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BBB+

ISSUER RATING  
LongTerm

OUTLOOK  
Stable

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## Rating Action and Rationale

- EthiFinance Ratings affirms the long-term rating of FDJ UNITED at BBB+, with a Stable outlook.
- FDJ UNITED is a European leading player in betting and gaming, being the historical operator in France of the lottery.
- Our rating is supported by the group's competitive positioning, being now among the top 3 European lottery, betting and gaming players. FDJ UNITED has a leading position in its historical market, France, with exclusive rights to operate lottery games and offline sports betting, as well as licenses to operate online sports betting and poker. In addition, its external growth strategy enabled the group to expand abroad, being now present in 10 European countries, and to diversify its revenue base, with more digital sales. In particular, FDJ UNITED acquired, in 2024, Kindred, a leading operator in the European online betting and gaming sector, operating the Unibet brand. Following the acquisition, the group's positioning has changed, shifting from a French operator to a more diversified player. In FY24PF (pro forma the acquisition of Kindred), it generated c. 26% of its revenues abroad, and c. 35% online.
- However, the acquisition of Kindred, amounting to c. €2.5bn, deteriorated the financial profile of the group. It was financed by a €1.5bn bonds issuance, a €400m RCF repaid over a 5-year period, and c. €600m cash from the balance sheet. Thus, at end-2024, the adjusted net leverage ratio deteriorated to 1.8x compared to a positive net cash position at end-2023. In addition, the financial prospects of the group have been impacted by the change in regulations in France and in the Netherlands. In both countries, public levies increased in 2025, deteriorating the profitability of the group. For FY25, we expect the adjusted EBITDA margin to be around 24.0%, compared to 25.4% in FY24PF. Over the rest of our forecast period (2026-27), we expect profitability to improve, considering the group's actions to reduce its cost base, presented in its new strategic plan for 2028. Operating cash-flow generation is expected to remain excellent, and we expect the group to deleverage year-on-year, despite its dividend policy (pay-out of 75% at least) and recurring capex (4-5% of sales). By end-2027, our adjusted net leverage is expected to be around 1.6x, assuming no M&A.
- Finally, our rating remains supported by our appreciation of the sector which we view as resilient. The gambling activities also offer rather high profitability levels, despite the recent changes in public levies, with low sensitivity to macroeconomic fluctuations. Barriers to entry are considered as high, characterized by regulatory requirements to operate.
- The overall Hotels & Leisure sector has medium-to-low ESG risks under our methodology (sector heatmap score between 2 and 3). This results in a sector assessment which is not impacted by ESG-related considerations. Regarding environmental factors, the sector has a medium impact on climate, resources, and pollution. However, the sector can have a negative impact on consumers linked to malpractice and gaming addiction.
- Our assessment of the company's ESG policy is neutral as well (company ESG score of between 1.5 and 3.5), resulting in no adjustments based on ESG considerations. The governance score remains satisfactory but impacted by the absence of separation between the chairman and CEO positions. Social criteria slightly improved due to a good representation of women in the employee and management. On the environmental side, the company's greenhouse gas emissions (scope 1 & 2) and energy consumption slightly increased (excluding Kindred effect). Also, while active in a controversial sector, FDJ UNITED is committed to curbing underage and excess gambling. The group actively detects high-risk players through player data and their behavior in its online venues, aiming to bring gross gaming revenues of excess gambling to under 2% for its online lottery platform. FDJ UNITED also implements a sanction system to try to prevent its retail distributors from selling its products to underage people.

## Issuer Description

Headquartered in Boulogne-Billancourt, in the suburbs of Paris, FDJ UNITED is a leading player in Europe in betting and gaming industry. The group is the historical operator of the French lotteries and offline sports betting, with exclusive rights until 2044. It became a leading player in Europe, being #3 (in net gaming revenues in 2024), following several acquisitions, the most important completed in October 2024, with the acquisition of Kindred, a leading operator in the European online betting and gaming sector (operating the Unibet brand). FDJ UNITED is now present in 10 European countries, generating c. 26% of its FY24 sales out of France, and c. 66% from exclusive rights.

