Second Quarter 2023
Earnings Presentation

August 8, 2023

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 and rebranding initiative; 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; 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 possibility that the conditions to the completion of the SciPlay Acquisition may not be satisfied on the anticipated schedule or at all; the possibility that the conditions to the completion of the SciPlay Acquisition may not be satisfied on the anticipated schedule or at all; the possibility of any event, change or other circumstances that could give rise to the termination of the Merger Agreement; the outcome of any legal proceedings that may be instituted following announcement of SciPlay Acquisition; failure to retain key management and employees of SciPlay; unpredictability and severity of catastrophic events, including but not limited to acts of terrorism, war or hostilities or the COVID-19 pandemic, as well as management’s response to any of the aforementioned factors; changes in demand for our products and services; inability to achieve some or all of the anticipated benefits of SciPlay being a standalone public company; 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; 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, social gaming and sports wagering; 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 or sports wagering; 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 annual reports on Form 10-K, including the latest report filed with the SEC for the year ended December 31, 2022 on March 1, 2023 (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.” Accordingly, the prior period financial results for these divested businesses are presented as discontinued operations. Unless otherwise stated, information in this presentation relates to continuing operations.

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

The Leading Cross-platform Global Games Company

Executing on Our Strategy to Drive Sustainable Growth

Clear Product Roadmap & Differentiated Position

Streamlined Organization

Healthy Balance Sheet & Strong Cashflow

Disciplined Capital Allocation Strategy

9 Consecutive Quarters

Consolidated Revenue Growth YoY

4 Consecutive Quarters

Double-digit Consolidated Revenue Growth YoY

2 Consecutive Quarters

Double-digit Revenue Growth across all Three Businesses YoY

Achieved Significant Milestones on Key Initiatives

- Successfully **listed and began trading on the Australian Securities Exchange (ASX)**
- Targeting **ASX index inclusion** to expand global investor exposure

LIGHT & WONDER

- Signed definitive agreement to **acquire remaining 17% interest in SciPlay for $22.95 cash per share**
- Enables seamless collaboration with SciPlay that will add **further momentum to cross-platform strategy**
- Provides **flexibility to invest cash** across the enterprise

- Launched **inaugural CSR report**
- Continuous **Commitment to Responsible Gaming** with over **20 partner organizations and education campaigns**

Continuing Momentum with Exceptional Second Quarter Performance

Delivered Double-Digit Revenue Growth Across All Businesses with Continued Progress on Our Roadmap

- **Grew Consolidated Revenue 20%; Consolidated AEBITDA[1] 33% YoY**
- **Gaming Revenue +21% YoY**, led by **41% YoY growth in Global Game Sales**
- **SciPlay Revenue +19% YoY**, driven by **share gains in Social Casino business with strong payer metrics**
- **iGaming Revenue +17% YoY** on **U.S. growth**, **original content launches** and **scaling 3rd party content aggregation**

Achieved Milestones with Record Performance at SciPlay and iGaming

- **12 consecutive quarters** of N.A. **Premium installed base growth**, **record 47%** of total N.A. installed base
- **Achieved record revenue and key payer metrics** at SciPlay**,** validating investments and initiatives
- **Delivered record iGaming revenue and AEBITDA,** U.S. revenue **grew 32% YoY, outpacing U.S. GGR** growth

Maintaining Balanced and Opportunistic Capital Allocation Strategy

- **Reduced net debt leverage ratio[1] to 2.9x**, lowest in Company's recent history & within targeted range[1][2] of 2.5x to 3.5x
- **Repurchased ~$438 million or 7.6 million[3] shares** since March 2022, **~ 58%** of share repurchase program
- **Executing disciplined investment strategy** focused on **high long-term cash returns**

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.
(2) Additional information on the non-GAAP financial measure targeted net debt leverage ratio is available in the appendix.
(3) Share repurchase amounts since program authorization through June 30, 2023.

