Light & Wonder, Inc.
Reports Second Quarter 2026 Results

Light & Wonder Reports Solid Second Quarter 2026 Results and Reiterates Full-Year 2026 Financial Outlook[1]

Financial Highlights

- **Net income increased 26% to $120 million**, up 38% per share[2], and Consolidated Adjusted EBITDA ("Consolidated AEBITDA")[3] increased to $383 million, up 9%, driving EPSa[2][3] growth of 26%.
- **L&W delivering on strategy to scale high-quality recurring revenue[4]**, driven by growth across Gaming operations and iGaming during the quarter. North American Gaming operations premium installed base increased by 652 units[5] on a sequential basis (over 2,550 units[5] on a year-over-year basis); and 277 Grover charitable gaming ("Grover") units added sequentially (1,540+ units on a year-over-year basis), while iGaming continued to deliver strong 1PP content[6] and double-digit year-over-year growth.
- **Earnings discipline with continued segment AEBITDA margin ("margin")[7] expansion and cash flow generation** reflect sustained focus on operational efficiency, product mix and cash management. Net cash provided by operating activities and Adjusted free cash flow[3] increased 127% and 50%, respectively.
- **Returned $134 million of capital to shareholders** through the repurchase of approximately 1.6 million CHESS Depositary Interests ("CDIs") during the quarter. The Company remains committed to reducing its net debt leverage ratio[3] to below 3.0x[1] during 1H 2027 with the intention to move toward investment grade level leverage profile.

LAS VEGAS — August 4, 2026 — Light & Wonder, Inc. (ASX: LNW) ("Light & Wonder," "L&W," "we" or the "Company") today reported results for the second quarter ended June 30, 2026.

Light & Wonder delivered another quarter of consolidated earnings growth and margin expansion across all business segments, underpinned by its highly diversified business model and disciplined capital allocation, with continued strong cash flow generation and momentum expected to build into the second half of the year.

Consolidated revenue grew 2% year-over-year to $828 million. We continue to enhance our quality of earnings through a deliberate strategy to improve revenue quality, focusing on growing recurring revenue[4]. Gaming operations, Grover and iGaming represented the primary growth drivers, each delivering double-digit year-over-year revenue increases, supported by continued operational momentum and content strength.

Net income was $120 million or $1.53 per share[2], up 26% and 38% year-over-year, respectively. Net cash provided by operating activities was $241 million, a 127% increase as compared to the prior year period.

The second quarter once again demonstrated the performance of our game portfolio and focus on efficiency, with margin expansion across all three businesses. Consolidated AEBITDA[(1)] grew 9% to $383 million. Adjusted NPATA[(1)] increased by 16% to $156 million, or 26% growth on a per share basis ("EPSa")[(1)(2)] to $1.99, as compared to the prior year period. Adjusted free cash flow[(1)] was $156 million, a 50% increase year-over-year, demonstrating strong underlying cash generation across the business.

Gaming revenue increased 5% year-over-year to $554 million, led by Gaming operations revenue (increased 18% to $247 million) and Table products (up 13% to $62 million). Gaming machine sales revenue decreased 4%, primarily reflecting lower unit shipments on fewer new openings and expansions and lower adjacencies, with steady average selling price per unit.

North American Gaming operations premium installed base extended its growth streak to a 24th consecutive quarter, adding 652 units sequentially (over 2,550 on a year-over-year basis), with Grover further expanding its footprint by 277 units on a sequential basis. From a Gaming machine sales perspective, this quarter, 8,796 new units were shipped globally, including over 4,900 new units shipped in North America.

iGaming delivered another quarter of double-digit growth, with revenue and AEBITDA increasing 14% and 18%, respectively, on continuing momentum in North America. This was underpinned by first-party content proliferation and partner network growth, despite U.K. tax increases during the period. SciPlay continues to grow its direct-to-consumer ("DTC") revenue while average revenue payer metrics improved on a sequential basis amid a mature social casino market.

We returned $156 million to shareholders through share repurchases in the first half of 2026, including an accelerated pace of repurchases in Q2 of $134 million, bringing cumulative repurchases since the current program's inception to $1.3 billion, or in excess of $2.1 billion since buybacks were introduced in 2022 (or approximately 27% of total shares outstanding[(3)]), reflecting our disciplined capital allocation priorities.

Matt Wilson, President and Chief Executive Officer of Light & Wonder, said, "Our second quarter results reflect continued execution of our content-centric operating model, with broad-based growth, margin expansion and quality earnings across all three businesses. We continue to see the benefits of our sustained investment in studios and content, as our franchises drive strong game performance across the portfolio. Gaming momentum remained robust, with our North American premium installed base growing for the 24th consecutive quarter, and Grover continuing to scale across existing and new markets. iGaming once again delivered double-digit growth in both revenue and AEBITDA, reflecting the resilience of our North American momentum even as we navigate headwinds from increased U.K. gaming duties, while SciPlay continued to grow its direct-to-consumer revenue. As we look toward the second half of the year, we remain focused on disciplined execution, continued investment in product innovation and talent, and progressing towards both our 2026 and 2028 financial targets[(4)]."

Oliver Chow, Chief Financial Officer of Light & Wonder, said, "The second quarter demonstrated continued scaling across the business, with margin expansion across all three businesses translating into strong underlying cash generation. As signaled last quarter, we accelerated our pace of share repurchases[(3)], returning $134 million to shareholders in the second quarter alone, bringing first-half repurchases to $156 million and making tangible progress on our commitment to return meaningful capital to shareholders, while maintaining balance sheet flexibility. At the same time, we are continuing to invest deliberately in AI and infrastructure, work we believe will compound over time and support both growth and efficiency across the business. Going forward, our focus will be to pare back on share repurchases and rapidly de-lever our balance sheet to below 3.0x net debt leverage[(4)] as we progress toward an investment grade level leverage profile."

LEVERAGE, CAPITAL ALLOCATION AND BUSINESS UPDATE

- **Principal face value of debt outstanding[(1)] was $5.2 billion**, translating to a net debt leverage ratio[(2)] of 3.4x as of June 30, 2026, remaining within our previously announced targeted net debt leverage ratio range[(3)].

  The Company remains committed to reducing its net debt leverage ratio[(2)] to below 3.0x during the first half of 2027[(3)] with the intention to move toward investment-grade level leverage profile.

- **Returned $134 million of capital to shareholders** through the repurchase of approximately 1.6 million CDIs during the quarter and $156 million, or 1.8 million CDIs, during the first half of 2026.

  Since initiation of the prior share repurchase program in March of 2022, the Company has now returned $2.1 billion to shareholders through the repurchase of 26.2 million shares or CDIs. This represents 27% of total outstanding shares prior to the commencement of the programs. With approximately 88% of the current authorized share repurchase program now utilized, we have remaining capacity of approximately $180 million[(4)].

- **FY 2026 Financial outlook:** The Company maintains its full-year 2026 financial outlook. We continue to expect a similar shape of earnings momentum to FY 2025, reflective of our growing recurring revenue[(5)] base and timing of both investments and capital expenditures of our customer base. Full-year Consolidated AEBITDA[(2)] growth is expected to be in the mid- to high-single digits[(3)], as we continue to execute against our long-term strategy and 2028 financial targets[(3)].