



# **Everri Holdings Inc.**

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& Technology Conference –  
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**NYSE: EVRI**

# SAFE HARBOR DISCLAIMER

## Forward-Looking Statements

This presentation contains “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. Generally, forward-looking statements address our expected future business and financial performance, and often contain words such as “goal,” “target,” “indication,” “future,” “estimate,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “project,” “may,” “should,” “designed to,” “in an effort to,” “will provide,” “look forward to,” or “will” and similar expressions to identify forward-looking statements. These statements are based upon management’s current expectations, assumptions, and estimates; and although the Company believes the forward-looking statements are reasonable, they are not assurances of timing, future events, or performance. Actual results may differ materially from those contemplated in these statements, due to risks and uncertainties. Examples of forward-looking statements include, among others, statements we make regarding our ability to recover from the impact of the COVID-19 global pandemic and maintain growth; our ability to grow from new customer wins, new property openings, and the entrance into new product categories combined with new products like *QuikTicket*® and *CashClub Wallet*®; opportunities for expansion into new markets, including international opportunities; our positioning for the future; the recurring nature of our revenues; expected key initiatives to deliver ongoing operating and financial improvements, regain revenue momentum, sustain overall growth, generate Adjusted EBITDA and free cash flow, and improve the Company’s capital structure; our ability to drive growth in sales of Games units and FinTech hardware, the installed base, and Daily Win per Unit; our projected financial performance and credit statistics; and our ability to execute and create incremental value for our shareholders, as well as statements regarding our expectations for the industry environment and the adoption of our products and technologies.

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Forward-looking statements are neither historical facts nor assurances of future performance. Instead, these statements are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent risks, uncertainties and changes in circumstances that are often difficult to predict and many of which may be beyond our control. Our actual results and financial condition may differ materially from those indicated in forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, without limitation, our ability to execute on mergers, acquisitions and/or strategic alliances, including the timing and closing of acquisitions and our ability to integrate and operate such acquisitions consistent with our forecasts; the impact of the ongoing COVID-19 global pandemic on our business, operations and financial condition, our history of net losses and our ability to generate profits in the future; our debt leverage and the related covenants that restrict our operations; our ability to generate sufficient cash to service all of our indebtedness, fund working capital, and capital expenditures; our ability to withstand unanticipated impacts of a pandemic outbreak of uncertain duration; our ability to withstand the loss of revenue during the closure of our customers' facilities; our ability to maintain our current customers; our ability to compete in the gaming industry; our ability to access the capital markets to raise funds; expectations regarding our existing and future installed base and win per day; expectations regarding development and placement fee arrangements; inaccuracies in underlying operating assumptions; expectations regarding customers' preferences and demands for future gaming offerings; expectations regarding our product portfolio; the overall growth of the gaming industry, if any; our ability to replace revenue associated with terminated customer contracts; margin degradation from contract renewals; technological obsolescence; our ability to comply with the Europay, MasterCard and Visa global standard for cards equipped with security chip technology; our ability to introduce new and enhanced products and services, including third-party licensed content; gaming establishment and patron preferences; our ability to prevent, mitigate or timely recover from cybersecurity breaches, attacks and compromises; the level of our capital expenditures and product development; anticipated sales performance; employee turnover; national and international economic conditions; global supply chain disruption; changes in global market, business and regulatory conditions arising as a result of the COVID-19 global pandemic; changes in gaming regulatory, card association and statutory requirements; regulatory and licensing difficulties that we may face; competitive pressures in the gaming and financial technology sectors; the impact of changes to tax laws; uncertainty of litigation outcomes; interest rate fluctuations; unanticipated expenses or capital needs and those other risks and uncertainties discussed in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 1, 2022. Given these risks and uncertainties, there can be no assurance that the forward-looking information contained in this presentation will in fact transpire or prove to be accurate. Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which are based only on information currently available to us and speak only as of the date hereof.

