



SAFE HARBOR – Nicole Shevins

- Good afternoon. Thank you for joining our conference call to discuss our results for the fourth quarter and Fiscal Year 2026, ended March 31, 2026. Today's call will be led by Strauss Zelnick, Take-Two's Chairman and Chief Executive Officer, Karl Slatoff, our President, and Lainie Goldstein, our Chief Financial Officer. We will be available to answer your questions during the Q&A session following our prepared remarks.
- Before we begin, I'd like to remind everyone that statements made during this call that are not historical facts are considered forward-looking statements under federal securities laws. These forward-looking statements are based on the beliefs of our management, as well as assumptions made by and information currently available to us. We have no obligation to update these forward-looking statements. Actual operating results may vary significantly from these forward-looking statements based on a variety of factors. These important factors are described in our filings with the SEC, including the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, including the risks summarized in the section entitled "Risk Factors." I'd also like to note that, unless otherwise stated, all numbers we will be discussing today are GAAP and all comparisons are year-over-year. Additional details regarding our actual results and outlook are contained in our press release, including the items that our management uses internally to adjust our GAAP financial results in order to evaluate our operating performance. Our press release also contains a reconciliation of any Non-GAAP financial measure to the most comparable GAAP measure. In addition, we have posted to our website a slide deck that visually presents our results and financial outlook. Our press release and filings with the SEC may be obtained from our website at [take2games.com](https://www.take2games.com).
- And now, I'll turn the call over to Strauss.

Strauss Zelnick

- Thanks, Nicole. Good afternoon and thank you for joining us today.
- I am pleased to report that we concluded Fiscal Year 2026 with excellent results, including fourth quarter Net Bookings of \$1.58 billion, which was above the high end of our guidance range. Net Bookings for the full Fiscal Year were \$6.7 billion, which was approximately \$750 million above the initial guidance we provided last May. *NBA 2K* delivered record Net Bookings and Recurrent Consumer Spending; Zynga achieved its

highest level of Net Bookings since we acquired the business in 2022; and the *Grand Theft Auto* series once again exceeded our expectations and continued to drive significant Net Bookings and deep engagement with its passionate community of players.

- Fiscal 2027 is poised to be a breakout year for Take-Two, led by the November 19th release of *Grand Theft Auto VI* – arguably, *the* most anticipated entertainment property of all time, and we are excited that Rockstar Games will start their marketing campaign this summer.
 - Our initial financial outlook for Fiscal 2027 includes record Net Bookings of \$8 to \$8.2 billion. This reflects meaningful growth over last year, led by the launch of *Grand Theft Auto VI*, along with successful execution across our entire portfolio.
 - We expect to sustain this higher level of scale and generate strong cash flows well into the future as we release our robust, long-term development pipeline and capitalize on new opportunities across our highly established, multi-faceted business.
- Turning to highlights from the quarter, I'll begin with our fantastic mobile performance.
 - *Toon Blast* grew approximately 25% year-over-year, as Peak introduced new events and features, including Temple Guardians, Deep Quest, and refined level experiences.
 - *Match Factory* continued to perform, with players responding positively to its live service execution and a continuous pipeline of player-friendly features, such as the collectible album.
 - *Empires and Puzzles* outpaced our forecast and grew 5% over last year, driven by a robust slate of in-game events celebrating the title's 9th anniversary.
 - *Color Block Jam* grew 15% year-over-year and remains the highest-grossing title in Rollic's history.
 - *Top Eleven* delivered its strongest quarter ever after 16 years in market, driven by superb performance of the Bundesliga and live operations innovation.
 - 2K's mobile offerings posted another solid quarter, with *WWE SuperCard* reaching nearly 39 million lifetime downloads; *NBA 2K Mobile* continuing to expand its audience; *NBA 2K26 Arcade Edition* maintaining its top-5 position on the Apple Arcade charts; and *NBA 2K All-Star* in China growing to nearly 10 million registered users after just one year in market.
 - Our direct-to-consumer channel continues to drive Net Bookings and margin growth, as we integrate additional mobile titles from our portfolio and deepen our relationships with players by reducing payment friction and enhancing the end-to-end user experience, which is generating improvements in conversion and customer loyalty. As the regulatory landscape continues to evolve, we are even more confident in the sustainability and growth profile of this platform.
- The *Grand Theft Auto* series continues to outpace expectations significantly and demonstrate incredible momentum leading up to the launch of *Grand Theft Auto VI* on November 19th. Recurrent Consumer Spending grew 5% year-over-year, with strong

engagement in *GTA Online* driven by *A Safehouse in the Hills* – one of the best-performing updates in its history. This content offering provided a wide range of community-requested features, including mansion properties, the return of Michael De Santa from *Grand Theft Auto V*, all-new missions, vehicles, exclusive GTA+ benefits, and the powerful, new Rockstar Mission Creator that allows content creators to make their own *GTA* experiences. Sales of *Grand Theft Auto V* advanced further, with nearly 230 million units sold-in to-date. GTA+ continues to see significant growth year-over-year, led by the holiday update and highly attractive monthly benefits, such as the inclusion of *NBA 2K26* in its games library.

