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EA.OQ - Q1 2026 Electronic Arts Inc Earnings Call

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## OVERVIEW:

Company Summary

## CORPORATE PARTICIPANTS

**Andrew Uerkwitz** *Electronic Arts Inc - Vice President - Investor Relations*

**Andrew Wilson** *Electronic Arts Inc - Chairman of the Board, Chief Executive Officer*

**Stuart Canfield** *Electronic Arts Inc - Chief Financial Officer, Executive Vice President*

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**Doug Creutz** *Cowen and Company LLC - Analyst*

**Colin Sebastian** *Robert W. Baird & Co Inc - Senior Research Analyst*

**Eric Handler** *Roth Capital Partners LLC - Analyst*

**James Heaney** *Jefferies LLC - Equity Analyst*

**Mike Hickey** *Benchmark Company LLC - Analyst*

**Eric Sheridan** *Goldman Sachs Group Inc - Analyst*

**Andrew Marok** *Raymond James - Analyst*

**Cory Carpenter** *JPMorgan Chase & Co - Analyst*

## PRESENTATION

### Operator

Good afternoon. My name is Sarah, and I will be your conference operator at this today. At this time, I would like to welcome everyone to the Electronic Arts first-quarter fiscal year 2026 conference call. I would now like to send the conference over to Mr. Andrew Uerkwitz, Vice President, Investor Relations. Please go ahead.

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### Andrew Uerkwitz - *Electronic Arts Inc - Vice President - Investor Relations*

Thank you. Welcome to EA's first-quarter fiscal year 2026 earnings call. With me today are Andrew Wilson, our CEO; and Stuart Canfield, our CFO. Please note that our SEC filings and our earnings release are available at [ir.ea.com](http://ir.ea.com). In addition, we have posted detailed earnings slides to accompany our prepared remarks.

Lastly, after the call, we will post our prepared remarks, an audio replay of this call and a transcript. With regards to our calendar, our second-quarter fiscal year 2026 earnings call is scheduled for October 28, 2025. As a reminder, we post the schedule of upcoming earnings calls for the fiscal year on our IR website.

This presentation and our comments include forward-looking statements regarding future events and the future financial performance of the company. Actual events and results may differ materially from our expectations.

We refer you to our most recent Form 10-Q for a discussion of risks that could cause actual results to differ materially from those discussed today. Electronic Arts makes these statements as of today, July 29, 2025, and disclaims any duty to update them.

During this call, the financial metrics, with the exception of free cash flow and non-GAAP operating margin, will be presented on a GAAP basis. All comparisons made in the course of this call are against the same period in the prior year unless otherwise stated. Now, I'll turn the call over to Andrew Wilson.

**Andrew Wilson** - *Electronic Arts Inc - Chairman of the Board, Chief Executive Officer*

Good afternoon everyone and thank you for joining us. I want to start by acknowledging the incredible creativity, dedication, and drive of our global teams. Thanks to their outstanding work, we delivered a strong first quarter to start FY26, landing above the high end of our guidance.

This quarter's performance highlights EA's unique position in the industry, the immense creativity of our teams, unmatched production capabilities, world class IP, and the breadth of our global player network. These differentiators power execution strength across geographies, platforms, genres, and business models as we continue to demonstrate the durability and momentum of our business.

When we look at our portfolio of massive (technical difficulty) communities from Global Football to American Football to The Sims, we are seeing our core communities of players more deeply engaged and staying with us for longer. This is the result of deliberate sustained focus. Years of commitment to our biggest opportunities are now compounding as we scale our communities and expand our reach.

Looking ahead, we are entering the most exciting release cycle in EA's history, scaling our massive online communities and pushing the boundaries of interactive entertainment. This year brings the highly anticipated launch of Battlefield 6 and continued innovation across EA Sports with FC, Madden NFL, and NHL. We will continue to expand The Sims iconic franchise and launch skate as the foundation of a new creator-driven platform rooted in street culture.

Today, EA is delivering incredible games and experiences that set us apart. And looking ahead, I couldn't be more excited as our teams continue to shape the future of interactive entertainment.

Now let me walk you through our first quarter. Our EA Sports business continues to be a pillar of strength, fueled by innovation, authenticity, and deep fan connection. In Global Football, player engagement remains strong, with net bookings up year over year, with FC Online up double digits and FC Mobile having a record quarter.

