

ATVI Summary as of May 4, 2017



Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of May 4, 2017 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 May 4, 2017, the July 29, 2016 call explaining updates to our financial disclosure, and the Company's reports and filings with the SEC.

Stock Information ¹ :		Full Year EPS:							
Price per share as of 5/3/17 (\$)	52.84	Q1 2017 TTM GAAP EPS (\$)	1.35	2012	2013	2014	2015	2016	
2017 Dividend/share (\$)	0.30	Q1 2017 TTM Non-GAAP [†] (redefined) EPS (\$)	2.31	GAAP EPS	\$1.01	\$0.95	\$1.13	\$1.19	\$1.28
Daily volume on 5/3/17 (M)	4.5	Q1 2017 TTM OCF (\$B)	2.23	Non-GAAP [†] (redefined) EPS	\$1.11	\$1.08	\$1.24	\$1.30	\$2.18
50-day avg. vol., ended 5/3/17 (M)	6.0	Q1 2017 TTM FCF ⁴ (\$B)	2.10	IR Contacts:					
Shs. Outstanding ² (M)	761	Book Value/diluted share ² (\$)	12.40	Amrita Ahuja, SVP IR	Amrita.Ahuja@ActivisionBlizzard.com (310) 255-2075				
Market Cap. as of 5/3/17 (\$B)	39.8	Total cash & investments ³ (\$B)	3.27	Colin Roussil, Sr. Director IR	Colin.Roussil@ActivisionBlizzard.com (424) 272-3164				
Enterprise Value as of 5/3/17 ³ (\$B)	41.0	Total debt as of 3/31/17 (\$B)	4.44	Jason Shi, Sr. Analyst IR	Jason.Shi@ActivisionBlizzard.com (424) 744-5687				

¹ NASDAQ OMX. ² Based on fully diluted shares and participating securities for the quarter ending March 31, 2017. ³ Using 3/31/2017 cash & investments and debt. ⁴ FCF = OCF minus Capex. ⁵ Includes short-term and long-term investments.

Better-than-expected Q1 financial results:

- ⇒ Record Q1 GAAP total revenues up 19% Y/Y and digital revenues up 50% Y/Y
- ⇒ Record Q1 GAAP EPS up 17% Y/Y and non-GAAP (redefined)[†] EPS up 24% Y/Y
- ⇒ Record Q1 operating cash flow of \$411M, up 22% Y/Y

Raising full year guidance:

- ⇒ Increasing 2017 GAAP outlook to revenues of \$6.10B, inc. net deferrals of \$230M, and GAAP EPS of \$0.88
- ⇒ Increasing 2017 non-GAAP (redefined)[†] outlook to EPS of \$1.80, including net deferrals of \$0.08

Emerging opportunities:

- ⇒ Continue to invest in both in-game growth opportunities as well as adjacent ones like consumer products, ads and esports
- ⇒ We believe the opportunity to further professionalize esports now exists, and the impact over time could be significant
- ⇒ Launching Overwatch League™ later this year to celebrate our players, & deliver spectator content to hard-to-reach digital native audience
- ⇒ Advertising in King's mobile games is a large untapped opportunity; we continue to make progress testing & developing our ad platform

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

<p>Early momentum on 2H releases, <i>Destiny 2</i> and <i>Call of Duty: WWII</i></p>	
<p>Record Q1 MAU* and time spent, up double-digit % Y/Y; in-game revenues grew by over 25% Y/Y</p>	
<p>2 of top 10 grossing games on U.S. app stores for 14 consecutive quarters**</p>	

* MAUs defined as number of individuals who played a particular game in a given month averaged across the number of months in a respective period. Refer to definition included in earnings release for additional details. ** U.S. ranking for Apple App Store and Google Play Store combined, per App Annie Intelligence for first 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 March 31, 2017, please refer to the tables attached to the Company's earnings release dated May 4, 2017, 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 May 4, 2017, 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.

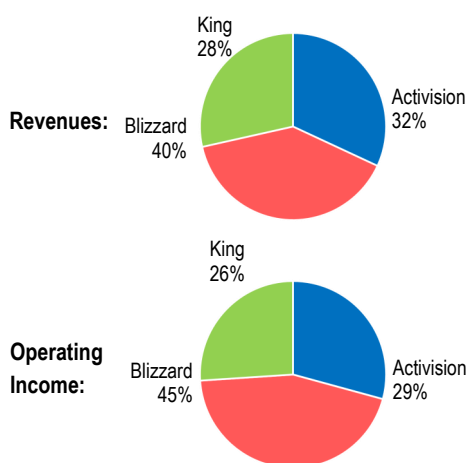
Reportable Segment Results¹

	Q1			Q1 TTM		
	2016	2017	%	2016	2017	%
Revenues (\$M)						
Activision	360	215	-40	2,756	2,075	-25
Blizzard	294	441	50	1,507	2,575	71
King	<u>207</u>	<u>474</u>	NM	<u>207</u>	<u>1,853</u>	NM
Total	861	1,130	31	4,470	6,503	45
Operating Income (\$M)						
Activision	99	24	-76	904	714	-21
Blizzard	86	166	93	508	1,093	115
King	<u>67</u>	<u>166</u>	NM	<u>67</u>	<u>636</u>	NM
Total	252	356	41	1,479	2,443	65
Operating Margin						
Activision	28%	11%		33%	34%	
Blizzard	29%	38%		34%	42%	
King	32%	35%		32%	34%	
Total	29%	32%		33%	38%	

