

Gaming

Prediction markets are hard to predict; A challenging event path for OSB operators

Industry Overview

Prediction market update: A tough setup

We believe that online sports betting (OSB) operators including DraftKings (DKNG) and FanDuel (FLUT) haven't seen cannibalization from prediction markets (PMs) yet, and we think PMs could be [TAM expansive long-term \(see deep dive\)](#). We also believe in the moats of OSB operators, including established user bases, promotions, advertising, UI/UX and deep technology expertise. However, we are expecting the next phase of prediction markets to be headwinds in terms of both news and business models.

Bottom line: Without clear legal resolution, the event path and unit economics of prediction markets could be material overhangs for our space for the next 6-9 months, and possibly for years. We see more negative news ahead in terms of announcements and competition, and possible mixed news as legal developments remain fluid.

PMs create a challenging event path for OSB operators

The pace of innovation of PMs is rapid and the near-term event path is challenging: 1) Polymarket's US launch is coming soon and expected by November, 2) low barriers to entry and large recent fundraising valuations for Kalshi/Polymarket will likely attract many new entrants including brokers, crypto companies, DFS+ companies, financial exchanges and sweepstakes pivots. This could and likely will lead to aggressive pricing competition on various fronts: 1) exchange fees, 2) market maker rebates and 3) a major front end customer acquisition war. At peak, at least 26 sportsbooks were vying for the OSB TAM post-PASPA repeal in 2020 and incurred multi-billion dollars losses to build their businesses. Unchecked, this is what PMs could look like in 2026.

OSB operators are legally between a rock and a hard place

We continue to expect OSB operators to enter the PM fight in some form, likely by year end. FanDuel has partnered with CME Group, while DraftKings' has outlined a near-term exchange structure, and long-term has acquired [its own exchange in Railbird \(see report\)](#). But the legal landscape remains fluid and state regulators including NV, IL, OH, MI, and AZ are seemingly boxing-in the incumbent operators, giving an advantage to startups.

This landscape makes the risk-reward calculus very difficult. **The pro:** Launching high-margin untaxed offerings in CA, TX and FL is compelling. **The cons:** Unit economics are unknown, competition is well-capitalized with nothing to lose, and risking licenses in just a handful of states (esp. NY, MI, PA, NJ and IL) could drive material contribution profit risk. This is unfortunate and we don't envy the C-suite at DKNG or FanDuel, as given a full chance to compete fairly, we are highly confident they could be successful.

Historical perspective from brokers on a race to zero fees

Strategically, it seems like a race to the bottom of fees and meaningful increase in marketing is possible in coming months, as we note that Polymarket internationally has zero fees. If we look at a period of significant disruption for broker stocks including the cut to zero commissions during 2018-2019, multiples contracted by ~40% from LT average to trough and stocks declined ~43% from peak to trough. Our OSB operator multiples have contracted -26% and stocks by -31% thus far.

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UI/UX = user interface/user experience

OSB = online sports betting

DFS = daily fantasy sports

PASPA = Professional and Amateur
Sports Protection Act

Bull-bear for prediction markets impact

Without clear legal resolution, the event path and unit economics of prediction markets (PMs) could be material overhangs for our online sports betting operators for the next 6-9 months, and possibly for years. We expect more negative news ahead in terms of announcements and competition, and possible mixed news as legal developments remain fluid. Below we re-summarize some of the bull and bear case arguments around these markets and their potential impact:

Exhibit 1: Bull-bear summary for prediction market impact on OSB operators

Below we summarize key arguments both for and against prediction markets related to TAM, competition, unit economics and the regulatory backdrop

Topic	Bull Case	Bear Case
TAM and Growth Opportunity	Major expansion via prediction markets, doubling market size; with potentially much higher margins; could allow for interest on deposits, and expansion to non-sports PMs and financial products/crypto	Slowing organic growth (handle) and risk of core business cannibalization from PMs; loss of first mover advantage in new states (CA, TX, FL) and key demos (18-20 yr old)
Competition	DKNG and FanDuel already fought/won sports betting round 1; 3-4M customers on deposit, national brand awareness, optimized product and marketing playbook	Well capitalized new startups (Kalshi, Polymarket, Underdog) and potential very large financial/crossover incumbents like Robinhood; low barrier to entry
Unit economics	OSB operators retail customers are price insensitive and prediction markets don't disrupt structural hold	Prediction markets lowering fees impacts OSB hold on straight bets, which in turn impact parlay hold rates and lower OSB structural hold
Regulatory	The recent decision in Massachusetts to litigate at the state level opposed to the federal level results in a win for the state forcing prediction markets to shut down. Other states could follow the playbook of suing the operators first in state court.	Federal court of appeals continue having conflicting rulings and the case eventually goes to the Supreme Court in mid 2027 at the earliest.

