EILERS – FANTINI Slot Survey – 1Q19

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The Gaming Industry's largest Slot Survey

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****Attention Media & Sell-Side****

Please note there is an embargo period applied to this report. If you are a subscriber, you are precluded from publishing a summary of this report or disseminating key highlights or data from the report via phone call or email outside of your organization within the embargo period.

This report is embargoed until 4/26/19 at 4:00pm pacific time

Executive Summary

PARTICPATION METRICS

The EILERS-FANTINI survey is designed to track slot machine and related technology purchasing trends on a quarterly basis and is <u>the gaming industry's largest slot survey in terms of total casinos and slot machines surveyed</u>. This quarter's report represents our 38th proprietary slot survey and includes record level responses from key purchasing agents at a number of U.S. & Canadian Commercial and Tribal casinos, several Racino/VLT operators, as well as several international participants. In total, our 144 survey participants collectively operate 693 casinos and 23,240 retail outlets worldwide with ~633,300 total slot machines or equivalent electronic gaming devices. Our 123 U.S. & Canada participants operate 486 casinos, 5,660 retail outlets, and ~437,600 slot machines, representing ~44% of the total install base of gaming machines in N. America. The avg casino surveyed in N. America had ~1,021 slot machines installed while the avg international casino surveyed had ~361 slots.

<u>Note</u>: For Media & Sell-side analysts, this report is embargoed until 4/26/19 at 4:00pm pacific time.

Executive Summary

KEY SURVEY HIGHLIGHTS

- **U.S. & Canada purchasing activity.** Our U.S. & Canada survey participants purchased 10,644 slot machines in 1Q CY19 including 4,021 New Opening & Expansionary units and 6,623 replacement units while also purchasing 4,033 conversion kits in the quarter. Based on this quarter's survey results, we estimate total U.S. & Canada replacement sales are likely to be between 16,000 and 17,000 games sold in 1Q CY19. Including new and expansionary demand, we estimate total slot demand for the quarter to be between 21,000 and 22,000 games sold.
- **Forward slot replacement expectations remain strong.** Our 123 U.S. & Canada survey participants (operating 486 casinos & 437,600 slots) plan to replace an average of 7.8% of the casino owned games on their floors over the next 12 months. We note this number was relatively consistent with our prior qtr surveys. Tribal markets and International casino operators continue to replace games at a much higher rate than Commercial casinos although Commercial is starting to pick up and is the primary driver for the overall improvement in the avg replacement rate.
- **International Purchasing activity.** Our International participants purchased 2,980 games in the quarter including 973 New Opening & Expansionary units and 2,007 replacement games while also purchasing 1,759 conversion kits.
- **Gaming Ops install base expands at a healthy clip.** This quarter our U.S. & Canada participants added +1,804 (net) lease games to their install base driven primarily by healthy Premium placements. We note this was the second largest q/q gain in units since we have been tracking.
- **Gainers / Losers.** Aristocrat and IGT were ship share gainers on sold games this quarter compared with their trailing results and/or our previous survey results. With respect to the lease/participation games, all suppliers gained units during the quarter while Aristocrat was the dominant share gainer during the period led by strong *Dragon Link, Buffalo Diamond,* and *Tarzan* premium leased placements.
- **Best Slot Tournament Solution.** Everi's TournEvent remains the industry's top slot tournament solution followed by IGT's Spinferno, and then SciGames' DM Tournaments.

Executive Summary – Individual Supplier Highlights

Survey participants purchased 21.5% of their games (21.7% ex Route) from IGT in the qtr, which was -2% pts below its TTM ship share average and roughly in-line with its adj. TTM share ex Route/VLT markets. However, we note ship share was up +3% pts from our prior year survey and +5% pts excluding Routes. Looking forward, participants expect to allocate 20.2% of forward purchases to IGT over the next 12 months and 17.1% excluding Route markets, which was in line with prior surveys. As for leased games, survey participants added +190 (net) leased games in the qtr including +127 Premium units and +63 Non-Premium games. On the International front, participants purchased 17% of their games from IGT in the qtr while adding +335 leased games driven by growth in European Casino and VLT markets and Latin America.

Survey participants purchased 24.6% of their games (25.5% ex Route) from Aristocrat in the qtr, which was up +8% pts from its TTM avg and +8% pts above its adj. TTM share ex Route/VLT markets. It was also up +3% pts from our prior year survey and +1% pt ex Route. Looking forward, participants expect to allocate 25.0% of forward purchases to Aristocrat over the next 12-months including replacements and new openings and 25.5% excluding Route/VLT markets, which was up slightly from our prior survey. As for Gaming Ops, results remain very strong as survey participants added another +919 (net) leased games in the qtr with gains coming from the Premium segment (+535) and Non-Premium segment (+384). On the Intl front, survey participants purchased 28% of their games from Aristo driven by strong sales in Australia, Africa, and Europe and added +35 lease/participation games mostly in Europe.

Survey participants purchased 25.2% of their games (23.5% ex Route) from SciGames in the qtr, which was in-line with its TTM ship share and adj. TTM share ex Route/VLT sales. However, we note it was down -3% pts from our prior year survey and -1% pt ex Routes. Looking forward, participants expect to allocate 25.4% of total game sales over the next 12-months and 23.8% excluding Route markets. As for Gaming Ops, survey participants only added +78 (net) leased / participation games in the qtr primarily in the Premium segment (+173) while Non-Premium declined (-95). On the International front, survey participants purchased 17% of their games from SciGames in the qtr and added +307 leased/participation games both driven by strong Asia and LATAM market placements.

Executive Summary - Individual Supplier Highlights

Survey participants purchased 9.5% of games (9.9% ex Route) from Konami in the qtr, which was in-line with its TTM avg ship share and +1% pt above its adj. TTM share ex Route/VLT. However, we note it was +2% pts above our prior year survey and +1% pt ex Route. Looking forward, participants expect to allocate 8.2% of expected forward 12-month sales to Konami including replacements and new openings and 9.4% excluding Route Ops markets which was in-line with our last survey. As for Gaming Ops, survey participants added +104 games q/q. On the Intl front, participants purchased 11% of games from Konami w/ strong European and LATAM buying.

Survey participants purchased 4.1% of games (4.2% ex Route) from Incredible this qtr, which was -2% pts below its TTM avg ship share and -3% pts below its adj. TTM avg ship share ex Route. We note Incredible had a very strong 4Q18 due to heavy corporate buying making its TTM comps somewhat difficult. When comparing to our prior year's survey, Incredible increased +0.6% pts overall and +0.3% pts ex Route. Looking forward, survey participants expect to allocate 4.1% of forward 12-month purchases (4.7% ex Route) including replacements and new and expansionary sales, which was consistent with prior qtr responses. As for Gaming Ops, survey participants added +94 (net) leased games in the qtr. Note, the company did not have any international sales or lease placements in our survey.

Survey participants purchased 6.2% of their games (6.4% ex Route) from Everi in the qtr, which was +0.6% pts higher than the company's TTM avg ship share and +0.4% pts above its adj. TTM share ex Route/VLT. We also note it was in-line with our prior year survey and declined -0.7% pts ex Route. Forward expectations remain healthy with survey participants expected to allocate 5.7% of forward 12-month purchases (6.6% ex Route) including replacements and new and expansionary sales, both of which were in-line with our previous survey. As for Gaming Ops, survey participants added +134 (net) leased games in the qtr mostly in the Premium bucket (+110). We did not record any meaningful International sales or lease placements this qtr.

Executive Summary - Individual Supplier Highlights

Survey participants purchased 4.5% of their games (4.7% ex Route) from AGS in the current qtr, which was -1% pt below its TTM avg. ship share and -1.1% pt below its adj. TTM average ex Route which was similar to our prior year survey as well. Looking forward, survey participants expect to allocate 5.3% of game purchases (6.1% ex Route) to AGS which was up slightly from our last survey. As for Gaming Ops, survey participants added +95 (net) leased games to their install base during the qtr including Premium (+61) and Non-Premium segments (+34). On the International front, survey participants purchased 1% of games from AGS with a small amount of LATAM buying. Intl participants also add +40 lease/participation driven by LATAM Placements.

Survey participants purchased 1.4% of games (1.4% ex Route) from Aruze in the qtr, which was -1.5% pts below its TTM avg ship share and -1.7% pts below its adj. TTM ship share ex Route markets which was a similar comparison to our prior year survey. Looking forward, survey participants expect to allocate 2.2% of forward purchases (2.5% ex Route) including replacements and expansionary sales, which was lower than our prior survey. As for Gaming Ops, survey participants added +50 (net) leased games in the qtr. On the International front, survey participants purchased 2% of games from Aruze with strong Asia buying and Intl participants added +8 leased games during the qtr.

Survey participants purchased 2.2% of games (2.3% ex Route) from Ainsworth in the qtr, which was -2.0% pts below its TTM avg ship share and -1.9% pts below its adj. TTM share which was also a similar comparison to our prior year survey. Looking forward, survey participants expect to allocate 2.9% of forward 12-month purchases and 3.3% ex Route Ops including replacements and new and expansionary sales which was consistent with prior qtr surveys. As for Gaming Ops, survey participants added a healthy +103 (net) leased games in the qtr. On the International front, survey participants purchased 1% of their games from Ainsworth in the qtr while Intl participants added +10 (net) lease/participation games in the LATAM region.

Participant Summary

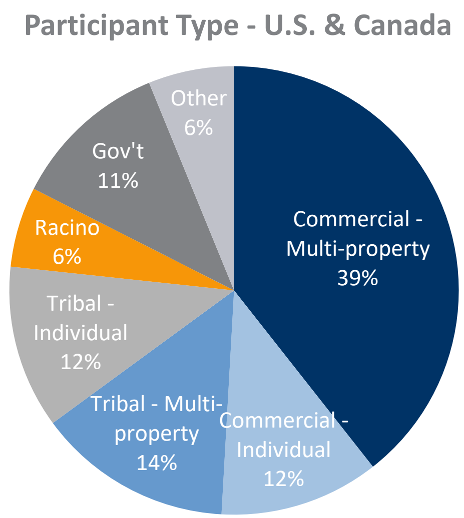
Questions 1-3 - Contact information, Operator Classification, & Total casinos & slots under management.

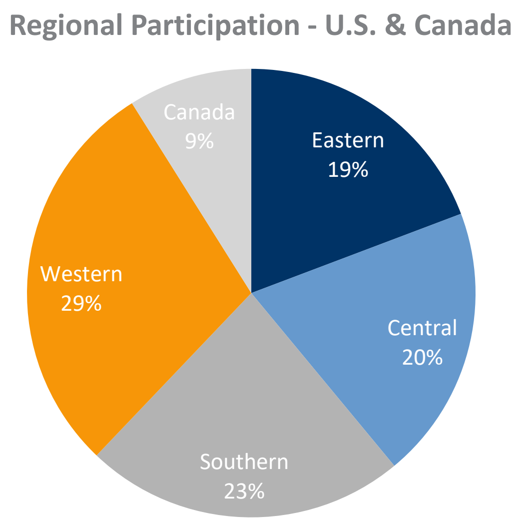
In the table and pie chart below, we provide a summary level view of this quarter's survey participants broken down between North America and International casino operators, U.S. tribal vs. commercial, and whether or not the response was from an individual casino or from a larger corporate multi-property operator.

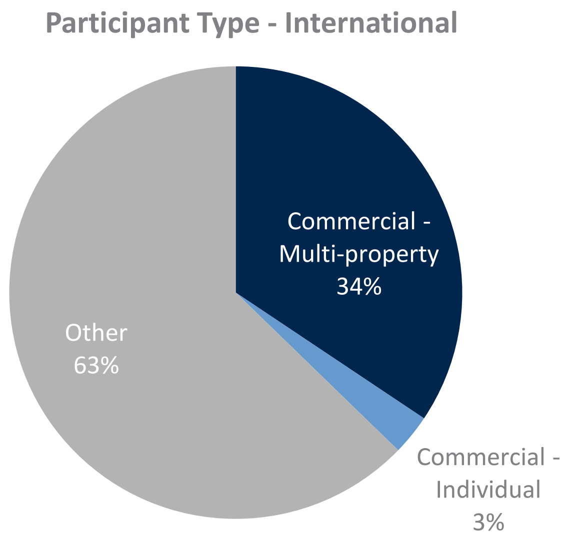
Classification	Responses	Casinos	Retail	Slots
U.S. and Canada participants				
Commercial - Multi-property	11	149	0	172,180
Commercial - Individual	41	41	0	50,231
Tribal - Multi-property	16	100	0	61,918
Tribal - Individual	32	32	0	51,413
Racino (Class III & VLT)	12	12	0	25,308
Government (Class III & VLT)	6	68	2,817	49,562
Other (Mgt Co., Private Route Operator, Cruise Ship, Distr.)	5	84	2,843	26,984
U.S. & Canada Total	123	486	5,660	437,596
Avg. size of casino (ex VLT retail locations)				*1,021*
Est N. America Install base as of Dec 31, 2017				*995,500*
% of N. America install base				*44.0%*
International participants				
Commercial - Multi-property	10	196	0	67,271
Commercial - Individual	6	6	0	5,653
Government Owned	0	0	0	0
Other (Casino Mgt Co, Route Operator, Distr.)	5	5	17,580	122,739
Total International	21	207	17,580	195,663
Avg size of casino				*361*
Total worldwide	**144**	**693**	**23,240**	**633,259**

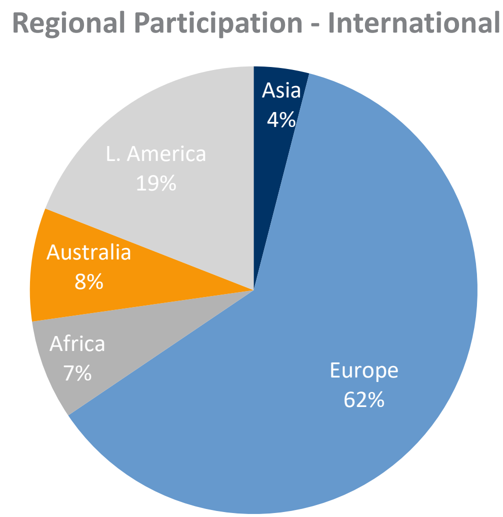
Note: Route Operators are counted as a single property
Source: EILERS-FANTINI Quarterly Slot Survey

Participant Summary



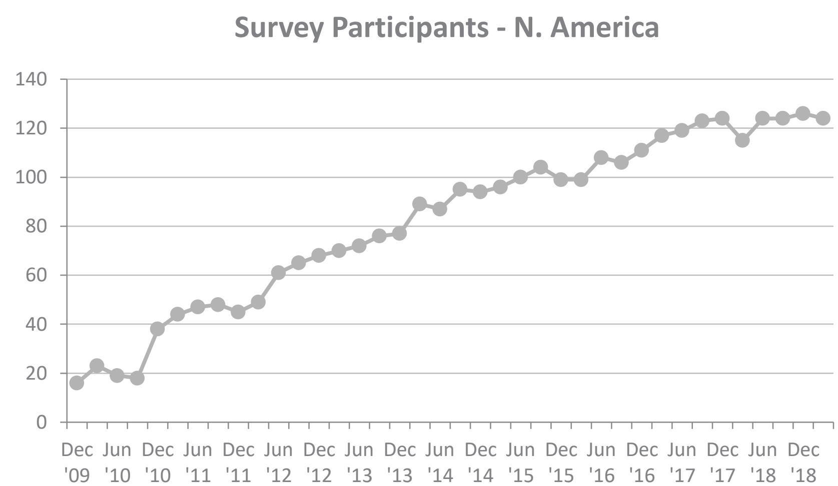






Note: Route Operators are counted as a single property. Source: EILERS-FANTINI Quarterly Slot Survey

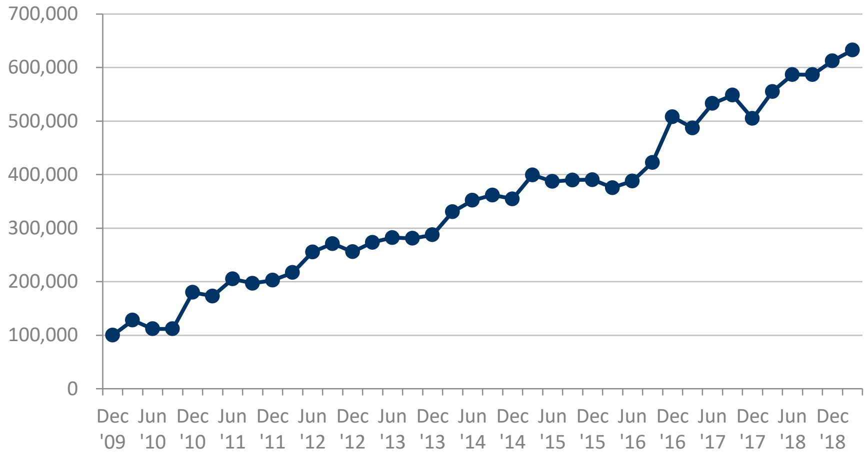
Key Participation Trends



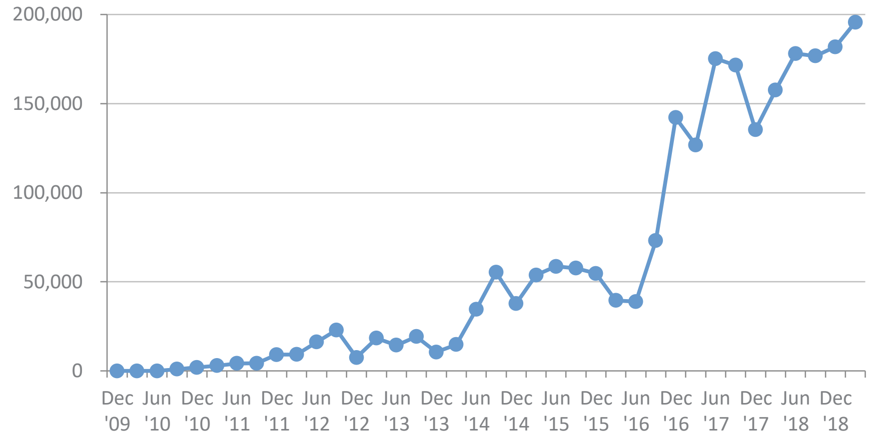
Source: EILERS-FANTINI Quarterly Slot Survey

Key Participation Trends

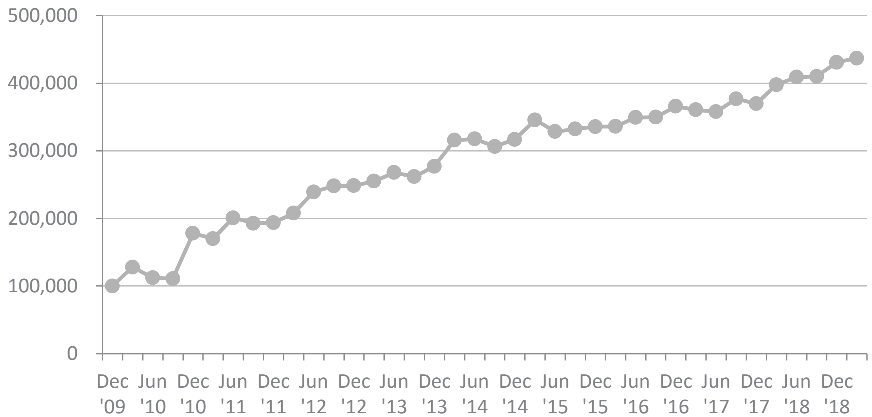
Number of Slot Machines - Worldwide



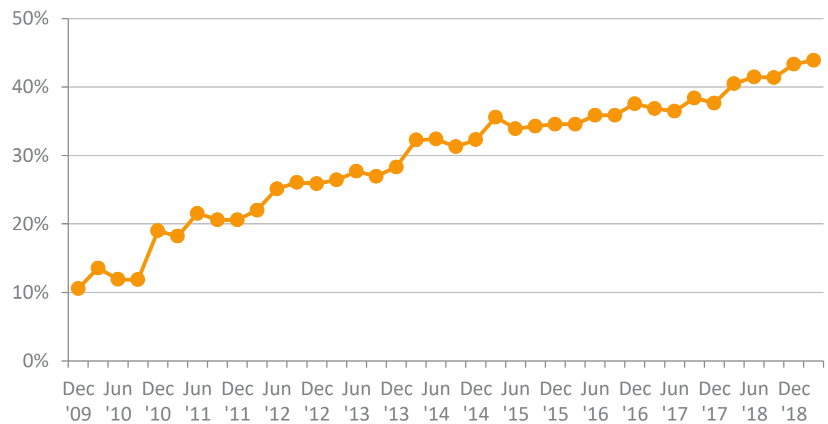
Number of Slot Machines - International



Number of Slot Machines - N. America



% of Total N. America Market



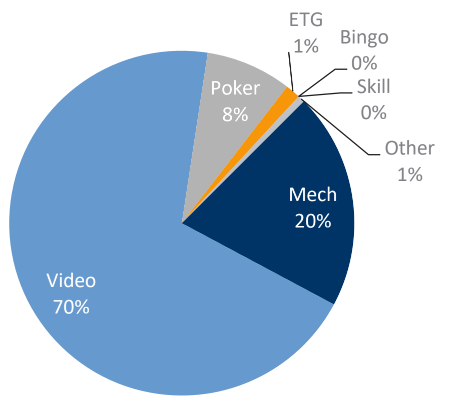
Source: EILERS-FANTINI Quarterly Slot Survey

Product Type Mix

Question 5 - Of the total number of slot machines installed as of Mar 31, 2019, please indicate how many games are considered mechanical reel, video slot, video poker, video bingo, multi-game, and/or electronic table game terminals?

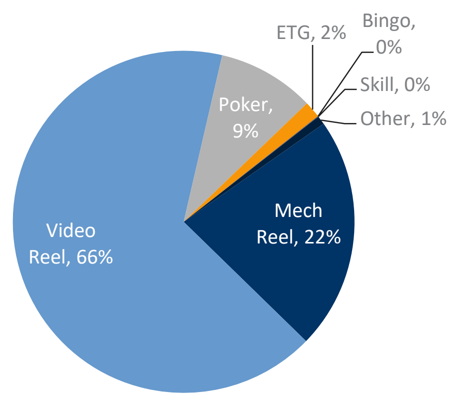
Below we highlight the product mix for both North America participants and International participants. Mechanical reel games in N. America represented 20% of the floor while Video reel games represented 70% of the floor. The next largest game type was Video Poker at 8% of casino floors followed by e-table game terminals (ETGs) at 1.5% of the floor. Excluding Route Op markets, Mech Reel games were higher at 22%, video reel was 66%, poker was 9%, ETG was 1.6%. In International casinos, video slots dominate the product type at 91% while mechanical reels only represent 1.4% of the floor. As for other products, e-Tables represent 3% of the floor and video poker is 0.9% of the floor while video bingo is 4% of the floor. Ex Route markets, video reel is 77%, mech reel is 4%, ETGs are 7%, and video bingo is 9%. In the below charts, we highlight the product mix for both N. America and International participants this quarter. Below we show the quarterly trends in product mix across our survey participants.

Product Mix - U.S. & Canada

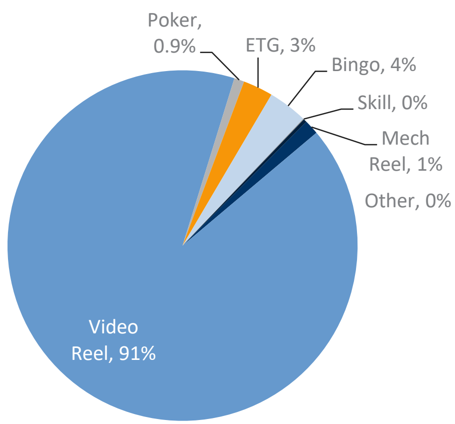


Product Mix - U.S. & Canada

Ex Route Markets

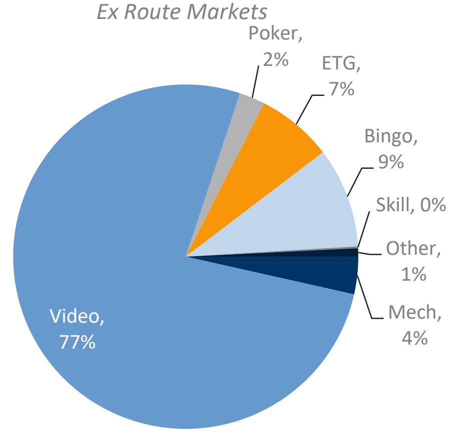


Product Mix - International



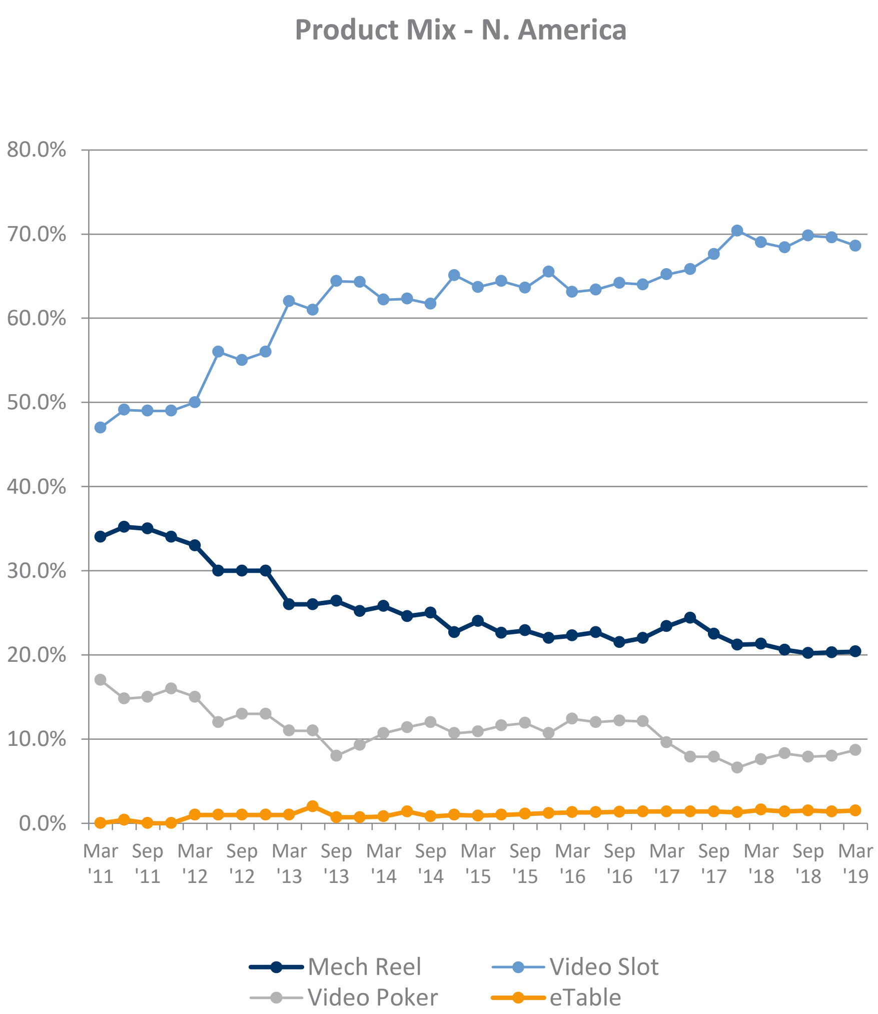
Product Mix - International

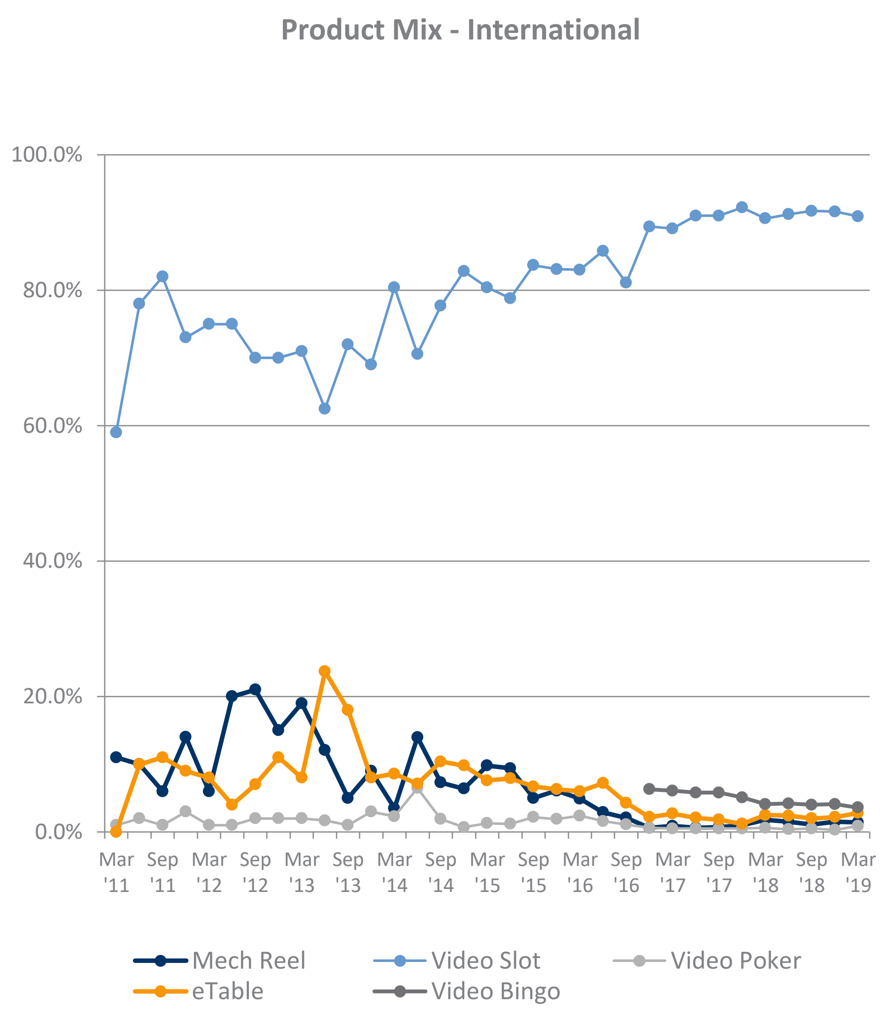
Ex Route Markets



Source: EILERS-FANTINI Quarterly Slot Survey

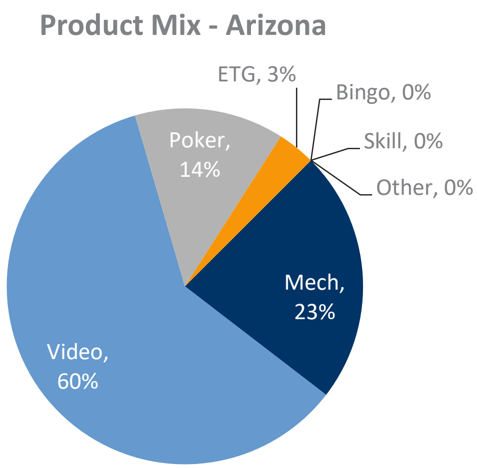
Product Type Mix

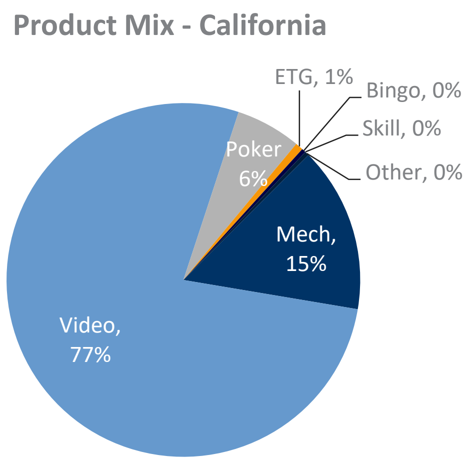


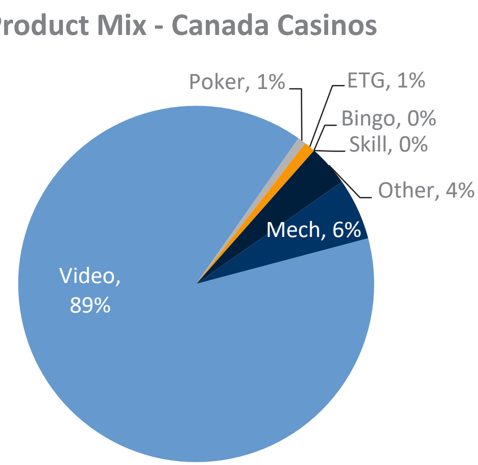


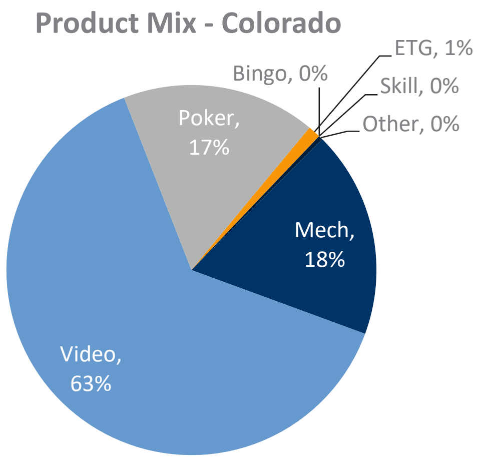
Source: EILERS-FANTINI Quarterly Slot Survey

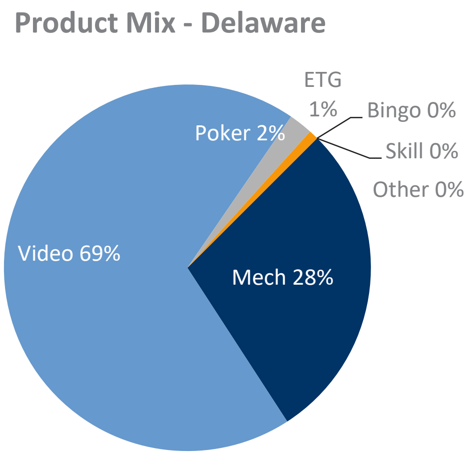
Product Type Mix: U.S. & Canada Regional Mix

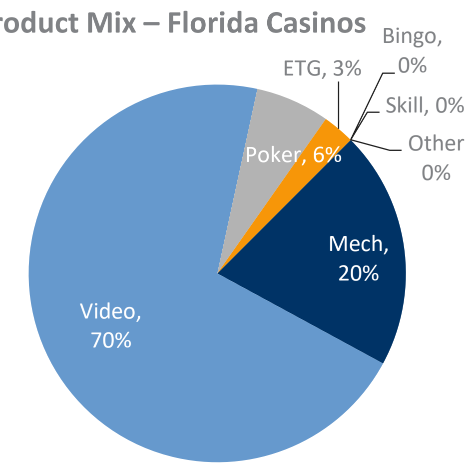








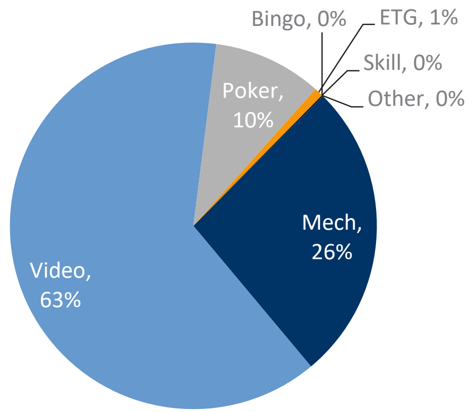




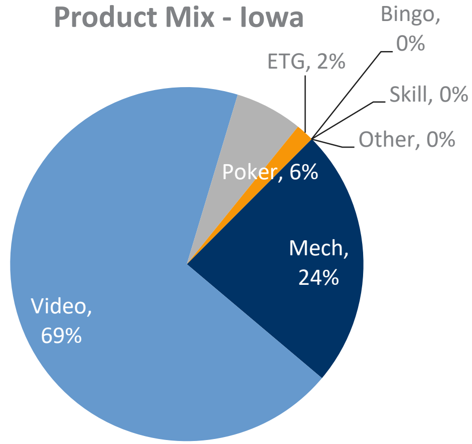
Source: EILERS-FANTINI Quarterly Slot Survey

Product Type Mix: U.S. & Canada Regional Mix

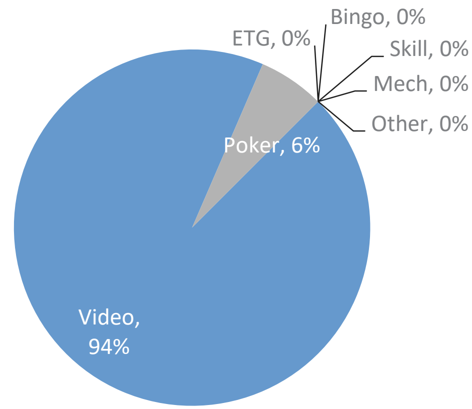
Product Mix – Florida Cruise



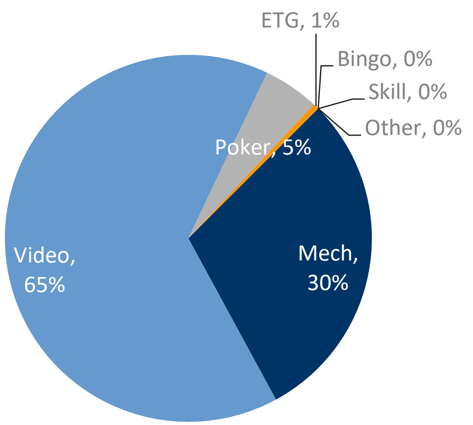
Product Mix - Iowa



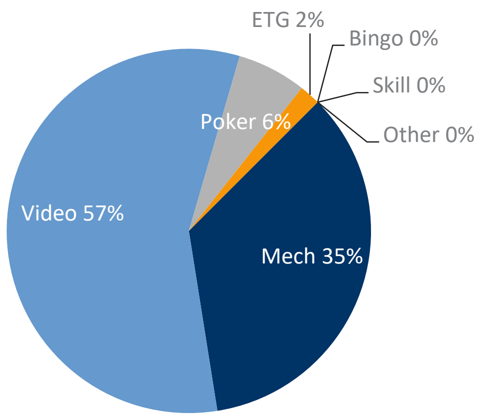
Product Mix - IL VGTs



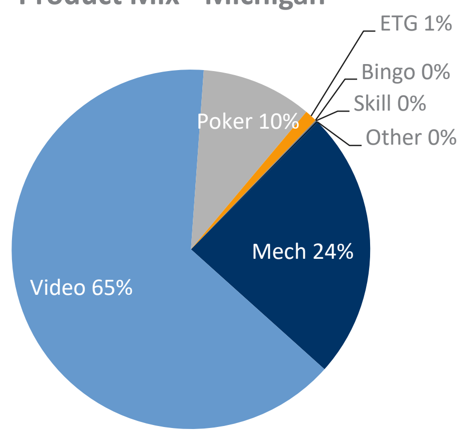
Product Mix - Kansas



Product Mix - Louisiana

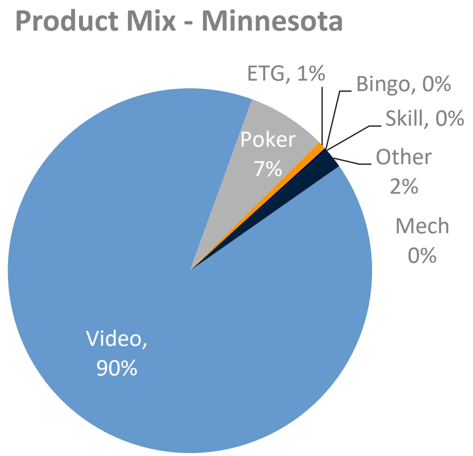


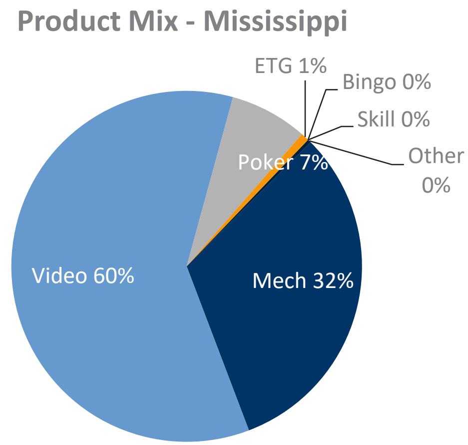
Product Mix - Michigan

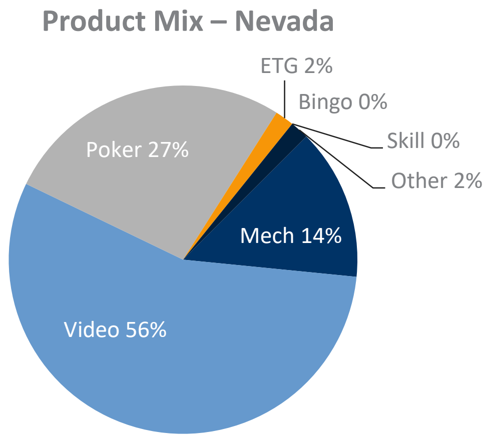


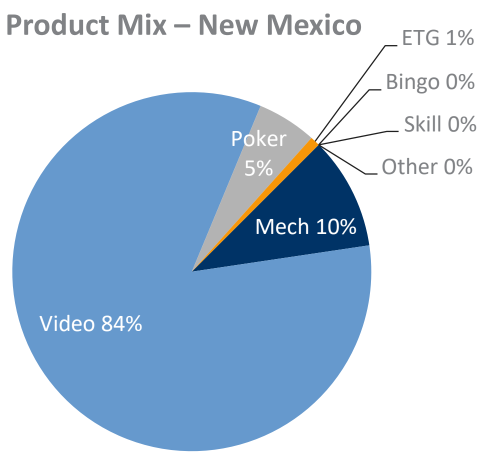
Source: EILERS-FANTINI Quarterly Slot Survey

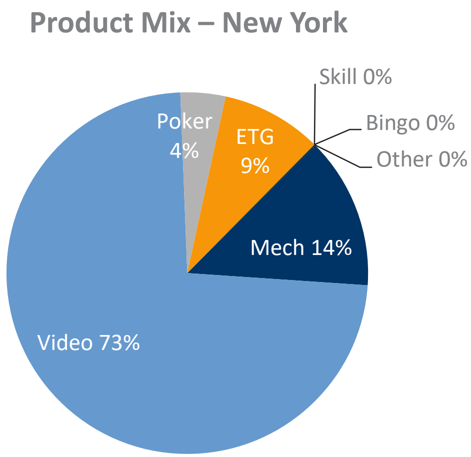
Product Type Mix: U.S. & Canada Regional Mix

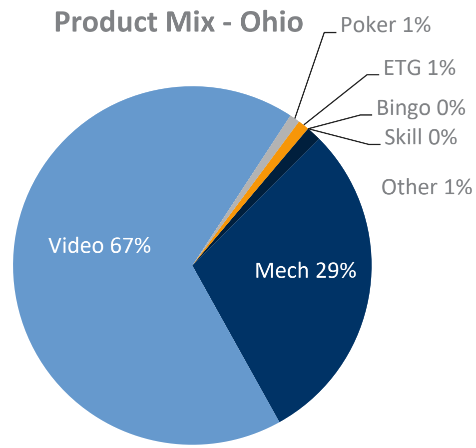






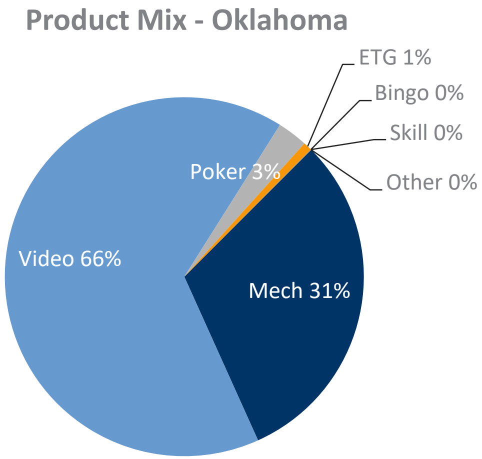


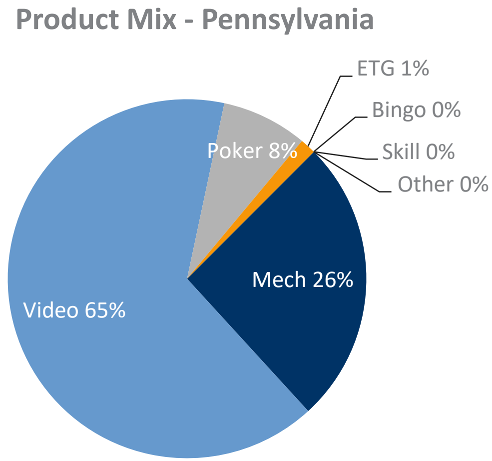


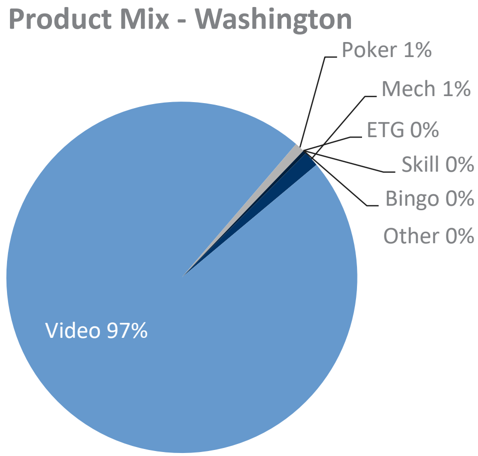


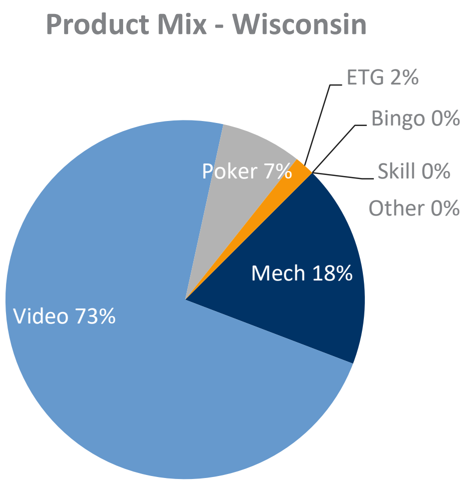
Source: EILERS-FANTINI Quarterly Slot Survey

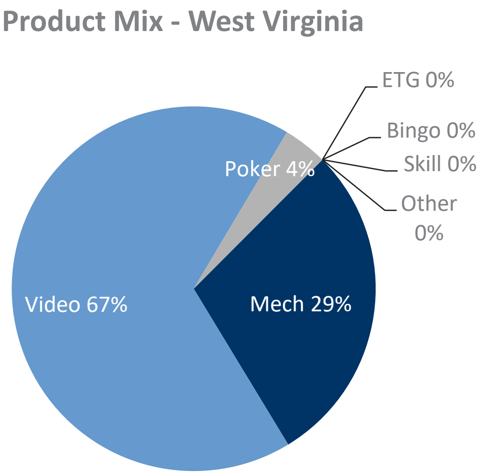
Product Type Mix: U.S. & Canada Regional Mix





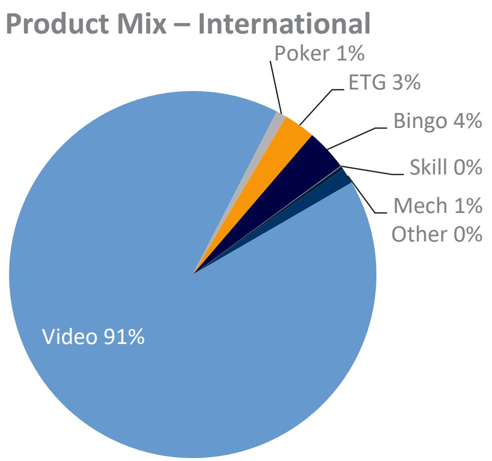


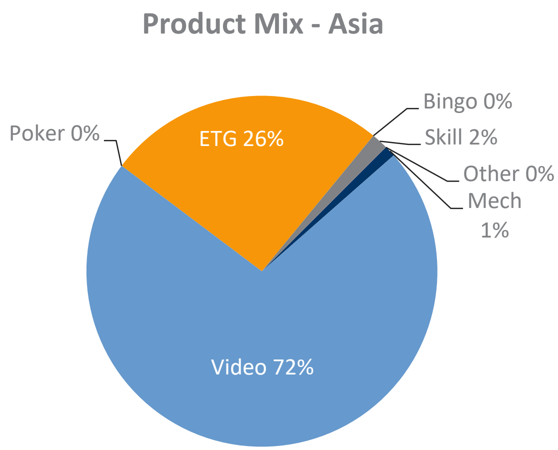


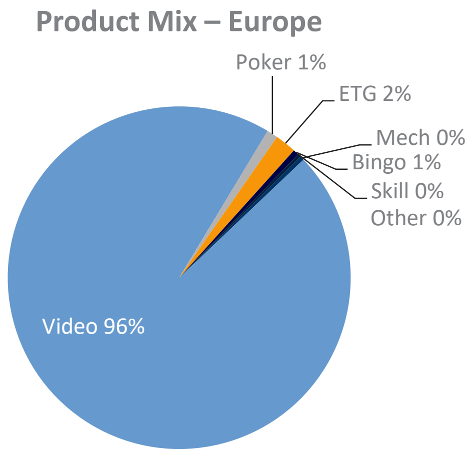


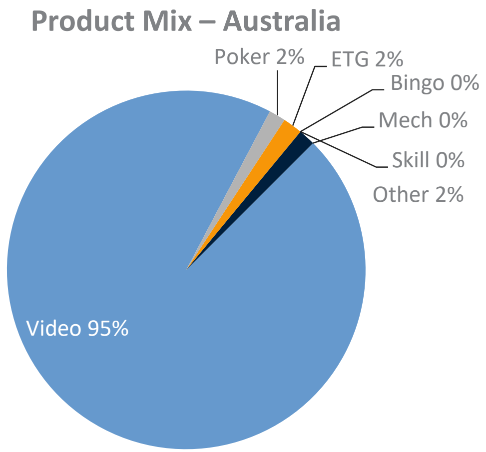
Source: EILERS-FANTINI Quarterly Slot Survey

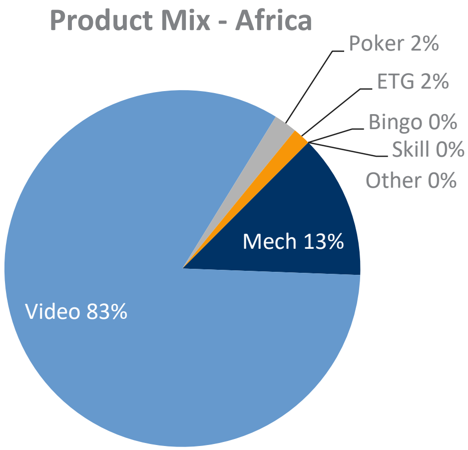
Product Type Mix: Regional Mix – International

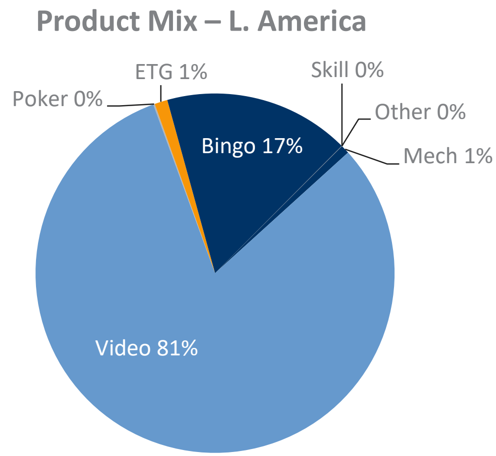












Source: EILERS-FANTINI Quarterly Slot Survey

Casino Owned vs. Leased

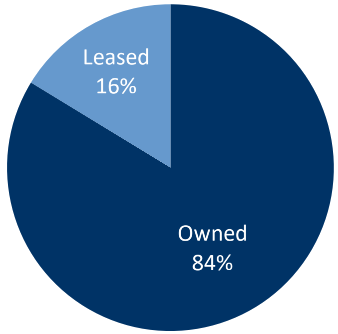
Question 5 - 6 - What percentage of the games on your casino floor are owned vs. leased?

In aggregate, our North America participants owned 83.7% of the games on their casino floor and leased 16.3% of the games in as of the end of 1Q CY19. We note the percentage of casino owned games as a percentage of the casino floor has ranged between 80%-90% for all casinos since we started tracking the market in the Dec ’09 quarter.

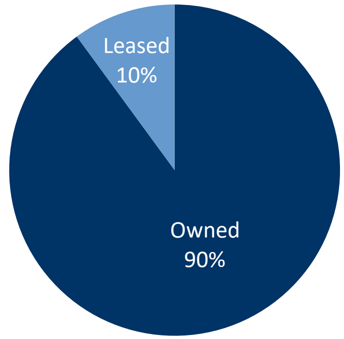
Excluding Racino/VLT and Tribal Class II casinos with 100% leased games, the remaining N. America survey participants owned 89.9% of the games on their casino floor and leased 10.1% of the games. We note the mix of casino owned games excluding properties with 100% leased games has also remained relatively consistent ranging between 90%-95% since our first survey was conducted in Dec ’09 although recently the mix of leased games has been increasing. International participants owned 40.6% of the games installed in their casinos while leasing 59.4% of games. Excl 100% leased markets, the mix was 82.4% owned to 17.6% leased, which was similar to previous qtrs.

We highlight the mix between casino owned and leased games in the charts to the right and we also provide results excluding Racino and Tribal Class II properties with 100% leased games. We note leased games include premium daily fee, Wide-Area Progressive (WAP), Local Area Progressive (LAP), and VLT/Class II leases.

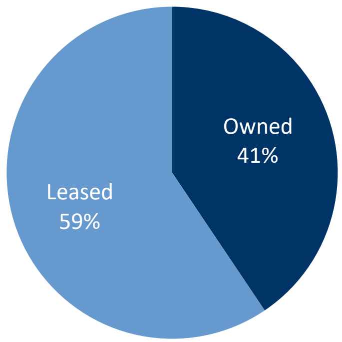
Owner Type - U.S. & Canada



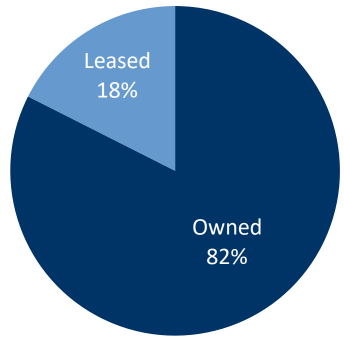
Owner Type - U.S. & Canada
Excluding 100% leased Casinos



Owner Type - International

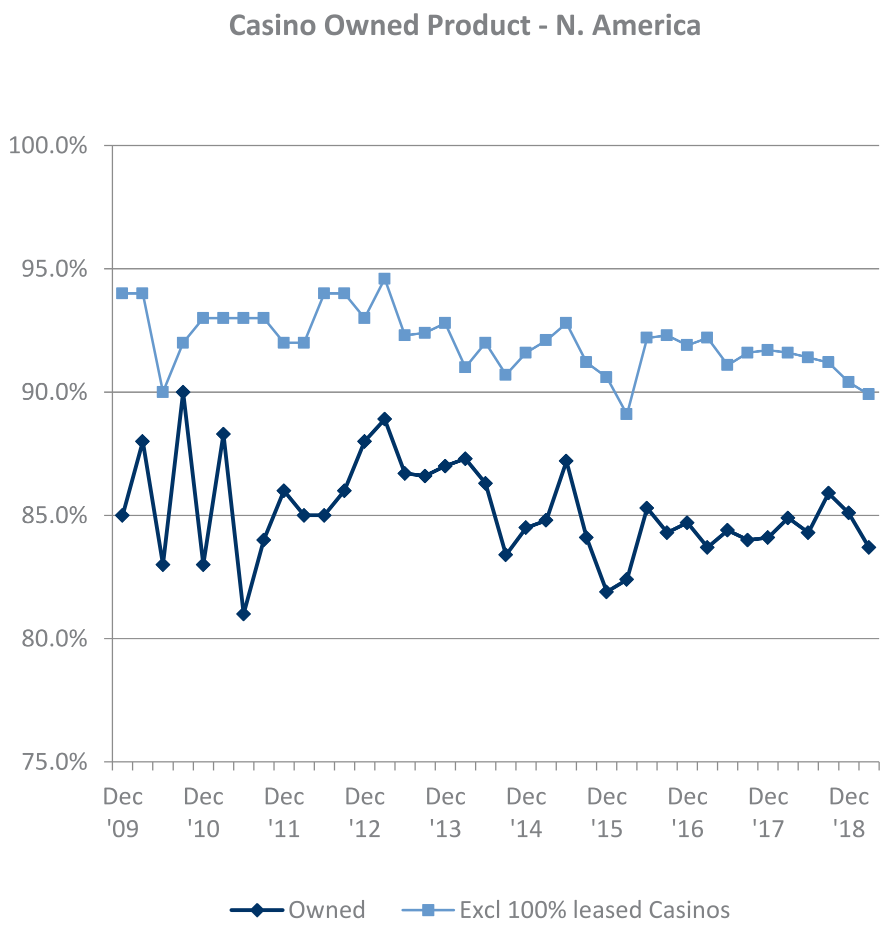


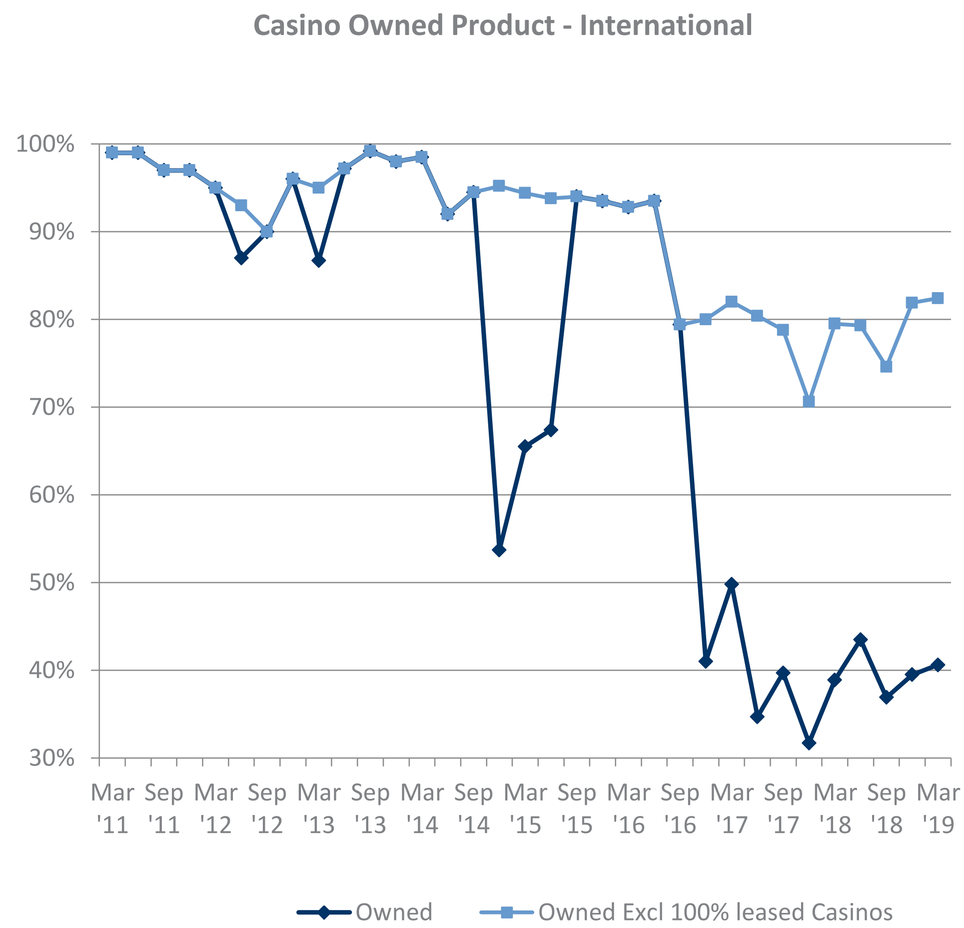
Owner Type - U.S. & Canada
Excluding 100% leased Casinos



Source: EILERS-FANTINI Quarterly Slot Survey

Casino Owned vs. Leased





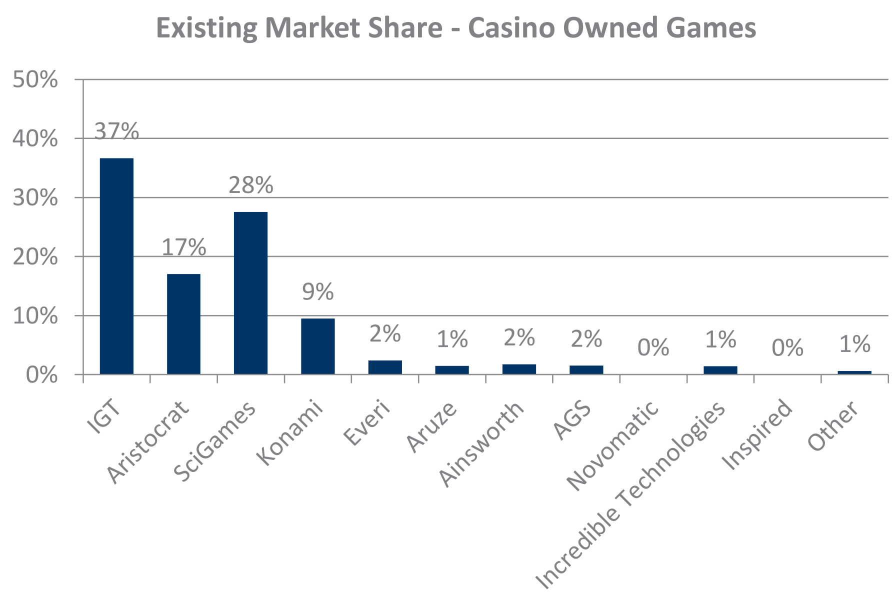
Source: EILERS-FANTINI Quarterly Slot Survey

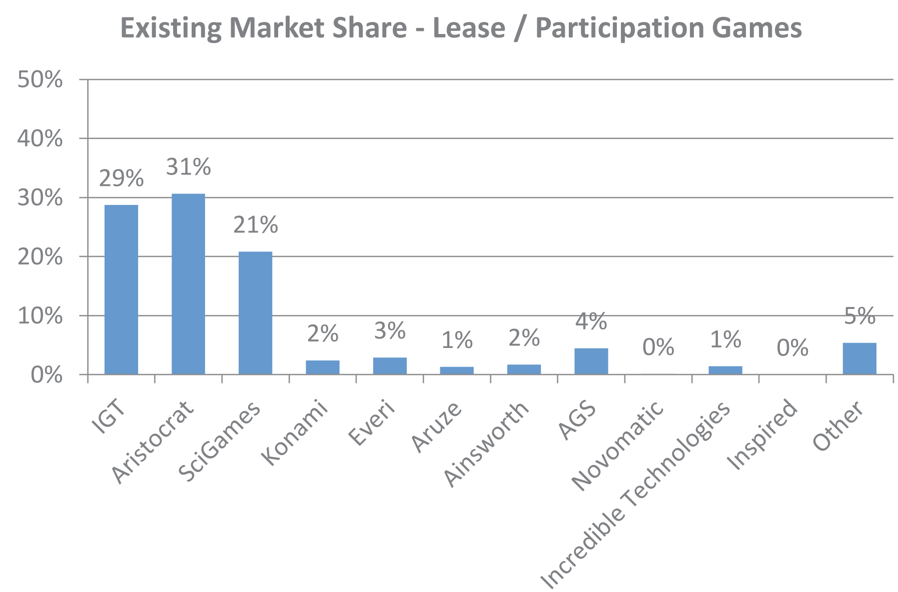
Supplier Existing Market Share – U.S. & Canada Participants

Question 5 - 6 – Please indicate the number of CASINO-OWNED games, as well as LEASE / PARTICIPATION games installed by supplier as of Mar 31, 2019?

Note: Casino owned games were previously sold by a supplier and are now owned by the casino. Leased games include participation games, WAP, LAP, Daily Fee, and VLT/Class II leased games. IGT historical and current figures include Spielo games. SciGames historical and current figures include Bally, WMS, and SHFL. Aristocrat historical and current figures include VGT. Finally, starting with our 1Q16 survey we excluded Action Gaming video poker units from the IGT lease install base.

