

## Wolters Kluwer First-Quarter 2025 Trading Update

Alphen aan den Rijn, May 7, 2025 – Wolters Kluwer, a global leader in professional information solutions, software and services, today releases its first-quarter 2025 trading update.

### Highlights

- Full-year 2025 guidance reiterated.
- First-quarter revenues up 6% in constant currencies and up 5% organically.
  - Recurring revenues (83% of total) up 7% organically; non-recurring revenues down 2% organically.
  - Expert solutions revenues (59%) grew 6% organically.
  - Cloud software revenues (21%) grew 14% organically.
- First-quarter adjusted operating profit increased 11% at constant currencies.
- First-quarter adjusted free cash flow increased 5% in constant currencies.
- Rolling 12-months' net-debt-to-EBITDA was 1.7x as of March 31, 2025.
- 2025 share buyback: €286 million of intended up to €1 billion buyback completed as of May 5.

Nancy McKinstry, CEO and Chair of the Executive Board, commented: *“We’ve had a solid start to the year, in line with our expectations, with sustained growth in recurring revenues and good margin improvement. We continue to invest in delivering AI-powered, cloud-based expert solutions that support our customers critical decision-making and help them improve outcomes and productivity. Our business model and the vital role our solutions play in customer workflows even in times of uncertainty gives me confidence in reiterating our full year guidance.”*

### First-quarter 2025 developments

First-quarter revenues increased 8% in reporting currencies, reflecting organic growth of 5% (1Q 2024: 6%), a favorable effect from currency (1Q 2025 average EUR/USD rate was €/\$1.05 versus €/\$1.09 in 1Q 2024), and a small net positive effect from acquisitions and divestitures. The absence in the first quarter of the extra leap year day had a slightly negative effect on organic growth. Recurring revenues (83% of revenues), which include subscriptions and other repeating revenue streams, sustained 7% organic growth (1Q 2024: 7%). Non-recurring revenues declined by 2% organically (1Q 2024: 1% organic growth). Within non-recurring revenues, Financial & Corporate Compliance transactional revenues recorded 4% organic growth (1Q 2024: 1% pro forma<sup>1</sup>) while Legal & Regulatory transactional revenues (ELM Solutions) grew 6% organically (1Q 2024: 11%). Non-recurring software licenses, implementation services fees, and other non-recurring revenues declined 6% organically (1Q 2024: 1% organic growth).

**Health** revenues increased 3% in constant currencies and 4% organically, as expected, against a challenging comparable (1Q 2024: 7%). Clinical Solutions recorded 5% organic growth (1Q 2024: 9%), mainly reflecting the leap year effect, timing of renewals, and product discontinuations. In clinical decision support, we continued the commercial roll-out of AI-powered UpToDate Enterprise. We announced partnerships with the leading ambient AI players to seamlessly integrate clinical note-taking capabilities with UpToDate, creating additional value for customers. In Learning, Research & Practice, organic growth slowed to 2%, as expected, against a strong prior period (1Q 2024: 5%) which had benefitted from full-scale distribution of the New England Journal of Medicine (NEJM) and the launch of the NEJM AI journal in December 2023. Print book and print journal revenues trends reversed to historic rates of decline.

**Tax & Accounting** revenues increased 8% in constant currencies and 5% organically, as expected, against a challenging comparable (1Q 2024: 8%). Recurring revenues grew 7% organically (1Q 2024: 7%). In North America, organic growth slowed to 5% (1Q 2024: 8%) due to declines in outsourced professional services (Xpita), e-filing fees, and print books, all of which had strong growth in the first quarter of 2024. Recurring cloud software subscriptions (CCH Axxess suite) grew 19% organically (1Q 2024: 20%). AI-driven tax research (CCH AnswerConnect) was integrated into the workflow of our Canadian cloud software platform (CCH iFirm). Our European Tax & Accounting group delivered 7% organic growth (1Q 2024: 8%) driven by 17% organic growth in cloud software subscriptions (1Q 2024: 16%). Further progress was made on integrating the software assets acquired from the Isabel Group in 2024. Asia Pacific & Rest of World saw modest organic decline (1Q 2024: 2% organic growth) due to weakness in China.

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<sup>1</sup> All pro forma comparisons in this document reflect the transfer, as of January 1, 2025, of our Finance, Risk & Reporting (FRR) unit from the Corporate Performance & ESG division to the Financial & Corporate Compliance division.

