

Electronic Arts Reports Q1 FY26 Results



*EA Delivers Strong Q1 with Broad-Based Portfolio Performance;
New Battlefield 6 Reveal Just Days Away*

REDWOOD CITY, CA – July 29, 2025 – (NASDAQ: EA) today announced preliminary financial results for its first quarter ended June 30, 2025.

“We delivered a strong start to FY26, outperforming expectations ahead of what will be the most exciting launch slate in EA’s history,” said Andrew Wilson, CEO of Electronic Arts. “From deepening player engagement in EA SPORTS to gearing up for Battlefield 6 and skate., we’re scaling our global communities and continuing to shape the future of interactive entertainment.”

“We exceeded the high end of our guidance in Q1 highlighting the resilience of our live services and the breadth of our portfolio,” said Stuart Canfield, CFO of Electronic Arts. “With strong fundamentals and a robust pipeline ahead, we remain confident in our full-year guidance and long-term margin framework.”

Selected Operating Highlights and Metrics

- Net bookings¹ for the quarter totaled \$1.298 billion, exceeding the high end of the guidance range of \$1.275 billion.
- Q1 performance saw better-than-expected contributions from many areas in our portfolio, including EA SPORTS, Apex Legends, and catalog.
- Global Football delivered year-over-year growth in net bookings, highlighted by a record quarter in FC Mobile net bookings.
- EA SPORTS F1 25 delivered strong year-over-year net bookings growth, supported by an enhanced gameplay experience, including real-world integration with “*F1 The Movie*”.

Selected Financial Highlights and Metrics

- Net revenue was \$1.671 billion for the quarter.
- Net cash provided by operating activities was \$17 million for the quarter and \$1.976 billion for the trailing twelve months.
- EA repurchased 3.0 million shares for \$375 million during the quarter, bringing the total for the trailing twelve months to 17.8 million shares for \$2.500 billion.

Dividend

EA has declared a quarterly cash dividend of \$0.19 per share of the Company’s common stock. The dividend is payable on September 17, 2025 to stockholders of record as of the close of business on August 27, 2025.

Business Outlook as of July 29, 2025

Fiscal Year 2026 Expectations

Our outlook for fiscal year 2026 provided on May 6, 2025 remains unchanged.

- Net bookings is expected to be approximately \$7.600 billion to \$8.000 billion.
- Net revenue is expected to be approximately \$7.100 billion to \$7.500 billion.
 - Change in deferred net revenue (online-enabled games) is expected to be approximately \$500 million.
- GAAP operating expenses are expected to be approximately \$4.470 billion to \$4.570 billion.
- Net income is expected to be approximately \$795 million to \$974 million.
- Diluted earnings per share is expected to be approximately \$3.09 to \$3.79.
- Operating cash flow is expected to be approximately \$2.200 billion to \$2.400 billion.
- The Company estimates a share count of 257 million for purposes of calculating diluted earnings per share.
- The Company intends to return at least 80% of free cash flow with stock repurchases and dividends through fiscal year 2027.

Q2 Fiscal Year 2026 Expectations – Ending September 30, 2025

- Net bookings is expected to be approximately \$1.800 billion to \$1.900 billion.
 - The Company expects a more normalized curve for College Football full game sales, partially offset by the launch of Madden NFL 26. Expectations are that early momentum in Apex Legends and catalog continues.
 - This guidance includes a four-point year-over-year headwind related to phasing of the EA SPORTS FC 26 Ultimate Edition content, which will largely be recognized in Q3.
- Net revenue is expected to be approximately \$1.750 billion to \$1.850 billion.
 - Change in deferred net revenue (online-enabled games) is expected to be approximately \$50 million.
- GAAP operating expenses are expected to be approximately \$1.215 billion to \$1.235 billion.
 - Year-over-year growth in expenses is largely driven by marketing related to upcoming launches, notably Battlefield 6.
- Net income is expected to be approximately \$73 million to \$117 million.
- Diluted earnings per share is expected to be approximately \$0.29 to \$0.46.
- The Company estimates a share count of 253 million for purposes of calculating diluted earnings per share.