Total U.S. & Canada participants

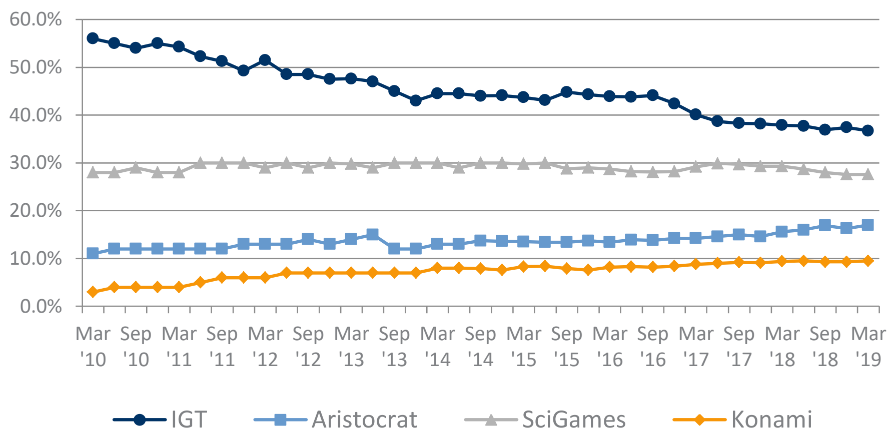




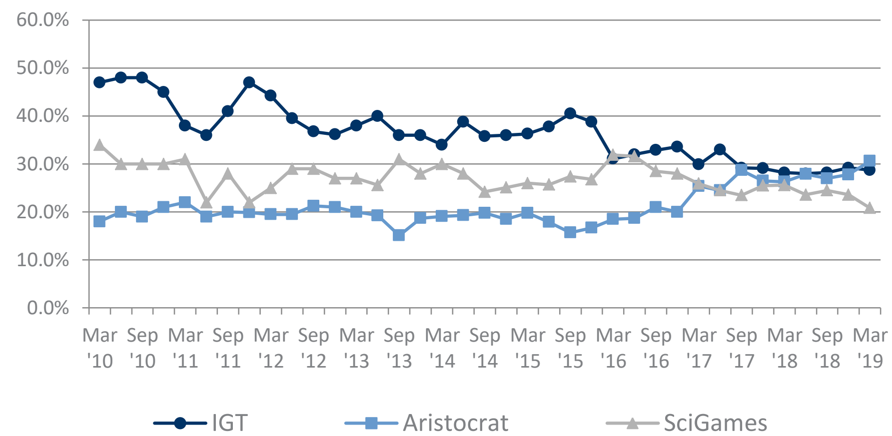
Source: EILERS-FANTINI Quarterly Slot Survey

Supplier Existing Market Share – U.S. & Canada – Quarterly Trends

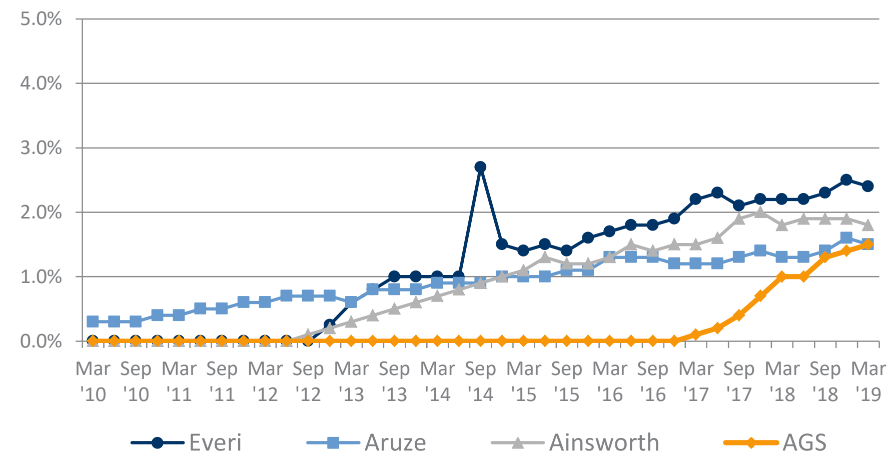
Market Share for Casino-Owned Games - Big 4



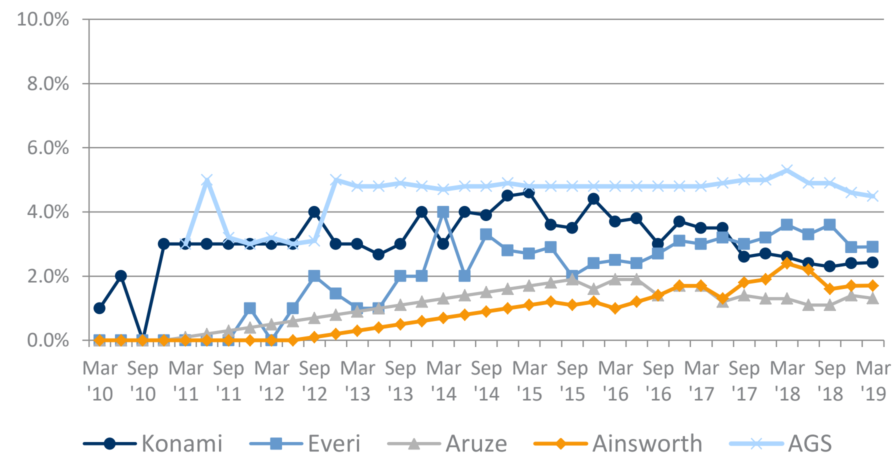
Market Share for Leased / Participation Games - Big 3



Market Share for Casino-Owned Games - Non Big 4



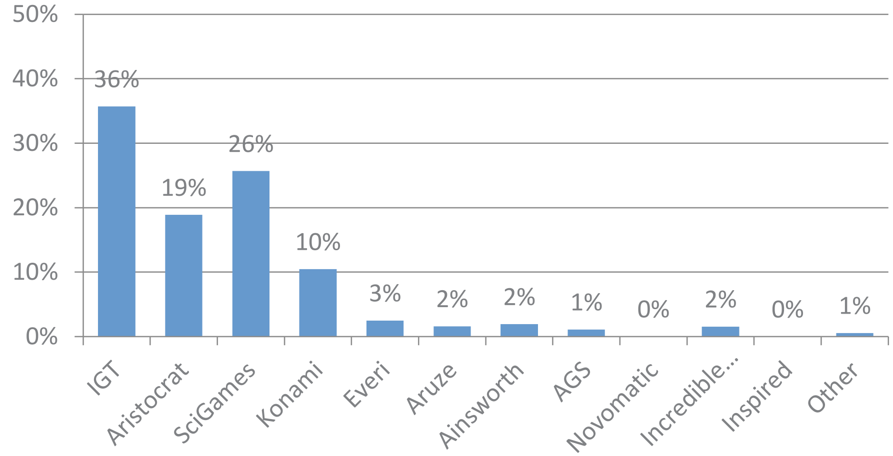
Market Share for Leased / Participation Games – Non Big 3



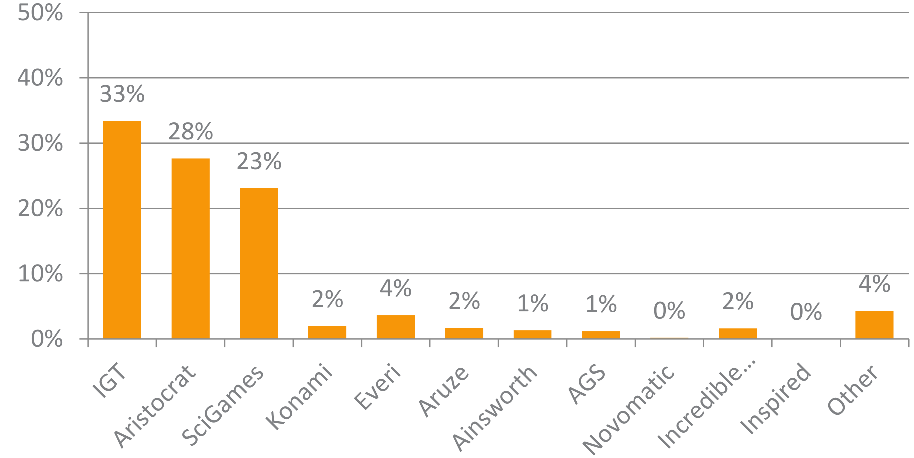
Source: EILERS-FANTINI Quarterly Slot Survey

Supplier Existing Market Share - U.S & Canada - Excl 100% Leased Casinos

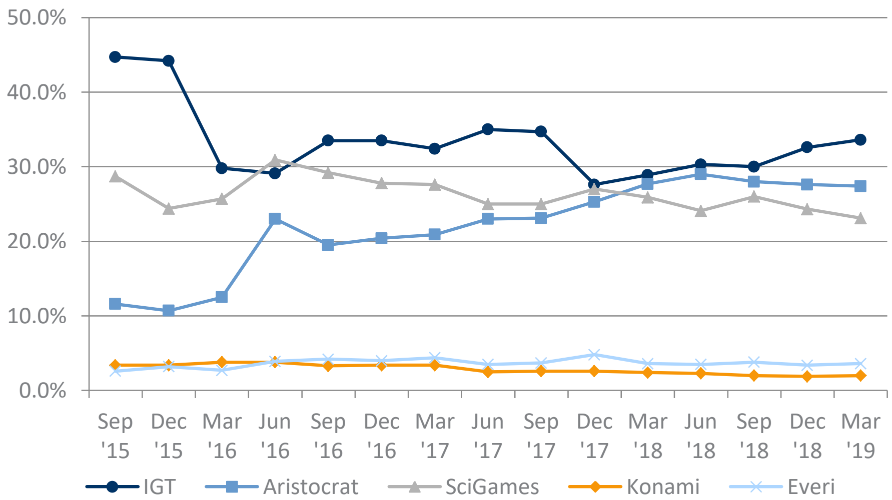
Existing Market Share - Casino Owned Games
Excluding 100% Leased Class II & VLT Casinos



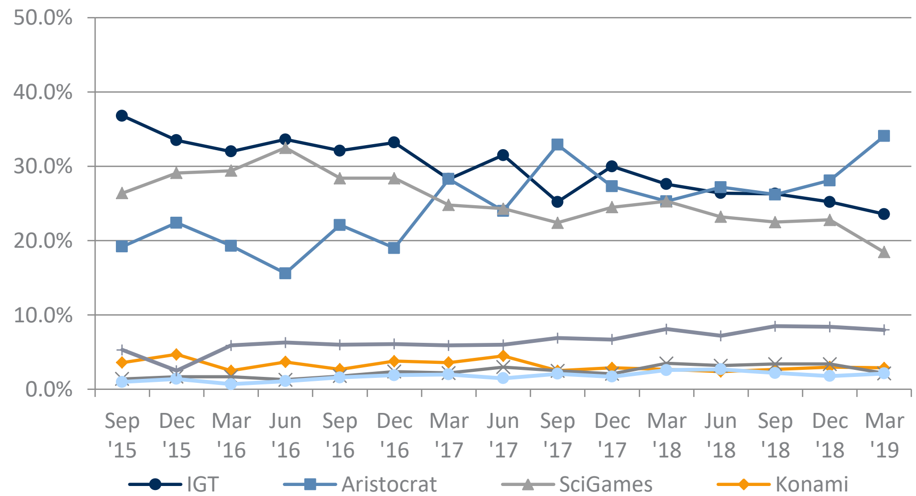
Existing Market Share - Lease / Participation Games
Excluding 100% Leased Class II & VLT Casinos



Market Share for Leased / Participation Games
Excluding 100% Class II & VLT Casinos



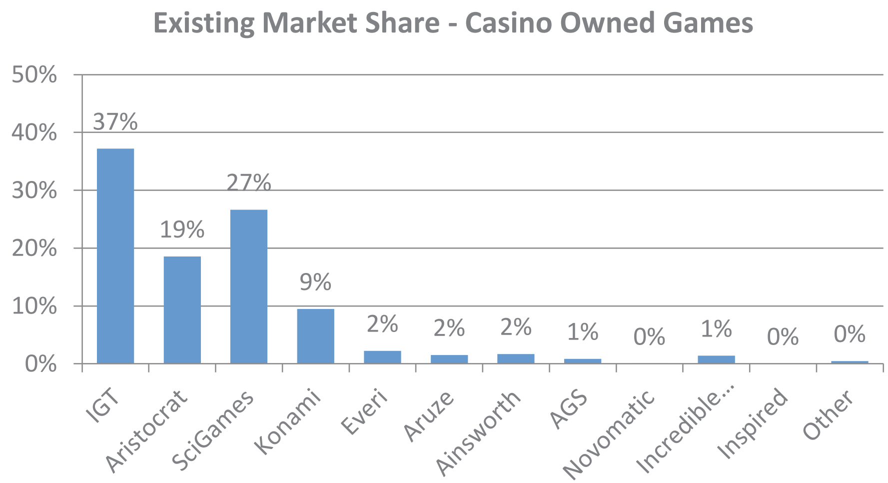
Market Share for Leased / Participation Games
Includes only 100% Class II & VLT Casinos

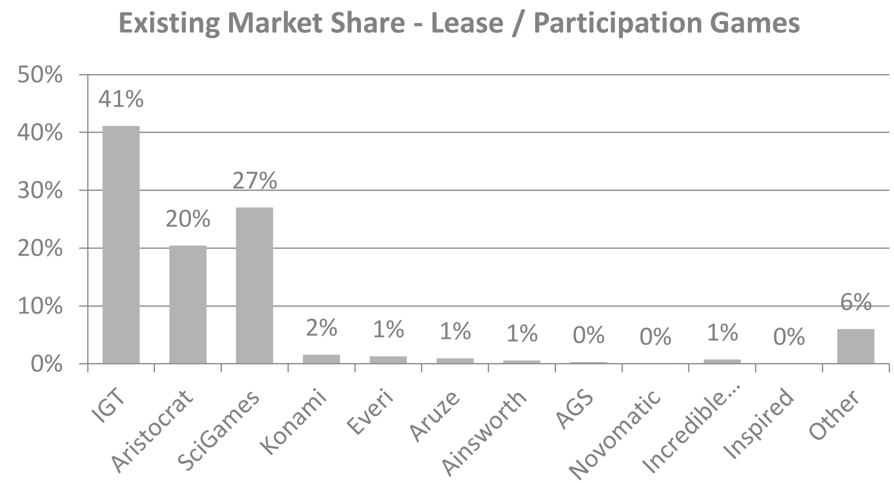


Source: EILERS-FANTINI Quarterly Slot Survey

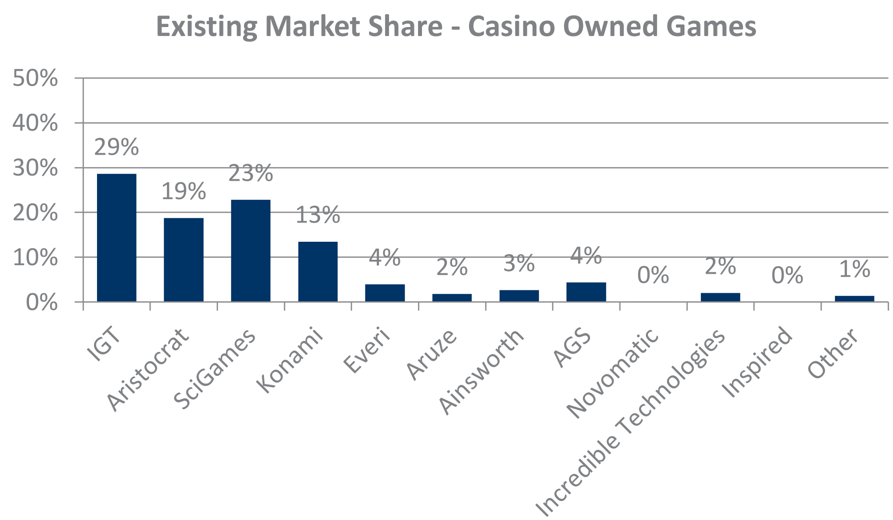
Supplier Existing Market Share

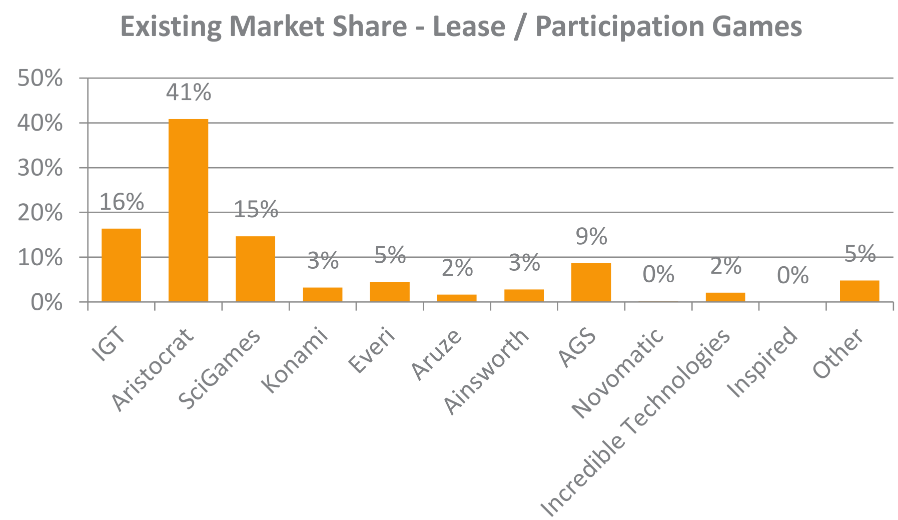
N. America Commercial Casino participants only





N. America Tribal participants only

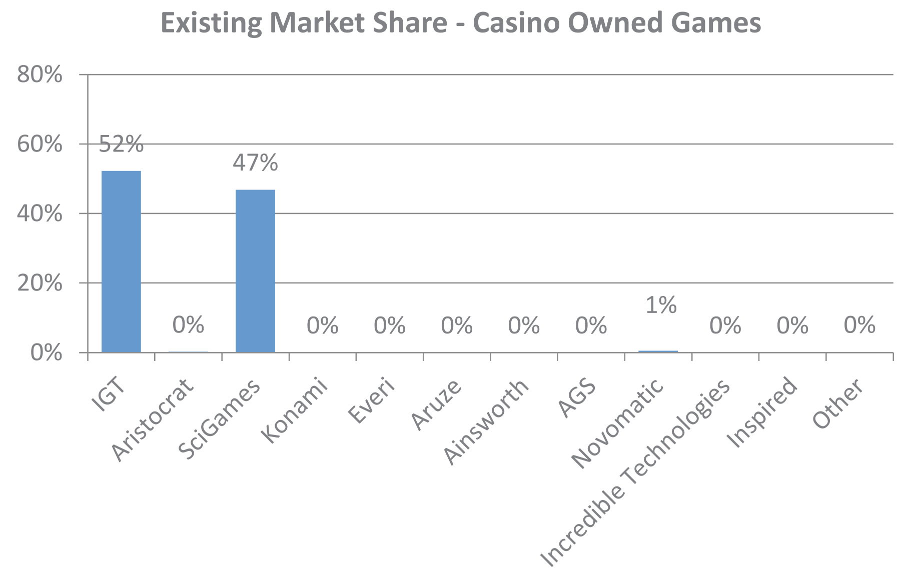


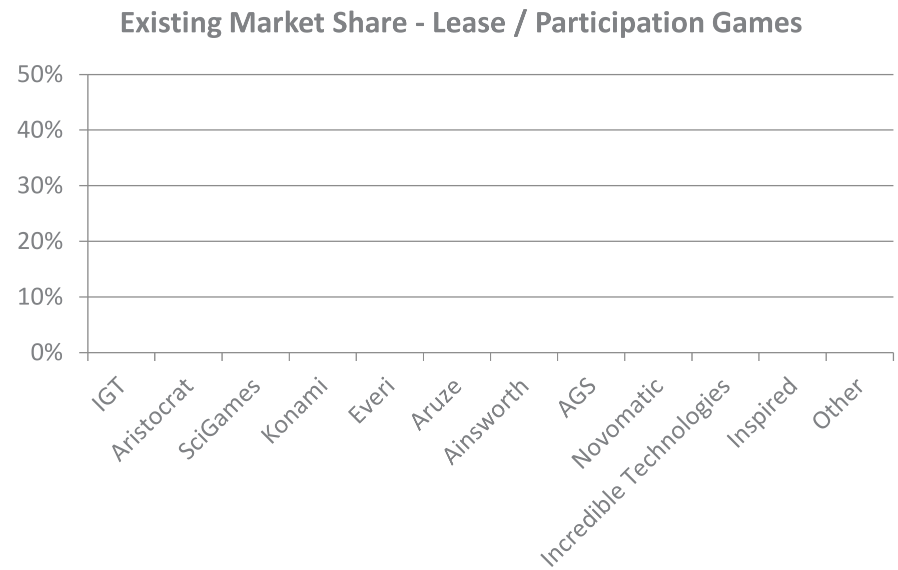


Source: EILERS-FANTINI Quarterly Slot Survey

Supplier Existing Market Share

N. America VLT / Route Ops participants only (i.e. Includes Canada & Oregon VLTs & IL VGTs)

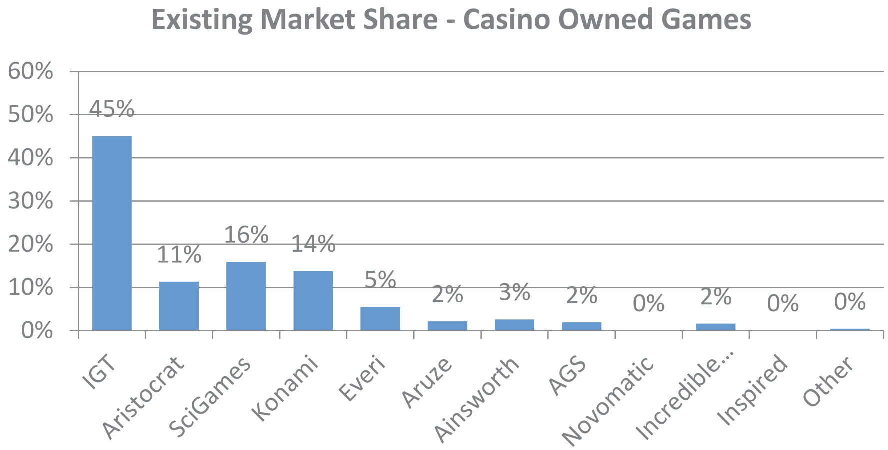


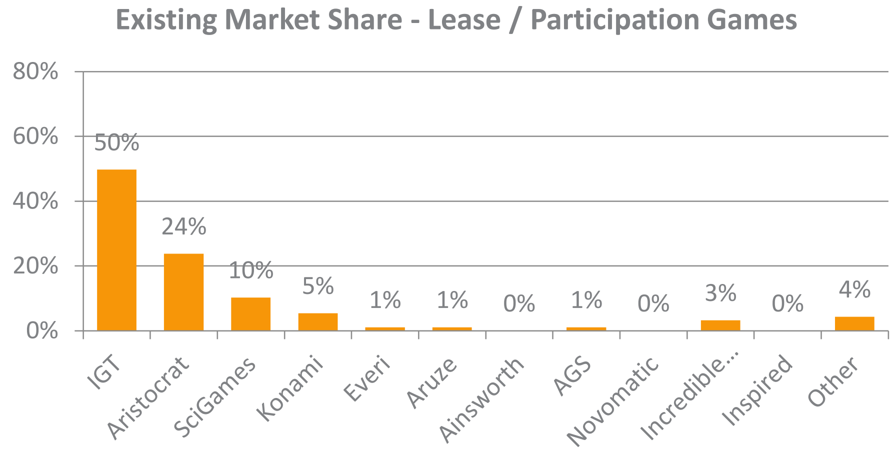


Supplier Existing Market Share – U.S. & Canada Regional Mix

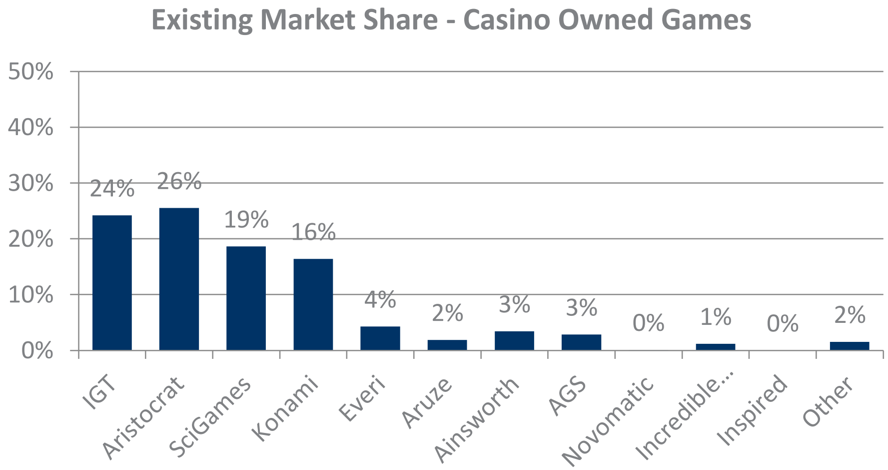
We provide individual state summary data as long as we have at least three individual survey participants represented within that jurisdiction.

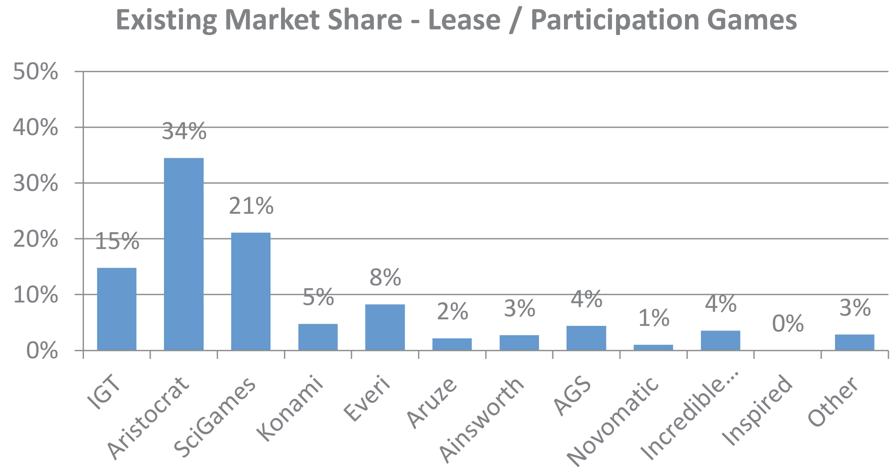
Arizona – 3 Casinos





California – 16 Casinos (9 Southern Cal, 7 Northern Cal)

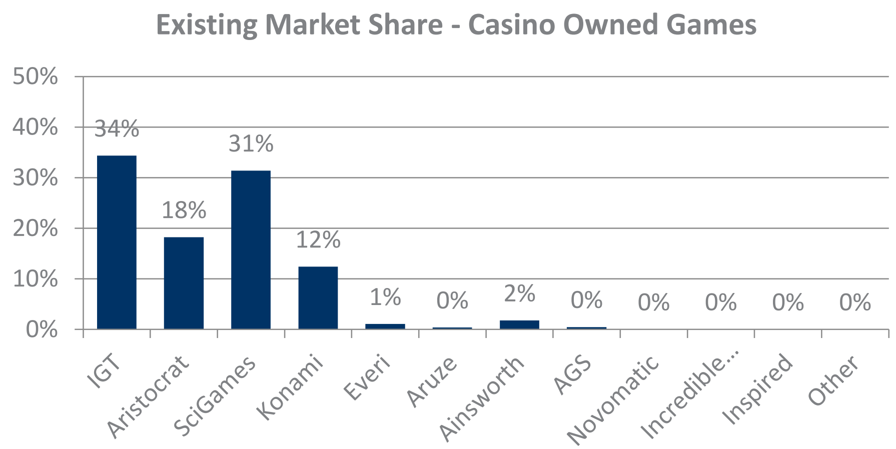


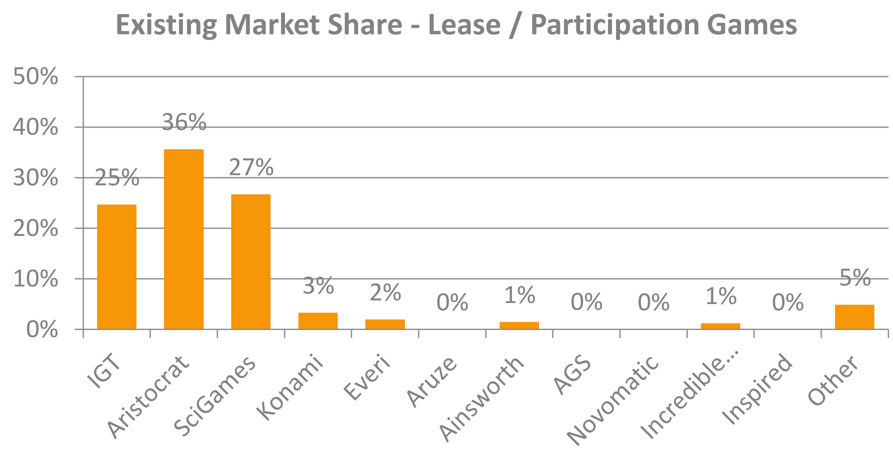


Source: EILERS-FANTINI Quarterly Slot Survey

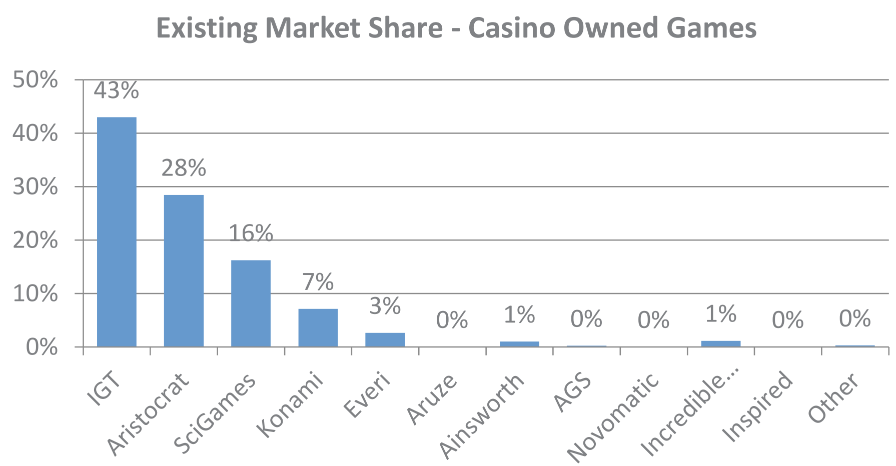
Supplier Existing Market Share - U.S. & Canada Regional Mix

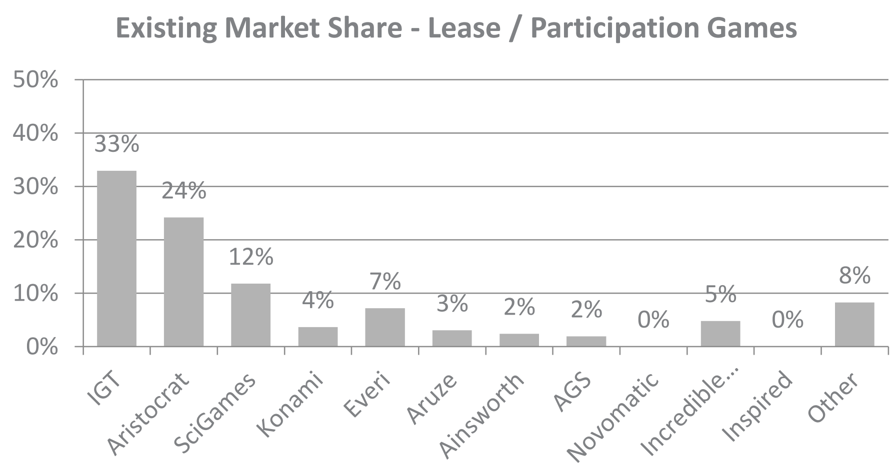
Canadian (Slots Only) – 71 Casinos





Colorado – 14 Casinos

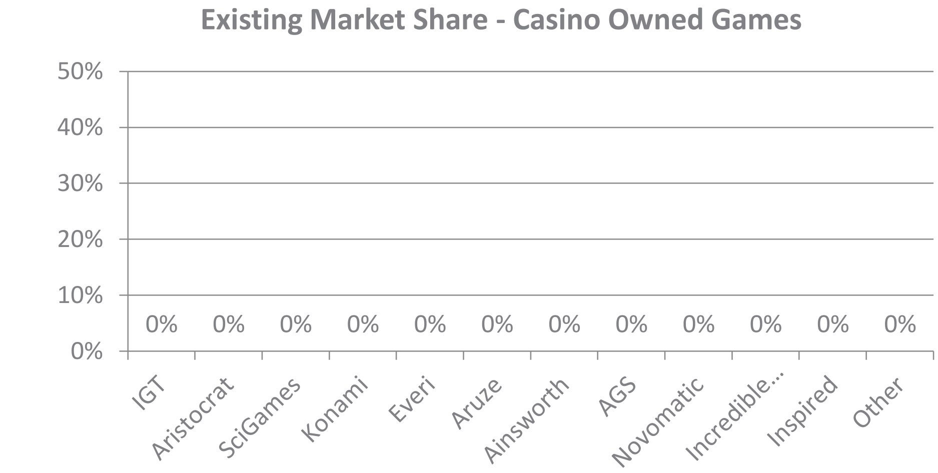


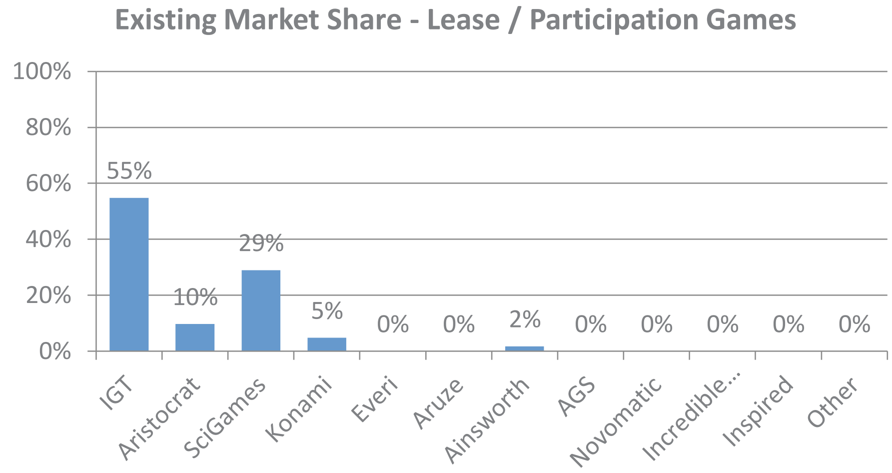


Source: EILERS-FANTINI Quarterly Slot Survey

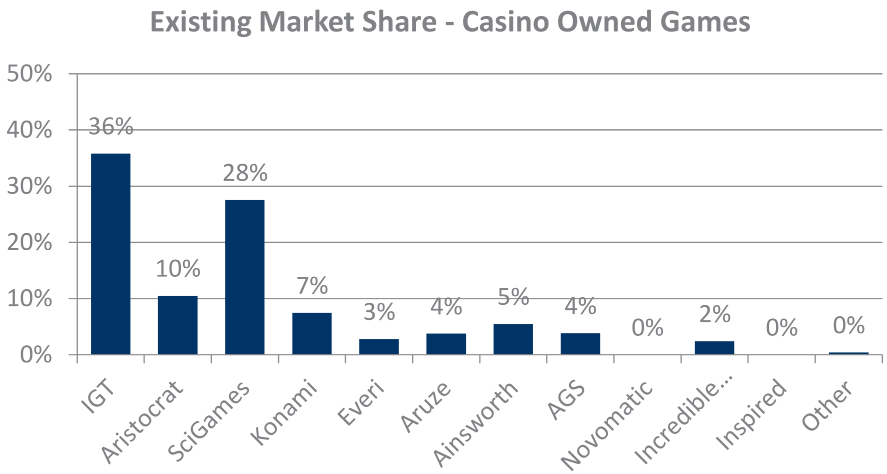
Supplier Existing Market Share - U.S. & Canada Regional Mix

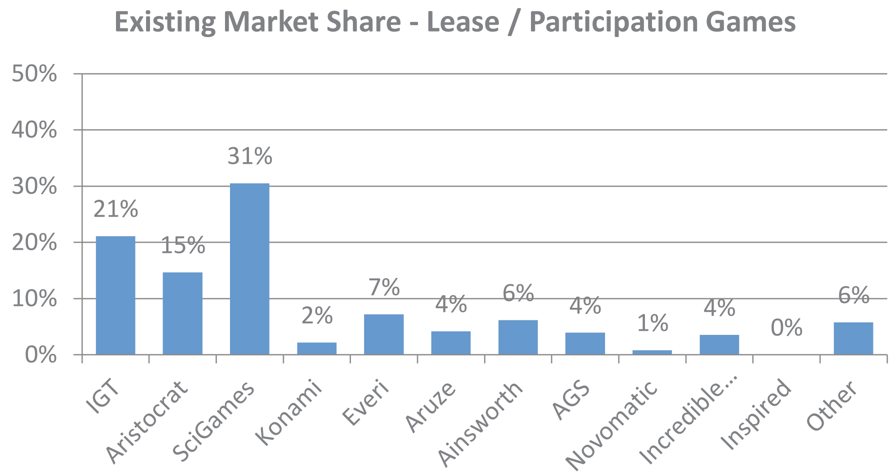
Delaware – 2 Casinos





Florida – 2 Casinos

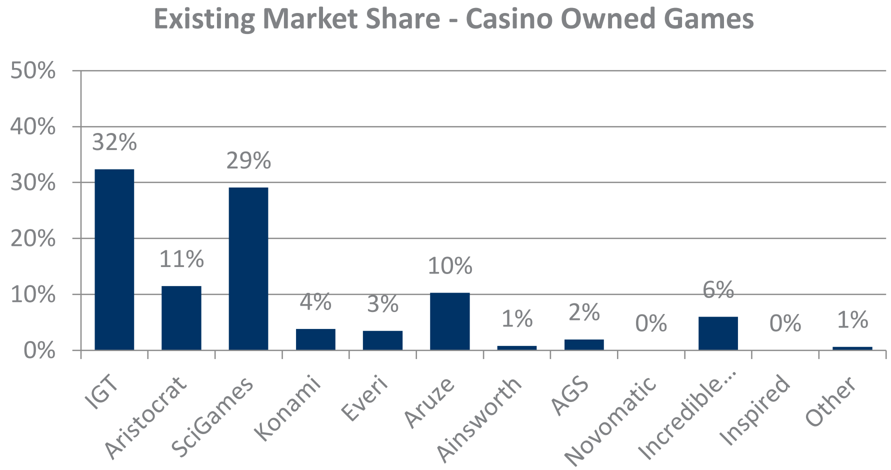


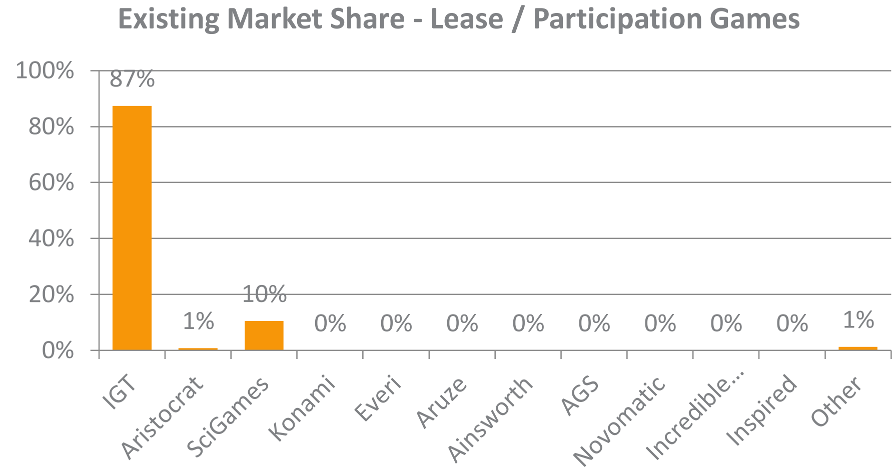


Source: EILERS-FANTINI Quarterly Slot Survey

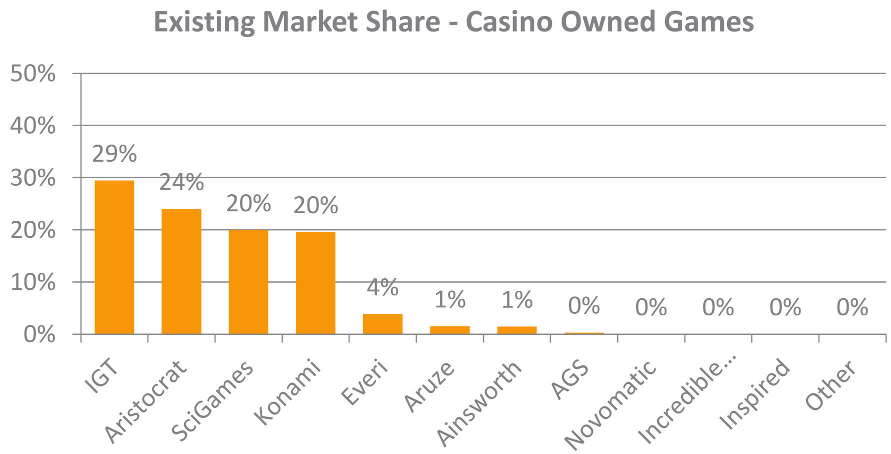
Supplier Existing Market Share - U.S. & Canada Regional Mix

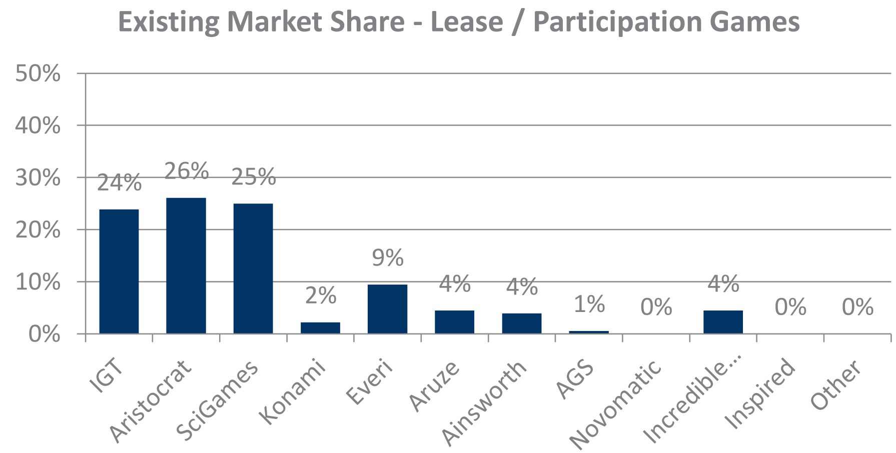
Florida Cruise – 75 Ships





Iowa – 3 Casinos

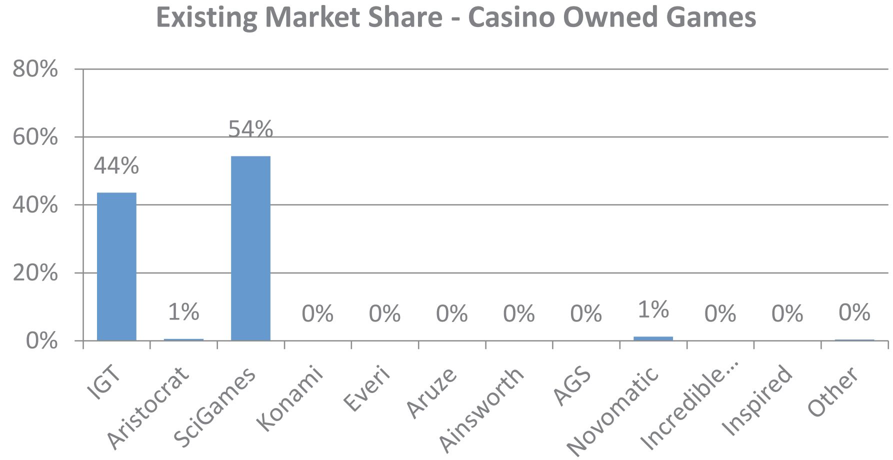


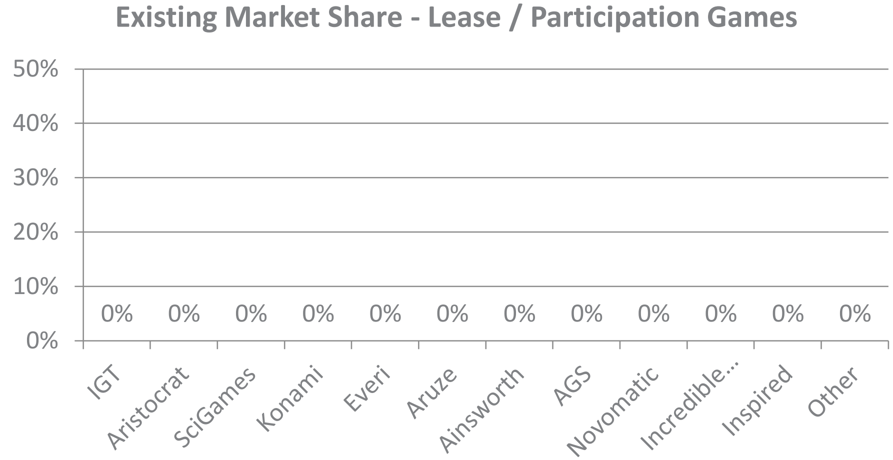


Source: EILERS-FANTINI Quarterly Slot Survey

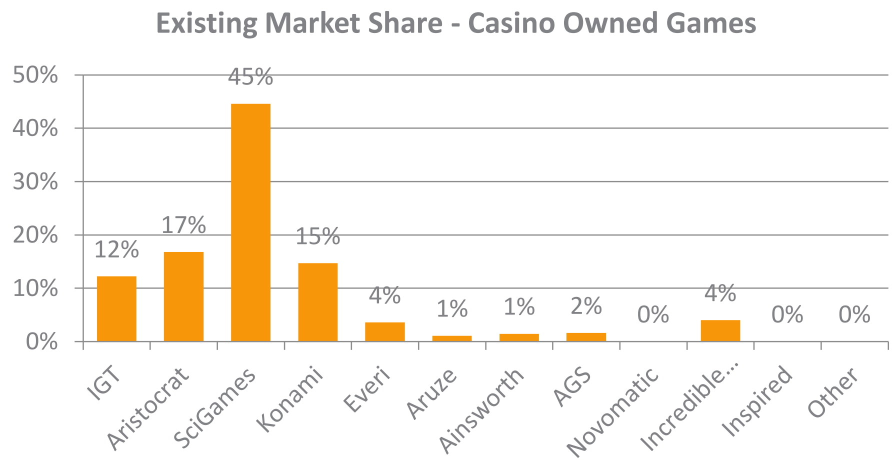
Supplier Existing Market Share - U.S. & Canada Regional Mix

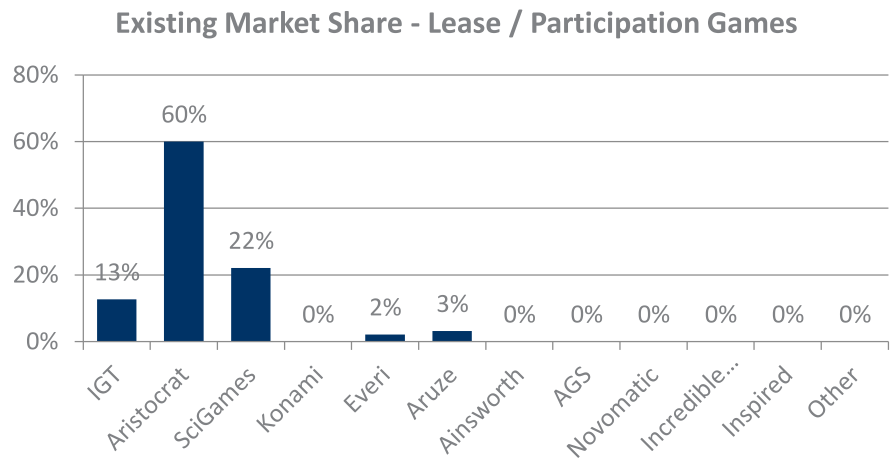
IL VGTs – 2 Route Operators





Kansas - 3 casinos

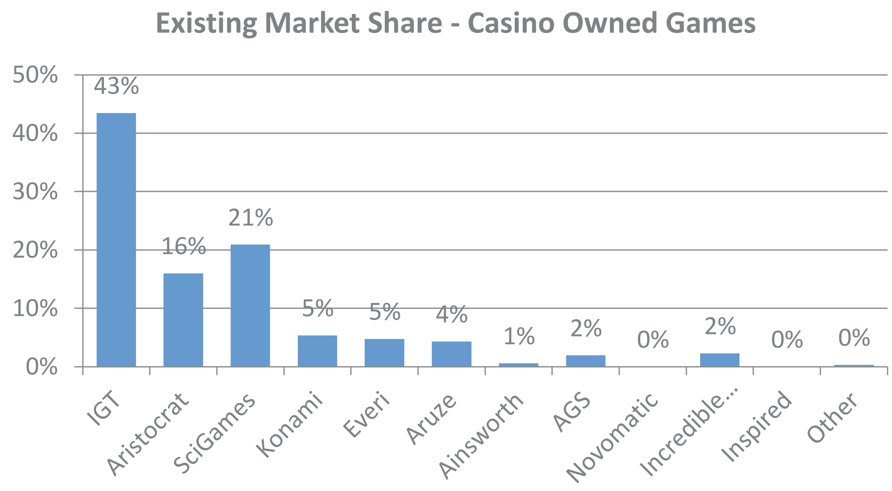


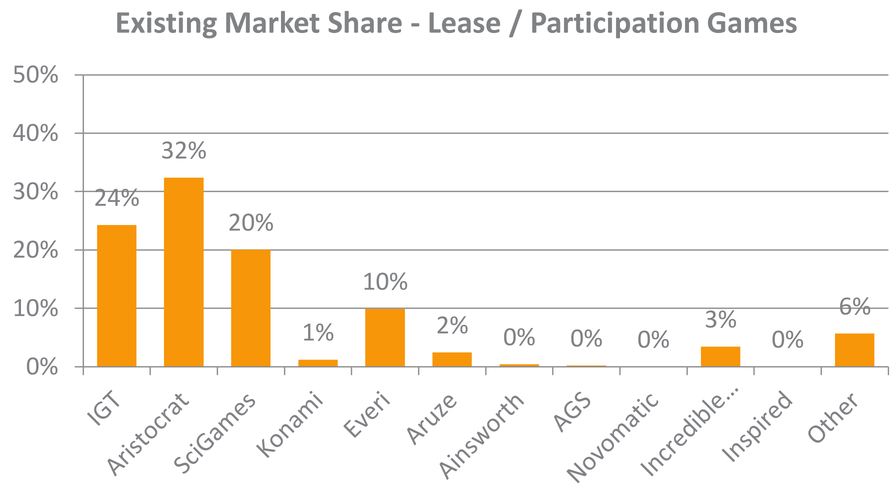


Source: EILERS-FANTINI Quarterly Slot Survey

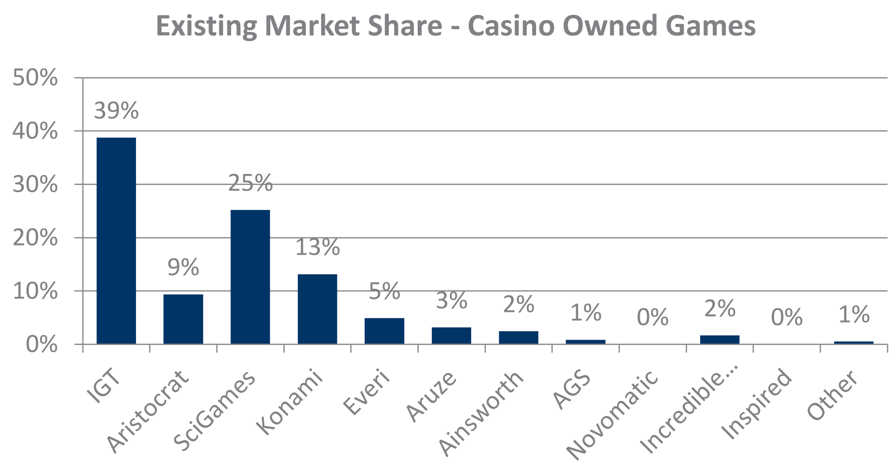
Supplier Existing Market Share - U.S. & Canada Regional Mix

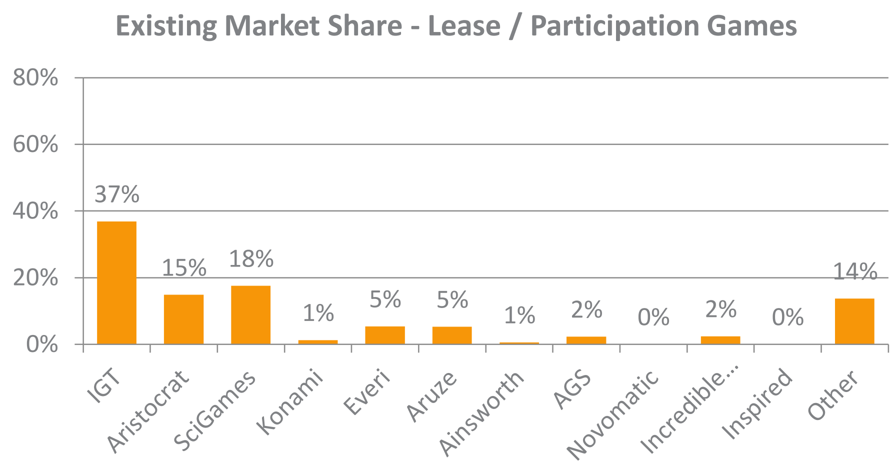
Louisiana- 3 casinos





Michigan - 4 casinos

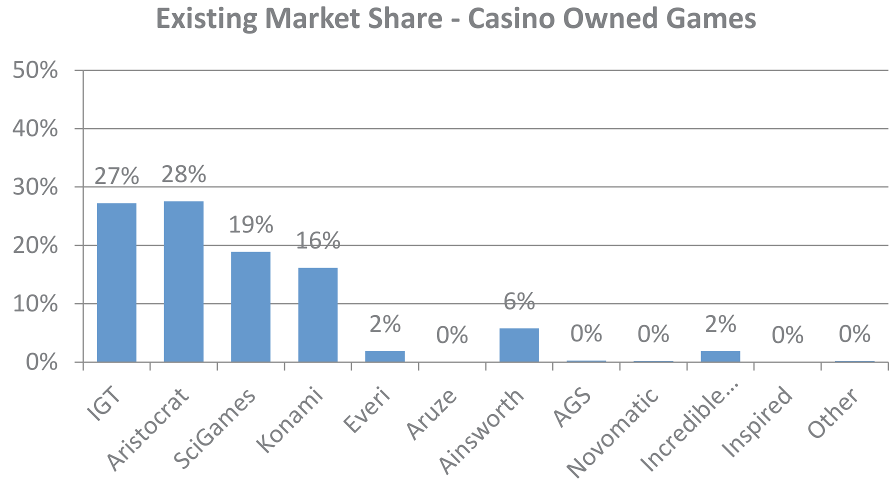


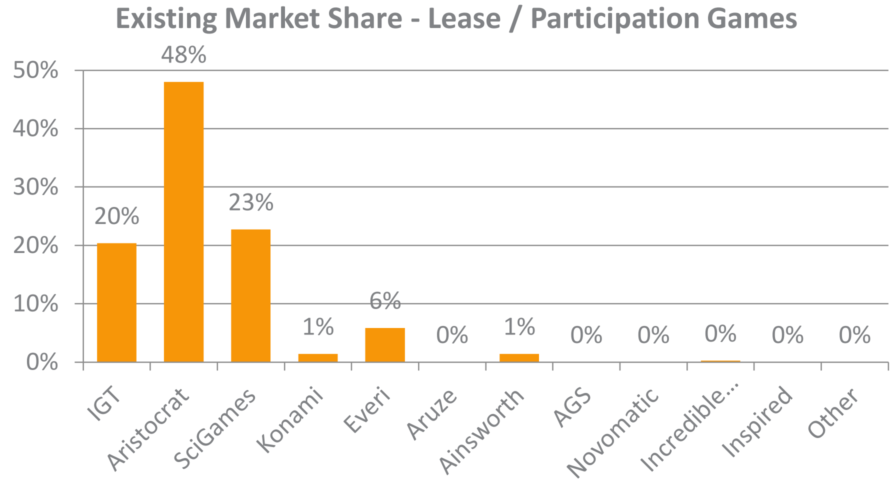


Source: EILERS-FANTINI Quarterly Slot Survey

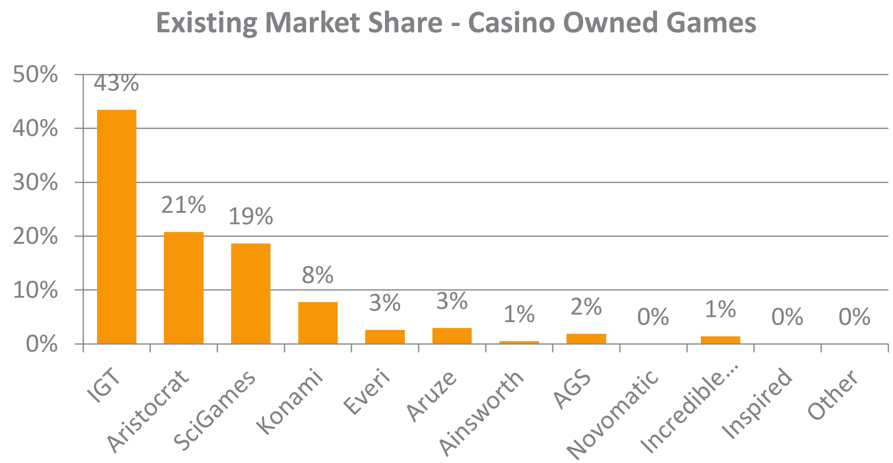
Supplier Existing Market Share - U.S. & Canada Regional Mix

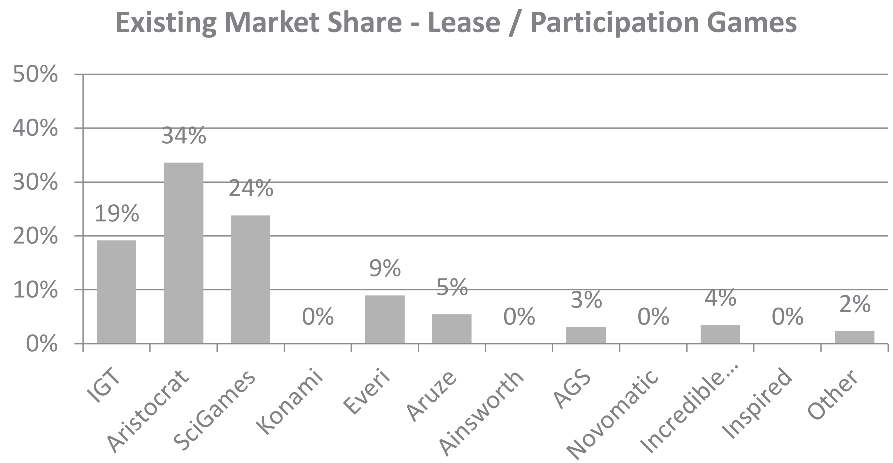
Minnesota - 5 casinos





Mississippi - 4 casinos



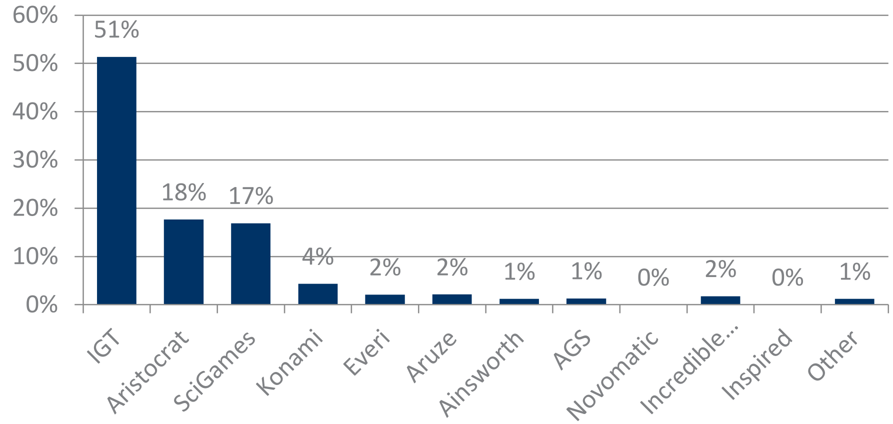


Source: EILERS-FANTINI Quarterly Slot Survey

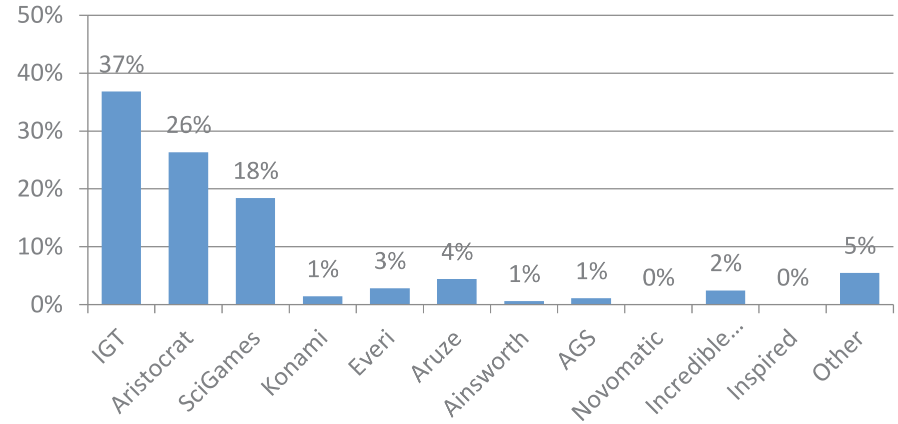
Supplier Existing Market Share - U.S. & Canada Regional Mix

Nevada - 18 casinos

Existing Market Share - Casino Owned Games

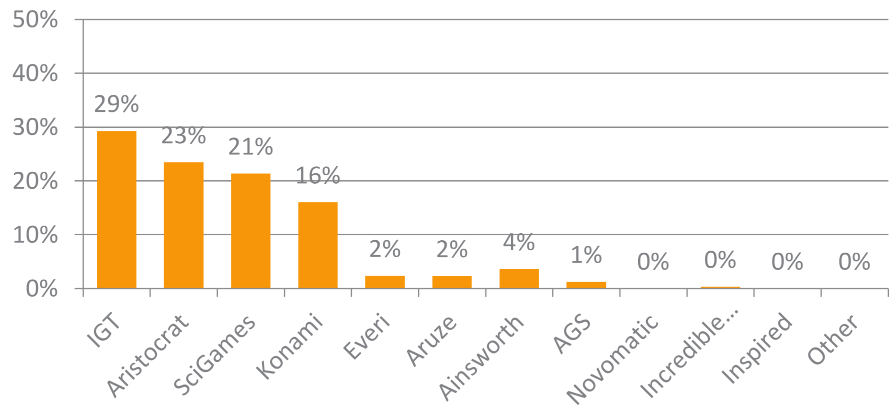


Existing Market Share - Lease / Participation Games

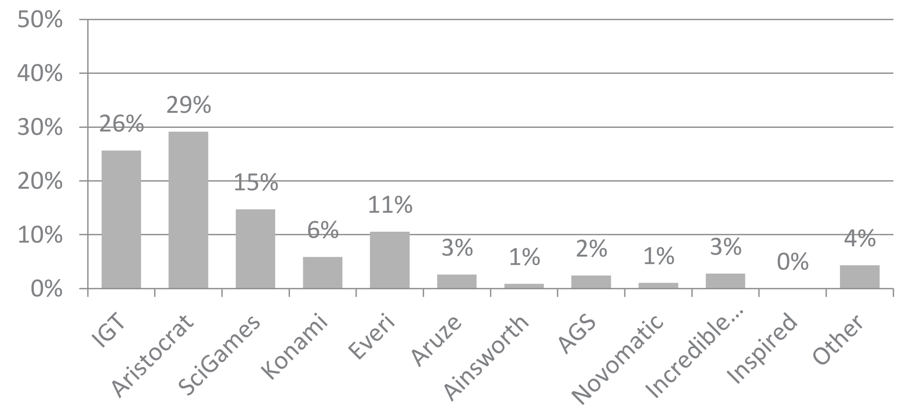


New Mexico - 8 casinos

Existing Market Share - Casino Owned Games



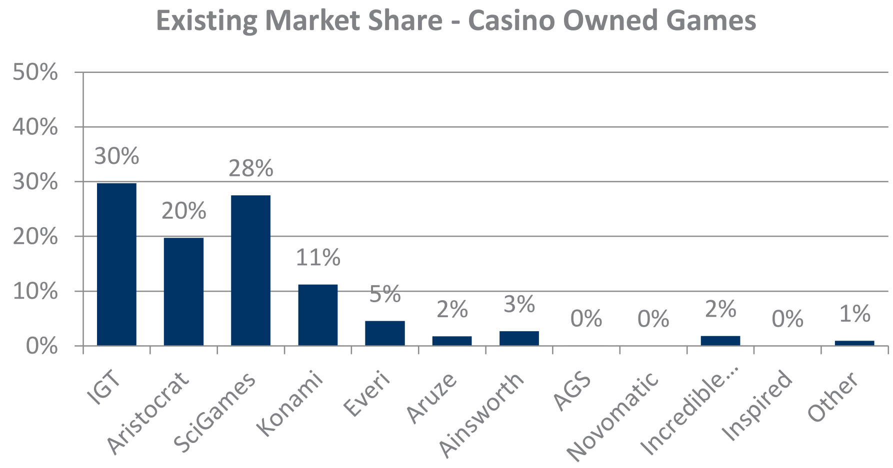
Existing Market Share - Lease / Participation Games

