



## Electronic Arts Reports Q4 and FY21 Financial Results

### Results Above Expectations, Record Annual Operating Cash Flow Driven by Successful New Games, Live Services Engagement, and Network Growth

REDWOOD CITY, CA – May 11, 2021 – [Electronic Arts Inc.](#) (NASDAQ: EA) today announced preliminary financial results for its fiscal fourth quarter and full year ended March 31, 2021.

“Our teams have done incredible work over the last year to deliver amazing experiences during a very challenging time for everyone around the world,” said Andrew Wilson, CEO of Electronic Arts. “With tremendous engagement across our portfolio, we delivered a record year for Electronic Arts. We’re now accelerating in FY22, powered by expansion of our blockbuster franchises to more platforms and geographies, a deep pipeline of new content, and recent acquisitions that will be catalysts for further growth.”

“EA delivered a strong quarter, driven by live services and Apex Legends’ extraordinary performance. Apex steadily grew through the last year, driven by the games team and the content they are delivering,” said COO and CFO Blake Jorgensen. “Looking forward, the momentum in our existing live services provides a solid foundation for FY22. Combined with a new Battlefield and our recent acquisitions, we expect net bookings growth in the high teens.”

#### **Selected Operating Highlights and Metrics**

- Net bookings<sup>1</sup> for fiscal 2021 was \$6.190 billion, up 15% year-over-year, and over \$600 million above original expectations.
- Delivered 13 new games and had more than 42 million new players join our network during the fiscal year.
- FIFA 21, life to date, has more than 25 million console/PC players.
- FIFA Ultimate Team™ players grew 16% year-over-year and FUT matches were up 180%.
- Apex Legends™ has more than 100 million players life to date on console/PC, and Season 8 had more than 12 million weekly average players.
- Record number of new players joined Madden NFL on console/PC during fiscal 21.
- The Sims™ 4, life to date, has almost 36 million players and delivered its sixth consecutive year of franchise growth.

#### **Selected Financial Highlights and Metrics**

- Net cash provided by operating activities was \$371 million for the quarter and \$1.934 billion for the fiscal year.
- EA repurchased 2.4 million shares for \$325 million during the quarter, bringing the total for the fiscal year to 5.6 million shares for \$729 million.
- EA paid a cash dividend of \$0.17 per share during the quarter.

## Dividend

EA has declared a quarterly cash dividend of \$0.17 per share of the Company's common stock. The dividend is payable on June 23, 2021 to shareholders of record as of the close of business on June 2, 2021.

## Quarterly Financial Highlights

|  | <b>Three Months Ended<br/>March 31,</b> |             |
|--|---|-------------|
|  | <b>2021</b>                             | <b>2020</b> |
| (in \$ millions, except per share amounts) |   |             |
| Full game                                  | 250                                     | 356         |
| Live services and other                    | 1,096                                   | 1,031       |
| Total net revenue                          | 1,346                                   | 1,387       |
| Net income                                 | 76                                      | 418         |
| Diluted earnings per share                 | 0.26                                    | 1.43        |
| Operating cash flow                        | 371                                     | 498         |
| Value of shares repurchased                | 325                                     | 291         |
| Number of shares repurchased               | 2.4                                     | 2.7         |

The following GAAP-based financial data<sup>2</sup> and tax rate of 18% was used internally by company management to adjust its GAAP results in order to assess EA's operating results:

|  | <b>Three Months Ended March 31, 2021</b> |  |   |                                     |
|--|--|--|---|-------------------------------------|
|  | <b>GAAP-Based Financial Data</b>         |  |   |                                     |
|  | <b>Statement of<br/>Operations</b>       | <b>Acquisition-<br/>related<br/>expenses</b> | <b>Change in<br/>deferred net<br/>revenue<br/>(online-<br/>enabled<br/>games)</b> | <b>Stock-based<br/>compensation</b> |
| (in \$ millions)                         |  |  |   |                                     |
| Total net revenue                        | 1,346                                    | -  | 144   | -                                   |
| Cost of revenue                          | 319                                      | (4)  | -   | (1)                                 |
| Gross profit                             | 1,027                                    | 4  | 144   | 1                                   |
| Total operating expenses                 | 852                                      | (14)   | -   | (108)                               |
| Operating income                         | 175                                      | 18   | 144   | 109                                 |
| Interest and other income (expense), net | (10)                                     | -  | -   | -                                   |
| Income before provision for income taxes | 165                                      | 18   | 144   | 109                                 |
| Number of shares used in computation:    |  |  |   |                                     |
| Diluted                                  | 290                                      |  |   |                                     |

