

INVESTOR PRESENTATION

RESULTS OF OPERATIONS FOR THE PERIOD ENDED JUNE 30, 2018



Disclaimer

Forward-Looking Statements; Non-GAAP Financial Measures

This presentation contains “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995. From time to time, we also provide forward-looking statements in other materials we release to the public, as well as oral forward-looking statements. We have tried, wherever possible, to identify such statements by using words such as “anticipate,” “believe,” “expect,” “intend,” “estimate,” “project,” “may,” “should,” “will,” “likely,” “will likely result,” “will continue,” “future,” “plan,” “target,” “forecast,” “goal,” “observe,” “seek,” “strategy” and other words and terms of similar meaning.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent risks, uncertainties and change in circumstances that are often difficult to predict and many of which are beyond our control. Our actual results and financial condition may differ materially from those indicated in forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, without limitation, our history of net losses and our ability to generate profits in the future; our substantial leverage and our ability to raise additional capital to fund operations; our ability to generate sufficient cash to service all of our indebtedness and fund working capital and capital expenditures; restrictions under our indebtedness; our ability to compete in the gaming industry; the impact of changes in Federal corporate tax laws; our ability to maintain our current customers; our ability to generate profits in the future; our ability to execute on mergers, acquisitions and/or strategic alliances, including our ability to integrate and operate such acquisitions consistent with our forecasts; expectations regarding our existing and future installed base and win per day; expectations regarding development and placement fee arrangements; inaccuracies in underlying operating assumptions; expectations regarding customers’ preferences and demands for future gaming offerings; expectations regarding our product portfolio; the overall growth of the gaming industry, if any; our ability to replace revenue associated with terminated contracts; margin degradation from contract renewals; our ability to comply with the Europay, MasterCard and Visa global standard for cards equipped with security chip technology; our ability to introduce new products and services, including third-party licensed content; gaming establishment and patron preferences; expenditures and product development; anticipated sales performance; employee turnover; national and international economic conditions; changes in gaming regulatory, card association and statutory requirements; regulatory and licensing difficulties; competitive pressures; operational limitations; gaming market contraction; changes to tax laws; uncertainty of litigation outcomes; interest rate fluctuations; business prospects; unanticipated expenses or capital needs; technological obsolescence; and those other risks and uncertainties discussed in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this presentation will in fact transpire or prove to be accurate. Readers are cautioned to not to place undue reliance on the forward-looking statements contained herein, which are based only on information currently available to us and speak only as of the date hereof.

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 income (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, loss on extinguishment of debt, taxes, depreciation and amortization, non-cash stock compensation expense, goodwill impairment charges, accretion of contract rights, separation costs related to the Company’s former CEO, the write-off of certain inventory and fixed assets, non-cash write-down of note receivable and warrant, loss on the sale of aircraft, manufacturing relocation costs, acquisition and other costs related to mergers and purchase accounting adjustments 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 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 earnings 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.

**Everi is a transformative industry force,
delivering innovative products
and services that enhance
the casino experience**



Transforming Casino Floors Through Innovation

Everi's innovative, diverse array of gaming device and financial technology solutions transform gaming operators' businesses

- **Games**

- Broad base of attractive electronic gaming machine ("EGM") form factors
 - State-of-the-art, compelling video gaming content
 - Market-leading mechanical reel gaming content
- Central determinant system for New York State Lottery's video lottery terminal ("VLT") operations
- Expansive library of game content for interactive/online presence

- **Financial Technology Solutions**

- Integrated financial technology offerings unify disparate operator gaming systems to facilitate maximum patron utility and operator value
 - Market-leading, best-in-class provider of integrated gaming payment systems and solutions in North America
 - Software solutions provide enhanced intelligence, compliance and efficiency for gaming operators



CashClub Wallet™

Everi: A Diverse & Dominant Gaming Supplier

Everi offers one of the gaming industry's most diverse product lineups

- **Games**

- Installed base of leased and participation games includes **14,201 games** as of June 30, 2018
 - Premium game installations, including wide-area progressive (“WAP”), local-area progressive (“LAP”) and licensed products, have grown at CAGR of 20% since 2015 and currently represent approximately 20% of installed base
- Sold 3,914 games in LTM 2Q18, representing approximately 5%⁽¹⁾ of North America EGM sales
 - LTM 2Q18 game sales represent growth at a CAGR of 14% since 2015
- TournEvent®, one of industry's most successful standalone slot tournament products

- **Financial Technology Solutions**

- Dominant financial technology solutions supplier with at least one product in over 1,000 casino locations
 - Fleet of over **3,600 deployed fully integrated kiosks and ATMs**
 - Have processed over **103 million transactions** totaling **\$26.5 billion in dollar volume** in LTM June 30, 2018
- Leading gaming industry supplier of Anti-Money Laundering (“AML”) compliance software with installations in more than **550 North American locations**
- Provider of Central Credit, the gaming industry's only dedicated, gaming-specific credit reporting bureau

NOTE:

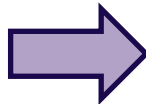
1) Estimated ship share is calculated as the total reported game sales for the period divided by the estimated total North American slot machine sales as derived from Eilers & Krejcik Gaming – Slot and Tables Forecast – Post 1Q18 Update.

