

H1 FY26 results: Upgrade to full year expectations

2 Year Chart



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These H1 results demonstrate Bloomsbury's ability to monetise its IP portfolio and are a clear vindication of the group's content investment strategy. The headlines will be taken by the initial contribution from the group's first non-exclusive AI licensing agreement, not least as this sits behind the upgrade to full year expectations. The group has flagged that there will be opportunities to sign further such licensing agreements, although we do not factor those into our estimates at this stage.

Beyond the AI licensing agreement headlines, Bloomsbury has made progress in H1 FY26 despite a difficult Academic market backdrop. The breadth of the Consumer portfolios can be seen in a solid H1 performance. Within Academic & Professional, the completion of the Rowman & Littlefield integration, further progress in BDR and international expansion all lay the ground for future delivery. The current valuation (FY26 PE multiple of 11.9x) remains attractive for a company with such a strong track record.

- **Solid H1 results:** Looking beyond AI licensing agreement headlines, Bloomsbury has delivered a solid H1 outturn. Consumer performance was resilient in the face of strong prior year comparatives and delivered good returns from the breadth of its Consumer portfolio. Academic & Professional continues to make progress, while the AI licensing agreement shows that there are multiple routes to growth here, despite short term challenges in traditional Academic markets.
- **First non-exclusive AI licensing agreement:** These results show the first contribution from the non-exclusive AI licensing agreement. This is a key milestone for Bloomsbury and further vindicates the investment in Academic publishing as well adding a new route to IP monetisation for the group. Bloomsbury have flagged the potential for further agreements although we make no assumptions as to timing and quantum at this stage.
- **Estimate revisions & valuation:** We have upgraded our FY26E estimates by c.+4% at the PBT level and +7% at the EPS level to reflect the initial contribution from the AI licensing agreement. At this stage we leave our FY27E estimates unchanged. On our revised estimates, Bloomsbury trades on a FY26E PE multiple of 11.9x and a dividend yield of 3.3%. The valuation continues to look attractive relative to both historic ranges and the quality of the track record, especially when it comes to free cashflow generation

Feb, £m	Revenue	PBT adj	EPS (p)	Div (p)	Net Cash	PE x	Yield %
FY 2024A	342.7	48.7	46.6	14.7	65.8	10.5	3.0
FY 2025A	361.0	42.1	41.4	15.4	17.0	11.8	3.2
FY 2026E	332.7	43.6	41.2	16.2	15.3	11.9	3.3
FY 2027E	331.3	44.2	40.4	17.0	35.7	12.1	3.5

H1 results

The key headlines from the Bloomsbury H1 results are outlined below. These results also include the re-categorisation of the Special Interest segment away from the Academic & Professional business into Consumer. We have adjusted our financial model accordingly for both historic numbers and our forward estimates.

- Overall **group** revenue -11% YoY to £159.5m:
 - **Consumer** revenue came in at £113.4m. The YoY decline is primarily a comparative effect due to a very strong period for Consumer in H1 FY26. Consumer revenue in H1 FY24 had been £100m, so we can see the underlying progress (+13%) that has been made. This comparative effect had been well flagged at prior results and the overall Consumer outturn was in line with expectations.

Despite the absence of a new Sarah J. Maas title, this franchise (across multiple titles and formats) has continued to perform, alongside the perennial *Harry Potter* contribution. Further success has been seen across a range of authors such as Gillian Anderson, Samantha Shannon and Katherine Rundell. The cookery genre also remains a source of strength with a number of best selling titles in this area.
 - **Academic & Professional** revenue grew +20% to £46.1m, benefiting from the initial contribution from Bloomsbury's first non-exclusive AI licensing agreement. Bloomsbury Digital Resources continued to make solid progress against an Academic market backdrop that remains challenging, especially in North America. BDR delivered revenue (£13.6m) in line with H1 FY25, albeit ahead of the prior year on a constant currency basis. The integration of Rowman & Littlefield is now substantially complete and H2 will see the opening of a new international sales office in Singapore.
- Group EBITA margins expanded by +70 basis points to 15.5%:
 - **Consumer** EBITA margins came in at 12.0% (H1 FY25: 14.6%), reflecting the natural operating leverage from lower revenue than the strong comparative period and the mix effect of the lower margin Special Interest revenue. It is worth pointing out that in FY 21, 22 and 23, Consumer margins trended between 10% - 11% (including Special Interest).
 - **Academic & Professional** saw a material increase in EBITA margins to 24.1% (H1 FY25: 15.6%). This increase reflects the higher margin contribution from the non-exclusive AI licencing agreement.
- Group adjusted profit before tax came in at £24.0m (H1 FY25: £26.6m)
- Adjusted, diluted earnings per share benefited from a lower underlying tax charge of 22% and came in at 22.98p (H1 FY25: 24.68p)
- Interim dividend proposed at 4.08p, up +5% YoY

- Group net cash of £2.4m, reflects working capital timing differences, accentuated by the AI licensing agreement, which we expect to unwind to a more normalised position through H2.

