Wolters Kluwer 2019 Half-Year Report

July 31, 2019 – Wolters Kluwer, a global leader in professional information, software solutions, and services, today releases its half-year 2019 results.

Highlights

- **Full-year outlook reiterated.**
- **Revenues €2,204 million, up 4% in constant currencies and up 4% organically.**
  - Digital & services revenues up 6% organically (91% of total revenues).
  - Recurring revenues up 5% organically (80% of total revenues).
- **Adjusted operating profit €497 million, up 3% in constant currencies.**
  - Adjusted operating profit margin stable at 22.5%.
  - Prior period included €16 million of net positive one-time items.
- **Diluted adjusted EPS €1.28, up 9% in constant currencies.**
- **Adjusted free cash flow €300 million, up 7% in constant currencies.**
- **Balance sheet remains strong: net-debt-to-EBITDA 1.8x at June 30, 2019.**
- **Interim dividend: €0.39 per share.**
  - Set at 40% of prior year total dividend.
- **Share buyback: €115 million completed in the year to date through July 29.**

Interim Report of the Executive Board

Nancy McKinstry, CEO and Chairman of the Executive Board commented: *"We delivered 4% organic growth, a stable adjusted operating profit margin, and an increase in adjusted free cash flow in the first half. Strategically, we are focused on building scale in our expert solutions, enhancing the value of our information products and services, and improving operational agility. We remain excited about delivering innovations that support our customers and are pleased to reiterate our full-year guidance."*

Key Figures - Six Months Ended June 30, 2019

€ million, unless otherwise stated	**2019**	**2018***	**Δ**	**Δ CC**	**Δ OG**
Business performance - benchmark figures					
Revenues	2,204	2,020	+9%	+4%	+4%
Adjusted operating profit	497	454	+9%	+3%	+4%
Adjusted operating profit margin	22.5%	22.5%			
Adjusted net profit	351	299	+17%	+6%	
Diluted adjusted EPS	1.28	1.06	+21%	+9%	
Adjusted free cash flow	300	263	+14%	+7%	
Net debt	2,318	2,198	+5%		
IFRS reported results					
Revenues	2,204	2,020	+9%		
Operating profit	423	527	-20%		
Profit for the period	303	359	-15%		
Diluted EPS (€)	1.11	1.28	-13%		
Net cash from operating activities	436	354	+23%		

Note: Δ % Change; Δ CC % Change in constant currencies (€/$ 1.18); Δ OG % Organic growth. Benchmark adjusted figures are performance measures used by management. See Note 5 for a reconciliation from IFRS to benchmark figures. *2018 restated for IFRS 16. See Note 2 and Appendix 4 for more information on IFRS 16.

Full-Year 2019 Outlook

Our overall guidance for full-year 2019, provided in the table below, is unchanged. We expect to deliver another year of solid organic growth, supported by all four divisions, and an improvement in the full-year adjusted operating profit margin, supported by our Tax & Accounting and Governance, Risk & Compliance (GRC) divisions. We caution that the nine-month 2019 adjusted operating profit margin is expected to decline as the prior year nine-month period included one-time net benefits.

Full-Year 2019 Outlook

Performance indicators	2019 Guidance	2018 (Restated for IFRS 16)
Adjusted operating profit margin	23.0%-23.5%	23.1%
Adjusted free cash flow	€750-€775 million	€762 million
ROIC	10.5%-11.5%	10.6%
Diluted adjusted EPS	Around 10% growth	€2.45

Note: Guidance for adjusted operating profit margin and ROIC are in reported currencies and assume a 2019 average U.S. dollar rate of approximately €/$ 1.14. Guidance for adjusted free cash flow and earnings per share are in constant currencies (€/$ 1.18). Guidance for adjusted EPS includes the estimated effect of the announced up to €250 million share buyback planned for 2019. 2018 comparatives are in reported currencies and restated for IFRS 16.

Our guidance is based on constant exchange rates. In 2018, Wolters Kluwer generated more than 60% of its revenues and adjusted operating profit in North America. As a rule of thumb, based on our 2018 currency profile, each 1 U.S. cent move in the average €/$ exchange rate for the year causes an opposite change of approximately 1.5 euro cents in diluted adjusted EPS.

Restructuring costs are included in adjusted operating profit. We now expect restructuring costs to be at the upper end of our guided range of €10-€20 million in 2019 (2018: €30 million). We expect adjusted net financing costs of approximately €65 million in constant currencies[1] including approximately €10 million in IFRS 16 lease interest charges. We expect the benchmark tax rate on adjusted pre-tax profits to be in the range of 24.5%-25.5% for 2019. Capital expenditure is expected to remain in the range of 5%-6% of total revenues (2018: 5.2%, excluding the sale of real estate). Cash repayments of lease liabilities are expected to be in line with depreciation of right-of-use assets. We expect the cash conversion ratio to be between 95%-100% in 2019 (2018: 103% restated for IFRS 16). See Note 5 for the calculation of our cash conversion ratio under IFRS 16. Our guidance assumes no additional significant change to the scope of operations. We may make further acquisitions or disposals which can be dilutive to margins and earnings in the near term.

2019 Outlook by Division

Health: We now expect organic growth to be in line with 2018 or slightly lower. We continue to expect the full-year adjusted operating profit margin to decline, due to the absence of prior year one-time benefits and increased investment in sales & marketing and product development.

Tax & Accounting: We continue to expect organic growth to moderate from 2018 levels due to a challenging comparable. We expect the full-year adjusted operating profit margin to improve on the back of lower restructuring costs and the absence of prior year net one-time charges.

Governance, Risk & Compliance: We expect recurring revenues to show improved organic growth but transactional revenue growth to decelerate as the year progresses. We expect the full-year adjusted operating profit margin to see an improvement due to efficiency initiatives.

Legal & Regulatory: We now expect organic growth to show improvement on 2018. We continue to expect the adjusted operating profit margin to decline due the absence of prior year one-time benefits, increased investment, and the full twelve-month inclusion of eVision.

[1] Guidance for net financing costs in constant currencies excludes the impact of exchange rate movements on currency hedging and intercompany balances.

Our Business and Strategy

Our mission is to empower our professional customers with the information, software solutions and services they need to make critical decisions, achieve successful outcomes, and save time. We support professionals across four customer segments: healthcare; tax and accounting; governance, risk and compliance; and legal and regulatory. All our customers face the challenge of increasing proliferation and complexity of information and the pressure to deliver better outcomes at a lower cost. Many of our customers are looking for mobility, flexibility, intuitive interfaces, and integrated, open architecture technology to support their decision-making. We aim to solve their problems and add value to their workflow with our range of digital solutions and services, which we continuously evolve to meet their changing needs. For more than ten years, we have been re-investing 8%-10% of our revenues in developing new and enhanced products and the supporting technology platforms.

Our fastest growing products are our *expert solutions*, which combine deep domain knowledge with specialized technology and services to deliver answers, analytics, and improved productivity for our customers. Our business model is primarily based on subscriptions or other recurring revenues (78% of total revenues in 2018), augmented by volume-based transactional, ad hoc, or other non-recurring revenues. Renewal rates for our digital information, software and service subscriptions are high and are one of the key indicators by which we measure our success. We have been evolving our technology towards fewer, globally scalable platforms, with reusable components. We are transitioning our solutions to the cloud and leveraging advanced technologies such as artificial intelligence, natural language processing, and predictive analytics to drive further innovation. We are standardizing tools, streamlining our technology infrastructure (including data centers) and improving our development processes using agile methods. It is our 18,600 employees who drive our achievements and we have been working to ensure we are providing engaging and rewarding careers.

Strategic Priorities 2019-2021

Every three years, we update our strategic priorities and this year we launched our plan for 2019-2021. This plan aims to deliver continued good organic growth and further incremental improvements to our adjusted operating profit margin and return on invested capital (ROIC). We intend to maintain product development at between 8%-10% of total revenues. We expect to fund the modernization of back-office systems by deriving additional cost savings. The strategy is based on organic growth, although we may make further bolt-on acquisitions or non-core disposals to enhance our value and market positions. Acquisitions must fit our strategic direction, strengthen or extend our existing business, be accretive to diluted adjusted EPS in their first full year and, when integrated, deliver a ROIC above our weighted average cost of capital (8%) within three to five years. Our priorities for the next three years are to:

- **Grow Expert Solutions:** We will focus on scaling our *expert solutions* by extending these offerings and broadening their distribution through existing and new channels, including strategic partnerships. We will invest to build or acquire positions in adjacent market segments.
- **Advance Domain Expertise:** We intend to continue transforming our information products and services by enriching their domain content with advanced technologies to deliver actionable intelligence and deeper integration into customer workflows. We will invest to enhance the user experience of these products through user-centric design and differentiated interfaces.
- **Drive Operational Agility:** We plan to strengthen our global brand, go-to-market and digital marketing capabilities to support organic growth. We will invest to upgrade our back-office systems and IT infrastructure. In the next three years, we expect to complete the modernization of our Human Resources technology to support our efforts to attract and nurture talent.

Financial Policy, Leverage, and Capital Allocation

Wolters Kluwer uses its cash flow to invest in the business organically and through acquisitions, to maintain optimal leverage, and provide returns to shareholders. We regularly assess our financial position and evaluate the appropriate level of debt in view of our expectations for cash flow, investment plans, interest rates, and capital market conditions. While we may temporarily deviate from our leverage target at times, we continue to believe that, in the longer run, a net-debt-to-EBITDA ratio of around 2.5x remains appropriate for our business given the high proportion of recurring revenues and resilient cash flow.

Net debt at June 30, 2019, was €2,318 million and the rolling twelve-month net-debt-to-EBITDA ratio was 1.8x.

Dividend Policy and Interim Dividend

For more than 30 years, Wolters Kluwer has increased or maintained its annual dividend per share in euros (or euro equivalent). In 2007, the company established a progressive dividend policy and, since 2011, all dividends are paid in cash. In 2015, we introduced an interim dividend payment, aligning cash distributions closer to our seasonal cash flow pattern.

