

# Full Electronic Arts 2023 Fiscal Year Overview

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## Research Goals and Objectives

Research Objective: to examine Electronic Arts company's publicly available financial information, determine its development strategy and compile a review of the annual financial reports for the company.

Research Tasks:

- Find comprehensive financial and corporate information about the company;
- Conduct an analysis of the gathered information;
- Draw conclusions based on the analyzed data.

## Disclaimers

The information collected in this report reflects data from public company reports and is not questioned or verified through other sources. In other words, the information from Form 10-K is taken and used as is. In case additional information from other sources or reflecting the researcher's personal opinion is used, it is indicated separately.

## Document Markup

- Electronic Arts 2023 report period is from April 1, 2022, to March 31, 2023;
- EA – Electronic Arts;
- YoY – Year-to-Year.

## Conclusions

### General Information

Parameter/Company	Electronic Arts
Website	<a href="http://ea.com">ea.com</a>
Country (Location)	USA
Country (Issuer)	USA
Foundation Year	<a href="#">1982</a>
Founder	<a href="#">Trip Hawkins</a>
Sector	Technology
Type	Public
Year of IPO	2013
Stock Market	<a href="#">NASDAQ</a>
Ticker	<a href="#">EA</a>

## Board Members and Managers

Board of Directors <sup>1</sup>		
Name	Title	Since
<a href="#">Andrew Wilson</a>	Director, Chief Executive Officer, Chairman of the Board	2021
<a href="#">Kofi Bruce</a>	Director	2021
<a href="#">Rachel A. Gonzalez</a>	Director	2021
<a href="#">Jeffrey T. Huber</a>	Director	2008
<a href="#">Talbot Roche</a>	Director	2015
<a href="#">Richard A. Simonson</a>	Director	2006
<a href="#">Luis A. Ubiñas</a>	Director	2010
<a href="#">Heidi Ueberroth</a>	Director	2017

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<sup>1</sup> [EA, Board of Directors](#)

Executive Team <sup>2</sup>		
Name	Title	Since
Andrew Wilson	Chairman & Chief Executive Officer	2013
Stuart Canfield	EVP & Chief Financial Officer	2023
Laura Miele	President of EA Entertainment, Technology & Central Development	2023
Mala Singh	Chief People Officer	2016
Jacob Schatz	Chief Legal Officer	2014
Cam Weber	President, EA SPORTS	2023
Matt Thomlinson	Chief Technology Officer, Enterprise & Platform Services	2022
Jeff Karp	Senior Vice President, Mobile Games at EA	2020
Marija Radulovic-Nastic	Chief Technology Officer, Creative & Development	2022
Samantha Ryan	Senior Vice President, Group GM, BioWare, Full Circle, Maxis, Motive	2015
Vince Zampella	Co-Founder of Respawn and Group General Manager, EA Studios Organization	2010
Eric Kelly	Vice President, Chief Accounting Officer	2013
Paul Cairns	Chief Business Officer, EA	2021
David Tinson	EVP and Chief Experiences Officer	2023

## Employees

Indicator/Company	Electronic Arts
Number of Employees as of March 31, 2022	12,900 <sup>3</sup>
Number of Employees as of March 31, 2023	13,400 <sup>4</sup>

<sup>2</sup> [EA website, Executive Team](#)

<sup>3</sup> [EA Annual report 2022, p. 6, Human Capital](#)

<sup>4</sup> [EA Annual report 2023, p. 6, Human Capital](#)

## Shareholders

### Shareholder Structure

Institutional Ownership – 91.06%<sup>5</sup>;

Institutional Holders – 1,046<sup>6</sup>;

Total Shares Outstanding – 272,712,152<sup>7</sup> (As of May 22, 2023).

