

Electronic Arts

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Matthew Cost: It's probably good enough to start working on the disclosures. So, everyone, thanks for being here. My name is Matt Cost from Morgan Stanley U.S. Internet team. Thrilled to be joined by Andrew Wilson, the CEO of EA. Thank you so much for being here.

Andrew Wilson: Thanks for having me.

Matthew Cost: I have to quickly go through the disclosures. Please note that all important disclosures, including personal holding disclosures and MS disclosures appear on the Morgan Stanley public website at morganstanley.com/researchdisclosures or at the registration desk.

And with that out of the way. Let's talk about the gaming market and environment right now. I mean, media and entertainment and gaming specifically has been changing a lot over the past couple of years. So, things seem to be picking up pace a little bit in 2024, especially on the mobile side, and we'll get to that later, but maybe zoom out. Walk us through what you're seeing in terms of trends of consumer spending and behavior engagement in the game industry, and how you think EA is positioned to take advantage of that this year?

Andrew Wilson: Yes. I think it's a great question. Let me start by saying, it's an incredible time to be in the entertainment business. Entertainment is a fundamental human need. It's been kind of central to human existence since we sat around in caves throwing bones into circles. And as we've gone through disruptions over the course of time, whether it's a disruption and the nature of content itself, the disruption in the distribution of content or the business model or the consumption of that content, almost every one of those disruptions has landed us in a really positive position where we've broadened the TAM and deepened engagement.

And so, it feels like we're at one of those moments again. And as we look at our business there and we look at the industry broadly, what we're seeing is that young generations, these emerging consumer classes, in Gen Z and Gen Alpha, are choosing games as their first form of entertainment, not their only form, but their first form. And when they choose a game, what they're really saying is, we want to play and we want an expanded definition of play, so the first thing we're seeing is games are getting bigger, and the

nature of what you can do inside of a game is expanding. We want to be able to create content in and around that game, both for inside what goes on in the game and also beyond the bands and kind of a streaming generation. We want to be able to watch that content meaningfully. And if you think about the rise of short-form video on any given day, on any given short form video platform, games is in the top one or two categories of content watched.

And then most importantly, I think we want to use this as a mechanism to form deep connections with our friends and enhance and expand the relationships we have with them. And so, this notion of play, create, watch, connect is at the very center of the expansion -- of the disruptive expansion of what we're seeing in our industry today.

As part of that, we're also seeing a gravitational pull towards the biggest IP. And so, this is something that we've seen in the last couple of years, which is the biggest IP that birth and expand towards the biggest communities are benefiting the most. And for us, that's FC, that's Apex, that's The Sims, that's Madden, it's these incredible, massive online communities where people can actually play, create, watch and connect.

And so, if we kind of take one step further out, then you say, well, what's happening in the broader entertainment business, beyond what we see in games. Well, again, I think as an entertainment industry, what we've been seeing over the last 20, 25 years is the great unbundling of content. And certainly, as we look today, we're seeing a great rebundling of content. It seems we don't go a week without an announcement of some rebundling of content. And as we look at traditional entertainment companies, what we see them as part of this great rebundling is a deep investment in sport and games. And it's really easy to understand why that is in a streaming generation, in a world where, at the moment, what you get is you get one flat fee a month, and you've got rising cost of content production, and you've got incredible churn because there's so much consumer choice, once you bring sport and games into that, well, now all of a sudden, you have broader application across the household. You can charge more for the base product because sports and games generate higher value.

Churn is less of a problem because I want to be with it for an entire sports season. And, oh, by the way, in the games business, our churn is negligible relative to the streaming generation because people play our games 365 days a year. And then not only that, you uncap the upside. So, what we see in our business is almost all of our community comes in and buys upfront, but then we get on average another \$50 or \$60 in live service revenue off the back of that initial purchase.

And so, as part of this great rebundling, what we're seeing is, not only are we seeing traditional content come together, but it's traditional content plus sports plus games. And as we look at that, we find ourselves in an incredibly good position because we sit at the very intersection of sports and games. By virtue of our EA SPORTS brand, we have more sports coverage than any other single brand in the world. And certainly, as a scale producer and distributor and driver of the games ecosystem, we are unmatched.

And so not only do we think we're going to benefit from just this secular trend around what is the evolution of the gaming industry, we actually believe, as we think more broadly towards the future of entertainment itself, we're going to be able to play a very meaningful role and in fact, lead that future of entertainment for Gen Z and Gen Alpha

fans.

