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Annual General
Meeting of
Shareholders

Leiden, 17 May 2018

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.

- Brill in 2017
- Financial Performance
- Commercial strategy
- Publishing strategy
- Strategy 2018-2020
- Closing remarks, Q&A

Agenda



Brill in
2017

2017 was a busy year for Brill

- Progress on all strategic areas
 - Expansion in DACH, Social Sciences and stepping up Digital Humanities
 - Focus on E-products and expansion in Asia
 - Major IT infrastructure projects
- Governance
 - Improved relationship with shareholders, changed voting policy trust office on absentee voting
 - Succession in place and new team ready
- Review of capitalization
 - Leverage and super dividend
- Mixed financial results
 - Strong top-line growth and good cash generation
 - Some pressure on profitability and once again non-recurring issues

Strategy status

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 ✓

Financial Performance



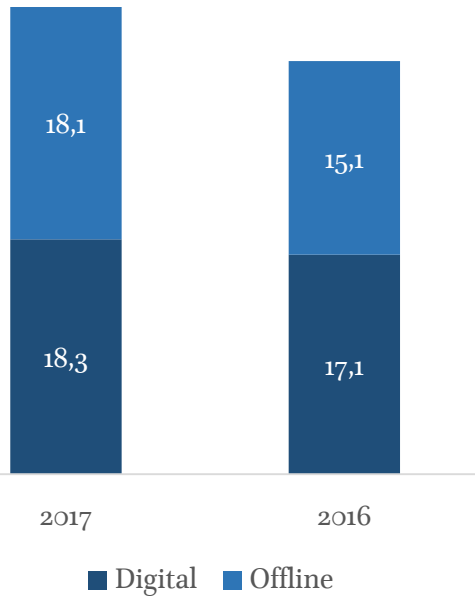
2017 Key Figures

In EUR m	2017	2016	Change
Revenues	36.4	32.2	13%
Organic growth*)	3.1%	3.9%	
ROIC	11.1%	13.0%	-180Bps
EPS	1.21	1.32	-19%
Dividend / share	1.32 + 3.00	1.32	-

