



Second Quarter 2021 Earnings Presentation

August 9, 2021



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 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 and potentially recurring closure of casinos and lottery operations on a jurisdiction-by-jurisdiction basis; risks relating to our continuing strategic review and proposed acquisition of public SciPlay equity, including lack of assurance that the review will result in the consummation of any transaction, on any particular timetable or at all, that the review will yield additional value or that the review will not adversely impact our business, financial results, results of operations, cash flows or stock price; slow growth of new gaming jurisdictions, slow addition of casinos in existing jurisdictions and declines in the replacement cycle of gaming machines; 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 following the U.K.’s withdrawal from the European Union; 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; U.S. and international economic and industry conditions; level of our indebtedness, higher interest rates, availability or adequacy of cash flows and liquidity to satisfy indebtedness, other obligations or future cash needs; the discontinuation or replacement of LIBOR, which may adversely affect interest rates; 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; competition; inability to win, retain or renew, or unfavorable revisions of, existing contracts, and the inability to enter into new contracts; 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; 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; changes in demand for our products and services; 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; dependence on suppliers and manufacturers; SciPlay’s dependence on certain key providers; ownership changes and consolidation in the gaming industry; fluctuations in our results due to seasonality and other factors; security and integrity of our products and systems, including the impact of any security breaches or cyber-attacks; protection of our intellectual property, inability to license third-party intellectual property and the intellectual property rights of others; reliance on or failures in information technology and other systems; 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; reliance on technological blocking systems; challenges or disruptions relating to the completion of the domestic migration to our enterprise resource planning system; 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; legislative interpretation and enforcement, regulatory perception and regulatory risks with respect to gaming, especially internet wagering, social gaming and sports wagering; changes in tax laws or tax rulings, or the examination of our tax positions; opposition to legalized gaming or the expansion thereof and potential restrictions on internet wagering; 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; expectations of shift to regulated online gaming or sports wagering; 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; 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; incurrence of restructuring costs; goodwill impairment charges including changes in estimates or judgments related to our impairment analysis of goodwill or other intangible assets; stock price volatility; failure to maintain adequate internal control over financial reporting; dependence on key executives; natural events that disrupt our operations, or those of our customers, suppliers or regulators; possibility that the 2018 renewal of the Lotterie Nazionali S.r.l. concession to operate the Italian instant games lottery is not final (pending appeal against existing court rulings relating to third-party protest against the renewal of the concession); and expectations of growth in total consumer spending on social casino gaming.

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 Securities and Exchange Commission (“SEC”), including the Company’s current reports on Form 8-K and quarterly reports on Form 10-Q and its latest Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2020 on March 1, 2021 (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.

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.

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

Strong Growth and Momentum as We Execute on Our Vision



Rapidly Executing on our Vision and Strategic Pillars

- Optimizing portfolio through intended Lottery and Sports Betting divestitures
- Well along in the strategic alternatives process
- Investing in content and digital with Koukoi, Lightning Box and new Las Vegas iGaming studio



Continued Strong Momentum Across our Businesses

- Consolidated revenue up 63%, AEBITDA⁽¹⁾ highest in the Company's history
- Gaming delivered strong sequential growth, North American Game Ops revenue exceeded 2019 levels
- Lottery posted another record quarter, signed major renewals and new deals
- SciPlay delivered sequential growth; ramping in casual with SPA⁽²⁾ & Koukoi acquisition
- iGaming achieved record results & 25% U.S. share, up from 23% at 1Q
- Sports accelerated expansion with 8 U.S. sportsbooks launches in 2Q, acquired SportCast



Focused on Driving FCF⁽¹⁾ and Significantly De-levering

- Reduced Net Debt Leverage Ratio⁽¹⁾ by nearly 1/3rd to 7.2x, from 10.5x at the beginning of the year
- Delivered FCF⁽¹⁾ of \$133M in 2Q, highest in recent history, and \$213M year-to-date
- Paid down \$150M of debt in 2Q, additional \$150M post-quarter end
- Strong interest in Lottery and Sports, confident in path to significantly de-levering

(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix.

(2) Solitaire Pets™ Adventure.

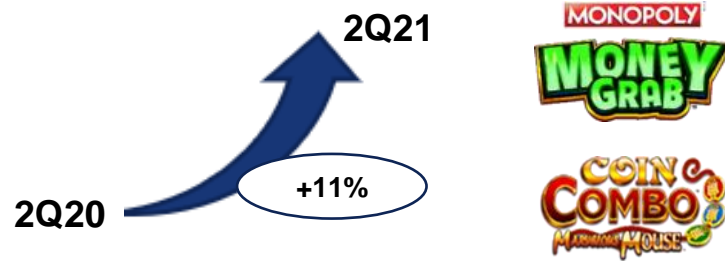
Operational Progress

Gaming

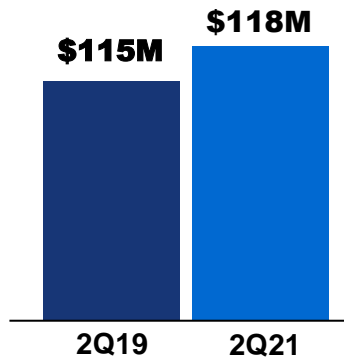
Making Gains in Key Profit Pools

Gaming Operations

- 4th consecutive quarter of growth in our North American premium ops installed base, now above 2019 levels