Matthew Cost: Got it. And you touched on so much there. So, one thing that you've talked about a lot in recent quarters is your strategic priorities across massive online communities, blockbuster storytelling, harnessing the power of communities, and you referred to a lot of that just now.

I guess, how should we think about the recent restructuring and how that was intended to accelerate those objectives?

Andrew Wilson: Yes. I mean, for us, it was really about focus. And when you look at these secular trends and you see what's happening in the marketplace, which is consumers are looking for content where they can play, create, watch, connect, they're gravitating towards the biggest IP and the biggest communities. This was us saying, okay, we are the great beneficiary of having five or six of the world's biggest gaming communities across FC, across American Football, across Battlefield, Apex, The Sims. And this was us saying, okay, we recognize that we've got some games in the marketplace right now that aren't doing well or aren't going to grow. We recognize that we're developing against some licensed IP that we don't believe can fulfill the needs and motivations of players in the future, let's really -- let's deal with that and double down on our core franchises and our core business and our core communities. And of course, as you get that level of focus in a business that the byproduct, that is also the ability to streamline the broader corporate infrastructure that you have.

And so, when you look at our restructuring, it was about focus. It was about doubling down on our biggest communities. And as part of that, we were able to remove some underperforming games. We're able to move away from development of licensed IP that we didn't think was going to fulfill needs and motivations. And as part of those two moves, we are also able to streamline the operation of the company, and we feel like that puts us in an incredible position to benefit from these macro secular tailwinds we have.

Matthew Cost: Great. I guess within -- with the structural changes and some growing secular tailwinds in the market, how are you thinking about managing the portfolio of your IP for growth going forward? And can you expand a little bit on your recent decisions to prioritize owned IP versus licensed?

Andrew Wilson: Yes. And I think there are two things. Again, we think about our sports businesses owned IP. We made a brand transition for our soccer business last year from what had been FIFA for 30 years to what is now FC. And what that allows is to really establish that as a platform. And now FC is more than a game, it's not simply an interactive soccer game. It is the largest digital fan platform for football fans around the world.

And as we think about that, replicating that across American Football, replicating that across Apex, replicating that across The Sims, across Battlefield when you think about content as a platform, and we really think about, okay, how do you attract more people to the community, will you do that through new and different modalities of play, how do we expand what you can do on the platform, how do we think about how to invite you to create content that expands and enhances the platform, how do we integrate watchers as a meaningful part of that, and how do we allow you to really double down on these meaningful social connections that you have.

And so, you add modalities at play, you start to think about geographic expansion and geographic culturalization, you think about new business models. We've added free-to-play and things like The Sims, which brought in tens of millions of new fans into that incredible ecosystem. And then you start to think about new business models and these types of things. And so as we look at these massive online communities we have, FC, American Football, Battlefield, Apex, The Sims, and you think about those as platforms, [mini verses], if you will, where you play, create, watch, connect across a broad set of modalities, across a broad set of platforms, with real culturalization across the world, and new and interesting business models that allow anyone to come and access that all built on deep social connection, we think this is a driver of meaningful growth for us.

Matthew Cost: Got it. Let's shift gears a little bit and talk about AI, and specifically Generative AI. And it's been a topic for a while. But even this week, at the conference, it's come up quite a bit with respect to the gaming industry. Yes.

So, I think -- help us understand what role AI is playing for EA today. And then how you see the very widely publicized advances in that technology transforming how your business uses AI, how it empowers your game teams and really how it's going to change the game industry.

Andrew Wilson: Yes. And it's incredibly exciting, as I'm sure you all know.

As a company, we're kind of [AI native], right? So, we created AI, that formed the center of our games interaction. We, of course, move from AI that we wrote to machine-learned AI, which was the last phase of AI development, and we watched our games get better. We were able to learn in the marketplace. Player runs inside of Madden changed by virtue of machine learning. And now, of course, we're in the era of Generative AI, which is the most exciting yet, by a fairly wide margin and something that we're embracing deeply.

We think about it on three core vectors; efficiency, expansion, and transformation. So, if you think about efficiency, this is really about how do we make what we do today more efficient. And for anyone who knows about our business, it's an incredibly iterative development cycle, unlike enterprise software development where the button has to -- you either press it or it doesn't. In our world, when you press the button, it has to do what it's supposed to do. It also has to be fun when you press the button. And as a result of that, the development cycle is very iterative and incredibly time consuming, which is why games are now taking six and seven years to build as they've gotten bigger and deeper.

