

Aristocrat Leisure

Business Description

Aristocrat Leisure Limited (ALL) operates as a developer, manufacturer and distributor of gaming machines and systems in Australia, New Zealand, Americas, Japan/Asia Pacific, South Africa and Europe. ALL is the largest gaming machine company in Australia

Strategy Analysis

ALL aims to be a leading global provider of gaming solutions by maintaining market leadership in Australia and New Zealand, expanding its business into key international markets, increasing sales of gaming and progressive linked jackpots and developing the most entertaining games software. ALL is expanding into video lotteries, table games and electronic poker. ALL will refocus on North America, Australia and Japan. Aristocrat Leisure reported statutory NPAT down 59.1% to \$101.21m for the year ended 31 December 2008. Revenue from ordinary activities were \$1.08bn, down 3.8% from last year. Diluted EPS was 22 cents compared to 52.8 cents last year. Net operating cash flow was \$116.41m compared to \$222.16m last year. The final dividend declared was 10 cents fully franked, taking the full year dividend to 36 cents compared with 49 cents last year.

28 July 2010

Recommendation

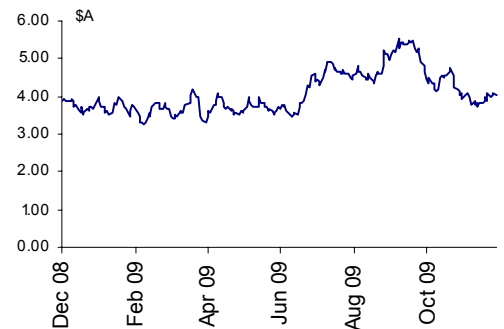
Recommendation: Underperform
Relative to: All Ind (ex Fins)

Investment Fundamentals

ASX code: ALL
Stock price: \$3.56
Market cap: \$1,920m

	Y/E 31/12/2010	2010e	2011e	2012e	2013e
Reported e	\$m	102.1	117.7	161.2	167.7
Adjusted e	\$m	102.1	117.7	161.2	167.7
EPS adjusted	¢	19.1	22.1	30.2	31.4
EPS growth	%	-18.6	15.2	37.0	4.0
PE	x	18.6	16.1	11.8	11.3
PE relative	x	1.3	1.4	1.2	1.2
DPS	¢	9.6	13.2	21.2	22.0
Yield	%	2.7	3.7	5.9	6.2
Franking	%	100.0	100.0	100.0	100.0

Share Price



Source: ASX and Company accounts

Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Gaming Machines & System	100.0	100.0	100.0	-16.0%	-33.0%
Total	100.0	100.0	100.0	-19.0%	-1.0%
Results by Geography					Dividend Reinvestment Plan
North America	44.6	62.1	37.5		Yes
Australia	22.9	13.8	30.4		No
Rest of World	20.8	29.4	26.7		
Japan	11.7	10.8	15.5		
Total	100.0				

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