FTSE Investor Update

Wednesday 8th March 2023

Regency
RESEARCH

Flutter Entertainment (FLTR)

Flutter's fast growing US business outperforms

Flutter Entertainment (FLTR) released a mixed set of preliminary full-year earnings…

The gambling giant's full-year revenue exceeded analyst estimates by 2.1% driven by strong growth in the US, but earnings per share (EPS) missed analyst estimates significantly.

Group revenue jumped 26% to £10.2bn with average monthly players (AMPs) jumping by an equivalent percentage, while EPS contracted -26% to 454p per share.

Commenting on the rude health of Flutter's US business, Chief Peter Jackson, said:

"We have an unparalleled number one position in the US where we continue to go from strength to strength"…

"Leveraging our number one FanDuel brand we had a record Super Bowl and have acquired over 1.2m customers in 2023 so far".

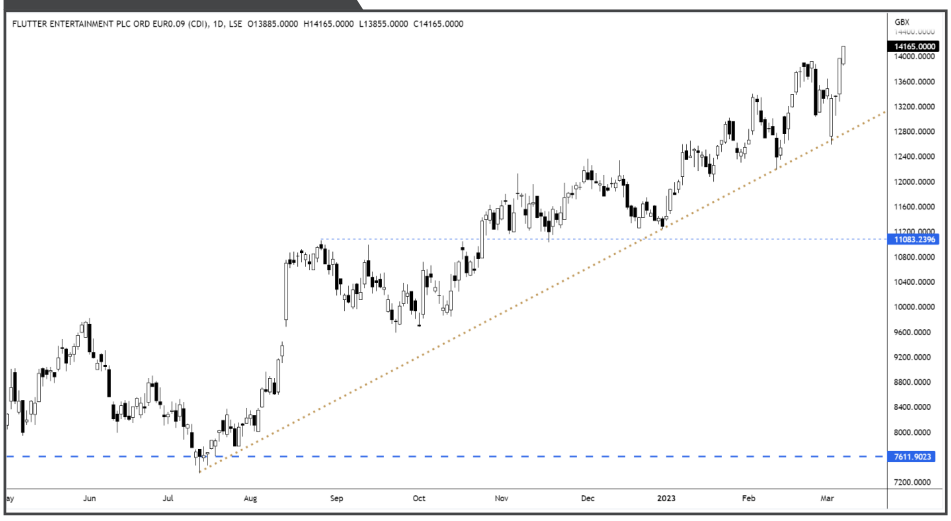
On Flutter's outlook, Mr Jackson said:

"2023 is off to a pleasing start driven by positive momentum from the end of last year. With our combined US business on track to deliver a positive EBITDA for the full year 2023 for the first time, the Group is currently at an earnings' transformation point and we look forward to delivering future growth and progressing further against Flutter's strategic priorities in the coming year."

Flutter expect revenue to grow by 12% per annum on average during the next three years.

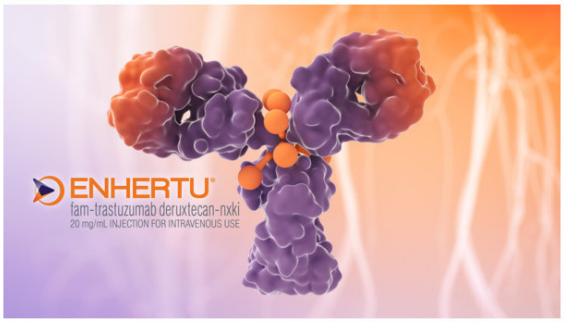
The market's initial reaction to the numbers was negative, but buyers have stepped back in and Flutter's share price has broken to new trend highs this week.

FLTR Daily Candle Chart



AstraZeneca cancer drug Enhertu shows encouraging initial results for other tumours

AstraZeneca (AZN) said on Monday a mid-stage trial of its cancer drug Enhertu showed positive results across multiple HER2-expressing advanced solid tumours in heavily pre-treated patients.



Enhertu has been jointly developed with Japan's Daiichi Sankyo and is currently undergoing the DESTINY-PanTumor02 Phase II trial which is assessing the efficacy and safety of Enhertu in patients with locally advanced or metastatic previously treated solid tumours that are not eligible for curative therapy, including cervical, ovarian, pancreatic, and rare cancers.

Cristian Massacesi, AstraZeneca's Chief Medical Officer and Oncology Chief Development Officer, said in a statement:

"Enhertu has already demonstrated its potential to improve outcomes for patients with HER2-targetable breast, gastric and lung cancers, and these positive initial results in other tumour settings with significant unmet need are very encouraging."

On the price chart, AstraZeneca's share price continues to consolidate through a series of higher swing lows and lower swing highs. We view this as a bullish sign within the context of AstraZeneca's long-term uptrend.

AZN Daily Candle Chart

Vodafone's biggest shareholder UAE's e& ups stake to 14%

United Arab Emirates-based telecoms group e& has increased its stake in **Vodafone (VOD)** to 14%, saying its rationale was unchanged from May 2022 when it bought a 9.8% stake to *"enhance and develop its international portfolio".*

This news follows Liberty Global's decision to buy a near 5% stake in the telecom giant last month, describing it as an opportunistic investment and stating it would not seek a board seat or mount a takeover bid.

Liberty Global CEO, Mike Fries said Vodafone's share price did not reflect the underlying value of the business and its opportunities for consolidation.

These moves from large investors have driven bid speculation and the stock has started to rally since the turn of the year.

We like Vodafone for income and the stock trades on a market-beating forward dividend yield of 7.74%.

And whilst the dividend is non-guaranteed and likely to drop due to recent poor performance, Vodafone's size and diversity of revenue streams continue to make it an attractive long-term income play.

VOD Daily Candle Chart

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