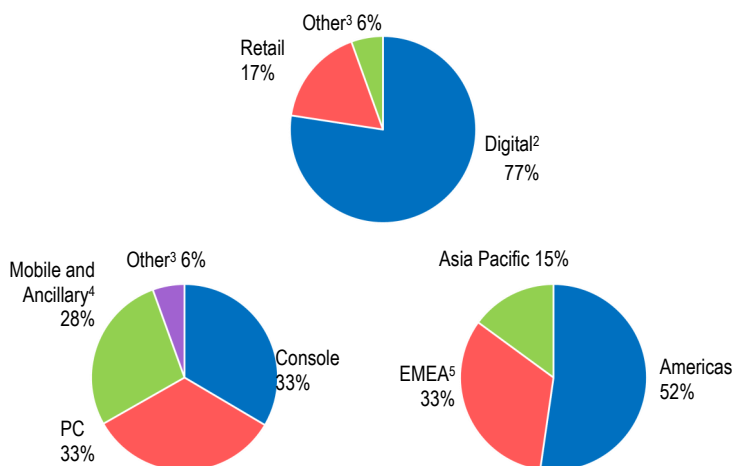
Revenue Breakdowns¹

	GAAP Q1			GAAP Q1 TTM		
	2016	2017	%	2016	2017	%
Distribution Channels (\$M)						
Digital online channels ²	926	1,386	50	2,848	5,325	87
Retail	482	270	-44	1,639	1,173	-28
Other ³	47	70	49	355	380	7
Total	1,455	1,726	19	4,842	6,878	42
Platforms (\$M)						
Console	765	615	-20	2,399	2,303	-4
PC	400	566	42	1,514	2,290	51
Mobile and Ancillary ⁴	243	475	95	574	1,905	NM
Other ³	47	70	49	355	380	7
Total	1,455	1,726	19	4,842	6,878	42
Geography (\$M)						
Americas	753	929	23	2,458	3,597	46
EMEA ⁵	521	554	6	1,798	2,253	25
Asia Pacific	<u>181</u>	<u>243</u>	34	<u>586</u>	<u>1,028</u>	75
Total	1,455	1,726	19	4,842	6,878	42

Q1 2017 TTM Reportable Segment Results¹



Q1 2017 TTM GAAP Revenues¹



¹ Only includes King results since the date of the acquisition (Feb 23, 2016). ² Net revenues from digital online channels 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 Major League Gaming, studios, and distribution businesses. 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

	Q1		
	2016	2017	2017
GAAP Net Revenues, \$M	1,455	1,550	1,726
GAAP EPS, \$	0.48	0.25	0.56
Non-GAAP [†] (redefined) EPS, \$	0.58	0.51	0.72

Cash Flows, Repurchases, Dividends, Capital Alloc.

	2011	2012	2013	2014	2015	2016
Operating Cash Flow, \$M	976	1,350	1,293	1,331	1,259	2,155
Free Cash Flow*, \$M	904	1,277	1,219	1,224	1,148	2,019
Repurchases, \$M	692	315	5,830	-	-	-
Annual Dividends/Share, \$	0.165	0.18	0.19	\$0.20	\$0.23	\$0.26

During Q1 2017, we prepaid \$500 million of our term loan. Also, the company declared a cash dividend of \$0.30 per common share to be paid on May 10th to shareholders of record at the close of business on March 30, 2017.

Note: During Q3 2016 we adopted a new accounting standard that included retrospectively revising cash flows for all periods presented. Refer to the tables attached to the Company's earnings released dated November 3, 2016, for more details. * FCF = OCF minus CapEx

[†] Prior outlook provided February 9, 2016

Outlook, as of May 4, 2017^{††}

	Q2		2017		Impact of GAAP Deferrals [*]	
	GAAP	Non-GAAP [†] (redefined)	GAAP	Non-GAAP [†] (redefined)	Q2	2017
Revenues (\$M)	1,425	1,425	6,100	6,100	(225)	230
Operating Margin ^{**}	13%	29%	16%	32%		
EPS ^{**} (\$)	0.15	0.38	0.88	1.80	(0.11)	0.08
Fully diluted weighted avg. shares ^{***} (M)	764	764	767	767		

If you would like to calculate Non-GAAP metrics as previously defined, you would add the impact of GAAP deferrals to the relevant Non-GAAP (redefined) metrics. Please see materials from July 29, 2016 call for further details.

Note: Outlook assumes \$1.09 USD/Euro and \$1.28 USD/GBP. Revenue and EPS increase if Euro or GBP strengthen vs. USD.

^{*} Net effect of accounting treatment from revenue deferrals on certain of our online enabled products.

^{**} May not recalculate due to rounding.

^{***} Including fully diluted shares and participating securities 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 March 31, 2017, please refer to the tables attached to the Company's earnings release dated May 4, 2017, 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 May 4, 2017, 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.