The Wisman Fund
John L. Grove College of Business
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BUY ELECTRONIC ARTS INC. (EA) 4.15.2024

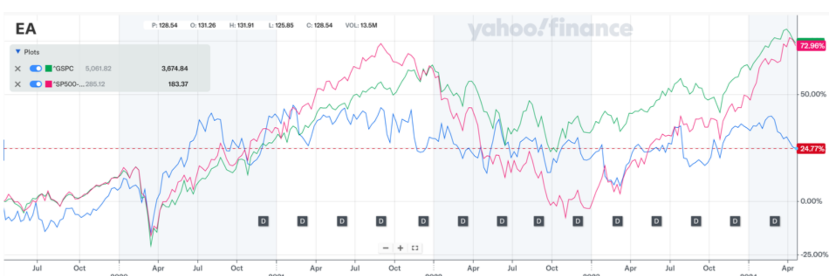
INVESTMENT THESIS

I recommend a buy on Electronic Arts (EA). Electronic Arts Inc. (EA) is a compelling investment opportunity due to its dominant market position in the global video game industry, successful franchise strategy, and diversified revenue streams. The company's focus on live services and digital transformation ensures steady revenue growth and long-term customer engagement. With a strong financial performance, including consistent revenue growth and healthy profit margins, EA possesses the financial stability to weather market fluctuations and pursue strategic investments. Its partnerships with sports leagues, entertainment franchises, and intellectual properties provide a competitive edge and drive sales. Moreover, EA's expansion into emerging markets such as mobile gaming, esports, and cloud gaming presents significant growth opportunities. EA's slow start to the year has positioned the security to be bought at a discount right before their seasonality of profits begins. Overall, EA's combination of market leadership, resilient business model, and growth potential make it an attractive investment.

DRIVERS OF THESIS

- EA's dominant market position
- Successful franchise strategy and league partnerships
- Rest of year outlook
  - New franchise game release
  - All the most popular franchises set to release in coming months
- Strong Industry Tailwinds

FIVE YEAR PERFORMANCE



Data Source: Yahoo Finance

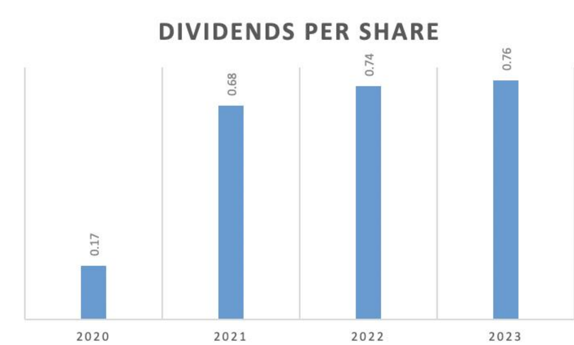
COMPANY SUMMARY

Electronic Arts Inc. (EA) is a global leader in interactive entertainment, renowned for developing, publishing, and distributing high-quality video games across multiple platforms. Founded in 1982 and headquartered in Redwood City, California, EA has established itself as one of the most prominent

Electronic Arts Inc.	
NASDAQ	EA
Price	$127.05
Fair Value	$150.00
Sector	Communication Services
Industry	Electronic Gaming and Multimedia

Proposal	
Shares	35
Predicted Portfolio Weight	1.06%
Predicted Sector Weight	9.2%

Key Statistics	
Market Cap	$34.186B
Shares Outstanding (M)	141.9
EBITDA (TTM)	$1.979 B
Five Year Beta	0.77
Forward Dividend Yield	0.76%
Price/Earnings	32.57
Price/Sales	4.61
Price/Book	4.60
Price/Cash Flow (TTM)	16.91



players in the gaming industry. The company's diverse portfolio includes popular franchises spanning various genres, such as sports simulations (FIFA, Madden NFL), action-adventure (Battlefield, Mass Effect), life simulation (The Sims), and racing (Need for Speed). With a strong emphasis on innovation, creativity, and technology, EA continually strives to deliver immersive gaming experiences that captivate players worldwide. Leveraging strategic partnerships with sports leagues, entertainment franchises, and intellectual properties, EA brings authenticity and excitement to its games, attracting a loyal fan base. Additionally, EA embraces digital transformation through live services, microtransactions, and subscription offerings, fostering ongoing player engagement and revenue growth. Committed to excellence, EA remains at the forefront of the ever-evolving gaming industry, driving innovation, entertainment, and community engagement.

BUSINESS MODEL

Electronic Arts hosts a multifaceted business model that has been successful for the company since their inception. The primary focus is game development, which is key in the ever-evolving video game landscape. Customer engagement is at the forefront, so developing titles across multiple genres is the framework to generating revenues. EA has had some acquisitions of development studios to help them inhouse this process. EA has also had a recent shift in their business model to become more digital. As the world continues to evolve to a more online preference, EA has placed an emphasis on the digital downloading of games as opposed to purchasing the disk in store. EA also now offers EA Play and EA Play Pro, a subscription-based service that allows consumers to pay a fee and in return they have access to a library of available titles, access to early access on games set to release, and discounts on existing games and in game purchases.

