Wolters Kluwer 2022 Half-Year Report

Alphen aan den Rijn, August 3, 2022 – Wolters Kluwer, a global leader in professional information, software solutions and services, today releases its half-year 2022 results.

Highlights

- **Revenues €2,600 million, up 7% in constant currencies and up 7% organically.**
  - Recurring revenues (81% of total revenues) up 7% organically; non-recurring up 6% organically.
  - Digital & services revenues (93% of total revenues) grew 8% organically.
  - *Expert solutions* (56% of total revenues) grew 9% organically.
- **Adjusted operating profit €734 million, up 10% in constant currencies.**
  - Adjusted operating profit margin up 130 basis points to 28.2%.
  - Margin benefitted from operational gearing and favorable currency mix.
  - Slower than expected ramp-up in spending and hiring.
- **Diluted adjusted EPS €2.04, up 23% overall and up 11% in constant currencies.**
- **Adjusted free cash flow €497 million, down 4% in constant currencies.**
  - Cash conversion declined and tax paid increased, as expected.
- **Balance sheet remains strong with net-debt-to-EBITDA of 1.3x.**
- **Interim dividend €0.63 per share, set at 40% of prior year total dividend.**
- **Share buyback program for 2022 increased to €1 billion of which €356 million completed to date.**
- **Guidance for 2022 increased. (See page 2).**

Half-Year Report of the Executive Board

Nancy McKinstry, CEO and Chair of the Executive Board, commented: *"The first half of the year saw strong, better-than-anticipated organic growth which, along with currency movements, benefitted our margins. Growth in expert solutions and strong customer retention was delivered across all divisions. We have upgraded our outlook for the full year and are confident we are well-positioned to address the challenges associated with growing economic and geopolitical headwinds."*

Key Figures – Six months ended June 30

€ million (unless otherwise stated)	2022	2021	Δ	Δ CC	Δ OG
Business performance – benchmark figures					
Revenues	2,600	2,280	+14%	+7%	+7%
Adjusted operating profit	734	613	+20%	+10%	+11%
Adjusted operating profit margin	28.2%	26.9%			
Adjusted net profit	527	437	+21%	+10%	
Diluted adjusted EPS (€)	2.04	1.66	+23%	+11%	
Adjusted free cash flow	497	476	+4%	-4%	
Net debt	2,203	2,417	-9%		
ROIC	14.8%	12.8%			
IFRS reported results					
Revenues	2,600	2,280	+14%		
Operating profit	640	519	+23%		
Profit for the period	455	360	+26%		
Diluted EPS (€)	1.76	1.37	+29%		
Net cash from operating activities	666	613	+9%		

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth. Benchmark figures are performance measures used by management. ROIC is based on twelve-months rolling figures. See Note 4 for a reconciliation from IFRS to benchmark figures.

Full-Year 2022 Outlook

We are increasing our guidance for adjusted operating profit margin and ROIC in reporting currency and for adjusted EPS growth in constant currencies. We reaffirm our outlook for adjusted free cash flow in constant currencies. While first half organic growth was better than expected, we expect organic momentum to slow in the remainder of the year, largely due to challenging comparables. We expect second half margins to reflect increased hiring and investments. Growth in diluted adjusted EPS will be dampened by a return to our historical tax rate. Revenues from Russia, Belarus, and Ukraine (mainly in Governance, Risk & Compliance) represented less than 0.5% of group revenues in 2021 and HY 2022.

Full-Year 2022 Outlook

Performance indicators	2022 Guidance	Previous 2022 Guidance	2021 Actual
Adjusted operating profit margin*	26.0%-26.5%	25.5%-26.0%	25.3%
Adjusted free cash flow	€1,025-€1,075 million	€1,025-€1,075 million	€1,010 million
ROIC*	14%-15%	Around 14%	13.7%
Diluted adjusted EPS growth	Mid- to high-single-digit	Mid-single-digit	€3.38

*Guidance for adjusted operating profit margin and ROIC is in reporting currency and assumes an average EUR/USD rate in 2022 of €/$1.07. Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (€/$ 1.18). Guidance reflects share repurchases of €1 billion in 2022.

If current exchange rates persist, the U.S. dollar rate will have a positive effect on 2022 results reported in euros. In 2021, Wolters Kluwer generated more than 60% of its revenues and adjusted operating profit in North America. As a rule of thumb, based on our 2021 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[1]. Also, if current rates persist, we expect to incur a (non-cash) foreign exchange loss on intercompany balances at year-end.

We include restructuring costs in adjusted operating profit. We currently expect that restructuring costs will increase to within our normal range of €10-€15 million (FY 2021: €6 million). Due to higher interest rates on cash balances, we now expect adjusted net financing costs[2] in constant currencies to be approximately €55 million. We expect the benchmark tax rate on adjusted pre-tax profits to be in the range of 23.0%-24.0% (FY 2021: 21.5%). Capital expenditure is expected to increase but to remain within our normal range of 5.0%-6.0% of total revenues (FY 2021: 5.0%). We continue to expect the full-year cash conversion ratio to be in the range of 100%-105% (FY 2021: 112%).

Our guidance assumes no additional significant change to the scope of operations. We may make further acquisitions or disposals which can be dilutive to margins, earnings, and ROIC in the near term.

2022 Outlook by Division

Health: we continue to expect organic growth to slow from 2021 levels (mainly due to the absence of a contract win of the size of the 2021 ASCO deal) and the adjusted operating profit margin to improve.

Tax & Accounting: we expect organic growth to accelerate from 2021 levels and the adjusted operating profit margin to improve.

Governance, Risk & Compliance: we continue to expect organic growth to slow from 2021 levels, mainly due to an expected decline in transactional revenues in the second half. We expect the adjusted operating profit margin to improve for the full year.

Legal & Regulatory: we now expect organic growth to improve on 2021 levels. We expect the adjusted operating profit margin to decline modestly for the full year due to the absence of a one-off pension amendment recorded in 2021.

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[1] This rule of thumb excludes the impact of exchange rate movements on intercompany balances, which is accounted for in adjusted net financing costs in reported currencies and determined based on period-end spot rates and balances.

[2] Adjusted net financing costs include lease interest charges. Guidance for adjusted net financing costs in constant currencies excludes the impact of exchange rate movements on currency hedging and intercompany balances.

Our Mission, Business Model 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 main customer segments: health; tax & accounting; governance, risk & compliance; and legal & regulatory. Every day, 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.

Our *expert solutions* combine deep domain knowledge with technology to deliver both content and workflow automation to drive improved outcomes and productivity for our customers. *Expert solutions*, which include our software products and certain advanced information solutions, accounted for 56% of total revenues in the first half of 2022 (FY 2021: 55%) and grew 9% organically. Software revenues accounted for 44% of total revenues (FY 2021: 42%) and grew 9% organically, with cloud software revenues up 20% organically.

Based on revenues, our largest *expert solutions* by division are:

- **Health**: global clinical decision support tool UpToDate; clinical drug databases Medi-Span and Lexicomp; and Lippincott nursing solutions for practice and learning.
- **Tax & Accounting**: global corporate performance solution CCH Tagetik; global corporate internal audit platform TeamMate; professional tax and accounting software, including CCH Axcess and CCH ProSystem fx in North America and similar software for professionals across Europe.
- **Governance, Risk & Compliance**: finance, risk, and regulatory reporting suite OneSumX; banking compliance solutions ComplianceOne, Expere, eOriginal, and Gainskeeper; and enterprise legal management software Passport and TyMetrix.
- **Legal & Regulatory**: global EHS/ORM[3] suite Enablon; legal workflow solutions Kleos and Legisway; and other software tools for European legal professionals.

Our business model is primarily based on subscriptions, software maintenance, and other recurring revenues (80% of total revenues in FY 2021 and 81% in HY 2021), augmented by implementation services and license fees as well as volume-based transactional or other non-recurring revenues. Renewal rates for our recurring digital information, software, and service revenues are high and are one of the key indicators by which we measure our success. Product innovation is a key driver of growth.

