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Trevor Croker: Good morning. Welcome to Aristocrat Leisure Limited Financial Results Presentation for the 12 months to 30 September 2020. My name is Trevor Croker, Chief Executive Officer, and Managing Director of Aristocrat.

It is a pleasure for me to be presenting today along with Julie Cameron-Doe, our Chief Financial Officer. Thank you for joining us. Before we begin, please note the usual disclaimer statement on page 2 of our investor presentation pack.

Turning to slide 3. Full details of the results are contained in the operating and financial review document released this morning. In today's session, we will first address our businesses response to the challenges of COVID-19 during the reporting period, including the refinement of our Group growth strategy.

We will then step through a summary of our Group results, and performance across our two operating businesses: Aristocrat Gaming, formerly referred to as our land or land-based business, and Aristocrat Digital.

I will close by saying a few words on our expectations for the FY 2021 financial year before opening the line for Q&A.

For clarity, all references to prior corresponding period, or PCP, represents the 12 months to 30 September 2019, and are expressed in reported terms unless otherwise specified.

Normalised results refer to the reported results excluding the impact of certain significant items during the period. As set out in the materials released today, these are:

- COVID-related government benefits,
- Contingent retention arrangements related to the acquisition of Plarium,
- Onerous lease obligation with the Big Fish business,
- Expenses related to the legal settlement disclosed in May this year, and
- Recognition of a deferred tax asset of over $1 billion in line with the Group structure change announced in November 2019.

While the Group was on track to deliver growth in line with our plans before the pandemic hit, results in our gaming business were materially impacted by customer venue closures, and the implementation of social distancing measures that have been in place across key gaming markets globally since March 2020.

In the context of this unique challenging year, I will begin by speaking to our COVID response, the progress we made, and how Aristocrat is positioned heading into the 2021 financial year.

Turning to slide 4. At the outset, I want to express my deep appreciation, respect and thanks for the resilience and commitment shown by our people over the past 10 months; their care for each other, their focus on our customers and players, and their absolute determination to deliver what has been critical to getting us to where we are today, their safety and wellbeing, and the safety and wellbeing of our customers, suppliers, and other stakeholders remain our first priority.

It's never been clearer that our people are the heart of our business, our most important responsibility, and our biggest asset. Our 2020 sustainability disclosure will be published to our website at the end of the month. In it, we are sharing just a few of the inspiring ways our people have risen to the challenges we have faced this year.

I would encourage everyone to review the report. In the meantime, to the more than 6,000 Aristocrat people around the globe, let me simply say, thank you. While today’s results demonstrate the impact of the pandemic during the period, they also highlight the Group’s strengths, and the effectiveness of our business’ response over the past 10 months.

As always, we have focused on what we can control to protect and extend our strategic advantage and position the business for future growth.

We have accelerated our diversification over the past several years.

We are entering more adjacent markets, segments, and game genres.

We have also driven scale and Digital, adding material B2B operational engine to the Group, and delivering further diversity to a revenue base that is almost 80% recurring, rather than one-off in nature.

The benefits of this diversification are evident in our results for the period, during which we have maintained revenues in excess of (A)$4 billion at Group level, while protecting the business and maintaining investment behind our strategic differentiators for the future.

Throughout 2020, we confirmed our commitment to our industry-leading D&D or Design and Development organisation, while also maintaining strong investment in digital games and User Acquisition (UA), and continuing to commit capital to further grow our gaming operation footprint.

We also invested more in strategic capabilities, including customer experience, cyber security, and data capability, amongst other priorities. At the same time, we took the opportunities presented by this crisis to improve.

Aristocrat pivoted to an explicitly people-first focus, energising our culture, and offering more support, flexibility, and recognition to our people. An average engagement score of 8.5 was achieved for the reporting period, which is significantly above industry benchmarks.

We also experienced no loss of business momentum, despite the disruptions and remote working arrangements. We made difficult but important decisions to further support our liquidity. This included a significant re-basing of our Big Fish business, which is now poised for more profitable, sustainable growth.

We chose to reinvest a portion of the $100 million savings in operating expenses identified in the second half of the fiscal year 2020 (compared to the PCP) behind growth drivers, such as our customer service, price development, and user acquisition.

In addition, we sharpened our operational priorities in gaming and focused on supporting customers with high levels of service, flexibility, and tailored commercial options to help them recover as quickly as possible. Furloughed staff were brought back to work early to help customers prepare to re-open safely and underline our commitment to being partners of choice to our customers.

Aristocrat's long-term focus on lifting our competitiveness through outstanding people and products, positions us to benefit in Digital and in gaming as demand began to return through the latter half of the reporting period.

This is evident in the share gains achieved by our gaming business in key markets over the year, along with outstanding customer feedback and industry data on portfolio performance, particularly in our largest markets in North America, and in Australia.

Our Digital business also took share across core genres, reflecting our investments in improving the Product Madness portfolio, and scaling the world-class title *RAID: Shadow Legends*, along with broader portfolio performance and COVID-related tailwinds.

At period end, Aristocrat had excellent liquidity, low debt, and a balance sheet that provides the Group with full optionality. We have a revitalised team, and people first culture.

Our strategy has been reaffirmed. We are focused on accelerating it and making the most out of the opportunities presented by disruption. While we continue to manage the near-term impacts and volatility driven by the pandemic across global markets, we believe that we are ideally placed, and will continue to be proactive, ambitious, and focused in our response to these unique challenges.

I will now turn to a summary of our **Group growth strategy on slide 5.** During the year, we took the prudent steps of reviewing our growth strategy in the context of COVID. Our strategy aims to deliver high quality, sustainable profit growth, by continuously improving the quality and breadth of our product portfolios.

We achieve this by investing in great people, product, and capability, building on foundations of strong culture, governance, and financial rigor. Our approach is summarised in a diagram, iterations of which have been shared with the market previously.

We took the opportunity to re-test our short and long-term assumptions and consider potential changes in underlying trends as relevant to our business, customers, players, and broader markets.

In summary, the review confirmed the soundness of our strategy, and its ongoing relevance in a COVID-impacted world. We have expanded and re-ordered some priorities. In some cases, we have been encouraged to move faster in executing our plans.

The text in red represents new language (refer FY 20 Results Investor Presentation), demonstrating some of the refinements implemented as a result of the review. For example, we are placing more emphasis on upskilling leaders and broadening new strategic capabilities. We are also bringing a deeper focus on people, drawing on the lessons of COVID, and embracing opportunities presented by the changing nature of work.

Customer experience leadership, or CX as we describe it, is all about unlocking new value streams by delivering customers and gaming patrons, connected products and services in line with their changing needs and underlying consumer trends.

With the benefit of a dedicated CX team, we are increasingly leveraging our strong customer partnerships, compelling content, and growing capability to deliver seamless experiences beyond the gaming floor. During the reporting period, CX successfully launched our first mobile loyalty products, for a major US customer.

