Wolters Kluwer

Wolters Kluwer 2020 Full-Year Report

February 24, 2021 – Wolters Kluwer, a global leader in professional information, software solutions, and services, today releases its full-year 2020 results.

Highlights

- **Revenues €4,603 million, up 1% in constant currencies and up 2% organically.**
  - Excluding revenues associated with the PPP[1], organic growth would have been 1%.
  - Recurring revenues up 4% organically (80% of total revenues); non-recurring down 8% organically.
  - Digital & services revenues up 4% organically (91% of total revenues); print down 16% organically.
  - COVID-19 mainly impacted print formats, non-recurring revenues, and new sales.
- **Adjusted operating profit €1,124 million, up 5% in constant currencies.**
  - Adjusted operating profit margin up 80 basis points to 24.4%.
  - Cost savings allowed us to sustain investments in product development and marketing while bringing forward efficiency initiatives and still delivering a margin improvement.
- **Diluted adjusted EPS €3.13, up 7% in constant currencies.**
- **Adjusted free cash flow €907 million, up 16% in constant currencies.**
- **Balance sheet remains strong: net-debt-to-EBITDA 1.7x.**
- **Return on invested capital improved to 12.3%.**
- **Proposed total dividend 2020: €1.36 per share, up 15%.**
- **Share buybacks: 2020 buyback of €350 million completed; announcing 2021 buyback of up to €350 million (of which €50 million already completed).**
- **Outlook 2021: mid-single-digit growth in adjusted diluted EPS in constant currencies.**

Full-Year Report of the Executive Board

Nancy McKinstry, CEO and Chairman of the Executive Board, commented: *"In so many ways, our employees embraced the challenge of 2020, dedicating themselves to the needs of customers while delivering on our strategic priorities. The pandemic mainly affected our non-recurring and print revenue streams and slowed our new sales activity, but digital recurring revenues performed well. We expect the recovery towards previous growth levels to be gradual and remain confident in our long-term prospects."*

Key Figures – Year ended December 31

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Business performance – benchmark figures					
Revenues	4,603	4,612	0%	+1%	+2%
Adjusted operating profit	1,124	1,089	+3%	+5%	+5%
Adjusted operating profit margin	24.4%	23.6%			
Adjusted net profit	835	790	+6%	+4%	
Diluted adjusted EPS (€)	3.13	2.90	+8%	+7%	
Adjusted free cash flow	907	807	+12%	+16%	
Return on invested capital (ROIC)	12.3%	11.8%			
Net debt	2,383	2,199	+8%		
IFRS reported results					
Revenues	4,603	4,612	0%		
Operating profit	972	908	+7%		
Profit for the year	721	669	+8%		
Diluted EPS (€)	2.70	2.46	+10%		
Net cash from operating activities	1,197	1,102	+8%		

Δ: % Change; Δ CC: % Change in constant currencies (€/$ 1.12); Δ OG: % Organic growth. Benchmark figures are performance measures used by management. See Note 3 for a reconciliation from IFRS to benchmark figures.

[1] Throughout this document, PPP refers to the U.S. Small Business Association (SBA) Paycheck Protection Program established by the 2020 U.S. CARES Act. Wolters Kluwer Compliance Solutions (part of Governance, Risk & Compliance) supported its bank customers in lending under this program. A new tranche of the U.S. PPP program was launched by the SBA in January 2021.

Full-Year 2021 Outlook

Due to the ongoing nature of the COVID-19 pandemic, we currently expect economic activity and spending patterns to be subdued for most of 2021, with a gradual recovery starting in the second half. In the first half of 2021 we face a challenging comparable, partly because we expect lower PPP[1] revenues in 2021. We remain in a strong position to respond to new challenges should they arise. Our specific guidance for 2021 adjusted operating profit margin, adjusted free cash flow, return on invested capital (ROIC), and diluted adjusted EPS is provided below.

Full-Year 2021 Outlook

Performance indicators	2021 Guidance	2020
Adjusted operating profit margin	24.5% - 25.0%	24.4%
Adjusted free cash flow	€875-€925 million	€907 million
ROIC	Around 12%	12.3%
Diluted adjusted EPS	Mid-single-digit growth	€3.13

Guidance for adjusted operating profit margin and ROIC is in reported currencies and assumes an average EUR/USD rate in 2021 of €/$1.21. Guidance for adjusted free cash flow and diluted adjusted EPS is in constant currencies (€/$ 1.14). Guidance reflects share repurchases for up to €350 million in 2021.

If current exchange rates persist, the U.S. dollar rate will have a negative effect on 2021 results reported in euros. In 2020, Wolters Kluwer generated more than 60% of its revenues and adjusted operating profit in North America. As a rule of thumb, based on our 2020 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.

We include restructuring costs in adjusted operating profit. We currently expect that restructuring costs will be in the range of €10-€15 million in 2021 (FY 2020: €49 million). We expect adjusted net financing costs of approximately €65 million in constant currencies[2], including approximately €10 million in lease interest charges. We expect the benchmark tax rate on adjusted pre-tax profits to be in the range of 23.0%-24.0% for 2021. Capital expenditure is expected to be within our normal range of 5.0%-6.0% of total revenues (FY 2020: 5.0%). Cash repayments of lease liabilities are expected to be in line with depreciation of right-of-use assets (FY 2020: €73 million). We expect the full-year cash conversion ratio to be in the range of 95%-100% in 2021 (FY 2020: 102%). See Note 3 for the calculation of our cash conversion ratio.

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

2021 Outlook by Division

Health: We expect full-year organic growth to improve over 2020 levels and the adjusted operating profit margin to be stable year-on-year as temporary cost savings fade.

Tax & Accounting: We expect organic growth to improve moderately from 2020 levels and the adjusted operating profit margin to decline due to the absence of one-time benefits and the fading of temporary cost savings.

Governance, Risk & Compliance: We expect the organic growth rate to be slightly below 2020 levels, as revenues associated with the 2021 PPP[1] will likely be lower than in 2020. We expect the adjusted operating profit margin to improve on the back of lower restructuring and provisions.

Legal & Regulatory: We expect the division to return to positive organic growth driven by digital information and software revenues. We expect the adjusted operating profit margin to improve as a result of lower restructuring.

[2] 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. All our customers face the challenge of increasing proliferation and complexity of information and the pressure to deliver better outcomes at a lower cost. Many of our customers are looking for mobility, flexibility, intuitive interfaces, and integrated open architecture technology to support their decision-making. We aim to solve their problems and add value to their workflow with our range of digital solutions and services, which we continuously evolve to meet their changing needs. Since 2003, we have been re-investing 8%-10% of our revenues in developing new and enhanced products and the supporting technology platforms.

Expert solutions, which combine deep domain knowledge with technology to deliver both content and workflow automation to drive improved outcomes and productivity for our customers, accounted for 54% of total revenues in 2020 (FY 2019: 51%) and grew 6% organically including PPP[1] (FY 2019: 7%). Based on revenues, our largest *expert solutions* are:

- **Health**: clinical decision support tool UpToDate; clinical drug databases Medi-Span and Lexicomp; and Lippincott nursing solutions for practice and learning.
- **Tax & Accounting**: corporate performance solutions TeamMate and CCH Tagetik; professional tax and accounting software, including CCH ProSystem fx, CCH Axcess, and PFX Engagement in North America and similar software for professionals across Europe.
- **Governance, Risk & Compliance**: finance, risk, and regulatory reporting suite OneSumX; banking compliance solutions Compliance One, Expere, and Gainskeeper; and enterprise legal management software Passport and Tymetrix.
- **Legal & Regulatory:** EHS/ORM[3] suite Enablon, and our range of workflow solutions for European legal professionals.

Our business model is primarily based on subscriptions and other recurring revenues (80% of total revenues in 2020), augmented by implementation services revenues as well as volume-based transactional or other non-recurring revenues. Renewal rates for our digital information, software and service subscriptions are high and are one of the key indicators by which we measure our success. In 2020, software products accounted for 41% of total revenues (FY 2019: 39%). Of total software revenues, 28% was from recurring cloud subscription revenues, which grew 19% organically (FY 2019: 24%).

We have been evolving our technology towards fewer, globally scalable platforms, with reusable components. We are transitioning our solutions to the cloud and leveraging advanced technologies such as artificial intelligence, natural language processing, and predictive analytics to drive further innovation. We are standardizing tools, streamlining our technology infrastructure (including data centers), and improving our development processes using the scaled agile framework. Our employees drive our achievements and we have been working to ensure we are providing engaging and rewarding careers.

Strategic Priorities 2019-2021

While the pandemic has diverted us from our original three-year financial plan for 2019-2021, the crisis has reinforced and validated many aspects of our strategy: the evolution towards digital and *expert solutions*; the transition to cloud-based software platforms, and the investment to upgrade internal systems, infrastructure, and digital marketing capabilities. Our strategic priorities for 2019-2021 are:

- **Grow Expert Solutions:** We will focus on scaling our *expert solutions* by extending these offerings and broadening their distribution through existing and new channels, including strategic partnerships. We will invest to build or acquire positions in adjacent market segments.

