

LEADING Growth

AT



WITH CEO

Pat McHugh



Pat McHugh epitomizes the commitment to **innovation**, **integrity** and **performance** that makes Scientific Games a leader in helping lotteries maximize good-cause funding for their beneficiaries.

Community service has always been a core value for McHugh. The Boston-area son of Irish immigrants found his off-the-beaten-path way to the industry after a service-focused start as a volunteer leader for community youth programs in college, coaching high school track and field, and then working in law enforcement. By luck, Pat met a former director of the Massachusetts Lottery who encouraged him to take an entry-level job with a lottery tech provider. It would be a turning point in his life.

Logging around-the-clock hours traveling the globe, Pat learned everything he could about lottery systems and operations in project management, leading teams on some of the industry's largest lottery start-ups and conversions. He joined Scientific Games in 2004 and following a series of promotions over the years – including running the company's U.S., then global, systems business – Pat was named Lottery Group CEO in 2018. Throughout his career, his core focus has remained on the industry's beneficiary funding mission and leading high-performing teams to achieve together.

Under his leadership team, Scientific Games successfully navigated challenges brought about by the COVID-19 pandemic and emerged stronger. In 2022, following the most financially successful year in its history, the Scientific Games Lottery Group was sold to Brookfield Business Partners, one of the world's most successful investment companies.

Pat and his team led the company through the process, steering the ship for the now independent and 100% lottery-focused Scientific Games. After standing up a new organization with all the right people, parts and pieces needed to keep the company and its customers running smoothly, he's leading change and evolving culture for Scientific Games' more than 3,000 employees worldwide while achieving record revenues for the company with major wins globally across all retail and digital business lines.

Two years into the company's transition, Pat continues to drive growth and help sustain the global lottery industry, through innovation and customer service excellence.

Q: Scientific Games recently announced several executive promotions and new leaders joining the company. What do these changes mean for the company's future?

Pat McHugh: Scientific Games is a rapidly growing company in a continuously evolving industry. Over the last two years, we've hired hundreds of new employees to keep pace with our growth, including some executive-level positions to support our customers as we scale the business. Our people are what makes us unique, and I am grateful every day for the support our team gives our customers.

We have a lot of employees with 20 and 30 years of experience, and several have been planning their retirements. This allowed us to make minor realignments to improve service by giving new opportunities to other experienced leaders within our organization, and a few newly hired executives joined our team. We've been deliberate in promoting strong leaders from within and bringing in new talent to increase bench strength and transfer knowledge. I'm incredibly grateful for several of our leaders who agreed to extend retirements to see us through our transition seamlessly. As a result, we're stronger than ever to support our customers into the future.



Mike Cardell's appointment to Senior VP of Americas Systems is an example of our continued investments in people and products to strengthen our systems and software delivery. Mike is an accomplished business technology leader with more than 17 years of experience. Coming to us from global fintech and payments company, Fiserv, where he most recently served as VP and General

Manager of Next Gen Solutions: Signature and Cloud Solutions. As the industry's fastest-growing systems provider, Mike is a perfect fit as we evolve our systems business beyond transaction processing into strategic technology-based products and services. Mike has a proven track record in innovating technology-based products and services, including enterprise and consumer-facing applications, transaction processing platforms, large-scale IT conversions, strategic growth and impactful results.

We have also made some realignments to increase our focus around the two different aspects of marketing: marketing Scientific Games' products to the industry and supporting our customers in how they market their products to consumers. This included aligning our analytics and lottery portfolio marketing support directing into our customer-facing teams.



An exciting part of this was Beth Bresnahan's promotion to Chief Communications and Brand Officer and member of our Executive Leadership Team. Beth has served as our VP of Strategic Communications since March 2022. This promotion came as no surprise to those who know and have worked with Beth. Her strategic vision, extensive experience in brand communications and deep knowledge of the lottery industry have earned her the respect and support of her colleagues. Before joining Scientific Games, she spent nearly 10 years in leadership

roles at the Massachusetts Lottery, including serving as its executive director, as well as heading the District of Columbia's Office of Lottery & Gaming. Beth has integrated our internal and external communications, advertising, media, customer proposals and industry trade support, creating a clear focus on Scientific Games' message to the industry about our products and who we are today.



We also just announced that Amy Steinman has been named Chief Human Resources Officer and a new member of our Executive Leadership Team. Before joining us, Amy had a 25-year career with Koch Industries serving as the organization's executive responsible for integrating enterprise software, overseeing organizational design, developing talent and building a values-based, collaborative global culture. She brings substantial knowledge spanning cultural development, change management, compliance, operations, HRIS systems, manufacturing, compensation, benefits and recruiting. The breadth of her knowledge will be instrumental in the ongoing success of our people, culture and business worldwide.

And as I shared, a number of our business leaders were promoted within their groups and their teams were realigned to better serve our customers. So, we are very excited about what's happening across the organization.

