

2016 Full Year Results

Ended December 31, 2016

March 9, 2017

Agenda

1	**Strategic Update**	Marco Sala, CEO, International Game Technology PLC
2	**Q4'16 & FY'16 Results**	Alberto Fornaro, CFO, International Game Technology PLC
3	**Q&A**	

Cautionary Statement Regarding Forward-Looking Statements

This presentation may contain forward-looking statements (including within the meaning of the Private Securities Litigation Reform Act of 1995) concerning International Game Technology PLC and 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 International Game Technology PLC 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. 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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 in this presentation are prepared under U.S. GAAP, unless noted otherwise.

As a result of the combination of GTECH S.p.A. (“GTECH”) and International Game Technology (“legacy IGT”), which was completed on April 7, 2015, a number of items affect the comparability of reported results. Reported financial information for the full year 2016 includes the results of operations of IGT PLC for the entire period, while reported financial information for the full year 2015 period includes IGT PLC for the second, third, and fourth quarters and only GTECH operations in the first quarter. Pro forma figures represent the combined results of both companies.

Adjusted figures exclude the impact of purchase price amortization, impairment charges, restructuring expense, and certain one-time, primarily transaction-related items. Reconciliations to the most directly comparable GAAP measures are included in the appendix to this presentation.

Reported 2016 results were impacted by the strengthening of the U.S. dollar compared to the euro; the daily average Euro to U.S. dollar foreign exchange rate was 1.08 in the fourth quarter of 2016 compared to 1.10 in the fourth quarter of 2015, and was 1.11 for the full year 2016 period compared to 1.11 in 2015. Constant currency changes for 2016 are calculated using the same foreign exchange rates as the corresponding 2015 period.

Management believes that referring to certain pro forma, constant currency, or adjusted measures is a more useful way to evaluate the Company’s underlying performance.

STRATEGIC UPDATE

A Year of Important Milestones

Results in line with expectations

- Grew profits, reduced debt

Bolstered global Lottery leadership

- Robust same-store revenue growth worldwide; Italy Lotto wagers surpassed €8 billion
- Won Italy Lotto concession for nine more years
- Secured key contracts in North America and International segments
- Investing in instant ticket printing

Good progress on Gaming turnaround

- Introduced innovative new games and cabinets
- Double-digit growth in International installed base
- North American casino replacement shipments up
- Strong demand for systems offerings

LOTTOITALIA





A Focus on Continuous Improvement

Mixed Social & Interactive results

- Soft DoubleDown performance; recent improvement efforts gaining traction
- Reinvigoration of Italy and International Interactive offerings

Protected Italy market positions

A history of growth through innovation

- Content: NumeroORO, instant tickets, Wheel of Fortune® franchise, video poker
- Technology: Aurora™, PlaySpot™, Cardless Connect™, 3D, 4D

