



Aristocrat's robust fundamentals and strong investment deliver a high-quality result in line with growth strategy

Sydney, 15 November 2023

KEY HIGHLIGHTS

- Revenue growth of 13% (7% in constant currency) underpinned by Aristocrat Gaming, with outstanding growth in Gaming Outright Sales combined with continued expansion of the Class III Premium Gaming Operations footprint.
- 21% growth in normalised NPATA to \$1.3 billion (13% in constant currency) reflecting a high-quality product portfolio, ongoing investment and effective execution, notwithstanding mixed conditions across some key segments.
- Pixel United demonstrated resilience in a market where demand reduced, and retained leading positions in key genres, including #1 in Social Slots.
- Continued to fund a high level of organic investment in our priority areas of Design & Development (D&D), capex and User Acquisition (UA), to drive near and longer-term competitiveness, capability and performance.
- Anaxi delivered on its initial market entry commitments for iGaming, including signing agreements with partners representing over 80% of the US market³.
- Continued execution of capital management strategy with \$811 million in cash returned to shareholders through dividends and on-market share buy-backs.

A\$ million	2023	2022		Change %
Normalised results¹				
Operating revenue	6,295.7	5,573.7	▲	13.0
EBITDA	2,105.4	1,850.9	▲	13.8
EBITDA margin	33.4%	33.2%	▲	0.2 pts
EBITA	1,807.7	1,592.9	▲	13.5
NPAT	1,245.1	1,000.9	▲	24.4
NPATA	1,326.6	1,099.3	▲	20.7
Earnings per share (fully diluted)	189.6c	150.2c	▲	26.2
EPSA (fully diluted)	202.0c	165.0c	▲	22.4
Total dividend per share	64.0c	52.0c	▲	23.1
Reported results				
Revenue	6,295.7	5,573.7	▲	13.0
Profit after tax	1,454.1	948.5	▲	53.3
NPATA	1,535.6	1,046.9	▲	46.7
Balance sheet and cash flow				
Net working capital/revenue	2.2%	1.2%	▲	1.0 pts
Operating cash flow	1,799.1	1,246.0	▲	44.4
Closing net (cash)/debt	(809.1)	(564.0)	▲	43.5
Net (cash)/debt to EBITDA ²	(0.4)x	(0.3)x	▼	0.1x

1. Normalised results are statutory profit (before and after tax), excluding the impact of certain significant items detailed in the Operating and Financial Review.
2. Consolidated Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for the Group as defined in Aristocrat's Syndicated Facility Agreement (also referred to as Bank EBITDA).
3. Eilers All States Online Casino by Brand, September 2023

Aristocrat Leisure Limited (ASX: ALL) today announced its financial results for the twelve months ended 30 September 2023.

Net profit after tax and before amortisation of acquired intangibles (NPATA) of more than \$1.3 billion was 21% above the prior corresponding period (PCP) in reported terms (13% in constant currency). This reflected a superior product portfolio, ongoing investment and consistent execution, notwithstanding mixed conditions across some key segments.

Aristocrat Chief Executive Officer and Managing Director, Trevor Croker, said “I’m proud of the high-quality result that we are announcing today. The growth that Aristocrat delivered over the period demonstrates the ongoing resilience, competitiveness and diversification of our portfolio, and sound fundamentals in the markets in which we operate. At the same time, we have been able to accelerate investment behind our successful growth strategy.

“The benefit of our strategic investments to grow and diversify Aristocrat was particularly evident in the strong 7% revenue and EBITDA growth in constant currency at Group level over the year. This was underpinned by an exceptional Gaming performance which more than offset an extended industry-wide moderation in mobile game demand, again highlighting diversification and scale as fundamental strengths of our business.

“We continued to invest to grow in attractive adjacencies and verticals, as we build further resilience in our operating portfolio, including through executing our ‘build and buy’ strategy in online RMG.

“Our newest operating business, Anaxi, delivered on its initial market entry commitments and continued to establish solid foundations for growth. At period end, Anaxi had signed content agreements with partners representing over 80% of the US iGaming market. Roxor was acquired during the year and integrated into Anaxi as a core operating technology, accelerating the delivery of our strategy.

“We continued to invest in executing our ESG strategy over the year, driving improvements and further lifting maturity in our most important priorities. Responsible Gameplay is Aristocrat’s highest leadership sustainability priority, and we remained focused on aligning our core business systems, processes, policies and actions to match our commitments during the period. We also completed Australia’s first cashless gaming trial, with lessons learned already being factored into the next generation of trial technology. In terms of climate, Aristocrat took a big step forward with the development of an enterprise-wide Greenhouse Gas inventory off a 2022 baseline and also drafted and submitted science-based emissions reduction targets to the Science Based Targets initiative, with validation expected in the first half of calendar 2024.

“Strong free cash flow generation was applied to fund both organic and inorganic growth, while surplus cash of \$811 million was returned to shareholders through dividends and on-market share buy-backs in the period, in line with the Group’s capital allocation framework.

“Looking ahead, we will continue to navigate challenges with a focus on portfolio performance and capturing the significant strategic opportunities in front of us, including delivering on our online RMG strategy with the proposed acquisition of NeoGames to close in the first half of calendar 2024,” Mr Croker concluded.

FINANCIAL SUMMARY

Group revenue increased to \$6.3 billion, representing an increase of 13% in reported terms and 7% in constant currency compared to the PCP.

EBITDA of \$2.1 billion was 14% higher on a reported basis and 7% higher on a constant currency basis compared to the PCP.

