



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 leader in lottery, betting and gaming, with €8.7bn of gross gaming revenue in FY25 and operations across 10 European countries. The group is the historical and exclusive operator of the lottery in France.
- Our rating remains primarily supported by the group's strong competitive positioning and successful business diversification. In FY25, the group completed the integration of Kindred, acquired in October 2024, which significantly broadened its scope. As a result, FDJ UNITED now generates around 22% of its revenues from outside France and 34% from online activities, a meaningful step up in geographic and channel diversification compared to its historical profile. To consolidate this new perimeter, the group also moved forward in building its own in-house technology systems. This is an important step to bring together the operations of all the businesses it now owns under one common technical base. Its own sports betting platform, which is central to this transformation, is expected to be fully ready by the end of 2027. In France, the group brought together its online sports betting and poker offer under a single brand, Unibet. This change was completed at the end of March 2026, replacing the historical ParionsSport en Ligne brand. In addition, FDJ benefits from a solid liquidity profile, assessed as "Good" as per our methodology. This is characterized by long and well-spread maturities of its debt. In particular, most of its debt is composed of Kindred's financing package with €1.5bn bonds spread in three equal tranches maturing respectively in 2030, 2033 and 2036, and a €400m RCF amortised until 2029. Finally, our rating remains also 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.
- However, these positive factors are being offset by a particularly demanding regulatory and fiscal environment, which we view as the main constraining factor. Several European countries in which the group operates raised their taxes on gaming activities during FY25, including France, the Netherlands, the United Kingdom, Romania and Sweden. The most material was the French increase, with an impact of around €28m on FY25 results, given that France represents around 65% of total group revenues. In aggregate, these tax hikes weighed on FY25 results by around €52m, and the additional calendar-basis burden in FY26 is expected to reach around €90m. This means the group is losing a meaningful share of its gaming revenues to public authorities, with limited ability to pass it on to players.
- The impact of these headwinds is visible in the FY25 results, but unevenly distributed across business units. Group revenue declined by 2.9% on a pro forma basis to €3,678m, with the Online Betting and Gaming (OBG) business unit (around 25% of group revenue) bearing most of the burden, with revenue down 12%. Within OBG, gross gaming revenue in the United Kingdom fell by 22.4%, while in the Netherlands revenue dropped by 42.1%. By contrast, the French Lottery and retail Sports Betting (LSF) business unit (around 69% of group revenue) remained resilient, with revenue up 1% and an improving EBITDA margin. Despite this pressure, the financial profile of the group remains consistent with the rating. The adjusted EBITDA margin reached 24.5% in FY25 (vs 25.5% on a pro forma basis in FY24), and the adjusted net leverage ratio remained stable at 1.8x at year-end. Net debt was reduced by €97m over the year, somewhat below the group's initial guidance of around €150m, reflecting both the pressure on EBITDA and some timing effects on working capital, but this shortfall is not seen as a structural concern. The group's capitalization ratio is also constrained (Equity to total debt < 50% on average) as a consequence of their dividend distribution policy (payout ratio of at least 75%).
- Looking forward, on 21 April 2026 the group revised its FY26 guidance downward, just two months after first issuing it, on the back of a weak Q1 and a softer outlook for OBG. We now expect the adjusted EBITDA margin to slightly decrease in FY26, before a gradual recovery in FY27 and FY28, reaching by FY28 a level close to the 24.5% of FY25. Cash flow generation should remain solid and the group is expected to deleverage starting FY27, with our adjusted net leverage expected at around 1.6x by end-2028, assuming only small bolt-on acquisitions.
- The overall Gaming 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 declined due to an increase in the rates of turnover and decrease of women in managerial positions. On the

environmental side, an improvement has been noted. The company's greenhouse gas emissions (scopes 1 & 2) slightly decreased (vs FY24) on a comparable basis (Kindred included in both years). 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. 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, 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 more than 10 European countries, generating c. 22% of its FY25 sales outside France, and c. 74% from exclusive rights operations.

Over the years, the group has expanded through an external growth strategy, entering new European markets and diversifying its business. Since 2023, FDJ UNITED has completed three key acquisitions: ZEturf, the second-largest online horse-race betting operator in France; Premier Lotteries Ireland, which holds exclusive rights to operate the Irish National Lottery until 2034; and Kindred, among the top five European players in online betting and gaming.

As of 31 December 2025, the main shareholders of FDJ UNITED are the French State, with a 21.1% stake in the capital (29.4% of voting rights), and a group of veterans' associations acting in concert with 15.7% of the capital (21.8% of voting rights), of which the UBFT block holds 10.4%. Employee shareholders represent 4.0% of the capital, and the remaining 58.8% corresponds to individual holdings below 3% (free float). FDJ UNITED has been listed on the Paris Stock Exchange since 2019 and has a market cap of €4.2bn (market close on June 17th, 2026).

Over FY25 the group generated c. €3.5bn of net gaming revenues, and total revenues of c. €3.7bn. Adjusted EBITDA amounted to €902m, equivalent to a 24.5% margin. The adjusted net debt amounted to €1.66bn at end-2025, corresponding to an adjusted net leverage of 1.8x.

Main Financial Figures

Main financial figures. millions of EUR						
	FY24 ^{PF}	FY25	FY26e	FY27e	FY28e	25vs24 ^{PF}
Turnover	3 788	3 678	3 633	3 670	3 743	-2.9%
Adj EBI TDA ⁽¹⁾	965	902	844	874	902	-6.5%
Adj EBI TDA Margin	25.5%	24.5%	23.2%	23.8%	24.1%	-0.9pp
EBI T	503	366	495	520	542	-27.2%
EBI T Margin	13.3%	10.0%	13.6%	14.2%	14.5%	-3.3pp
EBT	512	306	437	467	492	-40.2%
Total Assets	6 557	5 839	5 476	5 346	5 221	-10.9%
Equity	1 190	975	893	883	868	-18.0%
Adj Total Financial Debt	2 460	2 331	2 192	2 089	1 985	-5.2%
Adj Net Financial Debt ⁽²⁾	1 724	1 665	1 636	1 530	1 416	-3.4%
Equity/TFD	48.4%	41.8%	40.7%	42.3%	43.7%	-6.5pp
Adj NFD/Adj EBITDA	1.8x	1.8x	1.9x	1.8x	1.6x	0.1x
Adj Funds From Operations	635	637	649	673	698	0.3%
Adj FFO/Adj NFD	36.8%	38.2%	39.7%	44.0%	49.3%	1.4pp
Adj EBI TDA/Adj Interest	13.0x	12.1x	11.9x	13.0x	14.2x	-0.8x

⁽¹⁾ Adjusted for non-recurring income/expense

⁽²⁾ Adjusted for pensions and restricted cash

^(PF) Pro-forma Kindred acquisition

Credit Rating

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

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, a net adjusted leverage ratio below 1.1x along with an interest coverage ratio above 17.0x 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 on a sustained basis of the group's EthiFinance Ratings-adjusted net leverage ratio to around 1.9x or more, along with an interest coverage ratio below 10.0x, 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/?wpdmdl=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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