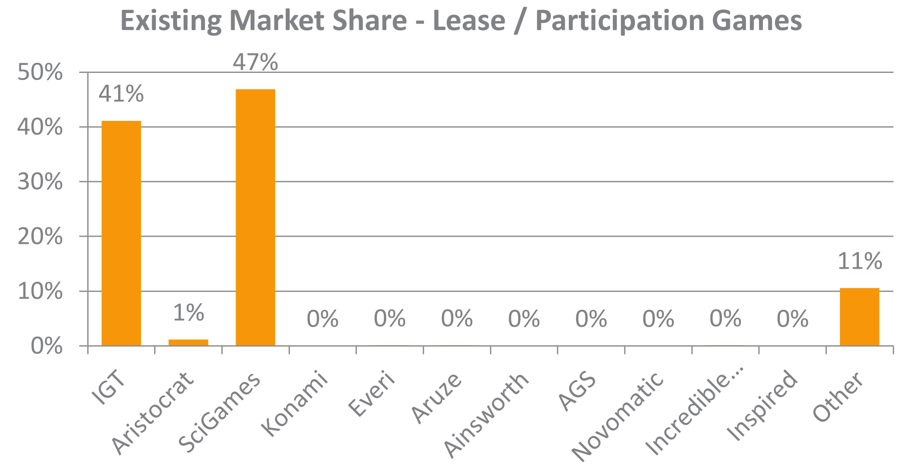


Source: EILERS-FANTINI Quarterly Slot Survey

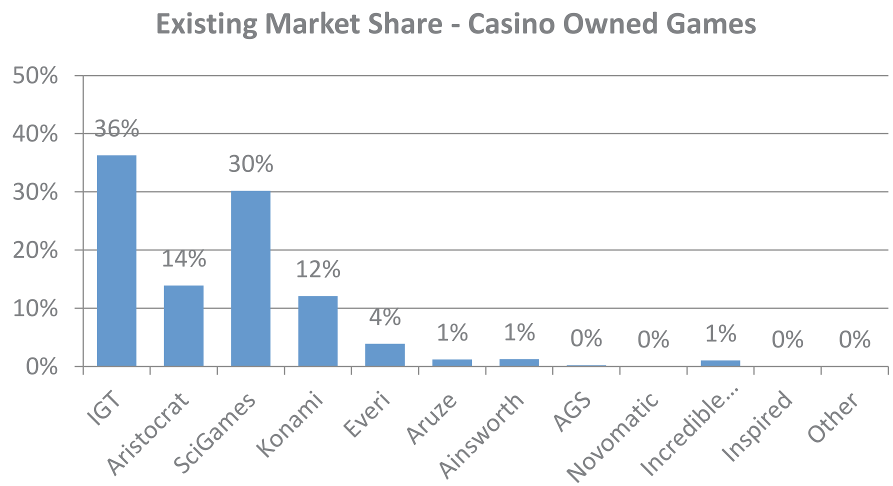
Supplier Existing Market Share - U.S. & Canada Regional Mix

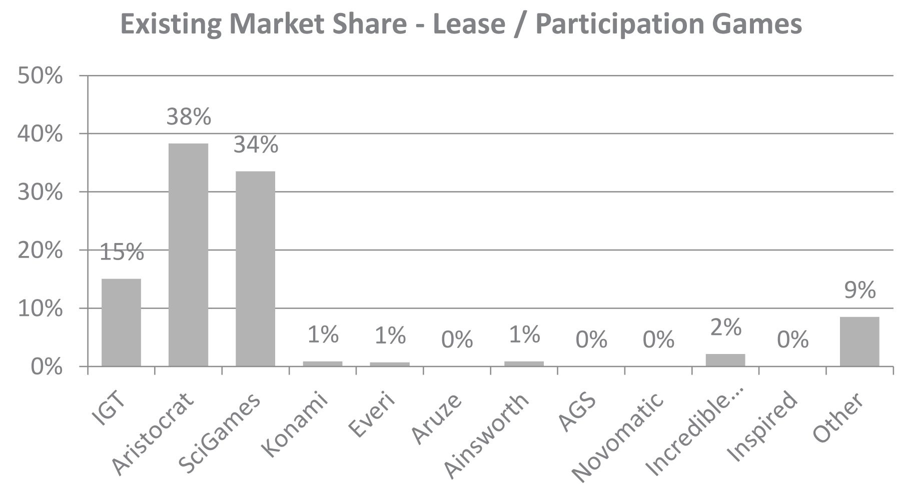
New York - 9 casinos (Full Service & Racetrack VLT)





Ohio - 5 casinos

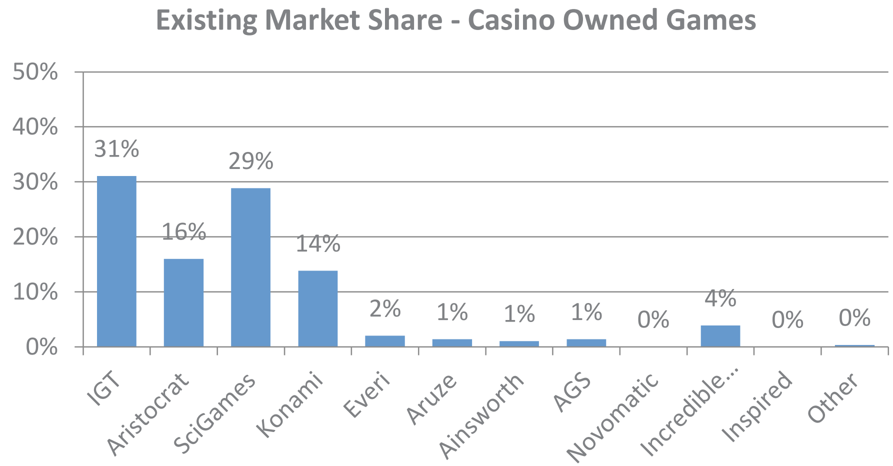


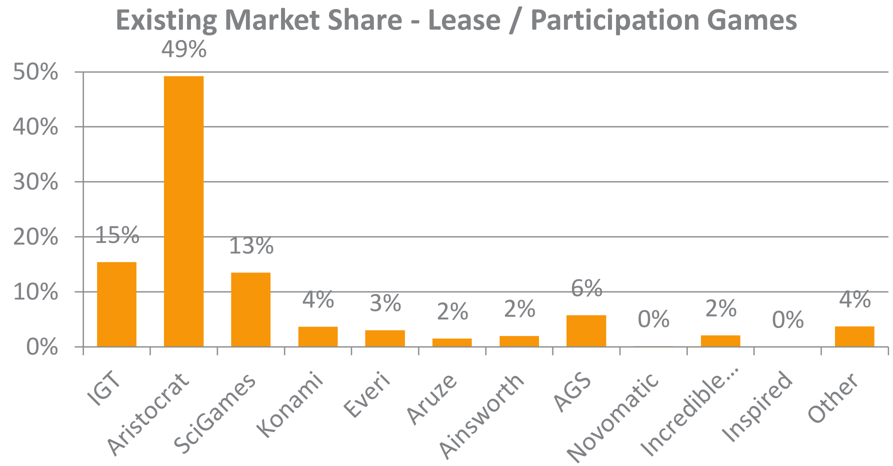


Source: EILERS-FANTINI Quarterly Slot Survey

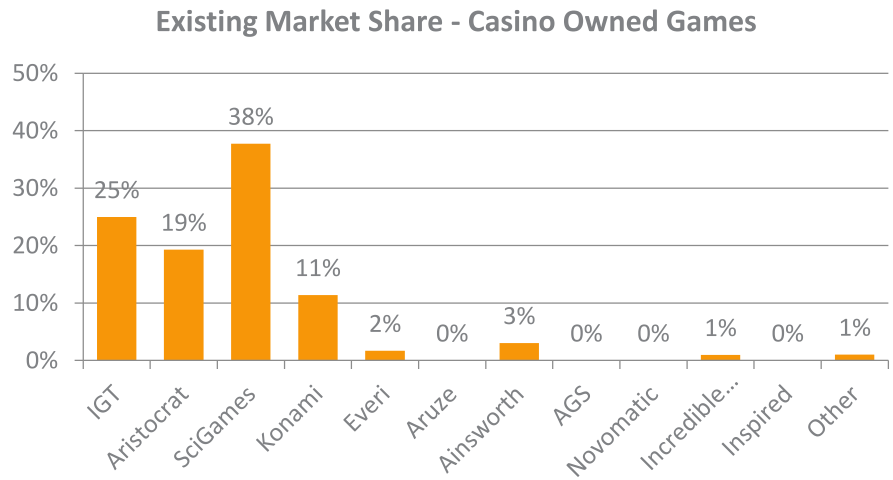
Supplier Existing Market Share - U.S. & Canada Regional Mix

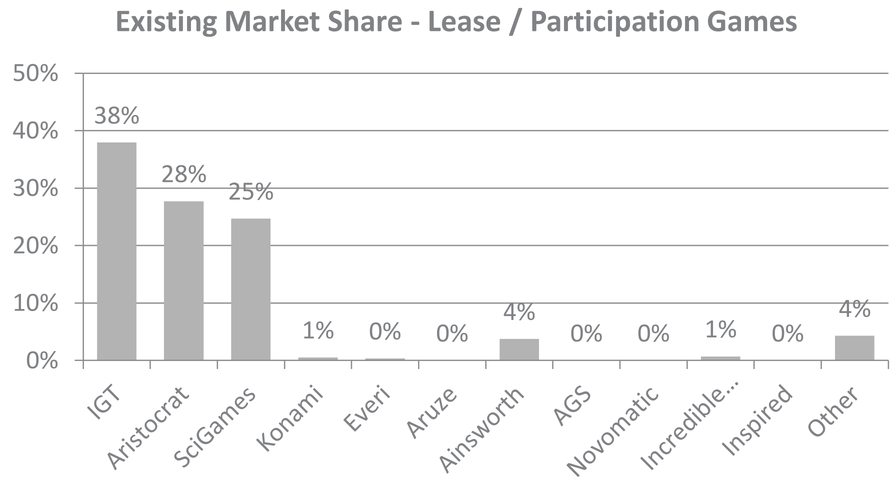
Oklahoma – 71 Casinos (Includes Operators & Distributors)





Pennsylvania - 2 casinos

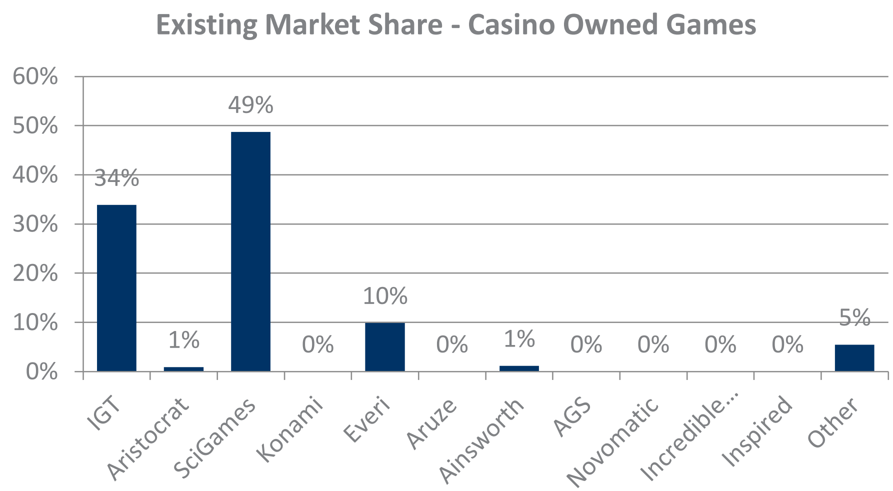


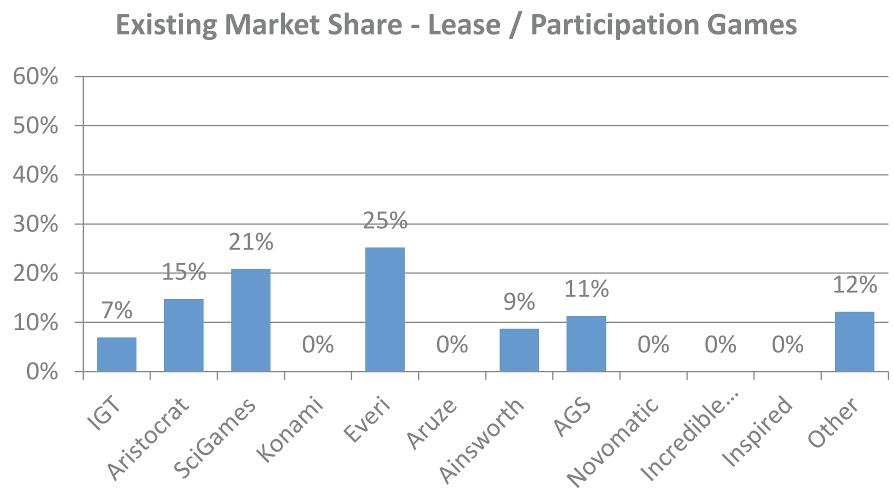


Source: EILERS-FANTINI Quarterly Slot Survey

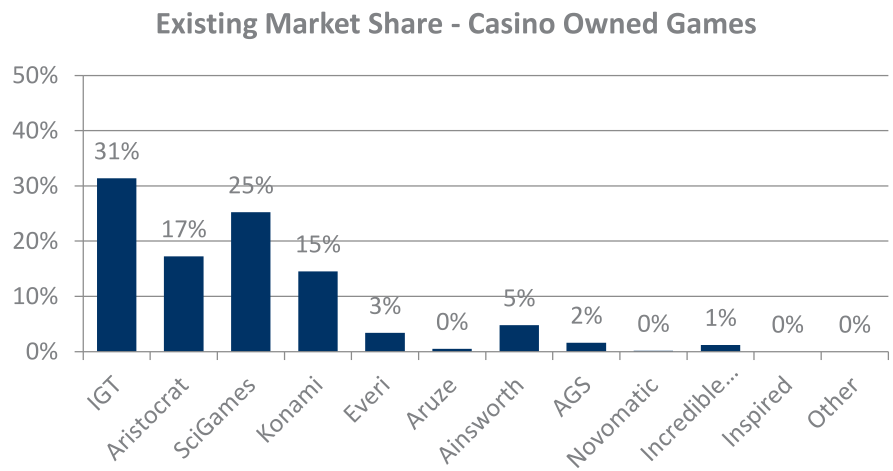
Supplier Existing Market Share - U.S. & Canada Regional Mix

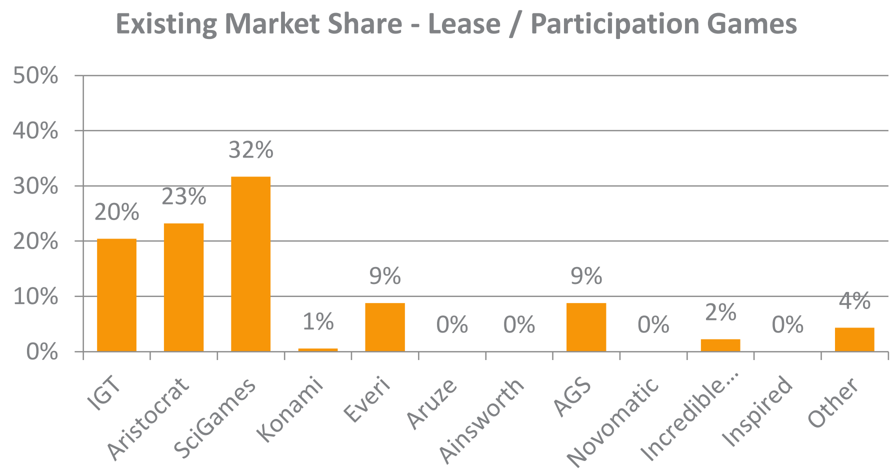
Washington - 2 casinos





Wisconsin – 7 Casinos



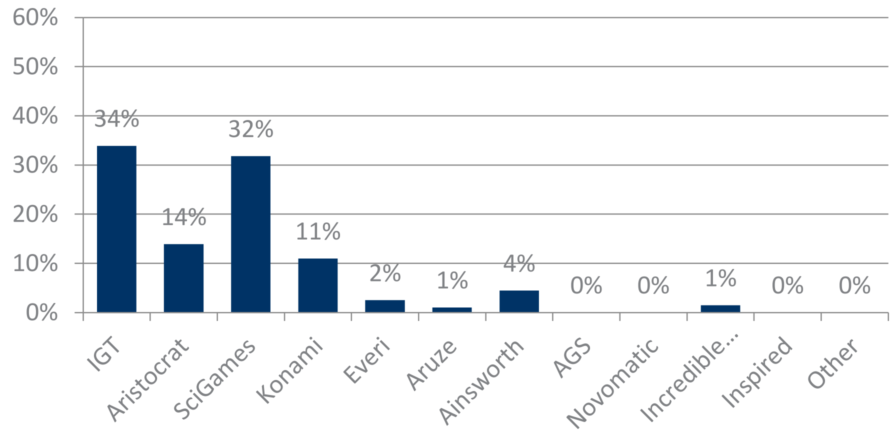


Source: EILERS-FANTINI Quarterly Slot Survey

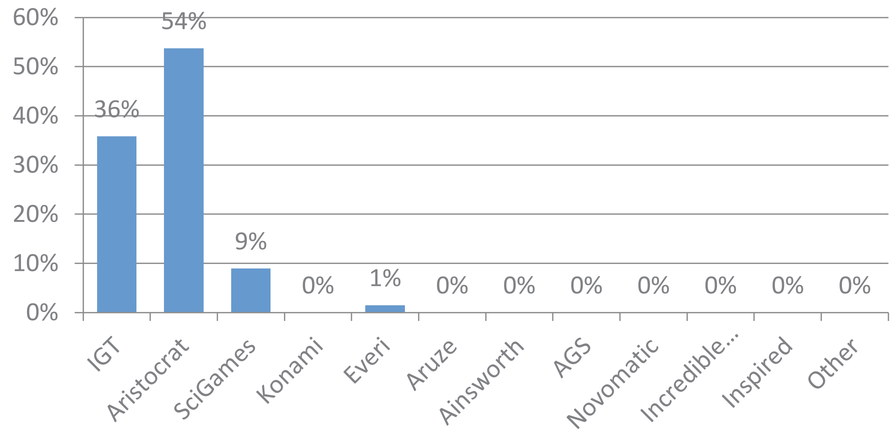
Supplier Existing Market Share - U.S. & Canada Regional Mix

West Virginia - 2 casinos

Existing Market Share - Casino Owned Games



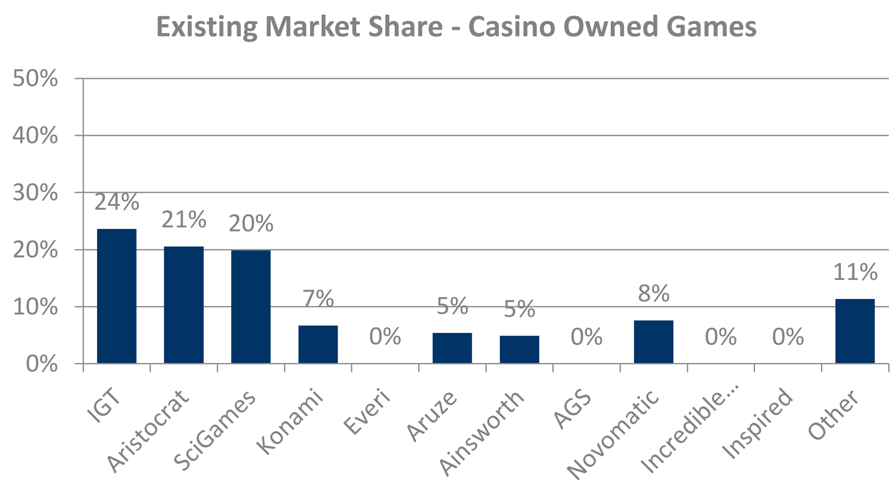
Existing Market Share - Lease / Participation Games

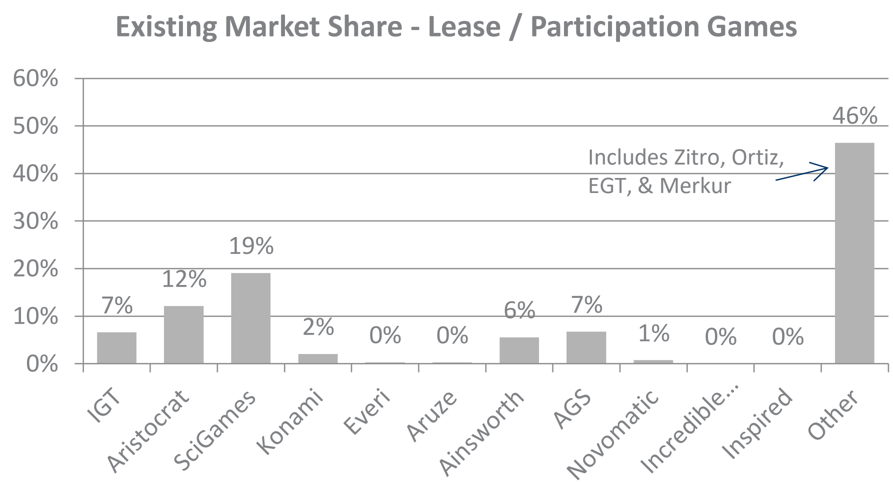


Source: EILERS-FANTINI Quarterly Slot Survey

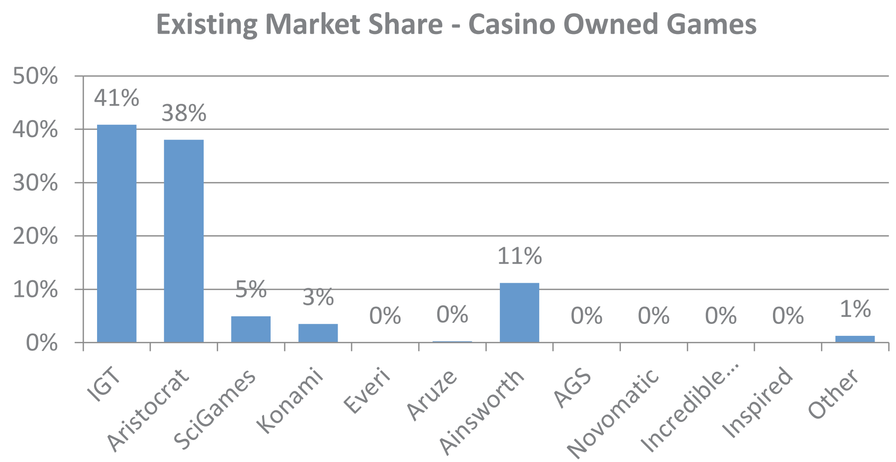
Supplier Existing Market Share – International

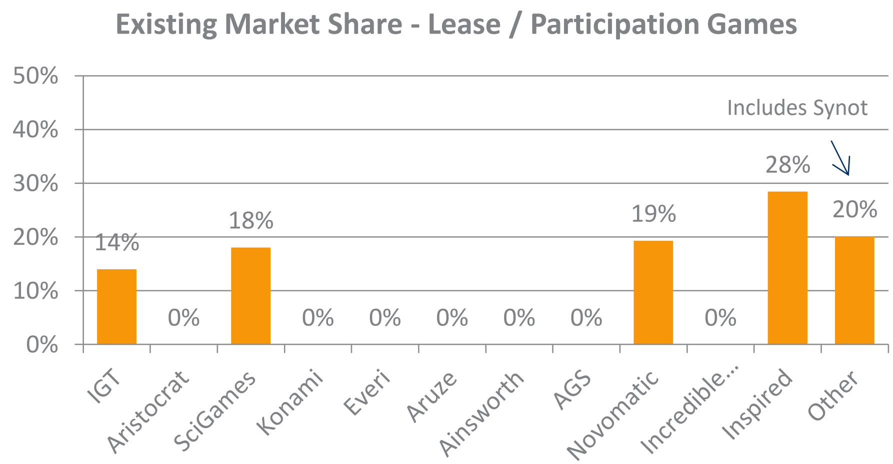
International Participants Casinos only - 207 Casinos





International Participants Route/VLT markets only - 17,580 Retail Locations



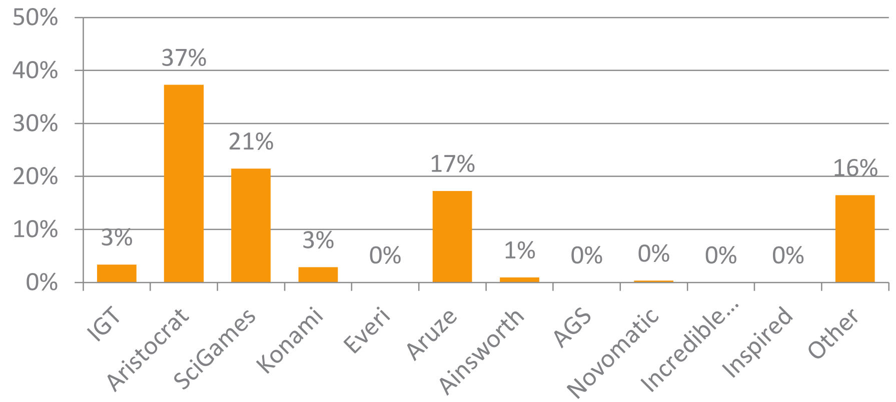


Source: EILERS-FANTINI Quarterly Slot Survey

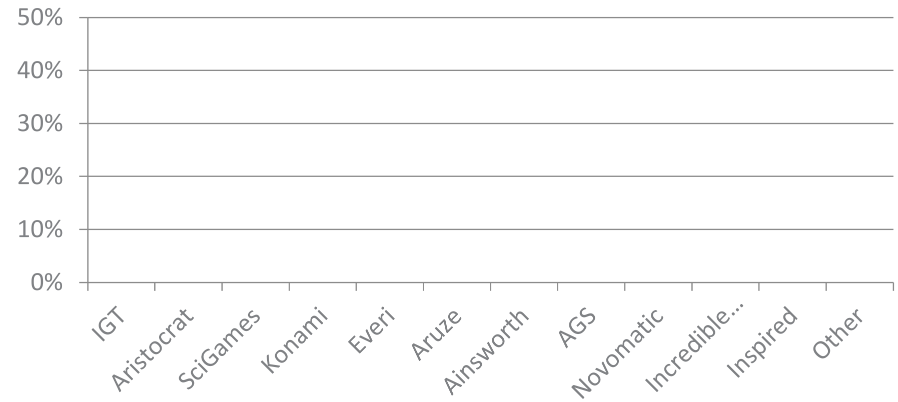
Supplier Existing Market Share International

Asia Casino Participants only - 9 Casinos

Existing Market Share - Casino Owned Games

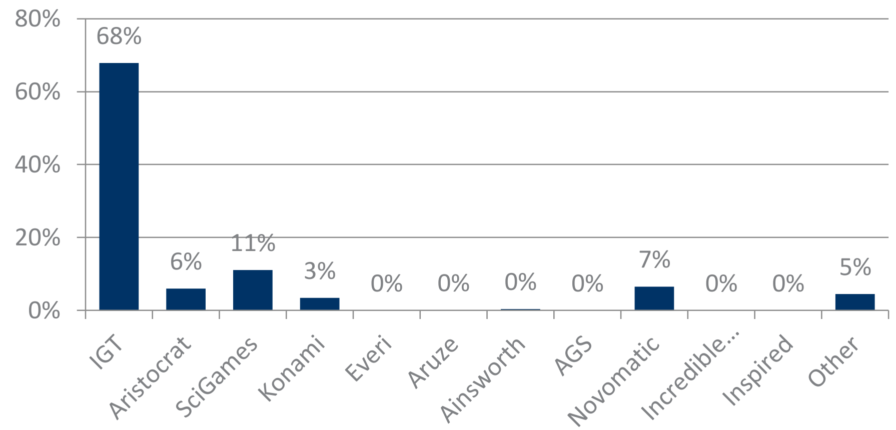


Existing Market Share - Lease / Participation Games

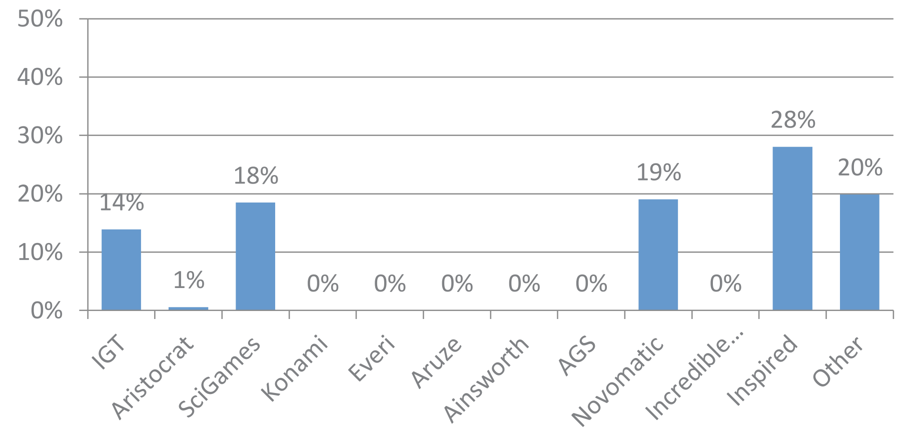


Europe Casino & VLT Participants – 34 Casinos & 17,200 Retail Venues

Existing Market Share - Casino Owned Games



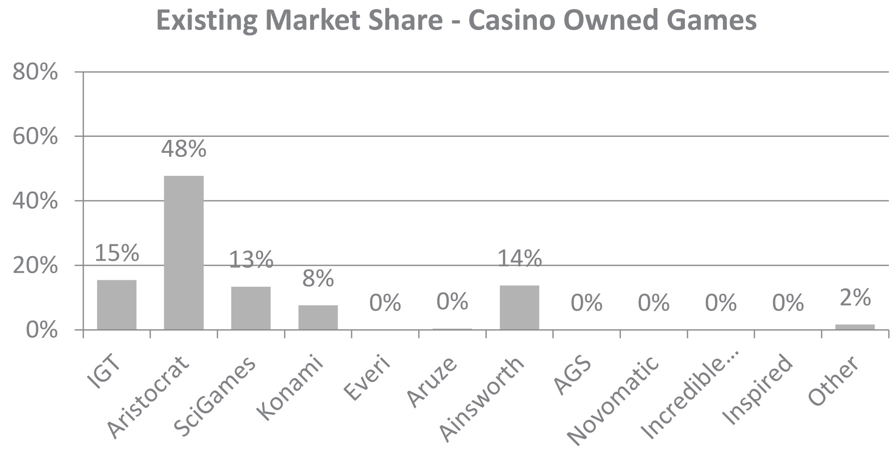
Existing Market Share - Lease / Participation Games

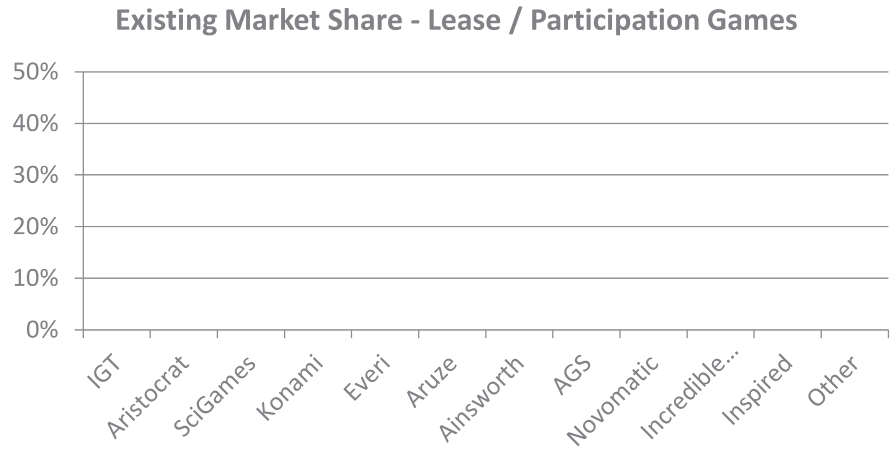


Source: EILERS-FANTINI Quarterly Slot Survey

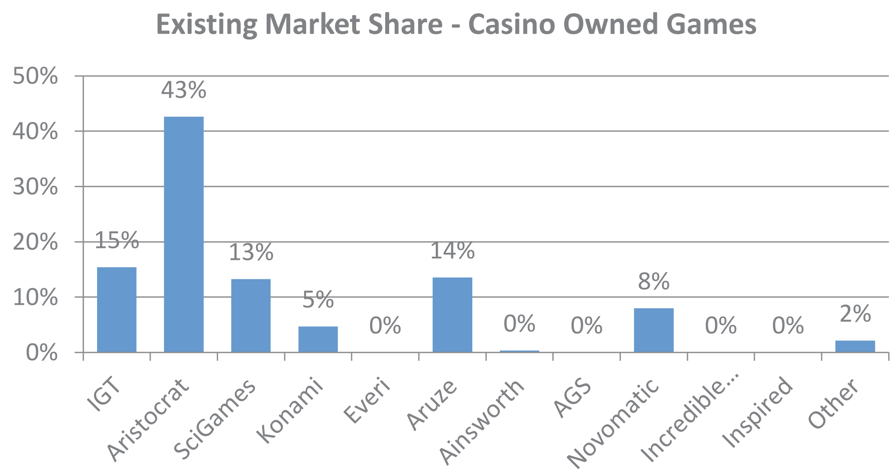
Supplier Existing Market Share - International

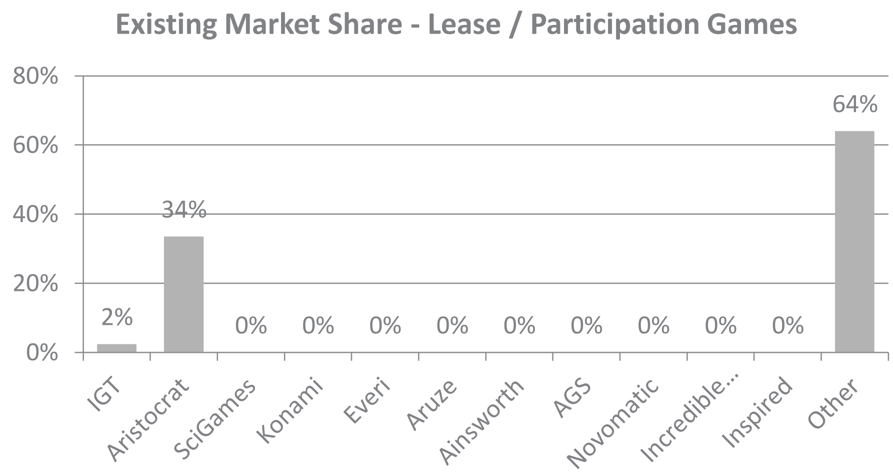
Australia / New Zealand Casino Participants only – 2 Casinos





Africa Casino Participants only – 23 Casinos

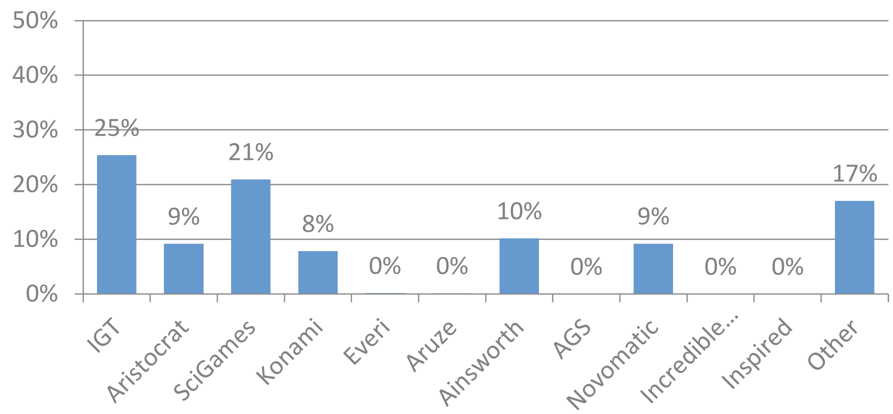


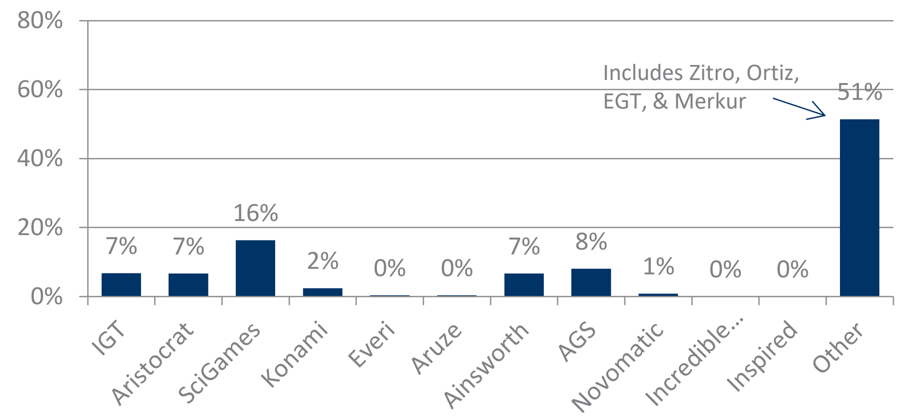


Source: EILERS-FANTINI Quarterly Slot Survey

Supplier Existing Market Share - International

Latin America Casino Participants only – 139 Casinos



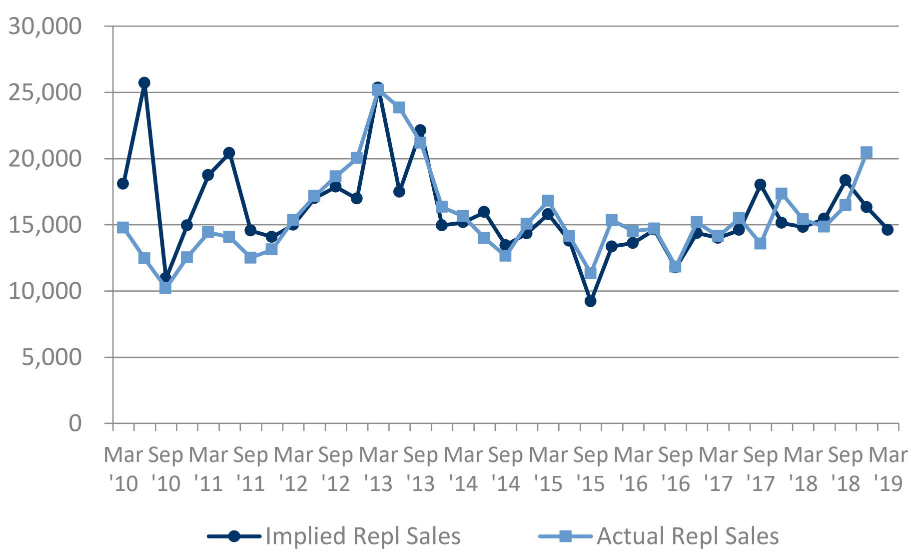


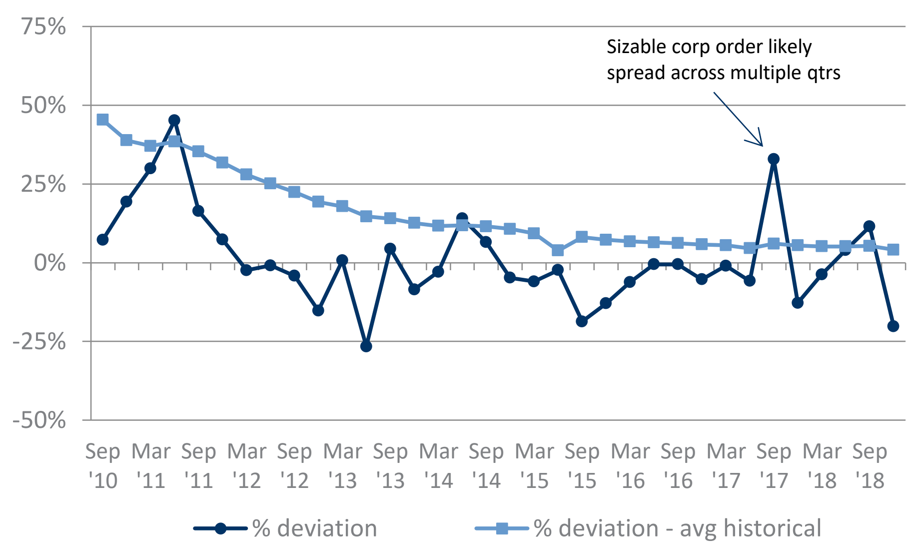
Source: EILERS-FANTINI Quarterly Slot Survey

Total Game Sales for 1Q CY19

Questions 7-9 - How many replacement slot machines and new & expansionary slot machines did you PURCHASE by supplier in 1Q CY19? How many conversion kits did your purchase by supplier in 1Q CY19?

Our U.S. & Canada survey participants purchased 10,644 slot machines in 1Q CY19 including 4,021 New Opening & Expansionary units and 6,623 replacement units while also purchasing 4,033 conversion kits in the quarter. Our International participants purchased 2,980 games in the quarter including 973 New Opening & Expansionary units and 2,007 replacement games while also purchasing 1,759 conversion kits. Based on this quarter's survey results, we estimate total N. America replacement sales are likely to be between 16,000 and 17,000 games sold in 1Q CY19. Including new and expansionary demand, we estimate total slot demand for the quarter to be between 21,000 and 22,000 games sold driven by the new Encore Boston opening and significant CA Tribal development. We note a meaningful amount of reported game purchases in our survey come from corporate buyers, which might not necessarily match with when games are delivered to casinos and booked as sales by suppliers. As such, we acknowledge that some of these game sales are likely to be booked as game sales by vendors in the following qtr.





Source: EILERS-FANTINI Quarterly Slot Survey

Ship Share by Supplier for 1Q CY19

Questions 7-9 - How many replacement slot machines and new & expansionary slot machines did you PURCHASE by supplier in 1Q CY19? How many conversion kits did your purchase by supplier in 1Q CY19?

SciGames posted the highest ship share across our survey participants at 25.2%, which was -2% pts below its existing footprint of previously sold games, -3% pts below the prior year's survey, and in-line with its TTM avg ship share. Excl Route Ops markets (Oregon & Canada VLTs & IL VGTs), SciGames' adj. ship share across our survey participants was 23.5%, which was -1% pt below the prior year's survey and roughly in-line with its TTM adj ship share. SciGames also continues to do well in the Route markets capturing 73% share driven by Canadian & IL VGT sales.

Aristocrat received the next highest ship share across our 1Q19 survey participants capturing 24.6% ship share, which was +8% pts above the company's existing footprint of previously sold games to our survey participants, +3% pts above the prior year's survey ship share, and +8% pts above its TTM avg ship share. Excluding Route Ops markets (Canada & Oregon VLTs, IL VGTs), Aristocrat's ship share was 25.5%, which was +1% pt above the prior year's adj share and +8% pts above its adj. TTM avg.

IGT received the next highest ship share with 21.5% share across our survey participants, which was -15% pts below its existing footprint of previously sold games, +3% pts above the prior year's survey, and -2% pts below its trailing twelve month (TTM) ship share. On an adj basis, excl Route Op markets (i.e. Oregon & Canada VLTs & IL VGTs), the company's ship share was 21.7%, which was +5% pts above the prior year's survey, and in-line with its adj TTM avg ship share. For Route only markets, IGT did fairly well capturing 17% share driven by shipments to the IL VGT market while we did not pick up any Canadian VLT buys in the qtr.

Ship Share by Supplier for 1Q CY19

Konami reported the next highest ship share on sold games at 9.5% across our survey participants this qtr, which was in-line with its existing footprint of previously sold games, +2% pts above the prior year's survey, and +1% pt above its TTM average. On an adjusted basis (ex Canada & Oregon VLTs & IL VGTs), the company's ship share was 9.9%, which was +1% pt above last year's survey and in-line with its adj. TTM ship share.

Everi came in behind Konami achieving 6.2% ship share in this qtr's survey, which was +4% pts above its existing footprint of casino owned games, in-line with last year's survey, and +1% pt above its TTM avg. ship share. Excluding Route markets, ship share was 6.4% which was -1% below last year's adj. survey share and in-line with its adj. TTM ship share.

AGS came in just after Everi capturing 4.5% ship share on sold games across our survey participants, which was +3% pts above its existing footprint of previously sold games, but -1% pt below last year's survey, and -1% below its TTM avg ship share. On an adj. basis (ex Canada & Oregon VLTs & IL VGTs), the company's ship share was 4.7%, which was -2% pts below the prior year's survey, and -1% pt below its adj. TTM avg. ship share.

Incredible Technologies came in after AGS with 4.1% ship share across our survey participants, which was +3% pts above its static casino floor share, +1% above last year's survey ship share, but -2% pts below its TTM avg ship share. On an adjusted basis (ex Canada/Oregon VLTs, IL VGTs), ship share was 4.2%, which was in-line with the prior year's adj. survey share but -3% pts below its TTM adj. ship share.

Ainsworth received 2.2% share this quarter, which was +2% pts above its existing static install base of casino owned games, but -1% pt below last year's survey share and -2% pts below its trailing share. Excluding Route markets, Ainsworth's adj. ship share was 2.3%, which was -1% pt below the prior year's adj. survey share and -2% pts below its adj. TTM average ship share.

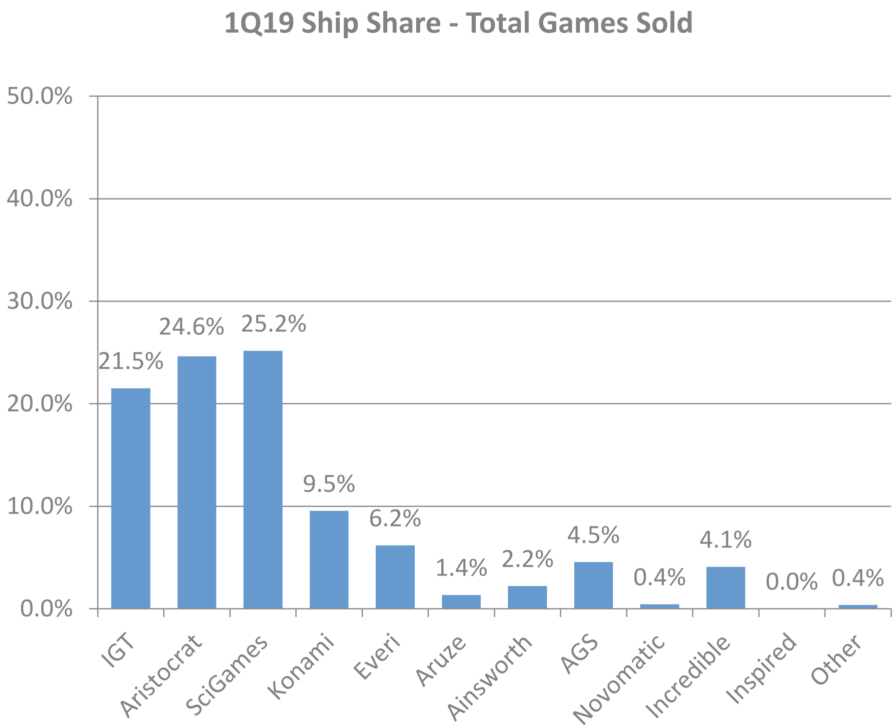
Aruze received 1.4% ship share on sold games across our survey participants this qtr, which was in-line with its static casino floor share, but -1% pt below the prior year's survey share and -2% pts below its TTM ship share. On an adjusted basis excluding Canada/Oregon VLTs and IL VGTs, ship share was 1.4%, which was also -1% pt below last year's adj. survey share and -2% pts below its adj. TTM average ship share.

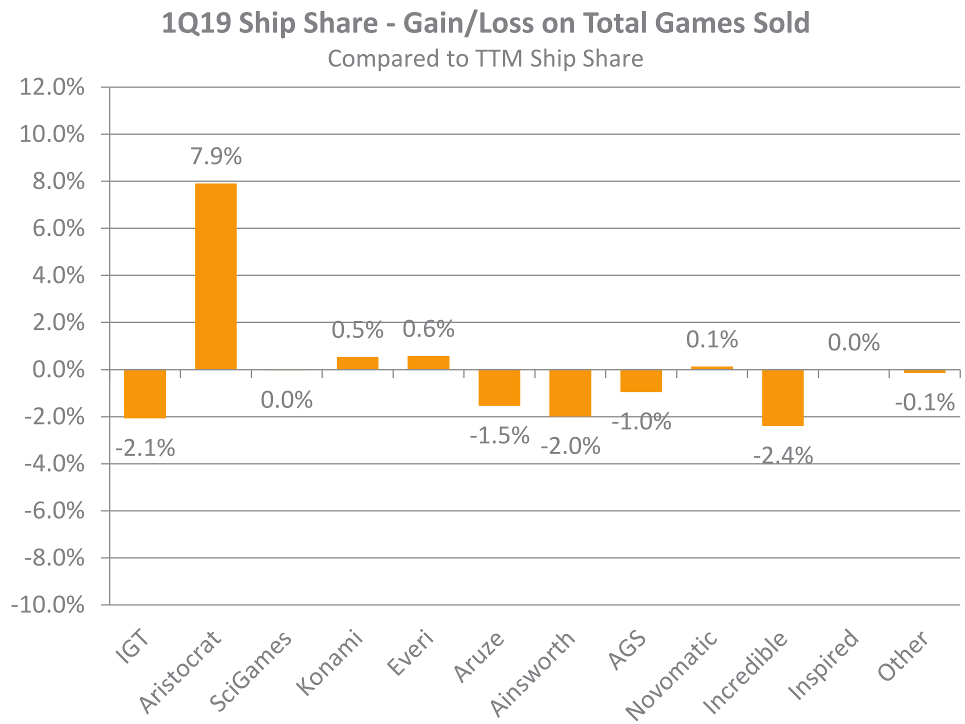
In aggregate, the top 3 vendors (SciGames, Aristo, and IGT) recorded ~71.3% of the sales across our survey participants this qtr, which was -10% pts below the static casino floor share, but +2% pts above the prior year's share, and +5% pts above the TTM avg ship share for the group. This was likely driven by a higher mix of expansionary shipments in the period through which the larger suppliers continue to earn a very strong share of the floor.

Ship Share by Supplier for 1Q CY19

Below we provide a summary of ship share by supplier for total sold games sold to N. America customers in our survey including both replacements and new and expansionary sales. We also provide the relative gain / loss compared with each company's TTM ship share on a percentage point basis.

Ship Share for 1Q CY19 on Total Game Sales



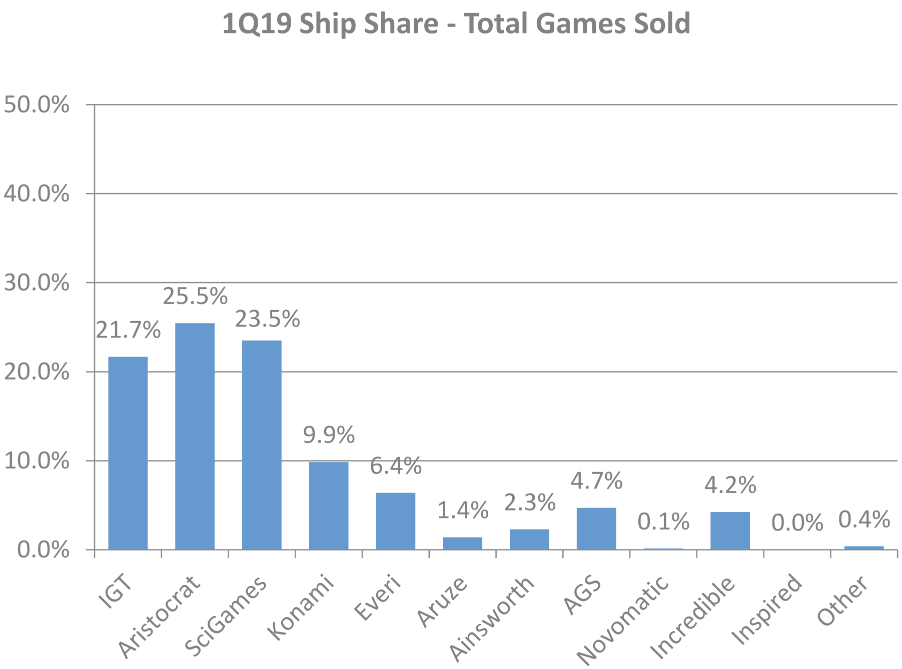


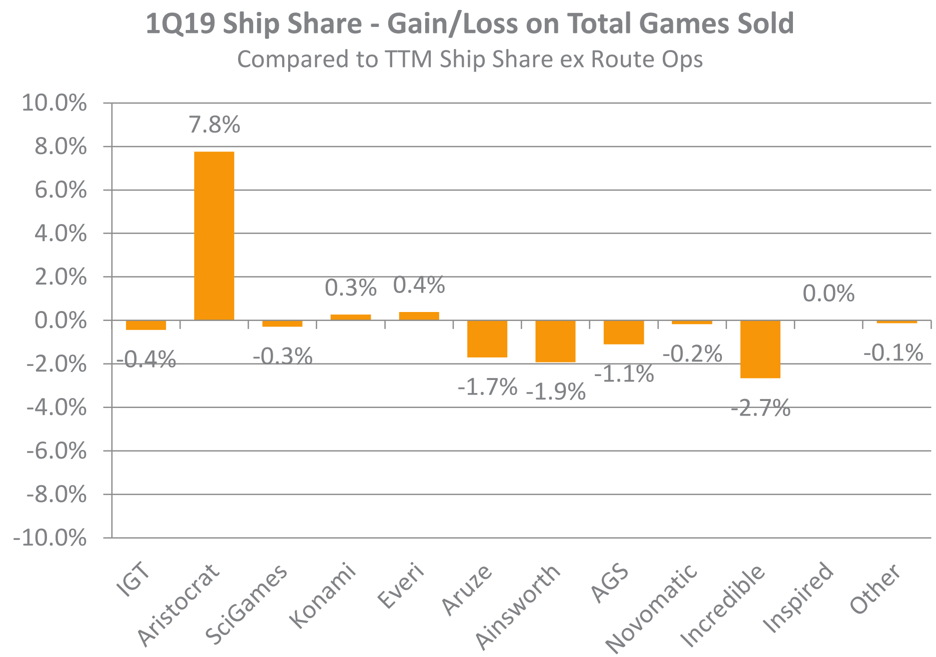
Source: EILERS-FANTINI Quarterly Slot Survey

Ship Share by Supplier for 1Q CY19

As mentioned above, we believe it's also important to look at games sold and ship share excluding Canada and Oregon VLT replacements as well as IL VGT sales as we believe it's a good reflection of the core casino market. In the below charts we provided adjusted ship share metrics and gain / loss vs. each vendor's adjusted TTM average removing Route Ops participants which includes NV Route, Canada and Oregon VLT sales, and IL VGT sales.

Adjusted Ship Share for 1Q CY19 on Total Game Sales – Excluding Route Ops

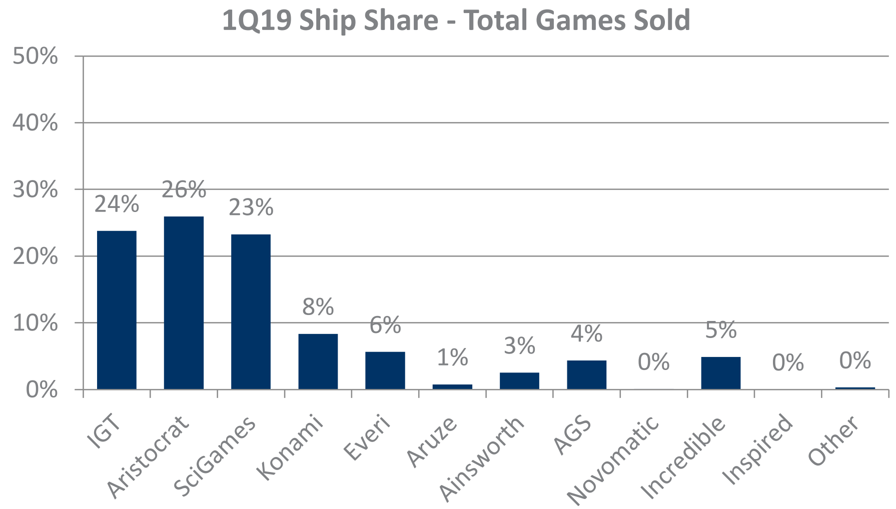




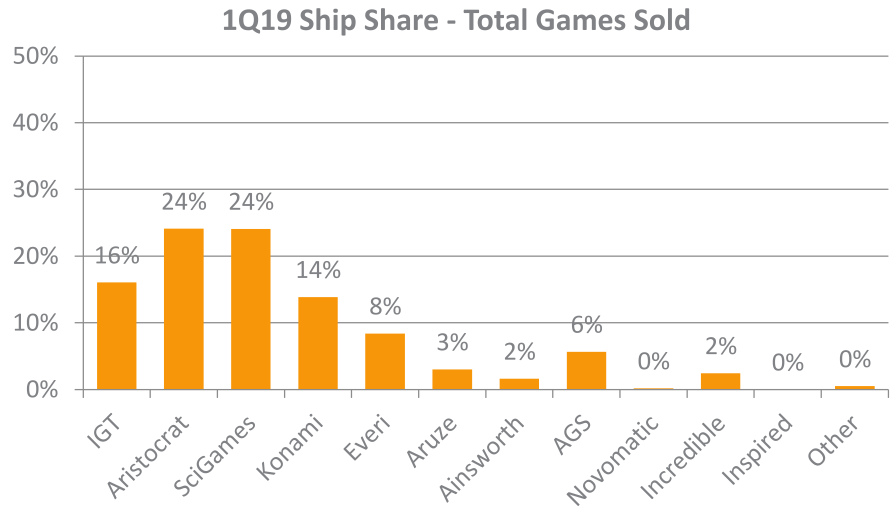
Source: EILERS-FANTINI Quarterly Slot Survey

Ship Share by Supplier for 1Q CY19

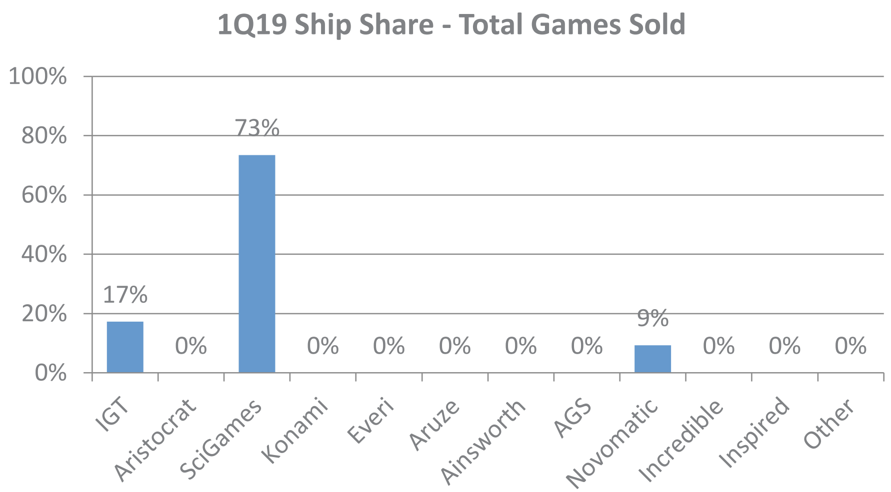
Commercial Casinos



Tribal Casinos

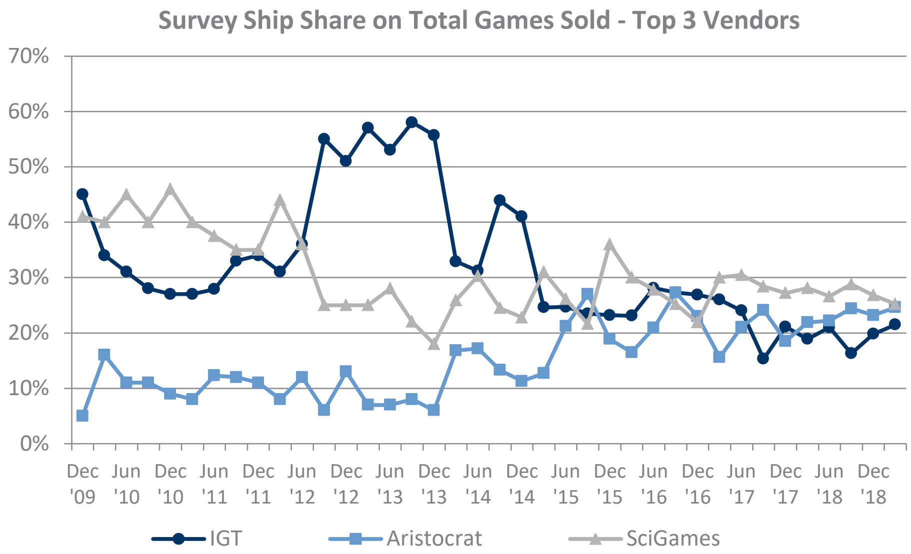


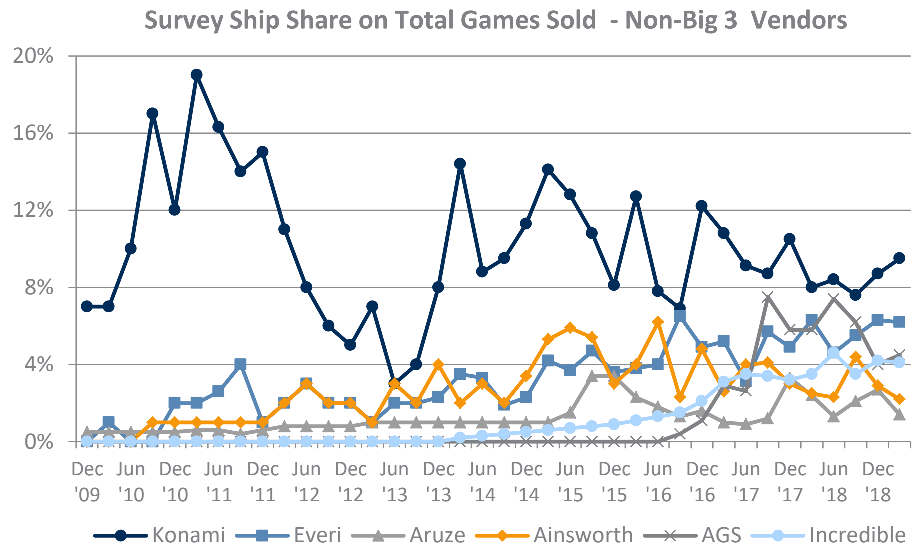
VLT / Route Ops (Canada & Oregon VLTs, IL VGTs)

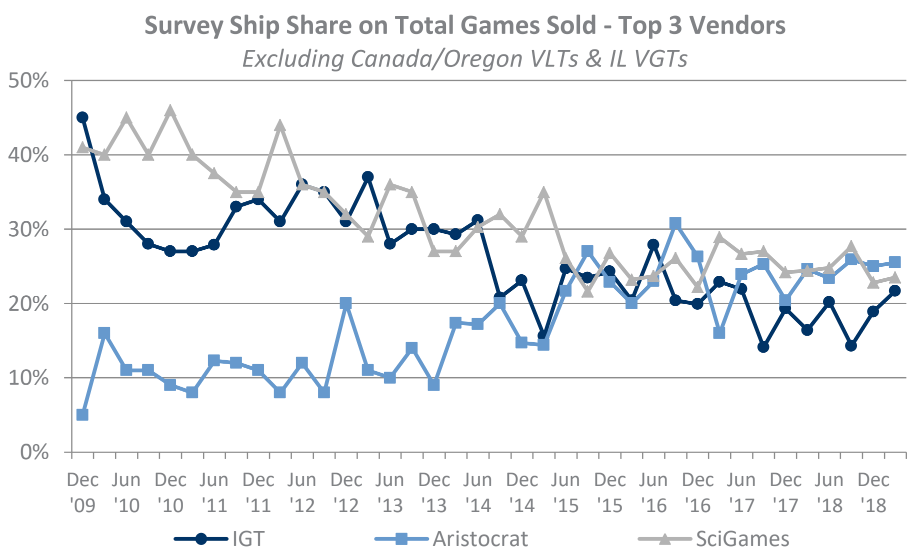


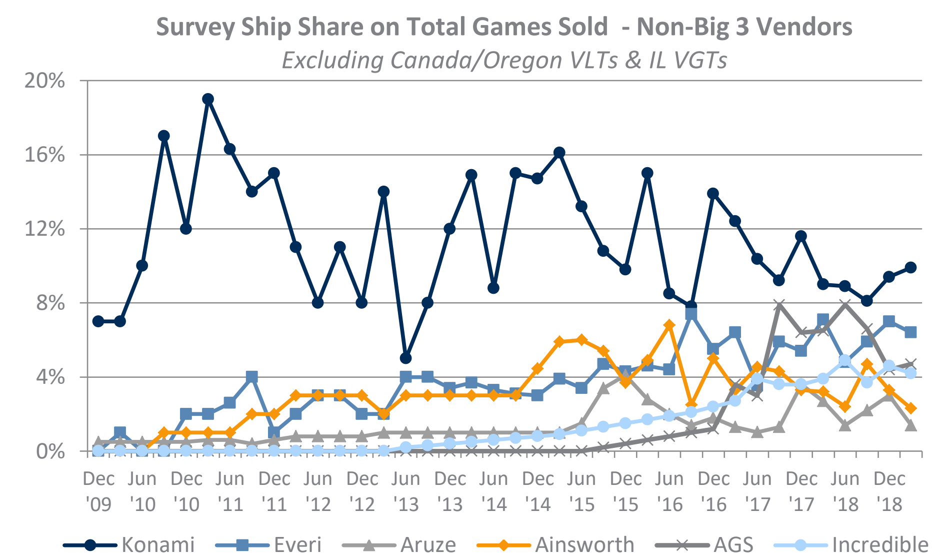
Source: EILERS-FANTINI Quarterly Slot Survey

Ship Share by Supplier for 1Q CY19 - Historical Trends - Total Sales







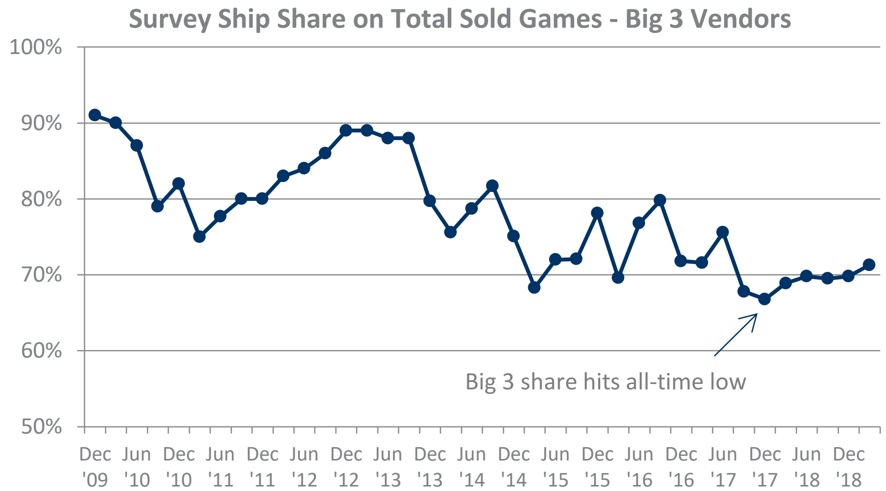


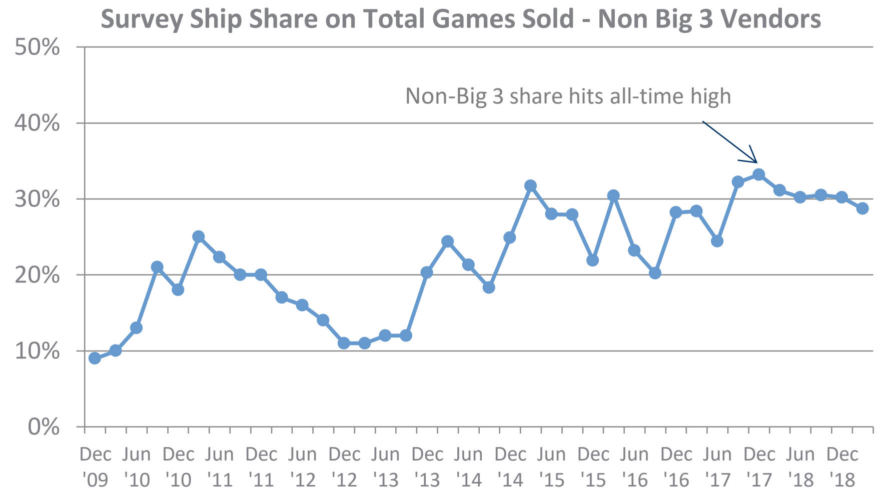
Source: EILERS-FANTINI Quarterly Slot Survey

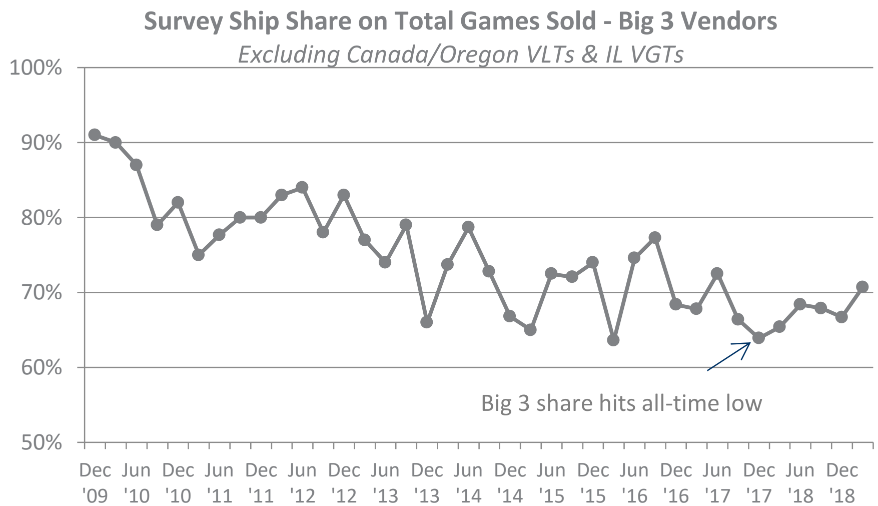
Note: Note, IGT and SciGames previous qtrs have been updated to include historical ship share from GTECH and Bally/SHFL.

