LIGHT & WONDER™

Third Quarter 2022
Earnings Presentation

November 9, 2022

Forward-Looking Statements

In this presentation, Light & Wonder, Inc. ("Light & Wonder," "L&W" or the "Company") makes "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements describe future expectations, plans, results or strategies and can often be identified by the use of terminology such as "may," "will," "estimate," "intend," "plan," "continue," "believe," "expect," "anticipate," "target," "should," "could," "potential," "opportunity," "goal," or similar terminology. These statements are based upon management's current expectations, assumptions and estimates and are not guarantees of timing, future results or performance. Therefore, you should not rely on any of these forward-looking statements as predictions of future events. Actual results may differ materially from those contemplated in these statements due to a variety of risks and uncertainties and other factors, including, among other things: the impact of the COVID-19 pandemic and any resulting unfavorable social, political, economic and financial conditions, including the temporary and potentially recurring closure of casinos and lottery operations on a jurisdiction-by-jurisdiction basis; risks relating to the sales of our Lottery business and Sports Betting business ("Divestitures") including that the transactions will yield additional value or will not adversely impact our business, financial results, results of operations, cash flows or stock price; our inability to successfully execute our new strategy and rebranding initiative; our inability to further de-lever and position the Company for enhanced growth with net proceeds from the Divestitures; slow growth of new gaming jurisdictions, slow addition of casinos in existing jurisdictions and declines in the replacement cycle of gaming machines; risks relating to foreign operations, including anti-corruption laws, fluctuations in currency rates, restrictions on the payment of dividends from earnings, restrictions on the import of products and financial instability; difficulty predicting what impact, if any, new tariffs imposed by and other trade actions taken by the U.S. and foreign jurisdictions could have on our business; U.S. and international economic and industry conditions; level of our indebtedness, higher interest rates, availability or adequacy of cash flows and liquidity to satisfy indebtedness, other obligations or future cash needs; inability to further reduce or refinance our indebtedness; restrictions and covenants in debt agreements, including those that could result in acceleration of the maturity of our indebtedness; competition; inability to win, retain or renew, or unfavorable revisions of, existing contracts, and the inability to enter into new contracts; the impact of U.K. legislation approving the reduction of fixed-odds betting terminals maximum stakes limit on LBO operators, including the related closure of certain LBO shops; inability to adapt to, and offer products that keep pace with, evolving technology, including any failure of our investment of significant resources in our R&D efforts; changes in demand for our products and services; inability to achieve some or all of the anticipated benefits of SciPlay being a standalone public company; dependence on suppliers and manufacturers; SciPlay's dependence on certain key providers; ownership changes and consolidation in the gaming industry; fluctuations in our results due to seasonality and other factors; security and integrity of our products and systems, including the impact of any security breaches or cyber-attacks; protection of our intellectual property, inability to license third-party intellectual property and the intellectual property rights of others; reliance on or failures in information technology and other systems; litigation and other liabilities relating to our business, including litigation and liabilities relating to our contracts and licenses, our products and systems, our employees (including labor disputes), intellectual property, environmental laws and our strategic relationships; reliance on technological blocking systems; challenges or disruptions relating to the completion of the domestic migration to our enterprise resource planning system; laws and government regulations, both foreign and domestic, including those relating to gaming, data privacy and security, including with respect to the collection, storage, use, transmission and protection of personal information and other consumer data, and environmental laws, and those laws and regulations that affect companies conducting business on the internet, including online gambling; legislative interpretation and enforcement, regulatory perception and regulatory risks with respect to gaming, especially internet wagering, social gaming and sports wagering; changes in tax laws or tax rulings, or the examination of our tax positions; opposition to legalized gaming or the expansion thereof and potential restrictions on internet wagering; significant opposition in some jurisdictions to interactive social gaming, including social casino gaming and how such opposition could lead these jurisdictions to adopt legislation or impose a regulatory framework to govern interactive social gaming or social casino gaming specifically, and how this could result in a prohibition on interactive social gaming or social casino gaming altogether, restrict our ability to advertise our games, or substantially increase our costs to comply with these regulations; expectations of shift to regulated digital gaming or sports wagering; inability to develop successful products and services and capitalize on trends and changes in our industries, including the expansion of internet and other forms of digital gaming; the continuing evolution of the scope of data privacy and security regulations, and our belief that the adoption of increasingly restrictive regulations in this area is likely within the U.S. and other jurisdictions; incurrence of restructuring costs; goodwill impairment charges including changes in estimates or judgments related to our impairment analysis of goodwill or other intangible assets; stock price volatility; failure to maintain adequate internal control over financial reporting; dependence on key executives; natural events that disrupt our operations, or those of our customers, suppliers or regulators; and expectations of growth in total consumer spending on social casino gaming.

Additional information regarding risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated in forward-looking statements is included from time to time in our filings with the Securities and Exchange Commission ("SEC"), including the Company's current reports on Form 8-K and quarterly reports on Form 10-Q and its latest Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2021 on March 1, 2022 (including under the headings "Forward Looking Statements" and "Risk Factors"). Forward-looking statements speak only as of the date they are made and, except for our ongoing obligations under the U.S. federal securities laws, we undertake no and expressly disclaim any obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

Additional Notes
This presentation may contain references to industry market data and certain industry forecasts. Industry market data and industry forecasts are obtained from publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of that information is not guaranteed. Although we believe industry information to be accurate, it is not independently verified by us and we do not make any representation as to the accuracy of that information. In general, we believe there is less publicly available information concerning the international gaming, social and digital gaming industries than the same industries in the U.S.