In the context of COVID and with the encouragement of customers, we will continue to significantly escalate our focus on convergence products and services in the period ahead. We are also emphasising our readiness to invest to accelerate our progress. Where we see quality opportunities, we will consider unlocking them through organic investment, M&A, or internal synergies and collaboration.

For example, in the period we concluded two deals to acquire access to more world-class game development capability in Digital. Investments in the proven game studios Neskin and Proteus signal our intent.

We have the balance sheet strength and the track record for bold moves, as well as incremental ones. These are changes in emphasis and in some cases priority, but the foundations of our approach won't change at all. We will continue to grow our market-leading portfolios with strong investment in gaming D&D, digital pipeline expansion, and smart user acquisition.

We will continue to focus on taking share wherever we choose to play, whilst driving strong operating cashflow, good governance, balance sheet strength, and operational excellence remain core, along with our commitment as a group to grow strongly and sustainably. Taken as a whole, COVID has helped confirm our strategic direction as a business, while sharpening our focus and highlighting our priorities.

Moving to a **summary of Aristocrat's performance for the 2020 financial year** on **slide 7.** Aristocrat's Group results for the 2020 financial year were materially impacted by COVID-related headwinds as previously flagged.

Normalised profit after tax and before amortisation of acquired intangibles or NPATA of $476.6 million represents a decrease of 47% in reported terms and 49% in constant currency, compared to the $894.4 million delivered in 12-month period to 30 September 2019.

Revenue decreased by 6% to approximately $4.1 billion with COVID impacts on the gaming busines partly off-set by strong growth in Digital. Again, demonstrating the benefits of our diversification strategy.

Earnings before interest, tax, depreciation and amortisation or EBITDA fell around 32% compared to the PCP to almost $1.1 billion. Fully diluted earnings per share before amortisation of acquired intangibles of 74.7cps, represents a 47% increase compared to the PCP.

Operating cashflow of over $1 billion was achieved, reflecting a relatively modest decrease of 5.8% compared to the PCP. This demonstrates the business's strong underlying cashflow capabilities, enhanced by targeted COVID responses.

Balance sheet quality was, once again, a feature of Aristocrat's results. Net gearing at period end was 1.4x flat on the PCP. This was driven by positive cashflow generation throughout the period. Liquidity was further enhanced by proactive measures, including increasing the Group's revolving credit and term loan B facilities, and cancelling the interim dividend.

In view of Aristocrat's effective COVID response and confidence in our strengthening performance, the directors have authorised a fully franked dividend of 10 cents per share, or A$63.9 million in respect to the period ended 30 September 2020. This represents a decrease of 82% or 46 cents per share. The record date will be 2 December and the payment date will be 18 December.

The underlying operational strength of the business was evident during the period with a further lift in share and market-leading fee per day for the North America gaming operations segment.

Digital performance reflected our success in building the competitiveness of our Social Casino portfolio through investment in live ops, features, and new slot content, as well as the momentum of *RAID: Shadow Legends* and new games launches.

Performance also benefitted from the tailwind of COVID stay at home mandates. As I mentioned, we took a strategic decision to maintain industry-leading D&D investment through the period to protect our core advantages in product, fuel expansion into new adjacencies, and position the business for longer-term growth.

We experienced no loss of momentum in our product organisation with high productivity and full focus on recalibrated priorities. Over the 2020 full year, D&D investment fell fractionally in absolute terms, by $2.5 million to $498 million. This is a strong result at the top-end of the range of 11% to 12% of revenue the business has allocated across recent years.

At the same time, we invested aggressively in user acquisition or UA to support growth in Digital at a time of opportunity. UA investment of just under US$450 million represented 28% of segment revenue, up 1.7% to the PCP.

I will now invite Julie Cameron-Doe, Aristocrat's Chief Financial Officer to take us through further details of Group result beginning on **slide 8.** Julie.

Julie Cameron-Doe: Thank you, Trevor. Good morning everyone. I will first step through the composition of Aristocrat's reported NPATA performance of $476.6 million, normalised for significant items, and reconciled to the PCP.

As Trevor mentioned, this result represents a 47% decrease or 49% in constant currency compared to the PCP, and has been fundamentally driven by COVID-related impacts across all regions of the gaming business, partly off-set by strong growth in Digital. NPATA performance was also supported by a range of prudent cash-preservation measures Aristocrat implemented across our non-digital operations in response to the pandemic.

Stepping through the chart from the left-hand side, profit in the Americas business fell $414 million compared to the PCP. This reflected a material reduction in capital spend by customers, and lower overall gaming operations revenues, due to venue closures and the impact of social distancing measures experienced since March.

In the outright sales markets of ANZ and International Class III, profit fell $112 million and $45 million respectively, compared to the PCP, reflecting COVID impacts, as well as the broader economic impact of bushfires and drought in ANZ. Underlying performance remained robust, with leading ship share sustained across key markets.

The Digital business delivered almost $130 million in incremental profit, demonstrating strong portfolio performance, as Trevor mentioned, including growth in Social Casino, the ongoing success of *RAID: Shadow Legend*s, and new game launches.

Corporate costs and interest increased by $12.3 million compared to the 12 months to 30 September 2019, largely driven by lease interest.

D&D represents the business's investment in talent and technology to drive long-term differentiation and sustainable growth. We continued to invest in D&D over the year, with deliberate and rigorous prioritisation of resources, resulting in a modest $9 million reduction in spend compared to the PCP.

A decrease in the Group's effective tax rate from 27.5% to 24.9% compared to the PCP drove a $10.9 million reduction in costs, with the recognition of a deferred tax asset of approximately $1.1 billion.

This reflects the impact of changes in Group structures announced in November 2019. Finally, favourable foreign exchange movements reflecting a weaker Australian dollar increased profit by a further $16.4 million compared to the PCP.

Turning now to **slide 9.**

Net debt for the full year of just under $1.6 billion compared to net debt of around $2.2

billion reported as at 30 September 2019. This represents a net debt to EBITDA leverage ratio of 1.4x, in line with the PCP.

As at 30 September 2020, Aristocrat has total liquidity of just under $2 billion, comprised of cash and $277 million in available credit. This reflects a number of steps taken during the year to optimise our liquidity, including an increase in the Group's revolving credit facility limit from $150 million to $286 million in April 2020 and issuance of a new US$500 million incremental term loan B facility in May.

Our debt facilities remain competitively priced, at a weighted average of LIBOR +217 basis points. Credit agreements remain covenant light and provide the Group with ample financial flexibility.

The business also maintains stable credit ratings through the recent volatility. The Group's balance sheet strength and debt profile continues to provide us with financial certainty, flexibility, and full optionality going forward.

Turning now to cash flow on **slide 10**.

The Group's cash generating fundamentals remain strong, despite the impacts of COVID, with operating cashflow of over $1 billion for the period. This represented a modest 5.8% fall compared to the PCP. This, again, highlights what is the core strength for Aristocrat, and also, demonstrates a further increase in the proportion of recurring revenues in our total Group revenue mix.

