

Wolters Kluwer Annual General Meeting 2019

Amsterdam
April 18, 2019



Wolters Kluwer

Nancy McKinstry
CEO and Chairman of the
Executive Board



Wolters Kluwer

Forward-looking Statements

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

Growth rates are cited in constant currencies unless otherwise noted.

Agenda

- **2018 Financial Performance**
- Strategic Priorities 2019-2021
- Outlook 2019 and Summary

Highlights 2018

We achieved good organic growth and an improvement in margin and ROIC

Good organic growth

Improved adjusted operating margin

Double-digit growth in diluted adjusted EPS
in constant currencies

Increased cash conversion

Strong balance sheet
Improved ROIC

Increased returns to shareholders

- Total organic growth **+4%**
- Digital and services organic growth **+6%**
- Adjusted operating margin **23.0%**, **+30bps** excluding one-time benefits
- Adjusted free cash flow **+6%**
- Diluted adjusted EPS **+16%**
- Dividend per share **+15%**
- Share buybacks **€550 million**
- Total shareholder return **+21%**
- Expanded our market coverage
- Delivered *expert solutions*
- Drove efficiencies and engagement

Growth rates for adjusted free cash flow and diluted adjusted EPS are in constant currencies.

Performance versus guidance

Our 2018 results met or exceeded guidance

Performance indicators	2018 Guidance	2018 Actual	Achieved
Adjusted operating profit margin	22.5%-23.0%	23.0%	✓
Adjusted free cash flow	€725-750 million ¹⁾	€762 million²⁾ +6%²⁾	✓ +
Return on invested capital	10.0%-10.5%	10.9%	✓ +
Diluted adjusted EPS	10%-15% growth ¹⁾	16%	✓ +

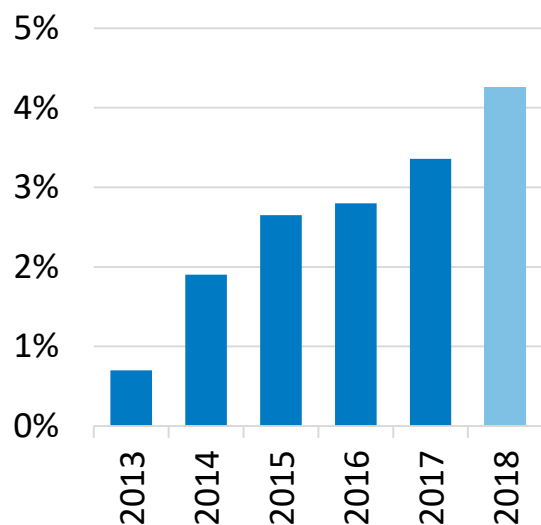
1) Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (€/€ 1.13)

2) 2018 actual adjusted free cash flow shown in reported currencies; 2018 actual growth rate shown in constant currencies.

