



Q3 2020

Investor Update

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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Q3 2020 Highlights

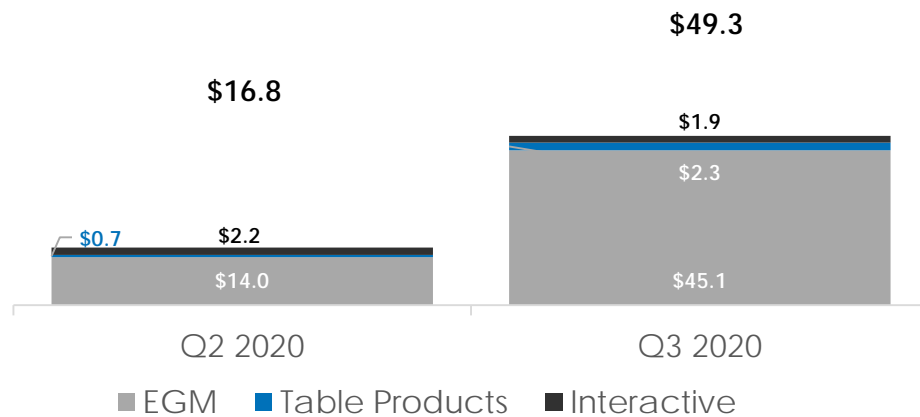
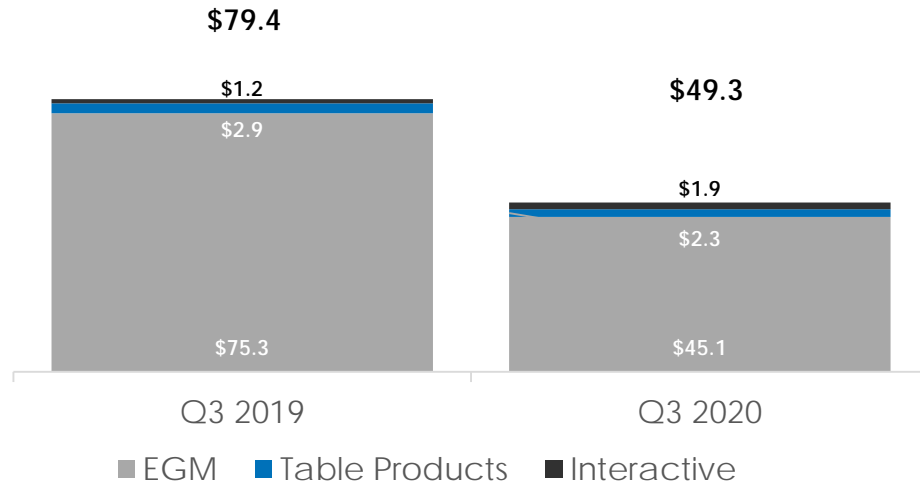
- As of September 30, 2020, nearly all of our casino customers have reopened in some capacity.
- Recurring revenue base produced resilient results, with over 14,500 domestic EGM's active at quarter end.
- Net loss improved to \$11.1 million compared to a net loss of \$42.6 million in the 2020 second quarter.
- Adjusted EBITDA totaled \$27.0 million, marking a considerable improvement versus a loss of \$1.2 million in the 2020 second quarter.
- Generated positive free cash flow in the quarter, ahead of internal expectations.
- New hardware continues to gain traction with over 150 *Orion Curve* cabinets and more than 50 *Orion Starwall* seats installed as of September 30, 2020.
- \$113.2 million of available liquidity as of September 30, 2020. Fully repaid the \$30M outstanding on our revolver in October, 2020.



