

## Games are still going well

<b>Company/ASX Code</b>	Aristocrat Leisure Ltd/ALL
<b>AGM time and date</b>	11am on 20 February 2025
<b>Location</b>	ALL's HQ at Pinnacle Park, North Ryde and online
<b>Registry</b>	Boardroom Pty Ltd
<b>Type of meeting</b>	Hybrid
<b>Monitor</b>	Carol Limmer assisted by Thivyan Aravindan
<b>Pre-AGM Meeting</b>	Yes, with Board Director and Chair of People & Culture Committee and Member of Audit Committee, Kathleen Conlon and Emma Leske - Company Secretary

Monitor Shareholding: The individual(s) (or their associates) in preparing this voting intention have no shareholding in this company.

### 1. How we intend to vote

No.	Resolution Description	
1	Re-election of Director – Mrs Arlene Tansey	For
2	Re-election of Director – Mrs Sylvia Summers Couder	For
3	Re-election of Director – Ms Kathleen Conlon	For
4	Election of Director – Ms Natasha Chand	For
5	Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director under the Long-Term Incentive Plan	For
6	Adoption of Remuneration Report	For

### 2. Summary of Issues and Voting Intentions for AGM

Aristocrat is a global entertainment and gaming content creation company powered by technology. Listed on the Australian Securities Exchange, Aristocrat's three reporting segments span regulated land-based gaming, mobile games publishing, and regulated online real money gaming. The principal activities of the Group during the financial year were the design, development and distribution of gaming content, platforms and systems, including electronic gaming machines, casino management systems, free-to-play mobile games and online real money games, including iLottery.

Reflecting its global presence ALL's long-term incentive (LTI) arrangements include a total shareholder return (TSR) Vesting Scale which pays 50% at median performance and has a three

year only performance period. The Executive remuneration structure for LTI is made up of 30% weightings from relative TSR and relevant EPS with a 40% weighting from individual performance. The CEO is required to acquire Aristocrat shares equivalent to 200% of base salary and Executives are required to acquire shares equivalent to 100% of base salary. All Executives have a three-year period commencing on the later of September 2022 or their appointment (hire or promotion) to meet the minimum shareholding expectation.

The three-year relative total shareholder return (TSR) performance against the S&P/ASX100 Index was 24.7%, placing Aristocrat 39th (equivalent to 57.7th percentile) of its Peer Comparator Group, while ALL's three-year earnings per share (EPS) growth of 23.4% was above the maximum target of 13.5%.

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

### 3. Matters Considered

#### Various Updates

ALL had a Sustainability Update in early December and there was an Investor Day in June 2024 with the CEO and 3 of his senior people presenting – see [website](#) for details.

#### Governance and Culture

With the large number of jurisdictions involved in ALL's operation and, with the strict requirements from various regulators, ALL knows the importance of governance, risk and compliance management. This is seen as important by ALL in attraction and retention of key people in the global environment in which it operates. There is good employment assistance available (e.g. the way they look after employees in Ukraine and Israel) and to provide access to training and personal development for its people. ALL has good employee engagement with the Employment Engagement rating continuing to be in the top quartile of technology companies.

ALL has very comprehensively set out Corporate Governance Statement and quite detailed Disclosures in relation to Corporate Governance Principles and Recommendations. Diversity and Board Skills & Experience.

They continue to update content on issues such as responsible gaming and consideration of the increasing level by stakeholders in areas such as energy and environment. It seems to be continually focussed on all parts of ESG.

ALL has been the first organisation in Australia to trial cashless gaming machines and has stated that it will be continually working with regulators/governments.

There is a rigorous approach to political donations.

Female non-executive directors (NEDs) comprise 44% of the Board of 9 Directors which has a good

overall mix of skills and experience. There is a policy regarding NEDs maintaining 'skin in the game' with their minimum level of shareholdings and this also applies to Senior Executives.

### **Key board or senior management changes**

In February 2024, prior to her election at the 2024 AGM Jennifer Aument resigned from her position as a Non-Executive Director, as a result of accepting a Chief Executive Officer role.

In early December 2024, Natasha Chand was appointed to the ALL Board and will be standing for election at the forthcoming AGM.

Also, Mrs Arlene Tansey, Mrs Sylvia Summers Couder and Ms Kathleen Conlon will be standing for re-election at the AGM.

Mr Craig Toner has been appointed CEO of ALL's Gaming Business Unit following the resignation of Mr Hector Fernandez. Mr Toner has more than 7 years with ALL in both Australia and USA. He is very well qualified to take on his new role.

On 14 January 2025 Ms Emma Leske was appointed as a Company Secretary of ALL and received necessary regulatory pre-approval for her appointment.

These internal elevations are favourable as they have the needed skills, experience and background to bring added value in these important positions.

### **Accounts and Capital Management**

Since the end of the financial year, ALL paid out an unfranked dividend of 42.0 cents (2023: 34.0 cents) per fully-paid ordinary share. Total dividends for the 2024 financial year represent 78.0 cents per share (\$492 million), an increase of 22% (or 14 cents) on the prior year.

Its Aristocrat Gaming revenue totalled A\$3.6bn in 2024, up 5% from the prior year. This growth was driven by exceptional performance in its North America Gaming operations, reflecting the continued expansion of the installed base and inclusion of 5 months of NeoGames which was an acquisition ALL made recently. Aristocrat Gaming is the designer, manufacturer and distributor of regulated land-based slot games across the globe.

For its second segment, Pixel United revenues were down 1% from the previous year to US\$1.7bn (A\$2.6bn). Pixel United is Aristocrat's free-to-play, mobile-first games business. Pixel United comprises three operating businesses: Product Madness, Plarium and Big Fish Games along with a number of studios located around the globe. Pixel United bookings were broadly flat compared to the prior year. Margin increased 4.1 percentage points to 36%, reflecting a strong focus on optimising UA spend and operational efficiency, which has resulted in lower overhead costs, compared to the prior year.

Its third segment, Aristocrat Interactive, is Aristocrat's regulated online RMG (Real Money Gaming) business and was formed in April 2024 with the combination of the Anaxi and NeoGames

businesses (NeoGames, Aspire Global, BtoBet, and Pariplay). The business delivers content and technology solutions for online RMG, with a full-service offering that includes content, proprietary technology platforms and a range of value-added services across iLottery, iGaming and Online Sports Betting (OSB) and Customer Experience Solutions (CXs). Aristocrat Interactive revenue increased 85% compared to the prior year, totalling US\$224m (A\$336m), driven by organic growth in Platforms revenues, continued scaling of iGaming across North America and Europe and the inclusion of five months of NeoGames results and a full year of Roxor in FY24.

Net debt leverage shows how much debt a company has relative to its operating cash flow; a lower ratio indicates less debt relative to its ability to generate cash, signifying a healthier financial position. ALL looks to target net debt leverage of 1.0 -2.0x over the medium-term and stated that given its strong operating cash flow generation, increasing balance sheet debt in the target range is unlikely without strategic mergers or acquisitions.

Aristocrat also identified a number of emerging risks to its business, these include:

- Macro-economic pressures including fiscal and monetary policies
- Competitive landscape such as further industry consolidation and privatisation of competitors
- Technological change, particularly the pace of adoption and risk of misuse of Generative AI
- Regulatory changes, uncertainty and scrutiny across all Aristocrat markets
- Political pressures, uncertainty and scrutiny
- Changing customer and societal expectations, trends and demographics– Environmental changes including climate change and extreme weather.

(As at FYE)	2024	2023	2022	2021	2020
NPAT (\$m)	1,303.4	1,454	948.5	820.0	1,377.1
UPAT (\$m)	1,555.1	1,451.7	1046.9	919.1	894.4
Share price (\$)	58.48	44.17	33.8	45.25	29.85
Dividend (cents)	78.0	64.0	52.0	41.0	56.0
Simple TSR (%)	34.16	21.2	-24.15	52.96	-0.62
EPS (cents)	228.1	190.5	150.2	120.0	56.0
CEO total remuneration, actual (\$m)	9.5	9.16	7.1	7.53	4.46

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

The following are comprehensively and well supported in the Notice of Meeting.

### **Election or Re-Election of Directors**

#### **Item 1: Re-election of Director – Mrs Arlene Tansey**

Mrs Tansey was nominated to be elected as a Director of the Company in March 2016 and appointed effective July 2016. Mrs Tansey is the Chairman of the Audit Committee and a member of the Regulatory & Compliance Committee.

#### **Item 2: Re-election of Director – Mrs Sylvia Summers Couder**

Mrs Summers Couder was nominated to be elected as a Director of the Company in August 2016 and appointed effective September 2016. Mrs Summers Couder is a member of the Audit Committee and the People & Culture Committee.

#### **Item 3: Re-election of Director – Ms Kathleen Conlon**

Ms Conlon has been a Director of the Company for approximately 10 years.

#### **Item 4: Election of Director – Ms Natasha Chand**

Ms Chand was nominated to be a Non-Executive Director (Elect) of the Company from 3 December 2024, subject to the receipt of all relevant regulatory pre-approvals. These regulatory pre-approvals were subsequently received and Ms Chand was formally appointed to the Board on 11 December 2024, subject to shareholder approval at the 2025 Annual General Meeting.

#### **Item 5: Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director under the Long-Term Incentive Plan**

Aristocrat's remuneration principles include a 'pay for performance' philosophy and links rewards to business results and strategy and alignment to shareholder interests and sustainable shareholder returns.

#### **Item 6: Adoption of Remuneration Report**

Last year ASA voted FOR approval of the Remuneration Report. No framework changes have been made since then.

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## Appendix 1

### Remuneration framework detail

CEO rem. Framework for FY24	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	2.2	20%	2.2	16%
STI - Cash	1.3	12%	2.6	19%
STI - Equity	1.3	12%	2.6	19%
LTI	6.1	55%	6.1	46%
Total	10.9	100%	13.5	100%

\* Note: The figures in the Annual Report and NOM are in USD. These have been converted to approx. AUD and the \$ rounded.

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan.

\*Target remuneration is sometimes called budgeted remuneration. It is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration frameworks set a maximum opportunity amount, but not all.