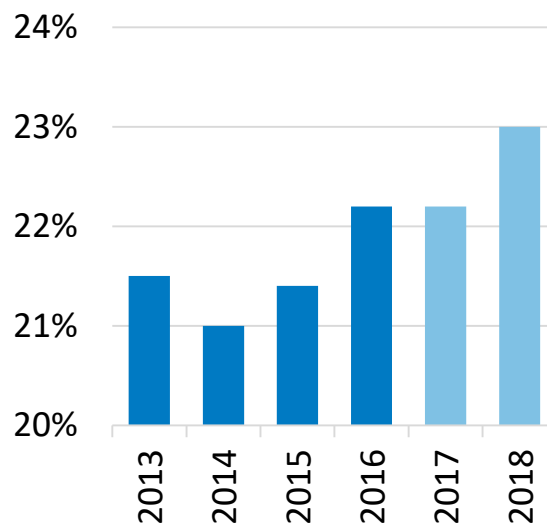
Improved financial KPI's

Strategy has delivered improved organic growth, margins, and ROIC

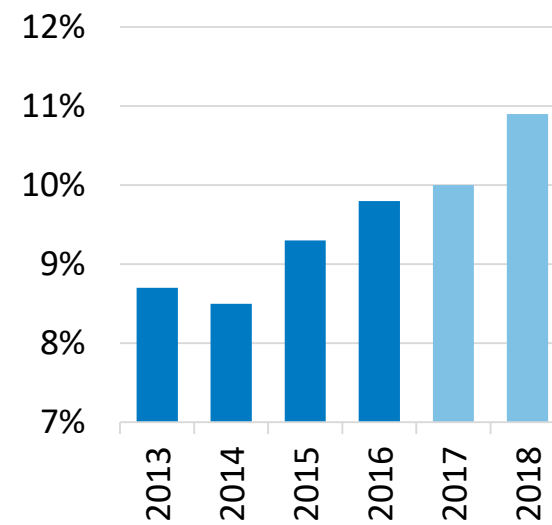
Organic Growth (%)



Adjusted Operating Profit Margin (%)



ROIC (%)



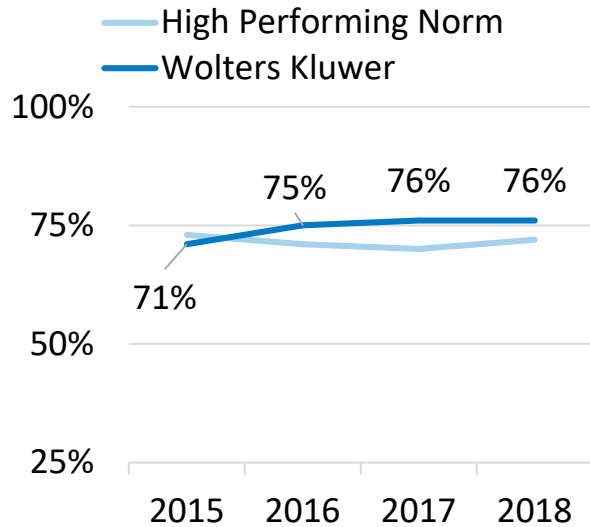
■ IFRS 15
■ IAS 18

Note: 2013-2016 data as reported. 2017 margin and ROIC restated for IFRS15.

