

# BLOOM SBURY

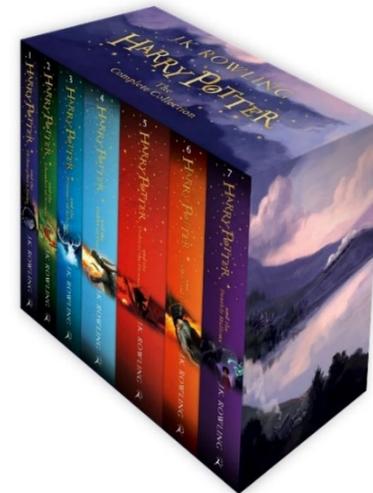
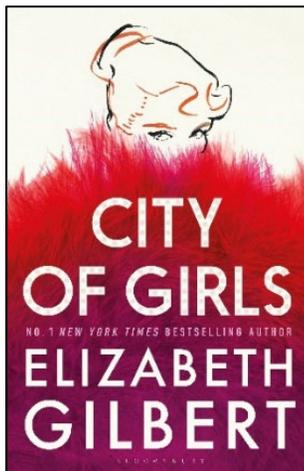


RESULTS FOR THE SIX MONTHS ENDED  
31 AUGUST 2019

# HIGHLIGHTS



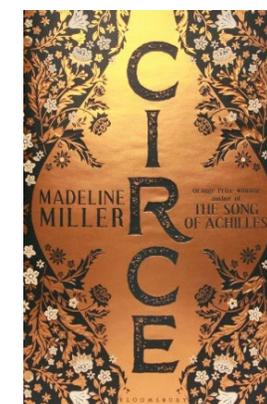
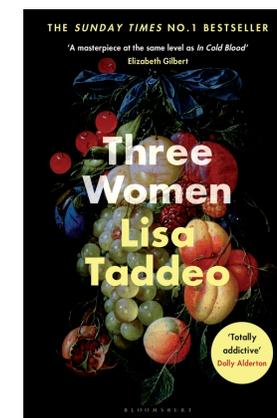
- Launch at the end of H1 and start of H2 of very strong Consumer titles, with 10 recent, current and potential bestsellers
- Excellent Non-Consumer performance, delivering our diversified strategy
- Bloomsbury Digital Resources revenue up 73%, improving sales and margin mix
- Adjusted profit before tax of £2.5m (2018/19: £2.9m)
- Revenue of £71.3m (2018/19: £75.3m)
- Good cash generation, with £20.1m cash at 31/8/19, up £3.1m
- Dividend increased by 6%, on track for 25<sup>th</sup> year of dividend growth



# FINANCIAL HIGHLIGHTS



H1 £m	2019/20	2018/19	Change %	Change CER <sup>3</sup> %
Revenue	71.3	75.3	(5%)	(7%)
<i>Pre-tax profit margin</i>	<i>3.5%</i>	<i>3.8%</i>		
Pre-tax profit	2.5	2.9	(12%)	(24%)
<i>Effective tax rate<sup>2</sup></i>	<i>17.7%</i>	<i>16.5%</i>		
Diluted EPS	2.74p	3.14p	(13%)	(27%)
Net cash	20.1	16.9	19%	16%
Interim dividend per share	1.28p	1.21p	6%	



## Notes:

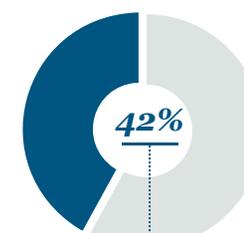
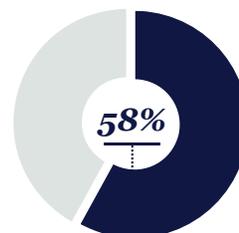
1. The above results are adjusted by excluding highlighted items, comprising legal and professional costs relating to acquisitions (£0.3m) and amortisation of acquired intangible assets (£0.9m), which are shown on slide 27
2. The effective tax rate is the adjusted rate used to calculate adjusted EPS. The reported rate in the period is 25.6% (2018/19: 21.0%)
3. CER is results at constant exchange rates calculated by applying monthly average exchange rates for 2018/19 to the monthly results for 2019/20

# RESULTS BY PUBLISHING DIVISION

Success of  
diversified  
portfolio strategy



H1 Revenues as % total:



£m	Consumer	Non-Consumer
Revenues H1 2019/20	41.4	29.9
Revenues H1 2018/19	47.0	28.3
<i>Change %</i>	<i>(12%)</i>	<i>6%</i>
Profit before tax H1 2019/20	0.6	1.8
Profit before tax H1 2018/19	3.1	(0.3)
<i>Change %</i>	<i>(79%)</i>	<i>708%</i>
Profit margin H1 2019/20	1.6%	6.1%
Profit margin H1 2018/19	6.7%	(1.1%)

*Notes:*

*1. The above results are adjusted by excluding highlighted items of £1.2m, comprising legal and professional costs relating to acquisitions and amortisation of acquired intangible assets, which are shown on slide 27*



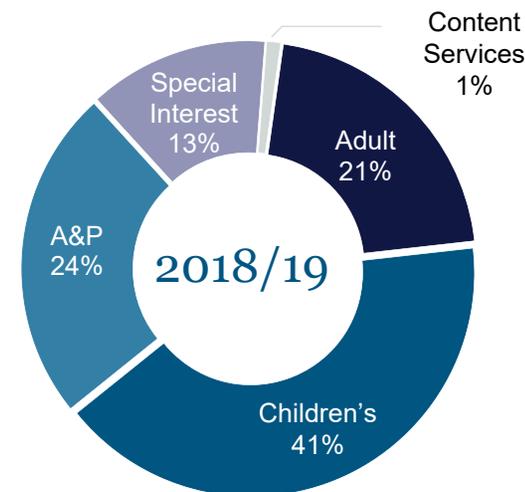
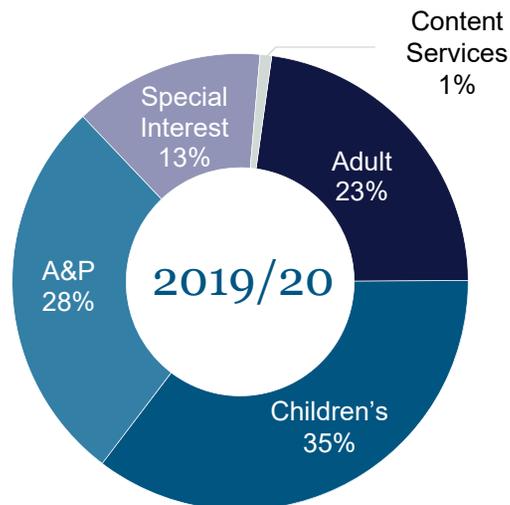
# REVENUE BY SUB-DIVISION