Community events like Team of the Season, Immortals, and Shapeshifters created high-impact engagement across HD and mobile. FC Mobile led engagement with over 50 million installs and DAU growth year over year, underscoring our ability to scale live content effectively and grow globally across platforms.

A highlight this quarter was the integration of select matches from Apple's MLS Season Pass into FC Mobile, bridging a real-world football with interactive entertainment. This success across Global Football is an ongoing result of our focus of listening and responding to our players.

As we turn to FC 26, we are leaning into this community-centric approach as a key driver of the title's pre-launch campaign. This approach been well received by our core player base, and early indicators are very positive leading up to a worldwide launch on September 26.

Our FC strategy is the blueprint for building and growing massive online communities across our EA Sports franchises and beyond. By seamlessly integrating content across console, PC, and mobile, we're not only engaging core players but also scaling to new geographies and fan bases. It's grounded in expanding how fans play, create, watch, and connect, bringing them closer to the sports they love through deeply immersive, socially driven experiences.

Building on our collaboration with Apple through F1 The Movie, we merged cinematic content with our interactive F1 experience. This partnership amplified excitement and extended the reach of EA Sports F1 25. Coupled with innovative gameplay advancements from refined physics and handling to an enhanced career mode, the title delivered a 27% year-over-year increase in net bookings.

Our partnerships in both FC and F1 offered fans new ways to connect with these global sports, strengthening cultural relevance, deepening emotional connection, and showcasing how the fusion of real-world sports action, blockbuster storytelling, and immersive gameplay drives growth and engagement.

In Q1, our American football ecosystem continued to demonstrate strength with sustained engagement and year-round momentum across Madden NFL and College Football. Building on that foundation, the high-quality launch of College Football 26 marked an exciting next step, earning strong

reviews and enthusiastic reception from the community while delivering authenticity, immersion, and innovative gameplay to a passionate community of players.

Following an extraordinary 2025 title reintroduction fueled by a decade of pent-up demand, we expect College Football to settle into a more normal demand curve while establishing its place as a core franchise in our portfolio and across the industry. While it's early, College Football 26 is delivering strong competitive cohort retention. As a result, we are seeing deeper engagement in Ultimate Team versus prior year life-to-date.

This momentum sets the stage for the next Madden NFL launching worldwide August 14, powered by a new AI-driven system trained on NFL game data. Madden NFL 26 delivers adaptive QB and coaching strategies, enhanced gameplay through an expanded physics engine, and deeper, more authentic experiences across fan-favorite modes and stadium atmospheres. As the real-world seasons start, we will continue to build a connected year-round experience that celebrates the full spectrum of American football fandom.

Our long-term partnerships across our College, NFL, FC, F1, UFC, and NHL franchises are some of the most valuable in sports entertainment, and we're continuing to unlock their ever-growing potential. These iconic sports look to EA SPORTS to more deeply and directly connect fans with their favorite teams and athletes through new ways to play, create, watch, and connect across our experiences.

Whether it's bringing real-world content into our games, amplifying highlights through creator tools, or building new social touchpoints around the biggest moments in sport, these partnerships are our powerful engine for deeper engagement and cultural connection.

EA SPORTS' growth doesn't just reflect the world of sports, it's helping to shape it. Through mobile expansion, creative tools, and deepening fandom, we are building massive online communities across what we believe will become the most valuable sports business in the world.

Beyond sports, our broader entertainment portfolio remains a key growth driver for EA, driven by blockbuster IP, creative excellence, and vibrant communities. Apex Legends performed well across the quarter. Q1 saw sequential growth and engagement driven by strong player retention.

The current season, Prodigy, also marked a notable rise in player satisfaction driven in part by the positive reception of new Legend Sparrow, whose popularity spans all skill levels across the community. We expect momentum to continue as the team operates with agility and focus on what matters most to the community, evolving gameplay, listening to players, and strengthening the core experience that defines Apex as a best-in-class live service.

Our next season, Apex Legends: Showdown, is launching next week with an all-new way to play. Looking ahead, we remain firmly on track to launch Skate and Battlefield 6 this year.

We've reached over a million registered players for the Skate playtest as we prepare for launch. Following the incredible player response to the Battlefield 6 reveal trailer last week, we are just days away from ushering in a new era for the franchise.

