



STRONG ORGANIC AND ACQUISITIVE GROWTH DRIVES 34% FULL YEAR PROFIT INCREASE

29 November 2018

- Record FY 2018 NPATA result of A\$729.6m (114.1 cps), representing 34% growth;
- A final fully franked dividend of 27.0cps, takes full year dividends to 46.0 cps, up 35%;
- Americas land-based business (segment profit +16% to US\$650m) driven by North America Gaming Operations growth in Class III (up 25%) and Class II (up 8%) units, modest fee per day increase (+2% to US\$51.81); and maintaining share in an increasingly competitive Outright Sales market;
- A record Australia & New Zealand performance (ANZ), segment profit +9% to A\$207m;
- Ongoing transformation of Aristocrat's Digital business, following continued Product Madness growth, Plarium & Big Fish acquisitions. Segment profit of US\$331m, now represents 27% of Group segment profit;
- Self-funding D&D investment at 11.4% of Revenue (+54% to \$414m); and
- Strong balance sheet maintained (1.7x pro-forma leverage) post acquisition.

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

Footnotes are provided on Page 3

Aristocrat Leisure Limited (ASX: ALL) today announced its financial results for the full year ended 30 September 2018.

Net profit after tax and before amortisation of acquired intangibles (NPATA) for the year was \$730 million, representing 34% growth in reported terms and 33% in constant currency, compared to the \$543 million delivered in the twelve months to 30 September 2017.

This result reflected the strong performance delivered across the Group's global portfolio, including profit growth of 16% in the Americas land-based business (to US\$650m), a 9% lift in profit in the market-leading ANZ business (to \$207m) and transformational profit growth of over 170% (to US\$331m) in the Digital business, with sustained organic growth supported by acquisitions.

The strong operating result was underpinned by the continued commitment to investment in Design & Development (+54% or \$145m to \$414m) and continued investment rigour.

The Directors have authorised a final fully franked dividend of 27.0 cents per share (A\$172.4 million) in respect of the 6 months ended 30 September 2018. Total dividends for FY 2018 of 46.0 cents per share represent a 35.3% or 12.0 cents per share increase on the prior corresponding period (PCP) and commensurate with the Group's earnings growth. The final dividend is expected to be declared and paid on 19 December 2018. The Group's ability to frank dividends will be considered going forward, depending on its franking balance and forecast position.

Other key features of the result include:

- Revenue increased 48% in reported terms and over 46% in constant currency compared to the PCP, to a new record of over \$3.6 billion.
- Earnings before interest, tax and depreciation and amortisation (EBITDA) increased over 32% in reported terms and more than 31% in constant currency, demonstrating Aristocrat's sustained ability to grow revenue and leverage value through the P&L.
- EBITDA margins remain strong at 36.7%, reflecting high quality of earnings and growth across strategic recurring revenue segments, offset by higher contribution from lower margin Digital social casual games and continued reinvestment in the business, via higher D&D spend.
- Normalised for acquisition related significant items, operating cash flow increased over 23% to \$988m. Statutory operating cash flow at \$934 million was 17% higher than the strong PCP.
- Net gearing closed at 1.7x times (net debt / consolidated EBITDA) at period end, reflecting the debt funding of the acquisitions of Plarium (19 October 2017) and Big Fish (10 January 2018), together with sustained earnings growth and strong free cash flows.

Outlook

Aristocrat anticipates continued growth in the 2019 fiscal year, reflecting:

- In land-based outright sales, we expect incremental gains in attractive North American adjacencies, in addition to maintaining market-leading share positions across key for sale segments globally, despite relatively flat markets and increasing competitive pressures;
- In land-based gaming operations, we expect expansion across our total Gaming Operations installed base, leveraging our broadening portfolio, while maintaining market-leading average fee per day performance;
- Further growth in Digital bookings, supported by new game releases with a significant increase in User Acquisition (UA) investment (circa \$100m) as we drive a diversified Digital portfolio and fully leverage the potential of our Digital footprint;
- We anticipate lifting D&D investment across land-based and Digital, in absolute dollar terms, while remaining broadly in line with FY 2018 as a percentage of sales;
- We anticipate moderate growth in corporate costs, as we build the appropriate infrastructure to grow a more complex and diverse business;
- We expect a further 100bps - 150bps reduction in the Group's effective tax rate versus FY18; and

- Finally, Aristocrat's FY2019 earnings are expected to be skewed to the second half, reflecting the timing of Digital game releases and corresponding UA investment.

Aristocrat Chief Executive Officer and Managing Director, Trevor Croker, said "Aristocrat delivered strong, high quality earnings growth over the 2018 fiscal year, against a backdrop of mostly flat markets and increasing competitive pressures."

"Pleasingly, the result was driven by strong organic growth across our land-based businesses and Product Madness, driven by an increasingly broad and competitive product portfolio together with effective execution and a focus on customers and innovation. This result was boosted by two significant digital acquisitions that made a positive contribution to the Group and added to our earnings diversity, capabilities and scale."

"Recurring revenue, including Gaming Operations and Digital Social Casino, accounted for 65% of Group revenues, up from 52% in the prior year. This highlights the progress Aristocrat has made in delivering sustainable earnings and cash flow growth over time, consistent with our strategy and shareholders' interests."

"Leveraging our strong balance sheet, operating cash flow generation and design and development capability, Aristocrat will continue to focus on unlocking growth in our core and in attractive adjacencies, for the benefit of our customers and shareholders." Mr. Croker concluded.

Dividend Key Dates:

Ex-Dividend Date	4 December 2018
Record Date	5 December 2018
Payment Date	19 December 2018

Notes to Table on Page 1:

1. Normalised results and operating cash flow are statutory profit (before and after tax) and operating cash flow, excluding the impact of certain significant items and adjustments. Significant items and adjustments are items which are either individually or in aggregate, material to Aristocrat and are either outside the ordinary course of business or part of the ordinary activities of the business but unusual due to their size and nature.
2. The operating revenue and results reflect the ongoing revenue recognition principles for the acquired businesses since the date of acquisition, and corresponds to the revenue and results that would have been recognised under Accounting Standards had the businesses not been acquired to explain the underlying performance of the entity and the drivers of its profit.
3. Consolidated EBITDA as defined by the Credit Agreement.

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

Further Information:

Financial:

Rohan Gallagher
 General Manager, Investor Relations & Treasury
 Tel: (612) 8216 3902; Mobile: (61) 421 051 416
rohan.gallagher@aristocrat.com

Reuben Rattos
 Group Treasurer & Investor Relations Manager
 Tel: (612) 9013 6407; Mobile: (61) 418 212 852
reuben.rattos@aristocrat.com

Media:

Natalie Toohey (61) 409 239 459

Aristocrat Leisure Limited (ASX: ALL) is a leading gaming provider and games publisher, with more than 6,100 employees located in offices around the world. Aristocrat offers a diverse range of products and services including electronic gaming machines, casino management systems, and digital social games. The Company's land-based products are approved for use in more than 300 licensed jurisdictions and are available in over 90 countries. For further information visit the Group's website at www.aristocrat.com.