

**BLOOMSBURY PUBLISHING PLC**

**("Bloomsbury" or "the Company")**

**Unaudited Interim Results for the six months ended 31 August 2021**

**Record first half earnings performance  
Sales up 29% as reading surge continues  
Interim dividend increased**

Bloomsbury, the leading independent publisher, today announces unaudited results for the six months ended 31 August 2021.

**Commenting on the results, Nigel Newton, Chief Executive, said:**

"Bloomsbury delivered excellent results in the first half with year-on-year revenue growth of 29% to £100.7 million and profit growth of 225% to £12.9 million. These are our highest ever first half sales and profits. These results demonstrate the strength and resilience of our strategy of publishing for both the consumer and academic markets, and our growth of digital revenues.

During the first half, we successfully mitigated print supply chain challenges. This included earlier printing, well in advance of our usual peaks in the run up to Christmas and the beginning of the academic year in the Autumn. Other measures taken included agility about where we print.

Both divisions had outstanding performances. The Consumer division continued the momentum of last year with 29% revenue growth and a £5.6 million increase in profit before tax and highlighted items to £8.4 million. Bestsellers during the period included Tom Kerridge's *Outdoor Cooking*, *Piranesi* by Susanna Clarke, *A Court of Silver Flames* by Sarah J. Maas, *The Priory of the Orange Tree* by Samantha Shannon and *The Song of Achilles* by Madeline Miller. Since the period end Bloomsbury authors have won two of the most important prizes in the literary world, The Nobel Prize for Literature and The Women's Prize, which were won by Abdulrazak Gurnah and Susanna Clarke respectively. We congratulate them both.

The Non-Consumer division saw 27% growth and a £3.2 million increase in profit before tax and highlighted items to £4.6 million. Bloomsbury Digital Resources grew by 44% in addition to a very strong recovery in print sales, which grew by 34%. The focus on our online academic digital resource strategy means we are well placed to continue to benefit from the accelerated shift by academic institutions to digital products to support hybrid learning.

We completed two acquisitions in the period, as previously announced. We achieved another key step in the delivery of our long-term growth strategy expanding our Non-Consumer business, with the acquisition of the Red Globe Press ("RGP") list. Acquiring these complementary lists accelerates our digital growth and our significant presence in humanities and social sciences academic publishing. Our acquisition of Head of Zeus Limited ("HoZ") has provided a strong addition to Bloomsbury's thriving Consumer division and supports our long-term Consumer growth strategy.

Our strong financial position and cash generation give us significant opportunities for further acquisitions and investment in organic growth. In recognition of our strong performance and in line with our dividend policy, we are announcing a 5% increase in our interim dividend to 1.34 pence per share.

Retailers and online booksellers have significantly increased stock levels over previous years to ensure they have sufficient stock for Christmas given the supply chain problems. Our first half revenues have therefore been boosted by customers ordering earlier than in previous years.

Whilst the Board remains mindful of the external environment, including impediments in the supply chain and the possibility of higher returns of the increased stock ordered early, the strength of the first half performance means that we are confident in achieving market expectations for the year ending 28 February 2022.\*”

\* The Board considers current consensus market expectation for the year ending 28 February 2022 to be revenue of £193.4 million and profit before taxation and highlighted items of £19.3 million.

## Financial Highlights

	2021	2020	Growth
Revenue	£100.7 million	£78.3 million	29%
Profit before taxation and highlighted items <sup>1</sup>	£12.9 million	£4.0 million	220%
Profit before taxation	£11.1 million	£3.0 million	265%
Diluted earnings per share, excluding highlighted items <sup>1</sup>	12.82 pence	4.13 pence	210%
Diluted earnings per share	10.41 pence	2.87 pence	263%
Net cash	£43.7 million	£44.1 million	(1)%
Interim dividend	1.34 pence per share	1.28 pence per share	5%

## Operational Highlights

### *Consumer Division*

- Strong Consumer revenue growth of 29% to £62.9 million (2020: £48.6 million)
- Consumer profit before taxation and highlighted items<sup>1</sup> increased by £5.6 million to £8.4 million (2020: £2.7 million)
- Organic revenue growth was 24% and organic profit growth was £5.2 million, with Head of Zeus, completed in June, contributing £2.7 million revenue and £0.4 million profit before taxation and highlighted items<sup>1</sup> to Adult Trade

- Strong Adult Trade performance, with revenue up 27% to £23.9 million (2020: £18.8 million) and profit before taxation and highlighted items<sup>1</sup> up 23% to £1.3 million (2020: £1.1 million)
- Excellent Children’s Trade performance, with revenue growth of 31% to £39.0 million (2020: £29.8 million) and profit before taxation and highlighted items<sup>1</sup> up £5.4 million to £7.1 million (2020: £1.7 million)
- Strong sales of Sarah J. Maas front and backlist titles, with 130% growth; Harry Potter sales were good; growth of 10% in other Children’s titles
- Acquisition of HoZ in June 2021, providing a strong addition to the thriving Consumer division and supporting out long term Consumer growth strategy
- Bloomsbury won Trade Publisher of The Year at the Independent Publishing Awards 2021

### ***Non-Consumer Division***

- Excellent Non-Consumer performance, with revenue growth of 27% to £37.7 million (2020: £29.7 million)
- Non-Consumer profit before taxation and highlighted items<sup>1</sup> increased by 220% to £4.6 million (2020: £1.4 million)
- Organic revenue growth was 21% and organic profit growth was 211%, with RGP, completed in June, contributing £1.7 million revenue and £0.4 million profit before taxation and highlighted items<sup>1</sup> to Academic & Professional
- Strong Academic & Professional performance, with revenue growth of 32% to £26.4 million (2020: £20.1 million) and profit before taxation and highlighted items<sup>1</sup> up 121% to £3.9 million (2020: £1.8 million)
- Bloomsbury won Academic Publisher of the year at the 2021 British Book Awards
- Bloomsbury Digital Resources (“BDR”) revenue up 44% to £8.0 million (2020: £5.6 million) and profit of £2.8 million (2020: £1.2 million)
- On track to achieve our five year BDR ambition for revenue of £15 million and profit of £5 million for 2021/22
- New BDR target from 2022/23 of achieving a further 50% organic growth and 30% margin over the next five years

### *Note*

<sup>1</sup> Highlighted items comprise amortisation of acquired intangible assets, legal and other professional costs relating to ongoing and completed acquisitions and restructuring costs.

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References in this announcement to other reports or materials, such as a website address, have been provided to direct the reader to other sources of information on Bloomsbury Publishing Plc which may be of interest. Neither the content of Bloomsbury's website nor any website accessible by hyperlinks from Bloomsbury's website nor any additional materials contained or accessible thereon, are incorporated in, or form part of, this announcement.

## Chief Executive's statement

### Overview

Bloomsbury had an outstanding first half. Revenue grew by 29% to £100.7 million (2020: £78.3 million), and profit before taxation and highlighted items increased by £8.9 million to £12.9 million (2020: £4.0 million). Profit before taxation was £11.1 million (2020: £3.0 million).

Growth in organic revenue was 23%, with the two strategic acquisitions completed during the first half, RGP and HoZ, contributing revenue of £4.4 million. Growth in organic profit before taxation and highlighted items was £8.1 million, with RGP and HoZ contributing £0.8 million.

The strength of demand for our titles, in print and e-book, and for our digital products, demonstrates the strength of our long-term growth strategy and the good choices made by our editors and our sales and marketing strength. Since the period end, Bloomsbury authors have won two of the most important prizes in the literary world – The Nobel Prize for Literature and The Women's Prize - which were won by Abdulrazak Gurnah and Susanna Clarke respectively. We congratulate them both.

Bloomsbury Digital Resources ("BDR") achieved 44% revenue growth year-on-year and is on track to deliver our five year target of £15 million revenue for the full year. Our strategy enables us to deliver growth from the ongoing shift to digital learning, excellent digital products and the quality of platforms and infrastructure, with a 56% increase in the number of customers year-on-year.

The highlighted items of £1.8 million (2020: £1.0 million) consist of the amortisation of acquired intangible assets of £1.0 million (2020: £0.9 million) and legal and other professional fees relating to ongoing and completed acquisitions and restructuring costs of £0.8 million (2020: £0.1 million). The effective rate of tax for the period was 23% (2020: 24%). The adjusted effective rate of tax, excluding highlighted items, was 18% (2020: 17%). Diluted earnings per share for the period, excluding highlighted items, grew by 210% to 12.82 pence (2020: 4.13 pence). Including highlighted items, profit before taxation grew by 265% to £11.1 million (2020: £3.0 million) and diluted earnings per share grew by 263% to 10.41 pence (2020: 2.87 pence).

### Strategy

Bloomsbury's long-term growth strategy is aimed at diversifying into digital channels and building quality revenues, increasing earnings and building on the success of the last six years. To achieve this, we are focused on a number of long-term strategic objectives, which include:

- **Non-Consumer**
  - Grow Bloomsbury's portfolio in Non-Consumer publishing. Non-Consumer publishing is characterised by higher, more predictable margins and greater digital and global opportunities.
  - *2021/22 H1*: delivered 27% growth in Non-Consumer revenues.
  - Achieve BDR revenue of £15 million and profit of £5 million for 2021/22.
  - *2021/22 H1*: delivered £8.0 million revenue, up 44%, and profit of £2.8m profit, up £1.6m.

- Our BDR target for the next five years from 2022/23 is to achieve a further 50% organic growth and 30% margin.
- **Consumer**
  - Discover, nurture, champion and retain high quality authors and illustrators in our Consumer division, while looking at new ways to leverage existing title rights. 2021/22 H1: UK and US bestsellers included Tom Kerridge's *Outdoor Cooking*, *Piranesi* by Susanna Clarke, *The Priory of the Orange Tree* by Samantha Shannon and *The Song of Achilles* by Madeline Miller.
  - Grow our key authors through effective publishing across all formats alongside strategic sales and marketing.
  - 2021/22 H1: 130% growth in Sarah J. Maas' title sales, with her newest title *A Court of Silver Flames* reaching Number One on the *New York Times* bestseller list.
  - As the originating publisher of J.K. Rowling's Harry Potter, to ensure that new children discover and read it for pleasure every year.
  - 2021/22 H1: Sales of Harry Potter titles were good, and the paperback edition of *Harry Potter and the Philosopher's Stone* was the fourth bestselling children's book of the year to date on UK Nielsen Bookscan, 24 years after it was first published.

### **International Expansion**

- Expand international revenues and reduce reliance on UK market.
- 2021/22: delivered overseas revenue growth to 65% of Group revenue (2020/21 H1: 64%). 76% of Academic BDR sales are international.

### **Employee Experience and Engagement**

Our success is driven by our colleagues' expertise, passion and commitment. We understand the importance of attracting, supporting and engaging colleagues wherever they work.

- To be an attractive employer for individuals seeking a career in publishing regardless of background or identity;
- Focus on targeted initiatives to create an environment that promotes diversity, nurtures talent, stimulates creativity and collaboration, supports well-being and is respectful of difference.
- 2021/22 H1:
  - Developed our employee bonus scheme, ensuring the financial rewards of our success are fairly shared across all of our employees.
  - For 2021/22, the groupwide bonus scheme was revised so that 25% of the maximum bonus potential will be paid on achievement of the profit before tax target hurdle. Any outperformance of this target will be used to fund the remaining 75% of the bonus pool.

- The groupwide bonus scheme was introduced for the first time in 2020/21, rewarding staff with a total bonus of £2.6 million, as previously reported.
- The Remuneration Policy received very strong approval of 99.0% from Shareholders at the 2021 AGM.
- Launched our Diversity, Equity and Inclusion (DEI) Action Plan. This outlines Bloomsbury's goals and targets for DEI, focusing on recruitment, retention, training and development, education, engagement and inclusion and publishing and communication.
- Increased focused resource with the appointment of a Diversity and Inclusion and Training Administration Manager.
- Training pilots delivered to key staff across the business on Mental Health First Aid, Unconscious Bias and Allyship in the Workplace.
- Further management training through a Leadership and Management Diploma for Bloomsbury UK staff.
- Awareness communications and events delivered by our Employee Resource Groups, including Mental Health Awareness Week and DEI Newsletters.
- Creation of the Disability Employee Resource Group.
- Success of apprenticeship scheme: working with LDN Apprenticeships to create access and sustainable career opportunities, with our first two apprentices already securing permanent roles with us.

### ***Sustainability***

- Continue to switch to renewable energy across all sites, with the goal of Net Zero emissions in line with the Paris Agreement.
- *2021/22 H1*: Set Science Based Targets, validated by the Science Based Target Initiative, to reduce carbon emissions in line with the Paris Agreement.
- Committed to a 46% reduction in our Scope 1 and 2 emissions by 2030; this reduction will help limit global warming to 1.5 degrees in line with the Paris Agreement.
- Our Scope 3 target states a 20% reduction in emissions by 2035. This reduction is in line with a 2 degree pathway. Through close collaboration with key printers, distributors and other suppliers we aim to achieve this and more.
- Bloomsbury was recognised by the Financial Times' 'Europe's Climate Leaders 2021' – the 300 companies that achieved the greatest reduction in their greenhouse gas intensity between 2014 and 2019, aligned with revenue growth.
- Supporting the Woodland Trust and Reforest'Action for three years.

## **Supply Chain and Operations**

During the first half, we successfully mitigated print supply chain challenges. This included earlier printing, well in advance of our usual peaks before Christmas and at the beginning of the academic year in the Autumn. Other measures taken included agility about where we print.

As widely reported, retailers and online booksellers have significantly increased stock levels over previous years to ensure they have sufficient stock for Christmas. Our first half revenues have therefore been boosted by customers ordering earlier than in previous years.

## **Consumer Division**

The Consumer division consists of Adult and Children's trade publishing. The Consumer division achieved excellent revenue growth of 29% to £62.9 million (2020: £48.6 million). Organic revenue growth was 24%. Profit before taxation and highlighted items increased by £5.6 million to £8.4 million (2020: £2.7 million). The excellent performance was from both the Children's and Adult divisions, across front and backlist titles, and includes £2.7 million revenue and £0.4m profit before taxation and highlighted items from HoZ, completed in June 2021.

### ***Adult Trade***

The Adult division achieved strong growth with a 27% increase in revenue to £23.9 million (2020: £18.8 million) and a 23% increase in profit before taxation and highlighted items to £1.3 million (2020: £1.1 million). This was driven by bestsellers from our front and backlist and includes £2.7 million revenue and £0.4m profit contribution from HoZ, completed in June 2021.

*Sunday Times* bestsellers in the period included Tom Kerridge's *Outdoor Cooking*, *Piranesi* by Susanna Clarke, *Animal* by Lisa Taddeo, *The Song of Achilles* by Madeline Miller and *The Wolf Den* by Elodie Harper, from HoZ. New York Times bestsellers included *The Priory of the Orange Tree* by Samantha Shannon.

We are incredibly proud that Bloomsbury's author Abdulrazak Gurnah has been awarded the 2021 Nobel Prize in Literature. His remarkable work has been published and championed by Bloomsbury and our very long-standing commitment to this author has been rewarded. The judges remarked upon "his uncompromising and compassionate penetration of the effects of colonialism and the fate of the refugee in the gulf between cultures and continents."

### ***Children's Trade***

Children's sales increased by 31% to £39.0 million (2020: £29.8 million) and profit before taxation and highlighted items increased by £5.4 million to £7.1 million (2020: £1.7 million). High demand for our strong titles continued the momentum from last year, with excellent sales of Sarah J. Maas' new and backlist titles.

Sales of Harry Potter titles were good. Harry Potter and the Philosopher's Stone was the UK's fourth bestselling children's book of the year to date, twenty-four years after it was first published. We are delighted that every year these classics reach a new generation of readers.

Sarah J. Maas revenues grew by 130%, reflecting her latest bestselling frontlist title, *A Court of Silver Flames*, published in February 2021, and strong sales of her backlist titles. Last year there was one new



title in the first half. We will publish one new title in the second half: *Crescent City: House of Sky and Breath*, in February 2022.

Sarah J. Maas is the number one New York Times and internationally bestselling author of the *Throne of Glass*, *Court of Thorns and Roses* and *Crescent City* series, with all of her 14 titles published by Bloomsbury, since her first novel, *Throne of Glass*, in 2012. Her first novel for adults, *Crescent City: House of Earth and Blood*, published in March 2020, debuted at number 1 on The New York Times bestseller list. Hulu is developing an adaptation of the *Court of Thorns and Roses* series for its streaming service with Ron D. Moore, who has worked on many successful shows including *Outlander*, also adapted from a bestselling book series.

Revenues for the rest of the Children's division grew by 10% year-on-year. Highlights in the Children's list included *This Poison Heart* by Kalynn Bayron and *Defy the Night* by Brigid Kemmerer.

### **Non-Consumer Division**

The Non-Consumer division consists of Academic & Professional and Special Interest. Revenues in the division grew by 27% to £37.7 million (2020: £29.7 million). Profit before taxation and highlighted items for the Non-Consumer division grew by £3.2 million to £4.6 million (2020: £1.4 million). Organic revenue growth was 21% and organic profit growth was 211%, with RGP, acquired in June 2021, contributing £1.7 million revenue and £0.4 million profit.

Academic & Professional revenues increased by 32% to £26.4 million (2020: £20.1 million) and profit before taxation and highlighted items increased by 121% to £3.9 million (2020: £1.8 million). Strong demand for our digital products delivered 44% growth in BDR revenue and print sales recovered well from last year, up 34%.

We are focused on delivering growth from accelerating our established and most successful products, including the award-winning Drama Online, leveraging content and platforms from our acquisitions, building partnerships and launching new products. We delivered a 56% increase in the number of customers year-on-year, and maintained our existing customer retention rate at over 90%.

We have further strengthened our portfolio of products with the acquisition of RGP's three digital products, Cite Them Right, Skills for Study and Social Work Toolkit. We extended our partnerships with Taylor & Francis and Human Kinetics, in addition to new partnerships with Eerdmans and Icon Books, and we have delivered one new product and five new modules in the first half.

Special Interest revenues increased by 18% to £11.3 million (2020: £9.6 million), with bestsellers during the period including *Wisden Cricketers Almanack*, *Reeds Nautical Almanac*, the *Writers' and Artists' Yearbook* and *Osprey Games' Imperium Legends*. The profit was £0.7 million (2020: £0.3 million loss).

### **Acquisitions**

In June 2021, we achieved another key step in the delivery of our strategic growth strategy and driving our Non-Consumer business, with the completion of the acquisition of certain assets of RGP, the academic imprint, from Springer Nature Group as previously announced. The acquired RGP titles are a good strategic fit, strengthen Bloomsbury's existing academic publishing, and establish new areas of academic

publishing in Business and Management, Study Skills and Psychology. RGP's three digital products will be migrated to BDR's own platform and its content will be added to Bloomsbury Collections. The consideration was £3.2 million, of which £1.8 million was satisfied in cash on completion in June 2021 and £1.2 million was satisfied in cash post completion, with an expected further £0.2 million to be satisfied post completion subject to assignment of certain contracts. The integration of RGP is going well and contributing as projected.

In June 2021, we completed the acquisition of the issued share capital of HoZ, the independent trade publisher, as previously announced. This acquisition will provide a strong addition to Bloomsbury's thriving Consumer division and support our long term Consumer growth strategy, with new high quality authors and effective publishing across all formats, including e-book and audio. The consideration, net of pre-existing loans, was £7.0 million, of which £5.5 million was satisfied in cash at completion, with £1.1 million paid in cash post completion, and £0.4 million of deferred consideration payable in cash subject to achievement of Netflix release targets. HoZ won Publisher of the Year at the CWA Daggers Awards and *The Wolf Den* by Elodie Harper was a number 1 *Times* bestseller. Popular writers from HoZ include Dan Jones, Cixin Liu, Nadine Dorries, Victoria Hislop and Lesley Thomson. Cixin Liu's bestselling science trilogy, *The Three-Body Problem*, is being adapted for Netflix by David Benioff and D.B. Weiss, creators of HBO's *Game of Thrones*. HoZ is contributing as planned, with the integration planned for 2022/23.

Bloomsbury has a strong and successful track record in strategic acquisitions, with 18 acquisitions completed since 2008. We are actively targeting further acquisition opportunities in line with our long-term growth strategy.

### **Cash and Financing**

Bloomsbury's cash generation was strong with cash at 31 August 2021 of £43.7 million (2020: £44.1 million), and cash conversion of 173% (2020: 258%). During the period we invested £3.0 million in the acquisition of RGP, £5.8 million in the acquisition of HoZ and £0.4 million of capital expenditure in BDR. The Group has an unsecured revolving credit facility with Lloyds Bank Plc. The facility comprises a committed revolving loan facility of £10 million and an uncommitted incremental term loan facility of up to £6 million. At 31 August 2021, the Group had no draw down (2020: £nil) of this facility.

### **Dividend**

The Group's dividend policy is supported by strong cash cover. The Board has declared an interim dividend of 1.34 pence per share, 5% above the interim dividend for the six months ended 31 August 2020. The dividend will be paid on 3 December 2021 to Shareholders on the register on the record date of 5 November 2021.

### **Social initiatives**

As part of Bloomsbury's ongoing commitment to our wider communities, and in addition to our focus on promoting literature, literacy and education, we actively support numerous organisations worldwide. These include our three-year partnership with the National Literacy Trust, centred in Hastings, one of the UK's most deprived areas. The partnership focuses on raising the literary aspirations of primary school children and helps adults to access the support they need to improve their own literacy skills. Bloomsbury has worked with 18 schools, distributed books and reached a live audience of 2,765 children through live

author events. In the US, we are a corporate partner for 'A Year of Connection for Black Storytellers & Bridge-Building for Children's Book Publishing Teams to Amplify Black Stories'. Renee Watson, author of Bloomsbury titles including *Piecing Me Together*, is an advocate and spokesperson for this programme. In addition, we donated four set texts for teaching GCSE and A Level English Literature with The Runnymede Trust's Lit in Colour campaign.

### **Board Changes**

As announced in June 2021, John Warren stepped down from the Board at the conclusion of Bloomsbury's 2021 AGM on 21 July 2021. Leslie-Ann Reed succeeded John as Chair of the Audit Committee and Senior Independent Director.

### **Future Publishing**

Our strong Consumer publishing list for the second half includes *Lost Focus* by Johan Hari, *Gino's Italian Family Adventure* by Gino D'Acampo, Dan Jones' *Power and Thrones: A New History of the Middle Ages* and Celia Imrie's *Orphans of the Storm*. Susanna Clarke's *Piranesi* won the Women's Prize in September, returning to the bestseller lists. Abdulrazak Gurnah, whose title *Afterlife* has just been published in paperback, won the Nobel Prize for Literature in October, the world's most prestigious literary prize. We will be publishing Sarah J. Maas' second *Crescent City* title, *House of Sky and Breath*, in February 2022. Our Children's frontlist for the second half includes *Harry Potter – A Magical Year: The Illustrations of Jim Kay*, a beautiful new gift book with a moment for every day of the year and *Defy the Night*, the much anticipated new series from Brigid Kemmerer, which reached number 3 on the *New York Times* bestseller list on release in September.

Our Bloomsbury Digital Resources ("BDR") strategic initiatives include the launch of a new Drama Online collection from the market leading US drama publisher Theatre Communications Group. In September, we strengthened our digital content by acquiring certain assets of [Artfilms](#), the video streaming service of Contemporary Arts Media. Artfilms offers over 2,000 films from top artists and independent filmmakers, mainly aimed at arts education and arts practitioners. The international collection includes masterclasses, documentaries, interviews: content that entertains, educates and informs. In addition, we will expand Bloomsbury Collections to include the RGP titles and migrate RGP's three digital products to BDR's own platform. In addition, Bloomsbury's strategic content partnership with Spotify went live. On Spotify's *The 33 1/3 Podcast*, legendary producer Prince Paul explores some of the greatest albums ever made, using the source material of the *33 1/3* book series.

### **Outlook**

Print supply chain challenges are ongoing. We are continuing to mitigate these risks through a number of measures including working with suppliers to print earlier, working with customers to deliver earlier and being agile about where we print.

During the first half, these measures enabled us to make earlier print sales to customers, well in advance of our historical peaks in the run up to Christmas and at the beginning of the academic year in the Autumn. Retailers and online booksellers significantly increased stock levels over previous years to ensure they have sufficient stock for Christmas given the supply chain problems. Our first half revenues have therefore been boosted by customers ordering earlier than in previous years.

Our strategy of not delaying title launches throughout the last 18 months has benefitted our performance to date and means that we are less reliant on the 2021 Christmas season, which is expected to be competitive for Consumer titles. Tom Kerridge's latest title, *Outdoor Cooking*, was launched in the first half rather than the second half, which was the case for our previous Tom Kerridge titles.

The strength of our long-term strategy, including growing digital formats, has been and continues to be demonstrated by our results. We are confident that our strategy will continue to bear fruit over the long term, despite current external factors affecting supply.

Supply chain issues have no impact on our digital sales, which continue to materially increase and are a growing proportion of both revenue and profits. Digital and non-print sales accounted for 26% of revenue in the first half. Reflecting this, we are also on target to achieve our five year ambition for BDR revenue of £15 million and profit of £5 million for 2021/22. Our new BDR target from 2022/23 is to achieve a further 50% organic growth and 30% margin over the next five years.

Whilst the Board remains mindful of the external environment, including impediments in the supply chain and the possibility of higher returns of the increased stock ordered early, the strength of the first half performance means that we are confident of achieving market expectations for the year ending 28 February 2022.\*

\* The Board considers current consensus market expectation for the year ending 28 February 2022 to be revenue of £193.4 million and profit before taxation and highlighted items of £19.3 million.

**Condensed Consolidated Interim Income Statement  
For the six months ended 31 August 2021**

	Notes	<b>6 months ended 31 August 2021 £'000</b>	6 months ended 31 August 2020 £'000	Year ended 28 February 2021 £'000
Revenue	3	<b>100,656</b>	78,287	185,136
Cost of sales		<b>(43,967)</b>	(37,051)	(85,533)
<b>Gross profit</b>		<b>56,689</b>	41,236	99,603
Marketing and distribution costs		<b>(13,561)</b>	(9,842)	(23,393)
Administrative expenses		<b>(31,831)</b>	(28,013)	(58,267)
Share of result of joint venture		<b>(54)</b>	(39)	(110)
<b>Operating profit before highlighted items</b>		<b>13,072</b>	4,343	19,637
Highlighted items	4	<b>(1,829)</b>	(1,001)	(1,804)
<b>Operating profit</b>		<b>11,243</b>	3,342	17,833
Finance income		<b>54</b>	71	120
Finance costs		<b>(214)</b>	(378)	(604)
<b>Profit before taxation and highlighted items</b>		<b>12,912</b>	4,036	19,153
Highlighted items	4	<b>(1,829)</b>	(1,001)	(1,804)
<b>Profit before taxation</b>	3	<b>11,083</b>	3,035	17,349
Taxation		<b>(2,495)</b>	(715)	(3,652)
<b>Profit for the period attributable to owners of the Company</b>		<b>8,588</b>	2,320	13,697
<b>Earnings per share attributable to owners of the Company</b>				
Basic earnings per share	6	<b>10.54p</b>	2.89p	16.94p
Diluted earnings per share	6	<b>10.41p</b>	2.87p	16.71p

The accompanying notes form an integral part of this condensed consolidated interim financial report.

**Condensed Consolidated Interim Statement of Comprehensive Income  
For the six months ended 31 August 2021**

	<b>6 months ended 31 August 2021 £'000</b>	6 months ended 31 August 2020 £'000	Year ended 28 February 2021 £'000
Profit for the period	<b>8,588</b>	2,320	13,697
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to the income statement:</i>			
Exchange differences on translating foreign operations	<b>373</b>	(1,176)	(2,877)
<i>Items that may not be reclassified to the income statement:</i>			
Remeasurements on the defined benefit pension scheme	<b>(10)</b>	4	89
Other comprehensive income for the period net of tax	<b>363</b>	(1,172)	(2,788)
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b>8,951</b>	1,148	10,909

Items in the statement above are disclosed net of tax.

**Condensed Consolidated Interim Statement of Financial Position**  
**At 31 August 2021**

	Notes	31 August 2021 £'000	31 August 2020 £'000	28 February 2021 £'000
<b>Assets</b>				
Goodwill		45,326	44,865	44,688
Other intangible assets		25,712	21,881	21,337
Investments		108	477	162
Property, plant and equipment		1,804	1,774	1,846
Right-of-use assets		10,950	12,333	11,433
Deferred tax assets		4,588	2,960	3,904
Trade and other receivables	9	934	1,092	1,005
<b>Total non-current assets</b>		<b>89,422</b>	<b>85,382</b>	<b>84,375</b>
Inventories		37,203	26,375	26,774
Trade and other receivables	9	100,152	85,734	93,542
Cash and cash equivalents		43,663	44,058	54,466
<b>Total current assets</b>		<b>181,018</b>	<b>156,167</b>	<b>174,782</b>
<b>Total assets</b>		<b>270,440</b>	<b>241,549</b>	<b>259,157</b>
<b>Liabilities</b>				
Retirement benefit obligations		12	139	14
Deferred tax liabilities		3,417	2,435	2,386
Lease liabilities		10,511	12,698	11,135
Provisions		249	202	232
<b>Total non-current liabilities</b>		<b>14,189</b>	<b>15,474</b>	<b>13,767</b>
Trade and other liabilities		91,345	64,347	74,341
Lease liabilities		1,875	2,442	1,808
Current tax liabilities		453	-	456
Provisions		497	665	536
<b>Total current liabilities</b>		<b>94,170</b>	<b>67,454</b>	<b>77,141</b>
<b>Total liabilities</b>		<b>108,359</b>	<b>82,928</b>	<b>90,908</b>
<b>Net assets</b>		<b>162,081</b>	<b>158,621</b>	<b>168,249</b>
<b>Equity</b>				
Share capital		1,020	1,020	1,020
Share premium		47,319	47,319	47,319
Translation reserve		7,003	8,331	6,630
Other reserves		10,453	8,682	9,623
Retained earnings		96,286	93,269	103,657
<b>Total equity attributable to owners of the Company</b>		<b>162,081</b>	<b>158,621</b>	<b>168,249</b>

**Condensed Consolidated Interim Statement of Changes in Equity  
At 31 August 2021**

	Share capital £'000	Share premium £'000	Translation reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Share- based payment reserve £'000	Own shares held by the EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 2021	<b>1,020</b>	<b>47,319</b>	<b>6,630</b>	<b>1,803</b>	<b>22</b>	<b>7,945</b>	<b>(147)</b>	<b>103,657</b>	<b>168,249</b>
Profit for the period	-	-	-	-	-	-	-	8,588	8,588
<b>Other comprehensive income</b>									
Exchange differences on translating foreign operations	-	-	373	-	-	-	-	-	373
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	(10)	(10)
<b>Total comprehensive income for the period</b>	-	-	<b>373</b>	-	-	-	-	<b>8,578</b>	<b>8,951</b>
<b>Transactions with owners</b>									
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(14,064)	(14,064)
Purchase of shares by the Employee Benefit Trust	-	-	-	-	-	-	(1,973)	-	(1,973)
Share options exercised	-	-	-	-	-	-	2,047	(2,031)	16
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	146	146
Share-based payment transactions	-	-	-	-	-	756	-	-	756
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	<b>756</b>	<b>74</b>	<b>(15,949)</b>	<b>(15,119)</b>
<b>At 31 August 2021</b>	<b>1,020</b>	<b>47,319</b>	<b>7,003</b>	<b>1,803</b>	<b>22</b>	<b>8,701</b>	<b>(73)</b>	<b>96,286</b>	<b>162,081</b>



	Share capital £'000	Share premium £'000	Translation reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Own shares held by the EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 2020	942	39,388	9,507	1,803	22	6,724	(771)	92,058	149,673
Profit for the period	-	-	-	-	-	-	-	2,320	2,320
<b>Other comprehensive income</b>									
Exchange differences on translating foreign operations	-	-	(1,176)	-	-	-	-	-	(1,176)
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	4	4
<b>Total comprehensive income for the period</b>	-	-	<b>(1,176)</b>	-	-	-	-	<b>2,324</b>	<b>1,148</b>
<b>Transactions with owners</b>									
Issue of share capital	47	7,931	-	-	-	-	-	-	7,978
Bonus issue of share capital	31	-	-	-	-	-	-	(31)	-
Purchase of shares by the Employee Benefit Trust	-	-	-	-	-	-	(536)	-	(536)
Share options exercised	-	-	-	-	-	-	1,017	(1,017)	-
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	(65)	(65)
Share-based payment transactions	-	-	-	-	-	423	-	-	423
<b>Total transactions with owners of the Company</b>	<b>78</b>	<b>7,931</b>	-	-	-	<b>423</b>	<b>481</b>	<b>(1,113)</b>	<b>7,800</b>
<b>At 31 August 2020</b>	<b>1,020</b>	<b>47,319</b>	<b>8,331</b>	<b>1,803</b>	<b>22</b>	<b>7,147</b>	<b>(290)</b>	<b>93,269</b>	<b>158,621</b>

	Share capital £'000	Share premium £'000	Translation reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Own shares held by the EBT £'000	Retained earnings £'000	Total equity £'000
At 1 March 2020	942	39,388	9,507	1,803	22	6,724	(771)	92,058	149,673
Profit for the period	-	-	-	-	-	-	-	13,697	13,697
<b>Other comprehensive income</b>									
Exchange differences on translating foreign operations	-	-	(2,877)	-	-	-	-	-	(2,877)
Remeasurements on the defined benefit pension scheme	-	-	-	-	-	-	-	89	89
<b>Total comprehensive income for the period</b>	-	-	<b>(2,877)</b>	-	-	-	-	<b>13,786</b>	<b>10,909</b>
<b>Transactions with owners</b>									
Issue of share capital	47	7,931	-	-	-	-	-	-	7,978
Bonus issue of share capital	31	-	-	-	-	-	-	(31)	-
Dividends to equity holders of the Company	-	-	-	-	-	-	-	(1,045)	(1,045)
Purchase of shares by the Employee Benefit Trust	-	-	-	-	-	-	(674)	-	(674)
Share options exercised	-	-	-	-	-	-	1,298	(1,114)	184
Deferred tax on share-based payment transactions	-	-	-	-	-	-	-	3	3
Share-based payment transactions	-	-	-	-	-	1,221	-	-	1,221
<b>Total transactions with owners of the Company</b>	<b>78</b>	<b>7,931</b>	-	-	-	<b>1,221</b>	<b>624</b>	<b>(2,187)</b>	<b>7,667</b>
<b>At 28 February 2021</b>	<b>1,020</b>	<b>47,319</b>	<b>6,630</b>	<b>1,803</b>	<b>22</b>	<b>7,945</b>	<b>(147)</b>	<b>103,657</b>	<b>168,249</b>

**Condensed Consolidated Interim Statement of Cash Flows**  
**For the six months ended 31 August 2021**

	6 months ended 31 August 2021 £'000	6 months ended 31 August 2020 £'000	Year ended 28 February 2021 £'000
<b>Cash flows from operating activities</b>			
Profit for the period	8,588	2,320	13,697
Adjustments for:			
Depreciation of property, plant and equipment	239	226	473
Depreciation of right-of-use assets	794	908	1,806
Amortisation of intangible assets	3,114	2,402	5,485
Impairment of investments	-	-	300
Finance income	(54)	(71)	(120)
Finance costs	214	378	604
Share of loss of joint venture	54	39	110
Share-based payment charges	1,021	456	1,416
Tax expense	2,495	715	3,652
	16,465	7,373	27,423
(Increase)/decrease in inventories	(7,165)	874	(357)
Decrease/(Increase) in trade and other receivables	1,667	(1,029)	(11,281)
Increase in trade and other payables	10,383	2,800	13,789
<b>Cash generated from operating activities</b>	<b>21,350</b>	<b>10,018</b>	<b>29,574</b>
Income taxes paid	(3,456)	(1,910)	(4,406)
<b>Net cash generated from operating activities</b>	<b>17,894</b>	<b>8,108</b>	<b>25,168</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(143)	(89)	(422)
Purchases of intangible assets	(1,806)	(1,299)	(3,804)
Purchase of business, net of cash acquired	(5,736)	-	-
Purchase of rights to assets	(2,992)	(1,490)	(1,547)
Purchase of share in a joint venture	-	-	(56)
Interest received	54	71	110
<b>Net cash used in investing activities</b>	<b>(10,623)</b>	<b>(2,807)</b>	<b>(5,719)</b>
<b>Cash flows from financing activities</b>			
Equity dividends paid	(14,064)	-	(1,045)
Purchase of shares by the Employee Benefit Trust	(1,973)	(536)	(674)
Proceeds from exercise of share options	16	-	184
Proceeds from share issue	-	7,978	7,978
New loan advances	-	1,450	-
Repayment of borrowing	(1,112)	-	-
Repayment of lease liabilities	(897)	(583)	(1,451)
Lease liabilities interest paid	(200)	(235)	(442)
Other interest paid	(14)	(143)	(149)
<b>Net cash (used in)/generated from financing activities</b>	<b>(18,244)</b>	<b>7,931</b>	<b>4,401</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(10,973)</b>	<b>13,232</b>	<b>23,850</b>
Cash and cash equivalents at beginning of period	54,466	31,345	31,345
Exchange gain/(loss) on cash and cash equivalents	170	(519)	(729)
<b>Cash and cash equivalents at end of period</b>	<b>43,663</b>	<b>44,058</b>	<b>54,466</b>

## Notes to the Condensed Consolidated Interim Financial Statements

### 1. Reporting entity

Bloomsbury Publishing Plc (the “Company”) is a Company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 August 2021 comprise the Company and its subsidiaries (together referred to as the “Group”). The Group is primarily involved in the publication of books and other related services.

### 2. Significant accounting policies

#### a) Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 ‘Interim Financial Reporting’ as adopted by the European Union (“EU”). They are unaudited and do not constitute statutory accounts. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 28 February 2021.

Except as described below, the condensed set of financial statements have been prepared on a consistent basis with the financial statements for the year ended 28 February 2021 and should be read in conjunction with the Annual Report 2021. The annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) pronouncements as adopted by the EU. The 2021 Annual Report refers to other new standards effective from 1 March 2021. None of these standards have had a material impact in these financial statements.

The comparative financial information for the year ended 28 February 2021 does not constitute statutory accounts for that financial year. This information was extracted from the statutory accounts for the year ended 28 February 2021, a copy of which has been delivered to the Registrar of Companies. The auditor’s report on those accounts was unqualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 27 October 2021.

#### b) Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of the condensed consolidated interim financial statements, being the period of the detailed going concern assessment reviewed by the Board, and therefore continue to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements.

The Board has modelled a severe but plausible pessimistic downside scenario, including the impact of coronavirus. This assumes:

- Print sales drop by 25% - 50% with recovery during 2023/24;
- Downside assumptions about extended debtor days with recovery during 2023/24; and
- Cash preservation measures implemented and variable costs reduced.

Under this severe but plausible downside scenario, the Group has sufficient liquidity to be able to manage these downside assumptions.

The Group has an unsecured revolving credit facility with Lloyds Bank Plc. The facility comprises a committed revolving credit facility of £10 million, and an uncommitted incremental term loan facility of up to £6 million. The facilities are subject to two covenants, being a maximum net debt to EBITDA ratio of 2.5x and a minimum interest cover covenant of 4x. The agreement is to October 2024. At 31 August 2021, the Group had no draw down of this facility.

**c) Uses of estimates and judgments**

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets liabilities, income and expenses. Actual results may differ from these estimates. Critical judgments and areas where the use of estimates is significant are set out in the 2021 Annual Report.

**3. Segmental analysis**

The Group is comprised of two worldwide publishing divisions: Consumer and Non-Consumer, reflecting the core customers for our different operations. The Consumer division is further split out into two operating segments: Children's Trade and Adult Trade. Non-Consumer is split between two operating segments: Academic & Professional and Special Interest.

Each reportable segment represents a cash-generating unit for the purpose of impairment testing. We have allocated goodwill between reportable segments.

These divisions are the basis on which the Group primarily reports its segment information. Segments derive their revenue from book publishing, sale of publishing and distribution rights, management and other publishing services. The analysis by segment is shown below:

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
<b>Six months ended 31 August 2021</b>								
<b>External revenue</b>	<b>38,990</b>	<b>23,928</b>	<b>62,918</b>	<b>26,411</b>	<b>11,327</b>	<b>37,738</b>	-	<b>100,656</b>
Cost of sales	(18,094)	(12,001)	(30,095)	(8,775)	(5,097)	(13,872)	-	(43,967)
<b>Gross profit</b>	<b>20,896</b>	<b>11,927</b>	<b>32,823</b>	<b>17,636</b>	<b>6,230</b>	<b>23,866</b>	-	<b>56,689</b>
Marketing and distribution costs	(5,663)	(3,755)	(9,418)	(2,569)	(1,574)	(4,143)	-	(13,561)
<b>Contribution before administrative expenses</b>	<b>15,233</b>	<b>8,172</b>	<b>23,405</b>	<b>15,067</b>	<b>4,656</b>	<b>19,723</b>	-	<b>43,128</b>
Administrative expenses excluding highlighted items	(8,104)	(6,833)	(14,937)	(11,120)	(3,945)	(15,065)	-	(30,002)
Share of joint venture	-	-	-	-	-	-	(54)	(54)
<b>Operating profit/(loss) before highlighted items</b>	<b>7,129</b>	<b>1,339</b>	<b>8,468</b>	<b>3,947</b>	<b>711</b>	<b>4,658</b>	<b>(54)</b>	<b>13,072</b>
Amortisation of acquired intangible assets	-	(49)	(49)	(829)	(107)	(936)	-	(985)
Other highlighted items	-	-	-	-	-	-	(844)	(844)
<b>Operating profit/(loss)</b>	<b>7,129</b>	<b>1,290</b>	<b>8,419</b>	<b>3,118</b>	<b>604</b>	<b>3,722</b>	<b>(898)</b>	<b>11,243</b>
Finance income	-	-	-	38	-	38	16	54
Finance costs	(75)	(42)	(117)	(58)	(25)	(83)	(14)	(214)
<b>Profit/(loss) before taxation and highlighted items</b>	<b>7,054</b>	<b>1,297</b>	<b>8,351</b>	<b>3,927</b>	<b>686</b>	<b>4,613</b>	<b>(52)</b>	<b>12,912</b>
Amortisation of acquired intangible assets	-	(49)	(49)	(829)	(107)	(936)	-	(985)
Other highlighted items	-	-	-	-	-	-	(844)	(844)
<b>Profit/(loss) before taxation</b>	<b>7,054</b>	<b>1,248</b>	<b>8,302</b>	<b>3,098</b>	<b>579</b>	<b>3,677</b>	<b>(896)</b>	<b>11,083</b>
Taxation	-	-	-	-	-	-	(2,495)	(2,495)
<b>Profit/(loss) for the period</b>	<b>7,054</b>	<b>1,248</b>	<b>8,302</b>	<b>3,098</b>	<b>579</b>	<b>3,677</b>	<b>(3,391)</b>	<b>8,588</b>

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
<b>Six months ended 31 August 2020</b>								
<b>External revenue</b>	<b>29,767</b>	<b>18,836</b>	<b>48,603</b>	<b>20,083</b>	<b>9,601</b>	<b>29,684</b>	-	<b>78,287</b>
Cost of sales	(16,002)	(9,205)	(25,207)	(7,014)	(4,830)	(11,844)	-	(37,051)
<b>Gross profit</b>	<b>13,765</b>	<b>9,631</b>	<b>23,396</b>	<b>13,069</b>	<b>4,771</b>	<b>17,840</b>	-	<b>41,236</b>
Marketing and distribution costs	(3,824)	(2,647)	(6,471)	(1,945)	(1,426)	(3,371)	-	(9,842)
<b>Contribution before administrative expenses</b>	<b>9,941</b>	<b>6,984</b>	<b>16,925</b>	<b>11,124</b>	<b>3,345</b>	<b>14,469</b>	-	<b>31,394</b>
Administrative expenses excluding highlighted items	(8,212)	(5,887)	(14,099)	(9,273)	(3,640)	(12,913)	-	(27,012)
Share of joint venture	-	-	-	-	-	-	(39)	(39)
<b>Operating profit/(loss) before highlighted items</b>	<b>1,729</b>	<b>1,097</b>	<b>2,826</b>	<b>1,851</b>	<b>(295)</b>	<b>1,556</b>	<b>(39)</b>	<b>4,343</b>
Amortisation of acquired intangible assets	-	(9)	(9)	(767)	(107)	(874)	-	(883)
Other highlighted items	-	-	-	-	-	-	(118)	(118)
<b>Operating profit/(loss)</b>	<b>1,729</b>	<b>1,088</b>	<b>2,817</b>	<b>1,084</b>	<b>(402)</b>	<b>682</b>	<b>(157)</b>	<b>3,342</b>
Finance income	-	-	-	26	-	26	45	71
Finance costs	(51)	(43)	(94)	(98)	(42)	(140)	(144)	(378)
<b>Profit/(loss) before taxation and highlighted items</b>	<b>1,678</b>	<b>1,054</b>	<b>2,732</b>	<b>1,779</b>	<b>(337)</b>	<b>1,442</b>	<b>(138)</b>	<b>4,036</b>
Amortisation of acquired intangible assets	-	(9)	(9)	(767)	(107)	(874)	-	(883)
Other highlighted items	-	-	-	-	-	-	(118)	(118)
<b>Profit/(loss) before taxation</b>	<b>1,678</b>	<b>1,045</b>	<b>2,723</b>	<b>1,012</b>	<b>(444)</b>	<b>568</b>	<b>(256)</b>	<b>3,035</b>
Taxation	-	-	-	-	-	-	(715)	(715)
<b>Profit/(loss) for the period</b>	<b>1,678</b>	<b>1,045</b>	<b>2,723</b>	<b>1,012</b>	<b>(444)</b>	<b>568</b>	<b>(971)</b>	<b>2,320</b>

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
<b>Year ended 28 February 2021</b>								
<b>External revenue</b>	<b>74,599</b>	<b>43,761</b>	<b>118,360</b>	<b>44,307</b>	<b>22,469</b>	<b>66,776</b>	-	<b>185,136</b>
Cost of sales	(37,128)	(20,812)	(57,940)	(16,767)	(10,826)	(27,593)	-	(85,533)
<b>Gross profit</b>	<b>37,471</b>	<b>22,949</b>	<b>60,420</b>	<b>27,540</b>	<b>11,643</b>	<b>39,183</b>	-	<b>99,603</b>
Marketing and distribution costs	(9,386)	(6,278)	(15,664)	(4,678)	(3,051)	(7,729)	-	(23,393)
<b>Contribution before administrative expenses</b>	<b>28,085</b>	<b>16,671</b>	<b>44,756</b>	<b>22,862</b>	<b>8,592</b>	<b>31,454</b>	-	<b>76,210</b>
Administrative expenses excluding highlighted items	(17,543)	(12,706)	(30,249)	(18,494)	(7,420)	(25,914)	(300)	(56,463)
Share of result of joint venture	-	-	-	-	-	-	(110)	(110)
<b>Operating profit/(loss) before highlighted items</b>	<b>10,542</b>	<b>3,965</b>	<b>14,507</b>	<b>4,368</b>	<b>1,172</b>	<b>5,540</b>	<b>(410)</b>	<b>19,637</b>
Amortisation of acquired intangible assets	-	(17)	(17)	(1,578)	(214)	(1,792)	-	(1,809)
Other highlighted items	-	-	-	-	-	-	5	5
<b>Operating profit/(loss)</b>	<b>10,542</b>	<b>3,948</b>	<b>14,490</b>	<b>2,790</b>	<b>958</b>	<b>3,748</b>	<b>(405)</b>	<b>17,833</b>
Finance income	-	-	-	51	-	51	69	120
Finance costs	(161)	(105)	(266)	(117)	(59)	(176)	(162)	(604)
<b>Profit/(loss) before taxation and highlighted items</b>	<b>10,381</b>	<b>3,860</b>	<b>14,241</b>	<b>4,302</b>	<b>1,113</b>	<b>5,415</b>	<b>(503)</b>	<b>19,153</b>
Amortisation of acquired intangible assets	-	(17)	(17)	(1,578)	(214)	(1,792)	-	(1,809)
Other highlighted items	-	-	-	-	-	-	5	5
<b>Profit/(loss) before taxation</b>	<b>10,381</b>	<b>3,843</b>	<b>14,224</b>	<b>2,724</b>	<b>899</b>	<b>3,623</b>	<b>(498)</b>	<b>17,349</b>
Taxation	-	-	-	-	-	-	(3,652)	(3,652)
<b>Profit/(loss) for the year</b>	<b>10,381</b>	<b>3,843</b>	<b>14,224</b>	<b>2,724</b>	<b>899</b>	<b>3,623</b>	<b>(4,150)</b>	<b>13,697</b>



	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
<b>Six months ended 31 August 2021</b>								
<b>Operating profit/(loss) before highlighted items</b>	<b>7,129</b>	<b>1,339</b>	<b>8,468</b>	<b>3,947</b>	<b>711</b>	<b>4,658</b>	<b>(54)</b>	<b>13,072</b>
Depreciation	405	229	634	274	125	399	-	1,033
Amortisation of internally generated intangibles	217	228	445	1,556	128	1,684	-	2,129
<b>EBITDA before highlighted items</b>	<b>7,751</b>	<b>1,796</b>	<b>9,547</b>	<b>5,777</b>	<b>964</b>	<b>6,741</b>	<b>(54)</b>	<b>16,234</b>

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
<b>Six months ended 31 August 2020</b>								
<b>Operating profit/(loss) before highlighted items</b>	<b>1,729</b>	<b>1,097</b>	<b>2,826</b>	<b>1,851</b>	<b>(295)</b>	<b>1,556</b>	<b>(39)</b>	<b>4,343</b>
Depreciation	303	228	531	411	192	603	-	1,134
Amortisation of internally generated intangibles	228	166	394	988	137	1,125	-	1,519
<b>EBITDA before highlighted items</b>	<b>2,260</b>	<b>1,491</b>	<b>3,751</b>	<b>3,250</b>	<b>34</b>	<b>3,284</b>	<b>(39)</b>	<b>6,996</b>

	Children's Trade £'000	Adult Trade £'000	Consumer £'000	Academic & Professional £'000	Special Interest £'000	Non- Consumer £'000	Unallocated £'000	Total £'000
<b>Year ended 28 February 2021</b>								
<b>Operating profit/(loss) before highlighted items</b>	<b>10,542</b>	<b>3,965</b>	<b>14,507</b>	<b>4,368</b>	<b>1,172</b>	<b>5,540</b>	<b>(410)</b>	<b>19,637</b>
Depreciation	912	528	1,440	556	283	839	-	2,279
Amortisation of internally generated intangibles	446	383	829	2,586	261	2,847	-	3,676
<b>EBITDA before highlighted items</b>	<b>11,900</b>	<b>4,876</b>	<b>16,776</b>	<b>7,510</b>	<b>1,716</b>	<b>9,226</b>	<b>(410)</b>	<b>25,592</b>

## External revenue by product type

	Six months ended 31 August 2021 £'000	Six months ended 31 August 2020 £'000	Year ended 28 February 2021 £'000
Print	74,635	57,687	139,819
Digital	22,239	17,625	37,679
Rights and services	3,782	2,975	7,638
<b>Total</b>	<b>100,656</b>	<b>78,287</b>	<b>185,136</b>

Rights and services revenue includes revenue from copyright and trademark licences, management contracts, advertising and publishing services.

Total assets	31 August 2021 £'000	31 August 2020 £'000	28 February 2021 £'000
Children's Trade	16,247	9,312	10,361
Adult Trade	14,469	7,469	7,495
Academic & Professional	60,463	59,109	58,527
Special Interest	13,383	13,800	12,773
Unallocated	165,878	151,859	170,001
<b>Total assets</b>	<b>270,440</b>	<b>241,549</b>	<b>259,157</b>

Unallocated primarily represents centrally held assets including system development, property, plant and equipment, right-of-use assets, receivables and cash.

#### 4. Highlighted items

	Six months ended 31 August 2021 £'000	Six months ended 31 August 2020 £'000	Year ended 28 February 2021 £'000
Legal and other professional fees	566	87	203
Restructuring costs	278	31	1,076
Payback Protection Program grant	-	-	(1,284)
<b>Other highlighted items</b>	<b>844</b>	<b>118</b>	<b>(5)</b>
Amortisation of acquired intangible assets	985	883	1,809
<b>Total highlighted items</b>	<b>1,829</b>	<b>1,001</b>	<b>1,804</b>

Highlighted items charged to operating profit comprise significant non-cash charges and major one-off initiatives, which are highlighted in the income statement because, in the opinion of the Directors, separate disclosure is helpful in understanding the underlying performance and future profitability of the business.

For the six months ended 31 August 2021 legal and other professional fees of £566,000 were incurred as a result of the Red Globe Press and Head of Zeus Limited acquisitions (six months ended 31 August

2020: £87,000 on certain assets of the Zed Books Limited acquisition and year ended 28 February 2021, £203,000 were incurred as a result of the Group's ongoing and completed acquisitions, including certain assets of Red Globe Press and Zed Books Limited).

For the six months ended 31 August 2021 restructuring costs of £278,000 were incurred as a result of acquisitions and restructuring in both divisions (six months ended 31 August 2020: £31,000 and year ended 28 February 2021: £1,076,000 restructuring costs primarily relate to restructuring in both divisions).

For the year ended 28 February 2021, the Paycheck Protection Program grant was received from the US Government's Small Business Administration.

## 5. Dividends

	<b>Six months ended 31 August 2021 £'000</b>	Six months ended 31 August 2020 £'000	Year ended 28 February 2021 £'000
<b>Amounts paid in the period</b>			
Prior period final dividend	6,141	-	-
Prior period special dividend	7,923	-	-
Interim dividend	-	-	1,045
<b>Total dividend payments in the period</b>	<b>14,064</b>	-	1,045
<b>Amounts arising in respect of the period</b>			
Interim dividend for the period	1,093	1,045	1,045
Final dividend for the year	-	-	6,141
Special dividend for the year	-	-	7,923
<b>Total dividend for the period</b>	<b>1,093</b>	1,045	15,108

The proposed interim dividend of 1.34 pence per ordinary share will be paid to the equity Shareholders on 3 December 2021 to Shareholders registered at close of business on 5 November 2021.

## 6. Earnings per share

The basic earnings per share for the six months ended 31 August 2021 is calculated using a weighted average number of Ordinary Shares in issue of 81,492,631 (31 August 2020: 80,190,832 and 28 February 2021: 80,867,938) after deducting shares held by the Employee Benefit Trust.

The diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares to take account of all dilutive potential Ordinary Shares, which are in respect of unexercised share options and the Performance share Plan.

	<b>6 months ended 31 August 2021 Number</b>	6 months ended 31 August 2020 Number	Year ended 28 February 2021 Number
<b>Weighted average shares in issue</b>	<b>81,492,631</b>	80,190,832	80,867,938
Dilution	976,492	725,819	1,082,577
<b>Diluted weighted average shares in issue</b>	<b>82,469,123</b>	80,916,651	81,950,515
	<b>£'000</b>	£'000	£'000
<b>Profit after tax attributable to owners of the Company</b>	<b>8,588</b>	2,320	13,697
<b>Basic earnings per share</b>	<b>10.54p</b>	2.89p	16.94p
<b>Diluted earnings per share</b>	<b>10.41p</b>	2.87p	16.71p
<b>Adjusted profit attributable to owners of the Company</b>	<b>10,572</b>	3,339	15,310
<b>Adjusted basic earnings per share</b>	<b>12.97p</b>	4.16p	18.93p
<b>Adjusted diluted earnings per share</b>	<b>12.82p</b>	4.13p	18.68p
Adjusted profit is derived as follows:			
Profit before tax	11,083	3,035	17,349
Amortisation of acquired intangible assets	985	883	1,809
Other highlighted items	844	118	(5)
<b>Adjusted profit before tax</b>	<b>12,912</b>	4,036	19,153
Tax expense	2,495	715	3,652
Deferred tax movements on goodwill and acquired intangible assets	(208)	(21)	(41)
Tax expense on other highlighted items	53	3	232
<b>Adjusted tax</b>	<b>2,340</b>	697	3,843
<b>Adjusted profit</b>	<b>10,572</b>	3,339	15,310

The Group includes the benefit of tax amortisation of intangible assets in the calculation of adjusted tax as this more accurately aligns the adjusted tax charge with the expected cash tax payments.

## 7. Business combinations

On 2 June 2021 the Group acquired the issued share capital of Head of Zeus Limited (“HoZ”). The consideration, net of pre-existing loans is £7.0 million, of which £5.5 million was satisfied in cash at completion, with £1.1 million paid in cash post completion (including £0.8 million post 31 August 2021), and £0.4 million of deferred consideration payable in cash subject to achievement of Netflix release targets. The latter element is discounted.

HoZ is an independent publisher of genre fiction and narrative non-fiction and children’s books, based in London. It has published many bestsellers, won literary prizes and industry awards. The business will operate within Bloomsbury's Consumer division.

The table below summarises the provisional fair values to the Group included in the consolidated financial statements of the major categories of assets and liabilities of HoZ at the date of acquisition.

	<b>Provisional fair value to the Group £'000</b>
<b>Net assets acquired</b>	
<b>Assets</b>	
Other intangible assets	2,800
Property, plant and equipment	52
Right-of-use assets	275
Deferred tax assets	137
<b>Total non-current assets</b>	<b>3,264</b>
Inventories	2,202
Trade and other receivables	6,654
Cash and cash equivalents	37
<b>Total current assets</b>	<b>8,893</b>
<b>Total assets</b>	<b>12,157</b>
<b>Liabilities</b>	
Deferred tax liabilities	707
<b>Total non-current liabilities</b>	<b>707</b>
Trade and other liabilities	3,563
Borrowings	1,112
Lease liabilities	302
Current tax liabilities	51
<b>Total current liabilities</b>	<b>5,028</b>
<b>Total liabilities</b>	<b>5,735</b>
<b>Identifiable net assets</b>	<b>6,422</b>
Goodwill	579
<b>Total</b>	<b>7,001</b>

Provisional identifiable intangible assets of £2,800,000 consist of publishing rights and imprints. The publishing rights have a useful life of 8 years and imprints have a useful life of 8 years. The goodwill arising of £579,000 is attributable to the expected profitability of the acquired business and the synergies expected to arise after the acquisition.

The gross contractual trade and other receivables at acquisition is £6,691,000 of which, as at the acquisition date, £37,000 is the best estimate of the contractual cash flows that are not expected to be collected.

Transaction costs of £241,000 have been expensed in the period within administrative expenses.

From 2 June 2021, revenue of £2.7 million and profit attributable to owners of the Company of £0.3 million have been included in the consolidated income statement for the period ended 31 August 2021 in relation to HoZ.

If the acquisition had occurred on 1 March 2021 the revenue and profit attributable to shareholders of the combined entity for the current period would have been £5.2 million and £0.4 million respectively. These pro forma amounts do not include any possible synergies from the acquisition. The pro forma information is provided for comparative purposes only and does not necessarily reflect the actual results that would have occurred, nor is it necessarily indicative of future results of operations of the combined companies.

## **8. Rights to Assets**

On 23 April 2021, the Group announced the acquisition of certain assets of Red Globe Press (“RGP”), the academic imprint, from Macmillan Education Limited, a part of Springer Nature Group. The transaction completed on 1 June 2021. The consideration was £3.2 million, of which £1.8 million was satisfied in cash at completion and £1.2 million was satisfied in cash post completion, with an expected further £0.2 million to be satisfied post-completion subject to assignment of certain contracts.

RGP specialises in high-quality publishing for Higher Education students globally in Humanities and Social Sciences, Business and Management, and Study Skills. RGP has a backlist of more than 7,000 titles and publishes more than 100 new titles per year, with content including digital platforms, textbooks, research-driven materials and general academic publishing. The acquired RGP titles are a good strategic fit, strengthen Bloomsbury’s existing academic publishing, and establish new areas of academic publishing in Business and Management, Study Skills and Psychology. RGP’s three digital products will be migrated to Bloomsbury Digital Resources’ own platform and its content added to Bloomsbury Collections. The business will operate within Bloomsbury’s Academic & Professional division. There are opportunities for profit enhancements following the integration of the business into Bloomsbury.

The Group has taken on Inventories, Advances and intangible assets associated with taking on the titles and digital products. No cash or trade receivables transferred as part of the acquisition.

## 9. Trade and other receivables

	<b>31 August 2021 £'000</b>	31 August 2020 £'000	28 February 2021 £'000
<b>Non-current</b>			
Accrued income	<b>934</b>	1,092	1,005
<b>Current</b>			
Gross trade receivables	<b>65,145</b>	56,292	61,897
Less: loss allowance	<b>(3,414)</b>	(3,371)	(3,230)
Net trade receivables	<b>61,731</b>	52,921	58,667
Income tax recoverable	<b>1,039</b>	1,108	171
Other receivables	<b>2,228</b>	2,740	3,623
Prepayments	<b>1,896</b>	1,402	1,072
Accrued income	<b>3,859</b>	2,665	5,219
Royalty advances	<b>29,399</b>	24,898	24,790
Total current trade and other receivables	<b>100,152</b>	85,734	93,542
<b>Total trade and other receivables</b>	<b>101,086</b>	86,826	94,547

Non-current receivables relate to accrued income on long-term rights deals.

Trade receivables principally comprise amounts receivable from the sale of books due from distributors. Most trade debtors are secured by credit insurance and in certain territories by third party distributors.

A provision is held against gross advances payable in respect of published titles advances which may not be fully earned down by anticipated future sales. As at 31 August 2021 £7,700,000 (31 August 2020 £6,239,000 and 28 February 2021 £7,260,000) of royalty advances are expected to be recovered after more than 12 months.

## 10. Related parties

The Group has no related party transactions in the current or prior periods other than key management remuneration.

## Responsibility Statement of the Directors in Respect of the Interim Financial Statements

### Directors

Sir Richard Lambert	Independent Non-Executive Chairman
Nigel Newton	Chief Executive
Leslie-Ann Reed	Senior Independent Director Chair of the Audit Committee
Steven Hall	Independent Non-Executive Director Chair of the Remuneration Committee
Baroness Lola Young of Hornsey	Independent Non-Executive Director
Penny Scott-Bayfield	Group Finance Director

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.
- The interim management report includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

*J. N. Newton*

*P. Scott-Bayfield*

Nigel Newton

Penny Scott-Bayfield

27 October 2021



## Principal risks and uncertainties

Bloomsbury has a systematic and embedded risk management process for identifying and addressing the short to long-term risks and uncertainties for its operations worldwide. The strategy implemented by the Board aims to mitigate the main risks and exploit opportunities to create sustainable returns for shareholders. A summary of the principal risks and uncertainties to the business are as follows:

- Market: including market volatility due to the impact of the coronavirus pandemic, increased dependence on internet retailing, open access, sales of used books and rental of textbooks;
- Importance of digital publishing: BDR revenues and profit;
- Acquisitions: Risk of delivering lower than expected return on investment;
- Title acquisition (Consumer publishing): Commercial viability of titles acquired;
- Information and technology systems: Cybersecurity and the risk of malware attack, and the risk of inadequate internal access controls or security measures;
- Financial valuations: Judgemental valuation of assets and provisions;
- Intellectual property: Erosion of copyright and infringement of IP by third parties;
- Reliance on key counterparties: Failure of key counterparties or breakdown in key counterparty relationships;
- Talent management: Failure to attract and retain key talent and create an inclusive and supportive environment in which the Group's employees can thrive;
- Legal and compliance: Breach of key contracts by the Company and failure to comply with applicable regulations; and
- Reputation: Investor confidence.

Further information about the principal risks and mitigation of those risks included in the 2021 Annual Report and Accounts.