

RESULTS FOR THE
SIX MONTHS ENDED
31 AUGUST 2015

27 October 2015



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BLOOMSBURY

Literary excellence

Beautiful design

Marketing innovation

Digital growth

Growing backlist

Balancing consumer and non-
consumer revenues

Strong balance sheet



BUSINESS HIGHLIGHTS



Excellent Children's performance

Revenues up 45% to £16.3m, profits up £0.6m to £1.6m

Harry Potter box set, Harry Potter and the Philosopher's Stone: Illustrated Edition, Paper Towns

6 Sarah J. Maas titles in Bloomsbury US top 10

Group digital sales strong

Group digital sales up by 26% overall

Increase in every division

Digital sales now 17% of Academic & Professional revenues (H1 2015: 15%)

Acquisition success – Osprey on track

Osprey, special interest publisher acquired December 2014

Contributed £3.2m revenue, and £0.3m profit in period ahead of expectation

Integration on track



FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS



£m	H1 2016	H1 2015	Change %
Revenue	52.7	46.6	+13%
Operating profit margin	4%	4%	
Pre-tax profit	1.9	1.7	+9%
Effective tax rate ²	17.0%	14.6%	
Diluted EPS	2.06p	1.97p	+5%
Interim dividend per share	1.06p	1.02p	+4%
Net cash ³	0.9	2.8	-67%

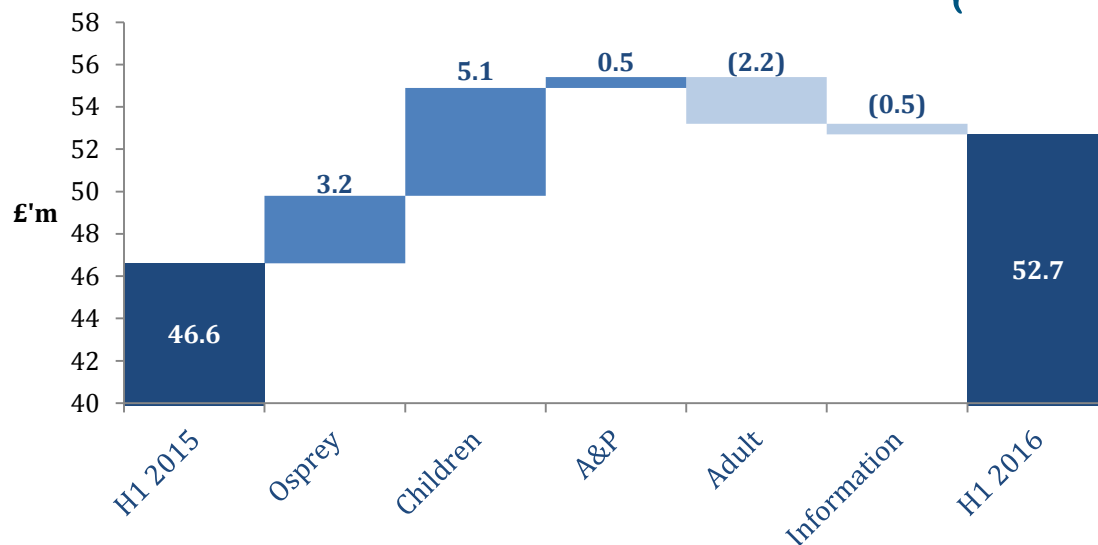
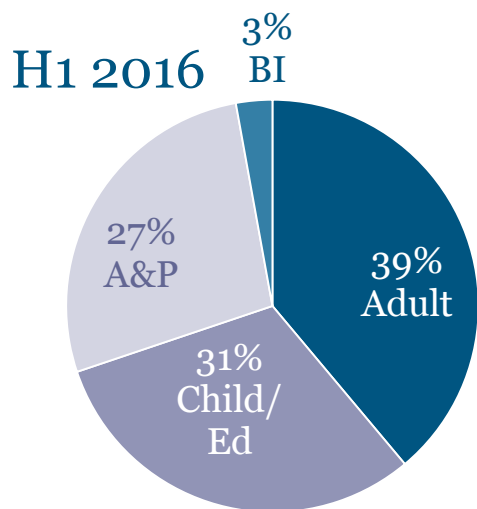
Notes

1. The above results are Adjusted.
2. The effective tax rate is the adjusted rate used to calculate adjusted EPS
3. Net cash is cash net of borrowings and is after £3.5m in part payment for the acquisition of Osprey Publishing Ltd in December 2014.

Note for all slides:

Adjusted results exclude highlighted items. See slide 15 and 37 for details of these items.

REVENUE BY PUBLISHING DIVISION

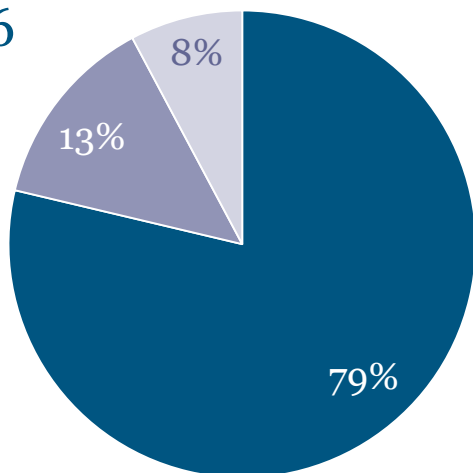


	H1 2016 £m	H1 2015 £m	Change %	H1 2014 £m	H1 2013 £m
Adult	20.4	19.4	+6%	23.2	20.1
Children's & Educational	16.3	11.2	+45%	10.5	9.3
Academic & Professional	14.5	14.0	+3%	13.9	12.3
Information	1.5	2.0	-24%	1.6	1.8
Total revenue	52.7	46.6	+13%	49.2	43.5