It is worth dwelling on the non-exclusive AI licensing agreement, which is a standout feature of these results.

The potential for such a deal has been flagged at the final results so it is encouraging to see this get across the line. First and foremost, we see this as a natural extension of the group “portfolio of portfolios” strategy. Bloomsbury is, at its core, an IP based business and the ability to monetise that IP through a variety of mechanisms sits at the heart of the business model. Such AI licensing agreements are a natural extension to this monetisation strategy and adds a new feather to the bow. Following the acquisitions of Rowman & Littlefield and ABC-CLIO prior to that and the investment into building Bloomsbury Digital Resources, this further demonstrates that the combined weight and quality of the Bloomsbury academic portfolio can drive returns significantly beyond the traditional print revenue model.

Although the counterparty has not been disclosed, the fact that this is a non-exclusive agreement does suggest that there remains the distinct possibility of further such agreements being struck in the future. We do not yet have visibility over the timing of any further agreements so we have not factored these into our future estimates.

We also note that this licensing agreement will be subject to author opt-in, which means that although very high margin, the licensing agreement revenue will not drop 100% through to the bottom line.

Upgrades to h2Radnor FY26E estimates

Below we detail our main estimate changes following the H1 results.

Fig 1: h2Radnor estimate changes

	FY25	FY26E Old	FY27E Old	FY27E New	FY27E New	FY26E Var %
Revenue	361.0	331.5	339.2	332.7	331.3	+ 0%
EBITA	42.9	42.8	44.7	45.3	44.8	+ 6%
PBT - Adjusted	42.1	42.1	44.1	43.6	44.2	+ 3%
EPS - Adjusted	41.4p	38.5p	40.3p	41.2p	40.4p	+ 7%
Dividend	15.4p	16.2p	17.0p	16.2p	17.0p	+ 0%
Net Cash / (Debt)	17.0	20.1	35.4	15.3	35.7	

Source: Bloomsbury, h2Radnor

We have incorporated into our historic and forecast model the reclassification of Special Interest into Consumer.

Bloomsbury Publishing

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Price (p): 488 p
Market Cap: 393 m
EV: 376 m

PROFIT & LOSS

Year to 28 February, £m	FY23	FY24	FY25	FY26e	FY27e
Consumer	188.4	272.2	277.7	233.8	240.8
Academic & Professional	75.7	70.5	83.3	98.9	90.5
Group Net Revenue	264.1	342.7	361.0	332.7	331.3
Consumer	19.0	38.6	30.5	22.2	33.0
Academic & Professional	12.5	9.3	12.5	23.0	11.8
Associates & JV's	(0.2)	(0.0)	(0.1)	-	-
EBITA - Adjusted	31.3	47.9	42.9	45.3	44.8
EBITA margin, %	11.8%	14.0%	11.9%	13.6%	13.5%
Net Bank Interest	(0.2)	0.9	(0.8)	(1.7)	(0.6)
PBT - Adjusted	31.1	48.7	42.1	43.6	44.2
Acquired intangible amortisation	(5.2)	(4.9)	(8.4)	(8.2)	(8.2)
Other highlighted items	(0.5)	(2.3)	(1.2)	(2.0)	(1.0)
PBT - Reported	25.4	41.5	32.5	33.3	34.9
Tax	(5.2)	(9.2)	(7.1)	(7.5)	(8.7)
Tax - Adjusted	(5.9)	(10.3)	(7.9)	(9.8)	(11.0)
Tax rate - Adjusted	18.9%	21.0%	18.8%	22.5%	25.0%
Minority interests	-	-	-	-	-
No. shares m	81.2	81.2	81.4	81.1	81.1
No. shares m, diluted	82.5	82.6	82.6	82.0	82.0
IFRS EPS (p)	24.9	39.8	31.2	31.8	32.3
Adj EPS (p), diluted	30.6	46.6	41.4	41.2	40.4
Core Dividend	11.8	14.7	15.4	16.2	17.0
Special Dividend	-	-	-	-	-
Total DPS (p)	11.8	14.7	15.4	16.2	17.0

