

Electronic Arts Inc. Q1 FY26 Results

July 29, 2025



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Safe Harbor Statement

Please review our risk factors on Form 10-K filed with the SEC

Some statements set forth in this document, including the information relating to EA's fiscal 2026 guidance information and title slate 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 herein 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 Quarterly Report on 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.

Select Q1 FY26 Highlights

EA SPORTS™ F1® 25
delivered strong
year-over-year net bookings
growth, supported by an
enhanced gameplay
experience

\$2.7B
TTM Return on Capital
(through Stock Repurchase Program
& Cash Dividends)

Global Football delivered
year-over-year growth in net
bookings, highlighted by a
record quarter in FC Mobile
net bookings

\$7.4B
TTM net bookings

Live Services
represented 72% of total
TTM net bookings

\$1.8B
TTM Free Cash Flow

Net Bookings by Composition

(in \$ millions)

Full Game Live services and other

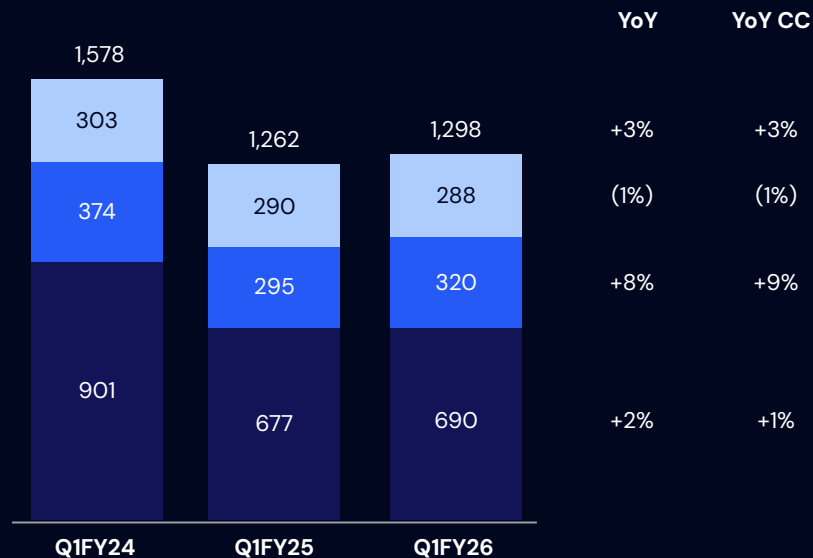


Net Bookings by Platform

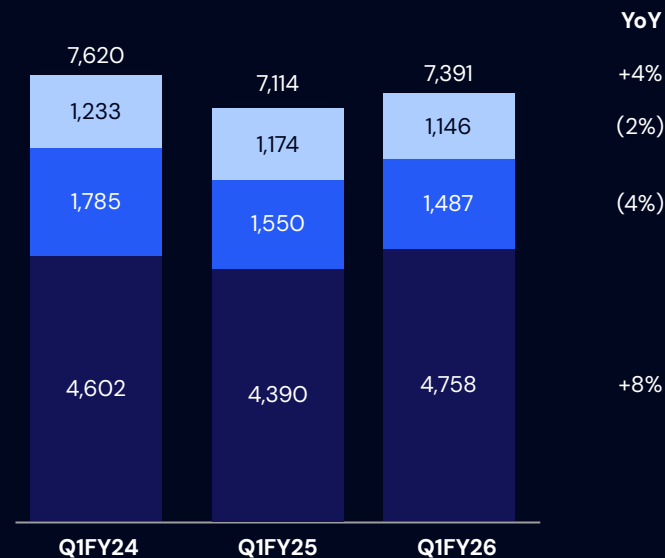
(in \$ millions)

Console PC & Other Mobile

Quarterly



Trailing 12 Months



Core Business and FY26 Title Slate

Massive Online Communities



New Releases in FY26

Q1

EA SPORTS™ F1® 25 (May 30)

Q2

EA SPORTS™ College Football 26 (July 10)

EA SPORTS™ Madden NFL 26 (August 14)

EA SPORTS™ NHL 26

EA SPORTS FC™ 26 (September 26)

Q3

Q4

FY

skate.

