

AGEM Index

Association of Gaming Equipment Manufacturers

August 2018

The AGEM Index decreased in August 2018. The composite index finished the month at 565.39 points, a decline of 43.88 points or 7.76 percent, compared to July 2018. The AGEM Index reported a year-over-year increase for the 35th consecutive month and has climbed 89.85 points, or 20.81 percent, since August 2017.

During the latest period, seven of the 13 global gaming equipment manufacturers reported month-to-month increases in stock price. Six manufacturers reported decreases in stock price during the month.

The major stock market indices saw gains during the month. The S&P 500 reported a month-to-month increase of 3.03 percent to 2,901.52. The Dow Jones Industrial Average grew 2.16 percent to 25,964.82, while the NASDAQ increased 5.71 percent during the period to 8,109.54.

Positive contributors to the August 2018 AGEM Index included the following:

- PlayAGS Inc. (AGS) contributed 2.21 points due to a 12.22 percent increase in stock price to \$32.04.
- Everi Holdings Inc. (EVRI) reported a 17.96 percent increase in stock price to \$8.67, contributing 1.73 points.

Selected negative contributors included the following:

- With its stock price falling 36.94 percent to \$30.30, Scientific Games Corporation (SGMS) contributed negative 16.37 points.
- International Game Technology PLC (IGT) reported a 16.77 percent decrease in stock price to \$21.04, contributing negative 11.51 points.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Aug-18	Jul-18	Aug-17	Prior Period	Prior Year	
Agilysys	Nasdaq: AGYS (US\$)	16.07	16.45	10.29	(2.31) ↓	56.17 ↑	(0.14)
Ainsworth Game Technology	ASX: AGI (AU\$)	1.16	1.13	2.66	2.65 ↑	(56.39) ↓	(0.02)
Aristocrat Leisure Limited	ASX: ALL (AU\$)	31.59	32.20	21.17	(1.89) ↓	49.22 ↑	(11.28)
Astro Corp.	Taiwan: 3064 (NT\$)	18.50	20.00	15.05	(7.50) ↓	22.92 ↑	(0.05)
Crane Co.	NYSE: CR (US\$)	91.28	90.57	74.23	0.78 ↑	22.97 ↑	0.68
Everi Holdings Inc.	NYSE: EVRI (US\$)	8.67	7.35	7.71	17.96 ↑	12.45 ↑	1.73
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	1.31	1.29	0.82	1.55 ↑	59.76 ↑	0.01
Gaming Partners International	Nasdaq: GPIC (US\$)	8.70	8.23	10.55	5.71 ↑	(17.54) ↓	0.06
International Game Technology PLC	NYSE: IGT (US\$)	21.04	25.28	20.37	(16.77) ↓	3.29 ↑	(11.51)
Konami Corp.	TYO: 9766 (¥)	4,655	5,250	5,730	(11.33) ↓	(18.76) ↓	(9.68)
PlayAGS Inc. ¹	NYSE: AGS (US\$)	32.04	28.55	-	12.22 ↑	-	2.21
Scientific Games Corporation	Nasdaq: SGMS (US\$)	30.30	48.05	35.20	(36.94) ↓	(13.92) ↓	(16.37)
Transact Technologies	Nasdaq: TACT (US\$)	14.10	11.05	9.75	27.60 ↑	44.62 ↑	0.46
Change in Index Value							(43.88)
AGEM Index Value: July 2018							565.39
AGEM Index Value: August 2018							521.50

1. There is no Prior Year data for PlayAGS Inc. because the stock began trading in January 2018.

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During August, Everi Holdings Inc. (EVRI) released its results for the second quarter of fiscal year 2018. During period ending on June 30, 2018, Everi's adjusted revenues increased by 16.2 percent on a year-over-year basis, growing from \$102.1 million to \$118.7 million. Revenue growth was driven by a 25.0 percent increase in year-over-year gaming unit sales as well as year-over-year increases in the installed base and estimated daily win per unit. Adjusted earnings before interest, taxation, depreciation and amortization (EBITDA) increased by 10.0 percent on a year-over-year basis during the second quarter of fiscal year 2018, growing from \$54.1 million to a quarterly record \$59.5 million. Adjusted EBITDA margins did decrease, dropping on a year-over-year basis from 53.0 percent to 50.1 percent.