- North American Gaming operations revenue exceeded 2019 levels



Game Sales

- North American Sales accelerated, driving improvement in share with proven titles on Kascada™; shipped 3,221 units in 2Q, +66% sequentially



- Grew Australian ship share fueled by continued success of *Kraken Unleashed*™



Gaming

Gaining Traction with Global Product Roadmap

Kascada™

Most Successful Launch in Our Recent History



- **Most successful launch** in our recent history, shipped 1,000 units in less than half the time of the J43
- Driver of share in **key profit pools**
- Executing on **robust sales pipeline** in Gaming Operations & Game Sales
- Launched with **key franchises** *Coin Combo™*, *MONOPOLY Money Grab®* and *Dancing Drums Prosperity™*

Mural™

Robust Pipeline of Orders



- Soft launch in major U.S. markets; **3Q full launch**
- Healthy library of games; early **performance very promising**
- **Launched** with *Willy Wonka Dreamers of Dreams™* & *88 Fortunes® Emperor's Coins™*
- **Initial placements** in California, Nevada, Oklahoma, Florida & Michigan casinos

Strong pipeline of regular cabinet and game launches planned for 2022 and 2023

Lottery

Record Quarter with Key Wins & Renewals

Instant Game Sales & SGEP* Partnerships Accelerate

- **Record revenue and AEBITDA** with strong sequential growth off 1Q
- **Record YTD U.S. instant games sales** +21% YoY and +30% vs. 2019
- **European instant games sales up double digits** YTD for 9 of our top 10 lottery customers – **Italy JV +20%**
- **U.S. SGEP** retail sales **+17.6% YTD**
- Now **14 U.S. SGEP** partnerships and over **20 globally**
- Hit **all time highs** in **average selling price** of SG games in U.S.



Contract Wins & Extensions



Announced winner of 10-year instant game partnership and systems technology **contracts in Pennsylvania** – **top 10 U.S.** lottery for total sales



Extended New Hampshire Lottery instant games contract six years and **upgraded to SGEP** partnership – **top 10** lottery worldwide for instant game sales



Internationally, **new contracts and contract extensions totaling 13 years** in Bosnia, Denmark, Georgia, Poland and Portugal

*Scientific Games Enhanced Partnership

Lottery

Revolutionizing the Global Lottery Business

Advancing Lottery Retail With Innovation

- Integrated **SCiQ®** technology into **PlayCentral®** self-service vending machines, **enabling real-time tracking**
- **SCiQ** in markets **across 14 jurisdictions**
- Installed more than **600 PlayCentral** self-service terminals in 1H21



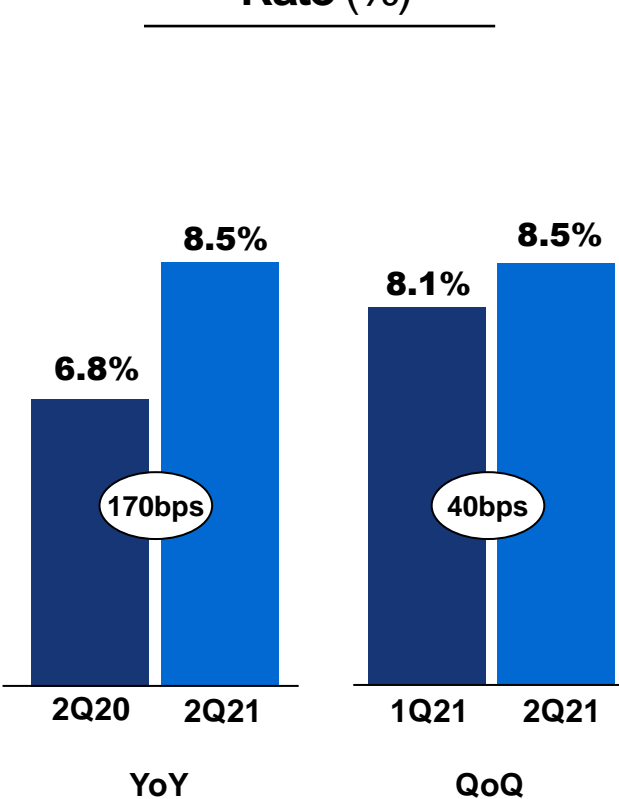
Expanding Global Digital Lottery Business

- Provider to **21 iLotteries** worldwide
 - **Pennsylvania iLottery sales hit \$2 billion** in just over 3 years with 94 live games – **fastest growing iLottery program in U.S.**
 - **Atlantic Lottery (Canada) achieved 50% YoY growth** in GGR in Q2 following addition of iCasino content to iLottery
- **Launched new digital instant games** program for Rheinland-Pfalz (Germany)
- **1 in 4 U.S. lotteries** use an SG-developed mobile app – 21 total apps launched

