

## FY25 trading update: Ahead of expectations

### 1 Year Chart



Bloomsbury Publishing PLC is a research client of H2 Radnor Ltd.

**MiFID II – this research is deemed to be a minor, non-monetary benefit.**

20 March 2025

**Iain Daly**

idaly@h2radnor.com

+44 (0) 203 897 1832

Today's confirmation that trading in H2 FY25 has been better than expected should provide a justified boost to Bloomsbury's share price. The positive momentum that drove estimate upgrades at the half year remain very much in place and we are upgrading our FY25 PBT expectations by a further +6% in response to today's update.

The key takeaway for us is the reference to the "broadly based" performance across the Consumer portfolio. Our read of this is that the better than expected performance is not being driven by one author, or genre. This is the natural outcome of the "portfolio of portfolios" strategy that underpins Bloomsbury's approach to diversification and re-investment. It has also helped Bloomsbury weather more difficult conditions in its Academic markets, with Rowman & Littlefield making a full and positive contribution.

In terms of consensus estimate momentum, Bloomsbury is the best performing stock in UK media, which is not reflected in the share price YTD.

- Full year trading update:** Continuing on from the strong H1 results, Bloomsbury has guided to a better than expected H2, led by a strong performance from the Consumer business. Importantly, Bloomsbury has emphasised the breadth of the contribution from across the Consumer portfolio. The Rowman & Littlefield acquisition is driving growth in Non-Consumer, with BDR still expected to deliver growth for the full year despite a challenging academic market.
- Estimate upgrades:** We are upgrading our FY25E revenue / PBT estimates by +5% / +6% respectively from estimates that were already upgraded by +5% at the H1 results. We have weighted our upgrades towards the Consumer business. At this stage, we leave our FY26E and FY27E estimates unchanged and will revisit at the final results on 22<sup>nd</sup> May .
- Board strengthening:** Bloomsbury have also announced the appointment of Dame Heather Rabbatts as a Non-Executive Director. Dame Heather has extensive PLC experience and is currently the SID at Associated British Foods PLC and M&C Saatchi PLC.
- Undemanding valuation:** We believe recent share price weakness has been led primarily by broader market macro concerns, so it is encouraging to see Bloomsbury delivering such a strong end to the year. The shares currently stand at a material valuation discount to market comparators despite balance sheet strength and operational outperformance.

Feb, £m	Revenue	PBT adj	EPS (p)	Div (p)	Net Cash	PE x	Yield %
FY 2023A	264.1	31.1	30.6	11.8	51.5	18.8	2.0
FY 2024A	342.7	48.7	46.6	14.7	65.8	12.4	2.6
FY 2025E	356.0	41.5	38.0	15.4	14.3	15.2	2.7
FY 2026E	339.5	44.3	40.5	16.2	33.2	14.2	2.8
FY 2027E	347.2	47.1	43.1	17.0	56.0	13.4	3.0

## Changes to h2Radnor estimates

Below in Figure 1, we outline the key estimate changes we are making in response to today's update. At the headline level we are upgrading our FY25E revenue and PBT estimates by **+5%** / **+6%** respectively. We are leaving our headline FY26E estimates broadly unchanged, although we were moving our segment mix more heavily towards Consumer.

**Fig 1:** Detailed estimate changes

	FY24	FY25E Old	FY26E Old	FY25E New	FY26E New	FY25E Var %	FY26E Var %
Consumer	249.2	228.0	228.2	251.5	228.2	+ 10%	+ 0%
Non Consumer	93.4	110.1	111.6	104.5	111.3	(5%)	(0%)
<b>Revenue</b>	<b>342.7</b>	<b>338.1</b>	<b>339.8</b>	<b>356.0</b>	<b>339.5</b>	<b>+ 5%</b>	<b>(0%)</b>
Consumer	38.0	28.4	30.9	31.3	34.6	+ 10%	+ 12%
Non Consumer	9.9	11.5	14.2	10.9	10.4	(5%)	(26%)
<b>EBITA</b>	<b>47.9</b>	<b>39.8</b>	<b>45.0</b>	<b>42.2</b>	<b>45.0</b>	<b>+ 6%</b>	<b>(0%)</b>
<b>PBT - Adjusted</b>	<b>48.7</b>	<b>39.0</b>	<b>44.3</b>	<b>41.5</b>	<b>44.3</b>	<b>+ 6%</b>	<b>(0%)</b>
<b>EPS - Adjusted</b>	<b>46.6</b>	<b>35.7</b>	<b>40.5</b>	<b>38.0</b>	<b>40.5</b>	<b>+ 6%</b>	<b>(0%)</b>
Dividend	14.7	15.4	16.2	15.4	16.2	+ 0%	+ 0%
Net Cash / (Debt)	65.8	14.9	31.7	14.3	33.2		

Source: Bloomsbury, h2Radnor

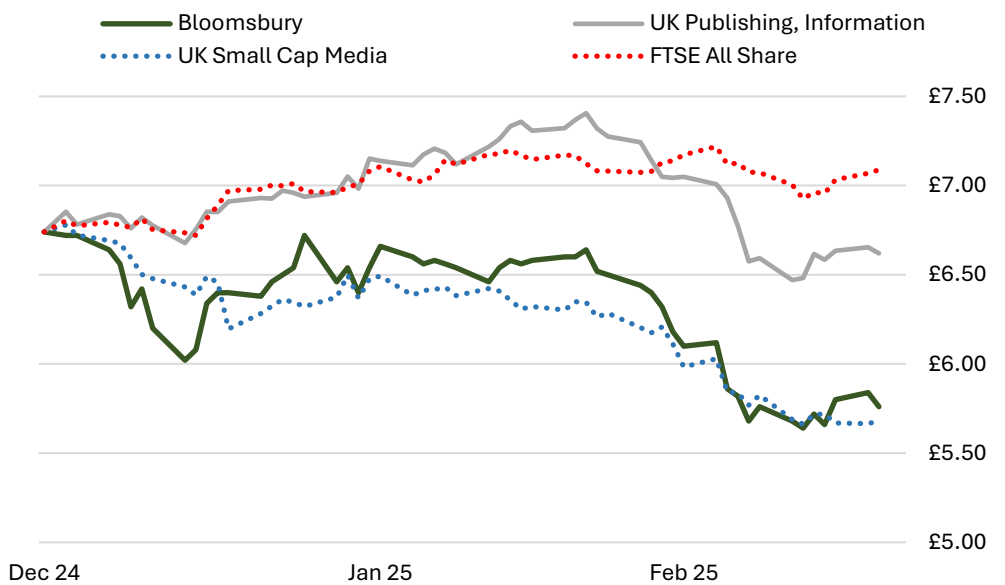
- The broad shape of Consumer outperformance more than offsetting a tougher environment within Bloomsbury's academic markets was clearly communicated at the H1 results. Our H1 estimate revisions reflected this shape.
- Despite the positive contribution from Rowman & Littlefield, it is clear that the academic market has not shown any material signs of improvement. Although we are maintaining our headline estimates for FY26E, we are taking this opportunity to shift our mix assumptions between Consumer and Non Consumer in order to reflect the short term outlook for Non Consumer. This is a cautious view and we will wait until the final results in May to see whether we have been overcautious.
- We note the reference in today's update to the early, partial payback of \$7.5m of the \$37.5m Rowman & Littlefield bank debt. This clearly reflects management confidence in the longer term outlook for both the Rowman & Littlefield acquisition and broader free cash generation across the group. We will need to wait until the full year results for further clarity around the remainder of this debt facility but any form of early paydown will be a further source of earnings upside.

## Valuation Opportunity

Despite the upgrade momentum we have seen across the current fiscal year, Bloomsbury's share price has not been immune from the broader sentiment weakness we have seen across smaller cap, more cyclically exposed peer groups.

