



# 2024 Nine-month Quarterly Statement

November 19<sup>th</sup>, 2024

**SPRINGER NATURE**

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Forward looking statements are not guarantees of future performance and such risks, uncertainties, contingencies and other important factors could cause the actual outcomes and the results of operations, financial condition and liquidity of the Company and other members of the Group or the industry to differ materially from those results expressed or implied in the Information by such forward looking statements. No representation or warranty is made that any of these forward looking statements or forecasts will come to pass or that any forecast result will be achieved. Undue influence should not be given to, and no reliance should be placed on, any forward looking statement.

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**FRANK VRANCKEN PEETERS | CEO**

- Springer Nature CEO since September 2019
- Joined Springer Nature in 2017 as Chief Commercial Officer
- 25+ years in media and publishing, with leadership roles across Wolters Kluwer, Infinitas Learning and Elsevier



**ALEXANDRA DAMBECK | CFO**

- Springer Nature CFO since January 2024
- Previously spent 20+ years at Fresenius Medical Care holding various senior finance and management roles
- Started her career at KPMG and worked for Dyckerhoff



**Underlying<sup>(1)</sup> revenue (+6%) and profit (+9%) growth vs previous year period<sup>(2)</sup> are in line with full-year outlook**



**Revenue growth is driven by Research (+7%) due to strong performance in the Journals portfolio**



**Technology and AI initiatives drive performance and deliver value to our communities**



**Milestone of 1 million SDGs articles and book chapters<sup>(3)</sup> achieved and on track to publish 50% of our primary research articles open access (OA) in 2024**

1. Underlying change excludes effects from year-on-year changes in foreign currencies and portfolio

2. 9M '24 vs 9M '23

3. Published articles and book chapters related to the Sustainable Development Goals (SDGs) since 2015

**Business Update**

**FRANK VRANCKEN PEETERS**  
CEO







**SPRINGER NATURE**

# RESEARCH PUBLISHER WITH € 1.9 BN REVENUE AND 9K+ PEOPLE ACROSS THE WORLD

## Who We Are

- A **leading global research publisher** for more than 180 years with 420k+ articles published in 2023
- **€ 1,853 MM in revenue** (74% Research, 13% Education, 10% Health)<sup>(1)</sup> and **€ 511 MM in adjusted operating profit**<sup>(2)</sup> in 2023
- **9,000+ employees** with global footprint across 40+ countries in 2023

## Our Highlights

-  **Purpose Driven** – Accelerate solutions to the world’s biggest societal, environmental and economic challenges
-  **Attractive Markets & Trends** – Growing and resilient markets with tailwinds from OA and AI
-  **Leading Position & Strategy** – Trusted market leader in highly attractive segments with clear and proven growth strategy
-  **Leader in Technology** – Benefitting from tech opportunities to drive operating performance & growth and deliver value to our communities
-  **Exceptional Team & Network** – Experienced management, execution-driven, with a deep bench of talent and extensive external network
-  **Strong Financial Track Record** – Steady growth, continuous portfolio improvements, margin uplift and deleveraging trajectory

1. Revenue share as % of SN group revenue, incl. revenue from internal customers; contribution from Professional segment (Transport/RSE, Engineering & Management) accounts for remaining 3% of group revenue  
2. Adjusted operating profit is defined as result from operations before gains/losses from the acquisition/disposal of businesses/investments, amortization/depreciation and impairment on acquisition related assets and exceptional items. Exceptional items relate to effects occurring outside the ordinary course of business or non-recurring effects from acquisition, integration, disposal, restructuring of businesses as well as other exceptional or non-recurring business transactions / events



# HELPING TO ACCELERATE SOLUTIONS TO THE WORLD'S URGENT CHALLENGES

We aim to accelerate solutions to the world's urgent challenges by unlocking the potential of open science and research across all disciplines, advancing learning and knowledge, and inspiring all to achieve more in bringing positive change to the lives of generations to come.



