



29 November 2018

Company Announcements Office  
Australian Securities Exchange Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

**Aristocrat Leisure Limited  
Formatting Error – Revised FY2018 Results Presentation**

Aristocrat Leisure Limited (the “Company”) refers to its earlier announcement (“FY2018 Results Presentation”) which contained a duplication error on slide 20 within the appendix of the presentation.

The attached Revised FY2018 Results Presentation corrects this error.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Richard Bell".

Richard Bell  
Company Secretary

# Aristocrat Leisure Limited

Investor Presentation

29 November 2018



## Results Presentation

12 months to 30 September 2018

**ARISTOCRAT**

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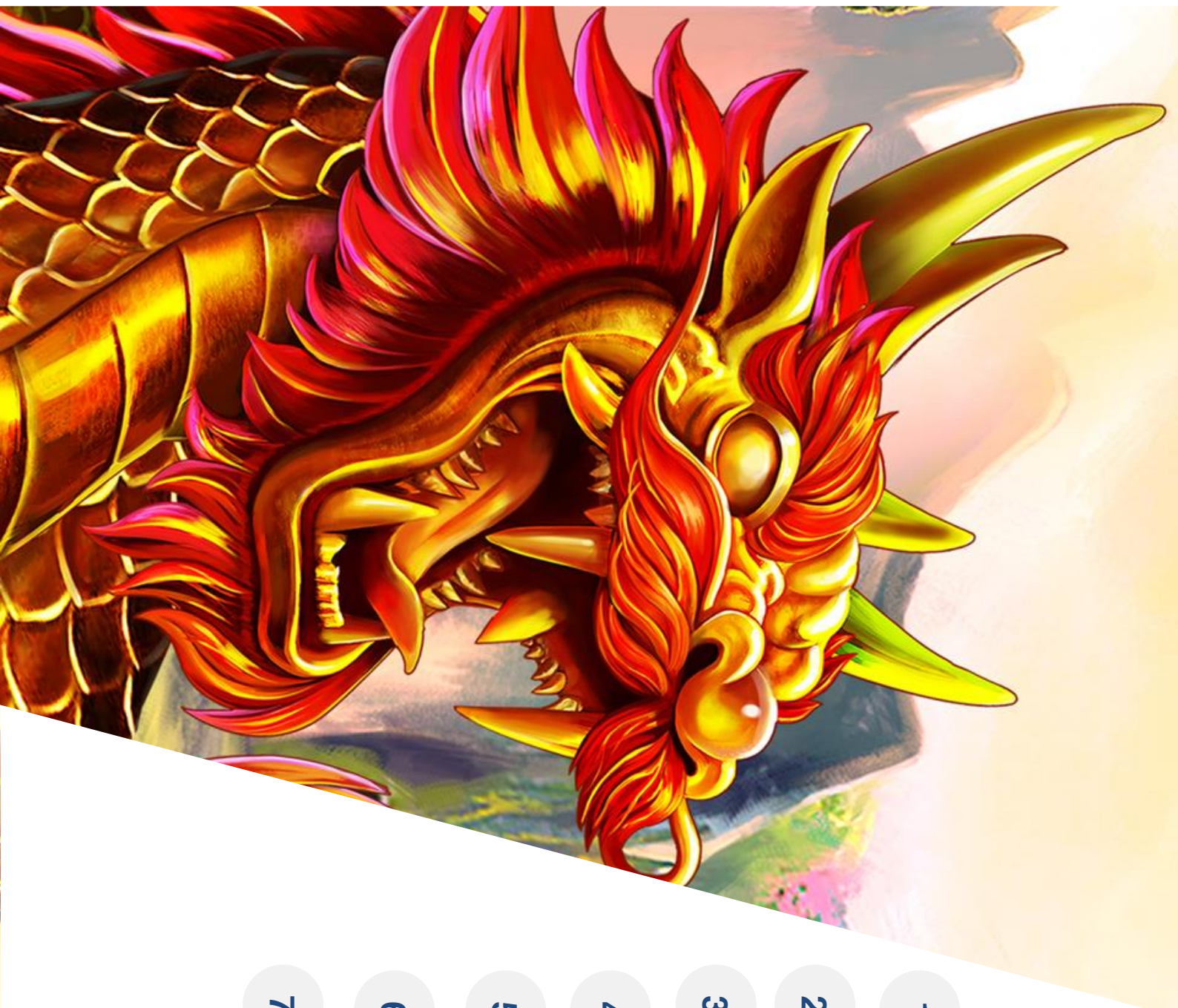
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## **Agenda**

- 1** Group Results Summary
- 2** Financial Summary
- 3** Operational Performance
- 4** Outlook
- 5** Results Summary
- 6** Q&A
- 7** Appendices

# Group Results Summary

NPATA up 34% to \$730m, driven by record North American & ANZ results, as well as a transformative and positive contribution from Digital, including new acquisitions

A\$, million	2018	2017	Change %
<b>Normalised results<sup>1,2</sup></b>			
Operating revenue	3,624.1	2,453.8	▲ 47.7
EBITDA	1,328.6	1,001.2	▲ 32.7
EBITDA margin	36.7%	40.8%	▼ (4.1) pts
EBITDA	1,129.3	858.1	▲ 31.6
NPAT	616.9	495.1	▲ 24.6
NPATA	729.6	543.4	▲ 34.3
EP\$A (fully diluted)	114.1c	85.0c	▲ 34.2
Total dividends per share	46.0c	34.0c	▲ 35.3
<b>Reported Results</b>			
Revenue	3,549.8	2,453.8	▲ 44.7
Profit after tax	542.6	495.1	▲ 9.6
NPATA	655.3	543.4	▲ 20.6
<b>Balance sheet and cash flow</b>			
Net working capital / revenue	1.7%	7.1%	▲ (5.4) pts
Normalised operating cash flow	987.9	799.1	▲ 23.6
Net debt / EBITDA <sup>3</sup>	1.7x	0.6x	▲ (1.1x)
Closing net debt/(cash)	2,453.0	652.3	▲ (276.1)

- Normalised NPATA up 34% to \$729.6m
- EP\$A up 34% to 114.1cps
- Record results recorded across both North America and ANZ markets
- Digital earnings up on strong Product Madness and acquisition performance. Digital represents 27% of segment profit
- Total FY18 dividends per share of 46.0cps (fully franked), up 35%
- Normalised operating cash flow up 24%, reflecting ongoing strong cash generating fundamentals
- Pro-forma leverage increase reflects strategic Digital acquisitions made during period

Notes:

<sup>1</sup> Refer to Operating & Financial Review for definitions and explanations of line items

<sup>2</sup> The information presented in this document has not been audited in accordance with the Australian Auditing Standards

<sup>3</sup> Pro-forma leverage, adjusted for the acquisitions of Plarium and Big Fish shown at 30 September 2018, to reflect a full year earnings contribution from acquisitions

# Design & Development (D&D) Investment

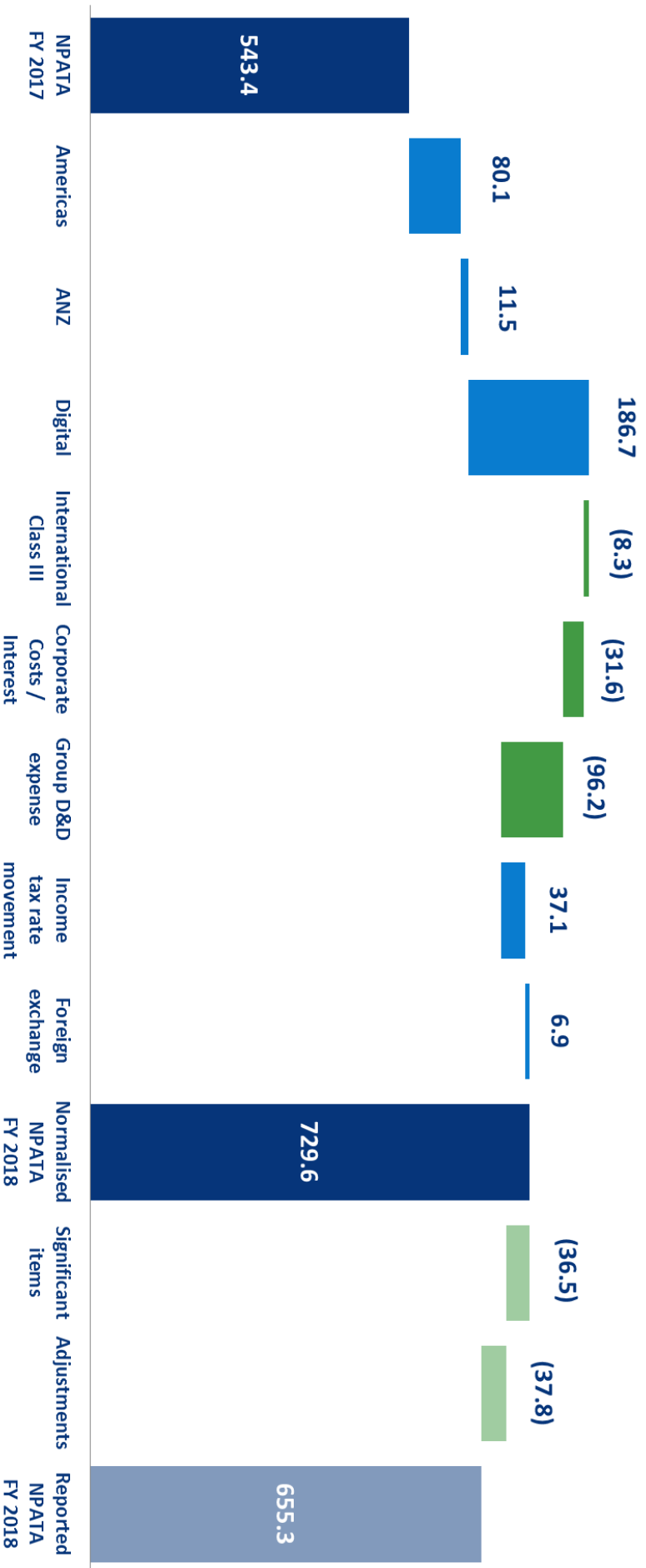
Aristocrat’s #1 investment priority: D&D underpins our competitiveness and ability to deliver high quality content and sustainable profit growth; represents almost half our total employee base