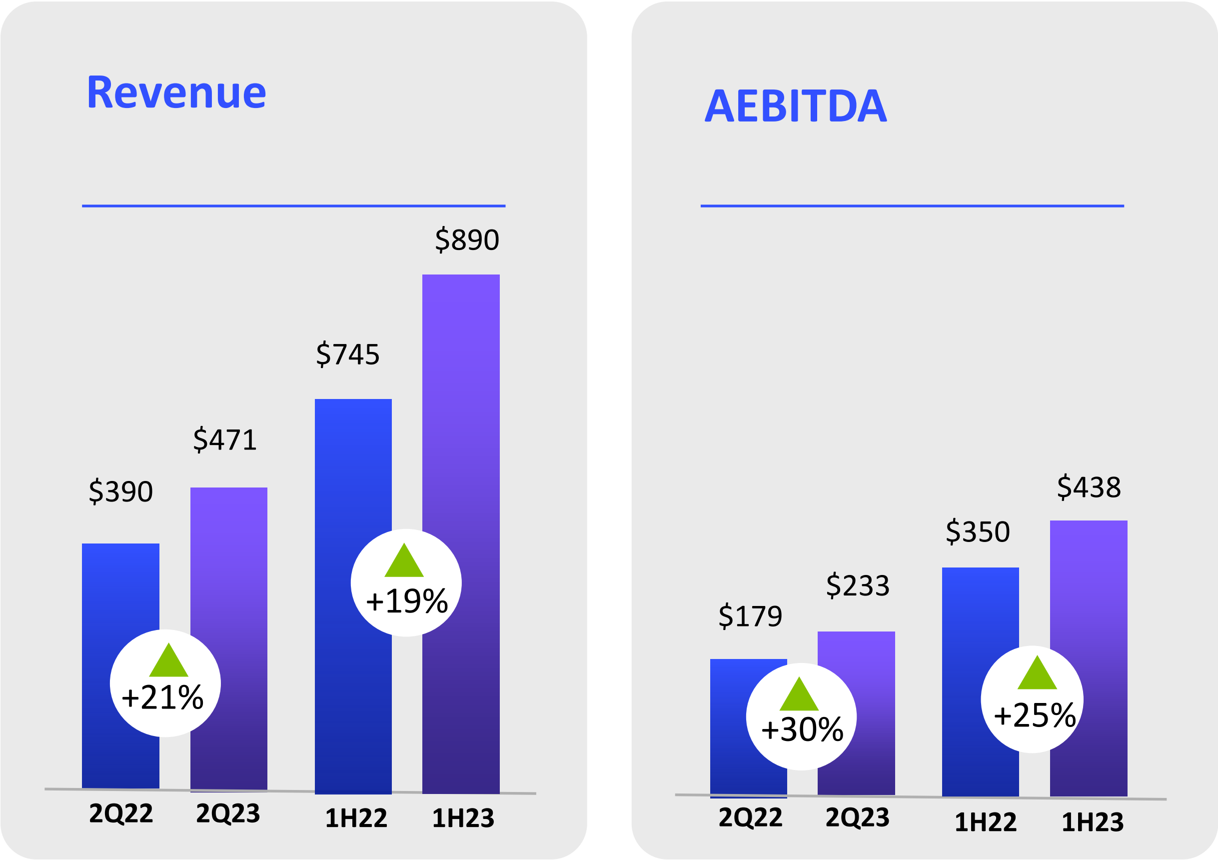
Operational Highlights

Strong Global Game Sales Growth Driving Gaming Performance

Key 2Q Gaming Highlights

- Gaming **revenue increased 21% YoY** led by 41% increase in Game Sales
    - Gaming Operations Revenue Per Day **grew 4% YoY to $47.54,** well above 2019 levels
    - Systems and Tables also **grew 20% and 34**% compared to prior year period, respectively
- **AEBITDA increased 30% YoY** driven by increased revenue across Game Sales, Systems and Tables in the quarter
- **AEBITDA Margin improved 300bps to 49%** on favorable product mix and continued focus on operational efficiency

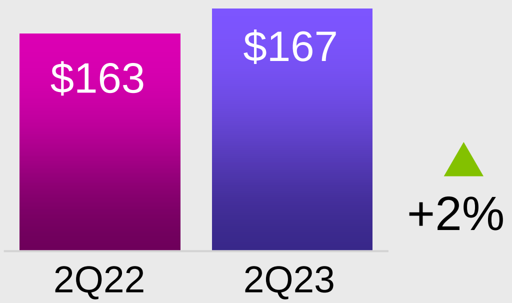
IN $MILLIONS

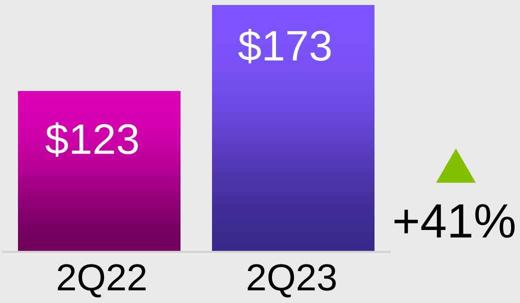


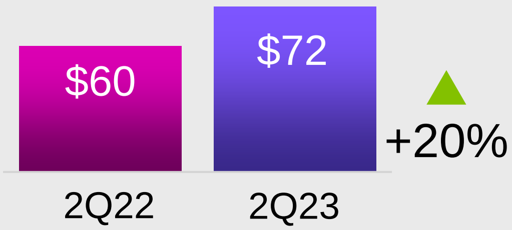
Continued Momentum in Gaming Led by Growth across all Business Lines

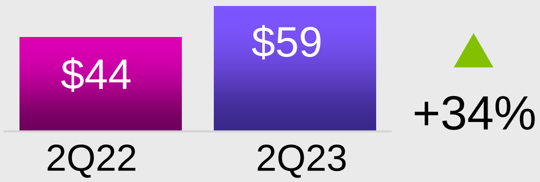
Q2 Revenue

IN $MILLIONS









Game Ops

- **12th quarterly increase** in N.A. Premium installed base, **+6% YoY**; **record 47%** of total N.A. mix
- ***Monsters – Frankenstein™*** debuted and remained **#1 in the New WAP**(1) category(2)

Game Sales

- **Increased Global Game Sales units 41**% YoY, exceeding 2019 volume; **ASP increased 2% YoY to over ~$17,400**
- Delivered over **5,000 units** in N.A. in the quarter **or +25% YoY**

Systems

- Higher **service revenue and hardware sales led to 20% YoY** growth
- **Expanded Managed Services offering** expected to contribute to Systems **recurring revenue**

Tables

- Higher **Shuffler sales led to 34% YoY** growth
- Grew **Table Game Progressive installed base** and increased **VALT subscribers**

N.A. – North America.
(1) Wide Area Progressive.
(2) Eilers' Research.

