



Q4 2022

Investor Update
March 9, 2023

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This presentation contains statements that constitute forward-looking statements which involve risks and uncertainties, including such risks and uncertainties related to the effects of COVID-19 on the Company's business and results of operations and other factors set forth in the Annual Report on Form 10-K of PlayAGS, Inc. ("AGS" or the "Company") filed with the U.S. Securities and Exchange Commission (the "SEC") by the Company. These statements include descriptions regarding the intent, belief or current expectations of AGS or its officers with respect to the consolidated results of operations and financial condition, future events and plans of AGS. These statements can be recognized by the use of words such as "expects," "plans," "will," "estimates," "projects," or words of similar meaning. Such forward-looking statements are not guarantees of future performance and actual results may differ from those in the forward-looking statements as a result of various factors and assumptions. These statements are subject to risks, uncertainties, changes in circumstances, assumptions and other important factors, many of which are outside management's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of the management of AGS on future events. We undertake no obligation to publicly update or revise any forward-looking statement contained in this presentation, whether as a result of new information, future events or otherwise, except as required by law. In light of the risks, uncertainties and assumptions, the forward-looking events discussed in this presentation might not occur, and our actual results could differ materially from those anticipated in these forward-looking statements.

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Q4 2022 Highlights

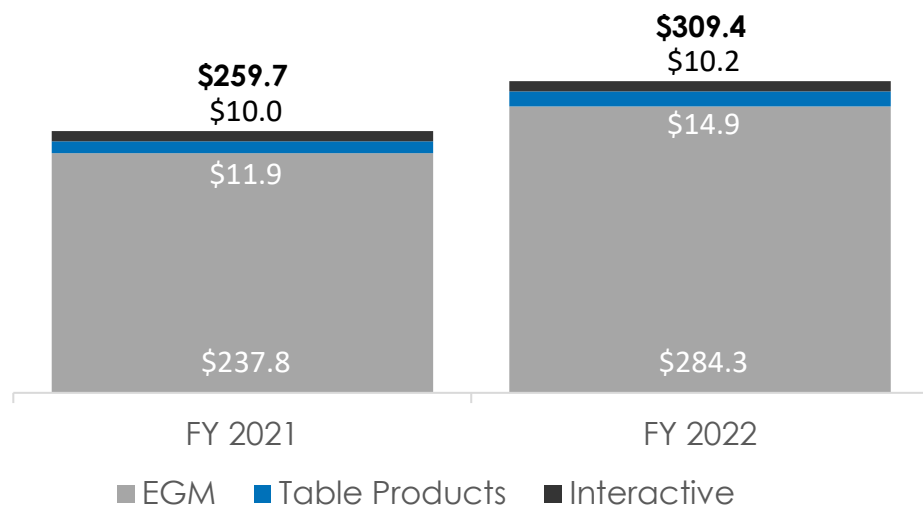
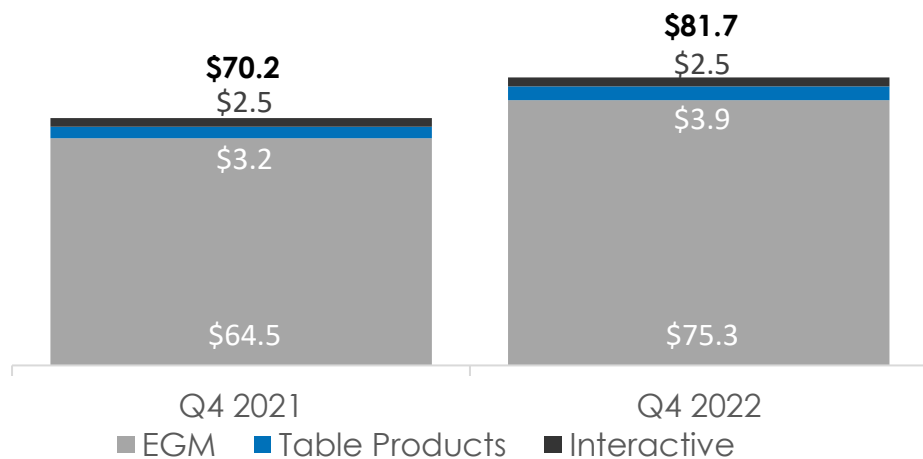
- Total revenue increased 16% year-over-year to a record \$81.7 million; up sequentially for the eighth consecutive quarter
- Net income reached a record \$2.5 million
- Adjusted EBITDA improved 16% year-over-year to a quarterly record \$37.3 million; sequentially higher in seven of the last eight quarters
- Achieved our year-end 2022 net leverage target of less than 4.0x
- Domestic EGM recurring revenue grew to a record \$46.8 million; up 8% year-over-year and 13% ahead of Q4 2019
- Domestic premium EGM mix reached 15% at year end 2022 versus 10% in Q4 2021; footprint has grown for twelve straight quarters
- Global EGM sales eclipsed 1,000 units for the second consecutive quarter; highest level achieved since Q4 2019
- Targeting to exit 2023 with net leverage in the range of 3.25x to 3.75x



