ARISTOCRAT LEISURE LIMITED

ABN 44 002 818 368

2022 HALF YEAR PROFIT ANNOUNCEMENT

RESULTS TO BE RELEASED TO THE MARKET

ANNUAL INFORMATION GIVEN TO THE ASX UNDER LISTING RULE 4.2A

Aristocrat Leisure Limited
Building A Pinnacle Office Park

85 Epping Road
North Ryde NSW 2113

2022 HALF YEAR PROFIT ANNOUNCEMENT

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ARISTOCRAT™

ARISTOCRAT LEISURE LIMITED

A.B.N. 44 002 818 368

APPENDIX 4D

Half-Year Report

Half-year ended: 31 March 2022

Previous corresponding period: 31 March 2021

Results for announcement to the market

Statutory results				**31 March 2022 $'m**
Revenue from ordinary activities	up	23.1%	to	2,745.4
Profit from ordinary activities before tax	up	29.6%	to	598.0
Profit from ordinary activities after tax	up	48.1%	to	513.0
Normalised results[1]				
Operating revenue	up	23.1%	to	2,745.4
Profit before tax	up	46.5%	to	704.6
Profit after tax and before amortisation of acquired intangibles	up	40.9%	to	580.1

Dividends

	Amount per security	**Franked amount per security**	**Record date for determining entitlements to dividends**
Current year – 2022			
- Interim dividend	26.0c	26.0c	27 May 2022
Previous year – 2021			
- Interim dividend	15.0c	15.0c	31 May 2021
- Final dividend	26.0c	26.0c	2 December 2021

Dividend Reinvestment Plan

The Aristocrat Leisure Limited Dividend Reinvestment Plan (DRP) will not operate in respect of the 2022 interim dividend.

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

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

Business Strategy

Strong fundamentals and top performing portfolios drive strong growth

Aristocrat's strategy aims to deliver high quality, sustainable profit growth by investing in our strategic differentiators, to ensure we can grow.

In particular, Aristocrat continues to invest in increasingly diverse and top-performing product portfolios, along with innovation, operational excellence and customer engagement to take share wherever we play. The very best people, culture and leadership capability underpins our progress, while good governance and improving Environmental, Social, & Governance (ESG) outcomes protect our business and industries over the long term. Exceptional cash generation and balance sheet strength are applied to fund both organic investment and inorganic acceleration options, providing the business with full strategic optionality and flexibility.

The effectiveness of this strategy was again demonstrated over the six months to 31 March 2022, with Aristocrat delivering significant top and bottom line growth. Net profit after tax and before acquired intangibles (NPATA) result of $580.1 million was 41% above the prior corresponding period (pcp) and 37% ahead of (pre-COVID) 1H2019 profit performance. This was achieved despite mixed operating conditions and challenges including the outbreak of hostilities in Ukraine in February 2022, an industry-wide moderation in overall mobile game demand post the lifting of COVID-19 mandates and ongoing global supply chain disruptions.

Throughout the period, Aristocrat continued to invest to drive further share growth and maximise long term profitability across Pixel United and Aristocrat Gaming portfolios. Both businesses further diversified into attractive genres and segments over the period, with high performing portfolios delivering above-category organic growth. Effective investment in outstanding product, including market-leading and disciplined design and development (D&D) and user acquisition (UA), along with the best people and capability contributed to strong performance over the 6 months to 31 March 2022.

Acceleration Options - Online Real Money Gaming

Aristocrat is accelerating implementation of our 'build and buy' strategy to scale in online Real Money Gaming (RMG). Online RMG is a logical growth and diversification opportunity that is highly complementary to both the Aristocrat Gaming and Pixel United businesses. It provides further channels for the distribution of our world-leading content, and leverages our strengths, including our ability to attack attractive adjacencies through strong investment and effective operational execution. This new business has crystalised its objectives and is implementing its plans at full pace, with an ambition to ultimately be the leading gaming platform within the global online RMG industry.

With the anticipated launch of i-Gaming products with two key customers in the US by the end of calendar 2022, we are continuing to ramp up organic investment in product and technology. At the same time, we are accelerating assessment of M&A options to add key capabilities and technology where Aristocrat can achieve this faster and at better scale inorganically – consistent with our disciplined investment criteria.

Hostilities in Ukraine

Since the first indications of potential hostilities in Ukraine, the Pixel United business has been implementing a comprehensive business continuity plan to support and protect our people first and foremost, while effectively managing business risks and minimising impacts. Reflecting its growing scale, flexibility and resilience, Pixel United successfully leveraged capability from across its global operations to ensure minimal impacts on content development and Live Ops in the half. The business also invested in new studio openings in key game talent hubs as part of its response, to help manage immediate impacts and power future growth in line with our strategy. Our games were suspended in the Russia market in March, and the business is working quickly to determine the right approach for Plarium's Russia-based studio. Aristocrat continues to closely manage the impacts of this situation, ensuring our people are protected and that our business is positioned to emerge even more resilient going forward.

Further Progress in Environmental, Social, & Governance

Aristocrat also continued to make progress across its material ESG priorities – consistent with our commitment to delivering sustainable, long term performance.

Over the period, high levels of employee engagement were maintained globally. The business also built significant capability to support our commitment to adopting a Group-wide science-based emissions reduction target by the end of calendar 2023. Aristocrat continued to invest in responsible gameplay initiatives, with an Australian-first trial of Aristocrat's cashless gaming technology set to begin in New South Wales (NSW) imminently, in partnership with the government, the regulator and our customer.

In summary, Aristocrat delivered a high quality result over the six months to 31 March 2022 that demonstrated the business' excellent fundamentals and extended its performance momentum. The result highlighted the effectiveness of the Group's growth strategy, along with the impact of focused execution and increasing business capability and resilience.

Group Performance

Earnings Summary

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

A$ million	Constant currency[2] Six months to 31 March 2022	Six months to 31 March 2022	Six months to 31 March 2021	Variance vs. 2021 Constant currency[2] %	Variance vs. 2021 Reported %
Normalised results[1]					
Operating revenue	2,669.1	2,745.4	2,229.7	19.7	23.1
EBITDA[3]	941.8	970.3	744.5	26.5	30.3
EBITA	818.1	843.5	612.6	33.5	37.7
NPAT	515.1	530.7	362.2	42.2	46.5
NPATA	562.8	580.1	411.6	36.7	40.9
Earnings per share (fully diluted)	77.7c	80.0c	56.8c	36.8	40.8
EPS before amortisation of acquired intangibles (fully diluted)	84.9c	87.5c	64.5c	31.6	35.7
Interim dividend per share	26.0c	26.0c	15.0c	73.3	73.3
Reported results					
Revenue	2,669.1	2,745.4	2,229.7	19.7	23.1
Profit after tax	498.9	513.0	346.5	44.0	48.1
NPATA	546.6	562.4	395.9	38.1	42.1
Balance sheet and cash flow					
Net working capital[3]/revenue	1.9%	1.9%	4.2%	(2.3)pts	(2.3)pts
Operating cash flow[3]	487.6	502.4	353.7	37.9	42.0
Closing net (cash)/debt	(531.8)	(523.5)	1,330.2	n/a	n/a
Gearing (net (cash)/debt to consolidated EBITDA[4])	n/a	(0.3)x	1.2x	n/a	1.5x

1. Normalised results are statutory profit (before and after tax), excluding the impact of certain significant items detailed on page 9.
2. Results for 6 months to 31 March 2022 are adjusted for translational exchange rates using rates applying in 2021 as referenced in the table on page 12.
3. During the year ended 30 September 2021, the Group revised its accounting policy in relation to configuration and customisation costs incurred in implementing software-as-a-service (SaaS) arrangements with cloud providers. Comparative information is reclassified where appropriate to enhance comparability. Refer to Note 3-3 of the Financial Statements.
4. Consolidated EBITDA for the Group as defined in Aristocrat's Syndicated Facility Agreement (also referred to as Bank EBITDA).

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

Operational Highlights

Aristocrat's portfolio of scaled, world-class Pixel United and Gaming assets continued to grow and diversify over the 6 months to 31 March 2022, off the back of continued investment and high quality execution, despite mixed market conditions. Key operational highlights for the period are set out below.

Strong growth in Aristocrat Gaming driven by market-leading products and exceptional performance in North America:

In North America:

- Premium Class III and Class II installed base grew 18% to 29,513 units and 4% to 26,581 respectively with continued penetration of leading hardware configurations and high performing games.
- Average fee per day increased 18% on the prior corresponding period to US$55.75 and 11% compared to the 1H2019, demonstrating exceptional product performance and portfolio quality, along with economic conditions.
- As at 31 March 2022, circa 98% of all Class III and Class II machines are switched on in customer venues that are open, compared to circa 80% at 31 March 2021.
- For the 6 months to 31 March 2022, Aristocrat games averaged 18 of the top performing 25 games in the Premium Leased segment and 10 of the Top 25 games in the wide area progressive (WAP) segment according to industry data[1].
- Outright Sales momentum continued in the core video segment, with volumes almost doubling compared to pcp.
- The business continued to grow in attractive adjacencies, including the Video Lottery Terminal (VLT) segments in Canada, Oregon and Illinois, and in the Washington Central Determinant System (CDS) segment. During the period, Aristocrat entered the Kentucky Historical Horse Racing (HHR) segment and invested to enter the New York Lottery markets in the second half of 2022.
- At the 2022 EKG Slot Awards, Aristocrat won 9 awards in the land-based gaming segment (eligible for 14), further underlining the market-leading nature of business' product portfolio.

