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2018 **INVESTOR DAY**



# Compelling Characteristics of the Global Lottery Business: Growth

## Steadily Growing Industry

- Low-to-mid single-digit global same-store revenue growth over last decade
- Expected to be maintained for next 3-5 years

## Innovation Drives Growth in “Supply-Driven” Market

- Innovation (in content, distribution, channels, etc.) enables growth
- Instant games represent 60% of sales in North America, and only 27% in Europe, 8% in Australasia and 1% in Latin America

## Opportunity for Out-Sized Growth

- Privatizations
- Extended FM outsourcing
- Full lottery outsourcing
- Digital
- Instant ticket printing

# Compelling Characteristics of the Global Lottery Business: Predictability

**Highly Predictable and Resilient Revenues and Cash Flow**

**Majority of Current Contract Portfolio Secured for Several Years**

- Italy: 9 years
- North America: 8 years
- International: 4 years

**Attractive Return on Investment**

- Low level of operating risk
- Good operating leverage
- Expect reduced capital investments after recent renewal/rebid/extension cycle

# Compelling Characteristics of the Global Lottery Business: IGT's Competitive Advantages

## Leading Operational Expertise

- As operator (B2C)
- As technology/service provider (B2B)

## History of Successful Innovation Driving Growth

- Proprietary Same-Store Sales team cross-fertilizes best practices at global level
- Management of mature markets
- Innovative technologies to enrich the player experience

## Positioned to Continue Leading the Industry Forward

- Content
- Technology
- Marketing capabilities
- Distribution network management

# The Leader in Regulated Gaming Solutions in Growing Global Markets



**Operate in growing global markets** with secular tailwinds



**Balance and diversity of business**, including competitive advantage of being both an operator and supplier, provides resilience and low risk profile



**Growth fueled by innovation**, with products and technology across the gaming spectrum



**Accelerating Free Cash Flow generation** on high-visibility revenue streams, potential for operating margin expansion, and moderating capital needs



**Track record of disciplined capital allocation**, including investments in long-term growth, debt reduction, and return of capital to shareholders

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## 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 2018 are calculated using the same foreign exchange rates as the corresponding 2017 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.