



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

(NASDAQ: TTWO)

AUGUST 2021

# CAUTIONARY NOTE: FORWARD-LOOKING STATEMENTS

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The 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: 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 consumer demand and the discretionary spending patterns of our customers, including as the situation with the pandemic continues to evolve; the impact of reductions 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; 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.

# COMPANY OVERVIEW



Leading developer, publisher and marketer of interactive entertainment, the strongest growth segment of the entertainment industry.



T2 MOBILE GAMES



	Rockstar	2K	Private Division	T2 MOBILE GAMES
CONSOLE	X	X	X	
PC	X	X	X	
MOBILE	X	X		X



# OUR APPROACH

## OUR STRATEGY

To develop the highest-quality, **most compelling interactive entertainment** franchises in the business and deliver them **on platforms** that are relevant to our audience.

## OUR CORE TENETS

CREATIVITY

INNOVATION

EFFICIENCY

## OUR STRATEGIC ADVANTAGES TO DRIVE GROWTH

- **World-class** creative teams
- Culture of **empowering our talent** to enable creative expression
- Diverse portfolio of the **highest-quality intellectual properties** in the business
- **Best in class** global marketing and sales distribution
- Leading technology, including **creative tools and enhanced data analytics**

# DIVERSE PORTFOLIO OF INDUSTRY-LEADING INTELLECTUAL PROPERTY

12 SERIES WITH INDIVIDUAL TITLES THAT HAVE SOLD-IN OVER 5 MILLION UNITS



3 TOP-200 GROSSING MOBILE GAMES\*



**DRAGON CITY**



**MONSTER LEGENDS**

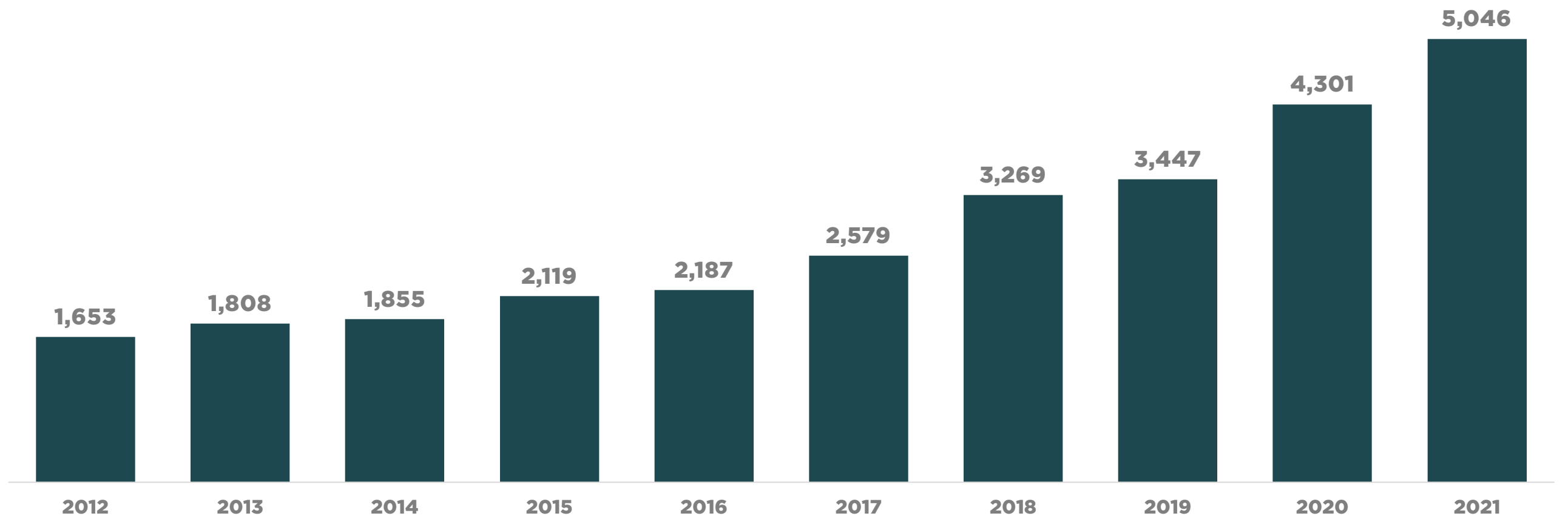


\* Source: App Annie, iOS and Google Play combined.

# EXPANDING DEVELOPMENT CAPACITY

Significantly **expanding** our development staff headcount to **support our pipeline**, which is the largest in our company's history.

