

2017 Second Quarter Results

Ended June 30, 2017

August 1, 2017



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**Strategic
Update**

Marco Sala, CEO, International Game Technology PLC

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**Q2'17
Results**

Alberto Fornaro, CFO, International Game Technology PLC

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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 International Game Technology PLC and its consolidated subsidiaries (the “Company”) 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 the Company 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 speak only as of the date on which such statements are made and are subject to various risks and uncertainties, many of which are outside the Company’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) the factors and risks described in the Company’s annual report on Form 20-F for the financial year ended December 31, 2016 and other documents filed from time to time with the SEC, which are available on the SEC’s website at www.sec.gov and on the investor relations section of the Company’s website at www.IGT.com. Except as required under applicable law, the Company does not assume any obligation to update these forward-looking statements. You should carefully consider these factors and other risks and uncertainties that affect the Company’s business. 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 International Game Technology PLC, or persons acting on its behalf, are expressly qualified in its 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 presented in this presentation are prepared under U.S. GAAP, unless noted otherwise.

Adjusted figures exclude the impact of items such as purchase accounting, impairment charges, restructuring expense, foreign exchange, and certain one-time, primarily transaction-related items. Reconciliations to the most directly comparable U.S. GAAP measures are included in the tables in this presentation. Constant currency changes for 2017 are calculated using the same foreign exchange rates as the corresponding 2016 period.

Management uses non-GAAP financial measures to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, and to evaluate the Company's financial performance. Management believes these non-GAAP financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparisons and analysis of business trends. These constant currency changes and non-GAAP financial measures should however be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with U.S. GAAP.



STRATEGIC UPDATE

Q2'17: Strong Profit Performance, Improving KPIs

Continued global Lottery momentum

- Strength in instants and draw-based games
- Innovation and effective sales and product marketing efforts driving growth
- Earned NJ performance-based incentive
- Extended NY Lottery contract, won West Virginia



Improved global Gaming KPIs

- Strong gaming machine unit replacement shipments
 - Traction in video reel with test bank games on new cabinets
 - Launch of *Crystal Curve*™
- Global installed base up Y/Y and sequentially
 - Relative stability in North America casinos (sequentially)
 - Significant International expansion

