

Investor Presentation

For the quarter ended:
September 30, 2016



EVERI

Disclaimer

Forward-Looking Statements; Non-GAAP Financial Measures

Throughout this presentation we make forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements are generally accompanied by words such as “plan,” “estimate,” “expect,” “intend,” “believe,” “should,” “would,” “could,” “potential,” “anticipate,” “project” or other words that convey uncertainty of future events or outcomes. Everi Holdings Inc.’s (“Everi” or “our”) actual results could differ materially from those stated or implied by these forward-looking statements due to risks and uncertainties associated with Everi’s business. Factors which could cause Everi’s actual results to differ from those projected or contemplated in any such forward-looking statements include, but are not limited to, the following factors: (1) our ability to maintain a broad customer reach, cross selling opportunities and a combined sales force able to address customers’ needs; (2) our game development studios’ ability to increase the product library and develop new enhancements to include in newly developed content; (3) our ability to obtain approval of new products in new and existing gaming jurisdictions; (4) the failure of analytics for gaming operations to adequately predict or measure gaming operations; (5) our ability to identify the cost structure and capital spend required to operate at current business levels; (6) our ability to secure brand license arrangements and to complete development of games using these brands [Note: G2E 2016 has already occurred]; (7) our ability to introduce new products and services; (8) expectations regarding customers’ preferences and demands for future gaming offerings; (9) expectations regarding timing for recognition of revenue from new markets; (10) the timing of recognition of certain sales to Alberta Gaming and Lottery Commission; and (11) expectations regarding product approvals for our games and our ability to introduce games into field trials. The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as exhaustive and should be read in conjunction with statements that are included herein and elsewhere, including the risk factors included in Everi’s most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission. Except as required by applicable law, Everi undertakes no obligation to publicly update any forward-looking statement, or to make any other forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements, which are based only on information currently available to Everi and speak only as of the date of this communication.

Additional Notes

This presentation contains industry market data, industry forecasts and other statistical information. Such information has been obtained from publicly available information and industry publications. Everi has not independently verified such information and makes no representations as to the accuracy of such information.

Non-GAAP Financial Measures

In order to enhance investor understanding of the underlying trends in our business and to provide for better comparability between periods in different years, we are providing in this presentation Adjusted EBITDA, and Adjusted EBITDA Margin, which are not measures of our financial performance or position under United States Generally Accepted Accounting Principles (“GAAP”). Accordingly, these measures should not be considered in isolation or as a substitute for, and should be read in conjunction with, our net earnings (loss), operating income (loss), basic or diluted earnings (loss) per share and cash flow data prepared in accordance with GAAP. Everi defines Adjusted EBITDA as earnings (loss) before interest, taxes, depreciation and amortization, non-cash stock compensation expense, accretion of contract rights, write-down of note receivable and warrant, loss on the sale of the aircraft, acquisition and other costs related to mergers and purchase accounting adjustments and accrued executive severance costs less a benefit from one-time legal settlement proceeds. Everi presents Adjusted EBITDA as it uses this measure to manage its business and considers this measure to be supplemental to its operating performance. Everi also makes certain compensation decisions based, in part, on its operating performance, as measured by Adjusted EBITDA; and its credit facility, senior secured notes and senior unsecured notes require Everi to comply with a consolidated secured leverage ratio that includes performance metrics substantially similar to Adjusted EBITDA. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenues.

A reconciliation of Everi’s most directly comparable GAAP measure to Adjusted EBITDA and Adjusted EBITDA Margin is included in Everi’s earning releases located on Everi’s website at ir.everi.com. Additionally, a reconciliation of each segment’s operating income (loss) to Adjusted EBITDA is also included. On a segment level, operating income (loss) per GAAP, rather than net earnings (loss) per GAAP, is reconciled to Adjusted EBITDA as Everi does not report net earnings (loss) by segment. In addition, Adjusted EBITDA Margin is provided on a segment level. Management believes that this presentation is meaningful to investors in evaluating the performance of Everi’s segments.

Business Overview



EVERI

The Industry's Only Games & Payments Provider

Broad Customer Reach / Cross Selling Opportunities /
Combined Salesforce to Address all Customers



Highly Differentiated, Complementary Products for the Casino Floor



Significant Recurring Revenue (Approximately 90% of Total Revenue)



Historical Strength in Class II Gaming /
Provider of Gaming-Focused Payments Solutions



Games Segment Overview

Prominent Class II Manufacturer With Strong Recurring Revenue Base and Growing Proprietary Class III Presence

Gaming Operations

- 19% of 3Q16 TTM consolidated revenue
- 13,287 gaming units installed (7,908 Class II and 5,379 Class III) throughout North America at September 30, 2016
- Revenue derived from revenue-sharing arrangements or daily fixed lease fees on the installed base
- Supplies the central determinant system for approximately 18,400 video lottery terminals ("VLTs") in New York