More than half of our operating costs relate to our employees, who create, develop, maintain, sell, implement, and support our solutions on behalf of our customers. Our technology architecture is increasingly based on globally scalable platforms that use standardized components. An increasing proportion of our solutions is built cloud-first. Many of our solutions incorporate advanced technologies such as artificial intelligence, natural language processing, robotic process automation, and predictive analytics. Our development teams use customer-centric, contextual design and develop solutions based on the scaled agile framework. Our solutions are sold by our own sales teams or through selected distribution partners.

Strategic priorities 2022-2024

At the start of this year, we rolled out our new three-year strategic plan, which has three strategic priorities:

- **Accelerate Expert Solutions**: we intend to focus our investments on cloud-based *expert solutions* while continuing to transform selected digital information products into *expert solutions*. We will invest to enrich the customer experience of our products by leveraging advanced data analytics.

[3] EHS/ORM = environmental, health and safety and operational risk management.

- **Expand Our Reach**: we will seek to extend organically into high-growth adjacencies along our customer workflows and adapt our existing products for new customer segments. We plan to further develop partnerships and ecosystems for our key software platforms.
- **Evolve Core Capabilities**: we intend to enhance our central functions to drive excellence and scale economies, mainly in sales and marketing (go-to-market) and in technology. We plan to advance our environmental, social, and governance (ESG) performance and capabilities and to continue investing in diverse and engaged talent to support innovation and growth.

We expect this strategy to support good organic growth and improved margins and returns over the coming three years. While the strategy remains centered on organic growth, we may make selected acquisitions and non-core disposals to enhance our value and market positions. Acquisitions must fit our strategy, 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. We expect that group-wide product development spend will remain at approximately 10% of total revenues in the next three years.

Our strategy aims to achieve high levels of customer satisfaction and an engaged, talented, and diverse workforce, to maintain strong corporate governance and secure systems, and to drive efficient operations that meet environmentally-sound practices. Two key strategic ESG goals for the coming three years are to drive an improvement in our belonging score[4] and to start aligning our reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Financial Policy, Capital Allocation, Net Debt, and Liquidity

Wolters Kluwer uses its free cash flow to invest in the business organically and through acquisitions, to maintain optimal leverage, and to 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, 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 flows.

Dividend Policy and Interim Dividend 2022

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 payout ratio[5] can vary from year to year. Proposed annual increases in the dividend per share take into account our financial performance, market conditions, and our need for financial flexibility. The policy takes into consideration the characteristics of our business, our expectations for future cash flows, and our plans for organic investment in innovation and productivity, or for acquisitions. We balance these factors with the objective of maintaining a strong balance sheet.

As announced on February 23, 2022, the interim dividend for 2022 was set at 40% of the prior year total dividend. This results in an interim dividend of €0.63 per share, to be distributed on September 22, 2022, to holders of ordinary shares, or September 29, 2022, 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 2022 Expanded

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

[4] Belonging measures the extent to which employees believe they can bring their authentic selves to work and be accepted for who they are. Belonging and engagement scores are currently measured by a third party (Microsoft GLINT).

[5] Dividend payout ratio: dividend per share divided by adjusted earnings per share.

appropriate, we return capital to shareholders through share buyback programs. Shares repurchased by the company are added to and held as treasury shares and are either cancelled or utilized to meet future obligations arising from share-based incentive plans.

On February 23, 2022, we announced our intention to repurchase shares for up to €600 million during 2022. Today, we are announcing an increase in this program to €1 billion. Assuming global economic conditions do not deteriorate substantially, we believe this level of share buybacks leaves us with ample headroom to support our dividend plans, to sustain organic investment, and to make selective acquisitions. The share repurchases may be suspended, discontinued, or modified at any time.

In the year to date, through August 2, 2022, we have repurchased €356 million in shares (3.8 million shares at an average price of €92.89). Included in these amounts was a block trade of 522,954 shares purchased for €46.1 million on February 24, 2022, to offset the issuance of incentive shares. See Note 10 for further information on issued share capital.

For the period starting August 4, 2022, up to and including October 31, 2022, we have mandated third parties to execute €400 million in share buybacks on our behalf while for the period starting November 3, 2022, up to and including December 28, 2022, we have mandated another third party to execute €244 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.

Share Cancellation 2022

At the 2022 Annual General Meeting of April 21, 2022, 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, up to a maximum of 10% of issued share capital. As of August 2, 2022, Wolters Kluwer held 7.5 million shares in treasury. As authorized by shareholders, the Executive Board has determined the number of ordinary shares to be cancelled this year is 5.0 million. Wolters Kluwer intends to cancel these shares in the second half of 2022. The remaining treasury shares will be retained in order to meet future obligations under share-based incentive plans.

Net Debt, Leverage, Sustainability-Linked Credit Facility, and Liquidity Position

Net debt on June 30, 2022, was €2,203 million, compared to €2,131 million on December 31, 2021. The net-debt-to-EBITDA ratio was 1.3x (FY 2021: 1.4x; HY 2021: 1.7x).

Our multi-currency credit facility remains fully undrawn. Effective July 2022, we agreed to the final one-year extension of this €600 million multi-currency credit facility, such that the facility will now mature in 2025. The facility is sustainability-linked, with pricing tied to four ESG key performance indicators.

Our liquidity position remains strong with, as of June 30, 2022, net cash available of €1,019 million[6], partly offset by outstanding Euro Commercial Paper (ECP) of €100 million.

[6] Net cash available consists of cash and cash equivalents of €1,098 million less overdrafts used for cash management purposes of €79 million.

Half-Year 2022 Results

Benchmark Figures

Group revenues were €2,600 million, up 14% overall benefitting from the appreciation of the U.S. dollar against the euro. Excluding the effect of exchange rate movements, revenues increased 7% in constant currencies. Excluding also the net effect of acquisitions and divestments, organic revenue growth was 7% (HY 2021: 5%).

Revenues from North America accounted for 64% of total group revenues and grew 7% organically (HY 2021: 5%). Revenues from Europe, 29% of total revenues, grew 6% organically (HY 2021: 5%). Revenues from Asia Pacific and Rest of World, 7% of total revenues, grew 11% organically (HY 2021: 3%).

Adjusted operating profit was €734 million (HY 2021: €613 million), an increase of 10% in constant currencies. The adjusted operating profit margin increased 130 basis points to 28.2% (HY 2021: 26.9%). The increase in adjusted operating profit margin mainly reflects strong operational gearing and favorable currency mix. Margins were higher than expected due to a slower than expected post-COVID ramp-up in spending (such as travel) and hiring. Product development (including CAPEX) increased to 10% of revenues (HY 2021: 9%).

Included in adjusted operating profit were restructuring expenses of €3 million (HY 2021: €2 million).

Adjusted net financing costs were stable at €42 million (HY 2021: €42 million). Included in adjusted net financing costs was a €13 million net foreign exchange loss (HY 2021: €11 million net foreign exchange loss) due to the translation of intercompany balances. Interest income on cash balances increased.

Adjusted profit before tax was €692 million (HY 2021: €571 million), up 21% overall and up 11% in constant currencies.

The benchmark tax rate on adjusted profit before tax increased to 23.8% (HY 2021: 23.5%), due to a change in our deferred tax position. Adjusted net profit was €527 million (HY 2021: €437 million), an increase of 21% overall and 10% in constant currencies.

Diluted adjusted EPS was €2.04 (HY 2021: €1.66), up 23% overall and up 11% in constant currencies, reflecting the increase in adjusted net profit and a 1.7% reduction in the diluted weighted average number of shares outstanding to 258.2 million (HY 2021: 262.7 million).

IFRS Reported Figures

Reported operating profit increased 23% to €640 million (HY 2021: €519 million). The increase reflects the increase in adjusted operating profit and lower divestment-related losses, partly offset by an impairment of certain Health assets.

Reported financing results amounted to a net cost of €43 million (HY 2021: €43 million cost).

