



Over three centuries of scholarly publishing

BRILL

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Annual General Meeting

Leiden, 16 May 2017

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 behavior 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.

- Management Report
- Corporate Strategy
- Financial Performance

Agenda



Management Report

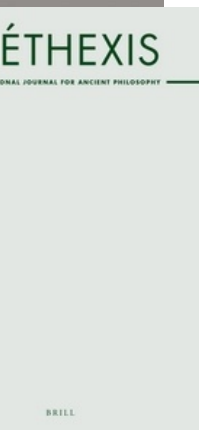
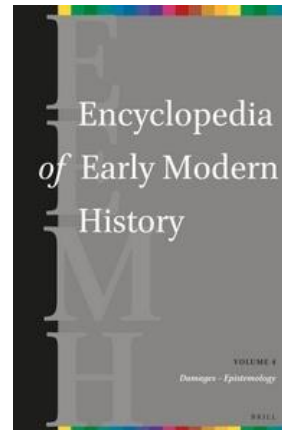
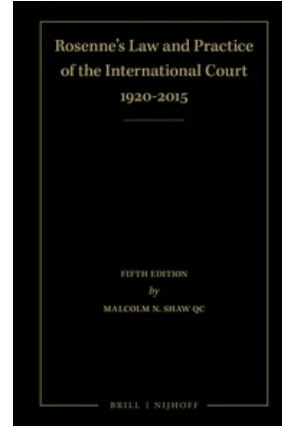
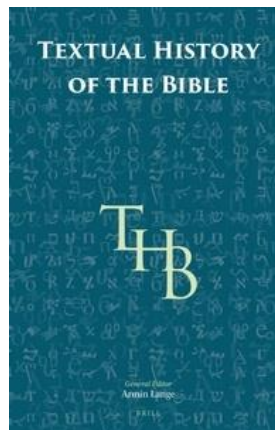
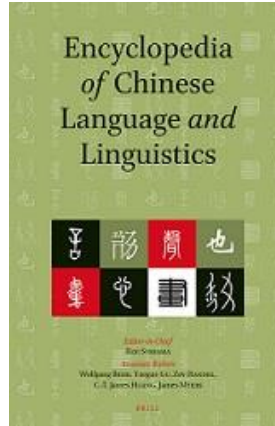
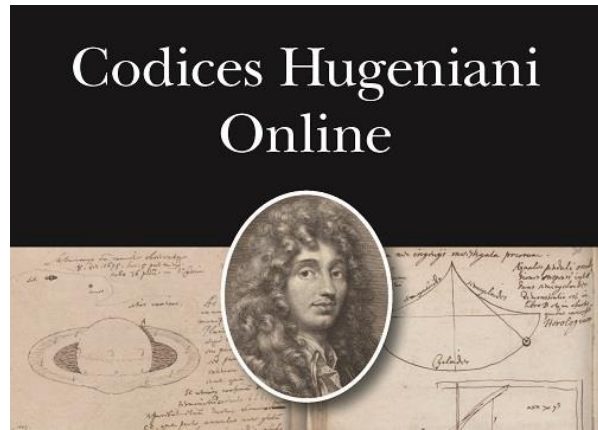
Brill has progressed versus its objectives

- Performance improvement effort well underway:
 - >4% Organic growth, above our expectations
 - EBITDA +18.5%, Margin 14.0% and excluding one-offs 15.6%
- Major launches continue to build Brill's reputation
 - Brockelmann, Textual History of the Bible, Encyclopedia of Chinese Language and Linguistics, Rosenne
- Investment in Marketing and Sales yielded results
 - Sales force expansion with focus on Asia and US
 - Focus on online sales and digital marketing
- Operational overhaul delivering short and mid term benefits
 - Production and Logistics
 - RSuite implementation, platform replacement
- German acquisition provides platform for further growth

Financial performance improved

(in EUR million)	2016	2015	Increase	Growth %
Revenue	32.2	30.8	1.4	4.4%
EBITDA	4.5	3.8	0.7	18.5%
EBITDA Margin	14.0%	12.3%	170 Bps	
EBITDA Margin excl. one - offs	15.6%	12.3%	330 Bps	
Operating profit	3.7	3.0	0.7	23.1%
Net profit	2.8	2.3	0.5	20.0%
Earnings Per Share (in EUR)	1.49	1.24	0.25	20.0%
ROIC	12.9%	10.5%	240 Bps	

