Games Workshop Group

FY26 results

Not bad for an 'off year'

Consumer goods

29 July 2026

Games Workshop Group (GAW) enjoyed a strong FY26, a year for which there were relatively low expectations at the start given the anticipated headwinds of tough comparatives from FY24 and FY25, as well as the potential negative impact from newly introduced tariffs in the US. GAW's core business surprised on the upside from a revenue perspective as it continued to enjoy good engagement on new products released, which translated into even better gains in gross profit and operating profit. FY27 will benefit from the launch of the 11th edition of GAW's main intellectual property (IP), Warhammer 40K, and, if the customary three-year release cycle remains in place, FY28 should see the launch of the next edition of Warhammer Age of Sigmar. The company is facing cost pressures from higher input costs following the Middle East conflict, while investing in supporting infrastructure, growing its international presence and customer engagement, which may put pressure on the level of potential operational gearing. With respect to the Amazon partnership, there is steady progress, with scripting about to begin following the completion of initial outlines.

Year end	Revenue (£m)	PBT (£m)	EPS (£)	DPS (£)	P/E (x)	Yield (%)
5/25	617.5	262.8	5.94	5.20	33.8	2.6
5/26	659.7	275.7	6.22	4.85	32.2	2.4
5/27e	691.0	270.3	6.11	5.20	32.8	2.6
5/28e	725.6	278.1	6.28	5.20	31.9	2.6

Note: PBT and EPS are reported and EPS are fully diluted.

FY26: Strong delivery

In the FY26 trading update at the end of May, management provided a good indication of where FY26's headline figures would be. PBT of c £276m came in above the indicated 'not less than £265m', as the company was able to reclaim c £8m of the £12m new US tariffs that were paid in the year. The most encouraging feature of the results is the quality of the growth in the core business, with growth across all channels and all major geographies on a constant currency basis, albeit there were some spots of relative weakness in certain geographies and channels that management expects to improve.

Small underlying upgrade to FY27 forecasts

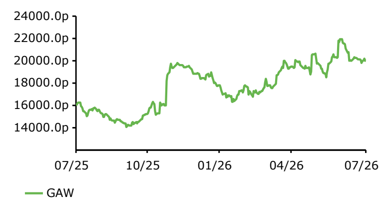
We make no material changes to our revenue growth estimates for FY27, leading to a minor upgrade to our FY27 revenue forecast in absolute terms given the slightly higher base from FY26's reported figures. We trim our forecast core operating margin to take into account management's guidance for higher US tariffs than in FY26. We also introduce estimates for FY28, which include forecast revenue growth for core and licensing of 5%. We incorporate further margin dilution to reflect management's investment in growing the business.

Valuation: Multiples above recent averages

GAW's prospective P/E multiples for FY27 of 32.8x and FY28 of 31.9x are above its more recent average trading multiples, with a long-term average from FY20 to FY26 of 23.7x. The share price is clearly discounting further upgrades to estimates in the coming years, which management has a strong track record of delivering.

Price	**20,040.00p**
Market cap	**£6,682m**
Net cash at 31 May 2026 (excluding IFRS 16 liabilities of £56m)	£182.9m
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	(7.4)	3.8	36.2
52-week high/low		22,167.0p	13,739.9p

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

H127 trading update	November 2026
H127 results	January 2027

Analysts

Russell Pointon +44 (0)20 3077 5700

Chloe Wong +44 (0)20 3077 5700

consumer@edisongroup.com

Edison profile page

Games Workshop Group is a research client of Edison Investment Research Limited

FY26: A strong performance despite lower licensing revenue

Following the release of the new editions of Warhammer 40K in June 2023, which drove growth in FY24, and Warhammer Age of Sigmar in July 2024, which drove growth in FY25, along with the exceptional licensing revenue contribution from the success of the Space Marine 2 video game, GAW's overall FY26 performance is strong versus our expectations at the start of the year.

On a reported basis revenue grew by c 7% to c £660m, gross profit was up c 8% to c £478m, and operating profit and PBT both increased by 5% to £275.0m and £275.7m, respectively. Foreign exchange translation differences, mainly the relative weakness of the US dollar to sterling, represented a minor headwind through the year, reducing group FY26 revenue and operating profit by around 1%. On a constant currency basis, revenue increased by c 8% and operating profit by 6%.

