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In this report, we analyze several Key Performance Indicators (KPIs) including but not limited to total N. America and International slot sales, ship share trends, average selling prices, and product sales gross margins. We also highlight each company's gaming ops business segment by comparing total revenue, games installed, game performance (Yield/day), and gaming ops gross margins. We then analyze each supplier's systems business including revenue trends, as well as total slots connected to systems. Finally, we compare total consolidated operating margins for each major gaming equipment supplier.



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Note: The excel data used to compile our report is available for Premium Tier subscribers or available for one-time purchase. If you are interested, please contact DJ Leary at dleary@ekgamingllc.com or call at 212-715-8749.

1. Summary Highlights – 2Q18

- Based on reported figures and our own proprietary research, we estimate Global slot machine unit sales increased +3% y/y and +9% q/q to ~37,100 games sold in 2Q18. Aristocrat was the top Global supplier of slot machine sales in 2Q18 with respect to units sold.
- We estimate total U.S. & Canada slot machine sales increased +16% y/y in 2Q18 to ~20,700 total games sold due to a +125% y/y increase in new and expansionary sales which was partially offset by a -1.0% y/y decrease in replacement sales.
- Excluding Canada / Oregon VLTs, we estimate U.S. & Canada adjusted slot machine replacement sales in 2Q18 were up +2% vs. the prior year to ~15,100 games sold.
- We estimate total B2B EGM revenue increased +10% y/y to ~\$965m for the quarter. Aristocrat generated the most B2B EGM revenue in North America led by its leadership in the gaming operations market. AGS and Everi were the top suppliers outside of the Big 3 this quarter.
- SciGames was the top U.S. & Canada Game Sales supplier for the quarter in terms of total slot machine sales revenue as well as units sold in the U.S. & Canada markets.
- Non-Big 3 suppliers in the U.S. & Canada markets shipped a total of ~6,900 games in 2Q CY18 achieving ~33% ship share which was +4% pts above the prior year period. The group was led by strong sales from Incredible Technologies, Konami, Everi, and AGS.
- We estimate U.S. & Canada Gaming Operations revenue for slot vendors increased +5% y/y and +3% q/q to ~\$612 million in 2Q18. For the quarter, Aristocrat was the market leader with ~33% market share in 2Q18.
- The U.S. & Canada Gaming Ops end of period install base increased +4% y/y and +1% q/q to ~169,600 games installed at the end of 2Q18. Increases in both Premium and Non-Premium units produced unit growth.
- For the quarter, we estimate International sales decreased -9% y/y to ~16,400 games sold. Sales in the quarter were lighter across most international markets. With respect to supplier share, we estimate that Aristocrat was the leading International supplier.
- For the quarter, we estimate casino systems revenue increased +9% y/y to ~\$158 million which represented a sequential decrease of -9% q/q. SciGames (Bally) remains the stable systems revenue leader capturing ~59% of the market for the quarter.
- Finally, we estimate that Aristocrat was the most profitable supplier for the quarter on an operating margin basis.

2. Total Slot Machine Unit Sales and Ship Share – Global

Based on reported figures and our own proprietary research, we estimate total Global slot machine sales increased +3% y/y and +9% q/q to ~37,100 total games sold in 2Q CY18. Global unit sales were driven by an increase in new & expansionary North American sales which was partially offset by lower International sales.

For the quarter, our estimates indicate Aristocrat was the leading global supplier of slots in the 2Q18 with ~23% ship share led by its leadership in International units sold and supported by the third strongest share of North America units sold.

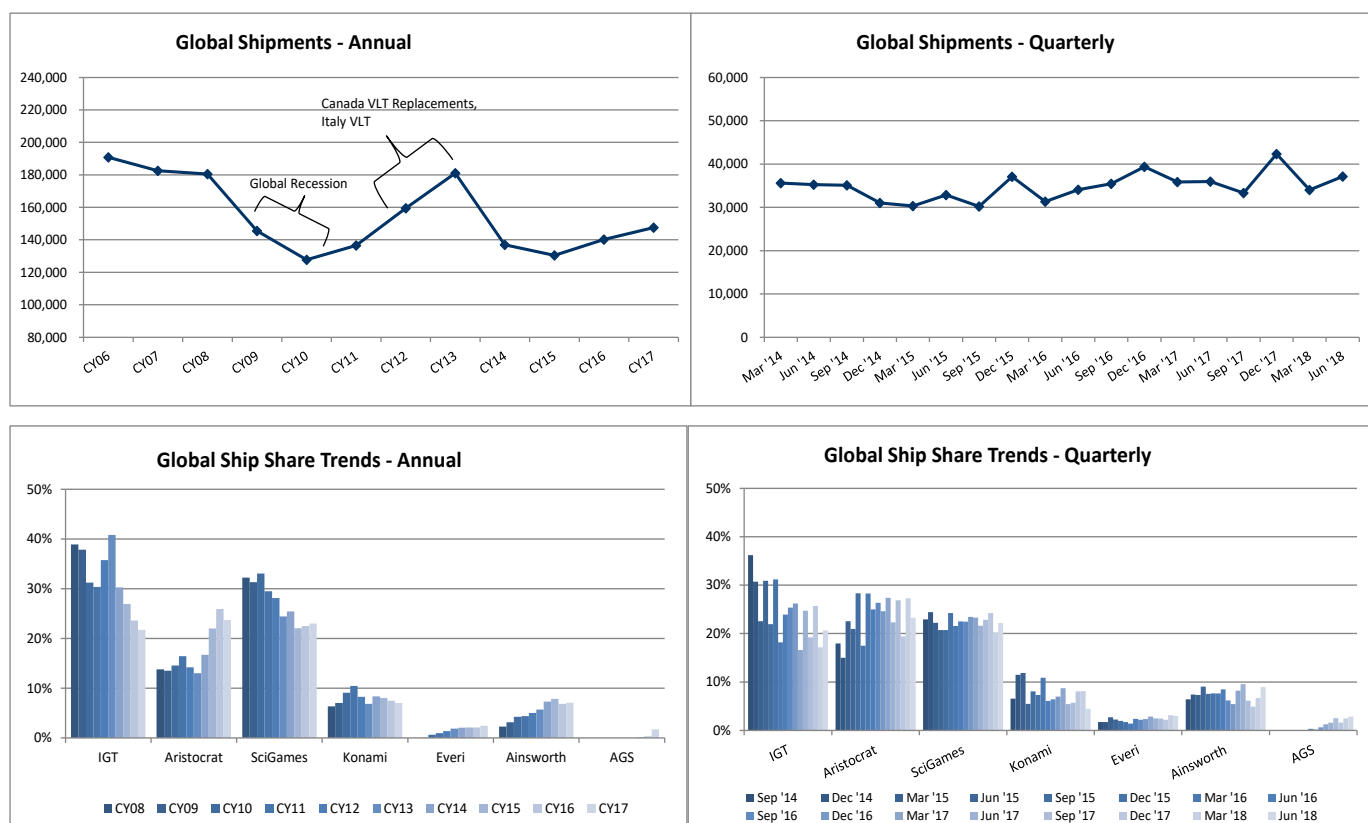
Note, our reported global ship share excludes sales of non-traditional slot units and therefore excludes markets such as Amusement with Prize machines (AWPs) in Europe and Pachislots in Japan. Additionally, our Aristocrat and Ainsworth quarterly figures are estimates based off of each company's most recent semi-annual financial reports.

Global Units Sold - 2Q CY18

No	Supplier	Slots	% of market
1	Aristocrat	8,640	23%
2	SciGames	8,241	22%
3	IGT	7,670	21%
4	Ainsworth	3,322	9%
5	Konami	1,675	5%
6	Incredible	1,350	4%
7	Everi	1,108	3%
8	AGS	1,058	3%
n/a	Other	4,075	11%
Total		37,139	100%

Source: Eilers & Krejcik Gaming, LLC & Company reports

We highlight total games sold as well as ship share on an annual and quarterly basis below:



Source: Eilers & Krejcik Gaming, LLC & Company reports

Source: Eilers & Krejcik Gaming, LLC & Company reports

3. Total North America B2B EGM Revenue

In this section, we estimate total supplier revenue generated from the sale and placement of slot machines or equivalent devices (i.e. EGMs) in North America. We note this recently added KPI figure excludes B2B revenue generated from slot systems, iGaming, and table game revenue, as well as Other Product sales like conversion kits, replacement parts, licensing, or other ancillary revenue generated within the Game Sales or Gaming Operations categories.

Based on reported figures and our own proprietary research, we estimate total U.S. & Canada B2B EGM revenue increased +10% y/y and +7% q/q to ~\$965m in 2Q18. The growth in the quarter was driven by strength in both game sales revenue as well as gaming ops on increased expansionary activity as well as healthy underlying growth.

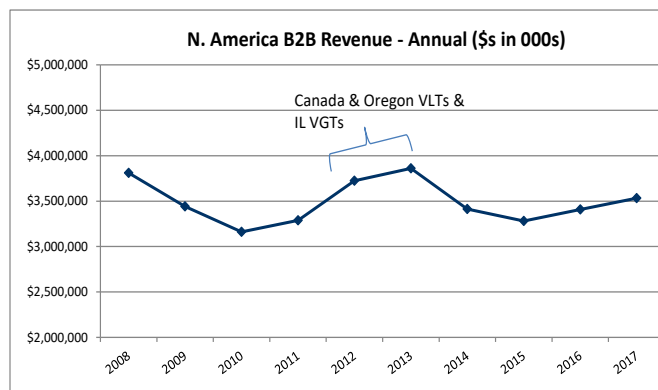
With respect to individual suppliers, Aristocrat was the leading supplier in cumulative B2B EGM revenue for the quarter with ~28% market share for 2Q18 driven by its leadership in the gaming ops segment. SciGames generated the second most total B2B EGM revenue for the quarter with 25% share of revenue for 2Q18 led by its strength in game sales. With respect to the mid-tier suppliers, we highlight AGS and Everi continue to gain share across the board and were the leading suppliers outside of the Big 3 in the quarter.

Below we highlight annual/qtr rankings and historical trends for B2B EGM Revenue by supplier.

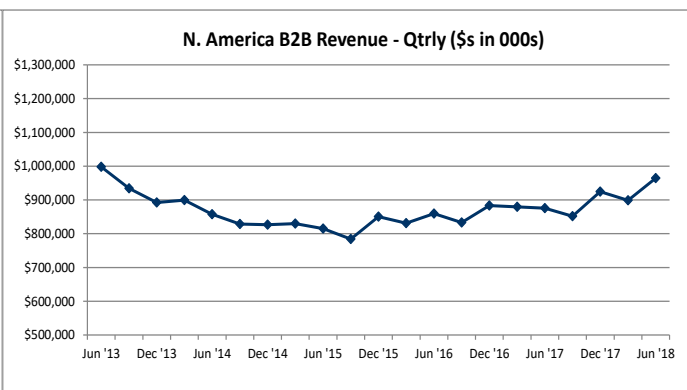
N. America B2B Revenue Mkt Share - 2Q CY18

No	Supplier	% of market	% pt y/y	% pt q/q
1	Aristocrat	28%	1.1%	-0.6%
2	SciGames	25%	-0.6%	0.5%
3	IGT	22%	-3.7%	-0.1%
4	AGS	6%	1.5%	0.4%
4	Everi	6%	0.5%	-0.1%
6	Konami	3%	-0.3%	-2.1%
6	Ainsworth	3%	0.5%	1.8%
n/a	Other	7%	0.8%	0.1%

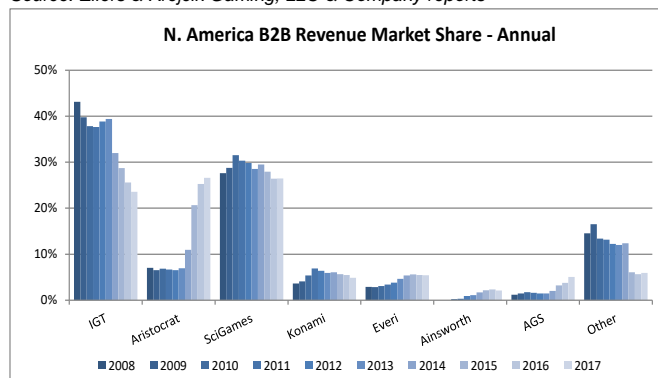
Source: Eilers & Source: Eilers & Krejci Gaming, LLC & Company reports



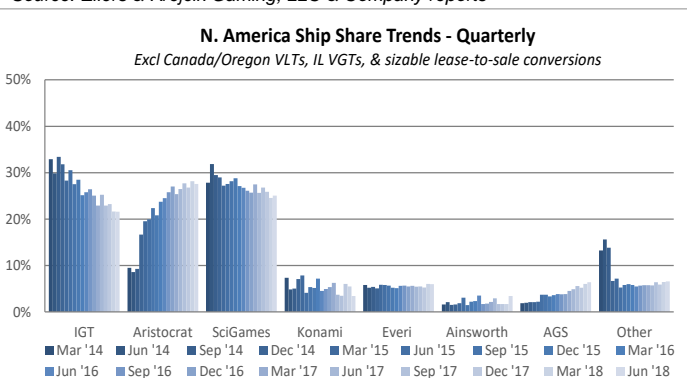
Source: Eilers & Krejci Gaming, LLC & Company reports



Source: Eilers & Krejci Gaming, LLC & Company reports



Source: Eilers & Krejci Gaming, LLC & Company reports

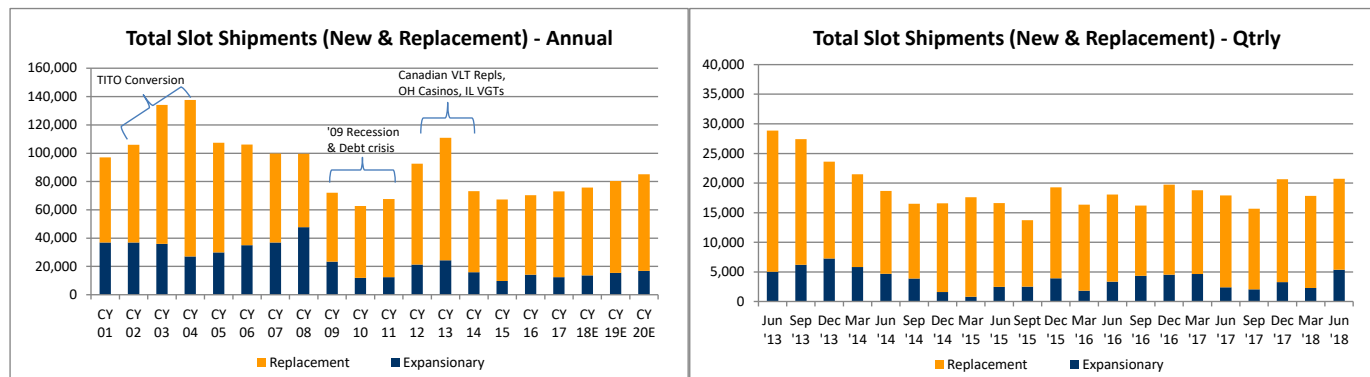


Source: Eilers & Krejci Gaming, LLC & Company reports

4. Total Slot Machine Unit Sales – U.S. & Canada

Based on reported figures and our own proprietary research, we estimate total U.S. & Canada slot machine sales increased +15.7% y/y and +16.1% q/q to ~20,700 total games sold in 2Q of CY18. Unlike the prior few quarters, total sales were driven by a +125% y/y increase in expansionary sales which more than offset the -1.0% y/y decrease in replacement sales.

Note, a more detailed analysis and update to our slots and table games demand forecast was published on 9/25/17. We highlight total games sold including both replacements and expansionary units on an annual and quarterly basis below:



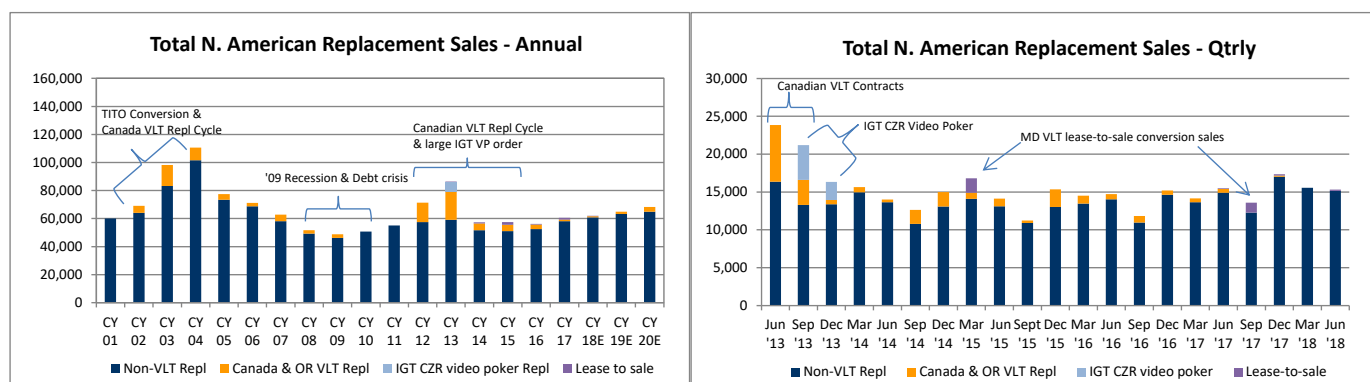
Source: Eilers & Krejcik Gaming, LLC & Company reports

Source: Eilers & Krejcik Gaming, LLC & Company reports

5. Replacement Slot Machine Unit Sales – U.S. & Canada

Total U.S. and Canada replacement sales decreased -1.0% y/y to ~15,300 games sold in 2Q18. We note the current quarter included ~200 lease-to-sale conversion and did not include any sizable VLT market sales while the prior year period included ~100 lease conversions and the sale of ~500 Canadian & Oregon VLT replacements. Excluding these units in both periods, we estimate adjusted slot replacement sales increased +2.0% y/y to ~15,100 games sold.

Below we highlight historical replacement demand on an annual and qtrly basis:



Source: Eilers & Krejcik Gaming, LLC & Company reports

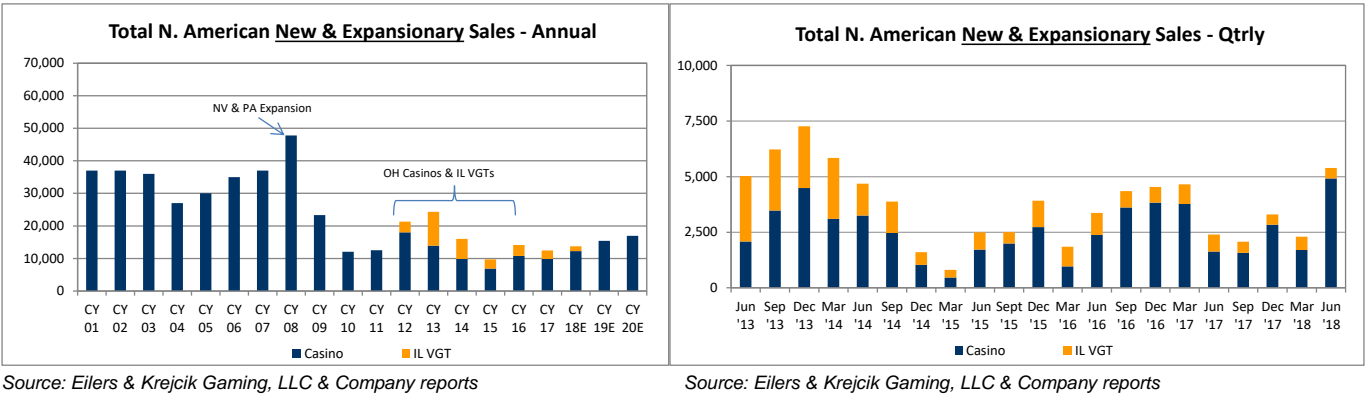
Source: Eilers & Krejcik Gaming, LLC & Company reports

6. New & Expansionary Slot Machine Unit Sales – U.S. & Canada

New and Expansionary slot machine sales increased +125% y/y to ~5,400 games sold in the period. We note the qtr included ~500 IL VGT expansionary game sales vs. ~800 games sold in the prior year. Excluding IL VGTs, there were an impressive ~4,900 new and expansionary slots sold in 2Q CY18 versus ~1,600 games in the prior year. We note this period included shipments to large commercial openings in both New Jersey and Massachusetts.

Excluding IL VGT units, this quarter primarily benefitted significant commercial development activity including new unit shipments to the Hard Rock and Ocean Resort openings in Atlantic City as well as shipments to the recently opened MGM Springfield in Massachusetts. Additionally, there were smaller casino openings in other states such as a new historical horse racing facility in Kentucky, Derby City, and the Beach Casino at Island View in Mississippi. This was significantly stronger expansionary unit shipments than the prior year which included partial shipments to the Ilani Tribal property in Washington as well as Jake’s 58 VLT facility in New York.

Below we highlight historical new and expansionary demand on an annual and qtrly basis broken down between traditional casino sales and IL VGT sales:



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7. Total Game Sales Revenue Market Share – U.S. & Canada

In this section, we attempt to provide a somewhat comparable view of the U.S. & Canada Game Sales market by total game sales revenue. To accomplish this we simply multiply the number of games sold by each vendor's reported ASP for the qtr. This figure does not include any sales revenue generated by conversion kits, used games or other ancillary product sales. Additionally, we note this data could also be seen as a good estimate for Casino operator capex on slot machines.

We estimate Total Game Sales revenue for slot vendors increased +20.2% y/y and +16.1% q/q to ~\$352 million in 2Q18. Revenue growth in the period was primarily driven by the strong increase in expansionary unit sales in the period due to the significant new property development in the quarter. The revenue growth was further supported by a moderate increase in average ASPs in the period as well, despite the increased mix of expansionary sales.