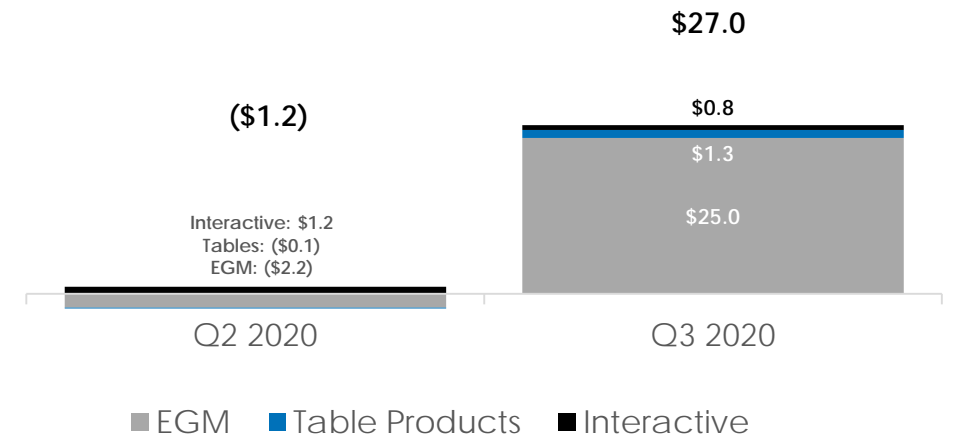
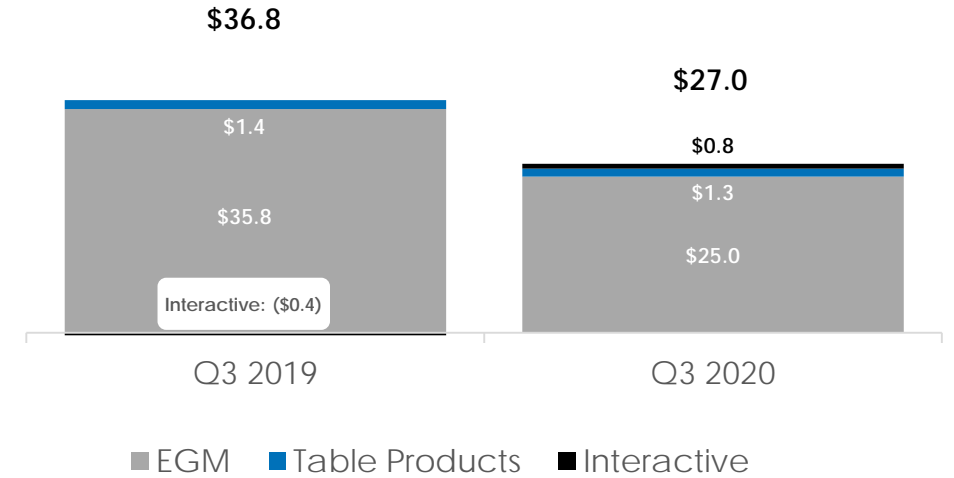
Q3 2020 Financial Performance

(\$ in mm)

REVENUE



ADJUSTED EBITDA



EGM Segment

(\$ in mm), except ASP

	Q3 2019	Q3 2020	% Change
Gaming operations revenue	\$ 48,854	\$ 32,188	-34%
Equipment sales revenue	26,445	12,893	-51%
Total revenues	\$ 75,299	\$ 45,081	-40%
Adjusted EBITDA	\$ 35,825	\$ 25,000	-30%
Domestic installed base	18,724	16,825	-10%
International installed base	8,668	8,030	-7%
Total installed base	27,392	24,855	-9%
Total EGM units sold	1,391	387	72%
Domestic average sales price	\$ 18,476	\$ 18,190	-2%

- We estimate more than 14,500, or approximately 87%, of our domestic EGMs were active at the end of the 2020 third quarter.
- Sold 387 units, with sales into 11 U.S. states and two Canadian provinces.
- ASP was \$18,190, relatively flat year-over-year.
- Domestic installed base decreased 10% year-over-year, reflecting the continued sale of lower yielding previously-leased units in Oklahoma and COVID-related slot floor reconfigurations.
- Domestic active unit RPD increased 16% year-over-year to approximately \$29.
- Ultimate Choice Jackpot and Imperial 88 families of games are performing nicely above house average, reflecting encouraging initial returns.

Table Products and Interactive Segments

(\$ in mm), except ALP

Table Products	Q3 2019	Q3 2020	% Change
Gaming operations revenue	\$ 2,451	\$ 2,170	-11%
Equipment sales revenue	410	92	-78%
Total revenues	\$ 2,861	\$ 2,262	-21%
Adjusted EBITDA	\$ 1,409	\$ 1,272	-10%
Table Products installed base	3,601	4,012	11%
Average monthly lease price	\$ 232	\$ 169	-27%

- 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.
- Installed base of table game progressives increased to over 1,400 units, up 17.7% year-over-year.
- Site license agreements went live with three operators in the quarter.
- PAX-S shuffler expected to be submitted to GII for regulatory approval by year end.

(\$ in mm)

Interactive	Q3 2019	Q3 2020	% Change
Social gaming revenue	\$ 712	\$ 829	16%
Real-money gaming revenue	505	1,112	120%
Total revenues	\$ 1,217	\$ 1,941	59%
Adjusted EBITDA	\$ (447)	\$ 750	268%

- Continue to benefit from the rollout of real-money gaming (RMG) in additional jurisdictions throughout the United States, with third quarter RMG revenues establishing a new quarterly record.
- Achieved positive adjusted EBITDA for the third consecutive quarter.
- Remain focused on launching our social gaming content with new and existing B2B partners as well as on our B2C social apps.

Balance Sheet and Cash Flow Highlights

- As of September 30, 2020, we had \$113.2 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 6.2 times at September 30, 2020.
- As an indication of our confidence in the current trajectory of the business and our current liquidity position, we fully repaid the \$30 million outstanding on our revolving credit facility, subsequent to quarter end.
- Capital expenditures decreased by 63.7% year-over-year to \$7.1 million in the current period, in line with our plans to conservatively manage the use of our cash and only invest in those projects that present the highest potential return on investment.
- Generated \$4.8 million of free cash flow in the quarter compared to negative \$14.8 million in the second quarter.
- Expect fourth quarter free cash flow to be modestly positive.



Liquidity and Leverage

<i>(\$ in mm)</i>	12/31/2019	9/30/2020	Maturity
Revolver (L+3.5%)	–	30	06/06/22
First lien term loan (L+3.5%)	532	528	02/15/24
Incremental term loan (L+13.0%)	–	95	02/15/24
Other	2	2	
Total debt	\$534	\$654	
Less: Cash	(\$13)	(\$113)	
Total net debt	\$521	\$541	
LTM Adjusted EBITDA	\$146	\$88	
Net leverage	3.6x	6.2x	

Cash Preservation

- Carefully manage expenses to scale operations responsibly
- Diligent capex and liquidity management

New Games & Products

- Strategic Rollout of new games and products to maximize ROI
- Committed to investing in our creative and development talent to support future growth initiatives

2020
PRIORITIES

Recurring Installed Base

- Working with operators to activate more EGMs
- Focused initiatives to strategically grow our premium recurring revenue footprint

Protecting Corporate Culture

- Ensuring future viability by protecting our greatest asset
- Promote a “think like a CEO” mentality

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	LTM 9/30/20
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	\$183.1
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	8.2
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	6.9
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	\$198.2
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	\$82.7
% 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%	45.2%
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	3.0
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	1.8
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	\$87.6
% 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%	44.2%
EGM segment														
VLT	1,217	1,217	1,217	797	797	667	517	517	512	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	11,887
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	4,426
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	16,825
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	8,030
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	24,855
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	9,063
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	7,762
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	16,825
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	\$18.28
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	\$3.85
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	\$13.74
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	2,133
International EGM units sold	46	–	–	–	46	–	128	41	110	279	38	62	–	210
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	2,343
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	\$17,944
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	4,012
Avg monthly lease price	\$220	\$213	\$214	\$224	\$218	\$217	\$230	\$232	\$239	\$230	\$197	\$42	\$169	\$161

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
Write downs and other	1.6	1.0	0.7	5.5	8.8
Loss on extinguishment and modification of debt	4.6	–	–	2.0	6.6
Other adjustments	0.4	0.9	0.9	0.2	2.4
Other non-cash charges	1.6	1.6	1.7	1.7	6.6
New jurisdiction and regulatory licensing costs	–	–	–	–	–
Legal & litigation expenses including settlement payments	–	0.8	(0.0)	0.2	1.0
Acquisition & integration related costs	1.2	1.2	0.7	0.5	3.6
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
Write downs and other	1.0	5.0	0.8	0.1	6.9
Loss on extinguishment and modification of debt	–	–	–	–	–
Other adjustments	0.3	0.4	0.1	0.2	0.9
Other non-cash charges	2.0	2.2	2.4	2.5	9.2
New jurisdiction and regulatory licensing costs	–	–	–	–	–
Legal & litigation expenses including settlement payments	–	0.0	1.7	0.1	1.8
Acquisition & integration related costs	2.0	0.4	0.5	0.4	3.2
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 New jurisdiction and regulatory license costs relate primarily to one-time non-operating costs incurred to obtain new licenses and develop products for new jurisdictions

6 Legal & litigation expenses include payments to law firms and settlements for matters that are outside the normal course of business

7 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

8 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)

					LTM
Adj. EBITDA reconciliation	Q4 '18	Q1 '19	Q2 '19	Q3 '19	9/30/19
Net loss attributable to PlayAGS, Inc.	(\$10.3)	(\$0.1)	(\$7.6)	(\$5.5)	(\$23.5)
Income tax expense (benefit)	0.6	(5.8)	(0.1)	1.9	(3.4)
Depreciation and amortization	19.8	21.5	23.7	23.8	88.8
Other (income) expense	0.4	5.3	(0.0)	(0.1)	5.6
Interest income	(0.0)	(0.0)	(0.0)	0.0	(0.0)
Interest expense	9.4	8.9	9.6	9.3	37.2
Write downs and other	5.5	1.0	5.0	0.8	12.3
1 Loss on extinguishment and modification of debt	2.0	–	–	–	2.0
2 Other adjustments	0.2	0.3	0.4	0.1	1.0
3 Other non-cash charges	1.7	2.0	2.2	2.4	8.3
4 New jurisdiction and regulatory licensing costs	–	–	–	–	–
5 Legal & litigation expenses including settlement payments	0.2	–	0.0	1.7	1.9
6 Acquisition & integration related costs	0.5	2.0	0.4	0.5	3.3
7 Non-cash stock compensation	1.8	1.2	2.2	2.0	7.1
8					
Adjusted EBITDA	\$31.5	\$36.3	\$35.7	\$36.8	\$140.3

(\$ in mm)

					LTM
Adj. EBITDA reconciliation	Q4 '19	Q1 '20	Q2 '20	Q3 '20	9/30/20
Net (loss) income attributable to PlayAGS, Inc.	\$1.4	(\$14.4)	(\$42.6)	(\$11.1)	(\$66.7)
Income tax (benefit) expense	(1.6)	(3.4)	0.0	(1.7)	(6.6)
Depreciation and amortization	22.5	24.4	21.5	20.5	88.9
Other expense (income)	(0.5)	4.3	(0.0)	(0.3)	3.5
Interest income	(0.1)	(0.1)	(0.1)	(0.7)	(0.9)
Interest expense	8.5	8.3	10.9	11.3	39.1
Write downs and other	0.1	0.1	0.8	1.9	2.9
1 Loss on extinguishment and modification of debt	–	–	3.1	–	3.1
2 Other adjustments	0.2	0.7	1.5	2.4	4.9
3 Other non-cash charges	2.5	2.6	2.5	2.4	10.0
4 New jurisdiction and regulatory licensing costs	–	–	–	–	–
5 Legal & litigation expenses including settlement payments	0.1	–	–	0.4	0.5
6 Acquisition & integration related costs	0.4	0.5	(0.2)	0.1	0.7
7 Non-cash stock compensation	3.7	1.6	1.4	1.7	8.5
8					
Adjusted EBITDA	\$37.3	\$24.5	(\$1.2)	\$27.0	\$87.6

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

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8 **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.

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

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

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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