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Agenda

Market and Company Highlights

Key Success Drivers

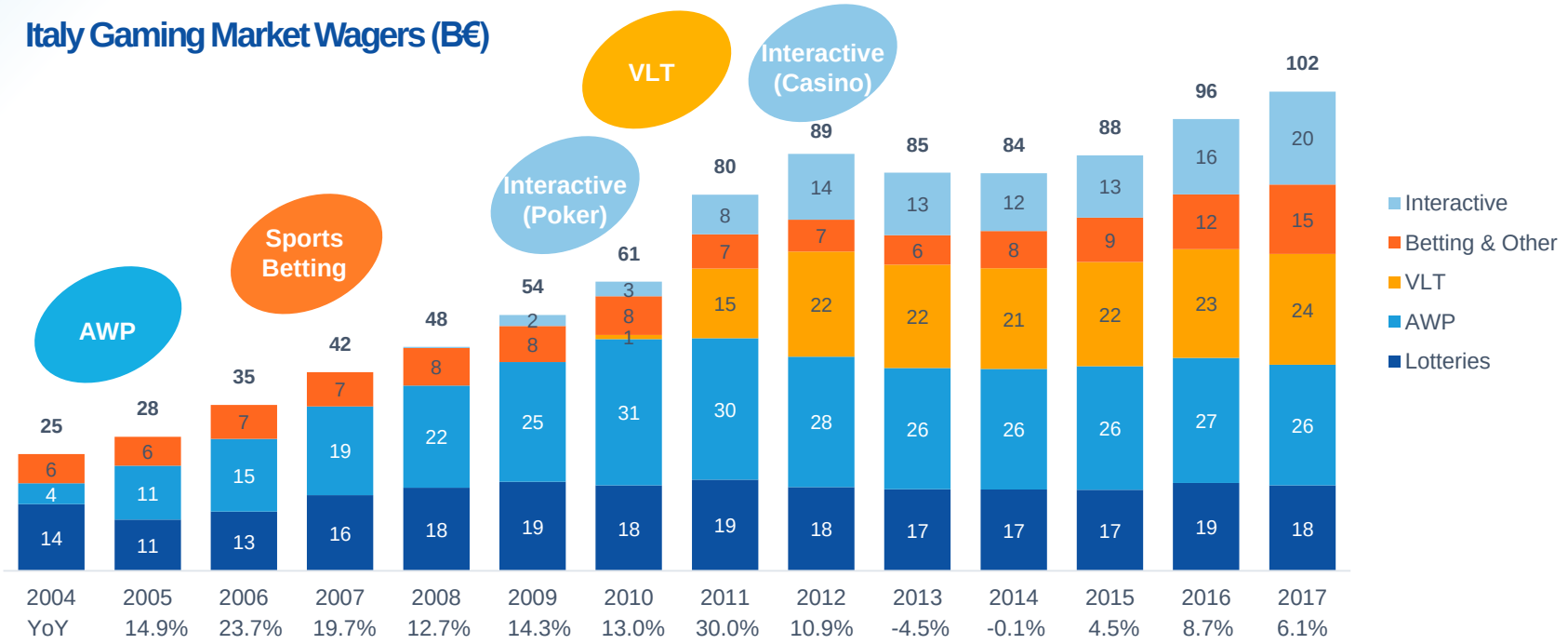
Looking to the Future

Italy: A Large and Diverse Gaming Market

Consistent growth despite financial and political headwinds

Regulation and product innovation drive growth

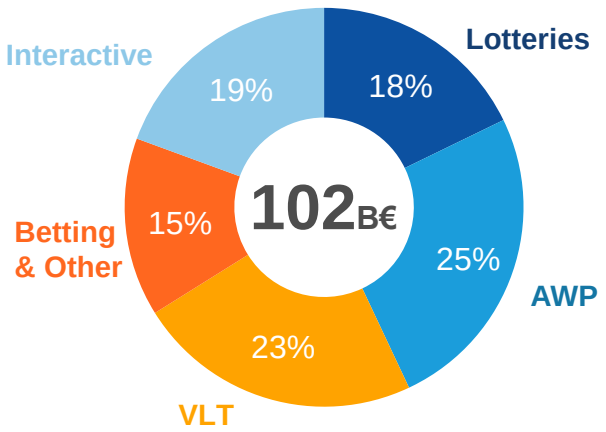
Italy Gaming Market Wagers (B€)