Wolters Kluwer remains committed to a progressive dividend policy, under which we aim to increase the dividend per share in euros each year, independent of currency fluctuations. The pay-out ratio[2] can vary from year to year. Proposed annual increases in the dividend per share take into account our financial performance, market conditions, and our need for financial flexibility. The policy takes into consideration the characteristics of our business, our expectations for future cash flows, and our plans for organic investment in innovation and productivity, or for acquisitions. We balance these factors with the objective of maintaining a strong balance sheet.

As announced on February 20, 2019, the interim dividend for 2019 was set at 40% of the prior year total dividend, or €0.39 per share. The interim dividend will be distributed on September 19, 2019, to holders of ordinary shares, or September 26, 2019, to holders of Wolters Kluwer ADRs.

Shareholders can choose to reinvest both interim and final dividends by purchasing additional Wolters Kluwer shares through the Dividend Reinvestment Plan (DRIP) administered by ABN AMRO Bank N.V.

[2] Pay-out ratio: dividend per share divided by adjusted earnings per share.

Financial Policy, Leverage, and Capital Allocation (Continued)

Share Buyback Program 2019

As a matter of policy since 2012, Wolters Kluwer will offset the dilution caused by our annual incentive share issuance with share repurchases (Anti-Dilution Policy). In addition, from time to time when appropriate, we return capital to shareholders through further share buyback programs. Shares repurchased by the company are added to and held as treasury shares and are either cancelled or held to meet future obligations arising from share-based incentive plans.

On February 20, 2019, we announced our intention to repurchase shares for up to €250 million during 2019, including repurchases to offset incentive share issuance. Assuming global economic conditions do not deteriorate substantially, we believe this level of cash return leaves us with ample headroom to support our dividend plans, to sustain organic investment in innovation and productivity, and to make selective acquisitions. The share repurchases may be suspended, discontinued, or modified at any time.

In the year to date, as of July 29, 2019, we have spent €115 million on share buybacks, of which €84 million was completed in the first six months of 2019. For the period starting August 1, 2019 up until October 30, 2019, we have engaged a third party to execute €75 million in share buybacks on our behalf, within the limits of relevant laws and regulations (in particular Regulation (EU) 596/2014) and the company's Articles of Association. The maximum number of shares which may be acquired will not exceed the authorization granted by the General Meeting of Shareholders. Repurchased shares are added to and held as treasury shares and will be used for capital reduction purposes or to meet obligations arising from share-based incentive plans.

Cancellation of Ordinary Shares in 2019

At the 2019 Annual General Meeting, shareholders approved a resolution to cancel for capital reduction purposes any or all ordinary shares held in treasury or to be acquired by the company as authorized by shareholders, up to a maximum of 10% of issued share capital on April 18, 2019. As authorized by shareholders, the Executive Board has determined the number of ordinary shares to be cancelled this year is 6.7 million. Wolters Kluwer intends to cancel these shares in the second half of 2019. As of July 29, 2019, Wolters Kluwer held 9.4 million shares in treasury. A portion of these treasury shares will be retained in order to meet future obligations under share-based incentive plans.

Network and Service Interruption May 2019

On May 6, 2019, our IT team determined that ransomware was impacting a portion of our environment and, to protect our systems and customers' data, we took offline a range of applications and platforms. Service to nearly all applications and platforms was restored systematically by May 13, 2019. A third-party cybersecurity firm, CrowdStrike, completed an extensive forensic investigation of the incident. Their findings, which were reported to us earlier this month, confirmed that there was no evidence of data exfiltration from our network related to the ransomware attack and that all infected devices were remediated or decommissioned by Wolters Kluwer. Certain business activity, mainly in our Governance, Risk & Compliance and Tax & Accounting divisions, was interrupted for a short period. The financial impact on group results in the first half of 2019 was not material. Protecting the interests of our customers, employees, shareholders and the company is our top priority. We will continue to invest in technology and programs designed to keep our data and systems secure.

Half-Year 2019 Results

Benchmark Figures

Group revenues rose 9% overall to €2,204 million, benefitting from currency movements, mainly the stronger U.S. dollar which averaged €/$ 1.13 in the first half of 2019 (HY 2018: €/$ 1.21). In constant currencies, revenues increased by 4%. Excluding both the impact of exchange rate movements and the effect of acquisitions and disposals, organic growth was 4% (HY 2018: 4%).

Revenues from North America (61% of total revenues) grew 3% organically (HY 2018: 5%), with slower momentum in the Health and Tax & Accounting divisions. Revenues from Europe (31% of total revenues) saw organic growth improve to 6% (HY 2018: 4%), driven by stronger growth in our European Tax & Accounting and Legal & Regulatory businesses. Revenues from Asia Pacific and Rest of World (8% of total revenues) saw organic growth decelerate to 3% (HY 2018: 6%), mainly due to the Health division.

Adjusted operating profit was €497 million, up 3% in constant currencies. The adjusted operating profit margin was stable at 22.5% (HY 2018: 22.5%). Excluding €16 million of net positive one-time items recorded in the first half of 2018, the adjusted operating margin would have increased by 80 basis points. These net positive one-time items were within Tax & Accounting, Legal & Regulatory, and Corporate.

Restructuring costs increased to €13 million (HY 2018: €7 million). The restructuring relates to ongoing and new efficiency initiatives, including organizational changes. For the full year, we continue to expect restructuring expenses to be in the range of €10-20 million and below prior year spend (FY 2018: €30 million).

Adjusted net financing costs[3] decreased to €31 million (HY 2018: €52 million). The decrease reflects lower interest costs following the redemption in April 2018 of our €750 million, 6.375% senior Eurobond.

Adjusted profit before tax was €466 million (HY 2018: €402 million), up 16% overall and up 6% in constant currencies. The benchmark tax rate on adjusted profit before tax was 24.7% (HY 2018: 25.5%) due to a favorable impact from tax credits and prior year adjustments.

Adjusted net profit was €351 million (HY 2018: €299 million), an increase of 6% in constant currencies.

Diluted adjusted EPS was €1.28 (HY 2018: €1.06), up 9% in constant currencies. The increase reflects the increase in adjusted net profit and a 3% reduction in the diluted weighted average number of shares outstanding to 273.3 million (HY 2018: 281.5 million) as a result of our share buyback program.

IFRS Reported Figures

Reported operating profit declined 20% to €423 million (HY 2018: €527 million) due to the absence of disposal gains (HY 2018: €159 million) at the operating level, partly mitigated by an €11 million decline in amortization of acquired intangible assets. Reported financing results totaled a net cost of €24 million and included a €9 million net book gain mainly related to the sale of our 40% interest in an Austrian information business. The reported effective tax rate declined to 24.0% (HY 2018: 24.3%); the comparable period was impacted by taxable disposal gains. Total reported profit for the period declined 15% to €303 million (HY 2018: €359 million) and diluted earnings per share declined 13% to €1.11 (HY 2018: €1.28).

[3] Adjusted net financing costs are defined as total financing results, excluding the financing component of employee benefits, fair value changes in certain financial assets, and net book gains or losses on any divestments of non-controlled equity-interests.

Cash Flow

Adjusted operating cash flow was €447 million, in line with the prior period (HY 2018: €448 million) and down 5% in constant currencies. Cash conversion declined to 90% (HY 2018: 99%), as expected. The decline in cash conversion was mainly due to working capital outflows in the first half following strong inflows in 4Q 2018. In addition, net capital expenditure increased to €100 million (HY 2018: €88 million) largely because the prior period had included a €9 million one-time benefit related to the sale of real estate. Most of our capital expenditure relates to the development of new and enhanced products and technology platforms. Cash repayment of lease liabilities, including lease interest paid, were €39 million (HY 2018: €38 million). Depreciation was €135 million (HY 2018: €129 million) and included €35 million related to the depreciation of right-of-use assets (HY 2018: €34 million).

Corporate income tax paid reduced to €112 million (HY 2018: €124 million). The decline reflects tax paid on disposal gains in HY 2018. Paid financing costs, excluding lease interest paid, declined substantially to €34 million (HY 2018: €84 million); the prior period included the final coupon payment on the 6.375% senior Eurobond redeemed in April 2018. Net cash use of restructuring provisions amounted to €6 million (HY 2018: €9 million cash outflow), reflecting restructuring additions of €5 million and appropriations of €11 million. As a result of lower cash interest and tax, adjusted free cash flow increased 7% in constant currencies and 14% overall to €300 million (HY 2018: €263 million).

Dividends paid to shareholders during the first half of 2019 amounted to €174 million (HY 2018: €182 million) in respect of the 2018 final dividend. Total acquisition spending, net of cash acquired and including costs, was €34 million (HY 2018: €21 million) primarily relating to the acquisition of CLM Matrix for €31 million by our Governance, Risk & Compliance division. Deferred payments on prior year deals, including earnouts, amounted to €0 million (HY 2018: €10 million). Divestment proceeds, net of cash disposed, were €32 million (HY 2018: €305 million) and relate to the sale of our 40% stake in an Austrian information business and other small assets.

A total of €84 million (HY 2018: €260 million) of free cash flow was spent on repurchasing shares in the first half. We made further progress in July: year to date, €115 million has been deployed towards this year's share buyback program of up to €250 million.

Net Debt and Leverage

Net debt at June 30, 2019, was €2,318 million, compared to €2,249 million at December 31, 2018. Under IFRS 16, net debt now includes short-term and long-term lease liabilities of €336 million (€255 million as of December 31, 2018). The modest increase in net debt reflects additional lease liabilities in relation to new office facilities in New York, NY.

The rolling twelve-month net-debt-to-EBITDA ratio was 1.8x (year-end 2018: 1.8x).

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Operating Review

Group organic growth was 4% in the first half, as a moderation in growth in Health and Tax & Accounting was largely mitigated by improved organic growth in Governance, Risk & Compliance. The group adjusted operating margin was stable overall, as an improvement in the Tax & Accounting margin compensated for the absence of prior-period net one-time benefits of €16 million across divisions and in Corporate.

Divisional Summary - Six months ended June 30

€ million (unless otherwise stated)	**2019**	**2018***	**Δ**	**Δ CC**	**Δ OG**
Revenues					
Health	552	512	+8%	+1%	+4%
Tax & Accounting	684	623	+10%	+6%	+6%
Governance, Risk & Compliance	518	470	+10%	+4%	+4%
Legal & Regulatory	450	415	+8%	+7%	+2%
Total revenues	**2,204**	**2,020**	**+9%**	**+4%**	**+4%**
Adjusted operating profit					
Health	139	131	+6%	-1%	+3%
Tax & Accounting	193	157	+23%	+17%	+17%
Governance, Risk & Compliance	152	138	+10%	+3%	+3%
Legal & Regulatory	41	51	-20%	-20%	-18%
Corporate	(28)	(23)	+23%	+21%	+21%
Total adjusted operating profit	**497**	**454**	**+9%**	**+3%**	**+4%**
Adjusted operating profit margin					
Health	25.2%	25.6%			
Tax & Accounting	28.2%	25.1%			
Governance, Risk & Compliance	29.3%	29.3%			
Legal & Regulatory	9.1%	12.4%			
Total adjusted operating profit	**22.5%**	**22.5%**			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth. *2018 revenues, adjusted operating profit, and margin restated for IFRS 16.

Recurring revenues accounted for 80% of total revenues and grew 5% organically (HY 2018: 5%). Recurring revenues include subscriptions and other renewing revenue streams. Total Governance, Risk & Compliance (LS and FS) transactional revenues rose 4% organically (HY 2018: 4%). Other non-recurring revenues, which include software license and implementation fees, grew 3% organically (HY 2018: 5%), as strong growth in software and services at CCH Tagetik in Tax & Accounting and Enablon in Legal & Regulatory was tempered by other non-recurring products, including ad hoc loose-leaf sales. Revenues from print books declined 16% organically (HY 2018: 3% decline), largely due to a challenging prior year comparable.

Revenues by Type - Six months ended June 30

€ million (unless otherwise stated)	**2019**	**2018***	**Δ**	**Δ CC**	**Δ OG**
Digital and service subscription	1,501	1,352	+11%	+6%	+6%
Print subscription	102	102	-1%	-3%	-4%
Other recurring	153	145	+6%	0%	0%
Total recurring revenues	**1,756**	**1,599**	**+10%**	**+5%**	**+5%**
Print books	69	79	-14%	-16%	-16%
LS transactional	122	105	+16%	+8%	+8%
FS transactional	50	48	+3%	-3%	-3%
Other non-recurring	207	189	+10%	+6%	+3%
Total revenues	**2,204**	**2,020**	**+9%**	**+4%**	**+4%**

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth. Other non-recurring revenues include license & implementation fees. *2018 restated for IFRS 16.

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Health

- Clinical Solutions revenues grew 7% organically, led by UpToDate.
- Learning, Research & Practice revenues were stable organically, with digital revenues up 4%.
- Margin impacted by increased restructuring and investment.

Health - Six months ended June 30

€ million (unless otherwise stated)	**2019**	**2018***	**Δ**	**Δ CC**	**Δ OG**
Revenues	552	512	+8%	+1%	+4%
Adjusted operating profit	139	131	+6%	-1%	+3%
Adjusted operating profit margin	25.2%	25.6%			
Operating profit	121	187	-35%		
Net capital expenditure	15	17			
Ultimo FTEs	2,888	2,779			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth. *2018 restated for IFRS 16.

Wolters Kluwer Health revenues increased 1% in constant currencies, held back by the effect of disposals made in 2018. Excluding the impact of currency and net disposal activity, organic revenue growth was 4%. (HY 2018: 5%). The adjusted operating profit margin declined to 25.2% (HY 2018: 25.6%) due to higher restructuring costs and increased investment in sales & marketing and product development. IFRS operating profit declined 35%, the prior period having included a significant book gain related to the disposal of Provation Medical.

Clinical Solutions (53% of divisional revenues) grew 7% organically against a challenging comparable (HY 2018: 10%). We focused on cross-selling our broad range of medical decision-making tools, including UpToDate, Emmi patient engagement and our drug information products. We saw early success winning customers for the Lexicomp drug information solution in the U.S. Our salesforces were also focused on upselling the new UpToDate Advanced module, which offers patient-specific, guided treatment pathways, and which was made available in Europe in the second quarter. Towards the end of the first half, we launched an *Opioid Toolkit*, which includes a new UpToDate Advanced pathway and a new Emmi patient engagement module, both dedicated to preventing and fighting Opioid addiction. We sustained our efforts to scale UpToDate internationally, with good results in China, India, and Europe where UpToDate grew in double-digits. In clinical software, continued strong performance in Sentri7 surveillance systems more than offset softness in medical terminology.

Health Learning, Research & Practice (47% of divisional revenues) revenues were stable overall (HY 2018: 1%) on an organic basis, as 4% organic growth in digital products was offset by declines in print formats. In medical research, we recorded good organic growth, driven by Ovid subscriptions, journal wins, and double-digit growth in open access all of which outweighed a 4% decline in print journals. In education and practice content, digital learning and practice solutions for nurses saw strong organic growth. However, this was more than offset by a 16% organic decline in print books (HY 2018: 5% decline) and further weakness in continuing medical education. We stepped up efforts to transform our leading medical and nursing content assets with productivity tools and workflow enhancements.

Tax & Accounting

- Corporate Performance Solutions delivered 20% organic growth.
- Professional Tax & Accounting grew 4% organically, supported by software growth of 7%.
- Margin increase reflects efficiency savings and operational gearing.

Tax & Accounting – Six months ended June 30

€ million (unless otherwise stated)	**2019**	**2018***	**Δ**	**Δ CC**	**Δ OG**
Revenues	684	623	+10%	+6%	+6%
Adjusted operating profit	193	157	+23%	+17%	+17%
Adjusted operating profit margin	28.2%	25.1%			
Operating profit	171	123	+40%		
Net capital expenditure	30	32			
Ultimo FTEs	6,511	6,732			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth. *2018 restated for IFRS 16.

Wolters Kluwer Tax & Accounting revenues grew 6% in constant currencies and 6% organically (HY 2018: 6%). Adjusted operating profit rose 17% in constant currencies, as efficiency savings and operational gearing helped overcome a prior period one-time benefit of €6 million related to a real estate sale. IFRS operating profit increased 40%, due to the increase in adjusted operating profit and due to lower amortization of acquired intangible assets.

Corporate Performance Solutions (13% of divisional revenues) grew 20% organically (HY 2018: 12%) with both CCH Tagetik and TeamMate delivering double-digit growth. CCH Tagetik grew around the world, expanding revenues with both existing and new corporate customers for its cloud-based performance management software and services. TeamMate, our internal audit platform for corporations and governments, achieved strong growth in cloud revenue and on-premise software license sales, driven by new customer wins and upselling of the TeamMate Analytics module.

North America Professional Tax & Accounting (52% of divisional revenues) saw a moderation in organic growth to 3% (HY 2018: 7%), largely as expected. This was due to a decline in our Research & Learning business which recorded a 34% decline in print books against a challenging comparable created by last year's best-selling book on the U.S. *Tax Cuts & Jobs Act*. Revenues from bank product and training services declined in the first half. Software solutions saw robust organic growth, driven by continued good performance from our U.S. cloud-based professional tax software suite, CCH Axcess, and our integrated audit solution, CCH ProSystem fx Engagement.

Europe Professional Tax & Accounting (29% of divisional revenues) achieved 9% organic growth (HY 2018: 6%), with strong performances across all seven European countries where it operates. Growth in on-premise software was boosted by our growing portfolio of cloud and hybrid-cloud collaboration tools. Our Italian Genya suite was enhanced with an automated invoicing tool enabling customers to comply with the country's new e-invoicing mandate, providing a revenue lift in 2019. The European group continued to invest in developing a cloud-based collaboration platform for tax advisors and their clients.

Asia Pacific & ROW Professional Tax & Accounting (6% of divisional revenues) declined on an organic basis as double-digit organic growth in China was more than offset by softness in other parts of Asia Pacific and in Brazil. CCH Integrator, our corporate tax reporting solution, saw double-digit organic growth in Asia Pacific.

Governance, Risk & Compliance

- Legal Services grew 4% organically, supported by better than expected transactional volumes.
- Financial Services improved to 2% organic growth, overcoming weak transactional volumes.
- Margin stable as efficiency savings were absorbed by increased investment.

Governance, Risk & Compliance – Six months ended June 30

€ million (unless otherwise stated)	**2019**	**2018***	**Δ**	**Δ CC**	**Δ OG**
Revenues	518	470	+10%	+4%	+4%
Adjusted operating profit	152	138	+10%	+3%	+3%
Adjusted operating profit margin	29.3%	29.3%			
Operating profit	134	175	-23%		
Net capital expenditure	34	25			
Ultimo FTEs	4,265	3,972			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth. *2018 restated for IFRS 16.

Wolters Kluwer Governance, Risk & Compliance revenues grew 4% in constant currencies and 4% organically (HY 2018: 3%). The adjusted operating profit margin was stable as efficiency savings were offset by increased investment. IFRS operating profit declined 23%, due to the absence of disposal gains.

Legal Services (58% of divisional revenues) achieved 4% organic growth (HY 2018: 5%), supported by sustained recurring revenue growth and a modest deceleration in LS transactional revenue growth to 8% (HY 2018: 9%). CT, the leading provider of legal representation and corporate legal compliance services, saw an acceleration in organic growth, driven by recurring service revenues. CT's transactional revenues remained buoyant. Enterprise Legal Management (ELM), which supports corporate legal operations with software and analytical tools, experienced muted growth. On May 7, 2019, ELM was expanded with the acquisition of CLM Matrix, a fast-growing provider of contract lifecycle management software.

Financial Services (42% of divisional revenues) delivered 2% organic growth (HY 2018: flat) driven by improved momentum in recurring software maintenance revenues for its banking software solutions. Finance, Risk & Reporting, which supports banks with regulatory compliance and reporting software, recorded strong high single-digit organic growth, reflecting new customer wins in Europe and Asia for OneSumX Regulatory Reporting, as well as strong growth in recurring maintenance fees. In July, we launched a cloud-based version of the OneSumX regulatory reporting solution. Our Compliance Solutions unit saw overall revenues stabilize, as improved organic growth in recurring revenues for Expere Mortgage and OneSumX Regulatory Change Management software compensated for a decline in transactional revenues. Wolters Kluwer Lien Solutions, which has a fully transactional business model, recorded muted organic growth.

Legal & Regulatory

- Legal & Regulatory Information Solutions achieved 1% organic growth, absorbing print decline.
- Our centralized software unit grew 17% organically and reached 14% of division revenues.
- Margin reflects prior period one-time items, acquisitions, and increased product investment.

Legal & Regulatory - Six months ended June 30

€ million (unless otherwise stated)	**2019**	**2018***	**Δ**	**Δ CC**	**Δ OG**
Revenues	450	415	+8%	+7%	+2%
Adjusted operating profit	41	51	-20%	-20%	-18%
Adjusted operating profit margin	9.1%	12.4%			
Operating profit	25	65	-63%		
Net capital expenditure	20	14			
Ultimo FTEs	4,320	4,068			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth. *2018 restated for IFRS 16.

Wolters Kluwer Legal & Regulatory revenues increased 7% in constant currencies, reflecting the inclusion of eVision (acquired in October 2018) and Legisway (acquired in September 2018). Excluding currency and acquisitions, organic revenue growth was 2% (HY 2018: 2%) in line with prior year and better than expected. Adjusted operating profit declined due to the absence of a €6 million one-time benefit recorded in the prior period, the initial dilutive effect of the two recent acquisitions, combined with increased restructuring and increased investment in digital marketing and product development. Reported IFRS operating profit declined due to the absence of disposal gains.

Legal & Regulatory Information Solutions (86% of divisional revenues) achieved 1% organic growth (HY 2018: 2%) slowing modestly due to an unfavorable print publishing schedule and other timing factors. Digital information solutions grew 5% organically, more than offsetting a decline in print formats (31% of the unit's revenues). In Europe, we increased investment to enhance content products with workflow tools. Our U.S. Legal & Regulatory unit drove positive organic growth overall, despite a challenging comparable in Legal Education textbooks. Across the business, we drove savings in editorial, production, and back-office to support wage inflation and investment. We re-doubled our efforts to transform selected information products by applying technology to automate legal workflows. For example, RBsource RegReview, formally launched in 2018, leverages artificial intelligence to automate SEC-rule checking.

Legal & Regulatory Software (14% of divisional revenues) delivered 17% organic growth, led by global EHS software provider Enablon. Enablon booked higher on-premise software license sales on top of on-going double-digit growth in cloud-based subscription revenues. eVision, the recently acquired operational risk management tool, recorded strong revenue growth driven by software license fees (not included in organic growth). Our European Legal Software unit saw high single-digit organic growth and is focused on the integration of Legisway, a corporate contract management solution.

Corporate

Net corporate expenses rose 21% in constant currencies, mainly due to the absence of prior period one-time benefits of €4 million. Underlying costs increased, reflecting recent hires to strengthen central functions and an ongoing three-year investment to transform our global HR systems.

Corporate – Six months ended June 30

€ million (unless otherwise stated)	**2019**	**2018***	**Δ**	**Δ CC**	**Δ OG**
Adjusted operating profit	(28)	(23)	+23%	+21%	+21%
Operating profit	(28)	(23)	+23%		
Net capital expenditure	1	0			
Ultimo FTEs	132	116			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth. *2018 restated for IFRS 16.

Risk Management

In the 2018 Annual Report, the Company described certain risk categories that could have a material adverse effect on its operations and financial position. Those risk categories are deemed to be incorporated and repeated in this report by reference. In the Company's view, the nature and potential impact of these risk categories on the business are not materially different for the second half of 2019.

Statement by the Executive Board

The Executive Board is responsible for the preparation of the 2019 Half-Year Report, which includes the Interim Report of the Executive Board and the condensed consolidated interim financial statements for the six months ended June 30, 2019. The condensed consolidated interim financial statements for the six months ended June 30, 2019, are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The responsibility of the Executive Board includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Interim Report of the Executive Board endeavors to present a fair review of the situation of the business at the balance sheet date and of the state of affairs in the half-year under review. Such an overview contains a selection of some of the main developments in the first six months of the financial year and can never be exhaustive. This Interim Report also contains the current expectations of the Executive Board for the second half of the financial year. With respect to these expectations, reference is made to the disclaimer about forward-looking statements on page 38 of this half-year report. As required by provision 5:25d (2)(c) of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) and on the basis of the foregoing, the Executive Board confirms that to its knowledge:

- The condensed consolidated interim financial statements for the six months ended June 30, 2019, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- The Interim Report of the Executive Board includes a fair overview of the situation at the balance sheet date, the course of affairs during the first six months of the financial year of the Company and the undertakings included in the consolidation taken as a whole, and the expected course of affairs for the second half of 2019 as well as an indication of important events that have occurred during the six months ended June 30, 2019, and their impact on the condensed consolidated interim financial statements, together with a description of the principal risks and uncertainties for the second half of 2019, and also includes the major related parties transactions entered into during the six months ended June 30, 2019.

Alphen aan den Rijn, July 30, 2019

Executive Board
N. McKinstry, CEO and Chairman of the Executive Board
K. B. Entricken, CFO and Member of the Executive Board

The content of this Half-Year Report has not been audited or reviewed by an independent external auditor.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited Condensed Consolidated Interim Financial Statements for the six months ended June 30, 2019, and 2018

Unaudited Condensed Consolidated Interim Statement of Profit or Loss

(in millions of euros, unless otherwise stated)	Note	Six months ended June 30	
		2019	2018 Restated*
Revenues	6	**2,204**	**2,020**
Cost of sales		672	611
Gross profit		**1,532**	**1,409**
Sales costs		389	367
General and administrative costs		719	672
Total operating expenses		1,108	1,039
Other operating income and (expense)		(1)	157
Operating profit		**423**	**527**
Financing results		(24)	(52)
Share of profit of equity-accounted investees, net of tax		0	0
Profit before tax		**399**	**475**
Income tax expense		(96)	(116)
Profit for the period		**303**	**359**
Attributable to:			
▪ Owners of the company		303	359
▪ Non-controlling interests		0	0
Profit for the period		**303**	**359**
Earnings per share (EPS) (€)			
Basic EPS		1.12	1.29
Diluted EPS		1.11	1.28

* 2018 has been restated for IFRS 16; see Note 3 for further details.

Wolters Kluwer

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

(in millions of euros)	Six months ended June 30	
	2019	2018 Restated*
Comprehensive income:		
Profit for the period	**303**	**359**
Other comprehensive income:		
Items that are or may be reclassified subsequently to the statement of profit or loss:		
Net gains/(losses) on hedges of net investments and exchange differences on translation of foreign operations	12	66
Gains/(losses) on cash flow hedges	(9)	6
Items that will not be reclassified to the statement of profit or loss:		
Remeasurements on defined benefit plans	5	6
Income tax on other comprehensive income	(1)	(2)
Other comprehensive income for the period, net of tax	**7**	**76**
Total comprehensive income for the period	**310**	**435**
Attributable to:		
▪ Owners of the company	310	435
▪ Non-controlling interests	0	0
Total	**310**	**435**

* 2018 has been restated for IFRS 16; see Note 3 for further details.

Unaudited Condensed Consolidated Interim Statement of Cash Flows

(in millions of euros)	Six months ended June 30	
	2019	2018 Restated*
Cash flows from operating activities		
Profit for the period	303	359
Adjustments for:		
Financing results	24	52
Share of profit of equity-accounted investees, net of tax	0	0
Income tax expense	96	116
Amortization, impairments, and depreciation	208	213
Additions to provisions	5	4
Book (profit)/loss on divestments of operations	0	(163)
Share-based payments	10	10
Autonomous movements in working capital	(46)	(9)
Paid financing costs (including lease interest)	(39)	(87)
Paid corporate income tax	(112)	(124)
Appropriation of provisions for restructuring	(11)	(12)
Other	(2)	(5)
Net cash from operating activities	**436**	**354**
Cash flows from investing activities		
Capital expenditure	(100)	(88)
Acquisition spending, net of cash acquired	(33)	(19)
Receipt from divestments, net of cash disposed	32	305
Dividends received	-	1
Net cash from/(used in) investing activities	**(101)**	**199**
Cash flows from financing activities		
Repayment of loans	(144)	(753)
Proceeds from new loans	150	40
Repayment of lease liabilities	(34)	(35)
Collateral received/(paid)	8	0
Repurchased shares	(84)	(260)
Dividends paid	(174)	(182)
Net cash from/(used in) financing activities	**(278)**	**(1,190)**
Net cash flow	**57**	**(637)**
Cash and cash equivalents less bank overdrafts at January 1	179	751
Exchange differences on cash and cash equivalents and bank overdrafts	3	(1)
	182	750
Cash and cash equivalents less bank overdrafts at June 30	**239**	**113**
Add: Bank overdrafts used for cash management purposes at June 30	589	541
Cash and cash equivalents at June 30 in the Statement of Financial Position	**828**	**654**

* 2018 has been restated for IFRS 16; see Note 3 for further details.

