

Wolters Kluwer - Key Figures 2018 Restated for IFRS 16

See 2018 Annual Report (pages 91-92) for a discussion of IFRS 16 Leases.
HY: Half-Year; FY: Full-Year

Adjusted income statement

(€ million, unless otherwise stated)	HY 2018 Reported	IFRS 16 Restatement	HY 2018 Restated	FY 2018 Reported	IFRS 16 Restatement	FY 2018 Restated
Revenues	2,020	0	2,020	4,260	(1)	4,259
Adjusted operating expenses	(1,569)	3	(1,566)	(3,280)	7	(3,273)
Adjusted operating profit	451	3	454	980	6	986
<i>Adjusted operating profit margin</i>	<i>22.3%</i>	<i>0.2%</i>	<i>22.5%</i>	<i>23.0%</i>	<i>0.1%</i>	<i>23.1%</i>
Adjusted net financing costs	(49)	(3)	(52)	(70)	(7)	(77)
Equity-accounted investees, net of tax	0	-	0	2	-	2
Adjusted profit before tax	402	-	402	912	(1)	911
Tax on adjusted profit	(103)	0	(103)	(229)	0	(229)
<i>Effective benchmark tax rate</i>	<i>25.5%</i>	<i>0.0%</i>	<i>25.5%</i>	<i>25.1%</i>	<i>0.0%</i>	<i>25.1%</i>
Non-controlling interests	-	-	-	-	-	-
Adjusted net profit	299	0	299	683	(1)	682
<i>Diluted weighted average shares (million)</i>	<i>281.5</i>	<i>-</i>	<i>281.5</i>	<i>278.8</i>	<i>-</i>	<i>278.8</i>
Diluted adjusted EPS (€)	€1.06	€0.00	€1.06	€2.45	€0.00	€2.45

Adjusted free cash flow

(€ million, unless otherwise stated)	HY 2018 Reported	IFRS 16 Restatement	HY 2018 Restated	FY 2018 Reported	IFRS 16 Restatement	FY 2018 Restated
Adjusted operating profit	451	3	454	980	6	986
Depreciation and amortization of other intangibles	95	-	95	220	-	220
Depreciation of right-to-use assets	-	34	34	-	68	68
Adjusted EBITDA	546	37	583	1,200	74	1,274
Capital expenditure	(88)	-	(88)	(214)	-	(214)
Repayments of lease liabilities	-	(38)	(38)	-	(74)	(74)
Autonomous movements in working capital	(10)	1	(9)	30	(1)	29
Adjusted operating cash flow	448	0	448	1,016	(1)	1,015
<i>Cash conversion ratio</i>	<i>99%</i>	<i>-</i>	<i>99%</i>	<i>104%</i>	<i>-1%</i>	<i>103%</i>
Paid financing costs	(84)	-	(84)	(96)	-	(96)
Paid corporate income tax	(124)	-	(124)	(206)	-	(206)
Net change in restructuring provision	(9)	-	(9)	(5)	-	(5)
Tax adjustments	26	-	26	34	-	34
Other, including share-based payments	6	-	6	19	1	20
Adjusted free cash flow	263	0	263	762	0	762

Divisional revenues and adjusted operating profit

(€ million, unless otherwise stated)	HY 2018 Reported	IFRS 16 Restatement	HY 2018 Restated	FY 2018 Reported	IFRS 16 Restatement	FY 2018 Restated
Health	512	0	512	1,110	(1)	1,109
Tax & Accounting	623	-	623	1,295	-	1,295
Governance, Risk & Compliance	470	-	470	975	-	975
Legal & Regulatory	415	0	415	880	0	880
Total revenues	2,020	0	2,020	4,260	(1)	4,259
Health	130	1	131	302	3	305
Tax & Accounting	156	1	157	328	1	329
Governance, Risk & Compliance	137	1	138	290	1	291
Legal & Regulatory	51	0	51	111	1	112
Corporate	(23)	0	(23)	(51)	0	(51)
Adjusted operating profit	451	3	454	980	6	986
Health	25.3%		25.6%	27.3%		27.5%
Tax & Accounting	25.1%		25.1%	25.3%		25.4%
Governance, Risk & Compliance	29.3%		29.3%	29.7%		29.8%
Legal & Regulatory	12.2%		12.4%	12.5%		12.7%
Adjusted operating profit margin	22.3%		22.5%	23.0%		23.1%

