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Chief Financial Officer

IGT

2018 INVESTOR DAY



Agenda

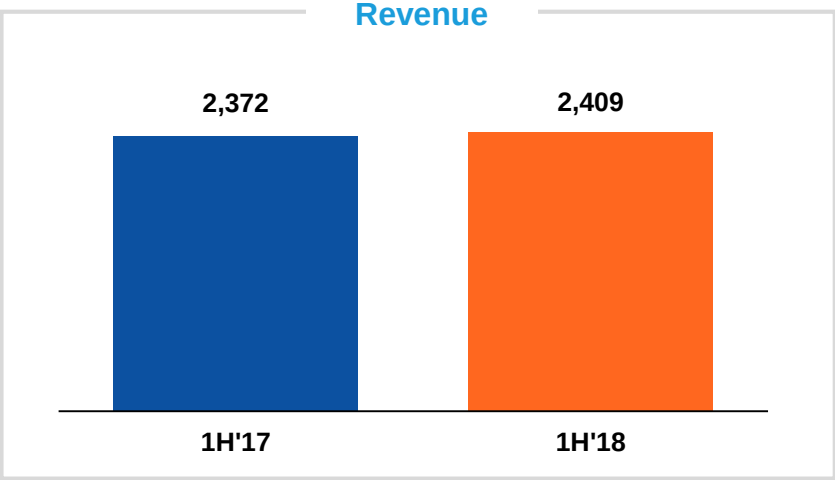
- Fiscal 2018 Update
- Medium-Term Financial Outlook
- Free Cash Flow
- Capital Allocation Framework
- The Voice of the Investor