## DEVELOPMENT STUDIO STAFF HEADCOUNT \*

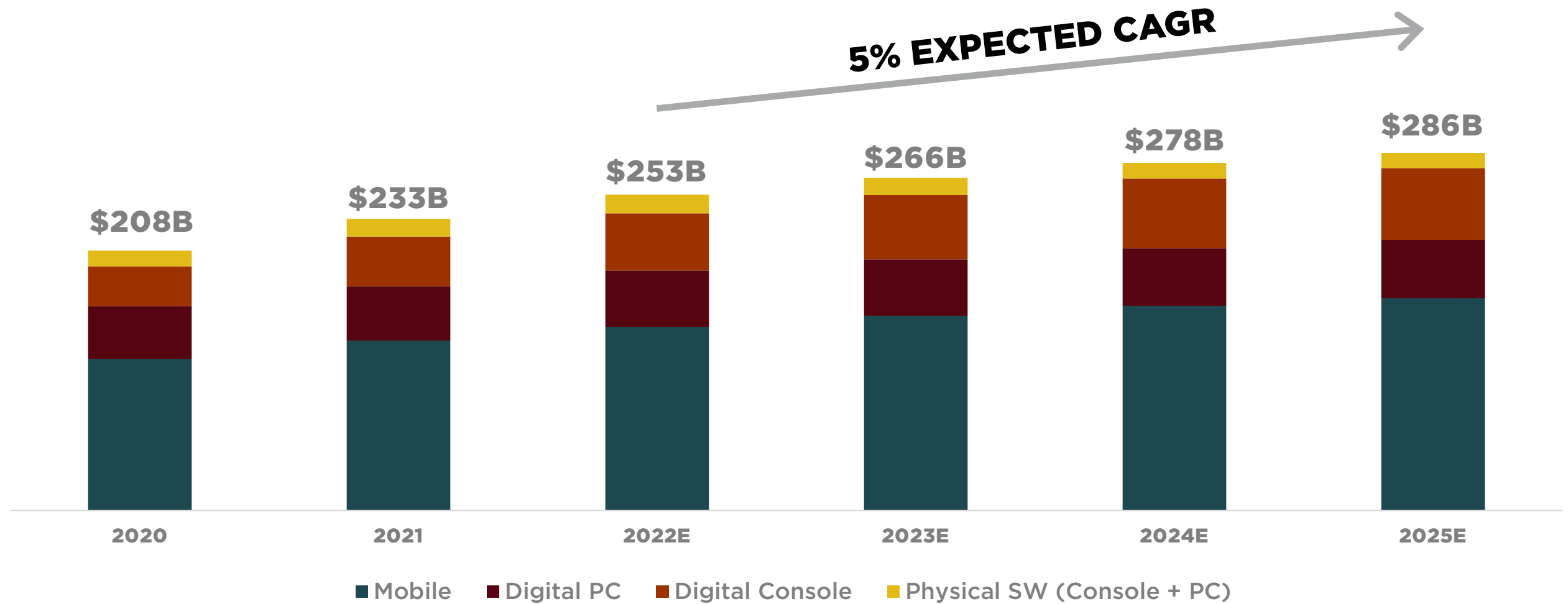


\* As of March 31 each year.



# EXPANDING MARKET OPPORTUNITY

## GLOBAL VIDEO GAME MARKET (in Billions)



Source: IDG Consulting, February 2021. Excludes hardware.

# GAMING INDUSTRY HAS STRONG SECULAR TAILWINDS

There were  
**2.8 BILLION**  
global video game  
players in 2021

**6%**  
Total global  
video game players  
CAGR from 2015-2020

Average age of a gamer is  
**35-44**  
**YEARS OLD**

**28**  
**BILLION**  
**HOURS**

of gameplay watched across  
Twitch, Youtube Gaming  
and Facebook Gaming  
in 2020

Size of mobile  
gaming market in 2020  
**\$86 BILLION**

**495 MILLION**

Estimated size of the  
global eSports audience  
in 2020, surpassing the  
global audience for  
many traditional sports

Gaming is poised  
to become the  
**#1**  
entertainment vertical  
in 2021

**75%**  
of all U.S. households have  
at least one person who  
plays video games

Source: IDG Consulting, ESA, Newzoo, Streamlabs and Stream Hatchet.





## **ROCKSTAR GAMES**

- Groundbreaking blockbuster titles
- Focused on internally owned and developed IP
- 10 internal studios

# ROCKSTAR GAMES: DIVERSE PORTFOLIO OF INDUSTRY-LEADING INTELLECTUAL PROPERTY



## The *Grand Theft Auto* Series

- One of the most **successful, iconic** and **critically acclaimed** brands in all of entertainment
- **Pioneered** the open-world genre
- Series has sold-in over **350 million units**

## *Grand Theft Auto V*

- Over **150 million units** sold-in to date
- Reached **\$1 billion in retail sales** faster than any entertainment release in history
- **Best-selling game of the decade** in the U.S., based on both unit and dollar sales\*
- **Expanded and enhanced** version (for Gen 9 consoles) launching on 11/11/2021

## *Grand Theft Auto Online*

- Constantly **evolving**
- **Regular release** of free updates (over 40 to date)
- **Free** with every copy of *Grand Theft Auto V*
- **Standalone version** launching on 11/11/2021

\* The NPD Group.

# ROCKSTAR GAMES: DIVERSE PORTFOLIO OF INDUSTRY-LEADING INTELLECTUAL PROPERTY



## The Red Dead Redemption Series

- Series has sold-in nearly **60M units** worldwide
- *Red Dead Redemption 2* sold in over **38M units**
- *Red Dead Redemption 2*: **2nd best-selling title** in US in past 3 years based on dollar sales\*
- *Red Dead Online* **free with every copy** of *Red Dead Redemption 2*
- Released **standalone version** of *Red Dead Online* in December 2020

\* The NPD Group, Retail & Digital Games Tracking Services: 3 Years ending January 2021.

# ROCKSTAR GAMES: DIVERSE PORTFOLIO OF INDUSTRY-LEADING INTELLECTUAL PROPERTY

## L.A. Noire



- Utilized **revolutionary facial animation technology** and deep story to blur the lines between film and games
- **First video game** to be an official selection of the Tribeca Film Festival
- **L.A. Noire: The VR Case Files** is one of the industry's **top-rated virtual reality** experiences

## Midnight Club



- The **Midnight Club** series created the open-city street racing genre

## Max Payne



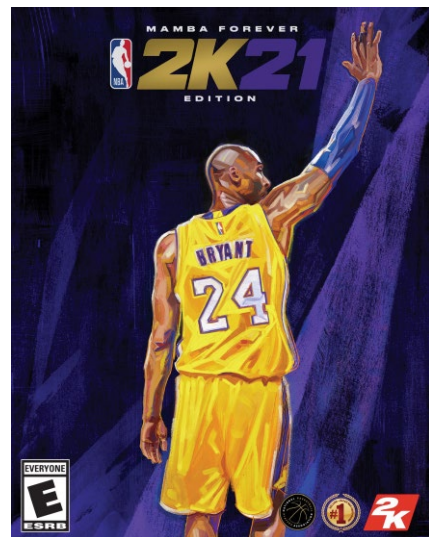
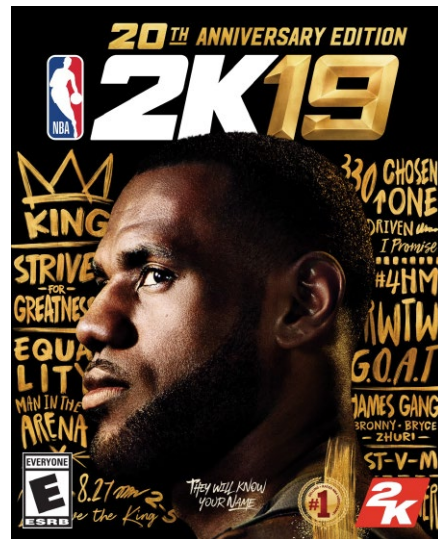
- Rockstar Games' **most technologically sophisticated** and cinematic action-shooter to date