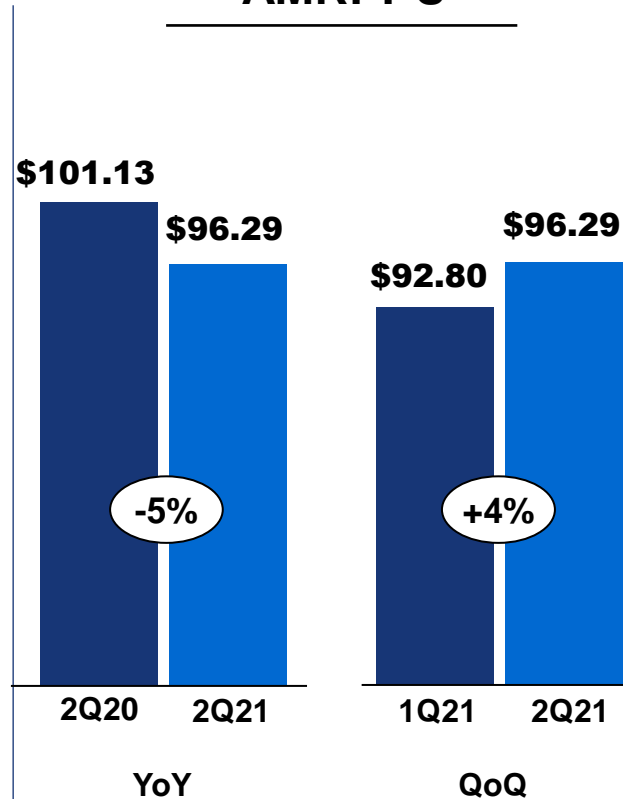
SciPlay

Second Highest Revenue Quarter Driven by Record Payer Metrics

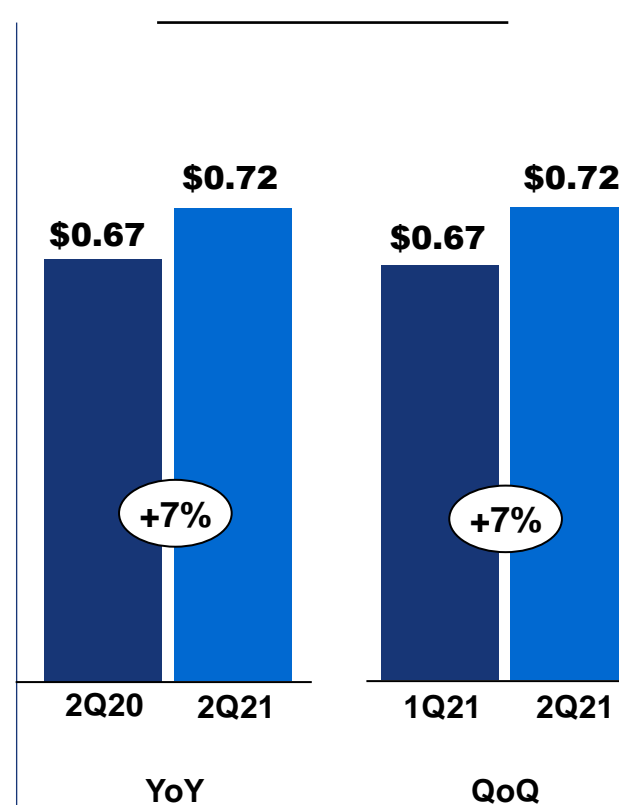
Payer Conversion Rate (%)



AMRPPU⁽¹⁾



ARPDau⁽²⁾



Key highlights

- Delivered **sequential growth**, building off strong 2020
- Continued to **enhance monetization** across all key metrics through payer focus and live-ops strategy
- Achieved **record payer metrics** including payer conversion of 8.5% and ARPDau⁽²⁾ of \$0.72
- AMRPPU⁽¹⁾ of \$96.29, **second highest ever**

(1) Average Monthly Revenue Per Paying User, (2) Average Revenue Per Daily Active User.

