Allwyn

Q226 results

Growth on track, cash flow stepped up

Travel and leisure

1 September 2026

Allwyn's Q226 results showed a good underlying improvement in adjusted EBITDA and a material improvement in cash generation, and management maintained its overall FY26 guidance. The main areas of focus in the short term are likely to be the pace of the recovery in the UK and the near-term trajectory of PrizePicks, where increased marketing dampened profitability in Q226 and management anticipates payback in the coming quarters as new seasons for key sports in North America commence.

Year end	Net revenue (€m)	EBITDA (adj) (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/25	4,112.0	1,584.0	-	-		
12/26e	5,189.0	1,916.0	0.96	1.00	14.1	7.4
12/27e	5,566.0	2,103.0	1.10	1.05	12.3	7.8

Source: Company compiled consensus

Allwyn reported net revenue growth of 27% and adjusted EBITDA growth of 29% in Q226. On an underlying basis, net revenue increased by 5% while adjusted EBITDA growth grew by 9%, slightly below Q126's 11% growth, indicating an increase in the margin to 36.8%. There was an encouraging improvement in free cash generation, helped by better working capital, which can vary between quarters, a significant reduction in capex following completion of the UK's technology investment, higher dividends from equity investments and some one-off effects.

Continental Europe remained resilient, with net revenue up 4%, or 6% before the impact of an increase in Austrian taxes in FY25. Sports Betting and iGaming were particularly strong, increasing by 12% and 24%, respectively, while lottery revenue declined by 5% due to tough comparatives from favourable jackpots.

The UK showed a notable improvement in profitability and cash flow as the technology transformation was completed in Q126. However, gaming revenue remains weak with a constant-currency gross-gaming-revenue decline of 14%, reflecting the strong comparative and impacts from the re-platforming in Q1. A new CEO has been appointed, and management now expects the UK's FY26 net revenue to be below the mid-to-high-single-digit growth initially guided. While it is early days for the recent new game launches, including Powerball, management highlighted cannibalisation of the core games was in line with expectations.

In North America, where net revenue grew by 6% at constant currency, PrizePicks net revenue grew by 3%, partly reflecting favourable operator sports results in Q225. Operational KPIs were strong with combined Daily Fantasy Sports entry fees and prediction market volumes growing by more than 35% y-o-y, prediction market volumes increased by more than 30% q-o-q and the active player base exited Q226 18% higher. Higher tactical marketing spend around the FIFA World Cup and higher variable costs affected profitability.

Betano enjoyed a strong quarter with 26% constant-currency revenue growth and 24% growth in operating EBITDA.

Management reiterated its FY26 guidance for net revenue growth in the mid-to-high 20s, before c €60m of previously identified one-off effects and an adjusted EBITDA margin of 37%. This implies comfort in the performance of the other divisions given the reduced outlook for the UK's growth. Shareholder returns remain supportive with the announcement of a €0.20 per share interim distribution and the company had completed almost 60% of the €150m share buyback by 21 August.

Price	**€13.50**
Market cap	**€10,351m**
Net cash/(debt) at 30 June 2026	€(6,658.0)m
Shares in issue	766.8m
Free float	21.6%
Code	ALWN
Primary exchange	ATHENS
Secondary exchange	N/A

Share price performance

Business description

Allwyn is a leading gaming entertainment company with a broad geographic spread across a number of gaming verticals including lotteries, sports betting, iGaming and daily fantasy sports. The lotteries are primarily under exclusive, long-term licences and concessions, whereas the licences in other gaming verticals are typically non-exclusive.

Analysts

Russell Pointon	+44 (0)20 3077 5700
Chloe Wong	+44 (0)20 3077 5700

consumer@edisongroup.com

Edison profile page

Allwyn is a research client of Edison Investment Research Limited

General disclaimer and copyright

This report has been commissioned by Allwyn and prepared and issued by Edison, in consideration of a fee payable by Allwyn. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or sol icitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom