Mar 31, 2024	May 2, 2024
Q2	Apr 1, 2024 to Jun 30, 2024	Aug 2, 2024
Q3	Jul 1, 2024 to Sep 30, 2024	Nov 7, 2024
Q4 and FY24	Oct 1, 2024 to Dec 31, 2024	Feb 12, 2025 (Projected)
FY25		
Q1	Jan 1, 2025 to Mar 31, 2025	Apr 30, 2025 (Projected)
Q2	Apr 1, 2025 to Jun 30, 2025	Jul 31, 2025 (Projected)
Q3	Jul 1, 2025 to Sep 30, 2025	Oct 30, 2025 (Projected)
Q4 and FY25	Oct 1, 2025 to Dec 31, 2025	TBA

Follow the announcements of the release of new reports on the website Data40.com in the [Calendars by Financial reports section of DATA40.com](#).

² [DK Q3FY24 Business Update, p.6](#)

³ [DK website. Upcoming Events](#)

⁴ [MarketScreener, DraftKings Inc Calendar](#)

Highlights and Metrics

Q3FY24 Highlights^{5 6}

- **The Revenue** of 1,095.490 million USD, a decrease of 0.81%, compared to 1,104.441 million USD in Q2FY24 and an increase of 38.68%, compared to 789.957 million USD in Q3FY23;
- **Loss from operations** of (298.594) million USD, an increase of 821.93%, compared to (32.388) million USD in Q3FY24 and an increase of 4.19%, compared to (286.586) million USD in Q3FY23;
- **Net loss attributable to common stockholders** of (293.688) million USD , and an increase of 3.74%, compared to (283.103) million USD in Q3FY23;
- **Earnings (Loss) Per Share** were (0.60) USD compared to (0.61) USD in Q3FY23.

Acquisitions and Divestitures^{7 8}

On February 11, 2024, the company entered into an agreement to acquire Jackpocket, a digital lottery app in the United States.

On May 22, 2024, DraftKings completed its buyout of Jackpocket. Jackpocket stockholders received 450.924 million USD of cash consideration and 320.783 million USD of equity consideration.

On May 7, 2024, the company acquired 100% of the equity interests of SIQ for a mix of cash and shares of DraftKings Inc.'s Class A common stock (the "SIQ Transaction").

⁵ [DK Q3FY24 Business Update, p.2](#)

⁶ [DK Consolidated Q3FY24 Report, p.3](#)

⁷ [DK Consolidated Q3FY24 Report, p.8](#)

⁸ [DK Consolidated Q3FY24 Report, p.10](#)

Business Outlook⁹

“Fiscal Year 2024 and 2025 Guidance.

On August 1, 2024, we stated our expectation that fiscal year 2025 Adjusted EBITDA would be in the range of \$900 million to \$1.0 billion. As mentioned above, we continue to experience healthy underlying revenue trends as we efficiently acquire new customers and deepen our engagement with existing customers. Today, we are introducing fiscal year 2025 revenue guidance of \$6.2 billion to \$6.6 billion, which equates to year-over-year growth of 27% to 35% compared to our updated fiscal year 2024 revenue guidance midpoint. We continue to expect fiscal year 2025 Adjusted EBITDA to be in the range of \$900 million to \$1.0 billion driven by strong revenue growth, increasing Adjusted Gross Margin and continued modest growth in operating expenses.

On August 1, 2024, we guided fiscal year 2024 revenue of \$5.05 billion to \$5.25 billion and Adjusted EBITDA of \$340 million to \$420 million. Today, we are revising our fiscal year 2024 revenue and Adjusted EBITDA guidance ranges due to the impact of customer-friendly sport outcomes early in the fourth quarter of 2024, with the impact on Adjusted EBITDA partially offset by promotional optimization and expense efficiency. We now expect fiscal year 2024 revenue of \$4.85 billion to \$4.95 billion and fiscal year 2024 Adjusted EBITDA of \$240 million to \$280 million. The \$250 million revision to our fiscal year 2024 revenue guidance midpoint and \$120 million revision to our Adjusted EBITDA guidance midpoint break down as follows:

- Customer-friendly sport outcomes. NFL outcomes were very customer-friendly early in the fourth quarter. Customer-friendly sport outcomes resulted in headwinds of \$250 million and \$175 million to our fiscal year 2024 revenue and Adjusted EBITDA guidance, respectively;
- Promotional optimization and expense efficiency. We have made significant progress identifying customers with lower lifetime values, especially in high tax states, and are improving our expectation for promotions for the remainder of fiscal year 2024 accordingly. We are also continuing to drive expense efficiency throughout the organization as we balance growth and profitability. Promotional optimization and expense efficiency initiatives account for a \$55 million improvement in our fiscal year 2024 Adjusted EBITDA”.

“Additional Fiscal Year 2025 Guidance Detail

We expect structural sportsbook hold percentage of 11.0% in fiscal year 2025 with further upside in fiscal year 2026 and beyond.

We expect our fiscal year 2025 Adjusted Gross Margin to be in the range of 45% to 47%.

We expect stock-based compensation expense to represent approximately 6% of revenue in fiscal year 2025.

We expect to generate Free Cash Flow of approximately \$850 million in fiscal year 2025. Our revenue and Adjusted EBITDA guidance for fiscal year 2024 and fiscal year 2025 includes all our existing mobile sports betting and iGaming jurisdictions as well as Jackpocket.

⁹ In this chapter, quotes are used from the [DK Q3FY24 Business Update, p.3-5](#)

DraftKings' revenue and Adjusted EBITDA guidance for fiscal years 2024 and 2025 does not include the impact of mobile sports betting launching in Missouri. We expect to launch our Sportsbook product in Missouri pending market access, licensure, regulatory approvals, and contractual approvals where applicable”.

“Other Items on Our Mind

- We are continuing to differentiate our Sportsbook product. This fall we launched new and exclusive NBA markets specifically designed to engage customers with key game storylines. We also expanded our in-house Same Game Parlay offering to more than 50 new NBA markets. In addition, our mobile sportsbook app achieved the number one overall ranking in an industry report reflecting our top position in the report's User Experience, Betting Interface, and Features categories, joining the top-ranked DraftKings Casino and Golden Nugget apps;
- We continue to believe that micro betting and live betting are sizable opportunities and have been actively improving these features and functionality through internal investments and select tuck-in acquisitions;
- On November 5, 2024, Missouri voters passed a ballot initiative that legalized sports betting in the state following a productive and efficient campaign that was backed by a wide consortium of sports teams and gaming operators. Missouri, the 18th largest state in the United States, represents approximately 2% of the U.S. population. DraftKings expects to launch its Sportsbook product in Missouri pending market access, licensure, regulatory approvals, and contractual approvals where applicable;
- We plan to begin regularly disclosing online sportsbook net revenue and iGaming net revenue on a quarterly basis beginning in early 2025. We expect these anticipated new disclosures will facilitate improved understanding of our underlying revenue trends”.