Franchise Focus

EA has an important focus on their franchises, which have been the main drivers of revenue. In the sports space Madden, EA FC (formerly FIFA), and NHL are mainstays in the top 20 best-selling sports games in the US. Each game offers a new release every year, keeping the players and facets of the game up to date, as well as maintaining customer engagement. EA has also begun to create content for growing markets, the best example being the EA F1 series. EA looked to capitalize on the meteoric rise in popularity of F1 racing with this title. Apart from the sports landscape, EA boats a slew of popular titles in other genres, such as Battlefield, The Sims, Need for Speed, APEX Legends, and more.

Live Services

EA has long seen success in their effort to offer their “games as a service”. This is in reference to their ultimate team experience seen across most of their sports title. The mode allows players to create a fantasy team experience, offering different modes all with the goal of obtaining new players and items to boost the players teams. The service allows these items to be obtained through playing, as well as through packs which can be purchases through in game currency. This currency and packs can be purchased through real money, which has been a vital revenue stream for the company. The mode also offers constant content updates and expansions to retain and gain engagement.

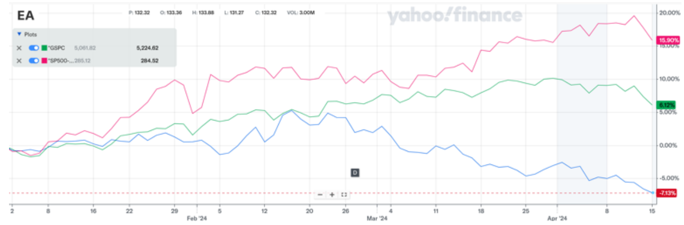
Distribution and Publishing

The distribution of titles has seen a massive change over the last 10 years. No longer needing to go to a store and purchase the physical disk, EA has changed their focus to a digital download landscape. EA has also began offering title that are free for download, while offering in app purchases once the game is installed. APEX Legends has seen great success through this strategy as it boosts customer engagement. Most purchases are purely cosmetic (character and weapon skins), allowing users to still enjoy the gaming experience for free.

STOCK PERFORMANCE

Electronic Arts (EA) historically been a consistent performer, boasting competitive returns in comparison to the industry and index on the 15- and 10-year outlooks. Although as of late EA has struggled against both benchmarks, returning -7.1% YTD. It is important to note that historically EA sees a drop in its stock price in the early months of the year, showcasing the seasonality of the gaming industry, as most of sales are during the holiday season.

Data Source: Morningstar.com



Data Source: Yahoo Finance

RECENT DEVELOPMENTS

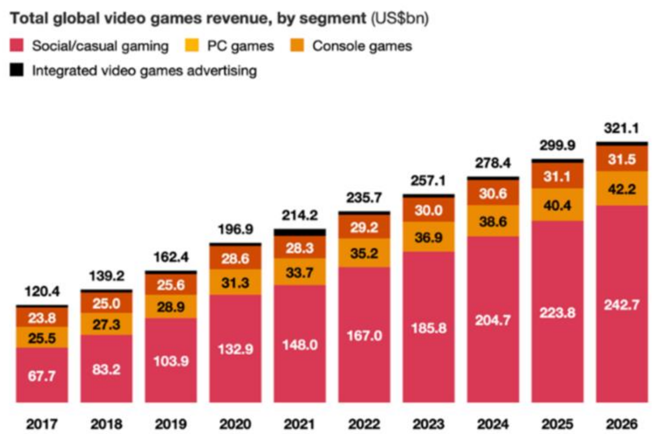
News & Acquisitions

EA College Football 25:

On February 2, 2021, EA announced they would be reviving the college football franchise after its termination in 2014. With the new name, image, and likeness rules being introduced to college athletics, EA has begun to pay athletes to be included in the game, and the majority have opted in. In the past iterations of the game players names and faces were excluded due to the legal issues revolved around NIL, however now players, logos, stadiums, and more will be accurate. The college football franchise was a consistent top 5 selling title in North America and consumers have been begging for the franchise revival, with copies of the 10-year-old game selling for over $100 on secondary markets at the time of the announcement. The game is set for full release on July 12, 2024

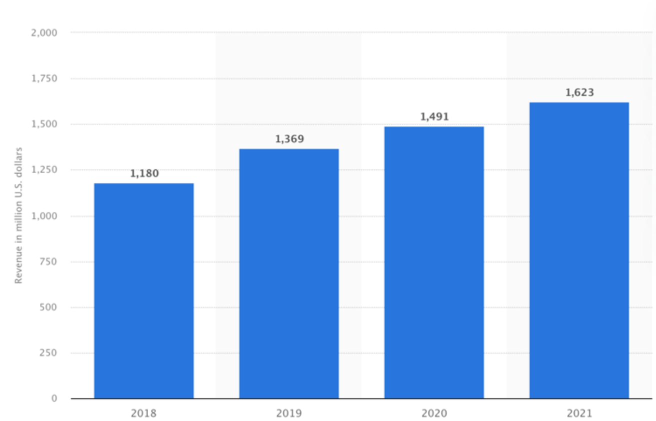
Company and Industry Headwinds

EA along with its industry boast a number of favorable statistics that indicate a good time to buy. The gaming industry as a whole has seen a huge growth in engagement in the past few years. Since the 2020 pandemic revenues in social/casual gaming, pc gaming, console gaming, and integrated video games advertising have boomed reaching heights never before seen. Estimates predict that the industry can grow its worth to $321 B by 2026. With gaming on the rise, it is a unique time to be able to capitalize on the expansive growth available.