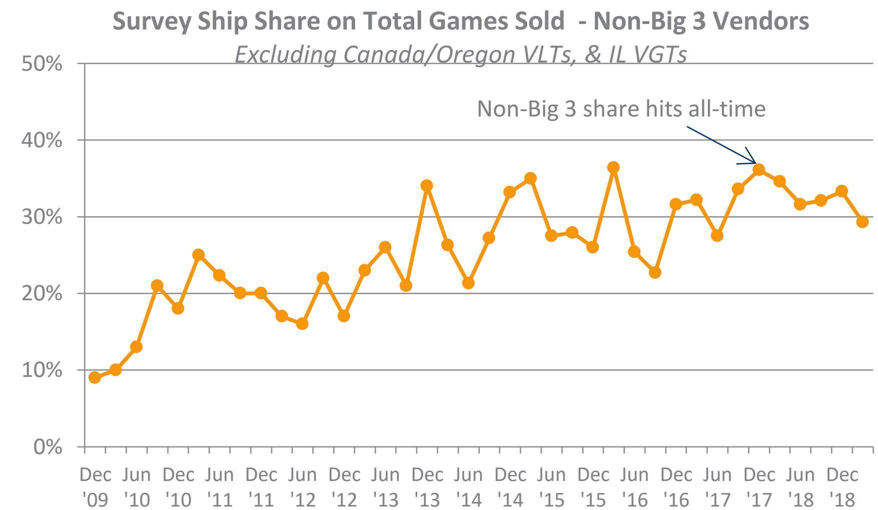
Ship Share by Supplier for 1Q CY19 - Big 3 vs. Non Big 3

As for the current qtr, Top 3 vendors captured ~71% of the US & Canadian game sales in aggregate, which was at or near industry lows. Conversely, Non-Big 3 vendors captured ~29% ship share in aggregate. On an adj. basis, Big 3 vendor ship share was 71% vs. 29% for Non-Big 3 vendors. Below we highlight our quarterly survey ship share grouped into Big 3 share including and excluding Canada & Oregon VLTs & IL VGTs.







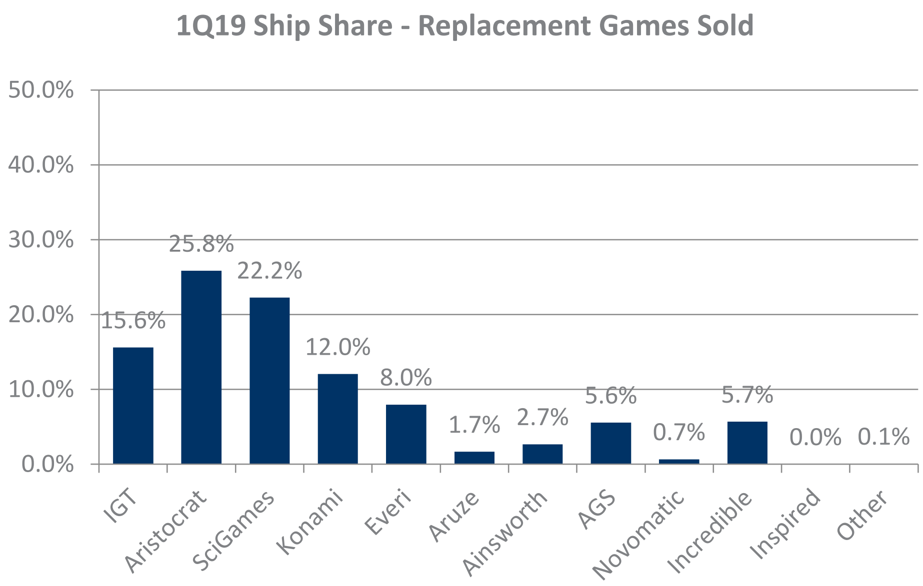


Source: EILERS-FANTINI Quarterly Slot Survey

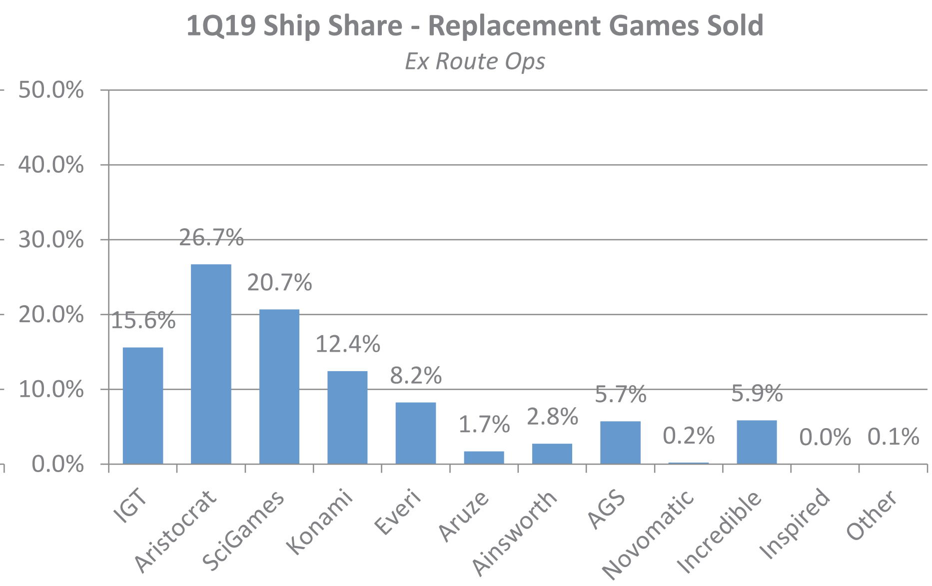
Ship Share by Supplier for 1Q CY19 – U.S. & Canada Replacement Sales

As mentioned previously, our North America survey participants purchased and took delivery of 6,623 replacement slot machines during the quarter. Below we highlight the weighted average "Replacement Sales" ship share across our N. American survey participants.

Total U.S. & Canada



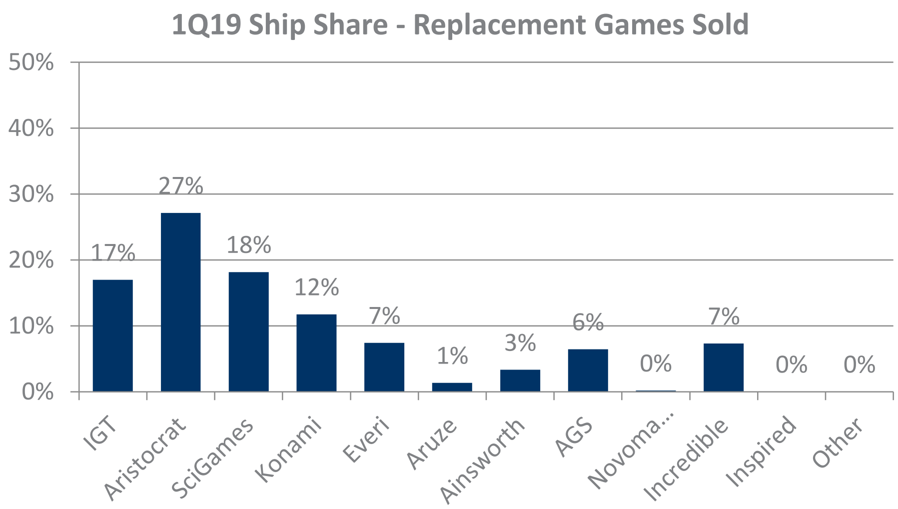
Adj. U.S. & Canada (ex Route Ops)



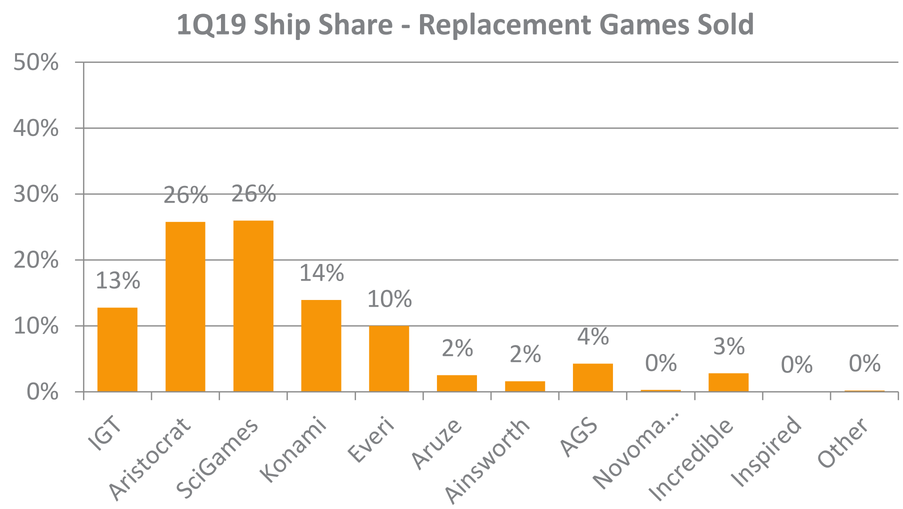
Source: EILERS-FANTINI Quarterly Slot Survey

Ship Share by Supplier for 1Q CY19 - U.S. & Canada Replacement Sales

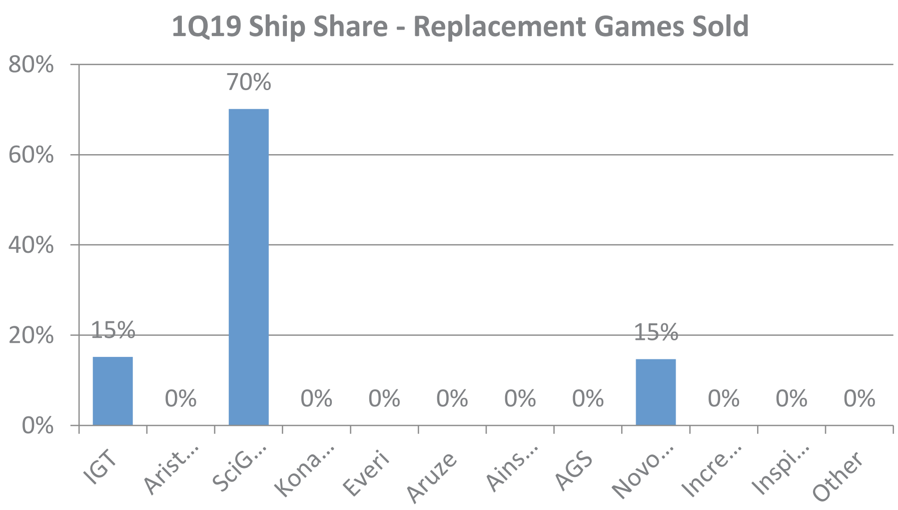
Commercial Casinos



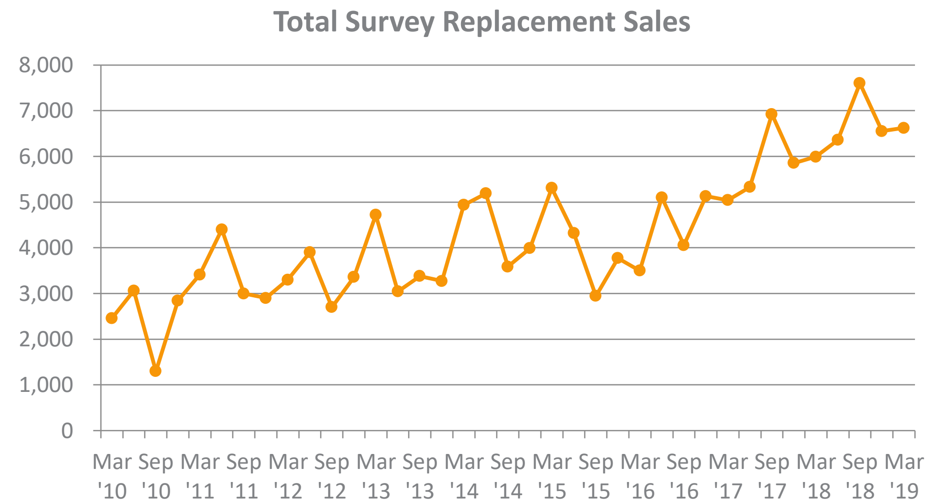
Tribal Casinos



VLT / Route Ops



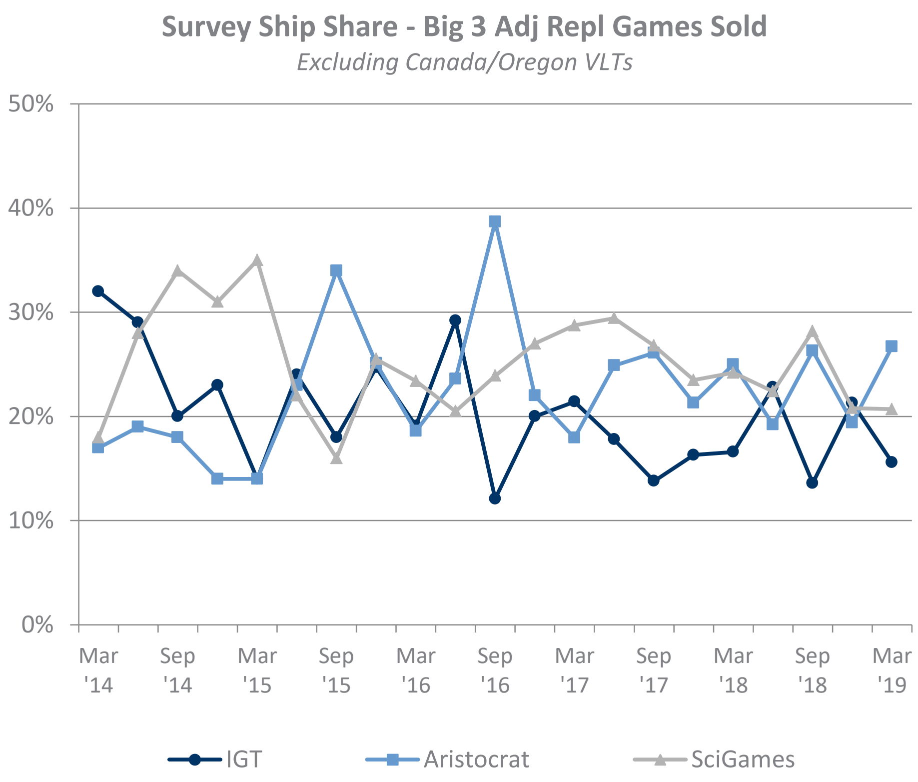
Total Survey Replacement Sales by qtr

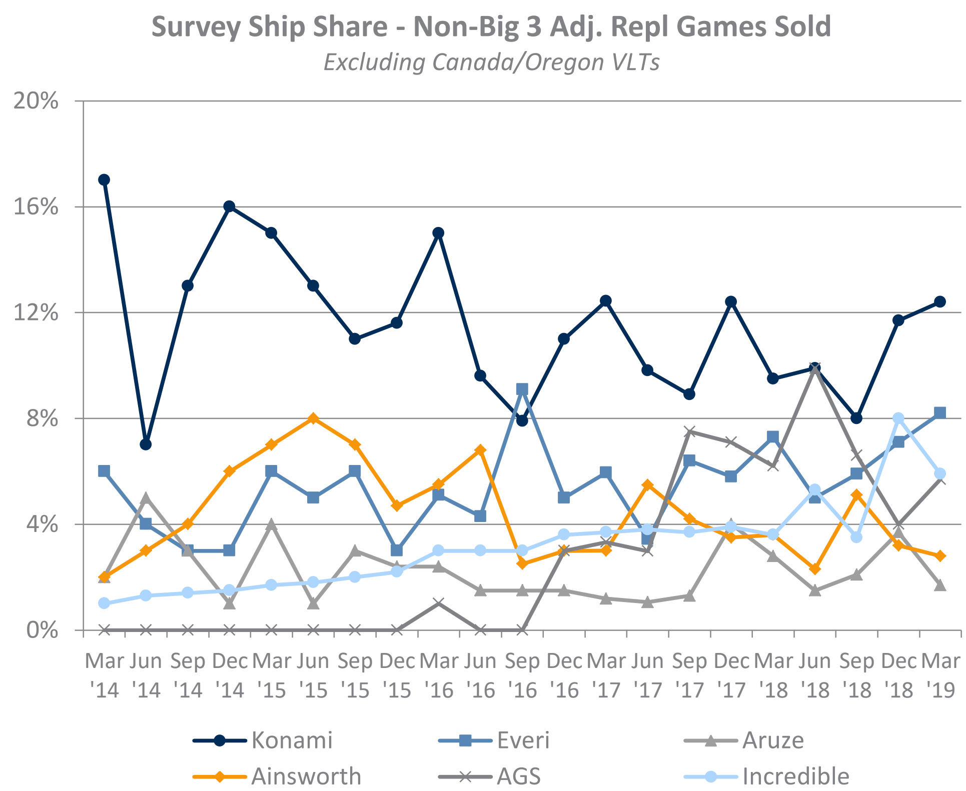


Source: EILERS-FANTINI Quarterly Slot Survey

Ship Share by Supplier for 1Q CY19 - U.S. & Canada Replacement Sales

Historical Survey Trends – Adj. Repl Sales excluding Canada & Oregon VLTs

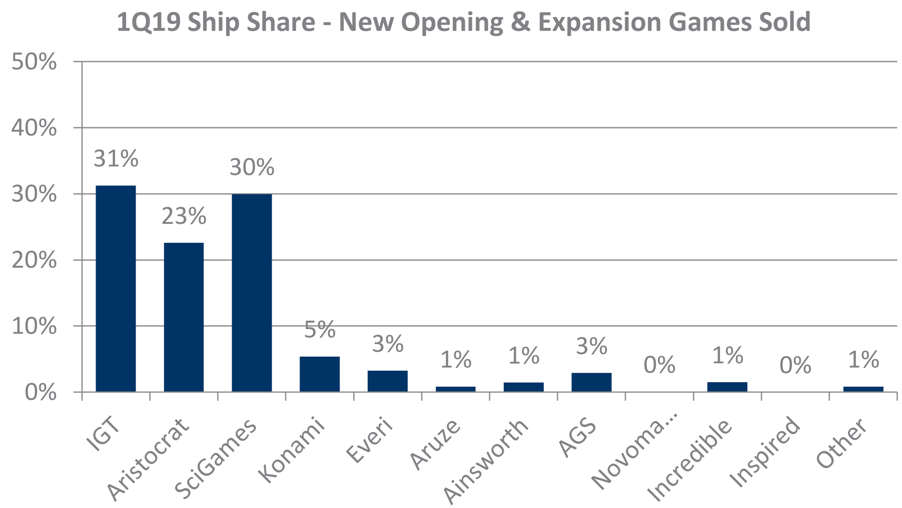




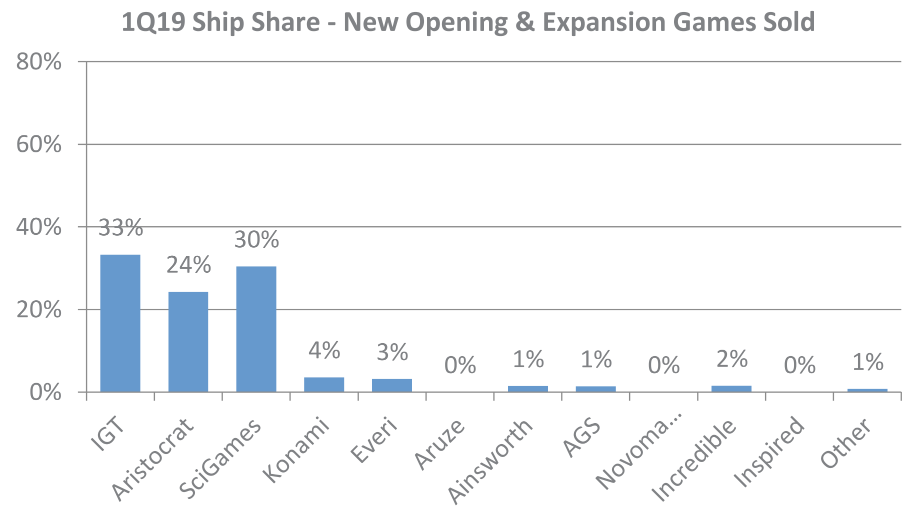
Source: EILERS-FANTINI Quarterly Slot Survey

Ship Share by Supplier for 1Q CY19 - U.S. & Canada New Opening & Exp Sales

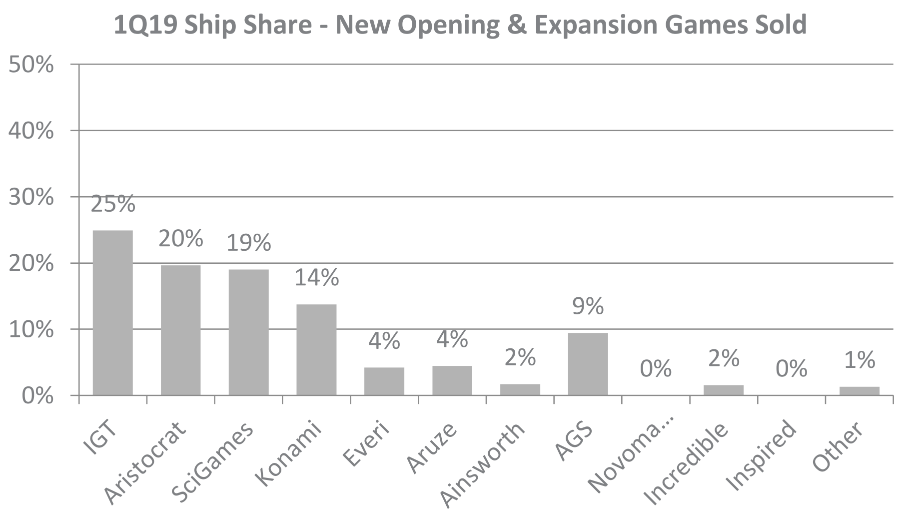
U.S. & Canada – All participants



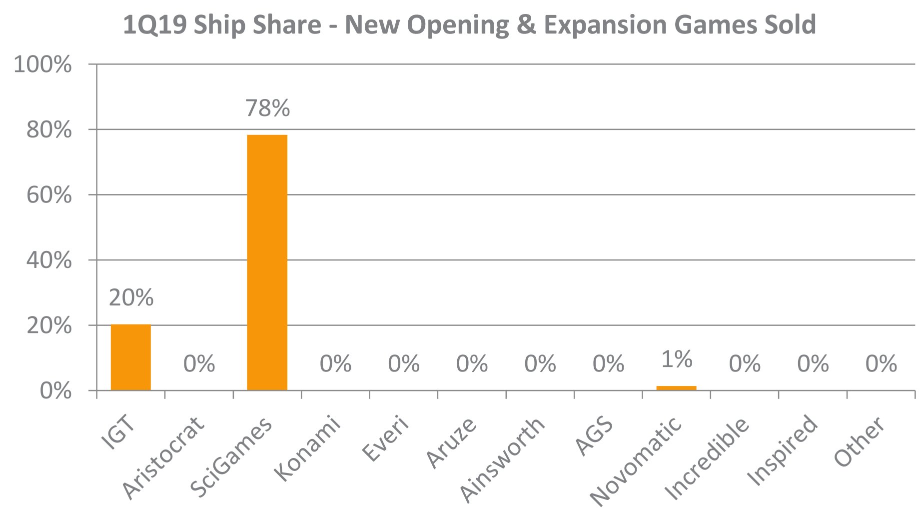
Commercial Casinos



Tribal Casinos



VLT / Route Ops

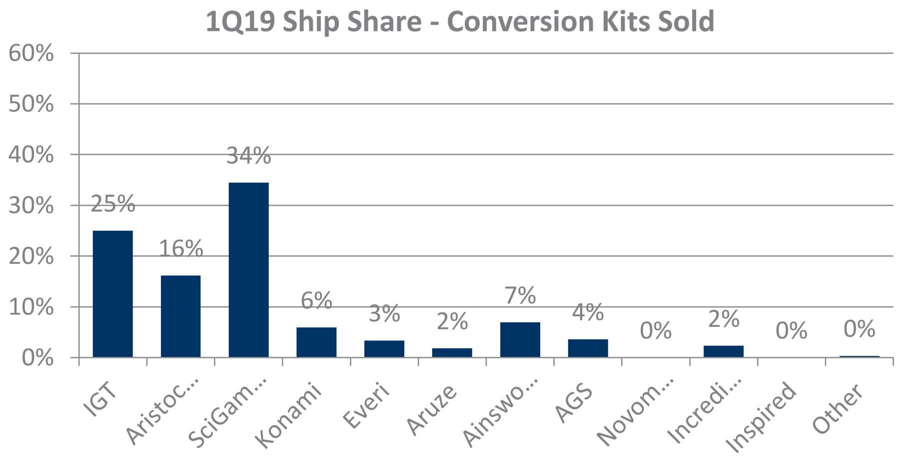


Source: EILERS-FANTINI Quarterly Slot Survey

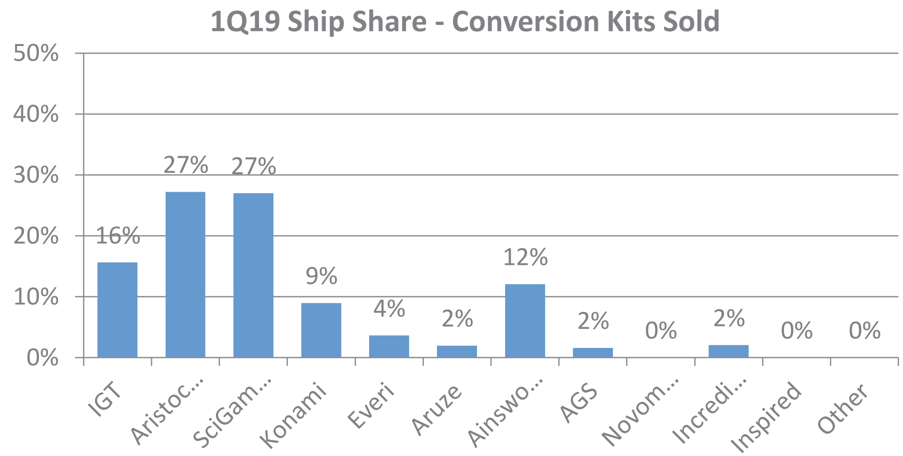
Ship Share by Supplier for 1Q CY19 – U.S. & Canada Conversion Kits

As mentioned previously, our N. America survey participants purchased 4,033 conversion kits in the qtr. Below we highlight the number of Conversion kits purchased in the qtr by our N. American survey participants and the ship share by supplier during the quarter.

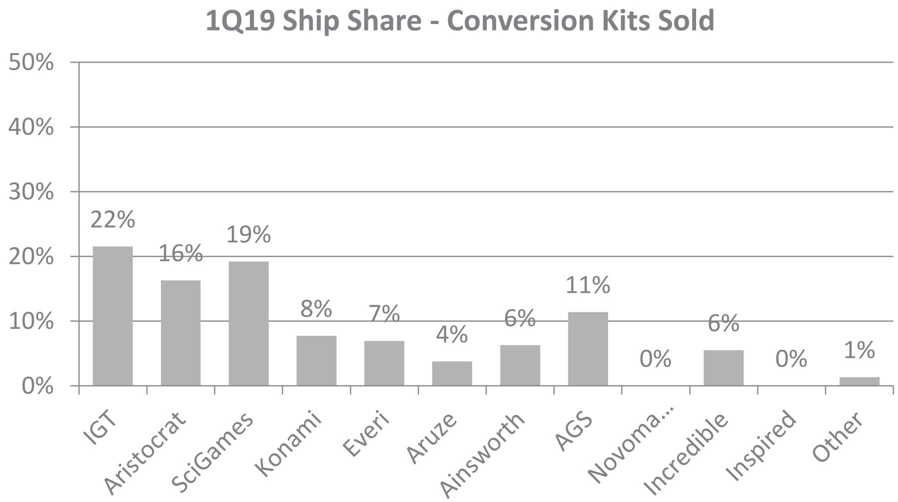
U.S. & Canada Total



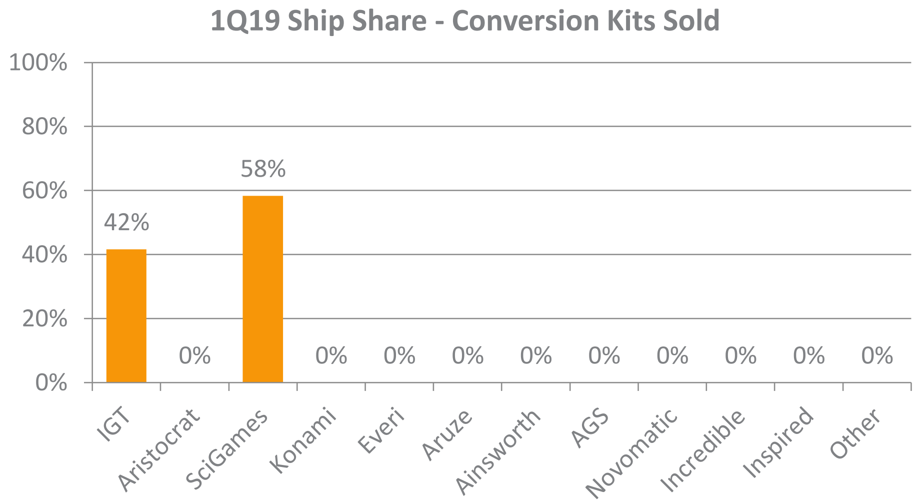
Commercial Casinos



Tribal Casinos



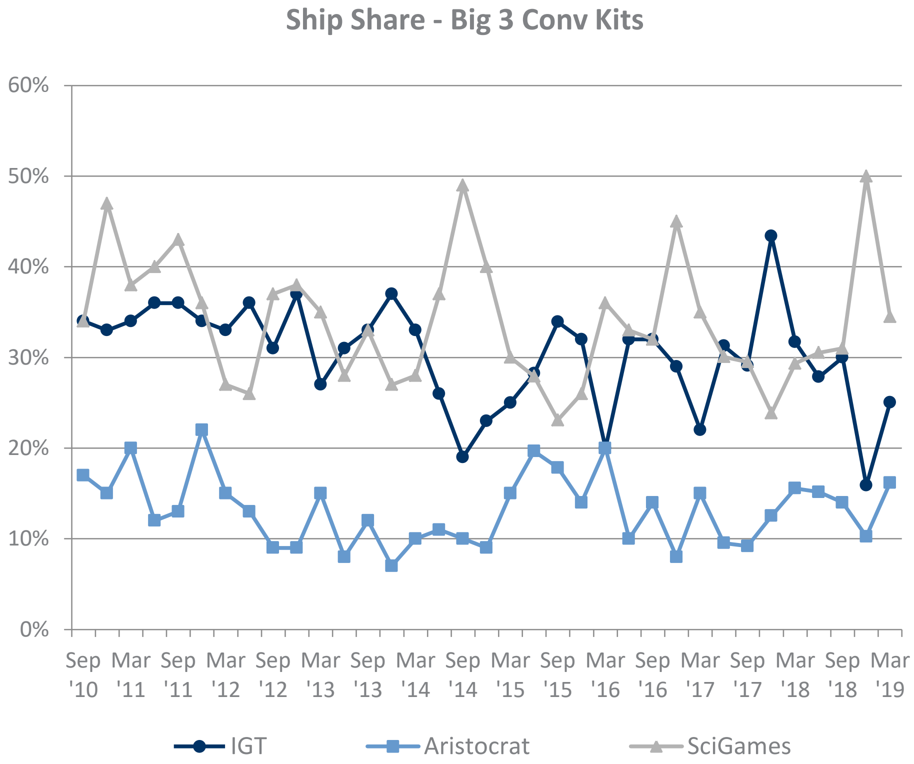
VLT / Route Ops

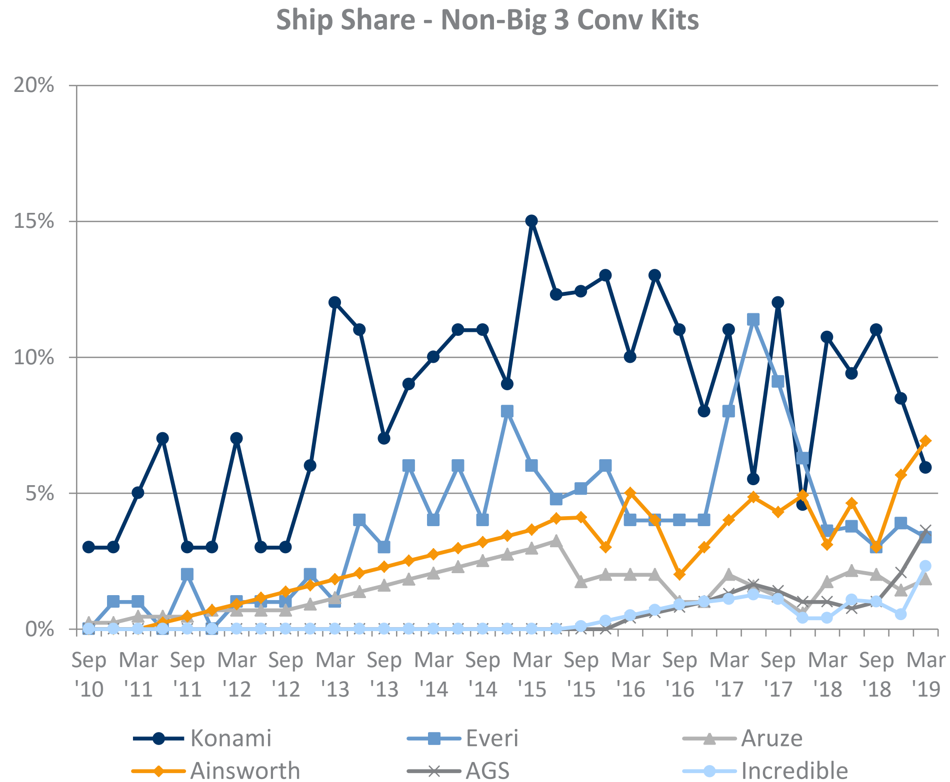


Source: EILERS-FANTINI Quarterly Slot Survey

Ship Share by Supplier for 1Q CY19 - N. America Conversion Kits

Historical Trends

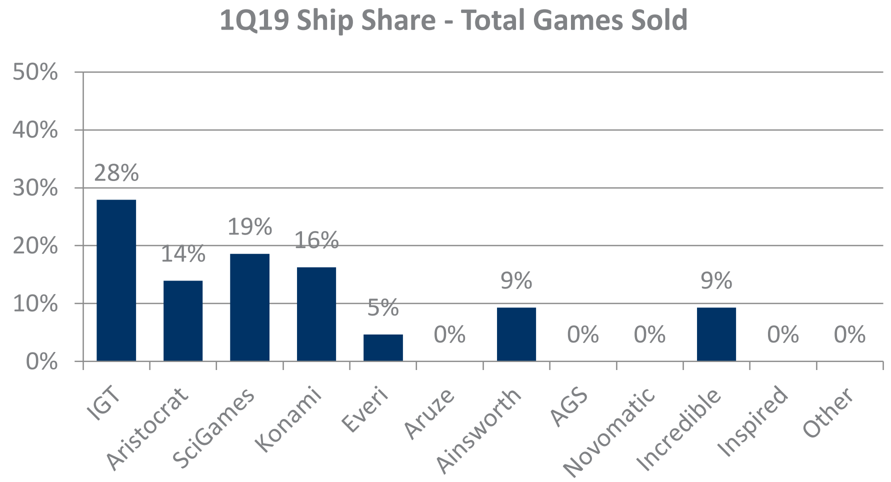




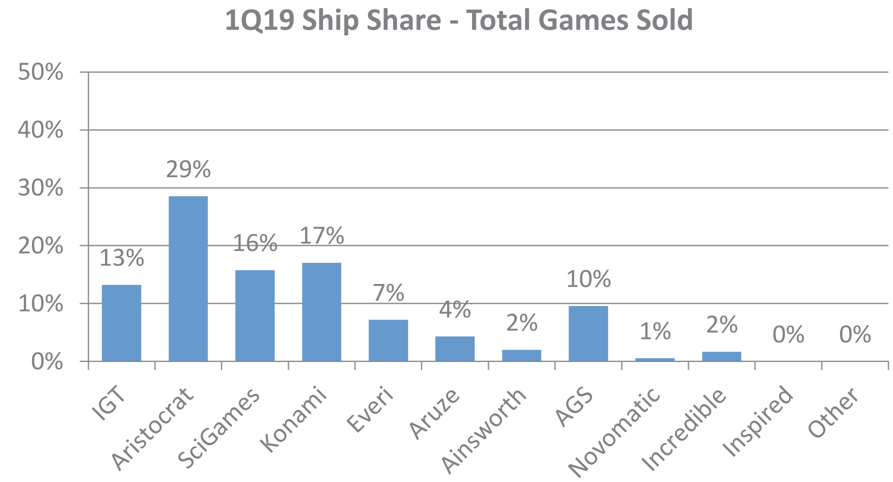
Source: EILERS-FANTINI Quarterly Slot Survey

N. America Regional Ship Share for 1Q CY19

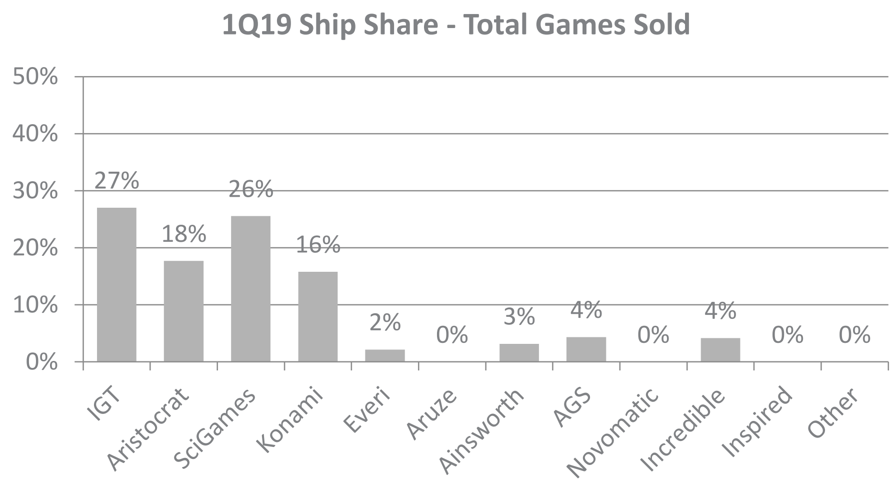
Arizona – 3 Casinos



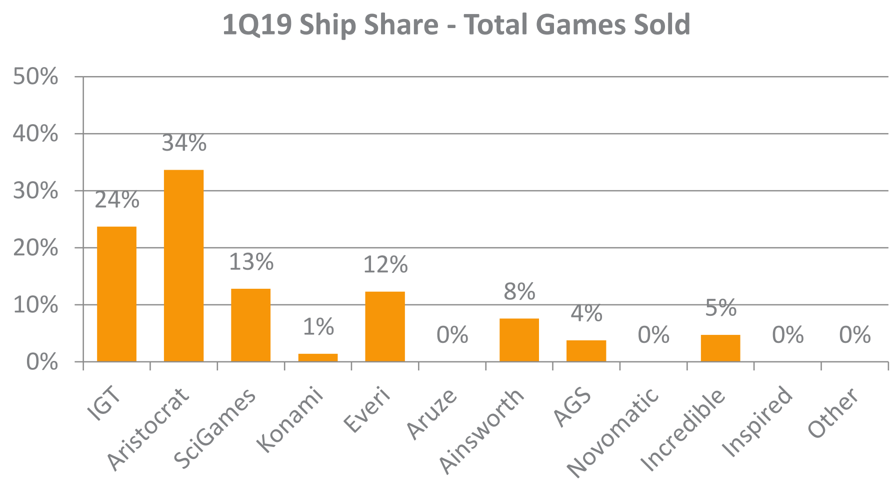
California – 16 Casinos (9 Southern Cal, 7 Northern Cal)



Canadian (Slots Only) – 73 Casinos



Colorado – 14 Casinos

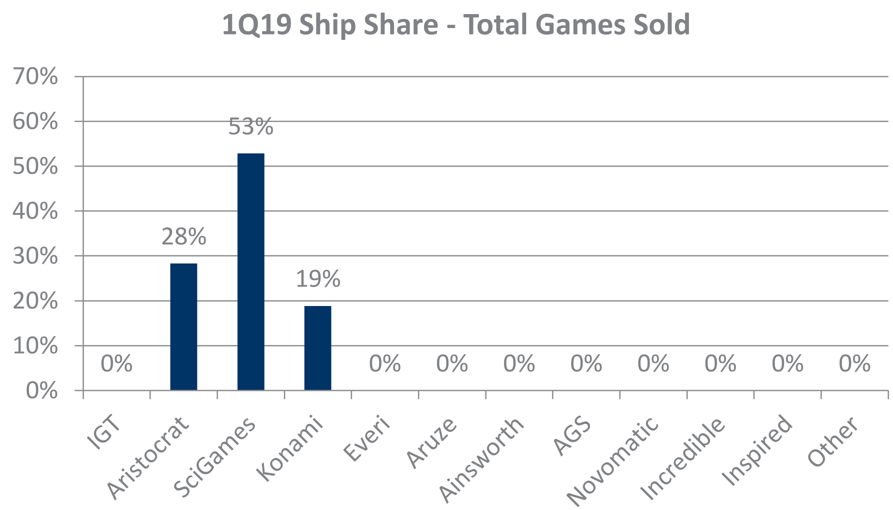


Source: EILERS-FANTINI Quarterly Slot Survey

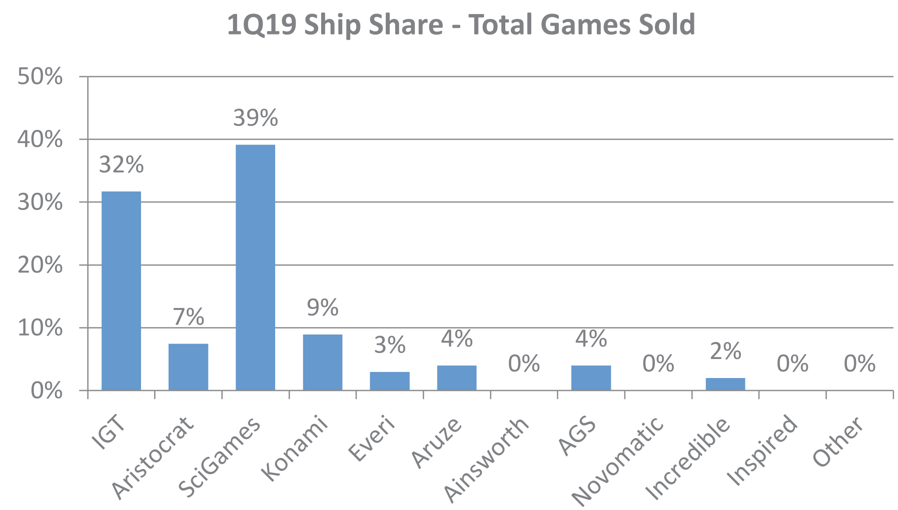
Note, regional ship share includes both replacement and new and expansionary sales.

N. America Regional Ship Share for 1Q CY19

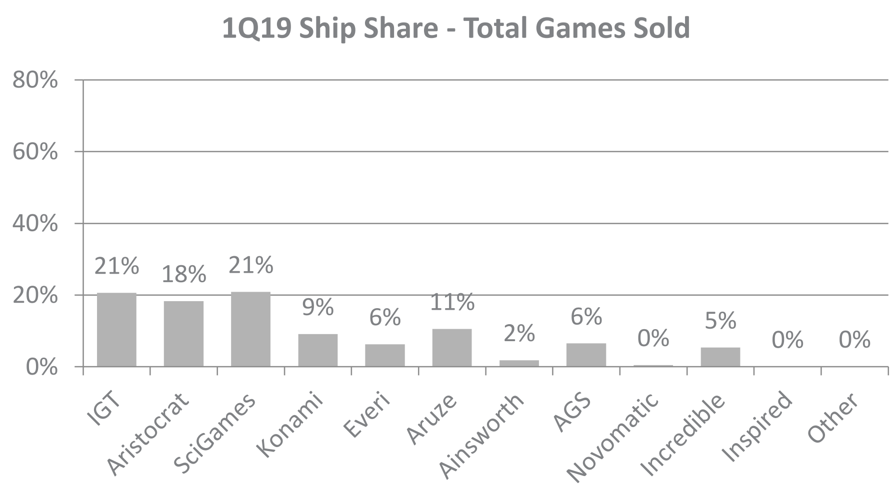
Delaware Casinos – 2 Casinos



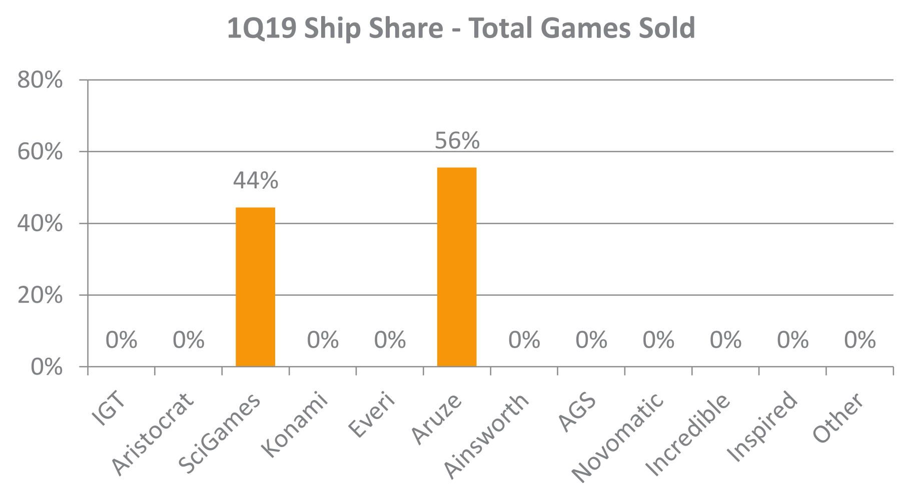
Florida Casinos – 2 Casinos



Florida Cruises – 75 Ships



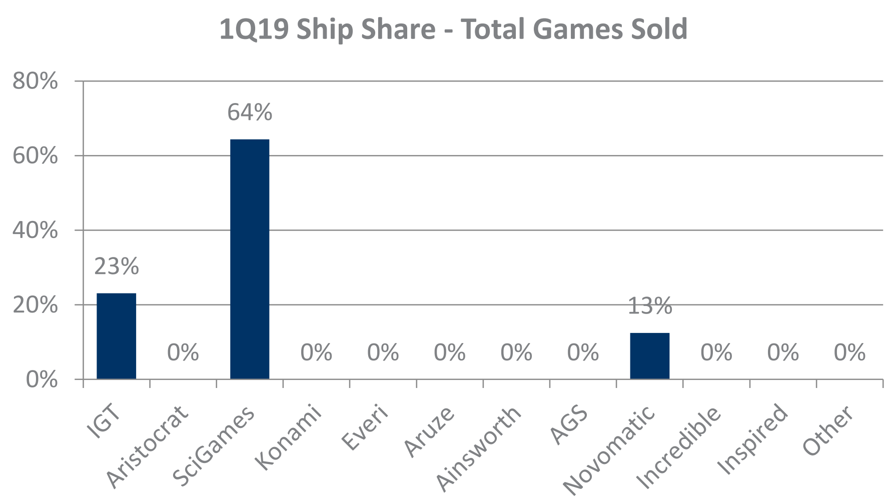
Iowa Casinos – 3 Casinos



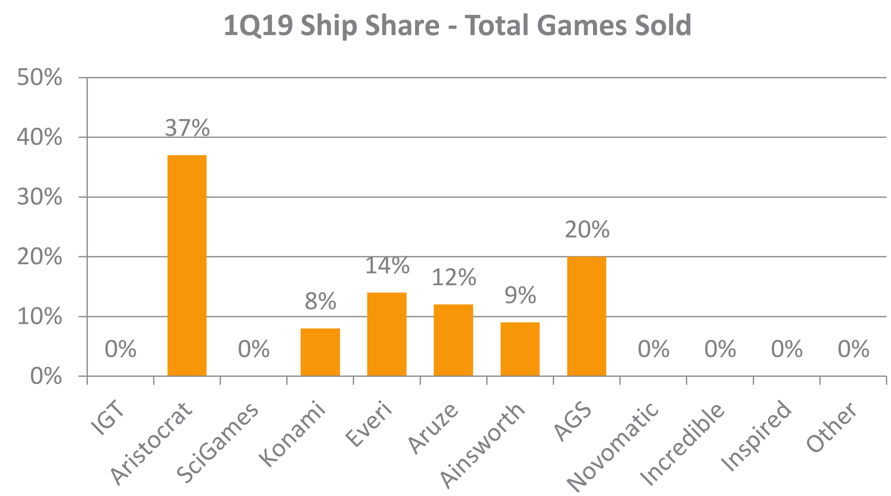
Source: EILERS-FANTINI Quarterly Slot Survey

N. America Regional Ship Share for 1Q CY19

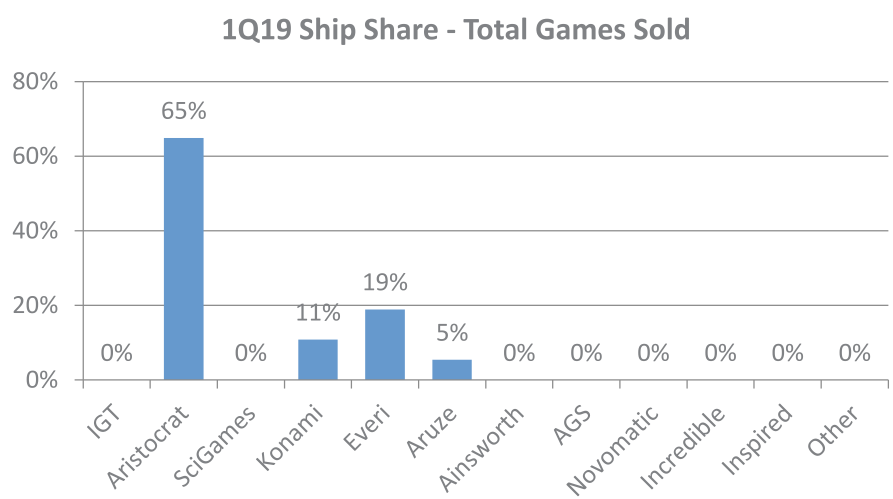
IL VGTs – 2 Route Operators



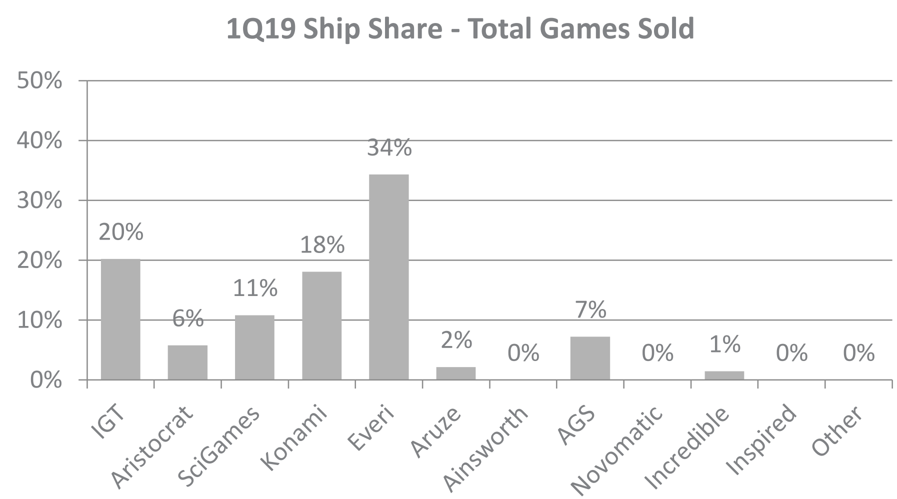
Kansas – 3 Casinos



Louisiana – 3 Casinos



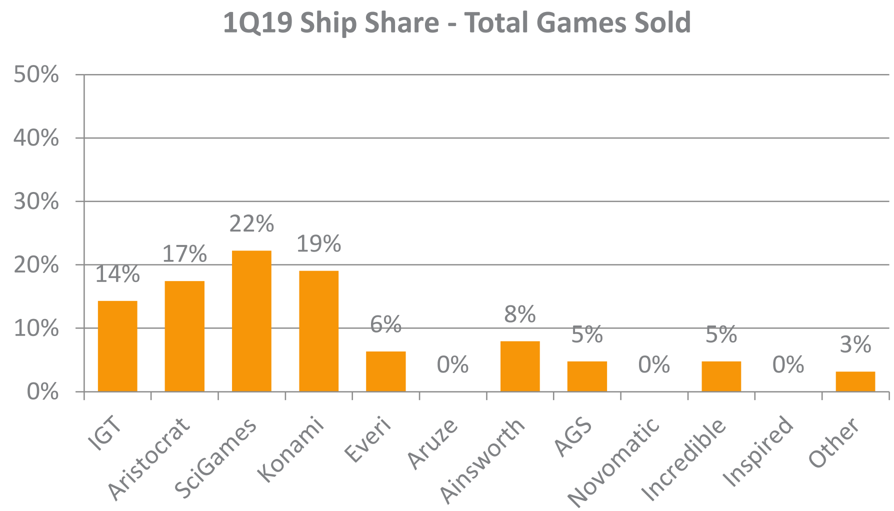
Michigan - 4 casinos



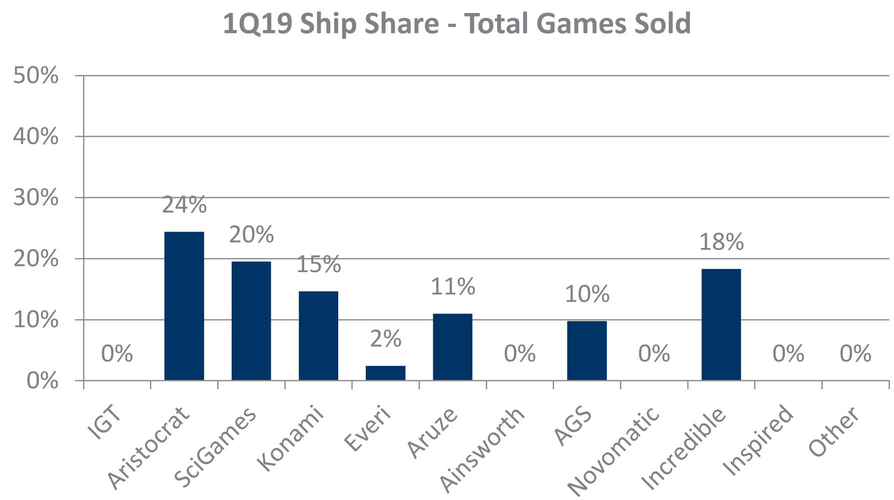
Source: EILERS-FANTINI Quarterly Slot Survey

N. America Regional Ship Share for 1Q CY19

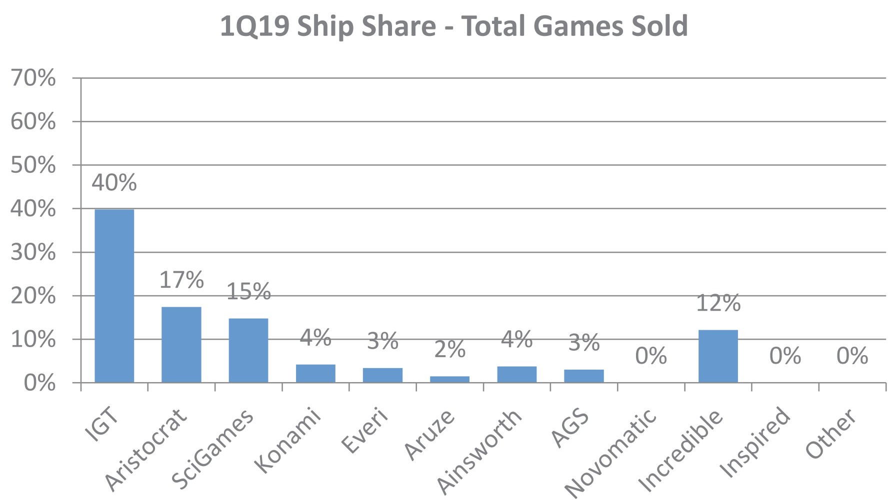
Minnesota - 5 casinos



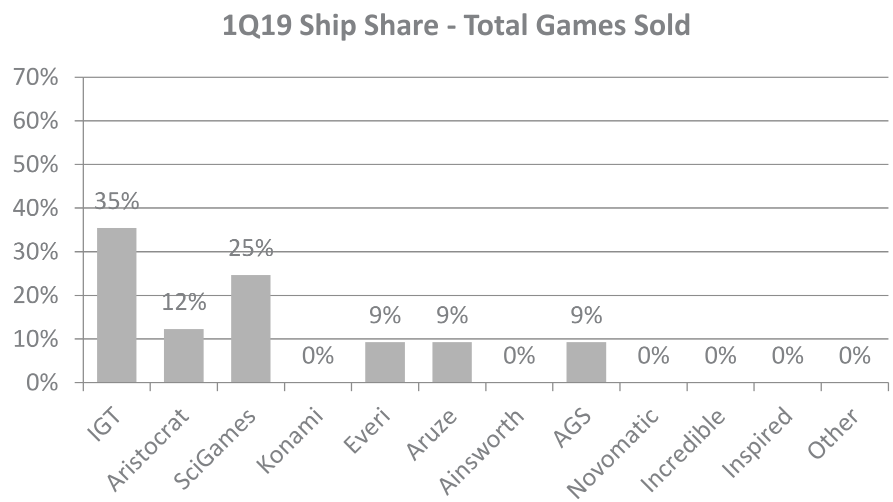
Mississippi - 4 casinos



Nevada – 18 Casinos



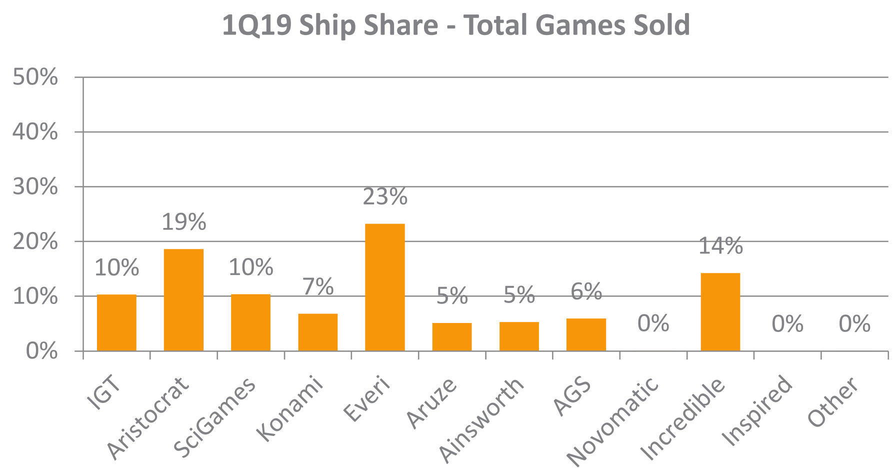
New Mexico – 8 Casinos



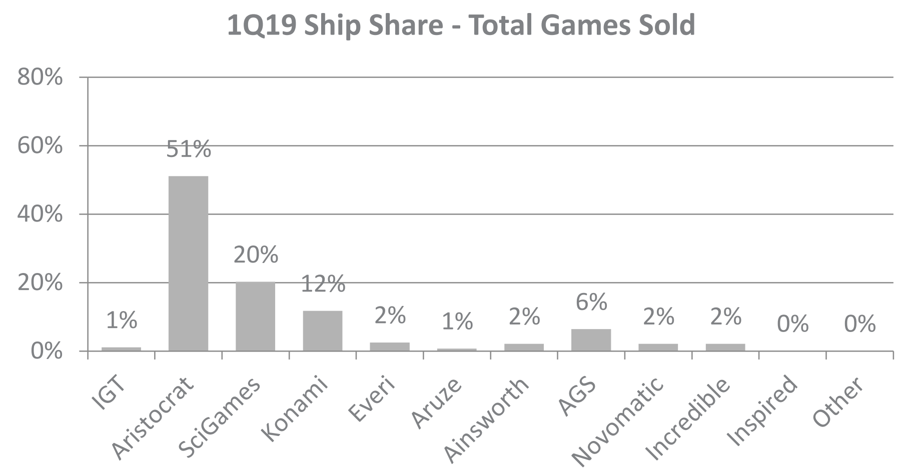
Source: EILERS-FANTINI Quarterly Slot Survey

N. America Regional Ship Share for 1Q CY19

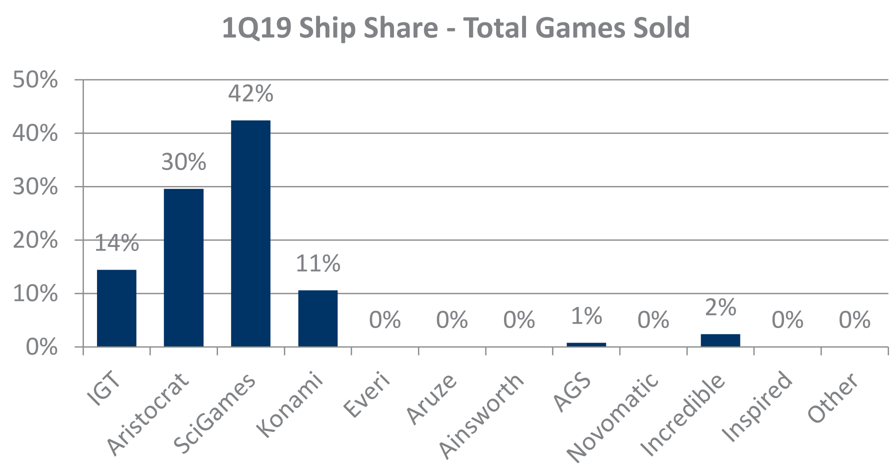
New York - 9 casinos



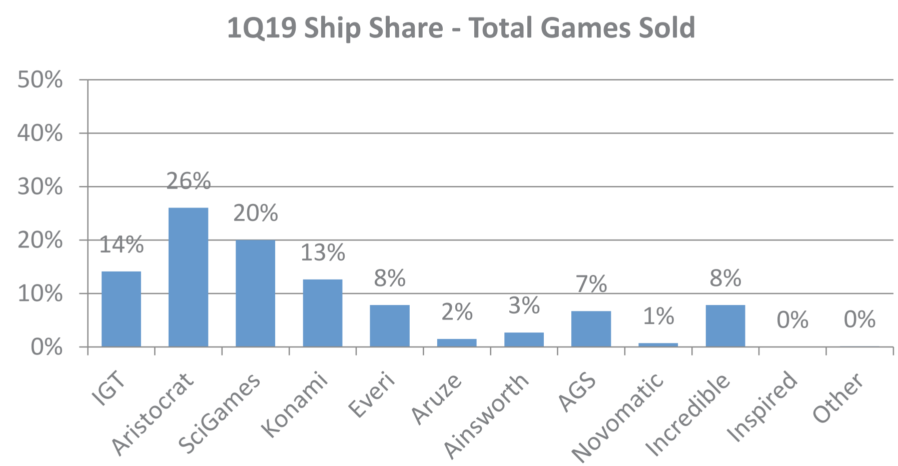
Ohio – 5 Casinos



Oklahoma – 71 Casinos (Incl Operators & Distributors)



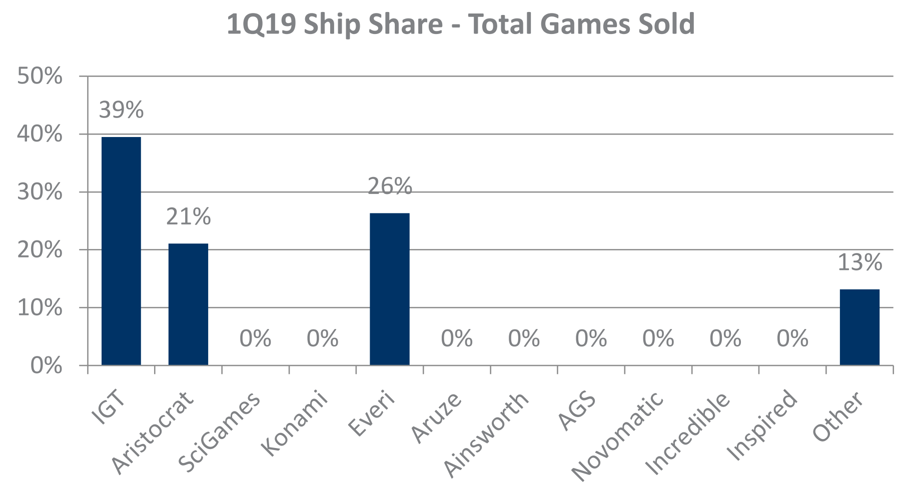
Pennsylvania - 2 casinos



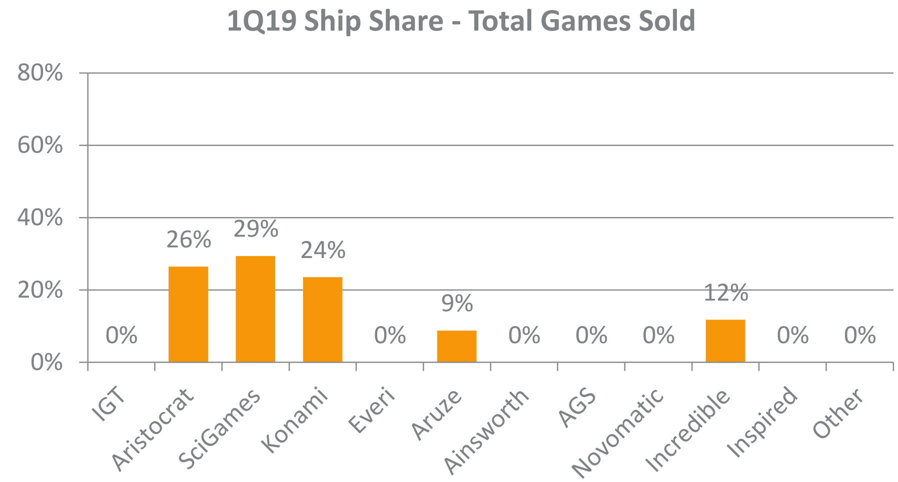
Source: EILERS-FANTINI Quarterly Slot Survey

N. America Regional Ship Share for 1Q CY19

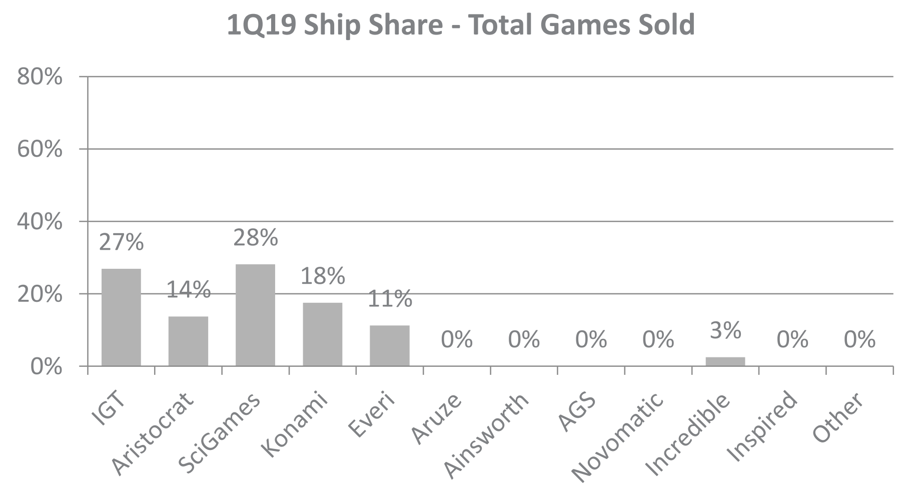
Washington - 3 casinos



Wisconsin – 7 Casinos



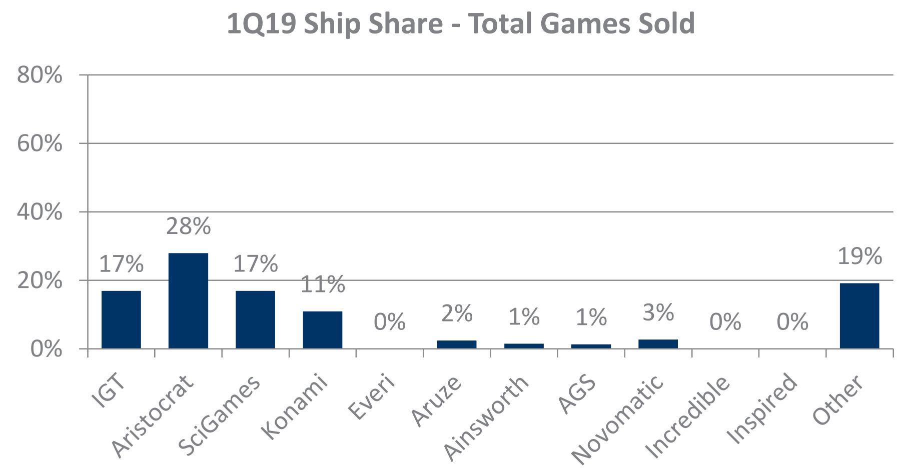
West Virginia – 2 Casinos

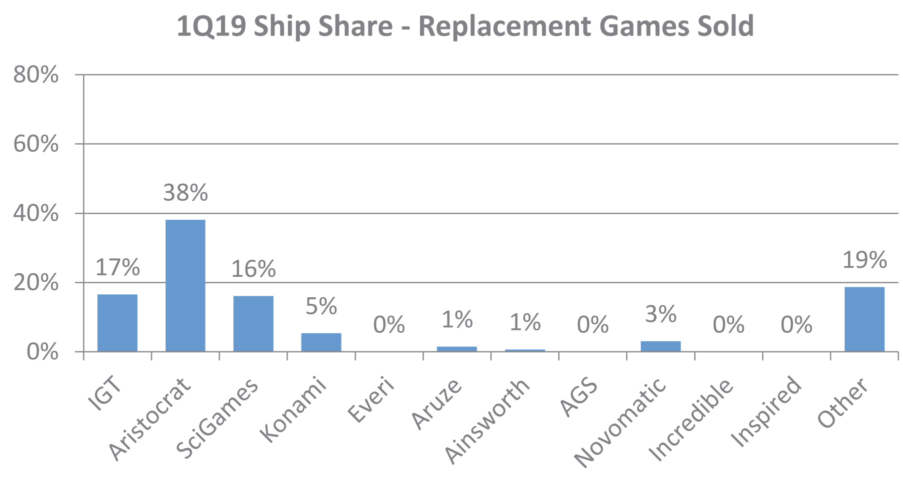


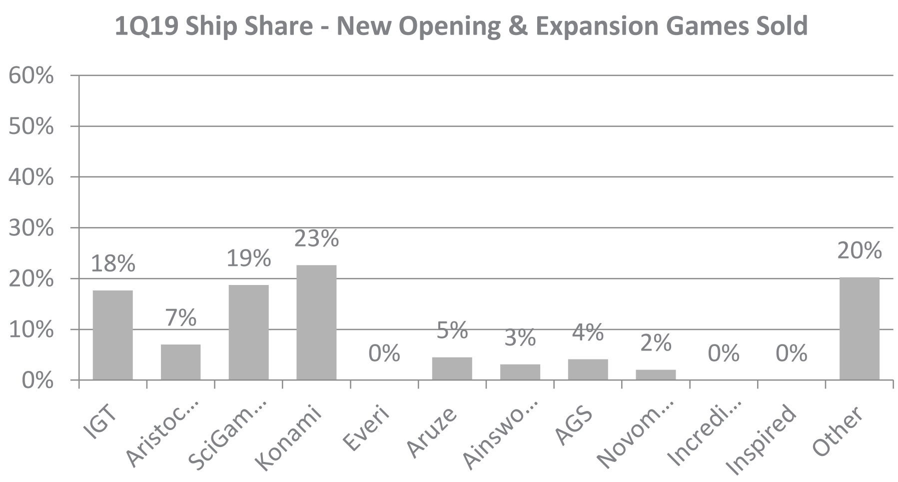
Source: EILERS-FANTINI Quarterly Slot Survey

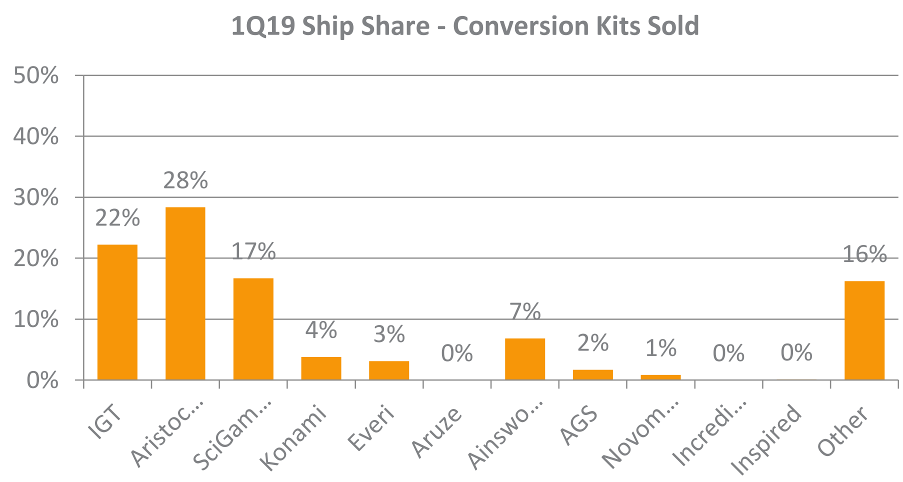
International - Regional Ship Share for 1Q CY19

International – 207 Casinos





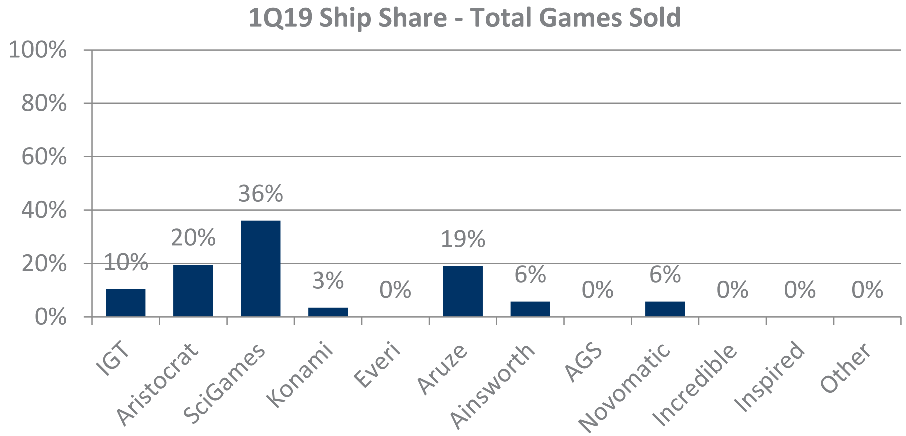


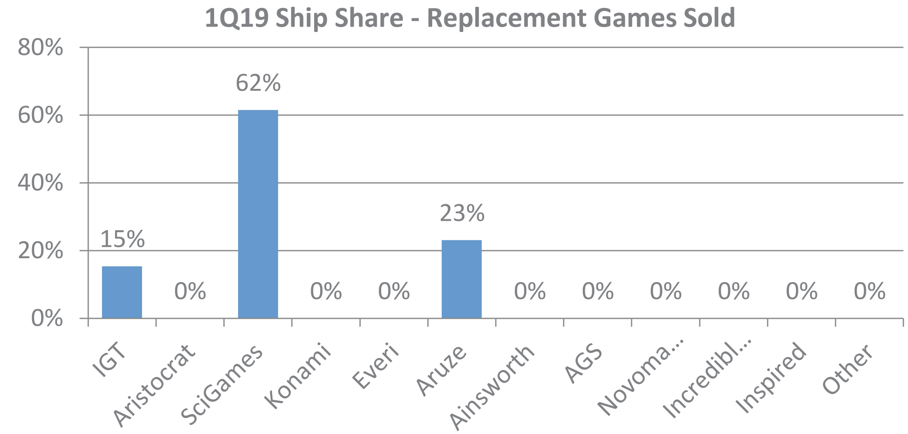


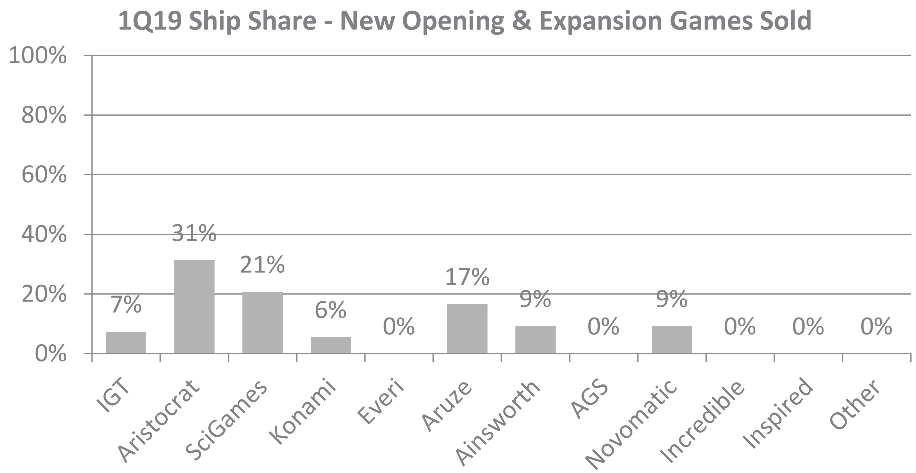
Source: EILERS-FANTINI Quarterly Slot Survey

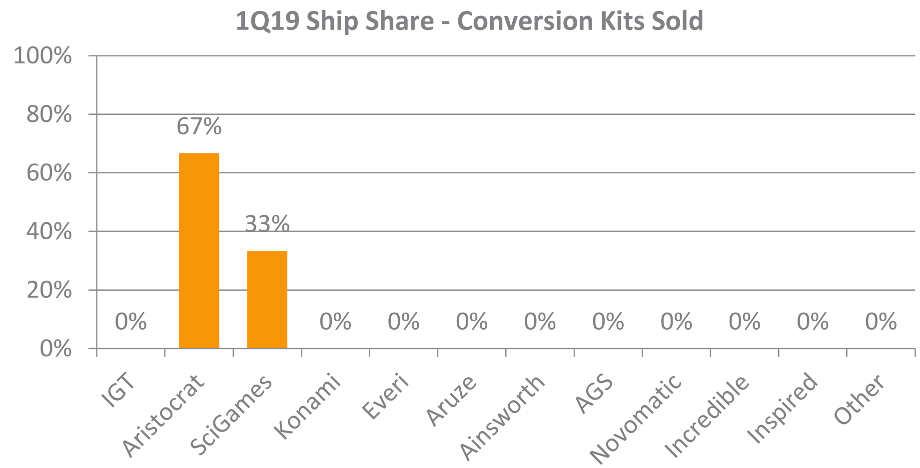
International - Regional Ship Share for 1Q CY19

Asia – 9 Casinos





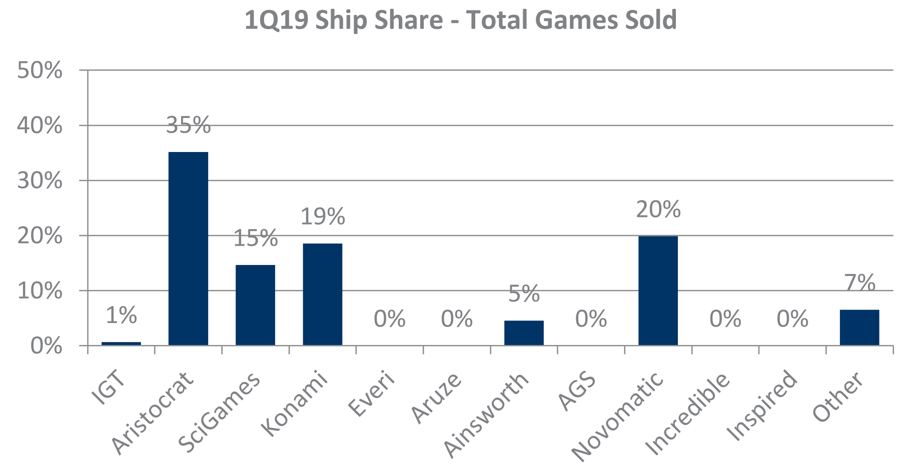


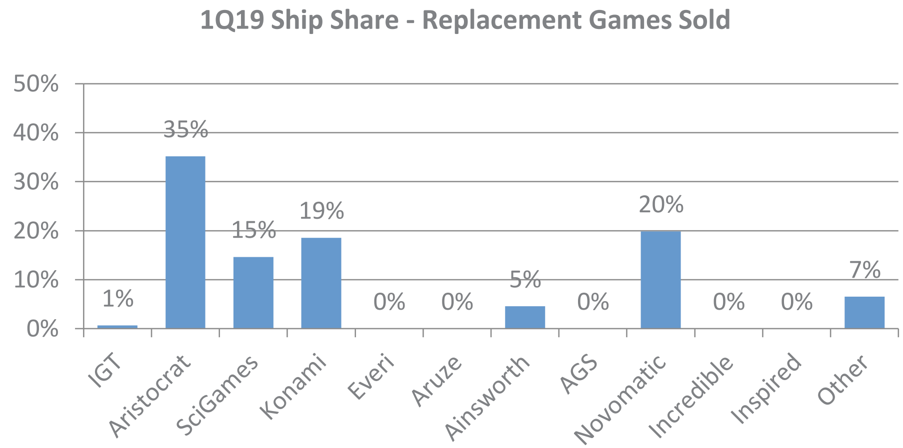


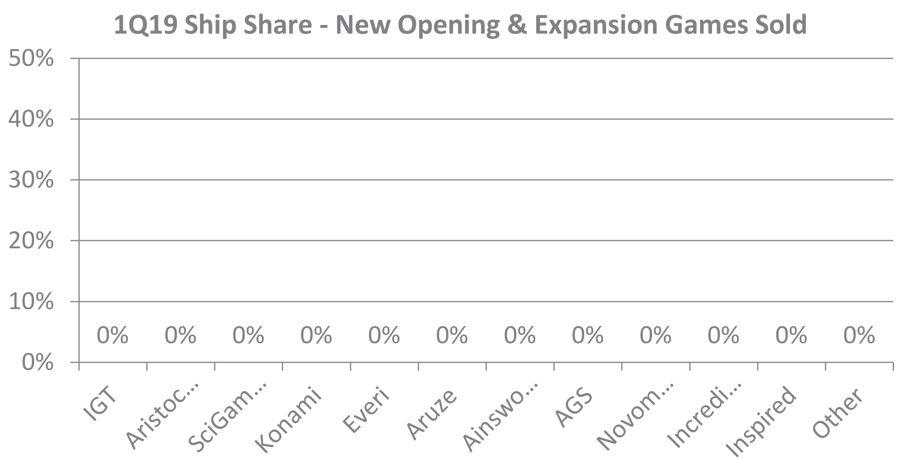
Source: EILERS-FANTINI Quarterly Slot Survey

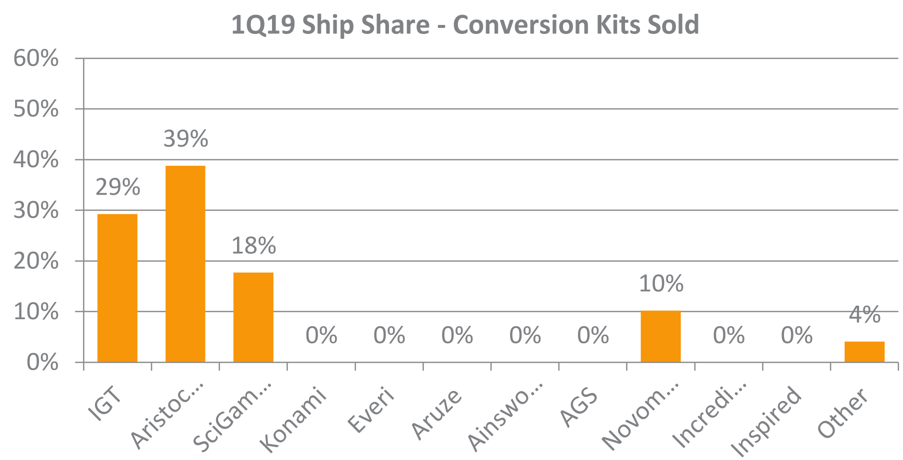
International - Regional Ship Share for 1Q CY19

Europe – 34 Casinos





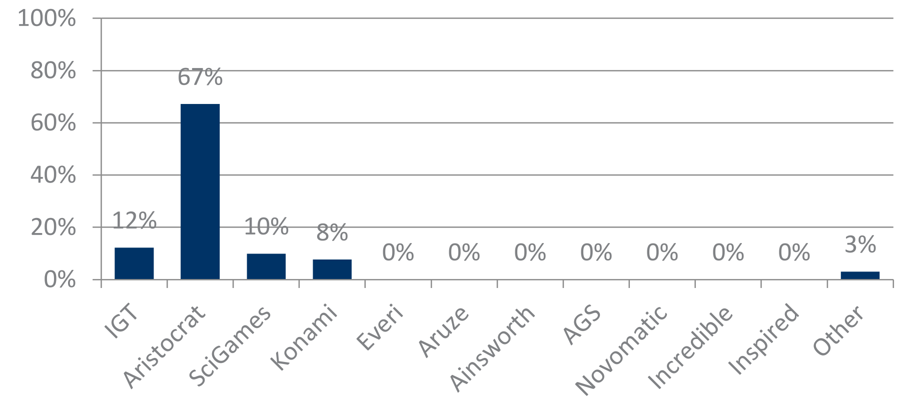


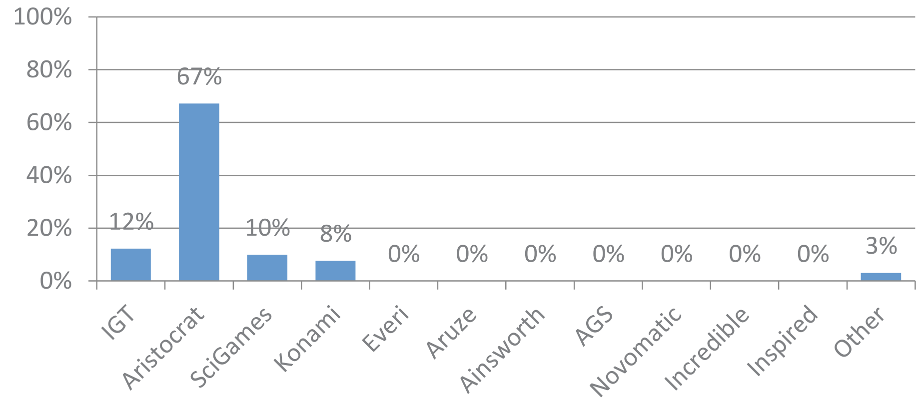


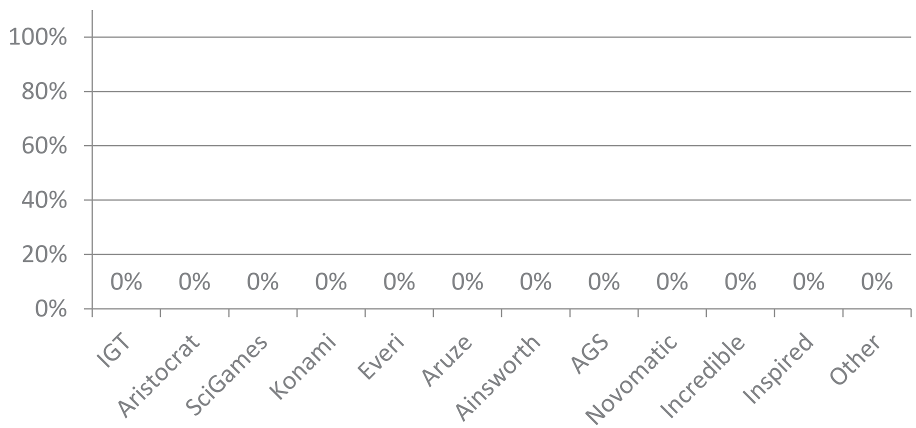
Source: EILERS-FANTINI Quarterly Slot Survey

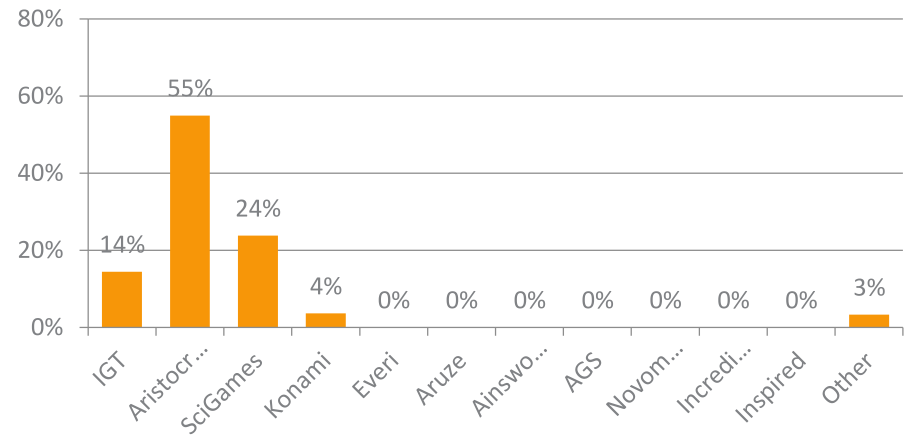
International - Regional Ship Share for 1Q CY19

Australia / NZ – 2 Casinos





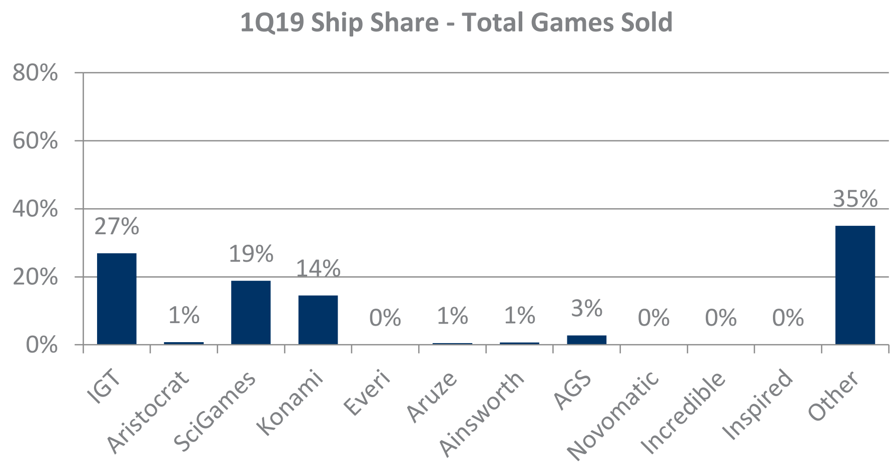


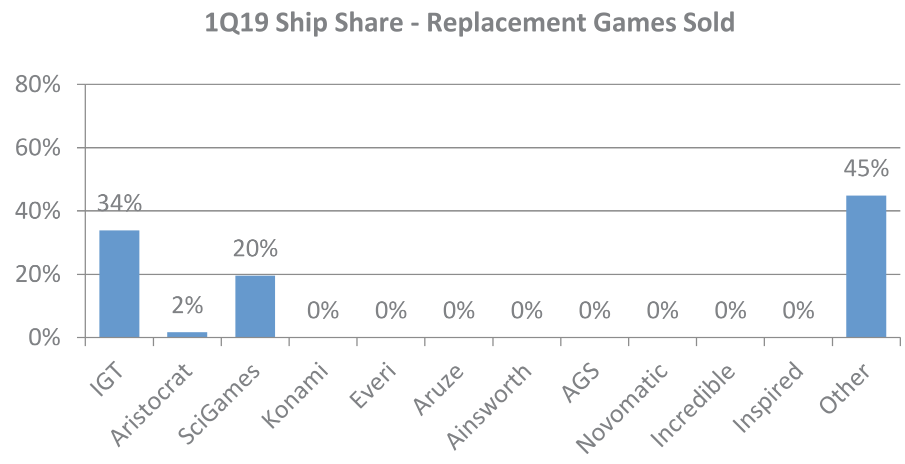


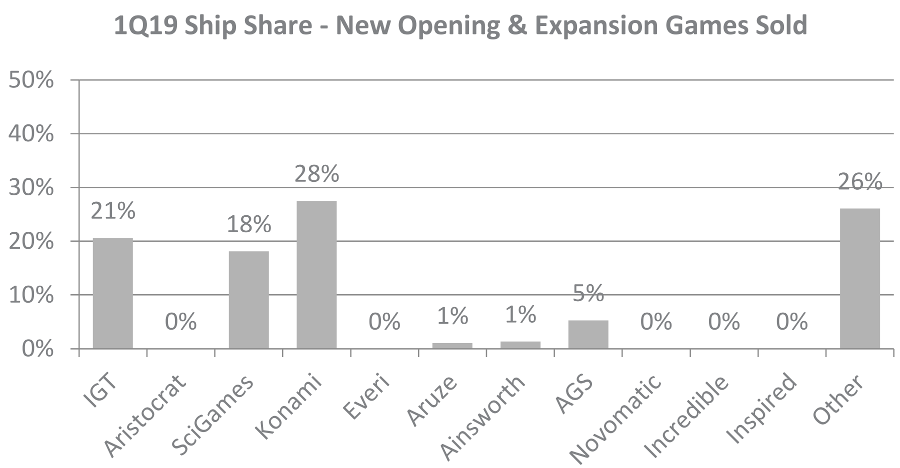
Source: EILERS-FANTINI Quarterly Slot Survey

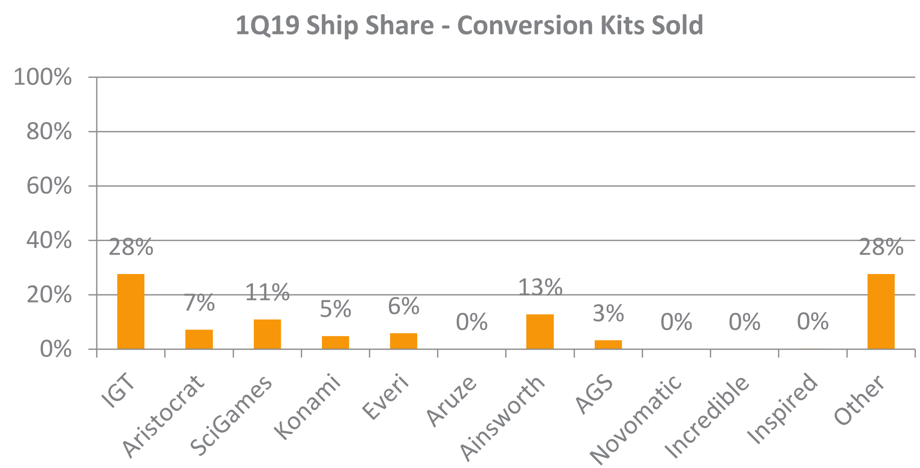
International - Regional Ship Share for 1Q CY19

Latin America – 139 casinos





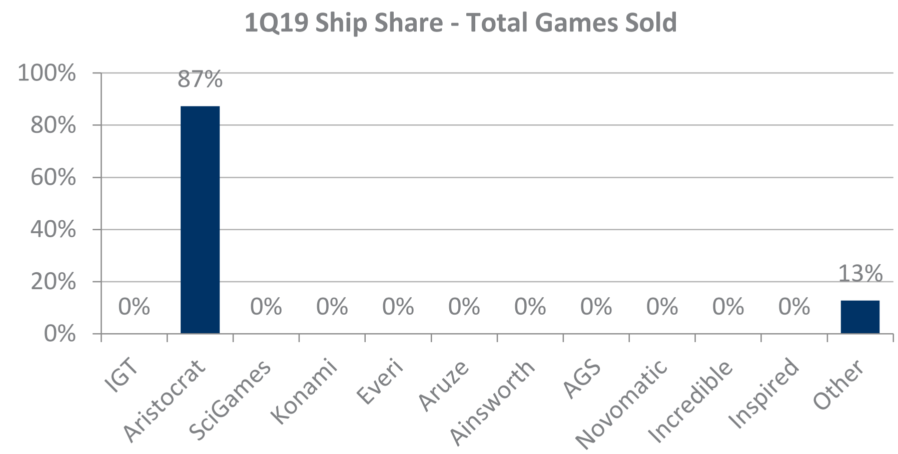


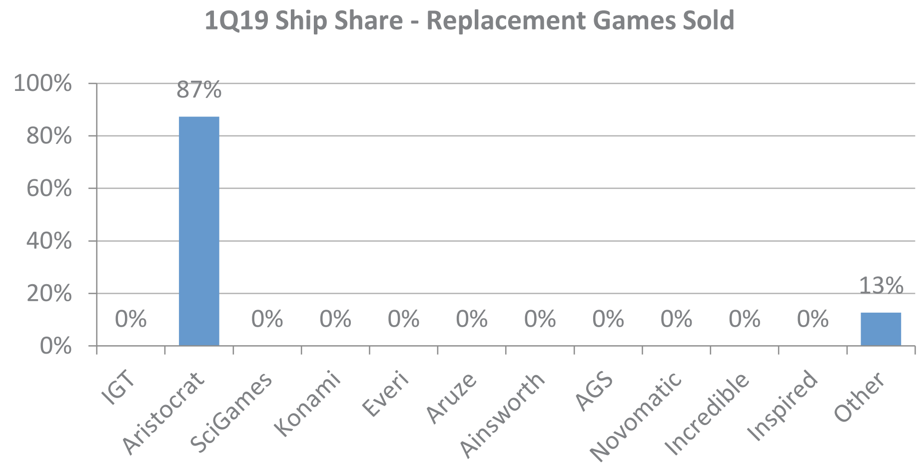


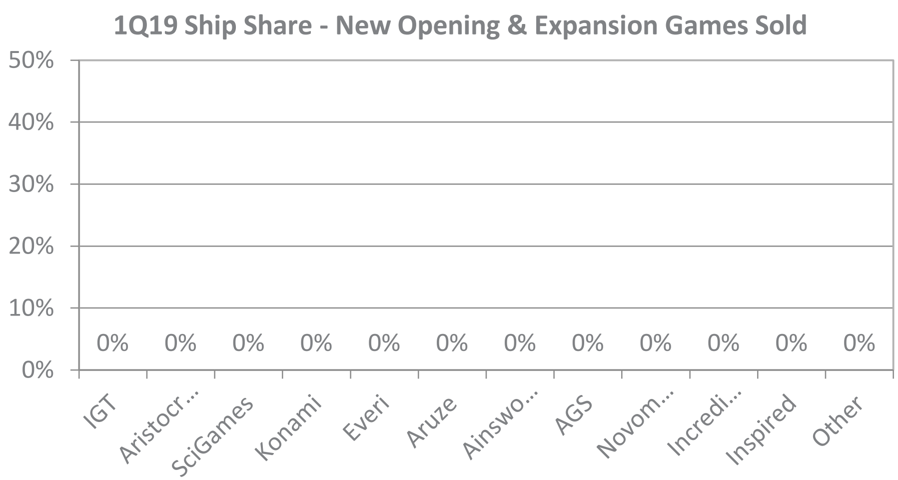
Source: EILERS-FANTINI Quarterly Slot Survey

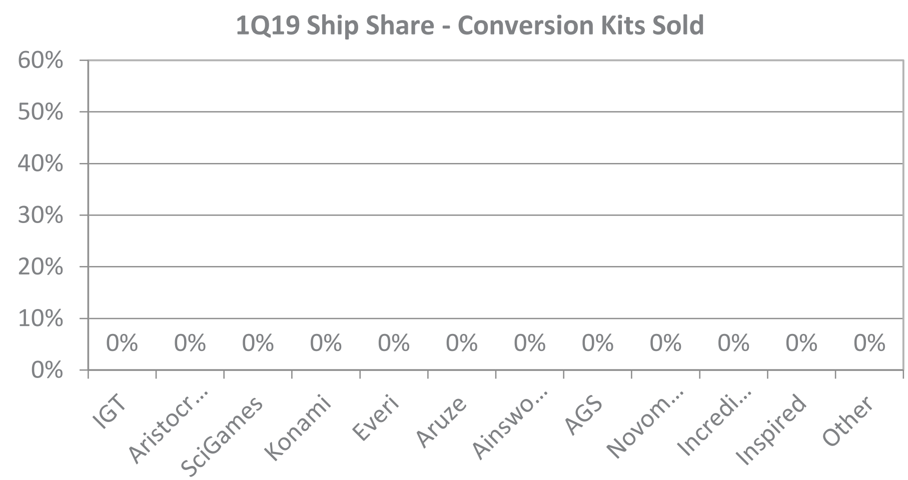
International - Regional Ship Share for 1Q CY19

Africa – 23 casinos









Source: EILERS-FANTINI Quarterly Slot Survey

Increase (Decrease) in Leased / Participation Units Installed

Question 10 – Please indicate how many (net) games were added to the lease install base in 1Q CY19 by supplier.

With this question we are trying to determine which suppliers are gaining or losing leased / participation units in their recurring revenue install base. For the purpose of this survey, leased games include WAP, LAP, Daily fee, 80/20 Participation, and VLT/Class II leases.

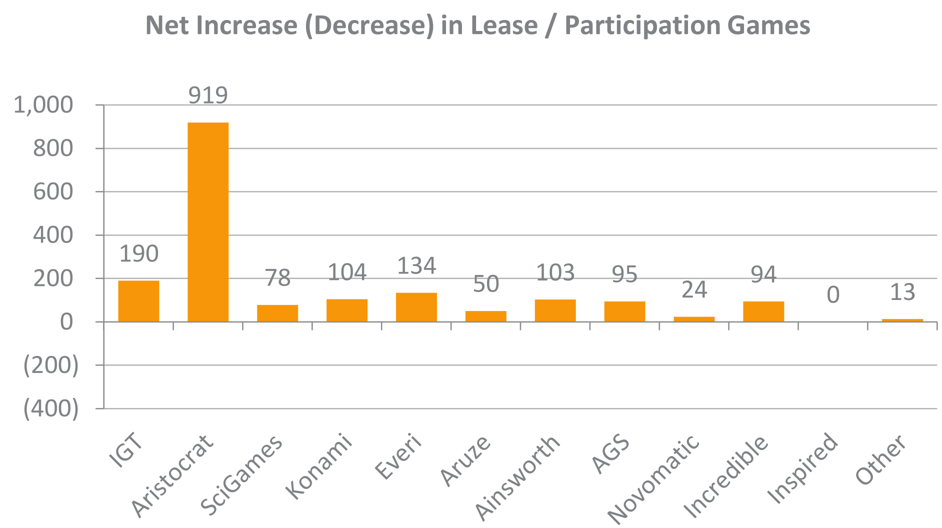
This quarter our N. America participants added +1,804 (net) lease games to their install base continuing the trend of healthy Premium leased placements. In the chart to the right we highlight the (net) increase/decrease in leased units by supplier during the qtr.

The Premium category (i.e. Excl 100% leased VLT & Class II casinos) increased by an impressive +1,414 units q/q while the Non-Premium category (i.e. Casinos w/ 100% leased VLT & Class II games) increased by +390 units q/q.

As for suppliers, Aristocrat continued to add to its record level install base with survey participants adding another +919 games including +535 Class III premium leased games while also adding +384 Class II games from its install base.

As we will highlight in game performance section, the key driver of Premium unit placements for Aristo continues to be the performance of the company's highly successful Lightning Link, Buffalo Grand, and Dragon Link games.

As for other vendors gaining units, we note most suppliers benefitted from this strong period for gaming ops additions.



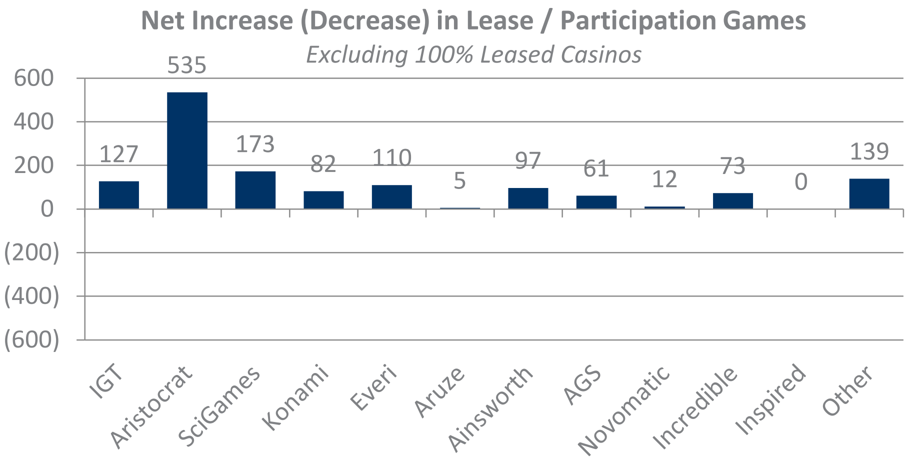
Everi added +134 units q/q likely driven by placement of its premium Empire cabinets. Ainsworth added +103 units primarily as premium placements. AGS added +95 units q/q due to additions of both premium and non-premium units. Konami added +104 units q/q driven primarily by Premium placements.

Aruze added +50 units q/q, Incredible added +94 units q/q and SciGames added +78 units q/q. We provide a breakdown between Premium and Non-Premium net adds on the following page.

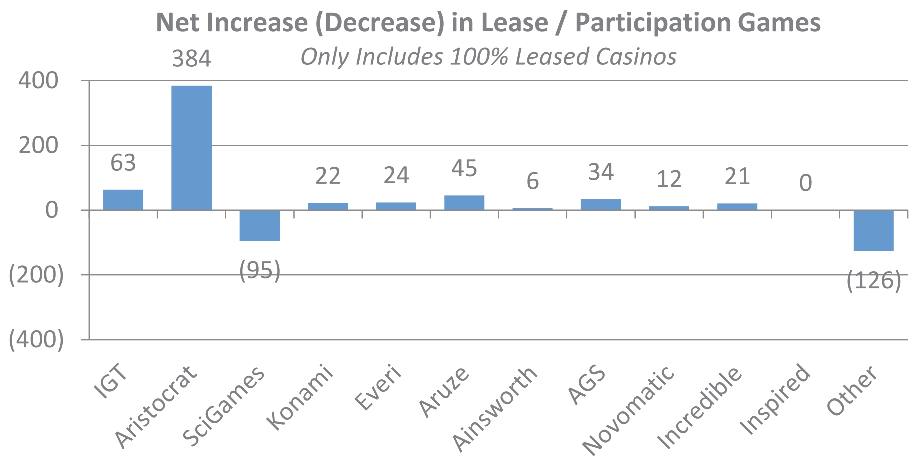
Increase (Decrease) in Leased / Participation Units Installed

The first two charts below chart show the total (net) increase / decrease in leased units for casinos excluding Class II and VLT facilities with 100% leased product. We believe this chart is the best gauge for premium installations / removals in the quarter. The second chart below and on the right highlights the (net) increase / decrease in leased units for existing casinos that are 100% VLT/Class II leased facilities.

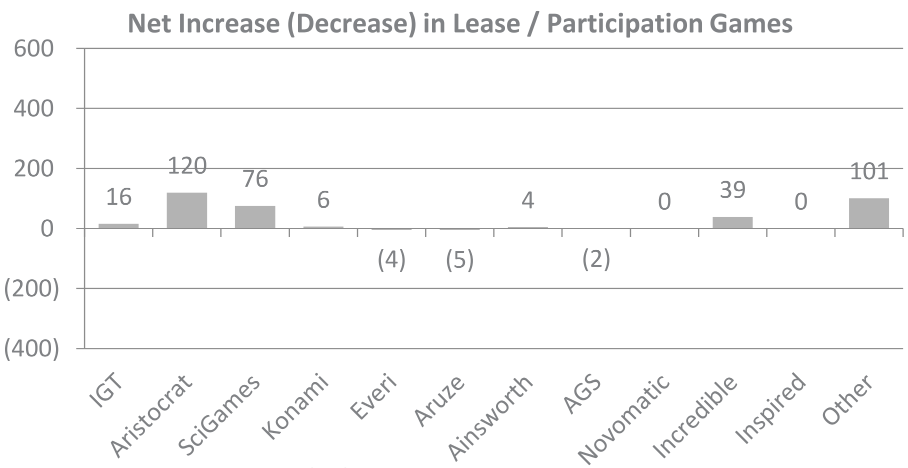
N. America ex 100% Leased Casinos (ie. "Premium")



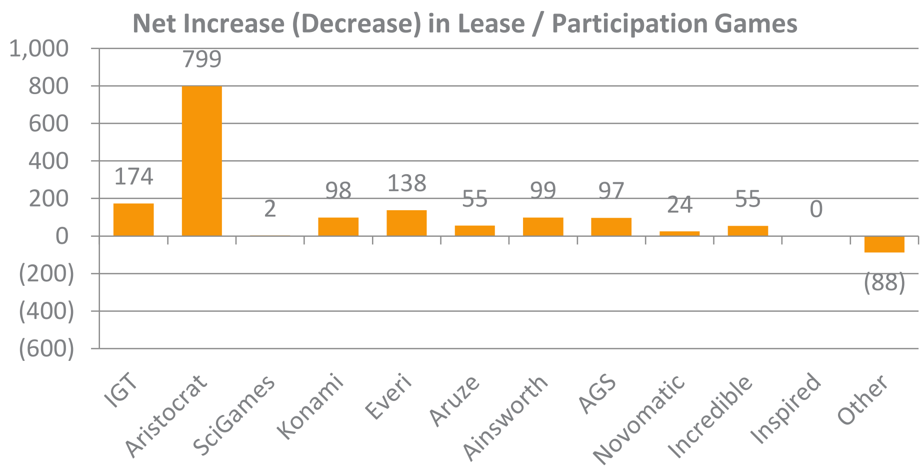
N. America only 100% Leased Casinos (ie. Class II & VLT)



Commercial Casinos



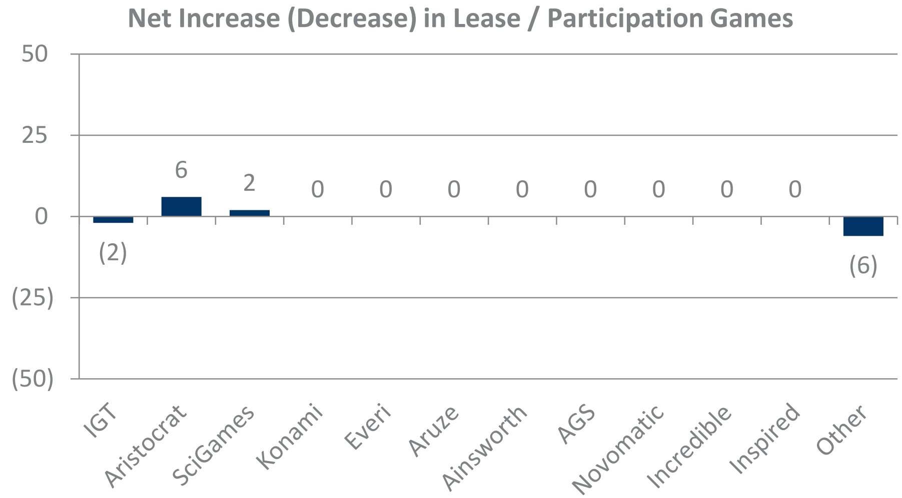
Tribal Casinos



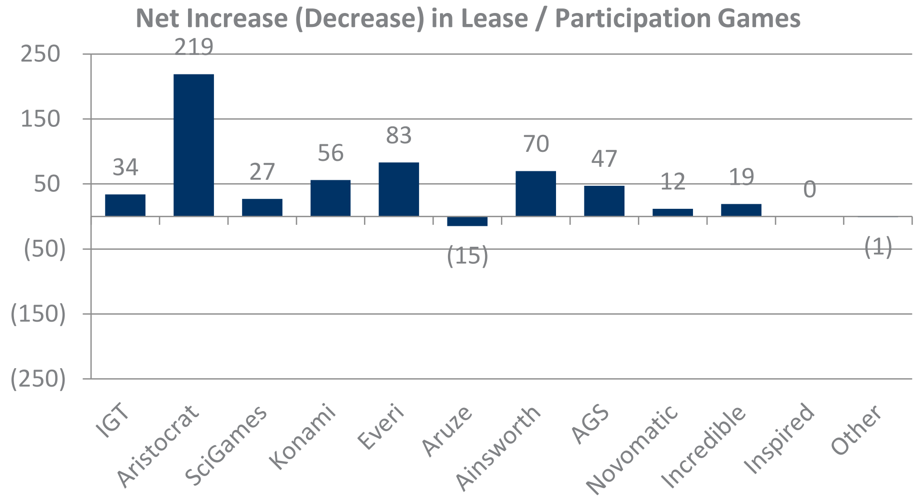
Source: EILERS-FANTINI Quarterly Slot Survey

Increase (Decrease) in Leased/Participation Units – NA Regional Mix

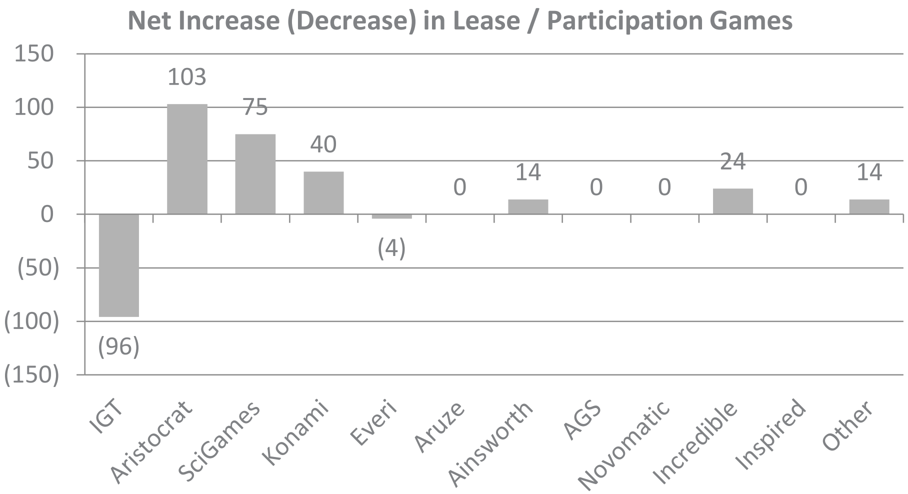
Arizona – 3 Casinos



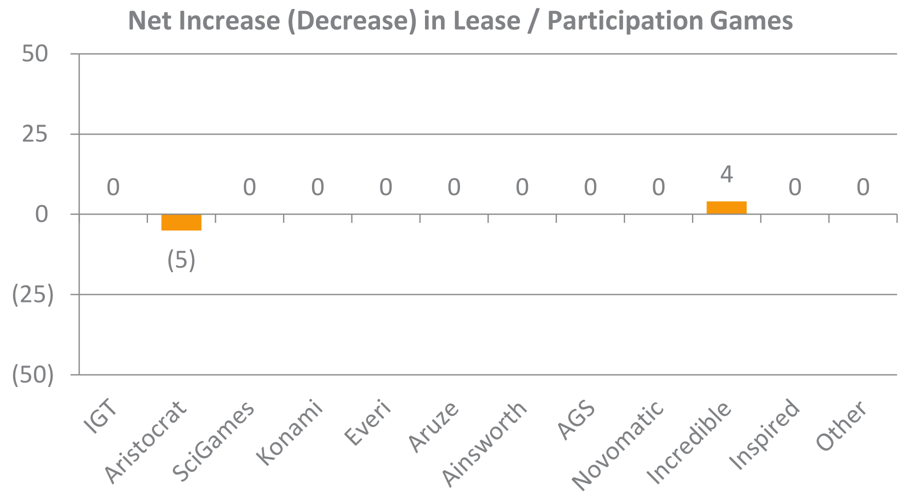
California – 16 Casinos (9 Southern Cal, 7 Northern Cal)



Canadian (Slots Only) – 72 Casinos



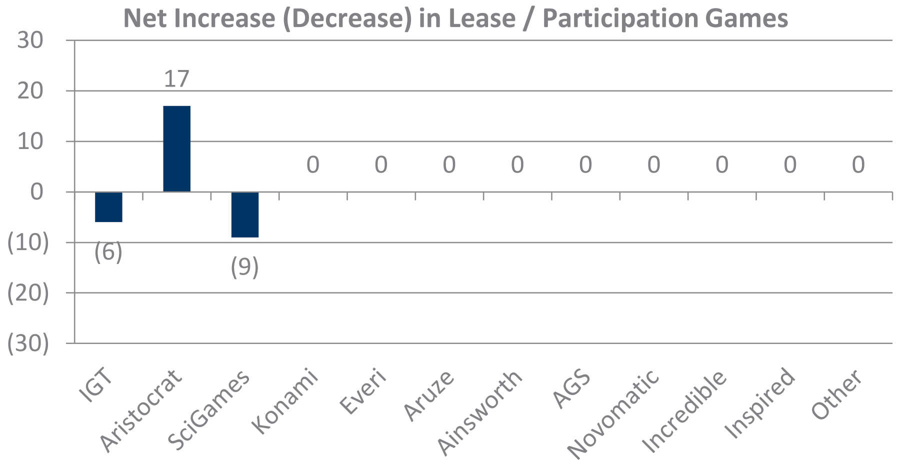
Colorado – 5 Casinos



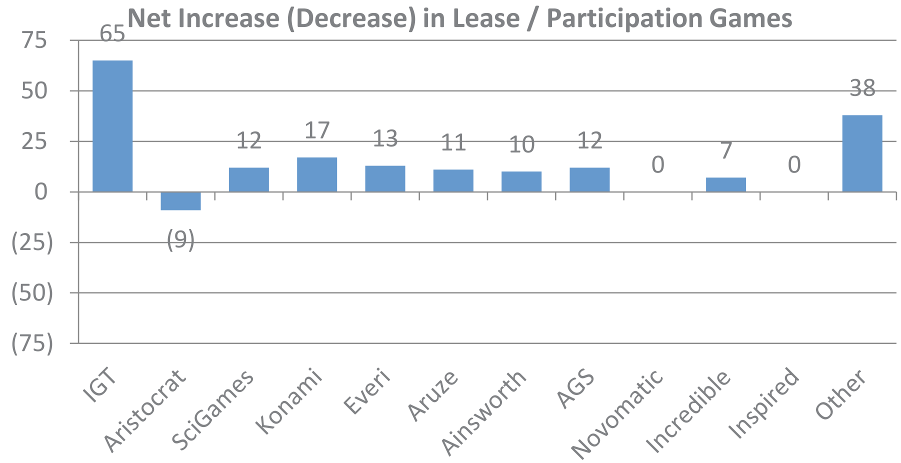
Source: EILERS-FANTINI Quarterly Slot Survey

Increase (Decrease) in Leased/Participation Units – NA Regional Mix

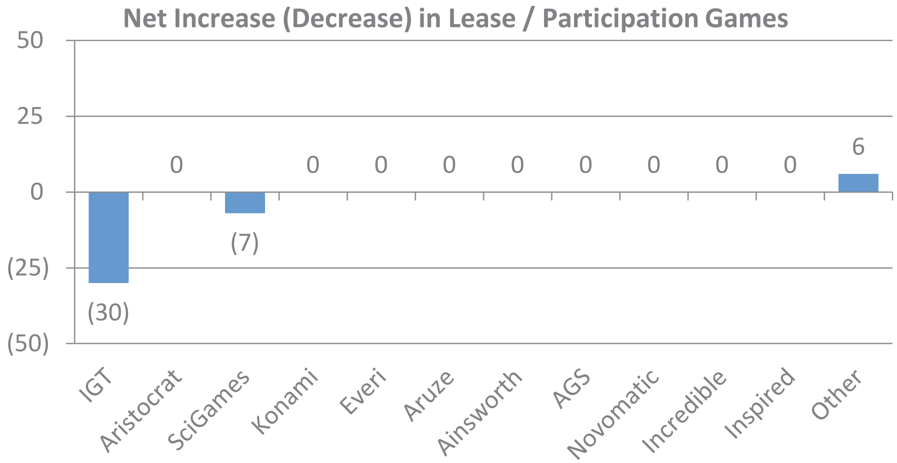
Delaware Casinos – 2 Casinos



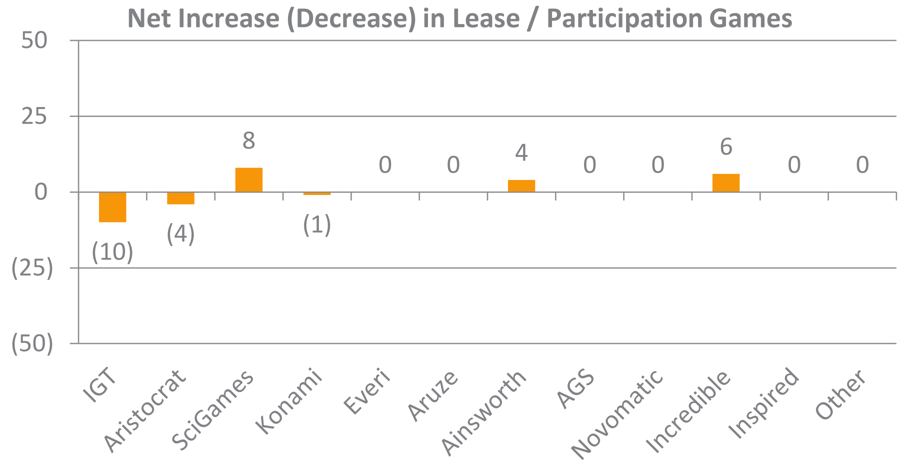
Florida Casinos – 2 Casinos



Florida Cruise – 75 Ships



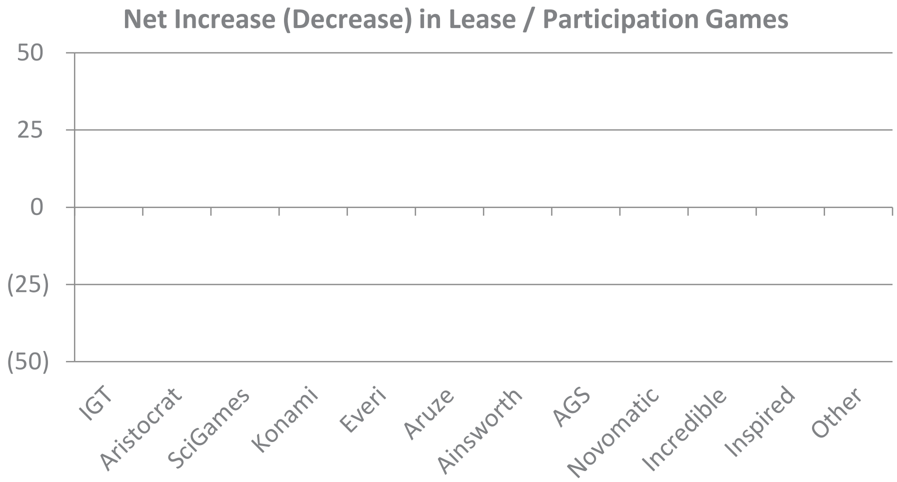
Iowa Casinos – 3 Casinos



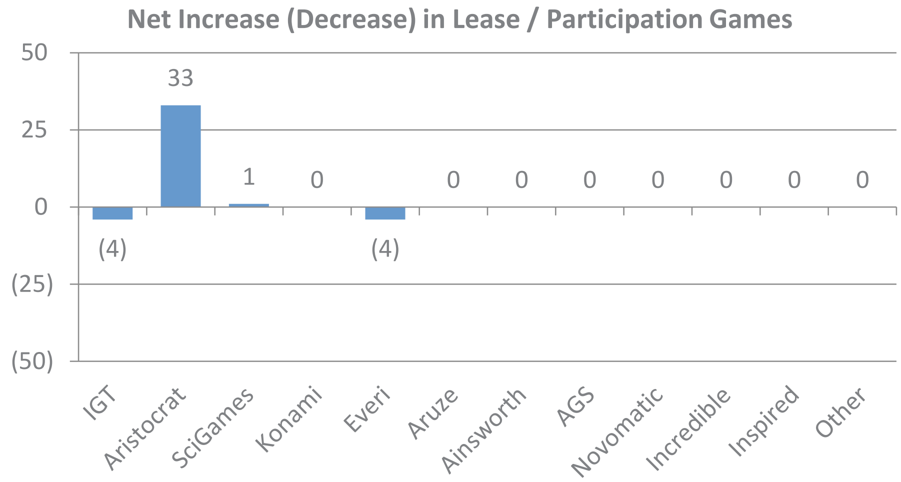
Source: EILERS-FANTINI Quarterly Slot Survey