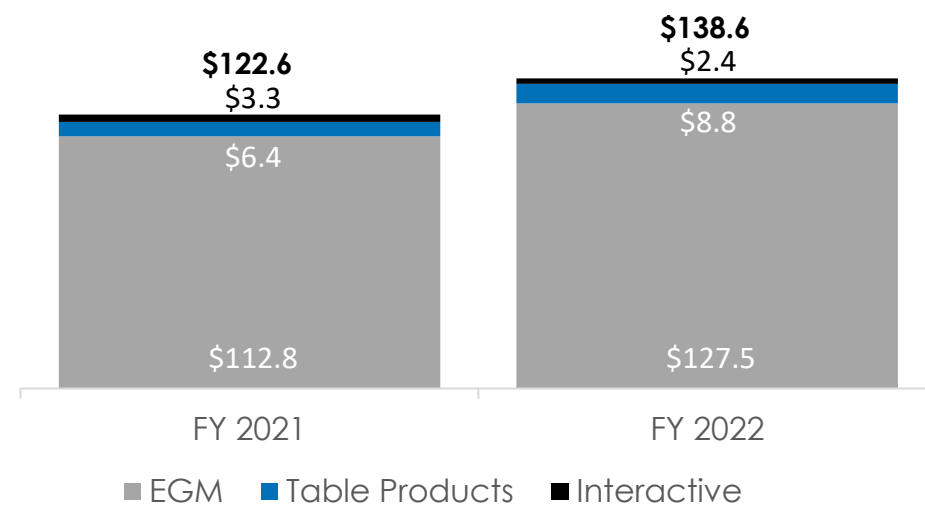
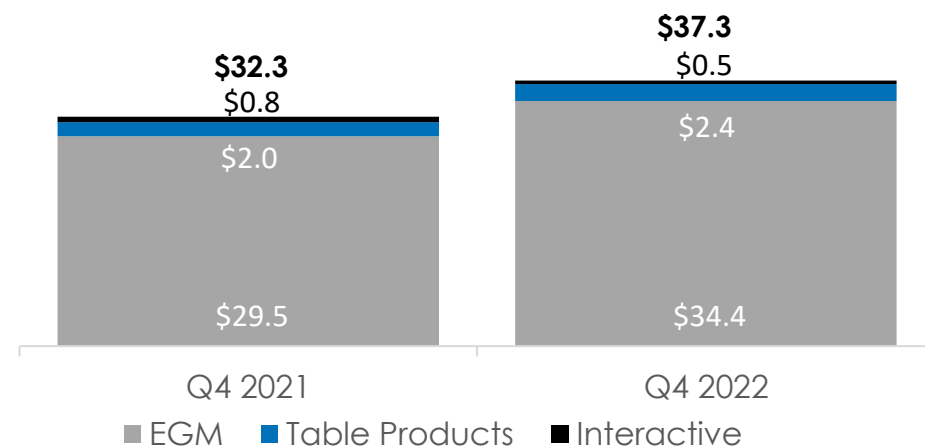
Q4 2022 Financial Performance

(\$ in mm)