Due to rounding, certain numbers presented herein may not precisely recalculate. As described below, we have reclassified certain prior period amounts within this presentation to be consistent with the current period presentation for discontinued operations, which we believe is more meaningful to readers of our condensed consolidated financial statements. Unless otherwise stated, information in this presentation relates to continuing operations.

Discontinued Operations
On September 27, 2021, and amended on June 30, 2022 and August 2, 2022, we entered into a definitive agreement to sell our Sports Betting business to Endeavor Operating Company, LLC, a subsidiary of Endeavor Group Holdings, Inc., in a cash and stock transaction, which was completed during the third quarter of 2022. On October 27, 2021, we entered into a definitive agreement to sell our Lottery business to Brookfield Business Partners L.P., which was completed during the second quarter of 2022. Accordingly, the financial results for our Lottery business and the Sports Betting business presented in the Consolidated Statements of Operations presented herein have been reclassified to discontinued operations.

We report our continuing operations in three business segments—Gaming, SciPlay and iGaming—representing our different products and services.

Becoming the Leading Cross-platform Global Games Company

Executing on Clear Roadmap to Drive Long-Term Value

Clear Roadmap & Differentiated Position

to take share of $70B TAM

Streamlined Organization

Singularly focused on building great franchises & games across land-based, digital, and mobile

Double-Digit Growth Underpinned by Healthy Balance Sheet

Fueled by R&D engine and best-in-class talent

Disciplined Capital Allocation Strategy

to unlock shareholder value

Strong Business Momentum & Execution on Key Strategic Initiatives

Continued Strong Operating Performance

- Grew Consolidated Revenue **20% YoY and 6% QoQ;** Consolidated AEBITDA[1] **up 16% YoY and 11% QoQ**
- **Gaming revenue +24% YoY**, **strength in all businesses** driven by success of product roadmap
- **iGaming revenue +9% YoY** with **U.S. revenues up ~39%** fueled by market growth and share gains
- **SciPlay revenue +17% YoY** with **outperformance in Social Casino** & **record ARPDAU**[2] of $0.80

Making Tangible Progress on Our Roadmap & Initiatives

- **Gained share in N.A. Replacement Sales & Australia** underpinned by leading cabinets & games
- **Leading iGaming U.S. share** fueled by original content with record land-based title launches
- **Record performance at Jackpot Party and Quick Hit**, benefiting from investments in SciPlay Engine
- **Making disciplined and capital-efficient investments in R&D engine** to fuel product roadmap

Completed Final Step to Streamline Portfolio & Transform Balance Sheet

- **Closed Sports Betting business sale** generating **~$800 million in gross proceeds**
- **Achieved net debt leverage ratio[1] of 3.1x**, squarely in **targeted range[3] of 2.5x to 3.5x**
- Returned significant capital, **repurchased 4.4 million[4] shares for $241 million, or over 30% of total program**

N.A. – North America.
(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix.
(2) Average Revenue Per Daily Active User.
(3) Additional information on the non-GAAP financial measure targeted net debt leverage ratio is available in the appendix.
(4) Share count since inception of share repurchase program through November 4, 2022.

Centralized R&D Engine
Fueling Our Product Roadmap

Gaming

- Scaling R&D, optimizing studio pipeline & driving efficiencies
- New cabinets in all critical segments
- Systems modernization & House Advantage asset acquisition

iGaming

- Expanding original content offering & launched Las Vegas Studio
- Scaling of Lightning Box, Elk Studios & Playzido
- Michigan scheduled for first Live-Dealer launch in the U.S.[1]

SciPlay

- Centralizing features & capabilities in SciPlay Engine
- 1 to 2 new game launches per year
- Building a direct-to-consumer platform

Cross-Platform

- Multiple games to be released in 2023 coordinated across Gaming, iGaming, and Social
- Testing and refining games in digital prior to land-based launch

(1) Subject to regulatory approvals.

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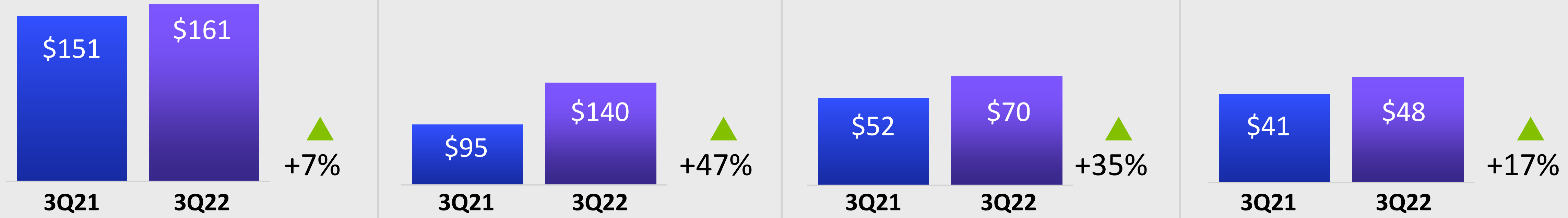
Operational Highlights

Strong Performance Across All Gaming Business Lines
Fueled By Product Success

IN $MILLIONS

Revenue



Game Ops

- Continued growth with **9th consecutive quarterly increase** in N.A. Premium installed base
- Premium units **+10% YoY, record 45%** of total N.A. mix
- N.A. revenue per day **increased 7% YoY to** approximately **$46**

Game Sales

- Increased global Game Sales units **12% sequentially and 45% YoY**
- Accelerating sales with 4,400 units delivered in N.A. in the quarter, **+37% YoY**
- Achieved **20% share in Australia, a 3-fold increase** in 18 months

Systems

- Strong iView4 momentum with N.A. shipments nearly **doubling YoY**
- Nearly **doubled cashless connections to over 28,000**
- **2/3 of slots** connected to our System are **enabled for cashless**

Tables

- **Grew our shuffler installed base** sequentially and YoY
- **Increased our table games subscription program** and now comprises **> 50%** of our customer base

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N.A. – North America.

