

AGEM Index

Association of Gaming Equipment Manufacturers

March 2016

The AGEM Index posted a sharp increase in March 2016 after gaining 8.54 points in February 2016. The composite index stood at 224.35 at the close of the month, which represents an increase of 27.35 points, or 13.9 percent, when compared to February 2016. The AGEM Index reported a year-over-year increase for the sixth consecutive month, rising 34.07 points, or 17.9 percent, when compared to March 2015.

During the latest period, 10 of the 14 global gaming equipment manufacturers reported month-to-month gains in stock price, with six up by more than 10 percent. Of the two manufacturers reporting declines in stock price during the month, only one was down by more than 10 percent. The remaining two manufacturers reported flat performances month-to-month.

The broader stock markets experienced a strong rally in March 2016 as well. The Dow Jones Industrial Average reported a month-to-month increase of 7.1 percent, rising to 17,685.09. Meanwhile, NASDAQ increased 6.8 percent to 4,869.85, while the S&P 500 rose 6.6 percent to 2,059.74 during the month.

Selected positive contributors to the March 2016 AGEM Index included the following:

- Konami Corp. (9766) surged to ¥3,330.00 (+21.6 percent) and contributed 9.69 points.
- With a stock price of \$18.25 (+23.5 percent), International Game Technology PLC (IGT) contributed 8.99 points.
- Aristocrat Technologies (ALL) contributed 3.26 points, due to a 3.0-percent increase in stock price to AU\$10.30.

Selected negative contributors included the following:

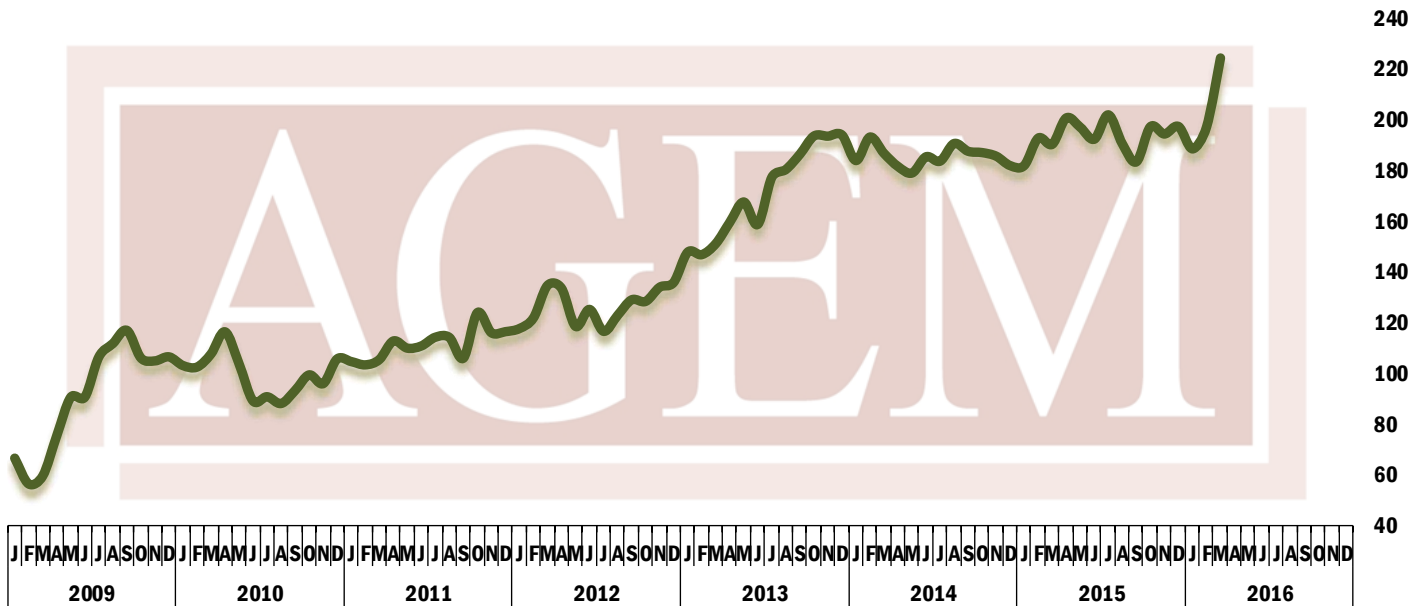
- With a stock price of \$2.29 (-22.1 percent), Everi Holdings, Inc. (EVRI) contributed negative 0.35 points.
- Agilysys (AGYS) contributed negative 0.06 points, due to a 2.3-percent decline in stock price to \$10.21.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Mar-16	Feb-16	Mar-15	Prior Period	Prior Year	
Agilysys	Nasdaq: AGYS (US\$)	10.21	10.45	9.84	(2.30)	3.76	(0.06)
Ainsworth Game Technology	ASX: AGI (AU\$)	2.33	2.19	2.89	6.39	(19.38)	0.59
Aristocrat Technologies	ASX: ALL (AU\$)	10.30	10.00	8.43	3.00	22.18	3.26
Astro Corp.	Taiwan: 3064 (NT\$)	54.70	41.00	28.40	33.41	92.61	0.46
Crane Co.	NYSE: CR (US\$)	53.86	49.05	62.41	9.81	(13.70)	3.25
Daktronics, Inc.	Nasdaq: DAKT (US\$)	7.90	7.07	10.81	11.74	(26.92)	0.43
Everi Holdings Inc.	NYSE: EVRI (US\$)	2.29	2.94	7.62	(22.11)	(69.95)	(0.35)
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.22	0.22	0.30	-	(26.67)	-
Gaming Partners International	Nasdaq: GPIC (US\$)	9.85	9.64	10.76	2.18	(8.46)	0.02
International Game Technology PLC	NYSE: IGT (US\$)	18.25	14.78	17.41	23.48	4.82	8.99
INTRALOT S.A.	ATHEX: INLOT (€)	1.13	1.13	1.50	-	(24.67)	0.06
Konami Corp.	TYO: 9766 (¥)	3,330.00	2,739.00	2,250.00	21.58	48.00	9.69
Scientific Games Corporation	Nasdaq: SGMS (US\$)	9.43	8.51	10.47	10.81	(9.93)	0.93
Transact Technologies	Nasdaq: TACT (US\$)	8.14	7.24	5.91	12.43	37.73	0.08
Change in Index Value							27.35
AGEM Index Value: February 2016							197.00
AGEM Index Value: March 2016							224.35

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During the month, a number of industry manufacturers released financial results for the period ending December 31, 2015. Selected company highlights below suggest mixed results for key players in the industry.

On a pro forma, constant currency basis, International Game Technology PLC (IGT) reported total revenue of \$5.1 billion in calendar year 2015, which represents a decline of 4 percent compared to 2014. In the fourth quarter of 2015, IGT reported revenues of \$1.4 billion, up 5 percent over the same quarter of the prior year, due to strong gaming product sales, a stabilizing global casino installed base and lottery growth. The company shipped 11,562 machines in the fourth quarter of 2015, which was up 21.3 percent from the prior year, due to a 94.4-percent gain in new and expansion units. However, the total installed based declined 6.1 percent year-over-year, falling to 58,350, partially due to a 7.9-percent decline in the casino installed base.

Everi Holdings, Inc. (EVRI) reported fourth quarter 2015 revenues of \$204.4 million, up 34.4 percent over the same period of the prior year. Of that revenue, \$50.5 million came from Everi's games segment, which reported a 5.2-percent increase year on year. Everi's payments segment increased revenues by approximately 6.4 percent, rising to \$153.9 million during the latest period. One major contributor to this growth was a 13-percent increase in ATM revenue to \$77.0 million as a result of higher transaction volume due to the acquisition of ATM portfolios in the third and fourth quarter of 2015.

Everi is now the first company in the casino industry to offer an EMV (chip-based) solution for signature-based transactions performed on ATM devices or fully integrated kiosks. All of the company's financial transaction devices, platforms and systems are now fully end-to-end EMV-compliant.

Galaxy Gaming, Inc. (GLXZ) reported fourth quarter 2015 revenue of \$2.9 million, which represents a gain of 13 percent over the same quarter one year ago. The company reported total revenue of \$11.0 million for calendar year 2015, which represents an increase of 11 percent year on year. Galaxy Gaming's revenue increases were primarily attributed to the additional placement of premium games, which command higher pricing points, as well as the company's expansion into new territories.

TransAct Technologies (TACT) reported net sales of \$12.1 million in the fourth quarter of 2015, which is a 1.6-percent decrease from the fourth quarter of 2014. During the period, casino and gaming sales declined 9.7 percent to \$4.5 million, while lottery sales fell 56.7 percent to \$701,000. Despite declines in the latest quarter, net sales for 2015 reported an increase of 12.4 percent, coming in at \$59.7 million for the year. Annual gains were partially attributable to lottery sales nearly doubling in 2015 to \$9.5 million. However, casino and gaming sales were down for the year, falling 4.3 percent to \$21.8 million.



www.AGEM.org

The AGEM Index

The Association of Gaming Equipment Manufacturers (AGEM) produces the monthly AGEM Index that comprises 14 global gaming suppliers throughout the world. A total of 9 suppliers are based in the United States and are listed on the NYSE, Nasdaq or OTC market, while two trade on the Australian exchange, one supplier trades on the Athens exchange, one on the Tokyo 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, lotteries, 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
- Austrian Gaming Industries
- Everi Holdings Inc.
- International Game Technology PLC (IGT)
- Intralot S.A.
- Konami Gaming
- Sega Sammy Creation
- Scientific Games

AGEM Silver Members: Action Gaming, AGS, Aruze Gaming America, Casino Technology, Crane Payment Innovations (CPI), Gaming Partners International (GPI), JCM Global, Merkur Gaming, Ortiz Gaming, Suzo-Happ Group, TCSJohnHuxley and Zitro.

AGEM Bronze Members: Abbiati Casino Equipment, Alfastreet, Amatic Industries, APEX Gaming, Astro Corp., BetConstruct, Bingotimes Digital Technology, Boss Gaming, Cammegh Limited, Century Gaming Technologies, CG Technology (CGT), Cole Kepro International, DEQ Systems, Euro Games Technology (EGT), FBM, Galaxy Gaming, Gambelit Gaming, GameCo, Gaming Support, Glory Global Solutions, Gold Club, Grand Vision Gaming, Incredible Technologies, Inspired Gaming, Interblock USA, Intervision Gaming, ISMS, Iverson Gaming Systems, Jumbo Technology, Matsui Gaming Machine Co., Metronia, NanoTech Gaming, NYX Gaming Group, Patriot Gaming & Electronics, Quixant Ltd., Reel Games, Table Trac, U1 Gaming, Wells-Gardner Technologies and Win Systems.

AGEM Associate Members: 3M Touch Systems, Abbott Law Chartered, Advanced Gaming Associates, Adlink Technology, Advantech-Innocore, Agilysys, AMD, Arrow International, Asimex Global, Atrient, Axiomtek, British Group Interactive (BGI), Brown & Brown Insurance of Nevada, Camryn Industries, CardConnect, Carmanah Signs, Casino Connection International, Casino Screens, Catapult Global, CDC Gaming Reports, Coloredge, Cooper Levenson, Coretronic, Cybertec Gaming Systems, Daktronics, Digital Instinct, DiTronics Financial Services, DynaGraphic Printing, Eilers & Krejcik Gaming, Elite Gaming Technology, Esterline Interface Technologies, Fantini Research, Four Corners, Fox Rothschild, G2 Game Design, GAN, Gaming Capital Group, Ganlot, Gary Platt Manufacturing, Gasser Chair Company, Genesis Interactive Technologies, GeoComply USA, Gill's Printing & Color Graphics, Global Experience Specialists (GES), Global Gaming Group (G3), Greenberg Traurig, House Advantage, Howard & Howard, Impact Display Solutions, Intel, IPS, James Industries, James Industry Research Group, JCS Technologies, Joingo, Jones Walker, KEY-BAK, Kontron, Lazcano Sámano, Leap Forward Gaming, Legacy Electronics, Lewis Roca Rothgerber, Lightstone Solutions, McGladrey LLP, Media Resources, Metalcraft, NanoLumens, Olsen Gaming / Spectronix, Outpost Creative, Portilla Ruy-Díaz y Aguilar, Proforma GPS, Randstad Staffing, Regulatory Management Counselors (RMC), RMMC, Sanmina, SCA Gaming, Sightline Payments, Slot Constructor, Southwest Manufacturing Services, Spin Games, StylGame USA, Talent Associates, The Bright Group, Tohkoh Plastics America, Touch Dynamic, Tournament One, TOVIS, TransAct Technologies, Vantiv Gaming Solutions, Veridocs, Wells Fargo, Young Electric Sign Company (YESCO) and Zebra Technologies.