

Outside Relationships

Regulators Capital Suppliers Customers

Subjects of US Regulation

Regulators

- Public Debt Holders
- Hedge Counterparties
- Commercial Banks (Lead Banks: Bank of America, JPMorgan Chase)
- External Game Developers
- From Software (Sekiro)
- From Software
- Bungie (Formerly Destiny)
- BUNGIE
- Other Third-Party Game Developers

Capital

- Bond Financing
- Foreign Currency Derivatives Contracts (British Pound Sterling, Euro)
- Working Capital Financing
- Game Development Services

Suppliers

- Consumer Product Safety (Consumer products safety regulation, including consumer complaints and review process, coordination of recalls, uniform safety standards development)
- Protection of Minors (Regulation of distribution of certain material to children and collection of information from minors)
- Liability for Third Party Content (Safe harbor against liability of interactive computer service providers for linking, caching, or hosting third-party content, except content that constitutes intellectual property rights that are defamatory, obscene or otherwise illegal)
- Age and Content Ratings by Self-Regulatory Organizations (Regulation and assignment of age and content ratings of video games for suitability for certain audiences)
- Internet Accessibility (Regulation of internet use, availability of bandwidth, censorship, and digital platforms activities, and access)
- Usage/Screen Time (Various jurisdictions, including the European Union, United Kingdom, and South Korea, have begun to implement regulations surrounding screen time following the 2019 designation of the World Health Organization (WHO) of gaming disorder as a behavioral addiction and illness)
- Anti-Money Laundering and Sanctions (FinCen: "Know Your Customer" data collection requirements; regulation of money transfers, payment services, unclaimed property, virtual currency, and commitment of legally obtained money; OFAC: restricted party transactions regulation; and Treasury: economic sanctions)
- Federal and State Tax (Corporate income tax regulation, examinations and audits, and other taxes, such as payroll, sales, use, value-added, net worth, property, transfer, services, and digital services taxes)
- Labor and Employment (DOL: Regulation of work practices, wage and overtime record-keeping; EEOC: enforcement of anti-discrimination laws in hiring, workplace practices and civil rights; OSHA: workplace health and safety; and serious injury reporting)
- Antitrust, Advertising and Anti-Bribery (DOJ/FTC: Regulation, including enforcement, of anticompetitive trade practices, dominant market concentration, mergers; FTC: enforcement of deceptive practices or claims in advertising; DOJ: Enforcement of anti-bribery law prohibitions on bribes and other payments to foreign government officials (record-keeping requirements))

Customers

- Advertisers (Consumer Goods, Manufacturers, Retailers, e-Commerce Brands, Universities, Financial Services Companies)
- Sales of Advertising Space within Games
- Business Regulation (including Data Protection, Consumer Safety, Third Party Content and Content Ratings, Screen Time, Protection of Minors, Internet Accessibility, Anti-Money Laundering, Tax, Employment, Antitrust, and Advertising)
- Digital and Traditional Marketing and Advertising Services
- Franchise Payments from eSports Teams and Other Revenue from eSports Leagues (e.g., in order to participate in Activision Blizzard's Call of Duty League)
- Marketing Services
- Online Social Network Platforms (Customized Online Advertising and In-Game Messaging)
- Online Search Engine Operators (Advertising)
- Microsoft Bing
- Baidu
- Newspapers and Magazine Publishers (Advertising)
- Retailers: Hardware Manufacturers and Consumer Products Producers (Coordinated In-Store and Industry Promotions, Merchandising, Point-of-Purchase Displays)

Activision Blizzard, Inc. (a Delaware corporation)

Debt Structure Equity Structure

Debt Structure		Equity Structure	
Debt (\$3.7 Billion @ 12/31/2022) Credit Ratings (Senior Unsecured Debt): Moody's (Baa1), S&P (BBB+)		Equity Capital and Stock Buybacks	
Revolving Credit Facility Available: \$1.5B Outstanding: \$0	2026 Unsecured Notes: \$850M (3.40%)	2027 Unsecured Notes: \$400M (3.40%)	2030 Unsecured Notes: \$500M (1.35%)
		2047 Unsecured Notes: \$400M (4.50%)	2050 Unsecured Notes: \$1,500M (2.50%)
Common Stock Repurchase Program Authorized: None		Common Stock Authorized: 2.4 billion shares Issued: 1.213 billion shares Outstanding: 784.3 million shares Record Holders: 1,441	