Increase (Decrease) in Leased/Participation Units – NA Regional Mix

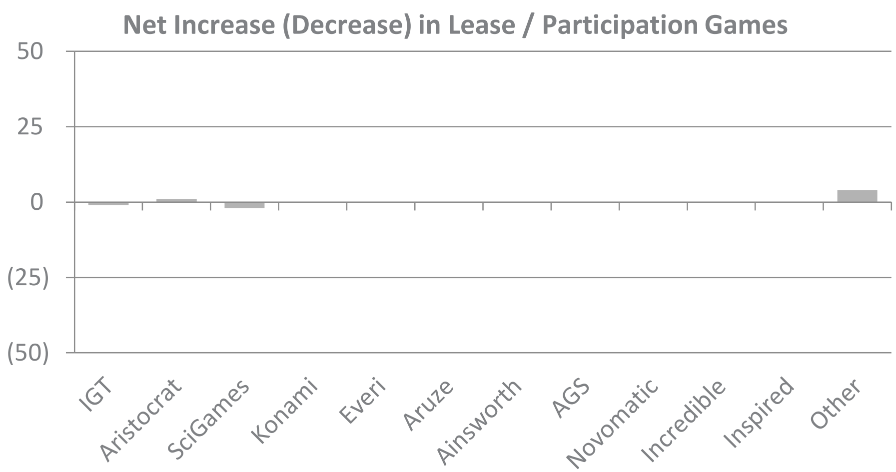
IL VGTs – 2 Route Operators



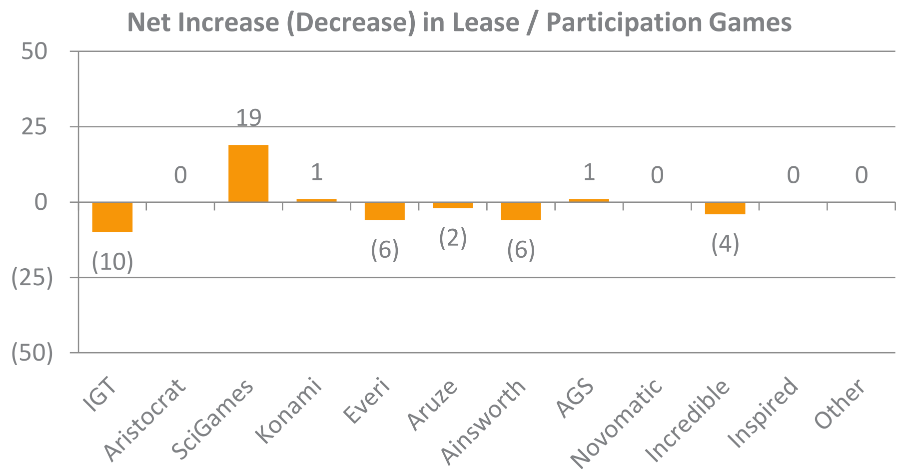
Kansas – 3 Casinos



Louisiana - 3 Casinos



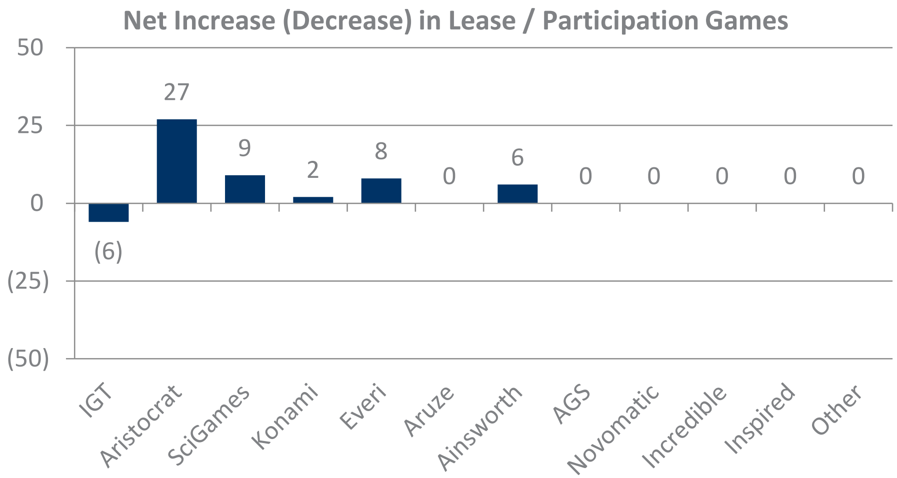
Michigan – 4 Casinos



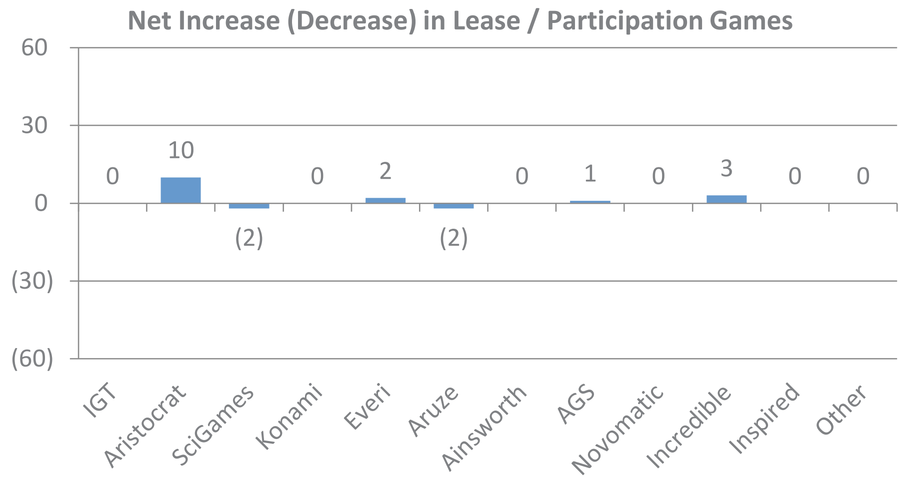
Source: EILERS-FANTINI Quarterly Slot Survey

Increase (Decrease) in Leased/Participation Units – NA Regional Mix

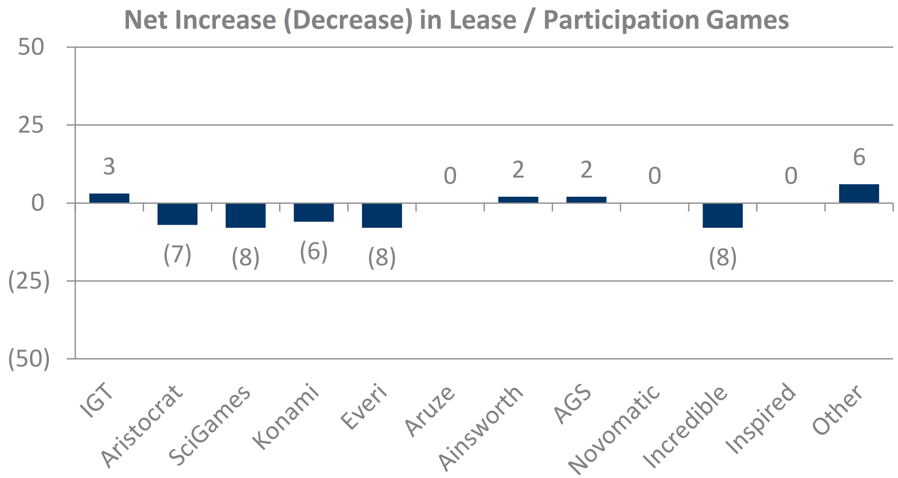
Minnesota- 5 Casinos



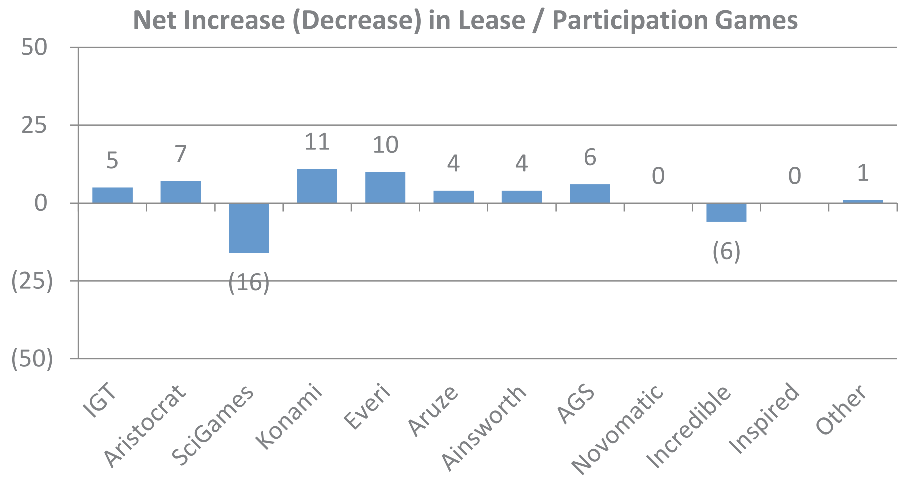
Mississippi – 4 Casinos



Nevada - 18 Casinos



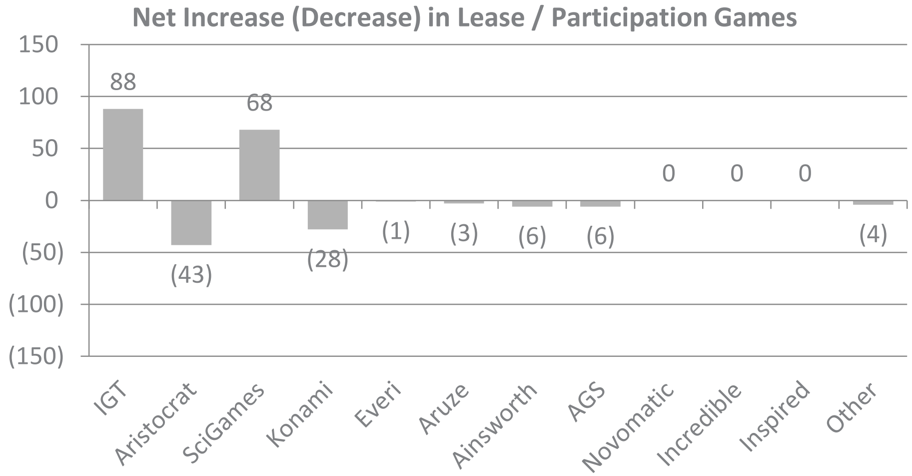
New Mexico – 8 Casinos



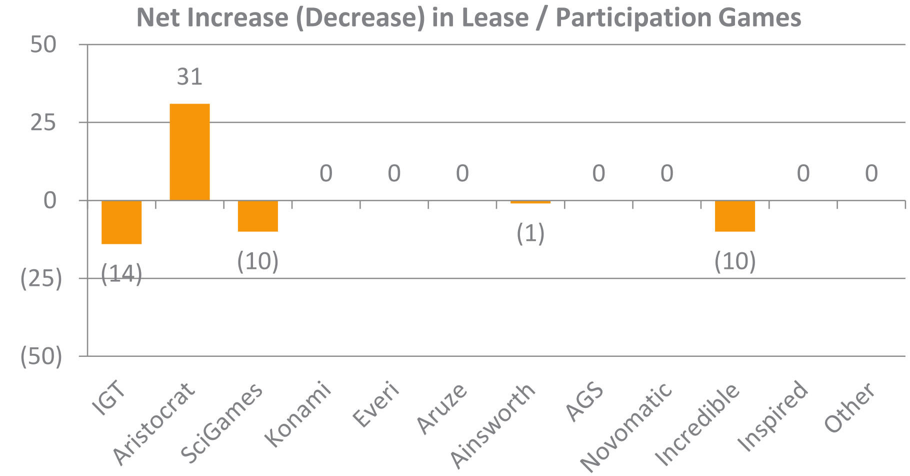
Source: EILERS-FANTINI Quarterly Slot Survey

Increase (Decrease) in Leased/Participation Units – NA Regional Mix

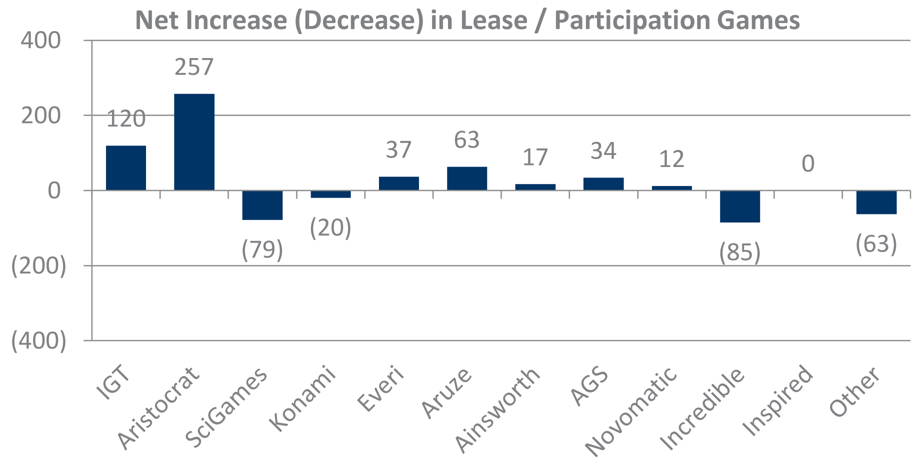
New York - 9 Casinos



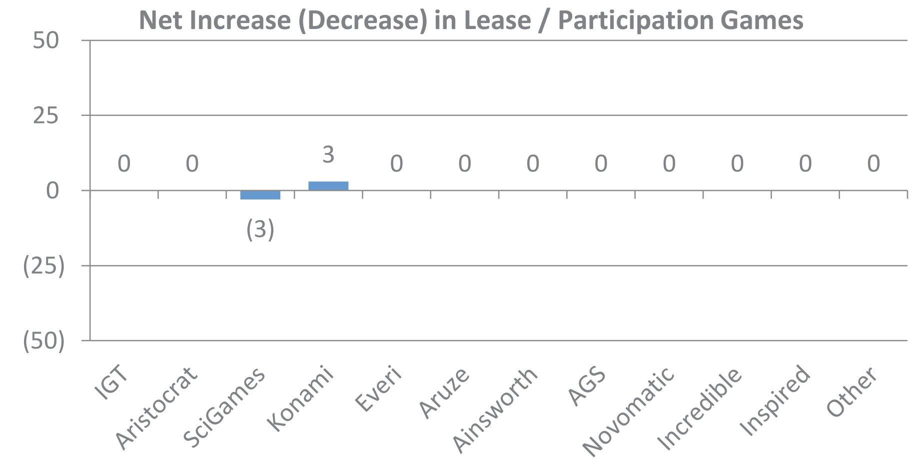
Ohio – 5 Casinos



Oklahoma – 71 Casinos (Incl Operators & Distributors)



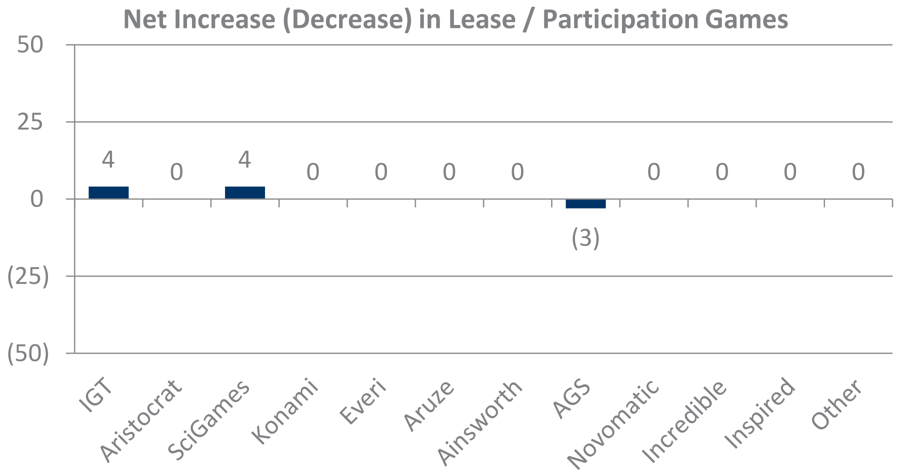
Pennsylvania - 2 Casinos



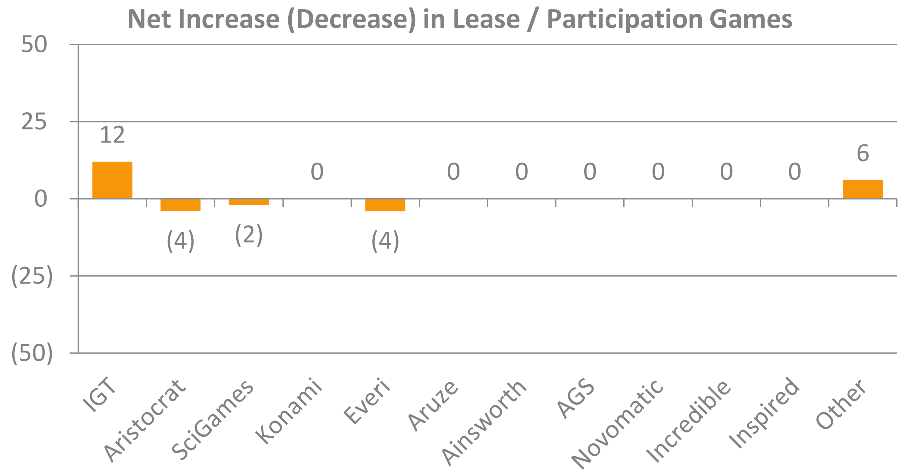
Source: EILERS-FANTINI Quarterly Slot Survey

Increase (Decrease) in Leased/Participation Units – NA Regional Mix

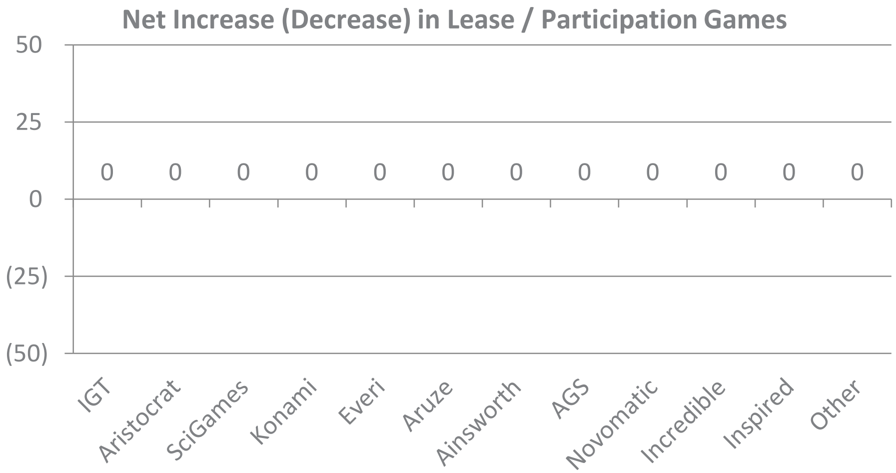
Washington - 3 Casinos



Wisconsin – 7 Casinos



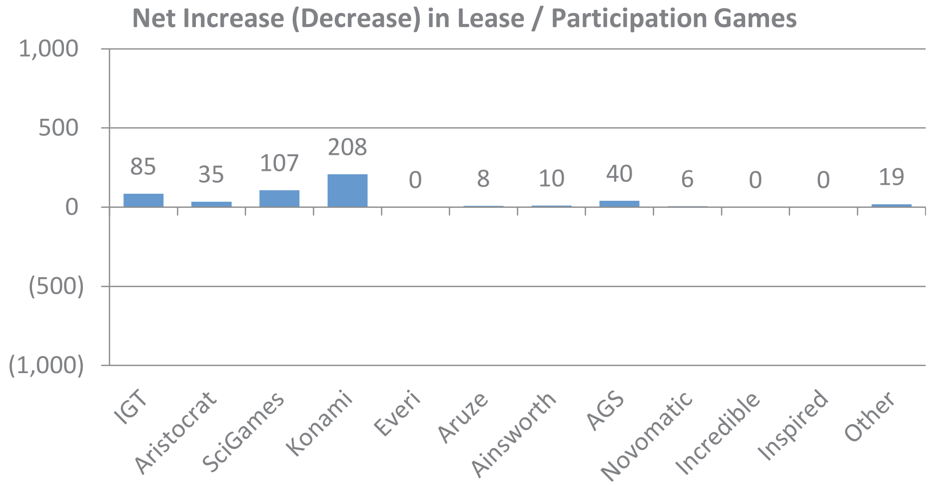
West Virginia – 2 Casinos



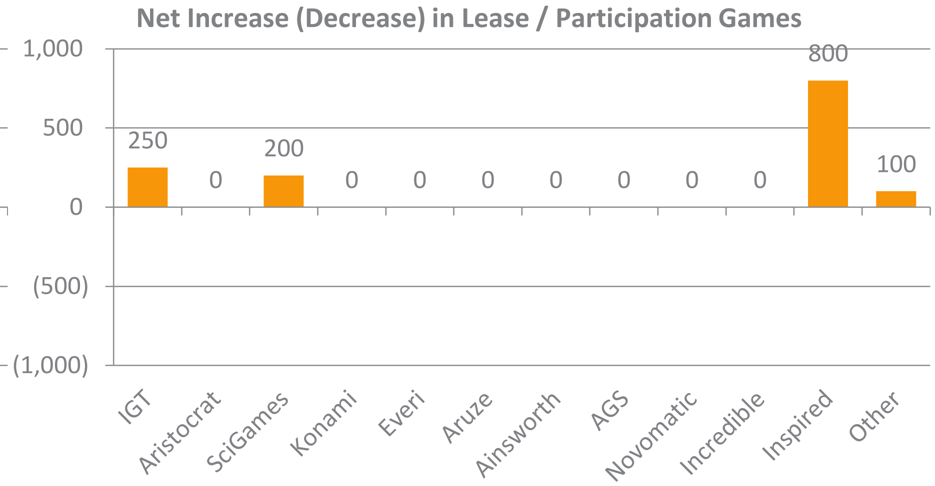
Source: EILERS-FANTINI Quarterly Slot Survey

Increase (Decrease) in Leased / Participation Units – Intl Markets

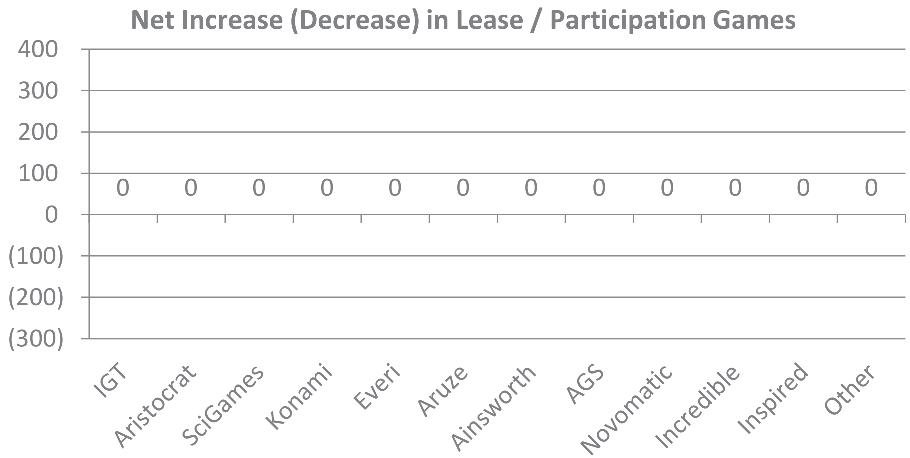
Total International Casinos ex Route – 207 casinos



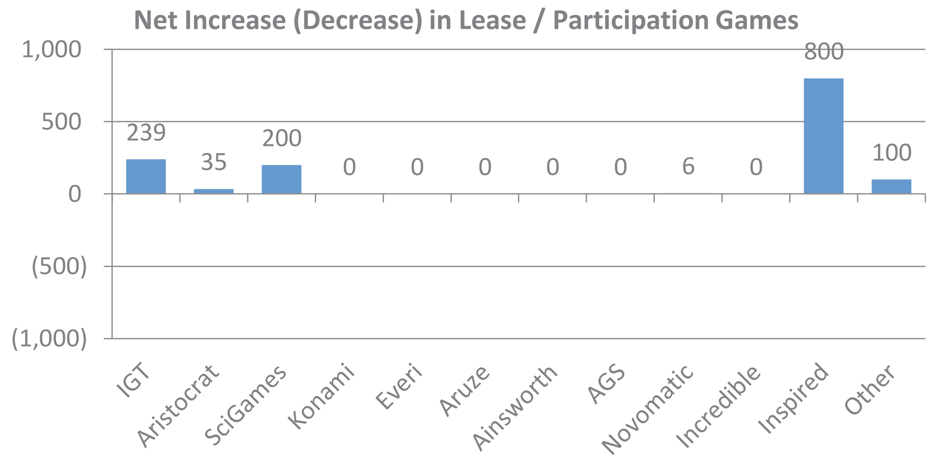
International Route – 19,200 Retail Locations



Asia – 9 Casinos



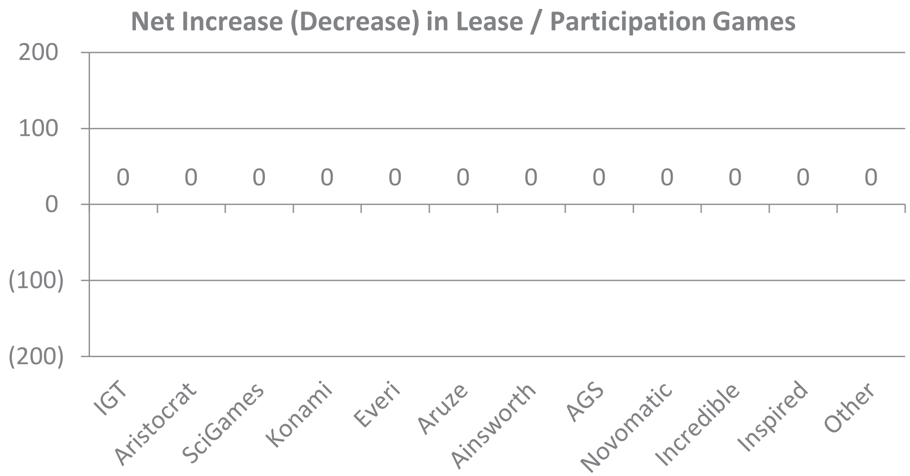
Europe Casino & Route – 34 Casinos, 15,500 Retail



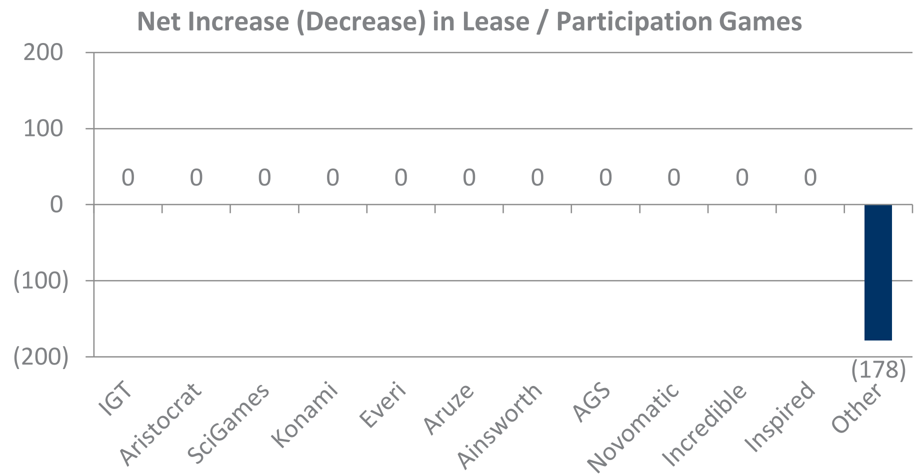
Source: EILERS-FANTINI Quarterly Slot Survey

Increase (Decrease) in Leased / Participation Units – Intl Markets

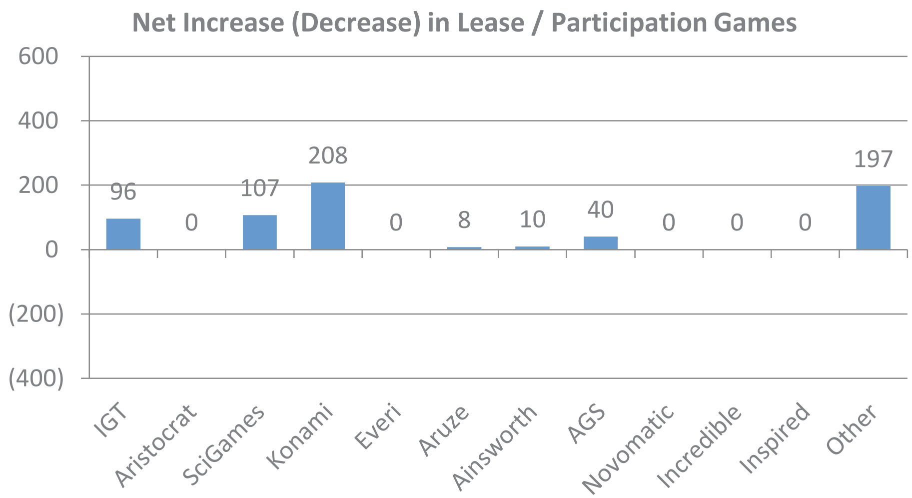
Australia/NZ – 2 Casinos



Africa – 23 Casinos



L. America – 139 Casinos



Source: EILERS-FANTINI Quarterly Slot Survey

Top Performing Games

All slot performance questions have been removed.

With the continued growth of our Central Game Performance Database (GPD), we have removed individual game performance questions in our quarterly survey. The GPD is an online tool which aggregates operator submitted slot performance data on a monthly basis. We believe it is a more accurate reflection of game performance compared with our prior voting method. We publish a monthly report summarizing slot performance by product category and denomination. Additionally, limited access to the database is available in which various filters can be utilized to view performance data for particular subsets of games or cabinets at a national or regional level. In regards to scope, the GPD currently includes relative performance data on ~135,000 slots and ~5,300 themes spread across 185 casinos and 27 jurisdictions, with participation growing on a monthly basis.

Due to the robust nature of operating the database, the monthly report and access to the database is a separate standalone subscription product. However, casino operators who choose to participate in the GPD receive both the report and access to the database **for free**. Please reach out to our Director of Business Development, DJ Leary dleary@ekgamingllc.com, if you have any questions about the service.

Casinos	Game Themes	Slots
185	5,283	134,887

Most Anticipated Premium Leased Games

Question 15 – In your opinion, what is the most anticipated premium leased game that has not been released to the market?

In this survey, Aristocrat again had the most anticipated lineup of Premium leased games led by demand for new *Dragon Link* themes.

In total, Aristocrat titles received 50% of the total survey votes with *Dragon Link* being the most anticipated game of this survey at 15% share of total votes. Our participating operators also expressed interest in *Buffalo Diamond* on the new *Flame 55* cabinet, as well as another "Link" family addition in *Dollar Storm* and a slot version of the popular mobile game *Farmville.* We continue to believe Aristocrat's continued success in Premium Leased games likely positively impacts peoples' anticipation of further releases.

Following Aristocrat, SciGames had the second most anticipated lineup of games with 30% share of votes led by *Jin Ji Bao Xi* which will be released on the new large format *Wave XL*. The game was developed by the *88 Fortunes* team and has reportedly performed very well in Asia. We note, *88 Fortunes* is a very successful family of games and the same team has had success leveraging similar themes and game style with *Dancing Drums,* a leading Core game.

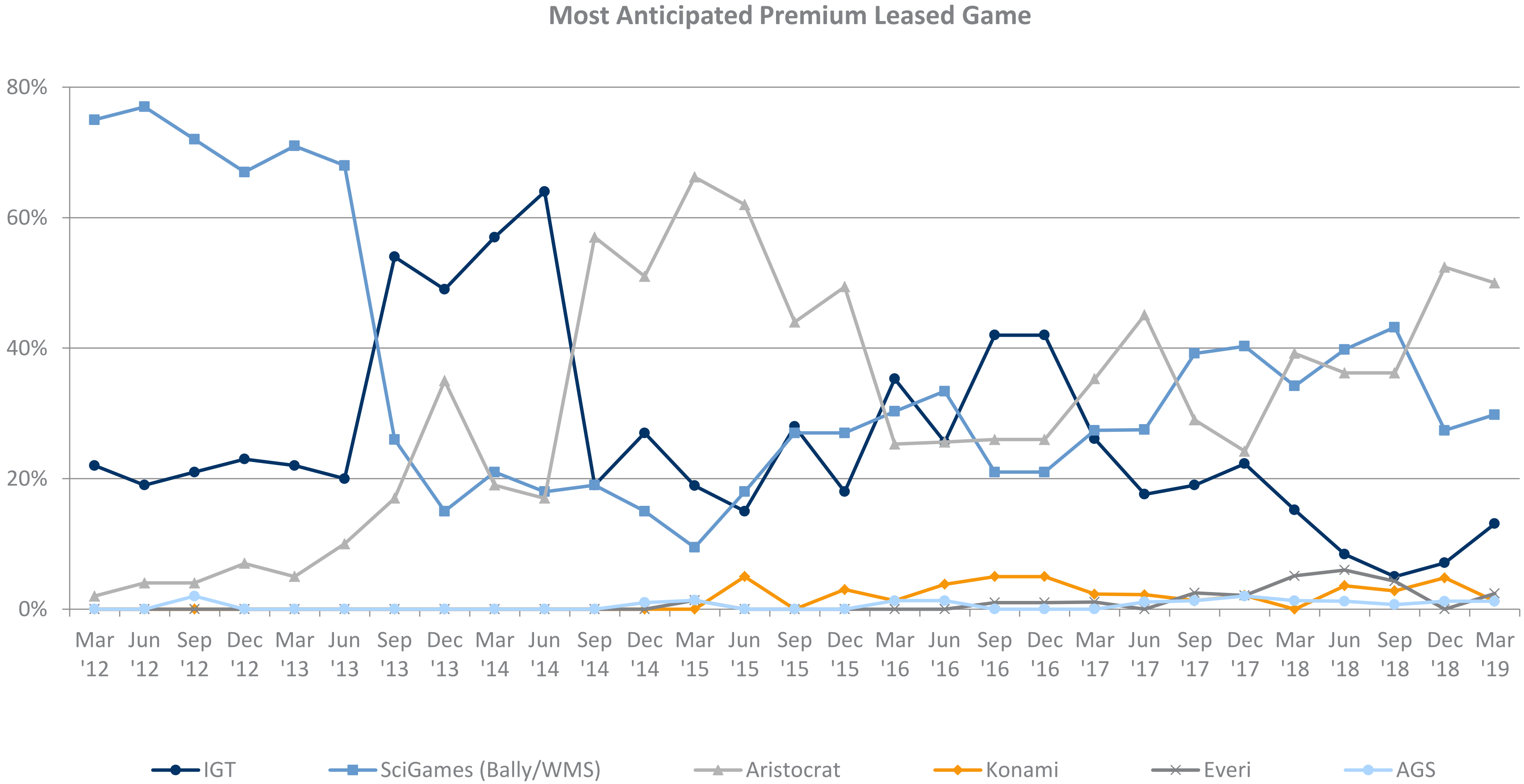
Additionally, operators look forward to upcoming *James Bond* releases, such as *Die Another Day* on the new Phantom cabinet. We note the Phantom cabinet features a bonus round in which the main screen lifts to reveal a holographic spin feature inside the cabinet. It drew considerable attention at the most recent G2E show.

No.	Supplier	Game	1Q19	% of total
1	Aristocrat	Dragon Link	13	15%
2	SciGames	Jin Xi Bao Xi	8	10%
3	SciGames	James Bond	7	8%
4	IGT	Fortune Link	6	7%
5	Aristocrat	The Walking Dead 3	4	5%
6	SciGames	Wizard of Oz: Munchkinland	4	5%
7	Aristocrat	Buffalo Diamond Flame Cabinet	3	4%
8	Aristocrat	Dollar Storm	3	4%
9	Aristocrat	Farmville	3	4%
10	Aristocrat	Lightning Link	3	4%
11	IGT	Wheel of Fortune 4D	3	4%
12	Aristocrat	Mad Max	2	2%
13	SciGames	Willy Wonka: Golden Ticket	2	2%
14	Everi	Shark Week	2	2%
15	Aristocrat	West World	1	1%

IGT had the third most anticipated portfolio of content with 13% share of total votes. Participating operators look forward to the company's upcoming *Fortune Link* release, which seems to feature similar game mechanics as Aristocrat's linked products. Additionally, some respondents expressed interest in new 4D *Wheel of Fortune* games. Finally, Everi followed IGT led by votes for its upcoming Premium Leased game *Sharkweek*, named after the Discovery Network's annual television event that has a cult following.

Most Anticipated Premium Leased Games

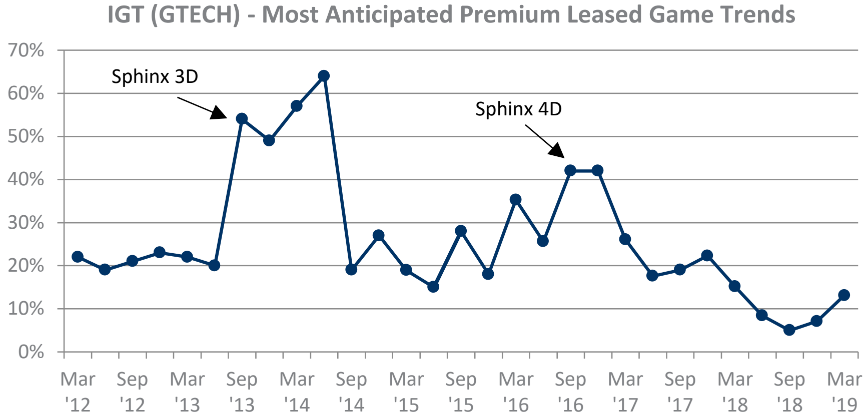
In the chart below we highlight vendor rankings by quarter.

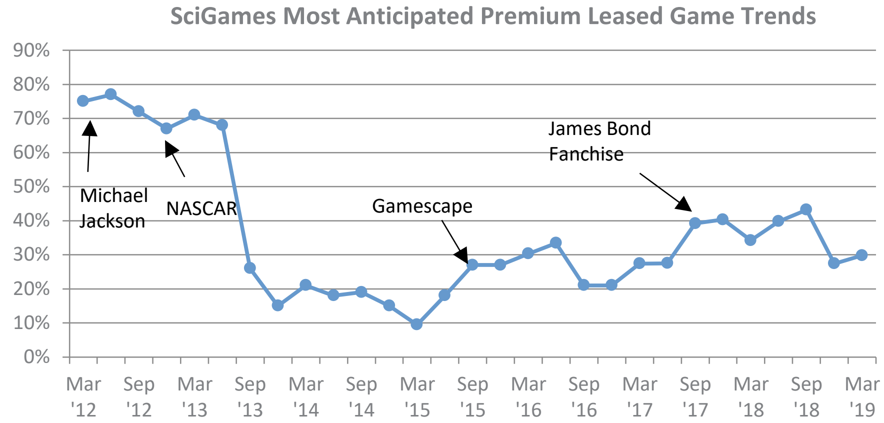


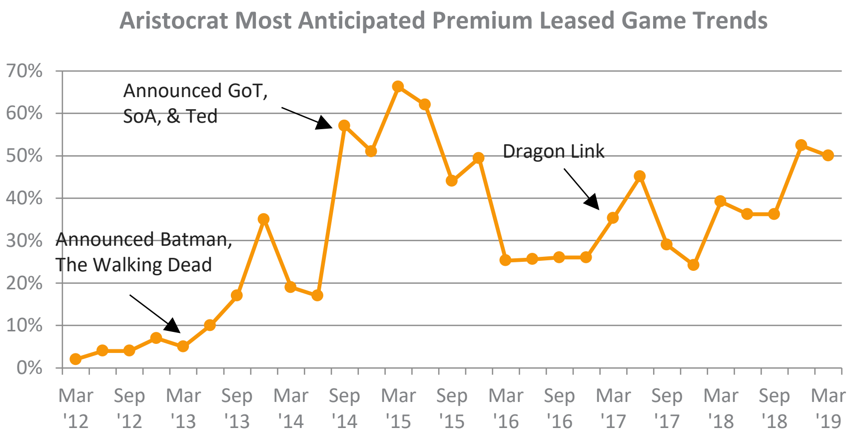
Source: EILERS-FANTINI Quarterly Slot Survey

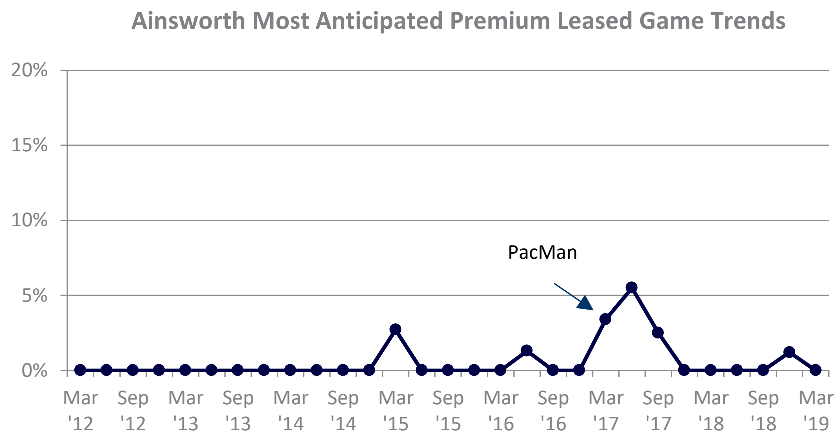
Most Anticipated Premium Leased Games

Individual Supplier Trends for Most Anticipated Games









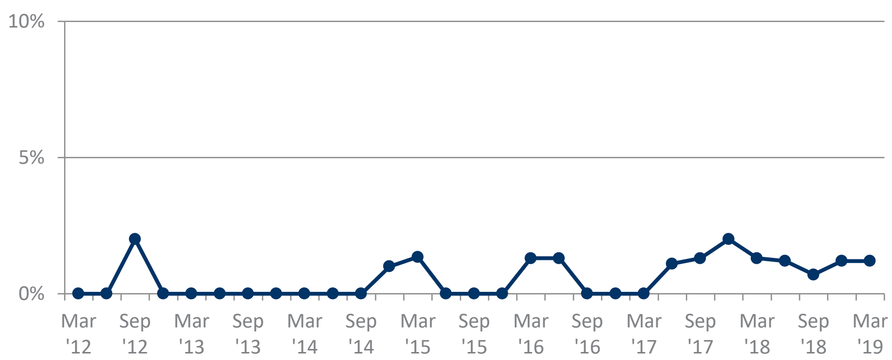
Source: EILERS-FANTINI Quarterly Slot Survey

Note, IGT current qtr and historical figures include GTECH/Spielo and SciGames includes WMS and Bally.

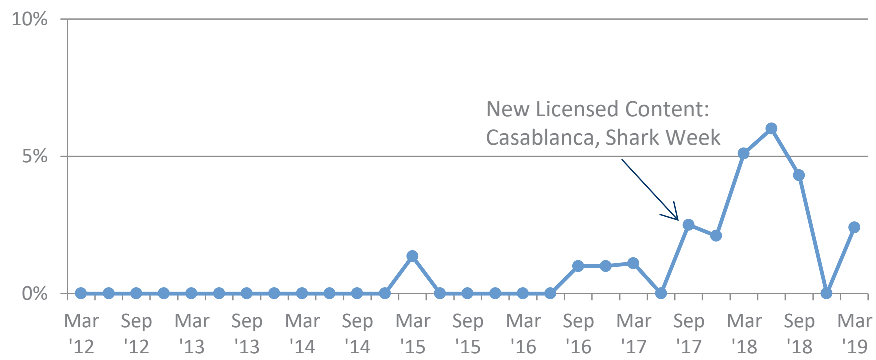
Most Anticipated Premium Leased Games

Individual Supplier Trends for Most Anticipated Games

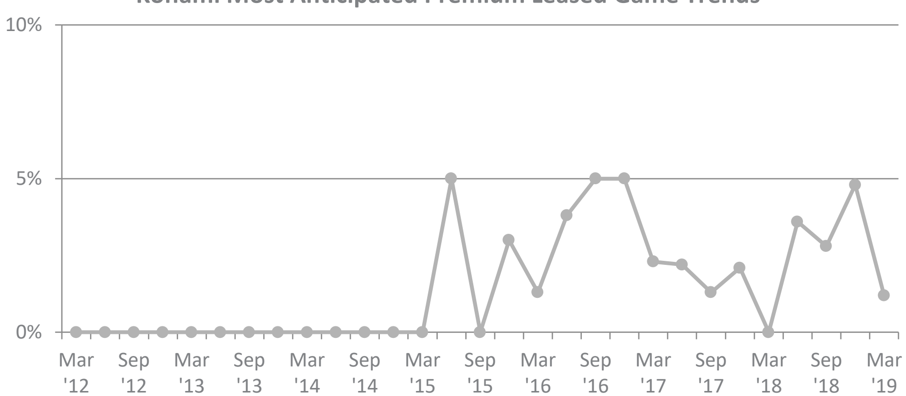
AGS Most Anticipated Premium Leased Game Trends



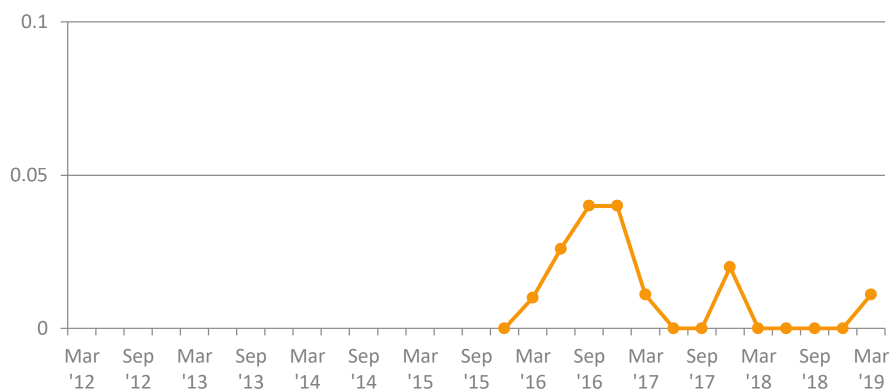
Everi Most Anticipated Premium Leased Game Trends



Konami Most Anticipated Premium Leased Game Trends



Incredible Tech Most Anticipated Premium Leased Game Trends



Source: EILERS-FANTINI Quarterly Slot Survey

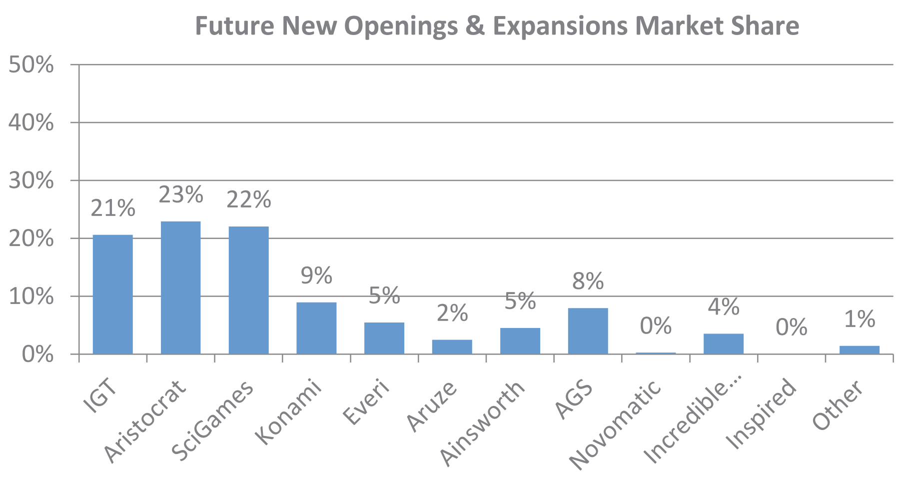
Future New Openings & Expansions

Question 16 – If you have a new casino project or major expansion underway and planned to open over the next twelve months, please indicate how many NEW & EXPANSIONARY slot machines you plan to purchase by supplier.

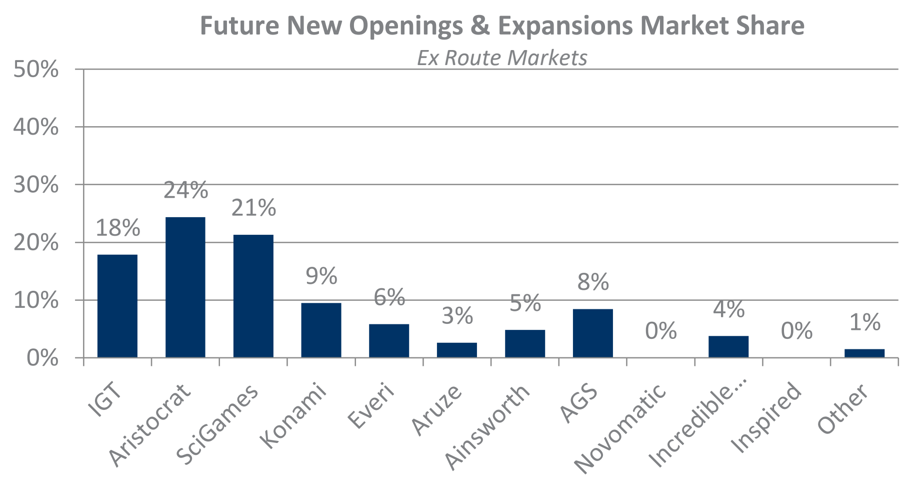
In this qtr's survey we note there were 23 U.S. & Canada survey participants that have new openings and / or major expansions underway and plan to install ~4,204 games in aggregate vs. 18 participants and 5,137 last qtr. Of the total games, we estimate the vast majority would be purchased games vs. leased. We did no have any International participants that plan to purchase new opening and expansionary slots or equivalent devices over the next twelve months.

In the charts ahead, we provide an expected market share on games installed as part of new and expansionary projects. The chart below on the left includes all casinos and route operations while the chart on the right includes only casinos while excluding route operations. Note, both charts include markets that have 100% leased VLTs and/or Class II product. Therefore, forward demand is a mix of sold product as well as lease/participation placements.

N. America New Openings & Expansions - Total



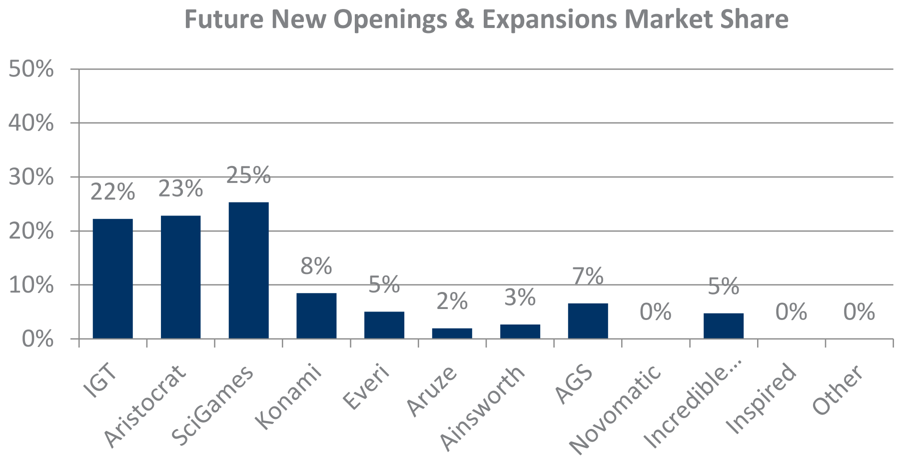
N. America New Openings & Expansions – Ex Route



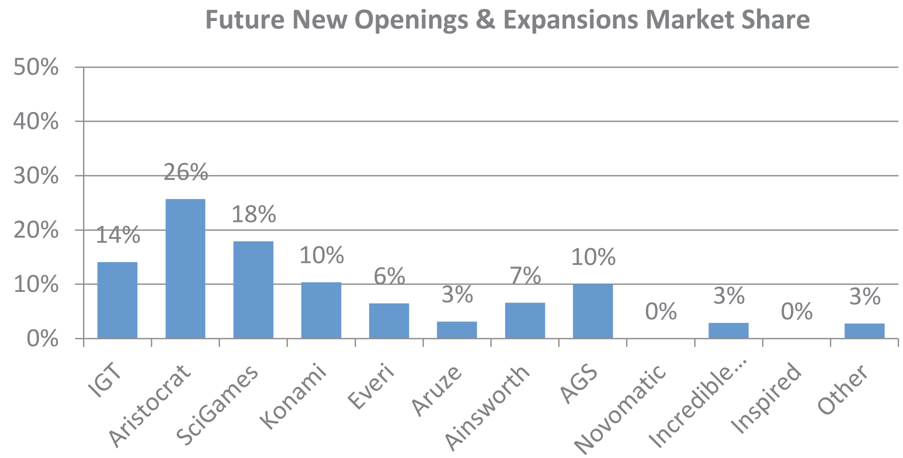
Source: EILERS-FANTINI Quarterly Slot Survey

Future New Openings & Expansions

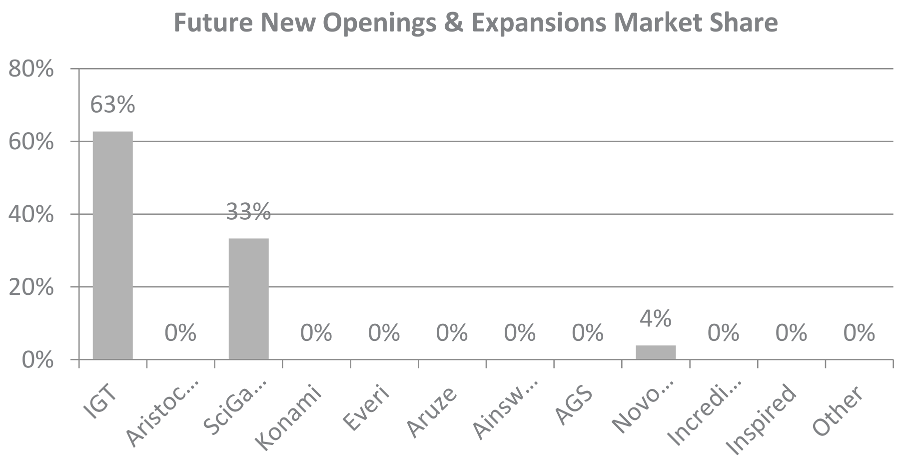
Commercial Casinos – New Openings & Exp



Tribal New Openings & Expansions



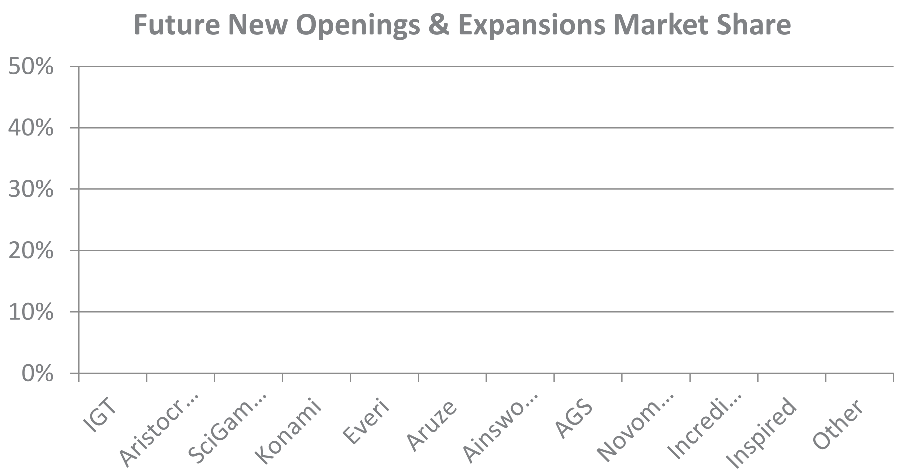
Route Ops – New Openings & Exp



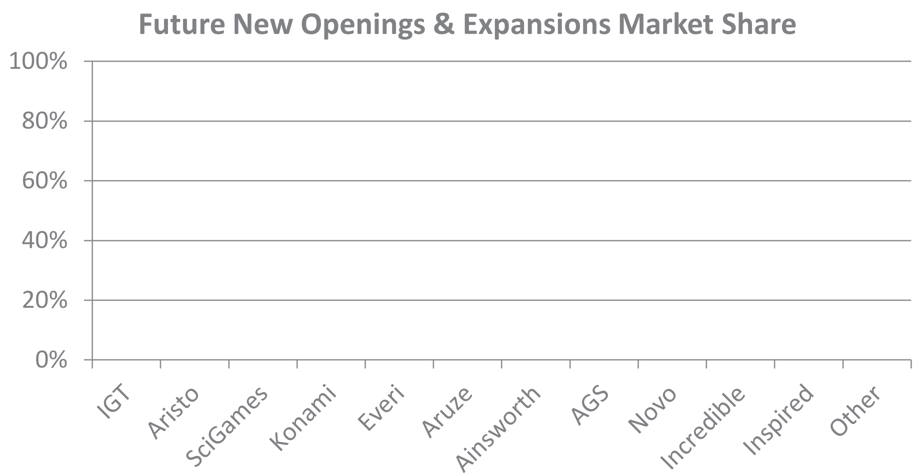
Source: EILERS-FANTINI Quarterly Slot Survey

Future New Openings & Expansions

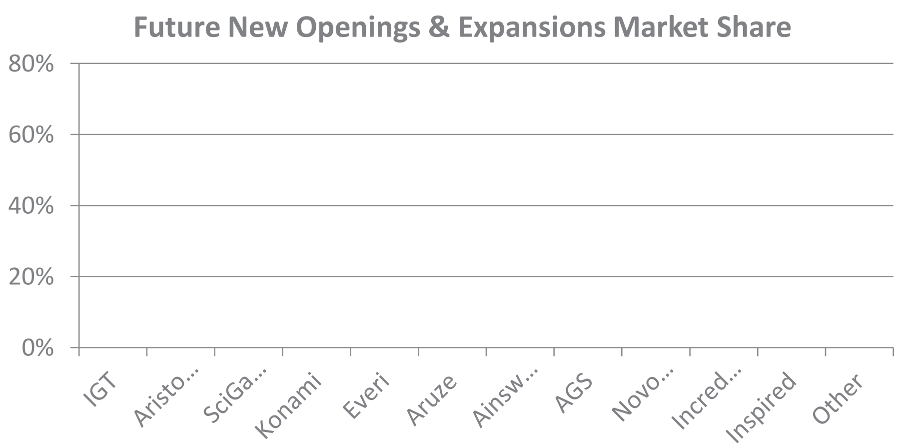
International New Openings & Exp



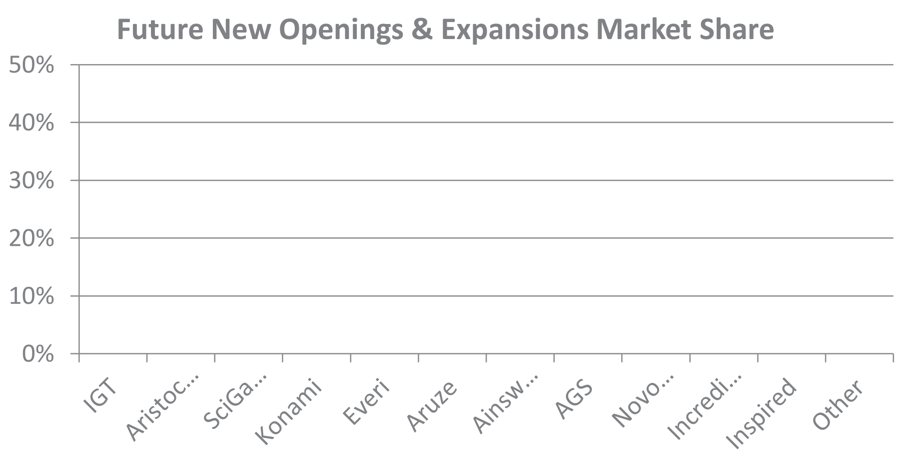
Europe Only – New Openings & Exp – Includes Route



Australia New Openings & Expansions



Latin America New Openings & Expansions



Source: EILERS-FANTINI Quarterly Slot Survey

Expected Forward Replacement Rate & Ship Share

Question 17 – What % of the casino owned slot machines on your floor do you plan to replace over the next 12 months? Responses should exclude conversion kits and lease replacements.

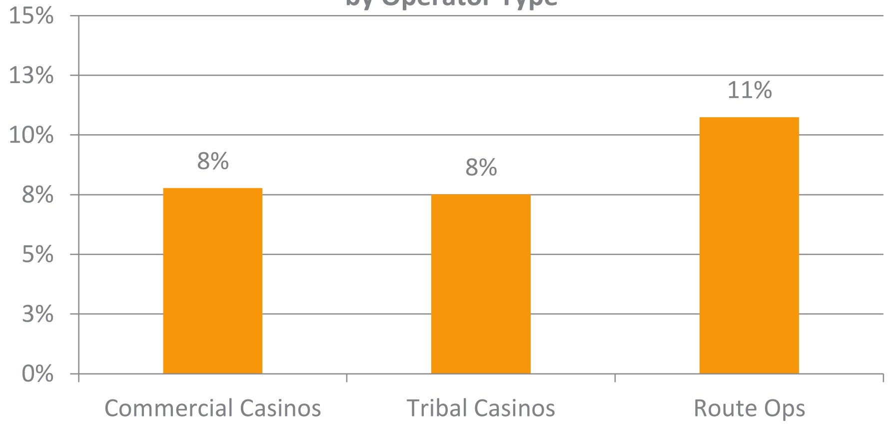
Our 123 U.S. & Canada survey participants (operating 486 casinos & 437,600 slots) plan to replace an average of 7.8% of the casino owned games on their floors over the next 12 months. We note this figure continues to trend upward since hitting a low point back in March '15 although was relatively flat w/ our prior survey.

Interestingly, the anticipated Commercial replacement rate was roughly even with what was reported among our Tribal participants. We note this is a rarity as the Tribal forward replacement rate has generally fallen in the ~9-10% range. While the change is worth identifying, we would consider this result an anomaly rather than the beginning of a downward trend in the Tribal replacement rate.

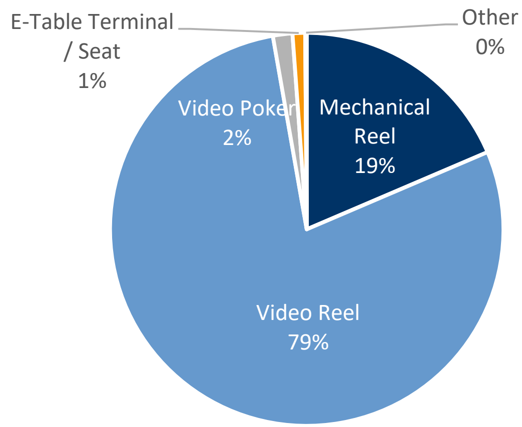
With respect to Route Ops markets, replacement rates have generally been below average. However, there has been a rising trend in Route Ops replacement rates driven by increased orders among several Canadian provinces as well as an expected increase from the state of Oregon after a couple years of negligible sales.

Our 21 international participants (operating 207 casinos & 195,663 slots) plan to replace 10.6% of the casino owned games over the next 12 months, which consistently remains above our N. America participants.

Expected Forward Slot Replacement Rates by Operator Type



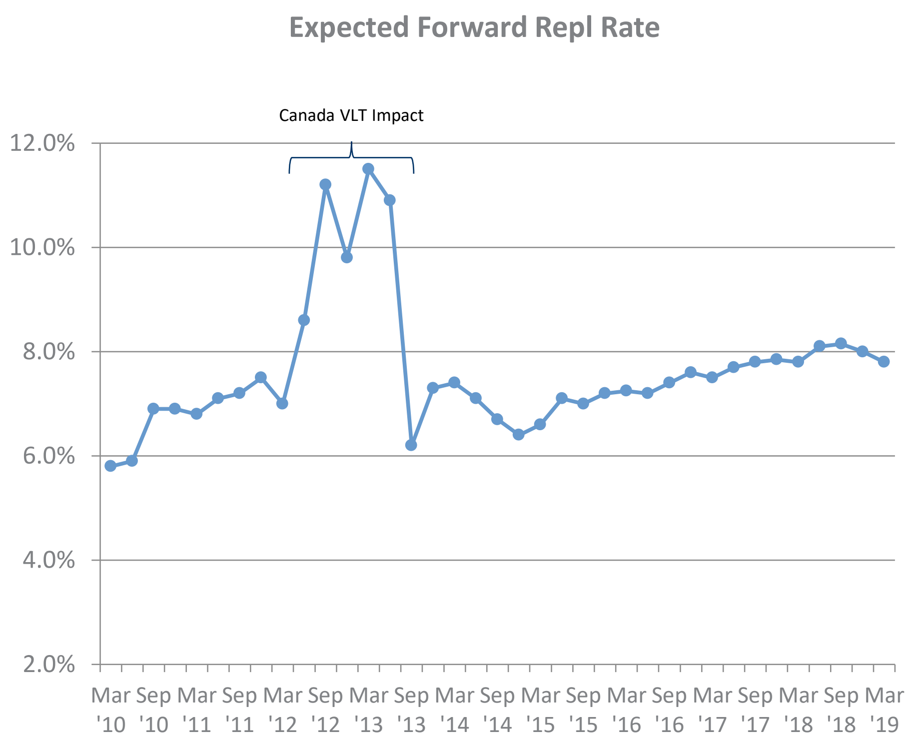
Expected Forward Replacement Sales by Product

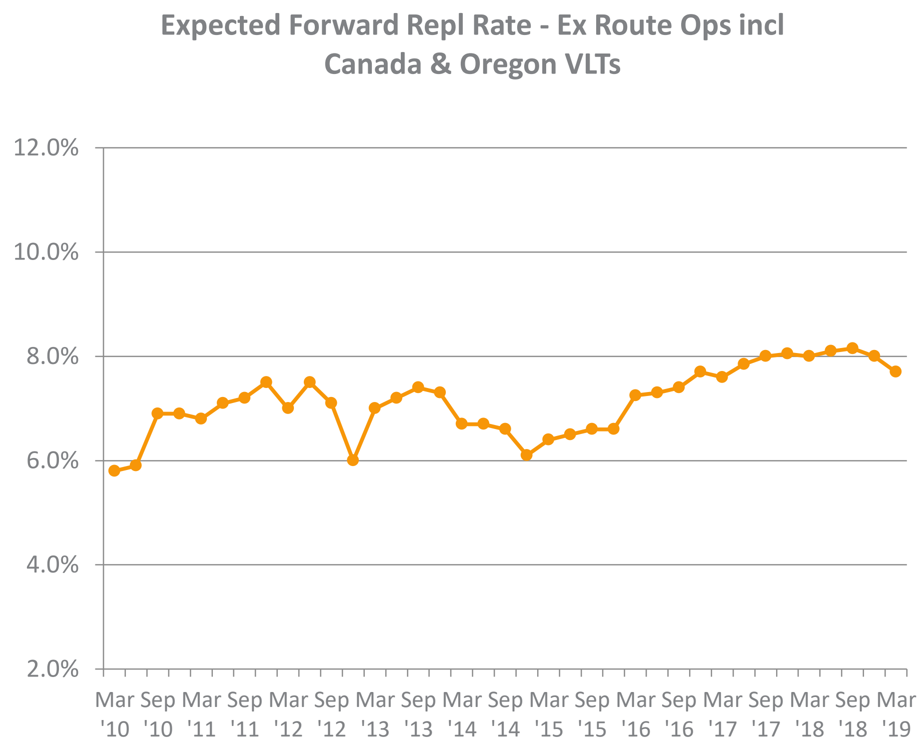


Source: EILERS-FANTINI Quarterly Slot Survey

Expected Forward Replacement Rate & Ship Share

Below we highlight historical survey responses regarding N. America slot replacement rates.





