PRESS ANNOUNCEMENT

GAMES WORKSHOP GROUP PLC

30 July 2024

ANNUAL REPORT

Games Workshop Group PLC ("Games Workshop" or the "Group") announces its annual report for the 53 week period to 2 June 2024.

Highlights

	53 weeks ended 2 June 2024 £m	52 weeks ended 28 May 2023 £m
Core revenue	**494.7**	445.4
Licensing revenue	**31.0**	25.4
Revenue	**525.7**	470.8
Revenue at constant currency	**540.2**	470.8
Core operating profit	**174.8**	148.2
Core operating profit at constant currency	**185.6**	148.2
Licensing operating profit	**27.0**	22.0
Licensing operating profit at constant currency	**28.8**	22.0
Operating profit	**201.8**	170.2
Profit before taxation	**203.0**	170.6
Net increase in cash - pre-dividends paid	**155.9**	155.5
Earnings per share	**458.8p**	409.7p
Dividends per share declared and paid in the period	**420p**	415p

Kevin Rountree, CEO of Games Workshop said:

"After a record year, we will continue to focus on the things in our control. We have a very clear strategy, which remains unchanged, a detailed operational plan for the year ahead and a great team to deliver it. I wish to thank our staff, customers, trade accounts and broader stakeholders for their ongoing support. Exciting times."

For further information, please contact:

Games Workshop Group PLC investorrelations@gwplc.com
Kevin Rountree, CEO
Rachel Tongue, CFO

Investor relations website investor.games-workshop.com
General website www.warhammer.com

The full 2024 annual report can be downloaded from the investor relations website at investor.games-workshop.com.

See the glossary for details on the alternative performance measures (APMs) used by the Group. Where appropriate, a reconciliation between an APM and its closest statutory equivalent is provided.

STRATEGIC REPORT

Strategy and objectives
Games Workshop is committed to the continuous development of our intellectual property ('IP') and making the Warhammer hobby and our business ever better.

Our ambitions remain clear: to make the best fantasy miniatures in the world, to engage and inspire our customers, and to sell our products globally at a profit. We intend to do this forever. Our decisions are focused on long-term success, not short-term gains.

Let me go through our strategy part-by-part:

The first element is that we make high quality miniatures. We understand that what we make may not appeal to everyone, so to recruit and retain customers we are absolutely focused on making our models the best in the world. In order to continue to do that forever and to deliver a decent return to our owners, we sell our miniatures for a price that we believe represents the investment in their quality.

The second element is that we make fantasy miniatures based in our endless, imaginary worlds. This gives us control over the imagery and styles we use, and ownership of the IP. Aside from our core business, we are constantly looking to grow our licensing income from opportunities to use our IP in other markets.

The third element is that we are customer focused. We aim to communicate in an open, fun way. Whoever and wherever our customers are, and in whichever way they want to engage with Warhammer, we will do our utmost to support them.

The fourth element is the global nature of our business. Our customers can be found anywhere, and we seek them out all over the world. They're a passionate bunch with an interest in science fiction and fantasy. They're collectors, painters, model builders, gamers, book lovers and much more. And while no two customers engage with Warhammer in exactly the same way, they're all deeply invested in the rich characters and settings of our IP.

To reach them, we have two key tools: our retail chain and our digital content. In retail, we showcase the Warhammer hobby and offer a fantastic customer experience. Our digital offering has never been richer. Through warhammer-community.com and social media we reach hundreds of thousands of people every day, showing them the very best aspects of the Warhammer hobby and inviting them to join our global community of enthusiastic fans.

Our retail channel is supported by our own online store (it has the full range of our products) and our independent stockist and trade accounts across the world. These independent accounts do a great job supporting our customers in parts of the world where we either have not yet opened one of our stores or where it is not commercially viable for us to have one. Our long-term goal is to have all three channels (retail, trade and online) growing in harmony. We will always have more independent accounts than our own stores. Our strategy is to grow our business through geographic spread, growing all of the three complementary channels.

The fifth element is being focused on cash. By delivering a good cash return every year we can continue to innovate, surprise and delight our loyal existing customers and new customers with great products. To be around forever we also need to invest in both long-term capital and short-term maintenance projects every year, pay our staff what they have earned for the value they contribute and deliver surplus cash to our shareholders. Our dedication and focus should ensure we deliver on time and within our agreed cash limits.

We measure our long-term success by seeking a high return on investment. In the short term, we measure our success on our ability to grow sales whilst maintaining our core operating profit margin at current levels. The way we go about implementing this strategy is to recruit the best staff we can to fit the job, and the team. The team is more important than the individuals. We look for those with the appropriate attitude and behaviour a given job requires and for those who are aligned with our beliefs and who are quality obsessed. It is also important that everyone we employ has a real desire to learn the skills needed to do their job and has a great attitude towards change. To support them, we offer all of our staff both personal development and skills training.

Our brands
We have originated and are in control of a number of strong, globally recognised brands with their own identities, associations and logos.

Our key consumer facing brand is 'Warhammer' - this unites all aspects of the Warhammer hobby - collecting, building, painting, playing, reading, watching, gaming, etc. in the worlds of Warhammer.

We have two main universes/settings - our dark, gritty fantasy sci-fi universe, which encompasses 'Warhammer 40,000', 'Warhammer: The Horus Heresy' and 'Necromunda', and our unique fantasy setting that includes 'Warhammer Age of Sigmar', 'Blood Bowl' (albeit a tongue in cheek parody) and 'Warhammer: The Old World'. We believe our IP to be among the best in the world.

We continue to add to the depth of these worlds with an ever evolving range of miniatures that we hope will keep hobbyists engaged and excited for a lifetime.

The Warhammer settings are set against incredibly rich and evocative backdrops. They're populated by more than three decades of fantastical characters and comprise thousands of exciting narratives. We are committed to making it easier than ever for people to discover, engage with and immerse themselves in our IP. Aided by a small senior team, we have already begun to find new partners, and new ways to help us bring the worlds of Warhammer to life like never before. Together, we'll continue to explore animation, live action, video games and more. We'll present the very best aspects of our rich IP, delighting audiences while always ensuring we do no harm to our core miniatures business.

Business model and structure

We are a vertically integrated business. We design, manufacture, distribute and sell our fantasy miniatures and related products. These are fantasy miniatures from our sci-fi and fantasy universes. We are an international business centrally run from our HQ in Nottingham, with 78% of our sales coming from outside the UK. We have our two main factories, a paint factory, two warehouse facilities, the Warhammer Studio and back office support functions - all are based in or near Nottingham.

Design

We design all of our products at our HQ in Nottingham. Employing c.320 people, the Warhammer Studio creates all the IP and all the associated miniatures, artwork, games and publications that we sell. Annually, these specialist staff produce hundreds of new sculpts, illustrations, rules, stories etc. enabling us to deliver new products every week and continue to keep our customers engaged and excited. In 2023/24 we invested £18.0 million in the Warhammer Studio with a further £7.0 million spent on tooling, the majority of which was for new plastic miniatures. We are committed to investing in these areas at an appropriate level every year.

All of our plastic miniatures are branded as Citadel Miniatures, a mark with an unparalleled reputation for quality. It denotes both a style and level of detail that we apply to both our own worlds (Warhammer 40,000, Warhammer Age of Sigmar etc.) and those of others, e.g. Lord of the Rings. Our resin miniatures, designed for more experienced customers, are branded as Forge World and are less widely available than their plastic counterparts.

Many customers love personalising their miniatures and our Citadel Colour paint range, brushes and accompanying painting system are designed to help everyone from the complete beginner to the most experienced painters in the world achieve great results. In the pursuit of ever better, we continually develop new types of paint and ways of using them. The result - our paints are used the world over. And for painting more than just our miniatures.

When not interacting with our miniatures, many customers enjoy reading stories set in our rich and immersive worlds. Under our Black Library imprint we publish new titles every year, from short stories and audio dramas through to full length novels and audio books. These we make available in physical bookstores, on third party digital platforms and through our own retail and other specialist stores.

Manufacture

We are proud to manufacture our product in Nottingham which is the centre of expertise for our global business. It's where we started and where we intend to stay.

Logistics

Our product is distributed from our warehouse (EMG) approximately 25 minutes away from our HQ in Nottingham. EMG supplies our two hubs; one in Memphis, Tennessee and one in Sydney, Australia. Between these three warehouses, we are able to directly supply our independent retailers, our own retail stores and fulfil our online orders.

Sell

Our core revenue is generated via three channels, our own stores 'Retail', third party independent retailers 'Trade' and our online store 'Online'. We also sell via our licensing partners. We support these channels and activities via our digital and marketing team.

Retail - our stores provide the focus for the Warhammer hobby in their geographical areas. Our stores only stock Games Workshop products. They are where we recruit the majority of our new customers. To do so, the stores don't offer the full range of our product, only starter sets, new release products and the appropriate extended range. At the period end, we had 548 of our own retail stores in 23 countries. We have 412 single staff stores: small sites, each one operated by only one store manager. We also have 136 multi-staff stores, which, like our single staff stores, are constantly reviewed to ensure they remain profitable. If not, they will probably be converted to single staff stores.

Trade - we sell to third party retailers under closely controlled terms and conditions. Independent retailers are an integral part of our business model helping us to sell our products around the world and importantly in areas where we don't have our own stores. Games Workshop strives to support those outlets which help to build the Warhammer hobby community in their local areas. The bulk of our sales to independent retailers are made via our telesales teams based in Memphis, Nottingham and Barcelona. We also have small telesales teams in Sydney, Tokyo, Shanghai, Singapore, Hong Kong and Kuala Lumpur. In 2023/24 we had 7,200 independent retailers (2022/23: 6,500) in 71 countries. We strive to deliver excellent service, operating in 20 languages covering all time zones. Independent retailers sell from their physical stores as well as their own online web stores.