Governance

Board of Directors		Committees:	
Reveta Bowers (C, W)	Barry Meyer (N)	Audit (A), Compensation (C), Nominating and Corporate Governance (N), Workplace Responsibility (W)	
Kerry Carr (A)	Robert Morgado (C, N)		
Robert Corti (A, N)	Peter Nolan (A)		
Brian Kelly	Dawn Ostroff (C, W)		
Bobby Kotick			
Executive Officers			
Chief Executive Officer Bobby Kotick	EVP For Corporate Affairs And Chief Communications Officer Lulu Cheng Meservey		
Chief Financial Officer Armin Zerza	Chief People Officer Julie Hodges		
Chief Administrative Officer Brian Bulatao	Chief Legal Officer Grant Dixon		
Chief Legal Officer Grant Dixon	Chief Diversity, Equity & Inclusion Officer Kristy Hines		
President, Activision Rob Kostich	President, Blizzard Entertainment Mike Ybarra		
President, Activision Rob Kostich	President, King Tidolf Sommestad		

Corporate

Finance and Accounting	Marketing/Commercial	Operations (Excl. Sales Offices & Corporate Offices)	Administration	Legal
Financial Management	Marketing Strategy	Manufacturing / Distribution	Corporate Social Responsibility	Litigation Management
Financial Planning and Analysis	Brand Portfolio Management	The Americas - 1 Location (Fresno, CA)	Information Technology	Transactions
Treasury	Key Customer Accounts	Europe - 3 Locations (Birmingham, UK; Burlington, VT; Venlo, NE)	Human Resources	Intellectual Property and Licensing Management
Tax	Designers	Asia Pacific - 1 Location (Shanghai, China)	Workplace	Compliance
Internal Audit	Producers	Studio Operations	Information and Physical Security	Government Affairs
Analytics	Programmers	The Americas - 15 Locations (California: Carlsbad, El Segundo, Encino, Foster City, Los Angeles, Mountain View, Novato, Santa Monica, Woodland Hills; Iowa: Iowa City, Minnesota: Eden Prairie; New York: Menands, Texas: Austin, Wisconsin: Middleton, Canada: Quebec City, Vancouver)	CentreSoft (European Distribution and Logistics Business)	Corporate Governance and Secretarial Matters
Financial Reporting	Artists	Europe - 4 Locations (Barcelona, Berlin, Cork and Dublin, Ireland; Leamington Spa, Liverpool and London, England; Stockholm)	Consumer Products Group	Public Policy
Controllorship	Sound Engineers	Asia Pacific - 2 Locations (Seoul, Shanghai)	Human Resources	Communications
Risk Management		Other	Talent Acquisition, Development and Retention	External
		Publishing	Total Rewards	Internal
		Interactive Entertainment Hardware Manufacturing	Diversity and Inclusion	

Operations

ACTIVISION PUBLISHING, INC. (2022 Net Revenue: \$3.3 Billion; 40.6%)	BLIZZARD ENTERTAINMENT, INC. (2022: \$2.0 Billion; 24.9%)	King Digital Entertainment (2022: \$2.9 Billion; 34.5%)
Activision Publishing, Inc. delivers content through premium and free-to-play offerings and primarily generates revenue from full-game and in-game sales, as well as by licensing software to third-party or related-party companies that distribute Activision products. Activision's key product offerings include titles and content for Call of Duty, a first-person action franchise. Activision also includes the activities of the Call of Duty League, a global professional esports league.	Blizzard Entertainment, Inc. delivers content through both premium and free-to-play offerings and primarily generates revenue from full-game and in-game sales, subscriptions, and by licensing software to third-party or related-party companies that distribute Blizzard products. Blizzard also maintains a proprietary online gaming service, Battle.net, which facilitates digital distribution of Blizzard content and selected Activision content, online social connectivity, and the creation of user-generated content. Blizzard was the former gaming unit of France's Vivendi.	King Digital Entertainment delivers content through free-to-play offerings and primarily generates revenue from in-game sales and in-game advertising on mobile platforms. King has developed more than 200 titles. Its primary gaming title is Candy Crush Saga.

