FY17 Annual Results Announcement

Ainsworth Game Technology Limited

www.agtslots.com.au

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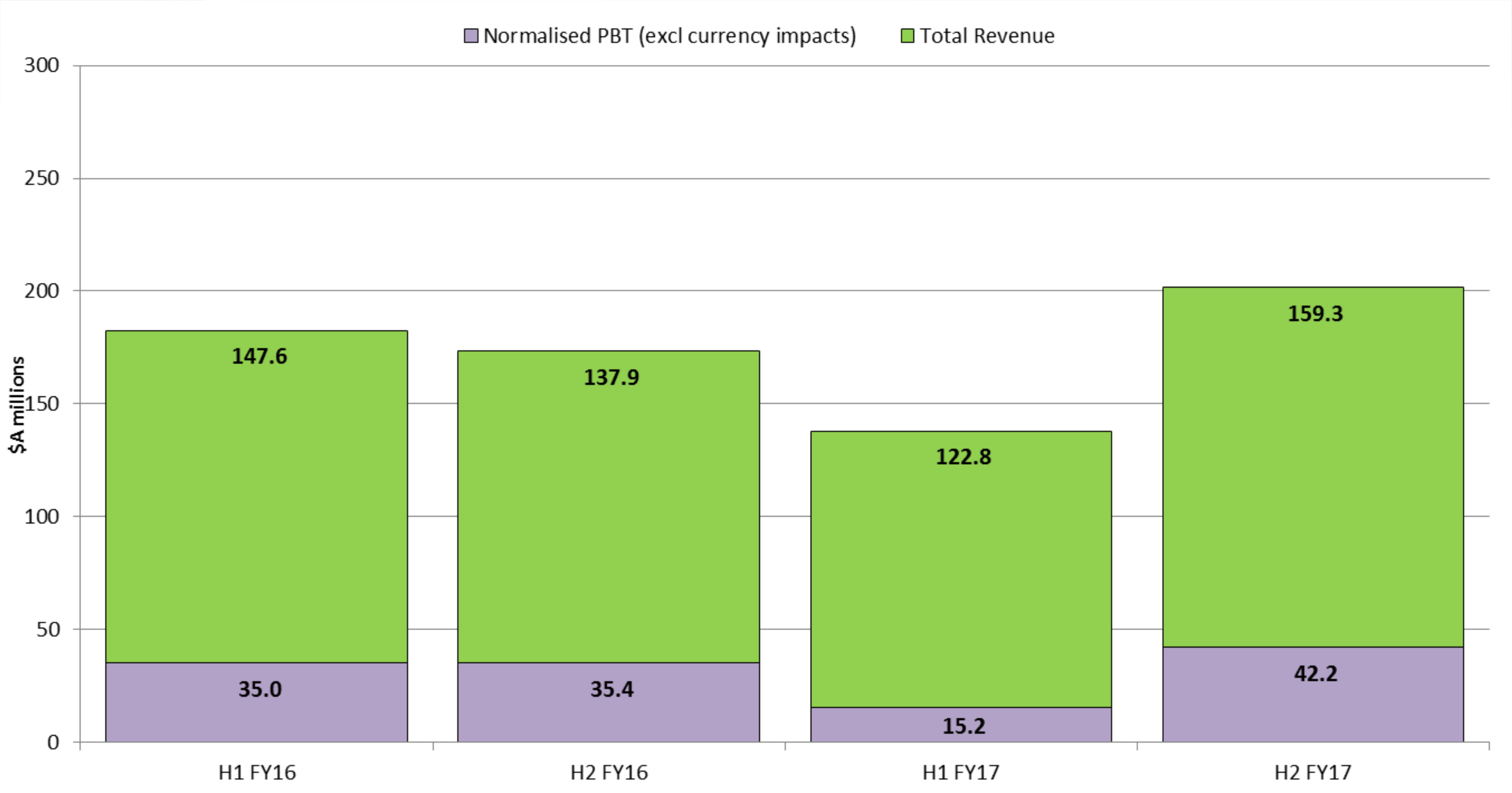
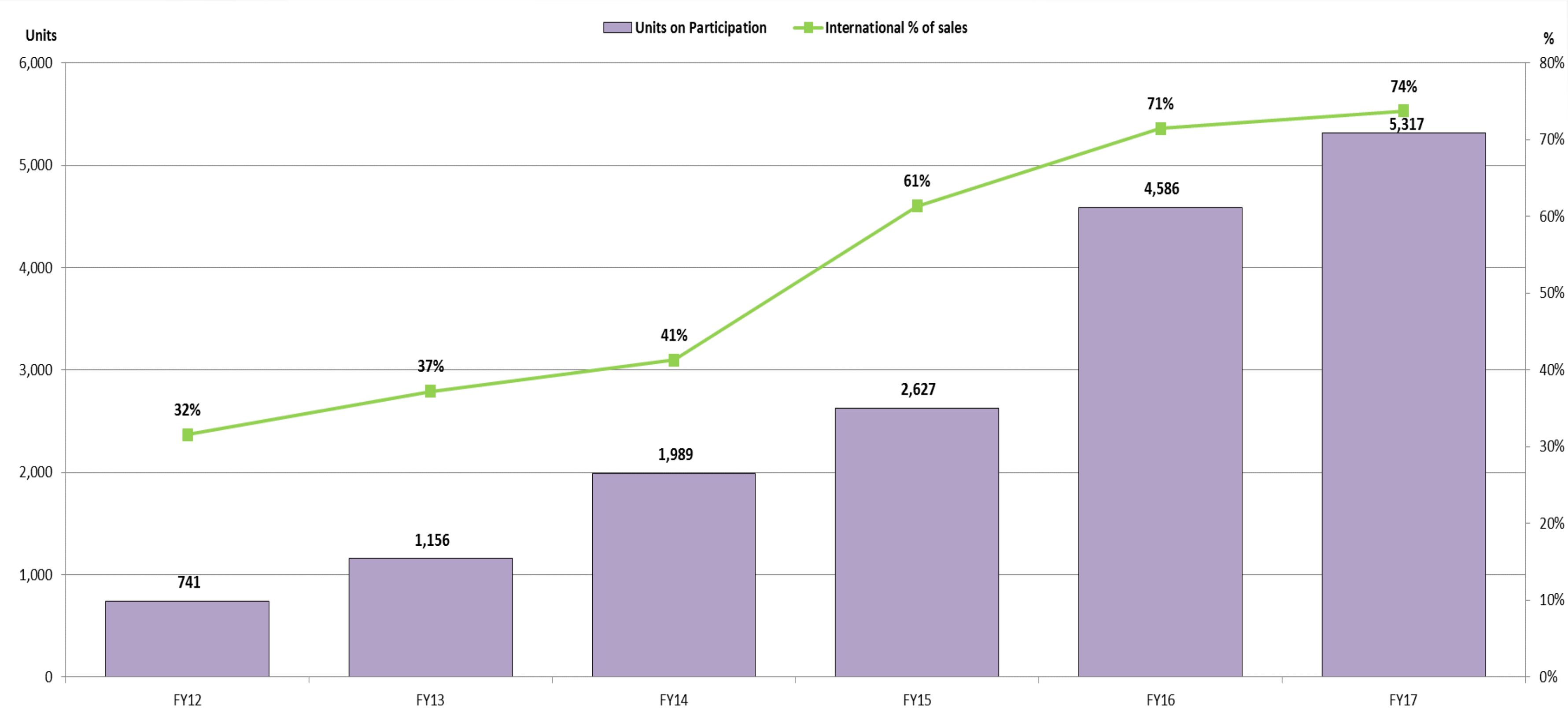
FY17 Results exceed guidance, strong 2H growth and momentum