REVENUE BY TYPE

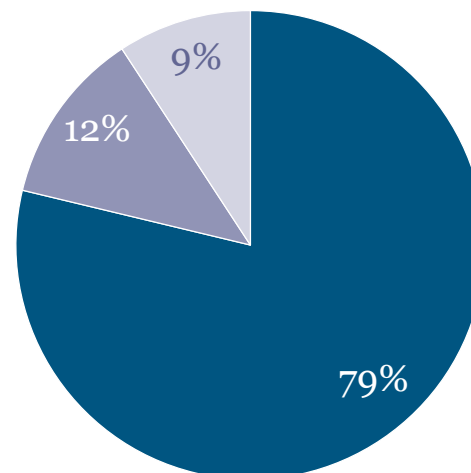


H1 2016



H1 2015

- Print
- Digital
- Rights & services



	H1 2016 £m	H1 2015 £m	Change %	H1 2014 £m	H1 2013 £m
Print	41.5	36.7	13%	39.6	34.9
Digital	7.1	5.6	26%	5.8	4.8
Total title revenues	48.6	42.3	15%	45.4	39.7
Rights and services	4.1	4.3	-4%	3.8	3.8
Total revenue	52.7	46.6	+13%	49.2	43.5

DIGITAL SALES



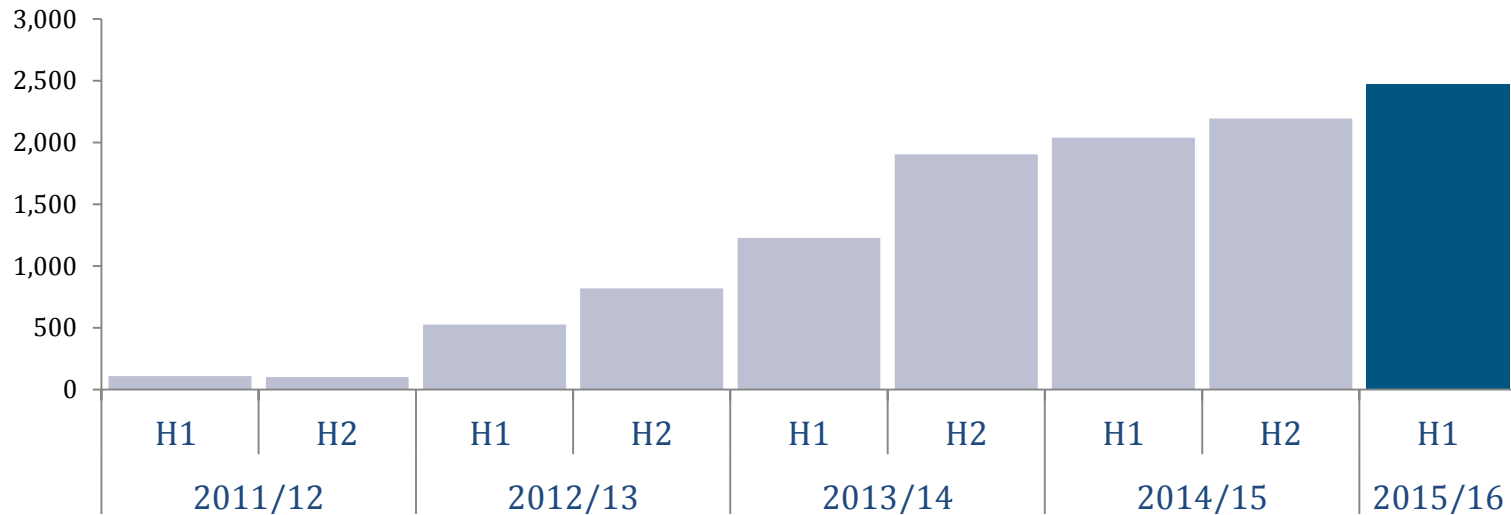
£m	H1 2016	H1 2015	Change %
E-books	5.9	4.8	+23%
Online	1.2	0.8	+47%
Total digital	7.1	5.6	+26%

- E-book sales are 11% of Group sales by value (H1 2015: 10%)
 - 14% of Adult sales (H1 2015: 14%)
- Bloomsbury titles available as e-books up 11% to 17,700 (28 February 2015: 16,000)