Online - sales via our own web stores. All of our retail stores also have a web store terminal that allows our customers to access the full range from within the store. Our web stores are run centrally from our HQ in Nottingham.

Licensing - we grant licences to a number of carefully chosen partners. This allows us to exploit our IP to broaden the presence and brand exposure of Warhammer around the world, often entering new markets such as media and entertainment. It also allows us to generate additional income. Currently, the majority of this income is generated by video games sales in North America, the UK and Continental Europe.

Marketing - keep us customer focused. This team acts as the bridge between our other business areas, ensuring we have a joined up approach between product (design to manufacture) and sales. Marketing spend a lot of time listening and developing a two way dialogue with our customers to make sure we keep their needs at the forefront, championing the Warhammer hobby around the globe and injecting our content and communications with a real sense of passion and fun.

Structure
We control the business centrally from our HQ in Nottingham; it is where the majority of people with experience and knowledge of running our business work. I have put in place a flat structure: the people with senior responsibility, that make all of the big decisions, report directly to me.

I have two main teams: an operational board team and a senior management team. The operational board members are: the chief financial officer, a global IP and product design director, a global business to business (B2B) sales and marketing director, a global manufacturing and supply chain director, and a creative media director. I represent our own sales channels, Retail and Online, at the regular reviews.

Our global IP and product design director is responsible for our Warhammer design studios (miniatures, books and box games, specialist systems, hobby product, our publishing business - Black Library, and creative approvals for third party licences). They ensure any content that is produced, whether physical or virtual, truly represents our IP. They also support me in exploiting our IP, alongside our creative media director.

The responsibility for our trade sales is with our global B2B sales and marketing director who also manages the marketing team for all sales channels.

Reporting directly to me, our retail chain is split between two retail territory managers, one for North America and Asia and one for the rest of the world. Our online store (our biggest store) is the responsibility of our rest of the world retail manager, who also manages our biggest physical store, Warhammer World.

The global manufacturing and supply chain director manages the three factories in Nottingham and our main warehouse facilities in Nottingham, Memphis and Sydney as well as the service levels at our third party run warehouses in Tokyo and Shanghai. He is also responsible for our stock forecasting and our merchandising team, supporting all sales channels.

Our operations and support structure includes the chief financial officer for Games Workshop who is responsible for accounts, HR, legal and compliance, and IT. They also support me in exploiting our IP by managing the licensing team.

The senior management team comprises the members of the operational board together with our global head of IT, two retail territory heads, our Group company secretary/general counsel, two HR managers (covering support and advisory as well as recruitment and development). In addition, my executive assistant helps me by running a team who supports the day to day running of the teams above.

Key performance indicators
The boards and management team use a number of key performance indicators to provide a consistent method of analysing performance, in addition to allowing the boards to benchmark performance against our forecast. The key performance indicators utilised by the boards can be split into key financial performance indicators and key non-financial performance indicators.

Our key financial performance indicators are:
Monthly and year to date core business sales growth by channel
This measures the core business sales growth achieved in each of our core channels on a monthly and year to date basis.

Monthly and year to date core gross margin
This measures the core gross margin achieved on core sales after taking account of the direct costs, depreciation of manufacturing equipment and the costs of shipping our product to customers/stores on a monthly and year to date basis.

Year to date core operating profit percentage
The ratio of core operating profit against core revenue, as a percentage. This is considered to be a measure which reflects sales and costs under our direct control.

Monthly and year to date core operating profit
This measures gross profit less operating expenses for the core business on a monthly and year to date basis. This is considered to be a measure which reflects sales and costs under our direct control.

Year to date licensing revenue
This measures licensing revenue and cash earned from licensing. These measures reflect revenue which is not under our control.

Our key non-financial performance indicators are:
Number of own stores by territory
This measures the number of our own stores which is an indicator of our global reach.

Number of ordering stockist accounts by territory
This measures the number of trade outlets that have ordered from us in the last six months. It is an indicator of our global reach and the health of our trade account base.

Customer engagement
We measure this through our own content channel warhammer-community.com and reach, delivered through our social platforms.

Shareholder value
We believe shareholder value is created, primarily, by not destroying it. We have no intention to acquire other companies, nor to dispose of any of those we own.

We return our surplus cash to our owners and try to do so in ever increasing amounts. A cash buffer of three months' worth of working capital requirement (now £80 million) alongside three months' worth of tax payments and any large planned capital purchases or Group Profit Share payments/bonuses over £1 million, have been set aside before deciding how much cash is truly surplus for the purpose of declaring dividends.

Review of the period
Games Workshop and the Warhammer hobby are in great shape.

I am delighted to report the best results in Games Workshop's history, so far. We have delivered sales, profits and dividend payments to shareholders at record levels.

We once again have designed, made and sold in record quantities, the best fantasy miniatures in the world - our Warhammer Studio has again been inspiring, thank you all.

Performance
These record results were delivered by an incredible international team performance. A team that cares passionately about the Warhammer hobby and our loyal fans. We delivered 12 out of 12 months of profitable sales growth at constant currency. This consistent performance is a direct result of the team being absolutely focused on the delivery of a great customer offer. At the same time, they've shown a great ability to work together to deliver our detailed commercial plan. Both are essential to our ongoing success and neither is easy to deliver week after week.

Our business is run to a weekly rhythm e.g. range management - too much stock or too little stock, for our vertically integrated business is a trade off of either too much cash tied up in stock versus not making enough stock to support weekly new releases or existing range items, sometimes leaving a few customers annoyed. We have flexed up our safety stock levels in the last year and we are still working to get this balance right. We have purposefully, for our customers, increased stock levels year on year and the result is gross stock is higher. So, in the year ahead we will need to continue to be ambitious on our new release product performance and at the same time pragmatic when forecasting customer demand on our existing ranges. This will ensure we deliver great customer service, support our sales channels and at the same time keep to our commercial short term performance goals.

The most likely thing we are aware of at this stage in the trading period that could stall our growth plans is our old IT system. It keeps randomly annoying us and causing temporary issues for us and our customers - particularly in order processing. We have skilled staff who know, more now than we have ever done, what the problems are to solve. We have an outline plan to replace our legacy systems and have agreed and implemented an increase in investment. It's clearly being managed better, and it's not getting in the way, too much, of us delivering record volumes.

We aim for many more years of profitable growth and for all our customers to continue to enjoy their hobby. So every year as we plan for the next few, we continue to set the sales volume bar higher; as I wrote in 2021, it is still worth noting that historically the launch year of a new Warhammer 40,000 edition is normally the financial high point, until the next edition of Warhammer 40,000. I'm stating the facts: Warhammer 40,000 is still our best selling range of products. We have an ambitious plan for the next period, time will tell whether it was good enough.

Cash
Since May 2023, we have increased our cash buffer from £50 million to £80 million, in line with the new three monthly cash cost of running Games Workshop. Our job is to run the business under all scenarios - some not so positive ones are highlighted in our annual report under going concern scenarios - our cash buffer levels pass all these scenarios.

Climate change - supporting global temperature reduction
We have made good progress on this strategic priority. As promised, we are focussing on our scope 1 and 2 CO_2e emissions and we are ahead of the milestones presented in the 2023 annual report.

Culture
I am really proud that I see a great culture at Games Workshop. A culture built on us all appreciating the efforts of everyone in the team, all working hard to do the right thing for Games Workshop. A culture which allows a few of us to make big judgements with no fear; we are allowed to make mistakes, tomorrow is another day. We are ambitious and so occasionally we do make mistakes. We also understand that continuing to improve all the little things is essential for our ongoing success: there are no silver bullets - these results are built on our hard work and focus on what's in our control. As time goes by and a few long-standing team members leave, we will continue to help all our staff understand the key elements of our culture that have shaped the successful company we are. For example, ensuring we continue to recruit well (behavioural fit is more important than skills - which we can ultimately train) and our personal development, most importantly self-awareness and the impact on the morale of those around you at Games Workshop, really does matter. We are here for the Company and for each other.

At Games Workshop we have a senior team that has an average tenure of over 20 years. So, pragmatically as some leave, we look for a few remarkable people to be our future leaders. I still believe, for a niche vertically integrated company like us, it is in the best interests of Games Workshop, Warhammer fans and our broader stakeholders to recruit senior jobs from within. The challenge for most companies, and it is the same for Games Workshop, is that only a few people have the personal qualities to be consistently successful in the most senior jobs or the willingness to accept the responsibility that comes with these jobs…and at the same time remain ego free. Rachel Tongue and John Blanche, two of our great leaders, are moving on. We thank them both for their many years of considerable efforts and support - we wish them both all the best for the future.

Our staff and their team efforts are critical to our ongoing success so we are all proud that our staff retention rate continues to remain high. We thank all of our staff for their ongoing support and their focus on delivering their department strategies. This year, in line with our remuneration policy, to reward their huge efforts we increased the Group Profit Share payments to a record level.

Design
In June we launched the 10th edition of Warhammer 40,000 - now 37 years old and going strong. The response to the new miniatures and rules has been fantastic, driving growth through the whole of the Warhammer 40,000 range.

Our Horus Heresy offer explores the civil war that is the founding story of the Warhammer 40,000 setting. Our drive to turn this predominantly resin range into plastic continues at pace. In December we launched Horus Heresy Legions Imperialis to complement the Horus Heresy range - the same setting but with a different scale of miniature allowing customers to recreate huge battles on the tabletop.

