

02-Nov-2021

# Activision Blizzard, Inc. (ATVI)

Q3 2021 Earnings Call

### CORPORATE PARTICIPANTS

### **Christopher Hickey**

Senior Vice President - Investor Relations, Activision Blizzard, Inc.

#### Robert A. Kotick

Chief Executive Officer & Director, Activision Blizzard, Inc.

#### Daniel I. Alegre

President & Chief Operating Officer, Activision Blizzard, Inc.

### Armin Zerza

Chief Financial Officer, Activision Blizzard, Inc.

#### Mike Ybarra

Co-leader-Blizzard Entertainment, Activision Blizzard, Inc.

#### **Humam Sakhnini**

President, King Digital Entertainment, Activision Blizzard, Inc.

#### **Robert Kostich**

President, Activision Publishing, Inc.

### OTHER PARTICIPANTS

### **Matthew Thornton**

Analyst, Truist Securities, Inc.

#### Mike Hickey

Analyst, The Benchmark Co. LLC

### **Clay Griffin**

Analyst, MoffettNathanson LLC

### Alexia S. Quadrani

Analyst, JPMorgan Securities LLC

### **Kunaal Malde**

Analyst, Atlantic Equities LLP

#### Mario Lu

Analyst, Barclays Capital, Inc.

#### **Matthew Cost**

Analyst, Morgan Stanley & Co. LLC

#### **Andrew Uerkwitz**

Analyst, Jefferies LLC

### Michael Ng

Analyst, Goldman Sachs & Co. LLC

### MANAGEMENT DISCUSSION SECTION

**Operator**: Good afternoon, and welcome to the Activision Blizzard Third Quarter 2021 Earnings Conference Call. All participants will be in listen-only mode. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to Chris Hickey, Senior Vice President of Investor Relations. Please go ahead.

### **Christopher Hickey**

Senior Vice President - Investor Relations, Activision Blizzard, Inc.

Good afternoon, and thank you for joining us today for Activision Blizzard's Third Quarter 2021 Conference call. With us are Bobby Kotick, CEO; Daniel Alegre, President and COO; and Armin Zerza, CFO. And for Q&A, Rob Kostich; Mike Ybarra; and Humam Sakhnini, the leaders of Activision, Blizzard, and King, respectively, will also join us.

I would like to remind everyone that during this call we will be making statements that are not historical facts. The forward-looking statements in this presentation are based on information available to the company as of the date of this presentation. And while we believe them to be true, they may ultimately prove to be incorrect. A number of factors could cause the company's actual future results and other future circumstances to differ materially from those expressed in any forward-looking statements. These include the impact of the COVID-19 pandemic, the risk factors discussed in our SEC filings including our 2020 Annual Report on Form 10-K and third quarter 2021 Form 10-Q, and those on the slide that is shown. The company undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after today, November 2, 2021.

We will present both GAAP and non-GAAP financial measures during this call. We provide non-GAAP financial measures to exclude the impact of expenses related to stock-based compensation, the amortization of intangible assets and expenses related to acquisitions including legal fees, costs, expenses, and accruals, expenses related to debt financing and refinancings, restructuring and related charges, the associated tax benefits of these excluded items, and significant discrete tax-related items including amounts related to changes in tax rules, amounts related to the potential final resolution of tax positions, and other unusual or unique tax-related items and activities. These non-GAAP measures are not intended to be considered in isolation from, as a substitute for, or superior to our GAAP results. We encourage investors to consider all measures before making an investment decision.

Please refer to our earnings release which is posted on www.activisionblizzard.com for full GAAP to non-GAAP reconciliation and further explanations with respect to our non-GAAP measures. There is an earnings presentation which you can access with the webcast and which will be posted to the website following the call.

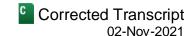
And now I'd like to introduce our CEO, Bobby Kotick.

#### Robert A. Kotick

Chief Executive Officer & Director, Activision Blizzard, Inc.

Thank you, Chris, and thank you, all, for joining us today.

Q3 2021 Earnings Call



As I said during our last earnings call, I want Activision Blizzard to be the leader in our industry for workplace culture. Since then, the leadership team and I have been hard at work listening to employees and implementing meaningful changes. I'd like to review the actions we've taken over the past few months with you today.

As we have made clear in certain instances relating to workplace culture, we should have done a better job ensuring our values were embraced across all parts of the company. Over the last few years, we have been focused on the improvements that are necessary to become a model workplace. We are of course taking these actions because any single instance of wrongful conduct at our company is unacceptable. But these actions we're taking are also the right ones for our business success.

We can't achieve our business ambitions without the very best talent. People with the talents we need have more alternatives for highly paid work opportunities than ever before. If we don't constantly evolve as a great place to work, we won't retain or attract the talent we need to realize our tremendous potential.

As a company, we have more opportunities ahead of us than I've seen in almost all the years I've led the company. The success we've achieved thus far is a result of an overwhelmingly large number of extraordinarily talented people with high integrity and good values focused on delivering great games to our players, which has resulted in superior shareholder returns.

This company and many of its leaders and so many of our talented employees past and present have shown strength of will dedicated to the achievement of bold aspirations. Our commitment to make Activision Blizzard the most welcoming and inclusive company in the world will be accomplished the same way our industry leadership has been accomplished, focusing commitment, persistence, strength of will, the unwavering ambition of truly talented people with equally unwavering integrity, and the continuous commitments to improvement.

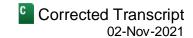
In September, we announced a comprehensive agreement with the U.S. Equal Opportunity Commission which is subject to court approval to strengthen policies and programs intended to further improve the prevention of harassment, discrimination, and related conduct. As part of this agreement, we'll establish an \$18 million fund to compensate those who have experienced such behavior at our company.

With respect to pay equity, another critically important issue that we have always worked hard to ensure we achieve, we recently disclosed to employees the results of our review of 2020 pay equity at our company which was conducted by an independent research firm. The US analysis showed that women on average earn slightly more than men for comparable work in 2020, and we're committed to compensation remaining equitable for men and women performing comparable work, always.

