

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, 2023

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, 2023, Playtika Holding Corp. issued a press release announcing its financial results for the quarter ended September 30, 2023. 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	<a href="#">Press Release dated November 8, 2023</a>
99.2	<a href="#">Third Quarter 2023 Earnings Presentation</a>
104	Cover page interactive data file (embedded within the Inline XBRL document).

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**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, 2023

## Playtika Holding Corp. Reports Q3 2023 Financial Results

**Total Revenue of \$630.1 million and DTC Platforms Revenue of \$161.0 million**  
**GAAP Net Income of \$37.9 million and Credit Adj. EBITDA of \$205.6 million**  
**Completes Acquisition of Youda Games and InnPlay Labs**

Herzliya, Israel - November 8, 2023 - Playtika Holding Corp. (NASDAQ: PLTK) today released financial results for its third quarter for the period ending September 30, 2023.

### Financial Highlights:

- Revenue of \$630.1 million decreased (2.0)% sequentially and (2.7)% year over year.
- DTC platforms revenue of \$161.0 million decreased (2.6)% sequentially and increased 6.8% year over year.
- Net income of \$37.9 million decreased (49.9)% sequentially and (44.4)% year over year.
- Credit Adjusted EBITDA of \$205.6 million decreased (4.4)% sequentially and increased 1.0% year over year.
- Cash and cash equivalents totaled \$878.2 million as of September 30, 2023.

“Our commitment to operational stability and delivering exceptional immersive gaming experiences remains unwavering amid the backdrop of conflict,” said Robert Antokol, Chief Executive Officer. “It is in the very DNA and culture of Playtika to persevere, adapt and thrive. Our team in Israel and around the globe is dedicated to upholding our mission, serving our players and delivering value to our investors, even in the face of adversity.”

“Through resolute management we continue to generate robust free cash flow and deliver strong Credit Adj. EBITDA margins to invest in strategic, high-ROI activities like our two recent acquisitions of InnPlay Labs and Youda Games,” said Craig Abrahams, President and Chief Financial Officer. “We will continue to focus on leveraging our proprietary technology and live operations to optimize games and enhance the player experience.”

### Selected Operational Metrics and Business Highlights

- Average Daily Paying Users of 299K decreased (2.6)% sequentially and (3.5)% year over year.
- Average Payer Conversion of 3.6%, flat vs. the prior quarter and increased from 3.4% in the prior year period.
- Casual games revenue decreased (2.1)% sequentially and flat year over year.
- Social casino-themed games revenue decreased (1.7)% sequentially and (6.6)% year over year.
- Bingo Blitz revenue of \$149.7 million decreased (4.3)% sequentially and (4.6)% year over year.
- Solitaire Grand Harvest revenue of \$79.1 million decreased (3.3)% sequentially and increased 13.7% year over year.
- Slotomania revenue of \$141.9 million decreased (1.9)% sequentially and (5.5)% year over year.

### Financial Outlook

We are revising our revenue range to \$2.550 to \$2.565 billion and we now expect Credit Adj. EBITDA between \$825 to \$832 million. We expect capital expenditures of approximately \$95 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](https://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.

(in millions of dollars, except percentages, Average DPUs, and ARPDau)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Revenues</b>	\$ 630.1	\$ 647.8	\$ 1,929.1	\$ 1,984.3
Total cost and expenses	\$ 540.1	\$ 516.4	\$ 1,547.5	\$ 1,641.2
<b>Operating income</b>	\$ 90.0	\$ 131.4	\$ 381.6	\$ 343.1
<b>Net income</b>	\$ 37.9	\$ 68.2	\$ 197.7	\$ 187.8
<b>Credit Adjusted EBITDA</b>	\$ 205.6	\$ 203.5	\$ 643.3	\$ 602.5
<b>Net income margin</b>	6.0 %	10.5 %	10.2 %	9.5 %
<b>Credit Adjusted EBITDA margin</b>	32.6 %	31.4 %	33.3 %	30.4 %
<b>Non-financial performance metrics</b>				
Average DAUs	8.4	9.0	8.7	9.7
Average DPUs (in thousands)	299	310	311	315
Average Daily Payer Conversion	3.6 %	3.4 %	3.6 %	3.3 %
ARPDau	\$ 0.81	\$ 0.78	\$ 0.81	\$ 0.75
Average MAUs	28.4	30.2	29.0	32.4

