
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 13, 2018

Everi Holdings Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-32622

(Commission
File Number)

20-0723270

(IRS Employer
Identification No.)

**7250 S. Tenaya Way, Suite 100
Las Vegas, Nevada**

(Address of principal executive offices)

89113

(Zip Code)

Registrant's telephone number, including area code: (800) 833-7110

N/A

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

On January 1, 2018, Everi Holdings Inc. (the “Company”) implemented the new revenue recognition standard promulgated by the Financial Accounting Standards Board (the “FASB”) commonly referred to as Accounting Standards Codification 606, *Revenue from Contracts with Customers* (“ASC 606”).

The Company determined that the adoption of ASC 606 will have a significant impact on the presentation of its financial information primarily due to the reporting on a net revenues basis, rather than a gross presentation, of certain costs of revenues related to the cash access activities of the Company’s Payments segment (with additional immaterial changes due to the net reporting of certain of the gaming operations activities of the Company’s Games segment). The net revenues reporting requirement under ASC 606 will have an effect on both the Payments and Games segment revenues and related cost of revenues; however, this net presentation will not have any effect on operating income (loss), net loss, cash flows or the timing of revenues recognized and costs incurred.

To provide a greater understanding of the impact of this new revenue recognition standard, the Company determined that under the provisions set forth in ASC 606, the effect on certain Payments and Games revenues and costs of revenues would have collectively decreased by approximately \$564.2 million, \$476.4 million and \$438.3 million for the years ended December 31, 2017, 2016 and 2015, respectively.

With respect to its Payments segment, the Company expects significant changes to the presentation of its financial information related to the reclassification of certain cost of revenues included in the cash advance, automated teller machine and check services revenue streams to be netted against those related revenue streams. The Company will report these items, which include commission expenses paid to casino operators, interchange costs paid to the network associations and processing and related costs paid to other third party partners as amounts that will be reported as reductions to its Payments segment revenues, rather than the current gross presentation with these costs and expenses historically reported as Payments segment cost of revenue.

With respect to its Games segment, the Company expects immaterial changes to the presentation of its financial information related to the reclassification of certain cost of revenues included in the gaming operations revenue stream to be netted against this revenue stream in connection with the Company’s Wide Area Progressive (the “WAP”) offering, which was initiated in 2017. The Company will report these WAP jackpot expenses as reductions to its Games segment revenues, rather than the current gross revenues presentation with these expenses historically reported as Games segment cost of revenue.

The Company has provided a presentation of quarterly unaudited selected and pro forma financial information giving effect to the implementation of ASC 606 for the years ended December 31, 2017, 2016 and 2015, attached hereto as Exhibit 99.1.

This information is being provided to assist readers in understanding the pro forma impact to the Company’s financial statements with respect to revenues and cost of revenue for the years ended December 31, 2017, 2016 and 2015 upon the implementation of ASC 606.

Cautionary Information Regarding Forward-Looking Statements

This Current Report on Form 8-K, including Exhibit 99.1 (the “Report”), contains “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. In this context, forward-looking statements often address the Company’s expected future business and financial performance, and often contain words such as “goal,” “target,” “future,” “estimate,” “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “project,” “may,” “should,” or “will” and similar expressions to identify forward-looking statements.

The forward-looking statements in this Report are subject to additional risks and uncertainties, including those set forth under the heading “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s filings with the Securities and Exchange Commission (the “SEC”), including, without limitation, the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016 filed with the SEC on March 14, 2017 and subsequent periodic reports, and are based on information available to us on the date hereof.

These cautionary statements qualify the Company’s forward-looking statements and you are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement contained herein speaks only as of the date on which it is made, and we do not intend, and assume no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<u>Presentation of unaudited consolidated selected and pro forma financial data of the impact of ASC 606 on Everi Holdings Inc. for the years ended December 31, 2017, 2016 and 2015.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EVERI HOLDINGS INC.

Date: March 13, 2018

By: /s/ Todd A. Valli

Todd A. Valli,
Senior Vice President, Corporate Finance and
Chief Accounting Officer

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED SELECTED
AND PRO FORMA FINANCIAL DATA

