Flutter

INVESTOR DAY

FLUT LISTED NYSE

Transcript

Lisa Kearney – FanDuel TV Host

Wow, what a powerful start to our time together. Good afternoon, everyone, and welcome to Flutter's investor day here in New York City. I'm Lisa Kerney, FanDuel host and thrilled to be your host for the event today.

Here at Flutter, we are changing the game as the world's leading sports betting and gaming operator. I'm excited to be joined here on this stage by our senior leadership team who will take us through what makes Flutter the global leader in this space.

So let's get to it.

It is my honor and privilege to welcome the Chief Executive Officer of Flutter Entertainment, Mr. Peter Jackson.

Peter Jackson – Flutter Entertainment Chief Executive Officer

Good afternoon, everyone.

Thank you all for joining us here in New York to discuss the exceptional strategic positioning of the Flutter Group and how we expect this to deliver significant growth and value creation for shareholders.

I'm excited to be joined by my leadership team today who will help bring this to life. Now, let's take a look at what we'll cover this afternoon.

My brief introduction will summarize Flutter's strategic positioning and strategy. Then we're going to take you through the Flutter Edge, what it means and some examples of it in action. Next, our US team will share how we continue to win in the US. We'll then have a short break before we take you through the Rest of the World opportunity and how we leverage our local hero brands to win in our respective markets.

Finally, we'll bring this all together and lay out our compelling financial outlook. And we'll also have time for Q&A at the end of the presentation. Flutter is the number one online sports betting and gaming operator in the world. We have an incredible portfolio of local hero brands. These brands are empowered with unique advantages in their local markets and supported by the Flutter Edge. This is our global differentiator. Through the course of this presentation today, you'll get a better understanding of how this ensures we win in all our markets.

As you can see, we operate at a level of unmatched scale. We have over 13 million customers annually, and that number is continuing to grow. We are forecasting to deliver revenue of over $14 billion this year and adjusted EBITDA of over $2.5 billion.

We're significantly larger than our nearest comparable operators, meaning we enjoy the significant scale benefits that others simply don't have.

Here, we summarize exactly why we believe Flutter has such exciting growth prospects. We are operating within a global market of $370 billion across both the US and the Rest of World, with a long runway of growth. We can capitalize on this opportunity through our diversified portfolio of local hero brands that are winning in their respective markets with leading positions and enjoying local scale. The Flutter Edge is our key sustainable competitive advantage and global differentiator. It provides a continuously growing suite of advantages for our brands to contribute to and leverage in their local markets.

We have a strong track record of setting the right commercial and sustainability strategies and delivering against them. And finally, this all combines to drive our value creation model, which we believe will drive strong growth and positions us as an “and” business able to invest organically behind strong returns and execute value creative M&A and deliver returns to shareholders, all of which help drive value creation.

Now let's dive into each of these further. I've referenced the significant regulated market opportunity, which we estimate is around $370 billion globally. We believe this large addressable market has a long runway of growth ahead through regulatory expansion boosting TAM as well as structural tailwinds like the continued shift from retail to online. The opportunity includes regulated or regulating markets like the US and our core markets of Australia, UK and Italy. It also includes exciting high growth markets like India and Brazil.

And while we have podium positions in many of these jurisdictions, our market share of this total opportunity is still relatively small, despite being the global leader in this space. It's a very fragmented market.

This means that a significant opportunity still remains for us to grow using our very successful M&A playbook, which we'll take you through later.

A key to our success has been our diversified geographic and product portfolio. This means we are more resilient to regulatory changes and also ensures that our products are locally focused on our customers' needs and regulations.

We have leadership positions in key markets in the major regulated markets, whilst also having a portfolio of podium and challenger brands across a broad geographic footprint.

I often talk about local scale. Why does this local scale matter? Those of you familiar with our story will have heard us talk about our flywheel, which is laid out here on the left. Our scale enables us to deliver a leading customer proposition. This generates higher customer numbers and revenue growth, which deliver greater operating leverage on that revenue, and in turn drives even greater scale. This facilitates even more investment, turning the customer flywheel and ensuring we go from strength to strength.

Our flywheel gives us an advantage that compounds. And in online industries, this scale advantage translates to a disproportionate share of the profit pool flowing to market leaders such as ourselves.

Key to our success is the Flutter Edge. Our truly sustainable and unique competitive advantage. It helps us deliver local focus. The Flutter Edge enables our brands to have access to and contribute to our leading global capabilities, such as product and technology, as well as the benefits of our vast expertise and huge global scale. Our local brands enjoy all the benefits of a global leader, while still retaining local focus and challenger mindset, enabling them to win in all their respective markets without distraction of central teams or roadmaps. We have a clear set of strategic priorities for success which guide our commercial plans. We'll win in both the US and the Rest of World by harnessing our unmatched scale to deliver efficiencies and operating leverage, and creating mutual advantages through the Flutter Edge.

This is underpinned by a focus on sustainability through our Positive Impact Plan which we've laid out on the following slide. We have set long-term targets for customers, colleagues, communities, and the environment to drive our sustainability agenda, some of which you can see on this slide. We aim to do business in the right way, and our Positive Impact Plan is core to that aspiration.

Let's take a closer look at our Play Well strategy, which is incredibly important for me and everyone in our business.

Sustainable customers create a sustainable business. Firstly, it's important to note that each market requires a bespoke approach for responsible gambling, given local customer needs and regulation. Therefore, there is no one-size-fits-all approach. But all our brands follow an overarching set of global responsible gambling principles as set out in the middle of this slide. We've been making significant progress in this area, and embedding expertise that we share across our brands and businesses.

Crucially, we can leverage our learnings from more established markets such as the UK or Australia into newer markets, such as the US, to give us a real head start. Our responsible gaming journey constantly evolves, and we continue to make very good progress. To give you a flavor of just how focused we are on this critically important area, here is a brief video of some of my colleagues laying out our approach to responsible gambling.

(Play Well video)

I hope that short video gives you an idea of how importantly we take responsible gambling. To conclude my introduction section, I'll reiterate, we have a truly compelling strategic position, and our leadership team will demonstrate the unique capabilities of the group over the course of this presentation, and how this will deliver high levels of value creation. The value creation can be seen in our medium-term expectations. We see a path to approximately $21 billion of revenue for the Flutter Group in 2027, with EBITDA margins growing rapidly to 25%.

Very strong growth in free cash flow generation will deliver approximately 36% compound growth in free cash flow to $2.5 billion in 2027. And this capacity underpins our ability to deliver $5 billion in shareholder returns over the next three to four years. We have some very exciting materials to take you through that we believe will give you all confidence in Flutter's growth trajectory.

Flutter Edge

And let me start with the Flutter Edge, our global differentiator. Key to this is our federated operating model. Our success is reinforced by our local focus and local scale. And this is only possible with a decentralized model. Local teams have full autonomy over strategic decisions in their respective markets and are empowered to operate with a challenger mindset with decisions made at speed, close to our customers and reflective of local context.

Key to this is making sure we have the leadership talent to drive the business to success. We have the right leaders in place with a wealth of experience to build on our unique culture, preserving that mindset of a challenger and growing our leadership positions. And you'll meet many of them today and some of their teams too.

Moving now to talk about our secret sauce, the Flutter Edge and what this means. The Flutter Edge is a key reason we're winning. It's unique to us and means that our local hero brands can be laser focused on a localized approach whilst also having access to global capabilities across product and technology as well as the benefits of global expertise and scale. Let's look at these now in a little more detail.

Firstly, product. Product is core to our success in all our markets. To attract customers, you need to have a strong brand that resonates with consumers. Of course, only brands with the very best product offering can succeed in the long run. And core to our success is our world class product.

From a sportsbook perspective, our leading product is enabled by firstly our unmatched capabilities in pricing and risk management and secondly, our market leading generosity proposition. We'll hear more about these two capabilities shortly, but before we get to that, let's take a deeper dive into the unparalleled global breadth we have in iGaming.

We have the leading portfolio of iGaming brands around the world with over 6.5 million average monthly players and number one positions across the UKI, US and Italy. We deliver a world class product with high quality content and great customer experiences. And as part of our Flutter Edge, these assets and capabilities can be shared globally across our brands to great effect as we've seen recently with our iGaming growth in the US.

Let's hear from some colleagues about the drivers of a leading iGaming product and how we've nailed these around the world.

(iGaming video)

Hopefully, that gives you a flavor of the depth and breadth of iGaming innovation and capabilities in the group.

Next, core to deliberate market-leading products are the technology enablers and the platforms that are underpinning them. Our technology is proprietary and our approach mirrors our federated operating model, enabling common technology solutions to be operated on a market-specific basis, independent of competing demands with each of our businesses in full control of their own tech stack and development roadmaps.

Codebases can be easily shared across businesses, maximizing agility, flexibility and ensuring we move at speed and scale. Some of the remarkable stats on this page give you an idea of the sheer scale and speed at which we operate and the difficulty others would have in replicating this. Let's hear from our tech team.

(Technology video)

Of course, none of our success would be possible without our people. Our teams have deep knowledge of the sector and what it means to be the best. Sharing that knowledge and deliberate and focused collaboration is a key driver of the Flutter Edge as we seed our brands or new businesses with decades of industry knowledge to accelerate growth and outpace the competition.

We can replicate this in every new business and market we enter, creating a significant competitive advantage and differentiation.

Finally, our brands can access global scale benefits that are impossible for others to achieve. This provides access to a broad opportunity set, including the ability to prioritize longer-term opportunities. It also provides greater purchasing power through ability to leverage global relationships in individual markets. And this scale advantage is unique to Flutter.

And with that, I hand you over to Dom to take you through one of our key sportsbook growth advantages, our pricing and risk management capabilities.

Pricing Case Study

Dom Crosthwaite – Flutter Chief Trading Officer

Thank you, Peter.

Good afternoon. I'm Dom Crosthwaite, and I lead Group Trading, Risk and Sports betting platforms. I've been at Flutter for over eight years in trading, risk, product and commercial roles. And today, I'd like to explain how our in-house pricing and risk capabilities underpin our sports betting proposition. We accurately price pre-game and in-play, and the odds for nearly all our sports GGR are set in-house. We also manage the risk relating to each individual customer and qualify the expected margin from each bet we take.

So when a customer sees a price on our app, what they're experiencing is the output of our pricing process.

We combine market and bet info, game data, and trading and modeling capabilities for a particular sport or event. We then apply margin to each bet, which is our VIG or over round. These odds, including VIG, are presented to our customers. Our in-house ability and combination of accurate odds and risk management is what truly sets us apart in this sector. And it's the foundation that gives Flutter the flexibility and the confidence to innovate and develop betting products that our customers love.

Now let us look at our global operating model. No operator can match our expertise. 20 years of experience and 1,500 in-house specialists. Our team is truly global, based in our largest regulated markets of the US, UK, Ireland, and Australia. And that allows us to run a follow the sun model.

Our brands own the sports that matter most for their customers, with pricing and risk teams highly integrated within local markets and the commercial and marketing teams. The US run the big seven US sports. The UKI division runs all soccer and UK racing. Australia run their local rugby and football, as well as Australian domestic racing. Each of these local teams are contributing back into our operating model. But as an organization, we also centralize where it makes sense, including global sports such as tennis, risk management tools, and our single distribution network.

It's this hybrid model, supported by our technology platforms, acting as a backbone across the group that enable us to seamlessly deliver accurate prices at low latency to all of our brands globally.

We also unlock the unique insights from 4 billion bets per year. But all of the above is based on a foundation of accurate prices. Pricing accuracy gives us a competitive advantage in three ways. We can offer highly competitive odds, more innovative and complex market types, and shape customer demand and the resulting bet mix.
Secondly, we can flex our pricing in response to competition and local market conditions. And finally, we can manage the short term results variability that our competitors find challenging.

I'd like to run through each of these in more detail.

For context, our global expertise enables us to set odds on 48 million different markets per year. But it also ensures that we can focus on our fastest growing area, which is player markets. In the three years from 2021 to 2023, the player markets offered per game in FanDuel across the big three US sports grew at a compound rate of 36%.

Individual player narratives dominate the news cycle. But we're developing products to match and drive customer demand. For example, in the UK in 2024, year to date, 65% of our soccer same game parlay bets include player markets that we did not price two years ago. Ian will reference later how this is driving outperformance in our local market. Complex math leveraging our in-house pricing ability is built into our branded products. Helping improve the choice and flexibility for customers and unlocking the benefits of market leading products. It's this pricing ability that is the foundation of Same Game Parlay, Requestabet and a host of other product innovations, including AccaFreeze and Cash Out where we have been first to market.

It's our ability to innovate and develop new markets that is causing the mix shift to higher margin parlay products and driving adoption of same game across all our Flutter brands. We have consistently increased choice and player markets as a percentage of overall bets across the big three US sports. This in turn increased the number of parlay bets. So giving customers more choice and flexibility as well as competitive price points means we have seen an increase in the number of legs per bet. It's this combination of more choice, more parlays, more legs that means customers are betting at higher odds. In fact, a 260% increase in the average price per bet in the last four years.

This mixed shift is also being experienced in our core markets of UK and Australia.

Having the bedrock of accurate prices means that we can flex our pricing strategies in the local markets that we operate in. For the last NBA season, our FanDuel customers could win over 30% more by betting on the most popular parlays with us compared to placing exactly the same bet with our competition. And we offer this value to customers while still maintaining a clear structural margin advantage over our competitors.

In Australia, we increased our gross win margins by nearly 4%, supporting a 35% increase in generosity, which has helped drive market share gains and net revenue growth.

Flutter UKI is investing in price elasticity experimentation, ensuring that we understand the right price points across our biggest sports to unlock more margin benefits. And we also align to local regulatory and tax environments. The accurate prices underpin our ability to differentiate our pricing strategies in local markets, and we can do this at scale.

Like all sports businesses, we experience short-term results variability. The green bars show the actual versus the expected gross win margin by month. Whilst we see a variation, the impact to result normalizes over time.

The dark green line shows there has been a minimal cumulative variation of 30 basis points over the same period. Long-term variability is also helped by our diversity of volume. We manage bets across 58 sports, with no individual sport contributing more than 18% of our gross sportsbook revenue. So we can charge our customers less, give them more choice and flexibility, and increase our revenue and continue to grow. And this is made possible through our structural margin advantage.

Our unique combination of pricing accuracy, best-in-class product, amplified by our global operating model and scale, delivers superior win margins across multiple markets that are difficult for our competitors to replicate.

We see this in all our major markets, and more importantly, that differential is increasing. Here you can see the structural margin outperformance in the USA, UK and Australia relative to the market.

So, I would like to finish by explaining how we will maintain this. We are reinvesting to make sure we stay ahead of the competition. And this means that we can continue to improve pricing and risk capabilities, unlock new products and innovations, and offer better value to our customers through market-leading generosity.

By doing this, we will maintain our structural margin advantage.

I would now like to hand over to Barni, who will talk about market-leading generosity.

Generosity Case Study

Barni Evans – Sportsbet CEO

Hi everyone, I'm Barni, and I run our Australian business. Now, following on from Dom, I'll focus on sportsbook generosity. But obviously, a lot of the learnings that we gain in this space translate directly into our iGaming business too.

So, Dom showed us how great pricing and risk management drive structural margin advantage. But as he alluded to, that's only half the journey. Augmenting that with market-leading generosity truly delivers an outstanding customer experience. And we've learned in every market over the journey that when we deliver better customer experiences, we're repaid with bigger handle volumes, higher structural hold, and ultimately sustainable revenue growth.

So, how does that work? Well, as a group, we've spent more than two decades learning this craft. And that learning, compounded by the scale at which we operate now, really gives us the knowledge and the experience to win in this space.