**Financial & Corporate Compliance** revenues grew 4% in constant currencies and 3% organically (1Q 2024: 4% pro forma<sup>1</sup>). Legal Services grew 6% organically (1Q 2024: 4%), driven by growth in recurring service subscriptions and 6% growth in transactional revenues (1Q 2024: 0%). In Financial Services, organic growth slowed to 0% (1Q 2024: 4% pro forma), due to slower growth in recurring revenues and a decline in Financial Services transactional revenues amidst stagnant mortgage and commercial lending markets.

**Legal & Regulatory** revenues grew 7% in constant currencies and 7% organically (1Q 2024: 5%). Information Solutions saw 7% organic growth (1Q 2024: 4%), driven by 8% organic growth in digital subscriptions and favorable timing of recurring print revenues. We continued the roll out of GenAI-powered virtual assistants in the U.S. (VitalLaw) and Benelux (InView) while preparing for launch in Italy (OneLegale). Legal & Regulatory Software revenues grew 5% organically (1Q 2024: 6%), with improved trends in practice management software (Kleos and Legisway) in Europe offset by slower organic growth at ELM Solutions in the U.S.

**Corporate Performance & ESG** revenues increased 10% in constant currencies and 10% organically (1Q 2024: 8% pro forma<sup>1</sup>). Our EHS & ESG<sup>2</sup> solutions (Enablon) delivered 12% organic growth (1Q 2024: 8%), driven by double-digit organic growth in recurring cloud subscriptions as well as higher on-premise license fees in the quarter. In Corporate Performance Management (CPM), the CCH Tagetik CPM platform delivered 13% organic growth (1Q 2024: 13%), reflecting 19% growth in recurring cloud subscription revenues partly offset by a decline in on-premise licenses. Our Corporate Tax and Audit & Assurance units recorded single-digit organic growth. The division increased investment to further advance our platforms' innovative AI capabilities.

### **Cash flow and net debt**

First quarter 2025 cash conversion increased modestly compared to first quarter 2024. Adjusted free cash flow increased 5% in constant currencies, as higher adjusted operating profit was, as expected, partly offset by increased net financing costs. A total of €202 million in cash was deployed towards share repurchases in the first quarter. Net acquisition spending was €387 million, primarily related to the acquisition of Registered Agent Solutions, Inc. (RASi) on March 13, 2025.

Net debt was €3,347 million as of March 31, 2025, up from €3,135 million at December 31, 2024. Net-debt-to-EBITDA, based on rolling twelve-months EBITDA, was 1.7x at the end of March 2025, a slight increase compared to 1.6x at year-end 2024. On March 20, 2025, we issued a new €500 million Eurobond with a 7-year term and 3.375% annual coupon.

### **Shares outstanding, share buybacks, and dividends**

As of March 31, 2025, the number of issued ordinary shares outstanding (excluding 5.1 million shares held in treasury) was 233.4 million. In the year to date, through May 5, 2025, we have repurchased 1.9 million ordinary shares for a total consideration of €286 million (average share price €154.05). This includes a block trade of €32 million executed on February 27, 2025, to offset the dilution caused by our incentive share issuance. For the period starting on May 8, 2025, up to and including July 28, 2025, we have engaged third parties to execute approximately €350 million in share buybacks on our behalf, within the limits of relevant laws and regulations (in particular Regulation (EU) 596/2014) and Wolters Kluwer's Articles of Association.

At the Annual General Meeting to be held on May 15, 2025, shareholders will be asked to approve a total dividend of €2.33 over financial year 2024, an increase of 12% compared to the 2023 dividend. If approved, the final dividend of €1.50 per share will be paid to shareholders on June 11, 2025 (ADRs: June 18, 2025). The interim dividend for 2025 will be set at 40% of the 2024 total dividend.

### **Sustainability developments**

In 2025, we continued to support a wide range of programs designed to support employee engagement, inclusion, belonging, and general well-being, with particular emphasis on initiatives that enhance skills development and strengthen workplace connections for all employees. Our global real estate team continued executing on plans to achieve a further reduction in our office footprint and scope 1 and 2 GHG emissions, while improving workspaces. In April 2025, our long-term targets were validated by the SBTi<sup>3</sup> to reach net-zero greenhouse gas emissions across the value chain by 2050.

<sup>2</sup> EHS & ESG refers to our environmental, health & safety, and environmental, social & governance solutions.

<sup>3</sup> SBTi refers to the Science Based Targets initiative.

## Full-Year 2025 Outlook

We reiterate our guidance for the full year as provided in the table below. We continue to expect full-year 2025 organic growth to be in line with prior year (FY 2024: 6%). First half organic growth is expected to be slightly slower due to challenging comparables in Health and Tax & Accounting. The adjusted operating profit margin is expected to see improvement in 2025, led by Health and Corporate Performance & ESG.