Quarterly Financial Highlights

| | Three Months Ended June 30, | |
|--|--------------------------------|-------|
| | 2025 | 2024 |
| (in \$ millions, except per share amounts) | | |
| Full game | 289 | 250 |
| Live services and other | 1,382 | 1,410 |
| Total net revenue | 1,671 | 1,660 |
| Net income | 201 | 280 |
| Diluted earnings per share | 0.79 | 1.04 |
| Operating cash flow | 17 | 120 |
| Value of shares repurchased | 375 | 375 |
| Number of shares repurchased | 3.0 | 2.8 |
| Cash dividend paid | 48 | 50 |

Trailing Twelve Months Financial Highlights

| | Twelve Months Ended June 30, | |
|------------------------------|---------------------------------|-------|
| | 2025 | 2024 |
| (in \$ millions) | | |
| Full game | 2,041 | 1,822 |
| Live services and other | 5,433 | 5,476 |
| Total net revenue | 7,474 | 7,298 |
| Net income | 1,042 | 1,151 |
| Operating cash flow | 1,976 | 2,076 |
| Value of shares repurchased | 2,500 | 1,350 |
| Number of shares repurchased | 17.8 | 10.2 |

Operating Metric

The following is a calculation of our total net bookings for the periods presented:

| | Three Months Ended June 30, | | Twelve Months Ended June 30, | |
|---|--------------------------------|-------|---------------------------------|-------|
| | 2025 | 2024 | 2025 | 2024 |
| (in \$ millions) | | | | |
| Total net revenue | 1,671 | 1,660 | 7,474 | 7,298 |
| Change in deferred net revenue (online-enabled games) | (373) | (398) | (83) | (184) |
| Total net bookings | 1,298 | 1,262 | 7,391 | 7,114 |

Conference Call and Supporting Documents

Electronic Arts will host a conference call on July 29, 2025 at 2:00 pm PT (5:00 pm ET) to review its results for the first fiscal quarter ended June 30, 2025 and its outlook for the future. During the course of the call, Electronic Arts may disclose material developments affecting its business and/or financial performance. Listeners may access the conference call live through the following dial-in number (855) 761-5600 (domestic) or (646) 307-1097 (international), using the conference code 5939891 or via

webcast at EA's IR Website at <http://ir.ea.com>.

EA has posted a slide presentation with a financial model of EA's historical results and guidance on EA's IR Website. EA will also post the prepared remarks and a transcript from the conference call on EA's IR Website.

A dial-in replay of the conference call will be available until August 12, 2025 at (800) 770-2030 (domestic) or (609) 800-9099 (international) using conference code 5939891. An audio webcast replay of the conference call will be available for one year on EA's IR Website.

Forward-Looking Statements

Some statements set forth in this release, including the information relating to EA's expectations under the heading "Business Outlook as of July 29, 2025" and other information regarding EA's expectations contain forward-looking statements that are subject to change. Statements including words such as "anticipate," "believe," "expect," "intend," "estimate," "plan," "predict," "seek," "goal," "will," "may," "likely," "should," "could" (and the negative of any of these terms), "future" and similar expressions also identify forward-looking statements. These forward-looking statements are not guarantees of future performance and reflect management's current expectations. Our actual results could differ materially from those discussed in the forward-looking statements.

