

Annual General Meeting of Shareholders

Leiden, 16 May 2019

#HumanitiesMatter

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 2018

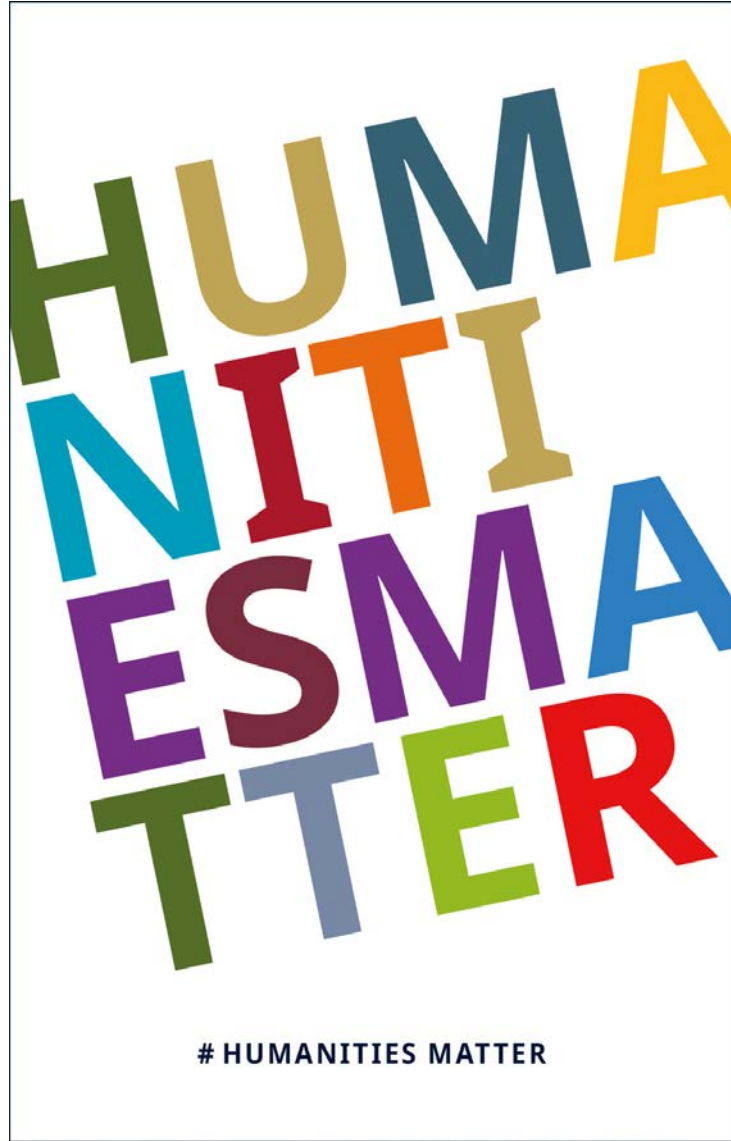
Brill in 2018

- Journals grew 6%
 - Print books down 6,3%
- Gross margin up to 67,8%
 - Operating expenses en personnel costs up
- Smooth launch and migration to Brill.com
 - Delayed by 8 months
- New Mission and strategy update
 - Capacity problems in Finance

New Mission Statement

New Mission Statement

“We operate from a strong belief that the Humanities, Social Sciences and International Law are areas of scholarship vital for addressing today’s global challenges. This belief motivates us to offer our authors the best possible service and infrastructure to disseminate their research. In order to advance discovery and learning we are keen to support scholars by providing them with access to the finest research tools and reference works in their fields. The relevance and high quality of the works we publish is key to the sustainability of our business.”



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Strategic Priorities

Profit Improvement

Expand market position

Build on leading positions

Expand to adjacencies

From products to (author) services

Develop market presence

Expand sales force

Focus on flagship themes

Expand regional marketing

Invest in finance & operations

IT Infrastructure

Content production

Product & Data distribution

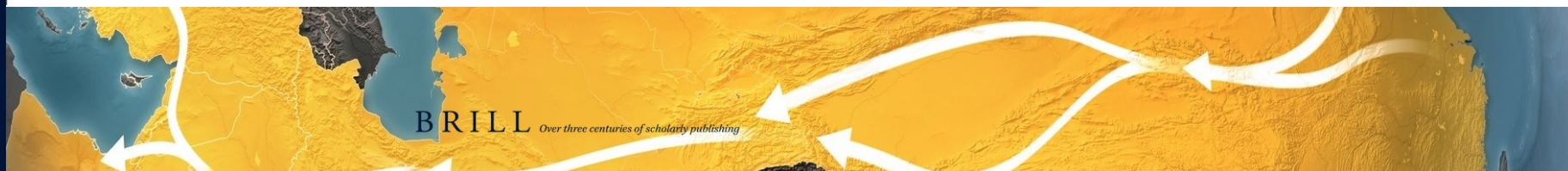
Management information

Publishing Excellence

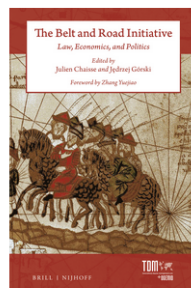
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Marketing

- Focus on relevance and new mission
- Promotion of flagship themes and author services



Discover the Belt and Road Initiative with Brill



The 'One Belt, One Road' or **'Belt and Road' Initiative** is a development strategy adopted by the Chinese government involving infrastructure development and investments to connect countries in Asia, Africa and Europe. The project has its roots in the ancient Silk Road, which connected East and West, and was initiated during the Han period (ca. 114 BCE-1450s CE).

The development strategy connects to a movement in which China plays a larger global role, supported by a China oriented trade network. According to various estimates, the New Silk Road is one of the largest infrastructural projects in history, involving 68 countries, which in 2017 comprised approximately 65% of the world's population and 40% of the global gross domestic product.

If you're interested in more, Brill has selected the following titles on Belt and Road for further reading. You may access the Introductions to these books **free of charge**, as well as the selected journal articles.

Subscribe to our
Newsletters



Foreword: Belt and Road Initiative – Navigating New Challenges and Opportunities
Author: Zhang Yuejiao

In: **The Belt and Road Initiative: Law, Economics, and Politics**
Editors: Julien Chaisse and Jędrzej Górski

ISBN: 978-90-04-37378-5
Publication Date: October 2018



Introduction
Author: SHAO Binhong

In: **Looking for A Road: China Debates Its and the World's Future**
Editor: SHAO Binhong

ISBN: 978-90-04-33081-8
Publication Date: September 2016

Profit Improvement

Expand market position

Build on leading positions

Expand to adjacencies

From products to (author) services

Develop market presence

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Focus on flagship themes

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IT Infrastructure

Content production

Product & Data distribution

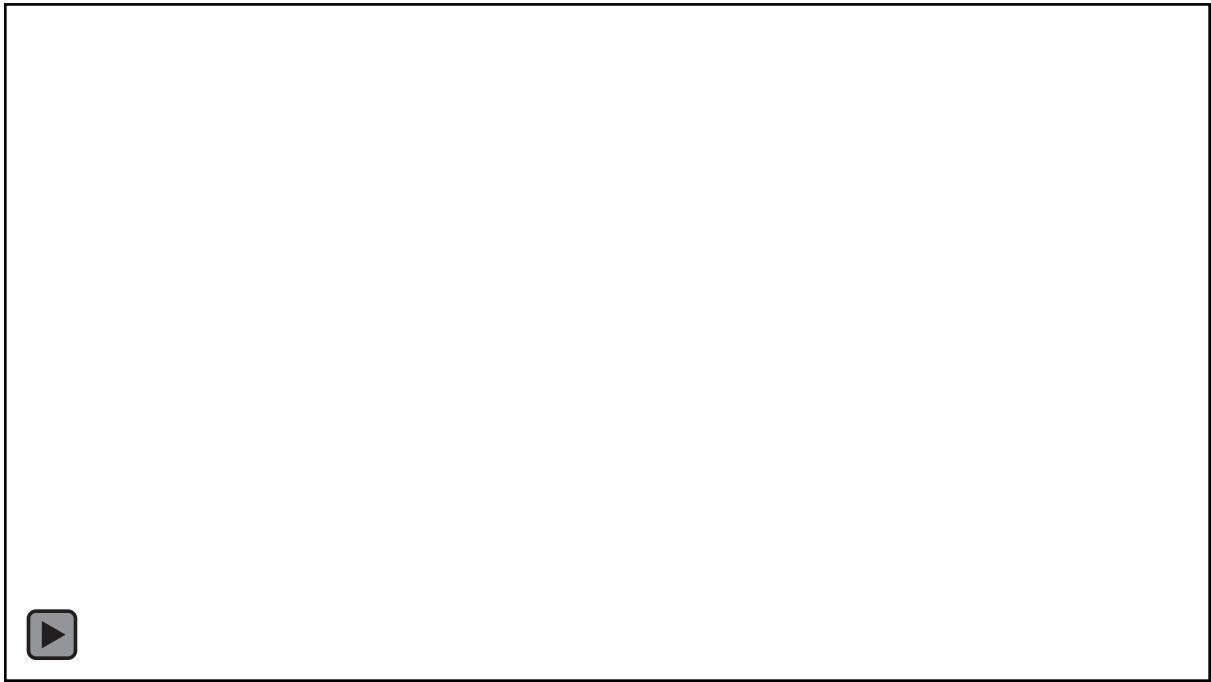
Management information

Publishing Excellence

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Sales

- Regional marketing to support sales in China, India, US & EU
- Consortia sales and transformative deals



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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.

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Book History and Cartography



Social Sciences



Slavic and Eurasian Studies



Theology and World Christianity



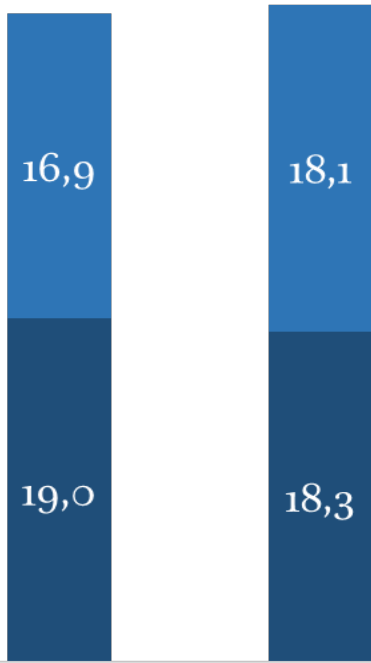
Profit Improvement

2018 Key Figures

In EUR m	2018	2017
Revenues	36.0	36.4
Organic growth	-0,1%	3.1%
EBITDA	3.6	4.2
Net Profit	2.3	2.3
ROIC	8.8%	11.1%
EPS	1.23	1.21
Dividend / share	0.85	1.32 + 3.00

Revenue development

Revenue by Media Format

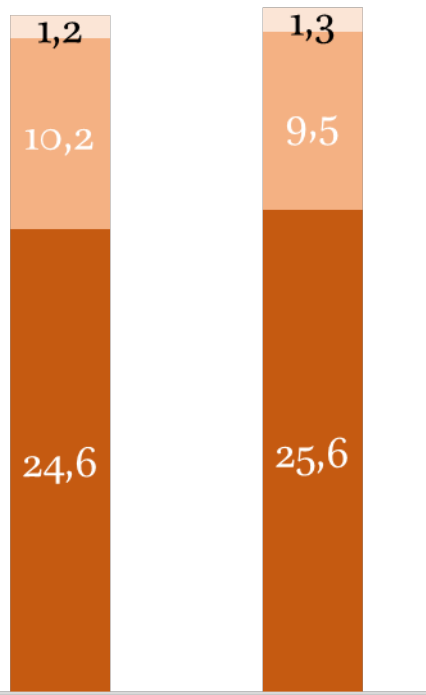


2018

2017

■ Digital ■ Offline

Revenue by Publication Type

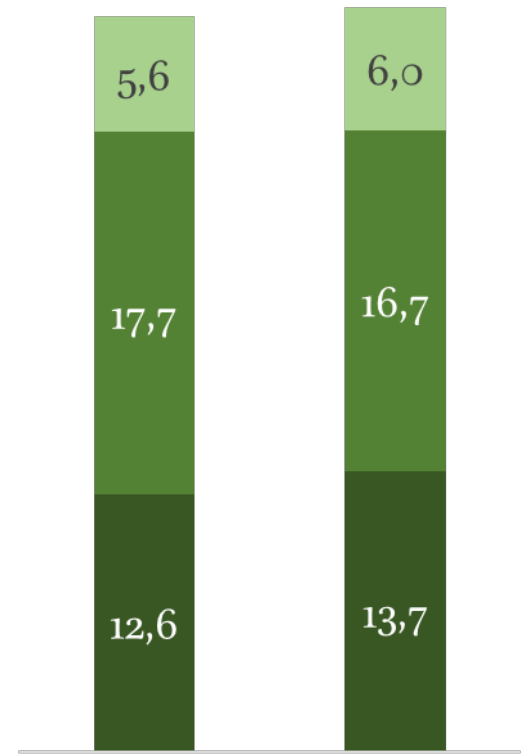


2018

2017

■ Books ■ Journals ■ Other

Revenue by Geography



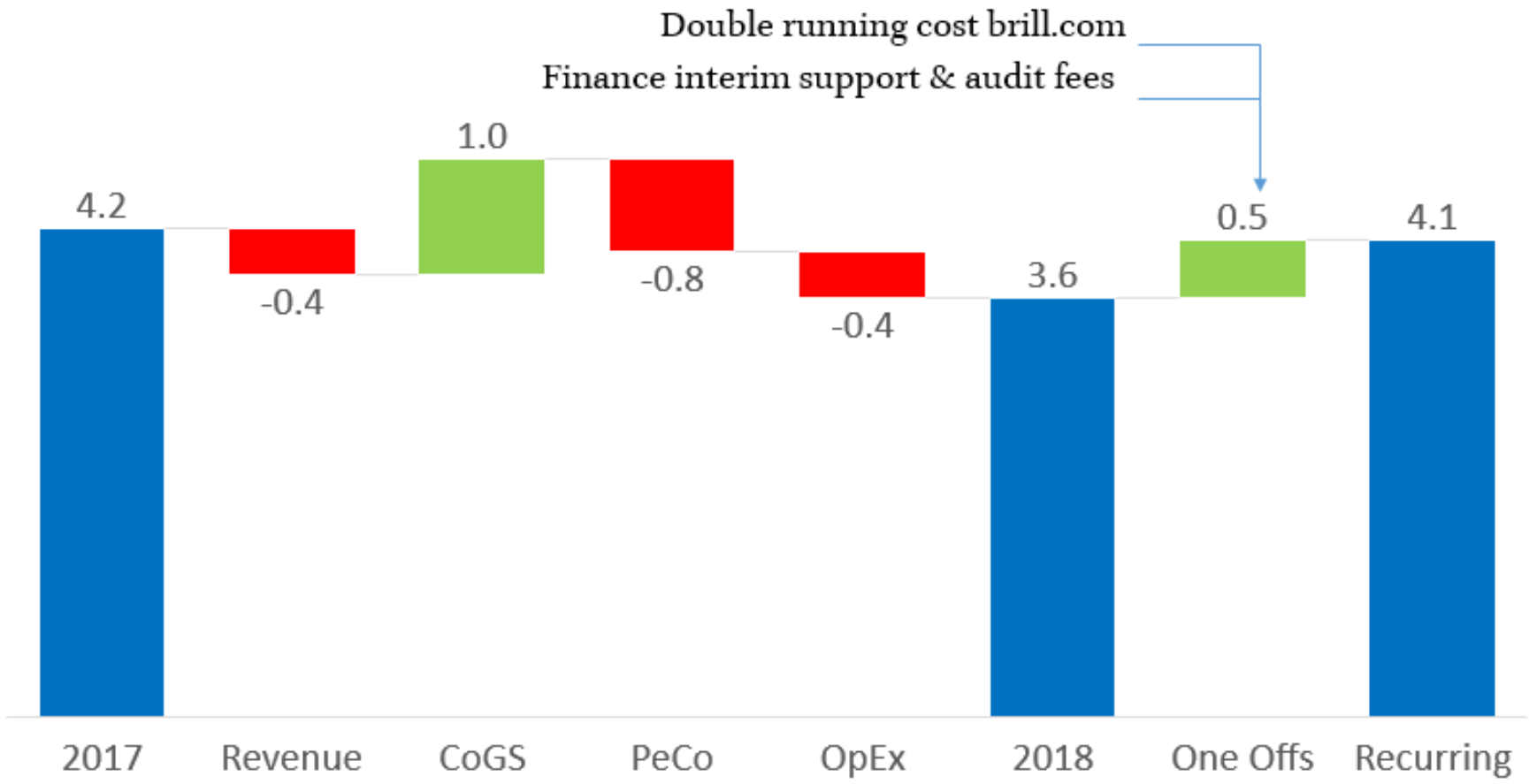
2018

2017

■ N. America ■ Europe ■ RoW

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EBITDA development

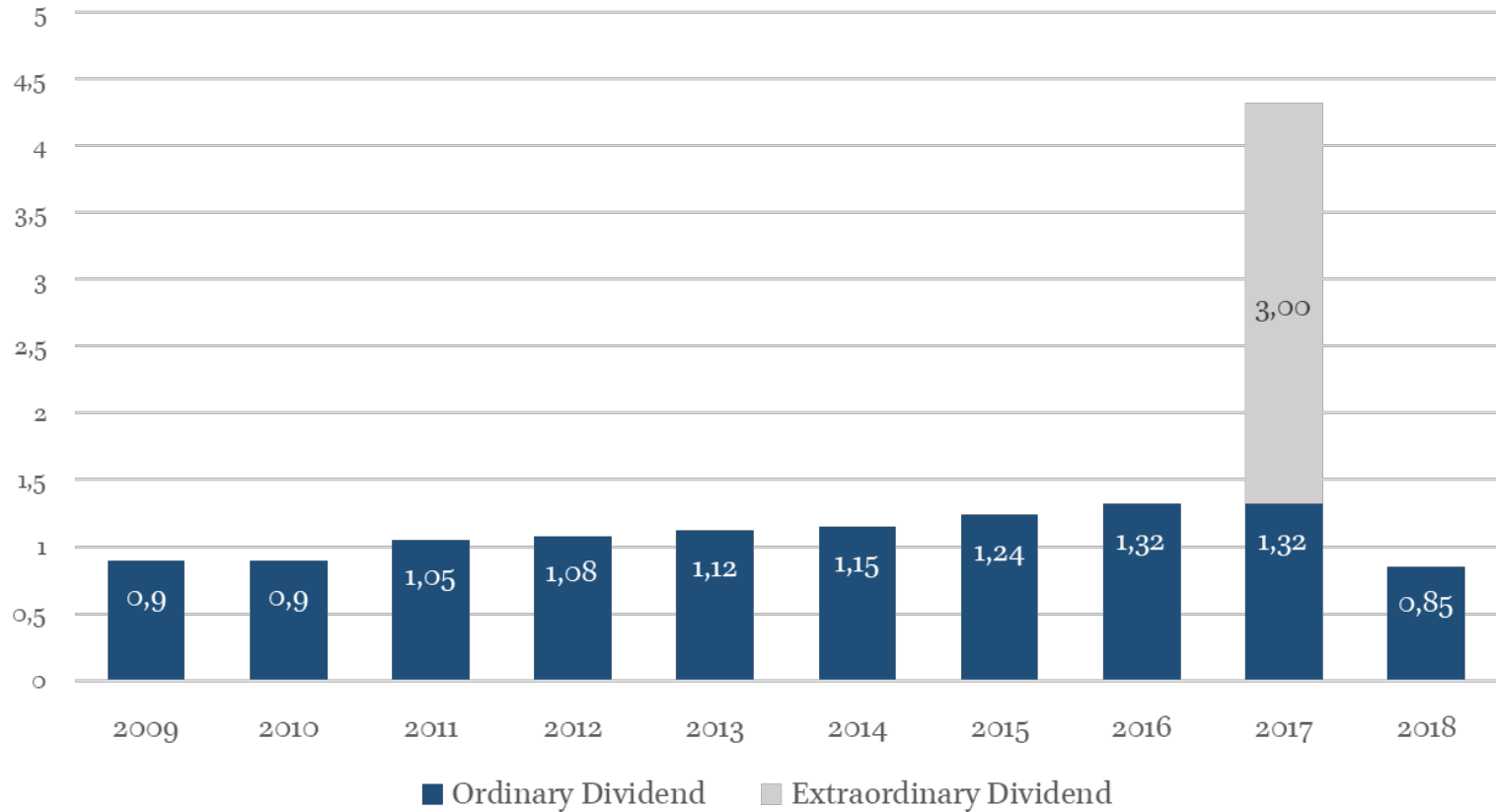


Profit Improvement Plan

- Profit improvement plan launched and announced in 2018
- On track to deliver 0.7m in savings in 2019
- Actions include:
 - personnel costs
 - office costs
 - production costs
 - subscriptions
 - software licenses

Dividend development

Dividend per share, in EUR



Publishing Excellence

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 Menu

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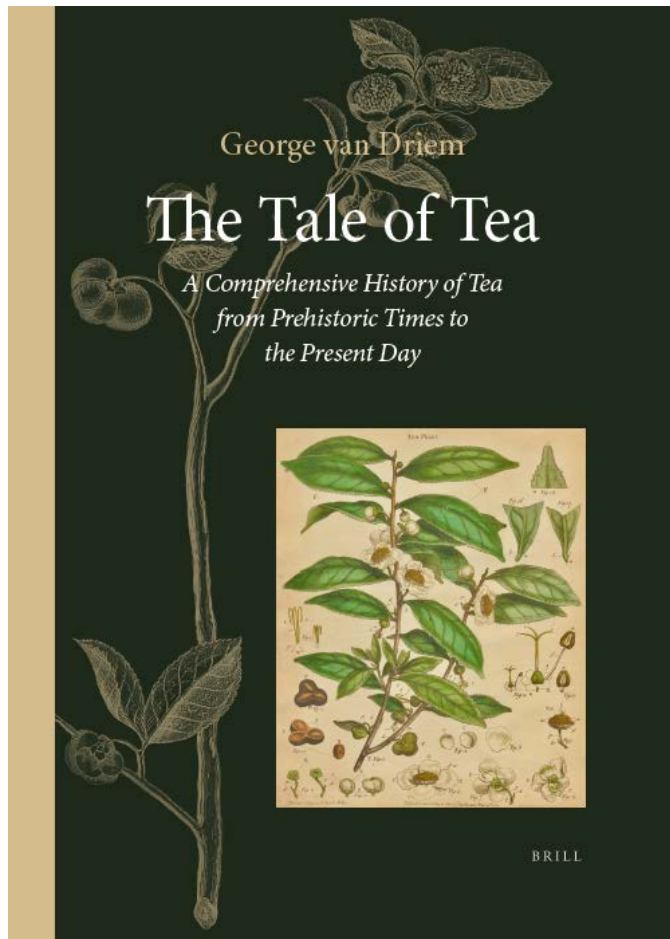
Open access , mooi! Maar hoe dan?

Wetenschappelijk publiceren Het plan van de Europese wetenschapsfinanciers om snel open access in te voeren leidt tot onrust.

 Ellen de Bruin & Marcel aan de Brugh  8 februari 2019



Publishing Excellence



- Relevance
- Quality
- Partnership
- Service
- Impact



List Development 2018/19

1,200+
books



287
journals



180
databases



List Development 2018/19

1,200+
books



+ 6%

287
journals



+ 11%

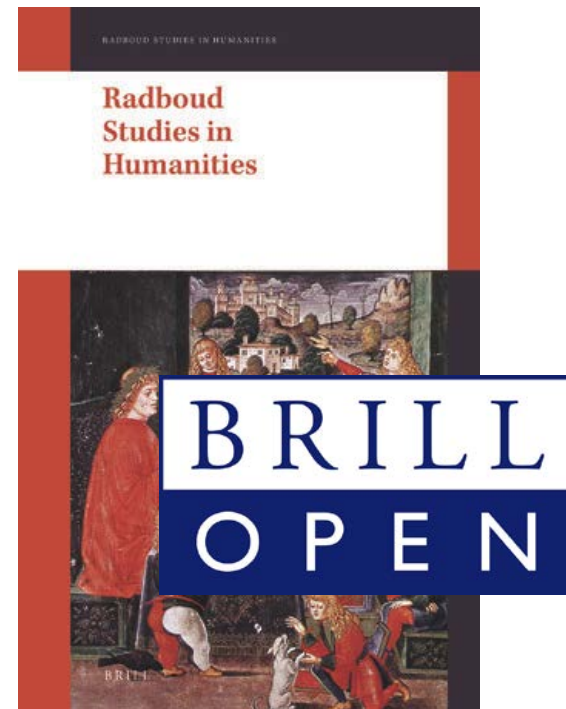
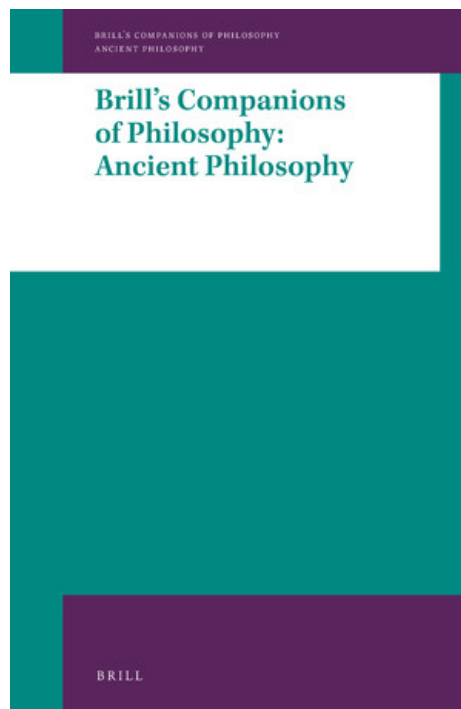
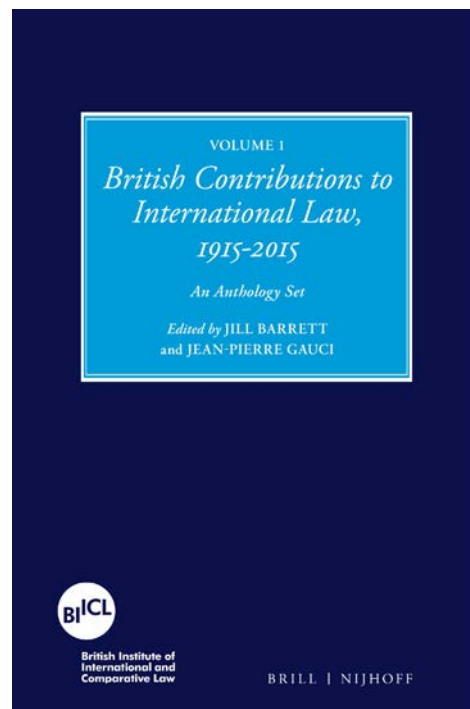
180
databases



+ 8%

Book program 2019/20

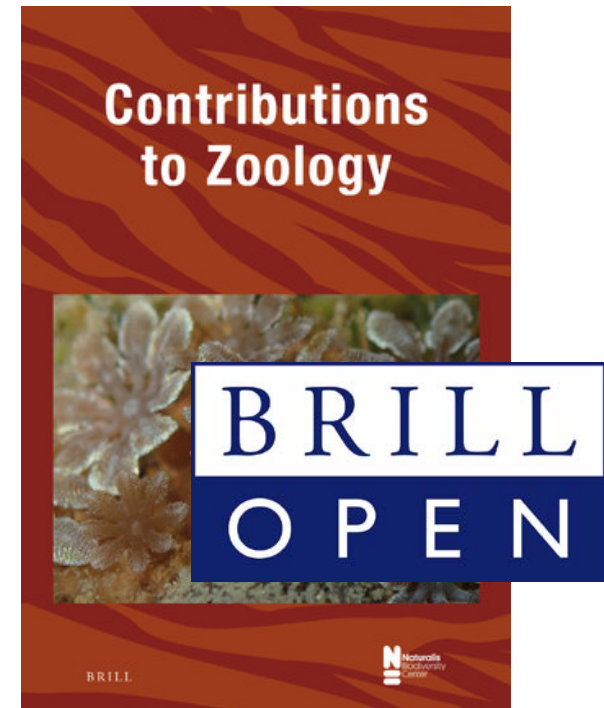
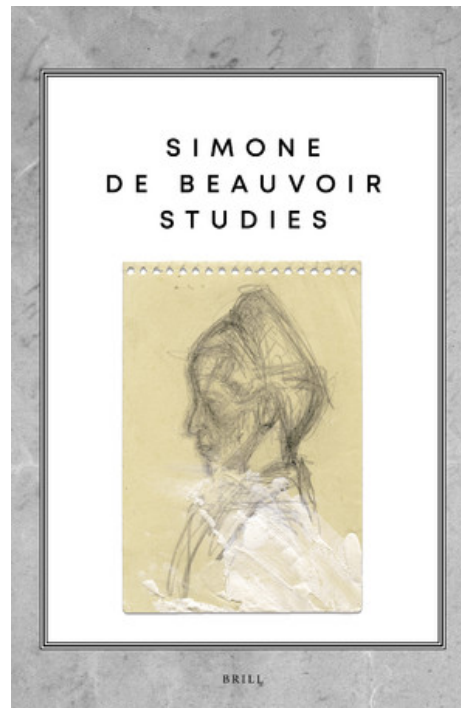
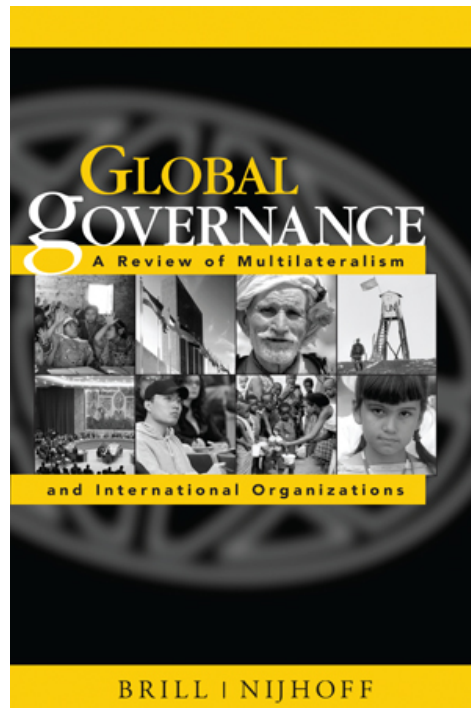
- Smaller reference works and handbooks
- Open access book series



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Journal program 2019/20

- Journal transfers instead of start-ups
- Open access journals



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Online program 2019/20

- Brill's Digital Book Archive
- Primary source collections & scholarly editions



Discover Together - Scholarly Editions

Welcome to the new Brill text editions website! Take a tour of our new website combining product information, digital editions, matching translations, commentary and references 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.

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▼ ANCESTORS

24 > 24.1

▼ PASSAGE REFERENCE

▼ TEXT SEARCH

 Form Lemma (Greek only)

Use text input above to find text in this version.

Ammianus Marcellinus, Res Gestae

Ammiani Marcellini Rerum Gestarum Libri qui supersunt (Seyfarth)

Book 24 Chapter 1 Section 1 to Book 24 Chapter 1 Section 5 (24.1.1– 24.1.5)

▼ add parallel version

Post exploratam alacritatem exercitus uno parique ardore impetrabilem principem superari non posse deum usitato clamore testati / Iulianus summae rei finem imponendum maturius credens † extracta quiete nocturna itinerarium sonare lituos iubet praestructis omnibus, quae difficultates arduae belli poscebant, candente iam luce Assyrios fines **ingressus** celso praeter alios spiritu obequitans ordinibus aemulatione sui cunctos ad officia fortitudinis incendebat.

utque ductor usu et docilitate firmatus metuens, ne per locorum insolentiam insidiis caperetur occultis, agminibus incedere quadratis exorsus est. excursatores quidem quingentos et mille sensim praeire disposuit, qui cautius gradientes ex utroque latere itidemque a fronte, ne quis repentinus irrueret, prospectabant. ipse uero medios pedites regens, / quod erat totius roboris firmamentum, dextra legiones aliquas cum

p.326

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▼ CTS URN

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▼ TEXT MODE

NORMAL HIGHLIGHT

click and shift-click on words to highlight

▼ TEXT SIZE

Aa Aa Aa Aa Aa

▼ HIGHLIGHT

▼ MORPHOLOGY

ingredior verb**in:gress-us**

perfect passive participle nominative singular masculine

ingressus noun 4th**ingress-u_s** accusative plural masculine**ingress-u_s** nominative plural masculine**ingress-u_s** genitive singular masculine**ingress-us** nominative singular masculine



BRILL

HUMANITIES MATTER

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Koninklijke Brill N.V.

Audit 2018
16 May 2019



Agenda

1. Highlights of the audit process 2018
2. Conclusion of the audit 2018
3. Focus of our audit
4. Risk of fraud
5. Materiality and scope of our audit
6. Key audit matters
7. Directors' report

Highlights of the audit process 2018

<u>Milestone</u>	<u>Plan</u>	<u>Actual</u>
Planning	October 2018	November 2018
Update understanding & Internal control testing	December 2018	January 2019
Final audit	February - March 2019	February - April 2019
Sign-off	March 2019	4 April 2019

Conclusion of the audit 2018

Unqualified auditor's report dated 4 April 2019

- Consolidated financial statements in accordance with IFRS and BW2 Title 9

- Company accounts in accordance with BW2 Title 9

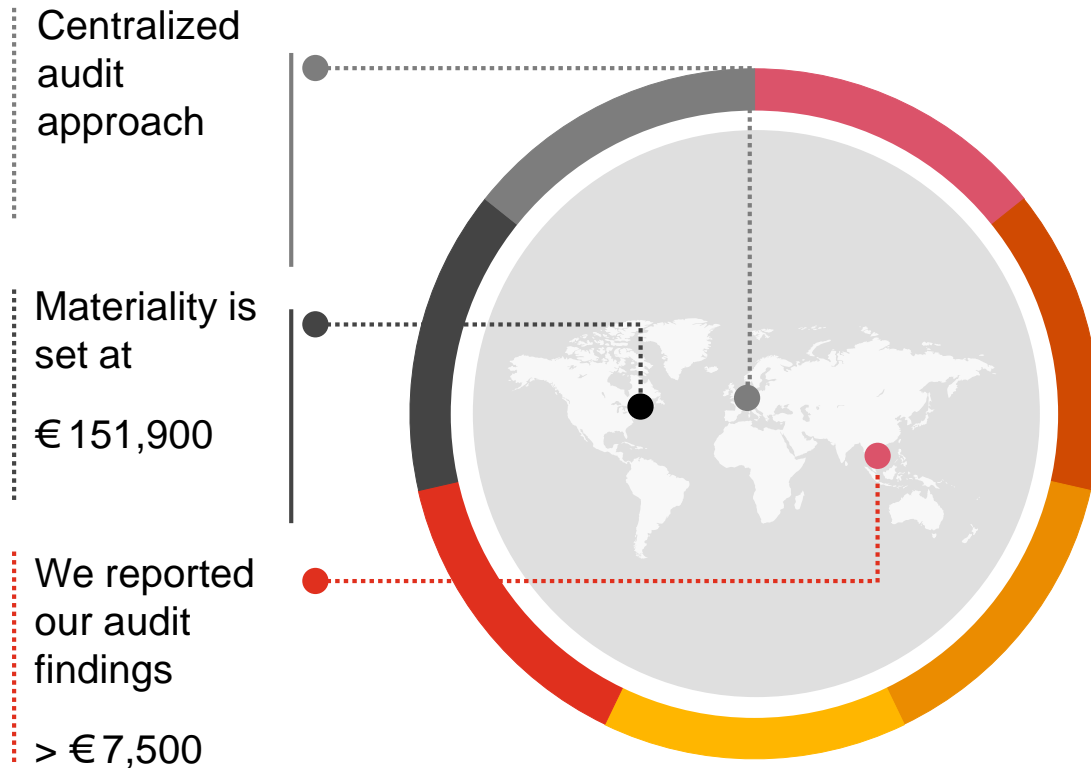
Focus of our audit

- Management override of controls (required)
- Several revenue streams with different accounting aspects
- Use of agents abroad
- Valuation of intangible assets, completeness of royalty accrual and valuation of paid royalties
- Adherence to the loan covenants introduced in 2018
- Application of IFRS 15 in 2018 and disclosure requirements in accordance with IFRS 16

Risk of fraud

- Fraud risk assessment
- Involvement of forensic specialists in our planning procedures
- Use of data analytics to select journal entries for testing
- Procedures around agents (risk of bribery & corruption)

Materiality and scope of our audit



Key audit matters



- Deficiencies in internal control framework
- Significant assumptions in the valuation of intangible assets
- Completeness of third party revenues

Directors' report

- The report complies with laws and regulations, based on our knowledge it does not contain any material misstatements and it is consistent with the financial statements
- Corporate governance information is in line with the code
- Relevant risks and risk management processes are described

