

Aristocrat delivers 20% FY24 EPS growth, reflecting outstanding operational performance and strategy execution

Sydney, 13 November 2024

Key Highlights

- **Revenue growth of 5% (5% in constant currency)** driven by exceptional performance in North America Gaming Operations, with ~7,100 net units added to the installed base.
- **17% growth in normalised NPATA to \$1.6 billion (17% in constant currency)** reflecting effective execution of our growth strategy, operating leverage, ongoing investment in organic growth initiatives and cost optimisation across the Group.
- **Pixel United continued to gain share in the key Social Slots genre**, with a strong focus on optimising UA spend and operational efficiency, delivering strong margin improvement.
- **Aristocrat Interactive delivered strong revenue growth**, driven by organic growth in Platforms and continued scaling of iGaming across North America and Europe, and the inclusion of five months of NeoGames and a full year of Roxor in FY24.
- **Continued to fund a high level of organic investment** in our priority areas of design & development (D&D), user acquisition (UA) and capital expenditure supporting share growth and long term performance.
- **Continued execution of capital management strategy** with \$1.3 billion in cash returned to shareholders through dividends and on-market share buy-backs.

A\$ million	2024	2023	Change %
Normalised results¹			
Operating revenue	6,603.6	6,295.7 ▲	4.9
EBITDA	2,469.1	2,083.4 ▲	18.5
EBITDA margin	37.4%	33.1% ▲	4.3 pts
EBITA	2,121.1	1,807.7 ▲	17.3
NPAT	1,452.0	1,245.1 ▲	16.6
NPATA	1,555.1	1,326.6 ▲	17.2
Earnings per share (fully diluted)	226.9c	189.6c ▲	19.7
EPSA (fully diluted)	243.0c	202.0c ▲	20.3
Total dividend per share	78.0c	64.0c ▲	21.9
Reported results			
Revenue	6,603.6	6,295.7 ▲	4.9
Profit after tax	1,303.4	1,454.1 ▼	(10.4)
NPATA	1,406.5	1,535.6 ▼	(8.4)
Balance sheet and cash flow			
Net working capital / revenue	3.2%	2.2%	1.0 pt
Operating cash flow	1,765.2	1,799.1	(1.9)
Closing net debt / (cash)	1,139.8	(809.1)	n/a
Net debt / (cash) to EBITDA ²	0.4x	(0.4)x	(0.8)x

NOTES TO TABLE:

1 Normalised results are statutory profit (before and after tax), excluding the impact of certain significant items detailed in the Operating and Financial Review .

2 Consolidated Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for the Group as defined in Aristocrat's Syndicated Facility Agreement (also referred to as Bank EBITDA).

Aristocrat Leisure Limited (ASX: ALL) today announced its financial results for the twelve months ended 30 September 2024.

Net profit after tax and before amortisation of acquired intangibles (NPATA) of \$1.6 billion was 17% above the prior corresponding period (PCP) in reported terms (17% in constant currency). This reflected the Group's competitive portfolio of scaled, world-class gaming assets, effective execution of our operational plans and broader growth strategy, continued strong organic investment in talent, technology and product, and overall cost discipline.

Aristocrat's Chief Executive Officer and Managing Director, Trevor Croker, said "This was an outstanding result, reflecting Aristocrat's ability to grow through mixed operating environments and control a range of levers to deliver EPS growth of 20%.

"The Group delivered strong revenue and EBITDA growth over the year. This was underpinned by Aristocrat Gaming's performance, led by an exceptional North America Gaming Operations result with a record installed base unit growth of ~7,100 net additions over the PCP. There was strong momentum in Aristocrat Interactive, with the inclusion of NeoGames for five months, while Pixel United achieved improved profitability. This result again highlights resilience and scale as fundamental strengths of our business, supported by an effective focus on operational efficiency and extracting operating leverage.

"We established Aristocrat Interactive during the year, and are progressing in the integration of NeoGames into the business. The creation of Interactive was a significant strategic milestone, and we are seeing momentum build across all areas of the business, with excitement and confidence about its prospects.