We continued to publish high-profile titles



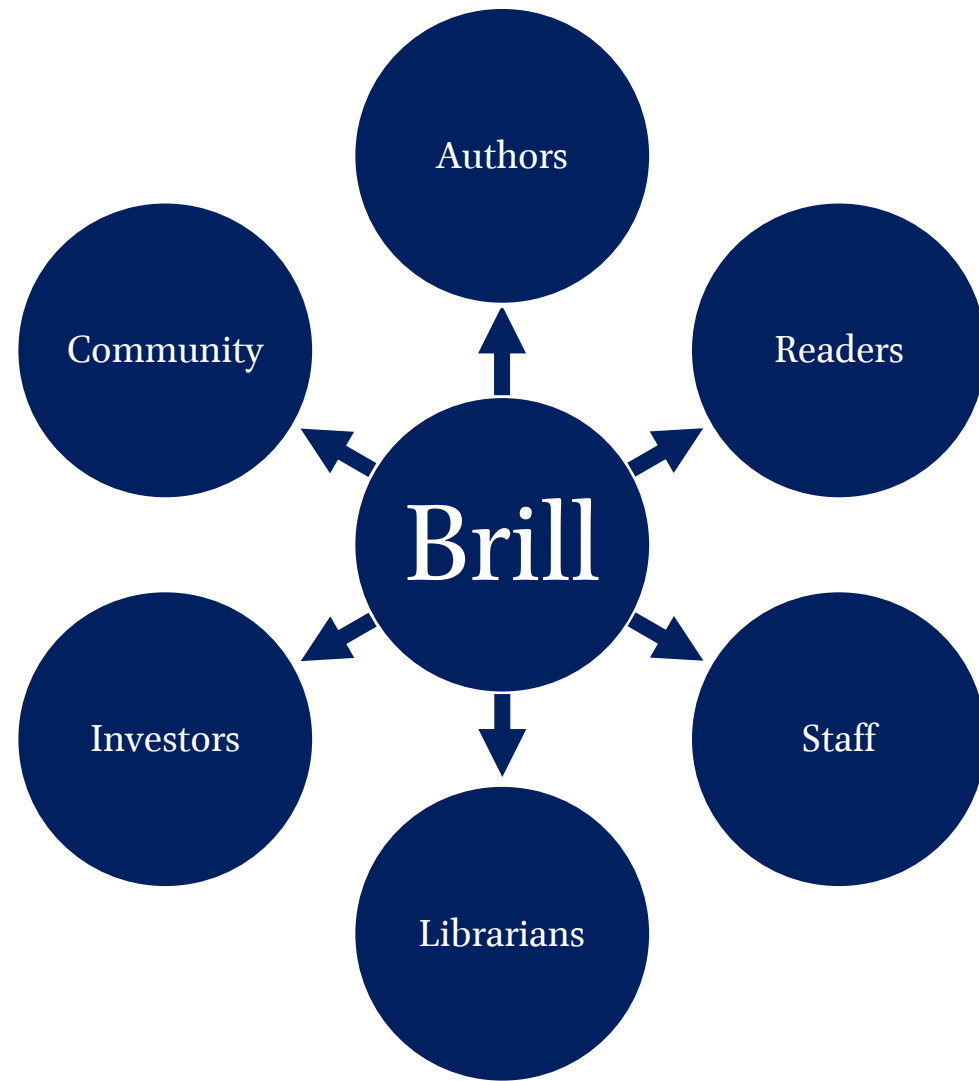


Corporate Strategy

Brill business profile

- Reputable international academic publisher
- Majority of business online but strong basis in print
- Humanities, international law, biology, social sciences
- Service excellence towards authors and users
- Sustainable value creation for all stakeholders to safeguard license to operate

Stakeholder value creation at Brill



Strategy for value creation

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

Development of publishing program

Expand market position

Build on leading positions

Expand to adjacencies

New product formats

- Thematic program development
 - Internal
 - M&A (Schöningh & Fink, Sense)
- Digital Humanities initiatives
 - GIS
 - Pattern recognition
 - Semantic technology
 - Statistical analysis
- Translation and distribution agreements