TransAct Technologies (TACT) released its second quarter results for the period ending June 30, 2018. On a year-over-year basis, TransAct's net sales increased 8.8 percent, growing from \$13.6 million to \$14.8 million. Net sales growth was driven by 23.3 percent year-over-year growth in the company's restaurant solutions space, and 77.3 percent year-over-year growth in the casino and gaming space. The company's adjusted EBITDA increased by 17.6 percent on a year-over-year basis, growing from \$1.7 million to \$1.9 million. Adjusted EBITDA growth was largely attributable to year-over-year net income growth of 40.0 percent. Adjusted EBITDA margin for the second quarter was 13.5 percent, up from 12.5 percent a year ago.

Gaming Partners International (GPIC) reported strong results for the second quarter of fiscal year 2018. On a year-over-year basis, the company's quarterly net revenues increased by 51.6 percent, growing from \$16.3 million to \$24.7 million. This was attributed to increases in sales of casino currency, gaming furniture and table accessories. Consequently, the company's gross profit also increased on a year-over-year basis by 116.1 percent, growing from \$3.9 million to \$8.3 million, and its gross profit margin increased from 23.7 percent to 33.8 percent. Gross profit growth was also a consequence of strong sales performance.

Scientific Games Corporation (SGMS) had a busy August 2018, establishing and extending a number of important partnerships. For starters, Scientific Games helped Caesars Entertainment launch its sportsbook operations in Tunica, Miss., at the company's Horseshoe Tunica Hotel & Casino. The sportsbook platform at this site uses Scientific Games' OpenBet product suite. Scientific Games also introduced numerous new gaming platforms in Kansas, such as the Racetrax virtual race platform, which mixes horse racing and keno payouts, and is available at every Kansas Lottery retail establishment. Lastly, Scientific Games also extended its contract with the Louisiana Lottery for instant games by another five years.



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The AGEM Index

The Association of Gaming Equipment Manufacturers (AGEM) produces the monthly AGEM Index that comprises 13 global gaming suppliers throughout the world. A total of eight suppliers are based in the United States and are listed on the NYSE, Nasdaq or OTC market, while two trade on the Australian exchange, one on the Tokyo exchange, and another trades on the Taiwan OTC exchange. The index is computed based on the month-end stock price (adjusted for dividends and splits) of each company and weighted based on approximation of market capitalization. Market capitalizations for manufacturers trading on foreign exchanges have been converted to US dollar-equivalents as of month-end for comparability purposes. The AGEM Index is based on a 100-point value as of January 2005.

About AGEM

AGEM is an international trade association representing manufacturers of electronic gaming devices, systems, lotteries, and components for the gaming industry. The Association works to further the interests of gaming equipment manufacturers throughout the world. Through political action, tradeshow partnerships, information dissemination and good corporate citizenship, the members of AGEM work together to create benefits for every company within the organization. Together, AGEM and its member organizations have assisted regulatory commissions and participated in the legislative process to solve problems and create a positive business environment.

AGEM Index

The AGEM index and overview is prepared by Applied Analysis (AA). AA is a Nevada-based advisory services firm providing consultation services for public and private entities. The company utilizes extensive experience in economics, information technology and finance to provide a wide range of services, including urban economic consulting, financial advisory services, market analysis, public policy analysis, hospitality industry and gaming consulting, and information system and technology consulting.