## Fiscal Year Financial Highlights

|                              | <b>Twelve Months Ended<br/>March 31,</b> |              |
|------------------------------|--|--------------|
|                              | <b>2021</b>                              | <b>2020</b>  |
| (in \$ millions)             |  |              |
| Full game                    | 1,613                                    | 1,887        |
| Live services and other      | 4,016                                    | 3,650        |
| <b>Total net revenue</b>     | <b>5,629</b>                             | <b>5,537</b> |
| <br>                         |  |              |
| Net income                   | 837                                      | 3,039*       |
| Diluted earnings per share   | 2.87                                     | 10.30*       |
| <br>                         |  |              |
| Operating cash flow          | 1,934                                    | 1,797        |
| <br>                         |  |              |
| Value of shares repurchased  | 729                                      | 1,207        |
| Number of shares repurchased | 5.6                                      | 12.3         |

\*Includes the impact of one-time tax benefits recognized during the period.

The following GAAP-based financial data<sup>2</sup> and tax rate of 18% was used internally by company management to adjust its GAAP results in order to assess EA's operating results:

|  | <b>Twelve Months Ended March 31, 2021</b> |  |   |                                     |
|--|---|--|---|-------------------------------------|
|  | <b>GAAP-Based Financial Data</b>          |  |   |                                     |
|  | <b>Statement of<br/>Operations</b>        | <b>Acquisition-<br/>related<br/>expenses</b> | <b>Change in<br/>deferred net<br/>revenue<br/>(online-<br/>enabled<br/>games)</b> | <b>Stock-based<br/>compensation</b> |
| (in \$ millions)                         |   |  |   |                                     |
| Total net revenue                        | 5,629                                     | -  | 561   | -                                   |
| Cost of revenue                          | 1,494                                     | (4)  | -   | (5)                                 |
| Gross profit                             | 4,135                                     | 4  | 561   | 5                                   |
| Total operating expenses                 | 3,089                                     | (30)   | -   | (430)                               |
| Operating income                         | 1,046                                     | 34   | 561   | 435                                 |
| Interest and other income (expense), net | (29)                                      | -  | -   | -                                   |
| Income before provision for income taxes | 1,017                                     | 34   | 561   | 435                                 |
| Number of shares used in computation:    |   |  |   |                                     |
| Diluted                                  | 292                                       |  |   |                                     |

## Operating Metric

The following is a calculation of our total net bookings<sup>1</sup> for the periods presented:

|   | Three Months Ended<br>March 31, |       | Twelve Months Ended<br>March 31, |       |
|---|---------------------------------|-------|----------------------------------|-------|
|   | 2021                            | 2020  | 2021                             | 2020  |
| (in \$ millions)                                      |                                 |       |                                  |       |
| Total net revenue                                     | 1,346                           | 1,387 | 5,629                            | 5,537 |
| Change in deferred net revenue (online-enabled games) | 144                             | (131) | 561                              | (165) |
| Net bookings  | 1,490                           | 1,256 | 6,190                            | 5,372 |

### **Business Outlook as of May 11, 2021**

Our financial expectations for the first quarter ending June 30, 2021 and the fiscal year ending March 31, 2022 include estimates of the impact of our recent acquisitions on consolidated results, including our acquisition of Glu Mobile on April 29, 2021. The GAAP and operating cash flow estimates could be materially impacted as we integrate these recent acquisitions.

### **Fiscal Year 2022 Expectations – Ending March 31, 2022**

Financial metrics:

- Net revenue is expected to be approximately \$6.800 billion.
  - Change in deferred net revenue (online-enabled games) is expected to be approximately \$500 million.
- Net income is expected to be approximately \$390 million.
- Diluted earnings per share is expected to be approximately \$1.34.
- Operating cash flow is expected to be approximately \$1.750 billion.
- The Company estimates a share count of 292 million for purposes of calculating fiscal year 2022 diluted earnings per share.

Operational metric:

- Net bookings<sup>1</sup> is expected to be approximately \$7.300 billion.

