

hnagaraj@microsoft.com/Jamie.Lawver@microsoft.com private chat: chat transcript

Chat description: none provided

Chat type SkypeTeams
 Private chat yes
 Transcript timezone (UTC) Coordinated Universal Time
 Transcript start 2022-10-21 21:55:12
 Transcript end 2022-10-21 22:26:26
 Transcript participants 2
 Initial participants hnagaraj@microsoft.com; Jamie.Lawver@microsoft.com

Timestamp	Sender	Viewers	Message text	Data	Reactions
2022-10-21 21:55:12	hnagaraj@microsoft.com	2	Hi Jamie - sorry for the friday afternoon ping. I wanted to check in on the above ^^ ping and see if you can share the deck on ABK value drivers and assumptions that you shared a couple of months ago.		
2022-10-21 21:58:01	Jamie.Lawver@microsoft.com	2	Is this what you are looking for? [image:'https://us-api.asm.skype.com/v1/objects/0-wus-d3-41db5ee3307e5d77473ed23194bd8c94/views/imgo']	Attachment: 0-wus-d3-41db5ee3307e5d77473ed23194bd8c94	
2022-10-21 21:59:10	hnagaraj@microsoft.com	2	yes, think so. I think there was then a click down (page) on each of them too. Just trying to understand the drivers a bit more.		
2022-10-21 22:07:37	Jamie.Lawver@microsoft.com	2	Do you have access to the Denali Deal team channel? Finance review 011022 -- Project Denali.pptx[url:'https://microsoft.sharepoint.com/:p:/r/teams/ProjectDenali/Shared%20Documents/General/Finance/Finance%20review%20011022%20--%20Project%20Denali.pptx?d=wb7d3146ea3a4dd9b86c741fe79c6941&csf=1&web=1&e=Wrrhp69']	Attachment: Finance review 011022 -- Project Denali.pptx	
2022-10-21 22:20:51	Jamie.Lawver@microsoft.com	2	The numbers changed slightly from this presentation but very directionally correct.		
2022-10-21 22:21:33	hnagaraj@microsoft.com	2	Thank you! I'll check my access from a computer. I always have trouble from my phone.		
2022-10-21 22:22:05	hnagaraj@microsoft.com	2	Perfect, I can access. Thank you Jamie. Have a nice weekend.		
2022-10-21 22:26:26	Jamie.Lawver@microsoft.com	2	Awesome 😊[:smile:] Have a great weekend!		

Nickname	Name	Surname	E-mail	Source	PID	Type
hnagaraj@microsoft.com	Harsha Nagaraj		hnagaraj@microsoft.com	8:orgid:2ddce374-4b55-4ccc-b945-0cb27e7f037e		User
Jamie.Lawver@microsoft.com	Jamie Lawver		Jamie.Lawver@microsoft.com	8:orgid:1b9d7e41-412d-447a-91f2-d23391b1f0d7		User

Activision Blizzard Value Drivers

	Revenue
Existing Franchise	Continued sales of Activision Blizzard's core franchises of Call of Duty, Overwatch, and Diablo
Game Portals	Continued sales through existing and new distribution channels
Product Pipeline	Continued development and release of new franchises and game titles
Activision	Expansion of the Activision Blizzard ecosystem through mobile and PC game titles