Warhammer Age of Sigmar received several faction launches over the year, the most significant being Cities of Sigmar. Accompanying them was an unfolding storyline, culminating in the summer of 2024 with the return of a much loved protagonist…

In January we expanded our fantasy offer with the return of Warhammer: The Old World (first launched in the 1980s). Sales suggest that it is appealing to both new and veteran hobbyists alike. As with everything we do, we have grand plans for the years ahead.

Finally, our monthly printed magazine, White Dwarf, hit its 500th issue in May 2024 - quite a milestone in an ever increasingly digital age.

Manufacturing
Our manufacturing focus has remained, as always, on producing the best fantasy miniatures in the world.

All three Nottingham factories have operated in line with our forecast and expectations throughout the year. Factory output has been at record levels, producing in excess of 40 million plastic sprues during the year. Projects to improve efficiency, (we re-laid out our factories amongst other initiatives) allowed this to happen without adding additional machinery or buildings. We have also undertaken work to improve our factory environments for staff with air conditioning and lighting systems being upgraded. To give us extra capacity, we are now in the planning approval stage of an additional factory, called Factory 4, on our existing Nottingham site. The land was purchased in 2020 at a cost of c.£2.7 million and we estimate the fully operational build cost to be c.£9 million.

Total production costs have increased by £3.9 million to £25.8 million, this includes increased staff costs of £2.7 million; as a percentage of core sales, production costs have increased from 4.9% to 5.2%.

Warehousing
Our warehousing, logistics and distribution focus has been improving the service offered to our customers, which in the recent past has been below what we'd expect.

North America
We are still having some issues with our old IT systems at our Memphis facility. They will be addressed fully as we implement our systems improvement programme. These issues are random which can be frustrating for us and some customers, as it temporarily drops our service levels to below expectations. We have invested in an additional 25 robots and associated equipment during the period to further increase our picking capacity. More can be added in future, as and when required. I highlighted earlier some tremendous efforts by the team to not only deliver the highest dispatch volumes ever, but they also planned and implemented, without any real drama, the transition from the old warehouse set up to the new one in April 2024.

UK
All UK and European finished goods fulfilment has now transitioned to the EMG site. During this transition, the service we provided to customers from September to January, particularly to our direct web customers, was late. However, with everything now in place the site delivered the expected improvements with Online orders now routinely dispatched in under 48 hours (excluding pre orders and made to order). Here too, an additional 25 robots and associated equipment were introduced to scale picking capacity. There is plenty of room for more, as and when they are required. The legacy Eurohub warehouse was successfully refurbished and converted to become our dedicated materials and component warehouse (now known as the Lenton Components Operation or LCO). Its location, close to the factories, has enabled a more just in time service, and the consistency of delivery has greatly aided the factories' record productivity. Consistency and reliability of cross border shipping remains a key focus for orders transiting into Europe. A finished goods warehouse solution in Europe is still under review. It is likely to be an outsourced solution like we have implemented in Asia.

Australia
After over 25 years, we concluded the time had come for us to upgrade to a new, larger, modern warehouse to better meet the needs of our sales channels in Australia and New Zealand. At the time of writing the construction of our new warehouse, situated in Leppington, Sydney (close to our original Ingleburn warehouse) is nearing completion. Our warehouse team (and the wider Australian sales and support teams) will move into this new site during 2024/25.

Total warehousing costs have increased by £3.1 million to £29.0 million, this includes increased staff costs of £2.6 million; as a percentage of core sales, warehouse costs have increased from 5.8% to 5.9%.

Service centres
During the year our teams helped deliver the change programmes described above. In addition, they have been busy: benchmarking salaries on all jobs, supporting our investment in ESG topics, helping us open up in new countries (the admin burden is often considerable), navigating us through the significant tax reporting and returns we do in 38 countries, working alongside our trade accounts to manage to the £12 million credit we have across 7,200 accounts and paying the 3,500 suppliers. Not forgetting paying our c.3,500 staff on time across 23 countries. We thank them all for their considerable efforts and for their commitment to continuous improvement. There will be some small structure changes in the next year as Rachel (CFO) leaves and passes the cheque book and keys to Liz (Group FD).

IT
Following a thorough review of our services we have increased our cash allocation investment in IT from c.3% of core revenue up to c.5%. It's worth noting that most of this spend is written off in the period it is incurred in line with accounting standards. The review process was fairly challenging for our new team- it is clear to them that we run IT like everything else, aligned with core business operational KPIs. The work to remove our legacy systems will take three to five years so we will just let them crack on. We will judge the team on delivery of the key milestones. The next key one is the go live of the new core systems in Australia, which is by September 2025.

Customer focused
Our goal remains to reach out and find new fans, and engage and inspire existing Warhammer enthusiasts, wherever in the world they may be. We continue to focus our efforts on six of our own key areas:

Our stores
For decades, the staff in our retail stores have worked cheerfully and relentlessly to offer great customer service and more importantly recruit ever more new customers into the Warhammer hobby. Our stores continue to be the best place to start your hobby journey with us. We continue to offer free introductory experiences: receive your first model, learn how to build and paint it, and play an exciting game with store staff. Our store formats are varied and applicable to the local area; from small stores run by a manager to our large café format stores found in the US and Japan. The Warhammer Alliance schools programme has c.7,700 active school and library clubs signed up worldwide, supporting young people in improving their engineering, arts, and maths skills.

Warhammer community and social media
Warhammer-community.com remains the cornerstone of our online presence. The best place to come for all the latest news from our Warhammer universes. During the year, the team again put out thousands of pieces of content to engage, inform and inspire Warhammer fans globally, including news of the new edition of Warhammer 40,000, supported by our latest animated trailer. The most recent exciting news is an increase in our coverage of our IP and product content to cover more languages; including local language coverage in some of our fastest growing markets like Germany and Japan.

My Warhammer
This single login gives access to our webstore and related apps. As at the period end, we have 565,000 active users (2022/23: 427,000). We define active users as someone who has engaged with us online in the last six months.

Warhammer+
Our subscription service for Warhammer fans is approaching its third year. Packed with original animated shows, tutorials and much more, it continues to extend the ways in which everyone can explore the worlds of Warhammer.

The exciting content delivered through Warhammer+ will remain an integral part of our digital offer and how we share our IP. Subscriber numbers are currently 176,000 (2022/23: 136,000).

Email
Our email campaigns continue to be one of our most effective methods of communication. Subscriber numbers, defined as people who opened one of our emails in the last six months, at the period end were 598,000 (2022/23: 531,000).

External events and product placement
To broaden our reach to ever more potential enthusiasts, we continue to attend many of the largest tabletop third party events in the world including in the US, Germany and Japan.

The network of local clubs, schools and group events, plus the activities of our trading partners and our own Warhammer stores, have helped local Warhammer communities grow offline…in the *real* world.

Licensing business
Warhammer IP is rich, vast and endless so as we do more projects, it's important that we are focused on exploiting it all and that we can always defend the ownership of our IP. We always work with partners that understand that their IP representation continues to be respectfully aligned to ours. We do understand that we are not funding these products nor do we own them, so this is a relationship built on trust. During the period, we transferred the approval process for managing our IP with licensing partners to the management team at the heart of Games Workshop, our Warhammer Studio. This will ensure our views on what our IP representation is, comes from our experts.

Our strategy is to exploit the value of our IP beyond our core tabletop business, in multiple categories and markets globally. We intend to ensure Warhammer's place as one of the top fantasy IPs globally. The main areas of focus are:

Entertainment
As we announced in December 2023, we have entered into an agreement with Amazon Content Services LLC ('Amazon'), a subsidiary of Amazon.com, Inc., for the prospective development by Amazon of Games Workshop's Warhammer 40,000 universe into films and television series, together with associated merchandising rights.

Under the terms of the agreement, Games Workshop has granted exclusive rights to Amazon in relation to films and television series set within the Warhammer 40,000 universe, together with an option for Amazon to license equivalent rights in the Warhammer Fantasy universe following the release of the initial Warhammer 40,000 production.

Games Workshop and Amazon are working together for a period of 12 months, ending in December 2024, to agree creative guidelines for the films and television series to be developed by Amazon. The agreement will only proceed if the creative guidelines are mutually agreed between Games Workshop and Amazon. We will update you accordingly.

Video games
During the period our licensing partners launched three new games; two PC/console and one mobile. We also saw revenue from established games that continue to perform well, many years after launch, through a mixture of added content and continued marketing. Particular launches of note were Rogue Trader and Warpforge.

The general backdrop still remains challenging for this market in the short term. Our team, under a new boss, continues to promote the depth of our IP and its unique lore and settings to potential licensing partners. Two new games were announced in the period, a sequel to a successful PC and console tactical game, Mechanicus 2, and a digital version of Talisman 5th edition.

We are delighted that new games launching in 2024/25 include the highly anticipated video game - Space Marine 2.

As a reminder, the viability and ongoing success of any of our licensing deals is broadly out of our control; they are reliant on the successful development and delivery by our licensing partners. Our cash receipts performance is linked to games launched. This can be different to reported income which includes an element of guarantee income on multi year contracts not yet paid.

Revenue
Reported core revenue grew by 11.1% to £494.7 million for the period. On a constant currency basis, core sales were up by 13.9% to £507.4 million.

