







ATVI: Summary as of May 3, 2018



Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of May 3, 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 May 3, 2018, and the Company's reports and filings with the SEC.

Core interactive with eight \$1B+ franchises across our portfolio of primarily owned IP

 Segment revenues and operating income grew substantially Y/Y with record Q1 segment operating margin, driven by Call of Duty: WWII	
 Record Q1 segment revenue driven by in-game content across the portfolio, strong World of Warcraft expansion presales, and the Overwatch League	
 2 of top-10 highest-grossing titles in U.S. app stores for 18 th quarter in a row, with Candy Crush franchise taking top-2 spots again this quarter ¹	

"Activision Blizzard had another strong quarter, growing year-over-year, setting top and bottom line records, and over-performing guidance. Our continued ability to set new records speaks to the quality of our teams and the breadth and enduring nature of our portfolio of franchises against the backdrop of a large and growing interactive market," said Bobby Kotick, Chief Executive Officer of Activision Blizzard. "As we look ahead, our innovative core gaming pipeline, as well as initiatives like mobile, esports, and advertising, will continue to drive growth for our business."

¹ U.S. ranking for Apple App Store and Google Play Store combined, per App Annie Intelligence for first quarter 2018.

Historical Results, Balance Sheet, & Capital Allocation

	2012	2013	2014	2015	2016	2017	YTD 2018
GAAP Revenues	\$4.86B	\$4.58B	\$4.41B	\$4.66B	\$6.61B	\$7.02B	\$1.97B
GAAP EPS	\$1.01	\$0.95	\$1.13	\$1.19	\$1.28	\$0.36 ¹	\$0.65
Non-GAAP [†] EPS	\$1.11	\$1.08	\$1.24	\$1.30	\$2.18	\$2.21	\$0.78
Operating Cash Flow	\$1.35B	\$1.29B	\$1.33B	\$1.26B	\$2.16B	\$2.21B	\$0.53B
Free Cash Flow ²	\$1.28B	\$1.22B	\$1.22B	\$1.15B	\$2.02B	\$2.06B	\$0.50B
Net Bookings ^{††} (operating metric)	\$4.99B	\$4.34B	\$4.81B	\$4.62B	\$6.60B	\$7.16B	\$1.38B
Cash & Investments (period end)	\$4.38B	\$4.45B	\$4.87B	\$5.40B	\$3.27B	\$4.78B	\$5.30B
Gross Debt (period end)	-	\$4.74B	\$4.37B	\$4.12B	\$4.94B	\$4.44B	\$4.44B
Repurchases	\$0.3B	\$5.8B	-	-	-	-	-
Annual Dividends/Share	\$0.18	\$0.19	\$0.20	\$0.23	\$0.26	\$0.30	\$0.34 ³

¹ If adjusted to exclude significant discrete tax-related items, GAAP EPS would have been a record \$1.39.

² Free Cash Flow represents Operating Cash Flow minus Capital Expenditure.

³ \$0.34/share dividend to be paid on May 9, 2018.

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[†] 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, 2018, please refer the Company's earnings release dated May 3, 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, and includes license fees, merchandise, and publisher incentives, among others, and is equal to net revenues excluding the impact from deferrals.

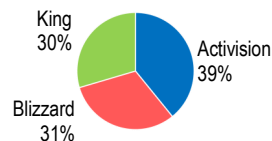
Reportable Segment Results¹

	Q1			Q1 TTM		
	2017	2018	Y/Y %	2017	2018	Y/Y %
Revenues (\$M)						
Activision	215	312	45	2,075	2,724	31
Blizzard	443	480	8	2,585	2,176	-16
King	474	534	13	1,853	2,058	11
Total	1,132	1,326	17	6,513	6,958	7
Operating Income (\$M)						
Activision	24	92	283	714	1,074	50
Blizzard	159	122	-23	1,069	675	-37
King	166	191	15	636	725	14
Total	349	405	16	2,419	2,474	2
Operating Margin						
Activision	11%	29%		34%	39%	
Blizzard	36%	25%		41%	31%	
King	35%	36%		34%	35%	
Total	31%	31%		37%	36%	

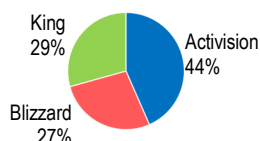
Revenue Breakdown¹

	GAAP Q1			GAAP Q1 TTM		
	2017	2018	Y/Y %	2017	2018	Y/Y %
Distribution Channels (\$M)						
Digital online channels ²	1,386	1,463	6	5,325	5,557	4
Retail	270	409	51	1,173	1,172	0
Other ³	70	93	33	380	528	39
Total	1,726	1,965	14	6,878	7,257	6
Platforms (\$M)						
Console	615	817	33	2,303	2,591	13
PC	566	519	-8	2,290	1,996	-13
Mobile and Ancillary ⁴	475	536	13	1,905	2,142	12
Other ³	70	93	33	380	528	39
Total	1,726	1,965	14	6,878	7,257	6
Geography (\$M)						
Americas	929	1,065	15	3,597	3,742	4
EMEA ⁵	554	687	24	2,253	2,598	15
Asia Pacific	243	213	-12	1,028	917	-11
Total	1,726	1,965	14	6,878	7,257	6

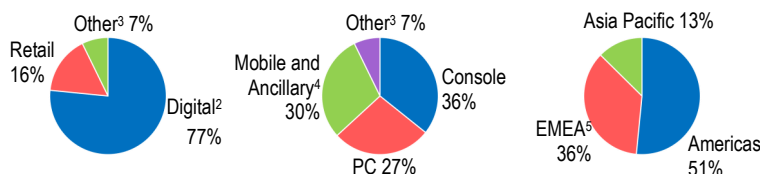
TTM Segment Revenue



TTM Segment Operating Income:



TTM GAAP Revenue Breakout:



¹ Blizzard results include intersegment revenues of \$19M in Q4 2017 and \$1M in Q1 2018.

² Net revenues from "Digital online channels" represent revenues from digitally-distributed subscriptions, downloadable content, microtransactions, and products, as well as licensing royalties.

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 physical merchandise and accessories.

⁵ "EMEA" consists of the Europe, Middle East, and Africa geographic regions.

First Quarter 2018 Results

	Q1 2017 Actual			Prior Q1 2018 Outlook ¹			Q1 2018 Actual		
	GAAP	Non-GAAP [†]	Impact of GAAP Deferrals	GAAP	Non-GAAP [†]	Impact of GAAP Deferrals	GAAP	Non-GAAP [†]	Impact of GAAP Deferrals
Revenues	\$1,726M	\$1,726M	(\$530M)	\$1,820M	\$1,820M	(\$540M)	\$1,965M	\$1,965M	(\$581M)
Operating Income	\$493M	\$747M	(\$396M)				\$595M	\$767M	(\$373M)
EPS ²	\$0.56	\$0.72	(\$0.41)	\$0.47	\$0.65	(\$0.34)	\$0.65	\$0.78	(\$0.40)
Operating Cash Flow	\$411M						\$529M, up 29% Y/Y		
Free Cash Flow ⁴	\$390M						\$498M, up 28% Y/Y		
Net Bookings ^{††} (operating metric)	\$1,196M						\$1,384M, up 16% Y/Y		

Outlook, as of May 3, 2018^{†††}

	Q2			2018		
	GAAP	Non-GAAP [†]	Impact of GAAP Deferrals	GAAP	Non-GAAP [†]	Impact of GAAP Deferrals
Revenues	\$1,555M	\$1,555M	(\$205M)	\$7,355M	\$7,355M	\$120M
Operating Margin ²	21%	31%	(7 pp)	25%	34%	0 pp
EPS ²	\$0.26	\$0.46	(\$0.15)	\$1.79	\$2.46	\$0.05
Net Bookings ^{††} (operating metric)	\$1,350M			\$7,475M		

Note: 2018 outlook assumes \$1.21 USD/Euro and \$1.39 USD/GBP.
Our financial guidance includes the forecasted impact of our FX hedging program.

¹ Prior outlook provided February 8, 2018
² May not recalculate due to rounding
³ Including fully diluted shares based on avg. share price
⁴ Free Cash Flow represents Operating Cash Flow minus Capital Expenditure

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