

RATING ACTION COMMENTARY

Fitch Affirms Bally's Intralot's IDR at 'B+'; Places Senior Secured Debt on Rating Watch Negative

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Fitch Ratings - Frankfurt am Main - 10 Jun 2026: Fitch Ratings has affirmed Bally's Intralot S.A.'s Long-Term Issuer Default Rating (IDR) at 'B+'. The Outlook is Negative. Fitch has placed Intralot Capital Luxembourg S.A.'s senior secured debt rating of 'BB' with a Recovery Rating of 'RR2' on Rating Watch Negative, following the planned increase in debt to finance the announced takeover offer of evoke plc (B/Rating Watch Positive).

The affirmation reflects Fitch's view of Intralot's robust business profile pro forma the evoke acquisition and the consolidation of Bally International Interactive (BII), a subsidiary of Bally's Corporation (B-/Negative). The 'B+' IDR reflects the 'b+' Standalone Credit Profile (SCP) and the application of our Parent and Subsidiary Linkage (PSL) Rating Criteria with a 'consolidated plus two' outcome.

The Negative Outlook is driven by Intralot's material exposure to increased taxation in the UK, which will increase following the evoke acquisition. This will result in lower EBITDA expectations for 2026-2027, with leverage outside our sensitivities over the next two years.

KEY RATING DRIVERS

Acquisition Offer Announced by Bally's Intralot: Bally's Intralot announced a firm acquisition offer for 100% of evoke's share capital on 5 June, assuming payment with shares and up to GBP117 million with cash for a total equity consideration of approximately GBP243 million. The offer was supported by evoke's largest individual shareholders but is subject to majority shareholder and regulatory approvals, and we expect it to close in late 2026 or early 2027. Bally's Intralot has secured an up to EUR200 million bridge facility and GBP157 million term loan to finance the acquisition and pay the transaction costs.

Stronger Combined Business Profile: The business combination will create a larger player, but with even greater exposure to the heavily regulated UK market. There are potential synergies typical for this type of acquisition that include economies of scale, central cost and IT optimisations and capex synergies, which the company plans to realise within 12 months of the transaction. Some business profile weaknesses will remain as Bally's Intralot's concentration in the UK is also high and will increase with this transaction, so the combined entity will still be highly exposed to fiscal changes in the UK.

Material Exposure to Increased Taxation: A sharp increase in remote gambling duty in the UK will materially affect the combined entity's EBITDAR. Bally's Intralot announced material mitigation measures, including reduction of generosity, opex and marketing spending, coupled with synergies from the business combination. We expect Bally's Intralot, pro forma the new acquisition, to exhaust its leverage headroom and exceed our negative gross leverage sensitivity of 5.5x in 2026 and 2027, reducing towards this negative sensitivity only in 2028. Should the impact be more material or the mitigating measures be less effective than anticipated, we could downgrade the rating.

UK iGaming Main Market: Bally's Intralot generates a high share of revenue in the UK, with 73% from sports betting and iGaming, and exposure to the UK will be even higher after the evoke acquisition. The combined entity is materially exposed to the UK online gaming market, the largest in Europe, but also one of the most heavily regulated. From April 2026, the company is exposed to 40% remote tax duty, which will materially affect the EBITDAR generation of the combined entity before accounting for the mitigating measures.

Deleveraging Delayed: We expect the combined entity's leverage to increase to 6.0x in 2026 and 2027 pro forma evoke's acquisition from 4.7x expected for 2026 before this acquisition. The negative impact is driven by the meaningful increase in taxation in the UK. Deleveraging to below 5.5x will be protracted due to the taxation change, but we expect it to be driven by consolidated EBITDA margin expansion, due to the integration of BII and evoke's businesses, combined with realisation of identified synergies.

Stronger Subsidiary Under PSL Criteria: Bally's Intralot's SCP after the acquisition at 'b+' is stronger than its parent's 'B-/Negative consolidated credit profile. We assess Bally's access to and control of Bally's Intralot's cash flow as 'porous', due to material minorities and separate public listing, which is mildly compensated for by the company's separate cash management and funding policies. We assess legal ringfencing from the parent as 'porous', given self-imposed limitations on dividends and intercompany flows, combined with the dividend payment. This results in Bally's Intralot's 'consolidated plus two notches' IDR of 'B+'.

Lower FCF for Combined Group: The combined entity will be cash generative, but with higher capex in 2026-2028. Coupled with extraordinary costs in these years free cash flow (FCF) will be around breakeven, before it improves towards mid-single-digits by 2029. We include dividend distributions of at least 35% of net income for Bally's Intralot till 2029.

PEER ANALYSIS

Bally's Intralot is a close peer of evoke plc, with similar revenue concentration in the UK market and exposure to the online segment, making both entities similarly exposed to regulation. Intralot's BII segment has better profitability than evoke's UK online and retail segment and evoke had higher EBITDAR leverage above 5.6x in 2025 and is projected to maintain that indebtedness until end-2027.

Another close peer of Bally's Intralot is Allwyn AG (BB/Stable), an internationally diversified B2B and B2C provider with a complex group structure, but materially larger. Meuse Bidco SA (B+/Stable) has less geographical diversification, with concentration in the mature European market - Belgium in particular - and concentration in iGaming. Its strong profitability and low leverage support its rating.

FITCH'S KEY RATING-CASE ASSUMPTIONS

- Average low-single-digit annual revenue growth in 2026-2029 for the combined entity
- Profitability between 22% and 23% pro forma evoke's consolidation
- Nine-month impact of higher taxation in 2026 with 25% mitigation measures; full-year impact of higher tax in 2027 with EUR40 million mitigation measures
- Dividends paid to minority shareholders increasing towards EUR12 million in 2029 from EUR5 million in 2025
- High capex intensity in 2026-2028 before moderating from 2029
- Dividend distribution of EUR30 million in 2026, then at least 35% of net income of the combined entity
- Share buybacks capped at 3% of the capital in 2026-2027

CORPORATE RATING TOOL INPUTS AND SCORES

Fitch scored the issuer as follows, using our Corporate Rating Tool (CRT) to produce the Standalone Credit Profile (SCP):

Business and financial profile factors (assessment, relative importance): management ('b+', Higher), sector characteristics ('b+', Moderate), market and competitive positioning ('b+', Higher), diversification and asset quality ('bb', Lower), company operational characteristics ('b+', Moderate), profitability ('bb-', Moderate), financial structure ('b', Moderate), and financial flexibility ('b+', Moderate).

The quantitative financial subfactors are based on custom CRT financial period parameters: 10% weight for the forecast year 2026, 30% for the forecast year 2027, 30% for the forecast year 2028 and 30% for the forecast year 2029.

B+ to CC considerations apply in our analysis and has no impact.

The governance assessment of 'good' has no impact.

The operating environment assessment of 'a+' has no impact.

The SCP is 'b+'.

To derive the Long-Term IDR:

Application of Fitch's Parent Subsidiary Linkage Rating Criteria results in a consolidated profile+2 approach.

RECOVERY ANALYSIS

The recovery analysis assumes that Intralot would be considered a going concern (GC) in bankruptcy and that it would be reorganised rather than liquidated.

We have assumed a 10% administrative claim. We applied a distressed enterprise value/EBITDA multiple of 5.0x to Bally's Intralot's current operations. The GC EBITDA of the combined Intralot of EUR285 million reflects our view of a sustainable, post-reorganisation EBITDA level, on which we base the valuation of the combined group.

After deducting 10% for administrative claims, our principal waterfall analysis would generate a senior secured recovery in the 'RR2' band, leading to a two-notch uplift of the senior secured debt from the IDR to 'BB'. We have placed the instrument rating on Rating Watch Negative due to an announced increase in senior secured debt comprising an up to EUR200 million bridge facility and GBP157 million term loan to finance the transaction, which on completion would result in a downgrade of the senior secured instrument rating.

The senior secured debt consists of EUR900 million bonds, EUR460 million-equivalent (GBP400 million) senior secured term loan B and EUR200 million Greek bank debt, all ranking pari passu. Its EUR160 million super senior revolving credit facility (RCF) ranks ahead of the senior secured debt. We apply a blended cap, based on the combined country exposure (2025: pro forma revenue and EBITDA contribution by country).

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Weakening in Bally's consolidated group profile
- Change in Bally's policy towards Bally's Intralot, leading to potential material cash leakage from the subsidiary -Revision of PSL legal ring-fencing or access and control assessments to "open", leading us to reduce the uplift from Bally's to one notch or considering Bally's Intralot's credit profile on a consolidated basis, in line with the parent
- Weakening of Intralot's SCP

The following developments could lead to a downward revision of Bally's Intralot's SCP:

- Adverse regulatory changes leading to material deterioration in revenue or operating profits
- FCF margin reducing to neutral as a result of operating underperformance, considerable increases in capex or large amounts of cash being distributed to shareholders
- EBITDAR leverage above 5.5x
- EBITDAR fixed-charge coverage below 2.0x.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Strengthening of the SCP, combined with the two factors below
- Improvement in Bally's consolidated credit profile and
- Revision of PSL assessment, leading us to assess Intralot's credit profile on a standalone basis

The following developments could lead to an upward revision of Bally's Intralot's SCP:

- Continued growth and geographic expansion into new regulated markets

- FCF margin at mid-single digits through the investment cycle

-EBITDAR leverage consistently below 4.5x

-EBITDAR fixed-charge coverage maintained above 2.5x

LIQUIDITY AND DEBT STRUCTURE

The current capital structure comprises EUR600 million fixed-rate and EUR300 million floating-rate senior secured notes and EUR460 million of pound sterling term loans (GBP400 million) maturing in 2031. The company also has EUR200 million of senior secured Greek debt amortising and maturing in 2029 and a EUR130 million unsecured Greek retail bond maturing in 2029. It has access to a EUR160 million super senior RCF due six months before the maturity of the senior debt. To finance the transaction, the company will issue an additional up to EUR200 million bridge facility and GBP157 million term loan.

We expect cash flow generation to be around neutral until 2028, when it improves towards mid-single digits on lower capex requirements. The company has announced a share buyback programme, with up to 10% of the capital to be bought back by end 2027, with a reduction in this target to 3% recently announced. Bally's Intralot continues to have a comfortable liquidity profile.

ISSUER PROFILE

Bally's Intralot is a supplier of integrated gaming systems and services. BII is an international interactive segment of Bally's Corporation, active in iGaming, with the UK its main market.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

[Click here](#) to access Fitch's latest quarterly Global Corporates Sector Forecasts Monitor data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector

key performance indicators and sector-level forecasts are among the data items included.

CLIMATE VULNERABILITY SIGNALS

The results of our Climate.VS screener did not indicate an elevated risk for Bally's Intralot.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

RATING ACTIONS

ENTITY / DEBT ⇅	RATING TYPE ⇅	RATING ⇅	RATING ACTION ⇅	RECOVERY ⇅	PRIOR ⇅
Bally's Intralot S.A.	LT IDR	B+ Rating Outlook Negative	Affirmed		B+ Rating Outlook Negative
Intralot Capital Luxembourg S.A.					
senior secured	LT	BB Rating Watch Negative	Rating Watch On	RR2	BB

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

[Corporates Recovery Ratings and Instrument Ratings Criteria \(pub. 03 Aug 2024\)](#)
(including rating assumption sensitivity)

[Parent and Subsidiary Linkage Rating Criteria \(pub. 27 Jun 2025\)](#)

[Corporate Rating Criteria \(pub. 10 Jan 2026\)](#) (including rating assumption sensitivity)

[Sector Navigators – Addendum to the Corporate Rating Criteria \(pub. 10 Jan 2026\)](#)

[Country-Specific Treatment of Recovery Ratings Criteria \(pub. 21 Feb 2026\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.2.0 (1)

ADDITIONAL DISCLOSURES

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Bally's Intralot S.A.

EU Issued, UK Endorsed

Intralot Capital Luxembourg S.A.

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