July 22, 2026

Kambi Group

Q2 2026

Speakers

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Werner Becher
CEO | Kambi

David Kenyon
CFO | Kambi

Prepared Remarks

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Hello, welcome to Kambi's Q2 earnings call. At this time, all participants are in the listen-only mode. After the speaker presentations, there will be time for questions and answers. If you're following us on the teleconference and wish to ask a question, please press star one one. If you're following us through the webcast, you may submit your question through the chat. Please be advised that today's conference is being recorded. The agenda for today. We will start with some highlights from Werner, which will be followed by the financial summary by David. Werner will come back with some operational updates. Following this, there will be time for the Q&A. With that, I would like to hand over the conference to you, Werner. Please go ahead.

Werner Becher
CEO | Kambi

Thanks, Mattias. Good morning, everyone. Q2 and the weeks following have been a fantastic business period for Kambi, as our report shows this morning. While the World Cup went just about as well as we could hoped, our performance prior to the World Cup had also been strong. This morning, we posted a 13% increase in Q2 revenue, with EBITA (acq) doubling year-on-year. With that growth coming despite the payment of credits for operational issues we had in April as discussed. As a result, we are today increasing our EBITA (acq) guidance from 2025, now to EUR 23 million-EUR 27 million. This increase is part due to the World Cup, where we outperformed our high expectations, processing more than 100 million bets, turnover in excess of EUR 1 billion, and an operator trading margin of 18%. That's just only for Turnkey and does not include our Odds Feed+ services.

Werner Becher
CEO | Kambi

In terms of new business, at the start of the quarter, we signed a partnership with a group of Canadian lotteries giving us access to seven more provinces in Canada. Since the quarter end, we added Pure Casino on our Turnkey in newly regulated Alberta, along with RETABET in Spain and Peru for Odds Feed+ service. Of course, I'll talk more about all these shortly. First over to you, David.

David Kenyon
CFO | Kambi

Thank you, Werner. Good morning, everyone. Let me start with the headline numbers for Q2. We delivered EUR 45.9 million of revenue, which is up year-on-year versus EUR 40.5 million last year. Operating expenses were EUR 31.5 million, down from EUR 31.7 million in the prior year quarter. That operating discipline translated into a material increase in profitability. Adjusted EBITA (acq) came in at EUR 7.6 million, up from EUR 3.7 million last year. We continued to grow the top line while keeping a tight grip on cost, the incremental revenue is dropping through and increasing our profit. The extremely strong World Cup results continued into Q3, with the final finishing late on Sunday evening.

David Kenyon
CFO | Kambi

Our outperformance on the whole tournament is the key factor in us today raising our expected full-year adjusted EBITA (acq) from EUR 20 million-EUR 25 million to EUR 23 million-EUR 27 million. Turning now to the operator trading dynamics, this slide is where we are monitoring the underlying level of activity in the network on our Turnkey Sportsbook, the main revenue driver in the business. This Turnover Index gives you a view of overall betting turnover volumes, originally indexed at 100 when we listed. The orange line shows the aggregate operator trading margin across the network. The operator Turnover Index this quarter was 685. As expected, due to the seasonality of the sporting calendar, this was a slight decrease from Q1, where we had the NFL playoffs and March Madness college basketball. This was partially offset in Q2 by the return of the MLB season.

David Kenyon
CFO | Kambi

Furthermore, the turnover in the quarter was also boosted by the World Cup, although the strong margin did serve to limit the turnover. Certain soccer leagues around the world moved or reduced their seasons around this big tournament. Versus Q2 last year, Kindred and LeoVegas migrations from various markets were more than offset by this World Cup impact and the launches of a number of new customers, resulting in a 2% year-on-year turnover increase. The operator trading margin was also much higher this year at 14%, which of course has the effect of suppressing the level of operator turnover. We saw this strong margin in the World Cup at around 17% during Q2, but also in the rest of the offering, with operator-friendly results in the Champions League also worth noting. Let me walk you through the year-on-year change in adjusted EBITA (acq).

David Kenyon
CFO | Kambi

This bridge explains what drove the move from EUR 3.7 million last year to EUR 7.6 million this quarter. At a high level, the biggest driver is the operating leverage, with revenue growth flowing through whilst the cost base stays controlled. The first light blue bar represents the impact of the operator trading margin outside of the World Cup. At 13.4%, this was significantly higher than the 11.5% we saw in Q2 last year. Our launches comprise a number of new operators across Turnkey, Front End, and Odds Feed+ services, including Ontario Lottery and Gaming and PMU. The third light blue column relates to the net impact of major football tournaments. The FIFA World Cup was a huge success for Kambi and its operators.

