



TAKE-TWO INTERACTIVE  
SOFTWARE, INC.  
(NASDAQ: TTWO)

FOURTH QUARTER AND FISCAL 2023 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; the uncertainty of the impact of the COVID-19 pandemic and measures taken in response thereto; the effect that measures taken to mitigate the COVID-19 pandemic have on our operations, including our ability to timely deliver our titles and other products, and on the operations of our counterparties, including retailers and distributors; the effects of the COVID-19 pandemic on both consumer demand and the discretionary spending patterns of our customers as the situation with the pandemic continues to evolve; the risks of conducting business internationally; 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 potential 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; the timely release and significant market acceptance of our games; the ability to maintain acceptable pricing levels on our games; and risks associated with international operations.

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.

## Q4 FY2023 RESULTS SUMMARY: GAAP

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

#### Q4

	ACTUAL	GUIDANCE
<b>GAAP Net Revenue</b>	\$1,446	\$1,336 TO \$1,386
<b>Operating Expenses</b>	\$926	\$871 TO \$881
<b>GAAP Net Loss</b>	\$(610)	\$(214) TO \$(197)
<b>GAAP EPS</b>	\$(3.62)	\$(1.27) TO \$(1.17)

**Note:** GAAP results were impacted by amortization of acquired intangibles and business acquisition costs

# Q4 FY2023 RESULTS SUMMARY: SELECT MANAGEMENT RESULTS

## SELECT FINANCIAL DATA (\$ in millions)

	Q4	
	ACTUAL	GUIDANCE
<b>Net Bookings</b>	\$1,394	\$1,310 TO \$1,360
<b>Recurrent Consumer Spending Growth (RCS)</b>	+115%	+105%
<b>Digitally-Delivered Net Bookings Growth</b>	+76%	+70%

- Net Bookings were \$1.39 billion, which was above the high end of our guidance range
- Our results reflected better-than-expected results from *Grand Theft Auto V* and *Grand Theft Auto Online*, *Red Dead Redemption 2*, and Zynga's mobile portfolio
- RCS rose 115%, which was above our outlook, primarily driven by Zynga and *Grand Theft Auto Online*
- As a part of our ongoing portfolio management measures, we made the decision to cancel several unannounced titles in development, which we believe will enable us to tighten our focus and reallocate resources to projects for which our creative teams have higher levels of conviction and expectations of success. Excluding the associated write-offs, our fourth quarter and full-year management earnings results were above the high end of our guidance

**Note:** Results from last year did not include Zynga business.

# FY2023 RESULTS SUMMARY: GAAP

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

### FY2023

	ACTUAL	GUIDANCE
<b>GAAP Net Revenue</b>	\$5,350	\$5,240 TO \$5,290
<b>Operating Expenses</b>	\$3,451	\$3,396 TO \$3,406
<b>GAAP Net Loss</b>	\$(1,125)	\$(712) TO \$(704)
<b>GAAP EPS</b>	\$(7.03)	\$(4.50) TO \$(4.40)

**Note:** GAAP results were impacted by amortization of acquired intangibles and business acquisition costs

# FY2023 RESULTS SUMMARY: SELECT MANAGEMENT RESULTS

## SELECT FINANCIAL DATA (\$ in millions)

### FY 2023

	ACTUAL	GUIDANCE
<b>Net Bookings</b>	\$5,284	\$5,200 TO \$5,250
<b>Recurrent Consumer Spending Growth (RCS)</b>	+88%	+85%
<b>Digitally-Delivered Net Bookings Growth</b>	+63%	+60%
<b>Non-GAAP Adjusted Unrestricted Operating Cash Flow</b>	\$56	Over \$400