### Shareholders Equities

Top 10 Direct Holders <sup>8</sup>		
Name	Equities	Share, %
Huber Jeff	<a href="#">79,381</a>	0.000029%
Richard A. Simonson	<a href="#">58,723</a>	0.000022%
Laura Miele	<a href="#">38,586</a>	0.000014%
Jacob J. Schatz	<a href="#">24,891</a>	0.000009%
Talbott Roche	<a href="#">19,589</a>	0.000007%
Christopher Bruzzo	<a href="#">11,907</a>	0.000004%
Eric Kelly	<a href="#">6,112</a>	0.000002%
Heidi J. Ueberroth	<a href="#">5,799</a>	0.000002%
Stuart Canfield	<a href="#">3,498</a>	0.000001%
Rachel A. Gonzalez	<a href="#">2,643</a>	0.000001%
<b>Total Top 10 Direct Holders</b>	<b>251,129</b>	<b>0.0001%</b>

<sup>5</sup> [Nasdaq, Ownership Summary](#)

<sup>6</sup> [Nasdaq, Institutional Holdings](#)

<sup>7</sup> [EA Annual report 2023, p. 1](#)

<sup>8</sup> [SEC, Ownership Disclosures](#)

Top 10 Fund Holders <sup>9</sup>		
Name	Equities	Share, %
<a href="#">Public Investment Fund</a>	24,807,932	9.10%
<a href="#">BlackRock, Inc</a>	24,088,600	8.83%
<a href="#">The Vanguard Group, Inc</a>	22,058,054	8.09%
<a href="#">State Street Corp</a>	12,912,701	4.73%
<a href="#">Massachusetts Financial Services Co</a>	10,016,342	3.67%
<a href="#">Wellington Management Group LLP</a>	9,174,534	3.36%
<a href="#">Amundi</a>	6,404,232	2.35%
<a href="#">Geode Capital Management, LLC</a>	5,808,956	2.13%
<a href="#">Ameriprise Financial Inc</a>	5,402,199	1.98%
<a href="#">Capital International Investors</a>	4,577,123	1.68%
<b>Total Top 10 Fund Holders</b>	<b>125,250,673</b>	<b>45.92%</b>

<sup>9</sup> [Nasdaq, Institutional Holdings](#)

## Mergers, Acquisitions, and Subsidiaries<sup>10 11</sup>

Name	Date	Price, mill \$
<a href="#">Batteries Included</a>	1987	-
<a href="#">Distinctive Software Inc</a>	July 1, 1991	-
<a href="#">Origin Systems</a>	Sep 10, 1992	\$35
<a href="#">DROsoft</a>	Nov 14, 1994	-
<a href="#">Bullfrog Productions</a>	Jan 6, 1995	-
<a href="#">Kingsoft GmbH</a>	Mar 8, 1995	-
<a href="#">Manley &amp; Associates</a>	Jan 29, 1996	-
<a href="#">Maxis</a>	Jun 4, 1997	\$125
<a href="#">Tiburon Entertainment</a>	Apr 2, 1998	-
<a href="#">Vision Software</a>	Apr 8, 1998	-
<a href="#">ABC Software</a>	Jul 28, 1998	-
<a href="#">Westwood Studios</a> ; <a href="#">Virgin Interactive</a> 's North American Operations, <a href="#">Burst Studios</a>	Aug 17, 1998	\$123
<a href="#">PlayNation</a>	Sep 8, 1999	-
<a href="#">Kesmai</a>	Nov 22, 1999	-
<a href="#">DreamWorks Interactive</a>	Feb 24, 2000	-
<a href="#">Pogo.com</a>	Feb 28, 2001	-
<a href="#">Black Box Games</a>	Jun 11, 2002	-
<a href="#">Studio 33</a>	Oct 16, 2003	-
<a href="#">NuFX</a>	Feb 13, 2004	-
<a href="#">Criterion Software</a>	Jul 28, 2004	\$48
<a href="#">Hypnotix</a>	Jul 27, 2005	-
<a href="#">JAMDAT Mobile</a>	Dec 8, 2005	\$680

<sup>10</sup> [Tracxn, Acquisitions](#)

<sup>11</sup> [Wikipedia, List of acquisitions by Electronic Arts](#)