# EVERI: WHO WE ARE

Innovative gaming technology supplier, operating two high-value product segments that generate significant recurring revenue

**Games:** A leading developer of differentiated, entertaining, player-popular games and other gaming services

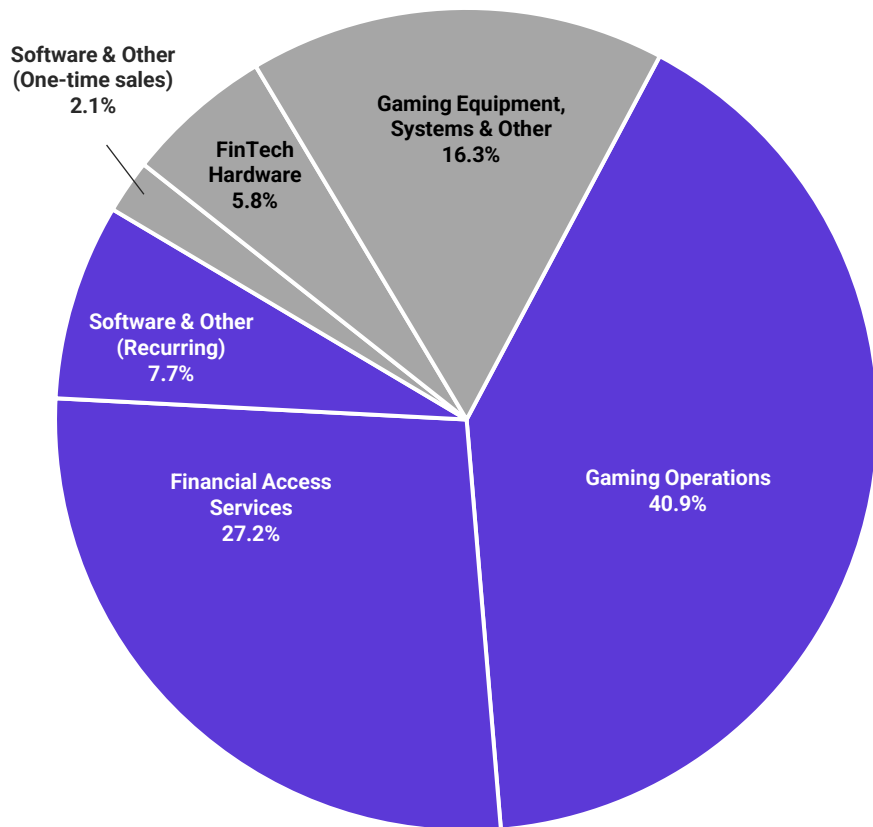


**FinTech:** Gaming industry's preeminent provider of integrated financial products, information and regulatory compliance software, and player loyalty tools



# LARGE RECURRING REVENUE BASE

Approximately 76% of LTM Q1-2022 revenues were of a recurring nature



*Recurring revenue in LTM 1Q-2022 was \$528 million, representing a 13% CAGR since FY 2018*

**Gaming Operations:** Leased gaming machines generally placed on a shared-revenue basis with casino operators; more than 25% of the total installed base are units under multi-year placement contracts; all other standard and premium participation units generally remain on casino floors for as long as in-casino performance is acceptable, with periodic game theme updates provided to refresh in-casino performance.

**Financial Access Services:** Revenue earned on transactional activity under multi-year service contracts (typically 3-5 years) with generally sticky long-lasting relationships; average length of Everi's Top 30 customer relationships in excess of 12 years.