Some of the factors which could cause the Company's results to differ materially from its expectations include the following: sales of the Company's products and services; the Company's ability to develop and support digital products and services, including managing online security and privacy; outages of our products, services and technological infrastructure; the Company's ability to manage expenses; the competition in the interactive entertainment industry; governmental regulations; the effectiveness of the Company's sales and marketing programs; timely development and release of the Company's products and services; the Company's ability to realize the anticipated benefits of, and integrate, acquisitions; the consumer demand for, and the availability of an adequate supply of console hardware units; the Company's ability to predict consumer preferences and trends; the Company's ability to develop and implement new technology; foreign currency exchange rate fluctuations; economic and geopolitical conditions; changes in our tax rates or tax laws; and other factors described in Part I, Item 1A of Electronic Arts' latest Annual Report on Form 10-K under the heading "Risk Factors", as well as in other documents we have filed with the Securities and Exchange Commission.

These forward-looking statements are current as of July 29, 2025. Electronic Arts assumes no obligation to revise or update any forward-looking statement, except as required by law. In addition, the preliminary financial results set forth in this release are estimates based on information currently available to Electronic Arts.

While Electronic Arts believes these estimates are meaningful, they could differ from the actual amounts that Electronic Arts ultimately reports in its Form 10-Q for the fiscal quarter ended June 30, 2025. Electronic Arts assumes no obligation and does not intend to update these estimates prior to filing its Form 10-Q for the fiscal quarter ended June 30, 2025.

About Electronic Arts

Electronic Arts (NASDAQ: EA) is a global leader in digital interactive entertainment. The Company develops and delivers games, content and online services for Internet-connected consoles, mobile

devices and personal computers.

In fiscal year 2025, EA posted GAAP net revenue of approximately \$7.5 billion. Headquartered in Redwood City, California, EA is recognized for a portfolio of critically acclaimed, high-quality brands such as EA SPORTS FC™, Battlefield™, Apex Legends™, The Sims™, EA SPORTS™ Madden NFL, EA SPORTS™ College Football, Need for Speed™, Dragon Age™, Titanfall™, Plants vs. Zombies™ and EA SPORTS F1®. More information about EA is available at www.ea.com/news.

EA, EA SPORTS, EA SPORTS FC, Battlefield, Need for Speed, Apex Legends, The Sims, Dragon Age, Titanfall, and Plants vs. Zombies are trademarks of Electronic Arts Inc. John Madden, NFL, and F1 are the property of their respective owners and used with permission.

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¹ Net bookings is defined as the net amount of products and services sold digitally or sold-in physically in the period. Net bookings is calculated by adding total net revenue to the change in deferred net revenue for online-enabled games.

ELECTRONIC ARTS INC. AND SUBSIDIARIES
Unaudited Condensed Consolidated Statements of Operations
(in \$ millions, except per share data)

| | Three Months Ended June 30, | |
|---|--|--------------|
| | 2025 | 2024 |
| Net revenue | 1,671 | 1,660 |
| Cost of revenue | 279 | 263 |
| Gross profit | 1,392 | 1,397 |
| Operating expenses: | | |
| Research and development | 706 | 629 |
| Marketing and sales | 214 | 205 |
| General and administrative | 184 | 180 |
| Amortization of intangibles | 17 | 17 |
| Restructuring | — | 2 |
| Total operating expenses | 1,121 | 1,033 |
| Operating income | 271 | 364 |
| Interest and other income (expense), net | 2 | 30 |
| Income before provision for income taxes | 273 | 394 |
| Provision for income taxes | 72 | 114 |
| Net income | 201 | 280 |
| Earnings per share | | |
| Basic | 0.80 | 1.05 |
| Diluted | 0.79 | 1.04 |
| Number of shares used in computation | | |
| Basic | 251 | 266 |
| Diluted | 254 | 268 |

Results (in \$ millions, except per share data)

The following table reports the variance of the actuals versus our guidance provided on May 6, 2025 for the three months ended June 30, 2025 plus a comparison to the actuals for the three months ended June 30, 2024.