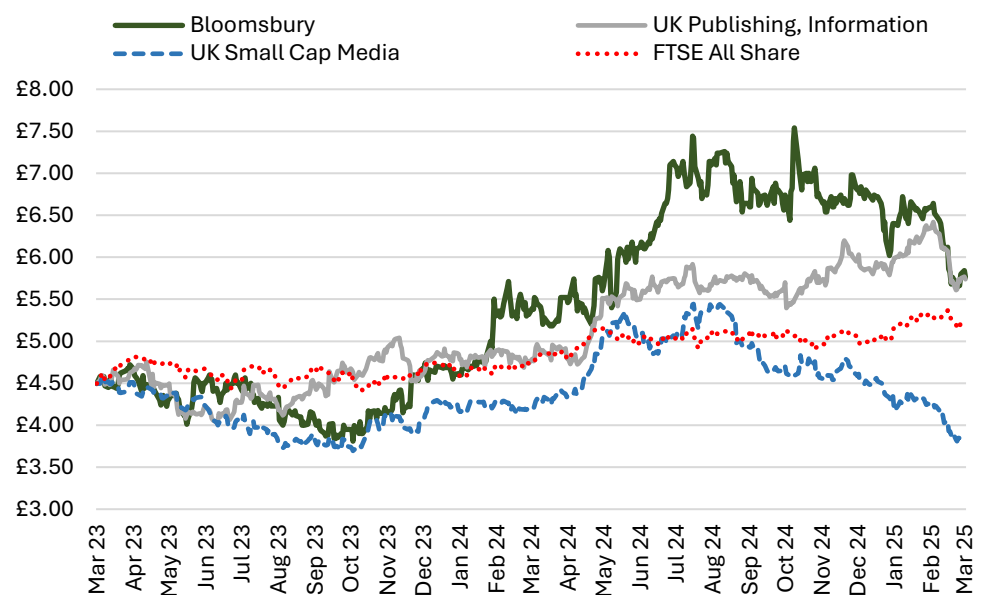
In Fig 2 below, we show Bloomsbury's share price performance in the year to date and have overlaid the equivalent performance for the UK Publishing & Information peer group (predominantly larger cap) and the UK Smaller Cap Media peer group. In Figure 3, we show the same date but over the last two years.

**Fig 2: Year to Date price performance**



Source: FactSet, h2Radnor

**Fig 3: 2 Year price performance**



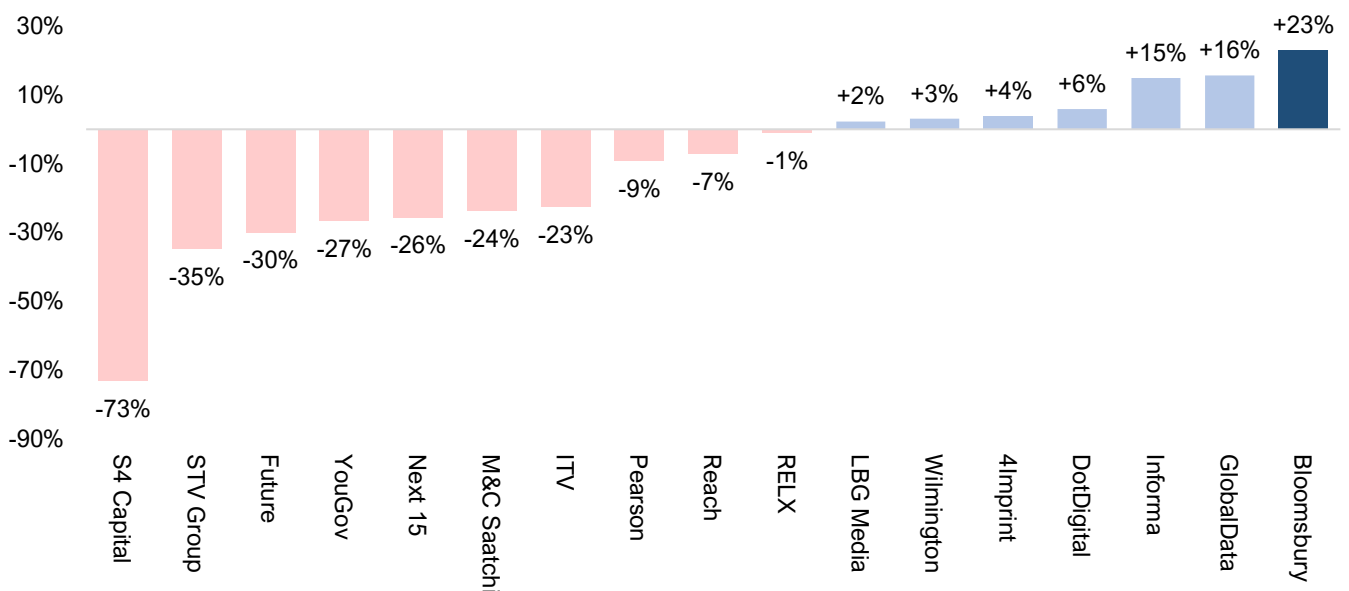
Source: FactSet, h2Radnor

We can see from the above the extent to which Bloomsbury had outperformed both the broader FTSE All Share and the UK Small Cap Media peer group over the last two years, and the extent to which this outperformance has pulled back since the start of 2025.