This Thursday, fans can tune in live for a massive multiplayer showcase, our most ambitious reveal yet, featuring epic maps and modes and a behind-the-scenes look with developers. Immediately following, top content creators around the world will stream the first-ever Battlefield 6 gameplay from live events in Los Angeles, Berlin, Paris, and London, with a special event in Hong Kong the following weekend.

Battlefield 6 has been built to supercharge a passionate community and ignite a new generation of fans. From day one, we've been deeply focused on delivering the experience players have been asking for, iconic all-out warfare, innovative destruction, unmatched scale, and more.

With the global launch ahead, Battlefield 6 is poised to become a cornerstone of our vision for dynamic, continually expanding experiences where community engagement shapes the future of play. Our company vision and strategy is in full flight, focused, dynamic, and built for scale.

We're delivering across our first strategic pillar of building massive online communities, Global Football and American Football, blockbuster shooters, and creator-powered ecosystems. These aren't just growth areas. They are massive online communities at scale, powering our business today and

accelerating our ambition to build in, around, and beyond our games. This is EA, connected, creator-led, and defining the future of interactive entertainment. With that, I'll turn it over to Stuart for a closer look at our financial performance.

**Stuart Canfield** - *Electronic Arts Inc - Chief Financial Officer, Executive Vice President*

Thanks Andrew, and good afternoon, everyone. We delivered a great start to FY26 with Q1 results ahead of our expectations. Our outperformance reflects continued execution across our portfolio, highlighted by our Global Football, Star Wars, and Apex Legends franchises. With strong momentum and a compelling slate of upcoming launches, we are well positioned to deliver against our FY26 outlook and long-term margin framework.

In Q1, we delivered net bookings of \$1.3 billion, up 3%, exceeding the high end of our guidance range. We saw strong contributions from Split Fiction and Global Football and better-than-expected performance from catalog and Apex Legends.

Full game net bookings were \$214 million, up 27%, led by ongoing momentum from Split Fiction and a resurgence in Star Wars Battlefront II. Live services net bookings were \$1.08 billion, down 1%. Excluding Apex Legends, whose impact was 2 points better than we'd originally expected, live services grew in the low single digits, underscoring the resilience and ongoing growth of our core franchises led by Global Football.

Now, turning to key franchise performances in the quarter. Global Football grew net bookings mid-single digits year over year with Q4 momentum carrying into the quarter. Results exceeded our expectations, highlighted by healthy engagement through live events and new player mechanics. Our teams continue to evolve the experiences in our largest franchise through new features, community-focused content, and offerings like Premium Pass as we deliver long-term value for our players.

FC Mobile outperformed expectations again this quarter, with localized campaigns and growing web store adoption, fueling momentum through our Team of the Season event. As Andrew noted, FC Mobile continues to expand our reach across new geographies while driving feature innovation and deeper engagement.

For example, in Q1, we began work to unify Southeast Asia under a single SKU, streamlining operations while advancing our strategy to deliver hyperlocalized content at scale. As we look across Global Football, with growth across HD, FC Mobile, and FC Online, we are confident in our ability to drive durable growth in our largest franchise.

Apex Legends delivered encouraging momentum in Q1. Net bookings were flat sequentially, driven by strong operational execution, content innovation, and the successful introduction of Legend Locker. Engagement trends improved significantly, fueled by strong retention, particularly among new and casual players, establishing a solid foundation for Q2 and the upcoming Season 26.

Moving to our GAAP results, we delivered net revenue of \$1.67 billion, up 1%. The cost of revenue was \$279 million, resulting in a gross margin of 83.3%, down 90 basis points due to strong performance from royalty-bearing titles such as Split Fiction.

Operating expenses were \$1.12 billion, up 9%, primarily driven by increased people costs as we make focused strategic investments to fuel our growth priorities and near-term launches. As a result, earnings per share was \$0.79.

For Q1, operating cash flow was \$17 million. On a trailing twelve-month basis, it was \$1.98 billion and free cash flow was \$1.75 billion. We returned \$423 million to shareholders during the quarter through buybacks and dividends. Please see our earnings slides for further cash flow information.

Now, let me walk through outlook. We're building on a solid foundation from Q1, carrying positive momentum into Q2. We are well positioned for an exciting back half of FY26, which is underpinned by upcoming launches within EA SPORTS and growing anticipation around Battlefield 6.