Strong free cash flow generation was applied to fund Aristocrat's growth strategy, while \$443 million in surplus cash was returned to shareholders in the form of on-market share buy-backs over the twelve months to 30 September 2023. At period end, Aristocrat had completed over 50% of its up to \$1.5 billion on-market share buy-back program.

The Group's balance sheet maintained the business' optionality, with a net cash position of \$809.1 million and liquidity of \$3.9 billion at 30 September 2023.

The Directors have authorised a final fully franked dividend of 34.0 cps (\$220.4 million)⁴ for the period ended 30 September 2023. The record and payment dates for the final dividend are 1 December 2023 and 19 December 2023, respectively.

OPERATIONAL HIGHLIGHTS

Aristocrat's portfolio of scaled, world-class Gaming and Pixel United assets delivered a quality result over the twelve months to 30 September 2023, demonstrating the ongoing resilience, competitiveness and diversification of our portfolio, and sound fundamentals in the markets in which we operate, even as we navigated mixed conditions.

Growth in Aristocrat Gaming was driven by a high performing portfolio and superior execution in North America, with growth supported by continued penetration of superior hardware configurations and high performing game titles.

Pixel United delivered a resilient performance in a mixed environment, performing broadly in line with the global mobile games market and continuing to grow share in Social Casino. This was achieved as overall mobile bookings moderated, and the business continued to dynamically manage UA and operating costs, to deliver a result in line with our commitments outlined in May this year.

Aristocrat's online RMG business, Anaxi, delivered on its initial market entry commitments and continued to establish solid foundations for growth.

The Group continued its market-leading organic investment in product and technology, along with innovation, operational excellence and customer engagement, to drive further share growth in key markets and genres. D&D investment increased to a market-leading 13% of revenues, and UA investment remained disciplined.

4. Amount based on the shares issued at the date of the Financial Statements

Highlights for the period included:

Aristocrat Gaming:

- Americas delivered a \$143.3 million increase in post-tax profit, driven by a 26% increase in North America Outright Sales units, supported by customer capital commitments, increased penetration of premium portrait cabinets and further successful expansion into strategic adjacencies. Class III Premium and Class II Gaming Operations installed base grew 8% to exceed 64,000 units, with average fee per day holding broadly stable at US\$54.97.
- Retained position as the leading supplier in the US market, achieving portfolio performance of 1.4x floor average⁵ and exceptional portfolio strength demonstrated by Aristocrat featuring in 19 of the top 25 premium leased games⁶.
- Continued expansion into attractive adjacencies, including VLT in Canada, Oregon, Illinois, and New York, Washington CDS, and Historical Horse Racing in Kentucky, Louisiana, New Hampshire and Wyoming.
- ANZ maintained market-leading ship share in a moderating operating environment.
- International Class III growth was driven by strong game performance and market recovery in Asia, and improved operating conditions in Europe.

Pixel United:

- Navigated mixed market conditions as the global mobile games market declined 5% during the 12 months ended 30 September 2023⁷.
- Retained leading positions in key genres, including #1 in the Social Slots segment, #2 in the broader Social Casino genre, #1 in the Squad RPG (Role-Playing Games) segment and #4 in the Casual Merge segment according to industry data⁸.
- At year end, Pixel United titles accounted for 6 of the top 100 mobile games in the US⁸ across multiple genres, showing the benefits of continued investment in features, new content and best practices in Live Ops.
- Average Bookings Per Daily Active User (ABPDAU) grew 13%, driven by robust performance in the Social Casino and RPG, Strategy & Action genres.

Anaxi:

- Signed content agreements with partners representing over 80% of the US iGaming market, and was live with seven operators in six countries across eight jurisdictions.
- The acquisition of Roxor completed during the year, with Roxor integrated into Anaxi as a core product technology, accelerating the delivery of our strategy.

5. Based on the average theoretical net win index versus house, Eilers September 2023 report for North America

6. Average performance per Eilers' Game Performance reports in the 12 months to 30 September 2023

7. Bookings estimate for financial year ended 30 September 2023 as at October 2023, Sensor Tower

8. 12 months to September 2023, Sensor Tower

OUTLOOK

Aristocrat expects to deliver NPATA growth over the full year to 30 September 2024 (constant currency basis), reflecting:

- Continued strong market share, revenue and profit growth from Aristocrat Gaming, with a possible moderation in consumer spending in key markets;
- Disciplined execution in Pixel United with a focus on market share and investment efficiency to maintain momentum;
- Focused investment in Anaxi as it scales its content portfolio to support broader market access in North America and Europe; and
- Completion of the proposed NeoGames acquisition. Expected to be accretive to EPSA in the first full year of ownership with a broadly neutral impact on NPATA in FY24 after funding considerations.

Additional detail for modelling inputs for the fiscal full year to 30 September 2024 is available in the Investor Presentation.

Authorised for lodgment by Kristy Jo, Company Secretary

Further information:

Investors:

James Coghill
General Manager, Investor Relations
Mobile: (61) 412 426 272
james.coghill@aristocrat.com

Media:

Peter Brookes
Citadel Magnus
Mobile: (61) 407 911 389
pbrookes@citadelmagnus.com

Aristocrat Leisure Limited (ASX: ALL) is a leading global gaming content and technology company and top-tier mobile games publisher, with more than 7,800 employees in over 20 locations around the world. Aristocrat offers a diverse range of products and services including electronic gaming machines, casino management systems and free-to-play mobile games. The company's regulated gaming products are approved for use in more than 325 licensed jurisdictions and are available in more than 100 countries.