



Bloomsbury Publishing Plc

RESULTS FOR THE YEAR ENDED
28 FEBRUARY 2017

BLOOMSBURY



Innovative &
entrepreneurial
global publisher



Rich in
intellectual
property



Growing
academic digital
revenues



Editorial
and design
excellence



Growth of
Harry Potter
brand



Strong financial
position



BUSINESS HIGHLIGHTS



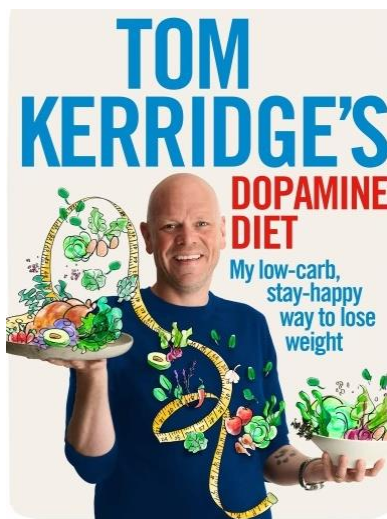
Financial performance:

- Excellent revenue growth of **15% (9% at constant exchange rates)** driven by Children's with Harry Potter and Sarah J. Maas
- Profit reflects *Bloomsbury 2020* investment and end of term of Qatar services contract as previously announced



Bloomsbury 2020:

- Digital resource revenues grow 50%
- On track – four major new digital resources launched



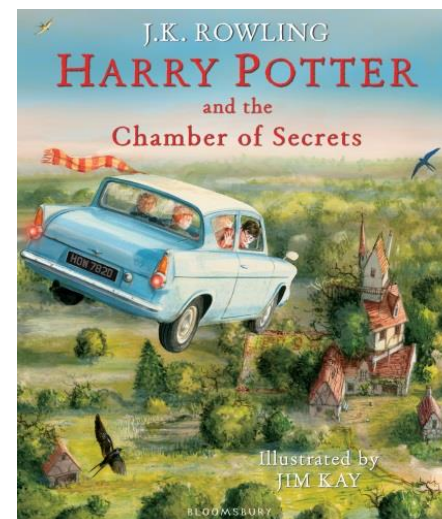
Excellent cash generation, with

£15.5 million

cash at 28/2/17



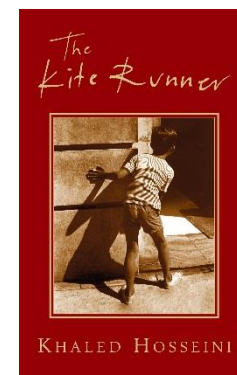
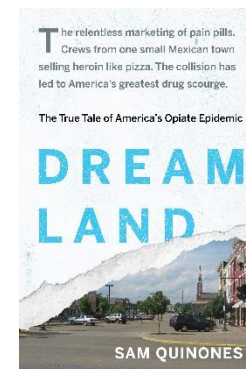
Dividend increases by **5%**



FINANCIAL HIGHLIGHTS



£m	2016/17	2015/16	Change %	Change CER %
Revenue	142.6	123.7	15%	9%
Operating profit margin	8.4%	10.6%		
Pre-tax profit	12.0	13.0	-8%*	-14%*
Effective tax rate ²	21.4%	12.2%		
Diluted EPS	12.63p	15.24p	-17%*	-24%*
Net cash	15.5	5.2	200%	185%
Full year dividend per share	6.7p	6.4p	5%	5%
Cash flow conversion	180%	56%		



* Reflects £0.6m *Bloomsbury 2020* investment and end of Qatar contract term in line with our market guidance in December 2015 and May 2016

Notes:

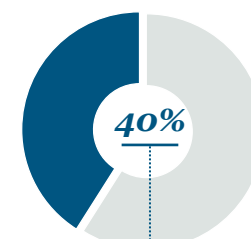
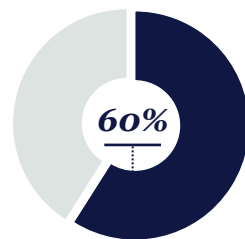
1. The above results are Adjusted by excluding highlighted items, which are shown on slide 26
2. The effective tax rate is the adjusted rate used to calculate adjusted EPS. The reported rate in the period is 22.1% (2015/16: 6.3%)
3. CER is results at constant exchange rates calculated by applying average exchange rates for 2015/16 to 2016/17 results
4. Cash flow conversion is cash generated from operating activities less capex divided by reported operating profit

RESULTS

BY PUBLISHING DIVISION



Revenues as % total:



£m	Consumer	Non-Consumer
Revenues 2016/17	85.4	57.2
Revenues 2015/16	66.4	57.3
<i>Change %</i>	<i>28%</i>	<i>-</i>
Operating profit 2016/17	7.9	4.1
Operating profit 2015/16	6.0	7.1
<i>Change %</i>	<i>33%</i>	<i>-43%</i>
Operating profit margin 2016/17	9%	7%

Non-Consumer profits include Family Law acquisition, effect of end of Qatar contract and incremental *Bloomsbury 2020* investment



REVENUE

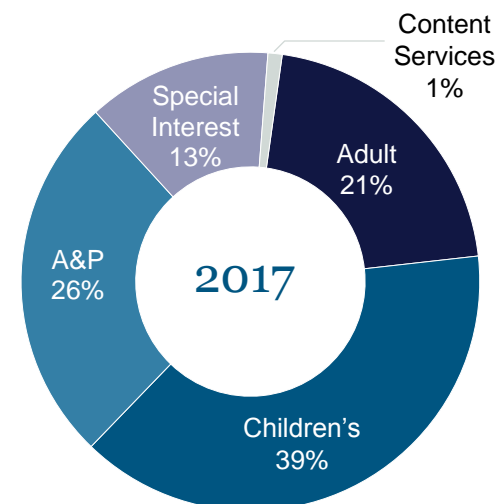
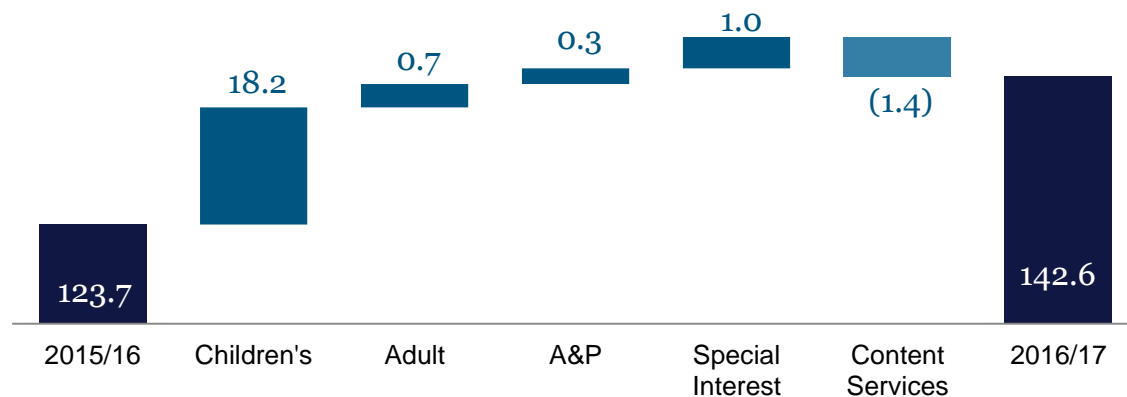
BY SUB-DIVISION