Deploying Premium Cabinets with Evergreen Franchises & Games to Fuel Sustainable Growth

FRANKENSTEIN

HUFF N' MORE PUFF

DRAGON TRAIN

COSMIC

- **Fastest scaling cabinet** in recent history within first 2 months of launch
- ***Monopoly™, Dancing Drums™, DOUBLE DRAGON™ and ULTIMATE FIRE LINK™*** franchise extensions to be released on **Cosmic** throughout 2023

KASCADA SLANT & KASCADA DUAL SCREEN

- **Kascada Dual Screen #1 Dual Screen Cabinet** on most recent Eilers charts
- **Leveraging successful franchises & games** and deploying across **alternate cabinet form** for increased exposure
- **Highly anticipated *Dragon Train*™** to be launched on both Kascada Slant & Kascada Dual Screen in Australia

2H 2023 ROADMAP

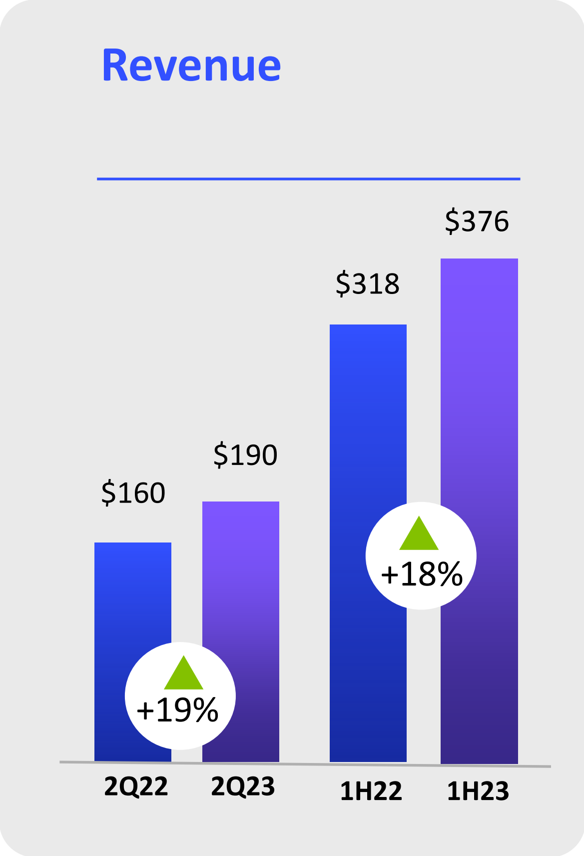
MONOPOLY BALLOON CASH | DANCING DRUMS ULTIMATE EXPLOSION | DRAGON SPIN CROSSLINK | THUNDER DRUMS | ULTIMATE FIRE LINK ULTRA BANK | LION LINK | 88 FORTUNES | DIAMOND ETERNITY

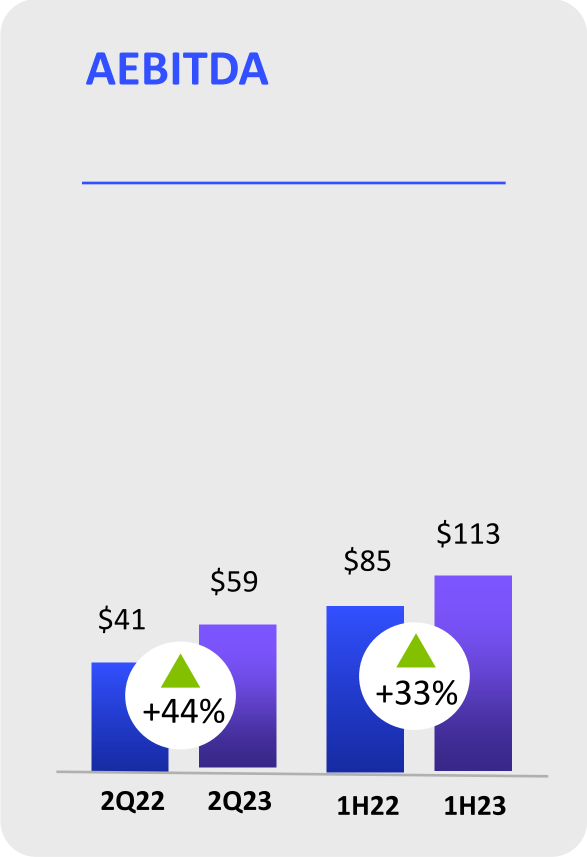
Proven Execution Prowess Reflected in Another Record Performance at SciPlay

Key 2Q SciPlay Highlights

- **Record Revenue of $190 million, up 19% YoY,** breaking another record by achieving the highest quarterly revenue ever
- **AEBITDA of $59 million up 44%,** benefiting from increased revenue and lower UA spend, while AEBITDA margin was 31%, up 5 percentage points YoY
- **Growth in First Half of 2023 primarily driven by core social casino business**, which delivered strong payer metrics, outpaced the market, and gained share
- **Record monetization and engagement continued** across several key metrics:
  - **Grew ARPDAU(1) 26% YoY** to a **record $0.93 in 2Q23,** and higher than $0.89 in the previous quarter
  - **Payer conversion rate of 10.5%, up 110 bps YoY,** and higher than 10.3% rate in the previous quarter
  - **MPU(2) of 609k compared to 560K YoY, up 9%**
  - **AMRPPU(3) reached $102.04**; **13th consecutive quarter above $90**

IN $MILLIONS





(1) Average Revenue Per Daily Active User.
(2) Average Monthly Paying Users.
(3) Average Monthly Revenue Per Paying User.

Gaining a Competitive Lead in Social Casino with Six Consecutive Quarters of Over Performance[1]

Market-Leading Franchises Achieving Record Revenue
Top 3 Fastest Growing Social Casino Games in the U.S.[1]

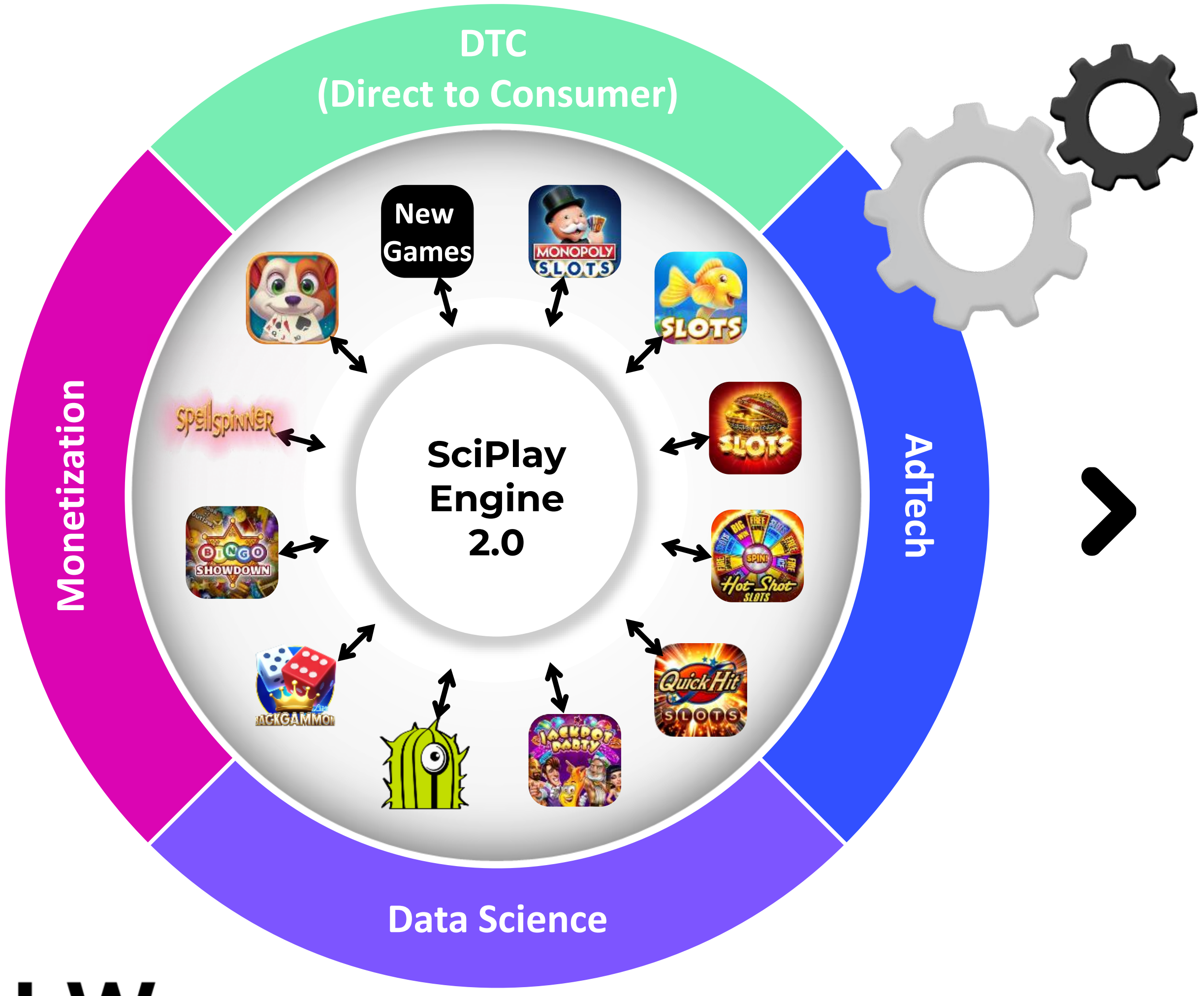
Quick Hit® Slots – The Fastest Growing Social Casino Game[2] in the U.S. during Q2 2023

Jackpot Party® Social Casino – Three Consecutive Quarters as the **#1 U.S. Ranked Game in Social Casino**

Gold Fish Casino® Slots – Double-Digit Revenue Growth in Q2 2023

(1) Sources include Data.ai In-App Revenue estimates as reported on July 3rd for quarter ended 6/30/2023, Eilers & Krejcik Social Casino Gaming Tracker Detailed Report 7/20/2023.
(2) Information pertaining to game rankings is presented for the Top 15 Social Casino games with Revenue greater than $50 million

Continued Investments in SciPlay Engine Driving Performance of Evergreen Game Portfolio



