

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 8, 2022

Commission File Number: 001-39896

PLAYTIKA HOLDING CORP.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State of other jurisdiction
of incorporation or organization)

81-3634591
(I.R.S. Employer
Identification No.)

c/o Playtika Ltd.
HaChoshlim St 8
Herzliya Pituach, Israel
972-73-316-3251

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	PLTK	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 8, 2022, Playtika Holding Corp. issued a press release announcing its financial results for the quarter ended September 30, 2022. A copy of the press release is furnished herewith as Exhibit 99.1.

In accordance with General Instruction B.2. of Form 8-K, the information in this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1	Press Release dated November 8, 2022
99.2	Third Quarter 2022 Earnings Presentation
104	Cover page interactive data file (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PLAYTIKA HOLDING CORP.
Registrant

By: /s/ Craig Abrahams
Craig Abrahams
President and Chief Financial Officer

Dated as of November 8, 2022

Playtika Holding Corp. Reports Third Quarter 2022 Results

*Third Quarter Revenue Grew to \$647.8 million, up 1.9% Year-over-Year
Casual Portfolio Revenue Grew 14.4% year-over-year and is now 54.9% of Revenue
Direct-to-Consumer Channel Grew 9.4% Year-over-Year and is now 23.3% of Revenue*

Herzliya, Israel - November 8, 2022 - Playtika Holding Corp. (NASDAQ: PLTK) today released financial results for its third quarter for the period ending September 30, 2022.

Third Quarter 2022 Financial Highlights:

- Third quarter revenue was \$647.8 million⁽¹⁾ compared to \$635.9 million in the prior year period.
- Net income was \$68.2 million compared to \$80.5 million in the prior year period.
- Credit Adjusted EBITDA, a non-GAAP financial measure defined below, was \$203.5 million compared to \$217.0 million in the prior year period.
- Adjusted EBITDA, a non-GAAP financial measure defined below, was \$230.7 million compared to \$247.8 million in the prior year period.
- Our cash and cash equivalents totaled \$1,255.4 million as of September 30, 2022.
- In October we purchased \$600 million of shares via Tender Offer at a price of \$11.58, which has reduced outstanding shares by approximately 51.8 million shares.

"Playtika's casual games performed exceptionally well. Bingo Blitz, Solitaire Grand Harvest, and June's Journey achieved double-digit growth year-over-year and we are very pleased with their continued success," said Robert Antokol, Chief Executive Officer of Playtika. We believe we are well positioned for the future as we develop exciting, new features for our games and drive our strategic initiatives focused on technology and digitization to build on our leadership position in mobile games."

"We are encouraged by the growth of our casual portfolio and will continue to invest responsibly in our strongest franchises," said Craig Abrahams, President and Chief Financial Officer. As we look to further optimize our business model, we are operating our studios with a focus on innovation and efficiency while generating robust free cash flow."

Highlights

- Casual portfolio grew revenue 14.4% year-over-year, comprising 54.9% of total revenue
- Social Casino portfolio revenue declined 10.2% year-over-year, comprising 45.1% of total revenue
- Average DPUs increased 5.8% year-over-year
- June's Journey grew revenue 32.5% year-over-year
- Bingo Blitz grew revenue 14.7% year-over-year
- Solitaire Grand Harvest grew revenue 14.3% year-over-year
- Slotomania revenue declined 12.7% year-over-year

⁽¹⁾ Comprised of \$355.7 million and \$292.1 million for casual and casino themed games, respectively.

Financial Outlook

For the full year 2022 the company expects revenue to be within the previously provided range of \$2.60 - \$2.66 billion and Adjusted EBITDA within a range of \$900 - \$940 million.

Conference Call

Playtika management will host a conference call at 5:30 a.m. Pacific Time (8:30 a.m. Eastern Time) today to discuss the company's results. The conference call can be accessed via a webcast accessible at investors.playtika.com. A replay of the call will be available through the website one hour following the call and will be archived for one year.

Summary Operating Results of Playtika Holding Corp.

