PREPARED REMARKS

Q3 FISCAL 2022

DAVID NIEDERMAN: VICE PRESIDENT OF INVESTOR RELATIONS

Welcome everyone and thank you for joining us today for the third quarter 2022 earnings call for Playtika Holding Corp. Joining me on the call today are Robert Antokol, co-founder and CEO of Playtika and Craig Abrahams, Playtika's President and Chief Financial Officer.

I'd like to remind you that today's discussion may contain forward-looking statements including, but not limited to, the Company's anticipated future revenue and operating performance. These statements and other comments are not a guarantee of future performance, but rather are subject to risks and uncertainties, some of which are beyond our control. These forward-looking statements apply as of today, and you should not rely on them as representing our views in the future. We undertake no obligation to update these statements after this call. For a more complete discussion of the risks and uncertainties, please see our filings with the SEC.

We have posted an accompanying slide deck to our investor relations website and will also post our prepared remarks immediately following the call.

With that, I will now turn the call over to Robert.

ROBERT ANTOKOL: FOUNDER & CHIEF EXECUTIVE OFFICER

Thank you everyone for joining our call today.

- In the third quarter our casual games growth strategy continued to succeed.
- We saw excellent results from our casual games which grew 14% year-over-year.
- These results demonstrate Playtika's superior technology, liveOps and ability to optimize and grow revenue over the long term
- Bingo Blitz is driving these results using advanced LiveOps and using new AI-based tools, which has the potential to create upside across our portfolio.
- Thanks to our strong marketing capabilities, Bingo Blitz has also become a compelling mainstream franchise, leveraging celebrities and music stars with marketing partnerships, and is now the #1 game in the Playtika portfolio by revenue.
- And, it shows that we are creating amazing entertainment experiences that our players love.
- I will now touch on our slot-themed games. The slot category is a mature, competitive market. Having said that, we are creating exciting roadmaps for 2023 that we expect to provide our players with unique, innovative content.

- Finally, I'd like to introduce a new initiative I am passionate about – Digital Studio. This will be a new way of managing game studios. It is a sophisticated AI and Machine Learning tool that enables studios to run more efficiently using automation. This is something we are testing with our legacy titles and will talk about more in the future.
- In closing, I am excited and confident in our position and ability to win in this market.
- Playtika has a solid foundation in place for the long term:
  - A diversified portfolio of top-ranked games.
  - Passionate, long-term players that are enjoying our games over many years.
  - Our Direct-To-Consumer platform is at scale and a strong competitive advantage.
  - Our data and technology driven capabilities and approach to user acquisition allows us to be fast, efficient and optimize resources. And finally, we have a strong financial position, with a healthy balance sheet to pursue growth opportunities.

I will sum up by saying that we are excited to continue building Playtika and enhancing its position as a leading mobile games company.

With that, I will now turn it over to Craig who will provide more detail on our financial results.

CRAIG ABRAHAMS: PRESIDENT AND CHIEF FINANCIAL OFFICER

Thank you, Robert. Revenue was $647.8 million, up 1.9% year-over-year. Regarding adjusted EBITDA, as our debt investors calculate a different EBITDA metric, going forward we will provide both credit adjusted and adjusted EBITDA. The difference between these two non-GAAP financial metrics is our management retention plan which expires at the end of 2024 and M&A related retention payments. Adjusted EBITDA was $230.7 million, down 6.9% year-over-year.

Credit Adjusted EBITDA was $203.5m, down 6.2% year-over-year.

Revenue across our Casual games grew 14.4% versus a year ago. Junes Journey, from our Wooga studio, grew 32.5% versus last year, driven by strong conversion from The Vault feature in addition to new features implemented throughout the quarter. Solitaire Grand Harvest was up 14.3% versus a year ago. Bingo Blitz grew 14.7% year-over-year driven by the Majestic Blitz promotion and very strong execution. This quarter, Bingo Blitz enjoyed amazing momentum and became the largest game in our portfolio from a revenue perspective.

Casino themed games revenue for the third quarter was down 10.2% versus a year ago. This was driven primarily by results in Slotomania and House of Fun and offset by positive results in World Series of Poker.

Slotomania had a challenging quarter, down 12.7% year over year. This performance was driven in part by new features we introduced that did not resonate with our players. To address this, we plan to shift focus back to the core of the game including better slot-style content, optimizing the game economy, and overall being more responsive to player feedback. We have a compelling feature roadmap built for 2023 and are making Slotomania a strategic priority for the company.

House of Fun was down 21.2% year-over-year. As per our comments in Q2, we continued our strategy of cutting back on marketing and pursuing a more efficient studio model and ultimately aligning with the Company’s focus on overall adjusted EBITDA generation. As we evaluate the performance of this strategy, we have the potential to apply it to other mature titles as well.

World Series of Poker performed well, growing 8.2% versus last year, driven partially by the WSOP Main Event in July which helped build awareness for the game.

Looking at operational metrics, Average Daily Payer Conversion increased 60 basis points year-over-year to 3.4%, ARPDAU increased 16.4% year-over-year to $0.78 cents and average DPU, increased 5.8% year-over-year to 310 thousand.

Turning to marketing, the digital User Acquisition environment continues to evolve and costs per install have increased in the third quarter. As we look out to our plans for 2023, we will continue to increase marketing investment in our growth franchises while being disciplined and data-driven in how we allocate marketing capital.

Our offline marketing campaigns have been a great method to offset this changing UA dynamic to drive user growth and also showcase the brands of our games. We continued to partner with celebrities in the third quarter including Drew Barrymore, Jane Seymour, Dr. Phil and Jay Leno, among others.

Financials

Turning to our P&L, Gross margins were stable at 71.9%, up slightly from 71.8% year-over-year. Additionally, Direct-to-Consumer platforms were 23.3% of total revenue, up from 21.7% in the third quarter of 2021.

Total operating expenses increased 10.7% year-over-year, primarily related to employee-related expenses.

R&D expenses increased by 25.8% year-over-year, driven primarily by headcount growth and increases in compensation expenses for our employees as we discussed on prior calls.

Sales & Marketing expenses increased by 3.0% year-over-year as we remained disciplined in how we allocated marketing dollars.

G&A expenses increased by 6.5% year-over-year. GAAP net income was $68.2 million compared to $80.5 million in the prior year quarter.

As of September 30th we had approximately $1.26 billion in cash and cash equivalents. Upon the closing of the Tender Offer in October, we used approximately $600 million of the cash from our balance sheet, excluding fees and expenses. Following the October transaction, our balance of cash and cash equivalents is approximately $650 million. Additionally, this will reduce share count in the fourth quarter by approximately 51.8 million shares and have a commensurate impact on per share measures. Our effective tax rate year-to-date was 30.2%.

Regarding our financial outlook, despite a difficult market environment we anticipate we will finish the year within the previously provided ranges for revenue and adjusted EBITDA.

In closing, we are encouraged by the success we saw with our casual games, and the continued innovation and creativity of all our teams as they strive to provide our players with the best quality entertainment. And as I mentioned, we are working to stabilize revenue in our slots-themed games while operating them in an efficient manner.

Looking to 2023, we will continue to invest in our strongest franchises to build on the momentum they have achieved. We are prioritizing our investments across our portfolio of games as we look to align growth and expense profiles. We will maintain our focus on free cash flow generation while continuing to drive growth in our successful casual titles and build on our leadership position in mobile games.

With that, we would be happy to take your questions.