Battlefield 6

Q1 FY26 Actuals, FY26 & Q2 Guidance

(in \$ millions, except EPS)

	Q1 FY26A	FY26E	Q2 FY26E
Net Revenue	1,671	7,100 to 7,500	1,750 to 1,850
Cost of Revenue	279	1,475 to 1,515	430 to 450
GAAP EPS	\$0.79	\$3.09 to \$3.79	\$0.29 to \$0.46
Operating Cash Flow	17	2,200 to 2,400	
GAAP Operating Margin	16.2%	16.3% to 18.9%	
Non-GAAP Operating Margin	26.9%	27.2% to 29.2%	
<i>Impact of GAAP Deferrals</i>	<i>(2,100) bps</i>	<i>480 bps to 440 bps</i>	

Note: Our EPS guidance calculation does not factor in future stock repurchases.

Non-GAAP Operating Margin calculated as a % of GAAP Net Revenue.

Net Bookings	1,298	7,600 to 8,000	1,800 to 1,900
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GAAP to Non-GAAP Reconciliation: Q1 FY26 Actuals

(in \$ millions)

	Three Months Ended June 30, 2025					
	GAAP-Based Financial Data				GAAP-Based Financial Data	
	A Statement of Operations	B Acquisition-related expenses	C Restructuring and related charges	D Stock-based compensation	=A+B+C+D Non-GAAP	Change in deferred net revenue (online-enabled games)
Net revenue	1,671	–	–	–	1,671	(373)
Cost of revenue	279	(10)	–	(3)	266	–
Operating expense	1,121	(17)	–	(149)	955	–
Operating margin	16.2%	160 bps	–	910 bps	26.9%	(2,100) bps
Income before provision for income taxes	273	27	–	152	452	(373)
Net income ¹	201					
Number of shares used in computation:						
Diluted shares	254					

¹ The Company uses a tax rate of 19% internally to evaluate its operating performance and to forecast, plan and analyze future periods.

GAAP to Non-GAAP Reconciliation: FY26 Guidance

(in \$ millions)

	Twelve Months Ending March 31, 2026				
	GAAP-Based Financial Data			=A+B+C Non-GAAP Guidance Range	GAAP-Based Financial Data
	A GAAP Guidance Range	B Acquisition- related expenses	C Stock-based compensation		Change in deferred net revenue (online-enabled games)
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	–
Operating margin ¹	16.3% to 18.9%	150 bps	910 bps	27.2% to 29.2%	480 bps to 440 bps
Income before provision for income taxes	1,136 to 1,391	110	665	1,911 to 2,166	500
Net income ²	795 to 974				
Number of shares used in computation:					
Diluted shares	257				

¹ The mid-point of the range has been used for purposes of presenting reconciling items to operating margin.

² The Company uses a tax rate of 19% internally to evaluate its operating performance and to forecast, plan and analyze future periods.

Q2 FY26 Guidance

(in \$ millions)

	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 ¹	73 to 117			
Number of shares used in computation:				
Diluted shares	253			

¹ The Company uses a tax rate of 19% internally to evaluate its operating performance and to forecast, plan and analyze future periods.

Appendix

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Cash Flow Selected Data

(in \$ millions)

	Actuals			
	Q1 2026	Q1 2025	TTM Q1 2026	TTM Q1 2025
Operating Cash Flow	17	120	1,976	2,076
Capital Expenditures	72	67	226	221
Free Cash Flow	(55)	53	1,750	1,855
Investing Cash Flow	(89)	(69)	17	(232)
Financing Cash Flow	(568)	(546)	(2,885)	(1,688)

Currency Assumptions

Current FX assumptions ^{1,2}		Q1 2025	Q1 2026	Q2-Q4E 2026
Net Bookings	EUR/USD	1.08	1.12	1.16
	GBP/USD	1.26	1.32	1.36
Operating Expenses	USD/CAD	1.37	1.40	1.37
	USD/SEK	10.75	9.74	9.51

