



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

FOURTH QUARTER AND FISCAL 2024 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.

Q4 FY2024 RESULTS SUMMARY: GAAP

FINANCIAL SUMMARY (\$ in millions, except EPS)

Q4

	ACTUAL	GUIDANCE
GAAP Net Revenue	\$1,399	\$1,323 TO \$1,373
Operating Expenses	\$3,182	\$896 TO \$906
GAAP Net Loss	\$(2,903)	\$(170) TO \$(153)
GAAP EPS	\$(17.02)	\$(1.00) TO \$(0.90)

Note: GAAP results were impacted by: 1) a goodwill impairment charge of \$2.2 billion, 2) an impairment charge of \$304 million related to acquired intangible assets; and 3) \$93 million of business reorganization expenses related to our cost reduction program

Q4 FY2024 RESULTS SUMMARY: SELECT MANAGEMENT AND OPERATING RESULTS

SELECT FINANCIAL DATA (\$ in millions)

	Q4	
	ACTUAL	GUIDANCE
Net Bookings	\$1,349	\$1,270 TO \$1,320
Recurrent Consumer Spending Growth (RCS)	-2%	-5% YoY

- 4Q Net Bookings were above our revised guidance range due to better-than-expected results from *NBA 2K24*; Zynga's in-app purchases, led by *Toon Blast* and *Match Factory!*; the *Red Dead Redemption* series and the *Grand Theft Auto* series
- RCS was above our outlook, driven by the outperformance of *NBA 2K*, *Toon Blast*, and *Match Factory!*. Recurrent consumer spending declined for *Grand Theft Auto Online* (although was up for *GTA+* and virtual currency); *NBA 2K* was in line with the prior year; and mobile increased slightly
- On a management basis, operating expenses rose 20% YoY, which was slightly above our guidance, due to higher personnel and IT costs, and professional fees

FY2024 RESULTS SUMMARY: GAAP

FINANCIAL SUMMARY (\$ in millions, except EPS)

FY2024

	ACTUAL	GUIDANCE
GAAP Net Revenue	\$5,350	\$5,270 TO \$5,320
Operating Expenses	\$5,832	\$3,545 TO \$3,555
GAAP Net Loss	\$(3,744)	\$(1,013) TO \$(995)
GAAP EPS	\$(22.01)	\$(5.95) TO \$(5.85)

Note: GAAP results were impacted by: 1) a goodwill impairment charge of \$2.3 billion, 2) an impairment charge of \$577 million related to acquired intangible assets, and 3) \$105 million of business reorganization expenses related to our cost reduction programs

FY2024 RESULTS SUMMARY: SELECT MANAGEMENT AND OPERATING RESULTS

SELECT FINANCIAL DATA (\$ in millions)

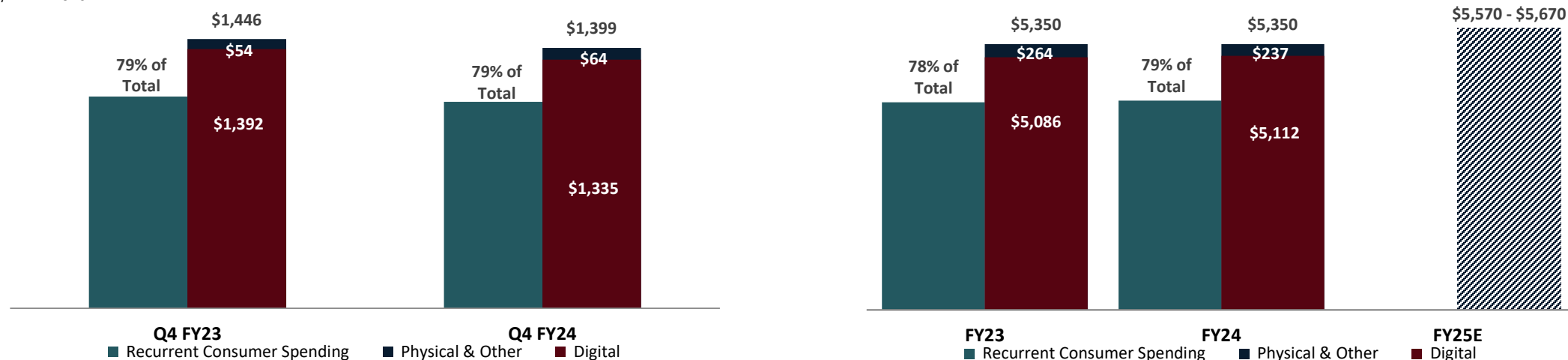
	FY2024	
	ACTUAL	GUIDANCE
Net Bookings	\$5,333	\$5,250 TO \$5,300
Recurrent Consumer Spending Growth (RCS)	+2%	+1% YoY

