



**TAKE-TWO INTERACTIVE  
SOFTWARE, INC.**

(NASDAQ: TTWO)

FIRST QUARTER FISCAL 2025 RESULTS  
& GUIDANCE SUMMARY

## **CAUTIONARY NOTE: FORWARD LOOKING STATEMENTS**

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Statements contained herein which are not historical facts are considered forward-looking statements under federal securities laws and may be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "potential," "predicts," "projects," "seeks," "should," "will," or words of similar meaning and include, but are not limited to, statements regarding the outlook for the Company's future business and financial performance. Such forward-looking statements are based on the current beliefs of our management as well as assumptions made by and information currently available to them, which are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Actual outcomes and results may vary materially from these forward-looking statements based on a variety of risks and uncertainties including risks relating to our combination with Zynga Inc.; the risks of conducting business internationally, including as a result of unforeseen geopolitical events; the impact of changes in interest rates by the Federal Reserve and other central banks, including on our short-term investment portfolio; the impact of inflation; volatility in foreign currency exchange rates; our dependence on key management and product development personnel; our dependence on our NBA 2K and Grand Theft Auto products and our ability to develop other hit titles; our ability to leverage opportunities on PlayStation®5 and Xbox Series X|S; factors affecting our mobile business, such as player acquisition costs; the timely release and significant market acceptance of our games; and the ability to maintain acceptable pricing levels on our games.

Other important factors and information are contained in the Company's most recent Annual Report on Form 10-K, including the risks summarized in the section entitled "Risk Factors," the Company's most recent Quarterly Report on Form 10-Q, and the Company's other periodic filings with the SEC, which can be accessed at [www.take2games.com](http://www.take2games.com). All forward-looking statements are qualified by these cautionary statements and apply only as of the date they are made. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

# Q1 FY2025 RESULTS SUMMARY: GAAP

## FINANCIAL SUMMARY (\$ in millions, except EPS)

### Q1

	ACTUAL	GUIDANCE
<b>GAAP Net Revenue</b>	\$1,338	\$1,300 TO \$1,350
<b>Operating Expenses</b>	\$956	\$928 TO \$938
<b>GAAP Net Loss</b>	\$(262)	\$(272) TO \$(245)
<b>GAAP EPS</b>	\$(1.52)	\$(1.58) TO \$(1.43)

**Note:** GAAP results were impacted by business reorganization costs, business acquisition costs, and the devaluation of the Turkish Lira against the U.S. Dollar

# Q1 FY2025 RESULTS SUMMARY: SELECT MANAGEMENT AND OPERATING RESULTS

## SELECT FINANCIAL DATA (\$ in millions)

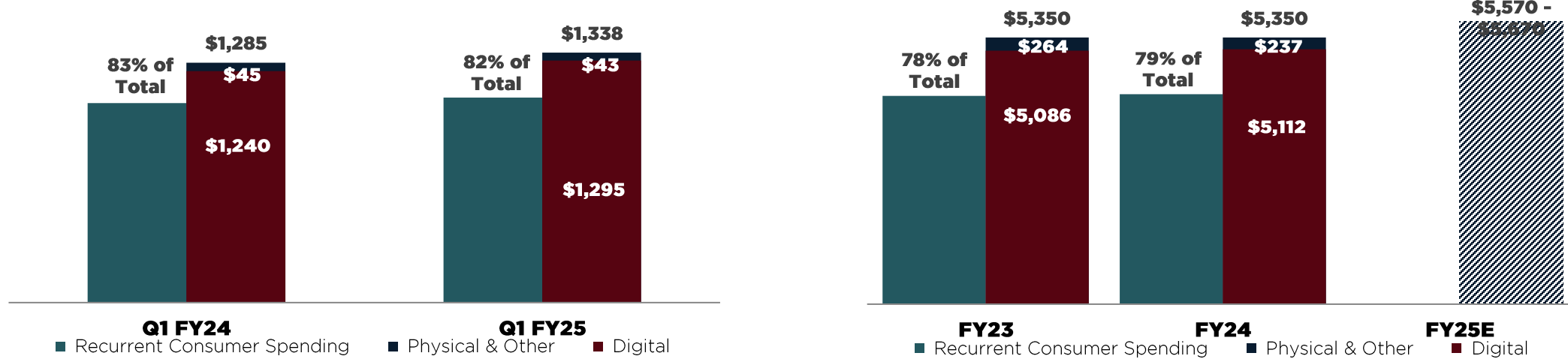
	Q1	
	ACTUAL	GUIDANCE
<b>Net Bookings</b>	\$1,218	\$1,200 TO \$1,250
<b>Recurrent Consumer Spending Growth (RCS)</b>	FLAT	+1%

