PREPARED REMARKS

FY2024 Q3

TAE LEE: SVP, CORPORATE FINANCE & INVESTOR RELATIONS

Welcome everyone and thank you for joining us today for the third quarter 2024 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. 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.

We are excited to share updates on our recent progress, especially about our proposed acquisition of SuperPlay. For those who have not seen our earlier communications, this deal is a key milestone for us and fits with our growth strategy. While the acquisition is still pending customary closing conditions, we see it as an important step in changing our growth momentum.

M&A has always been a cornerstone in our strategy here at Playtika. Over the years, we have found, acquired, and most importantly, scaled top-tier gaming studios, which has allowed us to build a robust portfolio. Nine of our top eleven existing titles have come via M&A. SuperPlay, with its success in high-growth categories through Dice Dreams and Domino Dreams, brings us an incredible opportunity to enhance our portfolio. These titles already have a strong market presence, and SuperPlay's two new games in development also bring further momentum to our business.

By empowering SuperPlay to continue their innovative work while leveraging our scale and resources, we aim to maximize the potential of their games and enhance our market leadership. This acquisition, when finalized, will demonstrate our continued commitment to building a diverse and successful portfolio of market-leading franchises. We are excited about the future game pipeline at SuperPlay and what this can mean for our players and shareholders.

Thank you for your continued support. I will hand over to Craig for a more detailed review of our performance this past quarter.

CRAIG ABRAHAMS: PRESIDENT & CHIEF FINANCIAL OFFICER.

Thank you, Robert, and good morning, everyone.

Following on Robert's comments, I want to take a moment to emphasize how the SuperPlay acquisition aligns with our broader financial strategy. Our focus on generating sustainable free cash flows allows us to support our capital allocation strategy, including M&A, and returning capital to shareholders.

The proposed acquisition of SuperPlay is a perfect example of our disciplined approach. We have structured this transaction with a balanced mix of upfront payment, as well as revenue and EBITDA performance based earn-outs, which helps align incentives, and ensures we maintain financial flexibility. This structure not only enables us to limit downside risk but also aligns with our goal to reignite revenue and Credit Adj. EBITDA growth, while driving long-term value creation. SuperPlay continued its impressive performance in the third quarter as consolidated revenues grew double digits sequentially, and the studio had another record month in September, posting all-time highs of gross revenue per day.

While the robust performance of SuperPlay highlights the strength and importance of our M&A strategy, it is equally important to recognize the continued contributions of the assets that we acquired last year. Governor of Poker 3 continues to show growth potential and I am pleased to report that this studio has grown sequentially every quarter since our acquisition. Animals & Coins delivered record-breaking performance in Q3, marking a significant turnaround after the economy challenges we faced in Q2. The game economy adjustments, combined with our strategic decision to restructure the earnout by lowering the maximum cap and spending incremental marketing dollars, have driven the studio's success. As a result, Animals & Coins achieved all-time high revenues, with strong month-over-month growth throughout the quarter. This momentum underscores the strength of the studio and validates the changes we made to position Animals & Coins for sustained, long-term success.

While executing on sustainable and value enhancing M&A remains a priority, we are equally focused on managing liquidity, leverage, and our capital structure. We will continue to proactively manage our capital allocation to support growth opportunities while maintaining a strong and stable financial foundation. Our approach is built to ensure that we can execute our strategy without compromising our commitment to financial health. We believe this disciplined approach will allow us to successfully support both organic growth and potential future acquisitions.

In summary, we are excited about the potential the SuperPlay acquisition brings and confident in our ability to enhance our growth profile, all while maintaining a firm focus on financial discipline.

With that, let us dive into our Q3 financial performance.

For the quarter, we generated $620.8 million of revenue, down (1.0)% sequentially and down (1.5)% year over year. Credit Adjusted EBITDA margins improved over Q2, as we generated Credit Adjusted EBITDA of $197.2 million, up 3.2% sequentially and down (4.1)% year over year. Net income was $39.3 million, down (54.6)% sequentially and up 3.7% year over year.

Our Direct-to-Consumer business continues to outperform the overall business, as we generated $174.4 million, which was up 0.4% sequentially, and up 8.3% year over year.

Turning now to our business results from the quarter.

Revenue across our top three games was up 1.1 % sequentially and down (0.8)% year over year.

Bingo Blitz revenue was $159.9 million, up 2.7% sequentially and up 6.8% year over year. Bingo continued its strong execution of its Direct-to-Consumer business in the quarter, helping drive DTC revenue to a record high. In addition, Bingo achieved its highest revenue month in history in July.

Solitaire Grand Harvest revenue was $79.0 million, up 6.5% sequentially and down (0.2)% year over year. We are optimistic about the roadmap going into next year as Solitaire continues to regain its footing and drive incremental success.

Slotomania revenue was $128.7 million, down (3.8)% sequentially and down (9.3)% year over year. While we increased user acquisition spend for Slotomania this year, Q3 results did not meet our expectations. Moving forward, we are realigning our strategic focus in the studio, placing a greater emphasis on the product and feature roadmap, to drive a meaningful increase in paying users. This shift includes the introduction of historic IP such as “Cleopatra II”, launching in Q4 as the first in a series of leading titles under our licensing agreement with IGT. Additionally, we are implementing key product changes, such as modifying the in-game experience for Albums and Slotomania Club, which are designed to enhance engagement and monetization opportunities.

Turning now to specific line items in our P&L for the quarter. Cost of revenue decreased by (3.3)% year over year, driven by a change in revenue mix between direct-to-consumer platforms revenue and third-party platforms revenue, as well as the decline in overall revenue.

R&D expenses declined by (2.9)% year over year. The decline in R&D were due to extensive cost management implemented consistently throughout the year.

Sales & Marketing expenses increased by 5.0% year over year. The increase in sales & marketing expenses was primarily due to the increase in performance marketing. As discussed in our Q1 earnings call, we anticipated that sales & marketing spend would be the highest in Q1, with year-over-year growth tapering in subsequent quarters. Accordingly, sales & marketing expenses declined by (11.5)% sequentially.

G&A expenses declined by (3.5)% year over year. The decline in G&A expenses was driven by a one-time favorable adjustment of payable contingent considerations and reduced compensation expenses from lower headcount.

As of September 30th, we had approximately $1.2 billion in cash, cash equivalents, and short-term investments. This does not incorporate the contemplated upfront payment of $700 million for the SuperPlay acquisition.

Looking at our operating metrics, Average DPU increased 1.0% sequentially and 0.7% year over year to 301K. Average DAU decreased (6.2)% sequentially and

(9.5)% year over year to 7.6 million. The decline in Avg. DAU year over year was primarily due to the strategic decision to reallocate marketing dollars and R&D resources away from some of our smaller casual titles such as JustPlay 1v1. ARPDAU increased 4.7% sequentially and 9.9% year over year to $0.89 cents.

We are adjusting our guidance for the year as follows: revenue is now expected to range from $2.505 billion to $2.520 billion, reflecting a revised outlook. Meanwhile, we are raising our Credit Adjusted EBITDA guidance to a range of $755 million to $765 million. Finally, we are lowering our capital expenditure guidance to $90M as we remain focused on maximizing free cash flow. Our guidance does not incorporate the impact of the SuperPlay acquisition as the acquisition is still pending and we expect to close later this quarter.

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