



PREPARED REMARKS

FY2025 Q2

TAE LEE: SVP, CORPORATE FINANCE & INVESTOR RELATIONS

Welcome everyone and thank you for joining us today for the second quarter 2025 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 would 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 and more specifically the future performance of our individual titles such as Slotomania or our recently launched Disney Solitaire. 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.

1 **ROBERT ANTOKOL: FOUNDER & CHIEF EXECUTIVE OFFICER**

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

3 I want to start by acknowledging the resilience and dedication of our team. Despite
4 the ongoing headwinds facing mobile gaming, we remain firm in our commitment
5 to our strategic priorities. For Q2 25, we are reporting revenue of \$696.0 million
6 and Adjusted EBITDA of \$167.0 million. While these numbers reflect some
7 underperformance, we have several positive developments to highlight:

8 First, I am incredibly happy to share the success of our latest launch, Disney
9 Solitaire. The game has already hit the \$100 million annual run-rate revenue
10 threshold, which is a testament to the incredible work of our SuperPlay studio,
11 working in collaboration with Disney & Pixar games. This achievement helped
12 drive sequential growth in the SuperPlay portfolio, and we are optimistic about its
13 continued performance. We have been pleased with the overall performance of
14 Disney Solitaire and the SuperPlay portfolio since the acquisition.

15 Second, coming off a record quarter in Q1, Bingo Blitz continued to experience
16 strong engagement across the board. The studio is seeing a strong ramp-up in DTC
17 revenue, and we are pleased with the performance of the largest game in our
18 portfolio.

19 Third, we are increasing our long-term target for DTC to 40%, up from 30%. The
20 goal is to sustain EBITDA and free cash flow as we manage changes within our
21 portfolio and respond to the changing landscape of direct payments. During this
22 period, our more mature titles are experiencing a decline in revenue, while our more
23 recently acquired titles are in the process of transitioning from being EBITDA
24 negative to positive. We believe that continuing to increase our DTC penetration
25 will help offset margin pressures during this transitional period.

26 Turning to Slotomania, the game continues to face challenges. Our team is working
27 hard on various tests to stabilize the game economy. As we mentioned previously,
28 this is part of the getting worse before it gets better. Although player engagement
29 continues to be strong, monetization has not kept pace, and the team is prioritizing
30 efforts to improve this area.

31 Our new slot game is a critical component to our slots strategy, and we are taking a
32 measured approach to its development. We remain on track to launch in the fourth
33 quarter of this year, and while we do not expect a material impact on our 25 results,
34 we see it as an important long-term growth driver for Playtika.

35 In addition, SuperPlay's next new game has the potential to be a standout in its
36 category, with launch timing details to be shared at a future date. Beyond these
37 projects, we are actively exploring opportunities to develop and launch additional

38 new games in genres that are strategically important to us. We are excited about the
39 pipeline we are building and look forward to providing more updates as these
40 projects progress.

41 Thank you, and I will now turn the call over to Craig for a more detailed review of
42 our financial performance.

43 **CRAIG ABRAHAMS: PRESIDENT & CHIEF FINANCIAL OFFICER.**

44 Thank you, Robert.

45 It is important to highlight the portfolio dynamics that have shaped our performance.

46 This quarter, we experienced a slight sequential decline in revenue primarily driven

47 by the continued decline in Slotomania. Despite this, our year over year performance

48 reflects the successful execution of our M&A strategy. Our acquired portfolio of

49 games has been a significant driver of this growth. The SuperPlay portfolio, the

50 Youda Games card portfolio, and Animals & Coins have all contributed to our year

51 over year revenue growth.

52 With that, let us get into the details of the quarter.

53 We generated \$696.0 million of revenue in the quarter, reflecting a (1.4)% sequential

54 decline and an 11.0% year over year increase. GAAP Net Income for the quarter

55 was \$33.2 million, representing an 8.5% sequential increase and a (61.7)% year over

56 year decrease. Adjusted EBITDA for the quarter was \$167.0 million, showing a

57 slight sequential decline of (0.2)% and a year over year decrease of (12.6)%. This

58 decline in Adjusted EBITDA margins was primarily driven by increased sales &

59 marketing expenses associated with our SuperPlay games, which resulted in margin

60 dilution following the SuperPlay acquisition.

61 DTC revenue for the quarter was slightly off our record high revenue last quarter,
62 achieving \$175.9 million, a (1.8)% sequential decline and a 1.3% increase year over
63 year. Our year over year growth in DTC was driven by several titles, with our
64 leading casual games, including Bingo Blitz, June's Journey, and Solitaire Grand
65 Harvest, all setting record DTC numbers for the quarter. However, this growth was
66 offset by a sequential decline in Slotomania's DTC revenue.

67 We are putting more effort into expanding our DTC business and expect to see
68 stronger results in the second half of the year. This incremental margin will help
69 offset the EBITDA pressure we are experiencing from the revenue declines in some
70 of our more mature titles, especially in the slots side of the business. Historically,
71 we had spoken about 30% of revenues as the target for DTC, but we now believe
72 that a more realistic long-term target for DTC is closer to 40% of total revenues.

73 With that, let us dive into the performance of our top three titles from the quarter,
74 beginning with Bingo Blitz.

75 Bingo Blitz revenue was \$160.2 million, down (1.3)% sequentially and up 2.9% year
76 over year. We are pleased to see that Bingo held strong sequentially against its
77 record first quarter. Additionally, Bingo recorded its own record revenues from our
78 DTC platforms in the second quarter. As the largest title in our portfolio, Bingo
79 Blitz continues to execute at a high level, reinforcing its leadership position in a

80 winner-take-most category. The game remains a strong contributor to our overall
81 performance and a clear example of our strategy to invest in category-leading games
82 with durable growth potential. Importantly, Bingo Blitz is also showing a
83 meaningful upside in expanding its DTC business, which we expect will enhance
84 our DTC mix and help preserve margins over time.

85 Slotomania revenue was \$86.5 million, down (22.7)% sequentially and (35.4)% year
86 over year. Slotomania faced an acceleration in its declining trend during Q2, as we
87 began implementing changes to address the game economy challenges we discussed
88 last quarter. These adjustments are aimed at rebalancing the game economy to
89 support healthier long-term engagement and monetization, but they are contributing
90 to near-term pressure on revenue performance. We recognize that this is a difficult
91 phase – one where results may continue to soften before we begin to see
92 improvement. At the same time, we remain focused on executing our broader
93 strategy in the social slots category. The development of our new slot title, which is
94 designed to complement our existing portfolio, is progressing well. We view this
95 title as a key pillar in our efforts to regain lost market share and expect to have our
96 global launch in Q4 of this year.

97 June's Journey revenue was \$69.1 million, up 0.3% sequentially and down (7.4)%
98 year over year. June's Journey has shown several quarters of encouraging sequential

99 stability, following a period of decline in the first half of 2024. As we look to reignite
100 growth, the focus is shifting toward deeper monetization, supported by a refreshed
101 leadership team at our Wooga studio. Earlier this year, we appointed a new GM and
102 leadership team at Wooga, bringing a renewed focus to June's Journey and its long-
103 term roadmap. In addition, we made the decision to discontinue the development of
104 Claire's Chronicles to focus our resources on new games showing the strongest
105 momentum. We believe these changes will allow the Wooga team to focus on
106 execution and lay the foundation for renewed growth in June's Journey in the second
107 half of the year and beyond.

108 Turning now to specific line items in our P&L for the second quarter. Cost of
109 revenue increased 16.4% year over year, driven by our revenue growth and the
110 increase in amortization expenses in our P&L resulting from the acquisition of
111 SuperPlay. Operating expenses increased by 22.6% year over year. The increase
112 was primarily driven by higher performance marketing spending, which was also a
113 direct result of our SuperPlay acquisition

114 R&D increased by 13.8% year over year. The growth in R&D was primarily driven
115 by an increase in average headcount during the quarter compared to the same period
116 last year. This was largely due to the acquisition of SuperPlay, which bolstered the
117 R&D workforce.

118 Sales & Marketing increased by 52.1% year over year. The increase in sales &
119 marketing was primarily driven by the incremental performance marketing spend
120 from our acquisition of SuperPlay. In the last quarter, we mentioned that we
121 anticipated a sequential stepdown in sales & marketing expenses, and we observed
122 this trend in the second quarter. We expect this sequential stepdown to continue for
123 the second half of this year.

124 G&A expenses decreased by (62.8)% year over year. During the quarter, we
125 recorded a \$33.0 million benefit in our G&A expenses related to the revaluation of
126 contingent considerations tied to our past acquisitions. It is important to note this is
127 a non-cash adjustment and reflects a change in estimated payouts rather than any
128 operational improvement in G&A efficiency. The comparable quarter in 2024 also
129 had an adjustment related to contingent considerations, excluding adjustments in
130 both periods, G&A would have declined year over year by (20.8)%.

131 As of June 30th, we had approximately \$592.1 million in cash, cash equivalents, and
132 short-term investments.

133 Looking at our operating metrics, Average DPU declined (3.1)% sequentially and
134 increased 26.8% year over year to 378K. The average DAU decreased (2.2)%
135 sequentially and increased 8.6% year over year to 8.8 million. ARPDAU was flat
136 vs. Q1 and increased 2.4% year over year to \$0.87 cents.

137 Finally, we are revising our guidance for the year. Our updated revenue range for
138 the year is \$2.70 to \$2.75 billion, down from \$2.80 to \$2.85 billion. Despite the
139 decrease in our revenue range, we are maintaining our Adjusted EBITDA range of
140 \$715 million to \$740 million. This demonstrates our ability to offset the EBITDA
141 losses from Slotomania's revenue weakness through increased efforts in our DTC
142 platforms and other efficiencies we are executing throughout the organization.

143 We would be happy to answer your questions.