

Fantasy sports company DraftKings raises \$300 mn

July 27 2015



DraftKings, a leading player in the booming fantasy sports business, announced Monday that it raised \$300 million from a group of investors that includes Fox Sports and three major sports leagues

DraftKings, a leading player in the booming fantasy sports business, announced Monday that it raised \$300 million from a group of investors that includes Fox Sports and three major sports leagues.

Winning support from the leagues—Major League Baseball, the National Hockey League and Major League Soccer—"is an incredible milestone for us," said Jason Robins, chief executive of DraftKings.

"We intend to leverage these resources to develop even more innovative daily fantasy sports contests and provide new exclusive once-in-a-lifetime experiences for our players."

DraftKings said it would use the funds to expand its offerings and launch games internationally.

Once a low-key hobby enjoyed by sports enthusiasts and academics, fantasy sports have grown into a multibillion-dollar business in which DraftKings regularly offers prizes of \$1 million or more.

In fantasy sports, participants create their own teams, selecting players from a real-world sports league like the National Basketball Association, National Football League or England's Premier League football. Usually they pay an entry fee and become eligible to win cash.

As real games are played, a fantasy team competes and is ranked against others based on the actual-game performance of its players.

The activity has been embraced by sports leagues and broadcasters because fantasy sports players watch more live sports and consume more sports news than the average fan.

The hobby is popular with the coveted 18-34 age demographic, who often use a smartphone or tablet to track their performance in the fantasy league while keeping an eye on a broadcast of a real-life game.

Earlier this month, Yahoo became the first larger technology company to enter the business, unveiling a [fantasy sports](#) program with cash prizes

that is playable on smartphones.

DraftKings is estimated to be worth at least \$1 billion.

© 2015 AFP

Citation: Fantasy sports company DraftKings raises \$300 mn (2015, July 27) retrieved 23 April 2024 from <https://phys.org/news/2015-07-fantasy-sports-company-draftkings-mn.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.