Licensing revenue from royalty income was up in the period at £31.0 million (2022/23: £25.4 million). This was partly due to a high level of guarantee income on multi-year contracts signed in the second half of the year; this income was recognised in full at the inception of the contract in line with IFRS 15 'Revenue from contracts with customers' following assessment of the performance obligations of the contract. As at the period end we had receivable balances of £9.6 million falling due in the year ahead. The total licensing receivables balance at the period end was £28.3 million.

Reported income is split as follows: 70% PC and console games, 15% mobile and 15% other. In the period, guarantee income was £17.6 million (2022/23: £8.1 million). Cash received from licensees in the period was £25.0 million (2022/23: £26.5 million).

Revenue by sales channel

	53 weeks ended 2 June 2024 Constant currency £m	52 weeks ended 28 May 2023 Constant currency £m	**53 weeks ended 2 June 2024 Actual rates £m**	52 weeks ended 28 May 2023 Actual rates £m	**2024 % of core revenue**	2023 % of core revenue
Trade	**296.3**	248.0	**288.4**	248.0	**58%**	56%
Retail	**118.9**	106.4	**115.6**	106.4	**24%**	24%
Online	**92.2**	91.0	**90.7**	91.0	**18%**	20%
Core revenue	**507.4**	445.4	**494.7**	445.4		
Licensing revenue	**32.8**	25.4	**31.0**	25.4		
Revenue	**540.2**	470.8	**525.7**	470.8		

Trade

Trade achieved significant growth of 16.3% with growth in all key countries. In the period, our net number of trade outlets increased by c.700 accounts to 7,200 which helped drive forward sales in this channel. It's worth noting that a large number of independent retailers now also sell our products online, meaning our customers have more choice than ever about where to buy Warhammer. A highlight in the period reported is the performance of our multilingual team based in Barcelona; nearly all of our trade team that supports our trade accounts across Continental Europe sit in an office in Spain. This has resolved our staff recruitment challenges.

Retail

We believe our stores are the best place to start your Warhammer hobby journey. Our stores are filled with staff who have extensive Warhammer knowledge, build local communities, and offer Warhammer hobby guidance and support. It is an essential and unique customer service offer that we are proud of. In the period, Retail achieved growth of 8.6%.

Store openings and closures during the period:

	Number of stores at 28 May 2023	Opened	Closed	**Number of stores at 2 June 2024**	**Number of single staff stores at 2 June 2024**	Number of single staff stores at 28 May 2023
UK	135	3	4	**134**	**83**	90
North America	172	14	1	**185**	**158**	145
Continental Europe	154	10	2	**162**	**120**	113
Australia	49	1	1	**49**	**36**	37
Asia	16	2	-	**18**	**15**	14
	526	30	8	**548**	**412**	399

In the period, we opened, including relocations, 30 stores. After closing 8 stores, our total number of stores at the end of the period was 548. The performance of each store will be kept under review and any stores that do not meet our financial model will be closed.

Our new country structures in North America (now run through four regional managers instead of centrally from a boss at retail HQ in Dallas) and the UK (staff development opportunity with some additional regional managers) are in their early stages but performing well. Retail sales in North America are up 10.0% to £45.1 million and in the UK up 6.9% to £34.3 million. We may, if needed, slow down new store openings to give them additional time to focus on the performance of our existing stores. The team has highlighted significant opportunities including reaching 200 stores in North America soon.

Our new Australia and New Zealand retail territory manager, appointed in 2023, with the support of our UK retail team, has gone back to ensuring all of our staff across our 49 stores in this region are focused on delivering the essential customer facing services to our very high standards; they are making some good progress. This, as expected, has impacted sales. Our sales performance in Retail in Australia and New Zealand is down 10.6% to £8.4 million. It's going to be busy in Australia in the next few years as we upgrade their core financial systems and relocate the whole team to a new warehouse and office HQ too. Any IT solutions rolled out here will be the globally chosen solution. These projects will be a fair challenge; centrally run with the full support of the UK based team with an appropriately resourced local implementation team. My fingers are crossed - we will deploy more resources, if needed, to ensure they're not crossed for too long.

Sales in Retail in Continental Europe are up 15.6% to £24.4 million with all countries in growth.

Asia, China and Japan were in like for like growth with Retail sales in Asia up 21.4% to £3.4 million.

Our new store openings will continue to follow our single staff model, where appropriate. Managing rents and shopfits has been more challenging during the period with the average rent increase at c.4% at constant currency and average capex at £40,000. All but a few of our stores remain profitable at these new levels. Our larger stores continue to perform within their multi staff model too: our North America retail team are looking forward to finding a new location for a café format store on the east coast to open when they're ready.

Ensuring we always recruit great store managers and offer our customers an exceptional in-store experience, remains a priority for us. We have had no issues during the year recruiting store managers…it's a very rewarding job being one of our wonderful ambassadors.

Online
In October, we launched our new Warhammer.com store. Completed successfully, a few months earlier than planned, phase 1 was focused on moving us to a new, more stable platform. Phase 2 is now progressing, and will add extra functionality to give customers a better shopping experience.

Reported Online sales have decreased by 0.3% compared to the same period last year. Excluding digital sales, Online sales decreased by 5% or £3.8 million. This was due to fewer customers ordering directly to and from home with us. There was a significant increase of 46% (£2.7 million) to £9 million of orders from home and picked up in a Warhammer store (reported in Online).

Our Warhammer.com webstore functions as more than just our B2C online shopping channel. It fully supports our retail stores and trade partners, acting as a virtual stockroom portal, allowing us to offer the widest possible Warhammer range to every customer. We're not precious about where our customers shop - only that they can do it how they want, wherever they are.

We saw orders in our own stores and/or in trade accounts processed by the platform increasing in popularity. There has been a 20% (£3.0 million) increase to £18 million in the period in 'Direct through Trade' (reported in Trade). There was a 16% (£2.0 million) increase to £15 million in the period of sales of products ordered through our in store terminals (reported in Retail).

Core gross margin
Core gross margin percentage increased in the period from 66.5% to 69.4%.

Core gross margin at May 2023	66.5%
Inventory provision	+0.7%
Materials	-0.1%
Production	+0.2%
Carriage	+1.1%
Warehousing and logistics	-0.2%
Other	+0.2%
Gross margin before animation	68.4%
Animation	+1.0%
Core gross margin at May 2024	**69.4%**

Core gross margin increase of 2.9% has benefitted from a reduction in the charge to inventory provisions (+0.7%) due to sales performance of new release products. There has also been a decrease in carriage costs (+1.1%) following the high costs experienced in the first half of the prior period. These have been offset by an increase in logistics costs (-0.2%) as a result of our expanded warehouse facilities. Animation relates to the costs of producing the content for Warhammer+, the amortisation of which is reported in cost of sales.

Operating expenses
Core operating expenses have increased by £20.7 million in the period (2023/24: 34.1% of core revenue; 2022/23: 33.2%).

Core operating expenses at May 2023	£148.0m
Staff costs	+£8.5m
Group profit share	+£6.7m
New stores	+£1.6m
Other	+£1.1m
Core operating expenses at May 2024	£168.7m

The increase of £20.7 million was directly attributable to our investment in our staff: increasing the levels of pay to our staff and investing in new roles, as well as paying all staff more Group Profit Share. Included in other costs are increases in professional fees (+£1.2 million) and marketing spend (+£1.6 million).

Licensing operating expenses have increased by £0.6 million due to a provision against licensing receivables.

Operating profit
Core operating profit increased by £26.6 million to £174.8 million (2022/23: £148.2 million). As a percentage of core sales, core business operating profit was 35.3% (2022/23: 33.3%). Core operating profit excluding Group Profit Share increased from 35.9% in 2022/23 to 39.1%. On a constant currency basis, core business operating profit increased by £37.4 million to £185.6 million.

Licensing operating profit increased by £5.0 million to £27.0 million (2022/23: £22.0 million). On a constant currency basis, licensing operating profit increased by £6.8 million to £28.8 million. These numbers are income less costs; they do not include any costs related to using the IP created in the core business.

Total operating profit increased by £31.6 million to £201.8 million.

Cash generation

Cash and cash equivalents at May 2023	£90.2m
Cash generated from operations	+£237.9m
Share issue	+£2.7m
Interest received	+£2.5m
Lease payments	-£12.9m
Product development	-£15.4m
Purchase of capital assets	-£17.2m
Other	-£0.2m
Tax paid	-£41.7m
Dividends paid	-£138.3m
Cash and cash equivalents at May 2024	£107.6m

Included within cash generated from operations are increases in spend on inventory of £10.0 million and an increase in trade and other receivables of £7.6 million, of which £6.8 million relates to an increase in licensing receivables due to the multi year contracts signed in the year.

Dividends

We followed our principle of returning truly surplus cash to shareholders. Dividends of £138.3 million (2022/23: £136.5 million) were declared during the period. Surplus cash in the prior period benefitted from the repayment of a French VAT receivable of £11.6 million. A cash buffer of three months' worth of working capital requirement (now £80 million) alongside three months' worth of tax payments and any large planned capital purchases or Group Profit Share payments/bonuses over £1 million, have been set aside before deciding how much cash is truly surplus for the purpose of declaring dividends.

Return on capital employed - core business

A long-term measure of our performance has been return on capital employed (ROCE). During the year our core business return on capital has increased from 133% to 176%. If ROCE was calculated using the period end values, it would be 173% (2022/23: 155%). Core average capital employed decreased by £12.4 million to £99.3 million with average balances being calculated over the 12 month period. Core operating profit increased by £26.6 million to £174.8 million (2022/23: £148.2 million).