Q: How is Scientific Games performing two years into the new, independent company?



Pat McHugh: We've grown on an annualized basis over the last four years and have reached record revenues. Like many companies, we were impacted significantly by cost inflation, particularly around paper, ink and shipping instant game products. We've navigated through that and continue to focus on growth investment. So, our strategy has been performing very well each year as an independent company.

Another good indicator of our strong financial performance is the number of outside investors who want to invest in our business and the confidence they have in our financial profile. Our CFO, Nick Negro, is focused on making sure that we continue to build financial strength and drive continued execution and financial stability for the organization.

Q: There was talk about the company's newfound ability to increase investment in lottery growth opportunities since becoming a pure lottery company. Where has investment been focused and are there still opportunities today?

Pat McHugh: Over the past two years, we have made significant investments, and this will continue. We're making targeted investments across our retail and digital portfolio around the globe. We are investing in expanding our infrastructure, as well as new products and new technologies, largely in our systems technologies, retail solutions, digital games and iLottery platforms. We have acquired digital game content and studios. And as the industry's largest game provider with a 70% global market share in instant games, we continue to invest in innovation. On the retail side, this year we commissioned Press 10 in Alpharetta, made a significant investment in our Montréal instant games facility, and

just last year invested in our Leeds, UK facility. This is a \$65 million investment back into our instant game facilities to enhance our production capabilities.

In the last two to three years, we've significantly increased capital growth investments to well over \$100 million annually. Some of this investment was planned for new customer contracts like our new award-winning Warrington, UK facility to serve The National Lottery. We also made start-up investments in Brazil for Loteria Mineira. We've invested in our development centers around the world and continue ramping up our capabilities to scale growth.

Q: What plans do you have to invest in Scientific Games' workforce?

Pat McHugh: We already executing those plans. The past two years have seen the largest increase in employee base in our history. Our real differentiators are our people. We can have the greatest products in the world, but how we engage with our customers sets us apart. So, developing our people is something that we've tried to be very deliberate about at Scientific Games – by increasing teams to support growth as well as strengthening our team members' capabilities to innovate and support our customers. Amy Steinman, our new CHRO, joined the company in June. Amy's background includes coaching teams in growth companies. We are thrilled to have a seasoned, energetic people leader with these skills on our executive team. She has deep experience and a successful track record of building high-performing global teams and industry-specific operating models to support organizational growth.



Q: It sounds like Scientific Games is hiring?

Pat McHugh: We are always investing in our business. So, yes, we are actively recruiting for jobs at our metro Atlanta global headquarters, opportunities at our operating sites in lottery jurisdictions, and on our teams in countries around the world. You can go to our company website, or you can go to LinkedIn and see that we have a good number of job openings that we continue to post and hire new talent to fill. Or just reach out through email: info@scientificgames.com

Q: If there was one thing you wanted the industry to know about Scientific Games' next era, what would it be?

Pat McHugh: We exist to serve our lottery customers' mission of responsibly maximizing good-cause funding for their beneficiaries. As an industry, we need to accelerate innovation to remain relevant to consumers in order to protect and grow good cause funding. Our teams are committed to this. I'm incredibly proud and grateful for the work our teams have done to evolve our

business into one global lottery company delivering the industry's best games, technology, analytics and services to meet that mission. We're all incredibly proud that our products and services are generating tens of billions of dollars globally for good causes.

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MEET THESE KEY SCIENTIFIC GAMES

Business Leaders



John Schulz
President Americas & Global Instant Products
39 years @SG



Kyle Rogers
Senior VP, Instant Strategy & Licensing
20 years @SG



Charlie Scannella
VP, Commercial Sales & Client Relations
34 years @SG



Angela Goodwin
SGEP Sales & Operations
16 years at SG



Mike Cardell
Senior VP, Americas Systems
New to SG



Walt Eisele
Chief Technology Officer
10 years @SG



Steve Beason
President, Digital & Sports Betting
12 years with SG



Amy Bergette
Senior VP, Digital Strategy & Business Development
22 years @SG



Beth Bresnahan
Chief Communications & Brand Officer
2 years @ SG



Steve Richardson
Chief Administrative & Compliance Officer
6 years @SG



Samanda Drewry
VP, Regulatory Compliance & Licensing
11 years @SG



Phil Bauer
General Council & Corporate Secretary
25 years @SG



Jim Schultz
Executive VP, Global Legal & Public Policy
2 years @ SG



Christine Weschler
Senior VP, Legislation & Litigation
1 year @SG



Mike Conforti
President, International & Strategic Accounts
13 years @ SG



Kevin Anderson
VP, Global Strategic Accounts, EMEA
31 years @ SG



Matthias Müller
VP, International Sales & Marketing
19 years @SG



Jeanna King
VP, Creative Engagement & Events
23 years @SG



Andrew Jackson
VP, ESG
25 years @SG



Amy Steinman
Chief Human Resources Officer
New to SG