

# Bally's

JULY  
2024

2024 EARNINGS PRESENTATION

# DISCLAIMER

## Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the securities laws. Forward-looking statements are statements as to matters that are not historical facts and include statements about Bally's Corporation's ("Bally's") plans, objectives, expectations and intentions. Forward-looking statements are not guarantees and are subject to risks and uncertainties. Forward-looking statements are based on Bally's current expectations and assumptions. Although Bally's believes that its expectations and assumptions are reasonable at this time, they should not be regarded as representations that its expectations will be achieved. Actual results may vary materially. Forward-looking statements speak only as of the date of this presentation and Bally's does not undertake to update or revise them as more information becomes available, except as required by law.

Important factors beyond those that apply to most businesses, some of which are beyond Bally's control, that could cause actual results to differ materially from Bally's expectations and assumptions include: (1) unexpected costs, difficulties integrating and other events impacting Bally's completed acquisitions and Bally's ability to realize anticipated benefits; (2) risks associated with Bally's rapid growth, including those affecting customer and employee retention, integration and controls; (3) risks associated with the impact of the digitalization of gaming on Bally's casino operations, Bally's expansion into sports betting and iGaming and the highly competitive and rapidly changing aspects of its businesses generally; (4) the very substantial regulatory restrictions applicable to Bally's, including costs of compliance; (5) restrictions and limitations in agreements to which Bally's is subject, including its debt; and (6) other risks identified in Part I. Item 1A. "Risk Factors" in Bally's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and other filings with the U.S. Securities and Exchange Commission. The foregoing list of important factors is not exclusive and does not include matters like changes in general economic conditions that affect substantially all gaming businesses. You should not place undue reliance on Bally's forward-looking statements.

## Non-GAAP Financial Measures

To supplement the financial information presented on a U.S. generally accepted accounting principles ("GAAP") basis, Bally's has included in this presentation certain non-GAAP financial measures, including Adjusted EBITDA and Adjusted EBITDAR. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are included in this presentation.

Bally's management has historically used Adjusted EBITDA when evaluating operating performance because Bally's believes that this metric is necessary to provide a full understanding of Bally's core operating results and as a means to evaluate period-to-period performance. Management also believes that Adjusted EBITDA is a measure that is widely used for evaluating operating performance of companies in Bally's industry and a principal basis for valuing such companies as well. Adjusted EBITDAR is used outside of Bally's financial statements solely as a valuation metric. Management believes Adjusted EBITDAR is an additional metric traditionally used by analysts in valuing gaming companies subject to triple net leases since it eliminates the effects of variability in leasing methods and capital structures. Adjusted EBITDA should not be construed as an alternative to GAAP net income as an indicator of Bally's performance. In addition, Adjusted EBITDA or Adjusted EBITDAR as used by Bally's may not be defined in the same manner as other companies in Bally's industry, and, as a result, may not be comparable to similarly titled non-GAAP financial measures of other companies.

# 2Q24 QUARTERLY HIGHLIGHTS



## 2Q24 EARNINGS HIGHLIGHTS

- ❖ Casinos & Resorts:
  - Revenues increased 3.0% Y/Y overall
  - Excluding impacted properties<sup>(1)</sup>, revenues grew 19% Y/Y and 3% Y/Y without Chicago Temp
- ❖ UK drove International Interactive performance:
  - UK revenues up 9% Y/Y in USD
  - Adj EBITDAR margins +130 bps Y/Y
- ❖ North America Interactive:
  - Revenues increased 94.7% Y/Y
  - Strong Rhode Island GGR of ~\$7.2M



## 2Q24 OPERATING HIGHLIGHTS

- ❖ Chicago Temp ramp continues:
  - Aggregate visitation has now exceeded 1 million players
  - June visitation neared 120,000 players
  - VIP lounge opens in late July; valet parking live since late 2Q
  - Shuttle bus ridership up 15.0% Q/Q
- ❖ Soft launch of OSB in the UK
- ❖ Reducing core CapEx by \$50M for the year



## DEVELOPMENT UPDATES

- ❖ Chicago Permanent Casino:
  - Finalized financing plans with GLPI - \$940M; 8.5% Cap Rate
  - Redesign including single-phase development with 500 rooms
  - 3Q26 opening
- ❖ SLB for Bally's KC & Shreveport for \$395M; 8.2% Cap Rate
- ❖ Tropicana demolition 4Q24