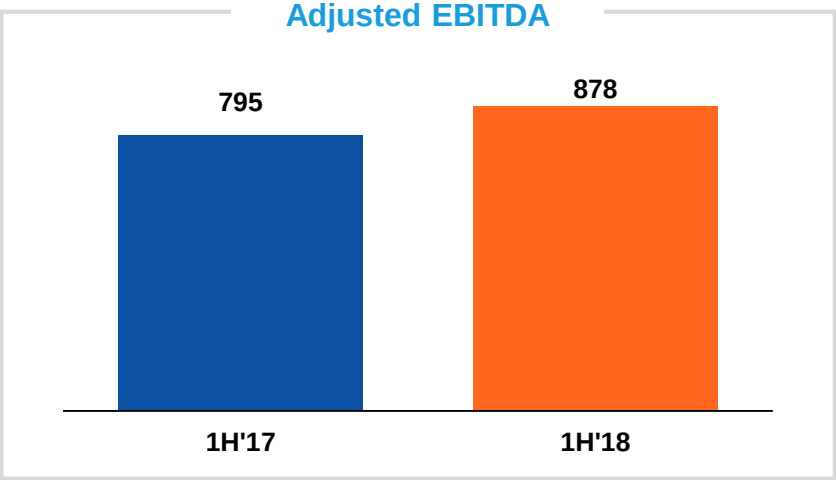
Fiscal 2018 Update

2018 INVESTOR DAY

1H'18 Results: A Strong Start to the Year

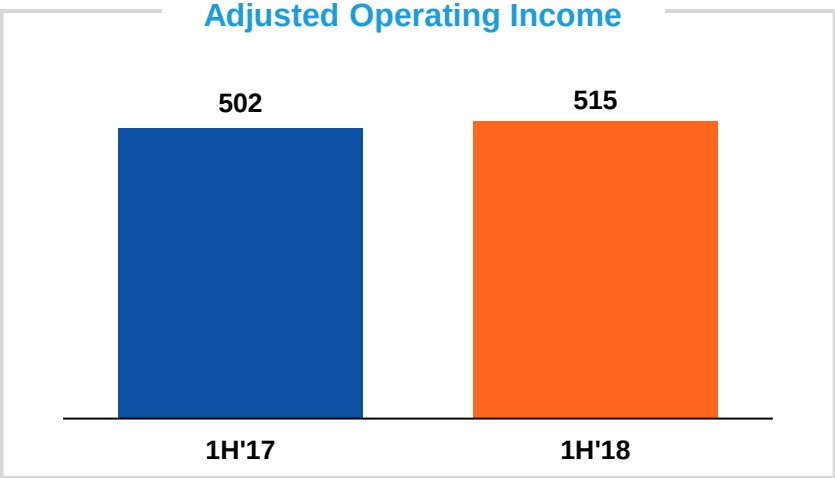
+2% at constant currency and scope





+9% at constant currency and scope

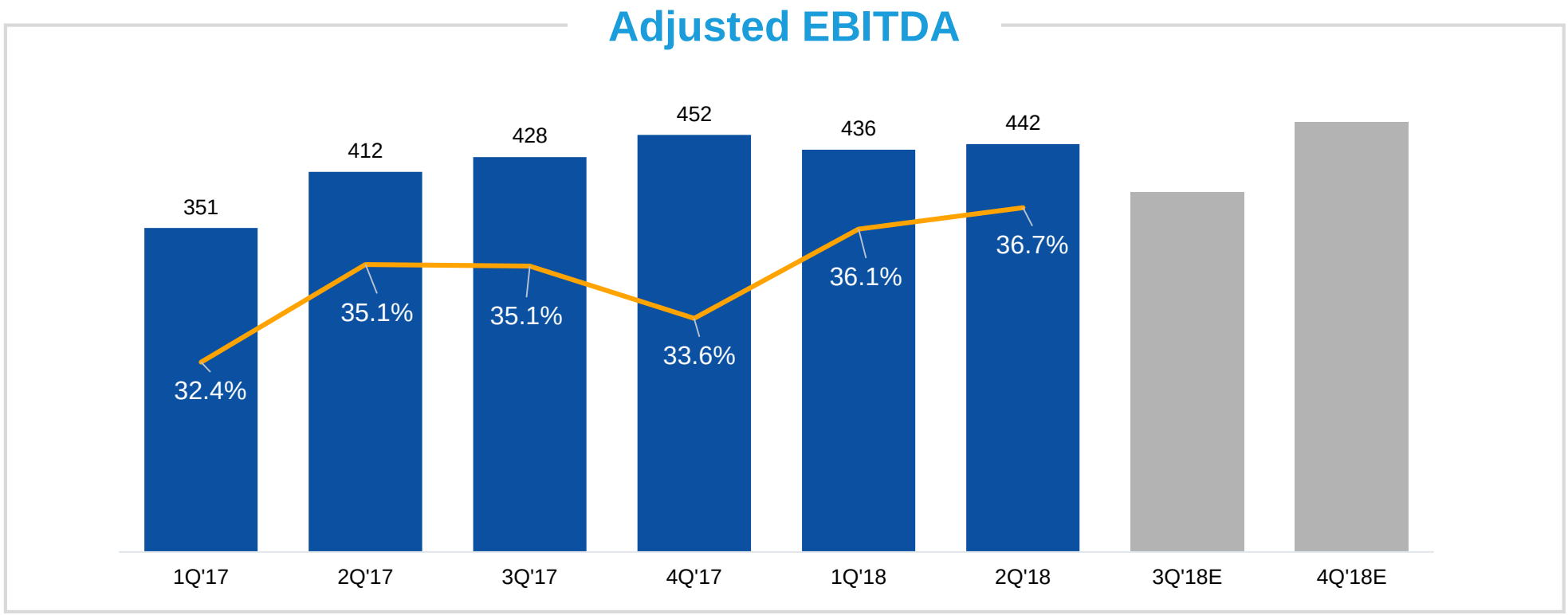
+4% at constant currency and scope



- Strong contribution from gaming systems sales and sports betting
- Consistent global lottery same store revenue growth
- Growth in core business overcame sale of Double Down
- Every operating segment contributed to growth

Note: Scope impacts include the disposal of Double Down Interactive LLC in June 2017

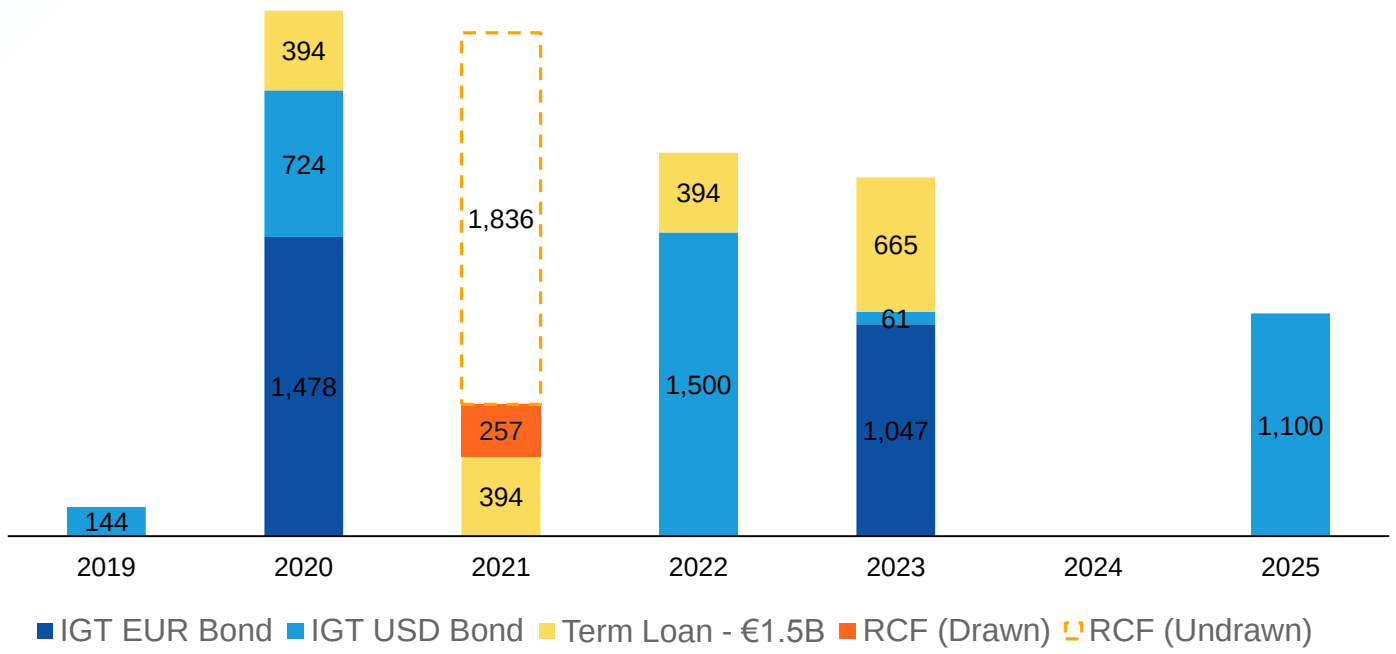
Progressive Improvement in 2017
Higher Profitability & More Stable Quarterly Profile in 2018