Rule of thumb

If the U.S. dollar strengthens 10% against the Euro and British pound sterling:

- With hedging, total net bookings decrease ~2.0%
- Total cost of revenue and operating expenses decrease ~2.0%

If the U.S. dollar strengthens 10% against the Canadian dollar and Swedish krona:

- Total net bookings decrease ~0.5%
- With hedging, total cost of revenue and operating expenses decrease ~0.5%

Note: Our financial guidance includes the forecasted impact of the FX cash flow hedging program.

¹For FY25 Q1A and FY26 Q1A, FX rates are a simple average of EA's actual monthly P&L rates. For FY26 Q2-Q4E, the same FX rates are used for all forecast periods.

²For all periods, FX rates are quoted using market convention.

Constant Currency Reconciliation–Net Bookings Guidance

(in \$ millions)

	2026 As Guidance	2025 As Reported	Percentage Change YoY	Currency Impact	Percentage Change YoY Constant Currency
Low	7,600	7,355	+3%	(88)	+2%
High	8,000	7,355	+9%	(88)	+8%

	Q2 2026 As Guidance	Q2 2025 As Reported	Percentage Change YoY	Currency Impact	Percentage Change YoY Constant Currency
Low	1,800	2,079	(13%)	(15)	(14%)
High	1,900	2,079	(9%)	(15)	(9%)

Constant Currency Reconciliation–Net Bookings (Q1)

(in \$ millions)

	Q1 2026 As Reported	Q1 2025 As Reported	Percentage Change YoY	Q1 2026 Currency Impact	Percentage Change YoY Constant Currency
Console	690	677	+2%	(4)	+1%
PC & other	320	295	+8%	2	+9%
Mobile	288	290	(1%)	1	(1%)
Net Bookings	1,298	1,262	+3%	(1)	+3%

	Q1 2026 As Reported	Q1 2025 As Reported	Percentage Change YoY	Q1 2026 Currency Impact	Percentage Change YoY Constant Currency
Full game	214	168	+27%	0	+28%
Live services & other	1,084	1,094	(1%)	(1)	(1%)
Net Bookings	1,298	1,262	+3%	(1)	+3%

Additional Disclosures

Net revenue, gross profit and operating cash flow are presented on a GAAP basis.

Net bookings is an operating metric that EA defines 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. A calculation of net bookings can be found in the “Net Bookings” tab of the Financial Model provided on our IR website.

We define EA’s player network as the number of active accounts used to play EA games and services on any platform over the preceding 12 months. We determine these operating metrics by using internal company data. We also use information provided by third parties, including third party network logins provided by platform providers. While we believe that the operating metrics we report are reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring how our games and services are played across large global populations. For example, while we seek to remove duplicate accounts in these metrics, we do not require players to use a common identifier or to link their accounts to play an EA game on console/PC and an EA game on their mobile device, or to play two or more EA games on a single mobile device. Therefore, a player that plays two of our games on a single mobile device or plays two of our games (or the same game) across different devices may be counted as two accounts. In addition, we evaluate our systems for false accounts, which represent user profiles that we believe are intended to be used for purposes that violate our terms of service, and remove them from our player network. From time to time, our actions may impact the period-by-period comparability of these metrics. For example, we may change our methodology or we may implement strategic decisions with respect to certain games and services, including sunseting titles.

From time to time, we make comparisons of current periods to prior periods with reference to constant currency. We evaluate our performance on a constant currency basis in order to facilitate period-to-period comparisons without regard to the impact of changing foreign currency exchange rates. To present constant currency information (both historical and forward-looking), the current period results are converted into United States dollars using the weighted average exchange rates from the comparative period rather than the rates in effect. Constant currency information is presented net of the impact of our foreign exchange hedging programs.

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.

Forward-looking statements are valid as of July 29, 2025 only. Electronic Arts assumes no obligation to update these forward-looking statements, except required by law.

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.