Source: BofA Global Research

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Challenging event path ahead

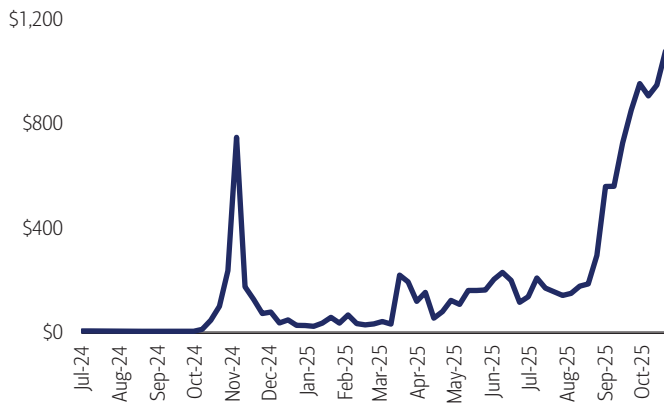
The pace of innovation of PMs is rapid and the near-term event path is challenging. Our stocks have reacted materially to recent negative headlines (Exh. 2), like Kalshi's parlay launch and recent fundraising announcements. Ahead we expect:

- **1. Polymarket's US app launch** is coming soon with at least a "limited" launch expected by November. Recall, Polymarket is currently mostly a web-based product and is only operating internationally.
 - We think Polymarket's fee structure is key, as they currently do not charge a fee (vs. 1.75% taker fee for Kalshi). A low or zero fee offering in the US could spark fears of a price war, especially given existing concerns about potential "better pricing" relative to a sportsbook's VIG.
- **2. Other (many?) new entrants** including brokers, crypto companies, DFS+ companies, financial exchanges and sweepstakes pivots could all enter the fray. We already are watching Underdog and Trump Media & Technology (ticker: DJT, not covered), which announced intentions to launch PMs via Crypto.com's exchange.
 - Recent high profile multi-billion dollar fundraising rounds for Kalshi and Polymarket, coupled with seemingly low barriers to entry on accessing an FCM license make it likely for additional new entrants, in our view.
- **3. Customer acquisition battle ahead?** Ultimately most of our conversations lead us to believe that the scarcest resource for prediction markets will be customers. Polymarket's launch as a non-intermediated exchange means its highly likely to need to build its B2C brand and presence, and Kalshi currently has both a front end and back end.
 - At peak in 2021, at least 26 sportsbooks were vying for the original online sports betting market post-PASPA repeal and resulted in multi-billion dollars losses across traditional brick and mortar gaming companies, media companies, startups, SPACs and others, before the market stabilized and the two clear

winners (FanDuel and DKNG) emerged. Unchecked, this is what PMs could look like in 2026.

Exhibit 2: Kalshi weekly volume went parabolic at the start of the NFL season and continues to grow higher

Kalshi weekly contract volumes (USD \$M)



Source: Kalshi, BofA Global Research

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Exhibit 3: We estimate the 20 states incl. CA, TX, FL without fully legal/open OSB plus 18-20 year olds would expand the existing OSB handle TAM (total addressable market) by \$150B or over 100%

