

Over three centuries of scholarly publishing



NIBC
Markets
Small & Mid
Cap Event

17 November, 2016

BRILL

NIBC Markets Small & Mid Cap Event

- **Herman Pabbruwe, CEO**
- **Olivier de Vlam, EVP Finance&Operations**
- **Peter Coebergh, EVP Sales&Marketing**

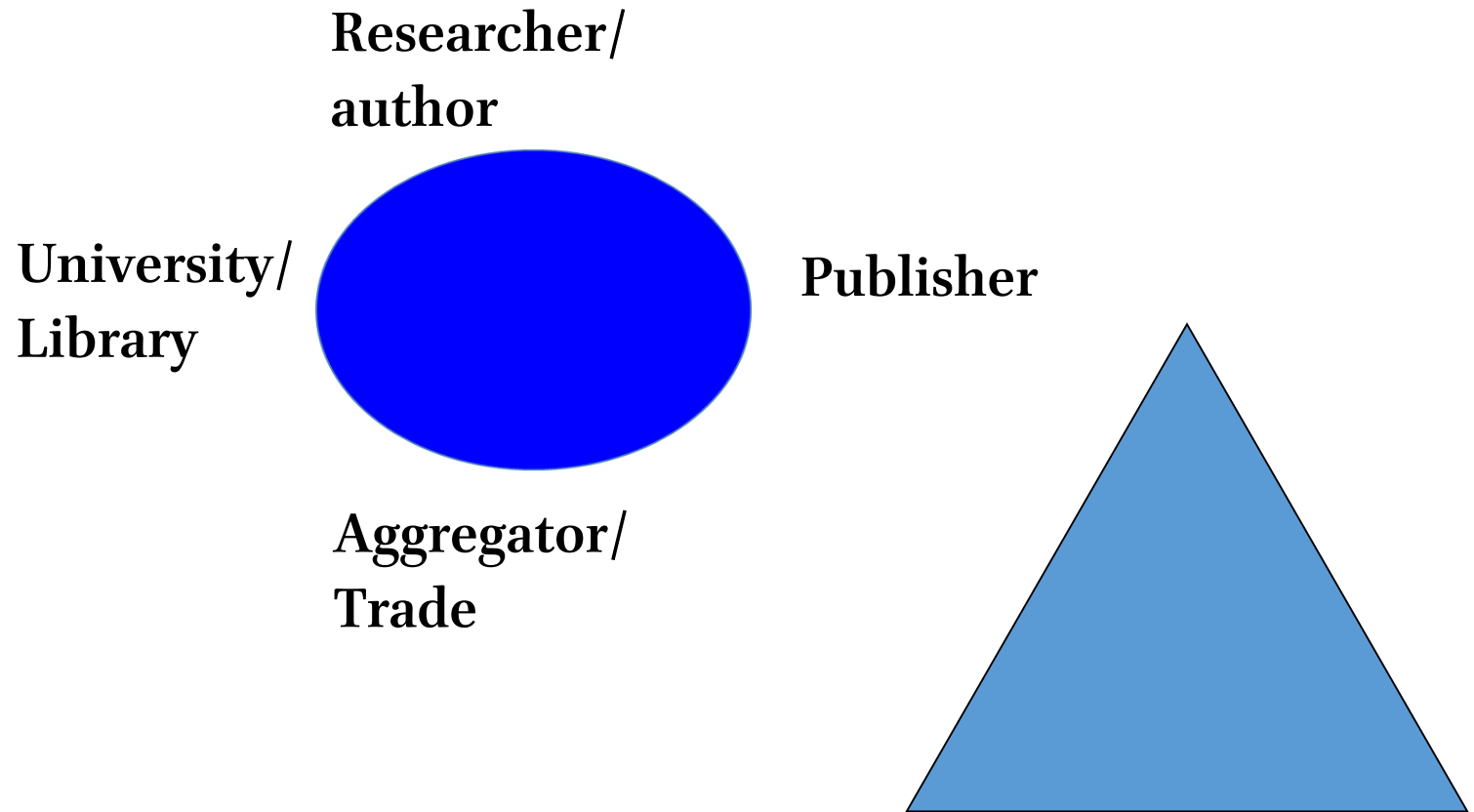
Koninklijke Brill

- **Founded in Leiden in 1683**
- **Offices in Leiden, Boston and Singapore (130 fte's)**
- **International reputation for high quality**
- **Niche player in Humanities and Social Sciences**
- **NV since 1896, Euronext since 1997**
- **Stakeholders orientation**

