Microsoft completes $69B Activision Blizzard deal, its biggest merger ever

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It has been a long road since January 2022 when Microsoft first announced its intentions to buy the gaming conglomerate Activision Blizzard King. But after overcoming a Federal Trade Commission lawsuit and appeasing UK antitrust authorities, it's official: Microsoft owns the makers and publishers of *Call of Duty*, *Fallout*, *Overwatch*, *WarCraft*, *Diablo*, *Candy Crush*, and many more titles.

There's even a trailer for it—a trailer for a corporate acquisition. It features iconic moments from Microsoft's prior acquisitions, including *Halo* and *Fallout*, and Activision Blizzard's titles, including a meme-friendly *StarCraft* moment, stripped of its "Hell" preface.

[embedded content]
Microsoft's trailer for purchasing Activision Blizzard.
"Whether it was late nights spent playing the *Diablo IV* campaign with friends from start to finish, gathering the entire family in the rec room for our weekly *Guitar Hero* night, or going on an epic streak in *Candy Crush*, some of my most memorable gaming moments came from experiences their studios have created," said Phil Spencer, CEO of Microsoft

Gaming, in a press release. “It is incredible to welcome such legendary teams to Xbox.”

With this all-cash acquisition, Microsoft is now the third-largest gaming company by revenue, behind Tencent and Sony. The company, whose prior largest acquisition was LinkedIn in 2016, now owns 30 internal game development studios, including the Bethesda group, for which it paid $7.6 billion in 2021. Activision Blizzard has more than 8,500 employees in nine game studios, while its King mobile gaming division is spread across more than a dozen locations.

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While Microsoft originally stated that Activision Blizzard games would become part of its Game Pass subscription package, that won’t happen until at least 2024. Creating a dominant force in game streaming was a major concern for both the FTC and UK regulators. Microsoft worked to lessen these concerns by offering up its games on rival platforms, such as GeForce Now and, in Europe, direct competitor Ubisoft.

Microsoft and Activision also sought to lessen concerns that their titles would become exclusive to Windows and Xbox, with somewhat less success. While Sony grudgingly signed a 10-year deal for *Call of Duty* PlayStation releases, after months of vocal opposition to Microsoft’s deal in the press and courtrooms, nobody particularly believes Activision Blizzard’s games will be platform-agnostic in the future. Microsoft’s Bethesda purchase and its aftermath suggest that same-shop preference can drift over time.

Activision Blizzard CEO Bobby Kotick wrote in an email to employees, published on the company’s website, that “Phil [Spencer] has asked me to stay on as CEO of ABK, reporting to him, and we have agreed that I will do that through the end of 2023.” Many expected Kotick, an embattled figure in recent years, to step away from the company he’s run for 33 years. Now that Microsoft’s acquisition has closed, he will have

roughly $375 million for whatever is next.

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