Exhibit 1: Summary income statement

£m	H125	H225	FY25	H126	H226	FY26
Total revenue	**299.5**	**318.0**	**617.5**	**332.1**	**327.6**	**659.7**
Growth y-o-y (%)	20.9	14.4	17.5	10.9	3.0	6.8
Constant currency y-o-y (%)	23.4	16.2	19.6	11.8	4.5	8.0
- Core revenue	**269.4**	**295.6**	**565.0**	**316.1**	**310.7**	**626.8**
Growth y-o-y (%)	14.3	14.1	14.2	17.3	5.1	10.9
Constant currency y-o-y (%)	16.4	15.6	16.0	18.4	6.6	12.2
- Licensing revenue	**30.1**	**22.4**	**52.5**	**16.0**	**16.9**	**32.9**
Growth y-o-y (%)	148.8	18.5	69.4	(46.8)	(24.6)	(37.3)
Constant currency y-o-y (%)	159.5	24.3	77.1	(47.8)	(23.7)	(37.5)
Total gross profit	**212.0**	**233.0**	**445.0**	**235.5**	**242.9**	**478.4**
Gross margin (%)	70.8	73.3	72.1	70.9	74.1	72.5
- Core gross profit	**181.9**	**210.6**	**392.5**	**219.5**	**226.0**	**445.5**
Core gross margin (%)	67.5	71.2	69.5	69.4	72.7	71.1
- Licensing gross profit	**30.1**	**22.4**	**52.5**	**16.0**	**16.9**	**32.9**
Licensing gross margin (%)	100.0	100.0	100.0	100.0	100.0	100.0
Core operating costs	(83.8)	(96.9)	(180.7)	(93.4)	(107.0)	(200.4)
Licensing operating costs	(2.1)	(0.9)	(3.0)	(1.7)	(1.3)	(3.0)
Total operating profit	**126.1**	**156.7**	**261.3**	**140.4**	**134.6**	**275.0**
Operating margin (%)	42.1	49.3	42.3	42.3	41.1	41.7
- Core operating profit	**98.1**	**113.7**	**211.8**	**126.1**	**119.0**	**245.1**
Core operating margin (%)	36.4	38.5	37.5	39.9	38.3	39.1
Constant currency y-o-y (%)	22.5	29.4	26.1	29.6	6.0	16.9
- Licensing operating profit	**28.0**	**21.5**	**49.5**	**14.3**	**15.6**	**29.9**
Licensing margin (%)	93.0	96.0	94.3	89.4	92.3	90.9
Constant currency y-o-y (%)	164.0	0.0	91.9	(50.0)	(26.0)	(39.6)
Reported profit before tax	**126.8**	**157.5**	**262.8**	**140.8**	**134.9**	**275.7**
Tax	(31.6)	(35.1)	(66.7)	(35.3)	(34.4)	(69.7)
Tax rate (%)	24.9	22.3	25.4	25.1	25.5	25.3
Reported profit after tax	**95.2**	**122.4**	**196.1**	**105.5**	**100.5**	**206.0**
EPS fully diluted (p)	**288.4**	**305.1**	**593.5**	**319.3**	**303.2**	**622.5**
DPS (p)	**185.0**	**235.0**	**520.0**	**225.0**	**260.0**	**485.0**

Source: Games Workshop Group, Edison Investment Research

FY26 was another strong year for core revenue with c 12% constant currency growth, which compounded FY24's c 14% growth and FY25's 16% growth. The phasing of new product releases was the main cause of the relative weighting of absolute revenue and year-on-year growth between H126 and H226. However, management points out that sales in the US in January 2026 were negatively affected by poor weather, and subsequently recovered soon thereafter, and 'poor execution' in the final week of FY26 led to a quoted £1.5m shortfall versus plan.

By distribution channel, Trade provided the bulk of core's growth with constant currency revenue growth of c 18%, including the addition of 1,000 net new accounts, equivalent to c 12% growth on the FY25 base of 8,100 accounts.

Retail and Online contributed lower rates of constant currency revenue growth, at c 3% and c 2%, respectively. For both channels, revenue from the UK and Australia and New Zealand declined on an underlying basis versus FY25, but both regions enjoyed good growth in the Trade channel, highlighting robust overall growth in both regions. We believe the UK's FY26 performance reflects strong comparatives. A new country manager for Australia and New Zealand has introduced a turnaround plan.