£m	2016/17	2015/16	Change %
Adult Trade	29.5	28.7	3%
Children's Trade	55.9	37.7	48%
Total Consumer	85.4	66.4	28%
Academic & Professional	36.9	36.6	1%
Special Interest	18.4	17.5	5%
Content Services	1.9	3.2	(42%)
Total Non-Consumer	57.2	57.3	-
Total revenue	142.6	123.7	15%

Revenue growth in all sub-divisions except Content Services – where revenues grew 9% excluding Qatar contract

Total revenue £m



REVENUE MIX



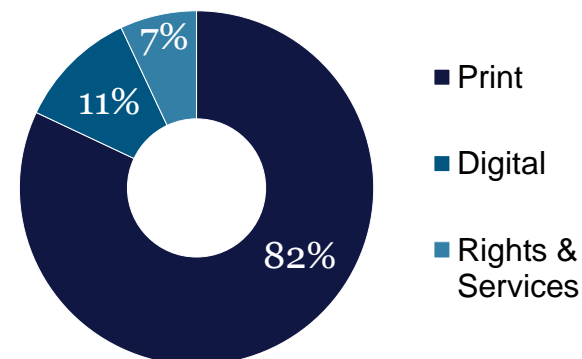
£m	2016/17	2015/16	Change %
Print	117.3	98.1	20%
E-books	12.1	12.4	(2%)
Digital resources	3.9	2.6	50%
Digital	16.0	15.0	7%
Total book sales	133.3	113.1	18%
Copyright licences	7.5	7.9	(4%)
Publishing services	1.0	2.0	(50%)
Other	0.8	0.7	15%
Rights and Services	9.3	10.6	(13%)
Total revenue	142.6	123.7	15%

Print books 88% of total book sales – continued demand for print format

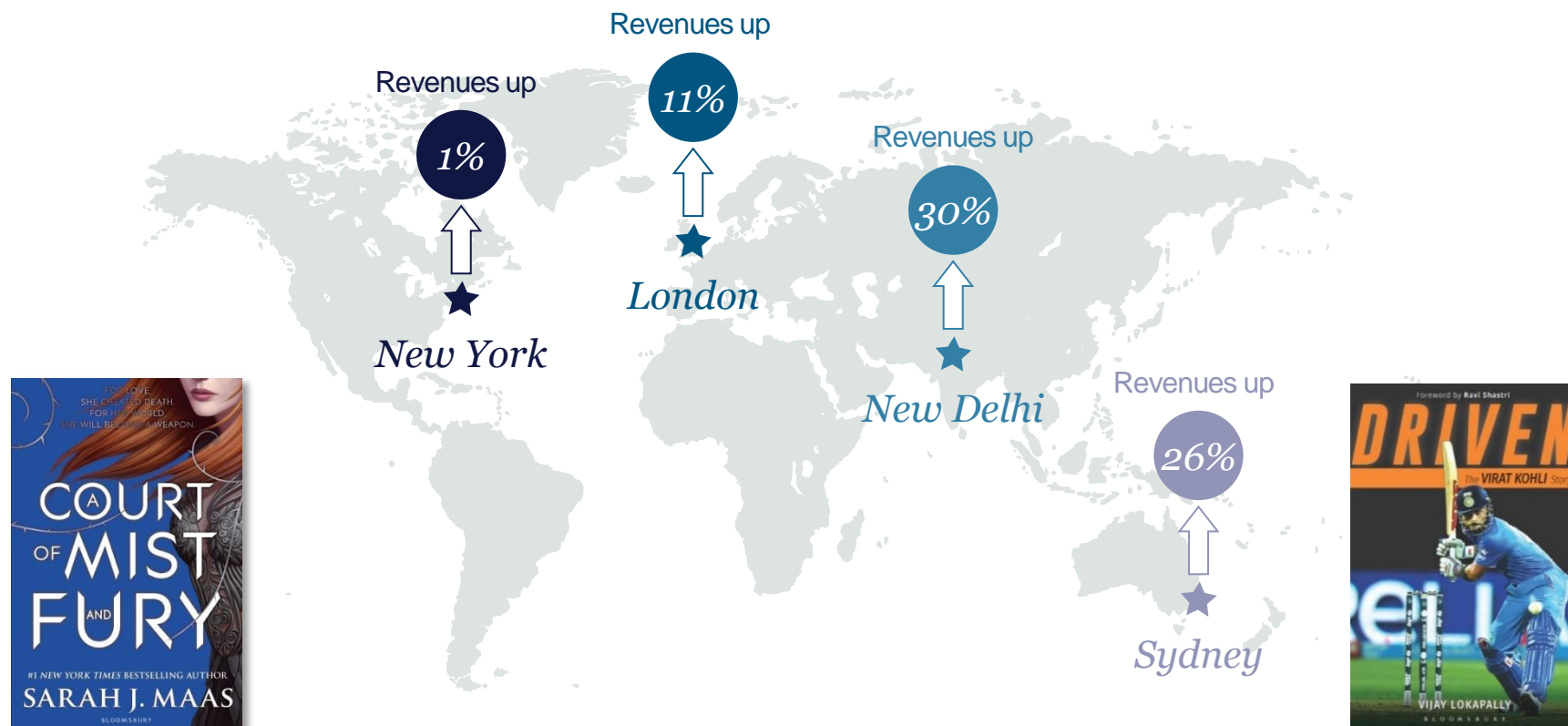
UK industry e-book sales down 11% calendar 2016 (Source: UK PA)

