



2017 First Quarter Results

Ended March 31, 2017

May 25, 2017



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**Strategic
Update**

Marco Sala, CEO, International Game Technology PLC

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**Q1'17
Results**

Alberto Fornaro, CFO, International Game Technology PLC

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Q&A



Cautionary Statement Regarding Forward-Looking Statements

This presentation may contain forward-looking statements (including within the meaning of the Private Securities Litigation Reform Act of 1995) concerning International Game Technology PLC and its consolidated subsidiaries (the “Company”) and other matters. These statements may discuss goals, intentions, and expectations as to future plans, trends, events, dividends, results of operations, or financial condition, or otherwise, based on current beliefs of the management of the Company as well as assumptions made by, and information currently available to, such management. Forward-looking statements may be accompanied by words such as “aim,” “anticipate,” “believe,” “plan,” “could,” “would,” “should,” “shall,” “continue,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “will,” “possible,” “potential,” “predict,” “project” or the negative or other variations of them. These forward-looking statements speak only as of the date on which such statements are made and are subject to various risks and uncertainties, many of which are outside the Company’s control. Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may differ materially from those predicted in the forward-looking statements and from past results, performance, or achievements. Therefore, you should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include (but are not limited to) the possibility that the sale of Double Down Interactive LLC, as described in the Company’s news release dated April 17, 2017 furnished to the United States Securities and Exchange Commission (the “SEC”) on April 18, 2017 (File No. 17765611) (the “DDI Transaction”), may not be consummated in a timely manner or at all, including as a result of a failure to satisfy a condition to closing (including regulatory approvals); the possibility that there may be an adverse effect or disruption from the DDI Transaction that negatively impacts the Company’s remaining businesses; the possibility that the anticipated benefits of the DDI Transaction or the strategic partnership with DoubleU Games may not be realized as presently contemplated or at all; the costs and charges related to the DDI Transaction being greater than anticipated; the possibility that International Game Technology PLC will be unable to pay future dividends to shareholders or that the amount of such dividends may be less than anticipated; the possibility that International Game Technology PLC may not obtain its anticipated financial results in one or more future periods; reductions in customer spending; a slowdown in customer payments and changes in customer demand for products and services as a result of changing economic conditions or otherwise; unanticipated changes relating to competitive factors in the industries in which the Company operates; the Company’s ability to hire and retain key personnel; the Company’s ability to attract new customers and retain existing customers in the manner anticipated; reliance on and integration of information technology systems; changes in legislation or governmental regulations affecting the Company; international, national, or local economic, social or political conditions that could adversely affect the Company or its customers; conditions in the credit markets; risks associated with assumptions the Company makes in connection with its critical accounting estimates; the resolution of pending and potential future legal, regulatory or tax proceedings and investigations; and the Company’s international operations, which are subject to the risks of currency fluctuations and foreign exchange controls. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that affect the Company’s business, including those described in the Company’s annual report on Form 20-F for the financial year ended December 31, 2016 and other documents filed from time to time with the SEC, which are available on the SEC’s website at www.sec.gov and on the investor relations section of the Company’s website at www.IGT.com. Except as required under applicable law, the Company does not assume any obligation to update these forward-looking statements. Nothing in this presentation is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per share of International Game Technology PLC for the current or any future financial years will necessarily match or exceed the historical published earnings per share of International Game Technology PLC, as applicable. All forward-looking statements contained in this presentation are qualified in their entirety by this cautionary statement. All subsequent written or oral forward-looking statements attributable to International Game Technology PLC, or persons acting on its behalf, are expressly qualified in its entirety by this cautionary statement.

Non-GAAP Financial Measures

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



Comparability of Results

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

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

International Game Technology PLC's management believes that referring to constant currency or adjusted measures provides a useful way to evaluate International Game Technology PLC's underlying performance, as the effects of occasional circumstances or of external factors that are beyond management's control can this way be neutralized, allowing a more comprehensive understanding and evaluation of operating results, business trends and future prospects, as well as meaningful period-to-period and peer companies comparisons, in the same manner as management does.

