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Operator: Thank you for standing by. Welcome to the Aristocrat Full Year 2022 Results Briefing conference call. All participants are in a listen-only mode. There will be a presentation followed by a question and answer session. If you wish to ask a question you will need to press the star key followed by the number one on your telephone keypad.

I would now like to hand the conference over to Mr Trevor Croker, Chief Executive Officer and Managing Director. Please go ahead.

Trevor Croker: Good morning, and welcome to Aristocrat's financial results presentation for the full year to 30 September 2022. My name is Trevor Croker, Chief Executive Officer and Managing Director of Aristocrat. It is a pleasure to present Aristocrat's full year results today.

With me on the line is Sally Denby, our Chief Financial Officer, Hector Fernandez, CEO of Aristocrat Gaming, Mike Lang, CEO of Pixel United and Mitchell Bowen, CEO of Anaxi and Chief Transformation Officer. I would like to congratulate Sally on her appointment earlier this week and welcome her to our leadership team.

Thank you to everyone for joining us. Please note that full details of the result are contained in the Operating and Financial review document released this morning. Today we will step through highlights of the result, along with an update on progress against our growth strategy and ESG priorities. I will also say a few words on the situation in Ukraine.

We will then move to a summary of our Group financial results, operational performance and outlook before taking any questions. Before we begin, please note the usual disclaimer statement available at the back of today's presentation deck.

Turning now to slide 2. Aristocrat delivered a high quality result over the reporting period which underlined the ongoing implementation of our established and successful Group growth strategy. Throughout the year Aristocrat continued to invest in competitive product portfolios, further operational diversification and deepening business capability and resilience.

This delivered strong growth at Group level, with revenue lifting almost 18% compared to the prior corresponding period, or PCP, driven by exceptional performance from the Aristocrat Gaming Americas business. EBITDA margin expanded to over 33% and was underpinned by resilient profitability at Pixel United.

The Group achieved a profit result of $1.1 billion for the year, while maintaining market leading investment levels to drive organic growth and also fund M&A. This represents a profit improvement of over 27% in reported terms and 20% in constant currency compared to PCP.

Excellent liquidity was also maintained and the Group's balance sheet strengthened, with a net cash balance of over $560 million at period end. Free cash flow was applied to fund Aristocrat's growth plans, while surplus cash has been appropriately returned to shareholders, including through dividends and on-market share buybacks, in line with the Group's capital allocation framework.

In terms of outlook, we expect to deliver growth in NPATA over the full year to 30 September 2023. This assumes no material change in economic and industry conditions, and I will return to provide more detail on our outlook expectations at the end of our presentation today.

In summary, this is a high-quality result built fundamentally on further successful diversification and lifting the breadth and competitiveness of our operating businesses to drive share growth. Furthermore, we are pleased that both NPATA and EPS have exceeded our 2019 financial year levels by approximately 20%, highlighting the strength of our post COVID recovery.

Focusing on what we can control has always been a touchstone of our strategy and was, again, central over the reporting period. Our teams faced into many challenges across the year. These included the terrible conflict in Ukraine, the impacts of COVID on markets and supply chains, extreme weather, economic and political volatility.

We have delivered strong portfolio performance despite these hurdles. We believe that Aristocrat's growing operational depth, resilience and capability, along with high team engagement and a vibrant people-first culture positions us well for the future, despite the uncertainties ahead.

Turning to slide 4. This slide provides a bit more colour around the ways in which we executed our growth strategy over the reporting period and the results delivered. The benefits of our investments to diversify our revenue base were evident in our ability to deliver strong growth at Group level over the full year, with an industry-wide moderation in overall mobile game demand in Pixel United more than offset by performance in Aristocrat Gaming.

This is analogous to our experience during the COVID-driven shutdown of global gaming markets in 2020 when growth in Pixel United supported the Group result and further demonstrates our increasing resilience. We delivered further profitable organic growth with above-industry performance in key segments and genres driving additional expansion in share.

Portfolio highlights for each business are referenced on the right hand side of the slide and reflect ongoing investment in the industry's best creative and technical talent, technology and innovation. We also took further significant steps forward in leadership and capability, while continuing to execute against our ambitious ESG commitments, which I will return to shortly.

These efforts align with our strategy and commitment to ensure the business' success is sustainable over the long term. I mentioned our continued focus on preserving excellent financial fundamentals, including active execution of our capital management framework during the year. By year end Aristocrat had completed 68% of our $500 million on-market share buyback program. A further US$250 million in term loan B facilities were repaid in September 2022.

Turning now to slide 5, addressing our response to the situation in Ukraine and Russia. Throughout this crisis we have made proactive decisions focused on doing the right thing for our people and our business. We continue to make every effort to enhance the safety and wellbeing of our Ukraine team and their families.

Around three-quarters of our Ukraine staff were willing and able to relocate to safer locations within the country or abroad. As at period end the productivity of our Ukraine operations is approaching pre-conflict levels, underlining the incredible commitment and capability of our people.

The work done to leverage additional capacity from across Pixel United has continued to be effective with disruptions to content, live ops and features well managed and with no material earnings impact on the Pixel United business. This is despite the loss of around 3% of annualised revenue due to our proactive decision to cease our games in Russia in March.

Over the reporting period Pixel United established four new office locations in global game talent hubs to support further growth in line with our strategy and accommodate people relocated from Ukraine. Around one-third of our Ukraine team is currently working from these new locations.

Throughout the crisis we have ensured that the choices we made have accelerated the implementation of Pixel United's growth strategy. Plarium's studio in Krasnodar, Russia, was closed during the period. Its operations have been moved to a new third-party studio based in Europe, which works exclusively for Pixel United.

This arrangement secures the future of the Vikings game and the Magic Wars title and ensures that our business has no presence in Russia and no exposure to the Russian market going forward. We will continue to actively manage what is a fluid and challenging situation, in the best interests of our people and in a way that ensures that we ultimately emerge an even stronger and more resilient business. The thoughts of all Aristocrat people will remain firmly with our Ukraine colleagues.