Data Source: World Economic Forum

EA as a company has been engaging in stock buybacks as of recently. As of the period ending December 30 2023, EA has bought back an estimated $325 M in stock. Stock buybacks often indicate a signal of confidence in its future health and prospects to investors. Also deemed a way to return value to shareholders, this is a promising sign for the company. Lastly is EA has seen impressive engagement in their ultimate team revenues in past years. The interactive game mode allowing for in game purchases grabs the consumers attention, allowing them to play a fantasy experience of building and managing a team. Through playing incentives and constant updates to the mode EA has been able to capitalize significant revenues in this mode. In 2021, EA reported ultimate team revenues totaled $1.62 B, accounting for around 29% of its business The below graph showcases the yearly revenue of the ultimate team mode.



Data Source: Statista

INVESTMENT THESIS

My investment thesis is based on an analysis of economic drivers, financial analysis, and the 2-stage dividend discount model to calculate fair value.

ECONOMIC DRIVERS

Communication Services Sector

The communication services sector offers an array of services stretching from internet and social media to theme parks and video games. Although not deemed a necessity, the industries within this sector have become a part of everyday life for society. One of the highest trending sectors in recent times, it outperformed the S&P 500 in 2023 and year-to-date, posting returns of 54.36% and 15.18%, respectively. The sector is benefiting from current economic trends in the United States.
The communication services sector is heavily influenced by various economic drivers that shape its growth trajectory. Technological advancements like 5G and IoT drive demand for robust infrastructure and communication networks, while increasing

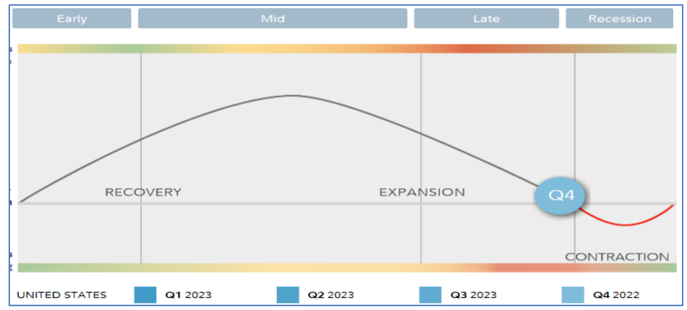
consumer reliance on digital devices fuels the need for data, voice, and messaging services. Moreover, the proliferation of digital content and online services, coupled with the demand for business communication solutions, further propels the sector's growth. Regulatory policies, globalization, and market competition also play pivotal roles, influencing market dynamics, investment decisions, and service innovation. Additionally, economic growth, mergers and acquisitions, and international connectivity contribute to the sector's evolution, highlighting the importance for service providers to adapt strategically to these economic factors.

Data Source: Yahoo Finance

Fidelity classifies the United States into the late expansion phase of the business cycle. The graphic below depicts that the sector earns market returns during this period. However, last year this was not the case, and the graphic is a guide for historical data, not a guarantee.

Data Source: Fidelity.com

Sector	Early	Mid	Late	Recession
Comm. Serv.		+		−



Data Source: Fidelity.com

In more recent developments the FED has yet to cut rates in the 2024 calendar year. Now predicted at 3 rate cuts, the looming recession might not be coming as soon as once thought earlier in the year. The IMP cohort through economic analysis and class discussion has accounted for these potential developments and has shifted our investing strategies accordingly.

Electronic Gaming and Multimedia Industry

EA has long been one of the top performers within the industry due to their various titles in multiaudience games. The industry as a whole has seen a difficult start to the year, returning -9.69% YTD, compared to the S&P 500 index boasting a 7.41% return. This can be attributed to many factors, however the most glaring factor being none of the companies in the industry have released any popular titles since the year began. EA, although also seeing a negative start to the year, has seen a lower negative return than its peers, returning -6.52% in 2024. This has allowed the stock price to lower to a discount and is in a prime position to invest now. With various titles set to release in the second half of the year, EA should see its price steadily rise and allow for gains to be realized on a potential investment. The graph provided below shows the YTD returns for the industry, sector, and S&P 500 index respectively.

Data Source: Yahoo Finance

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To further establish the economic outlook of the United States, it is important to examine the 10-2 Spread.

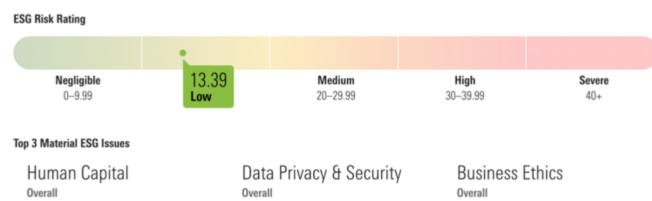
Source: FRED

Generally, when these two yields are inverted as they are now, it indicates a recession, however, given the recent performance of the economy, it appears to be in a stable state, and a recession may not be here as soon as expected.