Continued execution of a clear strategy: Grow international revenues and higher quality earnings



Key Highlights

FY17 Profit exceed guidance:

- Profit before tax (excluding currency impacts) is $57.4m, 2.5% ahead of guidance
- Excluding forex losses: NPAT $47.6m, -9% on pcp

Strong 2H17 recovery:

- 2H profit $42.2m, a 178% increase on the $15.2m in the first half of FY17

Continued growth in international businesses:

- International revenue $208.0m, +2% , 74% of total
- Latin America revenues +5%, profit +11%
- North America returning to growth
- Rest of World revenues +54%, profit +50%: 74% increase in unit volumes driven by improved Europe performance and Novomatic synergies

Encouraging signs of recovery in challenging domestic markets

- 2H Au profit +15%, 2H NSW sales +20% on pcp

Further improvement in quality of earnings

- 5,317 units on participation, +16%. Pac Man driving strong growth in units

Momentum into FY18

- Strong pipeline of contracted orders in North America
- New jurisdictions creating significant revenue opportunities – Washington Class II, Colorado
- Early signs of recovery in Au - EVO cabinet successfully launched at AGE, broadened game library
- Expect market share growth in FY18 in international and domestic markets

Profit & Loss Summary

- Profit before Tax excluding currency impacts $57.4m – 2.5% ahead of guidance
- Slight international sales growth (+2% v pcp) offsetting challenging domestic market (-9% pcp)
- Gross Profit remained consistent to pcp. Pressure in domestic market offset by strong contributions from machines under participation and lease in the Americas
- $3.3m of significant items outside ordinary business activities are included in underlying EBITDA ($4.1m pcp).
- Post tax contributions from currency loss in FY17, $9.7m v currency gain of $3.3m in FY16
- FY17 Final dividend prudently suspended to self fund growth targets

A$m	FY17	FY16	Change (%)	Change (%)
Domestic revenue	74.1	81.5	▼	(9%)
International revenue	208.0	204.0	▲	2%
Total revenue	**282.1**	**285.5**	▼	**(1%)**
Gross profit	170.0	171.7	▼	(1%)
EBITDA	**70.3**	**95.8**	▼	**(27%)**
PBT	46.9	75.1	▼	(38%)
Income tax expense	9.0	19.4	▼	(54%)
NPAT	**37.9**	**55.7**	▼	**(32%)**
R&D (% of revenue)	12%	10%	▲	2%
EPS (diluted) (A$)	0.12	0.17	▼	**(29%)**
DPS (A$)	-	0.10	▼	(100%)