I would now like to turn to slide 6 for an update on the progress we have made over the year in implementing our sustainability strategy. Aristocrat's approach to sustainability is anchored in our most material Environment, Social and Governance priorities across the pillars of business operations, product responsibility and people and community.

It aims to achieve our vision of being a vibrant business operating within sustainable industries that is able to deliver benefits to our shareholders and all stakeholders over the long term. We made meaningful strides forward against our priorities. This included significant work to ensure Aristocrat can set and communicate a rigorous, Group-wide science-based emissions reduction target by the end of calendar 2023, in line with our commitment.

We also launched an Australian first trial of cashless gaming technology incorporating a range of new responsible game play features. The trial is currently live in market with the support of the NSW government and a key customer, Wests' Newcastle. Aristocrat also endorsed HESTA's 40:40 Vision in support of gender diversity in executive leadership and launched new initiatives to promote female leadership across our business.

The Group also rolled out enhanced anti-Modern Slavery training and maintained strong employee engagement, with an enterprise engagement score of 8.7 for the year. This is 0.5 above the true benchmark and places Aristocrat in the top quartile of technology companies.

Aristocrat is proud of the progress we are making in our business sustainability agenda, whilst recognising that we have much left to do. Comprehensive sustainability disclosures in respect of the reporting period will be available at our Group website from 30 November and I would encourage all shareholders to review the progress we are making.

Turning now to slide 8. Over the 12 months to 30 September 2022 Aristocrat delivered NPATA of almost $1.1 billion. This represents an increase of 27% in reported terms and 20% in constant currency compared to the PCP. On a fully diluted EPS basis growth was also strong, increasing 25% in reported currency.

Revenue increased almost 18% to over $5.5 billion. On a constant currency basis, revenue was 12% higher than the PCP. This reflected exceptional performance in North American gaming operations and global outright sales, while Pixel United demonstrated resilience in a challenging environment with an industry-wide moderation in overall mobile game demand and the impact of the conflict in Ukraine.

EBITDA was 20% higher than the PCP, at approximately $1.8 billion. Operating cash flow of over $1.2 billion was 6% below the PCP. This reflected increases in working capital, principally due to the decision to increase inventory levels in response to supply chain disruptions and increased tax payments, partly offset by continued strong business performance and underlying cash flow generation.

The Group's balance sheet provides full optionality to invest both organically and inorganically in support of our growth strategy. The Directors have authorised a final fully franked dividend of $0.26 per share in respect of the period ended 30 September 2022. The record date will be 1 December 2022 and the payment date will be 16 December 2022.

I will now move to slide 9, which provides a reconciliation of NPATA composition for the reporting period, compared to the PCP. In Aristocrat Gaming the Americas business delivered a $230 million increase in post-tax profit, driven by continued growth in the premium Class II and Class III gaming operations installed base and average fee per day, along with growth in outright sales.

The ANZ business grew post-tax earnings by $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 in key markets across the period.

The International Class III business grew post-tax earnings by $37 million due to new, large openings in the first half in the Philippines as Asian and European markets continued to emerge slowly post COVID lockdowns.

Pixel United delivered post-tax earnings at a comparable level to the prior year. This result reflected performance in key games including *Lightning Link*™, *Cashman Casino*™, and *RAID: Shadow Legends*™, along with an increased contribution from the proprietary Plarium Play platform, effective UA allocation and cost management.

Investments in talent and technology, including to scale in online RMG and build the Anaxi business, increased $85 million over the period and remained at an industry leading 12% of revenue. Finally, foreign exchange positively impacted the results by $52 million.

Turning now to cash flows on slide 10. Operating cash flow of over $1.2 billion for the period was 6% below the PCP, as previously explained. The decision to increase inventory levels in response to COVID-driven supply chain disruptions helped the gaming business to manage strong customer demand and fulfil all orders for major new openings and floor expansions during the period.

Early in the period Aristocrat completed a $1.3 billion equity raising in connection with the lapsed Playtech acquisition. The business subsequently refinanced its US$1.85 billion term loan B debt, extending and increasing its revolving credit facility.

The refinancing provided better terms, extended maturities, a diversified capital structure and competitive pricing. $1.1 billion in additional debt repayments were made in the year, including US$250 million, which was repaid in September 2022. As at period end, Aristocrat had completed 68% of our on-market share buyback program, equating to $340 million.

Turning now to our capital investment priorities, balance sheet and liquidity in more detail on slide 11. Aristocrat continues to focus its capital allocation on supporting its long-term growth strategy and maximising shareholder returns. In particular, the business drives organic growth through strong D&D, UA and capex investment, while also pursuing M&A opportunities to accelerate progress in line with our rigorous criteria.

Over the reporting period Aristocrat committed $667 million in D&D to further strengthen our product portfolios and also support our entry into online RMG. This represents 12% of Group revenue and is at the upper end of our 11% to 12% target range.

Over the same period we invested US$480 million in UA to drive mobile portfolio performance, representing 26% of Pixel United revenue at the lower end of our 26% to 29% target range as we rigorously managed our game release schedule. Finally, we invested $269 million in capex, as previously noted.

After fully funding growth initiatives, including our plans to scale Anaxi and also returning cash to shareholders through dividends and the on-market buyback program, we finished the period with $3.8 billion of liquidity and a net cash position of $564 million. This completes the overview of Group results.

I will now step through operational performance for the 12 months to 30 September 2022. Turning first to operational performance in the Aristocrat Gaming business on slide 13, and just a reminder that further segment performance details are provided in the appendix to this presentation.