Note: $ in millions; Double Down contributions excluded

Recent Refinancing Activity Maintains Well-Diversified Debt Portfolio

Q1'18 Maturity Profile

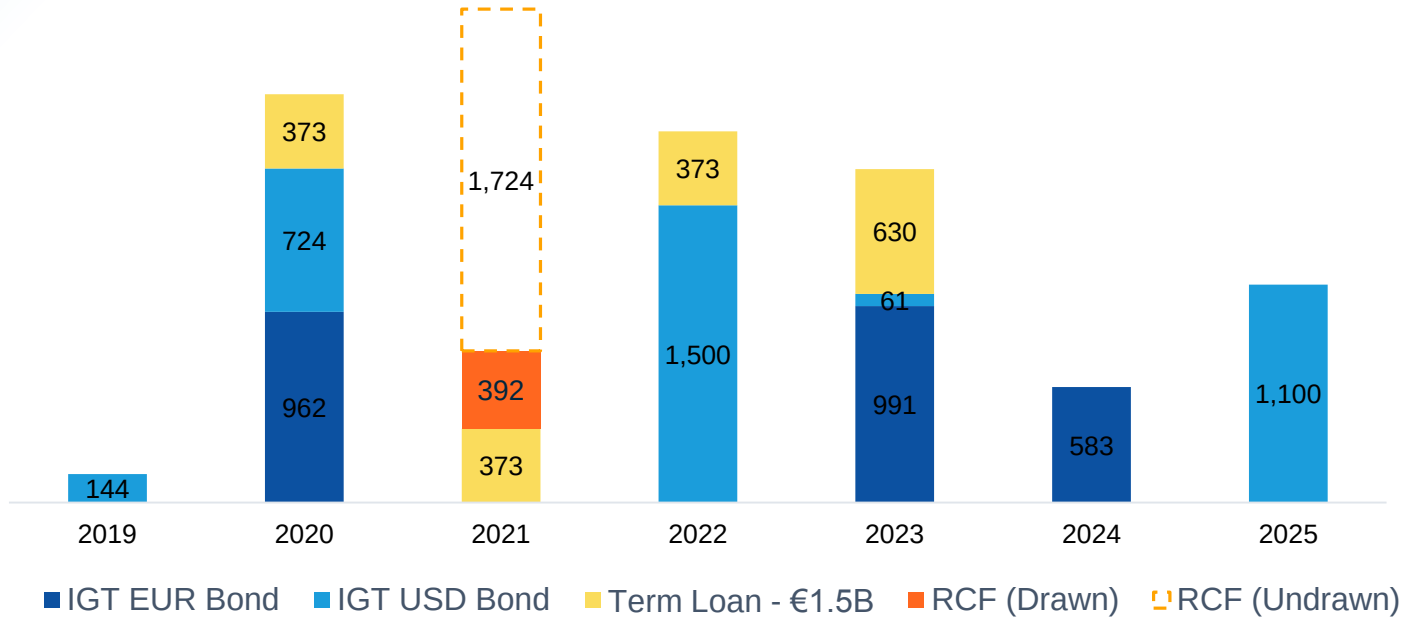


- ✓ Recent tender of EUR bond 2020 maturities, financed with new 2024 EUR bond issuance
- ✓ Average maturity of debt is 3.8 years
- ✓ Balance across currencies and source market provides maximum flexibility to access both US and European Capital Markets
- ✓ Undrawn committed lines of over $1.7 billion

Note: Debt Maturities as of June 30, 2018 at EUR/USD = 1.17; Debt Maturities as of March 31, 2018 at EUR/USD = 1.23

Recent Refinancing Activity Maintains Well-Diversified Debt Portfolio

Q2'18 Maturity Profile



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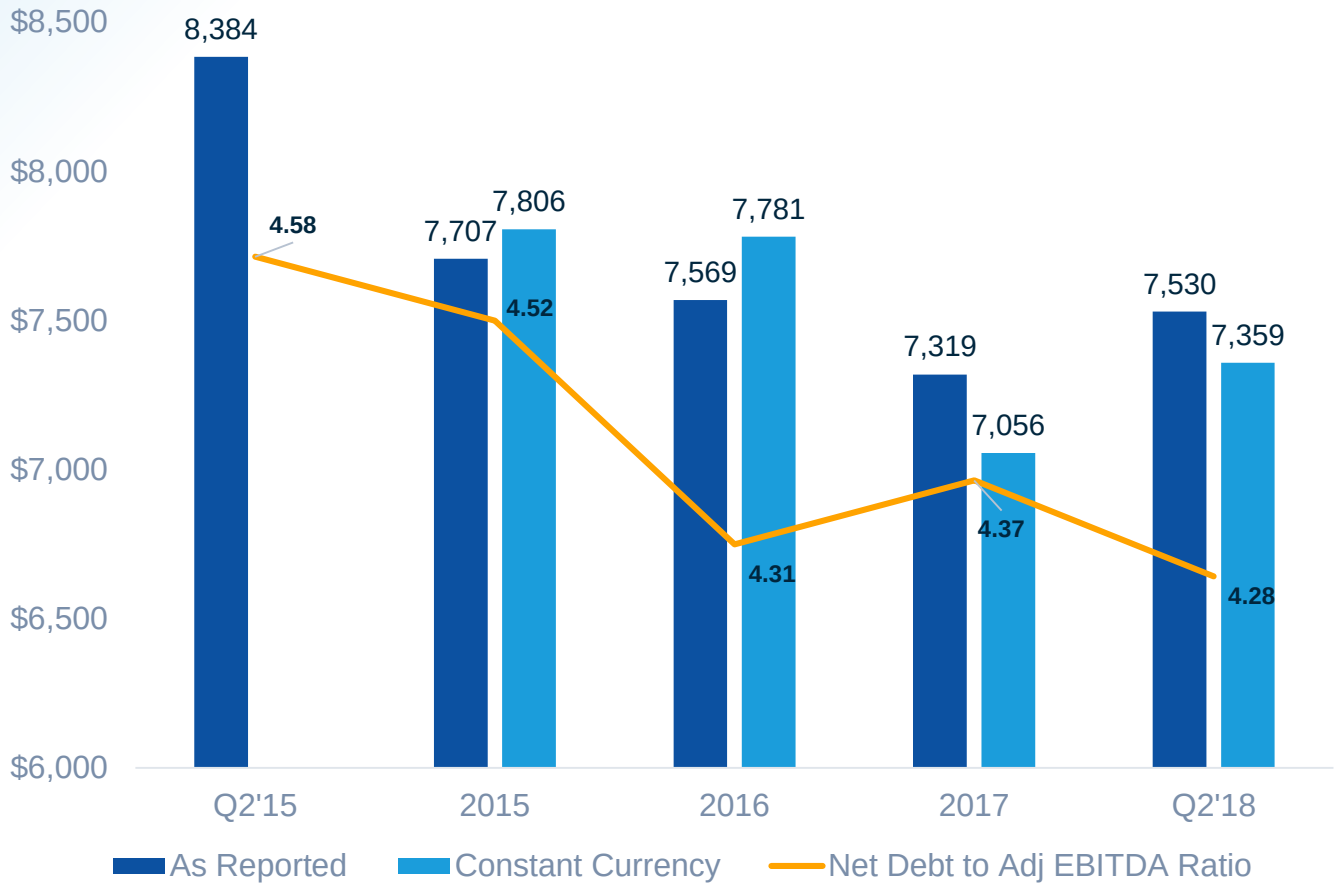
Strong Record of Net Debt Improvement



Since Q2 2015, reduced Net Debt by $1 billion at constant currency despite major contract extensions:

- Italy Lotto Upfront fees: $525 million, net
- Italy Lotto terminals: $92 million, net
- Italy Scratch & Win Upfront fees: $271 million, net
- Approximately $300 million for North America re-bid and extension cycle

Note: 2015 Net Debt/LTM Adj. EBITDA shown using Pro Forma Adj. EBITDA.