Exhibit 2: Core revenue by channel

£m	H125	H225	FY25	H126	H226	FY26
Trade revenue	**165.7**	**180.0**	**345.7**	**207.4**	**197.9**	**405.3**
Growth y-o-y (%)	21.7	18.2	19.9	25.2	9.9	17.2
Constant currency y-o-y (%)	24.3	19.8	21.9	26.1	11.0	18.3
Number of accounts at period end	7,500	8,100	8,100	8,600	9,100	9,100
Average accounts growth y-o-y (%)	7.4	9.9	11.7	11.0	13.5	12.4
Retail revenue	**60.8**	**67.9**	**128.7**	**64.1**	**67.3**	**131.4**
Growth y-o-y (%)	11.2	11.5	11.3	5.4	(0.9)	2.1
Constant currency y-o-y (%)	13.3	13.8	13.6	6.3	0.1	3.0
Number of stores at period end	553	570	570	575	598	598
Average stores growth y-o-y (%)	3.4	4.0	4.0	4.0	4.9	4.9
Online revenue	**42.9**	**47.7**	**90.6**	**44.6**	**45.5**	**90.1**
Growth y-o-y (%)	(4.2)	3.9	(0.1)	4.0	(4.6)	(0.6)
Constant currency y-o-y (%)	(4.0)	4.1	0.1	5.8	(0.8)	2.3

Source: Games Workshop Group, Edison Investment Research

The year-on-year reduction in high-margin licensing revenue provided a significant headwind to GAW's profitability in FY26. The increase in core's gross margin to 71.1%, from 69.5% in FY25, was more than sufficient to offset the headwind from the lower licensing revenue so that total gross profit increased to c £478m from £445.0m in FY25. The majority of cost of goods sold was supportive of core's gross profit, although the new US tariffs and packaging taxes were marginally dilutive. Late in the year it became clear the company could reclaim a good proportion of the £12m in new US tariffs paid. A reclaim of £7.8m was booked in the period, equivalent to around 1.2 percentage points of gross margin on core's revenue, and is the main source of reported PBT of £275.7m being higher than the at least £265.0m that was indicated in the FY26 trading update.

Further down the income statement, the company's growth is reflected in a c 11% increase in core operating expenses, with some mitigation from the group profit share being £2.4m lower than in FY25.

Cash generation stable relative to revenue

In Exhibit 3, we show the main drivers of GAW's cash flow generation and uses relative to total revenue. The lumpiness of licensing revenue and its associated high profitability may affect the comparability of the ratios from year to year and there may be a timing mismatch between the accounting of the licensing revenue and its associated cash receipts.

Exhibit 3: Summary cash flow

As % of total revenue	FY21	FY22	FY23	*FY24	FY25	FY26
Operating cash flow	**35.9%**	**29.3%**	**40.9%**	**37.3%**	**40.1%**	**40.6%**
- Operating profit	41.1%	37.9%	36.2%	38.4%	42.3%	41.7%
- Depreciation, amortisation and impairments	4.2%	6.0%	6.6%	5.6%	5.1%	4.9%
- Working capital	(4.0%)	(8.7%)	4.0%	(1.5%)	0.5%	1.3%
- Tax paid	(8.7%)	(9.1%)	(8.3%)	(7.9%)	(10.4%)	(9.9%)
Investing cash flow	**(8.1%)**	**(7.7%)**	**(5.8%)**	**(5.7%)**	**(6.2%)**	**(7.1%)**
- Capex	(4.7%)	(4.1%)	(3.1%)	(3.0%)	(3.9%)	(4.9%)
- Intangibles	(0.8%)	(0.3%)	(0.1%)	(0.3%)	(0.1%)	(0.1%)
- Capitalised development	(2.6%)	(3.4%)	(2.8%)	(2.9%)	(2.7%)	(2.6%)
- Lease repayments	(2.7%)	(2.7%)	(2.5%)	(2.2%)	(2.0%)	(2.0%)
Free cash flow before interest	**24.9%**	**18.7%**	**32.5%**	**29.1%**	**31.7%**	**31.2%**
Net finance receipts/(payments)	(0.2%)	(0.1%)	0.1%	0.3%	0.2%	0.1%
Free cash flow after interest	**24.7%**	**18.5%**	**32.5%**	**29.4%**	**31.9%**	**31.3%**
Dividend payments	(16.4%)	(22.5%)	(29.0%)	(26.3%)	(27.8%)	(24.3%)

Source: Games Workshop Group, Edison Investment Research. Note: *53 weeks.

