CONTINUED INVESTMENT IN GROWTH STRATEGY DELIVERS HIGH QUALITY OPERATIONAL PERFORMANCE AND BUSINESS RESILIENCE

Sydney, 24 May 2021

A$ million	Six months to 31 March 2021	Six months to 31 March 2020		Change %
Normalised results[1]				
Operating revenue	**2,229.7**	2,251.8	▼	(1.0)
EBITDA	**750.3**	707.6	▲	6.0
EBITDA margin	**33.7%**	31.4%	▲	2.3 pts
EBITA	**612.6**	550.8	▲	11.2
NPAT	**362.2**	305.9	▲	18.4
NPATA	**411.6**	368.1	▲	11.8
Earnings per share (fully diluted)	**56.8c**	47.9c	▲	18.6
EPSA (fully diluted)	**64.5c**	57.7c	▲	11.8
Interim dividend per share	**15.0c**	0.0c	▲	n/a
Reported results				
Revenue	**2,229.7**	2,251.8	▼	(1.0)
Profit after tax	**346.5**	1,305.2	▼	(73.5)
NPATA	**395.9**	1,367.4	▼	(71.0)
Balance sheet and cash flow				
Net working capital / revenue[2]	**4.1%**	6.1%	▼	(2.0) pts
Operating cash flow	**358.2**	620.0	▼	(42.2)
Operating cash flow normalised[3]	**425.1**	620.0	▼	(31.4)
Closing net debt[4]	**1,330.2**	2,250.5	▼	40.9
Net debt / EBITDA[4,5]	**1.2x**	1.4x	▼	0.2x

Table footnotes are provided on page 4

Aristocrat Leisure Limited (ASX: ALL) today announced its financial results for the six months ended 31 March 2021, building on the Trading Update released to the market on 17 May 2021.

Normalised profit after tax and before amortisation of acquired intangibles (NPATA) of $411.6 million, represented an 11.8% increase in reported terms compared to the prior corresponding period (PCP), largely driven by growth in Digital.

Group revenue decreased only fractionally (1.0%) to $2.2 billion, despite COVID-19 impacts in Gaming markets over the period, and foreign exchange headwinds. On a constant currency basis, revenue was 10.7% higher than the PCP, reflecting operational performance in Digital, Americas and ANZ Gaming, partly offset by International Class III, with international markets remaining largely closed.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of $750.3 million is 6.0% higher on a reported basis and 19.4% higher on a constant currency basis, consistent with half year guidance provided on 17 May 2021.

Results for the period were not impacted by any reductions to provisions.

Normalised operating cash flow remained strong at $425.1 million for the period, with a 31.4% reduction versus the PCP reflecting strategic investments to support customer recovery, including via working capital initiatives. The Group's balance sheet remained robust, with net leverage now down to 1.2x, and in excess of $2 billion of liquidity was available as at 31 March 2021.

Over the reporting period, Aristocrat reviewed and confirmed its growth strategy. The business' operational and financial strengths further enhanced Aristocrat's resilience and ability to sustain market-leading organic investment in its strategic differentiators of people, product and performance.

Reported results for the prior period reflected the significant item recognition of a deferred tax asset of approximately $1.1 billion, in line with the Group structure changes announced in November 2019, which is expected to generate long term cash tax savings.

The Directors have authorised an interim fully franked dividend of 15.0cps (A$95.6 million), in respect to the six month period ended 31 March 2021. The record and payment dates for the interim dividend are 31 May 2021 and 2 July 2021, respectively.

OPERATIONAL HIGHLIGHTS

Aristocrat's portfolio of scaled, world-class Digital and Gaming assets continued to grow and diversify over the six months to 31 March 2021. Almost 80% of revenue was derived from recurring sources in the period.

The Group's growth continues to be underpinned by sustained investment in game design, development and technology, with $242.7 million investment in Design & Development (D&D) in the period, representing 10.9% of Group revenue. This is in line with the Group's refreshed growth strategy and unrelenting commitment to exceptional market-leading product portfolios, customer engagement, people, talent and culture.