- Net Bookings were slightly above our guidance range
- Recurrent consumer spending grew 2%, which exceeded our outlook. Recurrent consumer spending for mobile increased high single-digits; *NBA 2K* virtual currency and Seasons was up slightly; and *Grand Theft Auto Online* virtual currency and GTA+ membership was flat
- On a management basis, operating expenses rose 15% year-over-year and were slightly above our guidance, due to higher personnel and IT costs, and professional fees

NET REVENUE AND NET BOOKINGS

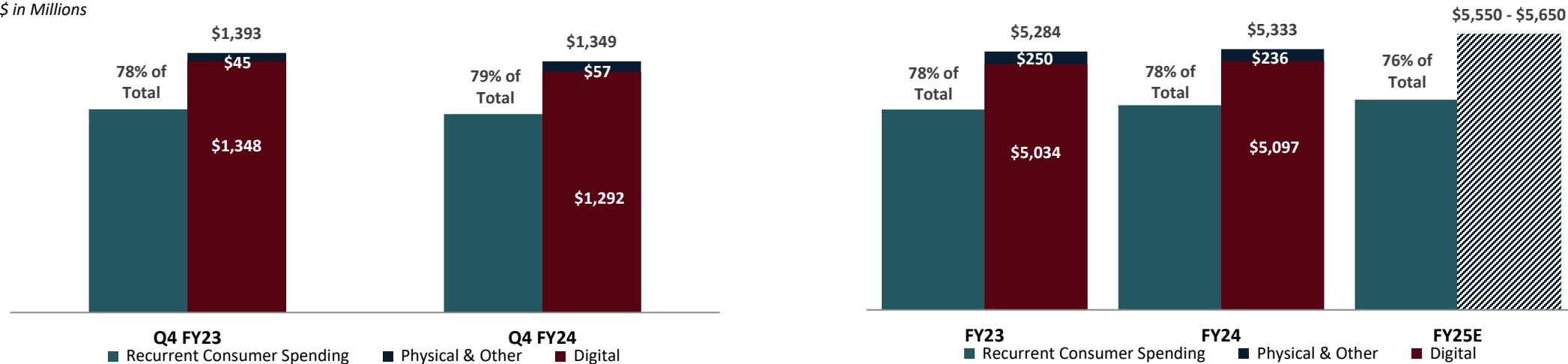
GAAP Net Revenue

\$ in Millions



Net Bookings (Operational Metric)