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[3] Throughout this document, EHS/ORM refers to environmental, health & safety and operational risk management.

- **Advance Domain Expertise:** We intend to continue transforming our information products and services by enriching their domain content with advanced technologies to deliver actionable intelligence and deeper integration into customer workflows. We will invest to enhance the user experience of these products through user-centric design and differentiated interfaces.

- **Drive Operational Agility:** We plan to strengthen our global brand, go-to-market, and digital marketing capabilities to support organic growth. We will invest to upgrade our back-office systems and IT infrastructure. Part of our 2019-2021 strategic plan is to complete the modernization of our Human Resources technology to support our efforts to attract and nurture talent.

Our strategy is focused on organic growth, although we may make further bolt-on 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.

In 2020, group-wide product development spend was just over 9% of total revenues. While we continued to develop our *expert solutions*, we also invested to transform our digital information products, such as our medical research platform Ovid and our legal research solutions, to enhance their content, functionality and user interfaces, and to add capabilities that leverage artificial intelligence.

In 2020, we acquired three software companies with whom we had long-standing partnerships: CGE, XCM Solutions, and eOriginal. We were also active with divestments: last year, we sold eight assets and businesses that no longer fit our long-term strategic goals, helping us achieve increased focus on *expert solutions*.

We took steps to drive operational agility, moving further towards standardized technology platforms and components and transitioning products to the cloud. In 2020, we completed the final phase of our HR systems modernization and made progress on upgrading other back-office infrastructure.

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.

COVID-19 Impact

Wolters Kluwer has not been immune to the effects of the COVID-19 pandemic. The situation required an agile response from our organization. Increased efforts were made to safeguard employees, support customers, and to ensure business continuity. Since mid-March 2020, approximately 95% of Wolters Kluwer employees have been working from home. We are planning for a gradual and partial return to our offices in the second half of 2021, when and where circumstances allow. Significant investment was made in innovation and new content in 2020 to support customers in navigating through the crisis: for example, our Health division expanded its COVID-19 content, tools and resources to support healthcare providers and medical researchers. In our Tax & Accounting division, CCH Tagetik rolled out new products to allow corporate finance teams to rapidly perform the scenario analyses necessitated by the pandemic. Our Compliance Solutions group (in GRC) was one of the first providers to deliver software capable of supporting banks in lending under the U.S. PPP[1] program. And in Legal & Regulatory, Enablon introduced COVID-19 modules for its EHS/ORM platform enabling users to better manage workplace health risks posed by the virus. This innovation and agility over the past year helped mitigate the challenges posed by the pandemic which were most visible in our print and non-recurring revenues and our new sales intake.

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 Proposed Final Dividend 2020

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

At the 2021 Annual General Meeting of Shareholders, we will propose a final dividend of €0.89, which would result in a total dividend over the 2020 financial year of €1.36, an increase of 15%. The dividend will be paid in cash. 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 Buybacks 2020 and 2021

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.

During 2020, we spent €350 million on share buybacks, comprising 5.1 million shares at an average price of €68.41. During the year, 0.9 million treasury shares were released in respect of share-based incentive plans, leading to a net repurchase of 4.2 million shares.

Today, we are announcing our intention to spend up to €350 million on share repurchases during 2021, including repurchases to offset incentive share issuance. Of this, €50 million has already been completed in the period from January 4, 2021, up to and including February 22, 2021.

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.

For the period February 26, 2021, up to and including May 3, 2021, we have engaged a third party to execute €70 million in share buybacks on our behalf, within the limits of relevant laws and regulations (in particular Regulation (EU) 596/2014) and the company's Articles of Association. The maximum number of shares which may be acquired will not exceed the authorization granted by the General Meeting of Shareholders. Repurchased shares are added to and held as treasury shares and will be used for capital reduction purposes or to meet future obligations arising from share-based incentive plans.

Net Debt, Leverage, and Liquidity Position

Net debt at December 31, 2020, was €2,383 million, compared to €2,199 million at December 31, 2019. Included in net debt were €348 million of lease liabilities. The net-debt-to-EBITDA ratio was 1.7x (FY 2019: 1.6x).

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

Our liquidity position remains strong with, as of December 31, 2020, net cash available of €364 million[5], partly offset by outstanding Euro Commercial Paper of €100 million. During 2020, we issued a new €500 million 10-year senior unsecured Eurobond (coupon 0.75%) and signed a new €600 million 3-year multi-currency credit facility (undrawn as of today). This new facility will mature in 2023 and includes two one-year extension options. We remain comfortably below the leverage ratio covenant in our credit facility.

Full-Year 2020 Results

Benchmark Figures

Group revenues were €4,603 million, in line with the prior year. Revenues increased 1% in constant currencies, including the net effect of divestments and acquisitions which reduced revenues by 1%. Removing both the effect of currency and net divestments, organic growth was 2% (FY 2019: 4%). Excluding revenues associated with the PPP[1], organic growth would have been 1%, the slowdown reflecting the impact of COVID-19 on our business in 2020.

All geographic regions experienced weaker growth as a result of the pandemic. Revenues from North America, which accounted for 61% of group revenues, grew 2% organically (FY 2019: 4%). Revenues from Europe, 31% of total revenues, increased 2% organically (FY 2019: 5%). Revenues from Asia Pacific and Rest of World, 8% of total revenues, declined 4% on an organic basis (FY 2019: organic growth 5%).

Adjusted operating profit was €1,124 million (FY 2019: €1,089 million), an increase of 5% in constant currencies. The adjusted operating profit margin increased 80 basis points to 24.4% (FY 2019: 23.6%), including the benefit of a one-time insurance reimbursement of €12 million and a margin on the revenues associated with the PPP[1]. During 2020, significant cost savings of a temporary nature were possible as a result of a freeze on travel and in-person events and reductions in promotional expenses. We also achieved more sustainable, structural savings from on-going efficiency programs in 2020. These cost savings and one-off benefits allowed us to fully sustain our investments in product development, technology infrastructure, and digital marketing. We were also able to bring forward certain restructuring initiatives. Included in adjusted operating profit were restructuring expenses of €49 million (FY 2019: €26 million) and increased provisions for returns and bad debt.

Our share of profits of associates, net of tax, was €6 million (FY 2019: €3 million), mainly due to a one-time higher result related to our 40% interest in Logical Images which was divested on May 15, 2020.

Adjusted net financing costs declined to €46 million (FY 2019: €58 million) largely due to a €24 million net foreign exchange gain on the translation of intercompany balances. Partly offsetting this was lower interest income on U.S. cash balances.

Adjusted profit before tax was €1,084 million (FY 2019: €1,034 million), up 4% in constant currencies. The benchmark tax rate on adjusted profit before tax reduced to 23.0% (FY 2019: 23.6%), reflecting favorable tax effects from financing results, prior year adjustments, and tax losses.

Adjusted net profit was €835 million (FY 2019: €790 million), an increase of 4% in constant currencies.

Diluted adjusted EPS was €3.13 (FY 2019: €2.90), up 7% in constant currencies, reflecting the increase in adjusted net profit and a 2% reduction in the diluted weighted average number of shares outstanding to 266.6 million (FY 2019: 272.2 million).

[5] Net cash available consists of cash and cash equivalents of €723 million less overdrafts used for cash management purposes of €359 million.

IFRS Reported Figures

Reported operating profit increased 7% to €972 million (FY 2019: €908 million), reflecting the increase in adjusted operating profit combined with an absence of impairment charges on acquired identifiable intangible assets. Reported financing results amounted to a net cost of €41 million (FY 2019: €53 million), reflecting adjusted net financing cost of €46 million and a €7 million net gain on disposals of equity-accounted associates and financial assets (FY 2019: €9 million).

The reported effective tax rate increased to 23.1% (FY 2019: 22.0%), owing largely to the taxable capital gains made on 2020 disposals, while the prior year was favorably impacted by tax exempted divestments and the conclusion of tax audits. Total profit for the year increased 8% to €721 million (FY 2019: €669 million) and diluted earnings per share increased 10% to €2.70 (FY 2019: €2.46).

Cash Flow

Adjusted operating cash flow was €1,145 million (FY 2019: €1,049 million), up 13% in constant currencies. The cash conversion ratio increased to 102% (FY 2019: 96%), primarily due to an inflow of working capital compared to an outflow in the prior year.

Depreciation of property, plant, and equipment and amortization and impairment of internally developed software was €223 million, in line with the prior year (FY 2019: €220 million). Depreciation and impairment of right-of-use assets were €75 million (FY 2019: €73 million). Net capital expenditure increased to €231 million (FY 2019: €226 million), stable at 5.0% of revenues (FY 2019: 4.9%). Cash payments related to leases, including €11 million of lease interest paid, increased to €85 million (FY 2019: €80 million). Favorable timing of collections resulted in a €39 million cash inflow on working capital (FY 2019: €27 million outflow).

