

Playtika

4Q23 Results: Soft '24 guide implies anemic growth in a year of investment

Reiterate Rating: UNDERPERFORM | PO: 7.00 USD | Price: 6.92 USD

Increased marketing drove 4Q beat, Casual outperformed

4Q Revenue of \$638mn (+1% Y/Y) beat BofA/Street/Guide but EBTIDA came in roughly inline, as PLTK leaned in on marketing to support growth of newly acquired titles. Growth in Casual games (+6 % Y/Y) continued to offset declines in Social Casino (-5% Y/Y) led by strength in *June's Journey*, but nevertheless led to margin compressions due to their lower profitability. Management acknowledged that its top Social Casino game *Slotomania* has lost share, partially driven by an active decision to reallocate resources, but plans to invest more into user acquisitions to resuscitate growth in the title.

Light EBTIDA Guide, '24 a year of transition & investment

The initial FY24 Revenue guidance (flat Y/Y) was inline with our expectations, but investors likely focused on the EBITDA guidance which implies 10% Y/Y decline and ~300bps margin compression. We think the Street likely underappreciated the [margin headwinds from the ongoing revenue mix shift from top Social Casino games \(highest profitability\) to newer, and more Casual titles](#). Additionally, management expects to invest more into user acquisitions to support growth of newly acquired titles and the Social Casino portfolio. Despite PLTK's operational leadership, we expect PLTK to underperform stocks in other gaming verticals because 1) growth of mobile gaming will likely trail PC/Console gaming (eg EA, TTWO) and Metaverse platforms (eg RBLX), 2) growth case appears hinged on a successful consolidation theme, which remains a "show-me" story, and 3) prospect as a buyout target is now less likely given geopolitical uncertainties. We leave FY24 Revenue estimates roughly unchanged but reduce margin assumptions on higher marketing spend than previously assumed.

Capital allocation clarified, focus on shareholder return

Management clarified its capital allocation framework, indicating 50% of FCF will be used in M&A (\$600mn - \$1.2bn in 3 years), with the other 50% to be returned to shareholders through dividends (\$150mn) and additional share buybacks. We view the new disclosure as a positive that could improve investability for long term investors.

Reiterate Underperform; PO cut to \$7 on lower estimates

We lower our PO to \$7 from \$8 based on 5.4x (unchanged) FY24E EBITDA.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	0.99	0.90	0.91	1.05	1.19
GAAP EPS	0.69	0.64	0.61	0.68	0.80
EPS Change (YoY)	-1.0%	-9.1%	1.1%	15.4%	13.3%
Consensus EPS (Bloomberg)			0.89	0.93	1.10
DPS	0	0	0.41	0.43	0.44
Valuation (Dec)					
P/E	7.0x	7.7x	7.6x	6.6x	5.8x
GAAP P/E	10.0x	10.8x	11.3x	10.2x	8.7x
Dividend Yield	0%	0%	5.9%	6.2%	6.4%
EV / EBITDA*	4.9x	5.3x	5.9x	5.7x	5.4x
Free Cash Flow Yield*	15.1%	17.2%	15.6%	16.4%	17.3%

* For full definitions of *IQmethod*SM measures, see page 7.

26 February 2024

Equity

Key Changes

(US\$)	Previous	Current
Price Obj.	8.00	7.00
2024E Rev (m)	2,575.2	2,578.4
2025E Rev (m)	2,678.2	2,655.7
2026E Rev (m)	NA	2,762.0
2024E EPS	1.11	0.91
2025E EPS	1.28	1.05
2026E EPS	NA	1.19
2024E DPS	0	0.41

Omar Dessouky, CFA
Research Analyst
BofAS
+1 646 855 0686
omar.dessouky@bofa.com

Arthur Chu, CFA
Research Analyst
BofAS
+1 646 855 1131
arthur.chu@bofa.com

Stock Data

Price	6.92 USD
Price Objective	7.00 USD
Date Established	26-Feb-2024
Investment Opinion	C-3-9
52-Week Range	6.43 USD - 12.90 USD
Mkt Val (mn) / Shares Out (mn)	2,541 USD / 367.2
Free Float	7.2%
Average Daily Value (mn)	5.02 USD
BofA Ticker / Exchange	PLTK / NAS
Bloomberg / Reuters	PLTK US / PLTK.OQ
ROE (2024E)	NA
Net Dbt to Eqty (Dec-2023A)	NA
ESGMeter TM	Medium

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to ["BofA ESGMeter Methodology"](#).