In addition, the following outlook for GAAP-based financial data<sup>2</sup> and a long-term tax rate of 18% are used internally by EA to adjust our GAAP expectations to assess EA's operating results and plan for future periods:

**Twelve Months Ending March 31, 2022**

**GAAP-Based Financial Data**

|  | <b>GAAP<br/>Guidance</b> | <b>Acquisition-<br/>related<br/>expenses</b> | <b>Change in<br/>deferred net<br/>revenue (online-<br/>enabled games)</b> | <b>Stock-based<br/>compensation</b> |
|--|--------------------------|--|---|-------------------------------------|
| <i>(in \$ millions)</i>                  |                          |  |   |                                     |
| Total net revenue                        | 6,800                    | -  | 500   | -                                   |
| Cost of revenue                          | 1,828                    | (40)   | -   | -                                   |
| Operating expense                        | 4,125                    | (285)  | -   | (575)                               |
| Income before provision for income taxes | 790                      | 325  | 500   | 575                                 |
| Net income                               | 390                      |  |   |                                     |
| Number of shares used in computation:    |                          |  |   |                                     |
| Diluted shares                           | 292                      |  |   |                                     |

**First Quarter Fiscal Year 2022 Expectations – Ending June 30, 2021**

Financial metrics:

- Net revenue is expected to be approximately \$1.475 billion.
  - Change in deferred net revenue (online-enabled games) is expected to be approximately \$(225) million.
- Net income is expected to be approximately \$70 million.
- Diluted earnings per share is expected to be approximately \$0.24.
- The Company estimates a share count of 291 million for purposes of calculating first quarter fiscal 2022 diluted earnings per share.

Operational metric:

- Net bookings<sup>1</sup> is expected to be approximately \$1.250 billion.

In addition, the following outlook for GAAP-based financial data<sup>2</sup> and a long-term tax rate of 18% are used internally by EA to adjust our GAAP expectations to assess EA's operating results and plan for future periods:

**Three Months Ending June 30, 2021**

**GAAP-Based Financial Data**

|  | <b>GAAP<br/>Guidance</b> | <b>Acquisition-<br/>related<br/>expenses</b> | <b>Change in deferred<br/>net revenue (online-<br/>enabled games)</b> | <b>Stock-based<br/>compensation</b> |
|--|--------------------------|--|---|-------------------------------------|
| <i>(in \$ millions)</i>                  |                          |  |   |                                     |
| Total net revenue                        | 1,475                    | -  | (225)   | -                                   |
| Cost of revenue                          | 287                      | (5)  | -   | -                                   |
| Operating expense                        | 955                      | (70)   | -   | (125)                               |
| Income before provision for income taxes | 220                      | 75   | (225)   | 125                                 |
| Net income                               | 70                       |  |   |                                     |
| Number of shares used in computation:    |                          |  |   |                                     |
| Diluted shares                           | 291                      |  |   |                                     |

**Conference Call and Supporting Documents**

Electronic Arts will host a conference call on May 11, 2021 at 2:00 pm PT (5:00 pm ET) to review its results for the fiscal quarter and year ended March 31, 2021 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 (866) 324-3683 (domestic) or (509) 844-0959 (international), using the conference code 1076176 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 May 25, 2021 at 855-859-2056 (domestic) or 404-537-3406 (international) using pin code 1076176. 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 fiscal 2022 expectations under the heading "Business Outlook as of May 11, 2021," and other information regarding EA's fiscal 2022 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: the impact of the COVID-19 pandemic, 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 among competing platforms; the Company's ability to develop and implement new technology; foreign currency exchange rate fluctuations; general economic conditions; changes in our tax rates or tax laws; and other factors described in Part II, Item 1A of Electronic Arts' latest Quarterly Report on Form 10-Q under the heading "Risk Factors", as well as in other documents we have filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended March 31, 2020.

These forward-looking statements are current as of May 11, 2021. Electronic Arts assumes no obligation to revise or update any forward-looking statement for any reason, 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 Annual Report on Form 10-K for the fiscal year ended March 31, 2021. Electronic Arts assumes no obligation and does not intend to update these estimates prior to filing its Form 10-K for the fiscal year ended March 31, 2021.

