

# AGEM Index

Association of Gaming Equipment Manufacturers

April 2017

The AGEM Index reached another record high in April, continuing the momentum from previous months. The composite index stood at 371.50 points at the close of April 2017, which represents an increase of 10.22 points, or 2.8 percent, when compared to March 2017. The AGEM Index reported a year-over-year increase for the 19th consecutive month, rising 144.99 points, or 64.0 percent, when compared to April 2016.

During the latest period, nine of the 13 global gaming equipment manufacturers reported month-to-month increases in stock price, with two up by more than 10 percent. Three manufacturers reported decreases in stock price during the month and one manufacturer posted a flat performance.

The broader stock markets produced mixed results in March. The S&P 500 reported a slight month-to-month increase, rising 0.09 percent to 2,384.20. Additionally, the Dow Jones Industrial Average increased 1.3 percent to 20,940.51, while the NASDAQ increased 2.3 percent during the period to 6,047.61.

Selected positive contributors to the April 2017 AGEM Index included the following:

- Aristocrat Technologies (ALL) contributed 8.85 points due to a 9.29 percent increase in stock price to AU\$19.64.
- Crane Co. (CR) reported a 6.79 percent increase in stock price to \$79.91 and contributed 4.18 points.
- Everi Holdings (EVRI) contributed 1.77 points due to a 32.57 percent increase in stock price to \$6.35.

Selected negative contributors included the following:

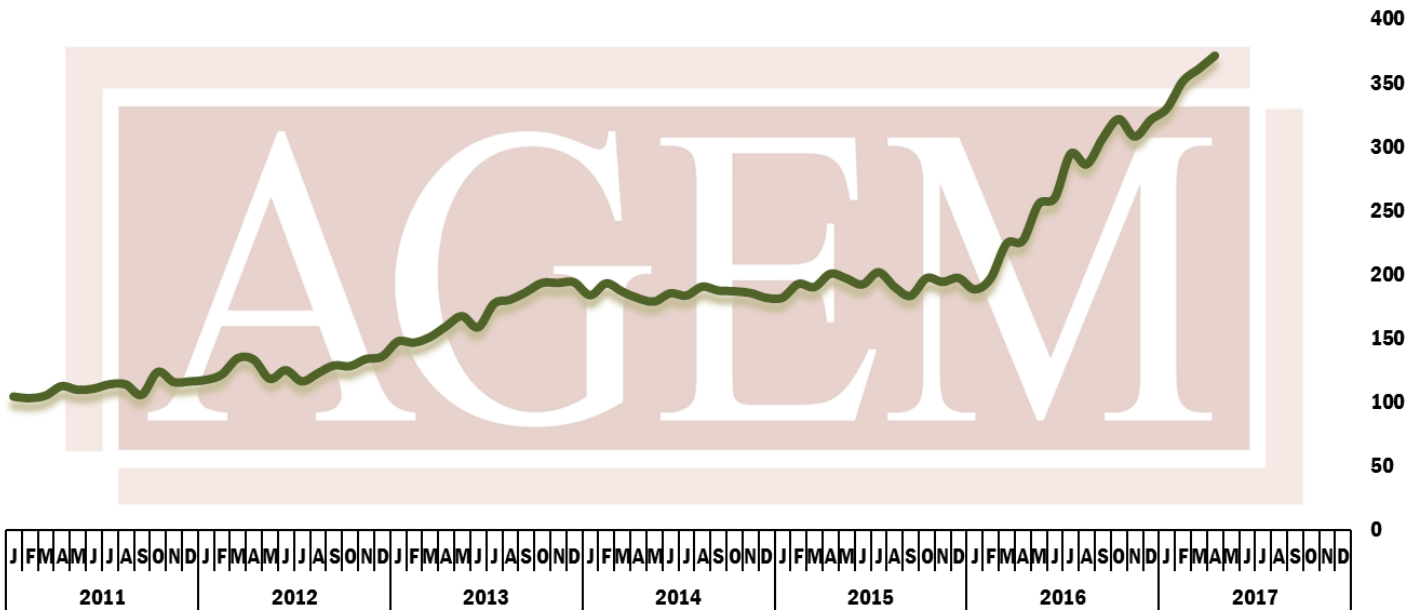
- With its stock price falling 6.33 percent to \$22.20, International Game Technology (IGT) contributed negative 3.68 points.
- Konami Corp. (TYO:9766) contributed negative 1.47 points to the index due to a 1.9 percent decline in stock price to ¥4,635.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Apr-17	Mar-17	Apr-16	Prior Period	Prior Year	
Agilysys	Nasdaq: AGYS (US\$)	9.90	9.45	10.68	4.76	(7.30)	0.14
Ainsworth Game Technology	ASX: AGI (AU\$)	1.86	1.84	2.33	1.09	(20.17)	(0.05)
Aristocrat Technologies	ASX: ALL (AU\$)	19.64	17.97	10.00	9.29	96.40	8.85
Astro Corp.	Taiwan: 3064 (NT\$)	24.20	19.10	36.50	26.70	(33.70)	0.21
Crane Co.	NYSE: CR (US\$)	79.91	74.83	55.57	6.79	43.80	4.18
Everi Holdings Inc.	NYSE: EVRI (US\$)	6.35	4.79	1.68	32.57	277.98	1.77
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	0.63	0.63	0.25	-	153.01	-
Gaming Partners International	Nasdaq: GPIC (US\$)	9.99	10.00	8.90	(0.10)	12.25	(0.00)
International Game Technology PLC	NYSE: IGT (US\$)	22.20	23.70	17.34	(6.33)	28.03	(3.68)
INTRALOT S.A.	ATHEX: INLOT (€)	1.24	1.22	1.02	1.64	21.57	0.10
Konami Corp.	TYO: 9766 (¥)	4,635	4,725	3,435	(1.90)	34.93	(1.47)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	23.75	23.65	9.92	0.42	139.42	0.11
Transact Technologies	Nasdaq: TACT (US\$)	8.75	8.10	8.71	8.02	0.46	0.07
Change in Index Value							10.22
AGEM Index Value: March 2017							361.28
<b>AGEM Index Value: April 2017</b>							<b>371.50</b>