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**CASINOS & RESORTS**

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# CHICAGO PERMANENT CASINO **UPDATES**

## NEW PROPERTY **RENDERINGS**



<b>3,300</b> Slots	<b>173</b> Tables (incl Poker)	<b>500</b> Hotel Rooms
<b>3,000</b> Seat Entertainment Venue	<b>54,260</b> <b>SF</b> Meeting Space	<b>24</b> F&B outlets Spa, Nightclub



## DEVELOPMENT UPDATES

- ❖ New design complements the Chicago skyline with another iconic architectural addition
- ❖ GLPI provides more than just financing, but also over 50 years of experience and partnership in developing world-class gaming properties
- ❖ Bally's gained access to the Tribune site in July 2024 and site prep now underway
- ❖ Permanent casino remains on track for 3Q26 opening

# KANSAS CITY & SHREVEPORT SALE LEASEBACK OVERVIEW

## BALLY'S KANSAS CITY



- 43k SF of Gaming
- 913 Slots
- 24 Table Games
- ~900 Parking Spaces
- 5 F&B Outlets
- VIP Lounge

## BALLY'S SHREVEPORT



- 30k SF of Gaming
- 965 Slots
- 52 Table Games
- 403 Rooms & Suites
- 6 F&B Outlets
- Sportsbook (Bally Bet)

### DEAL TERMS

- ❖ Sale Leaseback with GLPI for total consideration of \$395.0 million
- ❖ Initial cash rent of \$32.2 million, representing an 8.2% initial cap rate
- ❖ Bally's Lincoln – SLB call option for \$735.0 million (8.0% cap rate) through 3Q26. Initial cash rent of \$58.8 million

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**INTERNATIONAL INTERACTIVE**

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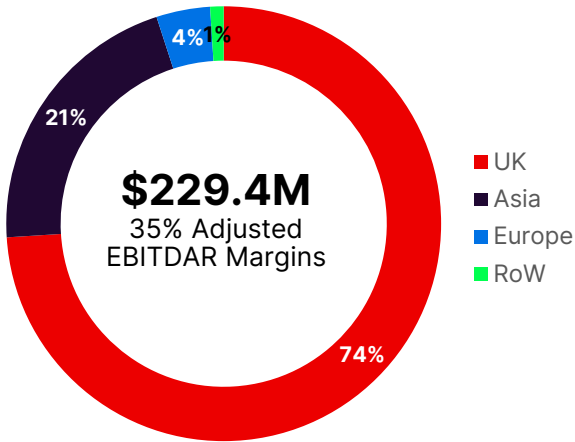
# BALLY'S INTERNATIONAL INTERACTIVE

- ❖ UK revenue increased 9% in USD and 8% in GBP though total segment revenue declined by 7.4% Y/Y
- ❖ Segment margins improved by ~130 basis points Y/Y

### Strategic Growth Opportunity for 2024

- ❖ OSB launched in the UK to foster TAM expansion
- ❖ Incremental ARPU to cross-sell into large installed base
- ❖ Customer acquisition funnel for iGaming (1/6-1/5 CPA)
- ❖ Spanish advertising decree reversed
- ❖ Began accepting Irish customers

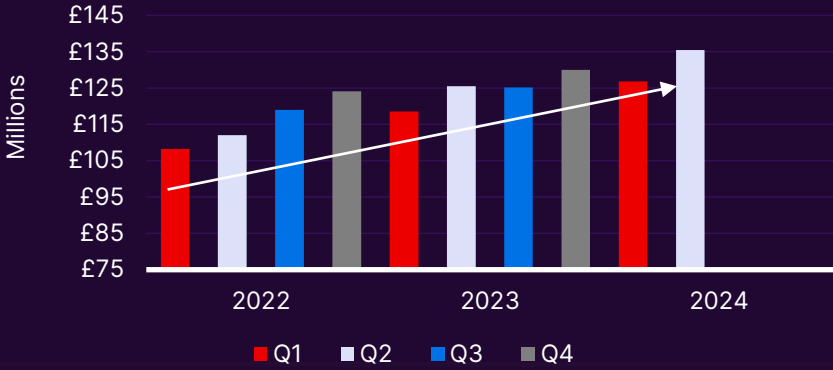
2Q24 Revenue Mix by Geography



# UK BUSINESS STRONG PERFORMANCE

- ❖ UK White Paper leading to share gains and consolidation opportunities
- ❖ Lower acquisition costs and improved returning customer engagement continues
- ❖ Continued growth of active customers & ARPUs (both +4% Y/Y)
- ❖ Successfully launched sports in the UK at the end of May on our Jackpotjoy brand