Digital resources revenues grow ahead of expectations

Qatar contract term ends £1.5m effect year on year



GEOGRAPHIC REVENUES



Revenues increase 9% using constant exchange rates



Note: The above revenue increases are in local currency

STRONG BALANCE SHEET



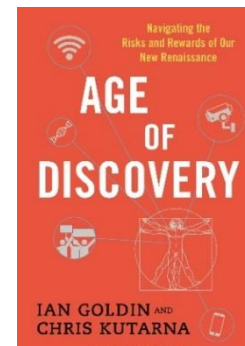
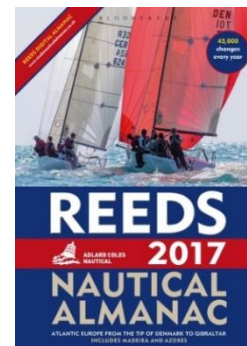
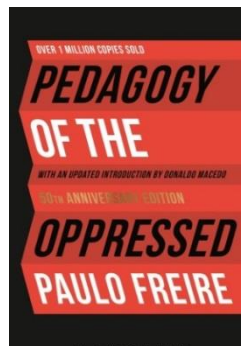
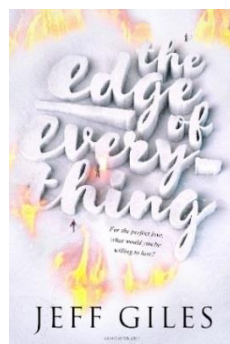
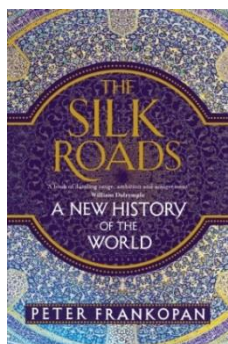
£m	28.2.17	29.2.16
Goodwill & acquired intangibles	57.2	58.2
Internally generated intangibles	6.6	6.3
Property, plant & equipment	2.2	2.5
Net deferred tax assets	2.6	0.3
Working capital (ex tax)	57.0	60.6
Tax liabilities	(2.6)	0.0
Retirement benefit obligations	(0.2)	(0.2)
Other	1.0	0.1
	123.8	127.8
Net cash	15.5	5.2
Net assets	139.3	133.0

£2.6m asset recognised on temporary difference on US stock valuation (see tax liabilities)

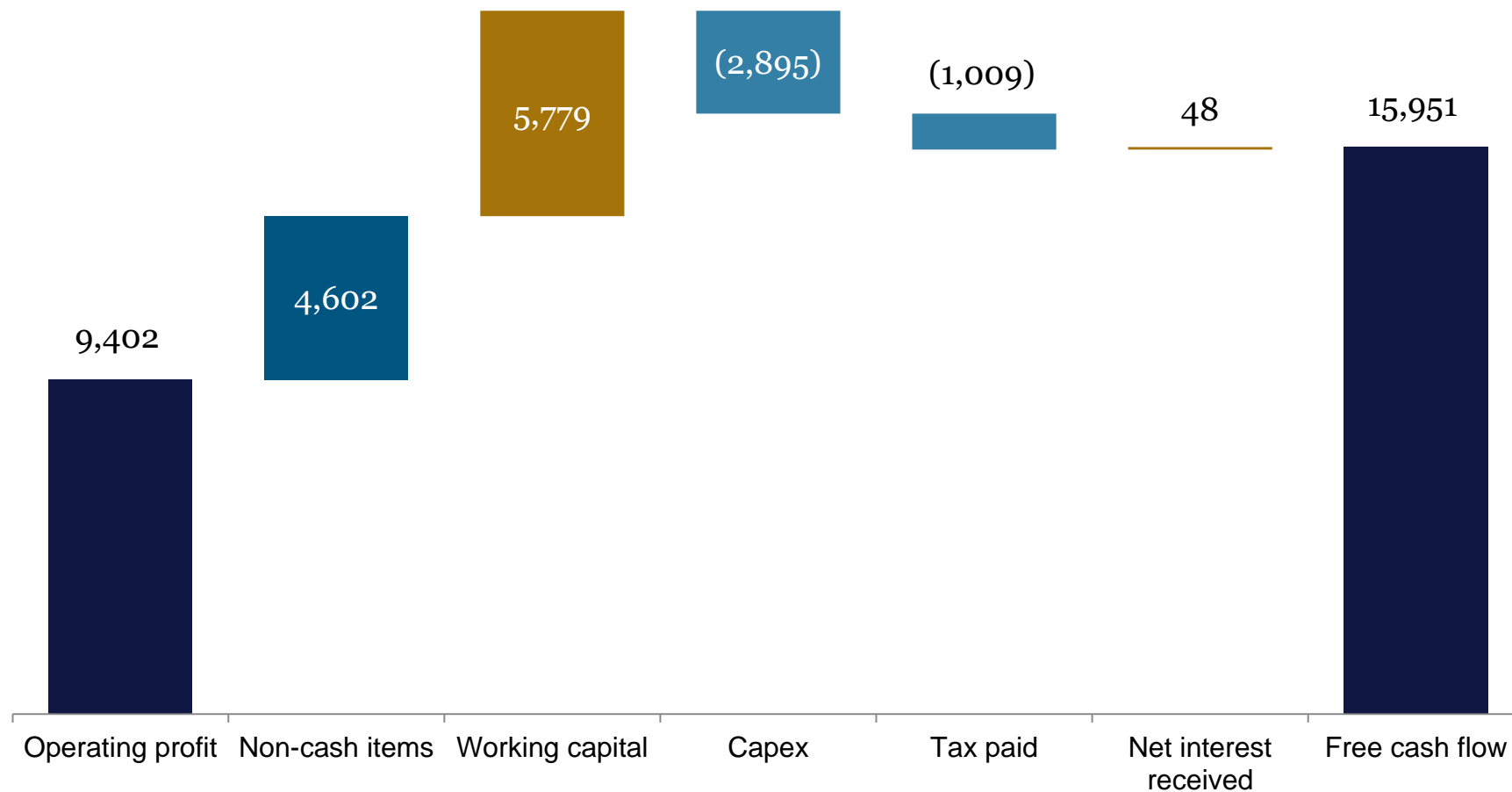
Includes £24.8m advances and £28.6m stock. £55.8m at CER. Stock reduces £1.3m, 5% at CER

Incl. £2.6m liability over three years, see net deferred tax assets above

Working capital reduction has contributed to strong cash generation



CASH FLOW MOVEMENT



CASH FLOW PRIORITIES



Free cash flow priorities

- Fund growth through:
 - Organic development – Total capex £2.9 million, is 2% of revenues
 - Acquisitions
- Deliver a progressive and sustainable dividend
- Maintain a strong balance sheet – cash at year end £15.5 million