# Financial Performance

Multiple sources of growth contributing to sustained operational performance while funding increased D&D investment

## NPATA bridge (A\$m)<sup>1</sup>



Note:

<sup>1</sup> Numbers above are reported on a constant currency basis and are tax effected at the prior year tax rate

# Balance Sheet and Debt Profile

Continued strength following funding of Digital acquisitions providing ongoing ability to support Aristocrat's growth strategy

Balance Sheet Statistics <sup>1,2</sup>			
A\$ million	30 Sep 2018	31 Mar 2018	30 Sep 2017
Total debt	2,881.1	2,915.5	1,199.4
Net debt / (cash)	2,453.0	2,557.9	652.3
Net debt / EBITDA <sup>3</sup>	1.7x	2.0x	2.2x
Interest Cover <sup>3</sup>	11.4x	10.8x	9.8x

Debt Profile Statistics <sup>2</sup>			
A\$ million			30 Sep 2018
Total Liquidity	A\$m		535.9
Debt maturity	Years		6.1
Fixed / floating interest rate ratio	%		54.0

- Post debt-funding of Plarium, Big Fish acquisitions, balance sheet remains strong
- Reduced pro-forma leverage reflects strength in earnings (+34%) and strong free cash flow (+24%)
- Strong overall liquidity position maintained with US\$165m TLB debt pay-down in FY18
- US\$950m tranche maturity extended to October 2024
- TLB competitively repriced during period providing long term (>6 years) funding certainty and flexibility
- Stable credit ratings maintained

Notes:

<sup>1</sup> Refer to Review of Operations for definitions of line items

<sup>2</sup> The information presented in this document has not been audited in accordance with the Australian Auditing Standards

<sup>3</sup> Pro-forma gearing and interest coverage ratios, adjusted for the acquisitions of Plarium and Big Fish shown for 31 Mar 2018 and 30 Sep 2017