SciPlay

Building Casual Pipeline and Adding Proven Talent

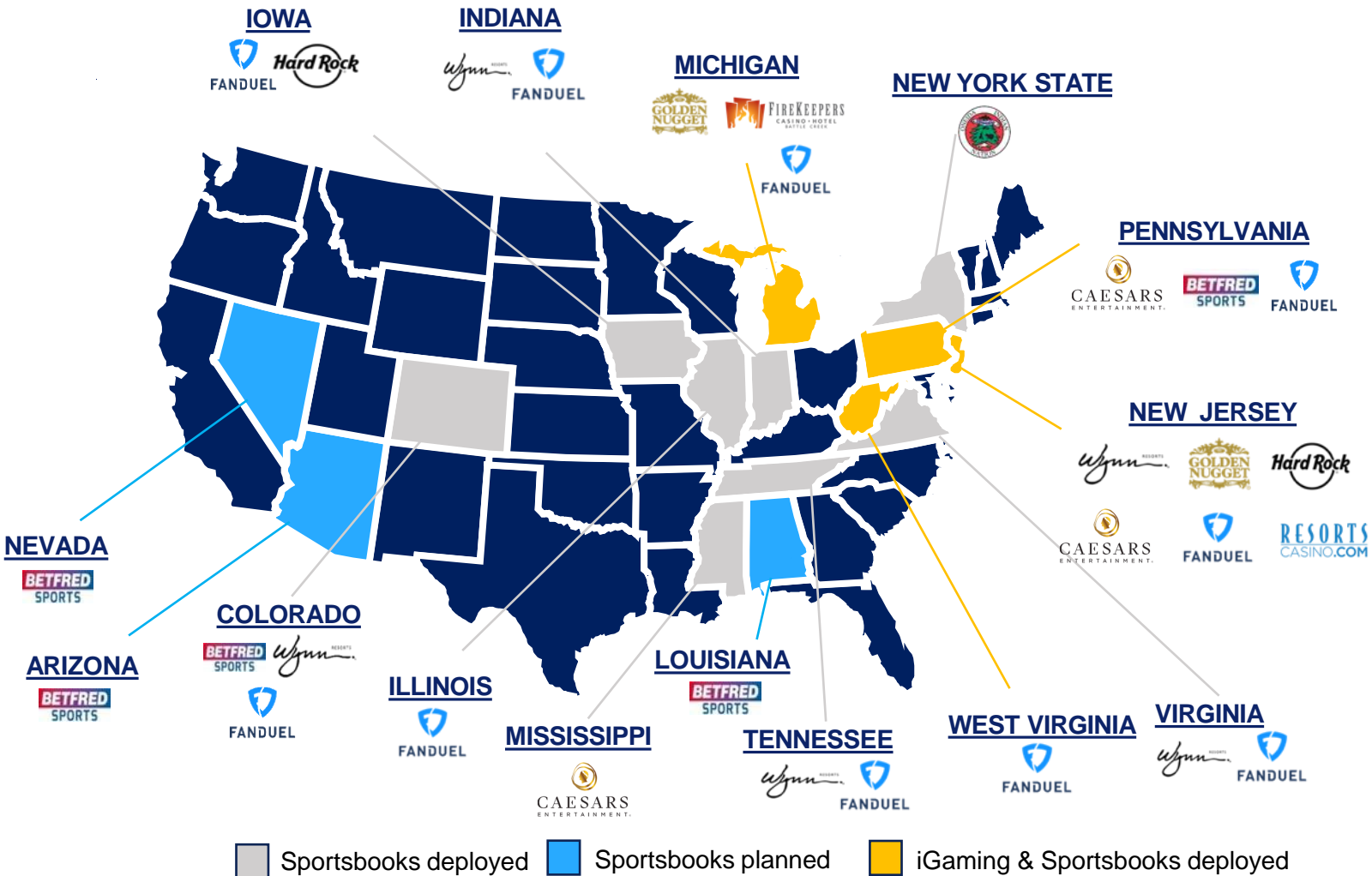


Key Highlights

- *Solitaire Pets Adventure*™ initial KPIs promising
 - **Solidifying retention metrics** and optimizing monetization
 - Expanding user acquisition testing
 - Progressing to worldwide launch
- Koukoi acquisition **jumpstarts Project X** team
 - **New casual game** to be launched in 2H22
 - **Proven game developer** with a depth of experience in casual games
 - Critical mix of technical and creative **expertise**
 - Incredible **cultural alignment**

