



# 2015 Third Quarter Results

Ended September 30, 2015

November 12, 2015



# Agenda

1

**Strategic  
Update**

Marco Sala, CEO, International Game Technology PLC

2

**Q3'15  
Results**

Alberto Fornaro, CFO, International Game Technology PLC

3

**Q&A**



## Cautionary Statement Regarding Forward-Looking Statements

This presentation may contain forward-looking statements (including within the meaning of the Private Securities Litigation Reform Act of 1995) concerning IGT and other matters. These statements may discuss goals, intentions and expectations as to future plans, trends, events, dividends, results of operations or financial condition, or otherwise, based on current beliefs of the management of IGT as well as assumptions made by, and information currently available to, such management. Forward-looking statements may be accompanied by words such as “aim,” “anticipate,” “believe,” “plan,” “could,” “would,” “should,” “shall,” “continue,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “will,” “possible,” “potential,” “predict,” “project” or the negative or other variations of them. These forward-looking statements are subject to various risks and uncertainties, many of which are outside IGT’s control. Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may differ materially from those predicted in the forward-looking statements and from past results, performance or achievements. Therefore, you should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include (but are not limited to) risks that the businesses of legacy IGT and GTECH will not be integrated successfully or that the combined companies will not realize estimated cost savings, synergies, growth or other anticipated benefits or that such benefits may take longer to realize than expected; risks that the Company may not obtain its anticipated financial results in one or more future periods; risks relating to unanticipated costs of integration of the two companies; reductions in customer spending; a slowdown in customer payments and changes in customer demand for products and services; unanticipated changes relating to competitive factors in the industries in which the company operates; ability to hire and retain key personnel; the potential impact of the consummation of the business combination on relationships with third parties, including customers, employees and competitors; ability to attract new customers and retain existing customers in the manner anticipated; reliance on and integration of information technology systems; changes in legislation or governmental regulations affecting the company; international, national or local economic, social or political conditions that could adversely affect the company or its customers; conditions in the credit markets; risks associated with assumptions the company makes in connection with its critical accounting estimates; the resolution of pending and potential future legal regulatory or tax proceedings and investigations; and the company’s international operations, which are subject to the risks of currency fluctuations and foreign exchange controls. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that affect the company’s business, including those described in IGT’s annual report on Form 20-F for the fiscal year ended December 31, 2014 and other documents filed from time to time with the Securities and Exchange Commission (the “SEC”), which are available on the SEC website at [www.sec.gov](http://www.sec.gov) and on the investor relations section of IGT’s website at [www.IGT.com](http://www.IGT.com). Except as required under applicable law, the company does not assume any obligation to update these forward-looking statements. Nothing in this presentation is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per IGT share for the current or any future financial years will necessarily match or exceed the historical published earnings per IGT share, as applicable. All forward-looking statements contained in this presentation are qualified in their entirety by this cautionary statement. All subsequent written or oral forward-looking statements attributable to IGT, or persons acting on its behalf, are expressly qualified in their entirety by this cautionary statement.

### **Non-GAAP Financial Measures**

This presentation contains non-GAAP financial measures, including adjusted EBITDA, adjusted operating income, adjusted diluted EPS, and free cash flow. Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in the appendix to this presentation.



## Comparability of Results

All figures in this presentation are prepared under U.S. GAAP, unless noted otherwise.

As a result of the combination of GTECH S.p.A. (“GTECH”) and International Game Technology (“legacy IGT”), which was completed on April 7, 2015, a number of items affect the comparability of reported results. Reported financial information for the third quarter of 2015 includes the results of operations of IGT for the entire period, while reported financial information for the third quarter of 2014 includes only GTECH operations. Reported financial information for the first nine months of 2015 includes IGT for the second and third quarters and only GTECH operations in the first quarter, while the reported nine month 2014 figures are for GTECH only. Pro forma figures represent the combined results of both companies in 2014 and in the first nine months of 2015.

Adjusted figures exclude the impact of purchase price amortization, restructuring expense, and certain one-time, primarily transaction-related items. Reconciliations to the most directly comparable GAAP measures are included in the appendix to this presentation.

Reported 2015 results were adversely impacted by the strengthening of the U.S. dollar compared to the euro; the daily average U.S. dollar to euro foreign exchange rate was 1.11 in the third quarter of 2015 compared to 1.33 in the third quarter of 2014. Constant currency changes for 2015 are calculated using the same foreign exchange rates as the corresponding 2014 period.

Management believes that referring to certain pro forma, constant currency, or adjusted measures is a more useful way to evaluate the Company’s underlying performance.

# STRATEGIC UPDATE



# Strategic Update

In line profitability; strong free cash flow

Product sales reflect natural variability of the business

- Ex-conversions, replacement units stable over the last two quarters

Continued global lottery momentum

Encouraged by WAP and new game performance

Industry leadership and commitment to innovation confirmed at G2E and NASPL

Integration plans on track; synergy targets confirmed

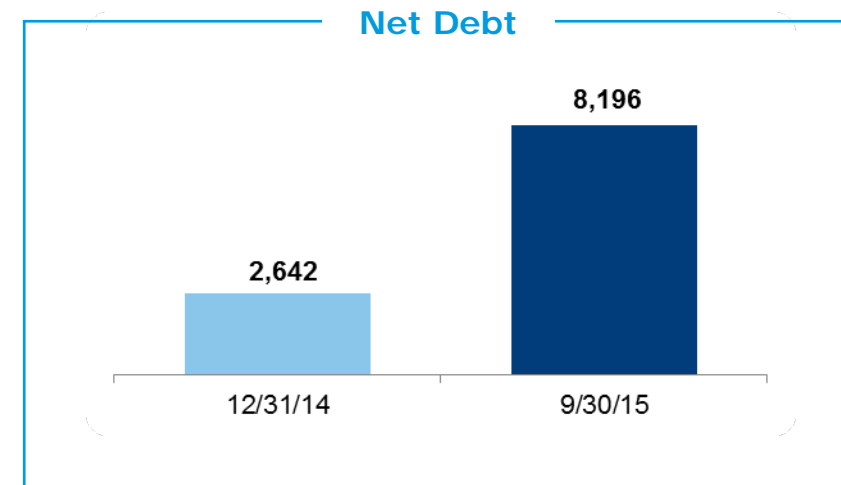
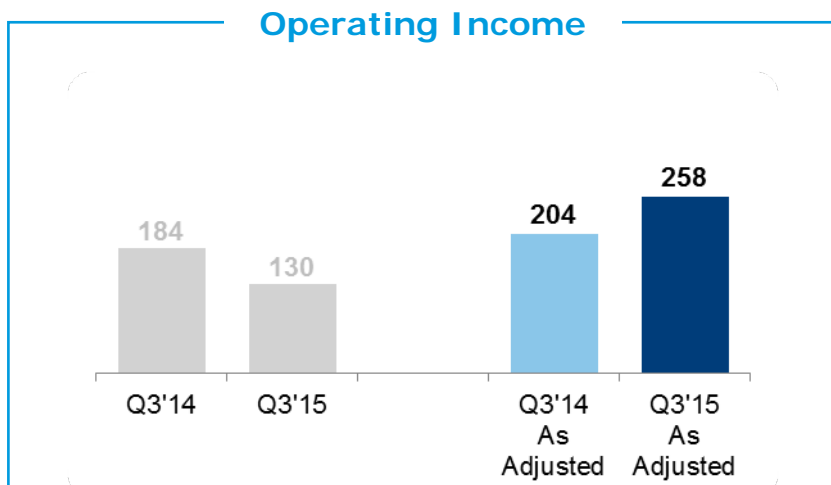
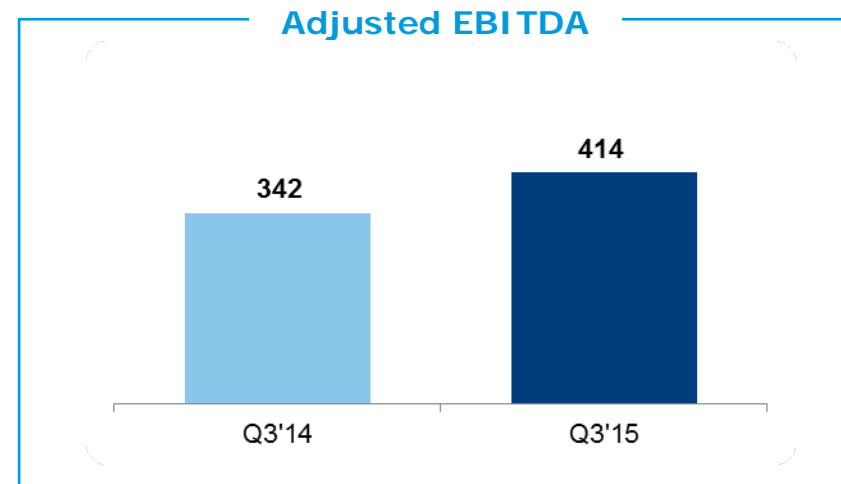
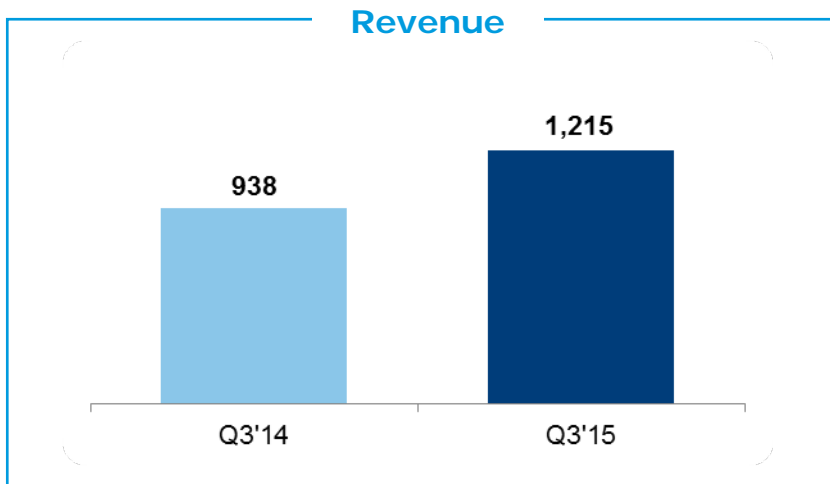


# 2015 THIRD QUARTER FINANCIAL RESULTS



# Q3'15 Financial Highlights (As Reported)

\$ M



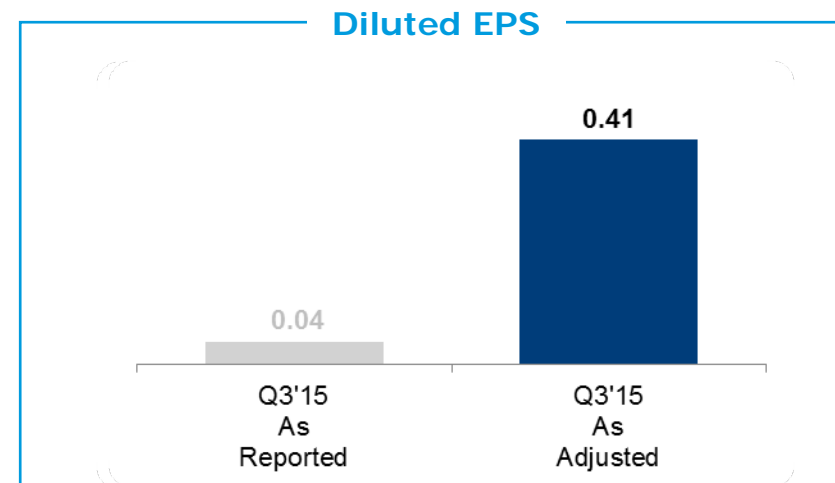
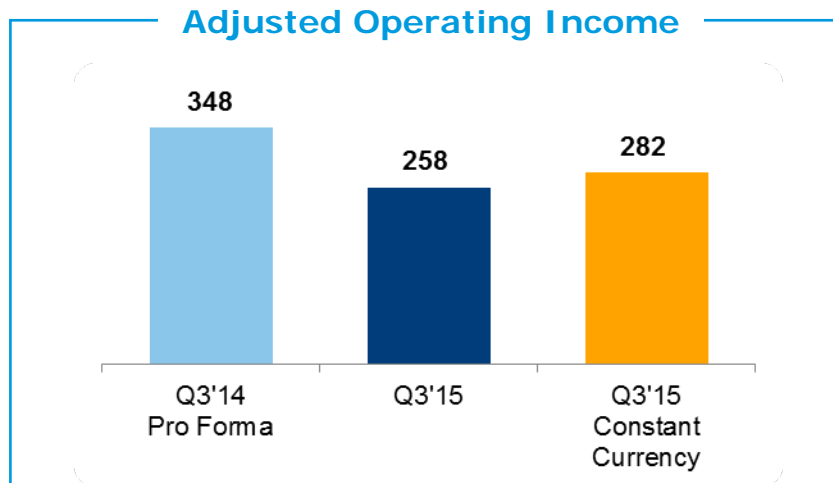
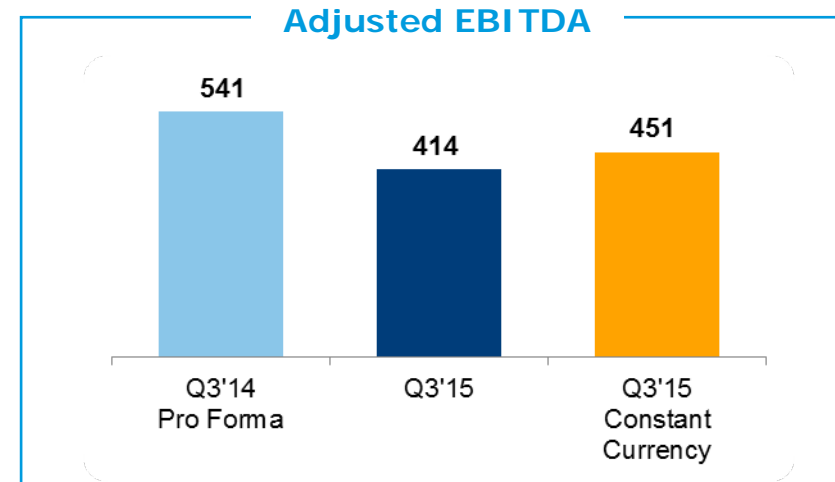
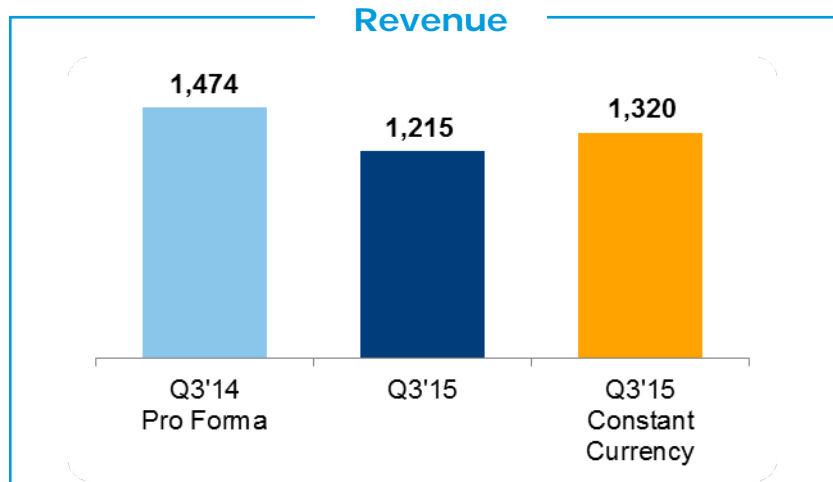
As adjusted results remove impact of purchase price amortization, restructuring expense and transaction expense (see appendix for details)