Net interest paid, excluding lease interest paid, increased to €54 million (FY 2019: €46 million). Corporate income tax paid increased to €221 million (FY 2019: €195 million). The effect of restructuring was a net increase in provisions of €20 million (compared to a net decrease of €6 million in FY 2019) as net additions to restructuring provisions of €37 million were partly offset by cash appropriations of €17 million.

As a result, adjusted free cash flow was €907 million (FY 2019: €807 million), up 12% overall and up 16% in constant currencies.

Total acquisition spending, net of cash acquired and including €11 million in transaction costs, was €406 million (FY 2019: €35 million), primarily relating to the acquisitions of eOriginal in Governance, Risk & Compliance (€235 million), XCM Solutions in Tax & Accounting (€140 million), and CGE in Legal & Regulatory (€20 million). On a pro-forma basis, these acquisitions generated revenues of €58 million in 2020, of which €13 million was consolidated in 2020. Earnouts and deferred payments on acquisitions completed in prior years amounted to €6 million (FY 2019: €1 million).

Divestment proceeds, net of cash disposed and transaction costs, were €48 million (FY 2019: €39 million) and related to the divestment of certain Belgian training assets, selected German assets, the healthcare compliance solution ComplyTrack, GRC's flood determination services, French legal notices business, and our stakes in Medicom in China and Logical Images in the U.S. Up to their divestment dates, the divested assets generated total revenues of €34 million in 2020. See Note 6 for more details.

Dividends paid to shareholders amounted to €334 million (FY 2019: €280 million), while share repurchases totaled €350 million (FY 2019: €350 million).

ESG Highlights 2020[6]

In 2020, employee engagement saw a significant increase to 84% (FY 2019: 77%), placing our score more than 10 percentage points above the norm for high-performing companies. Throughout the year, we conducted regular employee surveys to monitor well-being and learn what was needed to support employees working from home. The increased engagement was attributable to a focus on health and well-being, an increase in internal communications, and the provision of virtual collaboration tools to all employees globally.

During 2020, we accelerated a number of multi-year programs that will help reduce carbon emissions in coming years. This included our real estate rationalization program, which delivered a 7% organic reduction in our office footprint by closing smaller offices, and our data center consolidation program, which decommissioned 11 data centers while transitioning applications to the cloud. The migration of products and internal systems from on-premise servers to more energy-efficient cloud platforms results in a net reduction in carbon emissions.

Divisional & Operating Review

All divisions experienced slower growth amidst more challenging market conditions due to the pandemic. Margin increases in Health and Tax & Accounting were partly offset by margin declines in Governance, Risk & Compliance and Legal & Regulatory.

Divisional Summary – Year ended December 31

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Revenues					
Health	1,193	1,186	+1%	+3%	+3%
Tax & Accounting	1,431	1,413	+1%	+3%	+2%
Governance, Risk & Compliance	1,074	1,068	+1%	+2%	+2%
Legal & Regulatory	905	945	-4%	-3%	-2%
Total revenues	**4,603**	**4,612**	**0%**	**+1%**	**+2%**
Adjusted operating profit					
Health	343	320	+7%	+9%	+11%
Tax & Accounting	431	388	+11%	+12%	+12%
Governance, Risk & Compliance	313	341	-8%	-7%	-7%
Legal & Regulatory	97	104	-7%	-5%	-6%
Corporate	(60)	(64)	-7%	-6%	-6%
Total adjusted operating profit	**1,124**	**1,089**	**+3%**	**+5%**	**+5%**
Adjusted operating profit margin					
Health	28.7%	27.0%			
Tax & Accounting	30.1%	27.4%			
Governance, Risk & Compliance	29.1%	31.9%			
Legal & Regulatory	10.7%	11.0%			
Total adjusted operating profit margin	**24.4%**	**23.6%**			

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

[6] Environmental, social and governance data is not assured.

Total recurring revenues, which include subscriptions and other renewing revenue streams, accounted for 80% of total revenues in 2020 (FY 2019: 78%) and grew 4% organically (FY 2019: 5%). Our strategically important digital and service subscriptions slowed modestly to 6% organic growth (FY 2019: 7%), while print subscriptions saw an accelerated decline of 9% (FY 2019: 5% decline). Other recurring revenues declined 1% organically (FY 2019: 0%).

The impact of the pandemic was most evident in our non-recurring revenue streams, in particular print books which recorded an organic decline of 26% (FY 2019: 7% decline). Total non-recurring revenues declined 8% organically, or 10% organically if we exclude revenues associated with the PPP[1] (FY 2019: 1% increase).

Revenues by Type - Year ended December 31

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Digital and service subscription	3,218	3,087	+4%	+6%	+6%
Print subscription	182	202	-10%	-10%	-9%
Other recurring	280	292	-4%	-2%	-1%
Total recurring revenues	**3,680**	**3,581**	**+3%**	**+4%**	**+4%**
Print books	150	212	-29%	-27%	-26%
LS transactional	228	246	-7%	-6%	-6%
FS transactional	129	105	+23%	+24%	+25%
Other non-recurring	416	468	-11%	-10%	-8%
Total non-recurring revenues	**923**	**1,031**	**-10%**	**-9%**	**-8%**
Total revenues	**4,603**	**4,612**	**0%**	**+1%**	**+2%**

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

Health

- Clinical Solutions revenues grew 6% organically, led by UpToDate.
- Learning, Research & Practice revenues were flat organically, absorbing a print decline of 21%.
- Margin increase reflects cost savings, ongoing mix shift, and lower restructuring charges.

Health – Year ended December 31

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Revenues	1,193	1,186	+1%	+3%	+3%
Adjusted operating profit	343	320	+7%	+9%	+11%
Adjusted operating profit margin	28.7%	27.0%			
Operating profit	307	243	+26%		
Net capital expenditure	32	33			
Ultimo FTEs	2,824	2,903			

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

Wolters Kluwer Health revenues increased 3% in constant currencies and 3% organically (FY 2019: 4%). Adjusted operating profit increased 9% in constant currencies, reflecting cost savings, lower restructuring charges, and the ongoing mix shift towards Clinical Solutions. The increase in IFRS operating profit mainly reflects the absence of impairment charges of acquired identifiable intangible assets.

Clinical Solutions (53% of divisional revenues) sustained 6% organic revenue growth (FY 2019: 6%), despite amplified pressure on hospital budgets due to the pandemic. In clinical decision support, the UpToDate suite saw continued strong growth driven by renewals, upsells, and new customer wins. During the year, UpToDate expanded its content on COVID-19 topics. The UpToDate Advanced module now has over 1,150 hospitals around the world subscribing. Our drug information solutions delivered good growth benefitting from closer integration with UpToDate. With hospitals focused on critical care, patient engagement solution Emmi recorded a revenue decline. Our clinical software unit delivered positive organic growth mainly due to Health Language.

Health Learning, Research & Practice (47% of divisional revenues) revenues were broadly flat on an organic basis (FY 2019: growth of 1%) as an accelerated decline in print revenues was absorbed by strong organic growth in digital products. Our medical research platform Ovid sustained good organic growth and our digital journal subscriptions and open access revenues also grew well. However, this was tempered by declines in journal print subscription and advertising revenues. Medical and nursing books declined 39%, reflecting disruptions in distribution and in medical and nursing school programs, as well as a renewed shift to online learning. Our digital learning solutions for nursing schools and students, such as *Lippincott CoursePoint+, PrepU,* and *vSim,* achieved double-digit organic growth.

Tax & Accounting

- Corporate Performance Solutions grew 8% organically, led by CCH Tagetik.
- Professional Tax & Accounting grew 1% organically, driven by European operations.
- Margin increase reflects cost savings, operational gearing, and a one-off insurance reimbursement.

Tax & Accounting – Year ended December 31

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Revenues	1,431	1,413	+1%	+3%	+2%
Adjusted operating profit	431	388	+11%	+12%	+12%
Adjusted operating profit margin	30.1%	27.4%			
Operating profit	387	344	+12%		
Net capital expenditure	77	74			
Ultimo FTEs	7,149	6,697			

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

Wolters Kluwer Tax & Accounting revenues grew 3% in constant currencies, including a few months of revenues from XCM Solutions acquired in mid-September 2020. Organic growth slowed to 2% against a strong comparable (FY 2019: 6%). Adjusted operating profit rose 12% in constant currencies, mainly reflecting cost savings, operational gearing at CCH Tagetik, and a one-off insurance reimbursement. IFRS operating profit increased 12%, reflecting the increase in adjusted operating profit and lower amortization and impairment of acquired identifiable intangible assets.

Corporate Performance Solutions (15% of divisional revenues) saw organic growth slow to 8% against double-digit growth in the prior year (FY 2019: 17%), reflecting difficult market conditions for on-premise software license sales and software-related implementation services. Recurring revenues for the cloud-based versions of both CCH Tagetik and TeamMate continued to advance at a double-digit rate.

North America Professional Tax & Accounting (50% of divisional revenues) revenues were flat on an organic basis (FY 2019: 4%). Recurring revenues from software solutions recorded good organic growth, driven by renewals of cloud-based software for tax and accounting firms. Sales of new software were challenged by cautious spending patterns while sales of ancillary services, such as e-filing, were limited as the software business transitions to cloud-based subscription packages. In September 2020, the North American operation acquired XCM Solutions, a U.S. provider of cloud-based productivity solutions that can be integrated with CCH Axcess. Our U.S. publishing business, Research & Learning, recorded a revenue decline, as growth in digital formats was more than offset by sharp declines in print and training services.