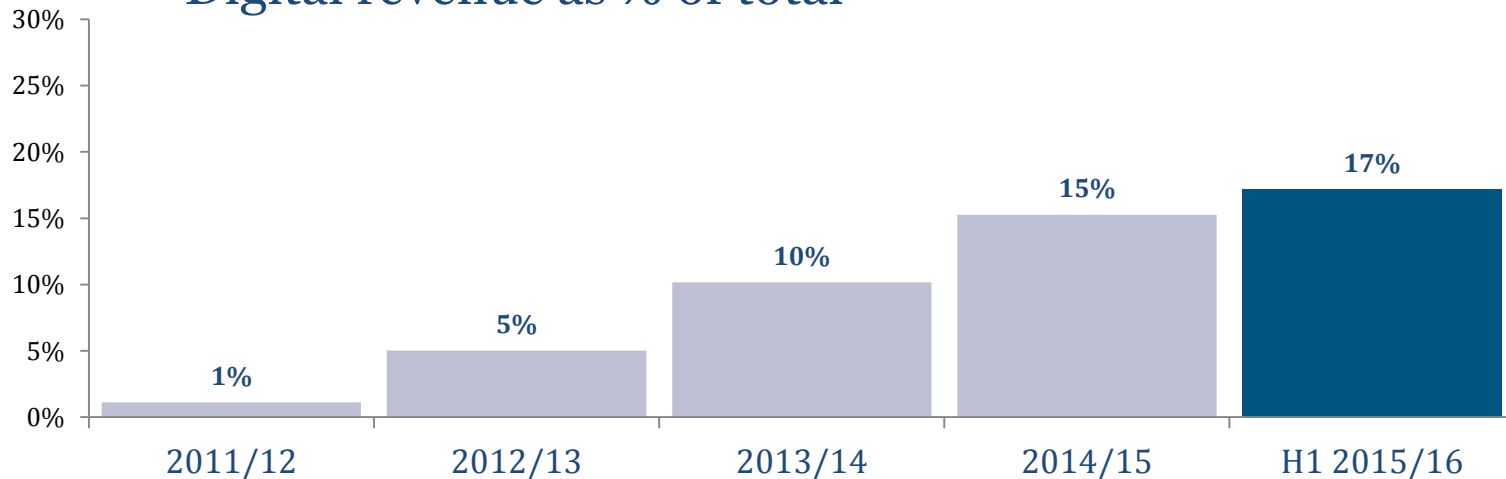
ACADEMIC & PROFESSIONAL DIGITAL GROWTH



Digital revenue £000



Digital revenue as % of total



RIGHTS & SERVICES REVENUES



£m	H1 2016	H1 2015	Change	H1 2014
Copyright licences	2.4	2.0	+0.4	1.8
Trademark licences	0.1	0.1	-	0.1
Management contracts	1.2	1.9	-0.7	1.5
Other	0.4	0.3	+0.1	0.4
Total	4.1	4.3	-0.2	3.8
% Total sales	8%	9%		8%

GROSS PROFIT MARGIN



£m	H1 2016	H1 2015
Cost of sales:		
Production costs	12.3	10.1
% Total sales	23%	22%
Author royalties and advances	7.3	6.9
% Total sales	14%	15%
Stock costs	3.7	3.2
% Total sales	7%	7%
Amortisation of internally generated intangibles	0.7	0.3
Total cost of sales	24.0	20.5
Gross profit margin	54.4%	56.0%

Production cost % increases due to changing sales mix e.g. more co-edition sales

Notes

1. The above results are Adjusted

OTHER COSTS CONTROLLED



£m	H1 2016	H1 2015	Change %
Marketing and distribution costs	7.8	6.9	+13%
% Total sales	15%	15%	
Administration costs:			
Acquired businesses ²	1.0	-	
Underlying business	18.0	17.5	+3%
Total Administration costs	19.0	17.5	+9%

Notes

1. The above results are Adjusted
2. This is the costs of Osprey which were not in H1 2015

ADJUSTED OPERATING PROFIT



£m	H1 2016	H1 2015	Change
Adult	-0.4	-0.2	-0.2
Children's & Educational	1.6	1.1	+0.5
Academic & Professional	0.4	0.2	+0.2
Information	0.3	0.6	-0.3
Adjusted Operating Profit	1.9	1.7	+0.2
Adjusted Operating Profit margin	4%	4%	

HIGHLIGHTED ITEMS



£m	Charge
Restructuring costs (including Osprey)	0.6
Amortisation of acquired intangible assets	0.9
Total	1.5

STRONG BALANCE SHEET



£m	31 Aug 2015	31 Aug 2014	Change
Goodwill and acquired intangible assets	57.4	55.6	+1.8
Other intangible assets	6.3	5.2	+1.1
Other non-current assets	6.2	5.1	+1.1
Inventories	30.6	29.5	+1.1
Advances	21.6	19.3	+2.3
Other receivables	39.3	35.1	+4.2
Net cash	0.9	2.8	-1.9
Total liabilities	(37.6)	(35.7)	-1.9
Net assets	124.7	116.9	+7.8

- Movements above largely reflect acquisition of Osprey Publishing in December 2014
- Cash spend on acquisition of Osprey £3.5 million

CASH FLOW



£m	H1 2016	H1 2015
EBITDA (after highlighted restructuring costs)	2.6	2.3
Share based payments	0.3	0.3
Working capital	(5.5)	(4.9)
Taxes paid	(2.3)	(0.9)
Operating cash flow	(4.9)	(3.2)
Capital expenditure	(0.2)	(0.2)
Investment in intangibles	(1.4)	(1.4)
Acquisitions	-	(2.4)
Other changes	-	(0.1)
Movement in cash	(6.5)	(7.3)



BUSINESS REVIEW

ACADEMIC & PROFESSIONAL DIVISION



Digital sales

Digital revenues grew 21% to £2.5m, boosted by a 24% increase in e-book sales.

Digital platforms now contribute £0.9m of sales and £0.5m of trading margin.

Total digital sales were 17% of total title sales (H1 2015: 15%).

