

ATVI Summary as of February 8, 2018



Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of February 8, 2018, only. Activision Blizzard undertakes no duty to update or revise any forward-looking information contained herein. This is a summary document only. For more detailed information, please refer to Activision Blizzard's earnings release dated February 8, 2018, and the Company's reports and filings with the SEC.

Stock Information ¹ :			Full Year EPS:						
Price per share as of 2/7/18 (\$)	69.46	2017 GAAP EPS (\$)	0.36	2013	2014	2015	2016	2017	
2017 Dividend/share (\$)	0.30	2017 Non-GAAP [†] EPS (\$)	2.21	GAAP EPS	\$0.95	\$1.13	\$1.19	\$1.28	\$0.36 ⁶
Daily volume on 2/7/18 (M)	6.1	2017 OCF (\$B)	2.21	Non-GAAP [†] EPS	\$1.08	\$1.24	\$1.30	\$2.18	\$2.21
50-day avg. vol., ended 2/7/18 (M)	6.0	2017 FCF ⁴ (\$B)	2.06	IR Contacts:					
Shs. Outstanding ² (M)	769	Book Value/diluted share ² (\$)	12.30	Amrita Ahuja, SVP IR	Amrita.Ahuja@ActivisionBlizzard.com			(310) 255-2075	
Market Cap. as of 2/7/18 (\$B)	52.5	Total cash & investments ⁵ (\$B)	4.78	Colin Roussil, Sr. Director IR	Colin.Roussil@ActivisionBlizzard.com			(424) 272-3164	
Enterprise Value as of 2/7/18 ³ (\$B)	52.2	Total debt as of 12/31/17 (\$B)	4.44	Jason Shi, Sr. Analyst IR	Jason.Shi@ActivisionBlizzard.com			(424) 744-5687	

¹ NASDAQ OMX. ² Based on fully diluted shares for the quarter ending 12/31/2017. ³ Using 12/31/2017 cash & investments and debt. ⁴ FCF = OCF minus Capex. ⁵ Includes short-term and long-term investments. ⁶ If adjusted to exclude significant discrete tax-related items, GAAP EPS would have been a record \$1.39.

A record quarter and a record year in 2017:

- ⇒ Record Net Bookings^{††} of \$2.6B for the quarter and \$7.2B for the year
- ⇒ Record total revenues and in-game revenues for the quarter and year
- ⇒ GAAP EPS of \$0.36 for the year, which would have been a record \$1.39 when adjusted to exclude significant discrete tax-related items
- ⇒ Record Non-GAAP[†] EPS of \$2.21 for the year, above initial February guidance of \$1.70
- ⇒ Record operating cash flow of \$2.2B for the year

Achieved important milestones that demonstrate the enduring nature of our franchises:

- ⇒ Activision celebrated strong **Call of Duty**[®] momentum and their best operating income year ever
- ⇒ Blizzard delivered their highest operating income in a year with no major game release
- ⇒ King returned to growth with the **Candy Crush**[™] franchise stronger than ever

Executing on key growth initiatives:

- ⇒ 2017 was also an important year in which we prepared for our future growth initiatives, including with launch of the **Overwatch League**[™]
- ⇒ Growth of new opportunities across advertising, consumer products, cinematic productions, and esports support one another and help drive engagement back into franchises

Eight \$1B+ Franchises Across Our Portfolio of Primarily Owned IP

 Record annual segment operating income; 2 top grossing console games in NA and 2 of top-5 grossing worldwide*	
 Record annual segment revenues and operating income for a non-launch year	
 2 of top-10 highest-grossing titles in U.S. app stores for 17 th quarter in a row, with Candy Crush franchise taking top-2 spots this quarter**	

* Based on data from the NPD Group, GfK, GSD, and internal estimates. ** U.S. ranking for Apple App Store and Google Play Store combined, per App Annie Intelligence for fourth quarter 2017. [†] For a full reconciliation of GAAP to non-GAAP numbers and for more detailed information concerning the Company's financial results for the quarter ended December 31, 2017, please refer to the Company's earnings release dated February 8, 2018, which is available on our website, www.activisionblizzard.com. ^{††} Net bookings is an operating metric that is defined as the net amount of products and services sold digitally or sold-in physically in the period, including license fees, merchandise, and publisher incentives, among others.