For the quarter, SciGames again was the leading supplier with respect to Game Sales Revenue in the North American market with ~29% market share. We estimate this represented a +3% pt y/y increase which was aided by ship share growth and stable ASPs compared with the prior year. Aristocrat followed SciGames with ~18.5% market share driven by strength in both ship share and ASP. Outside of the top two, IGT, Ainsworth, Konami, AGS, and Everi rounded out the group.

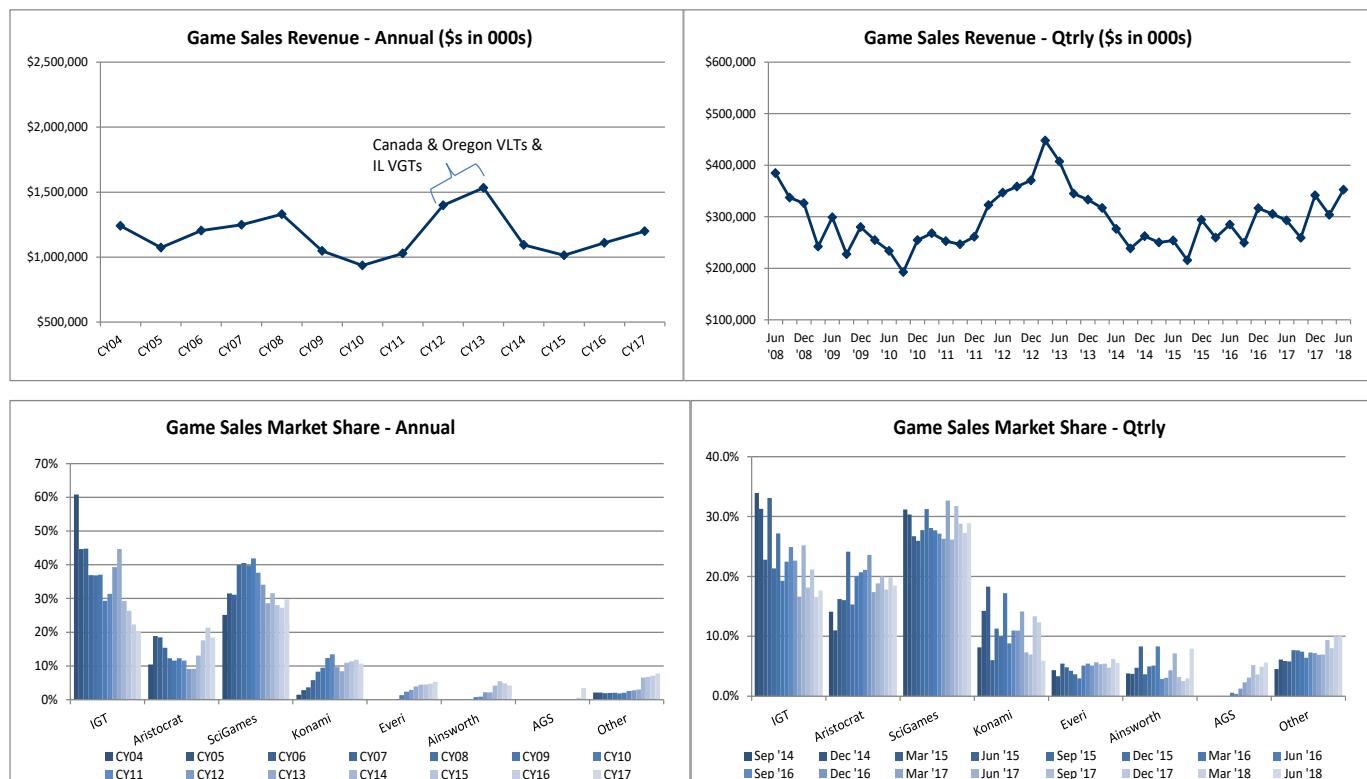
We note, Ainsworth and Aristocrat report earnings on a 6 month basis, therefore results are based on estimates following the most recent reporting period: Aristocrat Mar '18 and Ainsworth Jun '18.

Game Sales Revenue Market Share - 2Q18 Ranking

No	Supplier	% share	% pt y/y	% pt q/q
1	SciGames	28.9%	2.7%	1.6%
2	Aristocrat	18.5%	-0.3%	-1.4%
3	IGT	17.6%	-7.6%	1.1%
4	Ainsworth	7.9%	0.8%	5.0%
5	Konami	5.9%	-1.4%	-6.4%
6	AGS	5.6%	2.5%	0.7%
7	Everi	5.5%	0.2%	-0.7%
8	Other	10.0%	3.1%	0.0%

Source: Eilers & Krejcik Gaming LLC & Company reports

Below we highlight trailing Game Sales revenue market share trends on an annual and quarterly basis:



Source: Eilers & Krejcik Gaming, LLC & Company reports

Source: Eilers & Krejcik Gaming, LLC & Company reports

8. Ship Share Trends – U.S. & Canada

As we mentioned previously, there were ~20,700 games sold in the U.S. and Canada markets in 2Q18. SciGames was the top supplier by units sold in the qtr led by share gains among replacement and expansionary sales driven by the continued success of the Twinstar family of cabinets. IGT sold the next most games in the quarter followed by Aristocrat, Ainsworth, Incredible Technologies, Konami, Everi, AGS, and Aruze. Note, our Aristocrat and Ainsworth numbers are estimates as both companies report on a six month basis.

AGS, Everi, Incredible Technologies, and SciGames each gained ship share vs. the prior year while IGT and Konami experienced ship share declines versus the prior year. We highlight AGS, Everi, and Incredible Technologies as mid-tier suppliers who have successfully invested in new content and product to continually earn large share of shipments. Aristocrat's near-term plateau with respect to ship share remained a theme this quarter as well. SciGames' continued investment in new game sales product continues to support its ship share in the segment and even provide periods of incremental share growth, such as in this quarter. Finally, suppliers such as IGT and Konami continue to cede share to the rising tide of mid-tier suppliers mentioned above.

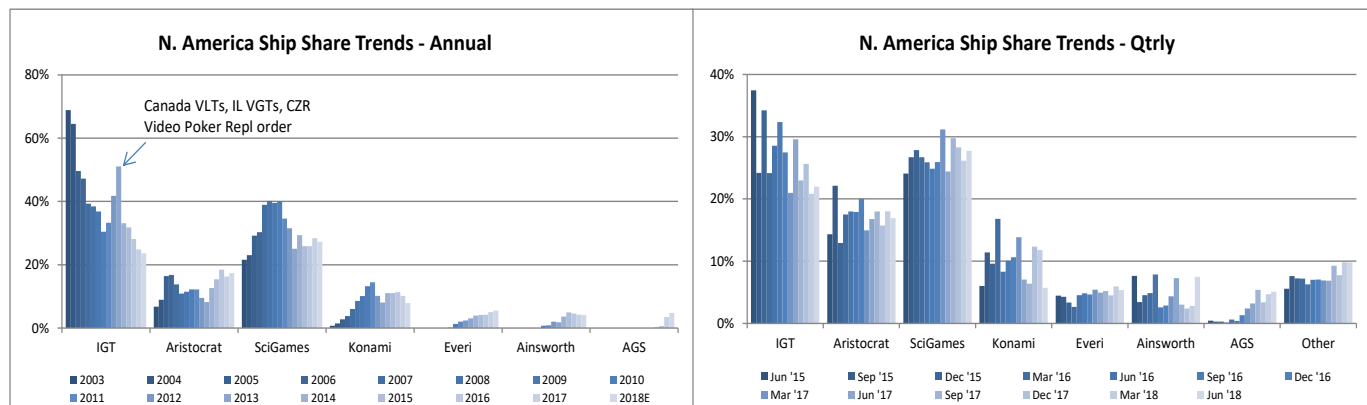
In the table below we provide a ranking of all suppliers based on total U.S. & Canada sales for the quarter. We break out Aruze and Incredible Technologies separately from our "Other Category".

Below we highlight trailing ship share trends on an annual and quarterly basis for all major slot providers. We note that Aristocrat and Ainsworth quarterly shipments are estimated as both companies only report on a semi-annual basis.

Total N. America Games Sold - 2Q CY18

No	Supplier	Units	% share
1	SciGames	5,749	28%
2	IGT	4,550	22%
3	Aristocrat*	3,500	17%
4	Ainsworth*	1,550	7%
5	Incredible Technologies*	1,350	7%
6	Konami	1,182	6%
7	Everi	1,108	5%
8	AGS	1,058	5%
9	Aruze*	484	2%
10	Other	191	1%
Total		20,722	100%

Source: Company reports, Eilers & Krejcik Gaming LLC



Source: Eilers & Krejcik Gaming, LLC & Company reports

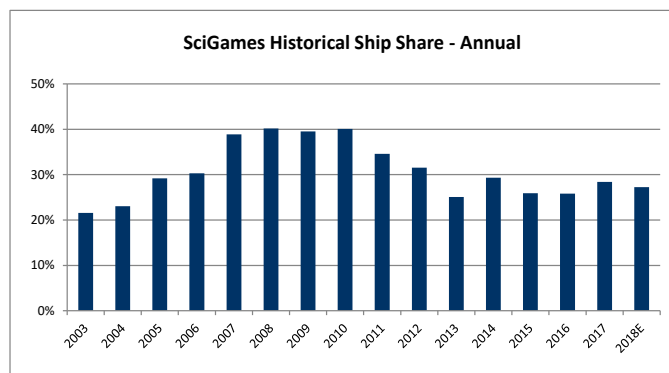
Source: Eilers & Krejcik Gaming, LLC & Company reports

Scientific Games (SGMS)

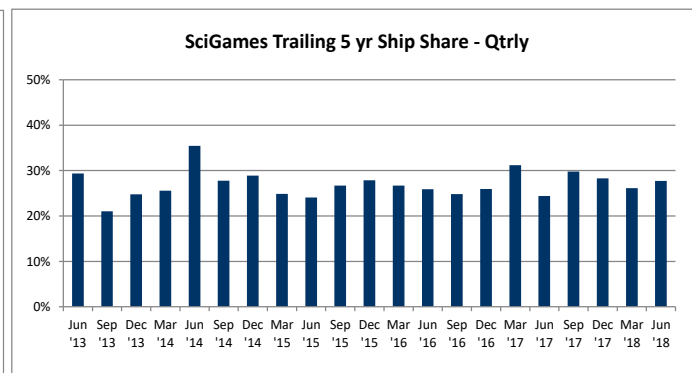
SciGames including Bally, WMS, and SHFL brands sold the most games in the U.S. and Canadian markets, maintaining the top spot in this period. For the quarter, SciGames recorded the sale of 5,749 games and achieved 28% ship share (30% replacement, 22% expansionary), which was up +3% pts vs. the prior year and +2% pts above the company's trailing twelve month (TTM) average. We note SciGames actual ship share of 28% compares with 27% reported in the EILERS-FANTIN Slot Survey. The increase in ship share during the qtr was driven by significant growth in Replacement ship share which was partially offset by a decline in New & Expansionary share. However, we note expansionary share in the period was still healthy especially if you factor out a large unique Historical Horse Racing machine order which only Ainsworth took part in. Within the quarter, SciGames sold ~200 expansionary IL Video Gaming Terminals (VGTs) and no Oregon or Canada replacement VLTs compared with ~490 IL VGTs and no Canada/Oregon VLTs in 2Q17.

Excl Canada / Oregon VLTs and Expansionary IL VGTs and Historical Horse Racing (HHR) games, we estimate SciGames' ship share was 29% in 2Q18 vs. 23% in the prior year and +3% pts above its TTM average. The increase in adjusted ship share was driven by increases in both adj. replacement and expansionary unit ship share. SciGames' ship share continues to be supported by the success of the company's growing Twinstar family of cabinets including the J43 and mechanical reel Twinstar along with sustained performance of strong legacy content. In our most recent *Eilers Fantini Slot Survey* report, SciGames had the 2nd and 3rd top performing casino owned games: *Dancing Drums* (Twinstar J43) and *88 Fortunes / Duo Fu Duo Cai* (ProWave and Twinstar Mechanical Reel). Additionally, these results were reflected in our most recent *Game Performance Database (GPD)* report which showed the *Dancing Drums*, on the Twinstar video reel, and *Quick Hit Triple Blazing 7s Super Wheel*, on the Twinstar Mechanical Reel, were the third and sixth highest indexing owned games across our participating operators during the month of August 2018. Furthermore, in the same report, SciGames had the top performing game across the following owned game subcategories: high-denom video reel (>25c) and low-denom mechanical reel (<25c).

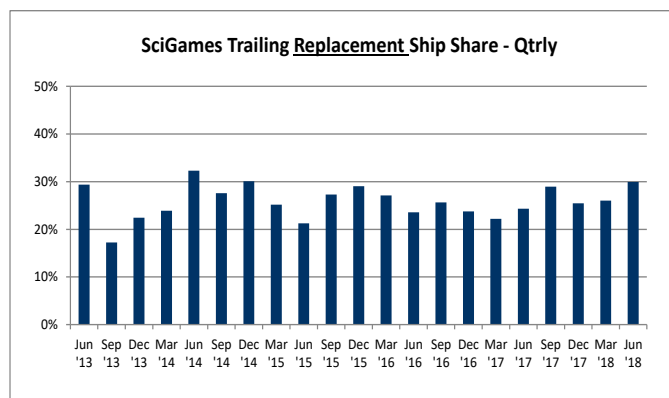
Going forward, we anticipate SciGames' ship share to remain in the high-20's supported by the continued success of the Twinstar series of cabinets. This includes lower anticipated combined sales to Canada/Oregon replacement and IL VGT expansionary markets for the year versus last year. We highlight SciGames historical U.S. & Canada ship share on both an annual and quarterly basis below. Note, we have combined Bally, WMS, and SHFL together for all periods.



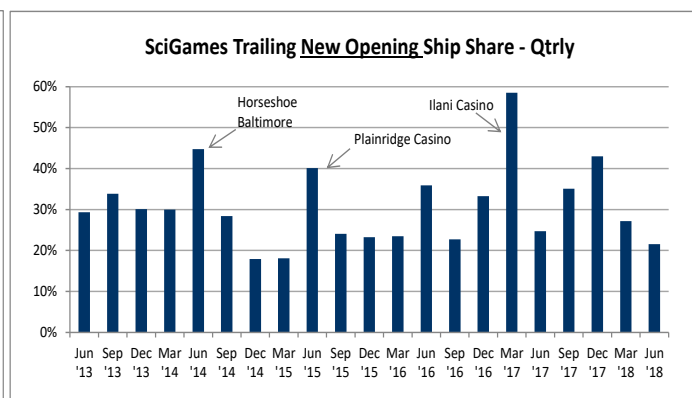
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Source: Eilers & Krejcik Gaming, LLC & Company reports



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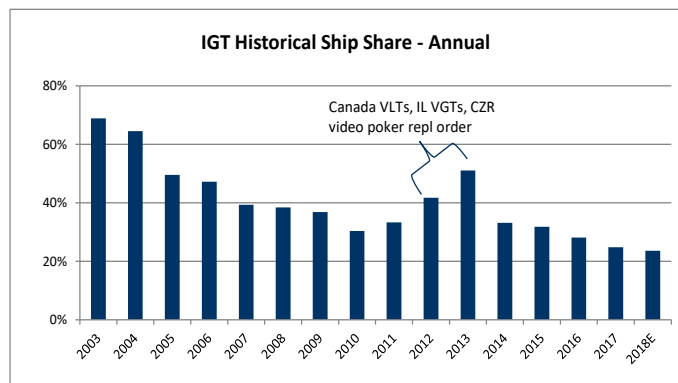
International Game Technology (IGT)

IGT sold the second most games in the U.S. & Canada markets in 2Q18. For the quarter, IGT shipped 4,550 games and achieved 22% ship share (18% replacement, 33% expansionary), which was -8% pts below the prior year and -3% pts below its TTM average. We note IGT's actual ship share of 22% compares with 21% reported in the EILERS-FANTIN Slot Survey. IGT's ship share in the period was impacted by lower share among both replacement and expansionary shipments versus the prior year. We note IGT's expansionary shipments in the prior year included units delivered to the Ilani Tribal casino in Washington while most other suppliers recognized those shipments during 1Q17. Otherwise, we note 33% share of expansionary units should be considered a reasonably good figure for the company.

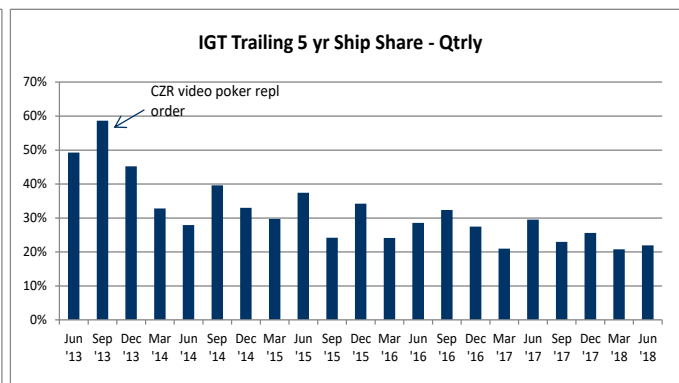
Within the quarter, we note IGT did not ship any Oregon / Canada VLT units but did record ~250 expansionary Illinois VGT unit sales in 2Q18 compared to ~500 Canada / Oregon VLT and ~250 IL VGT units shipped in the prior year. Excluding these games along with Ainsworth's large HHR order to Churchill Downs, we calculate IGT's adj. ship share to be 22% for the quarter, which was -5% pts below the prior year and -2% pts below its adjusted TTM average. IGT's total ship share was impacted by a decline in both adj. replacement and expansionary share over the prior year.

Going forward, we project IGT's ship share to remain in the mid-20s over the next year. The new Crystal Curve for-sale platform and accompanying new titles should help support ship share. We note, one of IGT's newer releases, *Ocean Magic Grand* on the Crystal Curve, was the 10th strongest indexing Owned game among our participating operators. Additionally, the company should get some support from moderate Canada / Oregon VLT and IL VGT unit demand. Specifically, we note IGT signed an agreement with the Western Canada Lottery Corporation to replace ~700 VLTs in Saskatchewan which we anticipate will likely begin shipping in 4Q18 and continue into 1Q19.

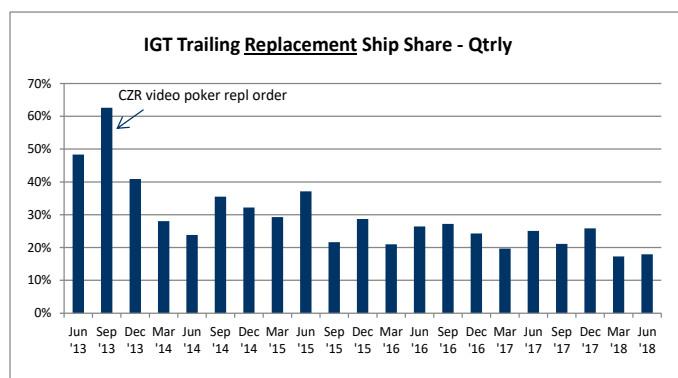
We highlight the company's historical N. America ship share on both an annual and quarterly basis below:



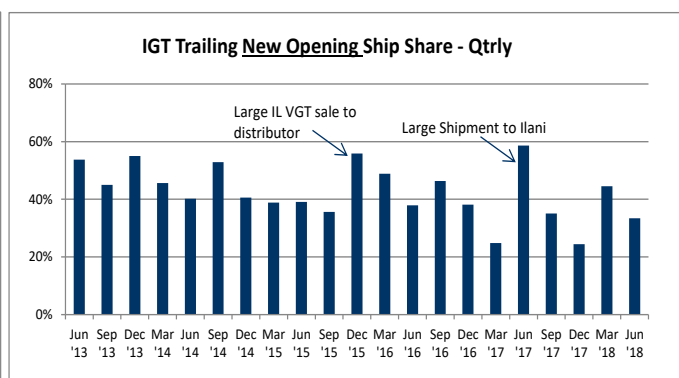
Source: Eilers & Krejci Gaming, LLC & Company reports



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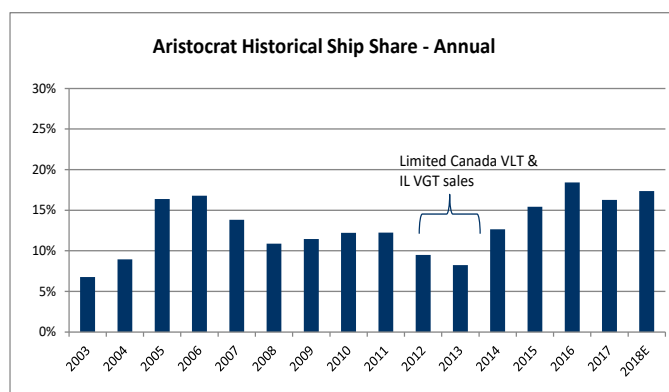
Aristocrat (ALL.AU)

We estimate Aristocrat shipped ~3,500 games in 2Q18, which represented 17% ship share (18% replacement, 15% expansionary), which was flat versus the prior year and -3% pts below its TTM average ship share. We note Aristocrat's est KPI ship share of 17% compares with 22% reported in the EILERS-FANTIN Slot Survey. We estimate growth in expansionary ship share offset a marginal decline in replacement ship share over the prior year.

