INTRODUCTION TO EXPECTED VALUE (EV) LECTURE

INTRODUCTION TO EXPECTED VALUE (EV)

Expected Value (EV): The amount of money a certain play expects to win or lose on the average.

- Based on our equity in a hand, we can use expected value (EV) to determine how much we expect to win or lose in any given poker scenario.

- EV is how much we expect to win or lose **on average, over the long run,** based upon a specific scenario in poker.

- Some plays will win us money, while others will lose money.

  ▶ **+EV =** A profitable long-term play

  ▶ **–EV =** A unprofitable long-term play
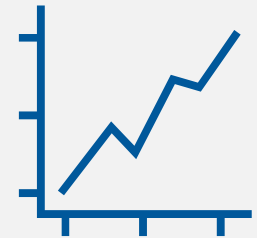
LONG-TERM FOCUS

- Just like equity, EV is concerned with how well a certain play will do over the long-run, and not the outcome of a single hand.

- For example, if we were evaluating the EV of calling a pre-flop all-in with pocket Aces against an opponent that has pocket Queens, we know that this is a long-term profitable play, regardless of whether we lose that hand or not.

- We may get unlucky and lose the hand, but we know that, over the long-run, it's a +EV profitable play.

WHY IS EV IMPORTANT?

- Solid poker strategies revolve around making profitable poker plays and decisions, aka, +EV decisions.

- Fundamental poker math is at the core of maximizing our winnings and minimizing our losses.

- In short, winning poker is +EV poker, whereas losing poker is −EV poker.

- In poker, we want to strive to make as many long-term profitable plays as possible, and EV will help us do so.

HOW DO WE USE EV?

- We can use EV both on the table while we're playing a hand, and off the table in analyzing previous hands we've played.

- When we're in a hand, we can use our knowledge of poker math to enhance our likelihood of making profitable +EV poker plays.

- By understanding pot odds, implied odds, equity, the Rule of 2 and 4, and other math topics, we maximize the chances that we'll make profitable +EV plays.

- We can also use EV and EV calculations to analyze hands we've played, in order to determine if they were +EV or –EV.

- EV calculations are simple mathematical formulas that help us determine if a particular play is a long-term profitable +EV play, or unprofitable -EV play.

- EV calculations will not only tell us if a play is profitable or not, but will also quantify exactly how profitable or unprofitable it is overall.

EXPECTED VALUE (EV) CALCULATION

- The basic EV calculation is composed of two parts:

- **EV=** [Part A] - [Part B]

  ▶ **Part A:** How Much You Win x Probability of Winning

  ▶ **Part B:** How Much You Lose x Probability of Losing

- **EV=** [Expected Long-Term Winnings] – [Expected Long-Term Losses]

- **EV =** (% win x $ win) – (% lose x $ lose)

We'll be re-visiting and discussing EV calculations later in the course.