In Australia and New Zealand (ANZ):

- Market-leading ship share was maintained throughout the period, supported by continued penetration of the *MarsX*™ cabinet and a high performing game portfolio.

Solid growth in Pixel United driven by high quality portfolio performance and robust demand:

- Pixel United maintained its Top 5 mobile games publisher position in Tier-1 western markets.
- At period end, Pixel United had 7 of the top 100 mobile games in the US market, across multiple genres, retaining its no.1 position in the Social Slots segment and no.2 in the broader Social Casino genre, as well as no.1 in the Squad RPG (Role-Playing Games) segment and no.2 in the Casual Merge segment, according to industry data[2].
- *RAID: Shadow Legends*™ continued its impressive, profitable growth trajectory driven by ongoing investment in content, features, and Live Ops.
- The business continued to expand and diversify its portfolio, including finalising a minority investment in the studio Ultracine, based in Montreal, bringing new casual game development capabilities to the business.
- Average Bookings Per Daily Active User (ABPDAU) grew 11% driven by improved performance in all segments, particularly in Social Casino and Social Casual games.
- In March, Pixel United suspended operating its mobile games in Russia. This market historically contributed approximately 3% of total annualised Pixel United bookings, largely in the Plarium portfolio.

Sustained investment in great talent, technology and product

- Aristocrat maintained its market-leading investment in game design, development and technology throughout the period, positioning the business for sustained profit growth.
- Investment in talent and technology to support our strategy to scale in Real Money Gaming (RMG) increased over the period.
- User Acquisition investment was maintained at 28% of Pixel United revenue, while D&D investment remained at a market-leading 11.4% on a percentage of revenue basis.

Superior financial fundamentals maintained, preserving full investment optionality

- EBITDA margin for the period improved to 35.3%.
- Capital expenditure of $131 million supported further investment in our Gaming Operations installed base, to fuel future growth.
- Gearing ((cash)/Net debt to EBITDA) improved to (0.3x) at period end from 1.2x at 31 March 2021.
- Aristocrat's balance sheet remained strong, with approximately $3.3 billion in available liquidity as at 31 March 2022 to support committed and future investments.

[1] Average for 6 months to 31 March 2022; Eilers reports

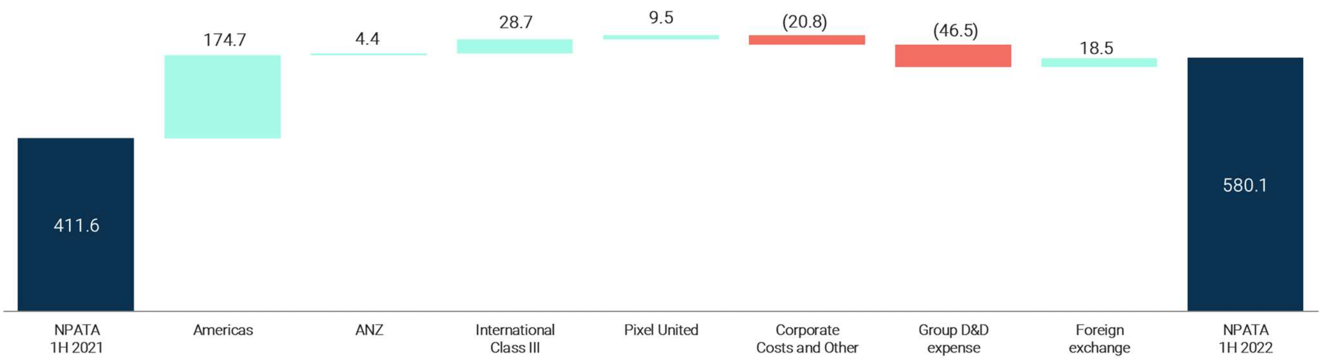
[2] Twelve months to 31 March 2022, Sensor Tower

Performance Summary

Normalised profit after tax and before amortisation of acquired intangibles (NPATA) of $580.1 million for the period represented a 41% increase (37% in constant currency) compared to $411.6 million in the prior corresponding period. Revenue increased by 23% (20% in constant currency), driven by outstanding performance in Gaming Operations and Outright Sales, supported by robust portfolio performance from Pixel United. Normalised fully diluted earnings per share before amortisation of acquired intangibles of 87.5c represents a 36% increase (32% in constant currency) on the prior corresponding period.

Net gearing decreased to (0.3x) from 1.2x leverage in the prior corresponding period.

NPATA movement 1H2021 to 1H2022 (A$ million)



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

- Aristocrat's NPATA of $580.1 million is 37% above the pre-COVID 1H2019 result of $422.3 million, reflecting a strong performance in the Americas and ANZ Gaming markets and further growth in Pixel United.
- In Gaming, the Americas business delivered a $174.7 million increase in post-tax profit, driven by a double digit (11%) expansion in Aristocrat's Premium Gaming Operations footprint by 5,540 units to over 56,000 units, combined with a strong increase in fee per day to US$55.75. In addition, a 78% increase in outright sales reflected increased customer capital availability, increased penetration of our Portrait cabinets, and successful expansion into strategic adjacencies.
- The ANZ business grew post-tax earnings by $4.4 million supported by the launch of the *MarsX*™ cabinet and high performing game portfolio, despite the impact of extreme weather and mandated venue closures across the period.
- The International Class III business grew post-tax earnings by $28.7 million due to new, large openings in the Philippines, as Asian and European markets continued to emerge slowly post COVID-19 lockdowns.
- Pixel United delivered post-tax earnings growth of $9.5 million, driven by strong performance in Social Casino games including *Lightning Link*™ and *Cashman Casino*™, and continued momentum in *RAID: Shadow Legends*™.
- Costs associated with the proposed Playtech transaction, increased interest expense and continued strong investment in strategic capabilities grew Corporate and other costs by $20.8 million post-tax.
- The Group's investment in talent and technology to support execution of our growth strategy – including scaling in RMG – increased over the period and remained at industry leading levels.
- Foreign exchange positively impacted the result by $18.5 million.

Group Profit or Loss

Results in the current period and prior corresponding period are in reported currency and normalised for significant items as outlined on page 9. Segment profit is stated before amortisation of acquired intangibles.

A$ million	Six months to 31 March 2022	Six months to 31 March 2021	Variance %
Segment revenue			
Australia and New Zealand	222.7	209.1	6.5
Americas	1,146.1	810.2	41.5
International Class III	64.0	16.8	281.0
Pixel United	1,312.6	1,193.6	10.0
Total segment revenue	2,745.4	2,229.7	23.1
Segment profit			
Australia and New Zealand	90.8	84.9	6.9
Americas	663.6	411.7	61.2
International Class III	29.9	(8.7)	443.7
Pixel United	428.3	401.8	6.6
Total segment profit	1,212.6	889.7	36.3
Unallocated expenses			
Group D&D expense	(312.8)	(242.7)	(28.9)
Foreign exchange	2.6	0.8	225.0
Corporate	(58.9)	(35.2)	(67.3)
Total unallocated expenses	(369.1)	(277.1)	(33.2)
EBIT before amortisation of acquired intangibles (EBITA)	843.5	612.6	37.7
Amortisation of acquired intangibles	(63.9)	(64.2)	0.5
EBIT	779.6	548.4	42.2
Interest	(75.0)	(67.5)	(11.1)
Profit before tax	704.6	480.9	46.5
Income tax	(173.9)	(118.7)	(46.5)
Profit after tax (NPAT)	530.7	362.2	46.5
Amortisation of acquired intangibles after tax	49.4	49.4	-
Profit after tax and before amortisation of acquired intangibles (NPATA)	580.1	411.6	40.9

Revenue

Segment revenue increased $516 million or 23% in reported currency (20% in constant currency), driven by growth across North American Gaming Operations, global Outright Sales and Pixel United.

While total revenue grew, the percentage derived from recurring sources in the period decreased to 75.7%. This was primarily driven by increased Gaming outright sales globally, as COVID-19 restrictions eased and customers increased their capital commitments towards Aristocrat's high performing products.

Pixel United revenue grew 6.4% in local currency to US$953 million, reflecting strong portfolio performance, particularly with momentum in *RAID: Shadow Legends*™, growth in Social Casino franchises *Lightning Link*™ and *Cashman Casino*™, and the launch of *Mech Arena: Robot Showdown*™ in the second half of FY21.

