Wolters Kluwer 2024 Half-Year Report

Alphen aan den Rijn, July 31, 2024 – Wolters Kluwer, a global leader in professional information, software solutions and services, today releases its half-year 2024 results.

Highlights

- **Group-level guidance for 2024 reiterated.**
- **Revenues €2,891 million, up 6% in constant currencies and up 6% organically.**
  - Recurring revenues (82% of total revenues) grew 7% organically.
  - *Expert solutions* (59% of total revenues) grew 8% organically.
  - Cloud software (18% of total revenues) grew 16% organically.
- **Adjusted operating profit €765 million, up 8% in constant currencies.**
  - Adjusted operating profit margin up 40 basis points to 26.5%.
- **Diluted adjusted EPS €2.36, up 9% overall and up 11% in constant currencies.**
- **Adjusted free cash flow €445 million, down 10% in constant currencies.**
  - Lower cash conversion partly reflects timing of large vendor payments.
- **Net-debt-to-EBITDA of 1.6x; Return on invested capital (ROIC) improved to 17.5%.**
- **Interim dividend €0.83 per share, set at 40% of prior year total dividend.**
- **On track to complete 2024 share buyback of €1 billion.**
- **Wolters Kluwer Tax & Accounting to acquire European software solutions for €325 million.**

Interim Report of the Executive Board

Nancy McKinstry, CEO and Chair of the Executive Board, commented: "*We sustained organic growth of 6% in the first six months and improved our adjusted operating profit margin while increasing product investment. Several of our largest solutions have introduced enhancements that harness the power of generative AI to bring greater value and efficiency to customers. We also invested in rolling out solutions that support customers with new regulations, such as the U.S. Corporate Transparency Act and the E.U. Corporate Sustainability Reporting Directive. I am pleased to report that we are on track to meet our 2024 guidance.*"

Key Figures – Six months ended June 30

€ million (unless otherwise stated)	**2024**	**2023**	**Δ**	**Δ CC**	**Δ OG**
Business performance – benchmark figures					
Revenues	2,891	2,725	+6%	+6%	+6%
Adjusted operating profit	765	711	+8%	+8%	+7%
Adjusted operating profit margin	26.5%	26.1%			
Adjusted net profit	566	537	+5%	+7%	
Diluted adjusted EPS (€)	2.36	2.17	+9%	+11%	
Adjusted free cash flow	445	495	-10%	-10%	
Net debt	2,932	2,466	+19%		
ROIC	17.5%	15.4%			
IFRS reported results					
Revenues	2,891	2,725	+6%		
Operating profit	690	632	+9%		
Profit for the period	509	479	+6%		
Diluted EPS (€)	2.12	1.93	+10%		
Net cash from operating activities	622	681	-9%		

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.08); Δ OG: % Organic growth. Benchmark figures are performance measures used by management. ROIC is based on twelve-months rolling figures. See *Note 3* for a reconciliation from IFRS to benchmark figures.

Full-Year 2024 Outlook

Our group-level guidance for 2024 is unchanged. See table below. We expect sustained good organic growth in 2024, in line with the prior year, and a further increase in the adjusted operating profit margin.

Full-Year 2024 Outlook

Performance indicators	2024 Guidance	2023 Actual
Adjusted operating profit margin*	26.4%-26.8%	26.4%
Adjusted free cash flow**	€1,150-1,200 million	€1,164 million
ROIC*	17%-18%	16.8%
Diluted adjusted EPS growth**	Mid- to high single-digit	12%

*Guidance for adjusted operating profit margin and ROIC is in reporting currency and assumes an average EUR/USD rate in 2024 of €/$1.08. **Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (€/$ 1.08). Guidance reflects share repurchases of €1 billion in 2024.

In 2023, Wolters Kluwer generated over 60% of its revenues and adjusted operating profit in North America. As a rule of thumb, based on our 2023 currency profile, each 1 U.S. cent move in the average €/$ exchange rate for the year causes an opposite change of approximately 3 euro cents in diluted adjusted EPS[1].

We include restructuring costs in adjusted operating profit. We expect restructuring costs to be in the range of €10-15 million (FY 2023: €15 million). We now expect adjusted net financing costs[2] in constant currencies to be approximately €55 million (previous guidance €60 million). We continue to expect the full-year benchmark tax rate on adjusted pre-tax profits to be in the range of 23.0%-24.0% (FY 2023: 22.9%).

Capital expenditures are expected to be near the upper end of our guidance range of 5.0%-6.0% of total revenues (FY 2023: 5.8%). We continue to expect the full-year cash conversion ratio to be around 95% (FY 2023: 100%) due to lower net working capital inflows.

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

2024 outlook by division

Our guidance for full-year 2024 organic revenue growth by division is summarized below. We now expect the increase in group adjusted profit margin to be driven by our Finance & Corporate Compliance, Legal & Regulatory, and Corporate Performance & ESG divisions.

Health: we continue to expect full-year 2024 organic growth to be in line with prior year (FY 2023: 6%). The division margin is now expected to be stable due to one-time write-offs to streamline the portfolio.

Tax & Accounting: we continue to expect full-year 2024 organic growth to be slightly below prior year (FY 2023: 8%) due to slower growth in non-recurring revenues and the absence of one-time favorable events in Europe. The division margin is expected to decline slightly due to increased product investment.

Financial & Corporate Compliance: we now expect full-year 2024 organic growth to be higher than prior year (FY 2023: 2%) as transactional revenue trends continue to stabilize.

Legal & Regulatory: we continue to expect full-year 2024 organic growth to be in line with prior year (FY 2023: 4%).

Corporate Performance & ESG: we now expect full-year 2024 organic growth to be in line with or slightly higher than in the prior year (FY 2023: 9%) as Finance, Risk & Reporting revenues stabilize.

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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.

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Progress against 2022-2024 strategy

In the first half of 2024, we continued to execute on the three priorities of our current strategic plan:

- **Accelerate *Expert Solutions***: we are focusing our investments on cloud-based *expert solutions* while continuing to transform selected digital information products into *expert solutions*. We are investing to enrich the customer experience of our products by leveraging advanced data analytics and artificial intelligence.
- **Expand Our Reach**: we are seeking to extend into high-growth adjacencies along our customer workflows and to adapt our existing products for new customer segments. We are working to develop partnerships and ecosystems for our key software platforms.
- **Evolve Core Capabilities**: we are enhancing 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 sustainability and ESG performance and capabilities and to continue investing in diverse and engaged talent to support innovation and growth.

A more detailed discussion of our strategy and business model can be found in our 2023 annual report.

Expert solutions, which include our software products and certain advanced information solutions, reached 59% of total revenues in the first half (HY 2023: 58%) and grew 8% organically (HY 2023: 7%). We made progress on further enhancing our *expert solutions* with artificial intelligence including generative AI (GenAI). As of July 2024, all five divisions have solutions in market that leverage GenAI, with more in the pipeline.

We expanded our market reach in several areas through organic development: in Health, we expanded our entry into the nursing test preparation market with Lippincott Ready for NCLEX[3] and we launched a solution to help healthcare providers streamline the risk adjustment process with Health Language Coder Workbench. In Finance & Corporate Compliance, we introduced an innovative BOI[4] platform to support customers with the U.S. Corporate Transparency Act (CTA). In Legal & Regulatory, we launched LegalCollaborator, a module that integrates with ELM's Passport and TyMetrix 360° to enable an efficient and transparent process for law firm comparison and selection. And, in Corporate Performance & ESG, we extended further into the corporate ESG reporting market by adding scope 3 carbon emissions reporting capabilities to the CCH Tagetik ESG & Sustainability module.

Finally, having brought together core capabilities in product development, finance, digital marketing, branding, and communications over the course of the past two years, we are now focused on driving scale economies and operational excellence in these centralized functions.

