



Q4 & Full Year 2020

Investor Update
March 4, 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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Q4 2020 Highlights

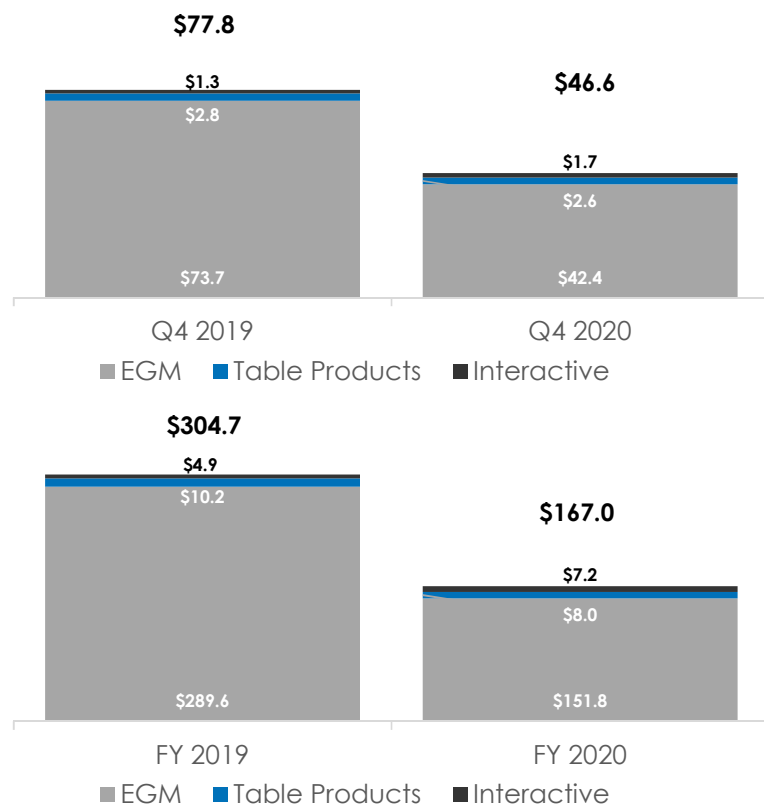
- As of December 31, 2020, nearly all of our casino customers had resumed operations in some capacity and approximately 90% of our 16,268-unit domestic installed base was active.
- *Starwall x Orion* off to an encouraging start with over 300 games installed as of December 31, 2020. Operator interest levels remain healthy.
- Domestic active unit EGM RPD increased 8% year-over-year to approximately \$27. Aided by further strategic pruning of lower-yielding units and insertion of premium units into the installed base.
- Installed base of industry-leading table game progressive products increased by 127 units sequentially. Continued strong demand for *STAX*, *Super 4* and *Royal 9*.
- Received our provisional Michigan i-gaming supplier license in December and AGS content currently live within the state.
- Generated positive operating and free cash flow for the second consecutive quarter.
- \$111.7 million of available liquidity as of December 31, 2020. Fully repaid the \$30M outstanding on our revolver in October, 2020.



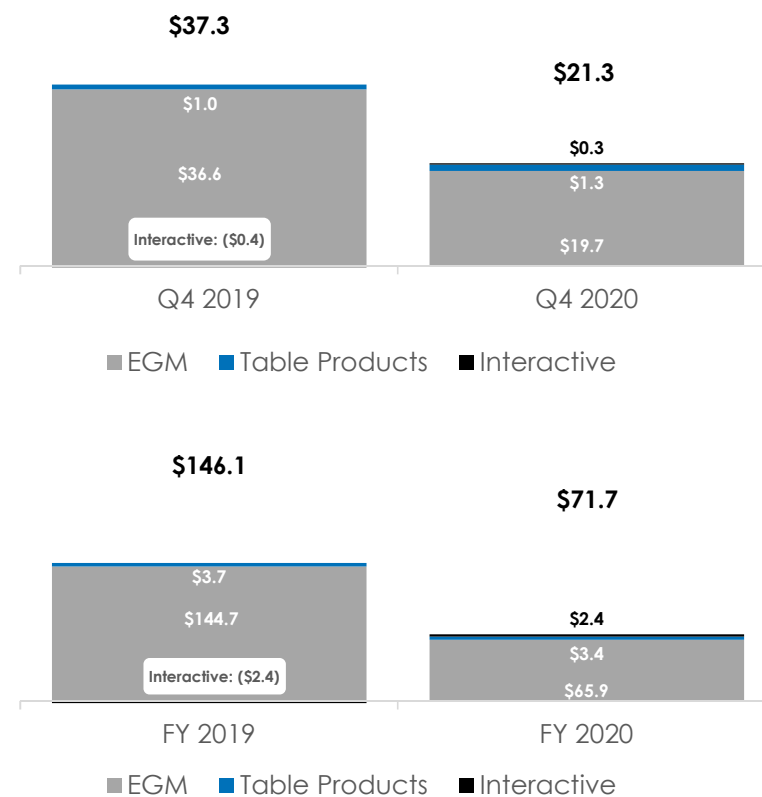
Q4 & FY 2020 Financial Performance

(\$ in mm)