Aristocrat Gaming segment revenue and profit grew over 31% and 39% respectively, reflecting continued penetration of high performing games and cabinets and exceptional performance in North America. In the Americas segment margins expanded 2.7 percentage points to 56.1%, reflecting revenue growth and strong management of gaming operations installed base, which more than offset the impact of higher input costs driven by supply chain challenges.

In local currency Americas profit increased over 31% to more than US$956 million, driven by growth in the Class III Premium and Class II Gaming Operations footprint and average fee per day, along with outright sales growth.

Aristocrat's gaming operations footprint grew to over 59,000 units with higher outright sales of over 19,000 units in the period. Continued penetration of leading hardware configurations and high performing game titles drove this momentum.

Aristocrat Gaming was once again the leading supplier in the US market, achieving a portfolio performance of 1.4 times floor average, exceeding all other suppliers. North America outright sales units increased by 66% compared to the PCP, with higher unit sales and an 8% lift in ASP to over US$18,500.

This performance was driven by growth in customer capital commitments and penetration of new hardware along with successful growth in priority adjacencies. Aristocrat also entered the Kentucky Historical Horse Racing and New York Lottery markets in the period.

In ANZ, revenue increased by 15.5% to over $461 million in constant currency compared to the PCP, while overall profit increased by 3.5% to $157 million. Margins fell 3.9 percentage points to 34% due to increased supply chain costs, partly offset by favourable product mix in the period.

Average cabinet selling price increased, driven by continued penetration of the MarsX cabinet across all markets. The business maintained its market-leading shipshare through the reporting period off the back of continued strength of the product portfolio.

We also continued to invest in responsible gameplay leadership, with the launch of the Australian first cashless gaming trial, along with the further rollout of Flexiplay functionality in key jurisdictions.

In summary, the global gaming business delivered another high-quality performance, driven by exceptional cabinet and game portfolios and effective commercial execution particularly in key North American segments.

Turning now to slide 14. In the context of high inflation prevailing in a number of key economies, and speculation about the potential for a recession in the US and other markets, this slide provides a view of US casino gaming revenues across the last two decades. This includes recessionary periods and the impact of shocks including the global financial crisis and COVID shutdowns.

While past performance does not guarantee future outcomes, historical data suggests that US gaming is relatively stable and exhibited resilient characteristics. The impact to gaming revenue growth after the global financial crisis was relatively modest at minus 1% in 2008 and minus 3% in 2009.

Tribal and regional markets, which comprise the majority of Aristocrat's US footprint, have proved more resilient than destination markets, such as the Las Vegas strip. The overall market size has grown, and its composition has also become more diverse over time. This is helpful context as we contemplate outlook and potential future scenarios in a relatively uncertain period.

Moving now to Pixel United on slide 15. I note that figures on this slide are in US dollars. Pixel United delivered resilient performance, delivering share gains despite a challenging second half environment. Profit was US$605 million. This result reflected effective and dynamic UA allocation, increased contribution from Plarium Play, and prudent cost management.

Plarium Play, our proprietary commission-free platform, accounted for around 26% of total Plarium revenues over the period, compared to 20% at the 2021 fiscal full year. Continued investment in Live Ops, features and new content, combined with effective player engagement was reflected in share gains in key genres, with the business outperforming the market and maintaining its position as a top 5 mobile publisher in tier 1 Western markets.

Pixel United retained its number 1 position in social slots, and its number 2 position in the social casino genre globally. A 5% lift in social casino bookings to US$953 million reflected strong growth in key titles particularly, *Lightning Link*™ and *Cashman Casino*™. RPG, Strategy and Action bookings were flat at US$630 million for the year. With a decline in revenue from *RAID*™ reflecting its shift into profit mode, and lower revenues from *Vikings: War of Clans*™ offset by growth in the new title *Mech Arena: Robot Showdown*™. Casual games delivered US$243 million in bookings, a decrease of 20% compared to the PCP, reflecting the maturity of the casual portfolio, and a focus on effective UA allocation.

A drop in DAUs to 5.5 million reflected an ongoing focus on DAU quality. It also reflected our decision to cease our games in Russia. In addition to *EverMerge*™ stabilising, and a relative but anticipated decline in DAU for *Mech Arena: Robot Showdown*™ following its worldwide launch in August 2021. The absence of any scheduled worldwide launches in the period also contributed to the lower comp. The focus on DAU quality is reflected in ABPDAU performance, which grew 11% or US$0.08 compared to the PCP, demonstrating strengthening player engagement across the portfolio.

During the period the business accelerated execution of its long-term growth strategy, with continued diversification of marketing across platforms and channels. Investments were also made to further bolster core game development, operational and leadership capabilities, and to broaden our presence in key talent markets globally, as previously noted.

Pixel United aims to have 10 titles to 15 titles qualified to enter active development at any time, and to grow this pipeline over time. Three-to-five of these titles could be launched over a two-year period, with launch timing highly dynamic, and subject to a range of variables in order to maximise chances of success.

The business continues to take a rigorous approach to new game releases, ensuring investment is released in line with the achievement of appropriate performance metrics, and maintaining a focus on long-term value and maximising portfolio profitability. The worldwide launch of *Merge Gardens*™ in October 2022 was a good example of this disciplined and measured approach to new game releases.

Turning now to slide 16, which provides context with respect to the trajectory of the mobile games market globally. As well as a view of Pixel United's medium-term performance against the market. The left-hand chart shows the size of the global mobile market from 2017, plus annual growth. According to industry data, the market grew strongly year-on-year through to 2021, with a 5% drop over the past year.

Over the four years to 2022, the market achieved CAGR of 12%. Over the same period Pixel United has delivered a CAGR of 16%, and consistently outperformed with above-market profitable growth. We will continue to place long-term portfolio profitability at the centre of our mobile publishing strategy, regardless of market conditions and other non-controllables.

Now I would like to say a few words about our newest operational business, Anaxi, and the progress we have made in establishing it since we last spoke in May. Online RMG now represents an estimated total addressable market of US$83 billion globally, and is predicted to grow in line with the regulation of additional jurisdictions. Online RMG is a logical and complementary growth and diversification opportunity for the Group, and our most material adjacency.