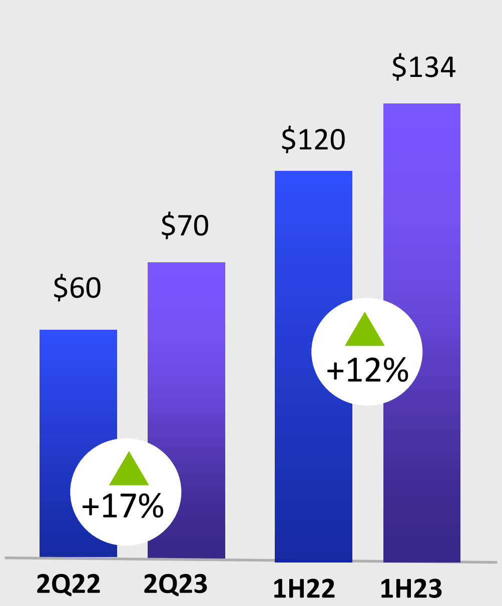
- **Driving Increased Monetization**
  - Industry-leading Live Ops and robust product roadmaps are powering our opportunity to scale ARPDAU(1) and close the gap with industry peers
- **Evolving AdTech for Heightened Effectiveness**
  - Proprietary technology and systems to generate high ROIs on marketing investment
- **Leveraging Data Science**
  - Grow lifetime values (LTVs) through improved player engagement and retention
- **Direct-To-Consumer Platform**
  - Opportunity to deepen player relationships, expand margins and increase player LTVs

(1) Average Revenue Per Daily Active User.

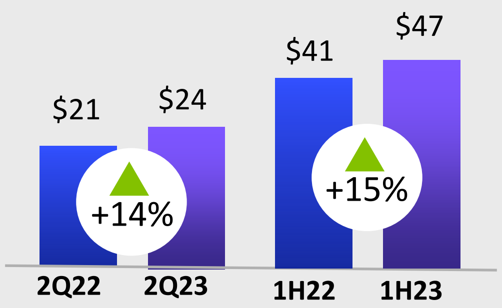
Scaling Content Aggregation and Original Content Performance Driving iGaming Performance

IN $MILLIONS

Revenue



AEBITDA



Key 2Q iGaming Highlights

- **Record revenue of $70 million, up 17% YoY**
  - **U.S. Revenue growth of 32% YoY**, driven by the strength in land-based original content launches and scaling third-party aggregation on the L&W platform
  - **E.U. and U.K., OGS GGR[1] up 14%** on strong launch of Monopoly Money Grab, and performance of Pirots, Nitropolis 4, and Rabbit Royale
  - **Canada OGS GGR[1] grew 7th consecutive quarter** as Ontario grew 84% YoY
- **Record AEBITDA of $24 million**, **up 14% YoY on strong top line growth; AEBITDA margin was 34%,** primarily benefitting from scale while we continue to invest in content and our live casino product

(1) Gross Gaming Revenue

Experienced iGaming Leader with Best-in-Class Content Aggregation Platform OGS(1)

OPERATORS

Flutter, Bally's, BetMGM, FanDuel, DraftKings, Golden Nugget Online Gaming, bclc, Caesars Entertainment

500+ OPERATOR BRANDS

OPENGAMING

4.5B+ Monthly Game Spins

35 Markets

5,000+ Games Live

Connecting Operators and Studios to leading iGaming Ecosystem

OUR STUDIOS

- **Proprietary Content**
  Leveraging L&W's evergreen franchises and digital native content

PARTNER STUDIOS

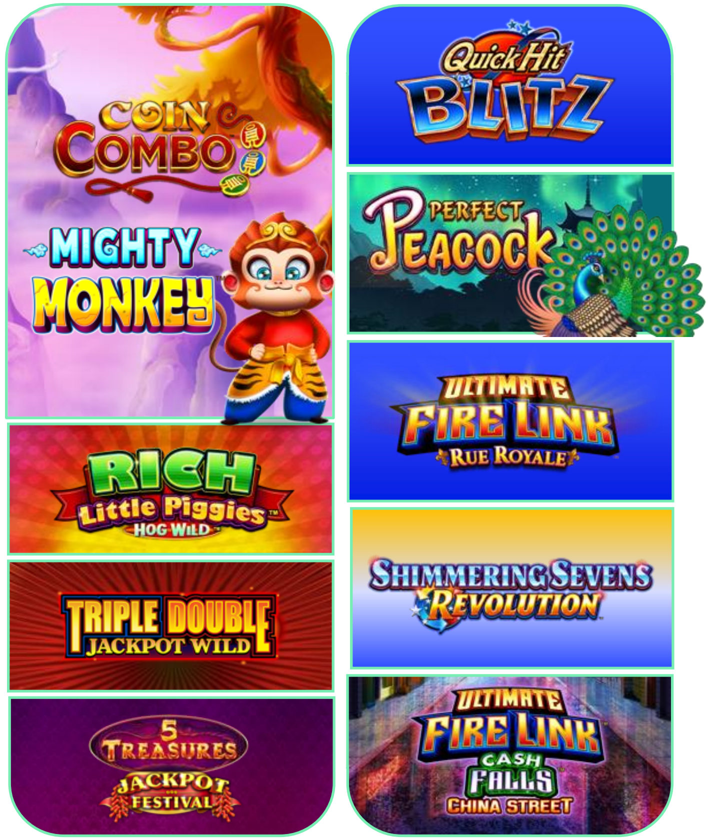
- **Partnership-Developed Content**
  Developed in collaboration with partner studios
- **Third-Party Content**
  Aggregated from third-party studios

