LONGHORN PUBLISHERS PLC
expanding minds

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2025

Condensed consolidated statement of profit or loss and other comprehensive income for the year ended 30 June	2025	2024
	Kshs '000	Kshs '000
Revenue and other income	679,890	1,538,188
Cost of sales	(521,027)	(1,207,666)
Gross profit	**158,863**	**330,522**
Operating expenses	(328,119)	(410,999)
Finance costs	(203,893)	(204,648)
Loss before tax	**(373,149)**	**(285,125)**
Income tax credit	111,705	47,220
Loss after tax	**(261,444)**	**(237,905)**
Other comprehensive income/(loss)	256,123	(28,446)
Total comprehensive loss	**(5,321)**	**(266,351)**

Condensed consolidated statement of financial position as at 30 June	2025	2024
	Kshs '000	Kshs '000
Non-current Assets		
Pre-Publishing costs	748,624	793,624
Property and Equipment	479,698	166,409
Intangible assets	50,383	45,302
Deferred income tax	185,201	148,908
	1,463,906	**1,154,243**
Current Assets		
Inventories	482,259	401,909
Trade and other receivables	195,644	480,174
Current income tax	-	6,417
Cash and bank balances	89,023	27,533
	766,926	**916,033**
TOTAL ASSETS	**2,230,832**	**2,070,276**
Total equity	18,108	23,429
Non-current Liabilities		
Borrowings	573,400	-
	573,400	**-**
Current Liabilities		
Borrowings	442,425	1,039,489
Trade and other payables	1,196,899	1,007,358
	1,639,324	**2,046,847**
TOTAL EQUITY AND LIABILITIES	**2,230,832**	**2,070,276**

Condensed consolidated statement of changes in equity for the year ended 30 June	Share capital & premium	Retained earnings/ (accumulated losses) & translation reserve	Non-controlling interest	Total
	Kshs '000	Kshs '000	Kshs '000	Kshs '000
At 1 July 2023	**640,729**	**(349,205)**	**(1,744)**	**289,780**
Total comprehensive loss	-	(262,254)	(4,097)	(266,351)
At 30 June 2024	**640,729**	**(611,459)**	**(5,841)**	**23,429**
Total comprehensive loss	-	(6,217)	896	(5,321)
At 30 June 2025	**640,729**	**(617,676)**	**(4,945)**	**18,108**

Condensed consolidated statement of cashflows for the year ended 30 June	2025	2024
	Kshs '000	Kshs '000
Net cash generated from operating activities	337,269	396,692
Net cash used in investing activities	(48,222)	(52,249)
Net cash used in financing activities	(208,057)	(405,143)
Net decrease in cash and cash equivalents	**80,990**	**(60,700)**
Cash and cash equivalents at start of the period	8,033	68,733
Cash and cash equivalents at end of the period	**89,023**	**8,033**

COMMENTARY ON THE RESULTS

Operating Environment

The past seven years have been a testing period for the education sector and for the Company. The transition from the 8-4-4 system to the Competency-Based Curriculum (CBC) required significant investment and adaptation. Between 2018 and 2025, the Company invested over KShs 714m in CBC content development, absorbed KShs 254m in inventory and debtor impairments, and wrote off KShs 149m in development costs.

In 2024, the Government initiated curriculum rationalisation, which required the impairment of stock and the write-off of first generation CBC products. Final approvals for revised materials were issued only in January 2025, creating uncertainty at the start of the school year. Parents deferred purchases, government procurement was delayed, and KShs 463m of revenue was consequently pushed into FY25.

Financial Performance

Revenue for the year declined by 56% to KShs 680m (FY24: KShs 1.54bn), reflecting disruption in both the private and government markets. Management reduced operating expenses by 20%, but the Company still recorded an operating loss of KShs 35m (excluding provisions and impairments), compared to an operating profit of KShs 165m in the prior year.

Finance costs remained stable, and the total comprehensive loss narrowed significantly to KShs 5m, from KShs 266m in FY24.

Outlook

With curriculum rationalisation complete and final CBC approvals in place, stability is expected to return to the sector. Development costs will decline, while clarity in curriculum requirements should support renewed sales momentum.

The Company has secured government contracts and anticipates stronger uptake in the private market. Its digital platforms — now serving 300+ schools and 50,000 learners — continue to grow, providing an additional engine of expansion. With the rollout to Grade 12 nearing completion, the business is positioned to move into a more stable and profitable phase.

By order of the Board

Prof. Githu Muigai
Group Chairman
23 October 2025