



PREPARED REMARKS

Q4 FISCAL 2021

DAVID NIEDERMAN – VP of IR

Welcome to everyone and thank you for joining us today for the fourth quarter 2021 earnings call for Playtika Holding Corp.

I'd like to remind you that today's discussion may contain forward-looking statements. Any such statements are not a guarantee of future performance, but rather are subject to risks and uncertainties, some of which are beyond our control. Any such 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 any forward-looking statements after this call. For a more complete discussion of the risks and uncertainties, please see our filings with the SEC.

We previously posted an accompanying slide deck to our investor relations website on February 24 and will also post our prepared remarks immediately following the call.

Finally, we would like to remind investors that we will not be providing any financial guidance on this call, nor will we be addressing the press release

published February 24 announcing that Playtika's board of director's approved evaluating strategic alternatives for the company. We ask that participants on this call please restrict questions to topics regarding our fourth quarter and 2021 results. With that, I will now turn the call over to Craig Abrahams, Playtika's President and Chief Financial Officer.

CRAIG ABRAHAMS: PLAYTIKA'S— PRESIDENT AND CHIEF FINANCIAL OFFICER

Thank you to everyone joining our call today.

We closed out 2021 with strong momentum across the company. In the fourth quarter we grew revenue 13.2% year-over-year. This resulted in full year revenue up 8.9%, to \$2.58 billion, and adjusted EBITDA of \$982.7 million, exceeding our prior guidance of \$2.57 billion and \$980 million, respectively.

We achieved these results by steadily executing on our growth strategy and leveraging our industry-leading Live Ops capabilities to grow our core game portfolio. Our Casual portfolio grew 22.0%, with Solitaire Grand Harvest and Bingo Blitz leading the way with 56.0% and 22.4% growth respectively, demonstrating the power of our Boost technology and Live Ops platform to drive exceptional performance in our established games.

While the Casino portfolio was down 1.8% year-over-year, this decline came on the back of a very strong Covid-driven 12.2% increase in 2020. Across the two-year period, Casino games grew at a 5.0% compounded annual growth rate.

We ramped our expansion into new categories during 2021 with the acquisition of 80% of the equity of Reworks in August and the launch of Wooga's new game Switchcraft in October, as well as ongoing development work on two additional new game launches. The first full quarter of revenue from Reworks' Redecor design entertainment application helped our Casual portfolio generate more than 50% of our total revenue in the fourth quarter, a milestone that demonstrates our ability to deploy our Boost technology and Live Ops approach across all game and entertainment genres.

Turning to the fourth quarter, our revenue growth of 13.2% year-over-year was also a 2.1% sequential increase. The Casual portfolio led the way, with year-over-year growth accelerating to nearly 31.5%. Our Casual games comprised 51.8% of revenue in the quarter.

Solitaire Grand Harvest remained our fastest growing game with 60.1% growth as both DAU and ARPDAU continue to rise. The game's migration to Unity is tracking ahead of schedule, with its rollout slated to begin later this month. June's Journey, grew 36.0% year-over-year. Through the Boost platform, we launched multiple collectible album promotions which resulted in June Journey's strong performance and record increase in daily payer conversion.

In the Casino portfolio, revenue was down 2.4% year-over-year with growth in Caesars and World Series of Poker offset by declines in Slotomania and House of Fun. We were encouraged by the response we saw to new events and products in World Series of Poker which drove monetization and, together with an enhanced new user experience, led to a steady increase in DAUs in the quarter, and 7.3% revenue growth on a sequential basis. Caesars also realized increases in conversion and ARPDAU as we launched new and improved events, helping the game grow 7.1% year-over-year which is a strong milestone in a game that recently celebrated its tenth birthday.

Financials

Turning to our P&L, cost of goods as a percentage of revenue declined year-over-year from 30.3 to 28.2%. This shift was primarily driven by the percentage of

revenue flowing through our proprietary direct-to-consumer platforms to 21.7%, up from 15.5% in the fourth quarter of 2020. Our Direct-to-Consumer platforms continue to be a competitive advantage and strong source of margin for Playtika. I'd like to add a quick comment highlighting that we are now referring to our proprietary platforms as our Direct-to-Consumer platforms. While it's just a change in name, we felt it important and appropriate, as it better describes what we have achieved, and more importantly, points to the future potential of this piece of the business.

Regarding operating expenses, our R&D, Sales and Marketing and G&A were all essentially in-line with our expectations as we continue to add team members to support our future growth plans and invested in new user acquisition and marketing campaigns.

GAAP net income was \$102.3 million compared to \$76.0 million in the prior year quarter. With the successful refinancing of our debt in March of 2021, we significantly lowered our future cash interest costs. As such, we reduced the associated need to repatriate cash from our foreign subsidiaries, so we were able to reverse approximately \$46 million in tax reserves to pay withholding taxes on

future repatriated cash. Adjusted EBITDA was \$212.5 million, representing a margin of 32.7%. This compares to \$210.4 million and 36.7% in the fourth quarter of 2020.

As of December 31st we had approximately \$1.1 billion in cash and cash equivalents and \$1.7 billion in available liquidity to fund growth opportunities.

With that, we would be happy to take your questions. We ask that you limit your questions to the fourth quarter and full year 2021.