For Q2, we expect net bookings to be \$1.8 billion to \$1.9 billion, down 13% to down 9%. This includes a 4-point headwind related to phasing of the EA SPORTS FC Deluxe Edition content, which will largely be recognized in Q3. Our deliberate change in approach is part of our community-centric strategy to deliver more value for players over a longer period of time.

Additionally, our guidance assumes the following. First, last year's launch of EA SPORTS College Football 25 delivered an exceptionally strong quarter that reflected pent-up demand for the fan-favorite franchise. This drove an atypical phasing of net bookings with around 50% of units sold occurring in the first week.

This year, we're approaching the title with a more normalized demand curve, similar to our broader sports titles' historical patterns, leading to a tougher comp for frontline sales. While it's still early, we're encouraged by strong retention, positive player sentiment, and healthy live service performance.

As a result, we expect College Football full game sales to be a headwind in the quarter, partially offset by the growth of Madden NFL 26. Putting it all together, we expect the American football ecosystem to be an 8-point headwind year over year for the quarter, with the ecosystem returning to growth in the second half of the fiscal year.

Second, with FC 26, we've applied key learnings from last year and sharpened our focus on driving deeper engagement and value for our core community. Early sentiment has been encouraging, reflecting strong alignment with our community. With the title launching the last week in the quarter, we remain appropriately measured in our near-term assumptions.

Third, in the remainder of our portfolio, we expect the momentum we saw in Q1 to continue, including for Apex Legends and catalog. And finally, if rates remain unchanged, we expect a 1-point tailwind from FX.

Starting to GAAP, we expect net revenue of \$1.75 billion to \$1.85 billion, cost of revenue to be \$430 million to \$450 million, and operating expenses of approximately \$1.215 billion to \$1.235 billion, up 3% to up 4%. Year-over-year increases in operating expenses are primarily driven by marketing related to upcoming launches, notably Battlefield 6. We expect earnings per share of \$0.29 to \$0.46.

To close, we're encouraged by the strong start to the fiscal year, with Q1 results demonstrating focused execution and the strength of our diverse, resilient IP portfolio. Looking ahead, we're building on this momentum with a robust slate of upcoming releases, Madden NFL 26, FC 26, NHL 26, Skate, and Battlefield 6. That positions us well to deepen player engagement, expand our audience, and deliver our fiscal year guidance, which remains unchanged.

We continue to take a disciplined approach to capital allocation, prioritizing investment behind our largest franchises. At the same time, we're making progress against our long-term financial framework, expanding scale, improving operating leverage, and laying the foundation for durable multi-year growth. Now, I'll hand the call back to Andrew.

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**Andrew Wilson** - *Electronic Arts Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Stuart. I want to reiterate how energized I am by the progress we're making and the opportunities that lie ahead. Our momentum is the result of years of intentional investment and focused execution across our massive online communities in Global Football, American Football, Battlefield, and The Sims.

As we look forward, we are just beginning to unlock the full potential of our strategy. We're expanding our approach to blockbuster storytelling, building bigger worlds and deeper character-driven experiences that connect players to our IP in powerful new ways, and we're innovating around community beyond the bounds of play by launching new tools and platforms that amplify user-generated experiences, social connection, and participation in the broader fandom of our games.

We're shaping what comes next, where play, create, watch, and connect converge in more immersive, interactive, and transformative ways than ever before. This is the future of entertainment, and EA is leading the way. Now Stuart and I are here for your questions.

**Andrew Uerkwitz** - *Electronic Arts Inc - Vice President - Investor Relations*

Thanks Andrew. We will take one question, and one follow up from each analyst. With that, Sarah, we are now ready for our first question.

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## QUESTIONS AND ANSWERS

**Operator**

(Operator Instructions) Doug Creutz, TD Cowen.

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**Doug Creutz** - *Cowen and Company LLC - Analyst*

Hey, thank you. Hey, thank you. I just wondered if you could talk about your thoughts about full game pricing. Nintendo has put an \$80 price point out there. Microsoft did, but then they've pulled it back. And presumably that does impact how they're going to price Call of Duty this fall. So when you think about your games, in particular Battlefield, where do you see yourself landing in terms of the \$70 versus the \$80 price point? Thanks.