60+ STUDIO PARTNERS

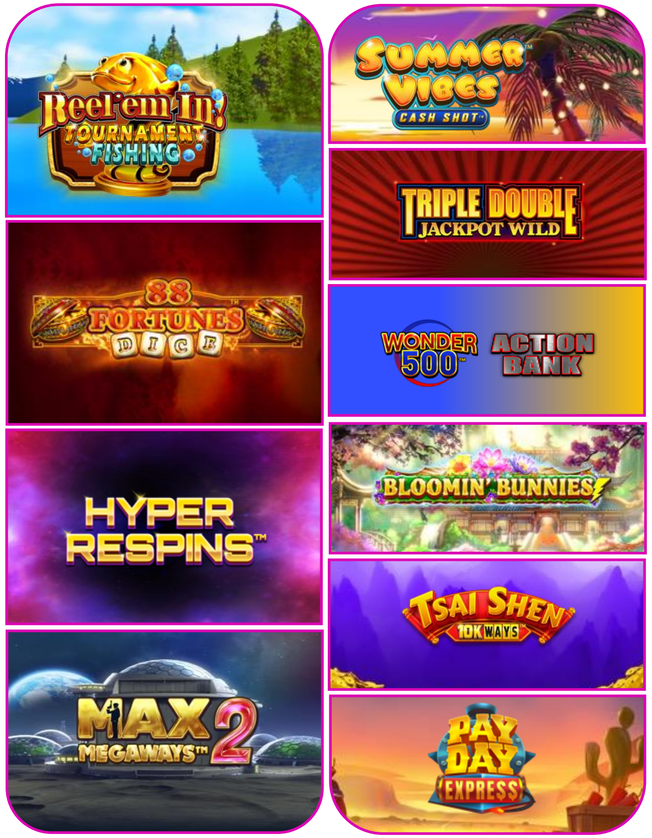
(1) OpenGaming System – Light & Wonder's iGaming content aggregation platform.

Robust Land-based and Digital Native Game Launches Driving Sustainable Growth

U.S. Content Roadmap



E.U. & U.K. Content Roadmap



Key Highlights

- Top game launches in the quarter include ***88 Fortunes Jackpot Festival*** and ***Cash Falls Outback Fortune***
- Original content fueled **over 70% of the GGR[1] of the top 20 games** on our iGaming platform
- Continued execution on content strategy in the **U.S. with 2 land-based + 1 digital native launch each month**, **roll out of Jackpots, and Live Casino**
- **Robust roadmap to drive regionalized content** strategy in the **E.U. & U.K.**

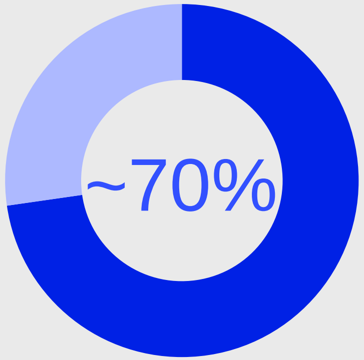
(1) Gross Gaming Revenue.

L&W

Financials

Quality of Earnings in First Half of 2023 Underpinned by Strong Financial Profile

Significant **recurring revenue**[1] **streams** & **scaling digital businesses**

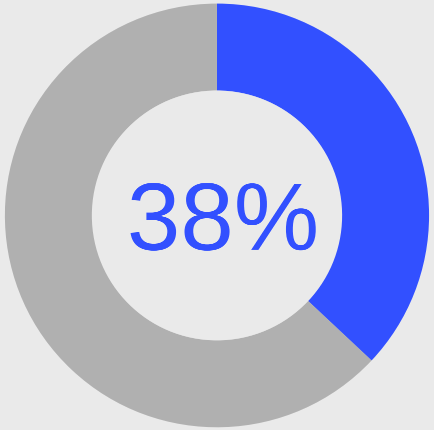


1H23
Recurring Revenue[1]

$510M

1H23
Record Digital Revenue
(SciPlay & iGaming)

Focused teams driving **operational excellence** to further **strengthen margins through streamlined business**



1H23
AEBITDA Margin[2]

Consolidated AEBITDA[2] grew faster than **Consolidated Revenue** YoY, alongside significant **Free Cash Flow**[2] generation

$98M
1H23 Consolidated Free Cash Flow[2][3][4]

+18%
Consolidated Revenue YoY

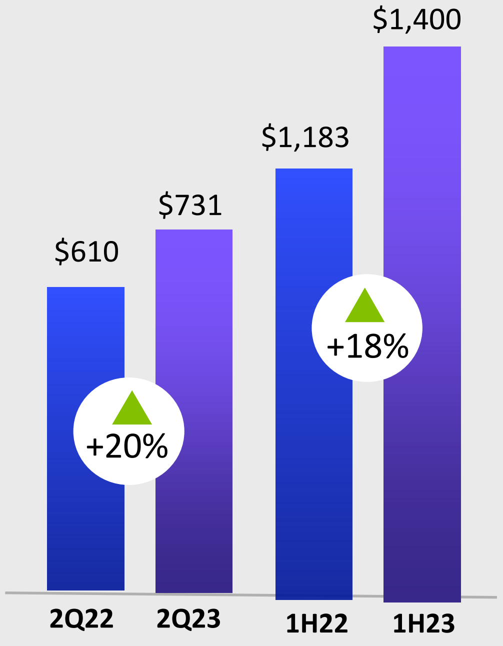
+28%
Consolidated AEBITDA[2] **YoY**

(1) Includes Gaming Operations, ongoing Gaming systems maintenance, table services/rental agreements, iGaming and SciPlay revenues.
(2) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the appendix.
(3) Free Cash Flow growth rate from 1H 2022 is not meaningful, as prior year represents $(106) million combined free cash flows (including discontinued operations).
(4) FY 2023 free cash flow was impacted by $32 million in cash taxes paid related to the Divestitures and $7 million related to professional services associated with the ASX listing.

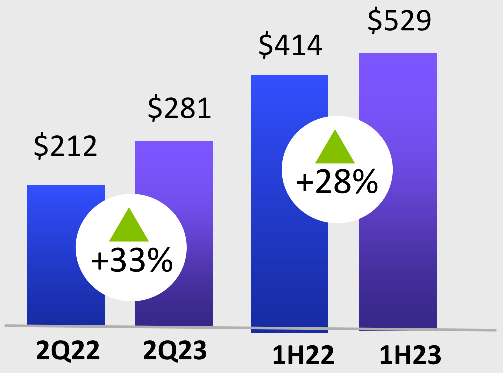
Achieved Strong Double-Digit Top-Line & Bottom-Line Growth Through First Half of 2023

IN $MILLIONS

Consolidated Revenue



Consolidated AEBITDA[(1)]



Key 2Q and 1H23 Highlights

- **Consolidated Q2 Revenue growth of 20% YoY,** led by continued momentum in global Gaming Machine sales and strong performance in Systems and Table products
  - **Global Game Sales up 41%, Systems up 20%, and Table Products up 34%, all on a YoY basis**
  - **Record revenue at SciPlay** benefited from record monetization and engagement
  - **iGaming record revenue** led by continued U.S. growth, strong land-based content launches and scaling of third-party content on our aggregation platform
  - **Consolidated AEBITDA**[(1)] **up 33% and margin**[(1)] **grew 300 bps to 38%** led by double-digit growth across all businesses and margin expansion
- **Strong 1H23 results with Consolidated Revenue growing 18% and Consolidated AEBITDA**[(1)] **up 28% YoY**
  - Performance driven by continued **momentum in global Game Sales, up 46%** over prior year period and **record revenues at SciPlay and iGaming**

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

Strong Free Cash Flow [1][2] Generation in 2023

IN $MILLIONS

	2Q23	2Q22	1H23	1H22
	Consolidated	Combined	Consolidated	Combined
Net cash provided by (used in) operating activities	**$ 34**	**$ (37)**	**219**	**$ 57**
Capital expenditures	(59)	(62)	(112)	(130)
Payments on license obligations	(6)	(5)	(18)	(26)
Other	55	9	9	(7)
Free Cash Flow [1][2]	**$ 24**	**$ (95)**	**$ 98**	**$ (106)**
Supplement cash flow information				
Strategic Review Related Costs and Other items Impacting Free Cash Flow:				
Income tax payments related to the Divestitures	$ 32		$ 32	
ASX listing advisory fees	7		7	
Disposition and other closing expenses		80		80
Accelerated cash interest payments and other payment related to April 22 refinancing		16		16
Professional fees and services supporting Strategic Review and related activities		18		64

Key Takeaways

2Q23 Consolidated Free Cash Flow[1][2] :

- Primarily driven by **revenue growth** while prior year period was impacted by **$114 million of combined costs** related to assets divestitures and debt refinancing fees
- 2Q23 was impacted by final cash tax payments of **$32 million** related to the 2022 Divestitures and advisory fees of **$7 million** associated with the ASX listing in the quarter

First Half 2023 Consolidated Free Cash Flow[1][2] :

- Primarily driven by **revenue growth coupled with lower interest payments**, partially offset by **$32 million** in cash taxes associated with prior period Divestitures **and $7 million** in professional services for ASX listing
- 1H22 was impacted by costs associated with the **Strategic Review and accelerated cash interest payments** associated with refinancing

(1) Combined free cash flow consists of Free cash flow from continuing operations and Free cash flow from discontinued operations.
(2) Denotes a non-GAAP financial measure and is reconciled to the most directly comparable GAAP measure in the tables in the appendix.

Leading the Future of the Games Industry

Differentiated Value Proposition Focused on Execution

- Streamlined business and transformed balance sheet
- Leading global games and platform provider with all the major pieces in place to drive shareholder value
- Unmatched market positions and cross-platform capabilities
- Focus on operational excellence driving enhanced shareholder value
- Expect sustainable growth with healthy margins progressing towards $1.4 billion targeted Consolidated AEBITDA[(1)] by 2025

(1) Additional information on the non-GAAP financial measure targeted Consolidated AEBITDA is available in the appendix.

LIGHT & WONDER

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, Free cash flow (representing continuing operations), Free cash flow from discontinued operations, Combined free cash flow, 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. Management uses Net debt and Net debt leverage ratio in monitoring and evaluating the Company's overall liquidity, financial flexibility and leverage. As described in this presentation, 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 Combined free cash flow is useful during the period until the disposition occurred as it provided Management and investors with information regarding the Company's combined financial condition under the structure at the time, including for prior period comparisons, as the Company transformed its strategy subsequent to the Divestitures. Additionally, Combined free cash flow provided greater visibility into cash available for the Company to use in investing and financing decisions as that cash flow was available for such decisions. 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 continuing operations (as more fully described below) and are better evaluated separately. Management believes that Free cash flow and Combined free cash flow provide useful information regarding the Company's liquidity and its ability to service debt and fund investments. Management also believes that Free cash flow and Combined free cash flow are useful for investors because they provide 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. Additionally, Management believes that Free cash flow 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 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.

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 (Loss) Income 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 (loss) income attributable to L&W and includes the following adjustments: (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 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; (9) Stock-based compensation; and (10) Other expense (income), 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 (loss) from continuing operations, the most directly comparable GAAP measure, in a schedule below.

Free Cash Flow (representing free cash flow from continuing operations)

Free cash flow, as used herein, represents net cash provided by operating activities from continuing operations 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 from Discontinued Operations

Free cash flow from discontinued operations, as used herein, represents net cash provided by operating activities from discontinued operations less total capital expenditures, less payments on license obligations and adjusted for changes in restricted cash impacting working capital. Free cash flow from discontinued operations 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 from discontinued operations, the most directly comparable GAAP measure, in a schedule below.

Combined Free Cash Flow

Combined free cash flow, as used herein, represents a non-GAAP financial measure that combines Free cash flow (representing our continuing operations) and Free cash flow from discontinued operations and is presented as a supplemental disclosure for illustrative purposes only.

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, 2022 and in Note 11 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, but it does not include other long term obligations of $1 million 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

	Three Months Ended		Six Months Ended		Twelve Months Ended
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023
Reconciliation of Net (Loss) Income Attributable to L&W to Consolidated AEBITDA					
Net (loss) income attributable to L&W	**$ (1)**	**$ 3,291**	**$ 21**	**$ 3,317**	**$ 379**
Net income attributable to noncontrolling interest	6	4	11	6	28
Net income from discontinued operations, net of tax	-	(3,445)	-	(3,540)	(333)
Net income (loss) from continuing operations	**5**	**(150)**	**32**	**(217)**	**74**
Restructuring and other	31	42	50	78	117
Depreciation, amortization and impairments	108	107	208	215	413
Other expense (income), net	16	(2)	18	(4)	17
Interest expense	78	70	153	186	294
Income tax expense	15	1	14	4	23
Stock-based compensation	28	17	54	32	91
Loss on debt financing transactions	-	147	-	147	-
Gain on remeasurement of debt and other	-	(20)	-	(27)	-
Consolidated AEBITDA	**$ 281**	**$ 212**	**$ 529**	**$ 414**	**$ 1,029**

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

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

	As of June 30, 2023
Consolidated AEBITDA[1]	$ 1,029
Total debt	$ 3,886
Add: Unamortized debt discount/premium and deferred financing costs, net	43
Less: Debt not requiring cash repayment and other	(1)
Principal face value of debt outstanding	3,928
Less: Cash and cash equivalents	909
Net debt	$ 3,019
Net debt leverage ratio	**2.9**

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Note: Unaudited, U.S. Dollars in millions.
(1) Refer to the reconciliation of Consolidated AEBITDA included in the table titled "Reconciliation of Consolidated AEBITDA" for the periods presented on slide 23.

L&W Reconciliation of Net Cash Provided by (Used in) Operating Activities to Free Cash Flow — Continuing Operations and Combined Free Cash Flow

	Three Months Ended June 30,			
	2023	2022		
	Consolidated	Continuing Operations	Discontinued Operations[1]	Combined[2]
Net cash provided by (used in) operating activities	**$ 34**	**$ 27**	**$ (64)**	**$ (37)**
Less: Capital expenditures	(59)	(57)	(5)	(62)
Add: Payments on contingent acquisition considerations	9	-	-	-
Less: Payments on license obligations	(6)	(5)	-	(5)
Add: Change in restricted cash impacting working capital	46	6	3	9
Free cash flow	**$ 24**	**$ (29)**	**$ (66)**	**$ (95)**
Supplemental cash flow information - Strategic Review and Related Costs Impacting Combined Free Cash Flows:				
Income tax payments related to the Divestitures	$ 32			
ASX listing advisory fees	7			
Disposition and other closing expenses				$ 80
Accelerated cash interest payments and other payments related to April 2022 refinancing				16
Professional fees and services supporting Strategic review and related activities				18

	Six Months Ended June 30,			
	2023	2022		
	Consolidated	Continuing Operations	Discontinued Operations[1]	Combined[2]
Net cash provided by operating activities	**$ 219**	**$ 13**	**$ 44**	**$ 57**
Less: Capital expenditures	(112)	(100)	(30)	(130)
Add: Payments on contingent acquisition considerations	9	-	-	-
Less: Payments on license obligations	(18)	(24)	(2)	(26)
Less: Change in restricted cash impacting working capital	-	(1)	(6)	(7)
Free cash flow	**$ 98**	**$ (112)**	**$ 6**	**$ (106)**
Supplemental cash flow information - Strategic Review and Related Costs Impacting Combined Free Cash Flows:				
Income tax payments related to the Divestitures	$ 32			
ASX listing advisory fees	7			
Disposition and other closing expenses				$ 80
Accelerated cash interest payments and other payments related to April 2022 refinancing				16
Professional fees and services supporting Strategic review and related activities				64

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

(1) Free cash flow from discontinued operations, a non-GAAP measure, is derived based on the historical records and includes only those direct cash flows that are allocated to discontinued operations. See above for further description and disclaimers associated with this non-GAAP measure.

(2) Combined Free cash flow consists of Free cash flow (representing Free cash flow from continuing operations) and Free cash flow from discontinued operations. Refer to non-GAAP financial measure definitions above for further details.

L&W Reconciliation to Consolidated AEBITDA Margin

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Consolidated AEBITDA[(1)]	$ 281	$ 212	$ 529	$ 414
Revenue	731	610	1,400	1,183
Net income (loss) margin from continuing operations	**1 %**	**(25) %**	**2 %**	**(18) %**
Consolidated AEBITDA margin[(2)]	**38 %**	**35 %**	**38 %**	**35 %**

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" for the periods presented on slide 23.

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