Europe Professional Tax & Accounting (29% of divisional revenues) achieved 5% organic growth despite a very challenging comparable (FY 2019: 8%). As in North America, the European business also faced difficult conditions for new sales for both on-premise software and cloud and hybrid-cloud collaboration tools.

Asia Pacific & Rest of World Professional Tax & Accounting (6% of divisional revenues) revenues were soft on an organic basis with good growth in China, offset by weakness in Brazil, India, and other parts of Asia Pacific. On February 22, 2021, we agreed to combine certain Prosoft assets in Brazil with those of a competitor in exchange for a minority interest in the combined entity. The transaction is subject to customary closing conditions.

Governance, Risk & Compliance

- Legal Services recorded 2% organic revenue decline, due to lower transactional volumes.
- Financial Services grew 7% organically, reflecting revenues associated with the PPP[1] and new products.
- Margin reflects increases in restructuring, investments and provisions, partly offset by cost savings.

Governance, Risk & Compliance – Year ended December 31

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Revenues	1,074	1,068	+1%	+2%	+2%
Adjusted operating profit	313	341	-8%	-7%	-7%
Adjusted operating profit margin	29.1%	31.9%			
Operating profit	279	306	-9%		
Net capital expenditure	76	73			
Ultimo FTEs	4,485	4,330			

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

Wolters Kluwer Governance, Risk & Compliance revenues grew 2% in constant currencies and 2% organically (FY 2019: 4%). Excluding non-recurring revenues associated with the PPP[1], organic revenues would have declined by 1%. The adjusted operating profit margin declined, as cost savings, a one-off insurance reimbursement, and the benefit from revenues associated with the PPP[1] were offset by increased costs related to restructuring, product development, sales and marketing, and provisions for returns and bad debt. IFRS operating profit declined 9% reflecting the decline in adjusted operating profit.

Legal Services (55% of divisional revenues) recorded organic revenue decline of 2% (FY 2019: growth of 5%). CT Corporation achieved positive organic growth in its recurring service subscription revenues but experienced a 10% decline in transactional revenues as COVID-19 impacted business formations, search activity, M&A, and other transactional volumes. Enterprise Legal Management (ELM) Solutions recorded flat organic growth as an increase in law firm transactional revenues was offset by lower recurring software revenues.

Financial Services (45% of divisional revenues) delivered strong organic growth of 7% (FY 2019: 3%). Excluding revenues associated with the PPP[1], Wolters Kluwer Financial Services organic growth was 1%, supported by product innovation. Finance, Risk & Reporting, which provides regulatory reporting software to banks, recorded mid-single-digit organic growth, as increases in recurring software maintenance revenues from the existing customer base were partly offset by lower new software license sales. Wolters Kluwer Lien Solutions, a wholly transactional business, recorded 2% organic revenue decline as rapid growth in its new motor vehicle title perfection service helped mitigate the effect of sharp declines in UCC search and filing volumes due to the impact of COVID-19 on commercial lending activity. Our Compliance Solutions unit, which provides mortgage and other loan origination solutions to banks, delivered double-digit growth having been one of the first vendors to provide a solution for lenders to participate in the U.S. PPP[1]. In December 2020, Compliance Solutions acquired eOriginal, a provider of digital lending software, and divested its flood determination business.

Legal & Regulatory

- EHS/ORM[3] & Legal Software (16% of divisional revenues) grew 5% organically.
- Information Solutions declined 3% organically due to accelerated decline in print formats.
- Margin decline as cost savings were offset by increased investment and restructuring.

Legal & Regulatory – Year ended December 31

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Revenues	905	945	-4%	-3%	-2%
Adjusted operating profit	97	104	-7%	-5%	-6%
Adjusted operating profit margin	10.7%	11.0%			
Operating profit	59	79	-25%		
Net capital expenditure	45	45			
Ultimo FTEs	4,195	4,307			

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

Legal & Regulatory revenues declined 3% in constant currencies, partly reflecting the effect of net disposals. Excluding the effect of currency and net disposals, revenues declined organically by 2% (FY 2019: growth of 3%), mainly due to a sharp deterioration in the rate of print revenue decline in the Information Solutions group. Adjusted operating profit fell 5% in constant currencies, as cost savings were offset by stepped-up investment in product development and accelerated efficiency initiatives. Reported IFRS operating profit declined 25%, partly due to an increase in amortization of acquired identifiable intangible assets.

EHS/ORM[3] & Legal Software (16% of divisional revenues), which includes our global solutions for environmental, health and safety (EHS) and operational risk management (ORM) and our European Legal Software unit, saw organic growth slow to 5% (FY 2019: 14%). Across both EHS/ORM and legal software, recurring cloud-based revenues sustained strong double-digit organic growth, while non-recurring on-premise license and implementation services revenues declined year-on-year. At the start of the year, the EHS/ORM unit acquired CGE, a provider of risk management software. Progress was made on the integration of eVision and Enablon. The Legal Software unit drove strong growth in cloud-based software, including Kleos and Legisway.

Legal & Regulatory Information Solutions (84% of divisional revenues) posted a 5% decline in constant currencies, partly reflecting a series of disposals completed over the past two years. Underlying revenue declined 3% (FY 2019: organic growth of 1%), as lockdowns caused an accelerated decline in print formats (25% of the unit's revenues) and non-recurring revenue streams such as training. Print books for legal professionals and law students declined 16% organically (FY 2019: 6% decline), as the pandemic disrupted distribution and buying patterns in legal education and practice markets. Digital information solutions, such as ONE in Italy and Cheetah and RBsource in the U.S., performed well, generating 6% organic growth. Throughout 2020, the division completed seven disposals including Belgian training assets, three German non-core product lines, the health compliance tool ComplyTrack, and the French legal notices business.

Corporate

Net corporate expenses declined 6% in constant currencies and 6% organically, mainly due to lower spending on various projects and cost savings related to travel and in-person events.

Corporate – Year ended December 31

€ million (unless otherwise stated)	**2020**	**2019**	**Δ**	**Δ CC**	**Δ OG**
Adjusted operating profit	(60)	(64)	-7%	-6%	-6%
Operating profit	(60)	(64)	-7%		
Net capital expenditure	1	1			
Ultimo FTEs	132	124			

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Financial Statements for the years ended December 31, 2020, and 2019

The full-year figures for 2020 and 2019 in this report are derived from the 2020 consolidated financial statements, which are prepared in accordance with IFRS and which will be published on March 10, 2021.

Condensed Consolidated Statement of Profit or Loss

(in millions of euros, unless otherwise stated)

	Note	Full year 2020	2019
Revenues	*4*	**4,603**	**4,612**
Cost of revenues		(1,359)	(1,385)
Gross profit		**3,244**	**3,227**
Sales costs		(784)	(808)
General and administrative costs		(1,480)	(1,512)
Total operating expenses		(2,264)	(2,320)
Other gains and (losses)		(8)	1
Operating profit		**972**	**908**
Financing results		(41)	(53)
Share of profit of equity-accounted investees, net of tax		6	3
Profit before tax		**937**	**858**
Income tax expense		(216)	(189)
Profit for the year		**721**	**669**
Attributable to:			
▪ Owners of the company		721	669
▪ Non-controlling interests		0	0
Profit for the year		**721**	**669**
Earnings per share (EPS) (€)			
Basic EPS	5	2.72	2.47
Diluted EPS	5	2.70	2.46

Condensed Consolidated Statement of Comprehensive Income

(in millions of euros)

	Full Year 2020	2019
Comprehensive income		
Profit for the year	**721**	**669**
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	(348)	72
Net gains/(losses) on hedges of net investments	11	(9)
Net gains/(losses) on cash flow hedges	(18)	(9)
Items that will not be reclassified to the statement of profit or loss:		
Remeasurements on defined benefit plans	0	8
Other comprehensive income/(loss) for the year, before tax	(355)	62
Income tax on items that may subsequently be reclassified to the statement of profit or loss	1	2
Income tax on items that will not be reclassified to the statement of profit or loss	0	(2)
Income tax on other comprehensive income	1	0
Other comprehensive income/(loss) for the year, net of tax	**(354)**	**62**
Total comprehensive income for the year	**367**	**731**
Attributable to:		
▪ Owners of the company	367	730
▪ Non-controlling interests	0	1
Total	**367**	**731**

Condensed Consolidated Statement of Cash Flows

(in millions of euros)

