



ARISTOCRAT DELIVERS STRONG FULL YEAR PERFORMANCE AND CASH FLOWS, WITH FINANCIAL STRENGTH TO INVEST FOR GROWTH

Sydney, 18 November 2020

A\$ million	2020	2019		Change %
Normalised results¹				
Operating revenue	4,139.1	4,397.4	▼	(5.9)
EBITDA	1,089.4	1,596.8	▼	(31.8)
EBITDA margin	26.3%	36.3%	▼	(10.0) pts
EBITA	771.3	1,346.9	▼	(42.7)
NPAT	357.1	752.8	▼	(52.6)
NPATA	476.6	894.4	▼	(46.7)
Earnings per share (fully diluted)	56.0c	118.0c	▼	(52.5)
EPSA (fully diluted)	74.7c	140.2c	▼	(46.7)
Total dividend per share	10.0c	56.0c	▼	(82.1)
Reported results (Including recognition of a ~\$1.1 billion deferred tax asset)				
Revenue	4,139.1	4,397.4	▼	(5.9)
Profit after tax	1,377.7	698.8	▲	97.2
NPATA	1,497.2	840.4	▲	78.2
Balance sheet and cash flow				
Net working capital / revenue	0.9%	5.6%	▼	(4.7) pts
Operating cash flow	1,022.9	1,085.5	▼	(5.8)
Closing net debt/(cash) ²	1,567.5	2,223.7	▼	29.5
Net debt / EBITDA ^{2,3}	1.4x	1.4x	■	0.0x

Footnotes are provided on page 4

Aristocrat Leisure Limited (ASX: ALL) today announced its financial results for the year ended 30 September 2020.

Normalised profit after tax and before amortisation of acquired intangibles (NPATA) of \$476.6 million represents a decrease of 46.7% in reported terms, compared to the prior corresponding period.

Group revenue decreased 5.9% to \$4.1 billion, reflecting a 32% decrease in Aristocrat Gaming (Land-based) revenue, driven by the impact of COVID-19 customer venue closures and social distancing restrictions; largely offset by 29% growth in Aristocrat Digital revenue, in local currency.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was 32% lower than the prior corresponding period, at \$1,089.4 million. Operating cash flows decreased 5.8% to \$1,022.9 million, while the Group's balance sheet remained strong with net leverage maintained at 1.4x.

Aristocrat continued to take a comprehensive approach to optimising liquidity and positioning the business for sustained, long term growth, in line with its strategy. The Group had almost \$2 billion of liquidity available at 30 September 2020.

Reported results were positively impacted by the recognition of a \$1.1 billion deferred tax asset, in line with the Group structure changes announced in November 2019, which is expected to generate long term cash tax savings.

In view of Aristocrat's effective COVID-19 response, and confidence in our strengthening performance, the Directors have authorised a final fully franked dividend of 10.0 cps (A\$63.9 million), in respect to the period ended 30 September 2020. This represents a decrease of 82% (or 46.0 cents). The record date will be 2 December 2020 and the payment date will be 18 December 2020.

OPERATIONAL HIGHLIGHTS

Despite the material impact of COVID-19 on Group results for the period, operational performance across the business strengthened, with increased portfolio traction in key Gaming markets and segments, and impressive growth in Aristocrat Digital.

Highlights for the reporting period include:

Aristocrat Gaming:

- Aristocrat's Class III premium and Class II installed bases grew 5.9% and 0.3% respectively, with continued penetration of leading hardware configurations and high-performing game titles.
- Aristocrat's market-leading average adjusted fee per day increased 1.1% to US\$51 (normalised to exclude the number of days machines were not operating due to COVID-19 impacts). On an unadjusted basis, the average fee per day was just above US\$35.
- Strong investment in Design & Development (D&D) and an unrelenting commitment to exceptional market-leading product portfolios, customer engagement, people and culture.