These constant currency changes and non-GAAP financial measures should however be viewed in addition to, and not as an alternative for, International Game Technology PLC's reported results prepared in accordance with U.S. GAAP.

STRATEGIC UPDATE



Q1'17: A Dynamic Period with Important Strategic Progress

Unusually high revenue and profit comparisons

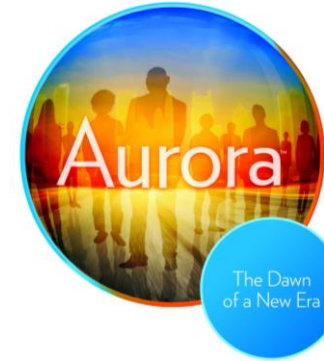
- Jackpot and Late Numbers activity
- Large gaming system and software sales
- New Italy Lotto concession

Strengthened global Lottery leadership

- Solid underlying growth
- First Aurora™ installation
- Significant progress on Italy Lotto terminal upgrade

Improved global Gaming KPIs

- Global installed base up sequentially
- Strong gaming machine unit shipments; proven content on new cabinets





Q1'17: A Dynamic Period with Important Strategic Progress

Bringing innovation to market in 2017

- Several new cabinets planned for second half
- Expect improved North America and International trends
- Positive early reviews on new products

Adopting new business model in social casino

- Strategic partnership with DoubleU Games

Monetizing non-core assets

- Selling DoubleDown for \$825 million, 10.5x 2016 Adjusted EBITDA
- \$155 million sale of Reno facility