David Kenyon
CFO | Kambi

In Q2, with over EUR 500 million turnover and around 17% margin, we saw approximately EUR 6 million of revenue. The good results continued into Q3 until the final concluded on Sunday, and at an even higher margin than we saw in Q2, leading to the increase in expected adjusted EBITA (acq) for the full year to EUR 23 million-EUR 27 million. On this slide, we offset the revenues we had last Q2 from the FIFA Club World Cup and the impact on turnover of the high margin and adjusted football calendars to show a EUR 4 million year-on-year increase in profit from these tournaments. The migrations column includes various market transitions in the last year by FDJ UNITED and LeoVegas.

David Kenyon
CFO | Kambi

Whilst the gaming tax and other column includes the year-on-year impact of revised contractual commission rates with certain customers, a greater tax impact in Colombia amongst other jurisdictions, and the low single-digit millions of credits for technical downtime in April that we mentioned when we released the Q1 report. Our cost of sales, which mainly comprise data costs we charge to customers, increased as our revenue and number of new customers grew, and also included the higher costs associated with the World Cup data.

David Kenyon
CFO | Kambi

Our operating expenses were down as we saw the impact from our savings program, with reductions across various cost lines, more than offsetting inflationary pressures. The main FX impact at constant currency was a EUR 0.4 million increase in the value of revenues from Colombia due to the stronger peso. All of these factors together resulted in a 102% increase in adjusted EBITA (acq) to EUR 7.6 million.

David Kenyon
CFO | Kambi

This slide summarizes the quarter's cash movements. I'm looking at three things here really. The cash generation from operating performance, the working capital effects in the period, and then any investing or financing impacts. Operating profit for the quarter was EUR 5.8 million. This includes a net EUR 1.3 million realized on the sale of a dormant subsidiary holding a gaming license we no longer needed. Our working capital position improved as we received an additional EUR 1 million as part of this subsidiary sale to cover a deposit held with a gaming regulator. As we typically see in Q2 each year, the cash outflow in relation to tax was unusually large as we pay our full-year annual corporation tax in Malta during Q2. We also used EUR 3.6 million to carry out share buybacks in the quarter.

David Kenyon
CFO | Kambi

On that note, in June, we announced a share repurchase program to the value of 100 million SEK or EUR 9.2 million, which will run until November this year. This leaves a closing cash balance of EUR 33 million at the end of June. Passing back to Werner.

Werner Becher
CEO | Kambi

Thanks, David. At the start of Q2, we entered into a major partnership in Canada with Atlantic Lottery and British Columbia Lottery to provide our online and retail Turnkey Sportsbook across seven provinces. Coupled with our partnership with Ontario Lottery as well as our recent launch on day one in Alberta, we'll soon be present in nine of the 10 Canadian provinces. In May, we signed with Canadian Bank Note, an operator that provides gaming solutions to lotteries in South America, Central America, and the Caribbean. We are already up and running with them, having launched in five territories over the past few weeks. Q2 also saw us extend with two valued existing customers. First, Desert Diamond, the largest tribal operator in Arizona, and second, BetWarrior, a strategically important partner for us in Latin America and one of the leading operators in Argentina.

Werner Becher
CEO | Kambi

We've also been busy on the commercial side following the close of the quarter. We recently signed with Pure Casino, one of the longest-standing retail casino operators in Alberta, a market which regulated just two weeks ago. We provide Pure Casino with our online and retail sportsbook with the online launch set to take place in the coming weeks. In recent days, we increased our Odds Feed+ partner roster with the signing of RETABET, an operator in the Spanish and Peruvian market. In addition, we expanded our partnership with our tribal partner, 4 Bears in North Dakota, taking also our new player account management system to enable them to launch on reservation mobile. This marks the first commercial agreement for the PAM we acquired last year, and I anticipate more to come in the near future.

