

# AGEM Index

Association of Gaming Equipment Manufacturers

March 2014

The AGEM Index declined in March of 2014 when compared to February 2014. The composite index ended the month at 186.68, which was down 6.46 points (-3.3 percent) from the prior period. The index posted month-to-month declines in two of the first three months of the year. In the latest period, 11 of the 16 global gaming equipment manufacturers reported declining valuations when compared to February 2014. In addition, seven fell by more than five percent. Of the five manufacturers that reported month-to-month increases in stock price, most of the gains were relatively modest. Despite recent volatility, the AGEM Index remains up 23.6 percent from one year ago.

The broader stock markets performed slightly better than the AGEM Index in March. NASDAQ ended the month at 4,198.99, which was down 2.5 percent compared to February. Meanwhile, the Dow Jones Industrial Average (DJIA) and S&P 500 witnessed modest gains in the latest month. The DJIA increased 0.8 percent to 16,457.66. Meanwhile, the S&P 500 ended the month at 1,872.34, which was up 0.7 percent from the prior period.

Selected positive contributors to the March 2014 AGEM Index included the following:

- With a stock price of AU\$5.38 (+8.0 percent), Aristocrat Technologies (ALL) contributed 2.29 points.
- INTRALOT S.A. (INLOT) reported a 7.4-percent increase in stock price to €2.31 and contributed 0.28 points.
- Scientific Games Corporation (SGMS) contributed 0.21 points, due to its 2.5-percent increase in stock price to \$13.73.

Selected negative contributors included the following:

- GTECH S.p.A. (GTK) reported a stock price of €22.05 (-8.0 percent) and contributed negative 2.97 points.
- With a stock price of \$23.07 (-7.7 percent), Konami Gaming (KNM) contributed negative 1.86 points.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Mar-14	Feb-14	Mar-13	Prior Period	Prior Year	
Ainsworth Game Technology	ASX: AGI (AU\$)	3.64	4.20	3.59	(13.33) ↓	1.39 ↑	(0.83)
Aristocrat Technologies	ASX: ALL (AU\$)	5.38	4.98	3.66	8.03 ↑	46.99 ↑	2.29
Astro Corp.	Taiwan: 3064 (NT\$)	45.20	44.80	37.90	0.89 ↑	19.26 ↑	0.01
Bally Technologies	NYSE: BYI (US\$)	66.27	67.75	51.97	(2.18) ↓	27.52 ↑	(0.41)
Crane Co.	NYSE: CR (US\$)	71.15	71.42	55.86	(0.38) ↓	27.37 ↑	(0.12)
Daktronics, Inc.	Nasdaq: DAKT (US\$)	14.39	14.17	10.50	1.55 ↑	37.05 ↑	0.07
Gaming Partners International	Nasdaq: GPIC (US\$)	9.23	9.56	8.66	(3.45) ↓	6.58 ↑	(0.02)
Global Cash Access	NYSE: GCA (US\$)	6.86	8.40	7.05	(18.33) ↓	(2.70) ↓	(0.60)
GTECH S.p.A.	MILAN: GTK.MI (€)	22.05	23.96	18.33	(7.97) ↓	20.29 ↑	(2.97)
IGT	NYSE: IGT (US\$)	14.06	15.09	16.50	(6.83) ↓	(14.79) ↓	(1.72)
INTRALOT S.A.	ATHEX: INLOT (€)	2.31	2.15	1.83	7.44 ↑	26.23 ↑	0.28
Konami	NYSE: KNM (US\$)	23.07	25.00	19.93	(7.72) ↓	15.76 ↑	(1.86)
Multimedia Games	Nasdaq: MGAM (US\$)	29.04	33.02	20.87	(12.05) ↓	39.15 ↑	(0.75)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	13.73	13.40	8.75	2.46 ↑	56.91 ↑	0.21
Transact Technologies	Nasdaq: TACT (US\$)	11.49	11.60	7.94	(0.95) ↓	44.71 ↑	(0.01)
Wells-Gardner Electronics	AMEX: WGA (US\$)	1.86	1.96	2.06	(5.10) ↓	(9.71) ↓	(0.01)
Change in Index Value							(6.46)
AGEM Index Value: February 2014							193.14
<b>AGEM Index Value: March 2014</b>							<b>186.68</b>

www.AGEM.org

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In March, a number of global gaming equipment manufacturers reported their financial results for the fourth quarter of 2013. Selected highlights are noted below.

Scientific Games Corporation (SGMS) completed its acquisition of WMS Industries during the quarter. As a result, the company's gaming segment net revenues rose by \$138.2 million year-over-year to \$181.9 million. The latest annual increase is attributable to the addition of \$144.7 million in revenues sourced to WMS, which was partially offset by a decline in legacy SG Gaming product sales. The installed base of WAP and premium participation units increased to 9,411 due solely to the addition of WMS. Meanwhile, the installed base of other leased and participation units, which is comprised primarily of Scientific Games legacy machines, increased by 3,974 units to 29,018. However, the average daily revenue per unit fell 4.1 percent to \$11.52.

Global Cash Access (GCA) reported a 3-percent increase in net revenues during the fourth quarter of 2013 to \$140.5 million, primarily due to higher kiosk sales during the period. However, for the year, revenues remained relatively flat at \$582.4 million. For the year, the company's cash advance segment reported a 1.6-percent increase in net revenues compared to 2012, while other revenues were up 53.6 percent. This was offset by the ATM and check services segments, which

reported declines of 5.6 percent and 14.9 percent, respectively.

Gaming Partners International Corporation (GPIC) reported net revenues of \$13.7 million during the fourth quarter of 2013, which was down 21.7 percent from the same period a year ago. The latest decline was attributable to a decline in casino currency sales in the United States and the Asia-Pacific region. The company notes that while it has reported revenue growth from sales of RFID solutions and increased market share in cards and other consumables, new product offerings have not been moving forward as quickly as hoped and limited casino openings continue to be a challenge.

In March, Gaming Partners International announced plans to acquire GemGroup Inc., which is a privately-held manufacturer of casino currency, cards and table layouts. The company notes that the acquisition will help strengthen card manufacturing capabilities, increase market share in the playing cards and table layouts segments and expand product offerings in the Asia-Pacific region. The companies expect the transaction to complete by end of the second quarter of 2014.



## The AGEM Index

The Association of Gaming Equipment Manufacturers (AGEM) produces the monthly AGEM Index that comprises 16 global gaming suppliers throughout the world. A total of 11 suppliers are based in the United States and are listed on the NYSE, Nasdaq, or AMEX, while two trade on the Australian exchange, one supplier trades on the Athens exchange, one trades on the Milan exchange, and another trades on the Taiwan OTC exchange. The index is computed based on the month-end stock price (adjusted for dividends and splits) of each company and weighted based on approximation of market capitalization. Market capitalizations for manufacturers trading on foreign exchanges have been converted to US dollar-equivalents as of month-end for comparability purposes. The AGEM Index is based on a 100-point value as of January 2005.

## About AGEM

AGEM is an international trade association representing manufacturers of electronic gaming devices, systems, and components for the gaming industry. The Association works to further the interests of gaming equipment manufacturers throughout the world. Through political action, tradeshow partnerships, information dissemination and good corporate citizenship, the members of AGEM work together to create benefits for every company within the organization. Together, AGEM and its member organizations have assisted regulatory commissions and participated in the legislative process to solve problems and create a positive business environment.

## AGEM Index

The AGEM index and overview is prepared by Applied Analysis (AA). AA is a Nevada-based advisory services firm providing consultation services for public and private entities. The company utilizes extensive experience in economics, information technology and finance to provide a wide range of services, including urban economic consulting, financial advisory services, market analysis, public policy analysis, hospitality industry and gaming consulting, and information system and technology consulting.



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## AGEM Membership Roster

### AGEM Gold Members:

- Ainsworth Game Technology
- Aristocrat Technologies
- Aruze Gaming America
- Austrian Gaming Industries
- Bally Technologies / SHFL Entertainment
- Global Cash Access (GCA)
- GTECH S.p.A.
- International Game Technology (IGT)
- Intralot S.A.
- Konami Gaming
- Multimedia Games
- Scientific Games / WMS
- Video Gaming Technologies (VGT)

**AGEM Silver Members:** Action Gaming, American Gaming Systems (AGS), Casino Technology, Gaming Partners International (GPI), JCM Global, MEI, Merkur Gaming, Ortiz Gaming, Suzo-Happ Group, TCSJohnHuxley, Wells-Gardner Electronics and Zitro.

**AGEM Bronze Members:** Abbiati Casino Equipment, Alfastreet, Astro Corp., Bingotimes Digital Technology, Cadillac Jack, Cammegh Limited, CastNET, CG Technology, Cole Kepro International, Crane Payment Solutions/ CashCode/ Money Controls, Euro Games Technology (EGT), Galaxy Gaming, Gaming Support, Glory Global Solutions, Grand Vision Gaming, Incredible Technologies, Inspired Gaming, Interblock USA, ISMS, Iverson Gaming Systems, Jumbo Technology, Matsui Gaming Machine Co., Modern Gaming, NYX Gaming Group Limited, Patriot Gaming & Electronics, Quixant Ltd., Reel Games, Table Trac and Win Systems International Holdings.

**AGEM Associate Members:** 3M Touch Systems, Advantech-Innocore, A-Game Marketing, Arrow International, Atrient, British Group Interactive (BGI), Brown & Brown Insurance of Nevada, Camryn Industries, Carmanah Signs, Casino Enterprise Management, Cooper Levenson, Cybertec Gaming Systems, Daktronics, Digital Instinct, DigiTech Systems, DiTronics Financial Services, DynaGraphic Printing, Eastsign International Limited, Eiler Research, Elite Gaming Technology, Esterline Interface Technologies, Eurocoin, Fantini Research, Flextronics, Fox Rothschild, FutureLogic, GameAccount Nevada Inc. Gaming Capital Group, Gary Platt Manufacturing, Gasser Chair Company, Gemaco Inc., Genesis Interactive Technologies, GeoComply USA Inc, Global Experience Specialists (GES), Global Gaming Group (G3), Grand Products Nevada, Greenberg Traurig, Hanco Technologies, Howard & Howard, Impact Display Solutions, Intel, International Network in Advance Gaming (INAG), IPS, Ipsos, James Industries, JCS Technologies, Joingo LLC, Jones Walker, KEY-BAK, Kontron, Lazcano Samano, S.C., Leap Forward Gaming, Lewis Brisbois Bisgaard & Smith, Lewis Roca Rothgerber, Litemax Technology, McGladrey LLP, Metalcraft, Outpost Creative, Portwell, Proforma GPS, Rainmaker, Regulatory Management Counselors (RMC), Renewable Creative, Rye Park Gaming, SCA Gaming, Sightline Payments, Southwest Manufacturing Solutions, Spin Games, Strategy9, StylGame USA, Talent Associates, The Bright Group, Tournament One, TOVIS, TransAct Technologies, Union Gaming Group, Vantiv Gaming Solutions, Veridocs, Wrex Products and Young Electric Sign Company (YESCO).