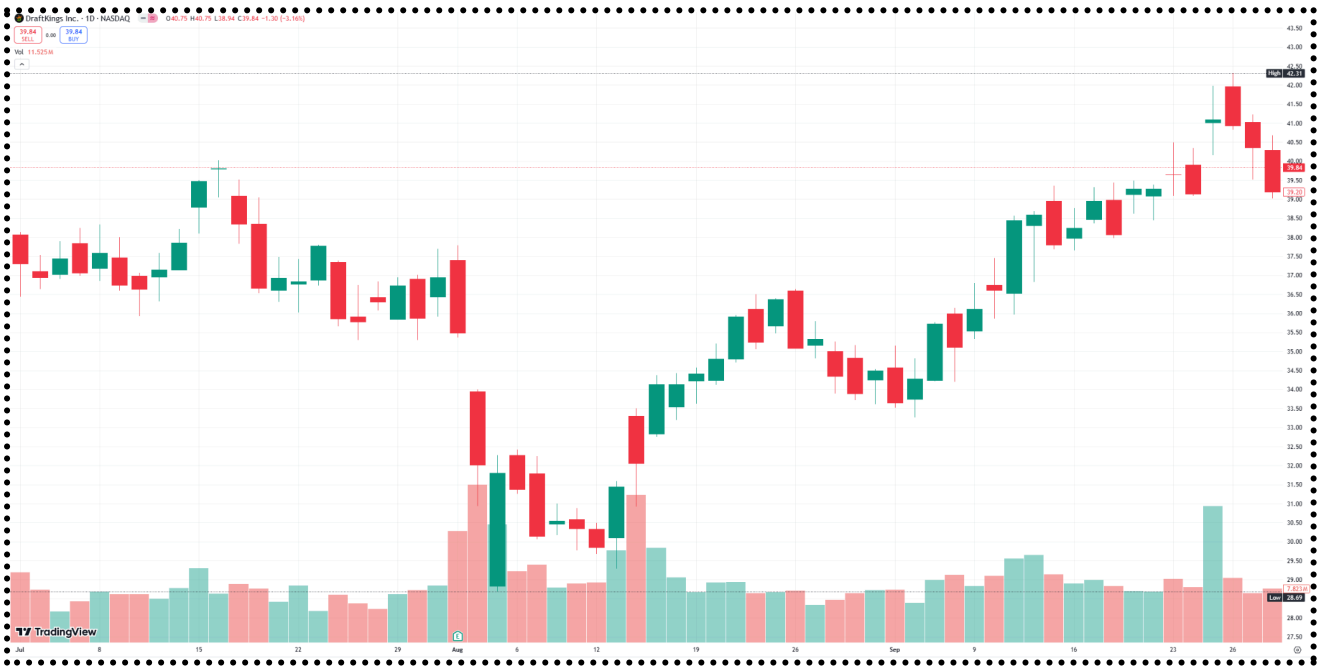
Stock Information

About Shares

Total Shares Outstanding - 487,169,000 (as of September 30, 2024).¹⁰

Total Shares Outstanding - 487,627,739 (as of November 6, 2024).¹¹

Stock Retrospective Q3FY24¹²



Date	Open Price, USD	Highest Price, USD	Lowest Price, USD	Close Price, USD
Jul 1, 2024	38.07	38.13	36.43	37.30
Sep 30, 2024	40.29	40.68	39.02	39.20

Q3FY24 Price MAX: 42.31 USD (September 26, 2024).

Q3FY24 Price MIN: 28.69 USD (August 5, 2024).

¹⁰ [DK Consolidated Q3FY24 Report, p.2](#)