Wolters Kluwer

Unaudited Condensed Consolidated Interim Statement of Financial Position

(in millions of euros)	Note	June 30, 2019		December 31, 2018 Restated*		June 30, 2018 Restated*	
Goodwill and intangible assets		5,767		5,785		5,639	
Property, plant, and equipment		88		89		83	
Right-of-use assets		312		232		220	
Investments in equity-accounted investees		10		15		13	
Financial assets		32		38		31	
Contract assets		18		19		20	
Deferred tax assets		106		107		96	
Total non-current assets			**6,333**		**6,285**		**6,102**
Inventories		76		75		72	
Contract assets		114		99		75	
Trade receivables		889		1,018		793	
Other receivables		236		261		214	
Income tax receivable		47		35		28	
Cash and cash equivalents		828		783		654	
Total current assets			**2,190**		**2,271**		**1,836**
Deferred income		1,581		1,592		1,483	
Other contract liabilities		40		45		37	
Trade and other payables		368		397		273	
Income tax payable		22		26		18	
Short-term provisions		15		20		13	
Borrowings and bank overdrafts	9	747		748		581	
Short-term lease liabilities	9	71		67		67	
Other current liabilities		414		505		434	
Total current liabilities		**3,258**			**3,400**		**2,906**
Working capital			**(1,068)**		**(1,129)**		**(1,070)**
Capital employed			**5,265**		**5,156**		**5,032**
Bonds and other long-term debt	9	2,066		2,061		2,043	
Long-term lease liabilities	9	265		188		174	
Deferred and other tax liabilities		506		506		440	
Employee benefits		139		143		149	
Provisions		3		3		3	
Total non-current liabilities			**2,979**		**2,901**		**2,809**
Issued share capital		34		34		35	
Share premium reserve		87		87		87	
Other reserves		2,165		2,134		2,100	
Equity attributable to the owners of the company			2,286		2,255		2,222
Non-controlling interests			0		0		1
Total equity			**2,286**		**2,255**		**2,223**
Total financing			**5,265**		**5,156**		**5,032**

* 2018 has been restated for IFRS 16; see Note 3 for further details.

Unaudited Condensed Consolidated Interim Statement of Changes in Total Equity

(in millions of euros)	Note			2019
		Equity attributable to the owners of the company	Non-controlling interests	Total equity
Balance at December 31, 2018, as presented		**2,267**	**0**	**2,267**
Change in accounting policy (IFRS 16)	3	(12)	0	(12)
Restated balance at January 1, 2019		**2,255**	**0**	**2,255**
Total comprehensive income for the period		310	0	310
Share-based payments		10	-	10
Final cash dividend 2018		(174)	0	(174)
Repurchased shares		(115)	-	(115)
Other movements		0	-	0
Balance at June 30, 2019		**2,286**	**0**	**2,286**

(in millions of euros)	Note			2018
		Equity attributable to the owners of the company	Non-controlling interests	Total equity Restated
Balance at January 1, 2018 as presented		**2,219**	**4**	**2,223**
Change in accounting policy (IFRS 16)	3	(11)	0	(11)
Restated balance at January 1, 2018		**2,208**	**4**	**2,212**
Total comprehensive income for the period		435	0	435
Share-based payments		10	-	10
Final cash dividend 2017		(181)	(1)	(182)
Repurchased shares		(250)	-	(250)
Other movements		0	(2)	(2)
Balance at June 30, 2018		**2,222**	**1**	**2,223**

*2018 has been restated for IFRS 16; see Note 3 for further details.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Note 1 Reporting entity

Wolters Kluwer N.V. ('the company') with its subsidiaries (together referred to as 'the group', and individually as group entities) is a global leader in professional information, software solutions and services for the health, tax and accounting, finance, risk and compliance, and legal sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services.

These unaudited condensed consolidated interim financial statements ('interim financial statements') for the six months ended June 30, 2019, comprise the group and the group's interests in associates and joint arrangements.

Note 2 Basis of preparation

Statement of compliance
These interim financial statements have been prepared in accordance with International Accounting Standards (IAS) 34 *Interim Financial Reporting*, as adopted by the European Union. As such, the financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to get an understanding of the changes in the group's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2018.

The interim financial statements for the six months period ended June 30, 2019, have been abridged from Wolters Kluwer's 2018 Financial Statements. These interim financial statements have not been audited or reviewed by the external auditor. The interim financial statements were authorized for issue by the Executive Board and Supervisory Board on July 30, 2019.

Accounting policies
The accounting policies applied in these interim financial statements are the same as those applied in the 2018 Financial Statements, apart from the effect of the following new accounting standards and amendments which became effective as of January 1, 2019:

- IFRS 16 Leases;
- IFRIC 23 Uncertainty over Income Tax Treatments;
- Annual Improvements to IFRSs 2015-2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12, and IAS 23);
- Prepayment Features with Negative Compensation (Amendments to IFRS 9);
- Plan Amendments, Curtailment or Settlement (Amendments to IAS 19); and
- Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28).

Note 3 explains the impact of the adoption of IFRS 16 on the group's interim financial statements. The other new standards and amendments did not result in significant changes to the group's accounting policies.

Effect of forthcoming accounting standards
A number of new standards and amendments are not yet effective for the year ending December 31, 2019, and have not been early adopted in these interim financial statements. The group expects no significant changes as a result of these amendments.

Judgments and estimates
The preparation of the interim financial statements requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. Actual results may differ from those estimates and current risk judgments.

In preparing these interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the 2018 Financial Statements (reference is made to Note 3 'Accounting Estimates and Judgments' of the 2018 Consolidated Financial Statements).

Reference is also made to Note 28 'Financial Risk Management' of the 2018 Financial Statements, which outlines Wolters Kluwer's exposure to a variety of risks, including market risk, currency risk, interest rate risk, liquidity risk, and credit risk. These risks have not substantially changed since the issuance of our 2018 Annual Report.

Estimates and judgments are being continuously evaluated and are based on past experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

Functional and presentation currency
The interim financial statements are presented in euros, which is the company's functional and presentation currency. Unless otherwise indicated, the financial information in these interim financial statements is in euros and has been rounded to the nearest million.

Exchange rates to the euro	2019	2018
U.S. dollar (at June 30)	1.14	1.17
U.S. dollar (average six months)	1.13	1.21
U.S. dollar (at December 31)		1.15

Comparatives
Where necessary, certain non-material reclassifications have been made to the prior year financial information and the notes thereto to conform to the current year presentation.

Note 3 Changes in accounting policies

Summarized impact of the adoption of IFRS 16 on the financial statements
IFRS 16 is the new standard on lease accounting and results in almost all operating leases being recognized in the consolidated statement of financial position, as the distinction between operating and finance leases is no longer applicable to lessees. IFRS 16 will result in presentation changes in the consolidated statement of profit or loss and the statement of financial position.

Under the new standard, which became effective on January 1, 2019, an asset (the right to use the leased item) and a financial liability (a liability for discounted future lease installments) are recognized in the consolidated statement of financial position. In addition, the rent expense is replaced by depreciation of the right-of-use asset and interest expense on the lease liability. As a result of IFRS 16, the adjusted operating profit improved and net debt increased.

The group has decided to transition to this new standard based on the full retrospective approach. This means that a restated consolidated statement of financial position at January 1, 2018, is prepared and in the 2019 interim financial statements the comparatives are restated.

IFRS 16 requires management judgment with respect to the determination of the discount rate and the assessment of renewal and termination options in the real estate lease contracts. The discount rate applied is based on the incremental borrowing rate for the respective leases considering the primary economic environment of the lease, the currency, the credit risk premium, the lease term, and the nature of the leased asset.

The group elected to exclude all short-term leases and all leases for which the underlying asset is of low value, and not to apply IFRS 16 to leases of intangible assets. Except for the group's real estate leases, the group elected to apply the practical expedient to not separate non-lease components from lease components, and instead to account for as a single lease component.

The following tables present the financial statement line items impacted by IFRS 16:

Changes in the Consolidated Statement of Financial Position

(in millions of euros) *Impacted accounts only*	**Dec. 31, 2017 reported**	IFRS 16	**Jan. 1, 2018 restated**	**June 30, 2018 reported**	IFRS 16	**June 30, 2018 restated**
Non-current assets						
Property, plant, and equipment	101	(5)	96	88	(5)	83
Right-of-use assets	-	221	221	-	220	220
Financial assets	16	2	18	29	2	31
Deferred tax assets	93	1	94	95	1	96
Current assets						
Other receivables	227	(6)	221	220	(6)	214
Current liabilities						
Other current liabilities	618	(15)	603	447	(13)	434
Short-term lease liabilities	-	73	73	-	67	67
Non-current liabilities						
Long-term lease liabilities	-	169	169	-	174	174
Deferred and other tax liabilities	419	(3)	416	444	(4)	440
Equity						
Equity attributable to the owners of the company	2,219	(11)	2,208	2,234	(12)	2,222

(in millions of euros) *Impacted accounts only*	**Dec. 31, 2018 reported**	IFRS 16	**Dec. 31, 2018 restated**
Non-current assets			
Property, plant, and equipment	94	(5)	89
Right-of-use assets	-	232	232
Financial assets	36	2	38
Deferred tax assets	106	1	107
Current assets			
Other receivables	265	(4)	261
Current liabilities			
Other current liabilities	519	(14)	505
Short-term lease liabilities	-	67	67
Non-current liabilities			
Long-term lease liabilities	-	188	188
Deferred and other tax liabilities	509	(3)	506
Equity			
Equity attributable to the owners of the company	2,267	(12)	2,255

Changes in the Consolidated Statement of Profit or Loss

(in millions of euros)	Six months ended June			Year ended		
	June 30, 2018	IFRS 16	June 30, 2018 restated	Dec. 31, 2018 reported	IFRS 16	Dec. 31, 2018 restated
Revenues	2,020	0	**2,020**	4,260	(1)	**4,259**
Cost of sales	611	-	611	1,297	-	1,297
Gross profit	1,409	0	**1,409**	2,963	(1)	**2,962**
Sales costs	367	-	367	753	-	753
General and administrative costs	675	(3)	672	1,405	(7)	1,398
Total operating expenses	1,042	(3)	1,039	2,158	(7)	2,151
Other operating income and (expense)	157	-	157	156	-	156
Operating profit	524	3	**527**	961	6	**967**
Financing results	(49)	(3)	(52)	(72)	(7)	(79)
Share of profit of equity-accounted investees, net of tax	0	-	0	2	-	2
Profit before tax	475	0	**475**	891	(1)	**890**
Income tax expense	(116)	0	(116)	(234)	0	(234)
Profit for the period	359	0	**359**	657	(1)	**656**
Attributable to:						
Owners of the company	359	0	359	657	(1)	656
Non-controlling interests	0	0	0	0	0	0
Profit for the period	359	0	**359**	657	(1)	**656**
Earnings per share (EPS) (€)						
Basic EPS	1.29	0.00	1.29	2.37	0.00	2.37
Diluted EPS	1.28	0.00	1.28	2.35	0.00	2.35

The adoption of IFRS 16 impacted the presentation of the statement of cash flows, since the repayment of the principal is presented as a cash flow from financing activities. The payment of the lease interest component is included in paid financing costs under the heading cash flows from operating activities.

(in millions of euros)	Six months ended June			Year ended		
	June 30, 2018	IFRS 16	June 30, 2018 restated	Dec. 31, 2018 reported	IFRS 16	Dec. 31, 2018 restated
Net cash from operating activities	319	35	354	934	67	1,001
Net cash from/(used in) financing actitivies	(1,155)	(35)	(1,190)	(1,432)	(67)	(1,499)

Note 4 Seasonality

Some of the group's businesses are impacted by seasonal patterns. Revenues of Wolters Kluwer's tax and regulatory businesses are strongest in the fourth and first quarters, in line with statutory (tax) filing requirements. The cash flow is typically strongest in the fourth quarter as calendar-year subscription renewals are received. However, as part of IFRS 15, the revenue recognition does not always follow the pattern of cash flows since the revenue for certain contracts will be deferred.

Note 5 Benchmark Figures

Wherever used in these interim financial statements, the term ‘adjusted’ refers to figures adjusted for non-benchmark items and, where applicable, amortization and impairment of goodwill and acquired identifiable intangible assets. Adjusted figures are non-IFRS compliant financial figures, but are internally regarded as key performance indicators to measure the underlying performance of the business. These figures are presented as additional information and do not replace the information in the consolidated interim statement of profit or loss and in the consolidated interim statement of cash flows. The term ‘Restated’ refers to changes as a result of the new accounting policies.

Reconciliation between operating profit and adjusted operating profit

(in millions of euros)	Six months ended June 30	
	2019	2018 Restated*
Operating profit	423	527
Amortization of acquired identifiable intangible assets and impairments	73	84
Non-benchmark items in operating profit	1	(157)
Adjusted operating profit	**497**	**454**

* 2018 has been restated for IFRS 16.

Reconciliation between total financing results and adjusted net financing costs

(in millions of euros)	Six months ended June 30	
	2019	2018 Restated*
Total financing results	(24)	(52)
Non-benchmark items in total financing results	(7)	0
Adjusted net financing costs	**(31)**	**(52)**

* 2018 has been restated for IFRS 16.

Reconciliation between profit for the period and adjusted net profit

(in millions of euros)	Six months ended June 30	
	2019	2018 Restated*
Profit for the period attributable to the owners of the company (A)	303	359
Amortization of acquired identifiable intangible assets and impairments	73	84
Tax on amortization and impairments of acquired identifiable intangible assets and goodwill	(19)	(27)
Non-benchmark items, net of tax	(6)	(117)
Adjusted net profit (B)	**351**	**299**

* 2018 has been restated for IFRS 16.

Summary of non-benchmark items

(in millions of euros)	Six months ended June 30	
	2019	2018
Included in 'other operating income and (expense)':		
Divestment related results	0	159
Acquisition related costs	(1)	(2)
Total non-benchmark income/(costs) in operating profit	**(1)**	**157**
Included in total financing results:		
Employee benefits financing component	(2)	(2)
Fair value changes financial assets through profit or loss	-	(1)
Result on divestment of financial assets	2	3
Divestment result of equity-accounted investees	7	0
Total non-benchmark income/(costs) in total financing results	**7**	**0**
Total non-benchmark items before tax	**6**	**157**
Tax on non-benchmark items	0	(40)
Non-benchmark items, net of tax	**6**	**117**

Reconciliation between net cash from operating activities and adjusted free cash flow

(in millions of euros)	Six months ended June 30	
	2019	2018 Restated*
Net cash from operating activities	436	354
Capital expenditure	(100)	(88)
Repayment of lease liabilities	(34)	(35)
Acquisition related costs	1	2
Paid divestment expenses	0	3
Dividends received	-	1
Net tax benefit on divested assets, consolidation of platform technology, and repatriation tax	(3)	26
Adjusted free cash flow (C)	**300**	**263**

* 2018 has been restated for IFRS 16.

Per share information

(in euros, unless otherwise stated)	Six months ended June 30	
	2019	2018 Restated*
Total number of ordinary shares outstanding at June 30[1)]	270.7	276.6
Weighted average number of ordinary shares outstanding (D)[1)]	271.4	279.4
Diluted weighted average number of ordinary shares (E)[1)]	273.3	281.5
Adjusted EPS (B/D)	1.29	1.07
Diluted adjusted EPS (minimum of adjusted EPS and [B/E])	1.28	1.06
Diluted adjusted EPS in constant currencies	1.23	1.14
Adjusted free cash flow per share (C/D)	1.10	0.94
Diluted adjusted free cash flow per share (minimum of adjusted free cash flow per share and [C/E])	1.10	0.93

[1)] In millions of shares

* 2018 has been restated for IFRS 16.

Benchmark tax rate

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2019	2018 Restated*
Income tax expense	96	116
Tax benefit on amortization of acquired identifiable intangible assets and impairments	19	27
Tax benefit on non-benchmark items	0	(40)
Tax on adjusted profit before tax (F)	**115**	**103**
Adjusted net profit (B)	351	299
Adjustment for non-controlling interests	0	0
Adjusted profit before tax (G)	**466**	**402**
Benchmark tax rate (F/G) (%)	**24.7**	**25.5**

* 2018 has been restated for IFRS 16.

Calculation of cash conversion ratio

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2019	2018 Restated*
Adjusted operating profit (H)	497	454
Amortization and impairment of other intangible assets	85	82
Depreciation of property, plant, and equipment	15	13
Depreciation of right-of-use assets	35	34
Adjusted EBITDA	**632**	**583**
Autonomous movements in working capital	(46)	(9)
Capital expenditure	(100)	(88)
Repayment of lease liabilities	(34)	(35)
Lease interest paid	(5)	(3)
Adjusted operating cash flow (I)	**447**	**448**
Cash conversion ratio (I/H) (%)	**90**	**99**

* 2018 has been restated for IFRS 16.

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Note 6 Segment Reporting

Divisional revenues and operating profit

(in millions of euros)	Six months ended June 30	
	2019	**2018** Restated*
Revenues		
Health	552	512
Tax & Accounting	684	623
Governance, Risk & Compliance	518	470
Legal & Regulatory	450	415
Total revenues	**2,204**	**2,020**
Operating profit		
Health	121	187
Tax & Accounting	171	123
Governance, Risk & Compliance	134	175
Legal & Regulatory	25	65
Corporate	(28)	(23)
Total operating profit	**423**	**527**

* 2018 has been restated for IFRS 16.

The group disaggregates revenues by media format and by revenue type as part of the management information discussed by the Executive Board. Reference is made to Appendix 2 and 3 of this report.

Note 7 Earnings per Share

Earnings per share (EPS)

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2019	2018 Restated*
Profit for the period attributable to the owners of the company (A)	**303**	**359**
Weighted average number of shares *In millions of shares*		
Outstanding ordinary shares at January 1	279.7	290.3
Effect of repurchased shares	(8.3)	(10.9)
Weighted average number of shares (D) for the period	**271.4**	**279.4**
Basic EPS (A/D) (€)	1.12	1.29
Diluted weighted average number of shares		
Weighted average number of shares for the period (D)	271.4	279.4
Long-Term Incentive Plan	1.9	2.1
Diluted weighted average number of shares (E) for the period	**273.3**	**281.5**
Diluted EPS (minimum of basic EPS and [A/E]) (€)	1.11	1.28

* 2018 has been restated for IFRS 16.

Note 8 Acquisitions and Divestments

Acquisitions
Total acquisition spending in the first half of 2019 was €33 million (HY 2018: €19 million) and included the acquisition of CLM Matrix and the completion of a few smaller acquisitions.

On May 7, 2019, Wolters Kluwer Governance, Risk & Compliance (GRC) acquired 100% of the shares of CLM Matrix, a fast-growing provider of contract lifecycle management software, for $35 million, excluding a deferred contingent consideration of up to $7 million. CLM Matrix will become part of GRC's ELM Solutions unit, a market leader in legal spend and matter management software. The acquisition will enable GRC to offer a more comprehensive suite of solutions to address the growing needs of corporate legal operations. CLM Matrix had 2018 revenues of $3 million (un-audited) and currently has around 20 full-time-equivalent employees. The transaction is expected to have an immaterial impact on adjusted EPS in the first full year and to generate a return on investment above our weighted average cost of capital (8%) within 3 to 5 years.

Deferred and contingent acquisition payments were €0 million (HY 2018: €10 million) and acquisition-related costs were €1 million (HY 2018: €2 million).

The acquisition spending in first half of 2018 was €19 million and included the acquisition of Firecracker and deferred and contingent acquisition payments.

(in millions of euros)	Six months ended June 30	
	2019	2018
Consideration payable in cash	33	9
Deferred and contingent acquisition payments	6	1
Total consideration	**39**	**10**
Non-current assets	20	16
Current assets	1	1
Current liabilities	(1)	(3)
Deferred tax liability	0	(4)
Fair value of net identifiable assets/(liabilities)	**20**	**10**
Goodwill on acquisitions	**19**	**0**
Cash effect of the acquisitions:		
Consideration payable in cash	33	9
Cash acquired	0	0
Deferred and contingent acquisition payments paid	0	10
Acquisition spending, net of cash acquired	**33**	**19**

The fair value of the identifiable assets and liabilities of some acquisitions could only be determined provisionally and will be subject to change based on the outcome of the purchase price allocation which will be completed within 12 months from the acquisition date.

The goodwill recognized for the acquisitions represents a payment in anticipation of the future economic benefits to be derived by Wolters Kluwer as a result of the acquisition. These future economic benefits relate to revenue opportunities (such as cross-selling) or cost efficiencies (such as sharing of infrastructure).

In the first half of 2019, the group did not recognize any fair value changes in the consolidated statement of profit or loss for acquisitions from previous years (HY 2018: €0 million).

Divestments

On May 2, 2019, Wolters Kluwer completed the divestment of its 40% interest in Austrian information solutions provider MANZ'sche Verlags- und Universitätsbuchhandlung GmbH for €17 million in cash; this asset was classified as an investment in equity-accounted investees at year-end 2018. The transaction had an immaterial impact on adjusted earnings and resulted in a (non-taxable) net book profit of €7 million. Proceeds were used for general corporate purposes.

Net disposal proceeds amounted to €32 million in the first half 2019 and included €13 million of deferred proceeds related to the sale of certain Swedish publishing assets in January 2018.

In the first half of 2018, the group completed three significant divestments and reduced its equity shareholding in Chengdu Medicom.

Divestment-related results

(in millions of euros)	Six months ended June 30	
	2019	2018
Divestments of operations:		
Consideration receivable in cash	0	316
Fair value of equity interest retained	-	2
Deferred consideration receivable	-	13
Consideration receivable	**0**	331
Current assets (including assets held for sale)	-	235
Current liabilities (including liabilities held for sale)	-	(65)
Non-controlling interest	-	(2)
Net identifiable assets and liabilities	**0**	168
Book profit/(loss) on divestments of operations	**0**	163
Restructuring of stranded costs following divestment	-	(1)
Divestment expenses	0	(3)
Divestment related results, included in other operating income and (expense)	**0**	159
Divestments of equity-accounted investees and financial assets:		
Consideration receivable in cash	19	3
Goodwill allocated	(5)	-
Carrying value of equity-accounted investees and financial assets	(5)	0
Divestment related results included in financing results	**9**	3
Cash effect of divestments:		
Consideration receivable in cash	19	319
Deferred consideration received	13	-
Cash included in divested operations	-	(14)
Receipts from divestments, net of cash disposed of	**32**	305

Note 9 Net Debt

Reconciliation gross debt to net debt

(in millions of euros, unless otherwise stated)	June 30, 2019	December 31, 2018 Restated*	June 30, 2018 Restated*
Gross debt			
Bonds**	1,629	1,628	1,627
Private placements**	412	407	404
Other long-term loans**	13	14	9
Deferred and contingent acquisition payments***	12	12	3
Total bonds and other long-term debt	2,066	2,061	2,043
Long-term lease liabilities	265	188	174
Total long-term debt	2,331	2,249	2,217
Borrowings and bank overdrafts**	747	748	581
Short-term lease liabilities	71	67	67
Deferred and contingent acquisition payments***	8	2	2
Derivative financial instruments***	5	0	7
Total short-term debt	831	817	657
Total gross debt	**3,162**	**3,066**	**2,874**
Minus:			
Cash and cash equivalents**	(828)	(783)	(654)
Deferred divestment consideration receivable **	-	(13)	(12)
Derivative financial instruments:			
Non-current receivable***	(16)	(21)	(10)
Current receivable***	-	0	-
Net debt	**2,318**	**2,249**	**2,198**
Net-debt-to-EBITDA ratio (on a rolling basis) ****	1.8	1.8	n/a

* 2018 has been restated for IFRS 16.
** These financial liabilities/assets are measured at amortized cost.
*** These financial liabilities/assets are measured at fair value through profit or loss.
**** Net-debt-to-EBITDA ratio is based on a twelve-months rolling EBITDA. Since no twelve-months rolling EBITDA is available under IFRS 16 at June 30, 2018, the IFRS 16 restated net-debt-to-EBITDA ratio is not available at that date.

On May 7, 2019, Wolters Kluwer established a Euro Commercial Paper (ECP) program, under which the company may issue unsecured, short-term debt (ECP notes) for a maximum of €1.0 billion. The program provides flexible funding for short-term cash needs at attractive rates. The outstanding amount per June 30, 2019, is €150 million, included in the line item “Borrowings and bank overdrafts”.

Note 10 Equity, Dividends, LTIP

The group made progress on the share buyback program of up to €250 million which was previously announced for 2019. In 2019, up to and including July 29, 2019, the group has completed repurchases of €115 million (1,843,048 ordinary shares at an average share price of €62.39). This included a total of 1.0 million shares that were repurchased to offset the dilution caused by our annual incentive share issuance. The repurchased shares are added to and held as treasury shares, which totalled 9.0 million at June 30, 2019.

At June 30, 2019, non-discretionary share buyback commitments were accrued within other current liabilities for an amount of €31 million (December 31, 2018: nil).

A final dividend of €0.64 per share was approved at the Annual General Meeting of Shareholders in April 2019 and was paid in the second quarter of 2019. The final dividend brings the total dividend over the 2018 financial year to €0.98 per share, an increase of 15% compared to the 2017 total dividend.

For 2019, the interim dividend was set at 40% of the prior year's total dividend, equivalent to €0.39 per share.

In the first six months of 2019, treasury shares were used for the vesting of Long-Term Incentive Plan (LTIP) shares; no new shares were issued. The LTIP 2016-18 vested on December 31, 2018. Total Shareholder Return (TSR) ranked third relative to the peer group of 15 companies, resulting in a pay-out of 125% of the conditional base number of shares awarded to the Executive Board and Senior Management. The EPS-condition based shares resulted in a pay-out of 150%. A total of 977,590 shares was released on February 21, 2019.

Under the 2019-21 LTIP grant, 535,018 shares were conditionally awarded to the Executive Board and other senior managers in the first six months of 2019. In the first six months of 2019, a total of 26,148 shares were forfeited under the long-term incentive plans.

The 2018 dividend of €0.98 per share amounting to €268 million (2017 dividend: €238 million) was fully distributed in cash. This 2018 dividend was paid in two parts, an interim dividend of €94 million in the second half of 2018 and a final dividend of €174 million in the first half of 2019.

At June 30, 2019, Ms. McKinstry held 462,131 shares (December 31, 2018: 354,638 shares) in the company. Mr. Entricken held 36,636 shares (December 31, 2018: 36,636 shares).

Mr Noteboom, Supervisory Board member until April 18, 2019, held 4,865 shares in the company on the date of resigning (December 31, 2018: 4,865 shares)

Note 11 Related Party Transactions

There were no major related parties transactions entered into during the six months period ended June 30, 2019.

Note 12 Events after Balance Sheet date

Subsequent events were evaluated up to July 30, 2019, which is the date the condensed consolidated interim financial statements were authorized for issue by the Executive Board and Supervisory Board. There are no events to report.

Appendix 1 Divisional Supplemental Information – Six months ended June 30

(€ million, unless otherwise stated)	2019	2018*	Change: Organic	Acquisition/ Divestment	Currency
Health					
Revenues	552	512	19	(13)	34
Adjusted operating profit	139	131	4	(6)	10
Adjusted operating profit margin	25.2%	25.6%			
Tax & Accounting					
Revenues	684	623	37	-	24
Adjusted operating profit	193	157	27	-	9
Adjusted operating profit margin	28.2%	25.1%			
Governance, Risk & Compliance					
Revenues	518	470	17	0	31
Adjusted operating profit	152	138	4	0	10
Adjusted operating profit margin	29.3%	29.3%			
Legal & Regulatory					
Revenues	450	415	10	18	7
Adjusted operating profit	41	51	(10)	(1)	1
Adjusted operating profit margin	9.1%	12.4%			
Corporate					
Adjusted operating profit	(28)	(23)	(5)	-	0
Wolters Kluwer					
Revenues	2,204	2,020	83	5	96
Adjusted operating profit	497	454	20	(7)	30
Adjusted operating profit margin	22.5%	22.5%			

Note: (1) Acquisition/divestment column includes the contribution from 2019 and 2018 acquisitions before these became organic (12 months from their acquisition date), the impact of 2019 and 2018 divestments, and the effect of asset transfers between divisions, if any. * 2018 is restated for IFRS 16.

Appendix 2 Revenues by Media Format – Six months ended June 30

(€ million, unless otherwise stated)	2019	2018*	Δ	Δ CC	Δ OG
Digital	1,736	1,560	+11%	+6%	+6%
Services	259	241	+8%	+1%	+2%
Print	209	219	-5%	-8%	-8%
Total revenues	**2,204**	**2,020**	**+9%**	**+4%**	**+4%**

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth. Services includes legal representation, consulting, training, events, and other services. 2018 restated for IFRS 16

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Appendix 3 Divisional Revenues by Type – Six months ended June 30

(€ million, unless otherwise stated)	2019	2018	Δ	Δ CC	Δ OG
Health					
Digital and service subscription	428	384	+11%	+4%	+6%
Print subscription	24	24	+3%	-4%	-4%
Other recurring	46	43	+7%	0%	+2%
Total recurring revenues	**498**	**451**	**+11%**	**+4%**	**+5%**
Print books	24	27	-11%	-15%	-15%
Other non-recurring	30	34	-13%	-19%	-2%
Total Health	**552**	**512**	**+8%**	**+1%**	**+4%**
Tax & Accounting					
Digital and service subscription	508	455	+12%	+8%	+8%
Print subscription	13	13	-5%	-6%	-6%
Other recurring	86	81	+6%	-1%	-1%
Total recurring revenues	**607**	**549**	**+11%**	**+6%**	**+6%**
Print books	9	12	-29%	-32%	-32%
Other non-recurring	68	62	+11%	+8%	+8%
Total Tax & Accounting	**684**	**623**	**+10%**	**+6%**	**+6%**
Governance, Risk & Compliance					
Digital and service subscription	301	273	+10%	+4%	+4%
Print subscription	0	0	0%	0%	0%
Total recurring revenues	**301**	**273**	**+10%**	**+4%**	**+4%**
LS transactional	122	105	+16%	+8%	+8%
FS transactional	50	48	+3%	-3%	-3%
Other non-recurring	45	44	+4%	+1%	0%
Total Governance, Risk & Compliance	**518**	**470**	**+10%**	**+4%**	**+4%**
Legal & Regulatory					
Digital and service subscription	264	240	+10%	+9%	+6%
Print subscription	65	65	-2%	-2%	-3%
Other recurring	21	21	+4%	+2%	+2%
Total recurring revenues	**350**	**326**	**+7%**	**+6%**	**+4%**
Print books	36	40	-11%	-12%	-12%
Other non-recurring	64	49	+31%	+27%	+3%
Total Legal & Regulatory	**450**	**415**	**+8%**	**+7%**	**+2%**
Total Wolters Kluwer					
Digital and service subscription	1,501	1,352	+11%	+6%	+6%
Print subscription	102	102	-1%	-3%	-4%
Other recurring	153	145	+6%	0%	0%
Total recurring revenues	**1,756**	**1,599**	**+10%**	**+5%**	**+5%**
Print books	69	79	-14%	-16%	-16%
LS transactional	122	105	+16%	+8%	+8%
FS transactional	50	48	+3%	-3%	-3%
Other non-recurring	207	189	+10%	+6%	+3%
Total Wolters Kluwer	**2,204**	**2,020**	**+9%**	**+4%**	**+4%**

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth. Note: Other non-recurring revenues include license & implementation fees.

Appendix 4 Additional IFRS 16 Disclosure – Benchmark figures

Wolters Kluwer has adopted IFRS 16 in 2019 based on the full retrospective approach. The tables below show the restatement effect for Full Year 2018 and Half Year 2018 respectively:

Full Year 2018 - Adjusted net profit

(in millions of euros, unless otherwise stated)	**FY 2018 Reported**	IFRS 16 Restatement	**FY 2018 Restated**
Revenues	**4,260**	**(1)**	**4,259**
Adjusted operating expenses	(3,280)	7	(3,273)
Adjusted operating profit	**980**	**6**	**986**
Adjusted operating profit margin	*23.0%*	*0.1%*	*23.1%*
Adjusted net financing costs	(70)	(7)	(77)
Equity-accounted investees, net of tax	2	-	2
Adjusted profit before tax	**912**	**(1)**	**911**
Tax on adjusted profit	(229)	0	(229)
Effective benchmark tax rate	*25.1%*	*0.0%*	*25.1%*
Non-controlling interests	0	-	0
Adjusted net profit	**683**	**(1)**	**682**
Diluted weighted average shares (million)	*278.8*	-	*278.8*
Diluted adjusted EPS (€)	**2.45**	**0.00**	**2.45**

Full Year 2018 - Adjusted free cash flow

(in millions of euros, unless otherwise stated)	**FY 2018 Reported**	IFRS 16 Restatement	**FY 2018 Restated**
Adjusted operating profit	**980**	**6**	**986**
Depreciation, amortization and impairment of intangibles	220	-	220
Amortization of right-to-use assets	-	68	68
Adjusted EBITDA	**1,200**	**74**	**1,274**
Capital expenditure	(214)	-	(214)
Repayments of lease liabilities (including lease interest paid)	-	(74)	(74)
Autonomous movements in working capital	30	(1)	29
Adjusted operating cash flow	**1,016**	**(1)**	**1,015**
Cash conversion ratio	*104%*	*-1%*	*103%*
Paid financing costs (excluding lease interest paid)	(96)	-	(96)
Paid corporate income tax	(206)	-	(206)
Net change in restructuring provision	(5)	-	(5)
Tax adjustment	34	-	34
Other	19	1	20
Adjusted free cash flow	**762**	**0**	**762**

Appendix 4 Additional IFRS 16 Disclosure – Benchmark Figures (Continued)

Full Year 2018 - Balance sheet

(in millions of euros, unless otherwise stated)	**FY 2018 Reported**	IFRS 16 Restatement	**FY 2018 Restated**
Total non-current assets	**6,055**	**230**	**6,285**
Cash	783	-	783
Other current assets	1,492	(4)	1,488
Deferred income	(1,592)	-	(1,592)
Short-term debt	(748)	(67)	(815)
Other short-term liabilities	(1,007)	14	(993)
Working capital	**(1,072)**	**(57)**	**(1,129)**
Capital employed	**4,983**	**173**	**5,156**
Total equity	2,267	(12)	2,255
Long-term debt	2,061	-	2,061
Non-current lease liabilities	-	188	188
Other non-current liabilities, incl. deferred tax	655	(3)	652
Total financing	**4,983**	**173**	**5,156**
Net debt	**1,994**	**255**	**2,249**

Half Year 2018 - Adjusted net profit

(in millions of euros, unless otherwise stated)	**HY 2018 Reported**	IFRS 16 Restatement	**HY 2018 Restated**
Revenues	**2,020**	**0**	**2,020**
Adjusted operating expenses	(1,569)	3	(1,566)
Adjusted operating profit	**451**	**3**	**454**
Adjusted operating profit margin	*22.3%*	*0.2%*	*22.5%*
Adjusted net financing costs	(49)	(3)	(52)
Equity-accounted investees, net of tax	0	-	0
Adjusted profit before tax	**402**	**0**	**402**
Tax on adjusted profit	(103)	0	(103)
Effective benchmark tax rate	*25.5%*	*0.0%*	*25.5%*
Non-controlling interests	0	-	0
Adjusted net profit	**299**	**0**	**299**
Diluted weighted average shares (million)	*281.5*	-	*281.5*
Diluted adjusted EPS (€)	**1.06**	**0.00**	**1.06**

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Appendix 4 Additional IFRS 16 Disclosure – Benchmark Figures (Continued)

Half Year 2018 - Adjusted free cash flow

(in millions of euros, unless otherwise stated)	**HY 2018 Reported**	IFRS 16 Restatement	**HY 2018 Restated**
Adjusted operating profit	**451**	**3**	**454**
Depreciation, amortization and impairment of intangibles	95	-	95
Amortization of right-to-use assets	-	34	34
Adjusted EBITDA	**546**	**37**	**583**
Capital expenditure	(88)	-	(88)
Repayments of lease liabilities (including lease interest paid)	-	(38)	(38)
Autonomous movements in working capital	(10)	1	(9)
Adjusted operating cash flow	**448**	**0**	**448**
Cash conversion ratio	*99%*	*0%*	*99%*
Paid financing costs (excluding lease interest paid)	(84)	-	(84)
Paid corporate income tax	(124)	-	(124)
Net change in restructuring provision	(9)	-	(9)
Tax adjustment	26	-	26
Other	6	-	6
Adjusted free cash flow	**263**	**0**	**263**

Half Year 2018 - Balance sheet

(in millions of euros, unless otherwise stated)	**HY 2018 Reported**	IFRS 16 Restatement	**HY 2018 Restated**
Total non-current assets	**5,894**	**218**	**6,112**
Cash	654	-	654
Other current assets	1,178	(6)	1,172
Deferred income	(1,483)	-	(1,483)
Short-term debt	(581)	(67)	(648)
Other short-term liabilities	(788)	13	(775)
Working capital	**(1,020)**	**(60)**	**(1,080)**
Capital employed	**4,874**	**158**	**5,032**
Total equity	2,235	(12)	2,223
Long-term debt	2,043	-	2,043
Non-current lease liabilities	-	174	174
Other non-current liabilities, incl. deferred tax	596	(4)	592
Total financing	**4,874**	**158**	**5,032**
Net debt	**1,957**	**241**	**2,198**

About Wolters Kluwer

Wolters Kluwer (WKL) is a global leader in professional information, software solutions, and services for the healthcare; tax and accounting; governance, risk and compliance; and legal and regulatory sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services.

Wolters Kluwer reported 2018 annual revenues of €4.3 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 18,600 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

Wolters Kluwer shares are listed on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt (ADR) program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY).

For more information, visit www.wolterskluwer.com, follow us on LinkedIn, Twitter, Facebook and YouTube.

Financial Calendar

August 27, 2019	Ex-dividend date: 2019 interim dividend
August 28, 2019	Record date: 2019 interim dividend
September 19, 2019	Payment date: 2019 interim dividend
September 26, 2019	Payment date: 2019 interim dividend ADRs
November 1, 2019	Nine-Month 2019 Trading Update
February 26, 2020	Full-Year 2019 Results
March 11, 2020	Publication of 2019 Annual Report

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Forward-looking Statements and Other Important Legal Information

This report contains forward-looking statements. These statements may be identified by words such as "expect", "should", "could", "shall" and similar expressions. Wolters Kluwer cautions that such forward-looking statements are qualified by certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions; conditions in the markets in which Wolters Kluwer is engaged; behavior of customers, suppliers, and competitors; technological developments; the implementation and execution of new ICT systems or outsourcing; and legal, tax, and regulatory rules affecting Wolters Kluwer's businesses, as well as risks related to mergers, acquisitions, and divestments. In addition, financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. Wolters Kluwer disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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