



Springer Nature

**2024 NINE-MONTH
QUARTERLY STATEMENT**

SPRINGER NATURE

Springer Nature delivers revenue growth of 6%¹ and adjusted operating profit growth of 9%¹ for the first nine months of 2024, and confirms its 2024 outlook on the back of strong performance in its Research segment

- We are pleased to report underlying revenue growth (+6%) and adjusted operating profit² growth (+9%) in the first nine months of 2024 and confirm our outlook for 2024.
- Revenue growth was driven by our Research segment (underlying +7%) through strong performance of our Journals portfolio.
- We continue to deploy technology and AI solutions to drive performance and deliver value to the communities we serve.
- We are proud to have reached the milestone of publishing one million articles and chapters related to the UN Sustainable Development Goals (SDGs), and we are on track to deliver on our goal of publishing half our primary research articles open access in 2024.

KEY PERFORMANCE INDICATORS

€m	9M ³ 2024	9M 2023	Change	Underlying change
Revenue	1,369.2	1,384.1	(1.1%)	5.7%
Adjusted operating profit	379.5	380.6	(0.3%)	8.8%
Adjusted operating profit margin ⁴	27.7%	27.5%	21bps	
Free cash flow	71.7	55.4	16.4	

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

² Adjusted operating profit is defined as the result from operations before gains/losses from the acquisition/disposal of businesses/investments, amortisation/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 or restructuring of businesses, as well as other exceptional or non-recurring business transactions/events.

³ Nine-month.

⁴ Adjusted operating profit margin is defined as adjusted operating profit divided by revenue.

RESULTS OF OPERATIONS
REVENUE

€m	9M 2024	9M 2023	Change	Underlying change
Group	1,369.2	1,384.1	(1.1%)	5.7%
Segments				
Research ⁵	1,035.3	995.5	4.0%	7.3%
Health	131.3	133.0	(1.3%)	(1.0%)
Education	194.9	205.9	(5.3%)	2.6%
Professional ⁶	9.2	51.2	(82.1%)	(2.8%)
Consolidation	(1.4)	(1.5)		

Springer Nature realised revenue of €1,369.2 million in the first nine months of 2024 and underlying revenue growth of 5.7%, driven by the Research segment. Reported revenue decline of 1.1% was primarily the result of divestments and unfavourable currency movements.

- Research realised revenue of €1,035.3 million in the first nine months of 2024. Underlying revenue growth was 7.3%, driven by the performance in the Journals portfolio, especially in the Full Open Access business and the Nature journal portfolio. This development more than compensated for the continued decline in the print book portfolio. Reported revenue growth of 4.0% was affected by the divestment of AJE and the depreciation of the US dollar and Japanese yen against the euro.
- Health recognised revenue of €131.3 million and reported underlying revenue decline of 1.0%. This was caused by unfavourable developments, including three clinical trials that were stopped, the ongoing structural decline in reprint sales and tighter pharmaceutical budgets globally – particularly in Germany following changes in legislation in 2023, offsetting growing digital revenue. Reported revenue decline was 1.3%.
- Education reported revenue of €194.9 million in the first nine months of 2024 and underlying revenue growth of 2.6%. This was driven by developments in key markets, with growth in India and Southern Africa, while government sales in Mexico declined. Unfavourable currency movements – particularly in Argentina, which is experiencing hyperinflation – resulted in reported revenue decline of 5.3%.
- Professional reported declining revenue mainly because of the sale of the Transport/RSE business.

⁵ American Journal Experts (AJE), the language-editing business, sold in February 2024, contributed revenue of €16.8 million and €3.1 million in the first nine months of 2023 and 2024 respectively.

⁶ Transport/Road Safety Education (RSE), sold in June 2023, contributed revenue of €41.7 million in 2023.

OPERATING RESULT

€m				
Adjusted operating profit	9M 2024	9M 2023	Change	Underlying change
Group	379.5	380.6	(0.3%)	8.8%
Segments				
Research	326.3	309.0	5.6%	10.4%
Health	21.1	22.1	(4.7%)	(2.3%)
Education	31.9	37.5	(14.9%)	0.1%
Professional	0.1	11.9	(99.5%)	(86.1%)
Consolidation	0.2	0.1		

In the first nine months of 2024, Springer Nature reported adjusted operating profit of €379.5 million and underlying adjusted operating profit growth of 8.8%. Reported adjusted operating profit was stable.

- Research increased adjusted operating profit to €326.3 million in the first nine months of 2024. Underlying adjusted operating growth was 10.4%, driven by the revenue performance, a favourable revenue mix and efficiency measures.
- In Health, adjusted operating profit was €21.1 million in the first nine months of 2024. Reorganisation and general cost-management measures taken did not compensate for the decline in revenues and personnel cost inflation, resulting in underlying adjusted operating profit decline of 2.3%.
- Education reported adjusted operating profit of €31.9 million in the first nine months of 2024. The underlying adjusted operating profit development of 0.1% resulted from gross-margin gain offset by inflation on the fixed-cost base. The decline in reported adjusted operating profit of 14.9% was primarily driven by hyperinflation in Argentina.
- In Professional, the underlying adjusted operating profit decline was the result of revenue development.

FINANCIAL POSITION

€m			
Free cash flow	9M 2024	9M 2023	Change
Operating cash flow before income tax payments	416.6	369.9	46.7
Income tax payments	-107.0	-75.5	(31.5)
Net cash from operating activities	309.6	294.4	15.3
Investments ⁷	-118.0	-128.6	10.7
Lease repayments	-19.7	-27.2	7.5
Net interests and financing-related fees	-100.3	-83.1	(17.1)
Free cash flow	71.7	55.4	16.4

Free cash flow increased by €16.4 million through improved operating performance, lower working capital and a non-recurring pension trust contribution in 2023, partly offset by higher tax payments. Reduced investment and lease payments offset higher interest payments.

€m		
	30 Sep 2024	31 Dec 2023
Net financial debt ⁸	1,893.3	1,966.9
Financial leverage ⁹	2.8x	2.9x

As a result of the good operating performance, €100 million on senior loan tranche A was repaid and financial leverage reduced further to 2.8x.

SUBSEQUENT EVENTS

On 10 October 2024, Springer Nature repaid €200 million on the euro loan tranche B using the proceeds from the capital raised as part of the initial public offering, continuing to strengthen its financial position and reducing financial leverage to 2.5x¹⁰.

OUTLOOK 2024

The company confirms its outlook¹¹ of expected revenue in the range of €1,820 million to €1,850 million, and of adjusted operating profit in the range of €505 million to €520 million, by the end of 2024.

⁷ Investments include cash paid for investments in property, plant and equipment, cash paid for investments in intangible assets and cash paid for investments in content.

⁸ Net financial debt is defined as interest-bearing loans and borrowings including lease liabilities minus cash and cash equivalents.

⁹ Financial leverage is defined as net financial debt divided by the past 12 months' adjusted EBITDA. Adjusted EBITDA is defined as EBITDA before capital gains/losses from the acquisition/disposal of businesses/investments and exceptional items.

¹⁰ On the basis of the financial leverage as of 30 September 2024, including the €200 million primary proceeds.

¹¹ On a constant-currency basis.

CONTACT

The financial releases and other financial information are available at about.springernature.com

CORPORATE AFFAIRS

Cornelius Rahn

cornelius.rahn@springernature.com

+49 (30) 82787 5892

INVESTOR RELATIONS

Thomas Geisselhart

thomas.geisselhart@springernature.com

+49 (30) 82787 5111

NOTES RELATING TO FORWARD-LOOKING STATEMENTS

This document contains statements about the future business development and strategic direction of the company. The forward-looking statements are based on management's current expectations and assumptions. They are subject to certain risks and fluctuations as described in other publications, in particular in the risk and opportunities management section of the combined management report. If these expectations and assumptions do not apply or if unforeseen risks arise, the actual course of business may differ significantly from the expected developments. We therefore assume no liability for the accuracy of these forecasts.

NOTES TO ROUNDING

Due to rounding, numbers presented throughout this statement may not add up precisely to the totals indicated, and percentages may not precisely reflect the absolute figures for the same reason.

SPRINGER NATURE

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