Expect improved sales and profit trends in the second half

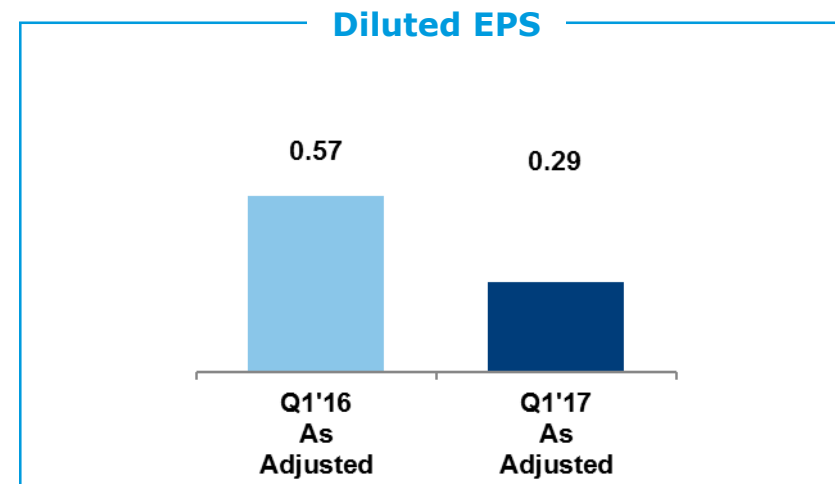
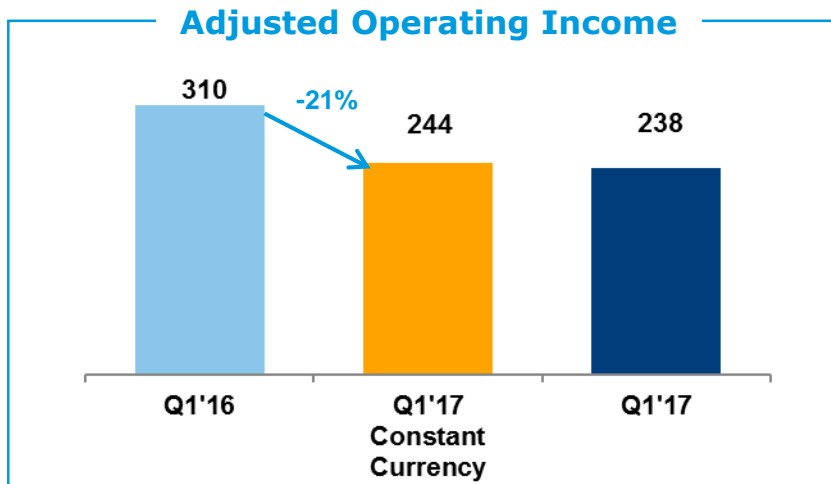
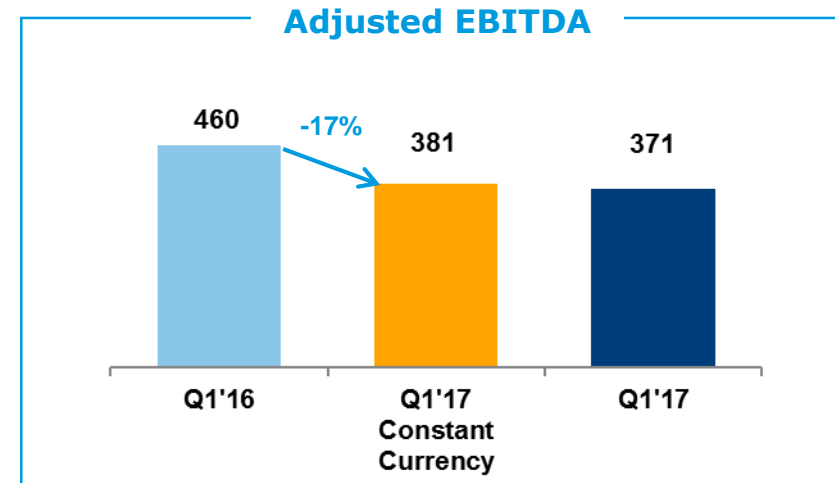
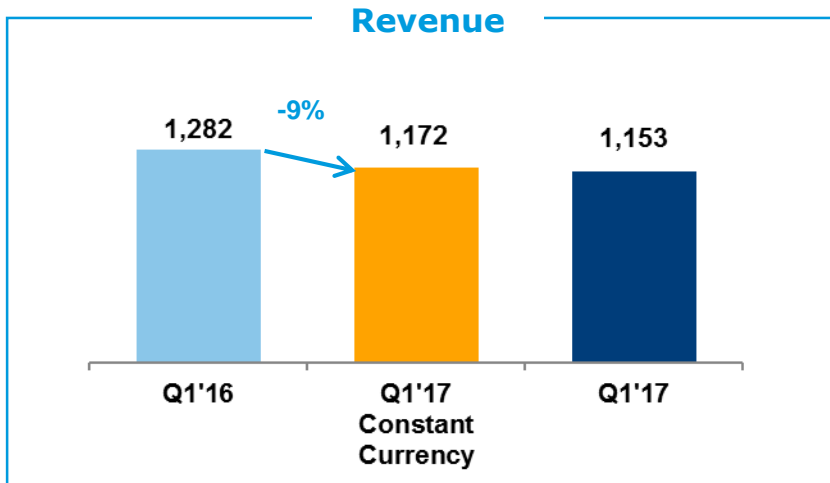