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 2024

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 therefore vary from year to year. Proposed annual increases in the dividend per share consider our financial performance, market conditions, and our need for financial flexibility. The policy takes into account the characteristics of our business, our expectations for future cash flows, and our plans for organic investment

[3] NCLEX = National Council Licensure Examination for the licensing of nurses in the United States, Canada, and Australia.
[4] BOI = Beneficial Ownership Information required to be reported under the U.S. Corporate Transparency Act.
[5] Dividend payout ratio: dividend per share divided by adjusted earnings per share.

in innovation and productivity, or for acquisitions. We balance these factors with the objective of maintaining a strong balance sheet.

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.

Progress on 2024 share buyback

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 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 21, 2024, we announced our intention to repurchase shares for up to €1 billion during 2024. So far this year, up to and including July 30, 2024, we have repurchased €603 million in shares (4,150,509 shares at an average price of €145.28).

For the remainder of this year, up to and including December 27, 2024, we have in place third-party mandates to execute approximately €397 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 repurchased will not exceed the authorization granted by the Annual General Meeting of Shareholders.

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 repurchase program may be suspended, discontinued, or modified at any time.

Share cancellation 2024

At the 2024 Annual General Meeting on May 8, 2024, 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 July 30, 2024, Wolters Kluwer held 11.6 million shares in treasury (equivalent to approximately 4.7% of issued share capital). As authorized by shareholders, the Executive Board has determined the number of ordinary shares to be cancelled this year is 10.0 million. Wolters Kluwer intends to cancel these shares in the second half of 2024. The remaining treasury shares will be retained to meet future obligations under share-based incentive plans.

Net debt, leverage, credit facility, and liquidity position

Net debt on June 30, 2024, was €2,932 million, up from €2,612 million on December 31, 2023, mainly due to dividends paid and the share buyback. The net-debt-to-EBITDA ratio increased to 1.6x at the end of June 2024 (YE 2023: 1.5x). Gross debt includes the new €600 million Eurobond (5-year term; 3.250% annual coupon) issued on March 18, 2024.

As of June 30, 2024, our €600 million multi-currency revolving credit facility remained fully undrawn. In July 2024, we signed a new €600 million 5-year multi-currency revolving credit facility, replacing the existing facility which was due to expire in July 2025. The new facility matures in 2029 and includes two one-year extension options.

As of June 30, 2024, net cash available was €808 million[6].

[6] Total cash and cash equivalents of €845 million less overdrafts used for cash management purposes of €37 million.

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Half-Year 2024 Results

Benchmark figures

Group revenues were €2,891 million, up 6% overall and up 6% in constant currencies. The effect of currency and the net effect of divestments and acquisitions were minimal in the first half of 2024 such that organic revenue growth was also 6% (HY 2023: 6%).

Revenues from North America accounted for 65% of total group revenues and grew 6% organically (HY 2023: 5%). Revenues from Europe, 27% of total revenues, also grew 6% organically (HY 2023: 7%). Revenues from Asia Pacific and Rest of World, 8% of total revenues, grew 10% organically (HY 2023: 6%).

Adjusted operating profit was €765 million (HY 2023: €711 million), up 8% in constant currencies. The adjusted operating profit margin increased by 40 basis points to 26.5% (HY 2023: 26.1%). Restructuring expenses, which are included in adjusted operating profit, were €3 million (HY 2023: €2 million). Product development spending (including capitalized spend) increased 5% in constant currencies, remaining at 11% of revenues in the first half (HY 2023: 11%).

Adjusted net financing costs increased to €25 million (HY 2023: €10 million), reflecting higher debt and a higher average effective cost of debt. Included in adjusted net financing costs was a €6 million net foreign exchange loss (HY 2023: €5 million net foreign exchange gain) mainly due to the translation of intercompany balances.

Adjusted profit before tax was €741 million (HY 2023: €701 million), up 6% overall and up 7% in constant currencies. The benchmark effective tax rate on adjusted profit before tax increased to 23.6% (HY 2023: 23.3%), due to increased limitations on deduction of finance cost in the Netherlands and the application of the Global Minimum Tax (Pillar Two) regulation.

Adjusted net profit was €566 million (HY 2023: €537 million), an increase of 7% in constant currencies.

Diluted adjusted EPS was €2.36 (HY 2023: €2.17), up 11% in constant currencies, reflecting the increase in adjusted net profit and a 3% reduction in the diluted weighted average number of shares outstanding to 240.1 million (HY 2023: 248.0 million).

IFRS reported figures

Reported operating profit increased 9% to €690 million (HY 2023: €632 million), reflecting the increase in adjusted operating profit combined with lower amortization and impairments of acquired intangible assets and other non-benchmark costs.

Reported financing results amounted to a net cost of €26 million (HY 2023: €11 million cost) reflecting higher debt and a higher average effective cost of debt. The reported effective tax rate increased to 23.4% (HY 2023: 22.8%) due to increased limitations on deduction of finance cost in the Netherlands and the application of the Global Minimum Tax (Pillar Two) tax regulation.

As a result, net profit for the period increased 6% to €509 million (HY 2023: €479 million). Diluted EPS increased 10% to €2.12 (HY 2023: €1.93), benefitting from the reduction in weighted average number of shares outstanding.

Cash flow

Adjusted operating cash flow was €624 million (HY 2023: €673 million), down 7% overall and down 7% in constant currencies, broadly as expected and partly reflecting the timing of large vendor payments. The cash conversion ratio declined to 82% (HY 2023: 95%) due to working capital outflows of €117 million compared to a small inflow in the comparable period (HY 2023: €11 million inflow). Capital expenditures declined 6% to €147 million (5.1% of revenues) mainly due to the phasing of development projects. Cash payments related to leases, including lease interest paid, reduced to €35 million (HY 2023: €38 million). Depreciation of physical assets, amortization and impairment of internally developed software, and depreciation of right-of-use assets totaled €158 million (HY 2023: €146 million).

Net interest paid, excluding lease interest paid, increased to €23 million (HY 2023: €18 million), reflecting the higher coupon on the Eurobond issued in April 2023. Income tax paid decreased to €171 million (HY 2023: €176 million), reflecting timing of refunds and prepayments. The net cash outflow related to restructuring was €2 million (HY 2023: net outflow of €3 million). As a result, adjusted free cash flow was €445 million (HY 2023: €495 million), down 10% in constant currencies.

Total acquisition spending, net of cash acquired and including transaction costs, was €2 million (HY 2023: €56 million) relating to deferred payments on acquisitions made in prior years. Dividends paid amounted to €276 million (HY 2023: €247 million). Cash deployed towards share repurchases in the first six months amounted to €516 million (HY 2023: €426 million).

Sustainability and ESG developments

With regard to our own workforce, our primary focus in the first half of 2024 was to continue attracting and retaining top talent in what remain competitive markets, especially for technology skills. Our human resources programs currently emphasize career development and manager enablement as well as fostering a supportive and engaging work environment. In the first half, our workforce turnover rate was stable at 10% (HY 2023: 10%; FY 2023: 10%) with voluntary turnover at 7%.

We remain focused on delivering on our SBTi-validated emissions-reduction targets, which commit us to reduce absolute scope 1 and 2 greenhouse gas (GHG) emissions by 50% and absolute scope 3 GHG emissions by 30% by the year 2030 from a 2019 base year. Business travel activity increased in the first half, in part due to a year-on-year increase in FTEs. However, we made progress on reducing our real estate footprint (and related scope 1 and 2 emissions) achieving a 4% underlying reduction in office space (m^2) compared to year-end 2023.

Our sustainability efforts were recognized with a further improvement in our ESG risk rating from Morningstar Sustainalytics to 13.2 (from 14.4) bolstering our position in the top 5% of companies in the Software & Services sector globally.