Results Adjusted for Currency Loss / (Gain)

A$m	FY17	FY16	Movement	Change (%)
PBT	46.9	75.1	▼	(38%)
Currency loss / (gain) (before tax)	10.5	(4.7)	▲	323%
Adjusted PBT	**57.4**	**70.4**	▼	**(18%)**
NPAT	37.9	55.7	▼	(32%)
Currency loss / (gain) (after tax)(1)	9.7	(3.3)	▲	394%
Adjusted NPAT	**47.6**	**52.4**	▼	**(9%)**

(1) Calculation of 'Currency loss / (gain) after tax'; No tax effect on $7.5m in FY17 currency loss due to change in tax treatment ($7.5m + ($3m x 0.7) = $9.7m), FY16 currency gain ($4.7m x 0.7 = $3.3m)

AINSWORTH EXPERIENCE COUNTS

Results by Half Year - Adjusted for Currency Loss / (Gain)

A$m	2H FY17	1H FY17	2H FY16	1H FY16
PBT	26.9	20.0	30.3	44.8
Currency loss / (gain) (before tax)	15.3	(4.8)	5.1	(9.8)
Adjusted PBT	**42.2**	**15.2**	**35.4**	**35.0**
NPAT	17.3	20.6	22.6	33.1
Currency loss / (gain) (after tax)[1]	14.5	(4.8)	3.6	(6.9)
Adjusted NPAT	**31.8**	**15.8**	**26.2**	**26.2**

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Reconciliation – Profit before Tax to EBITDA

A$m	FY17	FY16	Variance %
Reconciliation:			
Profit before tax	**46.9**	**75.1**	**(38%)**
Net interest	(2.4)	(2.3)	4%
Depreciation and amortisation	25.8	23.0	12%
Reported EBITDA	**70.3**	**95.8**	**(27%)**
Foreign currency loss / (gain)	10.5	(4.7)	323%
Due diligence costs on strategic opportunites/acquisitions	-	1.2	(100%)
Impairment losses	3.3	2.2	50%
Accelerated expenses for vacated premises in North America	-	0.7	(100%)
Underlying EBITDA	**84.1**	**95.2**	**(12%)**

Operating Costs

	FY17	FY16	Variance
Sales, service and marketing	52.1	52.0	0%
R&D	34.2	28.6	20%
Administration	26.2	19.8	32%
Total Operating costs	**112.5**	**100.4**	**12%**

- Increase in R&D expenses primarily due to:
  - Evaluation and testing expenses in Americas
  - Establishment of LV Game Design
  - New Product initiatives carried out during the year

- Increase in Administration expenses is primarily due to:
  - Additional headcount in Las Vegas and increased costs for the facility

Staff Headcount

Australia and Rest of the World		
# Staff	**FY17**	**FY16**
Sales	38	37
Service	80	82
Production	43	44
Administration	42	47
R&D	136	134
Total Staff Numbers - Australia & Rest of the World	**339**	**344**

Americas		
# Staff	**FY17**	**FY16**
Sales	33	34
Service	48	41
Production	70	49
Administration	50	40
R&D	40	32
Total Staff Numbers - North and Latin America	**241**	**196**

