

2018 Fourth Quarter and Full Year Results

Ended December 31, 2018

March 7, 2019



Cautionary Statement Regarding Forward-Looking Statements

This presentation may contain forward-looking statements (including within the meaning of the Private Securities Litigation Reform Act of 1995) concerning International Game Technology PLC and its consolidated subsidiaries (the “Company”) and other matters. These statements may discuss goals, intentions, and expectations as to future plans, trends, events, dividends, results of operations, or financial condition, or otherwise, based on current beliefs of the management of the Company as well as assumptions made by, and information currently available to, such management. Forward-looking statements may be accompanied by words such as “aim,” “anticipate,” “believe,” “plan,” “could,” “would,” “should,” “shall,” “continue,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “will,” “possible,” “potential,” “predict,” “project” or the negative or other variations of them. These forward-looking statements speak only as of the date on which such statements are made and are subject to various risks and uncertainties, many of which are outside the Company’s control. Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may differ materially from those predicted in the forward-looking statements and from past results, performance, or achievements. Therefore, you should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include (but are not limited to) the factors and risks described in the Company’s annual report on Form 20-F for the financial year ended December 31, 2017 and other documents filed from time to time with the SEC, which are available on the SEC’s website at www.sec.gov and on the investor relations section of the Company’s website at www.IGT.com. Except as required under applicable law, the Company does not assume any obligation to update these forward-looking statements. You should carefully consider these factors and other risks and uncertainties that affect the Company’s business. All forward-looking statements contained in this presentation are qualified in their entirety by this cautionary statement.

Non-GAAP Financial Measures

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

Comparability of Results

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

Adjusted figures exclude the impact of items such as purchase accounting, impairment charges, restructuring expense, foreign exchange, and certain one-time, primarily transaction-related items. Reconciliations to the most directly comparable U.S. GAAP measures are included in the tables in this presentation. Constant currency changes for 2018 are calculated using the same foreign exchange rates as the corresponding 2017 period.

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

Agenda

1

**Strategic
Update**

Marco Sala, CEO

2

**Q4'18 & FY'18
Results**

Alberto Fornaro, CFO

3

Q&A



Strategic Update

FY'18: Robust Lottery & Resilient Italy Results, Progress in Gaming

In line Q4'18 and FY'18 financial results

- 4% FY'18 Adjusted EBITDA growth on stable revenue (at constant currency and scope)
- Strong Lottery and Italy results

Innovation-led Lottery expansion

- SSR ex-Italy up 8%; Italy Lottery wagers up 4%
- Awarded “Lottery Product of the Year” for second consecutive year

Progress in Gaming on full hardware refresh and stronger game content

- Improved North America KPIs
 - 6% increase in replacement unit shipments; highest ASPs in four years
 - Installed base up 301 units
- International results below expectations on certain Q4'18 market-specific dynamics
- High-profile systems contract wins



FY'18: Positioning for Growth

Important, early North America Sports Betting progress

- Operational in 24 land-based locations across 5 states
- Mobile solution live in 3 states
- Strategic partnerships with industry leaders (FanDuel, William Hill)

Foundational work should translate into stronger Free Cash Flow

- IGT operates in growing global markets
- Expect underlying growth for core Lottery and Gaming businesses in 2019



