



**Ainsworth Game Technology Ltd**  
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26 November 2020

ASX Market Announcements Office  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

#### **ELECTRONIC LODGEMENT**

#### **2020 Annual General Meeting (AGM) Presentation**

We attach a copy of the 2020 AGM Presentation.

For the purposes of ASX Listing Rule 15.5, this document is authorised for lodgment with the ASX by the Board.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Ludski', written over a light grey rectangular background.

Mark Ludski  
Company Secretary

# 2020 ANNUAL GENERAL MEETING



AINSWORTH GAME TECHNOLOGY LIMITED





# AGENDA

1. Welcome
2. Chairman's Address
3. Chief Executive Officer's Address
4. Annual General Meeting



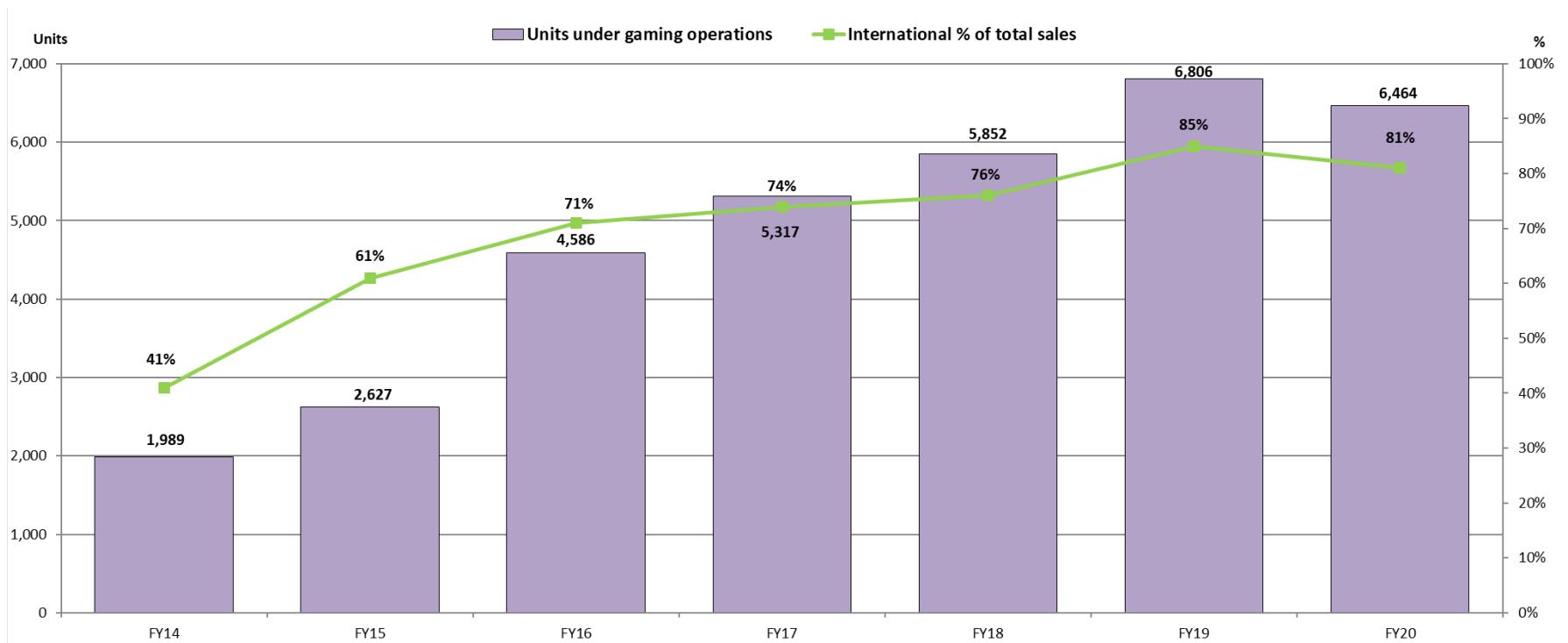
**Chairman's Address**  
Presentation by  
**Danny Gladstone**

# Results Summary

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- Sales revenue \$149.4m, down 36% on pcp.
- Loss after tax \$43.4m compared to profit after loss of \$10.9m in pcp.
- Full year positive underlying EBITDA of \$5.8m (H1 \$18.5m / H2 -\$12.7m).
- Slight decline in gaming operations. Recurring revenues account for 26% of group total:
  - 6,464 units under gaming operations at 30 June 2020, 5% decrease on FY19
- Cash balance 30<sup>th</sup> June 2020, \$26.5m. Net debt position of \$17.5m.
- No final dividend for FY2020 - to ensure the Group is well placed should a protracted downturn eventuate.
- The Group is proactively responding to the impact of COVID-19 with the following actions in place:
  - Prioritise the health and well being of our employees – provide flexibility for our staff to continue working safely and remotely.
  - Maintain continuity of operations.
  - Implemented cost saving measures and liquidity.

