



FIRST QUARTER 2020 EARNINGS PRESENTATION



Immediate Actions Amid COVID-19

- Ensured safety and security of our employees and created hardship relief fund
- Took substantial proactive measures across our global business to manage expenses and capital expenditures enabling us to reduce our Q2 spend by over \$150M
- Drew \$480M under our revolving credit facility in April, with quarter end available liquidity of \$967M
- Amended SGI's credit agreement to obtain relief on net first lien leverage ratio covenant
- Driving results across our business:
 - Lottery continuing to deliver wins including Iowa, Connecticut, South Carolina and Missouri. Following our move to primary supplier in Connecticut, we are now the primary supplier to all 10 of the top performing instant game lotteries in the world, and 15 of the top 20
 - Digital adding customers, delivering innovative new concepts and online casino growing significantly
 - Matt Wilson and gaming leadership team in place as of March 1st, focused on driving product development to better target key markets and customers
 - SciPlay delivering strong results with several daily records set in recent weeks. Generated record monthly revenue in April, up over 20% compared to March



Strong Liquidity Position

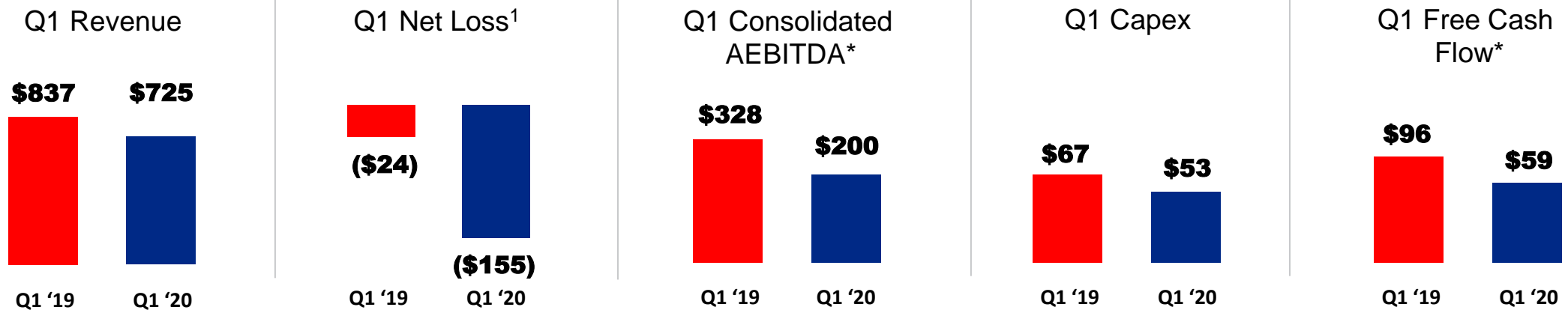
- Available liquidity at quarter-end was \$967M including SciPlay revolver, and \$334M in cash on hand
- SciPlay has \$150M undrawn revolver capacity
- On May 8, 2020, we amended our credit agreement to obtain relief on the net first lien leverage ratio covenant through and including Q1 2021
 - We replaced our previous covenant with a minimum liquidity condition through the relief period
- 2020 capital expenditures now expected to be in the range of \$210M-\$240M, which is \$90M lower than our prior range
- As a result of our actions, we are projecting a Q2 net cash outflow of ~\$70M-\$90M*
- Our next significant debt maturity is \$341M due on May 15, 2021, no other significant maturities until 2024
- We have a sizable U.S. NOL balance estimated to be ~\$1.5B at year-end 2020 which minimizes future cash tax outflows

* For this entire presentation (*) denotes that the item is a non-GAAP financial measure that is separately reconciled in the Appendix.



SGMS Q1 Performance Update

CONSOLIDATED PERFORMANCE (YOY COMPARISON)



KEY HIGHLIGHTS

- Revenue down 13 percent to \$725M primarily as a result of the COVID-19 pandemic
- Generated \$120M in cash flow from operations and \$59M in free cash flow*
- Strong results across iGaming, iLottery and SciPlay during COVID-19 shutdown
- Accelerated Gaming and Lottery industry digital expansion provides significant future growth opportunities

* For this entire presentation (*) denotes that the item is a non-GAAP financial measure that is separately reconciled in the Appendix.

(1) Net loss was \$155 million compared to \$24 million in the prior year period, due to lower revenue along with a \$54 million goodwill impairment charge related to our legacy U.K. Gaming reporting unit and a negative impact of \$38 million related to Gaming business segment receivable credit allowances and inventory write-down charges, all driven by COVID-19 disruptions.

Gaming

- Global casino closures significantly impacting results, with recurring and contractual revenues continuing to flow through, but at significantly reduced levels
- Diverse customer and revenue base, Las Vegas strip accounts for less than 5% of our total gaming revenue in North America
- ~45% of our business is Tribal, ~50% is regional and we expect the reopening and ramp-up to be strongest in these areas
- Casinos now reopening, and seeing strong customer demand

Lottery

- Lottery is holding up with consumer sales stable in open essential retail outlets, and now beginning to see significant recovery in instant ticket sales globally
- Instant ticket and hardware sales supply chains open to continue to produce revenue
- Expect adoption of iLottery to accelerate as a result of current environment

Digital

- iGaming revenue strong, with softness in sports due to the COVID-19 disruptions
- Driving virtual and eSports opportunities for customers to generate revenue when other major sports events are shut down
- Pursuing multiple iGaming and Sports business development leads, and expect market expansion to accelerate meaningfully

SciPlay

- Social casino games market overall seeing strong demand as people at home engaging in personal entertainment every day
- Strength and momentum in all games driving sequential revenue increases and record monthly revenue in April



**LOOKING
AHEAD**



New Gaming leadership team focused on four strategic pillars to drive enhanced results



High Performance Culture

Build a best in class team; develop and acquire top talent committed to our values and delivering high quality results.



Operational Effectiveness

Implement streamlined and efficient processes aimed at delivering a consistent and high-quality customer experience.



Commercial Execution

Build long term commercial strategy and customer partnership and empower our teams to execute with excellence.



Best in Class Product

Develop best in class games, hardware, table games, electronic table games, shufflers and systems products as well as value-add service solutions.