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**Andrew Wilson** - *Electronic Arts Inc - Chairman of the Board, Chief Executive Officer*

So, I'll start and I'll let Stuart kind of lean into that a little bit more. We're not looking to make any changes on pricing at this stage, but that's in the construct of -- we already offer a fairly broad pricing scheme across our various products. When you think about everything from free-to-play through to our premium products and our deluxe editions, our orientation is always to capture the full spectrum of pricing so that we can serve players in the best way possible and offer them the greatest value. We'll continue to look at opportunities to deliver great value to our players through various pricing schemes over the course of time, but no dramatic changes planned yet.

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**Stuart Canfield** - *Electronic Arts Inc - Chief Financial Officer, Executive Vice President*

And Doug, just to kind of wrap that, we haven't factored in any different approach in pricing through the current fiscal year and current guidance. And given the size of our live service, we continue to be very focused on LTV for us across our player base and to Andrew's point, operating through a wide spectrum of pricing, but no change in our guidance for '26 at this point.

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**Doug Creutz** - *Cowen and Company LLC - Analyst*

Great. Thank you.

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**Operator**

Colin Sebastian, Baird.

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**Colin Sebastian** - *Robert W. Baird & Co Inc - Senior Research Analyst*

Thanks. Good afternoon, everybody. Really good to hear about the Apex improvements, I guess. First off, I was curious what live services growth was in the quarter excluding Apex. Sorry if I missed that earlier. And then thinking about the healthier trends you're seeing across the portfolio. And with some of the positive feedback we're hearing on Battlefield gameplay and the strong interest in Skate trials, are your expectations for those newer releases changing at all as you work through the year? Thank you.

**Stuart Canfield** - *Electronic Arts Inc - Chief Financial Officer, Executive Vice President*

Well, I'll quickly tackle the first one. On the Apex, we had a low single-digit growth on live service outside of Apex. I just want to kind of walk back a little bit to Apex and reiterate that obviously we set out this year with a meaningful assumption of headwinds. We also improved that by 2 points inside the quarter.

We've actually shifted that through Q2 as well as we continue to look for momentum. And you would expect that that original 5 points we talked to was really H1 loaded with improving comps as we get through the back half of the year. So in effect, we've accelerated improvement right through H1. And as we think about the rest of the year, we're well positioned on Apex.

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**Operator**

Eric Handler, ROTH Capital Partners.

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**Eric Handler** - *Roth Capital Partners LLC - Analyst*

Good afternoon. You gave some really good color about -- with FC, with mobile and online. Wondered if you could talk a little bit about the cohort spending and how that's progressed with the Ultimate Team.

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**Stuart Canfield** - *Electronic Arts Inc - Chief Financial Officer, Executive Vice President*

In terms of cohort spending on FC, we continue to be focused heading into '26. We saw a strong pickup inside of Q1 with the key cohorts that we built out from back into Q4. As you think about '26, we continue to see the ability for us to lean into those cohorts to be in different modes to play, but also more importantly, as we continue to expand the user base across the franchise.

We think about things like Rush. We've tried different ways to integrate value for players through things like Premium Pass. And as we look to think through both FC Online and Mobile to continue to drive greater reach across the product from a global perspective.

So continuing to see strong engagement, strong retention through the core cohorts, seeing that continue through Q1. Obviously, it's been a core and critical focus for us as we start to bring forth enhancements around the game as we head into FY26 and take the learnings from last year.

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**Eric Handler** - *Roth Capital Partners LLC - Analyst*

That's helpful Stuart. Thanks. Just as a follow-up, you did -- the full-year guidance is unchanged. However, for your bookings in constant currency terms, it's now 102 basis points lower. Now there's always some puts and takes, but I wonder if there was anything that you know you could point to for that differential.

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**Stuart Canfield** - *Electronic Arts Inc - Chief Financial Officer, Executive Vice President*

No, I mean, obviously, if you remember back when we originally set the guidance, we were in a position where FX was a 1-point headwind. So we've obviously seen, albeit at first quarter and a relatively small part of the fiscal year, and at this point haven't changed or rolled through that FX, obviously being incredibly volatile.

We also did put inside the script, if we did see FX rates continue to stay as they are unchanged through the rest of the fiscal year, that will continue to drive tailwinds for us on the way through. So difficult to call at this point. We had small FX tailwinds inside Q1, but it would be a more meaningful shift for us now. We're H2 loaded by virtue of our revenue scale this year. So tailwinds to come should the rates stay the same and obviously shifted from a 1-point headwind in our original guide.