| | Three Months Ended June 30, | | | |
|--|------------------------------|-------------|-----------------|-----------------|
| | 2025 Guidance (Mid-Point) | Variance | 2025 Actuals | 2024 Actuals |
| Net revenue | | | | |
| Net revenue | 1,600 | 71 | 1,671 | 1,660 |
| GAAP-based financial data | | | | |
| Change in deferred net revenue (online-enabled games) ¹ | (375) | 2 | (373) | (398) |
| Cost of revenue | | | | |
| Cost of revenue | 275 | 4 | 279 | 263 |
| GAAP-based financial data | | | | |
| Acquisition-related expenses | (10) | — | (10) | (10) |
| Stock-based compensation | (5) | 2 | (3) | (4) |
| Operating expenses | | | | |
| Operating expenses | 1,115 | 6 | 1,121 | 1,033 |
| GAAP-based financial data | | | | |
| Acquisition-related expenses | (20) | 3 | (17) | (17) |
| Restructuring and related charges | — | — | — | (6) |
| Stock-based compensation | (145) | (4) | (149) | (139) |
| Income before tax | | | | |
| Income before tax | 211 | 62 | 273 | 394 |
| GAAP-based financial data | | | | |
| Acquisition-related expenses | 30 | (3) | 27 | 27 |
| Change in deferred net revenue (online-enabled games) ¹ | (375) | 2 | (373) | (398) |
| Restructuring and related charges | — | — | — | 6 |
| Stock-based compensation | 150 | 2 | 152 | 143 |
| Tax rate used for management reporting | 19 % | | 19 % | 19 % |
| Earnings per share | | | | |
| Basic | 0.58 | 0.22 | 0.80 | 1.05 |
| Diluted | 0.58 | 0.21 | 0.79 | 1.04 |
| Number of shares used in computation | | | | |
| Basic | 253 | (2) | 251 | 266 |
| Diluted | 255 | (1) | 254 | 268 |

¹The change in deferred net revenue (online-enabled games) in the unaudited condensed consolidated statements of cash flows does not necessarily equal the change in deferred net revenue (online-enabled games) in the unaudited condensed consolidated statements of operations primarily due to the impact of unrecognized gains/losses on cash flow hedges.

ELECTRONIC ARTS INC. AND SUBSIDIARIES
Unaudited Condensed Consolidated Balance Sheets
(in \$ millions)

| | June 30, 2025 | March 31, 2025 ² |
|--|---------------|-----------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | 1,518 | 2,136 |
| Short-term investments | 112 | 112 |
| Receivables, net | 533 | 679 |
| Other current assets | 382 | 349 |
| Total current assets | 2,545 | 3,276 |
| Property and equipment, net | 592 | 586 |
| Goodwill | 5,389 | 5,376 |
| Acquisition-related intangibles, net | 271 | 293 |
| Deferred income taxes, net | 2,462 | 2,420 |
| Other assets | 440 | 417 |
| TOTAL ASSETS | 11,699 | 12,368 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable, accrued, and other current liabilities | 1,306 | 1,359 |
| Deferred net revenue (online-enabled games) | 1,334 | 1,700 |
| Senior notes, current, net | 400 | 400 |
| Total current liabilities | 3,040 | 3,459 |
| Senior notes, net | 1,484 | 1,484 |
| Income tax obligations | 647 | 594 |
| Other liabilities | 446 | 445 |
| Total liabilities | 5,617 | 5,982 |
| Stockholders' equity: | | |
| Common stock | 3 | 3 |
| Retained earnings | 6,241 | 6,470 |
| Accumulated other comprehensive loss | (162) | (87) |
| Total stockholders' equity | 6,082 | 6,386 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | 11,699 | 12,368 |