## 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 par value)

	September 30, 2023 (Unaudited)	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 878.2	\$ 768.7
Restricted cash	1.9	1.7
Accounts receivable	168.3	141.1
Prepaid expenses and other current assets	119.5	113.4
<b>Total current assets</b>	<b>1,167.9</b>	<b>1,024.9</b>
Property and equipment, net	109.5	125.7
Operating lease right-of-use assets	104.7	104.2
Intangible assets other than goodwill, net	303.6	354.0
Goodwill	1,005.2	811.2
Deferred tax assets, net	71.9	68.3
Investments in unconsolidated entities	54.1	52.6
Other non-current assets	160.7	156.7
<b>Total assets</b>	<b>\$ 2,977.6</b>	<b>\$ 2,697.6</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>Current liabilities</b>		
Current maturities of long-term debt	\$ 16.9	\$ 12.4
Accounts payable	38.2	50.7
Operating lease liabilities, current	18.4	13.5
Accrued expenses and other current liabilities	327.1	385.2
<b>Total current liabilities</b>	<b>400.6</b>	<b>461.8</b>
Long-term debt	2,402.4	2,411.2
Contingent consideration	77.4	—
Other long-term liabilities, including employee related benefits	247.6	252.1
Operating lease liabilities, long-term	89.6	94.5
Deferred tax liabilities	41.9	46.6
<b>Total liabilities</b>	<b>3,259.5</b>	<b>3,266.2</b>
<b>Commitments and contingencies</b>		
<b>Stockholders' equity (deficit)</b>		
Common stock of \$0.01 par value; 1,600.0 shares authorized; 367.1 and 363.6 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	4.1	4.1
Treasury stock at cost (51.8 shares at both September 30, 2023 and December 31, 2022)	(603.5)	(603.5)
Additional paid-in capital	1,237.9	1,155.8
Accumulated other comprehensive income	24.5	17.6
Accumulated deficit	(944.9)	(1,142.6)
<b>Total stockholders' deficit</b>	<b>(281.9)</b>	<b>(568.6)</b>
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 2,977.6</b>	<b>\$ 2,697.6</b>

**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,	
	2023	2022	2023	2022
<b>Revenues</b>	\$ 630.1	\$ 647.8	\$ 1,929.1	\$ 1,984.3
<b>Costs and expenses</b>				
Cost of revenue	173.9	181.8	537.9	554.8
Research and development	102.2	115.1	304.9	353.0
Sales and marketing	142.8	145.4	427.7	476.9
General and administrative	79.6	74.1	225.7	256.5
Impairment of intangible assets	41.6	—	51.3	—
<b>Total costs and expenses</b>	540.1	516.4	1,547.5	1,641.2
<b>Income from operations</b>	90.0	131.4	381.6	343.1
Interest and other, net	25.2	24.3	76.9	74.2
<b>Income before income taxes</b>	64.8	107.1	304.7	268.9
Provision for income taxes	26.9	38.9	107.0	81.1
<b>Net income</b>	37.9	68.2	197.7	187.8
<b>Other comprehensive income (loss)</b>				
Foreign currency translation	(4.1)	(14.5)	(1.2)	(27.8)
Change in fair value of derivatives	1.1	10.5	8.1	23.3
<b>Total other comprehensive income (loss)</b>	(3.0)	(4.0)	6.9	(4.5)
<b>Comprehensive income</b>	\$ 34.9	\$ 64.2	\$ 204.6	\$ 183.3
<b>Net income per share attributable to common stockholders, basic</b>	\$ 0.10	\$ 0.17	\$ 0.54	\$ 0.46
<b>Net income per share attributable to common stockholders, diluted</b>	\$ 0.10	\$ 0.17	\$ 0.54	\$ 0.46
<b>Weighted-average shares used in computing net income per share attributable to common stockholders, basic</b>	366.7	412.7	365.8	412.3
<b>Weighted-average shares used in computing net income per share attributable to common stockholders, diluted</b>	367.6	412.7	366.3	412.6