So, the first thing for us is how do we make that more efficient. So, we've done a study across all of the processes of game development. About 60% of all of our development processes have high feasibility to be positively impacted by Generative AI. Now, an example of that might be how we build a stadium. So, we build a stadium in one of our sports games that would typically take us six months. This past year, it took us six weeks. It's not unnatural for us to believe that in the coming years, it will take us six days.

And so, if you just roll that out across every aspect of development, we think there's meaningful efficiency that we could drive. And while we don't have the math on it yet, I would tell you, in the back of my mind, my orientation is how can we use Generative AI

to make us 30% more efficient as a company. How in three years from today could we be 30% more efficient? And I would tell you, part of that is how do we get our people to embrace it. And for creators of games, this is incredibly exciting. The ability to get to the fun faster and get to market faster is the holy grail for them. And so, we see a real embrace happening inside of our company around these things that can help them get to greatness much more quickly.

The second phase, of course, is expansion. So, once you've got a point where you are optimized with your current development processes, what can you use Generative AI to for -- to expand the experience for players. An example that we use from FC 23 to FC 24 was we had 12 run cycles. The path, the way you run in a game. We had 12 run cycles in FC -- in FIFA 23. In FC 24, we have 1,200 run cycles, all done with Generative AI. And you say, well, it's just kind of cool, but how do -- why does that matter?

What we know to be true is every time we add more deep immersion into one of our games, where we expand again, we got to make it bigger, we make it deeper or we make it more immersive, two things happen. One is we attract more people, and two is, we get more engagement out of those people.

And so, the math that we're doing right now is we have 700 million people in our network. We think it's not unreasonable to at least get 50% more people as a result of personalization, culturalization, deeper, more immersive experiences. And we're watching right now how Generative AI impacts monetization on other platforms. And what we're seeing is, where there is real personalized content, bespoke to me and bespoke to my friends, monetization is 10% to 20% greater.

So if you fast forward this over a five-year plus time horizon, you think about where we've gotten to in terms of efficiency, what I would like to believe is 30% more efficient as a company, where we can attract 50% more people into our network, and hopefully, by virtue of the nature of content that we can create through Generative AI, which will be created faster and more personal to every player, that there's 10% to 20% more monetization opportunity to us on an ARPU level.

And then lastly, this is the longer-term plan. For me, this is the most exciting, which is the transformation. And so, what we've seen every time there's been a meaningful technological advancement in media and technology where you are able to democratize an industry and hand it over to the population at large, incredible things happen. And so, the way we think about this is, how do we build these things to be more efficient, how do we build these things to allow us to build bigger, broader, more deep, more personal experiences, and then how do we give that to the world. And once you give that to the world and you have three billion players around the world, creating personal content and expanding and enhancing the universes that we create, and building and creating their own universes on our technology platform, all of a sudden, we are the beneficiaries of platform economics. And for me, that's a multibillion dollar opportunity for us in addition to what we would otherwise get out of our regular growth.

And so, for AI, for us, it's early days. We all know it's early. Every day, we read about some incredible advancement and some incredible mistake that some chat bot has made when you ask it a question. But for us, as a company who basically built our business on AI and have driven through the various incarnations of AI, we find ourselves at Gen AI,

and we're more excited now than we've ever been.

Matthew Cost:

There's a lot there and a lot to look forward to. But I do want to move on to mobile gaming because that's an area -- it's very interesting. It's been a challenging couple of years for the industry for mobile gaming. And it feels like there's some signs of modest improvement so far this year, coming off of that tough couple of years preceding it.

I wonder if you could tell us about your view, EA's view of the current state of the mobile gaming market? And where does that fit into your broader strategy?

Andrew Wilson:

Yes. We're certainly seeing -- we expect mobile to be kind of low single digits growth this coming year. It's been kind of down. We expect HD, the console PC market to be relatively flat. That's kind of what the data would suggest.

And so net-net, there's a ray of sunshine in the mobile business that's been [seemingly] in decline for the last couple of years. As you unpack that a little bit more, though, you discover a few things. That much of that mobile growth is driven by the top six titles, at least in the western market, where we play most. Most of that mobile growth is driven by the top six titles. And of that top six, only two of them launched in the last five years. And so -- and there's a couple of things that you get as you unpack this, and that is, that's still on balance, most mobile games that get built lose money, that to get a successful mobile game, it's taking longer than ever. There's a mobile game in the market now that's doing incredibly well that was in development for seven or eight years. That once you get to launch, there's probably two to three years of very, very aggressive user acquisition cost, and that's exponentially higher than it was as little as five years ago.