REVENUE



ADJUSTED EBITDA



EGM Segment

(\$ in mm), except ASP

	Q4 2019	Q4 2020	% Change
Gaming operations revenue	\$ 47,586	\$ 35,940	-24%
Equipment sales revenue	26,124	6,456	-75%
Total revenues	\$ 73,710	\$ 42,396	-42%
Adjusted EBITDA	\$ 36,629	\$ 19,696	-46%
Domestic installed base	18,368	16,268	-11%
International installed base	8,497	7,985	-6%
Total installed base	26,865	24,253	-10%
Total EGM units sold	1,283	283	-78%
Domestic average sales price	\$ 17,833	\$ 18,035	1%

- We estimate more than 14,500, or approximately 90%, of our domestic EGMs were active at the end of the 2020 fourth quarter.
- Sold 283 units into 17 U.S. states, including our first sale into the Virginia Historical Horse Racing (HHR) market.
- Domestic ASP was \$18,035, up modestly year-over-year.
- Domestic installed base decreased 11% year-over-year, reflecting the strategic pruning of lower-yielding units, end-of-lease term sale of IL VLT units and COVID-related slot floor reconfigurations, partially offset by the addition of premium-leased units into the base.
- Domestic active unit RPD increased 8% year-over-year to approximately \$27.
- Installed an additional 246 *Starwall* x *Orion* games, increasing our installed base to over 300 games as of December 31, 2020.

Table Products and Interactive Segments

(\$ in mm), except ALP

Table Products	Q4 2019	Q4 2020	% Change
Gaming operations revenue	\$ 2,653	\$ 2,362	-11%
Equipment sales revenue	104	189	82%
Total revenues	\$ 2,757	\$ 2,551	-7%
Adjusted EBITDA	\$ 1,005	\$ 1,316	31%
Table Products installed base	3,766	4,254	13%
Average monthly lease price	\$ 239	\$ 182	-23%

(\$ in mm)

Interactive	Q4 2019	Q4 2020	% Change
Social gaming revenue	\$ 713	\$ 767	8%
Real-money gaming revenue	606	908	50%
Total revenues	\$ 1,319	\$ 1,675	27%
Adjusted EBITDA	\$ (370)	\$ 287	178%

- We estimate approximately 80% of our installed base was active at quarter end.
- Year-over-year growth in the installed base driven by placements from all product categories, most notably progressives. Paced year-over-year adjusted EBITDA growth of 31%.
- Installed base of table game progressives increased sequentially by 127 units.
- Site license agreements live with six operators as of December 31, 2020.
- PAX S shuffler and Bonus Spin Xtreme progressive expected to drive incremental demand throughout 2021.
- Continue to benefit from the rollout of real-money gaming (RMG) in additional jurisdictions throughout the United States. Content currently live with operators in NJ, PA and MI.
- Achieved positive adjusted EBITDA for the fourth consecutive quarter.
- Remain focused on expanding B2C partner relationships, leveraging more AGS content, hosting more third-party content, and participating in new market expansion.

Balance Sheet and Cash Flow Highlights

- As of December 31, 2020, we had \$111.7 million of available liquidity compared to \$43.2 million at December 31, 2019.
- Total Net Debt Leverage Ratio increased from 3.6 times at December 31, 2019, to 7.5 times at December 31, 2020.
- As an indication of our confidence in the trajectory of the business and our current liquidity position, we fully repaid the \$30 million outstanding on our revolving credit facility in October.
- Capital expenditures decreased by 19.1% year-over-year to \$14.1 million. Growth capex comprised over half of the total capital expended.
- Generated fourth quarter free cash flow of \$2.4 million, marking our second consecutive quarter of positive free cash flow performance.