Capital expenditure decreased almost 22% from around $317 million in the PCP to just under $250 million, reflecting investment in hardware required to support growth in the North American gaming operations installed base. This expenditure reduced significantly in the second half of the period compared to the PCP, due to the impact of COVID.

As Trevor mentioned, significant items in the period are detailed in the OFR document released this morning. That concludes the summary of Group performance. I will now pass back to Trevor to comment on operational performance and outlook for the 2020 financial year. Trevor.

Trevor: Thanks, Julie. I will now share more detail about our operational results, beginning with our gaming business, previously referred to as land-based operations. Over the course of 2020, Aristocrat gaming continued to execute its growth strategy, and took further steps forward in terms of portfolio breadth and performance.

Despite the disruptions driven by the pandemic, a relentless focus on people, portfolio competitiveness, and customer engagement was the hallmark of our operation response across key gaming markets and segments.

As I mentioned, at the advent of the pandemic in March, our gaming businesses took the opportunity to sharpen product portfolios and double-down on customer service. We chose not to furlough D&D staff and maintained our product development momentum throughout the period.

Our commercial teams also made the most of opportunities to deepen partnerships, bring forward new solutions, and help customers prepare to re-open safely. Customer feedback suggests that significant goodwill was generated by Aristocrat being first among competitors to bring back service staff safely and engage proactively. We are already seeing early benefits in terms of increased strategic customer dialogue, and new commercial opportunities, particularly in North America and ANZ.

While financial results were materially impacted by COVID in the reporting period, we also saw sustained underlying momentum that will position us to maximise opportunities and return to growth as conditions continue to improve.

Focusing firstly on Americas and turning to **slide 12.**

In local currency, America's revenue decreased around 31% and profit fell over 52% to approximately $935 million and over $356 million respectively, over the reporting period, compared to the PCP.

As I referenced earlier, North American gaming operations business continued to grow with our class III premium gaming operations footprint expanding by 5.9% to over 24,300 units at period end, driving further share growth, despite market conditions.

This performance was fuelled by a combination of market-leading cabinets with strong growth in MarsX and powerful game content. *Dragon Link* remained the number 1 premium game family, supported by the scaling of *Dollar Storm* and *Buffalo Diamond* in the period.

In class II gaming operations, placements grew 0.3% over the full year to over 25,300 units, driven by growth in the second half on the back of the continued strength in the mechanical installed base, coupled with increased Ovation performance. Key titles included *Hunt for Neptune's Gold*, *Buffalo Extreme*, and *Welcome to Fantastic Jackpots*.

On a combined and adjusted basis, Aristocrat's average gaming operations fee per day improved 1.1% to over US$51, driven by portfolio strength and resilient demand. On an unadjusted basis, average fee per day for the period was US$35.55 and remained market leading.

In class III outright sales, revenue decreased 46% and volumes reduced 44% compared to the PCP, reflecting COVID impacts. MarsX Dual continued to be an outstanding performer, driving over 40% of all cabinet shipments supported by strong titles, including *Buffalo Gold Revolution*, *Fu Dai Lian Lian*, and Multi Cash Ultra. Aristocrat also revealed the most anticipated title, *Buffalo Chief* on the Helix XT cabinet.

The average sales price declined 5% compared to the PCP, reflecting the impact of our expansion into lower-priced strategic adjacencies. Aristocrat continued receiving outstanding customer feedback in North America, consistently ranking as the leading gaming equipment supplier across a number of key casino customer surveys.

For the second year running, Aristocrat was a named top land-based supplier at the Global Gaming Awards and was the most awarded supplier overall. The business also won land-based products of the years for MarsX cabinet, along with slot of the year for *Dollar Storm*.

Strong game performance enhanced by our new hardware releases also saw Aristocrat claim 14 of the top 25 premium lease games in North America, according to a report released by Eilers in September 2020.

Turning now to the ANZ and International Class III results on **slide 13.**

In ANZ, in constant currency, revenue decreased 38.5% to $280.5 million, while profit decreased 72.5% to $58.5 million respectively, compared to the PCP.

Again, this result reflects the challenging market conditions, mainly COVID-related, as well as the impact of drought and fires on customers, and the broader economy early in the year. ASP reduced to $20,786 from the $21,252 achieved in the PCP, driven by the maturity of the product portfolio, and changes in the selling model mix as a result of COVID.

The ANZ business sustained its market-leading ship share performance in financial year 2020 as it focused on providing flexible and responsive service, and support to customers to position them for recovery.

International Class III revenue and profit decreased around 38% and 66% respectively to $126 million and $32 million compared to the PCP. Again, reflecting the material impacts of COVID-related shutdowns, social distancing restrictions, and travel restrictions across Asia and EMEA.

I will now provide more detail on the performance of our digital gaming segment on **slide 14**.

Please note the figures on this slide are in US dollars.

Over the course of the reporting period, we made further significant strides in Aristocrat Digital operations. Under the leadership of the dedicated Aristocrat Digital executive team, the business focused on pipeline and portfolio growth, maximising booking performance, and continuing to invest in marketing and efficient UA to scale.

Aristocrat Digital generated over US$1.6 billion in bookings during the reporting period; a 31% increase on the PCP, while revenue increased 29%. The business delivered almost US$0.5 billion in segment profit, up almost 34% compared to the 12 months to 30 September 2019.

Average bookings per daily active user, or ABPDAU increased almost 44% to $0.59, with the portfolio benefiting from strong investment in game development, including live ops, features, and new slot content in Social Casino, and continued portfolio diversification. This momentum was supported by marketing investment, and the tailwinds associated with COVID-related stay at home mandates.

We have previously referenced our focus on increasing the efficiency of our UA spend by implementing a common platform and dynamic investment based on clear return metrics. I would highlight that in the period, we have delivered almost 34% uplift in profit off the back of a 1.7% point increase in UA allocation as a percentage of revenue, demonstrating the material efficiency and effectiveness benefits we are now capturing.

Overall, UA allocation increased to 28% of revenue in order to continue successfully scaling *RAID*, as well as new games, including *EverMerge* and *Undersea Solitaire Tripeaks*. Segment margin increased over 1% to 30.8% over the full year compared to the PCP.

Social Casino benefited in particular from the successful rebuilding of performance in the Product Madness portfolio over the past year. Investments in live ops features and new slot content drove Aristocrat to strengthening its number 2 position globally in this important genre and delivering US$815 million in bookings in the period.

Meanwhile, the strategy and role-playing genre, or RPG, contributed US$539 million in bookings, reflecting significant growth in *RAID*. The social casual genre delivered US$258 million in bookings; a decrease of 11% on the prior corresponding period.

Newly launched titles improved top-line performance. Legacy games continued to contribute to profitability while the business maintains its focus on daily active users or DAU quality. Total DAU at 30 September 2020 decreased to 6.7 million from 7.5 million in the PCP. However, ABPDAU increased significantly from US$0.41 to US$0.59 over the same period. Again, underlying our progress in focusing on DAU quality and building long-term engagement.