	Full Year			
		2020		2019
Cash flows from operating activities				
Profit for the year		721		669
Adjustments for:				
Income tax expense	216		189	
Share of profit of equity-accounted investees, net of tax	(6)		(3)	
Financing results	41		53	
Amortization, impairments, and depreciation	442		475	
Book (profit)/loss on divestments of operations	(7)		4	
Remeasurement loss on assets classified as held for sale	-		2	
Fair value changes to contingent considerations	(4)		(9)	
Additions to and releases of provisions	42		16	
Appropriation of provisions	(19)		(20)	
Curtailments and plan amendments on employee benefits	(2)		(16)	
Additional defined benefit plan contributions	(2)		(2)	
Share-based payments	24		25	
Autonomous movements in working capital	39		(27)	
Other adjustments	(2)		(2)	
Total adjustments		762		685
Interest paid and received (including the interest portion of lease payments)		(65)		(57)
Paid income tax		(221)		(195)
Net cash from operating activities		**1,197**		**1,102**
Cash flows from investing activities				
Net capital expenditure		(231)		(226)
Acquisition spending, net of cash acquired		(395)		(34)
Receipts from divestments, net of cash disposed		50		40
Dividends received		1		0
Cash from settlement of net investment hedges		12		(11)
Net cash used in investing activities		**(563)**		**(231)**
Cash flows from financing activities				
Repayment of loans		(363)		(145)
Proceeds from new loans		496		211
Repayment of principal portion of lease liabilities		(74)		(69)
Collateral received/(paid)		(2)		2
Repurchased shares		(350)		(350)
Dividends paid		(334)		(280)
Net cash used in financing activities		**(627)**		**(631)**
Net cash flow before effect of exchange differences		**7**		**240**
Exchange differences on cash and cash equivalents and bank overdrafts		(77)		15
Net change in cash and cash equivalents less bank overdrafts		(70)		255
Cash and cash equivalents less bank overdrafts at January 1		434		179
Cash and cash equivalents less bank overdrafts at December 31		**364**		**434**
Add: Bank overdrafts at December 31		359		468
Less: Cash and cash equivalents in Assets held for sale at December 31		-		(3)
Cash and cash equivalents in the statement of financial position at December 31		**723**		**899**

Condensed Consolidated Statement of Financial Position

(in millions of euros)

	Note	December 31, 2020		December 31, 2019*	
Non-current assets					
Goodwill		3,969		3,990	
Intangible assets other than goodwill		1,669		1,704	
Property, plant, and equipment		84		95	
Right-of-use assets		319		341	
Investments in equity-accounted investees		8		8	
Financial assets and other receivables		25		39	
Contract assets		21		20	
Deferred tax assets		105		102	
Total non-current assets			6,200		6,299
Current assets					
Inventories		68		73	
Contract assets		111		137	
Trade and other receivables		1,258		1,320	
Current income tax assets		23		22	
Cash and cash equivalents		723		899	
Assets held for sale		-		25	
Total current assets			2,183		2,476
Total assets			**8,383**		**8,775**
Equity					
Issued share capital		32		33	
Share premium reserve		87		87	
Other reserves		1,968		2,260	
Equity attributable to owners of the company			2,087		2,380
Non-controlling interests			0		0
Total equity			**2,087**		**2,380**
Non-current liabilities					
Long-term debt, excl. lease liabilities	*7*	2,300		1,818	
Lease liabilities	*7*	276		293	
Deferred tax liabilities		338		348	
Employee benefits		115		122	
Provisions		4		5	
Non-current deferred income		112		129	
Total non-current liabilities			3,145		2,715
Current liabilities					
Deferred income		1,518		1,550	
Other contract liabilities		66		39	
Trade and other payables		819		901	
Current income tax liabilities		169		163	
Short-term provisions		48		24	
Borrowings and bank overdrafts	*7*	459		670	
Short-term private placements	*7*	-		250	
Short-term lease liabilities	*7*	72		75	
Liabilities held for sale		-		8	
Total current liabilities			3,151		3,680
Total liabilities			**6,296**		**6,395**
Total equity and liabilities			**8,383**		**8,775**

* 2019 has been restated for certain reclassifications; see *Note 2* for further details.

Condensed Consolidated Statement of Changes in Total Equity

(in millions of euros)

	Equity attributable to the owners of the company	Non-controlling interests	Total equity
			2020
Balance at January 1	**2,380**	**0**	**2,380**
Total comprehensive income for the year	367	0	367
Share-based payments	24	-	24
Final cash dividend 2019	(210)	0	(210)
Interim cash dividend 2020	(124)	-	(124)
Repurchased shares	(350)	-	(350)
Other movements	0	-	0
Balance at December 31	**2,087**	**0**	**2,087**

	Equity attributable to the owners of the company	Non-controlling interests	Total equity
			2019
Balance at January 1	**2,254**	**0**	**2,254**
Total comprehensive income for the year	730	1	731
Share-based payments	25	-	25
Final cash dividend 2018	(174)	(1)	(175)
Interim cash dividend 2019	(105)	-	(105)
Repurchased shares	(350)	-	(350)
Other movements	0	-	0
Balance at December 31	**2,380**	**0**	**2,380**

Notes to the Condensed Consolidated Financial Statements

Note 1 Reporting entity

Wolters Kluwer N.V. ('the company') with its subsidiaries (together referred to as 'the group', and individually as group entities) is a global leader in professional information, software solutions, and services for the health, tax and accounting, governance, risk and compliance, and legal and regulatory sectors. We help our customers make critical decisions every day by providing *expert solutions* that combine deep domain knowledge with specialized technology and services.

These condensed consolidated financial statements for the year ended December 31, 2020, comprise the group and the group's interests in associates.

Note 2 Basis of preparation

Statement of compliance
The accounting policies applied in these condensed consolidated financial statements are the same as those applied in the 2020 Annual Report which will be published on March 10, 2021. The consolidated financial statements included in the Annual Report 2020 were authorized for issue by the Executive Board and Supervisory Board on February 23, 2021. In accordance with article 393, Title 9, Book 2 of the Dutch Civil Code, Deloitte Accountants B.V. has issued an unqualified auditor's opinion on the 2020 Financial Statements. The Annual Report 2020 has not yet been published by law and still has to be adopted by the Annual General Meeting of Shareholders on April 22, 2021.

These condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, except they do not include all the information required for a complete set of IFRS financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2019.

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

Judgments and estimates
The preparation of the condensed consolidated 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 condensed consolidated financial statements, the judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are:

- Revenue recognition;
- Fair value of contingent considerations;
- Accounting for income taxes;
- Valuation, measurement, and impairment testing of goodwill, acquired identifiable intangible assets, and other intangible assets; and
- Employee benefits.

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 year(s).

Reference is also made to *Note 30 - Financial Risk Management* of the 2019 Financial Statements, which outlines Wolters Kluwer's exposure to a variety of risks, including market risk, currency risk, interest rate risk, liquidity risk, and credit risk. These risks have not substantially changed since the issuance of our 2019 Annual Report.

Impact of COVID-19

Introduction
The COVID-19 pandemic and the measures and restrictions to control it continue to create challenges for our customers and uncertainty around economic conditions. It is likely that the pandemic will stay present for the larger part of 2021 and will continue to have an effect on economic activity and spending patterns. Governments around the world are likely to continue with varying measures to limit the spread of COVID-19 until sufficient people are vaccinated. As a result, the pandemic will continue to impact the group's business, the actual impact of which is currently unknown.

Recurring revenues for digital information, software and services subscriptions has shown resilience, but new sales of subscription products remain difficult in current market conditions. Recurring revenues from print subscriptions have seen accelerated decline, which management expects will continue in the coming quarters. Of non-recurring revenues, sales of new software licenses and implementation services are seeing delays, while transactional volumes, training, print books, and other ad hoc revenue products are likely to remain weak in current conditions. Transactional revenues of 2020 were positively impacted by the group's TSoftPlus™ U.S. Paycheck Protection Program (PPP) solution within the Governance, Risk & Compliance division.

Measures taken by the group
While safeguarding the health and safety of our employees, our group went almost completely virtual in March 2020. Throughout the remainder of 2020, the group implemented cost reduction plans aiming to protect margins while sustaining key product and strategic investments. For this, the group developed a structured program, consisting of three waves of measures, each dependent on whether the pandemic would persist. The first wave included a freeze on travel and measures to derive cost savings in discretionary spend, marketing, and contractors. Thereafter, the group slowed the hiring of new staff and significantly reduced the number of contractors and level of discretionary spend. In the second half of 2020, the group accelerated certain on-going restructuring programs across the divisions and fast-tracked its real estate rationalization program.

If deemed necessary, the group will continue to initiate cost reduction and restructuring plans in 2021, while closely monitoring the fast-changing market conditions.

The group did not apply for COVID-19-related government assistance programs, except in a few instances immaterial to our results.

With respect to its real estate leases, the group received only limited rent concessions from its landlords.

Impact on judgments and estimates applied in the consolidated financial statements
The group has not yet seen any material increase in default rates among its customers as a result of the COVID-19 pandemic. However, the ageing of past due receivables increased as from the start of the pandemic, partly due to customer requests for payment deferral. As a result, the group expects an

increase in lifetime expected credit losses, which is a part of the explanation for the increase in the net additions to the loss allowance on trade receivables and contract assets, from €23 million in 2019 to €36 million in 2020.

