



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

(NASDAQ: TTWO)

THIRD QUARTER FISCAL 2025 RESULTS &
GUIDANCE SUMMARY

CAUTIONARY NOTE: FORWARD LOOKING STATEMENTS

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. 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.

Q3 FY2025 RESULTS SUMMARY: GAAP

FINANCIAL SUMMARY (\$ in millions, except EPS)

Q3

	ACTUAL	GUIDANCE
GAAP Net Revenue	\$1,360	\$1,360 TO \$1,410
Operating Expenses	\$892	\$913 TO \$923
GAAP Net Loss	\$(125)	\$(202) TO \$(177)
GAAP EPS	\$(0.71)	\$(1.15) TO \$(1.00)

Q3 FY2025 RESULTS SUMMARY: SELECT MANAGEMENT AND OPERATING RESULTS

SELECT FINANCIAL DATA (\$ in millions)

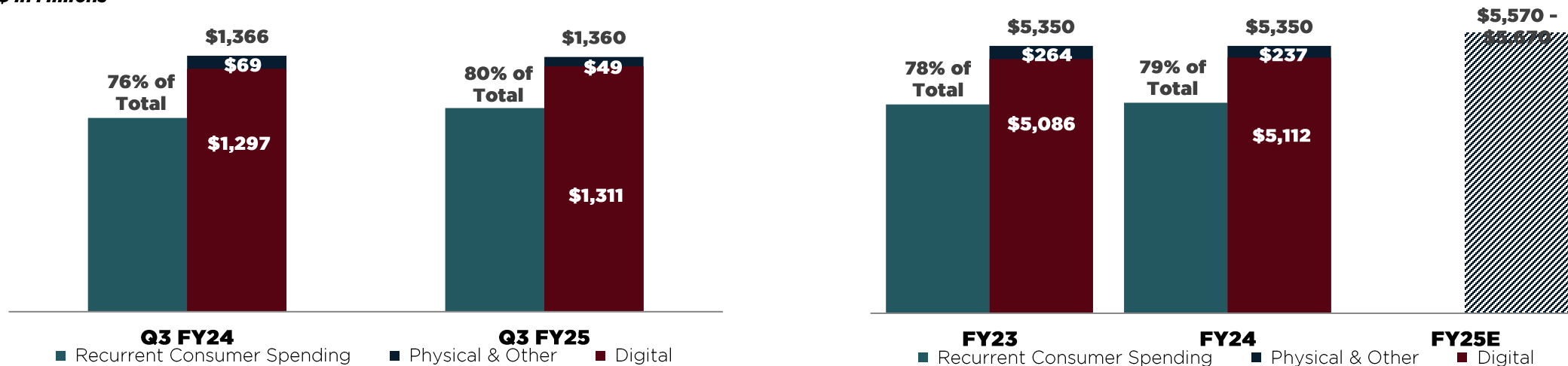
	Q3	
	ACTUAL	GUIDANCE
Net Bookings	\$1,373	\$1,350 TO \$1,400
Recurrent Consumer Spending Growth (RCS)	+9%	+9% YoY

- Q3 Net Bookings were within our guidance range, as outstanding performance in *NBA 2K* helped offset moderation in some of our mobile franchises
- RCS rose 9% for the period, which was in line with our guidance
 - *NBA 2K* grew over 30%, which greatly surpassed our expectations, led by new features and innovation in our game modes;
 - Mobile increased 6%, driven by the addition of *Match Factory* and strength in *Toon Blast*, *Toy Blast* and *Words with Friends*; however, this was below our guidance, primarily due to declines in our hyper-casual mobile portfolio and *Empires and Puzzles*; and
 - As anticipated, *Grand Theft Auto Online* declined
- Operating results were above our guidance range due to the outperformance of *NBA 2K* and a shift in timing of expenses into the fourth quarter