2017 FIRST QUARTER FINANCIAL RESULTS



Q1'17 Financial Highlights

\$ M except EPS



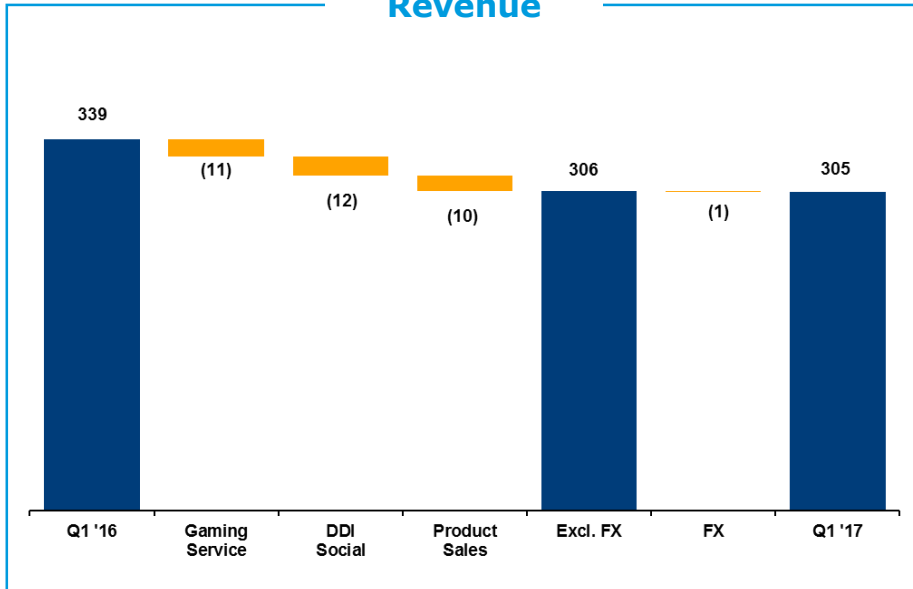
Notes: As adjusted results remove impact of purchase price amortization, impairment charges, restructuring expense and transaction expense (see appendix for details)
Notes: \$/€ FX daily average: 1.07 in Q1'17; 1.10 in Q1'16



Q1'17 North America Gaming & Interactive Highlights

\$ M

Revenue



Key Performance Indicators

	Q1'17	Q1'16	% Change		
Revenue	305	339	-10%		
Operating Income	66	89	-26%		
DDI Social					
Revenue	68	80	-15%		
Bookings per DAU	\$0.52	\$0.47	11%		
Machine Units Shipped					
	Q1'17	Q1'16			
New & Expansion	1,157	902			
Replacement	2,787	3,049			
Total	3,944	3,951			
Casino Installed Base					
	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
	24,958	24,171	24,163	24,472	23,701

Developments

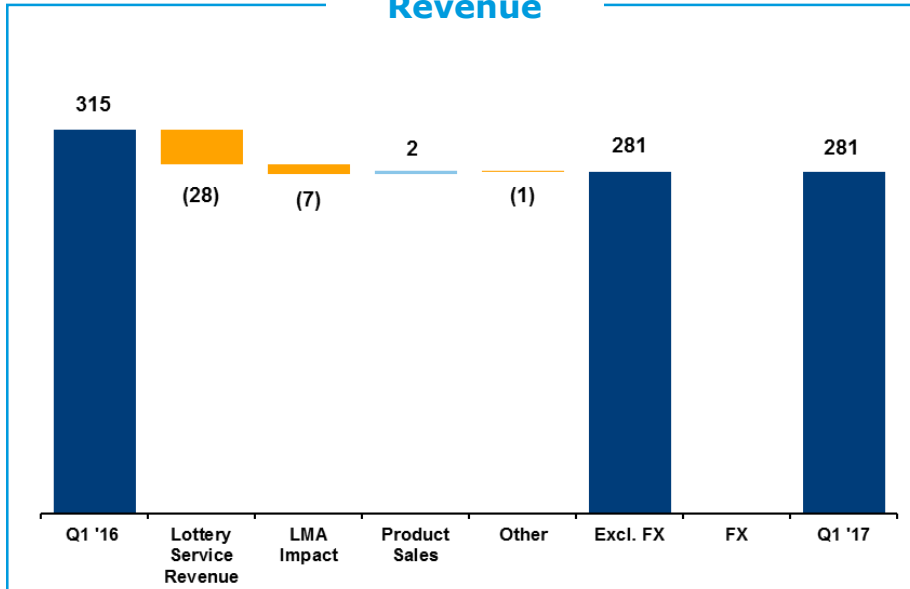
- Service revenue impacted by lower installed base; WAP yields positive Y/Y (*Wheel of Fortune*[®], *Megabucks*[®])
- DoubleDown reflects lower DAUs Y/Y; monetization improved
- Product sales reflect comparison with large system sale in Q1'16
- Terminal sales up 3%, driven by *Crystal Dual*[®] and *Crystal Slant*[®] performance; *Golden Egypt* and *Ocean Magic*[™] among top titles sold in the quarter
- Operating Income impacted by lower revenue, increased D&A on investments in the installed base, and higher jackpot expense