REVENUE



ADJUSTED EBITDA



EGM Segment

(\$ in thousands), except unit data and ASP

EGM	Q4 2022	Q4 2021	% Change
Gaming operations revenue	\$ 51,207	\$ 47,309	8%
Equipment sales revenue	24,131	17,189	40%
Total revenues	\$ 75,338	\$ 64,498	17%
Adjusted EBITDA	\$ 34,412	\$ 29,487	17%
Domestic installed base	16,326	15,939	2%
International installed base	6,244	7,643	-18%
Total installed base	22,570	23,582	-4%
Domestic revenue per day	\$ 31.46	\$ 30.17	4%
International revenue per day	7.61	5.55	37%
Total revenue per day	\$ 24.87	\$ 22.16	12%
Total EGM units sold	1,116	815	37%
Average sales price	\$ 19,382	\$ 19,286	1%

- Domestic EGM gaming operations revenue increased approximately 8% year-over-year and 2% sequentially to a quarterly record \$46.8 million
- Domestic EGM RPD increased 4% year-over-year to \$31.46, exceeding \$30 for the seventh consecutive quarter
- Our domestic EGM installed base expanded to 16,326 units at the end of Q4 2022, representing our third consecutive quarterly sequential increase
- Our premium EGM installed base increased by nearly 60% year-over-year, accounting for 15% of our domestic EGM installed base at the end of Q4 2022 compared to 10% and 14% at the end of Q4 2021 and Q3 2022, respectively
- Sold 1,116 EGM units in Q4 2022, representing an increase of over 35% compared to the 815 units sold in Q4 2021 and our highest level achieved since Q4 2019
- EGM average sales price ("ASP") was \$19,382 versus \$19,286 in Q4 2021, topping \$19,000 for the fifth consecutive quarter
- Our recently-launched *Spectra UR43* gaming cabinet has achieved the number one ranking in the "New Portrait Upright" category of the *Eilers-Fantini Cabinet Performance Report* for five consecutive months, with reported game performance consistently exceeding two times house average

Table Products and Interactive Segments

(\$ in thousands), except unit data and ALP

Table Products	Q4 2022	Q4 2021	% Change
Gaming operations revenue	\$ 3,691	\$ 3,096	19%
Equipment sales revenue	199	93	114%
Total revenues	\$ 3,890	\$ 3,189	22%
Adjusted EBITDA	\$ 2,370	\$ 1,951	21%
Table Products installed base ¹	5,051	3,801	33%
Average monthly lease price ¹	\$ 241	\$ 268	-10%

(\$ in thousands)

Interactive	Q4 2022	Q4 2021	% Change
Gaming operations revenue	\$ 2,508	\$ 2,536	-1%
Adjusted EBITDA	\$ 498	\$ 816	-39%

1.) As a result of a comprehensive review of our unit counts, the Table Products installed base and average monthly lease price have been revised in the prior period to reflect a more accurate count of the products on lease. The review resulted in no changes to revenues or Adjusted EBITDA.

- Revenues and Adjusted EBITDA each increased by over 20% versus the prior year
- Installed base increased by more than 80 units on a quarterly sequential basis, topping 5,000 units for the first time
- Industry-leading table game progressive installed base eclipsed 1,800 units at quarter end
- Our PAX S specialty game card shuffler footprint grew by more than 80% sequentially to over 145 units at the end of Q4 2022, with units live in more than 40 unique casinos across 15 states and provinces
- Bonus Spin Xtreme ("BSX") progressive installed base increased more than four-fold year-over-year; up by over 15% sequentially
- Live with over 20 AGS Arsenal site license agreements at year end; launched our second largest ever Arsenal deal in Q1 2023
- Segment revenue relatively consistent year-over-year at \$2.5 million
- RMG revenues increased 7% year-over-year
- North American-sourced RMG revenues accounted for approximately 89% of our Q4 2022 total RMG revenue mix compared to 67% in Q4 2021
- Delivered positive Adjusted EBITDA for the twelfth consecutive quarter
- RMG game content catalog was live in nearly all of the most prominent regulated North American online jurisdictions as of December 31, 2022, with PA, MI and NJ serving as our three highest revenue generating end markets
- Online slot content was live with over 70 i-gaming operators globally at the end of 2022