On a relative basis, free cash flow was broadly stable between FY25 and FY26, with slightly higher operating cash flow and more favourable working capital offsetting slightly higher investment.

GAW's end-FY26 cash position of £182.9m compares with £132.6m at the end of FY25. Including IFRS 16 liabilities, GAW's only debt, the end-FY26 net cash position was £126.9m.

Recognising the growing scale of the business, management has indicated its required cash buffer that must be maintained before a dividend can be declared has increased to £120m from £100m previously.

Changes to estimates

The changes to our FY27 estimates and our estimates for FY28 are summarised in Exhibit 4.

On the higher-than-forecast FY26 base we make no material changes to our revenue growth estimates for FY27 of 5% for the core and no growth for licensing. FY27 will benefit from the launch of the 11th edition of Warhammer 40K. Our outlook note from March 2026 analysed how GAW's historical financial results have been influenced by the launch of the new editions of its main IPs. Prior launches of new editions of 40K have delivered constant currency revenue changes of: FY15 -0.3%; FY18 40.8%; FY21 33.9%; and FY24 13.9%. We have trimmed our estimated operating margin for FY27 to reflect management's new guidance for higher US tariffs of £13m. Our forecast for a lower core operating margin versus FY26 incorporates higher costs for investing in growing the business's infrastructure and geographic expansion, customer engagement, IP protection and IT, as well as higher input costs following the Middle East conflict. Historically, the launch of a new edition of 40K has been supportive of an increase in operating margin versus the prior year.

FY28 is likely to benefit from the launch of the next edition of Warhammer Age of Sigmar if the three-year release cycle is maintained. We incorporate 5% revenue growth for core and licensing in the year and some further dilution in core's operating margin versus FY26 to reflect further investment in growing the business.

Exhibit 4: Summary of estimates

£m	FY26	FY27e new	FY28e new	FY27e old	FY27e change
Revenue	**659.7**	**691.0**	**725.6**	**688.3**	**0.4%**
Growth y-o-y (%)	6.8	4.8	5.0	4.8	
- Core revenue	626.8	658.1	691.0	657.3	**0.1%**
Growth y-o-y (%)	10.9	5.0	5.0	5.0	
- Licensing revenue	32.9	32.9	34.5	31.0	**6.1%**
Growth y-o-y (%)	(37.3)	0.0	5.0	5.0	
Operating profit	**275.0**	**269.2**	**277.1**	**268.4**	**0.3%**
Margin (%)	41.7	39.0	38.2	39.0	
- Core operating profit	245.1	238.9	245.3	239.9	**(0.4%)**
Margin (%)	39.1	36.3	35.5	36.5	
- Licensing operating profit	29.9	30.3	31.8	28.5	**6.1%**
Margin (%)	90.9	92.0	92.0	92.0	
Reported PBT	**275.7**	**270.3**	**278.1**	**268.8**	**0.5%**
Dividend per share (£)	**4.85**	**5.20**	**5.20**	**5.20**	**0.0%**

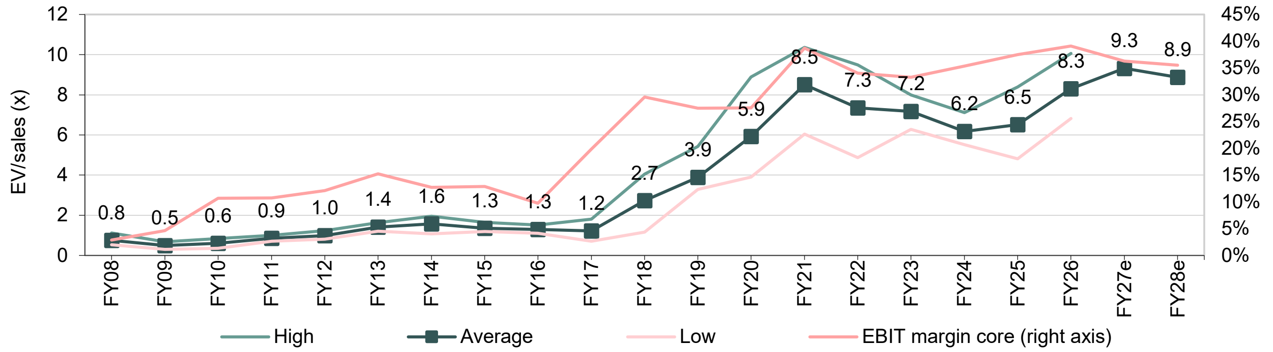
Source: Games Workshop Group, Edison Investment Research

Valuation

In Exhibit 5 we show how GAW's historical EV/sales multiple has progressed over time versus the core operating margin, and the same for prospective multiples and expected profitability. For each historical year we show the high, average (number quoted) and low multiples for that year. We exclude IFRS 16 liabilities from the calculation of enterprise value in order to get a longer-term view of the valuation. There is a clear picture of higher profitability leading to a higher multiple.

The prospective EV/sales multiples for FY27 and FY28 of 9.3x and 8.9x are above the more recent average multiples but below recent peak multiples of 10.1x in FY26.

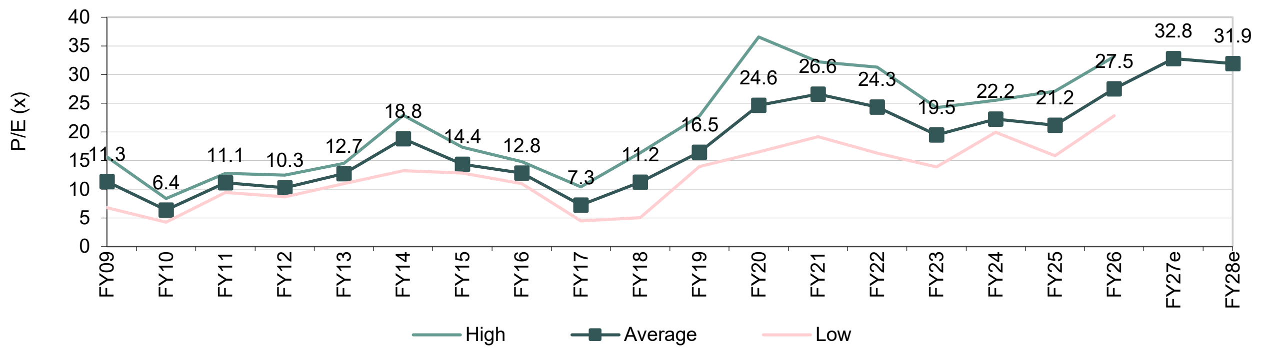
Exhibit 5: EV/sales and profitability



Source: Games Workshop Group, LSEG Data & Analytics, Edison Investment Research. Note: Priced at 28 July 2026.

GAW's prospective P/E multiples for FY27 and FY28 are similarly trading above recent average multiples, indicating the share price is anticipating further upgrades to forecasts.

Exhibit 6: P/E multiples



Source: Games Workshop Group, LSEG Data & Analytics, Edison Investment Research. Note: Priced at 28 July 2026.