Stronger sales and profits expected in 2H17

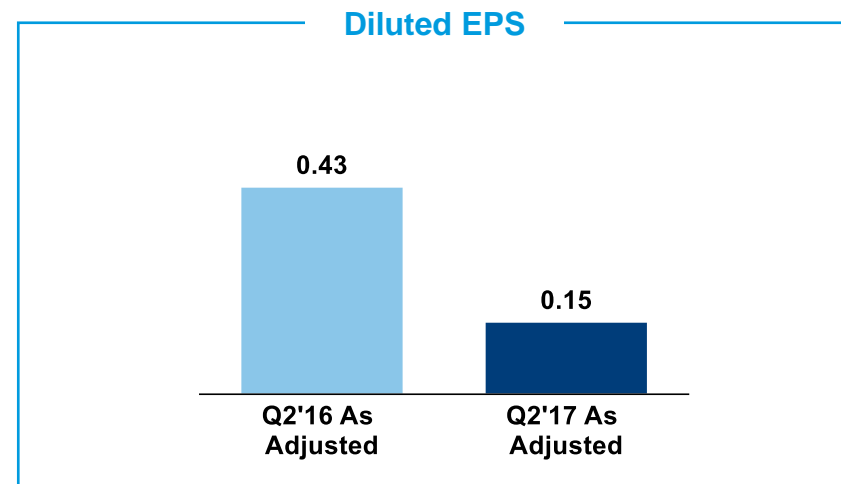
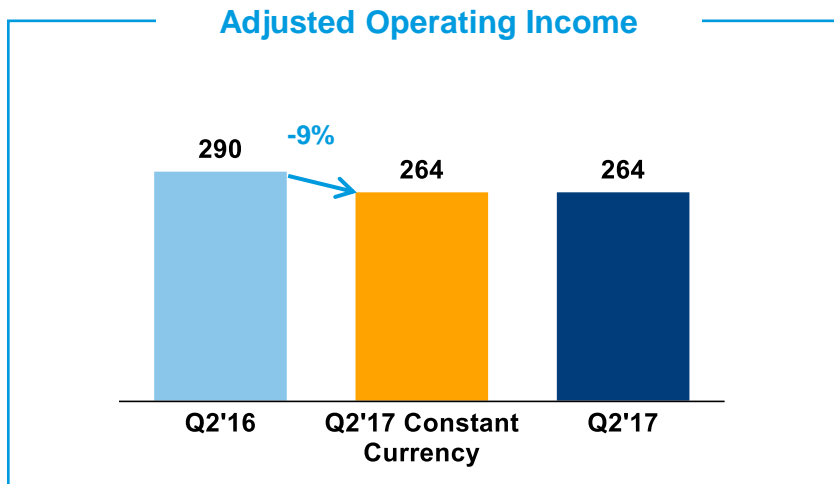
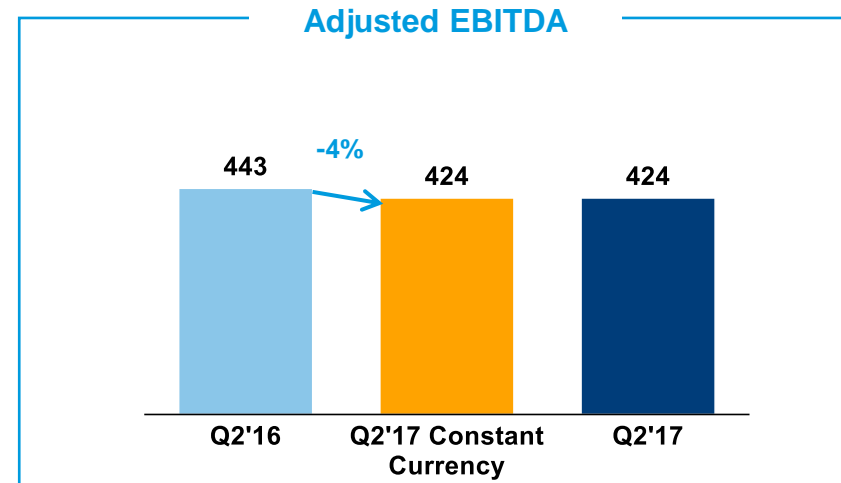
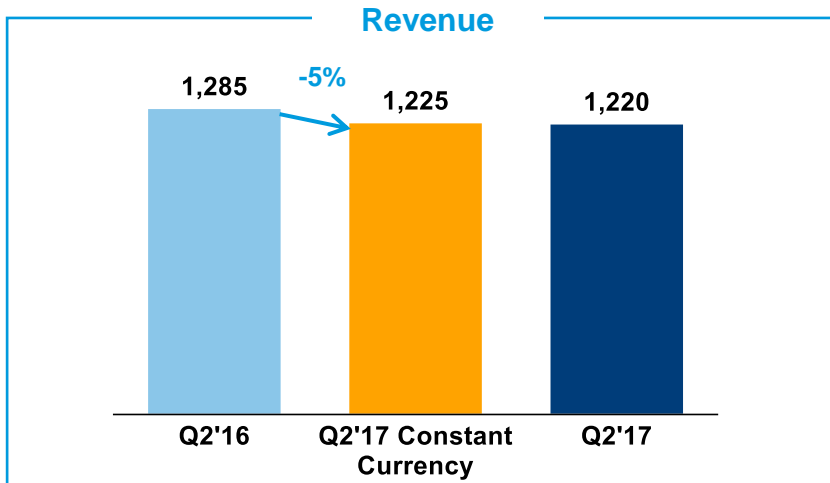