The group assessed that it has a higher risk on sales returns and refunds in some parts of its business, partly as a result of COVID-19. The related provision for sales returns and refunds has increased from €39 million at December 31, 2019, to €66 million at December 31, 2020. The provision for sales returns and refunds is presented as part of other contract liabilities in the consolidated statement of financial position.

The annual goodwill impairment test did not result in the recognition of an impairment. The outcome of the group's sensitivity analysis was that no reasonably possible change in any of the key assumptions would cause the carrying amount to exceed the recoverable amount. The allowed change in growth, discount rate, and adjusted operating profit margin was at least 300 basis points for each of the groups of cash generating units.

On top of the annual goodwill impairment test, the group performed an in-depth impairment triggering event analysis on its other non-current assets, given the scale and impact of the COVID-19 pandemic. In this analysis, the development of new sales, attrition rates of existing customers, growth rates, and cost measures were the main drivers. The group concluded that there was no impairment trigger for the majority of the other non-current assets, consisting mainly of acquired identifiable intangible assets. For one cash generating unit in the Health operating segment, we identified a triggering event in the second quarter of 2020. For this U.S.-based unit, expectations of new sales and pipelines deteriorated and there was downward pressure on renewals, partially due to COVID-19. Based on a scenario analysis in which the value-in-use was compared with the carrying value for higher-risk groups of cash-generating units, the group concluded that there was no impairment, whereby the critical key assumptions were new sales, attrition rates, and the effectiveness of cost measures. In the second half of 2020, no new impairment triggers were identified for this unit.

The group's real estate rationalization program resulted in impairments on right-of-use assets of €2 million.

On the following judgments and estimates, COVID-19 did also not have a significant effect:

- Revenue recognition, except for the provision for sales returns and refunds;
- Fair value determination of contingent considerations;
- Accounting for income taxes;
- Lease accounting; and
- Accounting for employee benefits.

Management currently expects economic activity and spending patterns to be subdued for most of 2021, with a gradual recovery starting in the second half of 2021. If the COVID-19 pandemic does not ease during the course of 2021, there may be a further adverse impact on revenues and potentially on profit margin and cash flows. Management would then have the ability to take further mitigating actions to reduce costs, optimize the group's cash flow, and preserve liquidity by:

- reducing capital expenditure;
- further deferring or cancelling discretionary spend;
- pursuing further restructuring programs; and
- slowing recruitment and reducing marketing spend.

Going concern assumption applied in preparing the financial statements
The Executive Board believes that no events or conditions, including the COVID-19 pandemic, give rise to doubt about the ability of the group to continue in operation at least 12 months from the end of the reporting period.

The group's going concern assessment included an additional liquidity analysis, given the rapidly changing economic circumstances arising from the COVID-19 pandemic. This liquidity analysis considered a period of 12 months from the date of authorization of these consolidated financial statements. The conclusion drawn from this analysis is consistent with above.

Functional and presentation currency
These condensed consolidated financial statements are presented in euro, which is the company's functional and presentation currency. Unless otherwise indicated, the financial information in these condensed consolidated financial statements is in euro and has been rounded to the nearest million.

Exchange rates to the euro	2020	2019
U.S. dollar (average)	1.14	1.12
U.S. dollar (at December 31)	1.23	1.12

Comparatives
The 2019 comparative disclosures were adjusted as follows:

- In the consolidated statement of financial position, non-current deferred income (December 31, 2019: €129 million) is presented separately and is reclassified from current liabilities to non-current liabilities.

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

Note 3 Benchmark Figures

Wherever used in this report, 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 from continuing operations. These figures are presented as additional information and do not replace the information in the condensed consolidated statement of profit or loss and in the condensed consolidated 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 2019	4,612	
Organic change	76	2
Acquisitions	12	0
Divestments	(28)	(1)
Currency impact	(69)	(1)
Revenues 2020	**4,603**	**0**

U.S. dollar 2020: average €/$ 1.14 versus 2019: average €/$ 1.12

Reconciliation between operating profit and adjusted operating profit

(in millions of euros)	Full Year	
	2020	2019
Operating profit	972	908
Amortization and impairments of acquired identifiable intangible assets	144	182
Non-benchmark items in operating profit	8	(1)
Adjusted operating profit	**1,124**	**1,089**

Reconciliation between profit for the year and adjusted net profit

(in millions of euros)	Full Year	
	2020	2019
Profit for the year attributable to the owners of the company (**A**)	721	669
Amortization and impairments of acquired identifiable intangible assets	144	182
Tax on amortization and impairments of acquired identifiable intangible assets	(37)	(48)
Non-benchmark items, net of tax	7	(13)
Adjusted net profit (B)	**835**	**790**

Reconciliation between total financing results and adjusted net financing costs

(in millions of euros)	Full Year	
	2020	2019
Total financing results	(41)	(53)
Non-benchmark items in total financing results	(5)	(5)
Adjusted net financing costs	**(46)**	**(58)**

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

(in millions of euros)	Full Year	
	2020	2019
Net cash from operating activities	1,197	1,102
Net capital expenditure	(231)	(226)
Repayment of principal portion of lease liabilities	(74)	(69)
Acquisition-related costs	11	1
Paid divestment expenses	2	1
Dividends received	1	0
Net tax effect on divested assets and consolidation of platform technology	1	(2)
Adjusted free cash flow (C)	**907**	**807**

Per share information

(in euros, unless otherwise stated)	Full Year	
	2020	2019
Total number of shares outstanding at December 31[1]	262.4	266.7
Weighted average number of shares (D)[1]	265.0	270.3
Diluted weighted average number of shares (E)[1]	266.6	272.2
Adjusted EPS (B/D)	3.15	2.92
Diluted adjusted EPS (B/E)	3.13	2.90
Diluted adjusted EPS in constant currencies	3.09	2.90
Adjusted free cash flow per share (C/D)	3.42	2.98
Diluted adjusted free cash flow per share (C/E)	3.40	2.96

[1] In millions of shares.

Summary of non-benchmark items

(in millions of euros)	Full Year	
	2020	2019
Divestment-related results	1	(5)
Acquisition-related costs	(11)	(1)
Fair value changes of contingent considerations	4	9
Additions to acquisition integration provisions	(2)	0
Loss on remeasurement of disposal groups	-	(2)
Other gains and (losses) in operating profit	(8)	1
Included in total financing results:		
Divestment-related results on equity-accounted investees	7	7
Gain on the sale of assets at fair value through profit or loss	-	2
Financing component employee benefits	(2)	(4)
Total non-benchmark income/(costs) in total financing results	5	5
Total non-benchmark items, before tax	**(3)**	**6**
Tax benefit/(expense) on non-benchmark items	(4)	6
Impact of changes in tax rates	0	1
Non-benchmark items, net of tax	**(7)**	**13**

Benchmark tax rate

(in millions of euros, unless otherwise stated)	Full Year	
	2020	2019
Income tax expense	216	189
Tax benefit on amortization and impairments of acquired identifiable intangibles	37	48
Tax benefit/(expense) on non-benchmark items	(4)	6
Impact of changes in tax rates	0	1
Tax on adjusted profit before tax (F)	**249**	**244**
Adjusted net profit	835	790
Adjustment for non-controlling interests	0	0
Adjusted profit before tax (G)	**1,084**	**1,034**
Benchmark tax rate (F/G) (%)	**23.0**	**23.6**

Cash conversion ratio

(in millions of euros, unless otherwise stated)	Full Year	
	2020	2019
Operating profit	972	908
Amortization, depreciation, and impairments	442	475
EBITDA	**1,414**	**1,383**
Non-benchmark items in operating profit	8	(1)
Adjusted EBITDA	**1,422**	**1,382**
Autonomous movements in working capital	39	(27)
Net capital expenditure	(231)	(226)
Repayment of principal portion of lease liabilities	(74)	(69)
Lease interest paid	(11)	(11)
Adjusted operating cash flow (H)	**1,145**	**1,049**
Adjusted operating profit (I)	**1,124**	**1,089**
Cash conversion ratio (H/I) (%)	**102**	**96**

Return on invested capital (ROIC) calculation

(in millions of euros, unless otherwise stated)	Full Year	
	2020	2019
Adjusted operating profit	1,124	1,089
Allocated tax	(259)	(257)
Net operating profit after allocated tax (NOPAT) (J)	**865**	**832**
Average invested capital (**K**)	7,053	7,065
ROIC-ratio (J/K) (%)	**12.3**	**11.8**

Note 4 Segment Reporting

Divisional revenues and operating profit

(in millions of euros)	Full Year 2020	2019
Revenues		
Health	1,193	1,186
Tax & Accounting	1,431	1,413
Governance, Risk & Compliance	1,074	1,068
Legal & Regulatory	905	945
Total revenues	**4,603**	**4,612**
Operating profit/(loss)		
Health	307	243
Tax & Accounting	387	344
Governance, Risk & Compliance	279	306
Legal & Regulatory	59	79
Corporate	(60)	(64)
Total operating profit	**972**	**908**

Disaggregation of revenues

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 1, 2, and 3 of this report.