Acronyms:

EA: Electronic Arts

TTWO: Take Two Interactive

RBLX: Roblox

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Timestamp: 26 February 2024 02:31PM EST

iQprofileSM Playtika

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	25.7%	19.0%	18.0%	19.1%	21.5%
Return on Equity	NM	NM	NM	NM	NM
Operating Margin	24.6%	25.9%	22.5%	23.1%	24.3%
Free Cash Flow	384	436	396	416	439

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	1.2x	1.6x	1.5x	1.5x	1.4x
Asset Replacement Ratio	0.7x	0.5x	0.7x	0.7x	0.8x
Tax Rate	23.7%	40.1%	32.0%	32.0%	32.0%
Net Debt-to-Equity Ratio	NM	NM	NM	NM	NM
Interest Cover	NA	NA	NA	NA	NA

Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	2,616	2,567	2,578	2,656	2,762
% Change	1.3%	-1.9%	0.4%	3.0%	4.0%
Gross Profit	1,880	1,839	1,849	1,912	2,002
% Change	1.4%	-2.2%	0.5%	3.4%	4.7%
EBITDA	893	830	753	781	820
% Change	-9.2%	-7.1%	-9.2%	3.7%	5.0%
Net Interest & Other Income	111	110	97	72	74
Net Income (Adjusted)	397	330	330	369	406
% Change	-3.3%	-16.9%	0%	11.6%	10.1%

Free Cash Flow Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	275	235	220	239	272
Depreciation & Amortization	162	158	172	166	148
Change in Working Capital	0	0	0	0	0
Deferred Taxation Charge	NA	NA	NA	NA	NA
Other Adjustments, Net	56	123	117	130	143
Capital Expenditure	(110)	(79)	(112)	(120)	(124)
Free Cash Flow	384	436	396	416	439
% Change	-15.1%	13.7%	-9.2%	4.9%	5.5%
Share / Issue Repurchase	(604)	0	(60)	(60)	(70)
Cost of Dividends Paid	0	0	(147)	(150)	(150)
Change in Debt	(19)	(14)	0	0	0

Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	769	1,030	979	935	903
Trade Receivables	141	172	161	163	170
Other Current Assets	115	150	129	130	133
Property, Plant & Equipment	126	120	116	119	130
Other Non-Current Assets	1,547	1,704	1,612	1,524	1,452
Total Assets	2,698	3,175	2,997	2,871	2,789
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	462	540	499	474	462
Long-Term Debt	2,411	2,400	2,400	2,400	2,400
Other Non-Current Liabilities	393	457	457	458	461
Total Liabilities	3,266	3,397	3,356	3,331	3,323
Total Equity	(569)	(221)	(359)	(461)	(534)
Total Equity & Liabilities	2,698	3,175	2,997	2,871	2,789

* For full definitions of iQmethodSM measures, see page 7.

Company Sector

Interactive Media

Company Description

Playtika is a leading mobile game publisher in the US and has established itself as a dominant player in the Social Casino segment. The company has several games ranking in the Top-100 charts, including many highly ranked games in their respective categories. Playtika generates revenue primarily from sales of virtual items, with the remaining 3% of its revenue from in-game advertising. The company is headquartered in Israel with offices around the world.

Investment Rationale

Playtika's core Social Casino TAM is saturated, and its Casual games face competition from well funded rivals. Despite its advertising sophistication relative to small- & medium-sized developers, it is still subject to user acquisition and monetization challenges persistent in the Casual mobile gaming market, which will impede long-term growth. We think the prospect for a re-rating remains elusive in 2024, particularly in a risk-on environment that favors high growth stocks