NET REVENUE AND NET BOOKINGS

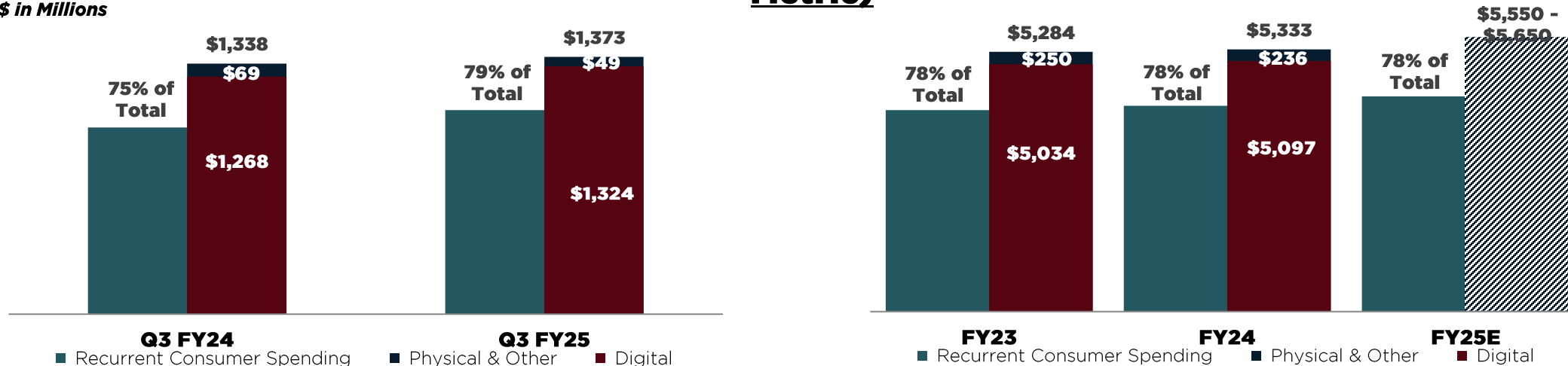
GAAP Net Revenue

\$ in Millions

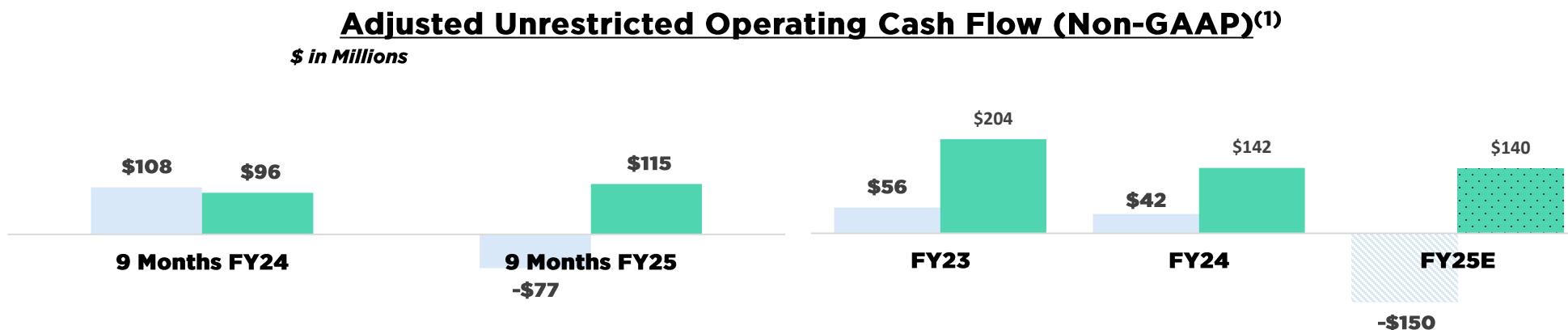
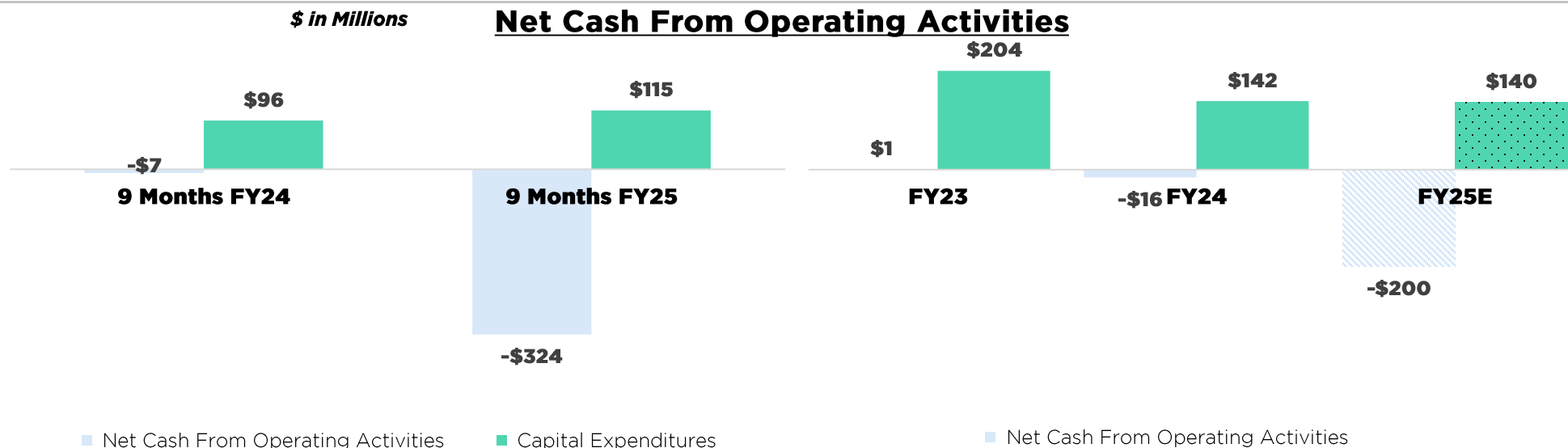


