

### 2 Year Chart



*The announcement of a strategic partnership with Google Cloud marks an important step in the continuing evolution of Bloomsbury. Unlike the non-exclusive AI content licensing agreement announced at the H1 results, this is not an immediate source of incremental revenue, although there is every likelihood that we will see sales, working capital and process improvements over the medium term. This is more about the embedding a broad suite of AI and technology tools across the organisation and will see Bloomsbury challenge any perception of publishing being an old-fashioned industry.*

*This announcement is a good time to revisit the Bloomsbury valuation. Despite a healthy upgrade to consensus expectations post the H1 results, the share price has not reacted meaningfully. The current FY1 PE and dividend yield of 11.9x / 3.3% respectively stand at a material discount (-37%) to the broader UK publishing peer group, underlining the value inherent in a business with strong track record of cash generation.*

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

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

9th December 2025

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- **Not standing still:** The critical point of the Google Cloud announcement is that Bloomsbury is not standing still in a fast-moving environment. Although success in publishing is fundamentally based on great content, Bloomsbury is still an intensive business in terms of working capital management, sales analytics and internal process. Internal AI adoption will bring greater time and financial efficiencies that will help to future proof the business.
- **No change to estimates:** We upgraded our FY26E PBT / EPS estimates by +4% / +7% respectively post the H1 results, reflecting a solid publishing performance and the initial contribution from the non-exclusive AI licensing agreement. We are not making any changes to our estimates following the Google Cloud announcement. The costs associated are already factored into our existing estimates and the potential revenue and cost benefits are likely to manifest over a period of time.
- **Attractive valuation:** Bloomsbury currently trades on a FY26E PE multiple of 11.9x and a dividend yield of 3.3%. This valuation looks incongruous (-37% PE discount) against a broader publishing peer group where the earnings estimate trend remains negative (Bloomsbury +4% H1 upgrade). The standalone 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 and the strength of the balance sheet.

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	3.1
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
FY 2028E	330.4	43.0	39.3	17.9	53.2	12.5	3.6

## Bloomsbury Publishing

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Price (p): 490 p  
Market Cap: 404 m  
EV: 389 m

### PROFIT & LOSS

Year to 28 February, £m	FY23	FY24	FY25	FY26e	FY27e	FY28e
Consumer	188.4	272.2	277.7	233.8	240.8	238.9
Academic & Professional	75.7	70.5	83.3	98.9	90.5	91.5
<b>Group Net Revenue</b>	<b>264.1</b>	<b>342.7</b>	<b>361.0</b>	<b>332.7</b>	<b>331.3</b>	<b>330.4</b>
Consumer	19.0	38.6	30.5	22.2	33.0	30.8
Academic & Professional	12.5	9.3	12.5	23.0	11.8	11.0
Associates & JVs	(0.2)	(0.0)	(0.1)	-	-	-
<b>EBITA - Adjusted</b>	<b>31.3</b>	<b>47.9</b>	<b>42.9</b>	<b>45.3</b>	<b>44.8</b>	<b>41.8</b>
EBITA margin, %	11.8%	14.0%	11.9%	13.6%	13.5%	12.7%
Net Bank Interest	(0.2)	0.9	(0.8)	(1.7)	(0.6)	1.2
<b>PBT - Adjusted</b>	<b>31.1</b>	<b>48.7</b>	<b>42.1</b>	<b>43.6</b>	<b>44.2</b>	<b>43.0</b>
Acquired intangible amortisation	(5.2)	(4.9)	(8.4)	(8.2)	(8.2)	(8.2)
Other highlighted items	(0.5)	(2.3)	(1.2)	(2.0)	(1.0)	(1.0)
<b>PBT - Reported</b>	<b>25.4</b>	<b>41.5</b>	<b>32.5</b>	<b>33.3</b>	<b>34.9</b>	<b>33.8</b>
Tax	(5.2)	(9.2)	(7.1)	(7.5)	(8.7)	(8.4)
Tax - Adjusted	(5.9)	(10.3)	(7.9)	(9.8)	(11.0)	(10.7)
Tax rate - Adjusted	18.9%	21.0%	18.8%	22.5%	25.0%	25.0%
Minority interests	-	-	-	-	-	-
No. shares m	81.2	81.2	81.4	81.1	81.1	81.1
No. shares m, diluted	82.5	82.6	82.6	82.0	82.0	82.0
IFRS EPS (p)	24.9	39.8	31.2	31.8	32.3	31.2
<b>Adj EPS (p), diluted</b>	<b>30.6</b>	<b>46.6</b>	<b>41.4</b>	<b>41.2</b>	<b>40.4</b>	<b>39.3</b>
Core Dividend	11.8	14.7	15.4	16.2	17.0	17.9
Special Dividend	-	-	-	-	-	-
<b>Total DPS (p)</b>	<b>11.8</b>	<b>14.7</b>	<b>15.4</b>	<b>16.2</b>	<b>17.0</b>	<b>17.9</b>

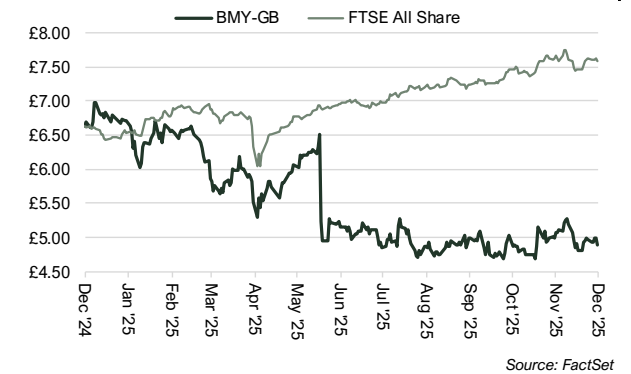
### CASH FLOW

Year to 28 February, £m	FY23	FY24	FY25	FY26e	FY27e	FY28e
Net Profit: (add back)	20.2	32.3	25.4	25.8	26.2	25.3
Depreciation & Amortisation	12.5	13.3	15.6	17.9	17.9	18.0
Net Finance costs	0.2	(0.9)	0.8	1.7	0.6	(1.2)
Tax	5.2	9.2	7.1	7.5	8.7	8.4
Other	1.9	2.2	2.0	1.6	1.6	1.6
<b>Cashflow pre Working Capital</b>	<b>40.0</b>	<b>56.1</b>	<b>50.9</b>	<b>54.5</b>	<b>55.0</b>	<b>52.1</b>
Working Capital	(6.8)	(5.6)	7.1	(23.3)	5.3	(3.1)
<b>Cash from Ops</b>	<b>33.3</b>	<b>50.5</b>	<b>58.0</b>	<b>31.2</b>	<b>60.3</b>	<b>49.0</b>
Cash Tax	(6.6)	(12.9)	(16.1)	(9.0)	(10.5)	(10.1)
Tangible Capex	(0.8)	(0.7)	(1.4)	(1.5)	(1.5)	(1.6)
<b>Free Cashflow</b>	<b>25.8</b>	<b>36.9</b>	<b>40.5</b>	<b>20.7</b>	<b>48.3</b>	<b>37.3</b>
Intangible Capex	(5.2)	(5.1)	(4.8)	(5.0)	(5.0)	(5.0)
Acquisitions & Inv.	(0.1)	-	(64.8)	-	-	-
Dividends	(8.8)	(11.3)	(12.2)	(13.3)	(13.3)	(14.0)
Financing - Other	(4.6)	(4.4)	16.5	(4.2)	(33.1)	(0.8)
<b>Net Cashflow</b>	<b>7.2</b>	<b>16.1</b>	<b>(24.8)</b>	<b>(1.7)</b>	<b>(3.1)</b>	<b>17.5</b>
Net Cash (Debt)	51.5	65.8	17.0	15.3	35.7	53.2

### BALANCE SHEET

Year to 28 February, £m	FY23	FY24	FY25	FY26e	FY27e	FY28e
Intangibles	86.9	80.3	137.4	127.7	118.0	108.2
P,P+E	2.5	2.2	2.5	2.8	3.1	3.5
Tax Asset & Other	18.0	22.0	25.2	23.2	21.2	19.2
<b>Total Fixed Assets</b>	<b>107.4</b>	<b>104.5</b>	<b>165.1</b>	<b>153.7</b>	<b>142.3</b>	<b>130.9</b>
Net Working Capital	44.6	49.5	46.6	69.9	64.6	67.7
<b>Capital Employed</b>	<b>152.0</b>	<b>154.0</b>	<b>211.7</b>	<b>223.6</b>	<b>206.9</b>	<b>198.6</b>
Liabilities	(15.7)	(17.3)	(13.9)	(11.7)	(9.5)	(7.3)
Net Cash	51.5	65.8	17.0	15.3	35.7	53.2
<b>Net Assets</b>	<b>187.8</b>	<b>202.5</b>	<b>214.8</b>	<b>227.1</b>	<b>233.1</b>	<b>244.6</b>

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



### SHAREHOLDERS

	% of ord. Share capital
Charles Stanley	6.5%
JP Morgan AM	6.1%
Janus Henderson	4.8%
Hargreaves Lansdown	4.5%
Canaccord Genuity Wealth	4.1%
Interactive Investor	3.9%
Gresham House	3.9%
<b>Total</b>	<b>33.8%</b>

### 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%	13.2%
RoCE	31.0%	20.2%	20.2%	21.6%	21.0%
Asset Turnover (x)	0.3x	0.5x	0.5x	0.4x	0.4x
NWC % Revenue	14.4%	12.9%	21.0%	19.5%	20.5%
Op Cash % EBITA	105.6%	135.2%	69.0%	134.7%	117.3%

### VALUATION

Fiscal	FY24	FY25	FY26e	FY27e	FY28e
P/E	10.5x	11.8x	11.9x	12.1x	12.5x
EV/EBITDA	7.0x	7.8x	7.1x	7.1x	7.5x
Div Yield	3.0%	3.1%	3.3%	3.5%	3.6%
FCF Yield	9.5%	10.4%	5.3%	12.4%	9.6%
EPS growth	52.5%	-11.2%	-0.6%	-1.9%	-2.6%
DPS growth	25.0%	5.0%	5.0%	5.0%	5.0%

## REGULATORY DISCLOSURES

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

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