Estimated OSB Handle TAM expansion from prediction markets

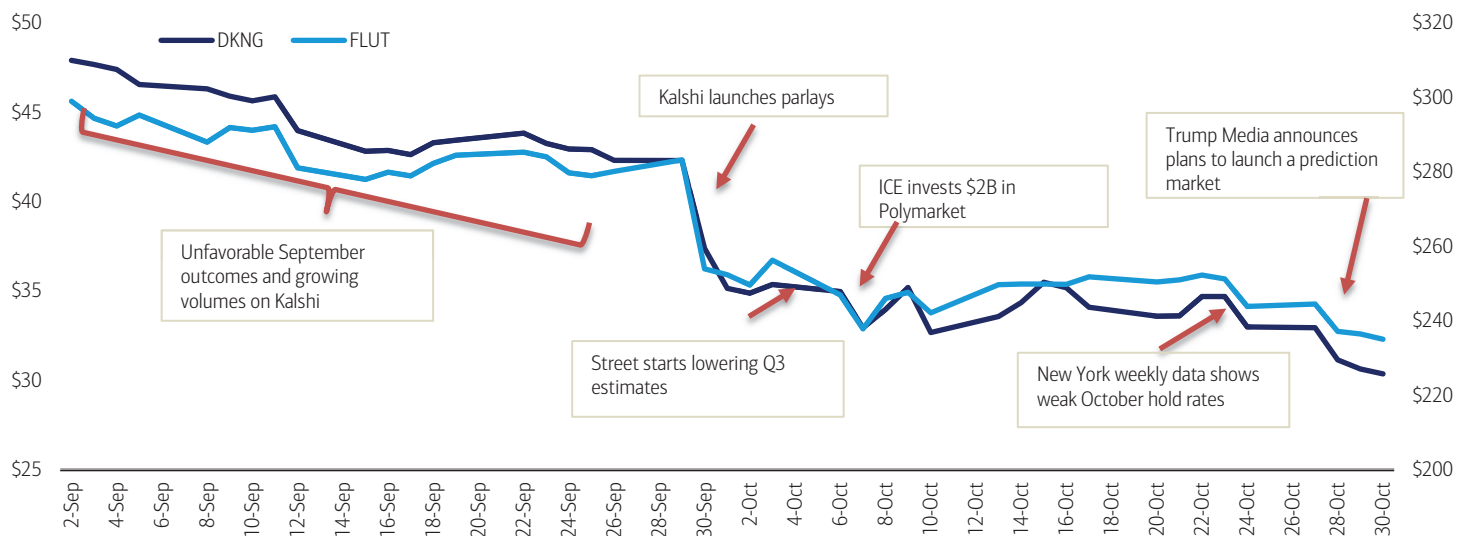
	Low	Mid	High
2024 OSB Handle	\$136,778	\$136,778	\$136,778
Y/Y Growth	10.0%	12.5%	15.0%
2025E OSB Handle	\$150,456	\$153,875	\$157,295
Population without OSB access	45%	45%	45%
TAM expansion from states w/o OSB	\$123,100	\$125,898	\$128,696
18-20 year old TAM expansion	12.75%	12.75%	12.75%
TAM Expansion from 18-20 y/o nation wide	\$34,878	\$35,671	\$36,464
TAM expansion	\$157,979	\$161,569	\$165,159
TAM growth	105.0%	105.0%	105.0%

Source: State gaming control board, BofA Global Research

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Exhibit 4: Recent announcements and stock price impact for DraftKings and Flutter since September 1st

DraftKings (LHS) and Flutter (RHS) stock prices have both been under pressure from significant negative earnings revisions and negative headlines related to prediction markets



Source: Bloomberg, BofA Global Research

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- **4. Further risks: Robinhood, iGaming, States Make It Worse.** Unfortunately but not surprisingly, OSB operator stocks have now started reacting negatively to large prediction market announcements (Exhibit 5). Ahead we see substantially more risk including:
 - **Polymarket's US launch** is currently expected by late November according to press reports. The product is already in trial phase per social media. But the critical concern here is what fee structure they launch with or offer, as they currently do not charge. This could lead to bigger take-rate compression in the US.

- Other risks could include: Another large fundraising for Kalshi, new entrants particularly large scale players from financials and crypto (as PMs were a key subject on CME, ICE and COIN earnings calls), Robinhood earnings and entering the vertical more directly by acquiring a DCM, and perhaps one of the largest concerns – iGaming interfaces based on prediction market contracts that blur the line further between trading and gambling.

Exhibit 5: OSB operator stocks have seen material negative reactions to prediction market headlines since the start of September

OSB stock reactions to recent prediction market headlines

News	Stock Reaction	
	DKNG	FLUT
Kalshi launches parlays	-12%	-10%
ICE invests \$2B in Polymarket at a \$10B valuation	-6%	-4%
Kalshi raises at a \$5B valuation	-7%	-2%
Trump Media announces entrance to PMs	-4%	-2%
Cumulative since 9/1	-34%	-20%

Source: Bloomberg, BofA Global Research

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Exhibit 6: And there could be a number of major risks and developments ahead in this very nascent vertical...

Potential prediction market announcements ahead

Potential announcements or developments
Polymarket launches potentially with reduced fee structure relative to Kalshi
New entrant(s) announce/s launch of prediction markets
Robinhood acquires a DCM to compete more directly in the space
Additional states threaten to revoke OSB licenses if DKNG enters PMs
Kalshi/Polymarket launch an iGaming interface
States raise tax rates if OSB revenue declines
Potential additional fundraising from Kalshi as indicated in press reports

Source: BofA Global Research

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Legal landscape: OSB is between a rock and a hard place

Current legal landscape is complicated; no real resolution likely until mid 2026

The legal landscape for prediction markets remains highly fluid for OSB operators, but near-term resolution appears unlikely. The fastest paths for some clarity are 1) CFTC intervention, 2) state level intervention, 3) some cease/desist requirement while Federal cases are pending, and 4) a Supreme Court ruling on the key federal vs. state rights issue at hand.

- 1. The CFTC has oversight of all event contracts and could conclude sports contracts or some sub-segment of them are “Gaming” or contrary to the popular interest. This appears unlikely in our view given Presidential appointment power, and a pro-crypto, anti-regulation approach towards government involvement
- 2. Massachusetts is challenging Kalshi in State Court which could provide a path for other states to follow if successful. We think the earliest ruling here for appeals is likely not until late Spring/early Summer 2026 (based on an expert call on this topic with Andrew Kim, a partner at Goodwin Law).
- 3. In Nevada, Crypto.com agreed to cease operations in the state pending appeal after a negative ruling, even though that ruling directly conflicted with an earlier ruling in favor of Kalshi. In Maryland, however, even when Kalshi lost its case, it has continued operating pending appeal, and the difference is unclear to us.
- 4. Full Federal resolution and decision will likely require Supreme Court intervention. Given the timing of appeals, writ of certiorari, calendars and arguments, we think Summer 2027 is the earliest there could be a decision, and it could be 2028+ as more legal challenges permeate (based on an expert call on this topic with Andrew Kim, a partner at Goodwin Law).

Exhibit 7: A number of court cases are pending in both Federal and State courts that could impact the future of prediction markets. Several Federal cases (incl. in NV, NJ and MD) all sit at the Appellate Court level already, while the Massachusetts case is expected to stay in the state courts

Key legal cases for prediction markets

State	Entity	Original Action	Current Status	Next Steps	Court Type
New York	Kalshi	Cease-and-desist order issued by NY Gaming Commission	Lawsuit filed by Kalshi against NY Gaming Commission after cease-and-desist order	Awaiting ruling on emergency restraining order and preliminary injunction	Federal
Nevada	Kalshi	Cease-and-desist order issued by NV Gaming Commission	Kalshi received preliminary injunction allowing continued operations	Case ongoing; injunction granted, further hearings expected	Federal

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State	Entity	Original Action	Current Status	Next Steps	Court Type
Nevada	Crypto.com	Cease-and-desist order issued by NV Gaming Commission	Preliminary injunction denied; must suspend sports contracts by Nov. 3	Appeal filed to Ninth Circuit Court of Appeals	Federal
New Jersey	Kalshi	Cease-and-desist order issued by NJ Gaming Commission	Preliminary injunction granted for Kalshi	Under appeal in the Third Circuit; State AGs challenging federal preemption	Federal
Maryland	Kalshi	Cease-and-desist order issued by MD Gaming Commission	Kalshi's preliminary injunction was denied	Under appeal in Fourth Circuit	Federal
Massachusetts	Kalshi	Massachusetts sued Kalshi for unlicensed operation	State filed lawsuit against Kalshi for operating without a license; case will stay in state court	State court has to decide on Massachusetts pending motion for a preliminary injunction	State
Ohio	Kalshi	Cease-and-desist order issued by Ohio regulators	Kalshi filed lawsuit after cease-and-desist order	Case pending; similar federal preemption arguments	Federal

Source: BofA Global Research, State Gaming Control Boards

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State regulators are boxing-in incumbents, which helps disruptors

While Federal and State cases work through the courts, state regulators including NV, IL, OH, MI, and AZ are seemingly boxing-in the incumbent operators, handing an advantage to disruptors and new entrants. We believe this is in response to recent announcements.

- At least 5 states have issued warnings to existing regulated OSB and gaming operators, warning of negative consequences and potential suitability risks if they enter prediction markets (Exhibit 8).
- These warnings extend beyond their home state to other states that have regulated gaming, and in some cases to tribal gaming as well. The warnings also extend to *partners*, which seems to preclude regulator operators from working on B2B relationships with broad national exchanges like
- Language varies, so it's not entirely clear if entering states with existing tribal regulations. If this is excluded, then key states including CA and FL may not be addressable for OSB operators without risking their licenses in some states.
- We believe 5 states in particular have significant leverage given their size and the dual threat of risk to iGaming operations that are highly profitable: NY, NJ, PA, MI, IL.
 - Of these, IL and PA have issued warnings, where IL seemingly rules out the ability to operate PMs in states, while Michigan is less clear. Terminology seems broad across most of these statements and subject to further clarification.