²Derived from audited consolidated financial statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES
Unaudited Condensed Consolidated Statements of Cash Flows
(in \$ millions)

| | Three Months Ended June 30, | |
|---|--|--------------|
| | 2025 | 2024 |
| OPERATING ACTIVITIES | | |
| Net income | 201 | 280 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation, amortization, accretion and impairment | 79 | 80 |
| Stock-based compensation | 152 | 143 |
| Change in assets and liabilities | | |
| Receivables, net | 145 | 132 |
| Other assets | (55) | 58 |
| Accounts payable, accrued, and other liabilities | (98) | (158) |
| Deferred income taxes, net | (40) | (13) |
| Deferred net revenue (online-enabled games) | (367) | (402) |
| Net cash provided by operating activities | 17 | 120 |
| INVESTING ACTIVITIES | | |
| Capital expenditures | (72) | (67) |
| Proceeds from maturities and sales of short-term investments | 42 | 128 |
| Purchase of short-term investments | (42) | (130) |
| Acquisitions, net of cash acquired | (17) | — |
| Net cash used in investing activities | (89) | (69) |
| FINANCING ACTIVITIES | | |
| Cash dividends paid | (48) | (50) |
| Cash paid to taxing authorities for shares withheld from employees | (145) | (121) |
| Common stock repurchases and excise taxes paid | (375) | (375) |
| Net cash used in financing activities | (568) | (546) |
| Effect of foreign exchange on cash and cash equivalents | 22 | (5) |
| Change in cash and cash equivalents | (618) | (500) |
| Beginning cash and cash equivalents | 2,136 | 2,900 |
| Ending cash and cash equivalents | 1,518 | 2,400 |

ELECTRONIC ARTS INC. AND SUBSIDIARIES
Unaudited Supplemental Financial Information and Business Metrics
(in \$ millions, except per share data)

| | Q1 FY25 | Q2 FY25 | Q3 FY25 | Q4 FY25 | Q1 FY26 | YOY % Change |
|--|-------------|-------------|-------------|-------------|-------------|-----------------|
| Net revenue | | | | | | |
| Net revenue | 1,660 | 2,025 | 1,883 | 1,895 | 1,671 | 1% |
| GAAP-based financial data | | | | | | |
| Change in deferred net revenue (online-enabled games) ¹ | (398) | 54 | 332 | (96) | (373) | |
| Gross profit | | | | | | |
| Gross profit | 1,397 | 1,569 | 1,427 | 1,527 | 1,392 | — |
| Gross profit (as a % of net revenue) | 84% | 78% | 76% | 81% | 83% | |
| GAAP-based financial data | | | | | | |
| Acquisition-related expenses | 10 | 10 | 10 | 10 | 10 | |
| Change in deferred net revenue (online-enabled games) ¹ | (398) | 54 | 332 | (96) | (373) | |
| Stock-based compensation | 4 | 4 | 3 | 3 | 3 | |
| Operating income | | | | | | |
| Operating income | 364 | 384 | 377 | 395 | 271 | (26%) |
| Operating income (as a % of net revenue) | 22% | 19% | 20% | 21% | 16% | |
| GAAP-based financial data | | | | | | |
| Acquisition-related expenses | 27 | 27 | 26 | 27 | 27 | |
| Change in deferred net revenue (online-enabled games) ¹ | (398) | 54 | 332 | (96) | (373) | |
| Restructuring and related charges | 6 | 52 | — | 4 | — | |
| Stock-based compensation | 143 | 174 | 163 | 162 | 152 | |
| Net income | | | | | | |
| Net income | 280 | 294 | 293 | 254 | 201 | (28%) |
| Net income (as a % of net revenue) | 17% | 15% | 16% | 13% | 12% | |
| GAAP-based financial data | | | | | | |
| Acquisition-related expenses | 27 | 27 | 26 | 27 | 27 | |
| Change in deferred net revenue (online-enabled games) ¹ | (398) | 54 | 332 | (96) | (373) | |
| Restructuring and related charges | 6 | 52 | — | 4 | — | |
| Stock-based compensation | 143 | 174 | 163 | 162 | 152 | |
| Tax rate used for management reporting | 19% | 19% | 19% | 19% | 19% | |
| Diluted earnings per share | 1.04 | 1.11 | 1.11 | 0.98 | 0.79 | (24%) |
| Number of shares used in computation | | | | | | |
| Basic | 266 | 264 | 262 | 257 | 251 | |
| Diluted | 268 | 266 | 265 | 259 | 254 | |

¹The change in deferred net revenue (online-enabled games) in the unaudited condensed consolidated statements of cash flows does not necessarily equal the change in deferred net revenue (online-enabled games) in the unaudited condensed consolidated statements of operations primarily due to the impact of unrecognized gains/losses on cash flow hedges.