The reported effective tax rate decreased to 23.7% (HY 2021: 24.4%); the prior period reflected a divestment-related loss that was not tax-deductible.

Net profit for the first half increased 26% overall to €455 million (HY 2021: €360 million) and diluted earnings per share increased 29% to €1.76 (HY 2021: €1.37).

Cash Flow

Adjusted operating cash flow was €703 million (HY 2021: €659 million), down 1% in constant currencies. The cash conversion ratio decreased to 96% (HY 2021: 108%) due to lower working capital inflows and higher capital expenditure compared to the prior period, as expected. Capital expenditures were €139 million (HY 2021: €107 million), representing 5.4% of revenues (HY 2021: 4.7%).

Cash payments related to leases, including lease interest paid, were €39 million (HY 2021: €38 million). Depreciation of physical assets, amortization and impairment of internally developed software, and depreciation of right-of-use assets totaled €143 million (HY 2021: €137 million), broadly in line with the prior period.

Net interest paid, excluding lease interest paid, was €42 million, broadly in line with the prior period (HY 2021: €44 million).

Income tax paid increased to €175 million (HY 2021: €127 million), as expected. The net cash outflow related to restructuring was lower than a year ago at €4 million (HY 2021: outflow of €20 million). Consequently, adjusted free cash flow was €497 million (HY 2021: €476 million), up 4% overall but down 4% in constant currencies.

Total acquisition spending, net of cash acquired and including transaction costs, was €71 million (HY 2021: €99 million), primarily relating to the acquisition of IDS in Governance, Risk & Compliance on April 8, 2022. Dividends paid to shareholders amounted to €264 million (HY 2021: €233 million), representing the final dividend of financial year 2021. Through June 30, 2022, cash deployed towards the 2022 share repurchase program totaled €302 million (HY 2021: €201 million).

ESG[7] Developments

Advancing our ESG performance and capabilities is core to our strategy. We are focused on delivering high levels of customer satisfaction and innovative, impactful solutions and services; we are nurturing an engaged, talented, and diverse workforce; we are supporting strong ethics, compliance and governance, investing in highly secure systems, and striving to reduce our carbon footprint.

In the first half of 2022, we made progress in several areas. We further expanded initiatives designed to attract and retain talent amid tightened global markets for technology and other skilled professionals. To drive recruitment, we expanded talent acquisition capabilities and invested in partnerships and tools to enlarge candidate sourcing, be more visible, and increase our diversity outreach. To support both recruitment and retention, we expanded our career development work and other initiatives designed to support continued high levels of employee engagement and improve belonging.

In February 2022, we committed to aligning our practices and reporting to the recommendations of the Task Force on Climate-related Disclosures (TCFD) and to setting science-based targets. With regard to this commitment, we have this year made improvements to our existing procedures for scope 1 and scope 2 data collection in order to expand coverage and establish a more accurate baseline. With external advisors, we have developed a roadmap to implement the TCFD recommendations and have made progress on identifying and assessing material scope 3 emissions categories.

In the meantime, we continue to drive forward existing programs that reduce our emissions: in the first half, our real estate rationalization program delivered a further 3% organic reduction in office footprint (m^2) around the world, following a 7% organic reduction in 2021. Our cloud migration and on-premise server decommissioning program is making steady progress: as of June 30, 2022, the number of on-premise servers decommissioned this year exceeds 450 as we migrate customers and applications to more energy-efficient cloud infrastructure.

[7] ESG = environmental, social and governance.

Divisional Review

Organic growth and margin performance was strong across all four divisions.

Divisional Summary – Six months ended June 30

€ million (unless otherwise stated)	2022	2021	Δ	Δ CC	Δ OG
Revenues					
Health	674	579	+16%	+6%	+6%
Tax & Accounting	843	732	+15%	+9%	+9%
Governance, Risk & Compliance	638	544	+17%	+7%	+6%
Legal & Regulatory	445	425	+5%	+3%	+6%
Total revenues	**2,600**	**2,280**	**+14%**	**+7%**	**+7%**
Adjusted operating profit					
Health	216	181	+19%	+8%	+8%
Tax & Accounting	270	229	+18%	+10%	+10%
Governance, Risk & Compliance	206	175	+18%	+7%	+6%
Legal & Regulatory	69	53	+31%	+27%	+36%
Corporate	(27)	(25)	+11%	+8%	+8%
Total adjusted operating profit	**734**	**613**	**+20%**	**+10%**	**+11%**
Adjusted operating profit margin					
Health	32.0%	31.2%			
Tax & Accounting	32.0%	31.3%			
Governance, Risk & Compliance	32.2%	32.1%			
Legal & Regulatory	15.6%	12.5%			
Total adjusted operating profit margin	**28.2%**	**26.9%**			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth.

Total recurring revenues, which include subscriptions and other renewing revenue streams, accounted for 81% of total revenues in HY 2022 (HY 2021: 81%) and grew 7% organically (HY 2021: 5%). Digital and service subscriptions grew 8% organically (HY 2021: 6%) while print subscriptions declined 8% organically (HY 2021: 4% decline). Among non-recurring revenue streams, print books posted 13% organic growth (HY 2021: 16%) with growth in Health and Tax & Accounting books outweighed by a decline in Legal & Regulatory books. GRC transactional revenues slowed modestly to 2% organic growth (HY 2021: 3%), with mixed trends. Other non-recurring revenues, mostly software licenses and related services, increased 8% organically (HY 2021: 3% growth).

Revenues by Type – Six months ended June 30

€ million (unless otherwise stated)	2022	2021	Δ	Δ CC	Δ OG
Digital and service subscription	1,890	1,637	+15%	+8%	+8%
Print subscription	76	81	-5%	-8%	-8%
Other recurring	135	133	+1%	-7%	+3%
Total recurring revenues	**2,101**	**1,851**	**+14%**	**+6%**	**+7%**
Print books	55	55	+1%	-4%	+13%
LS transactional (GRC)	146	126	+16%	+5%	+3%
FS transactional (GRC)	65	57	+13%	+3%	-2%
Other non-recurring	233	191	+21%	+16%	+8%
Total non-recurring revenues	**499**	**429**	**+16%**	**+8%**	**+6%**
Total revenues	**2,600**	**2,280**	**+14%**	**+7%**	**+7%**

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); 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 grew 8% organically, mainly driven by UpToDate and drug information.
- Learning, Research & Practice grew 4% organically despite a challenging comparable.
- Margin increase reflects operational gearing and the mix shift towards Clinical Solutions.

Health – Six months ended June 30

€ million (unless otherwise stated)	2022	2021	Δ	Δ CC	Δ OG
Revenues	674	579	+16%	+6%	+6%
Adjusted operating profit	216	181	+19%	+8%	+8%
Adjusted operating profit margin	32.0%	31.2%			
Operating profit	180	165	+9%		
Net capital expenditure	19	14			
Ultimo FTEs	3,003	2,829			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth.

Wolters Kluwer Health revenues increased 6% in constant currencies and 6% organically (HY 2021: 8%). Adjusted operating profit increased 8% in constant currencies and 8% on an organic basis, mainly reflecting operational gearing and the mix shift towards Clinical Solutions. IFRS operating profit included a €20 million impairment on the acquired identifiable intangible assets of Learner's Digest.

Clinical Solutions (55% of divisional revenues) delivered 8% organic revenue growth (HY 2021: 6%). UpToDate (clinical decision support) and our drug information solutions posted high single-digit organic growth, supported by renewals and new customer wins. At UpToDate, the U.S. and international business continue to achieve similar organic growth rates. Emmi, our patient engagement solution, achieved high single-digit organic revenue growth driven by new customer wins and upselling. Revenues in surveillance and compliance software and medical terminology solutions were soft on an underlying basis.