- Net Bookings were \$1.2 billion, which was in line with our guidance range
- Recurrent consumer spending was flat versus the prior year:
  - Mobile increased mid single digits, driven by the addition of *Match Factory!* and growth in *Toon Blast*, which was partially offset by declines in hyper-casual and *Empires and Puzzles*
  - *Grand Theft Auto Online* and *NBA 2K* were both down
- During the quarter, we launched *TopSpin 2K25*, *No Rest for the Wicked* on Early Access for PC, *NFL 2K Playmakers*, and *Star Wars: Hunters*

# NET REVENUE AND NET BOOKINGS

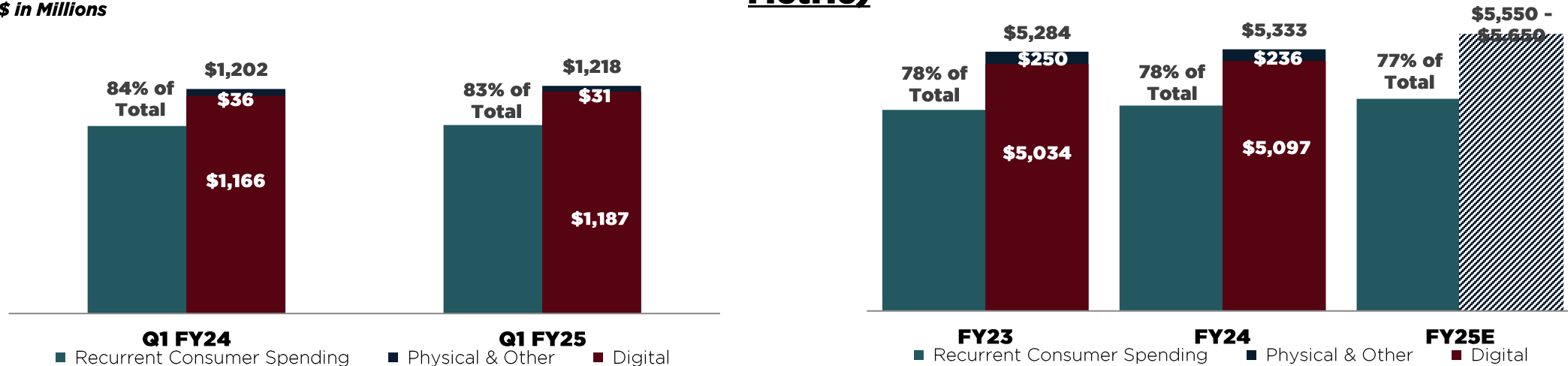
## GAAP Net Revenue

\$ in Millions

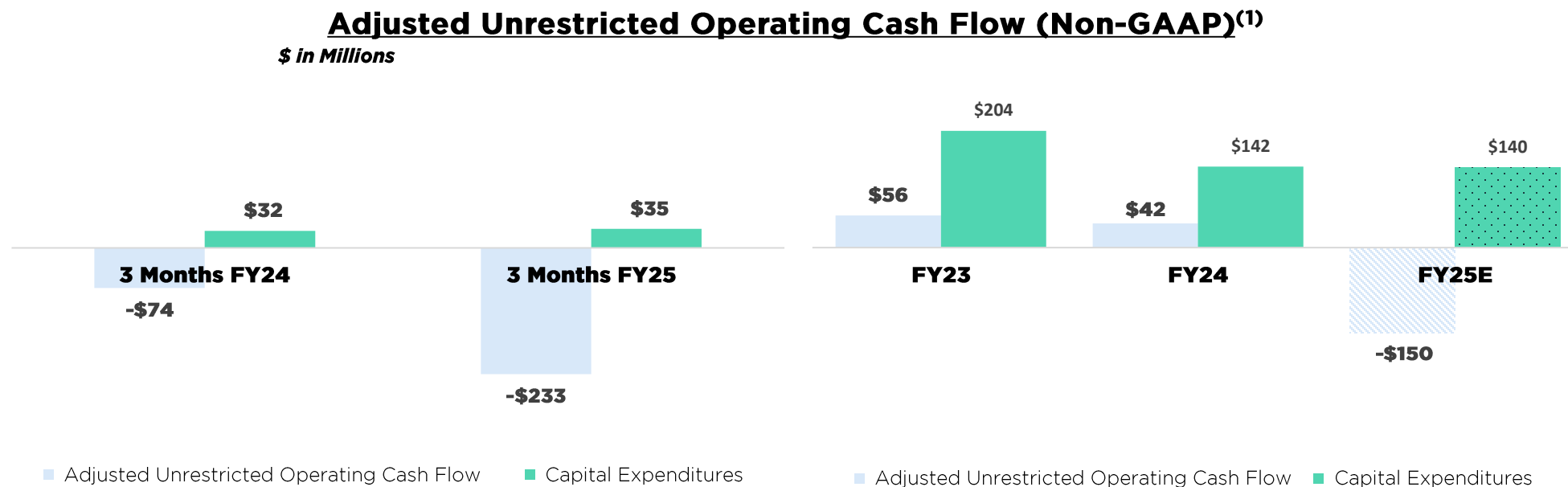
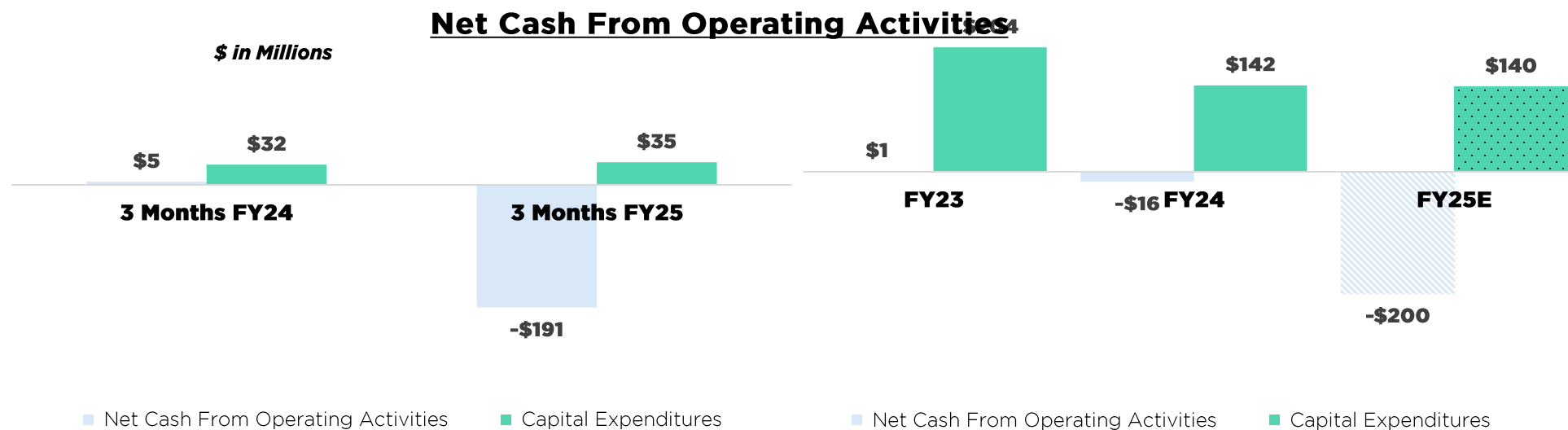


## Net Bookings (Operational Metric)

\$ in Millions



# CASH FLOW



(1) The Company is reporting a Non-GAAP measure of financial performance: Adjusted unrestricted Operating Cash Flow, which is defined as GAAP net cash from operating activities, adjusted for changes in restricted cash. See slide 15 for a reconciliation to the most directly comparable GAAP measure.

# FY 2025 GUIDANCE: GAAP

## FISCAL YEAR 2025 GUIDANCE (\$ in millions, except EPS)

	<b>FY 2025 REVISED GUIDANCE</b>	<b>PRIOR GUIDANCE</b>
<b>GAAP Net Revenue</b>	\$5,570 TO \$5,670	NO CHANGE TO PRIOR GUIDANCE
<b>Operating Expenses</b>	\$3,695 TO \$3,715	PREVIOUSLY: \$3,559 TO \$3,579
<b>GAAP Net Loss</b>	\$(757) TO \$(690)	PREVIOUSLY: \$(674) TO \$(606)
<b>GAAP EPS</b>	\$(4.33) TO \$(3.95)	PREVIOUSLY: \$(3.90) TO \$(3.50)

# FY 2025 GUIDANCE: SELECT FINANCIAL DATA

## FISCAL YEAR 2025 GUIDANCE (\$ in millions, except EPS)

	FY 2024 CURRENT GUIDANCE (\$ IN MILLIONS)	FY 2024 PRIOR GUIDANCE (\$ IN MILLIONS)
<b>Net Bookings</b>	\$5,550 TO \$5,650	NO CHANGE
<b>Recurrent Consumer Spending Growth (RCS)</b>	+3% YOY	NO CHANGE
<b>Non-GAAP Adjusted Unrestricted Operating Cash Flow</b>	APPROXIMATELY (\$150)	PRIOR: APPROX (\$200)

\$ in millions except for per share amounts	Outlook <sup>(1)</sup>	Fiscal Year Ending March 31, 2025 Financial Data			
		Change in deferred net revenue and related cost of revenue	Stock-based compensation	Amortization and impairment of acquired intangibles	Business reorganization and other <sup>(2)</sup>
<b>GAAP</b>					
Total net revenue	\$5,570 to \$5,670	\$(20)			
Cost of revenue	\$2,382 to \$2,407	\$10	\$(13)	\$(667)	
Operating expenses	\$3,695 to \$3,715		\$(302)	\$(70)	\$(93)
Interest and other, net	\$112				\$(12)
(Loss) income before income taxes	\$(619) to \$(564)	\$(30)	\$315	\$737	\$105
Net loss	\$(757) to \$(690)				
Net loss per share	\$(4.33) to \$(3.95)				
Net cash provided by operating activities	approximately \$(200)				
Capital expenditures	approximately \$140				
<b>Non-GAAP</b>					
EBITDA	\$365 to \$420	\$(30)	\$315		\$93
Adjusted Unrestricted Operating Cash Flow	approximately \$(150)				
<b>Operational metric</b>					
Net Bookings	\$5,550 to \$5,650				

- Management reporting tax rate anticipated to be 18%
- Share count used to calculate GAAP net loss per share is expected to be 174.9 million
- Share count used to calculate management reporting diluted net income per share is expected to be 177.4 million

<sup>(a)</sup> Other includes adjustments for (i) business acquisition expenses, (ii) settlement of lawsuit from acquired businesses, (iii) the revaluation of the Turkish Lira against the U.S. Dollar, and (iv) fair value adjustments related to certain equity investments.

- Our business is performing well, and we are reiterating our Net Bookings outlook range of \$5.55 billion to \$5.65 billion
- We continue to expect RCS growth of 3%:
  - Mobile expected to deliver a high single digit increase, driven by *Match Factory!* and *Toon Blast* growth, which are partially offset by declines in hyper-casual and *Empires and Puzzles*;
  - *NBA 2K* projected to be flat; and
  - *Grand Theft Auto Online* expected to decline.
- As we release our groundbreaking pipeline, we expect to achieve tremendous growth, including sequential increases in Net Bookings in Fiscal 2026 and 2027



(3) The individual components of the financial outlook may not foot the totals, as the Company does not expect actual results for every component to be at the low end or high end of the outlook range simultaneously.



# Q2 FY2025 GUIDANCE: GAAP

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## Q2 FISCAL 2025 GUIDANCE (\$ in millions, except EPS)

	<b>Q2 FY25 GUIDANCE</b>
<b>GAAP Net Revenue</b>	\$1,290 TO \$1,340
<b>Operating Expenses</b>	\$982 TO \$992
<b>GAAP Net Loss</b>	\$(400) TO \$(373)
<b>GAAP EPS</b>	\$(2.30) TO \$(2.15)