We continued work to align our sustainability reporting with the standards set by the EU Corporate Sustainability Reporting Directive (CSRD).

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Divisional Review

Group-wide organic revenue growth was 6%, led by Tax & Accounting and Corporate Performance & ESG. The overall adjusted operating profit margin increased 40 basis points due to margin increases in Financial & Corporate Compliance and Legal & Regulatory.

Divisional Summary – Six months ended June 30

€ million (unless otherwise stated)	2024	2023	Δ	Δ CC	Δ OG
Revenues					
Health	771	725	+6%	+6%	+6%
Tax & Accounting	775	735	+5%	+6%	+7%
Financial & Corporate Compliance	540	519	+4%	+4%	+4%
Legal & Regulatory	458	423	+8%	+8%	+5%
Corporate Performance & ESG	347	323	+7%	+7%	+7%
Total revenues	**2,891**	**2,725**	**+6%**	**+6%**	**+6%**
Adjusted operating profit					
Health	223	217	+3%	+3%	+3%
Tax & Accounting	271	258	+5%	+5%	+7%
Financial & Corporate Compliance	209	193	+8%	+8%	+8%
Legal & Regulatory	78	60	+29%	+28%	+20%
Corporate Performance & ESG	16	15	+8%	+9%	+9%
Corporate	(32)	(32)	0%	0%	0%
Total adjusted operating profit	**765**	**711**	**+8%**	**+8%**	**+7%**
Adjusted operating profit margin					
Health	28.9%	30.0%			
Tax & Accounting	35.1%	35.1%			
Financial & Corporate Compliance	38.7%	37.2%			
Legal & Regulatory	16.9%	14.2%			
Corporate Performance & ESG	4.6%	4.6%			
Total adjusted operating profit margin	**26.5%**	**26.1%**			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.08); Δ OG: % Organic growth.

Total recurring revenues, which include subscriptions and other renewing revenue streams, accounted for 82% of total revenues (HY 2023: 82%) and sustained 7% organic growth (HY 2023: 7%). Within recurring revenues, digital and service subscriptions grew 8% organically (HY 2023: 8%). Total non-recurring revenues rose 2% organically (HY 2023: decline of 1%). Within non-recurring revenues, transactional revenues increased 5% organically (HY 2023: 4% decline), with Financial & Corporate Compliance transactional services up 3% and Legal & Regulatory ELM transactional revenues up 11%. Print book revenues increased due to favorable buying patterns. Other non-recurring revenues, mainly on-premise licenses and software implementation services, increased 1% organically (HY 2023: 1%). (See Appendix 3 for details by division).

Revenues by Type – Six months ended June 30

€ million (unless otherwise stated)	2024	2023	Δ	Δ CC	Δ OG
Digital and service subscription	2,177	2,023	+8%	+8%	+8%
Print subscription	61	66	-8%	-8%	-8%
Other recurring	143	139	+3%	+4%	+4%
Total recurring revenues	**2,381**	**2,228**	**+7%**	**+7%**	**+7%**
Transactional (FCC and LR)	216	206	+5%	+5%	+5%
Print books	56	54	+2%	+2%	+2%
Other non-recurring	238	237	+1%	+1%	+1%
Total non-recurring revenues	**510**	**497**	**+3%**	**+3%**	**+2%**
Total revenues	**2,891**	**2,725**	**+6%**	**+6%**	**+6%**

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.08); Δ OG: % Organic growth. Other non-recurring revenues include software licenses, software implementation fees, professional services, and other non-subscription offerings.

Health

- Clinical Solutions delivered 8% organic growth.
- Learning, Research & Practice grew 4% organically.
- Margin reflects operational gearing and mix shift offset by one-time write-offs.

Health – Six months ended June 30

€ million (unless otherwise stated)	2024	2023	Δ	Δ CC	Δ OG
Revenues	771	725	+6%	+6%	+6%
Adjusted operating profit	223	217	+3%	+3%	+3%
Adjusted operating profit margin	28.9%	30.0%			
Operating profit	203	190	+7%		
Net capital expenditure	21	23			
Ultimo FTEs	3,434	3,105			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.08); Δ OG: % Organic growth.

Wolters Kluwer Health revenues increased 6% in constant currencies and 6% organically (HY 2023: 6%). Adjusted operating profit increased 3% in constant currencies and 3% on an organic basis. The adjusted operating profit margin declined as the positive effect of operational gearing and mix shift was offset by write-offs related to sunsetting our Sepsis solution and divesting our continuing medical education unit. IFRS operating profit increased 7% overall, reflecting the increase in adjusted operating profit and a decrease in amortization of acquired identifiable intangible assets.

Clinical Solutions (57% of divisional revenues) delivered 8% organic revenue growth (HY 2023: 7%) driven by strong renewal rates for our clinical decision support tool UpToDate. In March, we introduced versions optimized for distinct user groups: UpToDate Enterprise for larger hospitals and UpToDate Pro for individual clinicians and small practices. Also in March, UpToDate AI Labs expanded its GenAI beta test to 100 hospital customers. Our clinical drug databases (Medi-Span and UpToDate Lexidrug) recorded strong organic growth. Our clinical software unit posted improved organic growth due to new sales of the AUR[7] reporting module of the Sentri7 Clinical Surveillance suite. The software unit started implementing plans to sunset Sepsis Monitor in light of FDA requirements. Invistics, acquired in June 2023, performed ahead of plan.

Health Learning, Research & Practice (43% of divisional revenues) sustained 4% organic revenue growth (HY 2023: 4%). In medical research, Ovid recorded good organic growth driven by subscription renewals, the launch of *NEJM AI* and other new journals, and growth in open access revenues. Ovid Synthesis Clinical Evidence Manager, launched in 2022, added new customers. In education and practice, organic growth was driven by our nursing solutions. Print book revenues rose 7% organically (HY 2023 decline of 16%). In March, we launched Lippincott Ready for NCLEX, a one-stop solution to prepare students for the National Council Licensure Exam.

In July, 2024, Wolters Kluwer Health signed an agreement to divest continuing medical education provider Learner's Digest International (LDI) to Beaconhouse Capital Management. LDI has now been classified as an asset held for sale and our first half results include a €5 million impairment of LDI software assets (in adjusted operating profit) and a €2 million impairment of goodwill allocated to LDI (non-benchmark). The intended divestment, expected to close in the third quarter, will enable Health Learning, Research & Practice to focus on its best growth opportunities in medical and nursing markets. In 2023, LDI recorded revenues of €21 million and adjusted operating profit of €3 million. Upon completion, we expect to record a disposal loss of less than €5 million which will be fully offset by a positive tax impact.

[7] AUR = Antimicrobial Use and Resistance

Tax & Accounting

- Organic growth 7%, with both North America and Europe performing well.
- Recurring cloud software (incl. hybrid-cloud) revenues up 17% organically (32% of division revenues).
- Margin stable despite increased product investment.

Tax & Accounting – Six months ended June 30

€ million (unless otherwise stated)	2024	2023	Δ	Δ CC	Δ OG
Revenues	775	735	+5%	+6%	+7%
Adjusted operating profit	271	258	+5%	+5%	+7%
Adjusted operating profit margin	35.1%	35.1%			
Operating profit	263	247	+6%		
Net capital expenditure	34	39			
Ultimo FTEs	6,988	7,207			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.08); Δ OG: % Organic growth.

Wolters Kluwer Tax & Accounting revenues increased 6% in constant currencies and 7% on an organic basis (HY 2023: 8%). As of January 1, 2024, we transferred our Chinese legal research solution (BOLD) to the Legal & Regulatory division (FY 2023 revenues: €21 million). Adjusted operating profit increased 5% in constant currencies and 7% on an underlying basis. The adjusted operating profit margin was stable with operational gearing offset by higher investments. IFRS operating profit increased 6%, largely reflecting the development of adjusted operating profit.