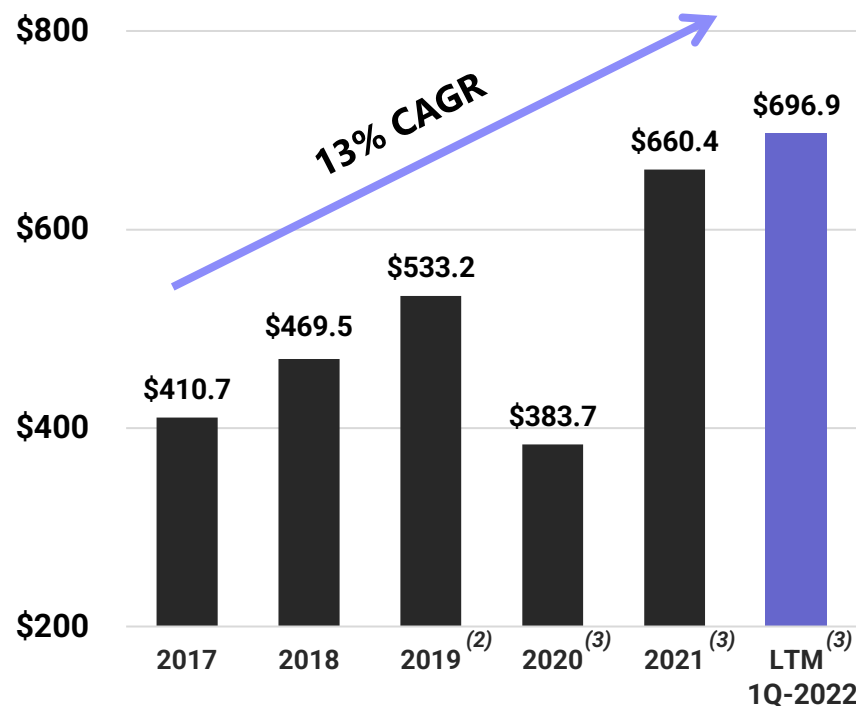
**Software & Other:** Critical software and services are integrated into casinos' daily operations and generally provided under annual or multi-year agreements, such as player loyalty and regulatory compliance software, product subscriptions, gaming industry Credit Bureau and kiosk maintenance services. 80% of Software & Other is of a recurring nature.

# HISTORY OF LONG-TERM GROWTH

Consistent operating execution, robust product pipeline and strong margins drive steady revenue and Adjusted EBITDA<sup>(1)</sup> growth

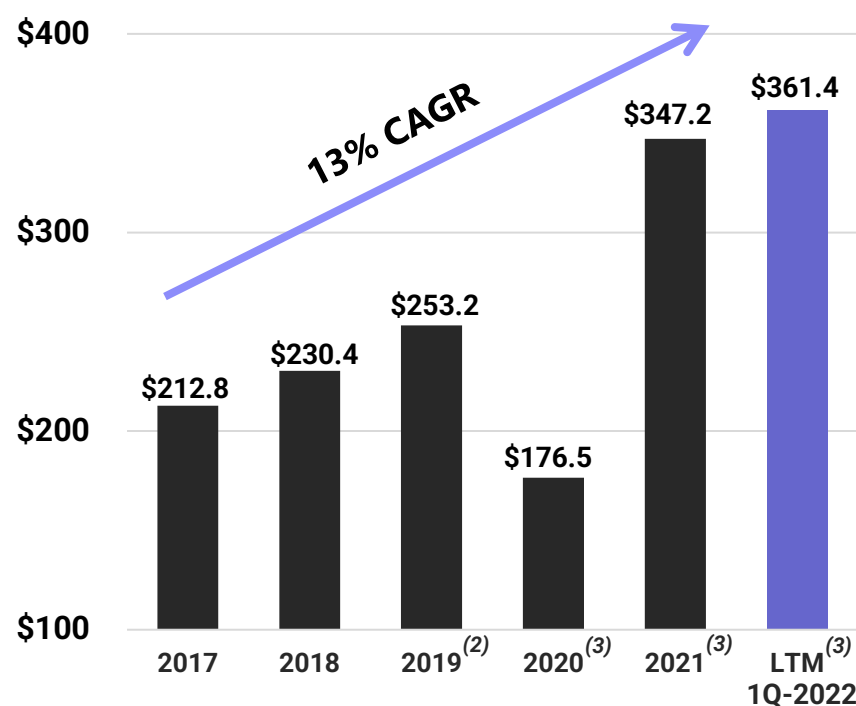
## Revenue

(\$ in millions)



## Adjusted EBITDA<sup>(1)</sup>

(\$ in millions)



1) Adjusted EBITDA is a non-GAAP financial measure. Reconciliations to the most directly comparable GAAP measure can be found in the appendix to this presentation. Reconciliations for additional quarterly and annual periods can be found in applicable earnings releases located on Everi's website at [ir.everi.com](http://ir.everi.com).

2) Acquisition of accretive player loyalty businesses contributed ~3% of revenue growth in 2019.

3) Results for 2020, 2021 & LTM 1Q-2022 include the impact of the COVID-19 pandemic and related casino closures.

# 1Q-2022 QUARTER RESULTS

- ❑ Board approved a new Share Repurchase program that will enable us to buy up to \$150 million over the next 18 months
- ❑ Operating results reflect ongoing momentum and continued growth over pre-COVID-19 levels, partially offset by continued impact of the COVID-19 pandemic and recent variants
- ❑ Record recurring revenue benefitting from Games and FinTech market share gains
- ❑ In a single quarter, we delivered more than \$10 billion to customer's casino floors
- ❑ Operating income of \$52.6 million up 31% compared to Q1-2021
- ❑ Games revenue up 29% to \$98.3 million drove 24% rise in AEBITDA<sup>(1)</sup> to \$55.5 million vs 1Q-2021
  - Company's large base of regional and tribal casinos continue to drive current business strength
  - Installed base rose 9% YoY to **a record 17,328 units** in 1Q-2022, with 8,079 premium units, up 21% YoY
  - Digital gaming revenue up 129% in 1Q-2022 from 1Q-2021
- ❑ FinTech revenue up 23% to \$77.3 million drove AEBITDA<sup>(1)</sup> up 11% to \$34.1 million vs 1Q-2021
  - Software and other revenue up 3% from 1Q-2021, driven largely by growth of loyalty software & services
  - Financial access transactions of 31.9 million
  - Continued strong interest from casino operators for our cashless wallet and funding options
  - Favorably positioned to leverage industry leadership in financial access funding and self-service player loyalty products to lead the evolution toward cashless funding across casino ecosystems

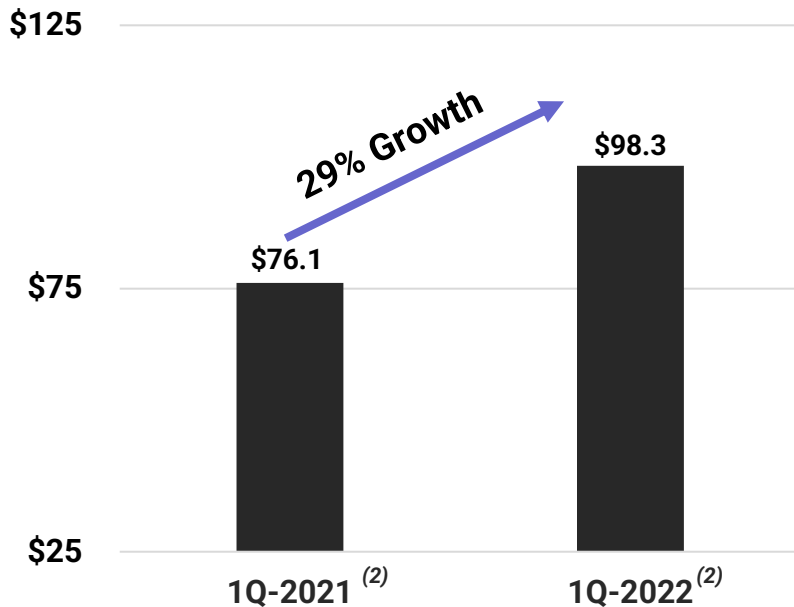
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# GAMES 1Q-2022

- High-margin recurring revenue up 21% compared to 1Q-2021
  - Premium units consecutively increased the past 15 quarters, including throughout the pandemic and increased 21% since 1Q-2021
- Unit sales of 1,474 led to 56% growth in gaming equipment sales revenue compared to 1Q-2021
  - Rapid increase in unit sales resulted in a mix shift of revenue, yielding year-over-year margin compression

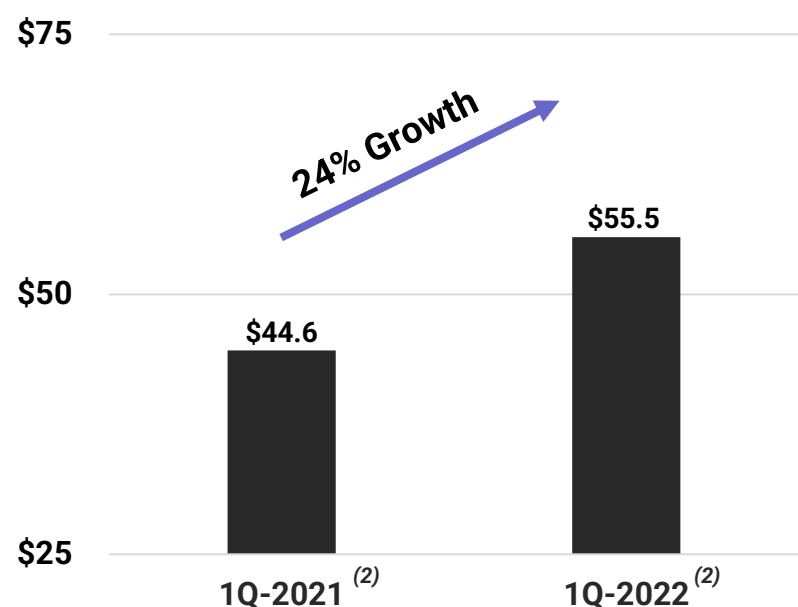
## Revenue

(\$ in millions)



## Adjusted EBITDA<sup>(1)</sup>

(\$ in millions)



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2) Results for 1Q-2021 & 1Q-2022 include the impact of the COVID-19 pandemic and related casino closures.

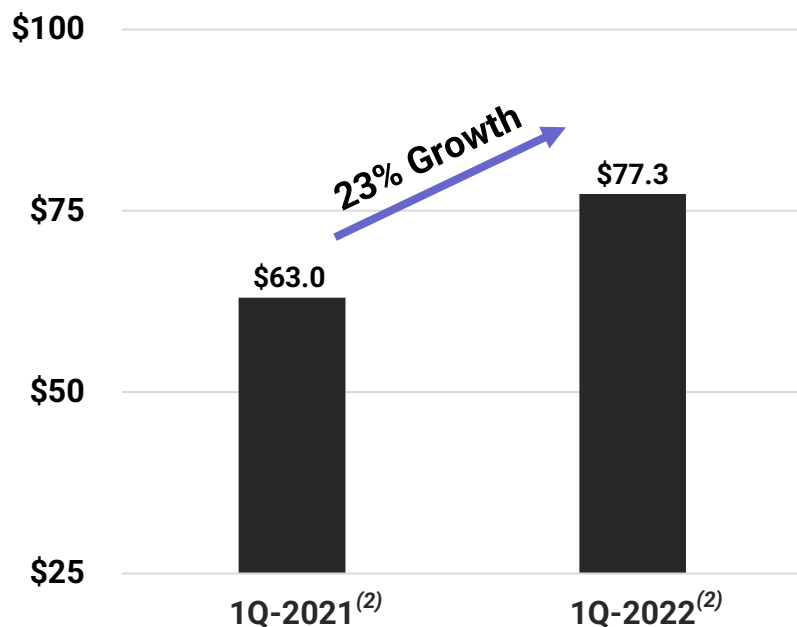


# FINTECH 1Q-2022

- Growth in 1Q-2022 was largely driven by higher same-store transactional activity, which was up at a double-digit rate consistently throughout the quarter
- Record quarterly financial access revenues reflects more than \$10 billion of funds delivered to customer's casino floors
- Continued growth of new and enhanced loyalty products