What has changed to justify this pull back? Judging from the full year trading update, nothing from Bloomsbury’s own perspective. The business has maintained its momentum and the FY25 outturn is expected to be better than previously indicated.

It is worth re-iterating the point that this represents the second upgrade we have seen from Bloomsbury since the FY24 results were released. We upgraded our FY25 estimates by c.5% off the back of the H1 FY25 results. We therefore find it surprising to see the Bloomsbury share price performance so closely correlated with the Small Cap Media peer group, where earnings momentum has been negative over the course of the last year. In fact, according to our calculations, Bloomsbury holds the distinction for delivering the highest level of earnings upgrade across both the larger cap Publishing & Information peer group and the broader Small Cap Media peer group over the last two years. We break this data out in Figure 4 below.

**Fig 4: FY1 PBT estimate revision over the last two years**



Source: FactSet, h2Radnor

We can see from the above that market consensus expectations for Bloomsbury’s PBT for the year ended February 2025 have increased by **+23%** since the start of 2023. Only GlobalData and Informa, amongst the UK peers, have seen double digit increases in consensus expectations.

We believe the progress that Bloomsbury is delivering, in a year that does not show the benefit of a Sarah J Maas front list release, is not being fully factored into the current share price.

When we look across at the comparative valuation multiples across the most relevant publishing peer groups, see Figure 5 below, we can see that Bloomsbury trades at a material PE multiple discount to both UK and North American market comparators. Given the performance differential between Bloomsbury and the UK comparators in

particular, alongside the relative strength of the Bloomsbury balance sheet, this discount does not feel warranted.

**Fig 5: Comparative valuation multiples**

	Market Cap, local	FY1 Net Cash, local	EV, local	FY1 EV / Sales, x	FY1 EV / EBITDA, x	FY1 PER, x	FY1 Dividend Yield, %
<b>Bloomsbury Publishing Plc</b>	<b>469</b>	<b>14</b>	<b>456</b>	<b>1.4</b>	<b>9.0</b>	<b>15.9</b>	<b>2.7%</b>
<i>Rel to UK Publishing + Information Peers</i>				<i>-75%</i>	<i>-43%</i>	<i>-20%</i>	
<i>Rel to North American Publishing + Information Peers</i>				<i>-76%</i>	<i>-57%</i>	<i>-38%</i>	
<b>Publishing, Learning, Information - UK</b>							
RELX PLC	69,574	(6,516)	76,090	7.5	19.0	28.2	1.8%
Pearson PLC	8,508	(741)	9,248	2.4	10.6	18.3	2.1%
Informa Plc	10,142	(2,615)	12,757	3.1	9.9	13.5	2.9%
				<b>5.4</b>	<b>15.9</b>	<b>20.0</b>	<b>2.3%</b>
<b>Publishing, Learning, Information - North America</b>							
Grand Canyon Education, Inc.	4,804	524	4,280	3.9	12.0	19.4	-
Scholastic Corporation	536	(133)	668	0.4	4.5	22.7	4.2%
Thomson Reuters Corporation	110,917	(1,305)	112,222	10.4	26.8	45.0	1.4%
News Corporation Class A	15,206	(196)	15,403	1.8	10.9	29.0	0.8%
John Wiley & Sons, Inc. Class A	2,407	(310)	2,717	1.6	6.8	12.6	-
				<b>5.7</b>	<b>20.8</b>	<b>25.7</b>	<b>2.1%</b>

Source: FactSet, h2Radnor

## Bloomsbury Publishing

Iain Daly  
+44 203 897 1832  
idaly@h2radnor.com

Price (p): 576 p  
Market Cap: 468 m  
EV: 454 m

### PROFIT & LOSS

Year to 28 February, £m	FY22	FY23	FY24	FY25e	FY26e	FY27e
Consumer	148.2	166.7	249.2	251.5	228.2	231.2
Non-Consumer	81.9	97.4	93.4	104.5	111.3	116.0
<b>Group Net Revenue</b>	<b>230.1</b>	<b>264.1</b>	<b>342.7</b>	<b>356.0</b>	<b>339.5</b>	<b>347.2</b>
Consumer	18.0	18.3	38.0	31.3	34.6	32.9
Non-Consumer	9.2	13.2	9.9	10.9	10.4	14.8
Associates & JV's	(0.1)	(0.2)	(0.0)	-	-	-
<b>EBITA - Adjusted</b>	<b>27.1</b>	<b>31.3</b>	<b>47.9</b>	<b>42.2</b>	<b>45.0</b>	<b>47.7</b>
EBITA margin, %	11.8%	11.8%	14.0%	11.9%	13.3%	13.7%
Net Bank Interest	(0.3)	(0.2)	0.9	(0.7)	(0.7)	(0.6)
<b>PBT - Adjusted</b>	<b>26.8</b>	<b>31.1</b>	<b>48.7</b>	<b>41.5</b>	<b>44.3</b>	<b>47.1</b>
Acquired intangible amortisation	(2.8)	(5.2)	(4.9)	(8.2)	(8.2)	(8.2)
Other highlighted items	(1.7)	(0.5)	(2.3)	(3.0)	(2.0)	(1.0)
<b>PBT - Reported</b>	<b>22.3</b>	<b>25.4</b>	<b>41.5</b>	<b>30.3</b>	<b>34.1</b>	<b>37.9</b>
Tax	(5.3)	(5.2)	(9.2)	(7.6)	(8.5)	(9.5)
Tax - Adjusted	(5.2)	(5.9)	(10.3)	(10.4)	(11.1)	(11.8)
Tax rate - Adjusted	19.3%	18.9%	21.0%	25.0%	25.0%	25.0%
Minority interests	-	-	-	-	-	-
No. shares m	81.5	81.2	81.2	81.1	81.1	81.1
No. shares m, diluted	83.1	82.5	82.6	82.0	82.0	82.0
IFRS EPS (p)	20.8	24.9	39.8	28.0	31.5	35.0
<b>Adj EPS (p), diluted</b>	<b>26.0</b>	<b>30.6</b>	<b>46.6</b>	<b>38.0</b>	<b>40.5</b>	<b>43.1</b>
Core Dividend	10.7	11.8	14.7	15.4	16.2	17.0
Special Dividend	-	-	-	-	-	-
<b>Total DPS (p)</b>	<b>10.7</b>	<b>11.8</b>	<b>14.7</b>	<b>15.4</b>	<b>16.2</b>	<b>17.0</b>

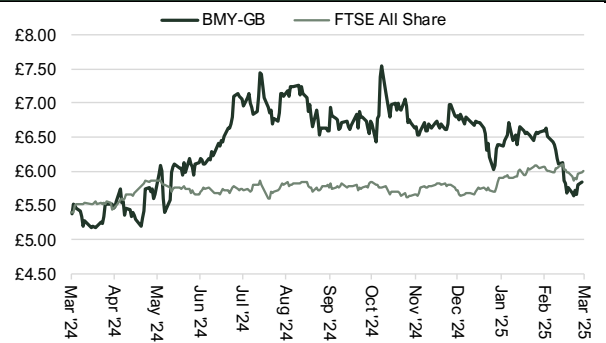
### CASH FLOW

Year to 28 February, £m	FY22	FY23	FY24	FY25e	FY26e	FY27e
Net Profit: (add back)	17.0	20.2	32.3	22.7	25.5	28.4
Depreciation & Amortisation	9.9	12.5	13.3	17.6	17.7	17.7
Net Finance costs	0.3	0.2	(0.9)	0.7	0.7	0.6
Tax	5.3	5.2	9.2	7.6	8.5	9.5
Other	2.2	1.9	2.2	1.6	1.6	1.6
<b>Cashflow pre Working Capital</b>	<b>34.7</b>	<b>40.0</b>	<b>56.1</b>	<b>50.2</b>	<b>54.1</b>	<b>57.8</b>
Working Capital	13.0	(6.8)	(5.6)	(6.0)	(2.2)	(1.3)
<b>Cash from Ops</b>	<b>47.7</b>	<b>33.3</b>	<b>50.5</b>	<b>44.2</b>	<b>51.9</b>	<b>56.5</b>
Cash Tax	(7.9)	(6.6)	(12.9)	(9.1)	(10.2)	(11.4)
Tangible Capex	(0.6)	(0.8)	(0.7)	(0.8)	(0.8)	(0.9)
<b>Free Cashflow</b>	<b>39.2</b>	<b>25.8</b>	<b>36.9</b>	<b>34.3</b>	<b>40.8</b>	<b>44.3</b>
Intangible Capex	(3.7)	(5.2)	(5.1)	(5.3)	(5.1)	(5.2)
Acquisitions & Inv.	(22.9)	(0.1)	-	(65.0)	-	-
Dividends	(15.2)	(8.8)	(11.3)	(12.1)	(13.3)	(13.3)
Financing - Other	(11.4)	(4.6)	(4.4)	26.6	(3.5)	(33.0)
<b>Net Cashflow</b>	<b>(14.0)</b>	<b>7.2</b>	<b>16.1</b>	<b>(21.5)</b>	<b>19.0</b>	<b>(7.2)</b>
Net Cash (Debt)	55.2	51.5	65.8	14.3	33.2	56.0