Investments in assets

This is what we have been spending your money on:

	2024 **£m**	2023 £m
Shop fits for new and existing stores	**1.2**	1.3
Production equipment and tooling	**10.7**	9.3
Computer equipment and software	**2.1**	2.1
Site	**2.0**	1.9
Total capital additions	**16.0**	14.6

In 2023/24, we invested £7.0 million on moulding tools and £1.1 million in tooling, milling and injection moulding machines. The investment in computer equipment and software includes £0.3 million on the upgrade of our Australia warehousing system. The investment in site includes £0.3 million on our US warehouse and several projects at our HQ in Nottingham.

Inventories

Inventories have increased by £9.2 million, to provide better product availability to our customers. Inventory before inventory provisions increased by £11.3 million to £47.9 million (2023: £36.6 million). Provisions at the period end increased to 11.9% of gross stock (2023: 9.8%) due to the phasing of provisioning and obsolete stock disposals. We continue to offer a broad range of price points. Our average RRP increase on miniatures in the period reported was 2% and an average of 2% across all other product lines.

Trade and other receivables

Trade and other receivables increased by £7.6 million. This includes a £6.8 million increase in licensing receivables due to the multi year contracts signed in the year, a £0.5 million increase in trade account debtor balances, and an increase in property deposits for the new Australia warehouse of £0.3m.

Trade and other payables

Trade and other payables increased by £9.5 million, including: a £3.5 million increase in advance payments made by trade and online customers relating to made to order products and a change in the preorder window for new release products; a £3.1 million increase in trade payables; a £1.8 million increase in PAYE and other staff costs payable; and an increase of £0.8 million in guaranteed royalty payables. These were partially offset by a £0.9 million decrease in VAT liabilities.

Taxation

The effective tax rate for the period was 25.6% (2022/23: 21.0%) as the UK corporate tax rate increased from 19% to 25% on 1 April 2023. This continues to be above the UK rate of 25% (2022/23: 20%) due to items not deductible for tax and the marginal impact of higher overseas rates.

Treasury

The objective of our treasury operation is the cost effective management of financial risk. The treasury relationships are managed centrally and operate within a range of board approved policies. No transactions of a speculative nature are permitted. Credit risk on cash and short term deposits is mitigated as the counterparties are banks with high credit ratings assigned by international credit agencies.

Funding and liquidity risk

The Group pays for its operations entirely from its free cash flow.

Interest rate risk

Interest income for the period was £2.5 million (2022/23: £1.3 million) and interest expense was £1.3 million (2022/23: £0.9 million).

Foreign exchange risk

The sensitivity of the Group's income statement to depreciation in foreign exchange rates on US dollar and euro financial assets and liabilities are disclosed below. An appreciation of the stated currencies would have an equal and opposite effect:

	Income statement losses
	2024
	£m
15% depreciation of the US dollar	4.2
15% depreciation of the euro	1.5

Our main currency exposures are in respect of the euro and US dollars. The rates used for these throughout the accounts are:

	euro		US dollar	
	2024	2023	**2024**	2023
Period end rate used for the balance sheet	**1.17**	1.15	**1.27**	1.23
Average rate used for earnings	**1.16**	1.15	**1.26**	1.20

Principal risks and uncertainties

Risk governance and oversight

The board has overall responsibility for ensuring risk is appropriately managed across the Group, for ensuring effective internal controls are in place, and for carrying out robust assessments of the principal risks to the business.

Our approach to risk management

We operate a top-down and bottom-up approach to identifying and managing risks.

Key strategic risks (principal risks) to the Group are regularly reviewed by the board. Individual members of the senior management team are responsible for managing operational risks, the mitigating controls for their areas of the business, and escalating any emerging or changes to key risks.

Operational risks and mitigating activities are identified, assessed and monitored at regular risk assessment meetings, attended by the senior management team and coordinated by the internal audit function. The risk assessment considers both the inherent risk (before mitigation) and residual risk (after mitigation), and is captured in the operational risk register. The output is reported to the audit and risk committee twice yearly for awareness, review and challenge.

Independent assurance over the effectiveness of risk management and internal control is provided via a risk-based internal audit programme delivered by internal audit and approved by the audit and risk committee.

Risk appetite

The board is responsible for establishing the risk appetite for the Group, taking account of our business strategy and principal risks. We manage all controllable risks to a level within this risk appetite, and where risks are more uncertain, we base our decisions on our long-term business strategy and objectives. Our long-term success is measured by achieving a high return on investment, and our strong financial disciplines help ensure we are well placed to withstand the impact of risks.

Assessment of principal risks and uncertainties

The principal risks and uncertainties have been discussed and assessed by the board, including any risks that would impact the Group's business model or future performance.

Following this review, the board agreed no fundamental changes were necessary to the principal risks and uncertainties this year. Our principal risks are described below, with some more detail this year explaining the nature of the risks and how they are managed.

Why the risk is important to us	What is the risk	How we manage the risk
IP protection		
Development and exploitation of our IP is fundamental to our future growth.	Failure to protect our IP may erode our competitive advantage and/or undermine our reputation, which will negatively impact our financial performance.	• An IP steering committee is in place with oversight of IP compliance processes, and ensures on-going review of our IP protection resources and capabilities. • Our specialist legal, IP and archiving teams maintain historical records and samples in respect of IP creation. • Our specialist IP and licensing teams work closely together to ensure IP consistency and correctness. • Timely and appropriate action is taken against infringement of our IP.
Cyber security, data and systems		
Our IT systems are critical to our ability to operate, to manufacture and distribute our products to customers. The threat of cyber attack is forever evolving, and as our business success and profile grows we could become a larger target.	It is impossible to completely protect ourselves from this inherent business risk. A cyber attack could result in reputational damage, regulatory fines, an inability to operate, IP breaches, and will negatively impact our financial performance.	• Significant investment in IT improvements to protect our critical systems, increase our resilience, and strengthen our ability to recover from incidents. • We carry out due diligence in respect of partners that hold personal data on our behalf to ensure that they have appropriate security controls in place. • An IT security steering committee governs all our information security and data privacy risks, along with our mitigation plans. • Information security and data protection are overseen by subject matter experts who advise and support all departments across the business as required. • Compulsory cyber risk and data protection training for all employees.
Global distribution and supply disruption		
As a group with global reach, we are dependent on key global distribution suppliers and supply chains.	Global supply chain disruption and instability may negatively impact our manufacturing and distribution operations, and our ability to meet demand and fulfil orders. If this happened it would negatively impact our financial performance.	• Business continuity planning for short term disruption to ensure we can continue trading. This may not be possible in all scenarios. • On-going review of our international supply chain activity to ensure we react quickly. • Reduction of the risk of distribution supplier failure by working with multiple suppliers.

Loss of key manufacturing and warehousing facilities

As a vertically integrated business, we are dependent on our key manufacturing and warehousing sites in Nottingham and Memphis in order to manufacture and deliver products to our customers and run our business.	Failure to ensure continuous supply from our key manufacturing and warehousing facilities, due to effects of climate change, physical damage, lack of capacity, and IT systems failure could lead to the inability to supply customers.	• On-going collaboration with carefully selected and vetted suppliers to ensure early identification and rectification of potential issues or disruption. • Business continuity plans and business interruption insurance in place. • Manufacturing risk register and compliance measures in place to reduce the likelihood of major events (e.g. fire prevention) and limit their impact (e.g. ensuring quick recovery from flooding). • On-going review to ensure capacity is in line with our business plans. • On-going approved IT programme to improve system recovery times. Our core KPI is 8 hours. • A clear understanding of climate related risks, as documented in our TCFD reporting.

Climate change and environment
We have considered the environmental and climate change risks posed to Games Workshop, and their potential impacts on our business. We continue to comply with TCFD requirements, including undertaking climate change scenario analysis to ensure a better understanding of the key risks and to drive appropriate action.

Our key risks in the short to medium-term relate to physical impacts, such as extreme weather affecting our supply chain, manufacture, and distribution of our product (for example flooding interrupting operations), and on the transitional changes (for example, carbon and fossil fuel taxation increasing the cost to our business). We have concluded that these short to medium-term risks are not currently material to our business. However, we are committed to continue to monitor these risks closely.

We have therefore concluded that rather than being a separate business risk in its own right, climate and environment risk forms an integral part of a number of our principal risks. The impacts and our responses to them are included in the principal risks summary above. Management of these risks is overseen by the sustainability steering committee, with regular reporting to the board.

Priorities for 2024/25
We are making progress with our key priorities. Each of these is designed to ensure we deliver our exciting operational plan and continue to engage and inspire our loyal customers and attract new ones. It may seem a little repetitive, it is, we are not planning any significant changes to the implementation of our core strategy in the year ahead. We will remain commercially curious and inquisitive.

Like most years we set out the six key initiatives that will be prioritised in 2024/25. These are designed to give us the best chance of delivering further sales growth whilst maintaining our core operating profit margin and continuing to surprise and delight our customers. They are in addition to our investment in new product quality, increased levels of inventory in existing ranges and ensuring our factories and warehouses deliver the appropriate services at the right cost to help us meet studio output and satisfy customer demand whilst maintaining our gross margin.

Staff training and development
We care passionately about our international team. We have ambitious long-term plans, but we also run the business with only the resources we need. We will continue to recruit essential new jobs or where we need to back-fill positions. Like last year, many of these recruits will be in order to scale with activity levels - in our factories and warehouse facilities.

We will continue to support lifelong learning and training to develop the skills needed to enable all our staff to be successful. We are also more active in developing orderly succession plans of both the board and senior management. We continue in our commitment to diversity and inclusion at Games Workshop.