Over the years, the group has expanded with an external growth strategy, which has enabled it to expand into new European markets as well as to improve its business diversification by acquiring and/or securing new gaming licenses both in France and abroad. In line with this plan, since 2023 FDJ UNITED has completed the acquisitions of: (i) the ZEturf group (over €50m revenues in FY22), which operates online horse-race betting (2nd largest in France with a

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c.20% market share) as well as online sports betting under the ZEbet brand; (ii) Premier Lotteries Ireland (€140m revenues in FY22), which holds exclusive rights to operate the Irish National Lottery until 2034; and (iii) Kindred (c. €1.4bn revenues in FY23), among the top five European players in the online betting and gaming, with presence in the Netherlands, the UK, France, Sweden and Belgium.

As of March-2025, the top shareholders of FDJ UNITED are the French government, with a 21% stake, and several veterans associations with 16% (including 10% held by Union Des Blesses de La Face et de La Tete). FDJ UNITED has been listed on the Paris Stock Exchange since 2019 and has a market cap of €4.5bn (market close on December 16th, 2025).

Over FY24 (pro forma the Kindred acquisition), the group generated c. €3.6bn of net gaming revenues, and total revenues of c. €3.8bn. Adjusted EBITDA amounted of €964m, equivalent to a 25.4% margin. The adjusted net debt amounted to €1.7bn at end-2024, corresponding to an adjusted net leverage of 1.8x.

## Main Financial Figures

Main financial figures. millions of EUR	FY23	FY24PF	FY25e	FY26e	FY27e	24PFvs23
Turnover	2 621	3 788	3 731	3 843	3 997	44,5%
Adj EBITDA (1)	645	964	894	931	988	49,4%
Adj EBITDA Margin	24,6%	25,4%	24,0%	24,2%	24,7%	0,8pp
EBIT	510	503	470	499	553	-1,3%
EBIT Margin	19,4%	13,3%	12,6%	13,0%	13,8%	-6,2pp
EBT	554	473	402	437	495	-14,8%
Total Assets	3 761	6 557	6 330	6 184	6 082	74,3%
Equity	1 071	1 190	1 093	1 034	1 014	11,1%
Adj Total Financial Debt	546	2 460	2 366	2 262	2 156	350,2%
Adj Net Financial Debt (2)	(124)	1 724	1 885	1 725	1 536	1485,8%
Equity/TFD	196,1%	48,4%	46,2%	45,7%	47,0%	-147,7pp
Adj NFD/Adj EBITDA	-0,2x	1,8x	2,1x	1,9x	1,6x	2,0x
Adj Funds From Operations	562	656	721	763	804	16,8%
Adj FFO/Adj NFD	-451,6%	38,1%	38,2%	44,2%	52,3%	489,7pp
Adj EBITDA/Adj Interest	46,8x	12,2x	11,6x	12,6x	14,0x	-34,5x

<sup>(1)</sup> Adjusted for non-recurring income/expense

<sup>(2)</sup> Adjusted for pensions and restricted cash

## Credit Rating

Credit Rating	
<b>Business Risk Profile</b>	<b>A-</b>
<i>Industry risk assessment</i>	<b>A</b>
<i>Industry's ESG</i>	<b>Neutral</b>
<i>Competitive Positioning</i>	<b>A-</b>
<i>Governance</i>	<b>BBB</b>
<b>Financial Risk Profile</b>	<b>BBB</b>
<i>Cash flow and leverage</i>	<b>BBB+</b>
<i>Solvency</i>	<b>B+</b>
<i>Company's ESG</i>	<b>Neutral</b>
<b>Anchor Rating</b>	<b>BBB+</b>
<i>Modifiers</i>	
<b>Rating</b>	<b>BBB+</b>

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## Rating Sensitivity

- **Long-term rating positive factors (↑)**

A rating upgrade to A- would be entailed by an improvement in FDJ UNITED's financial profile. In particular, the net adjusted leverage ratio below 1.5x on a sustained basis could result in a long-term rating upgrade to A-.

- **Long-term rating negative factors (↓)**

A rating downgrade could be entailed by a significant deterioration in FDJ UNITED's financial profile, which could be a consequence of lower profitability on a sustained basis, in addition to another debt-funded acquisition. For the same business risk profile, a rise of the group's EthiFinance Ratings-adjusted net leverage ratio to around 3.0x on a sustained basis could entail a long-term rating downgrade to BBB.

## Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

## Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
  - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmld=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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