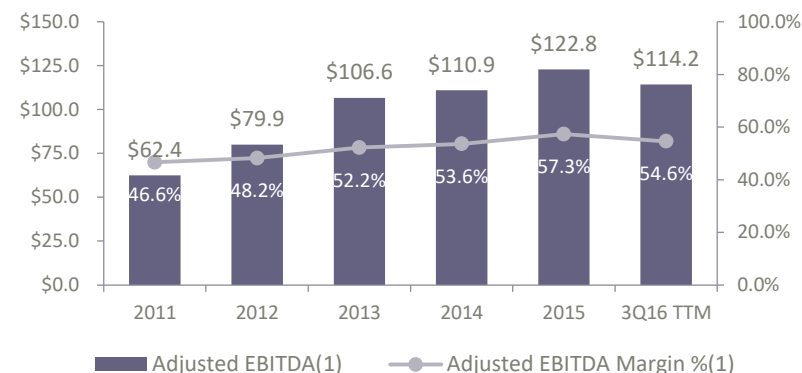
Machine Sales and Other

- 6% of 3Q16 TTM consolidated revenue
- Broad portfolio of gaming machine products sold to casino customers
- Game themes historically focused on in-house, proprietary content
- Introduced new product segment at G2E 2016 with debut of seven new slot themes based on licensed, branded content
- Sold 2,679 slot machines in twelve months ended September 30, 2016

Revenue



Adjusted EBITDA⁽¹⁾



1) Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. Reconciliations to the most directly comparable GAAP measure can be found in applicable earnings releases located on Everi's website at ir.everi.com

Note: \$ in millions; fiscal year ended December 31

Payments Segment Overview

Market Leading Provider of Cash Access and Compliance Products and Services

ATM (39% of 3Q16 TTM consolidated revenue)

- Enables cash withdrawals using ATM, debit or credit cards
- Processed 73.3 million transactions totaling \$14.7 billion in dollar volume⁽¹⁾ in the twelve months ended September 30, 2016

Cash Advance (28% of 3Q16 TTM consolidated revenue)

- Enables cash advances through credit card cash access and POS debit card transactions
- Processed 8.7 million transactions totaling \$5.2 billion in dollar volume in the twelve months ended September 30, 2016

Check Services (2% of 3Q16 TTM consolidated revenue)

- Check verification and warranty services allow casinos to manage and reduce risks on patron checks cashed
- Processed 3.5 million transactions totaling \$1.1 billion in dollar volume in the twelve months ended September 30, 2016

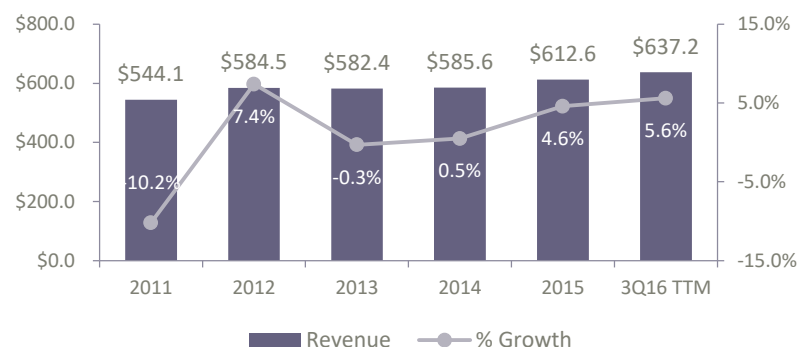
Other (6% of 3Q16 TTM consolidated revenue)

- Includes integrated kiosk and jackpot kiosk sales and services, Central Credit reporting services, compliance software solutions, and casino marketing services

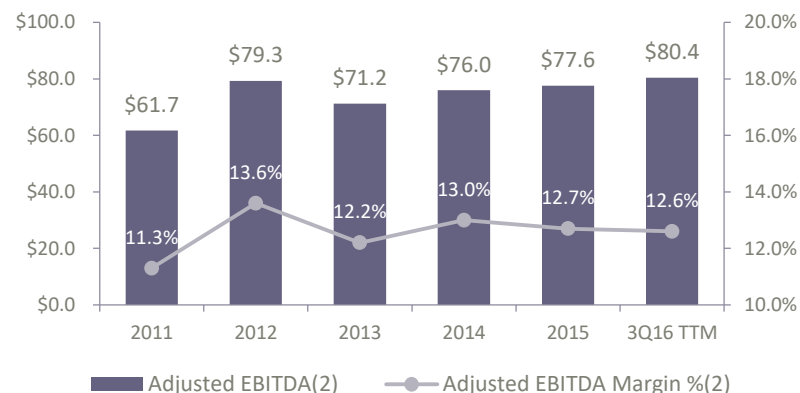
1) Includes ATM processing activity for third-party ATM partner portfolio, which was acquired by Everi in 4Q15

2) Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. Reconciliations to the most directly comparable GAAP measure can be found in applicable earnings releases located on Everi's website at ir.everi.com

Revenue



Adjusted EBITDA⁽²⁾



Note: \$ in millions; fiscal year ending December 31

3Q16 Results & Recent Developments

- **Consolidated revenues of \$222.2 million**
 - Games revenue of \$56.2 million, up 4.1% Y/O/Y
 - Payments revenue of \$166.0 million, up 7.2% Y/O/Y
- **Adjusted EBITDA⁽¹⁾ of \$51.6 million**
 - Games Adjusted EBITDA⁽¹⁾ of \$29.2 million, down 9.3% Y/O/Y
 - Payments Adjusted EBITDA⁽¹⁾ of \$22.4 million, up 16.1% Y/O/Y
- **Key Developments**
 - New Core HDX gaming cabinet accounted for 78% of 3Q16 unit sales
 - Debuted seven branded games at G2E through partnerships with Penn & Teller, DreamWorks, Halfbrick Studios and Warner Bros.
 - New TournEvent enhancements presented at G2E, including the first skill-based game based upon popular Fruit Ninja brand which will be available in every market
 - Entered into an agreement to license technology and integrate gaming content to expand social and real money gaming capabilities

1) Adjusted EBITDA is a non-GAAP measure. Reconciliations to the most directly comparable GAAP measure can be found in Everi's Third Quarter 2016 earnings release dated November 9, 2016, located on Everi's website at ir.everi.com

Everi Games Development Initiatives

- **Industry veterans leading game development**
 - Powerful mix of new and homegrown talent designing with keen eye on slot player; proven industry leadership aligning technology and innovation
- **Increased R&D budget funding technology innovation**
 - Driving R&D spend higher as a percentage of total gaming business revenue
- **Robust hardware roadmap**
 - Base game platform and top box introductions give developers larger canvas for unique game content
- **Large theme bandwidth**
 - Provide diverse output of new game content capable of operating on customers' existing Everi hardware as well as Company's new hardware
 - Development teams focused on quality without sacrificing quantity
- **Introduction of games based on branded licenses**
 - Strategically targeting third-party content that lends itself to logical player appeal and innovative game play mechanics

Everi Payments Development Initiatives

- **Dedication to network infrastructure and security**

- Strategic investments in infrastructure and security make Everi a best-in-class provider of secure payments solutions

- **Innovative solutions**

- Jackpot Xpress and the CashClub Wallet allow for efficient mobile-based slot jackpot processing and payment
- Proprietary Everi ID gateway allows for enhanced patron identification within the Everi product environment and allows for plug in functionality to other customer systems

- **Industry leading enhancements**

- UniversalXchange with Universal Integrated Management provides an enhanced kiosk software platform
- Everi is only casino industry company to be fully end-to-end EMV compliant

- **Making payments happen**

- Focus on driving cash to floor through effective self-service solutions

- **Evolving digital capacity**

- CashClub Wallet decentralizes payments throughout the gaming enterprise and offers an enhanced, streamlined player experience and reduced cash footprint for operators

G2E 2016 Highlights

FRUIT NINJA™



Everi ID™



Richie Rich™



Executing on Five Strategic Priorities



EVERI

Update on Strategic Priorities

- **Increase the product library**

- Austin, Chicago and Reno game development studios provide greater output
- G2E 2016 included the largest selection of new products in the Company's history, including licensed content for slot games
- Adding new features to existing products
 - New software upgrade package and licensed skill-based game for TournEvent debuted at G2E
- New Payments products include enhanced AML compliance products, eCheck redemption, Everi Giving Module and an eWallet-based payment platform that can seamlessly access patron funds across the entire gaming and retail footprint (i.e. slot and table games, retail locations, etc.)

- **Increase distribution capabilities and enter new jurisdictions**

- Products to be approved in as many jurisdictions as possible
 - Missouri product approvals and sales occurring in 4Q16
- Game theme testing on test banks
- Increased use of analytics for gaming operations business to optimize refreshment and replacement process

Update on Strategic Priorities

- **Drive operating efficiencies and cost containment**
 - Identifying appropriate cost structure, capital spend for current operations
 - Consolidating Las Vegas manufacturing and assembly into Austin operations in 4Q16
 - Invest in business and operations to drive operating performance
 - Creation of Gaming Operations team focused on improving yield in installed base
- **Develop new licensed and branded premium participation games**
 - Expand segment of gaming floor Company addresses
 - Strategic focus has been on prudent spending on targeted investments to limit exposure
 - Selective use of licensed games to leverage recognition of brand to drive customer attraction and time on device
 - Seven games featuring licensed brands debuted at G2E 2016
 - Creation of a platform for a WAP in Class II and Class III game footprint
- **Drive sales and placements through integration of games and payments products**
 - Leverage innovative and integrated payment solutions (e.g. kiosk platform, eWallet, mobile slot tickets, etc.) to give customers additional patron value at all Everi gaming devices

Secured Leverage Ratio Analysis

(\$ in thousands)

Debt	Balance 9/30/16	Maturity Date	Rate	
Term Loan	\$ 468,100	12/19/2020	6.25%	LIBOR plus 5.25% with a 1% LIBOR floor
Revolver	\$ -	12/19/2019	0.50%	Commitment rate - Borrowing at LIBOR plus 4.75%
Senior Secured Notes	\$ 335,000	4/15/2021	7.25%	Fixed Rate
Senior Unsecured Notes	\$ 350,000	1/15/2022	10.00%	Fixed Rate
	<u>\$ 1,153,100</u>			

Debt Covenant:

The Company's required maintenance covenant, which covers Secured Debt only, as of December 31st of each period presented (\$ in thousands):

	2016	2017	2018
Secured Debt (1)	\$ 800,600	\$ 790,600	\$ 780,600
Cash Reduction to Net Debt (2)	\$ (50,000)	\$ (50,000)	\$ (50,000)
Secured Debt, net	<u>\$750,600</u>	<u>\$740,600</u>	<u>\$730,600</u>
Secured Leverage Ratio Requirement	4.25x	4.00x	3.75x
Required Adjusted EBITDA per Credit Agreement (3)(6)	\$ 176,612	\$ 185,150	\$ 194,827
Estimated Cash Usage Fees excluded from Credit Agreement Adj EBITDA (4)	\$ 3,100	\$ 4,500	\$ 4,500
Minimum Adjusted EBITDA, as Reported (5)(6)	<u>\$ 179,712</u>	<u>\$ 189,650</u>	<u>\$ 199,327</u>

Assumptions:

- (1) Assumes no additional Free Cash Flow Paydown or borrowing under the Revolver and only the required 2% amortization of \$10M per year.
- (2) For purpose of the covenant computation, the Credit Agreement provides for up to \$50 million in cash as a reduction to the net debt.
Table assumes Company maintains in excess of \$50 million in future periods.
- (3) Required Adjusted EBITDA per the Credit Agreement to remain in compliance with Secured Leverage Ratio.
- (4) Cash Usage fees are included as part of Interest Expense, net for financial reporting purposes and excluded from Reported Adjusted EBITDA. Per the Credit Agreement Cash Usage fees are not included as part of Interest Expense for purposes of Senior Leverage Ratio Covenant. Amount reported reflects approximately 50 bps increase in the cash usage rate for 2017 & 2018 as compared to 2016.
- (5) Minimum Adjusted EBITDA, as Reported reflects Adjusted EBITDA on a comparable basis to the Company's current quarterly reporting practices in quarterly earnings releases.
- (6) To remain in compliance with the Company's required maintenance covenant, for every \$1 million increase in Secured Debt, net (e.g. borrowings on the revolver, amt of cash reduction less than \$50 million, etc.) the Required Adjusted EBITDA per Credit Agreement and Minimum Adjusted EBITDA, as Reported would be increased by the following:

	2016	2017	2018
Change in Required/Minimum Adj EBITDA per \$1M change in Secured Debt, net	\$ 235	\$ 250	\$ 267

Current 2016 Outlook

- **2016 Adjusted EBITDA⁽¹⁾ not expected to grow vs. 2015 Adjusted EBITDA⁽¹⁾**
 - 4Q16 Adjusted EBITDA⁽¹⁾ expected to be lower than 3Q16 (\$51.6 million) but higher than 4Q15 Adjusted EBITDA⁽¹⁾ (\$45.9 million)
- **Factors in Company's 2016 outlook include:**
 - Games unit sales in 4Q16 expected to exceed unit sales from 4Q15 (645 units)
 - Installed base at December 31, 2016 expected to be relatively flat compared to installed base at December 31, 2015 (13,340 units)
 - Company expects any 4Q16 third-party Class III unit removals will be largely replaced with proprietary Class II units and new placements of proprietary Class II and Class III units with other customers
 - Payments expected to benefit from the continued improvement in cash to the floor in the gaming industry
 - Sales of kiosks and compliance products are expected to contribute higher revenue in the second half of the year compared to the first half of the year

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Q&A



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