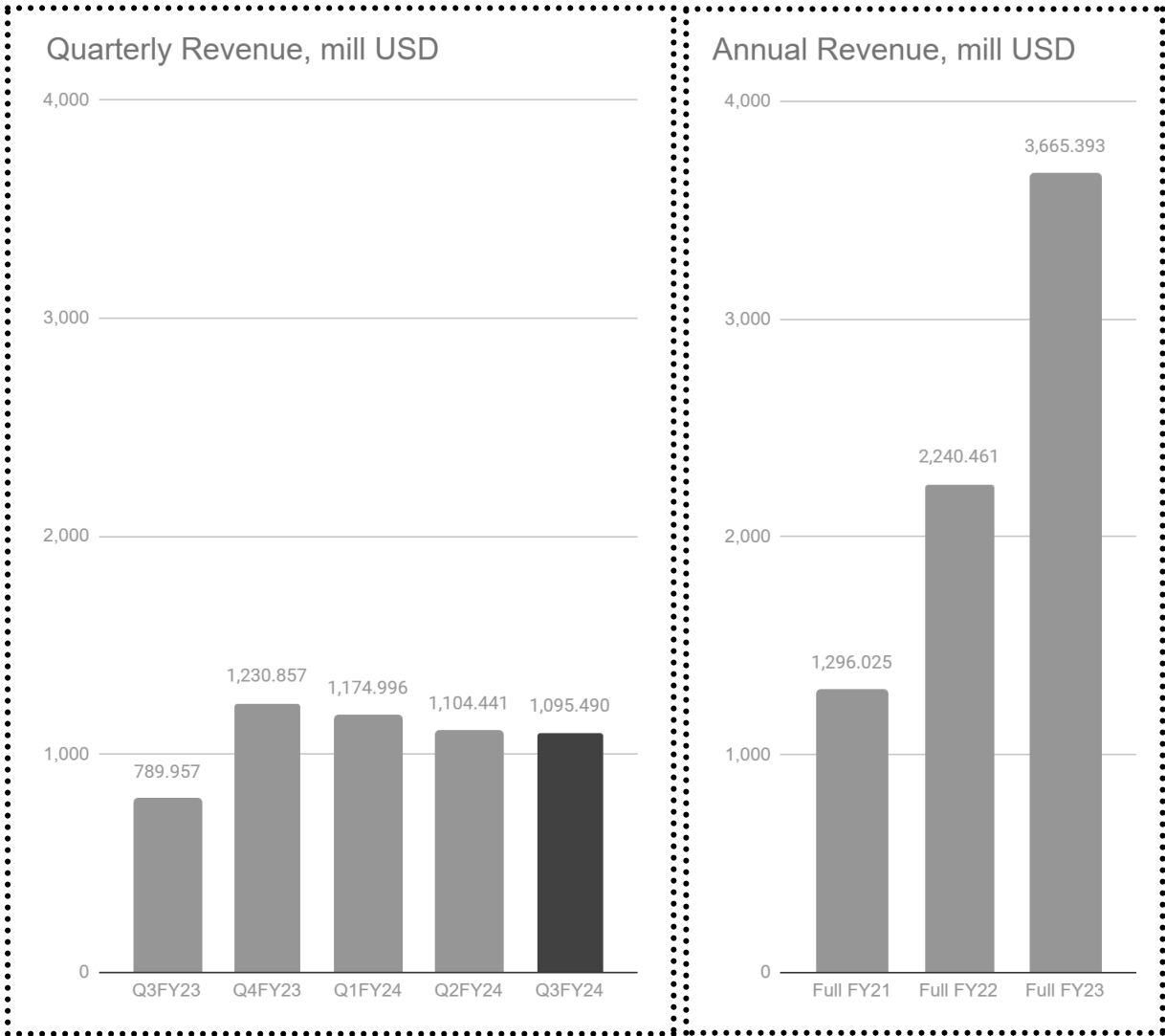
¹¹ [DK Consolidated Q3FY24 Report, p.1](#)

¹² [TradingView, DraftKings](#)

Financial Statements

Revenue Retrospective

DraftKings Inc Revenue Retrospective^{13 14 15 16}



¹³ [DK Consolidated Q3FY24 Report, p.3](#)
¹⁴ [DK Consolidated Q2FY24 Report, p.3](#)
¹⁵ [DK Consolidated Q1FY24 Report, p.3](#)
¹⁶ [DK Consolidated Annual Report 2023, p.F-2](#)

Sales per Business

Net Revenue Structure^{17 18 19 20}

(In million, except Percentages)

Parameter	Q3FY24, USD	QoQ, %	Q2FY24, USD	QoQ, %	Q1FY24, USD	QoQ, %	Q4FY23, USD	QoQ, %	Q3FY23, USD	YoY, %
Online gaming	1,084.215	-0.29	1,087.327	-5.63	1,152.186	-4.30	1,203.898	56.70	768.265	41.13
Gaming software	1.575	-56.47	3.618	-41.94	6.231	-3.92	6.485	2.87	6.304	-75.02
Other	9.700	-28.13	13.496	-18.60	16.579	-19.02	20.474	33.05	15.388	-36.96
Total Consolidated Revenue	1,095.490	-0.81	1,104.441	-6.00	1,174.996	-4.54	1,230.857	55.81	789.957	38.68

¹⁷ [DK Consolidated Q3FY24 Report, p.16](#)