Tax & Accounting North America (62% of divisional revenues) delivered 7% organic growth (HY 2023: 9%) with continued double-digit organic growth in our cloud software suite (CCH Axcess) offset by slower growth in recurring on-premise software revenues. Our new cloud-based audit offering (CCH Axcess Engagement), in market since 2022, continued to migrate existing on-premise customers and gained new customers. Outsourced professional services delivered better than expected double-digit organic growth. Our publishing unit posted slower growth as the printed tax guides faced a challenging comparable. In May 2024, we added generative AI functionality to our U.S. tax research solution (CCH AnswerConnect).

Tax & Accounting Europe (34% of divisional revenues) sustained 7% organic growth (HY 2023: 7%) supported by continued double-digit organic growth in cloud and hybrid-cloud software for tax advisors and accountancies in Europe. All countries delivered good organic growth. A pick-up in the UK and the Netherlands compensated for slight moderation in Germany and Spain. In March, we expanded the global CCH iFirm cloud-based practice management solution into the U.K. and, in June, we rolled out a GenAI-enabled virtual agent to our solutions across Europe.

Tax & Accounting Asia Pacific & Rest of World (4% of divisional revenues) recorded 1% organic decline (HY 2023: 7%). The region's absolute revenues were reduced by the transfer of BOLD to the Legal & Regulatory division.

On July 29, 2024, we announced an agreement to acquire a portfolio of cloud-based financial workflow and data exchange solutions from Isabel Group for €325 million in cash. These solutions complement our existing European software offerings and enable us to provide end-to-end coverage of the accounting workflow from pre-accounting to post-accounting. In 2023, gross revenues were €34 million (un-audited) of which approximately 90% was recurring. The acquisition is expected to reach a return on invested capital above our weighted average cost of capital in its fifth full year of ownership. In the near term, the transaction is expected to have an immaterial impact on group earnings. The transaction is expected to close in the second half of 2024.

Financial & Corporate Compliance

- Organic growth 4%, led by 5% growth in recurring revenues.
- Non-recurring revenues rose 2% organically, compared to 7% decline a year ago.
- Margin reflects operational gearing and favorable timing of expenses.

Financial & Corporate Compliance – Six months ended June 30

€ million (unless otherwise stated)	2024	2023	Δ	Δ CC	Δ OG
Revenues	540	519	+4%	+4%	+4%
Adjusted operating profit	209	193	+8%	+8%	+8%
Adjusted operating profit margin	38.7%	37.2%			
Operating profit	200	182	+10%		
Net capital expenditure	25	25			
Ultimo FTEs	3,008	3,114			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.08); Δ OG: % Organic growth.

Financial & Corporate Compliance revenues increased 4% in constant currencies and 4% organically, led by 5% growth in recurring revenues. Non-recurring transactional revenues rose 3% organically (HY 2023: decline of 7%) with still volatile trends month to month.

Adjusted operating profit increased 8% in constant currencies and 8% on an organic basis. The adjusted operating profit margin reflects operational gearing and favorable timing of expenses. IFRS operating profit increased 10%, largely reflecting the development of adjusted operating profit combined with lower acquisition integration costs.

Legal Services (59% of divisional revenues) posted 6% organic growth (HY 2023: 1%) driven by 6% organic growth in recurring service subscriptions (HY 2023: 7%). In the first half, CT recorded a small initial amount of subscription revenues from our newly launched Beneficial Ownership Information (BOI) platform which is designed to support customers with the U.S. Corporate Transparency Act. Non-recurring Legal Services transactional revenues turned up 5% organically (HY 2023: decline of 9%) despite U.S. interest rates having remained higher for longer than expected and M&A and IPO volumes remaining subdued.

Financial Services (41% of divisional revenues) achieved 2% organic growth (HY 2023: 1%), supported by steady 4% organic growth in recurring revenues (HY 2023: 4%). Financial Services transactional revenues stabilized, recording 1% organic growth compared to a 5% decline a year ago. Within this, trends in mortgage-related volumes started to stabilize (HY 2023: decline of 41%), while lien search and filings turned up slightly.

Legal & Regulatory

- Organic growth 5%, led by 7% growth in digital subscription revenues.
- Software businesses (23% of divisional revenues) grew 7% organically.
- Margin increase reflects operational gearing and operational efficiencies.

Legal & Regulatory – Six months ended June 30

€ million (unless otherwise stated)	2024	2023	Δ	Δ CC	Δ OG
Revenues	458	423	+8%	+8%	+5%
Adjusted operating profit	78	60	+29%	+28%	+20%
Adjusted operating profit margin	16.9%	14.2%			
Operating profit	63	51	+25%		
Net capital expenditure	26	30			
Ultimo FTEs	4,309	4,076			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.08); Δ OG: % Organic growth.

Legal & Regulatory revenues increased 8% in constant currencies, partly reflecting acquisitions and the transfer of our Chinese legal research solution (BOLD) into the division as of January 1, 2024. Organic growth was 5% (HY 2023: 4%), benefitting from a pickup in software growth and double-digit organic growth in China.

Adjusted operating profit increased 28% in constant currencies and 20% on an organic basis. The adjusted operating profit margin increased 270 basis points, driven by operational gearing, the mix shift towards digital solutions, the inclusion of BOLD, and operational efficiency programs. Reported IFRS operating profit increased 25%, reflecting the increase in adjusted operating profit, partly offset by the absence of divestment-related gains recorded in the first half of 2023.

Legal & Regulatory Information Solutions (77% of divisional revenues) increased 8% in constant currencies partly reflecting the transfer of BOLD into the division. On an organic basis, Information Solutions grew 5% (HY 2023: 4%), driven by good subscription renewals and lifted by double-digit organic growth at BOLD in China.

Legal & Regulatory Software (23% of divisional revenues), comprised of Enterprise Legal Management (ELM) Solutions and our legal practice management software, recorded improved organic growth of 7% (HY 2023: 4%). ELM Solutions saw improved momentum reflecting new clients onboarded in 2023 and now generating higher transactional volumes. In May, ELM Solutions launched LegalCollaborator, a module that integrates with Passport and TyMetrix 360° to enable an efficient and transparent process for law firm comparison and selection.

Legal practice management software recorded high single-digit organic growth. Legisway, our cloud-based practice management software for corporate legal departments, added Beneficial Ownership capabilities and introduced GenAI-enabled contract review.

Corporate Performance & ESG

- Organic growth 7%, led by double-digit growth for CCH Tagetik CPM and Enablon.
- Recurring cloud software revenues (40% of division total) grew 21% organically.
- Margin reflects increased investment in product development.

Corporate Performance & ESG – Six months ended June 30

€ million (unless otherwise stated)	2024	2023	Δ	Δ CC	Δ OG
Revenues	347	323	+7%	+7%	+7%
Adjusted operating profit	16	15	+8%	+9%	+9%
Adjusted operating profit margin	4.6%	4.6%			
Operating profit	(7)	(6)	+23%		
Net capital expenditure	41	40			
Ultimo FTEs	3,247	3,282			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.08); Δ OG: % Organic growth.

Corporate Performance & ESG revenues increased 7% in constant currencies and 7% on an organic basis (HY 2023: 10%). Total recurring revenues (70% of divisional revenues) grew 11% organically (HY 2023: 13%), while non-recurring software license and services revenues were flat (HY 2023: 4% growth).

Adjusted operating profit rose 9% in constant currencies and 9% on an organic basis. The adjusted operating profit margin was stable reflecting increased investment in product development and sales and marketing. IFRS operating loss increased to €(7) million, due to higher amortization of acquired identifiable intangible assets.