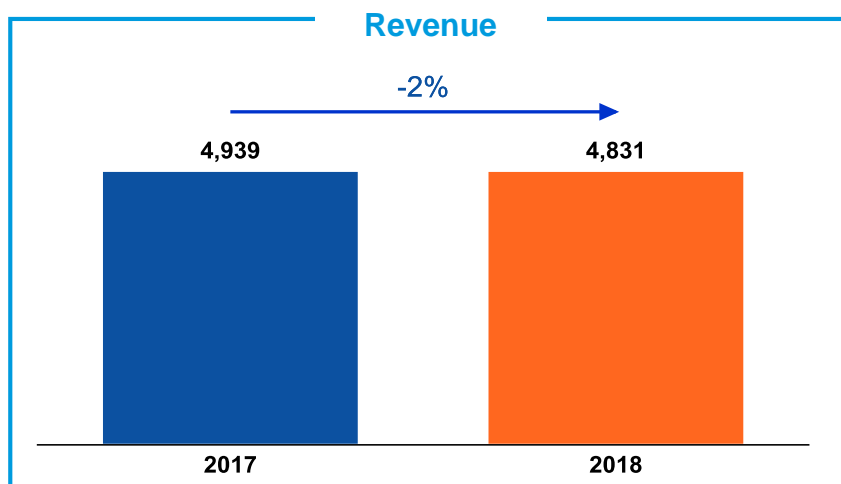


2018 Fourth Quarter and Full Year Results

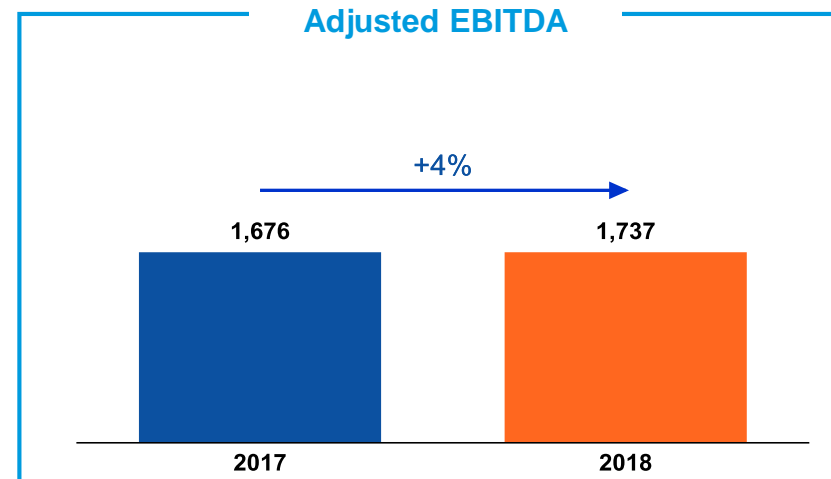
FY'18 Financial Highlights

\$ M except EPS

-1% at constant
currency and
scope

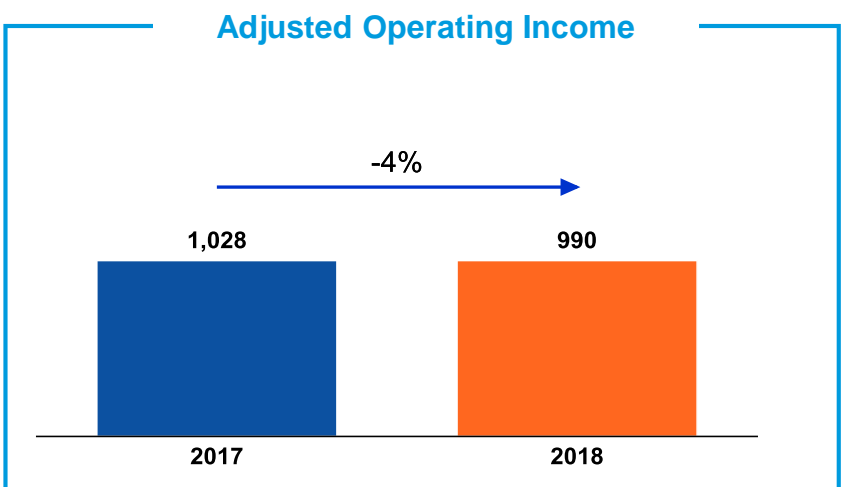


Adjusted EBITDA

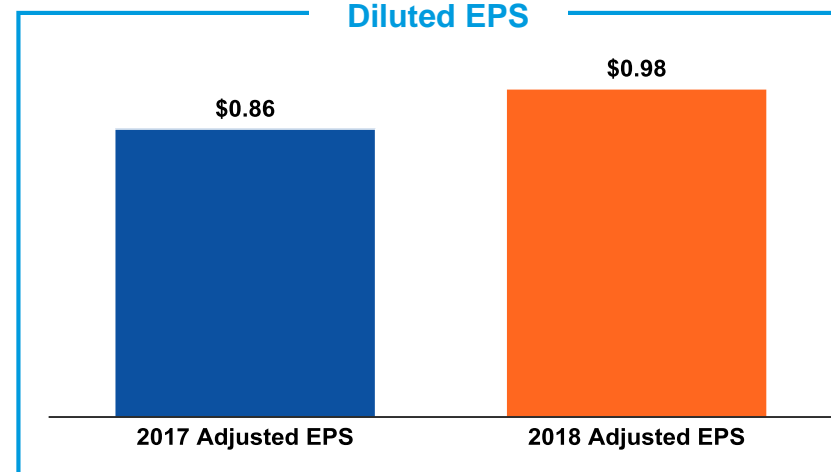


+4% at constant
currency and
scope

-3% at constant
currency and
scope



Diluted EPS



Higher EPS
reflects
lower tax
rate in 2018

Note: Adjusted results remove impact of purchase price amortization, impairment charges, restructuring expense and transaction expense (see appendix for details)

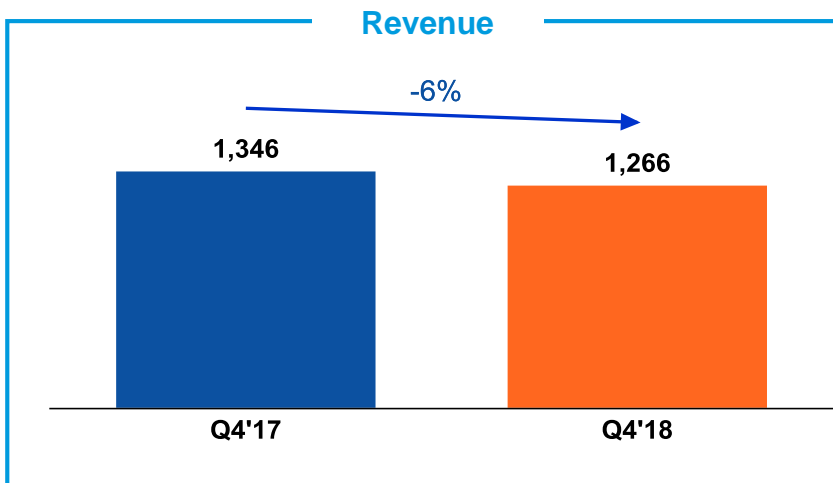
EUR/USD FX daily average: 1.18 in 2018; 1.13 in 2017