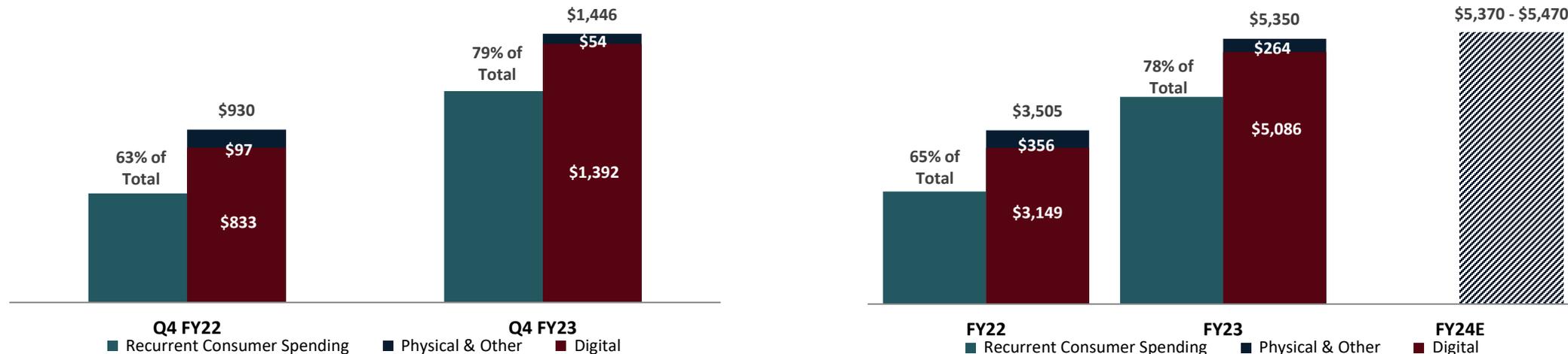
- Net Bookings were \$5.3 billion, which was above the high end of our guidance
- While the challenging macroeconomic backdrop impacted certain components of our portfolio, we experienced favorable performance within our catalog of industry-leading intellectual property and Zynga had a strong finish to the year
- Recurrent consumer spending increased 88%, which was above our guidance
- Non-GAAP Adjusted Unrestricted Operating Cash Flow was \$56 million as compared to our outlook of over \$400 million, due to higher-than-expected tax payments and timing of payments to external developers and IT vendors
- At fiscal year-end, we had cash and short-term investments of approximately \$1.0 billion and debt of approximately \$3 billion