# Q3'15 Financial Highlights (Pro Forma)

\$ M except EPS

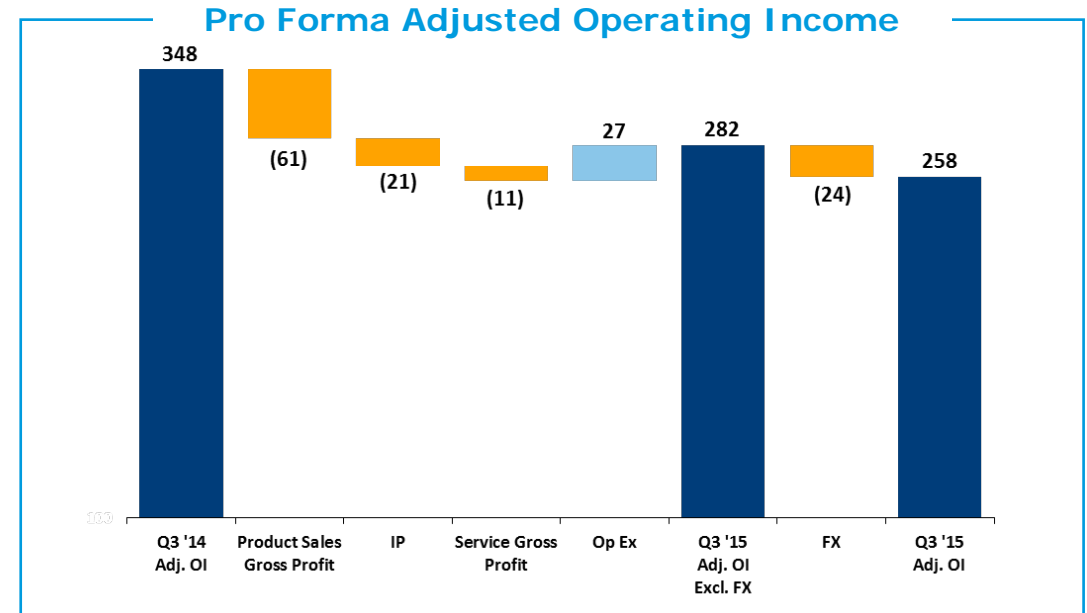
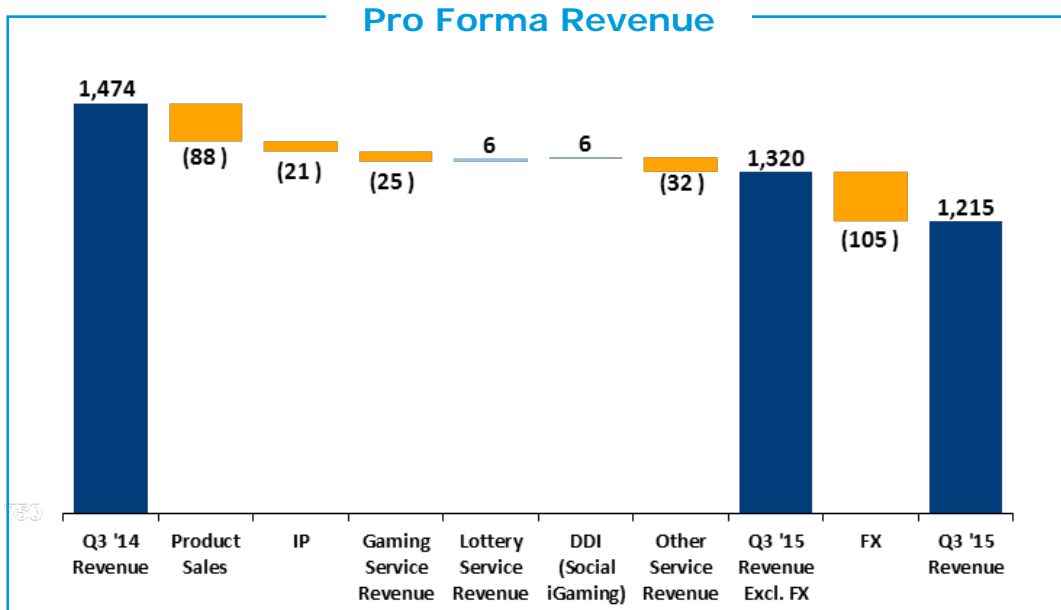


As adjusted results remove impact of purchase price amortization, restructuring expense and transaction expense (see appendix for details)



# Q3'15 Revenue & Operating Income

\$ M

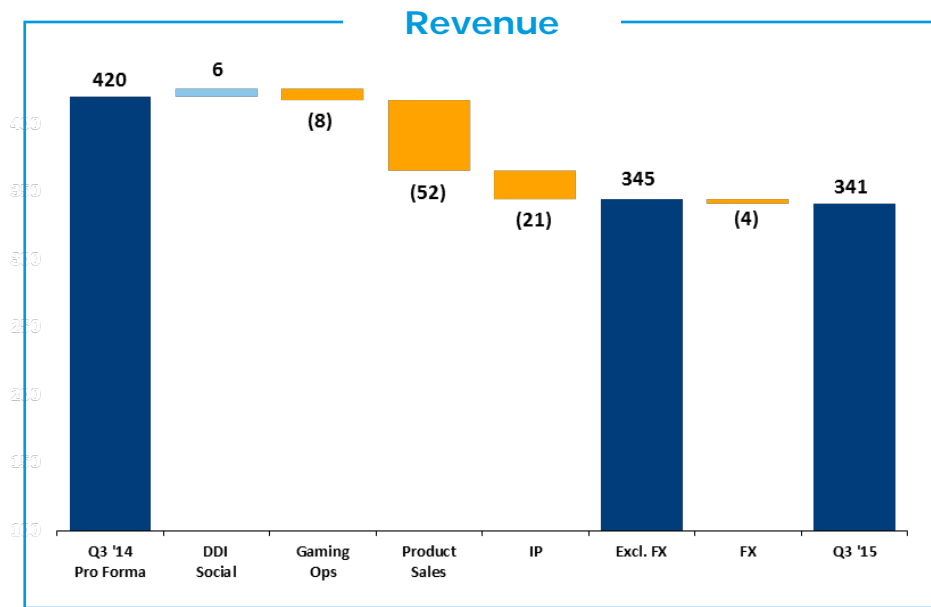


- Lottery service revenue up; strong growth in North America mitigated by lower late numbers in Italy
- Gaming service revenue reflects Stability Law impact and lower installed base, partly offset by improved WAP yields; DoubleDown up
- Product sales down on difficult comparisons with large Oregon VLT and Mexican conversion sales in Q3'14; lower IP, as anticipated
- Operating income reflects revenue dynamics as well as effective cost management and synergy benefits