High-Performing Games and Cabinets in all Critical Segments

Kascada®
- New brand extension, ***Golden Fire Link***, **off to a strong start** in Q3
- **Placed over 14,000 units** on gaming floors since launch

Mural®
- ***Ultimate Fire Link Explosion™*** *continued to rank* **#1 Premium Lease game**(1)
- Highly anticipated **Studio X game "*Dragon*" launching in 1Q 2023**

Kascada® Dual Screen
- **#1 Multi-screen Upright Cabinet** 7 months running(1)
- ***Huff N' More Puff*** and ***Gold Fish Feeding Time*** in **top 5 overall core games** in N.A.(1)
- **First time ever** with **top 4 ranked games in Queensland,** led by ***Dragon Unleashed***

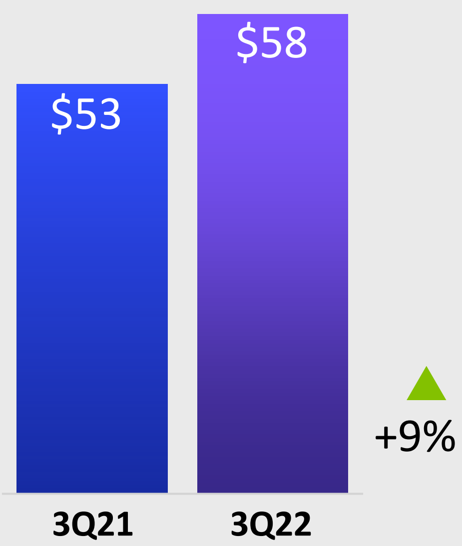
Landmark™ 7000
- **2 of top 5 new games with *Blazing 777®s Triple Double Jackpot Wild*** & ***2x3x5x*** (1)
- **Landmark with Wheel** launched in Q3 with ***Sinatra*** and off to a **strong start**

(1) Eilers Research.

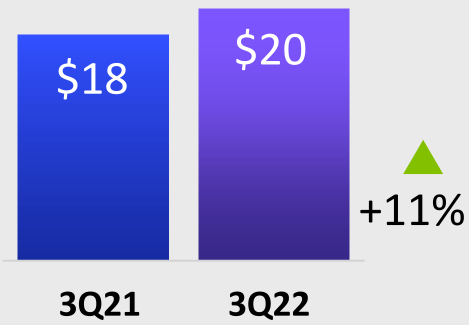
Record Launches of Evergreen Franchises Driving iGaming Performance

IN $MILLIONS

iGaming Revenue



iGaming AEBITDA



Key Highlights

- Reported Revenue of $58 million benefited from **continued strong performance in the U.S.** and **acquisitions**
  - Driven by **growth in GGR in all territories** as scaled original content launches globally
  - **FX impacted revenue in** the quarter by **~10 percentage points**
- AEBITDA **increased 11% driven by topline growth**
- U.S. iGaming revenue **increased ~39%** YoY driven by **GGR scaling** as well as continued **market share gains**
- GGR in Canada increased **four sequential quarters**, **now live with 15 operators in Ontario**
- Continued rebound in the **U.K. and Europe** with **sequential and YoY growth in GGR**; **ELK** and **Lightning Box recorded record quarters**

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Ramping iGaming
Original Content Releases

United States & Canada

Land-Based Content	Digital Native Content	Live-Dealer
		Set to launch in Michigan[1] • Blackjack • Baccarat • Roulette

2 EPIC LAND-BASED +1 DIGITAL NATIVE LAUNCH EVERY MONTH + LIVE DEALER LAUNCH

International

United Kingdom	European Union	ELK Studios

REGIONALIZED ROADMAP & SCALING OF NEW GAME LAUNCHES DRIVING SUCCESS

(1) Subject to regulatory approvals.

SciPlay Record Performance as we Outpace the Social Casino Market

Key Highlights

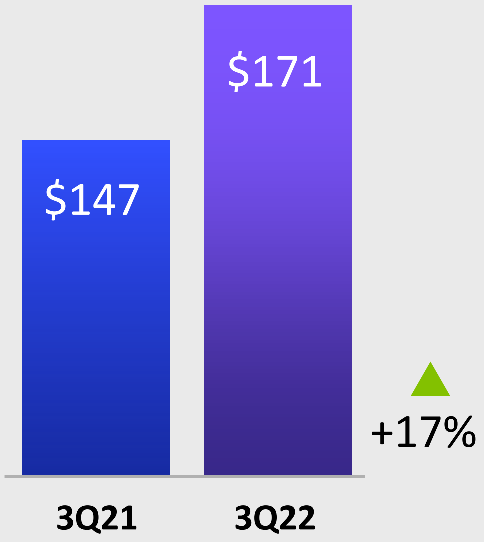
- Record revenue **up 17% YoY** benefitting from continued **strength in social casino business, which outpaced market,** and **Alictus**

> ***Jackpot Party®*** and ***Quick Hit Slots®*** generated **record quarterly revenue** reflecting success of investments in core capabilities

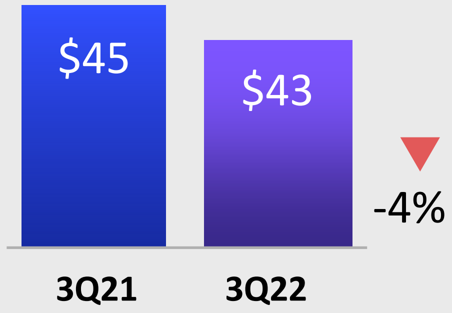
- **Grew ARPDAU**[1] **16% YoY** and **8% sequentially** to a **record $0.80**
- **Record payer conversion** rate of **9.7%, up 120 bps YoY**
- AEBITDA of $43 million **impacted by investments in key growth initiatives** and **higher marketing innovation spend**; margins expected to improve in 4Q as move past innovation spend

IN $MILLIONS

SciPlay Revenue



SciPlay AEBITDA



(1) Average Revenue Per Daily Active User.

