Wolters Kluwer

Wolters Kluwer 2020 Half-Year Report

August 5, 2020 – Wolters Kluwer, a global leader in professional information, software solutions, and services, today releases its half-year 2020 results.

Highlights

- **Revenues €2,294 million, up 3% in constant currencies and up 3% organically.**
  - Excluding revenues associated with the PPP[1], organic growth would have been 2%.
  - Recurring revenues up 4% organically (81% of total revenues); non-recurring impacted by COVID-19.
  - Digital & services revenues up 5% organically (93% of total); print down 18% organically.
- **Adjusted operating profit €577 million, up 14% in constant currencies.**
  - Adjusted operating profit margin benefitted from temporary cost reductions and other factors.
- **Diluted adjusted EPS €1.59, up 18% in constant currencies.**
- **Adjusted free cash flow €336 million, up 10% in constant currencies.**
- **Balance sheet and liquidity remain strong.**
  - Net-debt-to-EBITDA 1.5x; recent refinancing improves liquidity and extends maturity profile.
- **Interim dividend of €0.47 per share, set at 40% of prior year total dividend.**
- **Share buyback: €175 million of 2020 buyback of up to €350 million completed to date.**
- **Outlook 2020: specific guidance remains suspended.**
  - Recurring revenues from digital information, software and service subscriptions holding up well.
  - Print and non-recurring revenue streams expected to be weak in the remainder of the year.

Half-Year Report of the Executive Board

Nancy McKinstry, CEO and Chairman of the Executive Board, commented: *"In these unprecedented times, I am particularly proud of our employees who have been focusing their efforts on supporting our customers and who have remained agile and engaged while adjusting to remote working conditions. COVID-19 has impacted non-recurring and print revenue streams and slowed new sales activity, but our strategically important recurring digital revenues are demonstrating resilience. While we continue to suspend our specific 2020 guidance, we remain confident in the company's long-term prospects."*

Key Figures - Six months ended June 30

€ million, unless otherwise stated	2020	2019	Δ	Δ CC	Δ OG
Business performance – benchmark figures					
Revenues	2,294	2,204	+4%	+3%	+3%
Adjusted operating profit	577	497	+16%	+14%	+14%
Adjusted operating profit margin	25.2%	22.5%			
Adjusted net profit	426	351	+21%	+16%	
Diluted adjusted EPS	1.59	1.28	+24%	+18%	
Adjusted free cash flow	336	300	+12%	+10%	
Net debt	2,247	2,318	-3%		
IFRS reported results					
Revenues	2,294	2,204	+4%		
Operating profit	500	423	+18%		
Profit for the period	374	303	+23%		
Diluted EPS (€)	1.40	1.11	+26%		
Net cash from operating activities	491	436	+13%		

Δ: % Change; Δ: CC % Change in constant currencies (€/$ 1.12); Δ: OG % Organic growth. Benchmark adjusted figures are performance measures used by management. See Note 4 for a reconciliation from IFRS to benchmark figures.

[1] Throughout this document, "the PPP" refers to the U.S. Small Business Association's Paycheck Protection Program established by the 2020 U.S. Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Wolters Kluwer Compliance Solutions (part of Governance Risk & Compliance) adapted its TSoftPlus platform to support its bank customers in lending under this program.

Full-Year 2020 Outlook Remains Suspended due to COVID-19 Uncertainty

The COVID-19 pandemic and the measures and restrictions to control it continue to create challenges for our customers and uncertainty around economic conditions for everyone. Until we have greater clarity on the outlook, our specific 2020 guidance on adjusted operating profit margin, adjusted free cash flow, return on invested capital (ROIC), and diluted adjusted EPS remains suspended.

We currently expect recurring revenues for digital information, software and services subscriptions to show resilience, but we note that new sales of subscription products have been more difficult in current market conditions. Recurring revenues from print subscriptions have seen accelerated decline, which we expect will continue in the coming quarters. Of our non-recurring revenues[2] (FY 2019: 22% of total revenues), sales of new software licenses and implementation services are seeing delays, while transactional volumes, training, books, and other ad hoc revenue products are likely to remain weak in current conditions. A freeze on travel, a hold on non-critical hiring, and other temporary cost reductions initiated in the second quarter benefitted margins in the first half. These measures and additional programs and restructuring planned for the second half are aimed at protecting the full-year 2020 adjusted operating profit margin while sustaining investment in key products and strategic infrastructure.

If current exchange rates persist, the U.S. dollar rate will have a negative effect on results reported in euros. In 2019, Wolters Kluwer generated more than 60% of its revenues and adjusted operating profit in North America. As a rule of thumb, based on our 2019 currency profile, each 1 U.S. cent move in the average €/$ exchange rate for the year causes an opposite change of approximately 2 euro cents in diluted adjusted EPS.

Restructuring costs are included in adjusted operating profit. We now anticipate that restructuring costs will be in the range of €25-€35 million in 2020 (FY 2019: €26 million), higher than anticipated at the start of the year. We currently expect adjusted net financing costs of approximately €70 million in constant currencies[3], including approximately €10 million in lease interest charges. We currently expect the benchmark tax rate on adjusted pre-tax profits to be in the range of 23%-24% for 2020.

Capital expenditure is expected to be at the upper end of our normal range of 5%-6% of total revenues (FY 2019: 4.9%). Cash repayments of lease liabilities are expected to be in line with depreciation of right-of-use assets (FY 2019: €80 million). We currently expect the full-year cash conversion ratio to be around 95% (FY 2019: 96%). See Note 5 for the calculation of our cash conversion ratio.

Any guidance we provide 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.

2020 Outlook by Division

Health: We currently expect full-year organic growth to be positive but slower than 2019 levels.

Tax & Accounting: We currently expect full-year revenues to be broadly flat on an organic basis compared to prior year due to a challenging comparable (FY 2019: organic growth of 6%) and a more difficult new sales environment.

Governance, Risk & Compliance: Excluding revenues associated with the PPP[1], we expect revenues to see organic decline for the full year, due to declines in non-recurring revenues.

Legal & Regulatory: We currently expect organic decline in revenues in 2020 due to accelerated declines in print products and lower license fees, training, and other non-recurring revenues.

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[2] Non-recurring revenues include revenues from transactional services, software license sales and implementation services, training, advertising, print books, and other products sold on an ad hoc basis.
[3] 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: health; tax & accounting; governance, risk & compliance; and legal & 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. Since 2003, 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 continue to be 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 (81% of total revenues in HY 2020), augmented by implementation services revenues as well as volume-based transactional 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 19,000 employees who drive our achievements and we have been working to ensure we are providing engaging and rewarding careers.

Strategic Priorities 2019-2021

While COVID-19 is impacting our near-term financial performance, we remain committed to the strategic priorities we set out at the start of 2019. These strategic priorities 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. By 2021, we expect to complete the modernization of our Human Resources technology to support our efforts to attract and nurture talent.

In the 2019-2021 timeframe, we expect 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 return on invested capital above our weighted average cost of capital (8%) within three to five years.

Despite the COVID-19 disruption, we are making progress on this plan. In the first half of 2020, our expert solutions accounted for over 50% of total revenues and continued to deliver faster organic growth than the group as a whole. Our global expert solutions, which include products such as UpToDate in Health, TeamMate and CCH Tagetik in Tax & Accounting, OneSumX in Governance, Risk & Compliance, and Enablon in Legal & Regulatory, in aggregate achieved high single-digit organic growth. In the first half, we divested several small businesses that no longer fit our long-term strategic direction, contributing to a more focused portfolio. We increased investment in our digital information products, such as our European legal research solutions and our tax research platform CCH Answer Connect, to enhance their content, functionality and user interfaces, and to add capabilities that leverage artificial intelligence. We also advanced our operational agility, making further progress in the first half in moving towards standardized technology platforms and components and transitioning products to the cloud. In the first half of 2020, cloud software revenues grew 19% organically reaching just over a quarter of our total software revenues.

Financial Policy, Capital Allocation, Net Debt and Liquidity

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.

Dividend Policy

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[4] 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.

Interim Dividend 2020

As announced on February 26, 2020, the interim dividend for 2020 was set at 40% of the prior year total dividend. This results in an interim dividend of €0.47 per share, to be distributed on September 24, 2020 to holders of ordinary shares, or October 1, 2020, 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.

Share Buyback 2020

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

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

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 26, 2020, we announced our intention to repurchase shares for up to €350 million during 2020. On May 6, 2020, we re-affirmed this intention with the stipulation that we would temporarily slow the pace of share repurchases. In the year to August 4, 2020, we have spent €175 million on share buybacks, of which €154 million was settled in the first half of 2020.

Assuming global economic conditions do not deteriorate substantially, we believe current levels of cash returns leave 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.

For the period starting August 6, 2020, up to and including October 28, 2020, we have engaged a third party to execute €100 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 future obligations arising from share-based incentive plans.

Net Debt and Liquidity Position

Net debt at June 30, 2020, was €2,247 million, compared to €2,318 million at June 30, 2019 and €2,199 million at December 31, 2019. The rolling twelve months' net-debt-to-EBITDA ratio was 1.5x at June 30, 2020.

Our liquidity position remains strong with, as of June 30, 2020, net cash available of €502 million (cash and cash equivalents of €978 million less bank overdrafts used for cash management purposes of €476 million), partly offset by outstanding Euro commercial paper of €305 million.

On July 3, 2020, we issued a new €500 million 10-year senior unsecured Eurobond with an attractive coupon of 0.75%. The proceeds will be used for general corporate purposes.

On July 10, 2020, we signed a new €600 million 3-year multi-currency credit facility. This new facility will mature in 2023 and includes two one-year extension options, replacing an existing facility which was due to expire in July 2021. This facility is currently undrawn. We remain comfortably below the debt covenant on our credit facility.

Apart from a €250 million private loan agreement maturing in December 2020, we currently have no long-term debt maturing between 2020 and 2022.

Share Cancellation 2020

At the 2020 Annual General Meeting of April 23, 2020, 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. As authorized by shareholders, the Executive Board has determined the number of ordinary shares to be cancelled this year is 5.5 million. Wolters Kluwer intends to cancel these shares in the second half of 2020. As of August 4, 2020, Wolters Kluwer held 8.1 million shares in treasury. A portion of these treasury shares will be retained in order to meet future obligations under share-based incentive plans.

Wolters Kluwer

Half-Year 2020 Results

Benchmark Figures

Group revenues rose 4% overall to €2,294 million, including a 1% positive impact from currency, mainly the U.S. dollar which averaged €/$ 1.10 in the period (HY 2019: €/$ 1.13). In constant currencies, revenues increased by 3%. The net effect of divestments and acquisitions on revenues was slightly negative. Excluding both the impact of currency and the effect of acquisitions and disposals, organic growth was 3% (HY 2019: 4%). Excluding revenues associated with the PPP[1], organic growth would have been 2%.

Revenues from North America, which accounted for 63% of group revenues, grew 4% organically (HY 2019: 3%). Revenues from Europe, 30% of total revenues, saw organic growth decelerate to 2% (HY 2019: 6%), with all divisions experiencing slower growth. Revenues from Asia Pacific and Rest of World, 7% of total revenues, were broadly stable on an organic basis (compared to growth of 3% a year ago), with robust performance in Tax & Accounting offset by weakened trends in other divisions.

Adjusted operating profit was €577 million, an increase of 14% in constant currencies. The adjusted operating profit margin increased 270 basis points to 25.2% (HY 2019: 22.5%), as a result of temporary cost reductions, including a freeze on travel, a hold on non-critical hiring, a reduction in promotional spending, and other short-term actions initiated in mid-March. In addition, the margin reflects a €10 million reduction in restructuring charges, a one-time insurance reimbursement, and a benefit from revenues associated with the PPP[1].

Our share of profits from associates, net of tax, was €5 million (HY 2019: €0 million), mainly due to a one-time higher result related to the stake in Logical Images that was divested in May 15, 2020, for €10 million.

Adjusted net financing costs reduced to €25 million (HY 2019: €31 million), reflecting exchange rate movements.

Adjusted profit before tax was €557 million (HY 2019: €466 million), up 15% in constant currencies. The benchmark tax rate on adjusted profit before tax reduced to 23.5% (HY 2019: 24.7%) due to lower interest charges and limitations in The Netherlands and the favorable impact of tax losses in 2020.

Adjusted net profit was €426 million (HY 2019: €351 million), an increase of 16% in constant currencies.

Diluted adjusted EPS was €1.59 (HY 2019: €1.28), up 18% in constant currencies, reflecting the increase in adjusted net profit and a 2% reduction in the diluted weighted number of shares outstanding to 267.6 million (HY 2019: 273.3 million).

IFRS Reported Figures

Reported operating profit rose 18% to €500 million (HY 2019: €423 million), mainly reflecting the 16% increase in adjusted operating profit. Amortization and impairment of acquired identifiable intangible assets increased to €75 million (HY 2019: €73 million).

Reported financing results amounted to a net cost of €19 million (HY 2019: €24 million), including a €7 million net gain on disposals of associates and financial assets (HY 2019: €9 million). The disposals included our remaining 45% interest in Medicom in China and our 40% interest in Logical Images in the U.S.

The reported effective tax rate was 23.1% (HY 2019: 24.0%) reflecting lower interest charges and limitations in the Netherlands and the favorable impact of tax losses in 2020. Total reported profit for the period increased 23% to €374 million (HY 2019: €303 million) and diluted earnings per share increased 26% to €1.40 (HY 2019: €1.11).

Cash Flow

Adjusted operating cash flow was €485 million (HY 2019: €447 million), up 7% in constant currencies. The cash conversion ratio declined to 84% (HY 2019: 90%) due to increased capital expenditures and increased working capital outflows. Net capital expenditure increased to €121 million (HY 2019: €100 million) due to increased expenditure related to investments in critical products and systems. Working capital outflows reflect timing of payments. Cash payments related to leases, including lease interest payments, increased to €41 million (HY 2019: €39 million). Depreciation, including the amortization and impairment of internally developed software and other products, increased 2% at constant currencies to €103 million (HY 2019: €100 million). Depreciation of right-of-use-assets was €36 million (HY 2019: €35 million).

Net interest paid, excluding lease interest paid, was €39 million (HY 2019: €34 million). Corporate income tax paid was €111 million, broadly in line with the prior period (HY 2019: €112 million). Net cash use of restructuring provisions amounted to €4 million (HY 2019: €6 million), relating to net restructuring additions of €3 million and appropriations of €7 million.

Adjusted free cash flow was €336 million (HY 2019: €300 million), up 12% overall and up 10% in constant currencies.

Total acquisition spending, net of cash acquired and including transaction costs, was €26 million (HY 2019: €34 million) and primarily relates to the acquisition of CGE by Legal & Regulatory. Deferred payments on acquisitions completed in prior years, including earnouts, amounted to €3 million (HY 2019: €0 million).

Divestment proceeds, net of cash disposed and transaction costs, were €20 million (HY 2019: €32 million) and relate to the divestment of certain Belgian training assets, the sale of certain German business lines, and the sale of our stakes in Medicom and Logical Images.

Dividends paid to shareholders during the first six months amounted to €210 million (HY 2019: €174 million) in respect of the 2019 final dividend. During the first six months, €156 million of shares were repurchased (HY 2019: €87 million) of which €154 million was settled before June 30 (HY 2019: €84 million).

Net Debt and Leverage

Net debt at June 30, 2020, was €2,247 million compared to €2,199 million at December 31, 2019. Included in net debt were €370 million of short-term and long-term lease liabilities. The rolling twelve-months' net-debt-to-EBITDA ratio was 1.5x (Year-end 2019: 1.6x).

Sustainability

We continue to pay close attention to our performance on environmental, social, and governance matters. We are currently launching a new Code of Business Ethics to reinforce a culture of integrity and openness. The new code will form part of our annual mandatory compliance training for all employees globally. During the ongoing COVID-19 pandemic, we have been conducting regular employee surveys to monitor engagement levels and inform managers on what support is needed during this time, when approximately 95% of employees are still working from home and many are experiencing increased workloads.

This year we also strengthened our "Green is Green" program which aims to support our office managers and employees to adopt environmentally sound practices. The recently agreed new credit facility provides us with an option to introduce sustainability or ESG targets.

Divisional & Operating Review

Group organic growth for the first half was 3%. Excluding revenues associated with the PPP[1], organic growth would have been 2%. The increase in our adjusted operating profit margin was driven in large part by temporary cost reductions including a freeze on travel and a hold on non-critical hiring, lower restructuring charges, and favorable one-off items, including an insurance reimbursement.

Divisional Summary - Six months ended June 30

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Revenues					
Health	581	552	+5%	+3%	+3%
Tax & Accounting	713	684	+4%	+3%	+3%
Governance, Risk & Compliance	564	518	+9%	+6%	+6%
Legal & Regulatory	436	450	-3%	-3%	-2%
Total revenues	**2,294**	**2,204**	**+4%**	**+3%**	**+3%**
Adjusted operating profit					
Health	162	139	+17%	+14%	+15%
Tax & Accounting	219	193	+14%	+12%	+12%
Governance, Risk & Compliance	181	152	+19%	+16%	+16%
Legal & Regulatory	43	41	+5%	+6%	+7%
Corporate	(28)	(28)	+1%	0%	0%
Total adjusted operating profit	**577**	**497**	**+16%**	**+14%**	**+14%**
Adjusted operating profit margin					
Health	27.9%	25.2%			
Tax & Accounting	30.8%	28.2%			
Governance, Risk & Compliance	32.1%	29.3%			
Legal & Regulatory	9.8%	9.1%			
Total adjusted operating profit	**25.2%**	**22.5%**			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.12); Δ OG: % Organic growth.

Recurring revenues, which include subscriptions and other renewing revenue streams, accounted for 81% of total revenues (HY 2019: 80%) and grew 4% organically (HY 2019: 5%). Digital and service subscriptions performed very well, sustaining 6% organic growth (HY 2019: 6%). Print subscriptions recorded accelerated decline of 12% (HY 2019: 4% decline) while other recurring revenues were down 7% organically (HY 2019: 0%), partly due to the delay in IRS filing dates in Tax & Accounting. In aggregate, non-recurring revenues declined 2% organically (HY 2019: 1% decline). Excluding revenues associated with the PPP[1], total non-recurring revenues would have declined 8% organically. Print books recorded an accelerated organic decline of 27% (HY 2019: 16% decline).

Revenues by Type - Six months ended June 30

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Digital and service subscription	1,623	1,501	+8%	+7%	+6%
Print subscription	90	102	-11%	-12%	-12%
Other recurring	141	153	-8%	-10%	-7%
Total recurring revenues	**1,854**	**1,756**	**+6%**	**+4%**	**+4%**
Print books	49	69	-28%	-29%	-27%
LS transactional	117	122	-4%	-6%	-6%
FS transactional	80	50	+60%	+56%	+56%
Other non-recurring	194	207	-7%	-7%	-6%
Total non-recurring revenues	**440**	**448**	**-2%**	**-3%**	**-2%**
Total revenues	**2,294**	**2,204**	**+4%**	**+3%**	**+3%**

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.12); Δ OG: % Organic growth. Other non-recurring revenues include software licenses, software implementation fees, professional services, and other non-subscription offerings. LS = Legal Services; FS = Financial Services.

Health

- Clinical Solutions revenues grew 7% organically.
- Learning, Research & Practice revenues declined 1% organically, due to print decline of 21%.
- Margin reflects temporary cost reductions and lower restructuring charges.

Health – Six months ended June 30, 2020

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Revenues	581	552	+5%	+3%	+3%
Adjusted operating profit	162	139	+17%	+14%	+15%
Adjusted operating profit margin	27.9%	25.2%			
Operating profit	144	121	+19%		
Net capital expenditure	16	15			
Ultimo FTEs	2,884	2,888			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.12); Δ OG: % Organic growth.

Wolters Kluwer Health revenues increased 3% in constant currencies and 3% organically (HY 2019: 4%). Adjusted operating profit increased 14% in constant currencies, reflecting temporary cost reductions and lower restructuring charges. The increase in IFRS operating profit reflects the increase in adjusted operating profit.

Clinical Solutions (56% of Health revenues) sustained 7% organic revenue growth (HY 2019: 7%), despite challenging market conditions. In clinical decision support, the UpToDate suite saw continued strong growth driven by renewals, upsells, and new customer wins. The UpToDate Advanced module, which includes interactive pathways and lab interpretation tools, now has over 1,050 hospitals around the world subscribing. In May 2020, UpToDate introduced voice-based search in partnership with Nuance Communications. Our drug information solutions delivered solid growth benefitting from closer integration with UpToDate. With hospital budgets facing unprecedented pressure from the COVID-19 pandemic, demand for patient engagement solutions is weak and Emmi recorded a revenue decline. Our clinical software solutions posted positive organic growth with mixed performances.

Health Learning, Research & Practice (44% of divisional revenues) revenues declined 1% organically (HY 2019: 0%) as improved momentum for digital subscription products was more than offset by accelerated decline in print formats. Printed books and other non-recurring revenues, including conferences and advertising, saw the most significant impact from the COVID-19 disruption. In medical research, our digital research platform, Ovid, sustained positive organic growth driven by subscription renewals and increased content. In education and practice, printed books recorded a 48% decline, partly due to disruption in medical and nursing school programs. Subscription-based digital learning solutions for nursing schools, such as *Lippincott CoursePoint+* and *vSim*, performed strongly supported by new digital capabilities and innovations. In continuing medical education, Learner's Digest was impacted by the disruption in medical conferences and stepped up investment in digital content.

Tax & Accounting

- Corporate Performance Solutions grew 12% organically.
- Professional Tax & Accounting grew 2% organically, facing difficult new sales conditions.
- Margin reflects temporary cost reductions, operational gearing, and one-off factors.

Tax & Accounting – Six months ended June 30

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Revenues	713	684	+4%	+3%	+3%
Adjusted operating profit	219	193	+14%	+12%	+12%
Adjusted operating profit margin	30.8%	28.2%			
Operating profit	199	171	+16%		
Net capital expenditure	40	30			
Ultimo FTEs	6,800	6,511			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.12); Δ OG: % Organic growth.

Wolters Kluwer Tax & Accounting revenues grew 3% in constant currencies. Organic growth slowed to 3% against a strong comparable (HY 2019: 6%) and amidst a more challenging new sales environment for software. Adjusted operating profit rose 12% in constant currencies, reflecting temporary cost reductions, increased scale and operational gearing in Corporate Performance Solutions, a one-off insurance reimbursement, and lower restructuring charges. IFRS operating profit increased 16%, supported by the increase in adjusted operating profit and lower amortization of acquired identifiable intangible assets.

Corporate Performance Solutions (14% of divisional revenues) saw organic growth slow to 12% against a strong comparable (HY 2019: 20%) and amidst more challenging conditions for new software sales and implementation services starting in the second quarter. Recurring revenues for cloud-based versions of CCH Tagetik and TeamMate grew well.

North America Professional Tax & Accounting (52% of divisional revenues) recorded slower organic growth of 1% (HY 2019: 3%) mainly due to the more difficult backdrop for new sales of on-premise and cloud software and due to the delay in IRS filing deadlines which deferred revenues from e-filing and bank product services. Software growth was supported by increased take-up of additional cloud modules by our existing CCH Axcess subscribers. Our professional audit solutions, PFX Engagement for on-premise and the new CCH Axcess™ KnowledgeCoach for cloud customers, sustained good organic growth. In Research & Learning, digital tax research posted good growth, but print formats and training posted further decline.

Europe Professional Tax & Accounting (28% of divisional revenues) achieved 5% organic growth against a challenging comparable (HY 2019: 8% organic growth). The European business also faced more difficult conditions for new sales of both on-premise software and cloud and hybrid-cloud collaboration tools.

Asia Pacific & Rest of World Professional Tax & Accounting (6% of divisional revenues) saw improved performances in India, Australia, and New Zealand, while China delivered double-digit organic growth. Brazil remained weak.

Governance, Risk & Compliance

- Legal Services recorded 1% organic revenue decline, due to a downturn in transactional volumes.
- Financial Services grew 16% organically, including revenues associated with the PPP[1].
- Margin reflects temporary cost reductions and one-off factors.

Governance, Risk & Compliance – Six Months Ended June 30, 2020

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Revenues	564	518	+9%	+6%	+6%
Adjusted operating profit	181	152	+19%	+16%	+16%
Adjusted operating profit margin	32.1%	29.3%			
Operating profit	162	134	+22%		
Net capital expenditure	38	34			
Ultimo FTEs	4,476	4,265			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.12); Δ OG: % Organic growth.

Wolters Kluwer Governance, Risk & Compliance revenues rose 6% in constant currencies and 6% organically (HY 2019: 4%). Excluding non-recurring revenues associated with the PPP[1], organic growth was 1%. The adjusted operating profit margin increased, reflecting temporary cost reductions, lower restructuring charges, a one-off insurance reimbursement and a benefit from revenues associated with the PPP[1]. IFRS operating profit increased 22% due to the increase in adjusted operating profit.

Legal Services (55% of divisional revenues) posted organic revenue decline of 1% (HY 2019: growth of 4%). CT Corporation, a U.S. leader in registered agent and corporate legal compliance services, achieved positive organic growth in its recurring service subscription revenues, but experienced a double-digit decline in Legal Services (LS) transactional revenues as COVID-19 impacted business formations and related diligence search activity. Enterprise Legal Management (ELM) Solutions, which provides corporate legal spend and matter management software, recorded modest organic growth as an increase in software implementation fees and transactional revenues was partly offset by lower recurring software revenues.

Financial Services (45% of divisional revenues) recorded organic growth of 16% (HY 2019: 2%), reflecting the rapid and successful development and roll-out by our Compliance Solutions unit of an adaptation to our TSoftPlus software which enabled our bank customers to participate in the U.S. Paycheck Protection Program. Lien Solutions, a wholly transactional business, delivered broadly flat revenues as growth in its motor vehicle title perfection service offset steep declines in UCC search and filing volumes. Finance, Risk & Reporting, known for its OneSumX regulatory reporting software, saw organic revenue growth slow to mid-single-digits. Recurring software maintenance revenues from the existing customer base slowed and new license fees were lower. The new cloud-based version of the OneSumX regulatory reporting solution gained new customers.

Legal & Regulatory

- EHS/ORM[5] & Legal Software, now 17% of divisional revenues, grew 11% organically.
- Information Solutions declined 4% organically due to accelerated decline in print formats.
- Margin increase reflects the effect of temporary cost savings and operational gearing in EHS/ORM.

Legal & Regulatory – Six months ended June 30

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Revenues	436	450	-3%	-3%	-2%
Adjusted operating profit	43	41	+5%	+6%	+7%
Adjusted operating profit margin	9.8%	9.1%			
Operating profit	23	25	-6%		
Net capital expenditure	27	20			
Ultimo FTEs	4,306	4,320			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.12); Δ OG: % Organic growth.

Legal & Regulatory revenues declined 3% in constant currencies, reflecting the effect of net disposals, notably our Belgian training assets (divested in January 2020) and certain German business lines (divested in March and May 2020, respectively). Excluding both currency and net disposals, organic revenues declined 2% (HY 2019: growth of 2%) mainly due to an accelerated decline in print subscriptions and print books, as well as in other non-recurring revenue streams. Adjusted operating profit increased 6% in constant currencies, reflecting temporary cost reductions and lower restructuring charges. In addition, margins in EHS/ORM software improved due to increased scale and operational gearing. Reported IFRS operating profit declined due to higher amortization of acquired identifiable intangible assets.

EHS/ORM & Legal Software (17% of divisional revenues), which includes our global environmental, health and safety (EHS) and operational risk management (ORM) solutions and legal software, saw organic growth slow to 11% (HY 2019: 17%). In EHS/ORM software, recurring cloud-based revenues sustained strong growth, but non-recurring on-premise license and implementation revenues declined. CGE, acquired in January 2020, performed in line with expectations and is being integrated with Enablon and eVision. Legal software, led by Kleos for law firms and Legisway for corporate legal departments, sustained high-single-digit organic growth as increases in cloud-based revenues more than offset a decline in on-premise licenses.

Legal & Regulatory Information Solutions (83% of divisional revenues) recorded organic revenue decline of 4% (HY 2019: growth of 1%) due to an accelerated decline in print-based loose-leaf and journal subscriptions and print book revenues. Print formats, which accounted for 23% of the unit's revenues, were impacted by COVID-19, with U.S. legal education textbooks particularly weakened. Training and other non-recurring services also recorded weaker trends globally. Digital information solutions, which accounted for 69% of the unit's revenues in the first six months, sustained 6% organic growth, with U.S. digital solutions, such as Cheetah and RBSource, posting strong organic growth.

[5] Environmental, health and safety (EHS) and operational risk management (ORM).

Corporate

Net corporate expenses were stable at constant currencies and on an underlying basis. Lower expenses in travel were offset by increased spending on various projects.

Corporate – Six months ended June 30, 2020

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Adjusted operating profit	(28)	(28)	+1%	0%	0%
Operating profit	(28)	(28)	+1%		
Net capital expenditure	0	1			
Ultimo FTEs	133	132			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.12); Δ OG: % Organic growth.

Risk Management

In the 2019 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 2020.

In addition to the risks stated in the 2019 Annual Report, the company deems it appropriate to add the COVID-19 situation as a specific risk, as follows:

The present COVID-19 pandemic causes global economic disruption, uncertain market conditions, and the impact of the COVID-19 pandemic on the company is uncertain and cannot be predicted. Given uncertain market conditions, the company announced on May 6, 2020 the suspension of its 2020 outlook, and until the company has greater clarity on the outlook, specific 2020 guidance on adjusted operating profit margin, adjusted free cash flow, ROIC, and diluted adjusted EPS remains suspended.

The impact of the COVID-19 pandemic on the company's business will depend on a range of factors, which the company is not able to accurately predict, including the duration and scope of the pandemic, the geographies impacted, the impact on economic activity, and the severity of measures adopted by governments. Depending on the spread and continued impact of COVID-19, disruptions due to the pandemic may have a negative impact on the company's business and customer demand, which could have a material adverse effect on the company's cash flow, financial condition and results of operations. If the situation deteriorates or persists for an extended period of time in key geographies and/or key businesses, then the risk of a significant impact on the company's business due to the COVID-19 pandemic will increase.

Statement by the Executive Board

The Executive Board is responsible for the preparation of the 2020 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, 2020. The condensed consolidated interim financial statements for the six months ended June 30, 2020, 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 35 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, 2020, 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 reasonably to be expected course of affairs for the second half of 2020 as well as an indication of important events that have occurred during the six months ended June 30, 2020, 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 2020, and also includes the major related parties transactions entered into during the six months ended June 30, 2020.

Alphen aan den Rijn, August 4, 2020

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, 2020, and 2019

Unaudited Condensed Consolidated Interim Statement of Profit or Loss

(in millions of euros, unless otherwise stated)	Note	Six months ended June 30	
		2020	2019
Revenues	6	**2,294**	**2,204**
Cost of revenues		(675)	(672)
Gross profit		**1,619**	**1,532**
Sales costs		(383)	(389)
General and administrative costs		(734)	(719)
Total operating expenses		(1,117)	(1,108)
Other operating income and (expense)		(2)	(1)
Operating profit		**500**	**423**
Financing results		(19)	(24)
Share of profit of equity-accounted investees, net of tax		5	0
Profit before tax		**486**	**399**
Income tax expense		(112)	(96)
Profit for the period		**374**	**303**
Attributable to:			
▪ Owners of the company		374	303
▪ Non-controlling interests		0	0
Profit for the period		**374**	**303**
Earnings per share (EPS) (€)			
Basic EPS		1.40	1.12
Diluted EPS		1.40	1.11

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

(in millions of euros)	Six months ended June 30			
		2020		2019
Comprehensive income:				
Profit for the period		**374**		**303**
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	(19)		12	
Gains/(losses) on cash flow hedges	(11)		(9)	
Items that will not be reclassified to the statement of profit or loss:				
Remeasurements on defined benefit plans	0		5	
Other comprehensive income for the period, before tax		(30)		8
Income tax on other comprehensive income		0		(1)
Other comprehensive income for the period		**(30)**		**7**
Total comprehensive income for the period		**344**		**310**
Attributable to:				
▪ Owners of the company		344		310
▪ Non-controlling interests		0		0
Total		**344**		**310**