In May, we said that we would pursue a build and buy strategy, focused initially on iGaming opportunities in North America. We are targeting a significant share of the US iGaming market, as measured by net gaming revenue, with plans to grow to penetrate at least 70% of regulated jurisdictions across North America over the next five years.

Investment will be required over the medium-term to build the technology infrastructure, product portfolios, and capabilities to ensure the business can compete strongly in North America. Over time we see significant additional opportunities in verticals beyond iGaming, and beyond North America.

Ultimately, we aim to be the leading gaming platform within the global online RMG industry. Our approach therefore is to take a portfolio view, anchored in a product strategy, led by premium slots content and strong IP.

Organic investment in product and technology ramped up in recent months to support the development of our initial iGaming product suite, in particular refining our offer and broadening feature sets. Anaxi's Class II mobile on-premise offering in Oklahoma is approved and is in test with a key operator for commercialisation in early 2023.

Similarly in North American regulated iGaming, we have received regulatory approval for our first eight games, and are confident our RGS will be approved before the end of this calendar year. We are working with two key operators to be live in three jurisdictions early in the calendar '23, at which time we will be present in around half of the currently regulated iGaming jurisdictions in the US.

Simultaneously we have accelerated the buy component of our strategy. The agreement to acquire Roxor Gaming was announced late in September, and is on-track to close in the first quarter of calendar '23. Roxor's RGS and publishing technology is live in the US and UK. It is innovative, highly scalable, and supports efficient and feature-rich games and game development. The Anaxi team maintains a disciplined and active approach to its M&A priorities and acceleration options.

In May, we also said that building a dedicated organisational model would be a key priority. In particular, we would forge an entrepreneurial mentality and nimble operations to attract and engage top internal and external RMG talent. The successful launch of the Anaxi brand, which debuted at the G2E last month, delivers on this objective, and will help foster the right team culture, talent and customer engagement.

I would reiterate that from the first half of fiscal 2023, we will report operational highlights and strategic milestones from the Anaxi business separately in our market disclosures, and build these disclosures over time as the business grows. We are energised and excited about the opportunity ahead for Anaxi, and look forward to keeping you updated on our progress.

Moving now to outlook on slide 19. Aristocrat expects to deliver NPATA growth over the full year to 30 September 2023, assuming no material change in economic and industry conditions, reflecting: continued strong revenue and profit growth from Aristocrat Gaming, underpinned by market-leading positions and recurring revenue drivers in Gaming Operations; lower growth in bookings and profit from Pixel United compared to recent years; and further investment in Anaxi to support our online RMG ambitions.

Over the medium-term Aristocrat aims to: continue to gain market share in all key segments; deliver high-quality profitable growth; continue to invest in D&D to improve competitiveness and breadth of product; invest to diversity our business in line with strategy; and effectively manage capital to support long-term growth and maximise shareholder returns.

In summary, the Group has delivered a strong and resilient result for the 2022 fiscal year, that demonstrates excellent fundamentals and strong operational momentum, despite challenges and uncertainties. Our performance highlights the incredible resilience and commitment of our team of over 7,500 people around the world. I want to thank each of our people for their hard work, and their care for each other across the year.

With that I will conclude the formal presentation and hand it back to the Moderator to open the line for questions. For the benefit of others on the call, please limit yourself to two questions before re-joining the queue if you wish.

Operator: Thank you. If you wish to ask a question please press star one on your telephone and wait for your name to be announced. If you wish to cancel your request please press star two. If you are on a speakerphone please pick up the handset to ask your question.

Your first question comes from Larry Gandler with Credit Suisse. Please go ahead.

Larry Gandler: (Credit Suisse, Analyst) G'day Trevor, thanks for taking the call. Just a few questions on Pixel United if I can. As you look into FY23 I think the outlook is for some revenue growth there. Do you expect that revenue growth to be driven more by some new games, with maybe deterioration in the existing portfolio? Or do you think the existing portfolio, both social and casual/strategy, is likely to grow in terms of revenue?

Trevor Croker: Yes, thanks Larry, appreciate the question. I'll just make a couple of comments and then hand to Mike Lang, who is here with us as well. I think at the end of the day 2022 was a difficult year, right. You had the whole digital game market moderate, so there was a general slowing down of the market as a whole. Also had the decisions that we made about exiting Russia, which affected the top-line growth, and we didn’t launch any new games.

We continued to invest behind the new games - oh, sorry, the existing games. You saw us taking share in Social Casino, holding our position in number 1 in social slots, and continuing to be the leader in RPG and strategy. So I think where we've got in '22 is we've got a fundamentally strong core business in digital, that if you look at the new games that have been released in the last couple of years, are now making up circa 50% of the bookings.

But I'll hand it to Mike, who might give you a bit of a lean-forward on what '23 and how he thinks about it from that perspective.

Mike Lang: Thank you for the question Larry. I'd say to your question, it's probably a combination of both, right. As Trevor said, our core existing franchises continued to do well. They're definitely in profit mode, but there's still a growth potential. As you saw within Social Casino, where there were no new titles released this last year, we ended up for the year having about 5% growth.

So we anticipate in certain genres that we'll continue to see that growth. But for beyond that we really believe that future in the new games will also be a key driver. Both driving new DAU and revenue as we go forward. To take the long view of our business, in that over the term we have been growing at about a 16% clip per year CAGR. Clearly we have had years where we were 20% to 30%. This year was not that year. But we anticipate to get back on more of a normalised approach, taking share from our competitors, and both with new games and our existing franchises growing the market.

Larry Gandler: (Credit Suisse, Analyst) Okay, great, got that. My second question is with regards to opex in Pixel United. Looking at UA spend, there could have been maybe 200 basis points in margin expansion just coming from UA spend. But that wasn’t fully translated through into the EBIT line. I'm just wondering if obviously maybe new studios is driving opex higher. But any one-off costs in that Pixel United division, relating to maybe Russia, et cetera?

Mike Lang: Well, clearly we have mentioned that we have had some costs related to the Ukraine crisis, in terms of our people-first approach. Nothing that’s material, but costs that we have had there. We have also, if you had noticed, been building up our core capacity. Not only to diversify ourselves from Ukraine and Russia, but also to ensure that we have the ability to build not only new games, but to continue to drive monetisation in our existing games. That’s a critical element of it.

As we have said before, *RAID*™, which is now a very profitable title for us, there are 200 people at one time working on that game. So it requires a certain level of investment to do that. Then finally, we have brought on some new studios into the capacity as well - Futureplay in Finland, a new studio in Barcelona, and we have just ramped-up one in Montreal - very strong strategic locations for us.

So we think that's the setting up the framework and the foundation for future growth that's going to be coming over the next few years.

Larry Gandler: (Credit Suisse, Analyst) Okay, thank you. I'm just going to squeeze in a clarification question. Trevor, did you say Plarium Play is 26% of total Pixel United revenue? Or just of strategy revenue?

Trevor Croker: It's 26% of Plarium's revenue, Larry. That's up from 21% last year.

Larry Gandler: (Credit Suisse, Analyst) Great, thank you very much.

Trevor Croker: Thanks Larry.

Operator: Your next question comes from Matt Ryan with Barrenjoey. Please go ahead.

Matt Ryan: (Barrenjoey, Analyst) Oh, thank you. I just had a question about the second half land-based margins. It feels like it was a period that saw I guess a reasonable step-up in supply chain costs. I think you've sort of articulated that. I was just hoping if you can give us a sense of where that's sitting at the moment, and if you think you can offset those costs moving forward?

Trevor Croker: Yes, thanks Matt, I appreciate the question. A really strong execution for the team in the second half when you look at share and fee-per-day and average selling price. I'll get Hector to make a couple of comments on it from an operations market point of view, and then hand to Sally just on some of the detail around the margin piece. So over to you Hector.

Hector Fernandez: Yes, thank you Matt. Definitely we looked into - if you recall - in the first half, we had a high point in margin, right, and we talked about those supply chain restraints going forward into the second half and some of the headwinds. Like Trevor talked about, we did, the team did a phenomenal job of really managing some of those supply chain constraints, and ensuring that we could deliver for our customers.

The other thing that was really important in the period is, we were able to mix up from a both ASP perspective, if you look at our average selling price in the for sale segment. But also mix up from a fee-per-day perspective as well, which obviously helped the overall kind of margin story.

So from an operational standpoint, again a really good job of managing the fleet out there, and continuing to increment kind of that high margin recurring revenue units for the half, and really for the entire fiscal year.

So with that I'll turn it over to Sally to comment about the margin specific from a financial standpoint. Sally?

Sally Denby: Thanks Hector. So yes, Matt, I mean the margin remained strong but did moderate in the second half. Primarily driven by the supply chain costs, as we saw that continue to be volatile during the year. I think, as Hector and Trevor spoke to, we have got a very strong installed base and we did manage to maintain a strong fee-per-day. But you can expect that the supply chain impacts are going to continue as we head into FY23.

Matt Ryan: (Barrenjoey, Analyst) Okay, thank you. Just on capital management. It sort of feels like we're in a similar situation to where we were in May, and it looks like you'll sort of complete the buy-back that you've already announced in the next few months. So I'm sure you've had some discussions around whether to increase that. Just sort of hoping on some colour on those discussions and sort of how you're just thinking about the balance sheet at the moment?

Trevor Croker: Yes, sure, thanks Matt. We continue to review that. Gearing and cash levels are reviewed on an ongoing basis, as you'd expect. We will use buy-backs opportunistically to supplement our dividend policy, based on the market conditions. We see that we've still got - we've done $340 million, so we've got $160 million of buy-back to complete for the current commitment that's out there.

As I said, we look at an ongoing basis and balance sheet as the way that we can use buy-backs just to opportunistically supplement our activities, our dividend policy specifically. So continue to monitor it. We are aware of it, we continue to see that, at this point in time when we look at the market, that there still remains opportunities for inorganic investment, and some of that cash is being put to higher inventory levels to support our supply chain and be able to fulfil our orders. Also to be used inorganically to look for growth through the RMG business, and also in Pixel, as ways of driving growth into the future years as well.

Matt Ryan: (Barrenjoey, Analyst) Thank you.

Trevor Croker: Thanks Matt.

Operator: Your next question comes from Simon Thackray with Jefferies. Please go ahead.

Simon Thackray: (Jefferies, Analyst) Oh, thanks very much Trevor, and thanks Sally. Just a couple of housekeeping questions actually, Sally, out of the gates. Just on the FX loss in the P&L. Can you just help me understand that, for the second half '22 it was about

$14 million. Noting Trevor's comments about constant currency growth and NPATA was 20% versus 27% reported, and your waterfall graph on page 9 of NPATA with a benefit of $52.4 million.

Sally Denby: Okay, so with regards to the FX on the face of the P&L, and the movement in the second half – that's driven by the transactional FX on our underlying trading activities. You would have seen in the prior year's that's been a very small number of circa $1 million to $2 million. What we are living with now is movement in the FX rates that is much more volatile than it's been historically, and so that number has increased and will continue to move around.

The $50 million that you see on the waterfall is the translational FX and the movement on the rates between '21 and '22. So we do the waterfall based on a constant currency, and the $52 million is what drops out after the impacts of the effective tax rate as well.

Simon Thackray: (Jefferies, Analyst) Okay, and then just secondly, just noting the acquisition of the intangibles in the cash flows has been pretty steady. But you're only guiding amortisation of acquired intangibles of $65 million, which is a pretty big step-down from the $90 million you guided for '22, and delivered. Can you just help me understand that, is that related to some timing of investment or why that steps down so materially?

