



Second Quarter 2024 Earnings Presentation

August 7, 2024



Forward-Looking Statements

In this presentation, Light & Wonder, Inc. (“Light & Wonder,” “L&W” or the “Company”) makes “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements describe future expectations, plans, results or strategies and can often be identified by the use of terminology such as “may,” “will,” “estimate,” “intend,” “plan,” “continue,” “believe,” “expect,” “anticipate,” “target,” “should,” “could,” “potential,” “opportunity,” “goal,” or similar terminology. These statements are based upon management’s current expectations, assumptions and estimates and are not guarantees of timing, future results or performance. Therefore, you should not rely on any of these forward-looking statements as predictions of future events. Actual results may differ materially from those contemplated in these statements due to a variety of risks and uncertainties and other factors, including, among other things: our inability to successfully execute our strategy; slow growth of new gaming jurisdictions, slow addition of casinos in existing jurisdictions and declines in the replacement cycle of gaming machines; risks relating to foreign operations, including anti-corruption laws, fluctuations in currency rates, restrictions on the payment of dividends from earnings, restrictions on the import of products and financial instability; difficulty predicting what impact, if any, new tariffs imposed by and other trade actions taken by the U.S. and foreign jurisdictions could have on our business; U.S. and international economic and industry conditions, including increases in benchmark interest rates and the effects of inflation; public perception of our response to environmental, social and governance issues; the effects of health epidemics, contagious disease outbreaks and public perception thereof; changes in, or the elimination of, our share repurchase program; resulting pricing variations and other impacts of our common stock being listed to trade on more than one stock exchange; level of our indebtedness, higher interest rates, availability or adequacy of cash flows and liquidity to satisfy indebtedness, other obligations or future cash needs; inability to further reduce or refinance our indebtedness; restrictions and covenants in debt agreements, including those that could result in acceleration of the maturity of our indebtedness; competition; inability to win, retain or renew, or unfavorable revisions of, existing contracts, and the inability to enter into new contracts; risks and uncertainties of potential changes in U.K. gaming legislation, including any new or revised licensing and taxation regimes, responsible gambling requirements and/or sanctions on unlicensed providers; inability to adapt to, and offer products that keep pace with, evolving technology, including any failure of our investment of significant resources in our R&D efforts; the outcome of any legal proceedings that may be instituted following completion of the SciPlay merger; failure to retain key Management and employees; unpredictability and severity of catastrophic events, including but not limited to acts of terrorism, war, armed conflicts or hostilities, the impact such events may have on our customers, suppliers, employees, consultants, business partners or operations, as well as Management’s response to any of the aforementioned factors; changes in demand for our products and services; dependence on suppliers and manufacturers; SciPlay’s dependence on certain key providers; ownership changes and consolidation in the gaming industry; fluctuations in our results due to seasonality and other factors; risks as a result of being publicly traded in the United States and Australia, including price variations and other impacts relating to the secondary listing of the Company’s common stock on the Australian Securities Exchange; the possibility that we may be unable to achieve expected operational, strategic and financial benefits of the SciPlay merger; security and integrity of our products and systems, including the impact of any security breaches or cyber-attacks; protection of our intellectual property, inability to license third-party intellectual property and the intellectual property rights of others; reliance on or failures in information technology and other systems; litigation and other liabilities relating to our business, including litigation and liabilities relating to our contracts and licenses, our products and systems, our employees (including labor disputes), intellectual property, environmental laws and our strategic relationships; reliance on technological blocking systems; challenges or disruptions relating to the completion of the domestic migration to our enterprise resource planning system; laws and government regulations, both foreign and domestic, including those relating to gaming, data privacy and security, including with respect to the collection, storage, use, transmission and protection of personal information and other consumer data, and environmental laws, and those laws and regulations that affect companies conducting business on the internet, including online gambling; legislative interpretation and enforcement, regulatory perception and regulatory risks with respect to gaming, especially internet wagering and social gaming; changes in tax laws or tax rulings, or the examination of our tax positions; opposition to legalized gaming or the expansion thereof and potential restrictions on internet wagering; significant opposition in some jurisdictions to interactive social gaming, including social casino gaming and how such opposition could lead these jurisdictions to adopt legislation or impose a regulatory framework to govern interactive social gaming or social casino gaming specifically, and how this could result in a prohibition on interactive social gaming or social casino gaming altogether, restrict our ability to advertise our games, or substantially increase our costs to comply with these regulations; expectations of shift to regulated digital gaming; inability to develop successful products and services and capitalize on trends and changes in our industries, including the expansion of internet and other forms of digital gaming; the continuing evolution of the scope of data privacy and security regulations, and our belief that the adoption of increasingly restrictive regulations in this area is likely within the U.S. and other jurisdictions; incurrence of restructuring costs; goodwill impairment charges including changes in estimates or judgments related to our impairment analysis of goodwill or other intangible assets; stock price volatility; failure to maintain adequate internal control over financial reporting; dependence on key executives; natural events that disrupt our operations, or those of our customers, suppliers or regulators; and expectations of growth in total consumer spending on social casino gaming.

Additional information regarding risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated in forward-looking statements is included from time to time in our filings with the Securities and Exchange Commission (“SEC”), including the Company’s current reports on Form 8-K, quarterly reports on Form 10-Q and its latest annual report on Form 10-K, filed with the SEC for the year ended December 31, 2023 on February 27, 2024 (including under the headings “Forward Looking Statements” and “Risk Factors”). Forward-looking statements speak only as of the date they are made and, except for our ongoing obligations under the U.S. federal securities laws, we undertake no and expressly disclaim any obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

Additional Notes

This presentation may contain references to industry market data and certain industry forecasts. Industry market data and industry forecasts are obtained from publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of that information is not guaranteed. Although we believe industry information to be accurate, it is not independently verified by us and we do not make any representation as to the accuracy of that information. In general, we believe there is less publicly available information concerning the international gaming, social and digital gaming industries than the same industries in the U.S.

Due to rounding, certain numbers presented herein may not precisely recalculate.

Discontinued Operations

We sold our former Lottery business to Brookfield Business Partners L.P. during the second quarter of 2022. We sold our former Sports Betting business to Endeavor Operating Company, LLC, a subsidiary of Endeavor Group Holdings, Inc., in a cash and stock transaction completed during the third quarter of 2022. These transactions are collectively referred to as the “Divestitures”. Unless otherwise stated, information in this presentation relates to continuing operations.

We report our operations in three business segments—Gaming, SciPlay and iGaming—representing our different products and services.