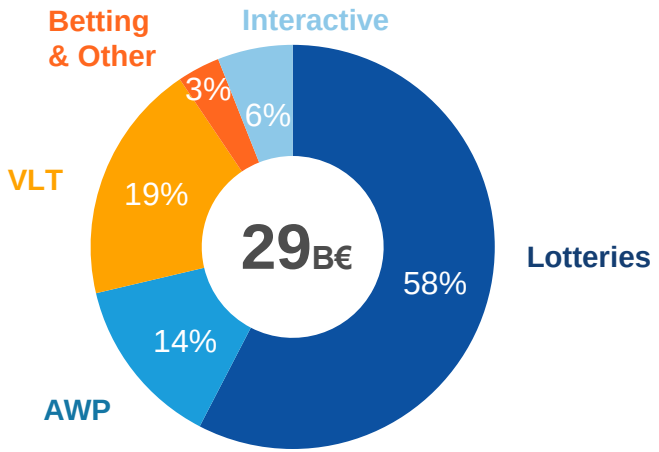
Source: €b, 2004-2017 (AAMS) – Betting includes Horses, Bingo, Sports Pool and Betting Exchange

IGT Participates in All Gaming Market Verticals, but Concentrated in the Most Resilient

Italian Gaming Market Wagers (2017)



IGT Wagers (2017)

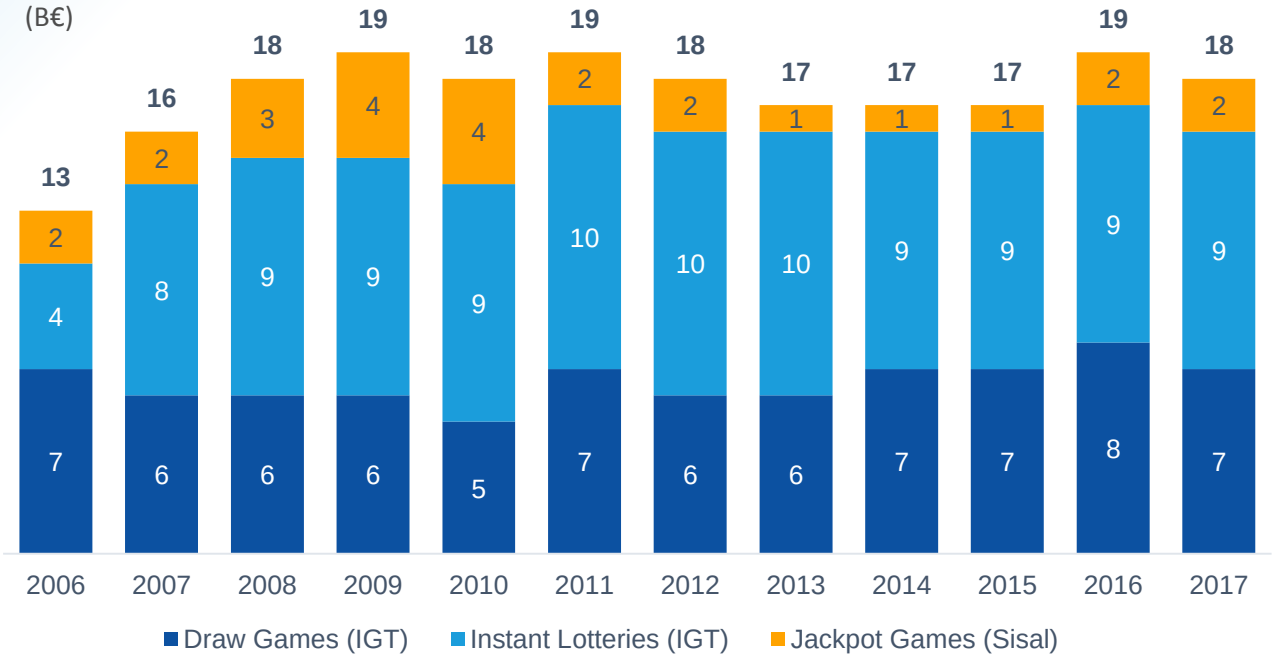


IGT is the Undisputed Leader of the Italian Lottery Market

Healthy trend despite growth in other Gaming verticals

IGT commands >90% of total Lottery wagers

Italian Lottery Market Wagers



Source: 2018

Italy's Lotteries are Among the Biggest in the World; IGT's Contracts Secured for 9 Years

	Players	Points of Sale	World Ranking	Per Capita Ranking	Duration
Gratta e Vinci! Instant Lotteries IGT	15 million	63k	#1	#10	IGT-operated since **2004** **Renewed through September 2028**
Gioco del Lotto / 10 e Lotto Draw Games IGT	8 million	34k	#2	#9	IGT-operated since **1994** **Renewed through November 2025**
Nuovo Superenalotto Jackpot Games Sisal	8 million	36k	#11	#82	Sisal-operated since **1996** **Awaiting RFP**, expected in 2018

Source: La Fleurs' 2018

Unique, End-to-End Model

Operational expertise & B2C capabilities enable global cross-fertilization

R&D

- **Product development** and innovation
- Product and technology deployment
- **Locally driven, leveraging centralized shared services/Group resources**

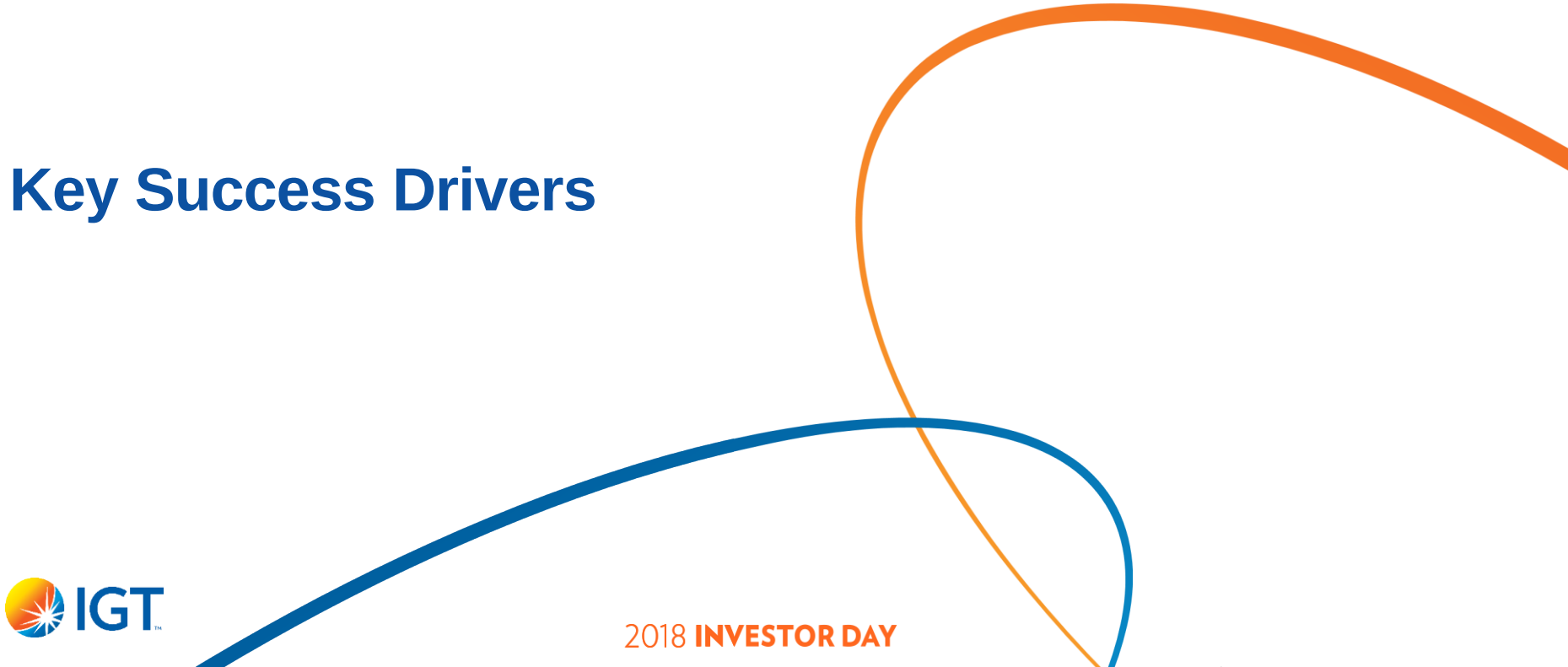
Operations

- **Technology**
- **Customer service**
- Sourcing
- Logistics
- Collection of wagers
- Payment of prizes

Sales & Marketing

- **Consumer management**
  - Product portfolio
  - Consumer insights
- **Retail network management**
  - Sell-in and retailing mix
  - Trade marketing
- **Brand management**

Key Success Drivers



Key Drivers of Our Success

- Effective strategies in four critical disciplines that leverage the entire value chain
- Combining local knowledge with global expertise
- Leveraging the breadth and depth of the multi-offer, B2C Italy franchise

Consumer Knowledge

LOTTERY EXPLORER



Product Innovation

NUMERO ORO

DOPPIO ORO

Million DAY



Technology Vision & Execution

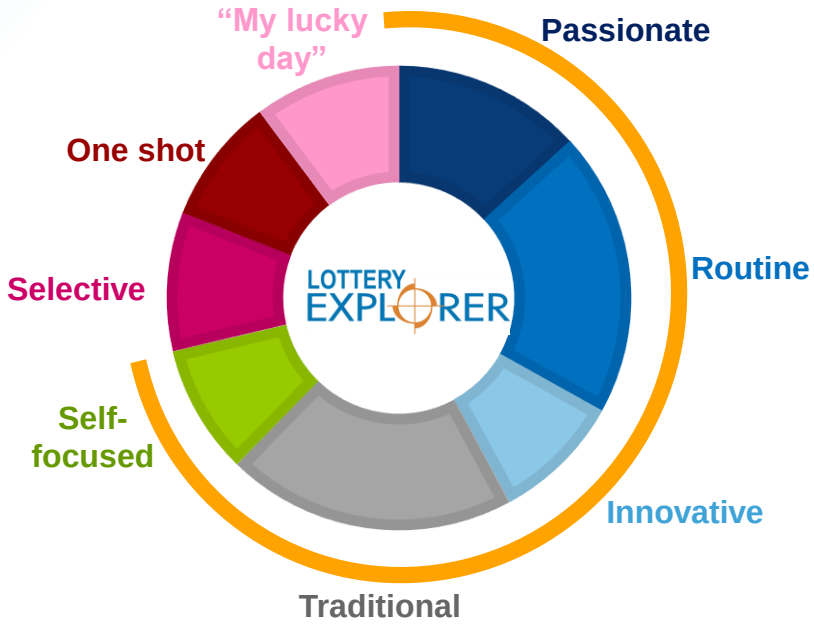


Distribution Excellence



State-of-the-Art Consumer Segmentation Drives Long-Term Vision and Marketing Plans