<i>(in millions of dollars, except percentages, Average DPUs, and ARPDau)</i>	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Revenues	\$ 647.8	\$ 635.9	\$ 1,984.3	\$ 1,934.0
Total cost and expenses	\$ 516.4	\$ 481.4	\$ 1,641.2	\$ 1,483.8
Operating income	\$ 131.4	\$ 154.5	\$ 343.1	\$ 450.2
Net income	\$ 68.2	\$ 80.5	\$ 187.8	\$ 206.2
Credit Adjusted EBITDA	\$ 203.5	\$ 217.0	\$ 602.5	\$ 672.6
Adjusted EBITDA	\$ 230.7	\$ 247.8	\$ 690.1	\$ 770.2
Net income margin	10.5 %	12.7 %	9.5 %	10.7 %
Credit Adjusted EBITDA margin	31.4 %	34.1 %	30.4 %	34.8 %
Adjusted EBITDA margin	35.6 %	39.0 %	34.8 %	39.8 %
Non-financial performance metrics				
Average DAUs	9.0	10.4	9.7	10.4
Average DPUs (in thousands)	310	293	315	296
Average Daily Payer Conversion	3.4 %	2.8 %	3.3 %	2.8 %
ARPDau	\$ 0.78	\$ 0.67	\$ 0.75	\$ 0.68
Average MAUs	30.2	35.4	32.4	34.4

About Playtika Holding Corp.

Playtika (NASDAQ:PLTK) is a mobile gaming entertainment and technology market leader with a portfolio of multiple game titles. Founded in 2010, Playtika was among the first to offer free-to-play social games on social networks and, shortly after, on mobile platforms. Headquartered in Herzliya, Israel, and guided by a mission to entertain the world through infinite ways to play, Playtika has employees across offices worldwide.

Forward Looking Information

In this press release, we make "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Further, statements that include words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "present," "preserve," "project," "pursue," "will," or "would," or the negative of these words or other words or expressions of similar meaning may identify forward-looking statements.

Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include without limitation:

- our reliance on third-party platforms, such as the iOS App Store, Facebook, and Google Play Store, to distribute our games and collect revenues, and the risk that such platforms may adversely change their policies;
- our reliance on a limited number of games to generate the majority of our revenue;
- our reliance on a small percentage of total users to generate a majority of our revenue;
- our free-to-play business model, and the value of virtual items sold in our games, is highly dependent on how we manage the game revenues and pricing models;
- our inability to complete acquisitions and integrate any acquired businesses successfully could limit our growth or disrupt our plans and operations;
- we may be unable to successfully develop new games;
- our ability to compete in a highly competitive industry with low barriers to entry;
- we have significant indebtedness and are subject to the obligations and restrictive covenants under our debt instruments;
- the impact of the COVID-19 pandemic on our business and the economy as a whole;
- our controlled company status;
- legal or regulatory restrictions or proceedings could adversely impact our business and limit the growth of our operations;
- risks related to our international operations and ownership, including our significant operations in Israel, Ukraine and Belarus and the fact that our controlling stockholder is a Chinese-owned company;
- our reliance on key personnel;
- security breaches or other disruptions could compromise our information or our players' information and expose us to liability; and
- our inability to protect our intellectual property and proprietary information could adversely impact our business.

Additional factors that may cause future events and actual results, financial or otherwise, to differ, potentially materially, from those discussed in or implied by the forward-looking statements include the risks and uncertainties discussed in our filings with the Securities and Exchange Commission. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur, and reported results should not be considered as an indication of future performance. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Except as required by law, we undertake no obligation to update any forward-looking statements for any reason to conform these statements to actual results or to changes in our expectations.

PLAYTIKA HOLDING CORP.
CONSOLIDATED BALANCE SHEETS
(In millions, except for per share data)

	September 30, 2022 (Unaudited)	December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,255.4	\$ 1,017.0
Short-term bank deposits	—	100.1
Restricted cash	1.6	2.0
Accounts receivable	128.0	143.7
Prepaid expenses and other current assets	110.7	72.9
Total current assets	1,495.7	1,335.7
Property and equipment, net	108.2	103.3
Operating lease right-of-use assets	102.9	89.4
Intangible assets other than goodwill, net	374.6	417.3
Goodwill	802.2	788.1
Deferred tax assets, net	42.7	38.3
Investments in unconsolidated entities	27.6	17.8
Other non-current assets	39.5	13.4
Total assets	\$ 2,993.4	\$ 2,803.3
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Current maturities of long-term debt	\$ 12.4	\$ 12.2
Accounts payable	39.8	45.7
Operating lease liabilities, current	19.5	17.2
Accrued expenses and other current liabilities	454.2	494.6
Total current liabilities	525.9	569.7
Long-term debt	2,414.3	2,422.9
Contingent consideration	—	28.7
Employee related benefits and other long-term liabilities	2.8	23.7
Operating lease liabilities, long-term	85.4	82.3
Deferred tax liabilities	53.4	53.7
Total liabilities	3,081.8	3,181.0
Commitments and contingencies		
Stockholders' equity (deficit)		
Common stock of \$0.01 par value; 1,600.0 shares authorized; 412.7 and 411.1 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	4.1	4.1
Additional paid-in capital	1,138.9	1,032.9
Accumulated other comprehensive income (loss)	(1.3)	3.2
Accumulated deficit	(1,230.1)	(1,417.9)
Total stockholders' deficit	(88.4)	(377.7)
Total liabilities and stockholders' deficit	\$ 2,993.4	\$ 2,803.3