Exhibit 8: Key state warnings to OSB operators re: prediction market entry

5 different state regulatory bodies have explicitly warned existing gaming and OSB operators about entry into prediction markets; while language varies most warn of a combination of both operating in their state or other regulated states or partnering with entities that are offering PMs in regulated states

State	Date	Regulatory Body	Key Regulatory Language
Ohio	8/25/2025	Ohio Casino Control Commission (OCCC)	"Any business relationship between an Ohio sports gaming licensee (including its related entities or those under common ownership) with any entit(ies) offering or facilitating the offering of unlicensed sports gaming in Ohio calls into question the reputation of the licensee and the integrity of sports gaming in Ohio."
Arizona	9/15/2025	Arizona Department of Gaming	"...even if the licensee is not associated directly with the offering or sale of event contracts to persons in Arizona, its relationship with other persons or entities and conduct in other jurisdictions remains at issue... In addition, the Department will consider the conduct of a licensee, or its owners, related entities, principals, agents, or employees, to offer, enable, or sell event contracts in other jurisdictions, or to maintain any relationship with a person or entity that is engaged in that activity"
Michigan	10/3/2025	Michigan Gaming Control Board (MGCB)	"Directly or indirectly operating, offering or facilitating access to sporting event contracts in any jurisdiction other than Michigan in which a regulatory body, law enforcement agency or other governmental authority has expressly objected to or acted in any way to prevent or cease the offering of sporting event contracts in such jurisdiction"
Nevada	10/15/2025	Nevada Gaming Control Board	"Moreover, if a licensee offers Sports and Other Event Contracts in another state without complying with the other state's restrictions, prohibitions, or licensing regime; partners with another entity that engages in such activities; or acts in violation of a compacted tribal right, the licensee may be subject to discipline under the Gaming Control Act," Dreitzer cautioned.

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State	Date	Regulatory Body	Key Regulatory Language
Illinois	10/23/2025	Illinois Gaming Board (IGB)	"If a party engages in or facilitates activity in violation of the gaming laws or rules of another state or tribal government, such conduct may likewise impact that party's suitability for licensure in Illinois. Additionally, suitability for Illinois licensure may be impacted by the extent to which a party is partnering or associating with another party that is engaged in activity in violation of the gaming laws or rules of another state or tribal government."

Source: State Gaming Control Boards

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We note we are not acting in the capacity of a legal adviser, and the information contained herein is not intended to constitute legal advice. The outcome of any legal case, including any potential settlement or injunction, is inherently unpredictable and any discussion of such matters in this report should be read with that understanding.

A difficult math problem for operators

This landscape makes the risk-reward calculus very difficult. Operators have to toe the line, and potentially risk entering these markets and sacrificing. Our scratch math (Exhibit 9 below) is if more than one of the "big 5" states precludes operating in California and Florida (two states with tribal government regulation), then the unit economics of prediction markets could be hard to justify relative to the EBITDA opportunity. Note that this analysis is very high level and assumes both 1) some fee compression relative to existing PMs, and 2) lower market share for new markets predicated on a more competitive landscape and lower initial marketing investments.

Exhibit 9: This chart shows potential unit economics for what a prediction market offering could look like in non-regulated OSB states vs. the potential EBITDA loss of a major state like IL

Illustrative OSB operator unit economics for prediction market expansion

	Low	Med	High	Exchange (Partner)	Exchange (Owned)
OSB Win (\$GGR) / Adult	\$50	\$75	\$100	\$75	\$75
Reduction for Fewer Parlays	-25%	-20%	-15%	-20%	-20%
Total Population (CA, FL, TX + Other)	104.5	104.5	104.5	104.5	104.5
Total TAM (\$GGR)	3,919.9	6,271.9	8,885.2	6,271.9	6,271.9
Win or Hold Rate	6.5%	5.5%	4.5%	5.5%	5.5%
Implied OSB Handle	60,307	114,034	197,448	114,034.4	114,034.4
Exchange Multiplier	2.0x	5.0x	8.0x	5.0x	5.0x
Implied Exchange Volume	120,613	570,172	1,579,588	570,172.0	570,172.0
Fee % of Volume	0.5%	1.0%	1.5%	1.0%	0.5%
Total Fee Revenues	603	5,702	23,694	5,701.7	2,850.9
Assumed Operator Market Share	10%	15%	20%	15%	15%
Fee Revenue per Operator	60.3	855.3	4,738.8	855.3	427.6
Revenue Share (DCM, Partner)	45%	48%	50%	50%	100%
Operator EBITDA Margin	50%	65%	80%	65%	65%
Est. PM EBITDA Potential	13.6	264.1	1,895.5	278.0	278.0
Estimated IL Loss (illustrative)	(73.2)	(73.2)	(73.2)	(73.2)	(73.2)
NPV	(59.6)	190.9	1,822.3	204.8	204.8