¹⁸ [DK Consolidated Q2FY24 Report, p.16](#)

¹⁹ [DK Consolidated Q1FY24 Report, p.13](#)

²⁰ [DK Consolidated Annual Report 2023, p.F-28](#)

Net Revenue Structure Percentages

Parameter	Q3FY24, %	Q2FY24, %	Q1FY24, %	Q4FY23, %	Q3FY23, %
Online gaming	98.97	98.45	98.06	97.81	97.25
Gaming software	0.14	0.33	0.53	0.53	0.80
Other	0.89	1.22	1.41	1.66	1.95

Dividend Information²¹

There were no preferred or other dividends declared for the three months ended September 30, 2024. The company does not pay dividends.

²¹ [DK Consolidated Q3FY24 Report, p.18](#)

Balance Sheet^{22 23 24 25}

(In million, except Percentages)

Parameter	at Sep 30, 2024, USD	QoQ, %	at Jun 30, 2024, USD	QoQ, %	at Mar 31, 2024, USD	QoQ, %	at Dec 31, 2023, USD	QoQ, %	at Sep 30, 2023, USD	YoY, %
Assets										
Total Current Assets	1,643.897	7.95	1,522.833	-21.42	1,937.973	-6.44	2,071.367	5.26	1,967.922	-16.47
Total Non-Current Assets	2,629.079	-2.46	2,695.349	44.70	1,862.680	-0.58	1,873.499	-1.06	1,893.594	38.84
Total Assets	4,272.976	1.30	4,218.182	10.99	3,800.653	-3.66	3,944.866	2.16	3,861.516	10.66
Liabilities										
Total Current Liabilities	1,646.735	19.87	1,373.740	-4.71	1,441.610	-6.97	1,549.620	1.38	1,528.463	7.74
Total Non-Current Liabilities	1,550.125	0.27	1,546.013	1.17	1,528.064	-1.73	1,554.940	1.52	1,531.631	1.21
Total Liabilities	3,196.860	9.49	2,919.753	-1.68	2,969.674	-4.34	3,104.560	1.45	3,060.094	4.47
Total Equity	1,076.116	-17.12	1,298.429	56.25	830.979	-1.11	840.306	4.85	801.422	34.28

²² [DK Consolidated Q3FY24 Report, p.2](#)

²³ [DK Consolidated Q2FY24 Report, p.2](#)

²⁴ [DK Consolidated Q1FY24 Report, p.2](#)

²⁵ [DK Consolidated Q3FY23 Report, p.2](#)

Income Statement^{26 27 28 29}

(In million, except EPS data and Percentages)

Parameter	Q3FY24, USD	QoQ, %	Q2FY24, USD	QoQ, %	Q1FY24, USD	QoQ, %	Q4FY23, USD	QoQ, %	Q3FY23, USD	YoY, %
Revenue	1,095.490	-0.81	1,104.441	-6.00	1,174.996	-4.54	1,230.857	55.81	789.957	38.68
Loss from operations	(298.594)	821.93	(32.388)	-76.67	(138.838)	216.92	(43.809)	-84.71	(286.586)	4.19
Net loss attributable to common stockholders	(293.688)	-	63.822	-	(142.568)	219.51	(44.621)	-84.24	(283.103)	3.74
EPS Basic	(0.60) USD	-	0.13 USD	-	(0.30) USD	200.00	(0.10) USD	-83.61	(0.61) USD	-1.64
EPS Diluted	(0.60) USD	-	0.10 USD	-	(0.30) USD	200.00	(0.10) USD	-83.61	(0.61) USD	-1.64

²⁶ [DK Consolidated Q3FY24 Report, p.3](#)

²⁷ [DK Consolidated Q2FY24 Report, p.3](#)

²⁸ [DK Consolidated Q1FY24 Report, p.3](#)

²⁹ [DK Consolidated Annual Report 2023, p.F-2](#)

Cashflow Statement^{†30 31 32 33}

(In million, except Percentages)

