

Electronic Arts Prepared Remarks

Q1 Fiscal 2026

Andrew Uerkwitz

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. 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 28th, 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-K 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 29th, 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

Chairman & 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 Online 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 remained 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 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 has 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 re-introduction, 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 14th. 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 a 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 in 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. playtests 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 a 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

Chief Financial Officer

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 \$1.30 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 two-points better than we had 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 webstore 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 hyper-localized content at scale.

As we look across Global Football, with growth across HD, Mobile, and 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%.

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 our 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 \$1.800 billion to \$1.900 billion, down 13% to down 9%. This includes a four-point headwind related to phasing of the EA SPORTS FC 26 Ultimate 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 front line 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 one point tailwind from FX.

Turning to GAAP, we expect net revenue of \$1.750 billion to \$1.850 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.

Andrew Wilson

Chairman & 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.

And now, Stuart and I are here for your questions.

Forward-Looking Statements

Some statements set forth in this document, including the information relating to EA's financial guidance, title slate and other 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 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 first 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 first quarter ended June 30, 2025.

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.