Werner Becher
CEO | Kambi

The 2026 FIFA World Cup was without doubt the biggest event in the sports betting industry. As such, we had a great product to match. Our AI trading system enables us and our partners to offer a near limitless offering with an expansion in player props and combinability giving sport fans incredible choice. To illustrate this point, in the World Cup final, in only this one game, we saw more than 1 million unique combinations that were placed. A number almost inconceivable a few years ago and certainly impossible to deliver through manual trading. Our AI trading system priced and traded all 104 games pretty much alive, delivering a product of high quality without the need to increase the number of human traders as we noted other companies had.

Werner Becher
CEO | Kambi

Not only did AI automation result in a vast offering, also one with an improved user experience by reducing live delays, minimizing suspension times, and maximizing bet acceptance. This is seen in the sharp increase in live Bet Builders, which made up 22% of all live bets, up from just 3% in 2022 with the last World Cup, largely enabled by these UX improvements we delivered. With our offering now automated, others still reliant on manual trading will need to scale back down now to a lighter offering with all the domestic leagues, the Premier League, as an example, starting soon again. We will not have this need to scale anything down. The World Cup further demonstrated the changing nature of sports betting, particularly with an expansive Bet Builder.

Werner Becher
CEO | Kambi

This high-quality product means players are increasingly engaged by higher-margin products, meaning financial performance is now less reliant on who wins the match than previously. Pre-World Cup, we also delivered various improvements to our Front End user interface, providing our partners with even greater flexibility while also expanding our range of bonuses and rewards, which, as we'll discuss on the next slide, proved crucial considering the high trading margin achieved throughout the tournament. It should also be noted that despite the incredible volumes we saw, we experienced zero downtime. We had 100% uptime during the tournament. Across the whole tournament, we saw more than 100 million bets, in excess of EUR 1 billion in turnover through our Turnkey Sportsbook with much more real Odds Feed+. Average turnover per match was up around 20% versus the last 2022 World Cup, with the increase even more stark in the later stages.

Werner Becher
CEO | Kambi

Average stake size also increased. Our operator trading margin for the tournament was 18%, with GGR for our partners 3x up what it was in 2022. With Bet Builders playing a leading role, driving 35% of all bets throughout the tournament across pre-match and live. Our Latin American network played a big role in our success, particularly during the earlier rounds where match times weren't friendly for the European audience. Over the course of the tournament, 46% of our turnover came from the South American region. As you can see from our rolling operator trading margin chart, we quickly hit a constant trading margin level driven by our improved product and our global partner network, which contributed to more balanced liabilities.

Werner Becher
CEO | Kambi

Given the context of our 14% Q2 margin, along with a steady increase in margin over the past few quarters, we have shown that by offering an engaging sportsbook, high-quality trading and risk management, we can deliver improved results. This places even greater emphasis on the difference between an average sportsbook and a truly leading one, and we have the latter. We are conscious that a too-high margin can negatively impact turnover, as already David said as well. I mentioned bonuses and rewards. What this higher trading margin we deliver can also provide is greater flexibility for our customers. They can use this additional money we make for them from our high margin to reward their partners and players even more with bonuses and incentives.

Werner Becher
CEO | Kambi

If they wish, they can give back a bit of this high margin to their partners and be more aggressive on bonusing, on incentives, on engagements to take more market share. In general, the World Cup was fantastic for our business, not only because we delivered a strong margin, but also because it underlined the fact we've built a leading product and a highly efficient automated product that performed flawlessly during the busiest sports betting event in the world, positioning us strongly for the future. Here is a slide we presented already last quarter, given our advancements in AI trading, along with the success we had during the World Cup, I wanted to present it again as a reminder of the moat we are building.

Werner Becher
CEO | Kambi

This is all about the data advantage we have and being an AI first mover, driven by our low global liquidity and importantly, what we're now doing with that data through our trading system. We've accelerated the development of this automated system to enable us to transition more sports. Now we have five sports in production where AI is pricing and trading. This is soccer, basketball, tennis, baseball, and ice hockey. For basketball and ice hockey, we are waiting, of course, for the resumption of the NBA and the NHL to trade at full scale, starting in a few weeks. In recent weeks, the Roland-Garros and Wimbledon tennis tournaments were traded by our AI. Effectively, we're trading all tennis now also on AI.