Three Year Focused Investment on Games

Since acquiring Multimedia Games in December 2014, Everi has invested in improving both the quality of its games and modernizing/broadening its cabinet offerings

BASE VIDEO

Legacy

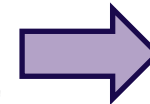


Current



CLASSIC MECHANICAL

Legacy



Current



Investments Expand and Refresh Premium Offering

PREMIUM CABINETS

Legacy



Current



PREMIUM BANKED PRODUCTS

2018 Additions



Gaming Financial Technology Solutions Investments

We are investing in casino-centric financial technology to expand cashless product offerings, broaden compliance and efficiency products, and expand into new markets

	2014	2015	2016	2017	2018+
<u>CASH ACCESS SERVICES:</u>					
Core Cash Access (ATM, Debit/Credit & Check)	✓	✓	✓	✓	✓
Core Cash Access (Canada ATMs)				✓	✓
CashClub Wallet				✓	✓
CashClub Concierge					✓
<u>EQUIPMENT:</u>					
Fully Integrated Kiosks	✓	✓	✓	✓	✓
JXC- Jackpot Dispensing Units	✓	✓	✓	✓	✓
RecyclerXchange				✓	✓
Cage Cash Dispensing Units				✓	✓
<u>INTELLEGEENCE & OTHER:</u>					
Credit Reporting	✓	✓	✓	✓	✓
AML/Tax Compliance		✓	✓	✓	✓
Jackpot Xpress			✓	✓	✓
AML Intelligence					✓

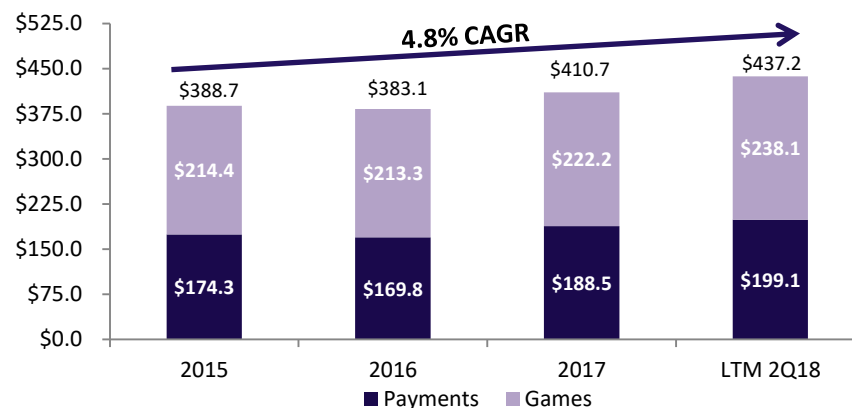


Business Overview

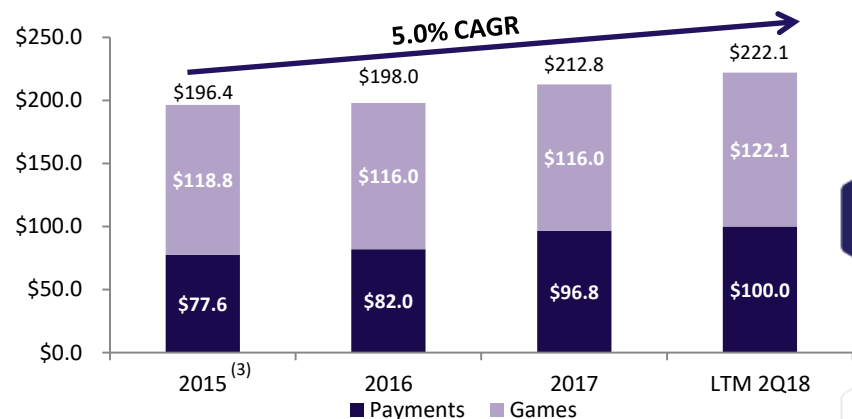
Consolidated Operating Overview

- Investments in technology development establish foundation for long-term growth
 - Expanding premium game content and introducing new cabinets
 - Financial technology solutions focused on driving process efficiency while supporting compliance
- Defined Growth Objectives
 - Ship share expected to grow from mid-single digits to double-digits in next few years
 - Goal of driving installed base to 17,000 games
- Everi reached inflection point in return to growth in FY 2017
 - LTM Consolidated Revenue **up 8.7%**
 - LTM Consolidated Adjusted EBITDA **up 6.1%**

Consolidated Revenue ⁽¹⁾



Consolidated Adjusted EBITDA ⁽²⁾



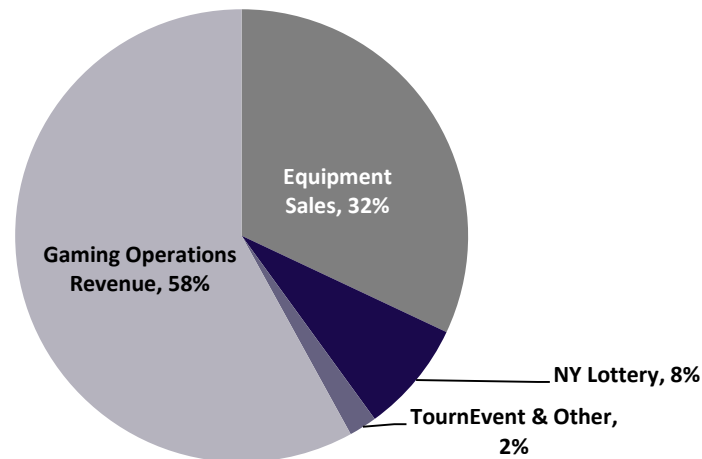
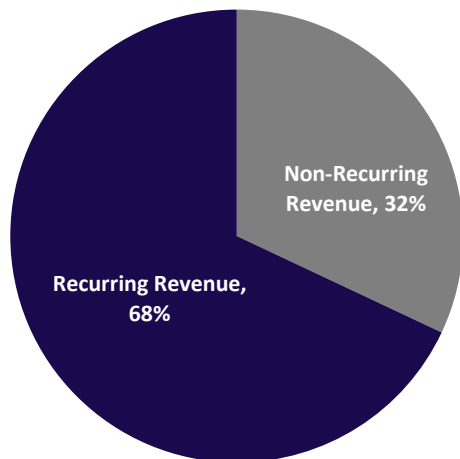
NOTES:

- To improve comparability to current reported revenues and cost of revenues, consolidated revenue for the LTM 2Q18 period and all reporting periods prior is presented on an “as adjusted” basis. This presentation reflects certain reclassifications that would have been required had the accounting provisions of ASC 606 been retrospectively applied to reporting periods before January 1, 2018.
- Adjusted EBITDA is a non-GAAP measure. Reconciliations to the most directly comparable GAAP measure for historical periods can be found in applicable earnings releases located on Everi’s website at ir.everi.com, and on page 27 for FY 2015, 2016, and 2017 and for the LTM 2Q18.
- Actual reported Adjusted EBITDA for FY 2015 of \$200.4 million included a gain of approximately \$4.0 million from the sale of certain assets of PokerTek, an electronic table games manufacturing company purchased by Multimedia Games in 2014. For comparability to recurring amounts this gain has been excluded herein. Including this gain, consolidated Adjusted EBITDA would have been \$200.4 million and the reported CAGR through LTM 2Q18 would have been 4.2%.

Operating Overview: Games

Premier Supplier of Games Across Multiple Platforms

LTM 2Q18 Revenue by Type

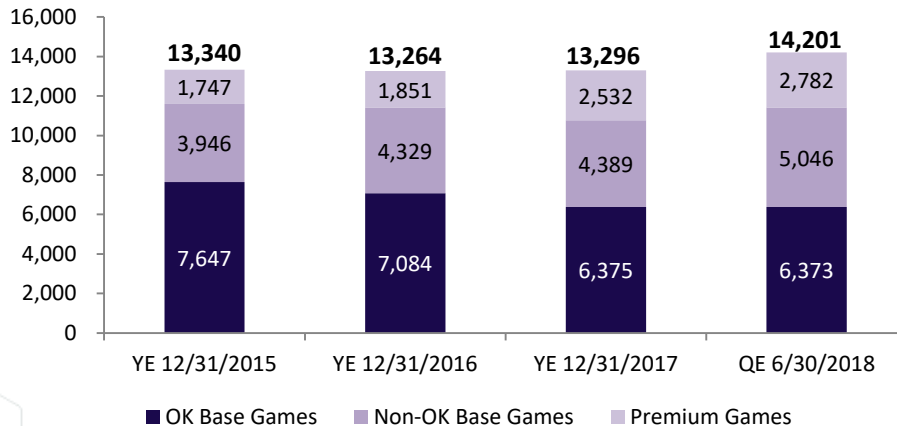


- **Strong recurring revenue base**
 - Revenue derived from revenue-sharing or daily fixed lease arrangements
 - Nearly 30% secured through long term placement arrangement (i.e. appx 6 yrs remaining)
 - Expanding portfolio of premium gaming machine products improves revenue yield
 - WAP and LAP games
 - Slot themes based on licensed, branded content
 - Exclusive agreement through 2019 to supply State of New York's central determinant system for over 18,000 VLTs at 9 separate locations
- **Expanded offering of new video and mechanical form factors and unique products drives equipment sales**

Operating Overview: Games

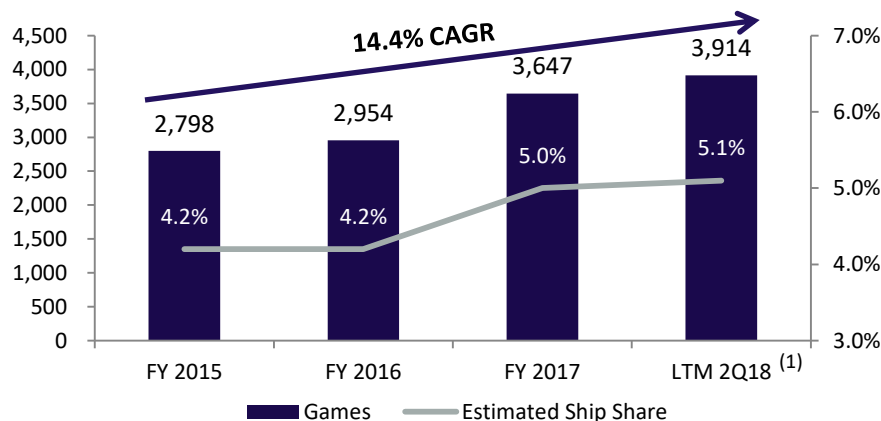
Healthy Game Growth Potential

Historical Installed Base



- A \$1 increase in DWPU on ~14,200 games represents approximately \$5.2 million in incremental recurring revenue per year
 - Carries approximately 80% - 90% Adjusted EBITDA margin
- Note: 2Q18 DWPU increased \$2.42 compared to 2Q17

Historical Game Sales



- Attractive opportunities for growth in recurring revenue
 - Non-Oklahoma installed base
 - Premium game installations
 - WAP/LAP footprint
 - Daily Win Per Unit (“DWPU”)
- Quarterly ship share growth drives equipment sales

NOTE:

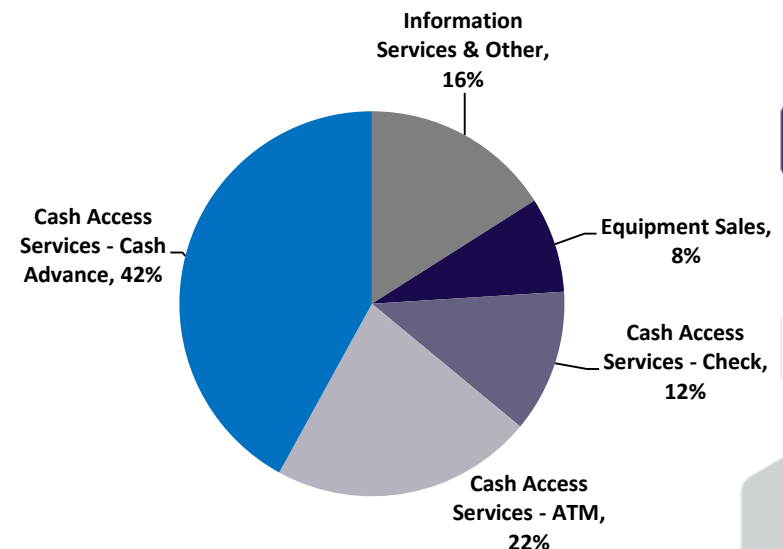
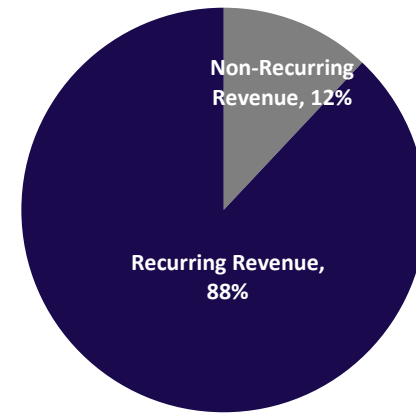
1) Estimated ship share is calculated as the total reported game sales for the period divided by the estimated total North American slot machine sales as derived from Eilers & Krejcik Gaming – Slot and Tables Forecast – Post 1Q18 Update.

Operating Overview: Financial Technology Solutions

Market Leading Provider of Cash Access, Compliance and Intelligence Products

- **Long-term, exclusive contracts provide significant and stable recurring revenue**
 - Primarily derived from cash access services
 - Establish foundation for product extension opportunities, e.g. equipment sales, compliance and other intelligence services
- **Best-in-class provider of secure payments solutions**
 - End-to-end EMV compliant card-based cash access solutions
 - Enhanced by fully integrated kiosks, credit reporting services, compliance solutions and casino marketing services
 - Focused on creating operator efficiency while enhancing compliance and security
- **Investments expand and evolve the comprehensive solution set**
 - Compliance, Jackpot Xpress™, CashClub Wallet™, CashClub Concierge, RecyclerXchange™, CageXchange™ and intelligence products (e.g. CashInsite™ with Everi IQ™)

LTM 2Q18 Revenue by Type





What Makes Everi Different?

What Makes Everi Different?

- **Diverse solution set offers more innovative gaming technology than any other provider**
 - Full-scale games portfolio alongside full array of gaming payment systems offerings
- **Focus on less traditional markets**
 - Class II tribal gaming market
 - Tournament
 - Casino-specific financial systems and solutions
- **Market presence enhances expansion growth opportunities**
 - Class III tribal market
 - Class III commercial gaming market
 - Wide-Area Progressive and Local Area Progressive
 - New market expansion
 - International opportunities (South America, Asia, Europe, Australia)
 - Cash access extensions (Canada ATM and Rollover)
- **Integrated financial technology solutions**
 - Everi is the **ONLY** gaming supplier with an integrated suite of gaming-specific financial technology solutions
 - Single source provider vs. multiple providers
- **Investments aimed at driving technology leadership**

Games Development

- **Proprietary game development studios in Austin, Chicago & Reno attract talent from across North America**
 - Internally developed content and third-party themes created to have broad-base player appeal and recognition
 - Branded video and mechanical themes include: Casablanca, Penn & Teller, Fruit Ninja, Singing in the Rain, Willie Nelson, The Brady Bunch, and Buffy the Vampire Slayer
- **Premium product focus enhances the revenue opportunity**
 - Introducing new licensed titles in 2018
 - Wide-Area Progressive and Local-Area Progressive expansion
 - Supports branded and proprietary game links for both the Class II and Class III tribal and commercial markets
- **Focus on innovation to meet gaming customers' operating needs**
 - Everi Bet™ originally named to Casino Journal's Most Innovative Gaming Technology Products for 2015
 - Everi Bet™ 2.0, launched in 2017, **named to Casino Journal's Most Innovative Gaming Technology Products for 2017**
 - **TournEvent®**
 - Market-leading, award-winning slot tournament system
- **New York State Lottery VLT System**
 - System provides game results to patrons at over 18,000 VLTs at 9 locations



Leading Financial Technology Innovation

Over 20 years of financial technology development focused on driving incremental cash to the casino floor while creating operational efficiencies for gaming operators

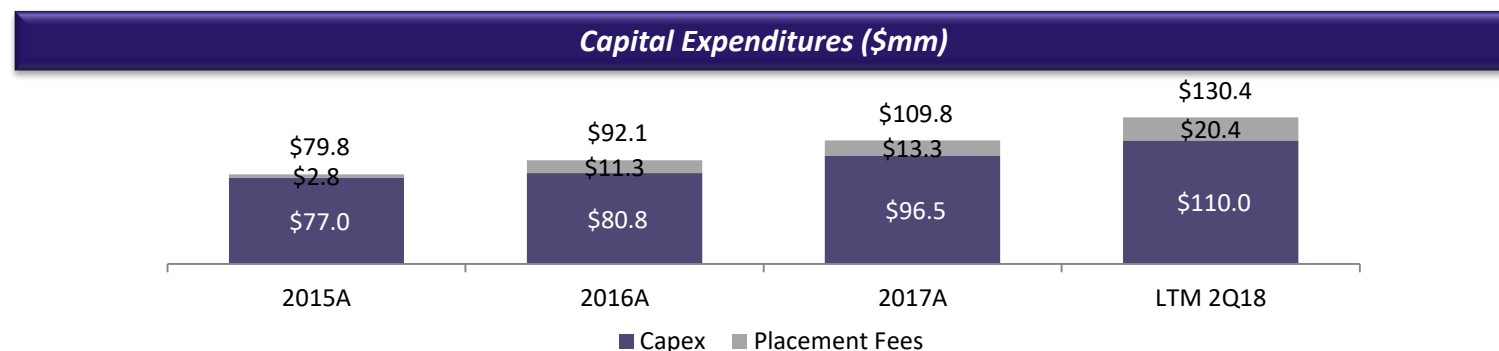
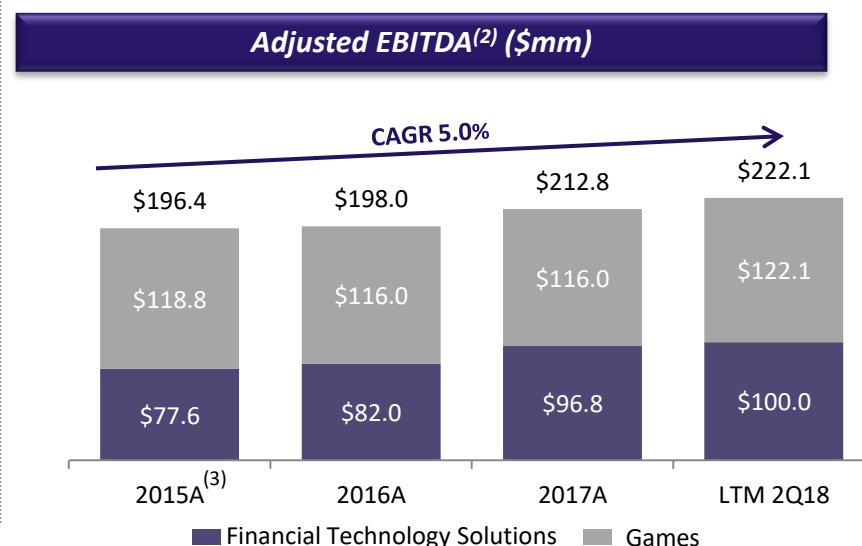
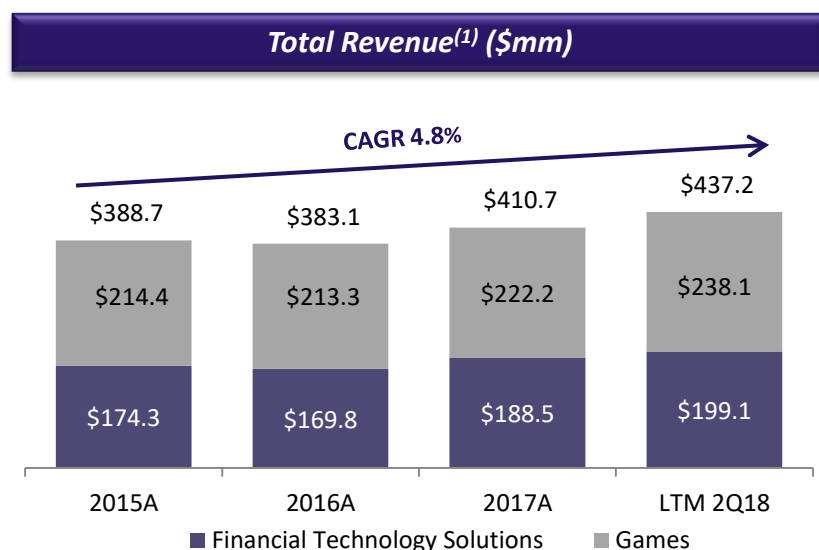
- **Cashless and mobile payments offerings decentralize payments, offering enhanced player experience and reduced operator cash footprint requirement**
 - CashClub Wallet™
 - CashClub Concierge
- **Physical presence in land-based casino operations connecting patrons' financial accounts with brick-and-mortar gaming and non-gaming outlets provides for additional innovative product solutions and enhancements to move financial value across entire gaming ecosystem**
 - Sports wagering accounts
 - Online gaming (real-money gaming and social)
 - Online retail
- **Efficiency and intelligence products**
 - Jackpot Xpress™, one of **Casino Journal's Top 20 Most Innovative Gaming Technology Products for 2016**
 - Cash management solutions
 - CageXchange™ and RecyclerXchange™
 - Everi Cares™ Giving Module; **named to Casino Journal's Most Innovative Gaming Technology Products for 2017**
 - CashInsite™ with Everi IQ™





Financials

Historical Financial Performance



NOTES:

- 1) To improve comparability to current reported revenues and cost of revenues, consolidated revenue for the LTM 2Q2018 period and all reporting periods prior is presented on an "as adjusted" basis, which reflects certain reclassifications that would have been required had the accounting provisions of ASC 606 been retrospectively applied to amounts reported for reporting periods before January 1, 2018.
- 2) Adjusted EBITDA is a non-GAAP measure. Reconciliation to the most directly comparable GAAP measure can be found in applicable earnings releases located on Everi's website at ir.everi.com for historical periods and page 27 for FY 2015, 2016, 2017 and for the LTM 2Q18.
- 3) Actual reported Adjusted EBITDA for FY 2015 included a gain of approximately \$4.0 million from the sale of certain assets of PokerTek, an electronic table games manufacturing company purchased by Multimedia Games in 2014. For comparability to recurring amounts this gain has been excluded herein. Including this gain, consolidated Adjusted EBITDA would have been \$200.4 million, and the reported CAGR through LTM 2Q18 would have been 4.2%.

Key Recent Highlights & Wins

- **Sold 1,108 games in 2Q18; Quarterly Y/Y game sales growth for nine quarters**
 - Sold 3,647 games in FY 2017, up 23.5% Y/Y
 - Sold 3,914 games in LTM 2Q18, up 8.5% Y/Y
- **Financial Technology Solutions revenue and Adjusted EBITDA⁽¹⁾ up in 2Q18 for ninth consecutive quarter**
 - 15th consecutive quarter of growth in same-store transactions and dollars processed
- **Signed long-term game placement agreement with largest customer in OK in July 2017**
 - Covers approximately 4,300 Class II games for 83 months
 - \$10.0 million cash payment made in August 2017; \$5.6 million in quarterly cash payments for placement fees began in January 2018 and will continue through July 2019
 - Represents approximately 30% of total current installed base
- **Launched Casablanca and Penn & Teller games for Class II WAP link and Class III LAP in 2017**
 - Over 500 games with WAP and LAP connected titles deployed as of June 30, 2018
- **Introduced additional licensed Class II and Class III video and mechanical reel WAP content in 1H18**
 - Titles include The Brady Bunch, Buffy the Vampire Slayer, Willie Nelson's Shotgun Willie and Willie Nelson's Whiskey River

NOTE:

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2018 Outlook

- **The Company expects to generate growth in revenue on a comparable basis⁽¹⁾ and in Adjusted EBITDA⁽²⁾ in 2018, with Adjusted EBITDA⁽²⁾ of approximately \$228 million to \$231 million**
 - Games segment full year game sales will increase approximately 10% from the 3,647 games sold in 2017
 - The installed base at December 31, 2018 is expected to increase approximately 8% to 10% from the reported installed base at December 31, 2017 reflecting, in part, ongoing growth in the premium games portion of the installed base driven by growth in WAP placements
 - DWPU will be higher in each quarter of 2018 compared to the comparable quarterly periods in 2017
 - Financial Technology Solutions segment Adjusted EBITDA⁽²⁾ is expected to grow in the mid-single digits compared to 2017
 - Revenue from the sale and service of fully integrated kiosks and compliance products is expected to be higher in 2018 compared to 2017
- **Capital expenditures and placement fees in 2018 are expected to be approximately \$125 million to \$130 million. Total placement fee payments in 2018 are expected to be approximately \$21 million**

Notes:

The Company provided its initial 2018 Outlook in its earnings release dated March 13, 2018. The Company's practice is to provide its outlook, and any applicable updates, in connection with its quarterly earnings releases. This slide reflects the Company's updated outlook as of August 7, 2018 in connection with its 2Q18 Earnings Release.

1) Revenues on a comparable basis reflect the retrospective presentation of certain revenues and cost of revenues items for reporting periods prior to January 1, 2018 to reflect a net versus gross reporting of revenues under ASC 606. This change primarily impacts the revenues and cost of revenues for the Company's Financial Technology Solutions business, and has no impact on the Company's operating income, net income (loss), earnings (loss) per share or Adjusted EBITDA. For further discussion, see the Net Versus Gross Impacts on Revenues and Cost of Revenues disclosure included in the earnings release filed on Form 8-K on August 7, 2018.

2) Adjusted EBITDA is a non-GAAP measure. Reconciliation to the most directly comparable GAAP measure can be found in applicable earnings releases located on Everi's website at ir.everi.com for historical periods and page 27 for FY 2015, 2016, and 2017 and for the LTM 2Q18.

Current Capitalization

Capitalization & Credit Stats (\$mm)

	MATURITY DATE	INTEREST RATE	BALANCE JUNE 30, 2018
Revolving Credit Facility (\$35 million)	May 2022	L+450 (None @ 6/30/18)	-
First Lien Term Loan	May 2024	L+300 (5.1% @ 6/30/18)	\$ 811.8
Senior Secured Debt			\$ 811.8
Senior Unsecured Notes	December 2025	7.50% Fixed Rate	\$ 375.0
Total Debt	Weighted Avg Rate	5.85%	\$ 1,186.8
Cash and cash equivalents			\$ 110.3
Settlement Receivables			139.3
Settlement Liabilities			(217.5)
Net Cash Position			\$ 32.1
Equity Market Capitalization (9/6/18) ⁽¹⁾			\$ 553.6
Total Net Enterprise Value ⁽²⁾			\$ 1,708.3
LTM 2Q18 Adjusted EBITDA ⁽³⁾			\$ 222.1
Consolidated Secured Leverage Ratio ⁽⁴⁾			3.4 x
Consolidated Total Leverage Ratio ⁽⁴⁾			5.1 x

NOTES:

- 1) Equity Market Capitalization computed as 69.5 million shares outstanding at August 1, 2018 per 2Q Form 10-Q, multiplied by the \$7.96 closing price of the common shares of EVRI on September 6, 2018.
- 2) Total Net Enterprise Value computed as the sum of total debt plus equity market capitalization less net cash position.
- 3) Adjusted EBITDA is a non-GAAP measure. Reconciliations to the most directly comparable GAAP measure for historical periods can be found in applicable earnings releases located on Everi's website at ir.everi.com, and on page 27 for the LTM 2Q18 period.
- 4) As provided in the Credit Facility for purposes of the calculation of the Consolidated Secured Leverage ratio and the Consolidated Total Leverage ratio, the Company nets cash and cash equivalents of up to \$50 million against the respective debt outstanding to determine the appropriate Leverage Ratio.

Investment Highlights

1 Diverse Portfolio of Gaming Solutions

- Provider of diverse, growing portfolio of gaming device and financial technology solutions

2 Robust Recurring Revenue Base

- Installed base of approximately 14,201 recurring revenue games
 - Signed long-term placement agreement with largest customer for ~4,300 games in 3Q17
- Long-term, exclusive agreements for provision of cash access services

3 Growing Game Sales

- Strong portfolio of proprietary and branded Class II and Class III content
- Game sales up Y/Y for eight consecutive quarters

4 Dominant Payments Market Position

- Clear gaming industry payments solutions leader
- Best-in-class offerings drive efficiency and enhance customer experience

5 Path To FCF Growth

- Improving operating results
- Refinancing transactions have reduced annual cash interest expense
- Front-loaded quarterly placement agreement payments of \$5.6 million conclude in 3Q19



Q&A



Appendix

Non-GAAP Financial Measures

In order to enhance investor understanding of the underlying trends in our business, our cash balance and cash available for our operating needs, and to provide for better comparability between periods in different years, we are providing in this investor 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 nor 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, with respect to Adjusted EBITDA and Adjusted EBITDA Margin.

We define Adjusted EBITDA as earnings (loss) before interest, taxes, loss on extinguishment of debt, depreciation and amortization, non-cash stock compensation expense, goodwill impairment, accretion of contract rights, separation costs related to the Company’s former CEO, the write-off of certain inventory and fixed assets, write-down of note receivable and warrant, loss on sale of the aircraft, manufacturing relocation costs, acquisition expenses, other merger related costs and purchase accounting adjustments, and non-recurring gain on the sale of PokerTek assets . We present Adjusted EBITDA as we use this measure to manage our business and consider this measure to be supplemental to our operating performance. We also make certain compensation decisions based, in part, on our operating performance, as measured by Adjusted EBITDA; and our current credit facility and existing senior unsecured notes require us 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 the Company’s net loss per GAAP to Adjusted EBITDA is included in the Unaudited Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA provided at the end of this investor presentation. Additionally, a reconciliation of each segment’s operating income to Adjusted EBITDA for the LTM 2Q18 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 the Company does not report net earnings (loss) by segment. Management believes that this presentation is meaningful to investors in evaluating the performance of the Company’s segments.