Scholarly Publishing

- **Global market (NA 40%, Eur 40%, RoW 20%)**
- **Publish or perish**
- **Quality control through peer review**
- **Twigging of research leads to niche orientation**
- **Small runs and high prices**
- **Push and pull marketing**
- **Institutional sales, often via trade channels**

Specific value chain and business model



Competition and disruption

- **Scholarly societies and communities**
- **University presses**
- **Privately held small presses**
- **Publishing concerns**
- **Self publishing**
- **Public domain repositories**
- **Open Access**
- **Sharing and piracy**

Portfolio

- **American studies**
- **Ancient Near East and Egypt and Jewish studies**
- **Art History**
- **Asian studies**
- **Biodiversity**
- **Classical studies**
- **History**
- **International law**
- **Language and Linguistics**
- **Literature and Cultural studies**
- **Middle East, Islamic and African studies**
- **Philosophy**
- **Religious and Biblical studies**
- **Slavic studies**
- **Social sciences**

Publishing program

- **>50% digital**
- **265 journals**
- **>100 Reference works (dictionaries, encyclopedias, bibliographies)**
- **Monographs and edited volumes – 900 new titles in 2016, >10.000 titles in print**
- **Primary sources**
- **Digital humanities pilots ((smart content and software)**

Publishing strategy

- **Focus on profitable niches**
- **Publishing services (author experience)**
- **Empowered and outgoing acquisition staff**
- **Wide dissemination and visibility**
- **Multi-channel and multi-platform**
- **Compliance with IT standards**
- **Service provider as well as initiator**

Publishing and marketing priorities

- **Asia**
- **Digital humanities**
- **Expand into Social Sciences**
- **Key accountmanagement and bigger deals (push)**
- **Multiple business models**
- **Involving author network (pull)**
- **Improve author experience and services**
- **Linked open data and FAIR (Open Science)**

Publishing and operational priorities

- **Improve author experience and services**
- **Editorial systems**
- **Improve user experience**
- **Linked open data and FAIR (Open Science)**
- **Database publishing**
- **Cost efficiency to support niche publications**

Investment agenda for growth

Expand market position

Build on leading positions

Expand to adjacencies

New product formats

Develop market presence

Expand sales force

Focus on flagships

Enhance digital marketing

Invest in operations

Content

Platforms

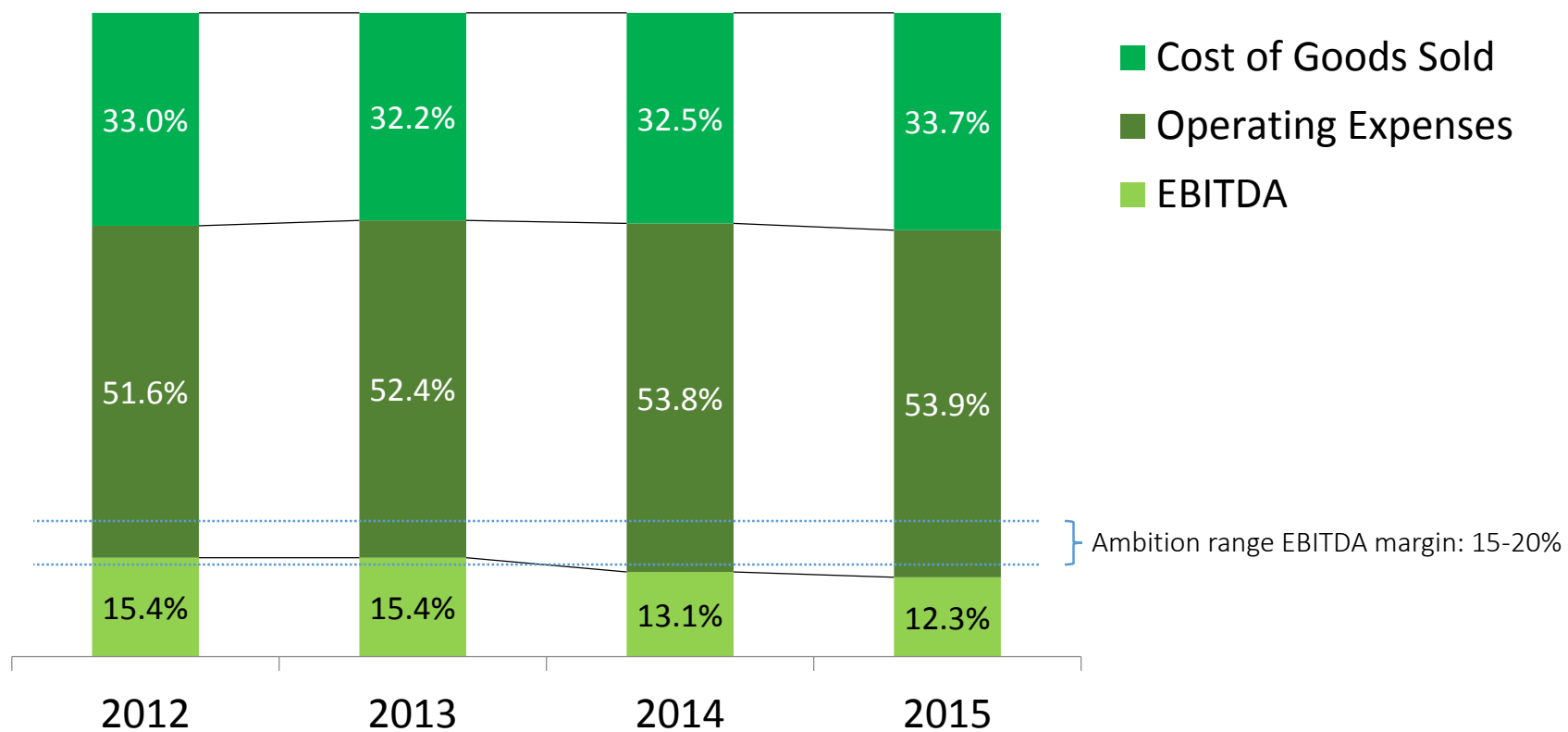
Applications

Logistics

Cloud

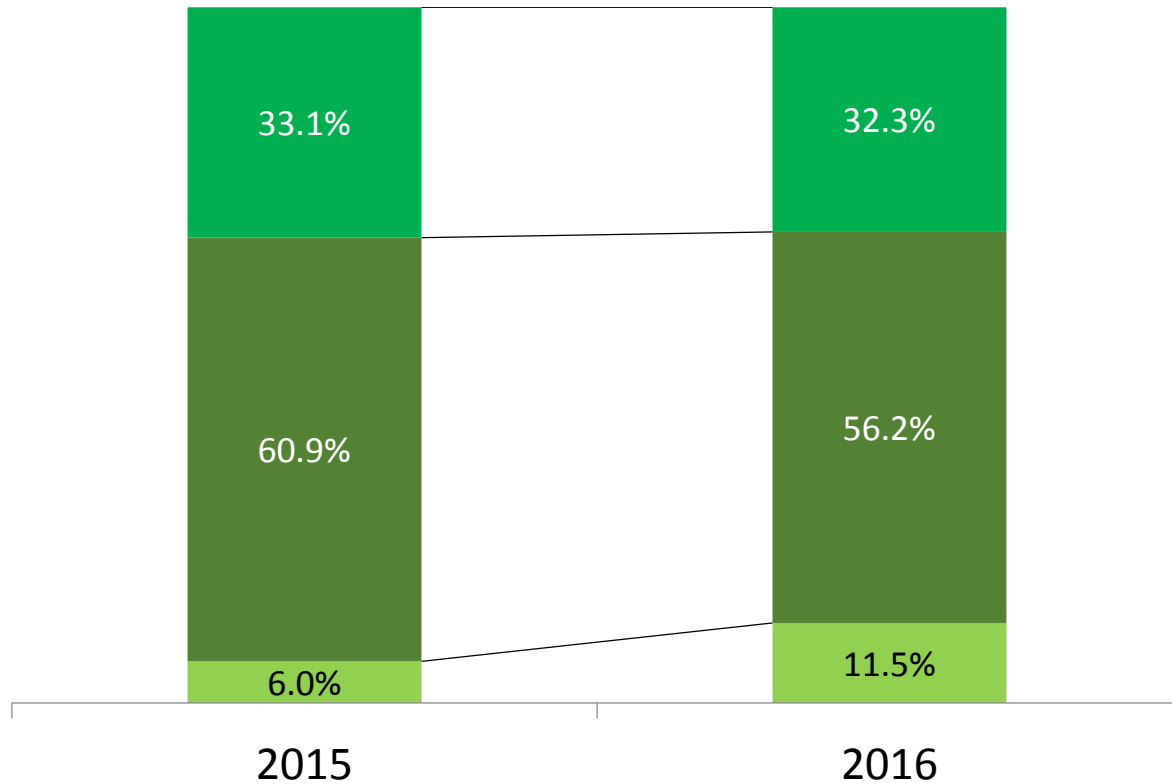
EBITDA margin is a top priority

2012-2015 development in EBITDA margin



Encouraging development H1

H1 Revenue +9% and efficiency measures drive strong margin growth



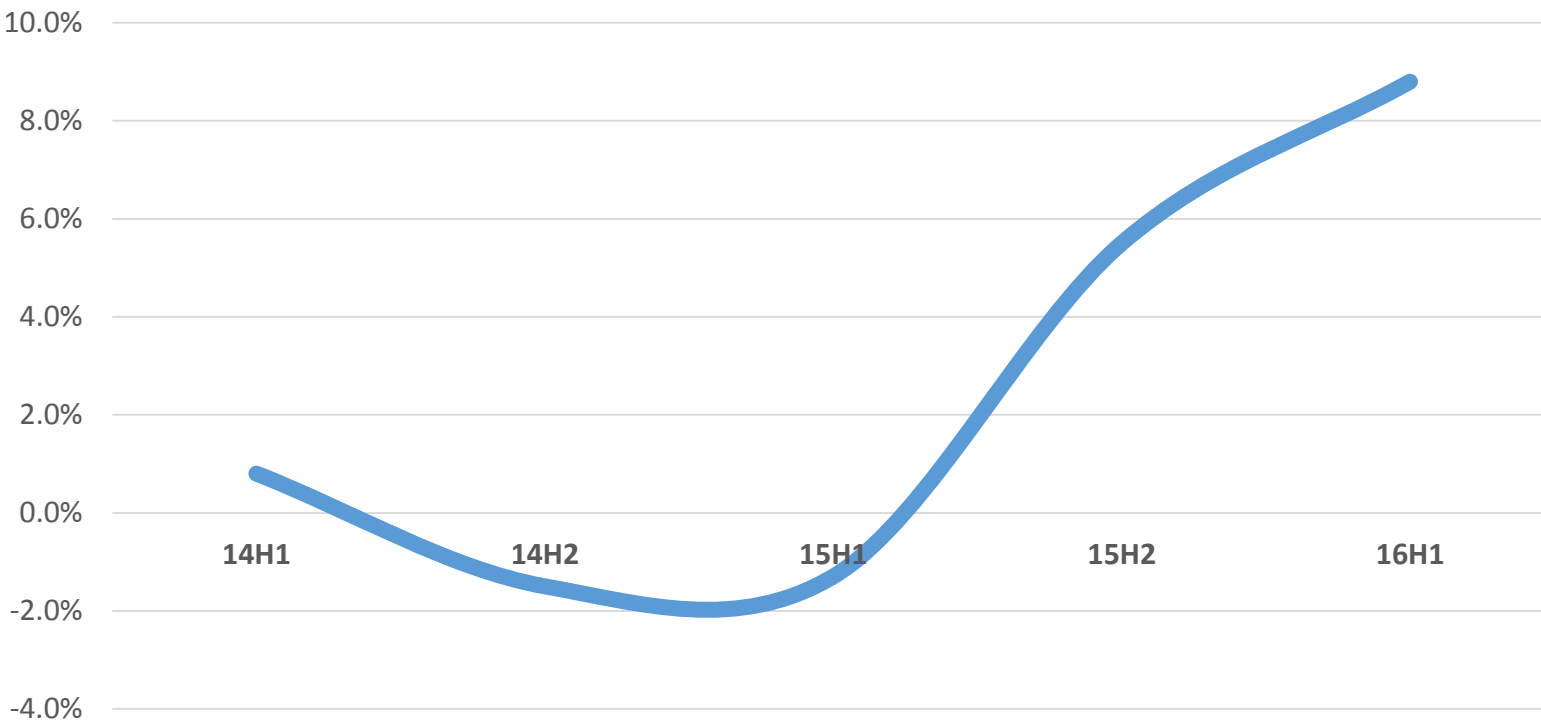
- Cost of Goods Sold
- Operating Expenses
- EBITDA

- Brill's results are weighted towards H2
- H1 Revenue (+9%) grew as a result of digital and subscription sales, boosted by 2% currency effect and some good one off sales
- Print book sales declined as a result of lower front list output and migration to the digital format
- Efficiency measures showing effect
- FY Guidance: 2-3% revenue growth; +200Bps EBITDA margin improvement

Recovery set in during H2 2015

Guidance assumes that H2 2016 shows less growth

Organic Growth – excluding acquisitions



Financial Policy

- Focus on performance improvement in terms of EBITDA margin, ROIC and EPS
- Dividend policy focused on steady, if possible increasing dividend
- Use strength of balance sheet to finance expansion investments including acquisitions