## Leading Reputation

**81%** of survey respondents had a favourable perception of Springer Nature; the highest among its peers<sup>(1)</sup>

Springer Nature has published more than **1 million articles or book chapters** related to the **SDGs<sup>(2)</sup>** since 2015



1. Based on 2024 survey conducted by the company; % of respondents saying 7-10 (favourable) on a 0-10 scale (0 means you view them extremely unfavourably, 10 means you view them extremely favourably)  
2. Sustainable Development Goals

# LEADING MARKET POSITION ACROSS SEGMENTS, WHERE RESEARCH CONTRIBUTES 74% OF REVENUE AND 85% OF PROFIT IN 2023

SEGMENT	KEY BRANDS	MARKET POSITION BY DIVISION 2023 <sup>(1)</sup>	REVENUE 2023 <sup>(2)</sup>	ADJ. OPERATING PROFIT 2023 <sup>(3)</sup>
RESEARCH	nature	# of top 50 journals by impact factor	 74% € 1,371 MM	 85% € 437 MM
		# of full OA articles		
	BMC scientific reports	# of journal articles		
	Springer	# of English language academic books		
BOOKS	palgrave macmillan Springer			
SERVICES	nature careers	By share of total research job ads		
HEALTH	NETHERLANDS GERMANY	Springer Medizin bsl media & learning	 10% € 189 MM	 7% € 37 MM
	GLOBAL	Springer Healthcare Cureus		
EDUCATION	ENGLISH LANGUAGE TEACHING (K12 <sup>(4)</sup> )	In Brazil in private schools (ELT) In Mexico (K12)	 13% € 241 MM	 5% € 26 MM
	CURRICULUM (K12 <sup>(4)</sup> )	macmillan education ediciones castillo		
		In South Africa in TVET <sup>(5)</sup> In India in private K-8 market		
			<b>Total</b>	<b>€ 1,853 MM</b>
				<b>€ 511 MM</b>

1. Sources: JCR; Incites, PubAlley, PharmaMonitor 2023, Company information and estimates  
 2. Revenue share as % of group revenue for 2023, incl. revenue from internal customers; contribution from Professional segment (Transport/RSE, Engineering & Management) accounts for

remaining 3% of group revenue 2023  
 3. Adjusted operating profit as % of SN Group adjusted operating profit for 2023; contribution from Professional segment accounts for remaining 2% of group adj. operating profit 2023  
 4. Curriculum from Kindergarten to grade 12 outside the U.S.