Develop market presence

Develop market presence

Expand sales force

Focus on flagships

Enhance digital marketing

- Expand sales force
 - In the key markets USA and EU
 - In selected growth markets (China and India)
- Sales focus on online products
 - Flagship focus
 - Library consortia
 - Special and incremental deals
- Shift resources to digital marketing
 - eCampaigns
 - Social Media
- Optimize print book sales processes
 - Data feeds, marketing information
 - Printing on Demand
- Actively follow Open Access developments

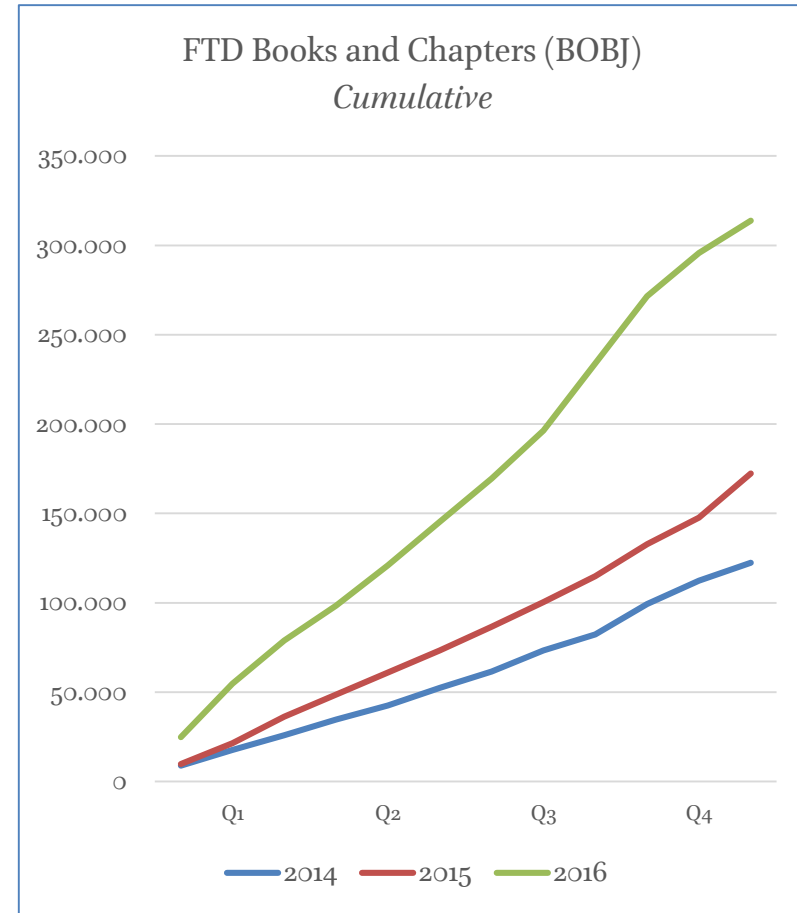
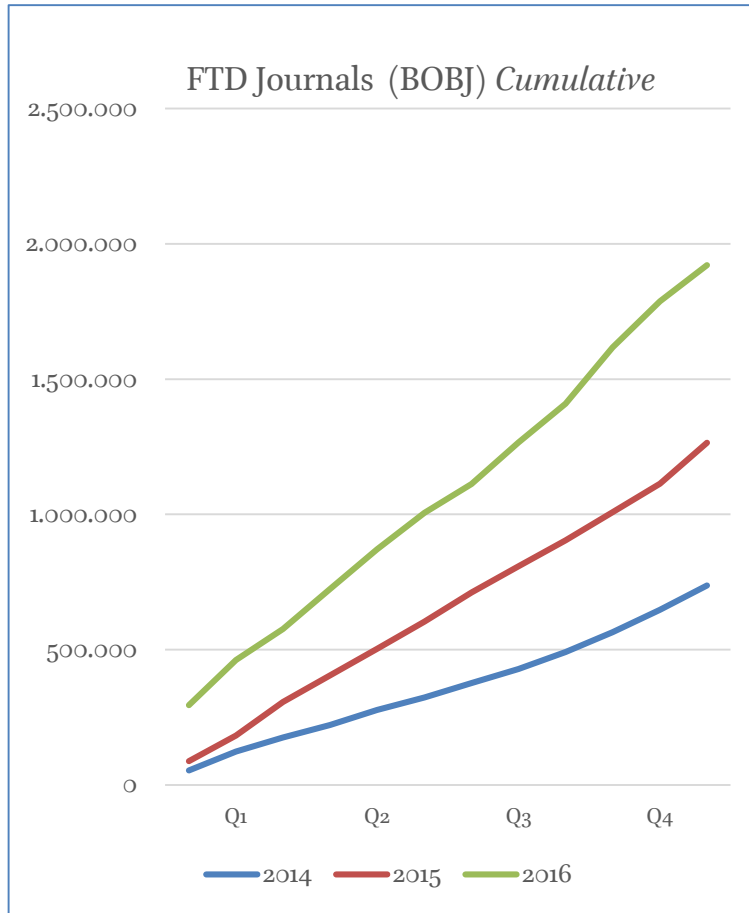
Sales highlights in 2016

