



## Kevin SHEEHAN

Chief Executive Officer and President  
Scientific Games Corporation

### Meet Scientific Games' New CEO ...

Kevin Sheehan joined Scientific Games Corporation as Chief Executive Officer and President in August 2016 as the Company's previous CEO, Gavin Isaacs, moved to a more strategic role as Vice Chairman of the Board of Directors. Previously Kevin served as Chief Executive Officer and President of Norwegian Cruise Line Holding Ltd., comprised of Norwegian Cruise Line and Prestige Cruises International, Inc., which operates Oceania Cruises and Regent Seven Seas. At Norwegian, Kevin led major initiatives to expand the company's revenues and increase profitability in the midst of a difficult economic climate. He also focused the organization on delivering increased guest services, raising guest satisfaction scores to record levels. In 2013, Sheehan completed Norwegian's successful initial public offering on NASDAQ, and in 2014, he completed the acquisition of Prestige Cruises International, the market leader in the upscale cruise segment. Kevin's management philosophy of leading by example enabled him to reinvigorate Norwegian by opening lines of communication and creating a positive corporate culture. Prior to Norwegian, Kevin was with Cendant.

His last role was Chief Executive Officer of Vehicle Services, which included global responsibilities of Avis, Budget, PHH Vehicle Management Services, and Wright Express. Kevin's earlier career included nearly 10 years in the media industry. He served as President of STT Video Partners, a joint venture between Time Warner, HBO and Sega, to offer interactive cable services directly into consumers' homes. He was also instrumental in the creation and launch of Telemundo. In 2011, Kevin was named "Miami Ultimate CEO" by the South Florida Business Journal, and in 2014 EY named him an "Entrepreneur of the Year." Kevin holds a Bachelor of Science degree in Accounting from Hunter College and an MBA from New York University's Graduate School of Business. He is also a Certified Public Accountant.

**Paul Jason:** *You resurrected Norwegian Cruise Lines (NCL) from mediocrity to being best-in-class. The innovations you spearheaded and your tenacious focus on execution elevated NCL to setting the gold standard for the entire industry. That is a matter of record, both as a universal customer experience and as per the metrics that reflect the market share and financial performance of NCL. How might some of that leadership experience inform your approach to helping your*

*lottery operator customers become the gold standard in the games-of-chance industry?*

**Kevin Sheehan:** Thanks, Paul, I appreciate the kind words. When I joined Norwegian Cruise Line we certainly had our challenges, and I am very proud that under my leadership we went from being, as you said, mediocre and not considered a formidable competitor to being best-in-class and the most profitable company in our industry.

Fortunately, Scientific Games already has a strong foundation, having just announced its third consecutive quarter of year-over-year increases in revenue, operating income, and cash flows from operating activities. Importantly, Lottery is a big contributor to our success. In our recently announced second quarter, Lottery revenue increased \$13.7 million; operating income increased \$8.9 million, and our instant games business is performing exceptionally

well, with revenue growth of 11 percent or \$15.4 million—reflecting our continued market leadership in instant games.

We already set a high bar and are steadfastly delivering the world's best lottery experiences through our focus on innovation and customer partnership. I'll leverage my experience, my passion, and financial acumen to support the proven leadership of Jim Kennedy and his long tenured team. My charge is to ensure that our Lottery division has the tools and support needed to be the industry-leading gold standard: designing innovative, engaging games, expanding our successful Cooperative Services Program, and supporting our retailers to help increase state lotteries' sales and profits for their beneficiaries. I'm really looking forward to working with the Scientific Games Lottery team to add even greater value for our customers, our players and our employees; collaboration is what I'm all about.

*For the television show, Undercover Boss, you took two weeks to perform in a wide variety of jobs to see for yourself how performance and operations at NCL could be improved. I don't think you'll be able to go "undercover" in our industry, so how will you get insight into the inner workings of our industry to reveal those kinds of underlying opportunities for improvement?*

**K. Sheehan:** You are right, Paul, going "undercover" as part of Undercover Boss was a great opportunity for me to really experience what it was like to work at Norwegian Cruise Line through the eyes of different groups of employees. It was an amazing experience to serve as an assistant waiter, a deck swabber, and part of the entertainment staff, to name a few of my undercover roles. A lot of the work was demanding and quite taxing, from both a physical and mental standpoint. I truly appreciated getting the "inside scoop" from all the colleagues I was fortunate to work with ... the experience made me realize how important it is to get perspective from employees of all levels, value teamwork, and realize that it takes a village to impact change and accomplish a vision.

When it comes to getting insight into the inner workings of our industry, I already know how lucky I am to have such a strong

management team in place. Jim Kennedy and his team have been fantastic about providing me with insights into the company and our industry. I'll continue to lean on them for their support and counsel. Over the next few months, I look forward to attending the Global Gaming Expo (G2E), NASPL, and ICE Totally Gaming early in 2017. These trade shows and conferences will be great platforms for me to meet our customers and our team members in both professional and social settings. And I'm already traveling quite extensively, getting to know customers and employees across the globe. Understanding our business, trusting our leadership, listening to our customers and leveraging my extensive business experience will help reveal our underlying opportunities to propel our growth and development.

*Just like in the cruise line industry, gaming is all about delivering the best customer experience. Lottery operators depend on their retail partners to be the face of Lottery to the customer, the players. How might Scientific Games and lottery operators engender a more collaborative and mutually rewarding relationship with their retail partners?*

**K. Sheehan:** At Scientific Games, our focus is on delivering the world's best lottery experiences and our teams live up to this mission every day. I think we are doing pretty well at that given the growth and success of our instant games business, the development of innovative technologies, and the performance of our Lottery division as a whole. But we can always improve. I believe the three most important things we can do are to 1) Ensure that we have a strong understanding of the consumer and retail channel, and we do this through our Lottery Insights group; 2) Based on those insights and our years of experience, ensure that the products we innovate for lottery operators and retailers are appealing to consumers; and 3) Educate retailers that lottery is one of the top retail product categories in terms of actual sales, especially when promoted and positioned effectively. We want retailers to understand that Lottery customers typically spend more at retail, boost other categories

and generate higher overall store sales. Lottery is a journey that begins at retail with the purchase of a game and continues as consumers go about their lives, embracing mobile and internet.

*At NCL, you fearlessly confronted the shortcomings that needed to be improved. Can we expect the same as you address the opportunities for improvement that you see in the Lottery industry?*

**K. Sheehan:** Absolutely, we will confront our opportunities to enter our next phase of growth and development. However, my focus for the remainder of 2016 is to spend time with customers and employees, doing a deep dive into the industry and business of Scientific Games. We have three strong businesses – Lottery, Gaming, and Interactive. I look forward to building on that momentum to drive continued growth across the company, foster an even stronger company culture, capitalize on convergence opportunities in our three business lines and execute fiscal discipline.

*What is your vision or pathway forward for Scientific Games?*

**K. Sheehan:** Our mission is to empower our customers by creating the world's best gaming and lottery experiences. I don't see that mission changing. This is a promise that the Scientific Games brand has made. My vision and path forward will be set in the coming months. Right now, my focus is to rely on my already strong team to continue their leadership of our day-to-day business; build on the momentum that the team and company has already achieved; enhance our culture; execute fiscal discipline, and ensure that our focus on innovation and customer service does not waver.

This is a strong company, with an experienced and passionate team in place; they know their business, our customers and our employees. The industry is exciting, vibrant, and has a lot of opportunities for growth. I feel honored and humbled at the same time to be a part of the next stage of Scientific Games' journey and the next era of helping our lottery customers grow their net proceeds to beneficiaries. ■