Scope impact: Disposal of Double Down Interactive LLC in June 2017

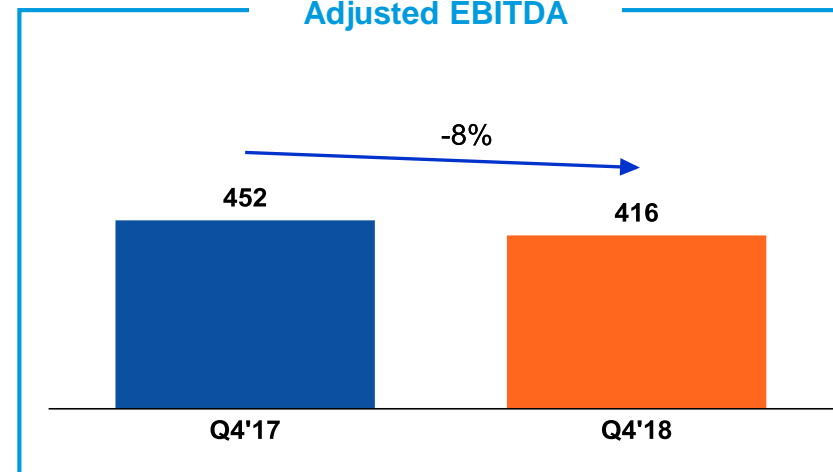
Q4'18 Financial Highlights

\$ M

-4% at constant
currency

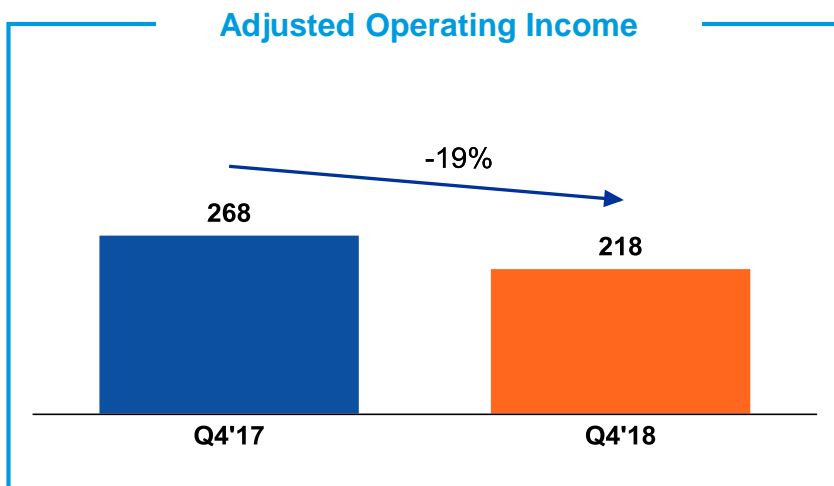


Adjusted EBITDA

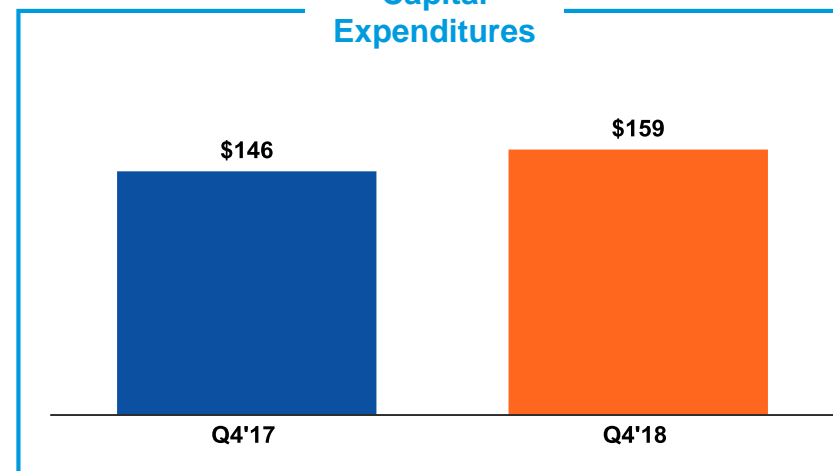


-6% at constant
currency

-17% at constant
currency



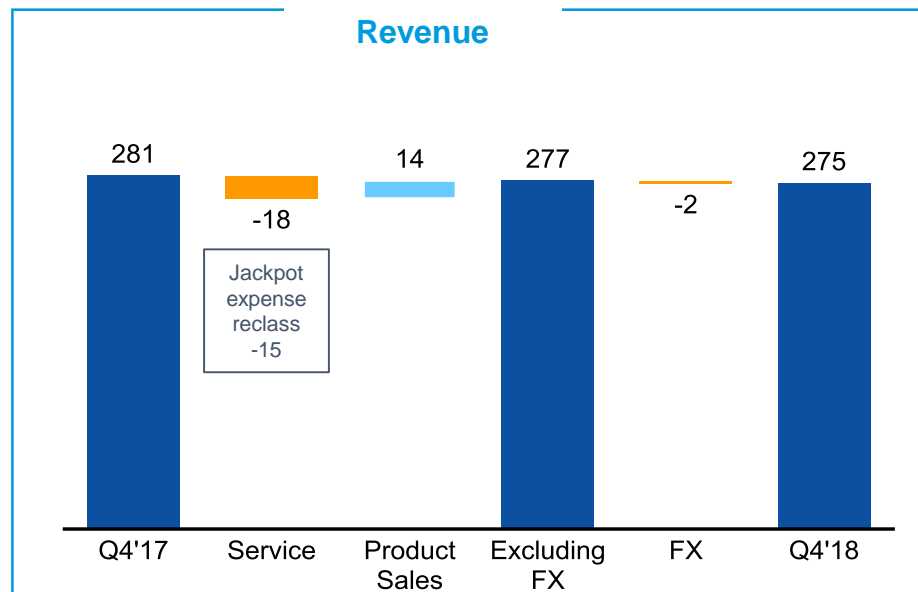
Capital
Expenditures



Note: Adjusted results remove impact of purchase price amortization, impairment charges, restructuring expense and transaction expense (see appendix for details)
EUR/USD FX daily average: 1.14 in Q4'18; 1.18 in Q4'17

Q4'18 North America Gaming & Interactive Highlights

\$ M except where noted otherwise



Key Performance Indicators

	Q4'18	Q4'17	% Change
Revenue	275	281	-2%
Operating Income	51	69	-25%

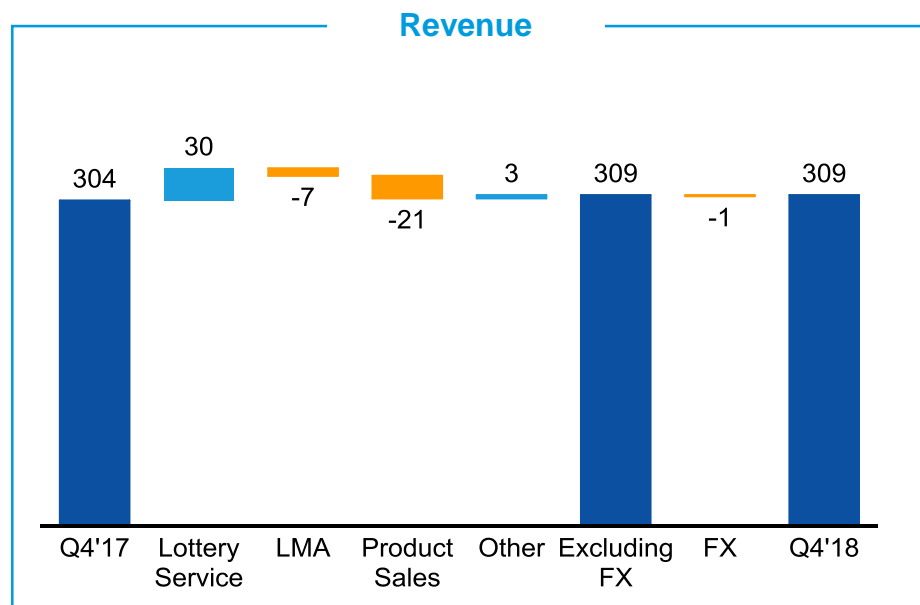
Machine Units Shipped	Q4'18	Q4'17
New & Expansion	247	805
Replacement	6,485	4,490
Total	6,732	5,295

	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18
Casino Installed Base	22,807	23,183	23,351	23,357	23,108

- Revenue up 3% when adjusted for jackpot expense reclass
- Product Sales up double digits on significant increase in Gaming machine units shipped coupled with higher ASPs
- Service relatively stable, net of jackpot expense reclass, as increase in Installed Base offset by lower yields due to a shift in mix of jurisdictions and machines
- Operating income impacted by increased depreciation expense and high-margin IP contribution in 4Q'17

Q4'18 North America Lottery Highlights

\$ M except where noted otherwise



Key Performance Indicators

	Q4'18	Q4'17	% Change
Revenue	309	304	2%
Operating Income	79	66	21%

Same-store revenue growth	Q4'18	Q4'17
Instants & Draw Games	5.0%	7.1%
Multistate Jackpots	143.1%	17.7%
Total SSR Growth	21.3%	8.3%

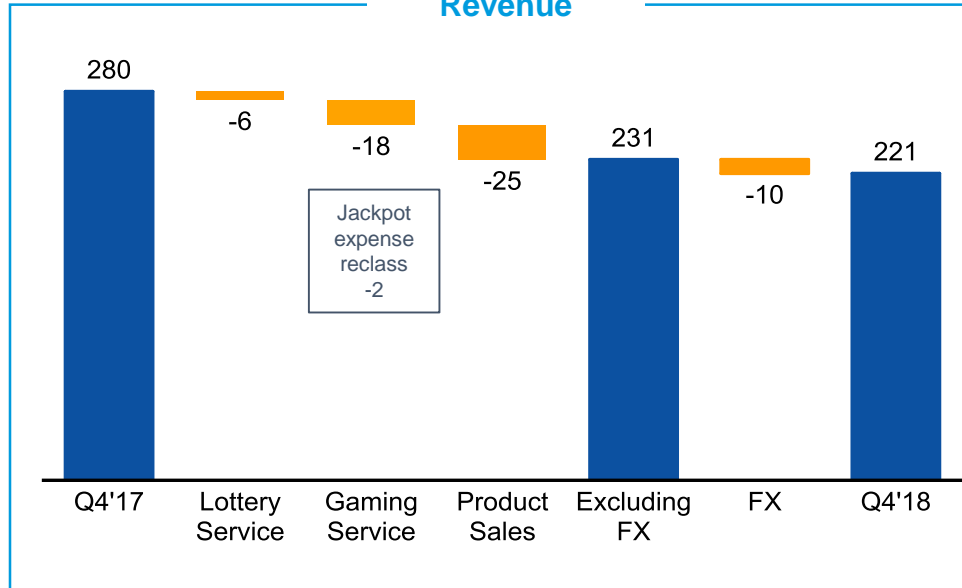
	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18
VLT Installed Base	15,294	15,101	15,176	14,965	14,939

- Exceptional multi-state jackpot activity (\$1.5B Mega Millions jackpot) and solid growth in Instants & Draw Games drive over 20% same-store revenue growth
- LMA reflects lower Illinois revenues (reimbursable expenses)
- Product Sales impacted by higher lottery terminal sales and a large Canadian central system sale in Q4'17
- Operating income up double digits on strong same-store revenue growth, partly offset by higher depreciation associated with recent contract wins and extensions

Q4'18 International Highlights

\$ M except where noted otherwise

Revenue



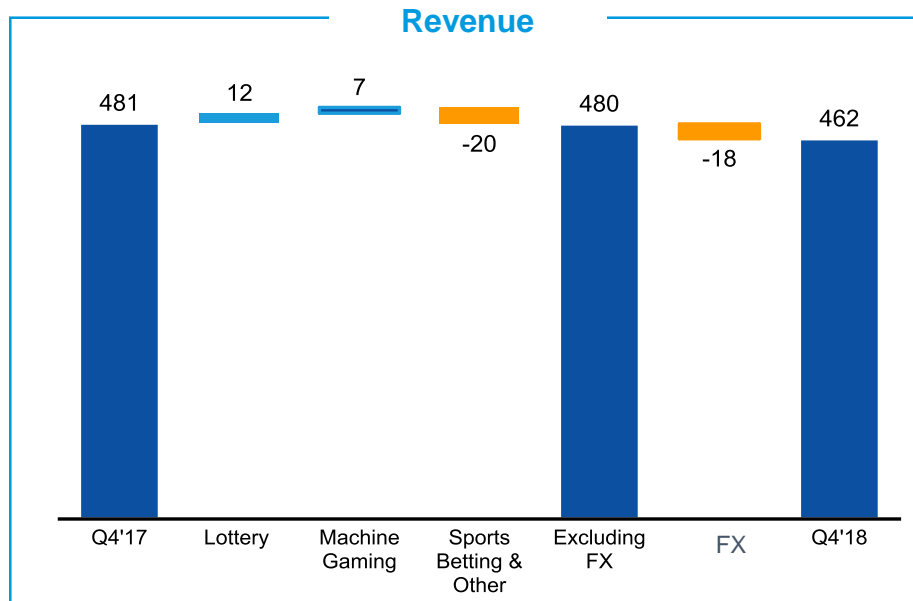
Key Performance Indicators

	Q4'18	Q4'17	% Change		
Revenue	221	280	-21%		
Operating Income	28	72	-60%		
Machine Units Shipped	Q4'18	Q4'17			
New & Expansion	528	544			
Replacement	4,730	5,021			
Total	5,258	5,565			
Same-store revenue growth	Q4'18	Q4'17			
Instants & Draw Games	4.1%	-1.2%			
Multistate Jackpots	8.6%	0.6%			
Total SSR Growth	4.4%	-1.1%			
	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18
Installed Base	15,543	15,854	16,340	16,007	14,905

- Tough revenue and profit comparisons to Q4'17
- Solid Lottery same-store revenue growth
- Gaming Installed Base reflects large conversion sale in South Africa, partly offset by growth in Greece VLTs
- Product Sales impacted by lower gaming machine unit sales in Latin America and Europe, ASP mix
- Operating income down on lower revenue and associated mix, differential timing of expenses across periods