## 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 2021, EA posted GAAP net revenue of \$5.6 billion. Headquartered in Redwood City, California, EA is recognized for a portfolio of critically acclaimed, high-quality brands such as EA SPORTS™ FIFA, Battlefield™, Apex Legends™, The Sims™, Madden NFL, Need for Speed™, Titanfall™ and Plants vs. Zombies™. More information about EA is available at [www.ea.com/news](http://www.ea.com/news).

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

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<sup>1</sup> 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.

<sup>2</sup> For more information about the nature of the GAAP-based financial data, please refer to EA's Form 10-K for the fiscal year ended March 31, 2020.

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

|   | Three Months Ended |       | Twelve Months Ended |         |
|---|--------------------|-------|---------------------|---------|
|   | March 31,          |       | March 31,           |         |
|   | 2021               | 2020  | 2021                | 2020    |
| <b>Net revenue</b>                                      | 1,346              | 1,387 | 5,629               | 5,537   |
| <b>Cost of revenue</b>                                  | 319                | 269   | 1,494               | 1,369   |
| <b>Gross profit</b>                                     | 1,027              | 1,118 | 4,135               | 4,168   |
| Operating expenses:                                     |                    |       |                     |         |
| Research and development                                | 468                | 402   | 1,778               | 1,559   |
| Marketing and sales                                     | 196                | 167   | 689                 | 631     |
| General and administrative                              | 174                | 142   | 592                 | 506     |
| Acquisition-related contingent consideration            | —                  | —     | —                   | 5       |
| Amortization of intangibles                             | 14                 | 6     | 30                  | 22      |
| Total operating expenses                                | 852                | 717   | 3,089               | 2,723   |
| <b>Operating income</b>                                 | 175                | 401   | 1,046               | 1,445   |
| Interest and other income (expense), net                | (10)               | 13    | (29)                | 63      |
| Income before provision for (benefit from) income taxes | 165                | 414   | 1,017               | 1,508   |
| Provision for (benefit from) income taxes               | 89                 | (4)   | 180                 | (1,531) |
| <b>Net income</b>                                       | 76                 | 418   | 837                 | 3,039   |
| <b>Earnings per share</b>                               |                    |       |                     |         |
| <b>Basic</b>  | 0.26               | 1.44  | 2.90                | 10.37   |
| <b>Diluted</b>  | 0.26               | 1.43  | 2.87                | 10.30   |
| <b>Number of shares used in computation</b>             |                    |       |                     |         |
| <b>Basic</b>  | 288                | 290   | 289                 | 293     |
| <b>Diluted</b>  | 290                | 292   | 292                 | 295     |



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

The following table reports the variance of the actuals versus our guidance provided on February 2, 2021 for the three months ended March 31, 2021 plus a comparison to the actuals for the three months ended March 31, 2020.

|  | <b>Three Months Ended March 31,</b> |                 |                         |                         |
|--|-------------------------------------|-----------------|-------------------------|-------------------------|
|  | <b>2021<br/>Guidance</b>            | <b>Variance</b> | <b>2021<br/>Actuals</b> | <b>2020<br/>Actuals</b> |
| <b>Net revenue</b>   |                                     |                 |                         |                         |
| <b>Net revenue</b>   | <b>1,317</b>                        | <b>29</b>       | <b>1,346</b>            | <b>1,387</b>            |
| GAAP-based financial data  |                                     |                 |                         |                         |
| Change in deferred net revenue (online-enabled games) <sup>1</sup> | 58                                  | 86              | 144                     | (131)                   |
| <b>Cost of revenue</b>   |                                     |                 |                         |                         |
| <b>Cost of revenue</b>   | <b>302</b>                          | <b>17</b>       | <b>319</b>              | <b>269</b>              |
| GAAP-based financial data  |                                     |                 |                         |                         |
| Acquisition-related expenses                                       | —                                   | (4)             | (4)                     | (3)                     |
| Stock-based compensation   | —                                   | (1)             | (1)                     | (1)                     |
| <b>Operating expenses</b>  |                                     |                 |                         |                         |
| <b>Operating expenses</b>  | <b>837</b>                          | <b>15</b>       | <b>852</b>              | <b>717</b>              |
| GAAP-based financial data  |                                     |                 |                         |                         |
| Acquisition-related expenses                                       | (4)                                 | (10)            | (14)                    | (6)                     |
| Stock-based compensation   | (114)                               | 6               | (108)                   | (90)                    |
| <b>Income before tax</b>   |                                     |                 |                         |                         |
| <b>Income before tax</b>   | <b>172</b>                          | <b>(7)</b>      | <b>165</b>              | <b>414</b>              |
| GAAP-based financial data  |                                     |                 |                         |                         |
| Acquisition-related expenses                                       | 4                                   | 14              | 18                      | 9                       |
| Change in deferred net revenue (online-enabled games) <sup>1</sup> | 58                                  | 86              | 144                     | (131)                   |
| Stock-based compensation   | 114                                 | (5)             | 109                     | 91                      |
| Tax rate used for management reporting                             | 18 %                                |                 | 18 %                    | 18 %                    |
| <b>Earnings (loss) per share</b>                                   |                                     |                 |                         |                         |
| <b>Basic</b>   | <b>(0.07)</b>                       | <b>0.33</b>     | <b>0.26</b>             | <b>1.44</b>             |
| <b>Diluted</b>   | <b>(0.07)</b>                       | <b>0.33</b>     | <b>0.26</b>             | <b>1.43</b>             |
| <b>Number of shares</b>  |                                     |                 |                         |                         |
| <b>Basic</b>   | <b>289</b>                          | <b>(1)</b>      | <b>288</b>              | <b>290</b>              |
| <b>Diluted</b>   | <b>289</b>                          | <b>1</b>        | <b>290</b>              | <b>292</b>              |