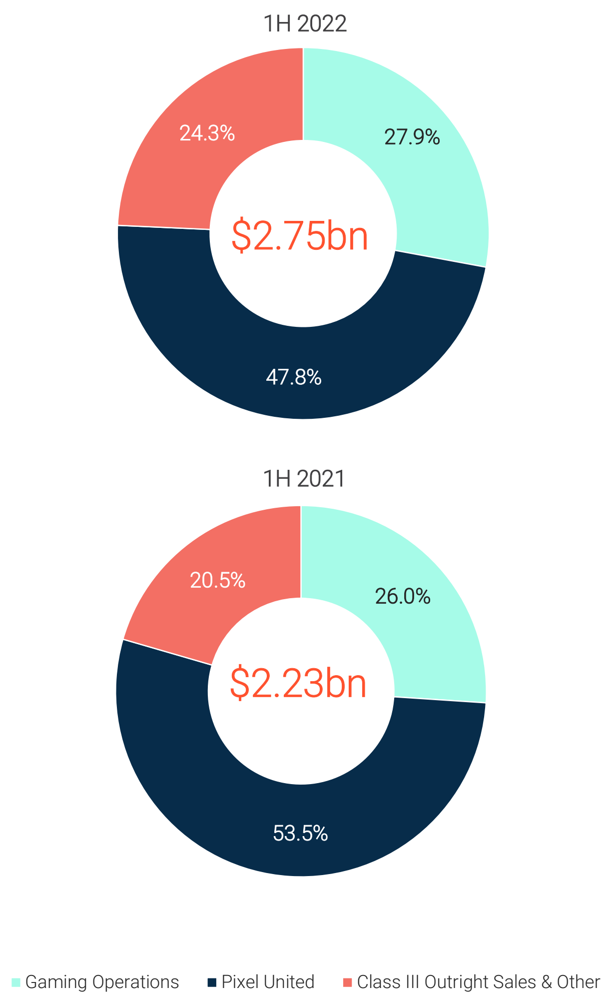
In Gaming, North America Gaming Operations revenue increased 28% in local currency, with the Premium Class III and Class II footprints increasing 18.0% and 4.0% respectively, while average fee per day increased 17.9% compared to the prior corresponding period. Performance was fuelled by continued penetration of high performing products *Cash Express: Luxury Line*™ and *Buffalo Link*™.

In North America Outright Sales, revenue increased 78% in local currency, as customers committed more capital to Aristocrat products. Increased penetration of *MarsX*™ and *MarsX*™ Portrait cabinets and growth in adjacencies drove this performance.

In the outright sales markets of ANZ, revenue increased 6.5% to $223 million in reported currency, reflecting the strength of Aristocrat's product portfolio and the broader recovery post COVID-19 lockdowns.

In the International Class III segment, revenue increased 281% to $64 million in reported currency driven by a number of new large openings in the Philippines. Asian and European markets slowly began to open through the period, post COVID-19 lockdowns.

Revenue by Strategic Segment



All amounts are in reported currency unless otherwise stated.

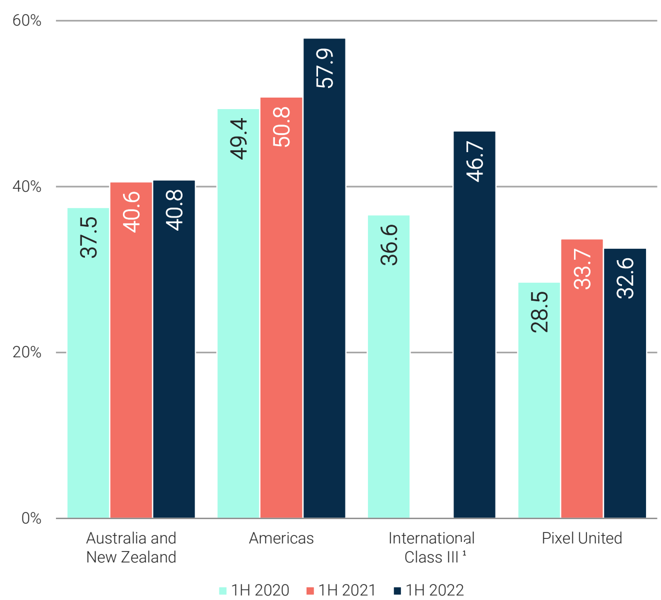
Earnings

Segment profit increased $323 million (or 36.3%) in reported currency, compared to the prior corresponding period.

Americas Gaming margins increased from 50.8% to 57.9%, driven by outstanding product performance and also reflecting the benefit of a strong inventory position in FY21. The business' decision to retain significant inventory, despite COVID-19 disruptions in the prior year, mitigated substantial supply chain cost increases during the period. Margin in International Class III also improved as Asian and European markets began to re-open.

Pixel United's margin decreased slightly from 33.7% to 32.6%, reflecting the strength of portfolio performance, inclusive of significant investment in strategic capabilities and business resilience, including in the context of the conflict in Ukraine. User Acquisition remained at 28% of Pixel United revenue over the period, supporting long term profitable growth in line with our strategy.

Segment Profit Margin % of Revenue



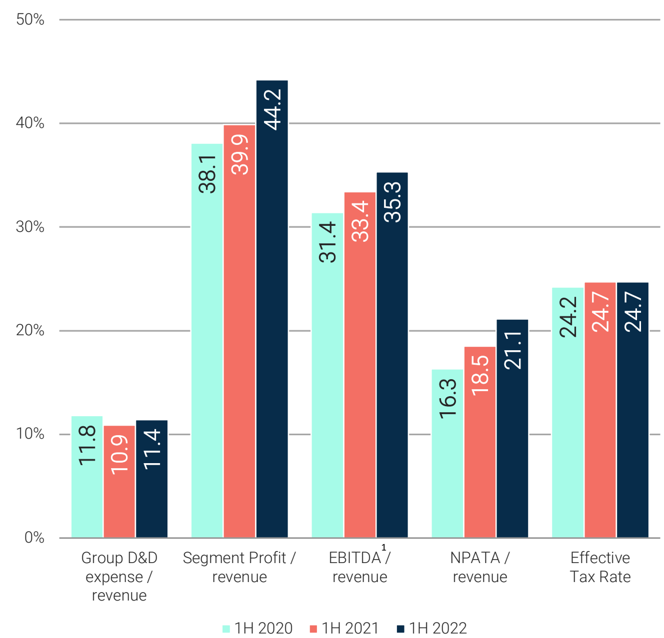
1. International Class III 1H 2021 margin of (51.8%) was driven by the effective closure of these markets in the reporting period.

The Group continued to invest strongly in talent and technology to deliver competitive product across a broader range of Pixel United genres and Gaming segments as well as building capability in Real Money Gaming in line with Aristocrat's growth strategy. Investment in D&D remained at a market-leading 11.4% on a percentage of revenue basis.

Corporate Costs increased by $24 million, driven by costs associated with the proposed Playtech transaction, continued investment in strategic capabilities and expanding our talent and capability across the regions.

The effective tax rate (ETR) for the reporting period was 24.7%.

Other Key Margins % of Revenue and ETR



1. During the year ended 30 September 2021, the Group revised its accounting policy in relation to configuration and customisation costs incurred in implementing software-as-a-service (SaaS) arrangements with cloud providers. Comparative information is reclassified where appropriate to enhance comparability. Refer to Note 3-3 of the Financial Statements.

Reconciliation of statutory profit to NPATA

A$ million	Six months to 31 March 2022	Six months to 31 March 2021
Statutory profit as reported in the financial statements	513.0	346.5
Amortisation of acquired intangibles (tax effected)	49.4	49.4
Reported profit after tax before amortisation of acquired intangibles (Reported NPATA)	562.4	395.9
Add net loss from significant items after tax	17.7	15.7
Normalised profit after tax before amortisation of acquired intangibles (Normalised NPATA)	580.1	411.6

Significant items

	31 March 2022	
A$ million	Before tax	After tax
Contingent retention arrangements	(6.4)	(6.4)
Funding for the proposed Playtech transaction	(100.2)	(81.9)
Changes in deferred tax asset	-	70.6
Net loss from significant items	(106.6)	(17.7)

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

Contingent retention arrangements: The Group's reported result after tax for the period includes the final expense of $6.4 million relating to contingent retention arrangements associated with the acquisition of Plarium.

Funding for the proposed Playtech transaction: The Group's reported result after tax for the period includes an expense of $81.9 million relating to funding costs to acquire Playtech, as was required under the rules of the UK Takeover Code.

Changes in deferred tax asset: The Group's reported result after tax for the period includes a net benefit of $70.6 million recognised in the period relating to the Group structure changes in a prior period.

Balance Sheet

The balance sheet can be summarised as follows:

A$ million	31 Mar 2022	30 Sep 2021	31 Mar 2021[1]	Variance vs. 31 Mar 2021 %
Cash and cash equivalents	2,980.9	2,431.6	1,728.0	72.5
Property, plant and equipment	308.8	325.4	316.1	(2.3)
Intangible assets	3,392.3	3,527.7	3,301.1	2.8
Other assets	2,550.3	2,387.3	2,344.5	8.8
Total assets	9,232.3	8,672.0	7,689.7	20.1
Current borrowings	-	7.0	6.5	(100.0)
Non-current borrowings	2,457.4	3,229.1	3,051.7	(19.5)
Payables, provisions and other liabilities	1,448.4	1,557.0	1,343.7	7.8
Total equity	5,326.5	3,878.9	3,287.8	62.0
Total liabilities and equity	9,232.3	8,672.0	7,689.7	20.1
Net working capital	100.9	(105.2)	172.8	(41.6)
Net working capital / revenue %	1.9	(2.2)	4.2	(2.3)pts
Net (cash) / debt	(523.5)	804.5	1,330.2	n/a
Gross debt	2,457.4	3,236.1	3,058.2	(19.6)

1. During the year ended 30 September 2021, the Group revised its accounting policy in relation to configuration and customisation costs incurred in implementing software-as-a-service (SaaS) arrangements with cloud providers. Comparative information is reclassified where appropriate to enhance comparability. Refer to Note 3-3 of the Financial Statements.

Significant balance sheet movements from 31 March 2021 are:

Cash and cash equivalents: The increase reflects the $1.3 billion cash received as part of the equity raising activity for the proposed Playtech transaction, for funding required under the rules of the UK Takeover Code, and the underlying cash flow generation capability of the business, partly offset by a repayment of Term Loan B of $683 million.

Net working capital: The movement reflects the decrease in payables at period end due to the timing of supplier payments and variable compensation paid, along with management's decision to increase inventory levels, in response to global supply chain disruptions, to maintain customer order fulfillment.

Non-current borrowings: The decrease is due to the partial repayment of Term Loan B of $683 million made during the period, as part of Aristocrat's capital management strategy.

Total equity: The change in total equity reflects the equity raising undertaken as part of the proposed Playtech transaction, the results for the period and changes in reserves due to currency movements, net of dividends paid.

Statement of Cash Flows

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

Operating cash flow

A$ million	6 months to 31 March 2022	6 months to 31 March 2021[1]	Change %
EBITDA	970.3	744.5	30.3
Change in net working capital	(206.1)	(130.0)	(58.5)
Interest and tax	(305.9)	(179.1)	(70.8)
Other significant items (non-cash)	(6.4)	(19.4)	67.0
Other cash and non-cash movements	50.5	(62.3)	n/a
Operating cash flow	502.4	353.7	42.0
Operating cash flow less capex	371.4	255.1	45.6

Consolidated cash flow

A$ million	6 months to 31 March 2022	6 months to 31 March 2021[1]	Change %
Operating cash flow	502.4	353.7	42.0
Capex	(131.0)	(98.6)	(32.9)
Payments for financial assets at fair value through profit or loss	(92.3)	-	n/a
Proceeds from disposal of financial assets at fair value through profit or loss	28.7	-	n/a
Investments	(1.4)	(4.2)	66.7
Investing cash flow	(196.0)	(102.8)	(90.7)
Repayments of borrowings	(683.0)	(3.3)	n/a
Proceeds from issue of shares (net of transaction costs)	1,277.2	-	n/a
Lease principal payments	(19.3)	(18.1)	(6.6)
Dividends and share payments	(232.2)	(87.2)	(166.3)
Financing cash flow	342.7	(108.6)	n/a
Net increase in cash	649.1	142.3	356.1

1. During the year ended 30 September 2021, the Group revised its accounting policy in relation to configuration and customisation costs incurred in implementing software-as-a-service (SaaS) arrangements with cloud providers. Comparative information is reclassified where appropriate to enhance comparability. Refer to Note 3-3 of the Financial Statements.

Operating cash flow increased 42% to $502 million compared to the prior corresponding period, reflecting strong business performance and underlying cash flow generation capability.

The change in net working capital in the period reflects the reduction in payables and the decision to increase inventory levels in response to global supply chain disruptions.

Interest and tax expense increased 71%, reflecting higher tax payments due to improved business performance, timing of tax payments and increased funding costs associated with the proposed Playtech transaction.

Payments for financial assets at fair value net of proceeds reflects foreign exchange forward contracts to cover the currency risk associated with the proposed Playtech transaction.

The major financing activities undertaken by Aristocrat includes the $683 million repayment of Term Loan B debt and $1.3 billion equity raising activities associated with the proposed Playtech transaction.

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

Funding and Liquidity

The Group maintained excellent liquidity and balance sheet strength over the reporting period. The Group had committed loan facilities of $2.8 billion as at 31 March 2022, comprising Term Loan B (TLB) facilities of US$1.85 billion and a $286 million revolving credit facility.

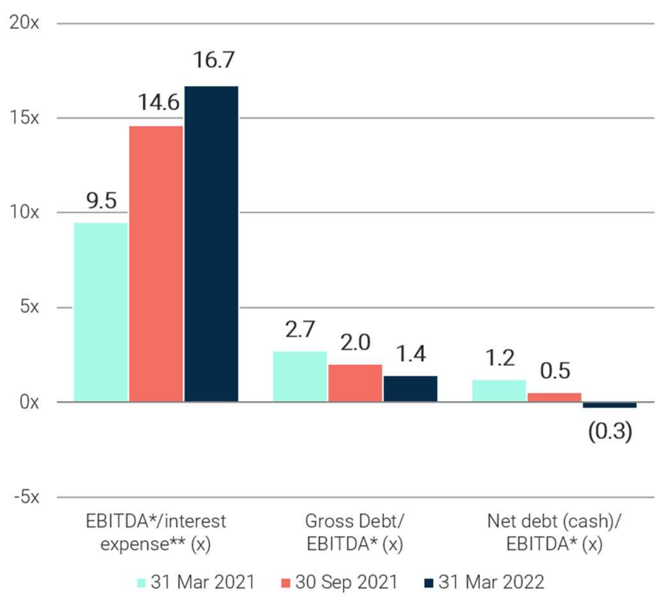
During the period, Aristocrat repaid US$493 million of the TLB reflecting Aristocrat's strong cash balance.

At period end, Aristocrat had total liquidity of approximately $3.3 billion, comprised of cash and $277 million of the available revolving credit facility, net of $9 million supporting letters of credit.

The Group's facilities are summarised as follows:

Facility	Drawn as at 31 Mar 2022	Limit	Maturity date
Term Loan B facility	US$1,850.0m	US$1,850.0m	Oct 2024
Revolving facility	A$0.0m	A$286.0m	Jul 2024
Overdraft facilities	A$0.0m	A$7.7m	Annual Review

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



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

The Group's leverage (net (cash) / debt to EBITDA) reduced to (0.3x) at 31 March 2022, from 1.2x in the prior corresponding period.

Credit Ratings

As at 31 March 2022, Aristocrat held credit ratings of BB+ from Standard & Poor's, Ba1 from Moody's, and BBB- from Fitch. These ratings were affirmed by all three agencies during the reporting period.

Dividends

The Directors have authorised an interim fully franked dividend of 26.0 cents per share (A$173.7 million), in respect to the period ended 31 March 2022.

The dividend is expected to be declared and paid on 1 July 2022 to shareholders on the register at 5.00pm 27 May 2022. The dividend will be fully franked.

Foreign Exchange

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

In the six months to 31 March 2022, the Australian dollar was, on average, marginally weaker against the US dollar when compared to the prior corresponding period. The impact of translating foreign currency (translational impact) increased revenue by $76.3 million, while increasing normalised profit after tax and before amortisation of acquired intangibles by $17.3 million on a weighted average basis when compared with rates prevailing in the respective months in the prior corresponding period. In addition, as at 31 March 2022, the cumulative effect of the retranslation of the net assets of foreign controlled entities (recognised through the foreign currency translation reserve) was a debit balance of $123.1 million (compared to a debit balance of $146.2 million as at 31 March 2021).

Based on the Group's typical historical mix of profitability, the major exposure to translational foreign exchange results from the Group's US dollar profits. A US 1 cent change in the US$: A$ exchange rate resulted in an estimated annualised $16 million translational impact on the Group's annual profit after tax and before amortisation of acquired intangibles, based on the last twelve-month period. This impact will vary in line with the magnitude and mix of overseas profits.

Foreign exchange rates compared with prior corresponding periods for key currencies are as follows:

A$:	31 Mar 2022	30 Sep 2021	31 Mar 2021	Six months to 31 March 2022 Average[1]	Six months to 31 March 2021 Average[1]
USD	0.7496	0.7184	0.7599	0.7270	0.7508
NZD	1.0804	1.0458	1.0873	1.0633	1.0663
EUR	0.6768	0.6194	0.6479	0.6448	0.6279
GBP	0.5703	0.5348	0.5512	0.5424	0.5533
ZAR	10.9362	10.9105	11.2275	11.2313	11.4300
ARS	83.2038	70.8494	69.8948	75.9411	64.2617

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

Segment Review

Segment profit represents earnings before interest and tax, and before significant items detailed on page 9, charges for D&D expenditure, amortisation of acquired intangibles and corporate costs. The total amount of these items is disclosed in the Group's statement of profit or loss. Constant currency amounts refer to 2022 results restated using exchange rates applying in 2021.

1. Aristocrat Gaming

Americas

Summary Profit or Loss

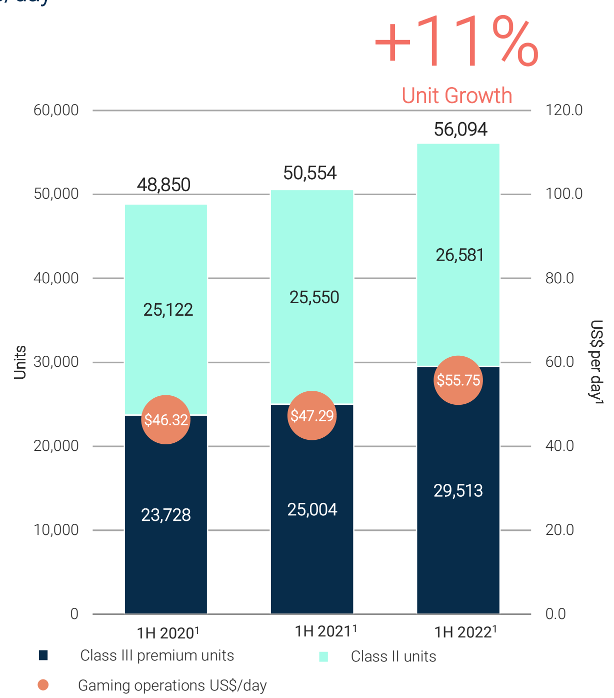
US$ million	Six months to 31 Mar 2022	Six months to 31 Mar 2021	Variance %
Revenue	833.5	609.5	36.8
Profit	**482.6**	309.8	55.8
Margin	57.9%	50.8%	7.1 pts

In local currency, Americas profit increased by 55.8% to $482.6 million, driven by continued growth in the Class III Premium and Class II Gaming Operations footprint and fee per day (FPD), led by increasing depth and strength in the product portfolio. Almost all machines were switched back on in customer venues that were open on 31 March 2022 as pandemic restrictions were further eased across North America.