President, Activision: Rob Kostich	Monthly Active Users (MAUs): 111 Million	Leader, Blizzard: Mike Ybarra	MAUs: 45 Million	President, King: Humam Sakhni	MAUs: 233 Million
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Key Brands and Products

Activision Publishing, Inc. Key Brands and Products

Activision's key product franchise is Call of Duty, a first-person action franchise. Activision also includes the activities of the Call of Duty League, a global professional esports league with city-based teams.

First Person Shooter	Platform	Sports
Call of Duty: Vanguard	CRASH BANDICOOT: N.Sane Trilogy	TONY HAWKS PRO SKATER 1+2
Call of Duty: Black Ops Cold War	Spyro Reignited Trilogy	
Call of Duty: Warzone	Multiplayer	Action-Adventure
	Crash Team Racing: Nitro-Fueled	SEKIRO: SHADOWS DIE TWICE
	Crash Bandicoot 4: It's About Time	

Blizzard Entertainment, Inc. Key Brands and Products

Blizzard's key product franchises include: the Warcraft franchise, which includes World of Warcraft, a subscription-based massive multi-player online role-playing franchise; and Hearthstone, an online collectible card franchise based in the Warcraft universe; Diablo, an action role-playing franchise; and Overwatch, a team-based first-person action franchise; also includes the activities of the Overwatch League, a global professional esports league.

Massively Multiplayer Online Role Playing (MMO)	First Person Shooter	Multiplayer	Action Role-Playing
World of Warcraft	OVERWATCH	HEARTHSTONE	DIABLO II: RESURRECTED
		STAR CRAFT II	DIABLO III
		STAR CRAFT REMASTERED	DIABLO IV - ROGUE

King Digital Entertainment Key Brands and Products

King's key product franchise is Candy Crush™, a "match three" franchise with vibrant colors and loud sound effects.

Puzzle	Saga
Candy Crush Saga	Bubble Witch 3 Saga
Farm Heroes Saga	Blossom Blast Saga
Super Saga	Diamond Dairies Saga
Candy Crush Soda Saga	Pet Rescue Saga

Companywide Revenue Generation

2022 Net Revenue by Platform	2022 Net Revenue by Distribution Channel
Personal Computer (PC): \$1.7B	Retail Channels: \$290M (4%)
Consoles: \$1.8B	Digital Online Channels: \$6.6B (88%)
Mobile and Ancillary: \$3.5B (includes revenues from mobile devices, as well as non-platform-specific game-related revenues, such as standalone sales of toys and accessories)	Other: \$605M (8%) (includes revenues from its Distribution business, the Overwatch League, and the Call of Duty League)
Other: \$605M (includes revenues from its Distribution business, the Overwatch League, and the Call of Duty League)	

Competition

EA, Nintendo, Take-Two Interactive, Ubisoft, Epic Games, Tencent, Netmarble, Warner Bros. Interactive Entertainment, Sony, Microsoft Game Studios, Google Play Games, Amazon Game Studios, Apple Arcade, Facebook Gaming, N. Games.

Key Company Data (as of 12/31/2022)

Business Overview: Activision Blizzard, Inc. is a leading global developer and publisher of interactive entertainment content and services. The company develops and distributes content and services on video game consoles, PCs, and mobile devices to nearly 400 million monthly average users. It also operates esports leagues and offers digital advertising within some of its content. Activision Blizzard is well-known for its critically acclaimed game brands, including Call of Duty, Crash Bandicoot, Tony Hawk, Candy Crush, World of Warcraft, Starcraft, Warcraft, Bubble Witch 3, and Farm Heroes Saga.