Unaudited Reconciliation of Net Income (Loss) to Adjusted EBITDA⁽¹⁾

Adjusted EBITDA Reconciliation	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Games	FinTech
(\$ in millions)	FY 2015	FY 2016	FY 2017	3Q2017	4Q2017	1Q2018	2Q2018	LTM 2Q 2018	LTM 2Q 2018	LTM 2Q 2018
Net (loss) income	\$ (105.0)	\$ (249.5)	\$ (51.9)	\$ (4.3)	\$ (25.0)	\$ 4.6	\$ 1.5	\$ (23.3)		
Income tax (benefit) provision	(18.1)	31.7	(20.2)	0.7	(23.8)	(0.4)	(1.2)	(24.7)		
Loss on extinguishment of debt	13.1	-	51.8	-	37.1	-	0.2	37.3		
Interest expense, net of interest income	100.3	99.2	102.1	23.4	29.8	20.3	22.1	95.6		
Operating (loss) income	\$ (9.7)	\$ (118.6)	\$ 81.8	\$ 19.8	\$ 18.1	\$ 24.5	\$ 22.6	\$ 85.0	\$ 8.5	\$ 75.2
Depreciation and amortization	\$ 131.0	\$ 144.6	\$ 116.8	\$ 29.9	\$ 29.9	\$ 29.1	\$ 30.3	\$ 119.2	99.2	18.5
Reported EBITDA ⁽¹⁾	\$ 121.3	\$ 26.1	\$ 198.6	\$ 49.7	\$ 48.1	\$ 53.6	\$ 52.9	\$ 204.2	107.7	93.7
Management's Adjustments:										
Non-cash stock compensation expense	\$ 8.3	\$ 6.7	\$ 6.4	\$ 1.6	\$ 1.3	\$ 2.4	\$ 2.0	\$ 7.2	1.9	5.4
Non-cash goodwill impairment	75.0	146.3	-	-	-	-	-	-	-	-
Non-cash accretion of contract rights	7.6	8.7	7.8	1.9	2.0	2.1	2.1	8.1	7.9	-
Separation costs for former CEO	-	4.7	-	-	-	-	-	-	-	-
Non-cash write-off of inventory and fixed assets	-	4.3	-	-	-	-	2.6	2.6	-	-
Non-cash write-down of note receivable and warrant	-	0.9	-	-	-	-	-	-	-	-
Loss on sale of the aircraft	-	0.4	-	-	-	-	-	-	-	-
Manufacturing relocation costs	-	-	-	-	-	-	-	-	-	-
Acquisition cost	2.7	-	-	-	-	-	-	-	-	-
Legal settlement proceeds	(14.4)	-	-	-	-	-	-	-	-	-
Gain on sale of PokerTek assets	(4.0)	-	-	-	-	-	-	-	-	-
Total Management Adjustments	\$ 75.1	\$ 171.9	\$ 14.2	\$ 3.6	\$ 3.3	\$ 4.4	\$ 6.7	\$ 17.9	\$ 9.8	\$ 5.4
Adjusted EBITDA	\$ 196.4	\$ 198.0	\$ 212.8	\$ 53.2	\$ 51.3	\$ 58.0	\$ 59.5	\$ 222.1	\$ 117.6	\$ 99.1

- Goodwill impairment:** Based on annual goodwill impairment testing, the Company determined that the carrying amount of its Games reporting unit exceeded its estimated fair value
- Accretion of contract rights:** Games operations revenues generated by player terminals deployed at sites under placement fee agreements are reduced by the accretion of contract rights acquired
- Separation costs of former CEO:** Legal and severance costs associated with the termination of former CEO in February 2016
- Write-down of note receivable and warrant:** Write-down to fair value of a warrant and note receivable that was extended by Multimedia Games, predecessor to Everi Games Holding Inc., to an Austin-based digital and interactive company who defaulted on the note receivable
- Loss on the sale of the aircraft:** Purchased an aircraft in 2015; upon termination of the former CEO Company made decision to sell the aircraft
- Manufacturing relocation costs:** Costs to relocate and integrate certain Games manufacturing and warehousing functions from Las Vegas and WA to Austin, TX
- Acquisition and other costs related to mergers:** Acquisition and other costs related to the Merger of Everi Payments Inc. and Multimedia Games, predecessor to Everi Games Holding Inc., completed in December 2014
- Legal settlement proceeds:** In 1Q 2015, the Financial Technology Solutions business received a settlement in connection with a lawsuit where it was the plaintiff
- Gain on sale of PokerTek assets:** Actual reported Adjusted EBITDA for 2015 included this \$4.0 million gain. For comparability to recurring operating amounts this gain has been excluded from the Adjusted EBITDA throughout this presentation.

NOTE:

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