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everplay group

Technology

2 September 2025

H125 shows resilience while markets recover

Raising guidance (however modest the amount) during a CEO interregnum is not a common occurrence. It is testament not only to the strength of everplay group's current management team, but also to the resilience of its strategy in what is still a challenging games market. The spread of risk across the title portfolio and across the group's three distinct divisions should be of interest to investors looking to take advantage of the continued recovery in the games market.

Financials include guidance uptick

Group H125 revenues fell 10% to £72.4m (H124: £80.6m) due to tough comparatives, declines in physical sales and adverse timing effects of new releases. Gross margins of 46.5% improved on 40.8% in H124, with adjusted EBITDA of £19.2m (26.5% margin) versus £19.4m (24.1% margin) in H124. An interim dividend of 1p per share was announced. Cash and equivalents at June 2025 were £59.5m (June 2024: £54.3m). The board expects FY25 adjusted EBITDA to be slightly ahead of market expectations, with trading in the current year being second-half weighted.

Strategy continues to produce results

Today's results suggest that the renewed focus created by the group's rebranding and reorganisation is having the desired effect just as the underlying market begins to stabilise. For example, revenues from new releases were up 40% in the period and two major first-party IPs, *Firefighting Simulator: Ignite* and *Seafarer: The Ship Sim,* are scheduled for release in H225. The pipeline for third-party titles is described as strong. Furthermore, three IP/back catalogue publishing rights were acquired in the period, at a total cost of less than £8m, and publishing rights for six further titles have been acquired since June.

Valuation: In line but momentum strong

Recent share price strength has brought trading multiples (based on consensus) in line with (if not slightly ahead of) peers, although further earnings-accretive M&A could affect this. This implies little obvious upside potential in the short term in the absence of further increases in guidance. That said, the shares will be of interest to investors looking for the comfort of strong back catalogue revenues, while at the same time gaining exposure to any continued improvement in what has been a difficult games market.

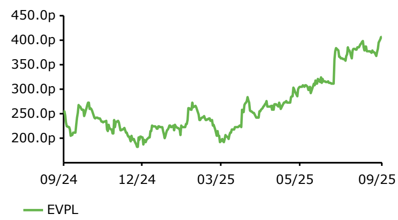
Consensus forecasts

Year end	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	DPS (p)	EV/EBITDA (x)	P/E (x)	Yield (%)
12/24	166.6	43.6	43.4	24.10	2.70	12.3	16.8	0.7
12/25e	173.6	46.9	46.9	25.40	2.91	11.4	16.0	0.7
12/26e	180.4	48.7	48.6	26.30	3.04	11.0	15.4	0.7
12/27e	187.7	51.0	51.0	27.60	3.21	10.5	14.7	0.8

Source: LSEG Data & Analytics. Note: EBITDA, PBT and EPS are stated before share-based compensation costs, acquisition-related costs and adjustments.

Price 406.00p
Market cap £592m

Share price performance



Share details

Code	EVPL
Listing	LSE
Shares in issue	145.8m
Net cash/(debt) at June 2025	£56.7m

Business description

everplay group (formerly Team17) is a United Kingdom-based developer and publisher of independent video games and applications.

Bull points

- Strong back catalogue contributing 88% of H125 revenues from around 140 titles.
- Strong recovery in FY24 with adjusted EBITDA up 46% and margins up 740bp to 26.1%.
- Strong operating cash conversion of 97%, giving cash and equivalents of £62.9m at end FY24.

Bear points

- Weak underlying market growth in recent years with some signs of recovery.
- H125 revenue decline.
- Current CEO interregnum.

Analysts

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