PREPARED REMARKS

Q1 FISCAL 2023

TAE LEE: SVP, CORPORATE FINANCE & INVESTOR RELATIONS

Welcome everyone and thank you for joining us today for the first quarter 2023 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

Good morning and thank you everyone for joining our call today.

- Building on our momentum from last quarter, we achieved sequential growth across both our Casual and Social Casino-themed titles. I am proud of our incredible global talent for our achievements and for setting the pace for the rest of the year.
- We are on track to meet our financial guidance provided on our last quarter's call and we are excited about our content roadmap slate this year.
- Overall, we generated revenue of $656.2 million and Credit Adjusted EBITDA of $222.7 million.
- Several months ago, we took meaningful steps to further focus on our core strength of live operations.
- Our leadership position in mobile gaming was built on best-in-class live game operations services which enable us to provide innovative and personalized content to our players, at optimal points in their game journeys.
- This quarter, we took positive strides toward further developing and implementing our AI technology in our Digital Studio. Our proprietary technology platform combined with the evergreen nature of our titles has

allowed us to successfully drive engagement and monetization year after year.

- Our technical capabilities allow us to deliver an improved, more personalized experience to our loyal community of players, and I truly believe there is more growth potential across all our games.
- To summarize, I am confident we will strengthen our position within the industry this year and that we will outperform our peers in the mobile gaming sector.
- I will now turn it over to Craig.

CRAIG ABRAHAMS: PRESIDENT AND CHIEF FINANCIAL OFFICER

Thank you, Robert.

We are pleased with our performance to start the year. We saw continued positive revenue trends that we started to see in Q4 across all of our games. Our top 9 games grew revenue per day sequentially, quarter-over-quarter. In addition, we are starting to see the flow through from our focus on efficiency and changes we have made to how we allocate capital.

For the quarter, we generated $656.2 million of revenue, up 4.0% sequentially and down (3.1)% year over year. Q4 last year marked a stabilization point for our portfolio and we are encouraged by the organic, sequential growth we experienced to start the year, particularly the strength within our casual games. We made the strategic decision to shift more of our user acquisition spend to our casual, growth titles. Our focus on higher margin growth is evidenced in our financials this quarter, generating strong Credit Adjusted EBITDA. Credit Adjusted EBITDA was $222.7 million, up 9.9% sequentially and 12.8% year-over-year. Our Credit Adjusted EBITDA margin was 33.9%, compared to 32.1% in Q4 2022 and 29.2% in Q1 2022. Net income was $84.1 million, down (3.9)% sequentially and up 1.1% year-over-year.

We generated $151.5 million of revenue from our Direct-to-Consumer Platform, up 0.9% sequentially and down (0.6)% year-over-year. Our Direct-to-Consumer platform is comprised of all our social casino-themed titles, and Bingo Blitz, our only casual title on the platform. As a result, Direct-to-Consumer platform revenues were slightly down year-over-year given the decline in our social casino-themed titles, offset by strength in Bingo Blitz. Looking ahead, we are excited to introduce Solitaire Grand Harvest and June’s Journey to the platform, starting in the second half of 2023.

Turning now to our business results for the quarter. Revenue across our casual-themed games grew 7.1% sequentially and 4.1% year-over-year. This growth was driven by strength in Bingo Blitz, Solitaire Grand Harvest, and June's Journey. Our casual games now represent 56.3% of total revenue.

Bingo Blitz revenue was $159.2 million, up 2.6% sequentially and 13.0% year over year. We are extremely proud of our Bingo Blitz team for another quarter of record revenue. Bingo Blitz is a game that we acquired over a decade ago and is still one of our fastest-growing titles. In the quarter, we saw strong results from content packs and promotional features surrounding the Super Bowl, Valentine's Day, and St Patrick's Day celebrations. We also introduced new mini games and rolled out the new "Pets" feature which has received positive feedback from our players.

We experienced tangible benefits from Digital Studio's AI capabilities in Bingo Blitz. We are now able to identify new segments of top players much earlier in their player journey and as a result, we were able to provide these players with personalized content, which led to an uplift in revenue for the studio. The success of this program has encouraged us to roll out these capabilities to additional studios this year.

Solitaire Grand Harvest revenue was $85.5 million, up 17.4% sequentially and 29.0% year over year. We are encouraged by this level of growth at such a large-scale studio. On our last call, we spoke about the strong momentum that we were seeing in Solitaire. This past quarter, we introduced changes into the game, giving our players expanded game mode selection, which increased player engagement. In addition, we increased the number of level releases by over 3x, driving retention and improving satisfaction amongst our community of players. Finally, we introduced our biggest meta feature to date with the new Farm that is helping increase player engagement. Solitaire Grand Harvest is a game that we acquired over four years ago, and the continued success of the franchise is a testament to our proven capability to drive meaningful organic revenue growth.

Shifting to our Social Casino-themed games. Social Casino-themed games revenue was up 0.3% sequentially and down (11.0)% year-over-year. The year-over-year decline was driven primarily by lower results in Slotomania.

Slotomania revenue was $146.6 million, down (1.7)% sequentially and (12.1)% year-over-year. From Q3 2022 to Q4 2022, Slotomania's revenue per day declined by (0.6)%. From Q4 2022 to Q1 2023, revenue per day increased by 0.4%. We are encouraged to see Slotomania revenue stabilize for the second consecutive quarter and we are pleased to see the positive trends in Average Daily Paying Users in the studio.

Turning now to specific line items in our P&L for the first quarter. Cost of revenue decreased (0.6)% year over year and operating expenses decreased (13.9)% year-over-year.

R&D decreased by (9.1)% year-over-year. The lower R&D expenses were largely driven by the reduction in force that we announced at the end of the fourth quarter.

Sales & marketing decreased by (20.0)% year-over-year. Like last quarter, savings in Sales & marketing expenses were largely driven by timing of some of our offline campaigns and the reduction of user acquisition expenses in Redecor and New Games. In addition, we had savings driven by the reduction in force.

G&A expenses decreased by (6.7)% year-over-year. This was largely due to an increased focus on cost reduction across the organization that we began to implement in the first half of 2022.

As of March 31st, we had approximately $767.2 million in cash and cash equivalents.

Looking at our operational metrics, Average DPU increased 4.2% sequentially and 0.9% year-over-year to 326K. Average DAU increased 3.4% sequentially and decreased (9.9)% year-over-year to 9.1 million. ARPDAU increased 2.6% sequentially and 8.1% year-over-year to $0.80 cents.

Finally, we are reaffirming our full-year guidance to deliver full-year revenue in the range of $2.57 to $2.62 billion and Credit adjusted EBITDA in the range of $805 to $830 million. We continue to expect capital expenditures between $115 to $120 million.

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