## **2K**

- Sports, shooter, action, role-playing and strategy titles
- Owned IP and long-term licensed brands
- 6 wholly owned studios, some of which have multiple locations
- Relationships with top external studios

# NBA 2K SERIES



## BEST-SELLING

basketball simulation  
property based  
on dollar sales  
and units in the US\*

Series has  
sold-in over  
**112 MILLION**  
units worldwide

One of the  
**TOP**  
**CONTRIBUTORS**

to TTWO's recurrent  
consumer spending

## FRANCHISE EXTENDED

with *NBA 2K Online*  
in China, *NBA 2K  
Playgrounds 2*,  
*NBA 2K Mobile*, *NBA 2K* for  
Apple Arcade, and *NBA  
SuperCard*

*NBA 2K League*,  
**THE FIRST  
COMPETITIVE  
GAMING LEAGUE**

jointly owned by  
a U.S. professional  
sports league,  
debuted in May 2018

\* The NPD Group, Retail & Digital Games Tracking Services: January 1995 - January 2021.

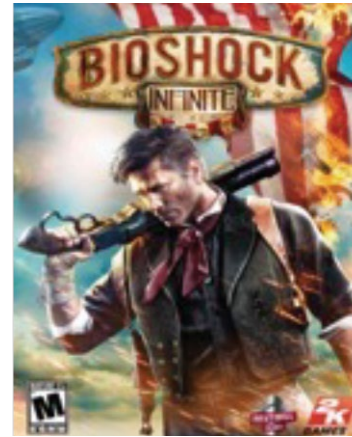
# 2K: DIVERSE PORTFOLIO OF INDUSTRY-LEADING INTELLECTUAL PROPERTY

## Borderlands



- **Critically acclaimed**, shooter-looter title
- Franchise has sold-in over **71M units**
- *Borderlands 3* is 2K's **fastest selling title** and has sold-in **over 13M** units to date
- *Borderlands 2* is 2K's top-selling title with over **25M units sold-in to date**

## BioShock



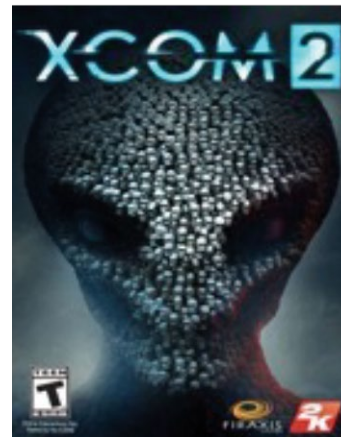
- **Unique, artistic**, narrative-driven shooter
- Franchise has sold-in over **38 million units**
- Every game in the *BioShock* franchise has received **perfect review scores** from an accredited/Metacritic level media outlet

## Sid Meier's Civilization



- One of **world's top strategy** titles for PC
- Franchise has sold-in over **58 million units**
- **Successful** expansion packs

## XCOM



- Reimagined classic franchise as **critically acclaimed**, turn-based strategy game

# 2K: DIVERSE PORTFOLIO OF INDUSTRY-LEADING INTELLECTUAL PROPERTY

## Mafia



- **Authentic, action-packed** gangster saga
- The first *Mafia* game **received numerous industry awards and nominations** recognizing its gameplay, soundtrack, storyline and graphics

## PGA TOUR 2K



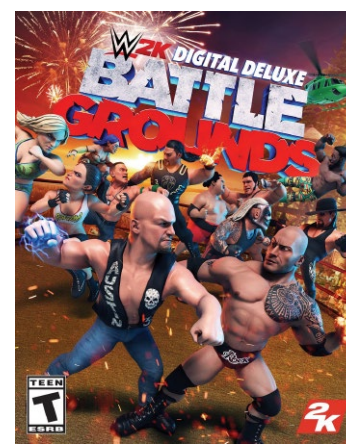
- *PGA TOUR 2K21* sold-in **over 2 million units** to-date
- Entered exclusive, long-term partnership with **Tiger Woods to appear exclusively in franchise** and serve as Executive Director/consultant
- **Fastest-selling** golf game by units over the past 10 years\*
- **Highest-rated** golf simulation of the current console generation\*\*

## WWE2K



- **Successful, long-running** World Wrestling Entertainment video game franchise
- **WWE SuperCard** is 2K's **highest-grossing mobile game** with more than **24 million downloads**
- *WWE 2K22* will **launch in Fiscal 2022**

## WWE 2K Battlegrounds



- Provides casual gamers and diehard wrestling fans with an **over-the-top, pick-up-and-play** experience
- Supported with **post-launch content**

\*The NPD Group \*\* Metacritic





## **PRIVATE DIVISION**

Publishing label focused on bringing titles from the industry's leading creative talent to market

# PRIVATE DIVISION KEY RELEASES & PROJECTS



- Launched ***The Outer Worlds*** by Obsidian Entertainment, including the ***Peril on Gorgon*** DLC and the ***Murder on Eridanos*** DLC
- Publisher of ***Kerbal Space Program*** and the upcoming ***Kerbal Space Program 2***
- **Own and operate Intercept Studios**, based in Seattle, a team charged with working on games set in the *Kerbal* universe, and other original IP
- **Has three titles that have sold in over 1 million units, including *Ancestors: The Humankind Odyssey*, *Kerbal Space Program* (over 5 million units) and *The Outer Worlds* (over 4 million units)**
- Announced forthcoming games to be released from renowned independent studios:



- Based in London
- BAFTA and multi-award-winning independent studio
- Known for the ***OlliOlli*** series and ***Not a Hero***
- **Developer of *OlliOlli World***, to be released **this Winter**, which is an homage to skateboarding and flow-state action sports



- BAFTA award-winning studio
- Best known for their work developing the critically acclaimed ***Ori and the Blind Forest*** and ***Ori and the Will of the Wisps***

**COMING SOON:** Additional studios and games to be announced.



## T2 MOBILE GAMES

# SUCCESSFUL MOBILE ACQUISITIONS

FY 2017

FY 2018

FY 2019

FY 2020

FY 2021

FY 2022

**Acquired Socialpoint  
in January 2017  
for ~\$250 million**



**Acquired Playdots  
in September 2020  
for ~\$200 million**



**Acquired Nordeus  
in June 2021  
for ~\$225 million upfront**



	<b>SOCIALPOINT</b>	<b>PLAYDOTS</b>	<b>NORDEUS</b>
<b>YEAR FOUNDED</b>	2008	2013	2010
<b>LOCATION</b>	BARCELONA	NEW YORK	BELGRADE, SERBIA
<b>GAMES</b>	Its five mobile hits - <i>Dragon City</i> , <i>Monster Legends</i> , <i>Word Life</i> , <i>World Chef</i> and <i>Tasty Town</i> - have been downloaded 600+ million times	Its three mobile hits - <i>Dots</i> , <i>Two Dots</i> and <i>Dots &amp; Co.</i> - have been downloaded 140+ million times	<i>Top Eleven</i> is the world's most successful mobile soccer management game** with over 240 million registered users
<b>GAMES</b>	2 games in the Top 155 grossing on iOS and Android*	Builds mobile games with unique and thoughtful designs	<i>Top Eleven</i> provides players with a platform for creating and managing their own soccer clubs



\* App Annie, iOS and Google Play combined.

\*\* AppAnnie based upon downloads and revenue through April 2021.

# TOP MOBILE GAMES

## DRAGON CITY



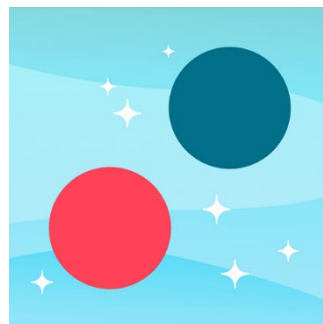
- Originally **launched** on Facebook in 2012 and mobile in January 2013
- Consistently charted in the annual **top-100 grossing** mobile games and **top-20 grossing** simulation games\*

## MONSTER LEGENDS



- Launched in 2013
- Consistently charted in the annual **top-100 grossing** mobile games and **top-25 grossing** RPG games\*

## TWO DOTS



- Downloaded **80+ million** times, with over **2,900 levels** of content
- Over **1 million** Daily Active Users and **7 million** Monthly Active Users
- Selected as an **Editor's Choice** in Google Play Store and Apple App Store

## TOP ELEVEN



- The **world's most successful mobile soccer management game**
- Over **240 million** registered users
- Provides a **platform for creating and managing soccer clubs**, including daily competitions with a global community



## **OUR STRATEGY**

# COMPANY GROWTH DRIVERS

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Strong fundamentals and a healthy balance sheet position us for a **long-term trajectory** of growth.

## KEY BUSINESS DRIVERS INCLUDE:

- Investing in the Company's **strongest development pipeline** in its history
- Promoting **engagement and growth** in recurrent consumer spending
- Expanding our **mobile offerings and capabilities**
- Implementing **new business models**, including subscriptions, free-to-play and standalone online titles
- Participating in **new distribution channels**, including streaming/cloud gaming and direct-to-consumer
- Pursuing **emerging opportunities**, such as eSports and expansion in underpenetrated markets, including China
- Continued **focus on M&A**, following successful recent transactions

# INVESTING IN THE COMPANY'S STRONGEST DEVELOPMENT PIPELINE IN ITS HISTORY\*

	IMMERSIVE CORE	INDEPENDENT	MOBILE	MID-CORE	NEW ITERATIONS OF PREVIOUSLY RELEASED TITLES	TOTAL
FISCAL 2022	4	1	10	-	6	21
FISCAL 2023-2024	19	5	10	4	3	41
TOTAL	23	6	20	4	9	62

\* Pipeline as of May 18, 2021. No material changes have been made. These titles are a snapshot of our current development pipeline. It is likely that some of these titles will not be developed through completion, or some may be delayed, and we may also add new titles to our slate.

- Our teams are **focused on delivering the strongest pipeline** in our company's history over the next few years, including releases from new and existing franchises
- To support this robust pipeline, we have **hired over 1,500 developers** over the last two years





# 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).

**Independent:** Private Division releases.

**Mobile:** Any title released on a mobile platform.

**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.

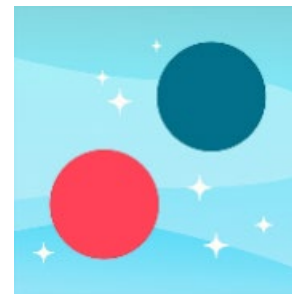
# PROMOTING ENGAGEMENT AND GROWTH IN RECURRENT CONSUMER SPENDING

## VIRTUAL CURRENCY



T2

## FREE-TO-PLAY



## ADD-ON CONTENT



# EXPANDING OUR MOBILE OFFERINGS AND CAPABILITIES

HIGH-QUALITY, FREE-TO-PLAY IP CREATED FOR MOBILE PLATFORMS



CORE GAMING EXPERIENCES OPTIMIZED FOR SMALLER SCREENS (NEW RELEASES/PORTS)



FREE-TO-PLAY APPS RELATED TO CORE FRANCHISES (COMPANION APPS/BRAND EXTENSIONS)



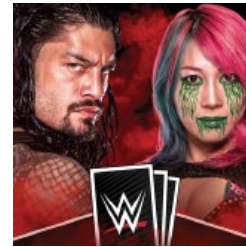
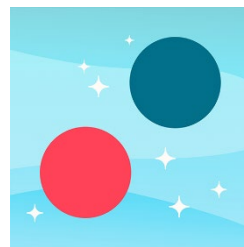
# IMPLEMENTING NEW BUSINESS MODELS

## SUBSCRIPTIONS



## FREE-TO-PLAY

- 24 Free-to-play titles launching between fiscal 2022 and fiscal 2024
- Top existing free-to-play titles include:



## STANDALONE ONLINE TITLES

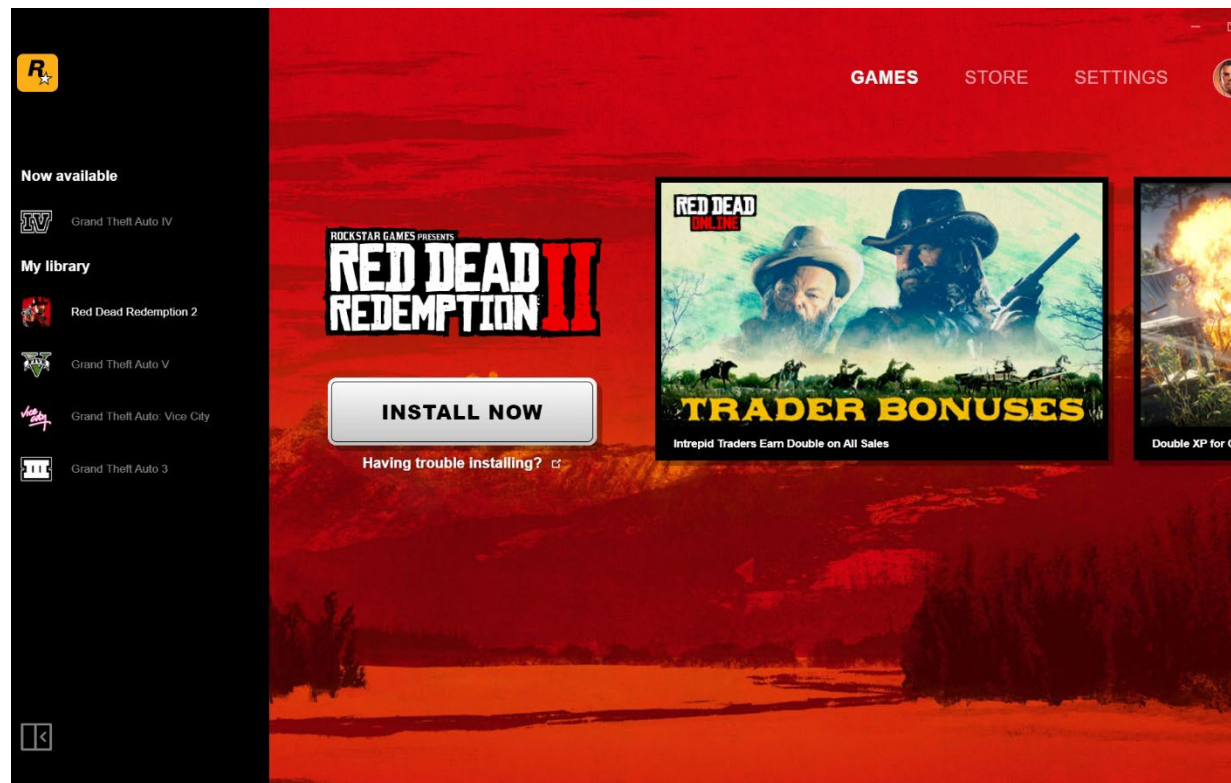


(STANDALONE SKU  
LAUNCHING ON 11/11/2021)