H1 £m	2019/20	2018/19	Change %
Adult	16.1	15.9	2%
Children's	25.3	31.1	(19%)
<b>Total Consumer</b>	<b>41.4</b>	<b>47.0</b>	<b>(12%)</b>
Academic & Professional	19.7	18.0	9%
Special Interest	9.6	9.9	(3%)
Content Services	0.6	0.4	67%
<b>Total Non-Consumer</b>	<b>29.9</b>	<b>28.3</b>	<b>6%</b>
<b>Total revenue</b>	<b>71.3</b>	<b>75.3</b>	<b>(5%)</b>

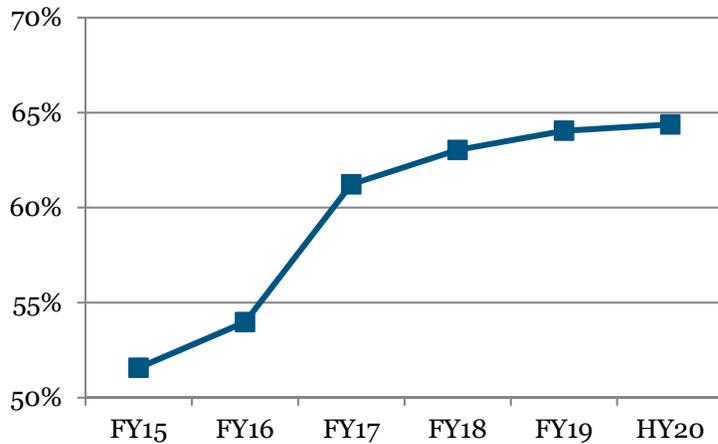
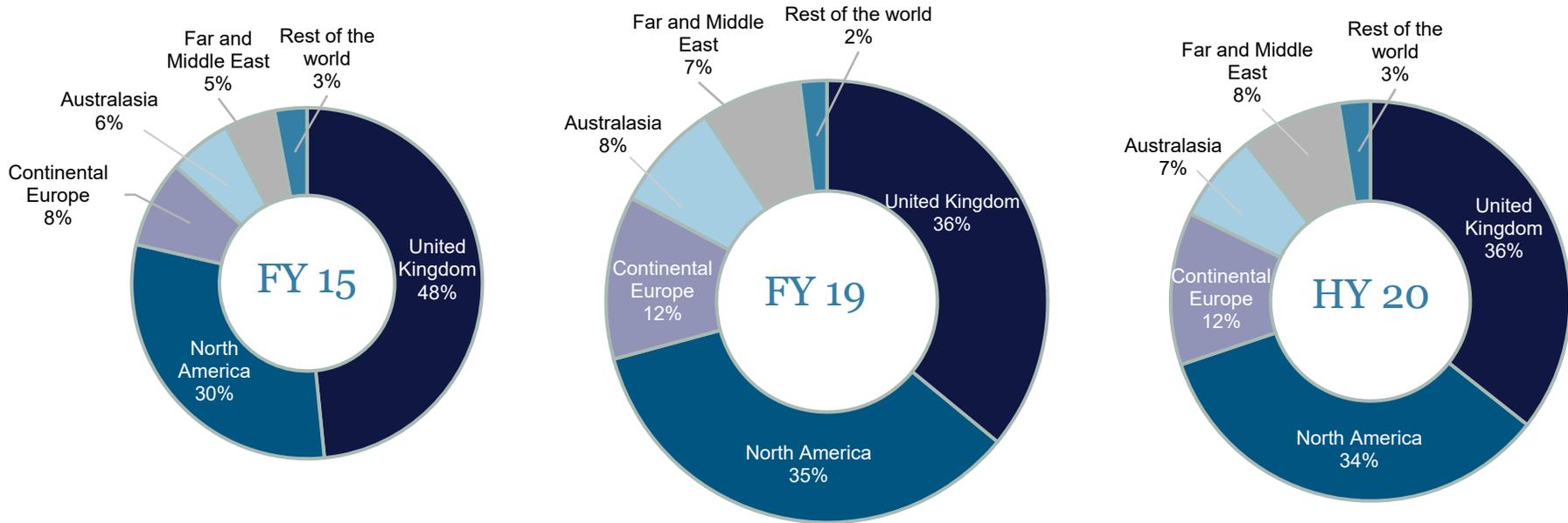
Excellent A&P growth of 9%, with Digital Resources up 73%

Resilient Adult performance against strong comparatives

Children's results H2 weighted with 4<sup>th</sup> Harry Potter Illustrated in October



# INTERNATIONAL REVENUE GROWTH



Overseas revenues 64% of total

Overseas revenue as %



# STRONG BALANCE SHEET

£m	31.8.19	31.8.18
Goodwill & acquired intangibles	59.1	60.8
Internally generated intangibles	7.2	6.8
Property, plant & equipment	2.0	2.0
Tax balances: deferred & current	1.8	2.5
Working capital (ex tax)	54.3	48.3
Retirement benefit obligations	(0.2)	(0.2)
Net impact of IFRS 16	(1.3)	-
Other	0.2	0.1
	<b>123.1</b>	<b>120.3</b>
Net cash	20.1	16.9
<b>Net assets</b>	<b>143.2</b>	<b>137.2</b>

