Analyst & Press Meeting

Leiden, 15 April 2020

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DISCLAIMER

This presentation contains forward-looking statements with regard to the financial position and results of BRILL’s activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond BRILL’s ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, changes in customer preferences, the ability to successfully integrate acquired businesses and achieve anticipated synergies, costs of services purchased, interest rate and foreign exchange fluctuations, change in tax rates, changes in law and the actions of government regulators. These and other risk factors are detailed in BRILL’s publicly filed annual reports. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. BRILL does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

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Agenda

• Brill in 2019
• Covid-19
• Financial Performance
• Brill in 2020
  – Strategy 2020-2022
  – Organization
  – Publishing
  – Operations
  – Marketing & Sales
• Q&A
Brill in 2019

• Strong recovery, back on track
• Revenue up by 3.3% and Ebitda by 23%
• Gross margin to 70%
• Strong performance in the US in Q2
• Growth drivers: Sales in the US, eBooks and Open Access

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Brill in 2019

• New Mission very well received
• New in-house Text Editions platform launched
• Collaboration with Jus Mundi
• Digital Health Check launched

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Covid-19

• Market: universities closed, libraries closed, bookshops closed (DACH), some trade partners stopped ordering/delivering print books

• Sales: Expected strong decline/delays in sales, faster migration to e-only

• Publishing/Production: conferences cancelled, possible delays in copy flow and printing
Covid-19

• Actions taken:
  – Established the Brill Corona Crisis Team
  – Established Cash Management Team
  – Implemented working from home
  – Developed possible 2020 scenario’s

• Actions in preparation:
  – Cost cutting, delay investments,
  – Discussions with Rabo about credit lines
  – Delay tax payments
  – Investigate subsidies etc. in NL, Ger and USA
Financial Performance in 2019
## 2019 Key Figures

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>37,128</td>
<td>35,951</td>
<td>3,3%</td>
</tr>
<tr>
<td>Organic growth</td>
<td>2,5%</td>
<td>-0,1%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>5,183</td>
<td>3,623</td>
<td>43%</td>
</tr>
<tr>
<td>Net profit</td>
<td>2,162</td>
<td>2,304</td>
<td>-6,2%</td>
</tr>
<tr>
<td>ROIC</td>
<td>10,1%</td>
<td>7,6%</td>
<td>32,9%</td>
</tr>
<tr>
<td>EPS</td>
<td>1,15</td>
<td>1,23</td>
<td>-6,2%</td>
</tr>
<tr>
<td>Dividend share</td>
<td>0,50</td>
<td>0,85</td>
<td>-41,2%</td>
</tr>
</tbody>
</table>
Revenue development

Revenue by Format

Revenue by Publication Type
- Other: 1.2 (2019), 1.2 (2018)

Revenue by Region
- AsPac: 4.0 (2019), 4.3 (2018)
- Other: 1.8 (2019), 1.8 (2018)
EBITDA development

CoGS + Fulfilment
Coda upgrade, CFO replacement, Audit

Profit improvement plan

2018  IFRS 16  Like for like  Revenues  CoGS Platform  CoGS Content  Volume  Finance  CLA / Capex  Misc. savings  2019
3.623  700  4,323  1,177  208  338  -377  -337  -344  195  5,183

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Profit Improvement Plan

- 2019 delivering savings as expected; spend slower than expected (0.3m to date); e.g.
  - PoD
  - Singapore move to local management
  - New management structure
  - Operating and purchasing savings
- Part of savings reinvested (Open Access, Digital Publishing)
- Several plans still in execution
- 2020 expected spend 0.3m
- Run rate savings expected vs 2018 baseline: 0.7m as of 2021

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Finance priorities 2020

• Focus on compliance
  • Audit and internal control requirements
  • Tax Compliance
  • Stock exchange regulations

• Service to the business
  • Tableau data analysis
  • Improved planning & reporting cycle
  • Business support

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Strategy
2020-2022
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Expand market position
- Build on leading positions
- Expand to adjacencies
- From products to (author) services

Develop market presence
- Expand sales force
- Focus on flagship themes
- Expand regional marketing

Invest in finance & operations
- IT Infrastructure
- Content production
- Product & Data distribution
- Management information

Publishing Excellence
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Financial ambitions

• Organic Revenue: growth min. 2% annually
• EBITDA margin: >17% in 2022
• Solvency: Between 40% and 60%
• Dividend policy:
  – Solvency objective
  – Capital management
  – Covenants

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M&A Strategy

- Subject fields humanities, social sciences, international law, and biology
- Particular focus on linguistics (e.g. language policy), philosophy (e.g. ethics), public international law (e.g. environmental law), political science (e.g. international relations), social sciences (e.g. education), and contemporary studies (e.g. Japan, South Asia, Middle East)
- Geographical focus on Benelux, Germany, UK, and the USA
- Target lists, company visits

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Organization

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Changes in 2019-2020

• Supervisory Board from 3 to 4
• Management Board
  – 3 Statutory Directors
• Management Team
  – 3 SDs + 4 VPs (Ops, M&S, HR)
• Two new Publishing Directors

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Publishing #HumanitiesMatter
Expand market position
Build on leading positions
Expand to adjacencies
From products to (author) services

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Expand sales force
Focus on flagship themes
Expand regional marketing

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IT Infrastructure
Content production
Product & Data distribution
Management information

Publishing Excellence

Profit Improvement

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Insights into Publication Ethics: An interview with Professor Michael V. Dougherty

In cooperation with its community of authors, editors, and peer reviewers, Brill safeguards the quality and integrity of its publications. We recently corresponded with Michael V. Dougherty, Professor of Philosophy at Ohio Dominican University and publication ethics expert, as part of our ongoing effort to deepen our understanding of publication ethics and of some of the most pressing challenges faced by the publishing community today.

Please tell us about your interest in publication ethics, the professional path that led you to becoming a leading voice on these matters, and the current direction of your work.

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Conclusions
Portfolio Analysis

• Transformative agreements
• Acquire subscription journals with strong reputation & high copy flow
• OA journals with sustainable funding
• Launch of *The Brill Book Archive*
• OA books and OA book series
• Scholarly editions platform & new online tools

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The Brill Book Archive
Three centuries of excellent scholarship
Scope & Rationale

Expand Brill’s e-book collection of 18,000 titles with 6,500 in phase 1 and digitize the full catalogue of more than 20,000 titles in phase 2.

- Humanities research has a long shelf life
- Provide researchers with a vast resource of excellent scholarship / big data
- Compete with e-book programs of WdG, SN, T&F, CUP
- Provide libraries with an opportunity to replace physical copies and complete collections

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Major Online Works

- Jus Mundi Academic Research
- Sovereign Limits

- Lexikon für Kirchen- und Religionsrecht online

- Transatlantic Relations Online

- Roosevelt Institute for American Studies

- Literary History of Medicine
  - THE ‘UYÜN AL-ANBÂ’ FĪ ṬABAQÂT AL-ΑΤĪBBÂ’ OF IBN ABĪ UṢAYBI‘AH

- Textual History of the Bible Online

- Brill’s Encyclopedia of Jainism Online

- Primary Source Collection
  - Sir Lawrence Alma-Tadema Collection Online
Operations

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Digital Health Check

• Is our Digital Infrastructure strong enough to realize our growth and quality ambitions

• Complete review and gap analysis of Brill’s digital infrastructure

• Change and improvement recommendations in April

• Implementation in 2020-2021

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Other key projects

- Consolidate number of typesetters
- Online Platform strategy
- Cybersecurity
- Klopotek upgrade
Discover Together

Welcome to the new Brill website!
Take a tour of our new website combining our corporate website, product information, E-Books and E-Journals in one place.

**Simplicity** – Clear, easy to use interface.

**Integrated search** – Content discoverable on one platform.

**Ease of use** – Improved search refinement. Easily accessed on mobile devices.
Marketing & Sales
On the Relevance of the Humanities

"The humanities—including the study of languages, literature, history, jurisprudence, philosophy, comparative religion, ethics, and the arts—are disciplines of memory and imagination, telling us where we have been and helping us envision where we are going."

-American Academy of Arts & Science

Living abroad in times of Corona - Brill's stories Part 1: Elisa Perotti
Elisa Perotti

Podcast: Ryan P. Burge on how religious leaders use Twitter today
Ryan P. Burge

Podcast: Adeyemi Balogun on the Yoruba community and inter-religious harmony
Adeyemi Balogun

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Refining Intractability: A Case Study of Entrapment in the Syrian Civil War.

Listen to our latest podcast with Siniša Vuković and Diane Bernabei (Johns Hopkins University and Leiden University).

The most intractable conflict in recent times is the Syrian Civil War: it has caused prolonged tensions, severe destruction, and devastating consequences and, despite several peacemaking efforts, has only escalated over time. How this conflict—which started out with the arrest of a few students—reached a state of intractability is much more nuanced than previously believed. Siniša Vuković and Diane Bernabei from The Johns Hopkins University, USA, in their study titled “Refining Intractability: A Case Study of Entrapment in the Syrian Civil War”, published in Brill's International Negotiation, use the Syrian War as a case study to explain the factors that lead to an intractable crisis—and the ones that don't.

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More than 30 leading STM publishers have committed to making all of their COVID-19 and coronavirus-related publications immediately accessible. At Brill we have opened up books and articles on topics such as public health, distance learning, crisis research. If any new related content is published with us, it will be added to this collection.

- Epidemics and crisis research past and present
- Strategies for containment
- Building solidarity and resilience in times of crisis
- Home-schooling and distance learning

Epidemics and crisis research past and present

Global Healing
Literature, Advocacy, Care
Author: Karen Laura Thorner

Author in Focus: Karen Thorner, author of the recently published Global Healing, on what narratives teach us about the way we look at illness and healing. See the interview here.

“The Black Death in Iran, according to Iranian Historical Accounts from the Fourteenth through Fifteenth Centuries”
Authors: Ahmad Fazlnejad and Farajollah Ahmadi
In: Journal of Persianate Studies

“The Impact of the Black Death on Iranian Trade (1340s-1450s A.D.)”
Authors: Ahmad Fazlnejad and Farajollah Ahmadi
In: Iran and the Caucasus
The officially unofficial MarkLogic Book Fair awards; best 4.2 booth goes to .... Brill Publishing! Great romantic presentation of language and research! Congrats @BrillPublishing #FBF19 #FBM19 #MLFBF19 #BookFairAwards
Conclusions and Q&A