Company Specific Factors

According to Tipranks, EA's earnings forecast for the next quarter currently sits at $1.54, with a range of $1.34 to $1.66. This is a decrease from the previous quarters $2.96, showing the seasonality of the gaming industry. In the past 12 months EA has beaten their EPS estimates 75% of the time, compared to the industry outperforming only 53.59%, suggesting an outperformance compared to the industry. EA's strongest competitor, TakeTwo interactive software, only beats projecting earnings at $0.08, as well as only beating their projected EPS 25% of the time. Additionally, the next quarters sales forecast is $1.79 billion with a range of $1.69 billion to $1.93 billion. This is a decrease from the previous quarters estimate of $1.93 billion, again showcasing seasonality within the industry. EA in the past 12 months has beat their sales estimate 75% of the time, compared to the industry beating their sales estimates only 57.77% of the time. This once again shows an outperformance comparative to the industry. EA has shown its ability to outpace the industries performance, as well as beating their own projections in the last calendar year.

ESG RATING



Source: Morningstar.com

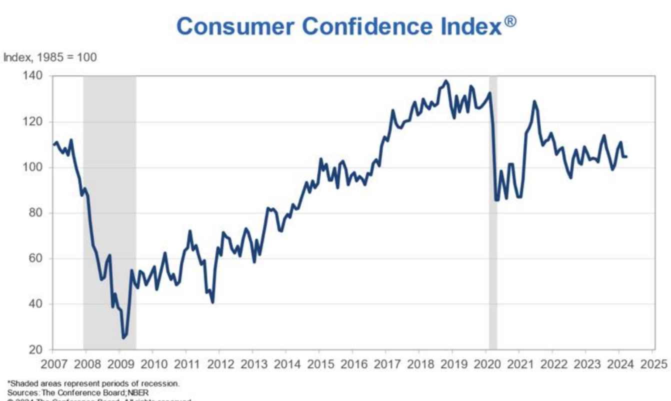
ESG stands for environmental, social, and governance factors. This rating helps investors understand certain nonfinancial aspects of a company that may make it an attractive investment. As of April 14th, 2024, Electronic Arts had an ESG rating of 13.39, which is a low level on the risk scale. The top 3 ESG issues are Human Capital, Data Privacy and Security, and Business Ethics.

FINANCIAL ANALYSIS

The communication services sector, and the gaming and multimedia industry exhibit distinctive characteristics that influence the financial assessment process. These companies are extremely reliant on consumer spending, so metrics such as the consumer confidence index (CCI) and more are important to evaluate. Shifts in consumer preferences offer insights to find potential favorable investments. The sector and industry are heavily reliant on consumer preferences, so adaptability to these changing markets is key understand. It's also important to monitor the financial performance of the company and relating the results to its peers. Measuring probability, growth, health, dividends, and more show its relative valuations within the industry, and creates a picture of the company's relative position within the market. Performing cross sectional analysis also allows a clear view of how companies stack up against each other.

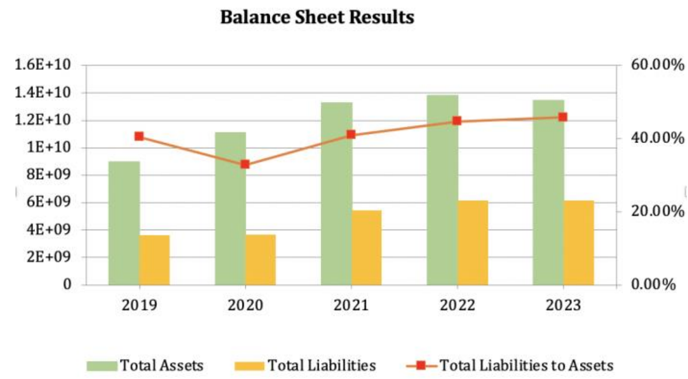
CCI

The consumer confidence index rating for the month of March was 104.7. An index rating over 100 suggests that consumer confidence is high, and they outlook of future business performance is relatively high. The present situation index was 151.0, which assesses the outlook on current market conditions for business and labor. The expectations index was a measly 73.8, meaning consumers short term outlook for market conditions was low. The image provided shows the historical consumer confidence index for reference.



Source: Conference-board.org

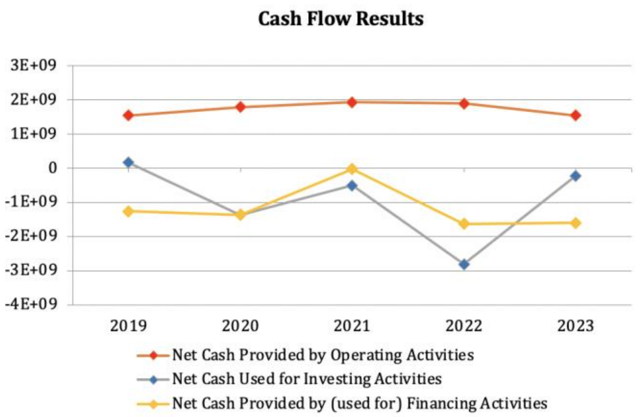
Balance Sheet Analysis



Source: Morningstar.com

The balance sheet for EA as a whole looks very sound. Consistent growth in total assets over the 5-year period is a good sign to see. Total assets grew from $8.957 B in 2019 to $13.8B in 2022. Assets and liabilities have both taken a small dip in 2023, coming in at $13.495 B and 1.166 B respectively. As we will see in every graph, the numbers for the 2020 calendar year are going to be different from the rest. During the pandemic, everyone staying home drove the video game market through the roof, explaining the growth in assets and dip in liabilities to assets. The total liabilities have also grown alongside the assets, but this is as to be expected. Total liabilities to assets show a great visual of this trend, and its positive to see the line beginning to flatten out and stunt its growth.

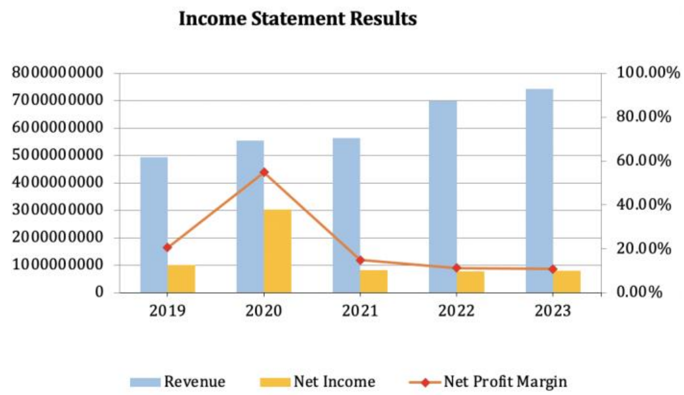
Statement of Cash Flows Analysis



Source: Morningstar.com

The cash flow data reveals an overall solid picture for the company. Net cash provided for operating activities although not showing anything impressive has remained very steady over the 5-year period. Peaking in 2021 at $1.934 B and hitting its 5-year low in 2023 at $ 1.55 B. The more interesting numbers are in the other two metrics. Net cash used for investing activities has seen a huge resurgence from 2022 to 2023, increasing by 92% over the year. Plenty of investments being used since 2021 for the new college football release, and this can likely explain this extreme dip and rebound. Net cash provided by (used for) financing activities has also seen a dip since 2021, a positive sign for the company. This suggests that the company is moving away from external funding and more towards internal cash generation. The statement of cash flows offered a positive picture for the firm, with plenty of room to grow.

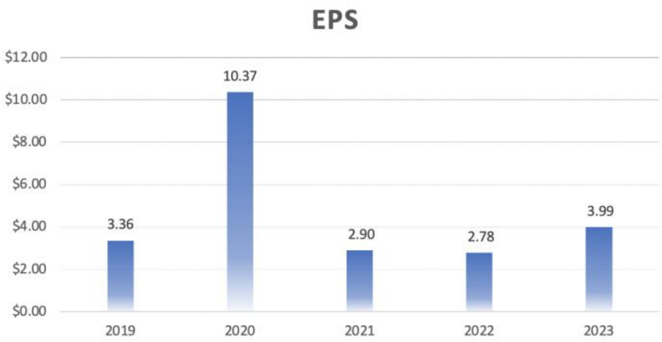
Income Statement Analysis



Source: Morningstar.com

The income statement data illustrates an impressive growth in revenue for the firm. Beginning at $4.95 B in 2019, all the way to $7.426 B in 2023. This extreme growth can be attributed to a couple factors. First the core franchises have seen a boom in popularity over the last 5 years, with casual play and competitive tournaments on the rise. Also, the in-game purchases for the ultimate team game modes have seen significant revenue increases. Net income, like most graphs, peaked in 2020 at $3.038 B. During the pandemic engagement amongst consumers rose and EA saw its best financial year in recent memory. Net income has since reduced back to a stable level at $802 M. Net profit margin depicts this trend with the big spike in 2020, and then releveling back out over the following 3 years. Interesting to note is the trailing 12-month (TTM) net income is increasing, currently at a value of $1.079 B, showing positive recent trends for the company. The income statement data is very promising for the company.

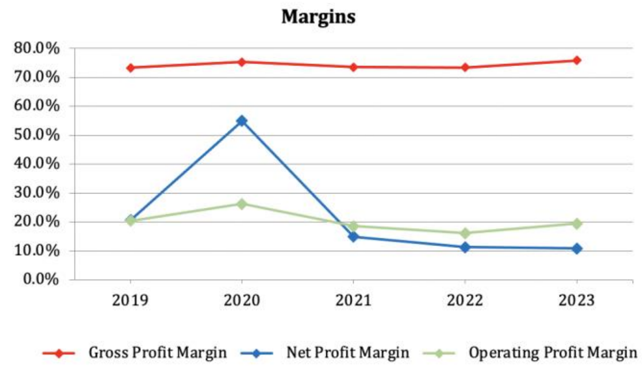
EPS Analysis



Source: Morningstar

This EPS data was sourced Morningstar in order to see trends for EA over a 5-year outlook. Once again it can be observed that the EPS of $10.37 in 2020 marked a high for the company. Taking a slight dip from 2021 to 2022, it is very positive to see the EPS rebounding to $3.99 in 2023, making it the second highest mark over the 5-year period. This uptick suggests that the company's profitability is on the rise, a positive sign for potential investors. Electronic arts will look to continue to build on this growth in the years to come.

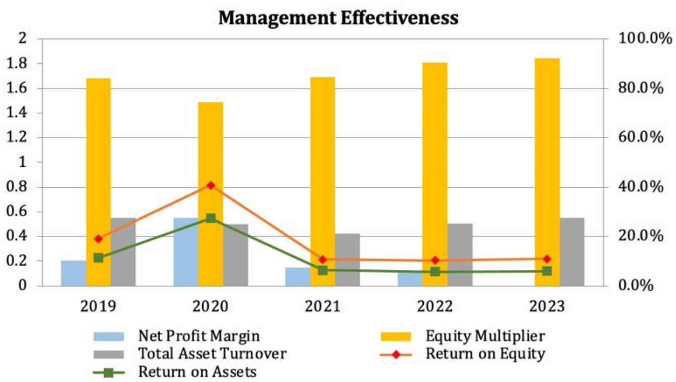
Profit Margin Analysis



Source: Morningstar.com

The profit margin data paints an interesting picture of the firm. Gross profit margin has remained rather steady but peaked in 2023 at 75.9%. This increase shows EA is increasing its efficiency of production, generating a higher profit after cost of goods sold are subtracted. The net profit margin on the other hand has been very volatile. Peaking in the pandemic year 2020 at 54.9%, the metric has seen a decline coming in at 10.8% in 2023. Obviously due to circumstances it is near impossible to replicate the margin in an environment where society isn't locked indoors. However, it is slightly discouraging to see a decline of 44.1% from 2020. EA will look to increase its net profit margin in 2024 with the release of the new college football title, as well as the yearly renditions of the core franchises. The operating profit margin also saw its peak in 2020 at 26.2% but has seen a 4.5% increase from 2021 to 2023, now resting at 19.4%, a positive sign for the firm. This suggests that EA is producing a higher profit when considering sales compared to the production costs as well as other expenses. All in all EA's profit margins have room for improvement, but are steady with a positive outlook.

Management Effectiveness

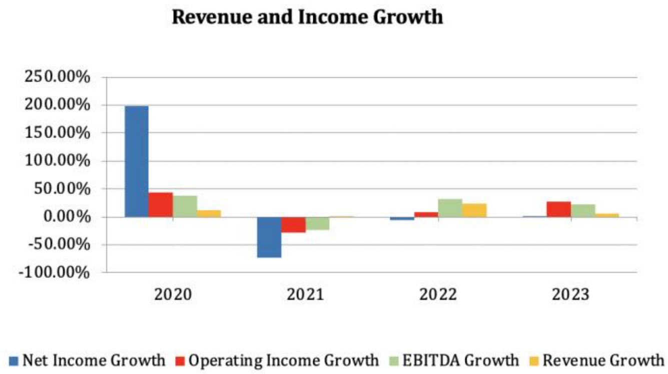


Source: Morningstar.com

The management effectiveness, also known as profitability ratios, provides insights into the company's operational and financial performance over the five-year period. The net profit margin reflects the company's ability to convert revenue into profit, once again showing peak in 2020, and a slow decline in the latter years. This indicates that EA needs to improve its effective cost control and profitability. Total asset turnover declined from 0.55 in 2019 to 0.42 in 2021. However, EA has since rebounded returning to the 0.55 mark in 2023, suggesting that the company is generating more revenue relative to its total assets, indicative of improved asset utilization. ROA once again reached its peak in the 2020 at 27.3%. In the last 3 years it has remained rather steady, seeing a slight increase of 4% over the last 2 years. EA will look to build off its recent positive movement as ROA showcases an effective utilization of EA's resources to generate income. The equity multiplier has increased since 2020, now sitting at 1.85, a slight increase from the previous year. Return on equity, ROE, again peaked in 2020 at 40.7%. Since then, it has remained stable but has grown 3% since 2021 now at 11%. Overall, the metrics showcase the company has room to improve in terms of their effective management, with some bright spots sprinkled in.

Growth Rates

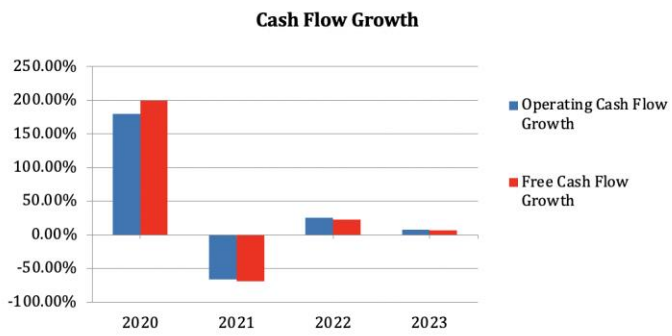
Revenue & Income:



Source: Morningstar.com

The growth data might look concerning upon first glance, however these discrepancies can be explained. During the covid year in 2020, EA saw unprecedented growth due to the general population being stuck at home, so many people resorted to video games for entertainment. Numbers like these are near impossible to replicate in a normal year, which is demonstrated in the graph. Year over year growth dropped to the negatives, not necessarily suggesting a bad year for the company, rather just not being able to mirror the production from 2020. From 2021 to 2023 net income growth, operating income growth, EBITDA growth, and revenue growth have all increased. EBITA and revenue growth have fallen from 2022 to 2023 from 31.62% and 24.20% to 22.54% and 6.22% respectively. The growth in 2023 being down may be attributed to customer sentiment revolving their games. Consumers were disappointed to hear that games would be offered on old generation consoles. This leads to lag when playing online across consoles, making the gaming experience a less enjoyable one. Some releases for this year have yet to announce if the change will be made, however the new release of the college football title will be a next gen exclusive, a positive sign for the company.

Cash Flow:



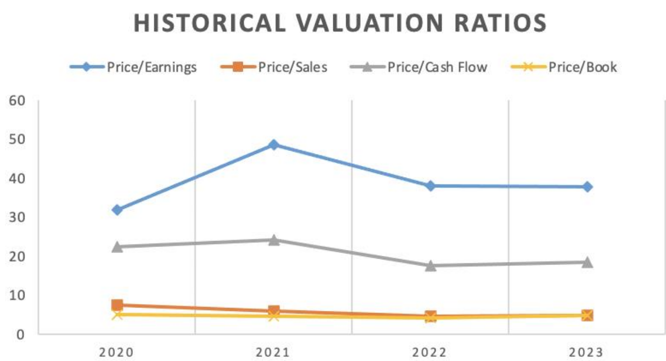
Source: Morningstar.com

The cash flow data presents a mixed picture of the company's cash generation and utilization over the four-year period. Again the 2020 year saw astronomical growth with operating cash flow growth and free cash flow growth peaking at 179.58% and 199.25% respectively. These growth numbers again couldn't replicate the year that was 2020. Rebounding in 2022, both metrics have once again fallen in 2023 to 25.74% and 22.24%. These dips suggest that EA can improve on its operational efficiency as well as its broader financial health. As mentioned before these dips may be attributed to the dual generation releases of their titles. With the hope that EA will fix the change, and sway consumer sentiment, EA will look to rebound off a down year in 2023.

Absolute Stock Valuation:

A two-stage dividend discount model was used to evaluate the valuation of EA. With new releases set to hit the market in the coming year, EA will experience a growth period with an above typical growth rate expected. In a couple years' time this growth rate will once again return to a more normal state. This model takes into a plethora of metrics, including but not limited to: EPS, dividends per share, cost of equity, estimated growth rate and more. The current EPS sits at $3.99 with dividends per share of $0.76. The cost of equity was determined to be 7.60%, this number being found by observing analysts estimates and finding an average between them all. The estimated growth rate for the growth phase was found to be 12.61% using the same technique as the cost of equity. Using these estimates, along with the other inputs the price at the end of the growth phase was found to be $217.95. With the addition of the return to normal state, the fair value of EA's stock was found to be $166.00. The current market price as of April 15, 2024, is $127.05, suggesting the stock can be bought at a discount. It is also important to analyze what other analysts' predictions for the stock are, to gain a broader picture of EA's stock outlook. Morningstar's fair value estimate of the stock is currently $150.00 also suggesting a discount. TipRanks fair value estimate is currently $152.06, offering a 20.11% upside, also suggesting a discount. Zacks offers a 2 buy rating for EA, suggesting a 0.17% ESP surprise at their next earnings call. Valueinvesting.io as of April 15, 2024, has conducted a discounted cash flow model as well as a dividend discount model to find valuation for EA's stock. The discounted cash flow model has found the fair value estimate to be $162.86, with 28.2% upside. The dividend discount model gives a fair value estimate of $294.74, with 132% upside.

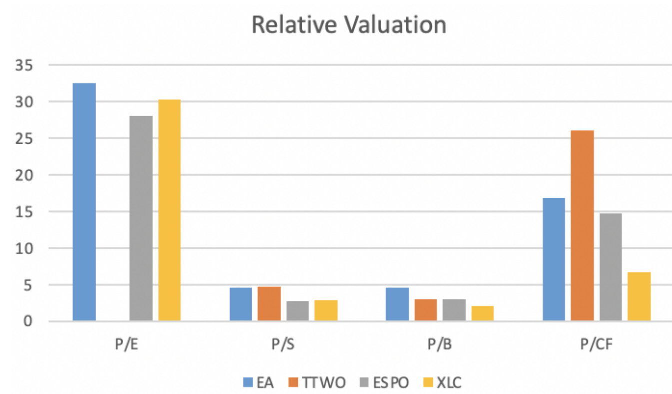
Historical Valuation Ratios



Source: Morningstar.com

These historical valuation ratios show a picture of a company's relative valuation over the past 4 years. The P/E ratio climbed to 48.67 in 2021 after a year of robust growth. This metric has since fallen back to a safer level of 32.57, much closer to the sectors P/E ratio of 36. The price to sales ratio saw slight declines from 2020 to 2022 before up ticking to 4.95 in 2023. Currently the P/S ratio sits at 4.61. Higher than it would like to be it is still encouraging to see this value declining. The P/CF ratio has seen declines since 2021 and currently sits at 16.91. The consistent decline is promising for the company. Finally, the P/B ratio has remained very flat over the 4 years, seeing just a slight downtick to its current value of 4.6. Ideally lower than 1, this number is slightly high, however has been declining steadily.

Relative Valuation



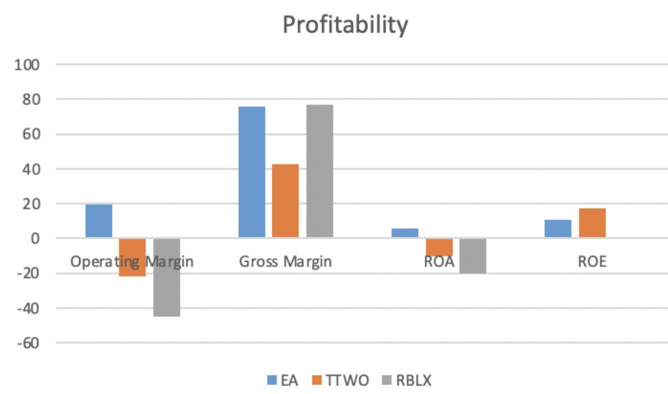
Source: Morningstar.com

The above chart offers a picture of how EA stacks up against Taketwo Interactive (TTWO), VanEck video gaming and Esports ETF (ESPO), and the communication services select SPDR fund (XLC). It is important to note that EPSO includes more than the communication services sector, so data is influenced by this. Relatively EAs metrics are slightly higher than both ESPO and XLC, most notable the P/S and P/B ratio. EA apart from the P/B ration has healthier ratios than its peer TTWO. ETF's in strictly the gaming and multimedia industry are hard to come by, so relative valuation was done to the best of my ability, given the circumstances.

Source: Morningstar.com

The graph above shows the trailing returns for EA vs 2 of its peers, the industry, and the index. As we can see EA is competitive in the 10-year outlook, outperforming the index and keeping pace with its competitors and industry. However recently this has been a different story. EA has experienced lower returns in comparison to its peers in the 5- year outlook and 1-year outlook. When the industry and peers are having down years, EA consistently softens the blow with lower net losses than its peers and industry. TakeTwo interactive studios (TTWO) has seen impressive numbers in the past years. This is due in part to the massive performance of their core franchise Grand Theft Auto. Last year it was announced that the next rendition of the game was to be released soon, seeing the stock bloom compared to its peers and industry. However, a hack led to game images and code being releases, subsequently delaying the game for years. This has seen the stock plummet posting a YTD return of -8.50. In periods when EA's core franchises included their college football title the company posted solid returns. With the game rereleasing this year expect the stock to rebound.

Profitability



Source: Morningstar.com

The probability ratios for EA depict a great picture of their performance vs their peers. Operating margins measure the efficiency and probability of a firm. As we can see EA significantly outperforms their peers in this measure. Gross margin shows EA boasting significant profitability vs TTWO, however is slight edged out by RBLX by less than 1%. ROA, although not as high as desired, is significantly more impressive than its peers. TTWO has a slightly higher ROE, and RBLX was not included in this graph for the sake of the formatting, as their ROE is a staggering -602.61%. The overall profitability of EA vs its peers shows an impressive story and offers key insight into its performance.

RISKS

Dependency Risks:

Electronic Arts has built up its core franchises like Madden, EA FC, NHL, and others to be the main revenue streams for the company. If competition stiffens or if the franchises fall out of favor with consumers EA could be susceptible to revenue declines and financial losses.

Cybersecurity Risks:

EA handles a copious amount of user data across all their games and subsidiaries makes them the target of numerous cyber-attacks, hackers, data breaches, and more. Most recently in 2021 hackers were able to leak game codes, which is problematic in that data being copied and sold on the dark web.

Licensing Risks:

Electronic Arts has a long running exclusive license agreement with many of the top leagues in the world (NFL, NHL, etc.). Although they have been renewed in the past, if they were ever not to be the license would be put up for bidding. EA would potentially lose out on the exclusive rights, destroying their franchises as we know it.

RECOMMENDATION

I recommend a buy on Electronic Arts Inc. (EA). My recommendation is based on an analysis of economic drivers, financial analysis, and the two-stage dividend discount model, which generated a fair value of $166.00 when provided with the appropriate inputs. Buying Electronic Arts aligns with the Wisman Fund's objectives to buy securities that are deemed undervalued by the fund's analysts. This recommendation comes from a highly weighted analysis on the future prospects for Electronic Arts, with a strong outlook for the second half of the year. The release of the new college football title will bolster the company with another potential top 10 selling title, returning EA to their glory days of old. I recommend the purchase of 35 shares of EA at $127.05

REFERENCES

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4. TipRanks
5. Zacks
6. Valueinvesting
7. Fidelity
8. Statista
9. World Economic Forum

DISCLOSURES