- Online sales up 15%
 - eBooks up 22%
 - eJournals up 8%
- Special deals with:
 - National University of Singapore (Primary Sources and eBooks)
 - American University of Beirut (eBooks)
- Various new eBook consortium deals with:
 - CASHL in China (eBooks)
 - ViVA, MaRLI and SCELIC in the USA
- Print book sales decline was limited (-3%)
- Open Access deal with Dutch UKB consortium

Marketing highlights 2016

- 30% of Marketing budget spent on eMarketing
- Successful telemarketing campaign which reversed 33% of non-renewals
- 40.000+ followers on Facebook, 12.000+ on Twitter
- 368 Brill product instruction videos and other items on Youtube

Usage online platforms



FTD = Full Text Downloads; BOBJ = Brill Online Books and Journals platform

Invest in Operations

Invest in operations

Content

Platforms

Applications

Logistics

Cloud

- Production and Logistics
 - Global fulfilment contract, local US printing – on – demand partner
 - Starting Jan 1st, 0.5m savings in 2016 (pricing, shipment volume)
- RSuite
 - Fully XML based content management, embedded in workflow
 - Journals live, book production as of Q2; cash savings starting 2017
- Online Platform
 - Replace corporate website and Books & Journals platform
 - Content hub to link to all other platforms
- Other improvements; Ringgold, ORCID, Office365, Salesforce....

Strategic financial ambitions

Ambition

- Organic growth above market average
- Operating EBITDA margin 15-20%
- ROIC well over after – tax cost of capital (9%)

Precondition

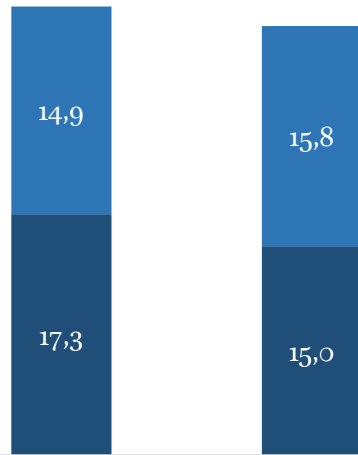
- Stable decline print book sales not exceeding growth in digital
- Organic growth in line with ambition
- Availability of investment opportunities



