
Wolters Kluwer Tax & Accounting Investor Teach-In

December 6, 2022

 Wolters Kluwer



Forward-looking statements

This presentation 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, conditions created by global pandemics, such as COVID-19, behavior of customers, suppliers and competitors, technological developments, the implementation and execution of new ICT systems or outsourcing, 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.

Growth rates are cited in constant currencies unless otherwise noted.

Today's speakers



Nancy McKinstry
Chair & CEO
Wolters Kluwer



Karen Abramson
CEO
Wolters Kluwer
Tax & Accounting



Jason Marx
President & CEO
Professional
Tax & Accounting
North America



Ralf Gärtner
SVP & General
Manager
Corporate
Performance

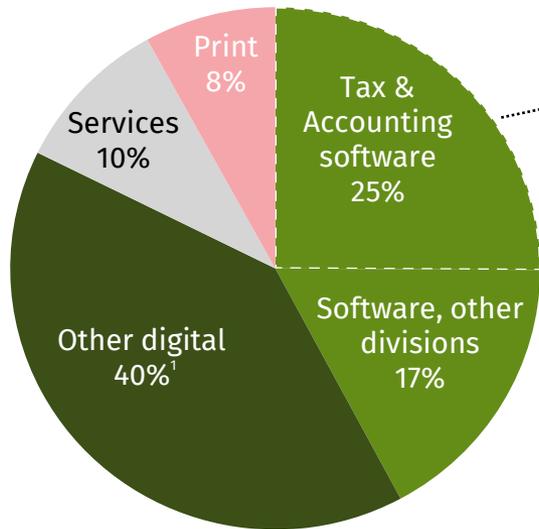
Agenda

- **Introduction – Nancy McKinstry**
- **Tax & Accounting – Karen Abramson**
- **CCH Axxess – Jason Marx**
- **CCH Tagetik – Ralf Gärtner**
- **Summary – Karen Abramson**
- **Q&A**

Tax & Accounting software

Tax & Accounting software makes up a quarter of group software revenues; CCH Axxess and CCH Tagetik are two of our largest, fastest-growing products

**Wolters Kluwer
FY 2021 Revenues €4.8 billion
Split by Media Format**



Tax & Accounting Largest Software Products		
CCH Axxess	☁	-
CCH ProSystem fx	-	☰
CCH Tagetik	☁	☰
TeamMate	☁	☰

☁ = cloud / hybrid cloud; ☰ = on-premise

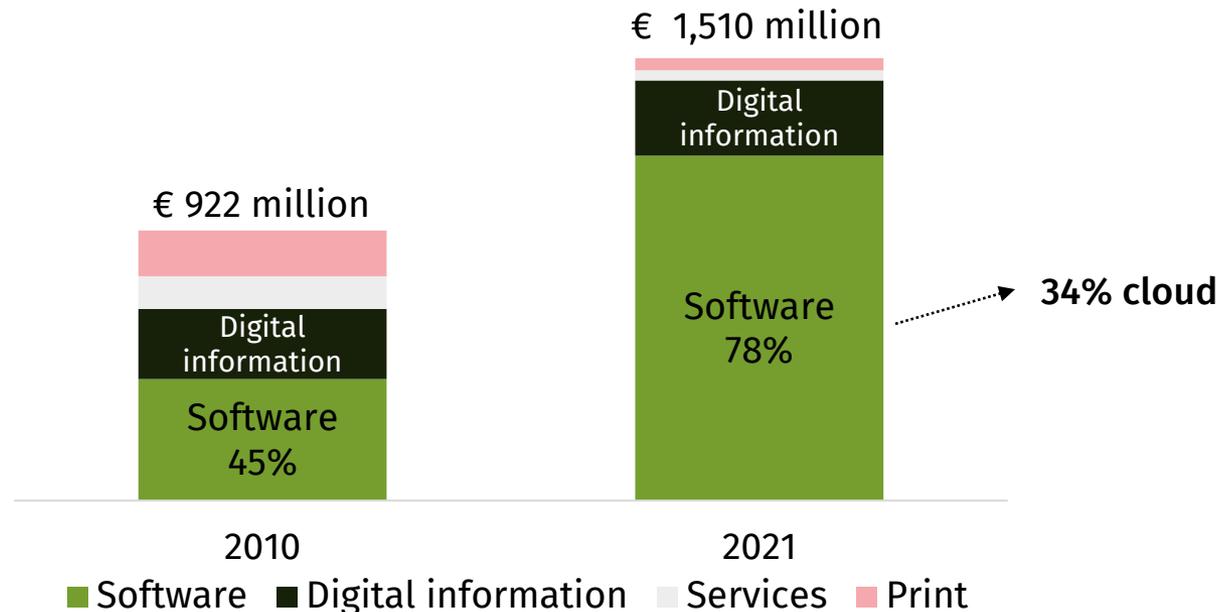
1. Other digital includes digital information and services related to software.

Expert solutions have accelerated growth

Organic investments and selected acquisitions in cloud-based software have driven faster growth

Wolters Kluwer Tax & Accounting Revenues 2010 and 2021

Organic growth %:	+1%	+6%
Recurring %:	90%	87%



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A global business

Delivering deep impact when it matters most

Wolters Kluwer Tax & Accounting

7,100+ FTEs

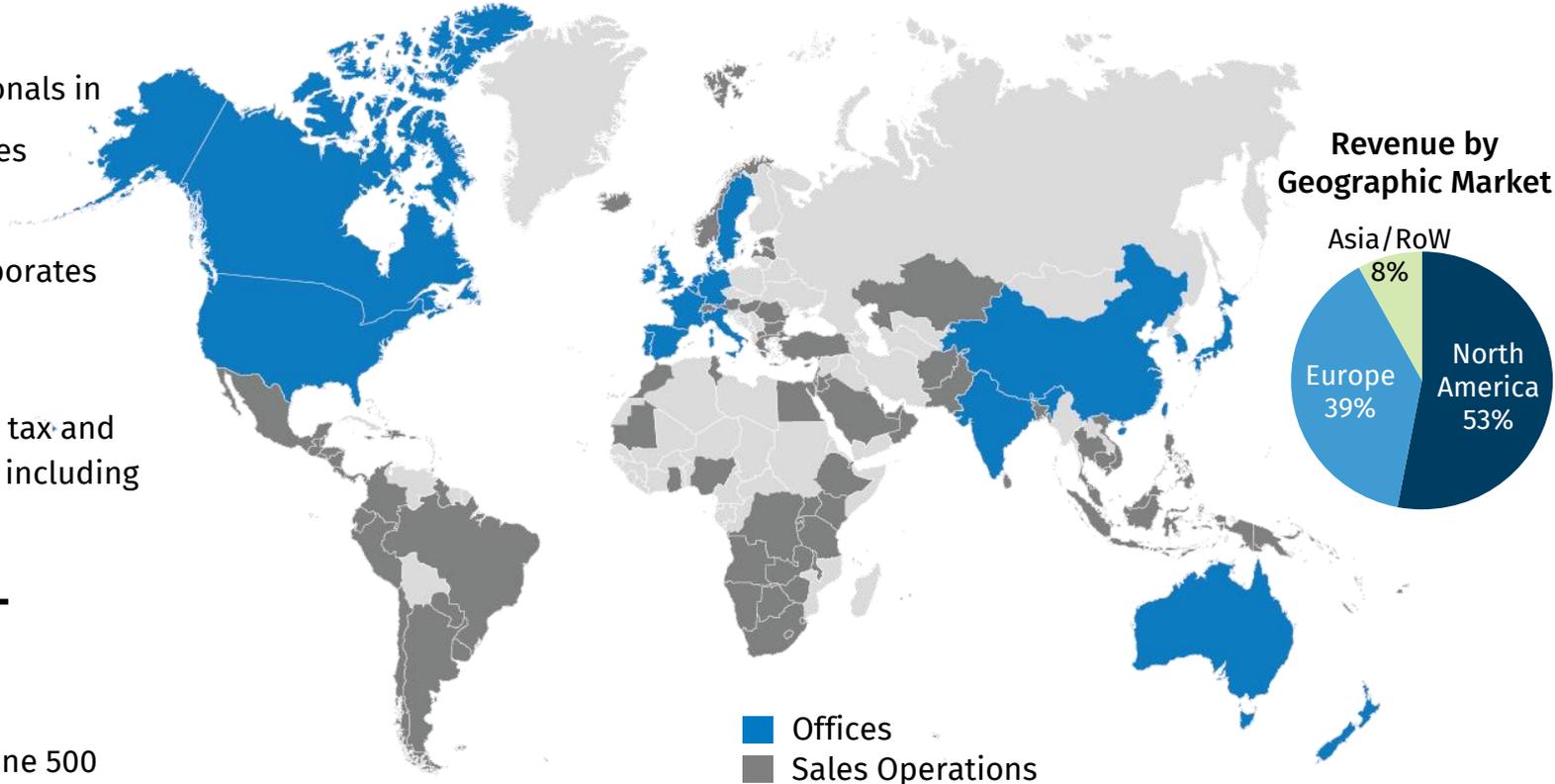
Serving professionals in
150+ countries

1,600+ corporates
office of the CFO

230,000+ tax and
accounting firms including
all Big 4 firms

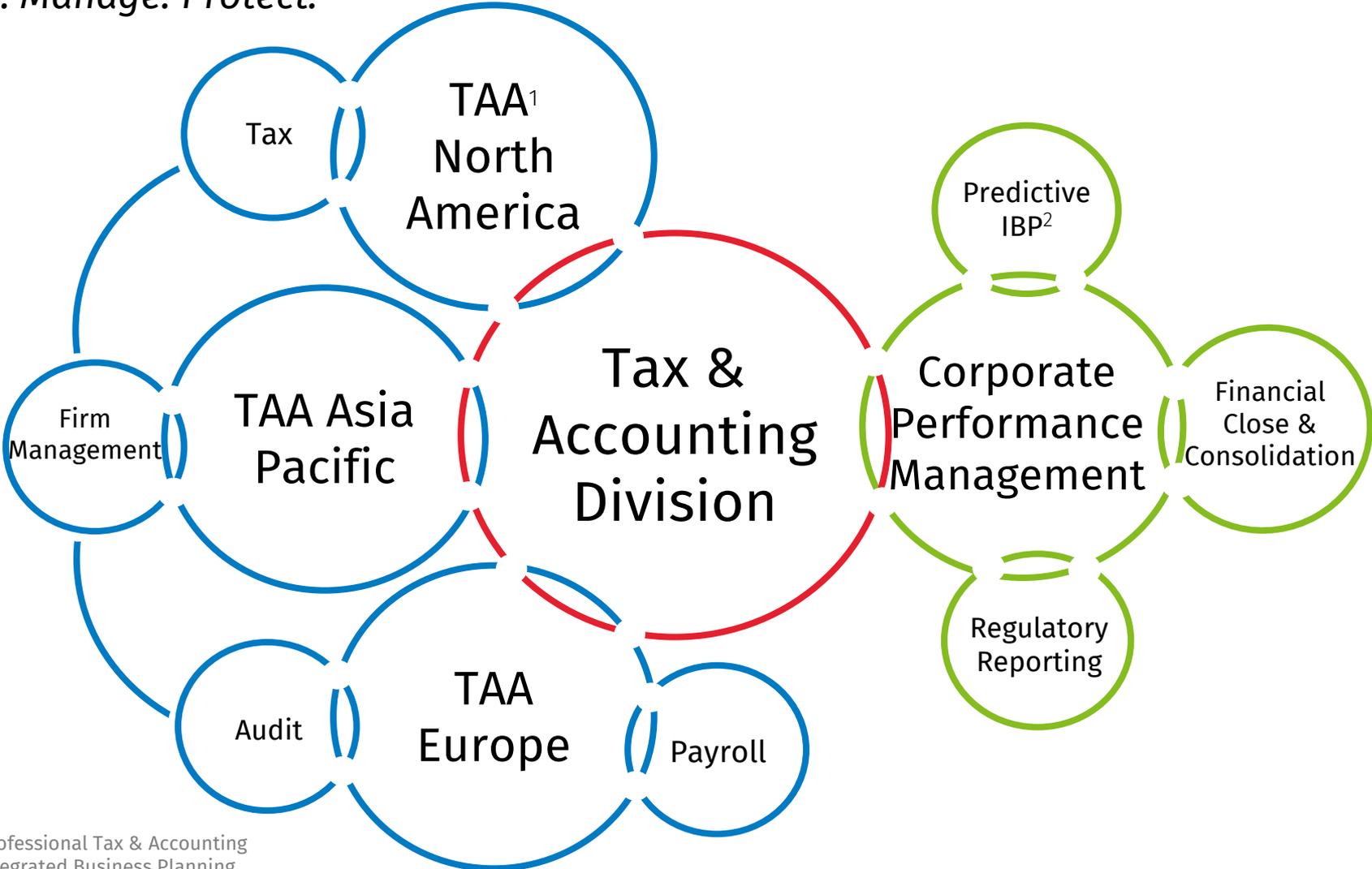
1 million+
accountants

93% of Fortune 500



Our mission in Tax & Accounting

Grow. Manage. Protect.

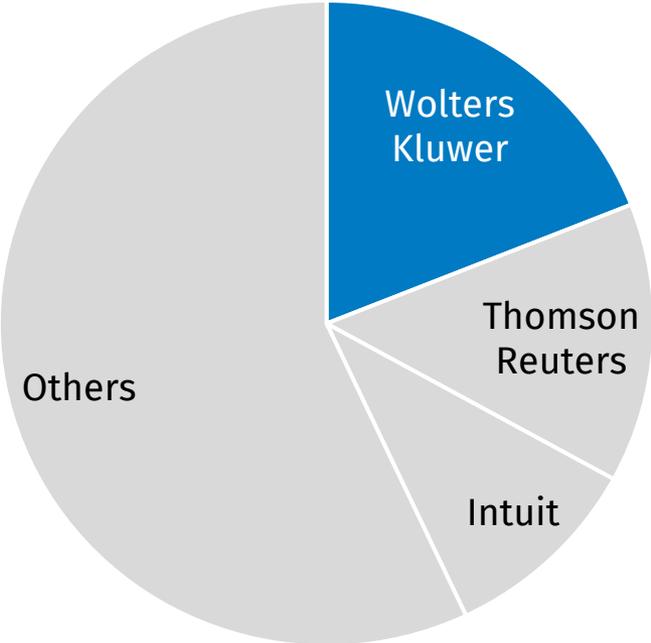


1. TAA = Professional Tax & Accounting
2. IBP = Integrated Business Planning

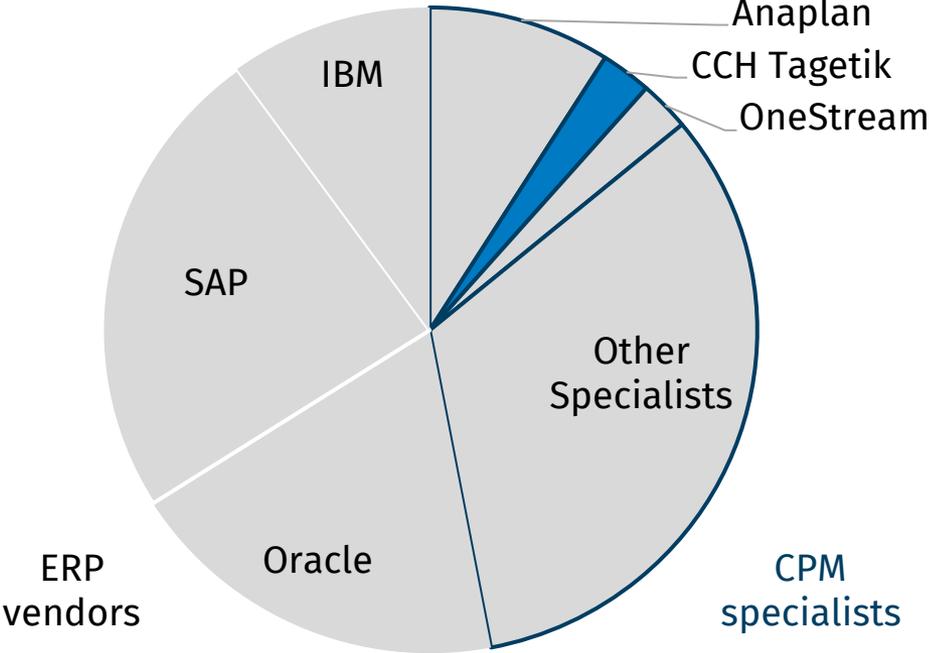
World leader

Largest player in professional tax and accounting and leading CPM specialist

**Global Addressable Market
Professional Tax & Accounting 2021
€5 billion¹**



**Global Addressable Market
Corporate Performance Management 2021
€5 billion²**

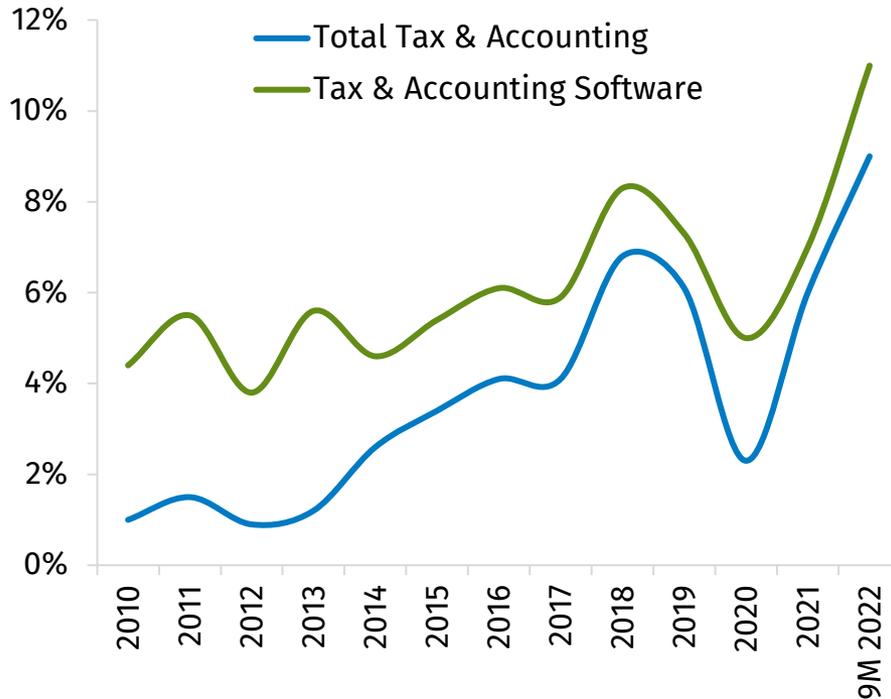


1. Includes all markets addressed by Wolters Kluwer Tax & Accounting, except corporate performance management, corporate tax, internal audit, U.S. preparer, Brazil, and European SME. 2. Excludes corporate tax.

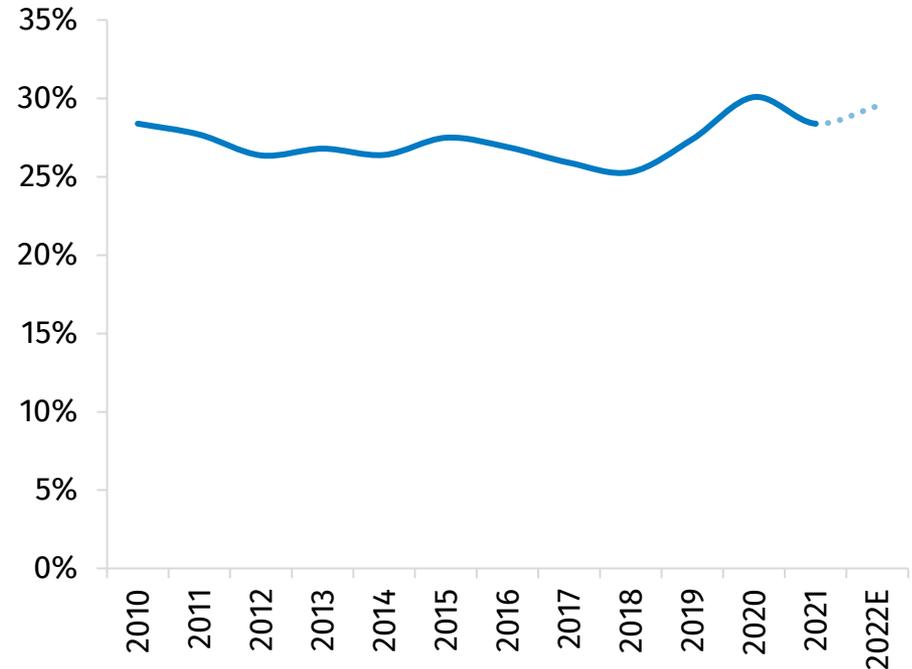
Financial performance

Organic growth improvement driven by software; margin reflects investment to support journey to the cloud and product superiority

**Wolters Kluwer Tax & Accounting
Organic Growth Software¹**



**Wolters Kluwer Tax & Accounting
Adjusted Operating Profit Margin²**

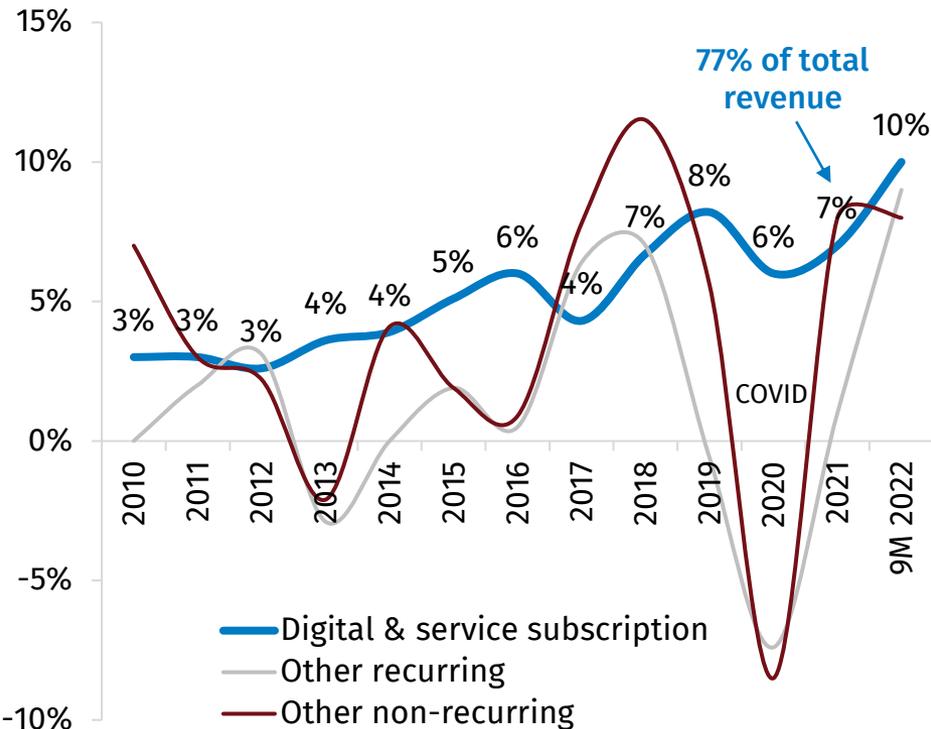


1. Software revenues 2010-2013 based on pre-2014 product classification; 2014 onwards based on current classifications. 2. As per Nine-Month 2022 Trading Update, the outlook for the 2022E divisional adjusted operating profit margin to improve. FY 2022E margin data in chart is based on a consensus of five analysts.

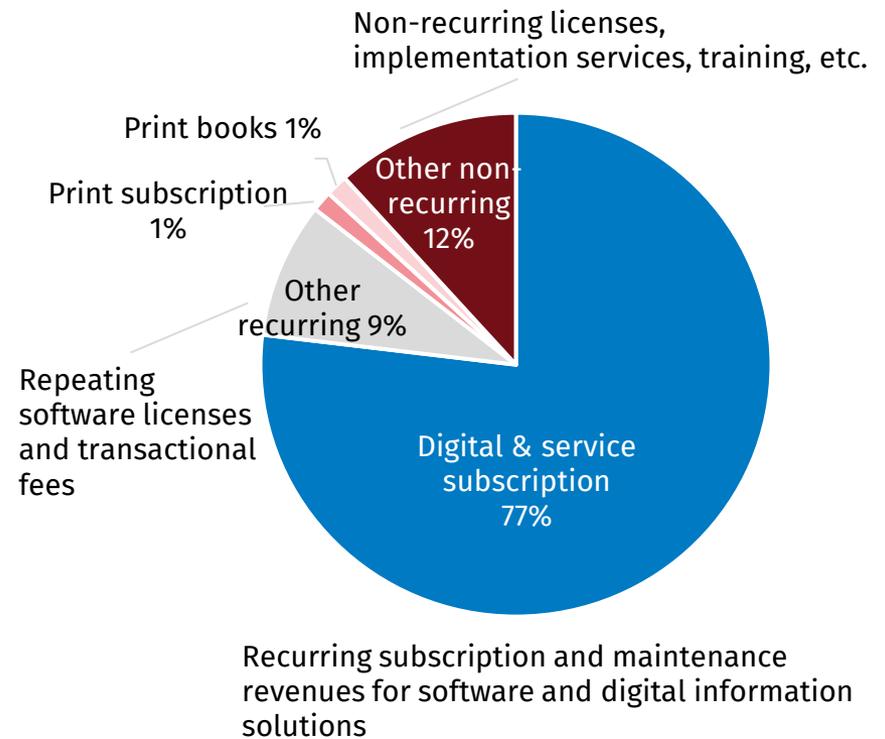
Highly recurring

Digital and service subscription revenues have proven to be resilient

Wolters Kluwer Tax & Accounting Organic Growth by Revenue Type¹



Wolters Kluwer Tax & Accounting FY 2021 Revenues by Type



1. Revenues 2010-2013 based on pre-2014 product classification; 2014 onwards based on current classification. Digital & service subscription revenues accounted for 77% of revenues in 2021 and 63% in 2010. Chart excludes trend in print products, which have been declining, but were only 2% of revenues in 2021.

Award-winning

Widely recognized for our products, our innovation, and our culture

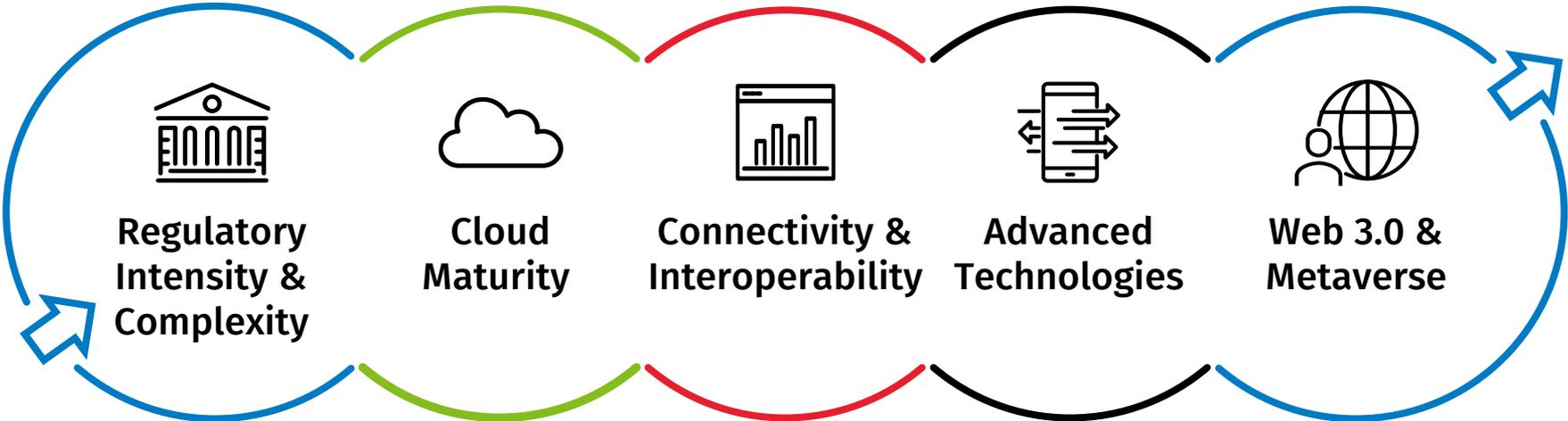
Product innovation

Employee culture



Market trends

Our strategy capitalizes on five key market trends



Strategy

Tax & Accounting will continue to pursue growth through organic investment in product superiority and innovation, expanding our customer and market reach



Accelerate
Expert Solutions

- Grow *CCH Axxess™* marketplace, client collaboration, and global audit
- Drive adoption of *CCH® Tagetik* ESG and integrated planning
- Deliver *CCH iFirm®* and Global Audit to TAA Europe



Expand
Our Reach

- Launch Global Direct Tax on *CCH® Tagetik*
- Expand cloud accounting in TAA Europe
- Develop RPA and data analytics to drive scale in outsourcing



Evolve
Core Capabilities

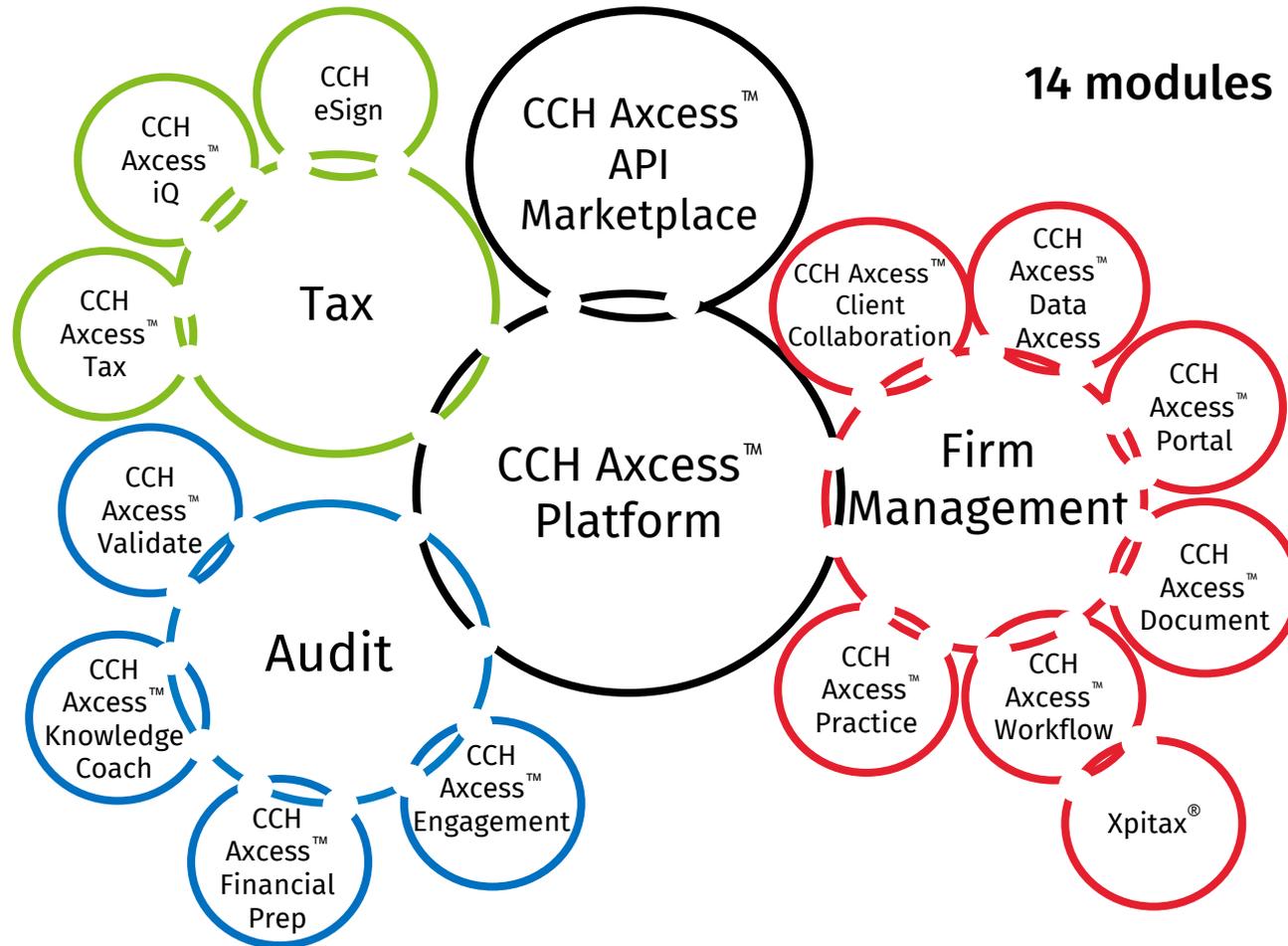
- Deploy end-to-end digital customer experience program
- Invest in talent; training and development
- Continue to improve engagement and belonging