File Provided Natively

Finance review 011022 -- Project Denali.pptx

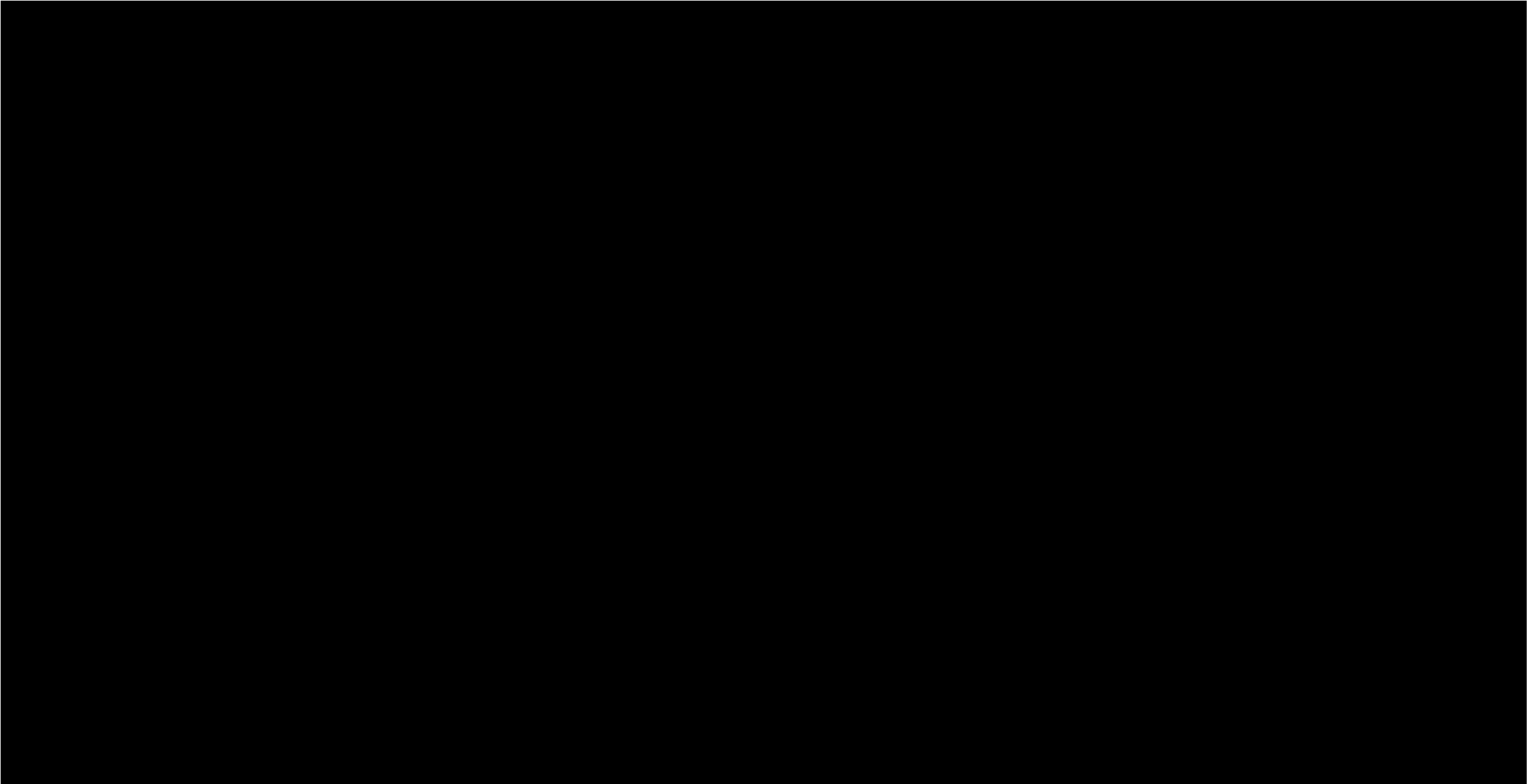
\\Attachments\CS011\Denali_FullTeams&Mailboxes\ProjectDenali\Shared Documents\General\Finance\Finance review 011022 -- Project Denali.pptx

