

AGEM Index

Association of Gaming Equipment Manufacturers

November 2016

The AGEM Index posted a modest decrease in November 2016 after gaining 15.04 points in October 2016. The composite index stood at 308.14 points at the close of the month, which represents a decrease of 13.76 points, or negative 4.27 percent, when compared to October 2016. The AGEM Index reported a year-over-year increase for the 14th consecutive month, rising 113.81 points, or 58.6 percent, when compared to November 2015.

During the latest period, eight of the 13 global gaming equipment manufacturers reported month-to-month increases in stock price, with three up by more than 10 percent. Five manufacturers reported decreases in stock price during the month, with three reporting double-digit drops.

The broader stock markets reported positive results in November 2016. The S&P 500 reported a month-to-month increase of 3.4 percent, rising to 2,198.81. Additionally, the Dow Jones Industrial Average increased 5.4 percent to 19,123.58, while the NASDAQ increased 2.6 percent during the period to 5,323.68.

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

- Crane Co. (CR) contributed 4.69 points due to an 8.06 percent increase in stock price to \$73.49.
- Scientific Games (SGMS) reported a stock price of \$14.75 (+18.95 percent) and contributed 3.31 points.

Selected negative contributors included the following:

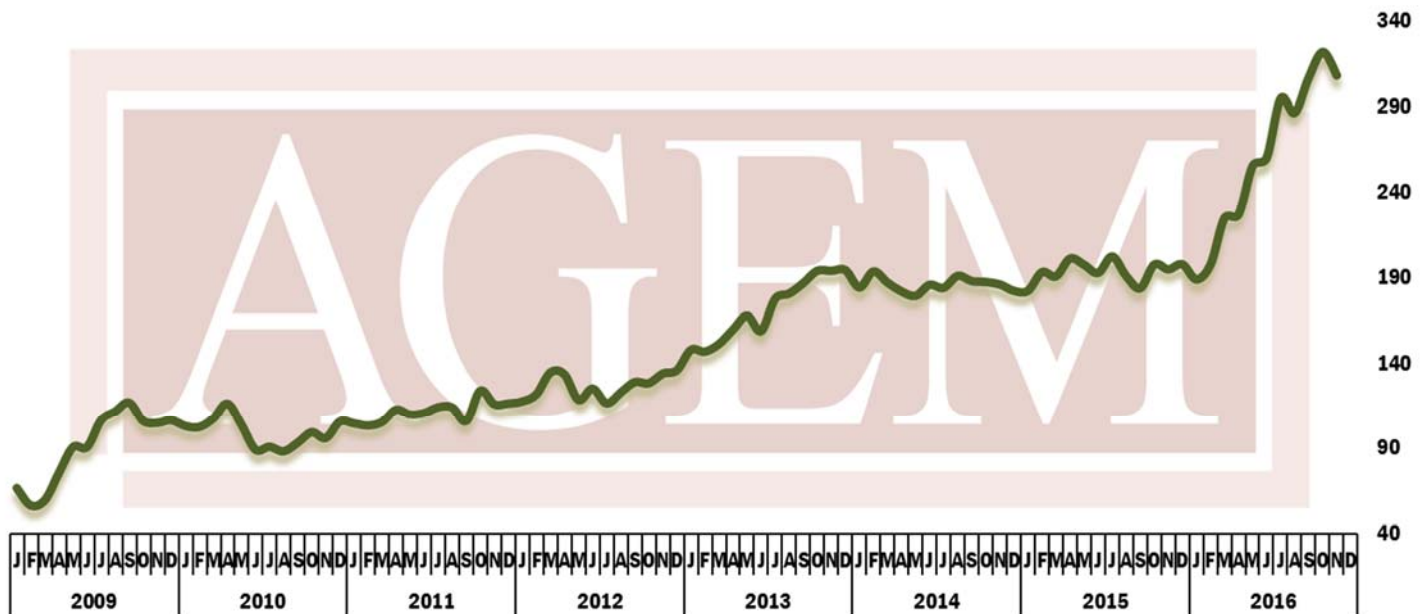
- With a stock price of \$25.78 (-10.24 percent), International Game Technology (IGT) contributed negative 7.17 points.
- Konami Corp. (TYO:9766) contributed negative 9.85 points to the index due to a 6.63 percent decline in stock price to ¥3,870.
- Aristocrat Technologies reported a stock price of AU\$15.00 (-2.22 percent) and contributed negative 4.79 points.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Nov-16	Oct-16	Nov-15	Prior Period	Prior Year	
Agilysys	Nasdaq: AGYS (US\$)	10.21	9.65	11.10	5.80	(8.02)	0.19
Ainsworth Game Technology	ASX: AGI (AU\$)	1.81	1.78	2.40	1.69	(24.58)	(0.08)
Aristocrat Technologies	ASX: ALL (AU\$)	15.00	15.34	9.49	(2.22)	58.06	(4.79)
Astro Corp.	Taiwan: 3064 (NT\$)	29.60	27.85	20.00	6.28	48.00	0.05
Crane Co.	NYSE: CR (US\$)	73.49	68.01	52.02	8.06	41.27	4.69
Everi Holdings Inc.	NYSE: EVRI (US\$)	2.16	2.01	3.82	7.46	(43.46)	0.14
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.61	0.52	0.20	17.31	205.00	0.06
Gaming Partners International	Nasdaq: GPIC (US\$)	11.62	10.39	8.86	11.84	31.15	0.15
International Game Technology PLC	NYSE: IGT (US\$)	25.78	28.72	15.53	(10.24)	66.00	(7.17)
INTRALOT S.A.	ATHEX: INLOT (€)	1.08	1.23	1.38	(12.20)	(21.74)	(0.37)
Konami Corp.	TYO: 9766 (¥)	3,870	4,145	2,881	(6.63)	34.33	(9.85)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	14.75	12.40	9.22	18.95	59.98	3.31
Transact Technologies	Nasdaq: TACT (US\$)	6.35	7.20	8.85	(11.81)	(28.25)	(0.07)
Change in Index Value							(13.76)
AGEM Index Value: October 2016							321.90
AGEM Index Value: November 2016							308.14