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Balance sheet

(€ million, unless otherwise stated)	HY 2018 Reported	IFRS 16 Restatement	HY 2018 Restated	FY 2018 Reported	IFRS 16 Restatement	FY 2018 Restated
Goodwill and intangible assets	5,639	-	5,639	5,785	-	5,785
Property, plant and equipment	88	(5)	83	94	(5)	89
Right-of-use assets	-	220	220	-	232	232
Deferred tax assets	95	1	96	106	1	107
Other non-current assets	72	2	74	70	2	72
Total non-current assets	5,894	218	6,112	6,055	230	6,285
Cash and cash equivalents	654	-	654	783	-	783
Trade and other receivables; other current assets	1,178	(6)	1,172	1,492	(4)	1,488
Deferred income	(1,483)	-	(1,483)	(1,592)	-	(1,592)
Borrowings, overdrafts	(581)	-	(581)	(748)	-	(748)
Short-term lease liabilities	-	(67)	(67)	-	(67)	(67)
Trade and other payables; other current liabilities	(788)	13	(775)	(1,007)	14	(993)
Working capital	(1,020)	(60)	(1,080)	(1,072)	(57)	(1,129)
Capital employed	4,874	158	5,032	4,983	173	5,156
Total equity	2,235	(12)	2,223	2,267	(12)	2,255
Long-term debt	2,043	-	2,043	2,061	-	2,061
Long-term lease liabilities	-	174	174	-	188	188
Deferred and other tax liabilities	444	(4)	440	509	(3)	506
Other non-current liabilities	152	-	152	146	-	146
Total Financing	4,874	158	5,032	4,983	173	5,156

Net debt

(€ million, unless otherwise stated)	HY 2018 Reported	IFRS 16 Restatement	HY 2018 Restated	FY 2018 Reported	IFRS 16 Restatement	FY 2018 Restated
Bonds and private placements	2,031	-	2,031	2,035	-	2,035
Other long term debt	12	174	186	26	188	214
Total long term debt	2,043	174	2,217	2,061	188	2,249
Borrowings and bank overdrafts	581	-	581	748	-	748
Lease commitments	-	67	67	-	67	67
Short-term derivative liabilities and deferred acq. payments	9	-	9	2	-	2
Short term debt	590	67	657	750	67	817
Total gross debt	2,633	241	2,874	2,811	255	3,066
Total asset part of der. fin. instr. and deferred div. receiv.	(22)	-	(22)	(34)	-	(34)
Total cash and cash equivalent	(654)	-	(654)	(783)	-	(783)
Net debt	1,957	241	2,198	1,994	255	2,249

Selected financial ratios

Key ratio	HY 2018 Reported	IFRS 16 Restatement	HY 2018 Restated	FY 2018 Reported	IFRS 16 Restatement	FY 2018 Restated
Organic growth	4%	-	4%	4%	-	4%
Adjusted operating profit (€ million)	451	↑	454	980	↑	986
Adjusted operating profit margin (% of revenues)	22.3%	↑	22.5%	23.0%	↑	23.1%
Benchmark tax rate	25.5%	-	25.5%	25.1%	-	25.1%
Adjusted EBITDA (€ million)	546	↑	583	1,200	↑	1,274
Adjusted EBITDA margin (% of revenues)	27.0%	↑	28.9%	28.2%	↑	29.9%
Adjusted net finance costs (€ million)	(49)	↓	(52)	(70)	↓	(77)
Net interest coverage	9.2	↓	8.6	14.0	↓	12.8
Capital expenditure (% of revenues)	4.4%	-	4.4%	5.0%	-	5.0%
Depreciation, amortization of intangibles (% of revenues)	4.7%	-	4.7%	5.2%	-	5.2%
Depreciation of right-to-use assets (% of revenues)	-	↑	1.7%	-	↑	1.6%
Cash conversion ratio	99%	-	99%	104%	↓	103%
Net debt (€ million)	1,957	↑	2,198	1,994	↑	2,249
Net-debt-to-EBITDA ratio ¹	1.7x	-	n/a	1.7x	↑	1.8x
Return on invested capital (ROIC)	n/a	-	n/a	10.9%	↓	10.6%

Notes:

¹ Net-debt-to-EBITDA is based on twelve-months rolling EBITDA. For HY 2018, there is no twelve-months rolling EBITDA available under IFRS 16 lease accounting.