Improved Full-Year 2018 Outlook

Metric	2018 Outlook	1H'18 Results	Updated View
Adjusted EBITDA	$1,700 - $1,780 million (@ EUR/USD of 1.19 vs. prior expectation of 1.22)	$878 million (@ EUR/USD of 1.21)	✓ Outlook maintained despite lower EUR/USD rate (assumed 2H'18 rate of 1.17)
Capital Expenditures	$575 - $625 million	$259 million	✓ On Track
Scratch & Win Upfront Payments	€750 million (€480 million net of partner contributions)	€300 million paid in Q2'18	✓ On Track final €450 million to be paid in Q4'18

- $26 million EUR/USD FX translation impact mitigates improvements in underlying business outlook
- Range reflects potential variability in timing of product sales

Medium-Term Financial Outlook

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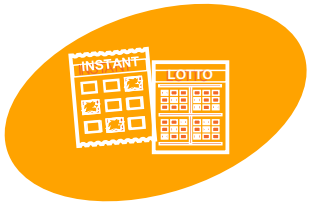
Low Single-Digit Annual Revenue Growth



LOTTERY

Better Same-Store Revenue Growth

Average SSR growth over last 3 years[1]:

- No. America = 5.7%
- International = 2.7%

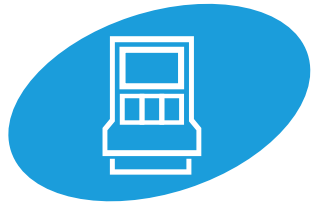
Expanding Instant Ticket Printing

- 30% increased capacity with new printing press
- Increased U.S. adoption of multi-vendor strategy

International Growth Opportunity

- Non-wager related expansion with existing customers
- Increased hardware and software product sales

Low-mid single-digit Lottery SSR growth



GAMING

North America Gaming Improvement

- Moderate growth in casino product sales and the installed base
- Higher VLT sales in Canada

International Market Expansion

- Growth in the installed base, with opportunity to improve yields
- Higher VLT sales

Innovative Systems Development

- Advantage installations at new casino openings
- Increasing add-on sales with new and existing customers