#1 Top Indexing WAP Game
Dancing Drums Explosion
In Top 5 for seven consecutive months



#3 New WAP Game
National Lampoons Christmas Vacation
In Top 3 for two consecutive months

Bally SYSTEMS
Systems Market Leader²
41% Market Share in North America with 2X share compared to #2 competitor

#1 Portrait Cabinet J43¹
Continued Top performer into 2020

#2 Portrait Cabinet¹ WAVE XL
In Top 2 for seven consecutive months

#3 Dual-Screen Cabinet¹ Twinstar 24/24
In Top 3 for nine consecutive months



Deepest Portfolio of Proprietary Table Games
Over 40,000 table game and utility units on recurring revenue



#2 New Core Video Game
Super Colossal Reels Lil Red
In Top 15 for three consecutive months



#7 New WAP Game
Monopoly Hot Properties
In Top 10 for five consecutive months

(1) Cabinets with a significant footprint - cabinets with >100 slot sample in Eilers Database
(2) Based on the number of slots connected to SG systems
Sources: Eilers Performance Database and SG Internal Data

Growth Drivers

- North American Ship Share Gains
- Australia Ship Share Gains
- Historical Horse Racing
- Class III Premium Growth
- Class II Growth
- Illinois VGT Expansion – market share leader
- New Markets
- New Products



- ShuffleStar® success
- MDX™ shuffler debut at G2E
- North American launch of Quartz®
- iView® 4 success
- Innovative new software products
 - Unified Wallet
 - Cashless Gaming

FREE BET
BLACKJACK



**UNIFIED
WALLET**



MDX™

SG VISION



We are a **trusted partner to the world's lotteries**

150 Lottery Customers in **50** Countries

19 of the Top **20** instant game lotteries worldwide (per capita sales)

75% of U.S. instant game retail revenues

70%+ of global instant game retail revenues

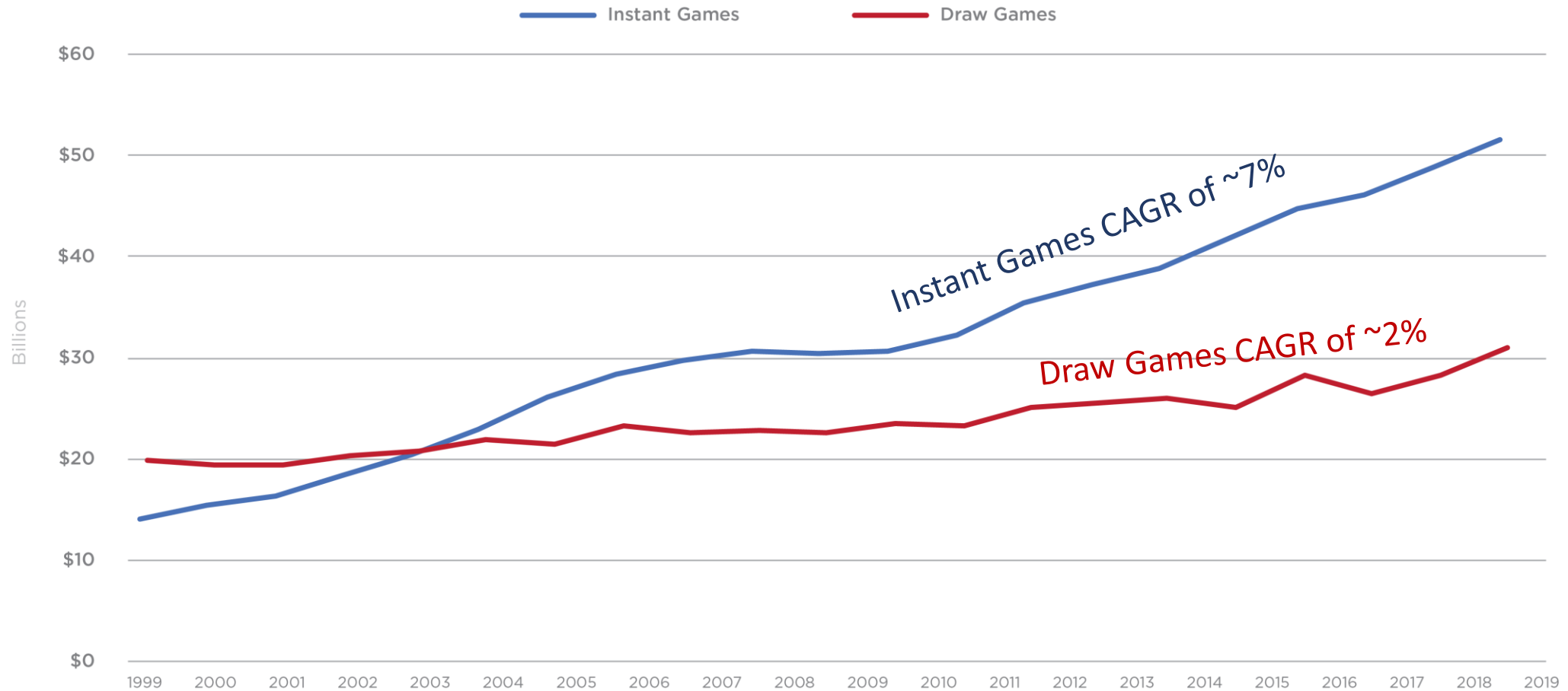
\$94B global annual instant game retail sales

5 instant game manufacturing facilities on **4** continents

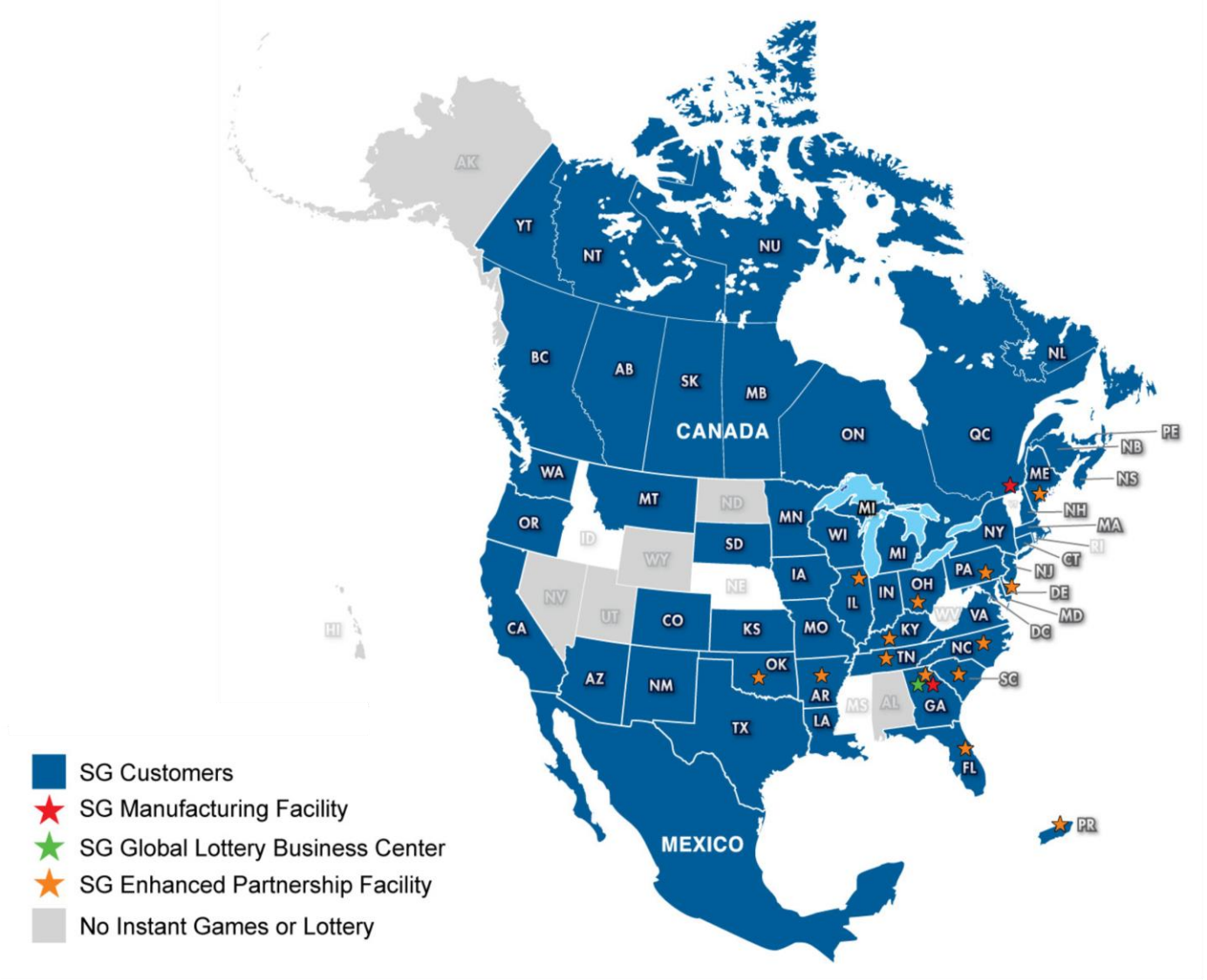
9 presses with **52 billion+** annual ticket production capacity