<a href="#">Mythic Entertainment</a>	Jul 20, 2006	-
<a href="#">Phenomic Game Development</a>	Aug 23, 2006	-
<a href="#">Digital Illusions CE</a> (DICE)	Oct 2, 2006	-
<a href="#">Headgate Studios</a>	Nov 30, 2006	-
<a href="#">SingShot Media</a>	Feb 12, 2007	-
Super Computer International	Oct 5, 2007	-
<a href="#">VG Holding Corp</a>	Oct 11, 2007	\$775
<a href="#">BioWare</a>	Oct 11, 2007	\$860
<a href="#">Pandemic Studios</a>	Oct 11, 2007	-
<a href="#">Derek Yetter</a>	May 08, 2008	\$15
<a href="#">Hands-On Mobile</a>	May 21, 2008	-
<a href="#">ThreeSF</a>	Jun 3, 2008	-
J2MSoft	Dec 2, 2008	-
<a href="#">J2Play</a>	Aug 05, 2009	-
<a href="#">Playfish</a>	Nov 09, 2009	\$300
<a href="#">Chillingo</a>	Oct 20, 2010	\$20
Mobile Post Production	May 3, 2011	-
<a href="#">Firemint</a>	May 03, 2011	-
<a href="#">PopCap</a>	Jul 12, 2011	\$750
Bight Games	Aug 11, 2011	-
<a href="#">Klick Nation</a>	Dec 01, 2011	-
<a href="#">ESN Social Software</a>	Sep 26, 2012	-
<a href="#">Respawn Entertainment</a>	Nov 09, 2017	\$315
<a href="#">GameFly</a>	May 1, 2018	-
<a href="#">Industrial Toys</a>	Jul 09, 2018	-
<a href="#">Codemasters</a>	Feb 18, 2021	\$1,200

<a href="#">Glu</a>	Feb 08, 2021	\$2,400
<a href="#">Metalhead Software</a>	May 05, 2021	-
<a href="#">Playdemic</a>	Jun 23, 2021	\$1,400

Note: This section may not fully reflect all the company's transactions but strives for maximum possible completeness.

## Company Strategy<sup>12</sup>

EA's business strategy is based on providing exceptional content and services to a larger number of players. The goal is to build upon this core and invest in new areas of opportunity that will lead to sustainable growth. These include:

- Providing the community with tools to more deeply engage with the company's content and experiences;
- Unifying and disseminating content and experiences to a larger number of players, on more platforms, across more geographical regions, and with a greater variety of business models;
- Leveraging the opportunities of social ecosystems both within the company's games and around them.

<sup>12</sup> [EA Q4 and FY23 Results Presentation, p. 4](#)

# Games

## Game Genres

EA's main game genres<sup>13</sup>:

- Sandbox;
- Real-time Strategy (RTS);
- Shooter:
  - FPS;
  - TPS.
- Multiplayer Online Battle Arena (MOBA);
- Role-playing:
  - RPG;
  - ARPG;
  - CRPG;
  - MMORPG;
  - TRPG;
  - Roguelike;
  - Roguelite.
- Sports and Simulation;
- Puzzle and Party Game;
- Action-adventure;
- Survival and Horror;
- Platformer.

Note: This gaming genre structure, in our view, is the most comprehensive and flexible when specifying the genre of a particular game.

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<sup>13</sup> [Hp, Video Game Genres](#)

## Famous Franchises<sup>14</sup>

EA Entertainment	
Name	Genre
<a href="#">Alice</a>	Action-adventure
<a href="#">Ancient Empires</a>	Role-playing
<a href="#">Army of Two</a>	Shooter
<a href="#">Battlefield</a>	Shooter
<a href="#">Bejeweled</a>	Puzzle and Party Game
<a href="#">Bookworm</a>	Puzzle and Party Game
<a href="#">Boom Blox</a>	Puzzle and Party Game
<a href="#">Brian Lara Cricket</a>	Sports and Simulation
<a href="#">Burnout</a>	Sports and Simulation
<a href="#">Chocolatier</a>	Sports and Simulation
<a href="#">Colin McRae Rally and Dirt</a>	Sports and Simulation
<a href="#">Command &amp; Conquer</a>	Strategy
<a href="#">Crysis</a>	Shooter
<a href="#">Dead Space</a>	Survival and Horror
<a href="#">Deer Hunter</a>	Sports and Simulation
<a href="#">Diner Dash</a>	Sports and Simulation
<a href="#">Dizzy</a>	Action-adventure
<a href="#">Dragon Age</a>	Role-playing
<a href="#">Dream Chronicles</a>	Action-adventure
<a href="#">Dungeon Keeper</a>	Role-playing
<a href="#">Feeding Frenzy</a>	Action-adventure
<a href="#">Grid</a>	Sports and Simulation
<a href="#">Hasbro Family Game Night</a>	Action-adventure
<a href="#">LMA Manager</a>	Sports and Simulation