Lottery Games Appeal to Diverse Consumer Segments





Passionate
- ✓ Have fun
- ✓ Get lucky
- ✓ Adrenaline



Self-focused
- ✓ Amusement
- ✓ Be engaged
- ✓ Take a whim

Breakthrough Innovation: 10eLotto Drives Major Turnaround of Lotto Wager Trends



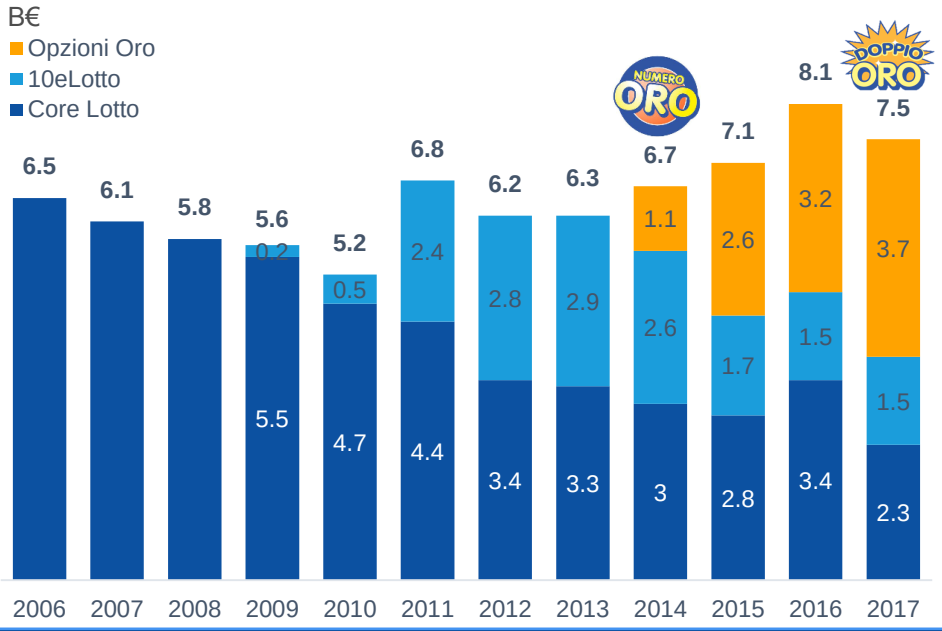






- ✓ **Leveraging the IGT Franchise**
  - Keno-style games (Greece, US)
- ✓ **Targeted Player Segments**
  - Passionate, Routine
- ✓ **Key Consumer Insight**
  - Frequency, engagement, higher reward
- ✓ **Key Element**
  - Draw every 5 minutes, high frequency of medium/low prizes
- ✓ **Results**
  - Steady growth, total wagers turnaround

Leveraging the Franchise with Compelling Product Extensions







- ✓ **Leveraging IGT Franchise**
  - Bullseye (US)
- ✓ **Targeted Player Segments**
  - Passionate, Routine, and Self-focused
- ✓ **Key Consumer Insight**
  - Winning frequency, second chance
- ✓ **Key Element**
  - Additional chance, doubling the bet
- ✓ **Results**
  - Average bet from **1.53€** in 2014 to current **2.18€**

Recent Draw Game Innovation

Enlarging our portfolio with new games targeting incremental player segments and wagers