Focus on customer & player engagement

- Supports market share gains and shareholder value creation





SPHINX 4D

Aurora

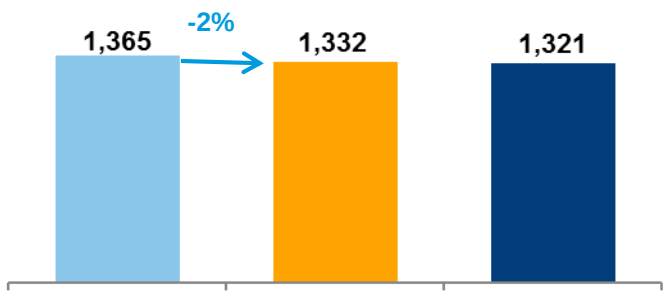
PlaySpot™

2016 FOURTH QUARTER FINANCIAL RESULTS

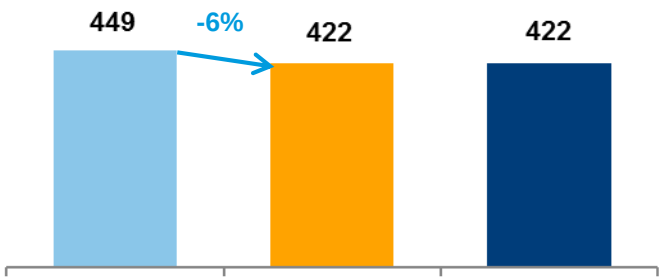
Q4’16 Financial Highlights

$ M except EPS

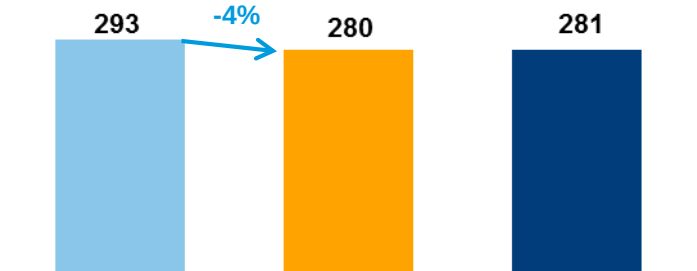
Revenue



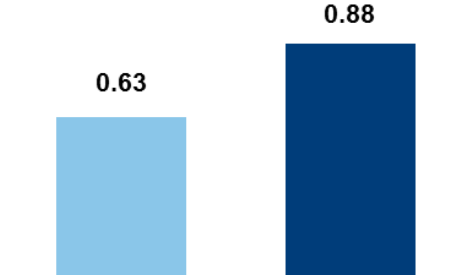
Adjusted EBITDA



Adjusted Operating Income



Diluted EPS

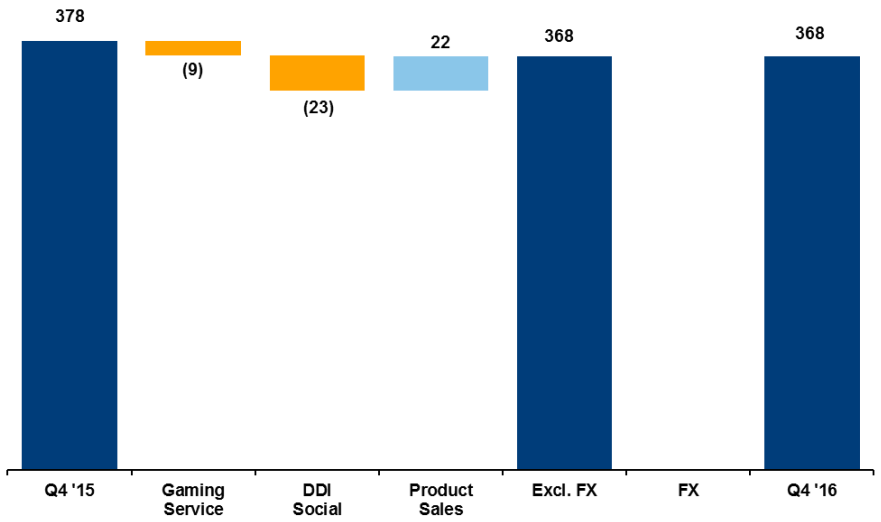


Notes: As adjusted results remove impact of purchase price amortization, impairment charges, restructuring expense and transaction expense (see appendix for details)
Notes: $/€ FX daily average: 1.08 in Q4’16; 1.10 in Q4’15

Q4'16 North America Gaming & Interactive Highlights

$ M

Revenue



Key Performance Indicators

	Q4'16	Q4'15	% Change
Revenue	368	378	-3%
Operating Income	101	106	-5%
DDI Social			
Revenue	62	84	-26%
Bookings per DAU	$0.48	$0.47	2%

Machine Units Shipped	Q4'16	Q4'15	FY'16	FY'15
New & Expansion	1,733	2,191	5,929	4,389
Replacement	3,686	4,406	13,842	16,993
Total	5,419	6,597	19,771	21,382

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Casino Installed Base	25,418	24,958	24,171	24,163	24,472