20 Years of North American Lottery Industry Retail Sales Growth



Source: La Fleur's Almanac 2020



SGMS is Primary Supplier to all Top 10 Instant Game Lotteries Ranked by 2019 Per Capita Sales		
	SGMS Primary Supplier	SGEP
#1 Massachusetts Lottery	✓	✓
#2 Georgia Lottery	✓	✓
#3 South Carolina Education Lottery	✓	✓
#4 Florida Lottery	✓	✓
#5 Pennsylvania Lottery	✓	
#6 New York Lottery	✓	
#7 New Jersey Lottery	✓	
#8 Connecticut Lottery	✓	✓
#9 Tennessee Education Lottery	✓	
#10 New Hampshire Lottery	✓	

Source: La Fleur's Almanac 2020

Digital lottery games, programs & technology – mobile and web


- iLottery – most successful iLottery launch in North America for Pennsylvania Lottery
- Player loyalty
- Promotions & 2nd chance games



SG VISION

- Age verification
- Responsible gaming
- Self-service kiosk personalization
- Upsell capabilities
- Complete retail ecosystem

Retail Innovation

- **PlayCentral™ 54**
2019 Walmart Supplier of the Year for Product
Walmart 
- **SciQ®**
New Retail technology eco-system

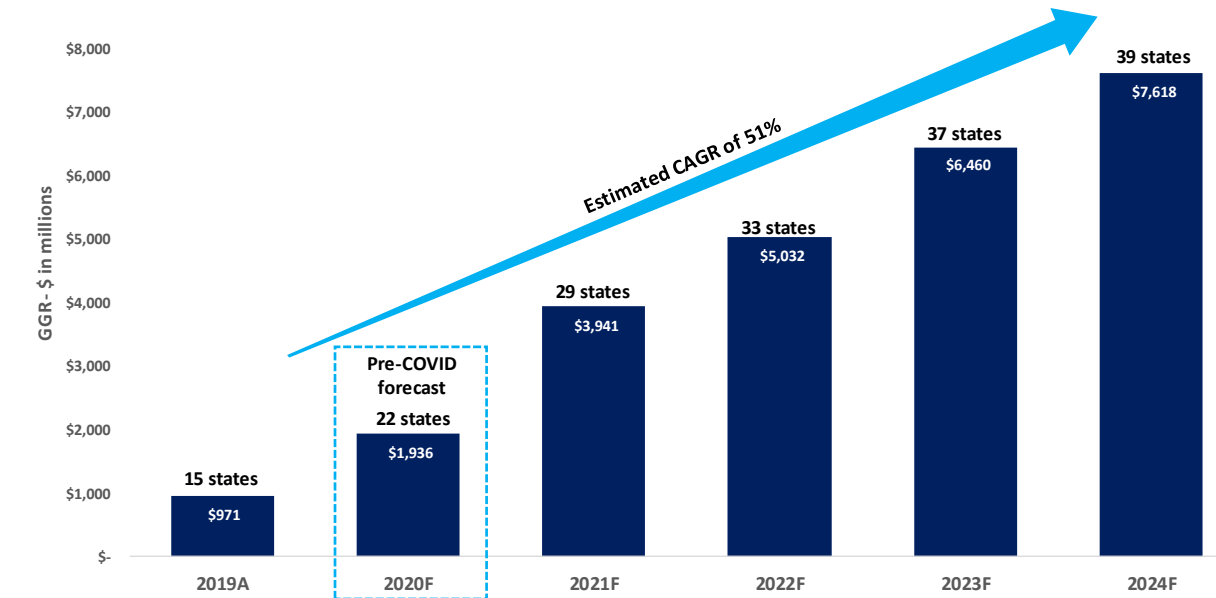


We are an **industry leading** sports betting, digital casino and iLottery supplier working with the **largest brands** across the globe.



Industry Leader Poised to Gain Share in Rapidly Growing US Digital Markets

US Sports Betting Market GGR – Forecast



SGD US Sports Customers

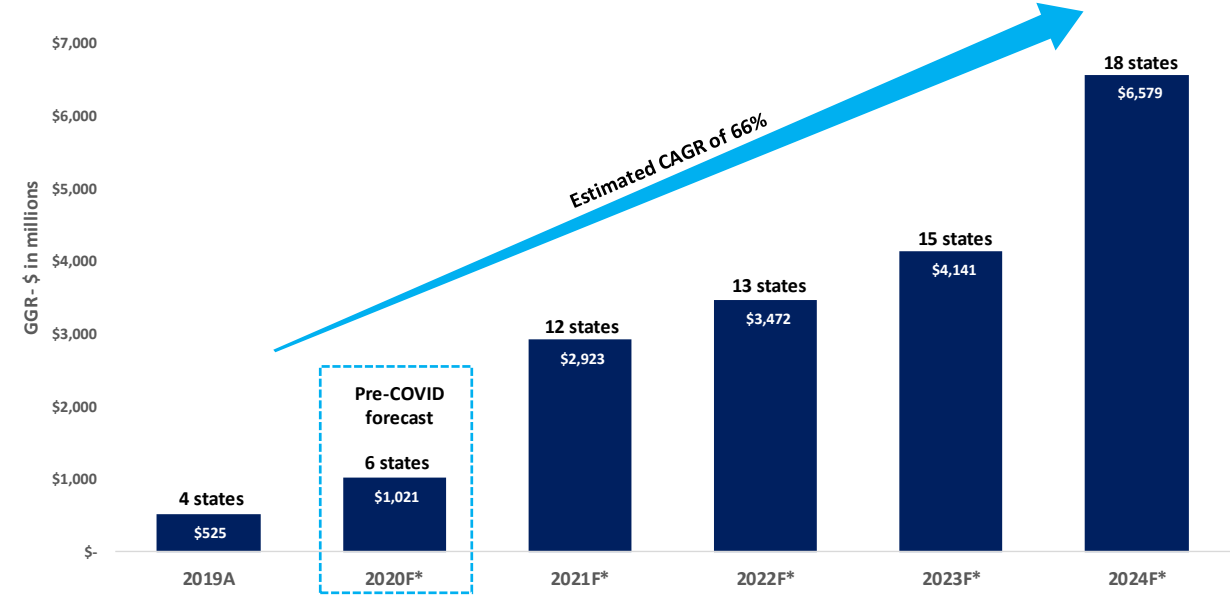






Key Notes:
 SG Digital was live with Caesars in 5 states in 2019.
 SG Digital has signed deals with many significant players to be delivered in 2020.

US iGaming Market GGR – Forecast



SGD US iGaming Customers

















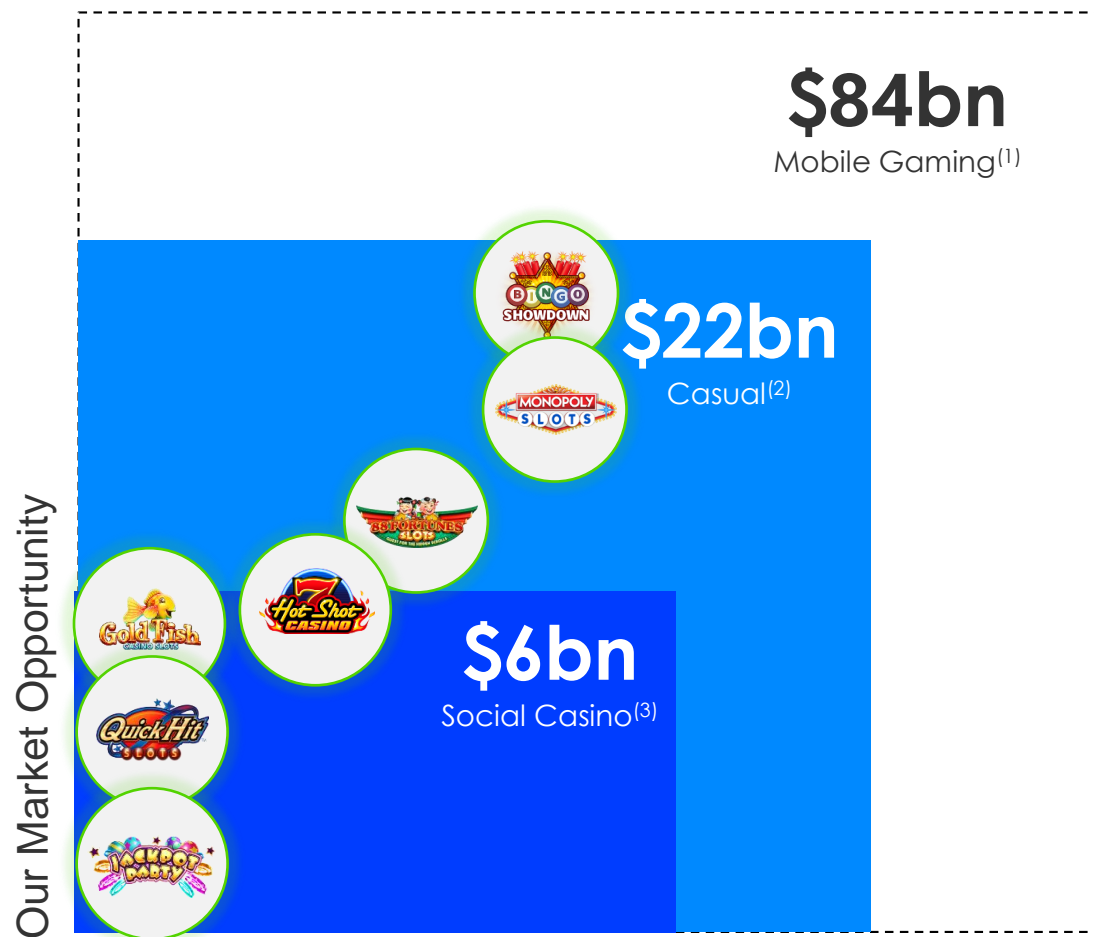


Key Notes:
 Legalized States: DE, NV, NJ, PA, WV, MI
 Legislation Proposed: CO, KY, MA, NE, NY, VA
 Possible States: NH, IN, IA, CA, DC and IL

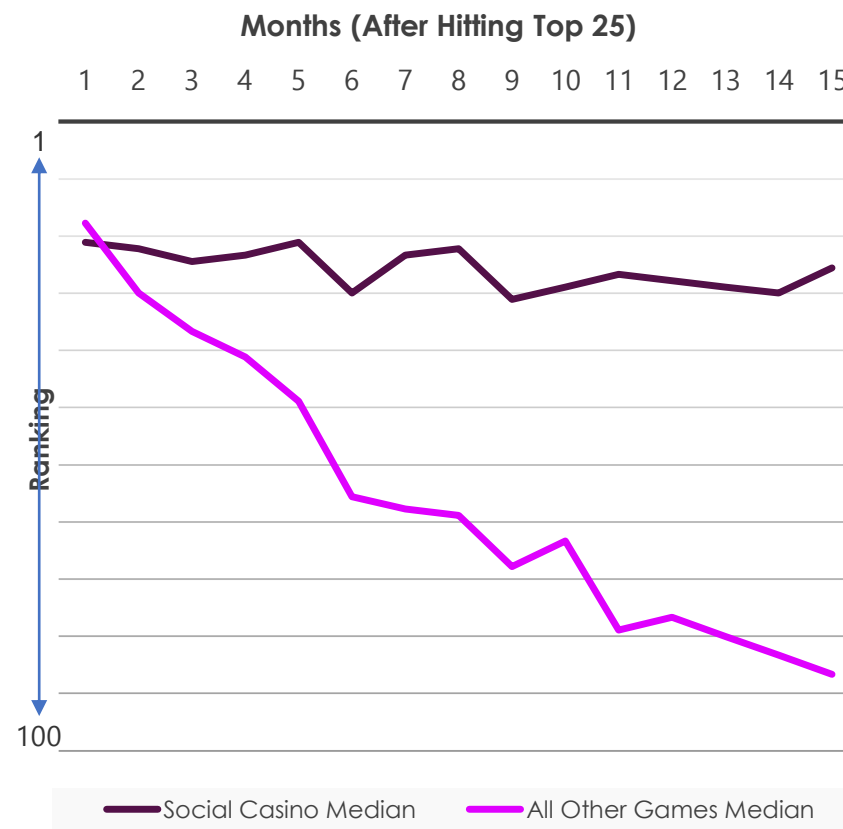
Expanding Market Across Attractive Genres

Further Expansion into Growing Casual Genre...

...Anchored by Evergreen Social Casino



Top Grossing iOS Games' Rank Trajectory After Hitting Top 25⁽⁴⁾



(1) Source: IDC Worldwide Mobile and Handheld Gaming Forecast, 2019 –2023. Total projected worldwide market in 2019 for smartphone and tablet gaming revenue.

(2) Source: Eilers & Krejciek. Total projected market in 2019 for social casino mobile games and other casual mobile games, such as puzzle, card and match three games.

(3) Source: Eilers & Krejciek. Total projected market in 2019 for social casino mobile games.

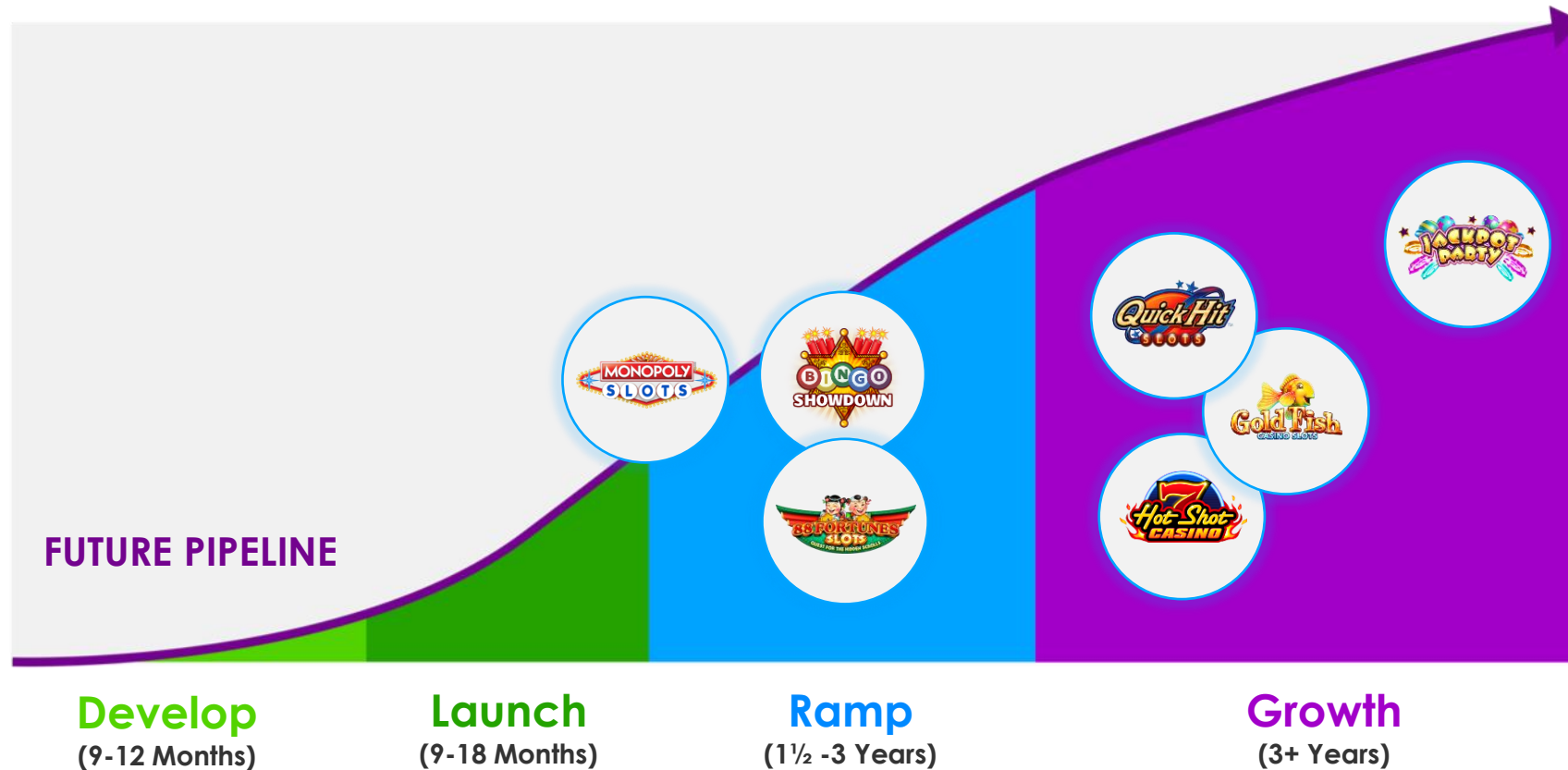
(4) Source: App Annie for top grossing games in the US on iPhone (as of October 2018). Includes only games that first achieved top 25 US grossing rank within the time period of 1/1/2012 through 7/1/2017.

Games in Various Stages of Growth

All Games Go
Through a Similar
Life Cycle

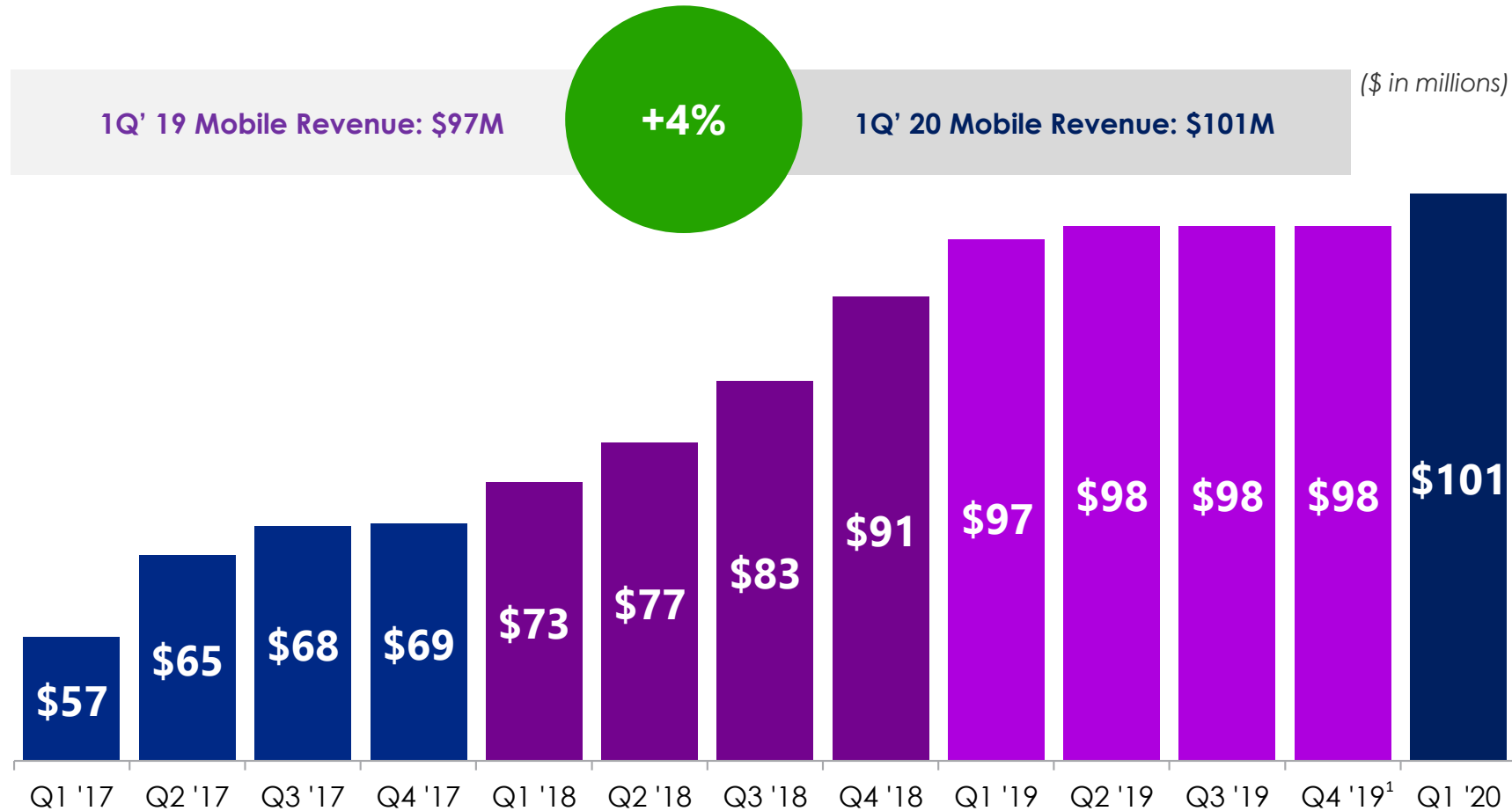
Most Games in
Early Stages of
Life Cycle