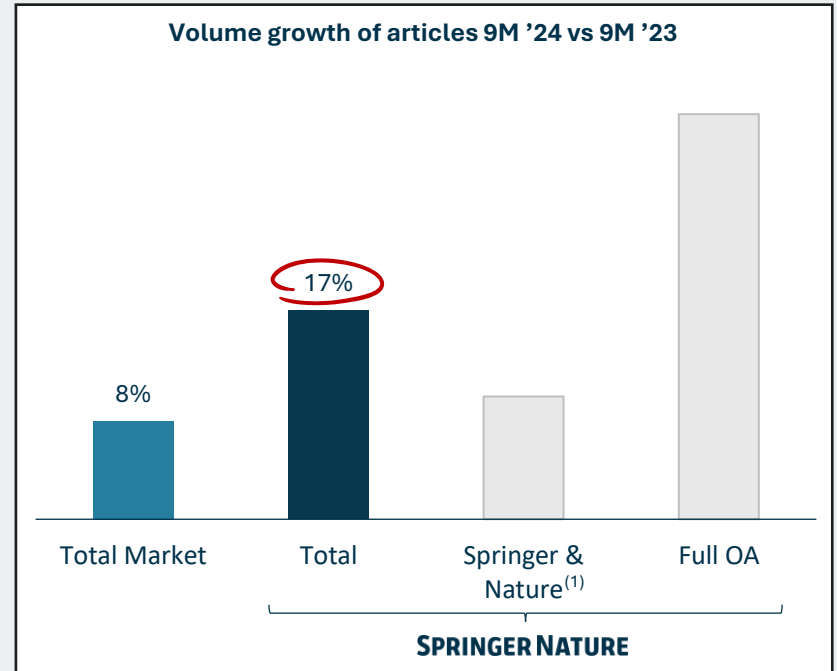
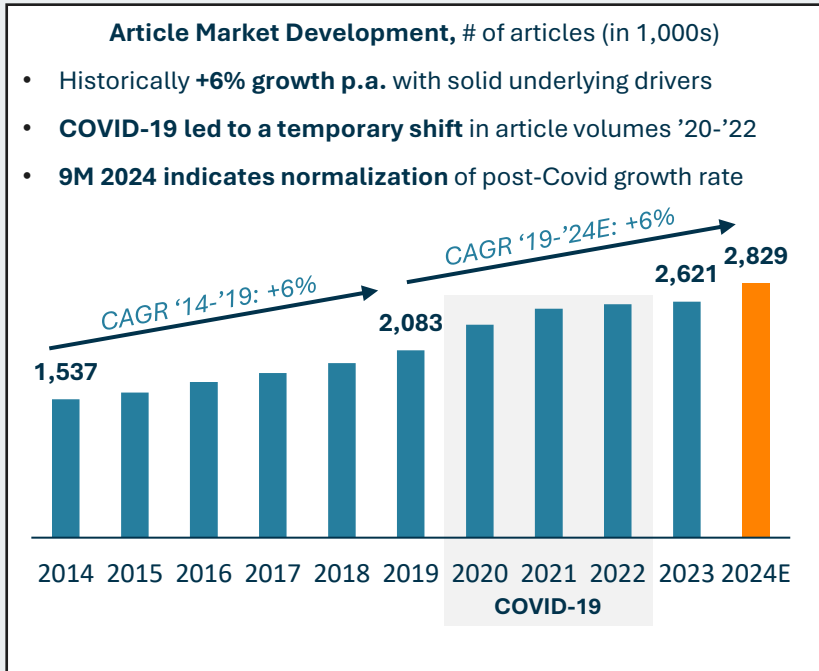
5. Technical and Vocational Education and Training



# STRONG GROWTH DRIVERS ACROSS THE PORTFOLIO

Business Area		Growth Drivers 2024			Developments in the first 9 Months 2024
RESEARCH 	NATURE JOURNALS	1 Launch New Journals	2 Increase Customer Reach		3 new Nature titles launched (Nature Cities, Nature Chemical Eng., Nature Reviews Electrical Eng.)
	FULL OA JOURNALS	1 Market Growth	2 Market Share Expansion		40 new full OA journals launched
	SPRINGER JOURNALS	1 Expand Transformative Agreements (TAs)			21 new & 6 renewed Springer TAs signed, 58 in total
	BOOKS	1 Digitalization	2 Increase Customer Reach		Continued decline in print book revenues
	SERVICES	1 Databases: Improve Offering & Customer Penetration	2 Services: Leveraging Nature Brand		New pharma AI assistant “AskAdis” launched
HEALTH 	1 Digitalization & AI	2 Focus on High Growth Segments	3 Demographics		“Global Pharma” focusing on pharma headquarters and medical affairs departments
EDUCATION 	1 Secular Tailwinds	2 Curriculum Changes	3 Blended Learning Solutions		“Macmillan Education Everywhere” platform rolled out

# OUTPERFORMING THE JOURNALS MARKET IN THE FIRST 9 MONTHS 2024



Source: SN Article Market Tracker (SN AMT)  
1. Total Hybrid (Subscription + Hybrid OA), excluding Full OA