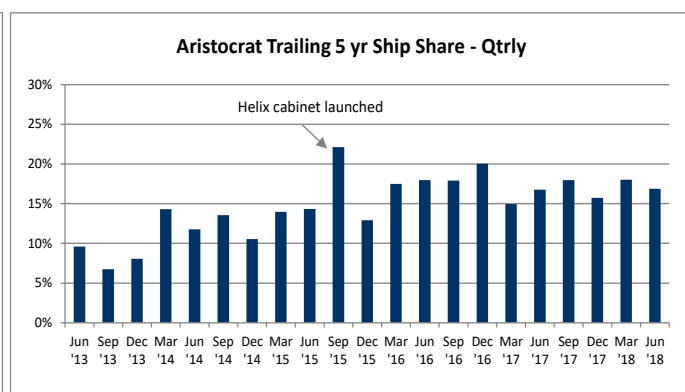
Aristocrat did not ship any Canada / Oregon VLTs or IL VGTs or HHRs during the period. Excluding these games from the market, the company's ship share in the quarter was 18%, which was flat vs. the prior year and in-line with its adjusted TTM average. Ship share through the first half of the year has been relatively stable for Aristocrat versus the prior year. Following years of growth, Aristocrat's adj. ship share peaked in 2016 at 20%, then pulled back marginally last year and has remained at this current plateau. Strong legacy content such as *Buffalo* and *Buffalo Gold* continue to perform very well. Per our most recent Game Performance Database, *Buffalo Gold* was the second highest grossing casino owned game while being fifth on the list of top indexing games. The release of strong performing new content has helped to sustain gains made leading up to 2016. More recently, Aristocrat has released two new versions of the *Wonder 4* series, *Wonder 4 Tall Fortunes* and *Wonder 4 Boost*, which is placed on the curved Arc Single and Helix XT cabinets respectively. We note, *Wonder 4 Boost* was the second best indexing Casino Owned title in our most recent *Game Performance Database*. However, further growth has been elusive likely due to the renewed focus from SciGames and the surging mid-tier suppliers.

Going forward we anticipate Aristocrat's overall ship share numbers to remain in the high teens through CY18 driven by stable performance of its Helix and Arc Single platforms along with some support from the growth of its mechanical reel cabinet, Relm. However, we reiterate impressive performance from SciGames as well as emerging vendors, such as AGS, Everi, and Incredible Technologies, have made share gains in the for-sale market more challenging.

We highlight the company's historical N. America ship share on both an annual and quarterly basis below:

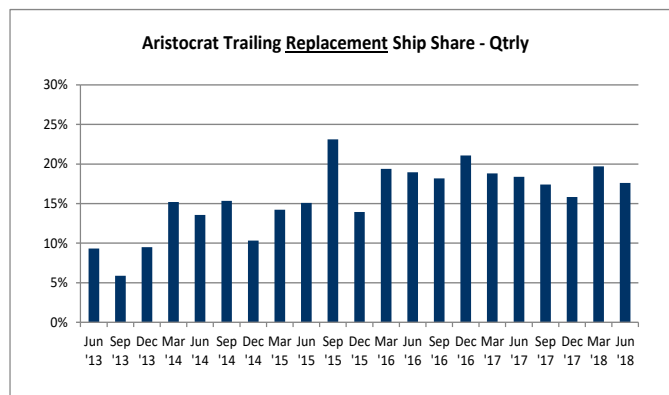


Source: Eilers & Krejick Gaming, LLC & Company reports



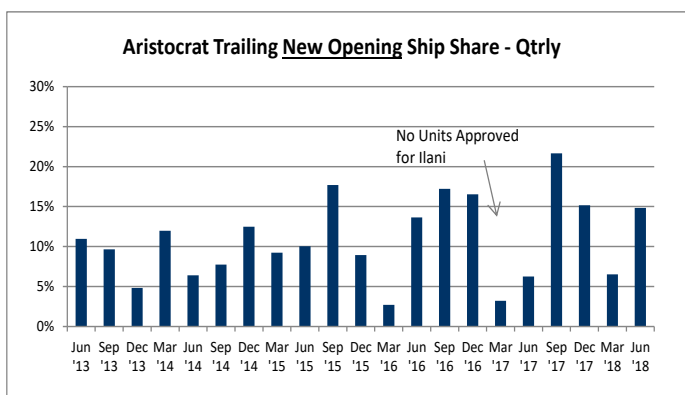
Source: Eilers & Krejick Gaming, LLC & Company reports

Note: Aristocrat qtrly sales are estimated



Source: Eilers & Krejick Gaming, LLC & Company reports

Note: Aristocrat qtrly sales are estimated



Source: Eilers & Krejick Gaming, LLC & Company reports

Note: Aristocrat qtrly sales are estimated

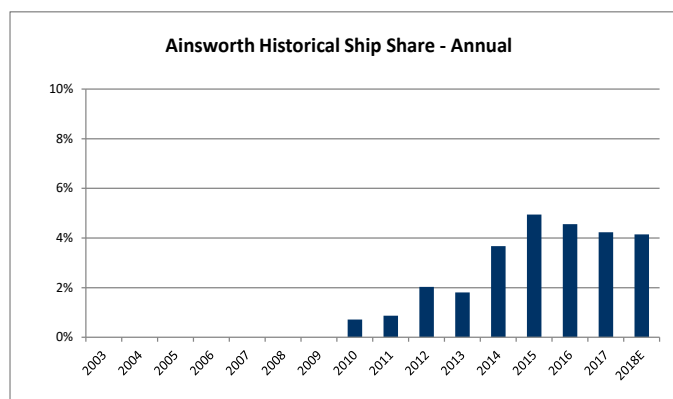
Ainsworth Game Technology (AGI.AU)

Ainsworth reports results on a six month basis with June being the end of the most recent reporting period. For the June quarter, we estimate Ainsworth shipped ~1,550 games which represented ~7% ship share (3% replacement, 19% expansionary), which was in-line with the previous year and +4% pts above the company's TTM average ship share. Ship share in the quarter was supported by strong growth in expansionary shipments led by the company's first shipments into the Historical Horse Racing (HHR) market in Kentucky. We note Ainsworth entered an agreement with Churchill Downs to develop and supply all of the ~900 slot-like HHR machines for the Derby City property opening. Of the major suppliers mentioned in this report, we believe Ainsworth is the only company to provide product to this niche market. This growth offset a moderate decline in replacement ship share versus the prior year.

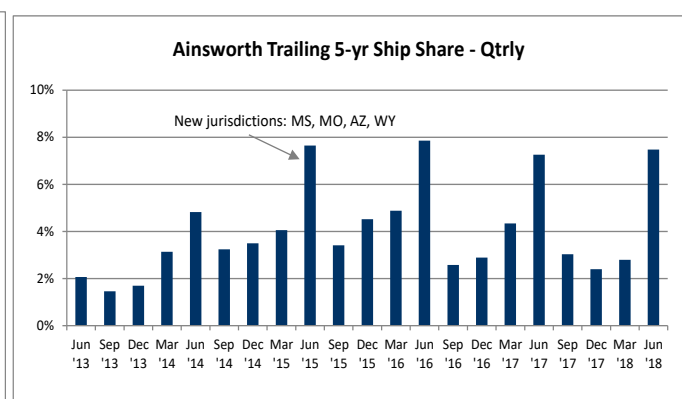
Ainsworth does not have any Canada / Oregon VLT or IL VGT market exposure, but the sales figure did include ~200 lease-to-sale conversions versus no conversions in the prior year. Excluding these markets and the company's HHR game sales and the lease-to-sale conversions, we estimate Ainsworth's adjusted ship share was 2% for the quarter which was -6% pts below the previous year's adjusted ship share and -2% pts below its TTM average. We note Ainsworth's actual adj. ship share of 2% compares with 2% reported in the EILERS-FANTIN Slot Survey.

Looking ahead, we anticipate Ainsworth's ship share to be in the 2-5% range for the remainder of the year supported by sales of new A600 series cabinets and assuming no additional HHR sales in CY18.

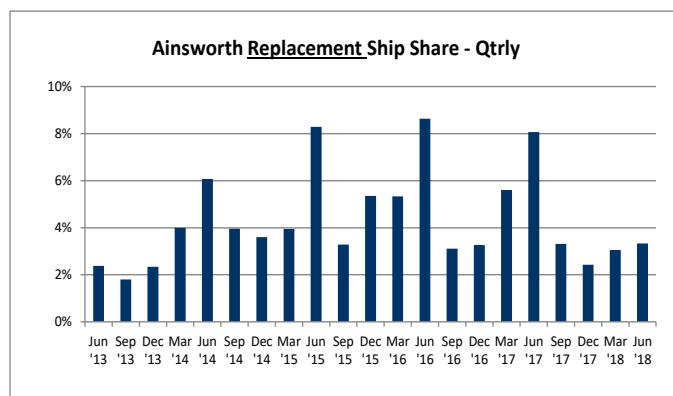
We highlight the company's historical N. America ship share on both an annual and quarterly basis below:



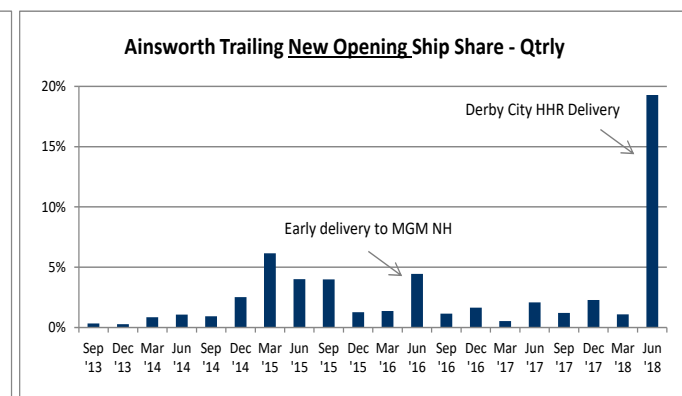
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



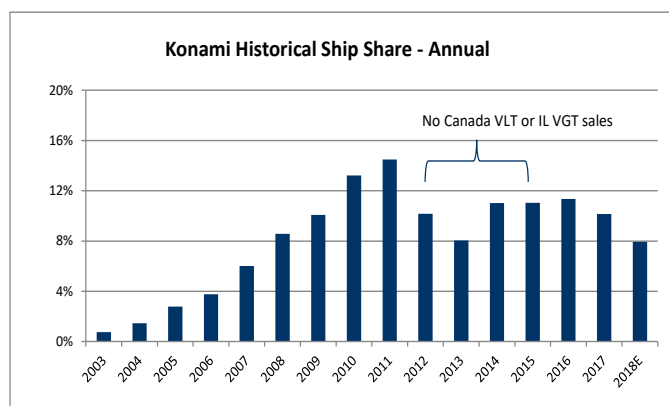
Source: Eilers & Krejcik Gaming, LLC & Company reports

Konami Gaming (KNM)

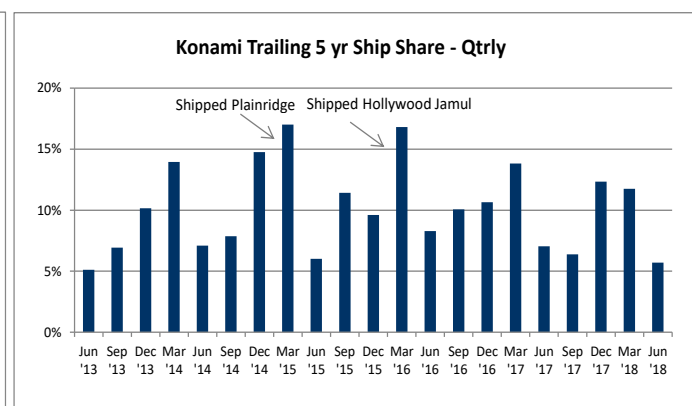
Our channel checks and survey data indicate that Konami sold ~1,200 games in 2Q18 and achieved 6% ship share (7% replacement, 2% expansionary), which was -1% pt below the previous year's results and -4% pts below the TTM average ship share. Konami's ship share was impacted by a decline in both replacement and expansionary ship share. We note Konami's actual ship share of 6% compares with 8% reported in the EILERS-FANTIN Slot Survey.

We also note that Konami does not have any exposure to the Canada & Oregon VLT replacement markets or the IL VGT and HHR markets. Excluding these jurisdictions, we estimate Konami's ship share was ~6% which was -1% pts below the previous year's results and -3% pts below the TTM average. Going forward, we believe the increasingly competitive market will result in moderately lower ship share through CY18 compared with the prior year for Konami. With that said, we note there were encouraging results for Konami in our most recent Monthly Game Performance Report. Among the top indexing new games, Konami had four games in the top 10 of our list for top indexing new games, including the fourth strongest game *Agent Magnifying Jackpots*. While ship share may remain under pressure, we note the strong performance of recent new content should help the company defend against significant losses in share.

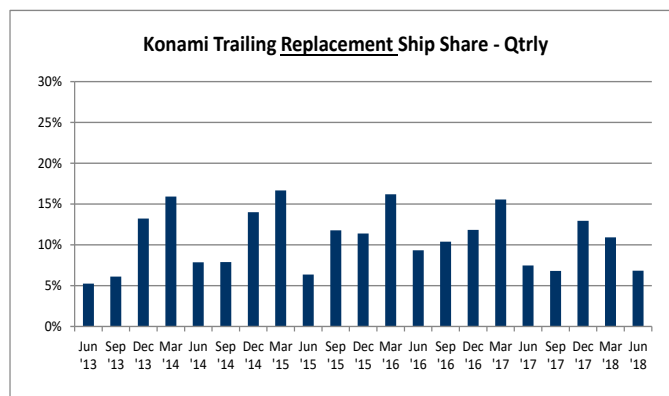
We highlight the company's historical N. America ship share on both an annual and quarterly basis below:



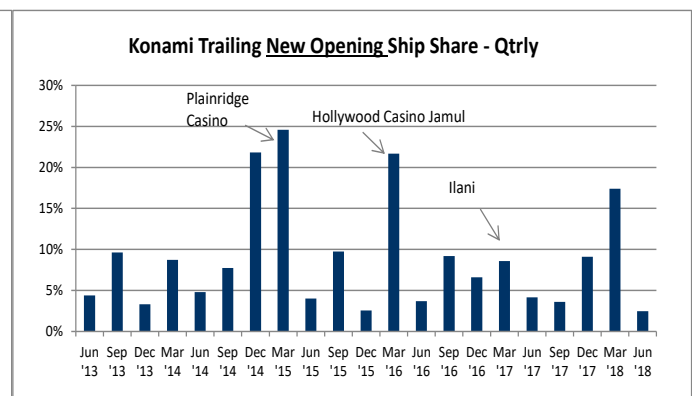
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



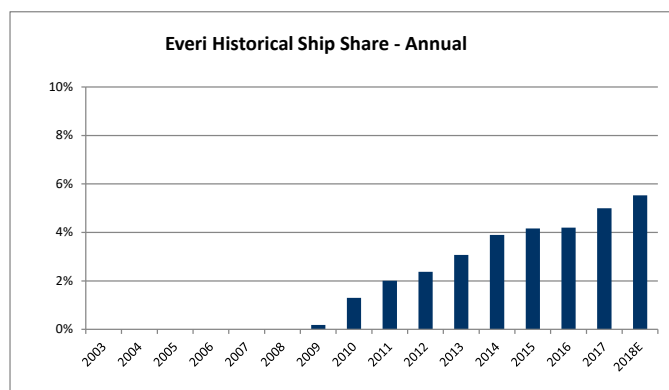
Source: Eilers & Krejcik Gaming, LLC & Company reports

Everi Holdings (EVRI)

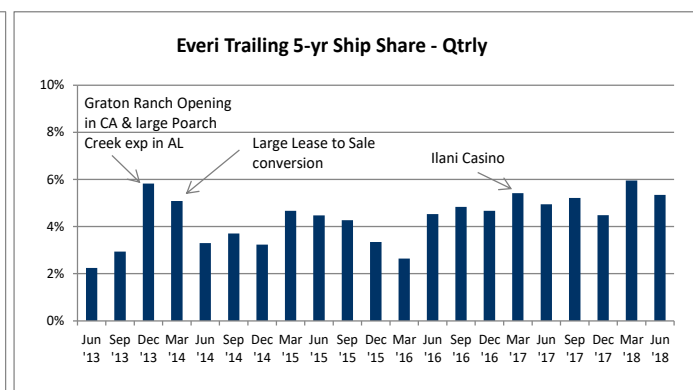
Everi sold 1,108 games during 2Q18 and achieved ~5% ship share (6% replacement, 2% expansionary), which was +0.5% pts above the company's previous year's ship share and in-line its TTM average ship share. We note Everi's actual ship share of 5% compares with 5% reported in the EILERS-FANTIN Slot Survey. The growth over the prior year was aided by moderate share increases among both expansionary and replacement units, led by the ramp up of shipments of the new E43 video reel platform. Additionally, we note Everi continues to hold a leadership position with respect to the mechanical reel for sale segment. Specifically, we note 12 of the top 25 indexing high-denom, mechanical reel casino-owned games were Everi titles in our most recent Monthly Game Performance report.

Everi does not have any Canada / Oregon VLT or IL VGT and HHR market exposure. Excluding these markets, the company's adjusted ship share was ~6% in 2Q18 which was +1% pt above the prior year and +1% pt above its TTM average. Everi's adjusted ship share performance was also driven by moderate growth among both adjusted expansionary and replacement ship share. Looking ahead, we anticipate the further ramp up of the newer Core HDX and E43 platforms and sustained mechanical reel performance should allow Everi to gain incremental share.

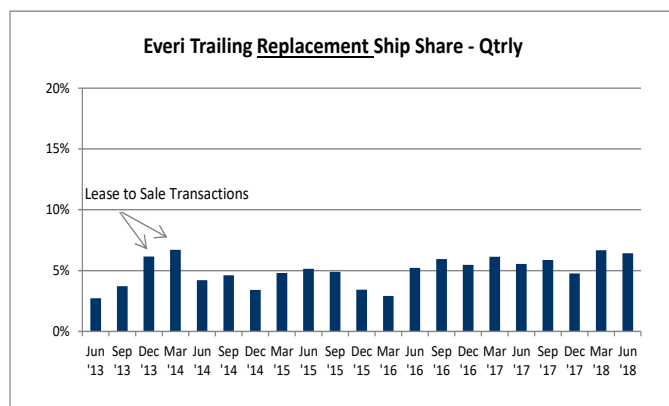
We highlight the company's historical N. America ship share on both an annual and quarterly basis below:



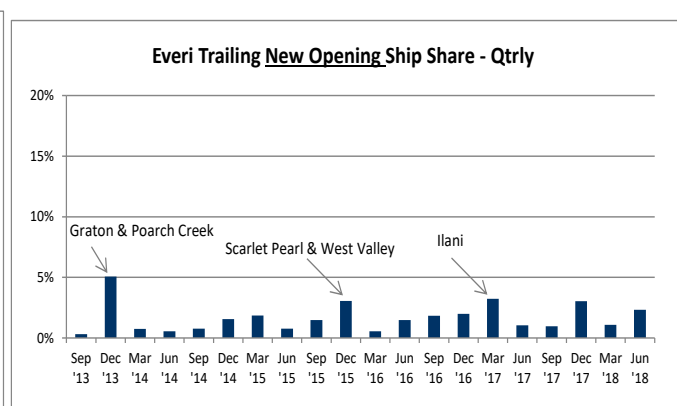
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



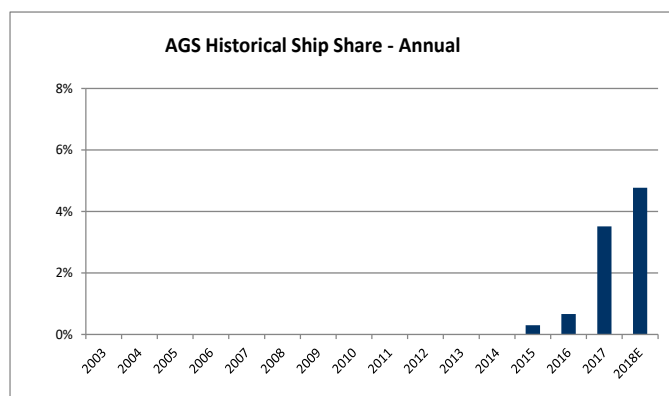
Source: Eilers & Krejcik Gaming, LLC & Company reports

AGS

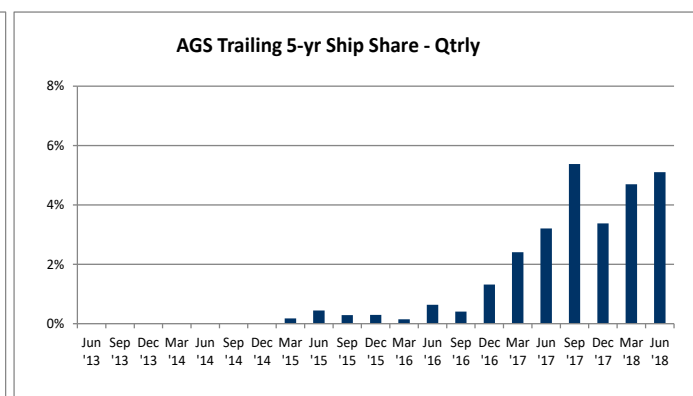
AGS sold 1,058 games during 2Q18 and achieved ~5% ship share (6% replacement, 2% expansionary), which was +2% pts above the previous year's ship share and +1% pt ahead of its TTM average. We note AGS's actual ship share of 5% compares with 7% reported in the EILERS-FANTIN Slot Survey. AGS benefited from growth in replacement share as well as expansionary share on continued strong performance from the company's recently released Icon and Orion cabinets. With respect to the expansionary shipments, we note AGS had not shipped a significant number of units to large commercial casino openings in prior periods. AGS game performance continues to be strong. Specifically, AGS has five titles within the top 25 indexing low-denom, video reel games per our most recent Monthly Game Performance report.

AGS does not have any Canada / Oregon VLT or IL VGT or KY HHR market exposure. Excluding these markets, the company's adjusted ship share was ~6% in 2Q18 which was +2% pts above the prior year and +1% pt above the TTM average. Looking ahead, we anticipate AGS to be able to sustain the strong share gains made during the prior year on the back of continued success from the newer cabinets and content.