Q1'17 North America Lottery Highlights

\$ M

Revenue



Key Performance Indicators

	Q1'17	Q1'16	% Change		
Revenue	281	315	-11%		
Operating Income	69	88	-21%		
Same-store revenue growth					
	Q1'17	Q1'16			
Instants & Draw Games	1.5%	8.8%			
Multistate Jackpots	-59.5%	93.4%			
Total SSR Growth	-14.0%	22.7%			
VLT Installed Base					
	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
	15,331	15,355	15,322	14,878	15,009

Developments

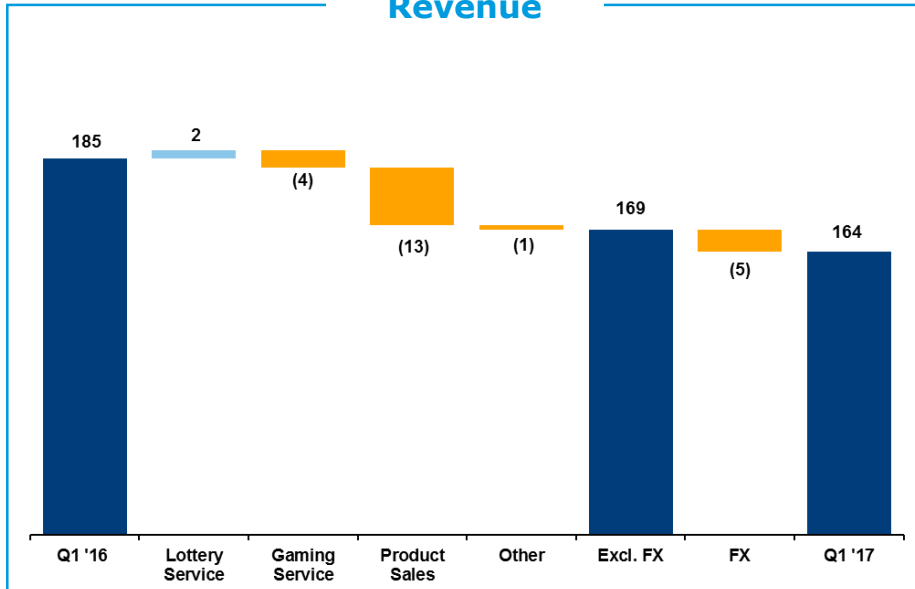
- Same-store revenue lower on record Q1'16 jackpot activity
- Solid underlying growth; instant tickets and draw-based games grew nearly 2% despite challenging multi-year comparisons
- Product sales improved on instant ticket printing
- Operating Income declined on lower multi-state jackpot-related revenues



Q1'17 International Highlights

\$ M

Revenue



Key Performance Indicators

	Q1'17	Q1'16	% Change		
Revenue	164	185	-11%		
Operating Income	8	33	-76%		
Machine Units Shipped					
	Q1'17	Q1'16			
New & Expansion	595	185			
Replacement	1,414	1,559			
Total	2,009	1,744			
Same-store revenue growth					
Instants & Draw Games	3.2%	2.2%			
Multistate Jackpots	-13.1%	4.3%			
Total SSR Growth	2.0%	2.3%			
Installed Base					
	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
	9,506	9,478	10,268	10,453	11,281

Developments

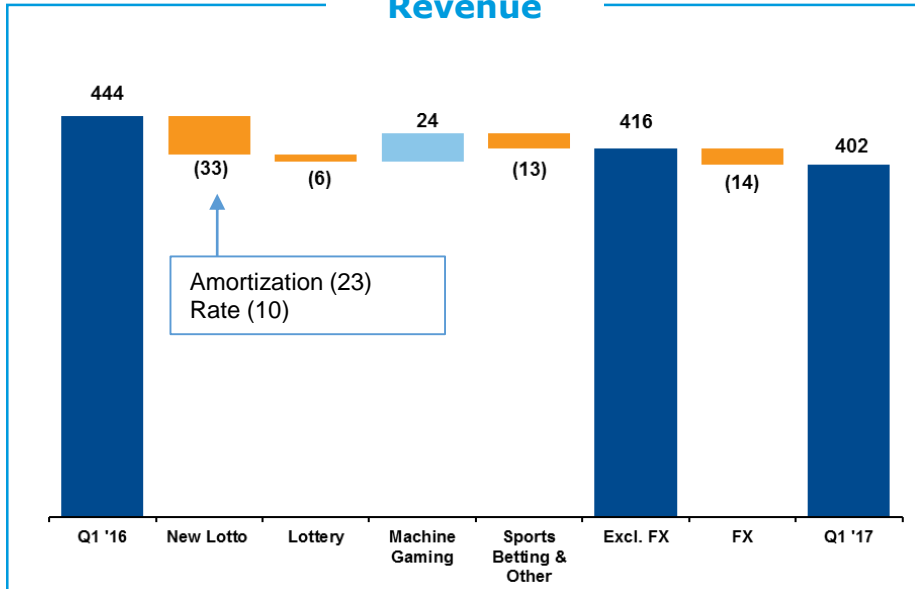
- 2% same-store revenue growth on strength in Latin America and Europe, partially offset by continued weakness in the U.K., including elevated jackpot activity Y/Y
- Gaming service revenue primarily impacted by exiting from certain interactive operations
- Installed base grew 8% sequentially driven by Greece VLTs and South Africa Class II
- Product sales reflect comparison with high-margin gaming software revenue in Q1'16; a portion of revenue associated with new & expansion units was deferred and did not contribute to the quarter
- Operating Income impacted by lower revenue; product sales mix and discounts; unfavorable FX and bad debt



Q1'17 Italy Highlights

\$ M

Revenue



Key Performance Indicators

	Q1'17	Q1'16	% Change
Revenue	402	444	-9%
Operating Income	125	148	-15%
€M			
	Q1'17	Q1'16	% Growth
Lotto Wagers	1,873	1,928	-2.8%
10eLotto	1,243	1,193	4.2%
Core	525	559	-6.0%
Late Numbers	106	176	-40.1%
S&W Wagers	2,341	2,355	-0.6%
Sports Betting Wagers	257	221	16.7%
Sports Betting Payout	89.4%	80.9%	8.5 pp
Gaming Wagers			
VLT - Operator (B2C)	1,415	1,398	1.2%
AWP	1,009	1,080	-6.6%
Interactive	468	424	10.3%