2017 SECOND QUARTER FINANCIAL RESULTS

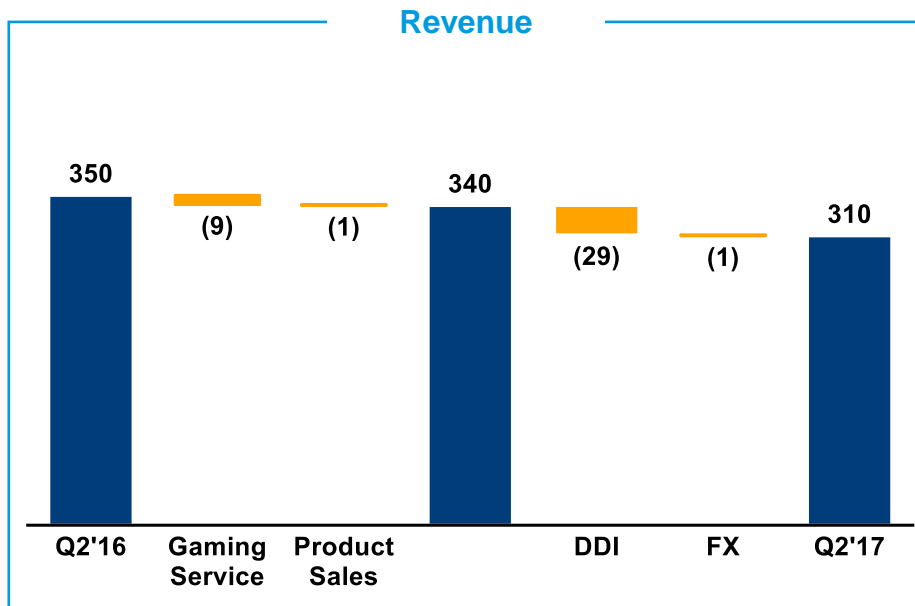
Q2'17 Financial Highlights

\$ M except EPS



Notes: As adjusted results remove impact of purchase price amortization, impairment charges, restructuring expense and transaction expense (see appendix for details)
Notes: \$/€ FX daily average: 1.10 in Q2'17; 1.13 in Q2'16

Q2'17 North America Gaming & Interactive Highlights



Key Performance Indicators

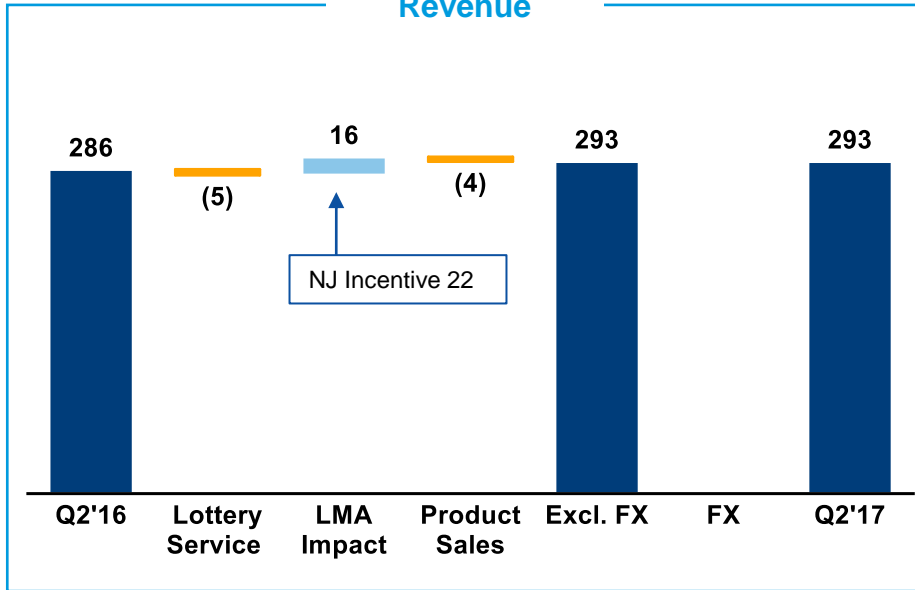
	Q2'17	Q2'16	% Change		
Revenue	310	350	-11%		
Operating Income	76	88	-14%		
Machine Units Shipped					
	Q2'17	Q2'16			
New & Expansion	1,408	1,277			
Replacement	3,885	3,886			
Total	5,293	5,163			
Casino Installed Base					
	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17
	24,171	24,163	24,472	23,701	23,649

Developments

- Gaming service revenue impacted by lower installed base Y/Y; Crystal Curve™ cabinet launch provided relative stability sequentially
- Product sales reflect higher terminal volume and ASPs, offset by a large system sale in Q2'16
- Continued momentum in S3000® and Crystal Series cabinets; test bank titles Wild Fury™ and Star Rise on Crystal Curve™ cabinet released for sale in the quarter
- DoubleDown reflects sale as of June 1, 2017
- Operating Income down on lower revenue, largely DoubleDown sale, partially offset by decreased operating expenses

Q2'17 North America Lottery Highlights

Revenue



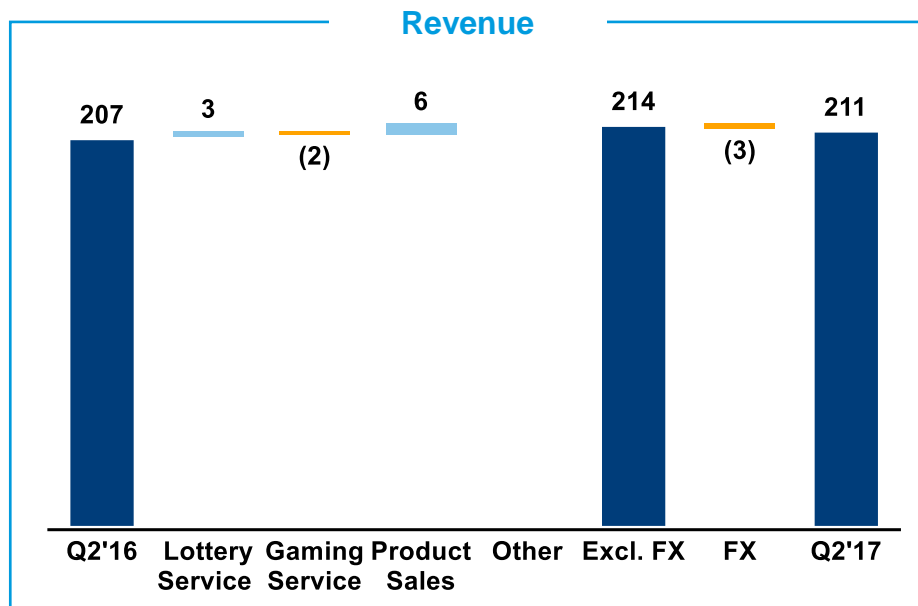
Key Performance Indicators

	Q2'17	Q2'16	% Change		
Revenue	293	286	2%		
Operating Income	79	61	29%		
Same-store revenue growth					
Instants & Draw Games	5.6%	3.1%			
Multistate Jackpots	-18.2%	40.1%			
Total SSR Growth	2.2%	7.3%			
VLT Installed Base					
	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17
	15,355	15,322	14,878	15,009	15,267

Developments

- 2.2% same-store revenue growth driven by 5.6% increase in instant tickets and draw-based games
- Lottery service revenue impacted by exit of certain low-margin contracts
- LMA impact includes New Jersey incentive, driven by effective sales & marketing initiatives
- Product sales reflect large California sale in 2Q'16
- Operating Income up on LMA incentive and same-store revenue growth, partially offset by lower product sales