The performance of the Aristocrat Digital business over fiscal year 2020 underlines its gathering scale, momentum, and sophistication, and the excellent progress being made in leveraging best practise across core functions, such as insights, data, and marketing.

It also reflects the building out of core digital capabilities and focused leadership. The value of this growing B2C engine to our group was amply demonstrated during the year. We remain bullish about its potential and broader strategic significance, particularly in a post-COVID world.

Turning now to more detail on our Digital portfolio on **slide 15.**

Charts on the left show the evolution in mix across Social Casino, RPG, and Social Casual games in terms of total bookings contribution between financial year 2019 and 2020.

While overall bookings grew, a good diversity in terms of genre mix was also retained. At the same time, the charts on the right demonstrate the mix of game titles that contributed more than US$50 million in bookings over both 2019 and 2020.

Over the course of 2020, established games such as *RAID* and *Lightning Link*, further grew their contribution, while *EverMerge* and other new games also began to scale, improving overall portfolio strength and diversity.

Turning now to **slide 16**, which provides an additional lens on our pipeline management and the quality of our Digital portfolio. This slide updates a disclosure we have previously shared and demonstrated our investment in expanding and diversifying the portfolio over time.

We continue to actively target new, high-value segments, while also creating more player value within established franchises, through content development and feature developments. An aggressive talent acquisition strategy underpins this progress, including the recent investments in Proteus and Neskin.

I will now turn to a brief recap of our results for the 2020 financial year on **slide 18.**

In May, we said that Aristocrat entered the COVID challenge in good shape. Six months on, and notwithstanding the uncertainties that remain, we believe that we are well-placed to emerge from this period in even better shape.

Aristocrat's result for the year demonstrates that we have enhanced our financial fundamentals and further accelerated our underlying momentum, despite the exceptional challenges and volatilities generated by COVID on our business, customers, players, and people across the majority of the reporting period.

Aristocrat Gaming performed well and in-line with expectations through to mid-March, from which time all key markets were materially impacted by broad-scale mandated venue closures and social distancing restrictions.

Nevertheless, in North America, we continued to take share over the full-year in gaming operations, while maintaining a market-leading combined adjusted fee per day. We also maintained market leadership in ANZ with an increased focus on customer service and engagement, continued investment in hardware and games delivered superior performance and supported resilient demand.

Aristocrat Digital delivered exceptional operational performance with strong double-digit growth in revenues, bookings, ABPDAU, profit, and margin. The business continued to diversify and strengthen its portfolio and pipeline of new games, releasing two new casual titles in the second half, continuing to scale our world-class RPG game, and investing in improving our Social Casino portfolio.

The business experienced further growth in Social Casino, while also growing or entering other attractive genres, and making significant strides in organisational scale, capability, and effectiveness.

We also enhanced our strong financial underpinnings with liquidity of just under $2 billion as at 30 September 2020. In addition, we delivered an operating cashflow result of over $1 billion for the year, strengthened our balance sheet, and held leverage at a prudent 1.4x.

The Group also recognised a $1.1 billion deferred tax asset, which will reduce cash tax over the long term, and further enhance our ability to invest aggressively behind our strategy and high-quality long-term growth.

We have reviewed and confirmed our strategic direction as a business, while sharpening our focus and highlighting our priorities in the context of COVID, Aristocrat has effectively managed what we could control over the 2020 financial year, and implemented a proactive and successful COVID response and recovery plan.

We are well-positioned to weather volatility and to take advantage of opportunities presented in the period ahead. This brings me to the outlook for the 2021 financial year. Turning to **slide 19,** Aristocrat plans to continue growth over the 2021 full financial year, reflecting the following:

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

For non-operating items, additional detail is provided on the table in the slide.

While we cannot predict how the pandemic will affect our operating environment in the months ahead, in terms of what Aristocrat can control, we are pleased to be entering the 2021 financial year with excellent operation momentum, a proven strategy, strong team engagement and belief.

We believe we are well placed to maintain our long-term trajectory of high-quality sustainable growth. With that, I will conclude the formal presentation and open the line to any questions.

Operator: Thank you. If you wish to ask a question, please press star, one on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star, two. If you are on a speaker phone, please pick up the handset to ask your question. Your first question comes from Matt Ryan with UBS. Please go ahead.

Matt Ryan: (UBS, Analyst): Hi Trevor, hi Julie. My first question is just on the Digital guidance and I see that you are guiding to growth in bookings, which I think is encouraging, given the tough comp that you've achieved in the 2020 year. Can you talk about what you have assumed within this guidance for market growth over the next 12 months and also what you've assumed in terms of new titles being successful, in order to achieve the guidance?

Trevor Croker: Yes, thanks Matt. I appreciate the question and thank you. So, the way we have looked at it is the way we finished the (FY20) year off the back of a number of changes. First of all, we implemented the Live Ops, the features and the new slot content into Product Madness, which was an important part that we've been talking to the market about addressing for around 12 months now and that's good momentum in that portfolio. We also, through the year, were able to scale *RAID* and continue to scale that business and make that a strong business through investing in UA.

Then Mike (Lang) and the team also addressed Big Fish, both structurally, but also around the priorities around genre and markets in which to enter. That is what has driven a fair component of what we thought has contributed to our performance this year. Then obviously the tailwinds of COVID coming through behind that. We expect the market growth to moderate into 2021. It is a little bit hard to pick them at the moment. But we expect them to moderate.

It certainly won't be at the levels that we saw it in FY2020, and we continue to see games like *EverMerge* scale and we have a number of games. We have three games in soft launch now, plus another portfolio of games that we are looking to bring forward through the year, that has been phased across the year.

As you know, soft launches do not necessarily generate straight into worldwide launch. So, there is a component of tests and retesting until we actually go to market. But we have a pipeline coming through for this year and further development as well.

Matt Ryan: (UBS, Analyst) Thank you and this might be a question Julie might be able to answer. I am just trying to think through the margin outlook from here. I know that you have not given any margin guidance specifically and we can all see that the land-based margins in particular were impacted a lot from COVID.

But is there anything structural which might stop you from getting back to historical levels of margins that you used to achieve in the land-based segment? Given the level of growth that you are talking about in your guidance statement, which is largely around revenue, is that an amount of revenue which would allow for you to see those sorts of margins that you did historically?

Julie Cameron-Doe: Thanks Matt. In terms of the margin, I will help you understand it in a few different ways. Obviously, the outlook statement we have put out there is in relation to FY21. So, we are trying to help people understand our expectations for FY21. So, we're not trying to talk about the full period of recovery that we anticipate for the land-based business. If you think about what we've seen in the Americas and the ANZ business, in terms of those large declines in the year, there is a good chunk of that, obviously, that is down to operating deleverage.

Because obviously, we had significant margins and given the impact of COVID during the period, that really hurt us. Then there is an element of some of the provisions we have had to take in the year for bad and doubtful debts. For inventory and some of the sort of necessary pruning and fertilising we have done with our workforce, as we've gone through this as well.