Werner Becher
CEO | Kambi

Looking ahead, we are about to go in for testing also now with American football with the start of the NFL season in September, while we also start to work to transition more sports, table tennis, volleyball, esports, to give you some examples being on our roadmap here. This will mean we will have, soon more than 90% of our turnover channels through our proprietary AI system, in turn delivering a leading quality product for all the key sports to our partners. Of course, this also creates a more attractive sales proposition for prospective new customers, which could expand our network on a data advantage even further. To summarize, Q2 was an exceptionally good quarter for Kambi, with a strong financial performance leading to us increasing our full-year EBITA (acq) guidance to EUR 23 million-EUR 27 million.

Werner Becher
CEO | Kambi

This performance was boosted by a highly successful FIFA World Cup, with improvements to our product, driving increased engagement with high-margin products, and all games traded and managed by our automated AI trading system. The World Cup has underlined the edge we have with our AI trading system, we are accelerating the transition of sports to technology with five sports already complete and more to come over the following months. While there is still work to do, Q2 built on the solid momentum established in Q1. We've turned the corner and returned to growth. Our focus is now on sustaining this positive momentum through the second half of the year and beyond.

Q&A

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Thank you, Werner. As there are no participants on the teleconference, I will move straight into the webcast. I'll read the question, and we'll see. To give some understanding of the revenue and impact from the World Cup, can you briefly give some general color on Kambi's invoicing and cash flow in relation to placed bets? After a bet is placed and finalized, are you sending the invoice instantly, or are there some days delay, meaning bets placed in June can be revenue first in July?

David Kenyon
CFO | Kambi

Okay. Let me take first how we recognize revenue, as that depends on when the bet is settled. If an event happens before the end of 30th of June, it's recognized in June. That revenue is then invoiced to the operators during July and then paid within 30 days, so probably likely during August. In that respect, all of the cash related to that we make from the World Cup will be coming in July and August and September.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay. A question on esports. With reported higher growth and player value in esports, such as eSoccer players generating higher GGR, how important will this vertical be in the overall growth going forward? Also, given the high frequency always on nature of these products, do you view player behavior in these segments as structurally moving closer to an iGaming product?

Werner Becher
CEO | Kambi

Yeah. Esports, particularly eSoccer and eBasketball, we always distinguish internally between these more esports-style things like soccer and basketball and Dota, League of Legends, the classic esports games. Especially eSoccer and eBasketball are really driving our business. Esports is already, when we order the size of this business, our sports number 4, and it's also one with continued growth. We saw also now, let's say, in the halftime breaks during the World Cup, as an example, a lot of engagement and activity on eSoccer, as an example, to bridge these 15, 20 minutes. Yes, esports is an important product, growing for quite a while now, and we expect also more growth going forward.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Thank you. Coming back to you, David. Regarding the EUR 9.4 million standby letter of credit, why does a new operator require the collateral from you, and when is it released?

David Kenyon
CFO | Kambi

It will stay in place for as long as we have the operating contract with that operator. They wanted it as a security over our ability to settle any liabilities during the term of the contract. We never have such liabilities historically, hopefully it's never called upon, it's there as a safeguard, I guess, for them. It'll be released as soon as we no longer work with them.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Thank you. Next question. Cost of sales keeps rising relative to revenue. Is anything other than data supply costs driving it?

David Kenyon
CFO | Kambi

It's virtually all data supply costs. It does look high this quarter, it's a couple of things. One, we had the World Cup. The World Cup is classified as a premium data cost, so it comes at a high cost, which is fully recharged to the operators for that high-quality data to drive the World Cup. Secondly, Odds Feed+. We still get data costs which are passed to operators. On Odds Feed+, the revenue base is much smaller, as Odds Feed+ grows as a bigger part of our business, proportionally data costs will get a little bit higher. I must stress, all data costs are recharged, they all net zero on the bottom line.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay, thanks. Next, I guess for you as well, David. What are your plans for capital allocation with the build-up of the cash position? Any discussions on introducing a dividend?

David Kenyon
CFO | Kambi

For now, we've been very clear, the board has been very clear about that we'll use it predominantly for share buybacks. For the foreseeable future, that remains the policy and yeah, that's all I have to say at the moment. There's a clear policy available on the website.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay. Thanks. With the growing product mix of higher margin products, have you started to consider raising the long-term sportsbook margin guidance?