What we've learned to do is focus relentlessly on three key drivers. Being customer-led, continually innovating to build a diverse range of generosity mechanics, and being ruthlessly efficient.

When we do those things in concert, customers tell us that their engagement in sport gets even more exciting. The generosity they receive is intuitive and easy to use. It feels personalized to them as individuals, and ultimately, they feel like they're getting a fair deal all the time from each of our brands.

So, let's dig into those drivers first of all, starting with customer-led.

Clearly, in the Australian market, we have a fair customer scale advantage relative to our local competitors. But the Flutter Edge really kicks in across markets. As you know, we're in more than 100 markets, we have gold medal positions in many of them and multiple brands spanning Sportsbook and iGaming. But to really bring that to life, last year, 2023, our 400 generosity specialists deployed over $3 billion of generosity to our customers across 11 brands. That's an awful lot of case studies to learn from.

That volume gives us two things. Bigger customer data sets to analyze and drive insight and ideation, and the ability to test new ideas at scale, delivering faster, more robust, and actionable insight. And it's this breadth and depth that accelerates our learning, which accelerates our competitive advantage.

One of the most important lessons that we've learned from that customer-led approach is the need to continually innovate and evolve an ever widening range of generosity mechanics. We need to cater to all types of customer, from winning more with odds boosts to our most confident customers, to ensuring against potential losses for those that are more risk averse.

We need to get customers into the action, as we did for FanDuel customers with Gronk's kick of destiny at the last Super Bowl. And then we need to keep continually showing human empathy with ad hoc surprise and delight moments to build those human relationships with our customers. But I'll pause here because I'm reminded the value of Dom's pricing and risk management doesn't just relate to the price of our odds.

When we understand price in tandem with generosity, we can truly understand the consumer experience. And that enables us to be both, A, more generous and B, to drive sustainable revenue growth.

Here's a great example of how the Flutter Edge comes to life and keeps driving innovation across territories. Duo, which was launched first in Sisal in Italy, has since been modified, improved upon, relaunched and rolled out for our UK and Australian customers.

This type of innovation can only happen because of really smart collaboration across teams and across those hundreds of generosity experts that I talked about. This isn't about coordinating around the world for the sake of consistency. It's about choiceful collaboration, investing time and energy and effort where there's a true advantage to customers to be had.

Getting that right takes a lot of time, a bit of trial and error, a lot of talent and a little bit of process. But when you get it right and it gels, what you get is a virtuous circle of ever improving innovation that customers benefit from locally and globally.

The final driver that I'll talk to is efficiency, enabled by our proprietary capabilities. Efficiency from the outside is not the sexiest of topics, unless you're a CFO. But it's crucially important because this is our biggest cost centre. If we can derive competitive advantage in our biggest cost centre, that's really meaningful to the business. Increasingly here, we're using machine learning to deliver the right amount of value. But it doesn't stop there. It's the right amount of value on the right sport, on the right event, on the right market, on the right bet type, through the right generosity mechanic. And from our point of view, at the right marginal cost. That's a lot of things to get right. And models are improving our strike rate every passing month.

Then, onto our technologists. That's when they come to the party. Building resilient platforms that are lightning fast, enabling real-time decision and deployment. Because even the best generosity, even if we get all of those things right, we fail if the proposition is delivered five seconds after the start of an event. It's got to be fast.

Finally, our communication channels and teams take over, ensuring that customers know about and therefore appreciate their individual generosity, both before, during and after an event. The cumulative impact of all of that work across those three circles is an experience that a customer loves and maximum ROI for us.

Very difficult to achieve, but very powerful when you do.

And it occurs to me as I stand back and think about all of the teams that do all the work represented on this slide.

At every stage, the Flutter Edge comes to life. Because when they're working together, without bureaucracy, across languages, across jurisdictions, their learning and their development just accelerates over time. It's really powerful.

So, those were the three drivers. Let's focus on how customers benefit from those. And I'll pick four examples here. Firstly, excitement or exciting. I think everybody by now knows just how popular same-game parlays are. Because they get sports fans right into the heart of the action of their chosen sport. And what FanDuel's No Sweat same-game parlay does is enable them to really live in that moment, safe in the knowledge that if things go awry, FanDuel has their back.

On to the right, intuitive. Over the years, we've learned how to manage a really interesting paradox in issuing generosity. On the one hand, the experience has to be seamless. The free bet can't get in the way of placing your actual bet. You got to get on fast. By the same token, the customer has to know that they're receiving generosity, because if they don't, they can't appreciate it.

So across the group, we've learned and developed best practice, presenting only the essential information at the precise point in the user journey when it matters the most. As you can see here from Sportsbet's power prices.

The third benefit to consumers is personalized. And like any digital category, I presume, our customers want curated choice, but then they want control. That's why in Sportsbet we've developed easy to use tokens that give customers the freedom to deploy their generosity when they choose and not be dictated by us.

And finally, fair. Customers everywhere simply want overt fairness. They want to feel like they're getting a fair deal. Great example of that is in Sky Bet, which allows people to freeze one leg on their Acca or their Parlay, giving them more control and confidence over their bet. And I think Ian will talk in a bit more detail about that later.

So I talked about the three drivers and I've given some examples of benefits. What does that mean? Well, from a customer point of view, it's really simple. And Australia is an example, but we see this everywhere else. The improved generosity, leveraging the Flutter Edge, materially improves our net promoter score. Customers are simply more likely to recommend us if they're happy with their perception of fairness.

And those customers recommending us to their friends translates into more acquisitions, which translates into higher monthly users. And as Mike will come on to talk about, customers who are referred by their friends are really attractive to us so we will talk more about that.

Then from Flutter's perspective. We see the compound benefit of Dom's best of breed pricing and risk management alongside continual improvements in generosity really drive each of our brands forward. In aggregate, these two core proficiencies, when sharpened, scaled, accelerated by global collaboration, do three things. As you can see, they increase our gross win margins through improved pricing and structural shifts in customer and product mix, which in turn allows us to increase investment in generosity for our customers. And if we do that efficiently, it leads to a sustainable expansion of our net revenue margin. That's the game that we're in.

Now, the best part of this from my point of view.

This is the best part because whilst we're pleased with some of the accomplishments that we've achieved and the direction we're going driven by a bit of ambition, curiosity and sense of optimism. We're just so motivated to keep pushing and the way we look at it is there's so much more ahead of us than the gains we've accomplished so far. So to give two sort of flavors of that. On the left, we're really scratching the surface on how machine learning can deliver ever more targeted and intuitive experiences for individual customers. And then on the right, whilst we don't talk about our products before we launch them, I think Mike's going to tease us a bit later on some plans that FanDuel has to give their customers even more flexibility again on a one to one basis.

As you can tell, I'm fairly bullish on this space. But don't take my word for it. Let's listen to some of our colleagues before we invite Amy to the stage.

(Flutter Edge video)

Amy How – FanDuel CEO

US Overview

Thank you for joining us today. Nearly two years ago in this very room, we had the privilege of sharing the FanDuel story on why we're winning in the US, why we believe our competitive advantages are sustainable, and importantly, what it means for many of you as investors of Flutter.

Peter just shared a few minutes ago just how compelling Flutter's global strategic positioning is. And today, my team and I are delighted to share a few things.

One, the tremendous progress that FanDuel has made over the last couple of years. Two, we'll talk about our plans to defend and strengthen our number one position in sports betting and in iGaming. And importantly, we'll talk about how our strategic positioning here in the US will deliver a meaningful value creation for Flutter.

Last time, as I'm sure many of you remember, we shared an overview of the FanDuel advantages that really propelled us to that number one position in the US market a couple years ago. And simply put, we did a few things. One, we acquired customers more efficiently to the tune of 24% lower cost per download. Two, we retained them longer than many of our competitors with 77% year-on-year retention. And three, we successfully grew customer value thanks to our leading product and promotional proposition, which you'll hear more about today.

But these strengths were accelerated by the unparalleled advantage that Peter spoke to earlier, which we refer to as the Flutter Edge. And I'll talk about that quite a bit throughout the course of this presentation.

So if you rewind the clock a couple years to our last Capital Markets Day, we had made, by all objective measures, very good progress. We've grown AMPs by a million customers. We've surpassed our 2025 gross win margin target of 12%, which is driven by a steady stream of product innovation, which you've heard about already. And we went from the number three iGaming brand in the market to the number one iGaming brand in two years.

And most importantly, we moved the business from a loss to profitability in 2023, posting a 5% EBITDA margin that has grown to 10% in the first half of 2024 alone.

And as we look back at our external and our internal scorecards, we're incredibly proud of the progress that we made in both sports betting and iGaming. If you look at the left-hand side of the chart, we've seen or driven over a 10-point increase in our combined share of both sports betting and iGaming, with strong movement on both fronts. On the sports betting side, we've driven seven share points, which is representing about half of the market when you look at it on a net gaming revenue basis. And we've driven nine points in iGaming in that time period. As you can see on the right-hand side, this has resulted in a much bigger business in just three years. So $4.4 billion larger on the top line and on track to be nearly $1 billion more profitable over the last three years.

And, you know, listen, if you step back and you look at the factors that are driving this performance, there are many things. But what is very clear from the trend lines is that consumer engagement around our products is at an all-time high right now. There's a lot of data on the page, but one of my favorite stats on this is at the bottom of the page, which is nearly 90% of bettors believe that sports betting makes live sporting events more fun to watch. Right? And you see the numbers. But they're betting on their favorite players and exciting multi-leg prop bets that Barni and Dom talked about. They're engaging during the live event. Right now, about 25% of our bets are in live betting. We think there's a massive runway here, which we'll talk about.

And when you see certain player narratives take off, like Caitlin Clark did earlier this year, and already in the first few weeks in NFL, we're seeing player props just through the roof with excitement. We're seeing massive engagement to the platform. But we're also driving that on the iGaming side as well with new forms of entertainment through exclusive games and jackpots, which have been a big draw in particular for our direct casino customers.

Also worth noting that the system-wide jackpot capabilities that we have came through our acquisition that we made earlier this year with Beyond Play, which has really just been a homerun for us.

But make no mistake, it is the product innovation that our teams are doing beautifully across the board that is driving this engagement and these numbers in turn.

All of that said, we realize that the big question many of you have is, and why you're here today, is what is our strategy at FanDuel to not just sustain but more importantly strengthen our leadership position as we seek to fully capitalize on the opportunity? And today we're going to discuss four key drivers of that.

Number one, highly efficient acquisition. This continues to be a real advantage as we fine tune the right channels to make sure that we're reaching the right customer at the right time. And we're doing that well within our targeted payback ranges of less than 24 months. Mike's going to talk about some of the drivers of this later. But in aggregate, what we've seen so far this year is we have driven 34% more Sportsbook app downloads than our top competitor while spending 10% less. So efficient acquisition is a continued driver of our success.

Number two, perhaps most importantly, our superior product. And this is unquestionably driven our leadership position in the sports betting space and is increasingly driving our success in iGaming as well.

And while we feel great about the innovations which have driven us to this point to date, I think most of us are equally if not more excited about the pipeline of future product innovations which is going to help us further defend and strengthen our lead. And you will see some of those videos in a minute.

Number three, world-class promotions and generosity. In addition to what Barni just shared earlier, we'll also discuss how we are becoming much more sophisticated around how we're deploying generosity to the right customers while really innovating great promotional products that our consumers have really come to love over time.

And then four, best pricing and hold and you just heard Dom describe the very clear source of our advantage and how our increased pricing accuracy and better bet mix are driving materially higher growth in margins versus our competitors and we will show you that in a minute as well.

And of course all of these advantages are further strengthened by both our scale advantage but the Flutter Edge as well which has very clearly given us a head start in the US.

What I'm personally excited about is we are now at that inflection point where FanDuel is also contributing meaningful innovation back to the group and that in turn is strengthening our position outside the US as well.

So when you step back from all this, what does all of that translate to? In summary, we believe a very compelling financial outlook over the next few years where we can confidently say a few things. One, player values will continue to grow. David will talk a bit about this and what we think is driving that. Number two, we have a very long runway for continued customer acquisition and that is true in both new and existing states. And then three, our tremendous scale advantage continues to widen our moat.

So overall if you think about this significant growth, the operating leverage that we will drive over time as we grow, that puts us on track to deliver $9.7 billion in revenue in 2027 at roughly 25% adjusted EBITDA margins ultimately translating to $2.4 billion in EBITDA by 2027.

US – Market Opportunity

So we feel great about the progress, beautiful outlook, but I think what we're even more excited about is we are incredibly encouraged by the future runway. I'm now going to spend a few minutes talking about the future market opportunity. And I'll go back again to 2022 when we were here a couple years ago. As many of you would remember, we projected at the time a total addressable market or TAM, at maturity of $40 billion with roughly 60% of that coming from sports betting and 40% coming from casino. We now believe that the addressable TAM for FanDuel could be $30 billion bigger than we previously thought. And the breakdown of that is roughly $16 billion more coming from sports betting, $6 billion more from casino. And we have now sized Canada, which we believe to be about a $7 billion addressable market.

And so in aggregate, that constitutes a roughly 50% increase in our estimated size for the US TAM alone and four times where we are today.

So let me take a minute and kind of unpack what's driving this. First, as you can see from this chart, we have been very pleasantly surprised by just how quickly those states that were live when we hosted our last Capital Markets Day have approached our mature TAM estimates. And as you can see, these are pre-2022 sportsbook and casino states that were already about 80% of the way to their previous mature TAM estimate. And this progress has been pretty similar on both the sportsbook and the gaming side. We then took a look at what is driving that quicker than expected progress and examined our projections on the back of that review. And what I'm going to now do is kind of take those TAM inputs and talk about which of those have stayed the same and which ones have changed.

Let me start with the assumptions that remain unchanged.

First, our view of FanDuel's mature sportsbook penetration rate remains as it was before at 10.5%. And as a reminder, that's the penetration rate that Sportsbet has achieved in Australia at very similar market shares. So to put that in further context, today our blended penetration rate is 6%, and that's up from 4.3% at the time of our last Capital Markets Day. So that assumption has stayed the same.

What has also stayed the same is while we expect that the map expansion may be a bit more gradual over the next few years, we still see a path at maturity to 80% of the population being able to bet legally on sports betting and roughly 25% of the US population being able to bet legally on their favorite online casino games. So both of these assumptions have remained unchanged from last time.

What has changed are two things. First, we're seeing higher player values than we expected back in 2022, which is leading to a roughly 45% increase versus the input we used last time. And David's going to talk a bit more about the value of these player cohorts in a minute so you can see that progression.

And second, while expected sportsbook penetration remains unchanged, we're actually seeing a higher level of gaming penetration in the market than we previously expected. And so this has led us to increase our long-term assumption for casino adult penetration by about 10%.

So if you take those two combined factors, those changes result in roughly a 50% increase in our expected US TAM versus what we would have shared with you two years ago.

So we're obviously very encouraged by the future outlook, but we're certainly not taking for granted that this picture is just going to simply materialize. And I think many of you know that this is part of our culture.

What is very clear is that we are entering a new phase of growth right now. And as we do that, our advocacy strategy is designed to focus on doing two things. One is driving that future TAM growth or opening up markets that aren't legalized today. But at the same time, we know we also have to drive or create a long-term sustainable sector, one that, candidly, all of us can be proud of.

So on the growth side on the left-hand side of the chart, there's a lot of hard work the team is gearing up to do to make sure that we can legalize some of the biggest states, California and Texas in particular, while at the same time building momentum around the legalization of iGaming. So that's on the growth side.