Sally Denby: It steps down based on the profile of the intangibles that we have on the balance sheet. So the Plarium, the Big Fish, the VGT acquisitions and the way that they're running off. So that stepdown is based on our current portfolio of intangibles and has got nothing to do with any acquisitions or any divestments or anything else that we may be doing.

Simon Thackray: (Jefferies, Analyst) Right, is it a timing of the amortisation schedule, is that right?

Sally Denby: Yes, that's correct.

Simon Thackray: (Jefferies, Analyst) Okay, thanks Sally. Appreciate that. Trevor just - thanks for the update on the RMG market launch timing and in particular the Oklahoma Class II on-premise mobile offering. Should we take from this - you can tell me to shut up if you like - but should we take from this that you're prioritising leveraging your Tribal relationships for entry into RMG?

And if I can ask - given that the push out of the live launch from the end of the calendar year 2022 to early 2023 - is that because you're going to use the Roxor RMG or is it just about the timing of regulatory approvals taking longer?

Trevor Croker: Thanks Simon. You've just snuck four questions into two. But I'll have a go at all four of them for you.

Simon Thackray: (Jefferies, Analyst) Thanks Trevor.

Trevor Croker: First of all the leverage of the Class II in the mobile on-premise solution for Tribal in Oklahoma is a part of the Anaxi strategy. It was something that was underway and we have been building for a period of time now. We have been investing in that period to actually bring that unique product to the Oklahoma marketplace.

It's unique because it requires a wallet, it requires a systems and a back end, it requires a platform and it requires also the VGT content to be successful. So we will be first to market with that solution with our customer. That's been a priority that we've been working on in our build strategy for a period of time.

The second question was about prioritisation of Roxor I think, was that correct?

Simon Thackray: (Jefferies, Analyst) Yes, is Roxor going to be the RGS or are you swapping out your own RGS for the Roxor RGS? Or was it just, in terms of the timing of the launch, was it just because the regulatory approvals are taking longer for your existing RGS? I'm just trying to understand that.

Trevor Croker: Yes, so eight games are approved already. Eight games are approved so that's been working through. Our RGS will be approved before the end of this year. That is the RGS that we have historically used, the Aristocrat RGS.

The Roxor RGS will come in post close and we'll use that as a way to continue to accelerate into other markets. So it's not a case of holding it up waiting for Roxor technology. We will use that to accelerate our entry into other markets using both their GDK platform and also the RGS.

So it wasn't about holding up. It's just going through a regulatory process. We've got eight games through. The RGS is - we're waiting for it to be approved - and then we'll be in three of the seven markets in early 2023.

Simon Thackray: (Jefferies, Analyst) Excellent. Thank you both.

Trevor Croker: Thank you.

Operator: Your next question comes from Justin Barratt with CLSA. Please go ahead.

Justin Barratt: (CLSA, Analyst) Hi guys. Thanks very much for your time today. My first question is just in relation to Pixel United, can you give us an idea of plans for new game releases across FY23?

Trevor Croker: Yes, sure Justin. Thanks for the question. As I said earlier we are planning to have 10 to 15 qualified games in the pipeline at any one point in time. Three to five of those are in the next two years, released through to worldwide launch. But Mike will just give you a little bit more context of how we're thinking about that and also building up that pipeline.

Mike Lang: Sure. Related to this upcoming year Justin, as we have said to you back in May we were working on releasing a game - *Merge Gardens*™ - by the end of the fiscal year. We were able to release it in October. It's still very early days but we're pretty excited about that game. That game is from our Futureplay studio. It's a combination Match 3 - Merge game with very unique characteristics that we think is critical to break through.

We also have two other games that are in soft launch right now. Not ready to commit to you when they'll be at worldwide launch. One is the *Paradise Fortune Casino*™ slot game which again is a new kind of differentiated digital-first based slot game that we've been working on.

Then the second is a game *Nova Legends*™ which is an RPG game from our Israeli studio. We've got a few other games that throughout the year if they're prepared and we feel good about it, we'll be ready to go into soft launch. But again I think the thing that I want to emphasise is our commitment about being very disciplined about launching.

We're not rushing just to launch a game just so we can come to you and say, hey guess what, we launched a game. We're launching games when we feel they're ready to be launched, when the right metrics are there. It's very, very data driven and it's tied to our commercial strategy that makes the right sense.

So Trevor's point is exactly right. We have 10 to 15 games of which our goal is to get three to five out there over a two year period and try to do that even more over time as we continue to improve our capabilities as an organisation.

Justin Barratt: (CLSA, Analyst) Fantastic, thank you. Then my second question is just more on the Americas segment. Trevor, you spoke about - we can see the really strong ASP particularly in the second half year for the Outright Sales piece. I assume that has something to do with mix.

At the first half Trevor, you sort of spoke about adjacent markets reflecting about 25% of your total unit sales. Can you give us an idea of what that was over the full year or in the second half?

Trevor Croker: Thanks Justin. I'll hand to Hector but it is a balance of mix, both mix from a portfolio point of view and also a markets points of view. Hector can give you some colour on that.

Hector Fernandez: Yes. Thanks Justin for the question. One of the things that we've been proactively doing - also signing these long-term deals which protect the business from these up and down cycles - we have also worked really hard on mixing up the portfolio.

So one of the things that you would have seen from an ASP standpoint is we launched *Neptune*™ Single in the second half of 2022 which comes at a - it's obviously a premium cabinet with premium content with a much higher selling price. Our customers rewarded us by buying a lot of that product because obviously it's working.

From an adjacency perspective, for the full year adjacencies were roughly still 25% of the game sales number. So no material change from half one to half two. We are very proud of the work we've been doing here. I will call out three specific adjacencies.

Illinois VLT - we've been at it now for a couple of years, and we are now the market leader from a ship share perspective, a lot of great success at bringing our content into the Illinois market, which it's a rather large market.

The other piece that we talked a little bit about in May was our entry into HHR. So, just to remind everyone, that's about a 19,500-unit market, it's a for sale market and so we've had tremendous success there as well going into the second half.

Then in the second half we entered New York Lottery, which is about a 16,000-unit Gaming Ops market. We're live in five properties and we expect to double the number of units that we place by the end of the calendar year. So, a really good news story from an adjacency perspective and a really good news story from our ability to mix up the portfolio by our investment in premium content.

Justin Barratt: (CLSA, Analyst) Thanks very much for the colour.

Trevor Croker: Thanks Justin.

Operator: Your next question comes from David Fabris with Macquarie, please go ahead.

David Fabris: (Macquarie, Analyst) Hi Trevor, I've got a question on Anaxi, and then I'll follow up with Pixel United. Just with Anaxi, have you guys disclosed the current cost run rate? I think you mentioned earlier on the call that costs have ramped recently. Then can you confirm where they're being allocated into segments? Then just a follow up on that business there, can you give an indication of how long you'd expect Anaxi to break even post launch as well please?

Trevor Croker: Thanks, David, I might just get Sally to make some comment on the cost side and certainly Mitchell Bowen's on the call, might make a view around where we are on our strategy, and then we can come back to that final question. Sally, just want to make a quick comment?

Sally Denby: On the costs we haven't disclosed the investment that we've made to date on Anaxi. Those costs are actually across the Gaming business and within Corporate, so they are actually spread across the P&L at this point in time. I think as we said before, we will share operational highlights and some strategic milestones as we go into FY23.

Mitchell Bowen: David, I think just from an Anaxi strategy standpoint, we've obviously significant progress over the last six months or so with the announcement of the Roxor deal, the rollout of the Anaxi brand, and of course as Trevor just mentioned, the approval of the first eight games and the pending approval of our RGS.

So, we are myopically focused on getting those eight games approved with those two key operators in the first jurisdictions, those three in the first part of next year, and there's more to come in that space.

David Fabris: (Macquarie, Analyst) Got it, just any comments, an indication on when this could break even post launch?

Sally Denby: Not at this point.

Trevor Croker: This is a mid-term investment David, this is about entering a segment – a midterm investment. We've continued to invest, as Sally said, in D&D, which has been contained within the 12% of D&D investment and we'll continue to invest and hold within our targeted range. But it's a mid-term growth opportunity for the organisation.

David Fabris: (Macquarie, Analyst) That makes sense, and just on Pixel United, can you talk to whether you will look to launch a direct-to-consumer deposit solution for the mobile customers across Product Madness and Big Fish, or can the Plarium Play solution serve this cohort of players as well?

Trevor Croker: Over to you, Mike.

Mike Lang: So, generally off platform is a strategy we're looking at in Social Casino. We actually drive a much smaller percentage, about 5% of our revenue of Product Madness there. We'd like to increase that over time, some of that we can't do because of the issues around Apple, Google requirements, what they allow, but there are other things we can do to try to do that.

Another area of growth for us off platform is ad sales, where we do not pay a platform fee as well, and we're continuing to try to grow that throughout our organisation. In fact, both *Merge Gardens*™ and *Mech Arena*™ have recently launched ad sales and we're very encouraged by what we're going to see as we drive more inventory across our portfolio.

David Fabris: (Macquarie, Analyst) Got it, and just to follow up on that question. So, you're at 5% of the Product Madness bookings at the moment, what does that compare to in FY21? Just to give us a landmark of where the business is tracking.

Mike Lang: Pretty incremental change, not a huge difference, and I think again part of it is the restrictions we have there and the fact that - again remember that Plarium Play - one of the reasons it does very, very well is because it's providing a PC version, a larger screen version for the consumer - where on social casinos people want to play, continue to play on their mobile device.

But there are other tactics and things that we're looking at and we're hopeful that over time we'll be able to see some movement on that.

David Fabris: (Macquarie, Analyst) Got it, appreciate it, thank you for answering the questions.

Trevor Croker: Thanks David.

Operator: The next question comes from Darshana Nair with Goldman Sachs, please go ahead.

Darshana Nair: (Goldman Sachs, Analyst) Morning team, thanks for taking my question. Maybe firstly on ANZ, you've previously flagged bottlenecks and supply chain and weather-related issues, can we talk about how this is progressing now?

Trevor Croker: Thanks, Darshana for the question. As we said at the start we've had weather conditions in the early part of the year, COVID lockdowns, but what we found is that the *MarsX*™ cabinet and the game portfolio in the second half has given us good momentum in the second half.

I'll ask Hector to just add some more colour around that plus the broader ANZ marketplace.

Hector Fernandez: Sure, so you recall in the first half, like Trevor talked about, there were some weather-related challenges. There was a little bit of spill over of COVID still from a bit of uncertainty around reopening. In the second half we did see momentum in that market as we launched new game titles. Recall we also, at AGE, we showed product from five different studios and the customer feedback overwhelmingly was that we had the best product portfolio available in the market.

The other piece that we're working very hard in the Australia, New Zealand market is driving this recurring revenue concept. It's early days, like we talked about earlier, but we believe that there's an opportunity to get some traction there to bring some premium content into that market.

It really helped partner with our customers right to manage risk, to manage performance, and so we feel pretty good about that market relative to the product portfolio and the investments that we're making to make sure we're driving that home.

Darshana Nair: (Goldman Sachs, Analyst) Got it, thank you, and maybe just I'll squeeze one more on Anaxi. Can you just give us a sense of exactly where you sit in terms of the value chain and when we think about this a from an investor standpoint, what are the key KPIs we should watch for through the next year as you go through the launch?