# Q2 FY2025 GUIDANCE: SELECT FINANCIAL DATA

## Q2 FISCAL 2025 GUIDANCE (\$ in millions, except EPS)

### Q2 FY2025 GUIDANCE (\$ IN MILLIONS)

#### Net Bookings

\$1,420 TO \$1,470

#### Recurrent Consumer Spending Growth (RCS)

+5% YOY

\$ in millions except for per share amounts	Outlook <sup>(1)</sup>	Three Months Ending September 30, 2024			
		Financial Data			Business reorganization and business acquisition
		Change in deferred net revenue and related cost of revenue	Stock-based compensation	Amortization of intangible assets	
<b>GAAP</b>					
Total net revenue	\$1,290 to \$1,340	\$130			
Cost of revenue	\$609 to \$627	\$13		\$(168)	
Operating expenses	\$982 to \$992		\$(77)	\$(18)	\$(22)
Interest and other, net	\$28				\$(2)
(Loss) income before income taxes	\$(329) to \$(307)	\$117	\$77	\$186	\$24
Net loss	\$(400) to \$(373)				
Net loss per share	\$(2.30) to \$(2.15)				
<b>Non-GAAP</b>					
EBITDA	\$(81) to \$(59)	\$117	\$77		\$22
<b>Operational metric</b>					
Net Bookings	\$1,420 to \$1,470				

- Management reporting tax rate anticipated to be 18%
- Share count used to calculate GAAP net loss per share is expected to be 173.8 million
- Share count used to calculate management reporting diluted net income per share is expected to be 177.4 million
- We expect to deliver Net Bookings of \$1.42 billion to \$1.47 billion
- Our release slate for the quarter includes *Game of Thrones: Legends* and *NBA 2K25*
- We project recurrent consumer spending growth of 5%:
  - Mobile expected to grow low double-digits, driven by the addition of *Match Factory!* and growth in *Toon Blast*, which are partially offset by declines in hyper-casual and *Empires and Puzzles*;
  - *NBA 2K* expected to be flat; and
  - *Grand Theft Auto Online* projected to decline.



(3) The individual components of the financial outlook may not foot the totals, as the Company does not expect actual results for every component to be at the low end or high end of the outlook range simultaneously.

# FY25-FY27 PIPELINE DETAILS

	<b>FY 2025 - FY 2027*</b>	<b>TITLES OFFICALLY ANNOUNCED TO-DATE</b>
<b>Immersive Core</b>	<b>22</b>	<ul style="list-style-type: none"> <li>• <i>Top Spin 2K25 (2K)</i> – Launched April 26, 2024</li> <li>• <i>NBA 2K25 (2K)</i> – Launching September 6, 2024</li> <li>• <i>WWE 2K25 (2K)</i> – Launching Q4 Fiscal 2025</li> <li>• <i>Sid Meier's Civilization 7</i>: Launching Q4 Fiscal 2025</li> <li>• <i>Grand Theft Auto VI</i> – Launching Fall of Calendar 2025</li> <li>• <i>Judas</i> (Ghost Story Games) – TBA</li> </ul>
<b>Independent</b>	<b>3</b>	<ul style="list-style-type: none"> <li>• <i>No Rest for the Wicked</i> (Private Division) – Launched April 18, 2024</li> <li>• <i>Tales of the Shire: A The Lord of The Rings Game</i> (Private Division) – Launching Fiscal 2025</li> <li>• Title planned from partnership with Game Freak</li> </ul>
<b>Mobile** (Currently scheduled for worldwide launch)</b>	<b>10</b>	<ul style="list-style-type: none"> <li>• <i>NFL 2K Playmakers (2K)</i> – Launched April 23, 2024</li> <li>• <i>Star Wars Hunters</i> (Zynga) – Launched June 4, 2024</li> <li>• <i>Game of Thrones: Legends</i> (Zynga) – Launched July 25, 2024</li> <li>• <i>CSR 3</i> (Zynga) – TBA</li> </ul>
<b>New Iterations of Previously Released Titles</b>	<b>5</b>	

• FY25-27 release estimates provided as of May 16, 2024.

\*\* Mobile count only includes titles in our plans for worldwide launch and excludes hyper-casual games.

These titles are a snapshot of our current development pipeline. It is likely that some of these titles will not be developed through completion, that launch timing may change, and that we will also be adding new titles to our slate.



## PIPELINE DEFINITIONS

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### **IMMERSIVE CORE**

Titles that have the deepest gameplay and the most hours of content. Examples include our key sports franchises (like *PGA 2K* and *NBA 2K*) as well as *Grand Theft Auto* and *Red Dead Redemption* (to name a few).

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### **INDEPENDENT**

Externally developed Private Division releases.

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### **MOBILE**

Any title released on a mobile platform. Our title counts only include titles that are currently scheduled for worldwide launch and exclude hyper-casual games.

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### **NEW ITERATIONS OF PRIOR RELEASES**

This includes ports and remastered titles. Sequels would not fall into this category.

## NON-GAAP FINANCIAL MEASURE

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In addition to reporting financial results in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses Non-GAAP measures of financial performance: Adjusted Unrestricted Operating Cash Flow, which is defined as GAAP net cash from operating activities, adjusted for changes in restricted cash, and EBITDA, which is defined as GAAP net income (loss) excluding interest income (expense), provision for (benefit from) income taxes, depreciation expense, and amortization and impairment of acquired intangibles.

The Company's management believes it is important to consider Adjusted Unrestricted Operating Cash Flow, in addition to net cash from operating activities, as it provides more transparency into current business trends without regard to the timing of payments from restricted cash, which is primarily related to a dedicated account limited to the payment of certain internal royalty obligations. The Company's management believes it is important to consider EBITDA, in addition to net income, as it removes the effect of certain non-cash expenses, debt-related charges, and income taxes. Management believes that, when considered together with reported amounts, EBITDA is useful to investors and management in understanding the Company's ongoing operations and in analysis of ongoing operating trends and provides useful additional information relating to the Company's operations and financial condition.

These Non-GAAP financial measures are not intended to be considered in isolation from, as a substitute for, or superior to, GAAP results. These Non-GAAP financial measures may be different from similarly titled measures used by other companies. In the future, Take-Two may also consider whether other items should also be excluded in calculating these Non-GAAP financial measures used by the Company. Management believes that the presentation of these Non-GAAP financial measures provides investors with additional useful information to measure Take-Two's financial and operating performance. In particular, these measures facilitate comparison of our operating performance between periods and may help investors to understand better the operating results of Take-Two. Internally, management uses these Non-GAAP financial measures in assessing the Company's operating results and in planning and forecasting. A reconciliation of these Non-GAAP financial measures to the most comparable GAAP measure is contained in the financial tables to this press release.

# RECONCILIATION OF GAAP TO NON-GAAP MEASURE

## TAKE-TWO INTERACTIVE SOFTWARE, INC. AND SUBSIDIARIES RECONCILIATION OF GAAP TO NON-GAAP MEASURE

(in millions)

	Three Months Ended June 30,	
	2024	2023
<b>Net cash from operating activities</b>	\$ (191.0)	\$ 5.0
Net change in Restricted cash <sup>(1)</sup>	(41.8)	(78.8)
<b>Adjusted Unrestricted Operating Cash Flow</b>	<b>\$ (232.8)</b>	<b>\$ (73.8)</b>
	Three Months Ended June 30,	
	2024	2023
Restricted cash beginning of period	\$ 348.0	\$ 407.2
Restricted cash end of period	390.8	484.9
Restricted cash related to acquisitions	(1.0)	1.1
<sup>(1)</sup> Net change in Restricted cash	\$ (41.8)	\$ (78.8)

# RECONCILIATION OF GAAP TO NON-GAAP MEASURE

## TAKE-TWO INTERACTIVE SOFTWARE, INC. AND SUBSIDIARIES RECONCILIATION OF GAAP TO NON-GAAP MEASURE

(in millions)

	Three Months Ended June 30,	
	2024	2023
Net loss	\$ (262.0)	\$ (206.0)
Provision for (benefit from) income taxes	49.8	(22.9)
Interest expense	19.2	12.6
Depreciation and amortization	44.8	40.4
Amortization of acquired intangibles	173.1	240.4
EBITDA	<u>\$ 24.9</u>	<u>\$ 64.5</u>

# RECONCILIATION OF GAAP TO NON-GAAP MEASURE

## TAKE-TWO INTERACTIVE SOFTWARE, INC. AND SUBSIDIARIES RECONCILIATION OF GAAP TO NON-GAAP MEASURE

(in millions)

### Outlook

	<b>Fiscal Year Ending March 31, 2025</b>
Net loss	\$(757) to \$(690)
Provision for income taxes	\$138 to \$126
Interest expense	\$96
Depreciation	\$151
Amortization of acquired intangibles	\$737
EBITDA	\$365 to \$420

### Outlook

	<b>Three Months Ended September 30, 2024</b>
Net loss	\$(400) to \$(373)
Provision for income taxes	\$71 to \$66
Interest expense	\$25
Depreciation	\$37
Amortization of acquired intangibles	\$186
EBITDA	\$(81) to \$(59)





**THANK YOU**