



ARISTOCRAT DELIVERS STRONG HALF YEAR PROFIT GROWTH AND STRATEGIC MOMENTUM

Sydney, 24 May 2018

A\$ million	Six months to 31 March 2018	Six months to 31 March 2017		Change %
Normalised results^{1,2}				
Operating revenue	1,640.9	1,228.2	▲	33.6
EBITDA	642.9	498.9	▲	28.9
EBITDA margin	39.2	40.6	▼	(1.4)pts
EBITA	551.9	433.2	▲	27.4
NPAT	310.5	249.6	▲	24.4
NPATA	361.5	272.9	▲	32.5
EPSA (fully diluted)	56.6c	42.7c	▲	32.6
Interim dividend per share	19.0c	14.0c	▲	35.7
Normalised operating cash flow ¹	302.0	401.9	▼	(24.9)
Reported Results				
Revenue	1,578.6	1,228.2	▲	28.5
Profit after tax	256.5	249.6	▲	2.8
NPATA	307.5	272.9	▲	12.7
Other items				
Net debt / EBITDA ³	2.0x	0.9x	▲	(1.1x)
Closing net debt/(cash)	2,557.9	833.1	▲	(207.0)

Footnotes are provided on page 3

Aristocrat Leisure Limited (ASX: ALL) today announced its financial results for the half year ended 31 March 2018. Reported results are normalised to exclude the impact of certain significant items, namely contingent retention; fair value adjustments of deferred revenue; and expenses relating to both acquisitions and integration of Plarium and Big Fish.

Normalised profit after tax and before amortization of acquired intangibles (NPATA) of \$361.5 million represented growth of 32% in reported terms and 36% in constant currency, compared to the \$273 million delivered in the six months to 31 March 2017. This result was driven by strong growth in the Group's Americas and Digital businesses, including the recent acquisitions of Plarium and Big Fish, together with a further lift in performance in the ANZ region.

The Directors have authorised an interim fully franked dividend of 19.0 cps (A\$121.3m), in respect to the 6 month period ended 31 March 2018. The record and payment dates for the interim dividend are 30 May 2018 and 3 July 2018, respectively.

Other key features of the result include:

- Revenue increased by more than 33% in reported terms and over 36% in constant currency compared to the prior corresponding period (PCP), to a new record of over \$1.64 billion.
- Earnings before interest, tax, depreciation and amortization (EBITDA) increased more than 28% in reported terms and 32% in constant currency, demonstrating Aristocrat's ability to grow top line revenue and sustain industry-leading margins, leading to profitable growth for shareholders.
- Normalised operating cash flow of \$302 million was generated in the period, demonstrating the continued strength of the Group's recurring revenue profile and cash flow generation capability.
- Pro forma net gearing reduced to 2.0 times at 31 March, from 2.2 times at the announcement of the Big Fish acquisition in November 2017. The lower leverage ratio was driven by improved operating performance across the business as a whole, including recent digital acquisitions.
- Continued execution of the Group's growth strategy, in particular through:
 - the completion of two significant digital acquisitions that have transformed the Group's digital scale and delivered the capabilities required to compete and grow in digital markets and
 - continued investment in talent, technology and content to drive share growth across existing segments and attractive adjacencies across both land-based and digital operations.

Outlook

Aristocrat confirmed that it expects double-digit NPATA growth to continue over the twelve months to 30 September 2018, compared to the 2017 full year result.

In land-based outright sales, Aristocrat expects to successfully defend market-leading share positions across key for sale segments in North America, ANZ and International CIII segments.

In land-based gaming operations, Aristocrat anticipates increased investment in content and technology to expand its total install base and fuel growth in adjacencies, while maintaining a market-leading average fee per day performance.

In Digital, Aristocrat will continue to focus on integration of acquisitions, as it builds and leverages scale in line with its strategy. The Group expects further growth in its social casino and social games business, with increased investment in user acquisition associated with the launch of new apps across all business units.

Aristocrat anticipates lifting D&D investment across both land-based and digital portfolios – in absolute dollar terms – over the full year, in order to defend and grow leadership positions across a much broader business, and pursue priority adjacencies in line with Aristocrat's growth strategy.

The Group continues to expect a 300 basis point reduction in its effective tax rate over the 2018 full year, compared to the PCP.

Aristocrat Chief Executive Officer and Managing Director, Trevor Croker, said “Aristocrat has delivered another period of strong growth and operational performance, built on outstanding talent, product, technology and improved front end execution. The strong 32% profit improvement over the six months to 31 March 2018 demonstrates the soundness of our strategy whilst highlighting our broadening ambition, as we make substantial progress in expanding our addressable market across both digital and land-based segments.

“Aristocrat will continue to push for growth by increasing our strategic investment in design and development, in order to protect and extend market leading positions, whilst attacking attractive adjacencies.

“We will also maintain our focus on successfully integrating our new digital businesses, while accelerating collaboration, in order to fully leverage our deepening digital and land-based capabilities. And we will embed a people first, innovative and customer centric culture, that supports our growth ambitions over the long term” Mr Croker concluded.

Dividend Key Dates:

Ex-Dividend Date	29 May 2018
Record Date	30 May 2018
Payment Date	3 July 2018

Notes to Table on page 1:

1 Normalised results and operating cash flow are statutory profit (before and after tax) and operating cash flow, excluding the impact of certain significant items and adjustments. Significant items and adjustments are items which are either individually or in aggregate, material to Aristocrat and are either outside the ordinary course of business or part of the ordinary activities of the business but unusual due to their size and nature as detailed on page 7 of the Review of Operations.

The operating revenue and results reflect the ongoing revenue recognition principles for the acquired businesses since the date of acquisition, and correspond to the revenue and results that would have been recognised under Accounting Standards had the businesses not been acquired to explain the underlying performance of the entity and the drivers of its profit.

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

3 Consolidated EBITDA as defined by the Credit Agreement

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Aristocrat Leisure Limited (ASX: ALL) is a leading global provider of gaming solutions. The Company is licensed by over 240 regulators and its products and services are available in over 90 countries around the world. Aristocrat offers a diverse range of products and services including electronic gaming machines and casino management systems. The Group also operates within the online social gaming and real money wager markets. For further information visit the Group's website at www.aristocrat.com.