Quarterly Revenue







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**NORTH AMERICA INTERACTIVE**

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# NORTH AMERICA INTERACTIVE – “BE IGAMING FIRST”

## Strategic Highlights for 2H24

### New Jersey (Bally’s Brand launched 12/21)

- ❖ Growth in customer value powered by improved product proposition
- ❖ GGR annualizing at >\$90M

### Pennsylvania (launched 6/23)

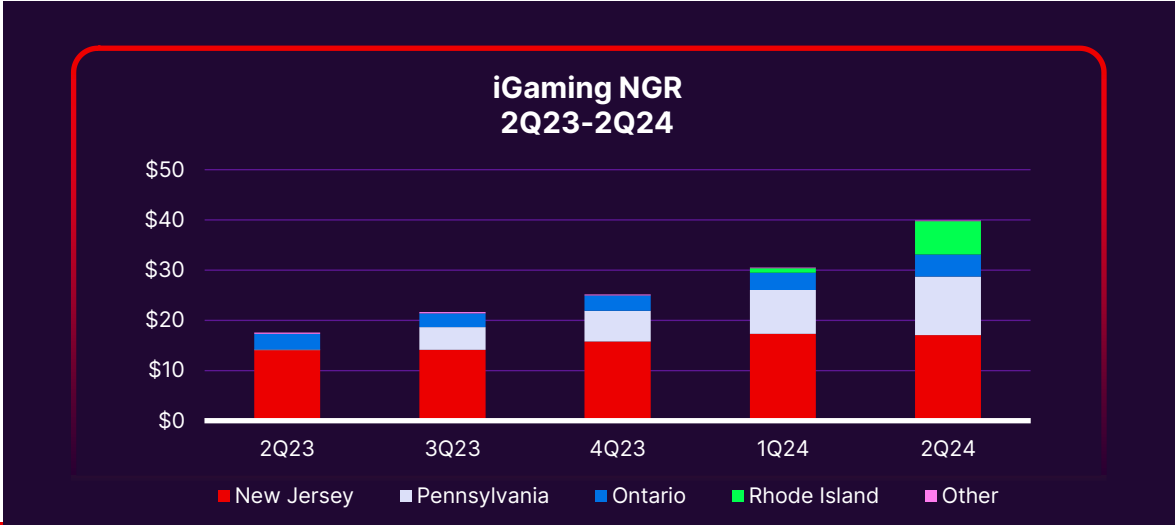
- ❖ Significant expansion of player base driven by customer retention and a growing actives base
- ❖ Strong growth continues: +20% Q/Q vs a flat PA market

### Rhode Island (launched 3/24)

- ❖ Achieved over \$7.2M GGR in the first full quarter in our first full quarter
- ❖ Significant growth expected for 2H24 as marketing capabilities and product suite is further enhanced

### Ontario (launched 7/22)

- ❖ Continued strong acquisition volumes with focus on driving improvements to ARPU



# BALLY BET ROLLOUT CONTINUES

## Strategic Highlights for 2H24

### Bally Bet OSB a funnel to cross-sell into retail and iGaming

- ❖ Measured approach to marketing

### Roll-outs for 2H24 include

- ❖ Massachusetts and Maryland in July
- ❖ Targeting additional OSB launches as we head through second half of the year (subject to regulatory approval)

### Market Updates

- ❖ Successful launch in MA
  - 2nd largest state by handle volumes behind NY since launch
- ❖ Strong organic Q/Q growth with expanding margins



**Bally Bet OSB Markets** ● Live Launches ● Expected Launches

States	Live	2H24
Ohio	●	
Virginia	●	
Arizona	●	
Colorado	●	
Indiana	●	
New York	●	
Iowa	●	
Massachusetts	●	
Maryland	●	
TBD		●
TBD		●
TBD		●
TBD		●

