MOODY'S
RATINGS

Rating Action: Moody's Ratings upgrades Intralot's ratings to B2 with a stable outlook

15 Oct 2025

Paris, October 15, 2025 -- Moody's Ratings (Moody's) has today upgraded Intralot S.A.'s (Intralot or the company) corporate family rating (CFR) to B2 from Caa1 and its probability of default rating (PDR) to B2-PD from Caa1-PD. Concurrently, we have upgraded to B2 from B3 the instrument ratings of the €600 million backed senior secured notes due 2031 and the €300 million backed floating senior secured notes due 2031 (together, the new senior secured notes) both issued by Intralot Capital Luxembourg S.A., an indirect subsidiary of Intralot. The outlook on both entities is stable, previously the ratings were on review for upgrade. This concludes the review for upgrade initiated on 7 July 2025.

On 10 October 2025, Intralot announced[1] the successful completion of its acquisition of Bally's International Interactive business (BII) from Bally's Corporation (Bally's, B2, ratings under review) for an enterprise value of €2.7 billion. The acquisition was funded through a mix of cash and shares considerations amounting to €1.530 billion and €1.136 billion, respectively. Following the completion of the transaction, Bally's becomes the majority shareholder of Intralot and the latter is expected to remain listed on the Athens stock exchange.

On 8 October 2025, Intralot announced[2] that it had successfully executed the share capital increase. This equity raise resulted in gross proceeds of around €429 million.

On 8 October and 10 October 2025, Intralot announced[3] respectively the repayment in full of its company's €90 million syndicated bond loan that was due in January 2026 and of the $184 million US term loan that was due in July 2026 (outstanding amounts as of the end of June 2025).

RATINGS RATIONALE

The upgrade of Intralot's CFR and instrument ratings to B2 reflects the group's improved business profile and strengthened liquidity following the completion of the BII acquisition. Short-term refinancing risk has been addressed following the repayment in full of the company's syndicated bond loan and US term loan that were both due in 2026.

Pro forma for the transaction, Intralot's credit profile benefits from a significant increase in scale and the contribution from BII's established position in the UK online gaming market. The company also benefits from broader products and services diversification across the gaming sector with presence across business-to-consumer (B2C) and business-to-business (B2B) segments. Furthermore, we anticipate that the acquisition will be accretive to margins and to free cash flow generation, enhancing the deleveraging capacity of the company.

At the same time, there is some geographical concentration in the UK, which accounts for approximately 60% of the group's pro forma revenue. The merger with BII also introduces integration risk. In addition, Intralot will continue to be exposed to contract renewal risk, because of the significance of certain key contracts, as well as regulatory and fiscal risks inherent to the gaming industry.

Following the completion of the BII acquisition, we expect Intralot's Moody's-adjusted gross leverage to be around 4.3x on a pro forma basis for the year 2025. We forecast solid revenue growth from 2026 onwards supported by growth in both B2C and B2B activities. We expect the group's resulting EBITDA growth to support a gradual reduction in leverage to below 4.0x on a Moody's-adjusted gross leverage basis. There are however downside risks to the company's EBITDA growth and deleveraging prospects in the coming years in case Intralot's B2B division fails to renew major contracts or to win new contracts.

The company's management indicates its willingness to adopt a conservative financial policy following the completion of the BII acquisition, targeting a mid-term steady-state net leverage ratio of approximately 2.5x. However, on a pro forma basis for the year 2025 we estimate that the group will achieve a company-adjusted net leverage ratio above its mid-term target ratio in the range of 3.0x to 3.5x.

RATIONALE FOR STABLE OUTLOOK

The stable outlook reflects our expectation that Intralot will exhibit revenue and EBITDA growth from 2026 onwards, supported by growth in both B2C and B2B activities. It assumes that Intralot will generate positive free cash flow, and that the company's B2B segment will demonstrate its ability to renew major contracts and win new ones over the next two to three years. Additionally, the stable outlook assumes that the credit quality of Intralot's majority shareholder, Bally's, will not deteriorate in a way that would materially weaken Intralot's credit profile.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Positive pressures on Intralot's ratings could develop in case the group builds a track record of strong revenue and EBITDA growth. An upgrade on Intralot's ratings would require no material adverse developments in the regulatory and fiscal frameworks that the group is subject to in its main countries of operation, a decline in the group's Moody's-adjusted gross leverage to well below 4.0x and a Moody's-adjusted EBIT / Interest ratio comfortably above 3.0x. An upgrade would also require the expectation that Intralot can achieve Moody's-adjusted free cash flow generation in the high-single digits in percentage terms, following periods of higher capital requirements for new contracts in the B2B segment. Finally, positive pressures on Intralot's ratings would also depend on an assessment that the credit profile of its largest shareholder, Bally's, does not pose a material risk to Intralot's standalone credit quality or financial policy.

