

# Scientific Games Announces Decisive Steps as Part of its Strategic Review

Provides Update on Strategy to Become Content-Led Growth Company with Particular Focus on Digital Markets and to Drive Long-Term Sustainable Value

Intends to Divest Lottery and Sports Betting Businesses, Creating Path to Significantly De-Lever and Positioning the Company for Enhanced Growth

Company to Host Conference Call Today at 8:30 a.m. Eastern Time



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NEWS PROVIDED BY  
**Scientific Games Corporation** →  
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LAS VEGAS, June 29, 2021 /PRNewswire/ -- Scientific Games Corporation (NASDAQ: SGMS) ("Scientific Games," "SGC" or the "Company") announced that the Company, with the support of its Board of Directors, including Executive Chair Jamie Odell and Executive Vice Chair Toni Korsanos, intends to divest its Lottery and Sports Betting businesses. Scientific Games is evaluating strategic alternatives to execute the divestitures for each business, respectively, including an initial public offering ("IPO") or a combination with a special purpose acquisition company ("SPAC"), or a sale or a strategic combination with another business.

Jamie Odell, Executive Chair of Scientific Games, said "When I joined the Board in September 2020, I told stakeholders that we were focused on rapidly de-leveraging the balance sheet, unlocking the value of the Company's products and technologies and creating a flexible, nimble company positioned to deliver above-market returns to investors. Today, we have announced major initiatives aimed at achieving each of these key objectives, recognizing significant value in each of the businesses and positioning the Company for sustainable growth, all as a result of the dedicated work of our teams."

Barry Cottle, President and Chief Executive Officer of Scientific Games, said "Today's announcement reflects key steps to optimize our portfolio and strengthen our balance sheet by significantly de-levering while also targeting investments in our largest growth opportunities. These steps will accelerate our path to become a content-led growth company focused on leading in both land-based and digital markets. Our company will be positioned to build great games that define the future of gaming, supported by platforms that power the best operators in the world. We believe these steps will enable us to capitalize on the high growth potential of each of our businesses, including their expanding digital content offerings and platforms, unlocking value for shareholders, customers, and

employees. Each of our businesses will be better positioned to partner with their respective customers and to deliver long-term growth and profitability."

Mr. Cottle continued, "At the conclusion of this process, the new company will consist of leading Gaming, iGaming and SciPlay businesses, all of which have great momentum and will collectively deliver great value. We will capitalize on the increasing convergence of these businesses, as players look to play their favorite games wherever and whenever they want to play. As the leading cross-platform global game company, we are uniquely positioned to take advantage of the incredible industry transition that is underway. Given this significant opportunity, we are targeting our digital businesses to be comparable in size to the land-based gaming business within three years. I'm confident that, with these steps, we are well positioned for future growth prospects."

There can be no assurances that Scientific Games' exploration of alternatives for its Lottery and Sports Betting businesses will result in any transactions or other actions by the Company. The Company does not intend to comment on or provide updates regarding these matters unless and until it determines that further disclosure is appropriate or required based on the then-current facts and circumstances.

#### **Advisors**

Macquarie Capital (USA) Inc. and Oakvale Capital LLP are serving as financial advisors and Cravath, Swaine & Moore LLP is serving as legal counsel to Scientific Games.

#### **Investor Conference Call Information**

Scientific Games will host a conference call to discuss the announcement and its go-forward strategy today, June 29, 2021, at 8:30 a.m. ET. Listeners can access the call live via a listen-only webcast. To access the call by telephone, please dial +1 (877) 842-4249 for the U.S. or +1 (412) 317-5420 for International and ask to join the Scientific Games Corporation call. A replay of the webcast will be archived in the Investors section on [www.scientificgames.com](http://www.scientificgames.com).

#### **About Scientific Games**

Scientific Games Corporation (NASDAQ: SGMS) is the world leader in offering customers a fully integrated portfolio of technology platforms, robust systems, engaging content and services. The Company is the global leader in technology-based gaming systems, digital real-money gaming and sports betting platforms, table games, table products and instant games, and a leader in products, services and content for gaming, lottery and social gaming markets. Scientific Games delivers what customers and players value most: trusted security, creative entertaining content, operating efficiencies and innovative technology. For more information, please visit [www.scientificgames.com](http://www.scientificgames.com), which is updated regularly with financial and other information about the Company. You can access our filings with the SEC through the SEC website at [www.sec.gov](http://www.sec.gov) or through our website, and we strongly encourage you to do so. We routinely post

information that may be important to investors on our website at [www.scientificgames.com/investors/](http://www.scientificgames.com/investors/), and we use our website as a means of disclosing material information to the public in a broad, non-exclusionary manner for purposes of the SEC's Regulation Fair Disclosure (Reg FD).

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**Forward-Looking Statements**

In this press release, Scientific Games makes "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as "will," "may," "expect," "believe," "potential," "intended," and "should." 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, uncertainties and other factors, including those factors described in our filings with the Securities and Exchange Commission (the "SEC"), including Scientific Games' 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 on March 1, 2021 (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 Scientific Games' ongoing obligations under the U.S. federal securities laws, Scientific Games undertakes no obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

**No Offer**

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which any such offer, solicitation or sale would be unlawful. Any securities to be offered may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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