

ATVI: Summary as of August 2, 2018



Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of August 2, 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 August 2, 2018, and the Company's reports and filings with the SEC.

Eight \$1B+ franchises across our portfolio of primarily owned IP



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	\$3.61B
GAAP EPS	\$1.01	\$0.95	\$1.13	\$1.19	\$1.28	\$0.36 ¹	\$1.17
Non-GAAP [†] EPS	\$1.11	\$1.08	\$1.24	\$1.30	\$2.18	\$2.21	\$1.40
Operating Cash Flow	\$1.35B	\$1.29B	\$1.33B	\$1.26B	\$2.16B	\$2.21B	\$0.54B
Free Cash Flow ²	\$1.28B	\$1.22B	\$1.22B	\$1.15B	\$2.02B	\$2.06B	\$0.48B
Net Bookings ^{††} (operating metric)	\$4.99B	\$4.34B	\$4.81B	\$4.62B	\$6.60B	\$7.16B	\$2.77B
Cash & Investments (period end)	\$4.38B	\$4.45B	\$4.87B	\$5.40B	\$3.27B	\$4.78B	\$4.98B
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 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 June 30, 2018, please refer the Company's earnings release dated August 2, 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.

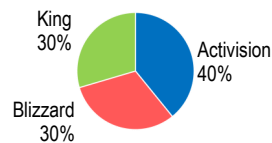
Reportable Segment Results¹

	Q2			Q2 TTM		
	2017	2018	Y/Y %	2017	2018	Y/Y %
Revenues (\$M)						
Activision	316	338	7	2,059	2,746	33
Blizzard	566	489	-14	2,410	2,099	-13
King	480	502	5	1,849	2,080	12
Total	1,362	1,329	-2	6,318	6,925	10
Operating Income (\$M)						
Activision	87	84	-3	713	1,071	50
Blizzard	225	133	-41	965	583	-40
King	164	169	3	624	730	17
Total	476	386	-19	2,302	2,384	4
Operating Margin						
Activision	28%	25%		35%	39%	
Blizzard	40%	27%		40%	28%	
King	34%	34%		34%	35%	
Total	35%	29%		36%	34%	

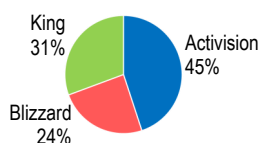
Revenue Breakdown¹

	GAAP Q2			GAAP Q2 TTM		
	2017	2018	Y/Y %	2017	2018	Y/Y %
Distribution Channels (\$M)						
Digital online channels ²	1,309	1,259	-4	5,493	5,507	-
Retail	260	278	7	1,059	1,190	12
Other ³	62	104	68	387	570	47
Total	1,631	1,641	1	6,939	7,267	5
Platforms (\$M)						
Console	568	565	-1	2,221	2,588	17
PC	508	451	-11	2,387	1,939	-19
Mobile and Ancillary ⁴	493	521	6	1,944	2,170	12
Other ³	62	104	68	387	570	47
Total	1,631	1,641	1	6,939	7,267	5
Geography (\$M)						
Americas	858	900	5	3,595	3,784	5
EMEA ⁵	538	552	3	2,284	2,612	14
Asia Pacific	235	189	-20	1,060	871	-18
Total	1,631	1,641	1	6,939	7,267	5

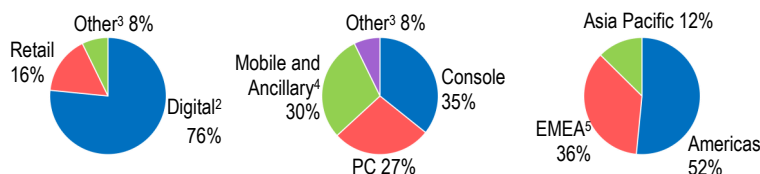
TTM Segment Revenue



TTM Segment Operating Income:



TTM GAAP Revenue Breakout:



¹ Blizzard results include intersegment revenues of \$19M in Q4 2017, \$1M in Q1 2018, and \$4M in Q2 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.

Second Quarter 2018 Results

	Q2 2017 Actual			Prior Q2 2018 Outlook ¹			Q2 2018 Actual		
	GAAP	Non-GAAP [†]	Impact of GAAP Deferrals	GAAP	Non-GAAP [†]	Impact of GAAP Deferrals	GAAP	Non-GAAP [†]	Impact of GAAP Deferrals
Revenues	\$1,631M	\$1,631M	(\$213M)	\$1,555M	\$1,555M	(\$205M)	\$1,641M	\$1,641M	(\$256M)
Operating Income	\$339M	\$576M	(\$105M)				\$434M	\$568M	(\$182M)
EPS ²	\$0.32	\$0.55	(\$0.12)	\$0.26	\$0.46	(\$0.15)	\$0.52	\$0.62	(\$0.21)
Operating Cash Flow		\$265M						\$9M	
Free Cash Flow ⁴		\$234M						(\$21M)	
Net Bookings ^{††} (operating metric)		\$1,418M						\$1,385M	

Outlook, as of August 2, 2018^{†††}

	Q3 2018			2018		
	GAAP	Non-GAAP [†]	Impact of GAAP Deferrals	GAAP	Non-GAAP [†]	Impact of GAAP Deferrals
Revenues	\$1,490M	\$1,490M	\$125M	\$7,355M	\$7,355M	\$120M
Operating Margin ²	14%	25%	3 pp	24%	33%	1 pp
EPS ²	0.16	0.37	0.10	1.84	2.46	0.12
Net Bookings ^{††} (operating metric)		\$1,615M			7,475	

Note: 2018 outlook assumes \$1.21 USD/Euro and \$1.35 USD/GBP.

Our financial guidance includes the forecasted impact of our FX hedging program.

¹ Prior outlook provided May 3, 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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