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

	<b>Nine months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>	\$ 336.3	\$ 316.3
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(16.8)	(38.3)
Capitalization of internal use software costs	(27.8)	(30.6)
Purchase of software for internal use	(9.0)	(7.7)
Short-term bank deposits	—	100.1
Payments for business combination, net of cash acquired	(160.6)	(29.9)
Other investing activities	(1.1)	(9.8)
Net cash used in investing activities	(215.3)	(16.2)
<b>Cash flows from financing activities</b>		
Repayments on bank borrowings	(9.5)	(14.2)
Net cash outflow for business acquisitions	—	(26.9)
Payment of tax withholdings on stock-based payments	(2.6)	(2.1)
Net cash used in financing activities	(12.1)	(43.2)
<b>Effect of exchange rate changes on cash and cash equivalents and restricted cash</b>	0.8	(18.9)
<b>Net change in cash, cash equivalents and restricted cash</b>	109.7	238.0
<b>Cash, cash equivalents and restricted cash at the beginning of the period</b>	770.4	1,019.0
<b>Cash, cash equivalents and restricted cash at the end of the period</b>	\$ 880.1	\$ 1,257.0

## 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) impairment of intangible assets, (vi) stock-based compensation, (vii) contingent consideration, (viii) acquisition and related expenses, and (ix) 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,	
	2023	2022	2023	2022
<b>Net income</b>	\$ 37.9	\$ 68.2	\$ 197.7	\$ 187.8
Provision for income taxes	26.9	38.9	107.0	81.1
Interest expense and other, net	25.2	24.3	76.9	74.2
Depreciation and amortization	38.4	39.6	116.0	121.7
<b>EBITDA</b>	128.4	171.0	497.6	464.8
Impairment of intangible assets	41.6	—	51.3	—
Stock-based compensation <sup>(1)</sup>	28.0	31.6	82.5	106.8
Contingent consideration	—	(11.4)	—	(14.1)
Acquisition and related expenses <sup>(2)</sup>	5.6	6.1	8.7	19.7
Other items <sup>(3)</sup>	2.0	6.2	3.2	25.3
<b>Credit Adjusted EBITDA</b>	\$ 205.6	\$ 203.5	\$ 643.3	\$ 602.5
<b>Net income margin</b>	6.0 %	10.5 %	10.2 %	9.5 %
<b>Credit Adjusted EBITDA margin</b>	32.6 %	31.4 %	33.3 %	30.4 %

<sup>(1)</sup> Reflects, for the three and nine months ended September 30, 2023 and 2022, stock-based compensation expense related to the issuance of equity awards to certain of our employees.

<sup>(2)</sup> Amounts for the three and nine months ended September 30, 2023 and 2022 primarily relate to expenses incurred by the Company in connection with the evaluation of strategic alternatives for the Company.

<sup>(3)</sup> Amounts for the three and nine months ended September 30, 2023 consist primarily of \$0.8 million and \$1.5 million, respectively, incurred by the Company for severance and, for the three and nine months ended September 30, 2023, \$1.0 million for tax settlement paid under protest. Amounts for the three and nine months ended September 30, 2022 consist 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 restructuring activities announced last year.

**Contacts**

**Investor Relations**

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**Press Contact**

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Darlanm@playtika.com



***PLAYTIKA HOLDING CORP.***

**Third Quarter 2023 Results**

November 8, 2023

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# FINANCIAL HIGHLIGHTS

- Revenue of \$630.1 million, Net Income of \$37.9 million, and Credit Adjusted EBITDA of \$205.6 million.
  - Revenue decreased (2.0)% sequentially and (2.7)% year over year.
  - Net income decreased (49.9)% sequentially and (44.4)% year over year.
  - Credit Adjusted EBITDA decreased (4.4)% sequentially and increased 1.0% year over year.
- Direct-to-Consumer Platforms revenue decreased (2.6)% sequentially and increased 6.8% year over year.
- Net income margin of 6.0%, compared to 11.8% in Q2 2023 and 10.5% in Q3 2022.
- Credit Adjusted EBITDA margin of 32.6%, compared to 33.4% in Q2 2023 and 31.4% in Q3 2022.
- Cash and cash equivalents totaled \$878.2 million as of September 30, 2023.

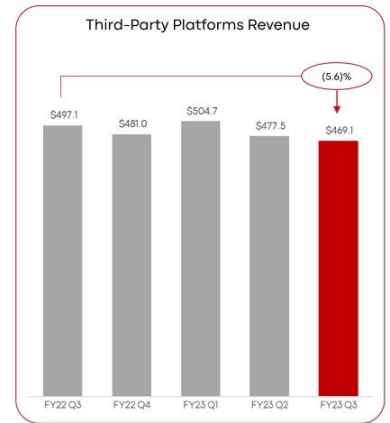
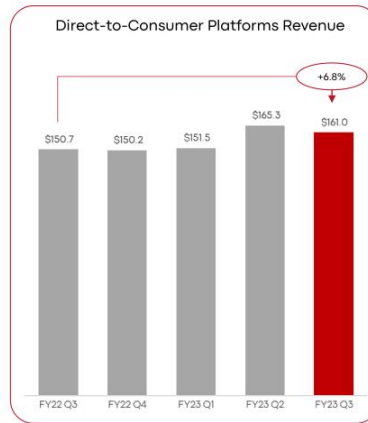


Note: USD in millions.  
See appendix for definition of Credit Adjusted EBITDA. Credit Adjusted EBITDA is a non-gaap measure, see reconciliation on slide 12.

# **BUSINESS HIGHLIGHTS**

- Average Daily Paying Users of 299K decreased (2.6)% sequentially and (3.5)% year over year.
- Average Payer Conversion of 3.6%, flat versus the prior quarter and up from 3.4% in the prior year period.
- Bingo Blitz revenue of \$149.7 million decreased (4.3)% sequentially and (4.6)% year over year.
  - Remains the number one game in its category with a strong community of dedicated and loyal players.
- Solitaire Grand Harvest revenue of \$79.1 million decreased (3.3)% sequentially and increased 13.7% year over year.
  - Successful feature launches in September including "Team vs. Team" and "Pets".
- Slotomania revenue of \$141.9 million decreased (1.9)% sequentially and (5.5)% year over year.
  - Stabilization in daily paying userbase.

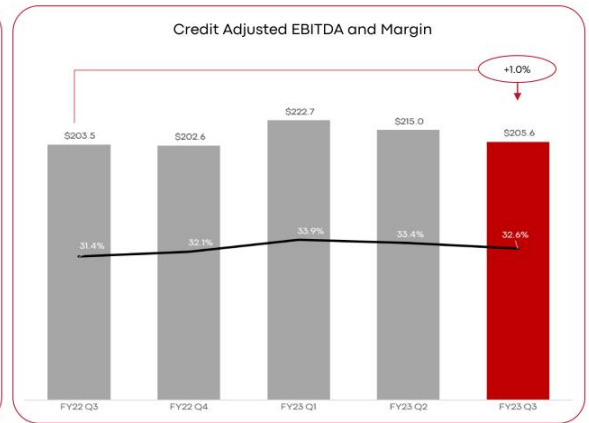
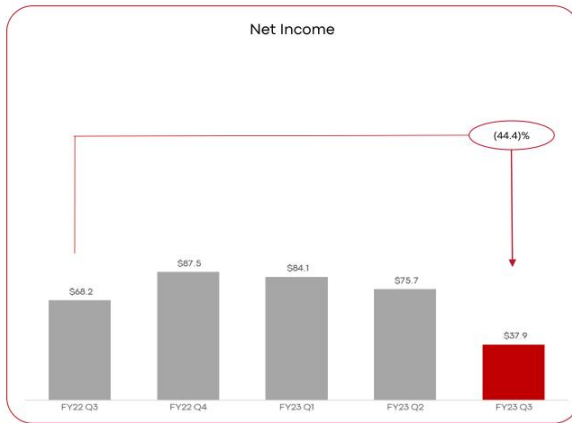
# QUARTERLY REVENUE BY PLATFORM



Note: USD in millions.  
See appendix for definitions of Direct-to-Consumer Platforms.

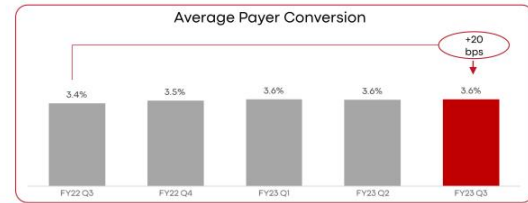
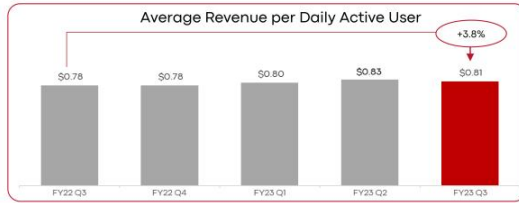
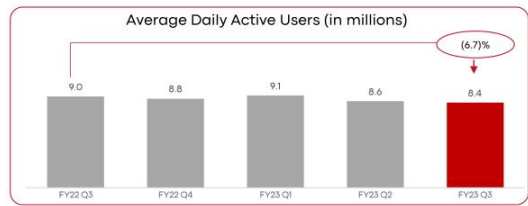
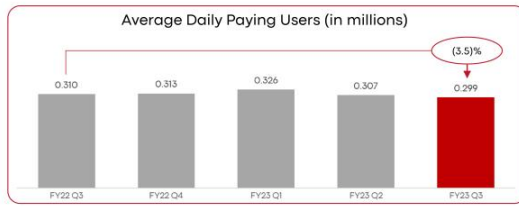


# SELECTED QUARTERLY FINANCIALS

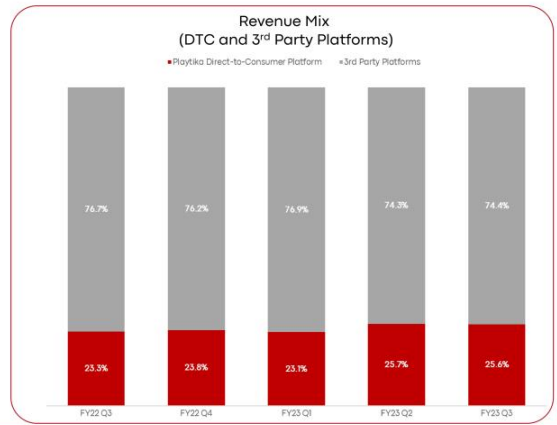
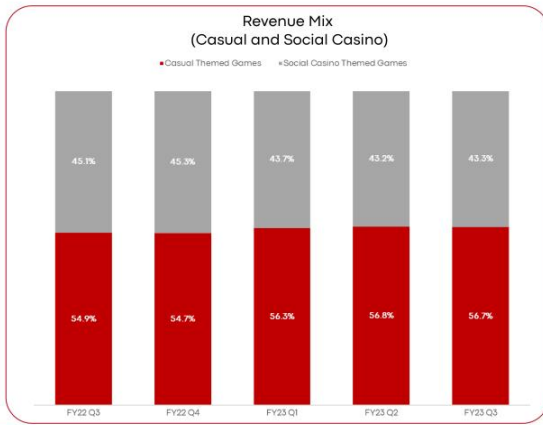


Note: USD in millions.  
See appendix for definitions of Credit Adjusted EBITDA. Credit Adjusted EBITDA is a non-gaap measure, see reconciliation on slide 12.

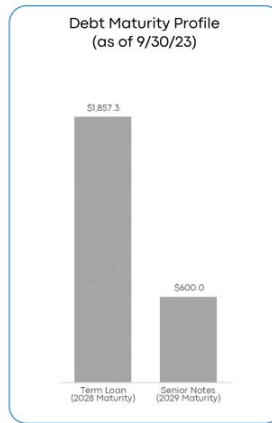
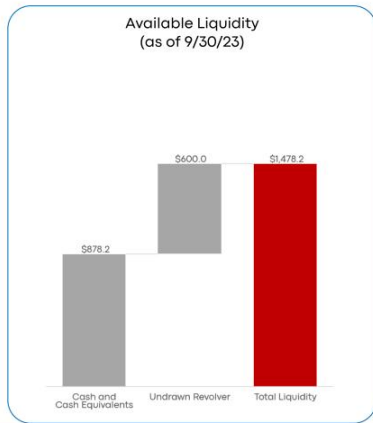
# QUARTERLY KPI TRENDS



# REVENUE CONTRIBUTION



# CAPITAL STRUCTURE OVERVIEW



Capital Structure and Capital Allocation

- Approximately \$1.48 billion in available liquidity
- Liquidity is expected to continue to improve with Free Cash Flow generation
- No near-term debt maturities
- Net LTM leverage of approximately 1.9x

## **FISCAL YEAR 2023 GUIDANCE**

	FY22 Actual	FY23 Guidance
Revenue	\$2,615.5 million	\$2,550 to \$2,565 million
Credit Adjusted EBITDA	\$805.1 million	\$825 to \$832 million
Credit Adjusted EBITDA Margin	30.8%	32.4%
Capital Expenditures	\$110 million	\$95 million
<ul style="list-style-type: none"><li>Revising our revenue range to \$2,550 to \$2,565 million and we now expect Credit Adj. EBITDA between \$825 to \$832 million. We expect capital expenditures of approximately \$95 million.</li></ul>		



Note: USD in millions.  
See appendix for definition of Credit Adjusted EBITDA. Credit Adjusted EBITDA is a non-gaap measure, see reconciliation of historical figures on slide 13.

# APPENDIX

## Non-GAAP Financial Measure

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) impairment of intangible assets, (vi) stock-based compensation, (vii) contingent consideration, (viii) acquisition and related expenses, and (ix) certain other items. We calculate Credit Adjusted EBITDA Margin as Credit Adjusted EBITDA divided by revenues.

We supplementally present Credit Adjusted EBITDA because it is a key operating measure used by our management to assess our financial performance. Credit Adjusted EBITDA adjusts for items that we believe do not reflect the ongoing operating performance of our business, such as certain noncash items, unusual or infrequent items or items that change from period to period without any material relevance to our operating performance. Management believes Credit 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 Credit 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 Credit 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. Credit 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.

# APPENDIX

## Reconciliation of GAAP to Non-GAAP Measure

	Three Months Ended,				
	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023
<i>Credit Adjusted EBITDA Reconciliation</i>					
<b>Net Income</b>	\$ 68.2	\$ 87.5	\$ 84.1	\$ 75.7	\$ 37.9
Provision for income taxes	38.9	4.4	39.7	40.4	26.9
Interest expense and other, net	24.3	36.4	28.6	23.1	25.2
Depreciation and amortization	39.6	40.3	39.1	38.5	38.4
<b>EBITDA</b>	\$ 171.0	\$ 168.6	\$ 191.5	\$ 177.7	\$ 128.4
Impairment of intangible assets	-	-	-	9.7	41.6
Stock-based compensation (1)	31.6	16.7	29.2	25.3	28.0
Contingent consideration	(11.4)	(0.2)	-	-	-
Acquisition and related expenses (2)	6.1	5.0	1.2	1.9	5.6
Other items (3)	6.2	12.5	0.8	0.4	2.0
<b>Credit Adjusted EBITDA</b>	\$ 203.5	\$ 202.6	\$ 222.7	\$ 215.0	\$ 205.6

(1) Reflects, for the three months ended September 30, 2023 and 2022, stock-based compensation expense related to the issuance of equity awards to certain of our employees.

(2) Amounts for the three months ended September 30, 2023 and 2022 primarily relate to expenses incurred by the Company in connection with the evaluation of strategic alternatives for the Company.

(3) Amounts for the three months ended September 30, 2023 consist primarily of \$0.8 million, incurred by the Company for severance and, for the three months ended September 30, 2023, \$1.0 million for tax settlement paid under protest. Amounts for the three months ended September 30, 2022 consist of \$1.9 million, incurred by the Company for severance. Amounts for the three months ended September 30, 2022 also include \$2.7 million, incurred related to the restructuring activities announced last year.



Note: USD in millions.

# APPENDIX

## Reconciliation of GAAP to Non-GAAP Measure

	Twelve Months Ended,	
	December 31, 2022	
<i>Credit Adjusted EBITDA Reconciliation</i>		
<b>Net Income</b>	\$	275.3
Provision for income taxes		85.5
Interest expense and other, net		10.6
Depreciation and amortization		162.0
<b>EBITDA</b>	\$	633.4
Stock-based compensation (1)		123.5
Contingent consideration		(14.3)
Acquisition and related expenses (2)		24.7
Other items (3)		37.8
<b>Credit Adjusted EBITDA</b>	\$	805.1

(1) Reflects stock-based compensation expense related to the issuance of equity awards to certain of our employees.

(2) Amount primarily relates to expenses incurred by the Company in connection with the evaluation of strategic alternatives for the Company.

(3) Amount consists of \$13.2 million incurred by the Company for severance, \$4.1 million incurred by the Company for relocation and support provided to employees due to the war in Ukraine and \$16.4 million incurred related to the restructuring activities announced last year.



# APPENDIX

## Glossary of Key Terms

- Average Revenue per Daily Active User: or "ARPDau" means (i) the total revenue in a given period, (ii) divided by the number of days in that period, (iii) divided by the average Daily Active Users during that period.
- Daily Active Users: or "DAUs" means the number of individuals who played one of our games during a particular day on a particular platform. Under this metric, an individual who plays two different games on the same day is counted as two DAUs. Similarly, an individual who plays the same game on two different platforms (e.g., web and mobile) or on two different social networks on the same day would be counted as two Daily Active Users. Average Daily Active Users for a particular period is the average of the DAUs for each day during that period.
- Daily Paying Users: or "DPUs" means the number of individuals who purchased, with real world currency, virtual currency or items in any of our games on a particular day. Under this metric, an individual who makes a purchase of virtual currency or items in two different games on the same day is counted as two DPUs. Similarly, an individual who makes a purchase of virtual currency or items in any of our games on two different platforms (e.g., web and mobile) or on two different social networks on the same day could be counted as two Daily Paying Users. Average Daily Paying Users for a particular period is the average of the DPUs for each day during that period.
- Daily Payer Conversion: means (i) the total number of Daily Paying Users, (ii) divided by the number of Daily Active Users 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.
- Casual Themed Games: portfolio of games that include - Bingo Blitz, Solitaire Grand Harvest, June's Journey, Best Fiends, Board Kings, Pirate Kings, Pearl's Peril, Best Fiends Stars, Redecor and Other.
- Social Casino Themed Games: portfolio of games that include - Slotomania, House of Fun, Caesars Slots, World Series of Poker, and Other.
- Direct-to-Consumer Platforms: Playtika's own internal proprietary platforms where payment processing fees and other related expenses for in-app purchases are typically 3 to 4%, compared to the 30% platform fee for third party platforms.
- 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.

