EDISON

QuickView

# Frontier Developments

Media

14 January 2026

## Guidance raised following H126 results

**As the industry recovers from its post-COVID-19 hiatus, player engagement is the gold standard for sustainable value creation for developers. We are encouraged not only by Frontier's creative management simulation (CMS) game positioning and the sector's potential for particularly deep player-developer relationships, but also the incoming CEO's player-centric background. With the group strategy now set, results improving and the pipeline strong, we expect strong future value creation and attractive returns for longer-term investors.**

## Financials: Guidance upgraded after JWE3 launch

H126 revenues rose 26% to £59.6m, with CMS games (representing 90% of revenues in H126 versus 75% in H125) rising 52% y-o-y. Gross profit increased to £38.0m (H125: £32.9m) and adjusted operating profit grew by 76% to £9.7m (H125: £5.5m). Profit after tax rose £3.6m to £8.0m and basic EPS grew to 21.4p per share (H125: 11.4p). Net cash at end-H126 was £40.1m (end-H125: £27.2m). H226 has begun well with newly released *Jurassic World Evolution 3 (JWE3)* achieving a group Christmas Day sales record for an individual game. H1 sales for *Planet Coaster* were slightly ahead of expectations and the H126 *Planet Zoo* revenue contribution was described as 'excellent'. Management reported that it is 'upgrading FY26 financial guidance to revenue of around £100m and adjusted operating profit of around £11m.'

## Strategy: Established model, new leadership

Frontier could hardly be better strategically positioned as CEO Jonny Watts hands the leadership reins to previous chief marketing officer Jo Cooke. The group's strategic re-focus of recent years has left it firmly established as a leader in the CMS sector, beginning H226 by enjoying its second highest-ever December revenue. With Complex Games and a sequel to Planet Zoo set for FY27 releases and an unannounced CMS title on track for FY28, there is plenty of momentum in the pipeline. There are several reasons to expect something of a recovery in gaming industry growth rates this year and these results position Frontier well to participate fully in any such recovery.

## Valuation: Longer-term perspective required

The recent share buyback underlines the capital-light nature of the group's model. As confidence continues to recover and grow in both the group and the wider industry, the potential long-term upside is well illustrated by an enterprise value (c £134m) that sits only marginally above net asset value (£94m).

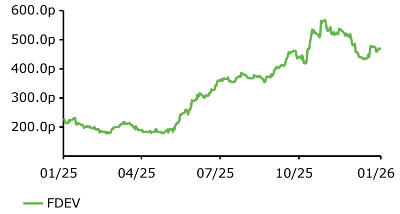
**Consensus estimates**

| Year end | Revenue (£m) | EBITDA (£m) | PBT (£m) | EPS (p) | EV/EBITDA (x) | P/E (x) |
|---|---|---|---|---|---|---|
| 5/24 | 89.3 | 26.8 | (28.4) | (55.60) | 5.0 | N/A |
| 5/25 | 90.6 | 36.1 | 12.4 | 40.70 | 3.7 | 11.5 |
| 5/26e | 96.3 | 34.5 | 8.2 | 19.60 | 3.9 | 24.0 |
| 5/27e | 96.8 | 37.1 | 9.2 | 24.90 | 3.6 | 18.9 |

Source: LSEG Data & Analytics. Note: PBT and EBITDA are as reported. Consensus data taken on 14 January prior to results release.

| | |
|---|---|
| **Price** | **469.50p** |
| **Market cap** | **£174m** |

**Share price performance**




**Share details**

| | |
|---|---|
| Code | FDEV |
| Listing | LSE |
| Shares in issue | 37.0m |
| Net cash/(debt) at 30 November 2025 | £40.1m |

**Business description**

Frontier Developments is a UK-based company that develops and publishes video games for the gaming sector. Major franchises include *Planet Coaster, Planet Zoo* and *Jurassic World Evolution.*

**Bull points**

- Leading creative management simulation franchises.
- Strong back catalogue of titles developed over its 30-year history.
- Proprietary COBRA development tools and technology.

**Bear points**

- Revenue volatility linked to major franchise releases.
- Market dominance of player time by several well-established games franchises.
- Disappointing results from portfolio diversification in 2020–23.

**Analysts**


| | |
|---|---|
| Dan Ridsdale | +44 (0)20 3077 5700 |
| Ross Jobber | +44 (0)20 3077 5700 |

tmt@edisongroup.com

Edison profile page

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