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

International Game Technology (IGT) reported \$1.3 billion in revenue for the third quarter of 2016. This represents a \$64 million increase over the prior year and year-over-year growth of 5 percent. North American lottery growth was a major driver as same store lottery revenue (excluding Italy) was up 6 percent. Product sales across North America increased as IGT sold 9,980 gaming machines in the third quarter. Adjusted EBITDA also saw a year-over-year increase, rising 4 percent to \$430 million.

Agilysys (AGYS) reported fiscal year second quarter revenues of \$32.6 million, a 10.2 percent increase over the prior year. Remarketing products sales along with increased sales of new logo hardware helped contribute to these positive revenue results. Support, maintenance and subscription service revenue increased \$1.2 million, or 8.5 percent, year over year as subscription-based services continue to make up a larger portion of Agilysys's portfolio.

Transact Technologies (TACT) reported revenue of \$14.5 million in the third quarter of 2016, a 2.1 percent year-over-year increase. However, EBITDA for the company

declined from \$1.9 million to \$1.6 million in 2016. The POS automation business helped push revenue growth, and Transact continues to make headway in the food and beverage space with the AccuDate food safety terminals that it now offers.

Galaxy Gaming (GLXZ) reported total revenues of \$3.2 million in the third quarter of 2016, an increase of 15.9 percent or nearly half a million dollars over the same period of the prior year. An increase in the company's billable unit count and a continued focus on premium games helped drive revenue growth in the quarter.

Gaming Partners International (GPIC) reported revenues of \$22.6 million in the third quarter of 2016. Revenues increased 13.7 percent year over year due to an increase in casino currency, gaming furniture and RFID solution sales. Casino Currency with RFID technology was a particularly significant factor, increasing from \$850,000 in sales in the third quarter of 2015 to nearly \$5.8 million in 2016. Playing cards still make up the largest contributor to Gaming Partners' revenues, accounting for 30.4 percent of sales. However, RFID casino currency is now the second-largest revenue generator for the company, contributing 25.7 percent of sales in third quarter 2016.



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:

- 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), Exacta Systems, FBM, Galaxy Gaming, Gamblit Gaming, GameCo, Gaming Arts, 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., 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, Automated Cashless Systems, 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, Cooper Levenson, 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, Gambling Compliance, 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 Sámamo, Lewis Roca Rothgerber, Lightstone Solutions, Majestic Realty, Media Resources, Metalcraft, NanoLumens, Olsen Gaming / Spectronix, Outpost Creative, Portilla Ruy-Díaz y Aguilar, Proforma GPS, Regulatory Management Counselors (RMC), RMMC, RSM US LLP, Sanmina, SCA Gaming, Sightline Payments, Slot Constructor, Southwest Manufacturing Services, Spin Games, StylGame USA, Taft Stettinius & Hollister, 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.