ADV



Point of Sales



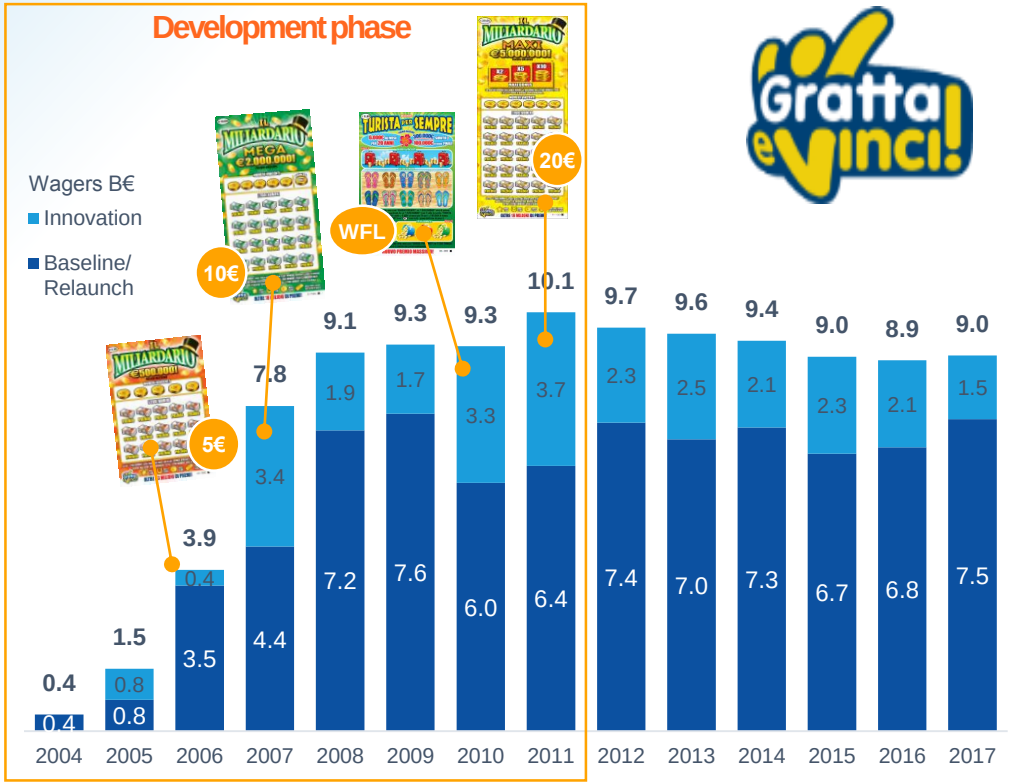
Web Site - Mobile



Million DAY **Launched February 2018**

- ✓ **Key Objective**
  - Increase penetration through a new proposition
- ✓ **Targeted Player Segments**
  - Traditional and Passionate
- ✓ **Key Consumer Insights**
  - Accessible dream
- ✓ **Positioning**
  - Daily draw game with an achievable aspirational prize: ***«IL MILIONE CHE VORREI»***
- ✓ **Key Elements**
  - Daily draw at **19:00**
  - Fixed price **€1**
  - Easy to play (**5 numbers out of 55**)
  - Top prize **€1 Million**
- ✓ **Results**
  - +5% on Lottery players in first month

Building the World's Largest Instant Ticket Lottery

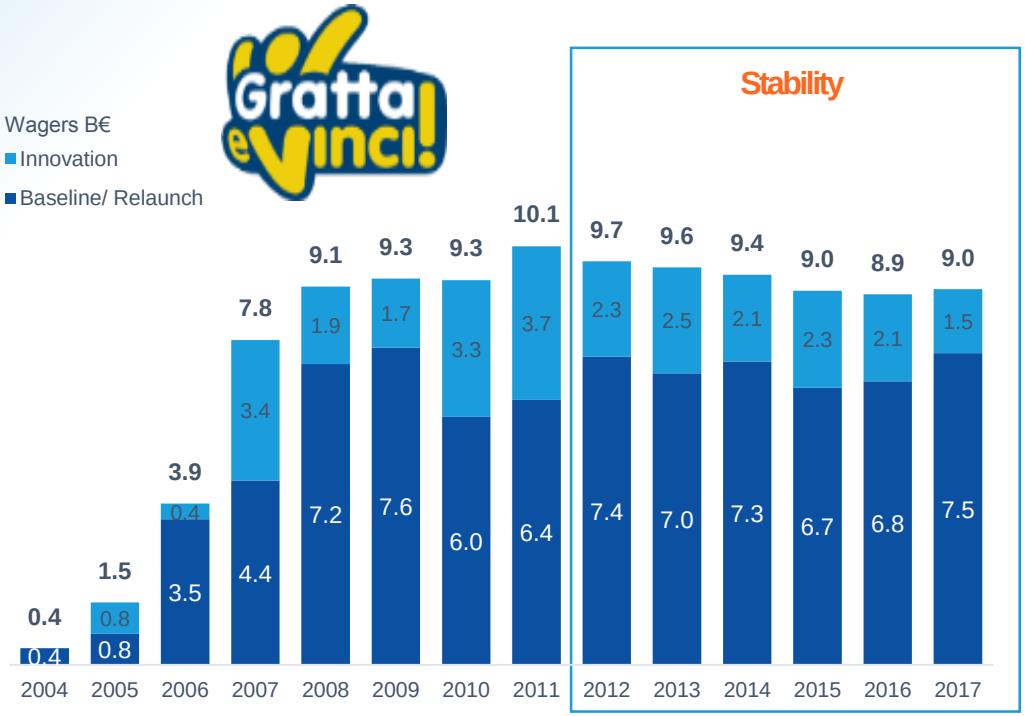


Tremendous Growth from Exploiting Several Powerful Levers:

- Distribution: **from 24k to 64k PoS**
- **Price Point:** introducing 5€, 10€, 20€
- Effectively leveraging **Pay Out**
- **Innovation:** building core franchises
  - "Miliardario"
  - "Turista per sempre"



Continuous Innovation and Successful Portfolio Management



Innovation

Global cross-fertilization & local knowledge

New Multiplier Family:

- Engaging experience by multiplying prizes

Battleship:

- Extended-play deployed with local insight



Revitalizing Core Franchises

Miliardari relaunch:

- Enriched gaming experience: additional line + bonus symbol
- Brand strengthening



Stretching Proven Tickets

Doppia Sfida relaunch:

- Leverage an Iconic ticket into new price points

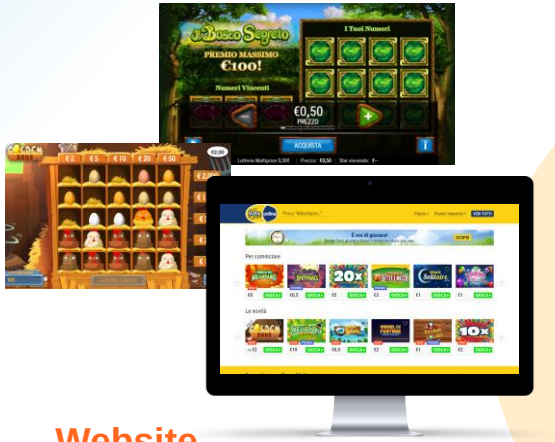
New 2018



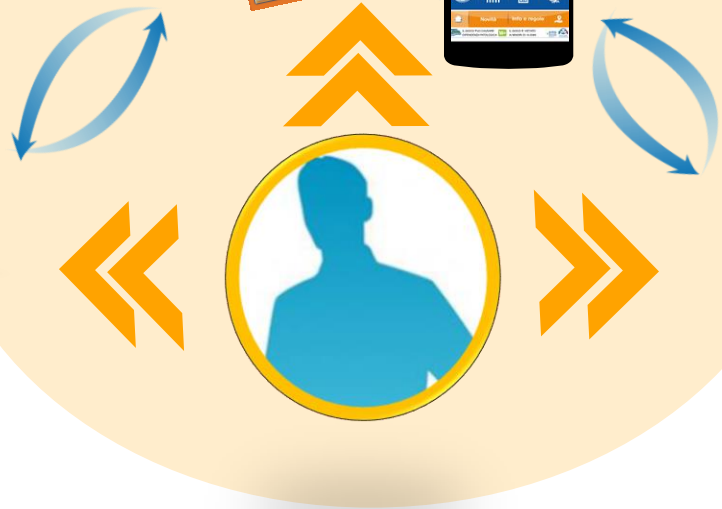
Leveraging Technology Vision & Execution to Deliver Rich Player Experiences

Consumer behavior drives technology evolution

Player-centric strategy across multiple, interconnected touch points







Website

- **At home** consumption
- Dedicated product portfolio
- Leveraging total “Lottomatica” digital presence

Mobile

- **On-the-Go** consumption
- Dedicated Lotteries App
- Connected with both website and PoS devices



PoS

- **Retail** consumption
- High-performing terminal
- Self-service devices
- Connected with mobile