Trevor Croker: Thanks, Darshana. First of all I think we need to continue to size the market at about $83 billion at this point in time globally and continuing to grow. More markets to open up over time, the actual profit pool that we participate in is a smaller number of that because we're talking iGaming and we're talking about US markets. So, Mitchell, you might just want to give a little bit of context of how Anaxi plays in those profit pools.

Mitchell Bowen: Thanks, Trevor. Hi Darshana. So, when we talk about the overall online RMG market, to build on Trevor's comments, we do talk about iGaming, sports betting and iLottery. We have talked about our build and buy strategy to be an overarching player as a scaled platform player in that space over time. Our focus is in content publishing through the iGaming channel at the moment, leveraging our industry leading slots platform going forward.

So, as we think about the next steps, there's certainly things like aggregation as we start to play. But really as I said before, our focus is publishing our industry leading portfolio through what is a logical adjacency for us to enter in the North American market, and it's really going to be about game performance and distribution really are the two metrics that we'd be looking at.

Darshana Nair: (Goldman Sachs, Analyst) Any key KPIs that we should be looking out for?

Mitchell Bowen: Again, so we talked about the market access, so those first three jurisdictions and then how our game performance and how players are adopting that online is really going to be our KPI that will determine our success going forward.

Darshana Nair: (Goldman Sachs, Analyst) Perfect, thank you so much.

Trevor Croker: Thank you.

Operator: Your next question comes from Rohan Sundram with MST Financial, please go ahead.

Rohan Sundram: (MST Financial, Analyst) Hi team, just the one from me, maybe Trevor or Hector, how is the tone of the conversations you're having with your major customers? How has that changed over the last say six or 12 months?

Trevor Croker: I'll just make an overriding comment on it, I think where conversations are going now is that the customers are now seeing - or our operators are now seeing that the long-term investment Aristocrat is making in product and technology and talent, is about giving them confidence to continue to allocate more and more of their capital and therefore to our portfolio.

We have demonstrated that for a number of years, not just in pre-COVID but also through COVID and then also the way that the team have responded in building partnerships as we re-opened after the COVID period. My feelings, coming from customers, Rohan, is that they appreciate that commitment, they can see from the quality of the performance we are the most anticipated new games coming out of G2E.

We do have the highest performance on the floor, 1.4 times the floor average compared to most sitting at or around about 1 time. But Hector might be able to give a little bit more colour about some of the customers, but generally receptive, in my opinion.

Hector Fernandez: Yes, it's been a really positive conversation. G2E in this year almost was about the same size as 2019, which is very positive. We had over 5,000 customers visit the booth, and all the conversations we had were really around how do we get your product on the floor faster?

One of the things that was interesting at G2E was that 100% of our for-sale content was brand new, and about 70% of our recurring revenue content was brand new as well. So, customers are feeling despite some of the recession headwinds and some of the headlines that you read, customers are feeling bullish.

One of the things that they're really focusing on now is putting the best content on the floor, because ultimately that leads to the highest return on invested capital. So, it's a very different conversation that we're having around that level of sophistication. One of the things that the team is very proud of is that we placed over 5,000 recurring revenue units in the fiscal year, year-over-year, and that's roughly for the second year in a row.

So if you'd go back to fiscal '20 through this performance period, we've placed almost 10,000 incremental recurring revenue units, almost reaching, to Trevor's earlier comment, 60,000 across both Class II and Class III, so very positive messages from customers.

Rohan Sundram: (MST Financial, Analyst) Thanks guys.

Trevor Croker: Thanks Rohan.

Operator: Your next question is a follow-up question from Simon Thackray with Jefferies, please go ahead.

Simon Thackray: (Jefferies, Analyst) Thanks, sorry to be a pest. One for Mike, one for Hector. So, Mike, just looking back on Pixel and reflecting on Larry's opening question. Considering your guidance for lower UA spend in '23 at the bottom end of the 26% to 29% range and lower overall dollar spend in FY22, now you've given guidance for lower growth in bookings and profit compared to prior years, not the prior year but prior years. Does that mean you expect overall bookings to be down in '23 versus '22 with sequentially lower UA spend?

Mike Lang: It's Mike here, Simon. If you look at the market, the estimates for the market are 4% growth, we are confident that we will continue to beat the market with our tremendous games and the focus on Live Ops and content and monetisation. Again, you can see our ABPDAU went up significantly this year by 11%.

Number two, with new games that we're going to be delivering in the pipeline, so we will see growth, I think the point being that it's moderate growth relative to what you've seen in the past at 16% annual growth rates.

Simon Thackray: (Jefferies, Analyst) Right okay, I can work out the rest of the maths, thanks for that, Mike. Hector, just a quick one, we got pretty excited with NFL launch when we were at G2E, just the status of NFL? I think you were talking February 2023 for product, is that still the case?

Hector Fernandez: Simon, I think you gave me a far more aggressive deadline than we've committed, we said in about a year, the fall of next year, sometime during the start of the NFL season. One comment I would like to make about the NFL, the NFL obviously was voted the most innovative product at G2E, but if you looked at our booth, it's just really a piece of our portfolio.

When you think about our strategy - our strategy is to really have a diversified portfolio that can attack all market segments. So, while the NFL is exciting and it's a really cool brand and the creatives are actually really excited to work with a brand like the NFL and bring new content on board, it's just a small piece of our total portfolio. But customers were very excited obviously if you were at G2E we had a back room where they could see some prototype content, and again Simon, fall of next year is when the plan is to go live.

Simon Thackray: (Jefferies, Analyst) Fair enough, Hector, sorry to rush you, no problem, thanks for that.

Trevor Croker: Thanks Simon.

Operator: Thank you, there are no further questions at this time. I'll now hand back to Mr Croker for closing remarks.

Trevor Croker: Thank you. On behalf of the broader Aristocrat team, we thank you for your ongoing interest in the Company and wish you a good day, thank you very much.

End of Transcript