**Note:** Results from last year did not include Zynga business.

# NET REVENUE AND NET BOOKINGS

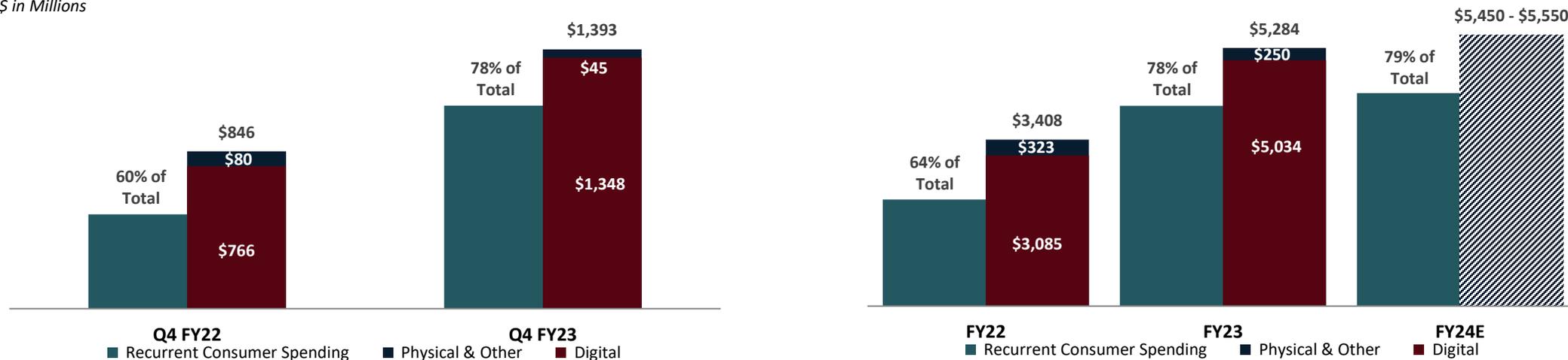
## GAAP Net Revenue

\$ in Millions



## Net Bookings (Operational Metric)

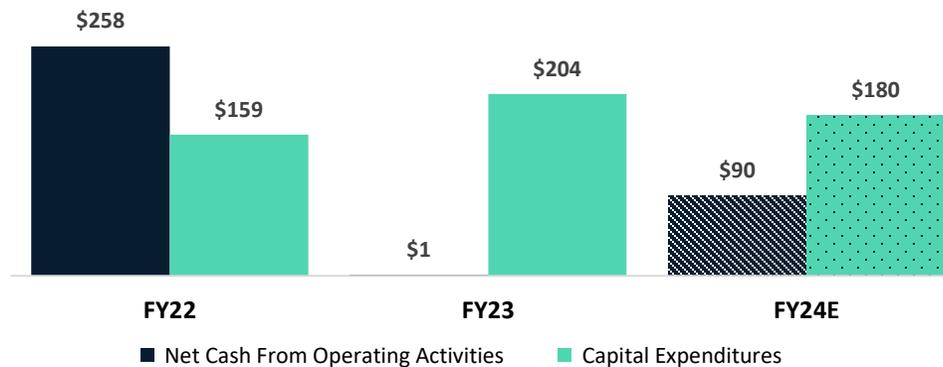
\$ in Millions



# CASH FLOW

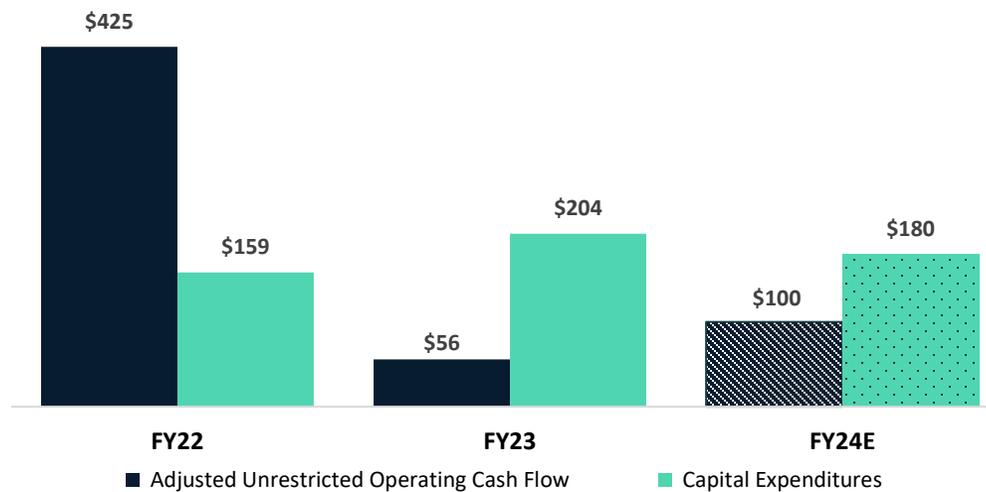
## Net Cash From Operating Activities

\$ in Millions



## Adjusted Unrestricted Operating Cash Flow (Non-GAAP)<sup>(1)</sup>

\$ in Millions



(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 2024 GUIDANCE: GAAP

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## FISCAL YEAR 2024 GUIDANCE (\$ in millions, except EPS)

	FY 2024 GUIDANCE
GAAP Net Revenue	\$5,370 TO \$5,470
Operating Expenses	\$3,386 TO \$3,406
GAAP Net Loss	\$(518) TO \$(477)
GAAP EPS	\$(3.05) TO \$(2.80)