# Bally's

## FINANCIAL OVERVIEW

# 2024 EARNINGS HIGHLIGHTS

<i>in \$ millions</i>	2Q24	
		Y/Y %
Casinos & Resorts	\$343	3%
International Interactive	\$229	(7%)
North America Interactive	\$48	95%
<b>Total Revenues</b>	<b>\$622</b>	<b>3%</b>
Casinos & Resorts	\$100	(10%)
International Interactive	\$81	(4%)
North America Interactive	(\$7)	-
Other/Corporate	(\$13)	-
<b>Total Adjusted EBITDAR</b>	<b>\$162</b>	<b>-</b>
<i>Adjusted EBITDAR Margin</i>	<i>26%</i>	
Rent Payments	\$32	-
<b>Total Adjusted EBITDA</b>	<b>\$130</b>	<b>-</b>

2Q24 Core CapEx <sup>(1)</sup> :  
~\$26 Million

## QUARTERLY HIGHLIGHTS

- ❖ C&R revenue growth of 3.0% driven by the Chicago Temp and stability in the portfolio
- ❖ \*Excluding specifically impacted properties, Lincoln, AC and the Trop, revenues grew 19% Y/Y. Without the Chicago Temp, revenues grew 3% Y/Y
- ❖ Within International Interactive, UK revenues grew 9% and 8% in constant currency
- ❖ ~130 bps Y/Y margin improvement in International Interactive
- ❖ North America Interactive momentum boosted by Pennsylvania and Rhode Island through 2Q
- ❖ \$50M reduction in core CapEx and SDC for the year. Excludes Chicago and Tropicana

*Non-GAAP Property Reconciliation	6/30/2024	6/30/2023	% Change
Casinos & Resorts Revenue	\$343,051	\$333,162	3%
Less: Bally's Lincoln & Bally's Atlantic City			
Rest of Casinos & Resorts Portfolio	\$248,194	\$209,386	19%
Less: Bally's Chicago			
Rest of C&R Portfolio without Chicago	\$215,550	\$209,386	3%



# DEBT OUTSTANDING DETAILS

Cash and Cash Equivalents	~\$155M
\$620M Revolving Credit Facility, 2026 <sup>(1)</sup>	\$350M
Senior Secured Term Loan Facility, 2028 <sup>(1)</sup>	\$1,896M
<b>Total Secured Debt Outstanding</b>	<b>\$2,246M</b>
\$750M 5.625% Senior Notes, 2029	\$750M
\$750M 5.875% Senior Notes, 2031	\$735M
<b>Total Unsecured Debt Outstanding</b>	<b>\$1,485M</b>
<b>Total Net Debt on 6/30/2024</b>	<b>\$3,576M</b>

(1) Borrowings under the credit facilities bear interest at a rate equal to, at the Company's option, either (1) the term SOFR, adjusted for certain additional costs and subject to a floor of 0.50% in the case of term loans and 0.00% in the case of revolving loans or (2) a base rate determined by reference to the greatest of (a) the federal funds rate plus 0.50%, (b) the prime rate, (c) the one-month SOFR rate plus 1.00%, (d) solely in the case of term loans, 1.50% and (e) solely in the case of revolving loans, 1.00%, in each case of clauses (1) and (2), plus an applicable margin. The Company is also required to pay each lender under the Revolving Credit Facility a 0.50% or 0.375% commitment fee in respect of commitments under the Revolving Credit Facility, with the applicable commitment fee determined based on the Company's total net leverage ratio.

# SHARES OUTSTANDING DETAILS

Common Shares Outstanding as of June 30, 2024	40,619,356
Sinclair Warrants and Options <sup>(1)</sup>	12,830,730
Transaction Warrants and Contingent Shares	52,754
Outstanding awards under Equity Incentive Plans	1,643,103
Treasury Stock Method for Sinclair Options <sup>(1)</sup>	(1,639,669)
<b>Total Fully Diluted Shares Outstanding</b>	<b>53,506,274</b>

(1) For calculation purposes, assumes full issuance of performance warrants. Such performance warrants are issuable based on First Time Depositors ("FTD"). 655,868 warrant shares at 350,000 at FTDs, 655,868 at 450,000 FTDs, 655,867 at 550,000 FTDs, 655,867 at 650,000 FTDs and 655,867 at 750,000 FTDs. Includes stock options consisting of four equal tranches to purchase shares with exercise prices ranging from \$30.00 to \$45.00 per share, exercisable over a seven-year period beginning on the fourth anniversary of the November 18, 2020, closing of the Sinclair Agreement. Treasury Stock Method assumes share price of \$22.00.



*Bally's*

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**THANK YOU**

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