

PART I – FINANCIAL INFORMATION**Item 1. Condensed Consolidated Financial Statements (Unaudited)****ELECTRONIC ARTS INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

(Unaudited)

(In millions, except par value data)

	December 31, 2023	March 31, 2023 ^(a)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,742	\$ 2,424
Short-term investments	362	343
Receivables, net	867	684
Other current assets	378	518
Total current assets	4,349	3,969
Property and equipment, net	561	549
Goodwill	5,382	5,380
Acquisition-related intangibles, net	501	618
Deferred income taxes, net	2,375	2,462
Other assets	449	481
TOTAL ASSETS	\$ 13,617	\$ 13,459
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 62	\$ 99
Accrued and other current liabilities	1,299	1,285
Deferred net revenue (online-enabled games)	1,919	1,901
Total current liabilities	3,280	3,285
Senior notes, net	1,881	1,880
Income tax obligations	482	607
Deferred income taxes, net	2	1
Other liabilities	439	393
Total liabilities	6,084	6,166
Commitments and contingencies (See Note 12)		
Stockholders' equity:		
Common stock, \$0.01 par value. 1,000 shares authorized; 268 and 273 shares issued and outstanding, respectively	3	3
Additional paid-in capital	—	—
Retained earnings	7,614	7,357
Accumulated other comprehensive income (loss)	(84)	(67)
Total stockholders' equity	7,533	7,293
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 13,617	\$ 13,459

See accompanying Notes to Condensed Consolidated Financial Statements (unaudited).

(a) Derived from audited Consolidated Financial Statements.

[Table of Contents](#)**ELECTRONIC ARTS INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited) (In millions, except per share data)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2023	2022	2023	2022
Net revenue	\$ 1,945	\$ 1,881	\$ 5,783	\$ 5,552
Cost of revenue	529	568	1,353	1,344
Gross profit	1,416	1,313	4,430	4,208
Operating expenses:				
Research and development	584	556	1,782	1,693
Marketing and sales	276	256	785	723
General and administrative	170	162	506	503
Amortization and impairment of intangibles	21	50	70	132
Restructuring (See Note 7)	—	—	3	—
Total operating expenses	1,051	1,024	3,146	3,051
Operating income	365	289	1,284	1,157
Interest and other income (expense), net	17	(7)	45	(12)
Income before provision for income taxes	382	282	1,329	1,145
Provision for income taxes	92	78	238	331
Net income	\$ 290	\$ 204	\$ 1,091	\$ 814
Earnings per share:				
Basic	\$ 1.08	\$ 0.74	\$ 4.03	\$ 2.93
Diluted	\$ 1.07	\$ 0.73	\$ 4.01	\$ 2.92
Number of shares used in computation:				
Basic	269	276	271	278
Diluted	271	278	272	279

See accompanying Notes to Condensed Consolidated Financial Statements (unaudited).

[Table of Contents](#)**ELECTRONIC ARTS INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)

(In millions)

OPERATING ACTIVITIES

		Nine Months Ended December 31,	
		2023	2022
Net income	\$	1,091	\$ 814
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization, accretion and impairment		255	363
Stock-based compensation		436	406
Change in assets and liabilities:			
Receivables, net		(184)	(186)
Other assets		186	(53)
Accounts payable		(36)	(21)
Accrued and other liabilities		(119)	28
Deferred income taxes, net		88	(203)
Deferred net revenue (online-enabled games)		18	(215)
Net cash provided by operating activities		1,735	933
INVESTING ACTIVITIES			
Capital expenditures		(148)	(160)
Proceeds from maturities and sales of short-term investments		450	243
Purchase of short-term investments		(460)	(263)
Net cash used in investing activities		(158)	(180)
FINANCING ACTIVITIES			
Proceeds from issuance of common stock		43	47
Cash dividends paid		(154)	(158)
Cash paid to taxing authorities for shares withheld from employees		(178)	(161)
Common stock repurchases		(975)	(970)
Net cash used in financing activities		(1,264)	(1,242)
Effect of foreign exchange on cash and cash equivalents		5	(41)
Increase (decrease) in cash and cash equivalents		318	(530)
Beginning cash and cash equivalents		2,424	2,732
Ending cash and cash equivalents	\$	2,742	\$ 2,202
Supplemental cash flow information:			
Cash paid during the period for income taxes, net	\$	204	\$ 457
Cash paid during the period for interest		28	28

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