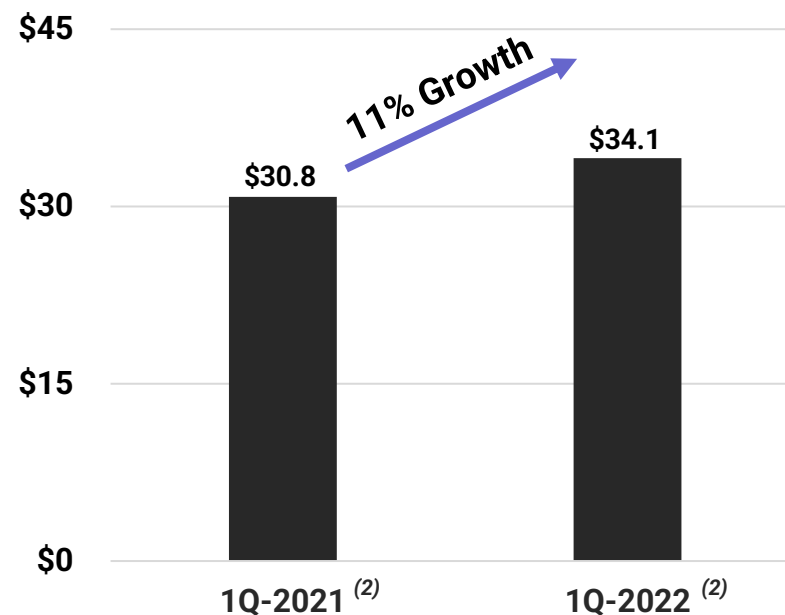
## Revenue

(\$ in millions)



## Adjusted EBITDA <sup>(1)</sup>

(\$ in millions)

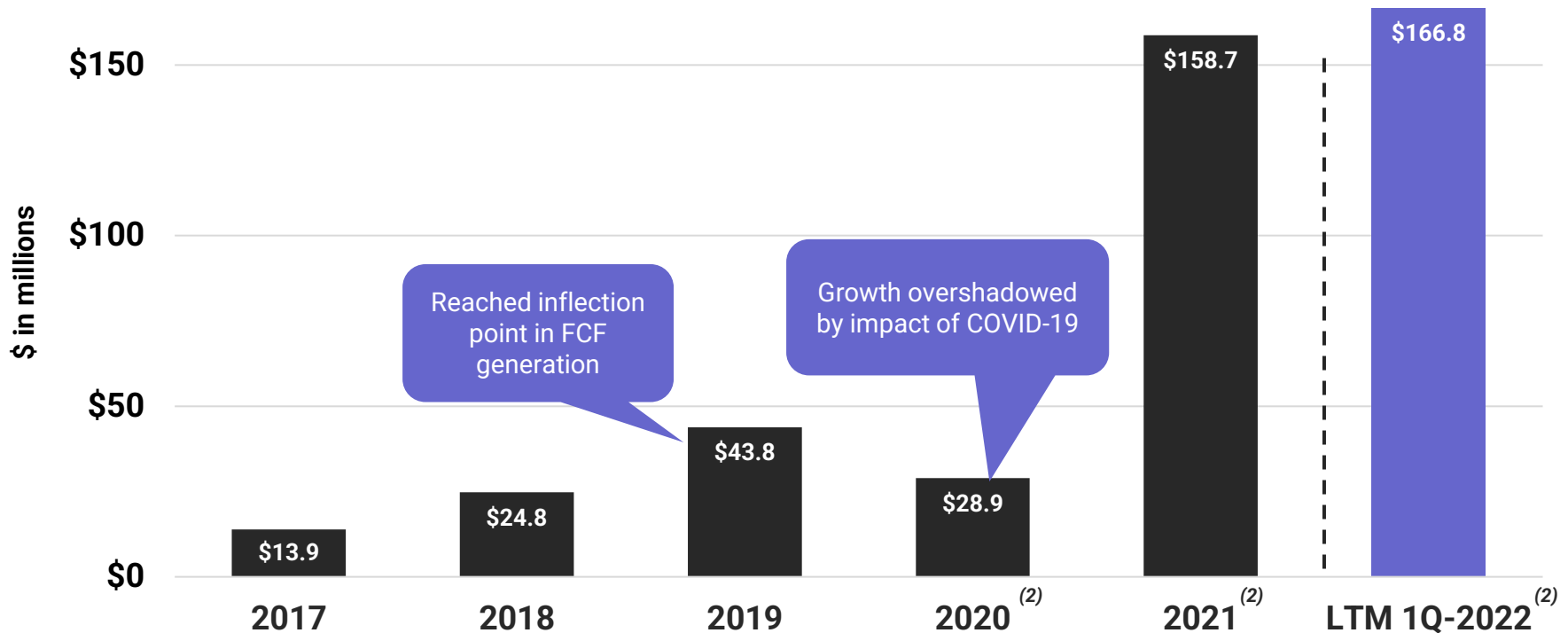


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2) Results for 1Q-2021 & 1Q-2022 include the impact of the COVID-19 pandemic and related casino closures.