PLAYTIKA HOLDING CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions, except for per share data)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Revenues	\$ 647.8	\$ 635.9	\$ 1,984.3	\$ 1,934.0
Costs and expenses				
Cost of revenue	181.8	179.2	554.8	546.1
Research and development	115.1	91.5	353.0	268.5
Sales and marketing	145.4	141.1	476.9	427.7
General and administrative	74.1	69.6	256.5	241.5
Total costs and expenses	<u>516.4</u>	<u>481.4</u>	<u>1,641.2</u>	<u>1,483.8</u>
Income from operations	131.4	154.5	343.1	450.2
Interest and other, net	24.3	24.9	74.2	124.6
Income before income taxes	<u>107.1</u>	<u>129.6</u>	<u>268.9</u>	<u>325.6</u>
Provision for income taxes	38.9	49.1	81.1	119.4
Net income	<u>68.2</u>	<u>80.5</u>	<u>187.8</u>	<u>206.2</u>
Other comprehensive income (loss)				
Foreign currency translation	(14.5)	(5.6)	(27.8)	(12.7)
Change in fair value of derivatives	10.5	0.8	23.3	(0.9)
Total other comprehensive loss	<u>(4.0)</u>	<u>(4.8)</u>	<u>(4.5)</u>	<u>(13.6)</u>
Comprehensive income	<u>\$ 64.2</u>	<u>\$ 75.7</u>	<u>\$ 183.3</u>	<u>\$ 192.6</u>
Net income per share attributable to common stockholders, basic	<u>\$ 0.17</u>	<u>\$ 0.20</u>	<u>\$ 0.46</u>	<u>\$ 0.50</u>
Net income per share attributable to common stockholders, diluted	<u>\$ 0.17</u>	<u>\$ 0.20</u>	<u>\$ 0.46</u>	<u>\$ 0.50</u>
Weighted-average shares used in computing net income per share attributable to common stockholders, basic	<u>412.7</u>	<u>409.6</u>	<u>412.3</u>	<u>408.6</u>
Weighted-average shares used in computing net income per share attributable to common stockholders, diluted	<u>412.7</u>	<u>411.6</u>	<u>412.6</u>	<u>410.9</u>

PLAYTIKA HOLDING CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Nine months ended September 30,	
	2022	2021
Cash flows from operating activities	\$ 316.3	\$ 383.8
Cash flows from investing activities		
Purchase of property and equipment	(38.3)	(31.5)
Capitalization of internal use software costs	(30.6)	(33.6)
Purchase of software for internal use	(7.7)	(8.7)
Short-term bank deposits	100.1	(100.0)
Payments for business combination, net of cash acquired	(29.9)	(397.7)
Other investing activities	(9.8)	2.1
Net cash used in investing activities	(16.2)	(569.4)
Cash flows from financing activities		
Proceeds from bank borrowings, net	—	887.7
Repayments on bank borrowings	(14.2)	(960.5)
Proceeds from issuance of unsecured notes, net	—	178.9
Proceeds from issuance of common stock, net	—	470.4
Payment of debt issuance costs	—	(12.0)
Net cash outflow for business acquisitions	(26.9)	—
Payment of tax withholdings on stock-based payments	(2.1)	—
Net cash provided by (used in) financing activities	(43.2)	564.5
Effect of exchange rate changes on cash and cash equivalents	(18.9)	(6.3)
Net change in cash, cash equivalents and restricted cash	238.0	372.6
Cash, cash equivalents and restricted cash at the beginning of the period	1,019.0	523.6
Cash, cash equivalents and restricted cash at the end of the period	\$ 1,257.0	\$ 896.2

Non-GAAP Financial Measures

Credit Adjusted EBITDA is a non-GAAP financial measure and should not be construed as an alternative to net income as an indicator of operating performance, nor as an alternative to cash flow provided by operating activities as a measure of liquidity, or any other performance measure in each case as determined in accordance with GAAP.