But that if you have a breakout title, that you spend the time to develop, you spend the time in the marketplace with user acquisition, losing money for the first couple of years, that if you can reach scale and reach kind of escape velocity, they're incredible businesses. And we see a few of those in the mobile market today, and they're the ones driving that growth that you see.

And so, for us as a company, we say, okay, we've got really two avenues then. One is we have to be very focused on our development. We have a couple of titles in development right now that are mobile native, that we believe have special application to this generation of players. So, Match 3 in casual is the most opportunistic genre right now in mobile. We have a couple of titles in development that we think have the ability to truly break out. We're going to take our time building them. They take time. And then we'll take our time in the marketplace. And we'll probably have to spend meaningfully behind them once they're in the marketplace to ensure escape velocity and reach a level of scale that would deliver profitable growth for many, many years to come.

In addition, we have another benefit, which is mobile as part of an ecosystem. And when you think about mobile as part as FC or mobile as part of American Football or mobile as part of The Sims, the new Sims is being built as a cross-platform native product. And so mobile will be part of that. And so not only do you have mobile as a monetization tool, but you have mobile as a meaningful acquisition tool and a meaningful engagement tool. And what we're seeing broadly is that where you can use mobile that way, one, you have a much higher chance of success. Two, that you use it for what it's really good for, which is getting to more people than any other platform on the planet can. And two, what -- and

three, you get this double multiplier, which is you do get monetization on the platform, but you also get monetization across the broader ecosystem by virtue of engagement. And what we know to be true is if we can get you to engage on more than one platform, as a player, you typically monetize at a 50% higher rate.

And so, for us, we do see mobile growth. I think it's very directed in a small category. We're going to develop against that category. We're going to take our time. We think we have incredible IP with application. And we do believe we have the ability to reach escape velocity with those titles over time. But more importantly, mobile is an ecosystem play across our massive online communities, maybe the most important platform to our company.

Matthew Cost:

Right. So, it's funny, you talk about mobile ecosystem, and it makes me think of FC, where you've had so much success on the mobile side recently. But I want to ask a broader question about FC. I mean, there was a lot of focus from investors last year on the rebrand and on what impact that would have. And I would say it really exceeded people's expectations, just the success and the seamlessness of the shift into the new FC brand.

So, I guess, at this point, now that, that's quite far in the rearview mirror. What are your learnings from that? The things that stand out the most? Isn't there anything that you've taken from that that you think can be applied to other games in the portfolio?

Andrew Wilson:

Yes, and there was a lot of angst. And I would tell you, I had a lot of angst around that rebrand, too. You rebrand one of the biggest entertainment properties in the world after 30 years, it's not for the faint of heart.

We had a few things going for us though. One is we have incredible teams who continue to build the leading interactive sports experience on the planet. Two, we had license partners, more than 300 license partners beyond the naming partner that we had that really rallied behind us. And three, we had a global player community of hundreds of millions of people who understood that, that license partner was just a name, and it was not the absence of the product. And they didn't blink. And so, our team delivered an incredible product and an incredible set of experiences across platforms, geographies and business models. Our license partners rally behind us and our fans didn't blink, and they all showed up and they're playing and enjoying.

I think for us, this really is the embodiment of our strategy. When we talk about massive online communities, when we talk about IP as a platform, when we think about the evolution from a game to a broader fan experience, FC really is that. FC offers you so many different ways to engage in global football. It is the leading way that young fans engage with their favorite sport, their favorite leagues, their favorite teams, their favorite players, and more importantly, interact with their favorite friends as part of that engagement.

As we've build out modalities, as we've built out platforms, as we've built out business models, as we've started to bring more from the real world of sport in all the new deals we did, with LaLiga and the Premier League and others, allow us to bring real-world football content onto the platform to increase engagement across the platform. And what you'll start to see more from us is really further expanding those concentric circles into

the world of football fandom. And our belief is that we can have the world's largest digital football fan platform, probably about a billion fans globally, interacting on a day-to-day basis throughout the season on a global basis.

