



Activision (ATVI) 2019 Q4 Earnings Summary

February 2020

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Key Takeaways

Activision's *Call Of Duty Mobile* Adds Another Touch Point To Engage With New And Existing Gamers

CALL OF DUTY

- **Intent was to create a better overall experience for the player community by bringing in cross play and cross progression**
 - Focused on free content for the entire community to drive engagement with the overall community
 - Giving players more transparency to the item shop system and focusing more on cosmetic content
- **In mobile, have a game and a platform that they want to build on for a really long time to come**
 - Hyper-focused on their content pipeline to make sure they drive the best possible experience for their player community

ESPORTS

- **Have a long-standing relationship with Google and are thrilled to formalize that into a deeper partnership over multiple years**
 - Opportunity to have a more efficient delivery of back-end services and infrastructure handled by a partner where that is their great expertise
 - Allows them to free up resources and developers and mind share to focus on what they do best, which is making the content
- **There's 200 million game reviewers on YouTube, and it's just a tremendous opportunity to bring their platform to new audiences**
 - It is a great on-demand viewing platform, and think viewers might be increasingly interested in viewing their content that way

MOBILE

- **Able to attract bigger audiences than before and are working on high-quality mobile games for their most important franchises**
 - Able to build these big, inclusive communities around the world, and today, their mobile games are played in almost 200 countries
 - Mobile is now their largest platform and they can expand the reach, engagement and the monetization of their franchises
- **Developers have gotten a lot more excited about reaching broader audiences and there is a commitment to innovation with mobile**
 - As long as they can deliver new innovative game play with great user experiences, more franchises will take advantage of mobile platforms

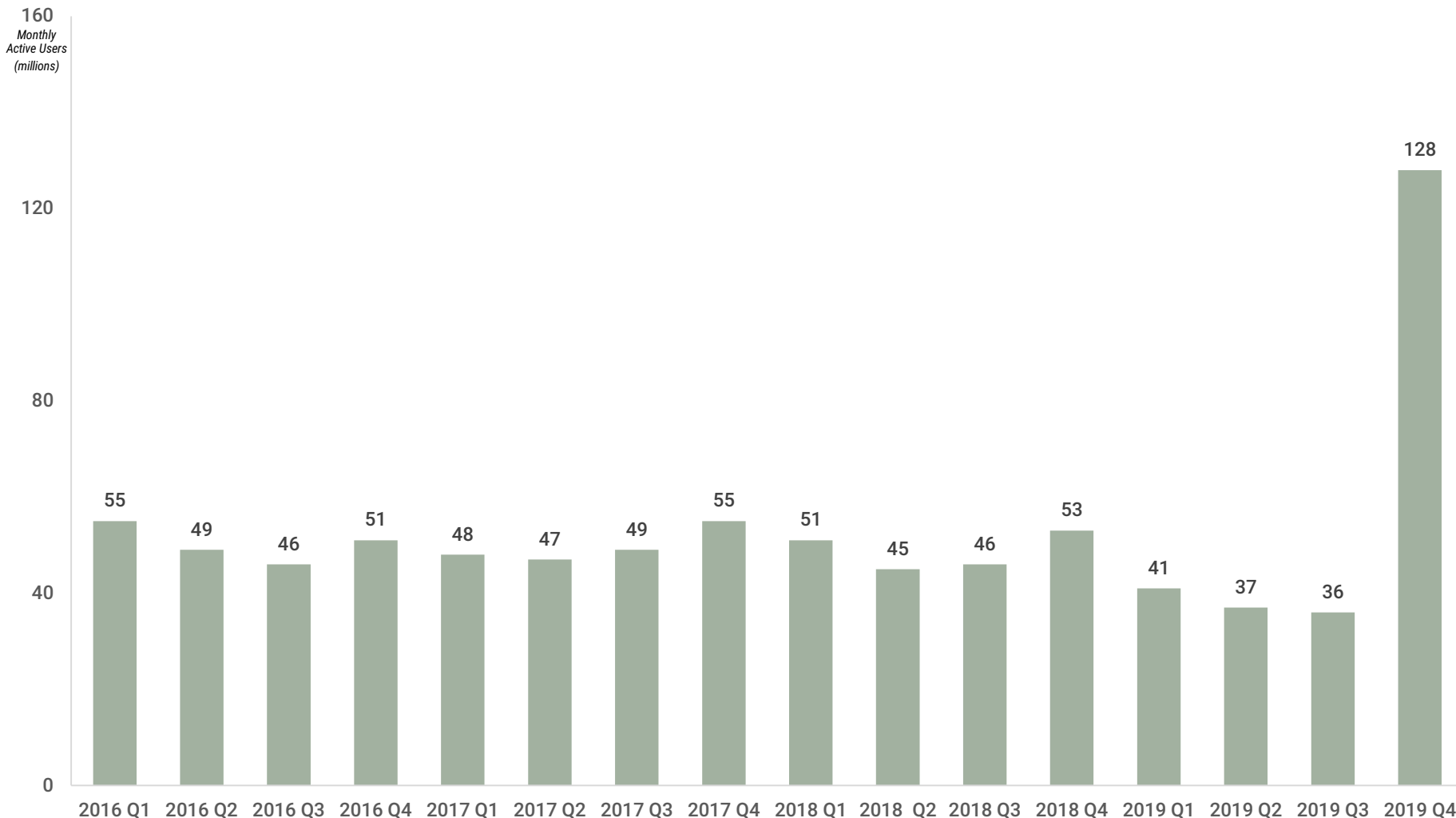
KING

- **Introduced new initiatives to grow payer conversion, targeting lapsed payers, and bringing new players to the Candy ecosystem**
 - Believe a broader and more engaged player base positions the franchise for growth over the medium and long term
 - Thinking quite a bit about social features and have seen that really work in different panels and in different genres
- **Investing in several promising new titles, including content based on Activision's beloved catalog IP**
 - Starting to see some really good results in prototypes, and will start doing some regional testing on some of those this year

Tapping into their portfolio of IP to bring several remastered and reimagined experiences to their players this year

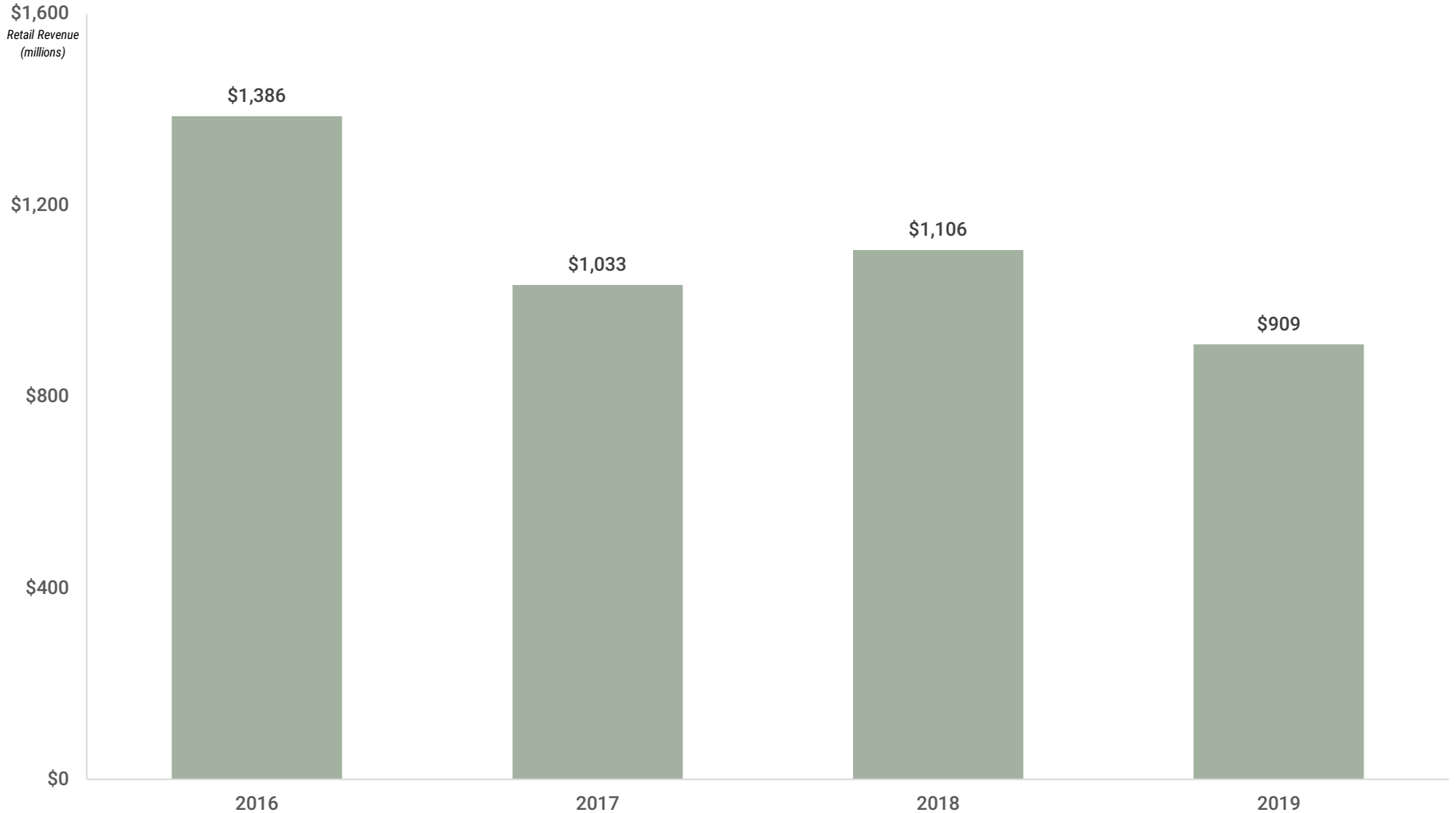
Users

Early Success Of Call Of Duty Mobile Highlights The Ability To Expand Franchises To New Audiences



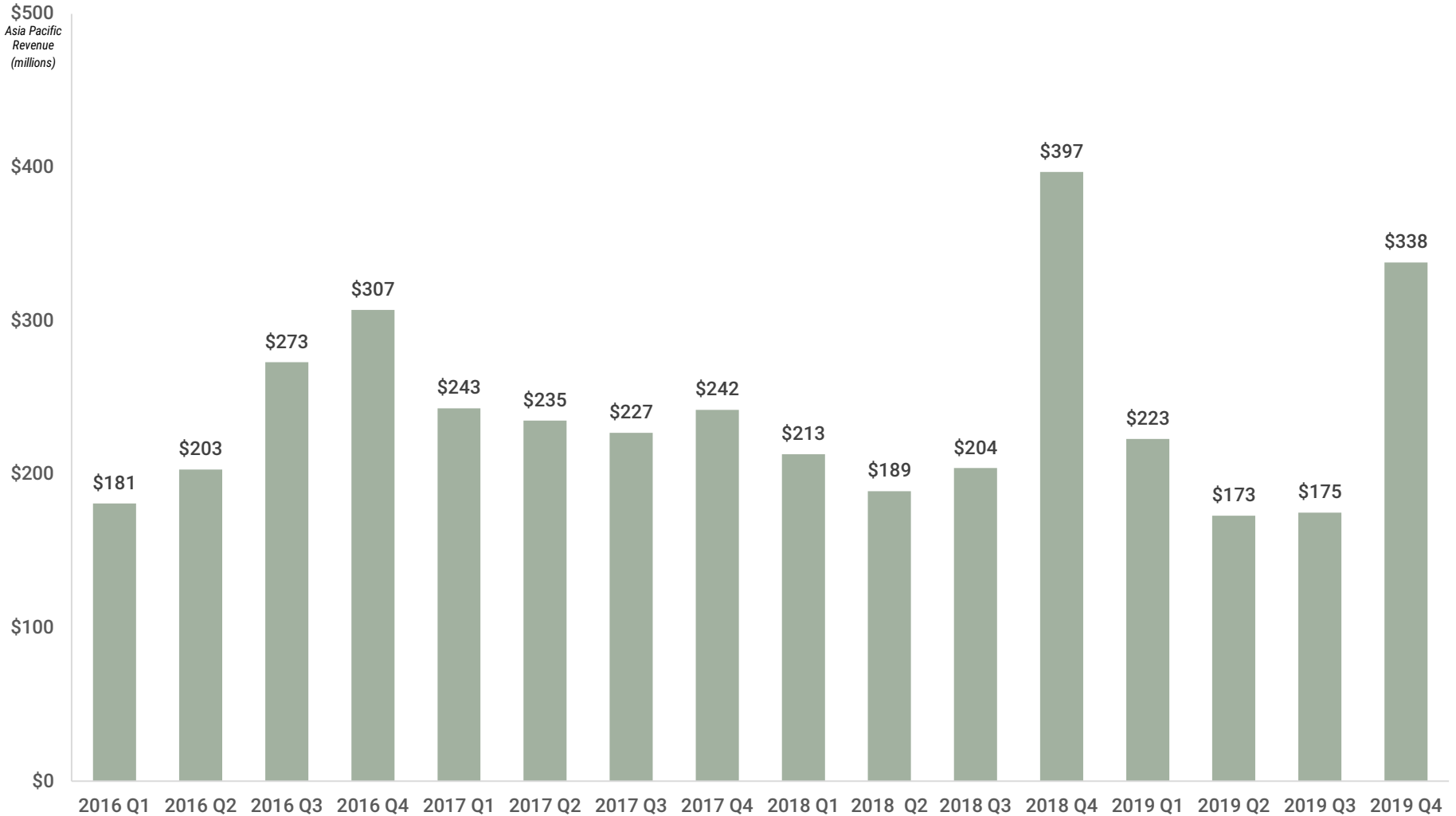
Recent Esports partnership provides another distribution channel for their content to seamlessly reach billions of users

Physical Sales Will Continue To Decline As They Look To Extend The Life Of Their Most Popular Titles



Continuing to observe and learn about cloud gaming experiences, but still determining what the appropriate strategy is

Increasing Focus On Mobile Will Facilitate Opportunities To Capitalize On The Avid Gamers In Asia



Advertising can add a high-margin revenue stream, but it is important that it doesn't negatively impact user experience