Digital platforms

Scottish Law Online launched

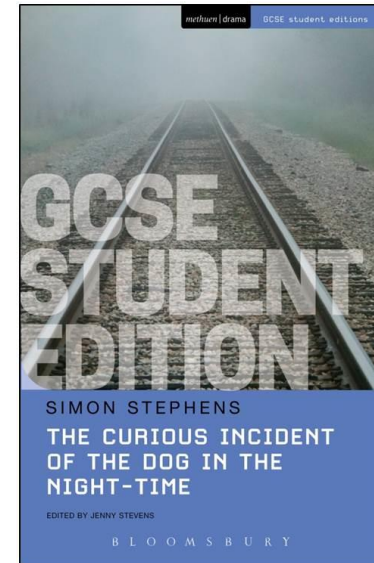
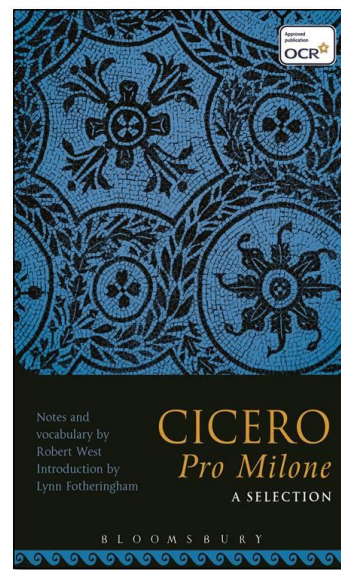
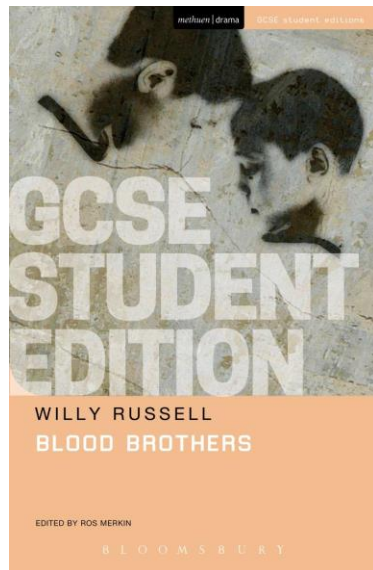
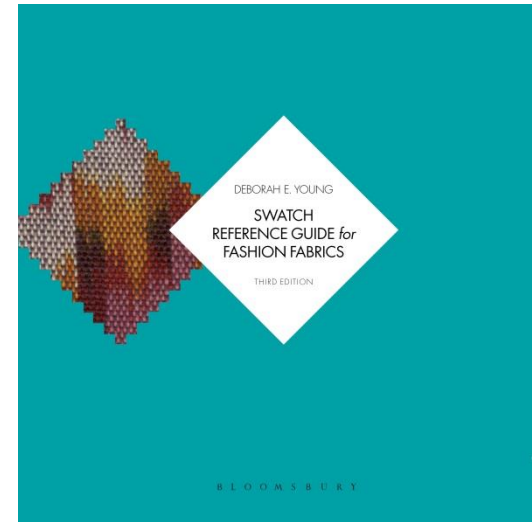
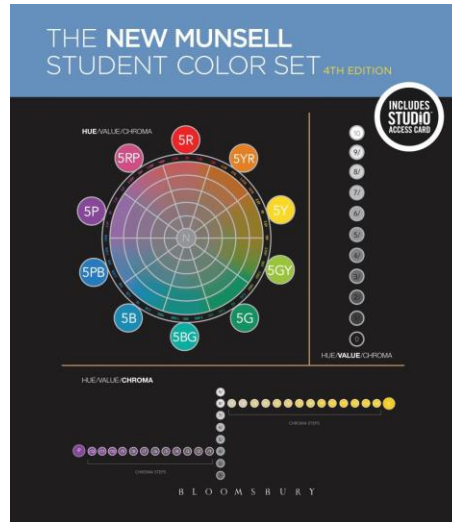
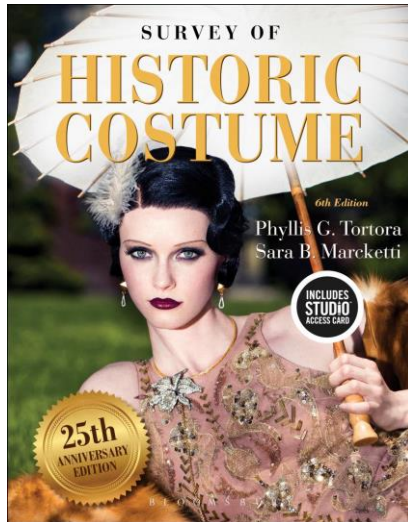
Drama Online expanded

Bloomsbury Fashion Central (Fairchild Books Library, Berg Fashion Library, Bloomsbury Fashion Photography Archive) is the Group's major digital launch this financial year and Q1 next year

Export sales grow

Export revenues up by 9% year-on-year in first half, reflecting larger direct Bloomsbury presence in export territories, and in line with Group strategy to reduce reliance on UK domestic market

ACADEMIC & PROFESSIONAL PRINT BESTSELLERS



ACADEMIC & PROFESSIONAL ONLINE PRODUCTS



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What's happening on Bloomsbury Fashion Central?

We'll be launching plenty of features over the next few months so you'll be ready for the new academic year.

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SHAKESPEARE'S GLOBE ON SCREEN

ADULT DIVISION



Results

Sales up by 6% to £20.4m (H1 2015: 19.3m)

Won Gourmand *Best Big Publisher in the World* for the past 20 years for Cookbooks

Key titles

Jonathan Strange & Mr Norrell TV tie-in edition by Susanna Clarke

Miss Carter's War by Sheila Hancock

Not Quite Nice by Celia Imrie

The Grantchester Mysteries by James Runcie

River Cottage Australia Cookbook by Paul West

Progress at Osprey

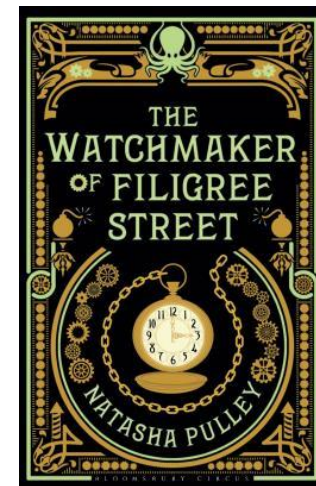
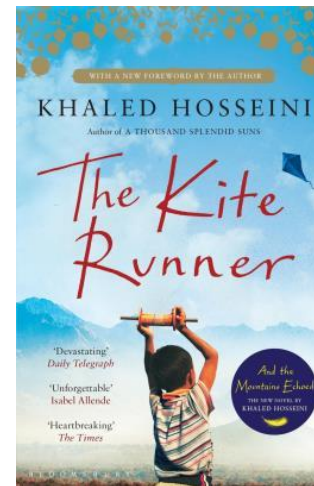
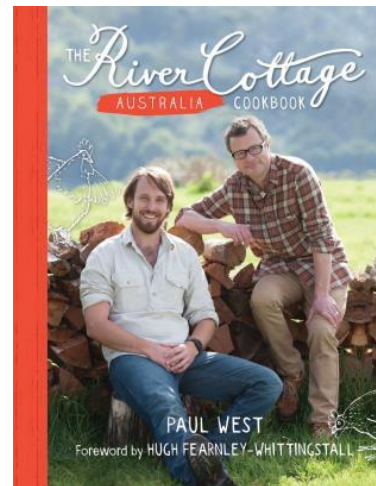
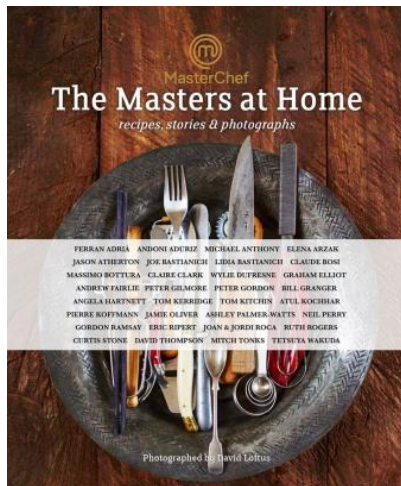
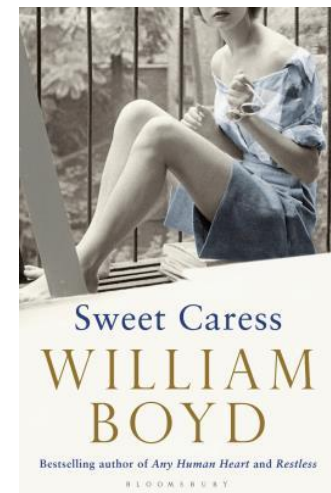
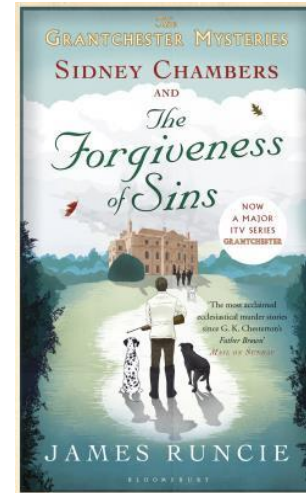
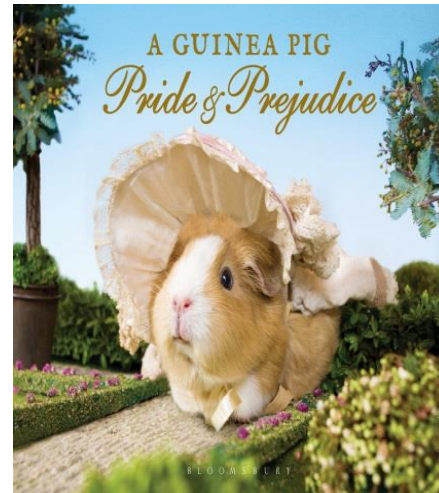
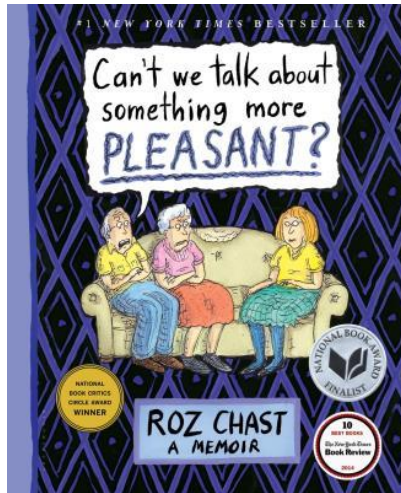
Quality special interest publisher - world's best known military history brand

48% revenues outside UK

Osprey on track. Contributed £3.2m revenue, £0.3m profit



ADULT BESTSELLERS



CHILDREN'S & EDUCATIONAL DIVISION



Excellent result

Revenue up 45% to £16.3m, profit up 58% to £1.6m

Good sales of Harry Potter titles, *Paper Towns* by John Green, 6 Sarah J. Maas titles and 9 Neil Gaiman fiction titles

Harry Potter novels by J.K. Rowling

New Children's editions sales up 180% year on year

Harry Potter and the Philosopher's Stone Illustrated Edition published October 2015

Good performance in USA

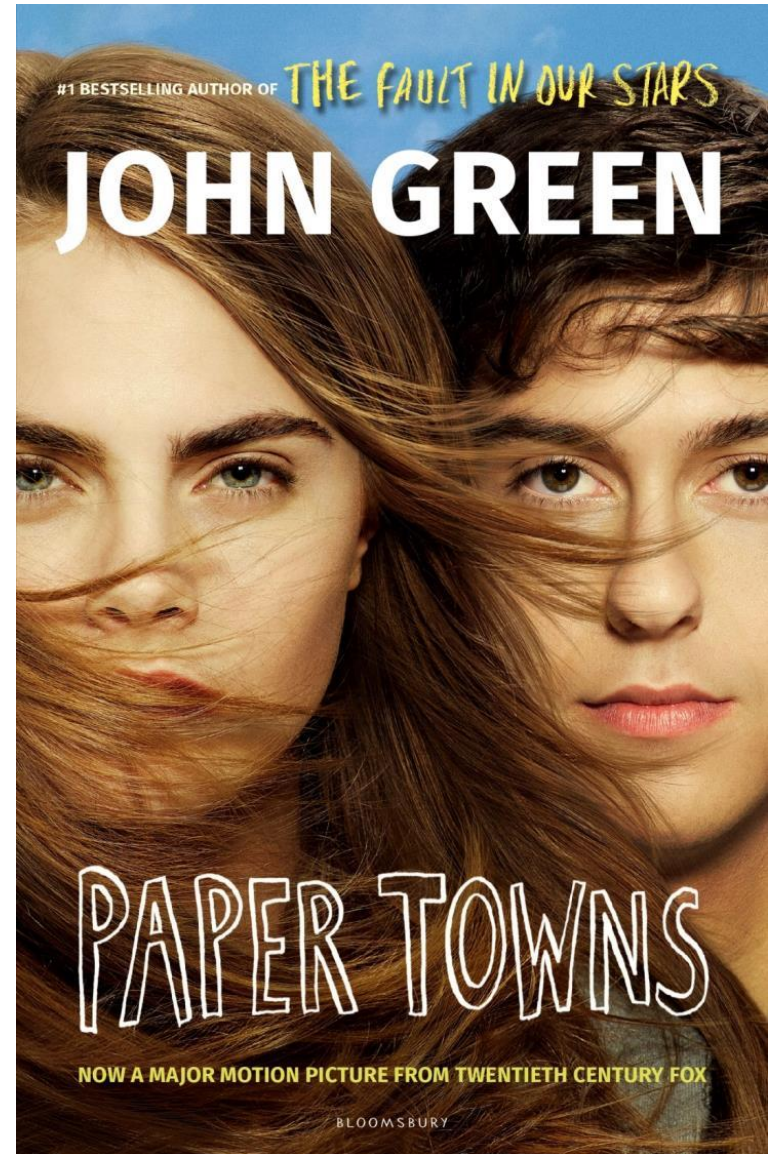
Strong sales of 6 best selling Sarah J. Maas titles, including recent launch of *A Court of Thorns and Roses* series

PAPER TOWNS

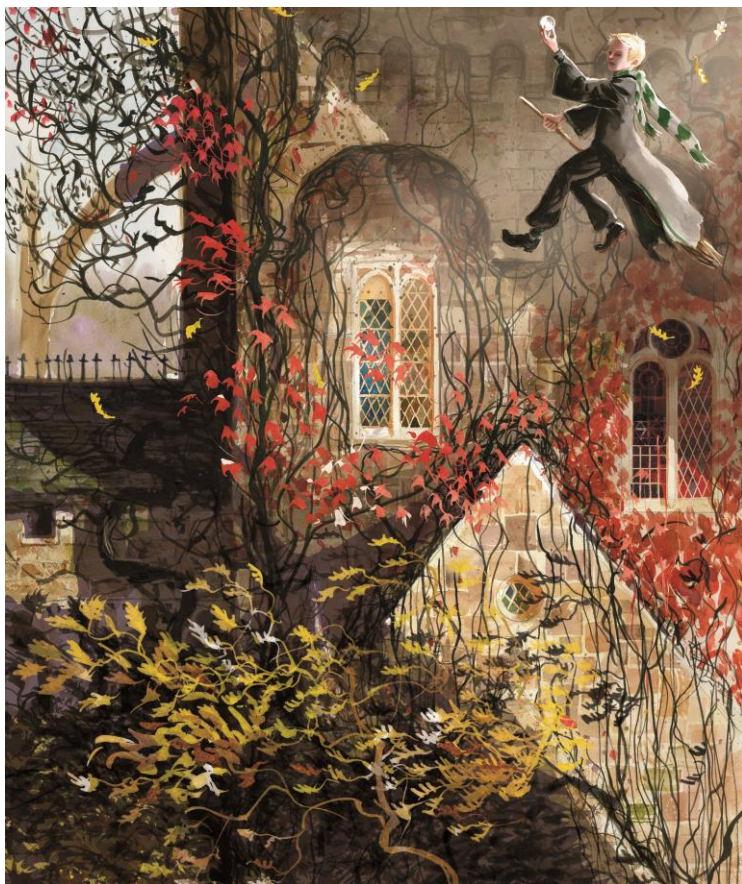
Film released in UK in August 2015

Over 1 million copies sold to date

No. 1 in Sunday Times Children's
chart in June



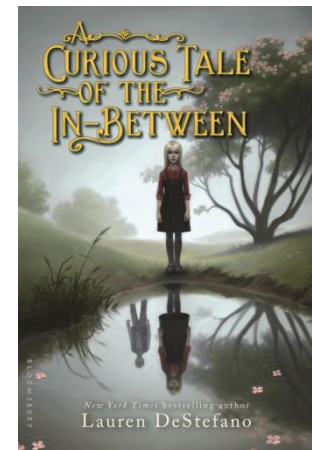
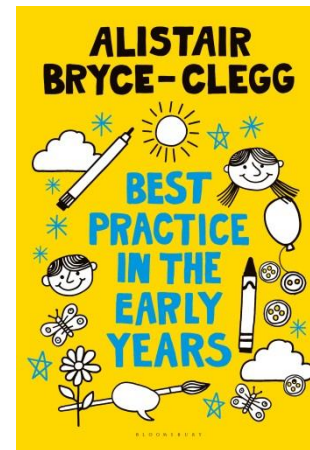
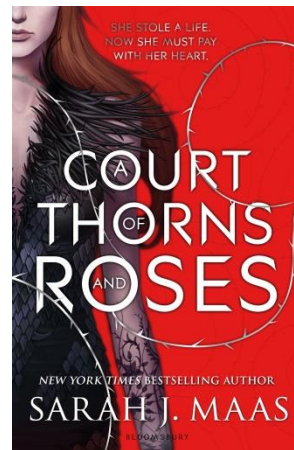
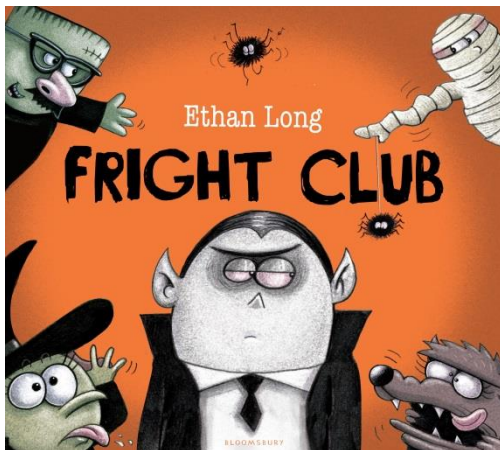
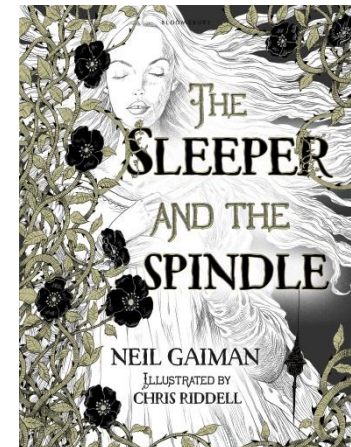
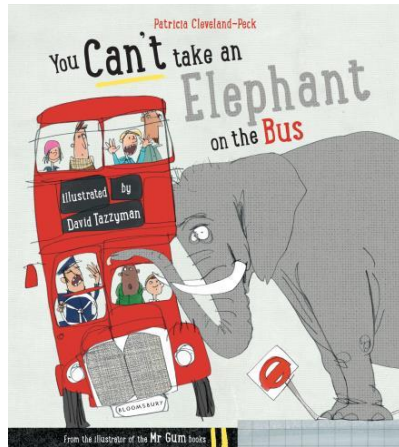
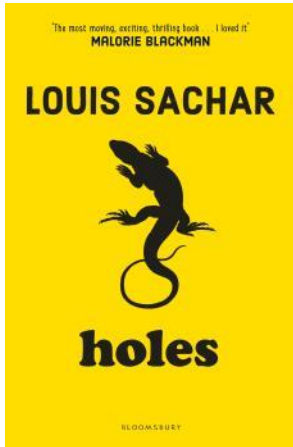
HARRY POTTER AND THE PHILOSOPHER'S STONE ILLUSTRATED EDITION RELEASED 6 OCTOBER 2015



RRP £30

Deluxe edition: RRP £150

OTHER CHILDREN'S BESTSELLERS



BLOOMSBURY INFORMATION



Strategic focus

Development of IP-rich knowledge hubs in cooperation with external partners

Provision of management and publishing services including to Qatar Foundation and Lloyds Bank

Publishing of management, finance and reference titles

Knowledge hubs

Growth of content on *IZA World of Labor*, now includes 193 articles

New content marketing programme with Stephens Inc.

Churchill Archive will be available free of charge to Schools worldwide

Qatar Foundation

Working to extend this management services agreement

PUBLISHING SERVICES



IZA World of Labor
Evidence-based policy making

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Evidence-based policy making

IZA World of Labor provides decision-makers with relevant and succinct information based on sound empirical evidence to help in formulating good policies and best practices. It provides expert know-how in an innovative structure, and a clear and accessible style.

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[UK to introduce "living wage" for over-25s](#)
July 8, 2015
The British government has announced a new "national living wage", effectively raising t...
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EU asylum policy setting: What works?

Featured article

Obesity and labor market outcomes

The hidden private cost of obesity: Lower earnings and a lower probability of employment

Author: [Susan L. Averett](#) |
Keywords: [obesity](#) | [BMI](#) | [wages](#) | [employment](#) | [occupation](#) | [absenteeism](#)
Classification: [Demography, family, and gender](#) > [Health](#) | [Institutions](#) > [Labor market regulation](#)

Rising obesity is not only a pressing global public health problem. There is also substantial evidence that obese people, particularly women, are less likely to be employed and, when



OUTLOOK



- Strong H2 list includes:
 - *Harry Potter and the Philosopher's Stone Illustrated Edition* by J. K. Rowling, illustrated by Jim Kay
 - *Sweet Caress* by William Boyd
 - *Tom's Table* by Tom Kerridge
 - *River Cottage: Love your Leftovers* by Hugh Fearnley-Whittingstall
 - *Queen of Shadows* by Sarah J. Maas
 - *John Le Carré: The Biography* by Adam Sisman
- Results continue to be H2 weighted because of the importance of Christmas trade sales and academic peak in October
- Targeting significant Rights & Services contracts for H2 that are not yet contracted, as in previous years
- Ongoing launch of Bloomsbury Fashion Central products – Fashion Photography Archive, updated Berg Fashion Library, new digital service for Fairchild Books
- Very strong digital service pipeline for next 3 years, follows significant commissioning activity in the period



QUESTIONS



APPENDIX

ADJUSTED INCOME STATEMENT



£m	H1 2016	H1 2015	Change %	Change % CER**
Revenue	52.7	46.6	+13%	+11%
Gross profit	28.7	26.1	+10%	+8%
Gross profit margin %	54%	56%		
Marketing and distribution costs	-7.8	-6.9	+13%	+5%
Marketing and distribution costs as % revenue	15%	15%		
Administrative expenses*	-19.0	-17.5*	+9%	+9%
Operating profit	1.9	1.7	+11%	+10%
Operating profit margin %	4%	4%		
Net finance costs	-	-	-	-
Pre-tax profit	1.9	1.7	+9%	+8%
Tax	-0.1	-0.1	-29%	-27%

Notes

1. * There is a £1m increase year on year from having extra months of Osprey . Excluding these costs, Administrative expenses are up 3% year on year.
2. ** CER is results restated based on constant exchange rates

ADJUSTED SEGMENTAL ANALYSIS H1 2016



£000	Adult		Children's & Educational		Academic & Professional		Information		Total	
Print sales	16,308	80%	13,830	85%	11,157	77%	161	11%	41,456	79%
Digital sales	3,172	15%	1,303	8%	2,472	17%	169	11%	7,116	13%
Rights & services	962	5%	1,144	7%	802	6%	1,198	78%	4,106	8%
Total revenue	20,442	100%	16,277	100%	14,431	100%	1,528	100%	52,678	100%
% of total	39%		31%		27%		3%		100%	
UK	12,644	62%	10,113	62%	8,993	62%	1,491	98%	33,241	63%
US	6,220	30%	4,880	30%	4,888	34%	29	2%	16,017	30%
Australia	1,358	7%	995	6%	280	2%	8	0%	2,641	5%
India	220	1%	289	2%	270	2%	-	0%	779	2%
Total revenue	20,442	100%	16,277	100%	14,431	100%	1,528	100%	52,678	100%
Gross margin	10,097		8,919		8,470		1,192		28,678	
Gross margin %	49%		55%		59%		78%		54%	
Marketing and distribution	(3,364)		(2,568)		(1,841)		(35)		(7,808)	
Contribution	6,733		6,351		6,629		1,157		20,870	
Administrative expenses	(7,140)		(4,717)		(6,271)		(874)		(19,002)	
Operating (loss)/profit	(407)		1,634		358		283		1,868	
Operating profit %	-2%		10%		2%		19%		4%	
% of total	-22%		88%		19%		15%		100%	
EBITDA	(11)		1,846		1,084		321		3,240	

Note: The above results include amortisation of internally generated intangible assets as follows:

Cost of sales	125	38	503	1	667
Administrative expenses	139	92	120	22	373
Total	264	130	623	23	1,040

ADJUSTED SEGMENTAL ANALYSIS H1 2015



£000	Adult		Children's & Educational		Academic & Professional		Information		Total	
Print sales	15,424	80%	9,557	86%	11,455	82%	201	10%	36,637	79%
Digital sales	2,780	14%	829	7%	2,037	15%	-	-%	5,646	12%
Rights & services	1,122	6%	840	7%	514	3%	1,821	90%	4,297	9%
Total revenue	19,326	100%	11,226	100%	14,006	100%	2,022	100%	46,580	100%
% of total	42%		24%		30%		4%		100%	
UK	13,091	68%	6,722	60%	8,879	63%	1,991	98%	30,683	66%
US	4,527	23%	3,228	29%	4,535	32%	22	1%	12,312	26%
Australia	1,518	8%	1,019	9%	255	2%	9	1%	2,801	6%
India	190	1%	257	2%	337	3%	-	0%	784	2%
Total revenue	19,326	100%	11,226	100%	14,006	100%	2,022	100%	46,580	100%
Gross margin	9,869		6,498		8,140		1,574		26,081	
Gross margin %	51%		58%		58%		78%		56%	
Marketing and distribution	(2,960)		(1,783)		(2,105)		(48)		(6,896)	
Contribution	6,909		4,715		6,035		1,526		19,185	
Administrative expenses	(7,066)		(3,678)		(5,864)		(888)		(17,496)	
Operating (loss)/profit	(157)		1,037		171		638		1,689	
Operating profit %	-1%		9%		1%		32%		4%	
% of total	-9%		61%		10%		38%		100%	
EBITDA	178		1,162		626		662		2,628	

Note: The above results include amortisation of internally generated intangible assets as follows:

Cost of sales	68	-	250	-	318
Administrative expenses	133	47	99	13	291
Total	201	47	349	13	610

ADJUSTED SEGMENTAL ANALYSIS H1 2016

AT CONSTANT EXCHANGE RATES



£000	Adult		Children's & Educational		Academic & Professional		Information		Total	
Print sales	16,023	80%	13,618	85%	10,822	77%	135	9%	40,598	79%
Digital sales	3,082	16%	1,240	8%	2,436	17%	193	13%	6,951	14%
Rights & services	954	5%	1,117	7%	804	6%	1,197	78%	4,072	8%
Total revenue	20,059	100%	15,975	100%	14,062	100%	1,525	100%	51,621	100%
% of total	39%		31%		27%		3%		100%	
UK	12,643	63%	10,113	63%	8,995	64%	1,491	98%	33,242	64%
US	5,684	28%	4,462	28%	4,490	32%	26	2%	14,662	28%
Australia	1,519	8%	1,119	7%	315	2%	8	0%	2,961	6%
India	213	1%	281	2%	262	2%	—	0%	756	1%
Total revenue	20,059	100%	15,975	100%	14,062	100%	1,525	100%	51,621	100%
Gross margin	9,949		8,694		8,273		1,191		28,107	
Gross margin %	50%		54%		59%		78%		54%	
Marketing and distribution	(3,167)		(2,404)		(1,657)		(32)		(7,260)	
Contribution	6,782		6,290		6,616		1,159		20,847	
Administrative expenses	(7,163)		(4,744)		(6,251)		(835)		(18,993)	
Operating profit	(381)		1,546		365		324		1,854	
Operating profit %	-2%		10%		3%		21%		4%	
% of total	-21%		84%		20%		17%		100%	
EBITDA	(150)		1,784		1,126		355		3,115	

Constant exchange rate results for overseas subsidiaries are calculated using the average exchange rate for the same period last year

ADJUSTING ITEMS



All metrics and commentary in this presentation are at reported FX and exclude adjusting items unless stated otherwise.

Adjusting items are:

- A charge of £0.9m in reported operating expenses being the amortisation of acquired intangible assets (H1 2015: £0.9m)
- Restructuring costs of £0.6m (H1 2015: £0.3m)

Some underlying performance has been presented in this document as, in the opinion of the Directors, it provides additional understanding of the ongoing performance of the Group.

Certain financial data within this presentation has been rounded.

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