We take that as a blueprint. This notion of how you really attract the most fans, how do you give me opportunity to play, create, watch, connect across the sport that they love the most or the IP they love the most, we're applying that now to American Football, you'll start to see more of that in the context of both the combination of Madden and College, launching College Football for the first time in over a decade this year. We think this is going to be an incredible addition to the overall American Football fan community in this country. How we do that in a reimagined Sims. How we start to build that into Apex to bring Apex back to growth and certainly for a relaunch of Battlefield in the years to come, how we play out and think about that as a platform.

And so not only was it an incredible rebrand for us, it was actually the blueprint of the future of our company as we think about massive online communities around the biggest IP in the world.

Matthew Cost:

Got it. You mentioned Apex, but let's go there. And I can't help but think back almost exactly five years ago, we had Laura at the conference, and the game had just come out, and we couldn't keep people away from her trying to talk about this franchise and the excitement that it was generating. And there's a big, big audience for that game. And then it's had a tremendous run. And it is a little farther along in its life cycle. You talked about some weakness in the earnings call. So, I guess, tell us a little bit about, from your perspective, where it's been? Where it's going? And what your priorities are for Apex now?

Andrew Wilson:

Yes. I mean, first, Apex is an incredible franchise. And if you look at our industry -- and I don't know the exact math on this, but I can't think of more than two or three new IP that launched in our industry in the last 10 to 15 years that has reached the level that Apex has. It just -- there just hasn't been, like creating new IP is really hard. And in the network world, we've got to convince them to leave an existing community to create a new community, it's harder than it's ever been. And that's what we did with Apex. We've built this incredible IT with an unbelievable world, and incredible characters who tell incredible stories with this wonderful background in [law]. And so, it came out really quickly. We built a community around it. We have a community of hundreds of millions of players. Our retention of the core community is incredibly high. I think it's like 75%-plus. So, when you think about streaming services that are dealing with 40% and 50% churn, we've got a core committee in Apex that has 75% retention over the course of a five-year period. It's an incredible franchise.

But in the growth of franchises, we do see ebbs and flows. And where we've gotten to with Apex is we've got that first cohort of community that have been with us now for five years, and it's big and it's large and it's global and it's deeply engaged as a community. And now, (inaudible), well, how do we get that next five-year cohort and the five-year after that? And what that's really been about for us as a starting point is how do we make the game more new player friendly? It's an incredible game. It's a core game. It is not for the faint of heart, when you come into that. And part of its charm, by the way, and part of why people love it. But job number one for us is how do we make that a little more new player friendly? And that's what you started to see. You started to see that with Season 20

this past season, which is really built around how do we drive more acquisition and more engagement. And I would tell you, the early signs of that have been very promising. We started to see numbers that are more like the numbers that we've seen in -- at the peak.

The next phase then will be, well, how do we think about more modalities at play? How do you expand beyond the traditional Battle Royale universe? And we'll start to see that in the coming year.

The third phase will be, how do we really think about broader culturalization? There are so many markets, particularly in Europe and through Asia that we just haven't broken through yet. There's incredible appetite, there's incredible receptiveness towards the IP, and we just haven't broken through with acquisition engagement and monetization yet.

And so as we think about that on a go-forward basis, as you make it more new user-friendly, as you start to add more things to do in the world, expand the modalities of play and you start to meaningfully culturalize those around the world in markets that we haven't even scratched the surface on yet, we think there's incredible growth for the future.

Matthew Cost:

Another game that you mentioned was the NCAA football game. I think a lot of fans are excited to see that come back after so long. Probably a lot of people at this conference are very excited to see it come back after so long. But what can you share around your expectations for that title? And how do you envision the longer-term opportunity and then how it interacts with Madden?

Andrew Wilson:

I mean, first, if anyone tracks football in this country, the NFL just had record viewership around the Super Bowl and all of the playoff games, like record, record viewership, extraordinary. In a world where it's getting harder and harder to figure out where to go to watch stuff, people found the Super Bowl. What we're also seeing is college football is on fire. And there's been a lot of moves and a lot of puts and takes around college football, and of course, I didn't grow up here and go to a U.S. college, and so I've been watching all this happen, and some people are very excited about this, and some people are very disappointed about what this means for traditional college football. But net-net, college football is on fire. And so, the timing for us, we think, is truly extraordinary.

We're also starting to see more crossover in the community than we ever have. So, when we built college football before, there was very much a college -- an NCAA -- EA SPORTS NCAA community and an EA SPORTS Madden community. What we see today is we see a football community. And this is really -- you should think about it as an American Football platform. And we believe it is both complementary and will drive growth across the business.

