

AGEM Index

Association of Gaming Equipment Manufacturers

September 2017

The AGEM Index experienced significant gains in September 2017. The composite index stood at 457.91 points at the close of the month, which represents an increase of 26.25 points, or 6.08 percent, when compared to August 2017. The AGEM Index reported a year-over-year increase for the 24th consecutive month and has climbed 151.05 points, or 49.23 percent, since September 2016.

During the latest period, one half of the global gaming equipment manufacturers reported within the AGEM Index posted month-to-month increases in stock price, with four up by more than 10 percent. Two manufacturers saw no change in their stock price, while four manufacturers reported decreases in stock price during the month, with all posting single-digit declines.

The three broader stock market indexes produced solidly positive results in September. The S&P 500 reported a month-to-month increase of 1.93 percent to 2,519.36. Similarly, the Dow Jones Industrial Average increased 2.08 percent to 22,405.09, while the NASDAQ increased 1.03 percent during the period to 6,495.

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

- Scientific Games (SGMS) contributed 16.49 points due to a 30.26 percent increase in stock price from \$35.20 to \$45.85.
- International Game Technology (IGT) reported a 20.52 percent increase in stock price to \$24.55 and contributed 13.53 points.
- Crane Company (CR) contributed 4.91 points due to a 7.76 percent increase in stock price to \$79.99.

Selected negative contributors included the following:

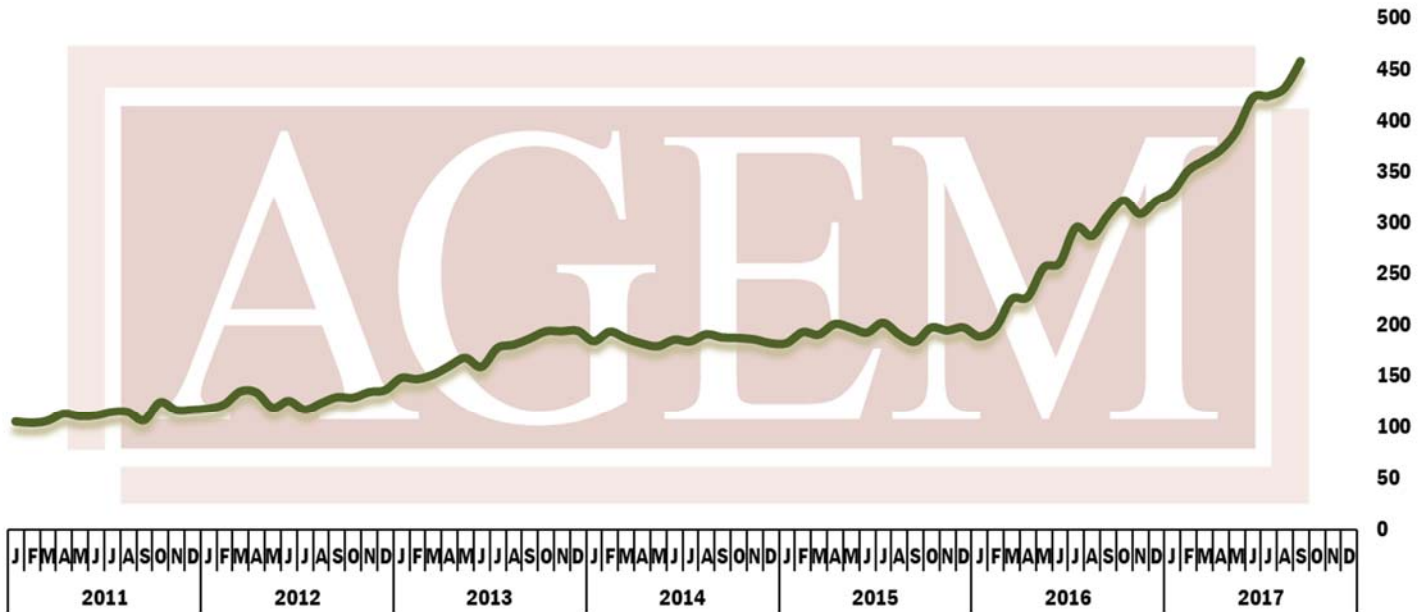
- With its stock price falling 5.58 percent to ¥5,410, Konami Corporation (TYO:9766) contributed negative 6.75 points.
- Aristocrat Leisure Limited (ASX:ALL) reported a 0.80 percent decrease in stock price to AU\$21.00, contributing negative 2.27 points.

AGEM	Exchange: Symbol (Currency)	Stock Price At Month End			Percent Change		Index Contribution
		Sep-17	Aug-17	Sep-16	Prior Period	Prior Year	
Aglysys	Nasdaq: AGYS (US\$)	11.95	10.29	11.12	16.13	7.46	0.60
Ainsworth Game Technology	ASX: AGI (AU\$)	2.55	2.66	2.25	(4.14)	13.33	(0.43)
Aristocrat Leisure Limited	ASX: ALL (AU\$)	21.00	21.17	15.81	(0.80)	32.83	(2.27)
Astro Corp.	Taiwan: 3064 (NT\$)	15.05	15.05	34.00	-	(55.74)	(0.00)
Crane Co.	NYSE: CR (US\$)	79.99	74.23	63.01	7.76	26.95	4.91
Everi Holdings Inc.	NYSE: EVRI (US\$)	7.59	7.71	2.39	(1.56)	217.57	(0.10)
Galaxy Gaming Inc.	OTCMKTS: GLXZ (US\$)	1.17	0.82	0.46	42.68	154.35	0.26
Gaming Partners International	Nasdaq: GPIC (US\$)	10.76	10.55	10.60	1.99	1.51	0.02
International Game Technology PLC	NYSE: IGT (US\$)	24.55	20.37	24.38	20.52	0.70	13.53
Konami Corp.	TYO: 9766 (¥)	5,410	5,730	3,895	(5.58)	38.90	(6.75)
Scientific Games Corporation	Nasdaq: SGMS (US\$)	45.85	35.20	11.27	30.26	306.83	16.49
Transact Technologies	Nasdaq: TACT (US\$)	9.75	9.75	7.48	-	30.35	-
Change in Index Value							26.25
AGEM Index Value: August 2017							431.66
AGEM Index Value: September 2017							457.91

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Several events affecting the gaming manufacturing industry have transpired in recent months. Highlights of these events follow below.

On September 20, Scientific Games Corporation (SGMS) announced its plans to acquire Canadian gaming company NYX Gaming Group Ltd (NYX.V) for approximately US\$632 million. The deal will be financed by debt and cash and is expected to be net accretive to earnings and cash flow in the first year.

Scientific Games will now be positioned to capitalize on future regulatory developments in real-money wagering and sports betting by adding NYX's OpenBet Sportsbook. NYX's digital sportsbook can be seamlessly delivered throughout Scientific Games' global gaming and lottery networks in existing and future regulated U.S. and global markets.

Galaxy Gaming (GLXZ) has received approval from the Nevada Gaming Commission and has been granted a non-restricted license as a manufacturer and distributor of gaming products in the State of Nevada.

In Pennsylvania, lawmakers are trying to strike a tentative deal on a gaming expansion bill during a long-standing budget impasse. The bill would allow for the creation of 10 "mini-casinos" in rural areas, far away from the state's 12 existing casinos. It provides for

fantasy sports contests, interactive gaming, sports wagering, slot machines at non-primary locations, video gaming, multi-use gaming devices in qualified airports, casino simulcasting at Category 2 and Category 3 facilities, the operation of multistate wide-area progressive slot machines, and hybrid slot machines and skill slot machines.

Category 1 licensees may make slot machines available at up to 4 non-primary locations with up to 250 machines at each location. The tax rate on non-primary locations will be set at 50 percent of revenue.

Video Gaming Terminals (VGT) licensing would allow up to 5 VGT's per licensed establishment, with 10 allowed at truck stops. The proposed tax rate is 37.5 percent of gross revenue. There are approximately 13,500 establishments eligible for a video gaming license.

Slot machine licensees will be authorized to conduct interactive gaming after paying a \$2 million one-time fee. Interactive gaming revenues will be effectively taxed at 19 percent of gross revenue.

The Pennsylvania Legislature is expected to vote on a budget bill the second week in October after gaming expansion and other details are reviewed by House representatives.



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
- Everi Holdings Inc.
- International Game Technology PLC (IGT)
- Konami Gaming
- Merkur Gaming
- NOVOMATIC Group
- Scientific Games
- Sega Sammy Creation

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, Jumbo Technology, Matsui Gaming Machine Co., Metronia, PariMAX, 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, ArdentSky, Arrow International, Asimex Global, Atrient, Automated Cashless Systems, Automated Systems America, Inc. (ASAI), 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 Gaming Corporation, 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, Gaming and Entertainment Touch Technology, Gaming Capital Group, GAN, Ganlot, Gary Platt Manufacturing, Genesis Interactive Technologies, GeoComply USA, Global Gaming Group (G3), Greenberg Traurig, 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, 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, Skilled Game Development, Slot Constructor, Southco, Southwest Manufacturing Services, Spin Games, StylGame USA, Taft Stettinius & Hollister, Talent Associates, The Bright Group, Touch Dynamic, Touch Embedded Solutions, Tournament One, TOVIS, TraffGen USA, TransAct Technologies, Veridocs, Wells Fargo, Young Electric Sign Company (YESCO) and Zebra Technologies.