Net Bookings (Operational Metric)

\$ 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)

	FY 2025 REVISED GUIDANCE	PRIOR GUIDANCE
GAAP Net Revenue	\$5,570 TO \$5,670	NO CHANGE
Operating Expenses	\$3,772 TO \$3,792	NO CHANGE
GAAP Net Loss	\$(788) TO \$(729)	PREVIOUSLY: \$(839) TO \$(775)
GAAP EPS	\$(4.50) TO \$(4.17)	PREVIOUSLY: \$(4.80) TO \$(4.43)

FY 2025 GUIDANCE: SELECT FINANCIAL DATA

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

	FY 2025 CURRENT GUIDANCE (\$ IN MILLIONS)	FY 2025 PRIOR GUIDANCE (\$ IN MILLIONS)
Net Bookings	\$5,550 TO \$5,650	NO CHANGE
Recurrent Consumer Spending Growth (RCS)	+5% YOY	PREVIOUSLY: +4%
Non-GAAP Adjusted Unrestricted Operating Cash Flow	APPROXIMATELY (\$150)	NO CHANGE

\$ in millions except for per share amounts	Outlook ⁽¹⁾	Fiscal Year Ending March 31, 2025 Financial Data			
		Change in deferred net revenue and related cost of revenue	Stock-based compensation	Amortization of acquired intangibles	Business reorganization and other ^(a)
GAAP					
Total net revenue	\$5,570 to \$5,670	\$(20)			
Cost of revenue	\$2,413 to \$2,349	\$10	\$(17)	\$(678)	
Operating expenses	\$3,772 to \$3,792		\$(318)	\$(69)	\$(155)
Interest and other, net	\$107				\$(24)
(Loss) income before income taxes	\$(722) to \$(668)	\$(30)	\$335	\$747	\$179
Net loss	\$(788) to \$(729)				
Net loss per share	\$(4.50) to \$(4.17)				
Net cash provided by operating activities	approximately \$(200)				
Capital expenditures	approximately \$140				
Non-GAAP					
EBITDA	\$263 to \$317	\$(30)	\$335		\$155
Adjusted Unrestricted Operating Cash Flow	approximately \$(150)				
Operational metric					
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 175.0 million
- Share count used to calculate management reporting diluted net income per share is expected to be 177.5 million

^(a) Other includes adjustments for (i) business acquisition expenses, (ii) the revaluation of the Turkish Lira against the U.S. Dollar, and (iii) fair value adjustments related to certain equity investments.

- We are reiterating our FY25 Net Bookings outlook range of \$5.55 to \$5.65 billion, which represents 5% growth over Fiscal 2024
- We are raising our RCS forecast to 5% growth, driven by the phenomenal performance in *NBA 2K*, which we now expect to grow low double digits for the Fiscal Year. Mobile is now expected to grow low single digits, as we are factoring in the current business trends. *Grand Theft Auto Online* is still expected to decline
- We forecast that Calendar Year 2025 will be an inflection point for Take-Two – from the groundbreaking release of *Grand Theft Auto VI* in the Fall, to the unmatched pipeline that 2K is set to deliver, including *Civilization VII* on February 11th, *Mafia: The Old Country* in the Summer, and *Borderlands 4*



⁽¹⁾ 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.

Q4 FY2025 GUIDANCE: GAAP

Q4 FISCAL 2025 GUIDANCE (\$ in millions, except EPS)

	Q4 FY25 GUIDANCE
GAAP Net Revenue	\$1,519 TO \$1,619
Operating Expenses	\$899 TO \$919
GAAP Net Loss	\$(35) TO \$22
GAAP EPS	\$(0.20) TO \$0.13

Q4 FY2025 GUIDANCE: SELECT FINANCIAL DATA

Q4 FISCAL 2025 GUIDANCE (\$ in millions, except EPS)

Q4 FY2025 GUIDANCE (\$ IN MILLIONS)

Net Bookings

\$1,480 TO \$1,580

**Recurrent Consumer Spending
Growth (RCS)**

+3% YOY

	Three Months Ending March 31, 2025				
	Outlook ⁽¹⁾	Change in deferred net revenue and related cost of revenue	Stock-based compensation	Amortization of acquired intangibles	Business acquisition
<i>\$ in millions except for per share amounts</i>					
GAAP					
Total net revenue	\$1,519 to \$1,619	\$(35)			
Cost of revenue	\$621 to \$647	\$6	\$(5)	\$(168)	
Operating expenses	\$899 to \$919		\$(81)	\$(16)	\$(2)
Interest and other, net	\$32				\$(1)
(Loss) income before income taxes	\$(33) to \$21	\$(41)	\$86	\$184	\$3
Net (loss) income	\$(35) to \$22				
Net (loss) income per share	\$(0.20) to \$0.13				
Non-GAAP					
EBITDA	\$223 to \$277	\$(41)	\$86		\$2
Operational metric					
Net Bookings	\$1,484 to \$1,584				