Source: State Gaming Control Boards, BofA Global Research

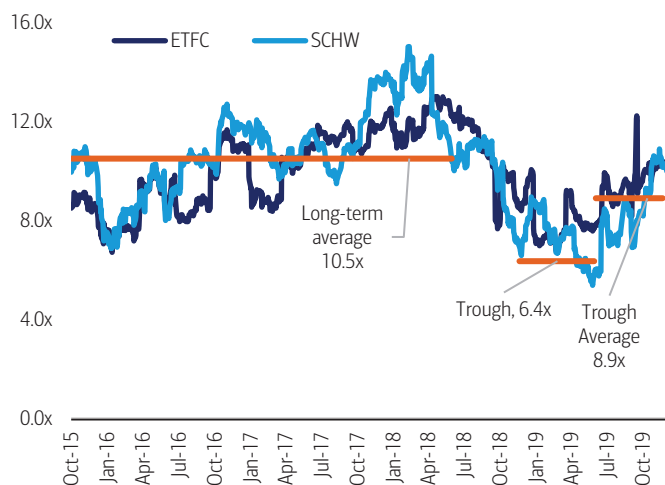
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Historical perspective from brokers on a race to zero fees

Strategically, it seems like a race to the bottom of fees and meaningful increase is possible in coming months, as we note that Polymarket's strategy internationally has zero fees. If we look at a period of significant disruption for broker stocks including both cuts to zero commissions as well as other structural concerns (falling interest rates, falling margins, increased regulatory scrutiny) this ultimately caused a multiple contraction of ~40% from LT average to trough vs. a decline and stocks declined around 43% from peak to trough. Our sector multiples have contracted -26% from peak while our stocks are down around 31%.

Exhibit 10: Multiples contracted by ~40% vs. their long-term average during a period of significant upheaval around both commission cuts and underlying earnings/ margin risks

Broker illustrative Historical forward EV/EBITDA for E-Trade and Charles Schwab (SCHW) during commission cuts 2015-2020

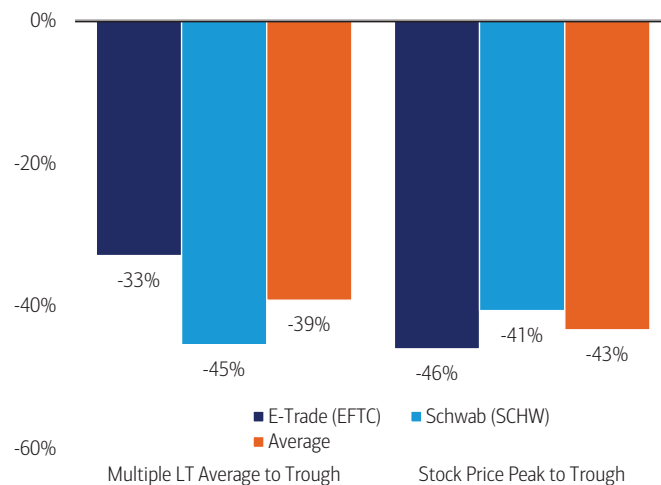


Source: Bloomberg

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Exhibit 11: Multiples contracted by ~40% from LT average to trough, while stock prices contracted about the same; OSB operator multiples are -26% while the stocks are -31%

Broker illustrative multiple and stock price contractions



Source: Bloomberg

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Exhibit 12: Companies mentioned

Companies mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
DKNG	DKNG US	DraftKings, Inc.	US\$ 30.57	C-2-9
FLUT	FLUT US	Flutter	US\$ 231.02	C-2-9
XZMVF	FLTR LN	Flutter	17635p	B-2-9

Source: BofA Global Research

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Price objective basis & risk**DraftKings, Inc. (DKNG)**

Our \$35 price objective (PO) is based on approximately 12x 2027E Adj. EBITDA, in line with other "proven" best-of-breed disruptors.

Upside risks to our PO are higher-than-expected growth, faster-than-anticipated state legalizations (specifically for iGaming) and reduced hold volatility.

Downside risks are lower enthusiasm for growth stocks, slower legalization of sports betting, continued hold volatility, and increased competition, especially from prediction markets.

Flutter Entertainment (FLUT / XZMVF)

Our PO \$250 (£190) is based on approximately 12x 2027E EBITDA, in-line with its long-term average.

Downside risks to our PO: 1) Slower US legislation of sports betting, 2) Changes in the tax legislation framework, which would hurt profit, revenue growth or both, 3) Regulatory changes aiming to curb gambling, 4) Competition stepping up marketing promotions, driving market share losses, 5) potential disruption from prediction markets.

Upside Risks to our PO: 1) faster OSB and iGaming legislation in the US, 2) regulatory clarity around prediction markets, 3) reduced hold volatility.