Margins Improving as
Games Progress Along a
Predictable Trajectory



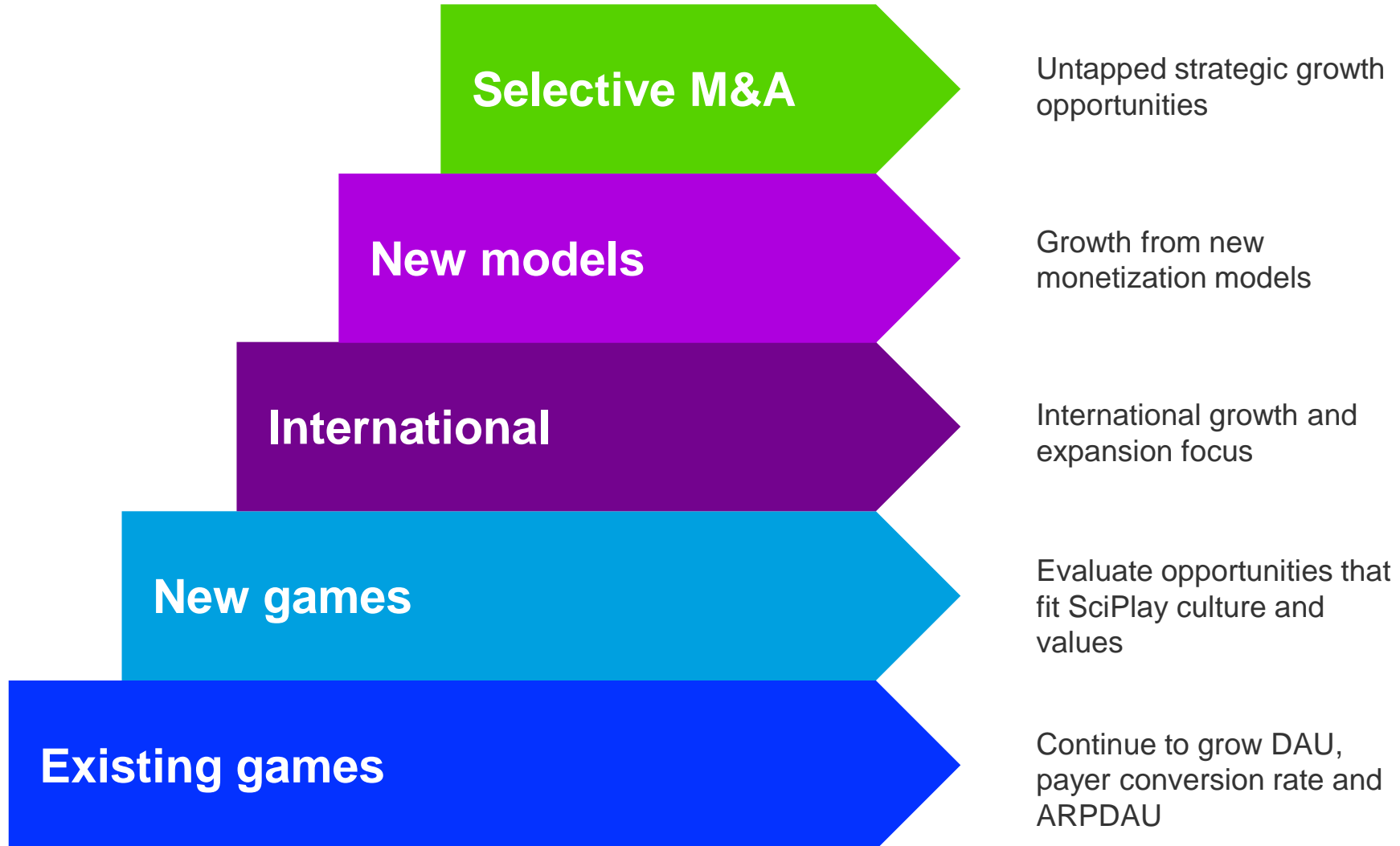
Mobile Revenue Continuing to Drive Results

Mobile penetration now at 85%



(1) Includes 2019 Q4 out of period adjustment of \$2.4 million.