Q2'17 International Highlights



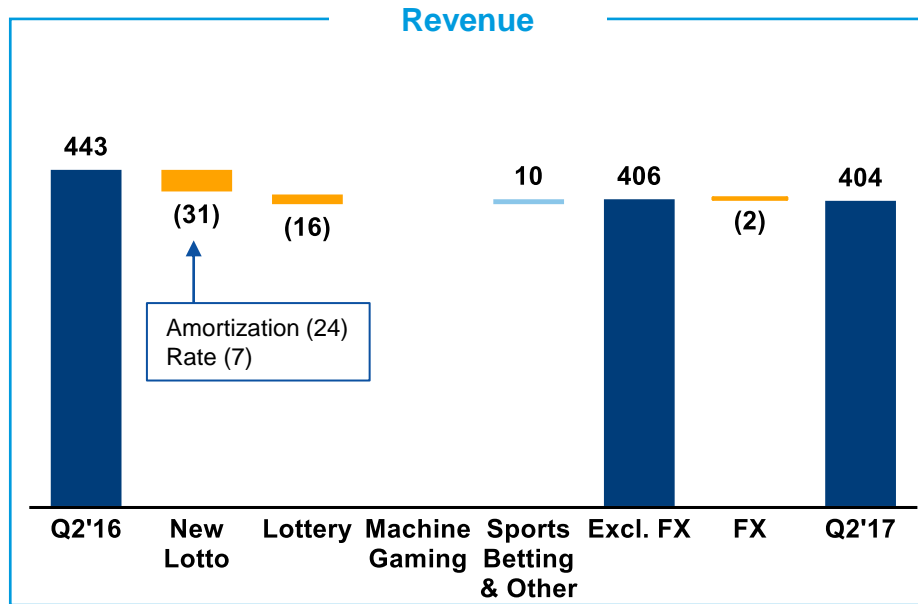
Key Performance Indicators

	Q2'17	Q2'16	% Change		
Revenue	211	207	2%		
Operating Income	45	28	63%		
Machine Units Shipped					
	Q2'17	Q2'16			
New & Expansion	441	170			
Replacement	3,150	2,819			
Total	3,591	2,989			
Same-store revenue growth					
Instants & Draw Games	2.8%	3.3%			
Multistate Jackpots	16.8%	-10.5%			
Total SSR Growth	3.6%	2.2%			
Installed Base					
	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17
	9,478	10,268	10,453	11,281	12,129

Developments

- Product sales improved Y/Y on higher gaming terminal volume in Latin America & EMEA and revenue recognized on units shipped in Q1'17, partially offset by lower lottery product sales
- Lottery same-store revenue grew 3.6% on strength in Latin America
- Installed base continues to grow in Greece, South Africa, and Latin America
- Gaming service revenue reflects lower contribution from interactive
- Operating Income up on higher gaming product sales and mix; reduced SG&A expenses; and lower bad debt and impairment

