

# Frontier Developments

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## Frontier Dev's Planet Zoo could blast sales forecasts out of the water, says Berenberg

Sales of Frontier Developments PLC's (LON:FDEV) new Planet Zoo video game could perform more strongly than the market expects when it launches in early November, analysts at Berenberg reckon.

Last week, Planet Zoo was named best simulation game at Gamescom, the biggest computer game trade show in Europe.

Even though it is still only open for pre-orders as of June, the game is the top-selling simulation game on the Steam platform and among the 10 top sellers overall, the German bank said in a note to clients on Tuesday.

Currently, City analysts have pencilled in £20mIn-£25mIn of revenue for Planet Zoo for the seven months to the May 2020 year-end.

But Berenberg's analysis of Steam player data and conversations with management "suggest that pre-orders for Planet Zoo have been strong and are tracking similarly to those for Jurassic World Evolution".

The Jurassic World title was Frontier's most successful game ever, generating £65mIn of revenue in its first full year.

"With interest and pre-order demand seemingly stronger than expected, we would not be surprised if Planet Zoo materially outperforms our estimates," the analysts wrote, reiterating their 'buy' recommendation and 1,350p price target.

Berenberg's current forecasts are for Planet Zoo to contribute £25mIn of revenue in the current financial year, equivalent to circa 37% of the revenue that Jurassic World Evolution delivered.

With a "strong possibility" that Planet Zoo will outperform current forecasts, the analysts said, with revenue of £35m-£50mIn in the current year would lift group revenue to around £83mIn-98mIn, resulting in underlying earnings (EBIT) of roughly £17.1mIn-25.5mIn.

Frontier Developments shares were up 1% to 940p at lunchtime on Tuesday.

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**Price:** 1314

**Market Cap:** £511.3 m

### 1 Year Share Price Graph



### Share Information

**Code:** FDEV

**Listing:** AIM

|                |             |            |
|----------------|-------------|------------|
| <b>52 week</b> | <b>High</b> | <b>Low</b> |
|                | 1452        | 790        |

**Sector:** Software & services

**Website:** [www.frontier.co.uk](http://www.frontier.co.uk)

### Company Synopsis:

Frontier's founder David Braben's work in games started way back in 1982 when David co-authored the seminal game "Elite". Frontier has built a uniquely diverse track record comprising games that have defined genres, been critically acclaimed and sold many millions of copies.

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