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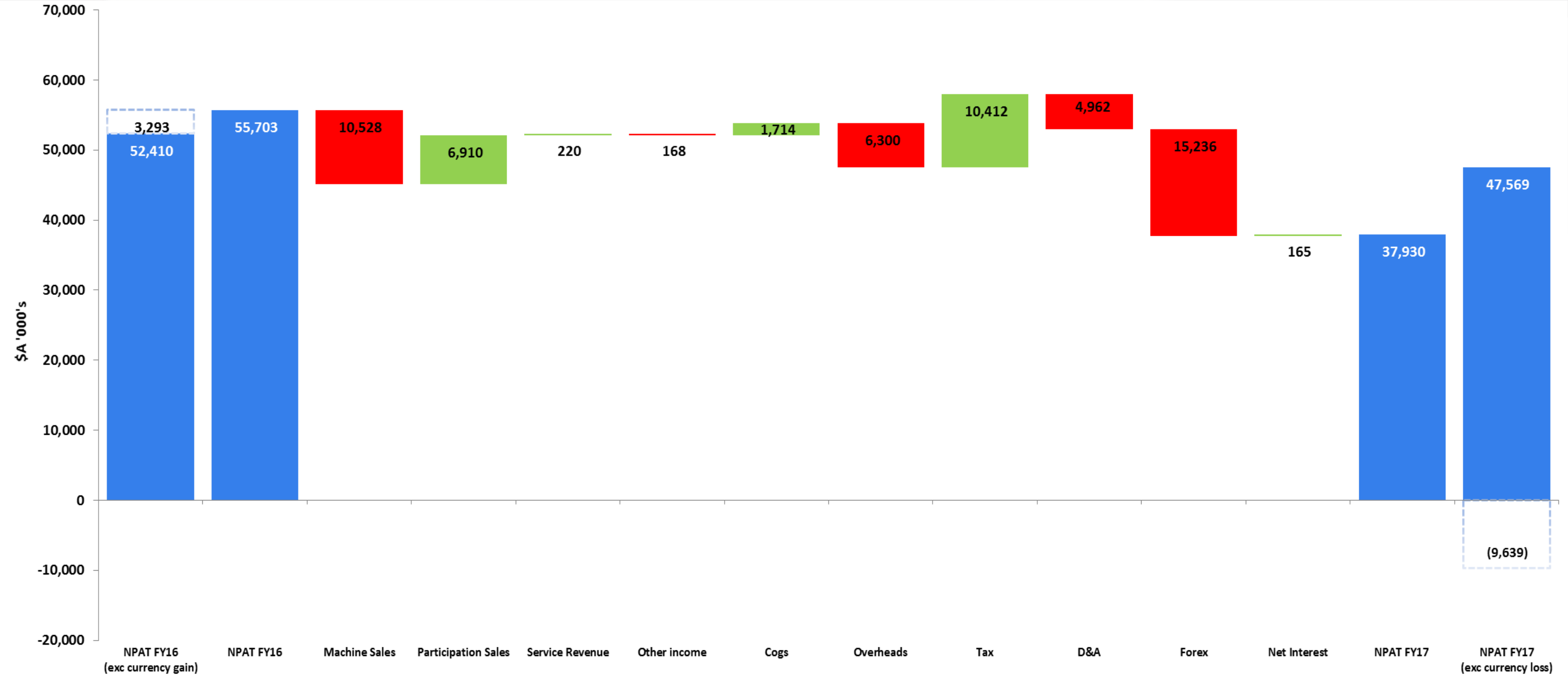
Net Profit Bridge



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- $15.2m decrease in forex represents a foreign currency loss of $10.5m (versus a currency gain pcp of $4.7m pcp)
- $10.4m decrease in tax expense due to the true-up of prior year tax which resulted in a net income tax benefit of $8.3m
- $47.6m currency adjusted PAT in FY17 (versus $52.4m pcp). Excludes $9.7m after tax currency loss (versus $3.3m currency gain pcp) [(1)]

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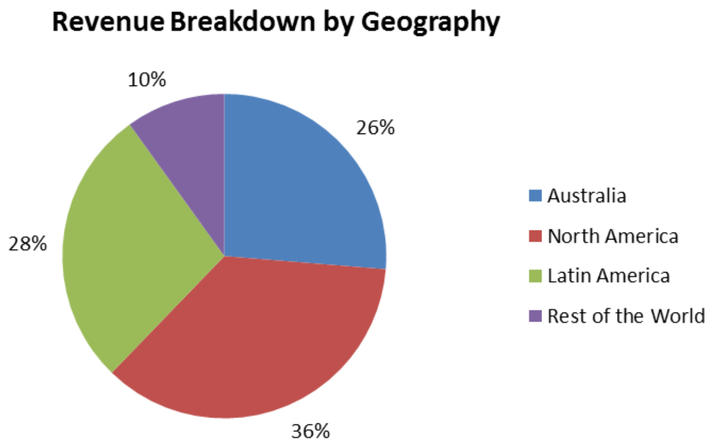
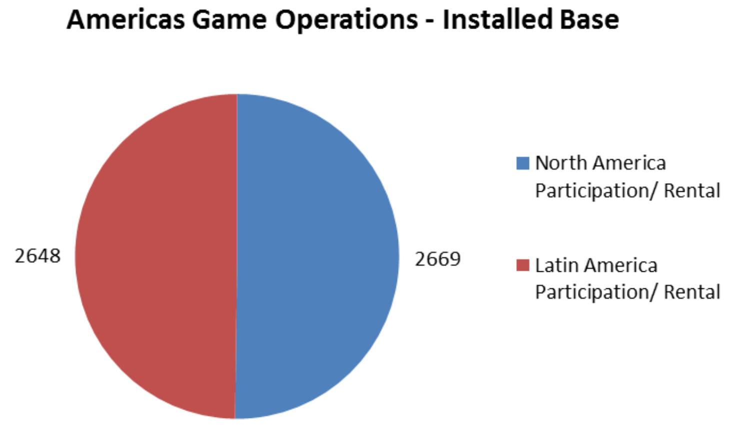
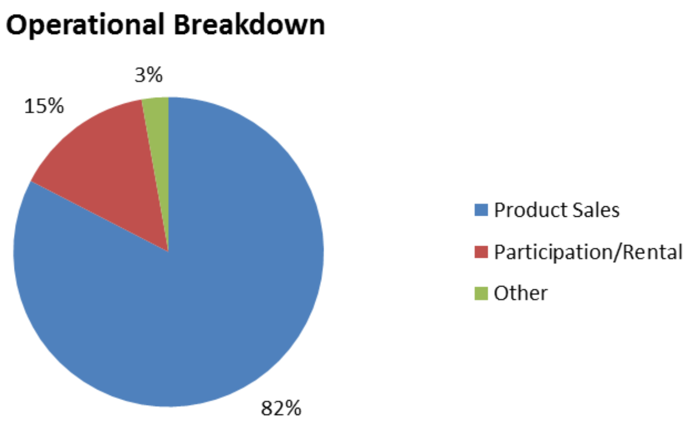
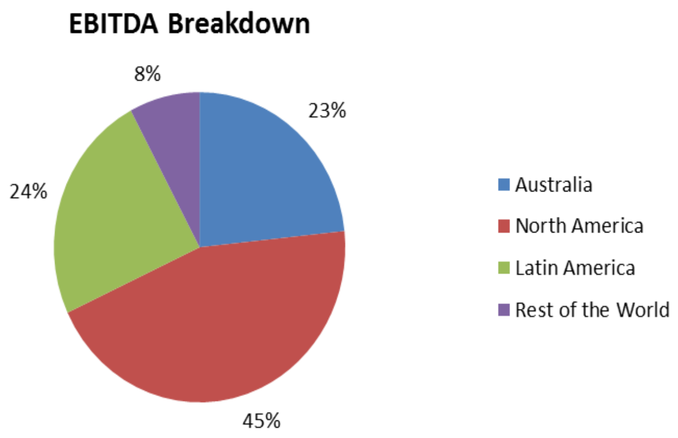
Ainsworth at a Glance