Unaudited Condensed Consolidated Interim Statement of Cash Flows

(in millions of euros)	Six months ended June 30			
		2020		2019
Cash flows from operating activities				
Profit for the period		374		303
Adjustments for:				
Financing results	19		24	
Share of profit of equity-accounted investees, net of tax	(5)		0	
Income tax expense	112		96	
Amortization, impairments, and depreciation	214		208	
Additions to and releases of provisions	3		5	
Book (profit)/loss on divestments of operations	(2)		0	
Share-based payments	11		10	
Autonomous movements in working capital	(69)		(46)	
Other	(3)		(2)	
Total adjustments		280		295
Interest paid and received (including the interest portion of lease payments)		(45)		(39)
Paid income tax		(111)		(112)
Appropriation of provisions		(7)		(11)
Net cash from operating activities		**491**		**436**
Cash flows from investing activities				
Capital expenditure		(121)		(100)
Acquisition spending, net of cash acquired		(25)		(33)
Receipt from divestments, net of cash disposed		21		32
Dividends received		1		-
Net cash used in investing activities		**(124)**		**(101)**
Cash flows from financing activities				
Repayment of loans		0		(144)
Proceeds from new loans		105		150
Repayment of principal portion of lease liabilities		(35)		(34)
Collateral received/(paid)		1		8
Repurchased shares		(154)		(84)
Dividends paid		(210)		(174)
Net cash used in financing activities		**(293)**		**(278)**
Net cash flow before effect of exchange differences		**74**		**57**
Exchange differences on cash and cash equivalents and bank overdrafts		(6)		3
Net change in cash and cash equivalents less bank overdrafts		68		60
Cash and cash equivalents less bank overdrafts at January 1		434		179
Cash and cash equivalents less bank overdrafts at June 30		**502**		**239**
Add: Bank overdrafts used for cash management purposes at June 30		476		589
Cash and cash equivalents at June 30 in the Statement of Financial Position		**978**		**828**

Wolters Kluwer

Unaudited Condensed Consolidated Interim Statement of Financial Position

(in millions of euros)	Note	June 30, 2020		December 31, 2019		June 30, 2019*	
Goodwill and intangible assets		5,654		5,694		5,767	
Property, plant, and equipment		99		95		88	
Right-of-use assets		341		341		311	
Investments in equity-accounted investees		7		8		10	
Financial assets and other receivables		32		39		32	
Contract assets		21		20		18	
Deferred tax assets		100		102		106	
Total non-current assets			6,254		6,299		6,332
Inventories		74		73		76	
Contract assets		155		137		114	
Trade receivables		990		1,087		889	
Other receivables		223		233		236	
Current income tax assets		10		22		47	
Cash and cash equivalents		978		899		828	
Assets classified as held for sale		6		25		-	
Total current assets			2,436		2,476		2,190
Total assets			**8,690**		**8,775**		**8,522**
Issued share capital		33		33		34	
Share premium reserve		87		87		87	
Other reserves		2,249		2,260		2,164	
Equity attributable to the owners of the company			2,369		2,380		2,285
Non-controlling interests			0		0		0
Total equity			2,369		2,380		2,285
Long-term debt	9	1,819		1,818		2,066	
Long-term lease liabilities	9	294		293		265	
Deferred tax liabilities		346		348		364	
Employee benefits		123		122		139	
Provisions		5		5		11	
Total non-current liabilities			2,587		2,586		2,845
Deferred income		1,685		1,679		1,581	
Other contract liabilities		49		39		40	
Trade and other payables		713		901		773	
Current income tax liabilities		156		163		164	
Short-term provisions		19		24		16	
Borrowings and bank overdrafts	9	784		670		747	
Short-term private placements	9	250		250		-	
Short-term lease liabilities	9	76		75		71	
Liabilities classified as held for sale		2		8		-	
Total current liabilities			3,734		3,809		3,392
Total liabilities			6,321		6,395		6,237
Total equity and liabilities			8,690		8,775		8,522

* Restated for IFRIC 23 and certain reclassifications; see Note 2 for further details.

Unaudited Condensed Consolidated Interim Statement of Changes in Total Equity

(in millions of euros)	Note	2020		
		Equity attributable to the owners of the company	Non-controlling interests	Total equity
Balance at January 1, 2020		**2,380**	**0**	**2,380**
Total comprehensive income for the period		344	0	344
Share-based payments		11	-	11
Final cash dividend 2019		(210)	-	(210)
Repurchased shares		(156)	-	(156)
Other movements		0	-	0
Balance at June 30, 2020		**2,369**	**0**	**2,369**

(in millions of euros)	Note	2019		
		Equity attributable to the owners of the company	Non-controlling interests	Total equity
Balance at January 1, 2019		**2,254**	**0**	**2,254**
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		**2,285**	**0**	**2,285**

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; 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.

These unaudited condensed consolidated interim financial statements ('interim financial statements') for the six months ended June 30, 2020, comprise the group and the group's interests in associates.

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, 2019.

The interim financial statements for the six months period ended June 30, 2020, have been abridged from Wolters Kluwer's 2019 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 August 4, 2020.

Accounting policies
The accounting policies applied in these interim financial statements are the same as those applied in the 2019 Financial Statements, apart from the effect of the following new accounting standards and amendments which became effective as of January 1, 2020:
- IBOR Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, and IFRS 7);
- Definition of a Business (Amendments to IFRS 3);
- Definition of Material (Amendments to IAS 1 and IAS 8); and
- Amendments to References to the Conceptual Framework in IFRS Standards.

These amendments did not have any impact on the amounts recognized in the current or prior periods and are not expected to significantly affect future periods.

Effect of forthcoming accounting standards
A number of new standards and amendments are not yet effective for the year ending December 31, 2020, and have not been early adopted in these interim financial statements. The group expects no significant changes as a result of these new standards and amendments.

Judgments and estimates
The preparation of the interim financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of income and expense.

The estimates and underlying assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not clear from other sources. Actual results may differ from those estimates and may result in material adjustments in the next financial period(s).

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 2019 Financial Statements (reference is made to Note 3 'Accounting Estimates and Judgments' of the 2019 Consolidated Financial Statements). For a further update due to COVID-19, refer to Note 3.

Reference is also made to Note 30 'Financial Risk Management' of the 2019 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 2019 Annual Report. For a further update due to COVID-19, refer to Note 3.

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	2020	2019
U.S. dollar (at June 30)	1.12	1.14
U.S. dollar (average six months)	1.10	1.13
U.S. dollar (at December 31)		1.12

Comparatives
In the June 30, 2019, comparative consolidated statement of financial position, the following reclassifications took place:

- An amount of €142 million is reclassified from deferred tax liabilities to current income tax liabilities, following the adoption of IFRIC 23 Uncertainty over Income Tax Treatments in 2019.
- An amount of €9 million, relating to legal provisions, is reclassified from trade and other payables to provisions.

For further background on the nature of these reclassifications, refer to Note 1 'General and Basis of Preparation' of the 2019 Consolidated Financial Statements.

In addition, certain minor reclassifications have been made to the comparative consolidated statement of financial position and the related notes to conform to the current year presentation and to improve insights. These reclassifications have had no impact on the comparative shareholders' equity and comparative profit for the period.

Note 3 Impact of COVID-19 on judgments, estimates, and risk management

General
The COVID-19 pandemic and the unprecedented measures taken to contain its spread have led to some disruption in our end user markets and have created significant uncertainty in terms of economic conditions around the world. The impact of the pandemic on the group's business will depend on a range of factors which the group is currently not able to accurately predict, including: the duration and scope of the pandemic, the geographies impacted, the effect on economic activity and spending patterns, and the continually changing measures adopted by governments around the world. The pandemic may have a negative impact on customer demand, our ability to market or implement our solutions, or our operating costs, which in turn could have a material adverse effect on the group's cash flow, financial condition, and results of operations. If the situation deteriorates or persists for an extended period of time in key geographies and/or in key businesses, then the risk of a significant impact on the group's business due to the COVID-19 pandemic will increase.

The group did not apply for COVID-19-related government assistance programs, with the exception of a few minor instances immaterial to our financial results.

Update on judgments and estimates
Due to the uncertainties mentioned above and considering the potential impact of current market conditions on future cash inflows, the group examined whether there were any triggering events for impairment of non-current assets.

Across all divisions, the group expects renewal rates for existing digital and services subscriptions to show resilience, but new sales of subscription products and renewals are likely to be more difficult in current market conditions. Sales of new software licenses and implementation services may well be postponed while transactional volumes, training, books, and other non-recurring revenue products are likely to be weak in current conditions. The group has prepared and initiated cost reduction plans for various revenue growth scenarios in 2020 and 2021 aiming to protect margins while sustaining key product and strategic investments. The group is closely monitoring fast-changing market conditions and will adapt its response as needed.

At half-year 2020, the group performed an impairment triggering event analysis, in which the development of new sales, attrition rates of existing customers, growth rates, and cost measures were the main drivers. In combination with the substantial headroom in the annual impairment test of 2019, the group concluded that there is no impairment trigger for goodwill. The group also concluded that there is no impairment trigger for the vast majority of other non-current assets, consisting mainly of acquired identifiable intangible assets. For one cash generating unit in the Health operating segment, we identified a triggering event. For this U.S.-based unit, expectations of new sales and pipelines deteriorated and there was downward pressure on renewals, partially due to COVID-19. Based on a scenario analysis in which the value-in-use was compared with the carrying value, the group concluded that there is no impairment at half-year 2020, whereby the critical key assumptions were new sales, attrition rates and the effectiveness of cost measures.

At half year 2020, the group did not identify any other major adverse business developments in other segments and/or geographies.

The annual impairment test of goodwill will be performed in the second half year, as in prior years, and will be updated at year-end for new impairment triggers, if any.

COVID-19 did not have a significant effect on judgments and estimates applied in revenue recognition (such as estimating variable consideration for discounts and returns) and in the accounting for income taxes, employee benefits, fair value of contingent considerations, valuation allowances on trade receivables, and legal and judicial proceedings.

Risk management
The group's liquidity position and capital ratios remain strong. In July 2020, the group successfully issued a new €500 million 10-year senior unsecured Eurobond and refinanced its multi-currency credit facility of €600 million. Refer also to Note 9 Net Debt.

At June 30, 2020, the group has access to the unused part of the committed credit facilities of €689 million and has cash and cash equivalents of €978 million, receivable derivative financial instruments of €7 million, minus other short-term debt, current deferred acquisition payables, bank overdrafts, Euro Commercial Paper, and current payable derivative financial instruments of in total €793 million. As such, the total headroom was €881 million.

On April 29, 2020, Moody's affirmed Wolters Kluwer's ratings and outlook: Baa1 with stable outlook.

As of the date of this report, the group has not yet seen any material increase in default rates among its customers. Starting in the second quarter 2020, the group has received some customer requests for payment deferral, mainly from small and medium-sized enterprises. Those requests are assessed on a case-by-case basis. The net additions to loss allowance on trade receivables and contract assets amounted to €14 million (HY 2019: €11 million). If the uncertain market conditions further deteriorate or persist for an extended period of time, then the risk of default may increase and as such negatively impact the loss allowance on trade receivables and contract assets in future periods.

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 license 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 'adjusted' is not a defined term under IFRS.

Revenue Bridge

(in millions of euros)	€	%
Revenues HY 2019	2,204	
Organic change	63	3
Acquisitions	3	0
Divestments	(10)	0
Currency impact	34	1
Revenues HY 2020	**2,294**	**4**

U.S. dollar 2020: HY average €/$=1.10 versus 2019: HY average €/$=1.13

Reconciliation between operating profit and adjusted operating profit

(in millions of euros)	Six months ended June 30	
	2020	2019
Operating profit	500	423
Amortization and impairments of acquired identifiable intangible assets	75	73
Non-benchmark items in operating profit	2	1
Adjusted operating profit (A)	**577**	**497**

Reconciliation between total financing results and adjusted net financing costs

(in millions of euros)	Six months ended June 30	
	2020	2019
Total financing results	(19)	(24)
Non-benchmark items in total financing results	(6)	(7)
Adjusted net financing costs	**(25)**	**(31)**

Reconciliation between profit for the period and adjusted net profit

(in millions of euros)	Six months ended June 30	
	2020	2019
Profit for the period attributable to the owners of the company (B)	374	303
Amortization and impairments of acquired identifiable intangible assets	75	73
Tax on amortization and impairments of acquired identifiable intangible assets and goodwill	(20)	(19)
Non-benchmark items, net of tax	(3)	(6)
Adjusted net profit (C)	**426**	**351**

Summary of non-benchmark items

(in millions of euros)	Six months ended June 30	
	2020	2019
Included in 'other operating income and (expense)':		
Divestment-related results	0	0
Acquisition-related costs	(1)	(1)
Additions to acquisition integration provisions	(1)	-
Total non-benchmark income/(costs) in operating profit	**(2)**	**(1)**
Included in total financing results:		
Divestment result of equity-accounted investees	7	7
Result on divestment of financial assets	-	2
Employee benefits financing component	(1)	(2)
Total non-benchmark income/(costs) in total financing results	**6**	**7**
Total non-benchmark items before tax	**4**	**6**
Tax on non-benchmark items	(1)	0
Non-benchmark items, net of tax	**3**	**6**

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

(in millions of euros)	Six months ended June 30	
	2020	2019
Net cash from operating activities	491	436
Capital expenditure	(121)	(100)
Repayment of principal portion of lease liabilities	(35)	(34)
Acquisition-related costs	1	1
Paid divestment expenses	1	0
Dividends received	1	-
Net tax benefit on divested assets, consolidation of platform technology, and repatriation tax	(2)	(3)
Adjusted free cash flow (D)	**336**	**300**

Per share information

(in euros, unless otherwise stated)	Six months ended June 30	
	2020	2019
Total number of ordinary shares outstanding at June 30[1)]	265.2	270.7
Weighted average number of ordinary shares outstanding (E)[1)]	266.0	271.4
Diluted weighted average number of ordinary shares (F)[1)]	267.6	273.3
Adjusted EPS (C/E)	1.60	1.29
Diluted adjusted EPS (minimum of adjusted EPS and [C/F])	1.59	1.28
Diluted adjusted EPS in constant currencies	1.54	1.30
Adjusted free cash flow per share (D/E)	1.26	1.10
Diluted adjusted free cash flow per share (minimum of adjusted free cash flow per share and [D/F])	1.26	1.10

[1)] In millions of shares

Benchmark tax rate

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2020	2019
Income tax expense	112	96
Tax benefit on amortization and impairments of acquired identifiable intangible assets	20	19
Tax benefit on non-benchmark items	(1)	0
Tax on adjusted profit before tax (G)	**131**	**115**
Adjusted net profit (C)	426	351
Adjustment for non-controlling interests	0	0
Adjusted profit before tax (H)	**557**	**466**
Benchmark tax rate (G/H) (%)	**23.5**	**24.7**

Calculation of cash conversion ratio

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2020	2019
Operating profit	500	423
Amortization, depreciation, and impairments	214	208
EBITDA	**714**	**631**
Non-benchmark items in operating profit	2	1
Adjusted EBITDA	**716**	**632**
Autonomous movements in working capital	(69)	(46)
Capital expenditure	(121)	(100)
Repayment of principal portion of lease liabilities	(35)	(34)
Lease interest paid	(6)	(5)
Adjusted operating cash flow (I)	**485**	**447**
Adjusted operating profit (A)	**577**	**497**
Cash conversion ratio (I/A) (%)	**84**	**90**

Note 6 Segment Reporting

Divisional revenues and operating profit

(in millions of euros)	Six months ended June 30	
	2020	2019
Revenues		
Health	581	552
Tax & Accounting	713	684
Governance, Risk & Compliance	564	518
Legal & Regulatory	436	450
Total revenues	**2,294**	**2,204**
Operating profit/(loss)		
Health	144	121
Tax & Accounting	199	171
Governance, Risk & Compliance	162	134
Legal & Regulatory	23	25
Corporate	(28)	(28)
Total operating profit	**500**	**423**

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	
	2020	2019
Profit for the period attributable to the owners of the company (B)	**374**	**303**
Weighted average number of shares		
In millions of shares		
Outstanding ordinary shares at January 1	273.0	279.7
Effect of repurchased shares	(7.0)	(8.3)
Weighted average number of shares for the period (E)	**266.0**	**271.4**
Basic EPS (€) (B/E)	1.40	1.12
Diluted weighted average number of shares		
Weighted average number of shares for the period (E)	266.0	271.4
Long-Term Incentive Plan	1.6	1.9
Diluted weighted average number of shares for the period (F)	**267.6**	**273.3**
Diluted EPS (€) (minimum of basic EPS and [B/F])	1.40	1.11

Note 8 Acquisitions and Divestments

Acquisitions

Total acquisition spending in the first half of 2020 was €25 million (HY 2019: €33 million) and included the acquisition of DGS Holding B.V. (CGE), the completion of a few smaller acquisitions, and deferred and contingent considerations paid.

On January 16, 2020, Wolters Kluwer Legal & Regulatory completed the acquisition of 100% of the shares of CGE, a leading provider of risk management software, including the industry-standard BowTieXP solution, for €20 million. The transaction had no deferred and contingent considerations. The acquisition will extend Wolters Kluwer's presence in the growing operational risk management software market. CGE will become part of Wolters Kluwer's Environmental, Health & Safety and Operational Risk Management (EHS/ORM) software group, which also includes Enablon and eVision. The combined offerings will enable customers to improve their EHS, ORM, and risk performance and to conduct more responsible, productive, and safe operations. CGE recorded revenues of €7 million in 2019, mainly from software and services. The transaction is expected to have a positive but immaterial impact on adjusted earnings in its first full year. CGE has approximately 30 employees, with headquarters in the Netherlands. CGE has a global customer base with the majority of customers in Europe, North America, and Australia.

Deferred and contingent considerations paid were €3 million (HY 2019: €0 million) and acquisition-related costs were €1 million (HY 2019: €1 million).

The acquisition spending in first half of 2019 was €33 million and included the acquisition of CLM Matrix (within Governance, Risk & Compliance).

Acquisition-related results

(in millions of euros)	Six months ended June 30	
	2020	2019
Consideration payable in cash	22	33
Deferred and contingent acquisition payments	0	6
Total consideration	**22**	**39**
Non-current assets	14	20
Current assets	3	1
Current liabilities	(5)	(1)
Deferred tax liabilities	(3)	0
Fair value of net identifiable assets/(liabilities)	**9**	**20**
Goodwill on acquisitions	**13**	**19**
Cash effect of the acquisitions:		
Consideration payable in cash	22	33
Cash acquired	0	0
Deferred and contingent considerations paid	3	0
Acquisition spending, net of cash acquired	**25**	**33**

The fair value of the identifiable assets and liabilities will be revised if new information, obtained within one year from the acquisition date, about facts and circumstances that existed at the acquisition date, causes adjustments to the above amounts, or for any additional provisions that existed at the acquisition date.

The goodwill represents future economic benefits specific to the group arising from assets that do not qualify for separate recognition as intangible assets. This includes expected new customers who generate revenue streams in the future and revenues generated because of new capabilities of the acquired product platforms.

In the first half of 2020, the group did not recognize any fair value changes in the consolidated statement of profit or loss for acquisitions from previous years (HY 2019: €0 million).

Divestments
Net disposal proceeds amounted to €21 million in the first halfof 2020.

On January 15, 2020, Wolters Kluwer Legal & Regulatory completed the divestment of its Belgian training assets to NCOI Group, as originally announced on December 19, 2019.

On May 15, 2020, Wolters Kluwer Health completed the sale of its 40%-minority stake in Logical Images, a provider of visual diagnostic resources, for $12 million in cash. The investment in Logical Images was originally made in 2008. The two parties will continue to partner in a number of areas.

Most of the German businesses and the investment in Medicom, classified as assets held for sale at December 31, 2019, were divested in the first half year of 2020. The sale of one German business is not yet completed and is continued to be classified as assets and liabilities held for sale at June 30, 2020.

Net disposal proceeds amounted to €32 million in the first half of 2019 and included €13 million of deferred proceeds related to the sale of certain Swedish publishing assets in January 2018 and €17 million proceeds related to to the divestment of the 40% interest in Austrian information solutions provider MANZ'sche Verlags- und Universitätsbuchhandlung GmbH.

Divestment-related results

(in millions of euros)	Six months ended June 30	
	2020	2019
Divestments of operations:		
Consideration receivable	9	0
Current assets (including assets held for sale)	16	-
Current liabilities (including liabilities held for sale)	(9)	-
Net identifiable assets and liabilities	**7**	**0**
Reclassification of foreign exchange gain/(loss) on loss of control, recognized in other comprehensive income	0	-
Book profit/(loss) on divestments of operations	**2**	**0**
Restructuring of stranded costs following divestment	(1)	-
Divestment expenses	(1)	0
Divestment-related results, included in other operating income and (expense)	**0**	**0**
Divestments of equity-accounted investees and financial assets:		
Consideration receivable in cash	17	19
Goodwill allocated	-	(5)
Carrying value of equity-accounted investees and financial assets	(10)	(5)
Divestment-related results included in financing results	**7**	**9**
Cash effect of divestments:		
Consideration receivable in cash	26	19
Deferred consideration received	-	13
Cash included in divested operations	(5)	-
Receipts from divestments, net of cash disposed	**21**	**32**

Note 9 Net Debt

Reconciliation gross debt to net debt

(in millions of euros, unless otherwise stated)	June 30, 2020	December 31, 2019	June 30, 2019
Gross debt			
Bonds	1,630	1,629	1,629
Private placements	165	163	412
Other long-term loans	23	25	13
Deferred and contingent acquisition payments	1	1	12
Long-term debt (excl. lease liabilities)	1,819	1,818	2,066
Long-term lease liabilities	294	293	265
Total long-term debt	2,113	2,111	2,331
Borrowings and bank overdrafts	784	670	747
Short-term private placement	250	250	-
Short-term lease liabilities	76	75	71
Deferred and contingent acquisition payments	7	10	8
Derivative financial instruments	2	-	5
Total short-term debt	1,119	1,005	831
Total gross debt	**3,232**	**3,116**	**3,162**
Minus:			
Cash and cash equivalents	(978)	(899)	(828)
Derivative financial instruments:			
Non-current receivable	(7)	(16)	(16)
Current receivable	-	(2)	-
Net debt	**2,247**	**2,199**	**2,318**
Net-debt-to-EBITDA ratio (on a rolling basis) *	1.5	1.6	1.8

* Net-debt-to-EBITDA ratio is based on a twelve-months rolling EBITDA.

On June 26, 2020, the company successfully priced a new €500 million 10-year senior unsecured Eurobond. The settlement date was July 3, 2020. The bonds were sold at an issue price of 99.292 per cent and carry an annual coupon of 0.750 per cent. The securities were placed with a broad range of institutional investors across Europe. The senior unsecured bonds will mature on July 3, 2030. The notes are rated Baa1 by Moody's. The net proceeds of the offering will be used for general corporate purposes. The new bonds provide financing at an attractive rate and extends the company's debt maturity profile. The bonds are listed on the Official List of the Luxembourg Stock Exchange.

On July 10, 2020, the company signed a new €600 million 3-year multi-currency revolving credit facility. This new facility will mature in 2023 and includes two one-year extension options replacing an existing facility which was due to expire in July 2021.

Wolters Kluwer has a Euro Commercial Paper (ECP) program in place, 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, 2020, was €305 million (December 31, 2019: €200 million), included in the line item "Borrowings and bank overdrafts", of which the vast maturity of the outstanding ECP has been redeemed in July 2020 with the proceeds of the newly issued Eurobond in July 2020.

Note 10 Equity, LTIP, and Dividends

The group made progress on the share buyback program of up to €350 million which was previously announced for 2020. In 2020, up to and including August 4, 2020, the group has completed repurchases of €175 million (2,652,198 ordinary shares at an average share price of €65.98).

For the period starting August 6, 2020, up to and including October 28, 2020, the group has now engaged a third party to execute a maximum of €100 million in share buybacks on the group's behalf, within the limits of relevant laws and regulations (in particular Regulation (EU) 596/2014) and Wolters Kluwer's Articles of Association.

Shares repurchased are added to and held as treasury shares and will be used for capital reduction purposes and to meet obligations arising from share-based incentive plans. A total of 0.9 million shares were repurchased to offset the dilution caused by our annual incentive share issuance.

In the first six months of 2020, treasury shares were used for the vesting of Long-Term Incentive Plan (LTIP) shares; no new shares were issued. The LTIP 2017-19 vested on December 31, 2019. 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 903,309 shares were released on February 27, 2020.

Under the 2020-22 LTIP grant, 446,617 shares were conditionally awarded to the Executive Board and other senior managers in the first six months of 2020. In the first six months of 2020, a total of 28,612 shares were forfeited under the long-term incentive plans.

A final dividend of €0.79 per share was approved at the Annual General Meeting of Shareholders in April 2020 and was paid in the second quarter. The final dividend brings the total dividend over the 2019 financial year to €1.18 per share, an increase of 20% compared to the 2018 dividend. The 2019 dividend of €1.18 per share amounting to €315 million (2018 dividend: €268 million) was fully distributed in cash. This 2019 dividend was paid in two parts, an interim dividend of €105 million in the second half of 2019 and a final dividend of €210 million in the first half of 2020.

For 2020, the interim dividend will be set at 40% of the prior year's total dividend, equivalent to €0.47 per share.

At June 30, 2020, Ms. McKinstry held 462,131 shares (December 31, 2019: 462,131 shares) in the company. Mr. Entricken held 36,636 shares (December 31, 2019: 36,636 shares).

At June 30, 2020, none of the members of the Supervisory Board held shares in Wolters Kluwer.

Note 11 Related Party Transactions

There were no major related party transactions entered into during the six months period ended June 30, 2020.

Note 12 Events after Balance Sheet date

The following subsequent events were evaluated up to August 4, 2020, which is the date the condensed consolidated interim financial statements were authorized for issue by the Executive Board and Supervisory Board:

On June 26, 2020, the company successfully priced a new €500 million 10-year senior unsecured Eurobond. The settlement date was July 3, 2020. For further information, refer to Note 9 Net Debt.

On July 10, 2020, the company signed a new €600 million 3-year multi-currency revolving credit facility. For further information, refer to Note 9 Net Debt.

Appendix 1 Divisional Supplemental Information – Six months ended June 30

(€ million, unless otherwise stated)	2020	2019	Organic	Change: Acquisition/ Divestment	Currency
Health					
Revenues	581	552	19	(3)	13
Adjusted operating profit	162	139	21	(2)	4
Adjusted operating profit margin	27.9%	25.2%			
Tax & Accounting					
Revenues	713	684	22	-	7
Adjusted operating profit	219	193	23	-	3
Adjusted operating profit margin	30.8%	28.2%			
Governance, Risk & Compliance					
Revenues	564	518	32	1	13
Adjusted operating profit	181	152	25	0	4
Adjusted operating profit margin	32.1	29.3%			
Legal & Regulatory					
Revenues	436	450	(10)	(5)	1
Adjusted operating profit	43	41	3	0	(1)
Adjusted operating profit margin	9.8%	9.1%			
Corporate					
Adjusted operating profit	(28)	(28)	0	-	0
Wolters Kluwer					
Revenues	2,294	2,204	63	(7)	34
Adjusted operating profit	577	497	72	(2)	10
Adjusted operating profit margin	25.2%	22.5%			

Note: Acquisition/divestment column includes the contribution from 2020 and 2019 acquisitions before these became organic (12 months from their acquisition date), the impact of 2020 and 2019 divestments, and the effect of asset transfers between divisions, if any.

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

(€ million, unless otherwise stated)	2020	2019	Δ	Δ CC	Δ OG
Digital	1,878	1,736	+8%	+7%	+6%
Services	244	259	-6%	-8%	-5%
Print	172	209	-18%	-19%	-18%
Total revenues	**2,294**	**2,204**	**+4%**	**+3%**	**+3%**

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.12); Δ OG: % Organic growth. Services includes legal representation, consulting, training, events, and other services.

Wolters Kluwer

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

(€ million, unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Health					
Digital and service subscription	470	428	+10%	+8%	+8%
Print subscription	23	24	-6%	-8%	-8%
Other recurring	47	46	+2%	0%	+1%
Total recurring revenues	**540**	**498**	**+9%**	**+6%**	**+6%**
Print books	12	24	-52%	-52%	-48%
Other non-recurring	29	30	-3%	-5%	-5%
Total Health	**581**	**552**	**+5%**	**+3%**	**+3%**
Tax & Accounting					
Digital and service subscription	548	508	+8%	+7%	+7%
Print subscription	12	13	-8%	-8%	-8%
Other recurring	77	86	-10%	-12%	-11%
Total recurring revenues	**637**	**607**	**+5%**	**+4%**	**+4%**
Print books	8	9	-12%	-12%	-12%
Other non-recurring	68	68	0%	-1%	-1%
Total Tax & Accounting	**713**	**684**	**+4%**	**+3%**	**+3%**
Governance, Risk & Compliance					
Digital and service subscription	320	301	+6%	+4%	+3%
Print subscription	0	0	+13%	+10%	+10%
Total recurring revenues	**320**	**301**	**+6%**	**+4%**	**+3%**
LS transactional	117	122	-4%	-6%	-6%
FS transactional	80	50	+60%	+56%	+56%
Other non-recurring	47	45	+4%	+3%	+3%
Total Governance, Risk & Compliance	**564**	**518**	**+9%**	**+6%**	**+6%**
Legal & Regulatory					
Digital and service subscription	285	264	+8%	+7%	+7%
Print subscription	55	65	-14%	-14%	-14%
Other recurring	17	21	-21%	-21%	-8%
Total recurring revenues	**357**	**350**	**+2%**	**+2%**	**+2%**
Print books	29	36	-17%	-17%	-17%
Other non-recurring	50	64	-22%	-23%	-19%
Total Legal & Regulatory	**436**	**450**	**-3%**	**-3%**	**-2%**
Total Wolters Kluwer					
Digital and service subscription	1,623	1,501	+8%	+7%	+6%
Print subscription	90	102	-11%	-12%	-12%
Other recurring	141	153	-8%	-10%	-7%
Total recurring revenues	**1,854**	**1,756**	**+6%**	**+4%**	**+4%**
Print books	49	69	-28%	-29%	-27%
LS transactional	117	122	-4%	-6%	-6%
FS transactional	80	50	+60%	+56%	+56%
Other non-recurring	194	207	-7%	-7%	-6%
Total Wolters Kluwer	**2,294**	**2,204**	**+4%**	**+3%**	**+3%**

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.12); Δ OG: % Organic growth. Note: Other non-recurring revenues include license & implementation fees.

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 2019 annual revenues of €4.6 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 19,000 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 Twitter, Facebook, LinkedIn, and YouTube.

Financial Calendar

September 1, 2020	Ex-dividend date: 2020 interim dividend
September 2, 2020	Record date: 2020 interim dividend
September 24, 2020	Payment date: 2020 interim dividend
October 1, 2020	Payment date: 2020 interim dividend ADRs
October 30, 2020	Nine-Month 2020 Trading Update
February 24, 2021	Full-Year 2020 Results
March 10, 2021	Publication of Annual Report
April 22, 2021	Annual General Meeting of Shareholders

Media
Annemarije Dérogée-Pikaar
Global Branding & Communications
t + 31 (0)172 641 470
press@wolterskluwer.com

Investors/Analysts
Meg Geldens
Investor Relations
t + 31 (0)172 641 407
ir@wolterskluwer.com

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.

Elements of this press release contain or may contain inside information about Wolters Kluwer within the meaning of Article 7(1) of the Market Abuse Regulation (596/2014/EU).