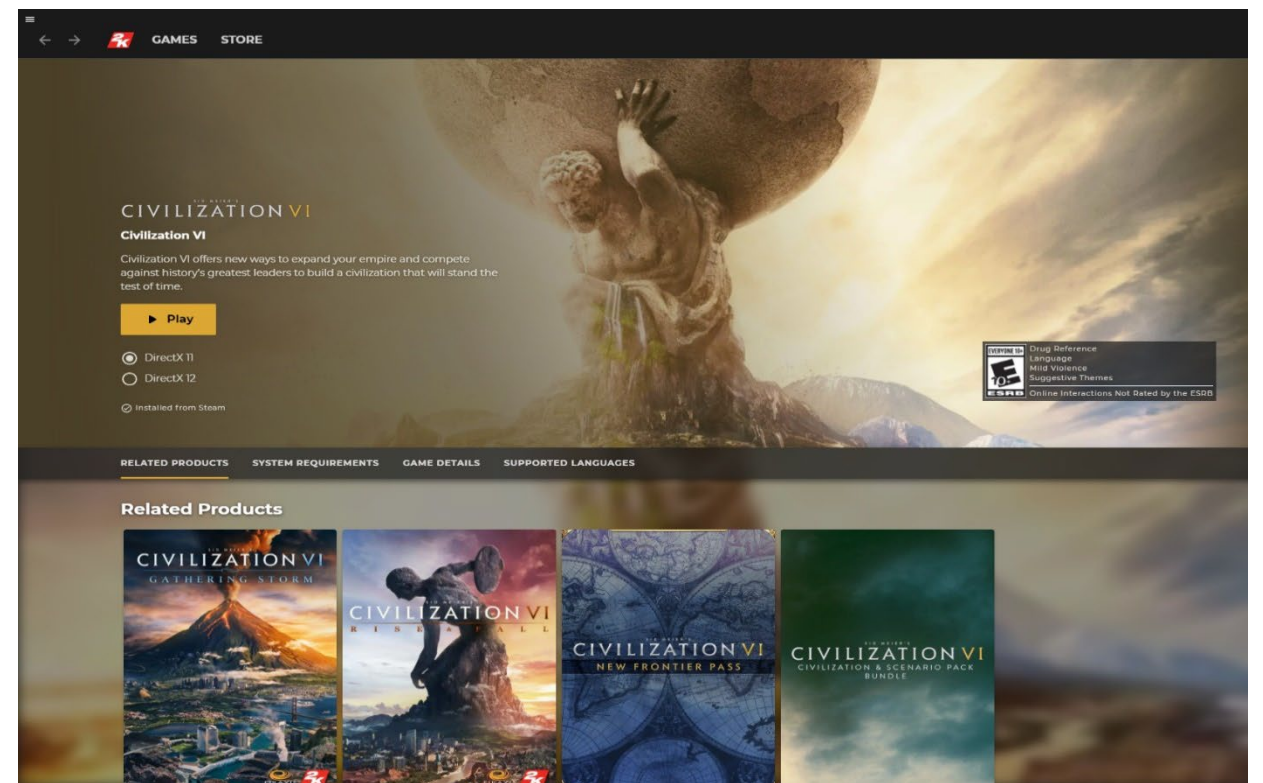
# PARTICIPATING IN NEW DISTRIBUTION CHANNELS

## DIRECT TO CONSUMER

### ROCKSTAR GAME LAUNCHER



### 2K GAME LAUNCHER



## STREAMING/CLOUD GAMING

STADIA



PlayStation™ Now



Cloud-enabled games

# PURSuing EMERGING OPPORTUNITIES

## ESPORTS



- **Joint venture** between Take-Two and the NBA
- **Sponsors/partners** include AT&T, Bud Light, Champion, DoorDash, Raynor Gaming, SAP, Scuf, Sony and Snickers
- Season 4 underway through September 2021, with **23 teams participating**
- Games will be **simulcast live on the NBA 2K League's Twitch and YouTube channels**, and can be viewed on ESRevolution, eGG Network in Southeast Asia, Loco in India and Sport1 in Europe

## CHINA



- Launched in **August 2018**
- **Free-to-play** NBA simulation
- Co-developed by Visual Concepts and Tencent
- **#1** PC online sports game in China with over **54 million registered users across NBA 2K Online 1 and NBA 2K Online 2**



- Launched on Tencent's WeGame platform in China in **February 2021**
- Adds to our **successful partnerships** with Tencent to bolster our offerings in China

# SUCCESSFUL TRACK RECORD OF M&A

## RECENT ACQUISITIONS INCLUDE:

FY 2017

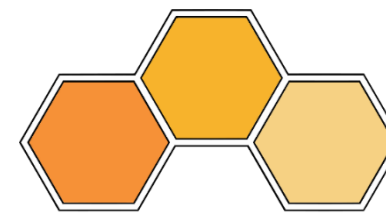
FY 2018

FY 2019

FY 2020

FY 2021

FY 2022



hb studios



T2



(Hookbang)

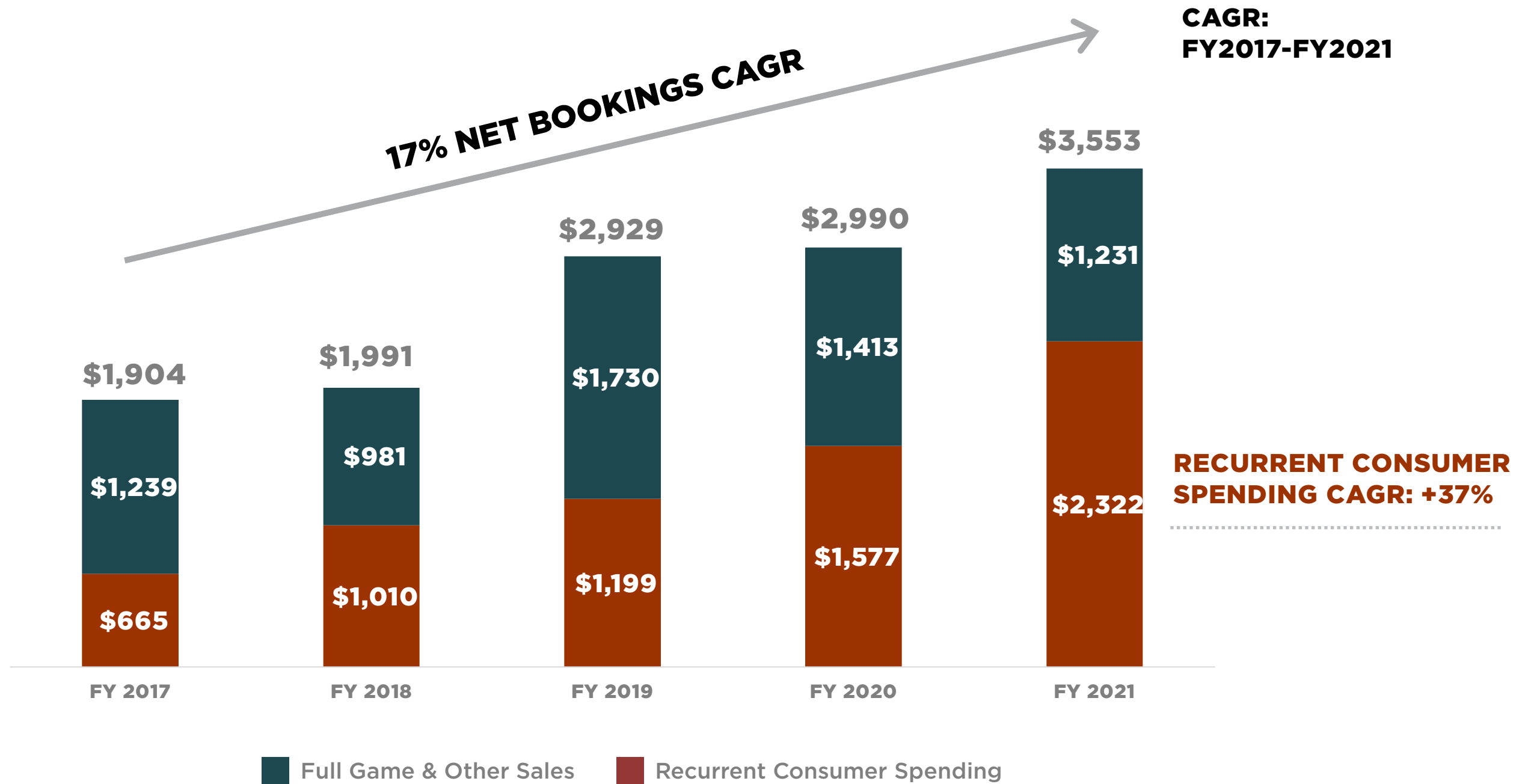


## **OUR FINANCIALS**



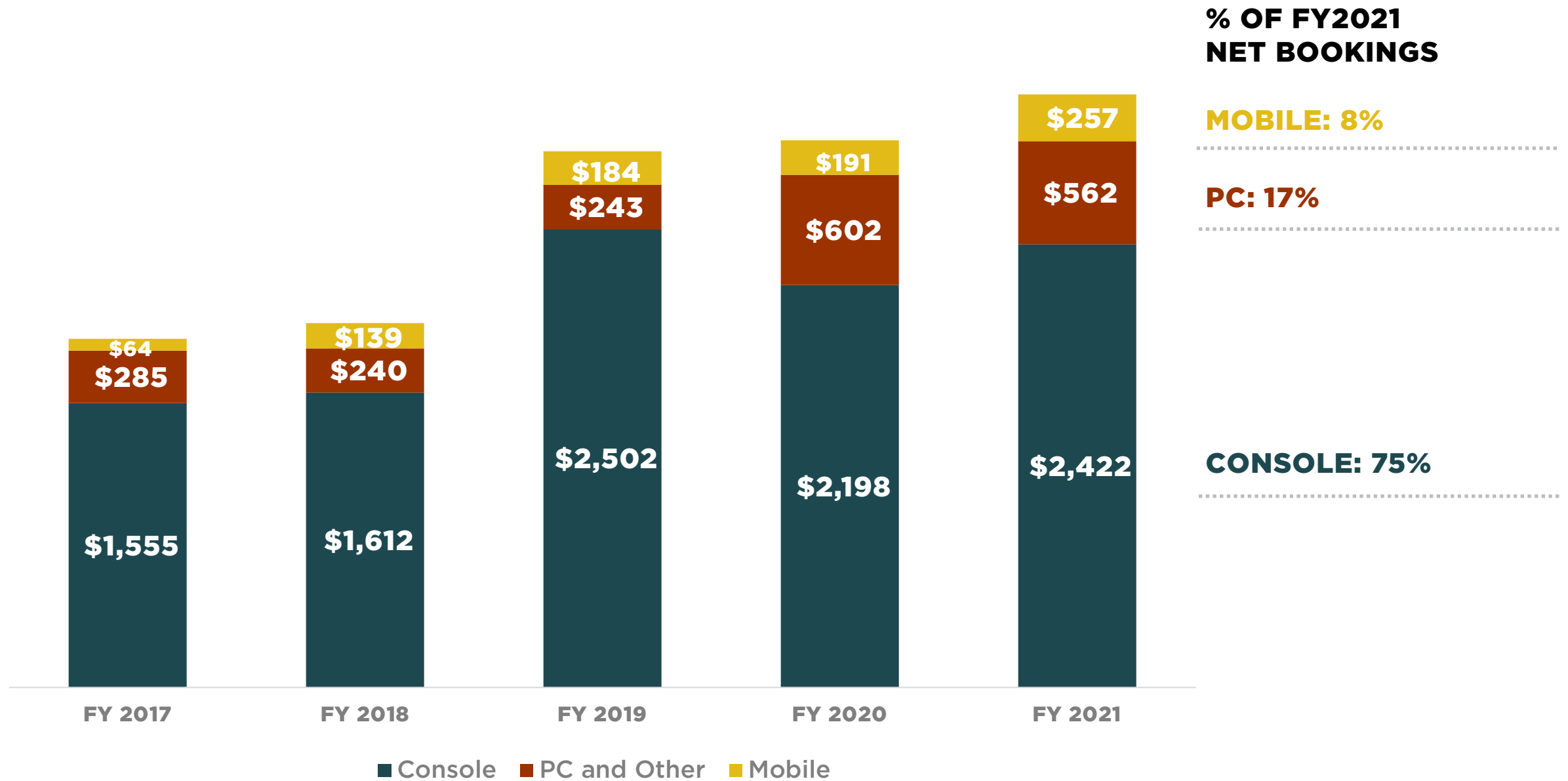
# DRIVING LONG-TERM NET BOOKINGS GROWTH

(\$ in Millions)



# NET BOOKINGS ARE DIVERSIFIED ACROSS VARIOUS PLATFORMS

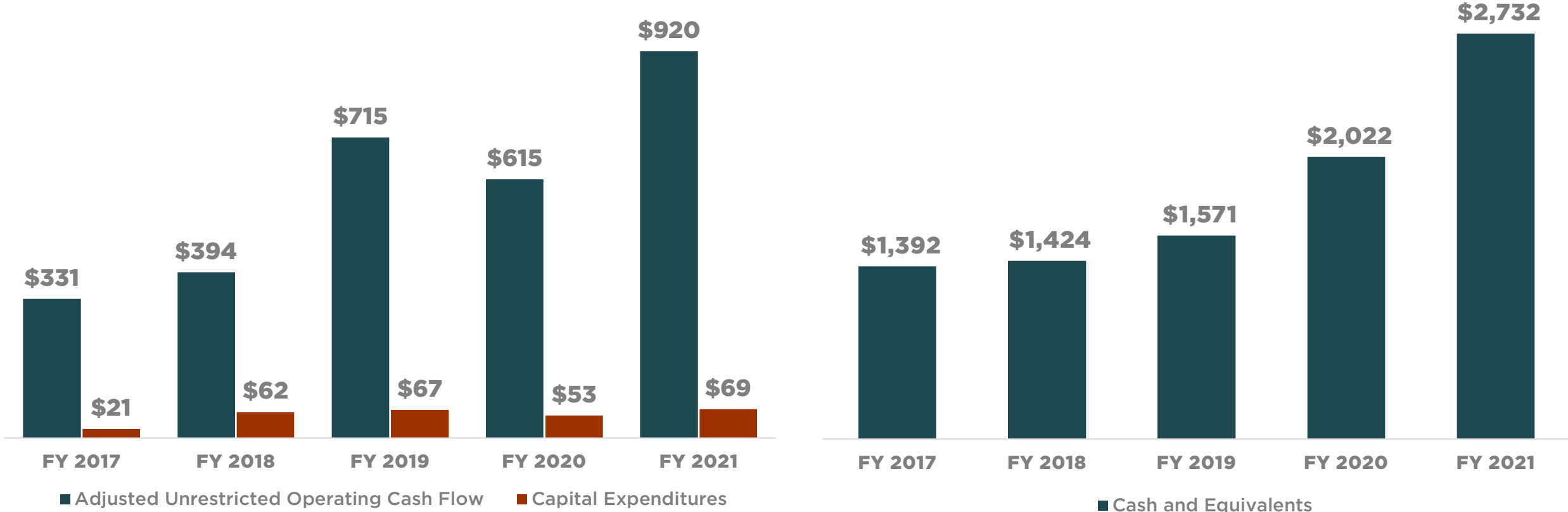
(\$ in Millions)



# OUR BUSINESS IS HIGHLY CASH GENERATIVE

**ADJUSTED UNRESTRICTED OPERATING CASH FLOW (NON-GAAP) \* AND CAPITAL EXPENDITURES**  
(\$ in Millions)

**CASH & EQUIVALENTS**  
(\$ in Millions)



\* During Q2 FY19, the Company began 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. Prior periods have been restated in the chart above. Please see the slide titled "Non-GAAP Financial Measure" for additional information and a reconciliation to GAAP.



## OUR CULTURE

# OUR RECOGNITIONS

## We're Great Place to Work-Certified™!



Take-Two Interactive Software, Inc.

96% of employees at Take-Two Interactive Software, Inc. say it is a great place to work compared to 59% of employees at a typical U.S.-based company\*



Source: Great Place to Work® 2019 U.S. National Employee Engagement Study\*



# OUR COMMITMENT TO PHILANTHROPY

We are **committed to supporting** numerous charitable organizations throughout the world.



Save the Children®



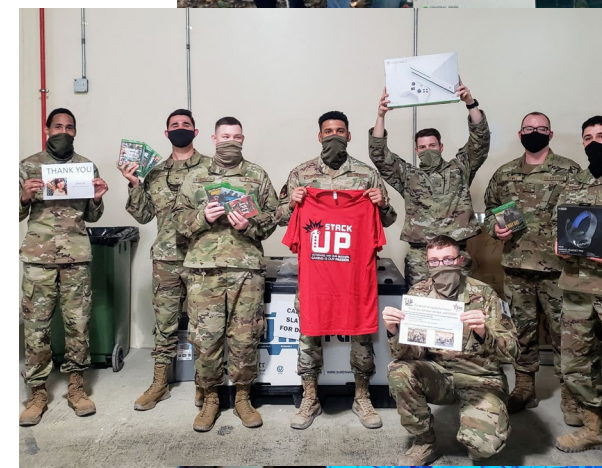
#YoMeCorono



# GIVING BACK AT TAKE-TWO

We recognize our responsibility and capacity to help be a force for good within our society. Whether supporting international, national, or local organizations in the areas where we operate, our Company's efforts include:

- **Industry-wide initiatives** led by the Entertainment Software Association
- **Educational programs**, especially for students in **underserved communities**, to develop STEM and creative skills that can be helpful in pursuing related college degrees and future positions within our industry
- Programs that **promote and influence diversity, equity, and inclusion** in the industry and workplace
- Chambers of commerce, **food pantries and shelters, and youth programs**
- Employee volunteerism opportunities around **environmental sustainability, mentoring, and preparing and serving meals** to those in need



# NON-GAAP FINANCIAL MEASURE

In addition to reporting financial results in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses 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. 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.

This Non-GAAP financial measure is not intended to be considered in isolation from, as a substitute for, or superior to, GAAP results. This Non-GAAP financial measure 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 this Non-GAAP financial measure used by the Company.

Management believes that the presentation of this Non-GAAP financial measure provides investors with additional useful information to measure Take-Two's financial and operating performance. In particular, this measure facilitates comparison of our operating performance between periods and may help investors to understand better the operating results of Take-Two. Internally, management uses this Non-GAAP financial measure in assessing the Company's operating results and in planning and forecasting. A reconciliation of this Non-GAAP financial measure to the most comparable GAAP measure is contained in the chart below.

**TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP MEASURE**  
(in thousands)

	Twelve months ended March 31,				
	2021	2020	2019	2018 <sup>(2)</sup>	2017 <sup>(2)</sup>
<b>Net cash from operating activities</b>	<b>\$ 912,318</b>	<b>\$ 685,678</b>	<b>\$ 843,515</b>	<b>\$ 493,527</b>	<b>\$ 407,903</b>
Net change in Restricted cash related to Operations <sup>(1)</sup>	7,965	(70,267)	(128,063)	(99,580)	(76,649)
<b>Adjusted Unrestricted Operating Cash Flow</b>	<b>\$ 920,283</b>	<b>\$ 615,411</b>	<b>\$ 715,452</b>	<b>\$ 393,947</b>	<b>\$ 331,254</b>
	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>
Restricted cash beginning of period (4/1)	\$ 635,728	\$ 565,461	\$ 437,398	\$ 337,818	\$ 261,169
Less Restricted cash end of period (3/31)	637,363	635,728	565,461	437,398	337,818
Plus Restricted cash related to acquisitions	9,600	-	-	-	-
<sup>(1)</sup> Net change in Restricted cash related to Operations	\$ 7,965	(\$ 70,267)	(\$ 128,063)	(\$ 99,580)	(\$ 76,649)

(2) During fiscal year 2019 the Company adopted ASU ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash







**THANK YOU**