<sup>14</sup> [Wikipedia, EA Franchises](#)

<a href="#">Mass Effect</a>	Role-playing, Shooter
<a href="#">Medal of Honor</a>	Shooter
<a href="#">Mercenaries</a>	Action-adventure
<a href="#">Micro Machines</a>	Sports and Simulation
<a href="#">Midnight Star</a>	Shooter
<a href="#">Mirror's Edge</a>	Platformer
<a href="#">Need for Speed</a>	Sports and Simulation
<a href="#">Operation Flashpoint</a>	Sports and Simulation
<a href="#">Overlord</a>	Role-playing
<a href="#">Peggle</a>	Puzzle and Party Game
<a href="#">Plants vs. Zombies</a>	Shooter
<a href="#">Populous</a>	Strategy, Role-playing
<a href="#">Project CARS</a>	Sports and Simulation
<a href="#">Real Racing</a>	Sports and Simulation
<a href="#">Road Rash</a>	Sports and Simulation
<a href="#">Rock Band</a>	Sports and Simulation
<a href="#">Shank</a>	Action-adventure
<a href="#">SimCity</a>	Sports and Simulation
<a href="#">Skate</a>	Sports and Simulation
<a href="#">Star Wars: Battlefront</a>	Shooter
<a href="#">Spore</a>	Sports and Simulation
<a href="#">Strike</a>	Shooter
<a href="#">Syndicate</a>	Shooter
<a href="#">System Shock</a>	Shooter
<a href="#">The Sims</a>	Sports and Simulation
<a href="#">Titanfall</a>	Shooter
<a href="#">TOCA</a>	Sports and Simulation

<a href="#">Ultima</a>	Role-playing
<a href="#">Unravel</a>	Platformer
<a href="#">Wing Commander</a>	Sports and Simulation
<a href="#">Zuma</a>	Puzzle and Party Game

EA Sports	
Name	Genre
<a href="#">AFL</a>	Sports and Simulation
<a href="#">Cricket</a>	Sports and Simulation
<a href="#">F1</a>	Sports and Simulation
<a href="#">FC</a>	Sports and Simulation
<a href="#">FIFA</a>	Sports and Simulation
<a href="#">FIFA Manager</a>	Sports and Simulation
<a href="#">Fight Night</a>	Sports and Simulation
<a href="#">Knockout Kings</a>	Sports and Simulation
<a href="#">Madden NFL</a>	Sports and Simulation
<a href="#">MVP Baseball</a>	Sports and Simulation
<a href="#">NASCAR</a>	Sports and Simulation
<a href="#">NBA Live</a>	Sports and Simulation
<a href="#">NBA Street</a>	Sports and Simulation
<a href="#">NCAA Basketball</a>	Sports and Simulation
<a href="#">NCAA Football</a>	Sports and Simulation
<a href="#">NFL Street</a>	Sports and Simulation
<a href="#">NHL</a>	Sports and Simulation
<a href="#">PGA Tour</a>	Sports and Simulation
<a href="#">Triple Play</a>	Sports and Simulation
<a href="#">SSX</a>	Sports and Simulation
<a href="#">Super Mega Baseball</a>	Sports and Simulation

<a href="#">UFC</a>	Sports and Simulation
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Genres percentages:

Name	Amount	%
Sports and Simulation	43	54.43%
Shooter	12	15.19%
Action-adventure	7	8.86%
Role-playing	7	8.86%
Puzzle and Party Game	5	6.33%
Strategy	2	2.53%
Platformer	2	2.53%
Survival and Horror	1	1.27%
Total	79	100%

TBA Games

FY24 Slate – Announced Titles<sup>15 16</sup>:

Title	Launch date
<a href="#">PGA Tour</a>	April 7th, 2023
<a href="#">Star Wars Jedi: Survivor</a>	April 28th, 2023
<a href="#">Lord of the Rings: Heroes of Middle Earth</a>	May 10, 2023
<a href="#">Super Mega Baseball 4</a>	June 2, 2023
<a href="#">F1</a>	June 16, 2023
<a href="#">The Sims 4: Horse Ranch</a>	July 20, 2023
<a href="#">Madden NFL 24</a>	August 18, 2023
<a href="#">Immortals of Aveum</a>	August 22, 2023
<a href="#">FC24</a>	Q2 FY24

