

Brill's 2022 results affected by potential administration of its main distributor

Brill's main distributor, Turpin, has informed Brill today that it has filed a notice of intent to appoint an administrator. Turpin provides fulfilment services to part of Brill's journal and book portfolio. On 30th August Brill announced a transition to new partners for its worldwide distribution of books and journals during 2023. An administration of the current distributor is expected to result in disruptions to ongoing print book sales and delays to the 2023 journals renewal season. This would particularly impact the important Q4 period and Q1 2023, until alternatives have been put in place.

In addition to the above-mentioned potential impact due to business interruption, Brill has receivables and credits with Turpin currently estimated to be approximately EUR 1M which is at significant risk. Approximately 9,000 titles are held in stock with Turpin in the UK, amounting to some 223,000 units, with an estimated inventory value of EUR 1.6-1.8M. Under the terms of the agreement title to this stock rests with Brill, but some of this inventory and some of the value of the associated publishing rights might be at risk of impairment.

Furthermore, some costs which were originally planned for 2023 will now be brought forward to 2022 in accelerating the transition to new distribution partners. New expenses for logistics and legal fees are likely but not yet quantified. Brill is taking measures to mitigate the resulting tighter liquidity.

To transition the distribution to a new partner, Brill is working closely with experienced industry provider Air Business Ltd to install a replacement outsourced order-to-cash (OTC) platform, processes and customer service. Distribution of print-on-demand titles will continue via our existing partner, Printforce. Distribution of offset titles will be managed by new service providers as soon as the stock has been repossessed from Turpin and relocated to the new warehouses and the OTC interfaces have been established. Brill has back-ups of most of the recent key customer data that is stored in Turpin systems.

Sales of Brill's German and Austrian imprints, sales for all individual e-books, e-journals and e-book collections, as well as other online subscription and outright purchase products are not affected.

Brill withdraws its financial outlook for the full year due to these developments. The earlier guidance, announced as part of the first half-year results on 30th August, was that organic growth would be slightly above our strategic goal of 2-3% and net profit was expected to be slightly below 2021. We now expect that both revenue and profitability of 2022 will be materially lower than this earlier outlook. The situation is evolving, and we will provide a further update during our Q3 trading update on 27th October.

Leiden, 28th September, 2022

The Management Board

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About Brill

The contents of this press release may contain inside information as defined in article 7 of the EU Market Abuse Regulation 596/2014. Founded in 1683 in Leiden, the Netherlands, Brill is a leading international academic publisher in the Humanities, Social Sciences, International Law, and Biology. With offices in the Netherlands, Germany, Austria, the USA and Asia, Brill today publishes more than 360 journals and 2,000 new books and reference works each year as well as a large number of databases and primary source research collections. Commitment to Open Access and the latest publishing technologies are at the core of Brill's mission to make academic research available for the scholarly community worldwide. The company's key customers are academic and research institutions, libraries, and scholars. Brill is a publicly traded company and is listed on Euronext Amsterdam NV. For further information, please visit brill.com.