Digital

Delivered Record Quarter with Fast Growing Sports and iGaming Footprint

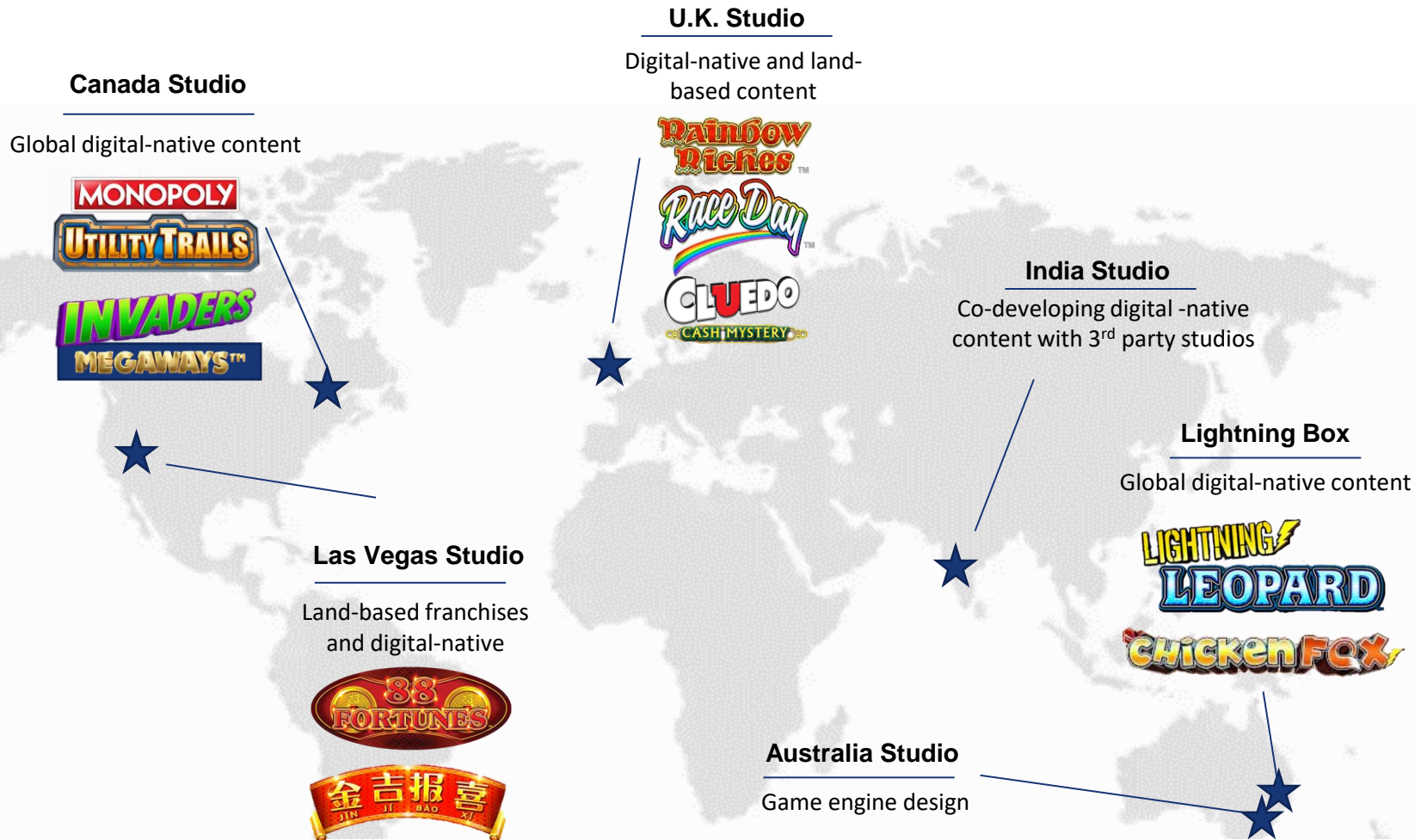


Key Highlights

- Momentum continues in Digital with **record revenue and AEBITDA**
- **U.S. iGaming revenue +106% YoY, U.S. share to 25%** in the states we are live in; West Virginia launched July 27th
- **Record quarter in Sports**; powered over 100 million bets at the European Soccer Championships
- **U.S. Sports Betting revenue +205% YoY**, 27 sportsbooks now live with **8 new deployments** in 2Q
 - Launched 5 sportsbooks with FanDuel and 2 with Wynn
 - **Now live** with FanDuel in all 10 states with further go-lives planned in 3Q
- **Sportsbooks now live in 12 U.S. states** with several more in the pipeline

iGaming

Expanding Original Content Capabilities



Key Highlights

- Expanding studio **production capacity**
 - **Launched** new Las Vegas iGaming studio
 - **Acquired Lightning Box**, top performing studio in the U.S. market
- **Original land-based content** driving differentiation and performance
 - *88 Fortunes*® **#1 in the U.S.**⁽¹⁾
 - *Jin Ji Bao Xi*® **most successful** game since initial launch in MI
 - *Rainbow Riches*™ **top performing** game in the U.K.
 - *MONOPOLY*-themed games **perform well across all regions**

(1) Eilers Online Game Performance Report – July '21.

iGaming Platform

A Must Have Platform Connecting Operators and Studios

Powering the best iGaming player experiences across the globe



iGaming Platform

150+ Customers

3.5bn Game Rounds Per Month

3,000+ Games Live

50 Studio Partners

OUR STUDIOS



WORLDWIDE PARTNER STUDIOS



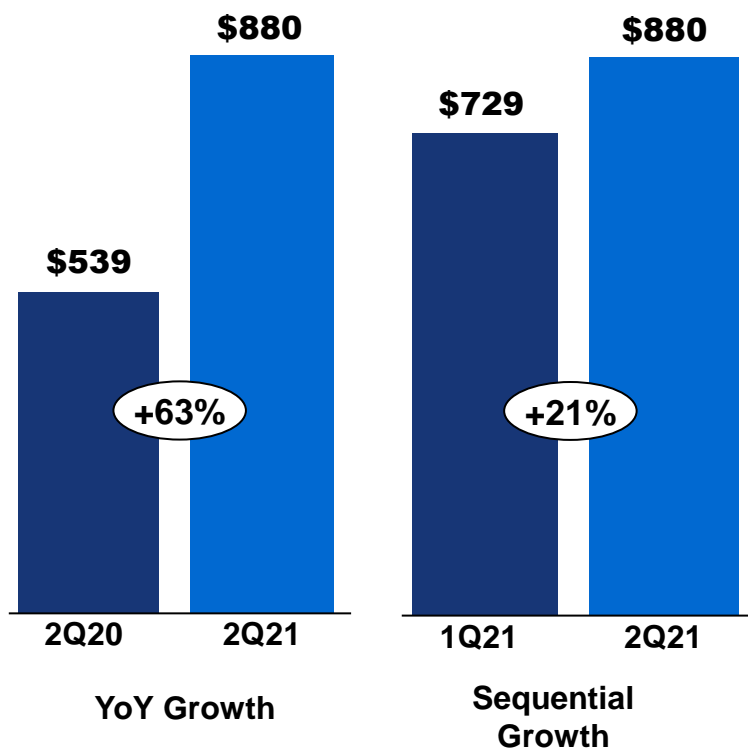
Financial Results

Consolidated Financial Results

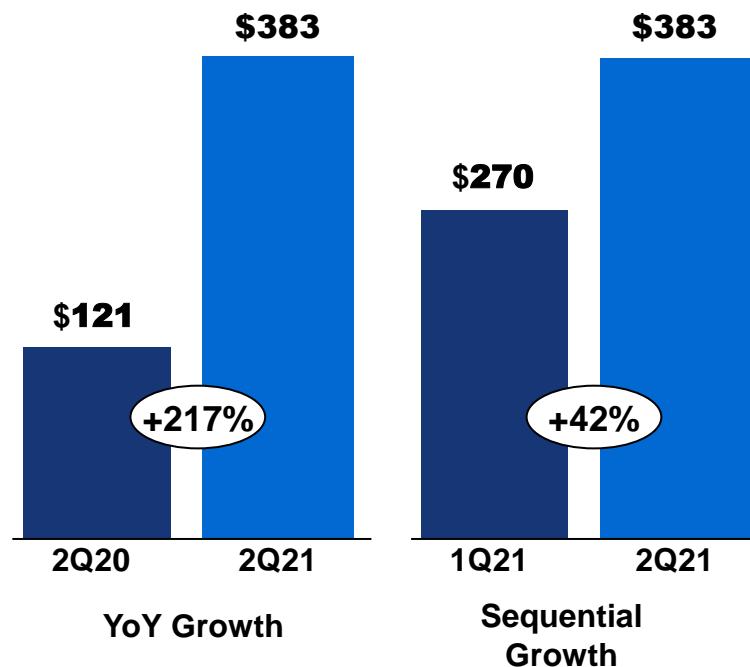
Strong Growth and Momentum Across our Businesses

