ModernGraham Valuation Activision Blizzard,

Company Name:

Company Ticker ATVI Date of Analysis

Inc.



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

6/28/2018

| Defensive Investor; | must pass 6 out of the following 7 tests. | | |
|----------------------|--|---|-----------------------|
| | 1. Adequate Size of the Enterprise | Market Cap > \$2Bil | \$59,317,089,612 Pass |
| | 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 2.19 Pass |
| | 3. Earnings Stability | Positive EPS for 10 years prior | Pass |
| | 4. Dividend Record | Dividend Payments for 10 years prior | Fail |
| | E Foreinge Crewth | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and and | 208.96% Pass |
| | 5. Earnings Growth | beginning and end | |
| | 6. Moderate PEmg Ratio | PEmg < 20 | 53.55 Fail |
| | 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 5.96 Fail |
| Enterprising Investo | r; must pass 4 out of the following 5 tests, or be | suitable for the Defensive Investor. | |
| | 1. Sufficiently Strong Financial Condition | Current Ratio > 1.5 | 2.19 Pass |
| | 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 1.26 Fail |
| | 3. Earnings Stability | Positive EPS for 5 years prior | Pass |
| | 4. Dividend Record | Currently Pays Dividend | Pass |
| | 5. Earnings Growth | EPSmg greater than 5 years ago | Pass |
| | | Score | |
| Suitability | | | |
| | | | |
| | Defensive | No | |
| | Defensive Enterprising | No Yes | |
| Stage 2: Dete | Enterprising | | |
| Stage 2: Dete | Enterprising ermination of Intrinsic Value | Yes | |
| Stage 2: Dete | Enterprising ermination of Intrinsic Value EPSmg | Yes \$1.42 | |
| Stage 2: Dete | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate | Yes \$1.42 6.80% | |
| Stage 2: Dete | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value | Yes \$1.42 6.80% \$31.36 | |
| Stage 2: Dete | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth | Yes \$1.42 6.80% \$31.36 \$20.58 | |
| Stage 2: Dete | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth | Yes \$1.42 6.80% \$31.36 \$20.58 \$12.06 | |
| - | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth | Yes \$1.42 6.80% \$31.36 \$20.58 | |
| Stage 2: Dete | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth | Yes \$1.42 6.80% \$31.36 \$20.58 \$12.06 22.53% | |
| - | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate | Yes \$1.42 6.80% \$31.36 \$20.58 \$12.06 | |
| - | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price | Yes \$1.42 6.80% \$31.36 \$20.58 \$12.06 22.53% \$76.01 | |
| - | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value | Yes \$1.42 6.80% \$31.36 \$20.58 \$12.06 22.53% \$76.01 242.35% | |
| - | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion | Yes \$1.42 6.80% \$31.36 \$20.58 \$12.06 22.53% \$76.01 242.35% Overvalued | |
| MG Opinion | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion MG Grade | Yes \$1.42 6.80% \$31.36 \$20.58 \$12.06 22.53% \$76.01 242.35% Overvalued | |
| MG Opinion | Enterprising ermination of Intrinsic Value EPSmg MG Growth Estimate MG Value MG Value based on 3% Growth MG Value based on 0% Growth Market Implied Growth Rate Current Price % of Intrinsic Value Opinion | Yes \$1.42 6.80% \$31.36 \$20.58 \$12.06 22.53% \$76.01 242.35% Overvalued | |

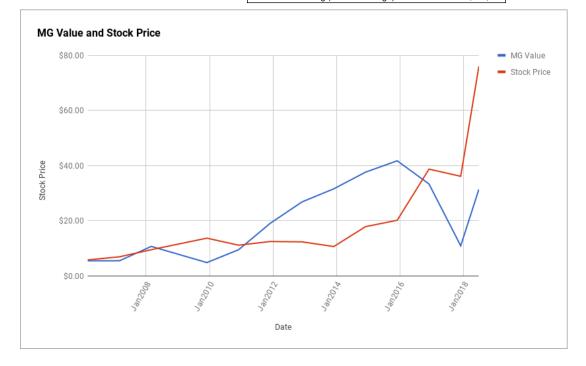
| Graham Number | \$26.51 |
|---|---------|
| PEmg | 53.55 |
| Current Ratio | 2.19 |
| PB Ratio | 5.96 |
| Current Dividend | \$0.30 |
| Dividend Yield | 0.39% |
| Number of Consecutive Years of Dividend | |
| Growth | 8 |

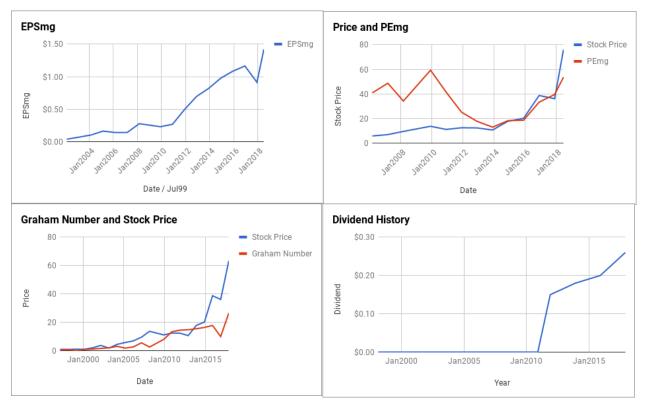
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| EPS History | | EPSmg History | |
|------------------|---------|--------------------------------------|------------------|
| Next Fiscal Year | | | |
| Estimate | \$2.50 | Next Fiscal Year Estimate | \$1.42 |
| Dec2017 | \$0.36 | Dec2017 | \$0.91 |
| Dec2016 | \$1.28 | Dec2016 | \$1.16 |
| Dec2015 | \$1.19 | Dec2015 | \$1.08 |
| Dec2014 | \$1.13 | Dec2014 | \$0.98 |
| Dec2013 | \$0.95 | Dec2013 | \$0.82 |
| Dec2012 | \$1.01 | Dec2012 | \$0.70 |
| Dec2011 | \$0.92 | Dec2011 | \$0.50 |
| Dec2010 | \$0.33 | Dec2010 | \$0.2 |
| Dec2009 | \$0.09 | Dec2009 | \$0.23 |
| Mar2008 | \$0.55 | Mar2008 | \$0.28 |
| Mar2007 | \$0.14 | Mar2007 | \$0.14 |
| Mar2006 | \$0.07 | Mar2006 | \$0.14 |
| Mar2005 | \$0.25 | Mar2005 | \$0.16 |
| Mar2004 | \$0.15 | Mar2004 | \$0.10 |
| Mar2003 | \$0.12 | Mar2003 | \$0.07 |
| Mar2002 | \$0.11 | Mar2002 | \$0.04 |
| Mar2001 | \$0.06 | Balance Sheet Information | 3/1/2018 |
| Mar2000 | -\$0.12 | Total Current Assets | \$6,410,000,000 |
| Mar1999 | \$0.05 | Total Current Liabilities | \$2,927,000,000 |
| Mar1998 | \$0.02 | Long-Term Debt | \$4,392,000,000 |
| | | Total Assets | \$18,397,000,000 |
| | | Intangible Assets | \$10,843,000,000 |
| | | Total Liabilities | \$8,578,000,000 |
| | | Shares Outstanding (Diluted Average) | 770,000,000 |





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

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