Highlights for the period included:

Aristocrat Gaming:

- Industry recognition for its high-performing game portfolio, including 17 of the top 25 Premium Leased games[1] and winning 9 of 21 categories at the 2020 EKG Slot Awards[2].
- Share growth along with industry-leading average fee per day (FPD) achieved across North American Class II and Class III premium installed bases, which grew to 50,554 units with ~87% of machines operational at 31 March 2021, reflecting performance levels.
- Positive Outright Sales momentum achieved across re-opened markets, and market-leading ship share extended in ANZ.
- Results were supported by stronger than expected consumer sentiment and economic conditions in the United States and ANZ region.

[1] Average for the 6 months to March 2021; Eilers reports
[2] North America 2020 EKG Slot Awards

Aristocrat Digital:

- Above industry-average growth in bookings has propelled Aristocrat Digital to now become a Top 5 mobile games publisher in tier 1 western markets[3] according to leading global mobile data and analytics provider App Annie.
- Continued to build portfolio diversity with the scaling of *EverMerge*™ in the fast-growing casual merge genre and move into profitable growth for *RAID: Shadow Legends*™.
- Successful delivery of ~7,500 Live Ops during the period, together with new features and slot content.
- Continued strong and efficient User Acquisition (UA) investment representing 28% of Digital revenue.
- A 44% increase delivered in Average Bookings per Daily Active User (ABPDAU) to US$0.72 driven by performance in Social Casino and continued scaling of *RAID: Shadow Legends*™.
- Overall demand remained at elevated levels compared to the pre-COVID period.

Outlook

Aristocrat plans for strong growth over the full year to 30 September 2021, assuming no material change in economic and industry conditions, reflecting the following factors:

- 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 UA spend expected to be modestly above the historic range of 25% and 28% of overall Digital revenues, pending timing and success of new game launches in the second half of fiscal 2021.
- Continued D&D investment to drive sustained, long term growth, with investment likely to be modestly above historic levels, on a percentage of revenue basis; and
- An increase in SG&A across the business, as we continue to scale and deliver our growth strategy. This includes continuing to identify adjacencies that expand our capabilities to create new business and growth through product, distribution and investment.

Non-operating items include:

Expense Item	Assumption
Interest Expense	US$ borrowings incur fully loaded interest expense of 5% including hedging costs and other finance fees.
Amortisation of acquired intangibles	Circa US$95 million pre-tax for FY 2021 relating to assets previously acquired.
Income Tax Expense	FY 2021 normalised Effective Tax Rate (ETR) of approximately 24.0% to 25.0%, reflective of current corporate tax rates and regional earnings mix.

Aristocrat Chief Executive Officer and Managing Director, Trevor Croker, said “The outstanding momentum we’ve delivered this half reflects our unwavering focus on the things we can control, which lies at the heart of our proven growth strategy.

[3] Source App Annie; Tier 1 western markets defined as the United States, United Kingdom, Canada, France, Germany, and Australia

"Despite the uncertainties driven by COVID-19, we have maintained investment in the best people, talent, technology and product portfolios, and taken conscious decisions to accelerate implementation of our strategy.

"The results are reflected in the share growth and margin expansion achieved across Digital and key Gaming segments in the six months to 31 March 2021, and the double-digit increase in normalised Group NPATA delivered in the same period.

"We expect uncertain and volatile conditions to continue near term, and we are closely monitoring key factors including consumer sentiment and Gaming venue patronage.

"Nevertheless, we enter the second half of fiscal 2021 with excellent momentum, resilience, and confidence with a strong balance sheet to continue to invest organically to grow share and accelerate growth through M&A in line with our rigorous criteria," Mr Croker concluded.

Notes to the table on page 1:

(1) Normalised results are statutory profit (before and after tax), excluding the impact of certain significant items detailed in the Review of Operations.
(2) Revenue based on 12 months to 31 March.
(3) Normalised operating cash flow excludes the impact of certain significant items detailed in the Review of Operations.
(4) Net debt excludes lease liabilities recognised under AASB 16 from 1 October 2019.
(5) Consolidated EBITDA for the Group as defined in Aristocrat's Syndicated Facility Agreement (also referred to as Bank EBITDA).

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

Further Information:

Financial: Rohan Gallagher
General Manager, Investor Relations
Mobile: (61) 421 051 416
rohan.gallagher@aristocrat.com

Media: Natalie Toohey
Chief Corporate Affairs Officer
Mobile: (61) 409 239 459
natalie.toohey@aristocrat.com

Authorised for lodgement by:

Richard Bell
Company Secretary