

Frontier Developments

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

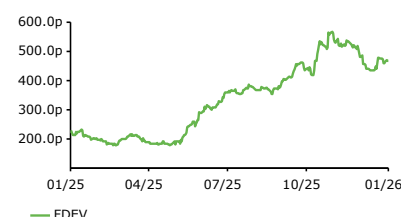
Source: LSEG Data & Analytics. Note: PBT and EBITDA are as reported. Consensus data taken on 14 January prior to results release.

Media

14 January 2026

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](#)

EDISON QUICKVIEWS ARE NORMALLY ONE-OFF PUBLICATIONS WITH NO COMMITMENT TO WRITING ANY FOLLOW UP. QUICKVIEW NOTES USE CONSENSUS EARNINGS ESTIMATES.

General disclaimer and copyright

This report has been prepared and issued by Edison. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2026 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.