Liquidity and Leverage

(\$ in mm)	12/31/2019	12/31/2020	Maturity
Revolver (L+3.5%)	–	–	06/06/22
First lien term loan (L+3.5%)	532	527	02/15/24
Incremental term loan (L+13.0%)	–	95	02/15/24
Other	2	1	
Total debt	\$534	\$623	
Less: Cash	(\$13)	(\$82)	
Total net debt	\$521	\$541	
LTM Adjusted EBITDA	\$146	\$72	
Net leverage	3.6x	7.5x	

2021 Outlook

- We expect to strategically prune and sell additional units in Q1 2021 in similar size and scope to the 476 units pruned and sold in Q3 2020. We do not anticipate any additional large scale pruning beyond Q1 2021.
- The relaxation of COVID restrictions, distribution of additional fiscal stimulus, and ongoing vaccination efforts have the potential to gradually improve casino operators' businesses throughout 2021 and, in turn, support the recovery in our gaming operations and product sales revenues.
- Demand for new EGM unit purchases could improve as we progress throughout 2021, with total unit sales weighted to the back half of the year.
- Steady operator interest in *Starwall x Orion* and the introduction of additional premium recurring revenue products should help to stabilize and potentially grow our domestic installed base throughout the year.
- The combination of injecting new premium-leased units into the installed base, strategically pruning lower-yielding units, and realizing some level of post-COVID recovery in industry-wide gross gaming revenue trends could allow domestic RPD to gradually improve on a quarterly sequential basis.
- A commitment to investing in R&D to support the future growth of our business could produce an adjusted EBITDA margin that brackets the low end of our historically targeted 45% to 47% range.
- Although demand for our growing suite of premium recurring revenue products remains steady, we intend to pursue new placement opportunities presenting the highest ROI potential. As a result, we believe we should be able to prudently deploy our new recurring revenue concepts, while also maintaining or potentially improving upon our strong liquidity position.

Appendix



Consolidated Operational Summary

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

Operational and other data	Q1	Q2	Q3	Q4	2018	Q1	Q2	Q3	Q4	2019	Q1	Q2	Q3	Q4	2020
Revenues by segment															
EGM	\$61.3	\$69.3	\$71.8	\$68.7	\$271.0	\$69.7	\$71.0	\$75.3	\$73.7	\$289.6	\$50.4	\$14.0	\$45.1	\$42.4	\$151.8
Table products	1.7	1.8	2.1	2.1	7.7	2.2	2.4	2.9	2.8	10.2	2.5	0.7	2.3	2.6	8.0
Interactive	1.9	1.7	1.7	1.3	6.6	1.2	1.1	1.2	1.3	4.9	1.5	2.2	1.9	1.7	7.2
Total revenue	\$64.9	\$72.8	\$75.5	\$72.1	\$285.3	\$73.0	\$74.5	\$79.4	\$77.8	\$304.7	\$54.3	\$16.8	\$49.3	\$46.6	\$167.0
Adjusted EBITDA by segment															
EGM	\$34.3	\$36.9	\$34.0	\$32.2	\$137.4	\$36.7	\$35.5	\$35.8	\$36.6	\$144.7	\$23.4	(\$2.2)	\$25.0	\$19.7	\$65.9
% margin	56.0%	53.2%	47.4%	46.9%	50.7%	52.7%	50.1%	47.6%	49.7%	50.0%	46.4%	(15.7%)	55.5%	46.5%	43.4%
Table products	0.2	0.1	0.4	0.3	0.9	0.5	0.8	1.4	1.0	3.7	0.9	(0.1)	1.3	1.3	3.4
Interactive	0.0	(0.4)	(0.9)	(0.9)	(2.1)	(0.9)	(0.6)	(0.4)	(0.4)	(2.4)	0.2	1.2	0.8	0.3	2.4
Total Adjusted EBITDA	\$34.5	\$36.6	\$33.6	\$31.5	\$136.2	\$36.3	\$35.7	\$36.8	\$37.3	\$146.1	\$24.5	(\$1.2)	\$27.0	\$21.3	\$71.7
% margin	53.2%	50.2%	44.5%	43.8%	47.7%	49.6%	48.0%	46.3%	47.9%	47.9%	45.1%	(6.9%)	54.8%	45.7%	42.9%
EGM segment															
VLT	1,217	1,217	1,217	797	797	667	517	517	512	512	512	512	512	-	-
Class II	12,254	12,206	11,477	11,790	11,790	12,191	12,154	12,355	12,415	12,415	12,291	12,449	11,887	11,794	11,794
Class III	3,082	3,224	3,374	3,709	3,709	5,940	5,750	5,852	5,441	5,441	5,000	4,833	4,426	4,474	4,474
Domestic installed base	16,553	16,647	16,068	16,296	16,296	18,798	18,421	18,724	18,368	18,368	17,803	17,794	16,825	16,268	16,268
International installed base	7,480	7,876	8,116	8,351	8,351	8,510	8,596	8,668	8,497	8,497	8,286	7,969	8,030	7,985	7,985
Total installed base	24,033	24,523	24,184	24,647	24,647	27,308	27,017	27,392	26,865	26,865	26,089	25,763	24,855	24,253	24,253
Installed base, Oklahoma	7,066	7,077	7,048	7,643	7,643	10,193	10,083	10,503	10,171	10,171	9,745	9,562	9,063	8,871	8,871
Installed base - non-Oklahoma	9,487	9,570	9,020	8,653	8,653	8,605	8,338	8,221	8,197	8,197	8,058	8,232	7,762	7,397	7,397
Domestic installed base	16,553	16,647	16,068	16,296	16,296	18,798	18,421	18,724	18,368	18,368	17,803	17,794	16,825	16,268	16,268
Domestic RPD	\$26.72	\$27.79	\$27.14	\$26.41	\$27.02	\$26.42	\$26.16	\$25.08	\$24.97	\$25.65	\$21.08	\$5.96	\$20.81	\$23.26	\$17.66
International RPD	\$8.27	\$8.80	\$8.52	\$8.07	\$8.41	\$8.68	\$8.22	\$7.99	\$7.65	\$8.13	\$6.89	\$0.02	\$0.78	\$2.46	\$2.59
Total RPD	\$20.94	\$21.77	\$20.95	\$20.20	\$20.96	\$20.73	\$20.49	\$19.68	\$19.52	\$20.10	\$16.57	\$4.09	\$14.50	\$16.42	\$12.84
Domestic EGM units sold	792	1,058	1,332	1,159	4,341	1,024	1,053	1,350	1,173	4,600	426	147	387	283	1,243
International EGM units sold	46	-	-	-	46	-	128	41	110	279	38	62	-	-	100
Total EGM units sold	838	1,058	1,332	1,159	4,387	1,024	1,181	1,391	1,283	4,879	464	209	387	283	1,343
Domestic avg sales price	\$17,898	\$18,728	\$18,051	\$18,782	\$18,383	\$18,657	\$18,178	\$18,476	\$17,833	\$18,302	\$17,564	\$19,646	\$18,190	\$18,035	\$18,068
Table products segment															
Table products installed base	2,631	2,737	3,065	3,162	3,162	3,285	3,380	3,601	3,766	3,766	3,897	3,962	4,012	4,254	4,254
Avg monthly lease price	\$220	\$213	\$214	\$224	\$218	\$217	\$230	\$232	\$239	\$230	\$197	\$42	\$169	\$182	\$149

Total Adjusted EBITDA Reconciliation

(\$ in mm)

Adj. EBITDA reconciliation	Q1	Q2	Q3	Q4	2018
Net loss attributable to PlayAGS, Inc.	(\$9.5)	(\$5.3)	\$4.3	(\$10.3)	(\$20.8)
Income tax expense (benefit)	(12.4)	7.0	(3.5)	0.6	(8.4)
Depreciation and amortization	19.3	19.5	19.0	19.8	77.5
Other (income) expense	9.2	0.5	0.4	0.4	10.5
Interest income	(0.1)	(0.0)	(0.1)	(0.0)	(0.2)
Interest expense	10.4	8.9	9.0	9.4	37.6
1 Write downs and other	1.6	1.0	0.7	5.5	8.8
2 Loss on extinguishment and modification of debt	4.6	—	—	2.0	6.6
3 Other adjustments	0.4	0.9	0.9	0.2	2.4
4 Other non-cash charges	1.6	1.6	1.7	1.7	6.6
5 Legal & litigation expenses including settlement payments	—	0.8	(0.0)	0.2	1.0
6 Acquisition & integration related costs	1.2	1.2	0.7	0.5	3.6
7 Non-cash stock compensation	8.2	0.5	0.5	1.8	10.9
Adjusted EBITDA	\$34.5	\$36.6	\$33.6	\$31.5	\$136.2

(\$ 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

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 professional fees incurred for projects, corporate and public filing compliance, contract cancellation fees and other transaction costs deemed to be non-operating 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 acquisitions of Rocket and Gameiom, 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

	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 acquisitions of Rocket and Gameiom, to integrate operations
- 7 Non-cash stock compensation** includes non-cash compensation expense related to grants of options, restricted stock, and other equity awards

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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