### BALANCE SHEET

Year to 28 February, £m	FY22	FY23	FY24	FY25e	FY26e	FY27e
Intangibles	88.2	86.9	80.3	135.9	126.3	116.8
P,P+E	2.3	2.5	2.2	2.1	2.0	1.8
Tax Asset & Other	18.8	18.0	22.0	20.0	17.9	15.9
<b>Total Fixed Assets</b>	<b>109.3</b>	<b>107.4</b>	<b>104.5</b>	<b>158.0</b>	<b>146.2</b>	<b>134.5</b>
Net Working Capital	35.7	44.6	49.5	55.5	57.7	59.0
<b>Capital Employed</b>	<b>145.0</b>	<b>152.0</b>	<b>154.0</b>	<b>213.5</b>	<b>203.9</b>	<b>193.6</b>
Liabilities	(17.2)	(15.7)	(17.3)	(15.1)	(12.9)	(10.7)
Net Cash	55.2	51.5	65.8	14.3	33.2	56.0
<b>Net Assets</b>	<b>183.0</b>	<b>187.8</b>	<b>202.5</b>	<b>212.7</b>	<b>224.2</b>	<b>238.8</b>

### PRICE CHART - 1 YEAR ABSOLUTE vs FTSE ALL SHARE



### SHAREHOLDERS

	% of ord. Share capital
Charles Stanley	7.1%
BlackRock	6.8%
JPMorgan AM	4.9%
Montanaro AM	4.9%
Hargreaves Lansdown	4.7%
Canaccord Wealth	4.4%
Canaccord Fund Mgmt	4.3%
<b>Total</b>	<b>37.1%</b>

### Announcements

Date	Event
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
December 2023	Trading update
October 2023	FY24 H1 results
July 2023	AGM trading update

### RATIOS

	FY23	FY24	FY25e	FY26e	FY27e
RoE	13.4%	19.0%	14.6%	14.8%	14.8%
RoCE	20.4%	31.0%	19.8%	22.1%	24.7%
Asset Turnover (x)	0.4x	0.3x	0.4x	0.4x	0.4x
NWC % Revenue	16.9%	14.4%	15.6%	17.0%	17.0%
Op Cash % EBITA	106.3%	105.6%	104.7%	115.3%	118.4%

### VALUATION

Fiscal	FY23	FY24	FY25e	FY26e	FY27e
P/E	18.8x	12.4x	15.2x	14.2x	13.4x
EV/EBITDA	11.8x	8.2x	8.8x	8.3x	7.9x
Div Yield	2.0%	2.6%	2.7%	2.8%	3.0%
FCF Yield	5.7%	8.1%	7.6%	9.0%	9.8%
EPS growth	17.4%	52.5%	-18.6%	6.7%	6.4%
DPS growth	9.4%	25.0%	5.0%	5.0%	5.0%

## REGULATORY DISCLOSURES

H2 Radnor Ltd is authorised and regulated by the Financial Conduct Authority.

H2 Radnor Ltd  
68 King William Street  
London  
EC4N 7HR

[www.h2radnor.com](http://www.h2radnor.com)

### DISCLAIMER

Copyright 2025, H2 Radnor Ltd. All rights reserved. This report has been commissioned by **Bloomsbury Publishing PLC** and prepared and issued by **H2 Radnor Ltd**. All information used in this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the analyst at the time of publication. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

This report is not intended as a solicitation or inducement to buy, sell, subscribe or underwrite any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. However, H2 Radnor Ltd does have strict rules relating to personal dealings by individuals employed or instructed to help prepare investment research. A copy of these rules is available upon request. H2 Radnor Ltd does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contracted persons or entities may have a position in any or related securities mentioned in this report. H2 Radnor Ltd, or its affiliates, may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and can be subject to volatility. In addition, it may be difficult to or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. To the maximum extent permitted by law, H2 Radnor Ltd, or its affiliates and their respective directors, officers and employees will not be held liable for any loss or damage as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication.