

AGEM Index

Association of Gaming Equipment Manufacturers

July 2016

The AGEM Index posted an impressive increase in July 2016 after gaining 4.67 points in June 2016. The composite index stood at 294.68 at the close of the month, which represents an increase of 34.67 points, or 13.3 percent, when compared to June 2016. The AGEM Index reported a year-over-year increase for the ninth consecutive month, rising 92.78 points, or 46 percent, when compared to July 2015.

During the latest period, 8 of the 14 global gaming equipment manufacturers reported month-to-month increases in stock price, with four up by more than 10 percent. Five manufacturers reported decreases in stock price during the month, while INTRALOT remained flat.

The broader stock markets reported positive results in July 2016 as well. The S&P 500 reported a month-to-month increase of 3.6 percent, rising to 2173.60. Additionally, the Dow Jones Industrial Average increased 2.8 percent to 18,432.24. NASDAQ increased 6.9 percent during the period, rising to 5,162.13.

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

- Aristocrat (ALL) reported a stock price of AU\$15.94 (+15.5 percent) and contributed 20.38 points.
- International Gaming Technology (IGT) contributed 5.23 points due to a 11.5-percent increase in stock price to \$20.90.
- With a stock price of \$62.30 (+9.8 percent), Crane Co. (CR) contributed 3.86 points.

Selected negative contributors included the following:

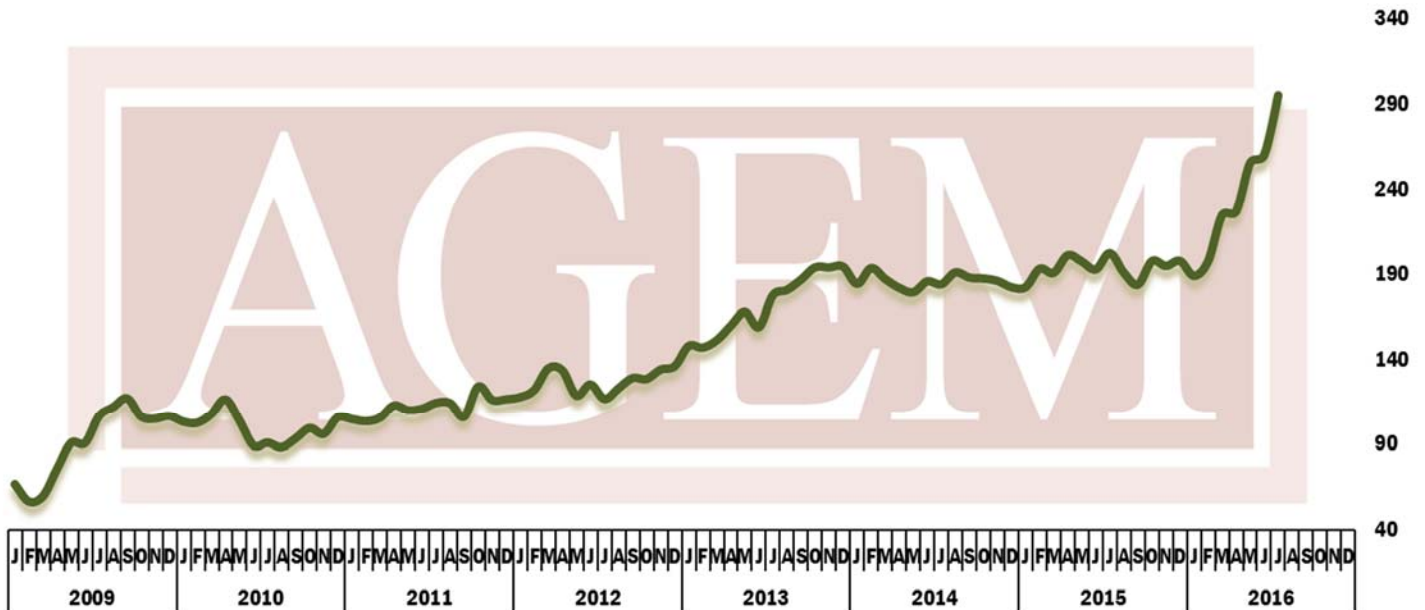
- With a stock price of \$0.29 (-6.5 percent), Galaxy Gaming Inc. (GLXZ) contributed negative 0.01 points.
- Transact Technologies (TACT) contributed negative 0.03 points due to a 4.5-percent decline in stock price to \$7.66.
- Astro Corp. (Taiwan: 3064) reported a stock price of NT\$36.45 (-2.3 percent) and contributed negative 0.01 points.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Jul-16	Jun-16	Jul-15	Prior Period	Prior Year	
Agilysys	Nasdaq: AGYS (US\$)	11.42	10.47	8.47	9.07	34.83	0.25
Ainsworth Game Technology	ASX: AGI (AU\$)	2.09	2.16	3.00	(3.24)	(30.33)	0.20
Aristocrat Technologies	ASX: ALL (AU\$)	15.94	13.80	8.57	15.51	86.00	20.38
Astro Corp.	Taiwan: 3064 (NT\$)	36.45	37.30	28.35	(2.28)	28.57	(0.01)
Crane Co.	NYSE: CR (US\$)	62.30	56.72	53.20	9.84	17.11	3.86
Daktronics, Inc.	Nasdaq: DAKT (US\$)	6.47	6.25	11.43	3.52	(43.39)	0.11
Everi Holdings Inc.	NYSE: EVRI (US\$)	1.90	1.15	5.05	65.22	(62.38)	0.88
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.29	0.31	0.18	(6.45)	61.11	(0.01)
Gaming Partners International	Nasdaq: GPIC (US\$)	9.28	9.30	10.00	(0.22)	(7.20)	(0.00)
International Game Technology PLC	NYSE: IGT (US\$)	20.90	18.74	19.80	11.53	5.56	5.23
INTRALOT S.A.	ATHEX: INLOT (€)	0.90	0.90	1.70	-	(47.06)	0.01
Konami Corp.	TYO: 9766 (¥)	3,990	3,895	2,588	2.44	54.17	2.18
Scientific Games Corporation	Nasdaq: SGMS (US\$)	10.66	9.19	15.10	16.00	(29.40)	1.61
Transact Technologies	Nasdaq: TACT (US\$)	7.66	8.02	7.41	(4.49)	3.37	(0.03)
Change in Index Value							34.67
AGEM Index Value: June 2016							260.01
AGEM Index Value: July 2016							294.68

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A number of industry manufacturers released financial results for the second quarter of 2016 in recent weeks. Selected company highlights below suggest mostly positive results for key players in the industry.

International Gaming Technology (IGT) reported total revenue of \$1,285 million in the second quarter of 2016, which represents an increase of 1 percent compared to the same quarter in the previous year. Bright spots included growth in IGT's lottery business in North America and Italy and service revenues. Global lottery revenue, excluding Italy, grew 6 percent on a same store basis while lottery wagers in Italy increased 8 percent. Gaming service revenue also expanded 5 percent in the second quarter despite a lower global installation base.

Agilysys (AGYS) reported fiscal year 2017 quarter one revenues of \$31 million, up 12.7 percent over the prior year. Subscription based revenue helped drive these positive results, increasing 30 percent year over year. Agilysys continues to focus on growing its business in recurring revenue streams such as its subscription based services. Total contract value of bookings for subscription based business increased 250 percent year over year and recurring revenue continues to be a larger portion of Agilysys' revenue mix.

Scientific Games (SGMS) reported revenue for the second quarter of 2016 of \$729.2 million, which represents a gain of 5 percent over the same period of the prior year. Gaming machine sales revenue was up 11

percent to \$154.4 million as Scientific Games sold 7,668 new machines in the last quarter. The North American market was particularly strong as sales increased 17 percent year on year. Despite the strong performance in gaming machines, gaming operations experienced a 2-percent decline due to a reduction in the installed base of WAP, premium, and daily-fee participation games. Lottery revenue expanded 7.2 percent despite the expiration of Scientific's China Sports Lottery contract. Scientific Games continues to lead the market in instant games with revenues of \$150.9 million in the second quarter of 2016. Finally, interactive gaming revenue experienced growth of 62 percent to \$83.4 million. The success of the unit indicates the popularity of social games and apps that are a burgeoning portion of Scientific's portfolio. Scientific Games also named Kevin Sheehan as the new CEO and President; Sheehan comes from Norwegian Cruise Line. President Gavin Isaacs was named Vice Chairman of the Board of Directors.

Transact Technologies (TACT) reported a year over year decline in revenues of 14 percent as second quarter revenues totaled \$14.8 million. Transact Technologies' casino and gaming revenues fell 29 percent from \$7.2 million in the second quarter of 2015 to \$5.2 million. This decline was primarily due to lower sales of domestic and international printers and the company experienced no new installations of its Epicentral software system.



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.



For More Information, Contact:

Marcus Prater, Executive Director

P.O. Box 50049, Henderson, NV 89016-0049

702.812.6932 | AGEM.org@cox.net

AGEM Membership Roster

AGEM Gold Members:

- AGS
- Ainsworth Game Technology
- Aristocrat Technologies
- Austrian Gaming Industries
- Everi Holdings Inc.
- International Game Technology PLC (IGT)
- Intralot S.A.
- Konami Gaming
- Merkur Gaming
- Sega Sammy Creation
- Scientific Games

AGEM Silver Members: Action Gaming, Aruze Gaming America, Casino Technology, Crane Payment Innovations (CPI), Gaming Partners International (GPI), JCM Global, NYX Gaming Group, 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, Gamblit 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, Patriot Gaming & Electronics, Quixant Ltd., Reel Games, Table Trac, Vantiv Entertainment Solutions, Wells-Gardner Technologies and Win Systems.

AGEM Associate Members: 3M Touch Systems, 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, CMC Trading Engineering, Coloredge, Cooper Levenson, Coretronic, Digital Instinct, DiTronics Financial Services, Duane Morris LLP, DynaGraphic Printing, Eilers & Krejcik Gaming, Elite Gaming Technology, Esterline Interface Technologies, Fantini Research, Four Corners, Fox Rothschild, G2 Game Design, GAN, Gaming and Entertainment Touch Technology, Gaming Capital Group, Ganlot, Gary Platt Manufacturing, Gasser Chair Company, Genesis Interactive Technologies, GeoComply USA, Global Gaming Group (G3), Greenberg Traurig, Holley, Driggs, Walch, Fine, Wray, Puzey & Thompson, House Advantage, Howard & Howard, Impact Display Solutions, Intel, IPS, James Industries, James Industry Research Group, JCS Technologies, Jones Walker, KEY-BAK, Kontron, Lazcano Sámano, Legacy Electronics, Lewis Roca Rothgerber, Lightstone Solutions, Majestic Realty, Media Resources, Metalcraft, NanoLumens, Olsen Gaming / Spectronix, Outpost Creative, Portilla Ruy-Díaz y Aguilar, Proforma GPS, Randstad Staffing, Regulatory Management Counselors (RMC), RMMC, RSM, 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, Veridocs, Wells Fargo, Young Electric Sign Company (YESCO) and Zebra Technologies.