David Kenyon
CFO | Kambi

It's on our mind because we've seen such extraordinary margins, particularly in the last quarter, and it's been relatively high over the last in recent times. Looking back the last eight quarters, I think it averages around 11%. We don't want to be reactionary and change our guidance every time there's a certain quarter with a certain margin. We will look at it again, probably most likely, I'd suggest at the Q4 report when we set out next year's numbers.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Yep. Thank you. Next question on prediction markets. There were news out in the U.S. the other day that prediction markets took an estimated near 30% of U.S. sports betting volume during the World Cup. What do you make of this in future perspective? How is Kambi facing this angle of rising competition for customers?

Werner Becher
CEO | Kambi

30% of the U.S. population is living in Texas and California, where sports betting is not regulated yet. I think you have your answer where they made their 30%.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay. What do you think about the future development in this regard?

Werner Becher
CEO | Kambi

Yeah. I think we're all looking forward to get some final court decisions in the U.S. Expectation is that we will have this clarity, hopefully next year, eventually, already early next year. As I said before, we are in a wait and see position. I would say even more than that. We, of course, in the background, evaluating options, partnerships, developing it in-house, on our own as well. We are prepared for this being eventually legal in the future in the U.S. As it stands now, being licensed in 70+ jurisdictions, we can't start acting on prediction markets. If this product is considered to be fully legal and licensed, particularly in the U.S., we'll be able to serve our partners.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay, thanks. Then a few questions in one, I'll read them one by one. Firstly, all else equal, would the guidance range for 2026 adjusted EBITA be different had it not been for the April issues?

David Kenyon
CFO | Kambi

All things being equal, yes, it would've been higher.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Yeah.

David Kenyon
CFO | Kambi

It was low single digit EUR million straight to our bottom line. Yeah, we wanted to be very open, but it was a very strong quarter. It was able to absorb those numbers. Yeah, it would've been higher by that much.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Yep. Thanks. Could you please provide us with an update on the regulatory process in Wisconsin?

Werner Becher
CEO | Kambi

There are no major updates. I think talks between mainly the tribes and the government are ongoing. We expect results eventually later in autumn, early winter this year. There is a chance that we can go live beginning next year or so, in Wisconsin, which would be great for us with our existing relationships we have. So far, no results of these talks have been communicated.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Thanks. The last one of these three header. You mentioned that the high operator trading margin could enable your customers to increasingly reward punters with higher bonuses, for example. How have operators behaved historically with respect to bonus increases when they have earned high operator trading margins in connection with large events?

Werner Becher
CEO | Kambi

Yeah. That's something we discussed, of course, a lot in the last few quarters already with our existing partners that with the operator margin going up and up and up again, of course, they make more money now, right? Is this still healthy or not, this high margin? This is the big question in the room, I think, and they have now several options, right? One is to decrease the haul they take, so to increase the payout rate, to have more attractive odds. That's one way. Many of our existing customers already started the other way, and the way is to spend even more money on bonuses.

Werner Becher
CEO | Kambi

To keep the payout rates where they are, to have very competitive leading odds, not to go more aggressive on odds, but to use the additional money, probably partly taking their own pocket, of course, but to use partly this additional money to be even more aggressive with bonuses, with free bets, et cetera, to keep their customers engaged, which will drive, of course, additional revenue and keep engagement and recurring revenues high.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay. Thanks. Next question. Why are you not trying to adjust the Front End interface to be even more appealing for new players' entrants in the market that are now captured by prediction markets?

Werner Becher
CEO | Kambi

Yeah. We did a big update prior to the FIFA World Cup for our Front End. What are we doing on the Front End is being a B2B supplier, always driven by our customers, by our partners. They engage directly with their sport fans. We of course, have a lot of data we can work with on AI about user behavior, et cetera. When it comes to the Front End, our partners have a big say. They want to be flexible, they want to be unique with their Front Ends. We have a lot of great ideas, and now particularly with AI, there are so many more options in personalization, hyper-personalization, better recommendations, whatever. I think the user interface will change going forward. The old grid, the long lists of bets and bet offers, probably something from the past, looking to ChatGPT and simple prompts.

Werner Becher
CEO | Kambi

I expect us to see soon some new Front End interfaces. I'm in this industry for a while. I've heard a lot of talks about in the U.S., user interfaces will look very different when the U.S. will launch. Nothing happened so far. We've seen some startups not being very successful with the new style of user interfaces. Leveraging the AI capabilities, to be honest. I think we will see some change soon, and we as Kambi, we are ready with our AI trading system and platform to deliver completely new disrupted interfaces if there is a demand and if this is really driving more revenue.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay, thanks. Sorry. According to your own definition of adjusted EBITA. Sorry, the questions are jumping around here. Could you elaborate near-term expectation now that the operator trading volume was so high in Q2, will that indirectly mean muted player funds and turnover in Q3, or how do you reason about this?