Source: EILERS-FANTINI Quarterly Slot Survey

Expected Forward Replacement Rate & Ship Share

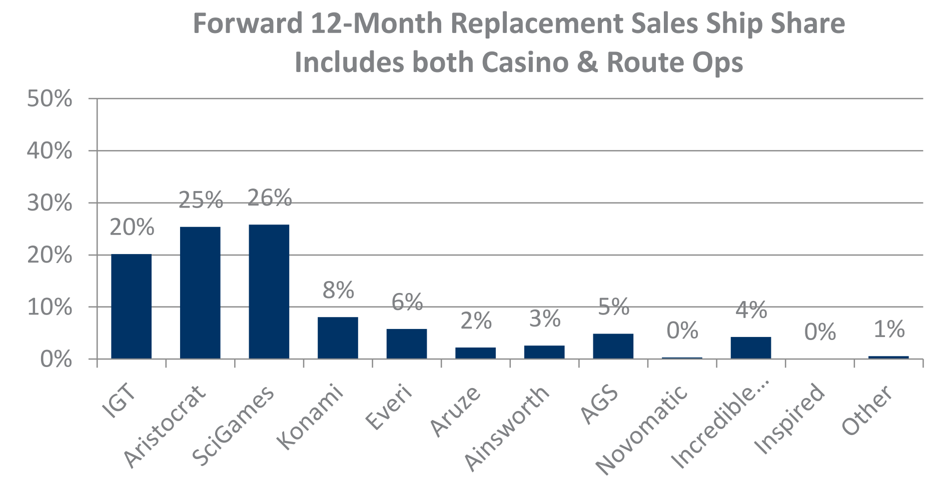
Question 18 – For expected replacement game purchases over the next 12 months, please indicate your estimated % allocation ("Ship Share") by equipment supplier. Please do not include conversion kits.

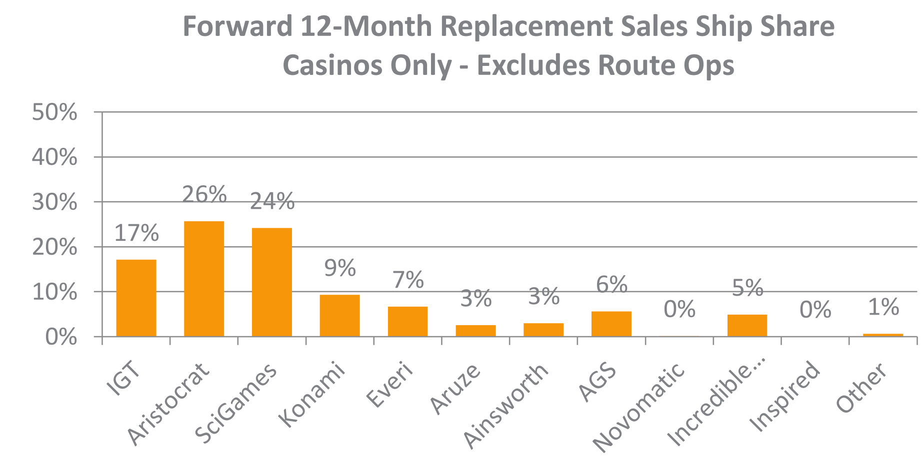
This quarter SciGames is expected to garner the highest share of casino operator forward replacement sales at 25.8% followed closely by Aristocrat at 25.4%. After that, IGT was 20%, Konami at 8%, Everi at 6%, AGS at 5%, Incredible at 4%, Ainsworth at 3% and Aruze at 2%.

If we exclude all Route Op markets including Canada and Oregon VLTs, as well as Illinois VGTs, Aristocrat assumes the top position with a forward expected replacement share at 26% followed by SciGames at 24%, IGT at 17%, Konami at 9%, Everi at 7%, AGS at 6% each, Incredible Technologies at 5%, and Aruze and Ainsworth at 3% each.

In the charts to the right we show the average expected ship share for forward replacement sales based on our responses this quarter. The first chart on the top includes both casinos and route operations. The second chart on the bottom excludes Route Op markets (i.e. NV Route, Oregon / Canada VLTs, IL VGTs).

U.S. & Canada Expected Fwd 12-Month Replacement Share

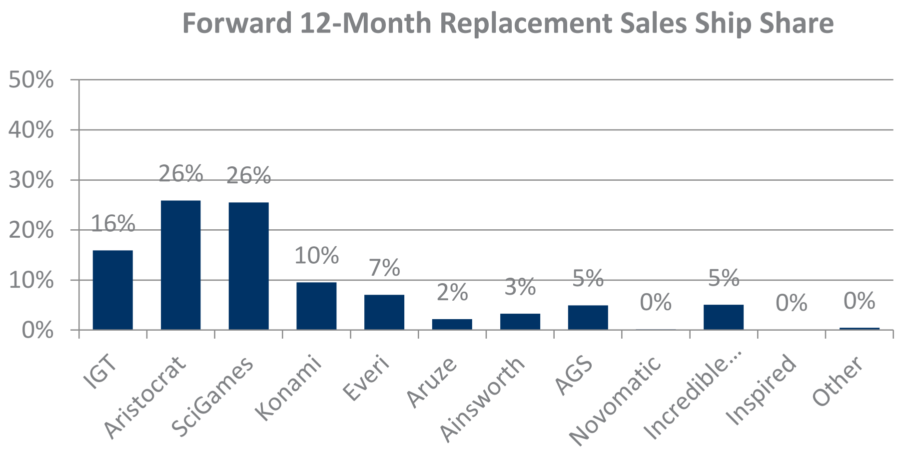




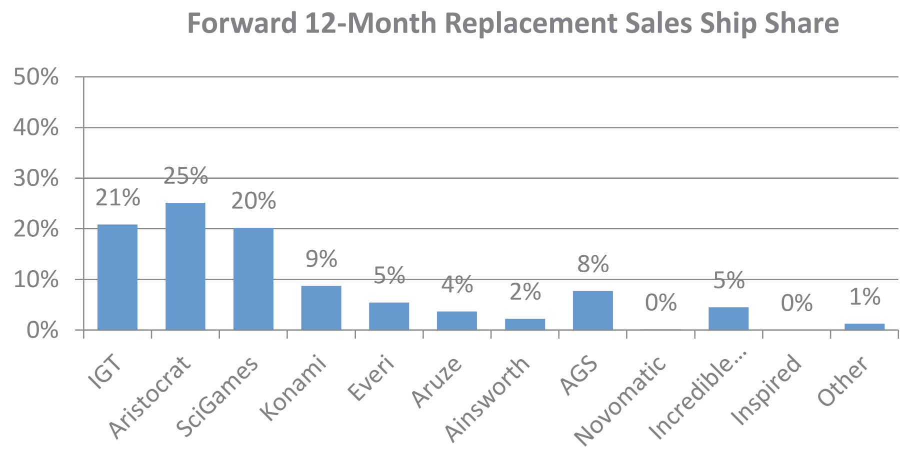
Source: EILERS-FANTINI Quarterly Slot Survey

Expected Forward Replacement Rate & Ship Share

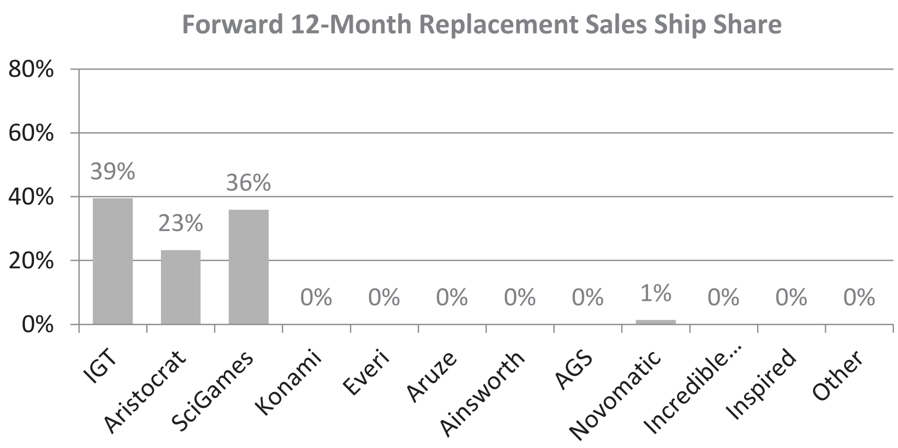
Commercial



Tribal



Route



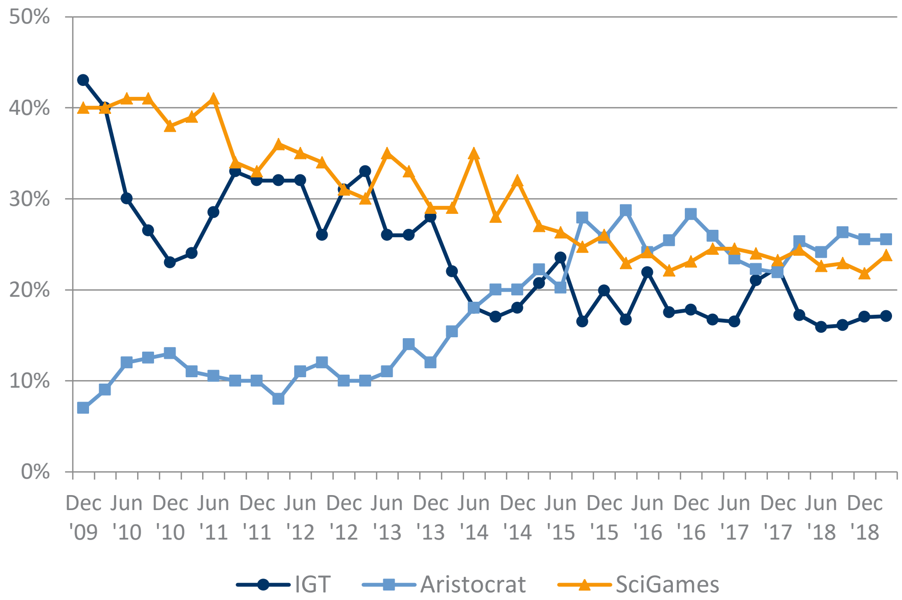
Source: EILERS-FANTINI Quarterly Slot Survey

Expected Forward Replacement Rate & Ship Share

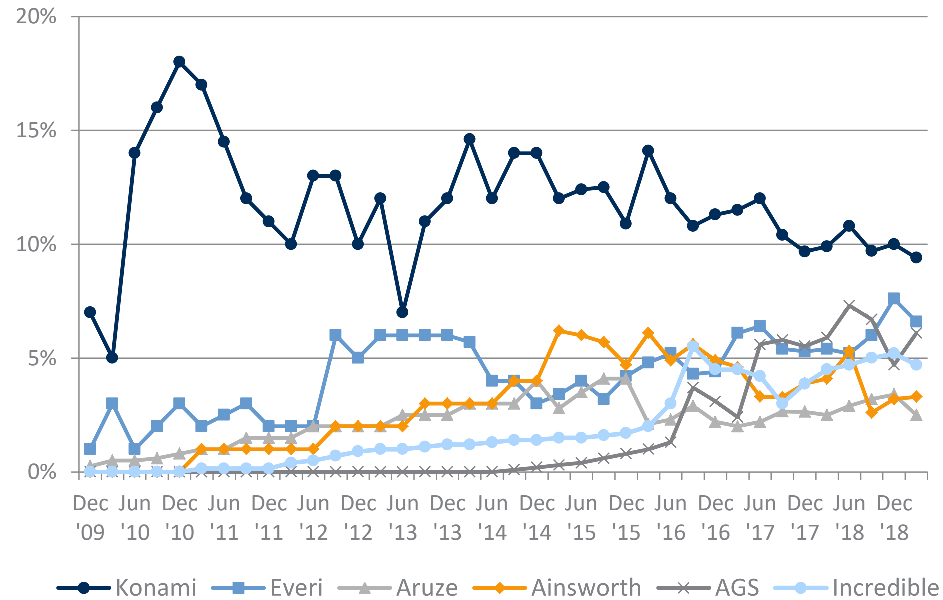
In the below charts we highlight the trend in our surveys for expected ship share on future replacement sales excluding Route Op markets like Canada & Oregon VLT replacements as well as Illinois VGTs. We believe this adj. number best reflects the underlying trends in the casino market. Since this is a forward looking question, this would be the best indication of future adjusted replacement sales ship share, in our opinion.

In terms of trends, we note that Aristocrat has held share over the past few quarters following a positive rebound at the beginning of 2018. SciGames had declined marginally over a few quarters prior to this quarter, but its expected share bounced moderately with this survey. IGT's share continues to show some resistance and is holding at the lower end of its average adj. replacement share range over the past couple years. AGS, Everi, and Incredible continue to show favorably, though we note Everi came back marginally from its prior quarter all-time high and AGS grew marginally following a moderate sequential decline in the prior quarter. Finally, Konami's share declined marginally while Ainsworth's share was flat.

Top 3 Forward Ship Share Expectations - Replacements
Excluding Route Ops



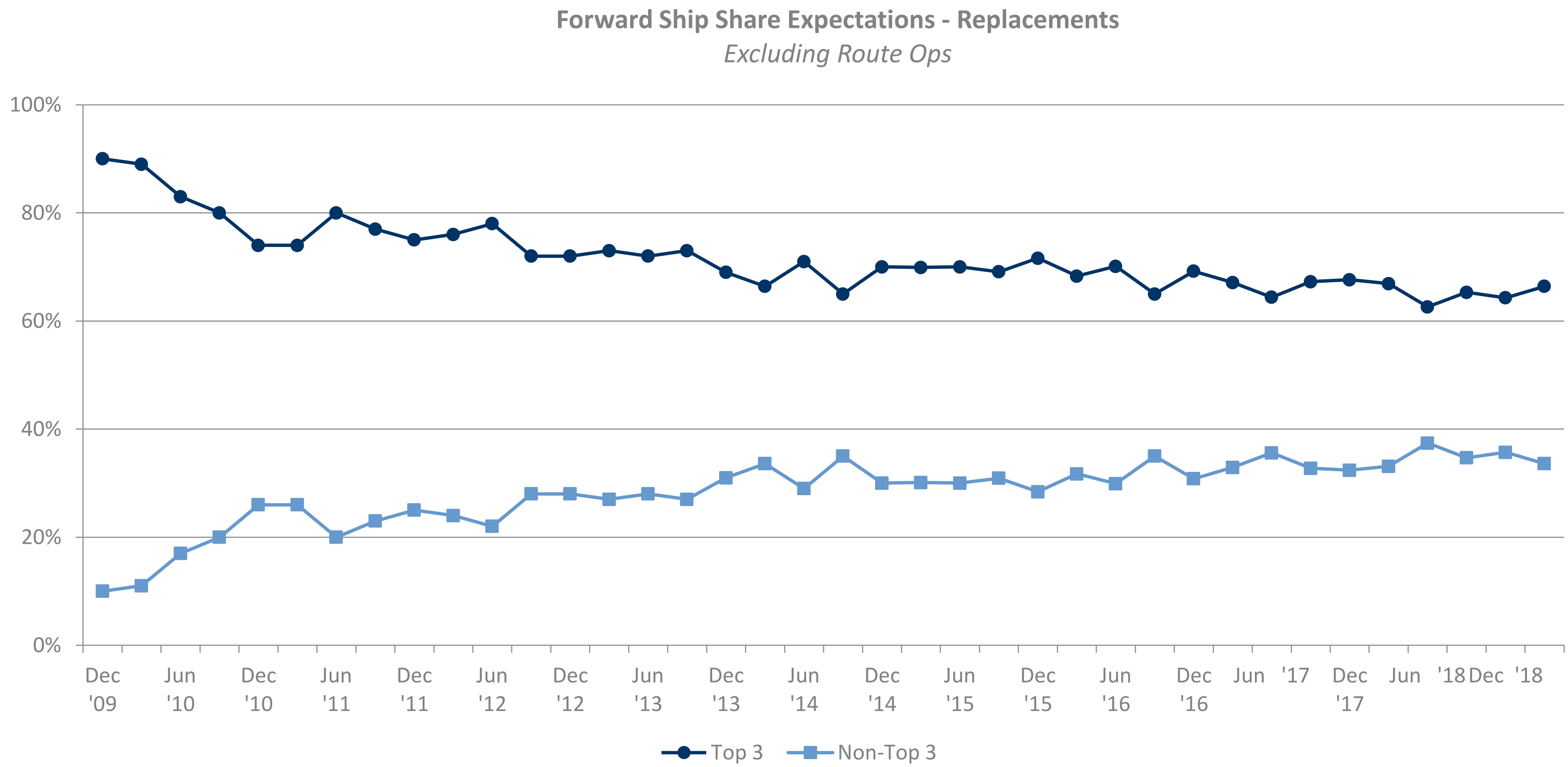
Non-Top 3 Forward Ship Share Expectations - Replacements
Excluding Route Ops



Source: EILERS-FANTINI Quarterly Slot Survey

Expected Forward Replacement Rate & Ship Share

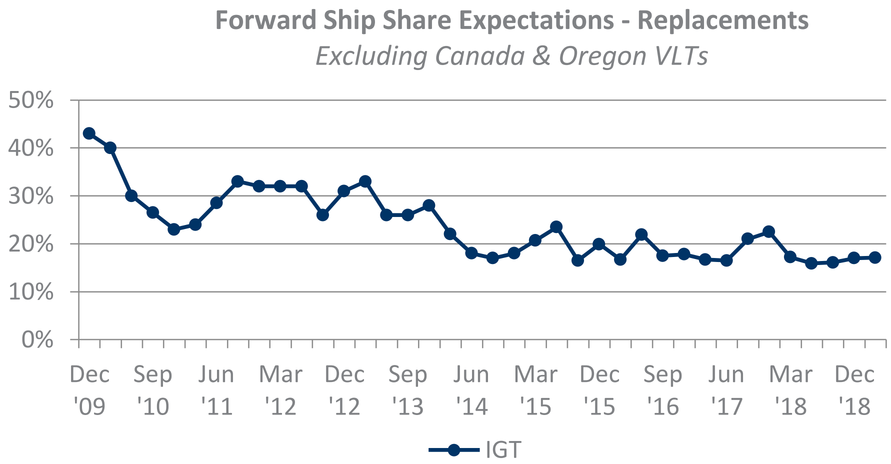
Similar to previous surveys, Non-Big 3 forward replacement share expectations remain close to peak levels.

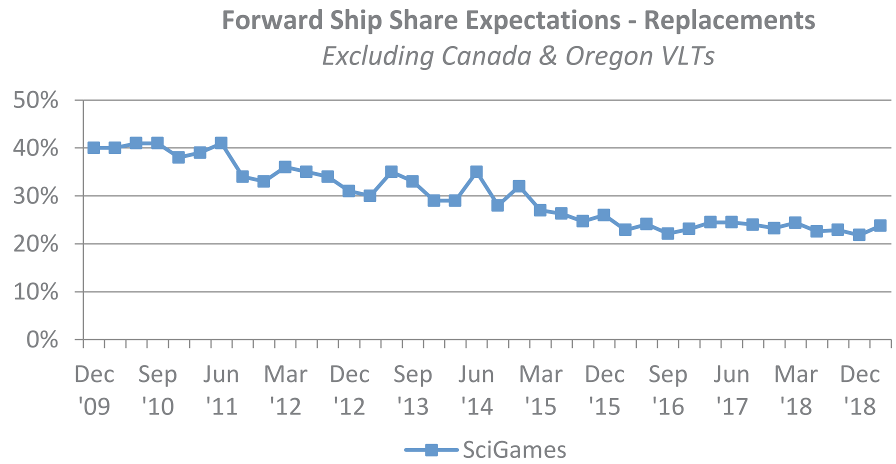


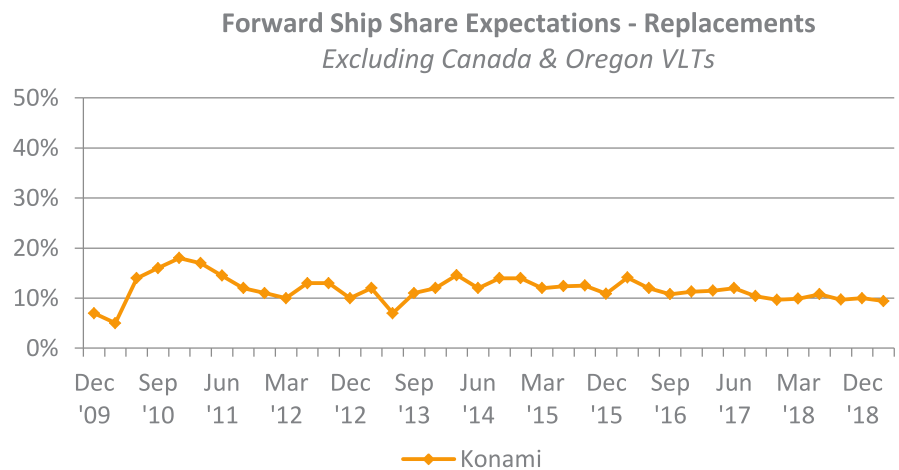
Source: EILERS-FANTINI Quarterly Slot Survey

Expected Forward Replacement Rate & Ship Share

Individual Supplier Trends - Forward 12-Month Replacement Ship Share – Ex Route Ops (ie. Canada & Oregon VLTs)



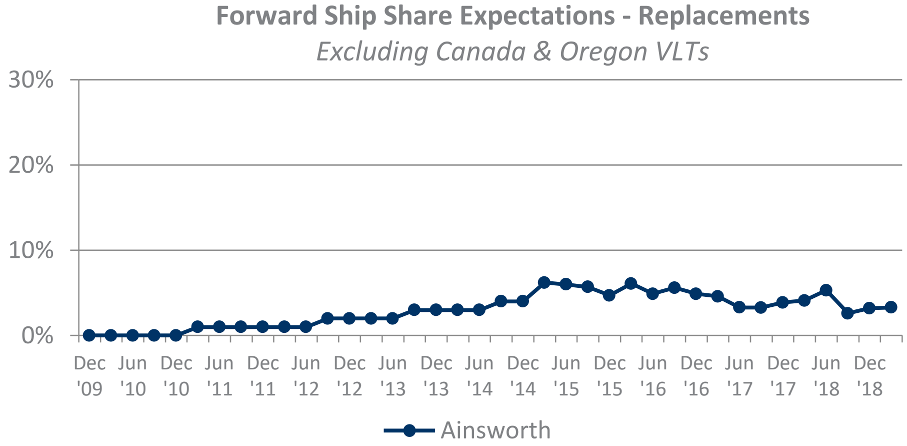


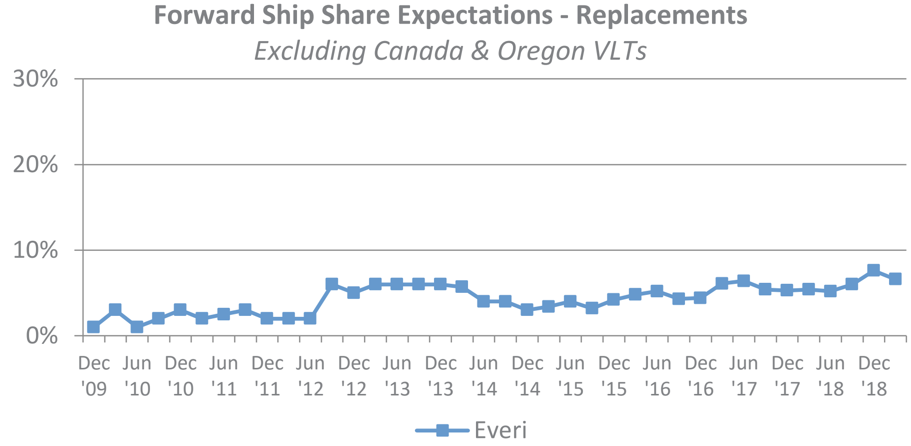


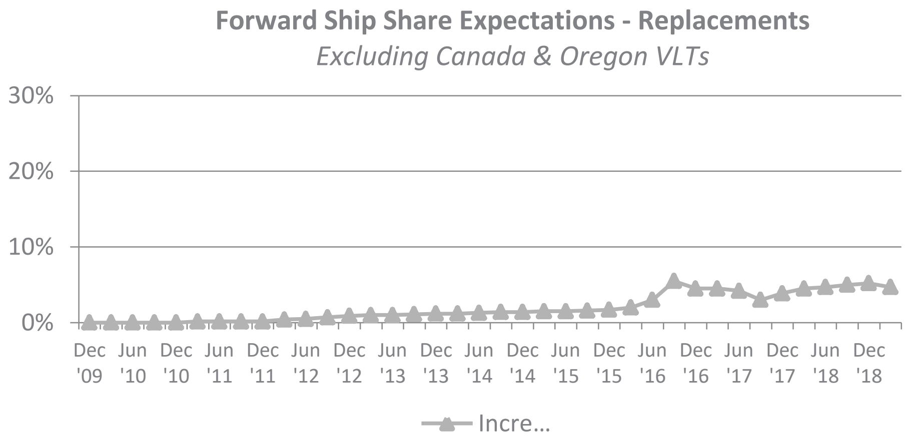
Source: EILERS-FANTINI Quarterly Slot Survey

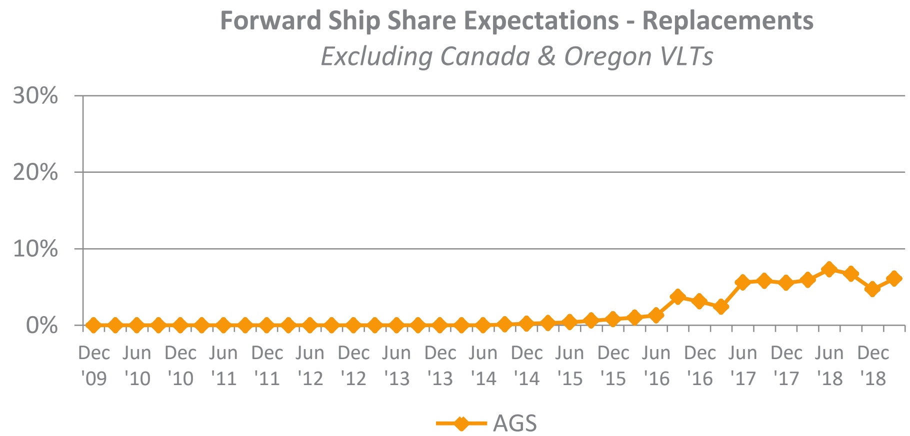
Expected Forward Replacement Rate & Ship Share

Individual Supplier Trends - Forward 12-Month Replacement Ship Share – Ex Route Ops (ie. Canada & Oregon VLTs)







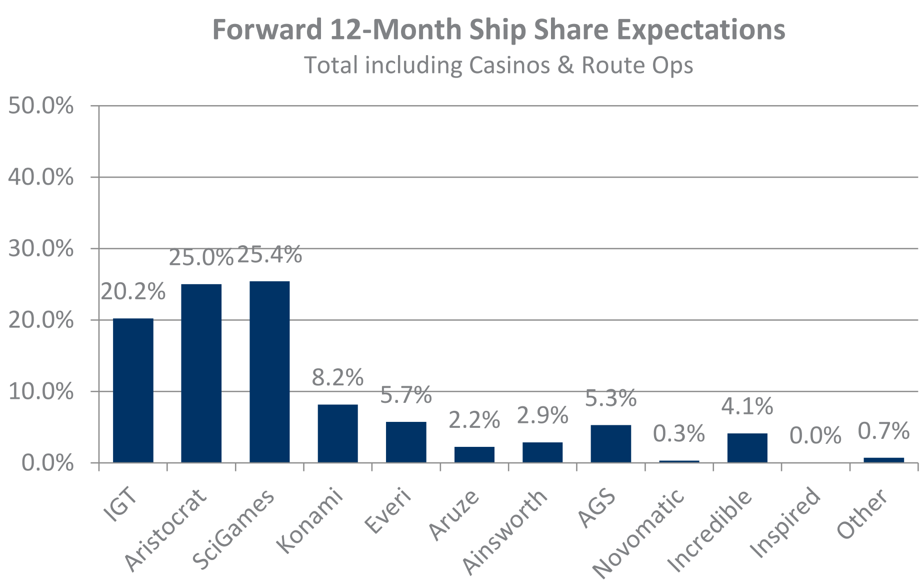


Source: EILERS-FANTINI Quarterly Slot Survey

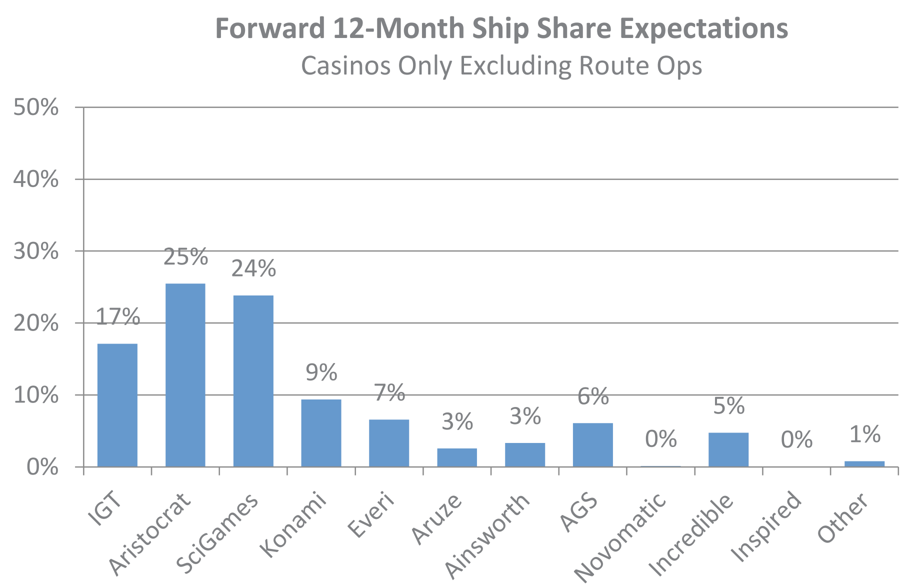
Total Forward Demand Ship Share – Replacements & New & Expansionary

In this section we include both forward 12-month replacement expectations with planned new casino openings and expansion in an effort to arrive at an overall forward ship share projection.

U.S. & Canada Total



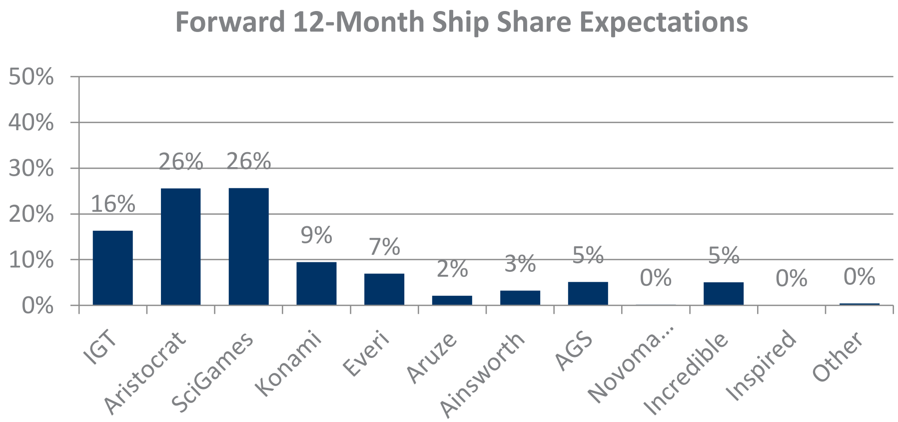
U.S. & Canada Total – Ex Route Ops



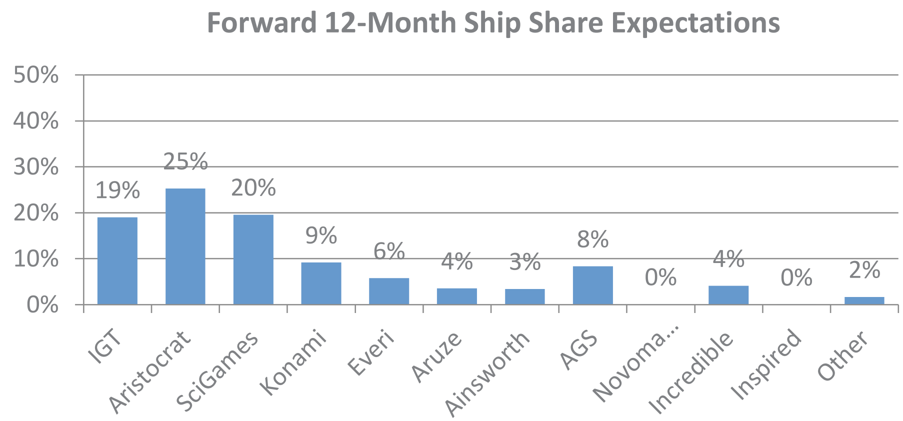
Source: EILERS-FANTINI Quarterly Slot Survey

Total Forward Demand Ship Share – Replacements & New & Expansionary

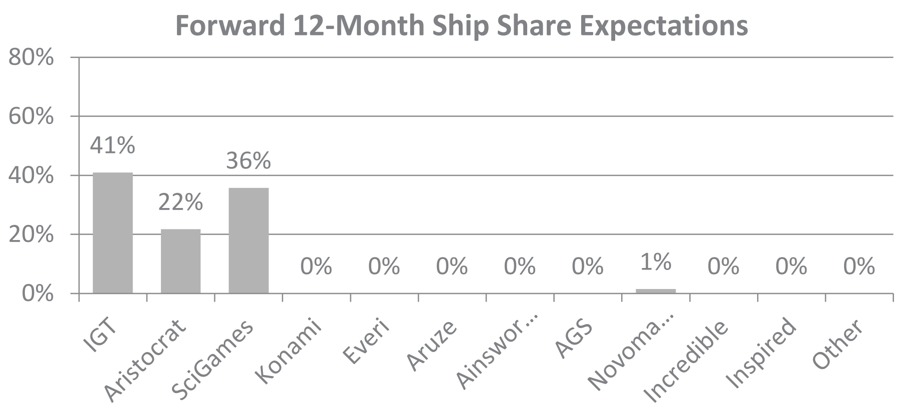
Commercial Total



Tribal Total



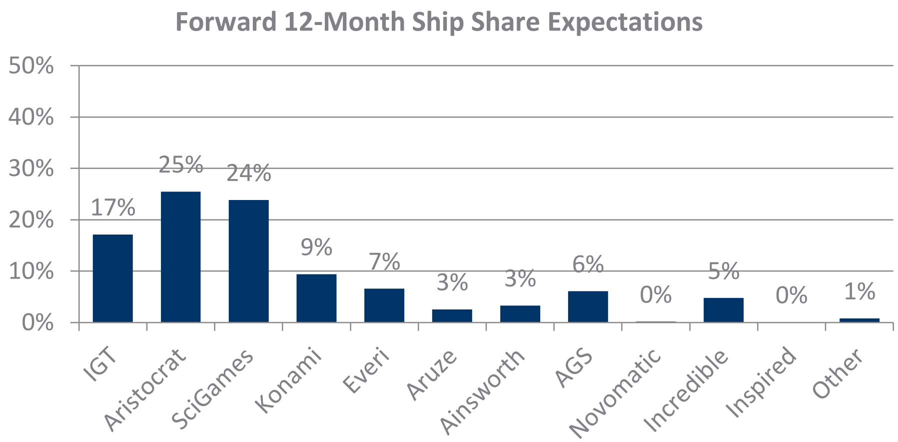
Route Ops Total



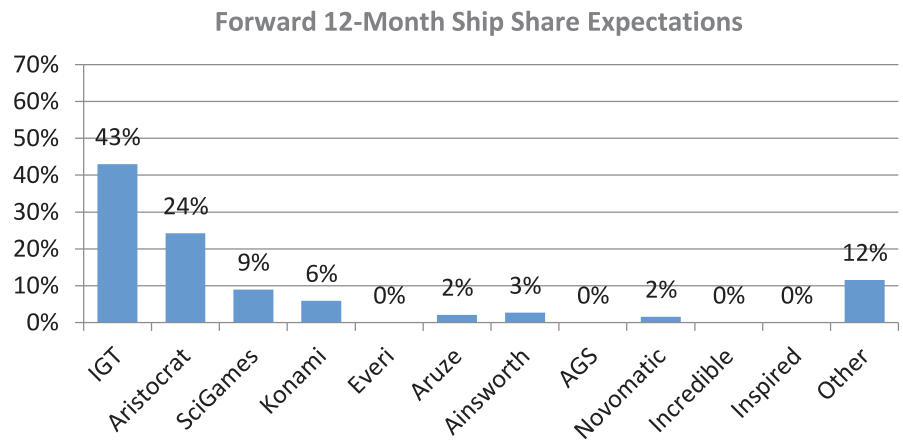
Source: EILERS-FANTINI Quarterly Slot Survey

Total Forward Demand Ship Share – Replacements & New & Expansionary

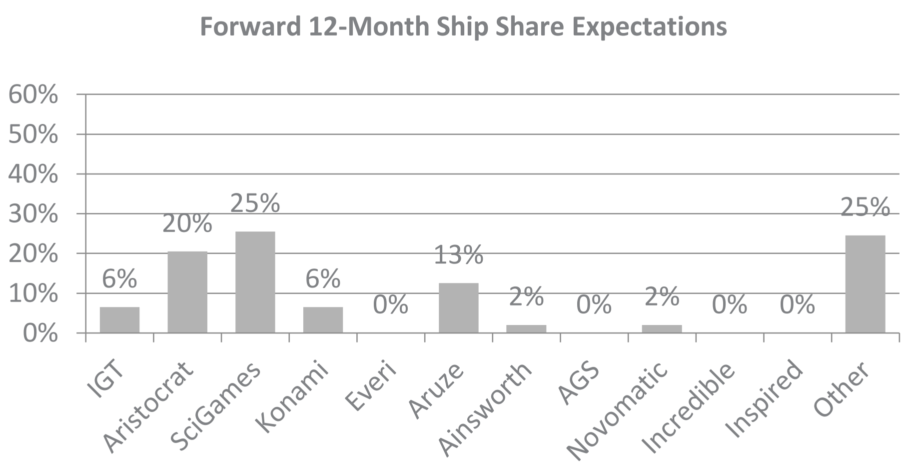
Total International ex. Route Ops



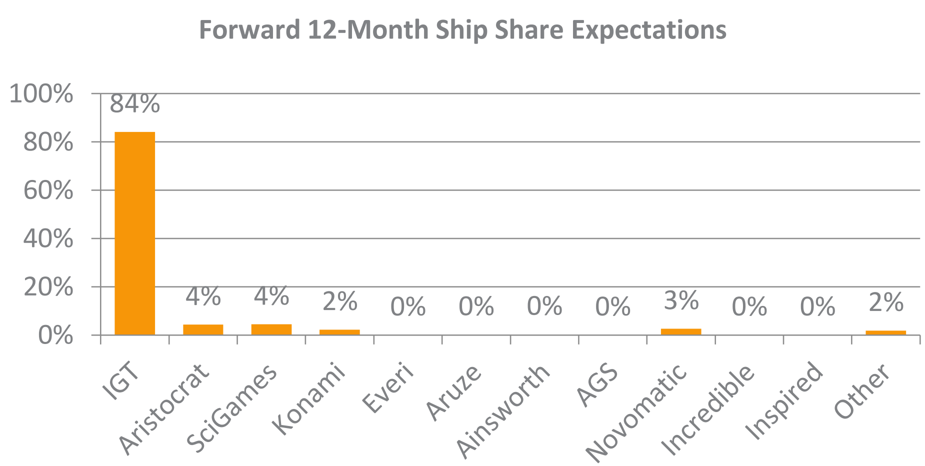
International Route Ops



Asia



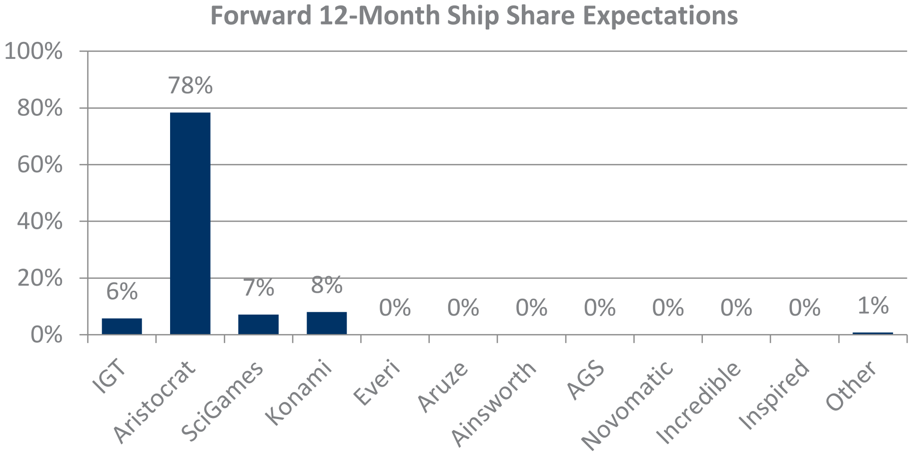
Europe



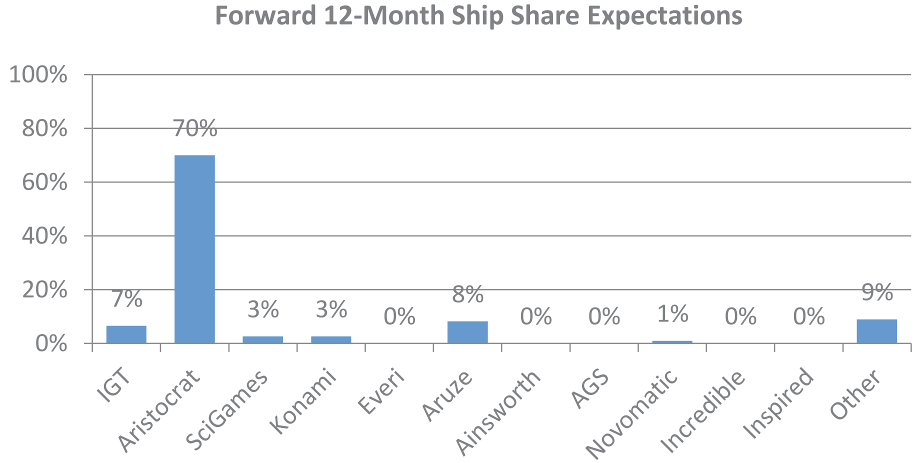
Source: EILERS-FANTINI Quarterly Slot Survey

Total Forward Demand Ship Share – Replacements & New & Expansionary

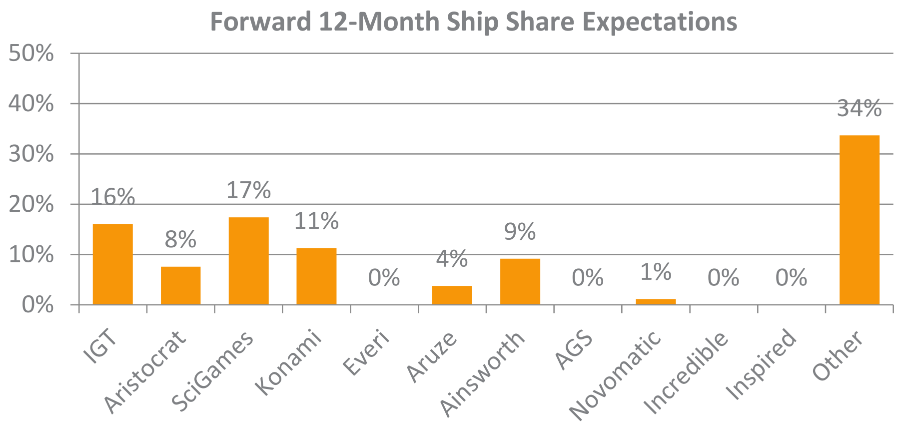
Australia / NZ



Africa



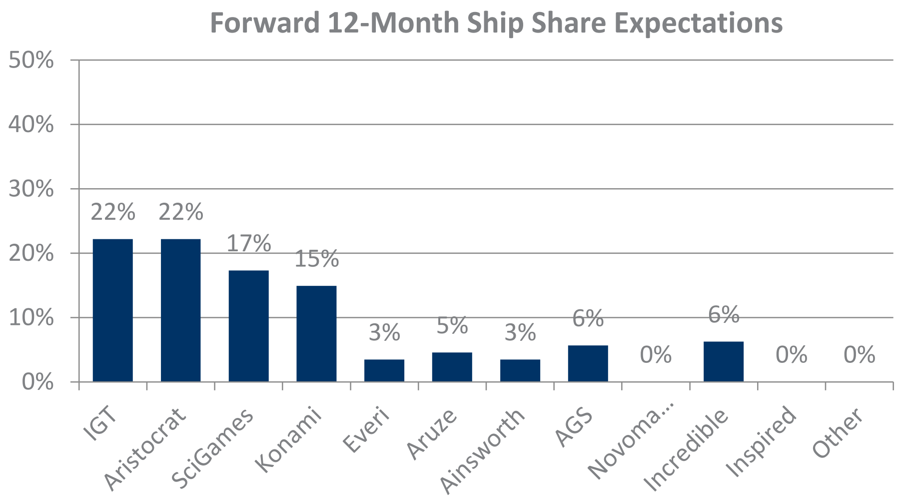
L. America



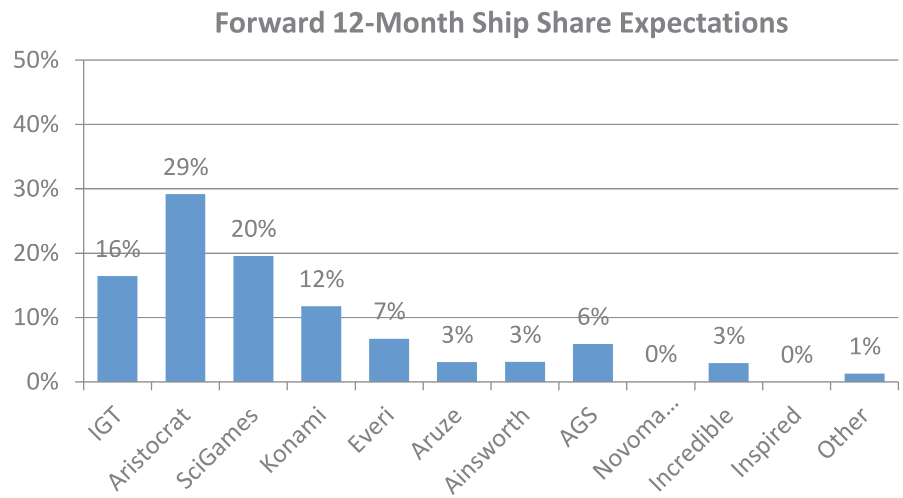
Source: EILERS-FANTINI Quarterly Slot Survey

Total Forward Demand Ship Share – U.S. & Canada Regional Mix

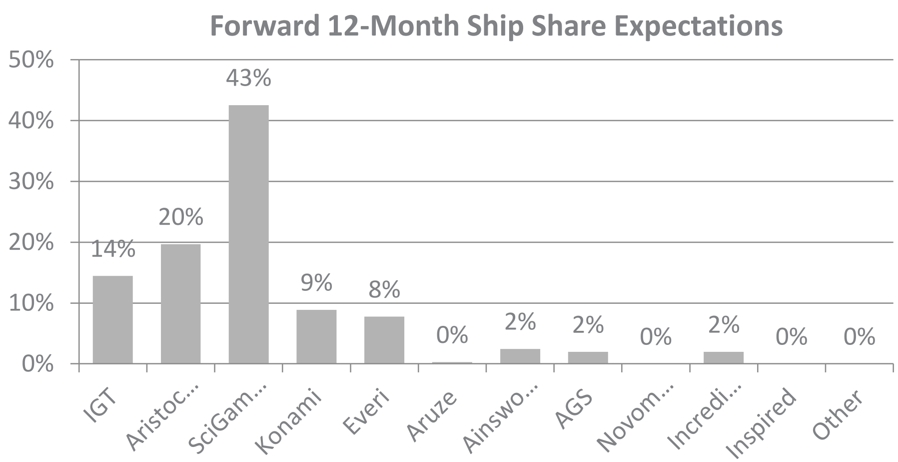
Arizona – 3 Casinos



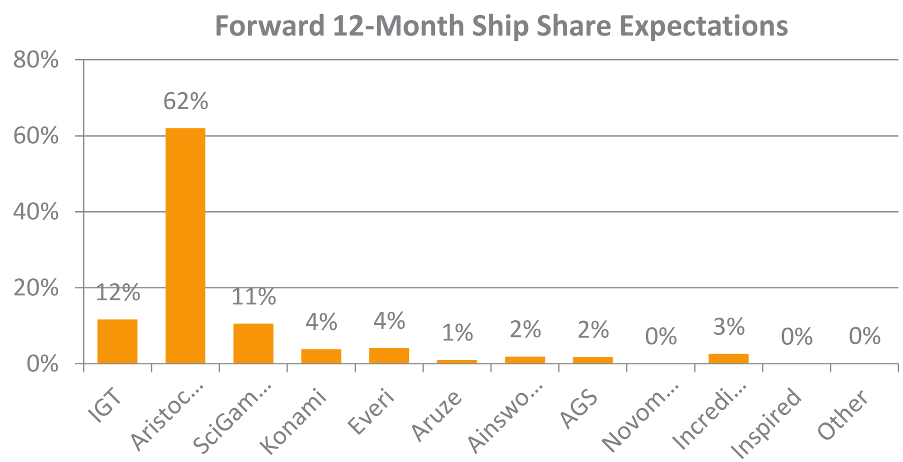
California – 16 Casinos (9 Southern Cal, 7 Northern Cal)



Canadian (Slots Only) – 73 Casinos



Colorado – 14 Casinos

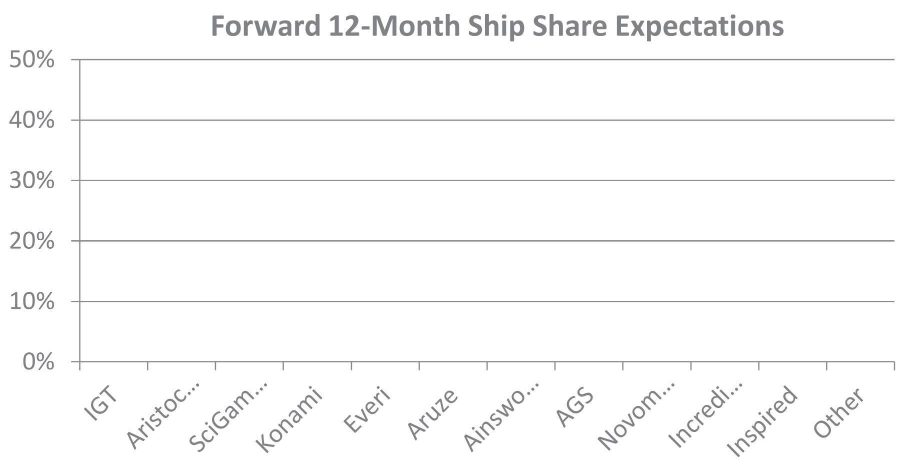


Source: EILERS-FANTINI Quarterly Slot Survey

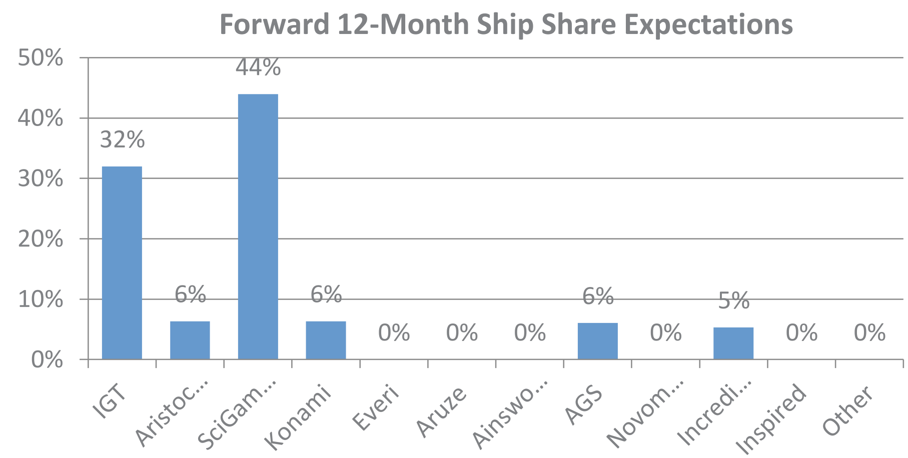
Note: Total Forward demand includes both replacement sales as well as New Casino Opening & Expansion Sales

Total Forward Demand Ship Share – U.S. & Canada Regional Mix

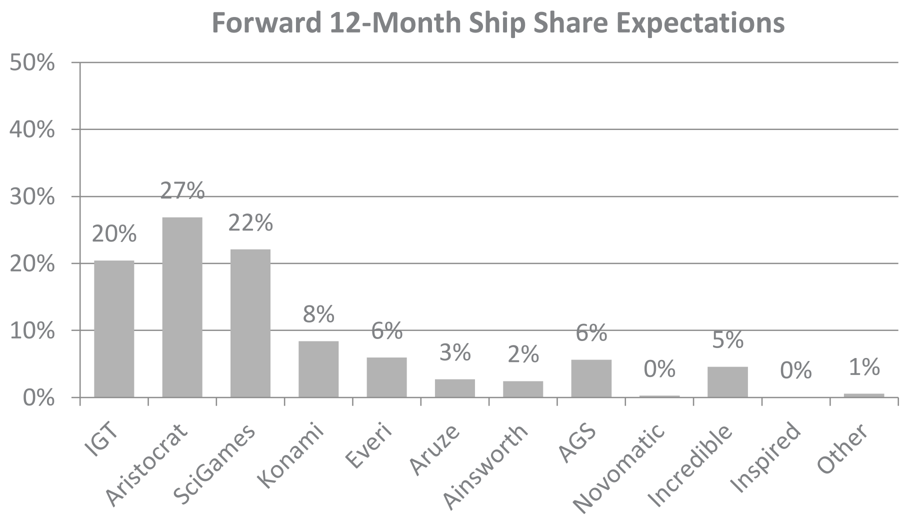
Delaware Casinos – 2 Casinos



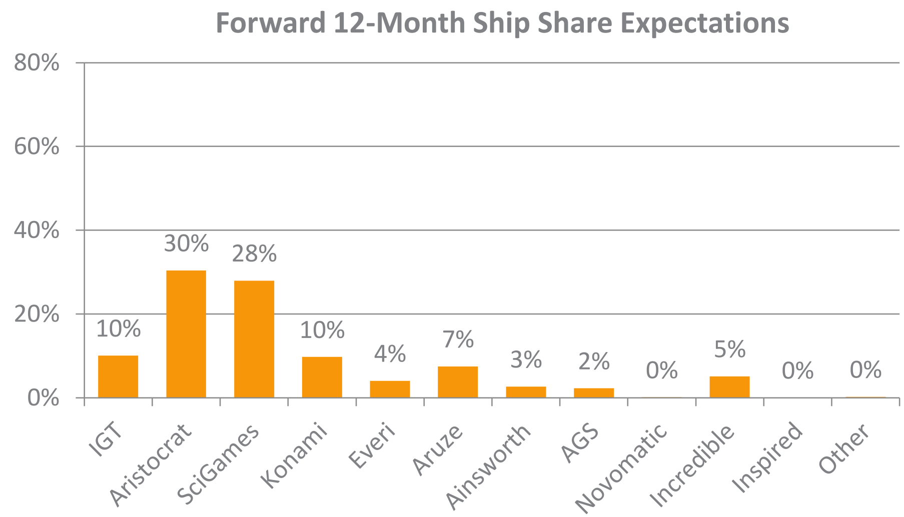
Florida Casinos – 2 Casinos



Florida – 75 Cruise Ships



Iowa Casinos – 3 Casinos

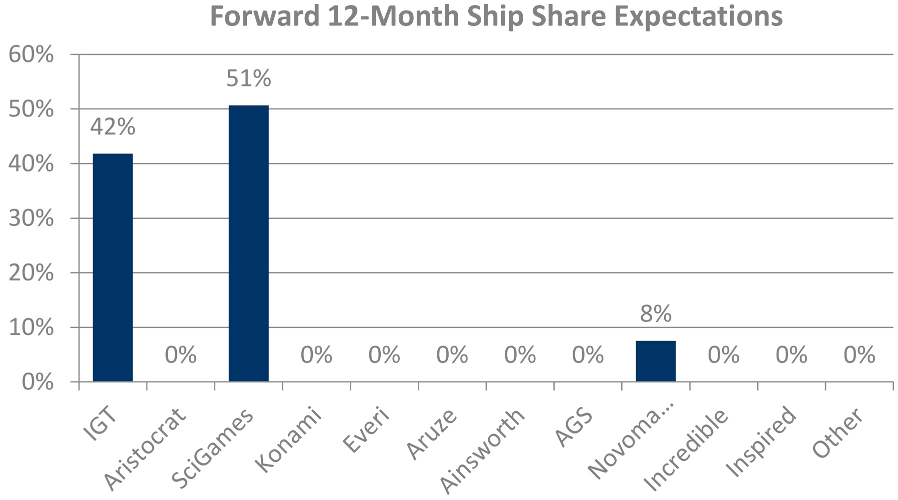


Source: EILERS-FANTINI Quarterly Slot Survey

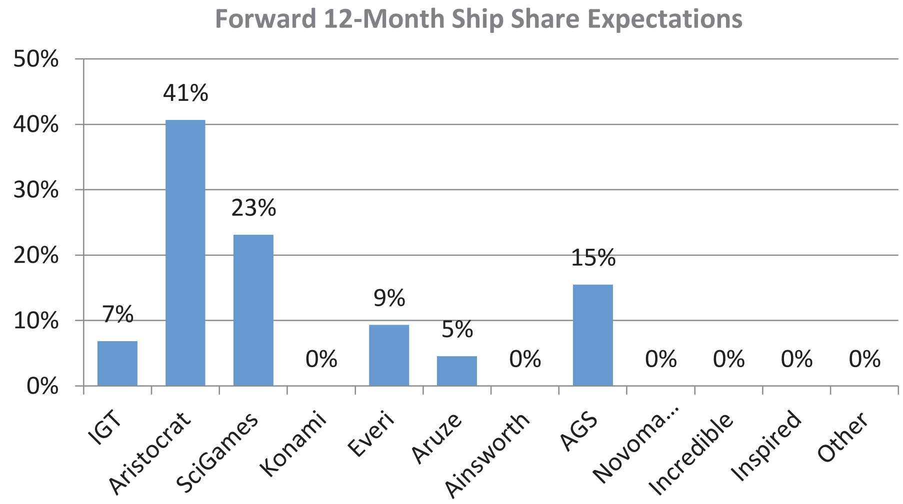
Note: Total Forward demand includes both replacement sales as well as New Casino Opening & Expansion Sales

Total Forward Demand Ship Share – U.S. & Canada Regional Mix

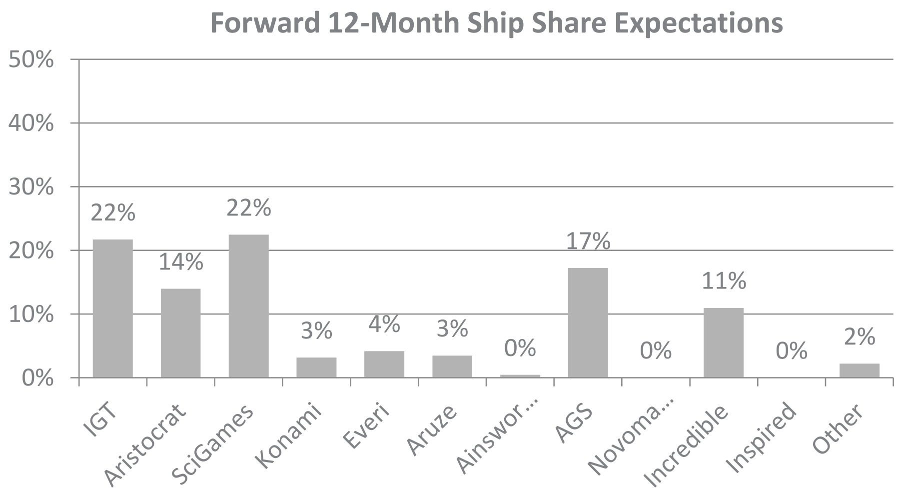
IL VGTs – 2 Route Operators



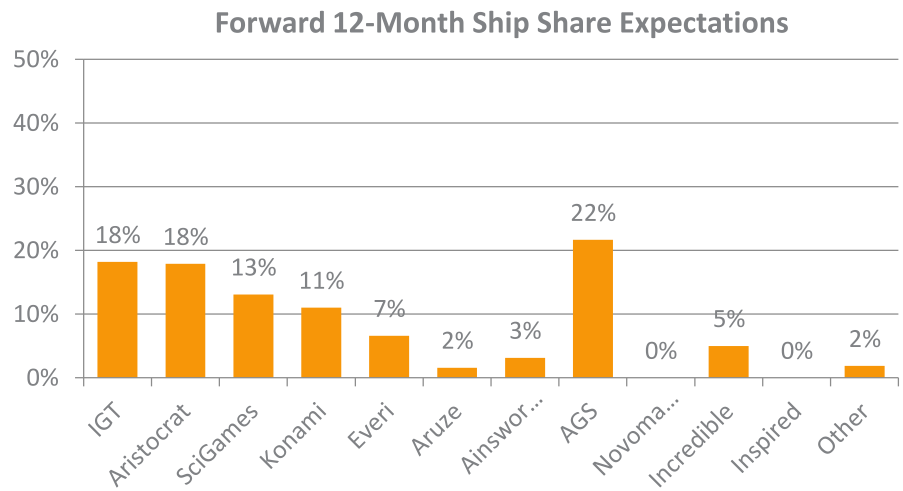
Kansas - 3 casinos



Louisiana - 3 casinos



Michigan – 4 Casinos

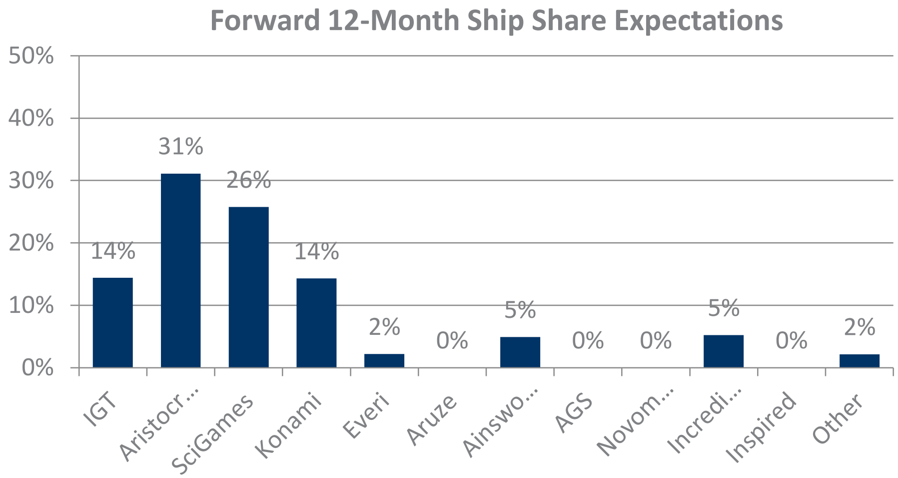


Source: EILERS-FANTINI Quarterly Slot Survey

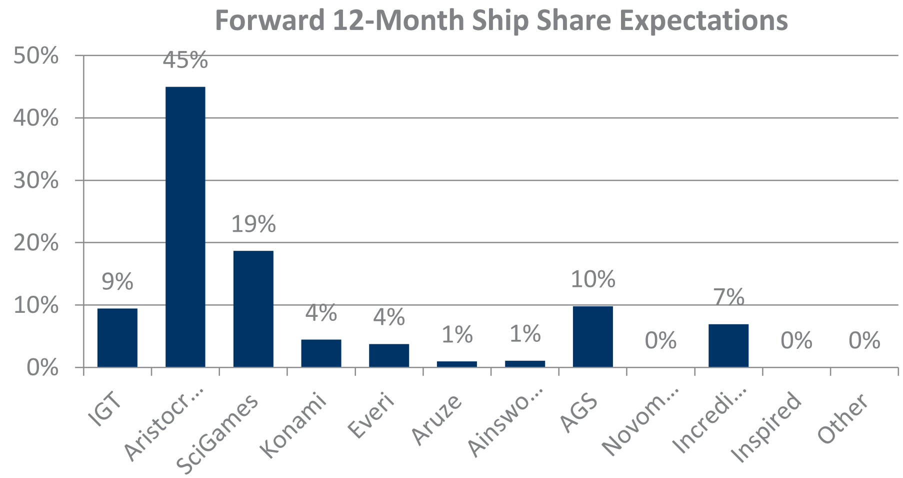
Note: Total Forward demand includes both replacement sales as well as New Casino Opening & Expansion Sales

