

Strategic review update - Aristocrat announces the sale of the Plarium mobile gaming business to Modern Times Group for an enterprise value of up to US\$820 million

Sydney, 12 November 2024

Aristocrat Leisure Limited (ASX: ALL) ("Aristocrat") today announced that its subsidiary, Pixel United Holdings Limited, has entered into a binding agreement for the sale of Plarium Global Limited ("Plarium") for a fixed consideration of US\$620 million, with contingent consideration of up to US\$200 million to Modern Times Group ("MTG") (Nasdaq Stockholm: MTG B), an international, mobile-first gaming group that offers a wide range of popular game franchises.

Following the strategic review announced in May 2024, the divestment of Plarium is an important milestone for Aristocrat as it focuses on growth across its regulated gaming strength in core land-based gaming, real money gaming and social casino opportunities.

The total consideration for the sale comprises:

- fixed consideration of US\$620 million, comprising US\$600 million payable upon closing of the transaction and a deferred payment of US\$20 million payable in April 2026; and
- contingent consideration of up to US\$200 million, subject to the achievement of certain financial targets over calendar years 2025 to 2028.

Proceeds from the transaction will be deployed to fund Aristocrat's longer term growth strategy in line with its capital allocation framework. The transaction is expected to enhance Aristocrat's revenue growth rate and margins going forward.

Acquired in October 2017, Plarium generated an internal rate of return (IRR) in the mid-teens during the period of Aristocrat's ownership. It provided capability and digital expertise across Aristocrat, diversification of its portfolio through the COVID-19 period and continues Aristocrat's successful acquisition track record.

Aristocrat's Chief Executive Officer and Managing Director, Trevor Croker, said "The sale of Plarium follows a strategic review into our casual and mid-core gaming assets that we announced in May 2024. With the expanded Aristocrat Interactive business now sitting alongside Aristocrat Gaming and our market leading mobile social casino business, we are increasingly focused on opportunities to lean into Aristocrat's strengths in regulated gaming content and social slots.

“Aristocrat has incorporated a range of Plarium’s strategic capabilities and mobile content know-how into its core gaming operations over the past seven years, benefitting from digital marketing and UA management capability, enhanced live operations, and scaling and growing our combined social casino business. We are pleased also to have achieved an IRR from the acquisition of Plarium in excess of our target rates. Our ownership of Plarium has helped to drive Aristocrat's digital transformation, extending our track record of successfully acquiring businesses to accelerate our strategy.”

In the unaudited financial results for the year to 30 September 2024, Plarium contributed approximately US\$615 million, US\$166 million and US\$110 million to Pixel United's Revenue, Segment Profit and EBITA post-D&D expenditure, respectively. Aristocrat expects the sale of Plarium to be mid to high single-digit percentage points dilutive to NPATA in FY25 on an annualised basis.

The total consideration from the sale, comprising of US\$620 million fixed consideration and up to US\$200 million contingent consideration, compares to a Plarium book value of approximately US\$450 million as at 30 September 2024 and is expected to result in a gain on sale in FY25, with the final amount to be determined based on the closing date and other customary closing adjustments.

The transaction is expected to close in the first half of calendar year 2025 and is subject to customary closing conditions, including receipt of regulatory approvals.

Update on strategic review of Aristocrat’s casual gaming assets

The strategic review of Big Fish Games (excluding the Big Fish Social Casino assets) remains ongoing. Aristocrat continues to actively engage with third parties and assess all options to maximise shareholder value. In its FY24 result, Aristocrat intends to take a goodwill impairment charge of approximately US\$110 million in relation to Big Fish Games, excluding the Big Fish Social Casino assets, which continue to perform well and are a core component of Product Madness, Aristocrat’s social casino business.

Further information:

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

Media: Peter Brookes
Senior Managing Director
Mobile: (61) 407 911 389
peter.brookes@sodali.com

Aristocrat Leisure Limited (ASX: ALL) is a global entertainment and gaming content creation company powered by technology. Our three operating business units span regulated land-based gaming (Aristocrat Gaming), mobile games publishing (Pixel United) and regulated online real money gaming (Aristocrat Interactive). Aristocrat offers a diverse range of products and services including electronic gaming machines, casino management systems, free-to-play mobile games and online real money games, that serve customers and entertain millions of players worldwide every day. Our team of over 8,500 people across the globe are united by our company mission to bring joy to life through the power of play. For more: www.aristocrat.com