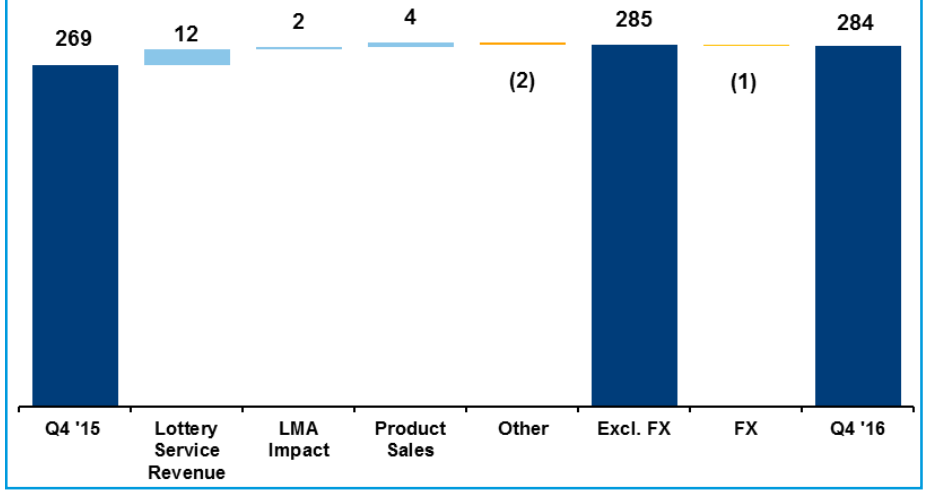
Developments

- Service revenue impacted by lower installed base Y/Y
- DoubleDown reflects lower DAUs; improvement efforts underway
- Product sales driven by large systems sales (MGM National Harbor, Palms); IP settlement; and revenue on MGM National Harbor units shipped in Q3'16
- Commercial casino replacement units improved Y/Y on strong S3000® demand; Q4'15 benefited from additional 1,100 Canada VLT units
- Operating Income down on lower DoubleDown and gaming service revenue, partially offset by higher product sales

Q4'16 North America Lottery Highlights

$ M

Revenue



Key Performance Indicators

	Q4'16	Q4'15	% Change
Revenue	284	269	6%
Operating Income	65	43	54%

Same-store revenue growth	Q4'16	Q4'15	FY'16	FY'15
Instants & Draw Games	1.9%	7.6%	3.9%	7.6%
Multistate Jackpots	-1.5%	-5.4%	48.7%	1.5%
Total SSR Growth	1.5%	5.9%	9.7%	6.8%

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
VLT Installed Base	15,241	15,331	15,355	15,322	14,878

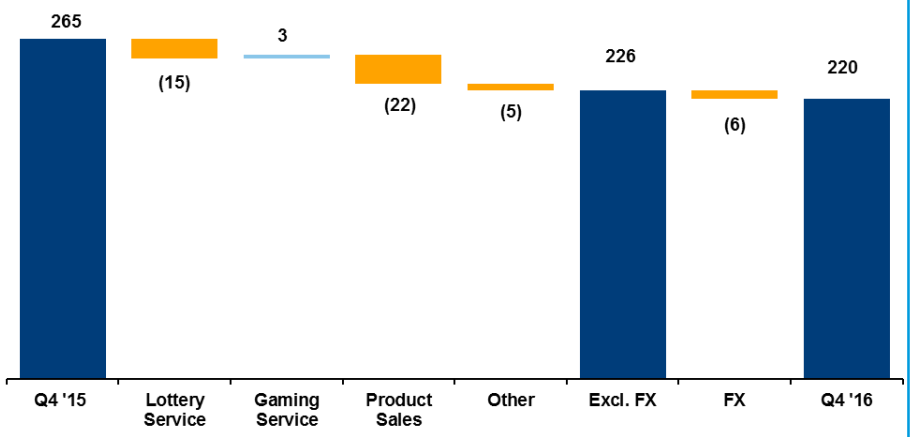
Developments

- Same-store revenue growth supported by third consecutive year of strong Q4 instant ticket sales despite lower jackpot activity
- Indiana was among best performing states due to strong holiday sales and the introduction of popular oversized scratch ticket
- Improvement in product sales led by growth in instant ticket printing
- Operating Income up on higher revenue and lower depreciation and amortization associated with recent lottery contract extensions

Q4’16 International Highlights

$ M

Revenue



Key Performance Indicators

	Q4'16	Q4'15	% Change
Revenue	220	265	-17%
Operating Income	44	55	-20%

Machine Units Shipped	Q4'16	Q4'15	FY'16	FY'15
New & Expansion	1,340	449	1,993	2,432
Replacement	3,561	4,516	11,383	11,345
Total	4,901	4,965	13,376	13,777
Same-store revenue growth				
Instants & Draw Games	3.5%	5.7%	3.7%	4.5%
Multistate Jackpots	-9.1%	-0.8%	-3.3%	-0.1%
Total SSR Growth	2.6%	4.4%	3.2%	4.1%

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
Installed Base	9,400	9,506	9,478	10,268	10,453

