ARISTOCRAT LEISURE LIMITED
ABN 44 002 818 368

2023 HALF YEAR PROFIT ANNOUNCEMENT

RESULTS TO BE RELEASED TO THE MARKET

THIS INFORMATION IS GIVEN TO THE ASX UNDER LISTING RULE 4.2A AND SHOULD BE READ IN CONJUNCTION WITH THE 2022 ANNUAL REPORT OF ARISTOCRAT LEISURE LIMITED

Aristocrat Leisure Limited
Building A Pinnacle Office Park

85 Epping Road
North Ryde NSW 2113

2023 HALF YEAR PROFIT ANNOUNCEMENT

Authorised for lodgement by the Board of Aristocrat Leisure Limited on 18 May 2023

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ARISTOCRAT LEISURE LIMITED

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APPENDIX 4D

Half-Year Report

Half-year ended: 31 March 2023

Previous corresponding period: 31 March 2022

Results for announcement to the market

Statutory results				**31 March 2023 $'m**
Revenue from ordinary activities	up	12.2%	to	3,080.4
Profit from ordinary activities before tax	up	42.6%	to	852.8
Profit from ordinary activities after tax	up	27.3%	to	653.0
Normalised results[1]				
Operating revenue	up	12.2%	to	3,080.4
Profit before tax	up	15.9%	to	816.8
Profit after tax and before amortisation of acquired intangibles	up	13.6%	to	658.8

Dividends

	Amount per security	**Franked amount per security**	**Record date for determining entitlements to dividends**
Current year – 2023			
- Interim dividend	30.0c	30.0c	26 May 2023
Previous year – 2022			
- Interim dividend	26.0c	26.0c	27 May 2022
- Final dividend	26.0c	26.0c	1 December 2022

Dividend Reinvestment Plan

The Aristocrat Leisure Limited Dividend Reinvestment Plan (DRP) will not operate in respect of the 2023 interim dividend.

For further explanation of the above figures please refer to the Review of Operations and market presentations. Other financial information required by the Appendix 4D is contained in the financial statements.

[1] Normalised results exclude the impact of certain significant items which are either individually or in aggregate material to Aristocrat and are outside the ordinary course of business or part of the ordinary activities of the business but unusual due to their size and nature. Details are provided in the Review of Operations.

Business Strategy & Performance Summary

Robust fundamentals and diversification deliver strong portfolio performance in line with growth strategy

Over the six months to 31 March 2023, Aristocrat delivered a quality Group result, reflecting the ongoing resilience, competitiveness and diversification of our portfolio, in line with the business' established growth strategy.

Net profit after tax and before amortisation of acquired intangibles (NPATA) of $658.8 million increased 14% in reported terms (5% in constant currency) compared to the $580.1 million delivered in the prior corresponding period, and earnings before interest, tax, depreciation and amortisation (EBITDA) at $1,025.5 million increased 6% in reported terms (2% decrease in constant currency). Group revenue increased 12% over the same period in reported terms. This was driven by outstanding performance in North American Gaming Operations and global Outright Sales, despite supply chain disruptions and mixed operating conditions across key markets. Pixel United delivered a resilient performance in a challenging environment, as overall mobile bookings moderated and the business continued to manage the impacts of the conflict in Ukraine.

Aristocrat once again invested extensively in product and technology, along with innovation, operational excellence and customer engagement, to drive further share growth in key markets and genres. Across the half year, $372 million was committed to market-leading design and development (D&D), further strengthening and broadening product portfolios. This included $42 million of investment in Anaxi, supporting Aristocrat's entry into online Real Money Gaming (RMG), consistent with its 'build and buy' strategy to grow in this material and logical adjacency. Over the period $240 million in User Acquisition (UA) was also invested, in a dynamic and disciplined way, to deliver mobile portfolio performance and position for future growth.

Online RMG will provide further channels for the distribution of the Group's world-leading content. Aristocrat's online RMG 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 55% of the US iGaming market, and had also completed the acquisition of Roxor Gaming. Roxor's highly scalable and feature rich Remote Game Server and content publishing technology will help accelerate Anaxi's growth plans.

Strong free cash flow generation was applied to fund Aristocrat's growth strategy, while $166 million in surplus cash was returned to shareholders in the form of share buy-backs over the six months to 31 March 2023. At period end, Aristocrat had completed 48% of our up to $1.0 billion on-market share buy-back program, in line with the Group's capital allocation framework.

Aristocrat's engaged team of over 7,500 people around the world put shared values into practice and demonstrated outstanding commitment to deliver these results, despite the challenges and uncertainties.

The business continued to make meaningful strides forward in its ambitious Environmental, Social, & Governance (ESG) agenda. Aristocrat's approach to sustainability is anchored in its most material priorities across the pillars of business operations, product responsibility and people and community. With the support of the NSW government and a major customer, Aristocrat's Australian-first trial of cashless Electronic Gaming Machine (EGM) technology was expanded during the period to include around 140 EGMs. The business also made significant progress towards its commitment to publicly set a Group-wide, science-based emissions reduction target by the end of calendar 2023. Aristocrat published its annual Modern Slavery statement, providing more detail on the steps the business is taking to recognise, assess and minimise these risks across its supply chains.

In summary, the Group delivered a resilient result for the first half of the 2023 financial year, demonstrating excellent fundamentals and strong operational momentum. Once again, Aristocrat's performance highlights the benefit of sustained investment to grow and diversify its operations, including in adjacent markets and segment opportunities.

Aristocrat remains fully focused on delivering long term sustainable performance for shareholders, employees, customers, players and other stakeholders.

Group Performance

Earnings Summary

Key performance indicators for the current period and prior corresponding period are set out below:

A$ million	Constant currency[2] Six months to 31 March 2023	Six months to 31 March 2023	Six months to 31 March 2022	Variance vs. 2022 Constant currency[2] %	Variance vs. 2022 Reported %
Normalised results[1]					
Operating revenue	2,874.2	3,080.4	2,745.4	4.7	12.2
EBITDA	949.7	1,025.5	970.3	(2.1)	5.7
EBITA	824.6	892.6	843.5	(2.2)	5.8
NPAT	572.3	619.1	530.7	7.8	16.7
NPATA	609.1	658.8	580.1	5.0	13.6
Earnings per share (fully diluted)	86.8c	93.9c	80.0c	8.5	17.4
EPS before amortisation of acquired intangibles (fully diluted)	92.4c	100.0c	87.5c	5.6	14.3
Interim dividend per share	30.0c	30.0c	26.0c	15.4	15.4
Reported results					
Revenue	2,874.2	3,080.4	2,745.4	4.7	12.2
Profit after tax	605.3	653.0	513.0	18.0	27.3
NPATA	642.1	692.7	562.4	14.2	23.2
Balance sheet and cash flow					
Net working capital/revenue	5.6%	5.4%	1.9%	3.7pts	3.5pts
Operating cash flow	567.8	613.1	502.4	13.0	22.0
Closing net (cash)/debt	(426.9)	(440.1)	(523.5)	(18.5)	(15.9)
Gearing (net (cash)/debt to consolidated EBITDA[3])	n/a	(0.2)x	(0.3)x	n/a	(0.1)x

1. Normalised results are statutory profit (before and after tax), excluding the impact of certain significant items detailed on page 8.
2. Results for 6 months to 31 March 2023 are adjusted for translational exchange rates using rates applying in 2022.
3. Consolidated EBITDA for the Group as defined in Aristocrat's Syndicated Facility Agreement (also referred to as Bank EBITDA).

The information presented in this Review of Operations has not been audited in accordance with the Australian Auditing Standards.

Operational Highlights

The Group's portfolio of scaled, world-class Aristocrat Gaming and Pixel United assets delivered a quality result over the 6 months to 31 March 2023, off the back of superior products, ongoing investment and high quality execution, despite mixed market conditions across key segments. Key operational highlights for the period are set out below.

Growth in Aristocrat Gaming driven by high performing products and game titles and superior execution in North America

In North America:

- Outright Sales delivered strong growth, with unit sales and average selling price per unit increasing 27% and 21% respectively on the prior corresponding period.
- Premium Class III and Class II installed base grew 14% to 33,764 units and 3% to 27,299 respectively with continued penetration of leading hardware configurations and high performing game titles.
- Average fee per day was US$55 compared to US$56 in the prior corresponding period.
- Aristocrat Gaming was once again the leading supplier in the US market, achieving portfolio performance of 1.4x floor average[1]. Aristocrat games featured in 20 of the top 25 premium leased games, 14 of the Top 25 Class II Mechanical Reel games, and 13 of the Top 25 Class II Video Reel games according to industry data[2].
- The business continued its successful expansion into strategic adjacencies including the Video Lottery Terminal (VLT) segments in Canada, Oregon, Illinois and New York, the Central Determinant System (CDS) segment in Washington and Historical Horse Racing (HHR) markets in Kentucky, Louisiana and New Hampshire.
- At the 2023 EKG Slot Awards, Aristocrat Gaming repeated as "best overall supplier of slot content". Overall, Aristocrat won 6 out of an eligible 12 awards in the land-based gaming segment, further underscoring the superior quality of the business' product portfolio.

In Australia and New Zealand (ANZ):

- Challenging operating environment with regulatory uncertainty and increased competition.
- Maintained market-leading ship share supported by the continued penetration of the *MarsX*™ cabinet and a high performing game portfolio.

In International (Class III):

- Growth driven by improved operating conditions in Europe, together with benefits from churn across Asia.

Resilient Pixel United performance, outperforming the global mobile games market and continuing to grow share in Social Casino

- Pixel United navigated challenging market conditions as the Tier-1 mobile games market declined 7% in the period[3].
- Retained its position as a Top 5 mobile games publisher in Tier-1 western markets, with leading positions in key genres, including #1 position in the Social Slots segment, #2 in the broader Social Casino genre, as well as #1 in the Squad RPG (Role-Playing Games) segment and #4 in the Casual Merge segment, as reported by industry data[3].
- As at period end, Pixel United titles accounted for 6 of the top 100 mobile games in the US[3] 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 performance in Social Casino and RPG, Strategy & Action.

Superior investment in great talent, technology and product

- Aristocrat continued its fully funded organic investment in game design, development and technology throughout the period, in line with its product-focused growth strategy.
- Investment in talent and technology continued to grow to support the execution of Anaxi's online RMG strategy, including the completion of the acquisition of Roxor Gaming in the period, and growth in other key adjacencies.
- D&D investment increased to 12% on a percentage of revenue basis, and UA investment at around 27% of Pixel United revenue.

Strong financial fundamentals, preserving full investment optionality

- Capital expenditure of $173.1 million supported further investment in Gaming Operations to fuel further growth.
- Gearing, net (cash)/debt to EBITDA, increased to (0.2)x at period end from (0.3)x at 31 March 2022.
- Aristocrat's balance sheet remained strong, with approximately $3.5 billion in available liquidity as at 31 March 2023 to support committed and future investments enabling the $171.2 million final dividend payment, and $166.3 million of shares purchased through the on-market share buy-back program in the period.

[1] Based on the average theoretical net win index versus house, Eilers March 2023 report for North America
[2] Eilers March 2023 report

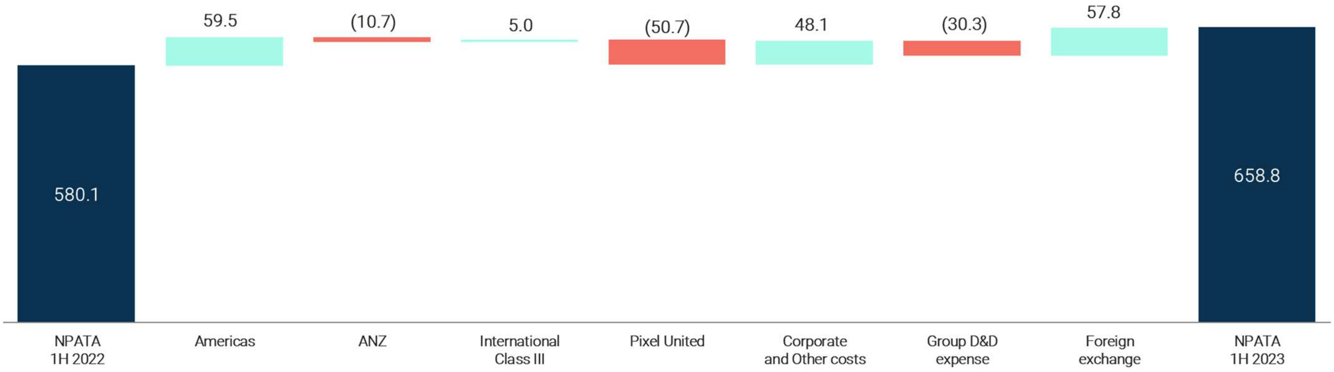
[3] Tier-1 Western markets: 12 months to 31 March 2023, Sensor Tower

Performance Summary

Normalised profit after tax and before amortisation of acquired intangibles (NPATA) of $658.8 million for the period represented a 14% increase (5% in constant currency) compared to the $580.1 million delivered in the prior corresponding period. Revenue increased by 12% (5% in constant currency), driven by strong performance in North American Outright Sales. In a challenging market, Pixel United delivered a resilient, albeit lower, result. Normalised fully diluted earnings per share before amortisation of acquired intangibles of 100.0c represents a 14% increase (6% in constant currency) on the prior corresponding period.

Net gearing increased to (0.2)x from (0.3)x in the prior corresponding period.

NPATA movement 1H2022 to 1H2023 (A$ million)



Movements in the graph above are on a constant currency basis and are tax effected at the prior year effective tax rate.

- NPATA of $658.8 million was 14% above the 1H2022 result of $580.1 million, reflecting strong performance in the Americas Gaming market, resilience in Pixel United despite challenging market conditions, interest income and foreign exchange benefits as well as effective strategic investment in talent and technology.
- In Aristocrat Gaming:
  - Americas delivered a $59.5 million increase in post-tax profit, driven by a 27% increase in Outright Sales units, reflecting increased customer capital availability, penetration of our Portrait cabinets and successful expansion into strategic adjacencies. Growth in the Gaming Operations footprint in North America of 9% to over 61,000 units was partially offset by a 2% reduction in average fee per day to US$54.83.
  - ANZ post-tax earnings declined by $10.7 million, attributable to flat revenues in challenging market conditions coupled with higher input costs, partly offset by favourable product mix and higher average selling price with further penetration of the *MarsX*™ cabinet.
  - The International Class III segment grew post-tax earnings by $5.0 million largely benefitting from improved operating conditions in Europe and churn in the Asia market, supported by the successful release of *Dragon Link*™ in the Philippines during the period.
- Pixel United post-tax earnings decrease of $50.7 million reflected an overall decline in the mobile games market[1] and disruption caused by the conflict in Ukraine including the cessation of all gaming activities in Russia in March 2022. Monetisation improved compared to 1H2022 with performance supported by the resilience of Social Casino franchises *Lightning Link*™ and *Jackpot Magic Slots*™, as well as solid performance of *RAID: Shadow Legends*™.
- Corporate and other costs decreased by $48.1 million post-tax, largely due to interest income benefits, and 1H2022 including costs associated with the lapsed Playtech acquisition offer, partly offset by continued investment in strategic capabilities.
- The Group's strategic investment in talent and technology increased over the period and remained at industry leading levels, in line with our growth plans, and including the scaling of Anaxi.
- Foreign exchange positively impacted the result by $57.8 million.

[1] Tier-1 Western markets 7% market decline in the 12 months to 31 March 2023, Sensor Tower

Group Profit or Loss

Results in the current period and prior corresponding period are in reported currency and normalised for significant items as outlined on page 8. Segment profit is stated before amortisation of acquired intangibles.

A$ million	Six months to 31 March 2023	Six months to 31 March 2022	Variance %
Segment revenue			
Australia and New Zealand	221.6	222.7	(0.5)
Americas	1,448.5	1,146.1	26.4
International Class III	88.0	64.0	37.5
Pixel United	1,322.3	1,312.6	0.7
Total segment revenue	3,080.4	2,745.4	12.2
Segment profit			
Australia and New Zealand	76.5	90.8	(15.7)
Americas	800.1	663.6	20.6
International Class III	38.5	29.9	28.8
Pixel United	390.3	428.3	(8.9)
Total segment profit	1,305.4	1,212.6	7.7
Unallocated expenses			
Group D&D expense	(371.7)	(312.8)	(18.8)
Foreign exchange	13.6	2.6	423.1
Corporate	(54.7)	(58.9)	7.1
Total unallocated expenses	(412.8)	(369.1)	(11.8)
EBIT before amortisation of acquired intangibles (EBITA)	892.6	843.5	5.8
Amortisation of acquired intangibles	(51.6)	(63.9)	19.2
EBIT	841.0	779.6	7.9
Interest	(24.2)	(75.0)	67.7
Profit before tax	816.8	704.6	15.9
Income tax	(197.7)	(173.9)	(13.7)
Profit after tax (NPAT)	619.1	530.7	16.7
Amortisation of acquired intangibles after tax	39.7	49.4	(19.6)
Profit after tax and before amortisation of acquired intangibles (NPATA)	658.8	580.1	13.6

Revenue

Segment revenue increased $335.0 million or 12.2% in reported currency (4.7% in constant currency), driven by growth across Gaming Outright Sales and the North American Gaming Operations footprint.

The percentage derived from recurring sources in the period decreased from 75.7% in the prior corresponding period to 71.6%. This primarily reflected an increase in Outright Sales across Aristocrat Gaming, driven by Aristocrat's top-performing product portfolios.

In Aristocrat Gaming, North America Outright Sales revenue increased 46.2% in local currency, as customers committed more capital to Aristocrat's high performing products. Increased penetration of *Neptune Single*™, launched in August 2022, *MarsX*™ Portrait cabinets and successful expansion into strategic adjacencies drove this result.

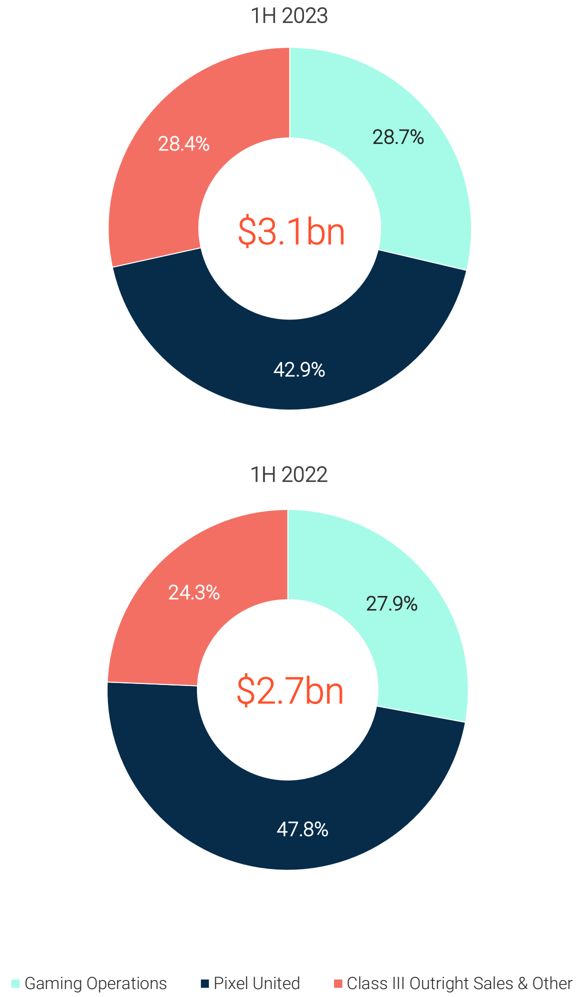
North America Gaming Operations revenue increased 7.1% in local currency. Premium Class III and Class II footprints increased 14.4% and 2.7% respectively, fuelled by increased penetration of high performing products including *Dragon Link*™, *Buffalo Link*™ and the newly released *Jackpot Carnival*™. Average fee per day was broadly in line with the prior corresponding period at US$54.83.

In the predominantly outright sales markets of ANZ, revenue decreased marginally by 0.5% to $221.6 million in reported currency amid challenging market conditions.

In the International Class III segment, revenue increased 37.5% to $88.0 million in reported currency benefitting from churn in the Asia market, with the market now fully open, and improved operating conditions across Europe.

Pixel United revenue declined 6.5% in local currency to US$891.3 million, reflecting the overall 7% decline of the mobile games market[1] compared to the prior corresponding period and factored the decision to cease operating games in Russia in March 2022. Pixel United continued to take share supported by the resilience of Social Casino franchises *Lightning Link*™ and *Jackpot Magic Slots*™, and the performance of *RAID: Shadow Legends*™, *Mech Arena: Robot Showdown*™ and more recently the re-launch of *Merge Gardens*™.

Revenue by Strategic Segment



All amounts are in reported currency unless otherwise stated.

[1] Tier-1 Western markets: 12 months to 31 March 2023, Sensor Tower

Earnings

Segment profit increased $92.8 million or 7.7% in reported currency (flat in constant currency), compared to the prior corresponding period.

Americas Gaming margin decreased from 57.9% to 55.2%, due to product mix and the impact of higher, but easing, input costs in the supply chain.

Pixel United's margin decreased from 32.6% to 29.5%, reflecting the overall market decline, our exit from the higher margin Russian market, a reduction in bookings from some higher margin legacy products and the on-going costs associated with the conflict in Ukraine. This was partially offset by increased contribution from the proprietary platform Plarium Play, effective cost management and efficient investment of UA across the portfolio.

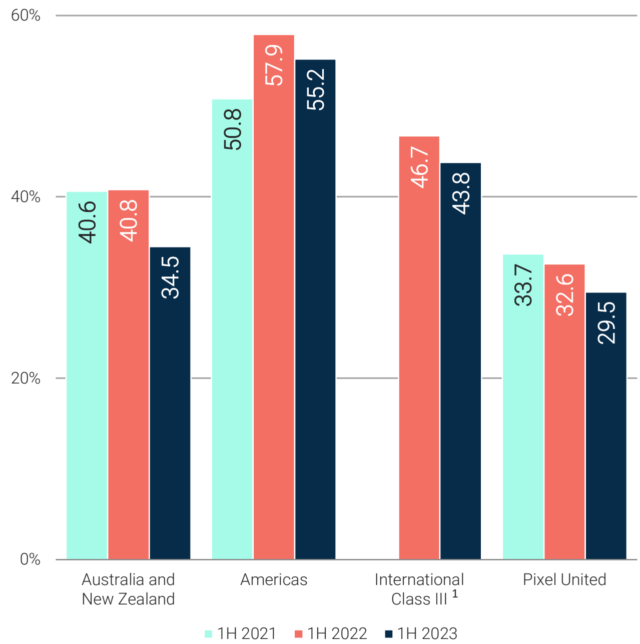
The Group continued its incremental investment in talent and technology to deliver competitive product across a broader range of priority segments and genres, while investing to establish Anaxi and scale online RMG. Investment in D&D increased to 12.1% on a percentage of revenue basis.

Corporate costs decreased by $4.2 million, driven by continued investment in strategic capabilities and talent across the regions, more than offset by reduced costs in the period associated with the lapsed Playtech acquisition offer in 1H2022.

Interest improved by $50.8 million largely attributable to higher interest income on cash balances.

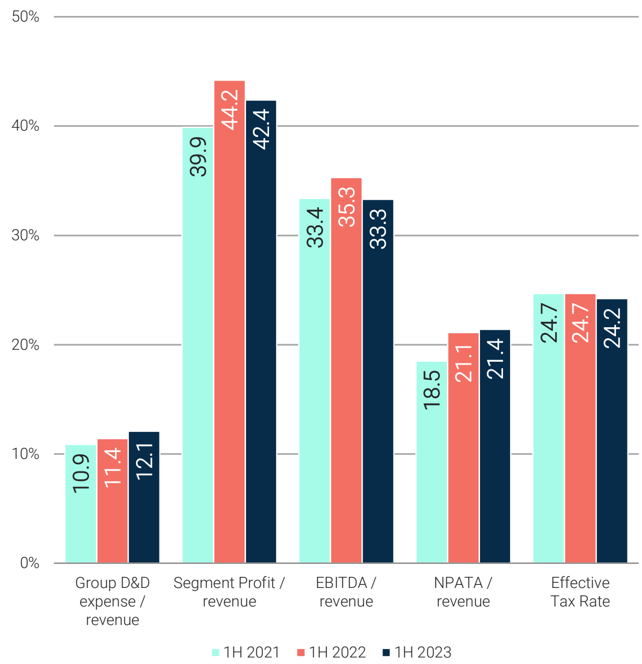
The effective tax rate (ETR) for the reporting period was 24.2%.

Segment Profit Margin % of Revenue



1. International Class III 1H 2021 margin of (51.8%) was driven by the effective closure of these markets in the reporting period.

Other Key Margins % of Revenue and ETR



Reconciliation of statutory profit to NPATA

A$ million	Six months to 31 March 2023	Six months to 31 March 2022
Statutory profit as reported in the financial statements	653.0	513.0
Amortisation of acquired intangibles (tax effected)	39.7	49.4
Reported profit after tax before amortisation of acquired intangibles (Reported NPATA)	692.7	562.4
(Less)/Add back net (gain)/loss from significant items after tax	(33.9)	17.7
Normalised profit after tax before amortisation of acquired intangibles (Normalised NPATA)	658.8	580.1

Significant items

	31 March 2023	
A$ million	Before tax	After tax
Litigation proceeds	36.0	25.1
Changes in deferred tax asset	-	8.8
Net gain from significant items	36.0	33.9

Significant Items included in the Group's reported result after tax:

Litigation proceeds: The Group's reported result after tax for the period includes a net benefit of $25.1 million relating to an intellectual property matter finalised in the period.

Changes in deferred tax asset: The Group's reported result after tax for the period includes a net benefit of $8.8 million recognised in the period relating to the Group structure changes in a prior period.

Balance Sheet

The balance sheet can be summarised as follows:

A$ million	31 Mar 2023	30 Sep 2022	31 Mar 2022	Variance vs. 31 Mar 2022 %
Cash and cash equivalents	2,743.2	3,021.3	2,980.9	(8.0)
Property, plant and equipment	377.4	357.8	308.8	22.2
Intangible assets	3,882.5	3,891.2	3,392.3	14.5
Other assets	3,008.8	2,850.1	2,550.3	18.0
Total assets	10,011.9	10,120.4	9,232.3	8.4
Current borrowings	95.7	99.9	-	n/a
Non-current borrowings	2,207.4	2,357.4	2,457.4	(10.2)
Payables, provisions and other liabilities	1,555.6	1,640.4	1,448.4	7.4
Total equity	6,153.2	6,022.7	5,326.5	15.5
Total liabilities and equity	10,011.9	10,120.4	9,232.3	8.4
Net working capital	318.3	64.1	100.9	215.5
Net working capital / revenue %	5.4	1.2	1.9	3.5pts
Net (cash) / debt	(440.1)	(564.0)	(523.5)	(15.9)
Gross debt	2,303.1	2,457.3	2,457.4	(6.3)

Significant balance sheet movements from 31 March 2022 are:

Cash and cash equivalents: The decrease largely reflects the acquisition of Roxor Gaming for $175.2 million (£100 million), which was completed in January 2023, and actions under Aristocrat's capital management strategy, offset by continued strong cash flow generation capability of the business. Capital management included the on-market share buy-back program of up to $1.0 billion, through which $478.3 million ($166.3 million in 1H2023) of shares have been bought, and additional net repayments of Term loan facilities of $492.2 million ($50.0 million in 1H2023).

Net working capital: The movement reflects the growth in the Gaming business revenue compared to the prior corresponding period, with continued focus on maintaining customer order fulfillment and effectively managing global supply chain challenges resulting in higher levels of inventory, as well as timing of receivables across the business.

Intangible assets: The change in intangibles reflects the acquisition of Roxor Gaming[1] and foreign exchange movements.

Total equity: The change in total equity reflects the results for the period, changes in reserves due to currency movements, the on-market share buy-back and dividends paid.

[1] Intangible assets for Roxor Gaming are based on provisional purchase price accounting.

Statement of Cash Flows

The movement in cash, after eliminating foreign exchange movements in cash, is set out below:

Operating cash flow

A$ million	Six months to 31 Mar 2023	Six months to 31 Mar 2022	Change %
EBITDA	1,025.5	970.3	5.7
Change in net working capital	(254.2)	(206.1)	(23.3)
Interest and tax	(250.6)	(305.9)	18.1
Other significant items (cash and non-cash)	36.0	(6.4)	n/a
Other cash and non-cash movements	56.4	50.5	11.7
Operating cash flow	613.1	502.4	22.0
Operating cash flow less capex	440.0	371.4	18.5

Consolidated cash flow

A$ million	Six months to 31 Mar 2023	Six months to 31 Mar 2022	Change %
Operating cash flow	613.1	502.4	22.0
Capex	(173.1)	(131.0)	(32.1)
Acquisitions	(175.2)	-	n/a
Payments for financial assets at fair value through profit or loss	-	(92.3)	n/a
Proceeds from disposal of financial assets at fair value through profit or loss	-	28.7	n/a
Investments	(4.4)	(1.4)	(214.3)
Investing cash flow	(352.7)	(196.0)	(79.9)
Repayments of borrowings	(50.0)	(683.0)	92.7
Proceeds from issue of shares (net of transaction costs)	-	1,277.2	n/a
Payments for shares bought back (net of transaction costs)	(166.3)	-	n/a
Lease principal payments	(20.8)	(19.3)	(7.8)
Dividends and Employee share purchases	(213.4)	(232.2)	8.1
Financing cash flow	(450.5)	342.7	n/a
Net (decrease) / increase in cash	(190.1)	649.1	n/a

Operating cash flow increased 22.0% to $613.1 million compared to the prior corresponding period, reflecting continued strong business performance and underlying cash flow generation, increased interest income on cash balances and receipt of litigation proceeds, partially offset by increases in working capital.

The change in net working capital in the period reflects the continued growth in Aristocrat's Gaming business revenue compared to the prior corresponding period, timing of receivables and increased inventory levels to ensure customer order fulfilment.

Interest and tax decreased 18.1%, reflecting the benefits from interest income on cash balances.

Capital expenditure relates primarily to investment to support continued growth in the Americas Gaming Operations installed base. The $175.2 million in acquisitions relates to Roxor Gaming which was completed in the period.

During the period, $166.3 million of shares have been purchased through the on-market share buy-back program.

Cash flow in the statutory format is set out in the financial statements.

Funding and Liquidity

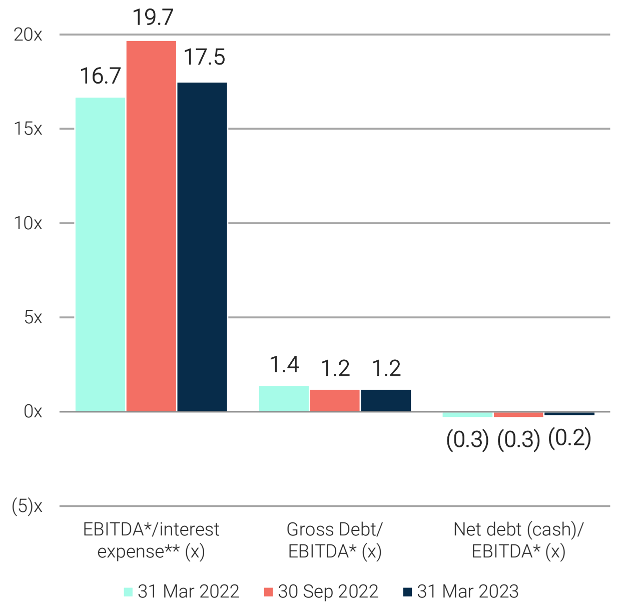
The Group maintained ample liquidity and a strong balance sheet over the reporting period. The Group had committed loan facilities of $3.1 billion as at 31 March 2023, comprising a US$1.3 billion Term Loan A, US$250 million Term Loan B and a US$500 million revolving credit facility.

At period end, Aristocrat had total liquidity of approximately $3.5 billion, comprised of cash and $738 million of the available revolving credit facility, net of $10 million supporting letters of credit.

The Group's facilities are summarised as follows:

Facility	Drawn as at 31 Mar 2023	Limit	Maturity date
Term Loan A facility	US$1,299.4m	US$1,299.4m	May 2027
Term Loan B facility	US$250.0m	US$250.0m	May 2029
Revolving facility	US$0.0m	US$500.0m	May 2027
Overdraft facilities	A$0.0m	A$8.0m	Annual Review

The Group's interest and debt coverage ratios are as follows:



* EBITDA refers to Consolidated EBITDA for the Group as defined in Aristocrat's Syndicated Facility Agreement (also referred to as Bank EBITDA).
** Interest expense shown above includes ongoing finance fees relating to bank debt facility arrangements, such as line fees.

The Group's leverage, net (cash)/debt to EBITDA, increased to (0.2)x at 31 March 2023, from (0.3)x in the prior corresponding period.

Credit Ratings

As at 31 March 2023, Aristocrat held credit ratings of BB+ from Standard & Poor's, Ba1 from Moody's, and BBB- from Fitch. These ratings were affirmed by all three agencies during the reporting period.

Dividends

The Directors have authorised an interim fully franked dividend of 30.0 cents per share (A$196.3 million), in respect to the period ended 31 March 2023.

The dividend is expected to be declared and paid on 3 July 2023 to shareholders on the register at 5.00pm 26 May 2023. The dividend will be fully franked.

Foreign Exchange

Given the extent of the Group's global operations, its reported results are impacted by movements in foreign exchange rates.

In the six months to 31 March 2023, the Australian dollar was, on average, weaker against the US dollar when compared to the prior corresponding period. The impact of translating foreign currency (translational impact) increased revenue by $206.2 million, while increasing NPATA by $49.7 million on a weighted average basis when compared with rates prevailing in the respective months in the prior corresponding period. In addition, as at 31 March 2023, the cumulative effect of the retranslation of the net assets of foreign controlled entities (recognised through the foreign currency translation reserve) was a credit balance of $399.3 million (compared to a debit balance of $123.1 million as at 31 March 2022).

Based on the Group's typical historical mix of profitability, the major exposure to translational foreign exchange results from the Group's US dollar profits. A US 1 cent change in the US$: A$ exchange rate resulted in an estimated annualised $19 million translational impact on the Group's annual profit after tax and before amortisation of acquired intangibles, based on the last 12 month period. This impact will vary in line with the magnitude and mix of overseas profits.

Foreign exchange rates compared with prior corresponding periods for the US dollar are as follows:

A$:	31 Mar 2023	30 Sep 2022	31 Mar 2022	Six months to 31 March 2023 Average[1]	Six months to 31 March 2022 Average[1]
USD	0.6683	0.6397	0.7496	0.6744	0.7270

1. Average of monthly exchange rates only. No weighting applied.

Segment Review

Segment profit represents earnings before interest and tax, and before significant items detailed on page 8, charges for D&D expenditure, amortisation of acquired intangibles and corporate costs. The total amount of these items is disclosed in the Group's statement of profit or loss. Constant currency amounts refer to 2023 results restated using exchange rates applying in 2022.

1. Aristocrat Gaming

Americas

Summary Profit or Loss

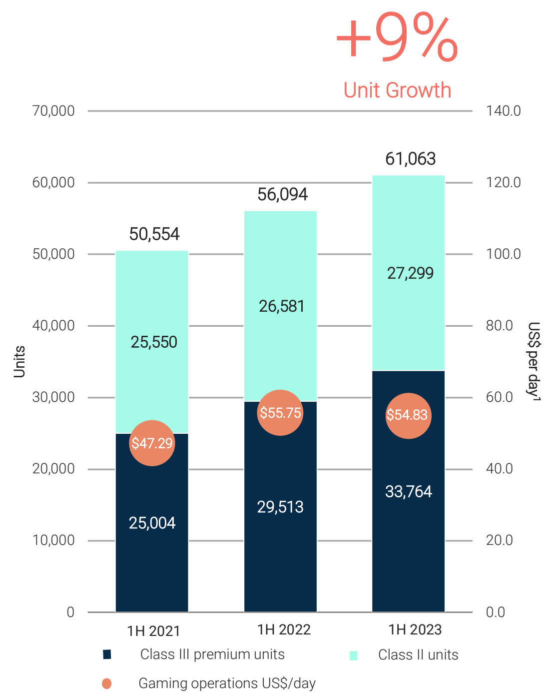
US$ million	Six months to 31 Mar 2023	Six months to 31 Mar 2022	Variance %
Revenue	976.5	833.5	17.2
Profit	539.6	482.6	11.8
Margin	55.3%	57.9%	(2.6) pts

In local currency, Americas profit increased by 11.8% to $539.6 million, driven by continued growth in both Outright Sales and the Class III Premium and Class II Gaming Operations footprint, supported by the depth and strength in the product portfolio.

Overall margin decreased 2.6 percentage points to 55.3%, due to product mix and the continuing, but improving, impact of higher input costs driven by supply chain challenges.

Aristocrat's Class III Premium and Class II Gaming Operations installed base grew 9% to exceed 61,000 units. Outright Sales units grew 27% and average selling price grew 21% reflecting continued penetration of leading hardware configurations, high performing game titles and successful expansion into adjacent markets.

North America Gaming Operations units and Average US$ fee/day



Aristocrat's Class III Premium installed base grew 14.4% to 33,764 units. Key titles including *Dragon Link*™, *Buffalo Link*™ and the newly released *Jackpot Carnival*™ drove momentum in the period.