The business grew share across key segments and expanded margins. Operational momentum was supported by a stronger than expected industry recovery and economic conditions.

Aristocrat's Class III Premium installed base grew 18.0% to 29,513 units, with continued penetration of leading hardware configurations and high performing game titles.

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



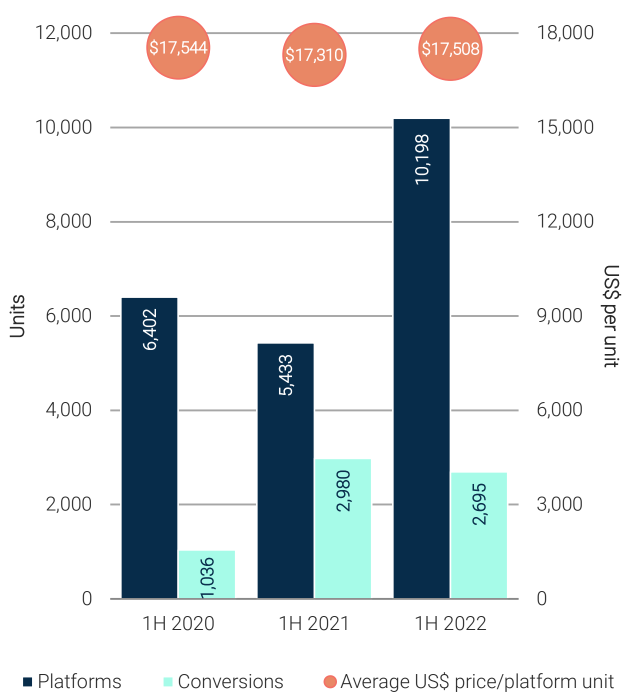
1. Reflects unadjusted FPD. Prior comparatives of adjusted FPD were provided for 1H20: US$50.20 and 1H21: US$54.69, reflecting fee per day adjusted to exclude the number of days machines were not operating in the period due to COVID-19 social distancing restrictions or venue closures and therefore reflected the underlying performance of the business at that time.

Key titles such as *Cash Express: Luxury Line*™ and *Buffalo Link*™ drove momentum in the period. Aristocrat averaged 18 of the Top 25 games in the Eilers Premium Leased segment in the 6 months to 31 March 2022, demonstrating exceptional portfolio strength.

Aristocrat's Class II Gaming Operations installed base grew 4.0% during the period to 26,581 units reflecting increased *MarsX*™ cabinet penetration. Strong game performance was achieved on the *Ovation*™ platform, driven by titles such as *Hunt for Neptune's Gold*™ and *Buffalo Chief*™.

On a combined and unadjusted basis, the average Class III and Class II FPD increased 17.9% to US$55.75 compared to pcp, reflecting the impact of a higher number of machines switched on in the period, and increased 11% compared to the 1H2019.

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



Outright Sales revenue increased 78% compared to the prior corresponding period, driven by larger customer capital commitments, increased penetration of *MarsX*™ and *MarsX*™ Portrait cabinets, and successful expansion into strategic adjacencies.

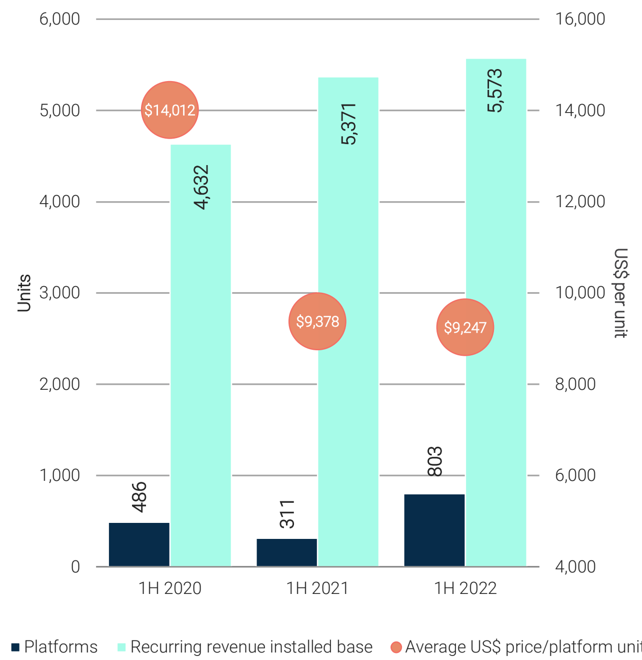
MarsX™ Portrait continues to drive increased market penetration in the competitive portrait for-sale segment. The cabinet includes hit titles *Cash-Across*™, *Fu Dai Lian Lian Boost*™ and *Wonder 4 Boost Gold*™. Aristocrat's top sales titles on the *Helix XT*™ cabinet, *Buffalo Chief*™ and *Cashman Bingo*™ are also available on the *MarsX*™ Portrait cabinet.

MarsX™ Dual continued to be the top performing dual-screen cabinet in the segment supported by game titles such as *Buffalo Gold Revolution*™ and *Fu Dai Lian Lian*™.

Aristocrat's expansion into attractive adjacent markets continued to gain momentum across the period. Growth was delivered across the VLT Canada, Oregon and Illinois and Washington CDS segments. Aristocrat also entered the Kentucky Historical Horse Racing (HHR) segment and is poised to enter the New York Lottery markets in the second half of 2022.

Average Sales Price (ASP) was an incremental 1% ahead of the prior corresponding period.

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



Latin America performance was driven by customer venue re-openings post pandemic and improved economic conditions throughout the period. More than 84% of the installed base were switched on as of 31 March 2022. The ASP was in line with prior corresponding period.

Australia and New Zealand

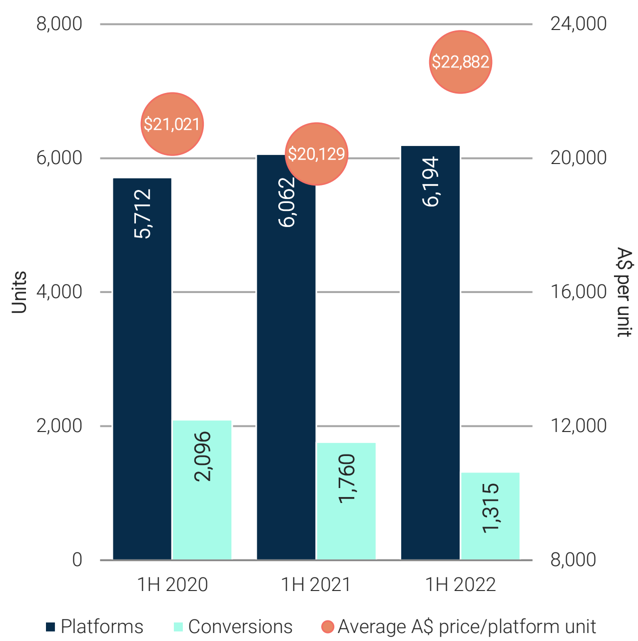
Summary Profit or Loss

A$ million	Constant currency Six months to 31 Mar 2022	Six months to 31 Mar 2021	Variance %
Revenue	222.7	209.1	6.5
Profit	90.8	84.9	6.9
Margin	40.8%	40.6%	0.2 pts

ANZ revenue increased by 6.5% to $222.7 million in constant currency compared to the prior corresponding period, while overall profit increased by 6.9% to $90.8 million.

Margin increased 0.2 percentage points to 40.8% due to favourable product mix in the current period.

ANZ Outright Sales units and Average A$ price/unit



Average cabinet selling price increased from the prior corresponding period driven by continued penetration of the recently released *MarsX*™ cabinet across all markets.

The ANZ business maintained its market-leading ship share, driven by the continued strength of the game portfolio, led by the *Dollar Storm*™ and *Choy's Kingdom*™ families, and supported by the performance of newly released titles in the period, in particular *Fu Dai Lian Lian*™.

Aristocrat continued to invest in responsible gameplay initiatives, with an Australian-first trial of Aristocrat's cashless gaming technology set to begin in New South Wales imminently, in partnership with the government, the regulator and customer.

International Class III

Summary Profit or Loss

A$ million	Constant currency Six months to 31 Mar 2022	Six months to 31 Mar 2021	Variance %
Revenue	63.7	16.8	279.2
Profit/(Loss)	29.5	(8.7)	439.1
Margin	46.3%	(51.8)%	98.1 pts
Class III Platforms	1,250	252	396.0

International Class III revenue and profit increased 279.2% and 439.1% respectively to $63.7 million and $29.5 million compared to the prior corresponding period, due to a number of new large openings in the Philippines, with 2021 impacted by COVID-19 related venue closures across key markets.

Border closures continued to impact operator gaming revenue and CAPEX budgets in Europe and Asia during the period. In Asia, all markets excluding Macau opened to fully vaccinated tourists during February and March.

