

# AGEM Index

Association of Gaming Equipment Manufacturers

August 2016

The AGEM Index posted a slight decrease in August 2016 after gaining 34.67 points in July 2016. The composite index stood at 286.40 at the close of the month, which represents a decrease of 8.29 points, or 2.8 percent, when compared to July 2016. The AGEM Index reported a year-over-year increase for the 11th consecutive month, rising 95.95 points, or 50.4 percent, when compared to July 2015.

During the latest period, half of the 14 global gaming equipment manufacturers reported month-to-month increases in stock price, with three up by more than 10 percent. The balance of manufacturers reported decreases in stock price during the month, with one declining by more than 10 percent.

The broader stock markets reported mixed results in August 2016. The S&P 500 reported a month-to-month decrease of 0.1 percent, falling to 2,170.95. Additionally, the Dow Jones Industrial Average decreased 0.2 percent to 18,400.88, and the NASDAQ increased 1.0 percent during the period to 5,213.22.

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

- International Game Technology (IGT) contributed 5.41 points due to a 9.2-percent increase in stock price to \$22.83.
- Daktronics (DAKT) reported a stock price of \$9.53 (+47.3 percent) and contributed 2.53 points.
- With a stock price of \$64.32 (+3.2 percent), Crane Co. (CR) contributed 1.55 points to the overall index.

Selected negative contributors included the following:

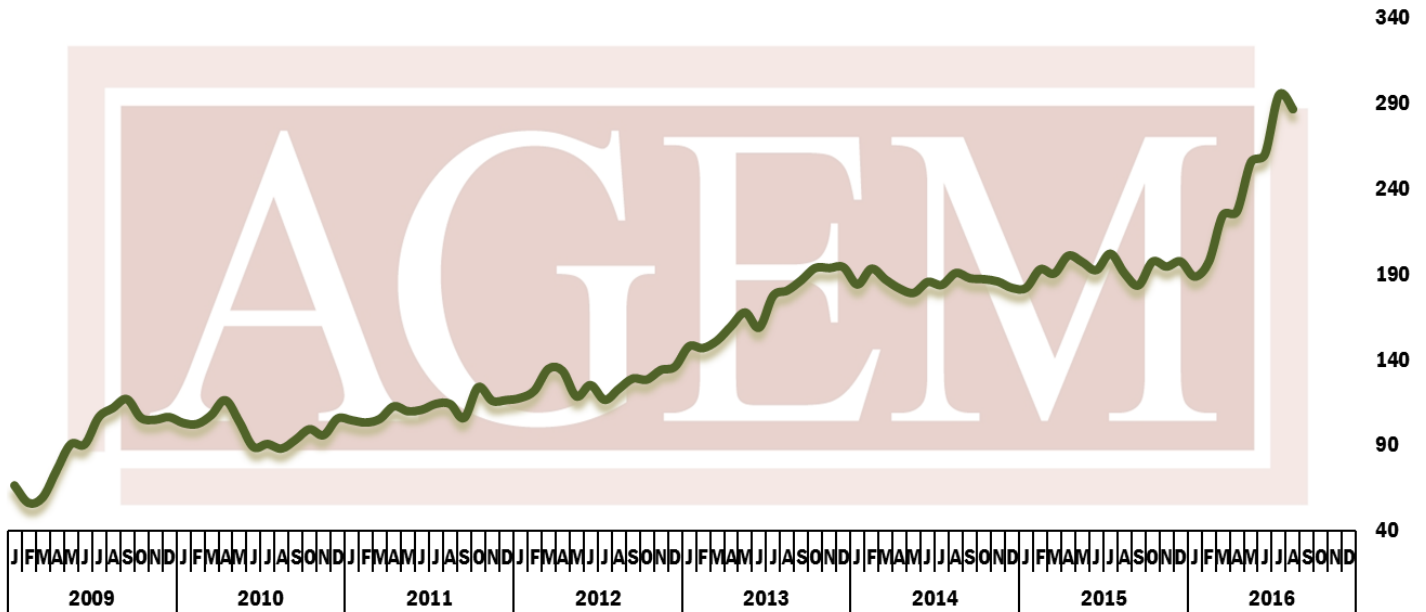
- With a stock price of \$15.10 (-5.3 percent), Aristocrat Technologies (ALL) contributed negative 9.68 points.
- Konami Group (TYO:9766) contributed negative 6.21 points due to an 8.4-percent decline in stock price to ¥3,665.
- Scientific Games (SGMS) reported a stock price of \$8.25 (-22.6 percent) and contributed negative 2.08 points.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Aug-16	Jul-16	Aug-15	Prior Period	Prior Year	
Agilysys	Nasdaq: AGYS (US\$)	11.05	11.42	10.27	(3.24) ↓	7.59 ↑	(0.10)
Ainsworth Game Technology	ASX: AGI (AU\$)	2.21	2.09	3.01	5.74 ↑	(26.58) ↓	(0.01)
Aristocrat Technologies	ASX: ALL (AU\$)	15.10	15.94	8.44	(5.27) ↓	78.91 ↑	(9.68)
Astro Corp.	Taiwan: 3064 (NT\$)	34.75	36.45	16.85	(4.66) ↓	106.23 ↑	(0.05)
Crane Co.	NYSE: CR (US\$)	64.32	62.30	52.54	3.24 ↑	22.42 ↑	1.55
Daktronics, Inc.	Nasdaq: DAKT (US\$)	9.53	6.47	8.69	47.30 ↑	9.67 ↑	2.53
Everi Holdings Inc.	NYSE: EVRI (US\$)	2.11	1.90	5.17	11.05 ↑	(59.19) ↓	0.20
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.46	0.29	0.24	58.62 ↑	91.67 ↑	0.14
Gaming Partners International	Nasdaq: GPIC (US\$)	9.95	9.28	9.51	7.22 ↑	4.63 ↑	0.07
International Game Technology PLC	NYSE: IGT (US\$)	22.83	20.90	16.98	9.23 ↑	34.45 ↑	5.41
INTRALOT S.A.	ATHEX: INLOT (€)	0.88	0.90	1.52	(2.22) ↓	(42.11) ↓	(0.05)
Konami Corp.	TYO: 9766 (¥)	3,655	3,990	2,664	(8.40) ↓	37.20 ↑	(6.21)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	8.25	10.66	11.02	(22.61) ↓	(25.14) ↓	(2.08)
Transact Technologies	Nasdaq: TACT (US\$)	7.54	7.66	7.51	(1.57) ↓	0.40 ↑	(0.01)
Change in Index Value							(8.29)
AGEM Index Value: July 2016							294.68
<b>AGEM Index Value: August 2016</b>							<b>286.40</b>