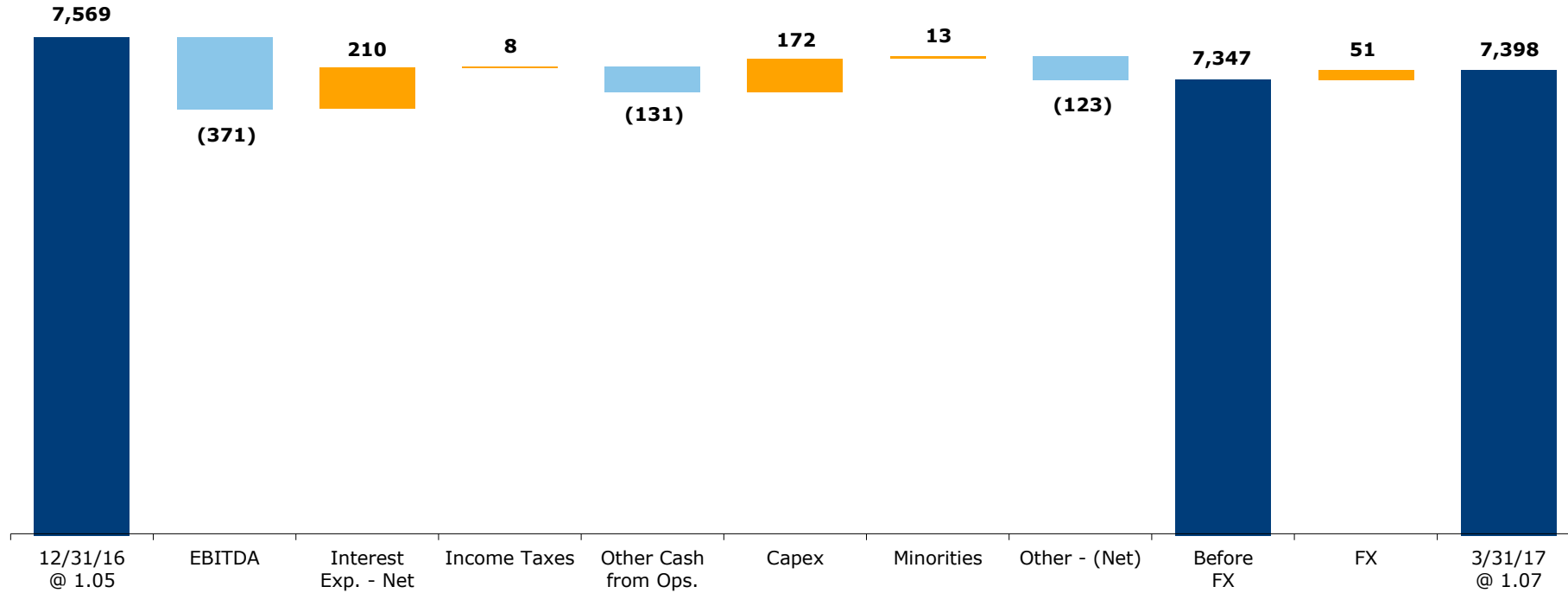
Developments

- Revenue impacted by new Lotto concession terms
- Lotto wagers primarily reflect lower contribution from Late Numbers, partially offset by continued growth in 10eLotto/Numero ORO; Scratch & Win stable
- Machine Gaming revenue up on increased vertical integration and higher AWP units installed
- Sports Betting down on higher payout (+850 bps), consistent with industry trends in the period
- Operating Income down on new Lotto concession dynamics and Sports Betting performance, partially offset by machine gaming growth



Debt and Leverage Profile

\$ M



Net Debt/LTM Adj. EBITDA 4.31x

4.44x

- Net debt improved compared to year-end 2016



Q1'17 Cash Flow Statement

\$ M

Cash Flow	Q1'17
Net Cash Flows from Operating Activities	284
Capex	(172)
Free Cash Flow	112
Debt Proceeds/(Repayment), Net	(54)
Other - Net	116
Other Investing/Financing Activities	62
Net Cash Flow	174
Effect of Exchange Rates/Other	(5)
Net Change in Cash	169
Cash at End of the Period	463



- Strong Operating Cash Flow in Q1'17
 - Includes approximately \$211 million in cash interest paid
 - Disciplined working capital management
- Capex includes Italy Lotto network and infrastructure upgrades
- Other includes approximately \$155 million from sale of the Reno, Nevada facility
- Final Lotto upfront concession payment in Q2'17
 - ~\$190 million (~\$115 million net)