- Inventory management initiative continues to deliver: inventory reduces by £1.1m, 5% like-for-like\*
- Includes £25.4m advances and £31.2m inventory



Net adjustment from IFRS16 implementation



Continued good cash generation



\* The like for like inventory reduction value above is at CER and excludes the value of the fourth Harry Potter illustrated edition

# FREE CASH FLOW PRIORITIES



## PRIORITIES

- Working capital focus
- Investing for growth:
  - Bloomsbury Digital Resources
  - New content
  - Acquisitions
- Maintaining a robust balance sheet
- Sustaining a progressive dividend

## PROGRESS

Delivered 5% like for like reduction in inventory for 2019/20\*

£0.6m capex in H1 2019/20  
(H1 2018/19: £0.7m)

£6.3m invested in advances in period  
(H1 2018/19: £6.0m)

Increased resource and focus to accelerate our acquisition programme

Cash of £20.1m at 31.8.19

Dividend increases 6%. Cover 1.9x

*\* The like for like inventory reduction value above is at CER and excludes the value of the fourth Harry Potter Illustrated Edition*

# EXCELLENT INTERIM DIVIDEND GROWTH



Interim dividend increases by 6%

On track to deliver full year dividend growth every year for 25 years



*Note: A one-off interim dividend of 3.91 pence per share was paid for the 12 month interim accounts ended 31 December 2010. These interim accounts were part of our transition from a December year end to a February year end.*

# NON-CONSUMER DIVISION: ACADEMIC & PROFESSIONAL



Revenue – H1 £m	2019/20	2018/19	Change %
Core A&P	14.7	14.7	0%
Digital Resources (BDR 2020)	3.8	2.2	73%
Children's Education	1.1	1.1	6%
<b>Total A&amp;P</b>	<b>19.6</b>	<b>18.0</b>	<b>9%</b>

BDR 2020 revenues  
grow  
**73%**

Operating Profit/(Loss) – H1 £m	2019/20	2018/19	Change %
Core A&P	1.4	0.4	239%
Digital Resources (BDR 2020)	0.1	(0.5)	123%
Children's Education	0.3	0.2	88%
<b>Total A&amp;P</b>	<b>1.8</b>	<b>0.1</b>	<b>3262%</b>

BDR 2020 delivers  
profit for the first time

BLOOMSBURY   
COLLECTIONS



**Churchill** Archive



YOOX  
NET-A-PORTER  
GROUP

BLOOMSBURY   
DESIGN LIBRARY

# BLOOMSBURY DIGITAL RESOURCES

## GROWING B2B DIGITAL REVENUES



### H1 2019/20 achievements

#### Established products:

- Platform with highest contribution increases margin to 78%, up from 72%
- Digital customer retention rate maintained above 90%

#### New partnerships:

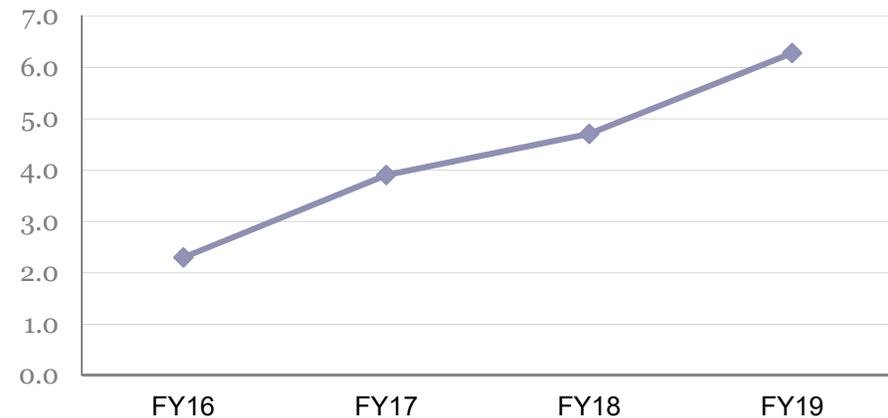
- New partnerships include the National Theatre, Taylor & Francis, Human Kinetics, and the Donmar Warehouse

#### New products:

- On track for five new products this year, with one launched in H1

39% growth in subscription revenues, to £1.8m,  
now  
**49%**  
of total platform revenues

Revenue £m



BLOOMSBURY  
APPLIED  
VISUAL ARTS



BLOOMSBURY  
FASHION CENTRAL



# OTHER NON-CONSUMER



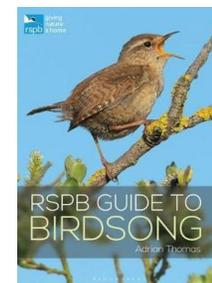
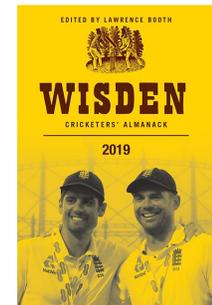
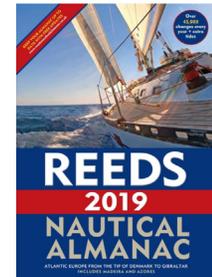
## Special interest

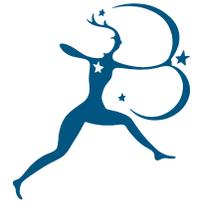
- Total revenues of £9.6m (H1 2018/19: £9.9m)
- Key titles in the period include Wisden, Reeds Nautical Almanac and the RSPB Guides
- Completed restructuring under new MD, with clearer focus on publishing strategy for key communities and reduced overheads
- Published in H2, *The Madness of Crowds* by Douglas Murray



## Content services

- Total revenues of £0.6m (H1 2018/19: £0.4m)
- In H2, Special Interest will take over the publishing part of our Content Services division, to generate further synergies following the successful restructure of Special Interest
- Contracts including IZA World of Labor will move to the A&P division





# CONSUMER DIVISION: ADULT TRADE



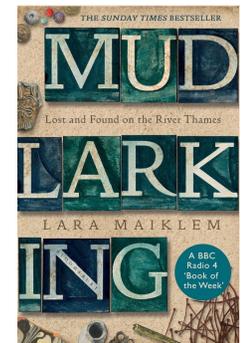
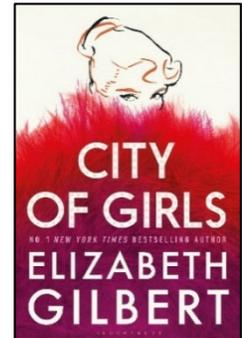
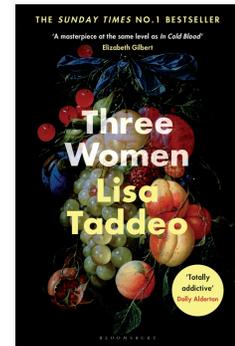
## Good Performance

- Revenues grow 2% to £16.2m (H1 2018/19: £15.9m)
- Strong front and backlist sales
- Continued commercial and critical success from our crime imprint, Raven
- Raven Books was shortlisted for best Crime and Mystery Publisher by the Crime Writers Association, as well as several Raven Books titles and authors being recognised in prestigious awards' shortlists



## Bestsellers

- *Three Women* by Lisa Taddeo was the number one *Sunday Times* bestseller for four weeks
- *Sunday Times* bestseller *City of Girls* by Elizabeth Gilbert
- *Sunday Times* bestseller *Mudlarking* by Lara Maiklem
- Backlist success with *Circe* by Madeline Miller

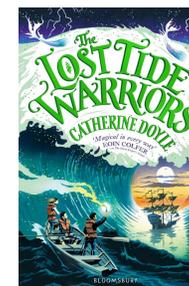
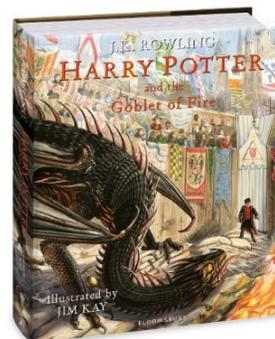


# CONSUMER DIVISION: CHILDREN'S TRADE



## Financial results

- Revenue of £25.3m (2018/19: £31.1m)



## Resilience of Harry Potter

- *Harry Potter and the Philosopher's Stone* was the 8<sup>th</sup> bestselling Children's title on Nielsen BookScan in the UK, 22 years after first publication
- Classic titles which attract new generations of readers each year
- 4<sup>th</sup> Illustrated title, *Harry Potter and the Goblet of Fire*, published in October
- After this, we have 4 more illustrated titles under contract with 4 more House editions to come
- Sales of Harry Potter titles remain strong following the 20<sup>th</sup> anniversary year in 2017/18. In context, first half sales were 13% higher than H1 2016/17 and 16% below last year

## Sarah J. Maas

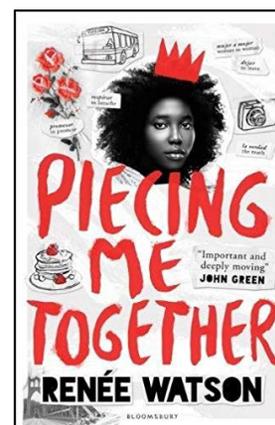
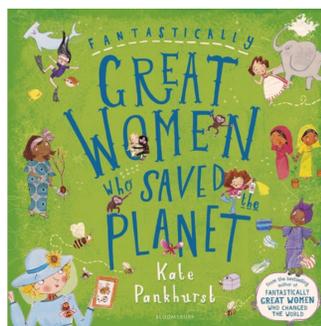
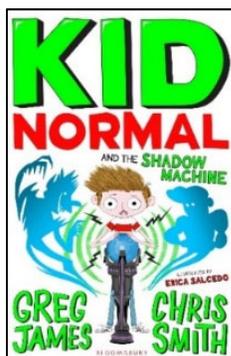
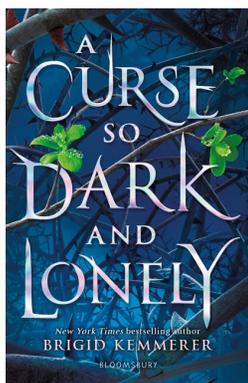
- Sales of Sarah J. Maas books 39% lower, with 1 paperback release compared to 2 for 2018/19 (1 hardback, 1 paperback)
- After *Crescent City: House of Earth and Blood* we have 5 future titles contracted, plus 2 novellas

# CONSUMER DIVISION: CHILDREN'S TRADE



## Strength and depth of authors

- Development of strong author brands with Greg James and Chris Smith's *Kid Normal* series, Kate Pankhurst's *Fantastically Great Women* series, Costa Children's winning author Katherine Rundell and bestselling author of *The Storm Quartet* series, Catherine Doyle
- Development of new international YA brands including Brigid Kemmerer's *Cursebreaker* series, Sara Holland and Renee Watson



# BLOOMSBURY AUDIO STRATEGY

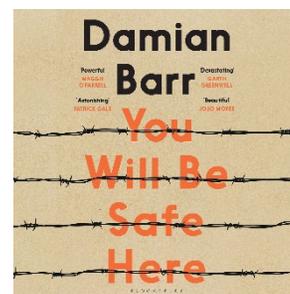
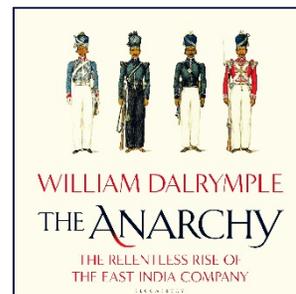
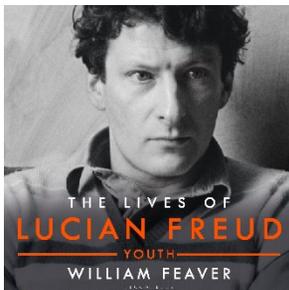
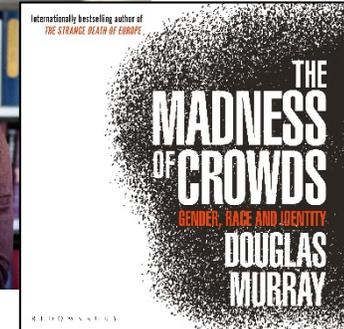
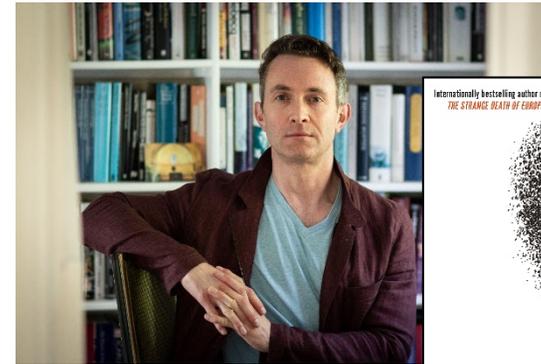


## Audio Opportunity

- Market growth estimated at 25% in US and 43% in UK last year

## Bloomsbury Audio

- Move to publish in house from 1 September 2019, distributed through Audible
- Higher margin and ownership of IP
- Expert Audio team recruited
- Focus on key titles; 50 produced to date
- First title: *The Madness of Crowds*, narrated by Douglas Murray, was an Audible bestseller
- *The Dutch House* narrated by Tom Hanks



# BIGGER BLOOMSBURY STRATEGY UPDATE



## Initiative

## Progress

- |  |   |  |
|--|---|--|
| 1. Growing the profits of the Academic & Professional division                   |    | £1.8m growth in profit before tax                                      |
| 2. Maximising the success of Bloomsbury Digital Resources                        |    | 73% revenue growth and moves into profit                               |
| 3. Growing the profits of the Adult division                                     |    | 2% revenue growth and £(0.1)m loss against strong comparative of £0.4m |
| 4. Reducing our finished goods stock further                                     |    | £1.1m – 5% - reduction in inventories <sup>1</sup>                     |
| 5. Increasing the focus on Bloomsbury's nine biggest Consumer assets             |    | 17 Bestsellers in H1   |
| 6. Accelerating the growth of Bloomsbury's sales in the USA, Australia and India |  | International sales 64% of revenue                                     |
| 7. Growing the revenues of acquisitions  |  | Significant IBT revenue growth contributing to A&P growth              |
| 8. Increase employee engagement through strategic initiatives                    |  | Good progress in engagement and delivery of key initiatives            |

### Notes:

1. Like-for-like basis, excluding Illustrated Edition of Harry Potter and the Goblet of Fire and at CER

# EMPLOYEE ENGAGEMENT INITIATIVES



We are focused on increasing employee engagement through strategic initiatives:

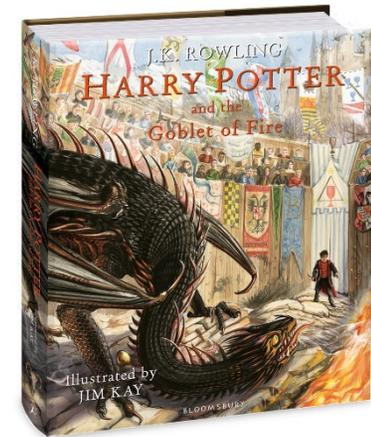
- Employee Voice Meetings, when every member of staff worldwide attends and shares their views with a member of the Board or Executive Committee
- Management Development Programme starting with all Line Managers
- Increasing Global Communications including a Highlights Day, with author presentations and upcoming publishing across the business
- Employee Assistance Programme to support staff's welfare
- Two charitable initiatives: three-year partnership with the National Literacy Trust: 'Get Hastings Reading' and for every copy of *Dishoom* sold, we will be donating towards the price of a meal for a hungry child

# BUSINESS OUTLOOK 2019/20



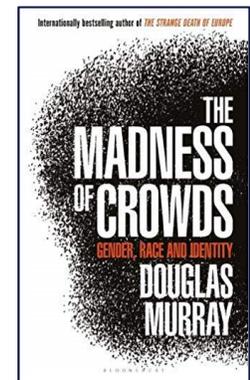
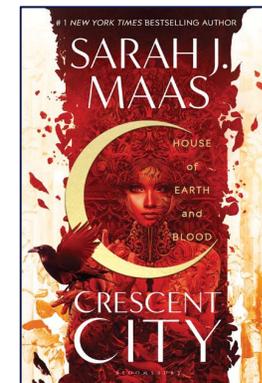
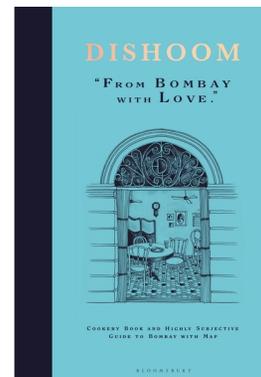
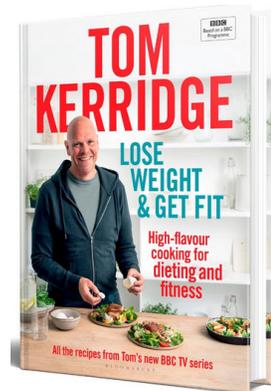
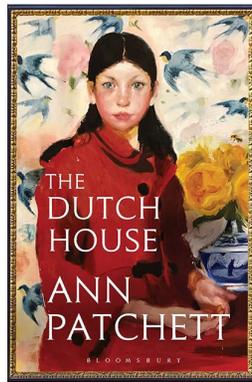
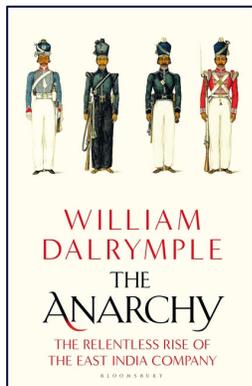
Performance in line with management expectations for the full year

## Bloomsbury Digital Resources: Growing products and new partnerships



New Illustrated Harry Potter

Strong publishing list for H2 includes:



# BLOOMSBURY PUBLISHING



Innovative &  
entrepreneurial  
global publisher



Rich in  
intellectual  
property



Growing  
academic digital  
revenues



Editorial  
and design  
excellence



Strength of  
Harry Potter  
brand



Strong financial  
position





## APPENDICES



# ADJUSTED SEGMENTAL ANALYSIS

H1 2019/20

£'000	Children's Trade	Adult Trade	Total Consumer		A&P	Special Interest	Content Services	Total Non-Consumer		Total Group	
Print Sales	22,405	12,832	35,237	85%	12,974	8,130	268	21,372	72%	56,609	79%
Digital Sales	1,747	2,817	4,564	11%	5,736	893	71	6,700	22%	11,264	16%
Rights & Services	1,128	538	1,666	4%	935	616	251	1,802	6%	3,468	5%
<b>Total revenue</b>	<b>25,280</b>	<b>16,187</b>	<b>41,467</b>	<b>100%</b>	<b>19,645</b>	<b>9,639</b>	<b>590</b>	<b>29,874</b>	<b>100%</b>	<b>71,341</b>	<b>100%</b>
<i>% of total</i>	<i>35%</i>	<i>23%</i>	<i>58%</i>		<i>28%</i>	<i>13%</i>	<i>1%</i>	<i>42%</i>		<i>100%</i>	
UK	15,455	8,622	24,077	58%	14,592	6,644	507	21,743	73%	45,820	64%
US	6,496	5,518	12,014	29%	4,471	2,033	58	6,562	22%	18,576	26%
Australia	2,301	1,253	3,554	9%	245	837	18	1,100	4%	4,654	7%
India	1,028	794	1,822	4%	337	125	7	469	1%	2,291	3%
<b>Total revenue</b>	<b>25,280</b>	<b>16,187</b>	<b>41,467</b>	<b>100%</b>	<b>19,645</b>	<b>9,639</b>	<b>590</b>	<b>29,874</b>	<b>100%</b>	<b>71,341</b>	<b>100%</b>
<b>Gross margin</b>	<b>11,299</b>	<b>7,274</b>	<b>18,573</b>		<b>13,175</b>	<b>4,664</b>	<b>417</b>	<b>18,256</b>		<b>36,829</b>	
<i>Gross margin %</i>	<i>45%</i>	<i>45%</i>	<i>45%</i>		<i>67%</i>	<i>48%</i>	<i>71%</i>	<i>61%</i>		<i>52%</i>	
Marketing and distribution	(3,665)	(2,600)	(6,265)		(2,179)	(1,288)	(47)	(3,514)		(9,779)	
<b>Contribution pre admin</b>	<b>7,634</b>	<b>4,674</b>	<b>12,308</b>		<b>10,996</b>	<b>3,376</b>	<b>370</b>	<b>14,742</b>		<b>27,050</b>	
Administrative expenses	(6,753)	(4,768)	(11,521)		(9,110)	(3,346)	(389)	(12,845)		(24,366)	
<b>Operating profit/(loss)</b>	<b>881</b>	<b>(94)</b>	<b>787</b>		<b>1,886</b>	<b>30</b>	<b>(19)</b>	<b>1,897</b>		<b>2,684</b>	
<i>Operating profit/(loss) %</i>	<i>3%</i>	<i>(1%)</i>	<i>2%</i>		<i>10%</i>	<i>0%</i>	<i>(3%)</i>	<i>6%</i>		<i>4%</i>	
<b>PBTA<sup>1</sup></b>	<b>792</b>	<b>(143)</b>	<b>649</b>		<b>1,849</b>	<b>(3)</b>	<b>(21)</b>	<b>1,825</b>		<b>2,515</b>	

Note:

1 PBTA includes £41,000 of central net interest which is not allocated by division.



# ADJUSTED SEGMENTAL ANALYSIS

H1 2018/19

£'000	Children's Trade	Adult Trade	Total Consumer		A&P	Special Interest	Content Services	Total Non-Consumer		Total Group	
Print Sales	28,039	12,603	40,642	86%	13,111	8,340	153	21,604	76%	62,246	82%
Digital Sales	1,832	2,908	4,740	10%	3,975	787	64	4,826	17%	9,566	13%
Rights & Services	1,241	421	1,662	4%	951	762	137	1,850	7%	3,512	5%
<b>Total revenue</b>	<b>31,112</b>	<b>15,932</b>	<b>47,044</b>	<b>100%</b>	<b>18,037</b>	<b>9,889</b>	<b>354</b>	<b>28,280</b>	<b>100%</b>	<b>75,324</b>	<b>100%</b>
<i>% of total</i>	<i>41%</i>	<i>21%</i>	<i>62%</i>		<i>24%</i>	<i>13%</i>	<i>1%</i>	<i>38%</i>		<i>100%</i>	
UK	18,541	8,438	26,979	58%	12,743	7,058	307	20,108	71%	47,087	63%
US	8,671	5,489	14,160	30%	4,787	1,902	27	6,716	24%	20,876	28%
Australia	2,749	1,135	3,884	8%	304	793	17	1,114	4%	4,998	6%
India	1,151	870	2,021	4%	203	136	3	342	1%	2,363	3%
<b>Total revenue</b>	<b>31,112</b>	<b>15,932</b>	<b>47,044</b>	<b>100%</b>	<b>18,037</b>	<b>9,889</b>	<b>354</b>	<b>28,280</b>	<b>100%</b>	<b>75,324</b>	<b>100%</b>
<b>Gross margin</b>	<b>13,843</b>	<b>7,446</b>	<b>21,289</b>		<b>10,738</b>	<b>4,667</b>	<b>194</b>	<b>15,599</b>		<b>36,888</b>	
<i>Gross margin %</i>	<i>44%</i>	<i>47%</i>	<i>45%</i>		<i>60%</i>	<i>47%</i>	<i>55%</i>	<i>55%</i>		<i>49%</i>	
Marketing and distribution	(4,532)	(2,550)	(7,082)		(2,017)	(1,392)	(22)	(3,431)		(10,513)	
<b>Contribution pre admin</b>	<b>9,311</b>	<b>4,896</b>	<b>14,207</b>		<b>8,721</b>	<b>3,275</b>	<b>172</b>	<b>12,168</b>		<b>26,375</b>	
Administrative expenses	(6,538)	(4,527)	(11,065)		(8,666)	(3,352)	(450)	(12,468)		(23,533)	
<b>Operating profit/(loss)</b>	<b>2,773</b>	<b>369</b>	<b>3,142</b>		<b>55</b>	<b>(77)</b>	<b>(278)</b>	<b>(300)</b>		<b>2,842</b>	
<i>Operating profit/(loss) %</i>	<i>9%</i>	<i>2%</i>	<i>7%</i>		<i>0%</i>	<i>(1%)</i>	<i>(79%)</i>	<i>(1%)</i>		<i>4%</i>	
<b>PBTA<sup>1</sup></b>	<b>2,773</b>	<b>369</b>	<b>3,142</b>		<b>55</b>	<b>(77)</b>	<b>(278)</b>	<b>(300)</b>		<b>2,854</b>	

Note:

1 PBTA includes £12,000 of central net interest which is not allocated by division



# ADJUSTED SEGMENTAL ANALYSIS

## H1 2019/20 AT CONSTANT EXCHANGE RATES

£'000	Children's Trade	Adult Trade	Total Consumer		A&P	Special Interest	Content Services	Total Non-Consumer		Total Group	
Print Sales	22,181	12,601	34,782	85%	12,729	8,029	265	21,023	71%	55,805	79%
Digital Sales	1,668	2,740	4,408	11%	5,708	892	71	6,671	23%	11,079	16%
Rights & Services	1,104	531	1,635	4%	933	617	251	1,801	6%	3,436	5%
<b>Total revenue</b>	<b>24,953</b>	<b>15,872</b>	<b>40,825</b>	<b>100%</b>	<b>19,370</b>	<b>9,538</b>	<b>587</b>	<b>29,495</b>	<b>100%</b>	<b>70,320</b>	<b>100%</b>
<i>% of total</i>	<i>35%</i>	<i>23%</i>	<i>58%</i>		<i>28%</i>	<i>13%</i>	<i>1%</i>	<i>42%</i>		<i>100%</i>	
UK	15,455	8,622	24,077	59%	14,592	6,644	507	21,743	74%	45,820	65%
US	6,132	5,201	11,333	28%	4,197	1,918	55	6,170	21%	17,503	25%
Australia	2,351	1,277	3,628	9%	251	852	18	1,121	4%	4,749	7%
India	1,015	772	1,787	4%	330	124	7	461	1%	2,248	3%
<b>Total revenue</b>	<b>24,953</b>	<b>15,872</b>	<b>40,825</b>	<b>100%</b>	<b>19,370</b>	<b>9,538</b>	<b>587</b>	<b>29,495</b>	<b>100%</b>	<b>70,320</b>	<b>100%</b>
<b>Gross margin</b>	<b>11,174</b>	<b>7,117</b>	<b>18,291</b>		<b>13,016</b>	<b>4,621</b>	<b>415</b>	<b>18,052</b>		<b>36,343</b>	
<i>Gross margin %</i>	<i>45%</i>	<i>45%</i>	<i>45%</i>		<i>67%</i>	<i>48%</i>	<i>71%</i>	<i>61%</i>		<i>52%</i>	
Marketing and distribution	(3,591)	(2,541)	(6,132)		(2,144)	(1,270)	(46)	(3,460)		(9,592)	
<b>Contribution pre admin</b>	<b>7,583</b>	<b>4,576</b>	<b>12,159</b>		<b>10,872</b>	<b>3,351</b>	<b>369</b>	<b>14,592</b>		<b>26,751</b>	
Administrative expenses	(6,758)	(4,753)	(11,511)		(9,140)	(3,370)	(393)	(12,903)		(24,414)	
<b>Operating profit/(loss)</b>	<b>825</b>	<b>(177)</b>	<b>648</b>		<b>1,732</b>	<b>(19)</b>	<b>(24)</b>	<b>1,689</b>		<b>2,337</b>	
<i>Operating profit/(loss) %</i>	<i>3%</i>	<i>(1%)</i>	<i>2%</i>		<i>9%</i>	<i>0%</i>	<i>(4%)</i>	<i>6%</i>		<i>3%</i>	
<b>PBTA<sup>1</sup></b>	<b>736</b>	<b>(226)</b>	<b>510</b>		<b>1,699</b>	<b>(52)</b>	<b>(26)</b>	<b>1,621</b>		<b>2,173</b>	

Note:

1 PBTA includes £42,000 of central net interest which is not allocated by division.

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



# IFRS 16 – LEASES

- IFRS 16 – new standard on leases replaces IAS 17, introduced for the 6 months ended 31 August 2019
- Adopting IFRS 16 has impacted the Group’s reporting of non-current assets, liabilities, operating lease charges, depreciation and finance costs
- The majority of the Group’s operating lease commitments relate to property leases in the UK and US
- Adopted the cumulative effect method, with no restatement of the comparative period
- The earnings impact for H1 2019/20 is a net credit of £1.0m to EBITDA and a net charge of £(0.1)m to PBTA as shown in the table below:

IFRS 16 Impact – H1 £m	2019/20
Reduction in administrative expenses	1.0
<b>EBITDA benefit</b>	<b>1.0</b>
Increase in depreciation	(0.9)
<b>Operating profit benefit</b>	<b>0.1</b>
Increase in finance costs	(0.2)
<b>Net decrease in profit before tax</b>	<b>(0.1)</b>

- The earnings impact for 2019/20 is expected to be a net credit of £2.0m to EBITDA and a net charge of £(0.2)m to PBTA



# REVENUE MIX

H1 £m	2019/20	2018/19	Change %
Print	56.6	62.2	(9%)
E-books	7.4	7.3	2%
Other digital revenues	3.9	2.3	69%
Digital	11.3	9.6	18%
Total book sales	67.9	71.8	(5%)
Copyright licences	2.7	2.9	(7%)
Publishing services	0.5	0.5	(10%)
Other	0.2	0.1	243%
Rights and services	3.4	3.5	(1%)
<b>Total revenue</b>	<b>71.3</b>	<b>75.3</b>	<b>(5%)</b>

Academic e-book growth against strong Consumer e-books last year

Digital resources on track. 73% growth in A&P digital revenues

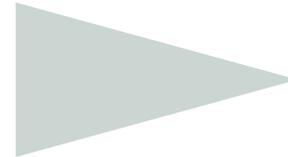


# HIGHLIGHTED ITEMS

H1 2019/20

Amortisation  
of acquired  
intangible assets  
*£0.9m*

Legal and  
professional costs  
relating to  
acquisitions  
*£0.3m*

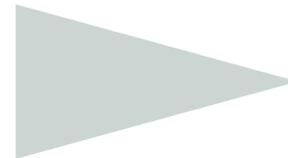


**Total**  
*£1.2m*

H1 2018/19

Amortisation  
of acquired  
intangible assets  
*£0.9m*

Restructuring and  
professional costs  
relating to the  
acquisition of IBT  
*£0.4m*



**Total**  
*£1.3m*

# ADJUSTED INCOME STATEMENT



H1 £m	2019/20 <sup>1</sup>	2018/19	Change %	Change CER%
Revenue	71.3	75.3	(5%)	(7%)
Gross profit	36.8	36.9	0%	
<i>Gross profit margin %</i>	<i>51.6%</i>	<i>49.0%</i>		
Marketing and distribution costs	(9.8)	(10.5)	(7%)	
<i>Marketing and distribution costs as % revenue</i>	<i>13.7%</i>	<i>14.0%</i>		
Administrative expenses	(24.3)	(23.5)	4%	
Operating profit <sup>3</sup>	2.7	2.9	(6%)	
<i>Operating profit margin %</i>	<i>3.8%</i>	<i>3.8%</i>		
Net finance income	(0.2)	-		
<b>Profit before tax</b>	<b>2.5</b>	<b>2.9</b>	<b>(12%)</b>	<b>(24%)</b>

Note:

1 2019/20 includes the impact of IFRS 16

2 The adjusted income statement excludes highlighted items of £1.2m: £0.9m for the amortisation of acquired intangible assets and £0.3m for legal and other professional costs relating to ongoing acquisitions and 2018/19 £1.3m: £0.9m for the amortisation of acquired intangible assets and £0.4m for other highlighted items

# LEVERAGING OUR ACQUISITIONS



<b>Acquisition</b>	<b>Year</b>	<b>Contributing to the following Bloomsbury Digital Resources</b>
IB Tauris	2018	Bloomsbury Collections
Family Law	2016	Bloomsbury Professional Online
Hart	2013	Bloomsbury Collections; International Arbitration; Bloomsbury Professional Online
AVA	2012	Bloomsbury Applied Visual Arts; Fairchild Books Library
Fairchild	2012	Fairchild Books Library
Continuum	2011	Bloomsbury Collections; Bloomsbury Encyclopaedia of Philosophers; Bloomsbury Education & Childhood Studies; Bloomsbury Popular Music; Screen Studies; Bloomsbury CPD for Teachers. Several more to be announced
Bristol Classical Press	2010	Bloomsbury Collections and forthcoming Classics product
Bloomsbury Professional	2009	Bloomsbury Professional Online; Bloomsbury Collections
Arden	2008	Drama Online
Methuen	2006	Drama Online

# ACTIVE DIGITAL RESOURCES



<b>Product</b>	<b>Market</b>	<b>Model</b>
Berg Fashion Library	Institutional	Subscription
Churchill Archive	Institutional	Purchase & Subscription
Drama Online	Institutional	Purchase & Subscription
Churchill Central	B2C	Sponsorship Funded
Bloomsbury Collections	Institutional	Purchase
Churchill for Schools	Secondary Schools	Sponsorship Funded
Fairchild Books Library	Institutional	Subscription
Fairchild Books Fashion (textbook rental)	B2C	Purchase and Rental
Fashion Photography Archive	Institutional	Purchase & Subscription
Arcadian Library	Institutional	Subscription
Bloomsbury Popular Music	Institutional	Subscription
Bloomsbury Design Library	Institutional	Purchase & Subscription
Bloomsbury Food Library	Institutional	Subscription
Bloomsbury Cultural History	Institutional	Purchase & Subscription
Bloomsbury Encyclopaedia of Philosophers	Institutional	Subscription
Screen Studies	Institutional	Purchase & Subscription
Bloomsbury Architecture Library	Institutional	Purchase & Subscription
Fashion Business Cases	Institutional	Subscription
Early Years	B2C & Primary Schools	Subscription
AVA Collection	Institutional	Purchase & Subscription
Bloomsbury Professional Law & Tax products	B2B	Subscription
IZA World of Labor	Institutional	Sponsorship Funded
Whitaker's Online	B2C	Subscription
Bloomsbury Childhood and Education Studies	Institutional	Subscription

# OTHER NOTES



★ All metrics and commentary in this presentation are at reported foreign exchange rates and include adjusting items unless stated otherwise

★ The amortisation of acquired intangible assets has been highlighted in the financial results for the six months ended 31 August 2019

★ Adjusting items are highlighted in the financial statements and this presentation because in the opinion of the Directors, they provide additional understanding of the ongoing performance of the Group

★ Certain financial data within this presentation has been rounded. All percentage movements are based on the results to the nearest thousand

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