H1FY18 Results Announcement

Ainsworth Game Technology Limited

www.agtslots.com.au

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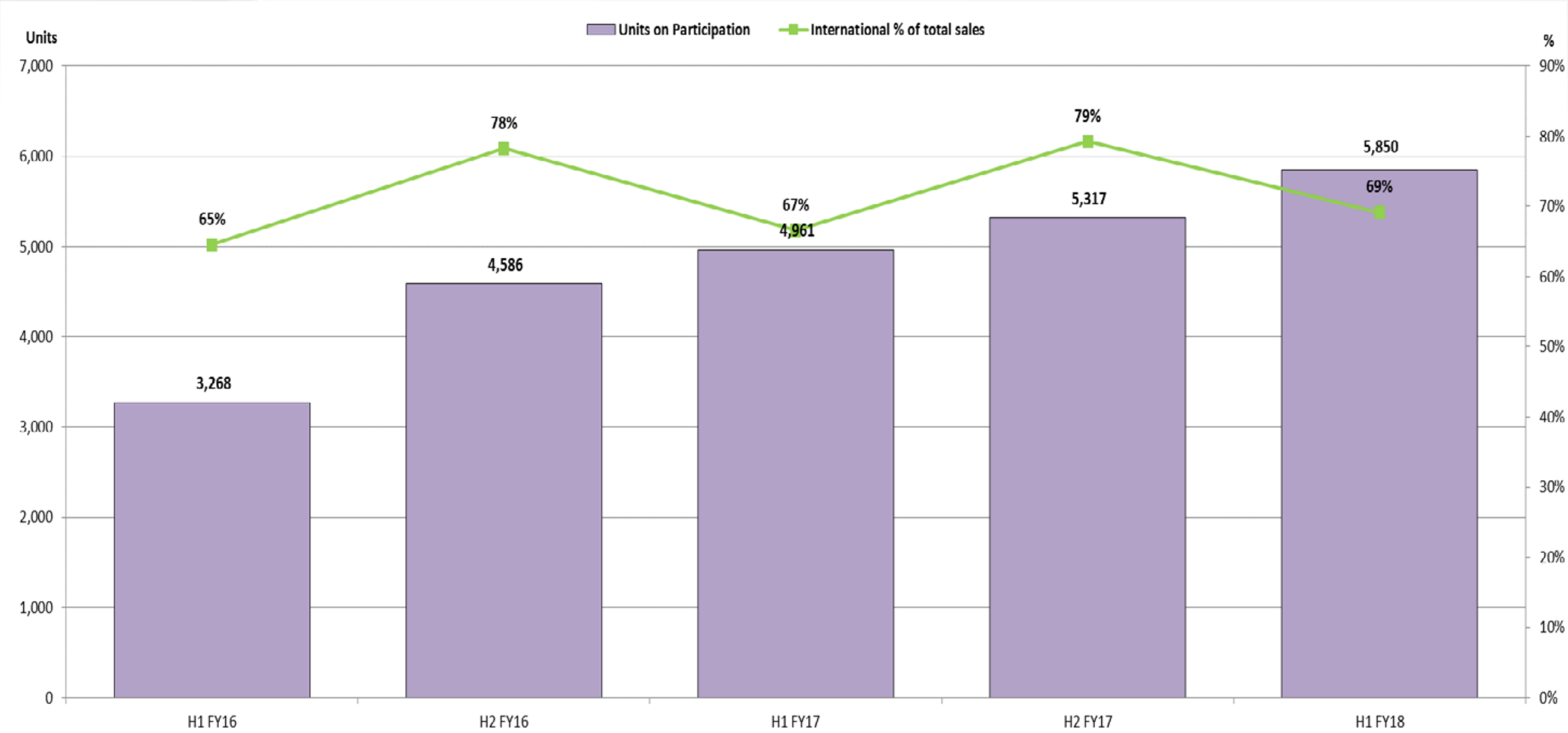
Continued execution of a clear strategy: Grow international revenues and higher quality earnings



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Key Highlights

H1FY18 Results in line with expectations:

- Total sales revenue of $120.3m, decrease of 2% on pcp
- Profit before tax (excluding currency impacts) is $16.2m, 7% increase on pcp
- EPS down to 2.4 cents (PCP : 6.4 cents)

Continued growth in international businesses:

- International revenue $83.2m, +2%, 69% of total
- Latin America revenues +11%, profit -18%
- North America revenues +3%, profit +3%

Further improvement in quality of earnings:

- 5,850 units on participation, 10% increase on FY17. PacMan™ driving strong growth in units

Momentum into H2FY18:

- Strong pipeline of contracted orders in North America
- New jurisdictions creating further significant revenue opportunities – Washington Electronic Scratch Ticket System, Kentucky
- Expect market share growth in international and domestic markets
- Dividend policy reinstated as a signal of confidence – 1.5 cents per share fully franked interim divided declared

Profit & Loss Summary

- Profit before tax (excluding currency impacts) is $16.2m, 7% increase on pcp
- Included in results is a gain on sale of land of $2.5m pre tax profit
- Slight international sales growth (+2% v pcp)
- +12% growth in domestic revenue compared to H2FY17
- Gross Profit decreased by 7% due to the full release of the A600 cabinet range in this half which has a higher componentry cost compared to legacy cabinets
- Pre tax contributions from currency loss in H1FY18, $4.4m v currency gain of $4.8m in H1FY17
- H1FY17 income tax benefit includes a one-off tax adjustment of $8.6m
- Interim dividend declared were 1.5c per share totalling $5.0m for H1FY18

A$m	6 months to 31-Dec-2017	6 months to 31-Dec-2016	Change (%)
Domestic revenue	37.1	41.0	(10%)
International revenue	83.2	81.7	2%
Total revenue	**120.3**	**122.7**	**(2%)**
Gross profit	69.2	74.4	(7%)
EBITDA	**24.6**	**31.9**	**(23%)**
PBT	11.8	20.0	(41%)
Income tax (expense) / benefit	(2.1)	0.6	(450%)
NPAT	**9.7**	**20.6**	**(53%)**
R&D (% of revenue)	14%	15%	(1%)
EPS (diluted) (A$)	0.02	0.06	**(67%)**
DPS (A$)	0.02	-	100%

Results Adjusted for Currency Loss / (Gain)

A$m	6 months to 31-Dec-2017	6 months to 31-Dec-2016	Change (%)
PBT	11.8	20.0	(41%)
Currency loss / (gain) (before tax)	4.4	(4.8)	(192%)
Adjusted PBT	**16.2**	**15.2**	**7%**
NPAT	9.7	20.6	(53%)
Currency loss / (gain) (after tax)(1)	3.9	(4.3)	(191%)
Adjusted NPAT	**13.6**	**16.3**	**(17%)**

(1) No tax effect on $3.1m currency loss in H1FY18 (H1FY17: $3.2m currency gain)
Calculation of currency loss / (gain) after tax: H1FY18: ($3.1m + ($1.2m x 0.7) = $3.9m loss), H1FY17 ($3.2m + ($1.6m x 0.7) = $4.3m gain). These currency loss/ (gain) relate to balance sheet translation originated from investment in the Americas.

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Reconciliation – Profit before Tax to EBITDA

A$m	6 months to 31-Dec-2017	6 months to 31-Dec-2016	Change %
Reconciliation:			
Profit before tax	**11.8**	**20.0**	**(41%)**
Net interest	(1.0)	(1.4)	(29%)
Depreciation and amortisation	13.8	13.3	4%
Reported EBITDA	**24.6**	**31.9**	**(23%)**
Foreign currency loss / (gain)	4.4	(4.8)	(192%)
Impairment losses	0.4	2.9	(86%)
Gain on sale of land	(2.5)	-	(100%)
Underlying EBITDA	**26.9**	**30.0**	**(10%)**

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Operating Costs

	6 months to 31-Dec-2017	6 months to 31-Dec-2016	Change %
Sales, service and marketing ('SSM')	29.6	27.3	8%
R&D	16.5	18.4	(10%)
Administration	9.8	12.7	(23%)
Total Operating costs	**55.9**	**58.4**	**(4%)**

4% decrease in total operating costs due to disciplined cost controls

- Increase in SSM expenses primarily due to:
  - Additional depreciation expense due to increase in machines placed under participation and lease
  - Establishment of LV Class II service department
  - Increased selling cost (e.g. Duty) in Latin America
- Decrease in R&D expenses is primarily due to:
  - More focused and commercial approach to ROW to support growth in sales
- Decrease in Administration expenses is primarily due to:
  - $2.4m reversal of previously recognised 2015 Performance Rights share-based payment expense amortisation

Staff Headcount

Australia and Rest of the World

# Staff	H1 FY18	H1 FY17
Sales	37	38
Service	79	79
Production	44	45
Administration	41	44
R&D	130	135
Total Staff Numbers - Australia & Rest of the World	**331**	**341**

Americas

# Staff	H1 FY18	H1 FY17
Sales	30	32
Service	44	46
Production	78	56
Administration	45	49
R&D	47	37
Total Staff Numbers - North and Latin America	**244**	**220**

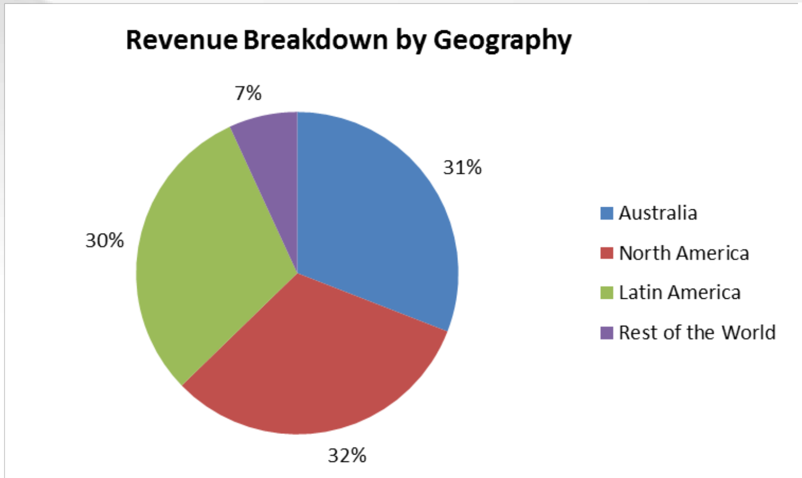
	H1 FY18	H1 FY17
Total Staff Numbers Consolidated AGT	**575**	**561**

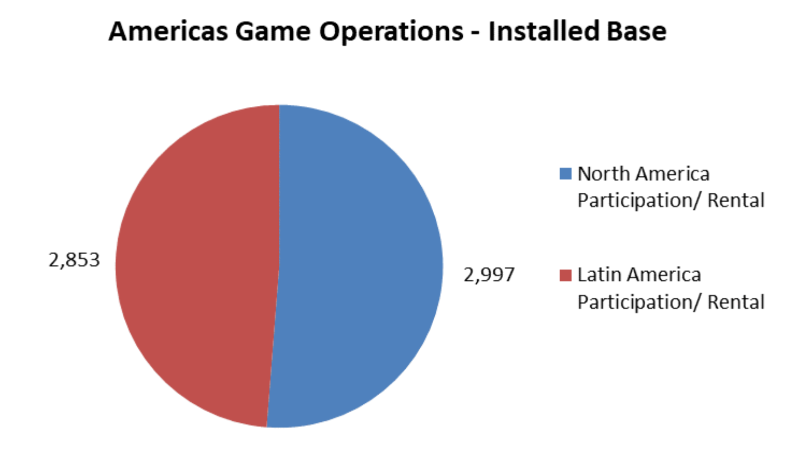
Net Profit Bridge

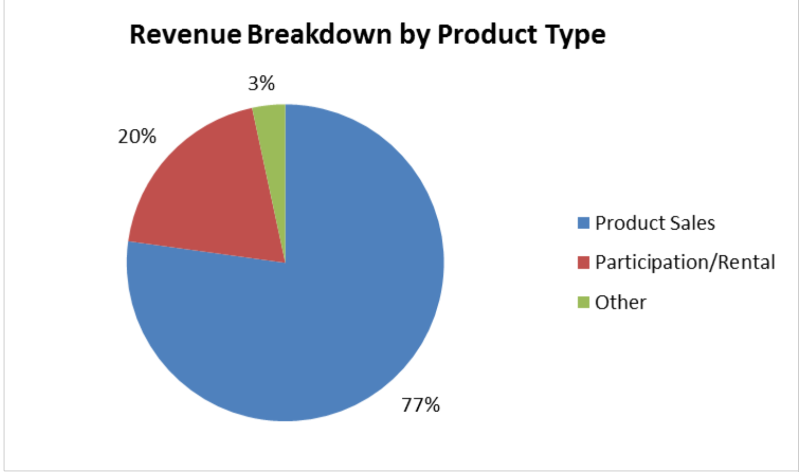
(1) No tax effect on $3.1m currency loss in H1FY18 (H1FY17: $3.2m currency gain)
Calculation of currency (loss) / gain after tax: H1FY18: ($3.1m + ($1.2m x 0.7) = $3.9m loss), H1FY17 ($3.2m + ($1.6m x 0.7) = $4.3m gain)

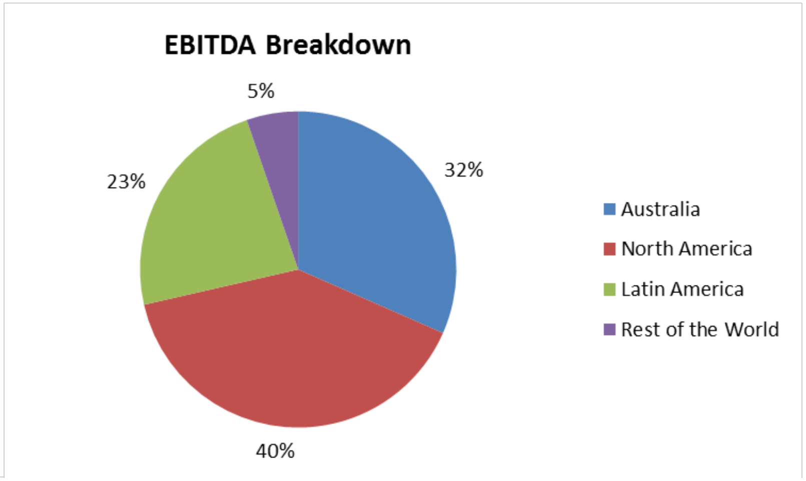
- $5.5m decrease in machine sales due to reduction in machine sales
- $9.1m decrease in forex represents a foreign currency loss of $4.4m (versus a currency gain pcp of $4.8m pcp)
- $13.6m currency adjusted PAT in H1 FY18 (versus $16.3m pcp). Excludes $3.9m after tax currency loss (versus $4.3m currency gain pcp) (1)

Ainsworth at a Glance









Balance Sheet

- Strong balance sheet to self fund growth strategies
- A$90m multi-option facility arrangement extended to 1 March 2019
- Receivables totalled to $158.2m (FY17: $168.5m) as a result of decrease in sales revenue
- Increase in other current assets mainly comprised of high number of inventories (raw materials and consumables) on hand in Australia to be consumed in H2 in anticipation of higher sales volume
- Draw down USD2.5m in this half resulting in net Debt at Dec 17 ($39.8M)

A$m	31-Dec-2017	30-Jun-17
Cash	28.7	21.1
Receivables	120.4	128.6
Other Current Assets	92.2	87.3
Total Current Assets	**241.3**	**237.0**
Non-Current Receivables	37.8	39.9
Deferred Tax Assets	4.4	4.7
Other Non-Current Assets	184.9	183.1
Total Non-Current Assets	**227.1**	**227.7**
Payables	33.9	33.0
Loans and borrowings	0.6	0.2
Current Tax Liability	1.4	7.3
Other Current Liabilities	8.6	9.3
Total Current Liabilities	**44.5**	**49.8**
Loans and borrowings	67.9	65.5
Employee Benefits	0.5	0.7
Deferred Tax Liabilities	3.3	4.1
Total Non-Current Liabilities	**71.7**	**70.3**
Share Capital	200.2	200.2
Other Equity	152.0	144.4
Total Equity	**352.2**	**344.6**

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Balance Sheet Ratios

Financial covenants ratios	CY18
Interest cover ratio - (EBITDA/Interest Expense)	45.48
Gearing Ratio - (Debt)/(Debt + Equity)	16.25%
Leverage Ratio - (Debt/EBITDA)	1.08

Debt ratios	31/12/2017	30/06/2017
Debt ratio (Total Liabilities/Total Assets)	24.81%	25.84%
Debt to Equity ratio (Total Liabilities/Total Equity)	33.00%	34.85%
Cash Flow to Debt ratio (Cash Flow from Operations/Total Liabilities)	5.91%	3.63%

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Cashflow Statement

- Net cash from operating activities is $6.9m, consistent with PCP
- Increase in net cash from financing activities due to no dividend paid in H1FY18
- Included in acquisitions of PPE is the purchase of land in Las Vegas amounting to A$4.1m. Acquisitions of PPE is expected to revert to normal levels in H2
- Stronger cash position, +$7.6m on 30 June 17 balance

A$m	6 months to 31-Dec-2017	6 months to 31-Dec-2016	Change
Net cash from operating activities	**6.9**	**7.0**	**(0.1)**
Interest received	1.7	1.9	(0.2)
Proceeds from sale of PPE	4.6	6.2	(1.6)
Acquisitions of PPE	(6.1)	(2.6)	(3.5)
Development expenditure	(2.8)	(2.2)	(0.6)
Net cash (used in) / from investing activities	**(2.6)**	**3.3**	**(5.9)**
Proceeds from borrowings	3.1	-	3.1
Proceeds from finance leases	0.6	-	0.6
Payment of finance lease liabilities	(0.2)	-	(0.2)
Dividend paid	-	(9.9)	9.9
Net cash from / (used in) financing activities	**3.5**	**(9.9)**	**13.4**
Net increase in cash and cash equivalents	7.8	0.4	7.4
Cash and cash equivalents at 1 July	21.1	26.4	(5.3)
Effect of exchange rate fluctuations on cash held	(0.2)	0.6	(0.8)
Cash and cash equivalents at 31 December	**28.7**	**27.4**	**1.3**

Segment Results – North America

North America – consolidating market position:

- Slight growth in Revenue and Segment Profit
- Included in Segment Profit is $2.5m gain from sale of land
- Continued gains in Gaming Operations install base
- Strong win per day driven by PacMan™ placements
- Maintained strong ASP in a very competitive market
- Sale of initial units for Washington Electronic Scratch Ticket System
- Successful launch of AnyBet Class II linked jackpot
- 600 machines to be delivered to CDI in H2, subject to regulatory approval

North America

A$m	6 months to 31-Dec-2017	6 months to 31-Dec-2016	Change (%)
Revenue	**38.3**	**37.2**	**3%**
Segment Profit	**14.7**	**14.3**	**3%**
Segment Profit (%)	38%	38%	-
Unit Volume (no.)	971	988	(2%)
ASP (US$'000's) *	17.3	17.0	2%
Game Operations – Installed Base	2,997	2,789	7%
Ave per Day (US$)	**25**	**23**	**9%**

*Excludes distributor sales, reworks and on-charges

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FY 2018 Roadmap (Class II) Game Titles

	NOW	NEXT 12 MONTHS	TOTAL IN 12 MONTHS
A560	86	54	140
A560SL	8	26	34
A600	30	54	84
A560SL NOIR	8	26	34

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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 1.0x to 2.6x of house average

Dollar Streak
Pac-Man Wild Edition
¡Three Amigos!
Double Dragons
Eagle Bucks
Ming Warrior
Fortune Ox
Multi Win 7
Mustang Money 2
Peking Panda
Rhino Rumble 2
Sapphire eyes
Snake
The Enforcer
Thunder Cash
Tiger

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Segment Results – Latin America

Latin America – continued strong position in the market:

- Strong growth in units +26% driven by increased sales from Argentina and Colombia
- Decrease in segment profit due to product mix change resulting from transition to the A600 product range which has higher componentry costs
- Mexico remains as an important market with significant market share increases and strong results
- Maintained strong ASP throughout the region in a challenging environment
- Substantial growth in Gaming Operations with a modest decline in yield
- Incremental penetration in the Caribbean Islands which contributed 15% of revenue
- Strong product performance in core multi games, Quad Shot™ series and Dream Strike™

Latin America

A$m	6 months to 31-Dec-2017	6 months to 31-Dec-2016	Change (%)
Revenue	**36.6**	**33.1**	**11%**
Segment Profit	**13.2**	**16.2**	**(18%)**
Segment Profit (%)	36%	49%	(13%)
Unit Volume (no.)	1,552	1,228	26%
ASP (US$'000's) *	16.3	16.1	1%
Game Operations – Installed Base	2,853	2,172	31%
Ave per Day (US$)	**15**	**16**	**(6%)**

*Excludes distributor sales, reworks and on-charges

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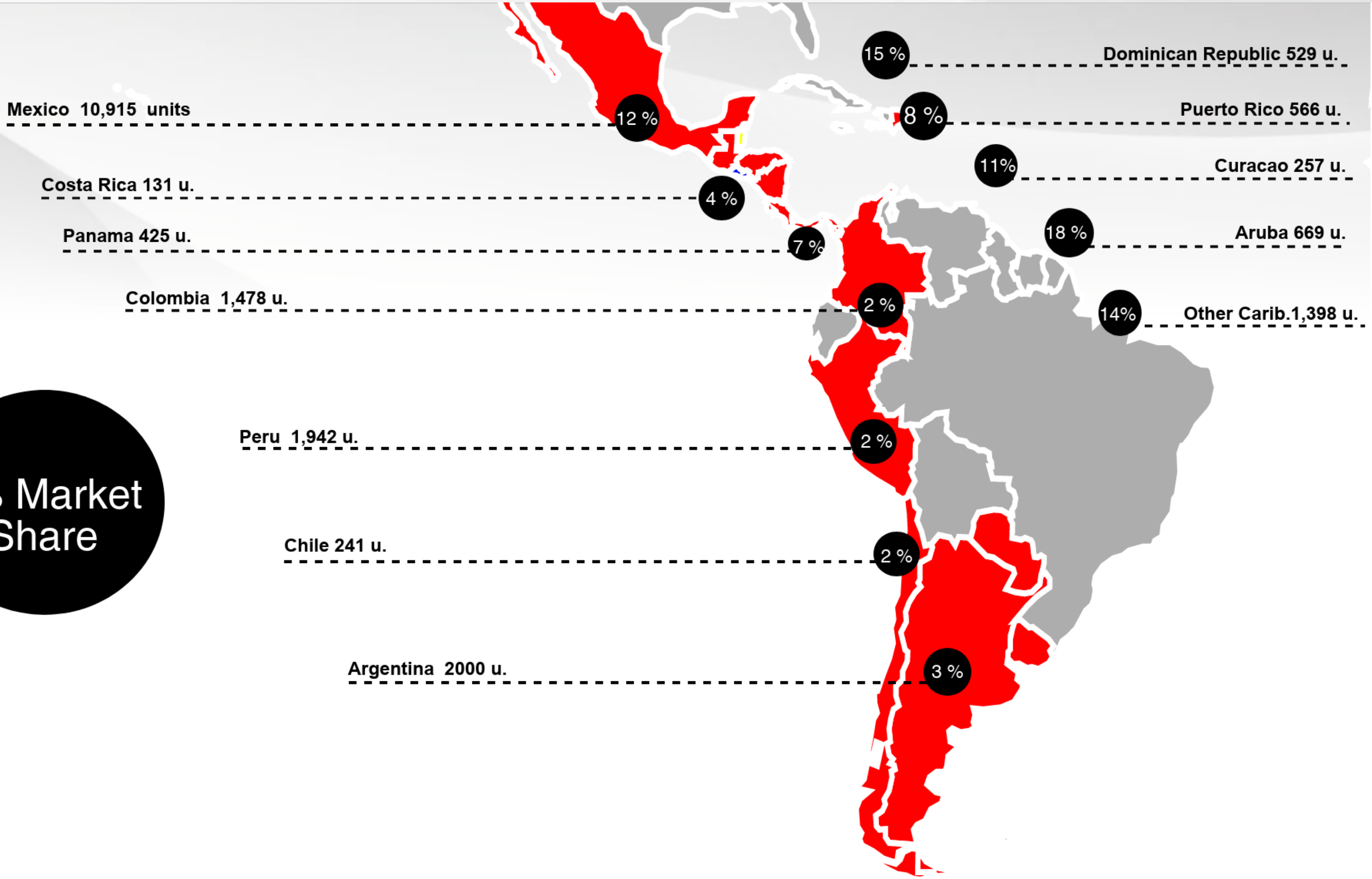
Latin America Market Share



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 1.5x to 3.1x and above of house average

Dream Strike
Pac-Man Wild Edition
Kong of Skull Island
Quad Shot
Reels of Wheels
Multi Win
Quackpot
Fortune Series
Fire Money
Ice Money
Mayan Beauty
Mustang Fury
Oriental Expre$$
Rio Grande Rapids
Rumble Rumble Bison

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Segment Results - Australia

- Evident signs of market recovery: H1FY18 domestic revenue increased by $4.0m (+12%) on H2FY17. QLD revenues +46%
- Despite challenging period for volume and revenue growth, ASP has increased
- PacMan™ release in this period is well received – accounts for 22% of the total unit volume.
- Machines under service in NSW is 14,616 (+93 machines on PCP)
- Continuous recovery in market share in H2 is expected to be driven by the release of new cabinet, EVO, and additional new game portfolio offerings

A$m	6 months to 31-Dec-2017	6 months to 31-Dec-2016	Change (%)
Revenue	**37.1**	**41.0**	**(10%)**
Segment Profit	**10.2**	**12.5**	**(18%)**
Segment Profit (%)	28%	30%	(2%)
Unit Volume (no.)	1,244	1,483	(16%)
ASP (ex rebuilds) ($A'000's)	24.2	22.3	9%
Service Revenue	**3.7**	**3.3**	**12%**

Segment Results – Rest of the World

- Revenue drop due to lower Asia and Europe sales compared to PCP
- Online contributed $2.8m in revenue, +133% on PCP
- Margin increase due to contribution from online sector due to no cost of sales
- 1,000 Kits from Novomatic expected in H2

A$m	6 months to 31-Dec-2017	6 months to 31-Dec-2016	Change (%)
Revenue	**8.3**	**11.4**	**(27%)**
Segment Profit	**5.2**	**6.2**	**(16%)**
Segment Profit (%)	63%	54%	9%
Unit Volume (no.)*	353	632	(44%)

*Units Volume include Kits to Europe (Novomatic)

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Gaming Products – H1FY18 Key Highlights

- Delivered a diverse range of new approved games to key markets
- Launched the new EVO cabinet
- Rolled out new game development environment, which will accelerate AGT’s ability to improve time to market for new games as well as increase diversity of games

BIG HIT Bonanza

FIREPOWER

PAC-MAN DYNAMIC EDITION

HAOYUN INGOTS

HAOYUN TREASURE

Server Based Gaming Products – H1 Highlights

- Received regulatory approval in Washington State for Electronic Scratch Ticket System
- Development of historical horse racing system and games completed, subject to approvals, this will support the Churchill Downs partnership
- Launched the innovative ANYBEY mystery progressive system into Class II

Global Gaming Products for H2

Continue executing on our global game strategy to:

- Release a broad range of new innovative Class III proprietary titles across the EVO and A640 cabinets
- Continue development of new licensed games across Class II and Class III
- Continue to release new innovative proprietary and licensed games into Class II

1. Results Highlights
2. Consolidated Results
3. Segment Results - Americas
4. Segment Results - Australia
5. Segment Results - Rest of the World
6. Gaming Products
7. Regulatory Update
8. Online
9. Outlook

Regulatory Update

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

From 1 July 2017 to current, the AGT group has secured new tribal gaming licenses in the North American key commercial markets – California, Colorado, North Dakota and Washington.

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Online and Social

Our strategy is to build further scale in regulated real money gaming markets and expansion of Ainsworth's social casino content with land based casino operators by leveraging our innovative RGS technology and proven slot game brands. Online revenue was $2.8m in this half, an increase of $1.6m on H1FY17.

Real Money Gaming in UK and Europe:

- 2017/18's online development and content distribution to include 44 new and upcoming land based titles for European online casino platforms
- Expansion of Ainsworth's online R&D to incorporate slot game development for Novomatic's European real money gaming operations
- Implementing new online infrastructure in our Las Vegas office and planning for new licensed opportunities in Latin America

Social Gaming:

- Completed development and integration of 20 Ainsworth slot titles for Novomatic's Greentube Pro social casino platform for North American land based casinos
- Planning social content licensing opportunities with land based casino machine sale packages for North America and Latin America

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Outlook

- Continued execution of the two key strategies : Grow international revenue and drive higher quality earnings
  - Strong pipeline of contracted orders in North America for H2, e.g. CDI 600 units, subject to regulatory approval
  - New jurisdictions (e.g. Washington) in North America creating new revenue opportunities
  - Maintain gaming operation units and high yield per day

- Expecting further recovery in challenging domestic markets – H2 to exceed H1 AU profits

- We expect H2FY18 Profit before tax result, excluding currency movements, to be modestly ahead of the $42.2m in H2FY17