



AINSWORTH GAME TECHNOLOGY

2017

ANNUAL
GENERAL
MEETING

Agenda

- Welcome
- Chairman's Address
- Chief Executive Officer's Address
- Annual General Meeting

Chairman's Address

Presentation by Graeme Campbell

2017 Financial Highlights

FY17 Profit exceed guidance:

- PBT (excluding currency impacts) is \$57.4m, 2.5% ahead of guidance

Strong 2H17 recovery:

- 2H PBT \$42.2m, a 178% increase on the \$15.2m in 1HFY17

Continued growth in international businesses:

- International revenue \$208.0m, +2% , 74% of total
- Americas continues to be the primary focus for growth.

Segment profit for Americas remain broadly consistent at \$82.3m compared to pcp

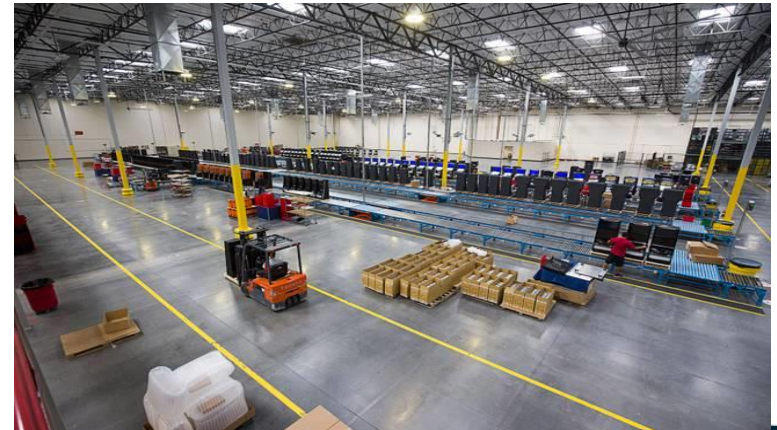


Americas – primary focus for growth

- LV facility enhancing AGT's profile and representation with customers
- The investment in the LV based game studio will continue to broaden AGT content with the release of several new game titles
- Class II games will continue to strengthened with the creation of unique content and leverage well know Class III titles
- Release of several games developed using Novomatic AG game assets



**Las Vegas Facility – opened
in April 2016**



2017 Financial Highlights (continued)

Latin America revenue \$78.5m, +5%, profit +11%

- 5 years of consistent profitable growth

Rest of the World revenue \$28.1m, +54%, profit +50%

- Increase in unit volumes driven by improved Europe performance and Novomatic AG synergies

Domestic revenue \$74.1m, 26% of total revenue

- Expect to increase market share with the new EVO™ cabinet

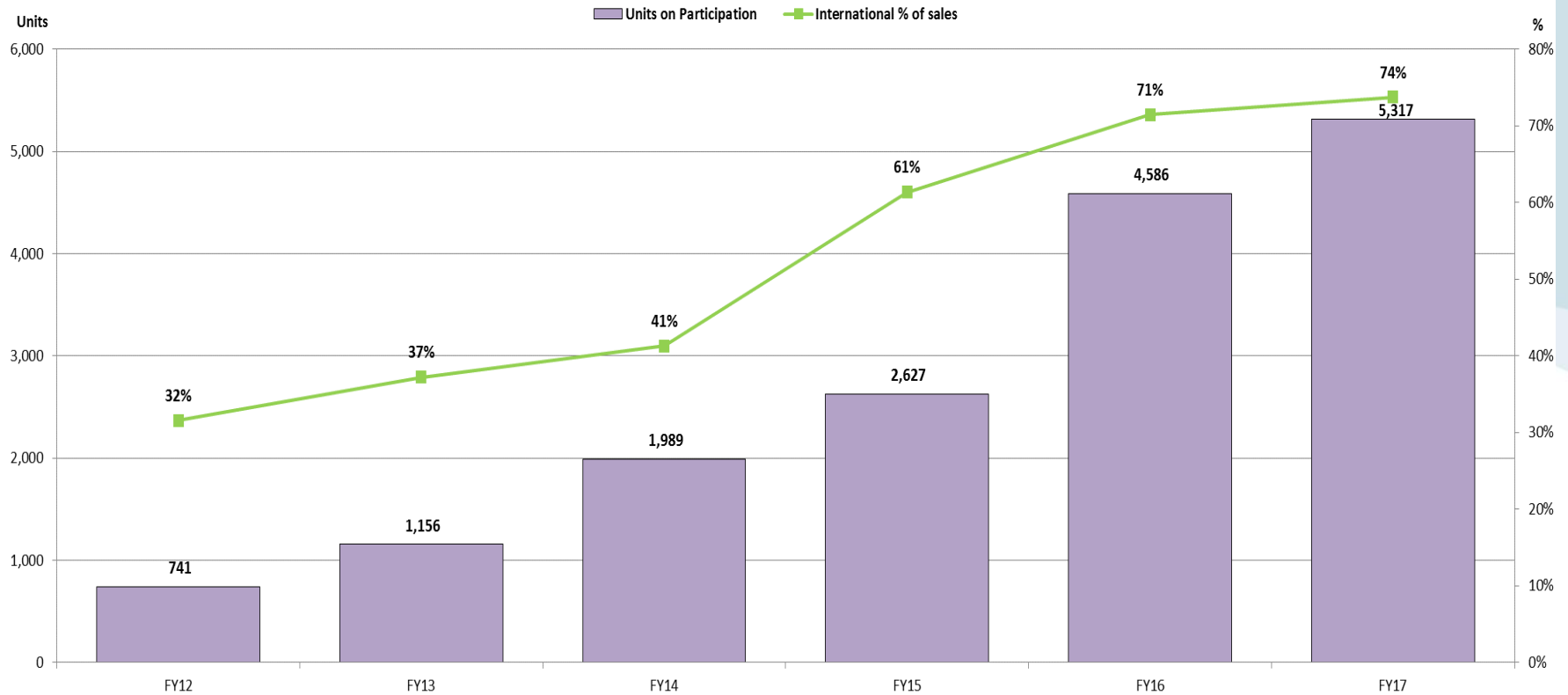


FIREPOWER



BIG HIT

QUAD Shot



Chief Executive Officer's Address

Presentation by Danny Gladstone

Profit and Loss Summary

A\$m	FY17	FY16	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%)

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%

Staff Costs

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

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%

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

A\$m	FY17	FY16	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%)

North America 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 FY2018, placed 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
- Class II game titles – launching 54 new titles on the A600™ and further 22 on the A560SL™

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



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

A\$m	FY17	FY16	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%)

Continued Development of Top Performing Brands in Latin America

Top Performing Brands

- All brands listed are performing at an average index of 1.75x to 2.5x of house average



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 AGE in August 2017

A\$m	FY17	FY16	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%

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 AG)
- Novomatic contributed sales of \$11.4m and segment profit of \$5.5m in FY17

A\$m	FY17	FY16	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%)

SOCIAL CASINO GAMING



Ainsworth apps available in Google Play store, Apple iTunes and Facebook for PC

Social Casino Partnerships



REAL MONEY GAMING

Platform Partnerships



Microgaming



SIMPLY PLAY

Outlook

- Our profit expectations for FY18 are unchanged, although heavily weighted to 2H.
- 1H FY18 profit is adversely impacted by product approval delays in Australia, temporary margin impacts from a change in the sales mix as we complete the product transition in US and lower unit sales in Asia.
- In 2H FY18 we confidently expect to increase the Group's pre-tax profit, excluding foreign currency impacts, compare to pcp. We expect to sell similar units in North America in 2H FY18 than FY17 in total. We expect to see the early benefits of our new product strategy and our domestic market share to consolidate
- We expect good growth in FY18 compared to pcp in the number of units on participation, which generate high quality recurring revenues.
- Given our expected strong 2H, the Board will consider recommencing dividend in August 2018.

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 2017.

Resolution 1

Re-election of Mr Leonard Hastings Ainsworth, as Director

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

“That Mr Leonard Hastings Ainsworth, 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 director of the Company.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	272,127,233	96.28%
AGAINST	10,509,870	3.72%

Included above are 391,725 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 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:

FOR	282,330,004	99.87%
AGAINST	362,747	0.13%

Included above are 390,725 proxies which were open and usable and the Chairman has elected to vote these in favour of the resolution.

Resolution 3

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 was appointed as an additional director on 21 February 2017 in accordance with Rule 7.1(d) of the Company Constitution and retires in accordance with Rule 7.1(d) of the Company Constitution and ASX Listing Rule 14.4, and being eligible, offers himself for election, be elected as a non-executive director of the Company.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	282,523,486	99.94%
AGAINST	163,825	0.06%

Included above are 391,725 proxies which were open and usable and the Chairman has elected to vote these in favour of the resolution.

Resolution 4

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 2017, be adopted.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	48,593,625	70.25%
AGAINST	20,580,701	29.75%

Included above are 4,923,733 proxies which were open and usable and the Chairman has elected to vote these in favour of the resolution.

Resolution 5

Approval for the grant of Performance Share Rights to the Chief Executive Officer

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

“That for the purpose of ASX Listing Rules 7.1 and 10.14, as well as sections 200B and 208 of the Corporations Act, approval be given for the issue of 328,791 Performance Share Rights (PSRs) under the Ainsworth Game Technology Rights Share Trust to Mr. Daniel Eric Gladstone, Executive Director and Chief Executive Officer of the Company, in accordance with the terms described in the Explanatory Statement .”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	247,948,238	88.50%
AGAINST	32,206,944	11.50%

Included above are 4,918,658 proxies which were open and usable and the Chairman has elected to vote these in favour of the resolution.



AINSWORTH GAME TECHNOLOGY

ABN: 37 068 516 665

10 Holker Street, Newington
New South Wales, Australia 2127

T. +61 2 9739 8000

F. +61 2 9648 4327

www.agtslots.com.au