Significant Growth Opportunities



APPENDIX



Forward-Looking Statements

In this presentation, Scientific Games Corporation (“Scientific Games,” “SGMS” or the “Company”) makes “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements describe future expectations, plans, results or strategies and can often be identified by the use of terminology such as “may,” “will,” “estimate,” “intend,” “plan,” “continue,” “believe,” “expect,” “anticipate,” “target,” “should,” “could,” “potential,” “opportunity,” “goal,” or similar terminology. These statements including, but not limited to, those related to the Company’s expected operating performance for the second quarter of 2020, projected consolidated net cash outflow, trends in the Company’s operations, the effects of COVID-19 disruptions and the Company’s mitigation efforts, are based upon management’s current expectations, assumptions and estimates and are not guarantees of timing, future results or performance. Therefore, you should not rely on any of these forward-looking statements as predictions of future events. Actual results may differ materially from those contemplated in these statements due to a variety of risks and uncertainties and other factors, including, among other things: the impact of the COVID-19 pandemic and any resulting unfavorable social, political, economic and financial conditions, including the temporary closure of casinos and lottery operations on a jurisdiction-by-jurisdiction basis; natural events and health crises that disrupt our operations or those of our customers, suppliers or regulators; incurrence of restructuring costs; changes in demand for our products and services; dependence on suppliers and manufacturers; dependence on key employees; goodwill impairment charges including changes in estimates or judgements related to our impairment analysis of goodwill or other intangible assets; level of our indebtedness, higher interest rates, availability or adequacy of cash flows and liquidity to satisfy indebtedness, other obligations or future cash needs; inability to reduce or refinance our indebtedness; restrictions and covenants in debt agreements, including those that could result in acceleration of the maturity of our indebtedness; stock price volatility; competition; U.S. and international economic and industry conditions; slow growth of new gaming jurisdictions, slow addition of casinos in existing jurisdictions and declines in the replacement cycle of gaming machines; ownership changes and consolidation in the gaming industry; opposition to legalized gaming or the expansion thereof and potential restrictions on internet wagering; inability to adapt to, and offer products that keep pace with, evolving technology, including any failure of our investment of significant resources in our R&D efforts; inability to develop successful products and services and capitalize on trends and changes in our industries, including the expansion of internet and other forms of interactive gaming; laws and government regulations, both foreign and domestic, including those relating to gaming, data privacy and security, including with respect to the collection, storage, use, transmission and protection of personal information and other consumer data, and environmental laws, and those laws and regulations that affect companies conducting business on the internet, including online gambling; the continuing evolution of the scope of data privacy and security regulations, and our belief that the adoption of increasingly restrictive regulations in this area is likely within the U.S. and other jurisdictions; significant opposition in some jurisdictions to interactive social gaming, including social casino gaming and how such opposition could lead these jurisdictions to adopt legislation or impose a regulatory framework to govern interactive social gaming or social casino gaming specifically, and how this could result in a prohibition on interactive social gaming or social casino gaming altogether, restrict our ability to advertise our games, or substantially increase our costs to comply with these regulations; legislative interpretation and enforcement, regulatory perception and regulatory risks with respect to gaming, especially internet wagering, social gaming and sports wagering; reliance on technological blocking systems; expectations of shift to regulated online gaming or sports wagering; expectations of growth in total consumer spending on social casino gaming; SciPlay’s dependence on certain key providers; inability to win, retain or renew, or unfavorable revisions of, existing contracts, and the inability to enter into new contracts; protection of our intellectual property, inability to license third-party intellectual property and the intellectual property rights of others; security and integrity of our products and systems, including the impact of any security breaches or cyber-attacks; reliance on or failures in information technology and other systems; challenges or disruptions relating to the implementation of a new global enterprise resource planning system; failure to maintain adequate internal control over financial reporting; inability to benefit from, and risks associated with, strategic equity investments and relationships; inability to achieve some or all of the anticipated benefits of SciPlay being a standalone public company; implementation of complex new accounting standards; fluctuations in our results due to seasonality and other factors; risks relating to foreign operations, including anti-corruption laws, fluctuations in currency rates, restrictions on the payment of dividends from earnings, restrictions on the import of products and financial instability, including the potential impact to our business resulting from the continuing uncertainty around the U.K.’s withdrawal from the European Union; possibility that the renewal of Lotterie Nazionali S.r.l. concession to operate the Italian instant games lottery is not finalized (including as the result of a pending third-party protest against the renewal of the concession, or any appeal from existing court rulings relating to such third-party protest); the impact of U.K. legislation approving the reduction of fixed-odds betting terminals maximum stakes limit on LBO operators, including the related closure of certain LBO shops; changes in tax laws or tax rulings, or the examination of our tax positions; difficulty predicting what impact, if any, new tariffs imposed by and other trade actions taken by the U.S. and foreign jurisdictions could have on our business; the discontinuation or replacement of LIBOR, which may adversely affect interest rates; litigation and other liabilities relating to our business, including litigation and liabilities relating to our contracts and licenses, our products and systems, our employees (including labor disputes), intellectual property, environmental laws and our strategic relationships; and influence of certain stockholders, including decisions that may conflict with the interests of other stockholders.

Additional information regarding risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated in forward-looking statements is included from time to time in our filings with the SEC, including the Company’s Current Reports on Form 8-K, Quarterly Reports on Form 10-Q and its latest Annual Report on Form 10-K filed with the SEC on February 18, 2020 (including under the headings “Forward Looking Statements” and “Risk Factors”). Forward-looking statements speak only as of the date they are made and, except for our ongoing obligations under the U.S. federal securities laws, we undertake no and expressly disclaim any obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

Due to rounding, certain numbers presented herein may not precisely agree or add up on a cumulative basis to the totals previously reported.

Additional Notes

This presentation may contain references to industry market data and certain industry forecasts. Industry market data and industry forecasts are obtained from publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of that information is not guaranteed. Although we believe industry information to be accurate, it is not independently verified by us and we do not make any representation as to the accuracy of that information. In general, we believe there is less publicly available information concerning the international gaming, lottery, social and digital gaming industries than the same industries in the U.S.

Non-GAAP Financial Measures

The Company's management uses the following non-GAAP financial measures in conjunction with GAAP financial measures: Consolidated AEBITDA, Consolidated AEBITDA margin, free cash flow, EBITDA from equity investments, net debt and net debt leverage ratio, and projected consolidated net cash outflow (each, as described more fully below). These non-GAAP financial measures are presented as supplemental disclosures. They should not be considered in isolation of, as a substitute for, or superior to, the financial information prepared in accordance with GAAP, and should be read in conjunction with the Company's financial statements filed with the SEC. The non-GAAP financial measures used by the Company may differ from similarly titled measures presented by other companies.

Specifically, the Company's management uses Consolidated AEBITDA to, among other things: (i) monitor and evaluate the performance of the consolidated Company's business operations; (ii) facilitate management's internal and external comparisons of the Company's consolidated historical operating performance; and (iii) analyze and evaluate financial and strategic planning decisions regarding future operating investments and operating budgets.

In addition, the Company's management uses Consolidated AEBITDA and Consolidated AEBITDA margin to facilitate management's external comparisons of the Company's consolidated results to the historical operating performance of other companies that may have different capital structures and debt levels.

The Company's management uses EBITDA from equity investments to monitor and evaluate the performance of the Company's equity investments. The Company's management uses net debt and net debt leverage ratio in monitoring and evaluating the Company's overall liquidity, financial flexibility and leverage. The Company's management uses projected consolidated net cash outflow in monitoring, evaluating and managing the Company's cash expenditures and available liquidity in the response to the disruptions resulting from the COVID-19 pandemic.

