

Keywords Studios sees profits soar amid active gaming market

Keywords Studios gave an upbeat update to [investors](#) on Wednesday following a day of pain for the gaming sector.

The [AIM](#)-listed [company](#), which has worked on titles including Call of Duty: Modern Warfare, Anthem and Star Wars Jedi: Fallen Order, said it expects to report [revenues](#) up 23% to around €238 million (£203 million) for the six months to July.

Underlying pre-tax [profit](#) is expected to be around €40 million (£34 million) for the period – up over 80% on last year.

The group, which has been searching for a new CEO since June, said it is seeing “robust” demand despite lockdowns lifting in many regions. It is focusing on creating new content to keep new pandemic-era gamers engaged going forward.

Senior managers Jon Hauck and Sonia Sedler are currently acting as joint interim CEOs.

READ MORE

- [Fewer car sales and new drivers cut Direct Line claims](#)
- [Domino's raises share buyback program after seeing profits soar](#)
- [Heineken sees profits rise but warns over soaring commodity costs](#)
- SPONSORED

A 10-step guide to enjoying London's Carnaby district this summer

Hauck said: "Looking forward, we expect strong demand to continue across most service lines underpinning our confidence of delivering a performance that is at least in line with market expectations for the year."

Hargreaves Lansdown's Sophie Lund-Yates said the new CEO decision is "a quandary that shareholders will be hoping is solved soon", adding: "Keywords is enjoying the spoils of a very active gaming market."

The update came the day after shares in Chinese game-making and social media giant Tencent fell by as much as 11%, wiping almost \$60 billion from its market cap, after a Chinese state media outlet condemned video games as "spiritual opium". Shares in European and US gaming firms also took a hit on Tuesday.

Tencent gets around 30% of its total revenues from gaming. It has already responded by saying it will curb minors' access to gaming time.

The criticism of online gaming comes after a Beijing crackdown on sectors from fintech to property.

The "spiritual opium" phrase was later removed from the article and Tencent shares recovered to around 6% down on Tuesday.

Shares in Keywords were down 2%, or 60p, to 2870p, on Wednesday morning.