Environmental Health & Safety/Operational Risk Management (EHS/ORM) platform Enablon (25% of divisional revenues) delivered 12% organic growth (HY 2023: 18%), buoyed by growth in Asia Pacific and Rest of World. Recurring cloud software revenue grew 23% organically, while non-recurring on-premise license revenues declined. Enablon ESG Excellence, which integrates Enablon with CCH Tagetik platform, added its first customers.

Corporate Performance, Internal Audit, and Finance, Risk & Reporting (75% of divisional revenues) grew 6% organically (HY 2023: 7%), with recurring cloud software revenues up 19%. Our CCH Tagetik CPM platform delivered 11% organic growth (HY 2023: 16%), driven by growth in both cloud and on-premise software, while services revenues declined. Growth was driven by new customer wins and adoption of new modules by existing customers, including ESG Reporting and Global Minimum Tax (Pillar Two). In the first half, CCH Tagetik launched its new Intelligent Platform, the first CPM suite to leverage AI and GenAI along the entire finance workflow.

Our internal audit solution (TeamMate) recorded single-digit organic growth against a challenging comparable. Finance, Risk & Regulatory Reporting (OneSumX) posted positive organic growth supported by recurring software revenues and stabilization of services revenues.

Corporate

Net corporate expenses were unchanged, reflecting higher personnel costs and third-party expenses offset by lower miscellaneous expenses.

Corporate – Six months ended June 30

€ million (unless otherwise stated)	2024	2023	Δ	Δ CC	Δ OG
Adjusted operating profit	(32)	(32)	0%	0%	0%
Operating profit	(32)	(32)	0%		
Net capital expenditure	0	0			
Ultimo FTEs	141	137			

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.08); Δ OG: % Organic growth.

Risk Management

In our 2023 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 2024.

Statement by the Executive Board

The Executive Board is responsible for the preparation of the 2024 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, 2024. The condensed consolidated interim financial statements for the six months ended June 30, 2024, 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 36 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, 2024, 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 2024 as well as an indication of important events that have occurred during the six months ended June 30, 2024, 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 2024, and also includes the major related parties transactions entered into during the six months ended June 30, 2024.

Alphen aan den Rijn, July 31, 2024

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, 2024, and 2023

Unaudited condensed consolidated interim statement of profit or loss

(in millions of euros, unless otherwise stated)	*Note*	Six months ended June 30	
		2024	2023
Revenues	*5*	**2,891**	**2,725**
Cost of revenues		(799)	(777)
Gross profit		**2,092**	**1,948**
Sales costs		(472)	(450)
General and administrative costs		(929)	(862)
Total operating expenses		(1,401)	(1,312)
Other gains and (losses)		(1)	(4)
Operating profit		**690**	**632**
Financing results		(26)	(11)
Share of profit of equity-accounted associates, net of tax		1	0
Profit before tax		**665**	**621**
Income tax expense		(156)	(142)
Profit for the period		**509**	**479**
Attributable to:			
▪ Owners of the company		509	479
▪ Non-controlling interests		0	0
Profit for the period		**509**	**479**
Earnings per share (EPS) (€)			
Basic EPS		2.13	1.94
Diluted EPS		2.12	1.93

Unaudited condensed consolidated interim statement of comprehensive income

(in millions of euros)	Six months ended June 30	
	2024	2023
Comprehensive income:		
Profit for the period	**509**	**479**
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	121	(83)
Net gains/(losses) on hedges of net investments	(9)	2
Net gains/(losses) on cash flow hedges	(2)	3
Items that will not be reclassified to the statement of profit or loss:		
Remeasurements on defined benefit plans	4	(3)
Other comprehensive income/(loss) for the period, before tax	114	(81)
Income tax on other comprehensive income	(1)	1
Other comprehensive income/(loss) for the period, net of tax	**113**	**(80)**
Total comprehensive income for the period	**622**	**399**
Attributable to:		
▪ Owners of the company	622	399
▪ Non-controlling interests	0	0
Total	**622**	**399**

Wolters Kluwer

Unaudited condensed consolidated interim statement of cash flows

(in millions of euros)	*Note*	Six months ended June 30			
			2024		2023
Cash flows from operating activities					
Profit for the period			509		479
Adjustments for:					
Income tax expense		156		142	
Share of profit of equity-accounted associates, net of tax		(1)		0	
Financing results		26		11	
Amortization, impairment, and depreciation		232		221	
Book (profit)/loss on disposal of operations and non-current assets		–		(5)	
Changes in employee benefit provisions		1		(1)	
Additions to and releases from provisions		1		4	
Appropriation of provisions		(4)		(4)	
Share-based payments		14		14	
Autonomous movements in working capital		(117)		11	
Other adjustments		3		7	
Total adjustments			**311**		**400**
Interest paid and received (including the interest portion of lease payments)			(27)		(22)
Paid income tax			(171)		(176)
Net cash from operating activities			**622**		**681**
Cash flows from investing activities					
Net capital expenditure			(147)		(157)
Acquisition spending, net of cash acquired	*7*		(1)		(51)
Receipts from divestments, net of cash disposed	*7*		–		5
Net cash used in investing activities			**(148)**		**(203)**
Cash flows from financing activities					
Repayment of loans			(630)		(700)
Proceeds from new loans			775		696
Repayment of principal portion of lease liabilities			(31)		(34)
Collateral			(3)		-
Repurchased shares			(516)		(426)
Dividends paid	*10*		(276)		(247)
Net cash used in financing activities			**(681)**		**(711)**
Net cash flow before effect of exchange differences			**(207)**		**(233)**
Exchange differences on cash and cash equivalents and bank overdrafts			26		(19)
Net change in cash and cash equivalents less bank overdrafts			(181)		(252)
Cash and cash equivalents less bank overdrafts at January 1			989		1,330
Cash and cash equivalents less bank overdrafts at June 30			**808**		**1,078**
Add: Bank overdrafts used for cash management purposes at June 30			**37**		**37**
Cash and cash equivalents at June 30 in the statement of financial position			**845**		**1,115**

Unaudited condensed consolidated interim statement of financial position

(in millions of euros)	*Note*	June 30, 2024		December 31, 2023		June 30, 2023	
Goodwill		4,418		4,322		4,352	
Intangible assets other than goodwill		1,574		1,598		1,631	
Property, plant, and equipment		78		79		81	
Right-of-use assets		227		241		255	
Investments in equity-accounted associates		12		11		10	
Financial assets and other receivables		18		20		27	
Contract assets		19		18		16	
Deferred tax assets		53		51		59	
Total non-current assets			**6,399**		**6,340**		**6,431**
Inventories		81		84		79	
Contract assets		163		160		148	
Trade and other receivables		1,340		1,289		1,243	
Current income tax assets		87		86		71	
Cash and cash equivalents		845		1,135		1,115	
Assets classified as held for sale	*8*	5		–		–	
Total current assets			**2,521**		**2,754**		**2,656**
Total assets			**8,920**		**9,094**		**9,087**
Issued share capital		30		30		31	
Share premium reserve		87		87		87	
Other reserves		1,421		1,632		1,885	
Equity attributable to the owners of the company			1,538		1,749		2,003
Non-controlling interests			0		0		0
Total equity			**1,538**		**1,749**		**2,003**
Long-term debt, excl. lease liabilities	*9*	3,475		2,877		2,864	
Lease liabilities	*9*	196		209		216	
Deferred tax liabilities		283		281		271	
Employee benefits		80		81		88	
Provisions		5		5		4	
Non-current deferred income		121		102		120	
Total non-current liabilities			**4,160**		**3,555**		**3,563**
Deferred income		2,005		1,899		1,873	
Other contract liabilities		84		86		86	
Trade and other payables		885		997		903	
Current income tax liabilities		121		128		133	
Short-term provisions		20		21		19	
Borrowings and bank overdrafts	*9*	37		196		37	
Short-term bonds	*9*	–		400		400	
Short-term lease liabilities	*9*	62		63		70	
Liabilities classified as held for sale	*8*	8		–		–	
Total current liabilities			**3,222**		**3,790**		**3,521**
Total liabilities			**7,382**		**7,345**		**7,084**
Total equity and liabilities			**8,920**		**9,094**		**9,087**

Unaudited condensed consolidated interim statement of changes in total equity

(in millions of euros)			2024
	Equity attributable to the owners of the company	Non-controlling interests	Total equity
Balance at January 1, 2024	**1,749**	**0**	**1,749**
Total comprehensive income for the period	622	0	622
Share-based payments	14	–	14
Final cash dividend 2023	(324)	0	(324)
Repurchased shares	(523)	–	(523)
Balance at June 30, 2024	**1,538**	**0**	**1,538**

(in millions of euros)			2023
	Equity attributable to the owners of the company	Non-controlling interests	Total equity
Balance at January 1, 2023	**2,310**	**0**	**2,310**
Total comprehensive income for the period	399	0	399
Share-based payments	14	–	14
Final cash dividend 2022	(291)	0	(291)
Repurchased shares	(429)	–	(429)
Balance at June 30, 2023	**2,003**	**0**	**2,003**

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 information, software solutions, and services for professionals in the health, tax and accounting, financial and corporate compliance, legal and regulatory, and corporate performance and ESG 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, 2024, 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, 2023.

The interim financial statements for the six months period ended June 30, 2024, have been abridged from Wolters Kluwer's 2023 Financial statements as part of the 2023 Annual Report. These interim financial statements have not been audited or reviewed by the external auditor. The interim financial statements were authorized for issuance by the Executive Board and Supervisory Board on July 31, 2024.

Accounting policies
The accounting policies applied in these interim financial statements are the same as those applied in the 2023 Financial statements, apart from the effect of the following new accounting standards and amendments which became effective as of January 1, 2024:

- Non-current liabilities with covenants (Amendments to IAS 1);
- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Lease liability in a sale and leaseback (Amendments to IFRS 16); and
- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7).

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, 2024, 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	2024	2023
U.S. dollar (at June 30)	1.07	1.09
U.S. dollar (average six months)	1.08	1.08
U.S. dollar (at December 31)		1.11

Wolters Kluwer

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 2023 Financial statements (reference is made to *Note 3 – Accounting estimates and judgments* of the 2023 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 29 - Financial risk management* of the 2023 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 2023 Annual Report.

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 2023	2,725	
Organic change	165	6
Acquisitions	4	0
Divestments	0	0
Currency impact	(3)	0
Revenues HY 2024	**2,891**	**6**

U.S. dollar 2024: HY average €/$=1.08 versus 2023: HY average €/$=1.08

Reconciliation between operating profit and adjusted operating profit

(in millions of euros)		Six months ended June 30	
		2024	2023
Operating profit		690	632
Amortization and impairment of acquired identifiable intangible assets		72	75
Impairment of goodwill	*Note 8*	2	–
Non-benchmark items in operating profit		1	4
Adjusted operating profit (A)		**765**	**711**

In the first half of 2024, the group reduced the remaining useful lives for certain acquired identifiable intangible assets, which resulted in incremental amortization of €5 million.

Reconciliation between financing results and adjusted net financing costs

(in millions of euros)	Six months ended June 30	
	2024	2023
Financing results	(26)	(11)
Non-benchmark items in financing results	1	1
Adjusted net financing costs	**(25)**	**(10)**

Reconciliation between profit for the period and adjusted net profit

(in millions of euros)	Six months ended June 30	
	2024	2023
Profit for the period attributable to the owners of the company (B)	**509**	**479**
Amortization and impairment of acquired identifiable intangible assets	74	75
Tax on amortization and impairment of acquired identifiable intangible assets and goodwill	(19)	(19)
Non-benchmark items, net of tax	2	2
Adjusted net profit (C)	**566**	**537**

Summary of non-benchmark items

(in millions of euros)	Six months ended June 30	
	2024	2023
Included in other gains and (losses):		
Divestment-related results	–	5
Acquisition-related costs	(1)	(5)
Additions to acquisition integration provisions	0	(4)
Total non-benchmark income/(costs) in operating profit	**(1)**	**(4)**
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	**(2)**	**(5)**
Tax on non-benchmark items	0	3
Non-benchmark items, net of tax	**(2)**	**(2)**

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

(in millions of euros)	Six months ended June 30	
	2024	2023
Net cash from operating activities	622	681
Net capital expenditure	(147)	(157)
Repayment of principal portion of lease liabilities	(31)	(34)
Acquisition-related costs	1	5
Paid divestment expenses	0	0
Adjusted free cash flow (D)	**445**	**495**

Return on invested capital (ROIC) calculation

(in millions of euros, unless otherwise stated)	Six months ended June 30	
12 months rolling	2024	2023
Adjusted operating profit	1,530	1,401
Allocated tax	(352)	(311)
Net operating profit after allocated tax (NOPAT)	**1,178**	**1,090**
Average invested capital	6,740	7,068
ROIC-ratio (%)	**17.5**	**15.4**

Per share information

(in euros, unless otherwise stated)	Six months ended June 30	
	2024	2023
Total number of ordinary shares outstanding at June 30[1)]	237.4	245.3
Weighted average number of ordinary shares outstanding (E)[1)]	239.1	247.0
Diluted weighted average number of ordinary shares (F)[1)]	240.1	248.0
Adjusted EPS (C/E)	2.37	2.18
Diluted adjusted EPS (C/F)	2.36	2.17
Diluted adjusted EPS in constant currencies	2.38	2.15
Basic EPS (B/E)	2.13	1.94
Diluted EPS (B/F)	2.12	1.93
Adjusted free cash flow per share (D/E)	1.86	2.00
Diluted adjusted free cash flow per share (D/F)	1.85	2.00

[1)] In millions of shares

Benchmark tax rate

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2024	2023
Income tax expense	156	142
Tax benefit on amortization and impairment of acquired identifiable intangible assets	19	19
Tax benefit/(expense) on non-benchmark items	0	3
Tax on adjusted profit before tax (G)	**175**	**164**
Adjusted net profit (C)	566	537
Adjustment for non-controlling interests	0	0
Adjusted profit before tax (H)	**741**	**701**
Benchmark tax rate (G/H) (%)	**23.6**	**23.3**

Cash conversion ratio

(in millions of euros, unless otherwise stated)	Six months ended June 30	
	2024	2023
Operating profit	690	632
Amortization, impairment, and depreciation	232	221
EBITDA	**922**	**853**
Non-benchmark items in operating profit	1	4
Adjusted EBITDA	**923**	**857**
Autonomous movements in working capital	(117)	11
Net capital expenditure	(147)	(157)
Repayment of principal portion of lease liabilities	(31)	(34)
Interest portion of lease liabilities	(4)	(4)
Adjusted operating cash flow (I)	**624**	**673**
Adjusted operating profit (A)	**765**	**711**
Cash conversion ratio (I/A) (%)	**82**	**95**

Note 5 Segment reporting

Divisional revenues and operating profit

(in millions of euros)	Six months ended June 30	
	2024	2023
Revenues		
Health	771	725
Tax & Accounting	775	735
Financial & Corporate Compliance	540	519
Legal & Regulatory	458	423
Corporate Performance & ESG	347	323
Total revenues	**2,891**	**2,725**
Operating profit/(loss)		
Health	203	190
Tax & Accounting	263	247
Financial & Corporate Compliance	200	182
Legal & Regulatory	63	51
Corporate Performance & ESG	(7)	(6)
Corporate	(32)	(32)
Total operating profit	**690**	**632**

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	
	2024	2023
Profit for the period attributable to the owners of the company (B)	**509**	**479**
Weighted average number of shares		
in millions of shares		
Outstanding ordinary shares at January 1	248.5	257.5
Effect of repurchased shares	(9.4)	(10.5)
Weighted average number of ordinary shares for the period (E)	**239.1**	**247.0**
Basic EPS (€) (B/E)	2.13	1.94
Diluted weighted average number of shares		
in millions of shares		
Weighted average number of ordinary shares for the period (E)	239.1	247.0
Long-Term Incentive Plan	1.0	1.0
Diluted weighted average number of ordinary shares for the period (F)	**240.1**	**248.0**
Diluted EPS (€) (B/F)	2.12	1.93

Note 7 Acquisitions and divestments

Acquisitions
Total acquisition spending in the first half of 2024, net of cash acquired, was €1 million (HY 2023: €51 million).

