

Games Workshop Group

A good beat for FY26

Games Workshop Group's FY26 trading update indicates another year of strong growth, beating our prior estimates. To have exceeded FY25's profit with a much lower contribution from high-margin licensing in FY26 is a great performance on the back of the strong performances in FY24 and FY25, which benefited from the launches of new editions of Warhammer 40K (40K) and Warhammer Age of Sigmar, respectively. The coming financial year will see the launch of the 11th edition of 40K, keeping to the recent three-year cycle for new releases, so investors will be eagerly watching to see how well this is received by hobbyists.

Year end	Revenue (£m)	PBT (£m)	EPS (£)	DPS (£)	P/E (x)	Yield (%)
5/24	525.7	203.0	4.58	4.20	42.8	2.1
5/25	617.5	262.8	5.94	5.20	33.0	2.7
5/26e	657.0	266.1	6.04	4.85	32.5	2.5
5/27e	688.3	268.8	6.10	5.20	32.1	2.7

Note: PBT and EPS are reported and fully diluted.

Revenue and PBT ahead of our prior estimates

Core revenue is stated to be not less than £625m (FY25: £565.0m), and licensing revenue is not less than £30m (£52.5m), a growth rate for core of at least 11% and a decline for licensing of c 40%, respectively. The decline in licensing had already been well-flagged given the exceptional performance in FY25. While the figures are ahead of or broadly in line with our prior [forecasts](#) of c £616m and £30m, respectively, they indicate a slowdown in growth in H226 for core revenue to at least 4% versus the 17% growth reported in H126. This reflects the phasing of releases in the prior year and the boost provided by the success of Space Marine 2 to the core ahead of Christmas. The indicated PBT of not less than £265m (FY25: c £263m) is also ahead of our prior forecast of c £250m. The implied H226 PBT margin of c 39% compares with H126's 42.4%. If we assume a licensing operating margin of 90% in FY26, we estimate core's operating profit grew by c 11–12% in FY26, broadly in line with its revenue growth. This suggests the majority, if not all, of the absolute growth in core's operating profit was generated in H126, which reflects the different level of profitability between H125 (36.4%) and H225 (38.5%).

FY26 and FY27 forecasts increased

We update our FY26 estimates to be consistent with the trading update. On the higher FY26 base, we retain our prior growth rate assumptions and margin for the core in our new FY27 forecasts. FY27 will see higher costs for the new factory, materials and carriage, due to the Middle East conflict, and investing in Japan as well as entering new territories such as South Korea and the Czech Republic. We trim our forecast for FY27 licensing revenue to keep it stable with FY26. While FY26's profit is ahead of our prior forecast, we reduce our dividend forecast to 485p/share from 520p/share, which is in line with the cumulative dividends announced in the financial year.

Valuation

The prospective FY27 P/E multiple is towards the high end of historical multiples.

FY26 trading update

Consumer goods

3 June 2026

Price **19,590.00p**

Market cap **£6,473m**

Net cash at 30 November 2025 £171.1m

(excluding lease liabilities of £49.8m)

Shares in issue 33.0m

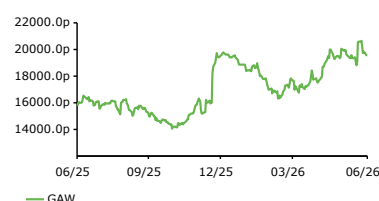
Free float 100.0%

Code GAW

Primary exchange LSE

Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	(1.7)	11.5	29.9
52-week high/low	20,880.0p	13,797.6p	

Business description

Games Workshop is a leading international specialist designer, manufacturer and multi-channel retailer of miniatures, scenery, artwork and fiction for tabletop miniature games set in its fantasy Warhammer worlds.

Next events

FY26 results 28 July 2026

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Exhibit 1: Financial summary

Year-end 31 May	£m	2022	2023	2024	2025	2026e	2027e
INCOME STATEMENT							
Revenue		414.8	470.8	525.7	617.5	657.0	688.3
– Core revenue		386.8	445.4	494.7	565.0	626.0	657.3
– Licensing revenue		28.0	25.4	31.0	52.5	31.0	31.0
Cost of sales		(127.4)	(149.2)	(151.2)	(172.5)	(194.1)	(203.8)
Gross profit		287.4	321.6	374.5	445.0	462.9	484.5
Operating expenses		(94.2)	(108.3)	(131.1)	(138.6)	(153.9)	(168.7)
EBITDA		193.2	213.3	243.4	306.4	309.1	315.8
Depreciation and amortisation		(36.1)	(43.1)	(41.6)	(45.1)	(43.9)	(47.4)
Reported operating profit		157.1	170.2	201.8	261.3	265.2	268.4
– Core operating profit		131.7	148.2	174.8	211.8	237.3	239.9
– Licensing operating profit		25.4	22.0	27.0	49.5	27.9	28.5
Finance income/(expense)		(0.6)	0.4	1.2	1.5	0.9	0.4
Reported PBT		156.5	170.6	203.0	262.8	266.1	268.8
Income tax expense (includes exceptionals)		(28.1)	(35.9)	(51.9)	(66.7)	(66.5)	(67.2)
Reported net income		128.4	134.7	151.1	196.1	199.5	201.6
WASC (m)		32.8	32.9	32.9	33.0	33.0	33.0
Average Number of Shares Outstanding (m)		32.9	32.9	33.0	33.0	33.1	33.1
Reported EPS (p)		391.3	409.7	458.8	594.9	605.0	611.0
Reported diluted EPS (p)		390.6	409.4	458.2	593.5	603.6	609.5
DPS (p)		235.0	415.0	420.0	520.0	485.0	520.0
Gross margin		69.3%	68.3%	71.2%	72.1%	70.5%	70.4%
EBITDA margin (including licensing income)		46.6%	45.3%	46.3%	49.6%	47.0%	45.9%
Operating margin		37.9%	36.2%	38.4%	42.3%	40.4%	39.0%
BALANCE SHEET							
Property, plant and equipment		55.0	55.7	56.5	64.9	72.0	75.4
Right-of-use assets		48.1	48.9	46.1	44.0	44.0	44.0
Goodwill		1.4	1.4	1.4	1.4	1.4	1.4
Intangible assets		25.6	21.2	22.8	23.6	27.0	30.3
Other non-current assets		37.2	25.6	32.6	21.6	21.6	21.6
Total non-current assets		167.3	152.8	159.4	155.5	165.9	172.7
Cash and equivalents		71.4	90.2	107.6	132.6	181.6	209.2
Inventories		38.4	33.0	42.2	39.7	39.7	41.4
Trade and other receivables		39.6	36.3	37.8	52.1	60.6	63.5
Other current assets		4.4	14.5	4.3	3.1	3.1	3.1
Total current assets		153.8	174.0	191.9	227.5	285.0	317.2
Trade and other payables		(33.5)	(37.0)	(46.3)	(50.5)	(61.6)	(65.7)
Borrowings		0.0	0.0	0.0	0.0	0.0	0.0
Leases		(9.2)	(9.9)	(10.0)	(11.2)	(11.2)	(11.2)
Other current liabilities		(1.9)	(1.3)	(2.1)	(1.9)	(12.7)	(12.7)
Total current liabilities		(44.6)	(48.2)	(58.4)	(63.6)	(85.5)	(89.6)
Borrowings		0.0	0.0	0.0	0.0	0.0	0.0
Leases		(39.7)	(40.0)	(37.2)	(34.0)	(34.8)	(35.6)
Other non-current liabilities		(2.1)	(3.5)	(4.3)	(4.6)	(4.6)	(4.6)
Total non-current liabilities		(41.8)	(43.5)	(41.5)	(38.6)	(39.4)	(40.2)
Net assets		234.7	235.1	251.4	280.8	326.0	360.1
CASH FLOW STATEMENT							
Operating profit		157.1	170.2	201.8	261.3	265.2	268.4
Depreciation and amortisation		34.8	39.5	39.0	43.9	43.9	47.4
Impairments		1.3	3.6	2.6	1.2	0.0	0.0
Share-based payments		1.6	1.0	1.2	1.3	1.4	1.4
Other adjustments		0.3	(1.2)	1.2	0.6	0.0	0.0
Movements in working capital		(35.9)	18.6	(7.9)	3.2	2.6	(0.5)
Income taxes paid		(37.7)	(39.0)	(41.7)	(64.1)	(66.5)	(67.2)
Operating cash flow		121.5	192.7	196.2	247.4	246.5	249.5
Net capex and intangibles		(32.3)	(28.3)	(32.6)	(40.9)	(40.5)	(40.3)
Net interest		(0.6)	0.3	1.4	1.5	0.9	0.4
Net proceeds from issue of shares		1.8	2.6	2.7	1.8	4.3	2.7
Dividends paid		(93.5)	(136.5)	(138.3)	(171.4)	(149.2)	(171.6)
Other financing activities		(11.1)	(11.8)	(11.8)	(12.3)	(13.0)	(13.0)
Net cash flow		(14.2)	19.0	17.6	26.1	49.0	27.6
Opening cash and cash equivalents		85.2	71.4	90.2	107.6	132.6	181.6
Currency translation differences and other		0.4	(0.2)	(0.2)	(1.1)	0.0	0.0
Closing net (debt)/cash		71.4	90.2	107.6	132.6	181.6	209.2
Closing net cash including leases		22.5	40.3	60.4	87.4	135.6	162.4

Source: Games Workshop Group accounts, Edison Investment Research.

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