

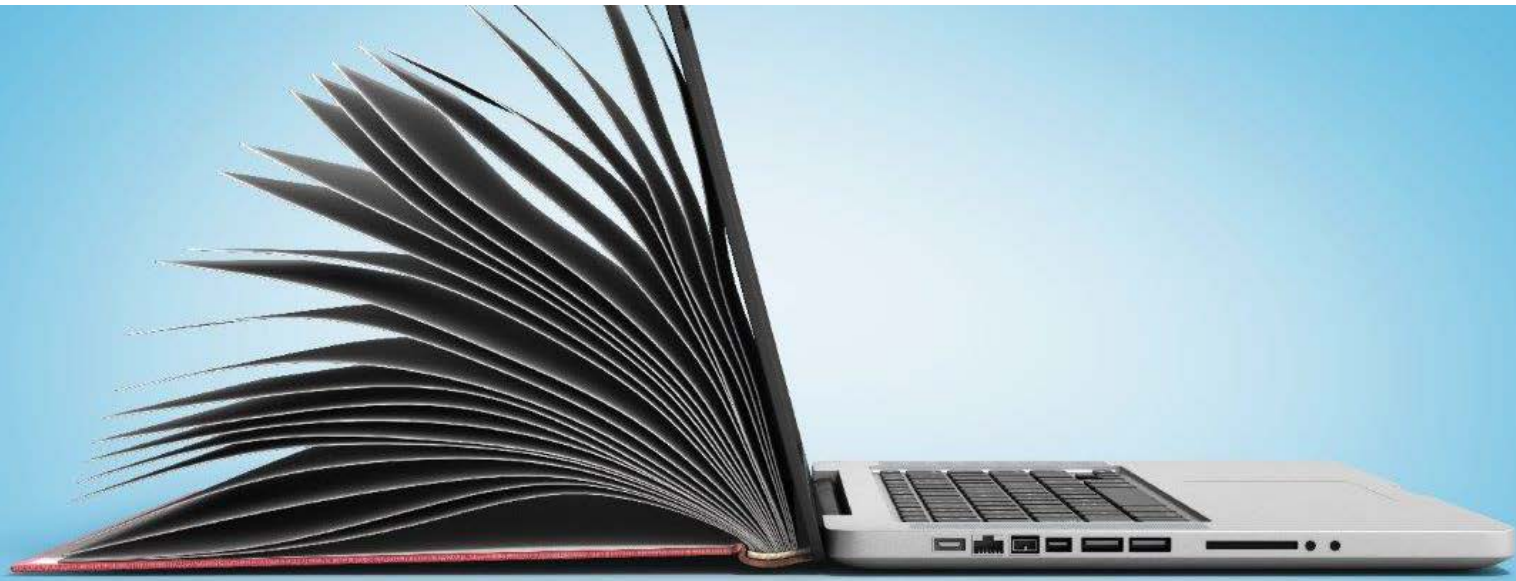
# Transformation & Growth

Brill in 21/22



## Highlights 2021

- Acquisition of V&R publishers completed adding 10M of revenue
- *Folia Primatologica* acquired from Karger strengthening Biology list
- Brill ebook Archive successfully launched in Q4
- 18 new Open Access Agreements closed during 2021/22
- Key hires in Technology and HR to drive forward our strategic goals
- Digital Transformation kicked off following Digital Health Check

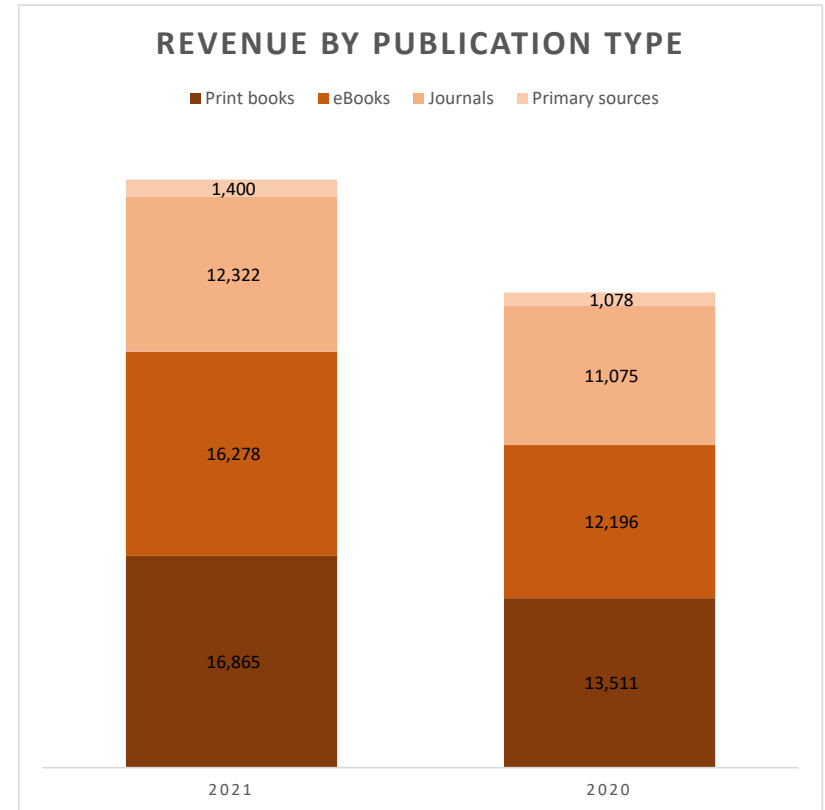
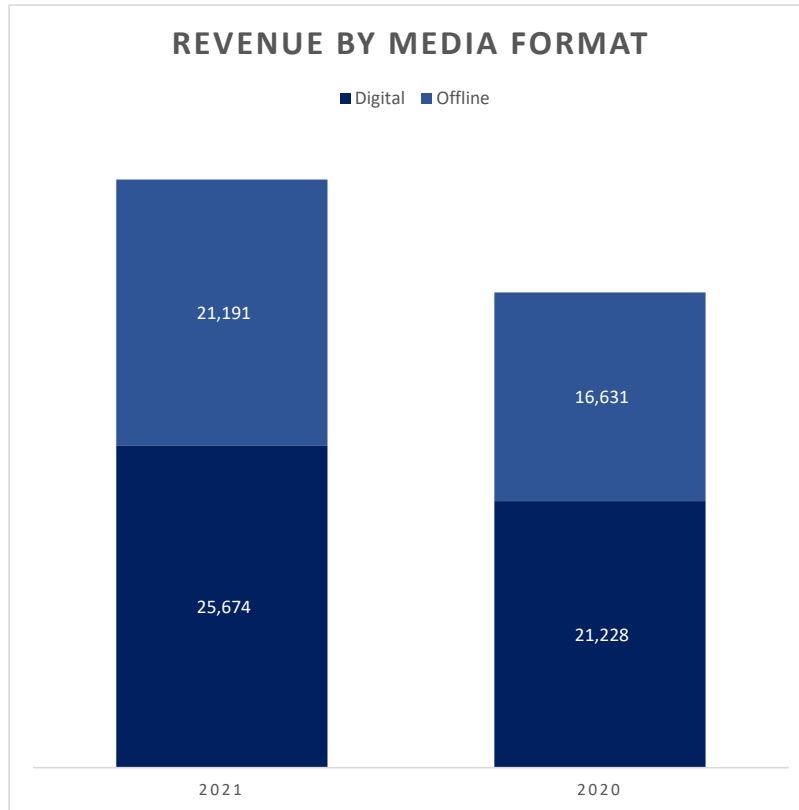


## Key Figures 2021

in thousands of euros	2021	2020	Change
Revenue	46,865	37,859	23.8%
EBITDA	7,203	6,600	9.1%
Operating profit	4,453	4,502	-1.1%
Free cashflow	3,402	4,515	-24.7 %
Profit, attributable to shareholders of Koninklijke Brill N.V.	3,036	2,896	4.9%
Profit per share in euro	1.62	1.54	4.9%
Dividend (proposed 2021) in euro	0.90	1.25	
<b>Key Financial Performance Indicators</b>			
Organic revenue growth	2.1%	2.2%	
ROIC	13.3%	13.8%	
EBITDA margin	15.4%	17.4%	

- Revenue increased by 23.8% and EBITDA by 9.1%, with strong development in Q4
- V&R exceeded expectations, integration on track
- Net profit grew by 4.8% despite V&R integration costs
- eBook sales grew organically by 22.2% and including V&R by 33.5%
- Proposed dividend of EUR 0.90 per (certificate) of ordinary share

# Revenue by Format/Publication Type



- Digital revenue share declined from 56% to 55% due to V&R; organically the percentage of digital revenue increased to 63%.

## Development of Costs

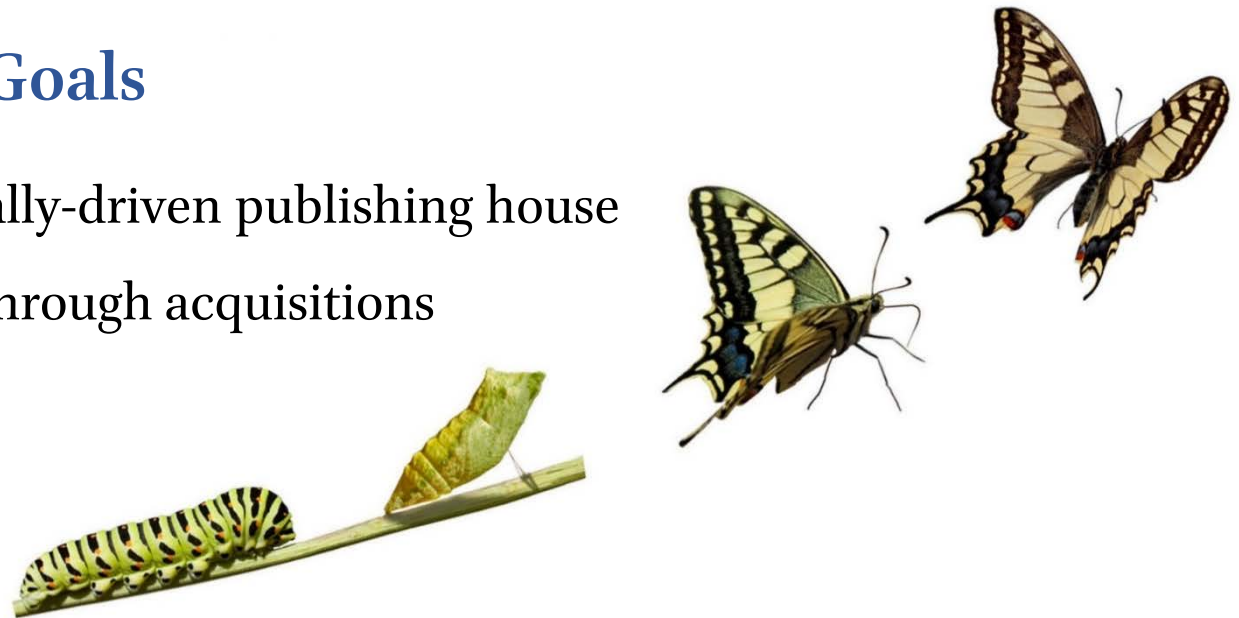
- COGS organically improved due to shift from print to online and increasing use of printing on demand. V&R has high gross margin because of print subsidies. Gross margin now at 72.2% from 69.7% in 2020.
- Personnel costs increased with ~800 thousand excluding the impact of the acquisition of V&R.
- Other operating expenses excluding V&R ~200 thousand higher compared to 2020, mainly because of one off benefits in 2020 (PPP and claim against distributor) and still below 'normal' level, due to COVID-19 restrictions.
- EBITDA 7.2 million, 15.4%. "Normalized" for COVID-19 travel savings 6.4-6.5 million, 13.7-13.9% versus ~14% normalized EBITDA margin in 2020.

## Vision

In 2025, Brill aims to be a digitally-driven academic publishing house that offers researchers a top service and user experience. Our ambition is to generate an annual revenue of more than 60 million and EBITDA margin of at least 17% in a socially responsible and economically sustainable way.

## Key Strategic Goals

- Become a digitally-driven publishing house
- Increase scale through acquisitions



## Road to 17% EBITDA Margin

- 1.) Refurbishing the digital infrastructure of Brill with a focus on systems and systems interoperability.
- 2.) Increasing the productivity by harmonizing, simplifying and automating processes, leading to higher revenue per FTE and lower personnel costs as percentage of revenue.
- 3.) Focusing on digital product development and advancing the migration from p to e.
- 4.) Realizing synergies from recent acquisitions.
- 5.) To reach 60 million revenue by 2025 we need to acquire an additional 4-6 million, depending on our 2022-25 organic growth.



# Key Projects 2022

ERP  
Integration  
& Relaunch

Work-  
flows

New  
offices



Brill to  
Cloud

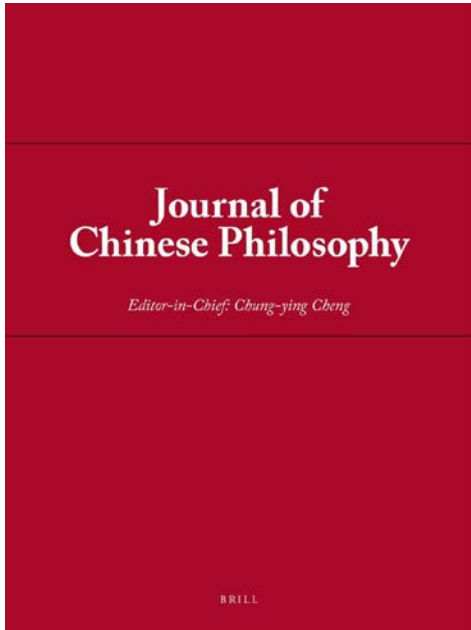
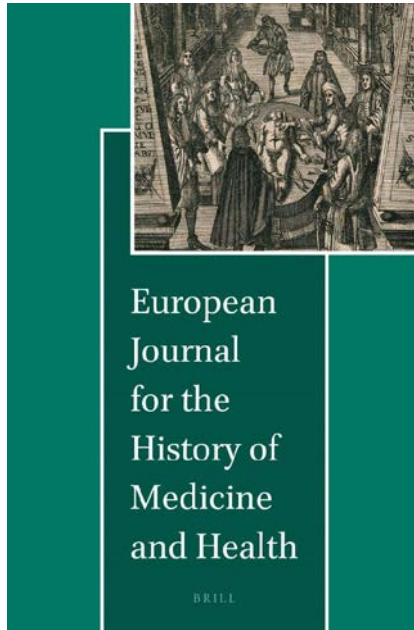
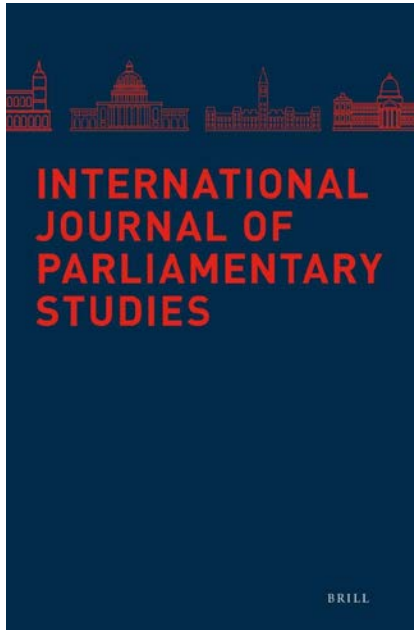
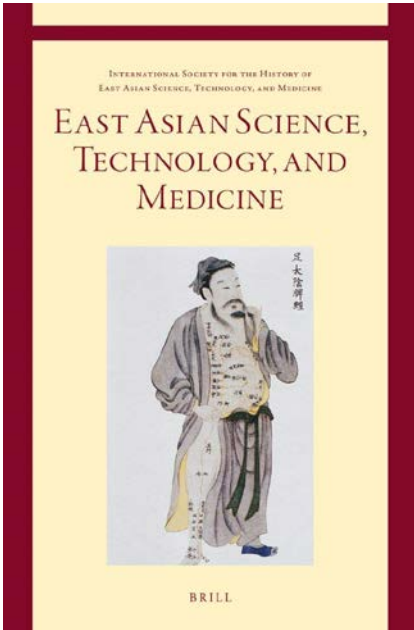


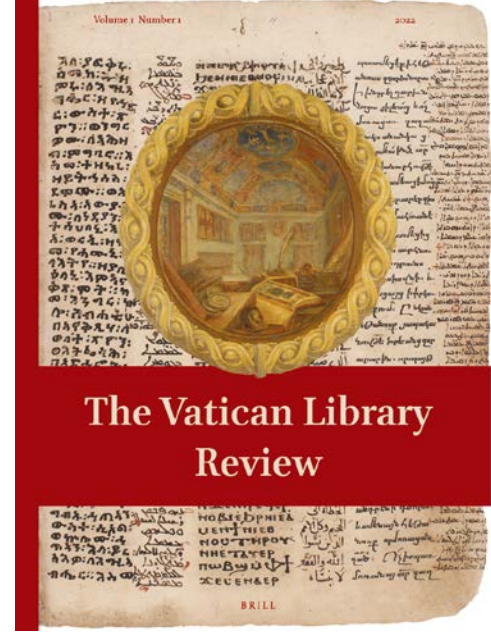
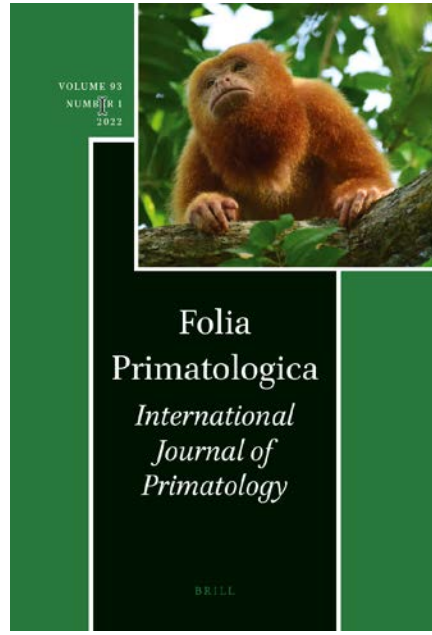
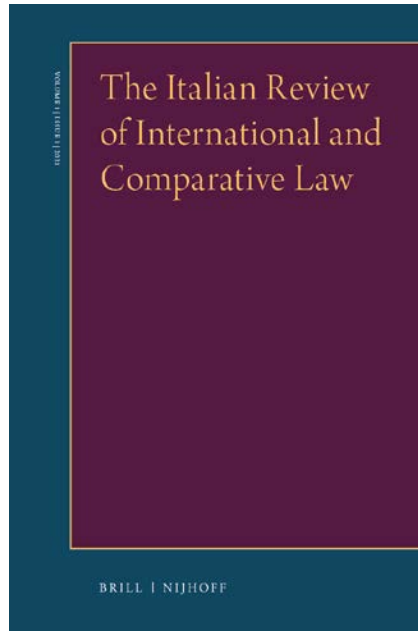
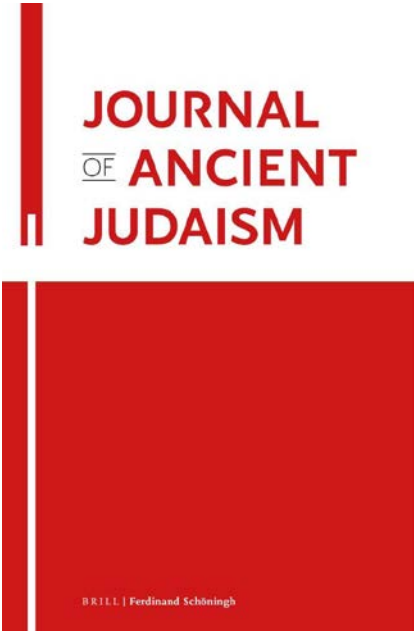
Training &  
Develop-  
ment



Reporting  
& Finance  
systems

Improve  
Distribution





PRIMARY SOURCE COLLECTION

Cuban Periodicals  
Cultural Magazines  
Published by Casa de las  
Américas, 1960–2009

ENCYCLOPEDIA  
OF JEWISH BOOK  
CULTURES ONLINE

Cuban Culture  
and Cultural  
Relations,  
1959-

Part 3: Theater

Encyclopedia of  
Public International  
Law in Asia  
Online

Concordance  
et Indices  
de la Tradition  
Musulmane  
Online

Commentaries on  
World Trade Law  
Online

Sezgin Online

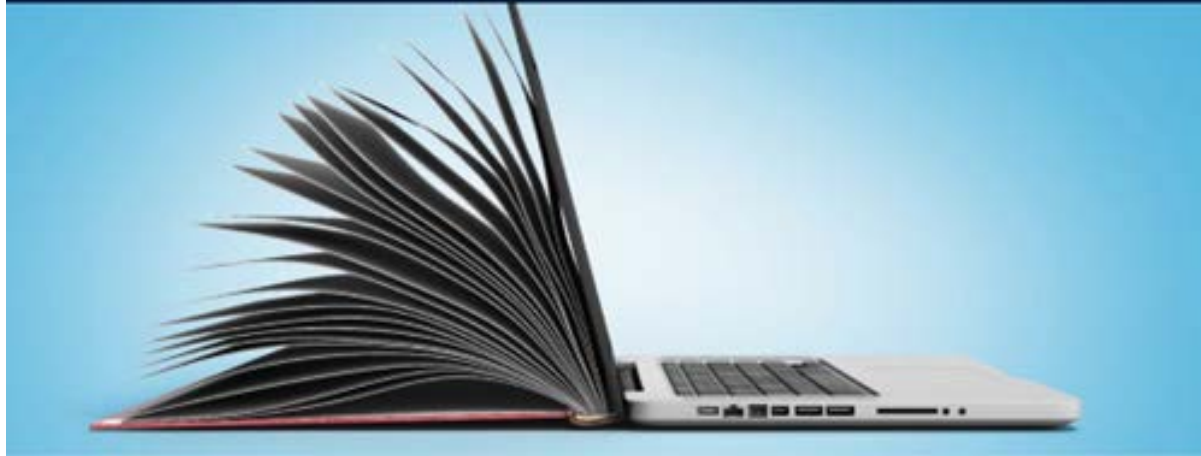
*A bio-bibliography  
for the Arabic  
literary tradition*

Supplementum Epigraphicum Graecum

PRIMARY SOURCE COLLECTION

Hongkong Weekly  
Press Online

# Brill Book Archive



**#HumanitiesMatter**

Brill Book Archive  
Biology



Brill Book Archive  
Asian Studies



Brill Book Archive  
Classical Studies



Brill Book Archive  
Biblical Studies, Ancient Near  
East and Early Christianity



Brill Book Archive  
Literature and Cultural Studies



  
**Brill Book Archive**

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Human Rights and  
Humanitarian Law



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Brill Book Archive  
Language & Linguistics



Brill Book Archive  
Religious Studies, Theology  
and Philosophy



Brill Book Archive  
Middle East and  
Islamic Studies



# Q&A



## Expansion in Biology



Wageningen Academic  
P u b l i s h e r s

- Program supplements existing animal biology content, strengthening our market position and serving as base for further growth
- Acquisition supports Brill's mission to be relevant in areas of scholarship vital for addressing today's global challenges
- Key disciplines: animal science, food and health science, agriculture and environment, agribusiness
- Key figures:
  - 7 journals and 30 front list
  - 1 M revenue, 85% gross margin
  - 2 owners and 6.8 FTE
  - 46% journal revenue, mostly online
- Integration planned for end of 2023

## Status Integration V&R

- New organisation implemented in Oct 2021
- Collaborative online working facilitated
- Decision, planning and preparations for central ERP
- Step-by-step alignment of publishing policies and production workflows
- Adjusting XML-first workflow NESTOR to use for Brill titles
- Integrated distribution setup for DACH
- Preparing brill.com as the central platform for all imprints



# Koninklijke Brill N.V. AGM 2021

25 May 2022



# Independent auditor's report

The financial statements provide a true and fair view and opinion did not change

We have completed our audit of Brill's 2021 financial statements and have issued an unqualified auditor's opinion.

# Our key messages

## Outcome of the audit

- ✓ The financial statements provide a true and fair view.
- ✓ We issued an unqualified audit opinion.
- ✓ The annual report complies with ESEF.

## Management Board's report

- ✓ The Management Board's report complies with laws and regulations.

## Risk of Fraud

- ✓ Disclosures and our reporting on fraud.
- ✓ No indications of fraud came to our attention during our audit of the 2021 financial statements.



## Going concern

- ✓ Disclosures and our reporting on going concern.
- ✓ The application of the going concern assumption is appropriate.

## Key audit matters reported by us

- ✓ Significant assumptions in the valuation of intangible assets.
- ✓ Reliance on third-party service organization.
- ✓ Acquisition in Germany.

## Materiality and scope of our audit

- ✓ Materiality amounts to 420.000 EUR.
- ✓ Group audit scoping.

# Outcome of the audit

## Accounting policies are appropriately applied

The financial statements are in accordance with Part 9 of Book 2 of the Dutch Civil Code and the International Financial Reporting Standards as adopted by the European Union ('IFRS').

## ESEF

In our opinion, the annual report prepared in XHTML format, including the partially tagged consolidated financial statements as included in the reporting package by Koninklijke Brill N.V., complies in all material respects in accordance with the RTS on ESEF.

# Materiality and scope of our audit

## Materiality

Overall group materiality: €420,000 (benchmark: profit before tax).

Misstatements above € 16.750 are reported.

## Components of the Group

- Koninklijke Brill N.V. (Brill the Netherlands),
- Brill Deutschland GmbH (Brill Germany),
- Brill Osterreich GmbH (Brill Austria),
- Brill USA, Inc (Brill USA),
- Brill Asia Pte Ltd and Brill Consulting Beijing Ltd (together Brill Asia).

We adopted a centralized audit approach with Brill the Netherlands and Brill Germany being the only financially significant component.

# Risk of fraud

The primary responsibility for the prevention and detection of fraud lies with the management board, with the oversight of the supervisory board.

We assessed the risk of fraud and determined the following fraud risks:

- Management override of controls.
- Revenue recognition.

No indications of fraud were noted by us.

## **Other information in the annual report is consistent with the financial statements**

No material inconsistencies, material misstatements and/or omissions of the information that is required by Dutch law.

# Thank you

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