Aristocrat Digital:

- Aristocrat Digital delivered double-digit growth in bookings, revenue and profit.
- *RAID: Shadow Legends™* continued its impressive growth trajectory – generating US\$368 million in bookings.
- Ongoing performance was achieved across an increasingly diverse portfolio, with evergreen titles such as *Lightning Link™* and *Cashman Casino™* benefiting from investment in Live Ops, features and strong new content.
- Aggressive investment in User Acquisition (UA) was maintained to support growth, with total UA spend increasing 1.7 percentage points to 28% of Digital revenue.
- Average Bookings Per Daily Active User (ABPDAU) grew almost 44% to US\$0.59 due to the successful focus on DAU quality and the scaling of *RAID: Shadow Legends™* and strong performance across the Social Casino portfolio, supported by COVID-19 related tailwinds.

OUTLOOK

Aristocrat plans for continued growth in the 2021 full fiscal year, reflecting the following:

- Maintained or enhanced market-leading positions in Gaming Operations, measured by the number of machines that are operating and game performance.
- Sustainable growth in floor share across key Gaming Outright Sales markets globally.
- Further growth in Digital bookings, with User Acquisition (UA) spend expected to remain between 25% and 28% of overall Digital revenues.
- Continued D&D investment to drive sustained, long term growth, with investment likely to be modestly above historic levels, on a percentage of revenue basis.
- An increase in SG&A across the business, as we continue to scale and deliver our growth strategy. This includes continuing to identify adjacencies that expand our capabilities to create new business and growth through product, distribution, and investment.
- Non-operating items are set out below:

Expense Item	Assumption
Interest Expense	US\$ borrowings incur fully loaded interest expense of 5% including hedging costs and other finance fees
Amortisation of Acquired Intangibles	Circa US\$95 million pre-tax for FY2021 relating to assets previously acquired
Income Tax Expense	FY2021 ETR of approximately 24.0% to 25.0%, reflective of current corporate tax rates and regional earnings mix

Aristocrat Chief Executive Officer and Managing Director, Trevor Croker, said “The resilience and commitment of Aristocrat’s global team of over 6,000 people has been impressive, particularly over the last ten months. I want to thank all of our people for the care they have shown for each other, their focus on our customers and players, and their absolute determination to deliver despite the challenging circumstances. Their safety and wellbeing – and the safety and wellbeing of our customers, suppliers and other stakeholders – remains Aristocrat’s first priority.

“In May, we said that Aristocrat entered the COVID-19 challenge in good shape. Six months on, and notwithstanding the uncertainties that remain, we believe we’re well placed to emerge from this period in even better shape. Our results for the full year to 30 September 2020 demonstrate that we have enhanced our financial fundamentals and further accelerated our underlying operational momentum, despite the exceptional challenges and volatility generated by COVID-19 on our business, customers, players and people across the majority of the period.

“Aristocrat continued to take share and maintained its leadership of key Gaming markets and segments over the full year, with an increased focus on customer service and engagement. Continued investment in new hardware and games delivered superior operational performance and supported resilient demand.

“Aristocrat Digital delivered exceptional operational performance, while continuing to diversify and strengthen its portfolio and pipeline of new games. Aggressive and dynamic investment in User Acquisition supported momentum and allowed the business to fully leverage COVID-19 related tailwinds, while taking further significant strides forward in organisational scale, capability and effectiveness.

“A strong balance sheet, ample liquidity and robust cash flows provide us with full optionality to continue to invest behind our refined growth strategy and take advantage of acceleration opportunities in the period ahead” Mr Croker concluded.

Dividend Key Dates:

Ex-dividend Date: Tuesday 1 December 2020

Record Date: Wednesday 2 December 2020

Payment Date: Friday 18 December 2020

Notes to the table on page 1:

- (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) Net debt excludes lease liabilities recognised under AASB 16 from 1 October 2019.
- (3) Consolidated EBITDA as defined by the Credit Agreement.

The information presented has not been audited in accordance with the Australian Auditing Standards.

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Aristocrat Leisure Limited (ASX: ALL) is a leading gaming provider and games publisher, with more than 6,000 employees located in offices around the world. Aristocrat offers a diverse range of products and services including electronic gaming machines, casino management systems, and digital social games. The Company's Gaming products are approved for use in more than 300 licensed jurisdictions and are available in more than 80 countries. For further information visit the Group's website at www.aristocrat.com.