# IMPROVING FREE CASH FLOW<sup>(1)</sup>

Strong Free Cash Flow and balance sheet liquidity provide opportunity to drive shareholder returns



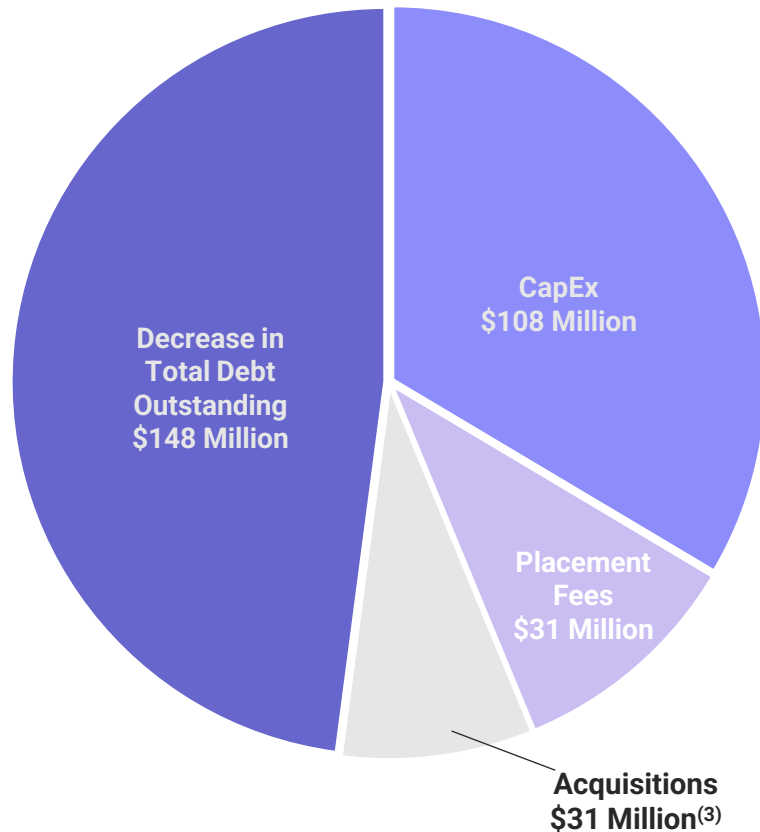
1) Free Cash Flow ("FCF") is a non-GAAP financial measure. Reconciliations to the most directly comparable GAAP measure can be found in the appendix to this presentation. Reconciliations for additional quarterly and annual periods can be found in applicable earnings releases located on Everi's website at [ir.everi.com](http://ir.everi.com).

2) Results for 2020, 2021 & LTM 1Q-2022 include the impact of the COVID-19 pandemic and related casino closures.

# CAPITAL DEPLOYMENT

## Prudent capital allocations drive shareholder value

LTM 1Q-2022



### CapEx & Placement Fees<sup>(1)</sup>:

- Investment to maintain and grow the Gaming Operations leased footprint
- Placement fees secured 25%+ of our installed base under long-term agreements
- Capitalized R&D costs bolster the product pipeline through continuous product development

**Decrease in Net Debt<sup>(2)</sup>:** Focused on reducing net debt and deleveraging while preserving liquidity

**Acquisitions:** Ongoing search for value-add, tuck-in acquisitions that provide opportunities for incremental and organic growth

1) Placement Fees of \$31 million were paid in 4Q-2021.

2) During the 2021 third quarter, the Company completed a refinancing that reduced total debt outstanding by \$144.6 million to \$1.0 billion.

3) Represents the final payments made for two Loyalty acquisitions from 2019, Atrient, Inc. and Micro Gaming Technologies, Inc., Meter Image Capturing and most recently, eCash and Atlas gaming. A total of \$75 million was paid over three years related to the two Loyalty acquisitions.

