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Half Year Results 2016

August 24, 2016

BRILL

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Significant performance improvement, carried by 8.8% revenue growth

(in EUR million)	HY 2016	HY 2015 ^{*)}	Δ	%
Revenue	14.4	13.2	+1.2	+8.8%
EBITDA	1.7	0.8	+0.9	+110.5%
EBITDA Margin	11.5%	6.0%		+558Bps
Profit continuing operations	0.9	0.2	+0.7	+280.3%
Free Cash Flow	-1.6	-1.1	-0.5	-450.0%
ROIC	4.4%	1.3%		+308Bps
EPS, in EUR / share	0.37	0.12	0.25	+185.9%
Average FTE	130	134	-4	-2.8%

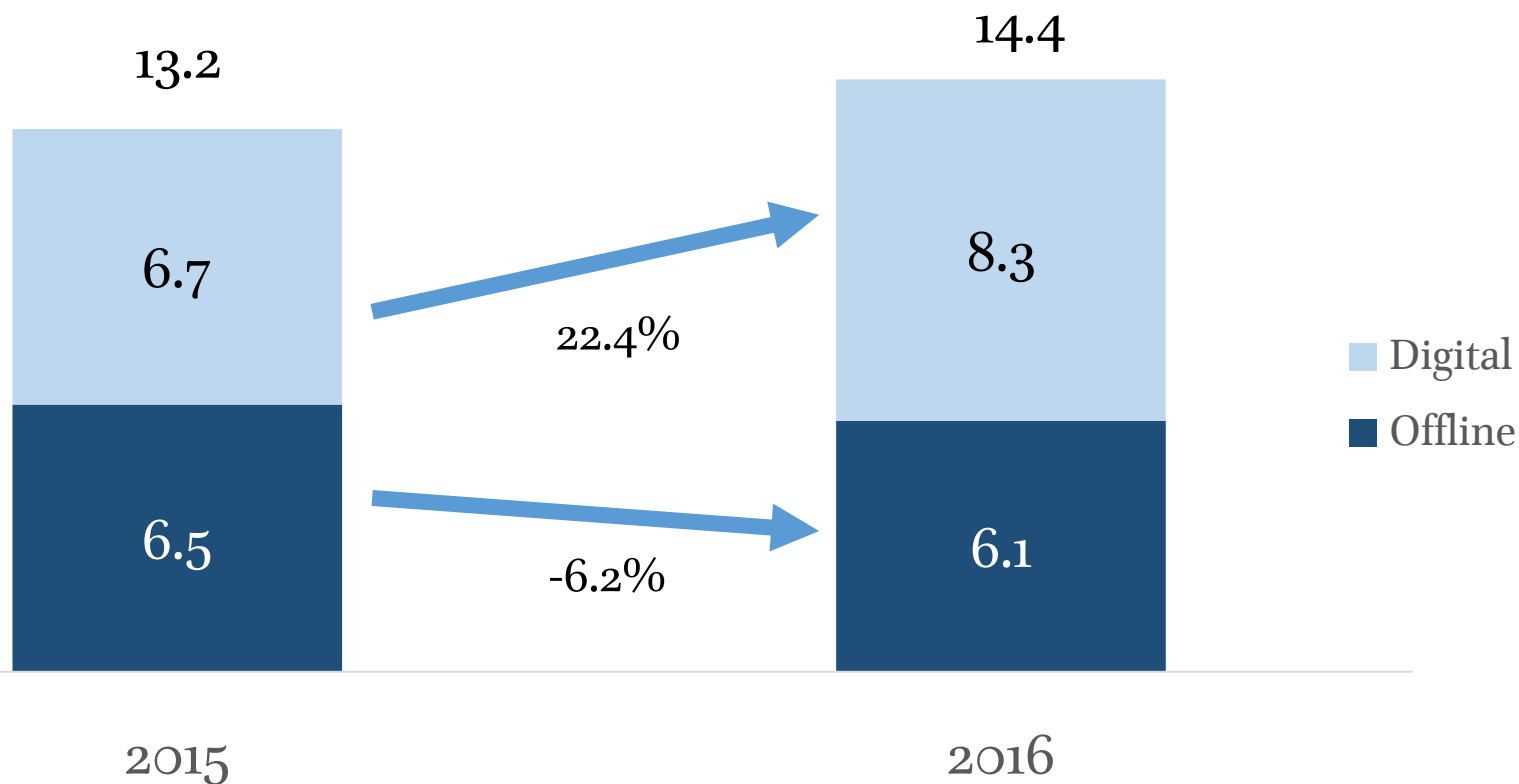
^{*)} 2015 HY restated for accounting adjustments implemented at year end

Progress made across the board

- Journal issue output +17%, good copy flow for existing and new titles
- Book program on track to approach 2015 output, albeit weighted to HY2
- Program development continues; journal program 2017 will grow by 21 titles – both acquired and developed
- Editorial Automation system ready for production
- PubFactory contracted to build integrated online presence
- Sales force realigned for more focus with first successes visible
- Renewed logistical processes delivering expected savings (>0.2m in HY1)
- Brill Asia incorporated as a legal entity in Singapore

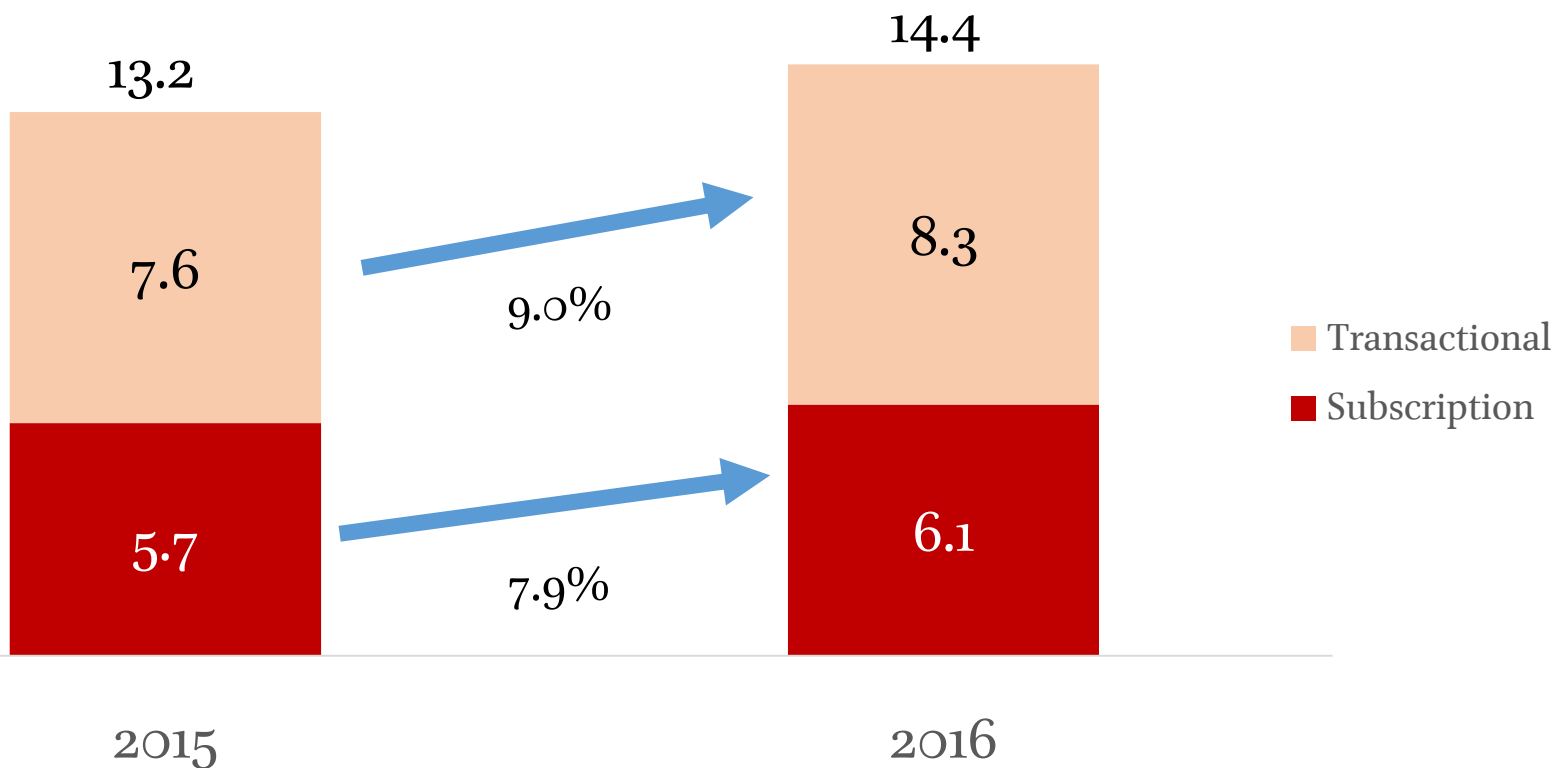
Digital growth main driver of performance

Revenue by Media Format, in EUR m



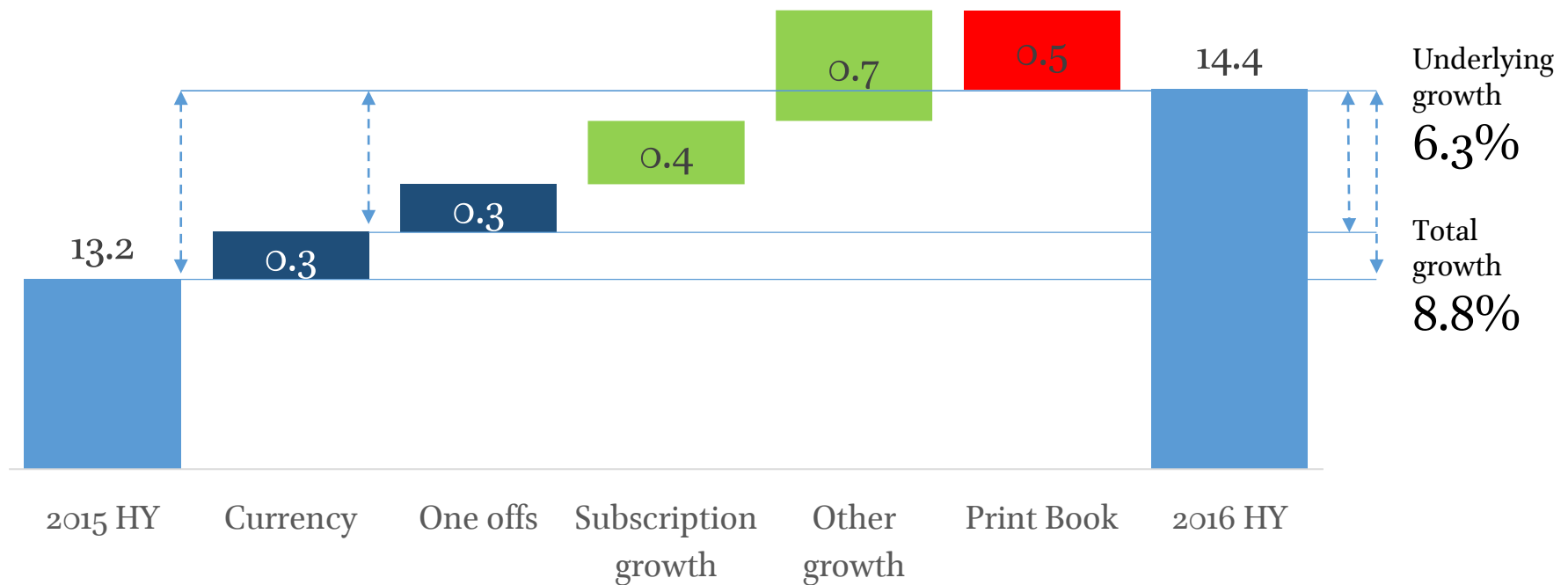
Both subscription and transactional sales up

Revenue by Type, in EUR m



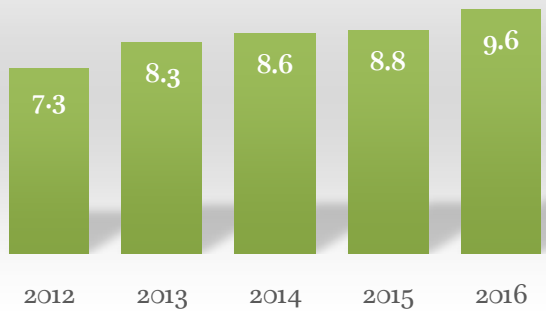
Good sales results and subscription growth outpace for decline in print books

Revenue Growth Analysis, in EUR m

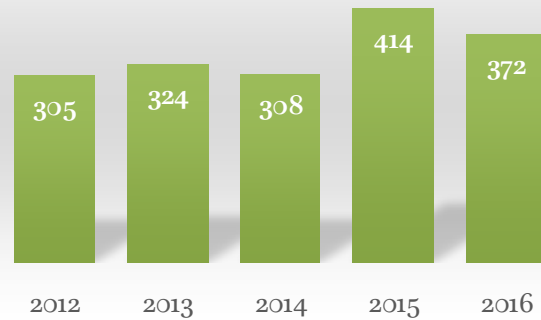


Long term trends indicate structural improvement of revenue quality (HY data)

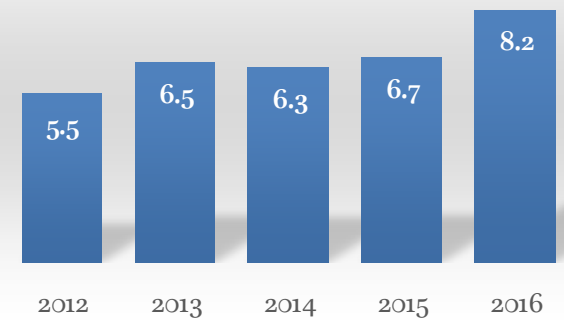
Book revenue



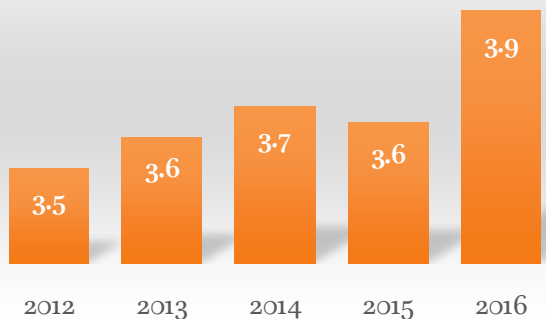
Book titles published to date



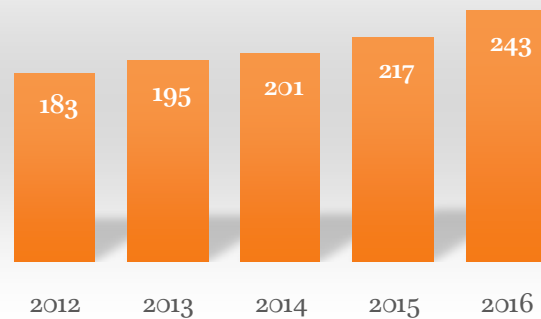
Digital Revenue



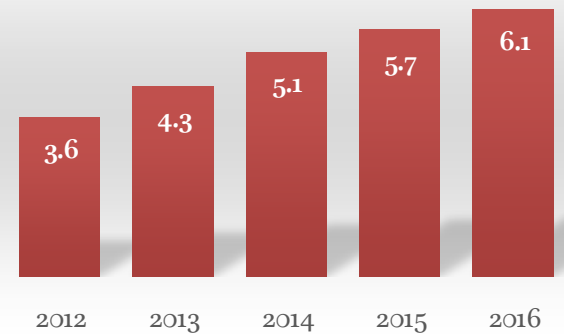
Journal Revenue



Journal titles published

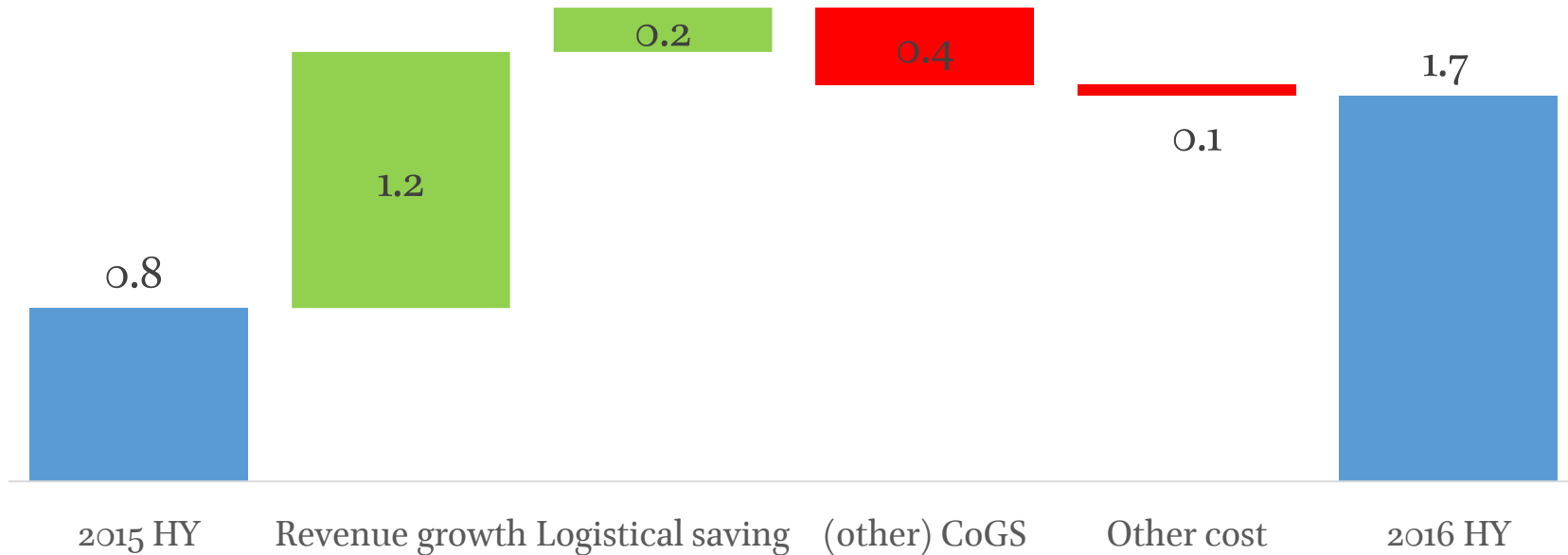


Subscription Revenue



Increasing leverage of fixed cost lead to increased profit contribution of revenue growth

EBITDA Growth Analysis, in EURm

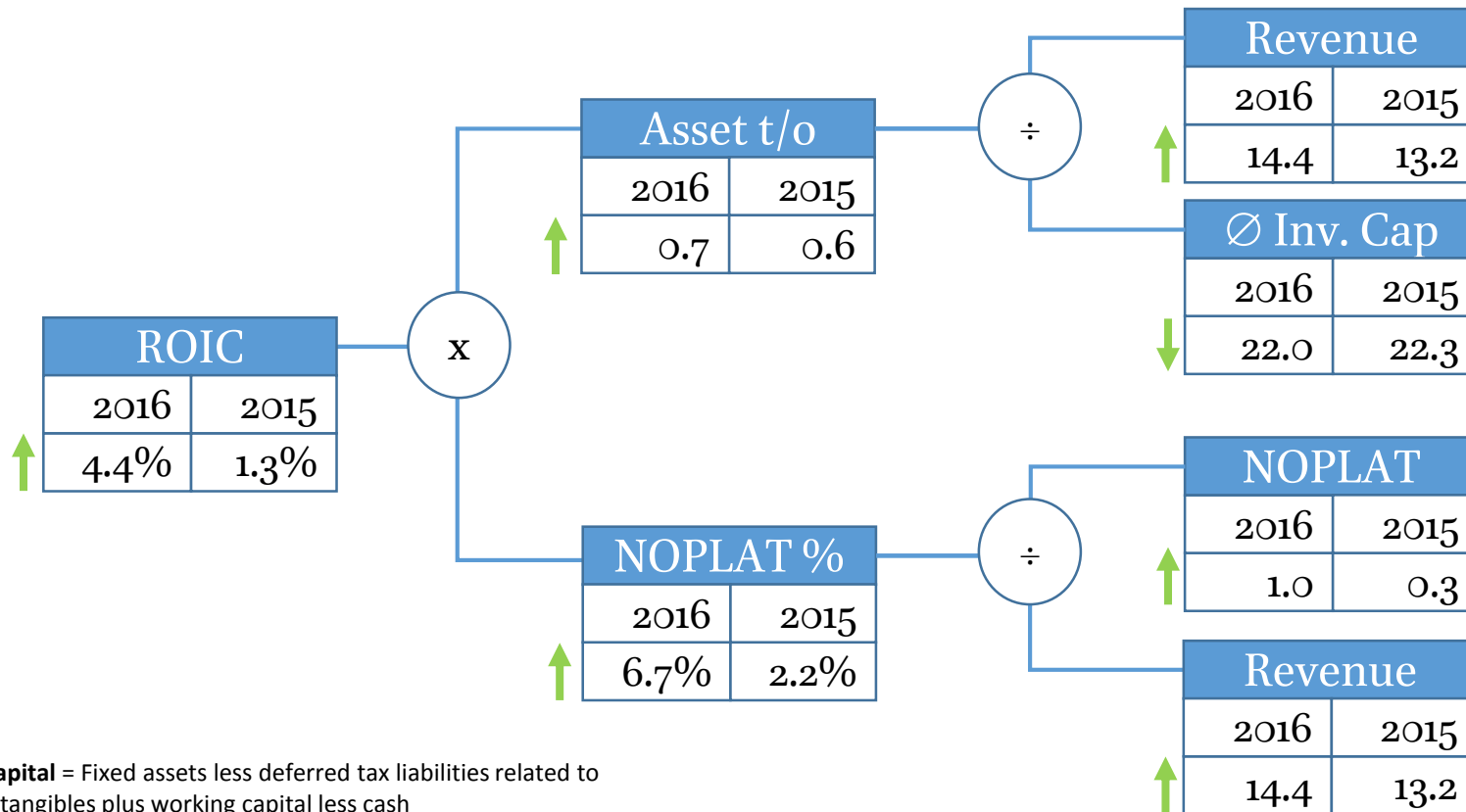


Increase in CoGS is primarily driven by Content cost as result of accelerated product development 2015 and variable costs related to sales increase

EBITDA increase minus divestment-related write off drive increase in net profit

(in EUR million)	HY 2016	HY 2015*)	Δ
EBITDA	1,654	783	871
Depreciation and Amortization	-369	-395	26
Operating profit	1,285	388	897
Exchange rate results and Financing costs	-131	-70	-61
Profit before income tax	1,154	318	836
Income tax expense	-287	-90	-197
Profit from continuing operations	867	228	639
Discontinued operations	-168	5	-173
Profit	699	233	466
Earnings Per Share	0.37	0.12	0.25

ROIC improvement driven by asset turnover and NOPLAT margin improvement



Invested Capital = Fixed assets less deferred tax liabilities related to acquired intangibles plus working capital less cash

Average Invested Capital = Average of Invested Capital at the beginning of the period and the end of the period

NOPLAT = Operating Profit less Corporate tax at the nominal rate

We confirm our earlier guidance, with a narrowed range

- Full year 2016 revenue growth 2-3% (previously 1-3%)
 - Slower growth expected in HY2 than in HY1 (0.3m Kazakhstan microfiche deal in HY2 2015, smaller currency benefit HY2 expected)
 - Overall, HY2 2015 witnessed early benefits from improvement actions, making comparables versus 2015 tougher to beat than in HY1
- EBITDA-margin improvement 100-200Bps (from >100Bps)
 - Benefit of revenue growth with only limited cost growth as result of accelerated product development (higher content cost as expected) and investment in sales capacity and systems, mitigated by implemented efficiencies
- On track to restore profitability in line with our stated ambition range of 15-20%