<sup>1</sup>The 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.

In fiscal 2021, EA changed the way in which it presents net revenue. Periods prior to the first quarter of fiscal 2021 have been recast for comparability to align with these changes. For more information please see the Financial Reporting FAQ on our Investor Relations Website.

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

|   | March 31, 2021 | March 31, 2020 <sup>2</sup> |
|---|----------------|-----------------------------|
| <b>ASSETS</b>                                     |                |                             |
| Current assets:                                   |                |                             |
| Cash and cash equivalents                         | 5,260          | 3,768                       |
| Short-term investments                            | 1,106          | 1,967                       |
| Receivables, net                                  | 521            | 461                         |
| Other current assets                              | 326            | 321                         |
| <b>Total current assets</b>                       | <b>7,213</b>   | <b>6,517</b>                |
| Property and equipment, net                       | 491            | 449                         |
| Goodwill  | 2,868          | 1,885                       |
| Acquisition-related intangibles, net              | 309            | 53                          |
| Deferred income taxes, net                        | 2,045          | 1,903                       |
| Other assets                                      | 362            | 305                         |
| <b>TOTAL ASSETS</b>                               | <b>13,288</b>  | <b>11,112</b>               |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>       |                |                             |
| Current liabilities:                              |                |                             |
| Accounts payable                                  | 96             | 68                          |
| Accrued and other current liabilities             | 1,341          | 1,052                       |
| Deferred net revenue (online-enabled games)       | 1,527          | 945                         |
| Senior notes, current, net                        | —              | 599                         |
| <b>Total current liabilities</b>                  | <b>2,964</b>   | <b>2,664</b>                |
| Senior notes, net                                 | 1,876          | 397                         |
| Income tax obligations                            | 315            | 373                         |
| Deferred income taxes, net                        | 43             | 1                           |
| Other liabilities                                 | 250            | 216                         |
| <b>Total liabilities</b>                          | <b>5,448</b>   | <b>3,651</b>                |
| Stockholders' equity:                             |                |                             |
| Common stock                                      | 3              | 3                           |
| Retained earnings                                 | 7,887          | 7,508                       |
| Accumulated other comprehensive loss              | (50)           | (50)                        |
| <b>Total stockholders' equity</b>                 | <b>7,840</b>   | <b>7,461</b>                |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> | <b>13,288</b>  | <b>11,112</b>               |

<sup>2</sup>Derived from audited consolidated financial statements.

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

|   | Three Months Ended<br>March 31, |              | Twelve Months Ended<br>March 31, |                |
|---|---------------------------------|--------------|----------------------------------|----------------|
|   | 2021                            | 2020         | 2021                             | 2020           |
| <b>OPERATING ACTIVITIES</b>   |                                 |              |                                  |                |
| Net income  | 76                              | 418          | 837                              | 3,039          |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                 |              |                                  |                |
| Depreciation, amortization and accretion  | 58                              | 39           | 181                              | 150            |
| Acquisition-related contingent consideration                                      | —                               | 5            | —                                | 5              |
| Stock-based compensation  | 109                             | 91           | 435                              | 347            |
| Change in assets and liabilities  |                                 |              |                                  |                |
| Receivables, net  | 268                             | 340          | (41)                             | 164            |
| Other assets  | (42)                            | (41)         | (70)                             | 35             |
| Accounts payable  | (11)                            | (3)          | 18                               | (36)           |
| Accrued and other liabilities   | (109)                           | (145)        | 136                              | 119            |
| Deferred income taxes, net  | (125)                           | (78)         | (143)                            | (1,871)        |
| Deferred net revenue (online-enabled games)                                       | 147                             | (128)        | 581                              | (155)          |
| <b>Net cash provided by operating activities</b>                                  | <b>371</b>                      | <b>498</b>   | <b>1,934</b>                     | <b>1,797</b>   |
| <b>INVESTING ACTIVITIES</b>   |                                 |              |                                  |                |
| Capital expenditures  | (31)                            | (40)         | (124)                            | (140)          |
| Proceeds from maturities and sales of short-term investments                      | 1,598                           | 767          | 3,686                            | 2,142          |
| Purchase of short-term investments  | (772)                           | (738)        | (2,828)                          | (3,359)        |
| Acquisitions, net of cash acquired  | (1,239)                         | —            | (1,239)                          | —              |
| <b>Net cash used in investing activities</b>                                      | <b>(444)</b>                    | <b>(11)</b>  | <b>(505)</b>                     | <b>(1,357)</b> |
| <b>FINANCING ACTIVITIES</b>   |                                 |              |                                  |                |
| Proceeds from issuance of senior notes, net of issuance costs                     | 1,478                           | —            | 1,478                            | —              |
| Payment of senior notes   | (600)                           | —            | (600)                            | —              |
| Proceeds from issuance of common stock  | 30                              | 28           | 86                               | 62             |
| Cash dividends paid   | (49)                            | —            | (98)                             | —              |
| Cash paid to taxing authorities for shares withheld from employees                | (8)                             | (5)          | (152)                            | (91)           |
| Repurchase and retirement of common stock   | (325)                           | (291)        | (729)                            | (1,207)        |
| Payment of contingent consideration   | —                               | (32)         | —                                | (122)          |
| <b>Net cash provided by (used in) financing activities</b>                        | <b>526</b>                      | <b>(300)</b> | <b>(15)</b>                      | <b>(1,358)</b> |
| <b>Effect of foreign exchange on cash and cash equivalents</b>                    | <b>35</b>                       | <b>(22)</b>  | <b>78</b>                        | <b>(22)</b>    |
| <b>Change in cash and cash equivalents</b>  | <b>488</b>                      | <b>165</b>   | <b>1,492</b>                     | <b>(940)</b>   |
| Beginning cash and cash equivalents   | 4,772                           | 3,603        | 3,768                            | 4,708          |
| <b>Ending cash and cash equivalents</b>   | <b>5,260</b>                    | <b>3,768</b> | <b>5,260</b>                     | <b>3,768</b>   |

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

|  | Q4           | Q1           | Q2           | Q3           | Q4           | YOY %        |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
|  | FY20         | FY21         | FY21         | FY21         | FY21         | Change       |
| <b>Net revenue</b>   |              |              |              |              |              |              |
| <b>Net revenue</b>   | <b>1,387</b> | <b>1,459</b> | <b>1,151</b> | <b>1,673</b> | <b>1,346</b> | <b>(3%)</b>  |
| GAAP-based financial data  |              |              |              |              |              |              |
| Change in deferred net revenue (online-enabled games) <sup>1</sup> | (131)        | (69)         | (241)        | 727          | 144          |              |
| <b>Gross profit</b>  |              |              |              |              |              |              |
| <b>Gross profit</b>  | <b>1,118</b> | <b>1,171</b> | <b>865</b>   | <b>1,072</b> | <b>1,027</b> | <b>(8%)</b>  |
| <i>Gross profit (as a % of net revenue)</i>                        | <i>81%</i>   | <i>80%</i>   | <i>75%</i>   | <i>64%</i>   | <i>76%</i>   |              |
| GAAP-based financial data  |              |              |              |              |              |              |
| Acquisition-related expenses                                       | 3            | —            | —            | —            | 4            |              |
| Change in deferred net revenue (online-enabled games) <sup>1</sup> | (131)        | (69)         | (241)        | 727          | 144          |              |
| Stock-based compensation   | 1            | 1            | 2            | 1            | 1            |              |
| <b>Operating income</b>  |              |              |              |              |              |              |
| <b>Operating income</b>  | <b>401</b>   | <b>471</b>   | <b>149</b>   | <b>251</b>   | <b>175</b>   | <b>(56%)</b> |
| <i>Operating income (as a % of net revenue)</i>                    | <i>29%</i>   | <i>32%</i>   | <i>13%</i>   | <i>15%</i>   | <i>13%</i>   |              |
| GAAP-based financial data  |              |              |              |              |              |              |
| Acquisition-related expenses                                       | 9            | 5            | 6            | 5            | 18           |              |
| Change in deferred net revenue (online-enabled games) <sup>1</sup> | (131)        | (69)         | (241)        | 727          | 144          |              |
| Stock-based compensation   | 91           | 102          | 113          | 111          | 109          |              |
| <b>Net income</b>  |              |              |              |              |              |              |
| <b>Net income</b>  | <b>418</b>   | <b>365</b>   | <b>185</b>   | <b>211</b>   | <b>76</b>    | <b>(82%)</b> |
| <i>Net income (as a % of net revenue)</i>                          | <i>30%</i>   | <i>25%</i>   | <i>16%</i>   | <i>13%</i>   | <i>6%</i>    |              |
| GAAP-based financial data  |              |              |              |              |              |              |
| Acquisition-related expenses                                       | 9            | 5            | 6            | 5            | 18           |              |
| Change in deferred net revenue (online-enabled games) <sup>1</sup> | (131)        | (69)         | (241)        | 727          | 144          |              |
| Stock-based compensation   | 91           | 102          | 113          | 111          | 109          |              |
| Tax rate used for management reporting                             | 18%          | 18%          | 18%          | 18%          | 18%          |              |
| <b>Diluted earnings per share</b>                                  | <b>1.43</b>  | <b>1.25</b>  | <b>0.63</b>  | <b>0.72</b>  | <b>0.26</b>  | <b>(82%)</b> |
| <b>Number of diluted shares used in computation</b>                |              |              |              |              |              |              |
| <b>Basic</b>   | <b>290</b>   | <b>288</b>   | <b>289</b>   | <b>290</b>   | <b>288</b>   |              |
| <b>Diluted</b>   | <b>292</b>   | <b>292</b>   | <b>293</b>   | <b>292</b>   | <b>290</b>   |              |

<sup>1</sup>The 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.

In fiscal 2021, EA changed the way in which it presents net revenue. Periods prior to the first quarter of fiscal 2021 have been recast for comparability to align with these changes. For more information please see the Financial Reporting FAQ on our Investor Relations Website.