2. Pixel United

Summary Profit or Loss

US$ million	Six months to 31 Mar 2022	Six months to 31 Mar 2021	Variance %
Bookings	951.4	899.0	5.8
Revenue	953.4	895.8	6.4
Profit	310.9	301.2	3.2
Margin	32.6%	33.6%	(1.0) pts

Pixel United bookings grew 5.8% compared to the prior corresponding period, driven by:

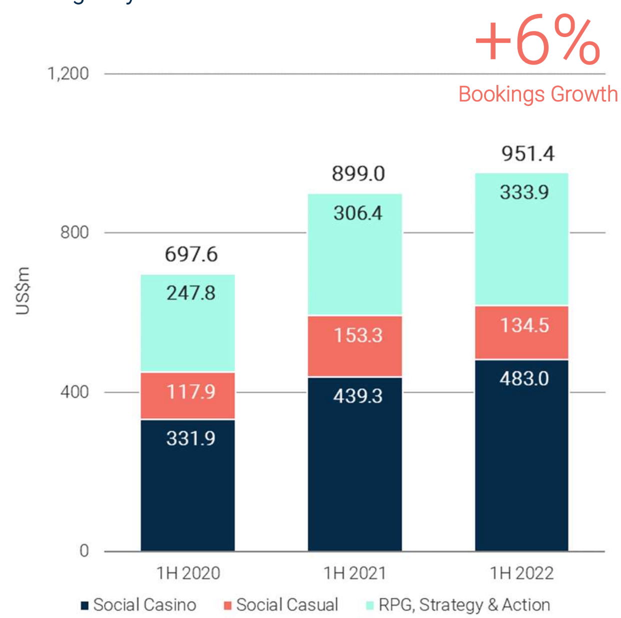
- Continued effective investment in Live Ops, features and new content, combined with consistent player engagement and improved monetisation.
- Sustained investment in User Acquisition (UA) and
- Continued marketing diversification across new channels, supporting the profitable growth *of RAID: Shadow Legends*™, the strong performance of Social Casino games, mainly *Lightning Link*™ and *Cashman Casino*™, and the launch of *Mech Arena: Robot Showdown*™ in the prior period.

Pixel United profit increased 3.2% to US$311 million driven by disciplined and effective UA allocation across the portfolio, increased contribution from the proprietary platform Plarium Play, and prudent cost management. This included management and recognition of additional costs to protect our people and business in the context of the conflict in Ukraine. UA investment represented 28% of Pixel United revenue during the period.

Building on the acquisitions of Futureplay and Playsoft in the last 12 months, during the period Pixel United finalised a minority investment in the studio Ultracine, based in Montreal, which is a major game talent hub. Ultracine specialises in the development of fashion/design sim games, bringing attractive new genre capabilities to the business. New locations were also established in multiple locations in Poland and in Spain (Barcelona), adding further capacity and resilience to the business and increasing its access to key talent pools.

Pixel United also continued to invest in further broadening its capabilities with world-class game development, operational and leadership talent to fuel its ongoing growth.

Bookings[1] by Genre



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

Social Casino

The Social Casino segment contributed US$483 million in bookings in the period, an increase of 10% on the prior corresponding period, driven mainly by the continued strong growth of *Lightning Link*™ and *Cashman Casino*™, supported by the ongoing performance of *Heart of Vegas*™, *Big Fish Casino*™ and *Jackpot Magic Slots*™.

Performance benefited from the effective investments in Live Ops, features and new slot content.

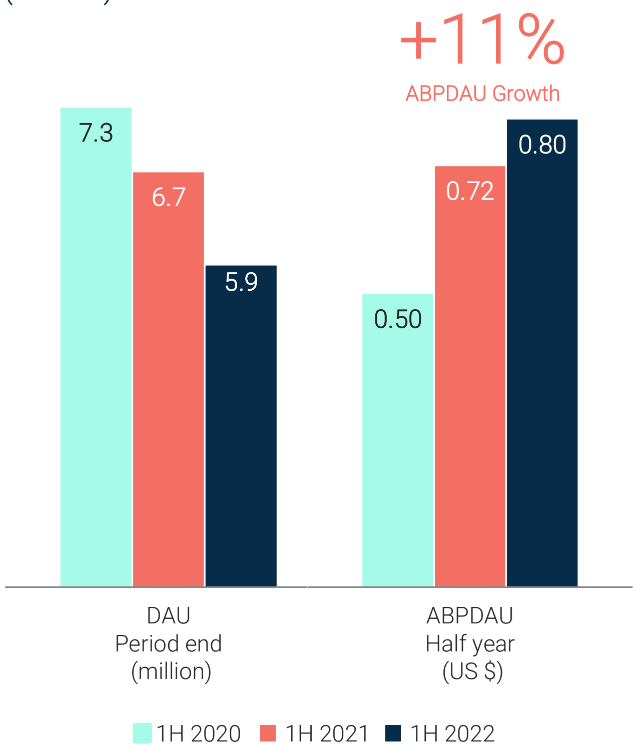
RPG, Strategy and Action

The Role-Playing Games (RPG), Strategy and Action segments contributed US$334 million in bookings in the period, an increase of 9% on the prior corresponding period, driven by profitable growth in *RAID: Shadow Legends*™ as this world-class title moves into profit mode, and the scaling of *Mech Arena: Robot Showdown*™ following its worldwide launch in August 2021. Legacy titles also continued to generate solid revenue and contribute to profitability, particularly *Vikings: War of Clans*™.

Social Casual

The Social Casual segment delivered US$135 million in bookings in the period, a decrease of 12% on the prior corresponding period, due to the maturity of the Social Casual games portfolio, the stabilisation of *EverMerge*™ after scaling the game successfully over the last two years, and the focus on effective UA investment.

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



DAU decreased to 5.9 million in the period, driven by an ongoing focus on DAU quality across the Pixel United portfolio, in addition to the suspension of the mobile business in Russia, *EverMerge*™ stabilising, and a relative but anticipated decline in the initial launch DAU for *Mech Arena: Robot Showdown*™ following its worldwide launch in August 2021. The absence of any scheduled world-wide launches in the period also contributed to the decline.

This focus on DAU quality is reflected in ABPDAU performance, which grew 11% or US$0.08 compared to the prior corresponding period, demonstrating strengthening player engagement across the portfolio.

Aristocrat

Aristocrat Leisure Limited ABN 44 002 818 368
Financial statements for the half-year ended 31 March 2022

This condensed consolidated interim report ("interim report") of Aristocrat Leisure Limited ('the Company') for the half-year ended 31 March 2022 covers the financial statements for the consolidated entity ("financial statements") consisting of Aristocrat Leisure Limited and its subsidiaries (together referred to as the Group).

The financial statements contained in this interim report do not include all the notes of the type normally included in an annual financial report. Accordingly, the financial statements contained in this interim report are to be read in conjunction with the annual report for the year ended 30 September 2021 and any public announcements made by Aristocrat Leisure Limited during the reporting period and up to the date of these financial statements, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Financial statements

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Statement of profit or loss and other comprehensive income

for the half-year ended 31 March 2022

Consolidated	Note	6 months to 31 March 2022 $'m	6 months to 31 March 2021 $'m
Revenue	1-2	**2,745.4**	2,229.7
Cost of revenue		**(1,219.1)**	(1,096.3)
Gross profit		**1,526.3**	1,133.4
Other income	1-2	**6.7**	3.4
Design and development costs		**(312.8)**	(242.7)
Selling, general and administrative expenses		**(444.2)**	(362.7)
Finance costs	1-3	**(178.0)**	(69.9)
Profit before income tax		**598.0**	461.5
Income tax expense	1-6	**(85.0)**	(115.0)
Profit for the half-year		**513.0**	346.5
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations		**(179.7)**	(190.6)
Net investment hedge		**11.8**	16.3
Changes in fair value of interest rate hedge		**23.3**	15.0
Other comprehensive loss for the half-year, net of tax		**(144.6)**	(159.3)
Total comprehensive income for the half-year		**368.4**	187.2
Earnings per share attributable to ordinary equity holders of the Company			
		Cents	Cents
Basic earnings per share	1-4	**77.4**	54.3
Diluted earnings per share	1-4	**77.3**	54.3

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

Balance sheet
as at 31 March 2022

Consolidated	Note	31 March 2022 $'m	30 September 2021 $'m
ASSETS			
Current assets			
Cash and cash equivalents		**2,980.9**	2,431.6
Trade and other receivables		**767.8**	686.3
Inventories		**196.7**	159.2
Other financial assets	2-2	**7.4**	7.0
Current tax assets		**92.1**	14.6
Total current assets		**4,044.9**	3,298.7
Non-current assets			
Trade and other receivables		**156.0**	171.0
Other financial assets	2-2	**11.4**	11.2
Property, plant and equipment		**308.8**	325.4
Right-of-use assets		**166.2**	159.2
Intangible assets		**3,392.3**	3,527.7
Deferred tax assets	1-6	**1,152.7**	1,178.8
Total non-current assets		**5,187.4**	5,373.3
Total assets		**9,232.3**	8,672.0
LIABILITIES			
Current liabilities			
Trade and other payables		**698.4**	838.5
Borrowings	2-1	**-**	7.0
Lease liabilities		**49.6**	50.1
Current tax liabilities		**106.8**	141.4
Provisions		**44.0**	46.2
Other financial liabilities	2-2	**9.4**	3.9
Deferred revenue		**165.2**	112.2
Total current liabilities		**1,073.4**	1,199.3
Non-current liabilities			
Trade and other payables		**76.9**	23.9
Borrowings	2-1	**2,457.4**	3,229.1
Lease liabilities		**237.9**	238.8
Provisions		**39.6**	44.6
Other financial liabilities	2-2	**-**	31.6
Deferred tax liabilities		**6.2**	12.4
Deferred revenue		**9.6**	9.5
Other liabilities		**4.8**	3.9
Total non-current liabilities		**2,832.4**	3,593.8
Total liabilities		**3,905.8**	4,793.1
Net assets		**5,326.5**	3,878.9
EQUITY			
Contributed equity	2-3	**1,992.3**	715.1
Reserves		**(227.1)**	(58.5)
Retained earnings		**3,561.3**	3,222.3
Total equity		**5,326.5**	3,878.9