Analyst Certification

I, Shaun C. Kelley, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

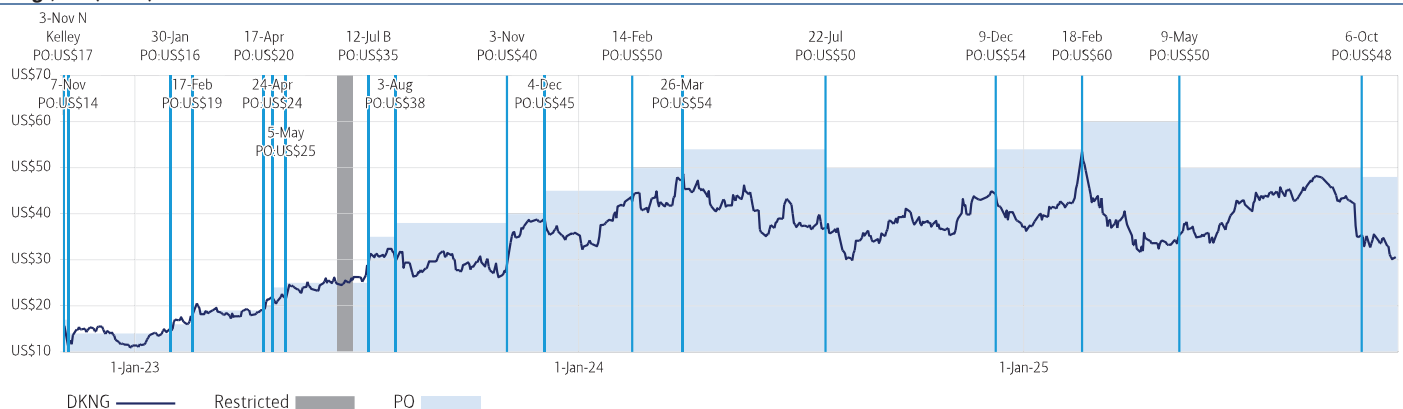
US - Gaming, Lodging and Leisure Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Apple Hospitality REIT Inc.	APLE	APLE US	Dany Asad
	Boyd Gaming Corp	BYD	BYD US	Shaun C. Kelley
	Churchill Downs Incorporated	CHDN	CHDN US	Shaun C. Kelley
	DiamondRock Hospitality	DRH	DRH US	Dany Asad
	Hilton Worldwide	HLT	HLT US	Shaun C. Kelley
	Host Hotels & Resorts Inc.	HST	HST US	Shaun C. Kelley
	Hyatt Hotels	H	H US	Shaun C. Kelley
	Marriott International Inc.	MAR	MAR US	Shaun C. Kelley
	Ryman Hospitality Properties	RHP	RHP US	Shaun C. Kelley
	Sportradar Holding AG	SRAD	SRAD US	Shaun C. Kelley
	Sunstone Hotel Investors	SHO	SHO US	Dany Asad
	Travel + Leisure Co	TNL	TNL US	Dany Asad
	VICI Properties	VICI	VICI US	Shaun C. Kelley
	Wyndham Hotels & Resorts, Inc.	WH	WH US	Dany Asad
	Wynn Resorts Ltd	WYNN	WYNN US	Shaun C. Kelley
NEUTRAL				
	Caesars Entertainment Inc	CZR	CZR US	Shaun C. Kelley
	DraftKings, Inc.	DKNG	DKNG US	Shaun C. Kelley
	Flutter Entertainment	XZMVF	FLTR LN	Shaun C. Kelley
	Flutter Entertainment	FLUT	FLUT US	Shaun C. Kelley
	Hilton Grand Vacations Inc	HGV	HGV US	Dany Asad
	Las Vegas Sands	LVS	LVS US	Shaun C. Kelley
	MGM Resorts International	MGM	MGM US	Shaun C. Kelley
	Penn Entertainment	PENN	PENN US	Shaun C. Kelley
	Red Rock Resorts, Inc.	RRR	RRR US	Shaun C. Kelley
	Summit Hotel Properties	INN	INN US	Dany Asad
	Vail Resorts, Inc	MTN	MTN US	Shaun C. Kelley
UNDERPERFORM				
	Choice Hotels International	CHH	CHH US	Dany Asad
	Gaming & Leisure Properties, Inc.	GLPI	GLPI US	Shaun C. Kelley
	Marriott Vacations Worldwide	VAC	VAC US	Shaun C. Kelley
	Park Hotels & Resorts Inc.	PK	PK US	Dany Asad
	Pebblebrook Hotel Trust	PEB	PEB US	Shaun C. Kelley
	RLJ Lodging Trust	RLJ	RLJ US	Dany Asad