Distribution Excellence While Driving Digital Evolution

Dedicated Sales Force

67k Point of Sales

102 sales agents

Increased use of Digital tools

Impactful Retail Presence





Partnership with Stakeholders

Italian Tobacconist Association

>50% of total Lotteries network

Technology & Digital Evolution

40k Lotto terminals

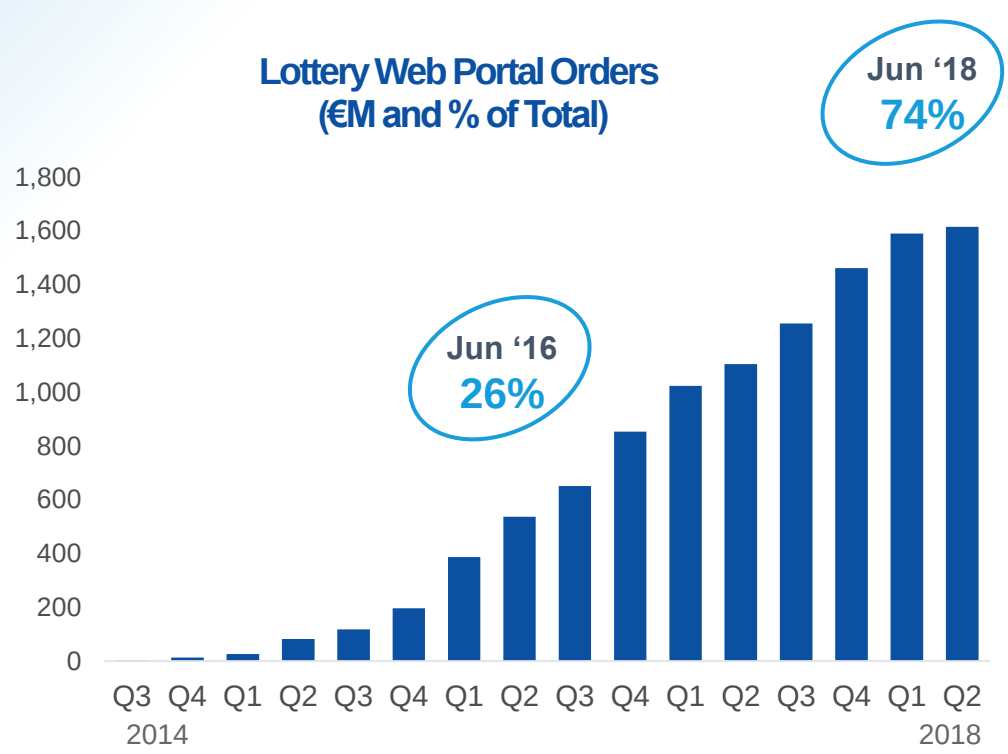
34k 10eLotto monitors

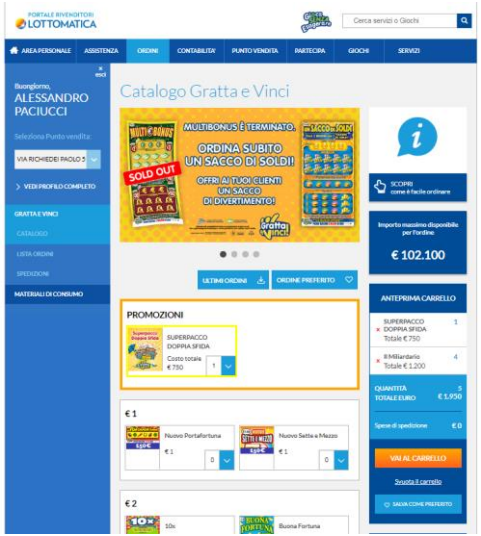
Self-Service prototype

B2B Web Portal

Digital Relationships with PoS Driving Higher Ticket Sales and Delivering Tangible Efficiencies

Lottery Web Portal Orders (€M and % of Total)





B2B Webportal services

- Instant Lotteries orders & supply chain
- Training & after sales support
- Commercial support

62k PoS registered

50k average monthly users

2.5 million page views/month

+0.5%-1%
S&W sales uplift when introduced

Looking to the Future



Lotteries: A Very Attractive Business

Continuous Product Innovation

- Management and revitalization of current portfolio
- Incremental innovation leveraging consumer insights and global footprint
- Increase digital penetration

Retail Network Management

- Protect current network size
- Improve sell out with better visibility and technology
- Incorporate digital into retail PoS to maximize convenience

Digital Readiness

- Seamless player experience across all touch points
- Leverage mobile expertise across the IGT/ Lottomatica franchise

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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.

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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.