So that has impacted. If you think about the overall declines in the margin, I'd say there is about 80% of that is down to operating deleverage and about 20% is down to some of those impacts that some of those one time specific items that we have gone through. So, in terms of the go forward, in terms of the margin expectations for the future, certainly as we grow, we do anticipate that we'll be able to recapture operating leverage and obviously, we'll cycle over some of those provision type items.

But I would say that as growth there is an expectation on us from a social licence to operate and from just a case of just being a mature business now. Where the cost of things like cyber security, privacy, good governance generally, headwinds from things like insurance premiums. Those are the kind of things that we will need to manage from a margin perspective. But they are absolutely the areas that we need to invest in, as we grow the business.

We talk about the investments we are making in people and in different skillsets. Obviously, we see those as long-term investments to grow the business sustainably. But clearly from a short-term perspective, they would have an impact on margin.

Now from a land-based perspective, if we think about the margin for the Digital business, you would have seen an improvement in the margin this year. Clearly, we've had a fantastic year and we've had significant growth in Social Casino, which has improved the share of Casino, as part of the overall Digital portfolio.

As you are aware, the margin for the Social Casino business is higher than Social casual. So, given that given shift, we've had some strengths there. But long term, as we grow that portfolio, we should expect that margin to moderate because we would not expect Social Casino to continue to be such a high share.

Matt Ryan: (UBS, Analyst) Thank you.

Trevor Croker: Thanks Matt.

Operator: Our next question comes from Larry Gandler with Credit Suisse. Please go ahead.

Larry Gandler: (Credit Suisse, Analyst) … I would like to extend on Matt's question, if I can, around Digital. Trevor, you had very good growth in ABPDAU to $0.59 from $0.41. That perhaps suggests the exit rate for the year might have been as high as $0.75/$0.80. I am just wondering to what extent do you think that ABPDAU could be maintained through FY21? Or do you think COVID may have artificially boosted that and we might see some retracing?

Trevor Croker: Yes, thanks Larry. Well first of all, I think there is a little bit of abnormality in these numbers, where I think when we spoke to you in May, we were talking about seeing strong signs early days of both DAU and ABPDAU growth, as a consequence of work from home or stay at home more.

More recently we have seen the DAU moderating and coming back. You can see that in the overall numbers. From that perspective, we think that the ABPDAU that we finished the year with is a solid ABPDAU. It is a mix. Because as you know, there is higher ABPDAUs across the three genres in which we are in. Obviously, *RAID* is scaled to become a much bigger and more significant part of our ABPDAU mix as well. So, it's an important part of driving that.

What does it look like going forward? I would not necessarily give you a number. Because I think we are still looking at what are the benefits or impacts of the game changes that we have made, the investment in UA, the new features and then what is happening with the tailwinds from COVID as to whether they're moderating.

We think that they are going to moderate over time and that the ABPDAU that we finished the year with was a reflection of both the portfolio strength, the investment that we have made in the portfolio, both from features and games and the diversification and some tailwind from COVID. But I have not got a future view on ABPDAU.

Larry Gandler: (Credit Suisse, Analyst) Can I just ask whether the exit rate is higher than the average?

Trevor Croker: I would say you'd have to - based on your math, yes.

Larry Gandler: (Credit Suisse, Analyst) Okay and again, similar, if I can continue with some questions around Digital. With DAU in declines, is this more related to casual or Social?

Trevor Croker: It is some of the legacy games. It is more in the casual market. So - and things like Lost Island, which has large numbers of DAU. Things like Toy Story, which has large numbers of DAU. We have started to see those games because we do not see them as investable games, going forward. It is more in the casual aspect of it. There are some legacy games too, that are no longer investable from a UA point of view. That we have actually seen some of the legacy games starting to slow down as well.

The degradation in Social Casino, which I think we have been talking to the market about for a number of years now on the basis that we saw that gradual decline. That has actually slowed.

Larry Gandler: (Credit Suisse, Analyst) Okay, great. The new studio you guys purchased in Digital, I was looking at, Neskin. It does look like it comes with some games and some users. Is that going to materially influence margin and some of the statistics like DAU and ABPDAU?

Trevor Croker: I might just make a couple of quick comments first, Neskin is the company behind *EverMerge*. So, they are the ones that have actually made *EverMerge* and the investment there is around focussing on talent and then helping us build out content pipeline. I might just ask Mike Lang, who is the CEO of Digital, who is on the call, just to make a couple of quick comments on that studio and talent. Mike.

Mike Lang: Thank you Trevor. Larry, nice to meet you. In regard to Neskin, we saw it as a really great opportunity for us to not only invest in talent but invest in a group that was in Eastern Europe and can provide some low cost capabilities for us. Like we really successfully achieved with Plarium and in terms of its business.

As a result, it could help us then take the *EverMerge* business, going forward, given as you know, so much of a game as you're starting to develop it, is not just the original launch, but the ongoing features and Live Ops that need to be created. So I think you are going to see us do more of these very targeted investments, where we can bring in the right talent to help accelerate our product pipeline and really drive the business, as you have seen this year, and drive future growth.

Larry Gandler: (Credit Suisse, Analyst) Okay, that makes sense. Okay, thanks guys. I will let somebody else have a go.

Trevor Croker: Thanks Larry. I appreciate it.

Operator: Your next question comes from Bryan Raymond with Citi. Please go ahead.

Bryan Raymond: (Citi, Analyst) Good morning. My first one is on digital as well and just thinking about *RAID*. Now you have got more than $400 million of annualised bookings there. How do you think about that in terms of break even in the second half 2020, didn't quite get there and then if you can just talk about how that contributed to your UA spend over the period? Whether that was the majority, or a very large portion of that overall UA spend in the half?

Trevor Croker: Yes, thanks Brian. I appreciate the question. First of all, *RAID* was modestly profitable in second half and now, as we're switching away from scaling that into towards new content, Live Ops and features is what we're doing. I think if you look at the rough numbers, *RAID* is annualising at about (US)$368 million - somewhere $360 million/$380 million at this point in time.

So really what it was is we invested around about 50% of the UA in driving scale and driving that growth. Because it was a scalable and investable app and remains that. But that ability to continue to scale now is somewhat less possible. But there are still, as we know, long term value in apps through building in live content, Live Ops and features, to sustain profitability longer term or to increase profitability.

Bryan Raymond: (Citi, Analyst) Great and just to confirm, was that 50% in the second half 2020 or full year 2020? I recall something like that in the first half as well. I am just trying to confirm.

Trevor Croker: I think it was around about the second half. But we had a strong investment in the first half because it was actually scaling very aggressively throughout November through. So, it was a big part of first half and around 50% of second half.

Bryan Raymond: (Citi, Analyst) Okay, great. Then just thinking about the other investment in *RAID*. Outside of user acquisition cost, just thinking about that other operating costs, which I noted for the overall Digital business were up 20% in the second half 2020. Despite some cost out and Big Fish restructure, etc. Can you help us understand that the variable cost element within that bucket versus fixed costs?

Then also what incremental cost in that needs to happen in *RAID* as it scales further?