Moderate Growth from Gaming

[1] Average 2015–2017 SSR growth

Revenue Growth to Drive Stronger Profit Expansion

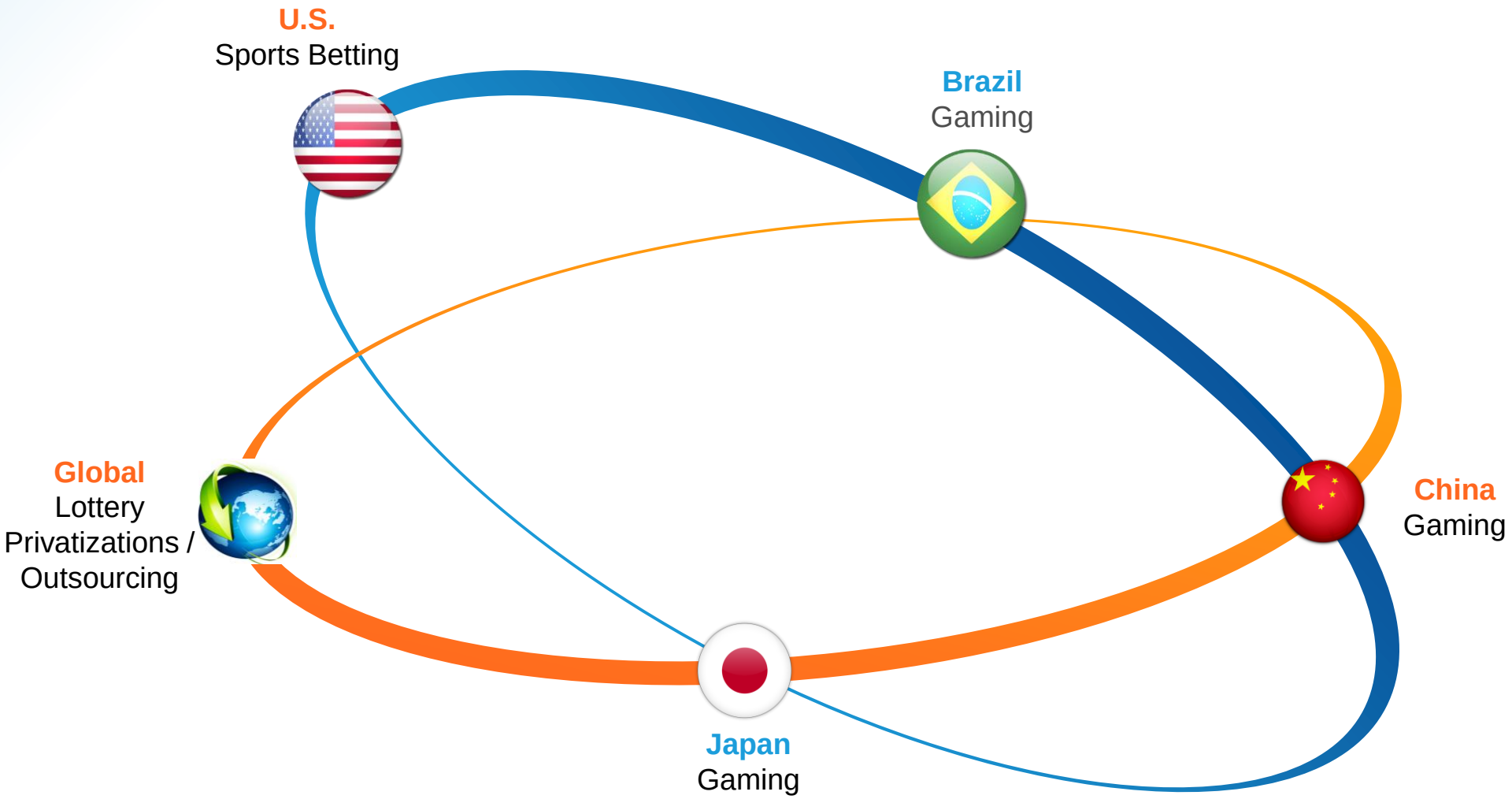
Low Single-Digit Annual Revenue Growth

- Low-Mid Single-Digit Lottery SSR Growth
- Moderate Growth from Gaming

Stronger Profit Expansion

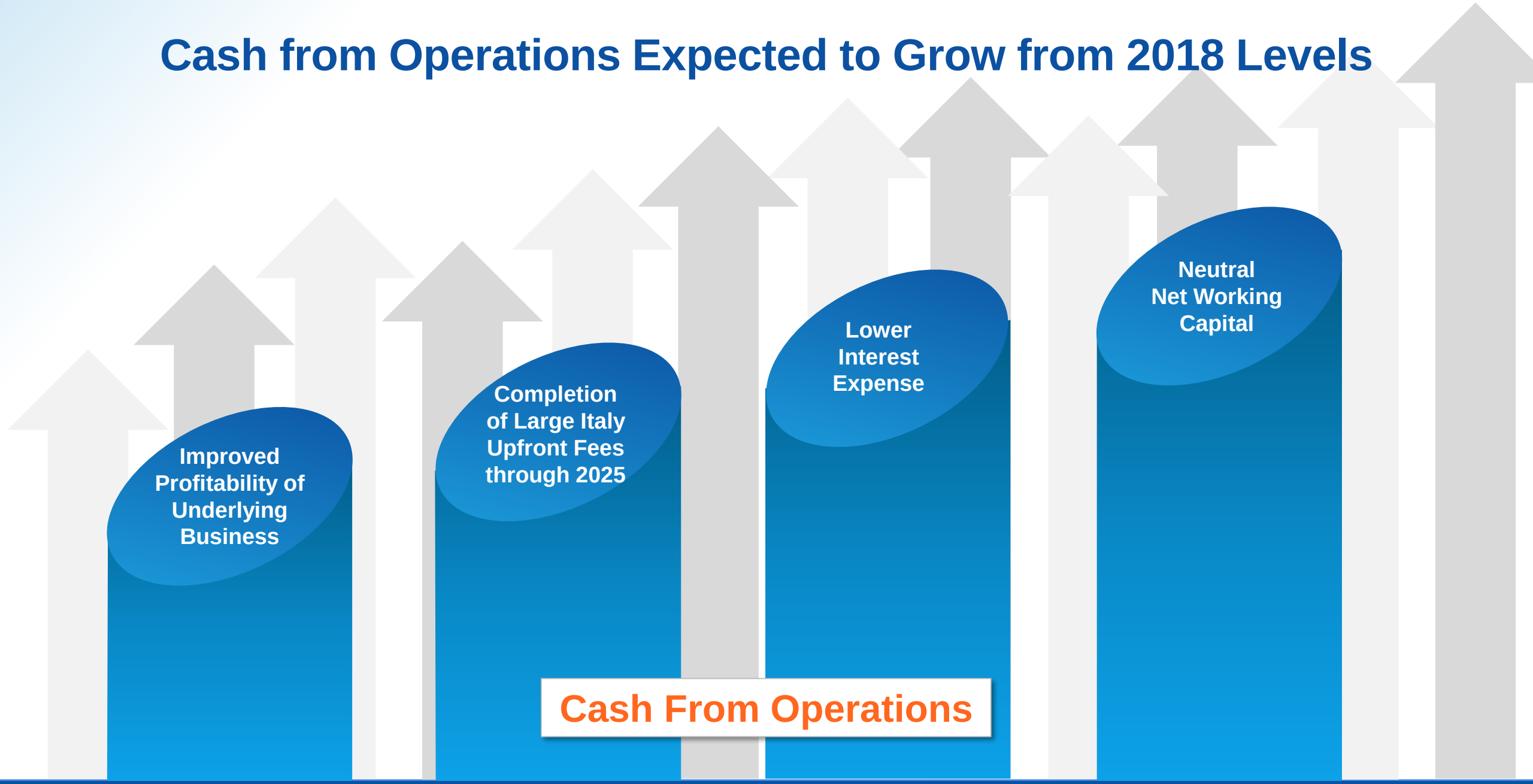
- Structural Profit Improvement Plan with Identified Actions in Place
  - Steady Gross Margins, with Opportunity for Improvement
  - Continue to Reduce Operating Expenses

Incremental Growth Opportunities



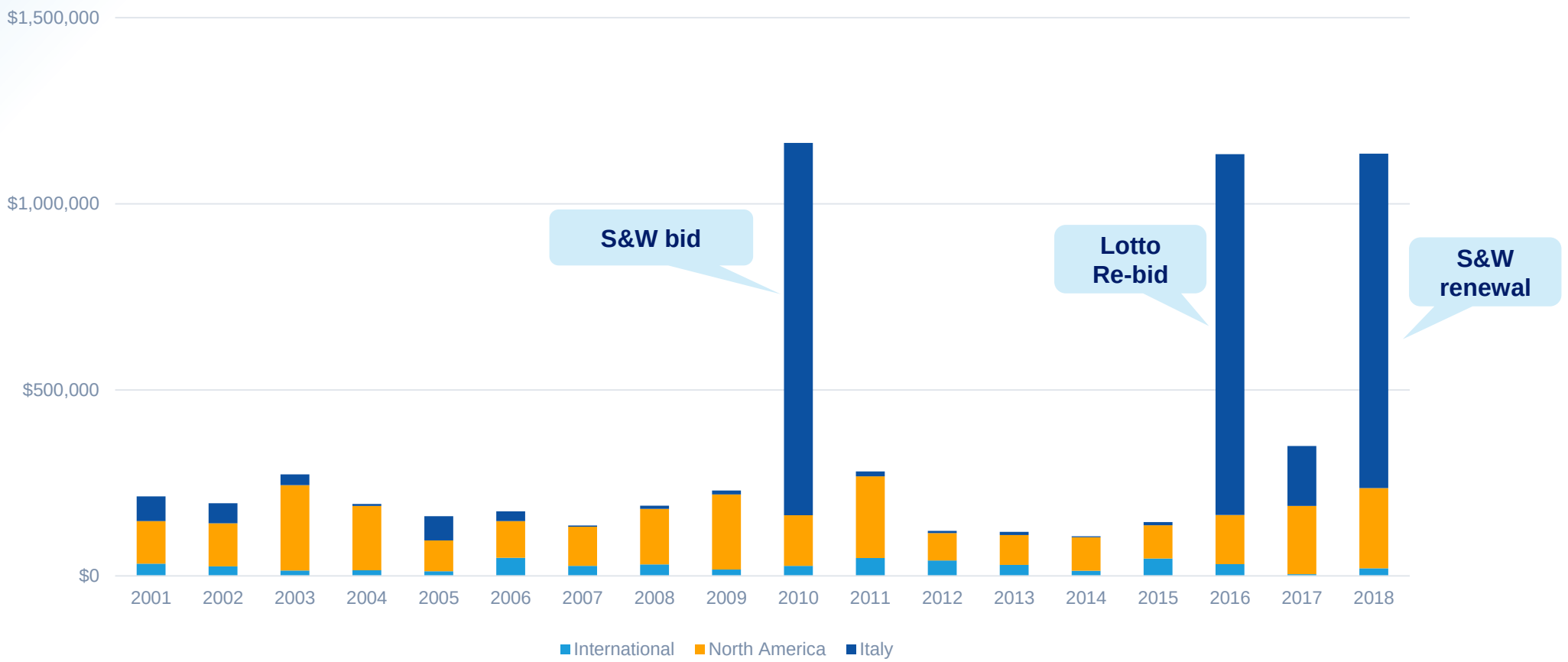
Free Cash Flow

Cash from Operations Expected to Grow from 2018 Levels



With Most Major Contracts Secured, Entering a Period of Reduced Capital Intensity

Lottery Capital Expenditures & License Fees, 2001 – 2018



Revenue-Weighted, Average Years Remaining, All contracts:

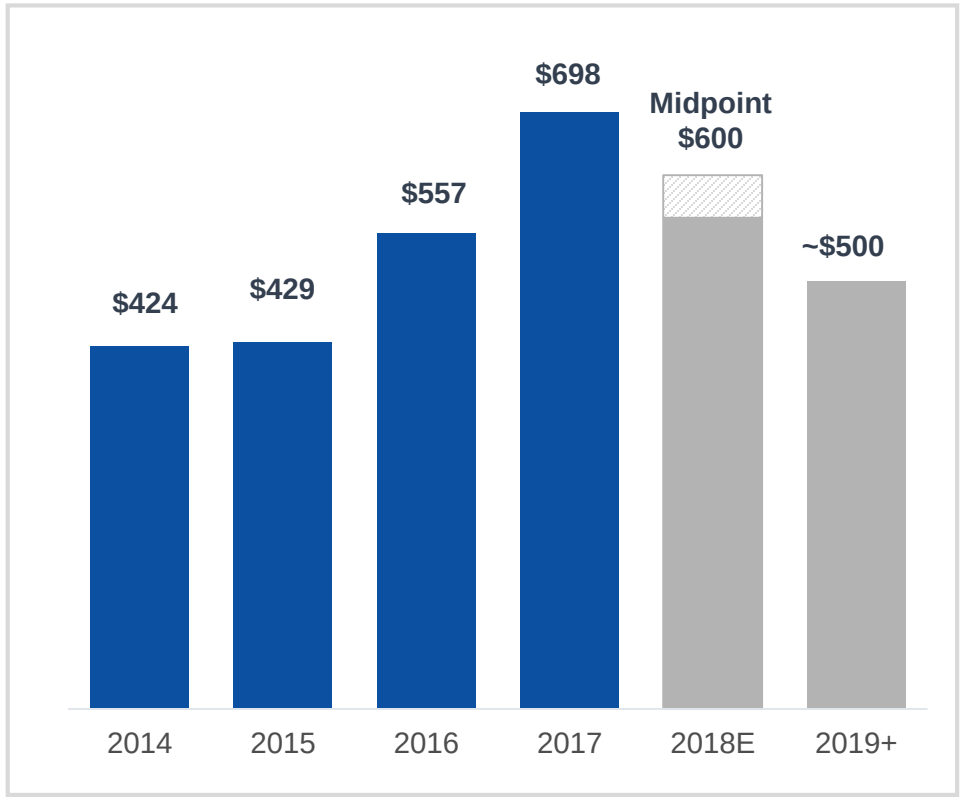
No. America: 8
Italy: 9
International: 4

Note: $ in millions; Italy CapEx translated at 1.18 EUR/USD rate. Revenue-weighted contract years remaining based on 2017 revenue.

Total Capital Expenditures to Moderate Starting in 2019

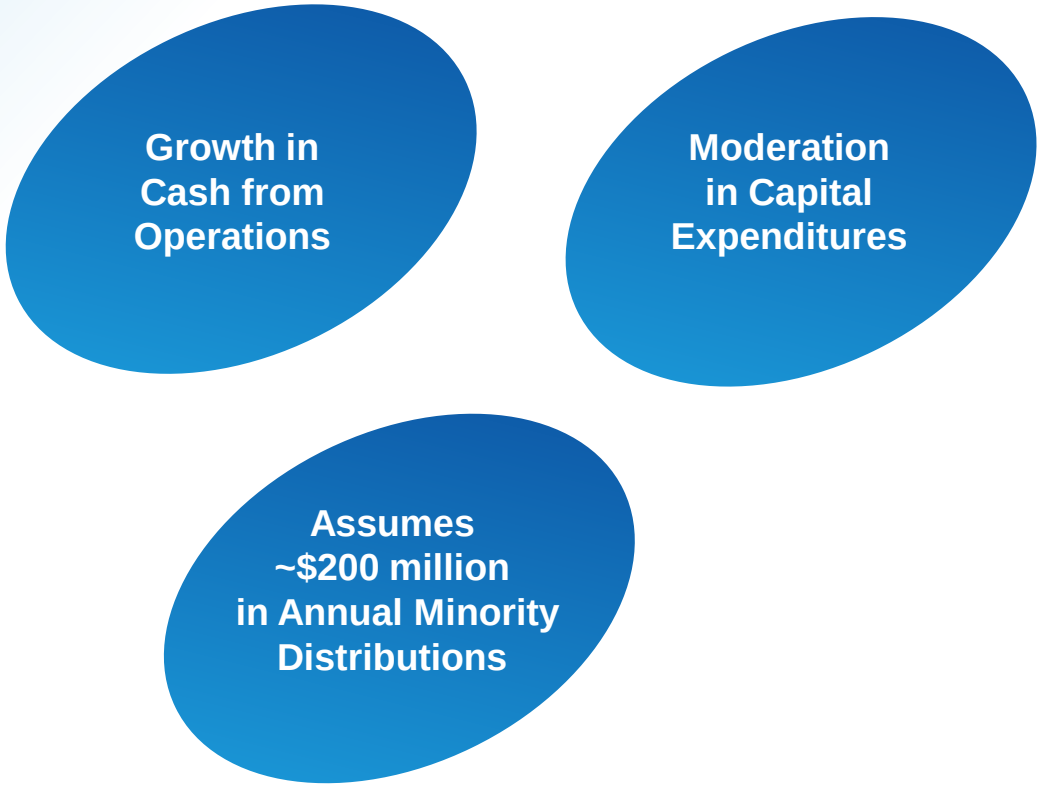
Average Annual Capital Expenditures Reduced to ~$500 million

- Successful 2016 - 2018 Lottery Renewal/ Extension Cycle
- Investment in Installed Base Stabilized Gaming Business
- Includes up to $50 million in Annual Growth Capex



Note: $ in millions; 2014 and 2015 reflects Pro Forma financials

Acceleration of Free Cash Flow Starting in 2019



2019 – 2020 Annual *Adjusted* Free Cash Flow of

$450 - $550 million

after Minority Distributions

Adjusted Free Cash Flow Methodology:

Cash From Operations
- Less Maintenance Capex
- Less Minority Distributions (net)

Adjusted Free Cash Flow

Note: Annual Minority Distributions include Dividends and Return of Capital

2019 Capital Allocation Framework

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Capital Allocation Framework

Uses of Adjusted Free Cash Flow:



Current Dividend

- ✓ $0.20 quarterly cash dividend (~$165 million per year)



New Growth Initiatives

- ✓ Greenfield opportunities throughout lottery and gaming



Deleverage

- ✓ Continued diversification of funding sources by type
- ✓ Proactive management of debt & credit line maturities

Managing the Business with Responsible ROI Targets

Risk Premium

Cost of Capital + 

= **Risk Adjusted ROI Target**

OPERATING RISK	COUNTRY RISK	FINANCIAL RISK
Innovation potential	Risk premium related to specific country	Revenue visibility
Relationship with authorities	Currency considerations	Magnitude of upfront fees
Distribution channels		CapEx requirements

Target mid-teens, after-tax return at consolidated level, with typical range of 10% - 25%

The Voice of the Investor

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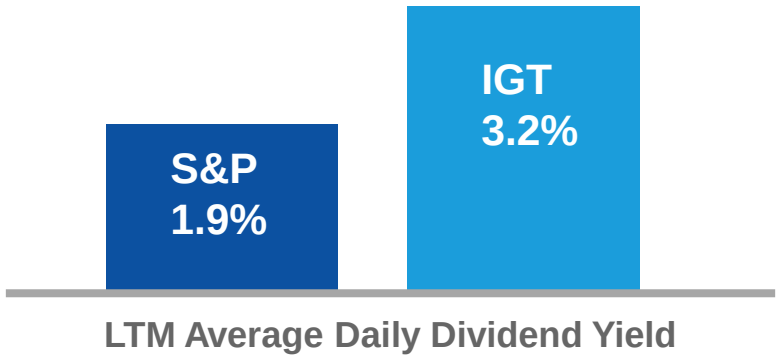
Returning Capital to Shareholders

Dividend

- ✓ Quarterly dividend of $0.20 per share
- ✓ Dividend distribution supported by:
  - ✓ strong, recurring revenue model
  - ✓ high cash flow visibility
  - ✓ culture of disciplined financial management
- ✓ Offers attractive yield