Continued Double-Digit Growth on Strong Performance

13

Consecutive Quarters

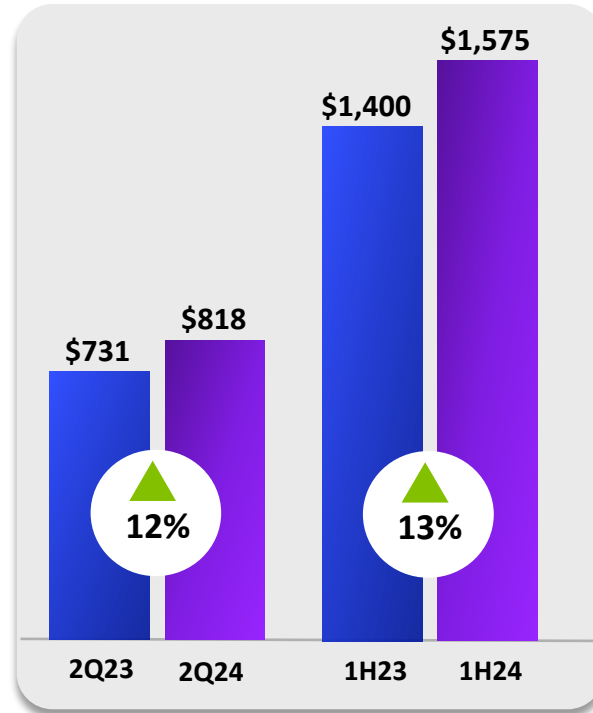
Consolidated Revenue Growth YoY

8

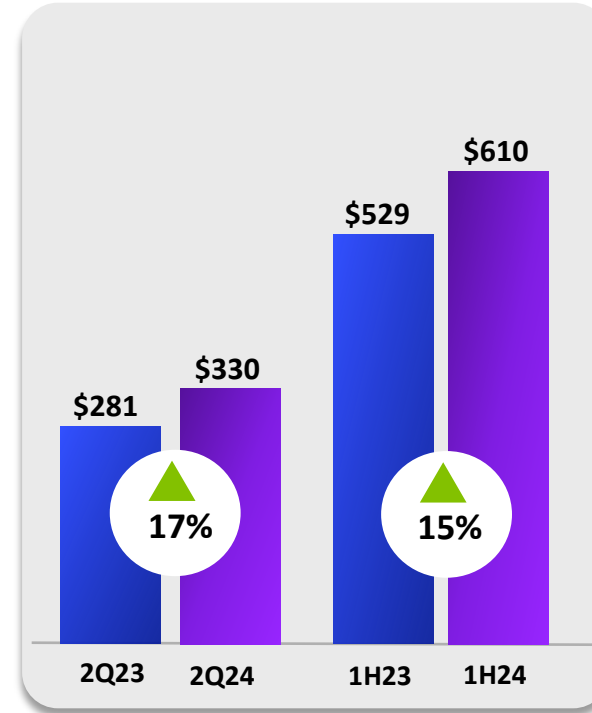
Consecutive Quarters

Double Digit Consolidated Revenue Growth YoY

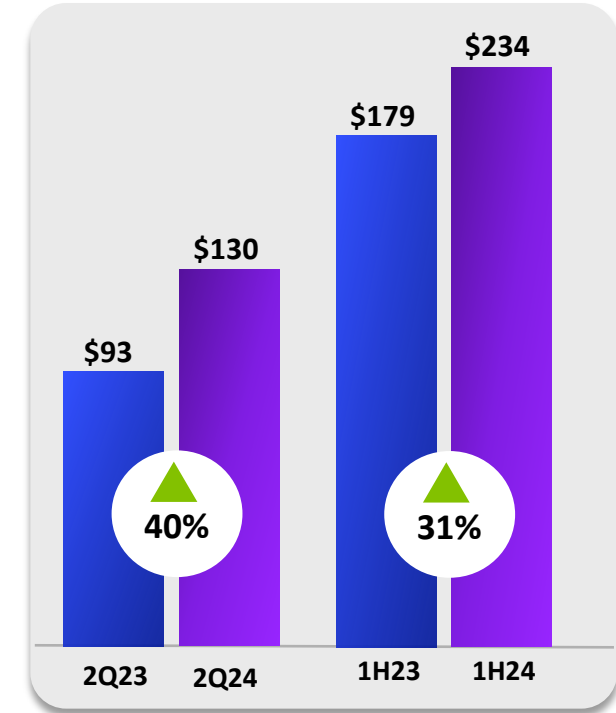
Consolidated Revenue



Consolidated AEBITDA⁽¹⁾



Adjusted NPATA⁽¹⁾



Robust product roadmap and effective execution to strategy fueling sustainable growth at Light & Wonder



(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix. Additional information on non-GAAP financial measures is available in the appendix.

Achieved Key Operational and Financial Milestones



L&W

Achieved Strong Revenue Growth Across Gaming, SciPlay and iGaming, driving Double-Digit Growth in Consolidated Revenue and AEBITDA

- Grew Consolidated Revenue 12%; Consolidated AEBITDA⁽¹⁾ 17% YoY
- Gaming Revenue +14% YoY, led by 32% growth in Machine Sales, 14% growth in Systems and 5% growth in Gaming Operations
- SciPlay Revenue +8% YoY, driven by record monetization in the core Social Casino business
- iGaming Revenue +6% YoY, fueled by continued N.A. market growth



Delivered Sustained Operational Progress with Record Performance Metrics

- 16 consecutive quarters of N.A. premium installed base growth, now at 50% of total N.A. installed base
- Robust revenue generation and monetization at SciPlay, outpacing industry growth for 10 consecutive quarters
- Maintained record iGaming revenue reflective of continued momentum and engaging content launches



Progressing with Our Strategic and Balanced Capital Allocation Plan

- Maintained a net debt leverage ratio⁽¹⁾ of 3.0x, within targeted range⁽¹⁾⁽²⁾ of 2.5x to 3.5x
- Returned \$150 million to shareholders in 2Q24 through share repurchases and authorized new three-year \$1 billion share buyback program⁽³⁾ further enhancing free cash flow per share
- Repriced Term Loan B in July 2024 reducing interest rate by 50 bps, ~\$11M reduction in annualized interest costs

N.A. – North America.

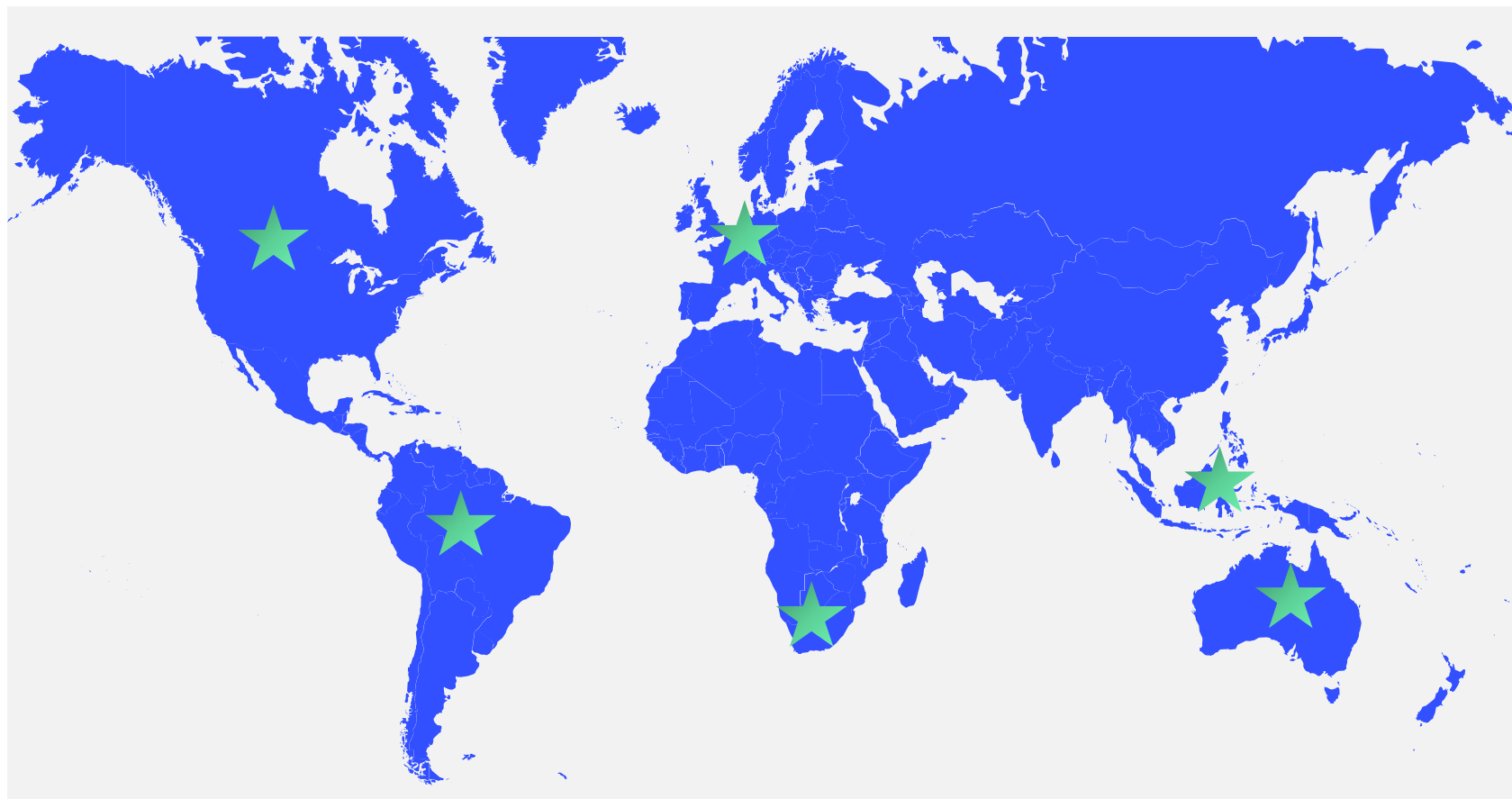
(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix.

Additional information on non-GAAP financial measures is available in the appendix.

(2) Additional information on the non-GAAP financial measure targeted net debt leverage ratio is available in the appendix.

(3) Share repurchase program announced on June 13, 2024. The program may be conducted via open market repurchases, privately negotiated transactions, including block trades, accelerated share repurchases, issuer tender offers or other derivative contracts or instruments, "10b5-1" plans, or other financial arrangements, and may be suspended or discontinued at any time.