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

Statement of changes in equity

for the half-year ended 31 March 2022

Consolidated	Note	Contributed equity $'m	Reserves $'m	Retained earnings $'m	Total equity $'m
Reported balance at at 1 October 2020		715.1	(121.6)	2,586.5	3,180.0
Adjustment from change in accounting policy*		-	-	(24.8)	(24.8)
Adjusted balance at 1 October 2020		715.1	(121.6)	2,561.7	3,155.2
Profit for the half-year ended 31 March 2021		-	-	346.5	346.5
Other comprehensive loss		-	(159.3)	-	(159.3)
Total comprehensive (loss)/income for the half-year		-	(159.3)	346.5	187.2
Transactions with owners in their capacity as owners:					
Net movement in share-based payments reserve		-	9.2	-	9.2
Dividends provided for and paid**		-	-	(63.8)	(63.8)
		-	9.2	(63.8)	(54.6)
Balance at 31 March 2021*		**715.1**	**(271.7)**	**2,844.4**	**3,287.8**
Balance as at 1 October 2021		**715.1**	**(58.5)**	**3,222.3**	**3,878.9**
Profit for the half-year ended 31 March 2022		**-**	**-**	**513.0**	**513.0**
Other comprehensive loss		**-**	**(144.6)**	**-**	**(144.6)**
Total comprehensive (loss)/income for the half-year		**-**	**(144.6)**	**513.0**	**368.4**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	2-3	**1,277.2**	**-**	**-**	**1,277.2**
Net movement in share-based payments reserve		**-**	**(24.0)**	**-**	**(24.0)**
Dividends provided for and paid	1-5	**-**	**-**	**(174.0)**	**(174.0)**
		1,277.2	**(24.0)**	**(174.0)**	**1,079.2**
Balance at 31 March 2022		**1,992.3**	**(227.1)**	**3,561.3**	**5,326.5**

* 1 October 2020 balances have been restated to reflect the Group's change in accounting policy for costs related to configuration and customisation of software-as-a-service (SaaS) arrangements. Refer to the Annual Report as at 30 September 2021 for details.

**Payment of dividends relates to the 2020 final dividend.

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

Cash flow statement

for the half-year ended 31 March 2022

Consolidated	6 months to 31 March 2022 $'m	Restated* 6 months to 31 March 2021 $'m
Cash flows from operating activities		
Receipts from customers	**2,758.1**	2,129.3
Payments to suppliers and employees	**(1,953.7)**	(1,597.5)
Other income	**3.9**	1.0
Interest received	**2.2**	1.9
Interest and finance costs paid	**(86.4)**	(63.3)
Income tax paid	**(221.7)**	(117.7)
Net cash inflow from operating activities	**502.4**	353.7
Cash flows from investing activities		
Payments for property, plant and equipment	**(104.9)**	(72.4)
Payments for financial assets at fair value through profit or loss	**(92.3)**	-
Proceeds from disposal of financial assets at fair value through profit or loss	**28.7**	-
Payments for intangibles	**(26.1)**	(26.2)
Payments for investments	**(1.4)**	(4.2)
Net cash outflow from investing activities	**(196.0)**	(102.8)
Cash flows from financing activities		
Proceeds from issue of shares (net of transaction costs)	**1,277.2**	-
Payments for shares acquired by the employee share trust	**(58.2)**	(23.4)
Repayments of borrowings	**(683.0)**	(3.3)
Lease principal payments	**(19.3)**	(18.1)
Dividends paid	**(174.0)**	(63.8)
Net cash inflow/(outflow) from financing activities	**342.7**	(108.6)
Net increase in cash and cash equivalents	**649.1**	142.3
Cash and cash equivalents at the beginning of the half-year	**2,431.6**	1,675.7
Effects of exchange rate changes	**(99.8)**	(90.0)
Cash and cash equivalents at the end of the half-year	**2,980.9**	1,728.0

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

* Refer to Note 3-3 for further information on change in accounting policy.

Notes to the financial statements

1. Business performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the half-year. These financial statements have been prepared using the best available information at this time in relation to areas of significant estimates and judgements. Refer to Note 3-4.

1-1	Segment performance	1-4	Earnings per share
1-2	Revenues	1-5	Dividends
1-3	Expenses	1-6	Income tax and deferred tax assets

1-1 Segment performance

(a) Identification of reportable segments

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

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

- The Americas;
- Australia and New Zealand;
- International Class III; and
- Pixel United (formerly 'Digital').

(b) Segment results

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

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

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

	The Americas $'m		Australia and New Zealand $'m		International Class III $'m		Pixel United $'m		Consolidated $'m	
6 months to 31 March	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Revenue										
Segment revenue from external customers	**1,146.1**	810.2	**222.7**	209.1	**64.0**	16.8	**1,312.6**	1,193.6	**2,745.4**	2,229.7
Results										
Segment results	**663.6**	411.7	**90.8**	84.9	**29.9**	(8.7)	**428.3**	401.8	**1,212.6**	889.7
Interest revenue									**2.8**	2.4
Finance costs									**(178.0)**	(69.9)
Design and development costs									**(312.8)**	(242.7)
Amortisation of acquired intangibles									**(63.9)**	(64.2)
Acquisition retention costs									**(6.4)**	(19.4)
Other expenses									**(56.3)**	(34.4)
Profit before income tax									**598.0**	461.5
Income tax expense									**(85.0)**	(115.0)
Profit for the half-year									**513.0**	346.5

The amortisation of acquired intangibles amounting to $63.9m (2021: $64.2m) does not form part of segment results.

Finance costs include $100.2m of significant items related to the proposed acquisition of Playtech plc that did not proceed. Refer to Note 1-3.

Notes to the financial statements

Business performance (continued)

1-2 Revenues

Revenue disaggregated by business	6 months to 31 March 2022 $'m	6 months to 31 March 2021 $'m
Gaming operations	765.9	580.0
Class III outright sales and other gaming revenue	666.9	456.1
Pixel United	1,312.6	1,193.6
Total revenue	2,745.4	2,229.7
Other income		
Interest	2.8	2.4
Sundry income	3.9	1.0
Total other income	6.7	3.4

1-3 Expenses

	6 months to 31 March 2022 $'m	Restated* 6 months to 31 March 2021 $'m
Depreciation and amortisation		
Depreciation of right-of-use assets	16.9	17.1
Property, plant and equipment		
- Buildings	7.1	0.4
- Plant and equipment	71.5	82.4
- Leasehold improvements	6.5	5.7
Total depreciation and amortisation of property, plant and equipment	85.1	88.5
Intangible assets		
- Customer relationships and contracts	22.6	21.9
- Game names	5.3	5.9
- Technology and software	39.5	38.1
- Intellectual property and licences	6.9	6.6
- Capitalised development costs	7.8	8.7
Total amortisation of intangible assets	82.1	81.2
Total depreciation and amortisation	184.1	186.8
Employee benefits expense		
Total employee benefits expense	501.9	410.9
Finance costs		
Borrowing costs	77.8	69.9
Debt fees and hedging costs for Playtech acquisition offer	100.2	-
Total finance costs	178.0	69.9
Other expense/(income) items		
Acquisition retention costs	6.4	19.4
Bad and doubtful debts (write-back)/expense	(3.5)	0.6
Write down of inventories to net realisable value	7.4	24.2
Legal costs	22.6	11.7
Net foreign exchange gain	(2.6)	(0.8)

* Refer to Note 3-3 for further information on change in accounting policy.

Notes to the financial statements

Business performance (continued)

1-4 Earnings per share

Basic and diluted earnings per share (EPS) calculations	6 months to 31 March 2022	6 months to 31 March 2021
Net profit attributable to members of Aristocrat Leisure Limited ($'m)	513.0	346.5
Weighted average number of ordinary shares (WANOS) used in calculating basic EPS (number)	662,575,055	637,651,888
Effect of Performance Share Rights (number)	665,054	136,177
WANOS used in calculating diluted EPS (number)	663,240,109	637,788,065
Basic EPS (cents per share)	77.4	54.3
Diluted EPS (cents per share)	77.3	54.3

Basic earnings per share

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

Diluted earnings per share

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

Information concerning the classification of securities

Share-based payments

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

Share-based payments trust

Shares purchased on-market and issued shares through the Aristocrat Employee Equity Plan Trust have been treated as shares bought back and cancelled for the purpose of the calculation of the weighted average number of ordinary shares in calculating basic earnings per share. At the end of the reporting period, there were 1,527,103 (2021: 1,178,358) shares held in share trusts.

1-5 Dividends

Ordinary shares	2022 Interim	2021 Final	2021 Interim
Dividend per share (cents)	26.0c	26.0c	15.0c
Franking percentage (%)	100%	100%	100%
Cost ($'m)	173.7	174.0	95.6
Payment date	1 July 2022	17 December 2021	2 July 2021

Dividends not recognised at period end

The 2022 interim dividend had not been declared at the reporting date and therefore is not reflected in the financial statements.

1-6 Income tax and deferred tax assets

In a prior period a deferred tax asset and corresponding income tax benefit were recognised in respect of non-Australian tax deductions due to a change in the Group structure and corresponding change in the tax base of the Group's intangible assets. In the current period, additional benefits were recognised. The net impact to tax expense in the current period is a tax benefit of $70.6m. The total potential tax benefits recognised as a deferred tax asset at 31 March 2022 were $1,064.5m (30 September 2021: $1,097.4m). A further $390.4m of potential tax benefits remain unrecognised at 31 March 2022 (30 September 2021: $483.6m).