We don't have exact expectations to share on college, but here's what I'd say, the team that's building -- is building has been doing it for a number of years. The last time we launched a game was over a decade ago. At that time, regardless of what you may have read, there were not real players in the game. We opened up the portal. We got over 10,000 players sign up for the game in the first week. And I don't have the latest data, but I mean they're signing up every day. We've got -- we wanted a 100-plus kind of brand ambassadors, the very elite amongst college players and we're over 100 signed up. We've got 134 schools. We've got all of the [balls]. This is the most comprehensive college

football game that's ever released at a time where college football is on fire, at a time where college football fans are more connected than they've ever been, and we've got more connection between the NFL fan base and the college fan base.

So, net-net, I think it will be an incredible product for us this year. What I'm more excited about is how do we replicate this FC platform concept across modalities of play, across geography, across business model, across platforms? How do we use college and NFL to do that together to really supercharge that business, here and hopefully, over the course of time, internationally, where the sport is starting to grow.

Matthew Cost:

Right. So, I guess as we head into 2024, obviously, it feels like capital markets are opening up a little bit more. M&A has been an important tool for EA in the past. So, I'm wondering, how should we think about your philosophy, your appetite now in this environment where I think there's a lot of companies -- small companies in the game industry that have struggled? And then even more broadly, if you could just reflect on consolidation in the industry? We've seen a number of big deals recently.

Andrew Wilson:

Yes. I mean, in a network, world scale matters. I mean, that's all you need to know about the driver of consolidation. And that's been true in every major entertainment industry since the beginning of time. They get to a point where you just need more scale.

We're very, very happy with where we sit in the industry right now. Certainly, as we look at traditional entertainment companies, when we look at investors, when we look at sovereign wealth funds, the two things they're investing most in right now is sport and games. And as I said earlier, we sit at the very intersection of those two things. And so, we feel like we're in a very, very uniquely strong position as we look out at the market.

That being said, our scale does matter, and we're always looking for ways to deliver more value to shareholders. And to the extent that we could find teams that would embolden and accelerate our strategy or technology that will embolden or accelerate our strategy or maybe new entertainment types as we see Generative AI start to deliver new things that we don't even know what they are today, to the extent that we can bring those into the Electronic Arts company and drive more meaningful step function growth, we would, of course, look at that.

Matthew Cost:

Great. Maybe we'll close just on a very high level one here. Thinking about how much is uncertain right now. I mean, we've addressed over the course of this conversation. Uncertainty in the mobile markets with some green shoots. PC and console may be at a more mature stage of their development after decades of adoption. What are people missing potentially that you're excited about as you look out over the next three to five years for EA and for the industry?

Andrew Wilson:

Again, I just -- I think that entertainment right now, by virtue of what we're seeing in some of the more traditional entertainment delivery mechanisms, has got people a little apprehensive. And I just come back to foundational principles. Entertainment is a fundamental human need that has been part of the human existence since the beginning of time. And you can go through every -- when we moved out of the caves into the arena, when we went through the arena to the theater, when we went from theater to newspaper, when we went from newspaper the radio, when we went from radio to television, television to the Internet, Internet to video games, video games to the metaverse, every

one of these moments has broadened the TAM, deepened engagement and propelled forward new monetization, new commercial opportunities.

When we look at the future, we see Gen Z and Gen Alpha consumers consuming more entertainment than any generation before them by a wide margin. They're just doing it differently. They're starting with games. They want to create. They want a hand in that entertainment content. Watch is now more short form than long form. But more than anything, connection is the most fundamental thing for them. And what we're seeing amongst our communities is where we offer an expanded opportunity to play, where we invite them to create content in the world and in the universe at a platform level, where we let them take that content and share it with the world as part of short form and sometimes long-form video, but more importantly, where we offer them a mechanism for deep friendship and social connection in a way that traditional social networks can't, the engagement and stickiness is profound. And as we think about this across our biggest franchises, I fast forward on a 10-year time horizon, there's probably going to be a dozen to two dozen massive online communities in the world, built around the world's biggest IP.

I think we, as a company, are going to have five or six of them. And we're investing to be there at that point in time today.

Matthew Cost: A lot of exciting stuff to look forward to. Andrew, thank you so much for being here.

Andrew Wilson: Thanks for having me.