David Kenyon
CFO | Kambi

I think yes is the short answer. It's why not all of the extra revenue we see from the World Cup necessarily feeds through into our full-year outlook. This is an unprecedented tournament in terms of the financial results, the turnover, the margin, the geographical location of where we were making the money. It's really hard to predict the full knock-on effects of that very high margin. As we've always said, turnover is negatively correlated with high margins. It will have an effect on the short term until the margins return back to a more normal level. We do expect that to happen, that the turnover levels come back up, but short term, whether it's two months, three months, I think there will be a short-term effect that is factored in then to the outlook we've given.

Werner Becher
CEO | Kambi

I'd like to add something here. How much this high margin and great profitability for the betting operators will impact activity, turnover, margin in the next few months is something to see. Clearly, a World Cup like this is a one-off. Historically, looking back to the last years, for the operators and also us as a B2B provider, the World Cup was always most importantly about acquisition of new customers. We saw 24% of the bets placed on this tournament from completely new customers acquired by our partners. This is what you always see in the quarters coming, high activity, more active customers having been acquired during this World Cup. This is also the other effect. Will there be high activity? Are there more engaged punters now placing bets?

Werner Becher
CEO | Kambi

Of course, we had a high margin, so we'll need to see how this balances out.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay, thanks. Given the growing market demand for sophisticated product, combined with a stricter focus on profitability and free cash flow, are you seeing a shift in the pipeline where more Tier 1 and Tier 2 operators are looking to return to outsourced solutions?

Werner Becher
CEO | Kambi

The short answer is yes. Not only because we have a great product. I think in general that many, even of the biggest Tier 0, Tier 1 operators, they moved away from pricing, trading all 60, 70 sports in-house. That's our attack angle also for Odds Feed+, right? 30% of the global betting turnover are outsourced to B2B suppliers like us. 70% of betting turnover still happens in in-house sportsbooks. That's where we think with our new Odds Feed+ product, we have a premium leading Odds Feed product better than what anyone can offer out there. That's actually what we want to achieve with the Odds Feed+ product, to offer our AI-traded odds with much higher user experience to the big Tier 0, Tier 1 operators.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay, thanks. Could you provide an update on Nevada and Wisconsin? I guess Wisconsin we already touched upon, but Nevada, what's going on?

Werner Becher
CEO | Kambi

Yeah. We can't, but eventually we'll see some updates soon about it.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Thanks. What are you planning on doing with the shares you buy back?

David Kenyon
CFO | Kambi

Two things really. One, the majority will be canceled to reduce the number of shares in issue. A small number will be held aside to satisfy share options that may be exercised in the future. Yeah, largely canceled.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Thanks. According to your own definition of adjusted EBITA, you exclude items affecting comparability. You did not adjust for the penalty this quarter. Could you explain the reasoning behind this?

David Kenyon
CFO | Kambi

Yeah. In one way, we didn't think you should look at that as completely exceptional. Of course, it hasn't happened to that extent to us very often. It's part of the business. Things can go wrong. Just because it doesn't happen very often to us doesn't mean we wanted to exclude it to inflate our profits. This is a risk we manage every day. Unfortunately, we had one incident that hurt us, but we didn't want to put that to one side.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Thanks. How did your modules, particularly Odds Feed+, perform during the quarter?

Werner Becher
CEO | Kambi

Yeah, they performed very well. I mentioned the EUR 1 billion turnover we had on turnkey only. We had some material turnover also on Odds Feed+. It's not a small revenue with customers like Hard Rock, LeoVegas, Rei do Pitaco taking Odds Feed+ from us for the World Cup. It's growing. It's faster growing than our turnkey. We've a lot of hope for this product and also for the World Cup. Although we don't see the bets coming back and we don't know exactly the settlement of these bets because it's an Odds Feed service. We saw big volumes

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Thank you. The number of employees declined during the first half of the year. Should we expect headcount to continue declining in the second half?

David Kenyon
CFO | Kambi

Yeah, that's clearly the trend, and Werner's talked about the rollout of AI and that we're at the start of that journey in terms of what it means for our headcount, ultimately. Yeah, that has come down under 1,000 now, and I think we'll see that journey likely continue.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay. I think this one is for you, David. Can you confirm that your Q2 adjusted EBITA (acq) was around EUR 10 million compared with EUR 3.8 million in the last quarter if adjusted also for the credits technical downtime in the quarter?

David Kenyon
CFO | Kambi

Yeah, that's broadly correct. Yeah.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Yeah. On your World Cup performance, fully traded by AI, how much do you expect that the transition to AI trading impacted the higher operator trading margin in the quarter?

Werner Becher
CEO | Kambi

That's a tough question because we started already four years ago to build this product and to gradually roll it out. We are seeing the improvements from this product now for many quarters. I can't answer this exactly, not having a benchmark to compare it exactly with. The best thing I think you can look at it is simply looking and watching also the earnings calls of the betting operators going out, and if they also achieved an 18% margin on the tournament and a 14% margin during Q2.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay. Thank you. More on the same topic. Could you please provide more color on your World Cup margins? How much was the variation in margins by geography?

Werner Becher
CEO | Kambi

Not so much. In the early phases of the tournament, with not so friendly starting times for the European audience, we saw a lot more bets, of course, from South America and North America. This changed now in the final knockout phase, where we saw a lot of times in Europe. There is not a big difference. There are some more challenging markets like Brazil, where the number of what we call wise guys is a bit higher than in Europe or North America. Also when it comes to fraud betting and things like that, country per country is a little bit different. Depends also on the regulation, of course. If you're allowed to limit or block fraud punters or not, which in some jurisdictions is not even possible. Overall, margin wasn't very different.

Werner Becher
CEO | Kambi

Stake size, of course, is different South America to North America as an example, the average stake size. The margin is not so different comparing the regions to each other.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay. Could you please help us to understand the materiality of new contract wins and the shape of the deal pipeline?

Werner Becher
CEO | Kambi

Yeah. I think we normally do not comment on the details of our pipeline. The only thing I can say about our sales pipeline is that it's looking as good as also in the last few quarters, not worse, probably even a little bit better, but that's probably only my gut feeling. Looking to the numbers and the CRM system, I'm quite optimistic about what's coming, also even near term eventually. This is all good.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Thanks. How is Kindred and LeoVegas migrations proceeding? Any news on that end?

Werner Becher
CEO | Kambi

No news in the last few quarters, I think, and I need to ask you to go back to ask them about their plans going forward. We can't comment on the plans for the next quarters for Kindred and LeoVegas as long as they haven't disclosed them.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Okay. H1 adjusted EBITA is already EUR 13.3 million or roughly 50% of the low end of the new full year guidance. What are you seeing in the second half that keeps the raise conservative? Is there a specific migration acceleration or cost item we should be aware of?

David Kenyon
CFO | Kambi

I'd particularly call out the margin. Obviously, the margin has been high in H1, right now we're still sticking at 11% for the rest of the year as we stand here today. That's the single biggest kind of discrepancy, H1 to H2. There will be some migrations we expect. With LeoVegas just talked about they did migrate Sweden in April, we'll get a full half of that effect. There are some other smaller things, that margin really is the one to look out for.

Werner Becher
CEO | Kambi

Yeah. I think we're expecting a little bit of quieter Q3 now, although, I know domestic soccer leagues, also NBA, NFL coming back later more September. August, September. Q4 probably will be as always the strongest quarter.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Thanks.

Werner Becher
CEO | Kambi

Q3 more silent.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Yep. Last question. How has the OLG launch developed versus the expectations?

Werner Becher
CEO | Kambi

No big surprise. We are super happy with Ontario Lottery as new customers. Of course, now also with their big retail presence in Ontario. We saw a lot of casual punters now placing bets during the World Cup. Interestingly, in the U.S., we couldn't see a big hype because of the World Cup. In Canada, the interest was higher. Latin America was clearly crazy, driving a lot of revenue and business for us in the World Cup. Ontario Lottery, I would say, is performing absolutely as expected. A very good partner to work with.

Mattias Frithiof
SVP of Investor Relations and Sustainability | Kambi

Thank you. That concludes the presentation. Thank you, everyone, for listening in, and we're looking forward to see you again in November.