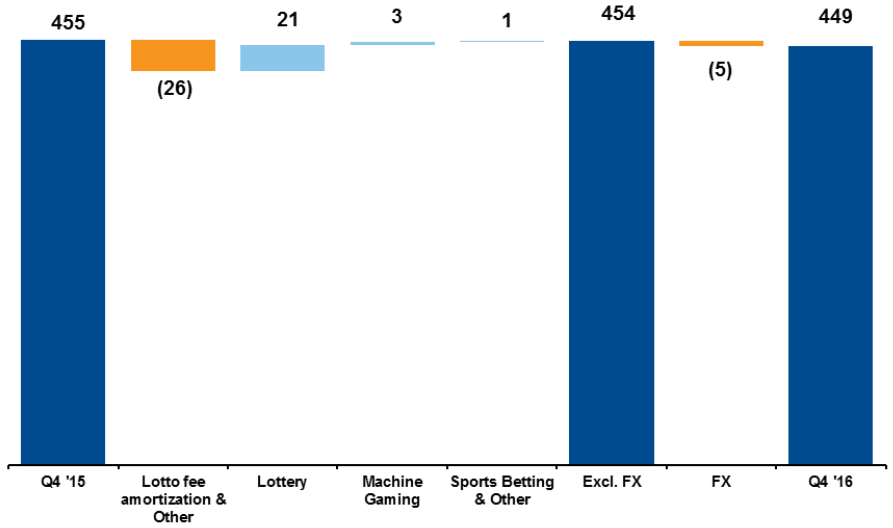
Developments

- 2.6% same-store revenue expansion on broad-based growth in EMEA and LAC, partially offset by continued weakness in U.K.
- Gaming service revenue improved on installed base growth in EMEA (Eastern Europe, South Africa) and LAC (Mexico) despite sizeable conversions sales in Q4’16 (~600 units in Europe)
- Product sales primarily reflect difficult Y/Y comparisons for lottery
- Operating income down on lower revenue

Q4’16 Italy Highlights

$ M

Revenue



Key Performance Indicators

	Q4'16	Q4'15	% Change
Revenue	449	455	-1%
Operating Income	130	132	-2%

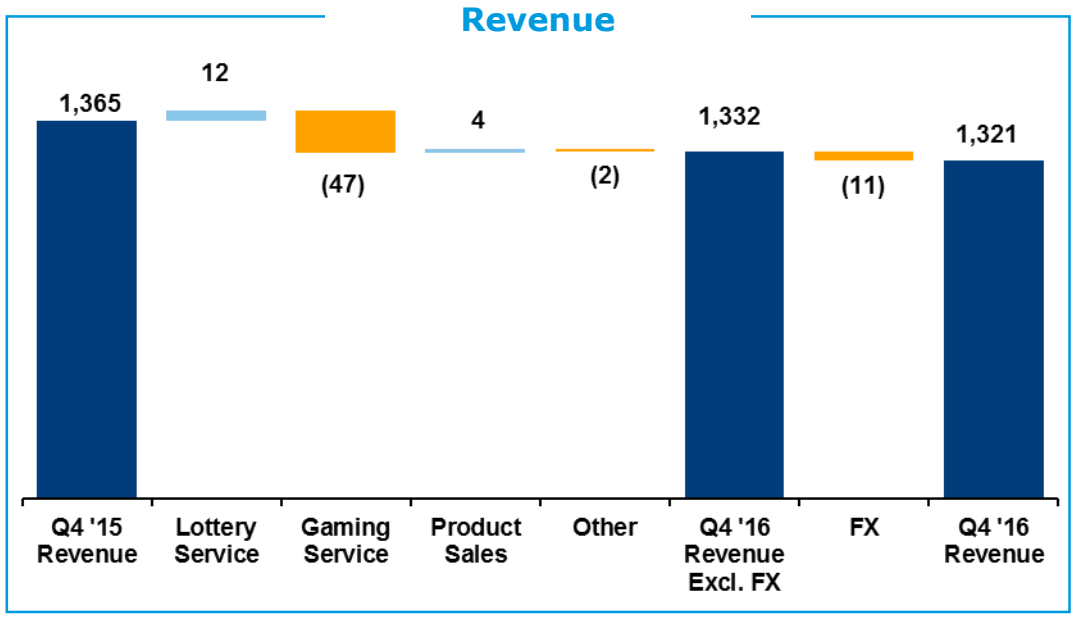
€M	Q4'16	Q4'15	% Growth	FY'16	FY'15	% Growth
Lotto Wagers	2,141	1,855	15.4%	8,093	7,077	14.4%
10eLotto	1,239	1,147	7.9%	4,716	4,287	10.0%
Core	577	638	-9.6%	2,227	2,447	-9.0%
Late Numbers	326	70	367.0%	1,150	343	235.6%
S&W Wagers	2,289	2,391	-4.3%	8,935	9,016	-0.9%
Sports Betting Wagers	250	236	5.9%	855	864	-1.1%
Sports Betting Payout	85.9%	84.6%	1.3 pp	84.0%	83.7%	0.3 pp
Gaming Wagers						
VLT - Operator (B2C)	1,428	1,440	-0.8%	5,460	5,433	0.5%
AWP	1,087	1,159	-6.2%	4,188	4,388	-4.6%
Interactive	443	414	7.1%	1,659	1,672	-0.8%

