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
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
Digital Humanities

- Early mover
- Application of standard software
- Author and research focus
- Strategic fit Open Science

Focus on:
- Pattern recognition
- Semantic technology
- GIS
- Statistical analysis
A stepping stone acquisition

- German market is attractive for Humanities
- Brill’s business model has added value for German publishing industry
- S&F is a reputable publisher in the fields of History, Theology, Literature and Cultural Studies, Media Studies and Philosophy
- Provides access to text book market through UTB concept
- Integration ongoing, publishing managed separately
- Accretive but impact on overall ratios
- Long term trajectory to reach Brill's profit targets
- mentis Verlag joined 1 January 2018
Entering social sciences: Sense Publishers

- The scholarly field of social sciences is much larger than the humanities and provides direct links to our programs
- Sense is an emerging book publisher in the field of educational sciences, based in Dordrecht, publishing over 150 titles per year
- Business model is ‘ultra light’ – no stock, online distribution through Springer until 2017
- Annual revenue is around EUR 1 million, 3 FTE
- Owner will support integration and business development in social sciences; integration into existing structure
- Sense contributed to 2017 profit
Brill wins prestigious award at LBF!
<table>
<thead>
<tr>
<th>In EUR m</th>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>36.4</td>
<td>32.2</td>
<td>13%</td>
</tr>
<tr>
<td>Organic growth*)</td>
<td>3.1%</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>4.2</td>
<td>4.5</td>
<td>-8%</td>
</tr>
<tr>
<td>Net Profit *)</td>
<td>2.3</td>
<td>2.8</td>
<td>-19%</td>
</tr>
<tr>
<td>ROIC</td>
<td>11.1%</td>
<td>13.0%</td>
<td>-180Bps</td>
</tr>
<tr>
<td>EPS</td>
<td>1.21</td>
<td>1.32</td>
<td>-19%</td>
</tr>
<tr>
<td>Dividend / share</td>
<td>1.32 + 3.00</td>
<td>1.32</td>
<td>-</td>
</tr>
</tbody>
</table>

*) adjusted for EDI returns issue
**) decline: change in EBITDA + 0.4m fx results
Growth 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

Adjusted organic development: -0.6% (!)

Organic development: +9.4%
EBITDA declined (one off expenses); underlying EBITDA flat
## Details non recurring items

<table>
<thead>
<tr>
<th>(in EUR million)</th>
<th>Revenue</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returns EDI Issue</td>
<td>-0.2</td>
<td>-0.1</td>
</tr>
<tr>
<td>Change content amortization</td>
<td></td>
<td>-0.1</td>
</tr>
<tr>
<td>Royalty catch up</td>
<td></td>
<td>-0.2</td>
</tr>
<tr>
<td>Acquisition related and consulting expense</td>
<td></td>
<td>-0.3</td>
</tr>
<tr>
<td>Personnel costs</td>
<td></td>
<td>-0.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-0.2</strong></td>
<td><strong>-0.8</strong></td>
</tr>
</tbody>
</table>
Change in expected economic benefits; estimated through expected pattern of sales

- Pattern reviewed at the end of each book year during the year end close and changed if materially different from prior years
- A typical book sells about 45% of its lifetime sales in yr 1 (~8k of lifetime sales of ~20k)
### Improving efficiency of content investment

- Book front list generates average FY cash gross result of EUR 6m
- Payback of the investment in content <1 year
- IRR > 70% = required for funding structural costs (organization, platforms, sales, overhead...)
- Note: relation is not 100% direct due to multiple year investments, end of year launches....
- S&F business model allows higher capital efficiency (print cost subsidies)
- Total investment declined due to less capital intensive publications and typesetting savings

<table>
<thead>
<tr>
<th></th>
<th>Investment = amount of new content capitalized in the book year</th>
<th>Sales FL = revenue derived from new book titles in the book year (front list)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3.1</td>
<td>8.3</td>
</tr>
<tr>
<td>2016</td>
<td>3.5</td>
<td>7.5</td>
</tr>
<tr>
<td>2015</td>
<td>4.1</td>
<td>8.0</td>
</tr>
</tbody>
</table>

**Brill Total (EUR m)**

- S&F 1.2m
- 3.1
- 3.5
- 4.1
- 8.3
- 7.5
- 8.0
Free cash flow declined due to lower results and high investment level

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash from Operations</th>
<th>Tax</th>
<th>Acquisitions</th>
<th>Content</th>
<th>Other investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2.4</td>
<td>-1.2</td>
<td>0.3</td>
<td>0.5</td>
<td>-1.0</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.0</td>
</tr>
</tbody>
</table>
Continued progress capital allocation

- **Free up** working capital for re-investment
  - Inventory (through POD implementation) 0.6m vs 0.5m in 2016
  - Trade Receivables (migration P to E) 0.0m vs 0.3m in 2016
  - Deferred Income (subscription prepayments) 0.3m vs 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

**ROIC**
- 2017: 11.1%
- 2016: 13.0%

**NOPLAT %**
- 2017: 6.7%
- 2016: 8.5%

**Revenue**
- 2017: 36.5%
- 2016: 32.2%

**Asset t/o**
- 2017: 1.7
- 2016: 1.5

**Ø Inv. Cap**
- 2017: 22.0
- 2016: 21.0

- One – offs 0.6m after tax
- Sales / title
- Book / Journal output
- PS development
- WiP / Content reduction
- Working capital reduction
- Capital investments

**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

[Bar chart showing dividend per share from 2009 to 2017, with ordinary dividends and an extraordinary dividend in 2017.]
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 to distribute excess cash to investors, allowing Brill management to pursue its strategic objectives and maintain dividend policy
- Brill staff receives one-off jubilee payment in 2018
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%
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
  - Special and incremental deals
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

- **Focus on Flagships**
  - Special marketing and sales attention for Brill’s top sellers and important new product launches with product video’s, editor interviews and user guides on social media
  - Overall the Flagship products performed better than expected in 2017

- **Enhance Digital Marketing**
  - Focus on lead management using Pardot and Engage on the Salesforce.com platform to manage prospects and customers
  - Marketing automation; automated retargeting in Pardot, based on previous response, multiple contact moments follow the customer journey.
  - Digital marketing on social media targeting end users; explaining the research, storytelling and infomercials
  - [Click link for example](#)
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


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
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 decision-making
  - 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 new flagships
Acquisitions

Humanities Press (1998)
VSP (1999)
**Martinus Nijhoff (2003) LAW**
KLI Arabic Law (2004)
Transnational (2005)
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
  - 250+ OA books, 2 reference works
  - 15 full OA journals
- Steady growth of revenues
  - 524k in 2017 (1.45% of total)
  - Growth rates of 45% 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
New Management Structure

- 2 statutory directors (CEO and CFO/COO)
- Executive Team
  - CEO, CFO/COO, CPO
- Management Team
  - Executive Team
  - Sales
  - Operations
  - HR
  - Business Development
Focus 2018

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

Issues

- Closing and Audit process problematic
- Caused by more complex business and external requirements
- Cost visibility must be improved
- More business support required

Approach

- Systems upgrade 2017: Tableau + FCCS
- External audit support for 2018 audit cycle
- Improvements internal controls (systems, organization, reporting)
- Expansion finance team per May 1
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
335 Years BRILL