# Q3'15 North America Gaming & Interactive Highlights

\$ M



### Key Performance Indicators

	Q3'15 Reported	Q3'14 Pro Forma	% Change		
Revenue	341	420	-19%		
Operating Income	85	146	-42%		
<b>Machine Units Shipped</b>	<b>Q3'15</b>	<b>Q3'14</b>		<b>YTD 15</b>	<b>YTD 14</b>
Replacement	2,431	4,488		12,587	12,046
New & Expansion	895	2,053		2,198	6,766
Total	3,326	6,541		14,785	18,812
<b>Casino Installed Base</b>	<b>Q3'14</b>	<b>Q4'14</b>	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>
	28,554	27,727	25,882	25,516	25,237

## Developments

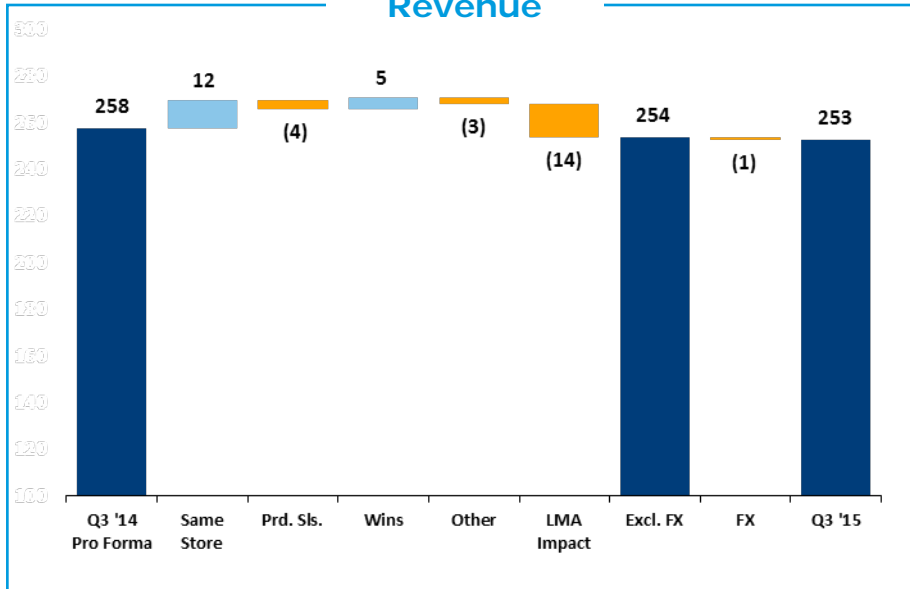
- Relatively stable gaming operations revenue notwithstanding lower installed base; improved WAP yields
- Wheel of Fortune® franchise remains strong; continued momentum with new titles (Quartermania®, Gong Xi Fa Cai™)
- Q3'14 unit sales included 1,864 Oregon VLT units
- Year-to-date total replacement units up 4%; new & expansion units reflect lower new casino openings and Illinois VLTs
- DoubleDown revenues up 9% sequentially on higher mobile penetration and improved player monetization
- Operating income impacted by revenue trends and mix, in addition to further investment in R&D



# Q3'15 North America Lottery Highlights

\$ M

## Revenue



## Key Performance Indicators

	Q3'15 Reported	Q3'14 Pro Forma	% Change		
Revenue	253	258	-2%		
Operating Income	50	30	66%		
<b>Same-store revenue growth</b>	<b>Q3'15</b>	<b>Q3'14</b>		<b>YTD 15</b>	<b>YTD 14</b>
Instants & Draw Games	8.5%	5.4%		7.5%	3.8%
Multistate Jackpots	3.8%	-37.7%		3.8%	-23.3%
Total SSR Growth	8.0%	-2.5%		7.0%	-0.8%
<b>VLT Installed Base</b>	<b>Q3'14</b>	<b>Q4'14</b>	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>
	16,387	16,274	16,276	16,265	15,682

## Developments

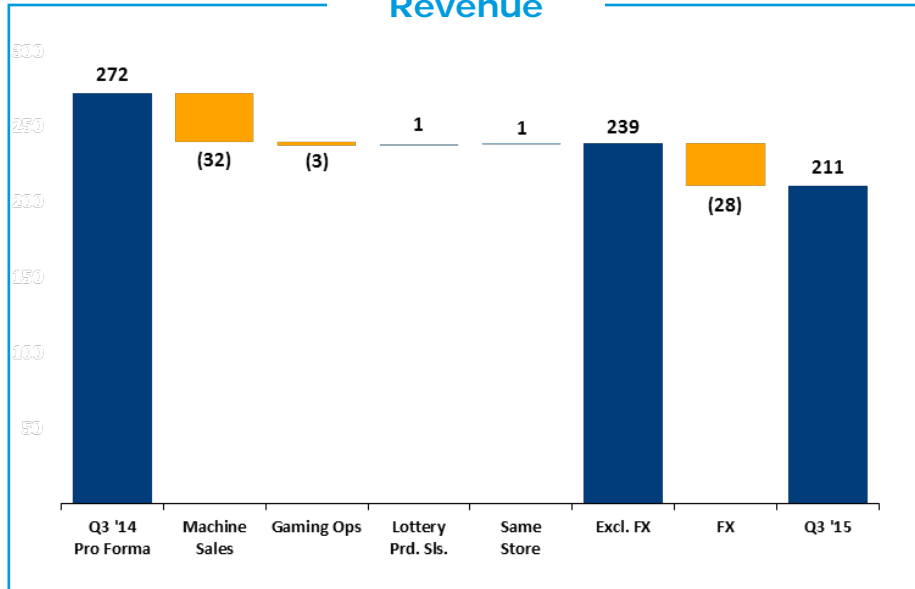
- 8% same-store revenue growth on continued momentum in instant ticket sales and local draw-based games
- Double-digit growth in California, North Carolina, and Indiana; mid-to-high single-digit growth in most other major markets
- Wins in Canada (Ontario) and Colorado contributed to growth
- LMA revenue includes \$10 million impact related to Illinois Lottery termination agreement
- Significant profit growth supported by leverage on strong same-store revenues and disciplined operational management, partially offset by Illinois settlement