Q4'18 Italy Highlights

\$ M except where noted otherwise



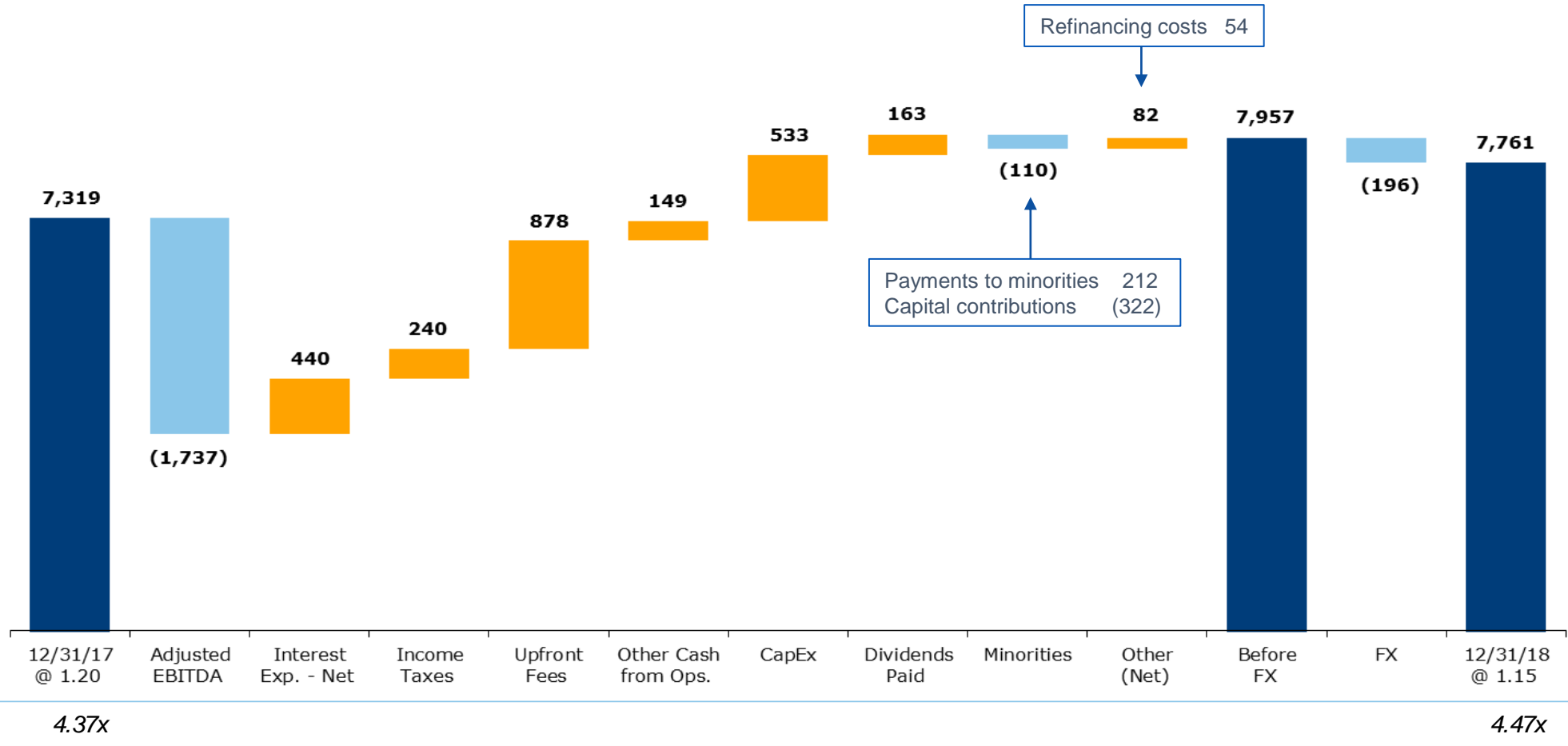
Key Performance Indicators			
	Q4'18	Q4'17	% Change
Revenue	462	481	-4%
Operating Income	118	115	3%

€M	Q4'18	Q4'17	% Growth
Lotto Wagers	2,089	1,951	7.1%
10eLotto	1,495	1,386	7.8%
Core	468	508	-7.9%
Late Numbers	78	57	37.0%
MillionDAY	49	0	NM
S&W Wagers	2,383	2,344	1.7%
Gaming Wagers			
VLT - Operator (B2C)	1,564	1,428	9.5%
AWP	997	1,032	-3.4%
Interactive	492	461	6.8%
Sports Betting Wagers	273	271	0.6%
Sports Betting Payout	84.2%	76.2%	8pp

- Solid underlying fundamentals across all core businesses
- Lottery wagers up on continued strength in 10eLotto, Scratch & Win, and contribution from MillionDAY
- Machine Gaming growth reflects increased productivity of fleet despite significant reduction in AWP units, incremental taxes, and certain regional operating restrictions
- Sports Betting wagers stable; decline driven by unusually low payout in Q4'17
- Operating income up on broad-based wager growth with strong profit flow-through, partly offset by higher Sports Betting payout and increased taxes on gaming machines

Net Debt and Leverage Profile

\$ M except where noted otherwise



- Upfront fees reflect gross payment related to the Scratch & Win license; \$559 million net of partner contributions
- Leverage driven by large Upfront Fees; final Scratch & Win installment paid in Q4'18

Cash Flow Statement

Cash Flow	FY'18
Net Cash Flows from Operating Activities	30
CapEx	(533)
Free Cash Flow	(503)
Debt Proceeds/(Repayment), Net	(177)
Dividends paid	(163)
Other - Net	50
Other Investing/Financing Activities	(290)
Net Cash Flow	(793)
Effect of Exchange Rates/Other	0
Net Change in Cash and Restricted Cash	(793)
Cash and Restricted Cash at End of the Period	512

- Operating Cash Flow includes \$878 million gross Scratch & Win upfront payment
 - License secured through September 2028
 - No significant capital demands for Scratch & Win until next tender
- CapEx lower than expected
- Net inflows of \$110 million from minority partners

FY'19 Outlook

2019 Adjusted EBITDA of \$1.70 - \$1.76 billion

- Underlying growth for core Lottery and Gaming
- >\$100 million in year-to-year headwinds

CapEx of \$450 - \$550 million, concentrated in first half

Assumes EUR/USD rate of 1.15



Q & A



Appendix

Recent Italian Tax Actions

- Gaming Machines

AWPs

July 2018 Dignity Decree

- +25bps on 9/1/18
- Additional increases incorporated into 2019 Budget Law

2019 Budget Law

- +135bps on 1/1/19
- +50bps gradually from 5/1/19 - 1/1/21
- 15bps reduction on 1/1/23
- Minimum payout lowered from 70% to 68%

2019 Supplemental Budget Law

- +65bps on 1/1/19

Tax rate schedule:

Effective Date	Rate
9/1/18	19.25%
1/1/19	21.25%
5/1/19	21.60%
1/1/20	21.68%
1/1/21	21.75%
1/1/23	21.60%

VLTs

July 2018 Dignity Decree

- +25bps on 9/1/18
- Additional increases incorporated into 2019 Budget Law

2019 Budget Law

- +125bps on 1/1/19
- +50bps gradually from 5/1/19 - 1/1/21
- 15bps reduction on 1/1/23
- Minimum payout lowered from 85% to 84%

Tax rate schedule:

Effective Date	Rate
9/1/18	6.25%
1/1/19	7.50%
5/1/19	7.90%
1/1/20	7.93%
1/1/21	8.00%
1/1/23	7.85%

- Other 2019 Budget Law tax actions

- Online casino and games increased from 20% to 25%
- Online sports betting increased from 22% to 24%
- Land-based sports betting increased from 18% to 20%

Q4'18 Income Statement (As Reported)

\$ M except where noted otherwise

Income Statement	Q4'18	Q4'17	% Change
<i>Service revenue</i>	1,029	1,073	-4%
<i>Product sales</i>	237	273	-13%
Total Revenue	1,266	1,346	-6%
Adjusted EBITDA	416	452	-8%
Operating Income	41	194	-79%
<i>Interest expense, net</i>	(104)	(112)	
<i>Foreign exchange</i>	32	(59)	
<i>Other</i>	(9)	-	
Financial Charges, Net	(81)	(171)	
Income Before Tax	(40)	23	
Net Income (Loss)	(70)	106	
Net Income (Loss) - Owners	(102)	80	
Diluted EPS	(0.50)	0.39	

Q4'18 Reconciliation of Non-GAAP Measures

International Game Technology PLC
Consolidated Statement of Operations
Reconciliation of Non-GAAP Financial Measures
(\$ and shares in thousands, except per share data)
Unaudited

	Quarter to date December 2018 As Reported	Adjustments				Quarter to date December 2018 As Adjusted
		Purchase Accounting	Foreign Exchange	Impairment/ Restructuring Expense	Transaction and Refinancing Expense, net	
Total revenue	1,266,132	(183)	-	-	-	1,265,949
Cost of services	638,105	(20,548)	-	-	-	617,557
Cost of product sales	157,965	(3,955)	-	-	-	154,010
Selling, general and administrative	238,654	(27,018)	-	-	-	211,636
Research and development	64,782	(218)	-	-	-	64,564
Restructuring expense	6,857	-	-	(6,857)	-	-
Impairment loss	118,877	-	-	(118,877)	-	-
Transaction expense, net	1	-	-	-	(1)	-
Total operating expenses	1,225,241	(51,739)	-	(125,734)	(1)	1,047,767
Operating income	40,891	51,556	-	125,734	1	218,182
Interest expense, net	(103,666)	27	-	-	-	(103,639)
Foreign exchange gain, net	32,096	-	(32,096)	-	-	-
Other expense, net	(9,040)	(127)	-	-	5,004	(4,163)
Total non-operating expenses	(80,610)	(100)	(32,096)	-	5,004	(107,802)
(Loss) income before provision for income taxes	(39,719)	51,456	(32,096)	125,734	5,005	110,380
Provision for income taxes (a)	30,337	7,082	(10,124)	1,764	1,095	30,154
Net (loss) income	(70,056)	44,374	(21,972)	123,970	3,910	80,226
Less: Net income attributable to non-controlling interests	31,943	25	-	-	-	31,968
Net (loss) income attributable to IGT PLC	(101,999)	44,349	(21,972)	123,970	3,910	48,258
Net (loss) income per common share - diluted	(0.50)					0.24
Weighted-average shares - diluted (b)	204,307					204,328

(a) Adjustments for income taxes are determined based on the statutory tax rate in effect in the respective jurisdiction where the adjustment originated.

(b) Weighted-average shares – diluted, as adjusted, include shares that were excluded from the as reported computation, due to the net loss as reported.

Q4'18 Reconciliation of Non-GAAP Measures

\$ M except where noted otherwise

	As Reported	
	Q4'18	Q4'17
Net income (loss)	(70)	106
Provision for/(Benefit from) income taxes	30	(83)
Non-operating (income) expenses	81	171
Depreciation	121	112
Impairment loss	119	0
Amortization	68	83
Service revenue amortization	52	54
Stock-based compensation expense	8	0
Restructuring expense	7	9
Transaction (Income) Expense, Net	0	0
Non-cash purchase accounting (excluding D&A)	0	0
Adjusted EBITDA	<u>416</u>	<u>452</u>

FY'18 Income Statement (As Reported)

\$ M except where noted otherwise

Income Statement	FY '18	FY '17	% Change
<i>Service revenue</i>	4,046	4,137	-2%
<i>Product sales</i>	785	802	-2%
Total Revenue	4,831	4,939	-2%
Adjusted EBITDA	1,737	1,676	4%
Operating Income	647	(51)	NM
<i>Interest expense, net</i>	(417)	(449)	
<i>Foreign exchange</i>	129	(444)	
<i>Other</i>	(55)	(33)	
Financial Charges, Net	(343)	(926)	
Income Before Tax	304	(977)	
Net Income (Loss)	115	(948)	
Net Income (Loss) - Owners	(21)	(1,069)	
Diluted EPS	(0.10)	(5.26)	

FY'18 Reconciliation of Non-GAAP Measures

International Game Technology PLC
Consolidated Statement of Operations
Reconciliation of Non-GAAP Financial Measures
(\$ and shares in thousands, except per share data)
Unaudited

	Year to date December 2018 As Reported	Adjustments				Year to date December 2018 As Adjusted
		Purchase Accounting	Foreign Exchange	Impairment/ Restructuring Expense	Transaction and Refinancing Expense, net	
Total revenue	4,831,256	(723)	-	-	-	4,830,533
Cost of services	2,450,658	(84,005)	-	-	-	2,366,653
Cost of product sales	491,030	(15,690)	-	-	-	475,340
Selling, general and administrative	844,059	(107,620)	-	-	-	736,439
Research and development	263,279	(904)	-	-	-	262,375
Restructuring expense	14,781	-	-	(14,781)	-	-
Impairment loss	120,407	-	-	(120,407)	-	-
Transaction expense, net	51	-	-	-	(51)	-
Total operating expenses	4,184,265	(208,219)	-	(135,188)	(51)	3,840,807
Operating income	646,991	207,496	-	135,188	51	989,726
Interest expense, net	(417,387)	1,563	-	-	-	(415,824)
Foreign exchange gain, net	129,051	-	(129,051)	-	-	-
Other expense, net	(54,607)	(2,311)	-	-	54,463	(2,455)
Total non-operating expenses	(342,943)	(748)	(129,051)	-	54,463	(418,279)
Income before provision for income taxes	304,048	206,748	(129,051)	135,188	54,514	571,447
Provision for income taxes (a)	189,401	44,183	(3,494)	3,593	1,097	234,780
Net income	114,647	162,565	(125,557)	131,595	53,417	336,667
Less: Net income attributable to non-controlling interests	135,997	102	-	-	-	136,099
Net (loss) income attributable to IGT PLC	(21,350)	162,463	(125,557)	131,595	53,417	200,568
Net (loss) income per common share - diluted	(0.10)					0.98
Weighted-average shares - diluted (b)	204,083					204,363

(a) Adjustments for income taxes are determined based on the statutory tax rate in effect in the respective jurisdiction where the adjustment originated.

(b) Weighted-average shares – diluted, as adjusted, include shares that were excluded from the as reported computation, due to the net loss as reported.

FY'18 Reconciliation of Non-GAAP Measures

\$ M except where noted otherwise

	As Reported	
	FY '18	FY '17
Net income (loss)	115	(948)
Provision for/(Benefit from) income taxes	189	(29)
Non-operating (income) expenses	343	926
Depreciation	433	401
Amortization	272	401
Service revenue amortization	217	210
Impairment loss	120	715
Stock-based compensation expense	33	5
Restructuring expense	15	40
Transaction (Income) Expense, Net	0	(27)
Non-cash purchase accounting (excluding D&A)	0	0
Bad debt Recovery	0	(18)
Adjusted EBITDA	1,737	1,676