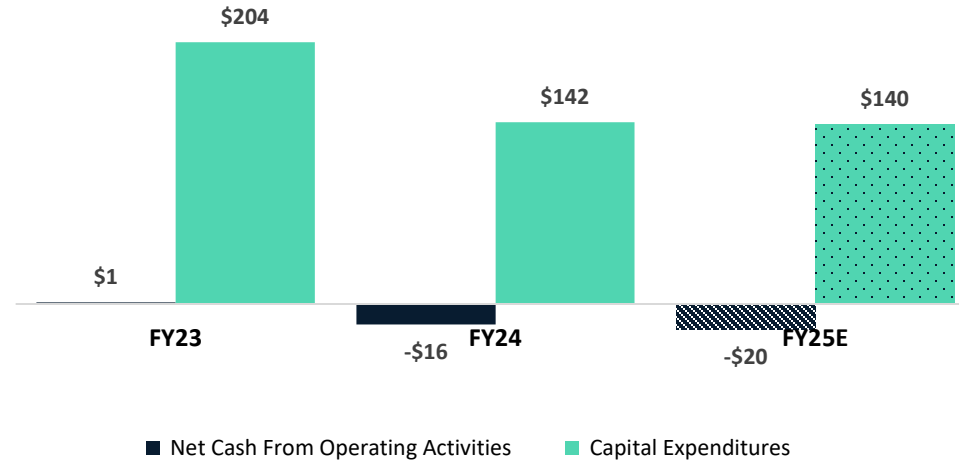
\$ in Millions



CASH FLOW

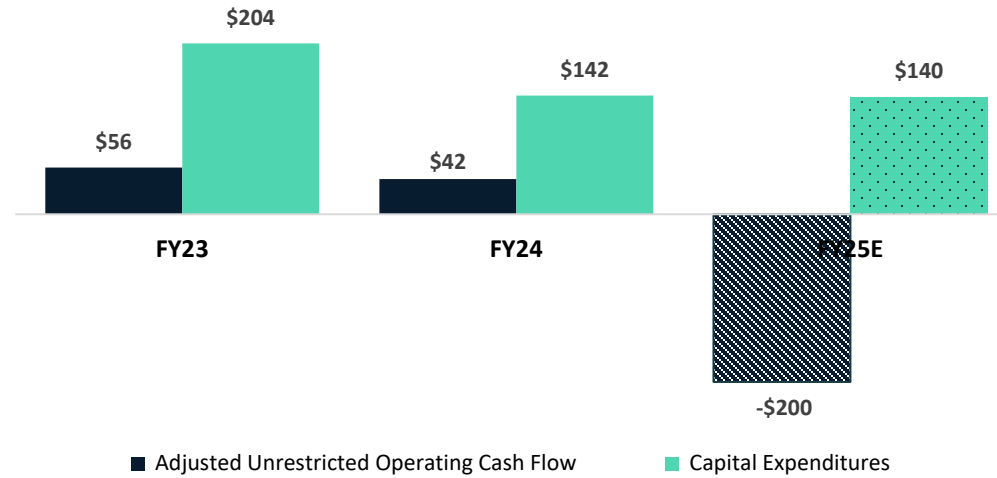
\$ in Millions

Net Cash From Operating Activities



Adjusted Unrestricted Operating Cash Flow (Non-GAAP)⁽¹⁾

\$ 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 2025 GUIDANCE:
GAAP

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

	FY 2025 GUIDANCE
GAAP Net Revenue	\$5,570 TO \$5,670
Operating Expenses	\$3,559 TO \$3,579
GAAP Net Loss	\$(674) TO \$(606)
GAAP EPS	\$(3.90) TO \$(3.50)

FY 2025 GUIDANCE: SELECT FINANCIAL DATA

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

	FY 2025 GUIDANCE (\$ IN MILLIONS)
Net Bookings	\$5,550 TO \$5,650
Recurrent Consumer Spending Growth (RCS)	+3% YOY
Non-GAAP Adjusted Unrestricted Operating Cash Flow	APPROXIMATELY (\$200)

	Fiscal Year Ending March 31, 2025				
	Outlook ⁽¹⁾	Financial Data			
		Change in deferred net revenue and related cost of revenue	Stock-based compensation	Amortization of acquired intangibles	Other (a)
\$ in millions except for per share amounts					
GAAP					
Total net revenue	\$5,570 to \$5,670	(20)			
Cost of revenue	\$2,431 to \$2,457	10	(10)	(640)	
Operating expenses	\$3,559 to \$3,579		(306)	(70)	(31)
Interest and other, net	\$111				(4)
(Loss) income before income taxes	\$(531) to \$(477)	(30)	316	710	35
Net loss	\$(674) to \$(606)				
Net loss per share	\$(3.90) to \$(3.50)				
Net cash from operating activities	approximately \$(20)				
Capital expenditures	approximately \$140				
Non-GAAP					
EBITDA	\$429 to \$483	(30)	316		31
Adjusted Unrestricted Operating Cash Flow	approximately \$(200)				
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 172.9 million
- Share count used to calculate management reporting diluted net income per share is expected to be 175.3 million

^(a) Other includes adjustments for (i) business reorganization expenses and (ii) deferred financing costs associated with our debt.

- We project 5% Net Bookings growth over Fiscal 2024. Our outlook reflects a narrowing of Rockstar Games' previously established window of Calendar 2025 to Fall of Calendar 2025 for *Grand Theft Auto VI*. Consumer anticipation for the title is unprecedented and our expectations for its commercial impact continue to increase.
- We expect RCS to be up approximately 3% YoY. Our forecast assumes high single-digit growth for mobile, a slight increase for *NBA 2K*, and a decline for *Grand Theft Auto Online*
- We are not providing specific guidance beyond Fiscal 2025, as our release schedule includes numerous titles each year and even modest shifts can have a significant effect on results in any given period. Our outlook on the lifetime value of our pipeline remains as strong as ever and we expect sequential growth in Net Bookings for Fiscal 2025, 2026 and 2027



(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.

Q1 FY2025 GUIDANCE: GAAP

Q1 FISCAL 2025 GUIDANCE (\$ in millions, except EPS)

	<u>Q1 FY25 GUIDANCE</u>
GAAP Net Revenue	\$1,300 TO \$1,350
Operating Expenses	\$928 TO \$938
GAAP Net Loss	\$(272) TO \$(245)
GAAP EPS	\$(1.58) TO \$(1.43)

Q1 FY2025 GUIDANCE: SELECT FINANCIAL DATA

Q1 FISCAL 2025 GUIDANCE (\$ in millions, except EPS)

Q1 FY2025 GUIDANCE (\$ IN MILLIONS)

Net Bookings \$1,200 TO \$1,250

Recurrent Consumer Spending Growth (RCS) +1% YOY

\$ in millions except for per share amounts	Three Months Ending June 30, 2024				
	Outlook ⁽¹⁾	Change in deferred net revenue and related cost of revenue	Stock-based compensation	Amortization of acquired intangibles	Other ^(a)
GAAP					
Total net revenue	\$1,300 to \$1,350	(100)			
Cost of revenue	\$559 to \$578	(14)	(9)	(161)	
Operating expenses	\$928 to \$938		(75)	(18)	(25)
Interest and other, net	\$27				(1)
(Loss) income before income taxes	\$(214) to \$(193)	(86)	84	179	26
Net loss	\$(272) to \$(245)				
Net loss per share	\$(1.58) to \$(1.43)				
Non-GAAP					
EBITDA	\$26 to \$47	(86)	84		25
Operational Metric					
Net Bookings	\$1,200 to \$1,250				

- Management reporting tax rate is anticipated to be 18%
- Share count used to calculate GAAP net loss per share is expected to be 171.7 million
- Share count used to calculate management reporting diluted net income per share is expected to be 173.7 million

^(a) Other includes adjustments for (i) business reorganization expenses and (ii) deferred financing costs associated with our debt.

- Our release slate for the quarter includes *TopSpin 2K25*, *No Rest for the Wicked* on Early Access for PC and *NFL 2K Playmakers*, all of which have already released, and *Star Wars Hunters*
- We project RCS to increase +1%, which assumes mid single-digit growth in mobile, flat results for *NBA 2K*, and a decline for *Grand Theft Auto Online*
- On a management basis, operating expenses are expected to grow by approximately 14% year-over-year, which is primarily driven by additional marketing for *Match Factory!*, partially offset by our cost reduction program. Direct marketing accounts for nearly 90% of operating expense growth for the quarter



INVESTING IN THE STRONGEST DEVELOPMENT PIPELINE IN THE COMPANY'S HISTORY

	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> – Launching Fiscal 2025 • <i>WWE 2K25 (2K)</i> – Launching Fiscal 2025 • <i>Grand Theft Auto VI</i> – Launching Fall of Calendar 2025 • <i>Judas (Ghost Story Games)</i> – TBA
Independent	3	<ul style="list-style-type: none"> • <i>No Rest for the Wicked (Private Division)</i> – Launched April 18, 2024 • <i>Tales of the Shire: A The Lord of The Rings Game (Private Division)</i> – Launching Fiscal 2025 • Title planned from partnership with Game Freak
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> – Launching June 4, 2024 • <i>Game of Thrones: Legends (Zynga)</i> – Launching Fiscal 2025
New Iterations of Previously Released Titles	5	



* FY25-27 release estimates provided as of May 16, 2024. Does not include pending acquisition of Gearbox.

** 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

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).

INDEPENDENT

Externally developed Private Division releases.

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)

	Twelve Months Ended March 31,	
	2024	2023
Net cash from operating activities	\$ (16.1)	\$ 1.1
Net change in Restricted cash ⁽¹⁾	58.1	54.6
Adjusted Unrestricted Operating Cash Flow	<u>\$ 42.0</u>	<u>\$ 55.7</u>
	Twelve Months Ended March 31,	
	2024	2023
Restricted cash beginning of period	\$ 407.2	\$ 463.3
Restricted cash end of period	348.0	407.2
Restricted cash related to acquisitions	1.1	1.5
⁽¹⁾ Net change in Restricted cash	<u>\$ 58.1</u>	<u>\$ 54.6</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,	
	2024	2023	2024	2023
Net (loss) income	\$ (2,903.0)	\$ (610.3)	\$ (3,744.2)	\$ (1,124.7)
Provision for (benefit from) income taxes	158.4	(120.3)	41.4	(213.4)
Interest expense (income)	20.3	23.9	78.3	95.8
Depreciation and amortization	42.9	36.3	171.2	122.3
Amortization and impairment of acquired intangibles	485.1	757.4	1,383.2	1471.4
Goodwill impairment	2,176.7	—	2,342.1	—
EBITDA	\$ (19.6)	\$ 87.0	\$ 272.0	\$ 351.4

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	\$(674) to \$(606)
Provision for income taxes	\$143 to \$129
Interest expense	\$100
Depreciation	\$150
Amortization of acquired intangibles	\$710
EBITDA	\$429 to \$483

Outlook

	Three Months Ended June 30, 2024
Net loss	\$(272) to \$(245)
Provision for income taxes	\$58 to \$52
Interest expense	\$25
Depreciation	\$36
Amortization of acquired intangibles	\$179
EBITDA	\$26 to \$47



THANK YOU