Last week we also announced a number of important new workplace initiatives. We announced the zero-tolerance harassment policy company-wide. This includes tougher rules and greater consistency across the organization to make certain reports are always properly and promptly handled. Now, any Activision Blizzard employee found through our new investigative processes and resources to have retaliated against anyone for making a compliance complaint will be terminated immediately.

In many other instances of workplace misconduct, we will no longer rely on written warnings, terminations will be the outcome, including in most cases of harassment based on any legally protected category. Future employment contracts and equity awards will state that termination for these reasons will result in immediate forfeiture of future compensation.

Q3 2021 Earnings Call



Another is our pledge to increase the percentage of women and nonbinary people in our workforce by 50%. Today, approximately 23% of our global employee population identifies as women or nonbinary, so within the next five years, and hopefully faster, we will seek to increase our percentage of women and nonbinary professionals to more than one-third across the entire company. To further this commitment, we'll be investing in additional \$250 million over the next 10 years in initiatives that foster expanded opportunities in gaming and technology for underrepresented communities.

Additionally, based on feedback from many employees, we are waiving required arbitration of future individual sexual harassment and discrimination claims. That means for any employee who chooses not to arbitrate an individual claim of sexual harassment, unlawful discrimination, or related retaliation arising in the future, the company will waive any obligation to do so.

As we report regularly on our progress and our financial results, you will continue to hear more about our workplace initiatives which we firmly believe will help us remain one of the world's most successful entertainment companies. I want to thank our employees for their continued commitment to each other, the company, and our players.

For those employees past and present who have been brave enough to step forward and share their stories, we continue to be committed to investigating all claims thoroughly and holding people accountable. For those employees who have shared feedback, thoughts, suggestions, concerns, and complaints, and there are many of you, we hope you can see from our actions that we are listening. We are evolving our organization through your ideas and active participation in their execution. And for those employees who have worked tirelessly to deliver great experiences to our players, your resilience in these challenging times is inspiring.

We expect that we'll continue to face challenging and negative media attention regardless of our progress, but we are determined to stay focused on providing great opportunities and the very best work environment for our talented employees to deliver the very best games for our players and to continue to provide superior returns for our shareholders. Thank you for your participation today.

And now, I'll turn the call over to Daniel to share the results of our operations for the last quarter.

### Daniel I. Alegre

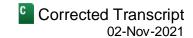
President & Chief Operating Officer, Activision Blizzard, Inc.

Thank you, Bobby. Before I discuss our operating results, I want to take this opportunity to thank our incredibly talented teams across the entire company who share the passion to make exciting and ground-breaking experiences for our players all around the world.

Activision Blizzard's third quarter results were above our outlook. Our monthly active users and time spent in our content were consistent with the year-ago level even as regions continued to reopen, while net bookings and operating income grew year-over-year. This performance again illustrates the structural expansion in our largest franchises as we execute our strategy of delivering gaming experiences across new platforms with more regular content and leveraging multiple commercialization models including free-to-play.

Execution against this strategy enables us to grow our communities, including in geographies outside of our traditional regions, to deepen engagement and to create more opportunities for player investment. Critical to this is a continued investment in creative talent. We continued to grow our developer head count in the third quarter and have increased our development organization by hundreds of talented professionals year-to-date, including

Q3 2021 Earnings Call



announcing new studios and expansions in multiple new cities globally. This geographic diversification strategy is paying dividends, allowing us to tap into critical talent pools in all corners of the world.

As we grow our teams with new hires, we are keenly aware of the importance and responsibility we have to ensure a safe working environment for our people. This is our number one priority. Specifically, in recent months, we have taken actions that resulted in the departure of a number of individuals across the company. Additionally, we have seen increased competition in the market for our talent and higher voluntary turnover that has partly offset our success in hiring.

As we have worked with new leadership in Blizzard and within the franchises themselves, particularly in certain key creative roles, it's become apparent that some of the Blizzard content planned for next year will benefit from more development time to reach its full potential. While we are still planning to deliver a substantial amount of content from Blizzard next year, we are now planning for a later launch for Overwatch 2 and Diablo IV than originally envisaged.

These are two of the most eagerly anticipated titles in the industry, and our teams have made great strides towards completion in recent quarters. But we believe giving the team some extra time to complete production and continue growing their creative resources to support the titles after launch will ensure that these releases delight and engage their communities for many years into the future.

These decisions will push out the financial uplift that we had expected to see next year, but we are confident that this is the right course of action for our people, our players, and the long-term success of our franchise.

Now, I will cover our third quarter franchise and operational highlights across our business units.

Starting with Activision, we had on average 119 million people engaged in our content monthly in the third quarter. Call of Duty continues to sustain reach, engagement, and player investment well above levels seen prior to our introduction of free-to-play experiences across console, PC, and mobile. Monthly active users in the franchise were consistent year-over-year on console, PC, and grew on mobile.

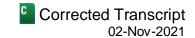
Console and PC engagement trends were consistent with typical trends as we moved away from the premium launch even as regions continued to reopen through the quarter. Console and PC MAUs and time spent exhibited very similar retention from Q2 to Q3, as our experiences in prior years.

In-game player investment on console and PC remained well above pre-Warzone levels at approximately three times the level of Q3 2019. And strong conversion from free-to-play drove premium sales higher than in any third quarter prior to the launch of Warzone.

And our teams are all set to launch the next phase of exciting new Call of Duty content for players worldwide. This Friday sees the release of Call of Duty: Vanguard, and on December 2 we will roll out Call of Duty: Warzone Pacific, the biggest update to the Warzone experience since launch.

As we've demonstrated with Modern Warfare and Black Ops Cold War, the release of Vanguard is just the first step in delivering the community an incredible amount of ongoing content, live engagement, and much more. Across campaign, zombies, multiplayer, and Warzone, there is no bigger experience or better value over the duration of the game's life cycle across our premium and free-to-play business.

Q3 2021 Earnings Call



And then we expect Warzone Pacific and its new Caldera map to take the free-to-play experience to another level. The premium and free-to-play experiences are more integrated than ever before, sharing the same engine, weapon integration, and content integration as well as Call of Duty standards of cross-play, cross-progression, and more.

Both titles are set to benefit from RICOCHET, a new anti- cheat technology aimed at addressing one of the key implements requested by the community. We are confident that our players are in store for an incredible set of experiences this holiday season and beyond.

On mobile, Call of Duty net bookings grew over 40% year-over-year in the third quarter driven by double-digit growth in the West and a continued contribution from the game in China. The team continues to refine the player experience, building on learnings from the title's first two years to optimize content, events, and features for our communities around the world.

And at the same time, we continue to ramp our teams working on new mobile title within the Call of Duty universe. In addition to hiring a substantial number of developers over the last quarter, we are pleased to announce last week the acquisition of Digital Legends, a Barcelona-based mobile game developer that will further bolster the world-class team we are assembling.

Turning to Blizzard, monthly active users were 26 million in the third quarter. For Diablo, our plan to deliver an era of unprecedented levels of content for the franchise has experienced a strong start with the September release of Diablo II: Resurrected, the return of one of the most acclaimed titles in PC gaming history.

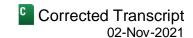
The first week of sales of the title were the highest recorded for a remaster from our company, and we have seen strong ongoing demand particularly in Korea where the game is proving one of the most popular titles in internet game rooms. With such strong engagement, the team is now working hard to ensure that players have the smoothest possible experience as they explore the world of Sanctuary.

This is just the first step in Blizzard's plans for the franchise. On mobile, Diablo Immortal is in public testing and remains on track for release in the first half of next year. And with Diablo IV set to be the foundation for great experiences for PC and console fans over many years, we believe the pieces are in place to expand and serve the Diablo community better than ever before.

Turning to Overwatch, where millions of people continue to engage in both the game and the eSport, September saw the Grand Finals of the Overwatch League become the most-watched in league's history. Starting in the spring, the next season of Overwatch League will run on an early build of Overwatch 2's new 5v5 competitive multiplayer mode, giving the community a fantastic view into the development team's strong work on the next iteration in the franchise. And the team plans to follow this with new content and initiatives to engage existing, returning, and new Overwatch players next year.

Within the Warcraft franchise, World of Warcraft reach and engagement continues to benefit from the combination of the Modern game and Classic under a single subscription. The two games offer players more ways to engage and create more opportunities for our teams to deliver compelling experiences to fans of the franchise. With deep engagement across both Classic and Modern, WoW's overall subscriber base is stronger than we typically see at this point after a Modern expansion launch. And for 2021, World of Warcraft is on track to deliver its strongest engagement and net bookings outside of a Modern expansion year in a decade.

Q3 2021 Earnings Call



Our WoW team has been rolling out numerous quality of life improvements across the Modern and Classic games franchise in response to player feedback, and today the Modern game released its latest content update with Classic soon to launch for our servers with greater challenges to engage the passionate community.

Hearthstone net bookings were stable year-over-year in the third quarter, and in October the team launched Mercenaries, an innovative role-playing mode that gives the Hearthstone community an entirely new way to play the game. Initial results for Mercenaries have been very encouraging, and we believe Hearthstone is positioned for a return to year-over-year growth in net bookings in the fourth quarter.

Across the Warcraft franchise, our teams are working on a substantial pipeline of content planned for next year including new experiences in Classic and Modern WoW, more innovations in Hearthstone, and getting all new mobile Warcraft content into players' hands for the first time. Blizzard cannot wait to share more details on their plans.

The King business continues to deliver fantastic results with very strong year-over-year trends for both in-app purchases and advertising. MAUs were 245 million in the third quarter. King's deep capabilities of live operations are driving engagement for both existing and new players. Hours played across the King portfolio grew year-over-year in the third quarter with players responding positively to a more frequent cadence of compelling in-game content and events for key titles.

The team's prior actions to grow payer conversion alongside ongoing strong execution in user acquisition saw payer numbers growing by double-digit percentage versus the year-ago quarter. These initiatives drove over 20% year-over-year growth in in-game net bookings for Candy Crush with Candy once again the top grossing game franchise in the US app stores.

Additionally, at the end of the third quarter, King launched the All Stars U.S. tournament, a competitive event that saw Candy Crush Saga players battle to be crowned the ultimate Candy Crush All Star. The event has driven meaningful increases in installs, game rounds played, and in-app purchases in recent weeks highlighting competitive game play as another opportunity for franchise growth and our investment in the Candy Crush brand.

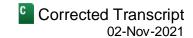
In addition to this innovation and success of Candy, for several quarters now King has been accelerating and refining content delivery in Farm Heroes, its second largest franchise. This work continued to bear fruit in Q3, and year-to-date in-game net bookings have grown around 20% year-over-year.

And finally, King's advertising business again grew robustly with quarterly revenue growing sequentially and year-over-year to a new high. Both volume and pricing grew strongly year-over-year, benefiting from the team's growing relationships with demand partners, and the ongoing ramp of new categories of advertisers.

In summary, Q3 saw solid year-over-year growth in the business, and we see substantial growth ahead for our portfolio of internally owned IP. While we have seen some slippage in the release schedule for specific titles at Blizzard, we cannot be more excited about our plans to unlock the full potential of our largest franchises and to drive meaningful expansion in our reach, engagement, and operating performance.

This is only possible because of our teams. I want to share an announcement about the leadership of one of those teams. Jen Oneal, who has been co-leader of Blizzard, has been a passionate advocate for bringing positive changes to the video gaming industry and has been doing so as board member of Women in Games International or WIGI, a nonprofit organization that cultivates and advances equality and diversity in the global games industry.

Q3 2021 Earnings Call



Jen has decided to leave the company at the end of the year, and we have agreed to support Jen in her involvement with WIGI by making a donation to WIGI in honor of Jen. In her remaining months for the company, given her commitment to this work, Jen will build the foundation of programs funded by the grant.

As such, Mike Ybarra will take on Jen's leadership responsibilities. It is great to see how employees at our company are committed to bring about the positive changes in our industry and beyond, and our leadership team stands behind these efforts.

Now, I will hand over to Armin who will provide more color on our financial results and outlook. Armin?

### Armin Zerza

Chief Financial Officer, Activision Blizzard, Inc.

Thanks, Daniel.

First, I'd like to reiterate that ensuring a workplace that provides opportunity for all in the most welcoming and inclusive way is our top priority. Today I'll review our third quarter results as well as outlook for the fourth quarter and full year 2021.

Our third quarter results were ahead of our prior outlook with year-over-year growth in net bookings, revenues, operating income, and EPS against difficult year-ago comparables. Importantly, each of these metrics have also grown year-over-year on a year-to-date basis. So, even as regions continues to reopen, our business is operating at significantly greater scale than that seen prior to our successful growth initiatives across our largest franchises.

Let me start with our consolidated financial results. Unless otherwise indicated, I'll be referencing non-GAAP figures. Please refer to our earnings release for full GAAP to non-GAAP reconciliation.

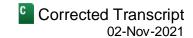
Now, for the quarter, we generated quarter three GAAP revenues of \$2.07 billion, \$100 million above our August outlook. This includes net recognition of deferrals of \$190 million. Net bookings of \$1.88 billion, that's \$30 million above our August outlook. And we generated quarter three GAAP EPS of \$0.82 and quarter three non-GAAP EPS of \$0.89 which was \$0.14 above our guidance. These figures include the net recognition of deferrals of \$0.17. Quarter three EPS included a \$0.03 [ph] turn (25:21) from an unrelated loss on investment as well as a benefit from a lower than anticipated tax rate in the quarter.

Now, turning to cash flow and the balance sheet, quarter three operating cash flow was \$521 million, more than double the year-ago level driven by lower cash taxes and favorable working capital movements. Our cash and investments at the end of September were approximately \$10 billion, and we ended the quarter with a net cash position of approximately \$6.4 billion.

Growing shareholder value through capital allocation is a key focus for us, and over the long-term investors should expect a balanced approach across investing in creative talent in our own business, strategic M&A, and returning cash to shareholders via share repurchases and dividends.

Now let me turn to our segment results. Activision revenue was \$641 million. Segment revenue was lower year-over-year, as expected in our outlook. This was due to the launch of Tony Hawk in the year-ago quarter and declines in Call of Duty upfront and in-game net bookings against the quarter that benefited from shelter-at-home mandates and the early ramp of Warzone. Year-to-date, net bookings for the Activision segment and the Call of Duty franchise were higher year-over-year with the franchise now consistently operating at greater scale than

Q3 2021 Earnings Call



before our free-to-play and mobile initiatives. Activision's third quarter operating income was \$244 million, and operating margin was 38%.

Blizzard's revenue of \$493 million grew 20% year-over-year driven by the successful launch of Diablo II: Resurrected. Year-to-date, net bookings for Blizzard and for World of Warcraft, its largest franchise, were higher year-over-year. Blizzard's third quarter operating income was \$188 million with an operating margin of 38%.

King delivered another record quarter. Revenue grew 22% year-over-year to \$652 million. That's a new high. Third quarter in-game net bookings grew in the mid-teens year-over-year, while advertising grew approximately 60%. King's third quarter operating income was a record \$303 million with an operating margin of 46%.

The team's strong execution across live operations, marketing and advertising drove records for both revenue and operating income, both for the quarter and year-to-date. King's ability to delight and engage players with robust live operations provides a lot of learning that we we're trying to apply to both Activision and Blizzard and not just in mobile.

Looking across our segments, in-game net bookings were \$1.2 billion, roughly flat year-over-year and approximately \$500 million higher than the level of quarter three of 2019. And during the third quarter, mobile net bookings grew over 20% year-over-year driven by the strength of both Activision and King. Consumer spending and advertising within our mobile content was almost \$1 billion in the quarter, and we see substantial room for product growth as we take each of our key franchises to the largest and fastest growing platform, leveraging our creative and live operations capabilities for Activision, Blizzard, and King.

Now let me turn to our outlook for the fourth quarter and the full year. With regard to our slate, in addition to ongoing live ops and in-game content across the portfolio, the fourth quarter will see Activision release Call of Duty: Vanguard this Friday, November 5, followed by the biggest Warzone update yet, Warzone Pacific, on December 2. Blizzard launched the new Mercenaries mode in Hearthstone in mid-October and will release the next Hearthstone expansion later this quarter. And King continues to support Candy Crush and other games across its portfolio with numerous seasonal events and new features.

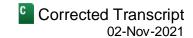
Our team has done a phenomenal job building this content, even as many of them continue to work-from-home, and we can't wait for our players to get their hands on these experiences.

With that said, we remain prudent in our revenue assumption for the fourth quarter. And regarding costs, we have decided to further step up investment in mobile marketing given the strong returns we are currently seeing and [indiscernible] (30:24). We expect the earnings impact of these investments to be offset by lower tax rates, and we continue to expect full year earnings per share to be up strongly year-over-year and comfortably ahead of the outlook provided at the beginning of the year.

Now let me get into the specifics. For quarter four, on a GAAP basis, we expect revenues of \$2.02 billion including net deferrals of \$763 million. We expect net bookings of \$2.78 billion. We expect GAAP operating margin of 30%, a tax rate of 26%, GAAP and non-GAAP share count of 785 million, and EPS of \$0.54. For quarter four on a non-GAAP basis, we expect a tax rate of 25% and non-GAAP EPS of \$0.62 including net deferrals of \$0.67.

This means that on a GAAP basis for 2021 we now expect revenues of \$8.66 billion including the net recognition of deferrals of \$10 million. We now expect net bookings of \$8.65 billion. We expect GAAP operating margin of 37%, a GAAP tax rate of 18%, GAAP and non-GAAP share count of 784 million, and GAAP EPS of \$3.27. For

Q3 2021 Earnings Call



2021 on a non-GAAP basis, we expect a tax rate of 17% and non-GAAP EPS of \$3.70 including net deferrals of \$0.06.

With respect to risk, as you' ve heard, we're taking action to address stakeholder concerns and the adverse consequences to our business from workplace issues. If we experience further adverse publicity regarding our company and executives, increased competition for talent, higher voluntary turnover, significantly reduced productivity, or other negative consequences relating to these issues, our business likely would be adversely impacted. We are therefore carefully monitoring all aspects of our business by any such impacts, and we're taking actions to help address them.

Now I'd also like to provide some updates on how we are planning for next year specifically. As a starting point, our business continues to operate at much greater scale, and we have clear line of sight to expanding the reach, engagement, and financial performance of our business further in the coming years as we apply the framework that has worked so well for Call of Duty and Candy Crush to other franchises in our portfolio.

At the same time, as Daniel described, we' ve taken the decision to give the Overwatch and Diablo team the extra time they need to deliver the experiences that their communities deserve and to set the franchises up for maximum success over a multiyear period. We are therefore currently not planning for material contributions from Overwatch 2 or Diablo IV in 2022.

While this development will push out the financial uplift that we have expected to see next year, we firmly believe that this is the right course of action for our people, for the long term success of these franchises, and for our shareholders. We still have a lot of content in the pipeline for next year for our largest franchises that we can't wait to unveil, and we will provide more color on that when we provide our full year outlook in early February.

In conclusion, we see substantial opportunity for shareholder value creation ahead to unlocking the full potential of our portfolio which will only be possible because of our people. And we remain focused on ensuring a safe working environment that is essential to enable creativity and professional growth for all employees.

Now I'll ask Rob, Mike, and Humam to join Bobby, Daniel, and myself to answer your questions.

Operator?



### QUESTION AND ANSWER SECTION

**Operator**: [Operator Instructions] And our first question will come from Matthew Thornton of Truist Securities. Please go ahead.

#### **Matthew Thornton**

Analyst, Truist Securities, Inc.

Hey. Good afternoon, everybody. Maybe one just to come back on some of the workplace issues that the teams talked about, can you talk a little bit more about just the progress around rectifying some of these issues? How we can think about the milestones and the timeline towards being resolved and being best-in-class? And how you plan to kind of communicate that progress along the way? Any more color there would be really appreciated. Thanks, quys.

#### Robert A. Kotick

Chief Executive Officer & Director, Activision Blizzard, Inc.

Yeah. Thanks, Matt. This is Bobby. I feel very good about the progress, actually. Right now workplace leadership is my focus. Our opportunities for growth as we've talked about have never been better, but we won't be able to realize all that growth potential without talent. And to retain and attract the talent we need, we obviously have to be recognized as the very best place to work. This means we have to be the most welcoming inclusive environment, and we've got to have the best industry leading programs for growth and development. We've got to have the best recruiting capabilities for the diverse talent we need to create the very best games, and we have to have competitive compensation that is aligned with performance.

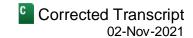
If you think about it, over the last 30 years we've shown that we can consistently create the very best games, and that has always translated into long-term shareholder returns that are far greater than the S&P 500 and compared to most companies. And we believe that superior shareholder returns will continue to be delivered through our franchise strategies and the operational excellence that we're recognized for. And we also recognize that to achieve the same level of shareholder returns we have historically and to ensure our continued excellence in execution, we believe we and all great companies need to deliver workplace excellence.

This means some of the things that we've discussed over the last few weeks but arassment and discrimination-free work environments, recruiting excellence to ensure we have diverse skills, abilities, and talent, and a culture that celebrates and rewards commitment to these principles. I couldn't be more passionate and committed to being the most performance-focused, welcoming, and inclusive company in entertainment. What you heard me discuss earlier is just the beginning of the actions that we intend to take to achieve that objective.

And of course we need accountability. So we'll continue to provide regular progress in updates both quarterly to our shareholders as well as annually in our ESG reports, and we'll be monitoring the progress of our business units, our franchise teams, and our functional leaders with respect to workplace initiatives. And that status will also be reported to our employees quarterly.

Right now and going forward, communicating with our employees and getting feedback has been a crucial part of the process. We'll obviously continue to keep our investors informed, but the work that we've done with our employees has resulted in very constructive new initiatives, more that we'll continue to announce over the next few months. But, the long answer to your question is, I feel good about the progress that we're making. So thanks for the question.

Q3 2021 Earnings Call



### **Christopher Hickey**

Senior Vice President - Investor Relations, Activision Blizzard, Inc.

Thanks, Matt. Operator, can we have the next question, please?

**Operator**: The next question comes from Mike Hickey of The Benchmark Company. Please go ahead.

Mike Hickey

Analyst, The Benchmark Co. LLC

Hey, Bobby and team. Congrats on the quarter. Thanks for taking my questions. Just two. Can you give us some more color here on the reason for the slip in Overwatch 2 and Diablo IV? And can you give us a sense of how long we're going to have to wait? Thanks, guys.

Mike Ybarra

Co-leader-Blizzard Entertainment, Activision Blizzard, Inc.

Hi. This is Mike Ybarra. Thanks for the question. I'd like to first recognize Jen Oneal who has been an incredible partner here at Blizzard. Though we will all miss her greatly, we wish her all the best as we work with her on a plan to make an industry-wide impact through the WIGI grant. I personally want to thank her for her leadership.

Since becoming the co-leader of Blizzard three months ago and meeting with teams around the company, I have been impressed by their passion for what they are creating and their drive to build a more inclusive culture.

Looking at our upcoming releases across all of our teams here at Blizzard, we have a deep bench of veteran development talent, and we have new leadership on both Overwatch 2 and Diablo IV. Both are seasoned Blizzard developers with over 30 years' experience at the company between them. The teams have made great progress and passed important milestones recently, and we expect these to be fantastic releases. But there's obviously been a change in leadership. We looked at what was left in the final phases of production with fresh eyes, and we saw that allowing the teams more time would enable both great experiences at launch and also help ensure that everything will be in place to engage the communities for many years to come.

This extra time will also help us continue significantly increasing the size of our development teams ahead of the launch, again to ensure we are following up the releases with substantial content to continue delighting the community. We're not sharing release dates at this time, but I have absolutely confidence in these new leaders and their teams to deliver. They care deeply about creating high quality products and allowing everyone on their teams to bring their best selves to their projects. Thanks for the question.

Christopher Hickey

Senior Vice President - Investor Relations, Activision Blizzard, Inc.

Thanks, Mike. Operator, can we have the next question, please?

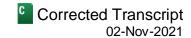
Operator: The next question comes from Clay Griffin of MoffettNathanson. Please go ahead.

Clay Griffin

Analyst, MoffettNathanson LLC

Hey. Good afternoon. King was clearly a bright spot this quarter. I'm curious if you could maybe drill down on some of the fundamental drivers that we've seen particularly from an in-app net bookings growth perspective. I

Q3 2021 Earnings Call



know you mentioned the frequency of content and seasonal content whatnot, but would love to hear any color on player demographics or cohort analysis to help us get a sense of some of the trends here. Thanks.

**Humam Sakhnini** 

President, King Digital Entertainment, Activision Blizzard, Inc.

A

Hey, thanks, Clay, for the question. This is Humam. As you can see from the Q3 results, a terrific quarter. And Candy achieved its highest in-app revenue quarter since the acquisition. So, let me focus in on that in-app performance specifically. There are a number of initiatives that are really been contributing to the success over the recent quarters and will carry us into the future. We've increased the optimizations that we put in the game. So, we think about this as our player journey, and we've continued to improve that player journey with strong live op execution. This benefits across cohorts of players. So, we've delivered compelling content and events more frequently across all of our key titles.

So, to give you an example, in Candy, we've increased that engagement by further developing the content slate into monthly seasonal events that really draw in new and existing players and provide fun experiences across the board. With this quarter, we've complemented that with the launch of the Candy All Stars (sic) [Candy Crush All Stars] competition in the US, and we' ve seen some very strong initial results across reach, engagement, and player investment.

We feel we also found a successful formula over the past 12 months to invest and grow live ops, and we are now applying that with great results not just in Candy, but across other games, too. So, our second biggest franchise, for example, Farm Heroes, over the past few quarters, we've been delivering this content cadence and great events and a Farm's season pass, and we're seeing the results from that as well. Our in-app growth in Farm Heroes has been up 20% year-to-date as a result. With that, we've continued to reinvest into the network and in our brands as well.

So, we've seen that our payer numbers have grown double-digit percentage year-on-year versus the year-ago quarter. And this is again down to the strong execution that we have in our teams around user acquisition. And when you combine with the features and events that are happening in the game, really an amplification of all these great trends that we're seeing. So, that's also allowed us to maximize our success in more marketing investments and continuing to broaden our player base. So, overall, I feel like we've demonstrated that ability to grow both revenue and operating income at the same time. We feel there's still quite a bit of runway ahead of us.

Daniel I. Alegre

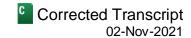
President & Chief Operating Officer, Activision Blizzard, Inc.



And — Clay, thank you for the question. This is Daniel. First, just a shout-out to Humam and the King team for what they've achieved. It really has just been an exceptional performance and journey. And just from an Activision Blizzard King perspective, just there are a lot of learnings that we really want to apply across both Activision and Blizzard, and it's not just in mobile from the King team's operations. For instance, King's live operation capabilities, their deeply analytical approach to creating amazing experiences that truly engage the players, and the disciplined data-driven approach to marketing is just very applicable across the rest of the business.

So, we're already making sure that these performance marketing learnings are being applied to our work on Call of Duty Mobile and to Diablo Immortal and other mobile initiatives that will be coming in the not-too-distant future across the company. So, similar to how we're looking to apply the Call of Duty framework to our other franchises, it's another example of how Activision Blizzard is really leveraging the best of each of our businesses to truly maximize the potential of our portfolio. Thanks again for the question.

Q3 2021 Earnings Call



### Christopher Hickey

Senior Vice President - Investor Relations, Activision Blizzard, Inc.

Operator, can we have the next question, please?

Operator: The next question comes from Alexia Quadrani of JPMorgan. Please go ahead.

Alexia S. Quadrani

Analyst, JPMorgan Securities LLC

Thank you. My question is really about the Call of Duty. Can you discuss at sort of a high level how Activision will integrate Vanguard into Warzone, which announced its content for both Modern Warfare and Black Ops Cold War? And then can you remind us how the launch of Season 1 of Black Ops in mid-December last year impacted the pacing of unit sales relative the prior years?

Robert Kostich

President, Activision Publishing, Inc.

Yeah Alexia, it's Rob. I'll take this question. Thanks. So, to start, we're obviously excited about both the launch of Vanguard this week and also Warzone's new Pacific map called Caldera, which is releasing in December. The new map represents really the first built from the ground up new experience for Warzone since the launch of Warzone basically in March of 2020. So, I think the community is going to be really excited to get in and play, that and to experience the entire Vanguard universe.

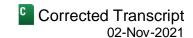
Coming with that of course there are lot of things, some of which were mentioned. I'll just briefly cover them. One of which was Warzone shares the same tech as Vanguard and so what does that mean? This is the same tech that debuted with Modern Warfare, and so, from a player perspective, you can get a lot more seamless weapon and play balance experience across both experiences. And what's become a staple for us now is really a game that's fully optimized for cross-play, cross-progression, and cross-gen support, we've seen that the last couple of years, and that carries forward. And I think importantly for our community, we're also going to be launching RICOCHET, it's our anti-cheat system, across Vanguard and Warzone so that our players have the best possible experience as we move forward here in the future.

Now, specifically as to the integration, we're going to continue to have the shared progression across Vanguard and Warzone just like we had against Modern Warfare and Black Ops Cold War previously. So, all the great weapons, operators, unlocks, and everything that you get on the Vanguard premium experience will also be useable in Warzone. So, how the two work together is absolutely intact and better than ever. Battle Pass and store content of course will also go back and forth for players to use and have fun with. Now, there is a new component for us here, and the new Warzone experience is going to offer some new dedicated playlists that are very specific to the Vanguard theme that we think is going to be really fun for the community.

And of course, to honor the players' investment, we'll also have unique playlists that are more of a combined arms Batle Royale experience which lets you load outs across Modern Warfare, Black Ops, or Vanguard. So, I think that'll be really fun for the community to choose how they want to experience the new map and the new content. And also, I think what's become a staple for us as we move forward are players can expect a ton of free postlaunch content and updates from Vanguard and from Warzone to keep them having fun for the long haul. So, both games are really just going to get bigger and better as they evolve over time for the community.

Now, going back to your question on the impact of Black Ops last December, so we certainly saw an uptick last December. I believe we talked about that in previous earnings calls. And similarly, we expect another uptick this

Q3 2021 Earnings Call



fourth quarter for our premium sales as we go through that cycle, launch the new map, and see how the community engages more broadly both within Warzone and within our premium experience. Thank you, Alexia, for the questions.

**Christopher Hickey** 

Senior Vice President - Investor Relations, Activision Blizzard, Inc.

Thanks, Alexia. Operator, can we have the next question, please?

Operator: The next question comes from Kunaal Malde of Atlantic Equities. Please go ahead.

**Kunaal Malde** 

Analyst, Atlantic Equities LLP

Hi. Thanks. Just wondering if you can talk about the performance of Diablo II: Resurrected and what it sort of informs you about the opportunity for the Diablo franchise overall?

Mike Ybarra

Co-leader-Blizzard Entertainment, Activision Blizzard, Inc.

Hey. Kunaal, thanks for the question. This is Mike again. The reception of Diablo II: Resurrected has been great. As you heard Daniel mention, first week sales were the highest recorded for a remaster from Activision Blizzard as a whole. This alongside the continued engagement with Diablo III really is confirmation that our plan for the Diablo franchise as a whole is the right one. There's a huge appetite from our player community for more content from this dark gothic universe, and it's our job to exceed player expectations.

Diablo II: Resurrected is an early step towards meeting this demand. We have ignited nostalgia in players who experienced the original way back in 2000 as well as brought all new players into the fold. Diablo Immortal being in its next stage of testing is incredibly exciting, and we'll give players another window into the world of Sanctuary. They will be able to take part in an all-new narrative in a persistent free-to-play social experience, all from their mobile devices. Immortal provides an even easier entry point for players into a game broader in scope and scale than Diablo III.

Then Diablo IV, which will be the darkest expression of the universe yet, is an immersive world players can dive into together on PC and console. This is one of the most highly anticipated games in the industry, and we are confident that we are building something incredible. These experiences combined create an ecosystem where our players of all types can feel at home, and it doesn't stop there. Diablo will always be living and breathing with broad content updates over time to continue to delight our players. Seeing the first step of this plan executed with the release of Diablo II: Resurrected off to such a strong start is invigorating to the teams across Blizzard, and we can't wait to get more into the hands of our players. Thanks for the question.

**Christopher Hickey** 

Senior Vice President - Investor Relations, Activision Blizzard, Inc.

Thanks, Kunaal. Operator, can we have the next question, please?

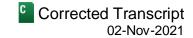
Operator: The next question comes from Mario Lu of Barclays. Please go ahead.

Mario Lu

Analyst, Barclays Capital, Inc.



Q3 2021 Earnings Call



Great. I have a follow-up on King with respect to IDSA. So, you recorded a very strong quarter despite being the first full quarter of the IDSA changes on iOS. So, just curious if there was anything to call out in terms of its impact that you saw to Candy Crush or your other mobile titles. Thanks.

**Humam Sakhnini** 

A

President, King Digital Entertainment, Activision Blizzard, Inc.

Yeah. Thanks, Mario. This is Humam again. Look, we're still early on in the journey with IDSA, but so far we're seeing this create opportunities for us on the user acquisition side. And as you would have seen on the advertising side, we are continuing to grow quite robustly. So, on the user acquisition side, we have a very large and sophisticated user acquisition team, and they've been really hands-on and granular when they run our campaigns. And so, when we see these changes and dynamism in the industry because of IDSA, they've created market opportunities that we've been able to capitalize on.

And the tailwinds that we are seeing in our payer conversion and spending gives us a lot of flexibility to invest in these ROI positive opportunities. So, much of our UA is aimed to win back. So, over 1 billion people we believe have downloaded Candy in the past, and so this gives us also a very great brand advantage. Now, on the advertising side of the house, we've seen 60% year-on-year growth, which points to our ongoing strength. We believe we have a very differentiated product there. It's a premium position with advertisers, and we're still learning and building our ad business. So, we continue to focus on ramping up these relationships with demand partners with continued positive momentum for both new demand partners and our existing ones. So, overall, we're seeing a lot of opportunity in both volume and pricing in the ads business as well. Thanks for the question.

**Christopher Hickey** 

Senior Vice President - Investor Relations, Activision Blizzard, Inc.

А

Operator, can we have the next question, please?

Operator: The next question comes from Matthew Cost of Morgan Stanley. Please go ahead.

**Matthew Cost** 

 $\mathbb{Q}$ 

Analyst, Morgan Stanley & Co. LLC

Hi. Thanks for taking the question: I was wondering how you're thinking about the durability of Call of Duty from here as well as the kind of innovation and content pipeline we should expect over time going forward. Thanks.

**Robert Kostich** 

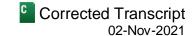
Δ

President, Activision Publishing, Inc.

Hey, Matt. It's Rob. Look, on your question, I guess I'll start with just saying, in short, I don't think we've ever – well, I know we've never felt better about the future of the Call of Duty ecosystem as we look forward. To-date, the strategies that we've employed, which include of course our expansion into free-to-play with Warzone and Call of Duty Mobile, our continued push to deliver incredible new premium experiences, and how the overall ecosystem is really connected and works together, is actually just the beginning of what our plans entail long-term.

Looking ahead, we see significant opportunities across game play expansion, platform expansion, and geographic expansion to take this ecosystem to an entirely new level for our players around the world. I'd say, put another way, we feel there's more opportunity in front of the franchise than at any point in our history, and that's a pretty incredible thing to be able to say given the success that we've seen to-date.

Q3 2021 Earnings Call



Of course, the next phase begins in the coming days and weeks with Vanguard and the new map, Caldera in Warzone, but really there's so much more as we look ahead in the future both near and long term. Driving this ambition for us of course is our talented development teams and the resources we have there, which we're committed to greatly expanding both at our existing studios, but also geographically to find new talent around the globe. So, we're expanding in locations like Austin, Guildford, Krakow, Melbourne, Mexico City, and Toronto to augment our teams.

And you may already know we recently acquired Digital Legends in Barcelona. They join our mobile development roster, which now includes our new internal team, Solid State, as well as the mobile teams at Beenox and Shanghai were all coming together on an unannounced project in the Call of Duty universe that is very exciting. So, I'd say overall, we feel really good about our plans, our outlook, our team, and our game play innovation as we look out over the next few years and beyond. Thank you.

### Christopher Hickey

Senior Vice President - Investor Relations, Activision Blizzard, Inc.

Thanks, Matt. Operator, can we have the next question, please?

**Operator**: The next question comes from Andrew Uerkwitz of Jefferies. Please go ahead.

#### Andrew Uerkwitz

Analyst, Jefferies LLC

Hey great. Thank you. Guys, your stock is at I think a five-year low as far as valuation goes. You're sitting on a ton of cash. You say you couldn't be more excited about the pipeline. Why not do a stock buyback at this point? Or could you talk about capital allocation and kind of M&A at this point? Thanks.

#### Armin Zerza

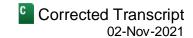
Chief Financial Officer, Activision Blizzard, Inc.

Hey, Andrew, this is Armin. Thanks for the question. On your question on capital allocation, as you know, we do have a strong track record of being balanced and disciplined in how we allocate capital across all the areas that you mentioned, investing in our business, returning capital to shareholders via buybacks and dividends as well as strategic M&A. Starting with investing in our own business, you've heard today we continue to have a very, very strong pipeline. So, investing in our business and in our development teams remains our key priority. And as Daniel mentioned, we continue to look to accelerate organic hiring in this area with aqui-hiring. This was announced with Digital Legends purchase last week, but these type of transactions are typically smaller in nature.

Now, with regards to larger M&A, we are always on the lookout for large established franchises that have potential for global scale and with strong management teams with a track record of profitability and of course an attractive valuation that keeps our return threshold. Now, as you know, we have been very disciplined and patient in this area, but the longer term for opportunity for M&A means that we place significant option value on having a strong and flexible balance sheet. Now, at the same time, with respect to buybacks, to come to the core of your question, we do have a \$4 billion authorization. And while you haven't seen us do anything in a long time here, we do evaluate our position with respect to buybacks frequently.

Now, obviously the increase in cash generation on the company gives us more and more flexibility over time, but bear in mind though that we don't announce when we're buying back stock ahead of time and that sometimes there may be restrictions on our ability to comment on buyback. So, in summary, expect us to be – continue to be

Q3 2021 Earnings Call



balanced and disciplined in how we allocate capital, always with a view to long term shareholder value creation. Thank you for your question.

Christopher Hickey

Senior Vice President - Investor Relations, Activision Blizzard, Inc.

Thanks, Andrew. Operator, can we have one last question, please?

Operator: Our next question comes from Mike Ng of Goldman Sachs. Please go ahead.

Michael Ng

Analyst, Goldman Sachs & Co. LLC

Hey. Good afternoon. Thank you very much for the question. You touched upon the increased competition for developer talent and the higher voluntary turnover. I was just wondering if you can talk a little bit in more detail about Activision Blizzard's efforts to attract and retain talent, whether that's moving more towards a distributed workforce or being more aggressive in hiring. Thanks.

Daniel I. Alegre

President & Chief Operating Officer, Activision Blizzard, Inc.

Great. Thanks for the question. And this is Daniel, I guess I'll take the last question. This is obviously something extraordinarily important, and we're putting a tremendous amount of effort into it. And we've made some very substantial progress in this area particularly over the last year. Retaining and attracting our top talent, as Bobby's mentioned, is critical to us being able to meet the needs of our players, of our communities, and of growing our business.

And there's really nothing more important to the company than our talent. And it really starts with making sure that our existing teams have the best possible working environment. That's an imperative. And that's also a setting that fosters creative excellence and importantly fantastic career opportunities where people are willing to invest their time and their careers at our company. And you heard from us today some of the measures that we're taking to ensure that, and we will continue to make significant progress. And when it comes to hiring, we're really fortunate that many individuals want to work on our franchises for which they have just tremendous affinity. They've played it for a very long time and oftentimes since they were little. And we can offer that with some of the biggest franchises in the world. We also have the financial scale that enables us to compete for that talent.

But I know that's not enough. And especially with many people's attitudes to where and how they want to work changing during the pandemic, we have to keep that in mind. And we're giving our teams the flexibility that they need, and we have also been investing in studios, as Rob mentioned, in many locations that are new for us including Krakow, Melbourne, Toronto, and Mexico City, where I'm from. We've had a lot of success in hiring in recent months in those franchises that were earliest in embracing this geographic expansion and flexibility, particularly for Call of Duty and for Candy Crush. And we've already started to pursue that same approach for Blizzard and Blizzard's franchises. And Mike, he is completely on board with this as we continue to invest and grow our teams in multiple locations. So, thank you for the question.

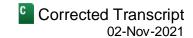
Armin Zerza

Chief Financial Officer, Activision Blizzard, Inc.

Well, thank you, everybody, for your questions and your interest and participation. We hope we see you all later this week in the games during the Call of Duty launch. Thank you very much again.



Q3 2021 Earnings Call



**Operator**: The conference is now concluded. Thank you for attending today's presentation, and you may now disconnect.

#### Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet Calistreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2021 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.