Commentary On Results

The Board of Directors of Longhorn Publishers PLC is delighted to announce the unaudited results for the half-year period ended 31 December 2019. Gross revenue for the period increased by 4% from the prior year due to the significant rise in sales of our reference products such as Camus Kame and the Comprehensive Atlas due to the improvements made to the products over the last 12 months and an aggressive marketing push. The sales volumes for the Competency Based Curriculum (CBC) products and the new Secondary School Revision Encyclopaedias continue to rise further, boosting our performance in Kenya. The regional markets of Tanzania and Uganda have also recorded a revenue growth of 21% and 15% respectively.

The comprehensive income and net margins remained relatively flat from the previous period due to development costs for new products. However, the margins are set to improve in the second half of the financial year as the group is set to realise higher returns from investments made earlier in the year. The business is dedicated to the implementation of the Competency Based Curriculum for which we have successfully completed the distribution of over 2.4 million Grade 4 books countrywide.

The decline in cash and cash equivalents in the period is mainly due to the change in the sales cycle, which resulted in a rise in the sales in the months of November and December, hence increasing the amount of payments owed by customers at half-year. The digital transformation journey is ongoing and we continue to develop new products as we improve the existing content for our platforms based on market feedback. The Board is satisfied with the growth experienced in the regional markets and the expected finalisation of the route to market strategy into additional African markets which will solidify our presence in the continent.

These unaudited financial statements were approved by the Board of Directors on 17 February 2020.

By Order of The Board

Hon. Francis T. Nyammo OGW, MBs
Group Chairman

Maxwell Wahome
Group Managing Director