



Q2 2021

Investor Update
August 5, 2021

Cautionary Note Regarding Forward-Looking Statements

This presentation contains statements that constitute forward-looking statements which involve risks and uncertainties, including such risks and uncertainties related to the effects of COVID-19 on the Company's business and results of operations and other factors set forth in the Annual Report on Form 10-K of PlayAGS, Inc. ("AGS" or the "Company") filed with the U.S. Securities and Exchange Commission (the "SEC") by the Company. These statements include descriptions regarding the intent, belief or current expectations of AGS or its officers with respect to the consolidated results of operations and financial condition, future events and plans of AGS. These statements can be recognized by the use of words such as "expects," "plans," "will," "estimates," "projects," or words of similar meaning. Such forward-looking statements are not guarantees of future performance and actual results may differ from those in the forward-looking statements as a result of various factors and assumptions. These statements are subject to risks, uncertainties, changes in circumstances, assumptions and other important factors, many of which are outside management's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of the management of AGS on future events. We undertake no obligation to publicly update or revise any forward-looking statement contained in this presentation, whether as a result of new information, future events or otherwise, except as required by law. In light of the risks, uncertainties and assumptions, the forward-looking events discussed in this presentation might not occur, and our actual results could differ materially from those anticipated in these forward-looking statements.

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Q2 2021 Highlights

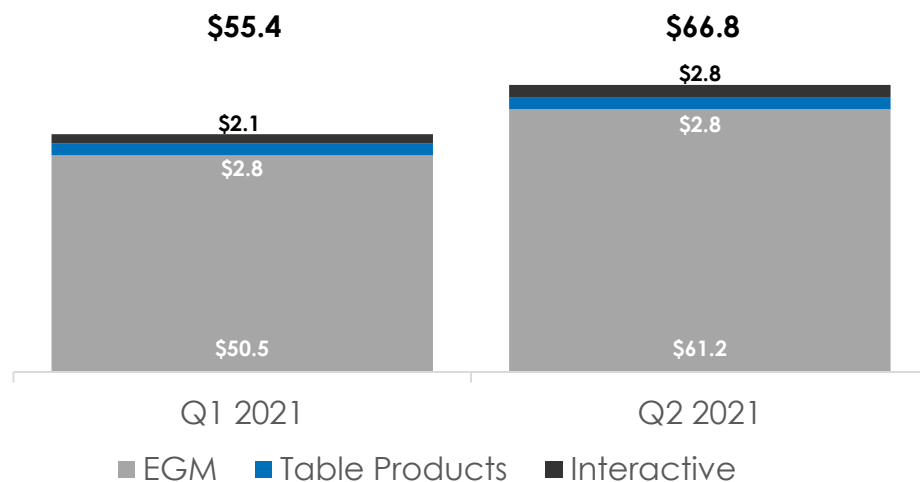
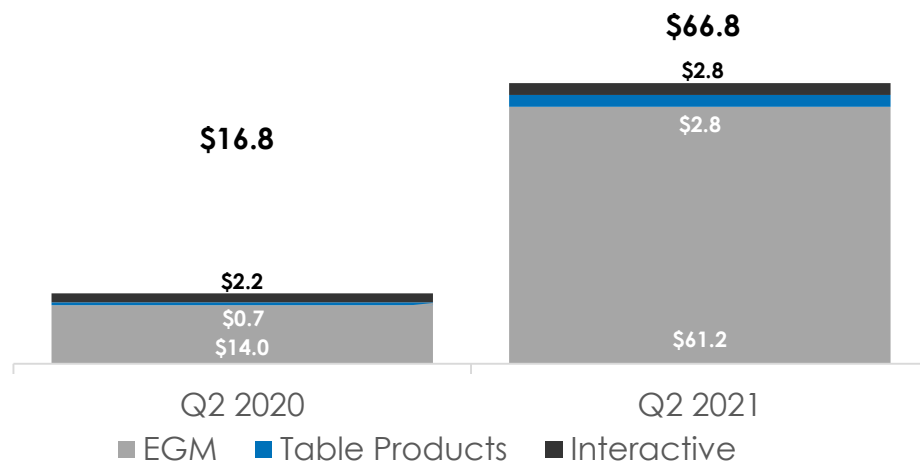
- Net loss improved to \$3.9 million compared to \$7.8 million in Q1 2021.
- Adjusted EBITDA totaled \$32.1 million, up more than 20% over Q1 2021.
- Domestic EGM RPD and Domestic EGM Gaming Operations revenue established new company records of \$33.11 and \$45.9 million, respectively.
- Table Products adjusted EBITDA established a new quarterly record of \$1.4 million.
- RMG Interactive revenues more than doubled year-over-year to a record \$2.2 million.
- Reduced net leverage to 5.0x as of June 30, 2021 from 7.5x at December 31, 2020. Firmly in compliance with all debt covenants.
- Generated over \$14 million of free cash flow year-to-date. Nearly \$120 million of available liquidity as of June 30, 2021.
- Subsequent to quarter end, successfully extended our revolving credit facility maturity to November 2023 from the prior maturity of June 2022.



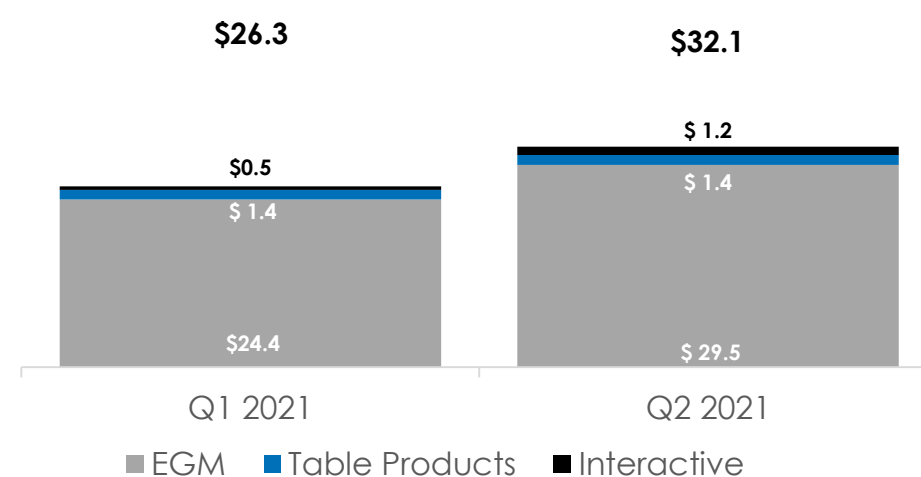
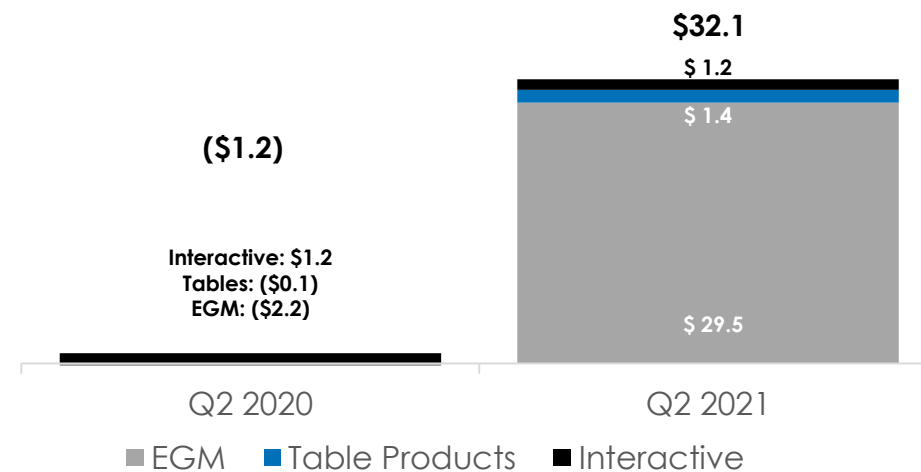
Q2 2021 Financial Performance

(\$ in mm)

REVENUE



ADJUSTED EBITDA



EGM Segment

(\$ in '000), except ASP

EGM	Q2 2020	Q2 2021	% Change
Gaming operations revenue	\$ 7,535	\$ 49,432	556%
Equipment sales revenue	6,422	11,761	83%
Total revenues	\$ 13,957	\$ 61,193	338%
Adjusted EBITDA	\$ (2,191)	\$ 29,453	N/A
Domestic installed base	17,794	15,446	-13%
International installed base	7,969	7,879	-1%
Total installed base	25,763	23,325	-9%
Total EGM units sold	209	613	193%
Domestic average sales price	\$ 19,646	\$ 16,902	-14%

- Domestic EGM RPD of \$33.11, a new company record, increased 26.6% versus the \$26.16 achieved in Q2 2019 and approximately 22% as compared to the \$27.10 realized in Q1 2021. The record performance reflects a supportive gaming macroeconomic environment, a greater mix of higher-yielding premium games within our domestic installed base, and the opportunistic pruning of lower-yielding units.
- Domestic installed base was relatively flat versus Q1 2021, as continued growth in our premium game installed base was offset by convert-to-sale activity.
- Sold 613 units into 19 U.S. states. Washington, Kentucky and Arizona emerged as our top three sales markets.
- Increased our *Starwall x Orion* installed base to over 520 games as of June 30, 2021. Steady game performance and new configurations have further stimulated operator interest in the product.
- Commenced the commercial launch of our *Orion Curve Premium* package featuring an extension of our player-favorite game theme, *Rakin' Bacon!*. Initial placements performing nicely above house average, accelerating operator demand.
- Our *Captain Riches* game theme, a member of our *Ultimate Choice Jackpots ("UCJ")* family of games and available on our *Orion Curve* cabinet, achieved a top 15 ranking within the "New Core Video Reel" category of the July 2021 *Eilers-Fantini Game Performance Report*.

Table Products and Interactive Segments

(\$ in '000), except ALP

Table Products	Q2 2020	Q2 2021	% Change
Gaming operations revenue	\$ 497	\$ 2,793	462%
Equipment sales revenue	177	37	-79%
Total revenues	\$ 674	\$ 2,830	320%
Adjusted EBITDA	\$ (126)	\$ 1,448	N/A
Table Products installed base	3,962	4,458	13%
Average monthly lease price	\$ 42	\$ 207	393%

(\$ in mm)

Interactive	Q2 2020	Q2 2021	% Change
Social gaming revenue	\$ 1,095	\$ 580	-47%
Real-money gaming revenue	1,062	2,234	110%
Total revenues	\$ 2,157	\$ 2,814	30%
Adjusted EBITDA	\$ 1,164	\$ 1,202	3%

- Adjusted EBITDA increased 2.6% on a quarterly sequential basis to a record \$1.4 million.
- Installed base increased by 96 units on a quarterly sequential basis, with growth achieved across all segments of the product portfolio.
- Progressive installed base increased to a record 1,638 units at quarter end.
- Site license agreements live with 10 operators as of June 30, 2021. Pipeline continues to build.
- Pax S shuffler and Bonus Spin Xtreme progressive expected to drive incremental demand throughout 2H21.
- Continue to improve execution and benefit from the rollout of real-money gaming (RMG) in additional jurisdictions throughout the United States and Canada. Content currently live with operators in NJ, PA, MI, Ontario, and Quebec.
- RMG revenues set a new quarterly record and the segment achieved positive adjusted EBITDA for the sixth consecutive quarter.
- Remain focused on expanding B2C partner relationships, leveraging more AGS content, and participating in new market expansion opportunities.

Balance Sheet and Cash Flow Highlights

- As of June 30, 2021, we had \$118.7 million of available liquidity compared to \$111.7 million at December 31, 2020.
- Total Net Debt Leverage Ratio decreased from 7.5 times at December 31, 2020 to 5.0 times at June 30, 2021.
- As of June 30, 2021, our net first lien leverage ratio, measured in accordance with a revised calculation of Adjusted EBITDA used for debt covenant compliance purposes, was 4.1 times, putting us in compliance with our 6.0 times financial covenant.
- Subsequent to quarter end, we successfully extended the maturity on our \$30 million revolving credit facility to November 2023 from the prior maturity of June 2022.
- Q2 2021 capital expenditures totaled \$11.5 million. Growth capex comprised over half of the total capital expended.
- We generated \$14.5 million of free cash flow through the first six months of 2021.



Liquidity and Leverage

(\$ in mm)	12/31/2020	6/30/2021	Maturity
Revolver (L+3.5%)	–	–	11/06/23
First lien term loan (L+3.5%)	527	524	02/15/24
Incremental term loan (L+13.0%)	95	94	02/15/24
Other	1	1	
Total debt	\$623	\$619	
Less: Cash	(\$82)	(\$89)	
Total net debt	\$541	\$531	
LTM Adjusted EBITDA	\$72	\$107	
Net leverage	7.5x	5.0x	

2021 Outlook

- **Product Sales** - We believe our 2H 2021 unit sales should exceed the 902 units sold in 1H 2021.
- **Average Sales Price (“ASP”)** - We expect to achieve a stronger ASP in 2H 2021, relative to the level achieved in 1H 2021, as our premium-priced *Orion Curve* cabinet is expected to comprise a greater mix of our total units sold.
- **Domestic EGM Revenue per Day (“RPD”)** - We believe the structural changes we have already made and intend to make to our domestic installed base, led by our premium game and strategic pruning initiatives, could allow us to exceed our 2019 domestic RPD performance in 2H 2021, even if macro trends were to moderate.
- **Domestic Installed Base** - We expect the combination of a strong initial customer response to our recently-released *Orion Curve Premium* package, consistent demand for *Starwall x Orion*, and scheduled new casino openings and expansions to drive modest sequential growth in our domestic installed base in 2H 2021.
- **Table Products** - Growing interest in our suite of industry-leading progressive products and our AGS *Arsenal* site license offering, combined with the highly anticipated launch of our *Pax S* card shuffler, has the potential to simultaneously expand our table product installed base and increase our average lease price as we proceed throughout 2021.
- **Interactive** - Although we remain focused on profitably scaling our RMG business, investments intended to support our future Interactive growth initiatives could temporarily dampen our segment-level margins in 2H 2021.
- **Adjusted EBITDA Margin** - We continue to expect our adjusted EBITDA margin to land nearer to the low end of our targeted 45% to 47% range, as we anticipate making additional investments in our R&D franchise to support our future growth initiatives, experiencing further normalization in sales and marketing expense and recognizing a greater mix of lower-margin slot sales revenue in 2H 2021.
- **Capital Expenditures** - We expect our 2H 2021 capital spend to increase relative to the level incurred in 1H 2021. For the full year, we believe capex should come in slightly below the level incurred in 2019.
- **Free Cash Flow** - Our strong 2Q 2021 financial performance, the accommodative North American gaming industry macroeconomic environment, and early indications of improving demand for our products provide us with greater confidence in our ability to generate positive free cash flow for the full year.

This forward-looking commentary assumes no material changes with respect to COVID-related operating restrictions or casino closures.

Appendix



Consolidated Operational Summary

(\$ in mm, except RPD, ASP, and ALP)

Operational and other data	Q1	Q2	Q3	Q4	2019	Q1	Q2	Q3	Q4	2020	Q1	Q2	LTM 6/30/21
Revenues by segment													
EGM	\$69.7	\$71.0	\$75.3	\$73.7	\$289.6	\$50.4	\$14.0	\$45.1	\$42.4	\$151.8	\$50.5	\$61.2	\$199.2
Table products	2.2	2.4	2.9	2.8	10.2	2.5	0.7	2.3	2.6	8.0	2.8	2.8	10.4
Interactive	1.2	1.1	1.2	1.3	4.9	1.5	2.2	1.9	1.7	7.2	2.1	2.8	8.5
Total revenue	\$73.0	\$74.5	\$79.4	\$77.8	\$304.7	\$54.3	\$16.8	\$49.3	\$46.6	\$167.0	\$55.4	\$66.8	\$218.1
Adjusted EBITDA by segment													
EGM	\$36.7	\$35.5	\$35.8	\$36.6	\$144.7	\$23.4	(\$2.2)	\$25.0	\$19.7	\$65.9	\$24.4	\$29.5	\$98.5
% margin	52.7%	50.1%	47.6%	49.7%	50.0%	46.4%	(15.7%)	55.5%	46.5%	43.4%	48.3%	48.1%	49.5%
Table products	0.5	0.8	1.4	1.0	3.7	0.9	(0.1)	1.3	1.3	3.4	1.4	1.4	5.4
Interactive	(0.9)	(0.6)	(0.4)	(0.4)	(2.4)	0.2	1.2	0.8	0.3	2.4	0.5	1.2	2.7
Total Adjusted EBITDA	\$36.3	\$35.7	\$36.8	\$37.3	\$146.1	\$24.5	(\$1.2)	\$27.0	\$21.3	\$71.7	\$26.3	\$32.1	\$106.7
% margin	49.6%	48.0%	46.3%	47.9%	47.9%	45.1%	(6.9%)	54.8%	45.7%	42.9%	47.5%	48.0%	48.9%
EGM segment													
VLT	667	517	517	512	512	512	512	512	-	-	-	-	-
Class II	12,191	12,154	12,355	12,415	12,415	12,291	12,449	11,887	11,794	11,794	11,412	11,317	11,317
Class III	5,940	5,750	5,852	5,441	5,441	5,000	4,833	4,426	4,474	4,474	4,044	4,129	4,129
Domestic installed base	18,798	18,421	18,724	18,368	18,368	17,803	17,794	16,825	16,268	16,268	15,456	15,446	15,446
International installed base	8,510	8,596	8,668	8,497	8,497	8,286	7,969	8,030	7,985	7,985	7,985	7,879	7,879
Total installed base	27,308	27,017	27,392	26,865	26,865	26,089	25,763	24,855	24,253	24,253	23,441	23,325	23,325
Installed base, Oklahoma	10,193	10,083	10,503	10,171	10,171	9,745	9,562	9,063	8,871	8,871	8,127	8,054	8,054
Installed base - non-Oklahoma	8,605	8,338	8,221	8,197	8,197	8,058	8,232	7,762	7,397	7,397	7,329	7,392	7,392
Domestic installed base	18,798	18,421	18,724	18,368	18,368	17,803	17,794	16,825	16,268	16,268	15,456	15,446	15,446
Domestic RPD	\$26.42	\$26.16	\$25.08	\$24.97	\$25.65	\$21.08	\$5.96	\$20.81	\$23.26	\$17.66	\$27.10	\$33.11	\$25.88
International RPD	\$8.68	\$8.22	\$7.99	\$7.65	\$8.13	\$6.89	\$0.02	\$0.78	\$2.46	\$2.59	\$2.94	\$4.66	\$2.66
Total RPD	\$20.73	\$20.49	\$19.68	\$19.52	\$20.10	\$16.57	\$4.09	\$14.50	\$16.42	\$12.84	\$18.89	\$23.47	\$18.22
Domestic EGM units sold	1,024	1,053	1,350	1,173	4,600	426	147	387	283	1,243	289	613	1,572
International EGM units sold	-	128	41	110	279	38	62	-	-	100	-	-	-
Total EGM units sold	1,024	1,181	1,391	1,283	4,879	464	209	387	283	1,343	289	613	1,572
Domestic avg sales price	\$18,657	\$18,178	\$18,476	\$17,833	\$18,302	\$17,564	\$19,646	\$18,190	\$18,035	\$18,068	\$17,520	\$16,902	\$17,537
Table products segment													
Table products installed base	3,285	3,380	3,601	3,766	3,766	3,897	3,962	4,012	4,254	4,254	4,362	4,458	4,458
Avg monthly lease price	\$217	\$230	\$232	\$239	\$230	\$197	\$42	\$169	\$182	\$149	\$208	\$207	\$193

Total Adjusted EBITDA Reconciliation

(\$ in mm)

Adj. EBITDA reconciliation	Q1	Q2	Q3	Q4	2019
Net (loss) income attributable to PlayAGS, Inc.	(\$0.1)	(\$7.6)	(\$5.5)	\$1.4	(\$11.8)
Income tax (benefit) expense	(5.8)	(0.1)	1.9	(1.6)	(5.4)
Depreciation and amortization	21.5	23.7	23.8	22.5	91.5
Other expense (income)	5.3	(0.0)	(0.1)	(0.5)	4.6
Interest income	(0.0)	(0.0)	0.0	(0.1)	(0.2)
Interest expense	8.9	9.6	9.3	8.5	36.2
1 Write downs and other	1.0	5.0	0.8	0.1	6.9
2 Loss on extinguishment and modification of debt	—	—	—	—	—
3 Other adjustments	0.3	0.4	0.1	0.2	0.9
4 Other non-cash charges	2.0	2.2	2.4	2.5	9.2
5 Legal & litigation expenses including settlement payments	—	0.0	1.7	0.1	1.8
6 Acquisition & integration related costs	2.0	0.4	0.5	0.4	3.2
7 Non-cash stock compensation	1.2	2.2	2.0	3.7	9.0
Adjusted EBITDA	\$36.3	\$35.7	\$36.8	\$37.3	\$146.1

(\$ in mm)

Adj. EBITDA reconciliation	Q1	Q2	Q3	Q4	2020
Net (loss) income attributable to PlayAGS, Inc.	(\$14.4)	(\$42.6)	(\$11.1)	(\$17.2)	(\$85.4)
Income tax (benefit) expense	(3.4)	0.0	(1.7)	(0.9)	(5.9)
Depreciation and amortization	24.4	21.5	20.5	19.4	85.7
Other expense (income)	4.3	(0.0)	(0.3)	(0.8)	3.2
Interest income	(0.1)	(0.1)	(0.7)	(0.3)	(1.2)
Interest expense	8.3	10.9	11.3	11.4	41.9
1 Write downs and other	0.1	0.8	1.9	0.5	3.3
2 Loss on extinguishment and modification of debt	—	3.1	—	—	3.1
3 Other adjustments	0.7	1.5	2.4	1.8	6.5
4 Other non-cash charges	2.6	2.5	2.4	2.2	9.7
5 Legal & litigation expenses including settlement payments	—	—	0.4	1.4	1.8
6 Acquisition & integration related costs	0.5	(0.2)	0.1	—	0.3
7 Non-cash stock compensation	1.6	1.4	1.7	3.7	8.5
Adjusted EBITDA	\$24.5	(\$1.2)	\$27.0	\$21.3	\$71.7

- 1 Write-downs and other** include items related to loss on disposal or impairment of long-lived assets, and fair value adjustments to contingent consideration
- 2 Loss on extinguishment and modification of debt** primarily relates to the refinancing of long-term debt, in which deferred loan costs and discounts related to old senior secured credit facilities were written off
- 3 Other adjustments** are primarily composed of costs and inventory and receivable valuation charges associated with the COVID-19 pandemic, professional fees incurred by the Company for projects, corporate and public filing compliance, contract cancellation fees and other transaction costs deemed to be nonrecurring in nature
- 4 Other non-cash charges** are costs related to non-cash charges and losses on the disposition of assets, non-cash charges on capitalized installation and delivery, which primarily includes the costs to acquire contracts that are expensed over the estimated life of each contract and non-cash charges related to accretion of contract rights under development agreements
- 5 Legal & litigation expenses** include payments to law firms and settlements for matters that are outside the normal course of business
- 6 Acquisition & integration** costs include restructuring and severance and are related to costs incurred after the purchase of businesses, such as the acquisition of Integrity, to integrate operations
- 7 Non-cash stock compensation** includes non-cash compensation expense related to grants of options, restricted stock, and other equity awards

Total Adjusted EBITDA Reconciliation

(\$ in mm)