Investing to Drive Long-Term Growth

SciPlay Executing on Key Initiatives

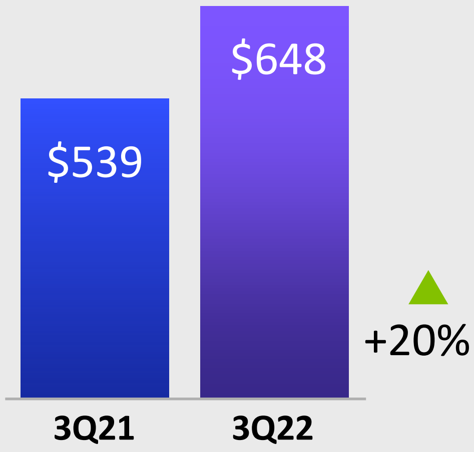
- **Centralizing SciPlay Engine features & capabilities** to drive further retention, increase reach and provide enhanced value to players to deepen engagement and scale monetization
- **Launching Direct-to-Consumer platform** in Q4 to further enhance player lifetime value and margins
- **Executing on marketing innovation strategy** with campaigns to drive awareness and grow players
- On track to **tech test *SpellSpinner: Fantasy Quest*** in the fourth quarter of 2022
- Alictus progressing with **pivot to Android 1st development** process; launched two new games in the quarter with ***Fade Master Barbershop 3D™* as top ranked game** on in both Android and iOS

Financials

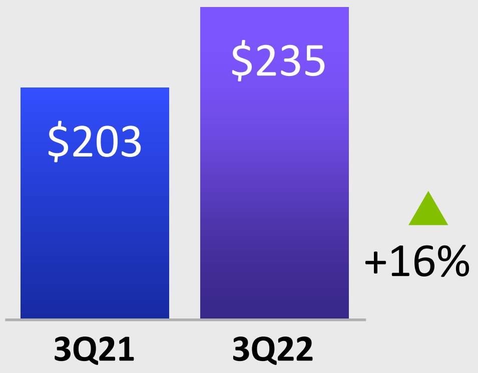
Strong Performance with Double-Digit Top-Line & Bottom-Line Growth

IN $MILLIONS

Consolidated Revenue



Consolidated AEBITDA[1]



Key Highlights

- **Consolidated Revenue grew 20%** YoY benefiting from **strong performance across all three business segments** including double-digit revenue growth in Gaming and SciPlay
- **Consolidated AEBITDA[1] increased 16%** YoY driven by strong topline performance, partially offset by continued investments in key growth initiatives
- Gaming **continued to build upon strong momentum** from 2Q22, with **revenue growth of 24%** and AEBITDA **growth of 17%** YoY
- SciPlay delivered record revenue in the quarter, benefitting from **investments in its core social casino business** and **Alictus**

(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix.

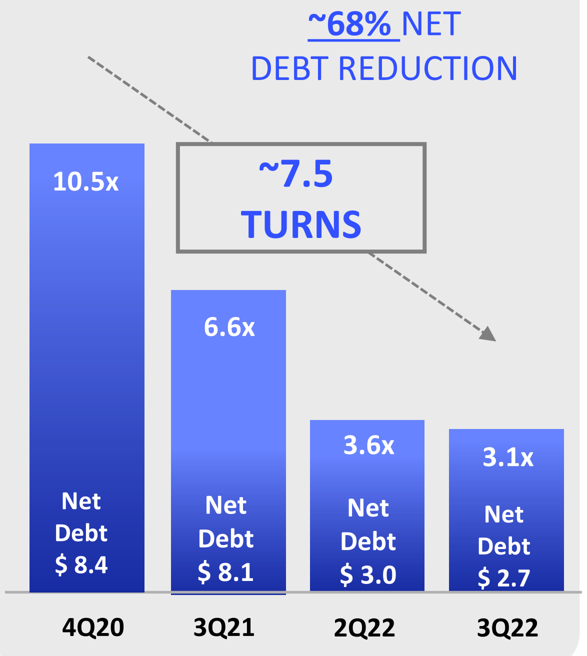
Achieved Our Targeted Net Debt Leverage Ratio Range[1][2]

Key Highlights

- **Completed Sports Betting business sale** generating ~**$800 million** in gross proceeds**; final step to streamline the organization**
- Reported principal face value of debt outstanding **of $3.9 billion** and **achieved net debt leverage ratio[1] of 3.1x,** squarely in targeted range**[2]** of 2.5x to 3.5x
    - Reduction in leverage of **~7.5 turns or 70% from peak of 10.5x**
- Interest **expense benefited from full quarter post debt paydown & refinancing**, partially offset by higher rate environment

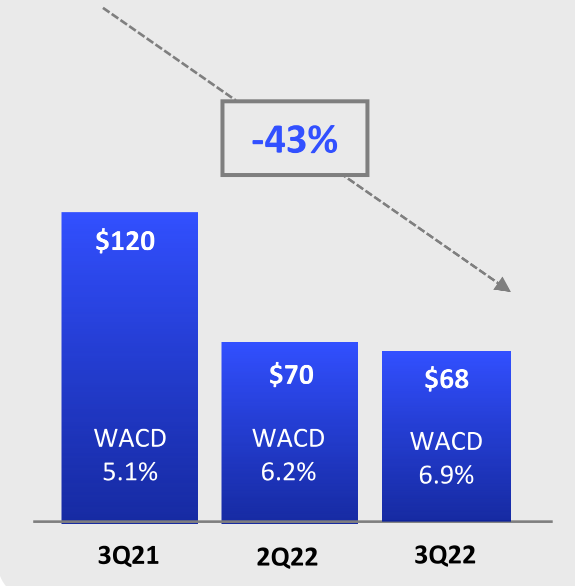
IN $BILLIONS

Net Debt Leverage Ratio[1]



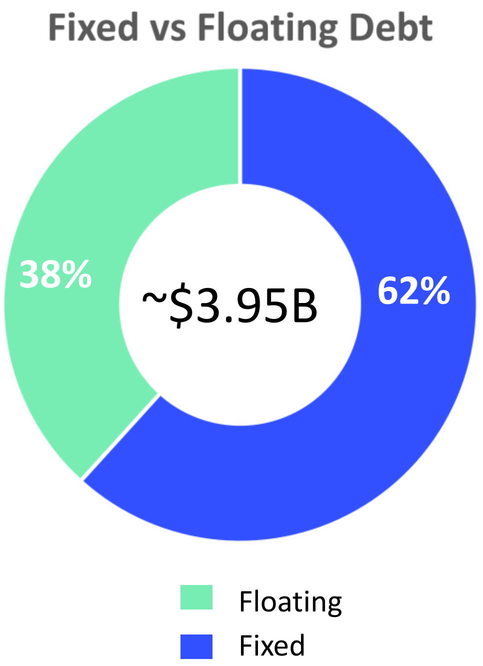
IN $MILLIONS

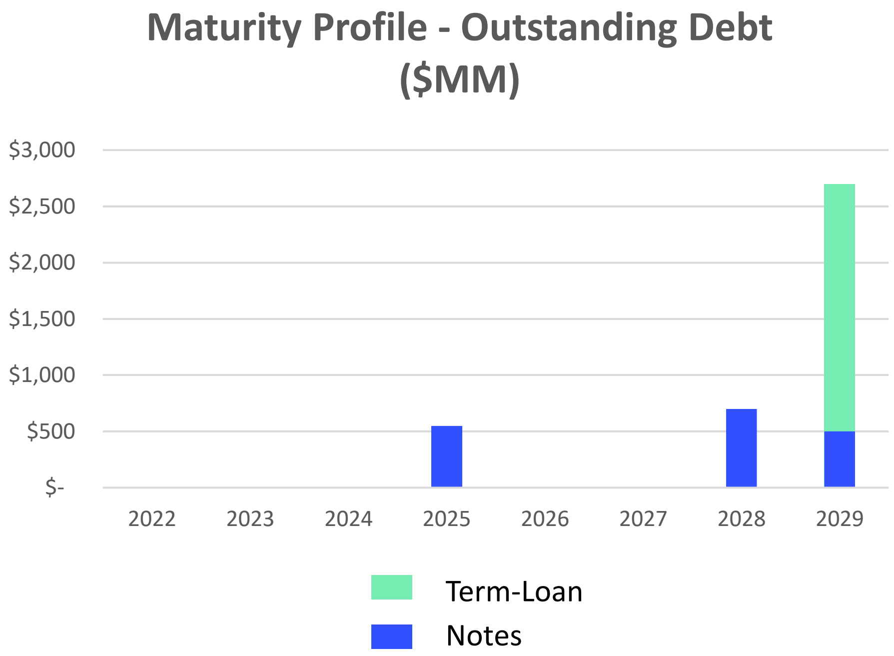
Interest Expense



(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix.
(2) Additional information on the non-GAAP financial measure targeted net debt leverage ratio is available in the appendix.

Reconstituted Balance Sheet Provides Competitive Advantage





Key Highlights

- **Reconstituted debt profile** with **62% fixed and 38% floating** mix
  - **Hedged** variable interest rate exposure with a **$700 million variable to fixed interest rate swap** with new Term Loan B in April this year
- No significant **debt maturities until 2025**
- **Ability to invest in R&D engine and service debt maturities from organic cash flows** regardless of economic cycle
- Increased weighted average maturity of debt from **2.8 years at Q1 to 5.5 years at Q3**

Combined Free Cash Flow (1)(2)

IN $MILLIONS

	3Q22	3Q21
Combined net cash (used in) provided by operating activities	**$ (351)**	**$ 187**
Capital expenditures	(65)	(64)
Other	4	7
Combined free cash flow (1)(2)	**$ (420)**	**$ 130**

Supplemental cash flow information - Strategic Review and Related Costs Impacting Combined Free Cash Flows:

Professional fees and services supporting Strategic review and related activities	$ 8
Income taxes related to dispositions	465
SciPlay legal settlement payment	25

Key Highlights

Cash flow was principally impacted by the following:

- **Tax payments of $465 million** associated with the sale of the Lottery business
- Costs related to **strategic transactions & SciPlay legal settlement**
- Benefit from **lower cash interest payments due to refinancing**
- Changes in working capital as we continue to **invest to meet the growing demand from operators** for our products

(1) Combined free cash flow consists of Free cash flow from continuing operations and Free cash flow from discontinued operations.
(2) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix.