**Operator**

James Heaney, Jefferies.

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**James Heaney** - Jefferies LLC - Equity Analyst

Great, thanks for the question. Andrew, could you just talk about the marketing strategy for Battlefield and how it differs from prior versions of the game? And then Stuart, on the same topic, could you just talk about how you're thinking about the timing and the magnitude of that marketing investment? Thank you.

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**Andrew Wilson** - Electronic Arts Inc - Chairman of the Board, Chief Executive Officer

Yeah, great question. Thank you. Certainly you're going to see a lot more in a couple of days. We've been investing more behind this Battlefield than any Battlefield product before it. And really the big reason for that is this isn't just a product, we're really building out Battlefield as a platform. And you'll hear a lot more about this in just two days' time and you'll see a lot more about it in two days' time. And all will become more clear about the nature of our investment over the last four years with four studios building against this launch to date.

As we've thought about marketing the product, again, we're going to get right behind it. We're all in as a company on it. You may have seen the release trailer just a week or so ago. That was very well received.

Of course, it's just a release trailer. Most of our gamers are sitting there waiting for the big reveal that comes in a couple of days. We have hundreds of creators and influencers flying into LA and to destinations around the world. They'll spend all day with the product tomorrow, and they'll begin streaming that product out to their fan bases on Thursday.

And we're really excited about that because in addition to the various pieces of the overall experience that players have been seeing as part of Battlefield Labs, which again was a very new way for us to really gain alignment with the community around the development of this product, this platform, this will be the first time people really see the true scale of what we've been building and get sneak peeks at what's to come.

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**Stuart Canfield** - Electronic Arts Inc - Chief Financial Officer, Executive Vice President

And with regards to timing around the investment, you should expect from the last full-year guidance range, we said our OpEx growth was predominantly driven by investment in new launches, in particular around Battlefield.

When you think about the phasing and how that plays, you'll notice that in the Q2 quarter, we're up over mid-single digits on OpEx, which is predominantly driven by -- starting to build out the go-to-market campaign, increased investment and resourcing as you bring the title close to commercial launch, the Battlefield Labs event, and even the event that Andrew just referenced coming up in two days' time.

So more front-loaded into Q2. We'll continue to see investment into Q3 and beyond as we start to outline more around the product in the coming days.

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**Operator**

Mike Hickey, The Benchmark Company.

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**Mike Hickey** - Benchmark Company LLC - Analyst

Congrats guys on a strong quarter. Thanks for taking our questions. Just two quick ones. I'm curious how you're thinking about the competitive setup this year between Battlefield and Call of Duty. Obviously, there's the rumored October 10 release date, which looks like it's very well positioned, if true, but just sort of curious.

How you're thinking about the competitive profile overall? And then, I guess similar in tone, curious about this new Rematch game, Andrew, came out about a month ago. I think it did about 5 million units. Obviously, it's more casual-focused, not a simulation. But do you think that there's any competitive pressure here potentially on your EA SPORTS FC release at the end of September? Thanks, guys.

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**Andrew Wilson** - Electronic Arts Inc - Chairman of the Board, Chief Executive Officer

Yeah, great questions on both. First, we feel very good about the competitive slate relative to Battlefield this year. Certainly, we believe that the game we've built and all the modes around it are very in line with fan expectations around the world, both existing Battlefield fans and new-to-the-franchise fans that we're seeing coming in based on trailer views and what we expect to come through based on our release event in the next couple of days.

So we've spent a lot of time and a lot of energy ensuring that this Battlefield is the Battlefield that the community expects, and then some. And so given that, relative to what we're seeing in the marketplace, we feel very, very good about our launch window. And again, shameless plug. Just two days from now you'll hear all about it. So please tune in.

As it relates to Rematch, relative to FC, I would tell you, like every great sports team, we love competition. We come to work every day to compete. That's been true for all of our games, especially our sports games, for the best part of 30 or 40 years.

I think competition makes us better. We're always watching what the competition does. We're always evaluating where there are new needs being met for new players. And we're always looking to work that into the offerings that we have for players.

When I think about what we do in FC across the magnitude of licenses that we have, the reach of geographies that we operate the game in, the platforms, the business models, the modes; I feel very good about our competitive ability in the context of soccer.

We never rest on our laurels. We never sit back with arrogance and pretend we don't have to be thoughtful about what's going on in the marketplace and what new players might want out of the next football experience that they want to play. But net-net, I think we have the greatest football creation team on the planet. And I'm encouraged not just by what they're building this year.

And certainly, the demand metrics around FC 26 are very strong, as I said in the prepared remarks. But I'm equally as excited about what they're building in years to come as we think about an upcoming World Cup and the many new social platform features that we've teased in past conversations.

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**Mike Hickey** - Benchmark Company LLC - Analyst

Thanks, guys. Good luck.

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**Operator**

Eric Sheridan, Goldman Sachs.

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**Eric Sheridan** - *Goldman Sachs Group Inc - Analyst*

Thanks so much for taking the questions. Maybe just two on American football. What has been the consumer receptivity this year to sort of bundling the products together between Madden [NFL and EA], and how that might arc as a theme to go to market over the long term based on what you might be seeing this year?

And then in terms of the global scope for the Madden game, you talked a fair bit about that last year during the NFL season as there was more global attention on the game and there's more games being played overseas this year. How do you think about the potential for Madden to be more of a global franchise over time? Thanks so much.

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**Andrew Wilson** - *Electronic Arts Inc - Chairman of the Board, Chief Executive Officer*

Yeah, great question. You know what we've been talking about since the launch of College Football last year is that we really truly believe this is an American football ecosystem. As we look at the sports broadly, the NFL continues to be 90%-plus of the highest-rated broadcasts in this country.

College football continues to grow and certainly as it becomes more professional in nature, the expectation is that fandom will continue to grow and the product itself will continue to improve and really take its place alongside the NFL. As we think about our college football product, our NFL product, and all of the things that we do in between those two things, we believe it will act as a multiplier effect.

As a brand, EA SPORTS has had the benefit of nearly 40 years of working symbiotically with sports to both help grow the sport and have the sport help grow our business. And we feel very good about how that will work in the context of NFL and our college property.

One part of that, of course, is the dual purchase of those two products. It was very successful last year. We expect it will continue to be well received by our fan base this year. But as we think medium term to longer term, we have a vision to do significantly more in the context of connecting those two experiences and really harnessing the full power of football fandom.

And again, in the same way we have teased with FC. We've also teased this in the context of American football of this broader social ecosystem where you can come not just to compete, not just to collaborate, but also to celebrate your fandom.

And so as we look over the medium to long term, we believe there's incredible growth opportunity in the American football ecosystem broadly, almost certainly in this country, but also as we see the NFL doing more and more internationally.

Having just returned from Australia and having all of my friends ask me about NFL, I can testify that yes, the fandom around the world is truly growing. In the same way we've seen growth of FC in North America as the sport's grown here. You remember in the last World Cup, North American sales grew 50%. I actually expect that we should start to see, over the course of time, growth in demand around the Madden product in particular and perhaps also the college product internationally.

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**Eric Sheridan** - *Goldman Sachs Group Inc - Analyst*

Thank you.

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**Operator**

Andrew Marok, Raymond James.

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**Andrew Marok** - *Raymond James - Analyst*

Thank you for taking my question. Maybe in a similar vein to the last question. Now that you've had more than a full cycle to collect the data, how distinct are the player bases between College Football and Madden? And how important is it to kind of keep them as distinct-feeling experiences when someone actually plays the game?

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**Andrew Wilson** - *Electronic Arts Inc - Chairman of the Board, Chief Executive Officer*

I'd like to say the fan bases are hundreds of millions strong, but what we do know is there's meaningful crossover. But there is real expectation of differentiation between the two experiences. And if you read any of the feedback that we're getting on the launch of College Football this year, it's being recognized that how we are manifesting the individuality of what College Football is and all the pageantry and what happens across 150 schools and the various playbooks that are used in College Football relative to the NFL. And then what -- the spectacle of what the NFL brings in the context of Madden.

So I think that even as we continue to build experiences that are more deeply connected and offer fans an opportunity to engage deeply in both, we will always maintain the differentiation between what is the core experience, not just on what happens on the field, but the essence of what the sport delivers to fans.

And that will almost always be a little different amongst college and the NFL. But our belief is that in the context of the two games that we make and all of the social features and ecosystem we build around it, that we can both capture that individuality and meet the needs of players across the two franchises.