On the sustainability side, we need to be equally focused here. And there's a lot of tremendous work the team is doing. It includes, you know, the hard work to make sure that we're broadcasting the industry's positive economic impact. There's some tremendous work on the community side. We're involved in organizations like Operation Hope, which is very much aimed at educating around financial literacy. And importantly, we're funding research with many of our partners to make sure that we can set the record straight with the facts on some of the misconceptions that exist in the industry today.

To get this right, we know we're going to need a much more proactive public affairs strategy going forward. And we've got to get out there and build the right coalitions and relationships to really strengthen and align with the right advocates.

As you can imagine, doing this effectively is going to require additional investment, whether it's in lobbying, public affairs, coalition building, or internal resourcing. And I am confident that we have an outstanding team. We have bolstered our team quite a bit in the last couple of years to make sure that we can win on both fronts here.

But arguably, one of the most important parts of building a sustainable sector centers around responsible gaming. And you heard Peter talk earlier about our commitment to responsible gaming or playing well. And I can confidently stand up here today and tell you that sustainability has always been and is being built into the very foundation of the business on many different levels. And this is, from my perspective, where being part of Flutter gives us the insight and expertise to really be the industry on this front in the US, working alongside many of our other peer operators.

And there's a number of things we're doing. Let me try to unpack them. There's really kind of four key drivers of our responsible gaming strategy.

Our first objective is to make sure that we understand what is driving problematic behavior in the first place using a very data and science-led approach. And when we identify those signs, we're able to proactively intervene and shut that behavior down. So that's number one in making sure we know our customers and can help manage that dynamic the right way.

Number two, we're also providing what we consider to be a very broad suite of tools, many of which we have leveraged from some of our peers in other brands and divisions, to help our customers manage their play. And there's a number of things we're providing. We have player activity statements, which have been very widely used. We have tools to help customers manage deposits or bets, the time spent on the platform, and just recently, we launched a new product called My Spend which is a much more flexible way for consumers to visualize their spend over time.

And so the data, the tools, the science behind this is critical for us to be able to manage this. But we're also very focused on what we describe as creating a culture of responsible gaming with our employees, our customers, and all of our external stakeholders. We talk about this as tone from the top. And this is, listen, this is a multi-year effort where we will never be done educating and raising awareness around some of these critical issues.

And last, but certainly not least, we're delighted to be the driving force behind the launch of the industry-wide coalition, which many of you have heard about. It's called ROGA, which stands for Responsible Online Gaming Alliance. We launched it this year, along with six other online operators, to make sure that collectively, we're protecting the industry and consumers for the long term. So we are very excited to have that framework in place, and we can continue to build on that in the years to come.

That was not easy to do. And I think if you ask many of our peers from outside the US, they would say that is a phenomenal head start as we continue to build this sector.

So I'm going to come back and talk in a minute about the progress that we made in iGaming. But at this point, I'd like to hand the floor over to Mike Raffensperger, our president of the sports business, to take you through why we're winning in the US and the sources of our sustainable advantage. Thank you.

Mike Raffensperger

US – Sustainable sportsbook advantages

Thank you, Amy. Good afternoon, everybody. I am genuinely really excited to get a little bit of time to talk to you about why FanDuel has a uniquely competitive sports betting business, why our leadership has sustained over time, and why we have a lot of confidence in the strengthening of that position as we go forward.

As Amy shared, there's really four key components that's leading to our unique position in the market - the most effective and efficient acquisition machine in the category, the undisputed best product, world-class distribution of generosity, and the best pricing. All of this is underpinned by a lot of what my colleagues shared earlier today-- the learnings, expertise, people, talent, and tech we get from the Flutter Edge. And uniquely, where we're able as an American unit to feed back into that global Flutter Edge across all of these.

I'd like to walk you through a little bit of color and detail on each one just now.

I'll start at the top. FanDuel has the most effective acquisition machine in the category. That's driven through numerous factors, but it maybe starts most fundamentally at being the most widely recognized brand in the category. And that's important because it drives one of the first of our scale advantages, which is our single largest source of new customer trials, is a referral from a friend or a family member that already likes our product.

So about one in every four customers that signs up to try FanDuel is actually driven through one of these referrals. It also happens to be our most efficient source of new customer trial, spending about 75% less relative to a non-referral-driven customer trial.

For those of you who were here a couple years ago at our last Capital Markets Day, you might remember a similar slide and a similar advantage. I'm really pleased to see not just our sustained scale advantage, but actually a strengthening one with an increase in the relative size and relative efficiency of our referral traffic. And just to really simply put it, we have more customers than any other operator, and they are therefore driving more very efficient referrals. And our scale continues to beget more scale.

Of course, this is just one of many areas that we look to optimize and how we attract new customers onto our platform. One of the biggest areas of our investment is in television advertising. Given the unique nature of the scale that FanDuel's business operates at, we have been able to really move much of our television advertising from primarily local, regional advertising buys to those that are national. And this matters because a national buy on a per-user or per-unit basis is much more efficient, to the tune of about 50%, less expensive on a unit price versus regional advertising.

We've also used the last couple of years and some changes in the advertising market, and frankly, FanDuel's unique scale in the category, to renegotiate almost all of our rates with major advertising partners. This has led to a dramatic efficiency improvement in our cost of advertising, dropping about 45% since 2022.

We are not, however, just optimizing costs of where sports viewers are today. We are getting in front of and investing in where sports viewers are going to be tomorrow. We are incredibly excited to be a marquee partner with the biggest names in live sports streaming - YouTube Sunday Ticket, Amazon Prime Video, and Netflix. Not only are these platforms generally more efficient than traditional television advertising, to the tune of about 20%, they're also creating the scaffolding of really exciting partnerships, where we are building new, never-before-seen product experiences that are marrying what our customers are watching on the big screen with what they're betting on their phone.

So what of all this is, among these and many, many other rigorous and disciplined marketing optimizations, we are more effective at driving new trial in this category than anyone else. This year alone, we've driven about 34% more downloads than our next closest competitor, while spending about 10% less on a per head basis. This has ultimately led to the industry-leading payback period of 18 months, which, as a reminder, is meaningfully below what we have stated is our threshold rate of 24 months.

Of course, having the biggest and the most effective acquisition machine in the category doesn't really mean much if you don't have an awesome product to greet them with. Thankfully, FanDuel has just that. There is no other company in this category that has the breadth of product offering integrated across a singular, unified account and wallet system than FanDuel. Across fantasy sports, racing, free-to-play gaming, casino, all of these are integrated into and around our Sportsbook product.

This matters because when we launch a new sports betting state, we hit the ground running with an already active customer base that cross sells into sports betting more quickly and more effectively than anyone else. And simultaneously, we've found when people play on more than one product, their player value increases dramatically, up to even five times as higher player value relative to those who only play on one product.

Now, all of this, of course, is centered around our crown jewel, our sports betting product. We are unbelievably proud of the leadership position that we've had to build so many innovative features, functions, and customers' experiences for. But there may be no leadership we've displayed that's had a more powerful effect than our product leadership in parlays.

In 2019, we were the first to introduce same-game parlays as a market and as a feature to the category. In '22, we improved that experience by being the first to allow customers to track each leg of their parlay one by one, enriching that fun and entertainment experience. And then just this year, we were the first to bring in-house pricing for all the seven major sports player props, the most popular of our parlay kind of components in-house.

And this ultimately, among many other innovations and improvements we've made in parlay, has led to FanDuel having far and away the most advantaged bet mix in the category. We significantly over-indexed in the amount of our percentage of our handle, which is in parlays relative to straights. And this has a positive two-fold effect. One, players that participate in parlays actually retain on our platform at greater rates than those that don't because of the really great entertainment value that a parlay provides. And two, there is a higher structural margin element to the parlay product, so FanDuel extracts more commercial value from those players.

So now we'll have a little bit of fun. We're really proud of the leadership position we've been in, but we are very hungry to continue driving and leading. And so I'm going to share with you guys just a few of the innovations that we have live now this NFL season. And what will start is our continued trailblazing progress in parlays.

We've got a video that shows, you know previously to be honest, getting to and finding markets to add your parlays could be a little bit cumbersome, and it could be constrained. The lines themselves were predetermined, so there wasn't the range. And perhaps most painfully, there were restrictions on what markets users could put into their parlay.

Our new Your Way beta product dramatically increases the flexibility and control our users have, setting any individual line in a far more intuitive way of navigating and place-picking parlay bets, and importantly, is creating a far greater ability to combine any market, removing those limitations that we have had in the past and other operators currently do.

And so there was a lot in that one. I'll pause for a second just to digest. But fundamentally, while this product is in a beta form right now, it is underpinned by a revolutionary new pricing model that can create almost limitless assortment and a far greater degree of flexibility and combination, which can supercharge our already impressive parlay advantage.

Next up, live betting. Probably the best part of our product is having your bet in and then watching that experience of the game taking place. Previously, we had a relatively flat, two-dimensional game tracker that would follow along with the updates, but maybe left a little something to be desired.

We're now bringing in-house and on-built dynamic visualization to the game itself, so customers can follow along every sack, field goal, fumble in a super exciting and dynamic way. I think it looks pretty good.

And finally, as Amy mentioned earlier, one of the key themes has been the emergence of player in errors and player prop betting, which as Dom referenced earlier, is one of the biggest growth markets that we have. We have, again, previously had some of that navigational clunkiness, where you're finding player markets distributed through the app. And especially as you're looking to add player props to your parlays, it could be a little difficult to find everything that you were looking for.

This year, we've created new navigational elements around enhanced player pages, where customers can look at the performance of their favorite players in their past five games. And again, discover individual player props in a more intuitive and easy-to-use fashion. All of these have been in market, and the early feedback we've been getting from customers is extremely positive, and we're proud of the progress.

So this really culminates in, undeniably, the industry's number one product in the category. Again, I stood on this stage about two years ago, and I said in this room, our product leadership is a sustainable advantage. And I'm happy to report that that has proven true.

That's evidenced not only by the fact that we're number one rated in the App Store, and market-level trackers indicate sports betters' preferences are to place their bets with us relative to the competition. But perhaps no metric better tells the tale than where our customers are choosing to spend their time.

Over the last few years, our average player days have increased by an average of 17%. So we've got the biggest, most efficient acquisition machine in the category that is driving people to the best product. But we do know the thing our customers probably love the most is deployment of promotions and generosity.

I think Barni did a really great job this morning describing the scale and breadth of our Flutter Edge in this category. And FanDuel has undeniably benefited from those learnings, insights, mechanics, technology, and talent that has helped us get a head start. And I'm also excited by the contribution FanDuel is now making back to group with our own learnings of what has been working, further strengthening our global advantage. The first area FanDuel has made a tremendous amount of investment over the last two years has been in tokenization.

Fundamentally, what this really means is a more bespoke and personalized generosity mechanic for you as an individual based on the sport you like, the way you like to bet, and the times you like to do it. This has ultimately led to a far greater ability to send more rewards to more customers, subsequently driving more bets and revenues from those customers.

But the mechanics themselves and that personalized experience of it isn't the whole story. Importantly, the way you weave that promotion into the core experience of the sportsbook matters.

Previously, our promotions experience was a little siloed. It was kind of sequestered into a certain part of the sportsbook. We've now weaved that promotion experience into the fundamental and core part of picking and placing your bets, which really enriches and deepens the perception of generosity that our customers have.

But it's not just that user experience on the front end that we're investing in. It's the back office function, too. Over the past year or so, we have made a tremendous amount of investment in our data models and our customer segmentation, getting far more precise and specific on putting the right amount of generosity into the right customer's accounts at the right moments.

To be specific, we have used these new models and new sophistication in our segmentation to really reduce, to the tune of almost 40%, the amount of generosity we were giving to very low or no value customers. These are folks who are coming to our platform and primarily just chasing our promotions. Subsequently, we've been able to reinvest that money into our best and most valuable customers, which has produced really great both customer outcomes and commercial.

All of this is underpinned by an investment in our marketing technology stack that is unparalleled in scale. These are things across, up and down our customer communication channels that really deepen the timeliness and the relevance of how we're able to communicate to our customers, allowing them, again, to perceive and feel that generosity in a far more genuine and impactful way.

This is a critical step towards our long-term goal of one-to-one experience personalization on our platform.

The end result is what I am confident is the industry's winning formula, deriving the best customer outcomes with the best commercial benefit. We are seeing our best customers retain on our platform at unprecedented rates of nearly 91%. And those same customers are actually deepening their experience on our platform, betting at a higher rate than previously.

And so the last very unique advantage that FanDuel has relative to the category is in pricing. And there may be no area of the Flutter Edge that is more demonstrated than here, both in terms of a lot of the specifics that Dom walked you through this morning of how we have more data, more signal, and a global, proprietary, and unique ability to set pricing that gives this advantage. And also, FanDuel's own contributions, where we have in-house pricing, local market expertise, and obviously a tremendous amount of that data that we're feeding back to our models.

But simply put, our pricing edge is through more accurate pricing, a far more advantaged bet mix consisting of higher levels of parlays, and really intuitive and innovative product experiences, creating preferential pricing outcomes.

And again, a couple years ago, I'd say probably the question we were asked often is, is that structural pricing, structural margin advantage, sustainable? I think this graph tells the tale. No one else in this category has been able to achieve the levels or the rate of growth in our structural margin advantage than FanDuel has, and I think is a really unique demonstration of the Flutter Edge.

That said, as we're rather fond of saying in the building, the job is not done. And so we are confident there is further headroom for pricing growth. And this is across a variety of factors that leads to our pricing advantage, but there may be none more impactful than in parlay penetration.

As you can see, each year since the advent of legalized sports betting in the United States, the percentage of parlays, both traditional and same-day, have increased year after year. We're currently at a level of about half of all our pre-game bets are parlay, and of almost a quarter of those who are live. In both, we feel there's headroom, especially as we comp towards other more established and mature markets like Australia.

And so we're now raising our expectations long-term on where our structural margin will be. We've already surpassed what we had said we would achieve in 2025 of 12%. So we are raising our long-term expectations of structural, long-term gross revenue margin to 16%.

Some of that will reinvest back into our customers through margin with things like profit boosts or odds boosts, ultimately culminating in approximately a 12% net revenue margin.

Okay. I've thrown a lot of detail at you. It is helpful to take a step back. If you take one thing from my commentary this afternoon, it is that FanDuel has a very unique position in this market that has a very sustainable and competitive advantage structurally relative to others in the field. And when I look at this graph, which really represents our revenue share over time, two things stand out to me. One, as I have experienced quite personally on a daily basis, this is a dynamic, competitive category. We've had new entrants, new contacts, highly competitive moments in time, generosity and advertising spend. But despite all of those situations, FanDuel's leadership position has been remarkably sustainable and even strengthened over time.

And to put just a touch of color on why we have such confidence in the future, this is what it would look like for a nascent competitor to catch up to FanDuel's leadership position.

Since the advent of sports betting in 2018, we've had about 500 individual product releases, each one making our customer experience a little better or removing a little friction. 10,000 updates to our pricing model, each one improving that structural margin advantage. And we've invested over $10 billion building the American sportsbook of record in the FanDuel brand.

This culminates in fundamentally a 51% share by net gaming revenue for our brand, a figure we're incredibly proud of, but also confident and hungry to continue growing in the future. So I will leave you with that, and I will pass you back to Amy for some updates on our really impressive performance in iGaming.

Amy Howe

US - iGaming

Thank you, Mike. Hopefully that gives you a great sense of why we're winning in sports betting in the US and why we believe those advantages are sustainable. By the way, those videos are on the Investor Day website, so if you didn't catch everything that Mike shared, you may want to go back and look at those.

Okay, let me switch gears a bit and talk for a few minutes about the great progress that we have made in iGaming since our last capital markets day. At the time, I think many of you will probably remember, as you can see here, we were a clear number three brand in the category. And to be completely candid, our proposition was not as compelling as some of the others in the marketplace at the time.