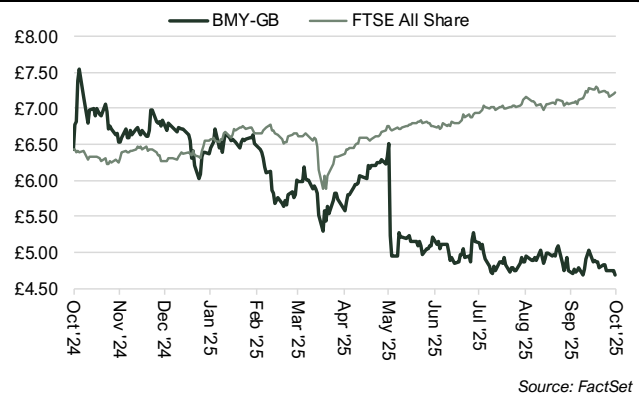
CASH FLOW

Year to 28 February, £m	FY23	FY24	FY25	FY26e	FY27e
Net Profit: (add back)	20.2	32.3	25.4	25.8	26.2
Depreciation & Amortisation	12.5	13.3	15.6	17.9	17.9
Net Finance costs	0.2	(0.9)	0.8	1.7	0.6
Tax	5.2	9.2	7.1	7.5	8.7
Other	1.9	2.2	2.0	1.6	1.6
Cashflow pre Working Capital	40.0	56.1	50.9	54.5	55.0
Working Capital	(6.8)	(5.6)	7.1	(23.3)	5.3
Cash from Ops	33.3	50.5	58.0	31.2	60.3
Cash Tax	(6.6)	(12.9)	(16.1)	(9.0)	(10.5)
Tangible Capex	(0.8)	(0.7)	(1.4)	(1.5)	(1.5)
Free Cashflow	25.8	36.9	40.5	20.7	48.3
Intangible Capex	(5.2)	(5.1)	(4.8)	(5.0)	(5.0)
Acquisitions & Inv.	(0.1)	-	(64.8)	-	-
Dividends	(8.8)	(11.3)	(12.2)	(13.3)	(13.3)
Financing - Other	(4.6)	(4.4)	16.5	(4.2)	(33.1)
Net Cashflow	7.2	16.1	(24.8)	(1.7)	(3.1)
Net Cash (Debt)	51.5	65.8	17.0	15.3	35.7

BALANCE SHEET

Year to 28 February, £m	FY23	FY24	FY25	FY26e	FY27e
Intangibles	86.9	80.3	137.4	127.7	118.0
P,P+E	2.5	2.2	2.5	2.8	3.1
Tax Asset & Other	18.0	22.0	25.2	23.2	21.2
Total Fixed Assets	107.4	104.5	165.1	153.7	142.3
Net Working Capital	44.6	49.5	46.6	69.9	64.6
Capital Employed	152.0	154.0	211.7	223.6	206.9
Liabilities	(15.7)	(17.3)	(13.9)	(11.7)	(9.5)
Net Cash	51.5	65.8	17.0	15.3	35.7
Net Assets	187.8	202.5	214.8	227.1	233.1

PRICE CHART - 1 YEAR ABSOLUTE vs FTSE ALL SHARE



SHAREHOLDERS

	% of ord. Share capital
JPMorgan AM	6.4%
Charles Stanley	6.3%
BlackRock IM	5.0%
Montanaro AM	5.0%
Hargreaves Lansdown	4.6%
Aberdeen	4.1%
Canaccord Genuity Wealth	4.0%
Total	35.4%

Announcements

Date	Event
October 2025	FY25 H1 results
July 2025	AGM trading update
May 2025	FY25 final results
March 2025	Trading update
October 2024	FY25 H1 results
July 2024	AGM trading update
May 2024	Rowman & Littlefield acquisition
May 2024	FY24 final results
February 2024	Trading update

RATIOS

	FY24	FY25	FY26e	FY27e	FY28e
RoE	19.0%	15.9%	14.9%	14.2%	15.7%
RoCE	31.0%	20.2%	20.2%	21.6%	25.9%
Asset Turnover (x)	0.3x	0.5x	0.5x	0.4x	0.4x
NWC % Revenue	14.4%	12.9%	21.0%	19.5%	18.5%
Op Cash % EBITA	105.6%	135.2%	69.0%	134.7%	120.9%

VALUATION

Fiscal	FY24	FY25	FY26e	FY27e	FY28e
P/E	10.5x	11.8x	11.9x	12.1x	10.2x
EV/EBITDA	6.8x	7.5x	6.9x	6.9x	6.2x
Div Yield	3.0%	3.2%	3.3%	3.5%	3.7%
FCF Yield	9.8%	10.8%	5.5%	12.8%	12.4%
EPS growth	52.5%	-11.2%	-0.6%	-1.9%	18.6%
DPS growth	25.0%	5.0%	5.0%	5.0%	5.0%

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