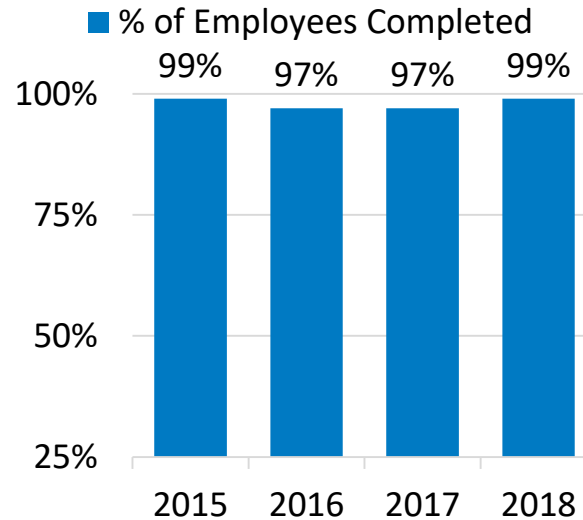
Progress on ESG metrics

We also made progress on certain non-financial indicators

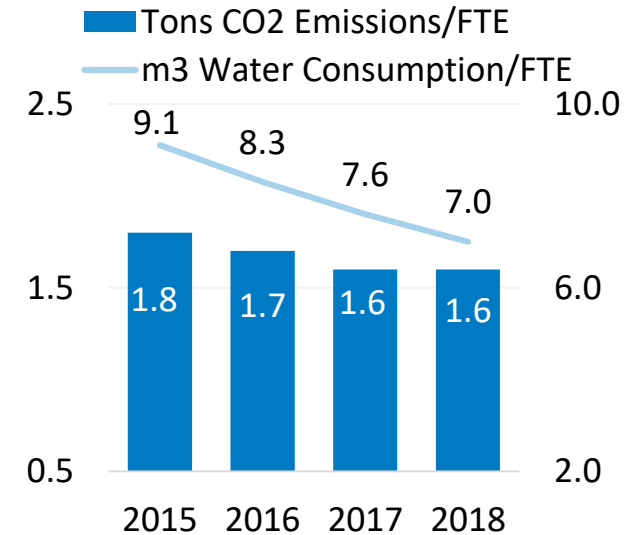
Employee Engagement Score



General Compliance Training



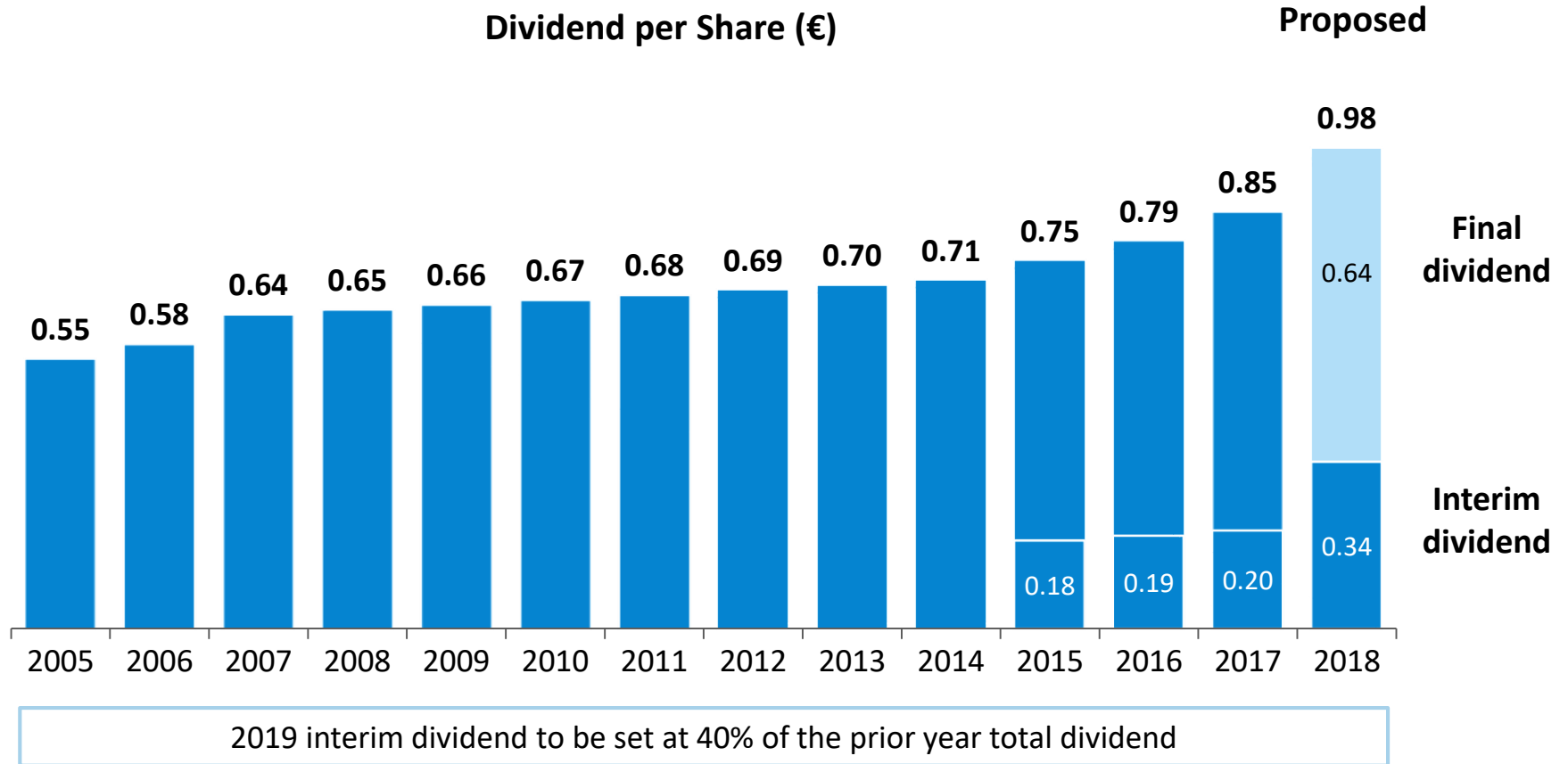
Energy and Water Consumption



Source: 2018 Annual Report and Sustainability Data Report: Data not assured

Dividend

We are proposing a 15% increase in the full-year dividend to €0.98 per share



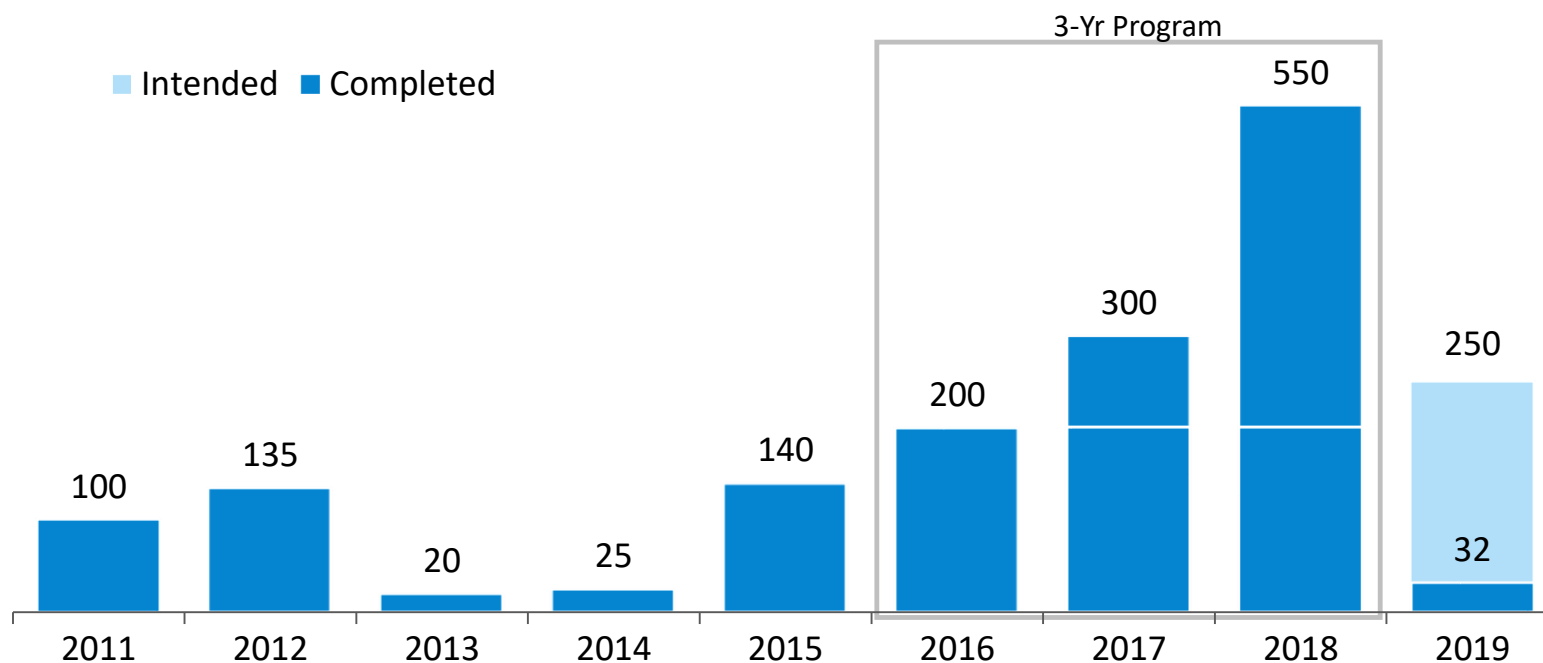
The interim dividend is paid in September and the final dividend is paid in May of the subsequent year.

Share buybacks

On February 20th, we announced a share buyback program of up to €250 million for 2019

Share Buybacks (€ million)

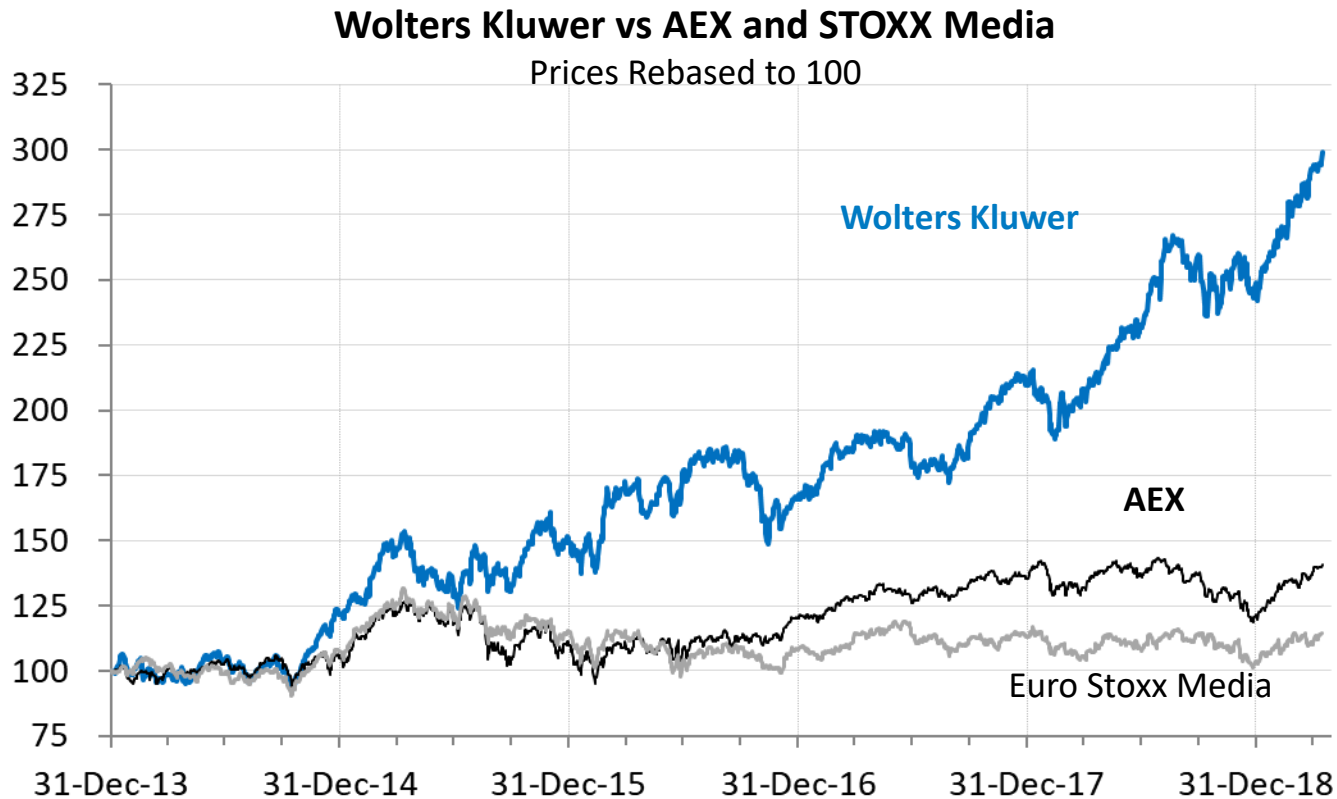
as of 18 April, 2019



The 2016-2018 share buyback program included additional repurchases using the gross proceeds from disposals.

Share price

Wolters Kluwer shares beat the AEX and EuroStoxx 600 Media again in 2018



Wolters Kluwer
Closing Price
April 17, 2019
€62.36
Market Cap
€17.4 bn

One Year 2018: Wolters Kluwer **+19%** | AEX **-10%** | Euro Stoxx Media **-8%**
Five Years 2013-2018: Wolters Kluwer **+149%** | AEX **+21%** | Euro Stoxx Media **+4%**

Source: Nasdaq, FactSet

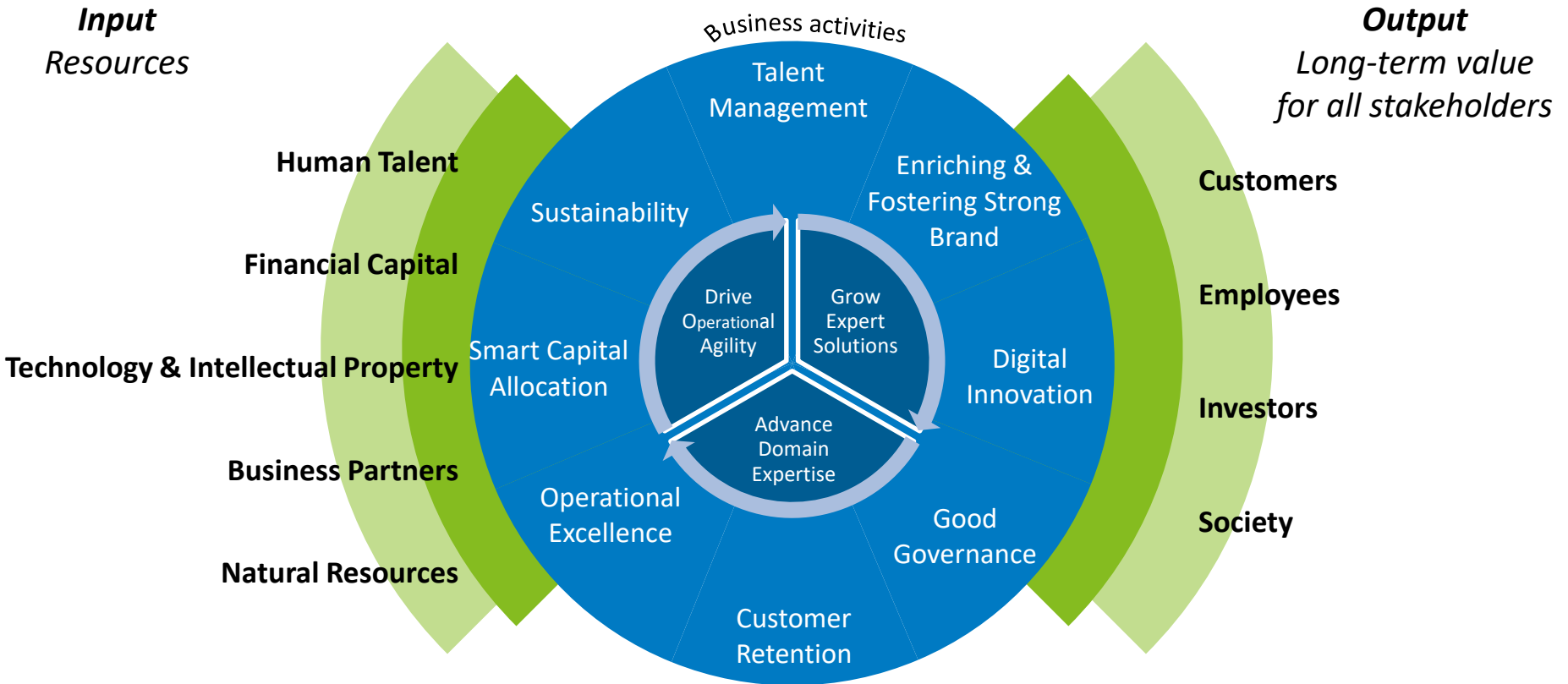
Agenda

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Value creation

We are balancing the long-term interests of all of our key stakeholders

Wolters Kluwer Value Creation Model



Strategic priorities 2019-2021

Our plan aims to deliver good organic growth and further incremental improvement in adjusted operating profit margin and ROIC

Sustain organic product development at 8-10% of revenues (CAPEX + OPEX)

Drive cost savings to fund systems & infrastructure upgrade

Evolve technology towards fewer scalable platforms; transition to cloud

Bolt-on acquisitions that meet strategic & financial criteria; selective disposals

Allocate capital efficiently, target 2.5x leverage, deliver shareholder returns

Grow Expert Solutions

- Drive scale by extending the offerings and broadening distribution via existing and new channels, including strategic partnerships
- Invest to build or acquire positions in adjacent markets

Advance Domain Expertise

- Enrich our information products and services with advanced technologies to deliver actionable intelligence integrated into customer workflows
- Enhance user experience through user-centric design and differentiated interfaces

Drive Operational Agility

- Strengthen global brand, go-to-market, and digital marketing capabilities
- Upgrade back-office systems and IT infrastructure
- Complete the modernization of HR systems to support efforts to attract and nurture talent

Grow expert solutions

CCH Axxess: deep domain expertise combined with advanced technology to improve outcomes and productivity for our professional tax customers

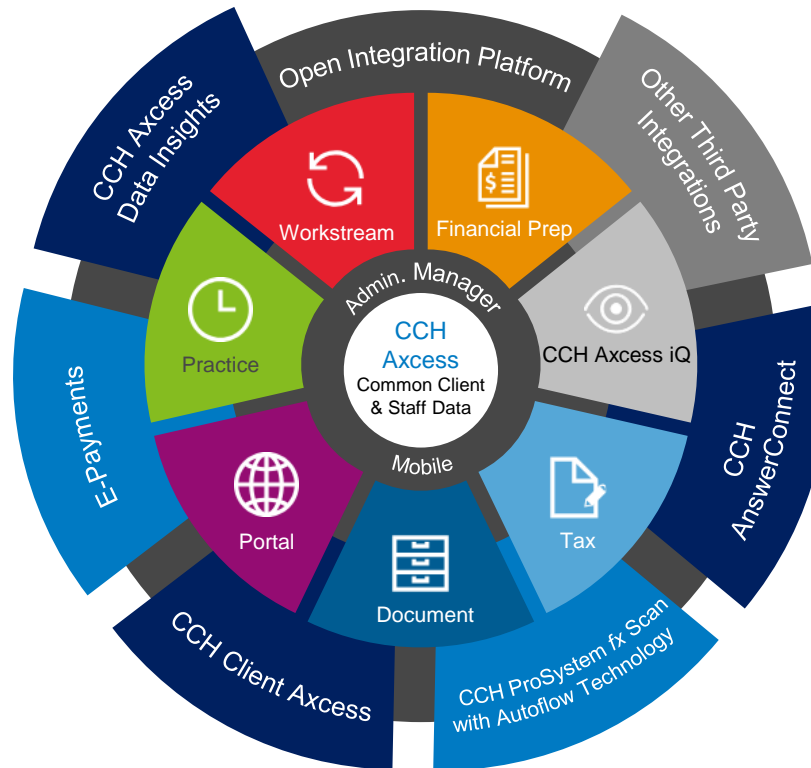
**Our Customers:
Tax Professionals**



Tax professional gains productivity, mobility and high security

- Cloud-based, integrated, modular system
- Technology platform with standard components
- Open architecture

CCH Axxess Ecosystem



**Their Clients:
Individuals & Businesses**



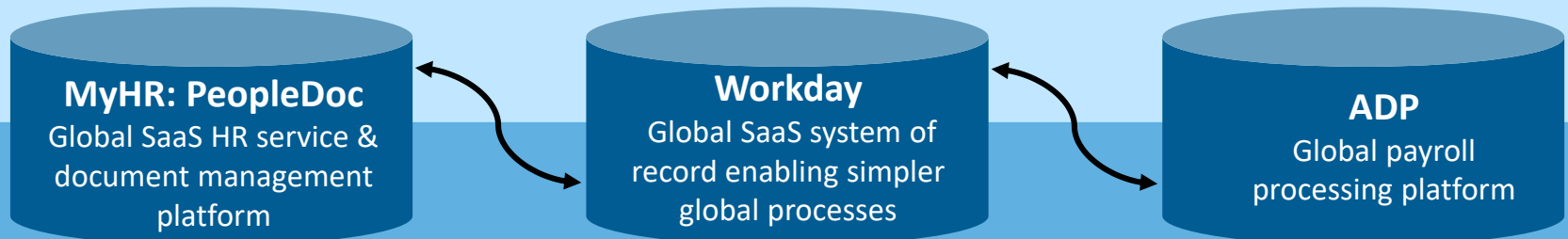
Professional can offer their clients:

- A more proactive service
- Faster compliance
- Value-added services
- Improved user experience

Drive operational agility

In 2019-21, we will upgrade our HR systems with leading SaaS-based technology, creating a competitive, modern user experience while delivering efficiencies

Global Integrated HR Technology Suite



Global and standardized processes, data and role-based security model across all platforms

- MyHR Portal, powered by PeopleDoc, provides easy access to HR systems, enabling users to submit and get answers to HR questions globally
- Additional content and workflow automation to be added over time

- Single source of employee and candidate data built on standardized global HR processes, enabling automated workflow from “hire to retire”
- Integrated with new careers website to improve candidate experience
- Enhanced controls, reporting & analytics; more functionality to be added over time

- Moving to ADP as the single payroll provider per country
- More efficient payroll processing with enhanced controls utilizing a common platform; supports standard operations for banking and payment procedures and tax processing and reporting
- Provides user-friendly payroll portal for employees to see and better understand their rewards

Society

We contribute directly to three important United Nations Sustainable Development Goals (SDGs) which support a better society

3 GOOD HEALTH



Our products help protect and enhance people's health

- Our solutions improve patient outcomes and reduce error rates
- Our well-being programs encourage employees to make positive health choices
- We ranked #21 on the Healthcare Informatics Top 100

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Innovation is critical for long-term sustainable growth

- We reinvest 8-10% of our revenues into product innovation
- Our annual *Global Innovation Awards* and *Code Games* foster innovative ideas that solve customer problems
- In 2018, several Wolters Kluwer products received external awards for excellence or innovation

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Our solutions help promote security and reduce risks

- Our solutions help professionals to ensure compliance with regulatory and legal obligations and to reduce bribery and corruption
- We leverage artificial intelligence to identify threats and capitalize on opportunities

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Guidance 2019

In February 2019, we set out our financial guidance for the year

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

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

Additional guidance:

Expect adjusted net financing costs of approximately €65 million in constant currencies, including approximately €10 million in IFRS 16 lease interest charges.

Expect the benchmark effective tax rate to be in the range of 24.5%-25.5%.

Expect cash conversion between 95%-100% and capital expenditure in the range of 5%-6% of total revenue.

Summary

Well-positioned for 2019

■ Strong performance in 2018

- Delivered good organic growth and improved margins, cash flow, and ROIC
- Met or exceeded 2018 guidance
- Made progress on ESG metrics
- Increased returns for shareholders

■ Strategy: increasing our focus on *expert solutions*

- Balancing the long-term interests of all key stakeholders
- Focusing on scaling our *expert solutions*, advancing our information products and services, and driving operational agility

■ 2019 outlook

- Diluted adjusted EPS expected to grow around 10% in constant currencies

Questions



Wolters Kluwer