Growth
Our aim is to open new stores in North America and Continental Europe.

We again aim to grow in every major country in the world. We look forward to more hobbyists signing up to My Warhammer, an easy gateway into the depths of content on our fantasy worlds.

We will continue to open more independent retailer accounts. Selling via physical outlets remains an important sales channel for us. Some have their own online store, some not. We have seen sales grow in both. In the year ahead we expect the majority of our incremental growth to be through sales to independents, the channel we call Trade.

We have deployed a project team led by a veteran export sales manager to open up more countries across East Asia (they really enjoyed their recent trip to South Korea), and we are working with our local distributor in Mexico on an exciting growth plan for Latin America to be delivered in the years ahead. In addition, we will be opening our first Warhammer stores in Switzerland this year as part of our aim to build more communities worldwide.

We will continue to search for and engage with hobbyists everywhere.

As I highlighted earlier, delivering growth when the comparative year is the best Warhammer 40,000 launch year on record, is a fair challenge. That's the plan we are implementing for the period to May 2025. I'll let you know if we have any major problems on the way. My advice is please don't judge us on quarters. We do not manage the business to that rhythm: we monitor 12 month moving annual trends…i.e. reviewing whether we are heading in the right direction or not. It's very difficult to change our new release schedule live in any year, it is set in stone.

Customer focused
We will also continue to be customer focused - engaging better with our existing customers in our physical locations as well as online. We will deploy our normal plan to reach whole new audiences with the Warhammer hobby, and the rich worlds it is set within. We have agreed a new sales matrix approach to delivering an appropriate level of investment in new and existing countries. Once a country is delivering above our threshold level of sales, we will offer: an official Warhammer retail store with one of our great ambassadors to support any aspect of the Warhammer hobby, a local currency price list, the full core range translated into local language (with employed translators managed from the UK, but having the option of working in country), a locale on Warhammer.com and marketing support translated into the relevant language. We have been deploying this approach and it has shown to support the building of local communities and making the Warhammer hobby more fun and engaging.

Social responsibility
We are committed to ethical sourcing and staff wellbeing, diversity and inclusion. We will be collecting and reporting internally the ethnicity of our staff and we will track trends. Committed to diversity, we will continue to performance manage and recruit for the personal qualities needed to do a particular job as well as the necessary skills. I will continue to do my best to ensure this is the case and that we are fair and free from any bias and/or prejudice.

Sustainability - climate change
We will continue our work on reducing our carbon footprint in line with our plan documented on page 27 and explain how we are doing against those goals.

Licensing business
The priority remains the same to deliver on our strategy by licensing our IP to partners who will launch successful video games, live action or animation shows. In the short term the priority is to conclude our contractual negotiations with Amazon.

Outlook
After a record year, we will continue to focus on the things in our control. We have a very clear strategy, which remains unchanged, a detailed operational plan for the year ahead and a great team to deliver it. I wish to thank our staff, customers, trade accounts and broader stakeholders for their ongoing support. Exciting times.

Approved by the board, and signed on behalf of the board

Kevin Rountree
CEO
30 July 2024

Statement of directors' responsibilities
The directors confirm that this condensed consolidated financial information has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted International Accounting Standards and that the management report herein includes a true and fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the period and their impact on the condensed financial information, and a description of the principal risks and uncertainties; and
- material related-party transactions in the period and any material changes in the related-party transactions described in the last annual report.

A list of all current directors is maintained on the investor relations website at investor.games-workshop.com.

By order of the board

Kevin Rountree
CEO
30 July 2024

Rachel Tongue
CFO

CONSOLIDATED INCOME STATEMENT

	Notes		**53 weeks ended 2 June 2024 £m**		52 weeks ended 28 May 2023 £m
Core revenue			**494.7**		445.4
Licensing revenue			**31.0**		25.4
Revenue	3		**525.7**		470.8
Cost of sales			**(151.2)**		(149.2)
Core gross profit		***343.5***		*296.2*	
Licensing gross profit		***31.0***		*25.4*	
Gross profit			**374.5**		321.6
Operating expenses	3		**(172.7)**		(151.4)
Core operating profit		***174.8***		*148.2*	
Licensing operating profit		***27.0***		*22.0*	
Operating profit			**201.8**		170.2
Finance income			**2.5**		1.3
Finance expenses			**(1.3)**		(0.9)
Profit before taxation			**203.0**		170.6
Taxation	4		**(51.9)**		(35.9)
Profit attributable to owners of the parent			**151.1**		134.7

Earnings per share for profit attributable to the owners of the parent during the period (expressed in pence per share):

	Notes	**53 weeks ended 2 June 2024**	52 weeks ended 28 May 2023
Basic earnings per ordinary share	5	**458.8p**	409.7p
Diluted earnings per ordinary share	5	**458.2p**	409.4p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**53 weeks ended 2 June 2024 £m**	52 weeks ended 28 May 2023 £m
Profit attributable to owners of the parent		**151.1**	134.7
Other comprehensive income			
Exchange losses on translation of foreign operations		**(0.6)**	(1.5)
Other comprehensive income for the period		**(0.6)**	(1.5)
Total comprehensive income attributable to owners of the parent		**150.5**	133.2

All items disclosed in the statements of comprehensive income will not be reclassified to the income statement.

The following notes form an integral part of this condensed consolidated financial information.

CONSOLIDATED BALANCE SHEET

	Notes	**2 June 2024** **£m**	28 May 2023 £m
Non-current assets			
Goodwill		**1.4**	1.4
Other intangible assets	7	**22.8**	21.2
Property, plant and equipment	8	**56.5**	55.7
Right-of-use assets	9	**46.1**	48.9
Deferred tax assets		**12.9**	12.0
Non-current receivables		**19.7**	13.6
		159.4	152.8
Current assets			
Inventories		**42.2**	33.0
Trade and other receivables		**37.8**	36.3
Current tax assets		**4.3**	14.5
Cash and cash equivalents	10	**107.6**	90.2
		191.9	174.0
Total assets		**351.3**	326.8
Current liabilities			
Lease liabilities		**(10.0)**	(9.9)
Trade and other payables		**(46.3)**	(37.0)
Current tax liabilities		**(1.2)**	(0.4)
Provisions for other liabilities and charges	11	**(0.9)**	(0.9)
		(58.4)	(48.2)
Net current assets		**133.5**	125.8
Non-current liabilities			
Lease liabilities		**(37.2)**	(40.0)
Other non-current liabilities		**(0.7)**	(0.5)
Deferred tax liabilities		**(1.7)**	(1.4)
Provisions for other liabilities and charges		**(1.9)**	(1.6)
		(41.5)	(43.5)
Net assets		**251.4**	235.1
Capital and reserves			
Called up share capital		**1.6**	1.6
Share premium account		**21.6**	18.9
Other reserves		**0.8**	1.4
Retained earnings		**227.4**	213.2
Total equity		**251.4**	235.1

The following notes form an integral part of this condensed consolidated financial information.

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Called up share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total equity £m
At 29 May 2022 and 30 May 2022	1.6	16.3	2.9	213.9	234.7
Profit for the 52 weeks to 28 May 2023	-	-	-	134.7	134.7
Exchange differences on translation of foreign operations	-	-	(1.5)	-	(1.5)
Total comprehensive income for the period	-	-	(1.5)	134.7	133.2
Transactions with owners:					
Share-based payments	-	-	-	1.0	1.0
Shares issued under employee sharesave scheme	-	2.6	-	-	2.6
Deferred tax debit relating to share options	-	-	-	(0.2)	(0.2)
Current tax credit relating to exercised share options	-	-	-	0.3	0.3
Dividends paid to Company shareholders	-	-	-	(136.5)	(136.5)
Total transactions with owners	-	2.6	-	(135.4)	(132.8)
At 28 May 2023 and 29 May 2023	1.6	18.9	1.4	213.2	235.1
Profit for the 53 weeks to 2 June 2024	-	-	-	151.1	151.1
Exchange differences on translation of foreign operations	-	-	(0.6)	-	(0.6)
Total comprehensive income for the period	**-**	**-**	**(0.6)**	**151.1**	**150.5**
Transactions with owners:					
Share-based payments	-	-	-	1.2	1.2
Shares issued under employee sharesave scheme	-	2.7	-	-	2.7
Deferred tax credit relating to share options	-	-	-	0.1	0.1
Current tax credit relating to exercised share options	-	-	-	0.1	0.1
Dividends paid to Company shareholders	-	-	-	(138.3)	(138.3)
Total transactions with owners	**-**	**2.7**	**-**	**(136.9)**	**(134.2)**
At 2 June 2024	**1.6**	**21.6**	**0.8**	**227.4**	**251.4**

The following notes form an integral part of this condensed consolidated financial information.

CONSOLIDATED CASH FLOW STATEMENT

	Notes	**53 weeks ended 2 June 2024 £m**	52 weeks ended 28 May 2023 £m
Cash flows from operating activities			
Cash generated from operations	13	**237.9**	231.7
UK corporation tax paid		**(40.0)**	(31.3)
Overseas tax paid		**(1.7)**	(7.7)
Net cash generated from operating activities		**196.2**	192.7
Cash flows from investing activities			
Purchases of property, plant and equipment		**(15.6)**	(14.8)
Purchases of other intangible assets		**(1.6)**	(0.4)
Expenditure on product development		**(15.4)**	(13.1)
Interest received		**2.5**	1.2
Net cash used in investing activities		**(30.1)**	(27.1)
Cash flows from financing activities			
Proceeds from issue of ordinary share capital		**2.7**	2.6
Repayment of principal under leases		**(11.8)**	(11.8)
Lease interest paid		**(1.1)**	(0.9)
Dividends paid to Company shareholders		**(138.3)**	(136.5)
Net cash used in financing activities		**(148.5)**	(146.6)
Net increase in cash and cash equivalents		**17.6**	19.0
Opening cash and cash equivalents		**90.2**	71.4
Effects of foreign exchange rates on cash and cash equivalents		**(0.2)**	(0.2)
Closing cash and cash equivalents		**107.6**	90.2

The following notes form an integral part of this condensed consolidated financial information.

NOTES TO THE FINANCIAL INFORMATION

1. General information

The consolidated financial information of Games Workshop Group PLC is prepared under the going concern basis and in accordance with both international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted International Accounting Standards.

The financial information set out above does not constitute the company's statutory accounts for the periods ended 2 June 2024 or 28 May 2023 but is derived from those accounts. Statutory accounts for 2023 have been delivered to the registrar of companies, and those for 2024 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. Copies will also be available from Ross Matthews, Games Workshop Group PLC, Willow Road, Lenton, Nottingham, NG7 2WS. This information is also available on the Company's website at http://investor.games-workshop.com.

The annual general meeting will be held at Willow Road, Lenton, Nottingham, NG7 2WS at 10am on 18 September 2024.

The annual financial report is prepared in accordance with the UK Listing Rules and Disclosure and Transparency Rules of the Financial Conduct Authority and accounting policies consistent with those used in the 2024 annual report.

The preparation of the consolidated financial information requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosure of contingencies at the balance sheet date. If in future such estimates and assumptions, which are based on management's best judgement at the date of the consolidated financial information, deviate from actual circumstances, the original estimates and assumptions will be modified, as appropriate, in the period in which the circumstances change.

Management do not consider there to be any critical accounting estimates or judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

2. Changes in accounting policies

The Group has applied the following amendments for the first time in the financial statements:

- 'Disclosure of Accounting Policies' (Amendments to IAS 1 and IFRS Practice Statement 2);
- 'Deferred Tax relating to assets and liabilities arising from a single transaction' (Amendments to IAS 12).

The application of these new standards and amendments did not have a material impact on the financial statements. The Group considers that there are no other new accounting standards, amendments or interpretations issued, but not yet applicable, which have had, or are expected to have a significant effect on the financial statements.

3. Segment information

As Games Workshop is a vertically integrated business, management assesses the performance of sales channels and manufacturing and distribution channels separately. Share-based payment charges and Group Profit Share Scheme charges to employees have all been included in core operating expenses.

At 2 June 2024 Games Workshop has two segments, core and licensing:

- Core: the core segment includes all revenue and expenditure relating to the design, manufacture and sales of our fantasy miniatures and related products. It also includes the revenue and expenditure related to Warhammer+.
- Licensing: the licensing segment includes all revenue and expenditure relating to licences granted to external partners.

We provide further information on revenue and expenses within the core segment below. The core segment has been divided into channels as follows:

- Trade: this sales channel sells globally to independent retailers, agents and distributors. It also includes the Group's magazine newsstand business and the distributor sales from the Group's publishing business (Black Library).
- Retail: this includes sales through the Group's retail stores, the Group's visitor centre in Nottingham and global events.
- Online: this includes sales through the Group's global web stores, our online subscription service (Warhammer+) and digital sales through external affiliates.
- Design, manufacturing, logistics and operations, which includes costs for:
    - the design studio (that creates all of the IP and the associated miniatures, artwork, games and publications);
    - the production facilities;
    - the warehouses and logistics costs;
    - charges for inventory provisions. This includes adjustments for the profit in stock arising from inter-segment sales; and
    - support services (marketing, IT, accounting, payroll, personnel, procurement, legal, health and safety, customer services and credit control) provided to activities across the Group;
- Group: this includes the Company's overheads.

The chief operating decision-maker, identified as the executive directors, assesses the performance of each segment based on segmental operating profit. This has been reconciled to the Group's total profit before taxation below.

	Core		Licensing		Total	
	2024	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m
Trade	**288.4**	248.0	**-**	-	**288.4**	248.0
Retail	**115.6**	106.4	**-**	-	**115.6**	106.4
Online	**90.7**	91.0	**-**	-	**90.7**	91.0
Licensing	**-**	-	**31.0**	25.4	**31.0**	25.4
Revenue	**494.7**	445.4	**31.0**	25.4	**525.7**	470.8
Cost of sales	**(151.2)**	(149.2)	-	-	**(151.2)**	(149.2)
Gross Profit	**343.5**	296.2	**31.0**	25.4	**374.5**	321.6
Trade	**(13.9)**	(11.8)	**-**	-	**(13.9)**	(11.8)
Retail	**(65.4)**	(61.7)	**-**	-	**(65.4)**	(61.7)
Online	**(12.0)**	(15.6)	**-**	-	**(12.0)**	(15.6)
Design, manufacturing, logistics and operations	**(52.4)**	(41.4)	-	-	**(52.4)**	(41.4)
Licensing	**-**	-	**(4.0)**	(3.4)	**(4.0)**	(3.4)
Group	**(5.5)**	(4.9)	**-**	-	**(5.5)**	(4.9)
Share-based payment charge	**(1.1)**	(1.0)	**-**	-	**(1.1)**	(1.0)
Group profit share scheme	**(18.4)**	(11.6)	-	-	**(18.4)**	(11.6)
Operating expenses	**(168.7)**	(148.0)	**(4.0)**	(3.4)	**(172.7)**	(151.4)
Operating profit	**174.8**	148.2	**27.0**	22.0	**201.8**	170.2
Finance income	**2.5**	1.3	**-**	-	**2.5**	1.3
Finance costs	**(1.3)**	(0.9)	**-**	-	**(1.3)**	(0.9)
Profit before tax	**176.0**	148.6	**27.0**	22.0	**203.0**	170.6

Revenue analysis

Segment revenue and segment profit include transactions between business segments; these transactions are eliminated on consolidation. Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the income statement. Sales regions analysed within the segments reported to the executive directors differ from the analysis of sales by customer geography, due to the categorisation of some European and Asian customers. For information, core external revenue is analysed further below:

	53 weeks ended 2 June 2024 £m	52 weeks ended 28 May 2023 £m
Trade		
UK and Continental Europe	**125.4**	105.0
North America	**124.4**	112.8
Australia and New Zealand	**16.6**	14.3
Asia	**15.0**	10.4
Rest of world	**4.7**	3.4
Black Library	**2.3**	2.1
Total Trade	**288.4**	248.0
Retail		
UK	**34.3**	32.1
Continental Europe	**24.4**	21.1
North America	**45.1**	41.0
Australia and New Zealand	**8.4**	9.4
Asia	**3.4**	2.8
Total Retail	**115.6**	106.4
Online		
UK	**17.4**	16.2
Continental Europe	**14.3**	15.6
North America	**32.3**	35.7
Australia and New Zealand	**3.8**	4.1
Asia	**0.8**	0.6
Rest of world	**0.8**	1.0
Total Online (excluding digital)	**69.4**	**73.2**
Digital	**21.3**	17.8
Total Online	**90.7**	91.0
Total external core revenue	**494.7**	445.4

External core revenue analysed by customer geographical location is as follows:

	53 weeks ended 2 June 2024 £m	52 weeks ended 28 May 2023 £m
UK	**107.1**	97.2
Continental Europe	**117.7**	104.8
North America	**216.6**	197.4
Australia and New Zealand	**30.1**	28.9
Asia	**19.9**	14.7
Rest of world	**3.3**	2.4
External core revenue	**494.7**	445.4

The Group is not reliant on any one individual customer.

Analysis of costs

Operating profit as reported above includes impairment, depreciation and amortisation charges as follows:

	53 weeks ended 2 June 2024 £m	52 weeks ended 28 May 2023 £m
Core	**41.6**	43.1
Licensing	**-**	-
Total group charges for impairment, depreciation and amortisation	**41.6**	**43.1**

Operating expenses were previously analysed by channel. All channels previously analysed are included in the core segment.

Non-current asset analysis

Non-current assets (excluding deferred tax and non-current financial instruments) located within the UK were £88.3m (2023: £95.2m) and all other countries were £38.5m (2023: £32.0m). Tangible, intangible and right-of-use asset additions included within the UK were £31.0m (2023: £26.8m) and all other countries were £11.6m (2023: £13.6m).

Other non-cash charges

Other non-cash charges and significant costs included in operating profit are as follows:

	Charge to inventory provisions		Redundancy costs and compensation for loss of office	
	53 weeks ended 2 June 2024	52 weeks ended 28 May 2023	**52 weeks ended 2 June 2024**	52 weeks ended 28 May 2023
	£m	£m	**£m**	£m
Core	**(5.8)**	(8.0)	**(0.4)**	(0.7)
Licensing	**-**	-	**-**	(0.4)
Total group charge	**(5.8)**	(8.0)	**(0.4)**	(1.1)

4. Taxation

	53 weeks ended 2 June 2024	52 weeks ended 28 May 2023
	£m	£m
Current UK taxation:		
UK corporation tax on profits for the period	**48.1**	25.1
Adjustments to tax charge in respect of prior periods	**1.3**	0.6
	49.4	25.7
Current overseas taxation:		
Overseas corporation tax on profits for the period	**5.0**	3.6
Adjustments to tax charge in respect of prior periods	**(1.7)**	(0.9)
Total current taxation	**52.7**	28.4
Deferred taxation:		
Origination and reversal of timing differences	**(1.1)**	6.4
Adjustments to tax charge in respect of prior periods	**0.3**	1.1
Tax expense recognised in the income statement	**51.9**	35.9
Current tax credit relating to sharesave scheme	**(0.1)**	(0.3)
Deferred tax (credit)/debit relating to sharesave scheme	**(0.1)**	0.2
Credit taken directly to equity	**(0.2)**	(0.1)

The tax on the Group's profit before taxation differs in both periods presented from the standard rate of corporation tax in the UK as follows:

	53 weeks ended 2 June 2024	52 weeks ended 28 May 2023
	£m	£m
Profit before taxation	**203.0**	170.6
Profit before taxation multiplied by the corporation tax rate in the UK of 25% (2023: blended 20%)	**50.8**	34.1
Effects of:		
Items not deductible/(assessable) for tax purposes	**0.8**	(0.4)
Different tax rates on overseas earnings	**0.2**	0.9
Tax rate changes	**0.2**	0.5
Adjustments to tax charge in respect of prior periods	**(0.1)**	0.8
Total tax charge for the period	**51.9**	35.9

The UK corporation tax rate increased from 19% to 25% from 1 April 2023. Items not assessable for tax purposes in the prior period include the UK's super deduction for fixed asset additions as well as tax relief for other taxes paid.

5. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

	53 weeks ended 2 June 2024	52 weeks ended 28 May 2023
Profit attributable to owners of the parent (£m)	**151.1**	134.7
Weighted average number of ordinary shares in issue (thousands)	**32,935**	32,881
Basic earnings per share (pence per share)	**458.8**	409.7

Diluted earnings per share

The calculation of diluted earnings per share has been based on the profit attributable to owners of the parent and the weighted average number of shares in issue throughout the period, adjusted for the dilutive effect of share options outstanding at the period end.

	53 weeks ended 2 June 2024	52 weeks ended 28 May 2023
Profit attributable to owners of the parent (£m)	**151.1**	134.7
Weighted average number of ordinary shares in issue (thousands)	**32,935**	32,881
Adjustment for share options (thousands)	**42**	17
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**32,977**	32,898
Diluted earnings per share (pence per share)	**458.2**	409.4

6. Dividends per share

Dividends of £47.7m (145 pence per share), £16.5m (50 pence per share), £39.5m (120 pence per share), and £34.6m (105 pence per share) were declared and paid during the current period.

Dividends of £29.6m (90 pence per share), £9.8m (30 pence per share), £14.8m (45 pence per share), £42.8m (130 pence per share) and £39.5m (120 pence per share) were declared and paid during the prior period.

7. Other intangible assets

	2024 £m	2023 £m
Net book value at the beginning of the period	**21.2**	25.6
Exchange differences	**(0.1)**	-
Additions	**17.0**	13.5
Disposals	**-**	(0.2)
Reclassifications	**-**	(0.2)
Amortisation charge	**(12.7)**	(13.9)
Impairment	**(2.6)**	(3.6)
Net book value at the end of the period	**22.8**	21.2

8. Property, plant and equipment

	2024 £m	2023 £m
Net book value at the beginning of the period	**55.7**	55.0
Exchange differences	**(0.3)**	0.1
Additions	**15.6**	14.2
Disposals	**(0.1)**	(0.1)
Reclassifications	**-**	0.2
Depreciation charge	**(14.4)**	(13.7)
Net book value at the end of the period	**56.5**	55.7

9. Right-of-use assets

	2024 £m	2023 £m
Net book value at the beginning of the period	**48.9**	48.1
Exchange differences	**(0.8)**	0.1
Additions	**9.9**	12.7
Disposals	**-**	(0.1)
Depreciation charge	**(11.9)**	(11.9)
Net book value at the end of the period	**46.1**	48.9

10. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	2024	2023
	£m	£m
Cash at bank and in hand	**107.6**	90.2
Cash and cash equivalents	**107.6**	90.2

11. Provisions for other liabilities and charges

Analysis of total provisions:

	2024	2023
	£m	£m
Current	**0.9**	0.9
Non-current	**1.9**	1.6
Total provisions for other liabilities and charges	**2.8**	2.5

	Employee benefits	Property	Total
	£m	£m	£m
At 28 May 2023 and 29 May 2023	2.0	0.5	2.5
Charged to the income statement:			
- Additional provisions	0.5	-	0.5
Utilised	(0.2)	-	(0.2)
At 2 June 2024	**2.3**	**0.5**	**2.8**

12. Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is £8.8m (2023: £3.8m). Inventory purchase commitments contracted for at the balance sheet date are £8.4m (2023: £7.4m). Lease commitments at the balance sheet date, where the Group has entered into an obligation but does not yet have control of the underlying asset, are £2.5m (2023: less than £0.1m).

13. Reconciliation of profit to net cash from operating activities

	2024	2023
	£m	£m
Profit before taxation	**203.0**	170.6
Finance income	**(2.5)**	(1.3)
Finance costs	**1.3**	0.9
Operating profit	**201.8**	170.2
Depreciation of property, plant and equipment	**14.4**	13.7
Depreciation of right-of-use assets	**11.9**	11.9
Net impairment charge of intangible assets	**2.6**	3.6
Loss on disposal of property, plant and equipment	**0.1**	0.1
Loss on disposal of right-of-use-assets	**-**	0.1
Loss on disposal of intangible assets	**-**	0.2
Amortisation of capitalised development costs	**10.8**	12.1
Amortisation of other intangibles	**1.9**	1.8
Share-based payments	**1.2**	1.0
Exchange movement	**1.1**	(1.6)
Changes in working capital:		
- (Increase)/decrease in inventories	**(10.0)**	6.0
- (Increase)/decrease in trade and other receivables (excluding licensing receivables)	**(0.8)**	4.2
- (Increase)/decrease in licensing receivables	**(6.8)**	3.9
- Increase in trade and other payables	**9.4**	4.2
- Increase in provisions	**0.3**	0.3
Net cash from operating activities	**237.9**	231.7

GLOSSARY

Alternative Performance Measures (APMs)

APM definitions	Closest equivalent IFRS measure	Reconciliation to closest IFRS measure where applicable
Core revenue Direct sales made of our core products to external customers, through the Group's network of retail stores, independent retailers and online through the global web stores	Revenue	Core revenue is reconciled to revenue in note 3 to the financial statements.
Core gross profit Core gross profit is core revenue less all related cost of sales	Gross profit	Core gross profit is reconciled to gross profit in note 3 to the financial statements.
Core operating expenses Operating expenses relating to the core business of selling directly to external customers	Operating expenses	Core operating expenses are reconciled to operating expenses in note 3 to the financial statements.
Core operating profit Core operating profit is core revenue less all related cost of sales and operating expenses **Core operating profit excluding Group Profit Share**	Operating profit	Core operating profit is reconciled to operating profit in note 3 to the financial statements. Core operating profit above, adding back Group Profit Share payments (2024: £18.4m, 2023 £11.6m).
Licensing revenue Income relating to royalties earned from third party licensees	Revenue	Licensing revenue is reconciled to revenue in note 3 to the financial statements.
Licensing gross profit Licensing gross profit is licensing revenue less any related cost of sales	Gross profit	Licensing gross profit is reconciled to gross profit in note 3 to the financial statements.
Licensing operating expenses Operating expenses relating to the licensing segments	Operating expenses	Licensing operating expenses are reconciled to operating expenses in note 3 to the financial statements.
Licensing operating profit Licensing operating profit is licensing revenue less all related cost of sales and operating expenses	Operating profit	Licensing operating profit is reconciled to operating profit in note 3 to the financial statements.
Revenue at constant currency **Core operating profit at constant currency** **Licensing operating profit at constant currency** Amounts for current and prior periods, stated at a constant exchange rate.	Revenue Operating profit Operating profit	These are calculated by converting underlying revenue, core operating profit and licensing operating profit amounts at local currency values for the current period at the prior period average exchange rate.

	2024 Actual	2024 Impact of FX	2024 Constant currency	2023 Actual
Revenue	525.7	14.5	540.2	470.8
Core operating profit	174.8	10.8	185.6	148.2
Licensing operating profit	27.0	1.8	28.8	22.0

APM definitions	Closest equivalent IFRS measure	Reconciliation to closest IFRS measure where applicable
Core average capital employed This is a measure of the capital employed in the core business averaged over a 12 month period	None	This value is calculated by taking monthly net assets and adjusting for any cash, borrowings, licensing receivables, exceptional provisions, taxation and dividends, for each of the 12 months. These are then added together and divided by 12 to give the core average capital employed.

	12 month average 2024 £m	12 month average 2023 £m
Net assets	262.1	257.4
Cash	(126.9)	(105.3)
Licensing receivables	(25.9)	(22.5)
Taxation	(10.0)	(17.9)
Core average capital employed	99.3	111.7

APM definitions	Closest equivalent IFRS measure	Reconciliation to closest IFRS measure where applicable
Return on capital employed (ROCE) Measure of the profit relative to the amount of capital employed. The higher the ROCE, the greater the return for the capital employed	None	Return is a percentage calculated by dividing the core operating profit (2024: £174.8, 2023: £148.2m) by the core average capital employed (2024: £99.3m, 2023: £111.7m).
Cash generated - pre dividends paid Movement in cash in the period before any payments of dividends are taken into account	Net increase/(decrease) in cash and cash equivalents	Net increase in cash-pre dividends paid can be calculated by taking the net increase in cash and cash equivalents (2024: £17.6m, 2023: £19.0m) and adding back the dividends which have been paid in the period (2024: £138.3m, 2023: £136.5m).