ELECTRONIC ARTS INC. AND SUBSIDIARIES
Unaudited Supplemental Financial Information and Business Metrics
(in \$ millions)

| | Q1 FY25 | Q2 FY25 | Q3 FY25 | Q4 FY25 | Q1 FY26 | YOY % Change |
|---|--------------|--------------|--------------|--------------|--------------|-----------------|
| QUARTERLY NET REVENUE PRESENTATIONS | | | | | | |
| Net revenue by composition | | | | | | |
| Full game downloads | 190 | 475 | 446 | 367 | 233 | 23% |
| Packaged goods | 60 | 241 | 153 | 70 | 56 | (7%) |
| Full game | 250 | 716 | 599 | 437 | 289 | 16% |
| Live services and other | 1,410 | 1,309 | 1,284 | 1,458 | 1,382 | (2%) |
| Total net revenue | 1,660 | 2,025 | 1,883 | 1,895 | 1,671 | 1% |
| <i>Full game</i> | <i>15%</i> | <i>35%</i> | <i>32%</i> | <i>23%</i> | <i>17%</i> | |
| <i>Live services and other</i> | <i>85%</i> | <i>65%</i> | <i>68%</i> | <i>77%</i> | <i>83%</i> | |
| Total net revenue % | 100% | 100% | 100% | 100% | 100% | |
| GAAP-based financial data | | | | | | |
| Full game downloads | (47) | 70 | 25 | (27) | (46) | |
| Packaged goods | (35) | 46 | 9 | (26) | (29) | |
| Full game | (82) | 116 | 34 | (53) | (75) | |
| Live services and other | (316) | (62) | 298 | (43) | (298) | |
| Total change in deferred net revenue (online-enabled games) by composition ¹ | (398) | 54 | 332 | (96) | (373) | |
| Net revenue by platform | | | | | | |
| Console | 1,005 | 1,374 | 1,215 | 1,182 | 1,007 | — |
| PC & Other | 365 | 364 | 392 | 426 | 374 | 2% |
| Mobile | 290 | 287 | 276 | 287 | 290 | — |
| Total net revenue | 1,660 | 2,025 | 1,883 | 1,895 | 1,671 | 1% |
| GAAP-based financial data | | | | | | |
| Console | (328) | 108 | 275 | (86) | (317) | |
| PC & Other | (70) | (37) | 33 | (11) | (54) | |
| Mobile | — | (17) | 24 | 1 | (2) | |
| Total change in deferred net revenue (online-enabled games) by platform ¹ | (398) | 54 | 332 | (96) | (373) | |

¹The change in deferred net revenue (online-enabled games) in the unaudited condensed consolidated statements of cash flows does not necessarily equal the change in deferred net revenue (online-enabled games) in the unaudited condensed consolidated statements of operations primarily due to the impact of unrecognized gains/losses on cash flow hedges.