# LONG-TERM GROWTH DRIVERS

## □ New product roadmap focused on diversified Games development

- Grow gaming operations leased footprint and for-sale unit ship share by extending and expanding portfolio of games and cabinets. Robust pipeline of new differentiated game content.
  - Introduced Empire Flex® video cabinet, with a strong portfolio of games that is driving sales and ship share.
  - In 2021 entered commercial wide-area progressive (“WAP”) market with premium game content on **Empire DCX**® cabinet.

## □ Leveraging FinTech network to build an integrated “Digital Neighborhood”

- Expand FinTech offering through innovative development and tuck-in acquisitions.
  - Acquisition and subsequent growth of loyalty products and services.
  - Potential game-changing mobile **CashClubWallet**® based on integrated enterprise-wide system technology that combines cashless funding with player loyalty tracking.
  - Launched 2021 commercial field trial of **Jackpot Xpress**® with Caesars Palace in Nevada.

## □ iGaming

- Leverage land-based game portfolio and future pipeline with one of industry’s newest Remote Game Server (“RGS”) platforms to grow Digital gaming revenues and benefit from iGaming industry expansion.

## □ Tuck-in acquisitions

- Complementary businesses that can be scaled by leveraging existing resources and distribution networks to generate accretive earnings and cash flow.
  - Recently acquired assets from loyalty technology company, XUVI and acquired HHR game developer, Intuicode.

## □ International expansion opportunities

- Majority of business today is derived from the U.S. and Canada.
  - Recent entry into Australian gaming and FinTech market with Atlas Gaming and eCash.

# INVESTMENT SUMMARY

## 1 ROBUST BASE OF RECURRING REVENUE

- Approximately 76% of LTM 1Q-2022 revenue was of a recurring nature which was up 36% to a record \$528 million compared to pre-COVID 2019
- Sticky 3-5 year financial access service contracts; average life of the relationship with our Top 30 customers in excess of 12 years
- Regulatory compliance and player loyalty subscription services integrated into casinos operating protocols
- As of 3/31/2022, 17,328 installed games on a revenue share or fixed fee lease - 47% premium units that are driving elevated DWPU
- In 2020, agreement to provide central determinant system to NY Lottery's over 17,000 VLTs renewed for additional 10 years

## 2 SUSTAINABLE LONG-TERM GROWTH DRIVERS

- High performing premium game performance and new product launches driving market share growth
- FinTech segment growth opportunities include introduction of a potentially game-changing mobile digital wallet and high-value loyalty products
- Whitespace opportunity exists to drive market share in both commercial and tribal gaming, as well as in online markets
- Additional tuck-in acquisition opportunities
- International expansion opportunities

## 3 GROWTH POTENTIAL OF GAMING UNITS AND TRANSACTIONAL VALUE

- Strong portfolio of proprietary and branded Class II and Class III games with a new cabinet launching in early 2022
- Approximately 50% of our self-service Kiosk placements are already at least 3 years old, which is expected to drive ongoing replacement sales
- Gaming equipment quarterly ship shares and floor share of new casino openings are higher than historical levels, target raised to 15% ship share
- Number of financial transactions and value processed continue to grow on a same-store basis

## 4 HIGH-VALUE PRODUCTS AND SERVICES FOR GAMING OPERATORS

- Offers casino operators a comprehensive, high-value, expanding portfolio of game content, gaming devices, financial technology solutions, regulatory compliance, and player loyalty tools that drive revenue and cost efficiencies

## 5 STRONG FREE CASH FLOW<sup>(1)</sup>

- Games segment capital investments have improved capital efficiency and incremental cash flow
- Targeted capital expenditure for premium game installations drives strong operating results
- 2021 Free Cash Flow<sup>(1)</sup> more than Free Cash Flow of last five years combined
- Completed 3Q-2021 refinancing drove annualized cash interest savings of approximately \$23 million a year (at then current rates)
- Significantly delevered balance sheet to reach its current targeted level of 2.5x – 3.0x total net debt, current leverage ratio is 2.4x.

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