Balance Sheet and Cash Flow Highlights

- Total available liquidity, as of December 31, 2022, was approximately \$78 million, inclusive of \$40 million of availability under our undrawn revolving credit facility
- Our Total Net Debt Leverage Ratio, as of December 31, 2022, was 3.8x compared to 4.2x at December 31, 2021. Our revolving credit facility and term loan mature in 2027 and 2029, respectively
- We expect to exit 2023 with net leverage in the range of 3.25x to 3.75x
- Q4 2022 capital expenditures totaled approximately \$19 million, bringing full year 2022 capital spend to approximately \$69 million
- We expect to incur full year 2023 capital expenditures of \$65 million to \$70 million, inclusive of anticipated capitalized R&D expenditures
- Q4 2022 free cash flow totaled approximately \$6 million, bringing full year 2022 free cash flow to approximately \$9 million. Excluding one-time cash costs associated with our February 2022 debt refinancing, full-year free cash flow would have been approximately \$15 million
- The anticipated level of growth we expect to achieve in our operating cash flows, coupled with our targeted level of capital investment, should allow us to deliver a year-over-year increase in our normalized free cash flow output, even after adjusting for the recent move higher in market level interest rates



Liquidity and Leverage

(\$ in mm)

	12/31/2022	12/31/2021	Maturity
Senior Secured Term B Loan (SOFR+4.0%)	571	–	02/15/29
First lien term loan (L+3.5%)	–	521	02/15/24
Incremental term loan (L+13.0%)	–	94	02/15/24
Other	1	1	
Total debt	\$571	\$616	
Less: Cash	(\$38)	(\$95)	
Total net debt	\$533	\$521	
LTM Adjusted EBITDA	\$139	\$123	
Net leverage	3.8x	4.2x	

2023 Outlook

- **Global EGM Product Sales** – Our unique blend of people, product, and new market growth catalysts should allow us to increase our share of the domestic slot sales market in 2023. Provided the customer purchasing resiliency we are currently observing persists throughout the remainder of the year, we should be able to achieve global EGM unit sales that far exceed 2022 levels.
- **Domestic EGM Average Sales Price (“ASP”)** - As *Spectra* grows to comprise a greater portion of our overall sales unit mix, we would expect ASP to drift slightly ahead of full-year 2022 levels, all else being equal.
- **Domestic EGM Revenue per Day (“RPD”) & Domestic EGM Installed Base** - We expect a strong pipeline of premium unit demand and an increasingly stable core unit footprint to support consistent sequential growth in our domestic EGM installed base at a level comparable to what we have achieved over the past several quarters. As it relates to domestic RPD, we believe we are uniquely positioned to leverage multiple company-specific catalysts to consistently deliver performance that exceeds broader industry-level revenue trends and, in turn, comfortably sustain our domestic EGM RPD above the \$30 level for all four quarters of 2023, even in a scenario in which market-level GGR trends were to moderate slightly from 2022 levels.
- **International EGM Gaming Operations Revenue** - Supported by the continuation of Mexico's consistent macroeconomic recovery and the improved quality of our International EGM installed base, resulting from our continuous global fleet optimization efforts, we expect International EGM gaming operations revenue to build on its ten consecutive quarters of sequential revenue growth as we progress throughout 2023.
- **Table Products Segment** – We expect further customer adoption of our *PAX S* shuffler, *Bonus Spin Xtreme* progressive, and AGS Arsenal site license program to produce consistent sequential growth in both our Table Products revenue and Adjusted EBITDA as we progress throughout 2023.
- **Interactive Revenue** – Recent new customer wins, new market entrances and strategic additions to our technical and commercial teams should allow the revenue growth trajectory within our Interactive business to steepen as early as Q2 2023 and gain momentum in the back half of the year.
- **Adjusted EBITDA Margin** - We expect our full-year adjusted EBITDA margin to land in the 44% to 45% range. Our current margin outlook contemplates the following; 1) mix headwinds resulting from an anticipated increase in EGM product sales revenue that exceeds the rate of growth in our EGM recurring revenue business, 2) additional investment into our R&D organization, albeit at a more moderate rate than in 2022, to support our future growth initiatives, and 3) the impact of market-level inflationary cost adjustments on our business. We believe the realization of improved EGM product sales gross margins, driven by a greater mix of value engineered *Spectra* cabinet sales and further supply chain normalization, and implementation of additional operating efficiency measures should help to stabilize our reported margin performance.

This forward-looking commentary assumes no material changes with respect to prevailing macroeconomic conditions.

Appendix



Consolidated Operational Summary

(\$ in thousands, except unit data, RPD, ASP, and ALP)

Operational and other data	Q1	Q2	Q3	Q4	2021	Q1	Q2	Q3	Q4	2022
Revenues by segment										
EGM	\$50.5	\$61.2	\$61.6	\$64.5	\$237.8	\$66.9	\$70.5	\$71.6	\$75.3	\$284.3
Table products	2.8	2.8	3.1	3.2	11.9	3.5	3.5	4.0	3.9	\$14.9
Interactive	2.1	2.8	2.6	2.5	10.0	2.5	2.6	2.6	2.5	\$10.2
Total revenue	\$55.4	\$66.8	\$67.3	\$70.2	\$259.7	\$72.9	\$76.6	\$78.3	\$81.7	\$309.4
Adjusted EBITDA by segment										
EGM	\$24.4	\$29.5	\$29.5	\$29.5	\$112.8	\$30.2	\$31.6	\$31.3	\$34.4	\$127.5
% margin	48.3%	48.1%	47.8%	45.7%	47.4%	45.1%	44.8%	43.7%	45.7%	44.8%
Table products	1.4	1.4	1.6	2.0	6.4	1.8	2.0	2.6	2.4	8.8
Interactive	0.5	1.2	0.8	0.8	3.3	0.7	0.5	0.6	0.5	2.4
Total Adjusted EBITDA	\$26.3	\$32.1	\$31.9	\$32.3	\$122.6	\$32.8	\$34.1	\$34.5	\$37.3	\$138.6
% margin	47.5%	48.0%	47.4%	45.9%	47.2%	45.0%	44.6%	44.1%	45.6%	44.8%
EGM segment										
Class II	11,412	11,317	11,272	11,256	11,256	11,215	11,233	11,324	11,251	11,251
Class III	4,044	4,129	4,495	4,683	4,683	4,700	4,794	4,934	5,075	5,075
Domestic installed base	15,456	15,446	15,767	15,939	15,939	15,915	16,027	16,258	16,326	16,326
International installed base	7,985	7,879	7,896	7,643	7,643	7,197	6,769	6,274	6,244	6,244
Total installed base	23,441	23,325	23,663	23,582	23,582	23,112	22,796	22,532	22,570	22,570
Domestic RPD	\$27.10	\$33.11	\$31.08	\$30.17	\$30.35	\$30.79	\$32.55	\$31.13	\$31.46	\$31.48
International RPD	\$2.94	\$4.66	\$5.11	\$5.55	\$4.52	\$6.17	\$6.69	\$7.34	\$7.61	\$6.92
Total RPD	\$18.89	\$23.47	\$22.40	\$22.16	\$21.72	\$23.13	\$24.79	\$24.31	\$24.87	\$24.27
Total EGM units sold	289	613	663	815	2,380	955	934	1,014	1,116	4,019
Global avg sales price	\$17,520	\$16,902	\$18,970	\$19,286	\$18,369	\$19,276	\$19,703	\$19,146	\$19,382	\$19,372
Table products segment										
Table products installed base	3,616	3,644	3,783	3,801	3,801	4,418	4,791	4,969	5,051	5,051
Avg monthly lease price	\$251	\$254	\$260	\$268	\$258	\$249	\$239	\$243	\$241	\$243

Total Adjusted EBITDA Reconciliation

(\$ in mm)

	Q1	Q2	Q3	Q4	2021
Adj. EBITDA reconciliation					
Net income (loss)	(\$7.8)	(\$3.9)	(\$1.8)	(\$9.1)	(\$22.6)
Income tax expense (benefit)	0.3	0.3	(2.7)	(0.1)	(\$2.2)
Depreciation and amortization	18.4	18.6	18.4	18.5	\$73.9
Interest expense, net of interest income and other	10.8	11.1	11.6	11.0	\$44.5
2 Write-downs and other	0.7	0.1	0.2	1.8	\$2.8
3 Other adjustments	(0.0)	0.7	0.2	2.2	\$3.1
4 Other non-cash charges	2.2	2.1	2.0	2.1	\$8.4
5 Non-cash stock compensation	1.6	3.2	4.0	5.8	\$14.6
Adjusted EBITDA	\$26.3	\$32.1	\$31.9	\$32.3	\$122.6

(\$ in mm)

	Q1	Q2	Q3	Q4	2022
Adj. EBITDA reconciliation					
Net income (loss)	(\$12.6)	\$1.5	\$0.5	\$2.5	(\$8.0)
Income tax expense (benefit)	0.5	0.1	(1.9)	(0.9)	(\$2.2)
Depreciation and amortization	18.9	19.2	19.0	18.5	\$75.5
Interest expense, net of interest income and other	9.3	8.2	10.4	11.8	\$39.7
1 Loss on extinguishment and modification of debt	8.5	0.0	0.0	0.0	\$8.5
2 Write-downs and other	0.1	0.3	1.4	0.1	\$1.9
3 Other adjustments	0.1	0.3	0.6	1.2	\$2.2
4 Other non-cash charges	2.2	2.1	2.2	2.6	\$9.1
5 Non-cash stock compensation	5.8	2.4	2.3	1.3	\$11.9
Adjusted EBITDA	\$32.8	\$34.1	\$34.5	\$37.3	\$138.6

1

Loss on extinguishment and modification of debt primarily relates to the refinancing of long-term debt, in which deferred loan costs and discounts related to old senior secured credit facilities were written-off.

2

Write-downs and other include items related to loss on disposal or impairment of long-lived assets and fair value adjustments to contingent consideration.

3

Other adjustments are primarily composed of the following:

- Costs and inventory and receivable valuation charges associated with the COVID-19 pandemic, professional fees incurred for projects, costs incurred related to public offerings, contract cancellation fees and other transaction costs deemed to be non-operating in nature;
- Acquisition and integration-related costs related to the purchase of businesses and to integrate operations and obtain costs synergies;
- Restructuring and severance costs, which primarily relate to costs incurred through the restructuring of the Company's operations from time to time and other employee severance costs recognized in the periods presented; and
- Legal and litigation related costs, which consist of payments to law firms and settlements for matters that are outside the normal course of business.

4

Other non-cash charges are costs related to non-cash charges and losses on the disposition of assets, non-cash charges on capitalized installation and delivery, which primarily includes the costs to acquire contracts that are expensed over the estimated life of each contract and non-cash charges related to accretion of contract rights under development agreements.

5

Non-cash stock-based compensation includes non-cash compensation expense related to grants of options, restricted stock, and other equity awards.

Terms Used In This Presentation

Average Monthly Lease Price (ALP): Average monthly lease price is calculated by dividing (a) total revenues recognized and directly attributable to Table Products by (b) the number of Table Products Installed Base and by (c) the number of months in such period.

Average Sales Price (ASP): Average sales price is calculated by dividing (a) total revenues recognized and directly attributable to EGM unit sales in a period by (b) the number of EGM units sold over that same period.

Electronic Gaming Machine (EGM): EGMs include, but are not limited to, slot machines, Class II machines, video poker and video lottery machines.

EGM Installed Base: EGM Installed Base is the number of recurring revenue EGM units installed on a specified date.

Revenue Per Day (RPD): RPD is calculated by dividing (a) total revenues over a specified period recognized and directly attributable to units on lease (whether on a participation or daily fee arrangement) by (b) the number of units installed over that period and by (c) the number of days in such period.

RMG: Real-money Gaming.

Table Products Installed Base: Table Products Installed Base is the number of table products installed on a specified date.

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