Warhammer owner Games Workshop reveals profits hit from surge in costs

The cost of hiring new staff, paying existing ones more, and investing in new facilities has led to a drop in profits at the games retailer and miniatures manufacturer Games Workshop.

Pre-tax profits for the six months to the end of November fell by 4% to £88.2m, despite a 3% rise in sales to £191.5m.

The company, best known for its Warhammer game, said that its cost base included additional shipping and freight costs of £2m in the wake of Brexit over the period.

It also highlighted an extra £2.9m bill from warehousing and logistics costs.

Image:
Games Workshop said Brexit added to its cost base. File pic
Chief executive Kevin Rountree said that the firm had “not delivered to its full potential”, due to having to delay some

of its new products because of widely-publicised global shipping constraints as COVID continues to disrupt production and trade.

But he told investors he was excited by the continued expansion online of the Warhammer hobby.

“We are on the front foot and confident in our ability to continue to deliver our strategy,” he said.

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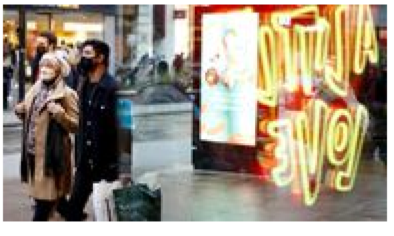

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“Our commitment to focus on real cash returns and return on capital continues to deliver honest and consistent returns to our owners.

“We will continue to try our best. In the period reported, we have delivered just that. We have proven once again that the Warhammer hobby creates exciting experiences and allows people around the world to come together and have some fun.

“We continue to focus on making the best miniatures in the world and to document and deliver an exciting operational plan.”

Freetrade analyst Gemma Boothroyd said of the company’s update: “Games Workshop responded to its supply chain kerfuffles by increasing its focus on digital products, securing a computer game licensing deal with Nexon Co.

“By selling the games remotely, the firm can circumnavigate hiccups from producing and distributing clunky physical products instead.”