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

|   | <b>Q4</b>    | <b>Q1</b>    | <b>Q2</b>    | <b>Q3</b>    | <b>Q4</b>    | <b>YOY %</b>  |
|---|--------------|--------------|--------------|--------------|--------------|---------------|
|   | <b>FY20</b>  | <b>FY21</b>  | <b>FY21</b>  | <b>FY21</b>  | <b>FY21</b>  | <b>Change</b> |
| <b>QUARTERLY NET REVENUE PRESENTATIONS</b>  |              |              |              |              |              |               |
| <b>Net revenue by composition</b>   |              |              |              |              |              |               |
| Full game downloads   | 211          | 223          | 163          | 347          | 185          | (12%)         |
| Packaged goods  | 145          | 136          | 119          | 375          | 65           | (55%)         |
| Full game   | 356          | 359          | 282          | 722          | 250          | (30%)         |
| Live services and other   | 1,031        | 1,100        | 869          | 951          | 1,096        | 6%            |
| <b>Total net revenue</b>  | <b>1,387</b> | <b>1,459</b> | <b>1,151</b> | <b>1,673</b> | <b>1,346</b> | <b>(3%)</b>   |
| <i>Full game</i>  | <i>26%</i>   | <i>25%</i>   | <i>25%</i>   | <i>43%</i>   | <i>19%</i>   |               |
| <i>Live services and other</i>  | <i>74%</i>   | <i>75%</i>   | <i>75%</i>   | <i>57%</i>   | <i>81%</i>   |               |
| <b>Total net revenue %</b>  | <b>100%</b>  | <b>100%</b>  | <b>100%</b>  | <b>100%</b>  | <b>100%</b>  |               |
| GAAP-based financial data   |              |              |              |              |              |               |
| Full game downloads   | (21)         | (5)          | (2)          | 53           | (19)         |               |
| Packaged goods  | (67)         | (67)         | (14)         | 83           | (44)         |               |
| Full game   | (88)         | (72)         | (16)         | 136          | (63)         |               |
| Live services and other   | (43)         | 3            | (225)        | 591          | 207          |               |
| Total change in deferred net revenue (online-enabled games) by composition <sup>1</sup> | (131)        | (69)         | (241)        | 727          | 144          |               |
| <b>Net revenue by platform</b>  |              |              |              |              |              |               |
| Console   | 928          | 932          | 714          | 1,191        | 879          | (5%)          |
| PC & Other  | 274          | 325          | 249          | 326          | 295          | 8%            |
| Mobile  | 185          | 202          | 188          | 156          | 172          | (7%)          |
| <b>Total net revenue</b>  | <b>1,387</b> | <b>1,459</b> | <b>1,151</b> | <b>1,673</b> | <b>1,346</b> | <b>(3%)</b>   |
| GAAP-based financial data   |              |              |              |              |              |               |
| Console   | (143)        | (108)        | (201)        | 619          | 71           |               |
| PC & Other  | 7            | 15           | (24)         | 73           | 51           |               |
| Mobile  | 5            | 24           | (16)         | 35           | 22           |               |
| Total change in deferred net revenue (online-enabled games) by platform <sup>1</sup>    | (131)        | (69)         | (241)        | 727          | 144          |               |

<sup>1</sup>The 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.

In fiscal 2021, EA changed the way in which it presents net revenue. Periods prior to the first quarter of fiscal 2021 have been recast for comparability to align with these changes. For more information please see the Financial Reporting FAQ on our Investor Relations Website.

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

|   | <b>Q4</b>   | <b>Q1</b>   | <b>Q2</b>   | <b>Q3</b>   | <b>Q4</b>   | <b>YOY %</b>  |
|---|-------------|-------------|-------------|-------------|-------------|---------------|
|   | <b>FY20</b> | <b>FY21</b> | <b>FY21</b> | <b>FY21</b> | <b>FY21</b> | <b>Change</b> |
| <b>CASH FLOW DATA</b>                                 |             |             |             |             |             |               |
| Operating cash flow                                   | 498         | 378         | 61          | 1,124       | 371         | (26%)         |
| Operating cash flow - TTM                             | 1,797       | 2,017       | 2,041       | 2,061       | 1,934       | 8%            |
| Capital expenditures                                  | 40          | 38          | 25          | 30          | 31          | (23%)         |
| Capital expenditures - TTM                            | 140         | 133         | 131         | 133         | 124         | (11%)         |
| Repurchase and retirement of common stock             | 291         | 78          | —           | 326         | 325         | 12%           |
| Cash dividends paid                                   | —           | —           | —           | 49          | 49          | 100%          |
| <b>DEPRECIATION</b>                                   |             |             |             |             |             |               |
| Depreciation expense                                  | 31          | 31          | 32          | 37          | 38          | 23%           |
| <b>BALANCE SHEET DATA</b>                             |             |             |             |             |             |               |
| Cash and cash equivalents                             | 3,768       | 4,013       | 4,059       | 4,772       | 5,260       |               |
| Short-term investments                                | 1,967       | 1,947       | 1,972       | 1,938       | 1,106       |               |
| Cash and cash equivalents, and short-term investments | 5,735       | 5,960       | 6,031       | 6,710       | 6,366       | 11%           |
| Receivables, net                                      | 461         | 507         | 423         | 778         | 521         | 13%           |
| <b>STOCK-BASED COMPENSATION</b>                       |             |             |             |             |             |               |
| Cost of revenue                                       | 1           | 1           | 2           | 1           | 1           |               |
| Research and development                              | 59          | 66          | 74          | 74          | 71          |               |
| Marketing and sales                                   | 10          | 11          | 12          | 11          | 12          |               |
| General and administrative                            | 21          | 24          | 25          | 25          | 25          |               |
| Total stock-based compensation                        | 91          | 102         | 113         | 111         | 109         |               |