# Q3'15 International Highlights

\$ M

## Revenue



## Key Performance Indicators

	Q3'15 Reported	Q3'14 Pro Forma	% Change		
Revenue	211	272	-23%		
Operating Income	37	69	-47%		
<b>Machine Units Shipped</b>	<b>Q3'15</b>	<b>Q3'14</b>		<b>YTD 15</b>	<b>YTD 14</b>
Replacement	2,792	5,570		6,829	11,393
New & Expansion	504	590		1,983	1,736
Total	3,296	6,160		8,812	13,129
<b>Same-store revenue growth</b>					
Instants & Draw Games	1.9%	6.4%		2.8%	4.6%
Multistate Jackpots	-3.7%	-11.6%		1.9%	-11.3%
Total SSR Growth	1.6%	5.0%		2.7%	3.3%
<b>Installed Base</b>	<b>Q3'14</b>	<b>Q4'14</b>	<b>Q1'15</b>	<b>Q2'15</b>	<b>Q3'15</b>
	10,798	10,060	10,128	10,066	9,768

## Developments

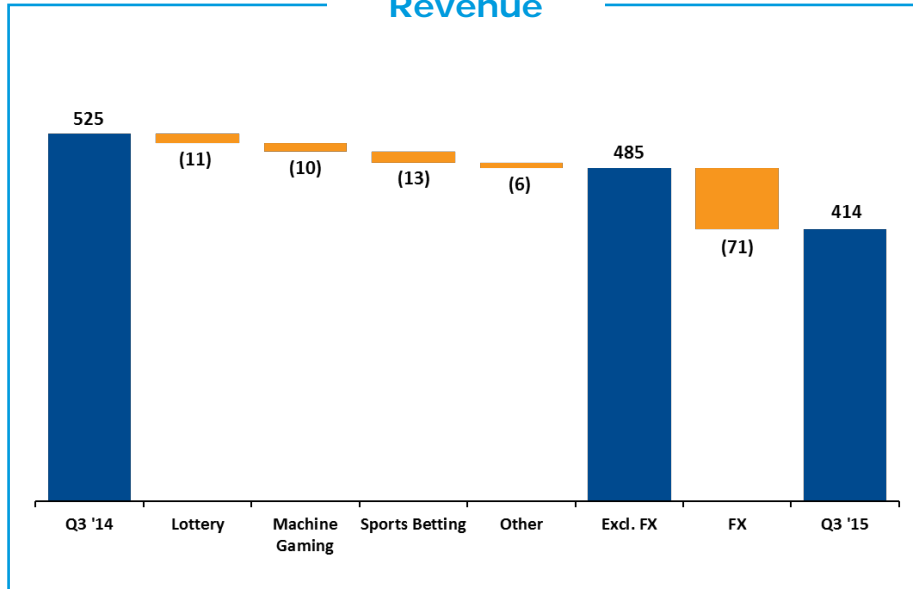
- Machine sales reflect large Asia Pacific sales and Mexico conversion units in Q3'14
- Growing interest in new S3000® and CrystalDual™ cabinets
- Relatively stable gaming operations revenue notwithstanding lower installed base
- 2% increase in lottery same-store revenue driven by broad-based strength in instant tickets and sustained jackpot growth in Eastern Europe, partially offset by weaker trends in Latin America
- Operating income comparison reflects lower product sales and the high margin on Q3'14 Mexico conversion sales



# Q3'15 Italy Highlights

\$ M

## Revenue



## Key Performance Indicators

	Q3'15 Reported	Q3'14 Pro Forma	% Change
Revenue	414	525	-21%
Operating Income	131	188	-30%

	Q3'15	Q3'14	% Growth
Lotto Wagers (€ mln)	1,677	1,754	-4.4%
10eLotto	1,009	963	4.8%
Core	605	610	-0.9%
Late Numbers	63	181	-65.4%
S&W Wagers (€ mln)	2,108	2,176	-3.2%
Sports Betting Payout (%)	81.9%	76.2%	5.7 pp

Installed Base	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15
VLT - Italy Supplier (B2B)	8,378	8,392	8,529	8,465	8,439
VLT - Operator (B2C)	10,859	10,956	10,938	10,988	10,955
AWP	68,249	65,316	63,840	62,156	60,262

## Developments

- Relative stability in most core activities, with the exception of the 2015 Stability Law impact, six percentage-point increase in sports betting payout, and a decline in Lotto late numbers
- Lotto wagers up ex-late numbers; continued strength with 10eLotto/Numero ORO
- Successful introduction of new products improved Scratch & Win year-to-date trends
- Machine gaming revenue stable ex-Stability Law; higher productivity and mix continue to offset a decline in AWP units
- Resilient operating profitability at constant currency and constant perimeter (ex-\$18 million gain on sale of Italian ticketing business in Q3'14); decline entirely attributable to higher sports betting payout and Stability Law



# Q3'15 Income Statement

\$ M except EPS

Income Statement	Q3'15	Q3'14	% Change
<i>Service Revenue</i>	1,057	876	21%
<i>Product Sales</i>	158	62	155%
<b>Total Revenue</b>	<b>1,215</b>	<b>938</b>	<b>30%</b>
<b>Adjusted EBITDA</b>	<b>414</b>	<b>342</b>	<b>21%</b>
<b>Operating Income</b>	<b>130</b>	<b>184</b>	<b>-29%</b>
<i>Interest Expense, Net</i>	(117)	(74)	
<i>Foreign Exchange</i>	10	(3)	
<i>Other</i>	(1)	1	
Financial Charges, Net	(108)	(76)	
<b>Income Before Tax</b>	<b>22</b>	<b>108</b>	<b>-79%</b>
<b>Net Income (Loss)</b>	<b>9</b>	<b>74</b>	<b>-88%</b>
<b>Net Income (Loss) - Owners</b>	<b>7</b>	<b>76</b>	<b>-91%</b>
<b>Diluted EPS</b>	<b>0.04</b>	<b>0.44</b>	<b>-91%</b>