\$ in millions

Consolidated Revenue



Consolidated AEBITDA⁽¹⁾



Key Highlights

- Consolidated revenue up 63%, AEBITDA⁽¹⁾ highest in the Company's history
- Strong double-digit growth sequentially driven by momentum in all businesses
- Gaming rebound driven by product roadmap and record GGR
- Delivered record Lottery and Digital revenue and AEBITDA
- SciPlay achieved 2nd highest revenue quarter ever
- 2Q21 Revenue and AEBITDA⁽¹⁾ benefited from \$38M U.K.FOBT recovery⁽²⁾

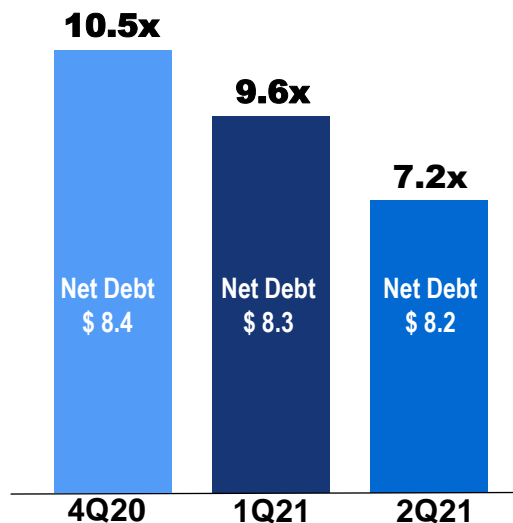
(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix.

(2) The FOBT recovery is related to a 2020 U.K. court ruling, associated with overcharging of value-added tax for previous services rendered to gaming operators that consequently reduced our net gaming revenue related to these customers and arrangements.

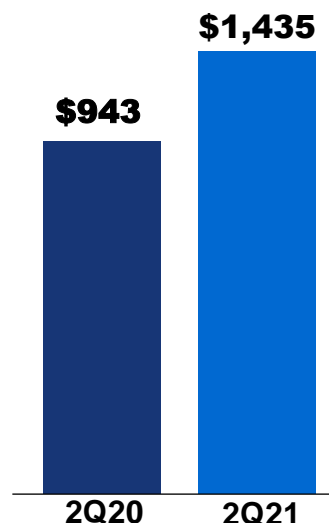
Leverage and Interest Expense

Reduced Net Debt Leverage Ratio⁽¹⁾ by Nearly 1/3rd in 6 Months

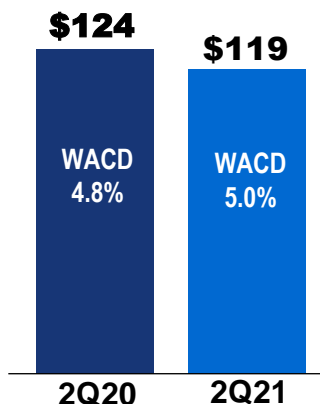
**Net Debt
Leverage Ratio⁽¹⁾**
(billions)



**Available
Liquidity⁽²⁾**
(millions)



Interest Expense
(millions)



Key Highlights

- Focus on cost and balance sheet management enabling continued progress on debt reduction
- Lowered net debt leverage ratio⁽¹⁾ by nearly 1/3rd to 7.2x in 6 months, a reduction of 3.3 turns from peak
- Paid down \$150M of debt in 2Q, additional \$150M post quarter end
 - Paid down over \$500M of debt since October
- Improved available liquidity to end 2Q at \$1.4B

(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix.

(2) Available liquidity is calculated as cash and cash equivalents plus remaining revolver capacity including the SciPlay Revolver.

Free Cash Flow⁽¹⁾

Focus on Expense Controls and FCF Conversion⁽¹⁾

\$ in millions

	2Q21	2Q20	B/(W)	1H21	1H20	B/(W)
Consolidated AEBITDA⁽¹⁾	\$ 383	\$ 121	217%	\$ 653	\$ 321	103%
Capital Expenditures	(53)	(39)	(36)%	(103)	(92)	(12)%
Cash Interest	(106)	(114)	7%	(229)	(224)	(2)%
Cash Taxes	(6)	(1)	Nm	(13)	(7)	(86)%
Changes in Working Capital, net	(83)	30	Nm	(61)	50	Nm
Other	(2)	-	Nm	(34)	4	Nm
Free Cash Flow⁽¹⁾	\$ 133	\$ (3)	Nm	\$ 213	\$ 52	310%
FCF Conversion^{(1), (2)}	34.7%	-2.5%	Nm	32.6%	16.2%	1640bps

Key Highlights
<ul style="list-style-type: none"> Generated \$133M in FCF⁽¹⁾ in 2Q and \$213M YTD, driven by more than tripling of AEBITDA⁽¹⁾ FCF conversion⁽¹⁾ of 34.7% in 2Q and 32.6% YTD, included 720 bps and 410 bps of FOBT benefit respectively Continued capital investment discipline, aligning with demand Impact on working capital primarily driven by lower accounts payable balances in the current year period

(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix. (2) FCF conversion is calculated as free cash flow as a percentage of Consolidated AEBITDA. (3) Free Cash Flow for the three and six months ended June 30, 2021 benefited from \$38 million and \$44 million, respectively, due to the U.K. FOBT recovery received from certain U.K. customers.
nm – not meaningful

Strong Growth and Momentum as We Execute on Our Vision

Quickly Executing on Our Vision and Strategic Pillars

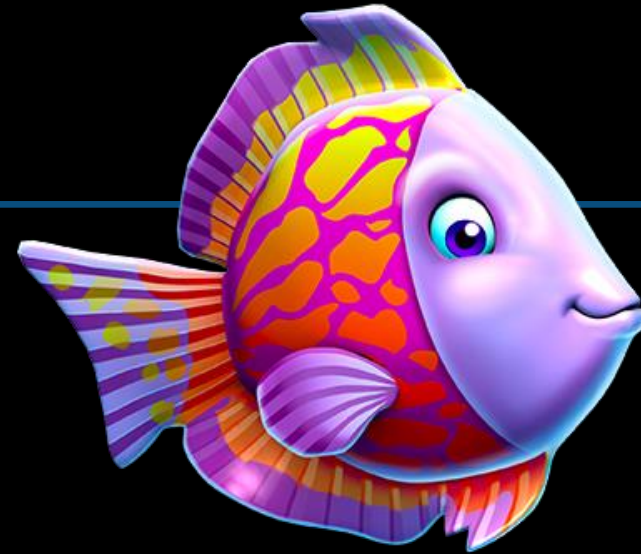
Continued Strong Momentum Across our Businesses

Focused on Driving FCF⁽¹⁾ and Significantly De-levering

Unlocking Significant Value as We Build a Leading Global Game Company

(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix.

Appendix



Non-GAAP Financial Measures

The Company's management uses the following non-GAAP financial measures in conjunction with GAAP financial measures: Consolidated AEBITDA, free cash flow, free cash flow conversion, EBITDA from equity investments, and net debt and net debt leverage ratio (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 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 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. 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, necessary license payments to support the Company's ongoing business operations, adjustments for changes in restricted cash impacting working capital and taking into account cash flows relating to the Company's equity investments.

Consolidated AEBITDA

Consolidated AEBITDA, as used herein, is a non-GAAP financial measure that is presented as supplemental disclosure and is reconciled to net income (loss) as the most directly comparable GAAP measure, as set forth in the schedule titled "Reconciliation of Net Income (Loss) Attributable to SGC to Consolidated AEBITDA." 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 income (loss) and includes net income (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 and goodwill impairments; (4) change in fair value of investments and remeasurement of debt; (5) interest expense; (6) income tax expense; (7) stock-based compensation; (8) loss on debt financing transactions; and (9) other income (expense), net. In addition to the preceding adjustments, we exclude earnings (loss) 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 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.

Free Cash Flow

Free cash flow, as used herein, represents net cash 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 contributions to equity method investments plus distributions of capital from equity investments, and adjusted for changes in restricted cash impacting working capital. Free cash flow is a non-GAAP financial measure that is presented as a 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. In the third quarter of 2020, we recast free cash flow to adjust our previously used measure, free cash flow, to exclude changes in restricted cash, substantially associated with the recent expansion of iLottery operations, that are impacting working capital, and align such calculation with the revised management view and definition of such non-GAAP financial measure. Such restricted cash is excluded because it is not available to fund debt repayments or other initiatives and therefore management believes this calculation better aligns with the reason management uses this non-GAAP information.

Free Cash Flow Conversion

Free cash flow conversion, as used herein, represents the ratio by which Consolidated AEBITDA (as defined on this page) is converted into Free Cash Flow (as defined above). Free cash flow conversion is a non-GAAP financial measure that is presented as a supplemental disclosure for illustrative purposes only and is reconciled to net cash flow conversion, 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 (loss) (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) expense, 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.

Net Debt and Net Debt Leverage Ratio

Net debt is defined as total principal face value of debt outstanding, the most directly comparable GAAP measure, less cash and cash equivalents. Principal face value of debt outstanding includes the face value of debt issued under Senior Secured Credit Facilities, Senior Notes and Subordinated Notes, which are all described in Note 15 of the Company's Annual Report on Form 10-K for the year ended December 31, 2020, but it does not include long term obligations under financing leases or \$6 million in proceeds received in 2019 from transactions completed in 2018 which are presented as debt. In addition, principal face value of debt outstanding with respect to the 2026 Secured Euro Notes and 2026 Unsecured Euro Notes are translated at the constant foreign exchange rate at issuance of these notes as those amounts remain payable at the original issuance amounts in Euro. Net debt leverage ratio, as used herein, represents net debt divided by Consolidated AEBITDA (as defined herein).

SGMS Reconciliation of Net Income (Loss) Attributable to SGC to Consolidated AEBITDA

	Three months ended June 30,		Six months ended June 30,		Three months ended March 31,	Twelve months ended June 30,		Twelve months ended March 31,	Twelve months ended December 31,
	2021	2020	2021	2020	2021	2021	2020	2021	2020
Net income (loss) attributable to SGC	\$ 109	\$ (203)	\$ 94	\$ (362)	\$ (15)	\$ (113)	\$ (393)	\$ (425)	\$ (569)
Net income attributable to noncontrolling interest	4	5	10	9	6	22	21	23	21
Net income (loss)	113	(198)	104	(353)	(9)	(91)	(372)	(402)	(548)
Restructuring and other	32	16	53	38	21	82	53	66	67
Depreciation, amortization and impairments	123	140	246	278	123	522	590	539	554
Goodwill impairment	-	-	-	54	-	-	54	-	54
Other (income) expense, net	(70)	1	(68)	5	2	(63)	14	8	10
Interest expense	119	124	240	248	121	495	536	500	503
Income tax expense	8	2	11	6	3	9	5	3	4
Stock-based compensation	41	14	64	24	23	101	37	74	61
Loss on debt financing transactions	-	-	-	-	-	1	40	1	1
Loss (gain) on remeasurement of debt	7	12	(18)	2	(25)	31	(5)	36	51
EBITDA from equity investments ⁽¹⁾	24	7	44	14	20	67	46	50	37
(Earnings) loss from equity investments	(14)	3	(23)	5	(9)	(22)	(6)	(5)	6
Consolidated AEBITDA	\$ 383	\$ 121	\$ 653	\$ 321	\$ 270	\$ 1,132	\$ 992	\$ 870	\$ 800

Note: U.S. Dollars in millions.

(1) EBITDA from equity investments is a non-GAAP financial measure reconciled to Earnings (loss) from equity investments on slide 25.

SGMS Reconciliation of Principal Face Value of Debt Outstanding to Net Debt Leverage Ratio

	As of			
	June 30, 2021	June 30, 2020	March 31, 2021	December 31, 2020
Consolidated AEBITDA ⁽¹⁾	\$ 1,132	\$ 992	\$ 870	\$ 800
Total debt	\$ 9,019	\$ 9,153	\$ 9,166	\$ 9,303
Add: Unamortized debt discount/premium and deferred financing costs, net	94	106	99	104
Add: Impact of exchange rate ⁽²⁾	29	67	38	7
Less: Debt not requiring cash repayment and other	(6)	(7)	(6)	(7)
Principal face value of debt outstanding	9,136	9,319	9,297	9,407
Less: Cash and cash equivalents	932	790	967	1,016
Net debt	\$ 8,204	\$ 8,529	\$ 8,330	\$ 8,391
Net debt leverage ratio	7.2	8.6	9.6	10.5
Euro to USD exchange rate at reporting date	1.19	1.12	1.17	1.22
Euro to USD exchange rate at issuance	1.24	1.24	1.24	1.24

Note: U.S. Dollars in millions

(1) Refer to the reconciliation of Consolidated AEBITDA included in the table titled "Reconciliation of Net Income (Loss) Attributable to SGC to Consolidated AEBITDA" ended for the periods presented on slide 21.

(2) Exchange rate impact is the impact of translating our outstanding 2026 Secured Euro Notes and 2026 Unsecured Euro Notes translated at constant foreign exchange rate at issuance of these notes as compared to the current exchange rate.

SGMS Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net cash provided by operating activities	\$ 149	\$ 52	\$ 272	\$ 172
Less: Capital expenditures	(53)	(39)	(103)	(92)
Less: Distributions from equity method investments, net of additions	16	(1)	7	(1)
Less: Payments on license obligations	(16)	(7)	(29)	(15)
Add (less): Change in restricted cash impacting working capital	37	(8)	66	(12)
Free cash flow	\$ 133	\$ (3)	\$ 213	\$ 52

SGMS Reconciliation of Free Cash Flow Conversion

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Free Cash Flow ⁽¹⁾	\$ 133	\$ (3)	\$ 213	\$ 52
Consolidated AEBITDA ⁽²⁾	383	121	653	321
<i>Free Cash Flow Conversion ⁽³⁾</i>	34.7%	(2.5%)	32.6%	16.2%

(1) Refer to the reconciliation of Free Cash Flows to Net Cash Provided by Operating Activities on slide 23.

(2) Refer to the reconciliation of Consolidated AEBITDA included in the table titled "Reconciliation of Net Income (Loss) Attributable to SGC to Consolidated AEBITDA" for the periods presented on slide 21.

(3) Free cash flow conversion, as used herein, represents the ratio by which Consolidated AEBITDA is converted into Free Cash Flow.

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

	Three months ended June 30,		Six months ended June 30,		Three months ended March 31,	Twelve months ended June 30,		Twelve months ended March 31,	Twelve months ended December 31,
	2021	2020	2021	2020	2021	2021	2020	2021	2020
Earnings (loss) from equity investments	\$ 14	\$ (3)	\$ 23	\$ (5)	\$ 9	\$ 22	\$ 6	\$ 5	\$ (6)
Add: Income tax expense	4	1	8	2	4	10	6	7	4
Add: Depreciation, amortization and impairments	9	7	16	14	7	33	31	31	31
Add: Interest income, net and other	(3)	2	(3)	3	-	2	3	7	8
EBITDA from equity investments	\$ 24	\$ 7	\$ 44	\$ 14	\$ 20	\$ 67	\$ 46	\$ 50	\$ 37

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