- Management reporting tax rate anticipated to be 18%
- Share count used to calculate GAAP net loss per share is expected to be 174.5 million
- Share count used to calculate GAAP and management reporting diluted net income per share is expected to be 179.1 million
- We expect to deliver Net Bookings of \$1.48 billion to \$1.58 billion
- Our release slate for the quarter includes *Sid Meier's Civilization VII*, *PGA TOUR 2K25*, and *WWE 2K25*
- We project RCS to increase by approximately 3%, which assumes a double-digit increase for *NBA 2K*, partly offset by declines in both mobile and *Grand Theft Auto Online*



(1) 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

	FY 2025 - FY 2027*	TITLES OFFICALLY ANNOUNCED TO-DATE
Immersive Core	22	<ul style="list-style-type: none"> • <i>Top Spin 2K25 (2K)</i> - Launched April 26, 2024 • <i>NBA 2K25 (2K)</i> - Launched September 6, 2024 • <i>Sid Meier's Civilization 7</i>: Launching February 11, 2025 • <i>PGA TOUR 2K25 (2K)</i> - Launching February 28, 2025 • <i>WWE 2K25 (2K)</i> - Launching March 14, 2025 • <i>Mafia: The Old Country (2K)</i> - Launching Summer of Calendar 2025 • <i>Grand Theft Auto VI</i> - Launching Fall of Calendar 2025 • <i>Borderlands 4 (2K)</i> - Launching Calendar 2025 • <i>Judas (Ghost Story Games)</i> - TBA • <i>Project ETHOS (31st Union)</i> - TBA
Mobile** (Currently scheduled for worldwide launch)	10	<ul style="list-style-type: none"> • <i>NFL 2K Playmakers (2K)</i> - Launched April 23, 2024 • <i>Star Wars Hunters (Zynga)</i> - Launched June 4, 2024 • <i>Game of Thrones: Legends (Zynga)</i> - Launched July 25, 2024 • <i>CSR 3 (Zynga)</i> - TBA
New Iterations of Previously Released Titles	5	<ul style="list-style-type: none"> • <i>Red Dead Redemption and Undead Nightmare for PC (Rockstar Games)</i> - Launched October 29, 2024

* 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.

Independent titles have been removed following our sale of Private Division.



PIPELINE DEFINITIONS

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).

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.

NEW ITERATIONS OF PRIOR RELEASES

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



NON-GAAP FINANCIAL MEASURE

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)

	Nine Months Ended December 31,	
	2024	2023
Net cash from operating activities	\$ (324.2)	\$ (7.2)
Net change in Restricted cash ⁽¹⁾	246.9	115.0
Adjusted Unrestricted Operating Cash Flow	<u>\$ (77.3)</u>	<u>\$ 107.8</u>
	Nine Months Ended December 31,	
	2024	2023
Restricted cash beginning of period	\$ 348.0	\$ 407.2
Restricted cash end of period	102.1	291.1
Restricted cash related to acquisitions	(1.0)	1.1
⁽¹⁾ Net change in Restricted cash	<u>\$ 246.9</u>	<u>\$ 115.0</u>

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 December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Net loss	\$ (125.2)	\$ (91.6)	\$ (752.7)	\$ (841.2)
(Benefit from) provision for income taxes	(27.7)	(60.7)	63.3	(117.0)
Interest expense	12.2	17.4	50.0	50.3
Depreciation and amortization	49.5	42.6	141.6	128.3
Amortization of acquired intangibles	180.0	238.8	536.0	897.3
Goodwill impairment	—	—	—	165.4
EBITDA	\$ 88.8	\$ 146.5	\$ 38.2	\$ 283.1

RECONCILIATION OF GAAP TO NON-GAAP MEASURE

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

(in millions)

Outlook

	Fiscal Year Ending March 31, 2025
Net loss	\$(788) to \$(729)
Provision for income taxes	\$66 to \$61
Interest expense	\$83
Depreciation	\$155
Amortization of acquired intangibles	\$747
EBITDA	\$263 to \$317

Outlook

	Three Months Ended March 31, 2024
Net (loss) income	\$(35) to \$22
Provision for (benefit from) income taxes	\$2 to \$(1)
Interest expense	\$32
Depreciation	\$40
Amortization of acquired intangibles	\$184
EBITDA	\$223 to \$277



THANK YOU