Leveraging Diversified Product Portfolio and Global Scale



★ Main Markets

Presence in 6 Continents and 100+ Countries

Global Presence with Unmatched Positions Across:

- **Land-Based Gaming**

- Slots
- Tables
- Systems



- **SciPlay**

- Social Casino
- Mobile/Casual Gaming



- **iGaming**

- Content Aggregation
- PAM⁽¹⁾
- Live Casino



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WONDER™

Operational Highlights



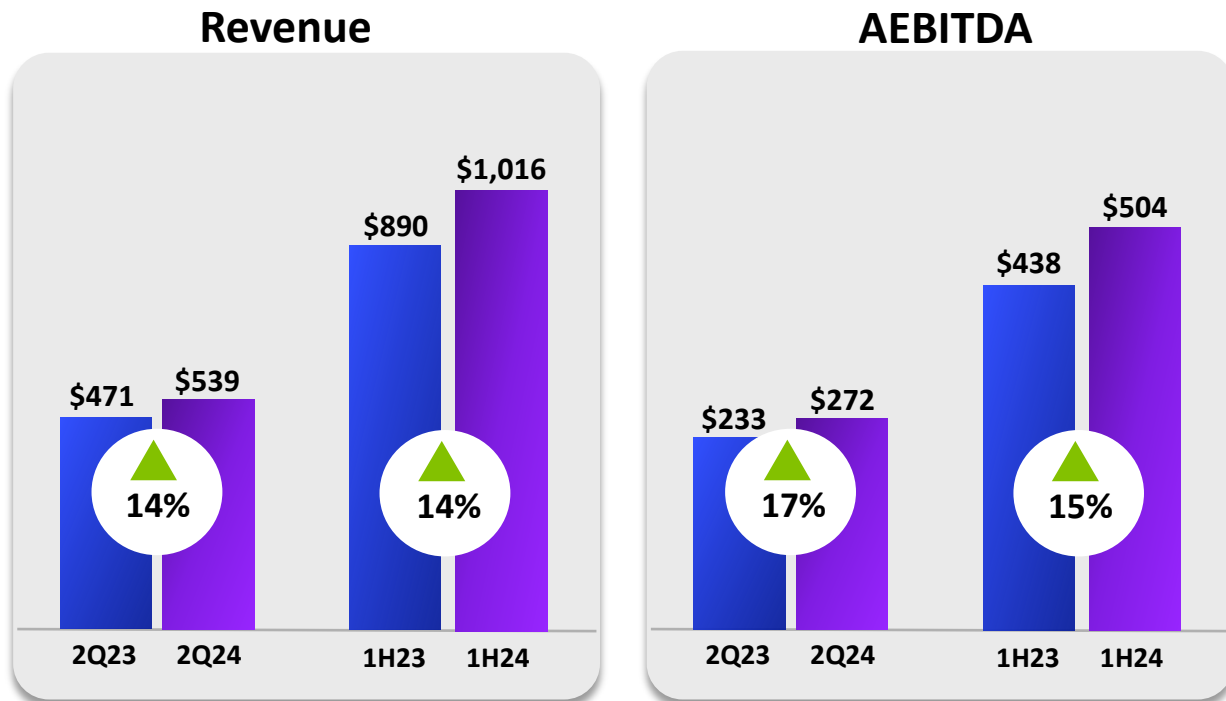
Substantial Gaming Growth Fueled by Strong Product Sales



Key 2Q24 Gaming KPI Highlights

- Gaming Revenue increased **14% YoY**, primarily driven by **Global Gaming Machine Sales** growth of **32%**
 - Gaming Operations revenue up **5% YoY** led by **record expansion in N.A. premium installed base**, reflective of stronger demand and driving higher Revenue Per Day
 - Achieved **robust growth in International Gaming Machine Sales**, notably in **Asia** as well as **Australia** where we maintained **#1 ship share**⁽¹⁾
 - Systems revenue increased **14% YoY**, driven by **increased hardware sales**, and a **software licensing deal** with an operator partner in Asia
- AEBITDA increased **17% YoY** primarily driven by revenue growth
- AEBITDA Margin was **50%**, a **YoY increase of 100 bps** on realized business optimization efforts in the quarter

IN \$ MILLIONS



	2Q24	2Q23	Var%	1H24	1H23	Var%
Gaming Line of Business Revenue:						
Gaming operations	\$175	\$167	▲ 5%	\$340	\$327	▲ 4%
Gaming machine sales	228	173	▲ 32%	433	331	▲ 31%
Gaming systems	82	72	▲ 14%	142	127	▲ 12%
Table products	54	59	▼ (8)%	101	105	▼ (4)%

Delivered on Key Gaming Performance Metrics



Key 2Q24 Gaming KPI Highlights

- Gaming Operations growth was primarily driven by an **increase of 7% YoY in N.A. installed base**, leading to a N.A. installed base **growth of 16 consecutive quarters**, now **~50% of total N.A. units**
- Average daily revenue per unit was **up 4%, exceeding \$50 in N.A.**, fueled by strong game performance and Premium unit placements
- Global Game Sales units was **up 24% YoY to ~11,300 units** led by:
 - International unit shipments in the quarter **increased by 33% YoY to over 5,500 units** driven by sustained strength in **Australia** and replacement sales in **Macau**
 - N.A. unit shipments **up 16% YoY to over 5,800 units** primarily **driven by ongoing expansion in adjacencies**, including Canada and Oregon VLTs⁽¹⁾, HHR⁽²⁾, and Georgia COAM⁽³⁾
- ASP⁽⁴⁾ **increased 6% YoY** to over \$18,500 on higher premium cabinet sales

	2Q24	2Q23	Var%	1H24	1H23	Var%
Gaming Operations KPI:						
U.S. and Canadian:						
Installed base at period end	32,566	30,550	▲ 7%	32,566	30,550	▲ 7%
Average daily revenue per unit ⁽⁵⁾	\$50.41	\$48.59	▲ 4%	\$49.34	\$47.69	▲ 3%
International:⁽⁶⁾						
Installed base at period end	21,997	25,329	▼ (13)%	21,997	25,329	▼ (13)%
Average daily revenue per unit	\$15.59	\$15.03	▲ 4%	\$14.93	\$15.13	▼ (1)%
Gaming Machine Sales KPI:						
U.S. and Canadian unit shipments:						
Replacement units	5,465	4,598	▲ 19%	9,761	8,358	▲ 17%
Casino opening and expansion units	344	422	▼ (18)%	485	719	▼ (33)%
Total unit shipments	5,809	5,020	▲ 16%	10,246	9,077	▲ 13%
International unit shipments:						
Replacement units	5,386	3,899	▲ 38%	9,097	6,109	▲ 49%
Casino opening and expansion units	115	231	▼ (50)%	1,663	1,642	▲ 1%
Total unit shipments	5,501	4,130	▲ 33%	10,760	7,751	▲ 39%
Global unit shipments	11,310	9,150	▲ 24%	21,006	16,828	▲ 25%
Average sales price per new unit	\$18,548	\$17,445	▲ 6%	\$19,170	\$18,040	▲ 6%



N.A. – North America.

(1) Video Lottery Terminals.

(2) Historical Horse Racing.

(3) Coin Operated Amusement Machines.

(4) Gaming Machine Sales cabinet average sales price.

(5) We refined U.S. and Canada average daily revenue per unit calculation in 4Q23 to include certain Gaming operations revenue streams that were previously excluded and have revised prior periods to align with the calculation.

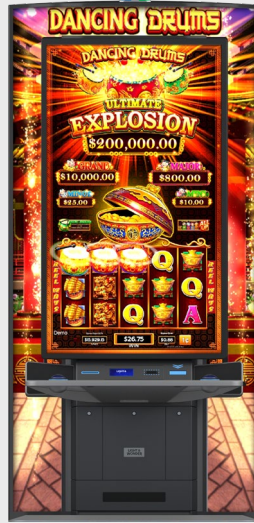
(6) Units exclude those related to game content licensing.

