

# Games Workshop

Q122 trading update

## Revenue growth against a tough comparative

Games Workshop's (GAW's) trading update indicates sales growth for Q122 (three months to 29 August 2021) is in line with management expectations. Management has highlighted pressure on freight costs and currency exchange rates given GAW's high international exposure. The declared dividend of 25p per share brings the year-to-date total to 65p. Our forecasts for FY22 and FY23 are unchanged. Our DCF-based valuation remains £129 per share.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	PE (x)	Yield (%)
05/20	269.7	89.4	217.8	145	52.8	1.3
05/21	353.2	150.9	370.5	235	31.0	2.0
05/22e	376.9	158.1	387.1	250	29.7	2.2
05/23e	395.3	163.4	398.8	275	28.8	2.4

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

In the comparative period of Q121, GAW reported revenue growth of c 15% to £90m, which accelerated to c 38% growth in Q221 and 37% in H221, due to the launch of the ninth edition of [40K in July 2020](#), therefore revenue growth in Q122 is encouraging against the strong performance last year. [Our last report](#) highlighted how the new editions lead to multi-year revenue growth. Our revenue forecast for FY22 of £376.9m represents year-on-year growth of c 7%, a lower rate of growth than recent years due to the phasing and scale of product releases.

GAW's broad international revenues leave it exposed to foreign exchange rate movements. In FY21 revenues were split UK 23%, Continental Europe 23%, North America 41% and Asia Pacific/rest of world 12% (subject to rounding). Year to date, the average US\$1.39/£ compares with US\$1.29/£ through H121 and €1.17/£ compares with €1.11/£ in H121, representing currency headwinds of c 8% and 5%, respectively. Our last forecast update assumed averages for FY22 of US\$1.40/£ and €1.17/£, respectively, broadly in line with current exchange rates.

The declared dividend of 25p per share brings the year-to-date total to 65p, versus 80p at this stage last year, following two dividends of 30p and 50p. GAW's dividend policy is to return 'truly surplus cash' to shareholders, therefore a dividend is declared when the cash is available. It does not have a progressive dividend policy.

Consumer goods

16 September 2021

**Price** 11,500p  
**Market cap** £3,769m

Net cash (£m) at 31 May 2021 (excluding lease liabilities) 85.2

Shares in issue 32.8m

Free float 97%

Code GAW

Primary exchange LSE

Secondary exchange N/A

### Share price performance



### 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.

### Analysts

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