Dividend

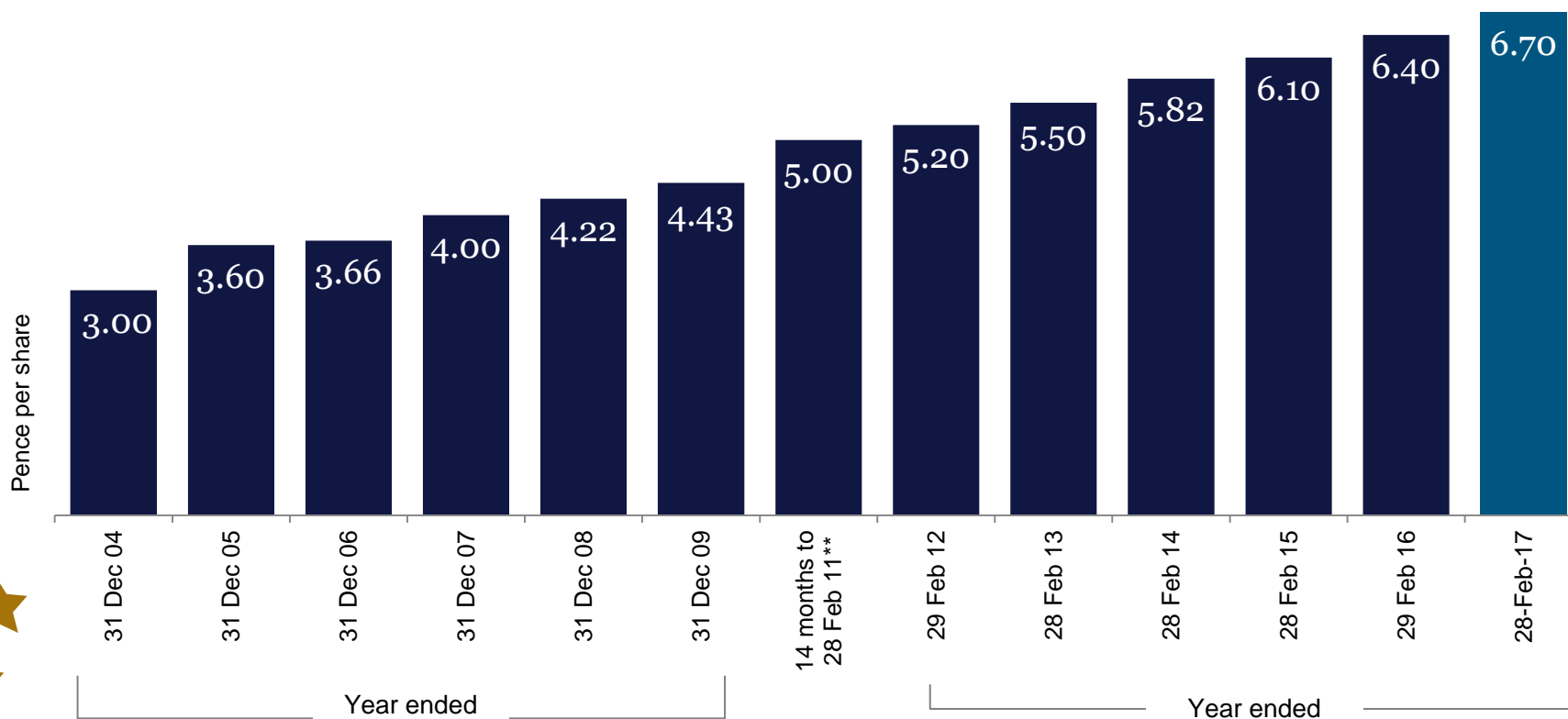
- Full year dividend increasing by 5% with cover at 1.9 times earnings
- Dividend earnings cover will reduce while the business invests in *Bloomsbury 2020* and is planned to return to at least 2x in the medium term
- Excellent dividend cash cover of 3.9



EXCELLENT DIVIDEND GROWTH



Compound annual dividend growth of 7% over 12 years



*Note: **Dividend for 14 months ended 28 February 2011 included 0.28 pence per share for the two months ended 28 February 2011*

CONSUMER DIVISION: CHILDREN'S TRADE



Excellent performance ★

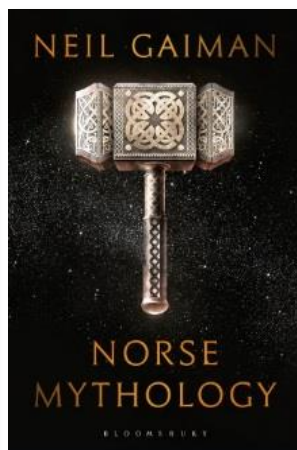
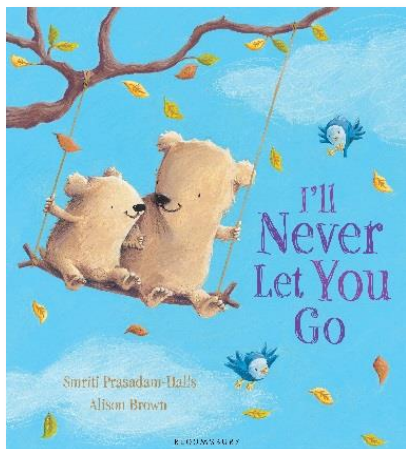
- Revenue up **48% to £55.9m**, profit up **44% to £7.6m**
- E-book sales up **19% to £3.4m**

Strong growth from Harry Potter novels ★

- Illustrated *Harry Potter and the Chamber of Secrets* and new edition of *Fantastic Beasts and Where to Find Them*
- Sales of Harry Potter grew by 88% year on year

Sarah J. Maas ★

- Sales of Sarah J. Maas titles grew by **87%** year on year
- Bestsellers in year *Empire of Storms* and *A Court of Mist and Fury* (No.1 worldwide in May 2017)



Bloomsbury Children's UK
market share grows by

★ **21% to 4%** ★

(Nielsen BookScan)



CONSUMER DIVISION: ADULT TRADE



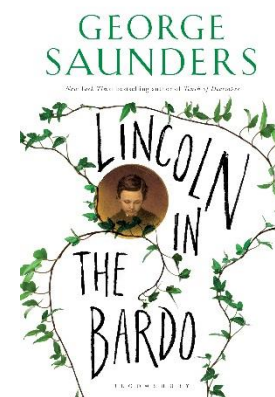
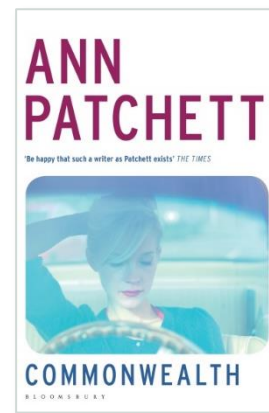
Financial results

- Sales increase **3%** driven by *Tom Kerridge's Dopamine Diet*, *Silk Roads*, *Sweet Caress* and *Commonwealth*
- Profit decreased by **£0.4m** to **£0.3m** due to sales mix with lower e-books, and increased advance provision



Strategy

- New Consumer MD in place, bringing new talent to the team:
 - New London publishing director
 - New crime editorial director
 - New US fiction editorial director
- New crime imprint, Raven Books, launched



ACADEMIC AND PROFESSIONAL



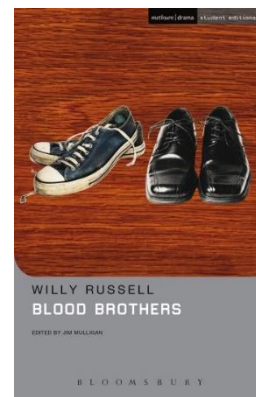
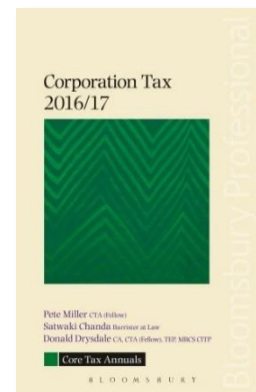
Financial progress