The Company's management believes that each of these non-GAAP financial measures are useful as they provide management and investors with information regarding the Company's financial condition and operating performance that is an integral part of management's reporting and planning processes. In particular, the Company's management believes that Consolidated AEBITDA is helpful because this non-GAAP financial measure eliminates the effects of restructuring, transaction, integration or other items that management believes is less indicative of the Company's ongoing underlying operating performance and are better evaluated separately. Management believes Consolidated AEBITDA margin is useful for analysts and investors as this measure allows an evaluation of the performance of our ongoing business operations and provides insight into the cash operating income margins generated from our business, from which capital investments are made and debt is serviced. Moreover, management believes EBITDA from equity investments is useful to investors because the Company's Lottery business is conducted through a number of equity investments, and this measure eliminates financial items from the equity investees' earnings that management believes has less bearing on the equity investees' performance. Management believes that free cash flow provides useful information regarding the Company's liquidity and its ability to service debt and fund investments. Management also believes that free cash flow is useful for investors because it provides them with an important perspective on the cash available for debt repayment and other strategic measures, after making necessary capital investments in property and equipment and necessary license payments to support the Company's ongoing business operations and taking into account cash flows relating to the Company's equity investments. Management believes that net debt and net debt leverage ratio are useful for investors in evaluating the Company's overall liquidity. Management believes that projected consolidated net cash outflow is useful for investors in evaluating the Company's expected cash expenditures and available liquidity during the period of market disruptions caused by the COVID-19 pandemic.

Consolidated AEBITDA

Consolidated AEBITDA, as used herein, is a non-GAAP financial measure that is presented as supplemental disclosure and is reconciled to net loss as the most directly comparable GAAP measure, as set forth in the schedule titled "Reconciliation of Net Loss Attributable to SGC to Consolidated Adjusted EBITDA." Consolidated AEBITDA should not be considered in isolation of, as a substitute for, or superior to, the consolidated financial information prepared in accordance with GAAP, and should be read in conjunction with the Company's financial statements filed with the SEC. Consolidated AEBITDA may differ from similarly titled measures presented by other companies.

Consolidated AEBITDA is reconciled to consolidated net loss and includes net loss attributable to SGC with the following adjustments: (1) net income attributable to noncontrolling interest, (2) restructuring and other, which includes charges or expenses attributable to: (i) employee severance; (ii) management restructuring and related costs; (iii) restructuring and integration; (iv) cost savings initiatives; (v) major litigation; and (vi) acquisition costs and other unusual items; (3) depreciation and amortization expense and impairment charges (including goodwill impairments); (4) change in fair value of investments and remeasurement of debt; (5) interest expense; (6) income tax expense; (7) stock-based compensation; and (8) loss (gain) on debt financing transactions. In addition to the preceding adjustments, we exclude earnings from equity method investments and add (without duplication) our pro rata share of EBITDA of our equity investments, which represents our share of earnings (whether or not distributed to us) before income tax expense, depreciation and amortization expense, and interest (income) expense, net of our joint ventures and minority investees, which is included in our calculation of Consolidated AEBITDA to align with the provisions of our long-term debt arrangements. AEBITDA is presented exclusively as our segment measure of profit or loss.

Consolidated AEBITDA Margin

Consolidated AEBITDA margin, as used herein, represents our Consolidated AEBITDA (as defined above) for the three month periods ended March 31, 2020 and 2019, each calculated as a percentage of revenue. Consolidated AEBITDA margin is a non-GAAP financial measure that is presented as supplemental disclosure for illustrative purposes only and is reconciled to net loss attributable to SGC, the most directly comparable GAAP measure, in a schedule herein.

Free Cash Flow

Free cash flow, as used herein, represents net cash (used in) provided by operating activities less total capital expenditures (which includes lottery, gaming and digital systems expenditures and other intangible assets and software expenditures), less payments on license obligations, less additions to equity method investments plus distributions of capital from equity investments. Free cash flow is a non-GAAP financial measure that is presented as supplemental disclosure for illustrative purposes only and is reconciled to net cash provided by operating activities, the most directly comparable GAAP measure, in a schedule herein.

EBITDA from Equity Investments

EBITDA from equity investments, as used herein, represents our share of earnings (whether or not distributed to us) plus income tax expense, depreciation and amortization expense (inclusive of amortization of payments made to customers for LNS), interest income, net, and other non-cash and unusual items from our joint ventures and minority investees. EBITDA from equity investments is a non-GAAP financial measure that is presented as supplemental disclosure for illustrative purposes only and is reconciled to earnings from equity investments, the most directly comparable GAAP measure, in a schedule herein.

Projected Consolidated Net Cash Outflow

Projected consolidated net cash outflow, as used herein, represents consolidated projected net cash flows from operating, investing and financing activities (as presented in our condensed consolidated statements of cash flows), the most directly comparable GAAP measure, less net cash borrowings under the SGI revolving credit facility for the three months ending June 30, 2020.

Reconciliation of Net Loss Attributable to SGC to Consolidated Adjusted EBITDA

	Three months ended March 31,	
	2020	2019
Net loss attributable to SGC	\$ (159)	\$ (24)
Net income attributable to noncontrolling interest	4	-
Net loss	(155)	(24)
Restructuring and other	22	7
Depreciation, amortization and impairments	138	165
Goodwill impairment	54	-
Other expense, net	4	2
Interest expense	124	154
Income tax expense	4	4
Stock-based compensation	10	14
Gain on remeasurement of debt	(10)	(5)
EBITDA from equity investments ⁽¹⁾	7	17
Loss (earnings) from equity investments	2	(6)
Consolidated Adjusted EBITDA	\$ 200	\$ 328

Note: U.S. Dollars in millions. Amounts may not sum due to rounding.

(1) EBITDA from equity investments is a non-GAAP financial measure reconciled to (loss) earnings from equity investments on slide 26

SGMS Calculation of Free Cash Flow

	Three Months Ended March 31,			
	2020		2019	
Net cash provided by operating activities ⁽¹⁾	\$	120	\$	167
Less: Capital expenditures		(53)		(37)
Add: Distributions of capital from equity investments		-		3
Less: Payments on license obligations		(8)		(7)
Free cash flow	\$	59	\$	96

SGMS Reconciliation of (Loss) Earnings from Equity Investments to EBITDA from Equity Investments

	Three Months Ended March 31,			
	2020		2019	
EBITDA from equity investments:				
(Loss) earnings from equity investments	\$	(2)	\$	6
Add: Income tax expense		1		3
Add: Depreciation, amortization and impairments		7		8
Add: Interest income, net and other		1		-
EBITDA from equity investments	\$	7	\$	17

Note: U.S. Dollars in millions.

(1) The 2020 and 2019 first quarters include a \$10 million and a \$66 million favorable change, respectively, in accrued interest due to the February 2018 refinancing.

SGMS Reconciliation of Projected Consolidated Net Cash Outflow

	Three Months Ending June 30, 2020			
	Range			
	Low		High	
Projected net cash flows ⁽¹⁾	\$	410	\$	390
Less: Net cash borrowings under SGI revolving credit facility		(480)		(480)
Projected consolidated net cash outflow	\$	(70)	\$	(90)

Note: U.S. Dollars in millions.

(1) Calculated as projected consolidated net cash flows from operating, investing and financing activities as presented in our condensed consolidated statements of cash flows.