ELECTRONIC ARTS INC. AND SUBSIDIARIES
Unaudited Supplemental Financial Information and Business Metrics
(in \$ millions)

| | Q1 FY25 | Q2 FY25 | Q3 FY25 | Q4 FY25 | Q1 FY26 | YOY % Change |
|---|------------|------------|------------|------------|------------|-----------------|
| CASH FLOW DATA | | | | | | |
| Investing cash flow | (69) | (46) | (62) | 214 | (89) | |
| Investing cash flow - TTM | (232) | (215) | (226) | 37 | 17 | 107% |
| Financing cash flow | (546) | (402) | (504) | (1,411) | (568) | |
| Financing cash flow - TTM | (1,688) | (1,739) | (1,812) | (2,863) | (2,885) | (71%) |
| Operating cash flow | 120 | 234 | 1,176 | 549 | 17 | |
| Operating cash flow - TTM | 2,076 | 2,198 | 2,110 | 2,079 | 1,976 | (5%) |
| Capital expenditures | 67 | 50 | 50 | 54 | 72 | |
| Capital expenditures - TTM | 221 | 220 | 218 | 221 | 226 | 2% |
| Free cash flow ³ | 53 | 184 | 1,126 | 495 | (55) | |
| Free cash flow ³ - TTM | 1,855 | 1,978 | 1,892 | 1,858 | 1,750 | (6%) |
| Common stock repurchases and excise taxes paid | 375 | 375 | 383 | 1,375 | 375 | — |
| Cash dividends paid | 50 | 51 | 50 | 48 | 48 | (4%) |
| DEPRECIATION | | | | | | |
| Depreciation expense | 51 | 51 | 51 | 51 | 52 | 2% |
| BALANCE SHEET DATA | | | | | | |
| Cash and cash equivalents | 2,400 | 2,197 | 2,776 | 2,136 | 1,518 | |
| Short-term investments | 366 | 366 | 379 | 112 | 112 | |
| Cash and cash equivalents, and short-term investments | 2,766 | 2,563 | 3,155 | 2,248 | 1,630 | (41%) |
| Receivables, net | 433 | 1,012 | 742 | 679 | 533 | 23% |
| STOCK-BASED COMPENSATION | | | | | | |
| Cost of revenue | 4 | 4 | 3 | 3 | 3 | |
| Research and development | 101 | 122 | 119 | 115 | 110 | |
| Marketing and sales | 12 | 16 | 14 | 14 | 12 | |
| General and administrative | 26 | 32 | 27 | 30 | 27 | |
| Total stock-based compensation | 143 | 174 | 163 | 162 | 152 | |
| RESTRUCTURING AND RELATED CHARGES | | | | | | |
| Restructuring | 2 | 51 | 1 | 3 | — | |
| Office space reductions | 4 | 1 | (1) | 1 | — | |
| Total restructuring and related charges | 6 | 52 | — | 4 | — | |

³Free cash flow is defined as Operating cash flow less Capital expenditures.

ELECTRONIC ARTS INC. AND SUBSIDIARIES
Unaudited Reconciliation of GAAP to Non-GAAP Financial Measures
(in \$ millions)

The following table provides a reconciliation of non-GAAP operating income and margin to their most directly comparable GAAP financial measure for the three months ended June 30, 2025 plus a comparison to the actuals for the three months ended June 30, 2024.

| | Three Months Ended June 30 | | |
|---|-------------------------------|--------------|-----------------|
| | 2025 | 2024 | YOY % Change |
| Net revenue | 1,671 | 1,660 | 1% |
| GAAP operating income | 271 | 364 | (26%) |
| Acquisition-related expenses | 27 | 27 | |
| Restructuring and related charges | — | 6 | |
| Stock-based compensation | 152 | 143 | |
| Non-GAAP operating income | 450 | 540 | (17%) |
| GAAP operating margin | 16.2% | 21.9% | |
| Non-GAAP operating margin | 26.9% | 32.5% | |
| Impact from change in deferred net revenue (online-enabled games) | (2,100 bps) | (2,120 bps) | |

ELECTRONIC ARTS INC. AND SUBSIDIARIES

GAAP Guidance to Non-GAAP Guidance

(in \$ millions)

The following table provides GAAP to Non-GAAP reconciliation of the Company's FY26 guidance.

