PREPARED REMARKS

Q3 FISCAL 2023

TAE LEE: SVP, CORPORATE FINANCE & INVESTOR RELATIONS

Welcome everyone and thank you for joining us today for the third 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.

We have posted an accompanying slide deck to our investor relations website which contains information on forward-looking statements and non-GAAP measures and we will also post our prepared remarks immediately following the call.

For a more complete discussion of the risks and uncertainties, please see our filings with the SEC.

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. Before we speak about our business and financial results, I would like to take a moment to address the current situation in Israel, which has affected us all. As you are aware, Israel has recently faced a tragic and senseless act of terrorism that has left our heart heavy with grief.

Fortunately, I can report that all Playtika team members are currently accounted for and safe. However, it pains me to know that some of our colleagues are experiencing the grief of having lost loved ones. Our hearts go out to them, and we offer our deepest condolences and support.

We are committed to ensuring the safety of our team, the success of our business, and our unwavering support for our community. We conduct significant operations in Israel, and most of our senior management is based in our Herzliya office with most corporate functions led from the US. We have approximately 1,100 employees in Israel, which represents approximately 29% of our global workforce. As of this week, about 14% of our colleagues in Israel have been activated from the Israeli military reserves.

As we continue to closely manage the situation, we have begun our business contingency planning and will make necessary adjustments as the situation progresses.

Currently, our team members in Israel are mostly working from home, with support from our colleagues across the global offices of Playtika. We have moved a limited number of employees from Israel to Poland and Romania to provide redundancy in case the situation in Israel escalates.

Our technology infrastructure stands as a critical pillar supporting the performance of our games, ensuring uptime and redundancy. Many of our games operate on our private cloud, which are maintained through two data centers in the US, and another data center in the EU supporting corporate infrastructure.

We want to emphasize that as a company with a history of operating in regions facing geopolitical challenges, we believe we are well-prepared to navigate the challenges with the war in Israel. We remain committed to safeguarding our operations, our employees, and the interests of our shareholders. We have faced adversity before, and we have always emerged stronger and more united.

I'll now turn it over to Craig to speak about the quarter.

CRAIG ABRAHAMS: PRESIDENT AND CHIEF FINANCIAL OFFICER

Thank you, Robert.

Before we dive into the business and financial results for the quarter, I would like to highlight our recent strategic acquisitions of InnPlay Labs and Youda Games.

Our acquisition of InnPlay offers an expansion into a new, exciting "Luck Battle" genre with a growing player base. InnPlay is an Israeli-based company known for their recently rebranded title, Animals & Coins. Animals & Coins is an emerging title with high growth potential, and we structured the earnout to be reflective of our goal to fuel this growth profile. This transaction is a testament that our footprint in mobile gaming hubs around the world continues to benefit us as we evaluate local M&A prospects.

Earlier in the quarter, we also announced a carve-out acquisition of the Youda Games portfolio, known for their largest franchise, "Governor of Poker". We are encouraged by the fact that we not only acquired this portfolio at an attractive multiple, but it is also EBITDA accretive on day one. This transaction has an earnout structure in place to incentivize the team to maximize EBITDA contribution and focus on profitable growth. This transaction also serves as a testament to our proficiency in executing complex acquisitions. In this instance, we successfully acquired an asset of another business, in a region where we lacked an existing footprint, while enhancing our portfolio with a proven franchise.

As we look to next year, we have a positive view of the M&A market conditions and remain committed to capitalizing on favorable opportunities. The robust free cash flow generation of our business model and large cash position enables us to self-finance our acquisitions, which is a competitive advantage in the current market environment.

Furthermore, I am also excited to highlight our recent partnership with Netflix, where we launched our internally developed title Ghost Detective, a Hidden Object game built by our Wooga studio. This is a significant milestone that represents our ability to deliver best-in-class entertainment experiences to global audiences across many platforms.

Turning to our financial results. Our performance in the quarter was consistent with the seasonal headwinds we typically face in the third quarter and is in-line with our expectation for the industry to be flat-to-slightly down this year.

For the quarter, we generated $630.1 million of revenue, down (2.0)% sequentially and (2.7)% year over year. Net Income was $37.9 million, including the impact of an impairment charge of $41.6 million related to Redecor, compared to Net

Income of $68.2 million in Q3 of 2022. Credit Adjusted EBITDA was $205.6 million, down (4.4)% sequentially and up 1.0% year over year. Our Credit Adjusted EBITDA margin was 32.6% in the quarter, compared to 33.4% in Q2 and 31.4% in Q3 last year. We generated $161.0 million in revenue from our Direct-to-Consumer platforms, down (2.6)% sequentially and up 6.8% year over year. Our Direct-to-Consumer business now makes up 25.6% of our overall revenues, down slightly from 25.7% last quarter.

Turning now to our business results for the quarter.

Revenue across our casual-themed games declined (2.1)% sequentially and was flat year over year. The double-digit growth year over year in June's Journey and Solitaire Grand Harvest was offset by declines in other titles such as Bingo Blitz, Best Fiends, and Redecor.

Bingo Blitz revenue was $149.7 million, down (4.3)% sequentially and (4.6)% year over year. While we saw slight declines in Bingo topline performance, we are confident in the long-term health and growth profile of this game. As the largest game in our portfolio, it was partially negatively affected by some of the largest and fastest growing casual games in our industry making substantial performance marketing investments. Bingo Blitz remains the number one game in its category with a strong community of dedicated and loyal players.

Solitaire Grand Harvest revenue was $79.1 million, down (3.3)% sequentially, off a record Q2, and up 13.7% year over year. While we experienced some normalization quarter over quarter, the studio experienced successful feature launches in September; the main contributions being the release of Team vs. Team and the release of "Pets".

Shifting to our Social Casino-themed games. Social Casino-themed games revenue declined (1.7)% sequentially and down (6.6)% year over year.

Slotomania revenue was $141.9 million, down (1.9)% sequentially and down (5.5)% year over year. Despite the seasonal headwinds in the third quarter, we are encouraged to see sequential stabilization in Slotomania, and while Slotomania continues to decline year over year, we are encouraged to note that the pace of decline has moderated compared to prior quarters. We have started to invest more in marketing at the studio alongside content packages released in the quarter.

Turning now to specific line items in our P&L for the second quarter.

Cost of revenue decreased (4.3)% year over year, primarily due to an increase in revenues flowing through our Direct-to-Consumer platforms.

Operating expenses declined (3.0)% year over year.

R&D decreased by (11.2)% year over year. The lower R&D expenses were driven by savings in labor cost from our reduction in force earlier this year and savings from various discretionary operating expenses across the organization.

Sales & Marketing decreased by (1.8)% year over year. The decline in sales & marketing expenses year over year was driven by reduced headcount, slightly offset by increased performance marketing and other marketing expenses as we looked to be opportunistic in investing in our largest titles, as we mentioned at the beginning of the year.

G&A expenses increased by 7.4% year over year. Savings across certain discretionary G&A categories were offset by a reversal in contingent considerations that we booked in Q3 of FY22 regarding M&A retention payments related to the earnout of our Redecor acquisition; on an adjusted basis, G&A declined by (6.9)% year over year.

As of September 30th, we had approximately $878.2 million in cash and cash equivalents.

Looking at our operational metrics, Average DPU declined (3.5)% year over year to 299K. Average DAU declined by (6.7)% year over year to 8.4 million, primarily driven by declining DAU in Best Fiends, Slotomania, and Redecor. Despite the decline in average DAU in Slotomania, we are encouraged to see stabilization in Slotomania's DPU in the quarter. Our focus on Tier-1 DAU also contributed to the decline in average DAU. ARPDAU increased 3.8% year over year to $0.81 cents.

As for our Financial Guidance for 2023, we are revising our revenue range to $2.55 to $2.565 billion, and we now expect Credit Adj. EBITDA between $825 and $832 million. We expect capital expenditures of approximately $95 million.

While we are focused today on our Q3 performance, it is important to acknowledge the current war in Israel, and the potential impact to future business performance. The ongoing conflict is dynamic and highly uncertain. While we are not providing specific guidance for next year at this point, we want to make it clear that an escalated conflict may introduce various challenges that may impact our financial performance.

We will continue to adapt and respond as needed to attempt to ensure the best outcome for our company, our employees and for our shareholders.

We kindly request that questions during this earnings call remain focused on our business developments and financial performance for the quarter, allowing us to provide you with the most relevant and important updates. Thank you for your understanding and support.

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