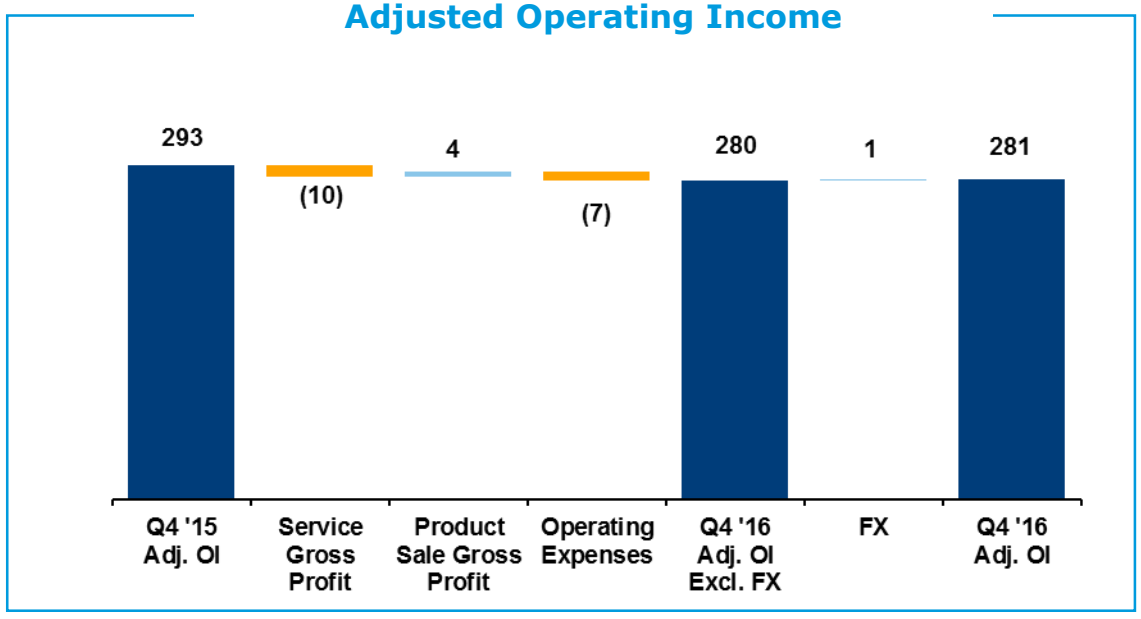
Developments

- Lotto upfront concession fee amortization has same treatment as Scratch & Win
- Strong Lotto wager growth, fueled by Late Numbers and 10eLotto/Numero ORO
- Sports Betting up on wager growth, especially live betting
- Operating profit stable in constant currency; strong Lotto growth compensated for the VAT credit in Q4’15

Q4’16 Revenue & Operating Income

$ M



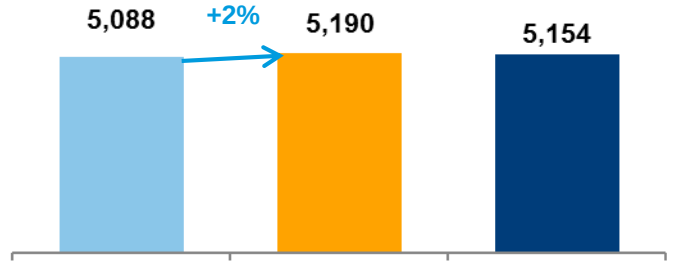


- Revenue reflects global lottery growth and higher North America gaming product sales, more than offset by lower gaming service revenue
- Adjusted Operating Income down primarily on large Italy value-added tax (“VAT”) credit in the prior year period, in addition to higher SG&A expenses