| | Twelve Months Ending March 31, 2026 | | | | | | |
|--|-------------------------------------|---|---------------------------------------|-------------------------------------|-----------|---------------------------|--|
| | GAAP-Based Financial Data | | | | | GAAP-Based Financial Data | |
| | A | B | C | | | | |
| | GAAP Guidance Range | Acquisition-related expenses ⁵ | Stock-based compensation ⁵ | Non-GAAP Guidance Range = A + B + C | | | Change in deferred net revenue (online-enabled games) ⁵ |
| Net revenue | 7,100 to 7,500 | — | — | 7,100 | to | 7,500 | 500 |
| Cost of revenue | 1,475 to 1,515 | (40) | (15) | 1,420 | to | 1,460 | — |
| Operating expense | 4,470 to 4,570 | (70) | (650) | 3,750 | to | 3,850 | — |
| <i>Operating margin</i> | <i>16.3% to 18.9%</i> | <i>150 bps</i> | <i>910 bps</i> | <i>27.2%</i> | <i>to</i> | <i>29.2%</i> | <i>480 bps to 440 bps</i> |
| Income before provision for income taxes | 1,136 to 1,391 | 110 | 665 | 1,911 | to | 2,166 | 500 |
| Net income ⁴ | 795 to 974 | | | | | | |
| | | | | | | | |
| Number of shares used in computation: | | | | | | | |
| Diluted | 257 | | | | | | |

⁴ The Company uses a tax rate of 19% internally to evaluate its operating performance and to forecast, plan and analyze future periods.

⁵ The mid-point of the range has been used for purposes of presenting reconciling items to operating margin.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

GAAP-Based Financial Data for Guidance

(in \$ millions)

The following table provides supplemental information to the Company's Q2 FY26 guidance.

| Three Months Ending September 30, 2025 | | | | | | |
|--|---------------------|----|-------|------------------------------|--------------------------|---|
| GAAP-Based Financial Data | | | | | | |
| | GAAP Guidance Range | | | Acquisition-related expenses | Stock-based compensation | Change in deferred net revenue (online-enabled games) |
| Net revenue | 1,750 | to | 1,850 | — | — | 50 |
| Cost of revenue | 430 | to | 450 | (10) | (5) | — |
| Operating expense | 1,215 | to | 1,235 | (20) | (170) | — |
| Income before provision for income taxes | 104 | to | 167 | 30 | 175 | 50 |
| Net income ⁴ | 73 | to | 117 | | | |
| Number of shares used in computation: | | | | | | |
| Diluted | | | 253 | | | |

⁴The Company uses a tax rate of 19% internally to evaluate its operating performance and to forecast, plan and analyze future periods.

Non-GAAP Financial Measures

As a supplement to the Company's financial measures presented in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company presents certain non-GAAP measures of financial performance, including non-GAAP operating margin and free cash flow. These non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. In addition, these non-GAAP measures have limitations in that they do not reflect all of the items associated with the Company's results of operations as determined in accordance with GAAP. These non-GAAP financial measures do not reflect a comprehensive system of accounting and differ from GAAP measures with the same names and may differ from non-GAAP financial measures with the same or similar names that are used by other companies.

The non-GAAP financial measures exclude acquisition-related expenses, stock-based compensation, restructuring and related charges, and capital expenditures, as applicable in any given reporting period and our outlook. The Company may consider whether other significant items that arise in the future should be excluded from our non-GAAP financial measures. Management believes that these non-GAAP financial measures provide investors with additional useful information to better understand and evaluate the Company's operating results and future prospects because they exclude certain items that may not be indicative of the Company's core business, operating results, or future outlook. These non-GAAP financial measures, with further adjustments are used by management to understand ongoing financial and business performance.

The Company uses a tax rate of 19% internally to evaluate its operating performance and to forecast, plan, and analyze future periods. Accordingly, the Company applies the same tax rate to its management reporting financial results.

Investors are encouraged to review the related GAAP financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measure.