

Electronic Arts



Global Headquarters	Redwood City, California
Background	Electronic Arts Inc. is a global leader in digital interactive entertainment. EA develops and delivers games, content and online services for Internet-connected consoles, mobile devices and personal computers. EA has more than 300 million registered players around the world.
What We Do	In fiscal year 2018, EA posted GAAP net revenue of \$5.15 billion. Headquartered in Redwood City, California, EA is recognized for a portfolio of critically acclaimed, high-quality brands such as The Sims™, Madden NFL, EA SPORTS™ FIFA, Battlefield™, Need for Speed™, Dragon Age™ and Plants vs. Zombies™.
Address	Electronic Arts Inc. 209 Redwood Shores Parkway Redwood City, CA 94065
Consumer Purchases	Residents in the United States, Canada or Japan contract with Electronic Arts Inc., 209 Redwood Shores Parkway, Redwood City, CA 94065, USA. Residents in any other country, then this Agreement is between you and EA Swiss Sàrl, Place du Molard 8, 1204, Geneva, Switzerland (CH-660-2328005-8).

<https://www.ea.com/>

Value Line – EA

Electronic Arts NASDAQ:EA

Last Price **Day Change** **Trailing P/E** **Relative P/E Last FY** **Dividend Yield** **3 to 5-Year Target Price Range** **18-Month Target Price Range** [Explain](#)
\$118.13 **\$1.01 (↑0.86%)** **28.10** **1.80** **--** **\$135.00 - 200.00** **Low - High** **Midpoint (% to Midpoint)**
\$95 - \$171 **\$133 (15%)**
 As of 3:59 PM May 15, 2020. Delayed at least 15 minutes.

Industry Rank: Entertainment Tech - 10 (of 95)

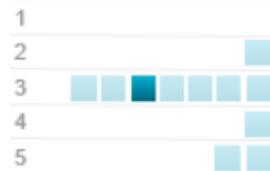
PDF Reports

RANKS

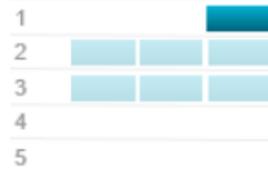


Upgraded on Apr 10, 2020

Industry - Entertainment Tech



Industry - Entertainment Tech



The Safety™ Rank measures the total risk...

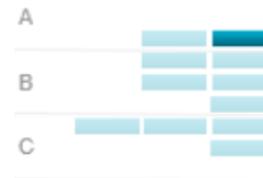
The Timeliness™ Rank measures...

FINANCIAL STRENGTH GRADE RATING

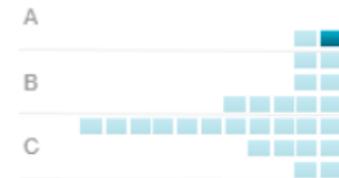


Downgraded on Nov 14, 2009

Peers



Industry - Entertainment...



Investment Survey



\$ in millions

	2016	2017	2018
Net Operating Revenues	4,845.00	5,150.00	4,950.00
"Cash Flow" per share	3.69	4.42	3.90
Cash & Marketable Securities			5,445.00
Long-Term Debt	990.00	992.00	994.00
Operating Margin	28.90	30.70	23.80
% Return on Shareholders' Equity	23.80	26.50	19.10
% Return on Total Capital	19.60	22.20	16.50
All Dividends to Net Profits	--	--	--

Value Line – EA

Electronic Arts reported fairly solid results for the December quarter. The top line increased roughly 24%, on a year-to-year basis. Earnings per share of \$1.18 marked a strong improvement from the prior-year tally. The company continued to benefit from the popularity of its titles and its live services. EA launched several new games during the period. Both digital net revenue and sales from packaged goods increased nicely during the period. We expect favorable comparisons for the fourth quarter, and healthy growth in revenues and earnings per share for full-fiscal 2019 (ended March 31, 2020).

The shares have held up fairly well in the current environment. The broader equity market has fallen considerably in recent months, due to the emergence of the coronavirus pandemic. We expect considerable economic weakness in the current year, as authorities around the world resort to drastic measures in order to limit the spread of the coronavirus. This will likely impact Electronic Arts. That said, developers of interactive entertainment may well experience greater demand and increased user engagement in the months

ahead, as people asked to remain at home seek entertainment options.