Q2'17 Italy Highlights



Key Performance Indicators

	Q2'17	Q2'16	% Change
Revenue	404	443	-9%
Operating Income	114	161	-29%

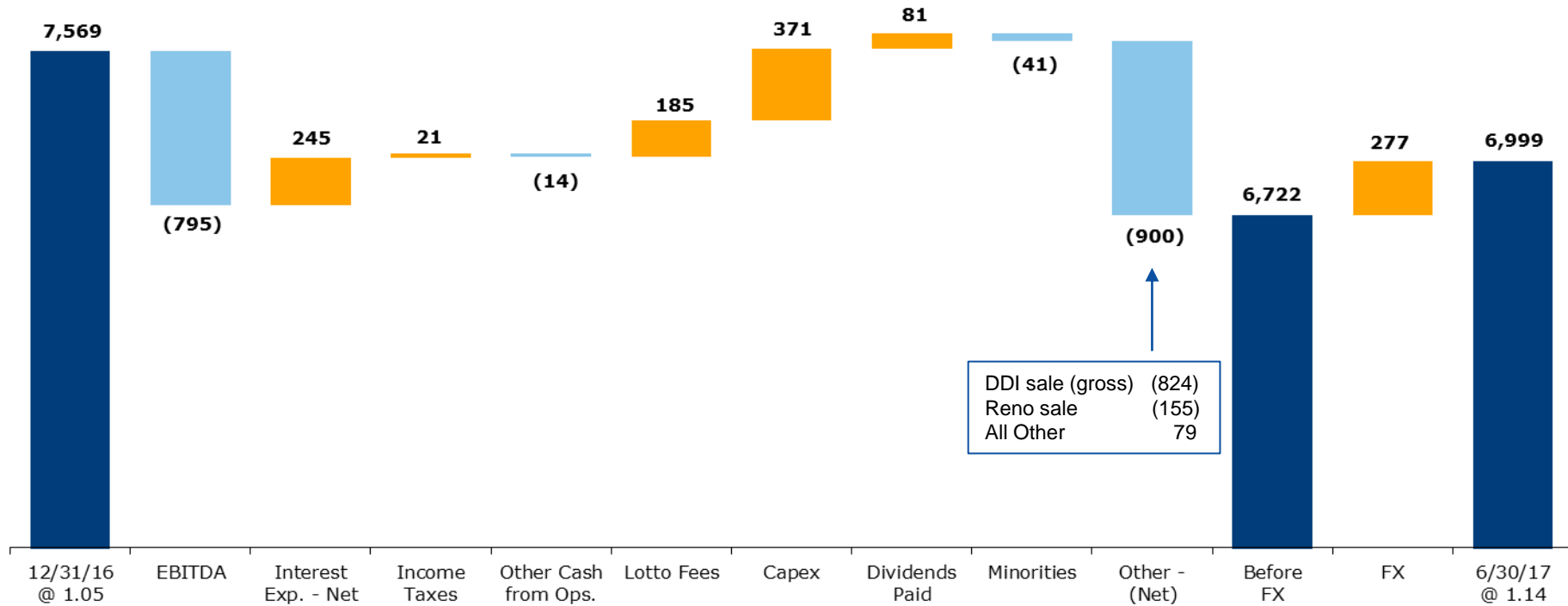
€M	Q2'17	Q2'16	% Growth
Lotto Wagers	1,842	2,056	-10.4%
10eLotto	1,269	1,191	6.6%
Core	484	542	-10.6%
Late Numbers	88	324	-72.8%
S&W Wagers	2,183	2,200	-0.8%
Sports Betting Wagers	226	206	9.5%
Sports Betting Payout	82.3%	86.5%	-4.2 pp
Gaming Wagers			
VLT - Operator (B2C)	1,370	1,324	3.5%
AWP	960	1,034	-7.2%
Interactive	413	398	3.8%

Developments

- Lottery revenue decline entirely related to Late Numbers; continued growth in 10eLotto/Numero ORO on higher frequency of play
- Scratch & Win stable on good performance of 10X, 20X, 50X tickets despite fewer new ticket launches in 2017
- Machine Gaming revenue stable; increased vertical integration offset by higher gaming machine taxes
- Sports Betting up on higher wagers and improved payout (-420 bps); live betting continues to grow
- Operating Income down on the new Lotto concession dynamics (amortization and rate) and lower Late Numbers wagers

Debt and Leverage Profile

\$ M



Net Debt/LTM Adj. EBITDA 4.31x

4.25x

- Net debt improved compared to year-end 2016
- DoubleDown proceeds partially offset by unfavorable FX

Capital Structure & Cost Savings

DOUBLE DOWN SALE

Proceeds of sale to:

- Repay the RCF balance
- Tender for the \$500 million 7.50% Notes due 2019; ~\$350 million tendered

AMENDED THE CREDIT FACILITIES

~30% reduction in multicurrency RCF commitments

- \$1,800 million to \$1,200 million
- €1,025 million to €725 million

Amended certain financial covenants

REFINANCED THE TERM LOAN

Proceeds from new €1,500 million senior facility agreement to repay:

- €800 million term loans maturing in January 2019
- €500 million 6.625% senior secured notes due in February 2018

- Proactively managing capital structure to match lower anticipated liquidity needs
- Greater flexibility to execute strategic objectives
- Approximately **\$60 million** in annualized interest cost savings