Health Learning, Research & Practice (45% of divisional revenues) posted 4% organic revenue growth despite a challenging comparable (HY 2021: 11%). Print book revenues were better than expected, up 42% organically, driven by a combination of restocking by and favorable timing of orders from book distributors (HY 2021: 41% increase). We expect print book trends to decline in the second half. Ovid, our online medical research platform, achieved good organic growth driven by subscription renewals globally. The recently launched Ovid Synthesis Clinical Evidence Manager, which helps improve patient outcomes, has generated good interest in the hospital market. Digital learning solutions for nursing schools and students, such as Lippincott CoursePoint+, performed well against a challenging comparable. Revenues from our continuing medical education solutions for physicians (Learner's Digest) declined further.

Tax & Accounting

- Corporate Performance up 9% organically, driven by CCH Tagetik.
- Professional Tax & Accounting growth partly reflects timing and non-recurring factors.
- Margin increase reflects strong operational gearing partly offset by increased investment.

Tax & Accounting – Six months ended June 30

€ million (unless otherwise stated)	2022	2021	Δ	Δ CC	Δ OG
Revenues	843	732	+15%	+9%	+9%
Adjusted operating profit	270	229	+18%	+10%	+10%
Adjusted operating profit margin	32.0%	31.3%			
Operating profit	252	187	+35%		
Net capital expenditure	47	34			
Ultimo FTEs	7,593	7,116			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth.

Wolters Kluwer Tax & Accounting revenues increased 9% in constant currencies. The impact of the deconsolidation of ProSoft (Brazil) on June 1, 2021, was offset by the impact of the acquisition of Vanguard Software on May 14, 2021, and a small product transfer[8]. Organic revenue growth was 9% (HY 2021: 6%). Adjusted operating profit rose 10% in constant currencies, as strong operational gearing more than offset increased investment. IFRS operating profit increased 35%, reflecting the absence of last year's divestment-related loss on the ProSoft transaction.

Corporate Performance[9] (15% of divisional revenues) grew 9% organically (HY 2021: 11%), led by CCH Tagetik, our global performance management platform. CCH Tagetik sustained double-digit organic growth, driven by subscription revenues for the cloud version and by implementation services. The integration of Vanguard with CCH Tagetik is progressing well. Our U.S. Corporate Tax unit (including SureTax) has been brought together with CCH Tagetik and Vanguard to develop synergies in the North American market.

North America Professional Tax & Accounting[9] (53% of divisional revenues) recorded organic growth of 10% (HY 2021: 5%) benefitting from a few timing and non-recurring factors: higher than expected transactional fee revenue during the U.S. tax filing season, a surge in demand for outsourced professional services, and early print book orders. CCH Axcess, our cloud-based platform for U.S. professional firms, enjoyed accelerated growth in subscription revenues driven by renewals, new sales, and strong uptake of its Document, Practice, and Workstream modules. The audit solution, Engagement, also performed strongly. Our U.S. publishing unit recorded 7% organic growth with print books up 15%. TeamMate posted single-digit organic growth and is being aligned with our external audit solutions.

Europe Professional Tax & Accounting[8] (27% of divisional revenues) posted 6% organic growth (HY 2021: 5%) with strong performances across all countries. Recurring software maintenance and cloud subscription revenues sustained robust organic growth. The European business continues to invest in building cloud and hybrid-cloud solutions to support European tax advisors and their clients.

Asia Pacific & Rest of World Professional Tax & Accounting (5% of divisional revenues) revenues were up 6% organically with by double-digit organic growth in China partly offset by weakness in other parts of Asia Pacific.

[8] A Netherlands tax software product was transferred from the Legal & Regulatory division into Europe Professional Tax & Accounting. Organic growth stated is pro forma for the new organization.

[9] Renamed from Corporate Performance Solutions. As per January 1, 2022, TeamMate (internal audit solution) was transferred from Corporate Performance into North America Professional Tax & Accounting while our U.S. Corporate Tax unit was transferred into Corporate Performance from North America Professional Tax & Accounting. Organic growth rates stated are pro forma for the new organization. The HY 2022 organic growth rates under the previous reporting structure would have been 10% for Corporate Performance Solutions and 10% for North America Professional Tax & Accounting.

Governance, Risk & Compliance

- Governance, Risk & Compliance grew 6% organically supported by subscription revenues.
- Transactional revenue growth slowed overall, as expected, with diverging trends by category.
- Stable margin mainly reflects operational gearing offset by increased investment.

Governance, Risk & Compliance – Six months ended June 30

€ million (unless otherwise stated)	2022	2021	Δ	Δ CC	Δ OG
Revenues	638	544	+17%	+7%	+6%
Adjusted operating profit	206	175	+18%	+7%	+6%
Adjusted operating profit margin	32.2%	32.1%			
Operating profit	184	155	+19%		
Net capital expenditure	46	35			
Ultimo FTEs	4,798	4,454			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth.

Wolters Kluwer Governance, Risk & Compliance (GRC) revenues increased 7% in constant currencies, including the acquisitions of LicenseLogix on October 29, 2021, and IDS on April 8, 2022. Organic growth was 6% (HY 2021: 2%). The adjusted operating profit margin was broadly stable, with strong operational gearing offset by increased investment and the absence of last year's revenues and margin related to the PPP[10]. IFRS operating profit rose 19% largely reflecting the increase in adjusted operating profit.

Legal Services (56% of divisional revenues) posted 6% organic growth (HY 2021: 9%). CT Corporation recorded good but slower organic growth, with transactional volumes facing a challenging comparable. CT's recurring service subscriptions saw an improvement in organic growth. The integration of LicenseLogix, provider of business licenses and permitting services, is on track. Enterprise Legal Management (ELM) recorded significantly improved organic growth driven by growth in services and higher transactional volumes.

Financial Services (44% of divisional revenues) achieved 7% organic growth (HY 2021: decline of 6%). Compliance Solutions, which provides lending software and services to banks, posted 4% organic growth, as strong organic growth in eOriginal subscription revenues was partly offset by an expected decline in transaction revenues due to the completion of the PPP program and slower growth in mortgage volumes. The integration of recently acquired IDS is underway and on track. Lien Solutions, now part of Compliance Solutions, posted 19% organic revenue growth driven by a recovery in UCC search and filing volumes and continued strong growth in motor vehicle title and registration services.

Finance, Risk & Reporting, which provides regulatory reporting and risk solutions to banks, posted robust organic growth, compared to a modest decline a year ago, driven by professional services and new sales. Finance, Risk & Reporting suspended business in Russia and Belarus. These countries represented less than 0.5% of group revenues in 2021 and HY 2022.

[10] PPP = Paycheck Protection Program, a program of the U.S. Small Business Association (SBA)

Legal & Regulatory

- EHS/ORM[3] & Legal Software (21% of divisional revenues) grew 20% organically.
- Information Solutions (79%) recorded 3% organic growth despite print declines.
- Margin increase reflects operational gearing and underlying cost savings.

Legal & Regulatory – Six months ended June 30

€ million (unless otherwise stated)	2022	2021	Δ	Δ CC	Δ OG
Revenues	445	425	+5%	+3%	+6%
Adjusted operating profit	69	53	+31%	+27%	+36%
Adjusted operating profit margin	15.6%	12.5%			
Operating profit	51	37	+36%		
Net capital expenditure	27	24			
Ultimo FTEs	4,258	4,146			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth.

Legal & Regulatory revenues increased 3% in constant currencies, including the effect of the disposal of the U.S. legal education business on December 1, 2021. On an organic basis, revenues grew 6% (HY 2021: 4%). Adjusted operating profit increased 27% in constant currencies, due to operational gearing and underlying cost savings. Reported IFRS operating profit increased 36%, reflecting the increase in adjusted operating profit, partly offset by a slight increase in amortization of acquired identifiable intangible assets.

EHS/ORM & Legal Software (21% of divisional revenues) organic growth was 20% (HY 2021: 4%), led by Enablon in environmental, health & safety and operational risk management (EHS/ORM). Enablon recorded double-digit organic growth driven by higher on-premise software license and implementation fees and continued strong growth in cloud-based recurring revenues. Legal Software tools, mainly Kleos and Legisway, delivered steady double-digit organic growth. On June 28, 2022, we acquired Level Programs, a provider of legal practice management software in Spain.

Legal & Regulatory Information Solutions (79% of divisional revenues) saw revenues decline 1% in constant currencies due to the impact of the disposal of U.S. legal education business on December 1, 2021. On an organic basis, Information Solutions recorded 3% growth (HY 2021: 4%), with digital products up 7% (HY 2021: 6%). Trends in print revenues returned to historical rates of decline.

Corporate

Net corporate expenses increased 8% in constant currencies and 8% on an organic basis, largely due to increased spending on third party services relating to market research and various projects.

Corporate – Six months ended June 30

€ million (unless otherwise stated)	2022	2021	Δ	Δ CC	Δ OG
Adjusted operating profit	(27)	(25)	+11%	+8%	+8%
Operating profit	(27)	(25)	+11%		
Net capital expenditure	0	0			
Ultimo FTEs	124	125			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth.

Risk Management

In our 2021 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 2022.

Statement by the Executive Board

The Executive Board is responsible for the preparation of the 2022 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, 2022. The condensed consolidated interim financial statements for the six months ended June 30, 2022, 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, 2022, 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 2022 as well as an indication of important events that have occurred during the six months ended June 30, 2022, 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 2022, and also includes the major related parties transactions entered into during the six months ended June 30, 2022.

Alphen aan den Rijn, August 2, 2022

Executive Board

N. McKinstry, CEO and Chair 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, 2022, and 2021

Wolters Kluwer

Unaudited Condensed Consolidated Interim Statement of Profit or Loss

(in millions of euros, unless otherwise stated)	*Note*	Six months ended June 30	
		2022	2021
Revenues	*5*	**2,600**	**2,280**
Cost of revenues		(738)	(646)
Gross profit		**1,862**	**1,634**
Sales costs		(417)	(365)
General and administrative costs		(799)	(716)
Total operating expenses		(1,216)	(1,081)
Other gains and (losses)		(6)	(34)
Operating profit		**640**	**519**
Financing results		(43)	(43)
Share of profit of equity-accounted investees, net of tax		0	0
Profit before tax		**597**	**476**
Income tax expense		(142)	(116)
Profit for the period		**455**	**360**
Attributable to:			
▪ Owners of the company		455	360
▪ Non-controlling interests		0	0
Profit for the period		**455**	**360**
Earnings per share (EPS) (€)			
Basic EPS		1.77	1.38
Diluted EPS		1.76	1.37

Wolters Kluwer

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

(in millions of euros)	Six months ended June 30	
	2022	2021
Comprehensive income:		
Profit for the period	**455**	**360**
Other comprehensive income:		
Items that are or may be reclassified subsequently to the statement of profit or loss:		
Exchange differences on translation of foreign operations	308	108
Recycling of foreign exchange differences on loss of control	–	26
Net gains/(losses) on hedges of net investments	(15)	(6)
Net gains/(losses) on cash flow hedges	27	9
Items that will not be reclassified to the statement of profit or loss:		
Remeasurements on defined benefit plans	(4)	0
Other comprehensive income/(loss) for the period, before tax	316	137
Income tax on other comprehensive income	1	0
Other comprehensive income/(loss) for the period, net of tax	**317**	**137**
Total comprehensive income for the period	**772**	**497**
Attributable to:		
▪ Owners of the company	772	496
▪ Non-controlling interests	0	1
Total	**772**	**497**

Unaudited Condensed Consolidated Interim Statement of Cash Flows

(in millions of euros)	*Note*	Six months ended June 30			
			2022		2021
Cash flows from operating activities					
Profit for the period			455		360
Adjustments for:					
Income tax expense		142		116	
Share of profit of equity-accounted investees, net of tax		0		0	
Financing results		43		43	
Amortization, impairment, and depreciation		231		197	
Book (profit)/loss on disposal of operations and non-current assets		1		28	
Changes in employee benefit provisions		3		0	
Additions to and releases from provisions		0		5	
Appropriation of provisions		(5)		(20)	
Share-based payments		12		10	
Autonomous movements in working capital		4		54	
Other adjustments		1		(5)	
Total adjustments			**432**		**428**
Interest paid and received (including the interest portion of lease payments)			(46)		(48)
Paid income tax			(175)		(127)
Net cash from operating activities			**666**		**613**
Cash flows from investing activities					
Net capital expenditure			(139)		(107)
Acquisition spending, net of cash acquired	7		(69)		(96)
Receipts from divestments, net of cash disposed	7		(1)		1
Net cash used in investing activities			**(209)**		**(202)**
Cash flows from financing activities					
Repayment of loans			(1)		0
Proceeds from new loans			100		525
Repayment of principal portion of lease liabilities			(35)		(34)
Repurchased shares			(302)		(201)
Dividends paid			(264)		(233)
Net cash from/(used in) financing activities			**(502)**		**57**
Net cash flow before effect of exchange differences			**(45)**		**468**
Exchange differences on cash and cash equivalents and bank overdrafts			74		27
Net change in cash and cash equivalents less bank overdrafts			29		495
Cash and cash equivalents less bank overdrafts at January 1			994		364
Cash and cash equivalents less bank overdrafts at June 30			**1,023**		**859**
Add: Bank overdrafts used for cash management purposes at June 30			**79**		**92**
Less: included in assets held for sale at June 30			(4)		–
Cash and cash equivalents at June 30 in the statement of financial position			**1,098**		**951**

Wolters Kluwer

Unaudited Condensed Consolidated Interim Statement of Financial Position

(in millions of euros)	*Note*	June 30, 2022		December 31, 2021		June 30, 2021	
Goodwill		4,444		4,180		4,118	
Intangible assets other than goodwill		1,670		1,620		1,667	
Property, plant, and equipment		83		75		80	
Right-of-use assets		306		301		323	
Investments in equity-accounted investees		10		10		8	
Financial assets and other receivables		35		23		27	
Contract assets		18		19		17	
Deferred tax assets		66		62		91	
Total non-current assets			**6,632**		**6,290**		**6,331**
Inventories		73		65		71	
Contract assets		163		138		135	
Trade and other receivables		1,279		1,374		1,155	
Current income tax assets		81		59		37	
Cash and cash equivalents		1,098		1,001		951	
Assets classified as held for sale	8	104		101		–	
Total current assets			**2,798**		**2,738**		**2,349**
Total assets			**9,430**		**9,028**		**8,680**
Issued share capital		32		32		32	
Share premium reserve		87		87		87	
Other reserves		2,512		2,298		2,039	
Equity attributable to the owners of the company			2,631		2,417		2,158
Non-controlling interests			0		0		0
Total equity			**2,631**		**2,417**		**2,158**
Long-term debt, excl. lease liabilities	*9*	2,079		2,791		2,790	
Lease liabilities	*9*	258		260		280	
Deferred tax liabilities		284		294		327	
Employee benefits		99		90		116	
Provisions		8		7		6	
Non-current deferred income		135		113		111	
Total non-current liabilities			**2,863**		**3,555**		**3,630**
Deferred income		1,809		1,709		1,597	
Other contract liabilities		86		80		65	
Trade and other payables		813		944		733	
Current income tax liabilities		166		142		174	
Short-term provisions		22		27		33	
Borrowings and bank overdrafts	*9*	179		9		217	
Short-term bonds	*9*	700		–		–	
Short-term lease liabilities	*9*	79		71		73	
Liabilities classified as held for sale	8	82		74		–	
Total current liabilities			**3,936**		**3,056**		**2,892**
Total liabilities			**6,799**		**6,611**		**6,522**
Total equity and liabilities			**9,430**		**9,028**		**8,680**

Unaudited Condensed Consolidated Interim Statement of Changes in Total Equity

(in millions of euros)			2022
	Equity attributable to the owners of the company	Non-controlling interests	Total equity
Balance at January 1, 2022	**2,417**	**0**	**2,417**
Total comprehensive income for the period	772	0	772
Share-based payments	12	–	12
Final cash dividend 2021	(264)	0	(264)
Repurchased shares	(306)	–	(306)
Balance at June 30, 2022	**2,631**	**0**	**2,631**

(in millions of euros)			2021
	Equity attributable to the owners of the company	Non-controlling interests	Total equity
Balance at January 1, 2021	**2,087**	**0**	**2,087**
Total comprehensive income for the period	496	1	497
Share-based payments	10	–	10
Final cash dividend 2020	(232)	(1)	(233)
Repurchased shares	(203)	–	(203)
Balance at June 30, 2021	**2,158**	**0**	**2,158**

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 provider of professional information, software solutions, and services for clinicians, nurses, accountants, lawyers, and tax, finance, audit, risk, compliance, and regulatory sectors. Our *expert solutions* combine deep domain knowledge with technology to deliver both content and workflow automation to drive improved outcomes and productivity for our customers.

These unaudited condensed consolidated interim financial statements (interim financial statements) for the six months ended June 30, 2022, 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, 2021.

The interim financial statements for the six months period ended June 30, 2022, have been abridged from Wolters Kluwer’s 2021 Financial Statements as part of the 2021 Annual Report. 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 2, 2022.

Accounting policies
The accounting policies applied in these interim financial statements are the same as those applied in the 2021 Financial Statements, apart from the effect of the following new accounting standards and amendments which became effective as of January 1, 2022:
- References to the Conceptual Framework (Amendments to IFRS 3);
- Property, Plant, and Equipment – Proceeds before intended use (Amendments to IAS 16); and
- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).

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, 2022, 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.

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	2022	2021
U.S. dollar (at June 30)	1.05	1.20
U.S. dollar (average six months)	1.10	1.21
U.S. dollar (at December 31)		1.13

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, liabilities, income, and expense.

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 2021 Financial Statements (reference is made to *Note 3 – Accounting Estimates and Judgments* of the 2021 Financial Statements).

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).

Reference is also made to *Note 30 - Financial Risk Management* of the 2021 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 2021 Annual Report.

Impact of Russian-Ukrainian war
In February 2022, global geopolitical tension began to worsen following the start of the Russian-Ukrainian war. The repercussions on the global macroeconomic scenario, already characterized by difficulties in global supply chains and high inflation rates, are currently highly uncertain. It is likely that the war between Russia and Ukraine could have consequences on global economic activities and spending patterns in current and future periods.

Some suppliers of Wolters Kluwer have operations in Ukraine, predominantly in technology support services. Wolters Kluwer has been working closely together with these suppliers to ensure a minimal impact on our products and services.

Wolters Kluwer has been carefully considering the future of our customer relationships in Russia and Belarus, where we have a limited footprint, and, above all, what our actions would mean for people in the region. We have discontinued doing business in Russia and Belarus except for certain health products where there are compelling humanitarian reasons.

Revenues generated in Russia, Belarus, and Ukraine represented less than 0.5% of group revenues in the first half of 2022 and in full year 2021. At June 30, 2022, trade receivables regarding customers based in Russia, Belarus, and Ukraine were neglectable. The Russian-Ukrainian war did not result in an impairment trigger on the group's non-current assets.

Note 3 Seasonality

The overall impact of seasonality on group revenues and costs is limited. Revenue recognition does not always follow the pattern of cash flows as the revenues for certain license contracts are deferred.

Note 4 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.

Reconciliation of benchmark figures

Revenue Bridge

(in millions of euros)	€	%
Revenues HY 2021	2,280	
Organic change	160	7
Acquisitions	9	0
Divestments	(15)	0
Currency impact	166	7
Revenues HY 2022	**2,600**	**14**

U.S. dollar 2022: HY average €/$=1.10 versus 2021: HY average €/$=1.21

Reconciliation between operating profit and adjusted operating profit

(in millions of euros)	Six months ended June 30	
	2022	2021
Operating profit	640	519
Amortization and impairment of acquired identifiable intangible assets	88	60
Non-benchmark items in operating profit	6	34
Adjusted operating profit (A)	**734**	**613**

For our continuing medical education solutions for physicians (Learner’s Digest), we identified a triggering event in the first half of 2022 as expectations of market growth deteriorated. The group recognized an impairment on the acquired identifiable intangible assets of €20 million and on other intangible assets of €3 million, which was included in adjusted operating profit.

Reconciliation between financing results and adjusted net financing costs

(in millions of euros)	Six months ended June 30	
	2022	2021
Financing results	(43)	(43)
Non-benchmark items in financing results	1	1
Adjusted net financing costs	**(42)**	**(42)**

Reconciliation between profit for the period and adjusted net profit

(in millions of euros)	Six months ended June 30	
	2022	2021
Profit for the period attributable to the owners of the company (B)	**455**	**360**
Amortization and impairment of acquired identifiable intangible assets	88	60
Tax on amortization and impairment of acquired identifiable intangible assets and goodwill	(22)	(17)
Non-benchmark items, net of tax	6	34
Adjusted net profit (C)	**527**	**437**

Summary of non-benchmark items

(in millions of euros)	Six months ended June 30	
	2022	2021
Included in other gains and (losses):		
Divestment-related results	(4)	(30)
Acquisition-related costs	(2)	(3)
Additions to acquisition integration provisions	0	(1)
Total non-benchmark income/(costs) in operating profit	**(6)**	**(34)**
Included in financing results:		
Employee benefits financing component	(1)	(1)
Total non-benchmark income/(costs) in financing results	**(1)**	**(1)**
Total non-benchmark items before tax	**(7)**	**(35)**
Tax on non-benchmark items	1	1
Non-benchmark items, net of tax	**(6)**	**(34)**

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

(in millions of euros)	Six months ended June 30	
	2022	2021
Net cash from operating activities	666	613
Net capital expenditure	(139)	(107)
Repayment of principal portion of lease liabilities	(35)	(34)
Acquisition-related costs	2	3
Paid divestment expenses	3	2
Net tax benefit on divested assets and consolidation of platform technology	0	(1)
Adjusted free cash flow (D)	**497**	**476**

Per share information

(in euros, unless otherwise stated)	Six months ended June 30	
	2022	2021
Total number of ordinary shares outstanding at June 30[1)]	255.5	260.3
Weighted average number of ordinary shares outstanding (E)[1)]	257.0	261.4
Diluted weighted average number of ordinary shares (F)[1)]	258.2	262.7
Adjusted EPS (C/E)	2.05	1.67
Diluted adjusted EPS (C/F)	2.04	1.66
Diluted adjusted EPS in constant currencies	1.93	1.74
Basic EPS (B/E)	1.77	1.38
Diluted EPS (B/F)	1.76	1.37
Adjusted free cash flow per share (D/E)	1.93	1.82
Diluted adjusted free cash flow per share (D/F)	1.93	1.81

[1)] In millions of shares

Benchmark tax rate

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2022	2021
Income tax expense	142	116
Tax benefit on amortization and impairment of acquired identifiable intangible assets	22	17
Tax benefit/(expense) on non-benchmark items	1	1
Tax on adjusted profit before tax (G)	**165**	**134**
Adjusted net profit (C)	527	437
Adjustment for non-controlling interests	0	0
Adjusted profit before tax (H)	**692**	**571**
Benchmark tax rate (G/H) (%)	**23.8**	**23.5**

Cash conversion ratio

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2022	2021
Operating profit	640	519
Amortization, impairment, and depreciation	231	197
EBITDA	**871**	**716**
Non-benchmark items in operating profit	6	34
Adjusted EBITDA	**877**	**750**
Autonomous movements in working capital	4	54
Net capital expenditure	(139)	(107)
Repayment of principal portion of lease liabilities	(35)	(34)
Interest portion of lease liabilities	(4)	(4)
Adjusted operating cash flow (I)	**703**	**659**
Adjusted operating profit (A)	**734**	**613**
Cash conversion ratio (I/A) (%)	**96**	**107**

Note 5 Segment Reporting

Divisional revenues and operating profit

(in millions of euros)	Six months ended June 30	
	2022	2021
Revenues		
Health	674	579
Tax & Accounting	843	732
Governance, Risk & Compliance	638	544
Legal & Regulatory	445	425
Total revenues	**2,600**	**2,280**
Operating profit/(loss)		
Health	180	165
Tax & Accounting	252	187
Governance, Risk & Compliance	184	155
Legal & Regulatory	51	37
Corporate	(27)	(25)
Total operating profit	**640**	**519**

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 6 Earnings per Share

Earnings per share (EPS)

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2022	2021
Profit for the period attributable to the owners of the company (B)	**455**	**360**
Weighted average number of shares		
in millions of shares		
Outstanding ordinary shares at January 1	262.5	267.5
Effect of repurchased shares	(5.5)	(6.1)
Weighted average number of ordinary shares for the period (E)	**257.0**	**261.4**
Basic EPS (€) (B/E)	1.77	1.38
Diluted weighted average number of shares		
in millions of shares		
Weighted average number of ordinary shares for the period (E)	257.0	261.4
Long-Term Incentive Plan	1.2	1.3
Diluted weighted average number of ordinary shares for the period (F)	**258.2**	**262.7**
Diluted EPS (€) (B/F)	1.76	1.37

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Note 7 Acquisitions and Divestments

Acquisitions
Total acquisition spending in the first half of 2022, net of cash acquired, was €69 million (HY 2021: €96 million).

On April 8, 2022, Wolters Kluwer Governance, Risk & Compliance completed the acquisition of 100% of the shares of International Document Services, Inc. (IDS), a leading U.S. provider of compliance and document generation software solutions for the mortgage and real estate industry, for €64 million in cash. The transaction had no deferred and contingent considerations. IDS serves over 450 clients, including U.S. mortgage lenders, banks and law firms. IDS's services include initial disclosures, electronic signatures, closing documents, and document fulfillment. The IDS flagship document preparation solution, idsDoc, is a cloud-based platform that is recognized across the industry for its superior capabilities, customer service, and integrations with many of the leading loan origination systems and eClosing platforms. Revenues are based on transactional pricing linked to mortgage volumes. IDS is headquartered in Draper, Utah, and employs approximately 75 employees. The fair values of the identifiable assets and liabilities of IDS, as reported at June 30, 2022, are provisional.

On June 28, 2022, Wolters Kluwer Legal & Regulatory completed the acquisition of 100% of the shares of Level Programs S.L. (Level Programs), a provider of legal practice management software in Spain, for €5 million in cash and deferred consideration of €1 million. Level Program's principal product is Kmaleon, which is a platform used by mid-sized law firms in Spain to efficiently manage their cases and documents, billing, accounting, and time control. Level Programs is headquartered in Terrassa and employs approximately 25 employees. The fair values of the identifiable assets and liabilities of Level Programs, as reported at June 30, 2022, are provisional.

In addition, other smaller acquisitions were completed, with a combined total consideration of €1 million.

In the first half of 2022, acquisition-related costs were €2 million (HY 2021: €3 million).

The acquisition spending in first half of 2021 was €96 million and included the acquisition of Vanguard Software Corporation and a few smaller acquisitions.

Acquisition-related results

(in millions of euros)	Six months ended June 30	
	2022	2021
Consideration payable in cash	70	98
Deferred and contingent acquisition payments	1	1
Total consideration	**71**	**99**
Non-current assets	48	32
Current assets	2	4
Non-current liabilities	(1)	(2)
Current liabilities	(2)	(3)
Deferred tax liabilities	(11)	(2)
Fair value of net identifiable assets/(liabilities)	**36**	**29**
Goodwill on acquisitions	**35**	**70**
Cash effect of the acquisitions:		
Consideration payable in cash	70	98
Cash acquired	(1)	(2)
Deferred and contingent considerations paid	0	0
Acquisition spending, net of cash acquired	**69**	**96**

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 relating to the 2022 acquisitions 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, revenues generated because of new capabilities of the acquired product platforms, as well as expected synergies that will arise following the acquisitions.

Of the goodwill recognized in 2022, none was deductible for income tax purposes (HY 2021: €70 million).

Divestments
Net disposal proceeds amounted to €(1) million in the first half of 2022 (HY 2021: €1 million) and included a working capital settlement paid to the buyer of Legal Education, which was divested in 2021.

In the first half of 2021, net disposal proceeds amounted to €1 million and included a deferred divestment consideration received. In addition, certain Prosoft assets in Brazil were combined with those of Alterdata Tecnologia em Informática Ltda in exchange for an 11.8% non-controlling interest in the combined entity.

Divestment-related results

(in millions of euros)	Six months ended June 30	
	2022	2021
Divestments of operations:		
Consideration receivable in cash	(1)	–
Non-controlling interests received, recognized as financial assets at fair value	–	6
Consideration receivable	(1)	6
Non-current assets	–	7
Current assets	0	2
Current liabilities	0	(1)
Net identifiable assets and liabilities	**0**	**8**
Reclassification of foreign exchange gain/(loss) on loss of control, recognized in other comprehensive income	–	(26)
Book profit/(loss) on divestments of operations	**(1)**	**(28)**
Divestment expenses	(3)	(2)
Divestment-related results, included in other gains and (losses)	**(4)**	**(30)**
Cash effect of divestments:		
Consideration receivable in cash	(1)	–
Deferred consideration received	–	1
Cash included in divested operations	–	0
Receipts from divestments, net of cash disposed	**(1)**	**1**

Note 8 Assets/Liabilities Classified as Held for Sale

On December 9, 2021, Wolters Kluwer Legal & Regulatory announced that it has entered into exclusive discussions to sell its legal information businesses in France and Spain following receipt of a binding offer from Karnov Group. Signing of a final agreement is conditional upon completion of the consultation with the European and French works councils. Completion of the transaction would be conditional upon antitrust approval in Spain and is expected in the second half of 2022. The French and Spanish legal information units to be sold employ approximately 600 FTEs.

Net assets classified as held for sale

(in millions of euros)	June 30, 2022	December 31, 2021	June 30, 2021
Assets of disposal groups classified as held for sale	104	101	–
Liabilities of disposal groups classified as held for sale	(82)	(74)	–
Net assets of disposal groups classified as held for sale	**22**	**27**	**0**

Assets and liabilities of disposal groups

(in millions of euros)	June 30, 2022	December 31, 2021	June 30, 2021
Non-current assets	75	73	–
Cash and cash equivalents	4	2	–
Other current assets	25	26	–
Non-current liabilities	(16)	(14)	–
Current liabilities	(66)	(60)	–
Net assets of disposal groups classified as held for sale	**22**	**27**	**0**

Result of disposal groups

The revenues, adjusted operating profit, and operating profit of the disposal groups can be specified as follows:

(in millions of euros)	Six months ended June 30	
	2022	2021
Revenues	42	42
Adjusted operating profit	8	5
Operating profit	8	5

Note 9 Net Debt

Reconciliation gross debt to net debt

(in millions of euros, unless otherwise stated)	June 30, 2022		December 31, 2021		June 30, 2021	
Gross debt						
Bonds	1,927		2,625		2,625	
Private placements	141		153		152	
Other long-term loans	9		10		9	
Deferred and contingent acquisition payments	2		1		0	
Derivative financial instruments	0		2		4	
Long-term debt (excl. lease liabilities)		2,079		2,791		2,790
Lease liabilities		258		260		280
Total long-term debt		2,337		3,051		3,070
Borrowings and bank overdrafts	179		9		217	
Short-term bonds	700		–		–	
Short-term lease liabilities	79		71		73	
Deferred and contingent acquisition payments	1		1		1	
Derivative financial instruments	18		–		7	
Total short-term debt		977		81		298
Total gross debt		**3,314**		**3,132**		**3,368**
Minus:						
Cash and cash equivalents		(1,098)		(1,001)		(951)
Derivative financial instruments:						
Non-current receivable		(13)		–		–
Net debt		**2,203**		**2,131**		**2,417**
Net-debt-to-EBITDA ratio (on a rolling basis) *		1.3		1.4		1.7

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

Effective July 2022, the group exercised the option to extend its €600 million multi-currency credit facility from July 2024 to July 2025.

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Note 10 Equity, LTIP, and Dividends

The group made progress on the 2022 share buyback program of up to €600 million which was announced on February 23, 2022. In 2022, up to and including August 2, 2021, the group has completed repurchases of €356 million (3.8 million ordinary shares at an average share price of €92.89). This 2022 buyback program has now been expanded to €1 billion.

For the period starting August 4, 2022, up to and including October 31, 2022, we have mandated third parties to execute €400 million in share buybacks on our behalf while for the period starting November 3, 2022, up to and including December 28, 2022, we have mandated another third party to execute €244 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.

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 1.2 million shares were repurchased to offset the dilution caused by our annual incentive share issuance.

In the first six months of 2022, treasury shares were used for the vesting of Long-Term Incentive Plan (LTIP) shares; no new shares were issued. The LTIP 2019-21 vested on December 31, 2021. Total Shareholder Return (TSR) ranked fourth 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 649,774 shares were released on February 24, 2022.

Under the 2022-24 LTIP grant, 297,358 shares were conditionally awarded to the Executive Board and other senior managers in the first six months of 2022. In the first six months of 2022, a total of 15,392 shares were forfeited under the long-term incentive plans.

A final dividend of €1.03 per share was approved at the Annual General Meeting of Shareholders in April 2022 and was paid in the second quarter. The final dividend brings the total dividend over the 2021 financial year to €1.57 per share, an increase of 15% compared to the 2020 dividend. The 2021 dividend of €1.57 per share amounting to €404 million (2020 dividend: €356 million) was fully distributed in cash. This 2021 dividend was paid in two parts, an interim dividend of €140 million in the second half of 2021 and a final dividend of €264 million in the first half of 2022.

For 2022, the interim dividend will be set at 40% of the prior year's total dividend, equivalent to €0.63 per share.

At June 30, 2022, the Executive Board jointly held 412,167 shares (December 31, 2021: 412,167 shares), of which 372,131 shares (December 31, 2021: 372,131 shares) were held by Ms. McKinstry and 40,036 shares (December 31, 2021: 40,036 shares) by Mr. Entricken.

At June 30, 2022, Mrs. A.E. Ziegler, held 1,894 Wolters Kluwer ADRs (December 31, 2021: 1,894 Wolters Kluwer ADRs). None of the other members of the Supervisory Board held shares in Wolters Kluwer (December 31, 2021: none of the other members of the Supervisory Board held shares).

Note 11 Related Party Transactions

There were no major related party transactions entered into during the six months period ended June 30, 2022.

Note 12 Events after Balance Sheet date

Subsequent events were evaluated up to August 2, 2022, which is the date the condensed consolidated interim financial statements were authorized for issue by the Executive Board and Supervisory Board. No subsequent events were identified.

Appendix 1 Divisional Supplemental Information – Six months ended June 30

(€ million, unless otherwise stated)	2022	2021	Organic	Change: Acquisition / Divestment	Currency
Health					
Revenues	674	579	36	–	59
Adjusted operating profit	216	181	15	–	20
Adjusted operating profit margin	32.0%	31.2%			
Tax & Accounting					
Revenues	843	732	65	0	46
Adjusted operating profit	270	229	24	0	17
Adjusted operating profit margin	32.0%	31.3%			
Governance, Risk & Compliance					
Revenues	638	544	35	6	53
Adjusted operating profit	206	175	11	2	18
Adjusted operating profit margin	32.2%	32.1%			
Legal & Regulatory					
Revenues	445	425	24	(12)	8
Adjusted operating profit	69	53	18	(4)	2
Adjusted operating profit margin	15.6%	12.5%			
Corporate					
Adjusted operating profit	(27)	(25)	(2)	–	0
Wolters Kluwer					
Revenues	2,600	2,280	160	(6)	166
Adjusted operating profit	734	613	66	(2)	57
Adjusted operating profit margin	28.2%	26.9%			

Note: Acquisition/divestment column includes the contribution from 2022 and 2021 acquisitions before these became organic (12 months from their acquisition date), the impact of 2022 and 2021 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)	2022	2021	Δ	Δ CC	Δ OG
Software	1,136	974	+17%	+9%	+9%
Other digital	1,029	908	+13%	+6%	+6%
Digital	2,166	1,882	+15%	+8%	+8%
Services	264	227	+16%	+6%	+5%
Print	170	171	-1%	-6%	-1%
Total revenues	**2,600**	**2,280**	**+14%**	**+7%**	**+7%**

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.18); Δ OG: % Organic growth. Other digital includes digital information and services related to software. Services include legal representation, consulting, training, events, and other services.

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

(€ million, unless otherwise stated)	2022	2021	Δ	Δ CC	Δ OG
Health					
Digital and service subscription	540	462	+17%	+7%	+7%
Print subscription	23	21	+10%	+1%	+1%
Other recurring	48	45	+7%	-2%	-2%
Total recurring revenues	**611**	**528**	**+16%**	**+6%**	**+6%**
Print books	24	16	+54%	+41%	+41%
Other non-recurring	39	35	+11%	0%	0%
Total Health	**674**	**579**	**+16%**	**+6%**	**+6%**
Tax & Accounting					
Digital and service subscription	648	561	+15%	+9%	+10%
Print subscription	10	11	-7%	-9%	-9%
Other recurring	80	78	+2%	-8%	+7%
Total recurring revenues	**738**	**650**	**+13%**	**+7%**	**+9%**
Print books	10	8	+26%	+15%	+15%
Other non-recurring	95	74	+29%	+24%	+6%
Total Tax & Accounting	**843**	**732**	**+15%**	**+9%**	**+9%**
Governance, Risk & Compliance					
Digital and service subscription	378	320	+18%	+8%	+8%
Total recurring revenues	**378**	**320**	**+18%**	+8%	+8%
LS transactional	146	126	+16%	+5%	+3%
FS transactional	65	57	+13%	+3%	-2%
Other non-recurring	49	41	+18%	+13%	+13%
Total Governance, Risk & Compliance	**638**	**544**	**+17%**	**+7%**	**+6%**
Legal & Regulatory					
Digital and service subscription	324	294	+10%	+8%	+9%
Print subscription	43	49	-12%	-12%	-12%
Other recurring	7	10	-26%	-31%	+4%
Total recurring revenues	**374**	**353**	**+6%**	**+4%**	**+6%**
Print books	21	31	-31%	-32%	-7%
Other non-recurring	50	41	+21%	+18%	+14%
Total Legal & Regulatory	**445**	**425**	**+5%**	**+3%**	**+6%**
Total Wolters Kluwer					
Digital and service subscription	1,890	1,637	+15%	+8%	+8%
Print subscription	76	81	-5%	-8%	-8%
Other recurring	135	133	+1%	-7%	+3%
Total recurring revenues	**2,101**	**1,851**	**+14%**	**+6%**	**+7%**
Print books	55	55	+1%	-4%	+13%
LS transactional	146	126	+16%	+5%	+3%
FS transactional	65	57	+13%	+3%	-2%
Other non-recurring	233	191	+21%	+16%	+8%
Total non-recurring revenues	**499**	**429**	**+16%**	**+8%**	**+6%**
Total Wolters Kluwer	**2,600**	**2,280**	**+14%**	**+7%**	**+7%**

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

About Wolters Kluwer

Wolters Kluwer (EURONEXT: 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 technology and services.

Wolters Kluwer reported 2021 annual revenues of €4.8 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 20,000 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

August 30, 2022	Ex-dividend date: 2022 interim dividend
August 31, 2022	Record date: 2022 interim dividend
September 22, 2022	Payment date: 2022 interim dividend
September 29, 2022	Payment date: 2022 interim dividend ADRs
November 2, 2022	Nine-Month 2022 Trading Update
February 22, 2023	Full-Year 2022 Results
March 8, 2023	Publication of 2022 Annual Report and ESG Data Overview

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Forward-looking Statements and Other Important Legal Information

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

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