# TECHNOLOGY – ESPECIALLY AI – TRANSFORMS THE PUBLISHING PROCESS



Selection of our ~65 AI initiatives

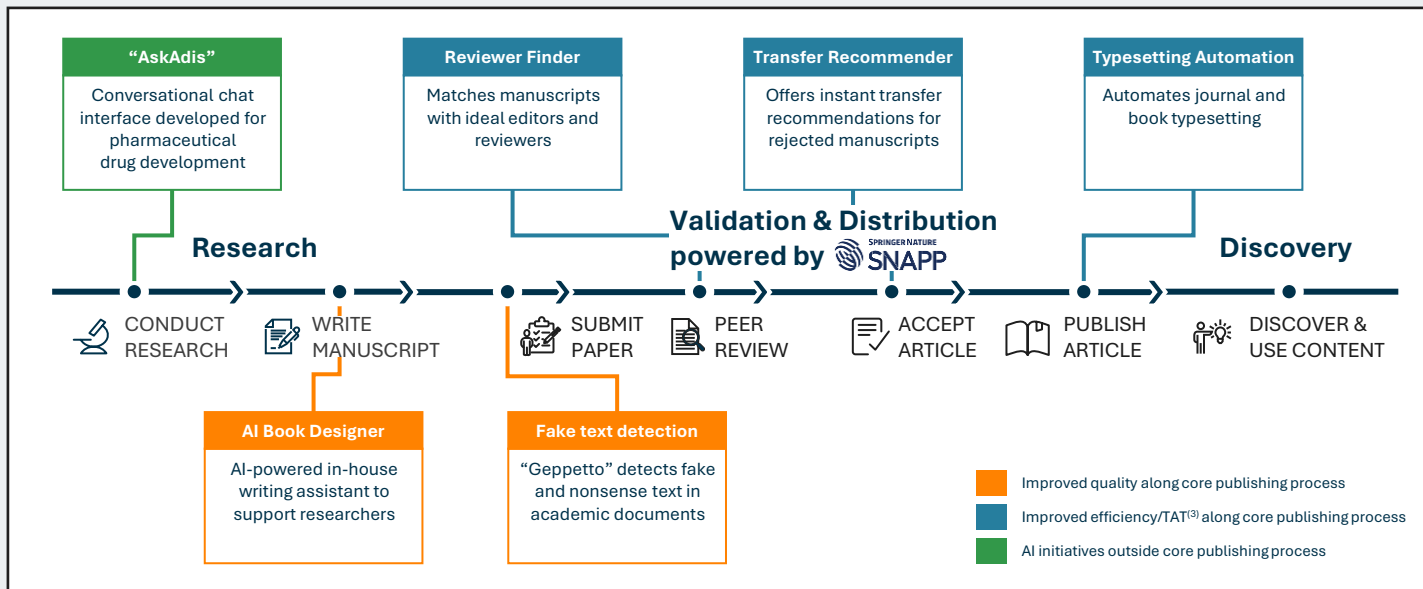


38% of FTEs in tech-heavy roles



85% of Research revenue was digital in 2023

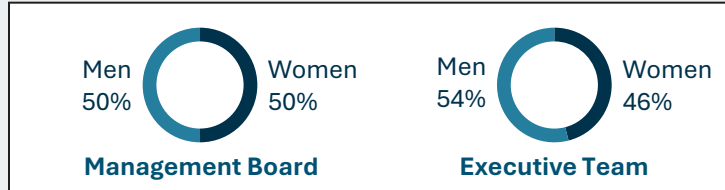
- Snapp<sup>(1)</sup> is our competitive submission platform with 1.4+ MM submissions<sup>(2)</sup>
- Snapp makes publishing faster and is easy to use with high customer satisfaction
- Scaling Snapp allows us to provide a more unified experience for authors, editors and reviewers



