

## 2025 AGM CEO's Address and Outlook

Sydney, 20 February 2025

In accordance with ASX Listing Rule 3.13.3, attached is the CEO & Managing Director's address, including our business update and outlook, to be delivered at the 2025 Annual General Meeting to be held today.

**Authorised for lodgement by:** Emma Leske, Company Secretary

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Aristocrat Leisure Limited (ASX: ALL) is a global entertainment and gaming content creation company powered by technology. Our reporting segments span regulated land-based gaming (Aristocrat Gaming), regulated online real money gaming (Aristocrat Interactive) and social casino (Product Madness). Aristocrat offers a diverse range of products and services including electronic gaming machines, casino management systems, free-to-play mobile games and online real money games, that serve customers and entertain millions of players worldwide every day. Our team of over 7,300 people across the globe is united by our company mission to bring joy to life through the power of play. For more: [www.aristocrat.com](http://www.aristocrat.com)

**ARISTOCRAT LEISURE LIMITED**  
**2025 ANNUAL GENERAL MEETING**

**CEO'S ADDRESS**  
**20 FEBRUARY 2025**

Thank you, Neil, and welcome everybody – thank you for joining us today.

I will start by providing an overview of our Group growth strategy and strategic priorities, then summarise the key features of our operational and financial performance over the 12 months to 30 September 2024, summarise our growth opportunities going forward, and conclude with year-to-date trading and outlook for the balance of fiscal 2025.

***Group Strategy***

As Neil noted, our growth strategy has delivered exceptional results over time. While we periodically review and refresh our priorities, the fundamentals of our strategy have remained consistent.

First, we focus on investing and innovating, to create the world's greatest gaming content across segments. This includes leading levels of investment in Design and Development (or D&D) and Capex to support content and development, alongside investments in deepening and developing our creative talent to deliver superior returns to our stakeholders. It also involves funding core technology to improve the speed and efficiency with which we can deploy content and leverage it across an expanding number of markets and channels. Defending our intellectual property in all markets is also critical, and Aristocrat continues to take a robust approach to this.

Next we focus on Growing & Distributing our content, taking share wherever we compete, and aiming to reach players wherever and whenever they play, across existing and priority adjacent markets. With the addition of NeoGames, the recently constituted Aristocrat Interactive has become a full-solution provider for Online RMG with an expanded portfolio across iGaming, iLottery and Platforms. We are on the path to becoming a scaled global player in this important growth market, complementing our positions in Gaming and Social Casino.

Finally, we invest in Differentiating Enablers that help us achieve and accelerate delivery of our strategy. These include nurturing outstanding talent and customer partnerships, superior commercialisation capabilities, and a compliance culture that is underpinned by a commitment to a sustainable and vibrant industry.

As shareholders are aware, we began a strategic review of Aristocrat's casual and mid-core gaming assets in May 2024. This review was recently concluded, as we announced last week, with the completion of the sale of Plarium to Modern Times Group, which will result in a gain on sale in FY25, and the decision to restructure Big Fish Games. Big Fish will focus on the profitable operation of its evergreen titles, with no new game development and significantly reduced investment. As a result of these changes, Product Madness, Aristocrat's core social casino business, will replace the Pixel United reporting segment from our first half results for fiscal 25.

The completion of the strategic review allows us to deepen management focus and target investment behind our core strengths in regulated gaming and gaming-themed content going forward.

We will continue to focus on the things that drive core competitiveness and deliver Group performance – despite variability in market conditions and other uncontrollable factors.

***Result Highlights & Summary of Financial Results***

In fiscal 24, our strategy once again delivered positive results, and I'm pleased to share key highlights with you.

Revenue of 6.6 billion dollars was 5 percent higher than the prior year, driven by an exceptional performance in North American Gaming Operations, strong sales in Asia and encouraging growth in

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Interactive. Our EBITDA margin expanded to 37.4 percent, reflecting strong operating leverage, positive mix and the benefits of our cost optimisation efforts across the Group.

The Group delivered net profit before amortisation of 1.6 billion dollars, an increase of 17 percent, while Earnings Per Share increased 20 percent, reflecting the benefit of our share buy-back program.

In our Gaming business, revenue and profit grew 5 percent and 8 percent respectively, reflecting a market-leading performance in North America Gaming Operations. We added over 7100 units to our installed base through the year, which now exceeds 71,000 units. Although North America Game Sales declined, we successfully gained share.

In our Rest of World Gaming segment, sales declined two percent, as strength in Asia was more than offset by weaker unit sales in Australia given competitive challenges. Despite this, segment profits increased six percent due to cost management efforts, along with positive operating leverage and product mix in Asia.

Pixel United delivered improved results, with revenues relatively stable and cost optimisation efforts leading to strong profit growth with margins improving over 400 basis points. We continued to gain share in our core Social Casino business with bookings growth of 4 percent comparing favourably to a market decline of 3 percent.

Interactive benefitted from the inclusion of NeoGames for five months of the year, and also achieved solid organic growth in Content and Platforms, two of its key reporting divisions. Its third division, iLottery, delivered new contract wins and improving metrics. Platforms continued to take share across the US and ANZ markets. Excluding NeoGames, Content revenues more than doubled, following numerous content launches with major operators in the US, Canada and UK, including releases of some top performing Aristocrat titles such as Buffalo and Buffalo Gold Collection.

The Group once again generated robust operating cash flow, which was applied to fund our strategic growth initiatives, including capital investments in our installed base in North America and the acquisition of NeoGames. Excess cash was returned to shareholders via dividends and the on-market share buy-back, as Neil noted.

### **Future Opportunities**

We continue to see tremendous opportunities ahead to support our growth strategy and I would now like to touch on these.

In land-based Gaming, we see opportunity to continue expanding in strategic adjacencies across North America. Adjacencies are established gaming markets where we believe we can compete and take share by bringing to bear great Aristocrat content and innovation. In 2024, adjacencies accounted for around 22 percent of our outright sales units, benefitting from our successful expansion into the Video Lottery Terminal or VLT segment in Illinois and Quebec, and entry into the Georgia Coin Operated Amusement Machine market, or COAM. These are large markets with exciting prospects. We believe strategic adjacencies in both the US and globally will continue to contribute to our performance in the years ahead.

We also see scope to continue to take share across our established markets in both Gaming Operations and Outright Sales, driven by our leading game performance and ongoing investments in content and hardware. Two good examples of this are the highly anticipated release of Phoenix Link, an evolution of Dragon Link, one of the most successful land-based games in history, and the Baron cabinet. These innovations were launched around G2E in October last year, and while early days, both are performing well and receiving great support from our customers.

Following the strategic review of our non-social casino mobile publishing assets, we are well placed to deepen our focus on Product Madness. This core Social Casino business continues to grow and perform well. The soft launch of our NFL themed Social Casino app earlier this month coincided with

the Superbowl, and we are really excited for the worldwide launch later this year, along with other growth initiatives.

The largest single growth opportunity in front of us remains our expansion into online RMG. We discussed the opportunities with you last year, and it's pleasing to share that we are now hard at work making these happen. Over a short period, Interactive has made solid strides as Aristocrat's third operational vertical and a key pillar in our growth story.

In iLottery, we expect growth to be supported by new markets opening and the conversion of retail to digital platforms in many global markets, supported by expansion of our features and content. Interactive currently operates iLotteries in New Hampshire and Michigan through our joint venture with Pollard. We were recently awarded these contracts on a solo basis, which will allow us to capture the full economics going forward. Additionally, a number of US states are considering iLotteries, with Massachusetts launching an RFP later this year. We believe we are well positioned to compete for opportunities as they emerge.

In our Content segment, we have a multi-year pipeline of product launches planned for North America and Europe. We are currently operating in only three of the seven legal US iGaming states and in 2025 we plan to increase penetration with new operators and in new jurisdictions.

We also continue to make progress in our Platforms business in Interactive, where we have expanded our land-based casino systems share in both the US and Australia. We have also signed several new contracts for our player account management system that supports iGaming and online sports betting, with benefits expected from 2025. We are looking forward to the relaunch of our innovative mobile on premise solution in Oklahoma later this year, which is a full-service iGaming solution geared to our tribal customers.

Across the Group, as I mentioned, we remain focused on innovation as a key growth driver through our market leading investment in D&D. In February 2024 we created a global Chief Product Officer role to ensure increased coordination, operating leverage and returns from our D&D spend across the Group. We are shifting from being somewhat siloed to a comprehensive portfolio approach, which will enable us to deliver better outcomes for our customers and fully capitalise on our scale and best practices across all channels. This will be further enabled by the ongoing strategic investments we are making in technology, which will enhance our agility and efficiency, allowing us to design and deploy content for multiple channels simultaneously. We see our consistently leading investment levels in D&D as a vital and sustainable competitive advantage. We continue to refine the way we manage this investment to deliver maximum efficiency and benefit, as the Group evolves.

To help us execute on these exciting opportunities, we further expanded key strategic skillsets and capabilities throughout 2024. As I noted previously, we created a Chief Product Officer role and elevated Matt Primmer to this position. In addition, post period end, Anne Tucker was promoted to the position of Chief Legal Officer and Craig Toner was promoted to CEO of Aristocrat Gaming. More recently, we announced that Superna Kalle, Aristocrat's Chief Strategy Officer, will take executive leadership responsibility for Product Madness, in addition to her existing responsibilities. These appointments once again demonstrate the benefits of Aristocrat's investment in talent development, the depth of our bench strength and our ability to attract and grow great talent across the global team.

### **Sustainability**

Our commitment to Sustainability is a fundamental expression of our company values. We will continue to make decisions for the long term, actively manage risks and capture opportunities, to make us a more resilient, talent attractive and better business as we grow.

I'd like to add to Neil's comments on Empowering Safer Play, or ESP, our leading Sustainability priority. We share the community's legitimate concerns about the impacts of excessive gameplay on individuals and families, along with a desire to see the highest levels of industry probity and to stamp out all illegal

activity. We continued to invest in ESP, in co-operation with customers, regulators, industry partners and others who share our vision of a vibrant and sustainable gaming and hospitality industry.

We rolled out our new ESP strategy in 2024, with specific goals and targets. We advanced tools such as Flexi Play in Australia, launching Flexi Play 2.0 on more than 4000 EGMs, and we expanded our “positive play” consumer marketing campaign in the US. And in Pixel United, we launched dynamic player messaging and expanded self-exclusion capabilities across our Social Casino apps.

We continued to strengthen links with gaming research and treatment services, provided more training, education and engagement among our own people and held dedicated ESP education sessions for members of the Board. I encourage shareholders to review our updated disclosures in full, via our Group website.

I’ll now make some comments on the year-to-date trading and outlook for the balance of our 2025 financial year.

### ***Business Update & Outlook comments***

We are pleased with the overall Group performance in the current financial year, which is tracking broadly in line with our plans.

At Aristocrat Gaming, we’ve experienced firm demand for our innovative premium leased products such as Phoenix Link and the Baron cabinet, which should support ongoing market share gains as momentum builds over the year. Gross gaming revenues - or GGR - have been resilient and growing in most markets, with some regional volatility in the US through the December quarter.

In North American Gaming Operations, the average fee per day that we earn on units leased to customers was lower than the comparable quarter in financial year 2024, reflecting Aristocrat’s customer and regional mix, and is likely to persist through the first half. However, we anticipate a sequential improvement in fee per day over the second half of fiscal 25, with Aristocrat maintaining market-leading fee per day performance and continuing to take share, whilst maintaining our strong segment profit margins.

Encouraging performance in Australia is reflecting the benefit of new product releases, effective commercial execution and customer confidence.

Product Madness is performing well, with our Social Casino portfolio achieving mid-single digit growth in bookings. We’ve made encouraging progress developing the NFL app and are preparing for the worldwide launch of this innovative mobile game in the second half of 2025. We believe this will be well received by players and we are pleased to extend our relationship with the NFL into the social slots genre.

We’re also encouraged by the enthusiasm and execution at Interactive so far this year. Our newest division has large, and growing addressable markets, and several new contracts were announced across iLottery, iGaming and the Platforms business in the quarter. We’ve made clear progress as we work towards our target of one billion US dollars of revenue for Interactive by full year 2029.

Throughout the reporting period, we took prudent steps to optimise costs across the business, with a significant focus on operating expenditures, D&D, and User Acquisition spend. We expect to continue to benefit from these efforts in FY25 and see cost management as part of our ongoing business operations. We will also take steps to mitigate the impact of tariffs wherever possible, as the US and its trading partners announce these policy details.

With completion of the sale of Plarium announced last week, and in line with accounting practices, Plarium will be reclassified as a discontinued operation in our first half 25 reporting. Consequently, we have restated our Outlook and some of the 2025 modelling inputs provided at the time of our 2024 results presentation in November last year to reflect this change.

In summary, Aristocrat expects to deliver NPATA growth over the full year to 30 September 2025 on a constant currency basis, for its continuing operations excluding Plarium. Under the previous basis for guidance, including Plarium in NPATA, growth is also currently anticipated and we reiterate the three divisional statements supporting Group NPATA guidance. NPATA growth is expected to be skewed to the second half of the year, mainly reflecting the Gaming result.

As Plarium's spending on D&D and User Acquisition costs as a percentage of revenue was significantly different to the rest of the Group, we've updated the 2025 modelling inputs to take this into account. We've made no other material changes to the outlook for D&D and UA costs. The relevant changes are shown on screen behind me, and are provided in today's ASX release. We look forward to providing more detail at our first half result in May.

Finally, we recently completed our 1.85 billion dollar on-market share buy-back program, purchasing over 44 million shares at an average price of just over 42 dollars per share. Today we are announcing a new on-market share buy-back program of up to 750 million dollars, to be completed over the next year. Once completed, this will bring the total returned to shareholders through on-market share buy-backs to 2.6 billion dollars since 2022.

We are excited by the opportunities ahead across all three businesses and look forward to keeping you updated on our progress.

### **Conclusion**

In summary, the 2024 financial year was another successful one for Aristocrat, highlighting the benefit of the consistent implementation of our growth strategy. Focusing on what we can control, our strategy is anchored in improving our own business and competitiveness – no matter what external challenges we face.

I want to again highlight and thank our incredibly talented employees for their energy, hard work, and commitment throughout 2024.

I'd also like to acknowledge the effective working relationship that exists between our Board and management teams at Aristocrat, and thank the Board for their direction and support across the year.

I would finally like to acknowledge and thank our customers, players and of course our shareholders.

As always, everyone at Aristocrat is fully focused on delivering the high-quality performance you rightly expect from us, and which we know we are capable of.

Thank you, and I'll now pass back to Neil.

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Aristocrat expects to deliver NPATA growth over the full year to 30 September 2025 on a constant currency basis, for its continuing operations excluding Plarium<sup>1</sup>, reflecting:



Continued strong market share, revenue and profit growth from Aristocrat Gaming



Disciplined execution in Product Madness with a focus on market share and investment efficiency, as the outcomes of the Strategic Review are implemented



Accelerating performance at Aristocrat Interactive toward our FY29 US\$1 billion Revenue Target<sup>2</sup> through further scaling of content to support broader market access in North America and Europe



Note: Additional detail for FY25 modelling inputs is included on the following page.

This page contains forward-looking statements and statements of expectation. Please refer to the disclaimer on page 36 of the FY24 Investor Presentation released to ASX on 13 November 2024.

1. Under the previous basis for guidance including Plarium in NPATA, growth is also currently anticipated.

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

## Operating items:

- D&D investment expected to be in the range of 12.5-13.5% of revenue (previously 12-13%), returning to 11-12% over the medium-term
- Product Madness UA spend expected to be in the range of 18-21% of revenue (previously 21-24%), reflecting a targeted approach to spending across our portfolio

## Non-operating items:

- Net Interest Expense to include interest paid on US dollar borrowings, hedging costs, hedging benefits and other finance fees, with an all-in rate of approximately 6-7% of US dollar borrowings
- Amortisation of acquired intangibles – Circa US\$100 million pre-tax relating to assets previously acquired (including the NeoGames acquisition)<sup>1</sup>
- Income Tax Expense - Normalised ETR of approximately 24-26% reflective of current corporate tax rates and regional earnings mix



1. Based on preliminary Purchase Price accounting which is subject to final review in 2025.