



**PREPARED REMARKS**

**FY2024 Q4**

**TAE LEE: SVP, CORPORATE FINANCE & INVESTOR RELATIONS**

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

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

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

3 As we reflect on 2024, I am pleased to share that we have made noteworthy progress  
4 in executing our return to growth strategy and are moving in a positive direction for  
5 the company.

6 We achieved significant milestones in 2024. We started the year by outlining our  
7 capital allocation framework for investors. We initiated our quarterly dividend,  
8 authorized a buyback program, and outlined our plan to restart our M&A engine,  
9 which has been instrumental in generating growth and creating value for our  
10 shareholders in the past.

11 One of the year's highlights was completing the largest acquisition in our history by  
12 acquiring SuperPlay, one of the most attractive, independent studios in the  
13 marketplace, and in the process adding two strong game franchises to our portfolio.  
14 This acquisition is a testament to our commitment to boosting our portfolio and  
15 driving future growth.

16 As we look ahead to this year, we remain focused on execution. Over the next 12 to  
17 18 months, we plan to bring to market three new games, including Claire's  
18 Chronicles, a new slot-themed game, and Disney Solitaire – scheduled for global

19 launch in Q2. Early metrics for Disney Solitaire have been very promising, and we  
20 are excited to bring this experience to all players very soon. Alongside this pipeline,  
21 we will continue to explore M&A opportunities that support our goals. Meanwhile,  
22 we are also investing in our existing portfolio, with focus on titles that hold  
23 leadership positions and exhibit strong growth potential.

24 We are optimistic that these initiatives will help us generate consistent topline  
25 growth once again.

26 Thank you for your continued support and confidence in Playtika.

27 I will hand over to Craig for a more detailed review of our performance this past  
28 quarter.

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

30 Thank you, Robert, and good morning, everyone.

31 Last quarter, we began discussing our portfolio management approach, focusing on  
32 making targeted investments based on the scale, leadership position, and growth  
33 potential of our games. This strategy is part of a broader framework where we  
34 allocate resources to maximize returns and drive growth. For games with both scale  
35 and growth potential, we invest significantly to drive further expansion. For those  
36 with scale but limited growth potential, we focus on defending market share through

37 targeted spending. Conversely, games that lack scale but show promising growth  
38 potential receive outsized investments, including our recently acquired studios.

39 Historically, our growth strategy was based on acquiring and growing new studios.  
40 In this next phase, we are acquiring new studios and developing a pipeline of games.  
41 The objective is to revitalize our portfolio, rather than focusing on individual game  
42 performance. By adding more games to our portfolio, we will become less  
43 dependent on any single game, making the portfolio approach more important and  
44 relevant.

45 While we will continue to highlight the performance of our top three games in the  
46 quarter, we will also provide regular updates on our acquired titles to highlight their  
47 progress. These titles include Animals & Coins, Governor of Poker 3, Dice Dreams,  
48 and Domino Dreams.

49 Finally, we are changing how we present our EBITDA metrics. With the conclusion  
50 of the 2021-2024 retention plan, we no longer need to distinguish between Retention  
51 Plan Adj. EBITDA and Credit Adj. EBITDA. Starting in Q1 2025, we will refer to  
52 Credit Adj. EBITDA as simply Adj. EBITDA. This change simplifies our reporting  
53 without altering the definition of Adj. EBITDA. In line with this transition, we are  
54 adopting a more market-based executive compensation structure. This shift moves  
55 away from cash-centric plans, emphasizing compensation that is tied not only to our

56 business results but also our stock price performance and total shareholder returns.  
57 By further aligning executive rewards with the company's business results and  
58 adding stock market success as a driver, we aim to foster a culture of even greater  
59 ownership and accountability, ensuring that our leadership's interests are fully  
60 aligned with those of our shareholders.

61 Turning now to our financial results for the year.

62 We generated \$2.549 billion of revenue, down (0.7)% year over year, \$162.2 million  
63 of GAAP Net Income, compared to \$235.0 million of GAAP Net Income in 2023,  
64 and \$757.7 million in Credit Adj. EBITDA, a (9.0)% decline year over year. Our  
65 Net Income margin was 6.4%, compared to 9.2% in 2023. Our Credit Adj. EBITDA  
66 margin was 29.7%, compared to 32.4% in 2023.

67 We generated \$396.8 million of Free Cash Flow, a (9.1)% decline year over year.  
68 We define Free Cash Flow as cash flow from operating activities minus capital  
69 expenditures.

70 For the quarter, we generated \$650.3 million of revenue, up 4.8% sequentially and  
71 up 1.9% year over year. GAAP Net Income was \$(16.7) million, compared to GAAP  
72 Net Income of \$39.3 million in Q3 and \$37.3 million in Q4 of 2023. Credit Adj.  
73 EBITDA was \$183.9 million, down (6.7)% sequentially and down (2.6)% year over  
74 year. Our Net Income margin was (2.6)%, compared to 6.3% in Q3 and 5.8% in Q4

75 last year. Our Credit Adj. EBITDA margin was 28.3%, compared to 31.8% in Q3  
76 and 29.6% in Q4 last year.

77 We generated \$174.6 million in revenue from our Direct-to-Consumer platforms, up  
78 0.1% sequentially and 8.0% year over year.

79 Turning now to our business results for the quarter.

80 Bingo Blitz's revenue for the quarter was \$159.1 million, down (0.5)% sequentially,  
81 and up 5.8% year-over-year. It was another record quarter for Bingo's DTC  
82 business, and we are pleased to see the underlying growth in year-over-year average  
83 daily paying users for the largest game in our portfolio.

84 Slotomania's revenue for the quarter was \$118.4 million, down (7.9)% sequentially,  
85 and (13.5)% year-over-year. It was a disappointing quarter for the Slotomania team,  
86 as game economy issues negatively affected performance for much of the quarter.

87 Although these challenges were addressed in January, they contributed to significant  
88 underperformance in Q4. On a positive note, the studio's launch of Cleopatra II  
89 successfully re-engaged dormant players, leading to increased activity. We  
90 recognize the importance to maintain our leadership in the slots category by  
91 delivering innovative content that reactivates our extensive base of inactive players.

92 To this end, we are developing a new slots game to help regain market share in the  
93 category, with further details to be announced in the future.

94 Solitaire Grand Harvest's revenue for the quarter was \$72.5 million, which was  
95 down (8.1)% sequentially, and down (4.3)% year-over-year. Overall, Solitaire  
96 underperformed our expectations this past quarter, but we were encouraged to see  
97 the positive ramp in DTC revenues coming from the studio. This success  
98 underscores the effectiveness of our DTC platforms in deepening engagement with  
99 our most loyal players across different genres.

100 In the fourth quarter, our acquired titles continued to demonstrate robust  
101 performance. Animals & Coins achieved another record quarter, showing strong  
102 sequential growth, and delivering its best-ever results during the Black Friday  
103 period. Governor of Poker 3 maintained its robust momentum from Q3 into Q4,  
104 with notable contributions from its DTC revenues. Finally, SuperPlay contributed  
105 approximately \$48 million in revenue for the quarter, alongside \$(10)M in Adj.  
106 EBITDA losses. The SuperPlay acquisition closed mid-quarter, so these results  
107 reflect only a partial period contribution. These outcomes underscore the value of  
108 our acquisitions and their role in enhancing our portfolio's performance.

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

110 Cost of revenue decreased (1.0)% year over year and operating expenses increased  
111 by 13.7% year over year. The increase in operating expenses was primarily driven  
112 by our acquisition of SuperPlay.

113 R&D costs decreased (5.1)% year over year. The decline in R&D was largely due  
114 to savings in labor costs. Our ongoing efforts to optimize operational efficiency  
115 while sustaining our R&D capabilities were reflected in our results this quarter.

116 Sales & Marketing increased 23.6% year over year. The increase was primarily due  
117 to higher media buy expenditure coming from the acquisition of SuperPlay, and the  
118 investments behind Dice Dreams and Domino Dreams.

119 G&A expenses increased 18.3% year over year, primarily due to deal-related costs  
120 associated with our SuperPlay acquisition. These expenses include transaction fees  
121 and other one-time costs related to the completion of the deal.

122 As of December 31<sup>st</sup>, we had approximately \$565.8 million in cash and cash  
123 equivalents.

124 Looking at our operational metrics, Average DPU increased 12.6% sequentially and  
125 10.8% year over year. Average DAU increased 5.3% sequentially and decreased  
126 (7.0)% year over year. ARPDau was \$0.89 cents in the quarter, flat sequentially,  
127 and an increase of 11.3% year over year.

128 Turning now to our guidance and financial outlook for 2025:

129 We expect to deliver full-year revenue between \$2.80 billion and \$2.85 billion. We  
130 expect Adj. EBITDA between \$715 million and \$740 million. We expect to deploy

131 \$95M in capital expenditures. We estimate that our effective tax rate for the current  
132 fiscal year to be 35%. This projection is based on current tax laws and our expected  
133 income distribution across various jurisdictions. We are focused on building long-  
134 term sustainable revenue growth by transitioning our portfolio away from some of  
135 our declining legacy titles and expanding through recently acquired studios. While  
136 the end of the cash retention program yields cost savings, we are reinvesting a  
137 portion of these savings to support the development of our growth titles. The  
138 resulting near-term pressure on EBITDA reflects both the cost of scaling our growth  
139 titles, which often face early-stage losses but are expected to become strong  
140 EBITDA contributors as they scale, and the ongoing decline in our slot portfolio.

141 At the same time, we are taking deliberate steps to stabilize our business. We are  
142 launching a new slot game to help mitigate declines in our slot portfolio, while  
143 continuing to bolster our higher margin DTC channels.

144 Looking ahead, 2025 will be a transitional year as these investments and portfolio  
145 shifts unfold. Despite the EBITDA pressure this year, our strategy will position the  
146 business for renewed momentum as new titles scale and our slot games stabilize.  
147 Beginning in 2026, we expect our InnPlay and SuperPlay studios to become positive  
148 EBITDA contributors, further enhancing our long-term financial profile. We remain

149 confident that our return-to-growth strategy will yield meaningful financial results,  
150 supported by sustainable cash flow and stronger revenue mix.

151 As we previously mentioned, we are updating our capital allocation framework to  
152 reflect our ongoing commitment to disciplined fiscal management. The overall  
153 premise remains unchanged; we intend to use the free cash flow that we generate to  
154 execute our capital allocation framework. We are proud of our attractive free cash  
155 flow profile, which demonstrates our ability to execute the business with a focus on  
156 maximizing free cash flow. This is a competitive advantage, providing financial  
157 flexibility to invest in growth opportunities and return capital to shareholders. It is  
158 the key tool we leverage to generate shareholder returns.

159 We currently offer an attractive dividend yield and initiated share repurchases in Q4.  
160 The objective of our buyback program is to provide another layer of systematic  
161 capital return to investors, specifically by offsetting dilution from vesting employee  
162 equity.

163 Regarding M&A, as previously discussed, we expect our M&A activities to be bolt-  
164 on in nature going forward. Over the next three years, we anticipate deploying \$300  
165 million to \$450 million for M&A. This range does not include any potential future  
166 earnout obligations related to our past deals.

167 Our approach to capital allocation is both disciplined and balanced, focusing on  
168 returning capital to shareholders while investing in growth opportunities. By  
169 maintaining this approach, we aim to drive long-term value creation for our  
170 investors.

171 With that, we would be happy to answer your questions.