Share Data (Delisted 10/16/2023)

- Stock Exchange: NASDAQ Select Market
- Ticker Symbol: ATVI
- Share Price: \$94.42 (Delisted 10/12/2023)
- Earnings Per Share: \$2.73 (TTM)
- Forward Annual Dividend: \$0.99/share
- Market Capitalization: \$74.29B (10/12/2023)

Financial Highlights

- Net Revenue: \$7.5B
- Product Sales: \$1.6B
- In-Game, Subscription, and Other Revenues: \$5.9B
- Cost of Revenue: \$2.2B
- Product Costs: \$750M
- Cost of In-Game, Subscription, and Other Revenues: \$1.5B

Balance Sheet

- Operating Income: \$1.7B (22.7%)
- Net Income: \$1.5M
- Total Assets: \$23.109B
- Total Liabilities: \$8.072B

Cash Flow

- Total Stockholders' Equity: \$15.037B
- From Operations: \$2.2B
- Used in Investing: (\$5.0B)
- Used in Financing: (\$534M)

Strategic Pillars

- Expand Audience Reach
- Deepen Engagement
- Increase Player Investment

Recent Developments

Concentration of Revenue among Most Popular Games: Call of Duty, Candy Crush, and World of Warcraft franchises, collectively, accounted for 79% of Activision Blizzard's 2022 net revenues—and a significantly higher percentage of its operating income.

Microsoft Acquisition of Activision Blizzard Finalized: On October 13, 2023, software and cloud services giant Microsoft closed to acquire Activision Blizzard for \$68.7 billion. The acquisition is subject to regulatory review and is expected to close in early 2024. Microsoft now plans to add many of Activision Blizzard's games to Xbox Game Pass, except for Modern Warfare 3 and Diablo IV, which will not join Xbox Game Pass until 2024 at the earliest.

Outside Relationships

Customers Suppliers Capital Regulators

Business Regulation (including Securities Regulation and Stock Exchange Listing Rules, Foreign Trade, and Intellectual Property)

Equity Capital

- Dividends

Professional Services

- Key Professional Services Firms: Vanguard (7.64%), BlackRock (7.22%), Public Investment Fund (4.82%), State Street Corporation (4.12%), Fidelity Investments (2.85%), Institutional Ownership: 81.17%
- PyC (Audit Services)
- pwc
- 72andSunny (Advertising Services)
- Skadden, Arps, Slate, Meagher & Flom (Transactional Legal Services)
- Alien & Company (Financial Advisory Services)
- Google Cloud (Cloud Computing, Storage, and Data Analytics Services)
- U.S. Securities and Exchange Commission (SEC) (Regulations of Offers and Sales of Securities, Material Event Disclosure and Financial Reporting Requirements, Anti-Bribery Law (FCPA), and Securities Requirements)
- NASDAQ Global Select Market (Listing, Maintenance and Corporate Accountability Rules)
- Nasdaq
- Foreign Trade (Regulation regarding imports, exports—including licensing, tariffs, trade barriers, customs duties, restricted party transactions, improper payments, trade sanctions, foreign exchange, and cash repatriation, limitations on exports)
- Intellectual Property (Patent, Trademark, Service Mark, and Copyright Registrations and Reviews)
- uspto

Distribution Customers

Third Party Publishers of Interactive Entertainment Software

Activision Blizzard Publishing

Interactive Entertainment Hardware Manufacturers

End Consumers

Game Players

Viewers

(1) Sales of Digital Games, Packaged Games, In-Game Items, Virtual Currency and Video Game Subscriptions (on a direct-to-consumer basis) and (2) Distribution of Free-to-Play Online Games

Sales of Warehousing, Logistics, and Sales Distribution Services

Brick and Mortar Retailers

Console Manufacturers

Cloud-Based, Online-Hosted Gaming Service Providers

Application Storefronts / Online Digital Download Stores

Third-Party Platforms and Networks for Digital Downloads

Subscription Service (via Steam, PlayStation, Battle.net, and Microsoft GamePass)

Battle.net

Retailers: Hardware Manufacturers and Consumer Products Producers (Coordinated In-Store and Industry Promotions, Merchandising, Point-of-Purchase Displays)

GameStop, Target, Walmart, Best Buy, Microsoft Corporation, Sony Interactive Entertainment, Nintendo, Cloud-Based, Online-Hosted Gaming Service Providers, Google Stadia, Apple App Store (Mobile), Google Play (Mobile), Facebook (Mobile), PlayStation Network (Console), Xbox Live (Console), Steam (PC), GameStop

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