FY'16 Financial Highlights

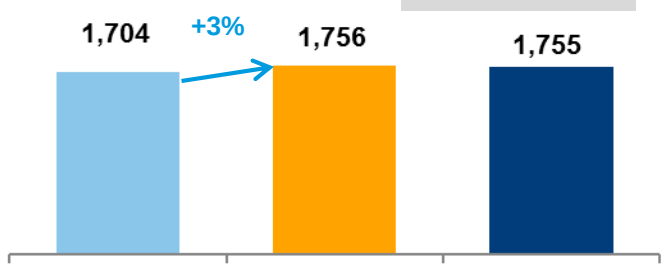
$ M

Revenue

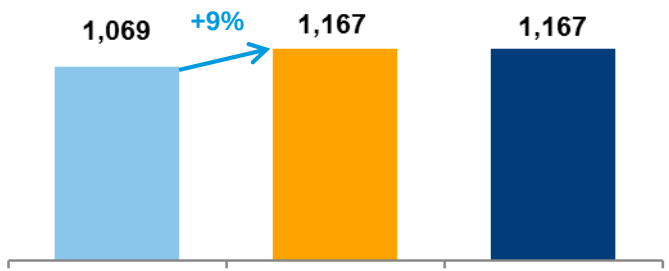


Adjusted EBITDA

Guidance: $1.74B - $1.79B



Adjusted Operating Income



Capital Expenditures

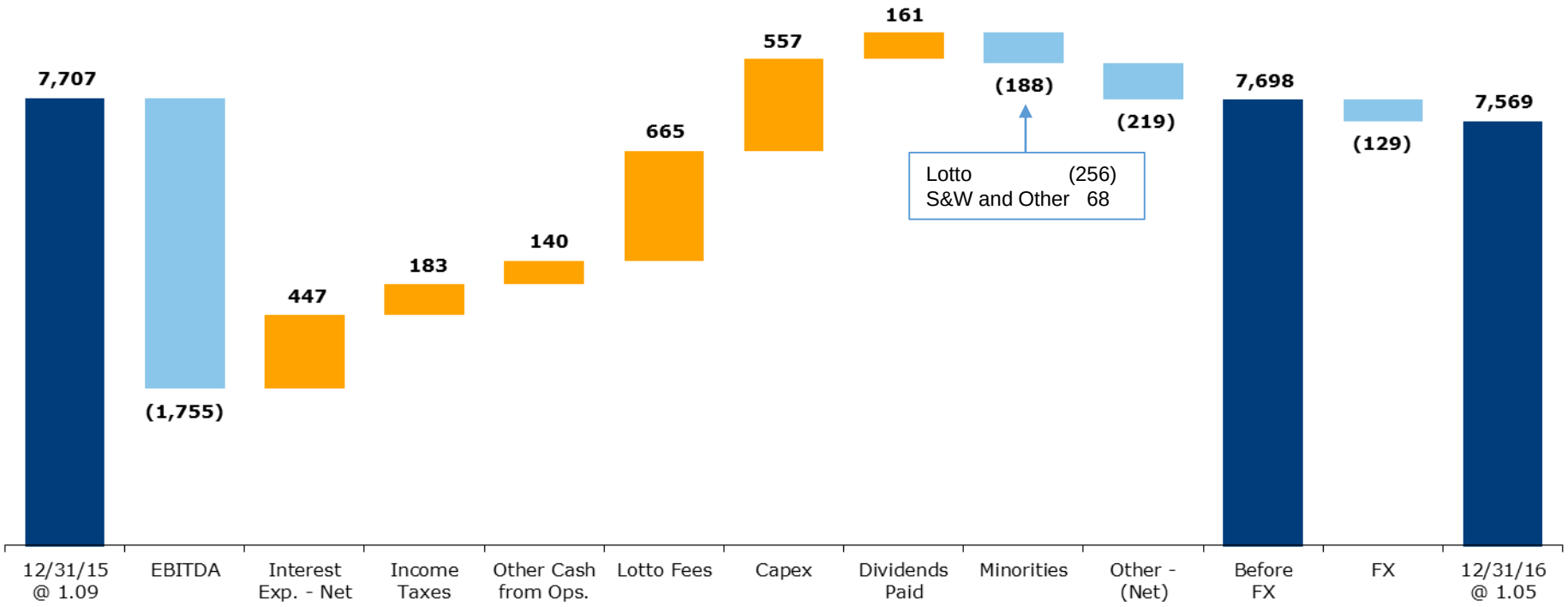
Guidance: ≤ $550M



Notes: As adjusted results remove impact of purchase price amortization, impairment charges, restructuring expense and transaction expense (see appendix for details)
Notes: $/€ FX daily average: 1.11 in FY'16; 1.11 in FY'15

Debt and Leverage Profile

$ M



Net Debt/LTM Adj. EBITDA 4.52x ***4.31x***

- Net debt improved compared to year-end 2015 level notwithstanding Lotto upfront concession payments in Q2'16 and Q4'16
- Leverage ratio improved vs. Q4'15 and when compared to all other quarters

FY'16 Cash Flow Statement

$ M

Cash Flow	FY'16
Net Cash Flows from Operating Activities	**985**
Capex	(557)
Lotto upfront concession payment	(665)
Free Cash Flow	**(237)**
Minority capital contribution (Lotto)	256
Debt Proceeds/(Repayment), Net	(358)
Dividends Paid	(161)
Other - Net	153
Other Investing/Financing Activities	**(110)**
Net Cash Flow	**(347)**
Effect of Exchange Rates/Other	14
Net Change in Cash	**(333)**
Cash at End of the Period	**294**

- Strong Operating Cash Flow in FY'16
  - Includes approximately $451 million in cash interest paid
  - Cash taxes of $183 million
- Net Lotto upfront concession payment of $409 million in FY'16
  - $665 million upfront concession payment
  - $256 million contributed by minority partners

FY'17 Outlook

Assumes $/€ FX of 1.10

2017 adjusted EBITDA of $1,680 - $1,760 million

- Reflects lower jackpot and late number activity and new Lotto concession

CapEx for lottery and gaming installed base, ex-Lotto

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

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

- ~$190 million final upfront concession payment (~$115 million net)
- ~$130 million additional cash outflow for network and infrastructure upgrades (~$80 million net)

Net debt of $7.6-$7.8 billion, reflecting final Lotto payment and North American lottery extension cycle

Other items