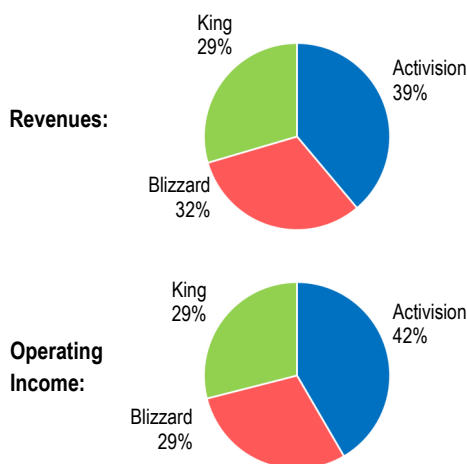
Reportable Segment Results¹

	Q4			CY		
	2016	2017	%	2016	2017	%
Revenues (\$M)						
Activision	1,151	1,337	16	2,220	2,628	18
Blizzard	672	599	-11	2,439	2,139	-12
King	<u>436</u>	<u>516</u>	18	<u>1,586</u>	<u>1,998</u>	26
Total	2,259	2,452	9	6,245	6,765	8
Operating Income (\$M)						
Activision	479	634	32	788	1,005	28
Blizzard	265	160	-40	995	712	-28
King	<u>156</u>	<u>162</u>	4	<u>537</u>	<u>700</u>	30
Total	900	956	6	2,320	2,417	4
Operating Margin						
Activision	42%	47%		35%	38%	
Blizzard	39%	27%		41%	33%	
King	36%	31%		34%	35%	
Total	40%	39%		37%	36%	

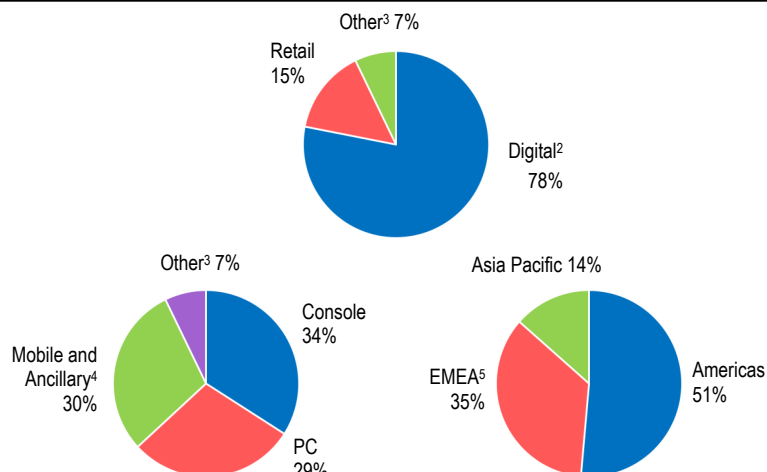
Revenue Breakdowns¹

	GAAP Q4			GAAP CY		
	2016	2017	%	2016	2017	%
Distribution Channels (\$M)						
Digital online channels ²	1,454	1,431	-2	4,865	5,479	13
Retail	372	335	-10	1,386	1,033	-25
Other ³	<u>188</u>	<u>277</u>	47	<u>357</u>	<u>505</u>	41
Total	2,014	2,043	1	6,608	7,017	6
Platforms (\$M)						
Console	586	679	16	2,453	2,389	-3
PC	704	508	-28	2,124	2,042	-4
Mobile and Ancillary ⁴	536	579	8	1,674	2,081	24
Other ³	<u>188</u>	<u>277</u>	47	<u>357</u>	<u>505</u>	41
Total	2,014	2,043	1	6,608	7,017	6
Geography (\$M)						
Americas	1,012	1,021	1	3,423	3,607	5
EMEA ⁵	693	780	13	2,221	2,464	11
Asia Pacific	<u>309</u>	<u>242</u>	-22	<u>964</u>	<u>946</u>	-2
Total	2,014	2,043	1	6,608	7,017	6

2017 Reportable Segment Results



2017 GAAP Revenues



¹ Only includes King results since the date of its acquisition (Feb 23, 2016). Blizzard results include \$19M of intersegment revenues in Q4 2017. ² Net revenues from "Digital" represent revenues from digitally-distributed subscriptions, licensing royalties, value-added services, downloadable content, micro-transactions, and products. ³ Net revenues from "Other" include revenues from our studios and distribution businesses, as well as revenues from Major League Gaming and the Overwatch League. ⁴ Net revenues from "Mobile and Ancillary" include revenues from mobile devices, as well as non-platform specific game related revenues such as standalone sales of toys and accessories from the Skylanders franchise and other physical merchandise and accessories. ⁵ "EMEA" consists of the Europe, Middle East, and Africa geographic regions.

Results

	Q4		
	2016	2017	2017
GAAP Net Revenues, \$M	2,014	1,700	2,043
Impact of GAAP deferrals	438	635	597
GAAP EPS, \$	0.33	0.10	(0.77) ²
Non-GAAP ¹ EPS, \$	0.65	0.36	0.49
Impact of GAAP deferrals	0.27	0.46	0.45

¹ Prior outlook provided November 2, 2017

² If adjusted to exclude significant discrete tax-related items, GAAP EPS would have been \$0.27, ahead of guidance by \$0.17

Cash Flows, Repurchases, Dividends, Capital Alloc.

	2012	2013	2014	2015	2016	2017
Operating Cash Flow, \$M	1,350	1,293	1,331	1,259	2,155	2,213
Free Cash Flow*, \$M	1,277	1,219	1,224	1,148	2,019	2,058
Repurchases, \$M	315	5,830	-	-	-	-
Annual Dividends/Share, \$	0.18	0.19	\$0.20	\$0.23	\$0.26	0.30

* FCF = OCF minus CapEx

Outlook, as of February 8, 2018^{††}

	Q1		2018		Impact of GAAP Deferrals	
	GAAP	Non-	GAAP	Non-	Q1	2018
Revenues (\$M)	1,820	1,820	7,350	7,350	(540)	100
Operating Margin*	27%	36%	25%	34%		
EPS* (\$)	0.47	0.65	1.78	2.45	(0.34)	0.05
Fully diluted weighted avg. shares** (M)	771	771	776	776		

Net bookings^{†††} (operating metric) is expected to be \$7.45 billion for 2018 and \$1.28 billion for the first quarter of 2018.

Note: 2018 outlook assumes \$1.20 USD/Euro and \$1.37 USD/GBP. Our financial guidance includes the forecasted impact of the FX cash flow hedging program.

* May not recalculate due to rounding.

** Including fully diluted shares based on average share price.

[†] For a full reconciliation of GAAP to non-GAAP numbers and for more detailed information concerning the Company's financial results for the quarter ended December 31, 2017, please refer to the Company's earnings release dated February 8, 2018, which is available on our website, www.activisionblizzard.com. ^{††} Our outlook is based on assumptions about sell-through rates for our products and services and the launch timing, success and pricing of our slate of new products and services, all of which are subject to significant risks and uncertainties, including possible declines in the overall demand for video games and in the demand for our products and services, the dependence in the interactive software industry and by us on an increasingly limited number of popular franchises for a disproportionately high percentage of revenues and profits, our ability to predict shifts in consumer preferences among genres and competition. Our outlook is also subject to other risks and uncertainties, including litigation and associated costs, fluctuations in foreign exchange and tax rates, counterparty risks relating to customers, financing providers, licensees, licensors and manufacturers. As a result of these and other factors (including those mentioned in the Company's earnings release dated February 8, 2018, our most recent Annual Report on Form 10-K and our other filings with the SEC) actual results may deviate materially from the outlook presented above. ^{†††} Net bookings is an operating metric that is defined as the net amount of products and services sold digitally or sold-in physically in the period, including license fees, merchandise, and publisher incentives, among others.