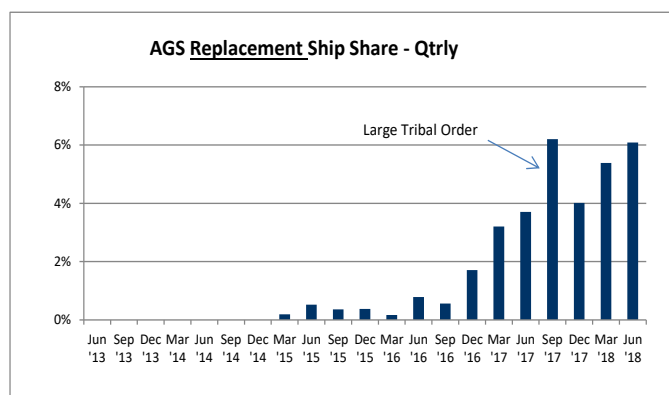
We highlight the company's historical N. America ship share on both an annual and quarterly basis below:



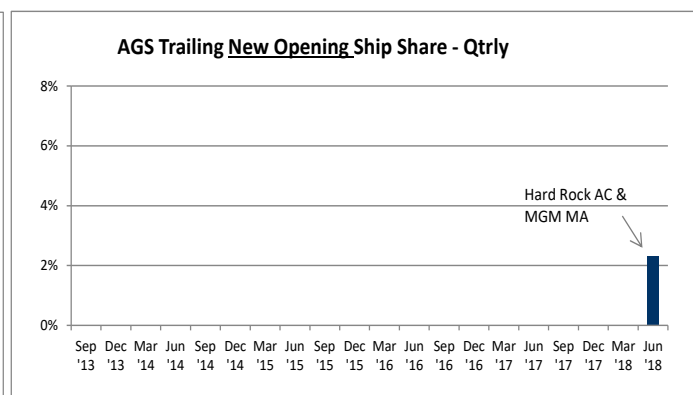
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

Other Suppliers

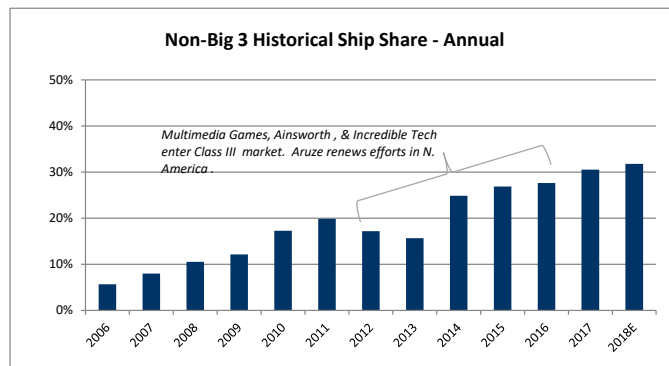
Finally, we estimate Other Suppliers shipped ~2,025 games during 2Q18 which resulted in ~9.8% ship share (12% replacement, 4% expansionary) which was +3% pts above the previous year and +2% pts above the TTM average ship share. Total ship share growth was driven by an increase in replacement share as well as an increase in expansionary share for rising small to mid-tier suppliers such as Incredible Technologies. Excluding Canada / Oregon VLTs and IL VGTs and KY HHRs, Other supplier's adj. ship share was ~10.4% in 2Q18 which was +3% pts above the prior year and +2% pts above the group's TTM average. The primary contributors to the "Other Supplier" group currently include Incredible Technologies and Aruze Gaming. Within the "Other Supplier" group we estimate Incredible Technologies sold ~1,350 games and Aruze ~500 games in the 2Q18.

Non-Big 3 Suppliers

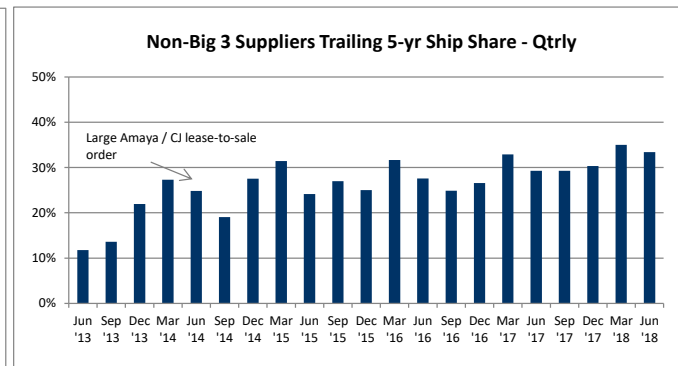
We note that Non-Big 3 vendors (i.e. suppliers other than IGT, SciGames, & Aristocrat) continue to record meaningful sales in the N. America gaming market. For the quarter, Non-Big 3 suppliers shipped ~6,900 games achieving ~33% ship share which was +4% pts above the prior year.

Below we highlight non-Big 4 supplier historical N. America ship share on both an annual and quarterly basis below. Note, we include Everi and Ainsworth in this group along with Aruze and Incredible Technologies even though we break the first two out separately in our previous analysis.

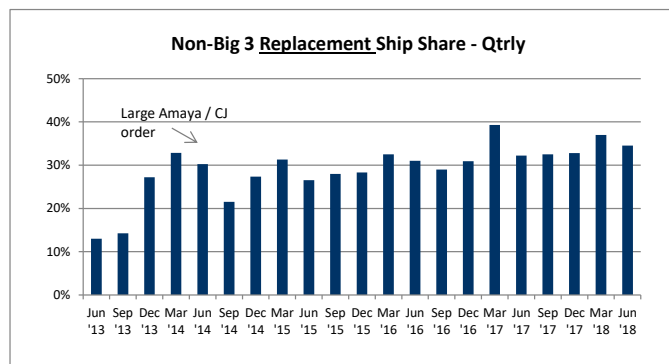
We also highlight total N. America units shipped by supplier on both an annual and quarterly basis below:



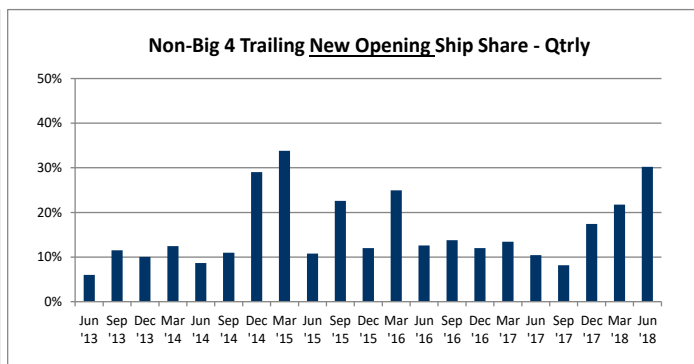
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

Calendar Year	2013	2014	2015	2016	2017	Mar '18	Jun '18	Sep '18	Dec '18	2018E	2019E	2020E
North American Slot Install Base (end)*	975,337	970,393	975,207	977,982	982,492	986,339	991,355	994,599	996,085	996,085	1,004,109	1,018,017
% change y/y	1.6%	-0.5%	0.5%	0.3%	0.5%	0.6%	1.1%	1.3%	1.4%	1.4%	0.8%	1.4%
chg. units	15,575	(4,944)	4,814	2,775	4,510	3,846	5,016	3,244	1,486	13,593	8,024	13,908
Unit sales - replacement	86,578	57,280	57,510	56,245	60,585	15,551	15,328	12,810	18,251	61,939	64,898	68,226
% change y/y	21.4%	-33.8%	0.4%	-2.2%	7.7%	9.9%	-1.1%	-5.7%	5.2%	2.2%	4.8%	5.1%
% replaced of total install base, less leased game	10.8%	7.0%	7.1%	6.9%	7.4%	7.6%	7.5%	6.2%	8.8%	7.6%	7.9%	8.3%
Implied replacement cycle (yrs) - casino owned	9.3	14.3	14.2	14.5	13.5	13.1	13.3	16.1	11.3	13.2	12.7	12.1
Unit sales - new & expansionary	24,356	16,008	9,739	14,112	12,434	2,298	5,394	3,166	2,907	13,766	15,414	16,920
% change y/y	14.4%	-34.3%	-39.2%	44.9%	-11.9%	-50.6%	124.6%	52.3%	-11.9%	10.7%	12.0%	9.8%
Unit sales - total	110,934	73,288	67,249	70,357	73,019	17,849	20,722	15,976	21,158	75,705	80,312	85,146
Unit sales - new & expansionary	24,356	16,008	9,739	14,112	12,434	2,298	5,394	3,166	2,907	13,766	15,414	16,920
Net recurring revenue units added	784	(3,307)	2,307	3,801	3,394	3,659	1,183	1,423	868	7,133	6,696	11,280
Casino removals & distributor/OEM eliminations	(9,565)	(17,645)	(7,232)	(15,138)	(11,318)	(2,111)	(1,561)	(1,345)	(2,289)	(7,306)	(14,086)	(14,292)
Total increase in the install base	15,575	(4,944)	4,814	2,775	4,510	3,846	5,016	3,244	1,486	13,593	8,024	13,908
Annual Unit Sales												
IGT	56,620	24,294	21,382	19,771	18,129	3,716	4,550	3,703	5,897	17,867	19,492	21,692
Aristocrat	9,146	9,269	10,374	12,965	11,875	3,215	3,500	2,934	3,497	13,145	14,160	14,872
SciGames	27,809	21,500	17,416	18,180	20,731	4,667	5,749	4,490	5,724	20,629	22,535	23,587
Konami	8,925	8,075	7,420	7,980	7,410	2,100	1,182	1,220	1,512	6,015	6,759	7,059
Everi	3,409	2,859	2,798	2,954	3,647	1,063	1,108	874	1,143	4,188	4,356	4,601
Ainsworth	2,000	2,691	3,324	3,207	3,088	500	1,550	481	610	3,141	2,438	2,558
AGS	-	-	203	465	2,566	838	1,058	734	981	3,611	3,887	4,203
Other	3,025	4,600	4,332	4,835	5,573	1,750	2,025	1,540	1,793	7,108	6,684	6,573
Total units	110,934	73,288	67,249	70,357	73,019	17,849	20,722	15,976	21,158	75,705	80,312	85,146
% change y/y	19.8%	-33.9%	-8.2%	4.6%	3.8%	-5.1%	15.7%	2.0%	2.4%	3.7%	6.1%	6.0%
% change q/q	n/a	n/a	n/a	n/a	n/a	-13.6%	16.1%	-22.9%	32.4%	n/a	n/a	n/a
Unit Sales Ship Share												
IGT	51%	33%	32%	28%	25%	21%	22%	23%	28%	24%	24%	25%
Aristocrat	8%	13%	15%	18%	16%	18%	17%	18%	17%	17%	18%	17%
SciGames	25%	29%	26%	26%	28%	26%	28%	28%	27%	27%	28%	28%
Konami	8%	11%	11%	11%	10%	12%	6%	8%	7%	8%	8%	8%
Everi	3%	4%	4%	4%	5%	6%	5%	5%	5%	6%	5%	5%
Ainsworth	2%	4%	5%	5%	4%	3%	7%	3%	3%	4%	3%	3%
AGS	0%	0%	0%	1%	4%	5%	5%	5%	5%	5%	5%	5%
Other	3%	6%	6%	7%	8%	10%	10%	10%	8%	9%	8%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Company reports, websites, presentations, and Eilers & Krejcik Gaming, LLC Partners, LLC estimates

Adjusted Ship Share Trends

Given that Canadian and Oregon VLT replacements, IL VGT shipments, and IGT's video poker order represented a large portion of overall game sales in CY13-CY15 and multiple suppliers have no exposure to this market, we provide a table below that highlights game sales and ship share statistics excluding these markets. We note Canadian and Oregon VLT replacements and IL VGT shipments will carry on throughout CY18, though it is expected to be at lower levels than the past few years.

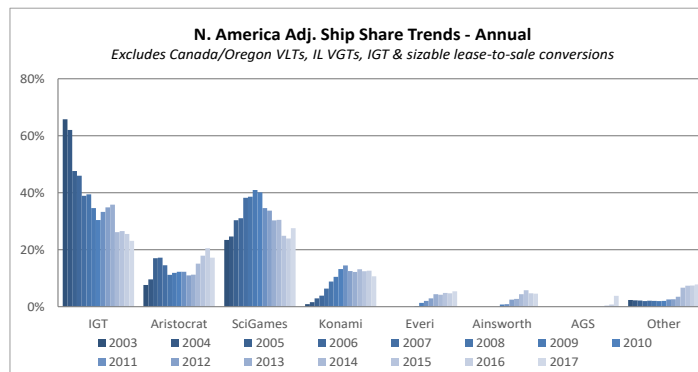
Note, we exclude Oregon VLTs as we believe the market dynamics are very similar to the Canadian jurisdictions in that the government purchases VLTs from a limited number of preferred vendors. We also exclude IL VGTs as it's a Route Op market that is not a good representation of the larger casino market. As of 2Q18, we are also excluding Kentucky Historical Horse Racing (HHR) games. Finally, we also exclude sizable lease-to-sale conversions when identified by suppliers.

Adjusted Units Sold & Ship Share

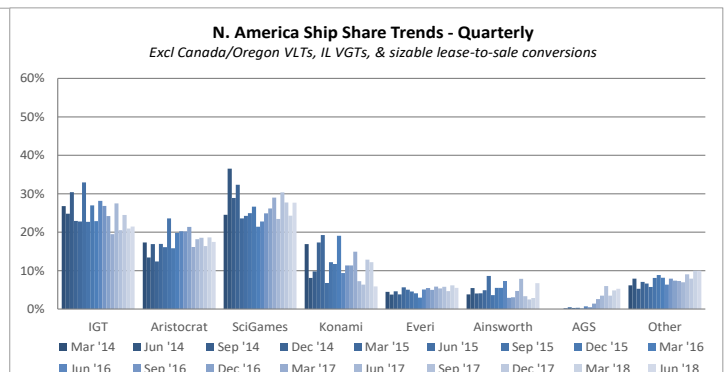
	2013	2014	2015	2016	2017	Mar '18	Jun '18	Sep '18	Dec '18	2018E	2019E	2020E
IGT	26,170	16,085	15,357	16,139	15,699	3,616	4,300	3,603	5,122	16,642	18,842	19,892
Aristocrat	8,196	9,269	10,374	12,965	11,675	3,215	3,500	2,934	3,497	13,145	13,860	14,572
SciGames	22,132	18,743	14,427	15,159	18,712	4,192	5,549	4,390	5,424	19,554	21,885	22,437
Konami	8,925	8,075	7,220	7,980	7,245	2,100	1,182	1,220	1,512	6,015	6,759	7,059
Everi	3,209	2,559	2,798	2,954	3,647	1,063	1,108	874	1,143	4,188	4,356	4,601
Ainsworth	2,000	2,691	3,324	2,957	3,088	500	450	481	610	2,941	2,438	2,558
AGS	-	-	203	465	2,566	838	1,058	734	981	3,611	3,887	4,203
Other	2,525	4,100	4,258	4,695	5,273	1,725	2,000	1,515	1,768	7,008	6,684	6,573
Total	73,157	61,522	57,961	63,314	67,905	17,249	19,147	15,751	20,058	73,105	78,712	81,896

	2013	2014	2015	2016	2017	Mar '18	Jun '18	Sep '18	Dec '18	2018E	2019E	2020E
IGT	36%	26%	26%	25%	23%	21%	22%	23%	26%	23%	24%	24%
Aristocrat	11%	15%	18%	20%	17%	19%	18%	19%	17%	18%	18%	18%
SciGames	30%	30%	25%	24%	28%	24%	29%	28%	27%	27%	28%	27%
Konami	12%	13%	12%	13%	11%	12%	6%	8%	8%	8%	9%	9%
Everi	4%	4%	5%	5%	5%	6%	6%	6%	6%	6%	6%	6%
Ainsworth	3%	4%	6%	5%	5%	3%	2%	3%	3%	4%	3%	3%
AGS	0%	0%	0%	1%	4%	5%	6%	5%	5%	5%	5%	5%
Other	3%	7%	7%	7%	8%	10%	10%	10%	9%	10%	8%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Company reports, websites, presentations, and Eilers & Krejcik Gaming, LLC Partners, LLC estimates



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

9. Average Selling Prices (ASPs) – U.S. & Canada

Average selling prices (ASPs) for N. America slot vendors increased +4.8% y/y and +0.5% q/q to ~US\$17,426 in 2Q18. ASPs increased despite a significant decline in the mix of replacement sales versus the prior year. Based on reported data and our estimates, 74% of total units shipped this quarter were replacement versus 87% in 2Q17 and 87% in 1Q18. A higher mix of expansionary orders, which tend to be placed in batches, generally tends to have a depressing effect on prices. However, there are a few other factors which explain the increase in ASPs over prior periods. We note there were less orders to the Canada/Oregon VLT and Illinois VGT markets in this quarter versus the comparable periods which provide a boost for IGT and SciGames. Additionally, we note most suppliers have launched new cabinets in the last two years, many of which that have more premium features such as larger cabinets or curved screens. Not only do new cabinets traditionally have higher prices following the launch, but many of these for-sale cabinets with a premium feel and higher componentry costs may be fetching an additional premium to the price. Finally, we highlight the general strength of the market at the moment characterized by steadily increasing GGR which is supported by positive macro-economic trends. This presents a market environment of healthy operators that can support price increases.

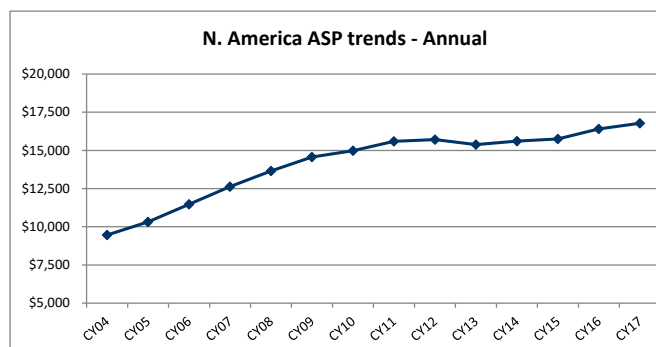
ASP Ranking - 2Q18

No	Supplier	ASP	% y/y	% q/q
1	AGS	\$18,728	18.2%	5.5%
2	Aristocrat	\$18,600	1.2%	-0.7%
3	Ainsworth	\$18,037	11.9%	0.0%
4	SciGames	\$17,699	0.8%	-0.1%
5	Everi	\$17,650	0.2%	-0.5%
6	Konami	\$17,622	3.7%	-1.1%
7	IGT	\$13,648	-2.1%	1.0%
Average		\$17,426	4.8%	0.5%

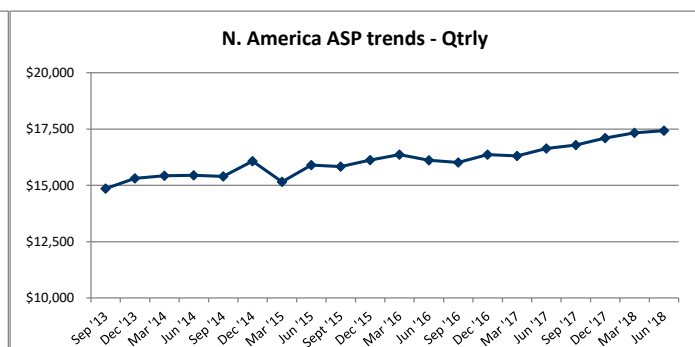
Source: Eilers & Krejcik Gaming, LLC & Company reports

For the quarter, we est AGS earned the group's highest ASP at ~\$18,728 which was driven by a higher mix of the company's newer *Orion Portrait* cabinet. Aristocrat, Ainsworth, SciGames and Everi follow AGS driven by sales of newly released cabinets *Arc Single* (Aristocrat), *A600* (Ainsworth), *TwinStar J43* and *3RM* (SciGames), *Core HDX* and *E43* (Everi).

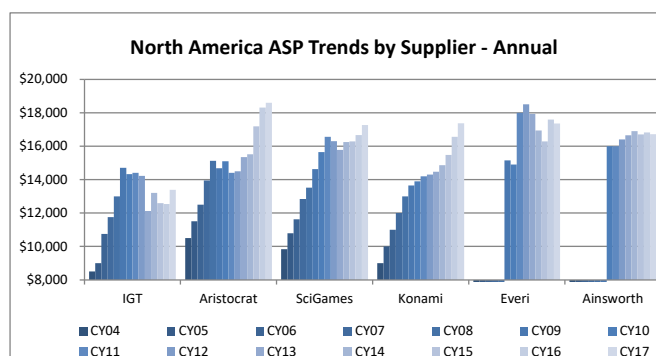
Finally, we note that our Ainsworth and Aristocrat ASP figures are for the most applicable six month period while our Konami figure is an estimate. We highlight historical ASPs on both an annual and quarterly basis below by supplier.



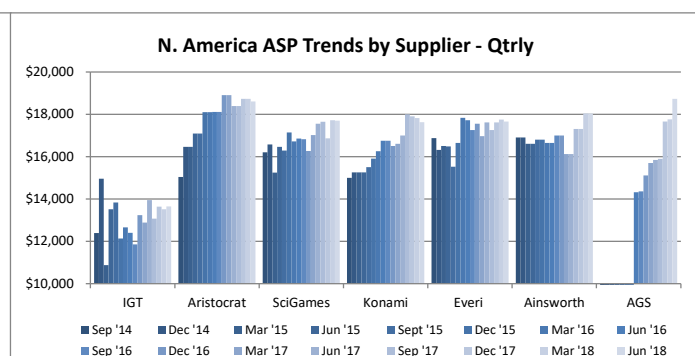
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

10. Product Sales Gross Margins – U.S. & Canada

Average product sales Gross Margins (GMs) increased +4.8% y/y and +0.5% q/q to 47.1% in 2Q18. We note IGT, SciGames and AGS experienced growth in product GMs which was likely driven by increased sales of higher margin new cabinets.