However, in two short years, our team has really just executed beautifully against the plan. And as you remember, we talked about a few things. We brought the technology in-house, so we are now on our own platform, thanks to the Flutter Edge, candidly. We have materially improved our consumer proposition, both on the product and the promotion front. And we've also really professionalized the FanDuel Casino brand, in particular to appeal to that direct or brick-and-mortar casino customer.

And as you can see on the right-hand side of the page, the results have been impressive. We have driven a 3.5% year-on-year increase in share. But what I'm most proud of is that we have materially improved our revenue coming from that direct casino customer. And that is attributable to the progress that the team has made in two short years.

But as you can imagine, we're far from done. As Mike said, jobs not done has kind of become the new version of humble and hungry within FanDuel. But we have very ambitious plans to further strengthen our current position on many levels, starting with efficient customer acquisition.

As I mentioned earlier, we see a very aggressive or aspirational TAM for casino, but we see additional upside to the tune of $2.6 billion in existing casino states alone. So efficient acquisition of customers onto the platform remains a critical priority for us in iGaming. But we have equally ambitious goals as we further strengthen our iGaming product proposition. And ultimately, whether you're coming in from the sports book app, Mike showed us the eco-system we have if you're coming in from sports betting, or you're coming to FanDuel with the sole purpose of betting on our casino platform, we want to make sure that we're offering the broadest and most relevant and most exciting proposition in the market.

And finally, as we've discussed many times today, offering relevant and engaging and exciting promotions to the right customers at the right time is part of that winning formula as well.

And of course, all of this is further accelerated by the access, the phenomenal access that we have to Flutter assets, much of which you saw in the video earlier today.

So let me unpack each of those pieces in turn. First on the acquisition front, right now, FanDuel Casino is the number one preferred casino brand with consumers, which is a material shift from what you would have seen a couple of years ago, where we were consistently tracking number two, sometimes number three. In fact, I think one of the questions that I probably got from one of you was, do you think the FanDuel Casino brand can resonate, particularly with that brick and mortar consumer? And the answer to that is clearly yes.

And listen, there's a lot of factors that are driving that, but our marketing team has done a really phenomenal job of aligning with great personalities like Vegas Matt and Rob Gronkowski. But at the same time, they've really professionalized how that FanDuel Casino brand is representing, and just finding fun and engaging ways to make sure that our product and our brand is always top of mind for consumers. Again, whether you're coming in from sports betting or all you care about is casino.

And what I think is most impressive at the bottom of the page is they are doing this while scaling spend. We have increased spend in casino 50% year on year, but they're maintaining very impressive paybacks below 20 months. So the marketing team has just done a phenomenal job.

Second, let me talk a little bit about product. One of the driving forces, no doubt, behind our success has been a much better product proposition. And if you look at the left-hand side of the chart, what we know from research, and this has been very consistent for the last few years, is the casino customer expects to see their favorite brick and mortar title. So when they go into a casino, they want to see those games online. They also love exclusive games, but they want excitement. They always want kind of a steady drumbeat of new and exciting games.

Earlier this year, you saw it in the video, but we launched the World of Wonka series, which has been just a huge home run. Most recently, we also launched Samurai 888. And that steady stream of exclusive content also really helps differentiate our platform because, as you know, many of the games can be similar from one app to another.

But there's a lot of headroom to grow here. We're continuing to line ourselves with some of the world-class suppliers to make sure that we can give our customers access to some of those exclusive and new games. But also, which you would have heard about in the video earlier, we can now leverage Flutter Studios to also bring new customers to our games. So we're working with external suppliers to bring those exclusive games to market, but we're also leveraging our internal Flutter Studios assets to provide that new and exciting proposition.

And finally, as Barni shared earlier, market-leading generosity has been a really core driver in delivering sustainable revenue growth. And I think US gaming is an excellent example of this. As you can see on the left-hand side, our monthly retention is up nearly 30% since we last met in '22. But we've also seen a driven increase in average player days, and those are up to the tune of 66% in the same time period.

And as you kind of unpack what's driving that, there are a few things. One is the team fully revamped our player value model, right, to make sure that, as Mike and Barni talked about, we're getting generosity to the right customers at the right time commensurate with their value and their play.

But the product team has also done a really great job of kind of reimagining that promotions hub, and it's creating much better visibility so as a consumer you can decide what promotions you want to opt into.

And then finally, there's been a lot of great innovation, new promotion mechanics like leaderboards, reward machine, which has driven new engagement and excitement, and in turn is driving some of these results.

So as we look ahead on the generosity side, we're progressing towards what we think of strategically as a real-time integrated generosity experience with much more gamified rewards. So all to say that there will be a lot more coming on the promotional front. But again, just phenomenal progress to the team in a short period of time.

So hopefully that gives you a sense of why we are - why we've made such tremendous progress in iGaming in a couple of years and where we're going from here. But before I hand it over to David Jennings, let me kind of step all the way back and summarize what I hope you take away across our business overall. And there's a few things.

Number one, we have phenomenal momentum right now. Not only have we strengthened our leadership position over the last couple of years, but as we shared earlier today, we have surpassed many of the plans that we laid out at our last capital markets day. But two, the runway ahead is arguably even more exciting as we seek to capitalize on a $70 billion addressable market, which is up $30 billion from what we shared two years ago.

And I think most importantly, and again, the question that many of you have had for us is, how sustainable is that? And I think as you step back and you look at what the assets we have, we are unbelievably confident that we have the right winning formula, right? That combination of our acquisition, our product, and our generosity advantages combined with what Dom and Mike talked about earlier, our superior risk and trading capabilities, all of which is driving both our scale and our margin advantage. And we believe that positions us incredibly well for the future.

That being said, we also are not taking it for granted that that's just going to happen. And so our team, led by Christian Genetski, is gearing up for that next phase of growth around advocacy to make sure that we can open up the new states, particularly the big states in sports betting, but also getting traction in iGaming, while also, perhaps most importantly, building a sector that is sustainable for the long term and, candidly, one that we can all be proud of.

So with that, let me now turn it over to David Jennings, who I know you are all very excited to hear from, but he's going to take us through our player economics and what that means for the long term financial trajectory of FanDuel.

David Jennings

Customer Cohorts

Thank you, Amy. And good afternoon, everyone.

Today I'm going to talk to you about three things. Firstly, I'm going to share some views of our customer cohort economics that we've never shared before. We believe these views point to the quality and growth potential of our revenue base as a result of the excellent player retention and monetization that Mike and Amy have described.

Secondly, I'm going to talk about the potential for further customer growth in our existing states, which forms the basis for the revenue guidance we've provided today, not forgetting, of course, the significant potential for new states that are yet to launch. And finally, I'm going to update you on our thoughts with respect to long term operating leverage now that we are reporting on a US GAAP basis.

So as we think about the FanDuel business, we essentially have three pools of future revenue growth. Firstly, in existing states, we have the future revenues from customers we've already acquired. Secondly, we have the revenues that we will generate from new customers that we are yet to acquire in existing states and thirdly, there's the revenue that we will generate in new states as the map expands.

While we think that investors probably have a pretty good understanding of the potential from pools two and three, it's that first pool of customers and the revenue from them that we want to shine a particular light on today. So let's start with a very brief reminder of FanDuel's annual customer acquisition since we launched our sportsbook back in 2018. As you can see, the combination of rising adult penetration rates in early states coupled with the addition of new states has seen our customer acquisition grow every year to date. Now let's show you how the value of these customers has evolved over time. Let's start with our 2018-2019 cohort of sportsbook customers. In the charts that follow, each block represents the gross gaming revenue from a cohort of customers before deduction of generosity.

In our first 16 months of operating our sportsbook, we acquired approximately 350,000 customers. And in 2019, those customers generated pre-promo GGR of $139 million. In year two, you can see that that same cohort of customers delivered 73% year-on-year growth in pre-promo GGR.

That growth reflected two things. Firstly, as you would expect, we experienced some customer churn with a small proportion of the customers that we'd acquired in '18 and '19 not returning to our platform in 2020. Secondly, we enjoyed a full 12-month benefit from the players that did remain active with us. The annualization benefit and underlying growth from these retained customers more than offset the churn impact, resulting in the 73% growth that you see here.

But it's what's happened since that annualized year that is particularly encouraging. The ongoing improvements we've made to our products, our bet mix, and our retention capabilities have seen us drive a 2.5x increase in average player days, a 60% improvement in our gross revenue margin, and a four-year retention rate of 60%, which we believe is amongst the strongest in the industry today.

The combination of these growth drivers has resulted in GGR from this historic cohort growing at a forecast 19% on a compound annual basis by the end of 2024, off the annualized base. What you can also see from the chart is that this cohort's revenue has grown every single year since acquisition. So that's our 2019 cohort. The obvious next question is whether that cohort was an exception or whether those trends have repeated as we've continued to grow our player base. Let's show you what has happened to every subsequent cohort.

So we start with the 2019 cohort that I've just taken you through. Now let's add the cohort of customers we acquired in 2020. The size of that block was actually smaller than we would have expected due to the COVID impact on sporting calendars. However, in 2021, you can see the annualization benefit from this group of players. And thereafter, strong double-digit compound annual growth off the annualized base. And so it continues. With each year, the same trend repeats. We acquire, annualize, and grow thereafter.

On the right-hand side, you can see what our forecast CAGRs are to the end of 2024 for each historic cohort that we have acquired. This chart is ultimately what gives us such confidence in our future prospects and what we believe represents a huge moat around our business. Our growing revenue stream from existing customers allows us to continue to invest in our product, our brand, and customer retention in a way our competitors cannot. In fact, to put it into perspective for you, in 2024, we estimate that 85% of our sportsbook revenues will come from customers acquired pre-2024. For any operator attempting to compete with us, this is the head start we have at the beginning of each year.

So what should you expect from these cohorts going forward? While our win margin and parlay adoption comps will continue to rise with each passing year, we nonetheless expect we can deliver compound annual double-digit growth from these existing cohorts over the next three years.

Now let's turn to iGaming. A couple of important differences when you look at iGaming cohorts versus sportsbook. The first is that globally, iGaming tends to see higher customer churn rates in year two than sportsbook. So the annualization benefit tends to be a bit smaller. Secondly, some of the structural drivers of growth that exist in sportsbook are less prevalent in gaming, namely win margin expansion over time and changing product mix. For FanDuel, our casino cohort charts clearly reflect a before and after picture that I'll take you through.

Starting with our pre-2021 cohorts, you can see that by 2022, the revenue from these older cohorts was declining at a rate of about 6% to 8% per annum. We think those declines were reflective of the fact that our product and our retention capabilities were not where we wanted them to be at that time.

Now fast forward two years and look at what's happened since. All of the improvements that Amy talked you through resulted in these cohorts growing by more than 10% in 2023. And that strong growth has continued into 2024, so much so that by the end of this year, we now expect all of these older cohorts to have grown by mid-single-digit rates on a three- to five-year view. That is quite a turnaround, and I think there's little doubt that this reversal in trend has been an important component of the market share gains the team has delivered over the last couple of years.

On top of this, our better offering is leading to our new acquisition cohorts getting materially bigger, particularly as we now appeal to more direct casino customers than was once the case. So what about the outlook here? Over the next three years, we believe these casino cohorts can grow in value by about 5% per annum. So that's the growth from our existing player base. Now let's turn briefly to new customers.

This slide shows you the expected growth in existing state revenues from expansion of our player base. At the end of 2023, we'd reached an adult penetration rate for Sportsbook of 5.6%, and a penetration rate for casino of 4.6%. Based on what we've seen in Australia, where Sportsbet enjoys a similar market share to that of FanDuel in the US, we feel there is scope to double the size of our Sportsbook player base from where we were at the end of 2023.

In casino, we've observed higher cross-sell rates over the last two years than we anticipated, resulting in us increasing our forecast maturity penetration rate for gaming to 9.5%. All told, we see scope for our existing state player base to double in size.

Pulling all of that together, over the next three years, we expect that the combination of the growth drivers listed on the left-hand side can help us to deliver net revenue growth of 16% on a compound annual basis. Finally, let's look at the potential from new states. Earlier, Amy took you through the path to 80% of the US having access to online sportsbetting, and 25% having access to iGaming.

As you can see from this chart, that would translate into the total Sportsbook market being 1.7 times the size of the current market at maturity. On the gaming side, it would translate into a market that more than doubles in size. All told, the combination of existing and new state growth will underpin FanDuel's ongoing trajectory over the next decade.

Finally, I just want to briefly revisit the long-term EBITDA margin guidance that we provided a couple of years ago. Today, we are reiterating our confidence in the long-term 25% to 30% range that we previously guided. On this slide, we give you a revised breakdown of how we see the individual cost lines developing over time.

You can see that the move to US GAAP has resulted in some costs that were previously included in opex moving to cost of sales. We also no longer include share-based payments in our opex lines per standard US accounting treatment.

While this is obviously a long-term projection, we continue to think it represents a sensible, balanced view of our long-term margin potential. And it is a range we are confident we can deliver.

And so to sum up, we feel very good about the prospects for the business from where we stand today. Our players are continuing to grow in value. We have a lot of potential to continue to grow our player base. And with strong ongoing volume and value growth, we see excellent scope to deliver significant operating leverage over time.

Ultimately, our growing scale advantage will continue to support our investment-first philosophy as we look to further widen the moat around our business. And with that, I'll hand you back to Lisa.

Lisa Kearney

Thank you, David, we will now take a 20-minute break. Those of you joining us virtually, now is a great time to access those deep dive videos. You can find them on our investor day website. For those of you in-house, just a reminder you can just simply scan the QR code on the back of your lanyard and you will be able to access all the materials you are seeing today, throughout the presentation. Enjoy your break, we will see you right back here in 20 minutes.

Welcome back everyone. We hope you enjoyed your nice break. We are now going to jump right into the second part of the day. Kicking us off is our Chief Executive Officer of International, Dan Taylor, who is going to speak to us about the impressive opportunity in front of us for ROW.

Dan Taylor

ROW Overview

Hello. I'm Dan Taylor. I'm the Chief Exec of the International Division at Flutter. And I'm excited to talk to you today about all of our businesses in the rest of world outside of the US.

There are three key things I'd like you to take away from this session that I'll speak to you about today. First of all, we have a huge addressable market to go after, with a significant pathway of growth and substantial room for both organic and inorganic expansion. We operate an unparalleled collection of brands with local leadership positions across the world's largest markets and the key markets for future growth. And thirdly, all of our brands have consistently outperformed, supported by our unique asset, the Flutter Edge.

The global market today is worth nearly $350 billion, with $190 billion of that in markets with local regulations for betting and gaming. And that's where we, as Flutter, are focused. That global regulated market size is expected to be over $290 billion by 2030. That translates into a 6% compound growth or more than 10% compound growth for the online segment of the market where we're focused. And that growth is underpinned by the continued pathway to local regulation all over the world.

The next big market to regulate will be Brazil, which will come online from the start of 2025, with many other markets all over the world soon to follow.

And today, as Flutter, we only have locally led positions in less than half of that addressable market. And we have the capability, the appetite, to build on our existing positions, expand our footprint all over the world as we continue to grow.

Our market is highly local. And as a result, it's been driven and underpinned by local and regional leaders. These local regulations drive distinct differences in what it takes to win in a market. Local rules around responsible gambling, permitted bet types, game rules, integration with local identification solutions, local taxes make each market unique. Relationships with local regulators, trade bodies, politicians, all of the other stakeholders you need to interact with to run a successful business in our industry are intrinsically local. Local customer needs are different. Customers have different favored sports, different histories of playing different slot games in retail environments that influence their online gaming needs. Local sports teams, local media partners, and broadcasters, of course, all require a dedicated level of local focus.

And winners in this context don't just reflect customer using their product, but also local payments, with many markets still dependent, highly dependent on cash deposits by retail channels. And by operating with our local hero brands, Flutter makes decisions at pace, close to the customers, and we serve them effectively.

We think about our portfolio of markets and brands across the world in two simple types. And we win in both of these by empowering them with the assets of the Flutter Edge. The first type of markets I'll talk about is our developed markets. These are scale markets with established regulations. Think United Kingdom, Australia, Italy. They will typically have single digit long term revenue growth, but they're highly profitable for the market leaders, perhaps less so for smaller players. And our focus in these markets is on strengthening and growing our gold medal positions.

The second type of markets is our developing markets. These are pre or early stage regulation. They have higher levels of uncertainty and market share shift. Think India, Brazil, Turkey, or some of the markets across Central and Eastern Europe. They're typically higher growth. They may be lower EBITDA margin, or occasionally even loss making. And our focus in these markets is on investing for the future to build the profit and growth drivers for the long term.

We are very fortunate to have a hugely diversified portfolio brand across the world. Each of them made up with positions of substantial local scale. That is critical not to our growth, but also to our ability to withstand shocks and manage through periods of regulatory change.

Our global business outside the US is highly diversified across the world's most attractive markets. And we have a track record of compelling returns. We have a balanced exposure to those most profitable and more mature markets, as well as those growth markets.

And if we step back and look over the last four years at a like for like portfolio of our markets, we've grown the revenues by 7% on a compound basis, and grown our average monthly players by 14% each year, as we continue to grow our recreational base of customers all over the world. And we've achieved that growth despite significant changes in tax and regulation across many of our markets. And our ability to weather these storms and weather these changes is a function of the scale advantages we have as a group, but specifically within each of our local markets. And that's why we've continued to grow while many others have faltered.

Developed markets

So firstly, let's turn to our portfolio of developed market gold medal positions.

From Sportsbet to Sky Bet, from Paddy Power to Betfair and Sisal. We operate an unparalleled portfolio of the strongest and most powerful local hero brands anywhere across the globe in our category.

In the UK, perhaps our heritage market, and one of the most competitive markets in the world, we hold a clear leadership position with 30% market share. That scale advantage has allowed us to outperform both in terms of top line revenue and profitability. And I'll hand over to Ian in a few moments to talk a little bit more about this.

In Australia, Sportsbet has 45% market share of the online market, and our local scale has equally allowed us to substantially grow revenues in EBITDA over the last few years through a period of substantial regulatory change.

And finally, we recently announced our intention to acquire Snaitech in Italy, which on completion will re-establish Flutter as a gold medal position in that incredibly attractive market. Now, all three of these markets have undergone regulatory change over the last four years, but in all of them, our gold medal positions have allowed us to outperform the market, all of this driven by the combination of local scale and empowered by the Flutter Edge.

So if we turn to Italy, our most recent newly acquired developed market leadership position since the acquisition of Sisal that we announced at the end of '21 and completed in summer 2022. Sisal performance has accelerated materially since being part of Flutter, and we've delivered exceptional results. The combination of local capabilities, like our retail and lottery networks, in combination with leveraging the Flutter Edge in what is one of the most competitive markets in the world, has seen Sisal significantly outperform.

We've seen material market share growth in sports betting, growing our market share to 17% from 14%, and we've added two percentage points of gaming share, all in the last two years. And that's been underpinned by growing our share of customers since acquisition, where we've added nine percentage points share of customers. Again, all happened in the last two years since closing this deal.

And there are many drivers of this, product changes and talent sharing that have enabled this market share growth. But for example, during the recent European soccer championships this summer, Sisal was the first Italian operator to launch a same-game parlay product. And you've heard a lot about already that today, and you've seen how compelling that is in other markets around the world.

But it accounted for 20% of stakes on the euros, an asset that nobody else has. Another example of why we can leverage our global capabilities to create structural advantages all around the world.

The Snaitech deal that we announced last week enhances our position as the number one operator in Italy. And on completion, we'll have around 30% of the online market share. And the proposed deal is absolutely consistent with our strategy of building and expanding our portfolio of gold medal positions.

The deal will unlock around $80 million of cost synergies alongside material revenue synergies that we'll realize over the next three years. And we're very confident, given Sisal's performance over the last two years, providing the Snaitech business with the same access to Flutter's suite of products and expertise as I've just taken you through, will unlock significant market share gains and create value. And we expect to replicate the historic track record in Italy again.

But in truth, in Italy, we're just getting going. And there's a significant opportunity for further market share gains in what remains a relatively fragmented market. Omnichannel operators, over the last six or seven years, have taken over 15 points of market share as the market dynamic has evolved towards those local operators with local capabilities grounded with retail businesses that allow them to operate in a market with strict advertising restrictions and a reliance on cash deposits.

Externally, the upcoming license renewals for online and retail players will continue to put pressure on subscale long-tail operators. And they account for around 16% of the market today. And looking internally, the Flutter Edge capabilities we are yet to unleash will create superior product and customer experience across all of our touchpoints, driving further outperformance. And we've got four big projects that we're going to land by the end of next year.

We will complete the integration of our proprietary in-house casino product, Flutter Studios. And you can see some examples of that on the slide here. We will integrate Tombola's market-leading bingo products and liquidity pools, enabling access to the 750,000 Sisal customers. We will fully enable our unique same-game parlay product, an asset that you've heard a lot about today and no one else in Italy has access to. And we will complete the integration of PokerStars' Italian operations.

And moving on to PokerStars, we're focused on transforming the business to align it to our strategy built around local leadership positions. Our poker strategy is focused on those regulated markets where we have a sustainable advantage and on which the business is built. Our plans will involve a series of prior migrations to our local hero brands. The first migration in India is now complete. And we've seen very positive results, with an immediate step up in customer numbers, player engagement, and revenue.

In Italy, the PokerStars product will go live on Sisal before the end of this year, with a player migration to the Sisal account and wallet to come in 2025. And the entire project will complete by 2027, with further integrations across Southern Europe, the US, and the UK.

And this strategy unlocks three material benefits. Firstly, it enables cross-sell between our local hero brands and our poker product. It creates structural defensibility and strengthens our competitive moat by expanding our liquidity pool in these key ring-fenced markets across Italy, Southern Europe, and North America. And most notably, it enables a material simplification of the business model and cost savings of around $120 million.

I'm going to hand over now to Ian to deep dive into our UKI business, which is one of our critical gold medal positions, before I come back to talk to you about our developing markets.

Ian Brown

UKI Case Study

Good afternoon. I'm Ian. I look after our UK and Ireland business. A little bit of context, UK and Ireland is a billion dollar EBITDA business this year. It's, of course, our original home from where Flutter grew, our original home of the Flutter Edge and what we all grew out of.

So it's therefore a great example of a mature, highly regulated market where we enjoy a strong gold medal position in both sportsbook and iGaming. Today, it's a $9 billion market with trend growth around 4%, and material barriers to successful entry. Over the last two years, we've outpaced the market, delivering an annualized 13% revenue growth. And then increasing discipline around generosity, marketing, and overheads has given us the leverage to drive out 18% annualized EBITDA growth.

This translates to us taking fully four points of market share over the last two years. Now, the sportsbook market, as you can see, is relatively consolidated. The top four operators jointly make up some 80% of the share, but nonetheless, we're steadily taking share here.

We've seen even stronger growth in iGaming, a market that's 50% larger, faster growing, and has significant fragmented headroom. We anticipate that increasing regulatory attention is likely to make life more challenging for the smaller, long-tail operators who make up around 40% of the gaming market, in turn, creating more opportunity for our brands.

So why are we winning? First, we have the best brand portfolio, which we're now targeting much more thoughtfully against specific customer segments and competitors.
Second, we believe we have the leading product and generosity innovation engine. Third, we're deeply committed to player safety and trust, with our scale allowing us to invest in world-leading capability that others can't. And finally, our effectiveness disciplines are driving operating leverage, allow us to reinvest for our customers.

All this can only be achieved with outstanding people, and we humbly believe that we have the strongest team in our market.

Now, each of our brands started out as a challenger. And today, I'm proud to say they still thrive on that challenger mindset, but now with the scale to win in their target segments.

Sky Betting and Gaming, the UK's biggest sportsbook and gaming brand, this wins with customers who enjoy its entertainment and social appeal. Paddy Power is an iconic brand, serving up irreverent fun with a strong sense of fairness. It wins with customers who enjoy the excitement of betting and gaming. Betfair is a unique brand, rooted in the world's largest regulated betting exchange, with unmatched appeal to players who are experts, proud of their skill. And finally, Tombola is the leading bingo brand in the UK, Italy, and Spain, with winning liquidity and distinguished by its social player community.

Now, let me turn to our product innovation engine, and I'll start with a great example of the Flutter Edge. Paddy Power's SuperSub, as you've heard, evolved from a Sisal Duo product that Barni touched on earlier. So this innovation does three things for us, it solves a clear customer pain point. It encourages more customers into higher margin player markets. And it creates a unique point of generosity differentiation in the market, based on fairness.

In the three months after launch, we saw a 70% uplift in stakes on player markets, which is pretty remarkable. It's now the most popular generosity proposition in the market, with over 70% of all sports bettors saying they're more likely to stick with Paddy Power as a result. Now, AccaFreeze is a great recent example of a UKI first innovation, allowing customers to freeze a winning result on one leg of a bet before full time to lock it in.

So this represents both product and generosity innovation, and is another market first, delivering strong customer engagement. Nearly half of all customers placing a qualifying bet will now freeze a winning result. And within only six months of launch, AccaFreeze was already cited as the second most popular reason for customers to join Sky Bet.

I just want to give you a sense of the underlying scale and pace of innovation from our world leading trading team that Dom talked about. This is a team that's continually launching new betting markets.

For instance, Fouls Committed was another first, based on our superior pricing accuracy. Since launch in late '22, this market alone has generated over GBP175 million in handle. There are many, many other examples, all new and exciting betting experiences, which combine to continually widen our moat, compared to other sportsbooks.

iGaming is another story of strong innovation -and growth. Now our Tombola Bingo brand is similar to Sportsbook, in that we create 100% of games in-house. This enables us to innovate and get creative around brand partnerships. So for instance, the "Deal or No Deal" game show saw a successful reboot in the UK last year. Tombola's exclusive free-to-play game, just to give you one example, that launched alongside the show, saw the highest player volumes in Tombola's catalogue. Over half of monthly active playing the game, and acting as a great acquisition tool for the brand.

Paddy Power's own brand gaming content has simply been a real differentiator for us, enabled by our in-house Flutter studios.

Even Bigger Bananas was the best ever branded game launch for Paddy Power, helping double revenue year on year from own brand games. And our scale allows us to work directly with partners to create exclusive gaming content, such as Betfair's Prize Pinball, the UK's first free-to-play jackpot game.

Now, as Barni described in a really compelling way earlier, generosity represents our single biggest investment each year, and is a powerful driver of customer acquisition, engagement, and loyalty. I therefore wanted to illustrate how UKI is driving stronger return on spend through what's been literally a seismic shift in underlying capability.

Our first transition has been from a somewhat indiscriminate one-size-fits-all set of offers, to offers that are now thoughtfully tiered by customer value and customer opportunity. These offers are now focused on the right mechanics and events, and crucially are underpinned by a robust experimentation and measurement framework.

The next step, where we're focused right now, is full one-to-one personalization. Our money-back-reward tokens are one way that allow us to deliver generosity in a laser-like manner to the sports, events, and products most valued by each customer.

Over three and a half million tokens have been used this year so far, and that number will only grow. Now, a topic that is incredibly important to all of us at Flutter Group, that of unequivocally leading the way on responsible gambling. As the leader in a highly regulated market, UKI is well-placed to drive the cutting edge and share learnings with our wider group, much like our team in Australia do.

Now, we start with the most recreational customer base in the market. Our average customer spends $15 a week with us, which, to put it in context, is what a typical cinema ticket costs in the UK these days. So we really are a mass participation, low-stake business.

On the left-hand side here, you get a sense of the scale of our investments between dedicated tech and operations team, the breadth of our machine learning model pattern recognition, and the scale of customer check-in calls that we make.

It doesn't stop there. Our data scientists and engineers are right now building out a new world-class platform that will give us a holistic view 24/7, 365, using everything we know and can infer about a customer to assess the safety of their play and allow us to intervene in real time if we have any concerns.

Now, what personally gives me great confidence here is that GamCare, the independent charity that assesses operators for the quality of their customer protection, they've awarded each of our brands their maximum three-star rating. And I assure you, this is not something that is easy to attain.

We're also really proud of our work with charities like the British Heart Foundation. My personal favorite last year was Paddy Power's Big 180 campaign at the World Darts Championship. In partnership with Prostate Cancer UK, we convinced 136,000 hard-to-reach men to take an online risk checker. Data so far indicates that many hundreds of men will have now identified previously undiagnosed cancers, saving many lives. These partnerships are not only the right thing to do, they reinforce trust that our brands will always behave ethically and responsibly, which I can assure you we always will.

Now, I talked earlier about our spend disciplines and how they've driven material operating leverage over the last couple of years. We see that continuing. I'll touch here on two enablers. The first is the integration of our technology stack, including migrating Sky Betting and Gaming onto the global betting platform referenced by Peter earlier.

This will accelerate the sharing of product features, sportsbook markets, and gaming content across the three brands and enable greater innovation and speed to market.

This project is going very well, and I'm delighted to be able to say that nine months into a big tech project. To give you a sense, we already have over 1,600 colleagues daily playing on and testing out what product is already internally live, which gives me strong confidence about where I want to end up.

And as our teams exit this project, we're then transitioning them to the kind of agile, empowered ways of working that I'm used to from my booking.com days and that one would expect from a leading tech business.

So this program will try about $30 million of annual efficiency savings over the next couple of years. And second, we've a well-developed automation and AI program. Today, we have over 500 live processes that have a robot or AI built in to drive more efficient, higher quality outputs.

For example, in customer operations, which you can see here, we've automated three in every four customer support interactions, driving these costs down by nearly 3x.

But the real Flutter magic here is in the other data points. Customer MPS improving from minus 10 to plus 34. And what the slide doesn't show, a 10-point increase in colleague engagement in those teams as those teams embrace the AIs to help them do an ever better job for our customers.

These are not a combination of data points you normally see with these things.

So as we look across overhead, generosity, and marketing effectiveness, we've got high confidence our plans will drive out over $70 million of savings over the next three years.

I'll finish then where I started on the theme of how in a mature, highly regulated market, our gold medal position enables us to out-insight, out-invest, and increasingly outpace our competitors.

Here you see our H1 results and how they compare to the other publicly quoted UK tier one operators. You see Flutter UKI already accounting for some 3 to 4x the revenue of the others, growing materially faster. The EBITDA data is even more pronounced, with 5 to 10x advantage and substantially stronger momentum.

And this becomes a little more stark when one thinks about the scale of physical retail estates that those competitors need to maintain and the capex that that requires.

As Peter talked about right back at the beginning, this relative scale advantage enables our flywheel to spin faster. Those benefits compound over time and are amplified and accelerated by the Flutter Edge. So this should all, I hope, give you a clear sense of the scale of capability and momentum we've now built in the UK and Ireland market. It's strong foundations and our confidence in continued future growth.

And what I hope comes across is these are really exciting times for us and there is still an awful lot of opportunity for us to go after.

Thank you. I'll now hand you back to Dan.

Dan Taylor

Developing Markets

So before I go on to our developing markets, where I'm going to focus for the next few minutes, I'll spend a little bit of time talking about how we think about M&A. We think about M&A and the different transactions we do under three broad archetypes.

The first of those is around growing share in our developed markets. Think the acquisitions of SBG in the UK, of BetEasy in Australia, of course, the most recently announced attempt to acquire Snaitech in Italy. In these examples, we're focused on developing and growing our gold medals, synergy extraction and protecting our leadership positions.

The second archetype we're focused on is the acquisition of local leaders in new developed markets, in geographies where we don't believe we have the opportunity to reach scale organically. Think about the acquisition of Sisal in Italy we made a couple of years ago. In these markets, we leverage the Flutter Edge in its fullest to enhance these businesses to allow them to outperform after joining the Flutter family.

And the third archetype we think about is the acquisition of a controlling stake in a developing market asset to build a position for the future. Our investments in Eastern Europe, India and most recently Brazil. In these examples, we're often keen to invest with a local partner. We believe that brings value to us and focuses very much on revenue growth and growing market share for the future and establishing a future leader.

If we look at our track record on M&A across both developed markets and developing markets, across all of those archetypes, Flutter has an exceptional track record of value creation. I think the numbers here to some extent speak for themselves, but we've consistently delivered a substantial uplift in both revenue and EBITDA in these locally-focused markets since they've been brought into the group.

In developing markets like India and across Central and Eastern Europe, we've seen rapid growth since brands were acquired.

Adjarabet saw revenue more than double in its first three years post acquisition, translating into a rapid EBITDA expansion of 2.7x. And we're seeing very similar positive early signs since the addition of MaxBet in a similar part of the world earlier this year. In India, we've invested back into that business to grow the revenues by nearly 3.5x in the three years, and that will translate into a rapid profit expansion in years to come.

In developed markets like Italy and the UK, we've also seen fantastic growth given the scale of these assets as we combine our local expertise with the Flutter Edge capabilities. In Tombola, for example, in the UK, which we think of as a relatively more mature market, we've been able to double EBITDA in the three years since acquisition. And given our successful track record, we will continue to do selected and focused M&A to build out local leaders across developed and developing markets in the years to come.

But our portfolio of brands means as well as being in the big developed markets, we're very well placed in the key developing markets for the next wave of growth across our sector. Latin America including Brazil, India, Central and Eastern Europe, Turkey and North Africa represent some of the key geographies for Flutter's growth over the next few years.

These markets are all pre-regulation or in the early stages of regulation, and they don't always have fully formed markets with well-established leaders. With an estimated addressable market of between $40 billion and $50 billion by 2030, there's a huge prize to play for. And our focus is on investing for future success, very much akin to our strategy that you've seen in America. And the very recently announced acquisition of NSX, the BetNacional brand in Brazil, is a great example of how we do this.

But if I first turn to India, the market where we've seen exceptional growth over the last few years, and where there's a very large prize. In India, we've seen a seven times, a 700% growth in monthly rake. That's the total customer spend in the three years since Junglee joined Flutter. We've created a substantial market position. We've materially outperformed the market. We now have a number two position in online Rummy and a market share of around 12%. We have very compelling customer economics, and we've invested for growth, and we will continue to do so.

These economics, coupled with the sheer scale of the country, the macroeconomic tailwinds and the population, create a huge tailwind for Flutter over the medium term. And we expect the market to double again in size over the next four years, and we will continue to take further share.

Secondly, moving to Brazil, where last week we announced the creation of Flutter Brazil through the addition of BetNacional, we've created another strong local podium player. From next year, Brazil will be one of the largest regulated markets in the world. The market has already grown three and a half X in the last three years, with that growth disproportionately accruing to locally focused operators.

But we believe it has a strong profile of growth yet to come. Similarly to the US, it will require upfront investment to win the market, but bringing BetNacional into Flutter, the combination of their local focus, capabilities, technologies, and talent, as well as local relationships, in conjunction with the Flutter Edge, we think is a potent combination to win.

The combined Flutter Brazil business is already generating more than $330 million of revenue, with more than 1.3 million average monthly players, and a market share of around 11%. So we are very well placed, and we expect to grow that position over the coming years and post completion in the first half of 2025.

So in summary, we are exceptionally well placed to capture a substantial share of the massive global addressable market. We have gold medals in the three largest regulated markets in the world, with a proven track record of sustainable long term growth through periods of regulatory change.

We have an unmatched brand portfolio operating in the most attractive high growth market in the world, with an enormous growth runway ahead.

We have both the ambition and the appetite to expand our footprint and grow share across the globe, with an exceptional track record of value creation through M&A. And all of this continues to be enabled by our unique competitive advantage, the Flutter Edge.

I'm now going to hand over back to Rob, who will take you through what it all means in terms of numbers. I'm sure it's the bit you've all been waiting for.

Rob Coldrake

Financial Summary

Good afternoon, everyone. We're on the home stretch. I'm excited to be able to share with you today Flutter's compelling financial and growth story. As Amy, Dan and Ian have outlined, we have excellent revenue momentum throughout the group. The combination of our unmatched scale and diversification gives us reassurance in the sustained nature of this growth. Our strong contribution growth and cost efficiencies drive operating leverage and adjusted EBITDA margin accretion.

We expect to translate adjusted EBITDA into cash at a high rate, resulting in significant free cash flow expansion. And finally, we have multiple uses for the significant capital we are generating. We are an and business with the ability to deploy capital at high returns across organic investment and value accretive M&A and returning capital to shareholders.

Let's have a look at how this translates into material growth across all key financial metrics over the next three years.

By 2027, we expect to generate approximately $21 billion in revenue, which equates to 14% compound revenue growth over the three years. And this is before the benefit of any new US states across this period. Adjusted EBITDA margin is expected to expand by 700 basis points to 25%, as in particular, we see significant operating leverage in existing US states. This will combine to drive 36% compound growth, free cash flow over the next three years, with approximately $2.5 billion free cash flow being generated in 2027 alone.

These cash generation levels and our confidence in their delivery mean we also have significant capacity for shareholder returns. And accordingly, as you will have seen, the board has authorized up to $5 billion in share repurchases, effective over the next three to four years and commencing following our third quarter earnings in November.

This growth model is not a new story for Flutter. We've delivered strong organic revenue across the group over the last five years. This has been complemented with deals such as the Stars Group and Sisal which have significantly enhanced the size of the group, providing us with scale benefits.

On an adjusted EBITDA basis, you can also see the transformative effect of FanDuel's inflection from customer acquisition-related investment losses across 2019 to 2022 to profitability in 2023. We expect this positive trajectory to be sustained, and I'd now like to take you through the details of our anticipated growth over the next three years, starting with the US.

As David noted earlier, we expect existing US states to grow revenue at a compound rate of approximately 16% over the next three years. This comes from double-digit growth in sportsbook players we've already acquired, and a further increase in the population penetration rates in these states, along with the rapid expansion of our iGaming business.

This combined growth is due to all of the factors on the left-hand side of the slide where we have a competitive advantage and is a consistent theme we see across all of our global markets, driven by the advantages of the Flutter Edge.

And of course, this is before we layer on US TAM expansion and the incremental benefit of new state launches over the next few years that Amy noted earlier. This revenue growth means FanDuel's existing states will generate nearly $10 billion in revenue by 2027. Let's have a look at that now.

We expect revenue growth will be higher in the earlier years, with between 20 to 25% growth in 2025 from existing states. By 2027, we still expect double-digit revenue, demonstrating the long runway of growth for the US market.

We expect each customer cohort to rapidly inflect from an acquisition-related loss in year one to deliver significant contribution profits in subsequent years, as we've previously outlined in our cohort maturity modeling. In existing states, new player acquisition becomes an increasingly smaller proportion of our player base each year, leading to material operating leverage benefits over time.

This, combined with the scale benefits within our cost base, is expected to see adjusted EBITDA margin expand by 13 percentage points over the next three years. At 25% in 2027, we'll already be within our 25% to 30% long-term guided range, with approximately 5 to 6 percentage points of adjusted EBITDA margin accretion delivered in 2025 alone.

This level of margin accretion reflects our current expectations on customer acquisition into next year. But consistent with our messaging over the last few years, should we see even more compelling returns on acquisition spend, then we will invest to embed future profitability into our business.

We expect FanDuel to deliver approximately $2.4 billion in adjusted EBITDA in existing states alone by 2027, as the business scales rapidly. This level of revenue and profit growth benchmarks strongly, even when compared to a set of leading US consumer tech companies. Like these companies, our US business is a market leader with innovative technology, and we are harnessing the benefits of our global scale to generate substantial profit and free cash flow at an even earlier stage than most.

From a revenue and adjusted EBITDA perspective, we expect FanDuel to outperform this peer group. And similarly, at 28% compound adjusted EBITDA growth, the entire Flutter Group is also at the top of this benchmark.

And this, as I said earlier, is before the revenue benefit of any new state launches. Let's have a look at further growth opportunities from new state launches now.

As you heard from Amy earlier, we expect sports betting to be available to 80% of the population by 2030, and iGaming for 25%. Given the great progress that's been made to date outside of the three big states of Texas, Florida, and California, we expect map expansion to be steadier over the next three years for sports betting, with approximately 2% of the population gaining access each year.

The framework for new state launches we noted in August last year still broadly applies. We expect the sportsbook states that's open in 2025 and 2026 to pay for new state launches in 2027. So new states will contribute additional revenue in 2027 that be broadly break-even or marginally positive in adjusted EBITDA terms.

iGaming expansion is a little harder to forecast, but we expect the shape of new iGaming state launches to be like sports betting, with a large upfront investment which then inflects profitability.

We expect the combination of revenue from new state openings and existing states to bring 2027 revenue broadly in line with current market expectations.

Moving now from US to the Rest of World. Diversification across multiple developed and developing markets gives us a unique advantage. Our strong growth in the UK and Ireland, Italy, and other geographies offsets the impact of the softer racing market in Australia.

As Dan and Ian outlined, we have great momentum in the UK, Italy, and our other focus markets in the Rest of World, such as India, Brazil, and Turkey. We expect this mix of developed and developing regulated markets to sustainably grow rest of world revenue by between 5 and 10% on an annual basis.

The timing and variability around sports results and regulatory change may mean that some years we are higher than this range and others we may be a bit below. But over the medium and long term, we believe this is a good guide to our post-regulation growth. And the strong underpins you can see at the bottom of the slide, which the team talked to earlier, give us a high degree of confidence in achieving these levels of growth.

One of these underpins is operating efficiencies. We intend to deliver a relentless cultural focus on managing our cost base.

The Flutter Group has grown significantly in the last five years, both through organic growth and acquisition. And we are now well positioned to drive greater cost discipline across the business.

Driving out unnecessary costs to improve operating leverage as we continue to grow is a priority for me. We have already identified four major programs which will deliver in excess of $300 million in efficiencies on an annualized basis by 2027.

Delivering these programs at pace is a priority.

Additionally, we will target efficiencies across all P&L cost lines, along with Capex and financing costs, to ensure we maximize the profit growth and free cash flow generation opportunities before us.

I would expect to see further opportunities over time. We will apply discipline to remove any surplus costs which often build up when a business is going through a period of rapid growth.

These efficiencies will help not only drive operating leverage within the Rest of World business, but also help offset the impact of regulatory tax changes in our markets. Let's now have a look at the Rest of World financial performance and profitability.

We expect revenue growth of between 5% to 10% over the next three years on a pro forma basis, including the additions of Snai and BetNacional. We've had favorable sports results so far this year, meaning revenue growth and margin accretion will be slightly lower in 2025 than the later years.

Cost efficiencies will deliver margin expansion and help provide mitigation for tax and regulation changes I mentioned. We expect both Snai and NSX to complete in H1 2025.

The noted $90 to $100 million adjusted EBITDA losses from the NSX Brazilian regulated market launch investment will temporarily suppress overall margins in the combined rest of world business in 2025, before steadily building to approximately 26% by 2027. This all results in a Rest of World business generating circa $3 billion in adjusted EBITDA, and that level of global scale is unmatched in our sector.

As we continue to capture global TAM, harness the benefits of this scale, and leverage the Flutter Edge, our rest of world business is further differentiated from traditional gaming companies. It more closely resembles the broader consumer discretionary average based on revenue and EBITDA growth, and we are using the S&P sector index here as a proxy.

As you can see from the charts, our level of revenue and EBITDA growth in the Rest of World benchmarks us well against this peer set. Whilst this group contains a broad range of business types, the sustainability and resilience of their revenue and profits is aligned with our Rest of World business.

Let's now look at the group on a more global basis. Combining the US and the Rest of World, we expect to more than double adjusted EBITDA over the next three years, to approximately $5.2 billion in 2027. This includes approximately $200 million in unallocated corporate overhead, which will reduce from being 7% of group adjusted EBITDA in 2024 to just 4% in 2027.

This will be supported by the strong focus on cost control I referenced earlier. The excellent growth in revenue and EBITDA is translating into a rapid expansion in free cash flow. Our Capex is expected to remain broadly at current levels for the coming years, except for the concession payments we will make in Italy for the longer term licenses.

This reflects continued growth in product innovation investment across the group, being offset by Capex efficiencies from the PokerStars integration and other cost optimizations as we scale.

Based on the indicative cash payments across tax and interest, which assumes we keep leverage at the midpoint of our guidance, we expect to generate approximately $2.5 billion in free cash flow in 2027 alone.

This represents 36% compound growth on the expected $1 billion free cash flow for 2024, with significant cash also being generated in 2025 to 2026. The capital being generated by the business is very significant, giving us a range of capital allocation options that will generate strong return for shareholders as you will now see.

Our capital allocation policy reflects our ability to be an and business as we deliver strong returns across each investment type. We deliver very high returns on the continued investment to grow the business organically, and our cash generation levels mean that we are unconstrained in our ability to invest organically within our payback guardrails.

We deliver within two year paybacks on marketing investment across multiple markets, and as Barni referenced earlier, we are getting more and more efficient with how we deploy marketing and generosity spend. As Dan outlined, we have an exceptional track record on delivering strong returns from M&A, and there is significant opportunity for us to continue to expand our global footprint.

We also have the capacity to return funds to shareholders, and the confidence in our growth profile we have set out today means the Board have authorized a shared buyback program of up to $5 billion, as I mentioned. That will be over a three to four year period, commencing after our third quarter earnings in November and continuing into 2025. We will continue to prioritize the highest returns for our shareholders across M&A and share repurchases. We will achieve this combination while keeping full year leverage within our guided range of two to two and a half times, albeit allowing flexibility to go above that range for value creating M&A and where we have visibility that we will be able to delever quickly.

The Brazil and Italy acquisitions we recently announced mean we expect to deploy nearly $3 billion on M&A in 2025, but we will still be within our leverage range by the end of the year, allowing us to continue our buyback program across 2025. Our financial model is incredibly compelling and positions us to deliver significant shareholder value over the next three years.

So, strong revenue growth and operating leverage is translating into adjusted EBITDA margin expansion and material free cash flow generation, in turn unlocking a broad range of value creating capital allocation choices. We are an and business in the enviable position of being able to invest organically in M&A and to return large sums to our shareholders. It is a compelling financial and growth story.

With that, I will hand you back to Peter.

Peter Jackson

Conclusion

Thank you, Rob.

Hopefully, after the last few hours, everything we have presented demonstrates exactly why we believe Flutter has such exciting growth prospects.

Flutter is operating within a huge global market across both the US and the Rest of World, with a long runway of growth. We can capitalize on this opportunity through our diversified portfolio of local hero brands that are winning in their respective markets with leading positions and enjoying local scale.

The Flutter Edge is our key sustainable competitive advantage and global differentiator as we have demonstrated today. We have the right plans in place to harness these advantages and drive our value creation model, which we believe will drive strong growth.

All of these factors position us as an and business, able to invest organically behind strong returns and execute value creative M&A and deliver returns to shareholders, all of which help drive value creation. I will now hand you back to Lisa, who will take us through the plan for the Q&A session.

