

Aristocrat Leisure Ltd 2023 AGM report

ASX code	ALL
Meeting date	Thursday, 22 February 2024
Type of meeting	Hybrid
Monitor	Carol Limmer
Pre AGM-meeting	Yes, with Chair of People & Culture Committee, Kathleen Conlon and Company Secretary, Kristy Jo

Meeting Statistics

Number of holdings represented by ASA	44
Number of shares represented by ASA	182,207
Value of shares represented by ASA	\$8.12m
Total number attending meeting	171 (41 shareholders, 1 non-voting shareholder, corporate reps, 2 third party proxies and 125 guests)
Market capitalisation	\$28.48bn
ASA open proxies voted	On a poll. ASA voted in favour of all resolutions

This meeting lasted for just under 2 hours.

The [Voting intention report on ASA's website](#) provide detail in relation to the various items/resolutions.

The comprehensive Chair and CEO AGM speeches are available on [ALL's website](#).

Aristocrat said that FY23 was another period of strong progress built on the effective implementation of established growth strategy and reflecting the calibre of their people and culture. They will continue to manage the impact of conflict in Ukraine and Israel with empathy and effectiveness.

The normalised group profit result was at an all-time record and EPS growth was also strong. Operating cash flow was above prior corresponding period. They continued to invest in organic growth initiatives while also completing the acquisition of Roxor Gaming and announcing the proposed acquisition of NeoGames. To date ALL has completed 80% of their \$1.5Bn on-market share-buyback program.

ASA complimented the comprehensiveness of the Annual Report and Notice of Meeting, as well as the Board Chairman and CEO's addresses. With ALL being in many jurisdictions, they are obviously very conscious of ESG, risk, and compliance management with very good coverage on these aspects. They have said that they will continue to improve communication and disclosures on these issues. During 2023, they made further advances in their climate change agenda. In terms of

future opportunities, they see opportunities to expand in strategic adjacencies across North America. Adjacencies are established regulated markets outside their traditional markets where they believe they can compete and take share by bringing innovation in games and technology to markets that have often seen little change in recent years. Aristocrat also continues to focus on innovation as a key growth driver through their market leading investment in design and development. An example is the recent launch of NFL-themed electronic gaming machines (EGMs), which ranked as the most anticipated new game of 2023. The largest growth opportunity in front of them is now seen as expansion into online real money gaming (RMG).

Aristocrat also made further progress towards their target of achieving a 40:40:20 gender balance in senior leadership. A global people engagement score of 8.6 was also achieved. Looking ahead, they have broadened their diversity goals beyond gender with Board endorsed targets to increase the representation of leaders from under-represented racial and ethnic backgrounds. This will assist in accessing the best talent and gain benefits from a diverse mix of perspectives.

Going forward, the CEO mentioned that the current financial year has been in line with their plans. They are operating in an environment of raised political and economic uncertainty and continue to monitor possible impacts but, to date, have not seen any material moderation in activity across key markets. He said that the year had started well. Further, they mentioned that they have taken prudent decisions to optimise costs and expect to deliver benefits in 2024 and beyond as a result of these actions.

In terms of Outlook, they reiterate their commentary and full year modelling inputs provided at 2023 presentation in November. Aristocrat expects to deliver net profit after tax and before intangibles amortisation (NPATA) growth over full year. All approvals required to close the proposed NeoGames transaction are expected by end of April 2024. Approval by NeoGames shareholders is also necessary.

Aristocrat will host an investor event on 26 June in Sydney, which will focus on strategy across their Group, with a 'deep dive' on to online RMG.

ASA had a couple of questions related to cashless gaming machines, including ongoing research and likelihood of cashless gaming machines extending beyond what is proposed for NSW to other states and areas outside Australia. There will be another trial later in the year and ALL will continue to work with regulators and governments.

They are watching developments elsewhere. Issues raised by other questioners, in particular shareholder Stephen Mayne, related to large manufacturing plants (A: LA and Tulsa in USA and Sydney, Australia), failure of Playtech bid (A: moved on and now building own RMG division), board succession (A: continues to be on the Board Agenda), number of LTIs held by CEO since vesting (A: CEO gave detailed answer – questioner satisfied), any restraints on NED shares (A: no except 'ongoing confidentiality arrangements'. They are a salary sacrifice program), whether there could be a webcast of meeting (A: no, but the meeting was hybrid and all audio and online questions were read out in full), media report on files downloaded from ALL's servers (A: declined to cover specifics due to legal action but ALL do all to protect intellectual property).

ASA voted in favour of all resolutions.

Mr Chatfield, who was being proposed for re-election, spoke in support of his nomination. The ASA representative expressed disappointment concerning the proposed election of Ms Jennifer Aument who was no longer standing as a Board member due to taking up a CEO role in the USA. Whilst noting that she has already contributed to the Board discussions, the situation would have cost ALL somewhat in time and recruitment costs etc. ALL have already commenced the search process.

In relation to the LTI grant to the CEO it was mentioned to ALL that his total target remuneration at USD 6.71m seems quite high whilst acknowledging that 83% is 'at risk'/variable pay. Also, the TSR hurdle has a 3-year only performance period and 50% vesting at median performance. They also acknowledged that the Individual performance hurdle (organisational key results/OKR) must be achieved in each of the 3 years as well as the CEO and some other key senior executives being US-based where remuneration arrangements vary from those in Australia. Ms Conlon (Chair of People & Culture Committee) was asked about the process involved in determining their remuneration policies. Ms Conlon gave assurance on the process, including external benchmarking and use of consultants.

Most shareholders present seemed quite satisfied with ALL's performance in the past year. Most resolutions passed with over 90% support. The grant of Performance Share Rights to the CEO & MD under the LTI program had 78.97% FOR, whereas the Remuneration Report had voting in favour at 94.16%.

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