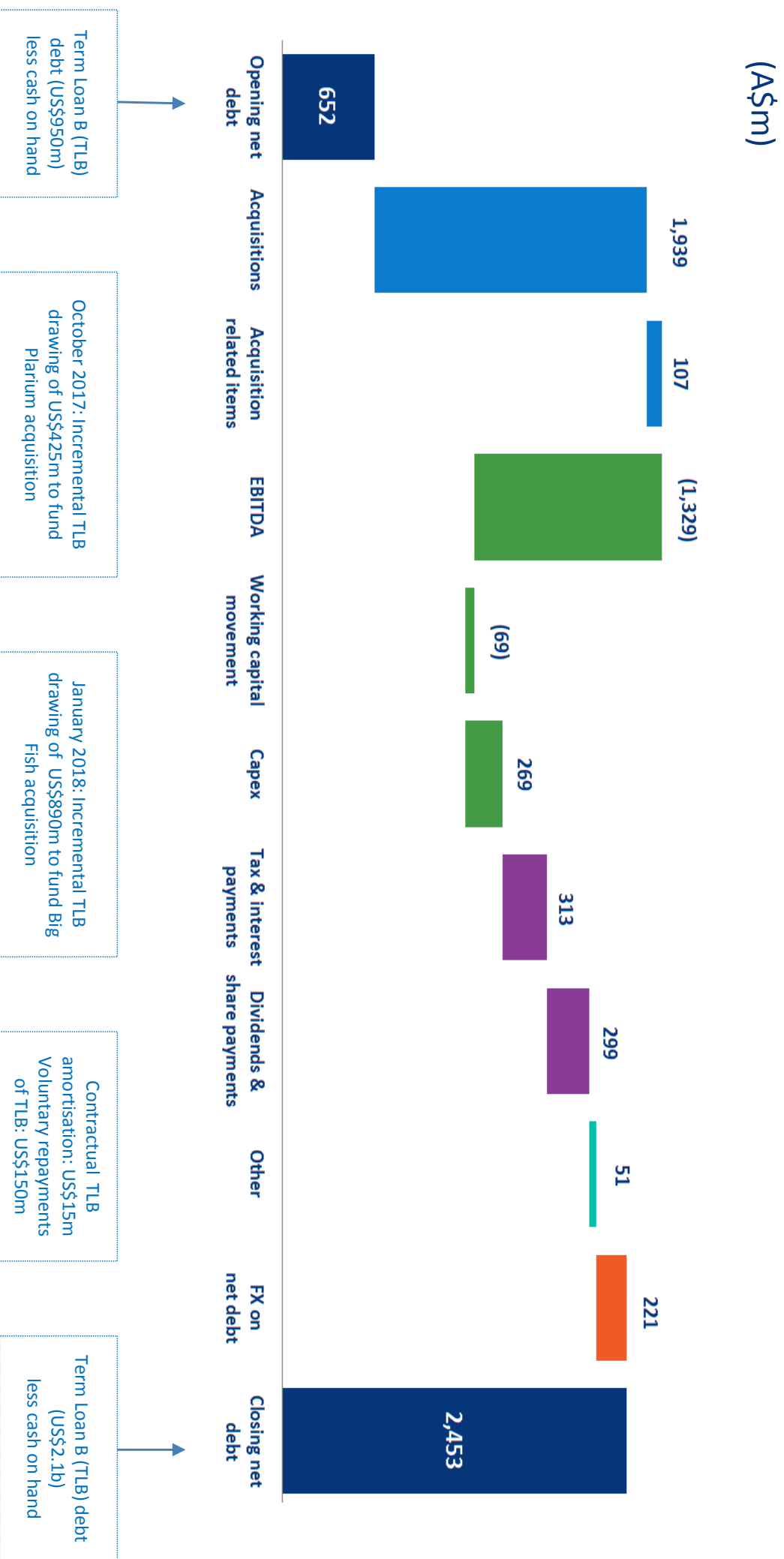
# Cash Flow

Normalised Operating Cash flow of almost \$1 billion achieved net of increased interest and tax reflecting ongoing strong cash generating fundamentals

<b>Operating Cash Flow</b>			
<b>A\$ million</b>	<b>2018</b>	<b>2017</b>	<b>Change %</b>
<b>EBITDA</b>	1,328.6	1,001.2	32.7
Change in net working capital	69.1	(51.9)	n/a
<b>Sub total</b>	<b>1,397.7</b>	<b>949.3</b>	<b>▲ 47.2</b>
Interest and tax	(313.0)	(171.0)	(83.0)
Acquisition related items (cash and non cash)	(107.3)	-	n/a
Other cash and non-cash movements	(43.6)	20.8	n/a
<b>Operating cash flow</b>	<b>933.8</b>	<b>799.1</b>	<b>▲ 16.9</b>
One off and significant items (cash)	54.1	-	n/a
<b>Operating cash flow (normalised)</b>	<b>987.9</b>	<b>799.1</b>	<b>▲ 23.6</b>
<b>Operating cash flow (normalised) less capex</b>	<b>718.9</b>	<b>585.6</b>	<b>▲ 22.8</b>
<b>Statutory Cash Flow</b>			
<b>A\$ million</b>	<b>2018</b>	<b>2017</b>	<b>Change %</b>
<b>Operating cash flow</b>	933.8	799.1	16.9
Capex	(269.0)	(213.5)	(26.0)
Acquisitions and divestments	(1,938.6)	(23.0)	(8,328.7)
<b>Investing cash flow</b>	<b>(2,207.6)</b>	<b>(236.5)</b>	<b>(833.4)</b>
Proceeds from borrowings	1,660.0	-	n/a
Repayment of borrowings	(225.8)	(65.5)	(244.7)
Dividends and share payments	(299.0)	(231.1)	(29.4)
<b>Financing cash flow</b>	<b>1,135.2</b>	<b>(296.6)</b>	<b>n/a</b>
<b>Net (decrease)/increase in cash</b>	<b>(138.6)</b>	<b>266.0</b>	<b>n/a</b>

# Movement in Net Debt

Asset-light, high free cash flow generative model provides flexibility to fund future growth





## Operational Performance

# Americas

Record result with earnings up 16%; growth in Gaming Operations combined with maintaining strong ship share levels in an increasingly competitive Outright Sales market

	2018	2017	Change %
<b>Summary Profit or Loss</b>			
Revenue	US\$m 1,224.2	1,084.7	▲ 12.9
Profit	US\$m 649.9	560.3	▲ 16.0
Margin	% 53.1	51.7	▲ 1.4 pts
<b>Volume</b>			
Platforms	Units 13,318	12,575	▲ 5.9
Conversions	Units 3,147	2,506	▲ 25.6
<b>Price</b>			
ASP	US\$ / unit 18,682	18,892	▲ (1.1)
<b>Gaming Operations</b>			
Class III premium	Units 20,114	16,161	▲ 24.5
Class II	Units 24,264	22,437	▲ 8.1
Total units	Units 44,378	38,598	▲ 15.0
Total avg fee per day	US\$ / day 51.81	50.70	▲ 2.2

