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21 February 2017

ASX Release

ASX Code: AGI

**Ainsworth Game Technology Limited
Half Year Results to 31 December 2016**

Ainsworth Game Technology Limited (AGT) today announced a profit before tax, excluding the impact of foreign exchange rate movements of \$15.2m for the six months ended 31 December 2016, in line with the guidance released to Australian Securities Exchange (ASX) on 26th October 2016.

Independent Chairman, Mr GJ Campbell said, "The results for 1HFY17 reflect the highly competitive market conditions, in which we operate, however, the benefits of our defined strategy, including our recent entry into the Class II market in the United States, are underpinning our performance and provide a platform for growth.

We are continuing to make progress in building a stronger, more diversified Ainsworth with greater presence in key international markets complemented by higher quality recurring earnings. While challenging domestic markets and timing issues in releasing new hardware into the US market have temporarily affected our progress, we are confident that our investments in growth will generate improved financial returns. We expect a significantly stronger profit performance in the second half of the 2017 financial year."

Results Summary:

- Continued execution of clear strategy - International revenues now account for 67% of group total, up 2% on PCP;
- Total sales revenue of \$122.7m (-14% on PCP)
 - International revenues \$81.7m (-11% on PCP). Temporary reduction due to timing delay in approval of new hardware and game software. Strong recovery is expected in 2H FY17.
 - Domestic revenue \$41.0m (-18% on PCP). Challenging period for domestic operations in a highly competitive market. New game refresh strategy to drive growth;
- Reported net profit after tax of \$20.6 million
 - Includes a tax benefit of \$0.6 million as a result of prior year tax true-up adjustment.
 - Currency adjusted NPAT \$15.8m (-40% v \$26.3m PCP);
- Continued improvement in quality of earnings driven by greater recurring revenues from machines on participation. Strong growth in Nova Technologies in North America. Total machine install base under Game Operations of 4,961 in the Americas (+52% on PCP and +8% compared to FY16);
- Investing in growth: increased sales and marketing capacity, R&D expanded and new Las Vegas facility to strengthen presence in North American market;
- Dividend suspended in 1HFY17 to fund growth strategy. The Board maintains its policy of distributing 40-60% of after tax profits by way of dividends. A decision in regard to the FY17 final dividend will be made at the time of releasing the FY17 results in August 2017, and

- Stronger profit performance expected in 2HFY17 with growth in North America, investments in R&D, sales and marketing delivering initial returns and the anticipated synergies with Novomatic AG to contribute.

Chief Executive Officer, Mr Danny Gladstone said, “Although these results are in line with our announcement last October, the reduction in profit is disappointing. Our results were impacted by competitive domestic markets and temporary delays in North American approvals. We have implemented strategies to correct these initial reductions in unit volumes and margins and expect to deliver an improved financial performance going forward.

We are confident that the strategies undertaken will translate into improved financial results in the second half of FY17. We have line of sight on strong growth in North America with our new Las Vegas facility in operation. We expect ongoing positive results from our growing participation business, which has been boosted by the successful Nova acquisition. These recurring high quality earnings are important for us as they underpin our research and development program and our relentless pursuit of developing high performing and entertaining products for our customers. The hiring of an experienced and seasoned gaming executive in Kieran Power as our Chief Technology Officer will provide increased capabilities in product development areas and the timely execution of established strategies. We expect recovery through innovative game development in domestic markets over time and our investments in sales and marketing and new product releases should make a positive impact.”

The Company confirmed its expectation for a stronger second half in terms of both revenue and profitability compared to 1HFY17 including the anticipated synergies with Novomatic AG.

For the full year FY17, pre-tax profit (PBT), excluding foreign currency translation movements, is expected to be at least \$56m (\$70.4m in FY16).

The financial results for the period ended 31 December 2016 are summarised as follows:

Amounts expressed in A\$ millions <i>(unless otherwise stated)</i>	6 months to 31/12/16	6 months to 31/12/15	Movement % ▼ ▲
Revenue	122.7	141.9	▼ (14%)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	31.9	53.8	▼ (41%)
Earnings before interest and tax (EBIT)	18.6	43.8	▼ (58%)
Profit before tax	20.0	44.8	▼ (55%)
Profit after tax	20.6	33.1	▼ (38%)
Earnings per share (basic) – AUD	\$0.06	\$0.10	▼ (40%)
Dividends per share (franked) - AUD			
- Interim	-	\$0.05	- (100%)

Ends

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