Financial
Performance

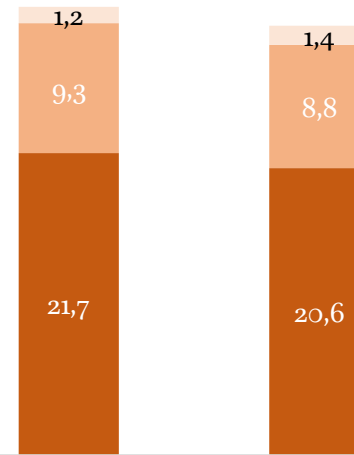
Portfolio has improved further

Revenue by Media Format



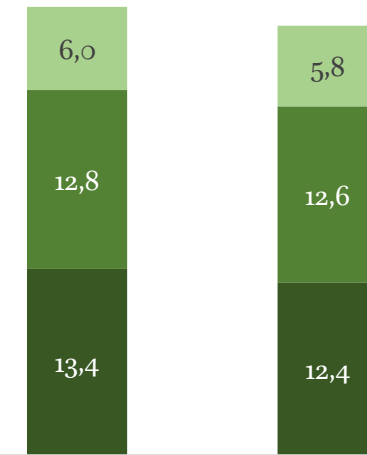
■ Digital ■ Offline

Revenue by Publication Type



■ Books ■ Journals ■ Other

Revenue by Geography

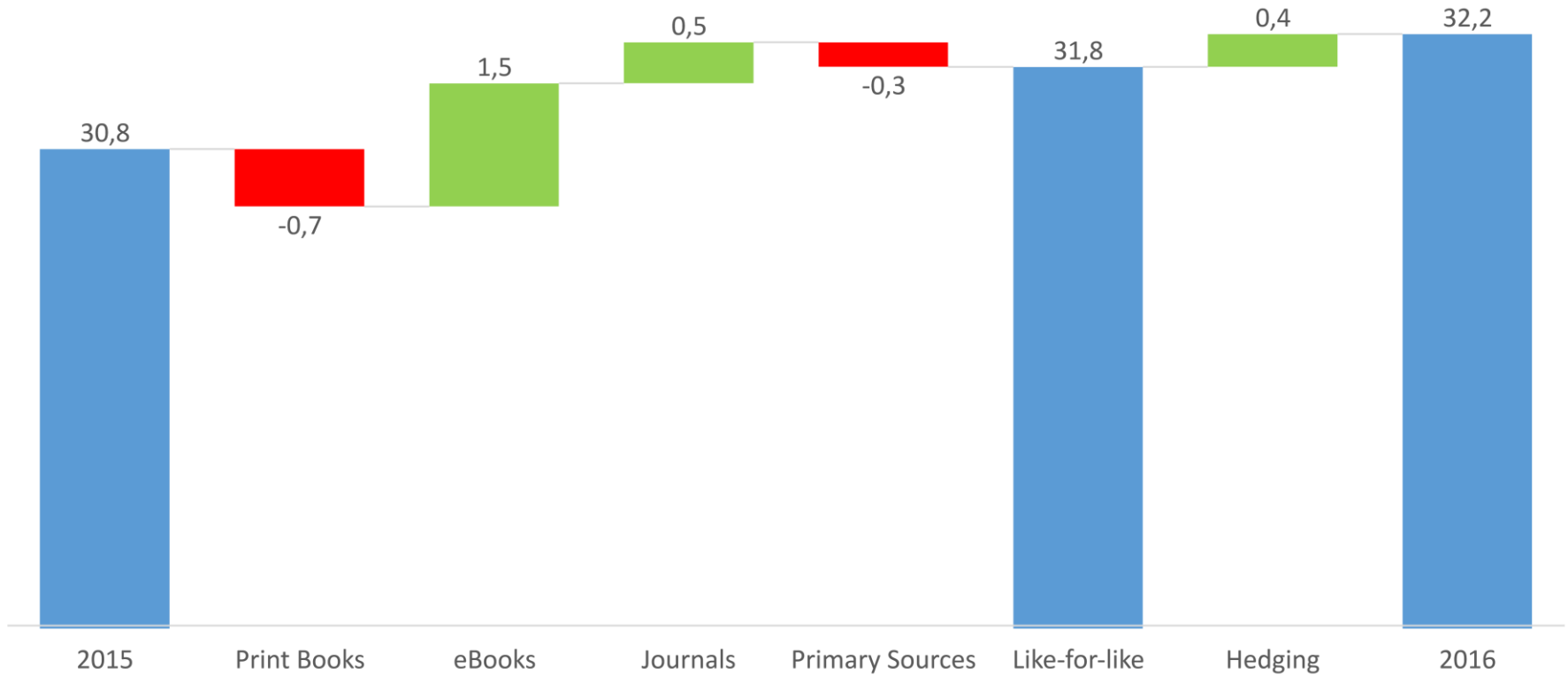


■ N. America ■ W. Europe ■ RoW

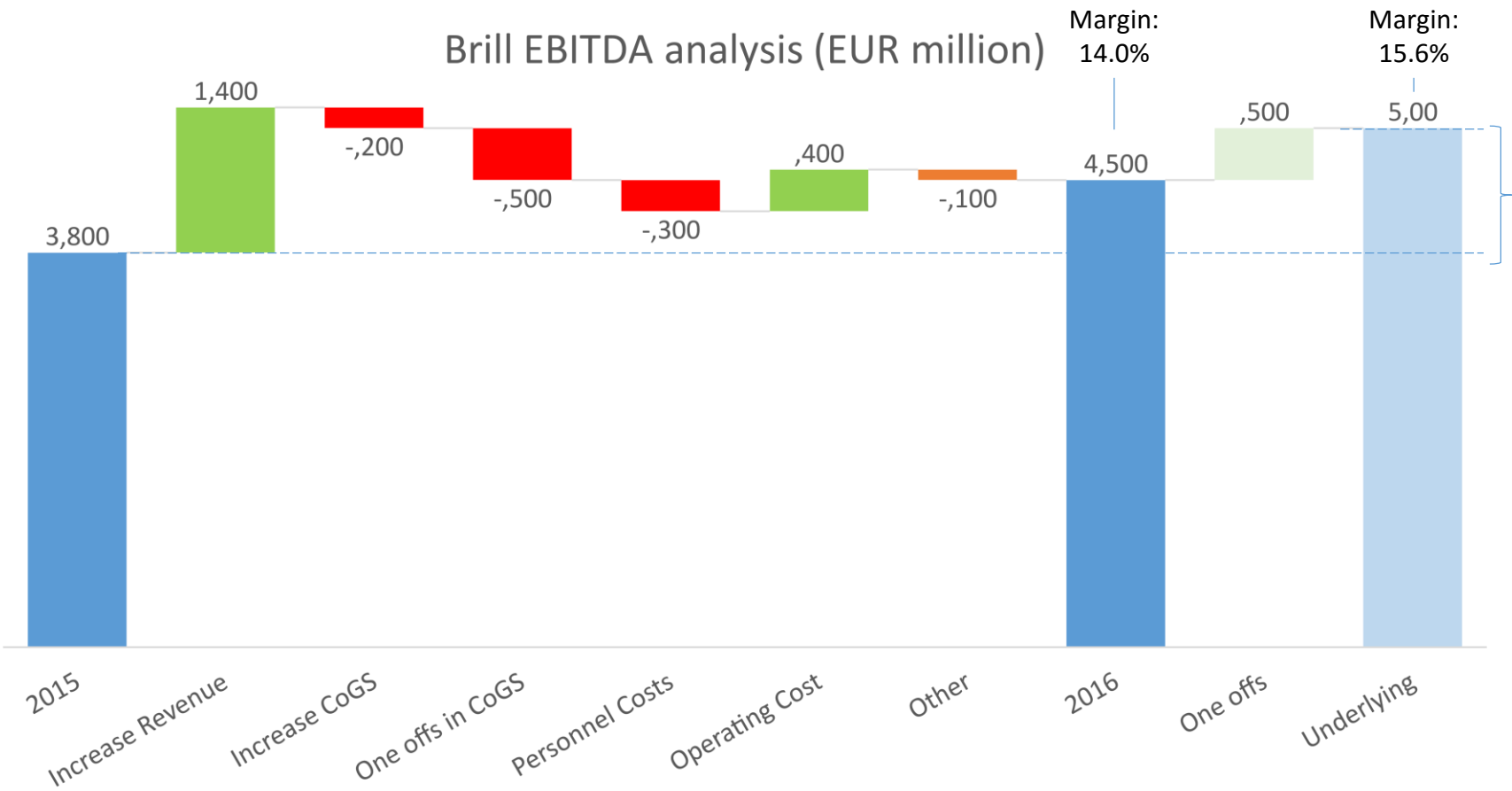
- Digital revenue at 54% of total
- RoW growth from deals in Asia and Middle East; replacing niche 2015
- Subscription revenue proportion stable at 42% of total revenue

eBooks and journals drivers of growth

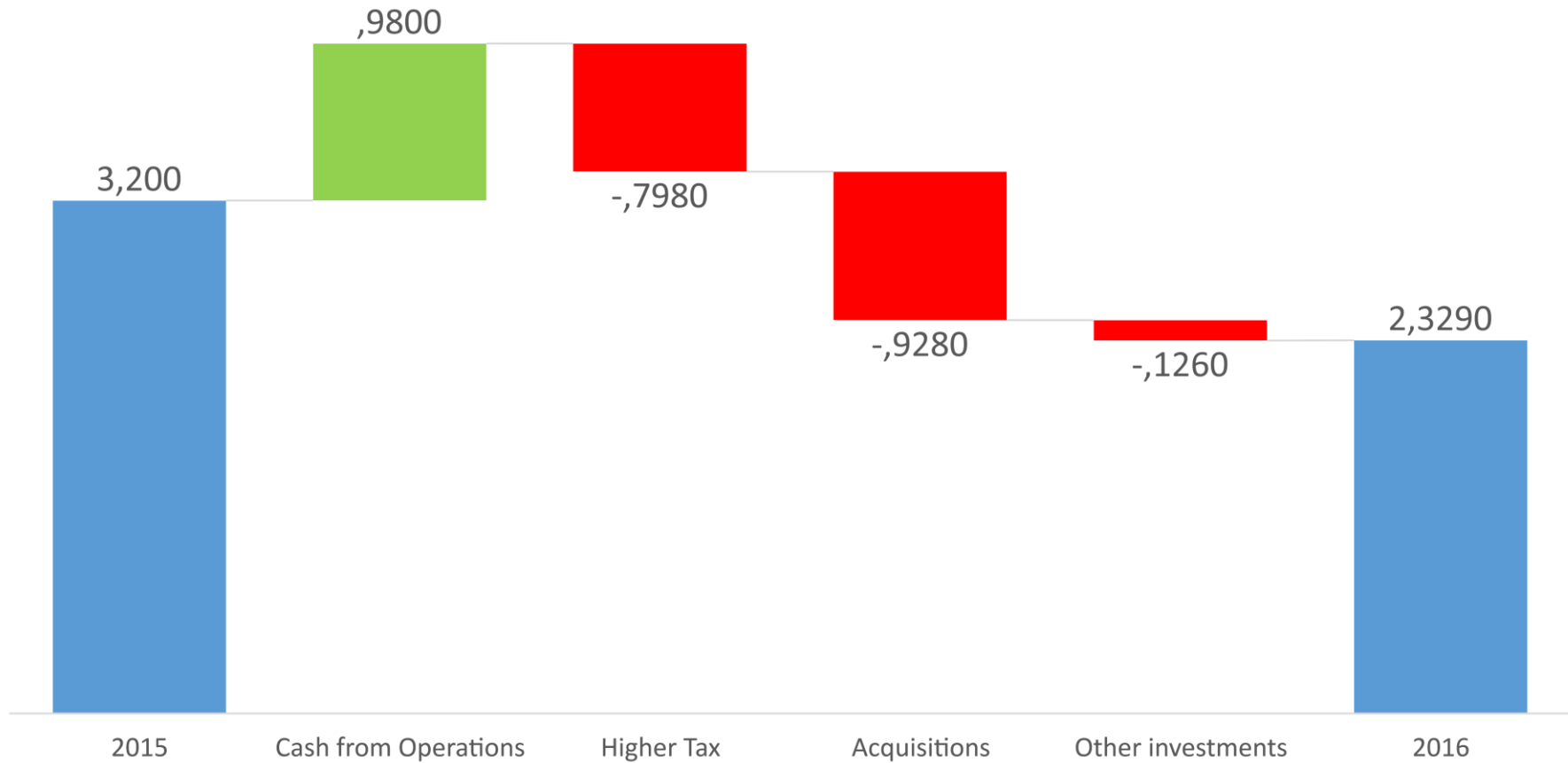
Brill revenue growth analysis (EUR million)