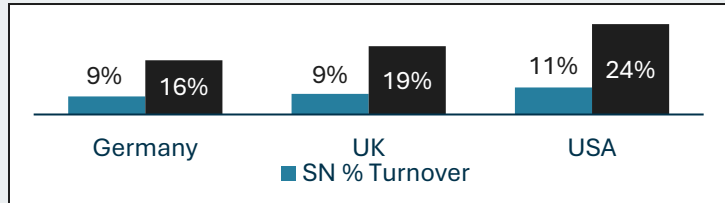
1. Springer Nature's Article Processing Platform  
2. Since launch, as of June 2024  
3. Turnaround time

# OUR PEOPLE ARE THE DRIVERS OF OUR SUCCESS

## Diverse and equitable workplace



## Turnover rates well below global benchmarks<sup>(1)</sup>



## Award winning employer



## We are further strengthening our team



**Maria Castresana**  
Chief People Officer

**Attract top talent** committed to research and scientific progress

**Enhance employee engagement**, creating a great place to work



**Saskia Steinacker**  
Chief Digital Officer

**Improve the digital experience** across our entire customer journey

**Build state-of-the-art tech and AI-driven** products and services

1. SN annual turnover data from the period Jan 1, 2023 to Dec 31, 2023 calculated by adding the quarterly turnover rates (i.e., number of leavers in quarter/HC at end of quarter) compared to benchmarks based on AON 2023 Salary Increase and Turnover Study (2022 data)

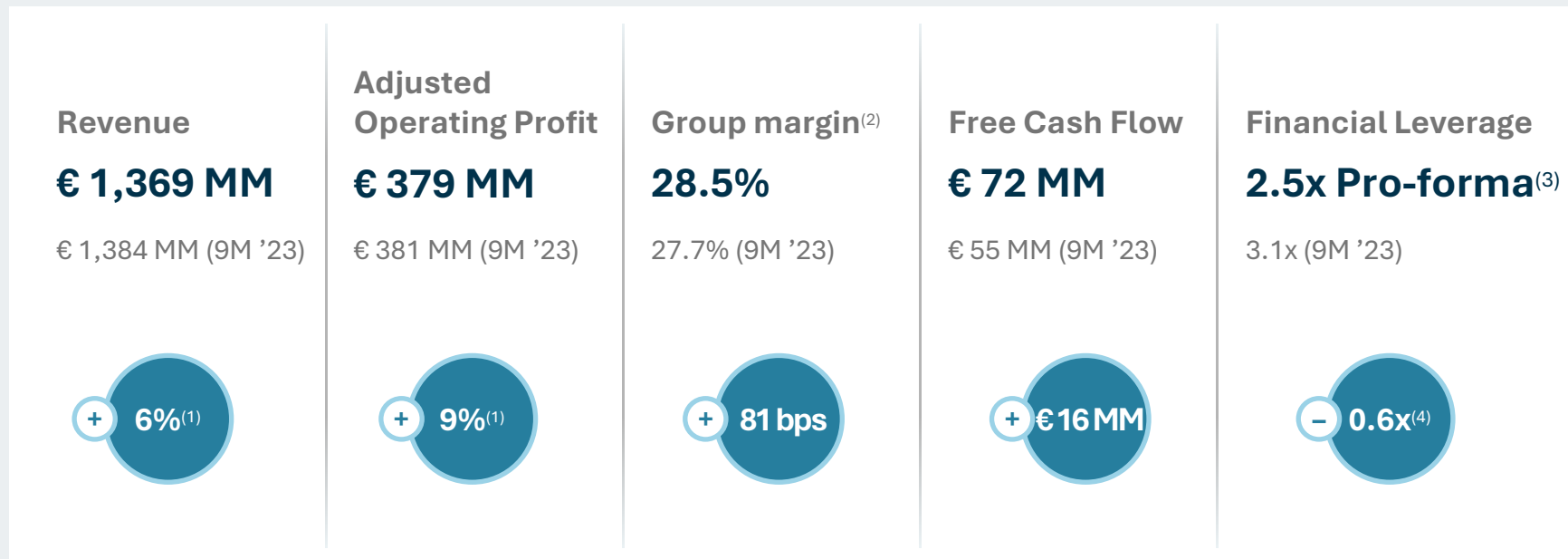
**Financial Update**

**ALEXANDRA DAMBECK**  
CFO

**SPRINGER NATURE**

# SUCCESSFUL FIRST 9 MONTHS IN 2024 – ON TRACK TO ACHIEVE OUTLOOK

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1. Underlying change excludes effects from year-on-year changes in foreign currencies and portfolio