- Revenue and profit growth
- Strong performance across Class III premium and Class II Gaming Operations footprint driven by top performing content and hardware (Class II and Class III units up 8% and 25% respectively)
- Market-leading average FPD (+2.2% to US\$51.81 / day)
- Ship share maintained across increasingly competitive Outright Sales market
- Avg. sales price (ASP) remains above industry average
- Strong customer feedback via major industry slot surveys

# Adjacent market update

Invest to maintain leadership positions & grow addressable market by entering into adjacent segments, close to the core



Source: Eilers & Krejci reports, Aristocrat

# Class III - ANZ & International

Leading market share maintained across key markets

ANZ		2018 <sup>1</sup>	2017	Change %
<b>Summary Profit or Loss</b>				
Revenue	A\$m	455.2	431.6	▲ 5.5
Profit	A\$m	207.4	190.5	▲ 8.9
Margin	%	45.6	44.1	▲ 1.5 pts
<b>Volume</b>				
Platforms	Units	14,079	14,377	▲ (2.1)
Conversions	Units	6,294	4,214	▲ 49.4
<b>Price</b>				
ASP	A\$ / unit	20,487	20,348	▲ 0.7

Note:

<sup>1</sup> Constant currency

International		2018 <sup>1</sup>	2017	Change %
<b>Summary Profit or Loss</b>				
Revenue	A\$m	202.3	214.7	▲ (5.8)
Profit	A\$m	100.2	112.5	▲ (10.9)
Margin	%	49.5	52.4	▲ (2.9) pts
<b>Volume</b>				
Platforms	Units	6,018	7,125	▲ (15.5)

Note:

<sup>1</sup> Constant currency

## ANZ

- Market-leading ship share maintained driven by strong performing game portfolio and *Helix™* cabinet configurations
- Growth in conversions reflects increased uptake of ACCESS model and fleet optimisation
- Continue to invest for innovation, whilst aggressively defend IP assets

## International

- Lower revenue and profit as the business cycled over a concentration of prior year new casino openings
- Market-leading floor share in APAC maintained
- Transitioning to floor optimisation strategies with customers following the prior focus on openings

# Digital Summary

Strong performance with a diversified portfolio across social casino and casual games. Digital now represents 27% of segment profit

	2018	2017	Change %
<b>Summary Profit or Loss</b>			
Bookings	US\$m 1,013.9	292.8	246.3 ▲
Revenue	US\$m 1,009.2	292.8	244.7 ▲
Profit	US\$m 330.8	121.4	172.5 ▲
Margin	% 32.8	41.5	(8.7) pts ▼
<b>Key metrics</b>			
DAU period end	Millions 8.1	1.7	376.5 ▲
ABPDAU full year	US\$ 0.40	0.53	(24.5) ▼

- Significant lift in performance driven by continued strength of Product Madness together with the acquisitions of Plarium and Big Fish during the FY 2018 year
- Margin moderated in line with expectations as Digital business scales following acquisitions
- Product Madness business continued to scale and prove out multi-app strategy with ongoing success of *Cashman Casino™*, *Heart of Vegas™* and launch of *Lightning Link™* and *FaFaFa Gold™*
- Now a sizeable ecosystem with 8.1m DAU

# Pro-Forma Plarium and Big Fish

Integrations largely complete; full year performance demonstrates EBITDA growth of both acquisitions; LTM adjusted EBITDA US\$140m

		2018	2017	Change %
<b>Pro-forma</b>				
<b>Plarium</b>				
Bookings	US\$m	272.0	277.8	▼ (2.1)
Adjusted EBITDA <sup>1</sup>	US\$m	51.5	45.9	▲ 12.2
DAU period end	Millions	2.5	2.7	▼ (7.4)
<b>Big Fish</b>				
Bookings	US\$m	494.6	458.4	▲ 7.9
Adjusted EBITDA <sup>1</sup>	US\$m	88.7	68.4	▲ 29.7
DAU period end	Millions	3.6	4.0	▼ (10.0)

Note:

<sup>1</sup> EBITDA adjusted for gross bookings

- Integrations largely complete
- Plarium bookings declined 2.1% on lower but better quality DAU with strategic management of legacy games
- Plarium profit grew 12.2% reflecting reduction in UA spend for legacy games and pivot to mobile
- Big Fish bookings grew 7.9% driven by renewed focus on social casino titles *Big Fish Casino*<sup>TM</sup> and *Jackpot Magic Slots*<sup>TM</sup> and scaling of social gaming titles such as *Cooking Craze*<sup>TM</sup>
- Big Fish DAU decreased 10% on maturing titles and premium segment
- Big Fish profit grew 29.7% with rigorous management of UA spend and cost base



## Outlook

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Aristocrat anticipates continued growth in the 2019 fiscal year

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- **Land-based Outright sales:** Expect incremental gains in attractive North American adjacencies, in addition to maintaining market-leading share positions across key for sale segments globally;
- **Land-based Gaming Operations:** Expect expansion across our total Gaming Operations installed base, leveraging our broadening portfolio, while maintaining market-leading average fee per day performance;
- **Digital:** Further growth in bookings supported by new game releases with a significant increase in User Acquisition spend (circa \$100m) as we invest to drive a diversified Digital portfolio;
- Anticipate lifting **D&D investment** across Land-based and Digital, in absolute dollar terms, while remaining broadly in line with FY 2018 as a percentage of sales;
- Moderate growth in **corporate costs** anticipated, as we support a larger, more complex and diverse business;
- **Tax:** A further 100bps - 150bps reduction in the Group's effective tax rate versus FY18 is expected;
- **Seasonality:** FY2019 earnings are expected to be skewed to the second half, reflecting the timing of digital game releases and corresponding UA investment

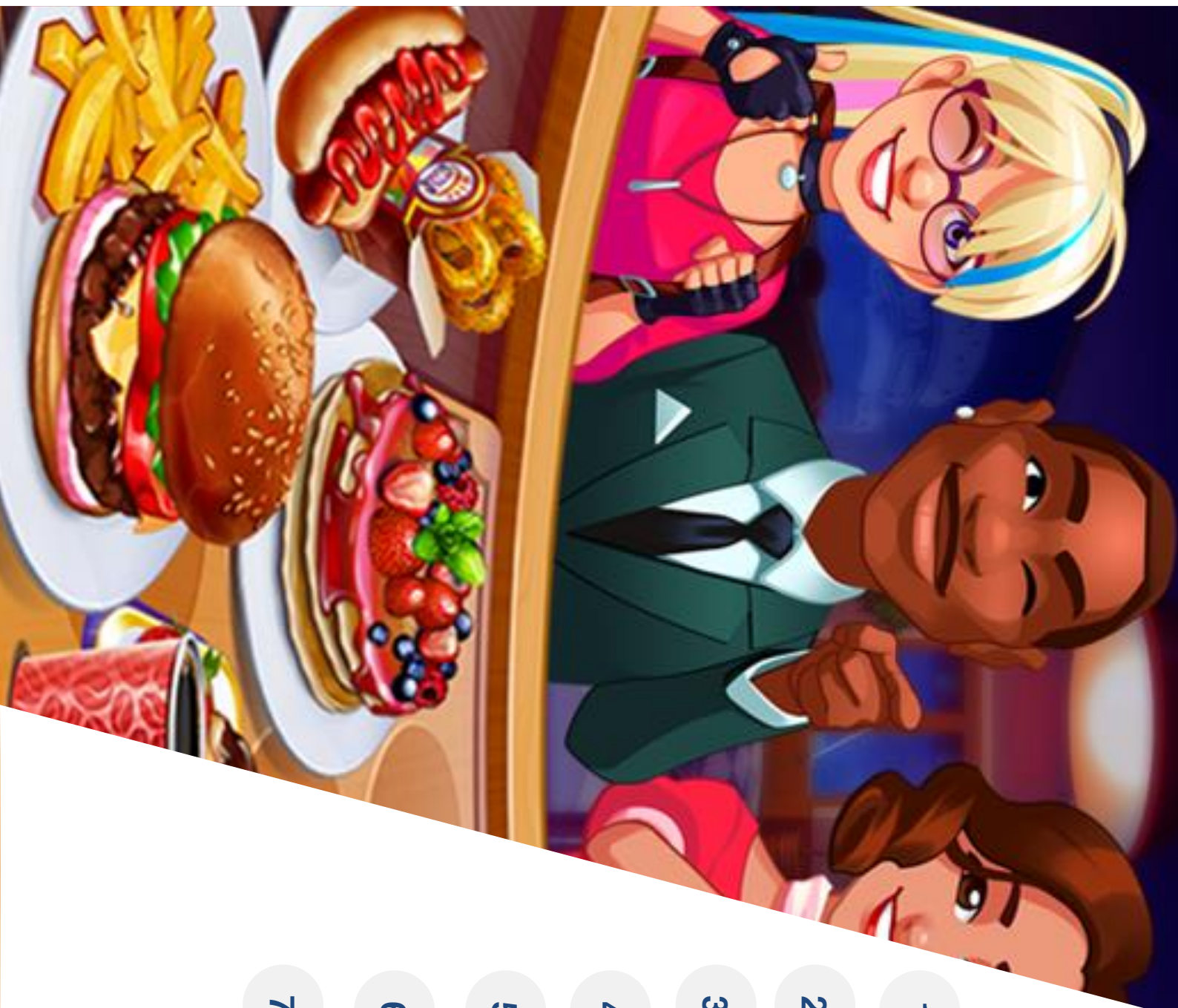
## FY2018 Results Summary

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Continued growth in earnings and dividend, driven by strong performance of both existing businesses and contribution from strategic Digital acquisitions

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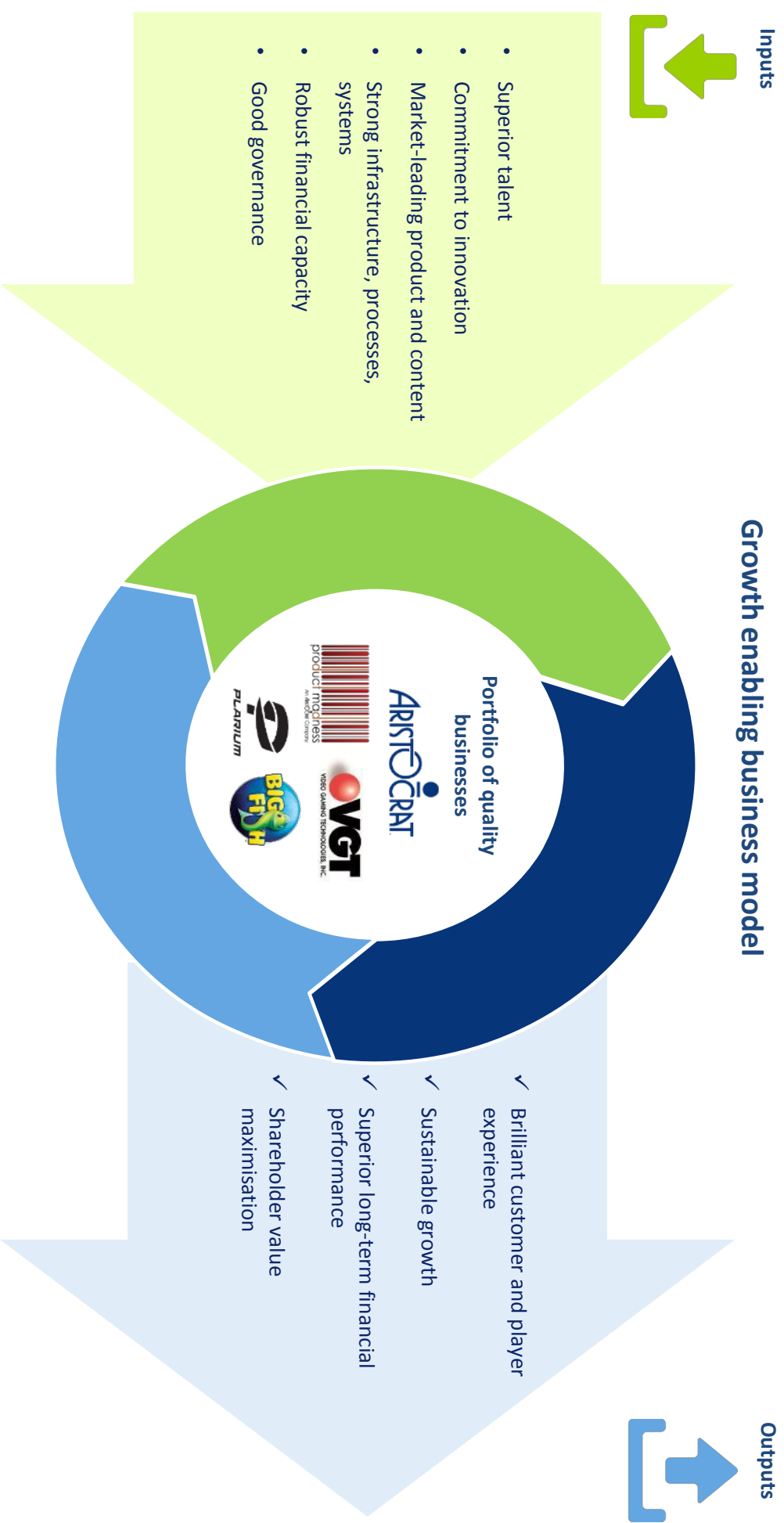
- Record FY 2018 result of A\$729.6m (114.1 cps), representing 34% growth
- A fully franked final dividend of 27.0cps, takes full year dividends of 46.0 cps, up 35%
- Americas land-based operations (segment profit +16% to US\$650m) driven by growth in Premium Class III (+25%), Class II (+8%) Gaming Operations installed base, market-leading FPD increase (+2% to US\$51.81); and maintaining share in an increasingly competitive Outright Sales market
- Record ANZ performance, segment profit +9% to A\$207m
- Transformation and diversification of Aristocrat's Digital business following acquisitions of Plarium and Big Fish. Segment profit of US\$331m, now 27% of Group segment profit
- D&D investment increased 54% to \$414m representing 11.4% of revenue driving industry leading content
- Market-leading EBITDA margin of 36.7% achieved after funding increased D&D and User Acquisition costs
- Strong balance sheet maintained (1.7x pro-forma leverage) providing flexibility to support targeted growth
- Effective tax rate reduction achieved due to high share of earnings in US



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# Appendix - Aristocrat's Strategy

Our operating model supports long-term growth and value creation



# Appendix

## Divisional Financial Information (statutory)

<b>Statutory P&amp;L - Americas</b>		2018	2017
A\$ million			
<b>Revenue</b>			
Revenue from external customers	1,620.2	1,424.5	
Acquisition accounting fair value adjustments	-	-	
Statutory revenue	1,620.2	1,424.5	
<b>EBITDA</b>	1,002.1	847.7	
<i>EBITDA Margin (%)</i>	61.9%	59.5%	
<b>Total Segment Depreciation and Amortisation</b>	142.9	111.3	
<i>D&amp;A (% of Sales)</i>	8.8%	7.8%	
<b>Segment Profit</b>	859.2	736.4	
<i>Profit Margin (%)</i>	53.0%	51.7%	
Amortisation of acquired intangibles	84.1	75.8	
<b>Segment Profit after amortisation of acquired intangibles</b>	775.1	660.6	

<b>Statutory P&amp;L - International</b>		2018	2017
A\$ million			
<b>Revenue</b>			
Revenue from external customers	210.5	214.7	
Acquisition accounting fair value adjustments	-	-	
Statutory revenue	210.5	214.7	
<b>EBITDA</b>	110.5	117.0	
<i>EBITDA Margin (%)</i>	52.5%	54.5%	
<b>Total Segment Depreciation and Amortisation</b>	7.1	4.5	
<i>D&amp;A (% of Sales)</i>	3.4%	2.1%	
<b>Segment Profit</b>	103.4	112.5	
<i>Profit margin (%)</i>	49.1%	52.4%	
Amortisation of acquired intangibles	-	-	
<b>Segment Profit after amortisation of acquired intangibles</b>	103.4	112.5	

<b>Statutory P&amp;L - ANZ</b>		2018	2017
A\$ million			
<b>Revenue</b>			
Revenue from external customers	454.5	431.6	
Acquisition accounting fair value adjustments	-	-	
Statutory revenue	454.5	431.6	
<b>EBITDA</b>	224.6	203.8	
<i>EBITDA Margin (%)</i>	49.4%	47.2%	
<b>Total Segment Depreciation and Amortisation</b>	17.5	13.3	
<i>D&amp;A (% of Sales)</i>	3.9%	3.1%	
<b>Segment Profit</b>	207.1	190.5	
<i>Profit margin (%)</i>	45.6%	44.1%	
Amortisation of acquired intangibles	-	-	
<b>Segment Profit after amortisation of acquired intangibles</b>	207.1	190.5	

<b>Statutory P&amp;L - Digital</b>		2018	2017
A\$ million			
<b>Revenue</b>			
Revenue from external customers	1,338.9	383.0	
Acquisition accounting fair value adjustments	(74.3)	-	
Statutory revenue	1,264.6	383.0	
<b>EBITDA</b>	452.9	159.3	
<i>EBITDA Margin (%)</i>	33.8%	41.6%	
<b>Total Segment Depreciation and Amortisation</b>	14.7	0.4	
<i>D&amp;A (% of Sales)</i>	1.2%	0.1%	
<b>Segment Profit</b>	438.2	158.9	
<i>Profit Margin (%)</i>	32.7%	41.5%	
Amortisation of acquired intangibles	72.2	1.1	
<b>Segment Profit after amortisation of acquired intangibles</b>	366.0	157.8	

## Appendix

### Reconciliation of Statutory Financial Statements Revenue, EBITDA, NPATA, NPAT to Operating and Financial Results (OFR)

A\$ million	Statutory Financial Statements	Non-cash FV of			Review of Operations
		Deferred Revenue on acquisition	Contingent retention arrangements	Acquisition related costs	
Revenue	3,549.8	74.3	-	-	3,624.1
EBITDA	1,224.1	53.2	14.8	36.5	1,328.6
NPATA	655.3	37.8	10.5	26.0	729.6
NPAT	542.6	37.8	10.5	26.0	616.9

**Non-cash fair value of deferred revenue on acquisition:** In accordance with Accounting Standards, this revenue was not recognised by the previous owners of Plarium and Big Fish and cannot be recognised by the new owners. It has been included in the presentation of normalised earnings to explain the underlying performance of the Group and the drivers of its profit.

**Contingent retention arrangements:** post-acquisition retention consideration payable to Plarium founders which cannot be accounted for as purchase consideration.

**Acquisition related costs:** transaction fees paid to advisors; legal, consulting and restructuring costs.