- Cash taxes of $250-$300 million
- Purchase accounting of ~$400 million

APPENDIX

New Lotto Concession Accounting

IGT has a 61.5% ownership interest in Lottoitalia, the concessionaire for Italy's Lotto

INCOME STATEMENT

- Revenues and expenses will be fully consolidated up to the **Net income** line
- Upfront concession payments will be amortized against revenues on a straight-line basis for the nine-year term of the contract; reported revenues will appear lower than the prior year
- No impact on EBITDA other than change in fee (new fee fixed at 6% of wagers)
- Our partners' share of earnings, based on ownership interests, will be recorded as **Net income attributable to non-controlling interests**

BALANCE SHEET

- Upfront capital payments will be recorded as **Other non-current assets** on the balance sheet and amortized against revenues over the term of the contract
- IGH (a subsidiary of SAZKA Group) ownership interest presented as mezzanine equity

CASH FLOW

- 100% of upfront capital payment for the concession and investments for the network and infrastructure upgrades will be presented in **investing cash flows**
- Minority partners' share of upfront capital and investments will be presented as **capital increase - non-controlling interest** in **financing cash flows**
- **Return of capital** and **dividends paid to non-controlling interest** will be presented in **financing cash flows**

Q4'16 Income Statement (As Reported)

$ M except EPS

Income Statement	Q4'16	Q4'15	% Change	Constant Currency Q4'16	Constant Currency % Chg.
Service Revenue	*1,061*	*1,109*	*-4%*	*1,072*	*-3%*
Product Sales	*260*	*256*	*1%*	*260*	*2%*
Total Revenue	**1,321**	**1,365**	***-3%***	**1,332**	***-2%***
Adjusted EBITDA	**422**	**449**	***-6%***	**422**	***-6%***
Operating Income	**138**	**132**	***5%***	**138**	***5%***
Interest Expense, Net	*(113)*	*(115)*			
Foreign Exchange	*196*	*91*			
Other	*23*	*(2)*			
Financial Charges, Net	106	(26)			
Income Before Tax	**244**	**106**	***n.m.***		
Net Income (Loss)	**249**	**83**	***n.m.***		
Net Income (Loss) - Owners	**233**	**74**	***n.m.***		
Diluted EPS	**1.15**	**0.37**	***n.m.***		

Note: $/€ FX daily average: 1.08 in Q4'16; 1.10 in Q4'15

Q4'16 Reconciliation of Non-GAAP Measures

$ M except EPS

	Q4'16 As Reported	Adjustments: Purchase Accounting	Adjustments: Foreign Exchange	Adjustments: Impairment/ Restructure	Adjustments: Trans. Expense	Q4'16 As Adjusted
Total Revenue	1,321	-	-	-	-	1,321
Cost of Services	642	(45)	-	-	-	597
Cost of Sales	179	(30)	-	-	-	149
SG&A	237	(30)	-	-	-	207
R&D	87	-	-	-	-	87
Restructuring	6	-	-	(6)	-	-
Impairment	31	(30)	-	(1)	-	-
Transaction Expense	1	-	-	-	(1)	-
Total	1,183	(135)	-	(8)	(1)	1,040
Operating Income	138	135	-	8	1	281
Foreign Exchange	196	-	(196)	-	-	-
Other Income (Net)	23	12	-	-	-	35
Interest Expense (Net)	(113)	2	-	-	-	(111)
Total	106	14	(196)	-	-	(76)
Income Before Taxes	244	149	(196)	8	1	205
Income Taxes	(5)	52	(51)	14	-	10
Net Income	249	97	(145)	(6)	1	195
Minority Interest	16	-	-	-	-	16
Attributable to IGT	233	97	(145)	(6)	1	179
EPS - Diluted	1.15					0.88
WASO - Diluted	*203.1*					*203.1*

FY'16 Income Statement (As Reported)

$ M except EPS

Income Statement	FY'16	FY'15	% Change
Service Revenue	*4,376*	*3,978*	*10%*
Product Sales	*778*	*711*	*9%*
Total Revenue	**5,154**	**4,689**	***10%***
Adjusted EBITDA	**1,755**	**1,611**	***9%***
Operating Income	**660**	**540**	***22%***
Interest Expense, Net	*(456)*	*(440)*	
Foreign Exchange	*101*	*6*	
Other	*18*	*(123)*	
Financial Charges, Net	(337)	(557)	
Income Before Tax	**323**	**(17)**	***n.m.***
Net Income (Loss)	**264**	**(56)**	***n.m.***
Net Income (Loss) - Owners	**211**	**(76)**	***n.m.***
Diluted EPS	**1.05**	**(0.39)**	***n.m.***

Note: $/€ FX daily average: 1.11 in FY'16; 1.11 in FY'15

FY'16 Reconciliation of Non-GAAP Measures

$ M except EPS

	FY'16 As Reported	Adjustments: Purchase Accounting	Adjustments: Foreign Exchange	Adjustments: Impairment/ Restructure	Adjustments: Trans. Expense	FY'16 As Adjusted
Total Revenue	5,154	1	-	-	-	5,155
Cost of Services	2,553	(181)	-	-	-	2,372
Cost of Sales	582	(119)	-	-	-	463
SG&A	946	(135)	-	-	-	811
R&D	344	(2)	-	-	-	342
Restructuring	28	-	-	(28)	-	-
Impairment	38	(30)	-	(8)	-	-
Transaction Expense	3	-	-	-	(3)	-
Total	4,494	(467)	-	(36)	(3)	3,988
Operating Income	660	468	-	36	3	1,167
Foreign Exchange	101	-	(101)	-	-	-
Other Income (Net)	18	16	-	-	-	34
Interest Expense (Net)	(456)	8	-	-	-	(448)
Total	(337)	24	(101)	-	-	(414)
Income Before Taxes	323	492	(101)	36	3	753
Income Taxes	59	174	(27)	21	1	228
Net Income	264	318	(74)	15	2	525
Minority Interest	53	-	-	-	-	53
Attributable to IGT	211	318	(74)	15	2	472
EPS - Diluted	1.05					2.33
WASO - Diluted	*202.2*					*202.2*