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everplay group

Technology

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FY25 proves to be another key strategic year

FY25 saw yet more positive change for the group. The continued focus on first-party IP alongside the prioritisation of higher margin revenues and greater reach from agreements with platforms such as Netflix and Amazon should add growing revenues to the already rising profit margins. This bodes well for the future.

Financials: Guidance underpins consensus

FY25 revenues were flat y-o-y at £166.0m (FY24: £166.6m). However, excluding the exited physical distribution business, revenues increased 5%. Team17 contributed £106.4m (+8% y-o-y), StoryToys contributed £30.4m (up 25% y-o-y) and astragon Entertainment contributed £29.5m (-33% y-o-y). Back catalogue sales accounted for 75% of group revenues. Gross margin increased by 440bp to 46.0% (FY24: 41.6%) following the exit from astragon's physical distribution business. Capitalised development costs in the year increased to £33.2m (FY24: £25.0m). Adjusted EBITDA increased 11.3% to £48.5m, while adjusted PBT, increased 11.8% to £48.5m. Basic adjusted EPS increased 7% to 25.7p, while operating cash conversion fell slightly from 97% in FY24 to 89% in FY25. Management reported a good start to 2026 and has a pipeline of at least 15 new games and apps expected to launch during the year. It expects the group to achieve FY26 results in line with current market expectations, with the caveat that the majority of the larger releases this year are expected in the second half of the year.

Strategy: Another busy year

In addition to key senior hires (including CEO Mikkel Weider who joined in January 2026), FY25 was another key strategic milepost. It saw the group acquire the Hammerwatch franchise, acquire five IPs from BeardedBrothers.Games, take a minority stake in Super Media Group (including the initiation of a strategic partnership with Bulkhead), and acquire further back catalogue revenues via the purchase of publishing rights to seven titles (including *Operation: Tango*, *Heavenly Bodies* and *Spiritfall*. Among the 11 new titles released were the key franchises *Date Everything!, LEGO Bluey* and *Firefighting Simulator: Ignite.*

Valuation: Pieces falling into place

With sales and profits trends taking slightly different trajectories in FY25, the group now looks attractive against peers when viewed through the lens of EBITDA multiples, even if revenue multiples still seem somewhat full. A return to revenue growth (as guided by management) in FY26 should therefore add more momentum to future investor interest.

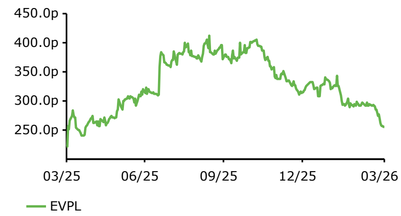
Consensus forecasts

Year end	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	DPS (p)	EV/EBITDA (x)	P/E (x)	Yield (%)
12/24	166.6	43.5	43.4	24.10	2.70	7.5	10.7	1.0
12/25	166.0	48.5	48.5	25.70	2.90	6.7	10.1	1.1
12/26e	173.6	50.5	47.3	27.00	3.40	6.5	9.6	1.3
12/27e	182.2	51.7	50.4	28.50	3.60	6.3	9.1	1.4

Source: LSEG Data & Analytics, everplay. Notes: EBITDA, PBT and EPS are stated before share-based compensation costs, acquisition-related costs and adjustments. Consensus calculated prior to release of FY25 results.

Price	**259.00p**
Market cap	**£378m**

Share price performance



Share details

Code	EVPL
Listing	LSE
Shares in issue	145.8m
Net cash/(debt) at December 2025	£51.9m

Business description

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

Bull points

- Strong back catalogue contributing 75% of FY25 revenues from around 140 titles.
- Strong recovery in FY25 with adjusted EBITDA up 11.3% and gross margins up 440bp to 46.0%.
- Strong operating cash conversion of 89%, giving cash and equivalents of £51.9m at end FY25.

Bear points

- Weak underlying market growth in recent years albeit with some signs of recovery.
- Mid single-digit underlying FY25 revenue decline.
- Latter stages of strategic re-alignment.

Analysts

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

tmt@edisongroup.com

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