Exhibit 7: Financial summary

Year-end 31 May	£m	2023	2024*	2025	2026	2027e	2028e
INCOME STATEMENT		**IFRS**	**IFRS**	**IFRS**	**IFRS**	**IFRS**	**IFRS**
Revenue		**470.8**	**525.7**	**617.5**	**659.7**	**691.0**	**725.6**
– Core revenue		445.4	494.7	565.0	626.8	658.1	691.0
– Licensing revenue		25.4	31.0	52.5	32.9	32.9	34.5
Cost of sales		(149.2)	(151.2)	(172.5)	(181.3)	(204.0)	(214.2)
Gross profit		321.6	374.5	445.0	478.4	487.0	511.4
Operating expenses		(108.3)	(131.1)	(138.6)	(156.9)	(169.8)	(182.4)
EBITDA		213.3	243.4	306.4	321.5	317.2	329.0
Depreciation and amortisation		(43.1)	(41.6)	(45.1)	(46.5)	(48.1)	(51.9)
Reported operating profit		170.2	201.8	261.3	275.0	269.2	277.1
– Core operating profit		148.2	174.8	211.8	245.1	238.9	245.3
– Licensing operating profit		22.0	27.0	49.5	29.9	30.3	31.8
Finance income/(expense)		0.4	1.2	1.5	0.7	1.1	1.0
Reported PBT		**170.6**	**203.0**	**262.8**	**275.7**	**270.3**	**278.1**
Income tax expense (includes exceptionals)		(35.9)	(51.9)	(66.7)	(69.7)	(67.6)	(69.5)
Reported net income		134.7	151.1	196.1	206.0	202.7	208.6
WASC (m)		32.9	32.9	33.0	33.0	33.1	33.2
Average Number of Shares Outstanding (m)		32.9	33.0	33.0	33.1	33.2	33.2
Reported EPS (p)		409.7	458.8	594.9	624.0	612.8	629.2
Reported diluted EPS (p)		409.4	458.2	593.5	622.5	611.3	627.6
DPS (p)		415.0	420.0	520.0	485.0	520.0	520.0
Gross margin		68.3%	71.2%	72.1%	72.5%	70.5%	70.5%
EBITDA margin (including licensing income)		45.3%	46.3%	49.6%	48.7%	45.9%	45.3%
Operating margin		36.2%	38.4%	42.3%	41.7%	39.0%	38.2%
BALANCE SHEET							
Property, plant and equipment		55.7	56.5	64.9	80.1	91.3	91.1
Right-of-use assets		48.9	46.1	44.0	54.2	54.1	54.0
Goodwill		1.4	1.4	1.4	1.4	1.4	1.4
Intangible assets		21.2	22.8	23.6	25.4	28.0	30.2
Other non-current assets		25.6	32.6	21.6	19.4	19.4	19.4
Total non-current assets		152.8	159.4	155.5	180.5	194.2	196.1
Cash and equivalents		90.2	107.6	132.6	182.9	210.5	250.8
Inventories		33.0	42.2	39.7	46.5	51.4	54.0
Trade and other receivables		36.3	37.8	52.1	54.9	60.5	63.6
Other current assets		14.5	4.3	3.1	1.8	1.8	1.8
Total current assets		174.0	191.9	227.5	286.1	324.3	370.1
Trade and other payables		(37.0)	(46.3)	(50.5)	(65.3)	(78.7)	(83.4)
Borrowings		0.0	0.0	0.0	0.0	0.0	0.0
Leases		(9.9)	(10.0)	(11.2)	(11.6)	(11.6)	(11.6)
Other current liabilities		(1.3)	(2.1)	(1.9)	(1.9)	(1.9)	(1.9)
Total current liabilities		(48.2)	(58.4)	(63.6)	(78.8)	(92.2)	(96.9)
Borrowings		0.0	0.0	0.0	0.0	0.0	0.0
Leases		(40.0)	(37.2)	(34.0)	(44.4)	(44.2)	(43.0)
Other non-current liabilities		(3.5)	(4.3)	(4.6)	(8.1)	(8.1)	(8.1)
Total non-current liabilities		(43.5)	(41.5)	(38.6)	(52.5)	(52.3)	(51.1)
Net assets		235.1	251.4	280.8	335.3	374.0	418.2
CASH FLOW STATEMENT							
Operating profit		170.2	201.8	261.3	275.0	269.2	277.1
Depreciation and amortisation		39.5	39.0	43.9	46.5	48.1	51.9
Impairments		3.6	2.6	1.2	0.0	0.0	0.0
Share-based payments		1.0	1.2	1.3	4.0	4.0	4.0
Other adjustments		(1.2)	1.2	0.6	(1.2)	0.0	0.0
Movements in working capital		18.6	(7.9)	3.2	8.8	2.9	(0.9)
Income taxes paid		(39.0)	(41.7)	(64.1)	(65.4)	(67.6)	(69.5)
Operating cash flow		192.7	196.2	247.4	267.7	256.5	262.6
Net capex and intangibles		(28.3)	(32.6)	(40.9)	(49.4)	(48.0)	(40.0)
Net interest		0.3	1.4	1.5	0.7	1.1	1.0
Net proceeds from issue of shares		2.6	2.7	1.8	4.5	4.0	4.0
Dividends paid		(136.5)	(138.3)	(171.4)	(160.1)	(172.0)	(172.4)
Other financing activities		(11.8)	(11.8)	(12.3)	(13.2)	(14.0)	(15.0)
Net cash flow		19.0	17.6	26.1	50.2	27.6	40.2
Opening cash and cash equivalents		71.4	90.2	107.6	132.6	182.9	210.5
Currency translation differences and other		(0.2)	(0.2)	(1.1)	0.1	0.0	0.0
Closing net (debt)/cash		90.2	107.6	132.6	182.9	210.5	250.8
Closing net cash including leases		40.3	60.4	87.4	126.9	154.7	196.2

Source: Games Workshop Group, Edison Investment Research. Note: *53 weeks.

EDISON

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom