

Ainsworth Game Technology Ltd

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ASX Release**ASX Code: AGI****Ainsworth Game Technology Limited (AGT) - Trading Update**

Ainsworth Game Technology Ltd (AGT) provides the following trading update.

AGT's trading performance for 2HFY19 is now expected to be below the expectations provided to ASX on 26 February 2019.

On a pre currency basis, Profit before Tax, excluding one off items, is now expected to be around \$4m for the six months ended June 30th 2019. The profit result is subject to finalisation and completion of audit procedures.

This result has been impacted by intense competitive market pressures and delays encountered in new product approvals which were not achieved in the expected timeframes. These approvals are now being progressively secured and are expected to translate into improved product performance and domestic market share gains in FY20.

Continued progress within the Americas has partially offset this lower than expected contribution from Australia in H2FY19, with North America expecting a similar and Latin America a slight increase in their respective segment results compared to H1FY19.

In addition, AGT now expects as part of the finalisation of the FY19 results to reduce the balance sheet carrying values of its Australian and digital assets with a non-cash impairment charge. This charge is expected to be around \$5.0m and includes the value of the goodwill associated with the NSW service business given lower NSW unit volume sales (\$2.4m), and a \$2m reduction in the value of the AGT's shares in 616 Digital.

AGT's balance sheet remains strong and is well placed to self-fund growth initiatives and technology investments. AGT continues to operate well within its financial covenants and expects to be cash flow positive again in FY19. Net debt at 30th June 2019 is expected to be around \$54m.

AGT is progressing with the development of new products and technologies with the view to improving future profit performance. Additional opportunities to collaborate with AGT's major shareholder Novomatic AG and other external content providers are being actively pursued.

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