Stock Data

Average Daily Volume 726,065

Quarterly Earnings Estimates

	2023	2024
Q1	0.29A	NA
Q2	0.26A	NA
Q3	0.23A	NA
Q4	0.13A	NA

Supporting Exhibits

Exhibit 1: PLTK 4Q23 Results vs. BofA Estimates

Results vs. BofA Estimates

	Y/Y Growth						Q/Q Growth			
(\$Mn)	4Q23A	4Q23E	Variance (Abs.)	Variance %	Actual	Estimate	Variance %	Actual	Estimate	Variance %
Non-GAAP Income Statement										
Total Revenue	637.9	630.0	7.9	1.3%	1.1%	-0.2%	1.3%	1.2%	0.0%	1.3%
Cost of Revenue	180.6	178.3	2.3	1.3%	-0.2%	-1.4%	1.3%	3.9%	2.5%	1.3%
Gross Profit	457.3	451.7	5.6	1.2%	1.6%	0.3%	1.2%	0.2%	-1.0%	1.2%
S&M	156.0	149.3	6.7	4.5%	25.1%	19.7%	5.4%	11.0%	6.3%	4.8%
R&D	92.7	93.2	(0.5)	-0.6%	-18.8%	-18.4%	-0.5%	0.1%	0.7%	-0.6%
G&A	61.7	56.7	5.0	8.8%	25.7%	15.5%	10.2%	10.4%	1.4%	8.9%
EBIT	146.9	152.5	(5.6)	-3.6%	-9.5%	-6.1%	-3.4%	-12.1%	-8.8%	-3.3%
Credit Adj. EBITDA	188.9	189.6	(0.7)	-0.4%	-6.8%	-6.4%	-0.4%	-6.9%	-6.5%	-0.4%
KPIs										
Daily Paying Users (Mn)	0.31	0.30	0.0	1.1%	-2.2%	-3.3%	1.1%	2.3%	1.2%	1.1%
Daily Payer Conversion	3.5%	3.6%		-0.1%	-0.1%	0.0%	-0.1%	-0.1%	0.0%	-0.1%
ARPPDU (BofA Est.)	\$ 22.7	\$22.6	0.0	0.1%	3.4%	3.2%	0.1%	-1.1%	-1.2%	0.1%
Themes										
Casino	273	271	1.9	0.7%	-4.6%	-5.3%	0.7%	0.0%	-0.7%	0.7%
Casual	364	359	5.2	1.4%	5.5%	4.0%	1.5%	2.2%	0.7%	1.4%
% of Revenue										
Cost of Revenue	28.3%	28.3%		1 bps	-0.3%	-0.4%	0 bps	2.6%	2.5%	0 bps
S&M	24.5%	23.7%		76 bps	4.7%	3.9%	8 bps	9.7%	6.3%	34 bps
R&D	14.5%	14.8%		-27 bps	-3.6%	-3.3%	-3 bps	-1.1%	0.7%	-18 bps
G&A	9.7%	9.0%		67 bps	1.9%	1.2%	7 bps	9.0%	1.4%	76 bps
EBIT	23.0%	24.2%		-117 bps	-2.7%	-1.5%	-12 bps	-13.2%	-8.8%	-44 bps

Source: BofA Global Research, Company Reports

BofA GLOBAL RESEARCH

Exhibit 2: BofA vs Street Forecasts, 2023A to 2025E

We leave FY24 Revenue estimates roughly unchanged and model lower EBITDA margin on higher anticipated marketing spend to support portfolio growth

	2022	23Q1	23Q2	23Q3	23Q4	2023	2024E	2025E
Total Revenue								
BofA (After)	2,616	656	643	630	638	2,567	2,578	2,656
BofA (Before)					630	2,559	2,575	2,678
STREET					631	2,561	2,626	2,698
Delta vs. STREET					1.0%	0.2%	-1.8%	-1.6%
GUIDE					628	2,558	2,570	-
Total Revenue YoY Growth %								
BofA (After)	1.3%	-3.1%	-2.5%	-2.7%	1.1%	-1.9%	0.4%	3.0%
BofA (Before)					-0.2%	-2.2%	0.6%	4.0%
STREET					0.0%	-2.1%	2.5%	2.7%
Delta vs. STREET					1.0%	0.2%	-2.1%	0.3%
GUIDE						-2%		
Total OpEx - NON-GAAP								
BofA (After)	1,237	287	288	289	310	1,174	1,268	1,298
BofA (Before)					299	1,163	1,161	1,190
STREET					303	1,156	1,186	1,210
Total OpEx - YoY Growth %								
BofA (After)	7.5%	-13.6%	-8.5%	-4.3%	7.8%	-5.0%	8.0%	2.4%
BofA (Before)					3.9%	-5.9%	-0.2%	2.5%
STREET					5.1%	(6.5%)	2.6%	2.0%
Free Cash Flow								
BofA (After)	384	5	190	87	154	436	396	416
BofA (Before)					123	405	481	544
STREET					102	392	477	524
Delta vs. STREET					51.3%	11.3%	-16.9%	-20.6%
Credit Adj. EBITDA								
BofA (After)	805	223	215	203	189	830	753	781
BofA (Before)					190	830	848	898
STREET					188	830	856	913
Delta vs. STREET					0.3%	0.0%	-12.0%	-14.5%
GUIDE					188	829	750	-
Credit Adj. EBITDA Margin %								
BofA (After)	30.8%	33.9%	33.4%	32.2%	29.6%	32.3%	29.2%	29.4%
BofA (Before)					30.1%	32.4%	32.9%	33.5%
STREET					29.5%	32.3%	33.2%	34.4%
Delta vs. STREET					0.1%	0.0%	-4.0%	-5.0%
GUIDE						32.4%		

Source: Company reports, Visible Alpha, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 3: BofA vs. Consensus, Valuations & Price Objective

Our Price Objective of \$7/share is based on 5.4x FY24 EV/EBITDA ratio

Playtika -- Valuation Worksheet

(\$ in millions, except per share amounts)

	BofA Target Valuation		BofA Current Valuation (2/26/24)		Market Consensus Valuation (2/26/24)	
	2023	2024E	2023	2024E	2023	2024E
(Mn)						
Upside/Downside	(0.2%)					
Price Objective	\$7.00					
Share Price			\$7.02		\$7.02	
Diluted Shares Outst.	382	382	382	377	382	382
Market Value	\$2,675	\$2,675	\$2,680	\$2,643	\$2,680	\$2,680
Net Cash	(\$1,368)	(\$1,368)	(\$1,368)	(\$1,368)	(\$1,368)	(\$1,368)
Enterprise Value	\$4,043	\$4,043	\$4,048	\$4,011	\$4,048	\$4,048
EV/EBITDA	4.9x	5.4x	4.9x	5.3x	4.9x	4.7x
Adj. EBITDA (BofA/STREET)	\$830	\$754	\$830	\$754	\$830	\$856
FCF Yield	16.3%	14.9%	16.3%	15.0%	14.6%	17.8%
FCF (BofA/STREET)	\$436	\$397	\$436	\$397	\$392	\$477

Source: BofA Global Research, Factset, Visible Alpha

BofA GLOBAL RESEARCH

Exhibit 4: Comparable Company Analysis - Mobile Game Publishers

Our comparator set includes global pure mobile game publishers

Company	Ticker	2/23/24 Price	EV/Sales			Sales CAGR CY22-CY24	EV/EBITDA			EBITDA CAGR CY22-CY24	EBITDA Margin		
			2022A	2024E	2025E		2022A	2024E	2025E		2022A	2024E	2025E
Index			1.8x	1.7x	1.6x	7%	7.2x	6.6x	5.9x	10%	25%	26%	27%
MAG Interactive	MAGI SS	9.04 kr	0.3x										
Netmarble	251270 KS	₩ 63,000	1.7x	1.5x	1.4x	10%	37.2x	14.9x	13.1x	68%	5%	10%	11%
Kakao Games	293490 KS	₩ 24,250	2.7x	2.4x	2.2x	13%	17.2x	14.1x	11.0x	25%	16%	17%	20%
NCsoft	036570 KS	₩ 205,000	1.4x	1.3x	1.2x	10%	9.9x	9.5x	6.2x	27%	14%	14%	19%
PlayWay SA	PLW PW	PLN 313	6.2x	5.3x	5.0x	11%	10.3x	8.6x	7.9x	14%	60%	62%	63%
Krafton	259960 KS	₩ 224,500	3.6x	3.2x	2.8x	13%	7.7x	7.6x	6.9x	6%	46%	42%	40%
11 Bit Studios SA	11B PW	PLN 580	26.8x	4.1x	3.9x	163%	241.8x	5.7x	5.1x	589%	11%	71%	76%
Ten Square Games SA	TEN PW	PLN 105	1.5x	1.5x	1.5x	(0%)	6.4x	5.7x	6.5x	(0%)	24%	27%	24%
Playtika	PLTK US	\$7.20	1.7x	1.6x	1.6x	2%	5.1x	5.0x	4.7x	4%	32%	32%	33%
Stillfront	SF SS	9.33 kr	1.3x	1.3x	1.2x	3%	3.7x	3.6x	3.4x	3%	36%	35%	36%
G5 Entertainment	G5EN SS	127.20 kr	0.7x	0.8x	0.8x	(2%)	3.5x	3.6x	3.3x	2%	21%	21%	23%
Huuuge	HUG PW	PLN 27	1.2x	1.2x	1.3x	(6%)	3.1x	3.5x	3.8x	(10%)	37%	34%	34%
Playstudios	MYP US	\$2.19	0.6x	0.6x	0.6x	5%	3.2x	3.0x	2.7x	9%	19%	20%	21%
DoubleDown	DDI US	\$12.45	1.1x	1.0x	1.0x	5%	2.8x	2.9x	2.8x	1%	39%	36%	36%
Gungho	3765 JP	¥2,272.00	0.0x	0.1x	0.0x	(3%)	0.2x	0.2x	0.2x	(3%)	24%	24%	24%
Median			1.4x	1.4x	1.4x	5%	5.8x	5.4x	4.9x	5%	24%	30%	29%
Average			3.4x	1.9x	1.7x	16%	25.2x	6.3x	5.5x	53%	27%	32%	33%

Source: Factset, Bloomberg

BofA GLOBAL RESEARCH

Price objective basis & risk

Playtika (PLTK)

Our \$7 PO is based on 5.4x FY24 EV/EBITDA ratio, at the high end of casual mobile gaming peers (range 0.2x-5.7x). Our valuation reflects (1) structural challenges for mobile game developers that impede long term growth, (2) PLTK's solid execution and best-in-class operating efficiency, and (3) uncertainties around the success of its M&A led growth strategy.

Upside risks to our PO are (1) a potential acquisition by a strategic acquirer, (2) step function improvements in user targeting technologies among ad networks, (3) ability to drive significant inorganic growth through acquisitions, and (4) outperformance in UA efforts that leads to market share gains. Downside risks to our PO are (1) significantly weaker macro condition in 2024 that leads to lower mobile gaming spend than our expectations, (2) worse-than-expected deterioration in core Social Casino portfolio that leads to lower overall user monetization, and (3) inability to drive profitable growth through acquisitions

Analyst Certification

I, Omar Dessouky, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Internet Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Alphabet	GOOGL	GOOGL US	Justin Post
	Alphabet	GOOG	GOOG US	Justin Post
	Amazon.com	AMZN	AMZN US	Justin Post
	AppLovin	APP	APP US	Omar Dessouky, CFA
	DoorDash	DASH	DASH US	Michael McGovern
	DoubleVerify Holdings, Inc.	DV	DV US	Omar Dessouky, CFA
	Electronic Arts	EA	EA US	Omar Dessouky, CFA
	Integral Ad Science Holding Corp.	IAS	IAS US	Omar Dessouky, CFA
	LegalZoom	LZ	LZ US	Michael McGovern
	Match Group	MTCH	MTCH US	Curtis Nagle, CFA
	Meta Platforms Inc	META	META US	Justin Post
	Pinterest	PINS	PINS US	Justin Post
	RH	RH	RH US	Curtis Nagle, CFA
	Roblox Corp. Class A	RBLX	RBLX US	Omar Dessouky, CFA
	Squarespace, Inc.	SQSP	SQSP US	Michael McGovern
	Uber	UBER	UBER US	Justin Post
	Udemy Inc	UDMY	UDMY US	Curtis Nagle, CFA
	Vivid Seats	SEAT	SEAT US	Curtis Nagle, CFA
	Wayfair	W	W US	Curtis Nagle, CFA
	Wix.com	WIX	WIX US	Michael McGovern
NEUTRAL				
	ACV Auctions	ACVA	ACVA US	Curtis Nagle, CFA
	Airbnb	ABNB	ABNB US	Justin Post
	Beyond Inc	BYON	BYON US	Curtis Nagle, CFA
	Booking Holdings Inc	BKNG	BKNG US	Justin Post
	Bumble	BMBL	BMBL US	Curtis Nagle, CFA
	Digital Turbine, Inc	APPS	APPS US	Omar Dessouky, CFA
	Duolingo	DUOL	DUOL US	Curtis Nagle, CFA
	eBay	EBAY	EBAY US	Justin Post
	Etsy, Inc.	ETSY	ETSY US	Curtis Nagle, CFA
	Expedia	EXPE	EXPE US	Justin Post
	Instacart	CART	CART US	Justin Post
	Magnite, Inc.	MGNI	MGNI US	Omar Dessouky, CFA

US - Internet Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Snap	SNAP	SNAP US	Justin Post
	Take-Two Interactive	TTWO	TTWO US	Omar Dessouky, CFA
	Zillow	ZG	ZG US	Curtis Nagle, CFA
	Zillow	Z	Z US	Curtis Nagle, CFA

UNDERPERFORM

	Chewy Inc	CHWY	CHWY US	Curtis Nagle, CFA
	Lyft, Inc.	LYFT	LYFT US	Michael McGovern
	Opendoor Technologies	OPEN	OPEN US	Curtis Nagle, CFA
	Peloton	PTON	PTON US	Curtis Nagle, CFA
	Playtika	PLTK	PLTK US	Omar Dessouky, CFA
	Redfin Corp	RDFN	RDFN US	Curtis Nagle, CFA
	Shutterstock	SSTK	SSTK US	Curtis Nagle, CFA

iQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization

Shareholders' Equity

Sales

N/A

N/A

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

EV = Current Share Price × Current Shares + Minority Equity + Net Debt +

Other LT Liabilities

Enterprise Value

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

Market Cap = Current Share Price × Current Basic Shares

Sales

Basic EBIT + Depreciation + Amortization

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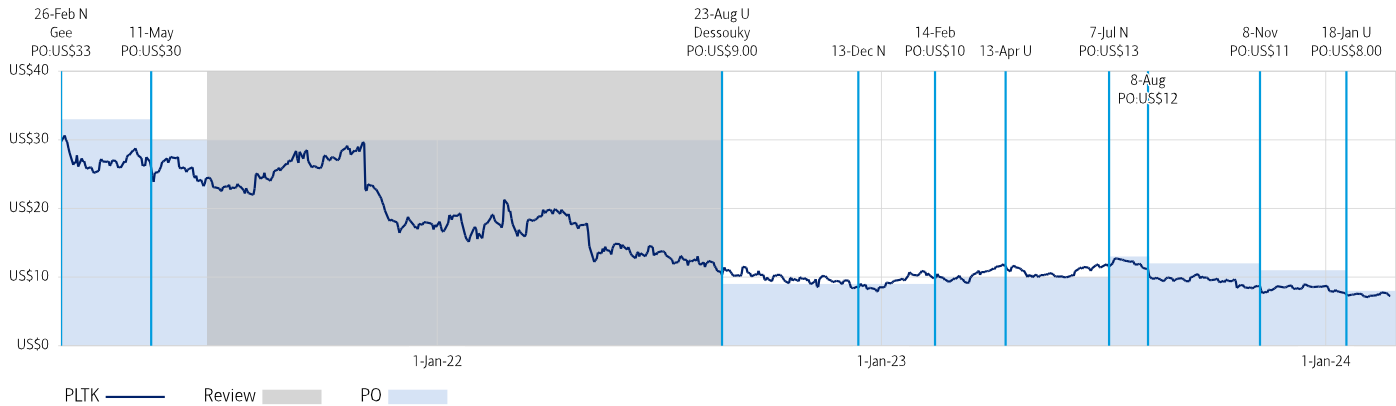
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Playtika (PLTK) Price Chart



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Equity Investment Rating Distribution: Technology Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	215	53.09%	Buy	111	51.63%
Hold	97	23.95%	Hold	45	46.39%
Sell	93	22.96%	Sell	24	25.81%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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