# FY 2024 GUIDANCE: SELECT FINANCIAL DATA

## FISCAL YEAR 2024 GUIDANCE (\$ in millions, except EPS)

	FY 2024 GUIDANCE (\$ IN MILLIONS)
Net Bookings	\$5,450 TO \$5,550
Recurrent Consumer Spending Growth (RCS)	+5% YOY
Non-GAAP Adjusted Unrestricted Operating Cash Flow	APPROXIMATELY \$100

	Twelve Months Ending March 31, 2024				
	\$ in millions	Financial Data			
		Outlook <sup>(3)</sup>	Change in deferred net revenue and related cost of revenue	Stock-based compensation	Amortization of acquired intangibles
<b>GAAP</b>					
Total net revenue	\$5,370 to \$5,470	80			
Cost of revenue	\$2,509 to \$2,537		(13)	(743)	
Operating expenses	\$3,386 to \$3,406		(320)	(115)	
Interest and other, net	\$123				(6)
(Loss) income before income taxes	\$(648) to \$(596)	80	333	858	6
<b>Non-GAAP</b>					
EBITDA	\$427 to \$479	80	333		

- We expect to deliver Net Bookings of \$5.45 to \$5.55 billion, which assumes a continuation of the current cautious consumer backdrop within our forecasts. Additionally, the development timelines of some of our titles have lengthened, especially as we strive to redefine the creative standards of excellence in our industry, which affects our release slate for the year
- Fiscal 2025 is a highly anticipated year for our Company. For the last several years, we have been preparing our business to release an incredibly robust pipeline of projects that we believe will take our company to even greater levels of success
- In Fiscal 2025, we expect to enter this new era by launching several groundbreaking titles that we believe will set new standards in our industry and enable us to achieve over \$8 billion in Net Bookings and over \$1 billion in Adjusted Unrestricted Operating Cash Flow. We expect to sustain this momentum by delivering additional growth in our operating results in Fiscal 2026 and beyond



(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.

# Q1 FY2024 GUIDANCE: GAAP

## Q1 FISCAL 2024 GUIDANCE (\$ in millions, except EPS)

	<u>Q1 FY24 GUIDANCE</u>
<b>GAAP Net Revenue</b>	\$1,210 TO \$1,260
<b>Operating Expenses</b>	\$827 TO \$837
<b>GAAP Net Loss</b>	\$(178) TO \$(161)
<b>GAAP EPS</b>	\$(1.05) TO \$(0.95)

**Note:** GAAP results are expected to be impacted by amortization of acquired intangibles and business acquisition costs

# Q1 FY2024 GUIDANCE: SELECT FINANCIAL DATA

## Q1 FISCAL 2024 GUIDANCE (\$ in millions, except EPS)

### Q1 FY2024 GUIDANCE (\$ IN MILLIONS)

Net Bookings \$1,150 TO \$1,200

Recurrent Consumer Spending Growth (RCS) +35% YOY

\$ in millions	Three Months Ending June 30, 2023				
	Outlook <sup>(3)</sup>	Change in deferred net revenue and related cost of revenue	Stock-based compensation	Amortization of acquired intangibles	Business acquisition
<b>GAAP</b>					
Total net revenue	\$1,210 to \$1,260	(60)			
Cost of revenue	\$572 to \$592	(5)	1	(186)	
Operating expenses	\$827 to \$837		(79)	(62)	
Interest and other, net	\$33				(2)
(Loss) income before income taxes	\$(222) to \$(202)	(55)	78	248	2
<b>Non-GAAP</b>					
EBITDA	\$82 to \$103	(55)	78		

- We expect to deliver Net Bookings of \$1.15 billion to \$1.20 billion
- The largest contributors to Net Bookings are expected to be *NBA 2K*, *Grand Theft Auto Online* and *Grand Theft Auto V*, our hyper-casual mobile portfolio, *Empires & Puzzles*, *Toon Blast*, *Merge Dragons*, *Words With Friends*, *Zynga Poker*, *Red Dead Redemption 2* and *Red Dead Online*



(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.