Disclosures

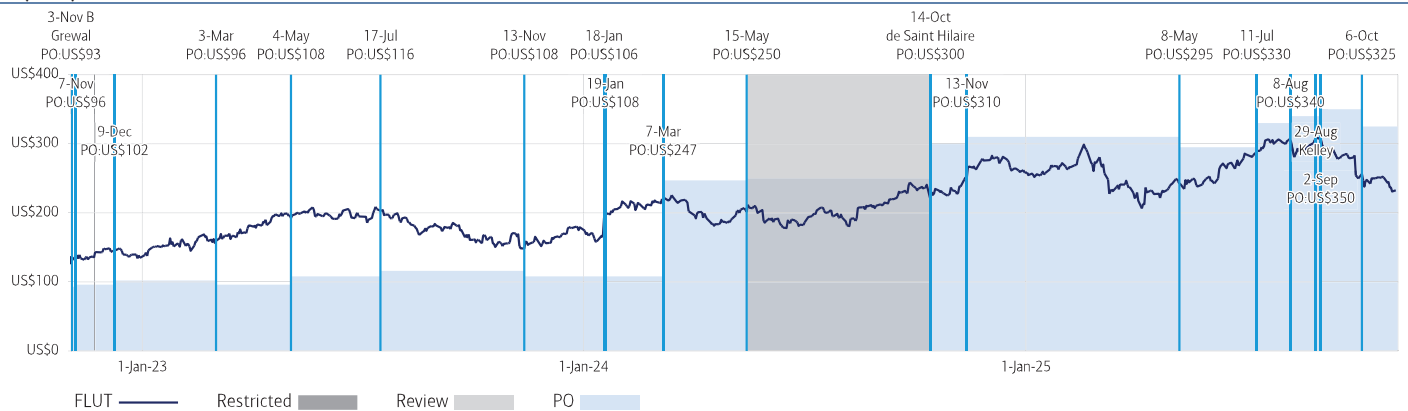
Important Disclosures

DraftKings, Inc. (DKNG) Price Chart



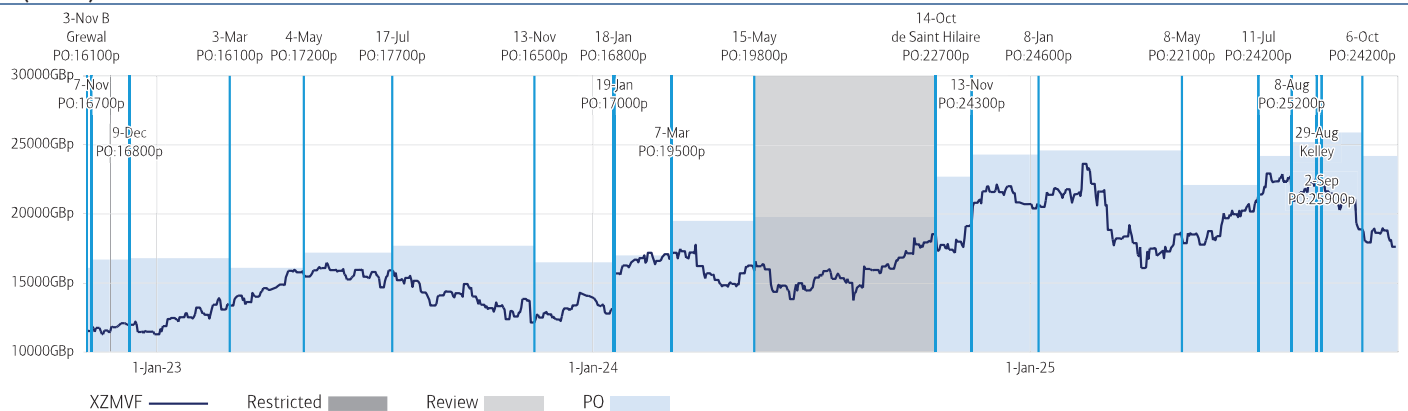
B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Flutter (FLUT) Price Chart

B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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Flutter (XZMVF) Price Chart

B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Equity Investment Rating Distribution: Gaming Group (as of 30 Sep 2025)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	15	40.54%	Buy	13	86.67%
Hold	16	43.24%	Hold	7	43.75%
Sell	6	16.22%	Sell	2	33.33%

Equity Investment Rating Distribution: Global Group (as of 30 Sep 2025)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1816	53.11%	Buy	1062	58.48%
Hold	825	24.13%	Hold	480	58.18%
Sell	778	22.76%	Sell	385	49.49%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2}Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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