The company has been active in buying back stock. During the first three quarters of fiscal 2019, Electronic Arts spent roughly \$916 million on share repurchases. Buybacks ought to further support bottom-line gains in the years ahead.

These shares are ranked to outpace the broader market for the coming six to 12 months. Looking further out, we project healthy growth in revenues and earnings per share for the company from fiscal 2021 through mid-decade. Electronic Arts remains well positioned in the market for interactive entertainment. The company ought to further benefit from the popularity of its core franchises, as well as the introduction of new ones. However, from the recent quotation, the stock offers somewhat below average long-term appreciation potential. At this time, patient investors can probably find more-attractive choices elsewhere. This equity may be most suitable for subscribers with a fairly short time horizon.

Michael Napoli, CFA

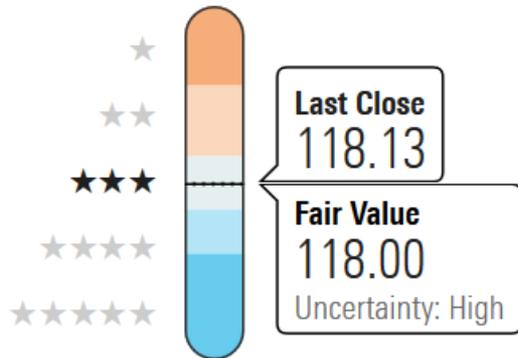
April 17, 2020

Morningstar - EA

Valuation May 14, 2020

Currency in USD

EA is trading within a range we consider fairly valued.



1-Star Price
> 182.90

5-Star Price
< 70.80

Economic Moat
Narrow
Trend: Stable

Stewardship
Standard

Quote	Key Ratios	Short Interest	News
Bid/Size 117.40×1	Ask/Size 118.77×7	Day Range 116.11 – 118.90	Volume / Avg 59,457.0 / 4.1 Mil
Year Range 85.69 – 120.19	Forward Div Yield —	Market Cap 34.2192 Bil	Investment Style Large Core
Price/Sales 6.29	Beta (5-Year) 0.89	Consensus Forward P/E 24.15	Price/Book 4.59
Rev 3-Yr Growth 4.04	Net Income 3-Yr Growth -4.12	Operating Margin % TTM 23.31	Free Cash Flow 2019 1.7630 Bil
ROA % TTM 28.27	ROE % TTM 44.99	Net Margin % TTM 52.52	Debt/Equity 0.14

Morningstar - EA

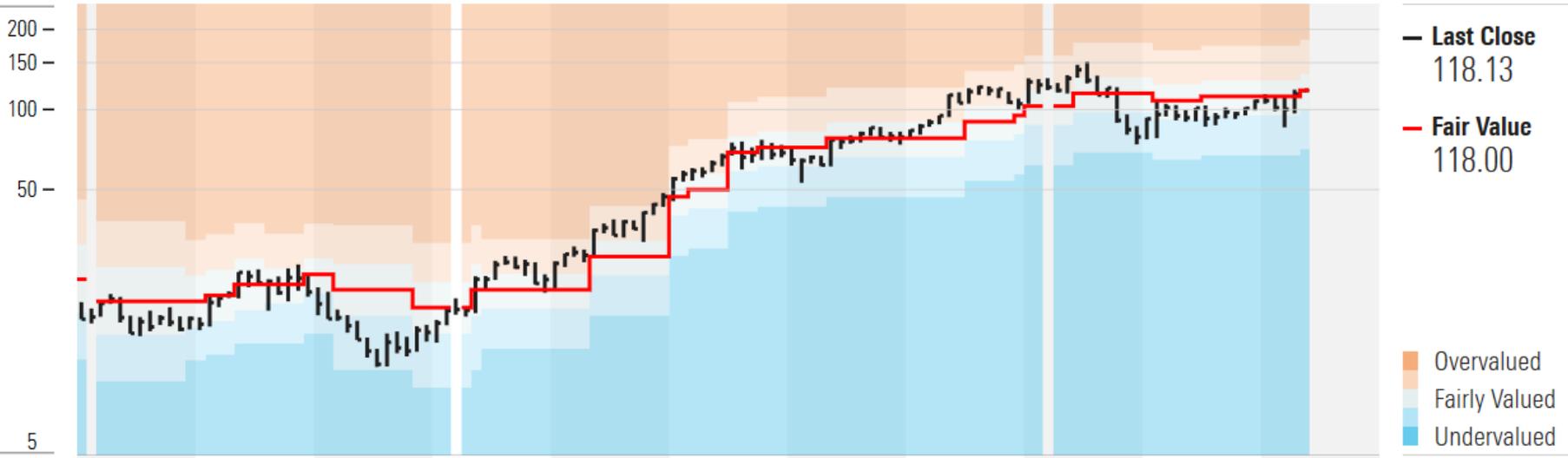
Price vs. Fair Value ⓘ

Advanced

Basic

Logarithmic

Linear



— Last Close
118.13

— Fair Value
118.00

- Overvalued
- Fairly Valued
- Undervalued

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD
Price/Fair Value	0.86	0.86	0.81	1.09	1.68	0.95	1.01	1.11	0.69	0.96	1.00
Total Return %	-7.72	25.76	-29.51	57.99	104.95	46.17	14.61	33.39	-24.89	36.24	9.88
+/- Index	-24.51	24.18	-45.78	24.86	92.09	45.48	2.17	11.92	-19.84	5.02	21.28

USD | As of May 15, 2020 | Index: Morningstar US Market TR USD

Manifest Investing - EA

Company	Ticker					
Electronic Arts	EA	Quality	PAR	Quality		
Current Price (05/15)		73	7.1%	Financial Strength	65	16.3
CAPS Rating (Rate this stock on CAPS)			\$118.13	EPS Stability	51	12.6
Expected Income Statement		★★★★★		Industry Sales Growth Rate	9.0%	9.4
Current Sales				Industry Net Profit Margin	16.0%	20.1
Sales Growth Forecast			5,537.0	Calculated Quality Rating		
Net Profit Margin			6.8%	58.3		
			25.7%	Top In Electronic Gaming & Multimedia		Top In Communications
Projected Shares Outstanding			272.14	Ticker	Quality	PAR
EPS - Five year Forecast			\$7.25	GRVY	45	21.5%
Average P/E Ratio			23.0	ATVI	89	5.7%
Projected Average Price			\$166.72	EA	73	7.1%
				AVID	11	19.5%
Price Appreciation (Annualized)			7.1%	GLUU	34	8.2%
Annual Dividend Yield			0.0%			
Projected Annual Return			7.1%			

Finviz - EA

Index	S&P 500	P/E	11.53	EPS (ttm)	10.25	Insider Own	0.20%	Shs Outstand	292.00M	Perf Week	1.29%
Market Cap	34.49B	Forward P/E	21.00	EPS next Y	5.62	Insider Trans	-45.00%	Shs Float	288.27M	Perf Month	0.03%
Income	3.04B	PEG	0.94	EPS next Q	0.61	Inst Own	97.00%	Short Float	2.05%	Perf Quarter	7.69%
Sales	5.54B	P/S	6.23	EPS this Y	-18.70%	Inst Trans	1.95%	Short Ratio	1.43	Perf Half Y	23.05%
Book/sh	24.78	P/B	4.77	EPS next Y	13.66%	ROA	27.10%	Target Price	120.00	Perf Year	19.32%
Cash/sh	19.18	P/C	6.16	EPS next 5Y	12.33%	ROE	41.90%	52W Range	85.69 - 120.19	Perf YTD	9.88%
Dividend	-	P/FCF	21.29	EPS past 5Y	165.30%	ROI	14.80%	52W High	-1.71%	Beta	0.89
Dividend %	-	Quick Ratio	2.80	Sales past 5Y	6.70%	Gross Margin	75.30%	52W Low	37.86%	ATR	3.67
Employees	9700	Current Ratio	2.80	Sales Q/Q	23.60%	Oper. Margin	20.20%	RSI (14)	62.35	Volatility	2.71% 2.95%
Optionable	Yes	Debt/Eq	0.14	EPS Q/Q	36.60%	Profit Margin	49.60%	Rel Volume	0.79	Prev Close	117.12
Shortable	Yes	LT Debt/Eq	0.14	Earnings	May 05 AMC	Payout	0.00%	Avg Volume	4.12M	Price	118.13
Recom	2.10	SMA20	2.29%	SMA50	10.86%	SMA200	15.53%	Volume	3,268,259	Change	0.86%