<sup>15</sup> [EA Q4 and FY23 Results Presentation, p. 9](#)

<sup>16</sup> [Wikipedia, List of Electronic Arts games: 2020–present](#)

NHL 24	Q3 FY24
<a href="#">Dragon Age: Dreadwolf</a>	TBA
RustHeart	TBA
Untitled Surgent Studios game	TBA
<a href="#">Skate</a>	TBA
Untitled Star Wars first-person shooter	TBA
Untitled Star Wars strategy game	TBA
Untitled game by <a href="#">Vince Zampella</a>	TBA
Untitled <a href="#">Iron Man</a> game	TBA
Untitled <a href="#">Mass Effect</a> game	TBA
Untitled single-player <a href="#">Battlefield</a> game	TBA
Project Rene – <a href="#">The Sims</a> game	TBA
Untitled <a href="#">Black Panther</a> game	TBA
Untitled <a href="#">Marvel</a> game	TBA
Untitled <a href="#">World Rally Championship</a> game	TBA
EA College Football	TBA



## Technology

EA Technology Sector<sup>17</sup>:

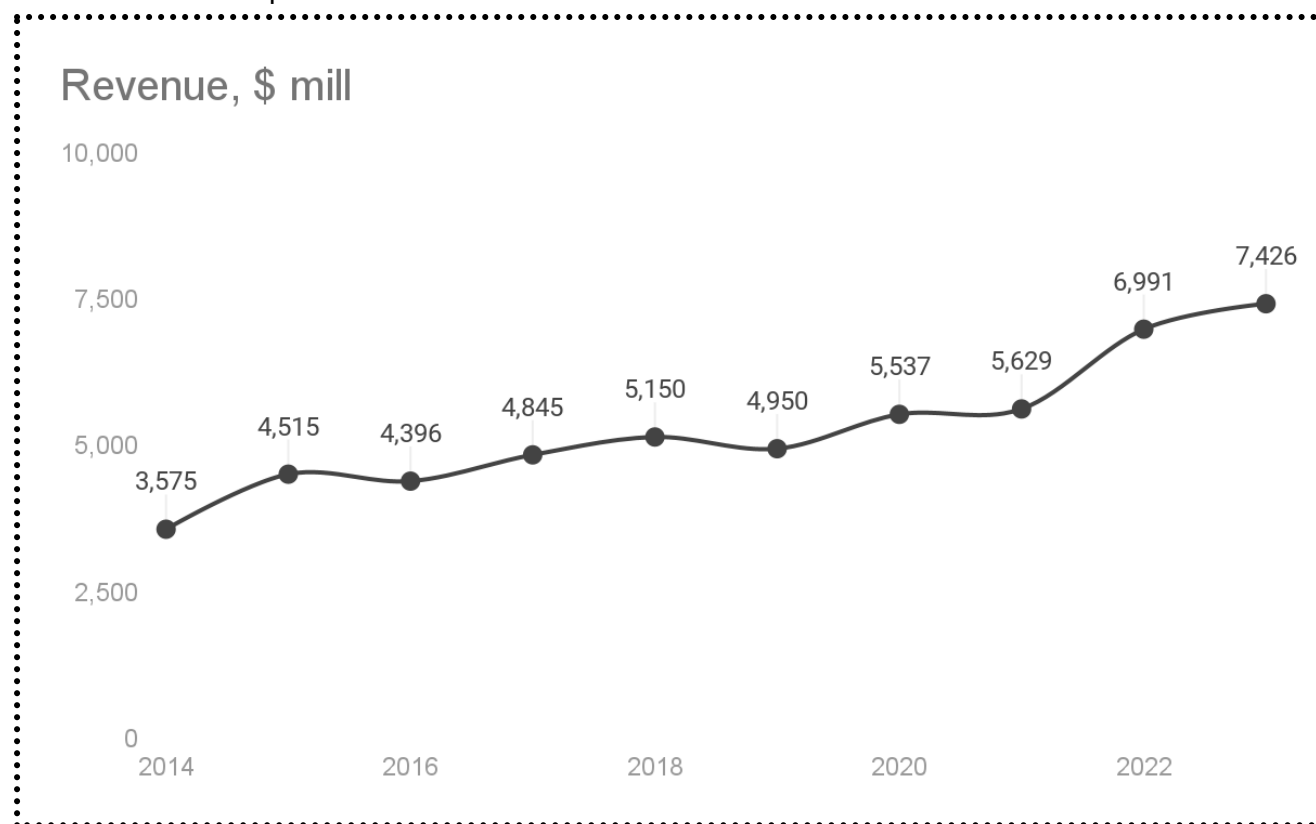
Technology	
Tools	<ul style="list-style-type: none"><li>• <a href="#">Cut &amp; Paste</a>;</li><li>• <a href="#">Deluxe Music Construction Set</a>;</li><li>• <a href="#">Deluxe Paint</a>;</li><li>• <a href="#">Deluxe Paint Animation</a>;</li><li>• <a href="#">Music Construction Set</a>.</li></ul>
Services	<ul style="list-style-type: none"><li>• <a href="#">EA Play</a>;</li><li>• <a href="#">EA App (Origin)</a>;</li><li>• <a href="#">Pogo.com</a>.</li></ul>
Game Engines	<ul style="list-style-type: none"><li>• <a href="#">Ego</a>;</li><li>• <a href="#">Frostbite</a>;</li><li>• <a href="#">Ignite</a>;</li><li>• <a href="#">RenderWare</a>;</li><li>• <a href="#">SAGE</a>.</li></ul>