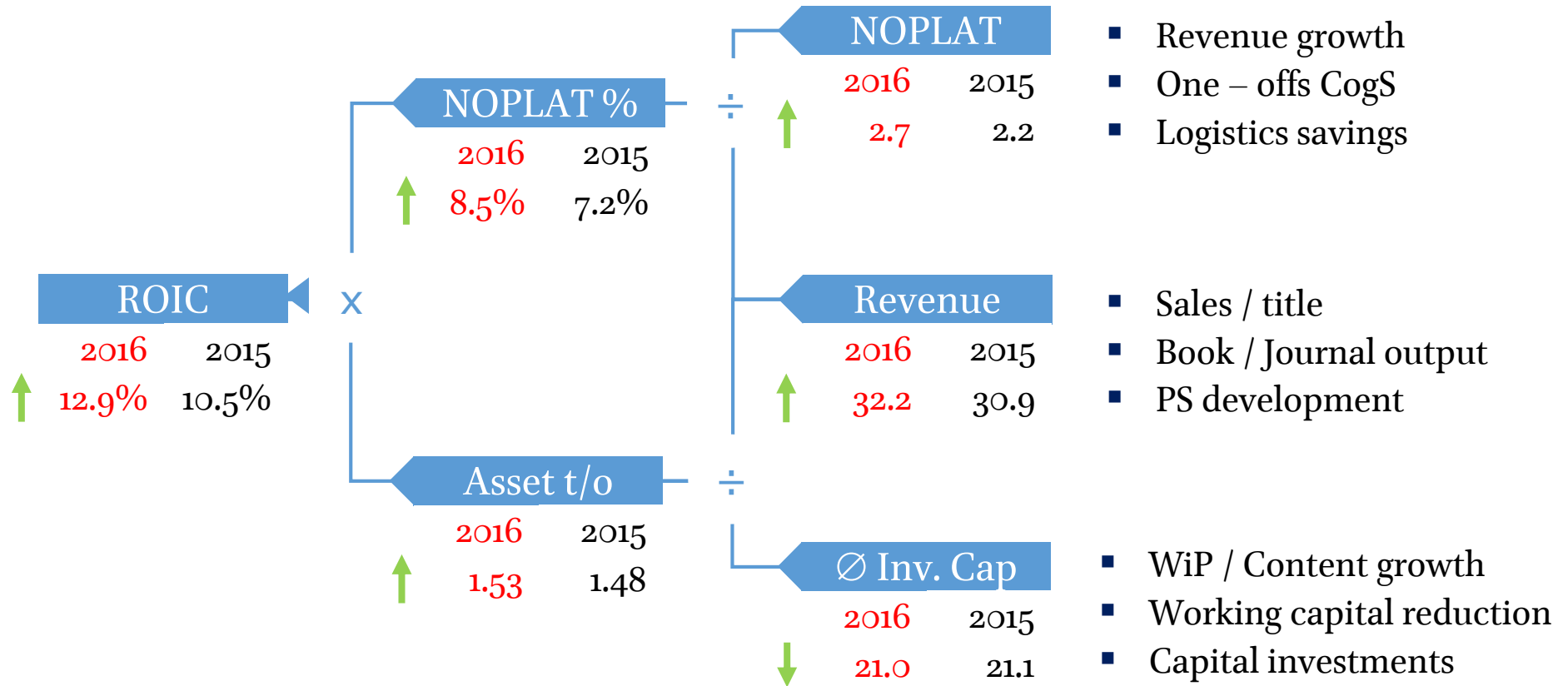
Strong underlying EBITDA growth and margin improvement



Free cash flow supports investments & one-off tax payment relating to 2012 divestment



Improvement of financial return is result of improvement in all key drivers



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

Conclusions

- 2016 marked significant improvements in Brill's financial performance
- We made progress in the publishing, sales & marketing and operational fields
- We continue to pursue our corporate strategy for sustainable value creation
- We are optimistic for the year ahead but at this time provide no specific guidance



BRILL

Koninklijke Brill NV

Audit 2016

Audit 2016

Planning started in June 2016

Discussed the half year results at the beginning of Augustus 2016

We used September and October to update our knowledge on:

- Operational activities
- Internal controls
- Supporting IT systems

In November/December 2016 we translated our findings to audit procedures to be carried out

Performed the audit in February/March 2017

Finalized the audit on 31 March 2017

Conclusion of the audit 2016

Clean auditor's report dated 31 March 2017:

- Consolidated financial statements in accordance with IFRS and BW₂ Titel 9
- Corporate accounts in accordance with BW₂ Titel 9

Focus of our audit

Our audit focuses on:

- Risks confronted by Koninklijke Brill and the corresponding internal controls
- Use of IT systems
- Management override of controls
- Use of third parties by Koninklijke Brill

Materiality and scope of our audit



Materiality is set at € 190.650

We reported our audit findings
above: € 9.500

Audit scope is defined top down

US and UK auditors (both non PwC)
were instructed by PwC

Key audit matters



Impact of (IT General) control deficiencies on our audit

Completeness of third party revenues

Significant assumptions in the valuation of assets

Director's report

Tone of voice is in line with the financial results

The report is consistent with the financial information

Corporate governance information agrees to requirements

Relevant risks and risk management process are described