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A number of global gaming suppliers have identified the State of Nevada as key market for manufacturing operations and back-office support. The southern portion of the state, which includes the Las Vegas area, continues to make strides in capturing the attention of the supplier industry. Aristocrat Technologies recently entered into an arrangement with Summerlin, a premier master planned community in Las Vegas, for the development of a new multi-building campus.

Howard Hughes Corporation, developer of Summerlin, revealed plans for two buildings near Hualapai Way and the Interstate-215 comprising of 180,000 square feet of space dedicated for Aristocrat. Construction on the project is expected to proceed in the second quarter of 2017 with an expected completion date of late 2018. The facilities will accommodate 600 employees who are currently spread among different buildings in the Las Vegas area. Aristocrat has signed a 15-year build-to-suit lease agreement, and the project is expected to cost approximately \$45 million, exclusive of land costs.

Aristocrat joins several other manufacturers, including International Game Technology, Scientific Games Corporation and Ainsworth Game Technology, with offices in the southwestern region of the Las Vegas area. Both Ainsworth and Aristocrat are based in Australia while Las Vegas serves as the headquarters for Ainsworth's North American operations.

With the addition of a centralized campus for Aristocrat, gaming manufacturers continue to value a presence in Las Vegas and solidify the city as one of the centers for innovation in the gaming manufacturing market.

In other recent news, IGT is proceeding with the sale of its social casino subsidiary. IGT is expected to sell Double Down Interactive LLC to DoubleU Games Co. Ltd, a Seoul-based affiliate, in the second quarter of this year. The sale price of \$825 million represents a 10.5 times multiplier on the 2016 adjusted earnings figures of the subsidiary.

IGT made the announcement on April 18, 2017, citing the need to deleverage the balance sheet and capitalize on the recent valuation. IGT originally purchased Double Down for \$500 million in 2012 but has seen revenues and daily active users decline in the most recent year. As part of the agreement, DoubleU will be able to license and offer IGT's social games on its platforms while paying royalties to IGT. IGT's stock has responded positively during the second half of the month of April.



## The AGEM Index

The Association of Gaming Equipment Manufacturers (AGEM) produces the monthly AGEM Index that comprises 13 global gaming suppliers throughout the world. A total of 8 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
- NOVOMATIC Group
- 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, Quixant PLC, Suzo-Happ Group, TCSJohnHuxley, William Hill US 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, Euro Games Technology (EGT), Exacta Systems, FBM, Galaxy Gaming, Gambliit Gaming, GameCo, Gaming Arts, Gaming Support, Glory Global Solutions, 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, Spintec, Table Trac, Vantiv Entertainment Solutions, Wells-Gardner Technologies and Win Systems.

**AGEM Associate Members:** 3M Touch Systems, Adlink Technology, Advantech-Innocore, Agilysys, AMD, Arrow International, Asimex Global, Atrient, Automated Cashless Systems, AVUITY, Axiomtek, British Group Interactive (BGI), 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, EFCOtec Corporation, Eilers & Krejcik Gaming, Elite Gaming Technology, Esterline Interface Technologies, Fantini Research, Finnegan, Henderson, Farabow, Garrett & Dunner, Fox Rothschild, G2 Game Design, Gambling Compliance, GAN, Gaming and Entertainment Touch Technology, Gaming Capital Group, Ganlot, Gary Platt Manufacturing, 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, Lewis Roca Rothgerber Christie, Lightstone Solutions, Majestic Realty, Media Resources, Metalcraft, NanoLumens, Olsen Gaming / Spectronix, Outpost Creative, Passport Technology, Patir Casino Seating, Portilla Ruy-Díaz y Aguilar, Proforma GPS, Regulatory Management Counselors (RMC), RMMC, RSM US LLP, SAP, 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, Touch Embedded Solutions, Tournament One, TOVIS, TraffGen USA, TransAct Technologies, Veridocs, Wells Fargo, Young Electric Sign Company (YESCO) and Zebra Technologies.