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<sup>17</sup> [Wikipedia, website footer, chapter Electronic Arts, EA Technology](#)

## Financial Statements for 2023 Fiscal Year Revenue Retrospective

EA Revenue Retrospective for 2013-2023<sup>18 19 20</sup>



<sup>18</sup> [EA Annual report 2023, p. 38](#)

<sup>19</sup> [EA Annual report 2020, p. 41](#)

<sup>20</sup> [EA Annual report 2017, p. 23](#)

## Sales per Business

### Net Revenue Structure<sup>21 22</sup>

Name/Revenue, mill \$	2023	YoY	2022	YoY	2021
Live services and other	5,489	9.82%	4,998	24.45%	4,016
Full game downloads	1,262	-1.56%	1,282	39.65%	918
Packaged goods	675	-5.06%	711	2.30%	695
<b>Total Consolidated Net Revenue</b>	<b>7,426</b>	<b>6.22%</b>	<b>6,991</b>	<b>24.20%</b>	<b>5,629</b>

### Net Revenue Structure percentages

Name	%
Live services and other	73.92%
Full game downloads	16.99%
Packaged goods	9.09%

In 2023, net revenue amounted to \$7.426 billion, primarily driven by sales related to FIFA 23, FIFA 22, Apex Legends, The Sims 4, and Madden NFL 23.

Direct live services and other net revenue primarily include revenue from the sales of additional content for console, PC, and mobile games, specific licensing revenues, subscriptions, and advertising. Direct live services and other net revenue for 2023 reached \$5.489 billion, primarily due to sales of additional content for FIFA Ultimate Team, Apex Legends, The Sims 4, and Madden Ultimate Team.

Direct live services and other net revenue for 2023 increased by \$491 million, or 9.82%, compared to the 2022 fiscal year. This growth was primarily driven by sales of additional content for Apex Legends, additional content, and licensing for the FIFA franchise, as well as the addition of Golf Clash, partially offset by the Star Wars franchise.<sup>23</sup>

<sup>21</sup> [EA Annual report 2023, p. 79, Net Revenue by Composition](#)

<sup>22</sup> [EA Annual report 2022, p. 33](#)

<sup>23</sup> [EA Annual report 2023, p. 28](#)

## Sales by Platforms

### Sales Volume by Platforms<sup>24</sup>

Name/Revenue, mill \$	2023	YoY	2022	YoY	2021
Console	4,443	0.98%	4,400	18.41%	3,716
PC and other	1,729	12.86%	1,532	28.20%	1,195
Mobile	1,254	18.41%	1,059	47.49%	718
<b>Total Consolidated Net Revenue</b>	<b>7,426</b>	<b>6.22%</b>	<b>6,991</b>	<b>24.20%</b>	<b>5,629</b>