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**Andrew Marok** - *Raymond James - Analyst*

Great, thank you. Maybe just a quick follow-up there. We saw some of the reports earlier in the month about a potential return to college basketball. So I guess in the context of your undeniable success with College Football so far, how are you viewing the broader basketball ecosystem as an opportunity, since you haven't had a pro game in a few years? Thank you.

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**Andrew Wilson** - *Electronic Arts Inc - Chairman of the Board, Chief Executive Officer*

Yeah, great question. We can't say too much about it yet, but if I think about the opportunity, going back to where we are in College Football, college sports are some of the most vibrant fan bases in the world. And that trickles over to basketball.

Certainly, we're seeing momentum of fandom in college basketball also continue to grow. Fans, athletes, universities pour their passion into these sports. And it is that passion that makes them special. It's what makes the games different, for the first part of your question.

But with that comes high expectations and a demand for deeply authentic experiences, capturing the action on the field or the court, representing the energy, pageantry, the traditions, and celebrating unique sights and sounds and stories of every school and rivalry.

We feel like we deliver that incredibly well with College Football. A 140 schools represented the bowls, the playoffs, the trophies. I think the groundbreaking NIL program that we were able to activate, ensuring more than 11,000 student-athletes could be included and compensated in the game. It's a great representation of how we think about college sports.

We'd love to do the same for basketball all 350 programs, men's and women's teams, the iconic traditions and rivalries, and of course March Madness. So for us, college sports broadly is an exciting opportunity. We feel like we've done a really strong job and are going to remain committed to doing that in the context of College Football.

We believe that with what we've done with the teams, the technology, and our commitment around College Football, we'd have a great ability to do the same for college basketball. And as we look to try and activate against that opportunity, we'll be able to share more.

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**Andrew Marok** - *Raymond James - Analyst*

Great, thank you.

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**Operator**

Corey Carpenter, JPMorgan.

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**Cory Carpenter** - *JPMorgan Chase & Co - Analyst*

Good afternoon. Thanks for the question. There's been some significant changes to App Store economics following the Apple-Epic ruling a few months ago. Curious, does this change your thinking at all around the mobile opportunity or perhaps open up new ways for you to engage with players on the mobile platform? And perhaps related to that, any update you can provide on the EA SPORTS app would be helpful. Thank you.

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**Andrew Wilson** - *Electronic Arts Inc - Chairman of the Board, Chief Executive Officer*

Yeah, there have been some real changes. Our orientation has always been to meet fans where they are. That has meant that we've delivered experiences on console, on PC, and on mobile. It's meant that we've delivered monetization for those experiences through both third-party and our own stores.

As we think about these emerging opportunities, we're going to continue to meet fans where they are. And to the extent that we can offer fans extraordinary experiences and remove the friction for them to invest in that, we will do so. But not to the detriment of the fan experience.

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**Stuart Canfield** - *Electronic Arts Inc - Chief Financial Officer, Executive Vice President*

Encourage that a little bit onto that, obviously we don't yet break out the contributions, but I think what you heard us start to say, and to Andrew's point a second ago, is we want to continue to make sure that we create a frictionless experience, obviously meeting players certainly by territory and countries.

And we've noted before that four of the top five territories in mobile are completely distinct and different from the HD properties. And by virtue of the infrastructure from an economic perspective in those countries where web stores are applicable for us in particular, or different bespoke ways for us to reach those players and create a frictionless funding mechanic, we'll obviously try and drive that.

It will naturally have a greater contribution to us on overall profitability. And you started to see us within FC be far more expansive in this approach and to great success thus far. But again, back to Andrew's point, we'll continue to make sure that it's the right experience and the right platform mechanic for us to monetize. So obviously, we'll look for that opportunity as we continue to expand globally.

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**Andrew Wilson** - *Electronic Arts Inc - Chairman of the Board, Chief Executive Officer*

Okay, well thank you everyone for joining us and for your thoughtful questions. We've had a great start to FY26 and we're seeing real strength across the portfolio as we execute against our strategy that's delivering momentum as we go into the rest of the year.

I'd also like to say, please tune in in two days to see our Battlefield reveal. I know you have many questions. A great many of those will be answered, and you may leave with some more questions. But almost all of them, I hope, will be positive in nature. So thank you very much, and we will see you next quarter.

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**Operator**

That concludes today's meeting. Thank you all for joining. You may now disconnect.

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