- In addition, Rockstar Games' *Red Dead Redemption 2* achieved its highest level of annual unit sales since its launch year, with over 85 million units sold-in to-date.
- During the quarter, our sports offerings also performed well.
 - *NBA 2K26* continued to expand its audience. To-date, the title has sold-in over 10 million units, representing a 5% increase over *NBA 2K25*. Recurrent Consumer Spending grew 10%, as we benefited from higher Daily Active Users and Games Played Per User. In keeping with our strategic focus on innovation, Visual Concepts launched Season 5 for *NBA 2K26* – their first-ever college-themed offering, featuring 16 iconic universities – which was welcomed by *NBA 2K*'s vast community and provided a glimpse of what's to come in college basketball for next year and beyond. I'd like to thank our partners at the NBA and the NBA Players' Association for their continued engagement and support in our collective mission.
 - On March 13th, 2K and Visual Concepts launched *WWE 2K26*, which was well-received by critics and consumers alike. Engagement has been excellent with Recurrent Consumer Spending up 20% year-over-year and more than 85 million matches played – an increase of 7% compared to *WWE 2K25*. 2K is supporting the title with multiple updates through its Ringside Pass. I'd like to thank Nick Kahn and his team at TKO for their unwavering support and partnership as we continue to evolve this series further for fans of the game.
 - *PGA TOUR 2K25* enjoyed a fantastic resurgence. 2K captured an influx of new players and drove strong organic interest by aligning Season 5 with the start of the PGA TOUR season in January and including the title in PlayStation Plus. During the quarter, our consumers played 60 million rounds of golf, representing a 110% increase over the third quarter. 2K will support the franchise throughout the year with several more content updates.
- In closing, we are incredibly excited by the promise of our future – for our players, our organization, and our shareholders. This year has the opportunity to be a major inflection point for our Company, defined by groundbreaking entertainment experiences, creative and operational excellence, and record Net Bookings. With our

flexible balance sheet, our strong cash position, and our expectation that we will generate over \$1 billion in operating cash flow this Fiscal Year, we believe that we are extraordinarily well-positioned to take measured creative risks; to pursue accretive M&A; and to invest in technology that will unlock greater creative capabilities and operational efficiencies across our organization. I am immensely proud of our teams and exceedingly optimistic that we will continue to drive greater success and shareholder value for the long-term.

- I'll now turn the call over to Karl.

Karl Slatoff

- Thanks, Strauss.
- I'd like to thank our teams for another strong quarter, and for laying the groundwork for an exciting chapter in our Company's history.
- We are extremely optimistic about our upcoming pipeline, which includes 29 titles through Fiscal 2029.
- In the interest of precision, we are now only counting mobile games in our pipeline that have been specifically scheduled for worldwide launch within the three-year window. Our teams continue to develop and test many new titles not reflected in this outlook, some of which may be added to our multi-year count.
- Fiscal 2027 is set to be a milestone year, led by the launch of *Grand Theft Auto VI* on November 19th. We plan to release 6 additional titles during the fiscal year, including:
 - 2 mobile titles;
 - 3 sports titles, which are *NBA 2K27*, *PGA TOUR 2K27*, and *WWE 2K27*;
 - and 1 platform extension.
- Our labels will also continue to provide new content and experiences that drive engagement and Recurrent Consumer Spending across many of our previously released titles.
- Looking ahead, we currently expect to deliver 22 titles throughout Fiscal 2028 and 2029 including:
 - 1 mobile title;
 - 5 sports titles;
 - 3 Core New IPs; and
 - 13 Core Existing IPs, which includes 7 sequels and 6 remakes, remasters, and platform extensions.
- We look forward to sharing more about our groundbreaking pipeline, which we believe will drive a new period of growth and long-term returns for our shareholders.

- I'll now turn the call over to Lainie.