# FY24-FY26 PIPELINE DETAILS

	FY 2024 – FY 2026*	TITLES OFFICIALLY ANNOUNCED TO-DATE
Immersive Core	17	<ul style="list-style-type: none"> <li>• <i>NBA 2K24</i> (2K) – Launched Fiscal 2024</li> <li>• <i>WWE 2K24</i> (2K) – Launching Fiscal 2024</li> <li>• <i>Judas</i> (Ghost Story Games) – TBA</li> </ul>
Independent	7	<ul style="list-style-type: none"> <li>• <i>After Us</i> (Private Division) – Launching May 23, 2023</li> <li>• Title planned from partnership with Weta Workshop</li> <li>• Title planned from partnership with Game Freak</li> </ul>
Mobile** (Currently scheduled for worldwide launch)	18	<ul style="list-style-type: none"> <li>• <i>Star Wars Hunters</i> (Zynga) – Planned for worldwide launch in Fiscal 2024</li> <li>• <i>Grand Theft Auto: The Trilogy – The Definitive Edition</i> (Rockstar Games)</li> </ul>
Mid-Core	4	<ul style="list-style-type: none"> <li>• <i>LEGO 2K Drive</i> (2K) – Launching May 19, 2023</li> </ul>
New Iterations of Previously Released Titles	6	

\* FY24-26 release estimates provided as of May 17, 2023. Full updated FY25/26 pipeline details to be given with Q4 FY2024 results.

\*\* 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 (e.g. *PGA TOUR 2K* and *NBA 2K*) as well as *Grand Theft Auto* and *Red Dead Redemption* (to name a few).

## **INDEPENDENT**

Externally-developed Private Division releases.

## **MOBILE**

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

## **MID-CORE**

Titles that are either an arcade title (like *WWE Battlegrounds*) or games that have many hours of gameplay, but not to the same extent as an immersive core title.

## **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. The Company has chosen to report EBITDA in light of the combination with Zynga, including the related debt financing. 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)

	Twelve Months Ended March 31,	
	2023	2022
<b>Net cash from operating activities</b>	\$ 1.1	\$ 257.9
Net change in Restricted cash <sup>(1)</sup>	54.6	166.9
<b>Adjusted Unrestricted Operating Cash Flow</b>	<u>\$ 55.7</u>	<u>\$ 424.8</u>
	<b>Twelve Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Restricted cash beginning of period	\$ 463.3	\$ 637.4
Restricted cash end of period	407.2	463.3
Restricted cash related to acquisitions	1.5	7.1
<sup>(1)</sup> Net change in Restricted cash	<u>\$ 54.6</u>	<u>\$ 166.9</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 March 31,		Twelve Months Ended March 31,	
	2023	2022	2023	2022
Net (loss) income	\$ (610.3)	\$ 110.9	\$ (1,124.7)	\$ 418.0
(Benefit from) provision for income taxes	(120.3)	10.9	(213.4)	47.4
Interest expense (income)	23.9	4.5	95.8	1.0
Depreciation and amortization	36.3	16.0	122.3	61.1
Amortization and impairment of acquired intangibles	757.4	14.5	1,471.4	61.5
EBITDA	<u>\$ 87.0</u>	<u>\$ 156.8</u>	<u>\$ 351.4</u>	<u>\$ 589.0</u>

# RECONCILIATION OF GAAP TO NON-GAAP MEASURE

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

(in millions)

### Outlook

	<b>Twelve Months Ended March 31, 2024</b>
Net loss	\$(518) to \$(477)
Benefit from income taxes	\$(130) to \$(119)
Interest expense	\$114
Depreciation	\$103
Amortization of acquired intangibles	\$858
EBITDA	\$427 to \$479

### Outlook

	<b>Three Months Ended June 30, 2023</b>
Net loss	\$(178) to \$(161)
Benefit from income taxes	\$(44) to \$(40)
Interest expense	\$31
Depreciation	\$25
Amortization of acquired intangibles	\$248
EBITDA	\$82 to \$103



THANK YOU