# Gaming Operations and International Sales Contribution





# Product Development

- Ainsworth game development and approval continued throughout COVID-19 interruptions – providing strong future portfolio pipeline.
- A-Star™ dual and curve cabinet approvals across multiple global markets enabling a high-quality platform for future growth.
- An innovative range of games using new and legacy proprietary brands including:

**MONEY UP**

**AINSWORTH  
GAMBLER'S  
GOLD**

**FIESTA  
GRANDE**

**PLAYERS  
Paradise  
GRAND**

**QUICK  
SPIN**

**ULTRA  
Shot**

**CASH Quest**

**CASHSTACKS**

**JACKPOT COIN**



# **Chief Executive Officer's Address**

## Presentation by **Lawrence Levy**



# Profit & Loss summary

- Revenue drop predominately impacted by COVID-19 that adversely hit our markets in Q4.
- Loss before tax (excluding currency impact) is \$50.0m, compared to profit before tax of \$8.7m in pcp.
- Adjusted EBITDA, excluding currency and one off items, positive \$5.8m.
- International sales decline 39% v pcp. International sales account for 81% of group revenues.
- R&D/Revenue at 28% reflects continuation of R&D initiatives despite the lower revenue recorded due to impacts of COVID-19.
- Adverse forex movement impact of \$4.8m compared to pcp contributed to the drop in EBITDA.

A\$m	12 months to 30-Jun-2020 Statutory	AASB 16 Leases	12 months to 30-Jun-2020 Underlying	12 months to 30-Jun- 2019	Change (%)
Domestic revenue	28.3		28.3	36.1	(22%)
International revenue	121.1		121.1	198.2	(39%)
<b>Total revenue</b>	<b>149.4</b>		<b>149.4</b>	<b>234.3</b>	<b>(36%)</b>
Gross profit	90.4		90.4	139.9	(35%)
<b>EBITDA</b>	<b>(9.0)</b>	<b>(2.7)</b>	<b>(11.7)</b>	<b>44.8</b>	<b>(126%)</b>
EBITDA Margin %	<b>(6%)</b>		<b>(8%)</b>	<b>19%</b>	(27%)
<b>(Loss) / Profit Before Tax</b>	<b>(48.8)</b>	<b>0.6</b>	<b>(48.2)</b>	<b>14.7</b>	<b>(428%)</b>
Income tax benefit / (expense)	5.4	(0.2)	5.2	(3.8)	(237%)
<b>(Loss) / Profit After Tax</b>	<b>(43.4)</b>	<b>0.4</b>	<b>(43.0)</b>	<b>10.9</b>	<b>(495%)</b>
R&D (% of revenue)	28%		28%	17%	11%
EPS (diluted) (A\$)	(0.13)		(0.13)	0.03	(533%)

Note : Statutory reports have been adjusted to reverse the impact of AASB 16 Leases.

# MTD Gaming Acquisition

- Completed the asset acquisition of MTD Gaming in H2FY20 with an immediate and positive impact to EBITDA.
- Complementary product line with premium performing Poker, Keno, and Video Reel content.
- Provides access to Multi-Game and Video Lottery Terminal markets.
- Expands our hardware offering with the Apollo cabinet.
- Development is being finalized to launch this premium product into additional markets throughout FY21. Product certification is expected to occur in H1FY21.



# Staff Headcount

## Australia and Rest of the World

# Staff	FY20	FY19
Sales	32	35
Service	67	76
Production	28	31
Administration	34	38
R&D	127	135
<b>Total Staff Numbers - Australia &amp; Rest of the World</b>	<b>288</b>	<b>315</b>

## Americas

# Staff	FY20	FY19
Sales	23	33
Service	48	55
Production	61	77
Administration	40	49
R&D	47	49
<b>Total Staff Numbers - North and Latin America</b>	<b>219</b>	<b>263</b>