Lainie Goldstein

- Thanks Karl and good afternoon, everyone.
- Fiscal 2026 was an exceptional year for Take-Two, as we achieved record Net Bookings and operating performance. Each of our labels significantly outperformed the initial forecast we provided last May, as our teams maintained their focus on product innovation and delivering the highest levels of quality and value. I'd like to thank our teams for their passion and dedication as we embark on this milestone year – marked by the highly anticipated release of *Grand Theft Auto VI* and strength across our core businesses.
- Turning to our results, we delivered fourth quarter Net Bookings of \$1.58 billion, which was above the high end of our guidance range of \$1.51 to \$1.56 billion. This reflected better-than-expected performance from the *Grand Theft Auto* series, several mobile titles, and the *Red Dead Redemption* series.
 - Recurrent consumer spending growth was strong, increasing 7% over last year, and accounting for 82% of Net Bookings. This included 7% growth for mobile, and 5% growth for *Grand Theft Auto Online*, both of which surpassed our expectations. *NBA 2K* increased 10%, which represented one of the strongest fourth quarters in franchise history, but was softer than anticipated, as trends moderated from the extreme growth we achieved during the second and third quarters of the year.
 - During the quarter, we launched *Sid Meier's Civilization VII* for Apple Arcade, *PGA TOUR 2K25* for Switch 2, and *WWE 2K26*.
- GAAP net revenue increased 6% to \$1.68 billion, while cost of revenue declined 5% to \$741 million.
- Operating expenses decreased significantly to \$928 million, as last year included a \$3.6 billion impairment expense related to goodwill and acquired intangible assets. On a management basis, operating expenses declined 2% year-over-year, which was favorable to our guidance, due to lower marketing expenditures, some of which shifted out of the period.
- For Fiscal 2026, we achieved Net Bookings of \$6.72 billion, which was above the high end of our guidance range of \$6.65 to \$6.7 billion.
 - Recurrent consumer spending grew 17% and accounted for 78% of Net Bookings. *NBA 2K* grew over 30%; mobile increased 13%; and *Grand Theft Auto Online* increased 6%, all sharply exceeding our initial May guidance.

- Operating Cash Flow was \$624 million, compared to our forecast of \$450 million, reflecting our fantastic fourth quarter.
- We spent approximately \$163 million on capital expenditures, which, due to timing, was favorable to our forecast.
- GAAP net revenue rose 18% to \$6.65 billion and cost of revenue increased 11% to \$2.8 billion.
- Operating expenses decreased significantly to \$3.9 billion, due to the impairment charges that I mentioned previously from last year's fourth quarter. On a management basis, operating expenses rose 7% year-over-year, which represented strong leverage over the prior year.
- Today, we are providing our initial outlook for Fiscal 2027.
 - We project Net Bookings to range from \$8 billion to \$8.2 billion, which reflects approximately 20% growth over Fiscal 2026, primarily due to the launch of *Grand Theft Auto VI* on November 19th, along with successful execution across our entire portfolio.
 - The largest contributors to Net Bookings are expected to be the *Grand Theft Auto* series, *NBA 2K*, *Toon Blast*, *Match Factory*, *Empires & Puzzles*, the *Red Dead Redemption* series, *Words With Friends*, *Color Block Jam*, and *Zynga Poker*.
 - We expect recurrent consumer spending to be flat compared to Fiscal 2026, and to represent 65% of Net Bookings.
 - Our recurrent consumer spending forecast assumes *NBA 2K* is up high single-digits; the *Grand Theft Auto* series is up; and mobile is down, due to last year's success of *Color Block Jam*, and our assumption that trends will moderate for several of Zynga's mature mobile titles.
 - We expect the Net Bookings breakdown from our labels to be roughly 36% Rockstar Games, 35% Zynga, and 29% 2K.
- We are forecasting Operating Cash Flow in excess of \$1 billion, and we expect to be in a Net Cash position by the end of the Fiscal Year. We plan to deploy approximately \$200 million of capital expenditures for game technology and office buildouts.
- We expect GAAP net revenue to range from \$7.9 to \$8.1 billion and cost of revenue to range from \$3.5 to \$3.62 billion.
- Our total operating expenses are expected to range from \$4.18 to \$4.2 billion. On a management basis, we expect operating expense growth of approximately 8% year-over-year, which represents significant leverage over Fiscal 2026. This growth is largely due to higher marketing expense to support the launch of *Grand Theft Auto VI* and our new mobile releases, as well as higher R&D costs.

- Now, moving on to our guidance for the fiscal first quarter:
- We project Net Bookings to range from \$1.32 to \$1.37 billion, compared to \$1.42 billion in the first quarter last year.
 - The largest contributors to Net Bookings are expected to be *NBA 2K*, the *Grand Theft Auto* series, *Toon Blast*, *Match Factory*, *Empires & Puzzles*, the *Red Dead Redemption* series, *Color Block Jam*, *Words With Friends*, and *Zynga Poker*.
 - We project recurrent consumer spending to decline by approximately 3%, which assumes high single-digit growth for *NBA 2K* and declines for mobile and the *Grand Theft Auto* series.
- We expect GAAP net revenue to range from \$1.45 to \$1.5 billion and cost of revenue to range from \$578 to \$594 million.
- Operating expenses are planned to range from \$926 to \$936 million. On a management basis, operating expenses are expected to grow by approximately 3% year-over-year, primarily driven by a modest increase in personnel costs.
- In closing, Fiscal 2027 will introduce a new level of operating performance, which we expect to sustain well into the future, driven by our robust pipeline and expansion opportunities across our core franchises. With our focus on incorporating new technologies and tools, we feel confident in our ability to scale our business, generate operational efficiencies, and leverage the power of our balance sheet, which we believe will drive long-term shareholder returns.

Thank you. I'll now turn the call back to Strauss.

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