Negative pressures on the ratings could arise if (i) the free cash flow generation of the combined group following the BII acquisition remains subdued at low single-digit rates as a percentage of Moody's-adjusted gross debt or if the group's liquidity weakens; (ii) the company's financial performance is expected to deteriorate because of regulatory environments headwinds or contract losses in the B2B activities such that we project the group's Moody's-adjusted gross leverage to rise to above 5x; or (iii) the credit quality of Intralot's majority shareholder Bally's deteriorates such that it could weaken the credit profile of Intralot due to potential support for its parent company.

LIQUIDITY

Intralot's liquidity is adequate and supported by an estimate of around €180 million of cash on balance sheet following the closing of the BII acquisition and a €160 million fully undrawn revolving credit facility (RCF) maturing in 2030. Part of the company's €180 million cash balance is restricted under the retail bond's debt service reserve account for a total combined amount of around €10.4 million as of June 2025.

Intralot's liquidity is also supported by its strong free cash flow generation that we expect in the range of €80 million to €130 million in the next 12-18 months before dividend distributions. We note that Intralot's B2B division may have substantial capital investments needs to support the start of contracts renewals or new contracts which will negatively impact free cash flow generation on a temporary basis.

Intralot is subject to maintenance financial covenants under its Greek bank debt facility and its retail bond, and to a springing financial covenant under its RCF. We expect financial covenants to be met.

Intralot's next significant debt maturity is the February 2028 maturity of its €130 million retail bond. Intralot's Greek local bank debt facility is amortising until 2030.

ESG CONSIDERATIONS

We consider governance factors to be key drivers of today's rating action, given the successful repayment in full of Intralot's 2026 debt maturities as part of the BII acquisition transaction that resulted in an improved debt maturities profile. Intralot targets a mid-term steady-state net leverage ratio of approximately 2.5x. Moreover, Intralot intends to maintain a dividend payout ratio of 35% of its net income, adhering to the requirements set by Greek law for publicly traded companies. The company also aims to allow for higher distributions, depending on its performance and capital structure.

STRUCTURAL CONSIDERATIONS

Intralot's PDR is B2-PD, in line with its CFR, reflecting our assumption of a 50% recovery rate as is customary for a capital structure comprising a mix of bonds and bank debt. Intralot's senior secured notes are rated B2, in line with the CFR. The senior secured notes, which benefit from guarantees from operating subsidiaries alongside the €460 million equivalent new GBP term loan (GBP400 million) issued by Intralot Holdings UK Ltd and the €200 million Greek local bank facility issued by Intralot Capital Luxembourg S.A., rank junior to the €160 million RCF issued by Intralot Capital Luxembourg S.A. and senior to the €130 million retail bond issued by Intralot S.A.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Gaming published in September 2025 and available at https://ratings.moodys.com/rmc-documents/450330. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

COMPANY PROFILE

Following its acquisition of BII, Intralot is a multi-jurisdictions gaming company providing B2C as well as B2B offerings. Intralot's B2B activity has a significant presence in the US and provides gaming systems and services to state and state-licensed lottery and gaming organisations worldwide. The group's B2C business, which came from the BII acquisition, is an online gaming operator in the UK and Spain, but also manages a retail casino in the UK and receives royalty payments from a legacy Asian business.

Intralot's company-reported revenue and EBITDA pro forma for the combination of Intralot and BII were respectively €1.1 billion and €425 million for the last twelve months ending in June 2025.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

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For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/rmc-documents/435880.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the UK and is(are) endorsed for use in the UK in accordance with the UK CRA Regulation.

REFERENCES/CITATIONS

[1] Intralot's press release announcing the successful completion of the BII acquisition published on 10 October 2025:
https://www.intralot.com/files/ANNOUNCEMENT_Intralot_Announces_Completion_of_Acquisition_of_BII_Business_for__2_7b_Oct_10__2025.pdf

[2] Intralot's press release announcing the successful completion of its share capital increase published on 8 October 2025:
https://www.intralot.com/files/Intralot_Outcome_of_the_Offering_EN.pdf

[3] Intralot's press releases announcing the repayment in full of the company's syndicated bond loan that was due in January 2026 and of the US term loan that was due in July 2026, 8 October 2025 and 10 October 2025:

https://www.intralot.com/files/ANNOUNCEMENT_INTRALOT_Repayment_in_Full_of__100000000_Bond_Loan.pdf, and
https://www.intralot.com/files/ANNOUNCEMENT_INTRALOT_Repayment_in_Full_of__230000000_Bank_Loan.pdf

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

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