In the first half of 2024, acquisition-related costs were €1 million (HY 2023: €5 million).

The acquisition spending in the first half of 2023 was €51 million and included the acquisition of NurseTim, Inc., Invistics Corporation, and a few smaller acquisitions.

Acquisition-related results

(in millions of euros)	Six months ended June 30	
	2024	2023
Consideration payable in cash	–	50
Deferred and contingent acquisition payments	–	1
Total consideration	**0**	**51**
Non-current assets	–	35
Current assets	–	5
Non-current liabilities	–	0
Current liabilities	–	(8)
Deferred tax liabilities	–	(8)
Fair value of net identifiable assets/(liabilities)	**0**	**24**
Goodwill on acquisitions	**0**	**27**
Cash effect of the acquisitions:		
Consideration payable in cash	–	50
Cash acquired	–	0
Deferred and contingent considerations paid	1	1
Acquisition spending, net of cash acquired	**1**	**51**

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.

Divestments
Net disposal proceeds were nil in the first half of 2024 (HY 2023: €5 million).

Note 8 Assets/liabilities classified as held for sale

In July, 2024, Wolters Kluwer Health signed an agreement to divest continuing medical education provider Learner's Digest International (LDI) to Beaconhouse Capital Management for a nominal amount. LDI has now been classified as an asset held for sale.

Net assets classified as held for sale

(in millions of euros)	June 30, 2024	December 31, 2023
Assets of disposal groups classified as held for sale	5	–
Liabilities of disposal groups classified as held for sale	(8)	–
Net assets of disposal groups classified as held for sale	**(3)**	**0**

Assets and liabilities of disposal groups

(in millions of euros)	June 30, 2024	December 31, 2023
Non-current assets	3	–
Other current assets	2	–
Current liabilities	(8)	–
Net assets of disposal groups classified as held for sale	**(3)**	**0**

Net assets classified as held for sale

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	
	2024	2023
Revenues	9	9
Adjusted operating profit	(4)	1
Operating profit	(6)	(4)

In the first half of 2024, upon the classification of an asset held for sale, the group recognized a remeasurement loss of €2 million on goodwill and €5 million on other intangible assets.

Note 9 Net debt

Reconciliation gross debt to net debt

(in millions of euros, unless otherwise stated)	June 30, 2024	December 31, 2023	June 30, 2023
Gross debt			
Bonds	3,323	2,723	2,722
Private placements	116	127	127
Other long-term loans	16	21	13
Deferred and contingent acquisition payments	2	1	2
Derivative financial instruments	18	5	–
Long-term debt (excl. lease liabilities)	3,475	2,877	2,864
Lease liabilities	196	209	216
Total long-term debt	3,671	3,086	3,080
Borrowings and bank overdrafts	37	196	37
Short-term bonds	–	400	400
Short-term lease liabilities	62	63	70
Deferred and contingent acquisition payments	2	4	2
Derivative financial instruments	8	–	–
Total short-term debt	109	663	509
Total gross debt	**3,780**	**3,749**	**3,589**
Minus:			
Cash and cash equivalents	(845)	(1,135)	(1,115)
Collateral	(3)	–	–
Derivative financial instruments:			
Non-current asset	–	–	(4)
Current asset	–	(2)	(4)
Net debt	**2,932**	**2,612**	**2,466**
Net-debt-to-EBITDA ratio (on a rolling basis) *	1.6	1.5	1.5

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

On March 18, 2024, the group issued a new €600 million five-year senior unsecured Eurobond. The bonds were sold at an issue price of 99.964 per cent and carry an annual coupon of 3.250 per cent. The securities were placed with a broad range of institutional investors across Europe. The notes are rated A3 by Moody's. The net proceeds of the offering will be used for general corporate purposes. The bonds are listed on the Official List of the Luxembourg Stock Exchange.

Note 10 Equity, LTIP, and dividends

The group made progress on the share buyback program of up to €1,000 million which was previously announced for 2024. In 2024, up to and including July 30, 2024, the group has completed repurchases of €603 million (4.2 million ordinary shares at an average share price of €145.28).

For the period starting May 2, 2024, up to and including December 27, 2024, the group has now engaged third parties to execute a maximum of €647 million in share buybacks on the group's behalf, within the limits of relevant laws and regulations (in particular Regulation (EU) 596/2014) and Wolters Kluwer's Articles of Association.

Shares repurchased are added to and held as treasury shares and will be used for capital reduction purposes and to meet obligations arising from share-based incentive plans. In 2024, the group used 0.6 million shares held in treasury for the vesting of the LTIP grant 2021-23 and the first tranches of the Restricted Stock Units (RSUs) 2023 plan.

In the first six months of 2024, treasury shares were used for the vesting of Long-Term Incentive Plan (LTIP) shares; no new shares were issued. The LTIP 2021-23 vested on December 31, 2023. Total Shareholder Return (TSR) ranked third relative to the peer group of 15 companies, resulting in a pay-out of 125% of the conditional base number of shares awarded to the Executive Board and Senior Management. The EPS-condition based shares resulted in a pay-out of 150%. A total of 543,748 shares were released on February 22, 2024.

Under the 2024-26 LTIP grant, 262,355 shares were conditionally awarded to the Executive Board and other senior managers in the first six months of 2024. In the first six months of 2024, a total of 31,546 shares were forfeited under the long-term incentive plans.

In 2023, the company launched a new equity-settled share-based payment plan, RSU, a discretionary market compensation structure for key employees, just below Executives. RSU shares are granted and vest over time (with 1 year, 2 years, and 3 years vesting periods), vesting is conditioned on continued employment. There are no performance conditions that need to be met for the RSU shares to vest. Under the 2024-2026 RSU grant, 31,314 shares were awarded to key employees (in 2023: 38,470). In the first six months of 2024, a total of 632 shares were forfeited under the RSU plans and 11,927 shares were released.
A final dividend of €1.36 per share was approved at the Annual General Meeting of Shareholders in May 2024 and was paid in the second quarter. The final dividend brings the total dividend over the 2023 financial year to €2.08 per share, an increase of 15% compared to the 2022 dividend. The 2023 dividend of €2.08 per share amounting to €500 million (2022 dividend: €451 million) was fully distributed in cash. This 2023 dividend was paid in two parts, an interim dividend of €176 million in the second half of 2023 and a final dividend of €324 million in the first half of 2024 (€276 million, before dividend witholding tax of €48 million paid in July 2024).

For 2024, the interim dividend was set at 40% of the prior year's total dividend, equivalent to €0.83 per share. The interim dividend will be paid in September.

At June 30, 2024, the Executive Board jointly held 487,952 shares (December 31, 2023: 412,167 shares), of which 427,202 shares (December 31, 2023: 372,131 shares) were held by Ms. McKinstry and 60,750 shares (December 31, 2023: 40,036 shares) by Mr. Entricken.

At June 30, 2024, Mrs. A.E. Ziegler, held 1,894 Wolters Kluwer ADRs (December 31, 2023: 1,894 Wolters Kluwer ADRs). None of the other members of the Supervisory Board held shares in Wolters Kluwer (December 31, 2023: 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, 2024.

Note 12 Events after balance sheet date

Subsequent events were evaluated up to July 31, 2024, which is the date the condensed consolidated interim financial statements were authorized for issue by the Executive Board and Supervisory Board.

On July 29, 2024, we announced an agreement to acquire 100% of the shares of a portfolio of cloud-based financial workflow and data exchange solutions from Isabel Group for €325 million in cash. These solutions complement our existing European software offerings and enable us to provide end-to-end coverage of the accounting workflow from pre-accounting to post-accounting. In 2023, gross revenues were €34 million of which approximately 90% was recurring. The acquisition is expected to reach a return on invested capital above our weighted-average cost of capital in its fifth full year of ownership. In the near term the transaction is expected to have an immaterial impact on group earnings. The transaction is expected to close in the second half of 2024.

Wolters Kluwer

Appendix 1 Divisional supplemental information – Six months ended June 30

(€ million, unless otherwise stated)	2024	2023	Organic	Change: Acquisition / Divestment	Currency
Health					
Revenues	771	725	45	2	(1)
Adjusted operating profit	223	217	6	0	0
Adjusted operating profit margin	28.9%	30.0%			
Tax & Accounting					
Revenues	775	735	52	(10)	(2)
Adjusted operating profit	271	258	17	(3)	(1)
Adjusted operating profit margin	35.1%	35.1%			
Financial & Corporate Compliance					
Revenues	540	519	22	–	(1)
Adjusted operating profit	209	193	16	–	0
Adjusted operating profit margin	38.7%	37.2%			
Legal & Regulatory					
Revenues	458	423	22	12	1
Adjusted operating profit	78	60	13	4	1
Adjusted operating profit margin	16.9%	14.2%			
Corporate Performance & ESG					
Revenues	347	323	24	–	0
Adjusted operating profit	16	15	1	–	0
Adjusted operating profit margin	4.6%	4.6%			
Corporate					
Adjusted operating profit	(32)	(32)	0	–	0
Total Wolters Kluwer					
Revenues	2,891	2,725	165	4	(3)
Adjusted operating profit	765	711	53	1	0
Adjusted operating profit margin	26.5%	26.1%			

Note: Acquisition/divestment column includes the contribution from 2024 and 2023 acquisitions before these became organic (12 months from their acquisition date), the impact of 2024 and 2023 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)	2024	2023	Δ	Δ CC	Δ OG
Software	1,318	1,226	+8%	+8%	+7%
Other digital	1,145	1,076	+6%	+6%	+7%
Digital	2,463	2,302	+7%	+7%	+7%
Services	281	269	+4%	+4%	+4%
Print	147	154	-4%	-4%	-4%
Total revenues	**2,891**	**2,725**	**+6%**	**+6%**	**+6%**

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.08); Δ OG: % Organic growth. Other digital includes digital information and services related to software. Services includes legal representation, consulting, training, events, and other services.

Appendix 3 Divisional revenues by type – Six months ended June 30

(€ million, unless otherwise stated)	2024	2023	Δ	Δ CC	Δ OG
Health					
Digital and service subscription	630	587	+7%	+7%	+7%
Print subscription	20	22	-12%	-11%	-11%
Other recurring	61	57	+8%	+8%	+8%
Total recurring revenues	**711**	**666**	**+7%**	**+7%**	**+7%**
Print books	24	22	+9%	+9%	+9%
Other non-recurring	36	37	-2%	-1%	-2%
Total Health	**771**	**725**	**+6%**	**+6%**	**+6%**
Tax & Accounting					
Digital and service subscription	618	583	+6%	+6%	+8%
Print subscription	7	8	-11%	-11%	-11%
Other recurring	76	75	+1%	+2%	+3%
Total recurring revenues	**701**	**666**	**+5%**	**+6%**	**+7%**
Print books	13	13	-4%	-3%	-1%
Other non-recurring	61	56	+8%	+8%	+7%
Total Tax & Accounting	**775**	**735**	**+5%**	**+6%**	**+7%**
Financial & Corporate Compliance					
Digital and service subscription	362	345	+5%	+5%	+5%
Total recurring revenues	**362**	**345**	**+5%**	**+5%**	**+5%**
LS transactional	103	98	+4%	+5%	+5%
FS transactional	65	64	0%	+1%	+1%
Other non-recurring	10	12	-7%	-7%	-7%
Total Financial & Corporate	**540**	**519**	**+4%**	**+4%**	**+4%**
Legal & Regulatory					
Digital and service subscription	325	291	+12%	+11%	+7%
Print subscription	34	36	-5%	-5%	-5%
Other recurring	6	7	-11%	-11%	-11%
Total recurring revenues	**365**	**334**	**+10%**	**+9%**	**+5%**
Print books	19	19	-3%	-3%	-4%
ELM transactional	48	44	+11%	+11%	+11%
Other non-recurring	26	26	-1%	-1%	-2%
Total Legal & Regulatory	**458**	**423**	**+8%**	**+8%**	**+5%**
Corporate Performance & ESG					
Digital and service subscription	**242**	**217**	+11%	+11%	+11%
Total recurring revenues	**242**	**217**	**+11%**	**+11%**	**+11%**
Other non-recurring	105	106	-1%	0%	0%
Total Corporate Performance & ESG	**347**	**323**	**+7%**	**+7%**	**+7%**
Total Wolters Kluwer					
Digital and service subscription	2,177	2,023	+8%	+8%	+8%
Print subscription	61	66	-8%	-8%	-8%
Other recurring	143	139	+3%	+4%	+4%
Total recurring revenues	**2,381**	**2,228**	**+7%**	**+7%**	**+7%**
Print books	56	54	+2%	+2%	+2%
Transactional	216	206	+5%	+5%	+5%
Other non-recurring	238	237	+1%	+1%	+1%
Total non-recurring revenues	**510**	**497**	**+3%**	**+3%**	**+2%**
Total Wolters Kluwer	**2,891**	**2,725**	**+6%**	**+6%**	**+6%**

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.08); Δ OG: % Organic growth. Note: Other non-recurring revenues include license & implementation fees. The comparative figures in the table above were updated based on the new divisional aggregation (refer to *Note 2* for more information).

About Wolters Kluwer

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

Wolters Kluwer reported 2023 annual revenues of €5.6 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 21,400 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, Euro Stoxx 50, 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 LinkedIn, Facebook, YouTube and Instagram

Financial Calendar

August 27, 2024	Ex-dividend date: 2024 interim dividend
August 28, 2024	Record date: 2024 interim dividend
September 19, 2024	Payment date: 2024 interim dividend
September 26, 2024	Payment date: 2024 interim dividend ADRs
October 30, 2024	Nine-Month 2024 Trading Update
February 26, 2025	Full-Year 2024 Results
March 12, 2025	Publication of 2024 Annual Report

Media
Dave Guarino
Communications
t + 1-646 954 8215
press@wolterskluwer.com

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

Forward-looking Statements and Other Important Legal Information

This report contains forward-looking statements. These statements may be identified by words such as "expect", "should", "could", "shall" and similar expressions. Wolters Kluwer cautions that such forward-looking statements are qualified by certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors which could cause actual results to differ from these forward-looking statements may include, without limitation, general economic conditions; conditions in the markets in which Wolters Kluwer is engaged; 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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