Note: \$/€ FX daily average: 1.11 in Q3'15; 1.33 in Q3'14



	9/30/15
<b>Long-Term Debt, Less Current Portion</b>	
IGT PLC Senior Notes	4,867
Revolving Facilities	1,135
IGT PLC Term Loan	892
Notes Due February 2018 (Legacy GTECH)	548
Notes Due March 2020 (Legacy GTECH)	535
Notes Due June 2019 (Legacy IGT)	532
Notes Due June 2020 (Legacy IGT)	127
Notes Due October 2023 (Legacy IGT)	61
Capital Securities (Legacy GTECH)	51
	<u>8,748</u>
<b>Current Portion of Long-Term Debt</b>	-
<b>Short-Term Borrowings</b>	-
<b>Total Debt</b>	<u>8,748</u>
Cash and Cash Equivalents	552
<b>Net Debt</b>	<b>8,196</b>

Note: \$/€ FX: 1.12 at 9/30/15



# 9M'15 Cash Flow Statement

\$ M

Cash Flow	9M'15
<b>Net Cash Flows from Operating Activities</b>	<b>471</b>
Capex (Excluding IGT Acquisition)	(289)
<b>Free Cash Flow</b>	<b>182</b>
Debt Proceeds/(Repayment), Net	4,092
IGT Acquisition, Net of Cash Acquired	(3,241)
Payments to Withdrawing Shareholders	(408)
Dividends Paid	(169)
Non-Controlling Interests	(59)
Other - Net	(136)
<b>Other Investing/Financing Activities</b>	<b>79</b>
<b>Net Cash Flow</b>	<b>261</b>
Effect of Exchange Rates/Other	(26)
<b>Net Change in Cash</b>	<b>235</b>
<b>Cash at End of the Period</b>	<b>552</b>

## 9M'15 Free Cash Flow Impacts

- Approximately \$150 million in one-time, transaction-related items
- Excludes \$57 million in free cash flow from legacy IGT in the first calendar quarter of 2015







# 2015 Financial Outlook

## Confirming \$280 million in synergy targets

- \$230 million in cost synergies; on track to achieve two-thirds of savings on annualized basis by April 2016
- \$50 million in revenue synergies

## Outlook

- 2015 pro forma adjusted EBITDA of \$1.605-\$1.705 billion
  - Reflects \$30 million adjustment for certain legacy IGT items in March 2015 quarter
  - Inclusive of significant FX headwind of approximately \$200 million; average \$/€ exchange rate of 1.11 forecasted for 2015 vs. 1.33 for 2014
  - Confident in reaching top half of range
- CapEx of \$400-\$450 million in 2015 vs. prior expectation of \$450-\$500 million
- 2015 expected to be trough in profitability; near-term objective to stabilize and grow the business
- Medium-term leverage target of 4.0x Net Debt/EBITDA

# APPENDIX



# Q3'15 Reconciliation of Adjusted EBITDA

\$ M

	Q3'15	Q3'14	% Change
<b>Operating Income</b>	<b>130</b>	<b>184</b>	<b>-29%</b>
<i>Depreciation</i>	95	84	
<i>Amortization</i>	134	37	
<i>Transaction Expense (Income), Net</i>	2	(5)	
<i>Service Revenue Amortization</i>	27	31	
<i>Non-Cash Purchase Accounting (excluding D&amp;A)</i>	2	-	
<i>Restructuring Expense</i>	11	5	
<i>Stock Compensation</i>	13	6	
<b>Adjusted EBITDA</b>	<b>414</b>	<b>342</b>	<b>21%</b>



# Q3'15 Reconciliation of Non-GAAP Measures

\$ M

	Operating Income			Net Inc. Q3'15
	Q3'15	Q3'14	Change	
<b>As Reported</b>	<b>130</b>	<b>184</b>	<b>(54)</b>	<b>7</b>
<b>Pre-Tax Adjustments:</b>				
<i>Purchase Accounting</i>	115	20	95	114
<i>Transaction Expense (Income), Net</i>	2	(5)	7	2
<i>Restructuring Expense</i>	11	5	6	11
<i>Non-Cash FX (Gain)/Loss</i>				(10)
<i>Income Tax Impact of Above Items</i>				(42)
<b>As Adjusted</b>	<b>258</b>	<b>204</b>	<b>54</b>	<b>82</b>
<i>Legacy IGT *</i>	-	144	(144)	
<b>Pro-Forma As Adjusted</b>	<b>258</b>	<b>348</b>	<b>(90)</b>	
<b>Diluted EPS:</b>				
As Reported				0.04
As Adjusted				0.41