LTM Average Daily Dividend Yield

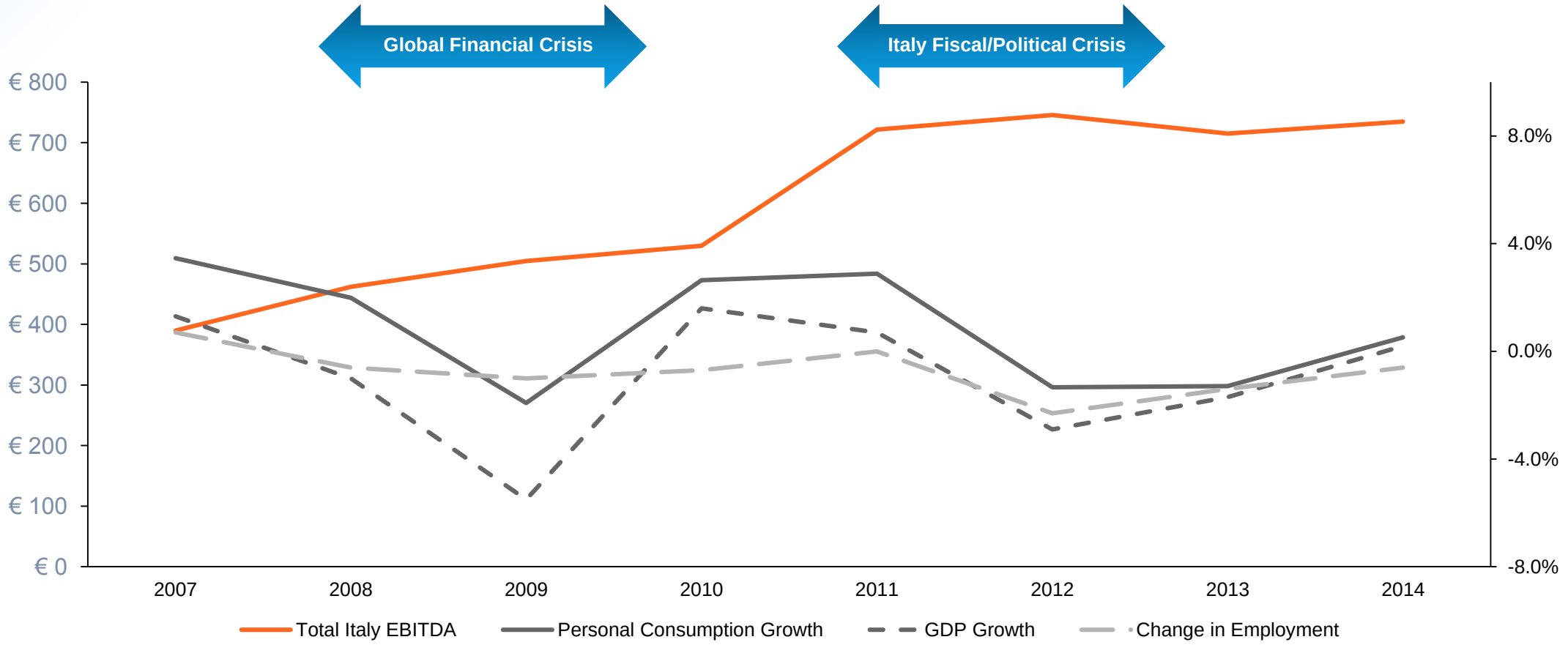
Share Repurchases

- ✓ Current shareholder authorization to repurchase up to 20% of the outstanding shares, through July 2020
- ✓ 2018 Free Cash Flow consumed by Upfront Payments on Italy Scratch & Win contract
- ✓ Acceleration of free cash flow in 2019 and beyond will help deleveraging process
- ✓ Evaluation of share repurchases when leverage ratio of 4.0x is in sight, subject to board approval

Note: Average Daily Dividend Yield calculated as of July 19, 2018

Italy: A History of Growth and Extraordinary Resilience

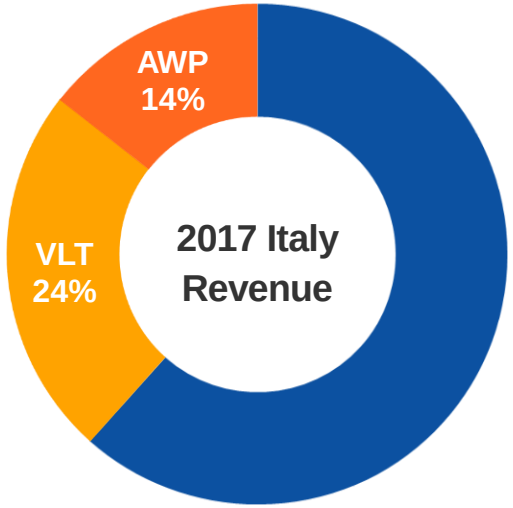
IGT Italy EBITDA vs. Italy Macroeconomic Data

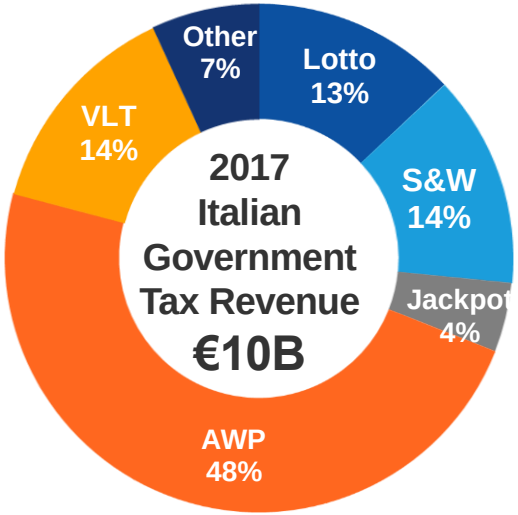


Note: Italy macroeconomic data from FactSet; Italy EBITDA in millions using IFRS

Italy: A Word on Recent Gaming Restrictions

- One-third reduction in AWP machines completed in April 2018
- Additional regional restrictions in 2018
- Recent Dignity Decree
  - Incremental taxes on gaming machines phased in over the next years
  - Ban on all gaming advertising
- Gaming represents a critical source of government revenue each year
  - Government committed to maintaining current levels of gaming taxation revenues





Foreign Exchange: Don't Get Lost in Translation!

- EUR/USD is the only foreign exchange rate that materially impacts IGT's income statement and balance sheet
- 39% of IGT's revenue and 58% of Adjusted EBITDA are generated in EUR
- IGT is naturally hedged, with costs and debt obligations matched in local currency to our revenue and profit steams
- There is *no cash impact* from FX translation on the income statement
- No material transactional exposure to currency movements

Impact of FX Translation on Reported Financial Statements if EUR Weakens:

Income Statement ($)		Balance Sheet ($)	
Sales	↓	Assets	↓
Costs	↓	Debt	↓
Interest Expense	↓	Shareholder Equity	↓
EPS	↓	ROI/ROE	↔
Profit Margins	↔		

1¢ change in EUR/USD rate → **Annual Adjusted EBITDA = $8 - $9 million**
Net Debt = $35 million

Note: EUR revenue and EBITDA percentages based on 2017

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AUGUST 2, 2018



Appendix

Cautionary Statement Regarding Forward-Looking Statements

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

Non-GAAP Financial Measures

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

Comparability of Results

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

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

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

Adjusted EBITDA Reconciliation

	As Reported					
	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18
Net Income	-27	-252	-774	106	-65	195
Provision for (benefit from) Income Taxes	-10	84	-20	-83	61	52
Non-Operating Expenses	156	360	238	171	201	-38
Depreciation	92	94	103	112	98	104
Amortization	116	102	100	83	68	68
Amortization of Upfront Payments to Customers	49	52	54	54	57	54
Stock Compensation	1	2	2	0	14	3
Restructuring Expense	9	11	10	9	2	3
Bad Debt Recovery	-18	0	0	0	0	0
Transaction Expense, Net	2	-30	1	0	0	0
Impairment	0	0	715	0	0	0
Adjusted EBITDA	**371**	**424**	**428**	**452**	**436**	**442**