	FY20	FY19
<b>Total Staff Numbers Consolidated AGT</b>	<b>507</b>	<b>578</b>

# Operating Costs

A\$m	12 months to 30-Jun-20 constant currency basis	12 months to 30-Jun-20	12 months to 30-Jun-19	Change (%)
Sales, service and marketing ('SSM')	56.2	59.3	64.9	(9%)
R&D	40.1	41.2	40.4	2%
Administration	21.5	22.2	25.0	(11%)
<b>Total Operating costs</b>	<b>117.8</b>	<b>122.7</b>	<b>130.3</b>	<b>(6%)</b>

# Segment Result Summary

<b>North America</b>		<b>FY2020</b>	<b>FY2019</b>	<b>Change (%)</b>
Revenue	A\$m	72.1	114.0	(37%)
Segment profit	A\$m	25.3	47.1	(46%)
Sales volume	units	1,430	2,952	(52%)
Game Operations – Installed Base	units	2,327	2,190	6%
<b>Latin America</b>				
Revenue	A\$m	42.0	72.7	(42%)
Segment profit	A\$m	2.3	24.0	(90%)
Sales volume	units	1,404	2,931	(52%)
Game Operations – Installed Base	units	4,137	4,616	(10%)
<b>ROW</b>				
Revenue	A\$m	7.0	11.5	(39%)
Segment profit	A\$m	2.8	6.8	(59%)
Sales volume	units	87	438	(80%)
<b>Australia</b>				
Revenue	A\$m	28.3	36.1	(22%)
Segment profit	A\$m	0.4	2.8	(86%)
Sales volume	units	713	978	(27%)



# FY21 Execution Priorities

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## Summary of FY21 Execution Priorities:

1. Expand footprint in HHR products.
2. Continue to grow unit sales across all markets.
3. Increase gaming operations units – develop specific game content.
4. Focus on R&D to continually produce new, innovative and intuitive games.
5. Increase strategic cooperation with Novomatic.
6. Expand our online capabilities.
7. Maintain strong capital disciplines and cost controls.

# Outlook

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Focus on protecting AGT should a protracted downturn eventuate

- AGT cautiously expects the challenging market conditions experienced in 2HFY20 to continue through to 1HFY21.
- For 1HFY21 we expect to report a Loss Before Tax, excluding the impacts of foreign exchange and one-off items, of approximately \$15.0 million.
- We anticipate improved performance in North America, building on the success of our HHR products and MTD acquisition.
- In LATAM, trading performance in H1 to be impacted with progressive recovery in H2 due to the current widespread of COVI-19 infections being reported.
- Australia – encouraging initial market response to the new A-Star cabinet with ongoing commitment to game development and performance.

**AGT, with its well-regarded reputation, sound financial position and ongoing commitment to innovation, is well placed to benefit from industry recovery as customers' venues reopen and capex spend increases.**

# Financial Statements and Reports

To receive and consider the Annual Financial Report including the Directors' and Auditor's Reports in respect of the financial year ended 30 June 2020.

# Resolution 1

## Re-election of Mr. Graeme John Campbell, as Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr. Graeme John Campbell, who retires in accordance with Rule 7.1(f) of the Company Constitution and ASX Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a non-executive director of the Company.”

**THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:**

<b>FOR</b>	<b>272,067,636</b>	<b>96.80%</b>
<b>AGAINST</b>	<b>8,987,511</b>	<b>3.20%</b>

Included above are 304,012 proxies which were open and usable and the Chairman has elected to vote these in favour of the resolution.



## Resolution 2

### Re-election of Mr. Harald Michael Karl Neumann, as Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr. Harald Michael Karl Neumann, who retires in accordance with Rule 7.1(f) of the Company Constitution and ASX Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a non-executive director of the Company.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

<b>FOR</b>	<b>275,919,729</b>	<b>98.17%</b>
<b>AGAINST</b>	<b>5,135,419</b>	<b>1.83%</b>

Included above are 304,012 proxies which were open and usable and the Chairman has elected to vote these in favour of the resolution.

## Resolution 3

### Approval of Remuneration Report

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report for the Company required by section 250R(2) of the *Corporations Act 2001 (Cth)*, which is included in the Directors’ Report in respect for the year ended 30 June 2020, be adopted.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

<b>FOR</b>	<b>279,139,908</b>	<b>99.55%</b>
<b>AGAINST</b>	<b>1,252,851</b>	<b>0.45%</b>

Included above are 1,266,795 proxies which were open and usable and the Chairman has elected to vote these in favour of the resolution.

# OTHER BUSINESS



AINSWORTH GAME TECHNOLOGY

10 Holker St, Newington NSW

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