\* Excludes impact of purchase price amortization and transaction expense



# Q3'15 KPIs – Consolidated

Periods Ended September 30	Third Quarter			Nine Months		
	2015	2014	% change	2015	2014	% change
<b>Installed base (end of period)</b>						
Casino	34,755	39,102	-11.1%	34,755	39,102	-11.1%
VLT - Government Sponsored (ex-Italy)	15,932	16,637	-4.2%	15,932	16,637	-4.2%
VLT - Italy Supplier (B2B)	8,439	8,378	0.7%	8,439	8,378	0.7%
<b>Total installed base</b>	<b>59,126</b>	<b>64,117</b>	<b>-7.8%</b>	<b>59,126</b>	<b>64,117</b>	<b>-7.8%</b>
Yield (average revenue per unit per day - \$0.00)	33.95	36.33	-6.6%	34.11	35.64	-4.3%
<u>Additional Italian Network Details:</u>						
VLT - Operator (B2C)	10,955	10,859	0.9%	10,955	10,859	0.9%
AWP	60,262	68,249	-11.7%	60,262	68,249	-11.7%
<b>Machine units shipped</b>						
New/Expansion	1,399	2,643	-47.1%	4,181	8,502	-50.8%
Replacement	5,223	10,058	-48.1%	19,416	23,439	-17.2%
<b>Total machines shipped</b>	<b>6,622</b>	<b>12,701</b>	<b>-47.9%</b>	<b>23,597</b>	<b>31,941</b>	<b>-26.1%</b>
<b>Global lottery same-store revenue growth</b>						
Instants & draw games			6.7%			6.2%
Multistate Jackpots			2.6%			3.5%
<b>Total lottery same-store revenue growth (ex-Italy)</b>			<b>6.2%</b>			<b>5.9%</b>
<b>Italy lottery revenue growth</b>			<b>-3.9%</b>			<b>1.4%</b>



# Q3'15 KPIs – North America

Periods Ended September 30	Third Quarter			Nine Months		
	2015	2014	% change	2015	2014	% change
<b>Installed base (end of period)</b>	<b>40,919</b>	<b>44,941</b>	<b>-8.9%</b>	<b>40,919</b>	<b>44,941</b>	<b>-8.9%</b>
<b>Machine units shipped</b>						
New/Expansion	895	2,053	-56.4%	2,198	6,766	-67.5%
Replacement	2,431	4,488	-45.8%	12,587	12,046	4.5%
<b>Total machines shipped</b>	<b>3,326</b>	<b>6,541</b>	<b>-49.2%</b>	<b>14,785</b>	<b>18,812</b>	<b>-21.4%</b>
<b>DoubleDown</b>						
Revenue (\$ Thousands)	79,748	75,090	6.2%	233,401	215,666	8.2%
Mobile penetration	50%	36%	38.9%	46%	34%	34.5%
DAU (Daily Active Users) <sup>1</sup>	1,852	1,816	2.0%	1,873	1,808	3.6%
MAU (Monthly Active Users) <sup>1</sup>	4,536	5,717	-20.7%	4,564	5,970	-23.6%
Bookings per DAU (\$0.00) <sup>1</sup>	\$ 0.48	\$ 0.46	3.4%	\$ 0.47	\$ 0.44	5.9%
<b>Lottery same-store revenue growth</b>						
Instants & draw games			8.5%			7.5%
Multistate Jackpots			3.8%			3.8%
<b>Total lottery same-store revenue growth</b>			<b>8.0%</b>			<b>7.0%</b>

<sup>1</sup> As a single application with multiple games, active users equal unique users



# Q3'15 KPIs - International

Periods Ended September 30	Third Quarter			Nine Months		
	2015	2014	% change	2015	2014	% change
<b>Installed base (end of period)</b>	<b>9,768</b>	<b>10,798</b>	<b>-9.5%</b>	<b>9,768</b>	<b>10,798</b>	<b>-9.5%</b>
<b>Machine units shipped</b>						
New/Expansion	504	590	-14.6%	1,983	1,736	14.2%
Replacement	2,792	5,570	-49.9%	6,829	11,393	-40.1%
<b>Total machines shipped</b>	<b>3,296</b>	<b>6,160</b>	<b>-46.5%</b>	<b>8,812</b>	<b>13,129</b>	<b>-32.9%</b>
<b>Lottery same-store revenue growth</b>						
Instants & draw games			1.9%			2.8%
Multistate Jackpots			-3.7%			1.9%
<b>Total lottery same-store revenue growth</b>			<b>1.6%</b>			<b>2.7%</b>



# Q3'15 KPIs - Italy

Periods Ended September 30	Third Quarter			Nine Months		
	2015	2014	% change	2015	2014	% change
<i>(In € millions, except machines)</i>						
<b>Lottery</b>						
<b>Lotto wagers</b>	<b>1,677</b>	<b>1,754</b>	<b>-4.4%</b>	<b>5,222</b>	<b>4,883</b>	<b>6.9%</b>
10eLotto	1,009	963	4.8%	3,140	2,608	20.4%
Core	605	610	-0.9%	1,809	1,910	-5.3%
Late Numbers	63	181	-65.4%	273	365	-25.4%
<b>Scratch &amp; Win Wagers</b>	<b>2,108</b>	<b>2,176</b>	<b>-3.2%</b>	<b>6,625</b>	<b>6,967</b>	<b>-4.9%</b>
<b>Italy lottery revenue growth</b>			<b>-3.9%</b>			<b>1.4%</b>
<b>Gaming</b>						
<b>Installed base (end of period)</b>						
VLT - Operator (B2C)	10,955	10,859	0.9%	10,955	10,859	0.9%
VLT - Supplier (B2B)	8,439	8,378	0.7%	8,439	8,378	0.7%
AWP	60,262	68,249	-11.7%	60,262	68,249	-11.7%
<b>Wagers</b>						
VLT - Operator (B2C)	1,314	1,306	0.7%	3,993	4,170	-4.2%
AWP	1,026	1,085	-5.4%	3,229	3,328	-3.0%
Interactive Wagers (Gaming)	378	423	-10.6%	1,258	1,340	-6.1%
<b>Other</b>						
Sports Betting Wagers <sup>1</sup>	167	173	-3.6%	628	643	-2.3%
Sports Betting Payout (%) <sup>1</sup>	81.9%	76.2%	5.7 pp	83.4%	77.8%	5.6 pp

<sup>1</sup> Includes Virtual Wagers and Pools & Horses