### Full-Year 2025 Outlook

Performance indicators	2025 Guidance	2024 Actual
Adjusted operating profit margin*	27.1%-27.5%	27.1%
Adjusted free cash flow**	€1,250-€1,300 million	€1,276 million
ROIC*	18%-19%	18.1%
Diluted adjusted EPS growth**	Mid-single-digit growth	11%

\*Guidance for adjusted operating profit margin and ROIC is in reporting currency and assumes an average EUR/USD rate in 2025 of €/\$1.07. \*\*Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (€/\$ 1.08). Guidance reflects share repurchases of €1 billion in 2025.

In 2024, Wolters Kluwer generated over 60% of its revenues and adjusted operating profit in North America. As a rule of thumb, based on our 2024 currency profile, each 1 U.S. cent move in the average €/\$ exchange rate for the year causes an opposite change of approximately 4.5 euro cents in diluted adjusted EPS. If current exchange rates persist, the U.S. dollar rate will have a negative effect on results reported in euros for the remainder of this year.

Restructuring costs are included in adjusted operating profit. We expect 2025 restructuring costs to be in the range of €5-15 million (FY 2024: €28 million). Following the acquisition of RASi and the recent Eurobond issue, we now expect adjusted net financing costs<sup>4</sup> in constant currencies to increase to approximately €85-90 million. The benchmark tax rate on adjusted pre-tax profits is expected to rise within the range of 23.0%-24.0% (FY 2024: 23.1%). Capital expenditures are expected to be in the range of 5.0%-6.0% of total revenues (FY 2024: 5.3%). We expect the full-year 2025 cash conversion ratio to be within 95%-100% (FY 2024: 102%), due to higher capital expenditures and lower working capital inflows.

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, earnings, and ROIC in the near term.

### 2025 outlook by division

Our guidance for 2025 organic revenue growth by division is based on a pro forma<sup>1</sup> view reflecting the transfer of our Finance, Risk & Reporting (FRR) unit.

**Health:** we continue to expect full-year 2025 organic growth to be in line with or slightly below prior year (FY 2024: 6%) with the first half facing a challenging comparable.

**Tax & Accounting:** we continue to expect full-year 2025 organic growth to be in line with prior year (FY 2024: 7%), with the first half facing a more challenging comparable.

**Financial & Corporate Compliance:** we continue to expect full-year 2025 organic growth to be slightly below prior year (FY 2024: 5% pro forma<sup>1</sup>), partly due to the suspension of the CTA.

**Legal Regulatory:** we continue to expect full-year 2025 organic growth to be in line with prior year (FY 2024: 5%).

**Corporate Performance & ESG:** we continue to expect full-year 2025 organic growth to be above prior year (FY 2024: 6% pro forma<sup>1</sup>) reflecting higher growth for the CCH Tagetik CPM platform. Organic growth is expected to be more muted in the second quarter before picking up in the second half of 2025.

<sup>4</sup>Adjusted net financing costs include lease interest charges.

## About Wolters Kluwer

Wolters Kluwer (EURONEXT: WKL) is a global leader in information solutions, software, and services for professionals in healthcare; tax and accounting; financial and corporate compliance; legal and regulatory; corporate performance and ESG. We help our customers make critical decisions every day by providing *expert solutions* that combine deep domain knowledge with technology and services.

Wolters Kluwer reported 2024 annual revenues of €5.9 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 21,900 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](http://www.wolterskluwer.com), follow us on [LinkedIn](#), [Facebook](#), [YouTube](#), and [Instagram](#).

## Financial Calendar

May 15, 2025	Annual General Meeting of Shareholders
May 19, 2025	Ex-dividend date: 2024 final dividend ordinary shares
May 20, 2025	Record date: 2024 final dividend
June 11, 2025	Payment date: 2024 final dividend ordinary shares
June 18, 2025	Payment date: 2024 final dividend ADRs
July 30, 2025	Half-Year 2025 Results
August 26, 2025	Ex-dividend date: 2025 interim dividend ordinary shares
August 27, 2025	Record date: 2025 interim dividend
September 18, 2025	Payment date: 2025 interim dividend
September 25, 2025	Payment date: 2025 interim dividend ADRs
November 5, 2025	Nine-Month 2025 Trading Update
February 25, 2026	Full-Year 2025 Results
March 11, 2026	Publication of 2025 Annual Report

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## Forward-looking Statements and Other Important Legal Information

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