

Microsoft's Largest-ever Acquisition: Activision Blizzard for \$68.7 billion

Microsoft surprises the world with its big leap into the gaming industry

Stony Brook, NY: Earlier this year, Microsoft announced its plans to acquire Activision Blizzard for \$95.00 per share, in an all-cash transaction currently valued at \$68.7 billion. In comparison, Microsoft acquired many other companies for a much smaller amount. These companies include LinkedIn for \$26.2 billion, Skype for \$8.5 billion, GitHub for \$7.5 billion, Mojang (Minecraft) for \$2.5 billion and many more. Microsoft's all-cash transaction will be the largest-ever



deal in the history of the gaming industry and will allow them to further transform the company's presence in the gaming industry. Scheduled to complete between July 2022 and July 2023, this transaction will allow Microsoft to become the world's third-largest gaming company by revenue, only behind Tencent and Sony.

Some outcomes of the acquisition include:

- Activision Blizzard games will now be included in Microsoft's video game subscription service, Game Pass
- Microsoft will honor Activision Blizzard's existing contracts with Sony that allow games to be created for PlayStation. However, it is likely that Activision Blizzard games will soon be exclusive to Xbox and PC like other games Microsoft has acquired in the past.
- Activision Blizzard's current CEO Bobby Kotick will continue his tenure and lead his team to further accelerate business growth. Activision Blizzard will report to Microsoft Gaming's CEO Phil Spencer.

What key figures said when asked about the Microsoft-Activision Blizzard acquisition:

- Satya Nadella, chairman and CEO of Microsoft, said "Gaming is the most dynamic and exciting category in entertainment across all platforms today and will play a key role in the development of metaverse platforms."
 - Phil Spencer, CEO of Microsoft Gaming, said "Players everywhere love Activision Blizzard games, and we believe the creative teams have their best work in front of them."
 - Bobby Kotick, CEO of Activision Blizzard, said "The combination of Activision Blizzard's world-class talent and extraordinary franchises with Microsoft's technology, distribution, access to talent, ambitious vision and shared commitment to gaming and inclusion will help ensure our continued success in an increasingly competitive industry."
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Sources:

<https://news.microsoft.com/2022/01/18/microsoft-to-acquire-activision-blizzard-to-bring-the-joy-and-community-of-gaming-to-everyone-across-every-device/>

<https://www.pcgamer.com/heres-everything-thats-happened-since-microsoft-acquired-activision-blizzard/>

Image Source:

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