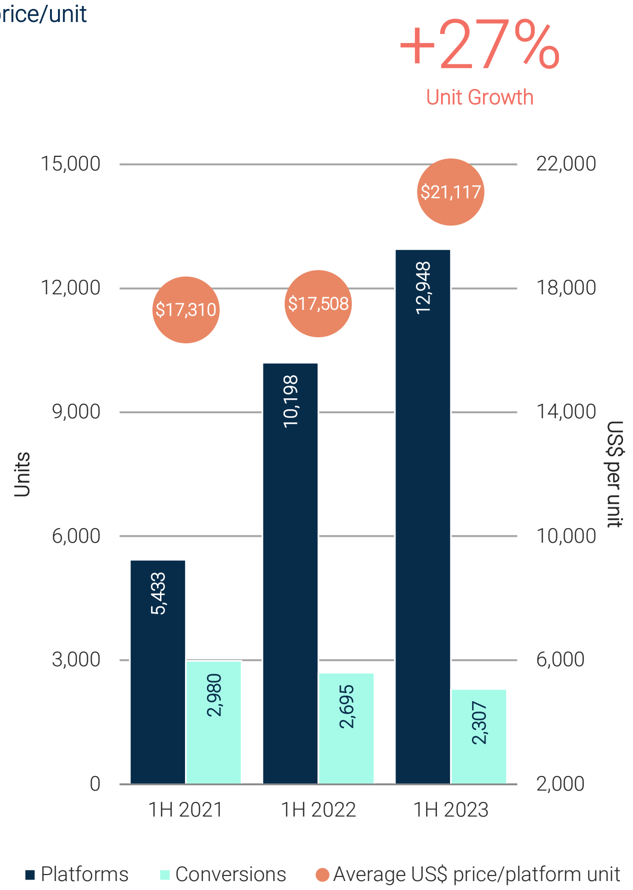
Aristocrat's Class II Gaming Operations installed base grew 2.7% during the period to 27,299 units reflecting increased *MarsX*™ cabinet penetration. Strong game performance was achieved on the *Ovation*™ platform, driven by titles such as *Hunt for Neptune's Gold*™ and *Buffalo Chief*™.

Aristocrat Gaming maintained portfolio performance of 1.4x floor average[1] in the period. Exceptional portfolio strength demonstrated by Aristocrat featuring in 20 of the Top 25 premium leased games, 14 of the Top 25 Class II Mechanical Reel games, and 13 of the Top 25 Class II Video Reel games according to industry data[2].

On a combined basis, the average Class III and Class II FPD decreased 1.7% to US$54.83 compared to the prior corresponding period.

[1] Based on the average theoretical net win index versus house, Eilers March 2023 report for North America
[2] Eilers March 2023 report

North America Outright Sales units and Average US$ price/unit

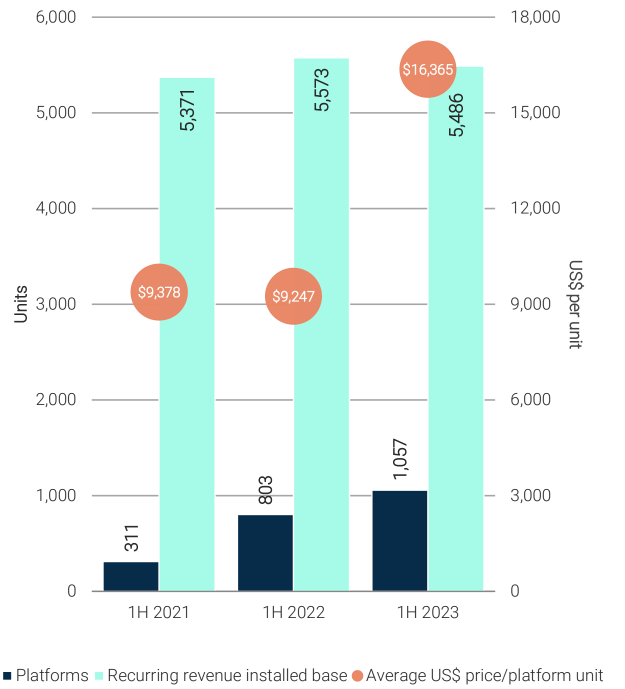


Outright Sales revenue increased 46% compared to the prior corresponding period, fuelled by larger customer capital commitments, increased penetration of premium portrait cabinets, as well as successful expansion into strategic adjacencies. Average Selling Price (ASP) per unit increased 21%, and unit sales grew by 27% over the prior corresponding period.

MarsX™ Portrait and *Neptune Single*™ (launched August 2022) penetration was enabled by continued strong game performance, led by *Coin Trio*™, *Buffalo Ascension*™, *Bao Zhu Zhao Fu*™ and *Wonder 4 Boost Gold*™.

Successful expansion continued into attractive adjacencies, including the Video Lottery Terminal (VLT) segments in Canada, Oregon, Illinois, and New York, the Central Determinant System (CDS) segment in Washington, and Historical Horse Racing (HHR) markets in Kentucky, Louisiana, and New Hampshire.

Latin America Outright Sales units, Average US$ price/unit and Recurring Revenue installed base



Growth in Latin America performance improved in the period driven by economic conditions relative to the prior corresponding period. Average cabinet selling price increased from the prior corresponding period due to an increased proportion of sales arising from new cabinets.

Australia and New Zealand

Summary Profit or Loss

A$ million	Constant currency Six months to 31 Mar 2023	Six months to 31 Mar 2022	Variance %
Revenue	221.9	222.7	(0.4)
Profit	76.6	90.8	(15.6)
Margin	34.5%	40.8%	(6.3) pts

In challenging market conditions with regulatory uncertainty and higher competition, ANZ revenue, which is predominately outright sales, declined by 0.4% to $221.9 million in constant currency compared to the prior corresponding period. In the same period profit decreased by 15.6% to $76.6 million.

Margin decreased 6.3 percentage points to 34.5% due to increased input costs in the period, partly offset by favourable product mix and higher average selling price, driven by further penetration of the *MarsX*™ cabinet.

ANZ Outright Sales units and Average A$ price/unit

Despite the challenged conditions, the ANZ business maintained its market-leading ship share, driven by the continued success of the *Dollar Storm*™ game families and the newly released *Cash Express Luxury Line*™.

Aristocrat continued to grow its investment in responsible gameplay initiatives, with the expansion of Aristocrat's Australian-first cashless gaming technology trial in New South Wales, in partnership with government and regulatory bodies.

International Class III

Summary Profit or Loss

A$ million	Constant currency Six months to 31 Mar 2023	Six months to 31 Mar 2022	Variance %
Revenue	84.0	64.0	31.3
Profit	36.6	29.9	22.4
Margin	43.6%	46.7%	(3.1) pts
Class III Platforms	1,969	1,250	57.5

International Class III revenue and profit increased 31.3% and 22.4% respectively to $84.0 million and $36.6 million compared to the prior corresponding period. Revenue and profit grew in the European market, benefitting from improved operating conditions. In Asia, recovering performance was driven by higher churn in the market coupled with the successful release of *Dragon Link*™ in the Philippines during the period.

Aristocrat was awarded "Best Slot Product (Land-based)" at the 2023 Asia Gaming Awards[1].

All Asian markets are now open, with Macau opening its borders without restrictions to international visitors in January 2023.

[1] 2023 Asia Gaming Awards

2. Pixel United

Summary Profit or Loss

US$ million	Six months to 31 Mar 2023	Six months to 31 Mar 2022	Variance %
Bookings	885.5	951.4	(6.9)
Revenue	891.3	953.4	(6.5)
Profit	262.7	310.9	(15.5)
Margin	29.5%	32.6%	(3.1) pts

Pixel United bookings declined 6.9% compared to the prior corresponding period to US$885.5 million, mainly due to the 7% decline of the mobile games market[1], challenges in the Casual genre, and the decision to cease operating its games in Russia in March 2022, which has historically represented around 3% of annualised Pixel United bookings.

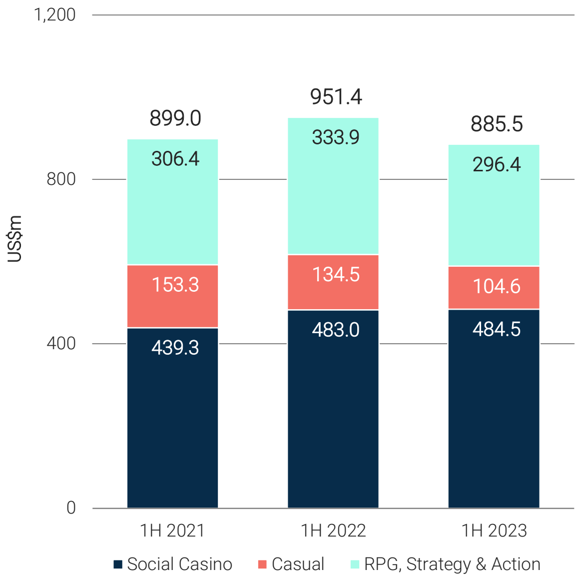
Underlying revenue performance demonstrated effective player engagement, supported by investments in Live Ops, features and new content. Performance reflected the resilience of Social Casino franchise *Lightning Link*™, the continued performance of *RAID: Shadow Legends*™, growth from *Mech Arena: Robot Showdown*™ and the recently re-launched game, *Merge Gardens*™.

Pixel United delivered a profit of US$262.7 million compared to the US$310.9 million achieved in the prior corresponding period. Margin decreased 3.1 percentage points to 29.5% driven by the overall market decline, our exit from the higher margin Russian market, a reduction in bookings from some higher margin legacy products and the on-going costs associated with the conflict in Ukraine. This was partly offset by increased contribution from the proprietary platform Plarium Play, efficient investment in UA across the portfolio and effective cost management.

Social Casino

Social Casino contributed bookings of US$484.5 million, an increase of 0.3% on the prior corresponding period, driven primarily by the strong growth of *Lightning Link*™, and the ongoing performance of *Jackpot Magic Slots*™, partly offset by some softening of *Big Fish Casino*™, *Heart of Vegas*™ and *Cashman Casino*™. Despite market conditions, these titles benefited from successful investment in Live Ops, features, new slot content and effective investment in UA.

Bookings[1] by Genre



Note to the chart:
1. Bookings are an operational metric reflecting the amount of virtual currency, virtual goods and premium games the consumer has purchased. Reported revenue comprises bookings adjusted for deferred revenue.

RPG, Strategy and Action (Midcore)

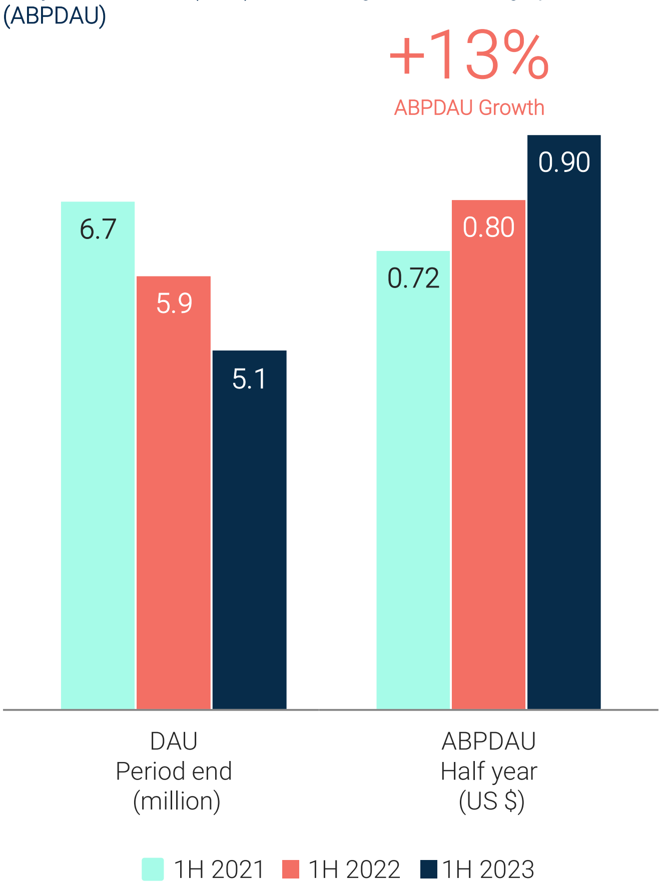
Role-Playing Games (RPG), Strategy and Action contributed US$296.4 million in bookings, a decrease of 11.2% compared to the prior corresponding period. This was mainly due to the cessation of games activities in Russia in March 2022 and the decline in revenues from *RAID: Shadow Legends*™ as this world-class title moves into profit mode.

Casual

Casual delivered US$104.6 million in bookings, a decrease of 22.2% on the prior corresponding period, due to the maturity of the Casual games portfolio, the moderation of *EverMerge*™ after scaling the game successfully over the last two years, partly offset by the recent re-launch of *Merge Gardens*™.

[1] Tier-1 Western markets: 12 months to 31 March 2023, Sensor Tower

Daily Active Users (DAU) and Average US$ bookings per DAU (ABPDAU)



Overall DAU decreased to 5.1 million in the period, driven by an ongoing focus on DAU quality across the Pixel United portfolio, the cessation of business in Russia and moderations in *EverMerge*™. This was offset by DAU growth in *RAID: Shadow Legends*™ and *Merge Gardens*™.

This focus on DAU quality is reflected in the continued improvement in ABPDAU, which grew 13% or US$0.10 compared to the prior corresponding period, demonstrating strengthening player engagement across the portfolio.

Aristocrat

Aristocrat Leisure Limited ABN 44 002 818 368
Financial statements for the half-year ended 31 March 2023

This condensed consolidated interim report ("interim report") of Aristocrat Leisure Limited ('the Company') for the half-year ended 31 March 2023 covers the financial statements for the consolidated entity ("financial statements") consisting of Aristocrat Leisure Limited and its subsidiaries (together referred to as the Group).

The financial statements contained in this interim report do not include all the notes of the type normally included in an annual financial report. Accordingly, the financial statements contained in this interim report are to be read in conjunction with the annual report for the year ended 30 September 2022 and any public announcements made by Aristocrat Leisure Limited during the reporting period and up to the date of these financial statements, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Financial statements

Contents

Statement of profit or loss and other comprehensive income

for the half-year ended 31 March 2023

Consolidated	Note	6 months to 31 March 2023 $'m	6 months to 31 March 2022 $'m
Revenue	1-2	3,080.4	2,745.4
Cost of revenue		(1,387.7)	(1,219.1)
Gross profit		1,692.7	1,526.3
Other income	1-2	98.1	6.7
Design and development costs		(371.7)	(312.8)
Selling, general and administrative expenses		(493.6)	(444.2)
Finance costs	1-3	(72.7)	(178.0)
Profit before income tax		852.8	598.0
Income tax expense	1-6	(199.8)	(85.0)
Profit for the half-year		653.0	513.0
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations		(202.9)	(179.7)
Net investment hedge		-	11.8
Changes in fair value of interest rate hedge		(8.4)	23.3
Other comprehensive loss for the half-year, net of tax		(211.3)	(144.6)
Total comprehensive income for the half-year		441.7	368.4
Earnings per share attributable to ordinary equity holders of the Company		Cents	Cents
Basic earnings per share	1-4	99.4	77.4
Diluted earnings per share	1-4	99.1	77.3

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet
as at 31 March 2023

Consolidated	Note	31 March 2023 $'m	30 September 2022 $'m
ASSETS			
Current assets			
Cash and cash equivalents		2,743.2	3,021.3
Trade and other receivables		999.4	842.2
Inventories		281.4	249.7
Other financial assets	2-2	26.3	23.4
Current tax assets		86.2	44.0
Total current assets		4,136.5	4,180.6
Non-current assets			
Trade and other receivables		156.6	164.2
Other financial assets	2-2	18.5	27.3
Property, plant and equipment		377.4	357.8
Right-of-use assets		192.7	192.1
Intangible assets		3,882.5	3,891.2
Deferred tax assets	1-6	1,247.7	1,307.2
Total non-current assets		5,875.4	5,939.8
Total assets		10,011.9	10,120.4
LIABILITIES			
Current liabilities			
Trade and other payables		761.1	868.3
Borrowings	2-1	95.7	99.9
Lease liabilities		57.1	56.0
Current tax liabilities		103.0	87.3
Provisions		43.0	45.3
Other financial liabilities	2-2	-	0.3
Deferred revenue		201.4	159.5
Total current liabilities		1,261.3	1,316.6
Non-current liabilities			
Trade and other payables		70.1	87.7
Borrowings	2-1	2,207.4	2,357.4
Lease liabilities		262.7	271.8
Provisions		41.6	41.1
Deferred tax liabilities		3.5	9.0
Deferred revenue		7.6	8.5
Other liabilities		4.5	5.6
Total non-current liabilities		2,597.4	2,781.1
Total liabilities		3,858.7	4,097.7
Net assets		6,153.2	6,022.7
EQUITY			
Contributed equity	2-3	1,514.0	1,651.9
Reserves		334.4	547.8
Retained earnings		4,304.8	3,823.0
Total equity		6,153.2	6,022.7

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity
for the half-year ended 31 March 2023

Consolidated	Note	Contributed equity $'m	Reserves $'m	Retained earnings $'m	Total equity $'m
Balance at at 1 October 2021		715.1	(58.5)	3,222.3	3,878.9
Profit for the half-year ended 31 March 2022		-	-	513.0	513.0
Other comprehensive loss		-	(144.6)	-	(144.6)
Total comprehensive income/(loss) for the half-year		-	(144.6)	513.0	368.4
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	2-3	1,277.2	-	-	1,277.2
Net movement in share-based payments reserve		-	(24.0)	-	(24.0)
Dividends provided for and paid		-	-	(174.0)	(174.0)
		1,277.2	(24.0)	(174.0)	1,079.2
Balance at 31 March 2022		1,992.3	(227.1)	3,561.3	5,326.5
Balance as at 1 October 2022		1,651.9	547.8	3,823.0	6,022.7
Profit for the half-year ended 31 March 2023		-	-	653.0	653.0
Other comprehensive loss		-	(211.3)	-	(211.3)
Total comprehensive income/(loss) for the half-year		-	(211.3)	653.0	441.7
Transactions with owners in their capacity as owners:					
Buy-back of fully paid ordinary shares	2-3	(137.9)	-	-	(137.9)
Net movement in share-based payments reserve		-	(2.1)	-	(2.1)
Dividends provided for and paid	1-5	-	-	(171.2)	(171.2)
		(137.9)	(2.1)	(171.2)	(311.2)
Balance at 31 March 2023		1,514.0	334.4	4,304.8	6,153.2

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement
for the half-year ended 31 March 2023

Consolidated	6 months to 31 March 2023 $'m	6 months to 31 March 2022 $'m
Cash flows from operating activities		
Receipts from customers	3,023.1	2,758.1
Payments to suppliers and employees	(2,195.4)	(1,953.7)
Other income	36.0	3.9
Interest received	48.5	2.2
Interest and finance costs paid	(69.3)	(86.4)
Income tax paid	(229.8)	(221.7)
Net cash inflow from operating activities	613.1	502.4
Cash flows from investing activities		
Payment for purchase of subsidiary, net of cash acquired	(175.2)	-
Payments for property, plant and equipment	(134.6)	(104.9)
Payments for financial assets at fair value through profit or loss	-	(92.3)
Proceeds from disposal of financial assets at fair value through profit or loss	-	28.7
Payments for intangibles	(38.5)	(26.1)
Payments for investments	(4.4)	(1.4)
Net cash outflow from investing activities	(352.7)	(196.0)
Cash flows from financing activities		
Proceeds from issue of shares (net of transaction costs)	-	1,277.2
Payments for shares bought back (net of transaction costs)	(166.3)	-
Payments for shares acquired by the employee share trust	(42.2)	(58.2)
Repayments of borrowings	(50.0)	(683.0)
Lease principal payments	(20.8)	(19.3)
Dividends paid	(171.2)	(174.0)
Net cash (outflow)/inflow from financing activities	(450.5)	342.7
Net (decrease)/increase in cash and cash equivalents	(190.1)	649.1
Cash and cash equivalents at the beginning of the half-year	3,021.3	2,431.6
Effects of exchange rate changes	(88.0)	(99.8)
Cash and cash equivalents at the end of the half-year	2,743.2	2,980.9

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

1. Business performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the half-year. These financial statements have been prepared using the best available information at this time in relation to areas of significant estimates and judgements.

1-1 Segment performance

(a) Identification of reportable segments

The activities of the entities in the Group are predominantly within a single business which is the development, assembly, sale, distribution and service of games and systems.

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. Reports reviewed consider the business primarily from a geographical perspective. The following reportable segments have been identified:

- The Americas;
- Australia and New Zealand;
- International Class III; and
- Pixel United

(b) Segment results

Segment results represent earnings before interest and tax, and before significant items, design and development expenditure, amortisation of acquired intangibles, selected intercompany charges and corporate costs.

Segment revenues and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis.

Segment revenues, expenses and results exclude transfers between segments. The revenue from external parties reported to the chief operating decision maker is measured in a manner consistent with that in the statement of profit or loss and other comprehensive income.

	The Americas $'m		Australia and New Zealand $'m		International Class III $'m		Pixel United $'m		Consolidated $'m	
6 months to 31 March	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue										
Segment revenue from external customers	1,448.5	1,146.1	221.6	222.7	88.0	64.0	1,322.3	1,312.6	3,080.4	2,745.4
Results										
Segment results	800.1	663.6	76.5	90.8	38.5	29.9	390.3	428.3	1,305.4	1,212.6
Interest income									48.5	2.8
Finance costs									(72.7)	(178.0)
Design and development costs									(371.7)	(312.8)
Amortisation of acquired intangibles									(51.6)	(63.9)
Acquisition retention costs									-	(6.4)
Other income									49.6	3.9
Other expenses									(54.7)	(60.2)
Profit before income tax									852.8	598.0
Income tax expense									(199.8)	(85.0)
Profit for the half-year									653.0	513.0

The amortisation of acquired intangibles amounting to $51.6m (2022: $63.9m) does not form part of segment results.

Other income includes a significant item amounting to $36.0m relating to a legal matter finalised during the period. In 2022, finance costs included a significant item of $100.2m related to the lapsed Playtech plc acquisition offer. Refer to Note 1-3.

Notes to the financial statements

Business performance (continued)

1-2 Revenues

Revenue disaggregated by business	6 months to 31 March 2023 $'m	6 months to 31 March 2022 $'m
Gaming operations	884.3	765.9
Class III outright sales and other gaming revenue	873.8	666.9
Pixel United	1,322.3	1,312.6
Total revenue	3,080.4	2,745.4
Other income		
Interest	48.5	2.8
Foreign exchange gains	13.6	2.6
Litigation proceeds	36.0	-
Sundry income	-	1.3
Total other income	98.1	6.7

1-3 Expenses

	6 months to 31 March 2023 $'m	6 months to 31 March 2022 $'m
Depreciation and amortisation		
Depreciation of right-of-use assets	18.4	16.9
Property, plant and equipment		
- Buildings	0.2	7.1
- Plant and equipment	79.3	71.5
- Leasehold improvements	4.5	6.5
Total depreciation and amortisation of property, plant and equipment	84.0	85.1
Intangible assets		
- Customer relationships and contracts	24.4	22.6
- Game names	5.2	5.3
- Technology and software	29.9	39.5
- Intellectual property and licences	5.8	6.9
- Capitalised development costs	8.1	7.8
Total amortisation of intangible assets	73.4	82.1
Total depreciation and amortisation	175.8	184.1
Employee benefits expense		
Total employee benefits expense	613.8	501.9
Finance costs		
Borrowing costs	72.7	77.8
Debt fees and hedging costs for Playtech acquisition offer	-	100.2
Total finance costs	72.7	178.0
Other expense/(income) items		
Acquisition retention costs	-	6.4
Bad and doubtful debts write-back	(0.8)	(3.5)
Write down of inventories to net realisable value	4.5	7.4
Legal costs	16.3	22.6

Notes to the financial statements

Business performance (continued)

1-4 Earnings per share

Basic and diluted earnings per share (EPS) calculations	6 months to 31 March 2023	6 months to 31 March 2022
Net profit attributable to members of Aristocrat Leisure Limited ($'m)	653.0	513.0
Weighted average number of ordinary shares (WANOS) used in calculating basic EPS (number)	656,819,520	662,575,055
Effect of Performance Share Rights (number)	2,182,645	665,054
WANOS used in calculating diluted EPS (number)	659,002,165	663,240,109
Basic EPS (cents per share)	99.4	77.4
Diluted EPS (cents per share)	99.1	77.3

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding.

Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares.

Information concerning the classification of securities

Share-based payments

Rights granted to employees under share-based payments arrangements are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share.

Share-based payments trust

Shares purchased on-market and issued shares through the Aristocrat Employee Equity Plan Trust have been treated as shares bought back and cancelled for the purpose of the calculation of the weighted average number of ordinary shares in calculating basic earnings per share. At the end of the reporting period, there were 1,344,847 (2022: 1,527,103) shares held in share trusts.

1-5 Dividends

Ordinary shares	2023 Interim	2022 Final	2022 Interim
Dividend per share (cents)	30.0c	26.0	26.0
Franking percentage (%)	100%	100%	100%
Cost ($'m)	196.3	171.2	173.8
Payment date	3 July 2023	16 December 2022	1 July 2022

Dividends not recognised at period end

The 2023 interim dividend had not been declared at the reporting date and therefore is not reflected in the financial statements.

1-6 Income tax and deferred tax assets

In a prior period a deferred tax asset and corresponding income tax benefit was recognised in respect of non-Australian tax deductions due to an internal reorganisation of the Group structure and corresponding change in the tax base of the Group's intangible assets. The net impact to tax expense in the current period is a tax benefit of $8.8m. The total potential tax benefits recognised as a deferred tax asset at 31 March 2023 were $1,175.4m (30 September 2022: $1,235.7m). A further $313.6m of potential tax benefits remain unrecognised at 31 March 2023 (30 September 2022: $384.7m).

Significant judgement is required in reassessing the carrying amount of deferred tax assets at each reporting period, inclusive of management's best estimate of the likely impacts on future near-term profitability. It is reasonably possible that a change in profit forecasts, risk factors, foreign exchange rates or any regulatory or tax legislation, could increase or decrease the amount of taxable profits available to use the benefits which could result in a material change to the deferred tax asset and income tax expense in future periods.

Total Group deferred tax assets at 31 March 2023 of $1,247.7m (30 September 2022: $1,307.2m) includes the $1,175.4m (30 September 2022: $1,235.7m) noted above.

Notes to the financial statements

2. Capital and financial structure

This section provides information relating to the Group's capital structure and its exposure to financial risk.

The Directors review the Group's capital structure and dividend policy regularly and do so in the context of the Group's ability to invest in opportunities that grow the business, enhance shareholder value and continue as a going concern.

2-1 Borrowings

	31 March 2023 $'m	30 September 2022 $'m
Current		
Secured		
Bank loans	95.7	99.9
Total current borrowings	95.7	99.9
Non-current		
Secured		
Bank loans	2,207.4	2,357.4
Total non-current borrowings	2,207.4	2,357.4

Lease liabilities are shown seperately on the balance sheet.

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit (shown net of transaction costs):

Credit standby arrangements	Notes	31 March 2023 $'m		30 September 2022 $'m	
Total facilities		Total	Unused	Total	Unused
- Bank overdrafts	(i)	8.0	8.0	8.1	8.1
- Bank loans	(ii)	3,040.9	737.8	3,227.9	770.6
Total facilities		3,048.9	745.8	3,236.0	778.7

(i) The bank overdraft facilities (A$5,000,000 and US$2,000,000) are subject to annual review.

(ii) Syndicated loan facilities:

- US$1,299 million US Term Loan A debt facility maturing 24 May 2027
- US$250 million US Term Loan B debt facility maturing 24 May 2029
- US$500 million multi-currency revolving facility maturing 24 May 2027

These secured facilities are provided by a syndicate of banks and financial institutions and are supported by guarantees from certain members of the Company’s wholly owned subsidiaries. Various affirmative and negative covenants on the Group are imposed, including restrictions on encumbrances, and customary events of default. As part of the corporate facility, the Group is subject to certain customary financial covenants measured on a six-monthly basis. The Group was in compliance with all debt covenants.

Borrowings under the Term Loan A facility are currently priced at a floating rate of 3-month Term SOFR with a fixed credit spread adjustment plus a credit margin based on leverage as specified in the relevant Credit Agreement. The Term Loan A credit margin at 31 March 2023 is 1.25%. Borrowings made under the Term Loan B facility are currently priced at a 0.50% 3-month Term SOFR floor with a fixed credit spread adjustment plus a fixed credit margin as specified in the relevant Credit Agreement. The Term Loan A facility has mandatory repayments of 1.25% quarterly.

A portion of the interest rate exposure has been fixed under separate interest rate swap arrangements. As of 31 March 2023 approximately 57% of the exposure was fixed with hedging out to December 2025.

2-2 Financial assets and financial liabilities

	31 March 2023 $'m	30 September 2022 $'m
Financial assets		
Current		
Debt securities held-to-maturity	8.1	8.3
Interest rate swap contracts - cash flow hedges	18.2	15.1
Total current financial assets	26.3	23.4
Non-current		
Debt securities held-to-maturity	4.7	4.1
Convertible bonds	2.2	3.9
Interest rate swap contracts - cash flow hedges	0.7	14.3
Other investments	10.9	5.0
Total non-current financial assets	18.5	27.3
Financial liabilities		
Current		
Derivatives used for hedging	-	0.3
Total current financial liabilities	-	0.3

Fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows below the table.

	Level 1 $'m		Level 2 $'m		Level 3 $'m		Total $'m	
	31 March 2023	30 September 2022	31 March 2023	30 September 2022	31 March 2023	30 September 2022	31 March 2023	30 September 2022
Assets								
Convertible bonds	-	-	2.2	3.9	-	-	2.2	3.9
Interest rate swap contracts	-	-	18.9	29.4	-	-	18.9	29.4
Total assets at the end of the period	-	-	21.1	33.3	-	-	21.1	33.3
Liabilities								
Derivatives used for hedging	-	-	-	0.3	-	-	-	0.3
Contingent consideration	-	-	-	-	40.7	38.0	40.7	38.0
Total liabilities at the end of the period	-	-	-	0.3	40.7	38.0	40.7	38.3

Fair value hierarchy levels	Definition	Valuation technique
Level 1	The fair value is determined using the unadjusted quoted market price in an active market for similar assets or liabilities.	The Group did not have any Level 1 financial instruments at the end of the current and prior reporting periods.
Level 2	The fair value is calculated using predominantly observable market data other than unadjusted quoted prices for an identical asset or liability.	Derivatives used for hedging are valued using forward exchange rates at the balance sheet date. Interest rate swap contracts are valued using the present value of estimated future cashflows based on observable yield curves. The convertible bonds are not material.
Level 3	The fair value is calculated using inputs that are not based on observable market data.	The fair value of contingent consideration is based on forecasts of the performance of the entity subject to earn-out payments. A valuation of the contingent consideration based on these forecasts is performed by an external valuer annually.

There were no transfers between levels in the fair value hierarchy and no changes to the valuation techniques applied since 30 September 2022. The carrying amount of financial instruments not measured at fair value approximates fair value.

Notes to the financial statements

Capital and financial structure (continued)

2-3 Contributed equity

6 months to 31 March	Shares 2023	Shares 2022	$'m 2023	$'m 2022
Ordinary shares, fully paid	655,761,726	669,623,294	1,514.0	1,992.3
Movements in ordinary share capital				
Ordinary shares at the beginning of the half-year	659,792,616	638,544,150	1,651.9	715.1
Buy-back of fully paid ordinary shares	(4,030,890)	-	(137.9)	-
Shares issued during the half-year	-	31,079,144	-	1,300.8
Transaction costs arising from shares issued	-	-	-	(23.6)
Balance at end of period	655,761,726	669,623,294	1,514.0	1,992.3

2-4 Net tangible assets per share

	31 March 2023 $	30 September 2022 $
Net tangible assets per share	3.17	2.94

Net tangible assets is calculated based on net assets excluding intangible and right-of-use assets. A large proportion of the Group's assets are intangible in nature, including goodwill and identifiable intangible assets relating to businesses acquired.

Net assets per share at 31 March 2023 were $9.38 (30 September 2022: $9.13).

Notes to the financial statements

3. Other disclosures

This section provides details on other required disclosures relating to the Group to comply with the accounting standards and other pronouncements.

3-1 Contingent liabilities

The Group and parent entity have contingent liabilities at 31 March 2023 in respect of the following matters:

(i) a contingent liability may exist in relation to certain guarantees and indemnities given in the ordinary course of business by the Group;

(ii) controlled entities within the Group are and become parties to various legal actions in the ordinary course of business and from time to time. The Directors consider that any liabilities arising from this type of legal action are unlikely to have a material adverse effect on the Group; and

(iii) controlled entities within the Group may become parties to various legal actions concerning intellectual property claims. Intellectual property claims can include challenges to the Group's patents on various products or processes and/or assertions of infringement of third party patents.

Most intellectual property claims involve highly complex issues. Often, these issues are subject to substantial uncertainties and therefore the probability of damages, if any, being sustained and an estimate of the amount of damages is difficult to ascertain. Based on the information currently available, the Directors consider that there are no current claims likely to have a material adverse effect on the Group.

3-2 Events occurring after reporting date

On 15 May 2023, the Group announced the proposed acquisition of 100% of NeoGames S.A. ("NeoGames") for an equity value of $1.5 billion (US$1.0 billion) and enterprise value of $1.8 billion (US$1.2 billion) pursuant to a Business Combination Agreement. NeoGames is a leading global content and technology solutions provider that provides platforms and develops content for the global online Real Money Gaming (RMG) industry. Completion of the acquisition is subject to NeoGames shareholder approval and certain regulatory approvals, and will be funded with existing cash.

Also on 15 May 2023, the Group announced an increase to its existing on-market share buy-back program by up to a further $500 million. This brings the total program size to up to $1.5 billion and the program will run up to 31 May 2024.

Other than the matters above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial reporting periods.

3-3 Basis of preparation

Aristocrat Leisure Limited is a for-profit company incorporated and domiciled in Australia and limited by shares publicly traded on the Australian Securities Exchange. This condensed consolidated interim report ("interim report") covers the financial statements for the consolidated entity ("financial statements") consisting of Aristocrat Leisure Limited and its subsidiaries (together referred to as the Group).

This interim report for the half-year reporting period ended 31 March 2023 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2022 and any public announcements made by Aristocrat Leisure Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted in this interim financial report are consistent with those of the previous financial year and corresponding interim reporting period. Comparative information is reclassified where appropriate to enhance comparability.

This interim report is presented in Australian dollars. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The financial statements have been prepared on a going concern basis.

3-4 Business combinations

In September 2022, a contract was signed to acquire Roxor Gaming Limited. This acquisition was completed in January 2023. Roxor Gaming Limited is a Business-to-Business Real Money Gaming supplier. The acquisition was funded from existing cash, and the transaction is not expected to have a material earnings impact in the current financial year.

Based on provisional purchase price accounting, the acquisition price was $175.2m, with intangible assets of $178.8m being recognised.

Directors' declaration
for the half-year ended 31 March 2023

In the Directors' opinion:

(a) the financial statements and notes set out on pages 2 to 13 are in accordance with the Corporations Act 2001 including:
  (i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 March 2023 and of its performance, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Neil Chatfield
Chairman

Sydney
18 May 2023

Independent auditor's review report to the members of Aristocrat Leisure Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year consolidated financial report of Aristocrat Leisure Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the balance sheet as at 31 March 2023, the statement of changes in equity, cash flow statement and statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Aristocrat Leisure Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 March 2023 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor’s responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Mark Dow
Partner

Sydney
18 May 2023

For the 6 months ended 31 March 2023

The directors present their report together with the financial statements of Aristocrat Leisure Limited (the 'Company') and its controlled entities (the 'Group') for the six months ended 31 March 2023. The financial statements have been reviewed and approved by the directors on the recommendation of the Company's Audit Committee.

This report should be read in conjunction with the 30 September 2022 Annual Report of the Company and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

This report is made on 18 May 2023.

Directors

The names of the directors of the Company during the six months ended 31 March 2023 and as at the date of this report, unless otherwise stated, are:

N Chatfield	Non-Executive Chairman
T Croker	Executive Director
K Conlon	Non-Executive Director
P Etienne	Non-Executive Director
P Ramsey	Non-Executive Director
S Summers Couder	Non-Executive Director
A Tansey	Non-Executive Director
B Lance	Non-Executive Director – appointed 4 January 2023

J Aument was nominated as a Non-Executive Director on 11 April 2023, subject to receipt of all relevant regulatory pre-approvals.

Review and Results of Operations

A review of the operations of the Group for the half-year ended 31 March 2023 is set out in the attached Review of Operations which forms part of this Directors' Report. The reported result of the Group attributable to shareholders for the half-year ended 31 March 2023 was a profit of $653.0 million after tax (six months to 31 March 2022: $513.0 million).

Auditor's Independence Declaration

The Auditor's Independence Declaration as required by section 307C of the *Corporations Act 2001* (Cth) is included at the end of this report.

Rounding of Amounts

Unless otherwise stated, amounts in the Financial Statements and Directors' Report are presented in the form of a whole number of millions of dollars and one decimal place representing hundreds of thousands of dollars. The Company is of a kind referred to in the ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission. All rounding has been conducted in accordance with that instrument.

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors.

Neil Chatfield
18 May 2023

Auditor's Independence Declaration

As lead auditor for the review of Aristocrat Leisure Limited for the half-year ended 31 March 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Aristocrat Leisure Limited and the entities it controlled during the period.

Mark Dow
Partner
PricewaterhouseCoopers

Sydney
18 May 2023

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