2. Underlying adjusted operating profit margin

3. Financial leverage as of 30 September 2024 adjusted for € 200 MM primary proceeds from IPO

4. Pro-forma financial leverage compared to financial leverage as of 30 September 2023

# STRONG PERFORMANCE IN RESEARCH

		Underlying Revenue Growth <sup>(1)</sup>	Underlying Adjusted Operating Profit <sup>(2)</sup> Growth
 <p><b>RESEARCH</b></p> <ul style="list-style-type: none"> <li>• High growth in Full OA and strong growth in Nature journals</li> <li>• Continued decline in print books</li> <li>• Operating leverage and improved product mix</li> <li>• Continued efficiency measures</li> </ul>		<b>+7.3%</b>	<b>+10.4%</b>
 <p><b>HEALTH</b></p> <ul style="list-style-type: none"> <li>• Adjusted pharma advertising budgets</li> <li>• 3 stopped clinical trials</li> </ul>		<b>(1.0%)</b>	<b>(2.3%)</b>
 <p><b>EDUCATION</b></p> <ul style="list-style-type: none"> <li>• Growth in key markets like India and Southern Africa</li> <li>• Declined government sales in Mexico</li> <li>• Gross margin gains offset by inflation impact in indirect cost</li> </ul>		<b>+2.6%</b>	<b>+0.1%</b>

1. Underlying revenue growth 9M '24 vs 9M '23; excludes effects from year-on-year changes in foreign currencies and portfolio

2. Underlying adjusted operating profit growth 9M '24 vs 9M '23; excludes effects from year-on-year changes in foreign currencies and portfolio



# REVENUE GROWTH OF +6% DRIVEN BY RESEARCH

	Growth			
	Reported		Underlying <sup>(1)</sup>	
<i>Revenue, € MM</i>	9M '23	9M '24	9M '24 vs 9M '23	9M '24 vs 9M '23
<b>Research</b>	<b>996</b>	<b>1,035</b>	+4.0%	+7.3%
<b>Health</b>	<b>133</b>	<b>131</b>	(1.3%)	(1.0%)
<b>Education</b>	<b>206</b>	<b>195</b>	(5.3%)	+2.6%
<b>Professional</b>	<b>51</b>	<b>9</b>	(82.1%)	(2.8%)
Group Consolidation	(2)	(1)		
<b>Group Revenue</b>	<b>1,384</b>	<b>1,369</b>	<b>(1.1%)</b>	<b>+5.7%</b>

1. Underlying change excludes effects from year-on-year changes in foreign currencies and portfolio

# ADJUSTED OPERATING PROFIT GROWTH OF +9% DRIVEN BY RESEARCH

			Growth	
	Reported		Underlying <sup>(1)</sup>	
<i>Adjusted Operating Profit, € MM</i>	9M '23	9M '24	9M '24 vs 9M '23	9M '24 vs 9M '23
<b>Research</b>	309	326	+5.6%	+10.4%
<b>Health</b>	22	21	(4.7%)	(2.3%)
<b>Education</b>	37	32	(14.9%)	+0.1%
<b>Professional</b>	12	0	(99.5%)	(86.1%)
<b>Group Adjusted Operating Profit</b>	<b>381</b>	<b>379</b>	<b>(0.3%)</b>	<b>+8.8%</b>
<i>% margin<sup>(2)</sup></i>	27.5%	27.7%		

1. Underlying change excludes effects from year-on-year changes in foreign currencies and portfolio

2. Underlying adjusted operating profit margin 9M '23 27.7% and 9M '24 28.5%

# FINANCIAL LEVERAGE REDUCED TO 2.5x POST IPO

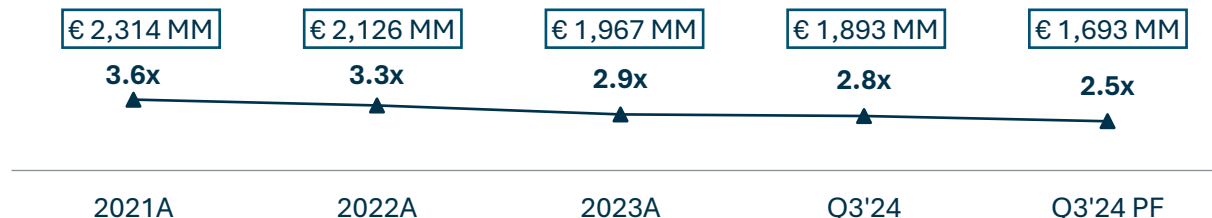
Free Cash Flow Development, € MM	9M '23	9M '24	Change
<b>Operating cash flow before income tax payments</b>	<b>370</b>	<b>417</b>	<b>47</b>
Income tax payments	(76)	(107)	(32)
<b>Net cash from operating activities</b>	<b>294</b>	<b>310</b>	<b>15</b>
Investments	(129)	(118)	11
Lease repayments	(27)	(20)	8
Net interest and financing related fees	(83)	(100)	(17)
<b>Free Cash Flow</b>	<b>55</b>	<b>72</b>	<b>16</b>

**Strong improvement of Free Cash Flow** driven by good operating results

**Reduced investment and lower one-offs** while **increased tax and interest payments**

**Pro-Forma Financial Leverage after IPO** proceeds of € 200 MM reduced to **2.5x**

## Net financial debt<sup>(1)</sup> and financial leverage<sup>(2)</sup>



1. Financial debt defined as interest-bearing loans and borrowings including lease liabilities minus cash and cash equivalents

2. Financial leverage is defined as net financial debt divided by the past 12 months' adjusted EBITDA. Pro-Forma referring to the 9M '24 financial leverage including c. € 200 MM primary proceeds

# FINANCIAL OUTLOOK CONFIRMED

	FY 2023A	FY 2023 Guidance Base	FY 2024	Mid-Term	Dividend Policy
Revenue	€ 1,853 MM	€ 1,750 MM <sup>(1)</sup>	€ 1,820 MM – € 1,850 MM	Research: Market outperformance at around +1% p.a. assuming a market growth of +3.0% – +3.5% p.a.	€ 25 MM dividend for 2024 payable in 2025
Adjusted Operating Profit	€ 511 MM	€ 482 MM <sup>(2)</sup>	€ 505 MM – € 520 MM	Adj. Operating Profit margin expected to increase by c. 100 bps in the mid-term	c. 50% of Adj. Net Income <sup>(3)</sup> dividend payout for the following years

1. € 1,853 MM adj. for c. € (66) MM Portfolio effects (sale of Transport/RSE + AJE) and c. € 38 MM FX. FX effects are calculated on avg. constant currency rates for the FY '23 and forward-looking FX for hyperinflation countries

2. € 511 MM adj. for c. € (6) MM Portfolio effects (sale of Transport/RSE + AJE) and c. € (23) MM FX. FX effects are calculated on avg. constant currency rates for the FY '23 and forward-looking FX for hyperinflation countries

3. Adjusted Net Income is defined as net income before gains/losses from the acquisition/disposal of businesses/investments, amortization/depreciation and impairment on acquisition-related assets and exceptional items



**FRANK VRANCKEN PEETERS | CEO**



**ALEXANDRA DAMBECK | CFO**