(In thousands)*

	Three Months Ended				Year Ended
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	December 31, 2017
AS REPORTED:					
Revenues					
Games	\$ 55,276	\$ 55,104	\$ 55,452	\$ 56,945	\$ 222,777
Payments	182,261	187,126	191,870	190,914	752,171
Total revenues	<u>237,537</u>	<u>242,230</u>	<u>247,322</u>	<u>247,859</u>	<u>974,948</u>
Costs and expenses					
Games cost of revenue (exclusive of depreciation and amortization)	12,444	13,239	13,820	15,192	54,695
Payments cost of revenue (exclusive of depreciation and amortization)	140,799	145,467	149,838	147,746	583,850
Operating expenses	28,993	28,779	29,463	31,700	118,935
Research and development	4,543	4,618	4,545	5,156	18,862
Goodwill impairment	—	—	—	—	—
Depreciation	10,830	11,396	12,539	12,517	47,282
Amortization	17,325	17,439	17,322	17,419	69,505
Total costs and expenses	<u>214,934</u>	<u>220,938</u>	<u>227,527</u>	<u>229,730</u>	<u>893,129</u>
Operating income	<u>\$ 22,603</u>	<u>\$ 21,292</u>	<u>\$ 19,795</u>	<u>\$ 18,129</u>	<u>\$ 81,819</u>
ASC 606 PRO FORMA IMPACT:					
Revenues					
Games	\$ (15)	\$ (120)	\$ (143)	\$ (287)	\$ (565)
Payments	(136,505)	(139,961)	(144,620)	(142,551)	(563,637)
Total revenues	<u>\$ (136,520)</u>	<u>\$ (140,081)</u>	<u>\$ (144,763)</u>	<u>\$ (142,838)</u>	<u>\$ (564,202)</u>
Costs and expenses					
Games cost of revenue (exclusive of depreciation and amortization)	\$ (15)	\$ (120)	\$ (143)	\$ (287)	\$ (565)
Payments cost of revenue (exclusive of depreciation and amortization)	(136,505)	(139,961)	(144,620)	(142,551)	(563,637)
Total cost of revenues - adjustments	<u>\$ (136,520)</u>	<u>\$ (140,081)</u>	<u>\$ (144,763)</u>	<u>\$ (142,838)</u>	<u>\$ (564,202)</u>
PRO FORMA RESULTS:					
Revenues					
Games	\$ 55,261	\$ 54,984	\$ 55,309	\$ 56,658	\$ 222,212
Payments	45,756	47,165	47,250	48,363	188,534
Total revenues	<u>101,017</u>	<u>102,149</u>	<u>102,559</u>	<u>105,021</u>	<u>410,746</u>
Costs and expenses					
Games cost of revenue (exclusive of depreciation and amortization)	12,429	13,119	13,677	14,905	54,130
Payments cost of revenue (exclusive of depreciation and amortization)	4,294	5,506	5,218	5,195	20,213
Operating expenses**	28,993	28,779	29,463	31,700	118,935
Research and development**	4,543	4,618	4,545	5,156	18,862
Goodwill impairment**	—	—	—	—	—
Depreciation**	10,830	11,396	12,539	12,517	47,282
Amortization**	17,325	17,439	17,322	17,419	69,505
Total costs and expenses	<u>78,414</u>	<u>80,857</u>	<u>82,764</u>	<u>86,892</u>	<u>328,927</u>
Operating income**	<u>\$ 22,603</u>	<u>\$ 21,292</u>	<u>\$ 19,795</u>	<u>\$ 18,129</u>	<u>\$ 81,819</u>

*Rounding may cause variance.

** No change to the line item.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED SELECTED
AND PRO FORMA FINANCIAL DATA