Adj. EBITDA reconciliation	Q3 '19	Q4 '19	Q1 '20	Q2 '20	LTM 6/30/20
Net (loss) income attributable to PlayAGS, Inc.	(\$5.5)	\$1.4	(\$14.4)	(\$42.6)	(\$61.1)
Income tax expense (benefit)	1.9	(1.6)	(3.4)	0.0	(3.1)
Depreciation and amortization	23.8	22.5	24.4	21.5	92.3
Other (income) expense	(0.1)	(0.5)	4.3	(0.0)	3.7
Interest income	0.0	(0.1)	(0.1)	(0.1)	(0.3)
Interest expense	9.3	8.5	8.3	10.9	37.0
1 Write-downs and other	0.8	0.1	0.1	0.8	1.8
2 Loss on extinguishment and modification of debt	—	—	—	3.1	3.1
3 Other adjustments	—	0.2	0.7	1.5	2.4
4 Other non-cash charges	2.4	2.5	2.6	2.5	10.0
5 Legal & litigation expenses including settlement payments	1.7	0.1	—	—	1.8
6 Acquisition & integration related costs	0.5	0.4	0.5	(0.2)	1.1
7 Non-cash stock compensation	2.0	3.7	1.6	1.4	8.7
Adjusted EBITDA	\$36.8	\$37.3	\$24.5	(\$1.2)	\$97.4

(\$ in mm)

Adj. EBITDA reconciliation	Q3 '20	Q4 '20	Q1 '21	Q2 '21	LTM 6/30/21
Net (loss) income attributable to PlayAGS, Inc.	(\$11.1)	(\$17.2)	(\$7.8)	(\$3.9)	(\$40.0)
Income tax (benefit) expense	(1.7)	(0.9)	0.3	0.3	(1.9)
Depreciation and amortization	20.5	19.4	18.4	18.6	76.9
Other (income) expense	(0.3)	(0.8)	0.1	(0.2)	(1.2)
Interest income	(0.7)	(0.3)	(0.3)	(0.3)	(1.6)
Interest expense	11.3	11.4	11.0	11.5	45.3
1 Write-downs and other	1.9	0.5	0.7	0.1	3.3
2 Loss on extinguishment and modification of debt	—	—	—	—	—
3 Other adjustments	2.4	1.8	(0.3)	0.3	4.2
4 Other non-cash charges	2.4	2.2	2.2	2.1	9.0
5 Legal & litigation expenses including settlement payments	0.4	1.4	0.2	0.4	2.4
6 Acquisition & integration related costs	0.1	—	—	—	0.1
7 Non-cash stock compensation	1.7	3.7	1.6	3.2	10.3
Adjusted EBITDA	\$27.0	\$21.3	\$26.3	\$32.1	\$106.8

1 Write-downs and other include items related to loss on disposal or impairment of long lived assets, and fair value adjustments to contingent consideration

2 Loss on extinguishment and modification of debt primarily relates to the refinancing of long-term debt, in which deferred loan costs and discounts related to old senior secured credit facilities were written off

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Terms Used In This Presentation

Average Monthly Lease Price (ALP): Average monthly lease price is calculated by dividing (a) total revenues recognized and directly attributable to Table Products by (b) the number of Table Products Installed Base and by (c) the number of months in such period.

Average Sales Price (ASP): Average sales price is calculated by dividing (a) total revenues recognized and directly attributable to EGM unit sales in a period by (b) the number of EGM units sold over that same period.

Electronic Gaming Machine (EGM): EGMs include, but are not limited to, slot machines, Class II machines, video poker and video lottery machines.

EGM Installed Base: EGM Installed Base is the number of recurring revenue EGM units installed on a specified date.

Revenue Per Day (RPD): RPD is calculated by dividing (a) total revenues over a specified period recognized and directly attributable to units on lease (whether on a participation or daily fee arrangement) by (b) the number of units installed over that period and by (c) the number of days in such period.

RMG: Real-money Gaming.

Table Products Installed Base: Table Products Installed Base is the number of table products installed on a specified date.

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