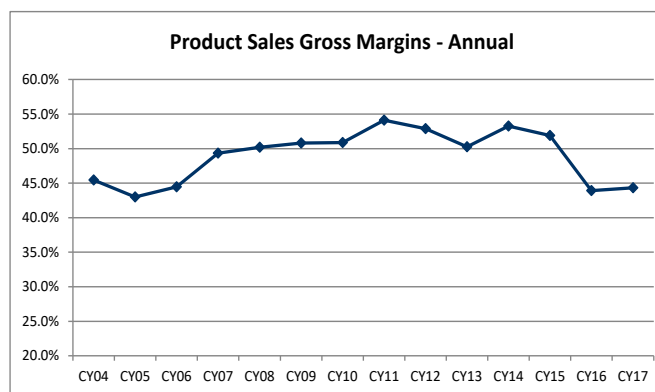
We note the comparatively lower IGT figure is partially a function of the inclusion of the company's lower margin lottery business. Overall, SciGames reported the highest product sales GM for the quarter followed by AGS, Everi, and IGT.

We highlight North American Product Sales gross margins on both an annual and quarterly basis below. Note, Aristocrat, Konami, and Ainsworth do not break out N. America product sales gross margins in their financial results.

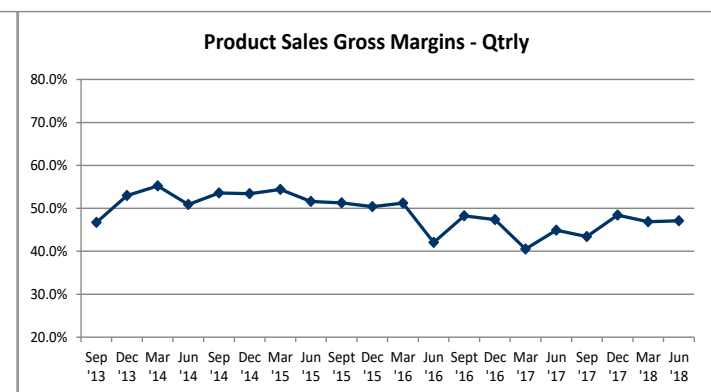
Product Sales GM Ranking - 2Q18

No	Supplier	% GM	bps y/y	bps q/q
1	SciGames	53.9%	(2)	1
2	AGS	53.7%	370	230
3	Everi	43.5%	(28)	(330)
4	IGT	37.3%	80	190
n/a	Aristocrat	n/a	n/a	n/a
n/a	Ainsworth	n/a	n/a	n/a
n/a	Konami	n/a	n/a	n/a
Average		47.1%	217	23

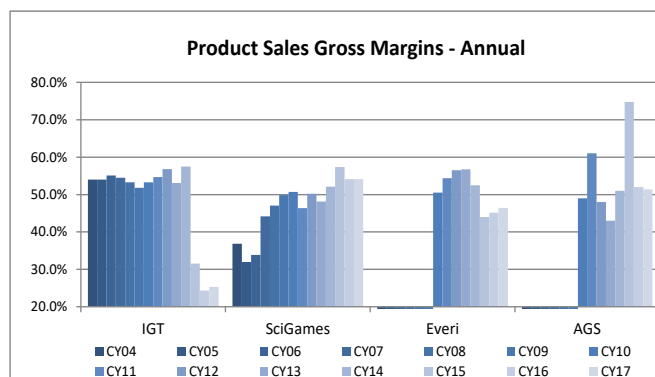
Source: Eilers & Krejcik Gaming, LLC & Company reports



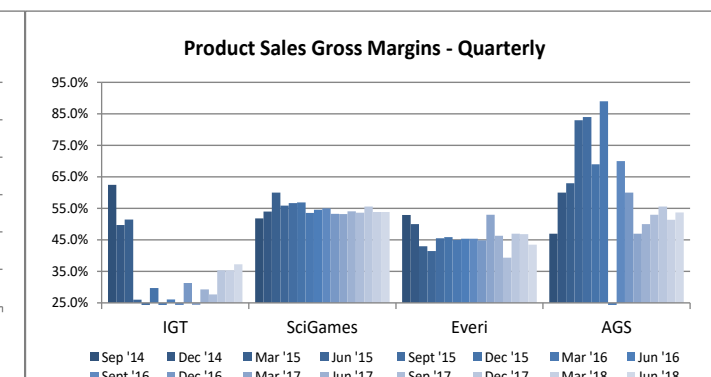
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

11. Gaming Ops Revenue Market Share – U.S. & Canada

We estimate total Gaming Operations revenue for slot vendors increased +5.1% y/y and +2.9% q/q to ~\$612 million in 2Q18. The annual and sequential revenue growth was driven by both an increase in units installed as well as FPD. Unit growth was driven by expansionary activity across both Commercial and Tribal markets. FPD also benefitted from an increase in the mix of premium units as well as GGR growth.

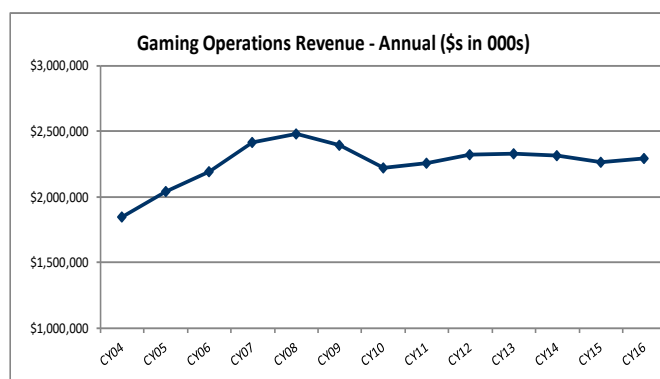
Aristocrat was the leading supplier in the North American Gaming Ops market for the quarter with ~33% market share, which represented a +3% pt share gain y/y. IGT followed Aristocrat in the quarter with ~24% market share which was down -1% pts y/y in the quarter primarily due to unit removals. SciGames recorded the third highest Gaming Ops revenue followed by AGS, Everi, and Konami.

Gaming Ops Revenue Market Share - 2Q18 Ranking

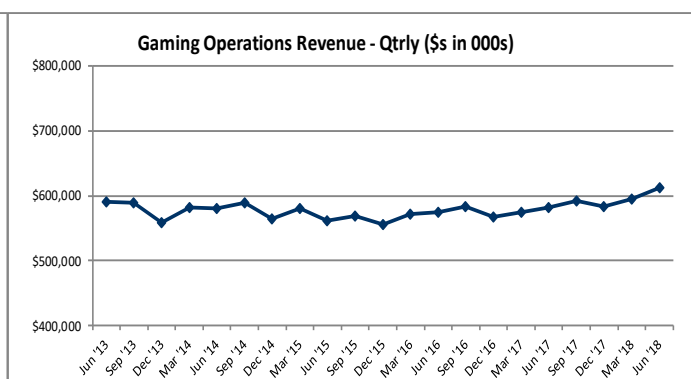
No	Supplier	% share	% pt y/y	% pt q/q
1	Aristocrat	32.8%	2.5%	0.4%
2	IGT	23.9%	-1.4%	-0.4%
3	SciGames	22.9%	-2.5%	-0.3%
5	AGS	6.8%	1.1%	0.3%
4	Everi	6.2%	0.7%	0.3%
6	Konami	2.0%	0.1%	0.0%
7	Ainsworth	0.8%	0.0%	-1.0%
8	Other	4.6%	0.5%	0.0%

Source: Eilers & Krejcik Gaming LLC & Company reports

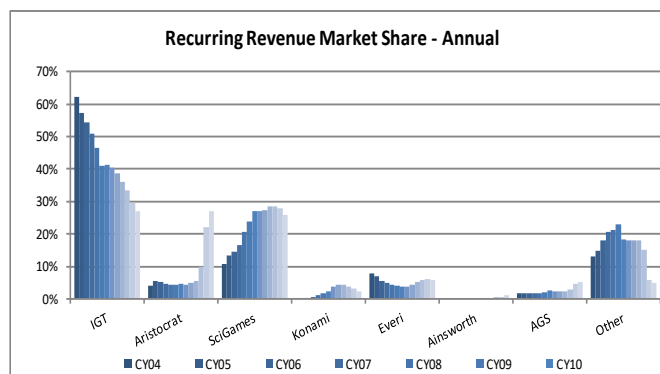
Note, our SciGames historical data includes the combination of both WMS and Bally while Aristocrat includes VGT only post-acquisition with historical data included in the Other category. Cadillac Jack revenue is also included with AGS while historical CJ revenue was included in the Other category. Nova revenue is now included with Ainsworth post-acquisition while historical revenue was in the Other category. Finally, our estimates for AGS / CJ do not include Mexico revenue. Below we highlight trailing Gaming Ops revenue market share trends on an annual and quarterly basis:



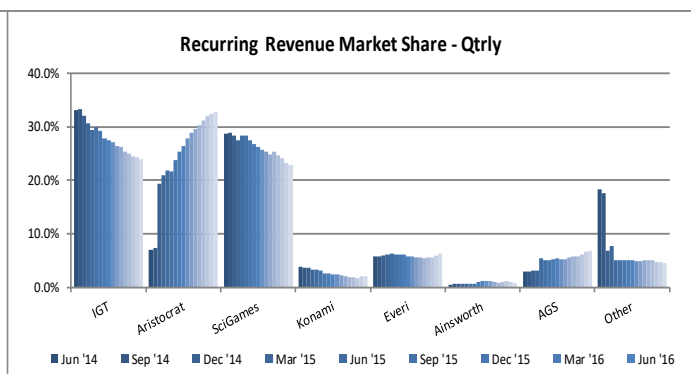
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

12. Gaming Ops Install base Market Share – U.S. & Canada

For the quarter, we estimate the total Gaming Ops install base increased +4.2% y/y and +0.7% q/q to ~169,617 games installed at the end of 2Q18. The North American Gaming Ops install base has now increased sequentially in 12 of the past 13 quarters. Commercial and tribal casino expansionary activity combined with the continued expansion of Class II and VLT recurring revenue markets provided growth among both Premium and Non-Premium install bases. We note expansionary activity has been particularly active this year. The Class II dedicated Tribal facility, Four Winds South Bend, opened in the first quarter and two Commercial properties opened in Atlantic City.

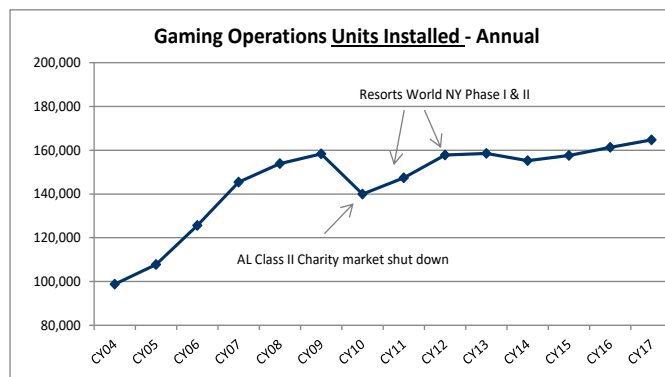
With respect to individual suppliers, we estimate Aristocrat held the largest install base of games in N. America at the end of 2Q18 with ~44,100 units installed representing ~26% market share. SciGames and IGT followed Aristocrat with ~39,800 and ~38,500 units installed representing ~23% share each respectively. Note, our Aristocrat number includes an est ~2,000 standard leased games that are not reported by the company.

Once again, Aristocrat was the primary floor share gainer led by its building install base of high performing premium leased games as well as growth in the Class II market through VGT. Incredible Technologies was also a market share gainer within the quarter and over the prior year supported by new premium content while IGT, SciGames, Konami, and Ainsworth were the primary market share donors. We note that our SciGames U.S. & Canada install base is estimated as the company does not break out its install base between N. America and International markets. We highlight annual and quarterly market share trends below:

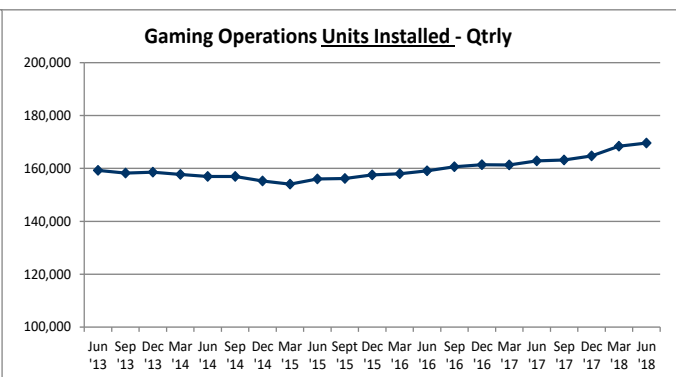
Recurring Revenue Units Installed Ranking - 2Q18

No	Supplier	Units	y/y	q/q
1	Aristocrat	44,100	4,198	800
2	SciGames	39,804	-228	-142
3	IGT	38,527	-389	243
4	AGS	16,647	2,401	94
5	Everi	14,201	1,259	77
6	Konami	3,655	55	-145
7	Aruze	3,592	225	-19
8	Ainsworth	2,583	-86	-217
9	Incredible	1,700	560	300
10	Bluberi	1,000	0	0
11	Castle Hill	500	0	0
12	Other	3,308	-1,185	219
Total		169,617	6,810	1,210

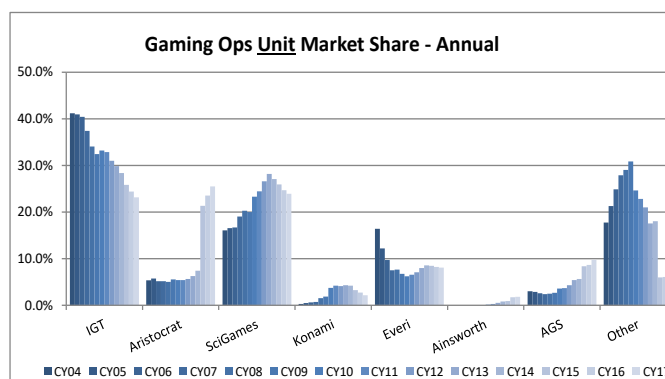
Source: Eilers & Krejcik Gaming, LLC & Company reports



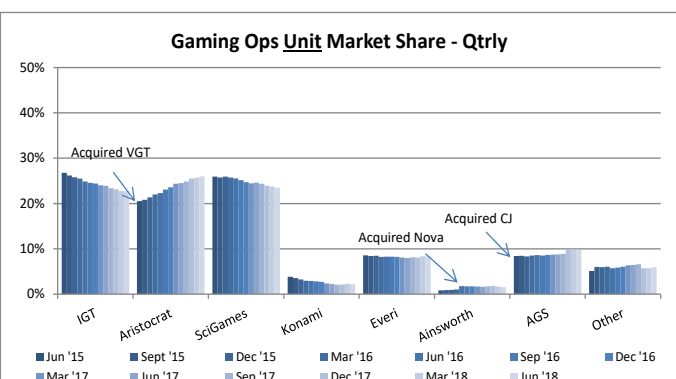
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

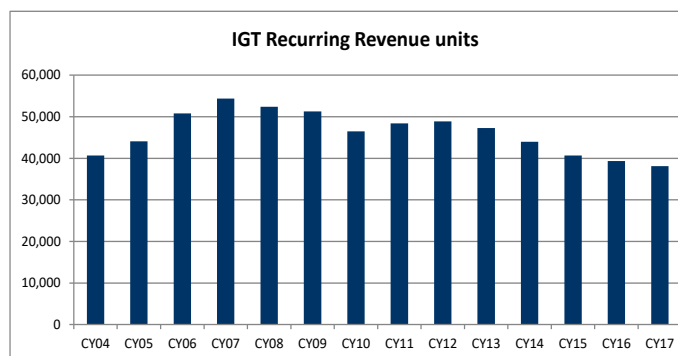


Source: Eilers & Krejcik Gaming, LLC & Company reports

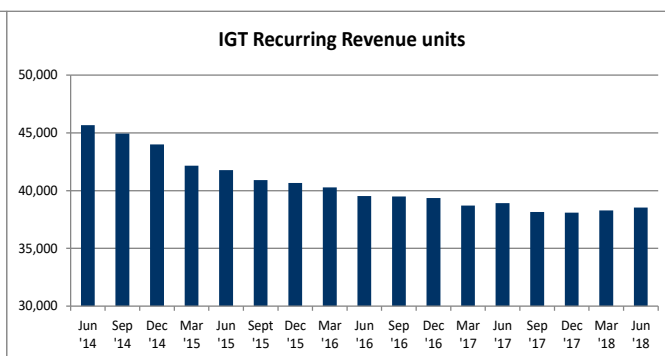


Source: Eilers & Krejcik Gaming, LLC & Company reports

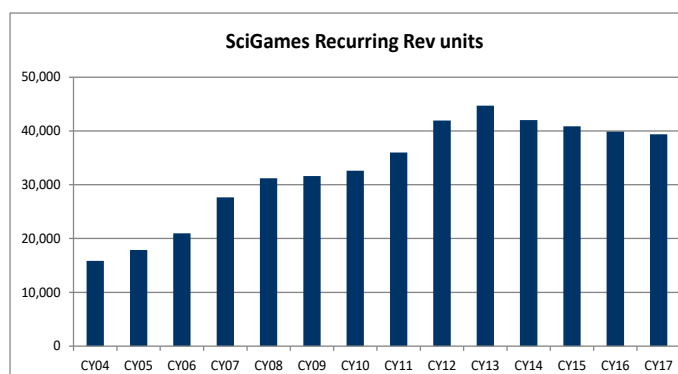
Below we highlight historical North America install base trends for each supplier on an annual and quarterly basis. Note, IGT figures include both legacy IGT and Spielo units while Aristocrat only includes VGT post acquisition and AGS only includes CJ units post acquisition as well.



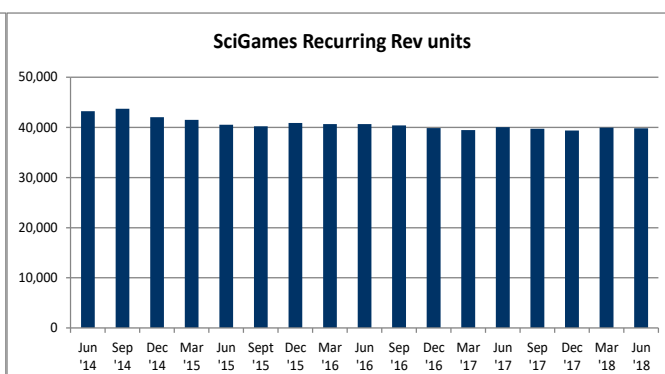
Source: Eilers & Krejcik Gaming, LLC & Company reports



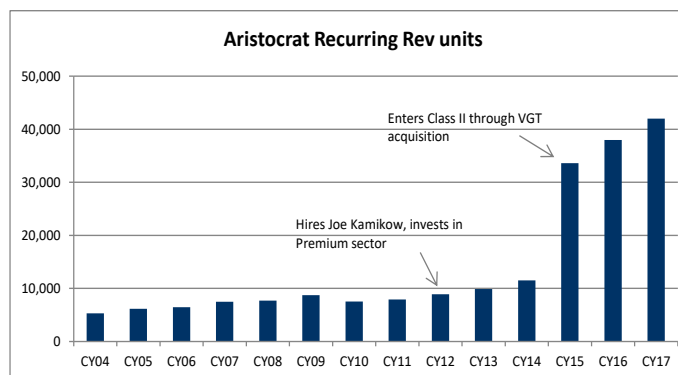
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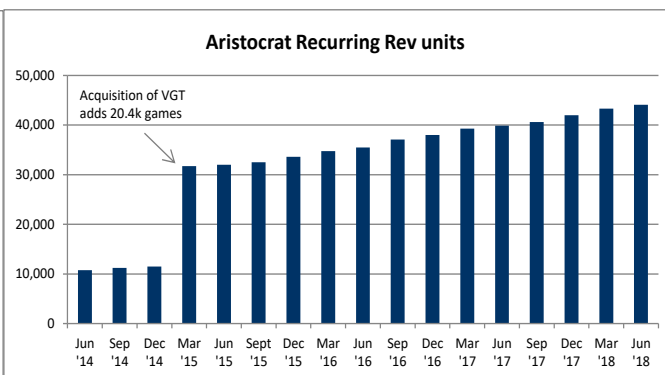
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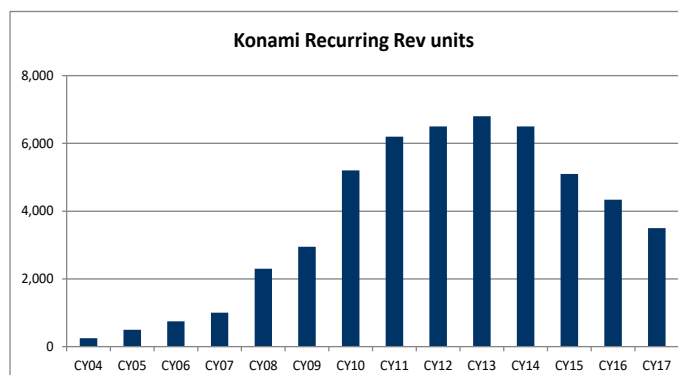
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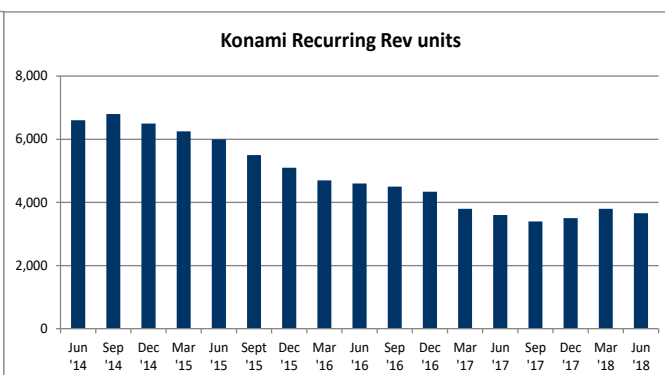
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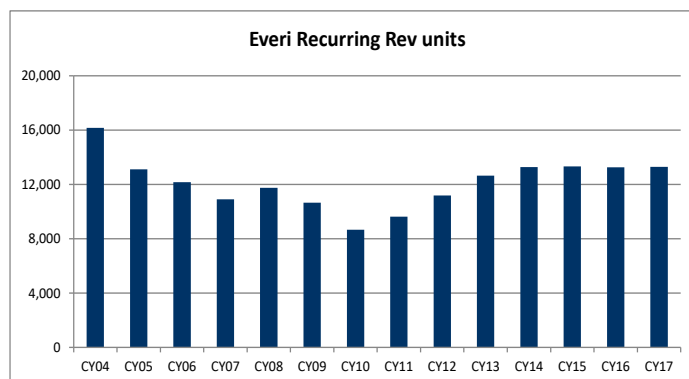
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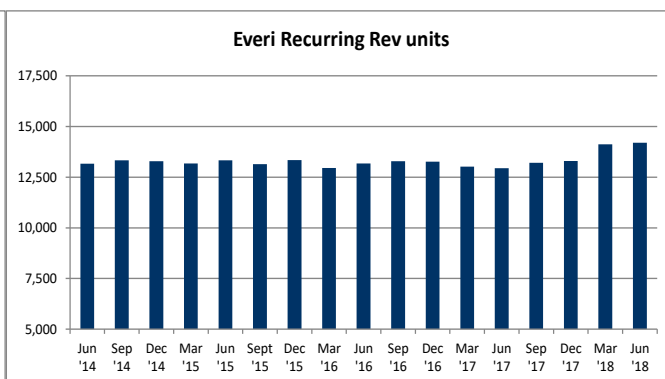
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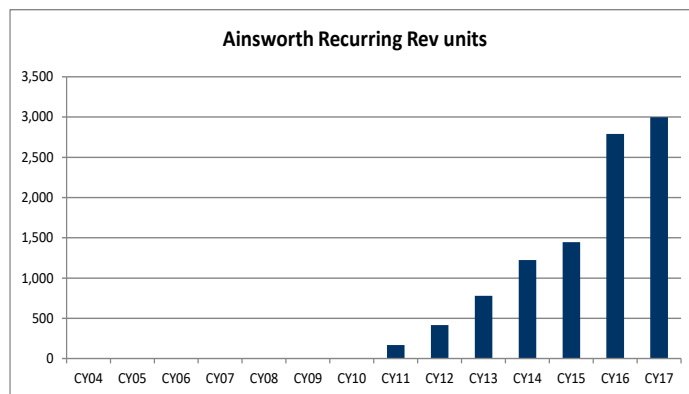
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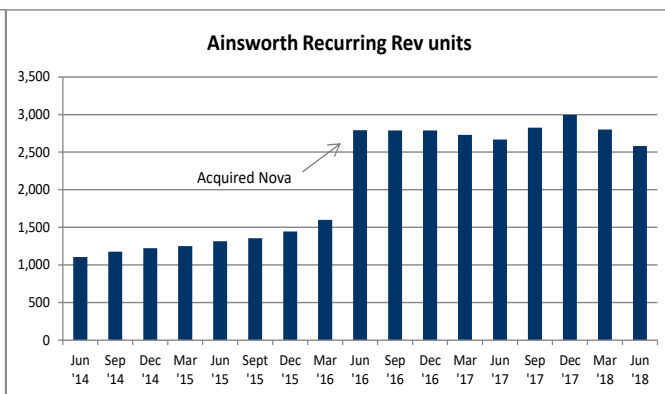
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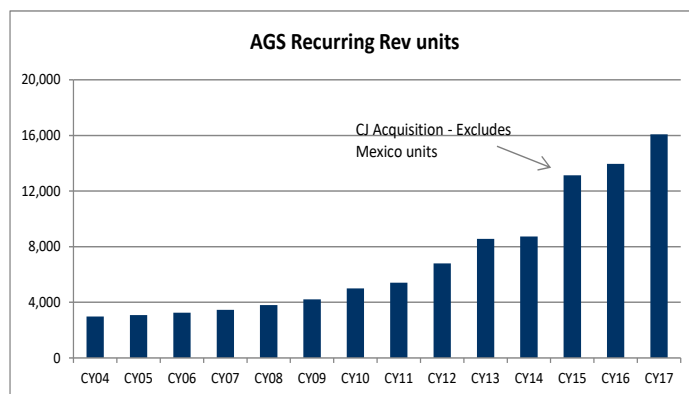
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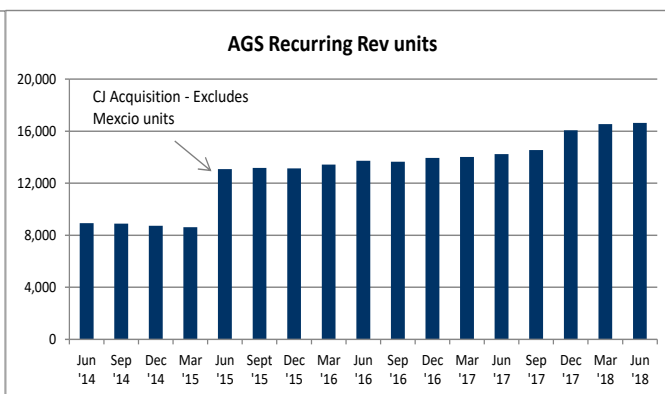
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

13. Gaming Ops Fee per day (FPD) comparison – U.S. & Canada

We estimate average Fee per day (FPD) per game for N. American slot suppliers increased +3.1% y/y and +0.4% q/q to ~\$34.47 in 2Q18. The increase in FPD was driven by a higher mix of Premium games compared with the prior year and quarter.

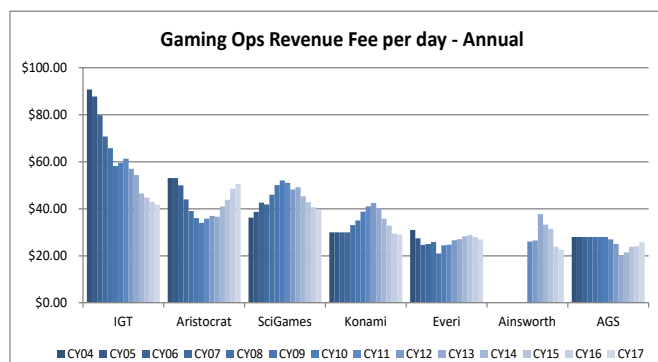
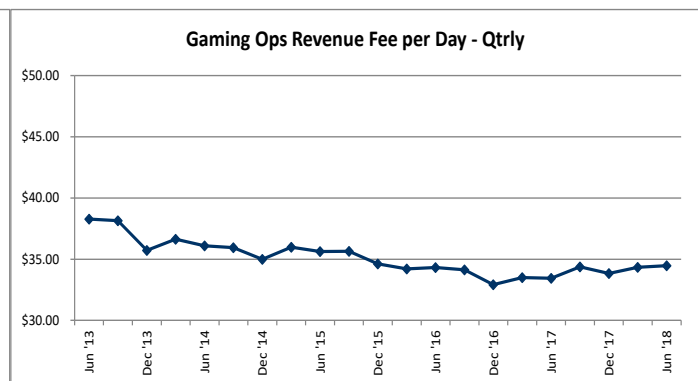
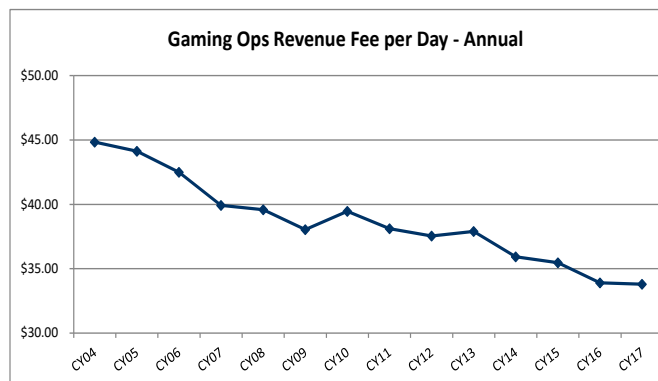
With respect to individual suppliers, we estimate Aristocrat games earned the industry's highest FPD for the quarter at ~\$51.00 in 2Q18 driven by the continued success of the company's historically strong performing *Dragon Link* and *Lightning Link* families of games. IGT earned the second highest FPD in the quarter at ~\$41.80 in 2Q18 which was flat versus the prior year supported by an increased mix of Premium content likely driven by new content on the Crystal Curve and Crystal Curve Ultra. We highlight most supplier experienced FPD increases, except for SciGames which was impacted by a lower mix of Premium units in the install base as well as a decline among Premium units. Additionally, we note FPD has increased on an annual basis for four consecutive quarters, which reversed a ~3 year trend of declining FPD. We believe this has been driven by the increased introduction of strong performing Premium content as well as overall increases in GGR supported by a strong macro-economic environment.

Note, our Aristocrat and Ainsworth FPD results are estimated for the quarter (the companies report over a 6-month period) and our estimates include non-premium VLT and standard lease units that are not broken out separately. In addition, our Aristocrat number includes the acquisition of VGT, which has a slightly lower revenue yield than the rest of the Aristocrat portfolio which is mostly premium games. Furthermore, in an effort to provide accurate comparisons, our SciGames figures have been revised to include both Premium and Non-Premium units besides the reported number which includes primarily Premium leased units. With regards to Everi, AGS and Ainsworth, the blended yield for these companies is at the low end of the range due to a higher mix of Class II participation games relative to competitors. Finally, our estimated AGS yield excludes Mexico games.

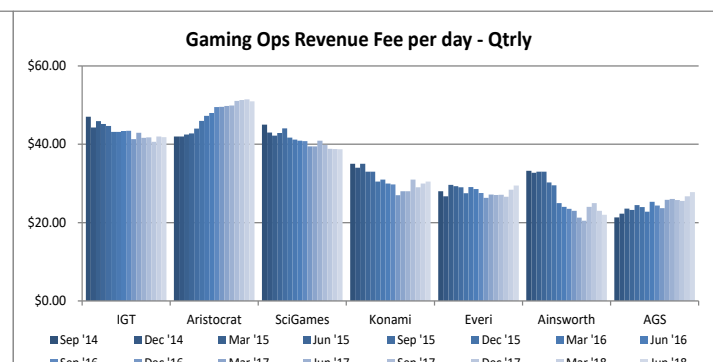
Avg Fee per day (FPD) Ranking - 2Q18

No	Supplier	Rev/day	% y/y	% q/q
1	Aristocrat	\$51.00	2.2%	-1.0%
2	IGT	\$41.80	0.3%	-0.5%
3	SciGames	\$38.73	-5.4%	-0.2%
4	Konami	\$30.50	8.9%	1.7%
5	Everi	\$29.49	8.9%	3.8%
6	AGS	\$27.77	6.6%	3.9%
7	Ainsworth	\$22.00	7.3%	-4.3%
Avg		\$34.47	3.1%	0.4%

Source: Eilers & Krejcik Gaming LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

14. Premium Gaming Ops Revenue – U.S. & Canada

For the quarter, we estimate Premium Gaming Ops revenue increased +6.4% y/y and +2.0% q/q to ~\$362.8 million. The increase in revenue was primarily driven by an increase in units installed which was partially offset by a moderate decrease in the average Premium FPD.

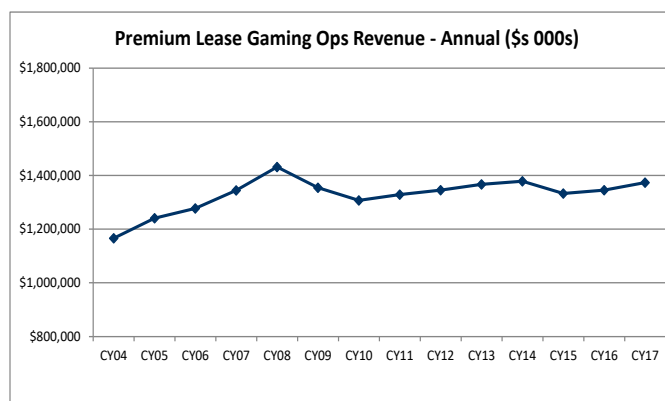
In this period, we estimate Aristocrat was the top supplier with respect to share of Premium Gaming Ops Revenue for the quarter at ~30% led by an increase in units installed driven by the success of its *Linked* titles. IGT earned the next highest share of Premium revenue followed by SciGames.

Additionally, we note Aristocrat, AGS, Everi and Konami enjoyed moderate share gains in quarter while SciGames and IGT were the primary share donors. Note, we include actual premium revenue reported by SciGames while we make assumptions for all other vendors.

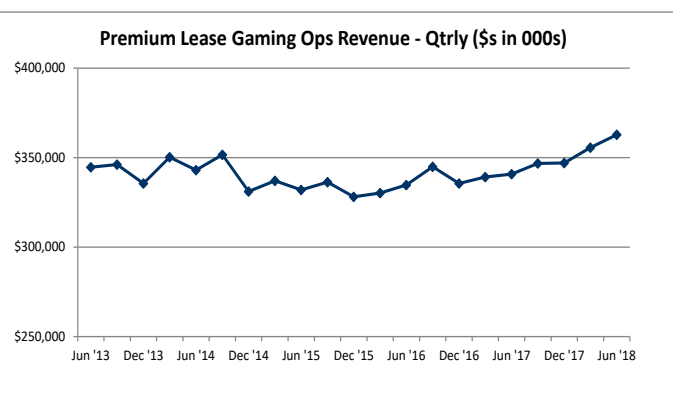
We highlight both annual and quarterly market share trends by supplier below:

Premium Recurring Rev Share - 2Q18 Ranking				
No	Supplier	% share	% pt y/y	% pt q/q
1	Aristocrat	30.3%	3.2%	0.1%
2	IGT	29.3%	-1.8%	-0.3%
3	SciGames	26.1%	-3.3%	-0.1%
4	Everi	3.6%	0.9%	0.1%
5	Konami	3.3%	-0.1%	0.0%
6	AGS	2.1%	1.5%	0.4%
7	Ainsworth	0.8%	0.0%	-0.2%
8	Other	4.6%	-0.4%	0.0%
Total		100.0%	n/a	n/a

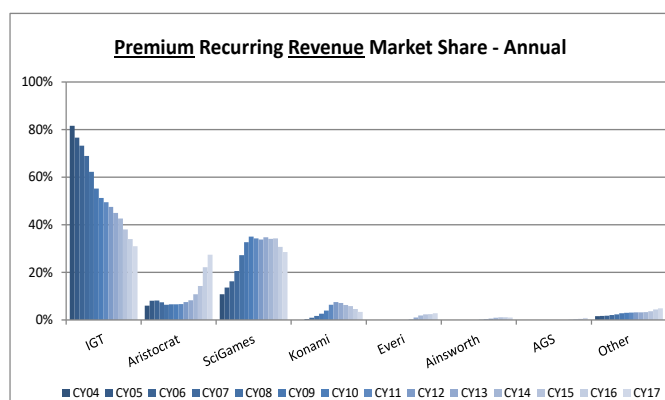
Source: Eilers & Krejcik Gaming, LLC & Company reports



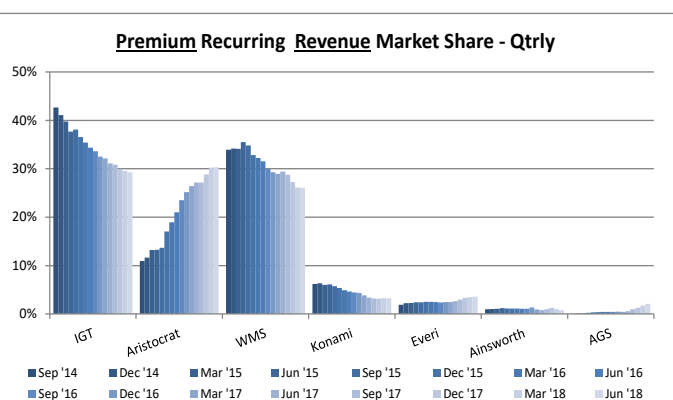
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

15. Premium Gaming Ops Install base – U.S. & Canada

At the end of 2Q18, Premium Gaming Ops units installed increased +8.1% y/y and +0.9% q/q to ~69,800 games. Compared with the prior year, most suppliers placed incremental Premium Gaming Ops units though Aristocrat, AGS, and Everi drove the majority of the total market adds. On a sequential basis, we note Aristocrat still led the market in gains while most suppliers' Premium install bases were relatively flat.

SciGames remains the leader in Premium Gaming Ops units installed for the quarter with ~20,154 games installed at the end of 2Q18 which was flat sequentially. Aristocrat surpassing IGT in the prior quarter, Aristocrat again had the second largest install base of Premium units with over

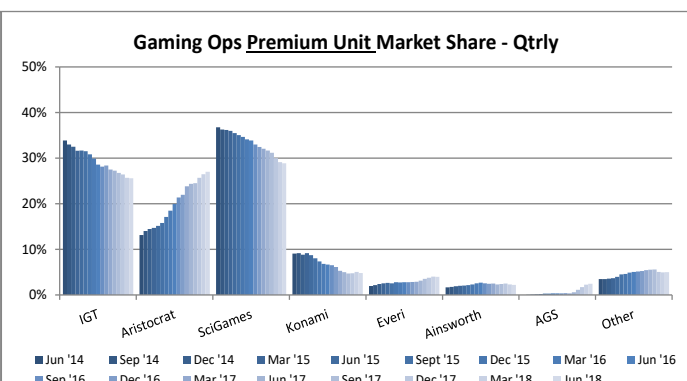
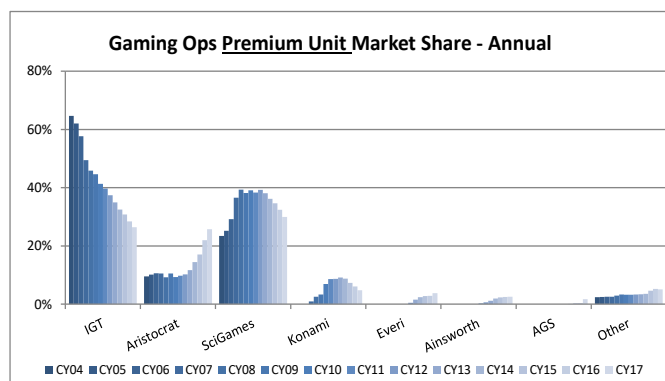
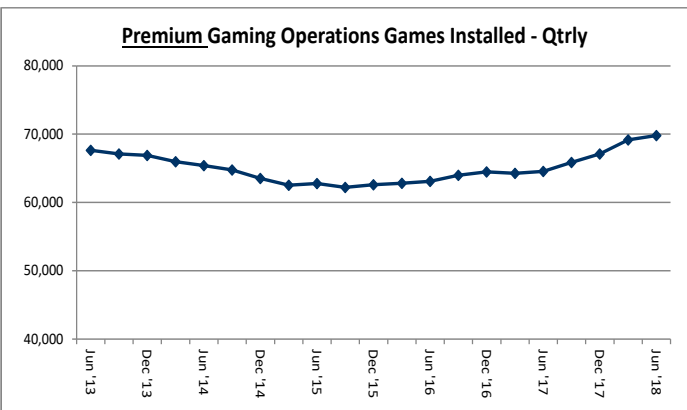
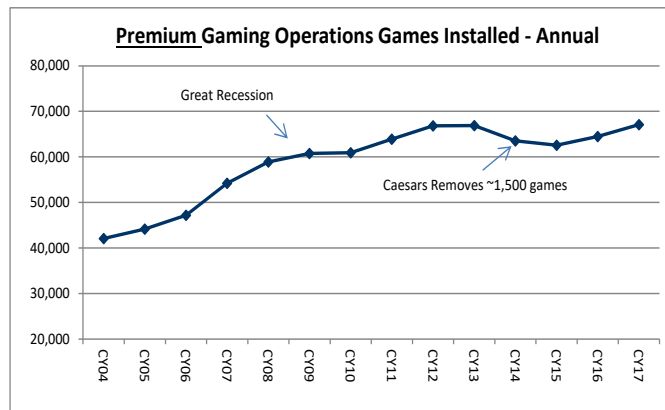
~18,800 units installed at the end of the period. Driven by its powerhouse *Lightning Link* and *Dragon Link* brands, we estimate the company added ~550 Premium games in the quarter. IGT followed Aristocrat with ~17,900 Premium units installed at the end of the period, which represented a moderate sequential increase, likely due to the growth of Crystal Curve and Crystal Curve Ultra placements. Konami and Everi round out the top five vendors driven by strong performing content such as Everi's *Casablanca* and *Penn & Teller* titles and Konami's *Star Watch Magma/Fire*. Besides Aristocrat, we note other key market share gainers in the Premium sector during the quarter include AGS (+~150 units q/q) and Incredible Technologies (+~150 q/q).

We define Premium Units as Wide Area Progressive (WAP), Local Area Progressive (LAP), 80/20 participation, and premium daily fee products. Note, we include actual units reported by IGT, SciGames, Aristocrat, and Everi while we make assumptions for Konami and other suppliers. We also estimate the install base for Aristocrat and Ainsworth for the qtrs that do not match up with the company's semi-annual reporting period.

Recurring Revenue Premium Unit Ranking - 2Q18

No	Supplier	Units	y/y	q/q
1	SciGames	20,154	-278	8
2	Aristocrat	18,850	3,130	546
3	IGT	17,875	265	100
4	Konami	3,355	105	-145
5	Everi	2,782	733	-15
6	AGS	1,738	1,349	150
7	Ainsworth	1,537	35	-63
8	Incredible	1,050	310	150
9	Other	2,450	-410	-100
Total		69,791	5,239	631

Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

Source: Eilers & Krejcik Gaming, LLC & Company reports

16. Premium Gaming Ops Fee per day (FPD) – U.S. & Canada

For the quarter, we estimate average Premium Fee per Day (FPD) decreased -1.0% y/y and -1.3% q/q to ~\$48.80. The relatively flat Premium FPD was due to a relatively stable mix of WAP to non-WAP units within the Premium install base.

For the quarter, we estimate Aristocrat again had the industry's leading average Premium FPD at ~\$66.50 due to impressive performance from games such as *Lightning Link* and *Dragon Link*. IGT had the industry's second highest Premium FPD at ~\$65.50 led by their market leadership in higher earning WAP games. Interestingly, we note the recent introduction of Class II WAP titles from Aristocrat and Everi also helped boost their respective WAP install bases which helped boost the average Premium FPD for both companies versus the prior year.

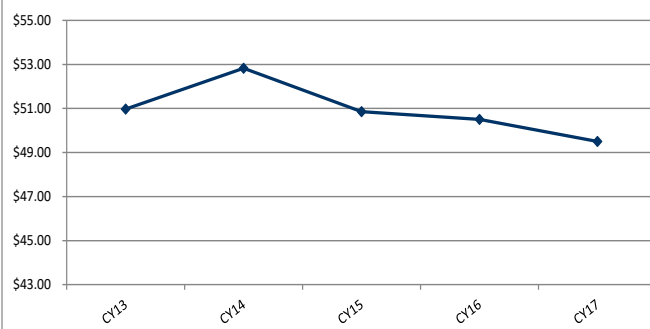
Premium FPD Ranking - 2Q18

No	Supplier	Rev/day	% y/y	% q/q
1	Aristocrat	\$66.50	0.8%	0.2%
2	IGT	\$65.50	-0.6%	-0.4%
3	Everi	\$51.50	1.0%	0.0%
4	SciGames	\$50.31	-3.8%	0.6%
5	Konami	\$38.00	0.0%	0.0%
6	Ainsworth	\$22.00	-2.2%	-12.0%
Avg		\$48.97	-0.6%	-1.0%

Source: Eilers & Krejcik Gaming LLC & Company reports

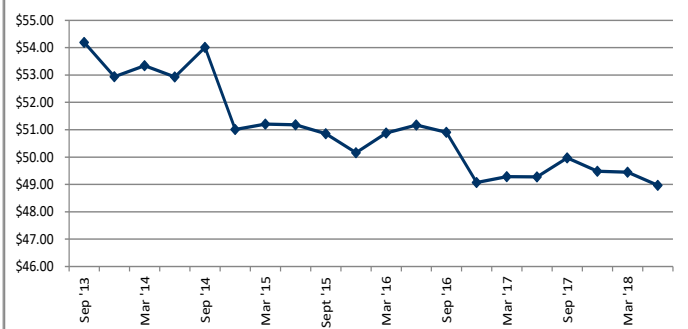
We note, many suppliers do not report the mix of revenue or FPD within Gaming Ops. As a result, our figures include estimates for revenue and install base mix between Non-Premium and Premium units. Additionally, our Aristocrat and Ainsworth FPD results are estimated for the quarter (the companies report over a 6-month period). We highlight both annual and quarterly market share trends by supplier below:

Gaming Ops Premium Revenue Fee per Day - Annual



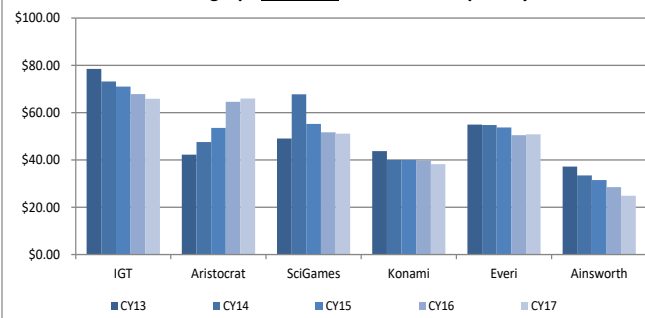
Source: Eilers & Krejcik Gaming, LLC & Company reports

Gaming Ops Premium Revenue Fee per Day - Qtrly



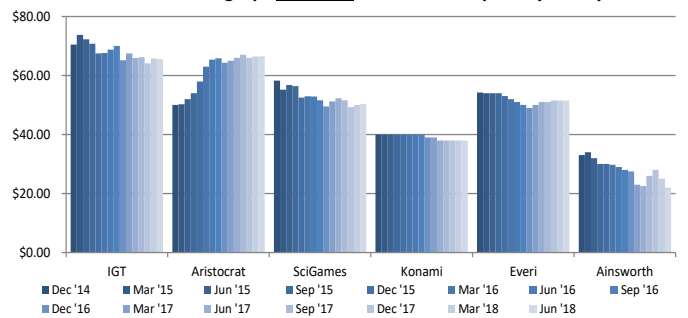
Source: Eilers & Krejcik Gaming, LLC & Company reports

Gaming Ops Premium Revenue Yield per day - Annual



Source: Eilers & Krejcik Gaming, LLC & Company reports

Gaming Ops Premium Revenue Yield per day - Qtrly



Source: Eilers & Krejcik Gaming, LLC & Company reports

17. Wide-Area-Progressive (WAP) Install base – U.S. & Canada

In total, we estimate there were roughly ~15,800 Wide-Area Progressive (WAP) games installed in North America which we estimate was up +7.4% y/y and +2.3% q/q in 2Q18.

The WAP install base currently represents ~23% of the total Premium leased category including 80/20 and premium fixed fee recurring revenue games, which was a marginal decrease over the prior sequential period. Aristocrat, Everi, and IGT each installed additional WAP units within the quarter. We note both Aristocrat and Everi now offer Class II WAPs and both have gained a decent amount of traction with the introduction of these units to that market.

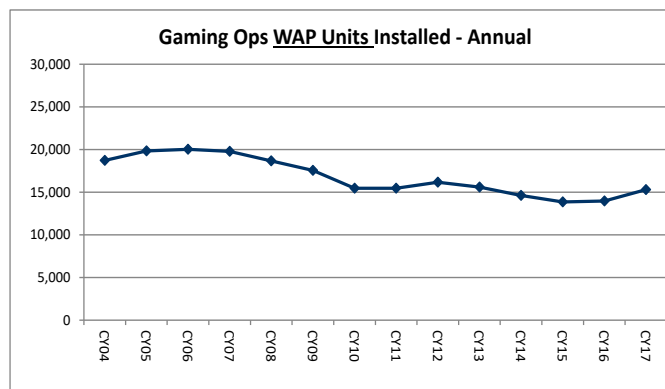
WAP Premium Unit Ranking - 2Q18

No	Supplier	Units	y/y	q/q
1	IGT	6,165	65	25
2	SciGames	4,684	-146	4
3	Aristocrat	3,955	855	225
4	AGS	500	500	0
5	Everi	512	312	109
n/a	Konami	n/a	n/a	n/a
n/a	Ainsworth	n/a	n/a	n/a
n/a	Other	n/a	n/a	n/a
Total		15,816	1,086	363

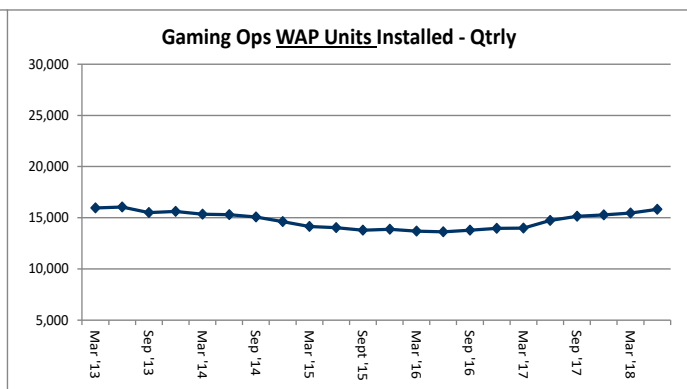
Source: Eilers & Krejcik Gaming, LLC & Company reports

From a historical perspective, the mix of WAP to non-WAP games has been steadily declining for years from a high of ~47% in CY04 primarily due to the removal of WAP units. However, we note WAP unit removals had begun stabilizing and have now increased for the eighth consecutive quarter. We believe this shows evidence of the potential stability in the mix of WAP to non-WAP games. As mentioned below, most of the near term growth has come within the Class II WAP market. Additionally, we note our WAP figures have been adjusted to reflect the acquisition of Rocket Games by AGS. We estimate Rocket Games had ~500 WAP games.

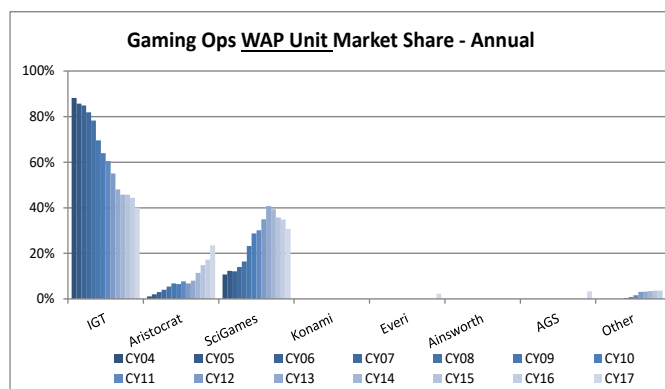
We highlight both annual and quarterly market share trends by supplier below:



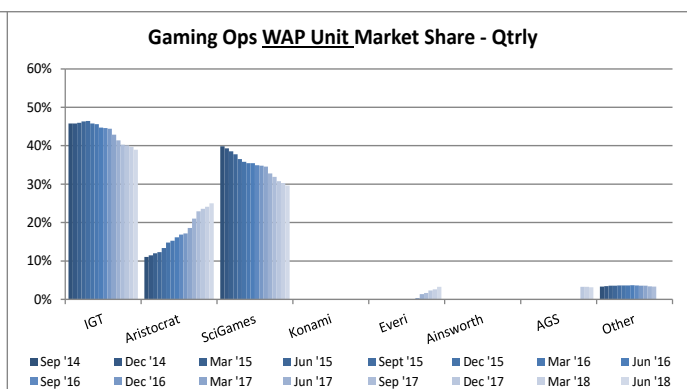
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company report

18. Non-WAP Premium Units Install base – U.S. & Canada

In total, we estimate there were ~54,000 Non-WAP Premium units installed in North America at the end of 2Q18, which was up +8.3 y/y and +0.5% q/q. We note the opening of a large Class II facility in the qtr drove the majority of the y/y gains in the install base.

Install base gains of Non-WAP Premium units were widely dispersed among the suppliers in the quarter. Note, we define Non-WAP Premium units as 80/20 Premium and Fixed Daily Fee Premium games.

For the quarter, SciGames had the highest non-WAP Premium leased install base followed by Aristocrat, IGT, Konami, Everi, Ainsworth, AGS, and Incredible Technologies. The primary share gainers within the quarter were Aristocrat, AGS, and Incredible Technologies.

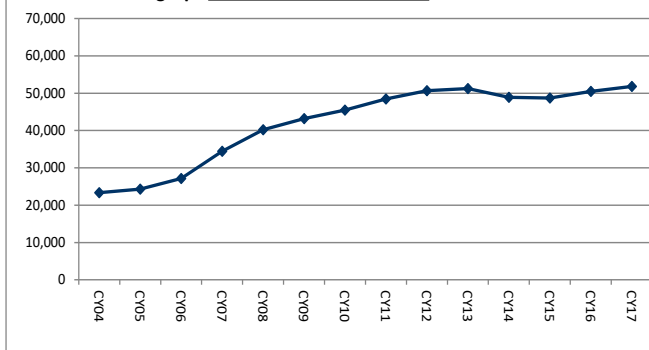
Non-WAP Premium Unit Ranking - 2Q18

No	Supplier	Units	y/y	q/q
1	SciGames	15,470	-132	4
2	Aristocrat	14,895	2,275	321
3	IGT	11,710	200	75
4	Konami	3,355	105	-145
5	Everi	2,270	421	-124
6	Ainsworth	1,537	35	-63
7	AGS	1,238	849	150
8	Incredible	1,050	310	150
n/a	Other	2,450	90	-100
Total		53,975	4,153	268

Source: Eilers & Krejcik Gaming, LLC & Company reports

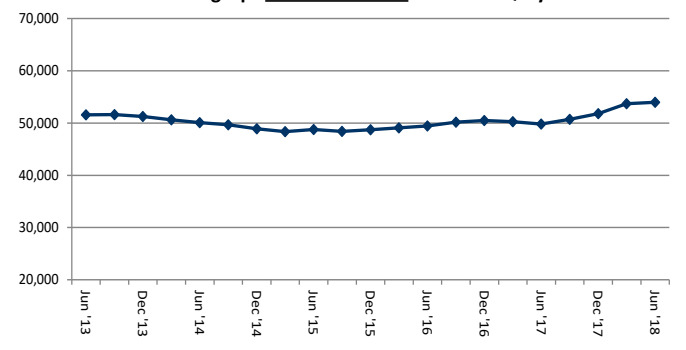
We highlight both annual and quarterly market share trends by supplier below:

Gaming Ops Non-WAP Premium Units Installed - Annual



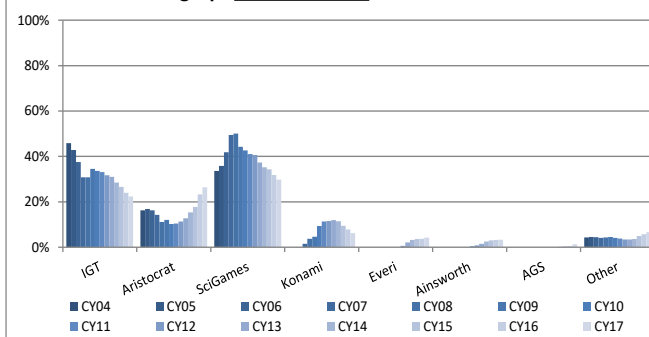
Source: Eilers & Krejcik Gaming, LLC & Company reports

Gaming Ops Non-WAP Units Installed - Qtrly



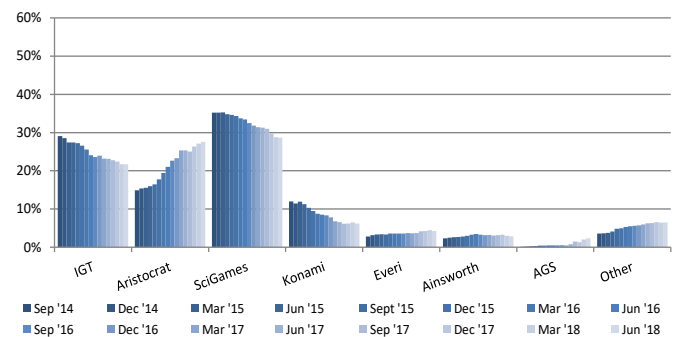
Source: Eilers & Krejcik Gaming, LLC & Company reports

Gaming Ops Non-WAP Unit Market Share - Annual



Source: Eilers & Krejcik Gaming, LLC & Company reports

Gaming Ops Non-WAP Unit Market Share - Qtrly



Source: Eilers & Krejcik Gaming, LLC & Company reports

19. Gaming Ops Gross Margins – U.S. & Canada

Average Gaming Ops gross margins increased +4.6% y/y and +5.1% q/q to ~45% in 2Q18. We estimate that Everi had the highest Gaming Ops GM followed by AGS, IGT, and SciGames. We note that our IGT GM includes the company's lottery segment which has a negative pull on the comprehensive margin.

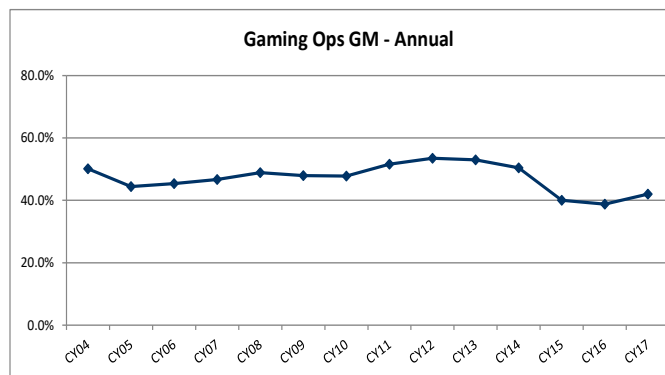
Note, we adjust SciGames, Everi, and AGS GMs to include D&A expense that is not included in the reported cost of revenue. We believe this is a more accurate representation of the business. Also, our SciGames estimate includes the company's international Gaming Ops, which is lower margin than its North American Gaming Ops business.

We highlight annual and quarterly Gaming Ops GMs by supplier below:

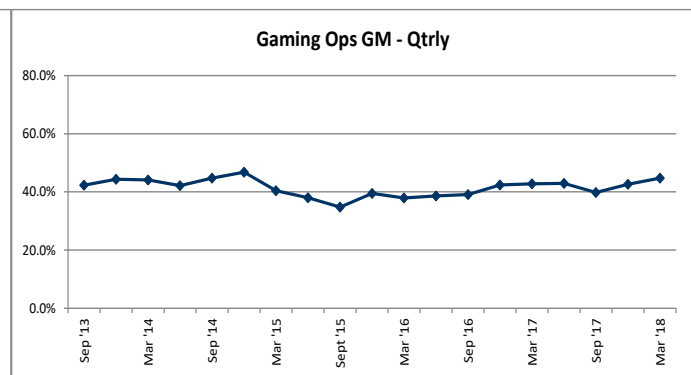
Gaming Ops GM - 2Q18 Ranking

No	Supplier	% GM	bps y/y	bps q/q
1	Everi	59.0%	(50)	140
2	AGS	44.4%	480	120
3	IGT	39.7%	0	(130)
4	SciGames	35.9%	357	731
5	n/a	n/a	n/a	n/a
6	n/a	n/a	n/a	n/a
Avg		44.8%	197	215

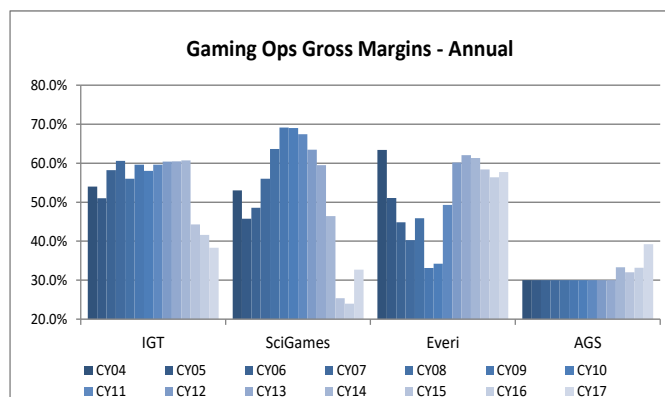
Source: Eilers & Krejcik Gaming, LLC & Company reports



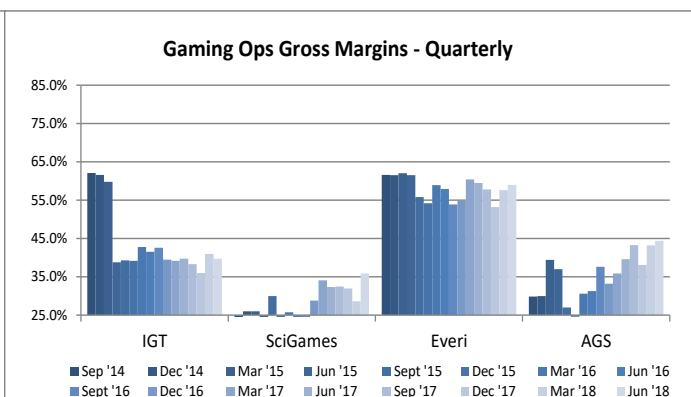
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

20. Ship Share – International

For the quarter, we estimate International sales decreased -9.1% y/y but increased +2% q/q to ~16,400 games sold. The annual decline was due to lower replacement demand from Latin America and European markets as well as lower Asia-Pacific expansionary demand.

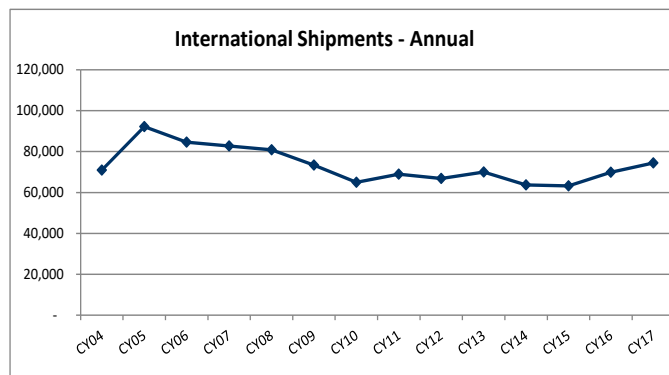
For the quarter, we estimate Aristocrat was the largest non U.S. & Canada supplier with ~5,100 games shipped followed by IGT, SciGames, and Ainsworth. Note, Aristocrat only reports semi-annually in March and September, therefore our 2Q figure is an estimate based on expected international units sold in the next half.

Intl Units Sold - 2Q CY18

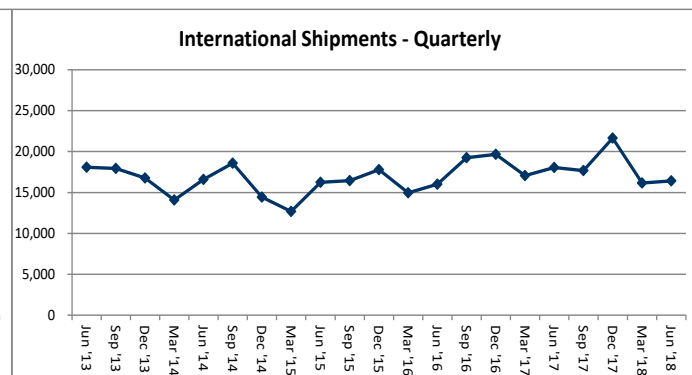
No	Supplier	Slots	% of market
1	Aristocrat	5,140	31%
2	IGT	3,120	19%
3	SciGames	2,492	15%
4	Ainsworth	1,772	11%
5	Konami	493	3%
n/a	Other	3,400	21%
Total		16,417	100%

Source: Eilers & Krejcik Gaming, LLC & Company reports

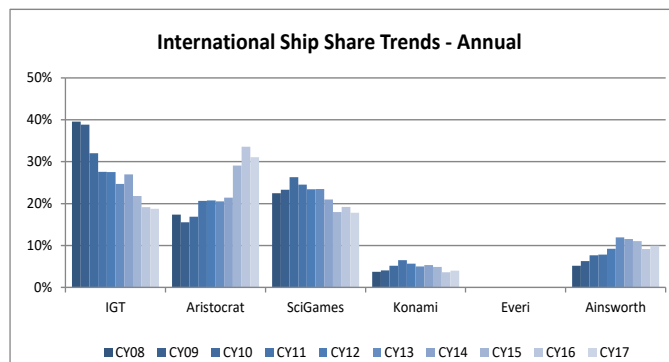
We define “international” as all units sold outside of U.S. and Canadian markets. Note, we exclude Amusement with Prize (AWP) and Japanese Pachislot sales in our analysis and we make estimates for Aristocrat and Ainsworth quarterly unit sales as both companies report semi-annually.



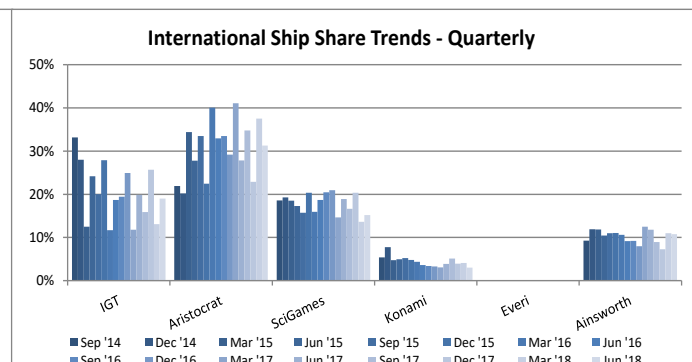
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers Research, LLC & Company reports



Source: Eilers Research, LLC & Company reports

21. Gaming Ops Units – International

We estimate the average international (Non U.S. & Canada) gaming operations install base of recurring revenue games increased +4.8% y/y and +0.9% q/q to ~305,100 games installed at the end of 2Q18.

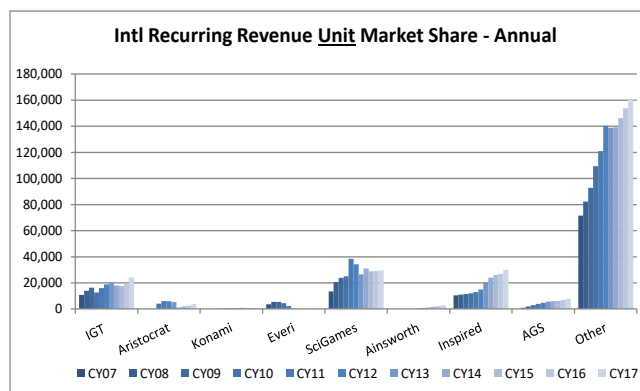
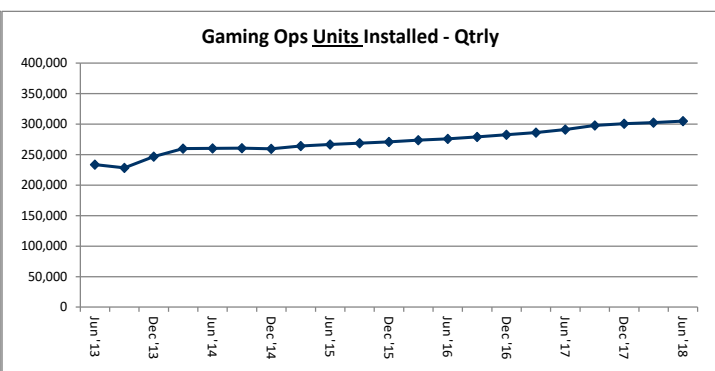
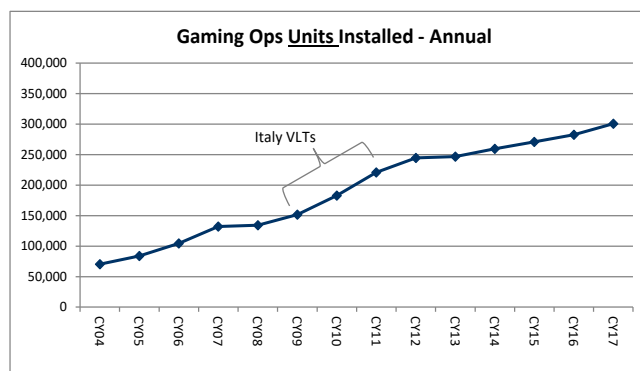
Growth for the quarter was fueled primarily by the continued rollout of VLTs in Greece, along with growth in Latin America and Europe. China LotSynergy had the largest install base of recurring revenue games providing VLTs in mainland China. Inspired Gaming had the second largest install base of recurring revenue games with a large presence in the U.K. betting shop market and Italy VLT market as well as growing installations in Greece. Primary vendors in our other category include Novomatic, EGT, Zitro, Intralot, Playtech, FBM, and a hand full of other providers.

We define “international” as all recurring revenue units installed outside of the U.S. and Canada markets. We include slot machines, VLTs, and video bingo games in our tracking. We do not include AWP machines. We highlight both annual and quarterly market share trends by supplier below:

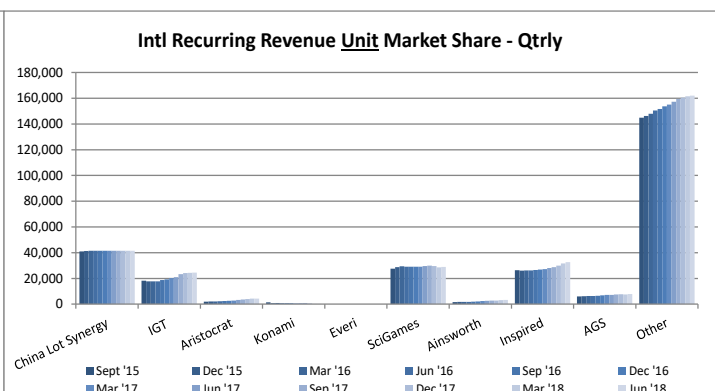
Intl Units Installed - 2Q18

No	Supplier	Slots	y/y	q/q
1	China LotSyr	41,500	0	0
2	SciGames	28,858	-711	230
3	Inspired	32,579	4,568	963
4	IGT	24,591	3,643	312
5	AGS	7,876	643	396
6	Aristocrat	4,270	1,070	40
7	Ainsworth	3,269	621	219
8	Konami	150	-550	-50
9	Other	162,000	4,750	500
Total		305,093	14,034	2,610

Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

22. Systems Revenue Market Share - Global

Quarterly gaming systems revenue for the suppliers is estimated with the exception of SciGames / Bally and Table Trac, whom disclose their systems revenue contributions on a quarterly basis. IGT provides annual network systems revenue and we estimate quarterly revenue. Aristocrat provides semi-annual systems revenue and we estimate the quarterly mix. Finally, we provide estimates for Other suppliers to arrive at a total estimated market size annually and quarterly.

Systems Revenue - 2Q18 Ranking

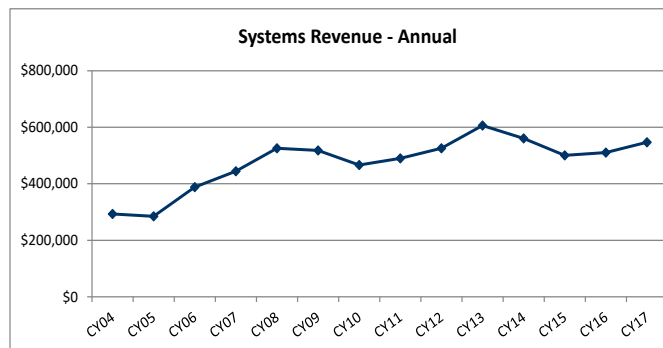
No	Supplier	% Share	bps y/y	bps q/q
1	SciGames	59%	744	1,108
2	IGT	16%	(420)	(879)
3	Aristocrat	12%	(39)	(411)
4	Konami	7%	(374)	(2)
5	Table Trac	2%	42	141
6	Other	5%	47	44

Source: Eilers & Krejcik Gaming, LLC & Company reports

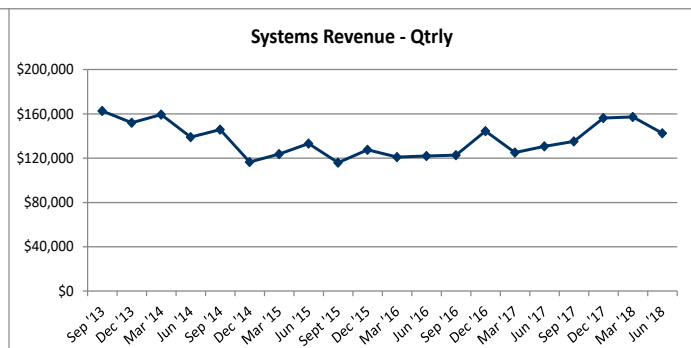
For the quarter, we estimate that total systems revenue was ~\$142.4 million in 2Q18, which was up +9% y/y but down -9% q/q. The annual increase was due to an increase in both slots installed under management and maintenance fees as well as a boost from the installation of systems at new properties. SciGames / Bally continues to be the systems leader capturing ~59% of the market within the quarter driven by the continual rollout of its systems products in Alberta and Ontario in Canada. IGT derived the second most revenue from systems in the quarter.

Looking forward, we anticipate a further growth for the Systems market as SciGames continues to roll out the Canadian enterprise-wide system implementations for OLG and Alberta. In addition, Aristocrat's new contract with Boyd should drive significant growth in the coming quarters. We also look for new casino openings in Massachusetts as well as sizable International openings in Asia over the next year or two to help drive growth in this segment.

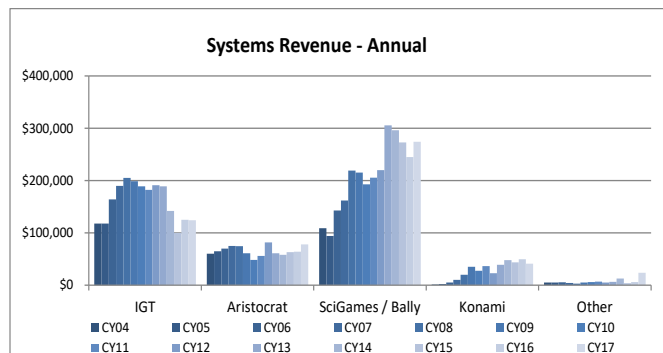
We provide annual and quarterly systems revenue by supplier below:



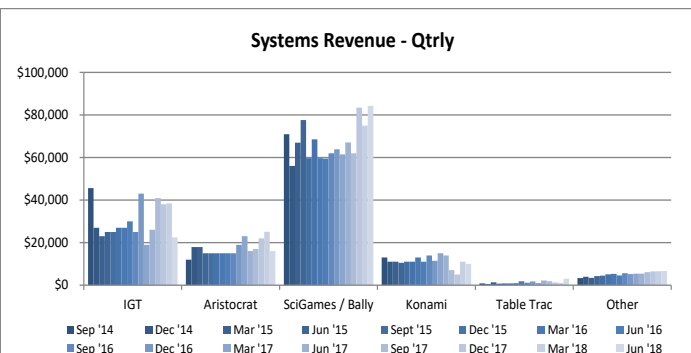
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

23. Slots under systems management - Global

In addition to system's revenue, we provide the total number of slot machines connected to each supplier's slot management system. Please note: not all suppliers provide this information, so we make a number of assumptions in our effort to track quarterly system metrics. We also do not count Video Lottery Terminal (VLT) central system contracts. Finally, we also break out Table Trac in which slots installed are estimated based off of company reported number of properties managed as well as DR Gaming Tech whom provides information on the total number of slots managed.

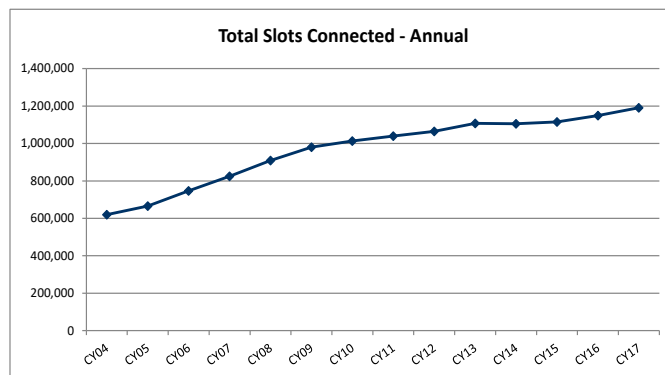
We estimate that SciGames (Bally) remained the largest system provider in terms of total slot machines connected to its casino and slot management systems for 2Q18. IGT and Aristocrat were the second and third largest system providers followed by Konami and the Win Systems.

We highlight annual and quarterly total slots connected by supplier below:

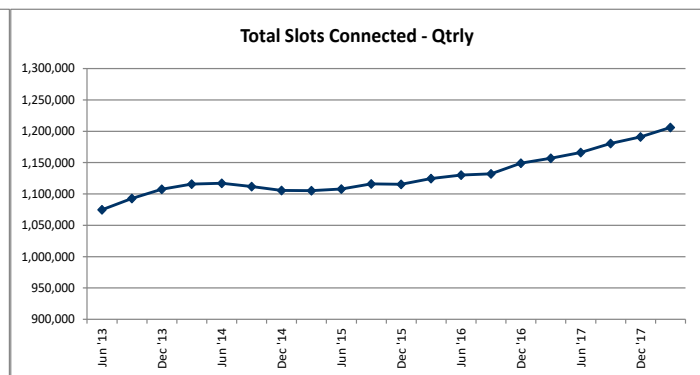
Slots under Mgt - 2Q18 Ranking

No	Supplier	Slots	% share
1	SciGames	507,900	42%
2	IGT	271,500	22%
3	Aristocrat	205,000	17%
4	Konami	82,700	7%
5	Win Systems	75,000	6%
6	DR Gaming Tech	46,000	4%
7	Table Trac	17,800	1%
8	Other	16,000	1%
Total		1,221,900	100%

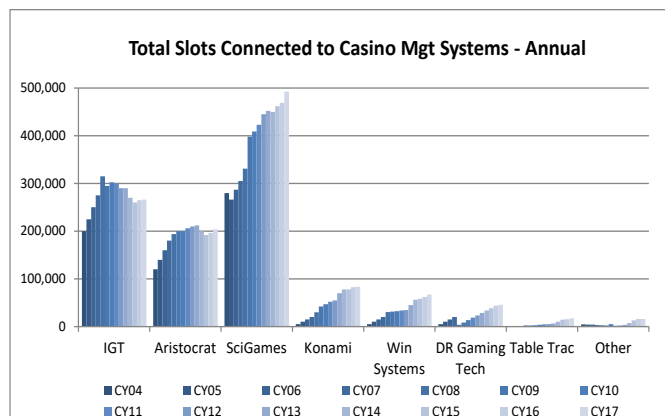
Source: Eilers & Krejcik Gaming, LLC & Company reports



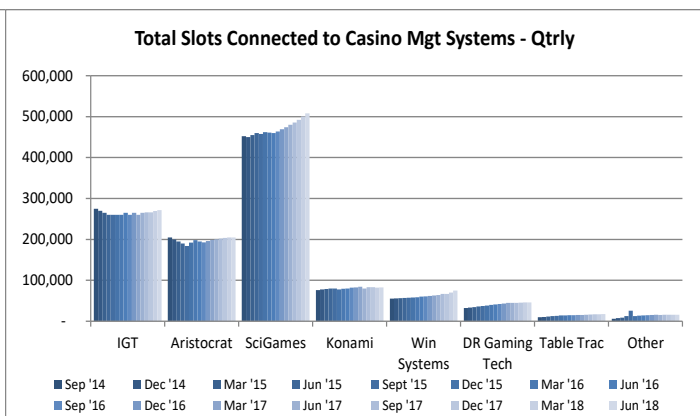
Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports



Source: Eilers & Krejcik Gaming, LLC & Company reports

24. Consolidated Operating Margins – Global

In our last section we compare consolidated Operating Margins for all major equipment suppliers. Note, we adjust margins to exclude non-recurring items. SciGames' margins reflects the combination of both WMS and Bally. Everi / Multimedia figures reflect Everi prior to 4Q14 and includes the combination of Everi and GCA (now Everi Holdings) starting in 4Q14 and going forward. IGT OM reflects legacy IGT prior to 1Q CY14 and reflects the combination of legacy IGT and GTECH starting in 1Q CY14 and going forward. Aristocrat incorporates the addition of VGT from 4Q14 forward. Finally, AGS reflects the addition of Cadillac Jack from 2Q15 forward.

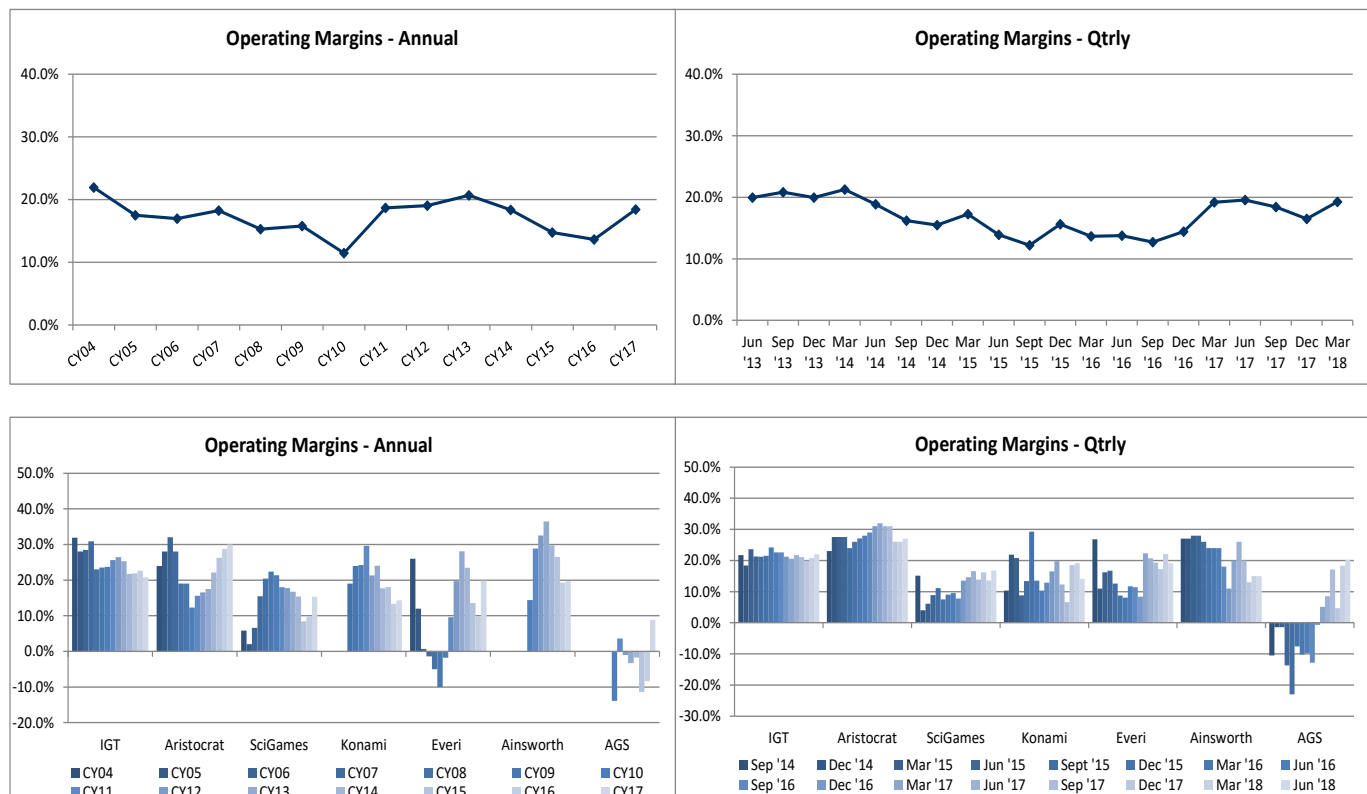
Operating Margins - 2Q18 Ranking

No	Supplier	% OM	bps y/y	bps q/q
1	Aristocrat	27.0%	(400)	100
2	IGT	22.0%	29	120
3	AGS	20.1%	n/a	180
4	Everi	19.1%	(160)	(300)
5	SciGames	16.8%	24	320
6	Ainsworth	15.0%	(1,100)	0
7	Konami	14.1%	180	(500)
Average		19.2%		

Source: Eilers & Krejcik Gaming, LLC & Company reports

For the quarter, the average operating margin for the group was 19.2%, which was down -200 bps y/y and -60 bps q/q. Growth was driven by both higher margin sales as well as more efficient operating expenditures among most suppliers. Aristocrat led the group in the period at 27% followed by IGT.

Note, Aristocrat and Ainsworth quarterly operating margins are estimated as both companies report on a six month basis. Also, all OM figures are adjusted to exclude non-recurring charges / gains.



Note: We adj margins for large-non-recurring charges/gains
Source: Eilers & Krejcik Gaming, LLC & Company reports

Note: We adj margins for large-non-recurring charges/gains
Source: Eilers & Krejcik Gaming, LLC & Company reports

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