

Paddy Power owner Flutter lowers guidance after 'run of bad luck' in sports bets results

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[Paddy Power](#)-owner [Flutter](#) saw [shares](#) fall by as much as 7% on Tuesday morning on lowering 2021 guidance after a "run of bad luck" in key sports betting [results](#).

The [FTSE 100](#) giant warned it expects to miss its [profits](#) forecast by up to £130 million, with earnings outside the [US](#) of between £1.24 and £1.28 billion, down from its previous range of £1.27 billion to £1.37 billion.

CEO [Peter Jackson](#) said results that went against Flutter's favour included [Tyson Fury](#)'s October fight and 15 of the 16 favourites winning in the Champions League. The combined impact lost the [company](#) £60 million.

He told reporters: "We had a number of unfavourable outcomes in the first 24 days in October, particularly in the UK. We had a run of good luck on the first nine months of the year and it all reversed... I suspect we've made our customers very happy and helped support the drinking industry in the UK."

The chief executive added: "It's what happens, occasionally you have a run of bad luck and it's not unhelpful for our punters that they get to see a winning streak."

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Flutter also took a £10 million hit from the suspension of its operations in the Netherlands as it goes through a licensing process. (The Dutch government announced in April that it would require gambling firms to apply for a license to operate online from October).

The Dublin-based firm said UK and Ireland third-quarter revenues were down 5% as lockdown easing and gambling safety measures also hit.

US revenues were up 85% to \$386 million in the period as the firm's FanDuel continues to lead the country's sports betting market, however.

The sector is seeing a boom following a 2018 Supreme Court ruling allowing states to decide on legalising sports bets. Flutter has said it expects the total addressable market for its US offerings to exceed \$20 billion by 2025.

Jackson today declined to give any update on the company's delayed partial listing of FanDuel.

Inside three years the chief executive has taken the bookmaker from a market cap of \$5 billion to more than \$30 billion, Bloomberg figures show.

In a note titled "volatile not vanquished", Peel Hunt analysts said: "Sporting results ebb and flow. In October they ebbed, from Flutter's point of view, resulting in a modest downgrade.

“But the US business continues to grow strongly in a fiercely competitive market and, in our view, remains the primary driver of value for the group.”

Freetrade’s Dan Lane called FanDuel “the jewel in Flutter’s crown”, and said: “A drop in Flutter’s UK & Ireland revenues and an almighty leap in the US segment is all investors need to know about the direction of travel in the gambling sector.”