

Flutter investors brace for judge's verdict on FanDuel stake sale

Investors in Flutter Entertainment, the FTSE 100 gambling group, are poised to discover the outcome of a year-long legal dispute with Rupert Murdoch's Fox Corporation over the value of FanDuel, the American sports betting platform.

Sky News understands that a New York court will deliver its verdict on the value at which Fox should be allowed to exercise an option over an 18.6% stake in FanDuel.

City sources said Flutter was expected to announce the outcome late on Friday evening, with one shareholder in the London-listed company suggesting they were confident of a positive outcome for the group.

Fox filed an arbitration claim against Flutter in April last year, arguing that the fair market value for it to acquire the FanDuel stake was the same price which Flutter itself had paid when it increased its shareholding in December 2020.

Flutter, which owns brands such as Paddy Power and Betfair, has argued that that valuation – roughly \$11bn – is barely half the fair valuation that Fox should now be obliged to pay.

Given the size of the FanDuel stake at stake, the gulf between the two sides represents a potential additional windfall for Flutter of as much as \$2bn.

Peter Jackson, Flutter's chief executive, has been public that a separate stock market listing of FanDuel is an option for the company in future.

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Flutter now owns 95% of FanDuel, having acquired its most recent stake from a consortium backed by KKR, the private equity firm.

If the outcome of the arbitration is favourable to Flutter, analysts speculate that it would return part of the proceeds to investors in the event that Fox exercised its option to acquire the stake.

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A spokesman for Flutter, which has a market capitalisation of almost £20bn, declined to comment.