### Sales Volume by Platforms percentages

Name	%
Console	59.83%
PC and other	23.28%
Mobile	16.89%

<sup>24</sup> [EA Annual report 2023, p. 80](#)

## Sales per Region

### Sales by Region<sup>25</sup>

Name/Revenue, mill \$	2023	YoY	2022	YoY	2021
International	4,275	8.17%	3,952	25.26%	3,155
North America	3,151	3.69%	3,039	22.84%	2,474
<b>Total Consolidated Net Revenue</b>	<b>7,426</b>	<b>6.22%</b>	<b>6,991</b>	<b>24.20%</b>	<b>5,629</b>

### Sales by Region percentages

Name	%
International	57.57%
North America	42.43%

### Dividend Information<sup>26</sup>

Name	2023	YoY	2022	YoY	2021
Per share, \$	0.76	11.76%	0.68	100.00%	0.34
Cash dividends declared, mill \$	210	8.81%	193	96.94%	98

Dividends are paid from 2021.

<sup>25</sup> [EA Annual report 2023, p. 80](#)

<sup>26</sup> [EA Annual report 2023, p. 19, Dividends](#)

## Balance Sheet<sup>27</sup>

Name	2023	YoY	2022	YoY	2021
Assets					
Total Current Assets, mill \$	3,969	-4.38%	4,151	-42.45%	7,213
Total Long-Term Assets, mill \$	9,490	-1.65%	9,649	109.99%	4,595
Total Assets, mill \$	13,459	-2.47%	13,800	3.85%	13,288
Liabilities					
Total Current Liabilities, mill \$	3,285	-6.49%	3,513	18.52%	2,964
Total Long-Term Liabilities, mill \$	2,881	8.23%	2,662	7.17%	2,484
<b>Total Liabilities, mill \$</b>	<b>6,166</b>	<b>-0.15%</b>	<b>6,175</b>	<b>13.34%</b>	<b>5,448</b>
<b>Total Equity, mill \$</b>	<b>7,293</b>	<b>-4.35%</b>	<b>7,625</b>	<b>-2.74%</b>	<b>7,840</b>

## Income Statement<sup>28</sup>

Name	2023	YoY	2022	YoY	2021
Revenue, mill \$	7,426	6.22%	6,991	24.20%	5,629
Gross Profit, mill \$	5,634	9.78%	5,132	23.13%	4,168
Total Operating Expense, mill \$	4,302	7.47%	4,003	29.59%	3,089
Operating Income, mill \$	1,332	17.98%	1,129	7.93%	1,046
Net Income, mill \$	802	1.65%	789	-5.73%	837
EPS Basic, \$	2.90	4.32%	2.78	-4.14%	2.90
EPS Diluted, \$	2.88	4.35%	2.76	-3.83%	2.87

<sup>27</sup> [EA Annual report 2023, p. 37](#)

<sup>28</sup> [EA Annual report 2023, p. 38](#)

## Cashflow Statement<sup>29</sup>

Parameter/Company	2023	YoY	2022	YoY	2021
Cash flow from operating activities, mill \$	1,550	-18.38%	1,899	-1.81%	1,934
Cash flow from investing activities, mill \$	(217)	-92.26%	(2,804)	455.25%	(505)
Cash flow from financing activities, mill \$	(1,600)	-1.23%	(1,620)	10,700.00%	(15)

<sup>29</sup> [EA Annual report 2023, p. 41](#)

## Criticism

Starting in the 2010s, Electronic Arts has been at the center of numerous controversies, faced public criticism, and has been involved in legal disputes. From the acquisition and closure of studios to questions about their treatment of employees, game quality, sports licensing, and the introduction of loot boxes, EA has been under scrutiny by the gaming community.<sup>30</sup>

One significant point of contention is EA's history of acquiring studios and subsequently closing them. Critics argue that the company often acquires talented studios only to shut them down, resulting in job losses and the cancellation of promising game projects. Examples include the closure of beloved studios such as [Pandemic](#) and [Visceral Games](#), leading to the cancellation of high-profile titles.<sup>31 32</sup>

EA has faced criticism regarding its treatment of employees, especially concerning working conditions and 'crunch culture.' Reports indicate long working hours, tight deadlines, and a lack of work-life balance. Critics argue that such practices can lead to employee burnout and negatively impact their overall well-being.<sup>33 34</sup>

The declining quality of EA's games raises concerns among both critics and consumers. Review ratings and the overall reception of EA games show a trend of declining quality over time. This raises questions about EA's focus on innovation and frequent use of annual updates in franchises, such as [EA Sports](#), which usually offer minimal changes in gameplay mechanics and primarily include updated team rosters.<sup>35 36</sup>

EA's exclusive agreements in the sports gaming sector have drawn criticism. The company's exclusive contracts with organizations like [NFLPA](#), [NCAA](#), and [AFL](#) have been accused of stifling competition and limiting player choice. These agreements have led to EA's dominance in the sports gaming, raising concerns about a lack of innovation and diversity in this genre.<sup>37</sup>

The scandal surrounding EA and their [FIFA](#) game series has caused significant unrest in the gaming community. The primary accusation was the use of loot boxes, which some consider a form of gambling. EA included loot boxes or their equivalents in games like [FIFA 18](#) in the 'FIFA Ultimate Team Mode,' [Mass Effect Andromeda](#), and [Star Wars Battlefront II](#). In 2020, EA faced a class-action lawsuit in the United States related to loot boxes in the FIFA games. This scandal raised questions about transparency and ethics in video game monetization mechanisms, as well as the need to protect players' interests and prevent practices that could lead to gaming addiction and financial losses.<sup>38 39</sup>

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<sup>30</sup> [Wikipedia, Criticism of Electronic Arts](#)

<sup>31</sup> [Heavy, Studios EA Has Killed: A History](#)

<sup>32</sup> [Kotaku, An Updated List Of Studios EA Has Bought And Then Shut Down](#)

<sup>33</sup> [TheGuardian, Crunched: has the games industry really stopped exploiting its workforce?](#)

<sup>34</sup> [Gamespot, Employees readying class-action lawsuit against EA](#)

<sup>35</sup> [GameSpot, EA brand tarnished](#)

<sup>36</sup> [GamesIndustry, Riccitiello: Games content is boring consumers](#)

<sup>37</sup> [Arstechnica, Lawsuit flags EA for illegal procedure on football monopoly](#)

<sup>38</sup> [Eurogamer, Star Wars Battlefront 2 has a loot crate problem](#)

<sup>39</sup> [Polygon, Star Wars Battlefront 2 sales miss targets, EA blames loot crate controversy](#)



According to [Consumerist](#), EA earned the dubious title of 'the Worst Company in America.' This title was awarded based on consumer voting and was associated with factors such as controversial game endings, the use of day-one downloadable content (DLC), and a perception on the lack of innovation. Repeated victories in this poll underscore consumers' dissatisfaction with EA's practices and negative perception of the company's brand.<sup>40</sup>

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<sup>40</sup> [LATimes, Electronic Arts: 'Worst company in America'? Consumerist says yes](#)

## Analyst Opinion

Electronic Arts (EA) is one of the leading global video game publishers and developers. In 2022, EA continued to demonstrate impressive financial performance. In its financial report, the company reported revenue of \$7.426 billion.

EA has a broad shareholder base, including institutional and individual investors. Their trust in the company is reflected in the stability of EA's stocks on the stock market and the growth of the company's market capitalization.

One of EA's key advantages is their portfolio of famous gaming franchises. The company releases popular games such as FIFA, Madden NFL, Battlefield, The Sims, and Need for Speed, but over 70% of their revenue comes from Live services.

EA is also actively expanding in the online gaming and services sector. They offer the EA Play subscription, which provides players with access to a gaming library and exclusive bonuses. Additionally, the company is investing in cloud gaming service development to allow players to enjoy their favorite games on different platforms.

EA regularly faces public criticism in various industry aspects but takes actions to address emerging issues.

The company adheres to a growth and expansion strategy, both regionally and in terms of the overall player base. The company's successes are reflected in their financial reports.

EA expects a revenue of up to \$7.7 billion, with a net profit of approximately \$1.055 billion, driven by new game title releases, licensing revenue, and the overall technology sector.

## Sources List

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- [Electronic Arts Annual Report 2023](#);
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- [The Guardian](#);
- [GameSpot](#);
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- [Polygon](#);
- [LA Times](#).

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DCS/GD-D40/ELEC1-03-2023

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