



## Trading Update Q3 2019

*Brill reports continuation of favorable developments*

### Update on year-to-date performance

Q3 revenues were satisfactory, allowing Brill to maintain its lead over last year. Growth is primarily driven by improved eBook sales in the Americas and Europe and supported by journal sales. Print book revenues were impacted by logistical delays at our UK based global print distributor but were nonetheless stable versus last year, reflecting favorable underlying sales trends.

Cost of goods sold and operating expenses developed in line with expectations. The profit improvement plan is proceeding and will deliver its full impact in 2020 and 2021.

In the third quarter we realized further progress on our strategic agenda. Agreements have been signed for the takeover of five journals in the fields of History, International Relations, and Area Studies. A new distribution agreement with the French publishing startup Jus Mundi enhances our product portfolio in International Law. Some large Q3 eBook and database deals in Europe, China and the US boosted our online revenue.

### Outlook

As always, the final results for 2019 will depend heavily on the revenue in the final months of the year. Since we have closed a number of large (e-)deals already in the first three quarters of 2019, our Q4 pipeline consists mainly of smaller sales opportunities, albeit with some growth potential vs Q4 of 2018. If present trends continue, 2019 should be a year with satisfactory growth of revenue and EBITDA.

Logistical issues at our UK based distributor were mostly solved, but still might have some negative impact on our print sales in Q4. As reported in our HY press release Brill has moved print book stock to the continent to mitigate the consequences of a no-deal Brexit. At the time of writing this release, the exact impact of Brexit on our operations is still uncertain.

As communicated earlier, net income will be below last year due to the non-cash one-off tax benefit that we recorded in 2018. In line with our standing dividend policy and as in 2018, we intend to disregard the one-off effects due to the expected change in Dutch tax policies when determining the 2019 dividend payout level.



## Ongoing review of accounting policies

Considering its objective to simplify interpretation of our financial statements and to improve finance operations, Brill is reviewing potential adjustments to two accounting policies:

- accounting for intangible content assets under IAS 38, probably effective in 2019;
- hedge accounting under IFRS 9, probably effective as of 2020.

It is not expected that any of the adjustments under consideration will have a material impact on the 2019 financial statements, and any change will be fully disclosed in the annual report 2019.

Furthermore, please note that 2019 EBITDA and Operating Expenses are impacted by application of IFRS 16 (Leasing) which reallocates costs from Operating Expenses to Depreciation Fixed assets and Interest.

Leiden, 22 October, 2019

## The Management Board

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Jasmin Lange, Chief Publishing Officer

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## About Brill

Founded in 1683 in Leiden, the Netherlands, Brill is a leading international academic publisher in Middle East and Islamic Studies, Asian Studies, Classical Studies, History, Biblical and Religious Studies, Language & Linguistics, Literature & Cultural Studies, Philosophy, Biology, Education, Social Sciences and International Law. With offices in Leiden (NL), Boston (US), Paderborn (GER), Singapore (SG) and Beijing (CN). Brill today publishes over 300 journals and close to 1,400 new books and reference works each year, available in print and online. Brill also markets many primary source research collections and databases. 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 [www.brill.com](http://www.brill.com).