Executing on Robust Hardware and Content Roadmap

COSMIC™



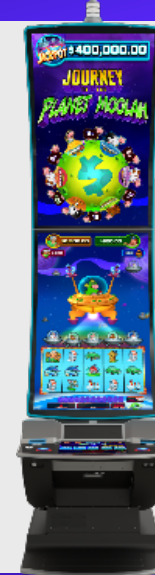
HORIZON™



KASCADA™



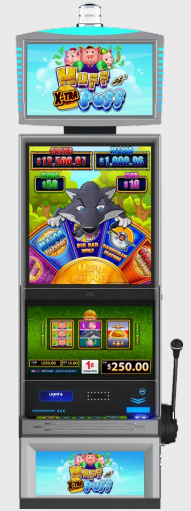
MURAL™



LANDMARK™
7000



L7™
TRANSPARENT



3Q24

NETFLIX
SQUID GAME™

KONG
SKULL ISLAND™

DRAGON TRAIN™

HUFF & PUSS
MONEY MANSION™

DOUBLE
Black & White™

Quick Hit
BLITZ
FEVER!™

4Q24

THE DRAGON
SMAUG™

HUFF & PUSS
EVEN MORE PUSS™

HUFF & PUSS
MORE PUSS
POWER 4™

DRACULA™

BLAZING
2x 3x 5x
NUDGING
STACKS™

Reel'em In!
CATCH THE BIG ONE 3™

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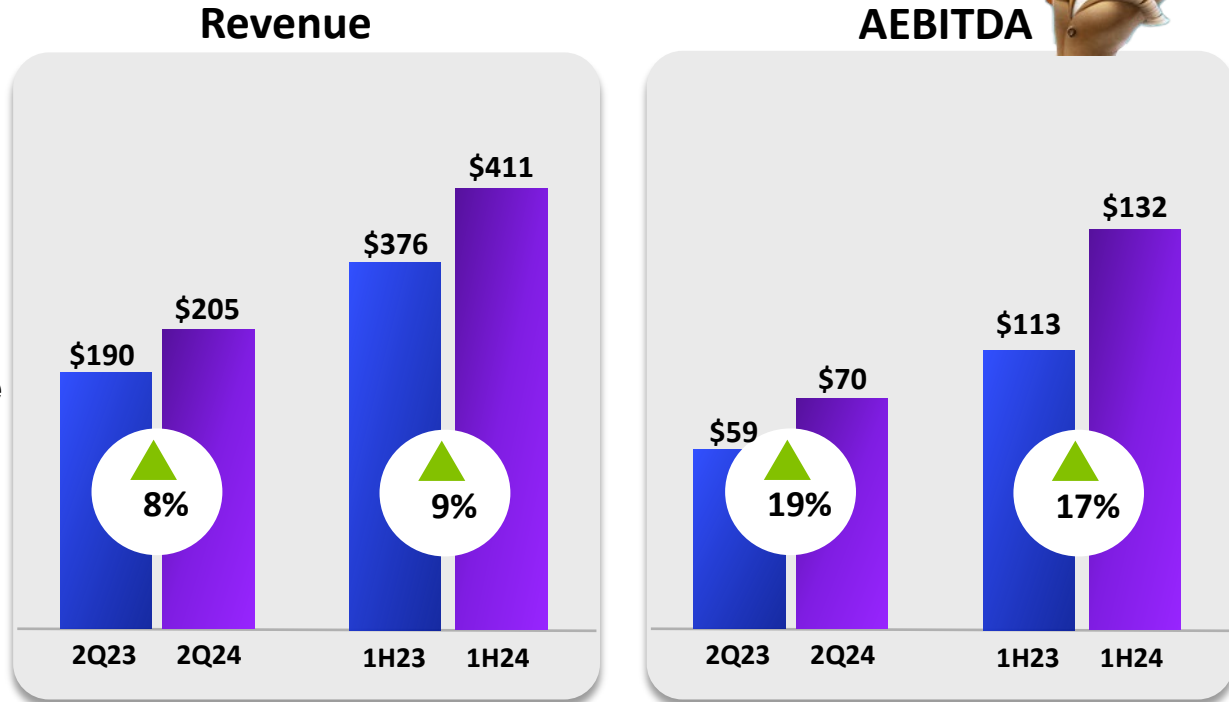
Leading Industry Growth Through Ongoing Execution



IN \$ MILLIONS

Key 2Q24 SciPlay Highlights

- Revenue of \$205 million, **up 8% YoY**, and third consecutive quarter of revenue over \$200 million, driven by **continued strong performance of JACKPOT PARTY™ CASINO, QUICK HIT™ SLOTS, GOLD FISH™ CASINO and 88 FORTUNES™**
- AEBITDA of \$70 million, **up 19% YoY**, benefiting from **strong revenue growth and margin expansion**
- AEBITDA margin of 34%**, improved **300 bps YoY**, driven by our DTC⁽¹⁾ platform
- Continued **monetization and engagement** across key metrics delivering solid performance:
 - Grew **ARPPU⁽²⁾ 12% YoY to a record \$1.04**
 - Increased **AMRPPU⁽³⁾ 15% YoY to a record \$116.91**
 - Maintained **Payer Conversion Rate⁽⁴⁾ of 10.5%**



SciPlay KPI:	2Q24	2Q23	Var%	1H24	1H23	Var%
Mobile Penetration	79%	91%	▼ (1200) bps	82%	91%	▼ (900) bps
Average MAU ⁽⁵⁾	5.4	5.8	▼ (7)%	5.6	5.9	▼ (5)%
Average DAU ⁽⁶⁾	2.1	2.2	▼ (5)%	2.2	2.3	▼ (4)%
ARPPU ⁽²⁾	\$1.04	\$0.93	▲ 12%	\$1.02	\$0.91	▲ 12%
Average MPU ⁽⁷⁾	574	609	▼ (6)%	584	617	▼ (5)%
AMRPPU ⁽³⁾	\$116.91	\$102.04	▲ 15%	\$115.42	\$99.74	▲ 16%
Payer Conversion Rate ⁽⁴⁾	10.5%	10.5%	-	10.4%	10.4%	-

(1) Direct-to-consumer.
 (2) Average Revenue Per Daily Active User.
 (3) Average Monthly Revenue Per Paying User.
 (4) Calculated by dividing average MPU for the period by the average MAU for the same period.
 (5) Monthly Active Users in millions.
 (6) Daily Active Users in millions.
 (7) Monthly Paying Users in thousands.



Driving Monetization Through Investments in SciPlay Engine

Key 2Q24 SciPlay Highlights

- **Outpaced the social casino market for 10 consecutive quarters**
 - Continuing to enhance monetization through **Live Ops and comprehensive product roadmaps**
 - **Leveraging data science to elevate lifetime values** through player engagement and retention
 - **Omni-channel progress with the successful launch of franchises** such as *HUFF N' PUFF™* globally
 - Continued **prudent approach to UA⁽¹⁾**
- **Further progress in our Direct-to-Consumer platform**
 - **Providing an exceptional user experience** to boost player engagement
 - **Attractive long-term opportunity** with **~12% of SciPlay revenue generated** in this channel in the quarter, a 600 bps increase sequentially



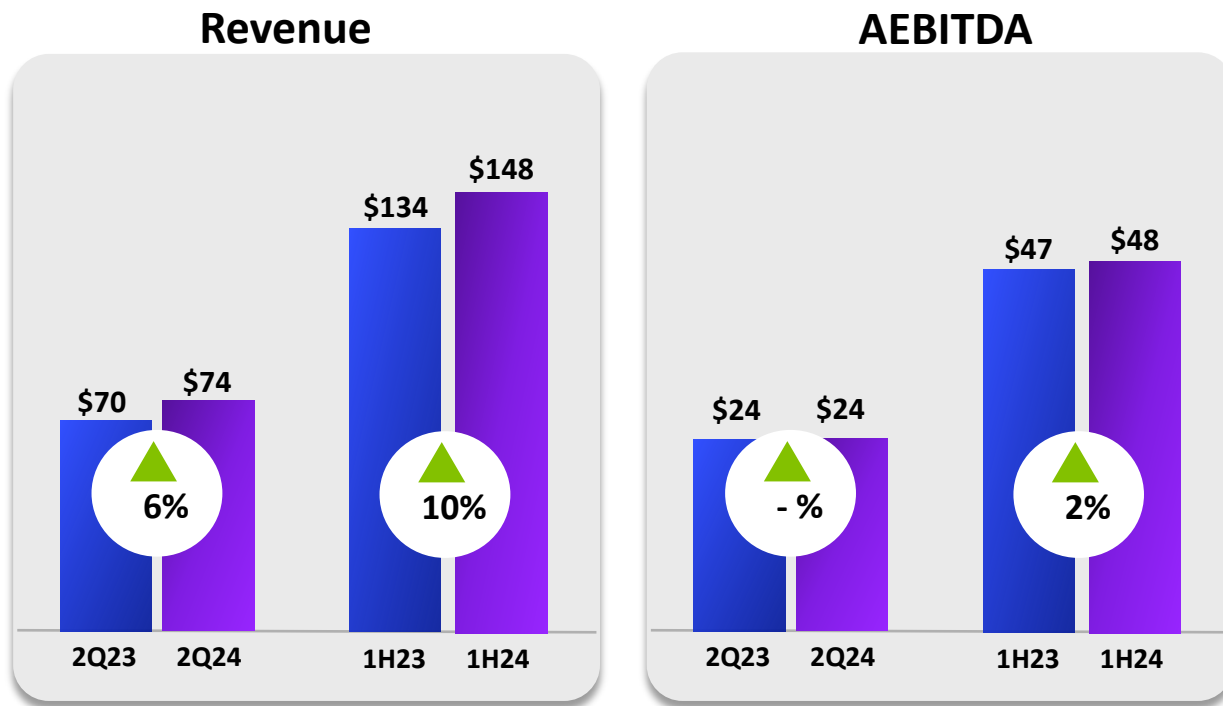
Capitalizing on Industry Growth with Robust Original Content



Key 2Q24 iGaming Highlights

- Maintained record revenue of \$74 million, up 6% YoY** primarily driven by continued momentum in the U.S.
 - U.S. and Canada OGS⁽¹⁾ GGR⁽²⁾ was up 25%** and was driven by market growth and increased volume of land-based content: **record quarter in the U.S. and maintained peak levels in Canada**
- Maintained AEBITDA of \$24 million**, reflective of continued investment to scale the business
- Revenue and AEBITDA in the **prior year period benefited from \$2 million in certain termination fees**, impacting revenue and AEBITDA growth by 3% and 9%, respectively
- AEBITDA margin of 32%** in-line with historic levels as we continue to invest in content and product development
- Wagers processed through OGS⁽¹⁾ **increased 5% YoY to \$21.8 billion** on healthy levels of engagement

IN \$ MILLIONS

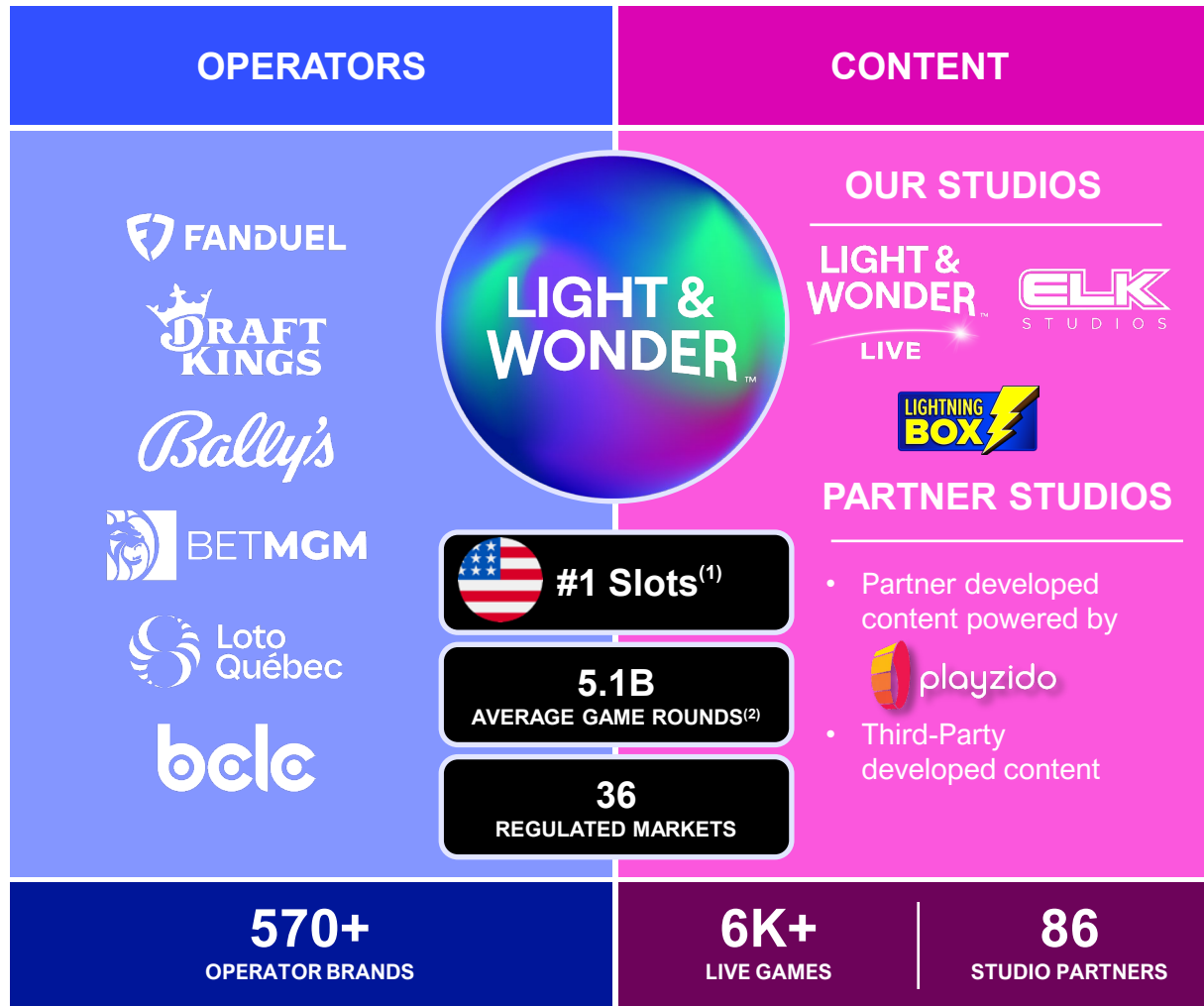


	2Q24	2Q23	Var%	1H24	1H23	Var%
iGaming KPI:						
Wagers processed through OGS (in billions)	\$21.8	\$20.7	▲ 5%	\$44.2	\$41.0	▲ 8%



(1) OGS – Light & Wonder iGaming platform OPENGAMING™ System.
 (2) Gross Gaming Revenue.

Leveraging the Scale of Our Established iGaming Platform



Key 2Q24 iGaming Highlights

- Continued **first-party content performance and strong game launches** driven by proven land-based franchises
- ELK achieved GGR⁽³⁾ growth of 17% YoY**, fueled by strong performance across **PILOTS 2™** and **CYGNUS 4™**
- LIGHTNING BOX™ achieved record-breaking GGR**, with **growth of 33% YoY**, driven by strong launches with the **THUNDERING™ Series**
- PLAYZIDO™ generated record GGR** in the quarter and is now licensed in all 3 major U.S. states (New Jersey, Pennsylvania, and Michigan)
- Expanding Live Casino partnerships** with Penn scheduled to go live in 2H24

L&W (1) Eilers-Fantini Report - U.S. Online Game Performance Report (June 2024).
 (2) Internal Data.
 (3) Gross Gaming Revenue.

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Financials

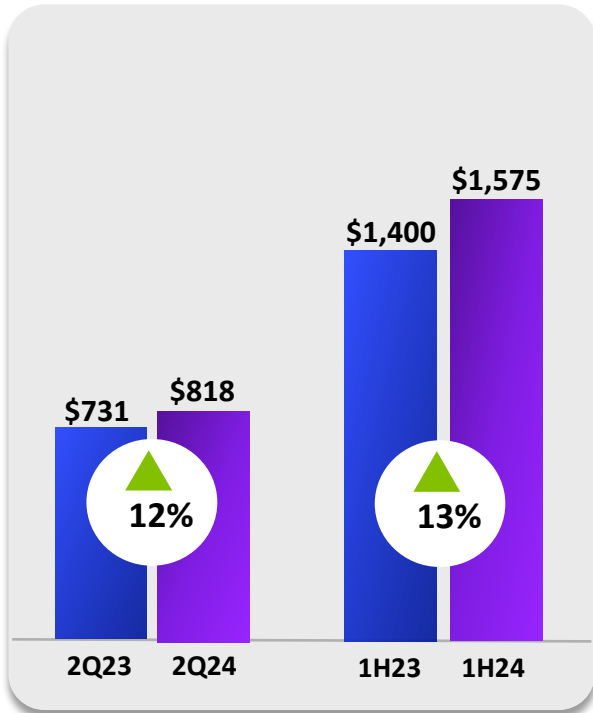


Achieved Double-Digit Top- and Bottom-Line Growth

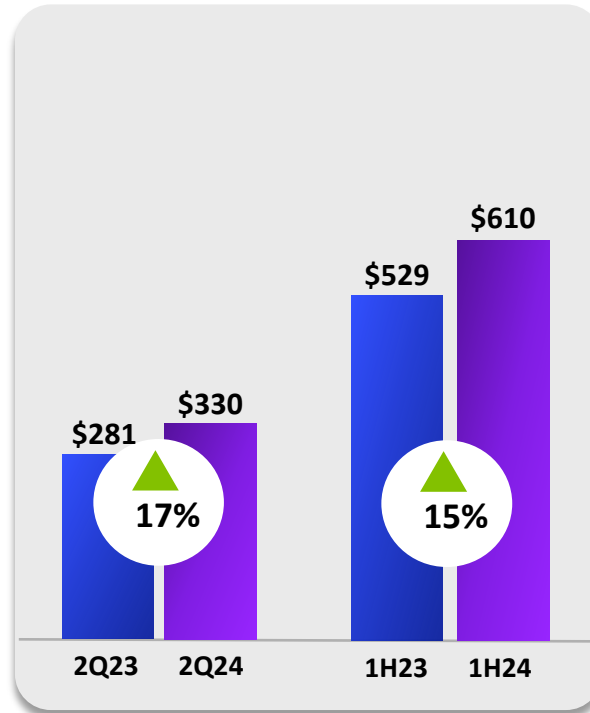


IN \$ MILLIONS

Consolidated Revenue



Consolidated AEBITDA⁽¹⁾



Key 2Q24 Highlights

- **Achieved 12% YoY Consolidated Revenue growth, with healthy margins across all businesses**
 - Gaming growth led primarily by **Global Gaming Machine Sales**, which remained robust with growth of 32% YoY, and continued expansion in **N.A. adjacencies**
 - SciPlay's growth is attributed to **optimized player engagement and enhanced monetization** in the social casino business
 - iGaming YoY revenue growth driven by **strong growth in the N.A. market and engaging content launches**
- **Consolidated AEBITDA⁽¹⁾ up 17%, higher than top-line growth and Consolidated AEBITDA margin⁽¹⁾ up 200 bps YoY at 40%**



N.A. – North America.

(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix. Additional information on non-GAAP financial measures is available in the appendix.

Optimized Capital Allocation Strategy

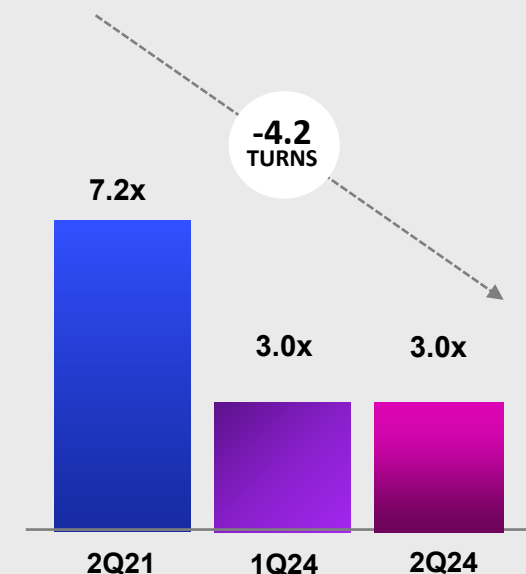


Key Highlights

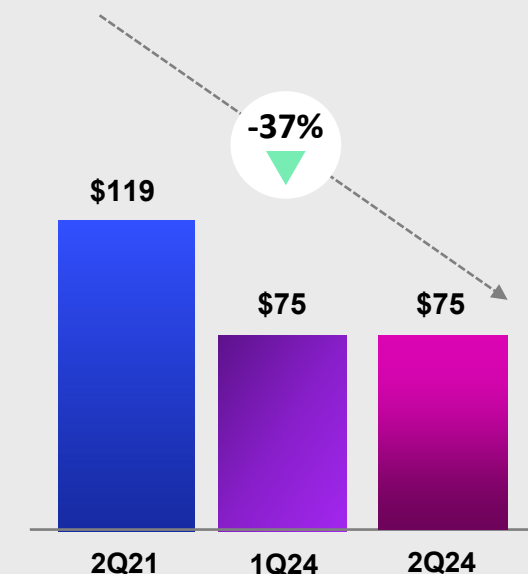
- Ended the quarter with a principal face value of debt outstanding of **\$3.9 billion** and **maintained net debt leverage ratio⁽¹⁾ of 3.0x, within targeted range⁽¹⁾⁽²⁾ of 2.5x to 3.5x**
- Executed on debt refinancing opportunity to **further reduce interest expense**
 - **Repriced our Term Loan B** again in July 2024, reducing our interest rate by 50 bps resulting in a decrease in annualized interest costs of **~\$11 million**, or **~\$19 million in annualized interest savings** including our January repricing
- Announced a new three-year share repurchase program **of up to \$1 billion in shares through June 2027⁽³⁾**
 - **Returned \$150 million to shareholders in 2Q24** through share buybacks
 - **Exhausted the full \$750 million share repurchase authorization** in June 2024, purchasing a **total of 11.2 million shares** at an average price of \$66.72
- **Added to the Russell 1000 Index**, enhancing Light & Wonder's growth profile within the investment community

IN \$ MILLIONS

Net Debt Leverage Ratio⁽¹⁾



Interest Expense



(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix. Additional information on non-GAAP financial measures is available in the appendix. Twelve-month period ending in 2Q21 for Net Debt Leverage Ratio includes discontinued operations.

(2) Additional information on the non-GAAP financial measure targeted net debt leverage ratio is available in the appendix.

(3) Share repurchase program announced on June 13, 2024. The program may be conducted via open market repurchases, privately negotiated transactions, including block trades, accelerated share repurchases, issuer tender offers or other derivative contracts or instruments, "10b5-1" plans, or other financial arrangements, and may be suspended or discontinued at any time.

Generated Strong Free Cash Flow⁽¹⁾



Key Highlights

- Consolidated Free Cash Flow⁽¹⁾ **grew 192% to \$70 million**, reflective of strong earnings, partially offset by higher capital expenditures, while the prior year period was impacted by \$39 million related to strategic review and related costs
- **Increase in Capital Expenditures YoY** to support key growth initiatives in Gaming Operations
- **Maintain scalable annual cash flow** by leveraging a robust cash generative business and enhancing Free Cash Flow conversion⁽¹⁾

IN \$ MILLIONS

	2Q24	2Q23	1H24	1H23
Net cash provided by operating activities	\$ 141	\$ 34	\$ 312	\$ 219
Less: Capital expenditures	(86)	(59)	(153)	(112)
Add: Payments on contingent acquisition considerations	22	9	22	9
Less: Payments on license obligations	(9)	(6)	(14)	(18)
Less: Change in restricted cash impacting working capital	2	46	(5)	-
Free Cash Flow⁽¹⁾	\$ 70	\$ 24	\$ 162	\$ 98
Supplemental cash flow information - Strategic Review and Related Costs Impacting Free Cash Flow:				
Income tax payments related to discontinued operations	\$ -	\$ 32	\$ -	\$ 32
ASX listing advisory fees	-	7	-	7



(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix. Additional information on non-GAAP financial measures is available in the appendix.

Differentiated Value Proposition To Fuel Sustainable Growth



Streamlined business and **healthy** balance sheet



Unmatched global market positions and **cross-platform capabilities**



Focus on operational excellence driving **enhanced shareholder value**



Leading global games and platform provider with all the **major pieces in place**



Expect sustainable growth with healthy margins progressing towards \$1.4 billion targeted Consolidated AEBITDA⁽¹⁾ by 2025



(1) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix. Additional information on non-GAAP financial measures is available in the appendix.

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Appendix



Non-GAAP Financial Measures

The Company's management ("Management") uses the following non-GAAP financial measures in conjunction with GAAP financial measures: Consolidated AEBITDA (representing continuing operations), Consolidated AEBITDA margin, AEBITDA from discontinued operations, Combined AEBITDA, Adjusted NPATA, Free cash flow, EBITDA from equity investments, Net debt and Net debt leverage ratio (each, as described more fully below). These non-GAAP financial measures are presented as supplemental disclosures. They should not be considered in isolation of, as a substitute for, or superior to, the financial information prepared in accordance with GAAP, and should be read in conjunction with the Company's financial statements filed with the SEC. The non-GAAP financial measures used by the Company may differ from similarly titled measures presented by other companies. Specifically, Management uses Consolidated AEBITDA to, among other things: (i) monitor and evaluate the performance of the Company's continuing operations; (ii) facilitate Management's internal and external comparisons of the Company's consolidated historical operating performance; and (iii) analyze and evaluate financial and strategic planning decisions regarding future operating investments and operating budgets. In addition, Management uses Consolidated AEBITDA and Consolidated AEBITDA margin to facilitate its external comparisons of the Company's consolidated results to the historical operating performance of other companies that may have different capital structures and debt levels. Following our ASX listing, Management introduced usage of Adjusted NPATA, a non-GAAP financial measure, which is widely used to measure the performance as well as a principal basis for valuation of gaming and other companies listed on the ASX, and which we present on a supplemental basis. Management uses Net debt and Net debt leverage ratio in monitoring and evaluating the Company's overall liquidity, financial flexibility and leverage. Management believes that these non-GAAP financial measures are useful as they provide Management and investors with information regarding the Company's financial condition and operating performance that is an integral part of Management's reporting and planning processes. In particular, Management believes that Consolidated AEBITDA is helpful because this non-GAAP financial measure eliminates the effects of restructuring, transaction, integration or other items that Management believes are less indicative of the ongoing underlying performance of the Company's continuing operations (as more fully described below) and are better evaluated separately. Management believes that Free cash flow provides useful information regarding the Company's liquidity and its ability to service debt and fund investments. The Company sold its former Lottery business and Sports Betting business and as such, historical financial information for these divested businesses is classified as discontinued operations, as described above. Management believes that AEBITDA from discontinued operations provides useful information regarding the Company's operations as well as the impact of the discontinued businesses on the overall financial results for the relevant prior periods presented as they remained under the structure of the Company for those periods. This non-GAAP measure is derived based on the historical records and includes only those direct costs that are allocated to discontinued operations and as such does not include all of the expenses that would have been incurred by these businesses as a standalone company or other Corporate and shared allocations and such differences might be material. Management believes Adjusted NPATA is useful for investors because it provides investors with additional perspective on performance, as the measure eliminates the effects of amortization of acquired intangible assets, restructuring, transaction, integration, certain other items, and the income tax impact on such adjustments, which Management believes are less indicative of the ongoing underlying performance of operations and are better evaluated separately. Adjusted NPATA is widely used to measure performance of gaming and other companies listed on the ASX. Management also believes that Free cash flow is useful for investors because it provides investors with important perspectives on the cash available for debt repayment and other strategic measures, after making necessary capital investments in property and equipment, necessary license payments to support the ongoing business operations and adjustments for changes in restricted cash impacting working capital.

Consolidated AEBITDA (representing AEBITDA from continuing operations)

Consolidated AEBITDA, as used herein, is a non-GAAP financial measure that is presented as a supplemental disclosure of the Company's continuing operations and is reconciled to net income (loss) from continuing operations as the most directly comparable GAAP measure, as set forth in the schedule titled "Reconciliation of Net Income (Loss) Attributable to L&W to Consolidated AEBITDA." Consolidated AEBITDA should not be considered in isolation of, as a substitute for, or superior to, the consolidated financial information prepared in accordance with GAAP and should be read in conjunction with the Company's financial statements filed with the SEC. Consolidated AEBITDA may differ from similarly titled measures presented by other companies. Consolidated AEBITDA is reconciled to Net income (loss) attributable to L&W and includes the following adjustments, as applicable: (1) Net income attributable to noncontrolling interest; (2) Net income from discontinued operations, net of tax; (3) Restructuring and other, which includes charges or expenses attributable to: (i) employee severance; (ii) Management restructuring and related costs; (iii) restructuring and integration (including costs associated with strategic review, rebranding, divestitures, SciPlay acquisition and ongoing separation activities and related activities); (iv) cost savings initiatives; (v) major litigation; and (vi) acquisition- and disposition-related costs and other unusual items; (4) Depreciation, amortization and impairment charges and Goodwill impairments; (5) Loss on debt financing transactions; (6) Change in fair value of investments and Gain on remeasurement of debt and other; (7) Interest expense; (8) Income tax expense (benefit); (9) Stock-based compensation; and (10) Other (income) expense, net, including foreign currency gains or losses and earnings from equity investments. AEBITDA is presented exclusively as our segment measure of profit or loss. The forward-looking non-GAAP financial measure targeted Consolidated AEBITDA represents a goal for the Company and does not reflect Company guidance. We are not providing a forward-looking quantitative reconciliation of targeted Consolidated AEBITDA to the most directly comparable GAAP measure because we are unable to do so without unreasonable efforts or to reasonably estimate the projected outcome of certain significant items. These items are uncertain, depend on various factors out of our control and could have a material impact on the corresponding measures calculated in accordance with GAAP.

Consolidated AEBITDA Margin

Consolidated AEBITDA margin, as used herein, represents our Consolidated AEBITDA (as defined above) calculated as a percentage of consolidated revenue. Consolidated AEBITDA margin is a non-GAAP financial measure that is presented as a supplemental disclosure for illustrative purposes only and is reconciled to net income, the most directly comparable GAAP measure, in a schedule below.

Adjusted NPATA

Adjusted NPATA, as used herein, is a non-GAAP financial measure that is presented as a supplemental disclosure of the Company's operations and is reconciled to net income as the most directly comparable GAAP measure, as set forth in the schedule titled "Reconciliation of Net Income (Loss) Attributable to L&W to Adjusted NPATA." Adjusted NPATA should not be considered in isolation of, as a substitute for, or superior to, the consolidated financial information prepared in accordance with GAAP and should be read in conjunction with the Company's financial statements filed with the SEC. Adjusted NPATA may differ from similarly titled measures presented by other companies.

Non-GAAP Financial Measures (continued)

Adjusted NPATA is reconciled to Net income (loss) attributable to L&W and includes the following adjustments, as applicable: (1) Net income attributable to noncontrolling interest; (2) Amortization of acquired intangible assets; (3) Non-cash asset and goodwill impairments; (4) Restructuring and other, which includes charges or expenses attributable to: (i) employee severance; (ii) Management restructuring and related costs; (iii) restructuring and integration (including costs associated with strategic review, rebranding, divestitures, SciPlay acquisition and ongoing separation activities and related activities); (iv) cost savings initiatives; (v) major litigation; and (vi) acquisition- and disposition-related costs and other unusual items; (5) Loss on debt financing transactions; (6) Change in fair value of investments and Gain on remeasurement of debt and other; (7) Income tax impact on adjustments; and (8) Other (income) expense, net, including foreign currency gains or losses and earnings from equity investments.

AEBITDA from Discontinued Operations

AEBITDA from discontinued operations, as used herein, is a non-GAAP financial measure that is presented as a supplemental disclosure for the Company's discontinued operations and is reconciled to net income from discontinued operations, net of tax as the most directly comparable GAAP measure, as set forth in the schedule titled "Reconciliation of Net Income from Discontinued Operations, Net of Tax to AEBITDA from Discontinued Operations." AEBITDA from discontinued operations should not be considered in isolation of, as a substitute for, or superior to, the consolidated financial information prepared in accordance with GAAP and should be read in conjunction with the Company's financial statements filed with the SEC. AEBITDA from discontinued operations may differ from similarly titled measures presented by other companies and is presented only for purposes of calculating and reconciling Net debt leverage ratio. AEBITDA from discontinued operations is reconciled to Net income from discontinued operations, net of tax and includes the following adjustments: (1) Restructuring and other, which includes charges or expenses attributable to: (i) employee severance; (ii) Management restructuring and related costs; (iii) restructuring and integration; (iv) cost savings initiatives; (v) major litigation; and (vi) acquisition- and disposition-related costs and other unusual items; (2) Depreciation, amortization and impairment charges and Goodwill impairments; (3) Income tax expense; and (4) Stock-based compensation and other, net. In addition to the preceding adjustments, we exclude Earnings from equity investments and add (without duplication) discontinued operations pro rata share of EBITDA from equity investments, which represents their share of earnings (whether or not distributed) before income tax expense, depreciation and amortization expense, and interest expense, net of our joint ventures and minority investees, which is included in our calculation of AEBITDA from discontinued operations.

Combined AEBITDA

Combined AEBITDA, as used herein, is a non-GAAP financial measure that combines Consolidated AEBITDA (representing our continuing operations), AEBITDA from discontinued operations and EBITDA from equity investments included in continuing operations and is presented as a supplemental disclosure. Combined AEBITDA should not be considered in isolation of, as a substitute for, or superior to, the consolidated financial information prepared in accordance with GAAP and should be read in conjunction with the Company's financial statements filed with the SEC. Combined AEBITDA may differ from similarly titled measures presented by other companies and is presented only for purposes of calculating and reconciling Net debt leverage ratio.

Free Cash Flow

Free cash flow, as used herein, represents net cash provided by operating activities less total capital expenditures, less payments on license obligations, plus payments on contingent acquisition considerations and adjusted for changes in restricted cash impacting working capital. Free cash flow is a non-GAAP financial measure that is presented as a supplemental disclosure for illustrative purposes only and is reconciled to net cash provided by operating activities, the most directly comparable GAAP measure, in a schedule below. Free cash flow conversion, as used herein, represents Free cash flow calculated as a percentage of Consolidated AEBITDA (as defined above). Free cash flow conversion is a non-GAAP financial measure that is presented as a supplemental disclosure for illustrative purposes only.

EBITDA from Equity Investments

EBITDA from equity investments, as used herein, represents our share of earnings (whether or not distributed to us) plus income tax expense, depreciation and amortization expense, interest expense, net, and other non-cash and unusual items from our joint ventures and minority investees. EBITDA from equity investments is a non-GAAP financial measure that is presented as supplemental disclosure for illustrative purposes only and is reconciled to earnings of equity investments, the most directly comparable GAAP measure, in a schedule below.

Net Debt and Net Debt Leverage Ratio

Net debt is defined as total principal face value of debt outstanding, the most directly comparable GAAP measure, less cash and cash equivalents. Principal face value of debt outstanding includes the face value of debt issued under Senior Secured Credit Facilities and Senior Notes, which are described in Note 15 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023, and in Note 10 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, but it does not include other long-term obligations primarily comprised of certain revenue transactions presented as debt in accordance with ASC 470. Net debt leverage ratio, as used herein, represents Net debt divided by Consolidated AEBITDA. The forward-looking non-GAAP financial measure targeted net debt leverage ratio is presented on a supplemental basis and does not reflect Company guidance. We are not providing a forward-looking quantitative reconciliation of targeted net debt leverage ratio to the most directly comparable GAAP measure because we are unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the relevant period.

L&W Reconciliation of Consolidated AEBITDA, AEBITDA from Discontinued Operations and Combined AEBITDA

	Three Months Ended		Six Months Ended		Twelve Months Ended		
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	March 31, 2024	June 30, 2021
<u>Reconciliation of Net Income (Loss) Attributable to L&W to Consolidated AEBITDA</u>							
Net income (loss) attributable to L&W	\$ 82	\$ (1)	\$ 164	\$ 21	\$ 305	\$ 223	\$ (113)
Net income attributable to noncontrolling interest	-	6	-	11	6	11	22
Net income from discontinued operations, net of tax	-	-	-	-	-	-	(387)
Net income (loss) from continuing operations	82	5	164	32	311	234	(478)
Restructuring and other	34	31	40	50	83	79	76
Depreciation, amortization and impairments	87	108	173	208	349	369	417
Other (income) expense, net	(5)	16	(14)	18	(38)	(15)	(20)
Interest expense	75	78	150	153	306	309	496
Income tax expense	26	15	44	14	56	45	8
Stock-based compensation	31	28	53	54	117	114	89
Loss on debt financing transactions	-	-	-	-	15	15	1
Gain on remeasurement of debt and other	-	-	-	-	-	-	31
Consolidated AEBITDA	\$ 330	\$ 281	\$ 610	\$ 529	\$ 1,199	\$ 1,150	\$ 620
<u>Reconciliation of Net Income from Discontinued Operations, Net of Tax to AEBITDA from Discontinued Operations</u>							
Net income from discontinued operations, net of tax							387
Income tax expense							1
Restructuring and other							6
Depreciation, amortization and impairments							105
EBITDA from equity investments ⁽¹⁾							61
Earnings from equity investments							(19)
Stock-based compensation and other, net							(35)
AEBITDA from discontinued operations							\$ 506
EBITDA from equity investments - continuing operations ⁽¹⁾							6
Combined AEBITDA							\$ 1,132



Note: Unaudited, U.S. Dollars in millions.

(1) EBITDA from equity investments is a non-GAAP financial measure reconciled to Earnings from equity investments on slide 27.

L&W Reconciliation of Adjusted NPATA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<u>Reconciliation of Net Income (Loss) Attributable to L&W to Adjusted NPATA</u>				
Net income (loss) attributable to L&W	\$ 82	\$ (1)	\$ 164	\$ 21
Net income attributable to noncontrolling interest	-	6	-	11
Net income	82	5	164	32
Amortization of acquired intangibles and impairments	32	54	63	105
Restructuring and other ⁽¹⁾	34	31	40	50
Other (income) expense, net	(5)	16	(14)	18
Income tax impact on adjustments	(13)	(13)	(19)	(26)
Adjusted NPATA	\$ 130	\$ 93	\$ 234	\$ 179

Note: Unaudited, U.S. Dollars in millions.

(1) Refer to the Adjusted NPATA definition above for a description of items included in restructuring and other.



L&W Reconciliation of Principal Face Value of Debt Outstanding to Net Debt Leverage Ratio

	As of		
	June 30, 2024	March 31, 2024	June 30, 2021
Consolidated AEBITDA/Combined AEBITDA ⁽¹⁾	\$ 1,199	\$ 1,150	\$ 1,132
Total debt	\$ 3,871	\$ 3,874	\$ 9,019
Add: Unamortized debt discount/premium and deferred financing costs, net	43	44	94
Add: Impact of exchange rate	-	-	29
Less: Debt not requiring cash repayment and other	-	-	(6)
Principal face value of debt outstanding	3,914	3,918	9,136
Less: Cash and cash equivalents ⁽²⁾	321	450	932
Net debt	\$ 3,593	\$ 3,468	\$ 8,204
Net debt leverage ratio	3.0	3.0	7.2

Note: Unaudited, U.S. Dollars in millions.

(1) Combined AEBITDA consists of Consolidated AEBITDA, AEBITDA from discontinued operations and EBITDA from equity investments included in continuing operations. Refer to the reconciliation of Combined AEBITDA included in the table titled "Reconciliation of Consolidated AEBITDA, AEBITDA from Discontinued Operations and Combined AEBITDA" for the periods presented on slide 22.

(2) Includes cash and cash equivalents of both continuing operations and discontinued operations (for June 30, 2021), as the combined amount was available for debt payments.



L&W Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	\$ 141	\$ 34	\$ 312	\$ 219
Less: Capital expenditures	(86)	(59)	(153)	(112)
Add: Payments on contingent acquisition considerations	22	9	22	9
Less: Payments on license obligations	(9)	(6)	(14)	(18)
Add (less): Change in restricted cash impacting working capital	2	46	(5)	-
Free cash flow	\$ 70	\$ 24	\$ 162	\$ 98
Supplemental cash flow information - Strategic Review and Related Costs Impacting Free Cash Flow:				
Income tax payments related to discontinued operations	\$ -	\$ 32	\$ -	\$ 32
ASX listing advisory fees	-	7	-	7

Note: Unaudited, U.S. Dollars in millions.



L&W Reconciliation of Consolidated AEBITDA Margin

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Consolidated AEBITDA ⁽¹⁾	\$ 330	\$ 281	\$ 610	\$ 529
Revenue	818	731	1,575	1,400
Net income margin	10 %	1 %	10 %	2 %
Consolidated AEBITDA margin⁽²⁾	40 %	38 %	39 %	38 %

Note: Unaudited, U.S. Dollars in millions.

(1) Refer to the reconciliation of Consolidated AEBITDA included in the table titled "L&W Reconciliation of Consolidated AEBITDA, AEBITDA from Discontinued Operations and Combined AEBITDA" for the periods presented on slide 22.

(2) Consolidated AEBITDA Margin is calculated as Consolidated AEBITDA as a percentage of revenue.



L&W Reconciliation of Earnings from Equity Investments to EBITDA from Equity Investments

	Twelve Months Ended June 30, 2021	
	Continuing Operations	Discontinued Operations
Earnings from equity investments	\$ 3	\$ 19
Add: Income tax expense	-	8
Add: Depreciation, amortization and impairments	2	32
Add: Interest income, net and other	1	2
EBITDA from equity investments	\$ 6	\$ 61
Combined EBITDA from equity investments⁽¹⁾		\$ 67

Note: Unaudited, U.S. Dollars in millions.

(1) Combined EBITDA from equity investments consists of EBITDA from both discontinued and continuing operations equity investments.