Balance Sheet

- Strong balance sheet to self fund growth targets
- 11% Return on Equity. 14% return on equity based on normalised PAT (excludes foreign currency effects) compared to 17% pcp
- Increase in receivables due to the increased number of units sold in the month of June 17 compared to pcp - expect cash collections in 1HFY18
- The increase in other current assets is mainly compromised of the high number of inventories on hand in the Americas - expect sales in 1HFY18
- No loan was drawn down from the debt facility in FY17
- Net Debt in FY17 ($44.6M)

A$m	FY17	FY16
Cash	21.1	26.4
Receivables	128.6	118.7
Other Current Assets	87.3	63.0
Total Current Assets	**237.0**	**208.1**
Non-Current Receivables	39.9	37.9
Deferred Tax Assets	4.7	1.6
Other Non-Current Assets	183.1	188.4
Total Non-Current Assets	**227.7**	**227.9**
Payables	33.0	30.3
Loans and borrowings	0.2	0.1
Current Tax Liability	7.3	9.5
Other Current Liabilities	9.3	7.8
Total Current Liabilities	**49.8**	**47.7**
Loans and borrowings	65.5	67.8
Employee Benefits	0.7	0.7
Deferred Tax Liabilities	4.1	3.9
Total Non-Current Liabilities	**70.3**	**72.4**
Share Capital	200.2	193.8
Other Equity	144.4	122.1
Total Equity	**344.6**	**315.9**

Balance Sheet Ratios

Financial covenants ratios	FY17	FY16
Interest cover ratio - (EBITDA/Interest Expense)	58.28	139.12
Gearing Ratio - (Debt)/(Debt + Equity)	16.01%	17.69%
Leverage Ratio - (Debt/EBITDA)	0.93	0.71

Debt ratios	FY17	FY16
Debt ratio (Total Liabilities/Total Assets)	25.84%	27.55%
Debt to Equity ratio (Total Liabilities/Total Equity)	34.85%	38.02%
Cash Flow to Debt ratio (Cash Flow from Operations/Total Liabilities)	3.63%	44.01%

Cashflow Statement

- Decrease in Net Cash from Operating Activities to $5.2m is a result of the timing difference of receivables and an increase in investment in working capital to fund participation and lease machines
- Expect receivables to unwind and inventory to reduce in 1HFY18
- Capex reverted to maintenance levels after Las Vegas build and fit out

A$m	FY17	FY16	Change
Net cash from operating activities	**5.2**	**52.9**	**(47.7)**
Interest received	3.7	3.0	0.7
Proceeds from sale of PPE	6.3	0.1	6.2
Acquisitions of PPE	(5.4)	(49.2)	43.8
Payment for business acquisiton	-	(54.2)	54.2
Acquisition of equity- accounted investee	-	(2.1)	2.1
Development expenditure	(4.5)	(6.2)	1.7
Net cash from / (used in) investing activities	**0.1**	**(108.6)**	**108.7**
Dividend paid	(9.9)	(20.9)	11.0
Proceeds from borrowings	-	68.8	(68.8)
Repayment of borrowings	-	(7.7)	7.7
Net cash (used in) / from financing activities	**(9.9)**	**40.2**	**(50.1)**
Net decrease in cash and cash equivalents	(4.6)	(15.5)	10.9
Cash and cash equivalents at 1 July	26.4	41.3	(14.9)
Effect of exchange rate fluctuations on cash held	(0.7)	0.6	(1.3)
Cash and cash equivalents at 30 June	**21.1**	**26.4**	**(5.3)**

1. Results Highlights
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5. Segment Results - Rest of the World
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Segment Results – North America

North America – continued strong position in the market:

- Release of Pac Man Wild Edition in H2 drove strong demand for licensed software titles. Over 350 on contract and growing
- 21% of opening FY17 Class II route now Ainsworth machines
- Late year approval for Colorado and British Columbia to be accretive in FY18
- Established a corporate partnership with contracted sales of over 600 units in H2FY18

North America

A$m	FY17	FY16	Change (%)	Change (%)
Revenue	**101.4**	**111.0**	▼	**(9%)**
Segment Profit	**44.6**	**49.3**	▼	**(10%)**
Segment Profit (%)	44%	44%	-	-
Unit Volume (no.)	3,105	3,559	▼	(13%)
ASP (US$'000's) *	16.4	16.7	▼	(2%)
Game Operations – Installed Base**	2,669	2,792	▼	(4%)
Ave per Day (US$) **	**22**	**24**	▼	**(8%)**

*Excludes distributor sales
**Includes units from acquisition of Nova Technologies, LLC

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US Route Market Momentum

- FY17 resulted in the full and complete integration of the Nova Technologies acquisition completed in January 2016
- Washington:
  - In July, Ainsworth announced that Tulalip Resorts Casino has agreed to serve as its sponsor for required class III - central determination testing
  - The fourth largest gaming market in the U.S. (behind Nevada, California and Oklahoma). We are excited to begin the process of offering our products to casinos across the state
  - Significant sales opportunities in FY18
- Common hardware platform across Class II and Class III coming in FY18
- In FY18 Ainsworth will place 270 Class II games at the new Four Winds South Bend property. This accounts for 15% of the casino floor
- In July, Ainsworth installed an additional 100 units at an existing customer location bringing our install base to over 27% at this location
- Licensing complete across all major Class II markets in the US

FY 2018 Roadmap (Class II) Game Titles

	NOW	FY 2018	TOTAL IN 12 MONTHS
A560	57	24	81
A560 SL	4	18	22
A600	LAUNCH Q1	54	54
A560 SL NOIR	LAUNCH Q1	22	22

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Continued Development of Top Performing Brands in North America

Top Performing Brands

- All brands listed are performing at an average index of 1.4x to 2.9x of house average

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Segment Results – Latin America

Latin America – continued strong position in the market:

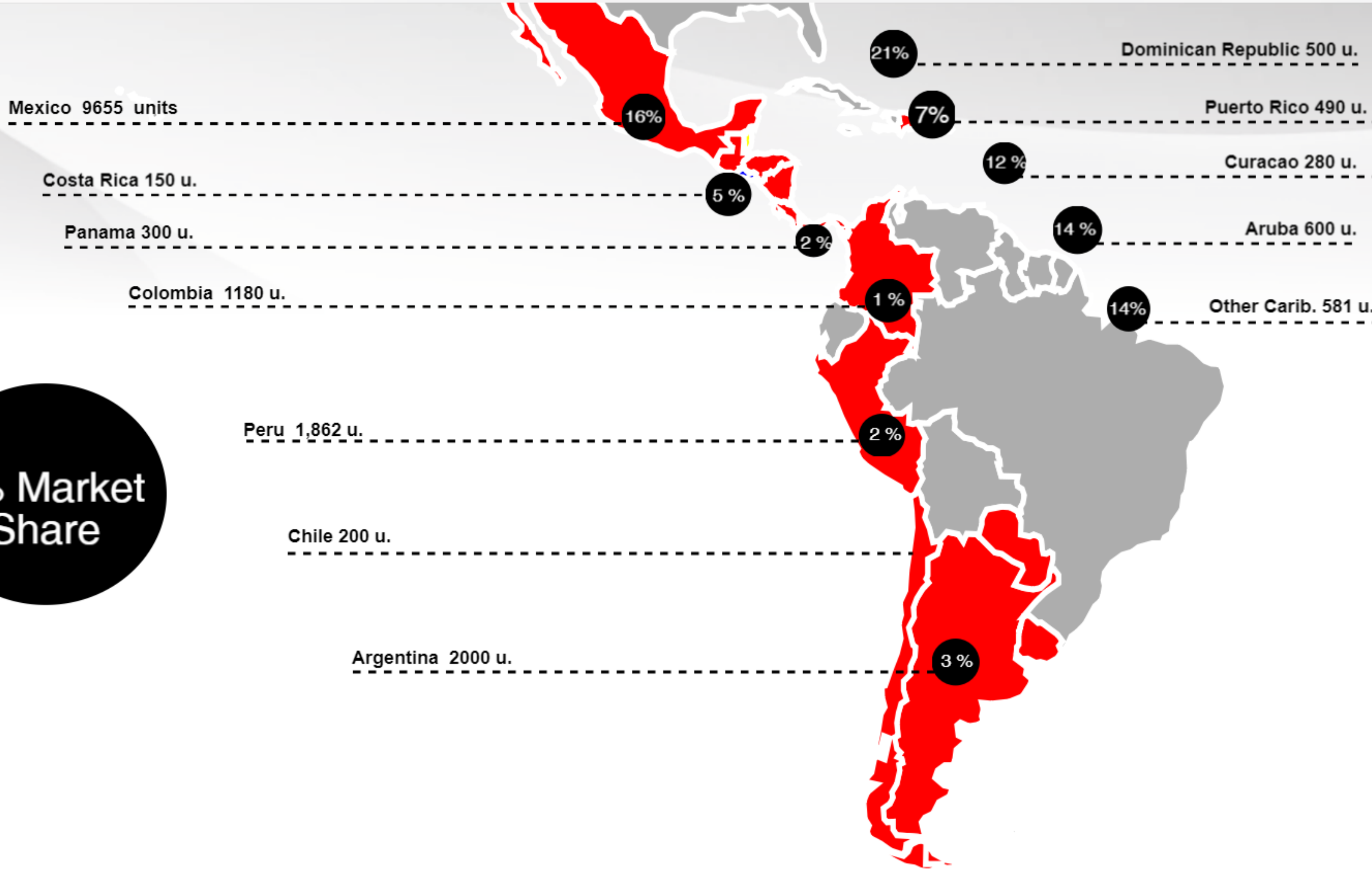
- Impressive growth pattern in revenue and units across all markets for five consecutive years
- ASP growth continues throughout the region, +13%
- Significant and sustained growth in gaming operations, units on participation +48%
- Strong product performance in new range of Multi Game, Quad Shot, Link Progressives and Pacman in new A600 series of cabinets
- Robust penetration in Mexico, representing 39% of total units

Latin America

A$m	FY17	FY16	Change (%)	Change (%)
Revenue	**78.5**	**74.8**	▲	**5%**
Segment Profit	**37.7**	**34.0**	▲	**11%**
Segment Profit (%)	48%	45%	▲	3%
Unit Volume (no.)	3,188	2,923	▲	9%
ASP (US$'000's) *	17.5	15.5	▲	13%
Game Operations – Installed Base	2,648	1,794	▲	48%
Ave per Day (US$)	**16**	**19**	▼	**(16%)**

*Excludes distributor sales , reworks and on-charges

Latin America Market Share



5% Market Share

Continued Development of Top Performing Brands in Latin America

Top Performing Brands

- All brands listed are performing at an average index of 1.7x to 2.5x and above of house average

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Segment Results - Australia

- Challenging period for volume and revenue growth given highly competitive market conditions and minimal corporate and casino sales in FY17
- Early signs of recovery: FY17 improvement with increase in 2H revenue of 6% and 2H profit of 15% compared to pcp. NSW 2H revenues +20%
- Recovery in market share in FY18 is expected to be driven by the release of new cabinet, EVO, and new game portfolio offering - well received at recent AGE

A$m	FY17	FY16	Change (%)	Change (%)
Revenue	**74.1**	**81.5**	▼	**(9%)**
Segment Profit	**24.0**	**29.0**	▼	**(17%)**
Segment Profit (%)	32%	36%	▼	(4%)
Unit Volume (no.)	2,607	2,873	▼	(9%)
ASP (ex rebuilds) ($A'000's)	21.1	21.3	▼	(1%)
Service Revenue	**7.3**	**6.6**	▲	**11%**

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Segment Results – Rest of the World

- Strong growth in sales +54% and profit +50%
- Unit volumes increased +74%
- Increased sales contribution from Asia and Europe (Novomatic)
- Novomatic contributed sales of $11.4m and segment profit of $5.5m in FY17

A$m	FY17	FY16	Change (%)	Change (%)
Revenue	**28.1**	**18.2**	▲	**54%**
Segment Profit	**15.0**	**10.0**	▲	**50%**
Segment Profit (%)	53%	55%	▼	(2%)
Unit Volume (no.)	1,807	1,037	▲	74%
Units on Trial	18	102	▼	(82%)

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Gaming Products - Key Highlights

- Developed an innovative and diverse global game portfolio comprising over 70 unique titles to be delivered in FY18
- Introduction of new cabinet - EVO
- Rollout of new game development environment to facilitate rapid and flexible introduction of new innovative games

Gaming Products - Game Portfolio

- AGT's game portfolio will have a strong focus on several new global proprietary brands that will introduce innovative game mechanics
- Game portfolio will reinvigorate AGT's classic titles including Double, Quad and Triple Shot categories
- Game portfolio will introduce new licensed games including a follow up to the highly successful Pac Man game to further strengthen the relationship with Bandai

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Gaming Products - Game Portfolio

- The investment in the Las Vegas based game studio will continue to broaden our US content with the release of several new game titles
- Class II games will continue to be strengthened with the creation of unique content and leverage well known Class III titles
- Release of several games developed using Novomatic AG game assets

Gaming Products - Cabinets

- The new dual screen cabinet, the EVO, was released at the AGE in August 2017
- The A640 will be introduced into Class II

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Regulatory Update

Continuing strategy to deliver new jurisdictions based on detailed market assessment of commercial opportunities

From 1 July 2016 to current, the AGT group has secured the following new gaming licenses:

Colorado	New York (commercial gaming)
Kansas (permanent licence)	Nova Scotia (permanent licence)
Manitoba (permanent licence)	Washington

In addition 15 new tribal licences were secured across:

California (3)	Oklahoma (3)
Colorado (1)	Texas (1)
Minnesota (1)	Washington (5)
Montana (1)	

These licenses are expected to be accretive in FY18

Note: This includes Class II licences

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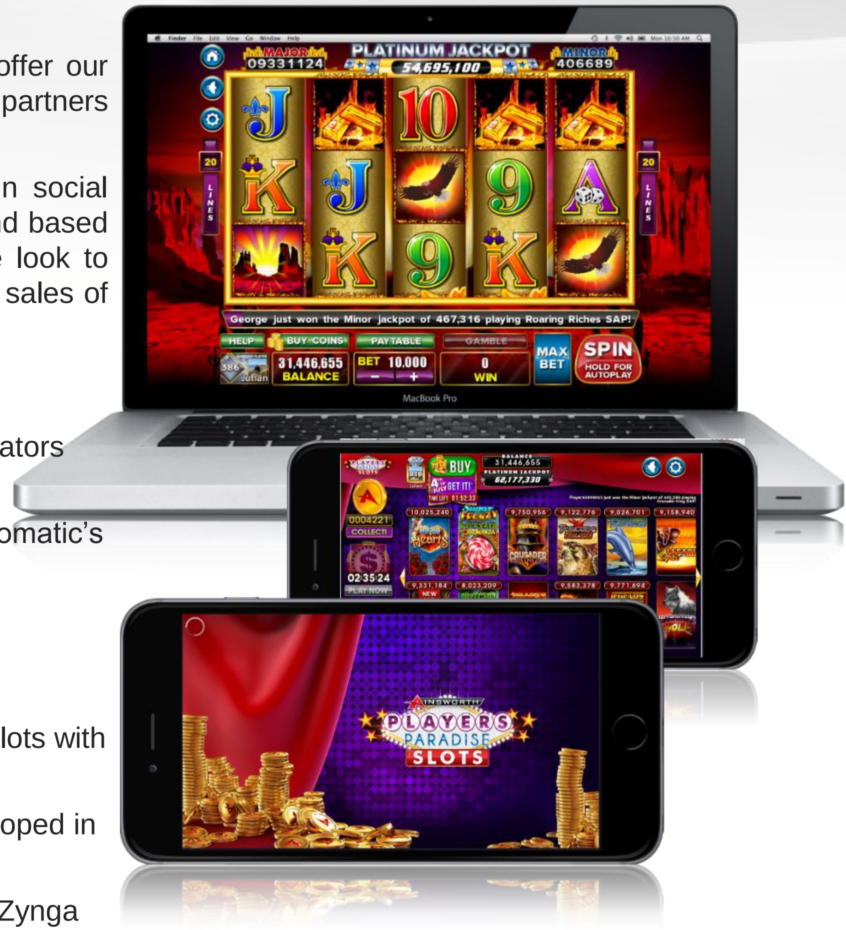
Online and Social



Ainsworth is implementing a multichannel distribution strategy which will offer our slot content to social casinos and regulated real money gambling partners throughout UK, Europe, Australasia and the Americas.

Ainsworth is aiming to release all the latest innovative products online in social casinos and real money gambling simultaneously with the launch of our land based machines. As the social casino business is growing in the Americas, we look to expand our product offerings via licensing social casino content along with sales of land based machines as bundled packages.

Real Money Gaming in UK and Europe:

- Release of 15 new approved games and expanding the number of operators with our current platform partners: Microgaming, NYX and iSoftbet
- Strengthen our position by expanding into new online markets with Novomatic's Greentube online platform
- Investigating new licensed opportunities in Latin America

Social Gaming:

- Target to increase our daily average users (DAU) in Players Paradise Slots with strategic social casino marketing advertising campaigns
- Launch of Bandai Namco's IP title Pacman™ in King Spin Slots™ developed in conjunction with our social partner 616 Digital LLC on Android and IOS
- Extended our content licensing agreements with social casino partners Zynga and Playstudios/MGM Resorts

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Outlook

FY17 Profit guidance exceeded:

- Profit before tax (excluding currency impacts) is $57.4m, 2.5% ahead of guidance

Strong 2H17 recovery:

- 2H profit $42.2m, a 178% increase on the $15.2m in the first half of FY17.

Continued execution of the two key strategies: Grow international revenues and drive higher quality earnings

- International revenue $208.0m, +2% , 74% of total
- 5,317 units on participation, +16%, driving recurring revenues. Pac Man strong growth in units

Encouraging signs of recovery in challenging domestic markets

- 2H Au profit +15%
- 2H NSW sales +20% on pcp

Momentum into FY18

- Strong pipeline of contracted orders in North America
- New jurisdictions creating significant revenue opportunities – Washington Class II, Colorado
- Early signs of recovery in Au - EVO cabinet successfully launched at AGE, broadened game library
- Expect market share growth in FY18 in international and domestic markets

Further update on outlook to be provided at AGM on 28 November 2017

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