

ATVI Summary as of August 3, 2017



Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of August 3, 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 August 3, 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 8/2/17 (\$)	61.45	Q2 2017 TTM GAAP EPS (\$)	1.47	2012	2013	2014	2015	2016	
2017 Dividend/share (\$)	0.30	Q2 2017 TTM Non-GAAP [†] (redefined) EPS (\$)	2.41	GAAP EPS	\$1.01	\$0.95	\$1.13	\$1.19	\$1.28
Daily volume on 8/2/17 (M)	5.5	Q2 2017 TTM OCF (\$B)	1.99	Non-GAAP [†] (redefined) EPS	\$1.11	\$1.08	\$1.24	\$1.30	\$2.18
50-day avg. vol., ended 8/2/17 (M)	6.7	Q2 2017 TTM FCF ⁴ (\$B)	1.87	IR Contacts:					
Shs. Outstanding ² (M)	764	Book Value/diluted share ² (\$)	12.72	Amrita Ahuja, SVP IR	Amrita.Ahuja@ActivisionBlizzard.com (310) 255-2075				
Market Cap. as of 8/2/17 (\$B)	46.3	Total cash & investments ⁵ (\$B)	3.29	Colin Roussil, Sr. Director IR	Colin.Roussil@ActivisionBlizzard.com (424) 272-3164				
Enterprise Value as of 8/2/17 ³ (\$B)	47.5	Total debt as of 6/30/17 (\$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 June 30, 2017. ³ Using 6/30/2017 cash & investments and debt. ⁴ FCF = OCF minus Capex. ⁵ Includes short-term and long-term investments.

Better-than-expected Q2 financial results and record first-half revenues:

- ⇒ Q2 record GAAP revenues of \$1.6B versus guidance of \$1.4B
- ⇒ Q2 record GAAP EPS of \$0.32 versus guidance of \$0.15
- ⇒ Q2 record non-GAAP[†] (redefined) EPS of \$0.55 versus guidance of \$0.38
- ⇒ Record first-half total revenues and digital revenues

Raising full year guidance:

- ⇒ Increasing 2017 GAAP outlook to revenues of \$6.4B, including net deferrals of \$175M, and GAAP EPS of \$1.05
- ⇒ Increasing 2017 non-GAAP[†] (redefined) outlook to EPS of \$1.94, including net deferrals of \$0.06

Key highlights:

- ⇒ Released new updates across many of our leading franchises, driving engagement & delivering nearly half-a-billion dollars of segment OI
- ⇒ Announced team sales for the Overwatch League™, the first major global, city-based professional esports league, designed to celebrate our players and fans
- ⇒ Expanded depth of management team

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

 Momentum on upcoming 2H releases, <i>Destiny 2</i> and <i>Call of Duty®: WWII</i>	
 All-time record MAUs*, up double-digit % Y/Y; more than doubled since early 2015	
 2 of top-10 grossing games on U.S. app stores for 15 consecutive quarters**	

* 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 second 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 June 30, 2017, please refer to the Company's earnings release dated August 3, 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 August 3, 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.

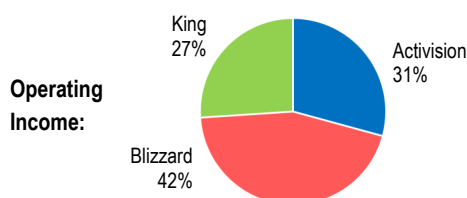
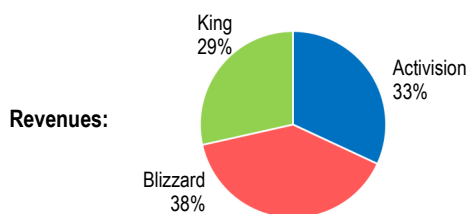
Reportable Segment Results¹

	Q2			Q2 TTM		
	2016	2017	%	2016	2017	%
Revenues (\$M)						
Activision	332	316	-5	2,775	2,059	-26
Blizzard	741	566	-24	1,867	2,410	29
King	484	480	-1	691	1,849	168
Total	1,557	1,362	-13	5,333	6,318	18
Operating Income (\$M)						
Activision	88	87	-1	935	713	-24
Blizzard	329	225	-32	718	965	34
King	176	164	-7	243	624	157
Total	593	476	-20	1,896	2,302	21
Operating Margin						
Activision	27%	28%		34%	35%	
Blizzard	44%	40%		38%	40%	
King	36%	34%		35%	34%	
Total	38%	35%		36%	36%	

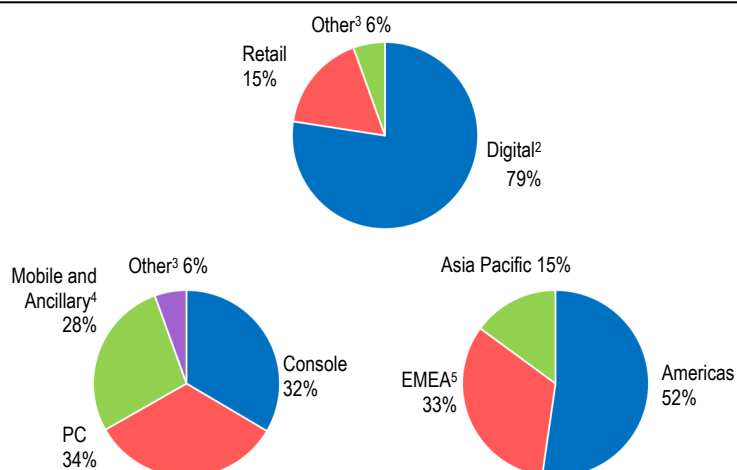
Revenue Breakdowns¹

	GAAP Q2			GAAP Q2 TTM		
	2016	2017	%	2016	2017	%
Distribution Channels (\$M)						
Digital online channels ²	1,141	1,309	15	3,420	5,493	61
Retail	374	260	-30	1,599	1,059	-34
Other ³	55	62	13	349	387	11
Total	1,570	1,631	4	5,368	6,939	29
Platforms (\$M)						
Console	650	568	-13	2,490	2,221	-11
PC	411	508	24	1,555	2,387	54
Mobile and Ancillary ⁴	454	493	9	974	1,944	100
Other ³	55	62	13	349	387	11
Total	1,570	1,631	4	5,368	6,939	29
Geography (\$M)						
Americas	860	858	-	2,767	3,595	30
EMEA ⁵	507	538	6	1,917	2,284	19
Asia Pacific	203	235	16	684	1,060	55
Total	1,570	1,631	4	5,368	6,939	29

Q2 2017 TTM Reportable Segment Results



Q2 2017 TTM GAAP Revenues



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 studios and distribution businesses, as well as revenues from Major League Gaming. 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

	Q2		
	2016	2017	2017
GAAP Net Revenues, \$M	1,570	1,425	1,631
GAAP EPS, \$	0.20	0.15	0.32
Non-GAAP [†] (redefined) EPS, \$	0.45	0.38	0.55

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 the second quarter, the company paid a cash dividend of \$0.30 per common share, up 15% year-over-year, in May 2017 to shareholders of record at the close of business on March 30, 2017, totaling \$226 million.

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 May 4, 2017

Outlook, as of August 3, 2017^{††}

	Q3		2017		Impact of GAAP Deferrals [*]	
	GAAP	Non-GAAP [†] (redefined)	GAAP	Non-GAAP [†] (redefined)	Q3	2017
Revenues (\$M)	1,385	1,385	6,400	6,400	315	175
Operating Margin ^{**}	10%	28%	17%	33%		
EPS ^{**} (\$)	0.09	0.34	1.05	1.94	0.11	0.06
Fully diluted weighted avg. shares ^{***} (M)	766	766	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 \$1.12 USD/Euro and \$1.30 USD/GBP. Our financial guidance includes the forecasted impact of the FX cash flow hedging program.

^{*} 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 June 30, 2017, please refer to the Company's earnings release dated August 3, 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 August 3, 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.