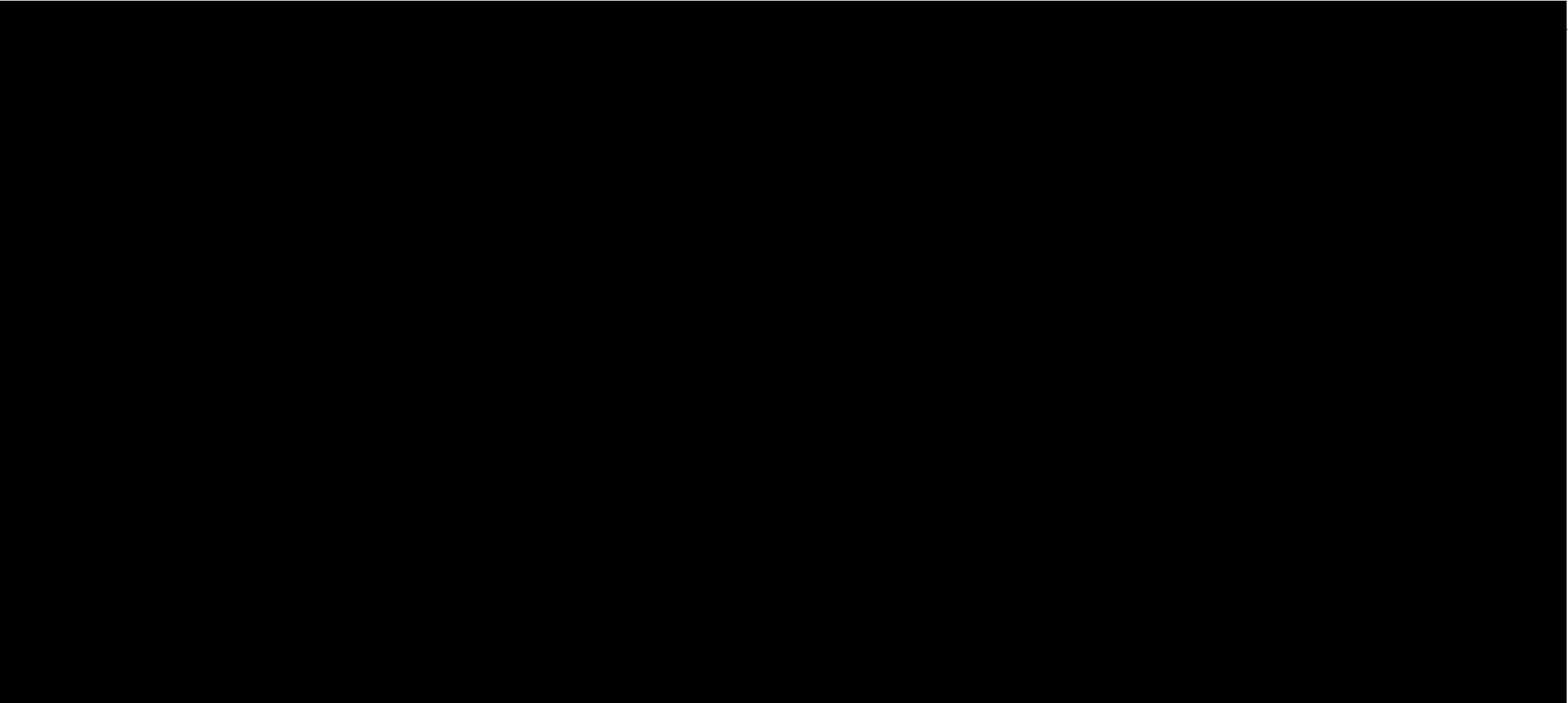
Project Denali

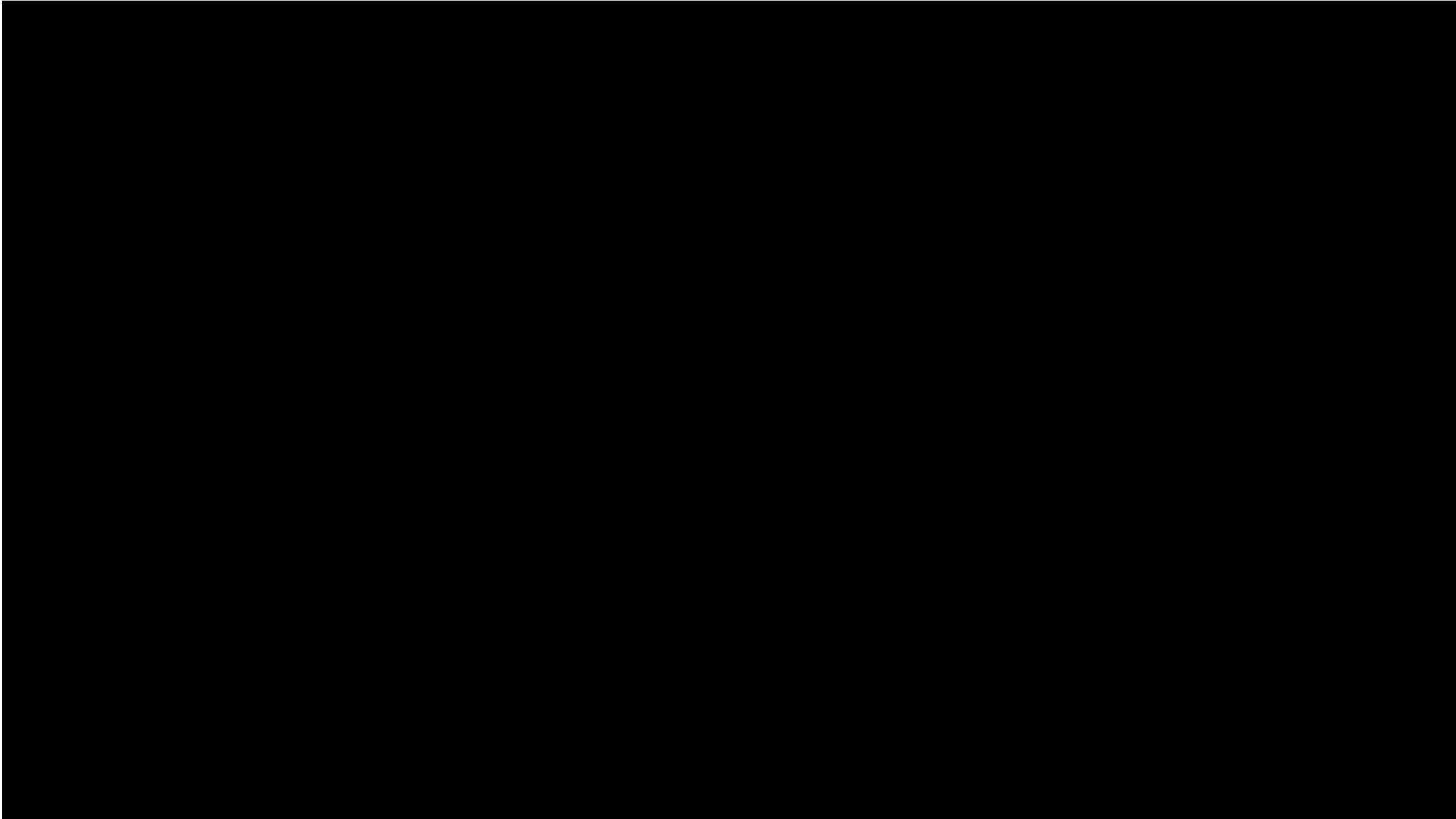
Finance Meeting
January 10, 2022

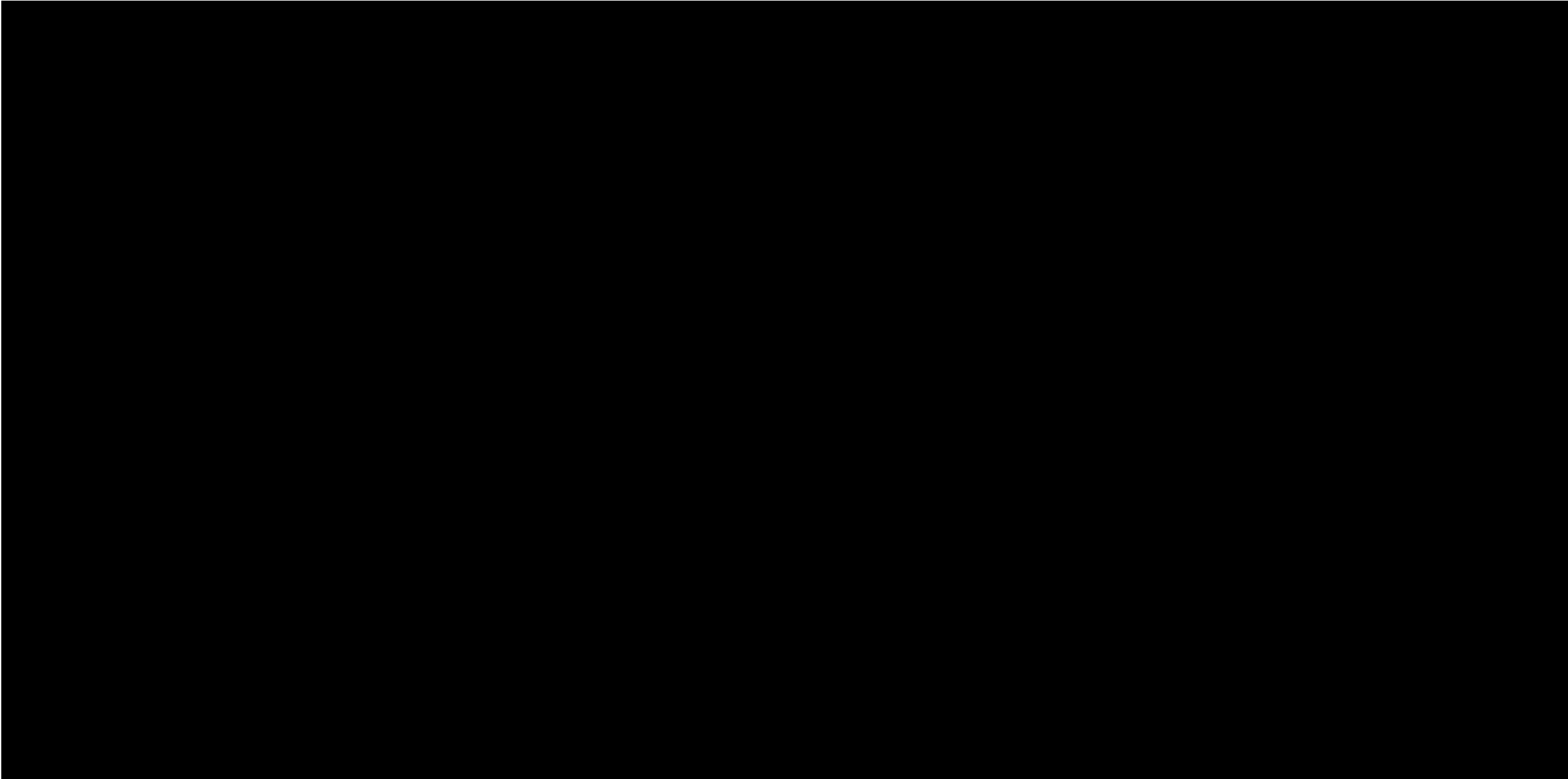
Activision Blizzard Value Drivers

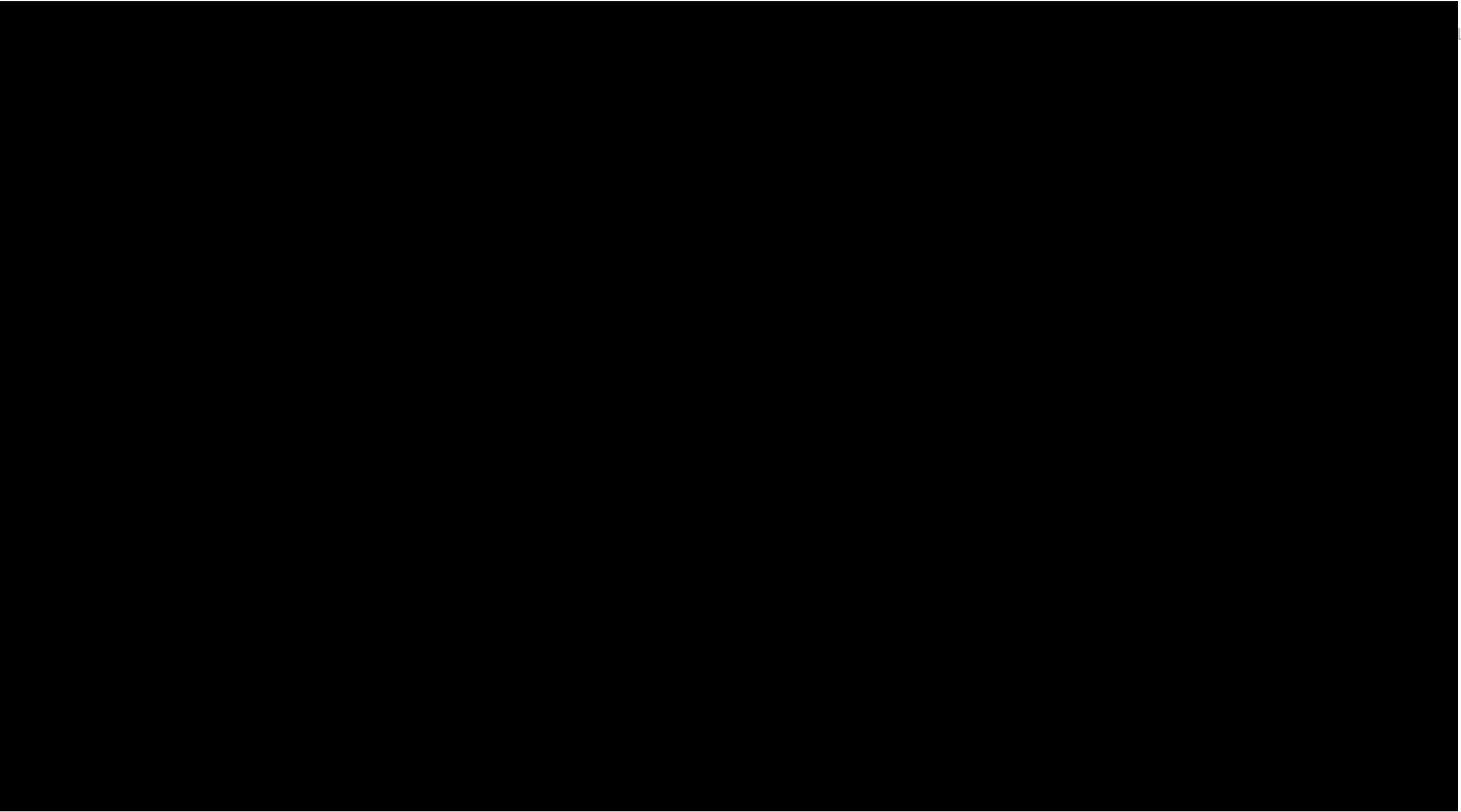
	Description	Key Drivers
Existing Business	Continued sales of Activision Blizzard's portfolio on all platforms (console, PC, mobile)	[REDACTED]
Game Pass	Accelerate Game Pass subscriptions across console and PC	[REDACTED]
Universal Store	Extend the Xbox Store from console to build a universal store spanning devices (console, PC & mobile)	[REDACTED]
Advertising	Expand the Microsoft Audience Network (MSAN) to PC & mobile games	[REDACTED]
Other strategic benefits: (A) Xbox console ecosystem; (B) Azure game industry vertical expansion		

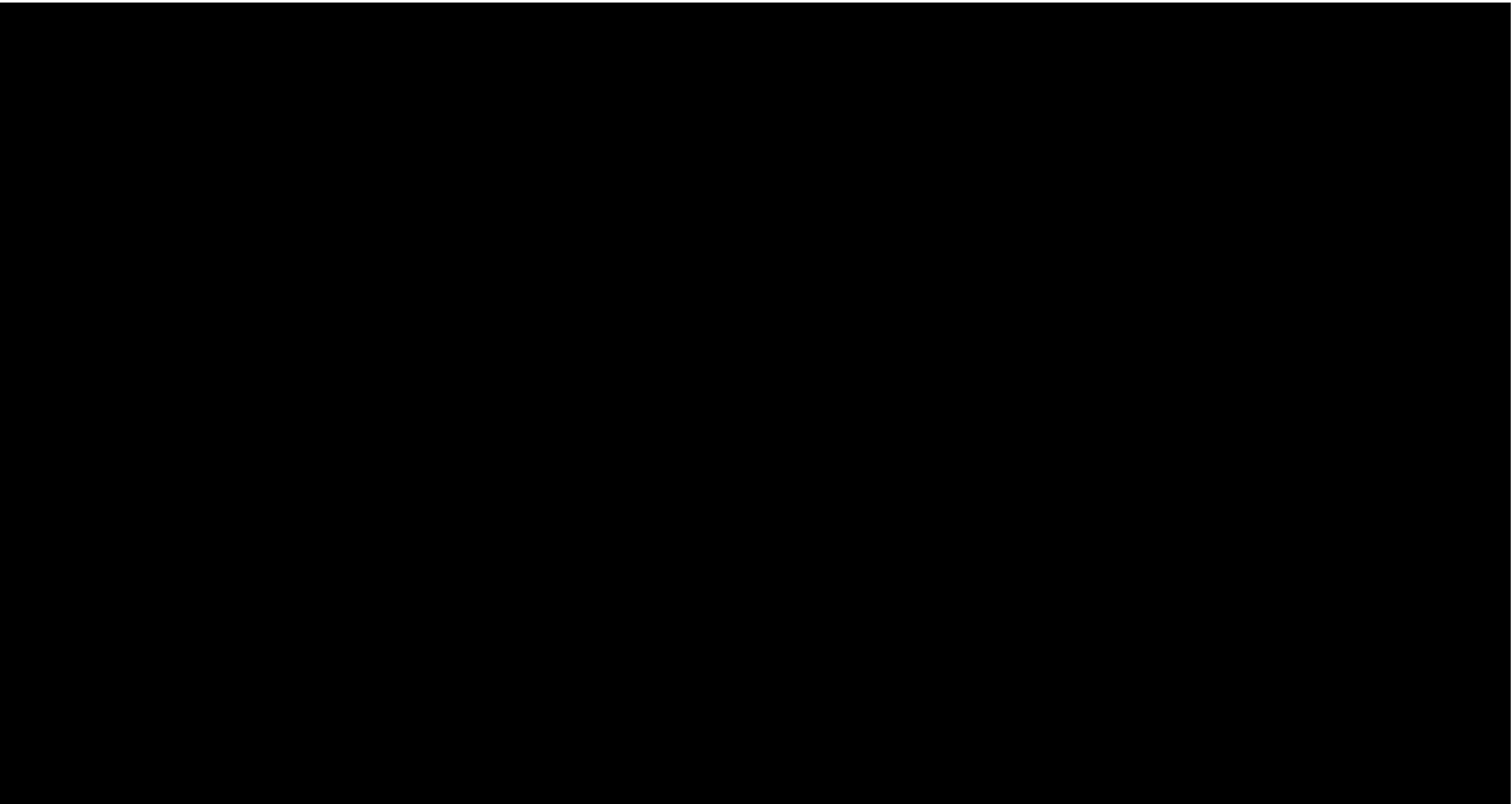








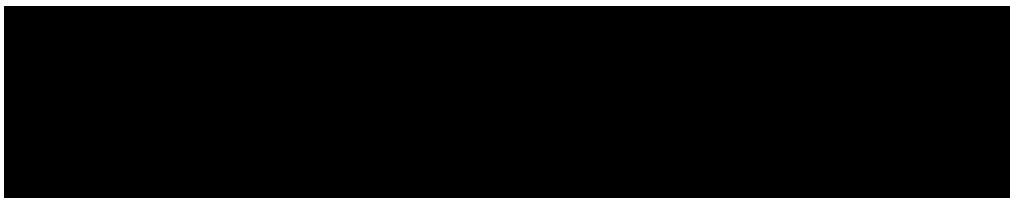


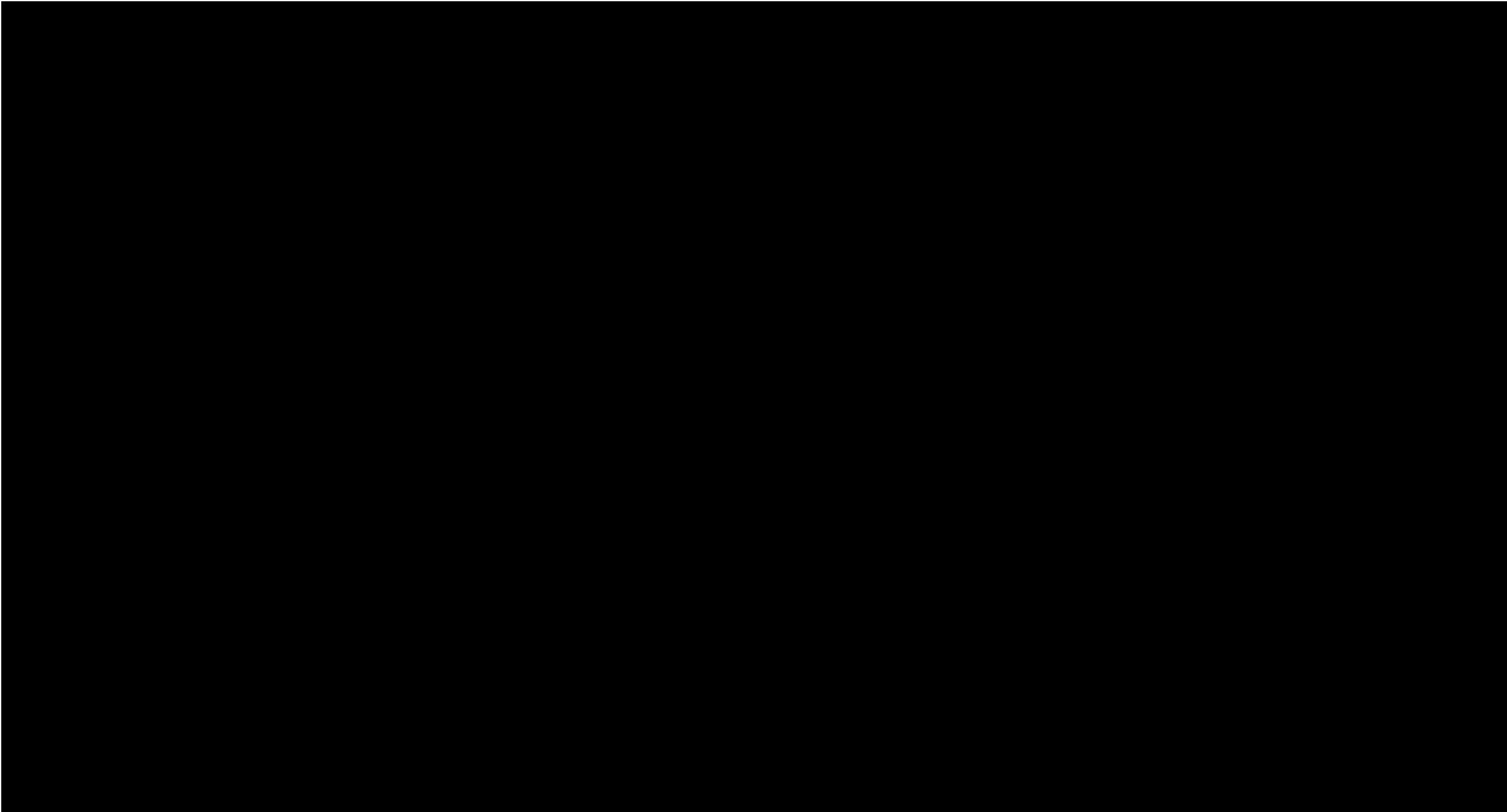


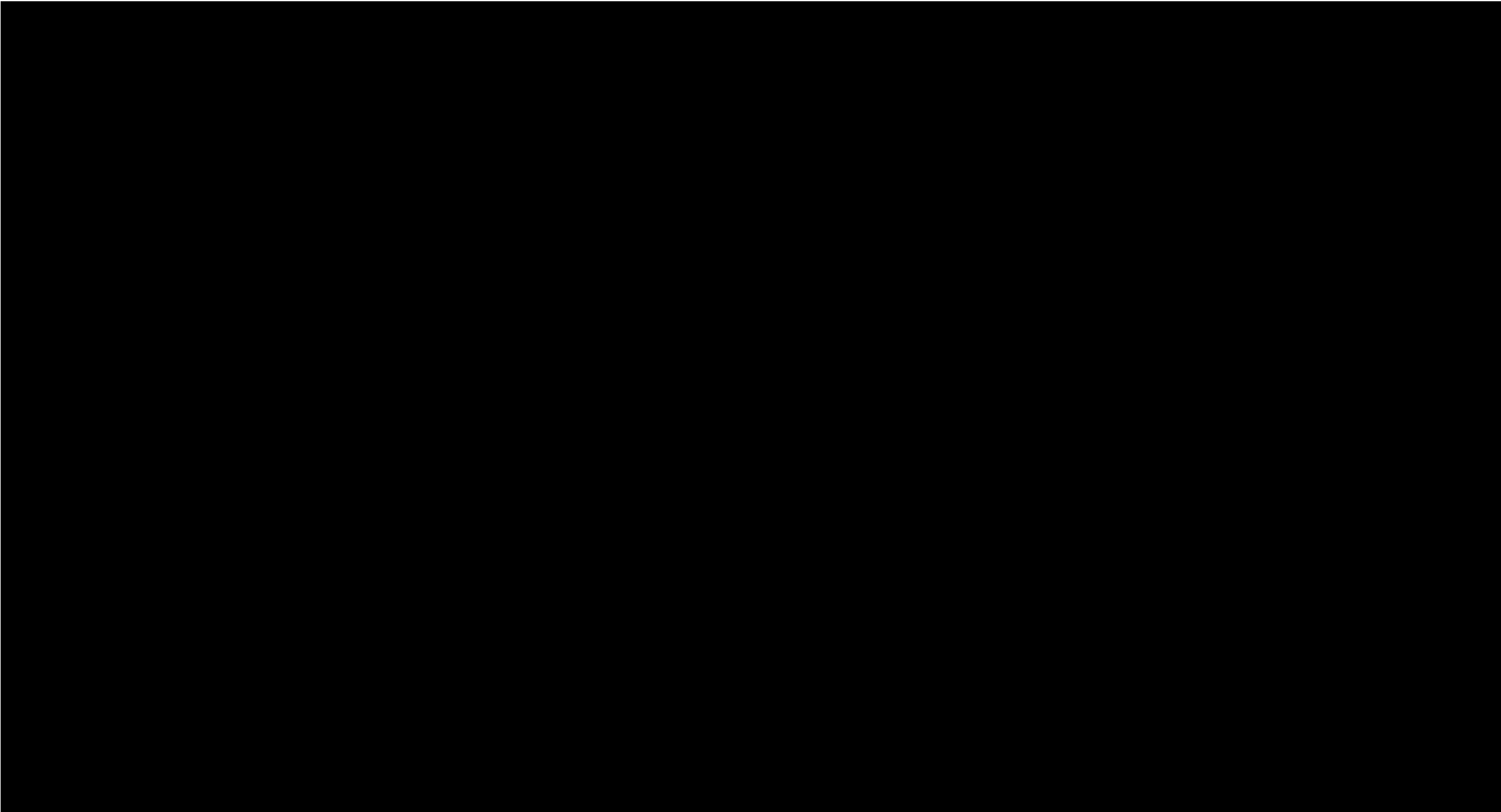
Value to Microsoft

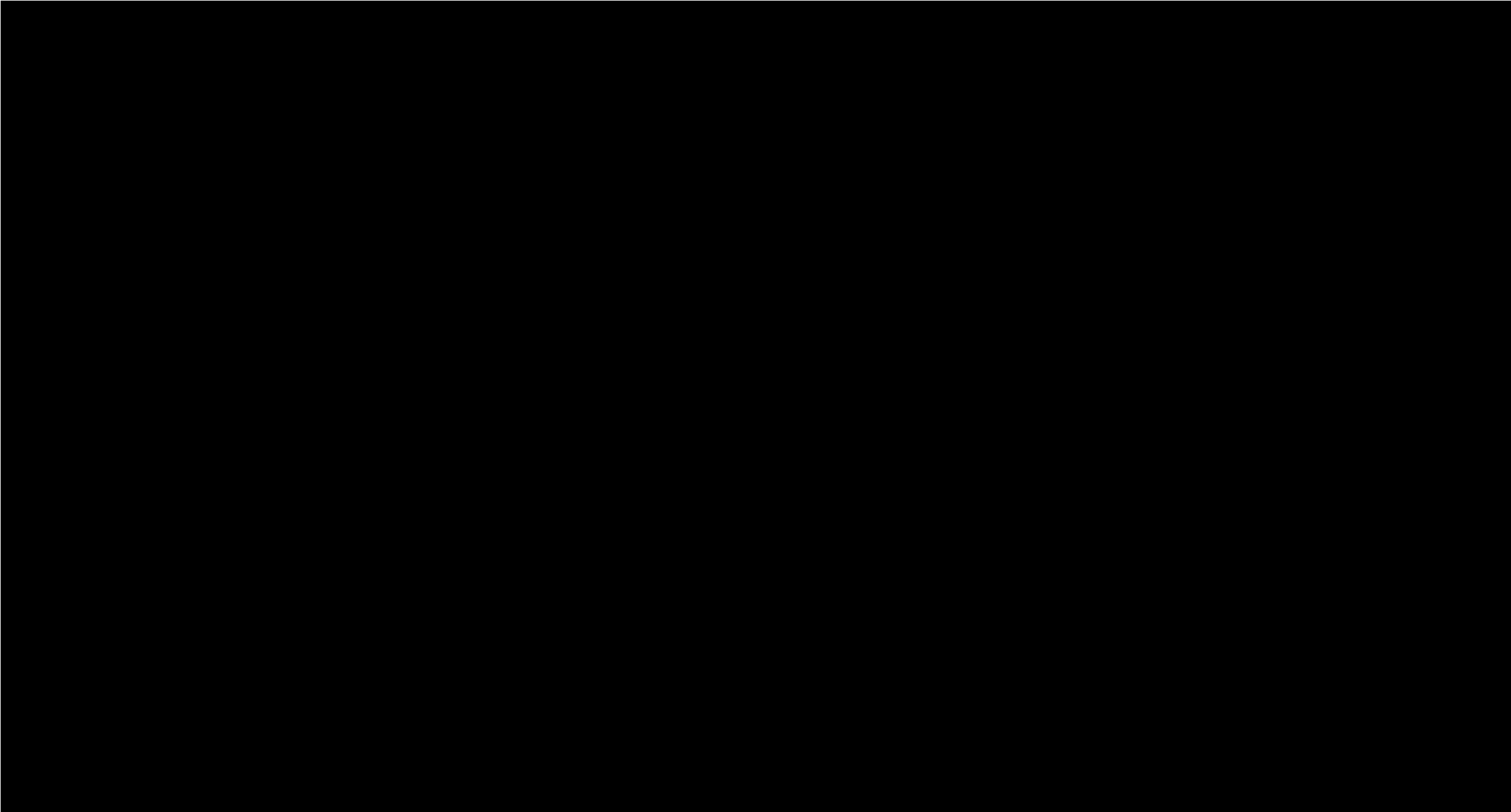
Drivers	Description
Existing Business	Continued sales of Activision Blizzard's portfolio on all platforms (console, PC, mobile)
Game Pass	Accelerate Game Pass subscriptions across console and PC
Universal Store	<p>PC Store: By building upon Activision Blizzard's Battle.net platform to provide the foundation needed to scale our Xbox Store to PC</p>
	<p>Mobile Store: By building upon Activision Blizzard's player engagement to provide the foundation needed to scale our Xbox Store to mobile</p>
	<p>Margin: By processing a portion of Activision Blizzard's revenue through the Xbox mobile store</p>
Advertising	<p>MSAN: By harnessing Activision Blizzard's data estate, and engagement scale to accelerate Microsoft's advertising network in games</p>

Total Value to Microsoft









Q4'21 Earnings Preview

\$B, ex. Per share	2021 Result	Guidance	Wall Street	Guidance		Wall Street	
				\$ Delta	% Delta	\$ Delta	% Delta
Revenue	\$8.4	\$8.7	\$8.8	(\$0.3)	(3.5%)	(\$0.4)	(4.6%)
Operating Income	\$3.5	\$3.6	\$3.7	(\$0.08)	(2.2%)	(\$0.1)	(4.1%)
EPS	\$3.70	\$3.76	\$3.80	(\$0.06)	(1.6%)	(\$0.10)	(2.7%)

\$B, ex. Per share	Q4 Result	Guidance	Wall Street	Guidance		Wall Street	
				\$ Delta	% Delta	\$ Delta	% Delta
Revenue	\$2.5	\$2.8	\$2.9	(\$0.3)	(10.4%)	(\$0.4)	(12.7%)
Operating Income	\$1.2	\$1.3	\$1.3	(\$0.11)	(8.5%)	(\$0.2)	(12.0%)
EPS	\$1.23	\$1.29	\$1.34	(\$0.06)	(4.7%)	(\$0.11)	(8.2%)

Source: Company filings, Capital IQ