Significant judgement is required in reassessing the carrying amount of deferred tax assets at each reporting period, inclusive of management's best estimate of the likely impacts on future near-term profitability (refer Note 3-4). It is reasonably possible that a change in profit forecasts, risk factors, foreign exchange rates or any regulatory or tax legislation, could increase or decrease the amount of taxable profits available to use the benefits which could result in a material change to the deferred tax asset and income tax expense in future periods.

Total Group deferred tax assets at 31 March 2022 of $1,152.7m (30 September 2021: $1,178.8m) includes the $1,064.5m (30 September 2021: $1,097.4m) noted above.

Notes to the financial statements

2. Capital and financial structure

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

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

2-1 Borrowings
2-2 Financial assets and financial liabilities
2-3 Contributed equity
2-4 Net tangible assets per share

2-1 Borrowings

	31 March 2022 $'m	30 September 2021 $'m
Current		
Secured		
Bank loans	-	7.0
Total current borrowings	-	7.0
Non-current		
Secured		
Bank loans	2,457.4	3,229.1
Total non-current borrowings	2,457.4	3,229.1

Lease liabilities are shown separately on the balance sheet.

Financing arrangements

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

Credit standby arrangements	Notes	31 March 2022 $'m		30 September 2021 $'m	
Total facilities		Total	Unused	Total	Unused
- Bank overdrafts	(i)	7.7	7.7	7.8	7.8
- Bank loans	(ii)	2,734.4	277.0	3,512.9	276.8
Total facilities		2,742.1	284.7	3,520.7	284.6

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

(ii) Syndicated loan facilities:

- US$1,850 million US Term Loan B debt facility maturing 19 October 2024.
- A$286 million Revolving facility maturing 22 July 2024.

The US$493 million Incremental Term Loan B debt facility was fully repaid in February 2022.

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

Borrowings are currently priced at a floating rate of LIBOR plus a fixed credit margin as specified in the relevant Credit Agreement. A portion of the interest rate exposure has been fixed under separate interest rate swap arrangements. Approximately 49% of the exposure is fixed with hedging out to October 2022.

Refer to Note 3-2 for information on the refinancing of debt facilities after the reporting date.

2-2 Financial assets and financial liabilities

	31 March 2022 $'m	30 September 2021 $'m
Financial assets		
Current		
Debt securities held-to-maturity	6.9	7.0
Derivatives used for hedging	0.5	-
Total current financial assets	7.4	7.0
Non-current		
Debt securities held-to-maturity	3.7	4.3
Convertible bonds	3.4	3.5
Other investments	4.3	3.4
Total non-current financial assets	11.4	11.2
Financial liabilities		
Current		
Derivatives used for hedging	-	2.2
Interest rate swap contracts - cash flow hedges	9.4	1.7
Total current financial liabilities	9.4	3.9
Non-current		
Interest rate swap contracts - cash flow hedges	-	31.6
Total non-current financial liabilities	-	31.6

Fair value measurements

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

	Level 1 $'m		Level 2 $'m		Level 3 $'m		Total $'m	
	31 March 2022	30 September 2021	31 March 2022	30 September 2021	31 March 2022	30 September 2021	31 March 2022	30 September 2021
Assets								
Convertible bonds	-	-	3.4	3.5	-	-	3.4	3.5
Derivatives used for hedging	-	-	0.5	-	-	-	0.5	-
Total assets at the end of the half-year	-	-	3.9	3.5	-	-	3.9	3.5
Liabilities								
Interest rate swap contracts	-	-	9.4	33.3	-	-	9.4	33.3
Derivatives used for hedging	-	-	-	2.2	-	-	-	2.2
Contingent consideration	-	-	-	-	21.2	20.4	21.2	20.4
Total liabilities at the end of the half-year	-	-	9.4	35.5	21.2	20.4	30.6	55.9

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

There were no transfers between levels in the fair value hierarchy and no changes to the valuation techniques applied since 30 September 2021. The carrying amount of financial instruments not measured at fair value approximates fair value.

Notes to the financial statements

Capital and financial structure (continued)

2-3 Contributed equity

	Shares		$'m	
6 months to 31 March	**2022**	2021	**2022**	2021
Ordinary shares, fully paid	**669,623,294**	638,544,150	**1,992.3**	715.1
Movements in ordinary share capital				
Ordinary shares at the beginning of the half-year	**638,544,150**	638,544,150	**715.1**	715.1
Shares issued during the half-year	**31,079,144**	-	**1,300.8**	-
Transaction costs arising from shares issued	**-**	-	**(23.6)**	-
Balance at end of period	**669,623,294**	638,544,150	**1,992.3**	715.1

Refer to Note 3-2 for information on a share buy-back program after the reporting date.

2-4 Net tangible assets per share

	31 March 2022	30 September 2021
	$	$
Net tangible assets per share	**2.64**	0.30

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

Net assets per share at 31 March 2022 were $7.95 (30 September 2021: $6.07).

Notes to the financial statements

3. Other disclosures

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

3-1	**Contingent liabilities**	**3-3**	**Basis of preparation**
3-2	**Events occurring after reporting date**	**3-4**	**Significant judgements and estimates**

3-1 Contingent liabilities

The Group and parent entity have contingent liabilities at 31 March 2022 in respect of the following matters:

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

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

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

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

3-2 Events occurring after reporting date

In May 2022, the Group agreed on a refinancing of its long-term debt facilities and announced an on-market share buy-back program.

The existing US$1,850 million US Term Loan B debt facility will be replaced by a US$1,350 million Term Loan A debt facility maturing in May 2027, and a US$500 million Term Loan B facility maturing in May 2029 and the existing A$286 million Revolving facility will be increased to a multi-currency US$500 million Revolving facility maturing in May 2027. The new facilities and funding are expected to close shortly after the date of signing this financial report.

The on-market share buy-back program will commence in June 2022, with up to $500 million of shares to be purchased funded from existing cash reserves.

No other matter or circumstance has arisen since 31 March 2022 that has significantly affected the Group's operations, results or state of affairs, or may do so in future periods.

3-3 Basis of preparation

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

This interim report for the half-year reporting period ended 31 March 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2021 and any public announcements made by Aristocrat Leisure Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

During the year ended 30 September 2021, the Group revised its accounting policy in relation to configuration and customisation costs incurred in implementing software-as-a-service (SaaS) arrangements with cloud providers. The impact of this change was not material on the current period financial statements and comparatives. Other than the impact of this change, the accounting policies adopted in this interim financial report are consistent with those of the previous financial year and corresponding interim reporting period. Sales and marketing costs and general and administration costs that were previously reported separately are now part of selling, general and administrative expenses. Comparative information is reclassified where appropriate to enhance comparability.

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

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

3-4 Significant judgements and estimates

The Group continues to navigate volatility in the global operating environment as well as managing impacts of the conflict involving Russia and Ukraine.

The five year projections have been estimated based on the best information available at this time and the Directors have paid consideration to the key assumptions that underpin the forecast estimations.

Directors' declaration

for the half-year ended 31 March 2022

In the Directors' opinion:

(a) the financial statements and notes set out on pages 2 to 13 are in accordance with the *Corporations Act 2001* including:

(i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 March 2022 and of its performance, for the half-year ended on that date; and

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

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

Neil Chatfield
Chairman

Sydney
19 May 2022

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

Report on the half-year financial report

Conclusion

We have reviewed the half-year consolidated financial report of Aristocrat Leisure Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the balance sheet as at 31 March 2022, the statement of changes in equity, cash flow statement and statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

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

1. giving a true and fair view of the Group's financial position as at 31 March 2022 and of its performance for the half-year ended on that date

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

Basis for conclusion

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

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

Responsibilities of the directors for the half-year financial report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 March 2022 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Mark Dow
Partner

Sydney
19 May 2022

For the 6 months ended 31 March 2022

The directors present their report together with the financial statements of Aristocrat Leisure Limited (the 'Company') and its controlled entities (the 'Group') for the six months ended 31 March 2022. The financial statements have been reviewed and approved by the directors on the recommendation of the Company's Audit Committee.

This report should be read in conjunction with the 30 September 2021 Annual Report of the Company and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth) and the ASX Listing Rules.

This report is made on 19 May 2022.

Directors

The names of the directors of the Company during the six months ended 31 March 2022 and as at the date of this report are:

N Chatfield	(Non-Executive Chairman)
T Croker	(Executive Director)
K Conlon	(Non-Executive Director)
P Etienne	(Non-Executive Director)
P Ramsey	(Non-Executive Director)
S Summers Couder	(Non-Executive Director)
A Tansey	(Non-Executive Director)

Review and Results of Operations

A review of the operations of the Group for the half-year ended 31 March 2022 is set out in the attached Review of Operations which forms part of this Directors' Report. The reported result of the Group attributable to shareholders for the half-year ended 31 March 2022 was a profit of $513.0 million after tax (six months to 31 March 2021: $346.5 million).

Auditor's Independence Declaration

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

Rounding of Amounts

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

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

Neil Chatfield
19 May 2022

Auditor's Independence Declaration

As lead auditor for the review of Aristocrat Leisure Limited for the half-year ended 31 March 2022, I declare that to the best of my knowledge and belief, there have been:

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

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

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

Mark Dow
Partner
PricewaterhouseCoopers

Sydney
19 May 2022

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