StockCharts - EA

 [Click to Print](#)

EA Electronic Arts, Inc. Nasdaq Global Select Mkt.

15-May-2020, 16:00 ET, daily, O: 116.22, H: 118.90, L: 116.11, C: 118.13, V: 3268259, Chg: +1.01 (0.86%)

No recent chart pattern found

Scaling: Traditional [Reversal: 3]

(c) StockCharts.com



Bounce
from
COVID-19
stay at
home
orders,
new base
118

Yahoo Finance - EA

Electronic Arts Inc. (EA)

NasdaqGS - NasdaqGS Real Time Price. Currency in USD

[Add to watchlist](#)

[Visitors trend](#) 2W ↑ 10W ↑ 9M ↑

118.13 +1.01 (+0.86%) **118.50** +0.37 (0.31%)

At close: May 15 4:00PM EDT

Pre-Market: 8:15AM EDT

- Summary
- Company Outlook [🔒](#)
- Chart
- Conversations
- Statistics
- Historical Data
- Profile
- Financials
- Analysis
- Options

Previous Close	117.12	Market Cap	34.219B
Open	116.22	Beta (5Y Monthly)	0.90
Bid	117.45 x 800	PE Ratio (TTM)	11.47
Ask	119.00 x 900	EPS (TTM)	10.30
Day's Range	116.11 - 118.90	Earnings Date	Jul 30, 2020
52 Week Range	85.69 - 120.19	Forward Dividend & Yield	N/A (N/A)
Volume	3,268,259	Ex-Dividend Date	N/A
Avg. Volume	4,123,288	1y Target Est	120.00

Fair Value [🔒](#) **XX.XX** **Overvalued**

-16% Est. Return

[View details](#)

Related Research [🔒](#)

- [Weekly Stock List](#)
- [Investing Amid the Outbreak](#)

[View more](#)

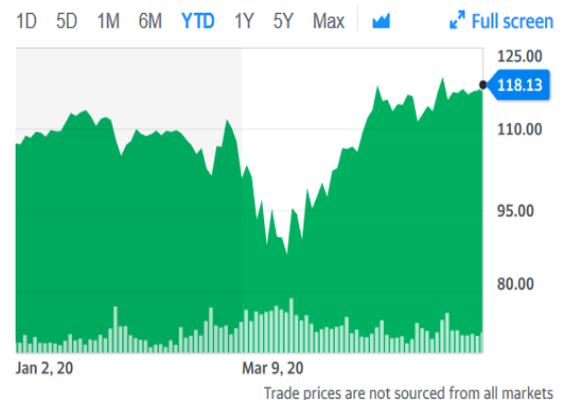


Chart Events [🔒](#)

Bullish pattern detected

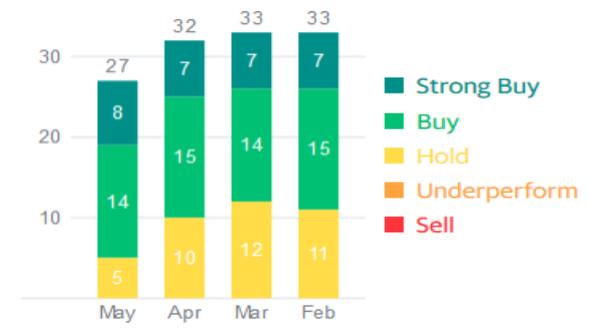
Triple Moving Average Crossover

[View all chart patterns](#)