Total Forward Demand Ship Share – U.S. & Canada Regional Mix

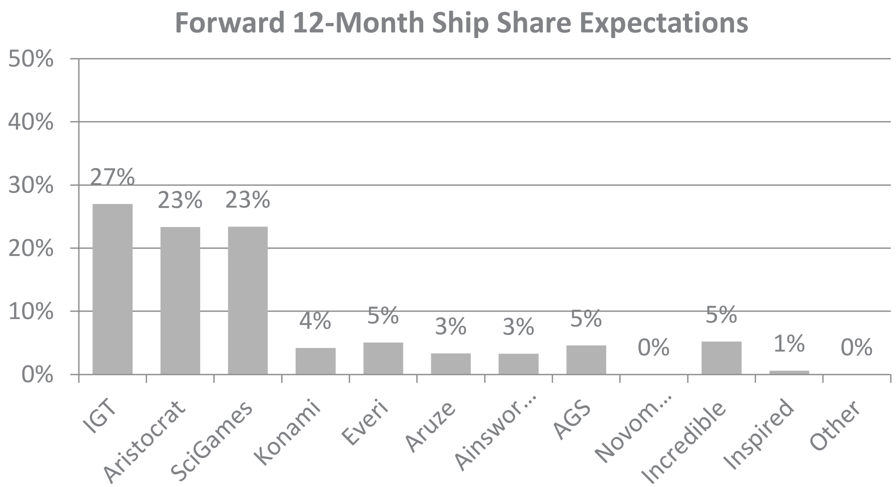
Minnesota - 5 casinos



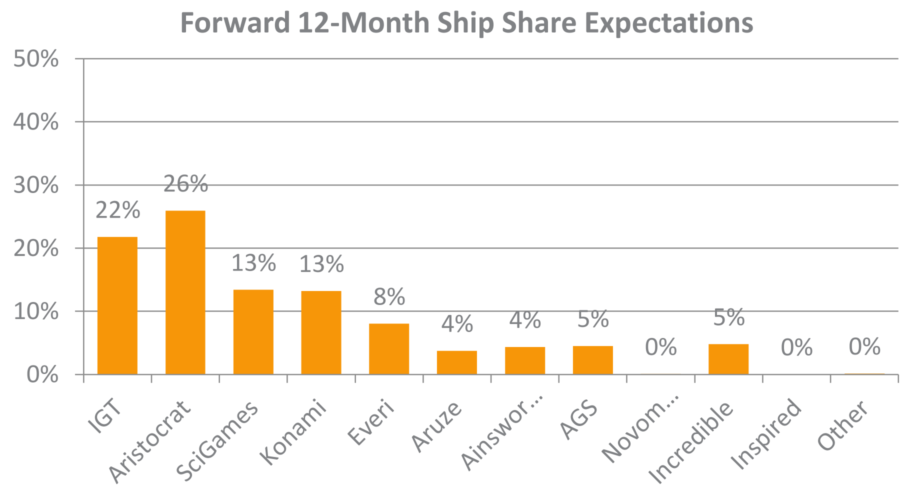
Mississippi – 4 casinos



Nevada – 18 casinos



New Mexico – 8 Casinos

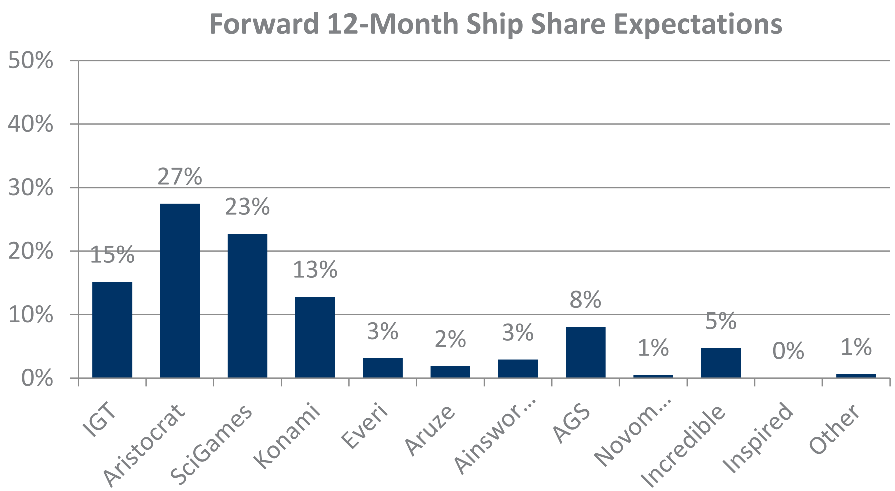


Source: EILERS-FANTINI Quarterly Slot Survey

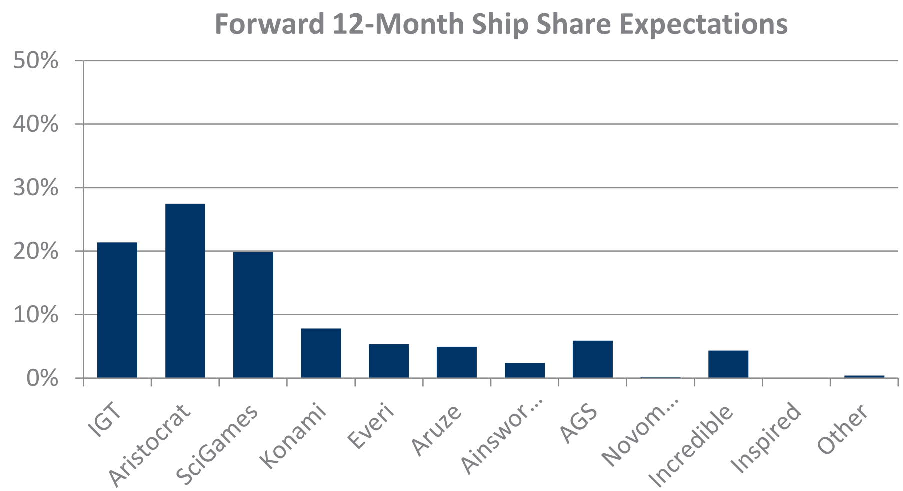
Note: Total Forward demand includes both replacement sales as well as New Casino Opening & Expansion Sales

Total Forward Demand Ship Share – U.S. & Canada Regional Mix

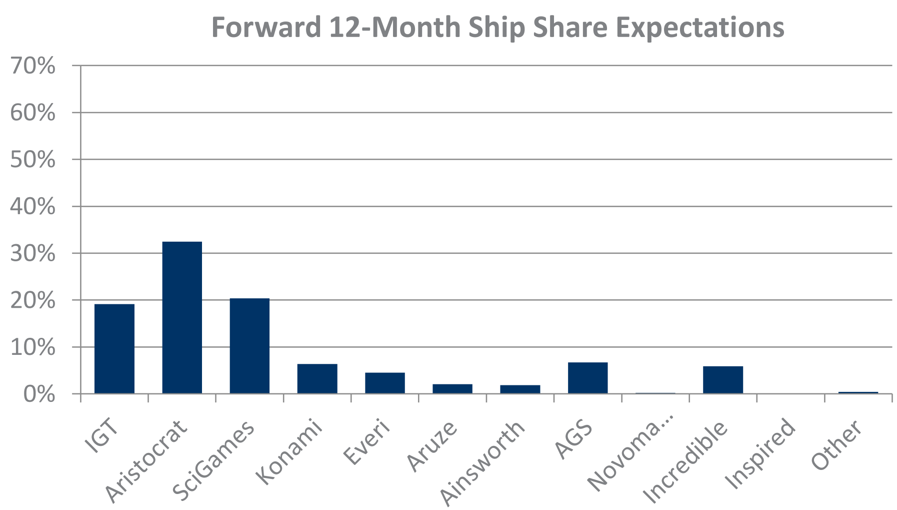
Ohio - 5 casinos



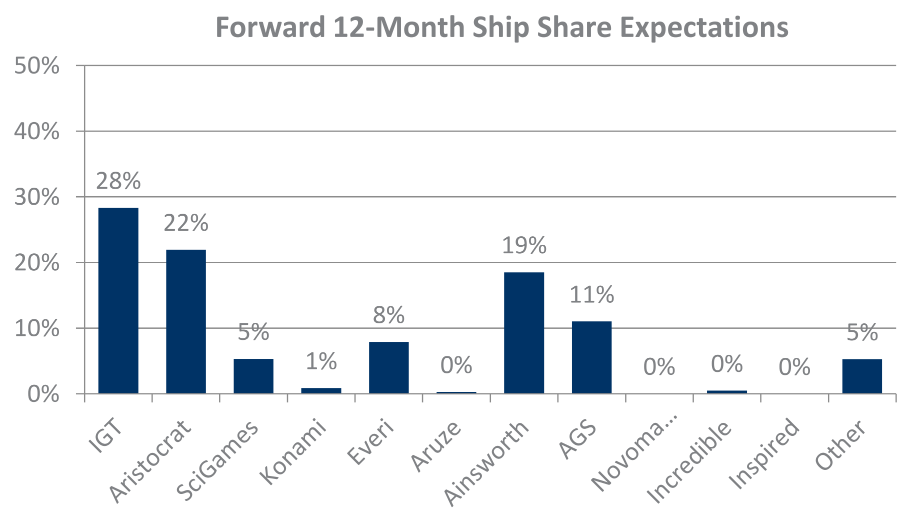
Oklahoma - 71 casinos



Pennsylvania – 2 Casinos



Washington – 3 Casinos

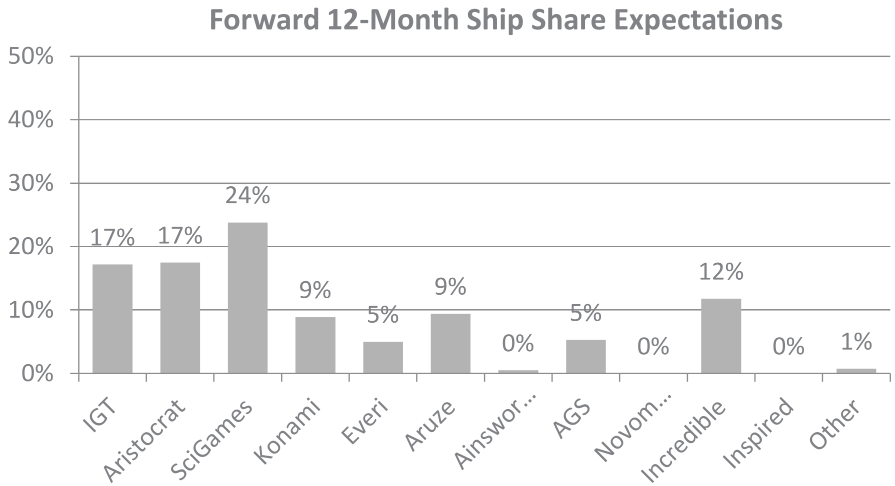


Source: EILERS-FANTINI Quarterly Slot Survey

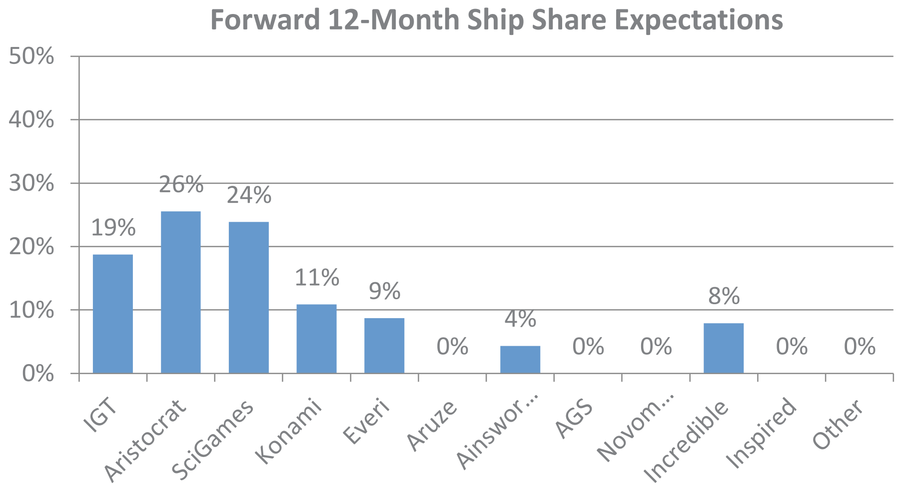
Note: Total Forward demand includes both replacement sales as well as New Casino Opening & Expansion Sales

Total Forward Demand Ship Share – U.S. & Canada Regional Mix

Wisconsin - 7 casinos



West Virginia - 2 casinos



Source: EILERS-FANTINI Quarterly Slot Survey

Note: Total Forward demand includes both replacement sales as well as New Casino Opening & Expansion Sales

System & Technology Spending

Question 19 – Who is your current slot management system provider?

For North America, the vast majority of our survey participants continue to utilize a Bally slot management system followed by Aristocrat and then IGT. The big change this qtr was that Aristocrat moved into the second position driven by a sizable corporate contract win. For International survey participants, SciGames is the most utilized slot management system followed by Win Systems and IGT. We note, our International participation is growing, however it is not as strong as our North American participation. Therefore it will not be representative of broad market trends in the same way our North American results are, though we still find it relevant. Other system suppliers for both North America and International markets included Novomatic, GTG, ACE, TableTrac and Boldt (CAS).

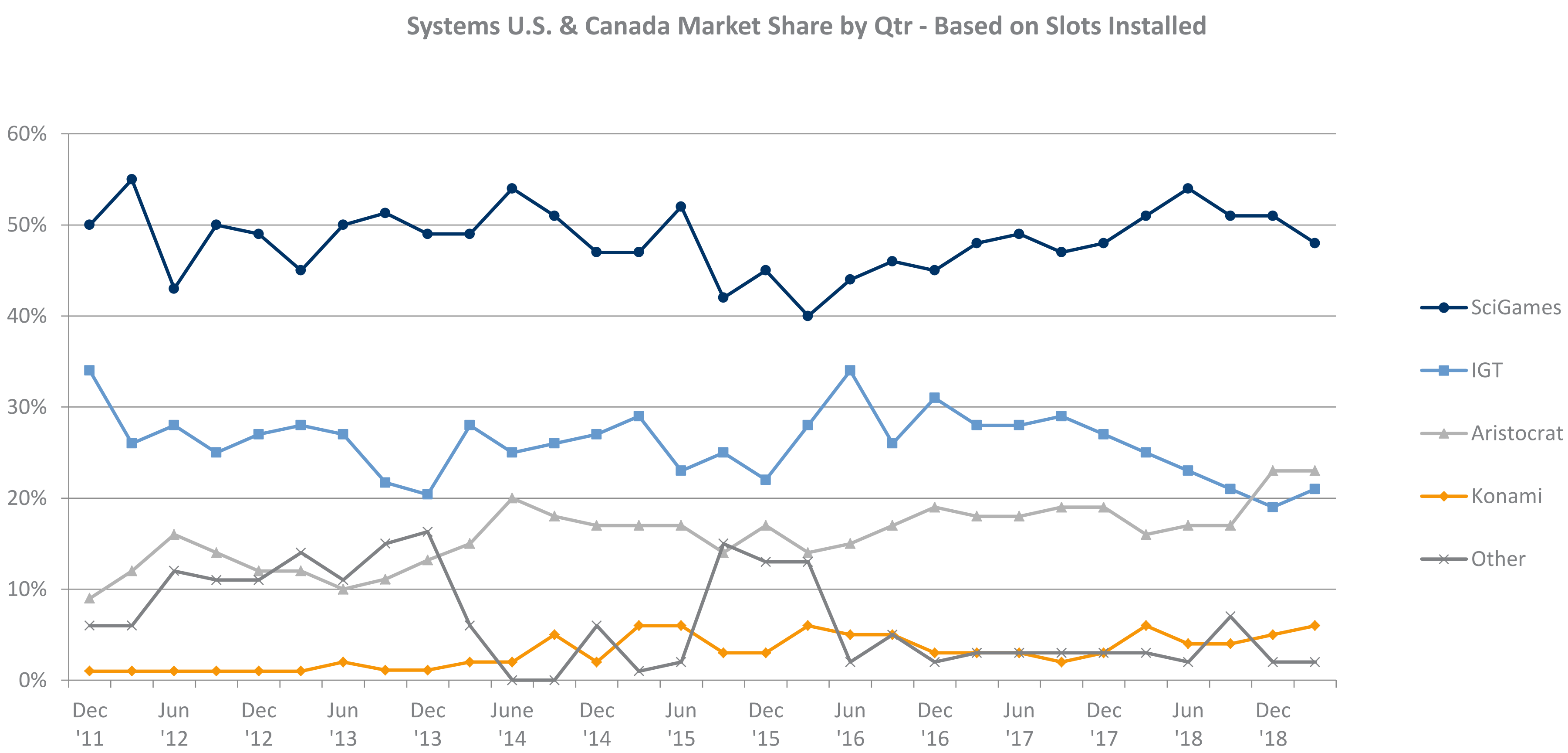
Slot Mgt System Provider – U.S. & Canada

Company / System	Responses	%	Casinos	%	Slots	%
Bally (SDS, ACSC, BallyOne, MC)	50	42%	216	45%	196,976	48%
Aristocrat (Oasis)	29	24%	102	21%	97,998	24%
IGT (Advantage , Sbx, CasinoLink)	26	22%	68	14%	79,402	20%
Konami (KCMS)	12	10%	92	19%	24,122	6%
Other (includes other & none)	2	2%	4	1%	7,776	2%
Bally (SDS, ACSC, BallyOne, MC)	**119**	**100%**	**482**	**100%**	**406,274**	**100%**

Note: We do not include VLT central system technology or Route Operations units.

Source: EILERS-FANTINI Quarterly Slot Survey

System & Technology Spending



System & Technology Spending

The chart below highlights quarterly trends from our International survey participants:

Slot Mgt System Provider - International

Company / System	Responses	%	Casinos	%	Slots	%
Bally (SDS, ACSC, BallyOne, MC)	6	35%	41	20%	39,164	45%
Win Systems (WIGOS / WASS)	2	12%	130	64%	30,257	35%
IGT (Advantage , Sbx, CasinoLink)	4	24%	25	12%	16,200	19%
Konami (KCMS)	0	0%	0	0%	0	0%
Aristocrat (Oasis)	0	0%	0	0%	0	0%
Other (includes other & none)	5	29%	8	4%	542	1%
Total	**17**	**100%**	**203**	**100%**	**86,163**	**100%**

Note: We do not include Route/VLT central system units

Source: EILERS-FANTINI Quarterly Slot Survey

System & Technology Spending

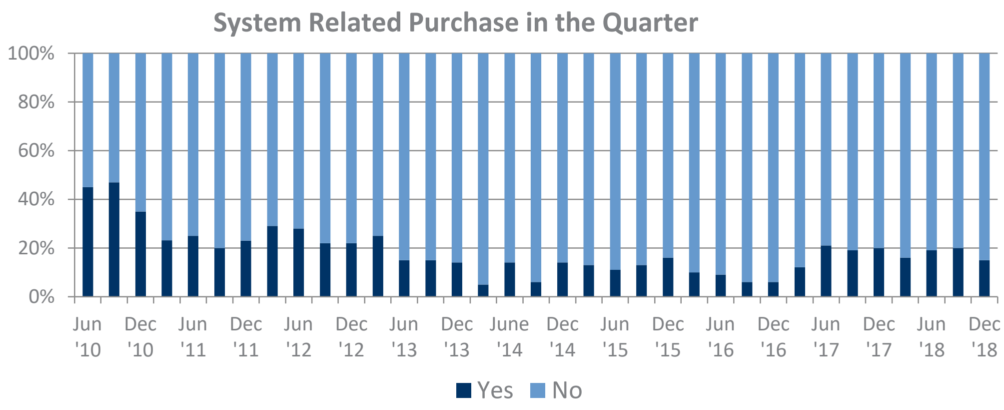
Question 20 – Did you purchase a system product in 1Q CY19? If so, please indicate the type?

We note that 15 of 136, or 11% of participants purchased a system product in 1Q19, which represented a moderate decrease compared with our prior survey. See trends below.

Systems technology investment - 1Q CY19

Company / Product	Responses	%	Casinos	%	Slots	%
Did not purchase any technology	121	89%	585	85%	417,036	85%
Purchased systems technology	15	11%	100	15%	75,401	15%
Total	**136**	**100%**	**685**	**100%**	**492,437**	**100%**

The below chart highlights the quarterly purchasing trends from our survey participants:



Source: EILERS-FANTINI Quarterly Slot Survey

System products purchased in the qtr.

Supplier	System Product
Aristocrat	Oasis nCompass
Aristocrat	Table Manager
Aristocrat	TrackIT
IGT	Random Riches
IGT	sbX Upgrade
Konami	Synk Box 2
Konami	True-Time Display & Windowing
SciGames (Bally)	iView4
SciGames (Bally)	CMS Version Upgrade, Servizio
SciGames (Bally)	Elite Bonusing Suite
SciGames (Bally)	Web Content Manager

System & Technology Spending

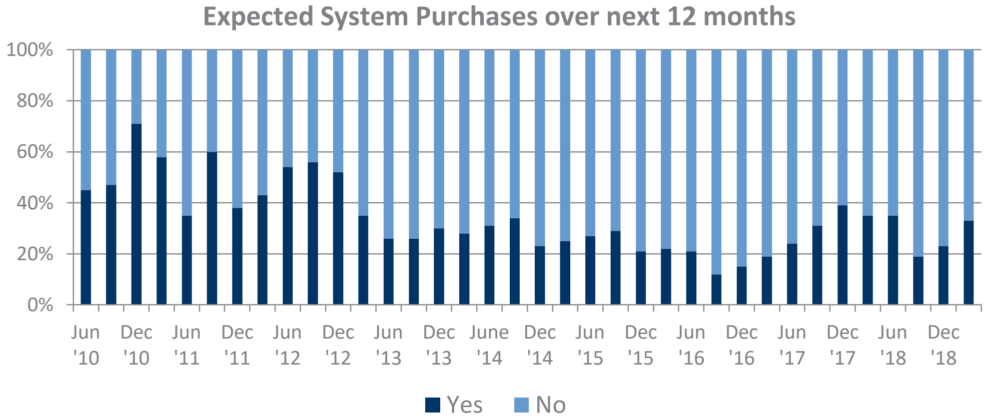
Question 21 – Do you currently have plans to purchase and install a system product over the next 12 months? If so, please indicate the type of product.

This quarter 35 out of 136, or 23% of our survey participants have plans to purchase systems technology over the next 12 months which was a moderate decrease versus the prior period likely due to the delivery of previously stated anticipated system installs.

Systems technology investment plans over next 12 months

Company / Product	Responses	%	Casinos	%	Slots	%
No investment plans	101	74%	503	73%	329,634	67%
Plan to invest	35	26%	182	27%	162,803	33%
Total	**136**	**100%**	**685**	**100%**	**492,437**	**100%**

The below chart highlights quarterly responses from our survey participants:



Source: EILERS-FANTINI Quarterly Slot Survey

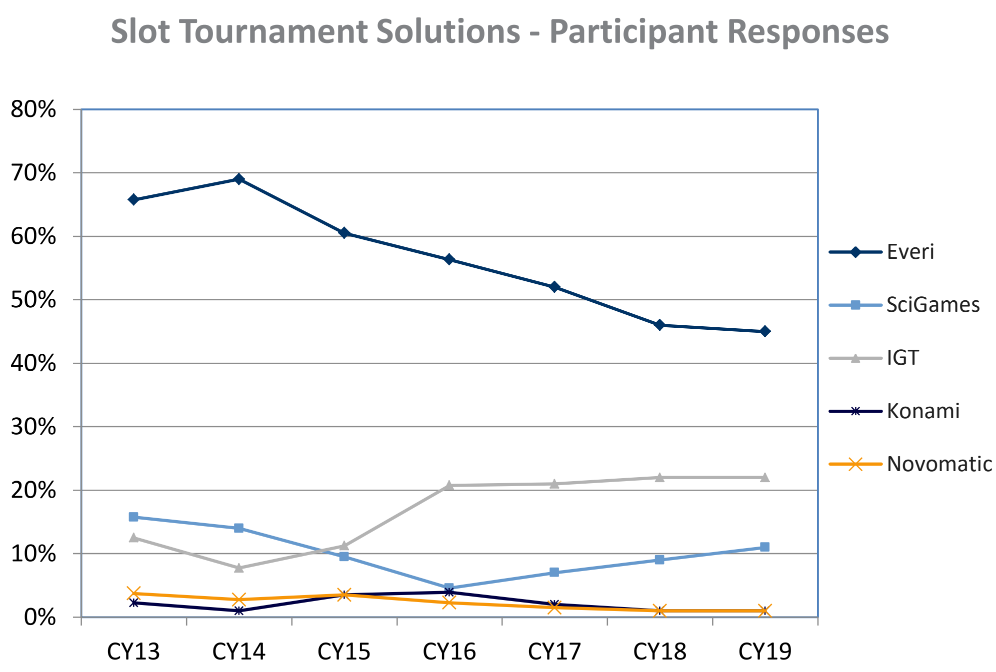
System products expected to be purchased

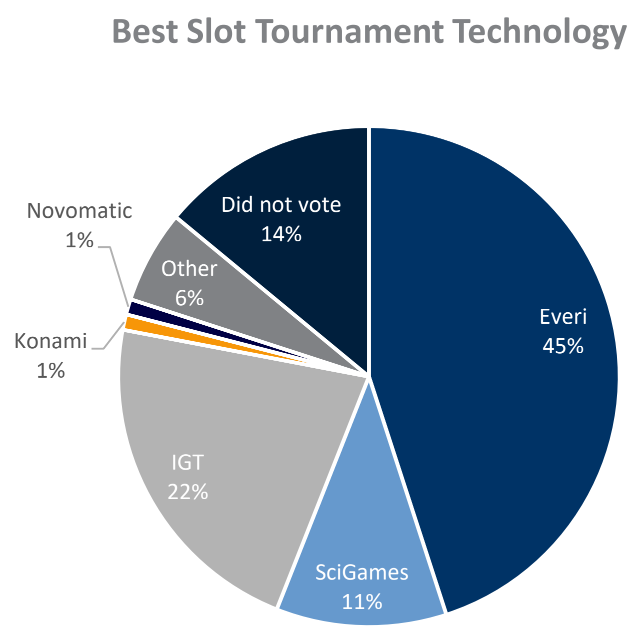
Supplier	System Product
Aristocrat	Oasis including One Link and TrackIt
Aristocrat	Oasis, Bonusing, nCompass
Everi	Jackpot Express
IGT	Advantage Upgrade
IGT	Spinferno Tournament Manager
IGT	Mobile Responder, Service Window
IGT	Cardless Connect
Intelligent Gaming	Neon
Konami	True Time Tournament and Mobile Konnect
Novomatic	CMS
SciGames (Bally)	SDS Upgrade, iView 4
SciGames (Bally)	Servizio and Web Content Manger
SciGames (Bally)	Tournament System
Aristocrat	Oasis including One Link and TrackIt
Aristocrat	Oasis, Bonusing, nCompass

Slot Tournament Technology

Question 21 – Which vendor has the best Slot Tournament Technology?

It has been a over a year since we have asked this question, though it seems Everi's *Tournevent* remains the most popular slot tournament technology product in the market. However, we note the product's share of votes this period declined slightly compared with its average share from a couple years ago. SciGames's tournament product received stronger share while IGT's *Spinferno* held vote share.



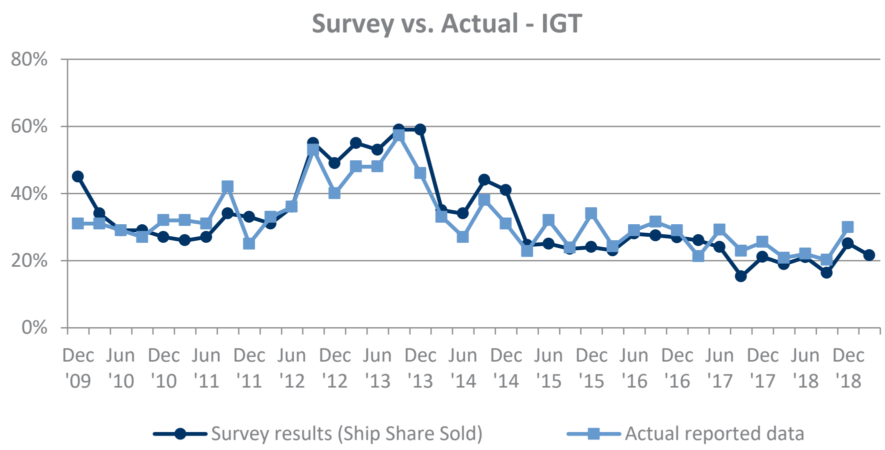


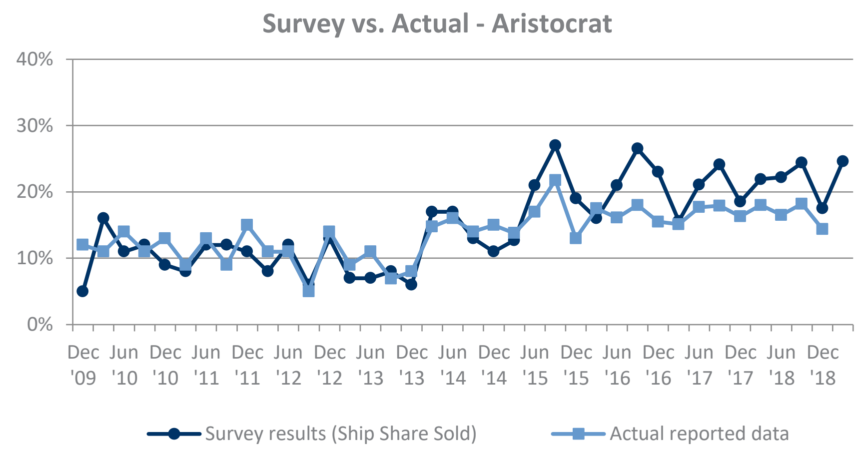
Source: EILERS-FANTINI Quarterly Slot Survey

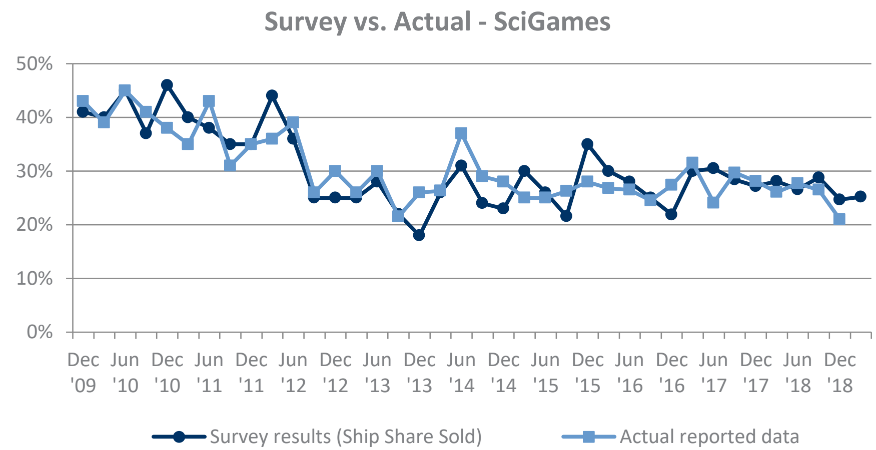
Historical Survey Accuracy – U.S. & Canada Ship Share

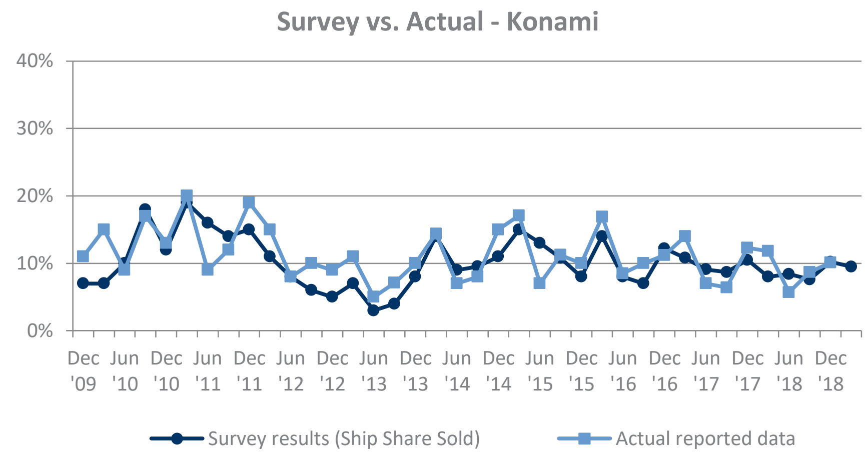
Below we provide some charts on the historical accuracy of our quarterly survey ship share by supplier. In doing this, we compare our survey results with actual units shipped by major suppliers.

Current Quarter Ship Share Accuracy









Source: EILERS-FANTINI Quarterly Slot Survey

Historical Survey Accuracy – U.S. & Canada Ship Share

Below we provide some charts on the historical accuracy of our quarterly survey ship share by supplier. In doing this, we compare our survey results with actual units shipped by major suppliers.

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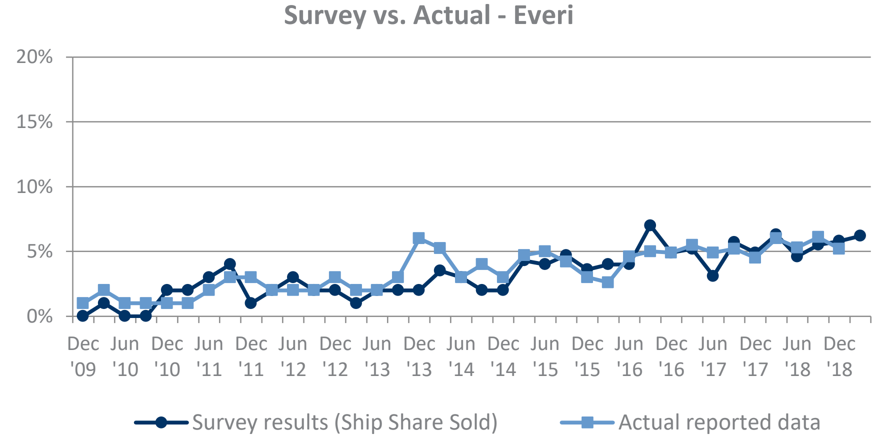
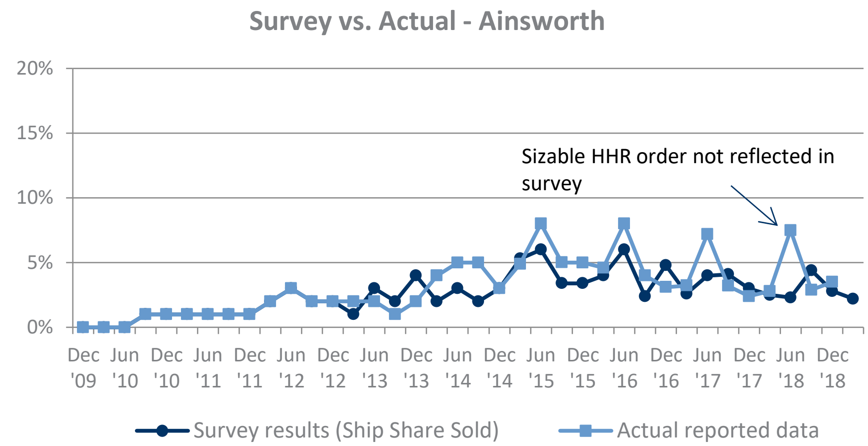
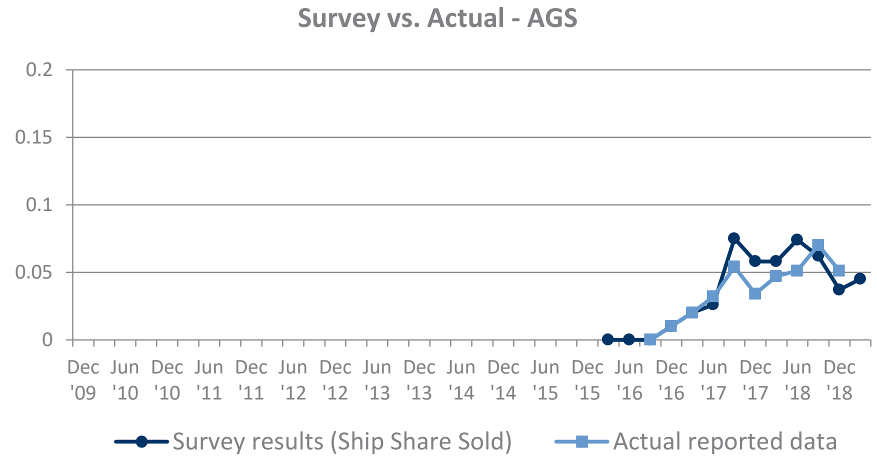
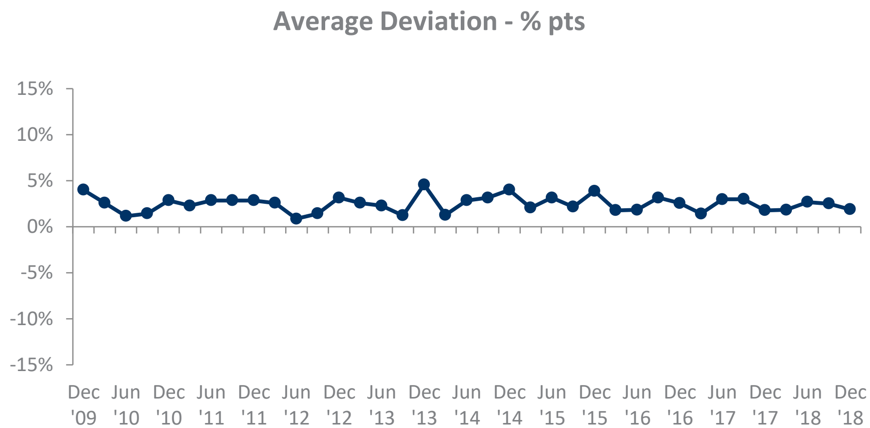


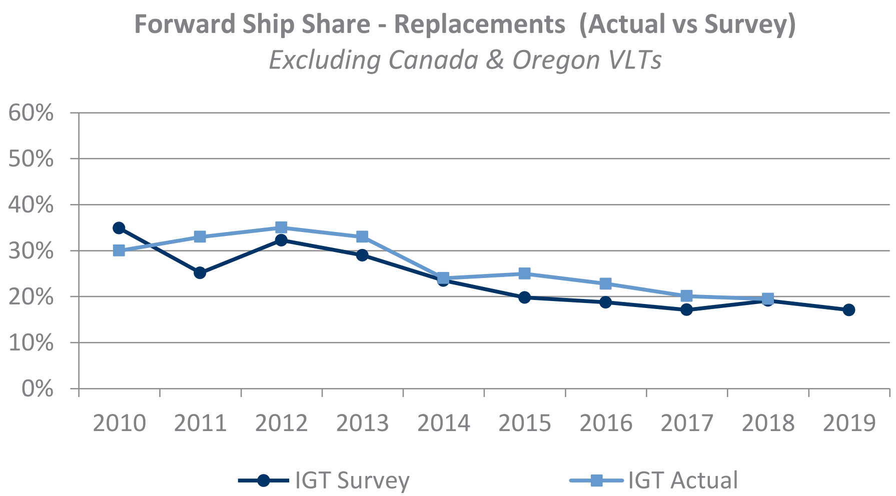


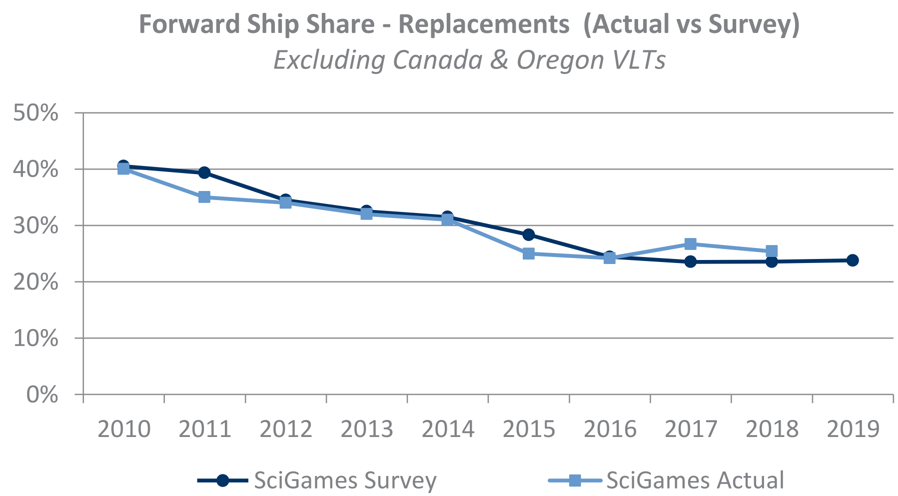


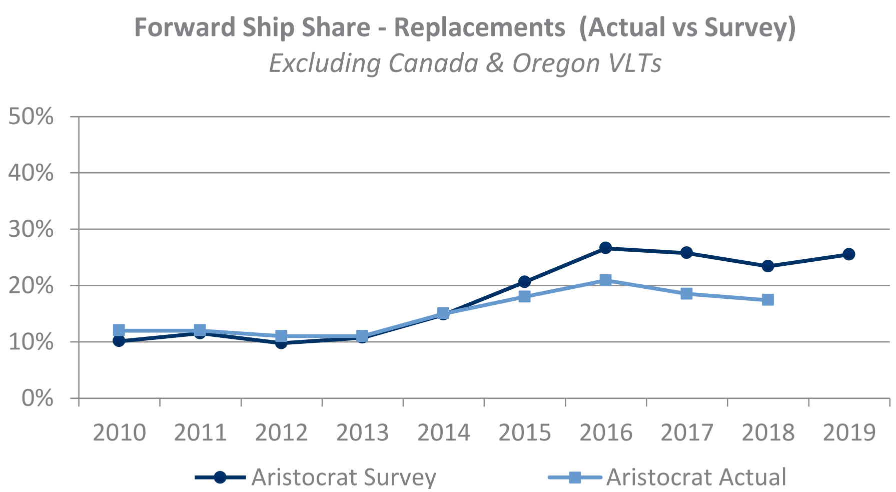


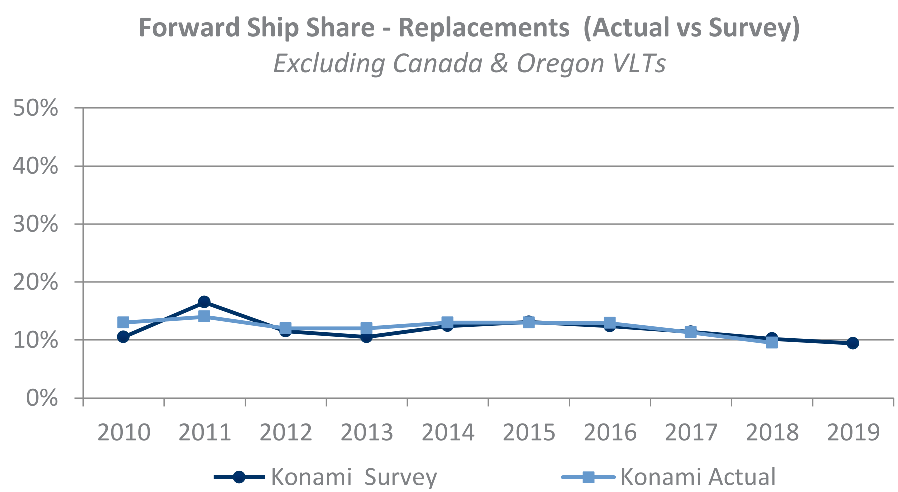
Source: EILERS-FANTINI Quarterly Slot Survey

Historical Survey Accuracy - Forward Ship Share Accuracy



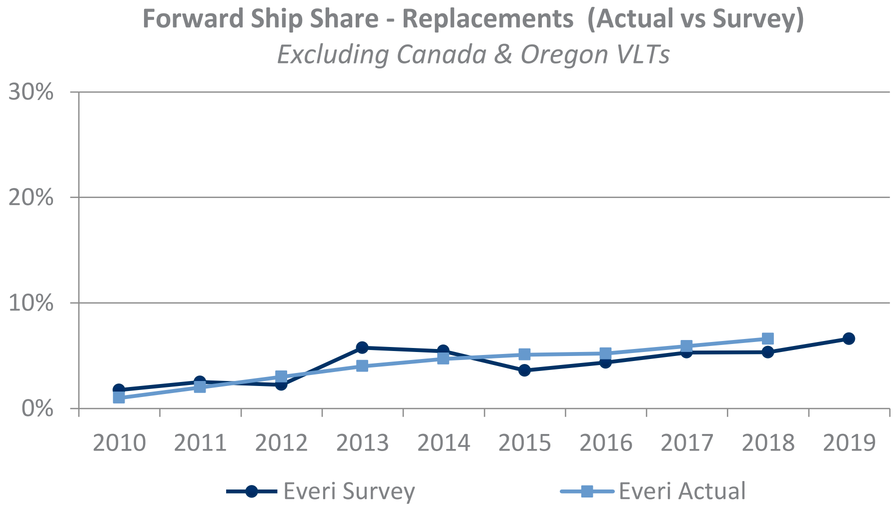


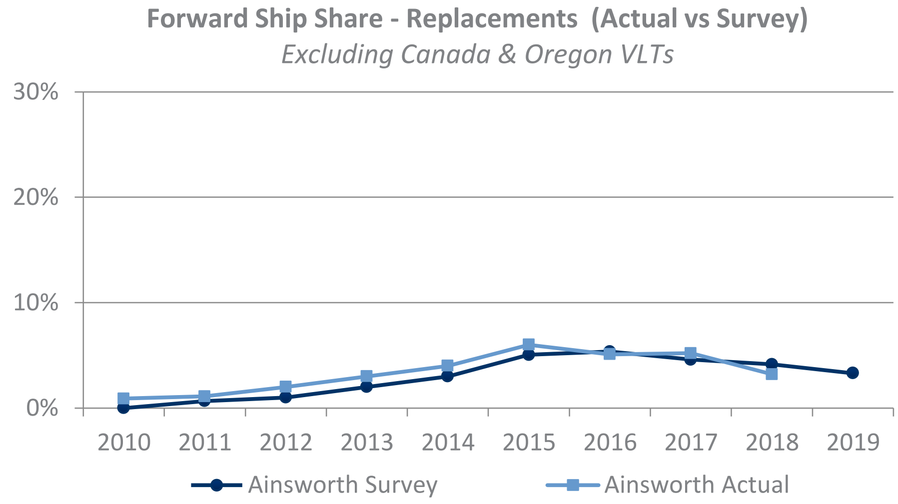


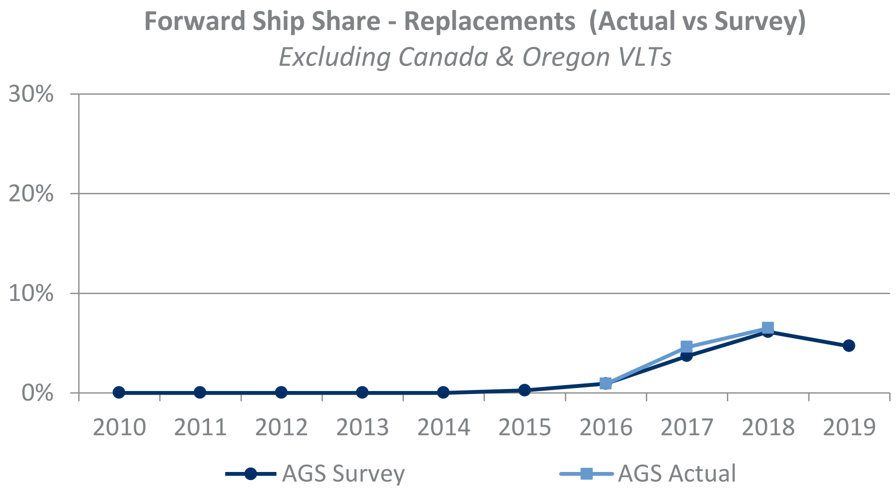


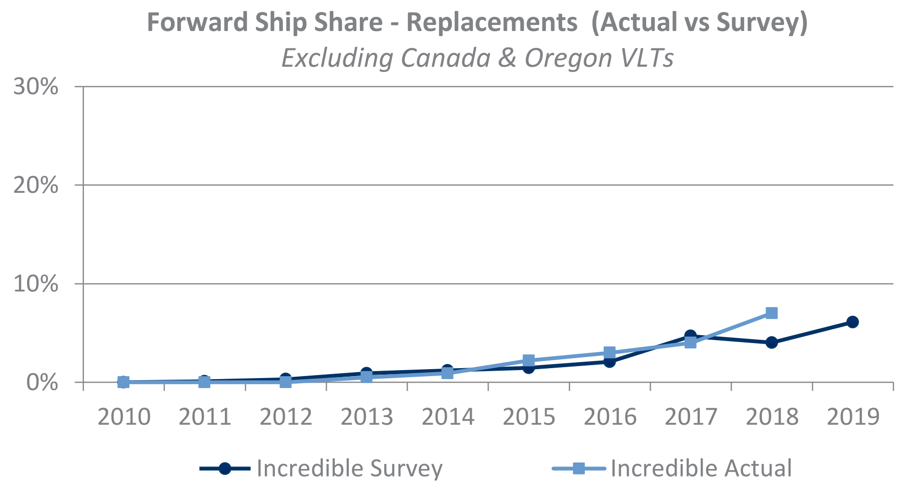
Source: EILERS-FANTINI Quarterly Slot Survey

Historical Survey Accuracy - Forward Ship Share Accuracy



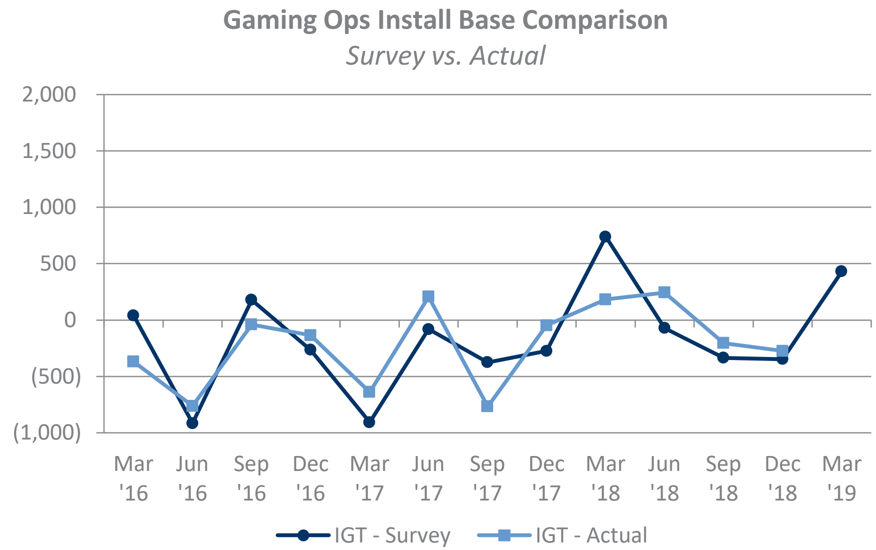


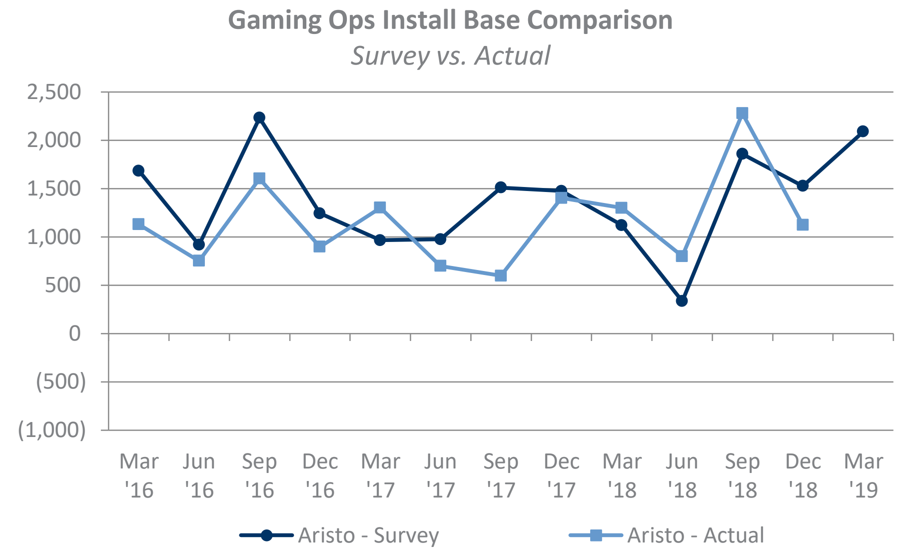


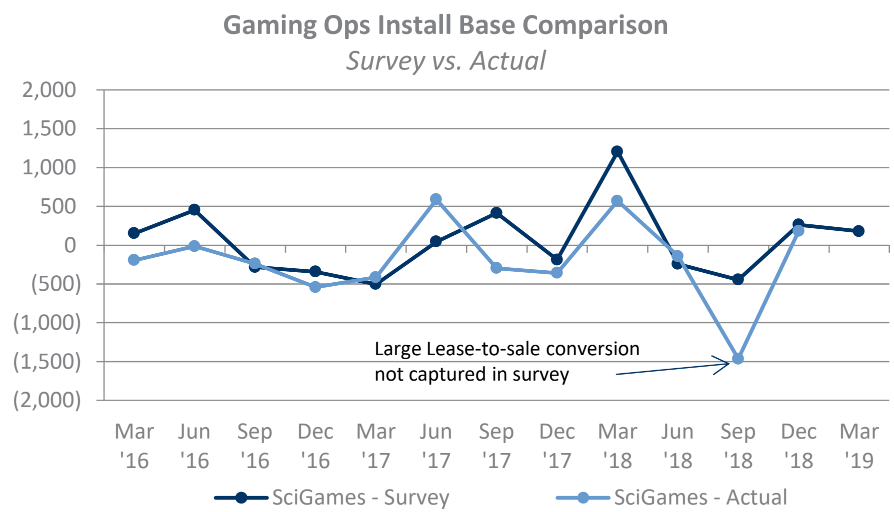


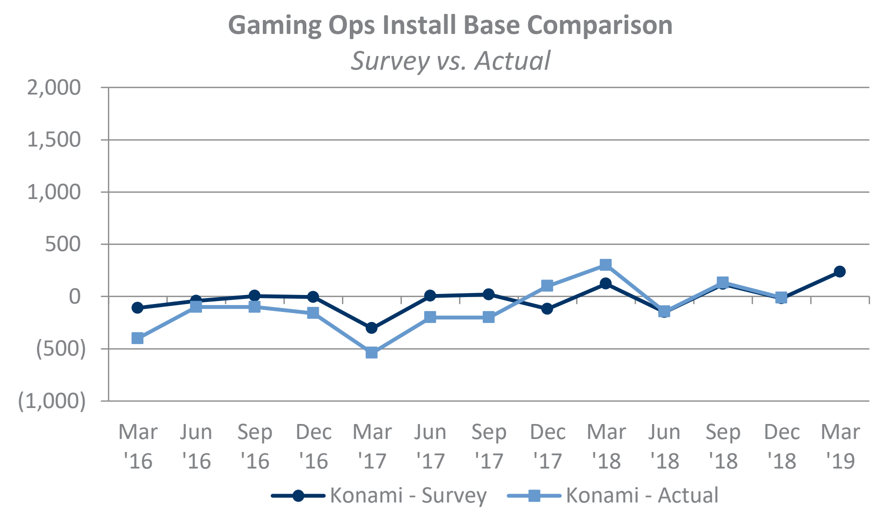
Source: EILERS-FANTINI Quarterly Slot Survey

Historical Survey Accuracy - Gaming Ops Placements Accuracy



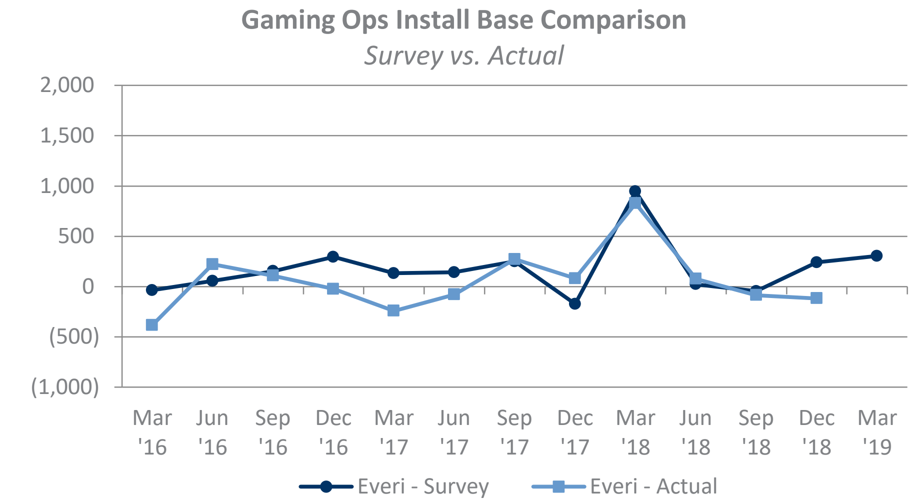


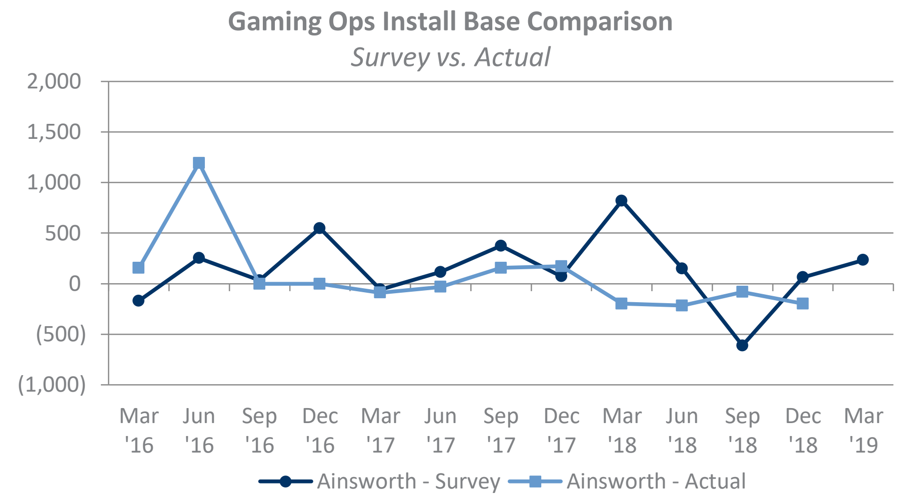


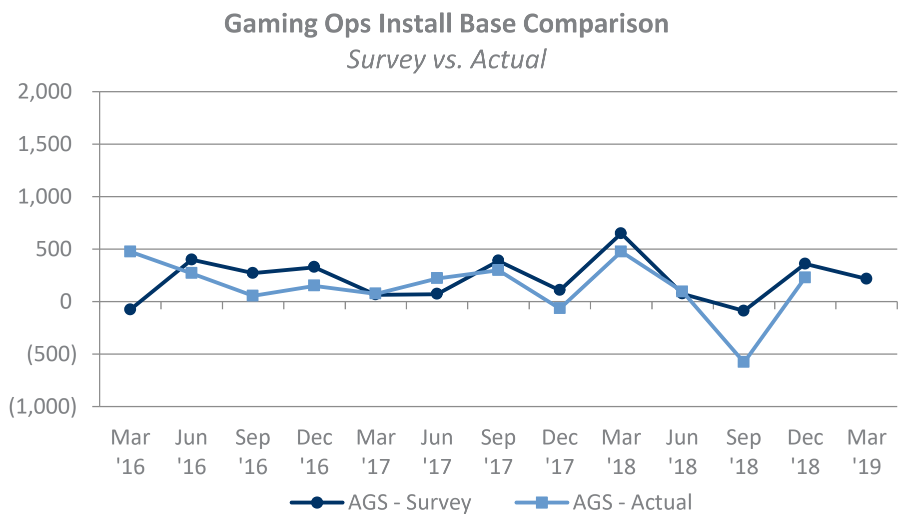


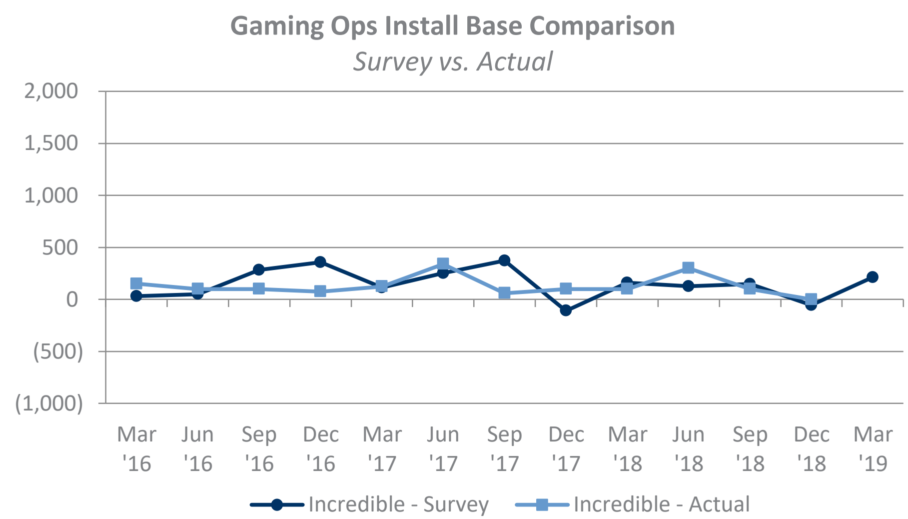
Source: EILERS-FANTINI Quarterly Slot Survey

Historical Survey Accuracy - Gaming Ops Placements Accuracy









Source: EILERS-FANTINI Quarterly Slot Survey

Survey Methodology & Key Definitions

The EILERS-FANTINI slot survey is conducted quarterly and responses are collected primarily through an online survey template. Some participant responses are collected from direct interviews. Duplicate property responses are eliminated. Key participant titles include but are not limited to: Director of Gaming, VP of Slots, Director of Slots, General Manager, and Director of Slot Performance. Non-qualified participants are also eliminated.

Weighted Avg. Ship share – We use a weighted average percentage when determining ship share, which reflects the size of the survey participant (i.e. # of slots in operation) vs. treating each participate equal (i.e. non-weighted). We believe this is the best approach as it more accurately reflects the purchasing activity from large corporate buyers in the marketplace.

Static Market Share – Static market share refers the current existing vendor market share on a casino floor including previously shipped games and or lease placements.

State Breakouts – We will break out individual markets within our survey if there are more than two participants in that particular market providing responses.

Contact Information

Thank you to all participants

On behalf of Eilers & Krejcik Gaming, LLC and Fantini Research we would like to thank all participants for completing our quarterly survey. Our goal is to make this report a must read by casino operators and investors every quarter. We look forward to your continued participation and welcome any feedback you might have on how we can improve our survey.

Sincerely,
Todd Eilers, Principal, Eilers & Krejcik Gaming, LLC
Frank Fantini, CEO, Fantini Research

About Eilers & Krejcik Gaming, LLC

Eilers & Krejcik Gaming, LLC is a boutique research firm focused on servicing the gaming equipment, technology, and interactive sectors within the casino gaming industry. Our products and services include market research, company research, and consulting & advisory services designed specifically for casino operators, equipment & technology suppliers, online & social gaming operators and suppliers, gaming regulators, and investors.

Additional information regarding our research products and services can be obtained calling **Todd Eilers** at **714-619-9330**, or visiting our website at **www.ekgamingllc.com**.

About Fantini Research

Fantini Research publishes e-dailies and information services for investment professionals and corporate executives. Fantini also performs research projects on request and offers an advisory service, Gaming Investment Research.

Additional information regarding Fantini research products and services can be obtained calling **Ashley Diem** at **302-730-3793**, or visiting the company's website at **www.fantiniresearch.com**.

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