H1'17 Cash Flow Statement

Cash Flow	H1'17
Net Cash Flows from Operating Activities	543
Capex	(371)
Lotto upfront concession payment	(185)
Free Cash Flow	(13)
Minority capital contribution (Lotto)	127
Debt Proceeds/(Repayment), Net	(672)
Dividends Paid	(81)
Other - Net	817
Other Investing/Financing Activities	191
Net Cash Flow	178
Effect of Exchange Rates/Other	23
Net Change in Cash	201
Cash at End of the Period	495

- Strong Operating Cash Flow in Q2'17
 - Includes approximately \$246 million in cash interest paid
- Capex includes Italy Lotto network and infrastructure upgrades
- Final Lotto upfront concession payment in Q2'17
- Other includes proceeds from sale of DoubleDown

FY'17 Outlook

2017 adjusted EBITDA maintained at \$1,600 - \$1,680 million

CapEx for maintenance and growth reduced \$50 million

- Maintenance and growth CapEx now \$575-\$625 million
- Italy Lotto CapEx unchanged

Net debt of \$6,950 - \$7,150 million, unchanged

Assumes \$/€ FX of 1.10

Other items

- Cash taxes of \$325-\$375 million
- Purchase accounting of ~\$375 million



Q&A



APPENDIX

Q2'17 Income Statement (As Reported)

Income Statement	Q2'17	Q2'16	% Change	Constant Currency Q2'17	% Chg.
<i>Service Revenue</i>	1,024	1,089	-6%	1,029	-6%
<i>Product Sales</i>	196	196	0%	196	0%
Total Revenue	1,220	1,285	-5%	1,225	-5%
Adjusted EBITDA	424	443	-4%	424	-4%
Operating Income	192	171	12%	192	12%
<i>Interest Expense, Net</i>	(114)	(115)			
<i>Foreign Exchange</i>	(220)	88			
<i>Other</i>	(26)	(1)			
Financial Charges, Net	(360)	(28)			
Income Before Tax	(168)	143	<i>n.m.</i>		
Net Income (Loss)	(252)	83	<i>n.m.</i>		
Net Income (Loss) - Owners	(290)	73	<i>n.m.</i>		
Diluted EPS	(1.43)	0.36	<i>n.m.</i>		

Note: \$/€ FX daily average: 1.10 in Q2'17; 1.13 in Q2'16

Q2'17 Reconciliation of Non-GAAP Measures

	Q2'17 As Reported	Adjustments				Q2'17 As Adjusted
		Purchase Accounting	Foreign Exchange	Impairment/ Restructure	Refinance/ Trans. Exp.	
Total Revenue	1,220	(1)	-	-	-	1,219
Cost of Services	618	(40)	-	-	-	578
Cost of Product Sales	138	(23)	-	-	-	115
SG&A	210	(28)	-	-	-	182
R&D	81	(1)	-	-	-	80
Restructuring	11	-	-	(11)	-	-
Transaction Income	(30)	-	-	-	30	-
Total	1,028	(92)	-	(11)	30	955
Operating Income	192	91	-	11	(30)	264
Foreign Exchange	(220)	-	220	-	-	-
Other Income (Net)	(26)	1	-	-	26	1
Interest Expense (Net)	(114)	1	-	-	-	(113)
Total	(360)	2	220	-	26	(112)
Income Before Taxes	(168)	93	220	11	(4)	152
Income Taxes	84	33	50	2	(86)	83
Net Income (Loss)	(252)	60	170	9	82	69
Minority Interest	38	-	-	-	-	38
Attributable to IGT	(290)	60	170	9	82	31
EPS - Diluted	(1.43)					0.15
WASO - Diluted	202.9					203.1

Q2'17 Reconciliation of Non-GAAP Measures

	As Reported	
	Q2'17	Q2'16
Net Income (Loss)	(252)	83
Benefit from Income Taxes	84	60
Non-Operating Expenses	360	27
Amortization	102	128
Depreciation	94	100
Amortization of Upfront Payments to Customers	53	29
Stock Compensation	2	8
Restructuring Expense	11	6
Impairment	-	2
Transaction Income, Net	(30)	-
Adjusted EBITDA	<u>424</u>	<u>443</u>