Leading the Future of the Games Industry

Differentiated Value Proposition

- **Leading** global games and platform provider
- **Unmatched** market positions and cross-platform capability
- **Transformed** balance sheet
- **Double-digit CAGR growth**, with high margins and robust cash flow generation
- **Significant capital creation** driving enhanced shareholder value

Appendix

Non-GAAP Financial Measures

The Company's management ("Management") uses the following non-GAAP financial measures in conjunction with GAAP financial measures: Consolidated AEBITDA (representing continuing operations), AEBITDA from discontinued operations, Combined AEBITDA, Free cash flow (representing continuing operations), Free cash flow from discontinued operations, Combined free cash flow, EBITDA from equity investments included in discontinued operations, Net debt and Net debt leverage ratio (each, as described more fully below). These non-GAAP financial measures are presented as supplemental disclosures. They should not be considered in isolation of, as a substitute for, or superior to, the financial information prepared in accordance with GAAP, and should be read in conjunction with the Company's financial statements filed with the SEC. The non-GAAP financial measures used by the Company may differ from similarly titled measures presented by other companies. Specifically, the Management uses Consolidated AEBITDA to, among other things: (i) monitor and evaluate the performance of the Company's continuing operations; (ii) facilitate Management's internal and external comparisons of the Company's consolidated historical operating performance; and (iii) analyze and evaluate financial and strategic planning decisions regarding future operating investments and operating budgets. In addition, Management uses Consolidated AEBITDA to facilitate Management's external comparisons of the Company's consolidated results from continuing operations to the historical operating performance of other companies that may have different capital structures and debt levels. Management uses Net debt and Net debt leverage ratio in monitoring and evaluating the Company's overall liquidity, financial flexibility and leverage. As described in this presentation, the Company divested its Lottery business and Sports Betting business and as such, historical financial information for these businesses is classified as discontinued operations, as described above. Management believes that Combined free cash flow is useful during the period until the disposition occurs as it provides Management and investors with information regarding the Company's combined financial condition under the structure as of September 30, 2022, including for prior period comparisons, as the Company is transforming its strategy subsequent to the divestitures. Additionally, Combined free cash flow provides greater visibility into cash available for the continuing operations to use in investing and financing decisions as this cash flow remains available for such decisions. Management believes that these non-GAAP financial measures are useful as they provide Management and investors with information regarding the Company's financial condition and operating performance that is an integral part of Management's reporting and planning processes. In particular, Management believes that Consolidated AEBITDA is helpful because this non-GAAP financial measure eliminates the effects of restructuring, transaction, integration or other items that Management believes are less indicative of the ongoing underlying performance of continuing operations (as more fully described below) and are better evaluated separately. Management believes that Free cash flow and Combined free cash flow provide useful information regarding the Company's liquidity and its ability to service debt and fund investments. Management also believes that Free cash flow and Combined free cash flow are useful for investors because they provide investors with important perspectives on the cash available for debt repayment and other strategic measures, after making necessary capital investments in property and equipment, necessary license payments to support the ongoing business operations, adjustments for changes in restricted cash impacting working capital and taking into account cash flows relating to the Company's equity investments. Additionally, Management believes that AEBITDA from discontinued operations and Free cash flow from discontinued operations provide useful information regarding the Company's operations and provide the impact of the discontinued businesses on the overall financial results for the periods presented as they remained under the structure of the Company for the periods presented. These non-GAAP measures are derived based on the historical records and include only those direct costs that are allocated to discontinued operations and as such do not include all of the expenses that would have been incurred by these businesses as a standalone company or other Corporate and shared allocations and such differences might be material.

Consolidated AEBITDA (representing AEBITDA from continuing operations)

Consolidated AEBITDA, as used herein, is a non-GAAP financial measure that is presented as a supplemental disclosure of the Company's continuing operations and is reconciled to net income (loss) from continuing operations as the most directly comparable GAAP measure, as set forth in the schedule titled "Reconciliation of Net Income (Loss) Attributable to L&W to Consolidated AEBITDA – Continuing Operations." Consolidated AEBITDA should not be considered in isolation of, as a substitute for, or superior to, the consolidated financial information prepared in accordance with GAAP, and should be read in conjunction with the Company's financial statements filed with the SEC. Consolidated AEBITDA may differ from similarly titled measures presented by other companies. Consolidated AEBITDA is reconciled to Net income attributable to L&W and includes the following adjustments: (1) Net income attributable to noncontrolling interest; (2) Net income from discontinued operations, net of tax; (3) Restructuring and other, which includes charges or expenses attributable to: (i) employee severance; (ii) Management restructuring and related costs; (iii) restructuring and integration; (iv) cost savings initiatives; (v) major litigation; and (vi) acquisition costs and other unusual items; (4) Depreciation, amortization and impairment charges and Goodwill impairments; (5) Loss on debt financing transactions; (6) Change in fair value of investments and (Gain) loss on remeasurement of debt and other; (7) Interest expense; (8) Income tax expense (benefit); (9) Stock-based compensation; and (10) Other income, net, including foreign currency (gains) and losses, and earnings from equity investments. AEBITDA is presented exclusively as our segment measure of profit or loss.

AEBITDA from Discontinued Operations

AEBITDA from discontinued operations, as used herein, is a non-GAAP financial measure that is presented as a supplemental disclosure for the Company's discontinued operations and is reconciled to net income from discontinued operations, net of tax as the most directly comparable GAAP measure, as set forth in the schedule titled "Reconciliation of Net Income from Discontinued Operations, Net of Tax to AEBITDA from Discontinued Operations." AEBITDA from discontinued operations should not be considered in isolation of, as a substitute for, or superior to, the consolidated financial information prepared in accordance with GAAP, and should be read in conjunction with the Company's financial statements filed with the SEC. AEBITDA from discontinued operations may differ from similarly titled measures presented by other companies and is presented only for purposes of calculating and reconciling Net debt leverage ratio. AEBITDA from discontinued operations is reconciled to Net income from discontinued operations, net of tax and includes the following adjustments: (1) Restructuring and other, which includes charges or expenses attributable to: (i) employee severance; (ii) Management restructuring and related costs; (iii) restructuring and integration; (iv) cost savings initiatives; (v) major litigation; and (vi) acquisition costs and other unusual items; (2) Depreciation, amortization and impairment charges and Goodwill impairments; (3) Income tax expense; and (4) Stock-based compensation and other, net. In addition to the preceding adjustments, we exclude Earnings from equity investments and add (without duplication) discontinued operations pro rata share of EBITDA from equity investments, which represents their share of earnings (whether or not distributed) before income tax expense, depreciation and amortization expense, and interest expense, net of our joint ventures and minority investees, which is included in our calculation of AEBITDA from discontinued operations.

Non-GAAP Financial Measures (Cont'd)

Combined AEBITDA

Combined AEBITDA, as used herein, is a non-GAAP financial measure that combines Consolidated AEBITDA (representing our continuing operations), AEBITDA from discontinued operations and EBITDA from equity investments included in continuing operations and is presented as a supplemental disclosure. Combined AEBITDA should not be considered in isolation of, as a substitute for, or superior to, the consolidated financial information prepared in accordance with GAAP, and should be read in conjunction with the Company's financial statements filed with the SEC. Combined AEBITDA may differ from similarly titled measures presented by other companies and is presented only for purposes of calculating and reconciling Net debt leverage ratio.

Free Cash Flow - Continuing Operations

Free cash flow, as used herein, represents net cash provided by operating activities from continuing operations less total capital expenditures, less payments on license obligations, less contributions to equity method investments plus distributions of capital from equity investments, and adjusted for changes in restricted cash impacting working capital. Free cash flow is a non-GAAP financial measure that is presented as a supplemental disclosure for illustrative purposes only and is reconciled to net cash provided by operating activities, the most directly comparable GAAP measure, in a schedule below and representing Free cash flows of our continuing operations.

Free Cash Flow from Discontinued Operations

Free cash flow from discontinued operations, as used herein, represents net cash provided by operating activities from discontinued operations less total capital expenditures, less payments on license obligations, less contributions to equity method investments plus distributions of capital from equity investments, and adjusted for changes in restricted cash impacting working capital. Free cash flow from discontinued operations is a non-GAAP financial measure that is presented as a supplemental disclosure for illustrative purposes only and is reconciled to net cash provided by operating activities from discontinued operations, the most directly comparable GAAP measure, in a schedule below.

Combined Free Cash Flow

Combined free cash flow, as used herein, represents a non-GAAP financial measure that combines Free cash flows from continuing operations and Free cash flows from discontinued operations and is presented as a supplemental disclosure for illustrative purposes only.

EBITDA from Equity Investments

EBITDA from equity investments, as used herein, represents our share of earnings (loss) (whether or not distributed to us) plus income tax expense, depreciation and amortization expense (inclusive of amortization of payments made to customers for LNS), interest income, net, and other non-cash and unusual items from our joint ventures and minority investees. EBITDA from equity investments is a non-GAAP financial measure that is presented as supplemental disclosure for illustrative purposes only and is reconciled to earnings (loss) of equity investments, the most directly comparable GAAP measure, in a schedule below.

Net Debt and Net Debt Leverage Ratio

Net debt is defined as total principal face value of debt outstanding, the most directly comparable GAAP measure, less combined cash and cash equivalents. Principal face value of debt outstanding includes the face value of debt issued under Senior Secured Credit Facilities, Senior Notes and Subordinated Notes, which are all described in Note 15 of the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and in Note 11 of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, but it does not include other long term obligations of $2 million primarily comprised of certain revenue transactions presented as debt in accordance with ASC 470. In addition, principal face value of debt outstanding with respect to the 2026 Secured Euro Notes and 2026 Unsecured Euro Notes (paid off as of June 30, 2022) were translated at the constant foreign exchange rate at issuance of these notes as those amounts were payable at the original issuance amounts in Euro. Net debt leverage ratio, as used herein, represents Net debt divided by Consolidated AEBITDA for current period and Combined AEBITDA for prior period (as defined below). The forward-looking non-GAAP financial measure targeted net debt leverage ratio is presented on a supplemental basis and does not reflect Company guidance. We are not providing a forward-looking quantitative reconciliation of targeted net debt leverage ratio to the most directly comparable GAAP measure because we are unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the relevant period.

L&W Reconciliation of Consolidated AEBITDA — Continuing Operations, AEBITDA from Discontinued Operations and Combined AEBITDA

	Three Months Ended			Twelve Months Ended			
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	June 30, 2022	September 30, 2021	December 31, 2020
Reconciliation of Net Income (Loss) Attributable to L&W to Consolidated AEBITDA - Continuing Operations							
Net income (loss) attributable to L&W	**$ 328**	**$ 3,291**	**$ 182**	**$ 3,739**	**$ 3,594**	**$ 186**	**$ (569)**
Net income attributable to noncontrolling interest	7	4	5	16	15	21	21
Net income from discontinued operations, net of tax	(315)	(3,445)	(87)	(3,890)	(3,663)	(398)	(253)
Net income (loss) from continuing operations	**20**	**(150)**	**100**	**(135)**	**(54)**	**(191)**	**(801)**
Restructuring and other	27	42	45	176	194	104	56
Depreciation, amortization and impairments	102	107	96	426	420	402	449
Goodwill impairment	-	-	-	-	-	-	54
Other (income) expense, net	(1)	(2)	-	(16)	(15)	(21)	9
Interest expense	68	70	120	372	424	485	503
Income tax expense (benefit)	4	1	(172)	(146)	(323)	(167)	(3)
Stock-based compensation	15	17	26	79	90	99	56
Loss on debt financing transactions	-	147	-	147	147	-	-
(Gain) loss on remeasurement of debt and other	-	(20)	(12)	(38)	(50)	(5)	51
Consolidated AEBITDA - continuing operations	**$ 235**	**$ 212**	**$ 203**	**$ 865**	**$ 833**	**$ 706**	**$ 374**
Reconciliation of Net Income from Discontinued Operations, Net of Tax to AEBITDA from Discontinued Operations							
Net income from discontinued operations, net of tax						$ 398	$ 253
Income tax expense						2	7
Restructuring and other						4	11
Depreciation, amortization and impairments						106	105
EBITDA from equity investments [(1)]						71	30
(Earnings) loss from equity investments						(31)	9
Stock-based compensation and other, net						(35)	4
AEBITDA from discontinued operations						**$ 515**	**$ 419**
EBITDA from equity investments - continuing operations [(1)]						8	7
Combined AEBITDA						**$ 1,229**	**$ 800**