Below is a reconciliation of Credit Adjusted EBITDA to net income, the closest GAAP financial measure. Our Credit Agreement defines Adjusted EBITDA (which we call "Credit Adjusted EBITDA") as net income before (i) interest expense, (ii) interest income, (iii) provision for income taxes, (iv) depreciation and amortization expense, (v) stock-based compensation, (vi) contingent consideration, (vii) acquisition and related expenses, and (viii) certain other items. We calculate Credit Adjusted EBITDA Margin as Credit Adjusted EBITDA divided by revenues.

Credit Adjusted EBITDA and Credit Adjusted EBITDA Margin as calculated herein may not be comparable to similarly titled measures reported by other companies within the industry and are not determined in accordance with GAAP. Our presentation of Credit Adjusted EBITDA and Credit Adjusted EBITDA Margin should not be construed as an inference that our future results will be unaffected by unusual or unexpected items.

RECONCILIATION OF NET INCOME TO CREDIT ADJUSTED EBITDA (In millions)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net income	\$ 68.2	\$ 80.5	\$ 187.8	\$ 206.2
Provision for income taxes	38.9	49.1	81.1	119.4
Interest and other, net	24.3	24.9	74.2	124.6
Depreciation and amortization	39.6	36.5	121.7	103.0
EBITDA	171.0	191.0	464.8	553.2
Stock-based compensation ⁽¹⁾	31.6	23.0	106.8	72.8
Contingent consideration	(11.4)	—	(14.1)	—
Acquisition and related expenses ⁽²⁾	6.1	1.2	19.7	43.2
Other one-time items ⁽³⁾	6.2	1.8	25.3	3.4
Credit Adjusted EBITDA⁽⁴⁾	\$ 203.5	\$ 217.0	\$ 602.5	\$ 672.6
Net income margin	10.5 %	12.7 %	9.5 %	10.7 %
Credit Adjusted EBITDA margin	31.4 %	34.1 %	30.4 %	34.8 %

⁽¹⁾ Reflects, for the three and nine months ended September 30, 2022 and 2021, stock-based compensation expense related to the issuance of equity awards to certain of our employees.

⁽²⁾ Amounts for the three and nine months ended September 30, 2022, primarily relates to expenses incurred by the Company in connection with the evaluation of strategic alternatives for the Company. Amount for the nine months ended September 30, 2021 primarily relates to bonus expenses paid as a result of the successful initial public offering of the Company's stock in January 2021.

⁽³⁾ Amounts for the three and nine months ended September 30, 2022, consists of \$1.9 million and \$12.1 million, respectively, incurred by the Company for severance and for the nine months ended September 30, 2022, \$4.0 million incurred by the Company for relocation and support provided to employees due to the war in Ukraine. Amounts for the three and nine months ended September 30, 2022 also include \$2.7 million and \$6.1 million, respectively, incurred related to the announced restructuring activities.

⁽⁴⁾ Executive management is compensated, in part, based upon achieving certain Adjusted EBITDA targets as more completely described in our proxy statement. Adjusted EBITDA for these purposes represents Credit Adjusted EBITDA shown above, further adjusted to reflect certain elements of cash-based compensation and other items as shown below.

<i>(in millions)</i>	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Credit Adjusted EBITDA	\$ 203.5	\$ 217.0	\$ 602.5	\$ 672.6
Long-term cash compensation ^(a)	27.0	28.5	79.9	88.5
M&A related retention payments ^(b)	0.2	2.3	7.7	9.1
Adjusted EBITDA	<u>\$ 230.7</u>	<u>\$ 247.8</u>	<u>\$ 690.1</u>	<u>\$ 770.2</u>
Adjusted EBITDA margin	<u>35.6 %</u>	<u>39.0 %</u>	<u>34.8 %</u>	<u>39.8 %</u>

Adjusted EBITDA and Adjusted EBITDA Margin are key operating measures used by our management to assess our financial performance and to supplement GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, and to compare our performance against other peer companies using similar measures. We evaluate Adjusted EBITDA and Adjusted EBITDA Margin in conjunction with our results according to GAAP because we believe they provide investors and analysts a more complete understanding of factors and trends affecting our business than GAAP measures alone.

^(a) Includes expenses recognized for grants of annual cash awards to employees pursuant to our Retention Plans, which awards are incremental to salary and bonus payments, and which plans expire in 2024. For more information, see notes to our consolidated financial statements.

^(b) Includes retention awards to key individuals associated with acquired companies as an incentive to retain those individuals on a long-term basis. The income amount for the three and nine months ended September 30, 2022, primarily relates to the reduction of contingent consideration payable to employees of the Company that were also selling Shareholders of Reworks. This portion of the contingent consideration is being accounted for as an M&A retention payment to these employees, with changes in the amounts recognized as compensation expense.

Contacts

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THIRD QUARTER 2022

Earnings Presentation

November 8th | 2022

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LEGAL DISCLAIMER

Forward-Looking Statements

This presentation contains forward-looking statements. All statements contained in this presentation other than statements of historical facts, including statements regarding our business strategy, plans, market growth and our objectives for future operations, are forward-looking statements. The words "may," "will," "should," "expect," "would," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. Forward-looking statements contained in this presentation include, but are not limited to, future revenues, expenses, and capital requirements; the implementation of our business model and strategic plans and initiatives including increased focus on in-house game development; our ability to improve on our user metrics and our ability among others.

We have based these forward-looking statements largely on our current expectations and projections about our business, the industry in which we operate and financial trends that we believe may affect our business, financial condition, results of operations and prospects and these forward-looking statements are not guarantees of future performance or development. These forward-looking statements speak only as of the date of this presentation and are subject to a number of risks, uncertainties and assumptions, including business, regulatory, economic and competitive risks, uncertainties, contingencies and assumptions about us. Because forward-looking statements are inherently subject to risks and uncertainties, including our ability to compete in the market, our future relationship with third-party platforms, such as the iOS App Store and the Google Play Store, our ability to successfully launch new games and enhance our existing games that are commercially successful, continued growth in demand for in-app purchases in mobile games, our ability to acquire and integrate new games and content; the ability of our games to generate revenues; capital expenditures and investments in our infrastructure; our use of working capital in general; retaining existing players, attracting new players and increasing the monetization of our player base; our ability to successfully manage our game economies; maintaining a technology infrastructure that can efficiently and reliably handle increased player usage, fast load times and the deployment of new features and products; attracting and retaining qualified employees and key personnel; the impact of geopolitical events, including relating to Ukraine, the impact of an economic recession or periods of increased inflation and any reductions to household spending on the types of discretionary entertainment we offer; maintaining, protecting and enhancing our intellectual property, protecting our players' information and adequately addressing privacy concerns; our ability to expand into new markets and distribution platforms; and successfully acquiring and integrating companies and assets. Because some of these risks and uncertainties cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements.

Additional factors that may cause future events and actual results, financial or otherwise, to differ, potentially materially, from those discussed in or implied by the forward-looking statements include the risks and uncertainties discussed in our filings with the Securities and Exchange Commission. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur, and reported results should not be considered as an indication of future performance. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. This presentation also contains estimates and other statistical data made by independent parties and by Playtika relating to market size and growth and other data about Playtika's industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures of us, including Adjusted EBITDA and Credit Adjusted EBITDA. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flow of the company. You should not consider these non-GAAP financial measures in isolation, or as a substitute for analysis of results as reported under GAAP. For information regarding the non-GAAP financial measures used by us, and for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures, see the Appendix to this presentation.



THIRD QUARTER 2022 HIGHLIGHTS

Continued strength in casual portfolio

Business Metrics

- Overall revenue grew **1.9%** year-over-year
- Average Daily Paying Users increased **5.8%** year-over-year

Casual Portfolio Growth

- Casual games represented **54.9%** of overall revenues, compared to **48.9%** in Q3'21
- Casual games grew revenue **14.4%** year-over-year
- June's Journey grew revenues **32.5%** year-over-year
- Bingo Blitz grew revenues **14.7%** year-over-year
- Solitaire Grand Harvest grew revenue **14.3%** year-over-year

Social Casino Portfolio

- Social Casino games revenue declined **10.2%** year-over-year
- Slotomania revenue declined **12.7%** year-over-year
- House of Fun revenue declined **21.2%** year-over-year
- World Series of Poker grew revenue **8.2%** year-over-year

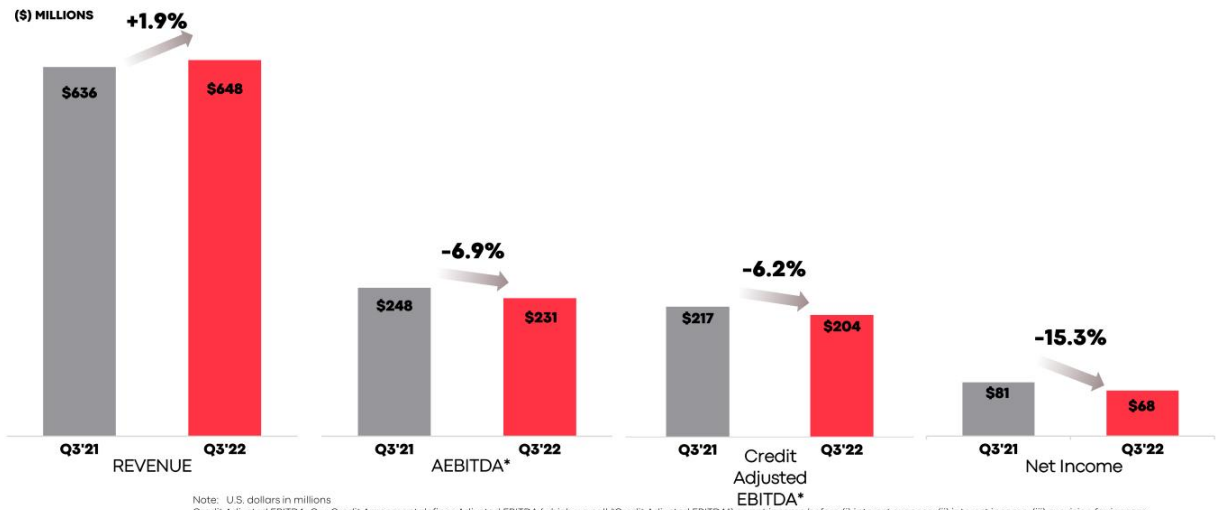
DTC Platforms¹

- Direct-to-Consumer revenue was **23.3%** of overall revenues, up from **21.7%** in Q3'21
- Direct-to-Consumer revenue grew **9.4%** year-over-year



⁽¹⁾ Proprietary Platforms is now referred to as "Direct-to-Consumer platforms"

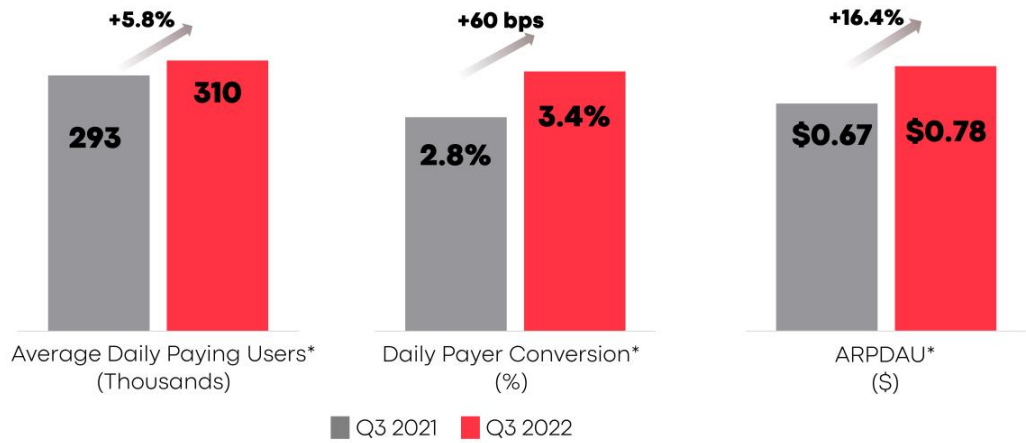
Q3 2022 REVENUE, AEBITDA, CREDIT ADJUSTED EBITDA, AND NET INCOME



Note: U.S. dollars in millions
 Credit-Adjusted EBITDA: Our Credit Agreement defines Adjusted EBITDA (which we call "Credit Adjusted EBITDA") as net income before (i) interest expense, (ii) provision for income taxes, (iv) depreciation and amortization expense, (v) stock-based compensation, (vi) contingent consideration, (viii) acquisition and related expenses, and (viii) certain other items.
 AEBITDA: We define Adjusted EBITDA as net income before (i) interest expense, (ii) interest income, (iii) provision for income taxes, (iv) depreciation and amortization expense, (v) stock-based compensation, (vi) contingent consideration, (vii) acquisition and related expenses, (viii) expense under our long-term compensation plans, (ix) M&A-related retention payments, and (x) certain other items. GAAP net income/loss for the 3 months ended 9/30/22 and 9/30/21 were \$68.2m and \$80.5m, respectively.
 Adjusted EBITDA and Credit Adjusted EBITDA are non-gaap measures, see reconciliation on slide 14.



LIVEOPS CONTINUE TO DRIVE PLAYER METRICS




Note: Percentages are rounded to the nearest tenth.

Average Daily Paying Users: the number of individuals who purchased, with real world currency, virtual currency or items in any of our games on a particular day.

Daily Payer Conversion: (i) the total number of DPUs, (ii) divided by the number of DAUs on a particular day. Average Daily Payer Conversion for a particular period is the average of the Daily Payer Conversion rates for each day during that period.

ARPDAU: Average Revenue per Daily Active User (i) the total revenue in a given period, (ii) divided by the number of days in that period, (iii) divided by the average DAUs during the period.

Q3'22 CASE STUDIES



Q3'22 Revenue
+32.5% Y/Y

- Albums feature continues to drive revenue growth
- The Vault feature driving growth in ARPDAU
- Enhanced LiveOps



Q3'22 Revenue
+14.7% Y/Y

- Majestic Blitz game feature driving increases in ARPDAU
- Introduced new bingo pattern, Sassy Sauces, increasing player engagement
- Offline campaigns driving new installs and revenue



Q3'22 Revenue
+14.3% Y/Y

- Gold Blast and Grand Album features driving revenue growth
- Successful marketing campaign driving new installs and revenue
- Improvements following Unity migration



Q3'22 Revenue
+8.2% Y/Y

- WSOP Main Event in July driving overall growth
- Bingo Poker launch
- Successful 4th album launch of "The Highs, The Lows, and the Pros"

SLOT-THEMED GAMES FACE CHALLENGING QUARTER

Challenges

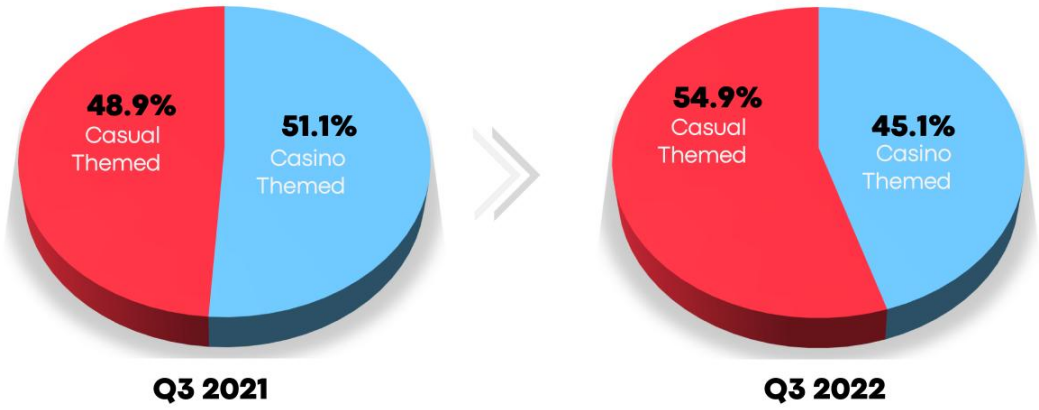
- Intensified product competition across slot-themed games
- Underperformance of specific features in Slotomania in Q3 2022

Looking Ahead

- Stabilization efforts to maintain top-line revenues with a focus on overall adjusted EBITDA generation
- Marketing spend cutback to pursue a more efficient studio model



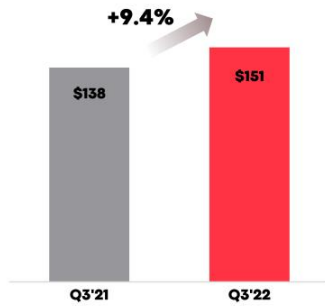
REVENUE MIX SHIFT TO CASUAL INCREASING



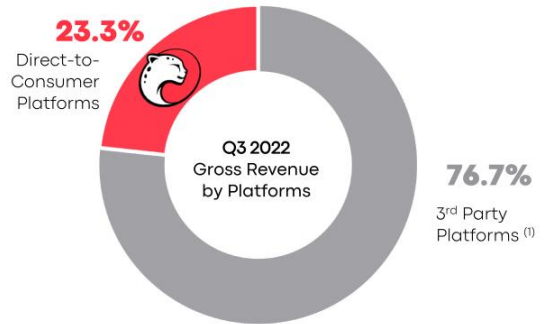
Casual Themed games includes: Bingo Blitz, Solitaire Grand Harvest, June's Journey, Best Fiends, Board Kings, Pirate Kings, Pearls Peril, Best Fiends Stars, Redecor and Other.
Casino Themed games includes: Slotomania, House of Fun, Caesars Slots, World Series of Poker, and Other.

DIRECT TO CONSUMER PLATFORM GROWTH CONTINUES

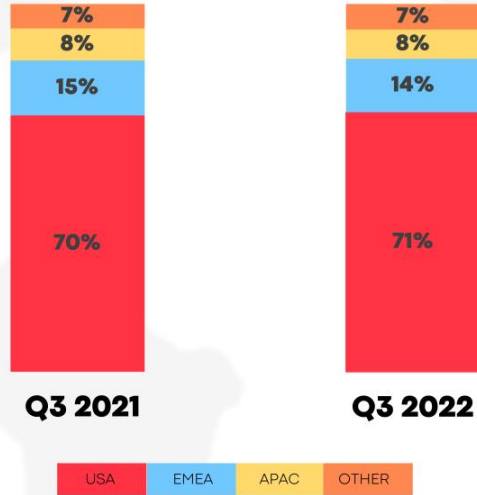
- Direct-to-Consumer revenue grew **9.4%** year-over-year



- Direct-to-Consumer revenue grew to **23.3%** of overall revenues compared to **21.7%** in Q3'21



REVENUE BY GEOGRAPHY



FY2022
GUIDANCE

**No Change to Prior FY 2022
Revenue and Adjusted EBITDA
Guidance**



APPENDIX

RECONCILIATION

(in millions)	Three months ended September		(in millions)	Three months ended September	
	30,			30,	
	2021	2022		2021	2022
	Unaudited			Unaudited	
Net income	\$ 80.5	\$ 68.2	Credit Adjusted EBITDA	\$ 217.0	\$ 203.5
Provision for income taxes	49.1	38.9	Long-term cash compensation	28.5	27.0
Interest and other, net	24.9	24.3	M&A related retention payments	2.3	0.2
Depreciation and amortization	36.5	39.6	Adjusted EBITDA	\$ 247.8	\$ 230.7
EBITDA	191.0	171.0	Adjusted EBITDA Margin	39.0%	35.6%
Stock-based compensation	23.0	31.6			
Contingent Consideration	-	(11.4)			
Acquisition and related expenses	1.2	6.1			
Other one-time items	1.8	6.2			
Credit Adjusted EBITDA	\$ 217.0	\$ 203.5			
Net Income Margin	12.7%	10.5%			
Credit Adjusted EBITDA Margin	34.1%	31.4%			

Credit Adjusted EBITDA: Our Credit Agreement defines Adjusted EBITDA (which we call "Credit Adjusted EBITDA") as net income before (i) interest expense, (ii) interest income, (iii) provision for income taxes, (iv) depreciation and amortization expense, (v) stock-based compensation, (vi) contingent consideration, (vii) acquisition and related expenses, and (viii) certain other items. Executive management is compensated, in part, based upon achieving certain Adjusted EBITDA targets as more completely described in our proxy statement. Adjusted EBITDA for these purposes represents Credit Adjusted EBITDA shown above, further adjusted to reflect certain elements of cash-based compensation and other items.

We supplementally present Adjusted EBITDA because it is a key operating measure used by our management to assess our financial performance. Adjusted EBITDA adjusts for items that we believe do not reflect the ongoing operating performance of our business, such as certain non-cash items, unusual or infrequent items or items that change from period to period without any material relevance to our operating performance. Management believes Adjusted EBITDA is useful to investors and analysts in highlighting trends in our operating performance, while other measures can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments. Management uses Adjusted EBITDA to supplement GAAP measures of performance in the evaluation of the effectiveness of our business strategies, to make budgeting decisions, and to compare our performance against other peer companies using similar measures. We evaluate Adjusted EBITDA in conjunction with our results according to GAAP because we believe it provides investors and analysts a more complete understanding of factors and trends affecting our business than GAAP measures alone. Adjusted EBITDA should not be considered as an alternative to net income (loss) as a measure of financial performance, or any other performance measure derived in accordance with GAAP.