Performance Outlook

Short Term 2W - 6W	Mid Term 6W - 9M	Long Term 9M+
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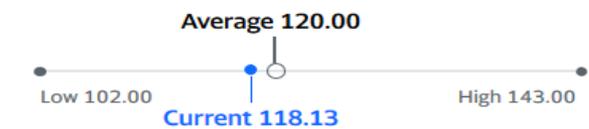
Recommendation Trends >



Recommendation Rating >



Analyst Price Targets (30) >



Fidelity Snapshot - Neutral

ELECTRONIC ARTS INC (EA)		As of: 05/15/2020, 4:00pm	
Last Trade [tick]	118.1300[+]	Volume	181,657
Net Change	↑1.0100	52 Week High	120.1900 on 05/05/2020
Net Change %	↑0.86%	52 Week Low	85.6900 on 03/16/2020
Bid	117.4700	Ex. Dividend Date	
Bid Size	1	Dividend Pay Date	
Ask	118.0000	Dividend Rate	0.0000
Ask Size	1	P/E Ratio	11.5293
Bid Exchange	NYSE ARCA	Yield	0.0%
Ask Exchange	NYSE ARCA	Split Factor	2.00
Last Trade Exchange	N/A	EPS	+10.2460
Open	116.2200	Currency	USD
Day High	118.9000	Primary Exchange	NASDAQ-NMS
Day Low	116.1100		
Prev Close Price	118.1300		
Prev Close Date	05/15/2020		

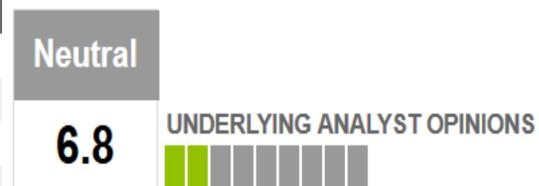
Quotes are displayed by Date/Time in Eastern time.

Stock Research (EA)

Get (EA)

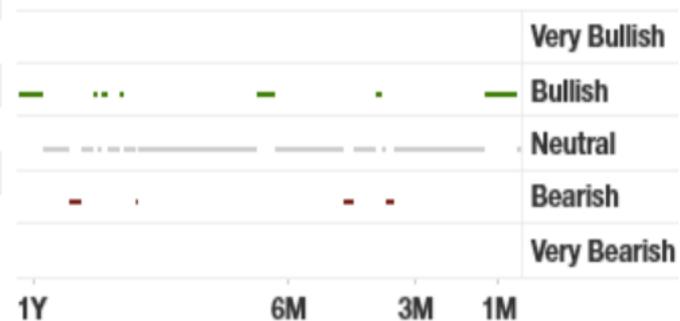
Equity Summary Score

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AS OF 05/16/2020 [Methodology](#)

1-Year History



EA News Clips

Yahoo Finance Video • 11 days ago

Electronic Arts, Activision Blizzard, Nintendo beat earnings estimates as gaming soars

Nintendo earnings soar 41% and Activision Blizzard posted a beat on its earnings report. Yahoo Finance's Tech Editor Dan Howley breaks down the latest video game earnings results.



Activision Blizzard CEO: We're On Track With New Releases in 2020

Motley Fool



Why Activision Blizzard (ATVI) Stock Might be a Great Pick

Zacks

Benzinga • 11 days ago

Electronic Arts Analysts See Stay-At-Home Strength, Possible Game Delays After Q4 Report

Electronic Arts (NASDAQ: EA) reported fourth-quarter earnings Tuesday of \$1.43 per share against a 98-cent estimate and sales of \$1.387 billion that beat a \$1.19-billion estimate. The..

Simply Wall St. • 11 days ago

Should You Be Adding Electronic Arts (NASDAQ:EA) To Your Watchlist Today?

Some have more dollars than sense, they say, so even companies that have no revenue, no profit, and a record of...

Conclusions and Recommendations



EA pays no dividends



EA bounced up by Covid-19 pandemic & stay at home orders



Yahoo consensus rates as 2.1 (buy)



SSG recommends BUY at Sales Growth = 4.7%, EPS growth = 12.5%



Fidelity neutral



Recommend we put this on Pounce list