- Sales excl. Education up **5%**. Education sales down £1.4m strong rights comparative. A&P sales incl Education up by 1%
- A&P digital resources sales grew **58%** to **£3.7m**, above expectation
- Fairchild Books list only 3% of Group sales – restricts effect of US HE fashion market issues
- Family law titles purchased Jan 2016, now integrated. Contributed £0.5m profit (2016: £0.3m)



Other achievements

- Division wins third Dartmouth Medal in 7 years - American Library Association's highest accolade
- New 5 year publishing partnership with OCR, UK's leading exam board in Classics
- Launch of Bloomsbury Law Online – 21 Practice Areas increasing to 24 areas in early 2017



OTHER NON-CONSUMER



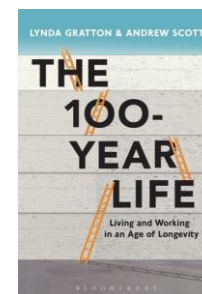
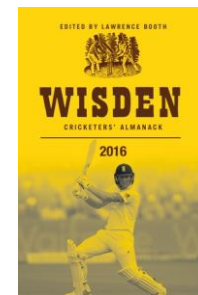
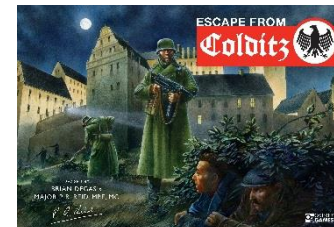
Special interest

- Key titles in the period include *Wisden Cricketers' Almanack*, *Reeds Nautical Almanac*, *Who's Who* and *Last Testament*
- Launch of the Green Tree health and wellness imprint in Feb 2017
- Osprey Games revenues up 5% to £1.4m, successes include *Escape from Colditz*

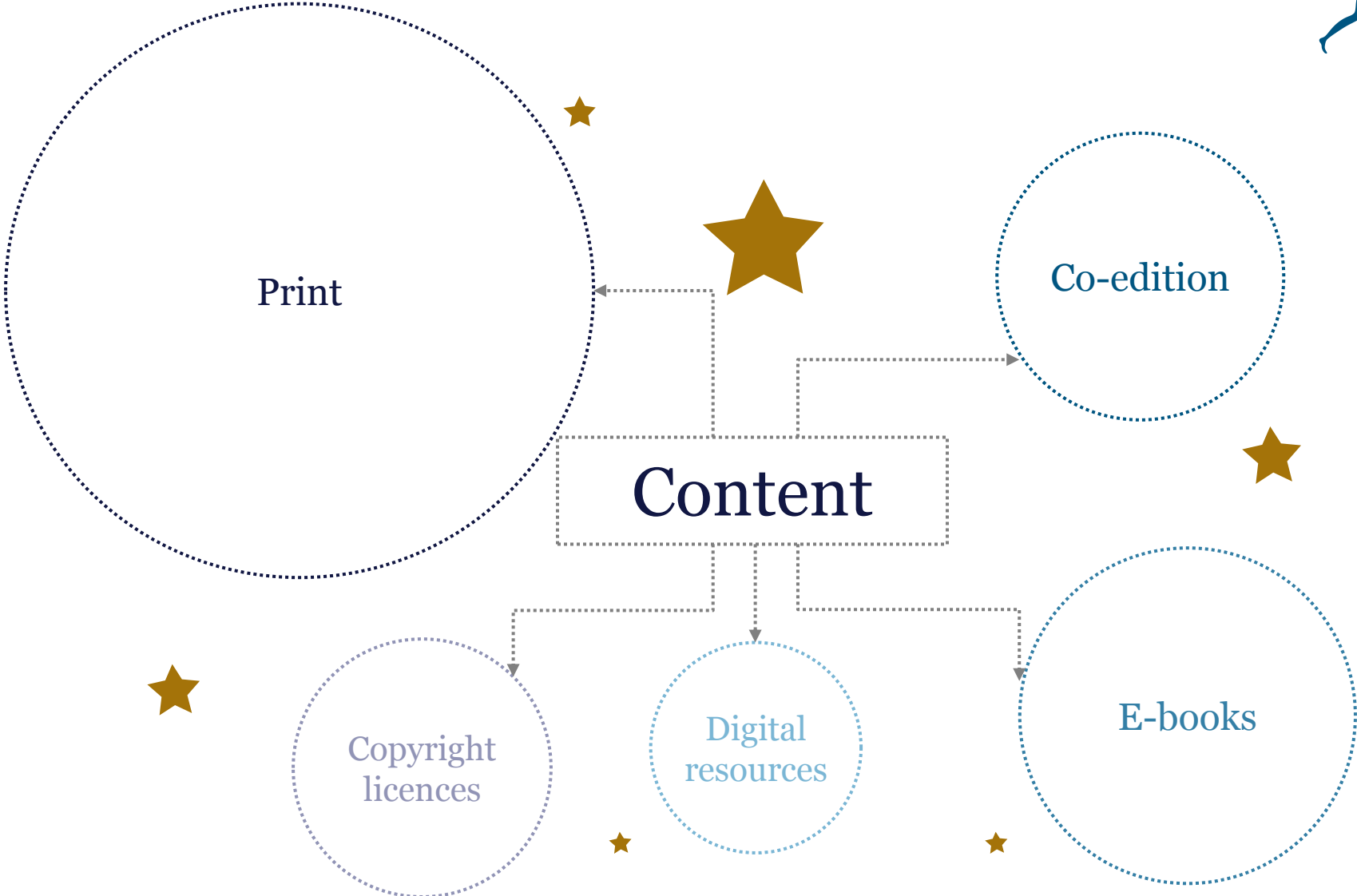


Content services

- Renewal of publishing services contract with IZA World of Labor for additional 18-month term from Jan 2017
- New content marketing and publishing services customers including Royal Bank of Canada and ICAEW
- Key titles in the period include *The 100-Year Life* and *Age of Discovery*



MONETISING OUR CONTENT



FOCUS ON BLOOMSBURY 2020

INVESTING TO GROW B2B DIGITAL SERVICES



2016/17 achievements

Build of new digital resources platform

Launch of four new major digital resources;

- Fairchild Books Library
- The Fashion Photography Archive
- Arcadian Library
- Bloomsbury Popular Music

the latter two on the new platform.

Global sales and marketing team established



2017/18

New resources pipeline strong: launch of three new resources;

- The Bloomsbury Design Library
- The Bloomsbury Food Library
- Bloomsbury Cultural History

Plus three new modules to Drama Online



Financials

Incremental net investment 2016/17 within guidance:

- P&L £0.6m
- Cash £1.5m incl. capex

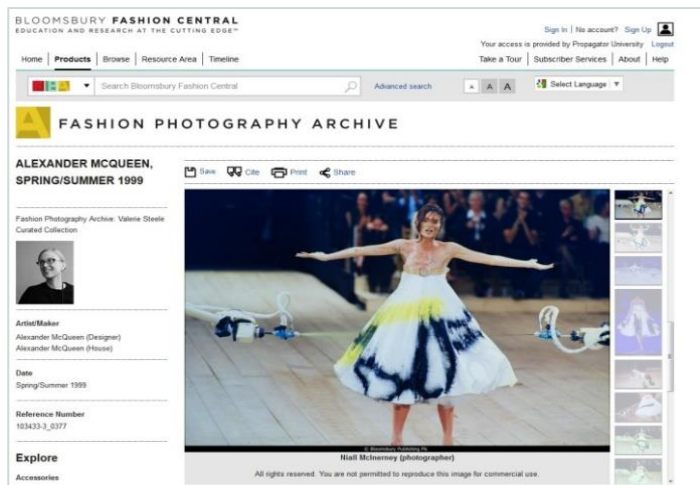
Guidance for future years unchanged: peak net incremental investment P&L £2m in 2017/18



MAJOR NEW DIGITAL RESOURCES



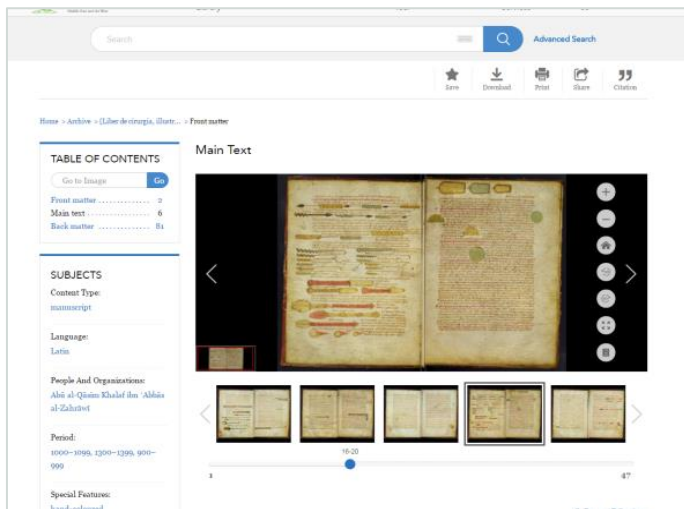
Fashion Photography Archive



Bloomsbury Popular Music



Arcadian Library



Bloomsbury Fashion Central



OUTLOOK

HARRY POTTER 20TH ANNIVERSARY CELEBRATION NEW BOOK LAUNCHES



- 26 June 2017 marks 20th anniversary of publication of *Harry Potter and the Philosopher's Stone*
- Four Hogwarts House Editions of *Harry Potter and the Philosopher's Stone* – Gryffindor, Hufflepuff, Ravenclaw and Slytherin will be published in June 2017
- There will be a series of celebration events competitions and a British Library exhibition in October.

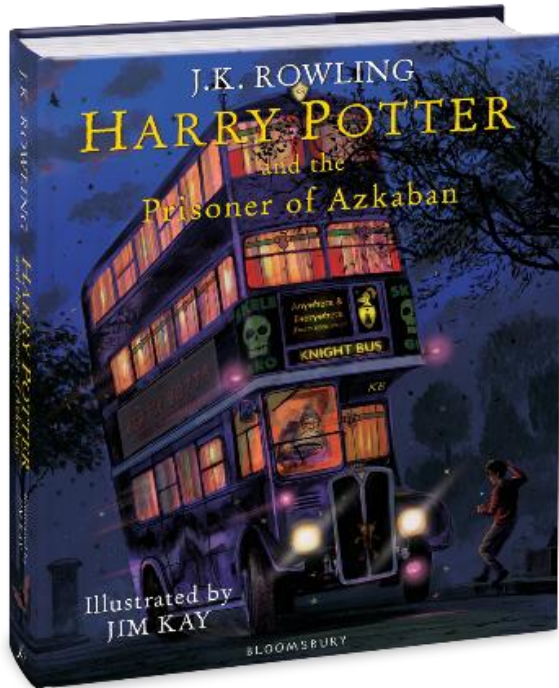


- *Fantastic Beasts and Where to Find Them* released March 2017 with new foreword from J.K. Rowling and six new beasts!
- New editions of *Quidditch Through the Ages* and *The Tales of Beedle the Bard* released in January 2017
- New edition of *The Hogwarts Library Box Set* released April 2017

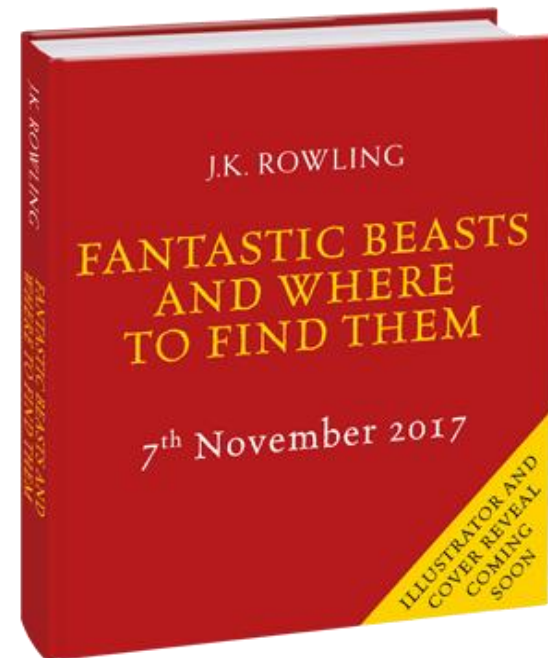


OUTLOOK

HARRY POTTER NEW ILLUSTRATED EDITIONS IN 2017/18



Illustrated Edition of *Harry Potter and the Prisoner of Azkaban*



Illustrated Edition of *Fantastic Beasts and Where to Find Them*

OUTLOOK



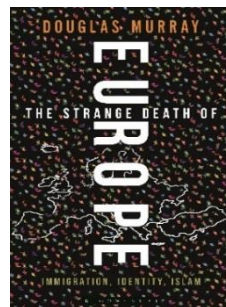
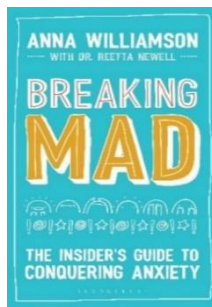
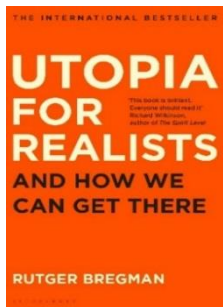
Trading in line with management's expectations

Bloomsbury 2020 digital publishing:
launch of three new major digital
resources in 2017/18:

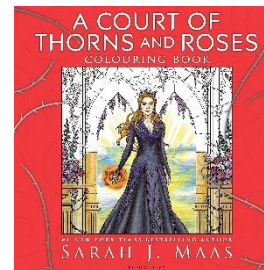
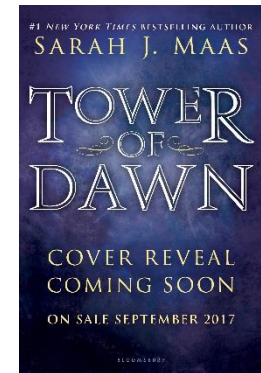
- The Bloomsbury Design Library
- The Bloomsbury Food Library
- Bloomsbury Cultural History

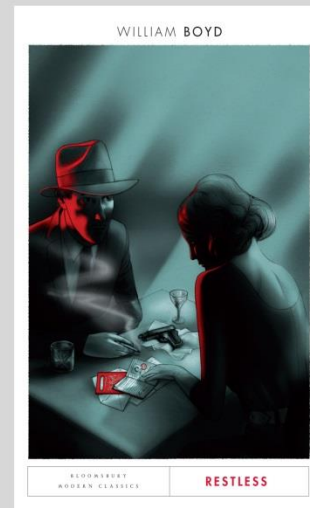
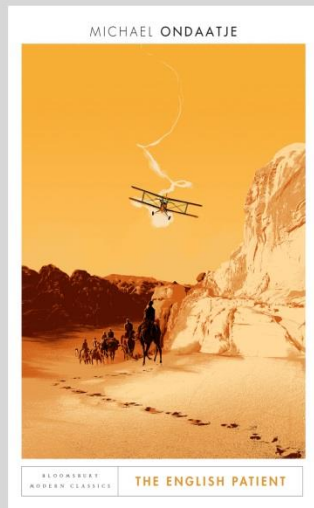
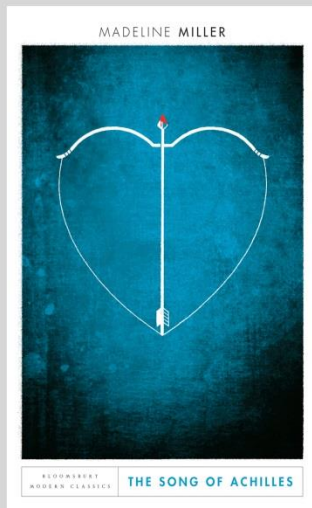
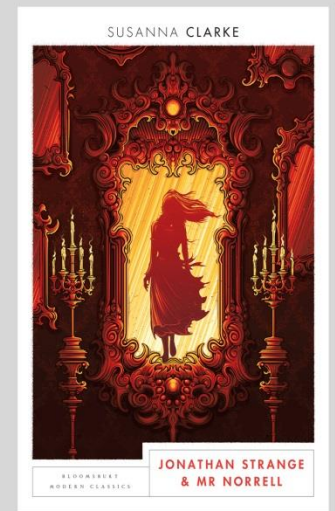
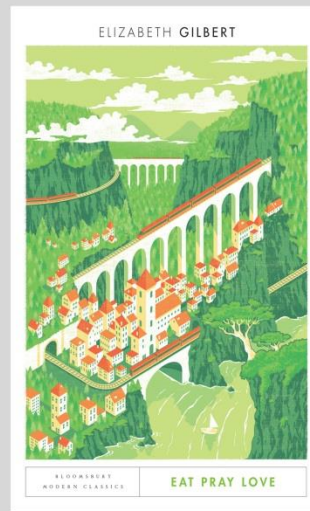


Strong new publishing list includes:



Three new Sarah J. Maas titles





B L O O M S B U R Y M O D E R N C L A S S I C S



QUESTIONS



APPENDICES

ADJUSTED INCOME STATEMENT



£m	2016/17	2015/16	Change %	Change CER%
Revenue	142.6	123.7	+15%	+9%
Gross profit	74.9	68.5	+9%	
<i>Gross profit margin %</i>	<i>53%</i>	<i>55%</i>	<i>-5%</i>	
Marketing and distribution costs	(21.0)	(17.1)	-23%	
<i>Marketing and distribution costs as % revenue</i>	<i>15%</i>	<i>14%</i>	<i>7%</i>	
Administrative expenses*	(41.9)	(38.3)	-9%	
Operating profit	12.0	13.1	-9%	
<i>Operating profit margin %</i>	<i>8%</i>	<i>11%</i>	<i>-21%</i>	
Net finance costs	-	(0.1)	-	
Profit before tax	12.0	13.0	-8%	-14%
Tax	(2.6)	(1.6)	-62%	
Profit after tax	9.5	11.4	-17%	-25%

Note:

* Administration expenses includes £0.3m incremental spend on *Bloomsbury 2020* and a £1.0m bonus provision (2016: Nil). On a CER basis excluding these items Administration expenses grew by 2%.



HIGHLIGHTED ITEMS



Mainly strategic
restructuring
of US operation

£0.9m

Amortisation
of acquired
intangible assets

£1.7m

Total

£ 2.6m

ADJUSTED SEGMENTAL ANALYSIS

2016/17



£000	Children's Trade	Adult Trade	Total Consumer		A&P	Special Interest	Content Services	Total Non-Consumer		Total Group	
Print Sales	49,741	23,836	73,577	86%	27,321	15,793	570	43,684	76%	117,261	83%
Digital Sales	3,359	4,314	7,673	9%	6,888	1,319	156	8,363	15%	16,036	11%
Rights & Services	2,815	1,309	4,124	5%	2,706	1,292	1,145	5,143	9%	9,267	6%
Total revenue	55,915	29,459	85,374	100%	36,915	18,404	1,871	57,190	100%	142,564	100%
<i>% of total</i>	<i>39%</i>	<i>21%</i>	<i>60%</i>		<i>26%</i>	<i>13%</i>	<i>1%</i>	<i>40%</i>		<i>100%</i>	
UK	31,001	15,663	46,664	54%	27,174	13,164	1,683	42,021	74%	88,685	63%
US	17,242	10,590	27,832	33%	8,663	3,990	62	12,715	22%	40,547	28%
Australia	6,473	2,211	8,684	10%	630	1,177	39	1,846	3%	10,530	7%
India	1,199	995	2,194	3%	448	73	87	608	1%	2,802	2%
Total revenue	55,915	29,459	85,374	100%	36,915	18,404	1,871	57,190	100%	142,564	100%
Gross margin	29,077	13,771	42,848		21,441	9,328	1,261	32,030		74,878	
<i>Gross margin %</i>	<i>52%</i>	<i>47%</i>	<i>50%</i>		<i>58%</i>	<i>51%</i>	<i>67%</i>	<i>56%</i>		<i>53%</i>	
Marketing and distribution	(8,751)	(5,034)	(13,785)		(4,600)	(2,455)	(137)	(7,192)		(20,977)	
Contribution	20,326	8,737	29,063		16,841	6,873	1,124	24,838		53,901	
Administrative expenses	(12,716)	(8,407)	(21,123)		(14,084)	(5,648)	(1,049)	(20,781)		(41,904)	
Operating profit	7,610	330	7,940		2,757	1,225	75	4,057		11,997	
<i>Operating profit %</i>	<i>14%</i>	<i>1%</i>	<i>9%</i>		<i>7%</i>	<i>7%</i>	<i>4%</i>	<i>7%</i>		<i>8%</i>	
<i>% of total</i>	<i>63%</i>	<i>3%</i>	<i>66%</i>		<i>23%</i>	<i>10%</i>	<i>1%</i>	<i>34%</i>		<i>100%</i>	
PBTA										12,039	

ADJUSTED SEGMENTAL ANALYSIS

2015/16



£000	Children's Trade	Adult Trade	Total Consumer	A&P	Special Interest	Content Services	Total Non-Consumer	Total Group
Print Sales	33,110	22,814	55,924 84%	27,223	14,691	274	42,188 74%	98,112 79%
Digital Sales	2,817	4,907	7,724 12%	5,493	1,526	278	7,297 13%	15,021 12%
Rights & Services	1,795	1,005	2,800 4%	3,885	1,237	2,670	7,792 13%	10,592 9%
Total revenue	37,722	28,726	66,448 100%	36,601	17,454	3,222	57,277 100%	123,725 100%
% of total	30%	23%	53%	30%	14%	3%	47%	100%
UK	22,793	15,795	38,588 58%	24,801	13,428	3,168	41,397 72%	79,985 61%
US	11,067	9,568	20,635 31%	10,443	3,668	41	14,152 25%	34,787 30%
Australia	3,122	2,834	5,956 9%	710	358	13	1,081 2%	7,037 7%
India	740	529	1,269 2%	647	-	-	647 1%	1,916 2%
Total revenue	37,722	28,726	66,448 100%	36,601	17,454	3,222	57,277 100%	123,725 100%
Gross margin	20,712	14,274	34,986	21,179	9,726	2,636	33,541	68,527
Gross margin %	55%	50%	53%	58%	56%	82%	59%	55%
Marketing and distribution	(5,469)	(4,989)	(10,458)	(4,369)	(2,155)	(83)	(6,607)	(17,065)
Contribution	15,243	9,285	24,528	16,810	7,571	2,553	26,934	51,462
Administrative expenses	(9,954)	(8,594)	(18,548)	(12,903)	(5,571)	(1,325)	(19,799)	(38,347)
Operating profit	5,289	691	5,980	3,907	2,000	1,228	7,135	13,115
Operating profit %	14%	2%	9%	11%	11%	38%	12%	11%
% of total	40%	6%	46%	30%	15%	9%	54%	100%
PBTA								13,028

ADJUSTED SEGMENTAL ANALYSIS

2016/17 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	46,705	22,438	69,143	86%	26,042	15,076	541	41,659	76%	110,802	82%
Digital Sales	3,003	4,035	7,038	9%	6,761	1,314	156	8,231	15%	15,269	11%
Rights & Services	2,729	1,183	3,912	5%	2,673	1,283	1,145	5,101	9%	9,013	7%
Total revenue	52,437	27,656	80,093	100%	35,476	17,673	1,842	54,991	100%	135,084	100%
<i>% of total</i>	<i>39%</i>	<i>20%</i>	<i>59%</i>		<i>27%</i>	<i>13%</i>	<i>1%</i>	<i>41%</i>		<i>100%</i>	
UK	31,001	15,663	46,664	58%	27,174	13,164	1,683	42,021	76%	88,685	66%
US	14,946	9,195	24,141	31%	7,358	3,448	52	10,858	20%	34,999	25%
Australia	5,416	1,910	7,326	9%	545	999	32	1,576	3%	8,902	7%
India	1,074	888	1,962	2%	399	62	75	536	1%	2,498	2%
Total revenue	52,437	27,656	80,093	100%	35,476	17,673	1,842	54,991	100%	135,084	100%
Gross margin	27,478	12,825	40,303		20,603	8,948	1,242	30,793		71,096	
<i>Gross margin %</i>	<i>52%</i>	<i>46%</i>	<i>50%</i>		<i>58%</i>	<i>51%</i>	<i>67%</i>	<i>56%</i>		<i>53%</i>	
Marketing and distribution	(8,080)	(4,676)	(12,756)		(4,414)	(2,322)	(133)	(6,869)		(19,625)	
Contribution	19,398	8,149	27,547		16,189	6,626	1,109	23,924		51,471	
Administrative expenses	(12,290)	(7,945)	(20,235)		(13,535)	(5,561)	(1,045)	(20,141)		(40,376)	
Operating profit	7,108	204	7,312		2,654	1,065	64	3,783		11,095	
<i>Operating profit %</i>	<i>14%</i>	<i>1%</i>	<i>9%</i>		<i>7%</i>	<i>6%</i>	<i>3%</i>	<i>7%</i>		<i>8%</i>	
<i>% of total</i>	<i>64%</i>	<i>2%</i>	<i>66%</i>		<i>24%</i>	<i>9%</i>	<i>1%</i>	<i>34%</i>		<i>100%</i>	
PBTA										11,137	

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

ACTIVE DIGITAL RESOURCES



Product	Market	Model
Arcadian Library	Institutional	Perpetual Access
Berg Fashion Library	Institutional	Subscription
Bloomsbury Popular Music	Institutional	Subscription
Bloomsbury Professional Law & Tax Products	B2B	Subscription
Reeds Almanac Online	B2C	Subscription
Churchill Archive	Institutional	Perpetual Access and Subscription
Drama Online	Institutional	Perpetual Access and Subscription
Bloomsbury Collections	Institutional	Perpetual Access
Churchill Central	B2C	Sponsorship funded
Churchill for Schools	Secondary Schools	Sponsorship funded
Cooked.com	B2C	Joint Venture
Fairchild Books Fashion (textbook rental)	B2C	Purchase or Rental
Fairchild Books Library	Institutional	Subscription
IZA World of Labor	Institutional	Sponsorship Funded
Fashion Photography Archive	Institutional	Perpetual Access and Subscription

ADJUSTING ITEMS



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

★ Adjusting items are highlighted items as shown on slide 26

★ Adjusted results are included in this presentation as, in the opinion of the Directors, it provides additional understanding of the ongoing performance of the Group

★ Certain financial data within this presentation has been rounded

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