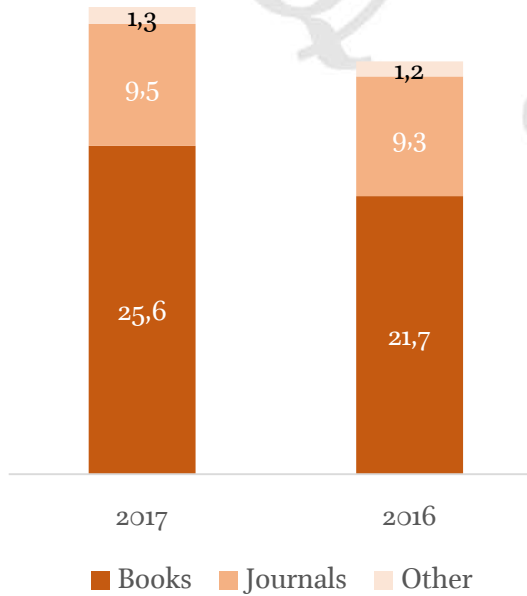
*) adjusted for EDI returns issue

Revenue breakdown

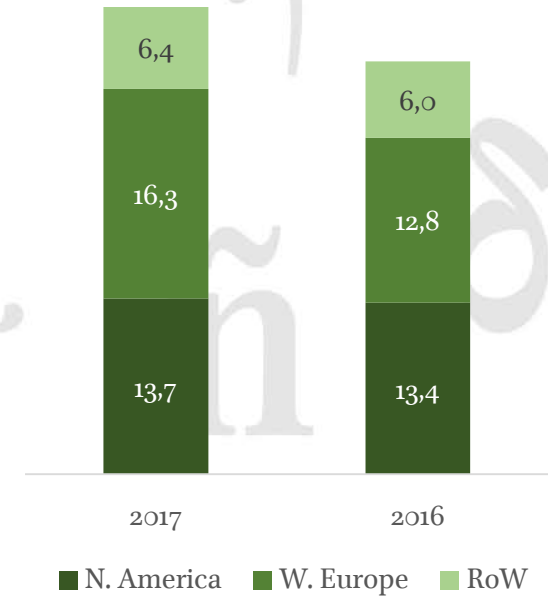
Revenue by Media Format



Revenue by Publication Type



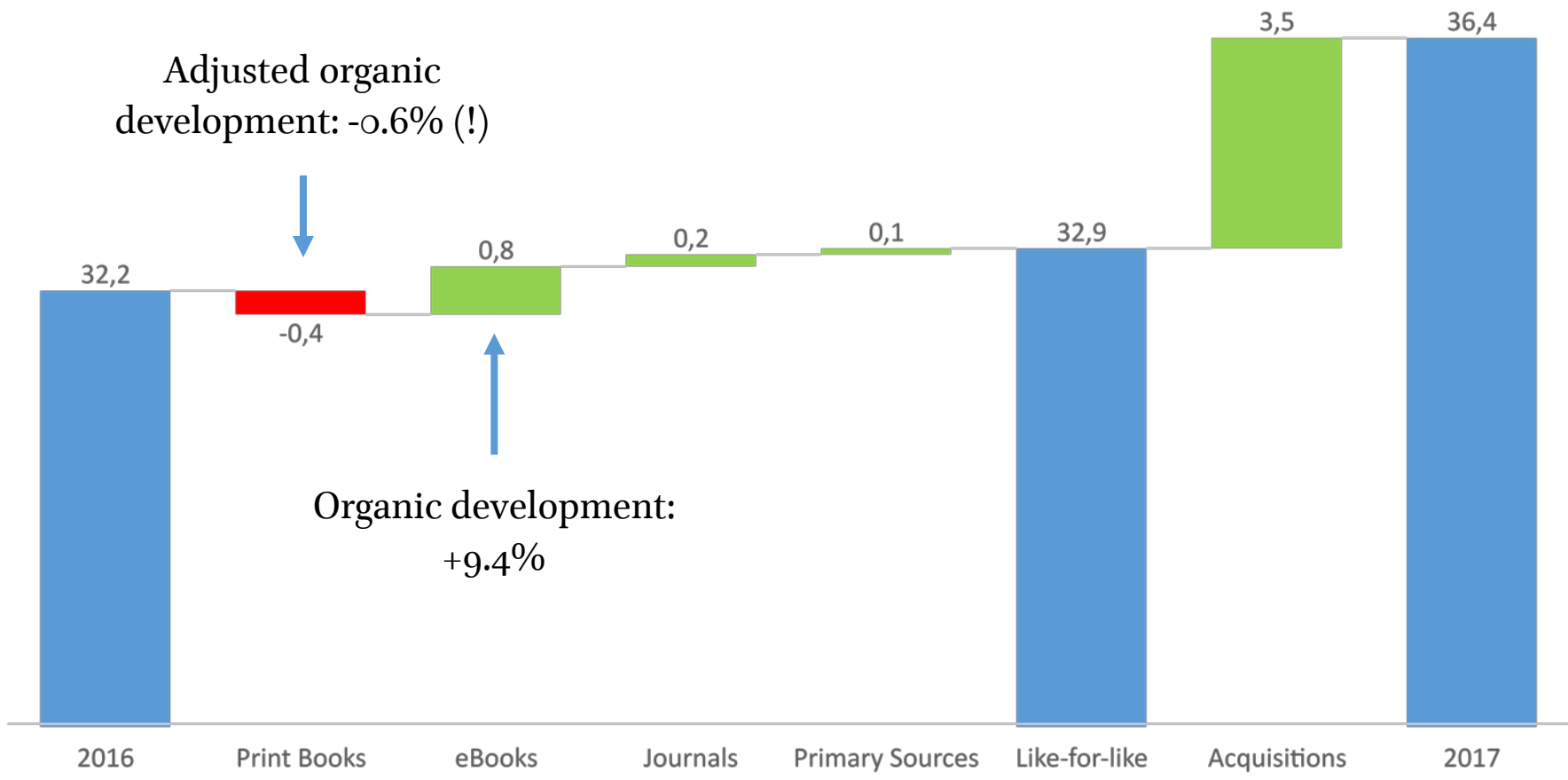
Revenue by Geography



- Growth largely driven by acquisitions (predominantly print books)
- Growth in RoW was driven by print and ebook deals in China
- Subscription revenue proportion dropped to 38% from 42% of total revenue; excl. acquisitions, the proportion subscription sales was stable at 42%

Acquisitions were growth driver

Over three centuries of scholarly publishing



BRILL

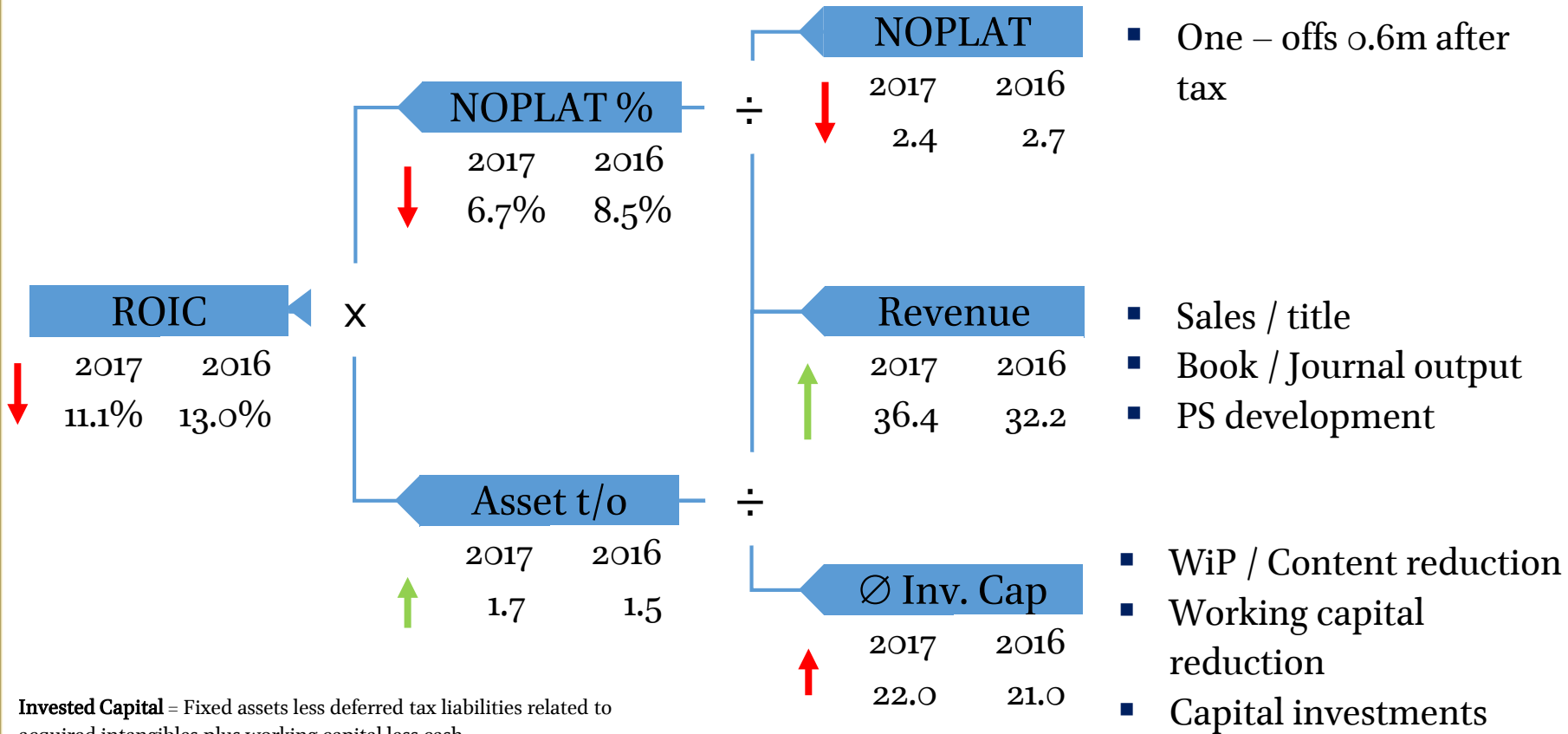
EBITDA declined (one off expenses); underlying EBITDA flat



Continued progress capital allocation

- **Free up working capital for re-investment**
 - Inventory (through POD implementation) decline 0.6m vs 0.5m in 2016
 - Trade Receivables (migration P to E) decline 0.0m vs 0.3m in 2016
 - Deferred Income (subscription prepayments) growth 0.3m v 0.2m in 2016
- **Invest to achieve higher returns**
 - Content / publication development (3.1m in 2017 vs 3.5m in 2016)
 - Technology (1.4m invested in 2017 vs 1.0m in 2016)
 - M&A (2.0m invested in 2016 vs 1.0m in 2015)
- **Deliver sustainable, healthy financial returns (ROIC 11.1% vs 13.0% in 2016); sustained dividend policy**
- **Ensure financial continuity in line with stakeholder focus**

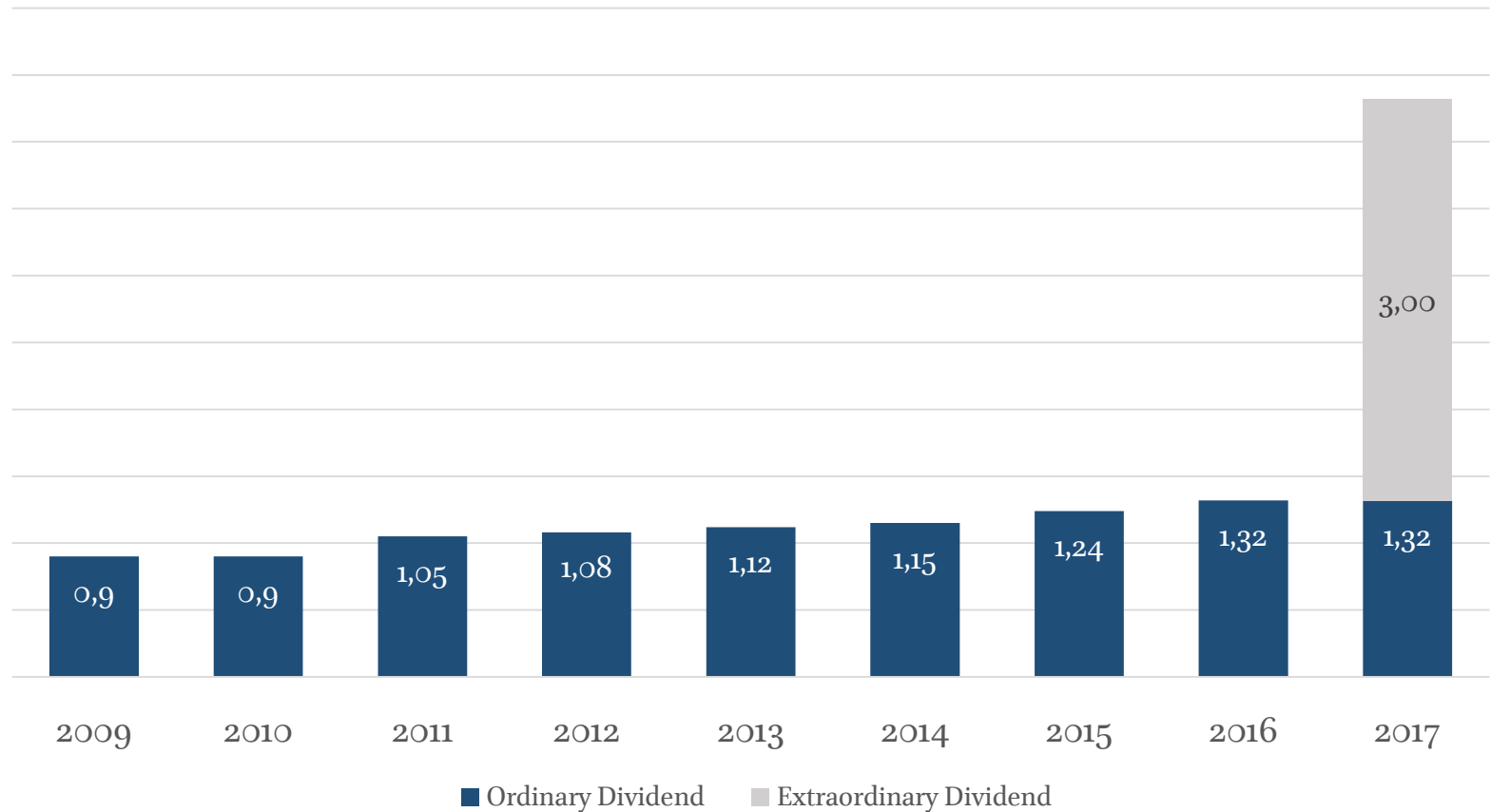
Development of financial return; lower margin, higher capital turnover



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

Stable dividend, in line with dividend policy

Dividend per share, in EUR



Jubilee dividend EUR 3.00

- Brill had significant cash resources at the end of the last years, mostly as a result of the VSP divestment (2012)
- Brill management believes that the current capital distribution proposal is balanced; we distribute excess cash to investors, but keep enough headroom to pursue our strategic objectives and maintain dividend policy
- Brill staff receives one-off jubilee payment in 2018

Commercial Strategy



Develop market presence-Sales

- Expand sales force for print and online
 - In the key markets Americas (US west coast and Canada and EMEA (southern Europe, Africa)
 - In selected growth markets (office in Beijing, SE Asia)
- Sales focus on online products
 - Sales Intake by Brill sales team up 19,3% vs. 2016

Sales highlights in 2017

- Online sales up 9%
 - eBooks up 20% in the Americas
 - Total sales up by 40% in China
- Special deals with:
 - Sun Yat Sen University and Public Library in China (Print + eBooks)
 - McGill University in Canada (eBooks)
 - Universidad de los Andes in Colombia (eBooks)
- Various new eBook consortium renewal deals with:
 - CASHL in China
 - MaRLI in the USA

Develop market presence-Marketing

- Enhance Digital Marketing
 - Marketing automation; automated retargeting, based on previous response, multiple contact moments follow the customer journey. Automatic lead information to sales managers
 - Digital marketing on social media targeting end users; explaining the research, storytelling and infomercials

Global Online Access to Legal Information



www.ilo.org/goali



Cornell Law School
Lawyers in the Best Sense



YALE LAW

BRILL | NIJHOFF

- **New CSR Initiative in Law**
- **New Program under Research4Life**
- **Initiated by founding publisher Brill**
- **Promote sustainable access to legal information in 115 developing countries.**
- **UN entity ILO hosts the program**
- **Partnering with Academic Partners Yale and Cornell Law School Libraries and other Academic Publishers**
- **Launched at ILO in Geneva on 6 March**

Online Platform Vision

Functionality

- One web shop for p+e
- Integrated search
- Mobile
- UX design
- Access management
- Integration of platforms

Customer benefits

- Seamless experience across PC and mobile
- Better, more complete search results
- Easier purchase process
- Better usage feedback

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.

[Browse](#)



Subject Highlights



International Relations



Theology and World Christianity



African Studies



Social Sciences

[Show All Subjects](#) ▼

Publishing Strategy



Strategic Pillars

- Select relevant content
- Invest in quality control
- Foster ties with the research community
- Provide personalized service
- Increase accessibility of content

2018 agenda

- Improve gross margin
 - Bottom-up portfolio analysis
 - Tools for data analysis
- Improve efficiency
 - Alignment of publishing units
 - Inclusion of key support functions
 - Improvement of publishing workflows

Focus on flagships

BASILICA
ONLINE

GRAND
dictionnaire
RICCI
de la langue chinoise
ONLINE

利氏漢法辭典

TEXTUAL HISTORY OF THE BIBLE ONLINE

THB

Yearbook
of Muslims
in Europe
Online

Brockelmann

Online



Harvard
Semitic Museum

Acquisitions

Humanities Press (1998)

VSP (1999)

Martinus Nijhoff (2003) LAW

KLI Arabic Law (2004)

Transnational (2005)

Hotei Publishing (2006)

IDC (2006)

Gieben (2006)

Van Gorcum Bible Studies (2007)

Global Oriental (2010)

Egbert Forsten (2011/2012)

KITLV (2013)

Apollo (2013)

Emerald L&L (2013)

Hes & De Graaf (2013)

Editions Rodopi (2014)

Schöningh & Fink (2016) GER

Sense (2017) - SOCIAL SCIENCES

170+ journals acquired

- 72 as part of acquired lists
- 100+ stand-alone
- 30 divested

Open Access



- Higher usage and impact
- Strong portfolio, particularly in books
 - 270+ OA books, 2 reference works
 - 15 full OA journals
- Steady growth of revenues
 - 524k in 2017 (1.45% of total)
 - Growth rates between 30-70% since 2014
- Pro-active strategy to locate funding

Closing Remarks



Unchanged Strategy for 2018-2020

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

Focus 2018

- Integration recent acquisitions
- Publishing priorities
- Open Access
- Profit improvement and financial control
(portfolio, vendors, organization)

New Management Structure

- 2 statutory directors (CEO and CFO/COO)
- Executive Committee
 - CEO, CFO/COO, CPO
- Extended Management Team
 - Executive Committee
 - Sales
 - Operations
 - HR
 - Business Development

Conclusions

- 2017 marked significant progress versus Brill's strategic objectives
- 2018 will be a year in which the investments in new products, infrastructure & technology and people will lead to improved results
- We continue to pursue our strategic plan for sustainable value creation
- We are optimistic for the year ahead but at this time provide no specific guidance

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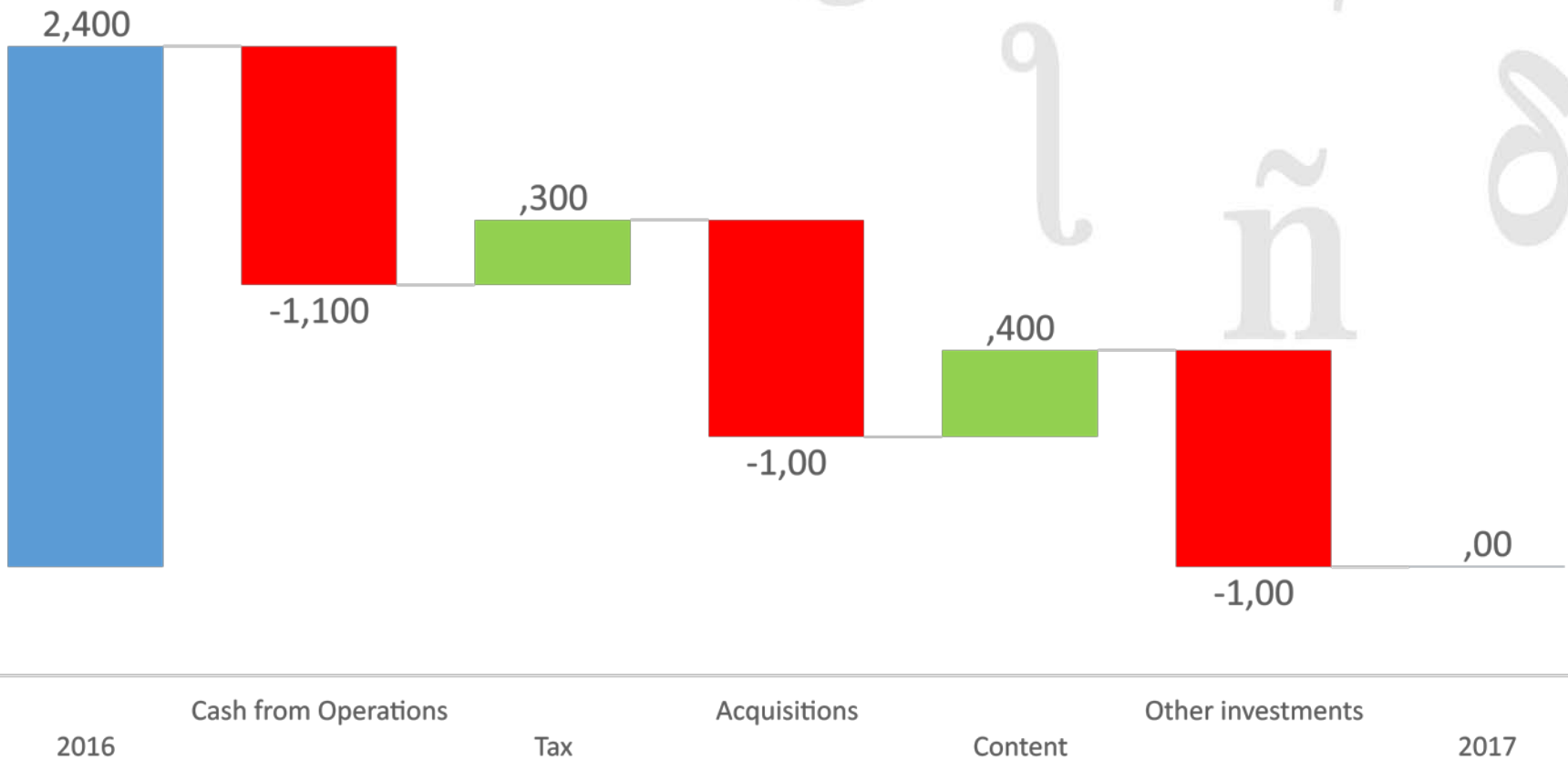
Years

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Free cash flow declined due to lower results and high investment level



Financing arrangement

- Rabobank (NL / US / GE)
- Straight amortizing loan 6.5m / 6 years
- Increased working capital allowance (7.5m from 5m); acquisition facility remains at 7.5m
- Leverage 3.5x EBITDA 2018 / 3x 2019 – 2024
- DSCR 1,1
- EBITDA cover 80%
- Pledged inventory, tangible and intangible assets