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Note: Unaudited, U.S. Dollars in millions.
(1) EBITDA from Equity Investments is a non-GAAP financial measure reconciled to Earnings (loss) from equity investments on slide 25.

L&W Reconciliation of Principal Face Value of Debt Outstanding to Net Debt Leverage Ratio

	As of			
	September 30, 2022	June 30, 2022	September 30, 2021	December 31, 2020
Consolidated AEBITDA/Combined AEBITDA[1]	$ 865	$ 833	$ 1,229	$ 800
Total debt	$ 3,898	$ 3,902	$ 8,846	$ 9,303
Add: Unamortized debt discount/premium and deferred financing costs, net	49	51	89	104
Add: Impact of exchange rate	-	-	46	7
Less: Debt not requiring cash repayment and other	(2)	(3)	(5)	(7)
Principal face value of debt outstanding	3,945	3,950	8,976	9,407
Less: Cash and cash equivalents[2]	1,277	971	844	1,016
Net debt	$ 2,668	$ 2,979	$ 8,132	$ 8,391
Net debt leverage ratio	**3.1**	**3.6**	**6.6**	**10.5**

Note: Unaudited, U.S. Dollars in millions

(1) Combined AEBITDA consists of Consolidated AEBITDA - continuing operations, AEBITDA from discontinued operations and EBITDA from equity investments included in continuing operations. Refer to the reconciliation of Combined AEBITDA included in the table titled "Reconciliation of Consolidated AEBITDA — Continuing Operations, AEBITDA from Discontinued Operations and Combined AEBITDA" for the periods presented on slide 22.

(2) Includes cash and cash equivalents of both continuing operations and discontinued operations (for periods prior to September 30, 2022), as the combined amount was available for debt payments.

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L&W Reconciliation of Net Cash (Used in) Provided by Operating Activities to Free Cash Flow — Continuing Operations and Combined Free Cash Flow

	Three Months Ended September 30,									
	2022					2021				
	Continuing Operations					Continuing Operations				
	Operations (exc. interest and taxes)	Cash interest and taxes[1]	Total	Discontinued Operations[2]	Combined[3]	Operations (exc. interest and taxes)	Cash interest and taxes[1]	Total	Discontinued Operations[2]	Combined[3]
Net cash (used in) provided by operating activities	$ 167	$ (526)	$ (359)	$ 8	$ (351)	$ 221	$ (132)	$ 89	$ 98	$ 187
Less: Capital expenditures	(58)	-	(58)	(7)	(65)	(43)	-	(43)	(21)	(64)
Less: Distributions from equity method investments, net of additions	-	-	-	-	-	1	-	1	4	5
Less: Payments on license obligations	(6)	-	(6)	-	(6)	(1)	-	(1)	-	(1)
Add (less): Change in restricted cash impacting working capital	2	-	2	-	2	(1)	-	(1)	4	3
Free cash flow	**$ 105**	**$ (526)**	**$ (421)**	**$ 1**	**$ (420)**	**$ 177**	**$ (132)**	**$ 45**	**$ 85**	**$ 130**

Supplemental cash flow information - Strategic Review and Related Costs Impacting Combined Free Cash Flows:	
Professional fees and services supporting Strategic review and related activities	$ 8
Income taxes related to dispositions	465
SciPlay legal settlement payment	25

Note: Unaudited, U.S. Dollars in millions.

(1) Represents cash taxes and cash interest paid on our existing debt, which has not historically been allocated to our business segments. We present this column to provide the impact of our current debt structure on our operating cash flows from continuing operations to provide greater comparability to cash flows generated by our continuing and discontinued operations.

(2) Free cash flow from discontinued operations, a non-GAAP measure, is derived based on the historical records and includes only those direct cash flows that are allocated to discontinued operations. See above for further description and disclaimers associated with this non-GAAP measure.

(3) Combined Free cash flow consists of Free cash flow (representing Free cash flow from continuing operations) and Free cash flow from discontinued operations. Refer to non-GAAP financial measure definitions above for further details.

L&W Reconciliation of Earnings (Loss) from Equity Investments to EBITDA from Equity Investments

	Twelve Months Ended			
	September 30, 2021		December 31, 2020	
	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations
Earnings (loss) from equity investments	**$ 4**	**$ 31**	**$ 3**	**$ (9)**
Add: Income tax expense	-	8	-	3
Add: Depreciation, amortization and impairments	2	30	1	31
Add: Interest income, net and other	2	2	3	5
EBITDA from equity investments	**$ 8**	**$ 71**	**$ 7**	**$ 30**
Combined EBITDA from equity investments[1]		**$ 79**		**$ 37**

Note: Unaudited, U.S. Dollars in millions

(1) Combined EBITDA from equity investments consists of EBITDA from both discontinued and continuing operations equity investments.