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A number of industry manufacturers released their quarterly financial results in recent months. Selected company highlights below suggest mostly positive results for key players in the industry.

Everi (EVRI) reported a 3.7-percent increase in revenues for the second quarter of 2016. Revenue was up \$7.6 million to \$214.0 million in the quarter. Growth for the quarter was fueled by the payments portion of Everi's business, which features cash access solutions to gaming establishments such as ATM cash withdrawals, credit card cash access transactions and debit card transactions. The payments business comprised 75 percent of Everi's business this quarter, growing revenues by 5.4 percent from the prior year. Everi's gaming business declined by a modest 1.1 percent on the year as the company reported its the installed base remained relatively flat from 2015 as new casino openings have slowed.

Galaxy Gaming (GLXZ) reported a 14-percent increase in revenue for the second quarter of 2016, reaching nearly \$3.1 million. The independent developer, manufacturer and distributor of casino table games and systems posted a 15-percent gain in revenue during the first half of 2016. Premium games displayed the largest revenue growth, while every product category showed positive year-on-year gains. Premium games are of critical importance to Galaxy's revenue growth as they command a higher price point relative to Galaxy's other products.

The United Kingdom also helped drive revenue growth as Galaxy saw increasing utilization of their products in the region. Earnings growth (adjusted EBITDA) was an impressive 56 percent on the year, largely a result of the revenue gain and lower selling, general and administrative expenses.

Gaming Partners International (GPIC) reported \$20.3 million in revenue for the second quarter of 2016; revenue was up \$4.1 million, or 25.3 percent, over the same quarter in 2015. GPIC attributed the growth in revenue primarily to increased sales of casino currency in the United States and RFID solutions in Asia.

INTRALOT SA (INLOT) reported a 13.3-percent increase in revenue to €331.9 million for the second quarter of 2016. INTRALOT's revenue increase was primarily driven by growth in the United States, Turkey and Bulgaria. INTRALOT made several strategic acquisitions in the second quarter of 2016. INTRALOT completed its acquisition of Gamenet to expand its reach in the Italian gaming market. INTRALOT then sold 80 percent of its stake in INTRALOT de Peru to the Peruvian Nexus Group. INTRALOT also completed the acquisition of a stake in Eurobet, a leading Bulgarian gaming company. Most recently, INTRALOT announced discussions with Tatts for a potential sale of INTRALOT's Australian and New Zealand businesses.



[www.AGEM.org](http://www.AGEM.org)

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## 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:

- 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.