Parameter	Q3FY24, USD	QoQ, %	Q2FY24, USD	QoQ, %	Q1FY24, USD	QoQ, %	Q4FY23, USD	QoQ, %	Q3FY23, USD	YoY, %
Cash flows from operating activities	133.584	354.54	29.389	-	(70.395)	-	72.067	-50.43	145.395	-8.12
Cash flows from investing activities	(31.650)	-92.42	(417.335)	964.66	(39.199)	67.22	(23.442)	-41.35	(39.966)	-20.81
Cash flows from financing activities	(18.903)	-13.40	(21.827)	-28.77	(30.642)	141.05	(12.712)	0.40	(12.661)	49.30

News³⁴

July 15, 2024 - [DraftKings to Release Second Quarter 2024 Results on August 1, 2024 and Host Conference Call on August 2, 2024](#)

July 15, 2024 - [DraftKings Plans to Launch Mobile Sports Betting in Washington D.C.](#)

August 2, 2024 - [DraftKings Reports Second Quarter Revenue Growth of 26% to \\$1,104 Million; Announces \\$1.0 Billion Inaugural Share Repurchase Authorization](#)

September 4, 2024 - [DraftKings Announces Jason Robins' Participation in Upcoming Event](#)

³⁰ [DK Consolidated Q3FY24 Report, p.6](#)

³¹ [DK Consolidated Q2FY24 Report, p.6](#)

³² [DK Consolidated Q1FY24 Report, p.5](#)

³³ [DK Consolidated Annual Report 2023, p.F-6](#)

³⁴ [DK Web. Press Release](#)

Analyst's Opinion

Summary

DraftKings Inc. - a company based in Boston, founded in 2011, offers products in the fields of digital sports entertainment and gambling. Since 2020, it has been traded on the American NASDAQ stock exchange under the ticker DKNG.

Total Shares Outstanding - 487,169,000 as of September 30, 2024.

The range in which the company's shares were traded for Q3FY24 was from 28.69 USD to 42.31 USD. The open price on July 1, 2024, was 38.07 USD. The closing price on September 30, 2024, was 39.20 USD. The company does not pay dividends.

Retrospective annual Revenue shows a positive trend over the period of 3 years, Revenue for FY21 was 1,296.025 million USD, FY22 was 2,240.461 million USD, FY23 was 3,665.393 million USD.

In Q3FY24, Revenue reached 1,095.490 million USD, marking a 38.68% increase from Q3FY23 - 789.957 million USD and a 0.81% decrease from Q2FY24 to 1,104.441 million USD.

Revenue Structure in Q3FY24: 98.97% Online gaming - 1,084.215 million USD, 0.89% Other - 9.700 million USD, 0.14% Gaming software - 1.575 million USD.

Total Current Assets as of September 30, 2024, amounted to 1,643.897 million USD, an increase of 7.95%, compared to 1,522.833 million USD at June 30, 2024, and a decrease of 16.47%, compared to 1,967.922 million USD at September 30, 2023.

Total Equity at September 30, 2024, was 1,076.116 million USD, a decrease of 17.12%, compared to 1,298.429 million USD at June 30, 2024, and an increase of 34.28%, compared to 801.422 million USD at September 30, 2023.

DK presents "Fiscal Year 2024 and 2025 Guidance" outlining the company's outlook for FY24.³⁵

Follow the announcements of the release of new reports on the website Data40.com in the [Calendars by Financial reports section DATA40.com](#).

³⁵ [DK Q3FY24 Business Update, p.3-5](#)

Sources List

- [DraftKings Web](#)
- [SEC.gov](#)
- [SEC Massachusetts](#)
- [Nasdaq](#)
- [MarketScreener](#)
- [TradingView](#)
- [DK Q3FY24 Business Update](#)
- [DK Consolidated Q3FY24 Report](#)
- [DK Consolidated Q2FY24 Report](#)
- [DK Consolidated Q1FY24 Report](#)
- [DK Consolidated Annual Report 2023](#)
- [DK Consolidated Q3FY23 Report](#)
- [Data40](#)

META



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