# Bloomsbury’s profits plunge despite revenue rise amid strategic pivot to Asia



Bloomsbury Publishing recently experienced a considerable drop in its share price, plummeting 16 per cent to 547p, marking it as the FTSE 250's poorest performer on Thursday. This downturn followed the company’s announcement of a 22 per cent decrease in pre-tax profits, which fell to £32.5 million for the fiscal year ending 28 February 2023. Despite a 5 per cent increase in overall revenue to £361 million, largely attributed to the acquisition of academic publisher Rowman & Littlefield, market reactions were negative.

The decline in profits was particularly evident in its consumer sector, where figures dropped to £31 million, sharply contrasting with the previous year’s impressive figure of £37.4 million, fuelled by the popularity of titles from authors like Sarah J. Maas. The dependency on a few bestselling authors raises questions regarding the sustainability of Bloomsbury’s financial performance, especially as market analysts express concerns over future earnings without new works from these high-profile names.

The acquisition of Rowman & Littlefield, valued at £65 million, was described as a 'game-changer' by Nigel Newton, Bloomsbury’s founder and chief executive. This strategic move aimed to diversify the company’s portfolio and bolster its presence in the academic publishing market, which has faced significant challenges. Notably, more British universities are grappling with fiscal deficits due to rising National Insurance contributions and a decline in overseas student enrolments resulting from regulatory changes. Concurrently, US institutions are contending with dwindling enrolments, a trend associated with lower birth rates impacting the pool of college-age individuals.

These market pressures have deeply influenced Bloomsbury’s organic revenue, particularly in the academic and professional publishing divisions, which suffered a 10 per cent decline last year. The company is now casting its gaze towards Asia, planning to establish a new office in Singapore later this year. This initiative aims to leverage the continent's burgeoning student population, which the World Bank predicts will account for over 60 per cent of the estimated 600 million higher education students globally by 2040. Newton expressed optimism regarding this focus, asserting it positions Bloomsbury favourably to benefit from both student growth and the ongoing shift towards digital learning.

In the immediate future, Bloomsbury has a series of notable titles set for release, including Sally Smith's crime novel *A Case of Life and Limb* and Paul Hollywood's baking book, *Celebrate: Joyful Baking All Year Round*, alongside the paperback release of Gillian Anderson's *Want*. Despite the recent profit decline, Newton remains confident, highlighting the resilience of demand for Bloomsbury's titles and touting the strength of their long-term growth strategy. He anticipates that the trading figures for the 2026 financial year will align closely with consensus forecasts, projecting a turnover of £349.2 million and pre-tax profits rising to £45.1 million.

As Bloomsbury navigates the currents of a challenging publishing landscape, marked by changing educational environments and shifting consumer preferences, the company's ability to adapt and innovate will be crucial for its continued growth and market relevance.

### Reference Map

1. Paragraphs 1, 2, 3, 4, 5, 6, 7, 8
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5. Paragraph 4, 6
6. Paragraph 3, 4
7. Paragraph 1, 3

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.dailymail.co.uk/money/markets/article-14738695/Bloomsbury-shares-dive-publisher-reports-declining-profits.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.ft.com/content/40df3311-f327-4324-aaae-c00b17a7871a> - An article from the Financial Times discussing Bloomsbury Publishing's reliance on bestselling authors like Sarah J. Maas, highlighting the risks associated with depending heavily on a few successful titles. It also covers the company's acquisition of Rowman & Littlefield to diversify its portfolio and strengthen its academic publishing division.
3. <https://www.ft.com/content/6ecce541-fa5f-4461-838e-0d4c2d04f092> - A report from the Financial Times' Investors' Chronicle analyzing Bloomsbury's financial performance, noting exceptional growth due to the success of authors like Sarah J. Maas. It also discusses the potential challenges the company faces, including the forecasted decline in sales and profits due to the absence of new Maas titles.
4. <https://www.bloomsbury-ir.co.uk/media/press_releases/2023/310523> - Bloomsbury's official announcement of its audited preliminary results for the year ending 28 February 2023, reporting record sales and profits ahead of expectations. The report highlights a 15% increase in sales to £264.1 million and a 16% rise in profit to £31.1 million, demonstrating the strength of Bloomsbury's strategy in both consumer and academic markets.
5. <https://www.bloomsbury-ir.co.uk/media/press_releases/2024/290524> - Bloomsbury's announcement of the acquisition of Rowman & Littlefield's academic publishing business for $83 million (£65 million). This strategic move aims to significantly accelerate and strengthen Bloomsbury's academic publishing presence in North America and its Bloomsbury Digital Resources division.
6. <https://www.ft.com/content/a1ae8211-45a8-4b25-ad95-fdf1e4e15ed9> - An article from the Financial Times discussing Bloomsbury's independence and its successful diversification strategy, including the acquisition of Rowman & Littlefield's academic list. The piece highlights how this move complements Bloomsbury's existing portfolio, featuring bestselling authors like J.K. Rowling and Sarah J. Maas.
7. <https://www.publishersweekly.com/pw/by-topic/industry-news/financial-reporting/article/92431-bloomsbury-has-best-ever-performance.html> - A report from Publishers Weekly detailing Bloomsbury's best-ever performance in the fiscal year ended February 28, 2023. The article notes a 15% increase in revenue to £264.1 million and a 15% rise in pre-tax profits to £25.4 million, driven by acquisitions and strong sales in both consumer and academic markets.