"We continued to progress our sustainability agenda in FY24. Aristocrat recently adopted a fresh medium term sustainability strategy, underpinned by our first double materiality assessment. The strategy reflects a significant step-up in the sophistication of our efforts, and the detail of our disclosures, as we work towards mandatory reporting on climate and other issues. Responsible Gameplay remains our most critical sustainability matter, directly supporting our ability to deliver sustainable results over the long term, and benefitting our people, customers and shareholders.

"\$1.3 billion of cash was returned to shareholders through dividends and on-market share buy-backs in the period, in line with the Group's capital allocation framework.

"Looking ahead, we continue to see strong momentum in our core business as we focus on portfolio performance and seek to capture the significant strategic opportunities in front of us. We are committed to our capital management strategy and our ongoing on-market share buy-back program, and to implementing the outcomes of the strategic review of the Group's casual and mid-core gaming assets," Mr Croker concluded.

Strategic Review of casual and mid-core gaming assets

On 12 November 2024, the Group announced the sale of Plarium Global Limited for a fixed consideration of US\$620 million, with contingent consideration of up to US\$200 million, to Modern Times Group. The contingent consideration is subject to the achievement of certain financial targets over calendar years 2025 to 2028.

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

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

The strategic review of Big Fish Games (excluding the Big Fish Social Casino assets) remains ongoing.

Financial Summary

Group revenue increased to \$6.6 billion, representing an increase of 5% in reported and constant currency terms compared to the PCP.

EBITDA of \$2.5 billion was 19% higher on a reported basis and 18% higher on a constant currency basis compared to the PCP.

Strong free cash flow generation was applied to fund Aristocrat's growth strategy, while \$837 million in cash was returned to shareholders in the form of on-market share buy-backs over the twelve months to 30 September 2024. At period end, approximately \$1.6 billion had been returned to shareholders from a total program size of up to \$1.9 billion, with \$258 million remaining of the additional \$350 million on-market share buy-back announced in May 2024.

The Group maintained optionality in its balance sheet, with a net debt position of \$1.1 billion and liquidity of \$1.7 billion at 30 September 2024.

The Directors have authorised a final unfranked dividend of 42.0 cents per share (\$264 million)¹ for the period ended 30 September 2024. The record and payment dates for the dividend are 2 December 2024 and 20 December 2024, respectively. Total dividends for the 2024 financial year represent 78.0 cents per share (\$492 million), an increase of 22% compared to the PCP.

Operational Highlights

Aristocrat's portfolio of scaled, world-class assets across Aristocrat Gaming, Pixel United and Aristocrat Interactive delivered an outstanding result over the twelve months to 30 September 2024, demonstrating the ongoing resilience, competitiveness and diversification of our portfolio, and strong fundamentals in the markets in which we operate.

Growth in Aristocrat Gaming was driven by superior execution in North America Gaming Operations, reflecting continued expansion of the Class III Premium and Class II installed base with ~7,100 net unit additions over the year.

Pixel United continued to outperform the market in Social Casino and delivered improved profitability in ongoing mixed market conditions. This was achieved as the business continued to dynamically manage and focus on optimising UA spend and operational efficiency.

Aristocrat Interactive revenue increased 85% (in constant currency) compared to the PCP, with the inclusion of five months of NeoGames results.

The Group continued its market-leading organic investment in product and technology, along with innovation, operational excellence and customer engagement, to drive further share growth in key markets and genres. D&D investment remained at a market-leading 12.8% of revenues, and UA investment remained disciplined.

¹ Amount based on the shares issued at the date of the financial statements

Highlights for the period included:

Aristocrat Gaming:

- North America delivered a 9% increase in profit, driven by continued growth in the Gaming Operations footprint, supported by the depth and strength of the portfolio. Class III Premium and Class II Gaming Operations installed base grew by ~7,100 net units over the period, exceeding 71,000 units, with its market-leading fee per day remaining strong at US\$55.41 across the expanded footprint, growing market share to over 40%¹.
- Core games sales in North America Outright Sales were 1% lower, and taking into account variability of existing adjacencies, total unit sales were down 5%. Strong ASP maintained and clear revenue leadership achieved in unit sales, with 31%¹ ship share.
- Expansion continued into attractive adjacencies including expansion in the Video Lottery Terminal (VLT) segment in Illinois, entry into the Quebec VLT market and entry into the Georgia Coin Operated Amusement Machine market.
- North America margin increased 130 basis points to 58.9% primarily due to operating leverage, favourable mix and lower supply chain costs.
- Retained position as the leading supplier in the US market, achieving portfolio performance of 1.4x floor average² and product leadership demonstrated by Aristocrat featuring in 21 of the Top 25 Premium Leased games³.
- Rest of World revenue decreased 1.8% compared to the PCP, mainly driven by a reduction in unit sales in ANZ, while profit grew 6% with margin increasing 300 basis points, with strong volume growth and product mix in Asia, coupled with continued cost management.
- In ANZ, Aristocrat ship share declined to 34%⁴, due to increased competition, with approximately 3,800 lower unit sales compared to the PCP.

Pixel United:

- Pixel United bookings were broadly flat compared to the PCP at US\$1,745 million.
- Social Casino achieved over US\$1 billion in bookings for the first time in FY24.
- Margin increased 410 basis points to 36%, reflecting a strong focus on optimising UA spend and operational efficiency, which resulted in lower overhead costs compared to the PCP.
- Social Casino franchises outperformed the market, demonstrating portfolio resilience and effective player engagement, supported by successful investment in Live Ops, features and new slot content, and effective UA investment.
- Product Madness ranked #1 in overall Social Casino for the first time in FY24⁵.
- *RAID: Shadow Legends*TM delivered a strong performance in the year, leveraging successful IP partnerships and new creative content to deliver impressive growth and surpass US\$2 billion in lifetime bookings.
- Retained leading positions in key genres, including #1 in the Social Slots segment, #1 in the Squad RPG (Role-Playing Games) segment and #5 in the Casual Merge segment⁵.

Aristocrat Interactive:

- Aristocrat Interactive revenue was up 85% (in constant currency), driven by organic growth in Platforms and continued scaling of iGaming across North America and Europe, and the inclusion of five months of NeoGames and a full year of Roxor in FY24.
- The iLottery segment remained a market leader in the US⁶, with strong growth driven through the NPI JV⁷ in North Carolina and Virginia, and in Alberta, Canada.
- Content growth was driven by new launches with major operators in the US, Canada and UK, coupled with new games released to the market and the consolidation of Roxor in 2023. We expanded distribution over the period with access encompassing 20 major online operators, operating across 7 countries and 3 US states, with ~92% market access in the US⁸.
- Platforms continued to take share across the US and ANZ, with higher CXS hardware sales in the year and growth in the recurring revenue maintenance installed base.

¹ Based on internal analysis using peer published results for 1HCY 2024 across the five largest participants in North America

² Average theoretical win index vs house (> 2,000 units), October 2024 Eilers' Game Performance Database

³ Average performance per Eilers' Game Performance reports for the 12 months to September 2024 (October 2024 report)

⁴ Based on NSW regulator data, QLD Max Gaming data and internal analysis for FY24

⁵ Twelve months ended 30 September 2024 - Sensor Tower IAP Estimates in Tier 1 Markets

⁶ Eilers - US iLottery Tracker 2024 Report

⁷ NeoPollard Interactive Joint Venture (NPI JV)

⁸ Eilers - All States Premium Online Casino By Brand - September 2024

Outlook¹

Aristocrat expects to deliver NPATA growth over the full year to 30 September 2025, on a constant currency basis, reflecting:

- Continued strong market share, revenue and profit growth from Aristocrat Gaming;
- Disciplined execution in Pixel United with a focus on market share and investment efficiency, as the outcomes of the Strategic Review are implemented;
- Accelerating performance of Aristocrat Interactive toward our FY29 US\$1 billion Revenue Target² through further scaling of content to support broader market access in North America and Europe.

Additional detail for modelling inputs for the fiscal full year to 30 September 2025 are available in the Investor Presentation.

¹ This Outlook section contains forward looking statements and statements of expectation. Please refer to the disclaimer on page 36 of the Investor Presentation

² Revenue Target includes Interactive's share of revenues from the NPI JV

Authorised for lodgment by Anne Tucker, Company Secretary

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