FY'17 Outlook

2017 adjusted EBITDA of \$1,600 - \$1,680 million

- Assumes closing of DoubleDown transaction before end Q2'17
- Includes impact of new gaming machine taxes in Italy
- Prior outlook was for adjusted EBITDA of \$1,680 - \$1,760 million

CapEx for lottery and gaming installed base, ex-Lotto

- \$525-\$575 million maintenance CapEx, including ~\$100 million related to timing of new Florida Lottery contract
- ~\$100 million growth CapEx

Lotto cash outlay of ~\$320 million (~\$195 million net)

- ~\$190 million final upfront concession payment (~\$115 million net); paid in April 2017
- ~\$130 million additional cash outflow for network and infrastructure upgrades (~\$80 million net)

Net debt of \$6,950 - \$7,150 million, reflecting DoubleDown sale

- Prior outlook was for net debt of \$7,600 - \$7,800 million

Assumes \$/€ FX of 1.10

Other items

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

APPENDIX



Q1'17 Income Statement (As Reported)

\$ M except EPS

Income Statement	Q1'17	Q1'16	% Change	Constant Currency Q1'17	% Chg.
<i>Service Revenue</i>	1,027	1,136	-10%	1,046	-8%
<i>Product Sales</i>	126	146	-14%	126	-14%
Total Revenue	1,153	1,282	-10%	1,172	-9%
Adjusted EBITDA	371	460	-19%	381	-17%
Operating Income	119	188	-37%	126	-33%
<i>Interest Expense, Net</i>	(112)	(114)			
<i>Foreign Exchange</i>	(47)	(162)			
<i>Other</i>	3	(7)			
Financial Charges, Net	(156)	(283)			
Income Before Tax	(37)	(95)	61%		
Net Income (Loss)	(27)	(86)	69%		
Net Income (Loss) - Owners	(55)	(93)	41%		
Diluted EPS	(0.27)	(0.46)	41%		

Note: \$/€ FX daily average: 1.07 in Q1'17; 1.10 in Q1'16



Q1'17 Reconciliation of Non-GAAP Measures

\$ M except EPS

	1Q'17 As Reported	Adjustments				1Q'17 As Adjusted
		Purchase Accounting	Foreign Exchange	Impairment/ Restructure	Trans. Expense	
Total Revenue	1,153	(1)	-	-	-	1,152
Cost of Services	625	(44)	-	-	-	581
Cost of Sales	114	(29)	-	-	-	85
SG&A	201	(35)	-	-	-	166
R&D	83	(1)	-	-	-	82
Restructuring	9	-	-	(9)	-	-
Transaction Expense	2	-	-	-	(2)	-
Total	1,034	(109)	-	(9)	(2)	914
Operating Income	119	108	-	9	2	238
Foreign Exchange	(47)	-	47	-	-	-
Other Income (Net)	3	(1)	-	-	-	2
Interest Expense (Net)	(112)	1	-	-	-	(111)
Total	(156)	-	47	-	-	(109)
Income Before Taxes	(37)	108	47	9	2	129
Income Taxes	(10)	37	11	3	1	42
Net Income	(27)	71	36	6	1	87
Minority Interest	28	-	-	-	-	28
Attributable to IGT	(55)	71	36	6	1	59
EPS - Diluted	(0.27)					0.29
WASO - Diluted	202.5					203.1



Q1'17 Reconciliation of Non-GAAP Measures

\$ M

	As Reported	
	Q1'17	Q1'16
Net Income	(27)	(86)
Benefit from Income Taxes	(10)	(9)
Non-Operating Expenses	156	283
Amortization	116	125
Depreciation	92	99
Amortization of Upfront Payments to Customers	50	28
Stock Compensation	1	9
Restructuring Expense	9	9
Non-Cash Purchase Accounting (Excluding D&A)	-	1
Transaction Expense, Net	2	1
Bad debt recovery	(18)	-
Adjusted EBITDA	<u>371</u>	<u>460</u>