

Full Aristocrat Leisure Limited Fiscal Year 2022

Overview

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Goals and objectives of the research

Research Objective: To study Aristocrat Leisure Limited's publicly available financial information, determine the company's development strategy, and compile an overview of its annual financial reports.

Research Tasks:

- Find the company's comprehensive financial and corporate information;
- Analyze the gathered information;
- Draw conclusions based on the analyzed data.

Disclaimers

The information collected in this report reflects data from the company's public reports and is not questioned or verified via other sources. In other words, information from the company's public reports is taken and used as is.

If additional information from other sources is used or if the data used is reflective of the researcher's personal opinion, this will be labeled accordingly.

Document markup

- FY - Financial Year;
- Aristocrat - Aristocrat Leisure Limited
- AUD - Australian dollar;
- This report uses the American number format: a period is used as the decimal separator, while commas separate thousands;
- Year-over-year (YoY) calculations of relative values were not performed in cases where last year's profit changed to a loss in the current year and vice versa within the scope of the current report;
- Aristocrat Leisure Limited report period is from October 1, 2021, to September 30, 2022.

Conclusions

General information

Parameter	Aristocrat Leisure Limited
Website	aristocrat.com
Country (location)	AU
Country (issuer)	AU
Year of foundation	1953 *
Founder	Leonard Ainsworth
Sector	Consumer Services
Type	Public
Year of IPO	1996
Stock market	ASX
Ticker	ALL

*Note: According to the Wikipedia website, the information provided is for the year 1953. The company offers data for the "1950s" without specifying the exact founding year.¹

¹ [Aristocrat, Our History](#)

Members of the board and Managers

Board of Directors ²		
Name	Title	Since
Neil Chatfield	Chairman	2019
Trevor Croker	CEO & Managing Director	2017
Kathleen Conlon	Non-Executive Director	2014
Arlene Tansey	Non-Executive Director	2016
Sylvia Summers Couder	Non-Executive Director	2016
Patrick Ramsey	Non-Executive Director	2016
Philippe Etienne	Non-Executive Director	2019
Bill G. Lance Jnr	Non-Executive Director	2022
Jennifer Aument	Non-Executive Director	2023

² [Aristocrat web, About](#)

Executive Team ³		
Name	Title	Since
Trevor Croker	CEO & Managing Director	2017
Hector Fernandez	CEO Aristocrat Gaming	2022
Mitchell Bowen	CEO Anaxi & Chief Transformation Officer	2022
Andy Hendrickson	Chief Technology Officer	2021
Natalie Toohey	Chief Corporate Affairs Officer	2019
Christie Roser	Chief of People & Culture Officer	2011
Superna Kalle	Chief Strategy & Content Officer	2023
James Alvarez	Chief Information Officer	2017
Tracey Elkerton	Chief Compliance Officer	2023
Chris Hill	Chief Legal Officer	2020
Sally Denby	Chief Financial Officer	2022

Employees⁴

Parameter	Number of employees
Number of Employees as of Sep 30, 2020	6,000
Number of Employees as of Sep 30, 2021	7,000
Number of Employees as of Sep 30, 2022	7,500

³ [Aristocrat web. About](#)

⁴ [Aristocrat Annual Report 2022, p.63](#)

Shareholders

Shareholders structure

Ownership Breakdown as of Nov 10, 2023 ⁵		
Owner Type	Number of Shares	Ownership Percentage
General Public	333,693,789	51.45%
Institutions	240,809,839	37.13%
Private Companies	73,206,602	11.29%
Individual Insiders	870,329	0.13%
Total Shares	648,580,559	100%

Total Shares Outstanding - 659,793,000⁶ (as of September 30, 2022).

Total Shares Outstanding - 659,792,616⁷ (as of November 15, 2022).

⁵ [SimplyWall, Aristocrat Ownership Breakdown](#)

⁶ [Aristocrat Annual Report 2022, p.63](#)

⁷ [Aristocrat Annual Report 2022, p.117](#)

Shareholders Equities

Top 10 Shareholders as of Nov 10, 2023 ⁸				
Name	Number of Shares	Current Value ⁹ , mill AUD	Last Reported Holding Date	Ownership Percentage
BlackRock, Inc.	46,346,278	1,900	Mar 24, 2023	7.15%
Australian Super Pty Ltd	40,573,633	1,600	Nov 15, 2022	6.26%
State Street Global Advisors, Inc.	34,084,624	1,400	Nov 15, 2022	5.26%
The Vanguard Group, Inc.	32,460,837	1,300	Aug 3, 2023	5.00%
Writeman Pty Ltd	16,651,591	676	Nov 15, 2022	2.57%
Thunderbirds Are Go Pty Ltd	15,977,667	649	Nov 15, 2022	2.46%
Arminella Pty Ltd.	15,301,938	621	Nov 15, 2022	2.36%
Norges Bank Investment Management	13,150,023	534	Dec 31, 2022	2.03%
Massachusetts Financial Services Company	9,167,372	372	Sep 30, 2023	1.41%
ECA 1 Pty. Ltd.	8,712,171	353	Nov 15, 2022	1.34%
Total Top 10	232,426,134	9,405	-	35.84%

As of September 30, 2022, in the share ownership structure, Aristocrat Leisure Limited identifies three companies with "Substantial Shareholder" status: State Street Corporation, BlackRock Group, and AustralianSuper Pty Ltd.¹⁰ In August 2023, The Vanguard Group, Inc. was added to this list.¹¹

⁸ [SimplyWall, Aristocrat Top Shareholders](#)

⁹ As of November 10, 2023

¹⁰ [Aristocrat Annual Report 2022, p.117](#)

¹¹ [ASX, Notice of initial substantial holder](#)

Mergers, acquisitions and subsidiaries¹²

Mergers and acquisitions		
Name	Date	Price, mill USD
Video Gaming Technologies, Inc.	Jul 7, 2014	1,283
Big Fish Games Inc.	Nov 30, 2017	990
Plarium Global Limited	Aug 10, 2017	500
Product Madness Inc	Nov 26, 2012	26.1
Product Madness (UK) Limited ¹³	Nov 26, 2012	-
Futureplay Oy	Aug, 2021	87
Playsoft SAS ¹⁴	Aug 17, 2021	16.3

¹² [Aristocrat Annual Report 2022, p.99](#)

¹³ Subsidiary as of Product Madness

¹⁴ Playsoft acquired by Product Madness

Subsidiaries	
Name	Date
Aristocrat Technologies Australia Pty Ltd	Apr 7, 2000
Aristocrat International Pty Ltd	Apr 7, 2000
Aristocrat Technologies, Inc.	Jul 12, 2017
Aristocrat Technologies Canada Inc.	Apr 25, 2005
Aristocrat Technologies Macau Limited	Jul 15, 2005
Aristocrat Technologies NZ Limited	Apr 13, 1987
Aristocrat Technologies Europe Limited	Jun 4, 1996
Aristocrat Technologies Mexico, S.A. DE C.V.	Mar, 2011
Aristocrat Service Mexico, S.A. DE C.V	Jul, 2010
AI (Puerto Rico) Pty Limited	Apr 20, 2006
Aristocrat (Argentina) Pty Limited	Sep 20, 2005
Aristocrat Technologies India Private Ltd	Aug 31, 2009
Aristocrat Technologies Spain S.L.	Jan 10, 2007

Note: This section may not fully represent all the company's transactions, but, within the scope of this current report, presents the maximum amount of information available via open sources.

Company strategy¹⁵

Aristocrat Leisure Limited, along with its subsidiaries, engages in the production of gaming content and technologies in Australia and internationally. The company is involved in creating, selling, and supporting gaming content, platforms, and systems. This includes electronic gaming machines, casino management systems, and free mobile games.

The strategy encompasses the following aspects:

- **Investments in products and technologies:** The company allocates resources to enhance its product portfolios and technologies, ensuring growth in market share and fortification of its positions;
- **Diversification and growth:** Aristocrat Leisure Limited strives for business expansion and diversification, employing strategies such as organic investments and engaging in M&A;
- **Stability and competitiveness:** The company is committed to maintaining fundamental indicators, ensuring competitiveness, and fostering business stability;
- **Focus on global markets and local aspects:** Aristocrat Leisure Limited aims to attract and retain leadership positions in global markets by emphasizing technological and managerial skills. Additionally, it considers local aspects for effective market penetration;
- **ESG strategy:** The company emphasises sustainability by producing reports on its sustainable development initiatives, with a particular focus on environmental, social, and governance factors;¹⁶
- **Brand development and reinforcement:** Aristocrat Leisure Limited prioritizes brand development and strives to attract and retain experienced employees. It also focuses on customer acquisition and retention;
- **Maximization of internal resource utilization:** The company is dedicated to implementing growth strategies by optimizing the utilization of its internal resources and capital;
- **Expansion into geographical markets:** Aristocrat Leisure Limited is actively working to increase its presence in regulated markets, with a particular focus on expansion in Europe and North America, including the USA, Canada, Poland, and Spain.

¹⁵ [Aristocrat Annual Report 2022, p.10](#)

¹⁶ [Aristocrat Sustainability Report 2022](#)

Divisions

iGambling structure

Aristocrat Leisure Limited comprises three operational divisions:

- [Aristocrat Gaming](#) - is a provider of gaming content and technologies. Operates in 300 gaming jurisdictions across the Americas, Europe, the Middle East, Africa, and the Asia Pacific;
- [Pixel United](#) (formerly as Aristocrat Digital) - specializes in the development of mobile games. Includes three game publishers: [Product Madness](#), [Plarium](#) and [Big Fish](#);
- [Anaxi](#) - specializes in creating interactive digital entertainment.

Non-igaming structure

The Non-iGaming segment refers to companies within the portfolio of Aristocrat Leisure Limited that are engaged in the development and publishing of games beyond iGambling. This includes:

- [Plarium](#) - Founded in 2009, Plarium specializes in creating mobile games. Their portfolio consists of 20 games such as RAID: Shadow Legends, Mech Arena, Vikings: War of Clans, Lost Island: Blast Adventure, and the Stormfall franchise.
- [Big Fish](#) - Engaged in the development and publishing of both PC and mobile games.

Technology

Aristocrat Leisure Limited strategically invests in game design, development, and technologies as part of its product-focused growth strategy, with these investments amounting to 12% of the company's revenue.¹⁷

The company is actively developing various areas, including:

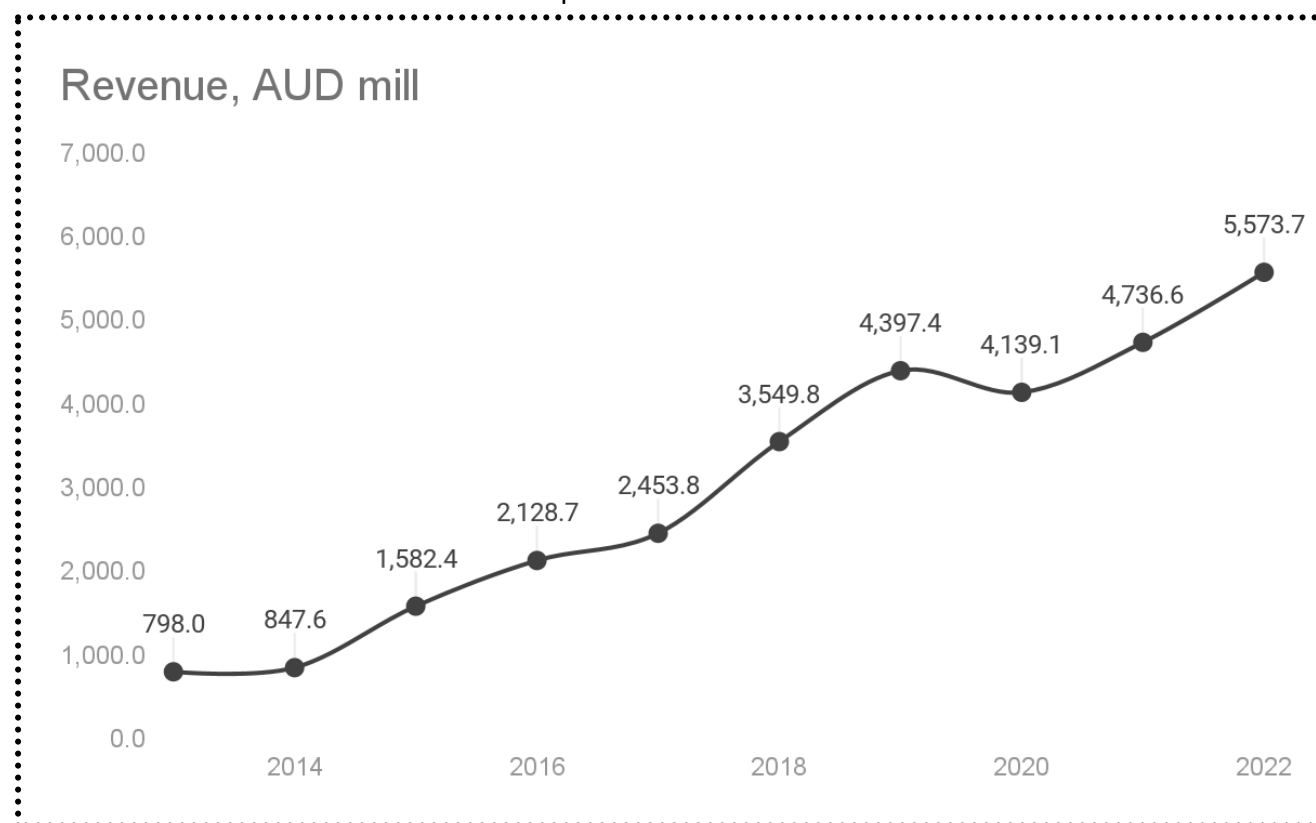
- [Technology \(Platforms\)](#) - Systems ensuring uninterrupted operation of gaming halls:
 - **System 7000 PRIME** (for clubs with 150+ EGMS);
 - **System 7000 ECO** (for clubs with up to 150 EGMS);
 - **System 7000 ATOM** (for hotels and clubs with up to 40 EGMS).
- [Patron Engagement \(Marketing\)](#) - System modules based on marketing solutions:
 - **Prime Impact** (graphic touch display designed to enhance customer interaction);
 - **Impact Tiering** (service personalization through Prime Impact);
 - **Points2Play** (conversion of loyalty points into gaming credits);
 - **Prime Awards** (gamification of rewards - bonus games);
 - **Prime Draw** (personalized prize and participant badge drawings);
 - **Prime Service** (food and beverage ordering service from the gaming machine);
 - **Prime Kiosk** (information kiosk for customers and staff).
- [Business Solution and Analytics](#) - System modules for business processes and analytics:
 - **Prime Store** (transforms the data structure of System 7000 Online Data Structures into a flat structure suitable for reporting);
 - **Prime Cashier** (unified interface for conducting transactions);
 - **Ticket In, Ticket Out** (ticket system for freedom of movement within the gaming hall);
 - **CardPay** (contactless payment technology);
 - **Prime Membership** (membership system).
- [Training and Support](#) - employee training on-site and customer support service.

¹⁷ [Aristocrat Annual Report 2022, p.12](#)

Financial Statements for 2022 Fiscal Year Revenue Retrospective

Revenue Retrospective

Aristocrat Leisure Limited Revenue Retrospective for 2013-2022^{18 19 20 21 22}



¹⁸ [Aristocrat Annual Report 2022, p.65](#)

¹⁹ [Aristocrat Annual Report 2020, p.57](#)

²⁰ [Aristocrat Annual Report 2018, p.63](#)

²¹ [Aristocrat Annual Report 2016, p.59](#)

²² [Aristocrat Annual Report 2014, p.54](#)

Sales per Business

Net Revenue Structure^{23 24}

(In million, except Percentages)

Parameter	2022, AUD	YoY, %	2021, AUD	YoY, %	2020, AUD
Pixel United	2,591.1	5.03	2,467.0	4.56	2,359.5
Gaming operations	1,618.9	23.04	1,315.7	41.35	930.8
Class III outright sales and other gaming revenue	1,363.7	42.96	953.9	12.38	848.8
Total Consolidated Revenue	5,573.7	17.67	4,736.6	14.44	4,139.1

Net Revenue Structure 2022 Percentages

Parameter	Percentage, %
Pixel United	46.49
Gaming operations	29.05
Class III outright sales and other gaming revenue	24.47

The gaming operations revenue primarily stems from contracts with customers within the Americas reporting segment. On the other hand, revenue from Class III outright sales and other sources is generated through contracts with customers spanning the Americas, Australia and New Zealand, as well as the International Class III reporting segments.

²³ [Aristocrat Annual Report 2022, p.71](#)

²⁴ [Aristocrat Annual Report 2020, p.64](#)

Sales per Region

Segment Revenue from External Customers^{25 26}

(In million, except Percentages)

Parameter	2022, AUD	YoY, %	2021, AUD	YoY, %	2020, AUD
Pixel United	2,591.1	5.03	2,467.0	4.56	2,359.5
Americas	2,415.1	32.34	1,824.9	33.44	1,367.6
Australia and New Zealand	460.7	15.23	399.8	42.48	280.6
International Class III	106.8	137.86	44.9	-65.83	131.4
Total consolidated Revenue	5,573.7	17.67	4,736.6	14.44	4,139.1

Sales by Region 2022 Percentages

Parameter	Percentage, %
Pixel United	46.49
Americas	43.33
Australia and New Zealand	8.27
International Class III	1.92

Dividend Information^{27 28 29}

(In million, except Per share data and Percentages)

Parameter	2022, AUD	YoY, %	2021, AUD	YoY, %	2020, AUD
Per share	52.0 Cents	26.83	41.0 Cents	310.00	10.0 Cents
Cash dividends declared	345.3	28.08	269.6	321.91	63.9

²⁵ [Aristocrat Annual Report 2022, p.71](#)

²⁶ [Aristocrat Annual Report 2020, p.63](#)

²⁷ [Aristocrat Annual Report 2022, p.20, 79](#)

²⁸ [Aristocrat Annual Report 2021, p.20](#)

²⁹ [Aristocrat Annual Report 2020, p.20, 70](#)

Balance Sheet^{30 31}

(In million, except Percentages)

Parameter	2022, AUD	YoY, %	2021, AUD	YoY, %	2020, AUD
Assets					
Total Current Assets	4,180.6	26.73	3,298.7	31.33	2,511.8
Total Long-Term Assets	5,939.8	10.54	5,373.3	0.15	5,365.1
Total Assets	10,120.4	16.70	8,672.0	10.09	7,876.9
Liabilities					
Total Current Liabilities	1,316.6	9.78	1,199.3	14.71	1,045.5
Total Long-Term Liabilities	2,781.1	-22.61	3,593.8	-1.58	3,651.4
Total Liabilities	4,097.7	-14.51	4,793.1	2.05	4,696.9
Total Equity	6,022.7	55.27	3,878.9	21.98	3,180.0

Income Statement^{32 33}

(In million, except EPS data and Percentages)

Parameter	2022, AUD	YoY, %	2021, AUD	YoY, %	2020, AUD
Revenue	5,573.7	17.67	4,736.6	14.44	4,139.1
Gross Profit	3,079.8	25.17	2,460.4	25.76	1,956.4
Net Income	948.5	15.67	820.0	-40.48	1,377.7
EPS Basic	142.9 Cents	11.12	128.6 Cents	-40.46	216.0 Cents
EPS Diluted	142.3 Cents	10.74	128.5 Cents	-40.51	216.0 Cents

³⁰ [Aristocrat Annual Report 2022, p.66](#)

³¹ [Aristocrat Annual Report 2020, p.58](#)

³² [Aristocrat Annual Report 2022, p.65](#)

³³ [Aristocrat Annual Report 2021, p.63](#)

Cashflow Statement^{34 35}

(In million, except Percentages)

Parameter	2022, AUD	YoY, %	2021, AUD	YoY, %	2020, AUD
Cash flows from operating activities	1,246.0	-6.20	1,328.4	29.87	1,022.9
Cash flows from investing activities	(334.4)	7.73	(310.4)	25.26	(247.8)
Cash flows from financing activities	(605.3)	135.25	(257.3)	-	357.5

³⁴ [Aristocrat Annual Report 2022, p.68](#)

³⁵ [Aristocrat Annual Report 2020, p.60](#)

Criticism

Aristocrat Leisure Limited acknowledged a 'serious episode of misconduct' in 2001 and 2002, involving the misrepresentation of profits and the issuance of an unjustified profit forecast. This resulted in a decline in stock prices and financial losses for shareholders upon the revelation of the true state of the company. The resolution of a class-action lawsuit by shareholders led to a payout of 144 million USD by the company.³⁶

In 2015, Cheryl Keiter, Susie Kelly, and Manasa Thimmegowda filed two class-action lawsuits, alleging that the social casino platforms Big Fish Casino, Jackpot Magic Slots, and Epic Diamond Slots offered gambling activities prohibited by the laws of Washington state.³⁷

In 2017, Shonica Guy filed a lawsuit against Aristocrat Leisure Limited and Crown Casino, alleging that the Dolphin Treasure slot machine is deceptive. According to Ms. Guy, the machine is designed to distort the player's chances of winning, leading them to believe they have won when they have not. The lawsuit includes claims that Dolphin Treasure utilizes light, sound, and images to deceive players.³⁸

Gambling is illegal in the state of Alabama. A resident of Alabama has filed a lawsuit against Aristocrat Leisure Limited in the Circuit Court of Colbert County, seeking the return of money lost by Alabama citizens in gambling activities involving Aristocrat Leisure Limited from March 2022 to March 2023.³⁹

In 2022, Playtech's executive directors accused Aristocrat Leisure Limited and its advisors of orchestrating a campaign to defend its bid for Playtech by generating suspicions of a conspiracy involving Asian investors. These allegations were grounded in a report compiled by a private research company, prompting the UK Takeover Panel to initiate an investigation into the contested process.⁴⁰

In 2023, violations were discovered during a customs inspection related to the import of gaming machines by Aristocrat Argentina PTY LIM. The company was found to have submitted counterfeit documentation to customs. The declared operation involved 96 imported machines with a stated total value of 931,680 USD. However, the actual cost of the operation was 520,870 USD, and the number of machines imported was 86, contrary to the initially declared quantity of 96.⁴¹

³⁶ [SMH, Aristocrat pays \\$144m in class action](#)

³⁷ [Lewisroca, \\$155 Million Offered to Settle Two Big Fish Games Class Action Lawsuits](#)

³⁸ [ABC News, Aristocrat pokies maker defends Dolphin Treasure machine in Federal Court trial](#)

³⁹ [Casetext, Rice v. Aristocrat Leisure, Ltd.](#)

⁴⁰ [Financial Times, Playtech chiefs accuse Aristocrat of misinformation campaign in bid battle](#)

⁴¹ [Mundovideo, Aristocrat Argentina PTY, overbilling scandal for alleged leak of dollars from the southern country](#)

Analyst's opinion

Summary⁴²

Aristocrat Leisure Limited, along with its subsidiaries, is involved in the production of gaming content and technologies in Australia and internationally. The company participates in the creation, sale, and support of gaming content, platforms, and systems, encompassing electronic gaming machines, casino management systems, and free mobile games. In 2022, the company continued to broaden its business into adjacent segments, including:

- Video Lottery Terminal (VLT) operations in Canada, Oregon, and Illinois;
- Central Determinant System (CDS) implementation in Washington;
- Historical Horse Racing (HHR) ventures in Kentucky;
- Participation in the New York Lottery (NYL).

As of September 30, 2022, in the share ownership structure, Aristocrat Leisure Limited designates three companies with the status of "Substantial Shareholders": State Street Corporation, BlackRock Group, and AustralianSuper Pty Ltd. In August 2023, The Vanguard Group, Inc. joined this list.

As of November 10, 2023, the General Public holds 51.45% of the shares. This signifies that over half of the company's shares are publicly traded and owned by individual investors and other entities not affiliated with the company's management.

In the financial report for 2022, the company highlights the following key events:

- Establishment of a new business entity, Anaxi;
- Notable modifications in the executive leadership and board of directors;
- Execution of an agreement for the acquisition of Roxor Gaming;
- Introduction of the inaugural trial program for contactless payment technology on gaming machines in Australia;
- At the EKG Slot Awards 2022, Aristocrat Leisure Limited secured 9 out of 14 awards in the gaming business segment;
- Expansion with the establishment of new studios in Poland, Spain, and Canada;
- Closure of the Plarium studio in Russia and suspension of gaming activities in this region.

The company is investing in the development of product portfolios and strategic growth in adjacent segments. In the financial report for 2022, the company disclosed a revenue of 5,573.7 million AUD, signifying a growth of 17.67% compared to the figures reported in 2021 (4,736.6 million AUD).

In 2022, Total Equity amounted to 6,022.7 million AUD, reflecting a substantial increase of 55.27% compared to the Total Equity in 2021, which stood at 3,878.9 million AUD. The company emphasizes noteworthy accomplishments in North America.⁴³

⁴² [Aristocrat Annual Report 2022, p.2](#)

⁴³ [Aristocrat Annual Report 2022, p.12](#)

Sources List

- [Aristocrat web](#)
- [Aristocrat Investor Centre](#)
- [Aristocrat Annual Report 2022](#)
- [Aristocrat Annual Report 2021](#)
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META



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[Website: Data40.com](https://data40.com)

E-mail: danila@data40.com

Phone: +44 7466371493

Address: 010000, Republic of Kazakhstan, Astana city, Yesil district, Dostyk street 20, office 1501

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