Because I am hearing from others that there is some real server capacity issues and some initial investment required there to scale again further. So perhaps if you can just talk us through other cost bucket please.

Trevor Croker: Sure Brian. I will hand you over to Julie to give you some commentary around that fixed and variable costs.

Julie Cameron-Doe: Thanks Trevor and hi Brian. Yes, in terms of the ongoing costs of *RAID*, I think you have to think about these games of - we talked about them previously, as kind of live services. There is a real element of having the ongoing cost around the Live Ops and continuing to create the features and keep those games going. So, you continue to drive engagement and bring new users in and continue to engage with the existing users to keep that virtuous cycle going within the game.

So, there is definitely an element of that. As we look at how we can continue to develop new games and grow the business beyond where it is at today, we actually have to - we will be investing more heavily in talent and in the product pipeline to be able to do that. That will - it is variable cost if you think about it if you were bringing in resources. But it is a fixed cost from a point of view of we'll be expanding in existing studios and building up larger teams to be able to do that.

So, there is definitely an element of ongoing cost and increased cost from that, given it is such a big game. If you think about the success that *Vikings* has had and continues to have - think *Vikings* has been going for over five years now. There is a dedicated team still that is very focussed in *Vikings*, continuing to keep that game fresh and continuing to drive promotions and all of those Live Ops within that game. You will see a similar situation with *RAID*.

Bryan Raymond: (Citi, Analyst) And just a comment just to follow up there, just on the server capacity issues in *RAID* at the moment, which is constraining spend for some players, as they can't really add in more champions [unclear] capacity in what they can do. Is there talk about adding the additional capacity? But if you could just talk about that tech investment piece rather than just people, to create more opportunities to grow revenue and margins.

Julie Cameron-Doe: Yes. I might just start that and then pass back to Trevor. Overall, from a technical perspective it is, I am not going to speak specifically to the reference you made to *RAID*. But I think generally, one of the key things that we have to do as we now have this Digital business of scale, is make sure that we don't accumulate technical debt and that we are keeping our platforms current and investing in them.

In FY21 we do have commitments to invest in that area across the Digital portfolio. But I might hand back to Trevor or to Mike, who can comment on the *RAID* technical difficulties.

Mike Lang: I am not really aware, nice to meet you Brian, not really aware of many technical issues that we have heard of. But clearly, we are always on top of that and making sure that we're providing the best customer experience. I will say where the significant investment is around the content capacity. We have got a whole new set of new game features coming over the next 30 to 60 days that I think we're going to have a major impact in terms of just improving the overall content experience and continuing, as Trevor said, this long-term opportunity of *RAID* that we have right here to make it truly a very evergreen and profitable product long term. So, but in terms of technical server capacity, we'll keep on track of that. But I have not heard much in terms of the big issue on that.

Bryan Raymond: (Citi, Analyst) Okay. Just a final one for me this end, just on land-based (business). It is great to see some good performance [unclear]. But just thinking about October and November to date. We have seen cases in the US. New COVID cases have tripled from where they were at exit rate for the full year 2020.

So just interested in a few states have increased some constraints or restrictions on the casinos. Just interested in if there has been any material change post-balance date around some of those trends that have been quite encouraging through the second half 2020.

Trevor Croker: Thanks Brian. I think it is a little bit too early at the moment. Certainly, we have seen a few venues closing. But I think it is also fair to say that most venues haven't been operating 100% capacity. Our focus is really around making sure that we measure the number of machines that are switched on.

Then keeping out market leading fee per day. We believe we can continue to do that. I will hand to Mitchell Bowen, who is the CEO of our gaming business, to make a couple of comments on how we see the market.

Mitchell Bowen: Thanks Trevor. Brian, it is a pretty fluid scenario at the moment. Obviously, our focus is making sure we keep as many machines switched on as humanly possible. The markets like New Mexico and Pennsylvania, Indiana, Colorado, which are talking about either closing for a couple of weeks or adding some of those additional restrictions, maybe down to circa 25% capacity and maybe shutting out sometime. Maybe from 2:00 am to 10:00 am type scenario.

That does not materially impact the number of - or the fleet activation that we have got. Markets like Oklahoma, where we have obviously got a very strong footprint, remain resilient in their approach to staying open. But we will keep everybody updated and obviously, it's a pretty fluid environment at the moment. We do not see a material impact at this point.

Bryan Raymond: (Citi, Analyst) Okay. Thanks Mitch

Trevor Croker: Thanks Brian.

Operator: Your next question comes from Desmond Tsao with Goldman Sachs.

Desmond Tsao: (Goldman Sachs, Analyst) Hi. Thank you. Good morning Trevor. Good morning Julie. Maybe just firstly a question on land-based, similar to the prior question. At the end of October, you guys noted 75% of Class III premium and 90% of Class II Gaming Ops machines were operating. If you could just maybe just remind us of how that has trended in the prior month leading up to October and then perhaps if you can comment on the run rate for the blended fee per day in October, in light of the machine on commentary.

Trevor Croker: I'll make some comments. I think the comparisons that we can give you at the moment Desmond - and thanks for the question - is that we finished September at 73% of machines switched on in Class III gaming operations, which then went to 75% and I think that's a little bit about our performance of the fleet. There is a lot of that. Then the second part is more openings during that period of time.

In Class II that number went from 88% at the end of financial year 2020 in September to 90% in October. We are seeing gradual increases in the percentage of the machines switched on. We are seeing pretty stable fee per day from those periods of time. If you think about the fee per day, it seems to be standing at a pretty stable level. We are getting a slow increase of the machines switched on.

I think there is, as I said, consequence of good game performance, good technology investment. You would have seen it. We actually increased our installed base for both Class II and Class III in the year as well. Mitchell, if you would like to make any more extra comments?

Mitchell Bowen: No Trevor. I think that sums it up. It is trending in a positive direction.

Desmond Tsao: (Goldman Sachs, Analyst) Okay, great. That is very clear and then maybe just a question around Digital, slide 28. It is a very interesting on. Perhaps if you could flesh that out a bit more. Maybe talk to anything you can on the vertical access and if there is any differences across casual and Casino games and whether or not this curve, has shifted over time.

Trevor Croker: Yes, thanks Desmond. I think this - it is an illustrative piece of work. I think Rohan Gallagher, who has been communicating this with the market through the last 18 months, is probably best just to give you the flavour of this. Rohan

Rohan Gallagher: Thanks Trevor and good morning everybody. Essentially, this is really about the investment in User Acquisition to demonstrate long term growth. That user acquisition investment is dynamic and it's really dedicated towards the key performance indicators, to ensure that the lifetime value of each game delivers a great return for shareholders.

Desmond Tsao: (Goldman Sachs, Analyst) Okay. Thanks guys.

Trevor Croker: Thanks Desmond.

Operator: Our next question comes from Anthony Longo with CLSA.