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Expert solution: CCH Axcess

CCH Axcess: the only integrated cloud-based tax and accounting platform for U.S. accounting firms



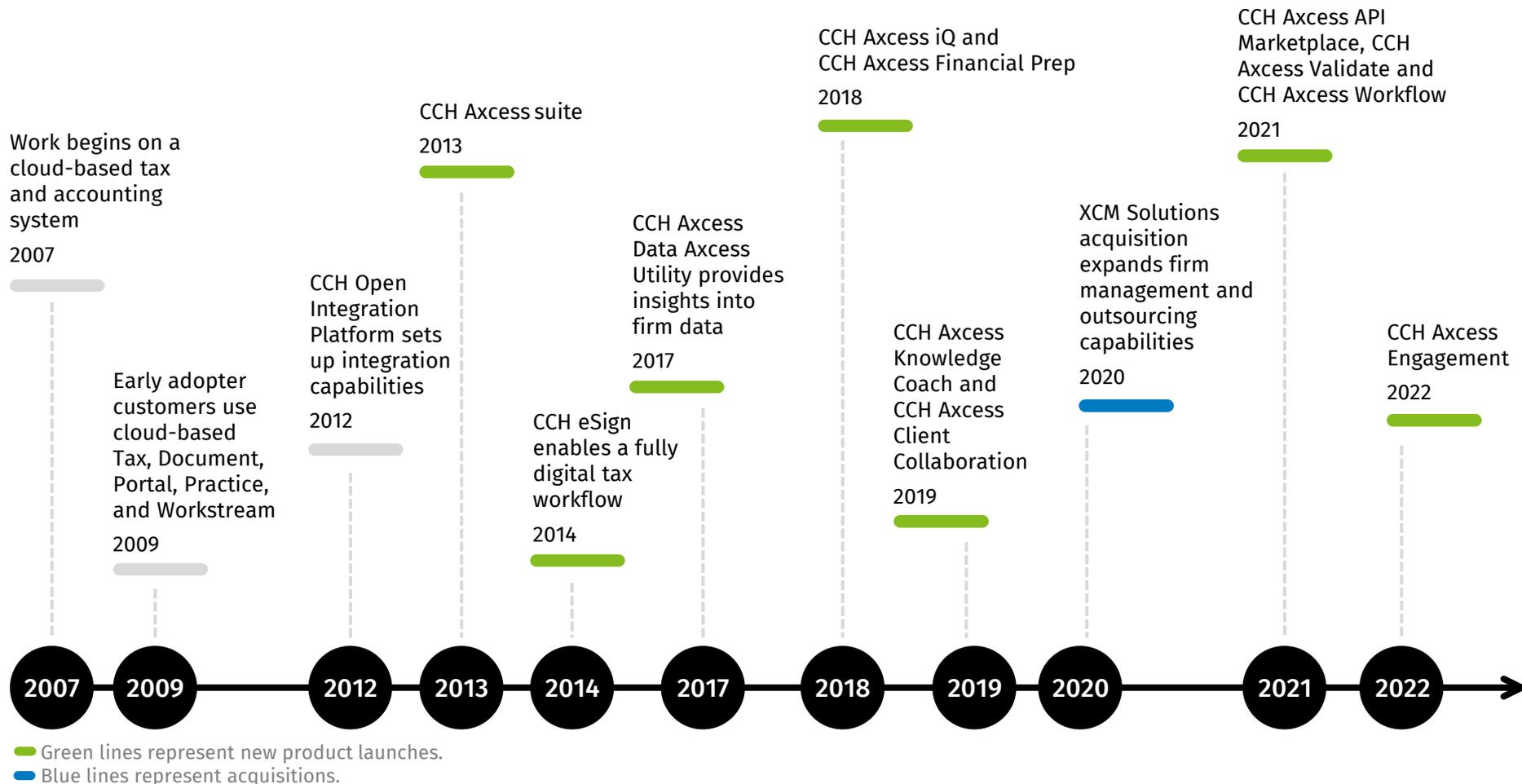
Expert solution: CCH Axcess

CCH Axcess: the only integrated cloud-based tax and accounting platform for U.S. accounting firms

Customer Stats	Portfolio Highlights	Platform Stats
99,000+ customers	14 modules	~43 million tax returns filed annually
380,000+ CCH Axcess™ users	17% YoY increase in firms using CCH Axcess™	2.8 petabytes (56 million four-drawer filing cabinets)
2 million+ firm clients' users	90% of top 100 firms use CCH Axcess™	~29 million CCH Axcess™ tax returns (45 million total)
95%+ Retention rate		145 billion transactions/year (4,500 transactions every second of every day)
Used by 90% of top 100 firms and all of the Big 4		

CCH Access history

Over 15 years of steady product investment driving continuous innovation



Benefits

CCH Access ecosystem brings increased productivity and other benefits while creating growth opportunities for Wolters Kluwer

Customer benefits



Significantly enhances productivity by automating customers' workflows



Facilitates remote working and mobility



Supports business continuity and disaster recovery



Removes burden of maintaining IT systems

Business model and opportunities

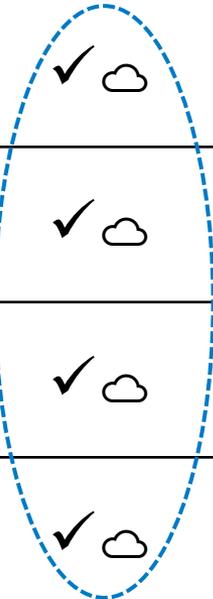
- Annual subscription revenue model
- Increased retention rates
- Upselling opportunity
- Opportunity to gain market share
- Extends role in workflow
- Increased speed to market product development and roll-out

CCH Axxess competitive landscape

CCH Axxess leads in North America as the only complete cloud-based suite

Competitors North American Professional Tax & Accounting Solutions

Professional Firm Workflow	Wolters Kluwer	Thomson Reuters	Intuit	Drake	Others
Tax Compliance	✓ ☁	✓	✓	✓	TaxSlayer, TaxAct
Audit	✓ ☁	✓	-	-	AICPA, CaseWare
Firm Management	✓ ☁	✓ ☁	✓ ☁	-	Karbon, Star, Canopy
Research & Learning	✓ ☁	✓	-	-	Bloomberg, LexisNexis, Big 4, CPA



Check marks indicate strength of market share and offering by area: ✓ High ✓ Moderate. Dash indicates no presence or not a strategic focus.
☁ indicates cloud or hybrid cloud offering.

Looking to the future

Investing to drive innovation and to extend our market reach



- Continue new horizon investment in no-touch returns, source data extraction, APIs and advanced technologies
- Expand browser-based capabilities by market
- Scale outsourcing solution through automation



- Expand footprint via new logo acquisition on core platform and expansion of customer wallet share
- Extend portfolio to support data-driven audit and expand globally
- Further commercialize APIs in CCH Axxess Marketplace



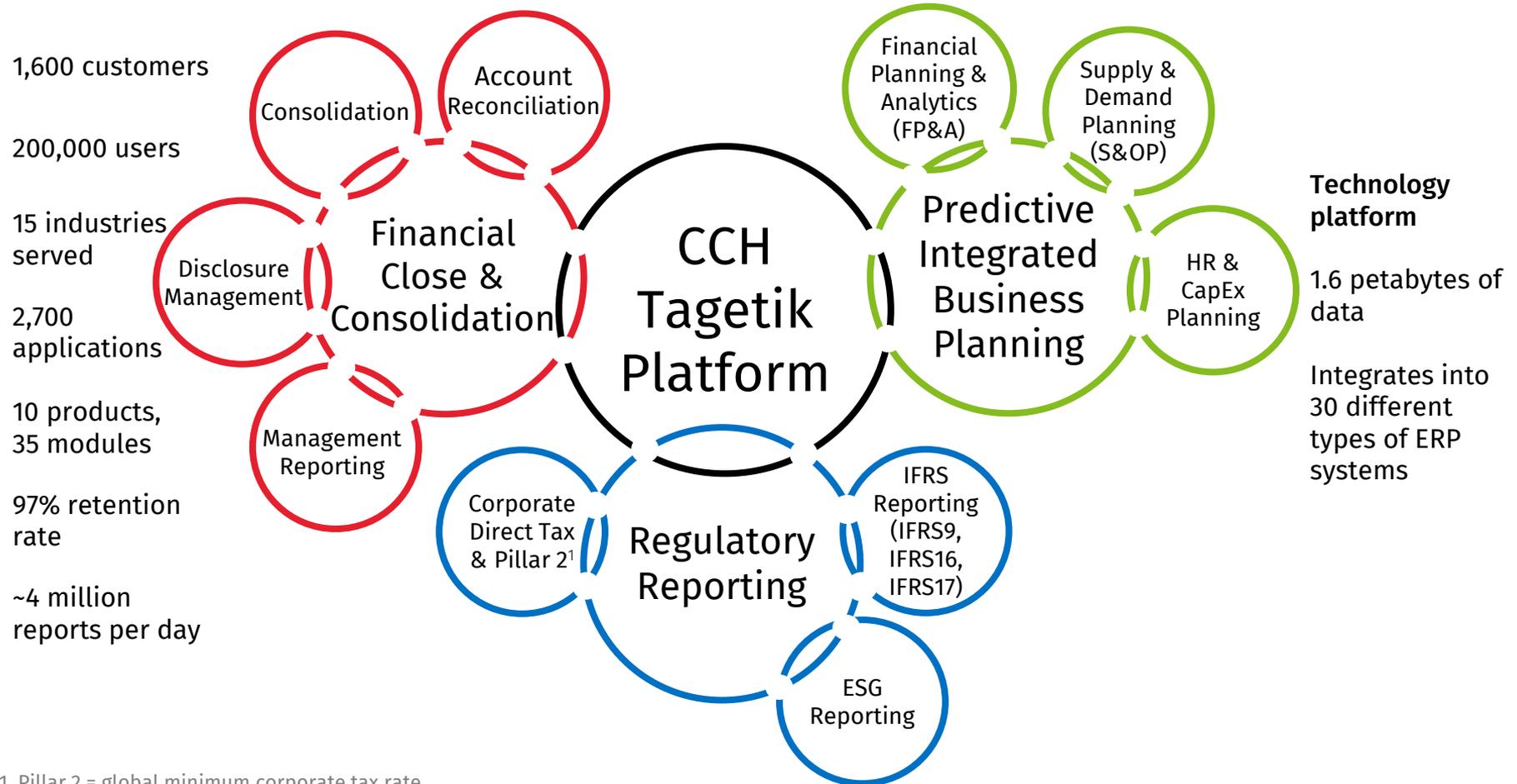
- Evolve toolset to support migrations and mergers & acquisitions
- Continue investment in product innovation, digital customer experience, critical infrastructure, and back-office standardization
- Grow talent and continue to improve engagement and belonging

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Expert solution: CCH Tagetik

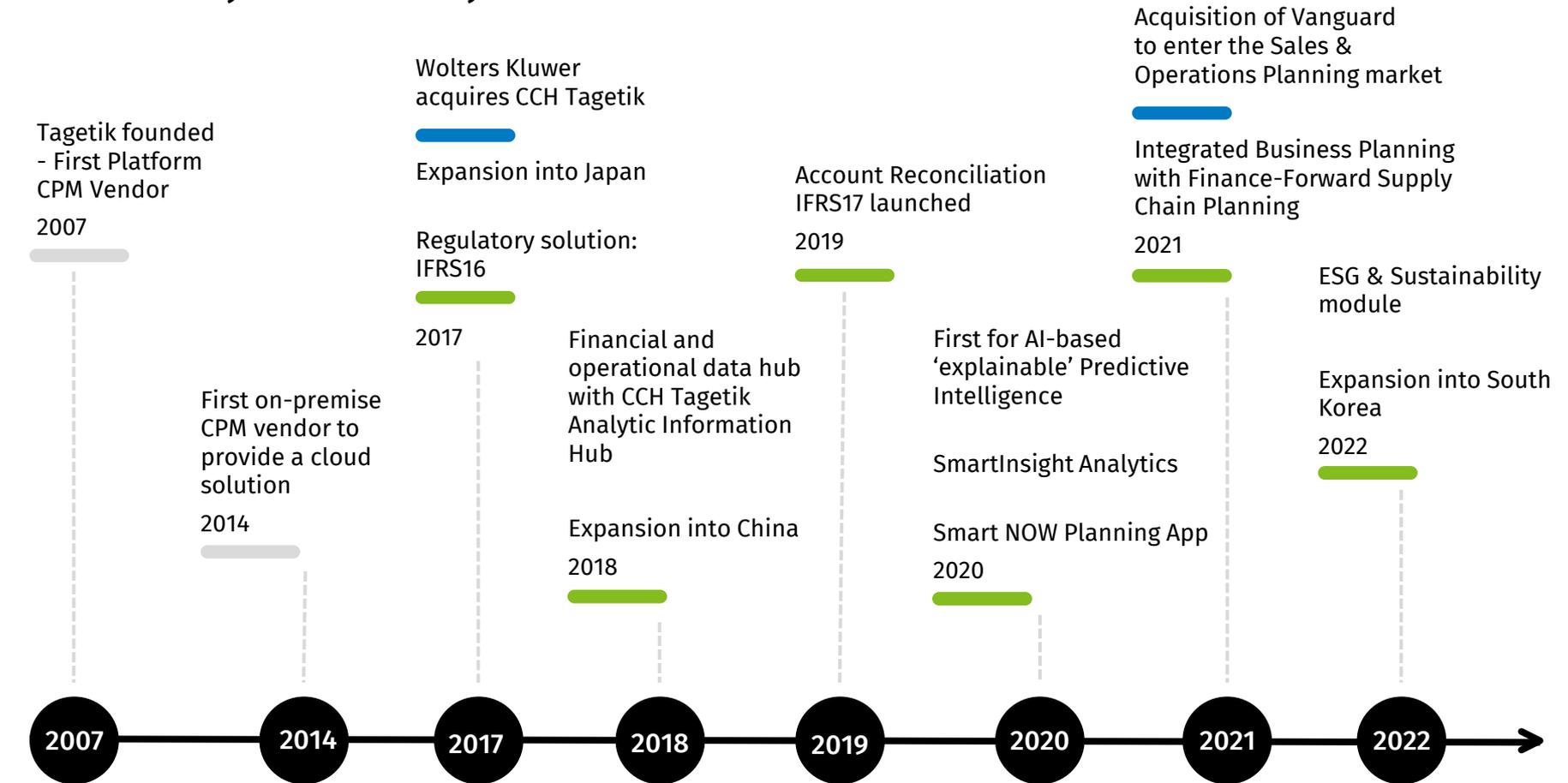
Leading cloud-based CPM platform to streamline finance workflows from consolidation and close to budgeting, planning, reporting and analytics



1. Pillar 2 = global minimum corporate tax rate

CCH Tagetik history: over a 15-year journey

Steady organic investment and acquisitions have helped extend CCH Tagetik across the finance workflow



Green lines represent new product launches.
Blue lines represent acquisitions.

Benefits

CCH Tagetik drives efficiencies and better results across the finance workflow

Customer Benefits

CFO



- Gains insights to drive value
- Improves decision making
- Retains and develops top talent
- Capitalizes on big data
- Optimizes resources
- Reduces risk of wrong decisions

Controller



- Performs fewer reconciliations
- Gains time for analysis
- Obtains reliable and auditable results faster
- Can handle new regulatory requirements
- Can perform in-depth analytics

FP&A



- Provides in-depth planning and analytics
- Creates comprehensive plans and forecasts
- Enables faster results
- Provides insights and action plans for value creation
- Aligns operations and finance

IT



- Reduces data duplication
- Low IT involvement
- Flexible deployment cloud or on-premise
- Leverages state of the art technologies: SAP HANA, AWS, Azure
- Gains foundation for the future

Business Model and Opportunities

- Annual subscription revenue model (cloud)
- High retention rates
- Opportunity to upsell additional modules
- Opportunity to gain market share
- Extends role in workflow
- Increased speed to market product development and roll-out

CCH Tagetik competitive landscape

CCH Tagetik offers one of the most comprehensive integrated CPM platforms in a still fragmented competitive landscape

Competitors Corporate Performance Management Software

	CPM Specialists				ERP Vendors		
Office of the CFO Workflows	Wolters Kluwer CCH Tagetik	OneStream	Anaplan	Others	SAP	Oracle	IBM
Financial Close & Consolidation, incl. Disclosure Management	✓  	✓  	✓ 	Planful, Insight Software	✓  	✓  	✓  
Integrated Business Planning, incl. FP&A and Supply Chain	✓  	✓  	✓ 	Jedox, Adaptive Insights	✓  	✓  	✓  
Regulatory Compliance, incl. Solvency II, IFRS 9, 15, 16, 17, and ESG	✓  	-	-	Thomson Reuters, Workiva	✓  	✓ 	-

Check marks indicate strength of market share and offering by area: ✓ High ✓ Moderate. Dash indicates no presence or not a strategic focus.
 indicates cloud or hybrid cloud offering.  indicates on-premise offering.

Looking to the future

Investing in sales and marketing, partnerships, and product innovation



Accelerate
Expert Solutions

- Continue geographic and product suite expansion
- Strengthen our North American footprint leveraging one enterprise offering for the Office of CFO including corporate tax



Expand
Our Reach

- Expand Financial Close and Reporting product portfolio
- Further expand Financial Planning into Operational Planning to realize the Integrated Business Planning vision
- Expand regulatory offering to support ESG reporting, global corporate direct tax, and Pillar 2 taxation



Evolve
Core Capabilities

- Evolve the partner ecosystem across the globe
- Continue to scale business operations and back office
- Grow talent and continue to improve engagement and belonging

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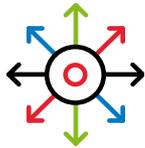
Strategy

Tax & Accounting will continue to pursue growth through organic investment in product superiority and innovation to expand our customer and market reach



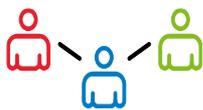
Product superiority

- Invest in cloud-based technology
- Leverage advanced technology including AI, machine learning, Web 3.0, blockchain



Land and Expand

- Land new customers
- Expand through up-selling and cross-selling



Cross business unit opportunities

- Drive linkages between Tax and CCH Targetik
- Drive synergies between internal and external audit platforms



Digital Marketing and Commerce

- Enhance the end-to-end customer experience
- Evolve go-to-market
- Build opportunities with Web 3.0 and the Metaverse

Q&A