AGEM Membership Roster

AGEM Gold Members: AGS, Ainsworth Game Technology, Aristocrat Technologies, Everi, International Game Technology (IGT), Konami Gaming, Merkur Gaming, NOVOMATIC Group, Scientific Games and Sega Sammy Creation

AGEM Silver Members: Action Gaming, Aruze Gaming America, Betson Enterprises, Casino Technology, Crane Payment Innovations (CPI), Gaming Partners International (GPI), Inspired Gaming, JCM Global, Ortiz Gaming, Quixant PLC, Suzo-Happ Group, TCSJohnHuxley, TransAct Technologies and Zitro

AGEM Bronze Members: Abbiati Casino Equipment, Ace Systems Mx., Alfastreet, Amatic Industries, APEX gaming, Astro Corp., Atlas Gaming, BetConstruct, Bingotimes Digital Technology, Cammegh Limited, Century Gaming Technologies, CG Technology (CGT), Cole Kepro International, DR Gaming Technology (DRGT), Euro Games Technology (EGT), Exacta Systems, FBM, Galaxy Gaming, Gambliit Gaming, GameCo, Gaming Arts, Gaming Support, Glory Global Solutions, Grand Vision Gaming, Incredible Technologies, Interblock USA, Jackpot Digital, Jumbo Technology, Matsui Gaming Machine Co., Metronia, PariMAX, Patriot Gaming & Electronics, PDS Gaming, RCT Gaming, Spintec, Table Trac, Weike Gaming Technology, Wells-Gardner Technologies, Worldpay Gaming and Win Systems

AGEM Associate Members: : 3M Touch Systems, Adlink Technology, Advantech-Innocore, Agilysys, AMD, ArdentSky, Arrow International, Asimex Global, Atrient, Automated Cashless Systems, Automated Systems America, Inc. (ASAI), Axiomtek, BDO USA, British Group Interactive (BGI), Capco, CardConnect, Carmanah Signs, Catapult Global, CDC Gaming Reports, CMC Trading Engineering (International) Ltd, Comer Holdings, Comtrade Gaming, Cooper Levenson, Deloitte LLP, Digital Instinct, DiTronics Financial Services, Dominode, Duane Morris LLP, E4 Gaming, EFCOTec Corporation, Eilers & Krejcik Gaming, Elite Gaming Technology, Fantini Research, Finnegan, Henderson, Farabow, Garrett & Dunner, Fox Rothschild, G2 Game Design, Gambling Compliance, Gamesman, Gaming Capital Group, GAN, Ganlot, Gary Platt Manufacturing, Gasser Chair Company, Genesis Interactive Technologies, GET IN Global, Global Gaming Business (GGB) Magazine, Global Gaming Group (G3), Greenberg Traurig, GSL Gaming Group, House Advantage, Howard & Howard, Impact Display Solutions, Intel, IPS, James Industries, James Industry Research Group, Jones Walker, JP Morgan Chase, KEY-BAK, Kiron Interactive, Kontron, Lazcano Sámano, Lewis Roca Rothgerber Christie, Lightstone Solutions, Majestic Realty, Millennial Esports, NanoLumens, Nanoptix, Olsen Gaming / Spectronix, Outpost Creative, Patir Casino Seating, Plus Studios, Portilla Ruy-Díaz y Aguilar, Proforma GPS, Regulatory Management Counselors (RMC), Rising Digital, RMMC, RSM US LLP, SAP, SCA Gaming, Shenzhen General Lottery Technology Co., Sightline Payments, Slot Constructor, Southco, Southwest Manufacturing Services, Spin Games, StylGame USA, Taft Stettinius & Hollister, Talent Associates, The Bright Group, The United States Playing Card Company, Touch Dynamic, Tournament One, TOVIS, TraffGen USA, Veridocs, Wells Fargo, Young Electric Sign Company (YESCO) and Zebra Technologies

For More Information, Contact:

Marcus Prater, Executive Director

P.O. Box 50049, Henderson, NV 89016-0049

702.812.6932 | AGEM.org@cox.net

www.AGEM.org