Lisa Kearney

Thank you, Peter. In just a few moments we will open the program to take questions from the audience. But first, please enjoy a quick fifteen-minute break. Thank you.

QUESTION & ANSWER:

Lisa Kearney

Thank you again for being here for our presentation. As I just mentioned, it is now time for our Q&A session. For that, I would like to welcome back our leadership team Peter, Rob, Amy, Dan, Barni and Ian. And while they are taking their seats, I would like to remind you, we are resuming our webcast live right now, and we are being recorded.

Alright, so we will open up the floor now to questions. If you do have a question, please just raise your hand, we will bring you a microphone so you can be heard well.

And please, keep in mind, we would like you to just ask one question. We would like to get to as many folks as possible, in the next half hour. Thank you.

Q1 - Ed Young

Hello. It is Ed Young from Morgan Stanley. My question is on your promotions. It was very useful, all of the detail you gave on that. Looking at your global comps, Australia, I think you got to 18% gross and 6% of promotions. I am interested to know what the reasoning was why 4% is the right sort of generosity number for the US long-term. Is that an opportunity for Australia to come down perhaps or is it a different market or is there a risk that over the long run you end up wanting to actually put more promo into the US, you end up more towards the 6?

Barni Evans: Shall I talk about Australia? You talk about US, and then you might chime in Rob just with your oversight. So I think what is right for the market depends on the competitive dynamic at any point in time and the typology of consumers that you are trying to appeal to. So we are pretty comfortable where we are. I think there is always scope to be a bit more efficient. We continue, as we have talked about before, to find those little 1% that mean you are allocating generosity to the right customers, not the wrong customers. But on the whole, we have seen net revenue margins fairly stable, creeping up a tiny bit because we are as customer focused as we are. So that is my view from the Australian perspective.

Amy Howe: I think it is hard to compare markets. You have different dynamics, you have different mix of sports, different type mix. Barni, for instance, does not have live betting in Australia. But in the US, we are using generosity to do two things. We are driving acquisition and then we are also driving retention. Over time, as more and more states open up and our customer base matures, that shifts more from acquisition to retention. So it is not necessarily a specific formula, but it is based on the cohorts that David would have talked about earlier. Peter, I do not know if you want to add to that.

Rob Coldrake: I think as the guys said, there are different dynamics across different markets with respect to generosity. But one of the things that will potentially make a big difference over time is the increased personalization and the ability to drop it off. If you look at the absolute generosity spend across the group, which was close to $3.5 billion last year, if you take a very small percentage off of that, you are into quite big gains quite quickly. So it's definitely something we're focused on.

Q2 - Clark Lampen

Clark Lampen, BTIG. I have a quick question. Barni, in your segment of the discussion on promo, you talked about utilizing AI and ML models to sort of improve the targeting and efficacy of that. Could you talk about enterprise-wide, how ubiquitous is the distribution of that same tech, or where are the biggest opportunities or unlocks for you guys?

Barni Evans: Yes, so the model-driven generosity that I talked about last of all, that’s getting the intersection of two or three different models working in concert. So generosity sensitivity, so how likely you are to respond. Gen pref, or generosity preference, so which type of mechanism you like. And then all the other models that understand past player value, future player value, sport versus racing, that kind of thing.

We're in version two of that at the moment. It's about four months in. We sort of knock on the door of the generosity geniuses every second week and say, "Give us an update." They say, "No, no, no, we need a bigger sample, we need more learning." So it's fairly nascent. But to date, the results are fairly encouraging. It's generating increased NPS, it's generating increased player days at zero cost. So we're pretty happy with that, if you can keep extrapolating that forward.

In terms of the rest of the group, we sometimes joke that the guy who runs my generosity occasionally deems fit to visit Australia because he's too busy visiting other parts of the group. That generosity, what we call a community of practice, is one of the most vibrant within the group. And what I'm seeing increasingly is us importing logic and importing learnings back into Australia.

Mike, I was in the FanDuel office yesterday and just chatting with the guys, and it's no longer true to say that they're behind. They are catching up. And I think Amy spoke and Mike spoke, at least on a couple of occasions, that they're contributing back into the ecosystem. And that's definitely true. That's just two parts.

Ian, do you want to talk a bit about where you're going with that stuff most recently?

Ian Brown: Yes, absolutely. Very briefly, it's live. What helps us, part of the Flutter Edge, is a member of Barni's team has now come over to the UKI to help us think about this. But we're also broadening our thinking. So obviously generosity is a massive spend and we see a great return on it. But I touched on one-to-one personalization. So we're thinking even more broadly about what is the right message, what's the right next best action for customers. And a lot of that will be associated with generosity, but some of it will not be. So we're leaning into that pretty heavily right now.

Peter Jackson: I think, Clark, the other points I'd make, you're asking whether we use the same stack across the group. It's like all of our technology. What we've found is that if you have that localized approach to it with your own roadmaps, then you can develop and deploy what you need in your own local market.

As Barni says, we've got the community practice who can short-circuit the learnings between the different divisions. So this isn't something that gets sucked up into the center and then disseminated out. These are the teams working collectively together across the world.

Q3 James Wheatcroft

James Wheatcroft from Jefferies. Just a question just around the dividend and sort of flexibility. Really, I think maybe not paying a dividend gives you flexibility, and that leads to the next question of what flexibility for what. Perhaps you could just sort of give us a feel for where you want to see that scope.

Rob Coldrake: Yes, thanks, James. Listen, what we outlined today, I think, and when we've taken you through the model and the amount of cash that we will be generating over the next three to four years, we're going to have ample flexibility to do all three things that we mentioned. So continue to invest organically, get behind value-accretive M&A deals, and return cash to shareholders.

We think, in the first instance, the right option to maintain the flexibility was the buyback. We're not ruling out that we may do a dividend in time, but you can run the numbers yourself. We have got flexibility within that model if other value-accretive opportunities come along. So we feel quite comfortable with what we've announced today.

Q4 - Paul Ruddy

Good afternoon. Paul Ruddy from Davy. Just a quick one, maybe, Amy, on state legislation. You have a pretty benign view, it seems, for the next couple of years. Just maybe some of your further thoughts around where there might be scope for positive or negative rise, and maybe particularly with reference to iCasino. Feels like there's some background momentum around improving prospects for some iCasino.

Amy Howe: Yes, so just as a reminder, the assumptions that we've made in our TAM estimates, we're going from roughly 50% of the US market today for sports betting to 80%, and call it 11%, 12% to 25%, so a doubling of that over time. Let me hit the sports betting first, then I'll come back to iGaming.

In order to get to the 80%, as you can imagine, you've got to get at least two of the three big states. California, as many of you know, we were unsuccessful in the November '22 initiative. We have completely regrouped coming out of that. We feel optimistic that at some point it will happen, but we are doing that with and through the tribes, which is obviously a very different approach than we took in '22, which we tried to. So we feel that at some point it will happen, but we're not going to try to put a date on when that, whether it's '26 or '28. Texas, the legislation meets every couple of years, '25, '27, similarly, we feel very good about the momentum and the progress, but very difficult to say which year it's going to be.

iGaming is, there's a number of different ways you can get to the 25%, right? So without getting specific about the states right now, the hard work is to continue to educate around the importance of legalizing both sports betting and iGaming and the benefits that can accrue to the state, right? Especially for states that have a significant budget deficit, this is another great way to drive economics back to the state and also protect customers.

And I think one of the big challenges has been some of the way you have strong tribal influences in brick and mortar casinos, at least what we've seen in the data is that it does not cannibalize that. So we just, there's a lot of work that we will continue to do to educate some of the stakeholders.

Q5 - Brandt Montour

Hello, thank you. Brandt Montour from Barclays. I was hoping you could talk a little bit more about your long-term US margin target. Obviously one state took up taxes recently, and tax is always a risk, but you also took up your gross margin target substantially and that flows through at a higher rate. So maybe you could just go through the major building blocks of the long-term margin that was not laid out on the slide, that would be helpful.

Amy Howe: Yes, I'm happy to start and then Rob, you can certainly build. Let me start with the gross win margin target, right, that David talked about. So we're estimating roughly a 16% margin and that's really driven by a lot of what we talked about today, right? Our pricing accuracy, a better product, right? Our mix of parlays continues to grow. Those are higher margin products. All of that is further compounded by our scale advantage.

So, as I said earlier, we've already surpassed the gross win margin target that we'd set last time. So we feel very confident that we'll get to that 16%. But we're also driving operating leverage as we go, right? If you look at the different drivers, cost of sales that we still believe, and Rob talked about some of the efficiency drivers, whether it's geolocation services or payments or some of our third-party content provider costs or third-party costs in general, those are areas that we will continue to address. And then just the sheer math of where we are from a headcount perspective, we're going to get more and more operating leverage.

We're still very much investing, but more of that investment is going towards technology and data science and risk and trading resources, whereas we're really starting to hit leverage in some of the other parts of the organization.

Rob Coldrake: Yes, I think the 25 to 30% range is something that we're very comfortable with. I think if you consistently listen to what we've said around how the US market will develop, we're delivering on those plans.

And the 25% to 30% is very much within that range and something that, as a board and an executive team, we feel very comfortable with. Beyond 2027, let's see where we get to. It will probably depend on the timing of some of those bigger state openings and how we invest behind those, but we're very comfortable with the 25% to 30% in this time frame.

Peter Jackson: What I'd add is the experience we have of operating in different markets around the world gives us the confidence that we've got levers to pull in the event that there are some tax changes.

Whether that's the experience we've seen in Australia or the UK, where there were tax changes, and actually, if you're the scale player in the market, you have many more levers to pull to offset some of those tax changes. And you'll find that some of the smaller players have to make their products less appealing, push the prices up, reduce their generosity, and so we'll often capture extra share to help further compensate for some of those impacts. So I think that's what gives us confidence around the figures that we share today.

Q6 - Joseph Stauff:

Hi there, it's Joe Stauff from Susquehanna. I wanted to ask a question about the parlay adoption and customer demand outside the US. We know it's very large in the US and we're aware of some of the numbers, but maybe in the UK where you're initiating new products, what is the opportunity set there for build builder or parlay as well as maybe Australia?

Ian Brown: I'll start on that, maybe others might want to chip in. I mean, we just see continued sustained growth. And again, I gave the examples of how we've taken Sisal's Duo product and turned it into a fantastic product for Paddy Power, AccaFreeze. So what that's doing is we're getting more and more customers into player markets. As Dom was talking about, they're choosing bets with more legs. And those two factors combined with frankly ever better pricing accuracy is driving a great margin shift for us. But there is, I think, still quite a lot of runway there. We will keep experimenting and learning and we'll keep pushing it. But we see nothing yet to suggest that we're coming off that curve.

Barni Evans: Yes, I'd echo that. We've had the same game multis, parlays, acca longer than everybody else. We're still seeing growth that surprises me year on year on year. And I think we keep building that product set out. So more sports, more bet types, better merchandising, great in-game experience, like really, really cool in-game experience.

The promotion of it, like the base that Sisal's coming from, how good's that going to be? The road is a lot further to go.

Dan Taylor: Maybe I would, I mentioned Italy in my presentation. And the nuances of regulation meant that nobody had managed to get a single game parlay product live. But we managed to get one live. It was the first in the market. And we've got some big plans to come next year that I also mentioned. And so we're sort of in that market, we're sort of right at the beginning of that journey. And we've seen that journey all over the world. And we're very excited about that journey and also being in a unique position there with that. So we're pretty excited about that opportunity.

Barni Evans: It's a great example of the Flutter Edge as well.

Peter Jackson: Yes, it is. I mean, ultimately, I think the thing that drives this, whether it's in the US or soccer or any of the markets we see, is there's just real interest in player fandom. More and more. And when you see the type of products that we showcased earlier that Mike demonstrated to you, of course, the Flutter Edge will mean that that type of product is something we'll make available across all of our markets. I think we expect to continue to see the parlay type of products grow in other markets. And we can take best practices and keep showing them across the world as we've done in the past.

Amy Howe: Just to give you a sense, in the US, the mix looks very different if you're looking at pre-live versus live. So about 50% of the live is parlay, but only 20% or so is parlay for live betting. So as you create more choice and flexibility and you take friction out of that live betting, we fully expect that parlay adoption in live and pre-live, candidly, will continue to grow.

Ian Brown: And I'll add one final thing, if I may. We talked a lot about, obviously, the financial metrics today. But if you look at the customer metrics, customer engagement, to Peter's point, with those bets, is much higher. They're spending more time on the app, coming back more frequently, and as a result, we see more attention. So it's a great set of products for us.

Q7 - Ryan Sigdahl

Ryan Sigdahl, Craig-Hallum. Nice job, guys. Appreciate you guys hosting this here. Given the focus on being an and business, how do you think about adjacent verticals in the US, whether that be lottery, land-based gaming, and the list goes on and on as you look at the UK and Italy and the other successes you've had around the world?

Peter Jackson: If I look at lottery, I think there's one market where we've been very focused on that, which is Italy, and Dan might talk about that in a minute. But that's really around top of funnel for us in terms of market where there isn't the ability to advertise. I think in the US, we've really benefited from our DFS business, which really got that flywheel going. If you think about the projections that we shared with you today, we've got a massive runway. Here in the US and in the Rest of World, we don't need to go into adjacent spaces. We're not tapping out in the markets we're already in. So there are huge opportunities for us, and I think it's really important we stay focused on our core business, but to the extent that there are opportunities to accelerate our growth and adoption through those core markets, then we'll pursue them.

And Dan, you might just talk about that.

Dan Taylor: Yes, I'd say in Italy, we operate a lottery product there. It gives us access to 20 million customers. That's a pretty unique asset that's allowed us to drive the very substantial growth that you've seen in share of customers in the market. And we've got a lot of road still to run on that. That's particularly attractive in a market, as Peter said, where there's advertising restrictions. And similarly, we've recently gone live in Morocco and Turkey, and we run lotteries in those markets. But the reason they're exciting for us is not just the lottery, it's what it allows us to do by also operating sports betting in Morocco and in Turkey with similar adjacent products. And so it's the combination with our core business where we've done that, rather than, you know, for its own right, I'd say.

Amy Howe: And Ryan, just to answer a question on the US, the way we think about it is, if we're going to get into an adjacency, it either needs to be a more efficient acquisition vehicle for us, as Peter was saying, and/or it needs to help us create another compelling offering that we're adding to the ecosystem, right, to engage customers, that further leverages our flywheel and scale advantage. And, you know, candidly, we'll look at things in the market, because there's obviously lots of potential M&A plays, but we're also looking at, if we're going to get into a space, are we better off actually doing that organically, potentially leveraging one of the capabilities we have across groups? So we're always looking at those, but it has to do one or more of those things in a cost-effective and capital-effective way.

Q8 - Jordan Bender

Good afternoon, Jordan Bender from Citizens JMP. Thanks for taking my question. A lot of good commentary on the US iGaming business. I know it's beneficial to run several iGaming brands outside of the US in several of these markets. What's the view on starting a second major US brand here?

Amy Howe: Yes, I'll start, and then, Peter, you can follow up. So we actually used to have another brand. It was called Stardust, and that was through our market access partner called Boyd. We transferred that back over to them, and since then, have been able to really double down on building the FanDuel casino brand. As I said earlier, I think there were some questions, certainly a couple years ago, as to whether the FanDuel casino brand could resonate, and I think as we've demonstrated, we've done that very effectively. Would we completely rule out a second brand? Not necessarily, but it would have to be additive to what we're already doing, and bring additional assets beyond another brand. So right now, if you look at the path ahead that I laid out earlier, we're very focused on continuing to build out the product proposition, fine-tune the generosity, and keep professionalizing the FanDuel casino brand. If an opportunity presents itself that we think would be additive, we'll look at it, but for the time being, we're focused on our own brand.

Peter Jackson: Jordan, one of the things that Dan talked about in terms of the work we're doing around the PokerStars business is we do plan to integrate that product capability into FanDuel. So to some extent, it gives us access to the PokerStars brand. It's not necessarily a brand we'd want to put a lot of investment behind on a standalone basis, because the returns we're seeing are better in FanDuel from a casino perspective at the moment.

Q9 - Daniel Politzer

Good afternoon, Dan Politzer, Wells Fargo. So another question on iGaming in the US. You've gained a lot of share in a fairly short period. Can you maybe talk about your generosity levels there, where you are and what the right level might be, and even benchmarking it relative to sports betting, where you've talked about the 4% of Handle or 25% of GGR.

And similarly, market structure, US. Should iGaming over time resemble sports betting where it's increasingly consolidated, and what role do you see there for omni-channel operators? Thanks.

Amy Howe: Yes, I'll start on that, just to answer a second question. And I think we've been pretty consistent on this. We don't believe in steady state. You're not going to see the same level of concentration in iGaming as you do in sports betting, and that's held true across the world, right? It has been, you tend not to have some of the same structural advantages, whether it's the bet mix or the pricing accuracy, which drive that margin expansion. So we don't think you're going to see as much consolidation. And Dan can certainly attest to this, and others. That's been, that is held true for quite some time. We do, as I laid out earlier, believe that we'll continue to grab share in the market. So how high that ceiling is for FanDuel Casino specifically, I think, remains to be seen. But we feel good about that path ahead.

From a generosity perspective, right now, because we're obviously still very focused on growing our base in existing states, because there haven't been new states that have opened up recently, the focus has been on efficient acquisition and retention of direct casino customers in particular. And if you looked at what has really fueled our growth over the last couple of years, it's really been that direct casino customer that typically we weren't able to appeal to. And as I showed earlier, the paybacks on the acquisition side have been very good. But we continue to invest generosity levels commensurate with what we think the right returns are. But the retention numbers, as I showed earlier, have been phenomenal. We've driven a significant increase in both retention and average player days in that time. So we feel good about where the formula is right now.

Peter Jackson: If I look at the iGaming market, and it is more fragmented, we'll see that in many of the markets which we operate in you can see that we've developed the daily generosity mechanic. We talked about it on the video. So when customers open up their phones, we want them to come to the FanDuel Casino product first. So the fact that they get a free spin every day that they come onto the platform is a really important component. But it's not easy to execute on that. You have to understand the economics on an individual customer basis behind that. Actually, we've taken good learnings out of our UK business. It's a good example of the Flutter Edge. We brought that capability into the US. So I think the structure and approach to generosity is something that we're doing, pushing really hard, taking learnings that we've had in the UK market and bringing it to the US.

Q10 Jed Kelly

Jed Kelly, Oppenheimer. You clearly laid out your significant competitive advantages in the US. As we think about your 2027 targets, could you talk about what do you think the biggest risks are if we're sitting here three years from now, and you don't hit that $2.4 billion EBITDA number? Thank you.

Peter Jackson: Is that, so you're asking about the US or the whole business? From a US perspective, let me give some thoughts --

Amy Howe: Yes, go ahead.

Peter Jackson: And you can build on it. I think it's as true, actually, for the whole group as it is for the US itself. I think we have to be really careful we don't let complacency get in the way. We are getting bigger every year. You saw that chart that Rob shared. I think it's absolutely crucial that as the business gets bigger, we maintain our speed. In fact, we want to get faster. Because if we ever find that we start slowing down and suffering, like other big businesses do from being bureaucratic, we won't be delivering for our customers. And faster, more nimble competitors will beat us.

So that's the thing I worry the most about. And our decentralized model, I think, provides us with as strong a protection as we can against that. But we also talk a lot about it as a team, making sure that we are absolutely paranoid about maintaining our agility and speed.

Amy Howe: Yes, I think, just to build on Peter's point, and to tie it back to one of the products that Mike talked about earlier, Your Way, which is the beta that we have in the market, which provides nearly infinite assortment and flexibility, is a product that is being the center of gravity in building out the models. It's FanDuel, but Ian's division is also building out models for soccer or football in the UK. And then Dom's organization is building out the global risk and trading tools. So Peter's exactly right. We have a bit of paranoia internally. But we have the benefit of leveraging our global scale in a highly decentralized fashion to actually make sure that we can move to market quickly.

But I think the complacency is probably the biggest risk. And then, of course, we have to, as I said earlier, you don't get to at least the numbers in the US if the TAM doesn't materialize. And so the hard work on the advocacy front, both in opening up the map, but also making sure that we can sustain the sector long term, those have to materialize. But as I said earlier, I feel very confident in our abilities to do that and the team we have backing us.

Q11 - Monique Pollard

Hi, everyone. It's Monique Pollard from Citigroup. I just had a quick question on your Colorado Parlay tracker product that you're trialing. I just wondered if you could talk a bit about the potential you see there. From what I've understood, it's quite similar to the AccaFreeze product that you've got in the UK. I don't know if that's quite right. And obviously, you've talked about how that AccaFreeze product has been the second biggest reason for people using the Sky Bet app. So what the potential could be for that product in the US?

Peter Jackson: Well, I mean, the thing I'll say to you about the product is, if I think about the 8K that had all the financials in it, so you all got to see that this morning when it was published. We can't put that amazing product demo into words. And so I wanted you all to see it. And I have to say, we've been so excited about it. Amy, you should chat about it.

Amy Howe: Yes, I think what is most exciting about the beta that we have in Colorado right now is, on the surface, it may not be obvious how distinctive this is. But if you think about the way bets were, they were predetermined markets before. Whereas now, the user has the flexibility to be able to, instead of saying, it's going to be 50 rushing yards, you can toggle it and say, I want to say 47 or 45, and it recalculates the odds in real time. So the choice we're giving to customers, combined with a much more intuitive user interface, still early days. But the combination of both of those things, we think, is going to be a real unlock.

Barni Evans: Can I add? I mentioned before that efficiency is not sexy, apart from for people like Rob. This is a sexy product. I'm not easily impressed. But when the guys in the office showed me, I was wowed. It's really cool.

Peter Jackson: The AccaFreeze is actually a slightly different product. So what that allows you, if you're betting on soccer and you've selected that you think your team's going to win 1-nil, when they go 1-nil up, you can lock in that leg effectively. There's no reason why that mechanic can't also be applied as a new feature into the host of parlay suites here in the US.

Amy Howe: The other thing I would say about this product, and again, it is still early days. But as you think about our acquisition, as a state like New Jersey or Pennsylvania that legalized pretty early on after PASPA was repealed, over time, you're attracting more recreational users.

Part of what we're excited about is we think this is a much more potentially intuitive user interface versus early on. Sometimes the sports betting products are complex. And you don't really need to understand how the lines are set and how the odds are determined. You just need to know who you want to bet on and create a same-game parlay in a really intuitive way. So we think there's potentially real unlock from a recreational user base as well.

Q12 – David Brohan

Hi, I just had a question on the sports market penetration rates that you referenced. I think you said 6% today and getting to 10.5% in the long term. I'm wondering, could you give any additional detail around how that's broken out currently by states, I guess either by state cohort or maybe a range from lowest penetration to highest penetration? Thank you.

Amy Howe: Sorry, just to clarify, you're referring to the 80% sportsbook penetration rate?

David Brohan: No, the 6% and the 10.5%.

Peter Jackson: This is the population penetration rates where we showed where the 6% and getting to 10.5%.

Amy Howe: Oh, yes, yes, yes, yes. Okay, so just to contextualize, if you look at the states that are on average, the 23 states a year ago, they were at about, call it 5.5% penetration. So we effectively see a doubling of penetration in those existing rates. Will the ceiling be higher than sports bet and what Barni has hit in Australia remains to be seen. But we've seen steady growth, but there's still a fair bit to go to get to that 10.5% penetration. So we feel pretty confident that it's at least a good proxy for now.

Peter Jackson: You can all decide whether you're going to take the overs or the unders on the 10.5%.

Barni Evans: We're not at all internally competitive.

Q13 - Robert Fishman

Thank you. Robert Fishman from Moffett Nathanson. Question on FanDuel, maybe for Amy. As you keep leaning into your scale position in the US, how should we think about the balance between the national and the local ad spend over the next few years and whether the marketing overall should grow or decline depending on the competitive environment?

Amy Howe: Yes, great question. So over time, and I think Mike alluded to this earlier, our media shift, it has shifted from more regional spend to national where we're seeing real efficiencies. And that makes sense, right? As more and more states open up, a larger percentage of the US has access to it. And we have relationships with the big leagues, right? So NFL, even if you're in a state where sports betting hasn't opened up, we're advertising there and you're starting to actually get the awareness in advance of hopefully a California or Texas opening up. So over time, we do see that shifting. That being said, we also want to make sure that we've got the right local presence within the market. But it comes down to what we think the effective CPA is. What was the second part of your question?

Peter Jackson: I think the relative, he was asking whether it's a relative competitive environment. I think the thing that you've seen us do consistently since we launched in America with FanDuel is we've acquired as much business as we possibly can do once we've met the return criteria. And it's the same that Dan's doing with his businesses and we're going to do in Brazil. It's been the same with FanDuel, whether it's in sports or iGaming. Actually, the spend is more governed by how much business we can acquire and the extent to which we can continue to lean in, push on, and acquire more business, those paybacks will take it.

Amy Howe: Yes. No, that's exactly right. And we talk about the 24-month payback as a general guideline, but as Mike would have shared earlier, we've been below that. That is not a sacrosanct number. We are first and foremost focused on building the biggest business that we can and making sure that we can actually manage to a 25% to 30% margin. But we're not going to leave value on the table, certainly if there are attractive economics and paybacks to go after.

Q14 - Joe Thomas

It's Joe Thomas here from HSBC. Thanks very much for the great presentations. Obviously, one of the important parts of the Flutter Edge is pricing accuracy. I'd just be interested in how you see that as being driven by, is it driven by people? Is it driven by machines? And how do you maintain that advantage in a more AI-driven world?

Peter Jackson: Joe, thank you for the question. I mean, that's something you can definitely collar us and ask us in detail later. But ultimately, it's things you describe, but it's also the scale of our data. The way I think about it, Amy told me off because I was talking about watching the Jags game on Monday night. And she said I should have been talking about watching the Bills game. So the match is live on Monday evening. And actually, as it happens, a lot of the parlays clicked that evening. And it was a pretty expensive day for us.

What you have to think is happening on our systems is we've got more data flowing through on the platform than anyone else has. We're able to identify if customers are sharp. So Barni could be, he could have built a model which helps him get really sophisticated around field goals. And so we may take some bets through from Barni. It could then lead to us altering our prices. So it's really important that we look at all the signals and the noise. And the more data that we have, the more we're able to refine in real time the accuracy of our pricing. And it is driven by the models. It is driven by the hundreds of data scientists we have working on the platform. But the volume of data is also a crucial factor. And having the most accurate prices means that more customers want to bet with us, which gives us more insight to enable us to keep refining the accuracy of the pricing.

Q15 - Bernie McTernan:

Great, thank you. Bernie McTernan from Needham and Company. I wanted to touch on the US long-term margins again. So higher hold, bigger TAM, the guidance unchanged. What are some potential drivers to the upside to that 25% to 30%?

Rob Coldrake: I think, as I said earlier, we're very comfortable with the 25% to 30%. If you look at potential upsides, we talked about parlay penetration earlier and how much further that could go and the scope for that over the next few years. There's the competitive dynamic of the market as well. But I think we feel very comfortable with our position within that. And actually, over time, we think that will strengthen with the investment that we continue to make.

We've seen earlier, I think David and Amy outlined the frequency of play. And actually, we expect to see that to continue over time. We've got the iGaming business, which continues to deliver, and hopefully that will compound more over time as well. There's a number of levers which could potentially offer upside. But as I said at the moment, I feel very comfortable in the 25% to 30% range.

Peter Jackson: I'm conscious of the time, so this will probably take one last question.

Q 16 - Estelle Weingrod

Hi, Estelle Weingrod from JP Morgan. I have a question on Brazil, which also seems to be relatively sizable opportunity. You're buying BetNacional. At the moment, it operates on relatively low margins, I think 13%. What explains this level of margin at the moment? It would also be great to get more color on the plans there, and are the losses guided for in 25 to do with both product and marketing, or is it just marketing investment?

Dan Taylor: I think the thing to remember about Brazil right now is that Brazil right now is not a locally regulated market, so there are no taxes to pay at all in the Brazilian revenues today, so the big thing that changes from point of regulation is that you start paying tax. That's a pretty material number.

So EBITDA margins prior to regulation are kind of irrelevant really for the future, because you've got to rebase yourself with a material tax base to pay. The other thing that will happen at the point of regulation is we know that competition, a new set of competitors will also come into that market. When we look at Brazil, there have been over 100 applications for licenses in the new market, so we know that it's going to be a pretty intense market competition. You've got the big global operators. You've got the local players. You also have most of our US-based peers also all looking at the market. So we do expect it to be a pretty intense player competition.

But if we look at our business, we're excited about the combination of brands, the combination of the technologies that we bring as Flutter with the local team there. But look, we think we have to go through that investment phase. That's why we flagged that. We think next year is going to be a point in time to try and grab market share over the next couple of years, and then that will play through in due course as the market consolidates like it has done almost everywhere else. But in thinking about the margins, it is really important to draw a line at the point of regulation and rebase, because we'll start paying pretty material taxes at that point.

Peter Jackson: Dan, do you just want to comment on the product as well, because most people won't have seen the quality of the BetNacional products and what you're thinking about doing in terms of bringing some of the Flutter Edge capabilities there.

Dan Taylor: Yes, so one of the reasons that we, the interesting thing is when you go in here, we talk to a lot of businesses in Brazil. As you can imagine, as we're thinking about our strategy for the market, one of the really interesting dynamics was that it was very much a two-way process. So we were talking to them, who do we want to bring into the group, but they were also courting who do they want to partner with.

And when I talked to Joao, who's the CEO there, he's remaining as the CEO. He's actually rolled over his stake in the business, because he believes that being part of Flutter gives him a much better chance of winning in the market than competing on his own. I think he's seen these sort of presentations we've done and he believes in the Flutter Edge, and he really gets that. And that was really powerful for us. And why does he believe that? Because he knows that he's got some core local technologies. They do payments really well. They've got a really, we think, a really neat integration with some of the local ID solutions, which are quite bespoke in Brazil. But they know they can't build a sportsbook product like the one we've got in FanDuel. They know that on their own, they can't build the level of pricing accuracy or the innovation around generosity or products like we're putting in Colorado on your own as a small business in Brazil.

So we will be, over time, the plan is to unleash all of the things that we have in America, in the UK, in Australia, the best of breed across Flutter, in combination with a local management team, local technologies, to bear on a Brazilian market. And we're excited about what that brings.

Now, that will take time, because we have to complete the deal, then we have to start a process of integration, so that will take time. But we think that you take the FanDuel product, the products that we have in Sportsbet, and make that available in a market where there's 200 million plus access to Sportsbetting and iGaming, that's a big prize that's worth going for.

Lisa Kerney: Thank you for your questions. And thank you for joining us for our presentation today. We hope that now, it is clear, why Flutter is, and will continue to be the worlds leading Sports betting and gaming operator.

In a moment, we invite you to join our Flutter management and IR teams for a cocktail reception, located in the lobby, just behind you. Our folks will be wearing pink lanyards to help you more easily identify whoever you may wish to speak with. But first, please enjoy this short film and thank you for joining us.