(In thousands)*

	Three Months Ended				Year Ended
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	December 31, 2016
AS REPORTED:					
Revenues					
Games	\$ 48,178	\$ 54,264	\$ 56,218	\$ 54,593	\$ 213,253
Payments	157,591	159,736	165,959	162,917	646,203
Total revenues	205,769	214,000	222,177	217,510	859,456
Costs and expenses					
Games cost of revenue (exclusive of depreciation and amortization)	8,436	12,968	15,467	13,437	50,308
Payments cost of revenue (exclusive of depreciation and amortization)	122,657	123,498	127,211	125,340	498,706
Operating expenses	30,005	30,733	26,996	30,975	118,709
Research and development	5,368	4,671	4,460	4,857	19,356
Goodwill impairment	—	—	—	146,299	146,299
Depreciation	12,335	12,470	12,367	12,823	49,995
Amortization	23,183	23,600	24,104	23,751	94,638
Total costs and expenses	201,984	207,940	210,605	357,482	978,011
Operating income (loss)	\$ 3,785	\$ 6,060	\$ 11,572	\$ (139,972)	\$ (118,555)
ASC 606 PRO FORMA IMPACT:					
Revenues					
Games	\$ —	\$ —	\$ —	\$ —	\$ —
Payments	(117,999)	(117,829)	(120,327)	(120,224)	(476,379)
Total revenues	\$ (117,999)	\$ (117,829)	\$ (120,327)	\$ (120,224)	\$ (476,379)
Costs and expenses					
Games cost of revenue (exclusive of depreciation and amortization)	\$ —	\$ —	\$ —	\$ —	\$ —
Payments cost of revenue (exclusive of depreciation and amortization)	(117,999)	(117,829)	(120,327)	(120,224)	(476,379)
Total cost of revenues - adjustments	\$ (117,999)	\$ (117,829)	\$ (120,327)	\$ (120,224)	\$ (476,379)
PRO FORMA RESULTS:					
Revenues					
Games	\$ 48,178	\$ 54,264	\$ 56,218	\$ 54,593	\$ 213,253
Payments	39,592	41,907	45,632	42,693	169,824
Total revenues	87,770	96,171	101,850	97,286	383,077
Costs and expenses					
Games cost of revenue (exclusive of depreciation and amortization)	8,436	12,968	15,467	13,437	50,308
Payments cost of revenue (exclusive of depreciation and amortization)	4,658	5,669	6,884	5,116	22,327
Operating expenses**	30,005	30,733	26,996	30,975	118,709
Research and development**	5,368	4,671	4,460	4,857	19,356
Goodwill impairment**	—	—	—	146,299	146,299
Depreciation**	12,335	12,470	12,367	12,823	49,995
Amortization**	23,183	23,600	24,104	23,751	94,638
Total costs and expenses	83,985	90,111	90,278	237,258	501,632
Operating income (loss)**	\$ 3,785	\$ 6,060	\$ 11,572	\$ (139,972)	\$ (118,555)

*Rounding may cause variance.

** No change to the line item.

EVERI HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED SELECTED
AND PRO FORMA FINANCIAL DATA

(In thousands)*

	Three Months Ended				Year Ended
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	December 31, 2015
AS REPORTED:					
Revenues					
Games	\$ 55,045	\$ 54,868	\$ 53,983	\$ 50,528	\$ 214,424
Payments	152,428	151,496	154,763	153,888	612,575
Total revenues	207,473	206,364	208,746	204,416	826,999
Costs and expenses					
Games cost of revenue (exclusive of depreciation and amortization)	12,077	12,246	12,421	10,273	47,017
Payments cost of revenue (exclusive of depreciation and amortization)	114,946	114,976	117,396	116,062	463,380
Operating expenses	15,841	26,847	26,295	32,219	101,202
Research and development	5,436	4,470	5,463	3,729	19,098
Goodwill impairment	—	—	—	75,008	75,008
Depreciation	10,377	10,717	10,943	13,514	45,551
Amortization	20,655	20,772	21,512	22,534	85,473
Total costs and expenses	179,332	190,028	194,030	273,339	836,729
Operating income (loss)	\$ 28,141	\$ 16,336	\$ 14,716	\$ (68,923)	\$ (9,730)
ASC 606 PRO FORMA IMPACT:					
Revenues					
Games	\$ —	\$ —	\$ —	\$ —	\$ —
Payments	(109,299)	(109,840)	(110,097)	(109,082)	(438,318)
Total revenues	\$ (109,299)	\$ (109,840)	\$ (110,097)	\$ (109,082)	\$ (438,318)
Costs and expenses					
Games cost of revenue (exclusive of depreciation and amortization)	\$ —	\$ —	\$ —	\$ —	\$ —
Payments cost of revenue (exclusive of depreciation and amortization)	(109,299)	(109,840)	(110,097)	(109,082)	(438,318)
Total cost of revenues - adjustments	\$ (109,299)	\$ (109,840)	\$ (110,097)	\$ (109,082)	\$ (438,318)
PRO FORMA RESULTS:					
Revenues					
Games	\$ 55,045	\$ 54,868	\$ 53,983	\$ 50,528	\$ 214,424
Payments	43,129	41,656	44,666	44,806	174,257
Total revenues	98,174	96,524	98,649	95,334	388,681
Costs and expenses					
Games cost of revenue (exclusive of depreciation and amortization)	12,077	12,246	12,421	10,273	47,017
Payments cost of revenue (exclusive of depreciation and amortization)	5,647	5,136	7,299	6,980	25,062
Operating expenses**	15,841	26,847	26,295	32,219	101,202
Research and development**	5,436	4,470	5,463	3,729	19,098
Goodwill impairment**	—	—	—	75,008	75,008
Depreciation**	10,377	10,717	10,943	13,514	45,551
Amortization**	20,655	20,772	21,512	22,534	85,473
Total costs and expenses	70,033	80,188	83,933	164,257	398,411
Operating income (loss)**	\$ 28,141	\$ 16,336	\$ 14,716	\$ (68,923)	\$ (9,730)

*Rounding may cause variance.

** No change to the line item.