Note 5 Earnings per share

Earnings per share (EPS)

(in millions of euros, unless otherwise stated)	Full Year 2020	2019
Profit for the year attributable to the owners of the company (A)	**721**	**669**
Weighted average number of shares *in millions of shares*		
Outstanding ordinary shares at January 1	273.0	279.7
Effect of cancellation of shares	(1.7)	(2.1)
Effect of repurchased shares	(6.3)	(7.3)
Weighted average number of ordinary shares for the year (D)	**265.0**	**270.3**
Basic EPS (€) (A/D)	2.72	2.47
Diluted weighted average number of shares *in millions of shares*		
Weighted average number of ordinary shares (D)	265.0	270.3
Long-Term Incentive Plan	1.6	1.9
Diluted weighted average number of ordinary shares for the year (E)	**266.6**	**272.2**
Diluted EPS (€) (A/E)	2.70	2.46

Note 6 Acquisitions and Divestments

Acquisitions
Total acquisition spending, net of cash acquired, in 2020 was €395 million (2019: €34 million) including deferred and contingent consideration payments of €6 million (2019: €1 million).

On February 10, 2020, Wolters Kluwer Legal & Regulatory completed the acquisition of 100% of the shares of CGE, a leading provider of risk management software, including the industry-standard BowTieXP solution, for €20 million. The transaction had no deferred and contingent considerations. The acquisition extends Wolters Kluwer's presence in the growing operational risk management software market. CGE became part of Wolters Kluwer's Environmental, Health & Safety and Operational Risk Management (EHS/ORM) software group, which also includes Enablon and eVision. CGE had approximately 25 full-time equivalent employees at acquisition date.

On September 16, 2020, Wolters Kluwer Tax & Accounting (TAA) completed the acquisition of 100% of the shares of XCM Solutions (XCM), a cloud-based workflow solutions provider for professional tax and accounting firms, for €137 million. The transaction had no deferred and contingent considerations. The acquisition offers integration opportunities with CCH Axcess, our cloud-based modular software suite for professional firms in North America. XCM had approximately 475 full-time equivalent employees at acquisition date. The fair value of the identifiable assets and liabilities of XCM, as reported at December 31, 2020, are provisional.

On December 16, 2020, Wolters Kluwer Governance, Risk & Compliance (GRC) completed the acquisition of eOriginal, with the purchase of 100% of the shares of eOriginal's parent company, Paperless Transaction Management, Inc. eOriginal is a leading provider of cloud-based digital lending software, for €244 million in cash. The transaction had no deferred and contingent considerations. The acquisition extends GRC Compliance Solutions' leading position in U.S. mortgage and loan document generation and analytics into the fast-growing digital loan closing and storage adjacency. eOriginal had approximately 100 full-time equivalent employees at acquisition date. The fair value of the identifiable assets and liabilities of eOriginal, as reported at December 31, 2020, are provisional.

In addition, other smaller acquisitions were completed, with a combined total consideration of €5 million (2019: €2 million), including deferred and contingent considerations.

Acquisition-related costs amounted to €11 million in 2020 (2019: €1 million).

The goodwill relating to the 2020 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 2020, €73 million was deductible for income tax purposes (2019: €23 million).

The following table provide information in aggregate for all business combinations in 2020:

(in millions of euros)	Full Year	
	2020	2019
Consideration payable in cash	406	33
Deferred and contingent considerations	0	6
Total consideration	**406**	**39**
Non-current assets	189	16
Current assets	27	1
Current liabilities	(27)	(1)
Non-current liabilities	(4)	0
Deferred tax liabilities	(19)	0
Fair value of net identifiable assets/(liabilities)	**166**	**16**
Goodwill on acquisitions	**240**	**23**
Cash effect of acquisitions:		
Consideration payable in cash	406	33
Cash acquired	(17)	0
Deferred and contingent considerations paid	6	1
Acquisition spending, net of cash acquired	**395**	**34**

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.

Contingent consideration
The acquisitions completed in 2020 resulted in a maximum achievable undiscounted deferred and contingent consideration of €1 million. The fair value of this deferred and contingent consideration amounted to €0 million at acquisition date and at December 31, 2020.

Divestments
On January 15, 2020, Wolters Kluwer Legal & Regulatory completed the divestment of its Belgian training assets to NCOI Group, as originally announced on December 19, 2019, for €6 million in cash.

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

On September 22, 2020, Wolters Kluwer Legal & Regulatory completed the sale of ComplyTrack, a healthcare regulatory risk and compliance solution, to symplr, a provider of cloud-based solutions for hospitals and other health facilities, for €21 million in cash. The ComplyTrack product line had limited strategic fit or synergies with North America’s ongoing strategy to focus on our digital information solutions and software tools for law firms, corporate law departments, and related compliance departments. The ComplyTrack business had about 50 full-time employees at divestment date.

On December 14, 2020, Wolters Kluwer Governance, Risk & Compliance has sold its Flood Determinations Solution to LERETA for €4 million in cash. In partnership with LERETA, Wolters Kluwer will continue to enable its lending customers to purchase flood determination services through its lending solutions.

On December 31, 2020, Wolters Kluwer Legal & Regulatory has sold its French legal notices business, Annonces & Formalités Légales, to Médialex, part of Sipa-Ouest-France Group, for €5 million in cash and a deferred consideration of €1 million. Annonces & Formalités Légales, which has 34 full-time employees, supported the publication of legal notices and announcements for businesses in France. The divestment is consistent with the strategy of Wolters Kluwer Legal & Regulatory to focus on professional information and software solutions in core legal markets.

All assets classified as held for sale at December 31, 2019, including some German businesses and the 45% investment in Medicom, were divested in 2020.

At their divestment dates, the 2020 divestments had jointly 121 full-time employees.

In 2020, net divestment proceeds amounted to €50 million.

In 2019, the group completed the sale of certain Allied Health titles (Health) and the divestment of its 40% interest in Austrian information solutions provider MANZ'sche Verlags- und Universitätsbuchhandlung GmbH. The net divestment proceeds amounted to €40 million and included €13 million of deferred proceeds related to the sale of certain Swedish publishing assets in January 2018.

Divestment-related results on operations, equity-accounted investees, and financial assets

(in millions of euros)	Full Year	
	2020	2019
Divestments of operations:		
Consideration receivable in cash	41	8
Deferred divestment consideration receivable (current)	1	-
Consideration receivable	**42**	**8**
Non-current assets	24	11
Current assets (incl. assets held for sale)	32	1
Current liabilities (incl. liabilities held for sale)	(19)	0
Employee benefits	(1)	-
Deferred tax assets/(liabilities)	(1)	0
Net identifiable assets/(liabilities)	**35**	**12**
Reclassification of foreign exchange gain/(loss) on loss of control, recognized in other comprehensive income	-	0
Book profit/(loss) on divestments of operations	**7**	**(4)**
Divestment expenses	(2)	(1)
Restructuring of stranded costs following divestments	(4)	0
Divestment-related results, included in other gains and (losses)	**1**	**(5)**
Divestments of equity-accounted investees and financial assets:		
Consideration receivable in cash	17	19
Goodwill allocated	-	(5)
Carrying value of equity-accounted investees	(10)	(5)
Divestment-related results included in financing results	**7**	**9**
Cash effect of divestments:		
Consideration receivable in cash	58	27
Cash included in divested operations	(8)	0
Deferred divestment consideration receivable	-	13
Receipts from divestments, net of cash disposed	**50**	**40**

Note 7 Net Debt

Reconciliation gross debt to net debt

(in millions of euros, unless otherwise stated)	December 31, 2020	December 31, 2019
Gross debt		
Bonds	2,126	1,629
Private placements	157	163
Other long-term loans	9	25
Deferred and contingent acquisition payments	0	1
Derivative financial instruments	8	0
Total long-term debt, excl. lease liabilities	2,300	1,818
Lease liabilities	276	293
Total long-term debt	2,576	2,111
Borrowings and bank overdrafts	459	670
Short-term private placements	-	250
Short-term lease liabilities	72	75
Deferred and contingent acquisition payments	0	10
Total short-term debt	531	1,005
Total gross debt	**3,107**	**3,116**
Minus:		
Cash and cash equivalents	(723)	(899)
Deferred divestment consideration	(1)	-
Derivative financial instruments:		
Non-current receivable	-	(16)
Current receivable	0	(2)
Net debt	**2,383**	**2,199**
Net-debt-to-EBITDA ratio	1.7	1.6

Note 8 Equity, Dividends, and LTIP

In 2020, the group completed share buybacks of €350 million, consisting of 5.1 million ordinary shares at an average share price of €68.41 (2019: €350 million, or 5.5 million shares at an average share price of €63.80).

Repurchased shares are added to and held as treasury shares. Part of the shares held in treasury are retained and used to meet future obligations under share-based incentive plans. In 2020, the group used 0.9 million shares held in treasury for the vesting of the LTIP grant 2017-19.

On September 30, 2020, the company cancelled 5.5 million treasury shares as approved by shareholders at the Annual General Meeting in April 2020 (2019: 6.7 million shares). Following the share cancellation, the number of issued ordinary shares is 267.5 million, of which 5.1 million are held in treasury as at December 31, 2020.

The 2019 dividend of €1.18 per share amounting to €315 million (2018 dividend: €268 million) was fully distributed in cash. This 2019 dividend was paid in two parts, an interim dividend of €105 million in the second half of 2019 and a final dividend of €210 million in the first half of 2020.

As announced on February 26, 2020, the Supervisory Board and Executive Board of Wolters Kluwer resolved to distribute an interim dividend for the year 2020 at 40% of the prior year's total dividend, or €0.47 per ordinary share. This interim dividend of €124 million was distributed on September 24, 2020.

The LTIP 2017-19 vested on December 31, 2019. Total Shareholder Return (TSR) ranked third relative to the peer group of 15 companies, resulting in a payout of 125% of the conditional base number of shares awarded to the Executive Board and senior management. The EPS-related shares resulted in a payout of 150%. A total number of 903,309 shares were released on February 27, 2020. At that date, the volume-weighted average price of Wolters Kluwer N.V. shares was €69.39.

The LTIP 2018-20 vested on December 31, 2020. On Total Shareholder Return (TSR), Wolters Kluwer ranked fourth relative to the peer group of 15 companies, resulting in a payout of 125% of the conditional base number of shares awarded to the Executive Board and senior management. The EPS-related shares resulted in a payout of 135%. The shares will be released on February 25, 2021. The volume weighted average price for the shares released will be based on the average exchange price of the shares traded on Euronext Amsterdam N.V. on February 25, 2021, the first day following the company's publication of its annual results.

Under the 2019-21 LTIP grant, 563,283 shares were conditionally awarded to the Executive Board and other senior managers in the year 2019. In 2019 and 2020, a total of 36,121 shares were forfeited.

Under the 2020-22 LTIP grant, 448,223 shares were conditionally awarded to the Executive Board and other senior managers in the year 2020. In 2020, a total of 4,733 shares were forfeited.

At December 31, 2020, the Executive Board jointly held 498,767 shares (2019: 498,767 shares), of which 462,131 shares (2019: 462,131 shares) were held by Ms. McKinstry and 36,636 shares (2019: 36,636) by Mr. Entricken. At December 31, 2020, none of the members of the Supervisory Board owned shares (2019: none of the members owned shares).

Note 9 Events after Balance Sheet date

The subsequent events below were evaluated up to February 23, 2021, which is the date the consolidated financial statements were authorized for issue by the Executive Board and Supervisory Board:

On February 22, 2021, Wolters Kluwer Tax & Accounting agreed to combine certain Prosoft assets in Brazil with those of Alterdata Tecnologia em Informática Ltda, in exchange for an 11.7% interest in the newly combined entity. In 2020, Prosoft was fully consolidated and generated revenues of €10 million and had 210 employees. The transaction is subject to customary closing conditions. Upon completion, we expect to recognize an unrealized foreign exchange loss of €27 million (non-cash) related to the devaluation of the Brazilian real against the euro.

Wolters Kluwer

Appendix 1 Divisional Supplemental Information – Year ended December 31

(€ million, unless otherwise stated)	2020	2019	Change: Organic	Change: Acquisition/ Divestment	Change: Currency
Health					
Revenues	1,193	1,186	36	(5)	(24)
Adjusted operating profit	343	320	33	(3)	(7)
Adjusted operating profit margin	28.7%	27.0%			
Tax & Accounting					
Revenues	1,431	1,413	33	5	(20)
Adjusted operating profit	431	388	49	(1)	(5)
Adjusted operating profit margin	30.1%	27.4%			
Governance, Risk & Compliance					
Revenues	1,074	1,068	21	2	(17)
Adjusted operating profit	313	341	(24)	0	(4)
Adjusted operating profit margin	29.1%	31.9%			
Legal & Regulatory					
Revenues	905	945	(14)	(18)	(8)
Adjusted operating profit	97	104	(6)	1	(2)
Adjusted operating profit margin	10.7%	11.0%			
Corporate					
Adjusted operating profit	(60)	(64)	4	-	0
Wolters Kluwer					
Revenues	4,603	4,612	76	(16)	(69)
Adjusted operating profit	1,124	1,089	56	(3)	(18)
Adjusted operating profit margin	24.4%	23.6%			

Note: (1) Acquisition/divestment column includes the contribution from 2020 and 2019 acquisitions before these became organic (12 months from their acquisition date), the impact of 2020 and 2019 divestments, and the effect of asset transfers between divisions, if any.

Appendix 2 Revenues by Media Format – Year ended December 31

(€ million, unless otherwise stated)	2020	2019	Δ	Δ CC	Δ OG
Digital	3,736	3,604	+4%	+5%	+5%
Services	454	513	-11%	-10%	-7%
Print	413	495	-17%	-15%	-16%
Total revenues	**4,603**	**4,612**	**0%**	**+1%**	**+2%**

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

Appendix 3 Divisional Revenues by Type – Year ended December 31

(€ million, unless otherwise stated)	2020	2019	Δ	Δ CC	Δ OG
Health					
Digital and service subscription	929	881	+6%	+7%	+7%
Print subscription	46	51	-9%	-7%	-7%
Other recurring	111	107	+4%	+7%	+7%
Total recurring revenues	**1,086**	**1,039**	**+5%**	**+7%**	**+7%**
Print books	47	84	-44%	-42%	-39%
Other non-recurring	60	63	-5%	-3%	-3%
Total Health	**1,193**	**1,186**	**+1%**	**+3%**	**+3%**
Tax & Accounting					
Digital and service subscription	1,098	1,043	+5%	+7%	+6%
Print subscription	23	25	-10%	-9%	-9%
Other recurring	136	149	-8%	-7%	-7%
Total recurring revenues	**1,257**	**1,217**	**+3%**	**+5%**	**+4%**
Print books	23	31	-27%	-24%	-24%
Other non-recurring	151	165	-8%	-7%	-9%
Total Tax & Accounting	**1,431**	**1,413**	**+1%**	**+3%**	**+2%**
Governance, Risk & Compliance					
Digital and service subscription	619	618	0%	+2%	+1%
Total recurring revenues	**619**	**618**	**0%**	**+2%**	**+1%**
LS transactional	228	246	-7%	-6%	-6%
FS transactional	129	105	+23%	+24%	+25%
Other non-recurring	98	99	-1%	+1%	+1%
Total Governance, Risk & Compliance	**1,074**	**1,068**	**+1%**	**+2%**	**+2%**
Legal & Regulatory					
Digital and service subscription	572	545	+5%	+6%	+6%
Print subscription	113	126	-11%	-11%	-10%
Other recurring	33	36	-8%	-7%	+3%
Total recurring revenues	**718**	**707**	**+2%**	**+2%**	**+3%**
Print books	80	97	-17%	-16%	-16%
Other non-recurring	107	141	-24%	-23%	-16%
Total Legal & Regulatory	**905**	**945**	**-4%**	**-3%**	**-2%**
Total Wolters Kluwer					
Digital and service subscription	3,218	3,087	+4%	+6%	+6%
Print subscription	182	202	-10%	-10%	-9%
Other recurring	280	292	-4%	-2%	-1%
Total recurring revenues	**3,680**	**3,581**	**+3%**	**+4%**	**+4%**
Print books	150	212	-29%	-27%	-26%
LS transactional	228	246	-7%	-6%	-6%
FS transactional	129	105	+23%	+24%	+25%
Other non-recurring	416	468	-11%	-10%	-8%
Total revenues	**4,603**	**4,612**	**0%**	**+1%**	**+2%**

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

About Wolters Kluwer

Wolters Kluwer (WKL) is a global leader in professional information, software solutions, and services for the healthcare; tax and accounting; governance, risk and compliance; and legal and regulatory sectors. We help our customers make critical decisions every day by providing *expert solutions* that combine deep domain knowledge with technology and services.

Wolters Kluwer reported 2020 annual revenues of €4.6 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 19,200 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

March 10, 2021	Publication of Annual Report
April 22, 2021	Annual General Meeting of Shareholders
April 26, 2021	Ex-dividend date: 2020 final dividend
April 27, 2021	Record date: 2020 final dividend
May 5, 2021	First-Quarter 2021 Trading Update
May 19, 2021	Payment date: 2020 final dividend ordinary shares
May 26, 2021	Payment date: 2020 final dividend ADRs
August 4, 2021	Half-Year 2021 Results
August 31, 2021	Ex-dividend date: 2021 interim dividend
September 1, 2021	Record date: 2021 interim dividend
September 23, 2021	Payment date: 2021 interim dividend ordinary shares
September 30, 2021	Payment date: 2021 interim dividend ADRs
November 3, 2021	Nine-Month 2021 Trading Update
February 23, 2022	Full-Year 2021 Results

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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; behavior of customers, suppliers, and competitors; technological developments; the implementation and execution of new ICT systems or outsourcing; and legal, tax, and regulatory rules affecting Wolters Kluwer's businesses, as well as risks related to mergers, acquisitions, and divestments. In addition, financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. Wolters Kluwer disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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