Anthony Longo: (CLSA, Analyst) Good morning Trevor. Good morning Julie. Just a quick one on Digital. So just looking at the interaction between DAU monetisation. So, I do appreciate in the first half 2020, we did see a compression of that 10% in the DAU base and then we did see that again across the balance of the year.

Look, I do appreciate the legacy games and the things in runoff. But how should we ultimately be thinking about that DAU base, going forward? Is there still much to run on that front before you get that appropriate DAU base to monetise off? Or is there still some leakage that still has to happen?

Trevor Croker: Yes, thanks Anthony. I appreciate the clarifying question. Certainly, from where we are going at the moment, you have seen a decline over the last couple of periods in DAU in total. That has been against our deliberate strategy of monetisation, which is to find investable apps and continue to do that. We have done that this quarter.

We have stabilised the decline in Social Casino, as we mentioned earlier. I think what you will see is you'll see growth from new products. So, thinks like *EverMerge*. You have seen dynamic growth from *RAID*. You have seen growth from *EverMerge*, from *Undersea Tripeaks*, to a lesser extent.

Then the new portfolio of games that are coming through will also driver DAU growth. But it's really going to be driven by the new content coming through, as those older games become more into profit, as opposed to investable games from a DAU point of view.

Anthony Longo: (CLSA, Analyst) That's great. Understood. In terms of - so just wanted to get a sense as to the performance of the bookings, by game. So, it looks like *Cooking Craze* has gone back a fair way year on year. But I was just - in the other games, when you back up the numbers, it represents about $240 million. I just wanted to get a sense as to how *EverMerge* and *Undersea Solitaire* are contributing to that and then also how those annualised run rates are looking to at the current stage.

Trevor Croker: Yeah. Okay. Good question. I will make a couple of comments and then Mike, you might want to just step it up from there. Really, this is where some games are becoming legacy games. They are starting to become uninvestable, either because of the CPI's (cost per new impression, or marginal customer) or because of the LTV's (Lifetime Value) for those games.

They then become what we call legacy or they become part of our profit opportunity. If you look at what has happened from the new games, things like *EverMerge*, it's still very early. But the indications are quite positive. If you think about where *EverMerge* is competing, it is in the merge segment, which was really created by the Zynga's Gram Games business and circa about (US) $250 million to (US)$300 million per annum. We think we can take a meaningful share of that and actually grow that segment, going forward.

Tripeaks Solitaire is in a more congested segment. It is actually larger, but the growth rates aren't there. It won't be the same size as *EverMerge*. It will be smaller. Just the size of the amount of competitive games in that genre and the type of game that it is. *EverMerge* is showing good early signs and we continue to see ability to invest in it. Mike, you just might want to talk about how you feel about the pipeline with those games.

Mike Lang: Yes, I think the - one thing I would add on *EverMerge* is it is the best launch that Big Fish has had in over three years. I think it is a great signal of the work that the team has done there to restructure and focus its effort on new product. With this first game being a great first step of that. Our hope is for more to come, as we find ways to develop new products in the casual segment that are not only comparable to what you see out in the marketplace. But starting to mash up various genres.

That is where a lot of the success in the casual space seems to happen. So, on that particularly, that is where I'd focus it. Then regards to Solitaire. I think Trevor said it right. I mean it is a competitive market out there. Some games work right away. Some games we must keep tweaking and improving upon them to see where they're at.

I think Solitaire is one of those, where it needs additional work to figure out how we can really differentiate within that segment. But that is really what the strategy is. To get more opportunity to get the games out there in the pipeline to find success.

Anthony Longo: (CLSA, Analyst) Sounds great. Look…

Trevor Croker: I have just got to make one comment. Sorry Anthony. Making one comment on that slide. Is just the size of the Digital business now. It is over two (2) billion of Australian dollars in revenue. 30% margin. It is a very strong and a very comparable part of our business now and complements our strategy around diversification.

Anthony Longo: (CLSA, Analyst) Yes, absolutely. Look, thanks Trevor. Thanks Julie. Congratulations on the result. I have got a few more questions, which I'll take offline. Thanks again.

Trevor Croker: Thanks Anthony.

Operator: Your next question comes from David Fabris with Macquarie.

David Fabris: (Macquarie, Analyst) Oh, hi Trevor. Hi Julie. I have got a question for Julie and then I've got one for Trevor. I am keen to understand the thought process around the liquidity position. Is there a need to hold so much cash, given the improving outlook, which is coming at that cost, given the drawn facilities? I mean if we do not see M&A in near term, could you possibly repay the Term Loan B facility and potentially arrange more attractive finance on an M&A deal?

Julie Cameron-Doe: Thanks David. Yes, a very good question. We are pretty pleased with what we've been able to do with our liquidity and closing the year with almost $2 billion in available liquidity, was a very strong position to be in. Certainly, when we came into this situation 10 months ago, we really were in a period of high uncertainty and not really clear what opportunities would be out there, from a market perspective to raise liquidity.

So, we were focussing on putting ourselves in the best possible position to come out of this. We know that we entered the position strong, from a fundamentals perspective. With a strong portfolio and a strong balance sheet. We absolutely wanted to preserve and enhance that if we could. So that is why we took the actions we did, to raise the debt that we did at the time. Then, as you will recall, we identified at what our cash burn would be on a worse case basis. We have been able to really improve on that, as we've gone through the second half.

We see the debt that we took on as a form of insurance, given the uncertainty. If you think about what is going on currently, as we are heading into winter in North America, that uncertainty isn't over. We are comfortable with the optionality that having such a strong liquidity position gives us.

In terms of the flexibility to pay down debt, certainly on a long-term basis, we wouldn't expect to have a balance sheet with this level of liquidity and gross debt. But in terms of what the pay down could be, with respect to the TLB, we will absolutely have the possibility to restructure and change that, as we contemplate potential M&A in the future.

David Fabris: (Macquarie, Analyst) Yes, okay. So, there is no intent to reduce that now, I guess, is the point you are making. Then just one for Trevor. Just looking at some of your comments around expanding into adjacencies. Is this more a land-based comment or Digital as well? Can you help us understand where you see these opportunities? Is there anything close to commercialisation within these adjacencies?

Trevor Croker: Yes, thanks David. There are actually two lenses to this. First, there is our current businesses in Gaming and Digital, where we both - we are comfortable with our current position. But as you know, we have made some talent plays and some studio plays in the Digital business in the last 12 months. It is across both. We also see opportunities in the Gaming business.

There are adjacencies in the Gaming business that we want to continue to focus on. There are adjacencies that we can enter naturally through normal product and access, which we will do. But there are also other areas where we can build on our organic growth and accelerate that by doing good and smart M&A. We will continue to focus on the right price and opportunity. It is also really about what interests our customers.

Our customers are informing our views on this at the moment, because some of them are seeing their relationships change with their customers and are now seeking different solutions. I actually see really good opportunities in our land-based business. I see good opportunity in our Digital business and, also see good opportunity for other expansions outside that, which we referred to in the past, which are natural expansions in things like online slots. So, we know our content is a very good content. So, it becomes opportunity for us longer term.

David Fabris: (Macquarie, Analyst) Got you. But in the next 12 months is there anything new that is going to commercialise? Or is it just wait and see?

Trevor Croker: I will not go into it (now). But I can say that we have been very proactive through this period and we've always been proactive in looking what the options are. We will keep you updated on it.

David Fabris: (Macquarie, Analyst) Great. I appreciate the answers. Thanks guys.

Trevor Croker: Thanks David.

Operator: Your next question comes from Sacha Krien with Evans and Partners.

Sacha Krien: (Evans and Partners, Analyst) Hi Trevor. Hi Julie, and everyone else. Just a couple of questions. First of all, on the cost base for Julie and then I've got a question for Mike on the Digital business. Julie, I am just wondering first of all, did you achieve $100 million of Cost Out in the second half of 2020 that you guys had originally flagged? I just noted you did seem to bring staff back on earlier in the US, in particular.

Julie Cameron-Doe: Hi Sacha. Thanks for the question. Yes. We identified $100 million of savings, as you know, when we went into - in response to the COVID situation. As we went through the second half and we could see re-openings start to happen across land-based, we started to return people to work. We really wanted to be there to support our customers.

As our customers were reopening, we were the manufacturer that was available to get out there and help them reset their floors and get ready for opening. So very important to us to do that. So, we chose to reinvest. While we identified the $100 million and those savings were largely temporary in nature, if you think about it. There would have been variable costs in terms of, the furloughed employees, the (temporary) pay cuts that we had announced, there were also some redundancies. But a big chunk of those costs that we had identified were temporary in nature. We did choose to reinvest a portion of those through the year. We talk about reinvesting in UA and product development and in customer service. I talked about wanting to be there for our customers and bringing people back.

So absolutely we invested there. We see that as really our point of differentiation and why our customers will come to us. They will help with game share and grow the business sustainably over the long term.

Sacha Krien: (Evans and Partners, Analyst) Okay. Thanks. When I look at the -

some of the - I guess maybe you call them one-off costs that were above the line. So, the bad debt provisioning, the write-down of inventory. It looks like there has been some abnormal legal costs during the period. It looks like it adds up to about $120 million. I am just struggling. I am just wondering where we should be assuming that you are going to get a lot of - much cost growth coming through in FY21 when you back out that number. As you have said, you have also had some redundancies during the period. I understand there is underlying investment going on. But that is going to have to be pretty significant in order to grow the OpEx base on FY 20 at this point, isn't it?

Julie Cameron-Doe: Yes. I will start from the beginning. In terms of the above - below the line. We take a principled approach. Really, the significant items that we have identified in the period have to be truly non-recurring and not in the ordinary course the business to go below the line. It's got to be material in size, and we look at how things like this have been treated previously.

So, you will see there is five different items that we treated as significant. We called out JobKeeper and the other stimulus, because we wanted to make sure that the result was clean from that perspective. While we have highlighted what we benefitted from it, we've called it out separately. We've got the one-time deferred tax asset recognition, which was significant in the period.

Then we have got the contingent consideration for Plarium.

The onerous lease of Big Fish following the restructuring that took place at the end of the fiscal year there and then the legal settlement costs, which were publicly disclosed back in May.

So those are the significant items. If you think about what has gone through in the normal course of business, you've got the bad debts provision. You have got some legal costs. You have got the inventory provision.

You will see also in - I think it is in note 1.3 of the accounts. You will see what is called post-employment benefits other than superannuation, which is - which actually means, termination costs. So, you will see that there was an increase there as well. In all of those items, it is tough to make the call as to how much is normal course of business and how much is related to what we've been through this year.

Clearly, an element of it is related to what we have been through this year. But in all those cases, we have those costs in the normal course of business and they do tend to fluctuate period to period, which is why they have gone through the numbers. We like to think, as we look at the results this year, while we are disappointed in it from a quantity perspective, because obviously the number is well below where we have been in the past. We see real quality in the result we have been able to deliver.

Because we have gone in there with the principle of preserving our strong fundamentals, preserving our balance sheet and optionality to invest in future growth.

We have been able to get through this with a strong liquidity position at the end of the period and are continuing to have a strong balance sheet at the end of the period as well.

Sacha Krien: (Evans and Partners, Analyst) Yes, okay. Maybe we will discuss that a little bit more offline. Just a quick question for Mike. I'm just wanting Mike, if you can talk a little bit about the changes the Digital team has made or is making ahead of Apple's privacy changes next year and whether you are at all concerned about any impact on UA and bookings from those changes.

Mike Lang: Sure. Nice to meet you Sacha. So, it is still very early days in regard to the IDFA changes and what's happening there. We have our marketing braintrust across the organisation looking at the issue. Talking to Apple, talking to Google to try to figure this out. I think the other thing you have to keep in mind is there is a lot of interested parties within the marketing ecosystem that are also trying to figure it, in particular Facebook and Google.

Many of the things that is going on with them will openly be a way to solve the various issues that may come out here. Clearly, we must acknowledge there could be risk here. However, here is why I am more comfortable. First, it is clear to me that the scale and synergies that we have across our entire portfolio puts us in a good position to manage that ever changing situation, which typically happens in many media industries. Where you see certain things happening and you must adapt to it.

Much better to have the scale and scope that we have related to that. Second, and this was happening even before IDFA, is there is going to be continued diversification across marketing channels. The marketing team has had tremendous success with YouTube as a vehicle. There has been success in other vehicles like Snapchat. Who knows what other vehicles will come?

So, as you go forward you will find different ways of diversifying and being successful. I feel very good. Although we, like other publishers have to look at it and say there could be short term risk. I think the - the final thing I will throw out too, is a consequence of this is there could be over time seeing more and more consolidation of smaller players in the business.

Because it just becomes tougher and tougher to compete with these big changes, which (a) is an opportunity for us for more share. But (b), also for M&A down the road. So, all in all, there is still a lot to learn. But I feel good about our long term, strategic position to respond and adapt based on what happens.

Operator: That is all the time we have for Q&A today. I will hand back for closing remarks.

Trevor Croker: Thank you and thank you for your interest in Aristocrat. We very much appreciate the opportunity to talk to you today. I think Julie referenced the fact that this is a quality result. I think the quality, whilst it's difficult with the results themselves, the quality is very strong, and the fundamentals are actually stronger.

When we came into the COVID period we saw ourselves in a strong position from a strategic point of view, from an operating point of view and a financial point of view. Through this period, we have taken time to address each one of those and I believe we have come out of this in a stronger position.

We are far more confident about our ability to continue to grow the organisation and continue to be a growth stock - maintain the growth stock status. Because we are looking at the sustainable long-term profitability.

We generate over $1 billion of cash flow, which allows us to continue to reinvest and self-fund our growth and create capacity that we got from our financial structures for further growth, whether its inorganic or organic. So, with that, I would like to thank you for your interest in Aristocrat on behalf of the boarder team. We look forward to keeping you up to date and stay well and stay safe. Thank you very much.

End of Transcript